



**2011 Annual Report of the Thrift Savings Plan  
Required by §105 of the  
TSP Enhancement Act of 2009**

**June 29, 2012**

## Introduction

In compliance with §105 of the TSP Enhancement Act of 2009, Public Law 111-31, the Federal Retirement Thrift Investment Board (FRTIB) has prepared this annual report which outlines the status of the development and implementation of the mutual fund window in the Thrift Savings Plan (TSP) and provides participant statistics and diversity demographics of the investment manager of the assets in the Thrift Savings Fund.

## Mutual Fund Window

### Background

In 2009, the FRTIB initiated discussions with the FRTIB Board Members (Board) and the Employee Thrift Advisory Council (ETAC) about the addition of a self-directed mutual fund option to the TSP investment lineup. In the April 2009 meeting, the Board deadlocked on the decision to adopt a resolution in support of the mutual fund window by a vote of two to two. The fifth Board member was not in attendance. ETAC members were similarly divided in their support for the mutual fund window. While members appreciated “the political release valve for the political pressures from groups that want to add funds to the Thrift Savings Plan”<sup>1</sup> that a mutual fund window offers, they expressed nervousness regarding the risks that participants may potentially take with their TSP retirement assets. Additionally, ETAC desired that “a lot of effort be given to put a premium on transparency.”<sup>2</sup> Because the low cost of the TSP cannot be matched in the mutual fund industry, any mutual funds wanting to participate in the window must “be required to reveal in explicit and understandable details the costs involved.”<sup>3</sup>

Because of the divided support of the Board and ETAC and the Agency’s commitment to add a Roth feature, the Agency has not pursued the implementation of the mutual fund window. However, with the implementation of Roth in May 2012, the Agency will refocus its investigation into the feasibility of a mutual fund window. While constrained resources related to the Roth implementation prevented this investigation from happening in earnest, Agency staff continues to monitor the availability and usage of the mutual fund window as well best practices in the defined contribution industry. They have also conducted preliminary research into how other plans administer mutual fund windows. Lastly, the Agency will use the Roth implementation as a guidepost for identifying the challenges for adding a complex feature to the Plan, understanding the associated communication challenges, and gaining insight into participant usage.

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<sup>1</sup> “Employee Thrift Advisory Council Meeting Minutes,” *Federal Retirement Thrift Investment Board* (February 4, 2009) pg. 40.

<sup>2</sup> “Employee Thrift Advisory Council Meeting Minutes,” *Federal Retirement Thrift Investment Board* (February 4, 2009) pg. 41.

<sup>3</sup> “Employee Thrift Advisory Council Meeting Minutes,” *Federal Retirement Thrift Investment Board* (February 4, 2009) pg. 42.

## What is a Mutual Fund Window?

During the past decade, many private sector 401(k) plans have added self-directed investment alternatives to their plans. These options have been in the form of either a full-service brokerage window or a scaled-down version generally referred to as a mutual fund window. The brokerage window typically allows participants to select investments from a list of publicly-traded securities and mutual funds. The mutual fund window limits access to a broad range of mutual funds. Historically, these self-directed accounts have been most appealing to highly compensated participants and/or a few vocal participants who demand access to a much wider range of investment choices than are in the plan's core investment options.

Typically, plans offering mutual fund windows will charge any participant accessing this option a monthly or quarterly fee. This fee is designed to cover the cost of setting-up/administering the feature and is assessed against the account balances of only those participants utilizing the mutual fund window. In addition to this set-up/maintenance fee, the participant will bear the trading costs and other charges assessed by the mutual fund window provider.

## Best Practices

As the defined contribution industry continues to evolve, plans are moving away from investment menus that have a large line-up of funds, some with duplicative asset class offerings. Plans are now pursuing a three-tiered approach, which recognizes the different levels of participant interest and ability in managing investments. With this approach, "the plan identifies the participant profiles they are trying to serve in each tier of the investment menu. There are three typical profiles: Do It For Me, Do It With Me and I'll Do It Myself. This 'choice architecture' allows a participant to easily identify with a profile and pick from a respective tier."<sup>4</sup> The TSP satisfies the "Do It For Me" profile with the professionally determined investment mixes in the Lifecycle Fund options. The "Do It With Me" participants can use the five core investment options to pursue their investment strategy. By offering a limited set of options, the TSP "aids participants' allocation and decision-making."<sup>5</sup> Currently, the "I'll Do It Myself" participants are stymied by the absence of a mutual fund window in the TSP. Although the industry identifies these three tiers of participants, it also recognizes that a very small minority of participants will fall into the third tier – I'll Do It Myself – as evidenced by the usage rates of mutual fund and brokerage windows.

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<sup>4</sup> "Seven Attributes of an Excellent Defined Contribution Plan," Russell Investments (February 2012) pg.2.

<sup>5</sup> "Seven Attributes of an Excellent Defined Contribution Plan," Russell Investments (February 2012) pg.2.

## Availability and Usage

As noted in the table of defined contribution surveys below, providing access to brokerage or mutual fund windows in private sector 401(k) plans is becoming more common. However, these options are only utilized by a very small percentage of participants. While the mutual fund window provides considerable investment flexibility to defined contribution plan participants, the percentage of participants actually utilizing this feature is quite small, with participant usage rates being mostly static.

National Defined Contribution Surveys	2007	2008	2009	2010	2011
<b>Deloitte 401(k) Benchmarking Survey</b> (436 plans surveyed in 2008; 449 in 2010; 430 in 2011)					
▪ Plans offering self-directed mutual fund window	n/a	n/a	9%	13%	11%
<b>PSCA Annual Survey</b> (1011 plans surveyed in 2007; 908 in 2008; 931 in 2009; 820 plans in 2011)					
▪ Plans offering self-directed mutual fund window	5.3%	8.3%	1.0%	6.1%	n/a
▪ Plans offering self-directed brokerage window	15.6%	15.5%	18.5%	20.8%	n/a
▪ % of total year-end fund balance is invested in self-directed mutual fund window	0.5%	1.9%	0.2%	1.7%	n/a
▪ % of total year-end fund balance is invested in self-directed brokerage window	0.6%	0.6%	0.9%	0.9%	n/a
▪ Average allocation in self-directed mutual fund window	0.9%	1.5%	0.2%	0.8%	n/a
▪ Average allocation in self-directed brokerage window	2.0%	2.2%	1.8%	2.6%	n/a
<b>Aon Hewitt Trends and Experience in 401(k) Plans</b> (302 plans surveyed in 2007; 285 in 2009; 546 in 2011)					
▪ Plans offering self-directed brokerage window	18%	n/a	26%	n/a	29%
▪ % of assets invested in self-directed brokerage window	3%	n/a	3%	n/a	n/a
<b>Vanguard How America Saves</b> (2,200 plans surveyed in 2008; 2,200 in 2009, 2,200 in 2010, >2,000 in 2011)					
▪ Plans offering self-directed brokerage window	n/a	11%	9%	10%	11%
▪ % of participants using self-directed brokerage window	n/a	1%	1%	1%	1%
<b>PlanSponsor DC Survey</b> (5,973 plans surveyed in 2008; 5,929 plans in 2010; 6,885 in 2011)					
▪ Plans offering self-directed brokerage window	n/a	15.2%	n/a	14.2%	17.9%

## Administration

Adding a mutual fund window will allow participants greater investment flexibility and therefore diversification opportunities. However, the addition of this option increases the complexity of the Plan. The Agency is just beginning to investigate the administrative aspects of the option, such as minimum balances, transfer restrictions, and participant disclosure; and it has surveyed some other plans on how their option is administered. (See Appendix A.) This plan information will help identify the technical barriers and communication challenges that accompany the introduction of a mutual fund window.

## Current Status

As stated in the beginning of the report, Agency resources have been constrained by the Roth implementation, and limited progress has been made on this topic. In the coming year, the Agency will further investigate this option and will present its findings to the members of ETAC and the Board for their respective consideration and decision.

**Participant Statistics**  
As of December 31, 2011

**Total Participants**

Employment Status And Retirement Status	Participant Count (000's)
Active FERS	2,453
Active CSRS	228
Active Uniformed Services	894
Separated Participants	964
<b>All Participants</b>	<b>4,539</b>

**Account Balance, Annual Contribution, and Participant Age\***

Employment Status and Retirement Status	Average Balance	Average Contribution	Average Age
Active FERS	\$82,461	\$5,306	45.6
Active CSRS	\$85,607	\$6,620	57.3
Active Uniformed Services	\$12,582	\$2,197	31.2
Separated Participants	\$57,311	n/a	50.8
<b>All Participants</b>	<b>\$63,398</b>	<b>\$3,755</b>	<b>44.5</b>

\*See Appendix B for additional details on participant account balances and contributions.

**Asset Allocation**

Participant*	G Fund	F Fund	C Fund	S Fund	I Fund	L Funds
FERS	44%	7%	23%	8%	5%	13%
CSRS	52%	7%	23%	6%	3%	9%
Uniformed Services	41%	5%	14%	12%	9%	19%
<b>All Participants</b>	<b>45%</b>	<b>7%</b>	<b>23%</b>	<b>7%</b>	<b>5%</b>	<b>13%</b>

\*Includes active and separated participants.

**TSP Participant Behavior and Demographics Report**

The Participant Behavior and Demographics Report will be issued in fall 2012. This report is an analysis of data extracted from the TSP and enhanced with additional information gathered from the Office of Personnel Management and will provide insight into plan demographics, participant investment behavior, and benefits usage. This report will be submitted as an addendum to this Annual Report

**Investment Manager Diversity Demographics**

The attached report (Appendix C) from TSP investment manager, BlackRock, provides a breakdown of its employee diversity.

## Appendix A

MUTUAL FUND WINDOW (MFW) ADMINISTRATION AT OTHER DEFINED CONTRIBUTION PLANS						
Plan Name (MFW Platform)	CalSTRS Voluntary Investment Program (State Street Global Markets)	Chevron Profit Sharing /Savings Plan (State Street Brokerage Services)	IBM Savings Plan (Info n/a)	Invesco 401(k), Money Purchase, and ESOP Plans (State Street Brokerage)	Montgomery County, MD Deferred Comp Plan (State Street Global Markets)	New York Deferred Comp Plan (Schwab)
Minimum balance that must be retained in primary funds	\$500	\$1,000	\$1,000	None	Info n/a	\$10,000
Minimum and maximum amounts that can be transferred to MFW	Minimum initial transfer \$1,000. subsequent transfers \$250	None	Minimum initial transfer \$5000. subsequent transfers \$1,000	Info n/a	Most mutual funds have \$250 minimum	Minimum initial transfer \$2,500. Subsequent transfers \$500. Transfers must not cause the MFW balance to exceed core account balance.
Direct payroll contributions	No	No	No	No	Info n/a	No
Limits on number of transfers to MFW	No	Once every 30 days (no limit on transfers to core funds)	Info n/a	Info n/a	Info n/a	No
Processing time for transfers between MFW and primary funds	If transfer <b>to MFW</b> before 4:00 pm, funds generally available next day. If transfer <b>to primary funds</b> before 4:00 pm, funds available after trade settlement period, generally three days.	Info n/a	Info n/a	Info n/a	Usually three days (settlement period) for transfers back to core funds.	If transfer <b>to MFW</b> before 4:00 pm, funds generally available next day. If transfer <b>to primary funds</b> before 4:00 pm, funds available after trade settlement period, generally three days.

Plan Name (MFW Platform)	CalSTRS Voluntary Investment Program (State Street Global Markets)	Chevron Profit Sharing /Savings Plan (State Street Brokerage Services)	IBM Savings Plan (Info n/a)	Invesco 401(k), Money Purchase, and ESOP Plans (State Street Brokerage)	Montgomery County, MD Deferred Comp Plan (State Street Global Markets)	New York Deferred Comp Plan (Schwab)
Loans permitted from MFW or primary funds only	Primary funds only	Primary funds only	Primary funds only	Info n/a	Primary funds only	Primary funds only
Withdrawals permitted from MFW or primary funds only	Primary funds only	Primary funds only	Primary funds only	Info n/a	Primary funds only	Primary funds only. If receiving periodic payments, must maintain balance in core account to cover total of one year's periodic payments. Plan will not notify participant to transfer funds. If not done, Plan will automatically liquidate assets in MFW.
Participant Disclosure Agreement/Acknowledgement of Risk	Info n/a	Info n/a	Info n/a	Info n/a	Brokerage Account Pre-Dispute Arbitration Agreement	Info n/a
Fees	\$50 annual fee that is deducted proportionately from core funds on monthly basis. Transfer out fee of \$50. See prospectus for other mutual fund fees. However, \$34 service for no-load mutual funds.	Monthly maintenance fee of \$4.17. \$34 transaction fee. See prospectus for other mutual fund fees.	\$25 per quarter. See prospectus for other mutual fund fees.	Info n/a	Info n/a	One-time \$15 set-up fee. \$15 annual fee. See prospectus for other mutual fund fees. Schwab also charges transaction fee for redemptions within 90 days of purchase.



<b>Plan Name</b> (MFW Platform)	<b>CalSTRS Voluntary Investment Program</b> (State Street Global Markets)	<b>Chevron Profit Sharing /Savings Plan</b> (State Street Brokerage Services)	<b>IBM Savings Plan</b> (Info n/a)	<b>Invesco 401(k), Money Purchase, and ESOP Plans</b> (State Street Brokerage)	<b>Montgomery County, MD Deferred Comp Plan</b> (State Street Global Markets)	<b>New York Deferred Comp Plan</b> (Schwab)
Statements/Confirmations	Quarterly brokerage stmts. Monthly statement if activity	Market value and rates of return of MFW on quarterly Chevron statement	Info n/a	Quarterly brokerage stmts. Monthly statement if activity. Also, total MFW balance is line item on participant statement and available on telephone information line and web site.	Quarterly brokerage stmts. Monthly statement if activity. Written confirmation of transactions	Quarterly brokerage stmts. Monthly statement if activity. Written confirmation of transactions. Quarterly Plan statements display total of MFW balance
Other facts			If insufficient balance in core funds for loan or withdrawal, the plan will effect a pro-rata transfer of funds from the MFW. The amount transferred will 1.05 times the needed amount to account for investment fluctuation plus \$1,000 to restore the minimum balance			Investment assistance through Schwab with customized analysis based on specific time horizon and tolerance for risk.

## Appendix B

<b>Active FERS Participants</b> <b>Account Balance by Age and Tenure*</b> As of December 31, 2011							
	Under 30	30 - 39	40 - 49	50 - 59	60 - 69	70+	All
<b><u>0 - 2 years</u></b>							
Average	\$3,946	\$7,083	\$9,556	\$12,901	\$14,233	\$16,163	<b>\$7,956</b>
25th Percentile	\$899	\$1,410	\$1,543	\$1,640	\$1,568	\$741	<b>\$1,293</b>
Median	\$2,491	\$3,691	\$3,994	\$4,537	\$4,839	\$2,560	<b>\$3,491</b>
75th Percentile	\$5,478	\$7,881	\$9,066	\$11,302	\$12,917	\$9,055	<b>\$7,704</b>
Participant Count	79,872	81,545	70,183	43,280	9,749	463	<b>285,092</b>
<b><u>2 - 5 years</u></b>							
Average	\$12,357	\$17,656	\$20,937	\$27,139	\$28,732	\$24,401	<b>\$19,452</b>
25th Percentile	\$3,546	\$4,685	\$4,159	\$4,763	\$3,691	\$1,324	<b>\$4,247</b>
Median	\$9,960	\$12,475	\$12,630	\$14,653	\$14,201	\$7,617	<b>\$12,124</b>
75th Percentile	\$17,204	\$23,289	\$26,174	\$33,163	\$35,154	\$29,533	<b>\$23,722</b>
Participant Count	98,664	141,607	114,060	77,061	20,179	1,043	<b>452,614</b>
<b><u>5 -10 years</u></b>							
Average	\$25,794	\$42,749	\$47,750	\$57,766	\$65,685	\$64,622	<b>\$48,114</b>
25th Percentile	\$8,577	\$14,449	\$13,835	\$16,144	\$14,046	\$4,998	<b>\$13,879</b>
Median	\$20,929	\$32,774	\$32,911	\$38,673	\$40,086	\$27,671	<b>\$33,168</b>
75th Percentile	\$36,835	\$59,851	\$65,347	\$79,027	\$91,334	\$85,300	<b>\$64,641</b>
Participant Count	37,320	175,123	155,021	121,002	35,625	2,131	<b>526,222</b>
<b><u>10 - 20 years</u></b>							
Average	\$31,714	\$73,497	\$97,088	\$105,312	\$115,844	\$123,879	<b>\$97,839</b>
25th Percentile	\$10,689	\$26,386	\$34,439	\$39,971	\$37,841	\$22,866	<b>\$34,332</b>
Median	\$25,247	\$59,006	\$76,099	\$83,976	\$91,577	\$73,174	<b>\$76,647</b>
75th Percentile	\$45,183	\$105,110	\$137,600	\$144,063	\$162,617	\$179,561	<b>\$136,480</b>
Participant Count	1,251	102,946	252,116	200,020	65,263	4,153	<b>625,749</b>
<b><u>20 years +</u></b>							
Average	\$0	\$80,227	\$172,763	\$192,851	\$191,215	\$211,539	<b>\$185,741</b>
25th Percentile	\$0	\$29,808	\$70,006	\$85,197	\$70,295	\$60,759	<b>\$77,126</b>
Median	\$0	\$62,987	\$145,466	\$161,909	\$154,278	\$159,411	<b>\$155,119</b>
75th Percentile	\$0	\$116,114	\$250,640	\$267,243	\$265,909	\$307,838	<b>\$261,088</b>
Participant Count	0	2,366	183,324	289,579	82,904	5,236	<b>563,409</b>
<b><u>All</u></b>							
Average	<b>\$11,681</b>	<b>\$36,381</b>	<b>\$85,984</b>	<b>\$118,412</b>	<b>\$123,863</b>	<b>\$137,633</b>	<b>\$82,461</b>
25th Percentile	<b>\$1,900</b>	<b>\$6,390</b>	<b>\$14,692</b>	<b>\$25,470</b>	<b>\$22,513</b>	<b>\$14,637</b>	<b>\$10,667</b>
Median	<b>\$6,530</b>	<b>\$20,117</b>	<b>\$48,720</b>	<b>\$79,000</b>	<b>\$81,702</b>	<b>\$75,494</b>	<b>\$40,144</b>
75th Percentile	<b>\$15,545</b>	<b>\$49,796</b>	<b>\$123,002</b>	<b>\$170,200</b>	<b>\$178,069</b>	<b>\$199,930</b>	<b>\$114,754</b>
Participant Count	<b>217,107</b>	<b>503,587</b>	<b>774,704</b>	<b>730,942</b>	<b>213,720</b>	<b>13,026</b>	<b>2,453,086</b>

\* Tenure is calculated using the TSP Service Computation Date (TSP-SCD), which is reported by the agencies and is used to determine the vesting of Agency Automatic (1%) Contributions. For the purposes of this report, the TSP-SCD is being used as an approximate for the date of hire. However, for some participants, the TSP-SCD is not the same as the date of hire due to breaks-in-service and credited service.

**Active FERS Participants \***  
**Employee Contributions by Age and Tenure\*\***  
 Contribution Year: 2011

	Under 30	30 - 39	40 - 49	50 - 59***	60 - 69***	70+***	All
<b><u>0 - 2 years</u></b>							
Average	\$1,532	\$2,337	\$2,708	\$3,605	\$4,147	\$3,487	<b>\$2,459</b>
25th Percentile	\$356	\$531	\$586	\$625	\$567	\$97	<b>\$490</b>
Median	\$1,022	\$1,442	\$1,553	\$1,761	\$1,843	\$1,074	<b>\$1,377</b>
75th Percentile	\$2,154	\$2,901	\$3,269	\$4,114	\$4,790	\$3,808	<b>\$2,872</b>
Participant Count	79,872	81,545	70,183	43,280	9,749	463	<b>285,092</b>
Agency 1% Only Count****	6,073	6,024	5,708	3,470	945	80	<b>22,300</b>
Agency 1% Only Percent****	7.6%	7.4%	8.1%	8.0%	9.7%	17.3%	<b>7.8%</b>
<b><u>2 - 5 years</u></b>							
Average	\$2,813	\$3,477	\$3,824	\$5,021	\$5,439	\$4,932	<b>\$3,773</b>
25th Percentile	\$650	\$795	\$650	\$873	\$650	\$0	<b>\$715</b>
Median	\$2,330	\$2,569	\$2,516	\$2,791	\$2,775	\$1,685	<b>\$2,548</b>
75th Percentile	\$3,688	\$4,498	\$4,929	\$6,500	\$7,319	\$7,096	<b>\$4,706</b>
Participant Count	98,664	141,607	114,060	77,061	20,179	1,043	<b>452,614</b>
Agency 1% Only Count****	15,079	21,877	21,667	13,986	4,046	344	<b>76,999</b>
Agency 1% Only Percent****	15.3%	15.4%	19.0%	18.1%	20.1%	33.0%	<b>17.0%</b>
<b><u>5 -10 years</u></b>							
Average	\$3,507	\$4,709	\$4,846	\$6,060	\$6,914	\$6,235	<b>\$5,130</b>
25th Percentile	\$990	\$1,470	\$1,300	\$1,702	\$1,752	\$207	<b>\$1,412</b>
Median	\$2,656	\$3,468	\$3,259	\$3,900	\$4,313	\$3,114	<b>\$3,455</b>
75th Percentile	\$4,624	\$6,338	\$6,731	\$8,546	\$10,644	\$10,053	<b>\$7,020</b>
Participant Count	37,320	175,123	155,021	121,002	35,625	2,131	<b>526,222</b>
Agency 1% Only Count****	4,369	18,104	20,053	15,464	4,659	465	<b>63,114</b>
Agency 1% Only Percent****	11.7%	10.3%	12.9%	12.8%	13.1%	21.8%	<b>12.0%</b>
<b><u>10 - 20 years</u></b>							
Average	\$3,163	\$5,117	\$5,691	\$6,457	\$7,578	\$7,608	<b>\$6,046</b>
25th Percentile	\$732	\$1,406	\$1,676	\$2,200	\$2,600	\$1,337	<b>\$1,912</b>
Median	\$2,578	\$2,977	\$4,096	\$4,740	\$5,550	\$5,200	<b>\$4,359</b>
75th Percentile	\$4,421	\$7,346	\$8,369	\$9,085	\$11,469	\$13,164	<b>\$8,685</b>
Participant Count	1,251	102,946	252,116	200,020	65,263	4,153	<b>625,749</b>
Agency 1% Only Count****	162	12,016	29,373	21,493	6,389	550	<b>69,983</b>
Agency 1% Only Percent****	12.9%	11.7%	11.7%	10.7%	9.8%	13.2%	<b>11.2%</b>
<b><u>20 years +</u></b>							
Average	\$0	\$4,454	\$6,787	\$7,470	\$7,983	\$8,691	<b>\$7,321</b>
25th Percentile	\$0	\$854	\$2,320	\$2,600	\$2,655	\$2,492	<b>\$2,600</b>
Median	\$0	\$3,169	\$5,319	\$5,579	\$5,912	\$6,769	<b>\$5,560</b>
75th Percentile	\$0	\$6,392	\$11,157	\$11,536	\$12,481	\$15,085	<b>\$11,513</b>
Participant Count	0	2,366	183,324	289,579	82,904	5,236	<b>563,409</b>
Agency 1% Only Count****	0	338	18,742	25,880	7,124	500	<b>52,584</b>
Agency 1% Only Percent****	0.0%	14.3%	10.2%	8.9%	8.6%	9.5%	<b>9.3%</b>

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**Active FERS Participants \***  
**Employee Contributions by Age and Tenure\*\***  
 Contribution Year: 2011

Continued from Previous Page

<u>All</u>	Under 30	30 - 39	40 - 49	50 - 59***	60 - 69***	70+***	All
<b>Average</b>	\$2,463	\$4,061	\$5,236	\$6,472	\$7,266	\$7,457	<b>\$5,306</b>
<b>25th Percentile</b>	\$495	\$966	\$1,300	\$1,843	\$2,086	\$1,105	<b>\$1,288</b>
<b>Median</b>	\$1,811	\$2,782	\$3,471	\$4,439	\$5,200	\$5,165	<b>\$3,340</b>
<b>75th Percentile</b>	\$3,294	\$5,363	\$7,722	\$9,406	\$11,157	\$13,000	<b>\$7,529</b>
<b>Participant Count</b>	217,107	503,587	774,704	730,942	213,720	13,026	<b>2,453,086</b>
<b>Agency 1% Only Count****</b>	25,683	58,359	95,543	80,293	23,163	1,939	<b>284,980</b>
<b>Agency 1% Only Percent****</b>	11.8%	11.6%	12.3%	11.0%	10.8%	14.9%	<b>11.6%</b>

\* Includes only participants who had an account balance greater than zero as of December 31, 2011.

\*\* Tenure is calculated using the TSP Service Computation Date (TSP-SCD), which is reported by the agencies and is used to determine the vesting of Agency Automatic (1%) Contributions. For the purposes of this report, the TSP-SCD is being used as an approximate for the date of hire. However, for some participants, the TSP-SCD is not the same as the date of hire due to breaks-in-service and credited service.

\*\*\*For participants age 50 and over, the contribution amount includes regular employee contributions and catch-up contributions.

\*\*\*\* FERS participants who did not make employee contributions and only received Agency Automatic (1%) Contributions.

**Active CSRS Participants\***  
**Account Balance by Age\*\***  
As of December 31, 2011

	<b>Under 30</b>	<b>30 - 39</b>	<b>40 - 49</b>	<b>50 - 59</b>	<b>60 - 69</b>	<b>70+</b>	<b>All</b>
<b>Average</b>	n/a	n/a	\$59,830	\$81,678	\$95,915	\$122,992	<b>\$85,607</b>
<b>25th Percentile</b>	n/a	n/a	\$13,922	\$23,759	\$23,455	\$30,992	<b>\$23,221</b>
<b>Median</b>	n/a	n/a	\$45,140	\$61,699	\$67,883	\$87,526	<b>\$62,799</b>
<b>75th Percentile</b>	n/a	n/a	\$89,180	\$119,295	\$143,206	\$189,278	<b>\$124,478</b>
<b>Participant Count</b>	0	0	9,241	150,330	62,966	5,071	<b>227,731</b>

**Active CSRS Participants \***  
**Employee Contributions by Age\*\***  
Contribution Year: 2011

	<b>Under 30</b>	<b>30 - 39</b>	<b>40 - 49</b>	<b>50 - 59***</b>	<b>60 - 69***</b>	<b>70+***</b>	<b>All</b>
<b>Average</b>	n/a	n/a	\$4,946	\$6,400	\$7,284	\$8,117	<b>\$6,620</b>
<b>25th Percentile</b>	n/a	n/a	\$859	\$1,300	\$1,354	\$2,028	<b>\$1,300</b>
<b>Median</b>	n/a	n/a	\$3,348	\$4,237	\$4,906	\$5,606	<b>\$4,408</b>
<b>75th Percentile</b>	n/a	n/a	\$7,451	\$9,515	\$11,518	\$13,832	<b>\$10,010</b>
<b>Participant Count</b>	0	0	9,241	150,330	62,966	5,071	<b>227,731</b>
<b>Non-Contributors</b>	n/a	n/a	1,384	21,177	8,772	733	<b>32,066</b>
<b>Non-Contributors Percent</b>	n/a	n/a	15.0%	14.1%	13.9%	14.5%	<b>14.1%</b>

\* Includes only participants who had an account balance greater than zero as of December 31, 2011

\*\*Tenure cannot be calculated for CSRS participants. Because CSRS participants do not receive Agency Automatic (1%) Contributions, their agencies do not submit TSP Service Computation Dates (TSP-SCD) for them. The TSP-SCD is used to determine the vesting of Agency Automatic (1%) Contributions.

\*\*\*For participants age 50 and over, the contribution amount includes regular employee contributions and catch-up contributions.

**Active Uniformed Services Participants\***  
**Account Balance by Age**  
As of December 31, 2011

	<b>Under 30</b>	<b>30 - 39</b>	<b>40 - 49</b>	<b>50 - 59</b>	<b>60 - 69</b>	<b>70+</b>	<b>All</b>
<b>Average</b>	\$3,752	\$15,148	\$30,078	\$39,619	\$70,581	\$55,672	\$12,582
<b>25th Percentile</b>	\$529	\$2,263	\$4,854	\$6,886	\$11,104	\$568	\$967
<b>Median</b>	\$1,637	\$7,903	\$16,340	\$19,851	\$43,952	\$1,600	\$3,706
<b>75th Percentile</b>	\$4,392	\$19,937	\$40,016	\$53,248	\$112,765	\$116,507	\$13,058
<b>Participant Count</b>	453,097	270,663	140,770	28,703	1,156	10	894,399

**Active Uniformed Services Participants \***  
**Employee Contributions by Age\*\***  
Contribution Year: 2011

	<b>Under 30</b>	<b>30 - 39</b>	<b>40 - 49</b>	<b>50 - 59***</b>	<b>60 - 69***</b>	<b>70+***</b>	<b>All</b>
<b>Average</b>	\$1,159	\$2,614	\$4,040	\$5,391	\$8,476	\$7,254	<b>\$2,197</b>
<b>25th Percentile</b>	\$225	\$402	\$519	\$613	\$0	\$0	<b>\$272</b>
<b>Median</b>	\$659	\$1,445	\$2,065	\$2,321	\$5,443	\$95	<b>\$987</b>
<b>75th Percentile</b>	\$1,469	\$3,409	\$5,437	\$7,806	\$16,500	\$19,250	<b>\$2,491</b>
<b>Participant Count</b>	453,097	270,663	140,770	28,703	1,156	10	<b>894,399</b>
<b>Non-Contributors</b>	46,831	38,024	21,366	4,265	347	4	<b>110,837</b>
<b>Non-Contributors Percent</b>	10.3%	14.0%	15.2%	14.9%	30.0%	40.0%	<b>12.4%</b>

\* Includes only participants who had an account balance greater than zero as of December 31, 2011

\*\* Tenure cannot be calculated for uniformed services participants. Because uniformed services participants do not receive Agency Automatic (1%) Contributions, their services do not submit TSP Service Computation Dates (TSP-SCD) for them. The TSP-SCD is used to determine the vesting of Agency Automatic (1%) Contributions. The employee contribution is the total of tax-deferred and tax-exempt contributions.

\*\*\*For participants age 50 and over, the contribution amount includes regular employee contributions and catch-up contributions.

**Account Balance by Age\***  
**All Separated Participants**  
Sweep date: December 31, 2011

	<b>Under 30</b>	<b>30 - 39</b>	<b>40 - 49</b>	<b>50 - 59</b>	<b>60 - 69</b>	<b>70+</b>	<b>All</b>
<b>Average</b>	\$3,730	\$12,012	\$31,847	\$77,109	\$98,073	\$75,162	<b>\$57,311</b>
<b>25th Percentile</b>	\$730	\$1,177	\$2,816	\$10,148	\$29,455	\$22,553	<b>\$3,567</b>
<b>Median</b>	\$1,788	\$4,261	\$13,070	\$42,129	\$70,276	\$48,828	<b>\$22,747</b>
<b>75th Percentile</b>	\$4,481	\$13,413	\$39,322	\$107,460	\$135,248	\$96,232	<b>\$78,316</b>
<b>Participant Count</b>	133,212	127,719	149,160	196,776	281,452	75,772	<b>964,091</b>

\* Includes only participants who had an account balance greater than zero as of December 31, 2011

Appendix C

co= CT46098  
u= CT46098

EQUAL EMPLOYMENT OPPORTUNITY  
2011 EMPLOYER INFORMATION REPORT  
CONSOLIDATED REPORT - TYPE 2

SECTION B - COMPANY IDENTIFICATION

1. BLACKROCK  
40 EAST 52ND STREET  
NEW YORK, NY 10022

2.a. BLACKROCK  
40 EAST 52ND STREET  
NEW YORK, NY 10022

SECTION C - TEST FOR FILING REQUIREMENT

1-Y 2-Y 3-Y DUNS NO.:

c. Y

SECTION E - ESTABLISHMENT INFORMATION

NAICS:

SECTION D - EMPLOYMENT DATA

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO											OVERALL TOTALS	
	MALE	FEMALE	***** MALE *****						***** FEMALE *****						
			WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE		TWO OR MORE RACES
EXECUTIVE/SR OFFICIALS & MGRS	4	1	433	4	0	40	0	0	89	1	0	15	0	0	587
FIRST/MID OFFICIALS & MGRS	28	14	627	12	0	101	0	2	221	6	0	48	1	2	1062
PROFESSIONALS	53	62	982	55	2	365	0	13	598	53	2	299	1	9	2494
TECHNICIANS	19	7	285	12	1	222	1	3	83	5	0	65	0	1	704
SALES WORKERS	15	11	293	7	0	28	1	3	137	5	1	41	0	3	545
ADMINISTRATIVE SUPPORT	9	33	63	9	0	13	1	1	207	40	1	39	1	6	423
CRAFT WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATIVES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LABORERS & HELPERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	128	128	2683	99	3	769	3	22	1335	110	4	507	3	21	5815
PREVIOUS REPORT TOTAL	113	111	2403	91	3	659	3	16	1237	106	3	451	2	16	5214

SECTION F - REMARKS

DATES OF PAYROLL PERIOD: 08/15/2011 THRU 08/31/2011

SECTION G - CERTIFICATION

CERTIFYING OFFICIAL: MOLLIE WONG  
EEO-1 REPORT CONTACT PERSON: MOLLIE WONG  
EMAIL: mollie.wong@blackrock.com

TITLE: VP - HR COMPLIANCE  
TITLE: VP - HR COMPLIANCE  
TELEPHONE NO: 415.670.7952

CERTIFIED DATE[EST]: 09/01/2011 06:47 PM