



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, April 30, 2021, 12:00 Noon
 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 12:20 p.m. Friday, April 30, 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
 Katherine T.E. Taitano, Secretary
 Artemio R.A. Hernandez, Treasurer
 Thomas H. San Agustin, Trustee
 David N. Sanford, Trustee
 George A. Santos, Trustee

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

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

Investment Consultant Present:

Cameron Systemans, Mercer Investment Consulting, Inc.

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. March 26, 2021 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, moved to approve the Minutes of the March 26, 2021 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

I. Standard Insurance - An updated summary report as of March 31, 2021 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. Director Paula Blas stated that there are 43 active claims as of March 31, 2021.

Financial Report

1. Contributions - Director Blas stated that as of April 27, 2021, all agencies are current with their Fiscal Year 2021 employee and employer contributions.

2. Financial Statements - Director Blas stated that the books for the month ended March 31, 2021 were closed on April 23, 2021.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – March 2021

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended March 31, 2021 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 \$462,566,118.65. There was an increase of \$10,391,919.11 or 2.30% from the previous month. Contributions were at \$3,712,913.65. There was an increase in contributions of \$1,349,470.68 or 57.10% from the previous month. Disbursements totaled \$1,731,052.64. Chairman Leon Guerrero asked how much of the 2.30% increase in assets are from market and how much are from contributions. Mr. Hauerbach stated that he is not currently calculating that at this time. Mr. Hauerbach stated that it's an aggregate of roughly 9,000 different accounts. Mr. Hauerbach stated that he will show an estimate of market on next month's report.

Mr. Hauerbach stated that the 457 Plan had total assets of \$119,205,365.94. There was an increase of \$2,587,311.01 or 2.22% from the previous month. Contributions were at \$1,360,699.45. There was an increase in contributions of \$658,480.28 or 93.87% from the previous month. Disbursements totaled \$960,701.87.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,544 participants receiving employer contributions. The 457 Plan has 5,703 contributing participants. The 401(a) Plan has 127 first-time contributors and the 457 Plan has 43 first-time contributors. Mr. Hauerbach stated that there were 10 retirees in the month of March; of the 10 retirees, 5 took full withdrawals, 1 partial withdrawal, and 4 with no distribution taken.

Mr. Hauerbach stated that there were 993 participant engagements. The participant educational Webinar turned out pretty good. The next Webinar is scheduled for May 5th and 6th and two at the end of the month. Emails were sent to agency heads to try to promote the on-line seminars. The online participant experience is due for an upgrade. Mr. Hauerbach stated that plans are being finalized for the office space downstairs. Vice Chair Antolina Leon Guerrero inquired about the timeline. Mr. Hauerbach stated that it will probably be by the end of the year. Treasurer Artemio Hernandez asked whether Empower Retirement is a tenant of the Retirement Fund. Director Blas replied, "No, the Retirement Fund provides the office space for the Third Party Administrator."

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Hernandez reported that the Quarterly Performance Meeting for the Quarter Ended March 31, 2021 was held on April 28, 2021. The Investment Committee Meeting was also held on April 28, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of March 19, 2021.

DC Plan Quarterly Performance

Treasurer Hernandez 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, 2021.

Recommendation for Board Action

1. To Keep Dimensional Fund Advisors (DFA) Emerging Markets Core Equity on Watch

Treasurer Hernandez stated that the Investment Committee's recommendation is to keep DFA on watch and to request to have Mercer proceed with a search for a replacement manager. Mr. Systemans stated that DFA was placed on watch in January 2021. DFA's return was 5.3% in the first quarter, underperforming the MSCI Emerging Market Index and Mercer Mutual Fund Emerging Markets Equity Universe median for all periods examined, with the exception of the most recent quarter and trailing one-year period. Vice Chair Leon Guerrero asked whether the search for a replacement manager would require a Request for Proposal (RFP). Director Blas replied, "No." Treasurer Hernandez stated that it will be based on three (3) recommendations provided by Mercer.

Treasurer Artemio Hernandez, seconded by Trustee Thomas San Agustin, moved to accept the Investment Committee's recommendation to keep Dimensional Fund Advisors (DFA) Emerging Markets Core Equity on watch and to approve the request to have Mercer Investment Consulting, Inc. proceed with a search for a replacement manager. Without objection, the motion passed.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for July 15, 2021. Director Blas mentioned that the proposed DC due diligence dates are too close to the quarter closing and Mr. Systemans is not sure if he'll be able to run the reports by the meeting dates. Treasurer Hernandez stated that the

meeting dates may change. Vice Chair Leon Guerrero suggested to move it to the first Friday of the month. Director Blas stated that she will work with Mr. Systemans and the Board on the meeting dates.

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

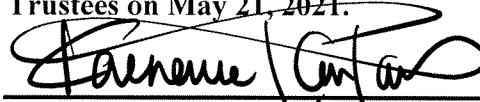
X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

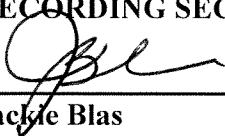
There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:41 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of April 30, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on May 21, 2021.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas