


GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
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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 June 8, 2012, 12:00pm
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee meeting was called to order at 1:45pm on Friday June 8, 2012, in the Retirement Fund Conference Room. Investment Committee Chairman Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Chairman
Gerard A. Cruz, Vice Chairman
Wilfred G. Aflague, Member
Joe T. San Agustin, Ex-Officio

Staff Present:

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

Other Present:

Alice Tajeron, GreatWest

II. ACTION ITEMS

1. **April 26, 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 Chairman Leon Guerrero to approve the minutes of

the April 26, 2012 Regular Investment Committee Meeting subject to any technical and/or grammatical corrections. Without objection, the motion was passed. The minutes of May 11, 2012 Due Diligence Meeting were tabled pending completion.

III. OPEN ITEMS

1. Investment Committee 5 Year Plan

Item not discussed.

IV. NEW BUSINESS

None.

V. INFORMATIONAL ITEMS

1. GreatWest Third Party Administrator Presentation

a. Provide Automatic Enrollment "Opt Out" in 457

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

As discussed at the TPA presentation on May 11, 2012 a recommendation was made by GreatWest to have an automatic enrollment into the 457, an opt out provision as opposed to an opt in provision.

The Committee requested that Alice Tajeron, GreatWest 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.

c. Provide Investment Advice for Participants – Reality Investing

Reality Investing Advisory Services is offered by Advised Assets Group (AAG) a subsidiary of GreatWest. Within this service there are 3 different options, guidance (Do-It-Myself) which is at no cost, investment advice (Help-Me-Do-It) which is \$25 dollars per year and total managed account (Do-It-For-Me) would be a charge of .006% of their account balance. This service is of no cost to the Fund itself.

Director Blas was directed to get clarification on the following:

1. Can the Fund enter into an agreement for Reality Investing under the previous Request for Proposal (RFP) or does the Fund need to issue a new RFP?
2. If the Fund elects to enter into the agreement is the Fund's Fiduciary duties now impacted by whether the fees for such services are paid by the Fund or the Participant?

d. Provide Roth 457

Alice Tajeron stated there have been request from higher income participants to provide a Roth 457 Plan.

The Committee agreed to offer a Roth 457 Plan.

e. Provide Contribution Increases in DC Plan

Director Blas indicated that prior to the Hybrid, there was a discussion to increase the contributions to the DC Plan to be comparable to Social Security or the DB Plan.

Director Blas stated that she will check with Richard Wright, Milliman to run some stress test numbers to see if the rate went up to 7.5% and 9.5%, reducing the DC Government side unfunded by 2.5% and even 4.5%, if it was lower how it would affect the DB side over time.

The Committee requested that Alice Tajeron, GreatWest provide a recommendation on what the contribution should be.

VI. OPEN DISCUSSION

None.

VII. CORRESPONDENCE

None.

VIII. ANNOUNCEMENTS

1. 6/30/12 Due Diligence Meeting- Schedule Pending

IX. ADJOURNMENT

There being no further business before the Investment Committee, a motion was made by Committee Chairman Leon Guerrero, seconded by Committee Vice Chairman Cruz to adjourn the meeting at 1:45pm.

Respectfully submitted,



STEPHANIE A.H. LIMTIACO
Recording Secretary

AFFIRMED:

GERARD A. CRUZ
Investment Committee Vice Chairman