



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero  
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Joshua F. Tenorio  
*Lieutenant Governor*

Paula M. Blas  
*Director*

*Trustees:*

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*Chairman*

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*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*

**INVESTMENT COMMITTEE MEETING**  
**DEFINED BENEFIT PLAN**  
Wednesday, February 24, 2021  
Retirement Fund Conference Room

**MINUTES**

**I. CALL TO ORDER**

The Retirement Fund Investment Committee Meeting for the Defined Benefit Plan was called to order at 12:54 p.m. Wednesday, February 24, 2021, in the Retirement Fund Conference Room. Investment Committee Chairman Artemio Hernandez officiated.

**Board of Trustees Present:**

Artemio R.A. Hernandez, Chairman  
Thomas H. San Agustin, Member  
David N. Sanford, Member

**Staff Present:**

Paula Blas, Director

**Investment Consultant Present:**

Maggie Ralbovsky, Wilshire Associates

## **II. ACTION ITEMS**

### **1. January 28, 2021 Regular Investment Committee Meeting Minutes**

Committee Member David Sanford, seconded by Committee Member Thomas San Agustin, moved to approve the Minutes of the January 28, 2021 Regular Investment Committee Meeting, subject to technical corrections. Without objection, the motion passed.

## **III. OPEN ITEMS**

### **Requests for Proposals (RFPs) for:**

- 1. Global Infrastructure**
- 2. U.S. Small Cap**
- 3. International Equity**

Director Paula Blas stated that the RFP for the Global Infrastructure will be issued this quarter. Committee Chairman Hernandez asked whether the U.S. Small Cap and the International Equity will be issued next quarter. Director Blas replied, "Yes."

## **IV. NEW BUSINESS**

### **1. DB Plan Quarterly Performance**

Committee Chairman Hernandez stated that during the Due Diligence meetings, Maggie Ralbovsky of Wilshire Associates provided an overview of the Global Economic Outlook and the Investment Performance for the Quarter Ended December 31, 2020. She noted that the Retirement Fund's portfolio outperformed its benchmark index, ranking at the 38th percentile of Wilshire's peer group universe for the quarter. The Retirement Fund Return for the quarter was 10.33% and the Benchmark Return was 10.61%.

### **2. DB Investment Statute Discussion**

Committee Chairman Hernandez stated that Ms. Ralbovsky provided an overview of proposed amendments to the DB Investment statutory provisions citing the current portfolio's ability to reach the expected return of 7%, and the current statutory cap limitations on asset classes as a concern. Committee Chairman Hernandez suggested looking at what the ranges are and what other Funds do and where they fall in that spectrum will be helpful. Committee Chairman Hernandez stated that the Committee will continue discussions on investment strategies.

### **3. Recommendation for Board Action**

#### **a. Lazard Asset Management**

Committee Chairman Hernandez stated that Wilshire recommends placing Lazard Asset Management on Watch due to significant underperformance. Committee Chairman Hernandez stated that the Committee will recommend to the Board to place Lazard Asset Management on Watch for a period of one (1) year.

**Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to approve for the Investment Committee to recommend to the Board of Trustees to place Lazard Asset Management on Watch for a period of one (1) year; based on Wilshire Associates' recommendation. Without objection, the motion passed.**

**V. INFORMATIONAL ITEMS**

**1. Asset Allocation Summaries**

A copy of the asset allocation summary statements was provided to the Committee for review and informational purposes. Committee Chairman Hernandez stated that as of February 21, 2021, the size of the Retirement Fund's portfolio is \$2,176,721,565.

**2. Income Summary**

A summary of interest and dividend income was provided to the Committee for review and informational purposes.

**3. Securities Lending**

A summary of securities lending earnings was provided to the Committee for review and informational purposes.

**4. 5-Year Plan**

A copy of the 5-Year Plan was provided to the Committee for review and informational purposes.

**VI. OPEN DISCUSSION**

None

**VII. CORRESPONDENCE**

None

**VIII. ANNOUNCEMENTS**

**1. Next Due Diligence Meeting: May 26 and 27, 2021**

Committee Chairman Hernandez informed the Committee that the next due diligence meeting is tentatively scheduled for May 26 and 27, 2021.

**IX. ADJOURNMENT**

There being no further business before the Investment Committee, a motion was made by Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, to adjourn the meeting at 1:33 p.m. Without objection, the motion passed.

Respectfully submitted,



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**JACKIE M. BLAS**  
Recording Secretary

**AFFIRMED:**



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**ARTEMIO R.A. HERNANDEZ, Ph.D.**  
Investment Committee Chairman