

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, January 9, 2009, 12:00pm
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee meeting was called to order at 12:40pm on Friday, January 9, 2008, in the Retirement Fund Conference Room. Investment Committee Chairman Leon Guerrero officiated.

Board of Trustees Present:

Wilfred Leon Guerrero, Chairman
Gerry Cruz, Member

Staff Present:

Paula M. Blas, Director
Diana Bernardo, Controller
Rosalia Bordallo, General Accounting Supervisor
Stephanie Herrera, Recording Secretary

II. ACTION ITEMS

1. Approval of Minutes -- November 14, 2008

A motion was made by Committee Chairman Leon Guerrero, seconded by Committee Member Cruz to approve the minutes of November 14, 2008, subject to correction. Without objection, the motion was passed.

III. OPEN ITEMS

1. INTECH/JANUS Contract

Both contracts are pending signature from all Board members.

2. Future Funding of the Following Managers:

a. U.S. Domestic Large Cap – INTECH/JANUS

Once the contracts are signed, funding can be done, which will come from RCM.

b. U.S. Domestic Small Cap – Thomson Hortsman & Bryant

Item is pending.

c. REITS – Security Capital and Cornerstone

Partially funded on December 2008. Pending additional funding. For discussion during the March 2009 due diligence meetings.

IV. New Business

1. Bernstein 12-29-08 Letter “Wachovia Securities Litigation”

Committee Chairman Leon Guerrero stated that there was a class action law suit filed June 2008 which was limited to common stock holders. The Fund does not hold common stocks, however holds one bond that isn't covered by the initial law suit and it was recommended by Bernstein that the Fund safe guard their assets and file to include the bond, which was confirmed at \$88,000 and to authorize Bernstein to file on the Fund's behalf. As a fiduciary responsibility of the Fund, the Committee made the decision to file.

2. IRM 12/23/08 Email Requesting to:

a. Transfer \$19M from the IRM Portfolio to the Transition Portfolio

b. Extend the Guideline Waiver

Controller Bernardo indicated that the Fund received an email from IRM advising of the status of the market and the impact it has on the portfolio. IRM was requesting for a conference call to discuss their request to transfer \$19million dollars from their portfolio into a transition portfolio and for an extension of the six month guideline waiver. Mercer reviewed the information that was provided by IRM and stated that it would be reasonable to rely on IRM's judgment on the transfer request of \$19million and it would be in the best interest of the Fund to extend the six month waiver guideline. When IRM acquired the portfolio, they had initially

agreed to accept the \$19million dollars to begin trading on, but are now requesting for 75% to be in transition while waiting for the market to stabilize so that the Fund does not suffer a major loss. Committee Member Cruz stated that for the purpose of safe guarding the assets he would agree with the request; however it should be counted towards their performance and shouldn't be allowed again. He also recommended advising them to manage the portfolio as they see fit rather than giving them consent, because it's not a good idea for the Fund to be involved in the decision making process. It was decided by the Committee and staff to hold off on this until March 2009 when IRM is scheduled to attend the Due Diligence meeting and to request that they provide an updated listing of assets at that meeting.

V. INFORMATIONAL ITEMS

1. Asset Allocation Summary

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

2. Investment – Summaries by Manager

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

3. Investments – Fee and Income Summaries

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

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

The agenda for the Quarterly Performance and Annual Manager Reviews was presented to the Committee for approval.

VI. OPEN DISCUSSION

None.

VII. CORRESPONDENCE

None.

VIII. ANNOUNCEMENTS

None.

IX. ADJOURNMENT

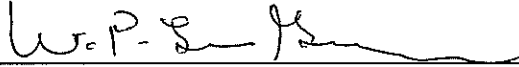
There being no further business before the Investment Committee, Committee Member Cruz, seconded by Committee Chairman Leon Guerrero moved to adjourn the meeting at 1:30pm.

Respectfully submitted,



STEPHANIE A. HERRERA
Recording Secretary

AFFIRMED:



Wilfred Leon Guerrero, Chairman