



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, October 26, 2012, 12:00 p.m.  
 Retirement Fund Conference Room

*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

**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 12:10 p.m. Friday, October 26, 2012, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

**Board of Trustees Present:**

- Joe T. San Agustin, Chairman
- 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

**Staff Present:**

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

**Investment Consultant Present:**

Terry Dennison, Mercer Investment Consulting, Inc.

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. September 28, 2012 Regular Meeting

On motion of Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the Minutes of September 28, 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 453-31 is ready to be heard and voted on by the Legislature in the November 2012 session.

### Financial Report

1. *Contributions* - Director Blas stated that as of October 23, 2012, all agencies are current with their Fiscal Year 2013 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ending September 2012 are scheduled to be closed on November 7, 2012.

## VI. THIRD PARTY ADMINISTRATOR'S REPORT

### A. Contribution Report – September 2012

Director Blas stated that Alice Tajjeron of Great-West Retirement Services (Great-West) provided the TPA Report for the month ending September 30, 2012 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Tajjeron reported that the 401(a) Plan had total assets of \$288,727,709.88 as of September 30, 2012. There was an asset change of \$6,754,542.04 or a percentage change of 2.40% from August 31, 2012. The 457(b) Plan had total assets of \$26,300,534.71 as of September 30, 2012. The asset change was \$822,272.06 or a percentage change of 3.23% from August 31, 2012.

Chairman San Agustin stated that the report shows tabulations, but he would like to see a summary of what has been done. Director Blas stated that Ms. Tajjeron's report shows statistics as requested by the Board. Chairman San Agustin requested a summary of the statistics.

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

## **VII. INVESTMENT COMMITTEE REPORT**

Vice Chairman Leon Guerrero reported that the Quarterly Performance Meeting for the Quarter Ended September 30, 2012 was held on October 25, 2012. Vice Chairman Leon Guerrero noted that the Investment Committee Meeting was also held on October 25, 2012. The Committee reviewed and approved the Investment Committee Minutes of September 21, 2012.

*Quarterly Performance* - Vice Chairman Leon Guerrero stated that the Committee reviewed the various funds and there is no recommendation to be made at this time. Vice Chairman Leon Guerrero stated that Terry Dennison, Mercer Investment Consulting, Inc., provided an overview of the DC Plan's Investment Performance of the Quarter Ended September 30, 2012.

Mr. Dennison stated that they went over Mercer's view of the economy for both the U.S. Market and the Global Market. They talked extensively about issues such as the fiscal cliff, US and global debt and the likelihood that it is going to reduce growth. They talked about demographics and the fact that the working population is shrinking, and they went over the performance of the funds. Mr. Dennison stated that there are no recommendations at this time for additions or deletions, but he might make a recommendation for the replacement of the Franklin Small-Mid Cap Growth Fund at the next quarterly performance meeting in January 2013 due to consecutive quarters of underperformance.

*Quarter Ending December 31, 2012 Performance Meeting* – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for January 24 and 25, 2013.

**Trustee George Santos, seconded by Treasurer Gerard Cruz, moved to accept the Investment Committee Report. Without objection, the motion unanimously passed.**

## **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 Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:15 p.m. Motion unanimously passed.**

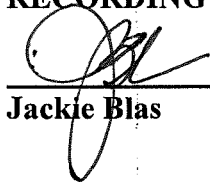
**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of October 26, 2012 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on November 30, 2012.**



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**ANTOLINA S. LEON GUERRERO, Board Secretary**

**RECORDING SECRETARY:**



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**Jackie Blas**