



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

February 27, 2009

To: Joe T. San Agustin, Board Chairman
From: Dr. James Taylor, Investment Committee Vice-Chair
Subject: Investment Committee Meeting – February 13, 2009

Defined Benefit Plan

On February 13, 2009, the Fund held its regular Investment Committee meeting. In attendance were Trustee Gerard Cruz and I. Other Attendees were Paula Blas, Diana Bernardo and Rosalia Bordallo.

Informational Items

1. Robeco Letter “Guideline Change”

The Committee reviewed Robeco’s 10/22/08 letter relative to the requirement that limits investment holdings to no more than 5% of the portfolio’s market value in any one issuer. Robeco is requesting that the guidelines be changed wherein, “Robeco shall limit the investments of the portfolio in any one issuer to the greater of:

- (a) 5% of the market value of the portfolio, or
- (b) The index weighting of that issuer, plus one full percentage point”.

The Committee:

- a) Requested that Robeco provide an analysis supporting its request, and
- b) Deferred making a decision until it is discussed with Mercer Investment Consulting, Inc. during next week’s due diligence meetings.

2. Aberdeen – Bernstein’s Review of Asset Listing

The Committee had previously requested that Bernstein review the list of Aberdeen’s assets, which were transferred to Davis Hamilton and Income Research Management.

- Management indicated that Bernstein is still reviewing the list and upon completion, Bernstein will let the Fund know whether there is a basis for legal action against Aberdeen.

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3. Funding of Managers

Funding of the following Managers was also deferred for discussion during the meetings with Mercer next week:

- a) Cornerstone (REITs) – Partially funded on Dec. 2008.
- b) Security Capital (REITs) – Partially funded on Dec. 2008.
- c) Thomson Horstmann & Bryant (U.S. Domestic Small Cap) - Not yet funded.

4. Asset Allocation

The Committee reviewed the latest asset allocation as of February 11, 2009, noting that the total market value of the portfolio dropped from approximately \$1.129 billion at 9/30/08 to approximately \$944.5 million as of 2/11/09.

5. March 4, 5, and 6, 2009 “Quarterly Performance and Annual Manager Reviews”

No changes were made to the schedule for the March 2009 Due Diligence Meetings.

6. Minutes

The Committee reviewed and approved the Investment Committee Minutes of January 9, 2009.