



## MINUTES OF THE MEETING OF THE BOARD MEMBERS

August 26, 2025

Michael F. Gerber, Chair of the Federal Retirement Thrift Investment Board (by telephone), convened a meeting of the Board members on August 26, 2025, at 10:00 a.m., Eastern Daylight Time. The meeting was held at the Board's offices at 77 K Street, NE and was open to the public via teleconference. In attendance were Dana K. Bilyeu of Oregon, member (by telephone); Leona M. Bridges of California, member; Stacie Olivares of California, member (by telephone); Ravindra Deo, Executive Director; Dharmesh Vashee, General Counsel and Secretary; Gisile Goethe, Director, Office of Resource Management; Tanner Nohe, Acting Director, Office of Participant Experience; Sean McCaffrey, Chief Investment Officer; Thomas Brandt, Chief Risk Officer; Trevor Williams, Chief Financial Officer; James L. Kaplan, Director, Office of External Affairs; and Jason Boyd, Chief Information Officer.

### Welcome and Introductions.

Chair Gerber called to order the monthly meeting of the Federal Retirement Thrift Investment Board (FRTIB or Agency) at 10:00 a.m. and welcomed everyone present to the meeting.

#### 1. Approval of the Minutes of the July 22, 2025, Board Meeting.

Chair Gerber entertained a motion for approval of the minutes of the July 22, 2025 Board meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board meeting held on July 22, 2025 be approved.

Mr. Deo then gave opening remarks and provided a brief summary of the agenda.

#### 2. Monthly Reports.

##### a. Participant Activity Report

Mr. Nohe reviewed the monthly Participant Activity Report. See "Participant Activity Report August 2025" (attached). He reported that participant interactions reached a record high in July, surpassing nine million across My Account logins, Thrift Line calls, and other channels. He noted that participant satisfaction with these interactions set a record at over 94 percent, marking 24 consecutive months above 90 percent. Discussing engagement trends further, Mr. Nohe highlighted that use of the Thrift Savings Plan (TSP) mobile app continues to grow. Comparing the first

seven months of this year to the same period in 2024, mobile app logins have doubled, and one out of every three logins to My Account now occurs through the app.

b. Investment Performance Report

Mr. McCaffrey reviewed the investment performance report. See “July 2025 Investment Program Review” (attached). For the month of July, he reported that both BlackRock’s and State Street’s performance for the F, C, and S Funds aligned with respective benchmarks. BlackRock’s and State Street’s I Fund performance trailed the International Index by 82 basis points and 50 basis points respectively, primarily due to fair value pricing.

Mr. McCaffrey stated that investor sentiment for equities remained positive during July, resulting in gains for the C and S Funds. The I Fund declined, hampered primarily by a stronger U.S. dollar, and the F Fund fell as longer-term interest rates rose. All L Funds posted gains.

BlackRock’s year-to-date performance for the F Fund was ahead of the Fixed Income Index’s return by three basis points, primarily due to securities sampling. Its performance for the C and S Funds was in line with the Funds’ indices. BlackRock’s I Fund performance was behind the International Index by eight basis points, primarily due to fair value pricing.

State Street’s year-to-date performance for the F Fund was ahead of the Fixed Income Index’s return by four basis points, primarily due to interest earned on cash in the Fund. Its performance for the C Fund was in line with the Large Cap Index. For the S Fund, State Street was ahead of the Small Mid-Cap Index by seven basis points, primarily due to securities sampling and securities lending. State Street’s I Fund performance lagged the International Index by eight basis points, primarily due to fair value pricing.

Mr. McCaffrey provided a brief update on market performance for the month through August 25. All Funds were holding gains, with the C Fund gaining 1.68 percent, the S Fund rising 2.90 percent, the I Fund advancing 4.50 percent, the F Fund increasing 0.95 percent, and the G Fund up by 0.30 percent. Turning to L Funds, Mr. McCaffrey reported that the number of accounts holding assets in L Funds increased by approximately 18,000, primarily due to the automatic enrollment of new participants.

Interfund transfers for the month of July raised no concerns on a net dollar basis, with modest movement out of the G, S, and I Funds and into the C Fund and L Funds. Approximately 2.9 percent of accounts moved assets between Funds, above the long-run median of 2 percent, though nearly 97 percent of participants made no transfers during the month.

c. Legislative Report

Mr. Kaplan reported that the House of Representatives and Senate were in recess for most of August for their district work period and will return after Labor Day to continue work on appropriations bills. He noted that with the fiscal year ending September 30, Congress must pass appropriations or a continuing resolution to avoid a government shutdown.

Mr. Kaplan noted that during a pro forma session, Representative Jen Kiggans of Virginia introduced legislation to allow retired or disabled veterans to contribute a portion of their benefits to TSP accounts. He added that the House of Representatives is scheduled to consider the National Defense Authorization Act next month, and staff will continue reviewing this and other proposals related to the TSP that may be offered as amendments.

3. Quarterly Metrics Report.

Mr. Brandt provided an overview of the Agency's performance metrics for the third quarter of fiscal year (FY) 2025. See "FY25 Q3 Metrics Report" (attached). He reported that the Agency is on or above target for metrics in all areas. In response to a question from Member Bilyeu, Mr. Brandt confirmed that the Agency reviews its metrics and targets annually and updates them for the start of each fiscal year.

4. Internal Audit Update.

Ms. Barbara Holmes, Chief Audit Executive, provided an Internal Audit update. See "Internal Audit Update" (attached). She noted that four audit reports were included in the Board's materials: business continuity, zero trust architecture, interagency agreements, and the Federal Information Security Modernization Act (FISMA). Ms. Holmes reported that the integrated risk management tool audit is in its final stages and that work has begun on the mutual fund window operations audit. Planning is underway for the training and development audit and the Converge surveillance audit. She confirmed that the 2025 audit plan remains on track for completion.

Summarizing completed audits, Ms. Holmes stated that the Business Continuity audit tested FRTIB's continuity processes, including policies, procedures, and exercises for FRTIB and key vendors, with no Notices of Findings and Recommendations (NFRs) issued. The Zero Trust Architecture audit assessed FRTIB's implementation of zero trust in alignment with OMB guidance, with both FRTIB and the Converge team demonstrating maturity levels consistent with optimal and advanced stages. The Interagency Agreement audit reviewed active agreements as of May 2025, resulting in no NFRs. Ms. Holmes also reported that four prior year audit findings have been closed since the last update, with one additional finding in the process of closure.

5. FY 2025 FISMA Report.

Ms. Holmes introduced Alena Schutte, Manager; Edwen Delcid, Senior Manager; and Tony Wang, Partner, of Williams Adley to present the results of the FY 2025 FISMA audit. See “FY25 FISMA Audit Report” (attached). Mr. Delcid emphasized the critical role of the FISMA audit in safeguarding TSP participants’ assets and highlighted its importance in assessing the Agency’s ability to adapt to evolving cyber threats and regulatory requirements.

Ms. Schutte explained that the objective of the FY 2025 audit was to determine the effectiveness of FRTIB’s information security program for the period October 1, 2024, through June 30, 2025. The audit evaluated the design, implementation, and operating effectiveness of entity-wide and system-specific controls, with a particular focus on the Converge system. Assessors applied the Inspector General FISMA framework, which measures maturity across ten domains using a five-level scale, where level four is considered to be effective.

Ms. Schutte reported that FRTIB achieved a level five (optimized) maturity rating across all ten FISMA domains, based on the evaluation of 25 metrics. Williams Adley issued one recommendation. She highlighted that the results demonstrate FRTIB’s strategic integration of cybersecurity risk management and governance processes, ensuring accountability and continuous improvement.

In closing, Ms. Schutte stressed that FISMA requirements evolve annually, requiring ongoing adaptability to address emerging risks such as AI-driven threats. Mr. Delcid confirmed that the audit team received full cooperation from FRTIB staff and had no additional recommendations for improving audit execution.

6. Office of the Chief Financial Officer (OCFO) Annual Presentation.

Mr. Williams gave the annual OCFO report. See “Office of the Chief Financial Officer Annual Update” (attached). He provided an overview of OCFO’s structure and highlighted key FY 2025 accomplishments, including the development of a three-year budget approval cycle to improve planning and reduce delays, deployment of a centralized onboarding and offboarding system for employees and contractors, creation of an acquisition tracking tool to enhance procurement visibility, and transmission of over 104 billion dollars in investment trade orders.

He described the responsibilities of each of OCFO’s four divisions. The Acquisition Management Division leads procurement strategy, ensures compliance with federal acquisition regulations, and administers the government purchase card program. The External Audit Management Division coordinates external audits, ensures timely remediation of findings, and promotes transparency and accountability. The Budget and

Agreements Division manages agency budget planning and execution and oversees interagency agreements. The Financial Management Division handles accounting operations, financial reporting, and integrated financial systems, ensuring accurate and timely payments and verification of investment data for daily share price calculations.

7. Adjourn.

On a vote taken by the Chair, the members closed the meeting at 10:32 a.m. to enter into executive session.

At 1:04 p.m., upon completion of the executive session, the members reconvened the open portion of the meeting.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection and Chair Gerber adjourned the meeting at 1:04 p.m.

MOTION: That this meeting be adjourned.

---

Dharmesh Vashee  
General Counsel and Secretary

Attachments

1. Participant Activity Report August 2025
2. July 2025 Investment Program Review
3. FY25 Q3 Metrics Report
4. Internal Audit Update
5. FY25 FISMA Audit Report
6. Office of the Chief Financial Officer Annual Update