



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, May 19, 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 12:49 p.m. Friday, May 19, 2023, 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
Thomas H. San Agustin, Trustee
George A. Santos, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Secretary (*Excused*)
Artemio R.A. Hernandez, Treasurer (*Excused*)
David N. Sanford, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
Jackie Blas, Recording Secretary

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

Public Present:

Frank San Nicolas, The Guam Daily Post

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. April 28, 2023 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Trustee Thomas San Agustin, moved to approve the Minutes of the April 28, 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.

Director Paula Blas stated that the Retirement Fund will publish a list of deceased COLA Awardees with their COLA award balances twice a year beginning in January 2024.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated May 12, 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**

3. *Bill 115-37 Relative to the Payment, Redemption, Reissuance and Enforcement of Cost-of-Living Allowance (Lola Cola) Certificates of Claim* – Director Blas stated that over 400 retirees' beneficiaries still have outstanding claims against the "Lola Cola" judgment. Bill 115-37 proposes to settle all questions concerning the validity or negotiability of Certificates of Claim and ensure Certificate Holders are fully compensated without further need of litigation. Director Blas stated that the Retirement Fund is not involved with the issuing of the Certificates of Claim since funding is from the General Fund. Director Blas stated that a copy of Bill 115-37 is provided for the Board's information.

Financial Report

1. *Contributions* - Director Blas stated that as of May 17, 2023, all agencies are current with their Fiscal Year 2023 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended April 30, 2023 are scheduled to close on May 26, 2023.

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

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

V. LEGAL COUNSEL'S REPORT

None

VI. TREASURER'S REPORT OF FINANCIAL STATUS

Trustee Thomas San Agustin stated that the Retirement Fund is operating within its current drawdown authority of up to \$7 Million monthly which continues through June 2023. A copy of the Cash Flow Statement is provided for the Board's review.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Trustee San Agustin reported that the Quarterly Performance Review for the Quarter Ended March 31, 2023 was held on May 18, 2023. Trustee San Agustin stated that as of May 12, 2023, the size of the Retirement Fund's portfolio was \$1,926,131,475.

Informational Items

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

Due Diligence Meeting

Trustee San Agustin stated that Maggie Ralbovsky of Wilshire Associates discussed the economic outlook and the Investment Manager Performances.

Ms. Ralbovsky provided an overview of the Investment Performance and noted that for the Quarter Ended March 31, 2023, the Retirement Fund's Portfolio underperformed its benchmark index, ranking at the 60th percentile of Wilshire's Total Fund peer group universe for the quarter. The Retirement Fund Return was 4.43% and the Benchmark Return was 5.61%.

Annual Reviews

Ms. Ralbovsky stated that annual reviews were conducted for the following Fixed Income and High Yield Managers:

- Income Research & Management
- Garcia Hamilton
- Hotchkis & Wiley
- Aegon Asset Management
- Nomura Research & Asset Management

Ms. Ralbovsky stated that all managers reviewed provided satisfactory reports.

Next Quarterly Performance Review

Trustee San Agustin stated that the next Quarterly Performance Review is scheduled for August 23 and 24, 2023.

B. Members and Benefits Committee

Vice Chair Antolina Leon Guerrero presented the Committee's May 2023 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 12, based on the Committee's review and findings of the May 2023 report. 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, on motion of Trustee George Santos, seconded by Trustee Thomas San Agustin, and without objection, the meeting was adjourned at 1:10 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of May 19, 2023 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on June 23, 2023.



KATHERINE C.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas