

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

**David M. O'Brien**  
Trustee

**Albert H. Santos**  
Trustee

**INVESTMENT COMMITTEE MEETING  
DEFINED BENEFIT PLAN**

Thursday, November 15, 2018  
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 12:15 p.m. Thursday, November 15, 2018, in the Retirement Fund Conference Room. Investment Committee Acting Chairman Gerard A. Cruz officiated.

**Board of Trustees Present:**

Gerard A. Cruz, Acting Chairman  
Albert H. Santos, Member

**Staff Present:**

Paula Blas, Director

**Investment Consultant Present:**

Maggie Ralbovsky, Wilshire Associates

## **II. ACTION ITEMS**

- 1. October 24, 2018 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**

**Committee Member Albert Santos, seconded by Committee Acting Chairman Gerard Cruz, moved to approve the Minutes of the October 24, 2018 Regular Investment Committee Meeting, subject to technical corrections; and to table the Minutes of the May 23 and 24, 2018 and August 29 and 30, 2018 Due Diligence Meetings. Without objection, the motion passed.**

## **III. OPEN ITEMS**

None

## **IV. NEW BUSINESS**

None

## **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.

- 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. Allocation of Large Cap versus Small Cap**

Maggie Ralbovsky of Wilshire Associates discussed the allocation of Large Cap (80% exposure) versus Small Cap (20% exposure) within the U.S. Equity allocation. Ms. Ralbovsky stated that the Small Cap exposure has shrunk significantly. Ms. Ralbovsky stated that once the new search is settled, the plan is

to reduce the allocation to Small Cap. Director Paula Blas stated that interviews will be in January 2019. Funding of managers will take place in February or March 2019.

Ms. Ralbovsky stated that Wilshire's recommendation is to reduce Numeric's exposure from it's current 7% portfolio allocation to 3% and place the balance into the BlackRock Russell 1000 Index Fund.

**Committee Member Albert Santos, seconded by Committee Acting Chairman Gerard Cruz, moved to accept Wilshire Associates' recommendation to reduce the U.S. Small Cap allocation to \$100 Million; and to place the balance into the BlackRock Russell 1000 Index Fund. Without objection, the motion passed.**

## **VII. CORRESPONDENCE**

None

## **VIII. ANNOUNCEMENTS**

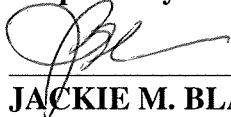
### **1. Next Due Diligence Meeting: February 20 and 21, 2019**

Committee Acting Chairman Cruz informed the Committee that the next due diligence meeting is tentatively scheduled for February 20 and 21, 2019.

## **IX. ADJOURNMENT**

**There being no further business before the Investment Committee, a motion was made by Committee Acting Chairman Gerard Cruz, seconded by Committee Member Albert Santos, to adjourn the meeting at 12:35 p.m. Without objection, the motion passed.**

Respectfully submitted,



**JACKIE M. BLAS**  
Recording Secretary

**AFFIRMED:**



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