



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, August 28, 2020, 10:00 A.M.
 Retirement Fund Conference Room

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 10:05 a.m. Friday, August 28, 2020, 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
 Katherine T.E. Taitano, Secretary
 Artemio R.A. Hernandez, Treasurer
 David N. Sanford, Trustee
 George A. Santos, Trustee

Board of Trustees Absent:

Thomas H. San Agustin, Trustee (*Excused*)

Staff Present:

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

Third Party Administrator Present:

Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement

Investment Consultant Present:

Maggie Rabovsky, Wilshire Associates (*Via WebEx*)

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. July 31, 2020 Regular Meeting

Treasurer Artemio Hernandez, seconded by Vice Chair Antolina Leon Guerrero, moved to approve the Minutes of the July 31, 2020 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Standard Insurance* - An updated summary report as of July 31, 2020 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's review.

Financial Report

1. *Contributions* - Director Paula Blas stated that as of August 25, 2020, all agencies are current with their Fiscal Year 2020 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended July 31, 2020 are scheduled to close today.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – July 2020

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ending July 31, 2020 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Mr. Hauerbach stated that the 401(a) Plan had total assets of \$387,950,756.80. There was an increase of \$13,480,836.54 or 3.60%. There was a market attributable increase of 2.9% from June 2020 to July 2020. The 457 Deferred Compensation Plan had total assets of \$98,361,081.80. There was an increase of \$4,469,929.83 or 4.76%. There was a market attributable increase of 3.6% from June 2020 to July 2020.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$2,602,751.15. There was a decrease in contributions of \$678,947.14 or -20.69%. The 457 Deferred Compensation Plan had total contributions of \$1,046,865.18. There was a decrease in contributions of \$240,209.44 or -18.66%. Mr. Hauerbach stated that the decrease in contributions is due to timing issues related to payroll contributions.

Mr. Hauerbach stated that the 401(a) Plan had 218 employee distributions totaling \$3,003,279.79 and of that amount, \$1.4 Million is from COVID-related distributions. Mr. Hauerbach stated that there is a total of 244 COVID-related distributions: 50% are from participants with less than \$25,000 account balance; 73% are from participants with account balances of between \$25,000 and \$75,000; 14% are from participants with more than \$75,000 account balance. Mr. Hauerbach stated that 104 participants with account balances of less than \$25,000 took over half of their account balance. The 457 Plan had 77 participant distributions totaling \$508,776.17.

Mr. Hauerbach stated that the 401(a) Plan has a total of 5,696 participants receiving employer contributions. The 457 Plan has 5,223 contributing participants. Mr. Hauerbach stated that there were 9 retirees in the month of July. The total number of retirees is 1,290. Mr. Hauerbach stated that of the 9 retirees in July, 6 took full withdrawals, 2 with no distribution taken, and 1 elected periodic payments.

Mr. Hauerbach stated that they had 721 total meetings via appointments, phone calls and emails. Mr. Hauerbach stated that on September 15, 2020 Transamerica International Equity Fund will be replaced with a Mercer Multi Manager Fund; and on October 19, 2020 Bank of New York Mellon Global Fixed Income will be replaced with AB Global Fixed Income.

Mr. Hauerbach mentioned that Empower Retirement is almost a month into the 90-Day Free Look period for participants who did not opt-out of the Managed Account Program. Vice Chair Antolina Leon Guerrero asked whether this will affect participants who elected to manage their own accounts. Mr. Hauerbach stated that the participants will not be affected by the new default. The default is designed for the participants who did not make an active selection on their own.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Artemio Hernandez reported that the Investment Committee Meeting was held on August 27, 2020. The Committee reviewed and approved the Investment Committee Meeting Minutes of July 30, 2020.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for October 29, 2020.

B. Members and Benefits Committee

No report was made at this time.

VII. OLD BUSINESS

None

VIII. NEW BUSINESS

None

IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

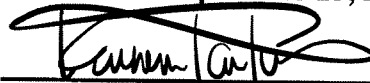
X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

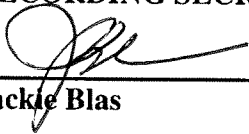
There being no further business before the Board for the Defined Contribution Plan, Treasurer Artemio Hernandez moved to adjourn the meeting. Without objection, the meeting was adjourned at 10:15 a.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of August 28, 2020 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on September 25, 2020.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas