

GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Felix P. Camacho
 Governor

Michael W. Cruz, M.D.
 Lieutenant Governor

Paula M. Blas
 Director

Trustees:

Joe T. San Agustin
 Chairman

Wilfred P. Leon Guerrero, Ed.D.
 Vice-Chairman
 Investment Committee, Chairman

Antolina S. Leon Guerrero
 Secretary

Gerard A. Cruz
 Treasurer
 Audit & Operations Committee,
 Chairman

George A. Santos
 Members' & Benefits Committee,
 Chairman

Katherine T.E. Taitano
 Trustee

Wilfred G. Aflague
 Trustee

BOARD OF TRUSTEES
Regular Meeting
 Monday, November 29, 2010, 12:00 p.m.
 Retirement Fund Conference Room

MINUTES

DEFINED CONTRIBUTIONS

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Contribution Plan was called to order at 12:25 p.m. Monday, November 29, 2010, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

Board of Trustees Present:

Joe T. San Agustin, Chairman
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer
 Wilfred G. Aflague, Trustee
 George A. Santos, Trustee
 Katherine T.E. Taitano, Trustee

Board of Trustees Absent:

Wilfred P. Leon Guerrero, Vice-Chairman
 (Off-Island)

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Rosalia Bordallo, General Accounting Supervisor
 Jackie Blas, Recording Secretary
 Alice Taijeron, Great-West Retirement Services

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. October 29, 2010 Regular Meeting

On motion of Trustee George Santos, seconded by Treasurer Gerard Cruz, and without objection, the Minutes of October 29, 2010 Regular Meeting were approved, subject to corrections. Motion unanimously passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

A. U.S. Global Investors Weekly Investor Alert Article – “Anticipating Volatility and the Rise of Emerging Markets”

Chairman San Agustin stated that the attached article regarding “Anticipating Volatility and the Rise of Emerging Markets” is provided for the Board’s information.

B. November 9, 2010 Letter from Dimensional Fund Advisors Regarding 2011 Annual Investment Symposium

Chairman San Agustin informed the Board of Trustees that Dimensional Fund Advisors will hold its Annual Investment Symposium on January 31 to February 2, 2011 at their headquarters in Austin, Texas. Treasurer Gerard Cruz stated that he may be interested in attending the symposium. Director Paula Blas pointed out that this item should have been under the Defined Benefit (DB) portion of the agenda.

V. DIRECTOR’S REPORT - EXECUTIVE SUMMARY

1. *Defined Benefit (DB)/Defined Contribution (DC) Plan Alternatives* – Director Blas stated that the Members and Benefits (M&B) Committee and representatives from the Legislature, the Retirement Fund’s Legal Counsel and Great-West Retirement Services (Great-West) met to discuss the results of the survey. The Committee requested additional information from the Retirement Fund’s actuary to provide a cost breakdown of the benefits to be offered (i.e. disability benefits, survivor benefits, etc.). Director Blas stated that she will ask Richard Wright from Milliman Consulting, Inc. (Milliman) to provide the breakdown by December. Director Blas stated that the Committee is expected to present their findings to the Board in December 2010.

Financial Report

1. *Contributions* – Director Blas stated that as of November 24, 2010, Guam Memorial Hospital Authority (GMHA) has not remitted contributions for two pay periods totaling \$200,000.00. Director Blas stated that all other agencies are current with their Fiscal Year 2011 employee and employer contributions.

2. *Financial Statements* – Director Blas stated that the books for the month ending October 2010 were closed on November 17, 2010.

3. *Fiscal Year 2010 Audit* - Director Blas stated that the audit for Fiscal Year Ending September 30, 2010 is ongoing. Final audit reports are scheduled to be issued no later than February 25, 2011.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – October 2010

Director Blas stated that Alice Tajeron of Great-West has provided, at this meeting, the TPA Report for the month ending October 31, 2010 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Tajeron indicated that she needs to amend the October 2010 figures under the “Asset Summary by Fund – 401(a) Plan.” Ms. Tajeron stated that the October 31, 2010 amount under Champlain Small Company ADV is showing the same amount as September 30, 2010. A corrected version will be submitted. Ms. Tajeron reported that the 457(b) Plan had total assets of \$18,332,315.47 as of October 31, 2010. The asset change was \$653,114.23 or a percentage change of 3.69% from September 30, 2010.

Ms. Tajeron reported that the 401(a) Plan had total contributions of \$1,995,570.96 as of October 31, 2010. There was a contribution change of (\$410,884.13) or a percentage change of -17.07% from September 30, 2010. The 457(b) Plan had total contributions of \$227,528.66 as of October 31, 2010. There was a contribution change of (\$27,170.13) or a percentage change of -10.67% from September 30, 2010.

Chairman San Agustin asked what the cost is from. Ms. Tajeron stated that it is from Market Value. Treasurer Cruz inquired about the negative \$410,884.13 in contributions on the 401(a) Plan. Ms. Tajeron stated that the up load was as of October 31, 2010. This report does not include two pay periods. Treasurer Cruz asked whether it's due to the timing of contributions remitted. Ms. Tajeron replied, “Yes.” Rosalia Bordallo, General Accounting Supervisor, stated that there are five (5) working days to remit contributions. Ms. Tajeron stated that this is not inclusive of GMHA. Chairman San Agustin asked whether it is as of record. Ms. Tajeron replied, “Yes.” Controller Bernardo stated that it is also from overlap of pay periods at the end of the month. Chairman San Agustin asked whether the \$224,441,128.11 (401(a) Plan total asset as of October 31, 2010) include the \$1,995,570.96 (401(a) Plan total contributions as of October 31, 2010). Ms. Tajeron replied, “Yes.”

Ms. Tajeron reported on participant statistics:

401(a) Plan

Active Participants with a Balance	10,585
Active Participants Contributing	7,233
Percent of Active Participants Contributing	72%
Full Withdrawals	52
Financial Hardships	3
First Contributions (New)	124
Participants on Disability	48
Total Retiree Count (as of October 31, 2010)	305

Retiree Breakdown:	
01/01/1998 – 12/31/2008	235
01/01/2009 – 12/31/2009	34
01/01/2010 – 07/31/2010	25
08/01/2010 – 08/31/2010	5
09/01/2010 – 09/30/2010	2
10/01/2010 – 10/31/2010	4

457(b) Plan

Active Participants with a Balance	1,276
Active Participants Contributing	948
Percent of Active Participants Contributing	76%
Full Withdrawals	7
Outstanding Loans	228
New Loans Processed	16
First Contributions (New)	14

Chairman San Agustin asked whether the \$892,384.70 total employee disbursement under the 401(a) Plan is net of the \$224,441,128.11 total assets under the 401(a) Plan. Chairman San Agustin also asked what the percentage is of the drawdown each month. Treasurer Cruz stated that the drawdown represents participants' money. Director Blas stated that if vested. Secretary Antolina Leon Guerrero asked what the aggregate of the participants' money is. Ms. Tajeron stated that she will need to go back several months. Director Blas suggested going back to January 2010 on the distributions and putting it in a graphic form. Secretary Leon Guerrero asked whether you could restrict the age to withdraw contributions. Director Blas stated that it is statutory.

Secretary Leon Guerrero inquired about the brackets on the figures on the 12B-1 Fees. Treasurer Cruz stated that they are credits. Secretary Leon Guerrero asked whether there is a net gain after costs. Treasurer Cruz replied, "No."

Chairman San Agustin raised the point of the Retirement Fund investing in Wells Fargo while they are being sued. Treasurer Cruz stated that he will bring this matter up with Terry Dennison of Mercer Investment Consulting, Inc. (Mercer).

Chairman San Agustin inquired about the status of Secure Foundation. Director Blas stated that the participants will be informed of the new option. Ms. Tajeron stated that the contract should be signed by January 2011. Secretary Leon Guerrero asked whether the contract was for adding the new option to the menu of options. Ms. Tajeron replied, "Yes." Chairman San Agustin stated that the Board already approved this. Ms. Tajeron stated that Great-West is working on outreach and marketing the product. Director Blas stated that Secure Foundation will be an option available on January 1, 2010.

VII. INVESTMENT COMMITTEE REPORT

Treasurer Cruz reported that the Investment Committee meeting was held on November 12, 2010. The Committee reviewed and approved the Investment Committee Minutes of October 8, 2010 and the August 26, 2010 Due Diligence Minutes (for Quarter Ended June 30, 2010). Treasurer Cruz stated that the next Quarterly Performance Meeting (for Quarter Ended September 30, 2010) is scheduled for

December 15, 16, and 17, 2010. Treasurer Cruz indicated that the meeting will start at 10:00 a.m. instead of 9:00 a.m. on December 15, 2010. Controller Bernardo noted the change.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

XI. ANNOUNCEMENTS

None

XII. ADJOURNMENT

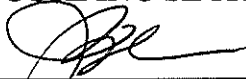
There being no further business before the Board for the Defined Contribution Plan, on motion of Treasurer Gerard Cruz, seconded by Trustee Katherine Taitano, and without objection, the meeting was adjourned at 1:00 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 29, 2010 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 17, 2010.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas