


GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Kaleo S. Moylan
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
Trustee
Treasurer

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

Anthony C. Blaz
Trustee
Audit & Operations Committee, Chairman

Katherine T.E. Taitano
Trustee

November 17, 2006

To: Joe T. San Agustin, Board Chairman
From: Wilfred Leon Guerrero, Investment Committee Chairman
Subject: Investment Committee Meeting on October 27, 2006

The Fund held its regular Investment Committee meeting on October 27, 2006. In attendance were Trustees Dr. James Taylor and I. Other attendees were Paula Blas, Diana Bernardo and Rosalia Bordallo.

The following items were discussed and approved by the Committee for Board action.

I. RFP for Feasibility Study

During the September 15, 2006 Board of Trustees meeting, the Board authorized the issuance of a Request for Proposal (RFP) for a "Real Estate Feasibility Study".

An RFP was prepared and has been reviewed by the Committee. However, it should be noted that although the Board approved a "Real Estate Feasibility Study", what the Board is actually looking for is a study and recommendation about "how" we can implement a program, and not whether one is really feasible or not.

Recommendations:

Based on the above the Committee recommends the following:

1. Removal of the words "Real Estate Feasibility" and simply issue an RFP for a "Study".
2. The Board approve finalization and release of the RFP for the Study.

II. DC Investment Consultant RFP

On March 22, 2006, the Fund issued RFP No. GGFR-010-06 in search of professional services related to providing Investment Consultant Services for the Defined Contribution Plan and the Deferred Compensation Plan.

Refer to the attached "Selection Panel Recommendation" letter.

Other Information

1. Transition Manager

The Draft RFP for a Transition Manager is pending review by the Committee.

2. Mercer's Quarterly Meetings & Annual Manager Reviews

On November 13 and 14, 2006, the Committee met with Terry Dennison and Ashish Shrestha, from Mercer Consulting Inc., our Investment Consultant to discuss Manager Performances for the fourth quarter as well as other investment issues. The Committee also met with representatives of the following investment management firms to discuss the performance for the past year and their outlook for the future:

- Atalanta Sosnoff Capital Corporation
- Davis, Hamilton, Jackson & Associates
- RCM Capital Management LLC
- Allianz Dresdner Asset Management (Oppenheimer)
- Metropolitan West Capital Management LLC