



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, February 22, 2018
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 1:00 p.m. Thursday, February 22, 2018, 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

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. ACTION ITEMS

- 1. January 25, 2018 Regular Investment Committee Meeting Minutes**
- 2. August 23 and 24, 2017 Due Diligence Meeting for the Quarter Ended June 30, 2017 Minutes**
- 3. November 15 and 16, 2017 Due Diligence Meeting for the Quarter Ended September 30, 2017 Minutes**

Committee Vice Chairman Gerard Cruz, seconded by Committee Chairman Wilfred Leon Guerrero, moved to approve the Minutes of the January 25, 2018 Regular Investment Committee Meeting and the Minutes of the August 23 and 24, 2017 Due Diligence Meetings, subject to technical corrections; and to table the Minutes of the November 15 and 16, 2017 Due Diligence Meetings. Without objection, the motion passed.

III. OPEN ITEMS

Equity Investment Structure - Committee Chairman Leon Guerrero stated that Maggie Ralbovsky of Wilshire Associates reviewed Wilshire's analysis of Equity Investment Structure and the Investment Committee is in agreement that a restructuring of the equity investments will benefit the portfolio. Committee Chairman Leon Guerrero stated that the Investment Committee requested that Wilshire provide additional information to quantify the benefits of moving forward with the reallocation.

Long Duration Government Securities - Committee Chairman Leon Guerrero stated that the Investment Committee also discussed the importance of protecting the portfolio on the downside. Wilshire's analysis of utilizing long duration government securities as a way to hedge the downside was debated. Committee Chairman Leon Guerrero stated that the Investment Committee requested that Wilshire provide empirical evidence on the risk hedging properties of long duration government securities in a portfolio which will assist the Investment Committee in formulating the strategy going forward.

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. Chairman Leon Guerrero stated that as of February 19, 2018, the size of the Retirement Fund's portfolio is \$2,022,242,405.

- 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.

VI. OPEN DISCUSSION

None

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS

1. Next Due Diligence Meeting: May 23 and 24, 2018

Committee Chairman Leon Guerrero informed the Committee that the next due diligence meeting is scheduled for May 23 and 24, 2018.

IX. ADJOURNMENT

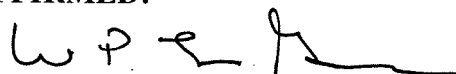
There being no further business before the Investment Committee, a motion was made by Committee Vice Chairman Gerard Cruz, seconded by Committee Chairman Wilfred Leon Guerrero, to adjourn the meeting at 1:25 p.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE M. BLAS
Recording Secretary

AFFIRMED:



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