



GOVERNMENT OF GUAM
RETIREMENT FUND
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 Trustee

Thomas H. San Agustin
 Trustee

George A. Santos
 Trustee

**INVESTMENT COMMITTEE MEETING
 DEFINED CONTRIBUTION PLAN**

Monday, October 28, 2019
 Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee Meeting for the Defined Contribution Plan was called to order at 12:20 p.m. Monday, October 28, 2019, in the Retirement Fund Conference Room. Investment Committee Chairman Gerard Cruz officiated.

Board of Trustees Present:

Gerard A. Cruz, Chairman
 Thomas H. San Agustin, Member

Staff Present:

Paula Blas, Director

Investment Consultant Present:

Cameron Systemans, Mercer Investment Consulting, Inc.

II. ACTION ITEMS

1. September 19, 2019 Regular Investment Committee Meeting Minutes

Committee Member Thomas San Agustin, seconded by Committee Chairman Gerard Cruz, moved to approve the Minutes of the September 19, 2019 Regular Investment Committee Meeting, subject to technical corrections. Without objection, the motion passed.

III. OPEN ITEMS

None

IV. NEW BUSINESS

1. DC Plan Quarterly Performance

Committee Chairman Cruz stated that Cameron Systemans of Mercer Investment Consulting, Inc. provided an overview of the current Economic Outlook and the DC Plan's Investment Performance for the Quarter Ended September 30, 2019.

Recommendation:

a. Replace Transamerica International Equity Fund

Mr. Systemans stated that Mercer's recommendation is to replace Transamerica International Equity Fund due to their underperformance. Transamerica has been on Watch since April 2019.

Committee Chairman Gerard Cruz, seconded by Committee Member Thomas San Agustin, moved to accept Mercer Investment Consulting, Inc.'s recommendation to replace Transamerica International Equity Fund. Without objection, the motion passed.

b. DC Revenue Sharing

Mr. Systemans stated that Mercer's recommendation is to review the DC Plan revenue analysis as presented by Mercer. Several options were presented by Mercer:

- charge DC participants a flat dollar fee; or
- a combination of a flat fee and percentage of assets; or
- a combination of a flat fee and forfeiture funds; or
- a combination of a flat fee and government contributions

Mr. Systemans stated that this item will be discussed further at the January 2020 Due Diligence Meeting.

V. INFORMATIONAL ITEMS

1. 5-Year Plan

A copy of the 5-Year Plan was provided to the Committee for review and informational purposes.

VI. OPEN DISCUSSION

Bjorn Hauerbach, Client Relations & Participant Engagement, Empower Retirement, stated that he would like to introduce a strategy of changing the default investment option to a Managed Account Program. Mr. Hauerbach stated that he will discuss the details of the Managed Account Program at tomorrow's Board Meeting.

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS

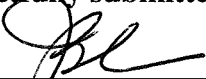
1. Next Due Diligence Meeting: January 30, 2020

Committee Chairman Cruz informed the Committee that the next Quarterly Performance meeting is tentatively scheduled for January 30, 2020.

IX. ADJOURNMENT

There being no further business before the Investment Committee, a motion was made by Committee Member Thomas San Agustin, seconded by Committee Chairman Gerard Cruz, to adjourn the meeting at 12:45 p.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE M. BLAS
Recording Secretary

AFFIRMED:



GERARD A. CRUZ
Investment Committee Chairman