



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY • SECURITY • REWARDS

Eddie Baza Calvo
Governor

Ray Tenorio
Lieutenant Governor

Paula M. Blas
Director

INVESTMENT COMMITTEE MEETING
DEFINED BENEFIT PLAN
Thursday, February 25, 2016
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee Meeting was called to order at 1:30 p.m. Thursday, February 25, 2016, 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
Alice Tajjeron, Director, Client Relations & Plan Counseling, Empower Retirement

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

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

David M. O'Brien
Trustee

Albert H. Santos
Trustee

II. ACTION ITEMS

- 1. December 11, 2015 Regular Investment Committee Meeting Minutes**
- 2. November 18, and 19, 2015 Due Diligence Meeting for the Quarter Ended September 30, 2015 Minutes**

Committee Vice Chairman Gerard Cruz, seconded by Committee Chairman Wilfred Leon Guerrero, moved to approve the Minutes of the December 11, 2015 Regular Investment Committee Meeting, subject to technical corrections; and to table the Minutes of the November 18, and 19, 2015 Due Diligence Meeting. Without objection, the motion passed.

III. OPEN ITEMS

None

IV. NEW BUSINESS

None

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.

- 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.

- 4. 5-Year Plan**

A copy of the 5-Year Plan was provided to the Committee for review and informational purposes. Committee Chairman Leon Guerrero informed Maggie Ralbovsky of Wilshire Associates that their contract will be entering its fifth year. Director Paula Blas stated that Wilshire will be in its fifth year this coming June. Committee Chairman Leon Guerrero stated that a Request for Proposal (RFP) will be issued for the DB Plan Investment Adviser, based on the Committee's 5 Year Plan.

Risk Parity - Ms. Ralbovsky stated that once a contract is in place, the recommendation is to rebalance and in the meantime reduce the allocation to Capital Guardian, based on the fact that we are overweighting Emerging Market.

Committee Vice Chairman Cruz stated that with PanAgora Asset Management, the concern as it relates to the Cayman Islands, is the uncertainty of the laws that surrounds security companies. Ms. Ralbovsky stated that half of the comingled funds are Cayman domiciled. Committee Chairman Leon Guerrero asked Ms. Ralbovsky whether there are other public pension plans that we can inquire about this. Ms. Ralbovsky stated that she could ask around. Committee Chairman Leon Guerrero stated that we should wait for an answer. Committee Vice Chairman Cruz stated that in the meantime we could move forward with Invesco and continue with the rebalancing on Capital Guardian to reduce their concentration. Director Blas stated that the rebalancing is with the intent to fund Risk Parity.

Committee Vice Chairman Gerard Cruz, seconded by Committee Chairman Wilfred Leon Guerrero, moved to approve that a recommendation be made to the Board of Trustees to rebalance the Investment Portfolio and fund the following Risk Parity Managers: Invesco Advisers, Inc. and PanAgora Asset Management, Inc., upon signing of their contracts. Without objection, the motion passed.

Capital Guardian - Ms. Ralbovsky stated that the recommendation is to keep Capital Guardian on Watch for another three months, to evaluate the total structure for International Equity.

Master Limited Partnerships (MLP) - Ms. Ralbovsky asked about the Committee's take on MLP. Committee Chairman Leon Guerrero stated that we have not done this yet. Ms. Ralbovsky stated that the process is quite lengthy. Ms. Ralbovsky stated that the recommendation is for a 3% allocation to MLP and the issuance of an RFP for an MLP Manager. Committee Vice Chairman Cruz stated that he is comfortable with the process. Ms. Ralbovsky stated that this will improve diversity.

Committee Vice Chairman Gerard Cruz, seconded by Committee Chairman Wilfred Leon Guerrero, moved to approve that a recommendation be made to the Board of Trustees to allocate 3% of the Portfolio for Investment in Master Limited Partnerships (MLPs), and for the issuance of a Request for Proposal (RFP) for an MLP Manager. Without objection, the motion passed.

VI. OPEN DISCUSSION

None

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS

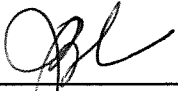
1. Next Due Diligence Meeting: May 25, and 26, 2016

Committee Chairman Leon Guerrero informed the Committee that the next due diligence meeting is tentatively scheduled for May 25, and 26, 2016.

IX. ADJOURNMENT

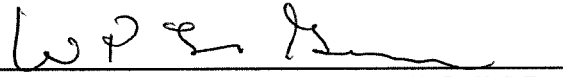
There being no further business before the Investment Committee, a motion was made by Committee Chairman Wilfred Leon Guerrero, seconded by Committee Vice Chairman Gerard Cruz, to adjourn the meeting at 1:45 p.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE M. BLAS
Recording Secretary

AFFIRMED:



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