



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

**Katherine T.E. Taitano**  
Trustee

**Anthony C. Blaz**  
Trustee

**David M. O'Brien**  
Trustee

**INVESTMENT COMMITTEE MEETING  
DEFINED BENEFIT PLAN**

Thursday, January 29, 2015  
Retirement Fund Conference Room

**MINUTES**

**I. CALL TO ORDER**

The Retirement Fund Investment Committee Meeting was called to order at 1:50 p.m. Thursday, January 29, 2015, in the Retirement Fund Conference Room. Investment Committee Chairman Wilfred P. Leon Guerrero officiated.

**Board of Trustees Present:**

Wilfred P. Leon Guerrero, Chairman  
Gerard A. Cruz, Vice Chairman  
Joe T. San Agustin, Ex Officio

**Staff Present:**

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

## **II. ACTION ITEMS**

- 1. December 15, 2014 Regular Investment Committee Meeting Minutes**
- 2. November 19, and 20, 2014 Due Diligence Meeting for the Quarter Ended September 30, 2014 Minutes**

**Committee Vice Chairman Gerard Cruz, seconded by Committee Chairman Wilfred Leon Guerrero, moved to approve the Minutes of the December 15, 2014 Regular Investment Committee Meeting, subject to technical corrections; and to table the Minutes of the November 19, and 20, 2014 Due Diligence Meeting. Without objection, the motion unanimously passed.**

## **III. OPEN ITEMS**

None

## **IV. NEW BUSINESS**

- 1. Northern Trust – Proposed Custody and Related Services Fee Options**

Committee Vice Chairman Gerard Cruz stated that at the December 19, 2014 Board Meeting, the Board agreed to opt for Option 1 with a counter offer to increase the fee split to 70/30. Controller Diana Bernardo stated that Maggie Ralbovsky of Wilshire Associates agreed to that. Committee Vice Chairman Cruz stated that Northern Trust responded with a counter offer and indicated that they are willing to accept the 70/30 fee split, but with a flat custody fee of \$70,000 instead of \$50,000. Committee Vice Chairman Cruz stated that Ms. Ralbovsky had indicated that because of the uncertainties in the expected securities lending revenue with the anticipated changes to the Investment Portfolio, she recommends going with a 65/35 fee split with a flat fee of \$50,000, which is Option 1.

**Committee Vice Chairman Gerard Cruz, seconded by Committee Chairman Wilfred Leon Guerrero, moved to accept Wilshire Associates' recommendation approving Option 1 with a Securities Lending fee split of 65/35 and a flat fee of \$50,000. Without objection, the motion unanimously passed.**

## **V. INFORMATIONAL ITEMS**

- 1. Asset Allocation Summaries**

A copy of the asset allocation summary statements was provided to the Committee for review and informational purposes. Controller Bernardo stated that as of January 23, 2015, the Retirement Fund's total market value is \$1.683 Billion.

- 2. Income Summary**

A summary of interest and dividend income was provided to the Committee for review and informational purposes.

**3. Securities Lending**

A summary of securities lending earnings was provided to the Committee for review and informational purposes.

**VI. OPEN DISCUSSION**

None

**VII. CORRESPONDENCE**

None

**VIII. ANNOUNCEMENTS**

**1. Next Due Diligence Meeting: February 25, and 26, 2015**

Committee Chairman Leon Guerrero informed the Committee that the next due diligence meeting is scheduled for February 25, and 26, 2015.

**IX. ADJOURNMENT**

There being no further business before the Investment Committee, a motion was made by Committee Vice Chairman Gerard Cruz, seconded by Committee Chairman Wilfred Leon Guerrero, to adjourn the meeting at 2:05 p.m. Without objection, the motion unanimously passed.

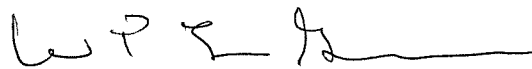
Respectfully submitted,



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**JACKIE M. BLAS**  
Recording Secretary

**AFFIRMED:**



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