



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

**INVESTMENT COMMITTEE MEETING**  
**DEFINED CONTRIBUTION PLAN**  
 Friday, October 8, 2010, 12:00pm  
 Retirement Fund Conference Room

**MINUTES**

**I. CALL TO ORDER**

The Retirement Fund Investment Committee meeting was called to order at 12:40pm on Friday, October 8, 2010, in the Retirement Fund Conference Room. Investment Committee Acting Chairman Cruz officiated.

**Board of Trustees Present:**

Gerard A. Cruz, Acting Chairman  
 Wilfred G. Aflague, Member  
 Joe T. San Agustin, Ex-Officio

**Staff Present:**

Paula Blas, Director  
 Stephanie Herrera, Recording Secretary

**Others Present:**

Alice Tajeron, Great West Retirement Services

**II. ACTION ITEMS**

**1. Approval of Minutes:**

- a. September 10, 2010 - Investment Committee Meeting

A motion was made by Committee Member Aflague, seconded by Acting Committee Chairman Cruz to approve the minutes of September 10, 2010, subject to correction. Without objection, the motion was passed.

### **III. OPEN ITEMS**

#### **1. Investment Committee 5 Year Plan**

Item was tabled until the next Investment Committee Meeting.

### **IV. NEW BUSINESS**

None.

### **V. INFORMATIONAL ITEMS**

#### **1. Quarterly Performance & Annual Manager Reviews – Dec. 15, 16, and 17, 2010**

The annual manager review meeting for quarter ended 9/30/2010 is scheduled for December 15, 16, and 17, 2010.

### **VI. OPEN DISCUSSION**

#### **1. Great West Presentation – Secure Foundation**

A presentation was made by Alice Tajeron from Great West on the Secure Foundation investment product by Great West, which is a guaranteed annual withdrawal (GAW) for life.

As explained by Alice Tajeron, there are two investment options, the Target Date SecureFoundation and the SecureFoundation Balanced Foundation. With the SecureFoundation Target Date Fund for example, if a participant is 20 years of age and is contributing in the 2040 portfolio, 10 years prior to the 2040 date begins their benefit calculation or the date the guarantee starts, so whatever they put in from there, they would receive a guaranteed annual withdrawal, depending on their age, 4% for life age 55-64, 5% for life age 65-69, 6% for life age 70-79 and 7% for life age 80 and up.

With the SecureFoundation Balanced Portfolio, what is called the "Ratchet Date" is the first day the participant starts their contributions and that becomes the anniversary date. Every year what happens for example, if they started in the year 2010 and contributed \$100, the following year, October 1, 2011, that would be the anniversary date the value of their account would be calculated and so forth. If a participant was ready to retire before retirement, that date of October 1<sup>st</sup>, if the calculated benefit should be less, they would receive the greater benefit.

In the SecureFoundation funds, the participant would receive a guaranteed annual withdrawal regardless on how the market performs

and will have the benefit of accessing the funds if the market should do well, at the time of retirement, they could take lump sum distributions from the excess accumulated.

The plan sponsor could establish limits of how much of the participant's total contributions could be moved into the fund. A mandate could also be set so that a portion of the 5% contribution would automatically go into the SecureFoundation fund.

Acting Committee Chairman Cruz asked that Great West present an option that addresses what the Fund is currently trying to do with the Hybrid Fund so that the two options could be compared to determine if the SecureFoundation Fund is a better option instead of moving forward with the Hybrid Fund.

Alice Taijeron indicated that she will be making this presentation at the next Members and Benefits Committee Meeting and will provide all the information for the next Board Meeting for the Board's consideration.

**VII. CORRESPONDENCE**

None.

**VIII. ANNOUNCEMENTS**

None.

**IX. ADJOURNMENT**

**There being no further business before the Investment Committee, Committee Acting Chairman Cruz, moved to adjourn the meeting at 1:05pm.**

Respectfully submitted,



**STEPHANIE A. HERRERA**  
**Recording Secretary**

**AFFIRMED:**



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**Gerard A. Cruz, Acting Chairman**