



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY • SECURITY • REWARDS

Felix P. Camacho
Governor

Kaleo S. Moylan
Lieutenant Governor

Paula M. Blas
Acting Director

INVESTMENT COMMITTEE REPORT
Wednesday, October 12, 2005, 2:30 P.M.

DEFINED BENEFIT PLAN & DEFINED CONTRIBUTION PLAN

I. ACTION ITEMS

- a. **Request from Deutsche Asset Management for waiver of guidelines (See attachment #1).**
Motion - The Investment Committee would like to motion the Board of Trustees to approve the request for waiver of guidelines by Deutsche Asset Management.

II. OPEN ITEMS

- a. **Allianz Global Investors - Change of Management.**
COMMITTEE ACTION: Management instructed to obtain Mercer Inc. comment on change of management and potential impact of change.
RESOLUTION: See response from Mercer (See attachment #2). No impact noted to the Fund per Mercer.
- b. **DC Pioneer Emerging Markets Fund – Change of Management.**
COMMITTEE ACTION: Management instructed to direct Mr. Vince Camacho of Great West to have their investment advisor review and comment on this change.
RESOLUTION: See response from Great-West (See attachment #3). No recommendation for replacement noted, however, recommendation made to place this Fund on a “Watch List”. Management directed to formulate draft “Watch Policy” for submission to the Committee and approval by the BOT.

III. INFORMATIONAL ITEMS

- a. **The Investment Committee meeting minutes for September 2, 2005 has been approved and is provided for record (See attachment #4).**
- b. **Cash inflow/outflow comparison (See attachment #5).**
COMMITTEE ACTION: Management instructed to amend report to include beginning and ending bank balances.

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

IV. OPEN DISCUSSION

- a. Status – Current proposed legislation regarding investments.

COMMITTEE DISCUSSION: Management has forwarded Board approved draft legislation amending Section 8158 the GGRF Senate Oversight Chairman for further action. Management expects public hearings to be scheduled before the end of the month of October. Management is awaiting draft legislation for proposed language for amendment to Section 8157 for submission to the Committee for its review and discussion.

- b. Status – International Manager Contracts.

COMMITTEE DISCUSSION: All contracts have been signed. Management is working with FHB and Mercer for the transition (See attachment #). Issues needing resolution have been identified:

1. Potential custodial issue regarding assets to be managed by Capital Int'l (Emerging Mkts).
2. Treatment of dividends and capital gains (Mercer recommendation is re-investment).

Management will provide a status report on the progress of the transition.

V. CORRESPONDENCES

VI. ANNOUNCEMENTS

- a. Equity Manager due diligence review has been scheduled for 11/7/05 to 11/09/05 from 11:00 a.m. to 3:00 p.m.