



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

Lourdes A. Leon Guerrero  
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Lieutenant Governor

Paula M. Blas  
Director

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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**

Tuesday, October 12, 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 12:09 p.m. Tuesday, October 12, 2021, via Zoom in the Retirement Fund Conference Room. Investment Committee Chairman Artemio Hernandez officiated.

**Board of Trustees Present:**

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

**Staff Present:**

Paula Blas, Director

## **II. ACTION ITEMS**

### **1. September 16, 2021 Regular Investment Committee Meeting Minutes**

**Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to approve the Minutes of the September 16, 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**

Committee Chairman Hernandez inquired about the status of the RFP for the Global Infrastructure. Director Paula Blas stated that KBI Global Investors (North America) Ltd. submitted their edits on the contract and Legal Counsel Joanne Grimes is reviewing their edits and will be communicating with KBI Global in terms of finalizing the contract. KBI is also in the process of obtaining the license and registration requirements with the Department of Revenue and Taxation.

#### **2. U.S. Small Cap**

#### **3. International Equity**

Committee Chairman Hernandez asked when the RFP for the U.S. Small Cap and the International Equity is being issued. Director Blas stated that the RFP will be issued in the 1st Quarter of 2022.

## **IV. OLD BUSINESS**

### **1. Review of Investment Strategies**

Committee Chairman Hernandez asked if there is anything pending from Maggie Ralbovsky of Wilshire Associates. Director Blas stated that Ms. Ralbovsky would like to continue discussions in November and she requested to have Legal Counsel present at that time.

### **2. New Building**

Committee Chairman Hernandez stated that the feasibility study was provided to the Committee members for review. Committee Chairman Hernandez stated that the conclusion is that it will cost \$10.2 Million for the structure and the Retirement Fund would be able to sublease out \$3.00 or \$4.00 per square foot. Director Blas stated that the Committee could further review and discuss this for next month's meeting.

## **V. NEW BUSINESS**

None

## **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 October 8, 2021, the size of the Retirement Fund's portfolio is \$2,254,415,825.

### **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**

**2033 Amortization Date** - Committee Chairman Hernandez suggested to place this as an action item. Committee Chairman Hernandez stated that as we get closer to the 2033 date to pay off the unfunded liability, the volatility of the market may become an issue if the market doesn't do well. There have been discussions to smooth out the cliff. Committee Chairman Hernandez stated that the Committee should probably start talking about the actuarial adjustments and also a Pension Obligation Bond, which both achieve the same goal of trying to lower the risk to the Retirement Fund.

Committee Member Thomas San Agustin stated that the actuarial study came out prior to the pandemic and asked whether another study is needed since the market conditions were not normal. Director Blas stated that the Actuarial Valuation is done on an annual basis, but the Experience Study should be completed before the end of this month. Once we receive the study and the recommendations for the changes on the assumptions, it's something that we could also take into consideration in terms of the smoothing of the unfunded liability. Committee Chairman Hernandez stated that when the Experience Study comes out, the Committee could try to address the risk.

## **VIII. CORRESPONDENCE**

None

**IX. ANNOUNCEMENTS**

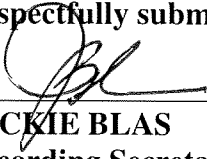
**1. Next Due Diligence Meeting: November 17 and 18, 2021**

Committee Chairman Hernandez informed the Committee that the next due diligence meeting is scheduled for November 17 and 18, 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 12:40 p.m. Without objection, the motion passed.**

Respectfully submitted,



**JACKIE BLAS**  
Recording Secretary

AFFIRMED:



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