



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
Governor

Ray Tenorio
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, April 8, 2011, 12:00pm
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee meeting was called to order at 12:00pm on Friday, April 8, 2011, in the Retirement Fund Conference Room. Investment Committee Chairman Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Chairman
Gerard A. Cruz, Member
Wilfred Aflague, 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:

a. March 24, 2011

A motion was made by Committee Member Cruz, seconded by Committee Chairman Leon Guerrero to approve the minutes of March 24, 2011, subject to correction. Without objection, the motion was passed.

III. OPEN ITEMS

1. Investment Committee 5 Year Plan

(Item not discussed)

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.

Balances are as of April 5, 2011; market was at \$1,374,773,631 billion and cost was at \$1,218,194,914 billion. The year to date change in market value was \$120,863,594.00.

2. Income Summary

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

VI. OPEN DISCUSSION

1. Asset Allocation Risk Factors

During the presentation made by the Fund's new consultant, Wilshire Consulting, they provided a chart on risk factor diversification based on their review of the Fund's existing portfolio. The asset allocation chart in terms of risk factors shows the Fund's risk being very high at 95% Growth, 4% Stability and 1% Inflation Hedge. The Fund has been successful so far in both up and down markets using their existing approach. Also, if the Fund were to accept Wilshire's new approach, the Fund would need approval from the Legislature to make the changes to adopt their method. (The chart was provided to the Committee in today's meeting to show what Wilshire may propose)

VII. CORRESPONDENCE

1. Metropolitan West 3-30-11 Ltr

The Board Chairman received a letter from Metropolitan West advising that ownership by Wells Fargo Bank rose from 87.9% to 99.9% making Metropolitan West fully owned by Wells Fargo.

2. Investment Proposal – Okkodo High School Expansion

The Fund received an investment proposal for the expansion of Okkodo High School. In the proposal the Fund is requested to consider purchasing a portion of construction lease certificates. The Committee decided to send the proposal to the Fund's Legal Counsel to see if this is a permissible investment.

VIII. ANNOUNCEMENTS

None.

IX. ADJOURNMENT

There being no further business before the Investment Committee, Committee Chairman Leon Guerrero, moved to adjourn the meeting at 1:10pm.

Respectfully submitted,



STEPHANIE A. HERRERA
Recording Secretary

AFFIRMED:



Wilfred P. Leon Guerrero, Chairman