



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Kaleo S. Moylan
Lieutenant Governor

Paula M. Blas
Acting Director

Trustees:

Joe T. San Agustin
Chairman

Dr. Wilfred P. Leon Guerrero
Vice-Chairman
Investment Committee, Chairman

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

Katherine T.E. Taitano
Trustee
Treasurer

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

Anthony C. Blaz
Trustee
Audit & Operations Committee, Chairman

Gerard A. Cruz
Trustee

August 11, 2006

To: Joe T. San Agustin, Board Chairman
From: Wilfred Leon Guerrero, Investment Committee Chairman
Subject: Investment Committee Meeting of August 4, 2006

The Fund held its regular Investment Committee meeting on August 4, 2006. In attendance were Trustees Dr. Taylor, Gerard Cruz, Joe T. San Agustin and I. Other attendees were Paula Blas and Diana Bernardo.

The following items were discussed:

1. RFP - Global Custody Search

The RFP for Global Custody Search has been reviewed by the Investment Committee and is recommended for Board approval. If approved, it will be released within the next two weeks. At this time, the RFP is not ready for public release and should be kept confidential until appropriate public notification has been given.

2. Informational Items

1. Investment Committee Minutes

The Committee reviewed and approved the June 2, 2006 and July 7, 2006 Investment Committee Minutes.

2. Funding of Managers

As approved during the July 14, 2006 Board Meeting, Investment Managers were funded as follows:

- a. Fisher Investments - an additional \$39 million for Foreign Equity Large Cap Segregated.
- b. Dimensional Fund Advisors, Inc. - an additional \$17 million for the Small Cap Mutual Fund.
- c. Capital International Inc. - \$36.5 million for the Emerging Markets Equity.
- d. AXA Rosenberg Investment Management LLC - \$36.5 million for the Foreign Equity Large Cap Mutual Fund.

2. Informational Items, continued

3. Watch List Policy

A revised Draft Watch List Policy was provided to the Committee members for their review and discussion at the next Committee meeting. A final draft copy has been provided for the Board's review.

4. Transition Manager

The Committee is considering the need for a Transition Manager. We are awaiting legal counsel's opinion regarding whether we can utilize one of our existing Investment Managers or if we need to issue an RFP.

5. Mercer's Quarterly Meetings

The Committee met with Terry Dennison, our Investment Consultant, this week to discuss investment manager performances, implications of Bills 295 and 296 (Public Laws 28-135 and 28-136), recommendations for current managers, and new asset classes for consideration by the Committee and the Board.