

BOARD OF TRUSTEES
Regular Meeting
Friday, July 25, 2008, 12:00 p.m.
Retirement Fund Conference Room

MINUTES

DEFINED BENEFITS

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefits Plan was called to order at 12:30 p.m. Friday, July 25, 2008, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

Board of Trustees Present:

Joe T. San Agustin, Chairman
Wilfred P. Leon Guerrero, Vice-Chairman
Gerard A. Cruz, Treasurer
James J. Taylor, Secretary
George A. Santos, Trustee
Katherine T.E. Taitano, Trustee
Antolina S. Leon Guerrero, Trustee

Staff Present:

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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. April 25, 2008, May 29, 2008, and June 27, 2008 Regular Meetings

Chairman San Agustin brought up several items from the minutes of the previous meetings. Chairman San Agustin asked whether the Fisher issue was resolved regarding the exposure limit. Treasurer Gerard Cruz replied, "Yes, a letter was sent directing Fisher to freeze their exposure to emerging markets. Chairman San Agustin noted that there was an extensive discussion on Milliman's report. Chairman San Agustin inquired about the change of the mortality table. Director Paula Blas stated that it is to set forward three years for males and one year for females to match the current universal mortality table. Chairman San Agustin asked when the Retirement Fund's annual report will be ready. Director Blas stated that the annual report is currently in draft form. The annual report will be printed in August. Chairman San Agustin mentioned that the Saville matter is in today's meeting agenda under "New Business." Chairman San Agustin also inquired about Mrs. Ana San Nicolas, retiree advocate. Director Blas stated that Mrs. San Nicolas was asked to provide input on the health needs of the retirees and her assessment would be presented to the Board as a recommendation to the negotiation team. Director Blas further stated that Mrs. San Nicolas wants to meet with Chairman San Agustin.

On motion of Trustee George Santos, seconded by Trustee Antolina Leon Guerrero, and without objection, the Minutes of April 25, 2008, May 29, 2008, and June 27, 2008 Regular Meetings were approved, subject to corrections. Motion passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Candelaria Rios et al vs. Joseph Ada et al (Special Proceeding Case No. SP206-93)* –

Director Blas stated that Public Law 29-18 mandated the Department of Administration (DOA) issue certificates of claim to COLA Awardees. The Office of the Attorney General (AG) issued an AG opinion to DOA in December 2007 instructing them to proceed with issuing these certificates.

Director Blas stated that DOA is not moving on issuing the certificates. The need for certificates will become moot if the bond is issued.

Director Blas stated that Public Law 29-19 authorized the Governor to issue a bond of \$115 Million to pay off the COLA Awards and past due tax refunds. Director Blas stated that the Guam Economic Development and Commerce Authority (GEDCA) issued a Request for Proposal (RFP). Selection will be made by next week. Director Blas stated that the bond will be issued by October 2008. Treasurer Cruz asked what kind of bond is being issued. Director Blas stated that it is a general obligation bond. Director Blas stated that the streetlight payment will be deducted from the bond.

2. *Request for Proposal (RFP): Custodial Bank Services* – Director Blas stated that the contract for custodial bank services has been finalized and is ready for signatures. Staff will begin dialogue about the transition with The Northern Trust Company (Northern Trust) and First Hawaiian Bank. Full transfer to Northern Trust will become effective October 1, 2008. Northern Trust needs thirty

days for the auditing the current portfolio and at least two weeks for the transition of assets. Chairman San Agustin asked whether there is a line-by-line analysis of the contract. Director Blas replied, "No." Trustee Katherine Taitano stated that she recalls that the Retirement Fund's Legal Counsel had provided an observation review. Chairman San Agustin stated that we need a line-by-line analysis in writing. Chairman San Agustin suggested that Legal Counsel review the contract with the Board at the August meeting. Vice-Chairman Wilfred Leon Guerrero suggested that the Legal Counsel provide a written analysis and also review with the Board. Director Blas stated that she will request a written analysis from Legal Counsel.

3. Request for Proposal (RFP): Real Estate Investment Trusts (REITS) – Director Blas stated that the Cornerstone Real Estate Advisers' contract is ready for signatures. The contractual negotiations with Security Capital are ongoing. Director Blas stated that there is an issue about a clause in the contract that exempts Security Capital from indirect liability. Director Blas stated that the Retirement Fund's Legal Counsel is recommending not allowing Security Capital to include this clause. Director Blas stated that if Security Capital decides to pull out, does the Board want to move forward with picking a second REITS manager or just keep one. Treasurer Cruz recommended keeping the one manager. Treasurer Cruz stated that, of the two managers, Cornerstone would be better to have. Chairman San Agustin suggested negotiating with Security Capital and if they do not want to negotiate, then forget it.

Treasurer Gerard Cruz, seconded by Trustee George Santos, moved to negotiate with Security Capital and if Security Capital does not want to negotiate then the Retirement Fund would have Cornerstone Real Estate Advisers as its Real Estate Investment Trusts Manager. Without objection, the motion passed.

4. Request for Proposal (RFP): U.S. Domestic Small Capitalization Core Equity – Director Blas stated that the contract has been signed and the new manager, Thomson, Horstmann & Bryant, will be set up. Director Blas stated that there are additional fees attached to their account set up. Director Blas stated that she had requested for a copy of their Declaration of Trust and agreements regarding redemptions and liquidations.

Treasurer Gerard Cruz, seconded by Trustee Antolina Leon Guerrero, moved to suspend negotiations with Thomson, Horstmann & Bryant pending clarification on redemptions and liquidations. Without objection, the motion passed.

5. Request for Proposal (RFP): Legal Services – Director Blas stated that evaluations are ongoing. Trustee Taitano stated that the panel will meet on July 31, 2008. The panel will have a recommendation for the Board at the August meeting.

6. Request for Proposal (RFP): U.S. Domestic Core Fixed Income – Director Blas stated that the contracts have been signed and the new managers, Income Research & Management (IRM) and Davis Hamilton Jackson & Associates (DHJA) are ready for funding.

Treasurer Cruz mentioned that there is an upcoming conference on Exchange Traded Funds (ETFs) in Hong Kong on September 16-17, 2008. Chairman San Agustin stated that Secretary James Taylor attended a conference on ETFs in New York. Secretary Taylor stated that his conclusion from the conference is that the Retirement Fund is going down the right path. However, there are some

minefields to be careful about. We need to know which ETFs we are getting into - what ETFs we are buying. Chairman San Agustin asked whether the managers are made aware that the Retirement Fund has a law in place on ETFs. Chairman San Agustin stated that the managers need to be notified.

7. ***Request for Proposal (RFP): U.S. Domestic Large Capitalization Growth Equity*** – Director Blas stated that contractual negotiations are ongoing. Director Blas stated that Winslow Capital’s application to transact business on Guam is still pending with the Department of Revenue and Taxation (Rev & Tax). Director Blas stated that she has not received the agreement back from Intech.

8. ***Request for Proposal (RFP): Proxy Voting Services*** – Director Blas stated that the panel will hold discussions with Glass Lewis next week.

9. ***Public Law 28-38*** – Director Blas stated that the monthly interest payments for the Guam Public School System (GPSS) and Guam Memorial Hospital Authority (GMHA) are current.

Financial Report

1. ***Contributions*** – Director Blas stated that all agencies are current with their Fiscal Year 2008 employee and employer contributions.

2. ***Financial Statements*** – Director Blas stated that the books for the month ending June 2008 were closed on July 11, 2008.

3. ***Fiscal Year 2008 Retirees’ Supplemental Benefits*** – Director Blas stated that the supplemental benefits for retirees and survivors for the month of June 2008 were paid.

4. ***Medicare Reimbursements*** – Director Blas stated that the Retirement Fund continues to receive the Fiscal Year 2008 monthly allotments and payments are processed accordingly. Chairman San Agustin mentioned that the Medicare reimbursement population is growing. Director Blas stated that more retirees are finding out about the reimbursement.

VI. LEGAL COUNSEL’S REPORT

No report was made at this time.

VII. TREASURER’S REPORT OF FINANCIAL STATUS

Treasurer Cruz stated that the Treasurer’s Report is provided, at this meeting. It covers the Retirement Fund’s Statement of Plan Assets (unaudited) for both the Defined Benefit (DB) Plan and the Defined Contribution (DC) Plan for the month ended June 30, 2008. Treasurer Cruz stated that the Retirement Fund is on track and is within its authority for drawdown of principal. There are less draw downs of principal due to timely contributions. Chairman San Agustin asked whether operations and expenditures have increased. Chairman San Agustin also asked whether money was moved into investments. Mrs. Rosalia Bordallo, General Accounting Supervisor, replied, “Yes.” Chairman San Agustin asked for a flow chart to show that money is coming from contributions. Director Blas mentioned that GASB 45 does not apply to the Retirement Fund. Mrs. Bordallo stated that the Retirement Fund does its own unfunded liability. Secretary Taylor noted that it was very important to have the financial data clearly show that contributions from the Government of Guam and interest and

dividend earnings were not uniquely used for retirees' payments but were also used for active employees. He requested that the final data reflect this.

VIII. STANDING COMMITTEE REPORTS

A. Members and Benefits Committee

Trustee George Santos presented his Committee's July 2008 report to the Board of Trustees. Trustee Santos provided a copy of his Committee's summary which shows that the number of the Defined Benefit (DB) Plan active members has dropped to 3,848 as of July 2008. The summary also shows the number of cases acted on during the year. Trustee Santos stated that during the last quarter, an average of 35 cases were acted on expeditiously.

Trustee George Santos, seconded by Trustee Antolina Leon Guerrero, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 9, including the attached Annuity Worksheets, based on the Committee's review and findings during their meeting of July 9, 2008 and subsequent meetings thereafter. Without objection, the motion passed.

Trustee Santos stated that Section V, Item A: a, b, and c, on Page 10 of his Committee's report is being tabled pending the Board's input and guidance. Trustee Santos mentioned that the Members and Benefits Committee had recommended disapproval, based on their review and findings during their meetings of July 9, 2008 and continuing meetings pertaining thereto. Chairman San Agustin stated that Section V, Item A: a, b, and c, on Page 10, is being moved under "New Business, Item B." The Board of Trustees had no objection of moving Section V, Item A: a, b, and c, under New Business, Item B.

B. Investment Committee

Vice-Chairman Leon Guerrero reported that the Investment Committee met on July 11, 2008. The Committee reviewed and approved the Investment Committee Minutes of June 13, 2008.

Contracts – Vice-Chairman Leon Guerrero stated that the Committee discussed the status of the contracts for the following:

- a. Custodial Bank Services
- b. Real Estate Investment Trusts (REITs)
- c. U.S. Domestic Small Cap Core Equity
- d. U.S. Domestic Core Fixed Income
- e. U.S. Domestic Large Cap Growth Equity

Asset Allocation – Vice-Chairman Leon Guerrero stated that the Committee reviewed the asset allocation as of July 9, 2008 noting the following:

- a. **Domestic Large Cap Equity** – the 30% Policy Allocation will be allocated equally amongst each of the managers.
- b. **Non U.S. Equity Developed Markets** – the 12% Policy Allocation will be allocated as follows:
 1. 10% to Fisher International and
 2. 2% to AXA International

- c. **Non U.S. Equity Small Cap** – the 5% Policy Allocation will be allocated as follows:
 - 1. 0.5% to AXA International and
 - 2. 4.5% to Dimensional Fund Advisers
- d. **Fixed Income** – the 30% Policy Allocation will be allocated equally amongst each of the managers.
- e. **REITS** – the 10% Policy Allocation will be allocated equally amongst each of the managers.

Vice-Chairman Leon Guerrero stated that the REITS are not funded and the Small Cap is not funded. Trustee Leon Guerrero asked whether to keep the same allocation. Vice-Chairman Leon Guerrero replied, “Yes.” Chairman San Agustin inquired about a time table. Director Blas stated that the Retirement Fund will start funding the allocation. Vice-Chairman Leon Guerrero pointed out that the REITS allocation was not included in his memorandum. Controller Diana Bernardo suggested to include item “e. REITS.” The 10% Policy Allocation will be allocated equally amongst each of the managers. Chairman San Agustin stated to make a note to refer to the document from Mercer. Vice-Chairman Leon Guerrero stated that the asset allocation was approved by the Board on November 14, 2006. In March 2008, Mercer had suggested to revisit this. The Investment Committee revisited this and the Board decided to stay with the current asset allocation. Mercer is now recommending revisiting this in August 2008. Vice-Chairman Leon Guerrero stated that Mercer will revisit this at the August Board meeting. Trustee Leon Guerrero requested that the recommendation be provided before the August meeting. Chairman San Agustin stated that he agrees with Trustee Leon Guerrero on having the information provided to the Board before hand.

Vice-Chairman Leon Guerrero stated that the quarterly performance meeting is scheduled for August 28 and 29, 2008. Chairman San Agustin stated that the Board will be meeting with Mercer for two hours on August 29, 2008 to review the asset allocation. Vice-Chairman Leon Guerrero stated that he will discuss the Investment Committee’s accomplishments under “New Business, Item A.”

Treasurer Gerard Cruz, seconded by Trustee Antolina Leon Guerrero moved to accept the Investment Committee report. Without objection, the motion passed.

C. Audit Committee

Treasurer Cruz stated that Management is working on the Disaster Recovery Plan. Treasurer Cruz stated that the Retirement Fund’s audit came out early and it was a clean audit. Chairman San Agustin stated that the Office of the Public Auditor (OPA) released the overall Government of Guam report early and that it was also a clean audit.

D. Governmental Liaison

Treasurer Cruz stated that the Exchange Traded Funds (ETFs) bill was passed. Chairman San Agustin stated that the Board encourages staff to attend the conference on ETFs in Hong Kong scheduled for September 16-17, 2008. Chairman San Agustin stated that he would also like to see the bill on the autonomy from the General Services Agency (GSA) get passed.

IX. TRAVEL REPORT

A. Antolina Leon Guerrero: IFEBP Certificate of Achievement in Public Plan Policy (CAPPP) Employee Health Part 1 and Part II, June 10-13, 2008, Chicago, Illinois

Chairman San Agustin stated that Trustee Leon Guerrero has submitted her travel report on the IFEBP Certificate of Achievement in Public Plan Policy (CAPPP) Employee Health Part I and Part II she attended on June 10-13, 2008 in Chicago, Illinois.

X. OLD BUSINESS

None

XI. NEW BUSINESS

A. Board of Trustees' Accomplishments and Challenges

Chairman San Agustin stated that the main accomplishments would be the establishment and maintenance of the independence of the Retirement Fund Board of Trustees, the Director, and the staff of the Retirement Fund. Chairman San Agustin stated that the investments guidelines have been reevaluated and several laws were enacted that provide the Board with the necessary tools to improve the investment yields of the investment portfolio. Chairman San Agustin further stated that there is a core problem that the retirees continually face on the increasing cost of living and the cost of health insurance. Trustee Leon Guerrero stated that, as the representative of both active employees and retirees, the Retirement Fund should have a stronger voice in the health plan design for the upcoming negotiations. Trustee Leon Guerrero suggested having someone from the Department of Administration (DOA) attend the training on health plan design.

Chairman San Agustin stated that Medicare buy-in still has been possible despite Senator B.J. Cruz's efforts which were not supported by the assistance of Congresswoman Madeleine Bordallo. Director Blas stated that the Retirement Fund has been at battle with the Legislature for the past three years on the Medicare issue. Secretary Taylor asked what does the Government of Guam have to do to get all the eligible retirees enrolled in Medicare. Director Blas stated that the pre-1986 employees are not eligible, but have the option to buy-in for Medicare coverage. The post-1986 employees are currently paying for Medicare. Director Blas stated that the Retirement Fund is unable to get the statistical information on retirees from Social Security Administration (SSA). Each retiree has to provide a written authorization to access their information. Vice-Chairman Leon Guerrero suggested conducting a survey on retirees regarding Medicare coverage. Director Blas stated that a survey was conducted and only twenty retirees responded. Chairman San Agustin stated that a detailed evaluation study should be conducted to support a position paper. Vice-Chairman Leon Guerrero stated that the appointed retiree advocate should be assigned this task. Chairman San Agustin stated that the Retirement Fund's Statistical and Research Unit could do this.

Chairman San Agustin stated that since the inauguration of the current Board, there has not been a single annual report issued. Director Blas stated that the Retirement Fund's annual report is in draft form. Chairman San Agustin requested for a copy of the draft report. Director Blas stated that the target date for printing the annual report is at the end of August.

Chairman San Agustin stated that the Statistical and Research Unit, as approved by the Board, has not been established nor staffed. Detailed statistical information is needed. Chairman San Agustin stated that the administrative reorganization as recommended by Milliman has not been fully implemented. This needs to be fully implemented.

Vice-Chairman Leon Guerrero provided a summary of the Investment Committee's accomplishments as follows:

1. Asset Allocation – Adopted a new asset allocation to include the following mandates:
 - a. International Small Cap
 - b. International Emerging Markets
 - c. Non-U.S. Fixed Income
 - d. Domestic Small Cap Equity
 - e. Real Estate Investment Trusts (REITs)
2. Revisited almost all contracts/relationships
3. Strengthened due diligence by hiring Bernstein Litowitz Berger and Grossmann LLP
4. “Clean” Audit
5. Improved Asset
6. Increased GovGuam Contribution Rate
7. Managers Changed (hired new managers, terminated others)
8. Changes in Investment Law including the use of ETFs
9. Enhanced Investment Opportunities

Vice-Chairman Leon Guerrero also provided a summary of the pending items as follows:

1. Shorten Procurement Process
2. Improve Staff Quality / Quantity
3. Proxy Voting
4. Health Savings Account
5. Trust Agreement

B. Richard Saville vs. Government of Guam Retirement Fund

Chairman San Agustin stated that his understanding of the situation is that the Board must deliberate on the disability retirement issue. The court case stated that the Board did not make a finding on the Saville case. The Board's decision is invalid because the Board did not deliberate on the Saville case. Chairman San Agustin stated that there is no court order issued. He thinks the Court can not order the Board to approve or disapprove Saville's disability application. Director Blas stated that Legal Counsel said the Board could appeal the judge's decision. Chairman San Agustin stated that the Court could tell the Board that they are not in compliance with the law. Secretary Taylor asked whether the Judge is saying that the Board can not operate through committees. Director Blas stated that is what we are hearing. Secretary Taylor asked under what law? Secretary Taylor stated that the Robert Rules of Order calls for committee structure. Chairman San Agustin stated that the law states that the Board shall make the determination. Director Blas stated that Section 8124 of 4GCA, Chapter 8, reads as follows: “If upon consideration of the report of such physicians, the medical consultant and such other evidence as shall have been presented to it by the member, or others interested therein, the Board finds the member to be totally and permanently disabled, it shall grant him a disability retirement annuity

upon written certification that the member has been separated from the service of the employer because of total disability of such nature as to reasonably prevent further service for the employer, and as a consequence is not entitled to compensation from the government.” Vice-Chairman Leon Guerrero stated that the committee structure needs to be clarified. Chairman San Agustin stated that we would need to go to the Legislature to have the law amended. Director Blas stated that there is a privacy provision under the Sunshine Act under 5GCA. Director Blas stated that the disability applicants could be assigned a case number. Chairman San Agustin stated that the Board could deliberate in Executive Session and then return to its regular meeting. Director Blas stated that she would have to review the provision of the Executive Session law. Vice-Chairman Leon Guerrero stated that the May 6, 2008 letter from Legal Counsel states that it is a legal issue and that the Board needs to correct the deficiency. Director Blas stated that Judge Elizabeth Barrett-Anderson took the word “Board” in a literal sense, to mean the full Board. Director Blas stated that Legal Counsel was interpreting the law. Vice-Chairman Leon Guerrero stated that the Board needs to meet with Legal Counsel to address the deficiency. Chairman San Agustin stated that the Board can not act without a court order. Chairman San Agustin agreed with Vice-Chairman Leon Guerrero’s recommendation for the Board to meet with Legal Counsel to address the deficiency. Trustee Santos stated that his committee will put the appeal cases on hold.

C. July 15, 2008 Letter from Mr. Terry Dennison, Mercer Investment Consulting, Inc. Regarding Request for Increase of the Annual Retainer Fee

Vice-Chairman Leon Guerrero reported earlier on his committee’s accomplishments. One of the accomplishments was the review of all contracts with the exception of the investment consultant. Treasurer Cruz suggested going out on a new Request for Proposal (RFP). Chairman San Agustin inquired about the current contract. Vice-Chairman Leon Guerrero stated that it is an open-end contract. Mercer has been the Fund’s investment consultant for the past five years. Vice-Chairman Leon Guerrero has previously suggested revisiting all contracts. Treasurer Cruz suggested issuing an RFP for the investment consultant as previously discussed in the Investment Committee meeting. Chairman San Agustin suggested tabling Mercer’s request for an increase of their annual fee. Chairman San Agustin made a clarification that the Board’s decision of tabling of Mercer’s request for an increase of fee is not related to the issuance of an RFP.

Treasurer Gerard Cruz, seconded by Trustee George Santos, moved to table Mercer Investment Consulting, Inc.’s Request for an Increase of their Annual Retainer Fee. Without objection, the motion passed.

Vice-Chairman Wilfred Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve the issuance of a Request for Proposal for the Investment Consultant for the Defined Benefit (DB) Plan. Without objection, the motion passed.

D. Salary Increment for the Retirement Fund Director and Controller

Chairman San Agustin stated that Director Blas is now on her second year of a three year contract. The Director’s contract will expire on May 2009. The Director’s current salary has been the same since the beginning of her contract on May 2006.

Chairman San Agustin stated that Controller Bernardo's position, which is established through the Civil Service Commission (CSC), has not been adjusted since she was hired. Chairman San Agustin stated that Controller Bernardo is due for an increment. Chairman San Agustin stated that both Director Blas and Controller Bernardo have done a good job. Vice-Chairman Leon Guerrero stated that he was under the impression that the Board can not do anything about the two positions since there is a maximum on salaries. Director Blas stated that the maximum amount is \$90,000.00. Trustee Santos asked whether Chairman San Agustin is suggesting giving Controller Bernardo her regular increment plus a meritorious increment. Secretary Taylor stated that he agrees that both have done well but asked whether there is a formal evaluation. Chairman San Agustin stated that there is no formal evaluation. Chairman San Agustin stated that Milliman's report and the investment reports shows what has been done. Vice-Chairman Leon Guerrero recommended showing their accomplishments in writing. Secretary Taylor requested for a letter from both describing the accomplishments that should merit an increase.

Vice-Chairman Leon Guerrero inquired about benefits. Director Blas stated that there are no benefits included in the contract. Treasurer Cruz suggested amending the law to provide benefits. Chairman San Agustin stated that there is a need to consider the term of the contract which expires on May 2009. Chairman San Agustin recommended amending the current term of the contract to expire on May 2011. Treasurer Cruz inquired about the development of staggered terms of the Board members. Director Blas stated that it is by legislation. Chairman San Agustin stated that there were supposed to be five elected members of the Board and two appointed. Chairman San Agustin stated that David John lobbied to have four elected and three appointed. Director Blas stated that the status of active employees could change to retirees. Vice-Chairman Leon Guerrero asked about the list from the last election. Director Blas stated that there will be a new list after the next election. The list is compiled to avoid a special election.

Trustee George Santos, seconded by Trustee Antolina Leon Guerrero, moved to approve two increments (Regular Increment and a Meritorious Increment) for Controller Diana Bernardo, subject to submission of a self-evaluation report. Without objection, the motion passed.

Trustee Gerard Cruz, seconded by Trustee George Santos, moved to approve a pay increase to match the Governor's salary of \$90,000.00 for Director Paula Blas, subject to submission of a self-evaluation report and to amend Director Paula Blas' term of her current contract to expire on May 2011. Without objection, the motion passed.

XII. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

XIII. ANNOUNCEMENTS

None

XIV. RECESS

Trustee George Santos, seconded by Trustee Katherine Taitano, moved to recess, and without objection, the Board of Trustees meeting for the Defined Benefits Plan recessed at 3:15 p.m. on Friday, July 25, 2008 and will reconvene on Friday, August 1, 2008, at 12:00 Noon in the Retirement Fund Conference Room. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of July 25, 2008 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 31, 2008.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas