



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
 STABILITY • SECURITY • REWARDS

**Eddie Baza Calvo**  
 Governor

**Ray Tenorio**  
 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 July 27, 2012  
 Retirement Fund Conference Room

**MINUTES**

**I. CALL TO ORDER**

The Retirement Fund Investment Committee meeting was called to order at 11:45am on Friday July 27, 2012, in the Retirement Fund Conference Room. Investment Committee Vice Chairman Cruz officiated.

**Board of Trustees Present:**

Gerard A. Cruz, Vice Chairman  
 Wilfred G. Aflague, Member

**Staff Present:**

Paula Blas, Director  
 Diana Bernardo, Controller  
 Rosalie Bordallo, General Accounting Supervisor  
 Jackie Blas, Recording Secretary

**Other Present:**

Terry Dennison, Mercer  
 Alice Tajeron, GreatWest

**II. ACTION ITEMS**

1. **June 8, 2012 – Regular Investment Committee Mtg**
2. **May 11, 2012 -- Due Diligence Mtg for the Quarter Ended 3/31/12**

A motion was made by Committee Member Aflague, seconded by Committee Vice Chairman Cruz to approve the minutes of

the June 8, 2012 Regular Investment Committee Meeting subject to any technical and/or grammatical corrections and the minutes of May 11, 2012 Due Diligence Meeting. Without objection, the motion was passed.

### **III. OPEN ITEMS**

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

Item tabled.

### **IV. NEW BUSINESS**

None.

### **V. INFORMATIONAL ITEMS**

#### **1. GreatWest "Common Industry Practices"**

a. Provide Automatic Enrollment "Opt Out" in 457

b. Provide Qualified Automatic Contribution Arrangement (QACA) – in DC, 457 and Hybrid Plan

Items a. and b. are to be made mandatory and therefore removed as agenda items.

c. Provide Investment Advice for Participants – Reality Investing

Alice Taijeron, GreatWest stated that for the record, GreatWest cannot make recommendations and this should not be perceived as investment advice or financial advice.

Alice Taijeron, GreatWest indicated that at the last Committee meeting there was a discussion on Advised Assets Group (AAG) with regard to any type of material changes and stated that there are none. A letter from AAG along with information about their qualifications and business practices as well as their security license was submitted to the Committee members. She also stated there was a concern from the Committee Chairman, Wilfred Leon Guerrero as to who will be responsible for the contract from AAG and Alice Taijeron, GreatWest stated that it will be with both AAG and their parent company GreatWest Life and Annuity (GWLA).

Alice Taijeron, GreatWest stated that the Reality Investing is a program which would provide 3 different options to participants which are guidance, advice and management which was discussed at the last due diligence meeting.

Terry Dennison, Mercer Investment Consulting, Inc. stated that Reality Investing makes sense for a participant base that's not very knowledgeable and that it's more commonly found in the industry and has Government approval because it's seen as a way where people can make better investment decisions on their own.

Director Blas stated that as per Legal Counsel, a RFP would not be necessary. If the Committee is in agreement the Fund could proceed with the contract.

A motion was made by Committee Member Aflague to confirm that the Committee has been provided with legal guidance and information from AAG that addresses the concerns raised in the last due diligence meeting and to reaffirm the Board's previous motion, seconded by Vice Committee Chairman Cruz, with no objection, the motion carries.

d. Provide Roth 457

A motion was made by Committee Member Aflague, seconded by Committee Vice Chairman Cruz to recommend to the Board providing a Roth 457 Plan.

e. Provide Contribution Increases in DC Plan

Controller Bernardo stated that at the last Committee meeting Great West asked to provide a table showing at different levels and at different incomes, examples of what a participant will contribute based on salary at a certain percentage with an automatic increase over time, not to exceed a set percentage recommended by GreatWest to be approved by the Committee.

Alice Tajjeron, GreatWest indicated that there was a request from Committee Chairman Wilfred Leon Guerrero to provide information with regard to how much an increase in the employee's current contribution would make a difference in the participant's accounts. She provided a study that was done in August 24, 2011 and stated that GreatWest will update it with numbers for June 2012.

**VI. OPEN DISCUSSION**

None.

**VII. CORRESPONDENCE**

None.

**VIII. ANNOUNCEMENTS**

1. 6/30/12 Due Diligence Meeting: October 25 and 26, 2012

**IX. ADJOURNMENT**

**There being no further business before the Investment Committee, a motion was made by Committee Member Aflague, seconded by Committee Vice Chairman Cruz to adjourn the meeting at 12:10pm.**

**Respectfully submitted,**



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**STEPHANIE A.H. LIMTIACO**  
**Recording Secretary**

**AFFIRMED:**



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**GERARD A. CRUZ**  
**Investment Committee Vice Chairman**