



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
 Governor

Ray Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

BOARD OF TRUSTEES
Regular Meeting
 Friday, September 28, 2012, 12:00 p.m.
 Retirement Fund Conference Room

MINUTES

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

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 12:28 p.m. Friday, September 28, 2012, in the Retirement Fund Conference Room. Acting Chairman Wilfred Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Vice 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:

Joe T. San Agustin, Chairman (*Excused*)

Staff Present:

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

Public Present:

Ken Quintanilla, KUAM

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. August 31, 2012 Regular Meeting

On motion of Secretary Antolina Leon Guerrero, seconded by Trustee George Santos, and without objection, the Minutes of August 31, 2012 Regular Meeting were approved, subject to technical corrections. Motion unanimously passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Defined Benefit (DB)/Defined Contribution (DC) Plan Alternatives* - Director Paula Blas stated that Bill No. 453-31 is ready to be heard and voted on by the Legislature in the October 2012 session. Treasurer Gerard Cruz inquired about Senator Ben Pangelinan's feeling on this bill. Director Blas stated that he is trying not to put this bill in jeopardy. Acting Chairman Leon Guerrero asked whether the Retirement Fund has heard from the Governor's staff. Director Blas replied, "No." Director Blas stated that the Retirement Fund wants to make sure that the Governor's recommendation is cost-neutral to the Retirement Fund with regards to spending cuts and not to jeopardize the Hybrid Plan. Treasurer Cruz stated that the Retirement Fund needs to get this going.

Financial Report

1. *Contributions* - Director Blas stated that as of September 25, 2012, all agencies are current with their Fiscal Year 2012 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ending August 2012 were closed on September 21, 2012.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – August 2012

Director Blas stated that Alice Taijeron of Great-West Retirement Services (Great-West) provided the TPA Report for the month ending August 31, 2012 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Taijeron reported that the 401(a) Plan had total assets of \$281,973,167.84 as of August 31, 2012. There was an asset change of \$5,855,041.01 or a percentage change of 2.12% from July 31, 2012. The 457(b) Plan had total assets of \$25,478,262.65 as of August 31, 2012. The asset change was \$554,782.86 or a percentage change of 2.23% from July 31, 2012. Ms. Taijeron reported that the assets have increased due to the market performance.

401(a) Plan

Active Participants with a Balance	10,691
Active Participants Contributing	7,152
Percent of Active Participants Contributing	67%
Full Withdrawals	56
Financial Hardships	14
First Contributions	54
Total Participants on Disability	72
August 31, 2012	02
July 31, 2012	00
June 30, 2012	01
May 31, 2012	01
April 30, 2012	05
March 31, 2012	04
February 29, 2012	03
January 31, 2012	01
Total Retiree Count	433
August 31, 2012	05
July 31, 2012	06
June 30, 2012	04
May 31, 2012	04
April 30, 2012	05
March 31, 2012	05
February 29, 2012	00
January 31, 2012	08

457 Deferred Compensation Plan

Active Participants with a Balance	1,461
Active Participants Contributing	1,094
Percent of Active Participants Contributing	75%
Full Withdrawals	05
Outstanding Loans	311
New Loans Processed	21
First Contributions	09

Ms. Tajeron stated that Trustee Wilfred Aflague had inquired about the DB participation in the 457 Plan. Ms. Tajeron stated that 5% of the active DB members are participating in the 457 Plan. Great-West will begin a campaign to encourage DB members to enroll in the 457 Plan.

Ms. Tajeron reported that the total disbursement from the 401(a) Plan was \$920,078.21. The total disbursement from the 457(b) Plan was \$177,261.16. Ms. Tajeron stated that the graph of withdrawals/distributions to assets for the 401(a) Plan shows the impact on the total assets from January through August 2012. Secretary Antolina Leon Guerrero asked why the total assets were low in January and May. Secretary Leon Guerrero asked whether it is a reflection of the market. Ms. Tajeron stated that it may be a reflection of the market but, she'll try to get more details on it. Treasurer Cruz stated that the graph makes it look dramatic because of the scale.

Ms. Taijeron reported that there were 757 walk-in visits which mainly consisted of new teachers. Director Blas asked whether the 757 includes seminar participants. Ms. Taijeron replied, "No." Trustee Katherine Taitano pointed out that the number of walk-in visits has increased which is an indication that the outreach program is working. Trustee Taitano asked whether the Guam Fire Department employees are attending the seminars. Ms. Taijeron stated that Great-West is accommodating their schedule by meeting with them sometime between the hours of 9:00 p.m. to 6:00 a.m.

Ms. Taijeron informed the Board that Great-West's parent company is now renamed Great-West Financial. Ms. Taijeron stated that their name of Great-West Retirement Services will remain the same. Ms. Taijeron stated that some of their series funds namely: Maxim Series Funds, Inc. will be renamed Great-West Funds, Inc., Orchard Trust Company, LLC will be renamed Great-West Trust Company, LLC, and GW Capital Management, LLC will be renamed Great-West Capital Management, LLC.

Secretary Leon Guerrero inquired about the status of the Reality Investing Advisory Services Agreement. Director Blas stated that it is still with Advised Assets Group's (AAG) legal department, but she expects to have something by next week.

Treasurer Gerard Cruz, seconded by Trustee George Santos, moved to approve the Third Party Administrator's Report. Without objection, the motion unanimously passed.

VII. INVESTMENT COMMITTEE REPORT

Treasurer Cruz reported that the Investment Committee meeting was held on September 21, 2012. The Committee reviewed and approved the Investment Committee Minutes of August 31, 2012.

Quarter Ending September 30, 2012 Performance Meeting – Treasurer Cruz informed the Board that the next Quarterly Performance Meeting is scheduled for October 25, 2012.

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 Trustee George Santos, seconded by Treasurer Gerard Cruz, and without objection, the meeting was adjourned at 12:47 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 28, 2012 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 26, 2012.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas