



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

**INVESTMENT COMMITTEE MEETING
DEFINED BENEFIT PLAN**

Friday, November 12, 2010, 12:00pm
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee meeting was called to order at 12:55pm on Friday, November 12, 2010, in the Retirement Fund Conference Room. Investment Committee Acting Chairman Cruz officiated.

Board of Trustees Present:

Gerard A. Cruz, Acting Chairman
Wilfred Aflague, Member

Staff Present:

Paula Blas, Director
Diana Bernardo, Controller
Stephanie Herrera, Recording Secretary

II. ACTION ITEMS

1. Approval of Minutes:

- a. October 8, 2010 – Investment Committee Meeting
- b. August 26, 2010 – Due Diligence Mtg (For Qtr Ended 6/30/10)

A motion was made by Committee Member Aflague, seconded by Acting Committee Chairman Cruz to approve the minutes of October 8, 2010 and August 26, 2010, subject to correction. Without objection, the motion was passed.

III. OPEN ITEMS

1. Request for Proposal – Investment Consultant

Director Blas indicated that the RFP for Investment Consultant closes on November 29, 2010.

2. Funding of Earnest Partners – International Large Cap Equity Manager

Director Blas stated that Legal Counsel is just about done with the contract for Earnest Partners; there are just a few minor issues that need to be agreed on before they forward the final copy.

It was decided to fund Earnest Partners \$26.5 million upon signing of the contract by liquidating a portion of the ETF I Shares EAFE Index and to leave the remainder in I Shares until Terry Dennison of Mercer Investment Consulting, Inc. arrives next month.

3. Investment Committee 5 Year Plan

Item is current and ongoing.

IV. NEW BUSINESS

None.

V. INFORMATIONAL ITEMS

Acting Committee Chairman Cruz stated that he received an email with an attached letter from Mark Heath of Metropolitan West notifying the Fund and the Committee that the Co-Chief Investment Officer/Co-Founder along with a couple of other senior portfolio managers have left the company. Because this change would normally warrant in the least questions to Metropolitan West as to why, he suggested getting an opinion from Terry Dennison of Mercer Investment Consulting, Inc. on the matter. Director Blas added that the Fund was notified by Morgan Stanley that Metropolitan West was put on watch.

1. Asset Allocation Summaries

Asset allocation summary statements were provided to the Committee for review and informational purposes.

2. Income Summary

An income summary report was provided to the Committee for review and informational purposes.

3. Quarterly Performance & Annual Managers Reviews – Dec. 15, 16, and 17, 2010

The annual manager review meeting for quarter ended 9/30/2010 is scheduled for December 15, 16, and 17, 2010.

*The Investment Committee Meeting regularly scheduled for December 10, 2010 will take place with the Quarterly Performance & Annual Managers Review Meetings.

VI. OPEN DISCUSSION

None.

VII. CORRESPONDENCE

None.

VIII. ANNOUNCEMENTS

None.

IX. ADJOURNMENT

There being no further business before the Investment Committee, Committee Acting Chairman Cruz, moved to adjourn the meeting at 1:15pm.

Respectfully submitted,



**STEPHANIE A. HERRERA
Recording Secretary**

AFFIRMED:



Gerard A. Cruz, Acting Chairman