



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

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

Thomas H. San Agustin
 Trustee

David N. Sanford
 Trustee

George A. Santos
 Trustee

BOARD OF TRUSTEES
Regular Meeting

Friday, November 19, 2021, 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 12:31 p.m. Friday, November 19, 2021, 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, Treasurer
 Thomas H. San Agustin, Trustee
 David N. Sanford, Trustee
 George A. Santos, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Secretary (*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. October 15, 2021 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Trustee George Santos, moved to approve the Minutes of the October 15, 2021 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.
2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated November 11, 2021 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 November 16, 2021, all agencies are current with their Fiscal Year 2022 employee and employer contributions.
2. *Financial Statements* - Director Blas stated that the books for the month ended September 30, 2021 are scheduled to close today and the books for Fiscal Year Ending September 30, 2021 will be closed tomorrow.
3. *Fiscal Year 2022 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of November 2021 will be paid by the end of the month.
4. *Fiscal Year 2022 Medicare Reimbursements* - Director Blas stated that the Retirement Fund just received the November 2021 allotment from the General Fund and reimbursements are being processed at this time.

V. LEGAL COUNSEL'S REPORT

No report was made at this time.

VI. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Artemio Hernandez stated that he would like to recommend to extend the current drawdown authorization of up \$6 Million through March 2022.

Treasurer Artemio Hernandez, seconded by Trustee Thomas San Agustin, moved to approve the recommendation to extend the current monthly drawdown authority of up to \$6 Million through March 2022. Without objection, the motion passed.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Hernandez reported that the Quarterly Performance Meeting for the Quarter Ended September 30, 2021 was held on November 17 and 18, 2021. The Investment Committee Meeting was also held on November 18, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of October 12, 2021. Treasurer Hernandez stated that as of November 12, 2021, the size of the Retirement Fund's portfolio is \$2,330,516,160.

Due Diligence Meeting - Treasurer Hernandez stated that Maggie Ralbovsky of Wilshire Associates discussed the economic outlook and the Investment Manager Performances. Treasurer Hernandez stated that Ms. Ralbovsky provided an overview of the Investment Performance and noted that for the Quarter Ended September 30, 2021, the Retirement portfolio underperformed its benchmark index, ranking at the 19th percentile of Wilshire's total fund public peer group universe for the quarter. The Retirement Fund Return for the quarter was -0.86% and the Benchmark Return was -0.52%. Ms. Ralbovsky stated that the return for the Fiscal Year is close to 20% which is a very good number compared to the target of 7%.

Lazard Asset Management - Ms. Ralbovsky stated that due to significant underperformance, the Board placed Lazard on watch in February 2021 for a period of one year. Ms. Ralbovsky stated that although Lazard outperformed the benchmark last quarter, Lazard will continue to be on Watch for an additional two quarters.

DB Investment Policy Statement and Investment Statute Discussion - Ms. Ralbovsky provided a review of the Retirement Fund's Investment Policy Statement and an overview of recommended amendments to the DB Investment statutory provisions citing the current statutory cap limitations on asset classes and the affect it has on the Retirement Fund's ability to achieve the expected investment return of 7%. Treasurer Hernandez stated that Investment Statute discussions is still under review and the Committee will bring this back to the Board upon completion of its review, with a recommendation.

New Building - Treasurer Hernandez stated that the Committee discussed the possibility of a capital improvement related to the Retirement Fund office space. The feasibility study has been completed and it's still under review by the Committee. Chairman Leon Guerrero inquired about an investment type venture. Treasurer Hernandez stated that Management is working with the Retirement Fund's Legal Counsel in terms of financing options.

Annual Reviews - Treasurer Hernandez stated that annual reviews were conducted for the following Risk Parity Managers and the Retirement Fund's Custodian:

- Dimensional Fund Advisors Global REITS
- Panagora

- Invesco
- Northern Trust (Global Custodian)

Northern Trust Securities Lending Program - Treasurer Hernandez stated that Northern Trust presented their custodial responsibilities and their Securities Lending Program. Northern Trust presented opportunities to grow the Securities Lending Program with minimal risk to the Retirement Fund by opening up the list of eligible borrowers by the Retirement Fund adjusting the limitation on what will be acceptable collateral. Treasurer Hernandez stated that the Committee is reviewing the Securities Lending Program. A recommendation will be made once review has been completed.

Global Infrastructure - Treasurer Hernandez stated that the Retirement Fund will be doing a rebalancing once KBI gets on Board in a month or so. Ms. Ralbovsky provided the rebalancing sheet. Chairman Leon Guerrero asked whether the Retirement Fund is keeping the asset allocation that was approved about three years ago in view with what's happening with the market. Ms. Ralbovsky stated that the allocation was increased due to inflation. The Committee is currently reviewing some of the restrictions in the statute. The Committee is trying to identify certain items that can be updated to give more flexibility in addressing the evolving market condition.

Next Quarterly Performance Meeting – Treasurer Hernandez stated that the next Quarterly Performance Meeting is tentatively scheduled for February 17, 2022. There are no managers scheduled for review.

B. Members and Benefits Committee

Vice Chair Antolina Leon Guerrero presented the Committee’s November 2021 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 1 through 15, based on the Committee’s review and findings during their meeting of November 10, 2021. Without objection, the motion passed.

Application for Disabled Adult Survivor Benefits - Vice Chair Leon Guerrero provided an update on two pending cases: 1) Florence Cruz was tabled to obtain a second physician's evaluation; and 2) Ethan Benavente was approved by the Board to obtain a third physician since one physician indicated that the applicant is incapable of self-support and another physician indicated that the applicant is not disabled. The third physician indicated that the applicant would benefit from employment placement in a vocational rehabilitation services.

VIII. TRAVEL REPORT - IFEBP 67th Annual Employee Benefits Conference October 17-20, 2021, Denver, Colorado

- A.** Antolina Leon Guerrero, Vice Chair
- B.** Artemio Hernandez, Treasurer
- C.** Thomas San Agustin, Trustee

Chairman Leon Guerrero stated that Vice Chair Leon Guerrero, Treasurer Hernandez and Trustees San Agustin submitted their travel reports, for the Board's information, on the conference they attended.

IX. OLD BUSINESS

None

X. NEW BUSINESS

None

XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

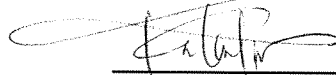
XII. ANNOUNCEMENTS

None

XIII. ADJOURNMENT

There being no further business before the Board for the Defined Benefit Plan, on motion of Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:55 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 19, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 17, 2021.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas