



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
 Governor

Paula M. Blas
 Director

Joshua F. Tenorio
 Lieutenant Governor

BOARD OF TRUSTEES
Regular Meeting
 Monday, November 27, 2023, 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 12:42 p.m. Monday, November 27, 2023, in the Retirement Fund Conference Room. Vice Chair Lina Leon Guerrero presided.

Board of Trustees Present:
 Wilfred P. Leon Guerrero, Chairman
 Antonina 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

Staff Present:
 Paula Blas, Director
 Andrea Atalig, Recording Secretary

Investment Consultant Present:
 Maggie Ralbovsky, Wilshire Associates

Public Present:
 David Castro, Guam Daily Post

Trustees:

Wilfred P. Leon Guerrero, Ed.D.
 Chairman

Antonina 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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. October 20, 2023 Regular Meeting

Trustee George Santos, seconded by Trustee David Sanford, moved to approve the Minutes of the October 20, 2023 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 will publish a list of deceased COLA Awardees with their COLA award balances every six months for one year beginning in January 2024.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated November 9, 2023 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 22, 2023, 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 October 31, 2023 is scheduled to close on November 30, 2023.

3. *Fiscal Year 2024 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of November 2023 will be paid by the end of the month.

4. *Fiscal Year 2024 Medicare Reimbursements* - Director Blas stated that the Retirement Fund received the November 2023 allotment from the General Fund and reimbursements were processed accordingly.

5. *Defined Benefit 1.75 (DB 1.75)* – Director Blas stated the early election window for DB1.75 ends on November 30, 2023 for active DC Members. The absolute deadline to make an election is December 29, 2023 and GGRF is encouraging those who want to move to the DB 1.75 to do so early

to allow agencies' HR and payroll personnel to timely process new retirement rates. Director Blas stated any member who elects to switch over to the DB 1.75 will have to come into the Retirement Fund office to complete an election, enrollment and beneficiary form. Treasurer Artemio Hernandez asked if there is data available showing how many members have already elected and the population of those who are eligible. Director Blas stated there are approximately 1480 Estimated Retirement Income Comparison (ERIC) letters sent to participants and close to 1,000 members who have elected to transfer and she will provide an update at the next meeting.

V. LEGAL COUNSEL'S REPORT

None

VI. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Artemio Hernandez stated that the Retirement Fund is operating within its current drawdown authority of up to \$7 Million monthly which continues through December 2023. 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 the Quarterly Performance Review for the Quarter Ended September 30, 2023 was held on November 22, 2023. Treasurer Hernandez stated that as of November 20, 2023, the size of the Retirement Fund's portfolio was \$1,892,985,903.

Informational Items

1. *Asset Allocation Summaries*
2. *Income summary*
3. *Securities Lending*
4. *5 Year Plan*
5. *Next Quarterly Performance Review* - Treasurer Hernandez stated that the next Quarterly Performance Review is scheduled for February 15, 2024.

Due Diligence Meeting

Treasurer Hernandez stated that Maggie Ralbovsky of Wilshire Associates provided an overview of the Investment Performance and noted that the Total Fund had a -3.50% return for the quarter ended September 30, 2023. Overall, the total Fund return ranks at the 73rd percentile of Wilshire's Total Fund public peer group universe for the quarter. The Retirement Total Fund Return was 11.33% for the fiscal year ending September 30, 2023.

Annual Reviews

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

- PanAgora
- Invesco

Ms. Ralbovsky stated that these managers have just passed the six-year mark and Invesco had done relatively well since inception at the benchmark and their process is adaptive to the changing market environment. Ms. Ralbovsky states due to PanAgora's significant underperformance, the Committee recommends to place them on watch for the next two quarters.

Treasurer Artemio Hernandez, second by Trustee Thomas San Agustin, moved to approve the Investment Committee and Wilshire Associates' recommendation to place PanAgora on watch for two quarters. Without objection, the motion passed.

B. Members and Benefits Committee

Trustee George Santos presented the Committee's November 2023 report to the Board of Trustees.

Trustee George Santos, seconded by Treasurer Artemio Hernandez, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 12, based on the Committee's review and findings of the November 2023 report. Without objection, the motion passed.

VIII. TRAVEL REPORTS

- A. IFEBP 69th Annual Employee Benefit Conference – October 1-4, 2023, Boston Massachusetts**
(Trustee George Santos, Vice Chair Antolina Leon Guerrero, Treasurer Artemio Hernandez, Trustee Thomas San Agustin)

IX. OLD BUSINESS
None

X. NEW BUSINESS
None

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 Trustee George Santos, seconded by Trustee Dave Sanford, and without objection, the meeting was adjourned at 1:05 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 27, 2023 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 15, 2023.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Andrea Atalig