



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
 Governor

Joshua F. Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

Trustees:

Wilfred P. Leon Guerrero, Ed.D.
 Chairman

Antolina S. Leon Guerrero
 Vice Chair

Katherine T.E. Taitano
 Secretary
 Chair, Members and Benefits Committee

Gerard A. Cruz
 Treasurer
 Chair, Investment Committee

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

Thomas H. San Agustin
 Trustee

George A. Santos
 Trustee

BOARD OF TRUSTEES
Regular Meeting
 Friday, February 28, 2020, 12:00 Noon
 Retirement Fund Conference Room

MINUTES

DEFINED BENEFIT

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefit Plan was called to order at 12:50 p.m. Friday, February 28, 2020, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Chairman
 Antolina S. Leon Guerrero, Vice Chair
 Artemio R.A. Hernandez, Trustee
 Thomas H. San Agustin, Trustee
 George A. Santos, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Secretary (*Excused*)
 Gerard A. Cruz, Treasurer (*Excused*)

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. January 29, 2020 Regular Meeting

Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, moved to approve the Minutes of the January 29, 2020 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

Director Paula Blas stated the letter from Senator Clynton Ridgell regarding Bill 151-35 (COR) was discussed under the Defined Contribution Plan meeting.

IV. 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 February 21, 2020 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.

- **Apollo Education Group**
- **EQT Corporation**

Financial Report

1. *Contributions* - Director Blas stated that as of February 25, 2020, all agencies are current with their Fiscal Year 2020 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended December 31, 2019 are scheduled to close on February 28, 2020.

3. *Fiscal Year 2020 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of February 2020 will be paid at the end of the month.

4. *Fiscal Year 2020 Medicare Reimbursements* - Director Blas stated that the Retirement Fund received the February 2020 allotment from the General Fund and reimbursements were processed accordingly.

V. LEGAL COUNSEL'S REPORT

No report was made at this time.

VI. TREASURER'S REPORT OF FINANCIAL STATUS

Director Blas stated that the Retirement Fund is operating within its current drawdown authority of up to \$5.5 Million monthly which continues through March 2020.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Trustee Artemio Hernandez reported that the Quarterly Performance Meeting for the Quarter Ended December 31, 2019 was held on February 27, 2020. The Investment Committee Meeting was also held on February 27, 2020. The Committee reviewed and approved the Investment Committee Meeting Minutes of January 28, 2020. Trustee Hernandez stated that as of February 18, 2020, the size of the Retirement Fund's portfolio is \$2,071,862,127. Chairman Leon Guerrero pointed out that as of February 25, 2020, the portfolio is \$2,025,977,000. There was a loss of \$46 Million. Director Blas stated that it's unrealized loss.

Trustee Hernandez stated that Maggie Ralbovsky of Wilshire Associates provided an overview of the Global Economic Outlook and the Investment Performance for the quarter ended December 31, 2019. Ms. Ralbovsky noted that the Retirement Fund's portfolio outperformed it's benchmark index, ranking at the 38th percentile of Wilshire's peer group universe for the quarter. The Retirement Fund Return for the quarter was 5.17% and the Benchmark Return was 5.04%.

Recommendations for Board Action:

a. Place Intech on Watch

Ms. Ralbovsky stated that due to underperformance, Wilshire's recommendation is to place Intech on watch.

Trustee Artemio Hernandez, seconded by Trustee Thomas San Agustin, moved to accept Wilshire Associates' recommendation to place Intech on Watch. Without objection, the motion passed.

b. Terminate Fisher Investments

Ms. Ralbovsky stated that Wilshire's recommendation is to terminate Fisher Investments and move forward with a Request for Proposal (RFP) for an International Equity Manager.

Trustee Artemio Hernandez, seconded by Vice Chair Antolina Leon Guerrero, moved to accept Wilshire Associates' recommendation to terminate Fisher Investments and move forward with a Request for Proposal (RFP) for an International Equity Manager. Without objection, the motion passed.

c. Issue Request for Proposals (RFPs)

Trustee Hernandez stated that Wilshire's recommendation is to issue RFPs for US Domestic Small Cap Equity and International Developed Non-US Equity Managers. Trustee Hernandez stated that the Investment Committee also considered to suspend the issuance of an RFP for the Global Listed Infrastructure Securities.

Trustee Artemio Hernandez, seconded by Trustee Thomas San Agustin, moved to accept Wilshire Associates' recommendation to issue Request for Proposals (RFPs) for US Domestic Small Cap Equity and International Developed Non-US Equity Managers; and to suspend the issuance of a Request for Proposal for the Global Listed Infrastructure Securities. Without objection, the motion passed.

Next Quarterly Performance Meeting – Trustee Hernandez stated that the next Quarterly Performance Meeting is tentatively scheduled for May 27 and 28, 2020. Ms. Ralbovsky will continue discussion on Smart Beta, Portfolio Hedge and Long Term Bonds allocation during the May due diligence meeting.

B. Members and Benefits Committee

Vice Chair Antolina Leon Guerrero presented the Committee's February 2020 report to the Board of Trustees.

Vice Chair Antolina Leon Guerrero, seconded by Trustee George Santos, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 16, based on the Committee's review and findings during their meeting of February 19, 2020. Without objection, the motion passed.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

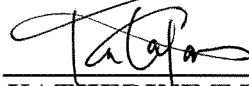
XI. ANNOUNCEMENTS

None

XII. ADJOURNMENT

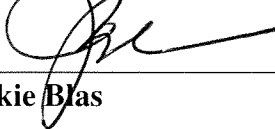
There being no further business before the Board for the Defined Benefit Plan, Trustee George Santos moved to adjourn the meeting. Without objection, the meeting was adjourned at 1:06 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of February 28, 2020 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on March 19, 2020.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas