


GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY • SECURITY • REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

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

**INVESTMENT COMMITTEE MEETING
DEFINED BENEFIT PLAN**

Friday, April 11, 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, April 11, 2008, in the Retirement Fund Conference Room. Investment Committee Chairman Wilfred Leon Guerrero officiated.

Board of Trustees Present:

Wilfred Leon Guerrero, Chairman
James Taylor, Member

Staff Present:

Paula M. Blas, Director
Diana Bernardo, Controller
Stephanie Herrera, Recording Secretary

II. ACTION ITEMS

1. Approval of Minutes – January 25, 2008 and February 29, 2008

A motion was made by Committee Chairman Leon Guerrero seconded by Committee Member Taylor, to approve the minutes of January 25, 2008 & February 29, 2008, subject to correction. Without objection, the motion was passed.

III. OPEN ITEMS

1. RFP's Pending

As reported by Director Blas:

a. Custodial Bank Services

The contract is in the hands of the Board and is being reviewed by Northern Trust. If they are ready to sign, the Fund would be able to sign within the next few weeks.

b. REITS – Real Estate Investment Trusts

The RFP for REITS is in the contract stage. As part of the strategic allocation, 10% was approved by the Board; however, Committee Chairman Leon Guerrero stated that Mercer advised the committee to hold back due to the subprime issue. Committee Member Taylor suggested taking a sum of money to get the contract funded so that when it is time to move forward, it can be done quickly. Director Blas stated that the Fund is moving forward with the contract, it is the funding that hasn't been done as of yet. Committee Chairman Leon Guerrero agreed to have an account started and an amount of \$1million dollars was agreed upon. He requested for management to word the contract to read that the account will not immediately be fully funded with the approved 10% due to the subprime issue, based on the recommendation of the investment consultant.

c. U.S. Domestic Small Cap Core Equity

d. U.S. Domestic Core Fixed Income

e. U.S. Domestic Large Cap Growth Equity

Items c., d., and e. are in the contract stage and the managers are reviewing their contracts.

f. U.S. Domestic Large Cap Value Equity

With the investment management agreement, for items b., c. d. & f., a template has been made so the language is the same with the exception of the different mandates, the proposals and RFPs that will be attached and incorporated into the management agreements. Robeco Investment Management was hired as the manager for U.S. Domestic Large Cap Value Equity. Director Blas stated that Robeco has signed the contract and it is with Legal Counsel for signature and will then go to the Board for signature. The Board had made the decision to retain Metropolitan West and terminate Oppenheimer Capital.

g. Proxy Voting

At the Board level, designations as to who will sit on the selection panel were made. A decision was made to accept and review the 2 proposals that were submitted. Of the 2, only 1 met the qualifications. A decision to accept the 1 that did meet the requirements or reject it and re-issue another RFP has not been made. The selection panel led by Committee Chairman Leon Guerrero recommended reviewing the 1 proposal that met the qualifications to determine if additional bids would be necessary.

IV. NEW BUSINESS

None.

V. 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 4/07/08

The securities concentration report as of 4/07/08 was provided to the Committee for informational purposes as requested by the Committee. Committee Chairman Leon Guerrero stated that asset allocation is an important function in generating revenue which is the responsibility of the Board. Committee Member Taylor added that it is a technique for determining whether or not there is style drift among the managers. The purpose of the report is to make sure that the managers are carrying out their mandate.

VI. OPEN DISCUSSION

1. 130-30 Funds

Committee Chairman Leon Guerrero stated that Mercer was to look into whether any of the managers have the ability to invest in 130-30 funds. He requested clarification as to whether 130-30 funds can be done by law and if not, would like to open a discussion to invest in 130-30 funds and what can be done under

law or look into changing the law. Director Blas stated that she will follow up with Mercer.

2. Exchange Traded Funds

Director Blas indicated that at the last Board meeting it was decided to move forward with the draft legislation which was sent to the Legislature for ETFs. Committee Taylor requested clarification on the removal of the 30% cap that was approved by the Board to be included in the draft legislation. Director Blas stated that she will follow up on the status.

VII. CORRESPONDENCE

None.

VIII. ANNOUNCEMENTS

None.

IX. ADJOURNMENT

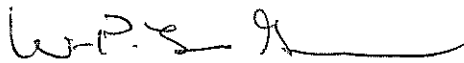
There being no further business before the Investment Committee, Committee Chairman Leon Guerrero, seconded by Committee Member Taylor moved to adjourn the meeting at 1:40pm.

Respectfully submitted,



STEPHANIE A. HERRERA
Recording Secretary

AFFIRMED:



Wilfred Leon Guerrero, Chairman