



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.
Vice-Chairman
Investment Committee, Chairman

Antolina S. Leon Guerrero
Secretary

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

Katherine T.E. Taitano
Trustee

Albert H. Santos
Trustee

Vacant
Trustee

INVESTMENT COMMITTEE MEETING
DEFINED BENEFIT PLAN
Thursday, February 21, 2019
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 1:00 p.m. Thursday, February 21, 2019, in the Retirement Fund Conference Room. Investment Committee Chairman Wilfred Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Chairman
Albert H. Santos, Member

Staff Present:

Paula Blas, Director

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. ACTION ITEMS

1. **January 24, 2019 Regular Investment Committee Meeting Minutes**
2. **May 23 and 24, 2018 Due Diligence Meeting Minutes for the Quarter Ended March 31, 2018**
3. **August 29 and 30, 2018 Due Diligence Meeting Minutes for the Quarter Ended June 30, 2018**
4. **November 14 and 15, 2018 Due Diligence Meeting Minutes for the Quarter Ended September 30, 2018**

Committee Member Albert Santos, seconded by Committee Chairman Wilfred Leon Guerrero, moved to approve the Minutes of the January 24, 2019 Regular Investment Committee Meeting, subject to technical corrections; and to table the Minutes of the May 23 and 24, 2018, August 29 and 30, 2018 and November 14 and 15, 2018 Due Diligence Meetings. Without objection, the motion passed.

III. OPEN ITEMS

None

IV. NEW BUSINESS

1. **Due Diligence Meeting for the Quarter Ended December 31, 2018**

During the Due Diligence meetings, Maggie Ralbovsky of Wilshire Associates discussed Investment Manager Performance. Ms. Ralbovsky stated that annual reviews were conducted for the following Managers:

- Fisher Investments
- Cushing Asset Management

Recommendation:

- a. **Selection of International Managers**

Committee Chairman Leon Guerrero stated that the Selection Panel for the International Manager searches made the following recommendation of managers:

RFP No. GGRF-001-18 Investment Management Services for Global Equity

- **Lazard Asset Management**

RFP No. GGRF-002-18 Investment Management Services for Developed Non-U.S. Equity EAFE

- **Acadian Asset Management**

RFP No. GGRF-003-18 Investment Management Services for Emerging Markets

- **Wellington Management Company**

Committee Member Albert Santos, seconded by Committee Chairman Wilfred Leon Guerrero, moved to accept the Selection Panel's recommendation to select Lazard Asset Management for Investment Management Services for Global Equity; Acadian Asset Management for Investment Management Services for Developed Non-U.S. Equity EAFE; and Wellington Management Company for Investment Management Services for Emerging Markets. Without objection, the motion passed.

Ms. Ralbovsky provided an overview of the Defined Benefit Plan's Investment Performance. She noted that for the quarter ended December 31, 2018, the Retirement Fund portfolio underperformed its benchmark index, ranking at the 84th percentile of Wilshire's peer group universe for the quarter.

- Retirement Fund Return -9.34%
- Benchmark Return -8.71%

Ms. Ralbovsky also provided an update on:

- the future of Master Limited Partnerships (MLPs) as a result of Mergers and Acquisitions (M&A) activity and corporation consolidation, and a general movement towards C-Corporation
- Environmental, Social and Governance (ESG) and its role in today's client investment policy

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 Leon Guerrero stated that as of February 17, 2019, the size of the Retirement Fund's portfolio is \$1,934,359,109.

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

None

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS

1. Next Due Diligence Meeting: May 29 and 30, 2019

Committee Chairman Leon Guerrero informed the Committee that the next due diligence meeting is tentatively scheduled for May 29 and 30, 2019.

IX. ADJOURNMENT

There being no further business before the Investment Committee, a motion was made by Committee Chairman Wilfred Leon Guerrero, seconded by Committee Member Albert Santos, to adjourn the meeting at 1:35 p.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE M. BLAS
Recording Secretary

AFFIRMED:



WILFRED P. LEON GUERRERO, Ed.D.
Investment Committee Chairman