



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
 Governor

Ray Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

BOARD OF TRUSTEES

Regular Meeting

Friday, April 27, 2018, 12:00 Noon
 Retirement Fund Conference Room

Trustees:

Joe T. San Agustin
 Chairman

Wilfred P. Leon Guerrero, Ed.D.
 Vice-Chairman
 Investment Committee, Chairman

Antolina S. Leon Guerrero
 Secretary

Gerard A. Cruz
 Treasurer
 Audit & Operations Committee,
 Chairman

Katherine T.E. Taitano
 Trustee

David M. O'Brien
 Trustee

Albert H. Santos
 Trustee

MINUTES

DEFINED CONTRIBUTION

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Contribution Plan was called to order at 12:30 p.m. Friday, April 27, 2018, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

Board of Trustees Present:

Joe T. San Agustin, Chairman
 Gerard A. Cruz, Treasurer
 Antolina S. Leon Guerrero, Secretary
 David M. O'Brien, Trustee
 Albert H. Santos, Trustee

Board of Trustees Absent:

Wilfred P. Leon Guerrero, Vice Chairman (*Excused*)
 Katherine T.E. Taitano, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

Alice Taijeron, Relationship Manager, Empower Retirement
 Grace Atalig, Retirement Plan Counselor, Empower Retirement

Investment Consultant Present:

Cameron Systemans, Mercer Investment Consulting, Inc.

Public Present:

Dave Burger, Burger & Comer
 Edlyn Dalisay, Office of Public Accountability

Chairman San Agustin asked whether the Board of Trustees would agree to change the order of business and start with the Defined Benefit Meeting to entertain the presentation of the Fiscal Year 2017 Audit under the Treasurer's Report. The Board indicated they have no objection to changing the order of business.

12:30 p.m. – Recessed Defined Contribution Plan Meeting and proceeded with the Defined Benefit Plan Meeting to entertain the Fiscal Year 2017 Audit

1:18 p.m. – Reconvened Defined Contribution Plan Meeting

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. March 28, 2018 Regular Meeting

Trustee David O'Brien, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the March 28, 2018 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Defined Benefit 1.75 (DB 1.75), Defined Contribution Retirement System (DCRS) and Government Retirement Security Plan (GRSP) Plans* - Director Paula Blas stated that the Retirement Fund is still reconciling with Empower Retirement regarding the required funds to be transferred from DCRS participant accounts for DB 1.75 Plan members. Payroll data for January 6, 2018 and January 20, 2018 pay periods are being audited for the appropriate minimum of 1% deductions to the 457 Plan. Director Blas stated that the Retirement Fund requested for DB 1.75 employee data from the agencies and continues to receive this information. The Retirement Fund expects the reconciliation to be a continuous process until the end of May 2018.

2. *Standard Insurance* - Director Blas stated that an updated summary report as of March 31, 2018 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information.

Financial Report

1. *Contributions* - Director Blas stated that as of April 24, 2018, all agencies are current with their Fiscal Year 2018 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended March 31, 2018 were closed on April 26, 2018.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – March 2018

Director Blas stated that Alice Taijeron, Relationship Manager, Empower Retirement, provided the TPA Report for the month ending March 31, 2018 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan. Ms. Taijeron also provided the Plan Review for the 401(a) Plan and the 457 Plan which contains detailed information on plan participation and activity for the period ending March 31, 2018. Ms. Taijeron stated that the Annual Plan Review and Strategic Partnership Plan was conducted on April 26, 2018.

Ms. Taijeron stated that the 401(a) Plan had total assets of \$333,915,055.31. There was a decrease of \$5,019,630.31 or -1.48%. There was a market decrease of -2.00% from February 2018 to March 2018. The 457 Deferred Compensation Plan had total assets of \$69,303,359.70. There was an increase of \$28,112.21 or 0.04%. There was a market decrease of -1.00% from February 2018 to March 2018.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$2,359,692.05. There was a decrease in contributions of \$1,797,105.36 or -43.23%. The 457 Deferred Compensation Plan had total contributions of \$948,277.15. There was a decrease in contributions of \$545,302.53 or -36.51%.

Ms. Taijeron stated that the 401(a) Plan had 242 employee distributions totaling \$4,811,645.41. The 457 Plan had 39 participant distributions totaling \$425,524.28.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Gerard Cruz reported that the Quarterly Performance Meeting for the Quarter Ended March 31, 2018 was held on April 26, 2018. The Investment Committee Meeting was also held on April 26, 2018. The Committee reviewed and approved the Investment Committee Meeting Minutes of March 23, 2018.

Treasurer Cruz stated that Cameron Systemans of Mercer Investment Consulting, Inc. provided an overview of the DC Plan's Investment Performance for the Quarter Ended March 31, 2018.

Mr. Systemans stated that in reviewing the performance of all the options of the plan, the Investment Committee's recommendation is to place ClearBridge Mid Cap Core Fund on Watch due to its underperformance in all periods.

Treasurer Gerard Cruz, seconded by Trustee David O'Brien, moved to accept Mercer Investment Consulting, Inc.'s recommendation to place ClearBridge Mid Cap Core Fund on Watch. Without objection, the motion passed.

Next Quarterly Performance Meeting – Treasurer Cruz informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for July 26, 2018.

Trustee Albert Santos, seconded by Treasurer Gerard Cruz, moved to accept the Investment Committee Report. Without objection, the motion passed.

B. Members and Benefits Committee

An update of the DB 1.75, DCRS and GRSP Plans was covered under the Director's report.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

XI. ANNOUNCEMENTS

None

XII. ADJOURNMENT

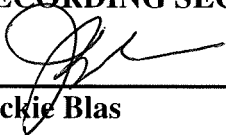
There being no further business before the Board for the Defined Contribution Plan, Chairman Joe T. San Agustin moved to adjourn the meeting. Without objection, the meeting was adjourned at 1:22 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of April 27, 2018 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on May 25, 2018.

ASh Guerrero

ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas