

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
 February 23, 2012, 2:00pm
 Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee meeting was called to order at 2:00pm on Thursday, February 23, 2012, 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 G. Aflague, Member

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Rosalie Bordallo, General Accounting Supervisor

II. ACTION ITEMS

1. **January 26, 2012 Regular Investment Committee Mtg**
2. **November 30 and December 1, 2011 Due Diligence Mtg for the Qtr Ended 9/30/2011**

A motion was made by Committee Member Cruz, seconded by Committee Member Aflague to approve the minutes of the January 26, 2012 Regular Investment Committee Meeting, subject to correction. Without objection, the motion was passed. A motion was made by Committee Member Cruz, seconded by Committee Member Aflague to approve the minutes of November 30 and December 1, 2011 Due Diligence Meetings, subject to technical corrections. 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.

2. Income Summary

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

VI. OPEN DISCUSSION

The following recommendations were made by Wilshire:

Current Statute Governing GGRF's Investments

1. Removing the "Investment Grade" requirement. Instead, a limit of 20-30% may be imposed on non-investment grade bonds. This will require an amendment to the Statutes.

A motion was made by Committee Member Cruz to recommend to the Board for approval, removing the investment grade requirement currently being imposed on all holdings by the Fund's bond managers, including allowing up to 25% allocation for fixed income assets in non-investment grade. No objections made by the Committee, motion adopted.

2. Removing or increasing GGRF's Non-US investment limit of 15% to be consistent with the World Opportunity Sets of 50-60%.

The Committee requested that Wilshire provide supporting information for this item and so item was tabled and will be addressed at the next due diligence meeting pending additional information from Wilshire.

3. Classifying investments based on underlying asset categories, rather than investment vehicles.

The Committee requested that Wilshire provide supporting information for this item and so item was tabled and will be addressed at the next due diligence meeting pending additional information from Wilshire.

4. Allowing managers to invest in securities that are in their benchmarks.

A motion was made by Committee Chairman Leon Guerrero to recommend to the Board for approval, allowing the managers to invest in securities that are in their benchmarks given by the Board. No objections made by the Committee, motion adopted.

Investment Consultant's Manager Evaluation Summary

1. Watch List

A recommendation was made by Maggie Ralbovsky, Wilshire to keep Eaton Vance and Numeric Investors on the Watch List.

2. Based on Wilshire's performance report a recommendation was made by the Committee to place Franklin Templeton on the Watch List

No objections made by the Committee.

VII. CORRESPONDENCE

None.

VIII. ANNOUNCEMENTS

The Due Diligence Meeting for quarter ending 12/31/11 is scheduled for February 22-23-2012. The Board Meeting will follow on 2/24/12.

IX. ADJOURNMENT

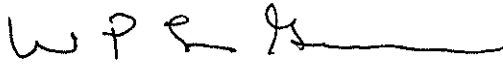
There being no further business before the Investment Committee, a motion was made by Committee Chairman Leon Guerrero, seconded by Committee Member Cruz to adjourn the meeting at 2:40pm.

Respectfully submitted,



STEPHANIE A. HERRERA
Recording Secretary

AFFIRMED:



Wilfred P. Leon Guerrero, Chairman