

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, February 11, 2011, 12:00pm  
 Retirement Fund Conference Room

**MINUTES**

**I. CALL TO ORDER**

The Retirement Fund Investment Committee meeting was called to order at 12:30pm on Friday, February 11, 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  
 Joe T. San Agustin, Ex-Officio

**Staff Present:**

Paula Blas, Director  
 Diana Bernardo, Controller  
 Rosalie Bordallo, General Accounting Supervisor  
 Stephanie Herrera, Recording Secretary

**II. ACTION ITEMS**

**1. Approval of Minutes:**

- a. December 15, 2010 – Investment Committee Meeting
- b. January 14, 2011 – Investment Committee Meeting

A motion was made by Committee Member Aflague, seconded by Committee Chairman Leon Guerrero to approve the minutes of December 15, 2010 and January 14, 2011, subject

to correction. Without objection, the motion was passed.

- c. December 15 and 16, 2010 (Due Diligence Mtg for Qtr Ended 9/30/2010)

The minutes of December 15 and 16, 2010 were tabled pending completion. (A draft copy of December 15, 2010 was provided for review)

### **III. OPEN ITEMS**

#### **1. Request for Proposal – Investment Consultant**

Director Blas stated that the evaluations of the RFP's received are still on going.

#### **2. Investment Committee 5 Year Plan**

Item was tabled until next quarter.

### **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.

Controller Bernardo stated that the market value was at \$1.35 million as of February 4, 2011, which includes funding of all accounts as approved in the December 2010 meeting and all managers are at a positive except for Capital International and IRM whose market value is less than cost.

Controller Bernardo also stated that as requested by the Committee at the last meeting, a summary of the gain and loss of the liquidation was provided. By direction of the Board to take two thirds of Metropolitan West's portfolio, there was a liquidation of \$61 million, which was at a gain of \$11 million. The \$61 million taken from Metropolitan West was put into the ETF I Shares EAFE Index. Additionally, Fisher was liquidated \$32 million at a gain of \$5 million and the I Shares EAFE Index was liquidated \$15 million and \$29 million at a gain of \$ 4 million. The \$15 million taken from I Shares went to Retirement Fund operations and the \$29 million was used to Fund Earnest Partners.

**2. Income Summary**

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

**3. Quarterly Performance & Annual Managers Reviews – March 24 and 25, 2011**

The annual manager review meeting for quarter ended 12/31/2010 is scheduled for March 24 and 25, 2011.

Committee Chairman Leon Guerrero had requested for Controller Bernardo to have Terry Dennison make a presentation on asset allocation based on risk factors during the March 24 and 25, 2011 Quarterly Performance Meeting.

**VI. OPEN DISCUSSION**

None.

**VII. CORRESPONDENCE**

**1. ChartAdvisor Email “The REIT Sector Could See More Upside”**

An email on the REIT sector was provided by Board Chairman San Agustin for informational purposes.

**VIII. ANNOUNCEMENTS**

None.

**IX. ADJOURNMENT**

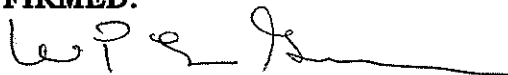
**There being no further business before the Investment Committee, Committee Chairman Leon Guerrero, moved to adjourn the meeting at 1:20pm.**

Respectfully submitted,



**STEPHANIE A. HERRERA**  
Recording Secretary

**AFFIRMED:**



**Wilfred P. Leon Guerrero, Chairman**