

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, January 14, 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, January 14, 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 and 16, 2010 – Investment Committee Meeting
 (December 2010 Committee Meeting and Due Diligence Mtg for Qtr Ended 9/30/2010)

The minutes of December 15 and 16, 2010 were tabled pending completion.

III. OPEN ITEMS

1. Request for Proposal – Investment Consultant

Director Blas stated that the evaluation panel has convened and started the process.

2. Investment Committee 5 Year Plan

Item 10. Perform a Feasibility Study for a New Building, b. Architect & Engineering: Director Blas stated that the Department of Public Works, by law oversees all of the construction and RFPs for any type of building and they are currently back logged, so the Fund is having a hard time getting them to create an RFP for the architect and engineering, which is what is pending. The architect and engineering RFP would provide an idea as to how much the building is going to cost. The feasibility study provided to the Fund by The Captain Company provided options such as constructing a building large enough to lease office space and what the Fund would have to charge for rent in order to recover, as well as if it would be rented to the private or Government sector. Director Blas stated that the recommendation from Legal Counsel was to find out how much the building was going to cost and how much the Fund could charge per square foot for rental to determine if it was feasible to build a building large enough to lease office space. She also stated that according to Legal Counsel, leasing office space has to be allowed by the Legislature.

Item 11. Establish an Internship Program: Director Blas stated that there were some students interested in being employed by the Fund, but not interested in doing an internship. At the request of the Committee Members, Director Blas will check with Legal Counsel as to whether the Fund can pay a stipend for an internship program.

Item 12. Seek Autonomous Agency Status: Director Blas stated that according to Legal Counsel, if the Fund goes one way or the other, there are pros and cons and right now it is good for the Fund, but if the Fund switches over to autonomous status, there could be repercussions. The Committee Members continue to seek the possibility of autonomous agency status.

IV. NEW BUSINESS

Controller Bernardo stated that based on the direction of the Board at the last Board meeting, Numeric and Eaton were funded an additional

\$22 million each. Metropolitan West was directed to liquidate two thirds of the portfolio, which came out to \$61 million and that is currently in the Admin Account. Northern Trust is in the process of putting those funds into an ETF Account, the ETF IShares Russell 1000 Value Index and that is expected to be done by the close of business today. Additionally, Earnest Partners LLC was funded \$29 million from the EAFE IShares Index. Fisher was also instructed to liquidate \$32 million and that money is expected to come in next week and will go to Earnest Partners LLC.

V. INFORMATIONAL ITEMS

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 – March 24 and 25, 2011

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

VI. OPEN DISCUSSION

None.

VII. CORRESPONDENCE

1. BLBG 1/4/11 Letter “AXA Rosenberg: Claims for Recovery of Losses”

A letter was received from Blair Nicholas regarding their investigation into the claims for the recovery of the Fund’s losses on investments with AXA Rosenberg. The Fund is requested to provide BLB&G with all investment documents with AXA in order to provide the Fund with a comprehensive analysis of the Fund’s full legal rights for recovery of losses.

VIII. ANNOUNCEMENTS

None.

IX. ADJOURNMENT

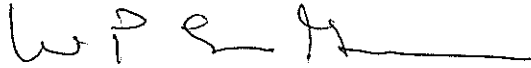
There being no further business before the Investment Committee, Committee Chairman Leon Guerrero, moved to adjourn the meeting at 1:50pm.

Respectfully submitted,



STEPHANIE A. HERRERA
Recording Secretary

AFFIRMED:



Wilfred P. Leon Guerrero, Chairman