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Investment Committee, Chairman

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Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
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Trustee

April 24, 2009

To: Joe T. San Agustin, Board Chairman
From: Dr. James Taylor, Investment Committee Vice-Chair
Subject: Investment Committee Meeting – April 17, 2009

Defined Contribution Plan

On April 17, 2009, the Fund held its regular Investment Committee meeting. In attendance were Trustees Dr. James Taylor, Gerard Cruz, and I. Other attendees were Paula Blas, Diana Bernardo, and Rosalia Bordallo.

Informational Items:

1. Third Party Administrator

Management provided the Committee with an update on the status of the Third Party Administrator Contract.

2. Replacement of American Bond Funds of America

The Board during its March 6, 2009 regular meeting authorized replacing the *American Bond Funds of America*, as an investment option for DC Plan participants. Mercer Investment Consulting Inc. was tasked to perform a search for a replacement manager.

- This item will be discussed during the next Investment Committee Meeting --- upon receipt of the search report from Mercer.

3. Hybrid DB/DC Plan

Due to the impact of market volatilities on the DC Plan, the Committee previously requested that Milliman Consulting Inc. provide an analysis/report of a Hybrid DB/DC Plan.

- Rich Wright of Milliman will provide his report during today's Board Meeting.

4. Letter from Robert Ryan (DC Plan Participant)

The Committee reviewed Robert Ryan's April 2, 2009 letter to Director Paula Blas, wherein he requested that the Board consider including in the options of funds available to DC Plan Participants, some funds that are heavily weighted in precious metals, oil and gas, and other commodities.

- Based on email comments from Terry Dennison, of Mercer, Management was instructed to inform Dr. Ryan that the types of investments he suggested are generally unsuitable for the broad range of participants due to concentrated risk and difficulty in producing appropriate educational material. However, his request will be discussed during the quarterly performance meetings with Mercer on May 28, and 29, 2009.