



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
Friday, March 17, 2017
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee Meeting for the Defined Benefit Plan was called to order at 11:10 p.m. Friday, March 17, 2017, in the Retirement Fund Conference Room. Investment Committee Acting Chairman Gerard Cruz officiated.

Board of Trustees Present:

Gerard A. Cruz, Acting Chairman
Albert H. Santos, Trustee

Staff Present:

Paula Blas, Director
Diana Bernardo, Controller
Jackie Blas, Recording Secretary

II. ACTION ITEMS

- 1. February 23, 2017 Regular Investment Committee Meeting Minutes**
- 2. November 16, and 17, 2016 Due Diligence Meeting for the Quarter Ended September 30, 2016 Minutes**
- 3. February 22, and 23, 2017 Due Diligence Meeting for the Quarter Ended December 31, 2016 Minutes**

Committee Member Albert Santos, seconded by Committee Acting Chairman Gerard Cruz, moved to approve the Minutes of the February 23, 2017 Regular Investment Committee Meeting and the November 16, and 17 Due Diligence Meeting Minutes, subject to technical corrections; and to table the Minutes of the February 22, and 23, 2017 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 Acting Chairman Cruz stated that as of March 14, 2017, the Retirement Fund is within its target allocation. Controller Bernardo stated that the numbers include the BlackRock Emerging Markets Index. Committee Acting Chairman Cruz asked how much was liquidated from Capital International. Controller Bernardo stated that it was about \$35 Million. Committee Acting Chairman Cruz inquired about cost. Controller Bernardo stated that it was much higher than \$35 Million. Controller Bernardo stated that Ernest Partners was terminated, but there's a slight balance of \$125,000.

2. Income Summary

A summary of interest and dividend income was provided to the Committee for review and informational purposes. Committee Acting Chairman Cruz stated that the total interest and dividend income for February 2017 was \$3.3 Million and \$15.5 Million year to date (October 2016 to February 2017). Committee Acting Chairman Cruz stated that the Retirement Fund is on track with \$36 Million annualized. Committee Acting Chairman Cruz stated that the interest income will slightly increase. The Retirement Fund should keep an eye on our bond managers on how they're faring with the interest rate increases.

3. Securities Lending

A summary of securities lending earnings was provided to the Committee for review and informational purposes. Committee Acting Chairman Cruz asked whether the Retirement Fund is making money.

Director Paula Blas stated that it went up in 2015, but went down in 2016. Committee Acting Chairman Cruz stated that the total in December 2015 was \$31,911. Controller Bernardo stated that the Retirement Fund's share in December 2016 was \$20,750. Committee Acting Chairman Cruz asked when is the next due diligence for Northern Trust. Director Blas replied, "August 2017."

4. 5-Year Plan

A copy of the 5-Year Plan was provided to the Committee for review and informational purposes.

5. February 28, 2017 Letter from Dimensional Fund Advisors Re: Changes to Dimensional's Investment Committee

Controller Diana Bernardo stated that a copy of the letter from Dimensional is provided for informational purposes. Committee Acting Chairman Cruz suggested forwarding a copy of Dimensional's letter to Maggie Ralbovsky of Wilshire Associates. Director Blas stated that she will ask Ms. Ralbovsky if there's any impact on the changes of Dimensional's Investment Committee.

VI. OPEN DISCUSSION

None

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS

1. Next Due Diligence Meeting: May 24, and 25, 2017

Committee Acting Chairman Cruz informed the Committee that the next due diligence meeting is tentatively scheduled for May 24, and 25, 2017.

IX. ADJOURNMENT

There being no further business before the Investment Committee, a motion was made by Committee Acting Chairman Gerard Cruz, seconded by Committee Member Albert Santos, to adjourn the meeting at 11:17 p.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE M. BLAS
Recording Secretary

AFFIRMED:



GERARD A. CRUZ
Investment Committee Acting Chairman