



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

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Wilfred P. Leon Guerrero, Ed.D.
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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

**INVESTMENT COMMITTEE MEETING
DEFINED BENEFIT PLAN**

Thursday, May 20, 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 11:35 a.m. Thursday, May 20, 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
Diana Bernardo, Controller

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. ACTION ITEMS

1. April 28, 2021 Regular Investment Committee Meeting Minutes

Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to approve the Minutes of the April 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 Global Infrastructure closed on April 30, 2021. Wilshire Associates has completed their analysis. Director Blas stated that there will be a separate meeting for the Selection Panel.

Director Blas stated that the RFP for the U.S. Small Cap and International Equity will be issued in August 2021.

IV. OLD BUSINESS

1. Review of Investment Strategies

Committee Chairman Hernandez stated that a review of the Investment Policy Statement (IPS) was conducted. Discussions will continue relative to making the adjustments to the IPS. Committee Chairman Hernandez stated that the Committee previously discussed the statute changes and it's still ongoing. Maggie Ralbovsky of Wilshire Associates stated that the IPS and the statute changes are connected and it will take time to go through it to have the whole picture. Ms. Ralbovsky stated that these two issues needs to be balanced in terms of how detailed you go into definitions. The IPS review process needs to be worked into the statute review process. Ms. Ralbovsky stated that discussions need to be continued to be consistent with where the world is going and to address long term challenges.

Committee Chairman Hernandez asked whether Vince Camacho, the Retirement Fund's Legal Counsel, provided anything for the Board to review. Director Blas replied, "No, not yet." Director Blas stated that she will follow up with Legal Counsel.

Committee Chairman Hernandez asked whether this will need to be addressed at Board level. Ms. Ralbovsky stated that the first step would be to start with an educational process of where we are, where we need to be and what is the gap. The entire Board should hear the explanation or see some examples of how others addressed these changes. Ms. Ralbovsky stated that she will put something together for presentation at the August 2021 meeting.

V. NEW BUSINESS

1. New Building Plan

Committee Chairman Hernandez stated that at the April 30, 2021 Board Meeting, Chairman Wilfred Leon Guerrero designated the Investment Committee to analyze the plans for a new building on the property. Committee Chairman Hernandez inquired about any old plans, if any, as this was a previously discussed topic. Director Blas stated that there was a feasibility study prepared about 10 years ago by Captain, Hutapea & Associates. Committee Chairman Hernandez recommended to request for a more current feasibility study.

Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to approve for Management to procure services for an updated Feasibility Study for a new Retirement Fund building. Without objection, the motion passed.

2. DB Plan Quarterly Performance

Committee Chairman Hernandez stated that during the Due Diligence meetings, Ms. Ralbovsky provided an overview of the Global Economic Outlook and the Investment Performance for the quarter ended March 31, 2021. She noted that the Retirement Fund's portfolio outperformed it's benchmark index, ranking at the 42nd percentile of Wilshire's peer group universe for the quarter. The Retirement Fund Return for the quarter was 3.11% and the Benchmark Return was 2.42%. Ms. Ralbovsky stated that the 1-year return is 34.56%.

Annual Reviews - Committee Chairman Hernandez stated that annual reviews were conducted for the following managers:

- Income Research Management
- Garcia Hamilton
- Hotchkis & Wiley
- Aegon
- Nomura

Lazard Asset Management - Ms. Ralbovsky stated that Wilshire recommends keeping Lazard Asset Management on watch until November 2021.

VI. 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 May 14, 2021, the size of the Retirement Fund's portfolio is \$2,260,117,097.

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.

VII. OPEN DISCUSSION

None

VIII. CORRESPONDENCE

None

IX. ANNOUNCEMENTS

1. Next Due Diligence Meeting: August 18 and 19, 2021

Committee Chairman Hernandez informed the Committee that the next due diligence meeting is tentatively scheduled for August 18 and 19, 2021.

X. 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 12:14 p.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE BLAS
Recording Secretary

AFFIRMED:



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