



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
 Governor

Ray Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

Trustees:

Joe T. San Agustin
 Chairman

Wilfred P. Leon Guerrero, Ed.D.
 Vice-Chairman
 Investment Committee, Chairman

Antolina S. Leon Guerrero
 Secretary

Gerard A. Cruz
 Treasurer
 Audit & Operations Committee,
 Chairman

Katherine T.E. Taitano
 Trustee

Anthony C. Blaz
 Trustee

David M. O'Brien
 Trustee

BOARD OF TRUSTEES
Regular Meeting
 Friday, July 31, 2015, 12:00 Noon
 Retirement Fund Conference Room

MINUTES

DEFINED BENEFITS

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefits Plan was called to order at 1:37 p.m. Friday, July 31, 2015, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

Board of Trustees Present:

Joe T. San Agustin, Chairman
 Wilfred P. Leon Guerrero, Vice Chairman
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer
 David M. O'Brien, Trustee
 Anthony C. Blaz, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Rosalia Bordallo, General Accounting Supervisor
 Jackie Blas, Recording Secretary

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. June 26, 2015 Regular Meeting

Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the June 26, 2015 Regular Meeting, subject to technical corrections. Without objection, the motion unanimously passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Candelaria Rios, et al. vs. Joseph Ada, et al. (Special Proceeding Case No. SP206-93)* - The Retirement Fund maintains a list of deceased COLA Awardees who did not name a beneficiary, or whose beneficiary may be deceased. COLA award disbursements for these individuals will be made to their respective estates.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated July 20, 2015 on the following lawsuits is provided for the Board's information. These cases are highly confidential and BLBG asked that the cases not be discussed in a public forum.

- MF Global
- Invacare Corporation

3. *Request for Proposals (RFP) for Risk Parity* - Director Paula Blas stated that the Selection Panel is going to schedule an interview at the end of August when Maggie Ralbovsky of Wilshire Associates is on island. The Selection Panel consists of Joe San Agustin, Wilfred Leon Guerrero, and Gerard Cruz.

Financial Report

1. *Contributions* - Director Blas stated that as of July 29, 2015, all agencies are current with their Fiscal Year 2015 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ending June 30, 2015 were closed on July 20, 2015.

3. *Fiscal Year 2015 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of July 2015 were paid.

4. *Fiscal Year 2015 Medicare Reimbursements* - Director Blas stated that the Retirement Fund received the July 2015 allotment from the General Fund and reimbursements were processed accordingly.

VI. LEGAL COUNSEL'S REPORT

No report was made at this time.

VII. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Gerard Cruz stated that the Treasurer's Report is provided at this meeting. It covers the Retirement Fund's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position (unaudited) and Prior Year Receivables for both the Defined Benefit (DB) Plan and the Defined Contribution (DC) Plan for the month ended June 30, 2015. Treasurer Cruz stated that the total combined assets are \$2.1 Billion. Treasurer Cruz indicated that the drawdown schedule is still within its existing authority.

VIII. STANDING COMMITTEE REPORTS

A. Investment Committee

Vice Chairman Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on July 30, 2015. The Committee reviewed and approved the Investment Committee Meeting Minutes of June 19, 2015.

Vice Chairman Leon Guerrero stated that he would like to request to have Director Blas write a letter to Ms. Ralbovsky regarding what transpired during the transition process. Secretary Antolina Leon Guerrero asked what happened. Director Blas stated that Ms. Ralbovsky had indicated that the actual transition would take one day. Director Blas stated that the transition will actually be completed as of close of business today. This has a lot to do with settling the account of the managers. The transition and trade days were different. The trades took longer than anticipated. Treasurer Cruz stated that the explanation by Ms. Ralbovsky was very simple, but the actual process became complicated by having different asset classes, a variety of managers and the realization that derivatives couldn't be used as part of the transition.

Vice Chairman Leon Guerrero recommended that Chairman San Agustin sign the letter to Ms. Ralbovsky. Treasurer Cruz suggested having Ms. Ralbovsky explain and quantify any added costs or risk associated with the process. Director Blas indicated that the transition manager will also provide their closing report.

Vice Chairman Leon Guerrero indicated that as of July 28, 2015, the Retirement Fund's portfolio is \$1.658 Billion.

Next Quarterly Performance Meeting – Vice Chairman Leon Guerrero stated that the next Quarterly Performance Meeting is scheduled for August 26, and 27, 2015.

Trustee Anthony Blaz, seconded by Treasurer Gerard Cruz, moved to accept the Investment Committee Report. Without objection, the motion unanimously passed.

B. Members and Benefits Committee

Secretary Antolina Leon Guerrero presented the Committee's July 2015 report to the Board of Trustees.

Secretary Antolina Leon Guerrero, seconded by Trustee David O'Brien, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 15, including the attached Annuity Worksheets and relevant documents, based on the Committee's review and findings during their meeting of July 15, 2015. Without objection, the motion unanimously passed.

IX. OLD BUSINESS

None

X. NEW BUSINESS

None

XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT

Same Sex Marriage – Vice Chairman Leon Guerrero asked whether the Retirement Fund has made a review pertaining to the Same Sex Marriage certification. Director Blas mentioned that Milliman provided an analysis stating that there is no significant impact.

Group Health Insurance – Trustee Anthony Blaz stated that the biggest feature of the health insurance is the option of a Supplemental Plan for retirees 65 years old and older. Director Blas stated that it is not only open to Class I, but also Class II provided that the spouse is also 65 years old or older and has Medicare. Chairman San Agustin asked whether dental coverage is included. Director Blas replied, "Yes."

XII. ANNOUNCEMENTS

None

XIII. ADJOURNMENT

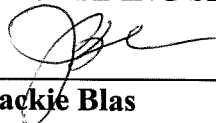
There being no further business before the Board for the Defined Benefits Plan, on motion of Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 2:07 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of July 31, 2015 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on August 28, 2015.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas