

MINUTES OF THE MEETING OF THE BOARD MEMBERS

June 24, 2025

Michael F. Gerber, Chair of the Federal Retirement Thrift Investment Board, convened a meeting of the Board members on June 24, 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; Suzanne Tosini, Chief Operating Officer and Deputy Executive Director; Gisile Goethe, Director, Office of Resource Management; James Courtney, Director, Office of Participant Experience; Sean McCaffrey, Chief Investment Officer; Thomas Brandt, Chief Risk Officer; Trevor Williams, Chief Financial Officer; James 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 in attendance to the meeting.

1. Approval of the Minutes of the May 29, 2025, Board Meeting minutes.

Chair Gerber entertained a motion for approval of the minutes of the May 29, 2025, Board meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board meeting held on May 29, 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. Courtney reviewed the monthly Participant Activity Report. See "Participant Activity Report June 2025" (attached). He shared that on Friday, June 27, the assets in the L 2025 Fund will be valued one last time before being transferred to the L Income Fund. On June 30, the L 2075 Fund, designed for participants born after 2009, will open.

Mr. Courtney next stated that last month the percentage of active duty

Blended Retirement System participants contributing at least five percent of salary reached a new high of nearly 90 percent. The percentage of FERS participants contributing at the full match level has returned to its high of 88.5 percent.

Finally, Mr. Courtney provided an update on the new proactive outreach process for returned payments he first discussed during his OPE annual report in May. The TSP (Thrift Savings Plan) issues more than 400,000 participant payments every month and about 0.5 percent are returned. As a result of contacting participants whose payments are returned, the average time from returned payment to reissued payment has been reduced by nearly half – from 22 days to 12 days, improving outcomes for participants.

b. Investment Report

Mr. McCaffrey reviewed fund performance for the month of May. See “May 2025 Investment Program Review” (attached). Both BlackRock’s and State Street’s performance for the F, C, S, and I Funds were in line with the Funds’ respective indices.

Mr. McCaffrey next provided market commentary for the month of May. Developments related to international trade and government spending significantly impacted stock and bond markets. The Federal Reserve decided to maintain its current target for short term interest rates. The C, S, and I Funds posted strong gains. The F Fund fell as longer term interest rates rose. All L Funds finished higher.

Regarding year-to-date performance, BlackRock’s performance for the F, C and S Funds was in line with indices. It’s I Fund performance was ahead of the International Index by 60 basis points, primarily due to fair value pricing. State Street’s performance year-to-date for the F and C Funds was in line with indices. S Fund performance was ahead of the Small Mid-Cap Index by four basis points, primarily due to securities sampling and securities lending. I Fund performance was ahead of the International Index by 42 basis points, primarily due to tax advantage.

Mr. McCaffrey reported that, as of the close of markets on June 23rd, June’s month-to-date returns had the C Fund ahead 2.02 percent; the S Fund is up 2.69 percent; the I Fund is up 0.47 percent; the F Fund is up 0.73 percent; and the G Fund is ahead 0.28 percent.

Finally, Mr. McCaffrey indicated that the L Funds investment climbed by almost 9,000 accounts in May and that the L Funds for the first time in our reporting represent over 25 percent of participant allocations. Also for the first time, the I Fund has climbed above 100 billion dollars. Last, about 2.33 percent of accounts moved money between funds in May, just marginally above the long-term median of two percent.

c. Legislative Report

Mr. Kaplan provided the legislative update. The House of Representatives and Senate are in session this week and are tentatively scheduled to be out next week for the July 4th holiday. However, the recess may be delayed if Congressional leaders believe they can pass a final reconciliation bill, which is expected to include an increase in the debt ceiling. There are no provisions to this bill to directly impact the FRTIB or TSP.

Mr. Kaplan added that House Democrats will choose a new Ranking Member for the Committee on Oversight and Government Reform. The Democratic Steering Committee recommended Representative Robert Garcia of California. The full Democratic Caucus will now vote on the matter.

3. Quarterly Vendor Risk Management Report.

Mr. Brandt provided an overview of the Agency's vendor risk assessment for the 1st quarter of Calendar Year (CY) 2025. See "Quarterly Vendor Risk Assessment – 1st Quarter CY 2025" (attached). Mr. Brandt stated that having analyzed various sources of data and evaluated metrics to assess solvency, liquidity, and profitability for five critical vendors, all vendors are able to fulfill their contractual obligations to the Agency. The Quarterly Vendor Risk Assessment memorandum to the Board members and the Executive Director provides more detail on the results of the analysis for the 1st quarter of CY 2025. In response to a question from Chair Gerber, Mr. Brandt confirmed that vendors provide the transparency needed for his team to conduct this assessment and added that the vendor reporting is one of a variety of mechanisms they use to gather this information.

4. Enterprise Risk Management Update.

Mr. Brandt provided an overview of the Agency's Enterprise Risk Management activities. See "Enterprise Risk Management Update". The Agency follows a five-phase cycle for Enterprise Risk Management. The Agency has completed the first three phases and is now moving into phases four and five, which include risk monitoring and risk reporting.

Mr. Brandt next indicated that the Agency has identified its 12 most significant risks through the annual enterprise risk assessment process. For those risks that are determined to be medium high or higher, the Office of Planning and Risk (OPR) works with the business owners to develop risk treatment plans. The Agency has risk treatment plans in place for artificial intelligence risk and cybersecurity risk. Regarding artificial intelligence risk, Mr. Brandt expects that after completing a variety of planned actions, the future risk score should drop to medium. For cybersecurity risk, although the Agency has introduced a whole suite of activities designed to enhance its cybersecurity posture, the Agency still anticipates that the future risk scores are likely to continue at a medium high level because the threat landscape continues to evolve.

Finally, Mr. Brandt reported that OPR continues to sponsor periodic case studies for the FRTIB workforce and operationalize the integrated risk management tool that helps automate, simplify and streamline a number of processes. OPR is also formalizing an emerging risk process to stay attuned to risks that may be forthcoming.

5. Office of General Counsel FY25 Overview.

Mr. Vashee provided an overview of the Office of General Counsel (OGC) for FY25 that focused on the structure and function of the Agency's legal office. See "Office of General Counsel FY25 Overview" (attached). He noted that OGC is organized into four divisions consisting of about eight primary practice areas. In each of those areas, OGC serves as counsel to the Plan, the fiduciaries, and the Agency.

Mr. Vashee provided an overview of OGC's role in FRTIB litigation and then gave a high-level walkthrough of OGC's four divisions. The Agency Operations Division handles contracting, ethics, and employee relations matters. The Privacy Division works closely with internal stakeholders and contractors to ensure that the Agency and the Plan are adhering to Federal law and protecting personally identifiable information. The Privacy Division also houses the FRTIB's Freedom of Information Act program. The Plan Operations Division provides advice and counsel on all issues related to the TSP itself. This group also handles fiduciary questions, plan governance, and issues related to the intersection between the Federal Employees' Retirement System Act and the Employee Retirement Income Security Act. The Compliance Division manages the FRTIB's overall compliance program and provides advice on the applicability and impacts of a range of laws, regulations, and other authoritative guidance.

6. Adjourn.

On a vote taken by the Chair, the members closed the meeting at 10:22 a.m. for executive session.

At 12:47 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 12:47 p.m.

MOTION: That this meeting be adjourned.

Dharmesh Vashee
General Counsel and Secretary

Attachments

1. [Participant Activity Report June 2025](#)
2. [May 2025 Investment Program Review](#)
3. [Quarterly Vendor Risk Assessment – 1st Quarter CY 2025](#)
4. [Office of General Counsel FY25 Overview](#)