



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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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, September 1, 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 11:14 a.m. Thursday, September 1, 2022, in the Retirement Fund Conference Room. Investment Committee Chairman Artemio Hernandez officiated.

Board of Trustees Present:

Artemio R.A. Hernandez, Chairman (*Via Webex*)

Thomas H. San Agustin, Member (*Via Webex*)

David N. Sanford, Member (*Via Webex*)

Staff Present:

Paula Blas, Director

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. ACTION ITEMS

1. July 28, 2022 Regular Investment Committee Meeting Minutes

Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to approve the Minutes of the July 28, 2022 Regular Investment Committee Meeting, subject to technical corrections. Without objection, the motion passed.

III. OPEN ITEMS

Requests for Proposals (RFPs) for:

1. U.S. Small Cap

Committee Chairman Hernandez stated that the RFP for the U.S. Small Cap will be issued at the end of the year. Maggie Ralbovsky of Wilshire Associates stated that the RFP could be issued next year because it's a smaller allocation and that we're also kind of right in the middle of the market turmoil. Committee Chairman Hernandez indicated that the RFP process will be postponed until next year.

2. International Equity

Director Paula Blas stated that the Selection Panel's recommendation will be presented to the Board at the September 2, 2022 Board Meeting.

IV. OLD BUSINESS

1. Review of Investment Strategies

Director Blas stated that a copy of the final version of the bill will be provided to the Board. Director Blas stated that, subject to the Board's review, she will schedule an appointment with the Vice Speaker's Office to review the bill with her.

2. New Building.

Director Blas stated that she is still in the process of working with Department of Public Works on the scope of work in terms of soliciting for a certified engineer.

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 August 26, 2022, the size of the Retirement Fund's portfolio is \$1,975,080,207.

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 provided an overview of the Global Economic Outlook and the Investment Performance for the quarter ended June 30, 2022. Ms. Ralbovsky stated that the portfolio had a very challenging first half. She noted that the Retirement Fund's portfolio outperformed its benchmark index, ranking at the 42nd percentile of Wilshire's Total Fund peer group universe for the quarter. The Retirement Fund Return for the quarter was -12.11% and the Benchmark Return was -12.60%.

Annual reviews were conducted for the following managers:

- Dimensional Fund Advisors Small Cap
- Boston Partners
- Intech/Janus Henderson Investors
- Lazard Asset Management
- Acadian Asset Management
- Wellington Asset Management

Ms. Ralbovsky stated that the Retirement Fund will ask one manager to be reviewed again because their current report was not satisfactory.

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS

1. Next Due Diligence Meeting: November 8 and 9, 2022

Committee Chairman Hernandez informed the Committee that the next due diligence meeting is scheduled for November 8 and 9, 2022. Committee Chairman Hernandez asked if the November 8, 2022 Due Diligence Meeting time could be scheduled for early in the morning. Director Blas stated that she could schedule the meeting for 8:30 a.m. Committee Chairman Hernandez also asked if the November 9, 2022 Due Diligence Meeting could be scheduled for 9:00 or 9:30 a.m. Director Blas stated that she could schedule the meeting for 10:00 a.m.

IX. ADJOURNMENT


There being no further business before the Investment Committee, a motion was made by Committee Member David Sanford, seconded by Committee Member Thomas San Agustin, to adjourn the meeting at 11:31 a.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE BLAS
Recording Secretary

AFFIRMED:



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