



Felix P. Camacho
Governor
Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

Antolina S. Leon Guerrero
Trustee

**INVESTMENT COMMITTEE MEETING
DEFINED BENEFIT PLAN**
Friday, July 27, 2007, 12:00pm
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee meeting was called to order at 12:25 pm on Friday, July 27, 2007, in the Retirement Fund Conference Room. Investment Committee Chairman Wilfred Leon Guerrero officiated.

Board of Trustees Present:

Wilfred Leon Guerrero, Chairman
Gerard A. Cruz, Member

Staff Present:

Paula M. Blas, Director
Rosie Bordallo, General Accounting Supervisor
Stephanie Herrera, Recording Secretary

II. ACTION ITEMS

1. Approval of Minutes – June 29, 2007

A motion was made by Committee Member Cruz to approve the minutes of June 29, 2009. Without objection, the motion was passed.

III. OPEN ITEMS

1. Proxy Voting RFP - Pending

Director Blas indicated that the draft for the RFP for Proxy Voting is currently being worked on.

IV. NEW BUSINESS

None.

V. INFORMATIONAL ITEMS

1. Claims Filed During June 2007 by FHB – Based on Bernstein’s 3/31/07 Report

As stated in the report, General Accounting Supervisor Bordallo explained that any claims that should have been filed for the months of April and May 2007, FHB has already filed. There are no claims to be filed for June 2007 and no claims expected to be filed for the months of July and August 2007. It was reported in prior Committee meetings that FHB has filed claims for El Paso, Mckenson and PNC Financial Services Group for May 2007 and that those claims are still pending settlement.

2. Fee and Income Summary

A fee and income summary was provided for review and discussion. General Accounting Supervisor Bordallo indicated that under broker’s commission for Atalanta Sosnoff, the report that is used shows the actual initial expense, however Atalanta uses a discount broker and the Fund receives close to a 60% rebate of what is shown on the report. Calculations for other managers, including Oppenheimer Capital and MetWest and Davis Hamilton that use discount brokers should also be adjusted depending on the percentage of the rebate. General Accounting Supervisor Bordallo also explained that the administrative expense is an SEI account, where funds from other items such as securities lending are deposited into.

3. Investment Summaries by Manager

Investment summaries by manager were provided to the Committee for information purposes. Dr. Leon Guerrero recommended that these summaries also be included in the Quarterly Performance Meetings.

VI. OPEN DISCUSSION

None.

VII. CORRESPONDENCE

None.

VIII. ANNOUNCEMENTS

None.

XI. ADJOURNMENT

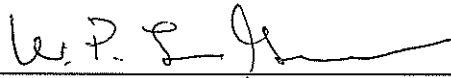
There being no further business before the Investment Committee, Committee Chairman Leon Guerrero adjourned the meeting at 12:50pm.

Respectfully submitted,



STEPHANIE A. HERRERA
Recording Secretary

AFFIRMED:



Wilfred Leon Guerrero, Chairman