



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, June 17, 2022, 12:30 P.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 12:40 p.m. Friday, June 17, 2022, 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
 Artemio R.A. Hernandez, Treasurer
 Thomas H. San Agustin, Trustee (*Via Zoom*)
 George A. Santos, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Secretary (*Excused*)
 David N. Sanford, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

Bjorn Hauerbach, Director, Client Relations & Participant Engagement, and Rob Dwyer, Vice President, Government Markets, Empower Retirement

Investment Consultant Present:

Cameron Systemans, Mercer Investment Consulting, Inc. (*Via Zoom*)

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. May 20, 2022 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Trustee George Santos, moved to approve the Minutes of the May 20, 2022 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 May 31, 2022 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 38 active claims as of May 31, 2022.

Financial Report

1. *Contributions* - Director Blas stated that as of June 14, 2022, all agencies are current with their Fiscal Year 2022 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended May 31, 2022 are scheduled to close on June 24, 2022.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – May 2022

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended May 31, 2022 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 \$456,439,588.70. There was an increase of \$3,931,153.44 or 0.87% from the previous month. The market effect was .16%. The 457 Plan had total assets of \$122,010,817.32. There was an increase of \$1,387,583.51 or 1.15% from the previous month. The market effect was -.07%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$3,207,688.71. There was a decrease in contributions of \$346,533.37 or -9.75% from the previous month. The 457 Plan had total contributions of \$1,473,613.62. There was an increase in contributions of \$275,792.41 or 23.02% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$2,581,419.78. The 457 Plan had disbursements totaling \$707,245.61.

Mr. Hauerbach stated that the 401(a) Plan has a total of 7,164 participants receiving employer contributions. The 457 Plan has 5,840 actively contributing participants. The 401(a) Plan has 112 first-time contributors and the 457 Plan has 58 first-time contributors. Mr. Hauerbach stated that there were 8 retirees in the month of May; of the 8 retirees, 3 elected a full withdrawal, 1 took a partial withdrawal, 1 elected a stream of payments, and 3 with no distribution taken. Mr. Hauerbach pointed out that there were 457 walk-ins and 509 participant engagements for a total of 966 engagements in the month of May.

Mr. Hauerbach provided the following updates:

- Emerging Markets Fund Change - Dimensional Fund Advisors Emerging Markets to RBC Global Asset Management was completed on June 3rd.
- Liberation Day Campaign: Financial Freedom - emails will be sent out on July 15th.
- Online Webinar Schedule - Grace Atalig, Retirement Plan Counselor finalized the 3rd quarter Webinar schedule. Ms. Atalig has 13 New Hire orientations planned and 13 other financial planning seminars. The July and August Webinar schedule are mostly the traditional ones like "Saving Early for Your Career," and "Budgeting Basics." The September schedule turns to remind participants of the online enhancements that are now available.
- New Participant Experience - this is scheduled to take place next month.

Rob Dwyer, Vice President, Government Markets, Empower Retirement provided the following updates:

- Major Acquisitions - sun setting the Mass Mutual Retirement Business; officially closed the Prudential Retirement Business and will be working on records transition to Empower Platform. Some of the acquisitions firmly puts Empower number 1 in the government space in terms of recordkeeping clients.
- Call Center Challenges - going to mitigate cause now and into the future. Late 4th quarter last year, 20% of Call Center staff have resigned for various reasons. Empower's standard is answering 80% of calls in 20 seconds or less. From January to July of this year, Empower would have taken in 325 new Call Center employees to service the calls.
- Automation Strategies - it's important for participants to have access to people to meet with. Historically, 100% of participants would drive to the local office to meet with Empower. Empower has been working to provide multiple avenues for participants to transact either online or their mobile phone or by expanding the Call Center hours to be available 24 hours a day for Guam participants. Empower is trying to open up different channels so that it will alleviate some of the volume of participants wanting to sit and meet with someone from the local office. Empower is focused on providing in-office service to participants.

Chairman Leon Guerrero stated that he's glad to hear that participants are interested in their retirement plan. Treasurer Artemio Hernandez inquired about staffing up the local office. Mr. Dwyer stated that the next version of the local office would be to up skill positions to be Retirement Advisors.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Hernandez reported that the Quarterly Performance Meeting for the Quarter Ended March 31, 2022 was held on June 16, 2022. The Investment Committee Meeting was also held on June 16, 2022. The Committee reviewed and approved the Investment Committee Meeting Minutes of May 19, 2022.

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, 2022.

Mr. Systemans stated that he discussed the developments in the economy and financial markets in the first quarter of this year and also on the impact on the conflict between Russia and Ukraine. Mr. Systemans stated that he also discussed how the economy is going forward and what impact that has on the investment options in the plan. Mr. Systemans stated that the first quarter was a bit challenging market environment with negative returns on investment options, but that was the expectation given what happened in the financial markets for the quarter. Mr. Systemans stated that Mercer did not recommend to place any investment options on watch.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is scheduled for July 28, 2022.

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

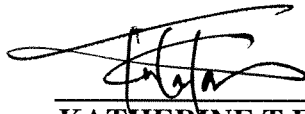
X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

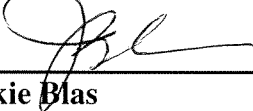
There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Treasurer Artemio Hernandez, and without objection, the meeting was adjourned at 1:05 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 17, 2022 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 29, 2022.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas