



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

**INVESTMENT COMMITTEE MEETING
DEFINED BENEFIT PLAN**
Tuesday, November 8, 2022
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 11:52 a.m. Tuesday, November 8, 2022, in the Retirement Fund Conference Room. Investment Committee Chairman Artemio Hernandez officiated.

Board of Trustees Present:

Artemio R.A. Hernandez, Chairman (*Via Zoom*)
David N. Sanford, Member (*Via Zoom*)

Staff Present:

Paula Blas, Director

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates (*Via Zoom*)

II. ACTION ITEMS

1. October 11, 2022 Regular Investment Committee Meeting Minutes

Committee Member David Sanford, seconded by Committee Chairman Artemio Hernandez, moved to approve the Minutes of the October 11, 2022 Regular Investment Committee Meeting, subject to technical corrections. Without objection, the motion passed.

III. OPEN ITEMS

Requests for Proposal (RFP) for:

1. U.S. Small Cap

Committee Chairman Hernandez stated that the RFP for the U.S. Small Cap will be issued in the first quarter of next year.

IV. OLD BUSINESS

1. Review of Investment Strategies

Committee Chairman Hernandez stated that the Investment Committee will pursue the new language in the next legislative term.

2. New Building.

Committee Chairman Hernandez tabled item No. 2.

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 November 4, 2022, the size of the Retirement Fund's portfolio is \$1,790,331,648.

Maggie Ralbovsky of Wilshire Associates inquired about the status of rebalancing with Schroder Investment Management North America (Schroder). Director Paula Blas stated that the Investment Management Agreement (IMA) is in route to Schroder and Legal for their signature. Director Blas stated that she is expecting the IMA in a few days. Director Blas stated that she wanted to check with Ms. Ralbovsky on when to fund Schroder. Ms. Ralbovsky stated to fund Schroder in the first week of December 2022 or wait until January 2023.

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

1. DB Plan Quarterly Performance

Committee Chairman Hernandez stated that during the Due Diligence meetings, Ms. Ralbovsky discussed the economic outlook and the Investment Manager Performances for the quarter ended September 30, 2022.

Ms. Ralbovsky also provided an overview of the DB Plan's Investment Performance. She noted that the Retirement Fund's portfolio underperformed its benchmark index, ranking at the 50th percentile of Wilshire's total fund peer group universe for the quarter. The Retirement Fund Return for the quarter was -6.10% and the Benchmark Return was -6.04%.

Committee Chairman Hernandez stated that annual reviews were conducted for the following Risk Parity and Global REIT managers:

- Dimensional Fund Advisors Global REITs
- PanAgora Asset Management
- Invesco Advisors

Committee Chairman Hernandez stated that Intech was revisited and their report was satisfactory this time around.

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS

1. Next Due Diligence Meeting: February 9, 2023

Committee Chairman Hernandez informed the Committee that the next due diligence meeting is scheduled for February 9, 2023.

IX. ADJOURNMENT

There being no further business before the Investment Committee, a motion was made by Committee Member David Sanford, seconded by Committee Chairman Artemio Hernandez, to adjourn the meeting at 12:16 p.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE BLAS
Recording Secretary

AFFIRMED:



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