



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

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**Gerard A. Cruz**  
*Treasurer*  
*Chair, Investment Committee*

**Artemio R.A. Hernandez, Ph.D.**  
*Trustee*

**Thomas H. San Agustin**  
*Trustee*

**George A. Santos**  
*Trustee*

**INVESTMENT COMMITTEE MEETING**  
**DEFINED BENEFIT PLAN**  
Wednesday, August 28, 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 2:00 p.m. Wednesday, August 28, 2019, in the Retirement Fund Conference Room. Investment Committee Chairman Gerard Cruz officiated.

**Board of Trustees Present:**

Gerard A. Cruz, Chairman  
Artemio R.A. Hernandez, Member  
Thomas H. San Agustin, Member

**Staff Present:**

Paula Blas, Director

**Investment Consultant Present:**

Maggie Ralbovsky, Wilshire Associates

## **II. ACTION ITEMS**

- 1. July 30, 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**
- 5. February 20 and 21, 2019 Due Diligence Meeting Minutes for the Quarter Ended December 31, 2018**
- 6. May 29 and 30, 2019 Due Diligence Meeting Minutes for the Quarter Ended March 31, 2019**

**Committee Member Artemio Hernandez, seconded by Committee Member Thomas San Agustin, moved to approve the Minutes of the July 30, 2019 Regular Investment Committee Meeting and the Minutes of the May 23 and 24, 2018, August 29 and 30, 2018, November 14 and 15, 2018 and February 20 and 21, 2019 Due Diligence Meetings, subject to technical corrections; and to table the Minutes of the May 29 and 30, 2019 Due Diligence Meetings. Without objection, the motion passed.**

## **III. OPEN ITEMS**

None

## **IV. NEW BUSINESS**

- 1. Due Diligence Meeting for the Quarter Ended June 30, 2019**

During the Due Diligence meetings, Maggie Ralbovsky of Wilshire Associates discussed Investment Manager Performance and also provided an overview of the Defined Benefit Plan's Investment Performance. She noted that for the quarter ended June 30, 2019, the Retirement Fund portfolio underperformed its benchmark index, ranking at the 14th percentile of Wilshire's peer group universe for the quarter. The Retirement Fund Return was 2.91% and the Benchmark Return was 3.42%.

Ms. Ralbovsky stated that annual reviews were conducted for the following Managers:

- Boston Partners (Robeco)
- Intech (Janus)
- Numeric Investors

### **Recommendations:**

- a. Master Limited Partnerships (MLPs)**

Ms. Ralbovsky stated that Wilshire recommends terminating the MLP mandate and allocate the cash to Income Research Management (IRM). Further discussion regarding investments in the Infrastructure space will be discussed at the November 2019 quarterly review.

**Committee Member Artemio Hernandez, seconded by Committee Member Thomas San Agustin, moved to accept Wilshire's recommendation to terminate the Master Limited Partnerships mandate and to allocate the cash to Income Research Management. Without objection, the motion passed.**

**b. Numeric Investors**

Ms. Ralbovsky stated that Wilshire recommends keeping Numeric Investors on Watch and will re-evaluate their performance at the November 2019 quarterly review.

**Committee Member Artemio Hernandez, seconded by Committee Member Thomas San Agustin, moved to accept Wilshire's recommendation to keep Numeric Investors on Watch until November 2019. Without objection, the motion passed.**

**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**

None

**VII. CORRESPONDENCE**

None

**VIII. ANNOUNCEMENTS**

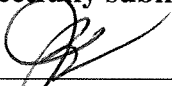
**1. Next Due Diligence Meeting: November 13 and 14, 2019**

Committee Chairman Cruz informed the Committee that the next due diligence meeting is tentatively scheduled for November 13 and 14, 2019.

**IX. ADJOURNMENT**

**There being no further business before the Investment Committee, a motion was made by Committee Member Artemio Hernandez , seconded by Committee Member Thomas San Agustin, to adjourn the meeting at 2:20 p.m. Without objection, the motion passed.**


Respectfully submitted,



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**JACKIE M. BLAS**  
Recording Secretary

**AFFIRMED:**



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**GERARD A. CRUZ**  
Investment Committee Chairman