



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

David M. O'Brien
Trustee

Albert H. Santos
Trustee

INVESTMENT COMMITTEE MEETING
DEFINED BENEFIT PLAN
Thursday, October 27, 2016
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee Meeting was called to order at 1:20 p.m. Thursday, October 27, 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
Albert H. Santos, Trustee
Joe T. San Agustin, Ex Officio

Staff Present:

Paula Blas, Director
Diana Bernardo, Controller

II. ACTION ITEMS

- 1. September 9, 2016 Regular Investment Committee Meeting Minutes**
- 2. May 25, and 26, 2016 Due Diligence Meeting for the Quarter Ended March 31, 2016 Minutes**
- 3. August 24, and 25, 2016 Due Diligence Meeting for the Quarter Ended June 30, 2016 Minutes**

Committee Vice Chairman Gerard Cruz, seconded by Committee Member Albert Santos, moved to approve the Minutes of the September 9, 2016 Regular Investment Committee Meeting and the Minutes of the May 25, and 26, 2016, subject to technical corrections; and to table the Minutes of the August 24, and 25, 2016 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. Committee Chairman Leon Guerrero stated that as of October 24, 2016, the Retirement Fund's total market value is at \$1.6 Billion.

- 2. Income Summary**

A summary of interest and dividend income was provided to the Committee for review and informational purposes. Controller Diana Bernardo stated that the total interest and dividend income for 2016 is \$42 Million compared to \$36.8 Million in 2015.

- 3. Securities Lending**

A summary of securities lending earnings was provided to the Committee for review and informational purposes. Controller Bernardo stated that the Securities Lending Income for 2016 is \$304,027 versus \$385,071 in 2015. Ex Officio Joe San Agustin pointed out that Securities Lending is back down because there is no need to borrow. There are more bonds being issued because it is cheaper.

4. 5-Year Plan

A copy of the 5-Year Plan was provided to the Committee for review and informational purposes. Controller Bernardo stated that Cornerstone and Dimensional Fund Advisers (DFA) will be here on November 16, 2016.

VI. OPEN DISCUSSION

Flash Report - Controller Bernardo stated that Maggie Ralbovsky of Wilshire Associates provided an updated Flash Report as of September 30, 2016 for review and informational purposes. Controller Bernardo stated that, attached to the report is an email from Ms. Ralbovsky indicating that the return, as of September 30, 2016, is 9.66%. Ex Officio San Agustin asked what was the return for 2015. Controller Bernardo stated that it was .83%.

Master Limited Partnerships (MLPs) - Committee Chairman Leon Guerrero inquired about the MLPs. Controller Bernardo stated that Ms. Ralbovsky provided a summary indicating that MLPs continue to be one of the more attractively pressed asset classes.

Northern Trust - Controller Bernardo stated that Northern Trust's report is also provided for review and informational purposes.

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS

1. Next Due Diligence Meeting: November 16, and 17, 2016

Committee Chairman Leon Guerrero informed the Committee that the next due diligence meeting is scheduled for November 16, and 17, 2016.

IX. ADJOURNMENT

There being no further business before the Investment Committee, a motion was made by Committee Member Albert Santos, seconded by Committee Vice Chairman Gerard Cruz, to adjourn the meeting at 1:35 p.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE M. BLAS
Recording Secretary

AFFIRMED:



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