



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

**Lourdes A. Leon Guerrero**  
 Governor

**Joshua F. Tenorio**  
 Lieutenant Governor

**Paula M. Blas**  
 Director

Trustees:

**Antolina S. Leon Guerrero**  
 Chair

**George A. Santos**  
 Vice Chair

**Thomas H. San Agustin**  
 Secretary

**Artemio R.A. Hernandez, Ph.D.**  
 Treasurer  
 Chair, Investment Committee

**Katherine T.E. Taitano**  
 Trustee  
 Chair, Members and Benefits Committee

**Vacant**  
 Trustee

**Vacant**  
 Trustee

**BOARD OF TRUSTEES**  
**Regular Meeting**  
 Thursday, May 21, 2026, 12:30 P.M.  
 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 12:55 p.m. Thursday, May 21, 2026 in the Retirement Fund Conference Room. Chair Antolina S. Leon Guerrero officiated.

**Board of Trustees Present:**

Antolina S. Leon Guerrero, Chair  
 George A. Santos, Vice Chair  
 Thomas H. San Agustin, Secretary  
 Artemio R.A. Hernandez, Treasurer *(via Zoom)*  
 Katherine T.E. Taitano, Trustee

**Board of Trustees Absent:**

**Staff Present:**

Paula Blas, Director

**Investment Consultant Present:**

Maggie Rolbovsky, Wilshire Associates

**Legal Counsel Present:**

Vincent Camacho, Camacho Calvo Law Group LLC

**Actuarial Consultant Present:**

Nick Collier, Milliman, Inc.

**Public Present:**

Joe Ebisa, With Intelligence *(via Zoom)*

**II. EXECUTIVE SESSION**  
**A. GGRF Director's Position**

At the recommendation of legal counsel Vincent Camacho, Chair Antolina Leon Guerrero, recessed the Defined Benefit meeting to go into Executive Session to address GGRF Director's Position.

**Vice Chair George Santos, seconded by Secretary Thomas San Agustin, moved to accept the Retirement Fund Board Chairman's recommendation that the Board of Trustees move into Executive Session. Without objection, the motion passed.**

Chair Leon Guerrero stated that the Board will now convene in Executive Session.

**EXECUTIVE SESSION: 12:56 P.M.**  
**RECONVENED: 1:15 P.M.**

At this time Chair Leon Guerrero announced that the Board of Trustees will now reconvene its regular meeting.

**Vice Chair George Santos, seconded by Thomas San Agustin, in pursuant to what was discussed in the Executive Session moved to accept the retirement of Director Paula Blas effective May 31, 2026. Without objection, the motion passed. Votes as follows: Yes Votes – Trustee Katherine Taitano, Vice Chair George Santos, Secretary Thomas San Agustin and Chair Antolina Leon Guerrero. With four (4) "Yes" votes, the motion unanimously passed.**

**Secretary Thomas San Agustin, seconded by Vice Chair George Santos, in pursuant to the discussion in the Executive Session moved to enter into a new contract with Ms. Paula Blas for the duties and responsibilities required by law for the term of three years with an annual review effective June 2, 2026. Without objection, the motion passed. Votes as follows: Yes Votes – Trustee Katherine Taitano, Vice Chair George Santos, Secretary Thomas San Agustin and Chair Antolina Leon Guerrero. With four (4) "Yes" votes, the motion unanimously passed.**

**Trustee Katherine Taitano, seconded by Vice Chair George Santos to adopt the salary of \$90,000 for the Director of Paula Blas. Without objection, the motion passed. Votes as follows: Yes Votes – Trustee Katherine Taitano, Vice Chair George Santos, Secretary Thomas San Agustin and Chair Antolina Leon Guerrero. With four (4) "Yes" votes, the motion unanimously passed.**

**III. REVIEW AND APPROVAL OF BOARD MINUTES**  
**A. April 24, 2026 Regular Meeting**

**Secretary Thomas San Agustin, seconded by Vice Chair George Santos, moved to approve the Minutes of the April 24, 2026 Regular Meeting, subject to technical corrections. Without objection, the motion passed.**

**IV. CORRESPONDENCE**  
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. The Retirement Fund published a list of deceased COLA Awardees on February 2, 2024, a second publication on August 2, 2024 in the Guam Daily Post, and on the GGRF website.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* – There are no cases at this time.

3. *FY-2025 Actuarial Valuation* – The actuarial valuation was performed by Milliman, Inc as of September 30, 2026 and a draft was provided for The Boards review. In Milliman's valuation they:

- Summarized the membership data.
- Calculate the actuarial accrued liability and normal cost.
- Determine the contribution requirements.
- Project the fund balance and security ratio forward 40 years.

Nick Collier from Milliman provided the following highlights of the valuation as of September 30, 2025.

- The required contribution under GCA Section 8137 is 30.64% of payroll. Of this amount, 26.49% is for the unfunded actuarial accrued liability of the defined benefits plan (Old DDB Plan and DB 1.75 Plan), 1.03% is for the normal cost of the DB Plans, and 3.12% is for the contributions and expenses for the defined contribution (DC) plan.

The Primary reasons for the decrease in the contribution rate from 33.85% for the prior year was the recognition of the investment gain and loss over the 3-year asset smoothing period. Higher than expected salary increase had a partially offsetting impact.

- As the remaining period to pay off the unfunded actuarial accrued liability (UAAL) declines, year-to-year changes in the contribution rate will become increasingly sensitive in the future to investment gains and losses and other experience under the current amortization method. Public Law 38-120, which was enacted in April of 2026, gives additional flexibility in the amortization of the UAAL that can address this increased sensitivity.
- Based on the audited financial statement, we calculated an investment return on the total market value of assets of 11.1% for the fiscal year ending September 30, 2025. The average annual return on the market value assets of 11.1% for the fiscal year ending September 30, 2025. The average annual return on the market value of assets, which recognizes investment gains and losses over 3-year period, was 15.5% for the fiscal year ending September 30, 2025.
- The unfunded actuarial accrued liability decreased from \$1,362 billion as of September 30, 2024 to \$1.137 billion as of September 30, 2025. The payment required to amortize the unfunded actuarial accrued liability under GCA Section 8137 has decreased from \$192.1 million to \$178.0 million. The payment as a percentage of payroll has decreased from 29.6% to 26.5%.

## Public Law 38-120 – Amortization Options

Public Law 38-120 amended the section of the Guam Code addressing contributions to GGRF (§8137 of Article 1, Chapter 8) to allow for increased options to amortize the unfunded actuarial accrued liability (UAAL).

Mr. Collier stated it was previously discussed with the Board in the past, under current law, the UAAL is paid off over a closed period ending May 1, 2033. This relatively short remaining period to amortize the UAAL means that required funding will be spread over shorter and shorter periods, which may cause large swings in the required employer contribution rate from one year to the next. This contribution rate volatility will escalate as 2033 nears, which could become problematic for government budgets. The language in the bill would allow GGRF to adopt a funding approach that would help improve the stability and predictability of future contribution rates while maintaining strong funding of the system.

One reasonable approach to amortize the unfunded liability that would be consistent with the new law is as follows:

- Current UAAL: Seven separate amortization schedules each paying off 1/7<sup>th</sup> of the current UAAL amount, with amortization periods ranging from 5 to 11 years.
- Future UAAL Changes Future changes in the UAAL that are different than assumed would be amortized over 15 year “basis.” A separate base with an amortization schedule to pay off the amount over 15 years is set up each year. These amounts can be either a payment or a credit.

Using this amortization approach, the calculated contribution rate payable for the next fiscal year would be 30.97% of pay.

Mr. Collier stated under the current amortization method, the unfunded liability is paid off over a closed period ending May 1, 2033. This relatively short remaining period to amortize the unfunded liability means that the required funding will be spread over shorter and shorter periods, which may cause large swings in the required employer contribution rate from one year to the next.

Public Law 38-120 allows the flexibility to have both reasonably strong funding and reasonable contribution rate stability. This flexibility means that there are a variety of approaches that the Board can take to address future contribution rate volatility. The purpose of this analysis is to provide education on these options.

The Phase-down of existing unfunded approach involves splitting up the existing unfunded liability into equal pieces and then paying each piece down over staggered periods. Phasing down should in theory result in a smoother transition as the unfunded liability is paid off and reduced the probability of an increase in the contribution rate during the phase-down period. Provided are two examples of how the phase-down approach works for a 7-year period.

Mr. Collier stated it is recommended that future changes in the unfunded liability that are different than assumed be amortized over 15 year “layers.” A separate layer with an amortization schedule to pay off

the amount over 15 years is set up each year. Note that these amounts can be either a payment or a credit.

The current method has an amortization period that is shorter than most other public retirement systems. This would also be true of any of the alternatives being presented. The use of amortization layers is common among public retirement systems. The use of the phase-down approach is less common but is used by some systems. Both the current and alternative methods satisfy all applicable actuarial stands of practice.

Mr. Collier stated it is recommended that GGRF adopt a phase-down of the September 30, 2025 unfunded liability with a period from 7 to 10 years. It is further recommended that GGRF adopt amortization of future changes in the unfunded liability on a 15-year layered basis. It is noted that maintaining the current amortization of the September 30, 2025 unfunded liability to May 2033 would be reasonable if combined with layered amortization of future changes in the unfunded liability.

Director Blas stated that Milliman's recommendations will be taken into consideration and board action on the actuarial valuation as of September 30, 2025 will be taken during next month's meeting.

### **Financial Report**

**1. Contributions** - Director Paula Blas stated that as of May 19, 2026, all agencies are current with their Fiscal Year 2026 employee and employer contributions.

**2. Financial Statements** - Director Blas stated that the books for the month ended April 2026 are scheduled to close on June 12, 2026.

**3. Fiscal Year 2026 Retirees' Supplemental Benefits** - Director Blas stated that supplemental benefits for retirees and survivors for the month of May 2026 will be paid by the end of the month.

**4. Fiscal Year 2026 Medicare Reimbursements** - Director Blas stated that upon receipt of the May 2026 allotment from the General Fund, reimbursements will be processed accordingly.

## **VI. LEGAL COUNSEL'S REPORT**

None

## **VII. TREASURER'S REPORT OF FINANCIAL STATUS**

Secretary Thomas San Agustin stated that the Retirement Fund is operating within its current drawdown authority of up to \$6.5 million monthly which continues through June 2026. A copy of the Cash Flow Statement is provided for the Board's review.

## **VIII. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Secretary Thomas San Agustin reported that there was no Investment Committee Meeting this month. Secretary San Agustin stated that as of May 14, 2026, the size of the Retirement Fund's portfolio was \$2,817,100,801.

### **Informational Items**

- 1. Asset Allocation Summaries**
- 2. Income summary**

3. *Securities Lending*
4. *5 Year Plan*

1. **Due Diligence Meeting** – Secretary San Agustin stated that during the Due Diligence meetings, Maggie Ralbovsky of Wilshire Associates discussed the economic outlook and the Investment Manager Performances.

**Recommendation for Board Action:**

a. **Asset Allocation**

Ms. Ralbovsky of Wilshire presented the asset allocation options. Based on the asset allocation review, the Committee supports advancing **Portfolio B** to the Board for approval as the Fund’s new target allocation. Portfolio B is viewed as the most balanced and resilient option, offering an expected return closely aligned with the Funds 7% objective, while improving overall risk efficiency relative to the current portfolio under various economic paradigm frameworks.

The recommendation is supported by several key considerations: First, Portfolio B lies near the efficient frontier, providing superior risk-adjusted outcomes compared to other candidate portfolios. Second, it meaningfully improves diversification by reducing concentration in U.S. equities and core bonds and increasing exposure to diversified real assets, thereby addressing the portfolio’s current negative sensitivity to inflation.

Importantly, stress testing results demonstrate that Portfolio B performs more consistently across a wide range of economic environments.

**Portfolio B** targets are as follows:

- 26.5% US Equity
- 15% Non-US equity
- 15% Core Bond
- 8% High Yield
- 20% Diversified Real Assets
- 7.5% Global Min Vol Equity
- 8% Risk Parity

**Secretary Thomas San Agustin, second by Vice Chair George Santos, moved to accept Wilshire’s recommendation to advancing Portfolio B as the Fund’s new target allocation. Without objection, the motion passed.**

**Annual Reviews** - Ms. Ralbovsky stated that annual reviews were conducted for the following Managers:

- |                    |                     |
|--------------------|---------------------|
| a. IRM             | c. Nomura           |
| b. Garcia Hamilton | d. Aegon            |
|                    | e. Hotchkis & Wiley |

2. **Quarterly Investment Performance** – Ms. Ralbovsky noted that for the quarter 3/31/2026, the GGRF portfolio outperformed its quarterly benchmark index by 0.50%. Overall, the Total Fund return ranks at the 27<sup>th</sup> percentile of Wilshire’s total fund public peer group universe for the quarter.

- GGRF Qtr. Return -0.56%
- Benchmark Return -1.06%
- GGRF YTD Total Return 1.79%

3. *Next Quarterly Performance Review* – Secretary San Agustin stated that the next Quarterly Performance Review is scheduled for August 26-27, 2026.

**B. Members and Benefits**

Trustee Katherine Taitano presented the Committee’s May 2026 report to the Board of Trustees.

**Trustee Katherine Taitano, seconded by Vice Chair George Santos, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 15, based on the Committee’s review and findings of the May 2026 report. Without objection, the motion passed.**

**DISABILITY CASE**

**1. Disability Case No. 24-003**

Trustee Taitano stated the case was originally presented to the Board on July 18, 2025. The Board deferred a decision to allow the applicant to explore alternative options such as retirement or a modified work schedule.

The applicant is present, noting that if the applicant would like to address the Board, he/she would have to waive his/her right to the privacy of his/her medical records and he/she must state his/her name for the record. The applicant for Disability Case No. 24-003, Mr. John Joseph Perez, introduced himself to the Board.

Trustee Taitano inquired with Mr. Perez if he was able to explore his options for retirement or an alternate work schedule. Mr. Perez stated he has not been able to be at work for some time and has been struggling financially, when he decided to go back to work, he was put on light duty. Mr. Perez explained that, due to his medical condition, he must lie flat every few hours to relieve pressure on his spine. He also noted that he would drive home during his lunch breaks to rest, often falling asleep as a result of exhaustion. Mr. Perez stated he discussed his situation with management, who arranged temporary accommodations in another division within the agency to allow him to rest at work. However, the accommodations were only for a short period, as the employee occupying that position eventually returned to work.

Mr. Perez stated he provided a doctor’s note stating he is unable to work more than eight hours per day. He explains his condition causes constant pain and muscle tension, resulting in significant fatigue. Mr. Perez states he needs to consult with an orthopedic surgent regarding ongoing issues with his shoulder indicating he has had surgery on the same shoulder in the past. Mr. Perez explains before his decrease in mobility and pain, he was an active mechanic.

Trustee Taitano inquires with Mr. Perez what his day-to-day life is like. Mr. Perez states he is in bed most of the time, when he attempts to do something, he ends up causing more pain and does not anticipate an improvement in his quality of life given his current condition.

Chair Leon Guerrero stated that another alternative was to look into what retirement would look like for Mr. Perez stating one reason the decision was deferred was due to the independent examiner's findings did not rise to the level that meets the statute for total and permanent disability, she inquired with Mr. Perez if he was able to inquire on retiring under regular retirement. Mr. Perez states he did not inquire on his options to retire.

Trustee Taitano explains that the purpose of the independent medical assessment is to determine if an individual is total and permanent disabled and the two independent medical examiners results did not meet the statute for total and permanent disability that would preclude the individual from work. Trustee Taitano points out Mr. Perez received accommodations at work but was not sustainable and inquires with Mr. Perez if regular retirement would be an alternative option. Mr. Perez stated that he is willing to accept an opportunity that accommodates his limitations and needs but no suitable opportunities are currently available. Trustee Taitano states Mr. Perez is eligible for retirement however did not explore that option. Director Paula stated Mr. Perez is 65 years of age and is eligible for age retirement, and will no longer be eligible to submit a new application for disability.

Chair Leon Guerrero states permanent is where the impairment is expected to last more than 12 months. She noted there is no doubt that permanent exists in Mr. Perez's case. However, the issues under consideration are whether the condition precludes all gainful employment. Chair Leon Guerrero also states Mr. Perez is eligible for retirement. Mr. Perez states due to the high cost of living he does not see making ends meet if he were to retire and if he is not approved for retirement under disability he will have to go back to work.

Secretary San Agustin inquired based on the statute stating "impairment of body or mind", conditions such as depression could be considered in the disability assessment process. Trustee Taitano inquired if an applicant has been referred to a third physician in the past. Chair Leon Guerrero stated disability applicants have been referred for a third evaluation when the Board required clarification that were not clearly addressed. Director Blas stated that the third evaluation would need to be performed by a physician with whom the applicant is not a current patient of the physician.

**Trustee Katherine Taitano, seconded by Secretary Thomas San Agustin, moved to table the decision on Disability Case No. 24-003 to have Mr. Perez referred to a third physician for an evaluation. Without objection, the motion passed.**

**IX. OLD BUSINESS**

None

**X. NEW BUSINESS**

None

**XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

None

**XII. ANNOUNCEMENTS**

None

**XIII. ADJOURNMENT**

**There being no further business before the Board for the Defined Benefit Plan, on motion of Vice Chair George Santos, seconded by Trustee Katherine Taitano, and without objection, the meeting was adjourned at 2:50 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of May 21, 2026 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on June 25, 2026.**



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**THOMAS H. SAN AGUSTIN, Board Secretary**

**RECORDING SECRETARY:**



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**Andrea Atalig**