



INVESTMENT COMMITTEE REPORT
Friday, May 13, 2005, 12:00 P.M.

DEFINED BENEFIT PLAN & DEFINED CONTRIBUTION PLAN

I. ACTION ITEMS

- a. **Request for Proposal – Investment/Plan Consultant Defined Contribution Plan**
Motion - The Investment Committee would like to motion the Board of Trustees to direct management to develop a Request for Proposal for Investment/Plan Consulting Services for the Defined Contribution Plan.
- b. **Cash Drawdown Plan**
Motion – Upon review of Managements analysis of actual cash draw downs for the first and second quarters of fiscal year 2005, the Committee would like to motion the Board of Trustees to continue with the proposed monthly drawdown of \$5.5M for the month of May 2005.

II. INFORMATIONAL ITEMS

- a. The Investment Committee meeting minutes for March 4, 2005 and April 1, 2005 has been approved and is provided for record.
- b. The Committee discussed the letter sent to FHB regarding the transfer of bond interest payments back to the Fund. Mercer will be making a presentation to the Fund on the impact of this to the portfolio at their first quarter presentation next month.
- c. Management presented a draft RFP for services associated with the development of an RFP for custodial bank services for Committee review. Management has been directed to forward this to legal for their review and comment.
- d. **Manager Due Diligence - Great West**
Results of review include consideration of possible increase in Defined Contribution Plan contribution rate for employee and employer, recommendation restatement of plan document, recommendation for replacement of two (2) funds offered to members.
- e. Great West presented their contribution report for Committee review. The contribution report is attached for Board review and comment.

Felix P. Camacho
Governor

Kaleo S. Moylan
Lieutenant Governor

Wilfred G. Aflague
Director

Paula M. Blas
Deputy Director

Trustees:

Joe T. San Agustin
Chairman

Dr. Wilfred P. Leon Guerrero
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Katherine T.E. Taitano
Trustee
Treasurer

George A. Santos
Trustee
Members' & Benefits Committee, Chairman

Anthony C. Blaz
Trustee
Audit & Operations Committee, Chairman

Gerard A. Cruz
Trustee

III. CORRESPONDENCES

- a. Attached are correspondences from Lynch, Jones & Ryan and Davis, Hamilton, & Jackson regarding future changes within these firms. The Committee has directed Management to send these correspondences to Rich Nuzum of Mercer for their comment.**