



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
77 K Street, NE Washington, DC 20002

MINUTES OF THE MEETING OF THE BOARD MEMBERS

June 24, 2013

Michael D. Kennedy, Chairman of the Federal Retirement Thrift Investment Board (Agency), convened a telephonic meeting of the Board members on June 24, 2013, at 10:00 a.m., Eastern Time. Parts of the meeting were open to the public at the Board's offices at 77 K Street, N.E. and parts were closed to the public. In attendance for were Dana K. Bilyeu of Nevada, member (by telephone); Ronald D. McCray of Texas, member (by telephone); David A. Jones of Connecticut, member (by telephone); Gregory T. Long, Executive Director; James B. Petrick, Secretary and General Counsel; Susan C. Crowder, Chief Financial Officer; Tracey A. Ray, Chief Investment Officer; Kimberly A. Weaver, Director, External Affairs; Renee C. Wilder, Director, Office of Enterprise Planning; Thomas K. Emswiler, Director, Office of Benefits (by telephone); Mark E. Walther, Chief Technology Officer; Jay Ahuja, Chief Risk Officer, Office of Enterprise Risk Management; Sophie T. Dmuchowski, Acting Director, Office of Communications and Education; Gisele Goethe, Acting Director, Office of Resource Management; Toni Bush-Neal, Executive Advisor to the Executive Director.

1. Approval of the minutes of the May 20, 2013 Board member meeting.

Chairman Kennedy entertained a motion for approval of the minutes of the May 20, 2013 Board member meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board member meeting that was held on May 20, 2013 be approved.

2. Thrift Savings Plan activity report by the Executive Director.

Mr. Long gave opening remarks, including a brief summary of the agenda for the meeting.

a. Monthly Participant Activity Report

Ms. Wilder reviewed the report on TSP statistics. See "Thrift Savings Fund Statistics" (attached). Ms. Wilder reported that assets under management exceeded \$358 billion in May. Participation rates continue to be 87 percent.

b. Monthly Investment Performance Report

Ms. Ray reviewed the fund performance memorandum, entitled "May 2013 Performance Review – G, F, C, S, I, and L Funds" (attached). The first page compares

BlackRock Funds' performance against their underlying indices both for the month of May and year-to-date. Ms. Ray pointed out that there was some tracking error in the International Fund as a result of fair valuation adjustments. Ms. Ray reported that so far in June, the F Fund is down 1.8 percent for the month, the C Fund is down 2.2 percent for the month, the S Fund is down 3 percent, and the I Fund is down 3.6 percent.

c. Legislative Report

Ms. Weaver reported Mr. William Jasien's nomination to the Board had been moved to the Executive Calendar to be voted on by the full Senate. Ms. Weaver also reported that on May 31 the Agency received notification that Treasury would begin to suspend investment of the G Fund. She also explained that the website had been updated to explain the suspension to Participants, and to explain that they would be made whole by law.

3. Office of Technology Services Presentation.

Mr. Walther gave a presentation on the Office of Technology Services (attached). The Office of Technology Services' mission statement is to make sure that the resources for the Agency and TSP are secure, cost-effective, and highly available. Mr. Walther reviewed the key drivers of his office, and explained that his office has four principal work units; IT business management, the information assurance division, the business applications division, and the infrastructure and operations division. Mr. Walther provided an update to the Board on his office's strategic objectives, achievements, and goals. Mr. McCray asked if there were any particular initiatives for data security, and in particular how we would respond if any participants or beneficiaries are concerned about the National Security Agency obtaining their information. Mr. Long explained that participant information is protected by the Privacy Act, and that he would oppose any request that was inconsistent with his duty to serve the participants and beneficiaries, and to date, no request had been made by the NSA.

4. Office of Financial Management Presentation.

Ms. Crowder gave a presentation on the Office of Financial Management (attached). The Office of Financial Management's mission statement is to provide leadership and support to the Board and its stakeholders in all financial matters. OFM is responsible for all related financial policies and procedures, fiscal and financial reporting including financial status, audit follow-up, contract awards, and contract management. Ms. Crowder updated the Board on the notable achievements, ongoing efforts, and new initiatives of the office.

5. Strategic Plan Report.

Ms. Wilder addressed some highlights of the Agency's Strategic Plan (attached). The Agency has experienced historical growth, and all indications point to continued growth in accounts and assets. Ms. Wilder reported that the Agency is

currently operating under a Strategic Plan that the Board approved last year, intended primarily to build capacity and stabilize operations. Looking forward, the Agency's focus will be on participant education, outreach, and planning.


6. Closed Session.

On a vote taken by the Chairman, the members closed the meeting at 11:40 a.m. for executive session.

At 12:08 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 Chairman Kennedy adjourned the meeting at 12:08 p.m.

MOTION: That this meeting be adjourned.


James B. Petrick
Secretary

Attachments

1. Thrift Savings Fund Statistics
2. May 2013 Performance Review – G, F, C, S, I, and L Funds
3. Office of Technology Services Presentation
4. Office of Financial Management Presentation
5. Strategic Planning Presentation