



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
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**Wilfred G. Aflague**  
Trustee

December 18, 2009

**To:** Joe T. San Agustin, Board Chairman  
**From:** Wilfred Leon Guerrero, Investment Committee Chairman  
**Subject:** Quarterly Performance Meeting – December 16, and 17, 2009

**Defined Contribution Plan**

On December 16, and 17, 2009, the Investment Committee held its quarterly performance meeting for September 30, 2009.

In attendance were Trustees Gerard Cruz, Wilfred Aflague, Joe T. San Agustin, Antolina Leon Guerrero, and I. Other attendees were Terry Dennison of Mercer Investment Consulting Inc., Mike Perez of Great West, Doris Brooks from the Office of the Public Auditor, Paula Blas, Diana Bernardo and Rosalia Bordallo.

**The following were approved for Board Action:**

**1. Treasury Inflation Protected Securities (TIPs)**

During the August 2009 Board meeting Terry Dennison recommended adding a Treasury Inflation Protected Securities (TIPs) Fund to the menu of investment options offered to DC and 457 Plan Participants, which was accepted by the Board.

Based on the results of Mercer's search report, Terry Dennison provided an overview of the possible replacements, which included the following:

- a. American Century Investment Management,
- b. BackRock,
- c. Pacific Investment Management Company,
- d. Vanguard, and
- e. Western Asset Management Company

**Recommendation**

The Committee recommends accepting Terry Dennison's recommendation to **add the BlackRock TIPs Fund to the menu of investment options** offered to DC and 457 Plan Participants.

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## 2. Target Date Fund

During the August 2009 Board meeting Terry Dennison recommended that the Fund implement Target Date Funds/Lifecycle Funds to replace the existing Target Risk Funds/Lifestyle (Profile Funds), which was accepted by the Board.

Based on the results of Mercer's search report, Terry Dennison provided an overview of the possible replacements, which included the following:

- a. Barclays Global Investors,
- b. Charles Schwab
- c. Maxim,
- d. T. Rowe Price, and
- e. Vanguard,

### Recommendation

The Committee recommends accepting Terry Dennison's' recommendation to **replace** the existing Target Risk Funds **with the Barclays Global Investors Target Date Funds**, which will also serve as the Default Fund.

### Informational Items:

#### 1. Quarterly Performance Meeting

Terry Dennison provided an overview of the DC Plan's 9/30/09 Quarterly Investment Performance, noting no concerns with the performance of the Funds.

#### 2. December 31, 2009 Quarterly Performance Meeting and Annual Manager Review

The proposed schedule for the next Quarterly Performance Meeting and annual review of the International, Fixed income and Domestic Small Cap Equity Managers is: **February 24, 25, and 26, 2010.**