



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
1250 H Street, NW Washington, DC 20005

MINUTES OF THE MEETING OF THE BOARD MEMBERS

July 18, 2005

Andrew M. Saul, Chairman of the Federal Retirement Thrift Investment Board, convened a telephonic meeting of the Board members on July 18, 2005, at 9:00 a.m., Eastern Time. The meeting was open to the public at the Board's offices at 1250 H Street, NW, Washington, DC 20005. In attendance were Thomas A. Fink of Alaska, member; Gordon J. Whiting of New York, member; Alejandro M. Sanchez of Florida, member; Gary A. Amelio, Executive Director; Elizabeth S. Woodruff, Secretary and General Counsel; David L. Black, Director, Accounting; Susan L. Smith, Acting Deputy Director for Administration; Mark Hagerty, Director, Automated Systems; Pamela-Jeanne Moran, Director, Benefits Services; Thomas J. Trabucco, Director, External Affairs; and James B. Petrick, Director, Investments. Also in attendance was a representative of the Department of Labor.

1. Approval of the minutes of the June 20, 2005, Board member meeting.

Mr. Saul entertained a motion for approval of the minutes of the open portion of the June 20, 2005, Board member meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the open portion of the Board member meeting held on June 20, 2005, be approved as amended.

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

a. Lifecycle Funds.

Mr. Amelio announced that the lifecycle funds would be made available to participants beginning August 1<sup>st</sup>. Mr. Saul questioned how the Agency intended to make the information available to participants. Pamela-Jeanne Moran, Director, Benefits Services, explained the changes that were being made to the TSP web site, the various mailings, including a DVD, that have been or will be sent to all participants, and the plans for

measuring the success of the communications effort. Mr. Amelio and the Board members congratulated Ms. Moran on the enormous amount of work that her staff has put into this project.

b. Legislation.

Thomas J. Trabucco, Director, External Affairs, reviewed for the Board members recent bills pending before the Congress that would change TSP investments, such as adding a fund dedicated to real estate investment trusts or precious metals, adding a fund that is comprised of companies that demonstrate a level of corporate responsibility, and divesting the TSP of certain socially unacceptable companies (such as those doing business in Iran). Mr. Trabucco discussed in detail separate letters the Agency had received from the chairman and ranking members of the Senate and House committees of jurisdiction requesting a study of TSP investments. Mr. Trabucco asked that the Board members review the draft responses and provide him with any comments.

c. Rollovers into the TSP.

Ms. Moran reviewed for the Board members the TSP's processes for accepting from participants certain tax-deferred monies into the Plan. She advised that the TSP began accepting transfers and rollovers into the Plan in 2001 and that the amount of money being transferred into the Plan continues to grow each year. Ms. Moran explained some of the problems the TSP had encountered in completing these transfers, such as the amount of manual processing required, and how those problems had been resolved. She also reviewed her plans for further changes that should streamline the program, such as changing the instructions on the forms.

d. Monthly TSP performance report.

James B. Petrick, Director, Investments, discussed his memorandum to the Executive Director dated July 7, 2005, regarding the June 2005 investment performance of the G, F, C, S, and I Funds and TSP participation rates.

3. Investment policy review.

By memorandum dated July 7, 2005, Mr. Amelio provided the Board members with a report on the performance of the G, C, S, and I Funds during the second quarter of 2005. Mr. Petrick briefed the Board members on the Funds' performance, including Barclays' first quarter 2005 proxy voting report.

After this discussion, the members made, seconded, and adopted the following resolution by unanimous vote;

RESOLUTION

WHEREAS the Federal Employees' Retirement System Act of 1986, as amended (5 U.S.C. § 8401 et seq.) provides that the Board members shall establish policies for the investment and management of the Thrift Savings Fund (5 U.S.C. § 8472(f)(1) and (2)); and

WHEREAS the Board members at this meeting have reviewed the investment performance and investment policies of the Government Securities Investment Fund, the Fixed Income Index Investment Fund the Common Stock Index Investment Fund, the Small Capitalization Stock Index Investment Fund, and the International Stock Index Investment Fund; and

WHEREAS the Board members are satisfied with the investment performance and investment policies of these Funds;

NOW THEREFORE BE IT RESOLVED that the current investment policies for the Government Securities Investment Fund, the Common Stock Index Investment Fund, the Fixed Income Index Investment Fund, the Small Capitalization Stock Index Investment Fund, and the International Stock Index Investment Fund are affirmed without change.

4. Quarterly report on vendors' financial status.

In a memorandum to the Executive Director dated July 3, 2005, David L. Black, Director, Accounting, concluded that SI International continued to be very prosperous. Spherix's financial standing continued to decline; however, Mr. Black noted that the majority of Spherix's call center work was seasonal and that it was impossible to project its second and third quarter 2005 earnings. Mr. Black did not believe that Spherix was in danger of bankruptcy. Mr. Saul and Mr. Sanchez requested that Mr. Black continue to review Spherix's financial status.

5. New business.

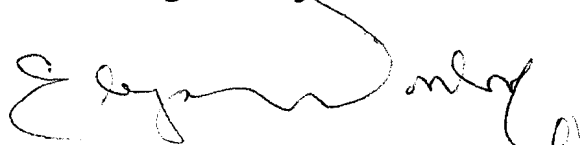
Mr. Fink stated that he was preparing a written motion regarding Board review of actions by the Executive Director. He would provide the motion to the Secretary for distribution. He requested that the Board members discuss and vote on this motion at the next Board meeting.

6. Closed session.

On a vote taken by the Secretary before the meeting, the members closed the meeting for a discussion of procurement matters and internal personnel issues. Present during the portion of the meeting regarding procurement were the Board members, Mr. Amelio, Ms. Woodruff, Ms. Moran, Mr. Hagerty, and Mr. Petrick. Present during the portion of the meeting regarding personnel matters were the Board members, Mr. Amelio, and Ms. Woodruff.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection and Mr. Saul adjourned the meeting at 10:40 a.m.

MOTION: That this meeting be adjourned.



Elizabeth S. Woodruff  
Secretary

Aug 15, 2005

NOTE: Ace-Federal Reporters, Inc., made a verbatim transcript of this meeting.