

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, October 8, 2010, 12:00pm
 Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee meeting was called to order at 12:20pm on Friday, October 8, 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
 Stephanie Herrera, Recording Secretary

II. ACTION ITEMS

1. Approval of Minutes:

- a. September 10, 2010 – Investment Committee Meeting
- b. September 17, 2010– Investment Committee Meeting

A motion was made by Committee Member Aflague, seconded by Acting Committee Chairman Cruz to approve the minutes of September 10 2010 and September 17, 2010, subject to correction. Without objection, the motion was passed.

III. OPEN ITEMS

1. Investment Committee 5 Year Plan

Item was tabled until the next Investment Committee Meeting.

2. Securities Lending

Director Blas indicated that Dr. Leon Guerrero had spoken with Blair Nicholas, BLBG regarding Northern Trust's securities lending program and received a follow up letter which a copy was provided for the Committee's information. She stated that because of the way it was written, it was forwarded to Joanne Grimes for clarification because the issues that are discussed are different from the situation with the Fund. Director Blas also indicated that Joanne Grimes spoke with Blair Nicholas and was able to get answers to all her specific questions with regards to the new relationship with the Fund versus what he is currently litigating for other clients. Director Blas stated that Joanne Grimes could be available to meet at the October Board Meeting to discuss the issues with the securities lending program. She added that Joanne Grimes has been communicating with Terry Dennison of Mercer Investment Consulting, Inc. and has input from him and that Terry Dennison has offered to meet with Blair Nicholas to explain the issues to him. Acting Committee Chairman Cruz requested that an explanation of the differences be put in writing.

IV. NEW BUSINESS

None.

V. INFORMATIONAL ITEMS

1. Asset Allocation Summaries

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

Director Blas indicated that the international developed large cap manger has not been funded, yet, but expects that they will be ready in the next few weeks.

The 0.50% under the target allocation for AXA Small Cap which has been terminated will be moved to DFA Small Cap.

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.

VI. OPEN DISCUSSION

None.

VII. CORRESPONDENCE

None.

VIII. ANNOUNCEMENTS

None.

IX. ADJOURNMENT

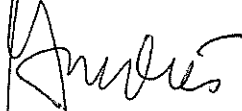
There being no further business before the Investment Committee, Committee Acting Chairman Cruz, moved to adjourn the meeting at 12:40pm.

Respectfully submitted,



**STEPHANIE A. HERRERA
Recording Secretary**

AFFIRMED:



Gerard A. Cruz, Acting Chairman