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GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

**INVESTMENT COMMITTEE MEETING
DEFINED BENEFIT PLAN**

Friday, February 29, 2008, 12:00pm
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee meeting was called to order at 12:44pm on Friday, February 29, 2008, in the Retirement Fund Conference Room. Investment Committee Chairman Wilfred Leon Guerrero officiated.

Board of Trustees Present:

Wilfred Leon Guerrero, Chairman
Gerard A. Cruz, Member
James Taylor, Member

Staff Present:

Paula M. Blas, Director
Diana Bernardo, Controller
Rosie Bordallo, General Accounting Supervisor
Jackie Blas, Recording Secretary

II. ACTION ITEMS

1. Approval of Minutes – January 25, 2008

Item was tabled pending completion of the minutes.

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

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

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

Antolina S. Leon Guerrero
Trustee

III. OPEN ITEMS

1. RFP's Pending

As reported by Director Blas:

a. Custodial Bank Services

The selection panel is expecting to finalize the contract within the next week, pending the amendments from Northern Trust.

b. REITS – Real Estate Investment Trusts

The selection panel made a recommendation to the Board for the selection of Corner Stone and Security Capital. The Committee needs to decide whether or not to continue funding. Committee Chairman Leon Guerrero made a recommendation to fund REITS in which a 10% allocation would come from fixed income. Committee Member Cruz recommended funding each manager at 5% each.

c. U.S. Domestic Small Cap Core Equity

The selection panel made a recommendation for the selection of Thomson Hortsman and Bryant. Committee Chairman Leon Guerrero made a recommendation to have it funded with 10% from domestic equity.

d. U.S. Domestic Core Fixed Income

The Committee selected 2 new managers for fixed income, Davis Hamilton and Income Research Management (IRM). There are currently 2 incumbents on board, Aberdeen and Franklin Templeton. A motion was made by Committee Member Cruz, seconded by Committee Member Taylor, to terminate Aberdeen and to keep the 3 managers, Davis, IRM and Franklin Templeton.

e. U.S. Domestic Large Cap Growth Equity

The Committee selected Winslow Capital and Intech and there are 2 incumbents, Davis Hamilton and RCM. A motion was made by Committee Member Taylor, seconded by Committee Member Cruz, to terminate Davis and RCM.

f. U.S. Domestic Large Cap Value Equity

The selection panel is in the contract stage. Roboco was selected and their contracts are expected to be completed within the next 2 weeks. A motion was made by Committee Member Cruz seconded by Committee Member Taylor to terminate Oppenheimer.

A recap made by Director Blas concluded that there are currently 12 managers, 8 new selections were made, 4 managers to be terminated leaving the Fund with a total of 16 managers.

g. Proxy Voting

The RFP for Proxy Voting is pending because of the two proposals received, one did not meet the requirements so there is the option to entertain the one or re-issue the RFP.

2. FHB "Change in "Money Market Fund List of Custody Accounts"

Controller Bernardo stated that this item was tabled during the last Board Meeting due to the new custodian coming in. Director Blas added that changes weren't necessary because of the transition. Committee Member Cruz moved to have this item removed from the agenda as per management's recommendation.

II. NEW BUSINESS

None.

III. INFORMATIONAL ITEMS

1. Asset Allocation Summary

An asset allocation summary was provided to the Committee for informational purposes.

2. Investment Securities By Manager

A list of investments by manager was provided to the Committee for informational purposes.

3. Investment- Fees and Income Summaries

Investment fees and income summaries by manager were provided to the Committee for informational purposes.

4. Securities Concentration Report as of 2/26/08

The securities concentration report as of 2/26/08 was provided to the Committee for informational purposes.

5. 9/30/07 Quarterly Performance Report – Revised Asset Allocation Pages

As requested by the Committee Chairman, revised asset allocation pages for the 9/30/07 quarterly performance report were provided to the Committee to include REITS and Small Caps.

6. Agenda for March 12 and 13, 2008 Due Diligence Meetings

Controller Bernardo stated that the time has been confirmed with the managers. Committee Chairman Leon Guerrero recommended having the March 12th meeting begin at 2:00pm and keeping the set time for March 13th meeting. Committee Member Taylor stated that he would not be able to attend the meetings.

IV. OPEN DISCUSSION

None.

V. CORRESPONDENCE

None.

VI. ANNOUNCEMENTS

None.

IX. ADJOURNMENT


There being no further business before the Investment Committee, Committee Member Cruz, seconded by Committee Member Taylor moved to adjourn the meeting at 1:28pm.

Respectfully submitted,



STEPHANIE A. HERRERA
Recording Secretary

AFFIRMED:



Wilfred Leon Guerrero, Chairman