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GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
STABILITY · SECURITY · REWARDS

Felix P. Camacho  
Governor

Michael W. Cruz, M.D.  
Lieutenant Governor

Paula M. Blas  
Director

**INVESTMENT COMMITTEE MEETING**  
Friday, December 29, 2006, 12:00pm  
Retirement Fund Conference Room

**MINUTES**

**I. CALL TO ORDER**

The Retirement Fund Investment Committee meeting was called to order at 12:15 pm on Friday, December 29, 2006, in the Retirement Fund Conference Room. Investment Committee Chairman Wilfred Leon Guerrero officiated.

**Board of Trustees Present:**

Wilfred Leon Guerrero, Chairman  
James Taylor, Member  
Gerard A. Cruz, Member

**Staff Present:**

Paula M. Blas, Director  
Diana Bernardo, Contoller  
Stephanie Herrera, Recording Secretary

**II. ACTION ITEMS**

1. **Approval of Minutes**
  - a. October 6 and 17, 2006 Meetings
  - b. October 27, 2006 Meeting
  - c. November 24, 2006

Committee Chairman Wilfred Leon Guerrero seconded by Committee Member Gerard Cruz moved to approve the Investment Committee Meeting Minutes of October 6, 2007 subject to correction and to approve the minutes of October 17 and 27, 2006 and November 24, 2006. Without objection, the motion was passed.

*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**  
Trustee  
Treasurer

**George A. Santos**  
Trustee  
Members' & Benefits Committee, Chairman

**Anthony C. Blaz**  
Trustee  
Audit & Operations Committee, Chairman

**Katherine T.E. Taitano**  
Trustee

### **III. OPEN ITEMS**

#### **1. Proxy Voting**

Chairman Leon Guerrero had requested for the Consultant to provide information on "best practices" of proxy voting and Controller Diane Bernardo stated that she is still waiting for that information and a price quotation from Glass Lewis and Company, including what kind of services they can provide.

### **IV. NEW BUSINESS**

#### **1. Great West's – Reality Investing Advisory Services Agreement**

With the Reality Investing Advisory Services Agreement, Great West is proposing to offer the managed accounts to participants. Director Paula Blas stated that in the last Board meeting, the staff was asked to have Legal Counsel review the agreement. The Board also referred the agreement to the Investment Committee. She stated that the best thing to do would be to leave things as is until a decision is made on the proposals received for the 3<sup>rd</sup> Party Administrator RFP. The Committee members agreed with her.

#### **2. Receivables as of November 30, 2006**

Controller Bernardo stated that during the last Board meeting, items in the treasurer's report were referred to the Investment Committee and a copy of the balance sheet reflecting those items was provided for review by the Committee. Controller Bernardo and Director Blas went over each of the items in the statement. It was noted that the outstanding employer contributions for GPSS is around \$9million and GMH is around \$4million. Director Blas explained that the notes receivable for service credits (\$8.6million) includes military credits, educational credit, outstanding educational training, civil service credits and anything other than actual retirement credit. The notes receivable for ERIP (member's share \$9.0million) is a 15 year note maximum, which was from 2000. Committee Members James Taylor and Cruz suggested that the listing of receivables be reviewed by the Committee on a quarterly basis

### **V. INFORMATIONAL ITEMS**

#### **1. Pete Sgro – Plans for a New Hospital(presentation made at 12:50pm)**

A draft business plan for development of a Guam private hospital was provided by and a presentation of the proposed plan was made by Pete Sgro.

## **VI. OPEN DISCUSSION**

### **1. February 2007 – Schedule for Quarterly Performance and Annual Manager Reviews**

Controller Bernardo stated that Terry Dennison, Mercer, indicated that he would like to schedule the quarterly performance and annual reviews for the managers in February, during the week of the Investment Committee Meeting, which is on February 23, 2007. Chairman Leon Guerrero stated that he would prefer for it to take place the week of the Board Meeting, which is on February 9, 2007, so that Mercer can participate in the meeting. Controller Bernardo stated that Mercer might not have the performance information that soon and suggested moving the meeting to March, during the week of the Board meeting on March 9, 2007. The managers included will be Aberdeen, Fiduciary, Capital, Fisher, DFA and AXA. It was agreed and decided upon by the Committee to schedule the meetings for March 7 and 8, 2007.

## **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 1:20pm.**

**Respectfully submitted,**



**STEPHANIE A. HERRERA**  
**Recording Secretary**

**AFFIRMED:**



**WILFRED P. LEON GUERRERO, Chairman**