



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

Antolina S. Leon Guerrero  
Secretary

Gerard A. Cruz  
Treasurer  
Audit & Operations Committee,  
Chairman

George A. Santos  
Members' & Benefits Committee,  
Chairman

Katherine T.E. Taitano  
Trustee

Wilfred G. Aflague  
Trustee

September 25, 2009

**To: Joe T. San Agustin, Board Chairman**  
**From: Wilfred Leon Guerrero, Investment Committee Chairman**  
**Subject: Investment Committee Meeting – September 11, 2009**

**Defined Benefit Plan**

On September 11, 2009, the Fund held its regular Investment Committee meeting. In attendance were Trustees Gerard Cruz, Wilfred G. Aflague, and I. Other attendees were Paula Blas, Diana Bernardo, and Rosalia Bordallo.

**Informational Items:**

**1) Funding of Managers**

The REITs and U.S. Domestic Small Cap Mandates are not yet fully funded.

**REITS**

During the quarterly performance meeting on August 27, 2009, Terry Dennison recommended:

- Funding *Cornerstone* an additional \$12M, and
- No additional funding, at that time, for *Security Capital* due to their more aggressive investment style.

Although further funding of both managers will be discussed during the next quarterly performance meeting in December 2009, *the Investment Committee requested* that Terry Dennison provide his recommendations in writing, specifically indicating why he did not recommend full funding for both Cornerstone and Security Capital.

**U.S. Domestic Small Cap Equity Mandate**

The Domestic Small Cap Equity Mandate has been partially funded with:

- \$16.8M in Exchange Traded Funds, and
- \$45M to Thomson Horstmann & Bryant (THB), representing approximately 40% of the mandate.

A Request For Proposal (RFP) will be issued to search for a second Domestic Small Cap Equity Manager.

424 Route 8  
Maite, Guam 96910  
Tel: 671.475.8900  
Fax: 671.475.8922  
www.ggrf.com

**2) Investment Committee Goals & Objectives**

The Investment Committee reviewed the Draft Matrix, which is subject to further discussion during the next Committee meeting.

**3) Asset Allocation**

The Committee reviewed the latest asset allocation as of September 8, 2009, noting that compared to the approximately \$1.129 billion market value of the portfolio at 9/30/08, the market value was approximately \$1.148 billion as of 09/08/09.

**4) Minutes**

The Committee reviewed and approved the Investment Committee Minutes of August 14, 2009.