



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

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Lieutenant Governor

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Director

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Joe T. San Agustin
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Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

Antolina S. Leon Guerrero
Secretary

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

Katherine T.E. Taitano
Trustee

James R.F. Duenas
Trustee

David M. O'Brien
Trustee

**INVESTMENT COMMITTEE MEETING
DEFINED CONTRIBUTION PLAN**
Thursday, January 30, 2014
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee Meeting was called to order at 1:30 p.m. Thursday, January 30, 2014, in the Retirement Fund Conference Room. Investment Committee Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Chairman
Gerard A. Cruz, Vice Chairman
James R.F. Duenas, Member
Joe T. San Agustin, Ex-Officio
David M. O'Brien, Trustee

Staff Present:

Paula Blas, Director
Diana Bernardo, Controller
Alice Taijeron, Director, Client Relations & Plan Counseling, Great-West Financial

Investment Consultant Present

Terry Dennison, Mercer Investment Consulting, Inc.

Public Present:

John Borne, Vice President, Government Markets & Client Relations, Great-West Financial, West Region

II. ACTION ITEMS

1. December 13, 2013 Regular Investment Committee Meeting Minutes

A motion was made by Committee Vice Chairman Gerard Cruz, seconded by Committee Member James Duenas, to approve the minutes of the December 13, 2013 Regular Investment Committee Meeting, subject to technical corrections. Without objection, the motion was passed.

III. OPEN ITEMS

1. Search Report for Replacement of the Thornburg International Value Fund

Committee Vice Chairman Gerard Cruz, seconded by Committee Member James Duenas, moved to approve Mercer Investment Consulting, Inc.'s recommendation for the selection of Transamerica International Equity Fund I as the replacement of the Thornburg International Value Fund and to work with Great-West Financial to come up with an implicit expense ratio to off-set the fact that Transamerica does not have a revenue sharing component. Without objection, the motion unanimously passed.

2. Dreyfus/Standish Global Fixed Income Fund I

Committee Chairman Leon Guerrero stated that the Investment Committee recommends that Dreyfus/Standish Global Fixed Income Fund I be placed on watch and to vote no on the proxy. Terry Dennison, Mercer Investment Consulting, Inc., stated that the discussion was to wait and see what it does and to ask Great-West to monitor. Ex-Officio Joe San Agustin stated that it will take at least 60 to 90 days to find out what is going on. Trustee David O'Brien stated that if Dreyfus does not change holdings radically, do we care.

Committee Vice Chairman Gerard Cruz, seconded by Committee Member James Duenas, moved to approve the Investment Committee's recommendation to place Dreyfus/Standish Global Fixed Income Fund I on watch and to vote no on the proxy. Without objection, the motion unanimously passed.

3. BlackRock Life Path Funds

Mr. Dennison stated that we should continue to monitor BlackRock. Their performance has been improving.

4. Proxy Voting

Mr. Dennison stated that Mercer suggested language to the Investment Policy for the Defined Contribution (DC) Plan regarding Proxy Voting. If a proxy is received, it will be forwarded to the Investment Consultant for review and recommendation. The Investment Consultant's recommendation will then be forwarded to the Investment Committee and the Board for final disposition.

IV. NEW BUSINESS

1. Consent to Assignment of Advisory Agreement

John Borne, Vice President, Government Markets & Client Relations, Great-West Financial, West Region, stated that in accordance with the agreement with Advised Assets Group, anytime there is a significant change in ownership, the Retirement Fund has an option to exit outside of the agreement. Mr. Borne stated that Mr. Paul G. Desmarais, Chairman of Power Corporation of Canada passed away. Mr. Desmarais' shares were transferred to his sons through the Desmarais Family Residuary Trust. Committee Chairman Leon Guerrero stated that basically there is a change in ownership. What is it that the Retirement Fund needs to do. Mr. Borne stated that if the Retirement Fund does nothing, the agreement continues. Mr. Borne stated that there is sixty (60) days to exercise an assignment.

V. INFORMATIONAL ITEMS

None

VI. OPEN DISCUSSION

None

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS


1. Next Due Diligence Meeting: April 24, 2014

Committee Chairman Leon Guerrero informed the Committee members that the next Quarterly Performance meeting is scheduled for April 24, 2014.

IX. ADJOURNMENT

There being no further business before the Investment Committee, a motion was made by Committee Vice Chairman Gerard Cruz, seconded by Committee Member James Duenas, to adjourn the meeting at 1:42 p.m. Without objection, the motion was passed.

Respectfully submitted,



JACKIE M. BLAS
Recording Secretary

AFFIRMED:



WILFRED P. LEON GUERRERO, Ed.D.
Investment Committee Chairman