



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
Governor

Joshua F. Tenorio
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Antolina S. Leon Guerrero
Chair

George A. Santos
Vice Chair

Thomas H. San Agustin
Secretary

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

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

David N. Sanford
Trustee

Vacant
Trustee

BOARD OF TRUSTEES
Regular Meeting

August 29, 2025, 12:30 P.M.
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 1:04 p.m. Friday, August 29, 2025 in the Retirement Fund Conference Room. Chair Antolina S. Leon Guerrero officiated.

Board of Trustees Present:

Antolina S. Leon Guerrero, Chair
George A. Santos, Vice Chair
Thomas H. San Agustin, Secretary
Artemio R.A. Hernandez, Treasurer
David N. Sanford, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Trustee

Staff Present:

Paula Blas, Director

Investment Consultant Present:

Maggie Rolbovsky, Wilshire Associates

Public Present:

Joe Ebisa, With Intelligence (*Via Zoom*)

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. August 29, 2025 Regular Meeting

Treasurer Artemio Hernandez, seconded by Secretary Thomas San Agustin, moved to approve the Minutes of the August 29, 2025 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. The Retirement Fund published a list of deceased COLA Awardees on February 2, 2024, a second publication on August 2, 2024 in the Guam Daily Post, and on the GGRF website.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated August 22, 2025 on the following lawsuit is provided for the Board's information. This case is highly confidential and BLBG asked that the case not be discussed in a public forum.

- **EQT Corporation**

Financial Report

1. *Contributions* - Director Paula Blas stated that as of August 26, 2025, all agencies are current with their Fiscal Year 2025 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended July 2025 are scheduled to close on August 29, 2025.

3. *Fiscal Year 2025 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of August 2025 will be paid by the end of the month.

4. *Fiscal Year 2025 Medicare Reimbursements* - Director Blas stated that upon receipt of the August 2025 allotment from the General Fund, reimbursements will be processed accordingly.

V. LEGAL COUNSEL'S REPORT

None

VI. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Artemio Hernandez stated that the Retirement Fund is operating within its current drawdown authority of up to \$7 million monthly which continues through September 2025. A copy of the Cash Flow Statement is provided for the Board's review.

VII. STANDING COMMITTEE REPORTS

Treasurer Hernandez reported that there was no Investment Committee Meeting this month. Treasurer Hernandez stated that as of August 21, 2025, the size of the Retirement Fund's portfolio was \$2,526,794,917.

Informational Items

1. *Asset Allocation Summaries*
2. *Income summary*
3. *Securities Lending*
4. *5 Year Plan*

Due Diligence Meeting – Treasurer Hernandez stated that during the Due Diligence meetings, Maggie Rabovsky of Wilshire Associates discussed the economic outlook and the Investment Manager Performances.

Annual Reviews - Ms. Rabovsky stated that annual reviews were conducted for the following Managers:

- | | |
|--------------------|---------------|
| a. DFA | e. Lazard |
| b. Boston Partners | f. Acadian |
| c. Intech/Janus | g. Wellington |
| d. Schroders | |

Ms. Rabovsky provided an overview of the DB Plan's Investment Performance. She noted that for the quarter ended June 30, 2025, the GGRF portfolio underperformed the quarterly benchmark index by 0.19%. Overall, the Total Fund return ranked at the 20th percentile of Wilshire's total fund public peer group universe for the quarter.

- | | |
|------------------------|-------|
| • GGRF Qtr. Return | 7.64% |
| • Benchmark Return | 7.83% |
| • GGRF FY Total Return | 8.24% |

Next Quarterly Performance Review - Treasurer Hernandez stated that the next Quarterly Performance Review is scheduled for November 17, 2025.

B. Members and Benefits Committee

Vice Chair Santos presented the Committee's August 2025 report to the Board of Trustees.

Vice Chair George Santos, seconded by Treasurer Artemio Hernandez, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 14, based on the Committee's review and findings of the July 2025 report. Without objection, the motion passed.

DISABILITY CASE

1. **Disability Case No. 25-001**

Chair Leon Guerrero stated the application was picked up on July 12, 2024, the application was received on March 27, 2025, and was completed on August 18, 2025 when the second medical evaluation was received. The applicant is a 31-year-old, Management Officer at Judiciary of Guam with nearly 8 years of service. The reason for the application is left side brain tumor, stroke, aphasia, loss of peripheral vision, and hydrocephalus. The applicant was examined by two Independent Medical Examiners (IME's): Dr. E. Schroeder on May 22, 2025 and Dr. D. Lim on August 4, 2025. Dr. E. Schroeder estimates the impairment of the whole person at 80% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from work. Dr. D. Lim gave a rating of 90% whole-person impairment and also indicated that the impairment is permanent and precludes the applicant from work.

Vice Chair George Santos, seconded by Secretary Thomas San Agustin, moved to approve a full disability pension for Disability Case No. 25-001, based on the findings of the two (2) Independent Medical Examiners (IMEs) and the review of records. Votes as follows: Yes Votes – Secretary Thomas San Agustin, Treasurer Artemio Hernandez, Trustee David Sanford, Vice Chair George Santos and Chair Antolina Leon Guerrero. With five (5) “Yes” votes, the motion unanimously passed.

2. Disability Case No. 25-002

Chair Leon Guerrero stated the application was picked up on October 27, 2023, the application was received on April 15, 2025, and was completed on August 18, 2025 when the second medical evaluation was received. The applicant is a 58-year-old, Teacher at Department of Education with nearly 15 years of service. The reason for the application is fibromyalgia. The applicant was examined by two Independent Medical Examiners (IME's): Dr. E. Schroeder on May 1, 2025 and Dr. D. Lim on July 7, 2025. Dr. E. Schroeder estimates the impairment of the whole person at 82% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from work. Dr. D. Lim gave a rating of 95% whole-person impairment and also indicated that the impairment is permanent and precludes the applicant from work.

Vice Chair George Santos, seconded by Trustee David Sanford, moved to approve a full disability pension for Disability Case No. 25-002, based on the findings of the two (2) Independent Medical Examiners (IMEs) and the review of records. Votes as follows: Yes Votes – Secretary Thomas San Agustin, Treasurer Artemio Hernandez, Trustee David Sanford, Vice Chair George Santos and Chair Antolina Leon Guerrero. With five (5) “Yes” votes, the motion unanimously passed.

IX. OLD BUSINESS

None

X. NEW BUSINESS

A. Proposed Legislation Relative to Amending the Unfunded Amortization Period and Investment

Director Blas stated that the GGRF Defined Benefits Plan investment statute is being updated to allow the Board investment flexibility. Director Blas, the GGRF Board along with Ms. Ralbovsky agreed the goal is to modernize the rules, provide more flexibility to invest wisely, and still keep strong

protections in place for the Fund. Ms. Ralbovsky stated the main reason for these changes is that the old rules were written as if the Fund was buying individual stocks and bonds directly. GGRF hires professional investment managers who make decisions based on market opportunities. Some of the existing limits are now too restrictive and prevent GGRF from earning the best possible returns for its members.

Ms. Ralbovsky pointed out several key updates being proposed. First, GGRF will have more flexibility in their investments by allowing up to 50% of the Fund to be placed in international markets, an increase from the current 35%. GGRF will also be raising the limit on higher-yield bonds to 15% (currently capped at 8%) and removing outdated rules that force the Fund to keep a minimum of 30% in bonds, which can hold back returns. Second, GGRF will adopt the “prudent investor” standard, which is the national best-practice rule for retirement funds. This approach evaluates investments in the context of the entire portfolio rather than looking at each investment in isolation.

Third, GGRF is simplifying and strengthening safeguards. Instead of rigid “one-stock” or “sector” limits, GGRF will use diversification requirements tied to market benchmarks. This prevents over-concentration while allowing GGRF to adapt as markets change. Finally, GGRF will be setting aside up to 20% of the Fund for opportunity investments, such as private lending or crisis-era rescue funds. These will always be capped and carefully reviewed before being pursued.

Ms. Ralbovsky pointed out what remains the same is just as important. The Fund will continue to be broadly diversified and professionally managed, and strong guardrails and oversight will remain in place to protect members. Trustees will also continue to review and approve changes before they happen. These updates bring our rules in line with modern best practices, give us more tools to grow the Fund safely, and keep the necessary protections and safeguards in place.

B. Securities Litigation Counsel Fee Adjustment

Director Blas discussed the attorney fee cap related to the pending settlement case. Fund counsel explained that, as lead plaintiff, the Fund’s agreement originally capped attorney fees at 25% of recovery, while co-plaintiffs had agreed to a 28% fee cap with their counsel. To match with the co-plaintiffs, BLBG requested that the Fund increase its fee cap to 28%. The Fund’s exposure in the case was estimated at \$1.15 million, with a potential gross recovery of approximately \$32,600 before attorney fees, depending on the final settlement outcome. Under the 25% fee cap, the Fund’s net recovery would be about \$24,700, while under a 28% fee cap, the recovery would be about \$22,000—a difference of roughly \$2,000. Counsel also noted that, as the lead plaintiff, the Fund may be eligible for an additional award to reimburse staff time and resources dedicated to the case.

Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, moved to approve Director Paula Blas’ recommendation to increase the attorney fee cap from 25% not to exceed 28%. Without objection, the motion passed.

XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

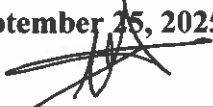
XII. ANNOUNCEMENTS

None

XIII. ADJOURNMENT

There being no further business before the Board for the Defined Benefit Plan, on motion of Vice Chair George Santos, seconded by Trustee David Sanford, and without objection, the meeting was adjourned at 1:58 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of August 29, 2025 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on September 25, 2025.



THOMAS H. SAN AGUSTIN, Board Secretary

RECORDING SECRETARY:



Andrea Atalig