



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

**Lourdes A. Leon Guerrero**  
 Governor

**Joshua F. Tenorio**  
 Lieutenant Governor

**Paula M. Blas**  
 Director

**BOARD OF TRUSTEES**  
**Regular Meeting**  
 Friday, August 30, 2024, 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 12:54 p.m. Friday, August 30, 2024 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  
 David N. Sanford, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Trustee

**Staff Present:**

Paula Blas, Director  
 Andrea Atalig, Recording Secretary

**Investment Consultant Present:**

Maggie Ralbovsky, Wilshire Associates

*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

**David N. Sanford**  
 Trustee

**Vacant**  
 Trustee

## **II. REVIEW AND APPROVAL OF BOARD MINUTES**

### **A. July 26, 2024 Regular Meeting**

**Vice Chair George Santos, seconded by Secretary Thomas San Agustin, moved to approve the Minutes of the July 26, 2024 Regular Meeting, subject to technical corrections. Without objection, the motion passed.**

## **III. CORRESPONDENCE**

None

## **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. 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. *Milliman, Actuarial Consultant – Fee Increase*** – Milliman has been the Fund's actuary since 2004 with an actuarial valuation fee of \$40,000 per year. Milliman is requesting for a fee increase to adjust for inflation beginning the valuation period ending September 30, 2024. For FY-2024 the fee will be \$55,000 plus meeting expenses. To account for future inflation, commencing with the FY-2025 valuation, the fee will be adjusted based on the US Consumer Index for All Urban Consumers (CPI-U).

Director Blas recommends the board consider Milliman's fee increase which is in line with the industry fee standards. Chair Leon Guerrero inquired on the procurement process of acquiring an actuarial consultant. Director Blas stated solicitation is through a Request for Proposal process. Treasurer Hernandez inquired if the increase will be budgeted for. Director Blas stated it will be in the budget for FY-2025. Chair Leon Guerrero inquired what the current rate is at. Director Blas stated based on the US CPI-U the total inflation rate for over the 20-year period is 66%, and moving forward it will be based on the actual inflation rate based on the CPI-U. Treasurer Hernandez inquired if any negotiations were made in regards to the fee increase. Director Blas stated adjusting the original \$40,000 valuation fee with the total inflation rate of 66% equates to \$66,400. Milliman reduced the fee increase to \$55,000 plus meeting expenses, which is reasonable and in accordance with industry standards for this type of service.

**Treasurer Artemio Hernandez, second by Vice Chair George Santos, moved to authorize management to negotiate a fee increase for FY-2024 actuarial valuation up to \$55,000 plus meeting expenses, and moving forward the increase is subject to negotiation not to exceed a cap of 2.5% increase each year. Without objection, the motion passed.**

**2. *Bernstein Litowitz Berger and Grossmann (BLBG)*** - BLBG's Litigation Status Report dated August 16, 2024 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 Paula Blas stated that as of August 27, 2024, all agencies are current with their Fiscal Year 2024 employee and employer contributions.

2. **Financial Statements** - Director Blas stated that the books for the month ended July 2024 are scheduled to close on September 17, 2024.

3. **Fiscal Year 2024 Retirees' Supplemental Benefits** - Director Blas stated that supplemental benefits for retirees and survivors for the month of August 2024 will be paid by the end of the month.

4. **Fiscal Year 2024 Medicare Reimbursements** - Director Blas stated that the Retirement Fund received the August 2024 allotment from the General Fund and reimbursements were processed accordingly.

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

None

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

Treasurer Hernandez stated that the Retirement Fund is operating within its current drawdown authority of up to \$7 Million monthly which continues through September 2024. A copy of the Cash Flow Statement is provided for the Board's review.

### **VII. STANDING COMMITTEE REPORTS**

#### **A. Investment Committee**

Treasurer Hernandez reported that there was no Investment Committee Meeting this month. Treasurer Hernandez stated that as of August 23, 2024, the size of the Retirement Fund's portfolio was \$2,358,502,456.

### **Informational Items**

1. **Asset Allocation Summaries**
2. **Income summary**
3. **Securities Lending**
4. **5 Year Plan**

**Due Diligence Meeting** – Treasurer Hernandez stated that during the Due Diligence meetings, Maggie Rabovsky of Wilshire Associates discussed the economic outlook and the Investment Manager Performances.

**Recommendations** – The Investment Committee recommends GGRF to initiate a manager search for an asset allocation to Diversified Real Asset (DFA). This asset class will be funded through a realignment of current equity allocations in the GGRF portfolio.

**Treasurer Artemio Hernandez, second by Trustee David Sanford, moved to initiate a manager search for Diversified Real Assets and the asset class be funded through realignment of current equity allocations within the portfolio and further, if the statute changes it will incorporate Fixed**

**Income allocations to allow between \$50,000,000 to \$100,000,000 for this asset class. Without objection, the motion passed.**

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

- Boston Partners
- Intech
- DFA
- Schroders
- Lazard
- Acadian
- Wellington

Treasurer Hernandez stated Ms. Ralbovsky provided an overview of the DB Plan's Investment Performance. Ms. Ralbovsky noted for the first quarter ended June 30, 2024, the GGRF portfolio underperformed its quarterly benchmark index by -0.05%. Ms. Ralbovsky stated the Total Fund return ranks at the 76<sup>th</sup> percentile of Wilshire's total fund public peer group universe for the quarter.

***Next Quarterly Performance Review*** - Treasurer Hernandez stated that the next Quarterly Performance Review is scheduled for November 21, 2024.

**B. Members and Benefits Committee**

Vice Chair Santos presented the Committee's August 2024 report to the Board of Trustees.

**Vice Chair George Santos, seconded by Treasurer Artemio Hernandez, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 14, based on the Committee's review and findings of the August 2024 report. Without objection, the motion passed.**

**VIII. TRAVEL REPORTS – IFEBP Advanced Trustee and Administrators Institute – June 24 - 26, 2024, Las Vegas, Nevada**

**A. Antolina S. Leon Guerrero, Chair**

**B. Paula M. Blas, Director**

**IX. OLD BUSINESS**

**X. NEW BUSINESS**


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

**XII. ANNOUNCEMENTS**

**XIII. ADJOURNMENT**

**There being no further business before the Board for the Defined Benefit Plan, on motion of Vice Chair George Santos, seconded by Secretary Thomas San Agustin, and without objection, the meeting was adjourned at 1:24 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of August 30, 2024 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on September 20, 2024.**



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

**RECORDING SECRETARY:**



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**Andrea Atalig**