

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**  
 Thursday, May 31, 2012, 11:30am  
 Retirement Fund Conference Room

**MINUTES**

**I. CALL TO ORDER**

The Retirement Fund Investment Committee meeting was called to order at 11:30am on Thursday, May 31, 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  
 Joe T. San Agustin, Ex-Officio

**Staff Present:**

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

**II. ACTION ITEMS**

1. **April 26, 2012 Regular Investment Committee Mtg**
2. **February 22 and 23, 2012 Due Diligence Mtg for the Qtr Ended 12/31/2011**

A motion was made by Committee Member Aflague, seconded by Committee Member Cruz to approve the minutes of the April 26, 2012 Regular Investment Committee Meeting and the

minutes of the February 22 and 23, 2012 Due Diligence Meetings, subject to any technical and/or grammatical corrections. Without objection, the motion was passed.

### **III. OPEN ITEMS**

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

Item was not discussed.

#### **2. Investment Policy Statement**

Proposed revisions to the Investment Policy Statement submitted by Maggie Ralbovsky, Wilshire were reviewed by Legal Counsel and given to the Committee for review and approval. Without objection, the Committee moved to approve the revised Investment Policy Statement.

### **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.

#### **3. Securities Lending**

A report on securities lending was provided to the Committee for review and informational purposes.

### **VI. OPEN DISCUSSION**

Committee Chairman Leon Guerrero indicated that the Fund is expected to receive \$24 million dollars from the Government of Guam General Fund's bond proceeds. Funds are for money due from the GMHA, GDOE and the Reduced Contribution Receivables. Based on the current asset allocation and taking into account the money from bond proceeds, Maggie Ralbovsky, Wilshire recommended a rebalancing of accounts to include liquidations and fundings, as follows:

**1. Liquidations (allocations are over the target allocation):**

Cornerstone	\$ 9 M
Security Capital	<u>10 M</u>
Total	<u>\$19 M</u>

**2. Funding of Accounts:**

From Liquidations Above	\$19 M
From Bond Proceeds	<u>\$24 M</u>
Total	<u>\$43 M</u>

To Dimensional Fund Advisers	\$20 M
To Capital International	15 M
Reserved for Current Operations	<u>8 M</u> (As requested by Management)
Total	<u>\$43 M</u>

A motion was made by Committee Member Cruz, seconded by Committee Chairman Leon Guerrero to approve the recommendations made by Maggie Ralbovsky, Wilshire.

**VII. CORRESPONDENCE**

None.

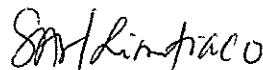
**VIII. ANNOUNCEMENTS**

The next Due Diligence Meeting for quarter ended 6/30/2012 is scheduled for August 29 and 30, 2012

**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 12:00pm.**

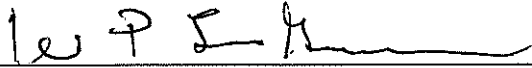
Respectfully submitted,



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**STEPHANIE A.H. LIMTIACO**  
Recording Secretary

**AFFIRMED:**

A handwritten signature in black ink, appearing to read 'W P L G', written over a horizontal line.

**WILFRED P. LEON GUERRERO, Ed.D.**  
**Investment Committee Chairman**