

  
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, June 13, 2008, 12:00pm  
Retirement Fund Conference Room

**MINUTES**

**I. CALL TO ORDER**

The Retirement Fund Investment Committee meeting was called to order at 12:35pm on Friday, June 13, 2008, in the Retirement Fund Conference Room. Investment Committee Chairman Wilfred Leon Guerrero officiated.

**Board of Trustees Present:**

Wilfred Leon Guerrero, Chairman  
Gerry Cruz, Member

**Staff Present:**

Diana Bernardo, Acting Director  
Rosie Bordallo, General Accounting Supervisor  
Stephanie Herrera, Recording Secretary

**II. ACTION ITEMS**

**1. Approval of Minutes – May 8, 2008**

A motion was made by Committee Member Cruz, to approve the minutes of May 8, 2008, subject to correction. Without objection, the motion was passed.

### **III. OPEN ITEMS**

#### **1. Contracts Pending**

- a. Custodial Bank Services**
- b. REITS – Real Estate Investment Trusts**
- c. U.S. Domestic Small Cap Core Equity**
- d. U.S. Domestic Core Fixed Income**
- e. U.S. Domestic Large Cap Growth Equity**
- f. U.S. Domestic Large Cap Value Equity**

For items a., b., c., e., and f, all contracts with the managers are in the negotiation stage. For item d, Fixed Income, Controller Bernardo indicated that the contract with Income Research Management has been signed and the account could be set up and funded.

#### **2. RPF Pending**

- a. Proxy Voting**

Item was tabled until the next Committee meeting.

#### **3. Exchange Traded Funds – Bill 283**

Controller Bernardo stated that Bill 283 has not been passed, it is still pending.

### **IV. NEW BUSINESS**

#### **1. Bernstein Litowitz Berger & Grossman LLP-1<sup>st</sup> 6/21/08 Email (RE: Lehman Brothers Securities Litigation)**

The Committee reviewed Bernstein's June 11, 2008 letter and Bernstein's June 12, 2008 email to the GGRF Board Chairman, regarding the Lehman Brother's Securities Litigation. According to Bernstein:

- a. GGRF has incurred losses of approximately \$3.85 million because of serious misconduct and securities fraud committed by Lehman Brothers.**
- b. Bernstein has conducted a detail investigation into the misconduct by Lehman and strongly recommends that GGRF seek appointment as lead plaintiff.**
- c. The deadline to move for lead plaintiff is June 12, 2008.**

The Committee also reviewed the two emails from the GGRF Board Chairman on June 12, 2008, and the Certification from Bernstein, which was signed by the GGRF Board Chairman on June 12, 2008.

**Recommendation**

The Committee recommends that the Board affirm the Board Chairman's decision to authorize Bernstein to file a motion for appointment as lead plaintiff on its behalf.

**V. INFORMATIONAL ITEMS**

**1. Bernstein Litowitz Berger & Grossman LLP-1<sup>st</sup> Qtr Report (3/31/08)**

**2. Asset Allocation Summary**

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

**3. Investment Summaries by Manager**

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

**4. Investments – Fee and Income Summaries**

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

**5. Securities Concentration Report**

The securities concentration report was provided to the Committee for informational purposes

**VI. OPEN DISCUSSION**

Committee Chairman Leon Guerrero added two items under "New Business" on the agenda. Item 2. Enhanced Indexing and Item 3. Enhanced Yield. Chairman Leon Guerrero requested that Controller Bernardo provide the Committee with more information on both items.

**VII. CORRESPONDENCE**

None.

**VIII. ANNOUNCEMENTS**

None.

**IX. ADJOURNMENT**

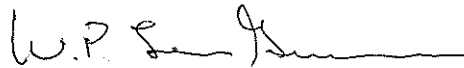
There being no further business before the Investment Committee, Committee Chairman Leon Guerrero, seconded by Committee Member Cruz moved to adjourn the meeting at 1:20pm.

Respectfully submitted,



**STEPHANIE A. HERRERA**  
Recording Secretary

**AFFIRMED:**



---

**Wilfred Leon Guerrero, Chairman**