



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
 Governor

Joshua F. Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

Trustees:

Wilfred P. Leon Guerrero, Ed.D.
 Chairman

Antolina S. Leon Guerrero
 Vice Chair

Katherine T.E. Taitano
 Secretary
 Chair, Members and Benefits Committee

Artemio R.A. Hernandez, Ph.D.
 Treasurer
 Chair, Investment Committee

Thomas H. San Agustin
 Trustee

David N. Sanford
 Trustee

George A. Santos
 Trustee

BOARD OF TRUSTEES
Regular Meeting

Friday, April 30, 2021, 12:00 Noon
 Retirement Fund Conference Room

MINUTES

DEFINED BENEFIT

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefit Plan was called to order at 12:41 p.m. Friday, April 30, 2021, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

- Wilfred P. Leon Guerrero, Chairman
- Antolina S. Leon Guerrero, Vice Chair
- Katherine T.E. Taitano, Secretary
- Artemio R.A. Hernandez, Treasurer
- Thomas H. San Agustin, Trustee
- David N. Sanford, Trustee
- George A. Santos, Trustee

Staff Present:

- Paula Blas, Director
- Jackie Blas, Recording Secretary

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. March 26, 2021 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, moved to approve the Minutes of the March 26, 2021 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Candelaria Rios, et al. vs. Joseph Ada, et al. (Special Proceeding Case No. SP206-93)* - The Retirement Fund maintains a list of deceased COLA Awardees who did not name a beneficiary, or whose beneficiary may be deceased. COLA award disbursements for these individuals will be made to their respective estates.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated April 23, 2021 on the following lawsuits is provided for the Board's information. These cases are highly confidential and BLBG asked that the cases not be discussed in a public forum.

- **Apollo Education Group**
- **EQT Corporation**

Director Paula Blas stated that on the Apollo case, the second distribution of the settlement proceeds will take place in July 2021. Director Blas stated that the EQT case is now in discovery phase. There is going to be a deposition taken by one (1) Board Member. In the past, the deposition was always taken by the Investment Committee Chair. The deposition will take place in May 2021. Director Blas stated that the Retirement Fund's lawyers will need to meet with the Board Member to prepare for the deposition. Chairman Leon Guerrero inquired about the Retirement Fund's exposure. Director Blas stated that the Retirement Fund's exposure on the Apollo case is \$.5 Million and \$1.15 on EQT.

3. *Request for Proposal (RFP) No. GGRF-001-21: Global Listed Infrastructure Securities* - Director Blas stated that the RFP that was issued on March 22, 2021 closes today. Director Blas asked Chairman Leon Guerrero whether he will assign members to sit on the Selection Panel or leave it up to the Investment Committee. Chairman Leon Guerrero stated that the current Investment Committee members have not gone through an evaluation process. Director Blas stated that it is not a difficult process and she'll walk them through the process. Treasurer Artemio Hernandez inquired about the number of proposals received. Director Blas stated that she received ten (10) proposals so far. Director Blas stated that she will review the proposals to see if they are responsive bidders then she will forward the proposals to Maggie Ralbovsky of Wilshire Associates to do the analysis. Director Blas stated that the interviews will be conducted virtually. Vice Chair Antolina Leon Guerrero asked how long will the process take before it gets to the Selection Panel. Director Blas stated that the turnaround time from Ms. Ralbovsky will be one (1) week.

Financial Report

1. *Contributions* - Director Blas stated that as of April 27, 2021, all agencies are current with their Fiscal Year 2021 employee and employer contributions.

2. **Financial Statements** - Director Blas stated that the books for the month ended March 31, 2021 were closed on April 23, 2021.

3. **Fiscal Year 2021 Retirees' Supplemental Benefits** - Director Blas stated that supplemental benefits for retirees and survivors for the month of April 2021 were paid.

4. **Fiscal Year 2021 Medicare Reimbursements** - Director Blas stated that the Retirement Fund received the April 2021 allotment from the General Fund and reimbursements were processed accordingly.

V. LEGAL COUNSEL'S REPORT

No report was made at this time.

VI. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Hernandez stated that the Retirement Fund is operating within its current drawdown authority of up to \$6 Million monthly which continues through June 2021.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Hernandez reported that the Investment Committee Meeting was held on April 28, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of March 19, 2021. Treasurer Hernandez stated that as of April 23, 2021, the size of the Retirement Fund's portfolio is \$2,236,020,591.

Request for Proposals (RFPs) - Treasurer Hernandez stated that Director Blas reported earlier that the RFP for the Global Infrastructure closes today. The RFP for the U.S. Small Cap and the International Equity will be issued in the next few months.

Investment Policy Statement (IPS) / Proposed Amendments to Statute - Treasurer Hernandez stated that Ms. Ralbovsky will conduct a review of the IPS next month. Treasurer Hernandez further stated that the Retirement Fund's Legal Counsel is preparing something for the Board's review regarding the proposed amendments to the statute.

Securities Lending - Treasurer Hernandez pointed out that there are a lot more activities in securities lending in the month of March and so he asked Director Blas to check with Ms. Ralbovsky on this. Director Blas stated that she checked with Ms. Ralbovsky and she stated that it is attributed to the European markets' quarter closing for dividends and capital gains which is their year-end. Director Blas stated that they made a comparison during the month of March for the last three (3) years and it is sort of consistent for that same time period.

5 Year Plan: New Building - Chairman Leon Guerrero stated that the Retirement Fund should pursue the plan for a new building. Chairman Leon Guerrero assigned the new building plan to the Investment Committee. Treasurer Hernandez stated that he will place this item under new business of their DB Investment Committee Meeting agenda.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for May 19 and 20, 2021.

B. Members and Benefits Committee

Secretary Katherine Taitano presented the Committee’s April 2021 report to the Board of Trustees.

Secretary Katherine Taitano, seconded by Vice Chair Antolina Leon Guerrero, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 17, based on the Committee’s review and findings during their meeting of April 22, 2021. Without objection, the motion passed.

DB 1.75 Plan - Secretary Taitano stated that the M&B Committee would like to explore the idea of reopening the DB 1.75 Plan and asked Chairman Leon Guerrero if it is okay for the Committee to do a due diligence review of that possibility. Chairman Leon Guerrero stated that he has no problem with that, but it's up to the Board. Chairman Leon Guerrero asked what would be the rationale of reopening the DB 1.75 Plan. Secretary Taitano stated that the Retirement Fund has some experience now of how the DB 1.75 has been rolling out and that it might be a good idea to explore whether this will be a better position to take on behalf of our members moving forward. Vice Chair Leon Guerrero stated that it will also be a better position for the Retirement Fund by opening up the trust again so they'll be contributions going into the Retirement Fund.

Treasurer Hernandez asked whether opening the DB 1.75 just for new members. Vice Chair Leon Guerrero stated that they'll look at the feasibility of opening it up to both. Director Blas stated that it more than likely be for new members or members that didn't have the option to make an election since January 2018. Chairman Leon Guerrero stated that about 60% had opted for the DB 1.75. Director Blas stated that 3,300 members moved into the DB 1.75. Vice Chair Leon Guerrero stated that the Committee would like to pursue this. Chairman Leon Guerrero tasked the M&B Committee to explore the possibility of reopening the DB 1.75 Plan. Secretary Taitano stated that she will add this under new business of their meeting agenda.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

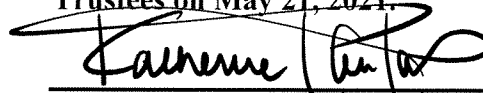
XI. ANNOUNCEMENTS

Chairman Leon Guerrero reminded the Board that former Board Chairman Joe T. San Agustin's funeral is scheduled for Tuesday, May 4, 2021. Director Blas stated that there will be no viewing, just Mass which will be held at 9:00 a.m. at Santa Barbara Church in Dededo. Director Blas stated that she'll be sending the flower arrangement for the funeral.

XII. ADJOURNMENT

There being no further business before the Board for the Defined Benefit Plan, Trustee George Santos moved to adjourn the meeting. Without objection, the meeting was adjourned at 1:10 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of April 30, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on May 21, 2021.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas