



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, November 20, 2020, 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 12:11 p.m. Friday, November 20, 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  
 Artemio R.A. Hernandez, Treasurer  
 David N. Sanford, Trustee  
 George A. Santos, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Secretary (*Excused*)  
 Thomas H. San Agustin, Trustee (*Excused*)

**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. (*Via WebEx*)

**Investment Consultant Present:**

Maggie Ralbovsky, Wilshire Associates (*Via WebEx*)

## **II. REVIEW AND APPROVAL OF BOARD MINUTES**

### **A. October 30, 2020 Regular Meeting**

**Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, moved to approve the Minutes of the October 30, 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 October 31, 2020 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 47 active claims as of October 31, 2020.

### **Financial Report**

**1. *Contributions*** - Director Blas stated that as of November 16, 2020, 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 September 30, 2020 were closed today.

## **V. THIRD PARTY ADMINISTRATOR'S REPORT**

### **A. Contribution Report – October 2020**

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ending October 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 \$390,992,015.17. There was a decrease of \$3,784,566.61 or -0.96%. The 457 Deferred Compensation Plan had total assets of \$100,831,878.71. There was a decrease of \$151,046.44 or -0.15%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$3,040,813.76. There was an increase in contributions of \$822,606.17 or 37.08%. The 457 Deferred Compensation Plan had total contributions of \$1,036,063.83. There was an increase in contributions of \$33,639.35 or 3.36%.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$3,417,999.94. The majority of those distributions were Coronavirus related totaling \$1,688,183.28. The total COVID related withdrawals under the CARES Act are now at 447 and 276 of those withdrawals are with account balances less than \$25,000.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,408 participants receiving employer contributions. The 457 Plan has 5,693 contributing participants. The 401(a) Plan has 117 first-time contributors and the 457 Plan has 65 first-time contributors. Mr. Hauerbach stated that there were 2 retirees in the month of October. Mr. Hauerbach stated that of the 2 retirees in October, 1 elected for a rollover and 1 took a full withdrawal.

Mr. Hauerbach provided an update on the recently approved fund changes. Mr. Hauerbach stated that letters will be sent out regarding the following Fund changes that will take place:

- Touchstone International Small Cap will be replaced by Grandeur Peak International Stalwarts on January 15, 2021.
- Change of Hartford Total Return Bond Share Class Y to Share Class R6 on January 15, 2021.
- Change of Secure Foundation Balance Fund Investor Share Class to Institutional Share Class in February 2021.
- Switch of the William Blair Small-Mid Cap Growth Mutual Fund Vehicle to a Collective Investment Trust Vehicle is currently in the works. Mr. Hauerbach stated that he'll get together with Director Blas on the details of the process.

Mr. Hauerbach stated that Empower Retirement sent out their participant survey on November 19, 2020 which will remain open for thirty (30) days. The results of the survey will be reported out in January 2021.

Treasurer Artemio Hernandez inquired about Empower Retirement's office hours. Treasurer Hernandez stated that he received calls that participants are not able to get through Empower Retirement by phone especially if the participants have inquiries about correspondence they received from Empower Retirement. Mr. Hauerbach stated that staff are working from home and they do come in the office to pick up or drop off documents. Mr. Hauerbach stated that he splits his time here at the office with Grace Atalig. Mr. Hauerbach stated that the participants may leave a voice message as staff do check their voice mail periodically throughout the day and return calls are made within 24 hours. Mr. Hauerbach mentioned that stateside calls for participant services are sort of difficult with the time difference. Mr. Hauerbach stated that he will address the issue right way.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Treasurer Hernandez reported that the Investment Committee Meeting was held on November 19, 2020. The Committee reviewed and approved the Investment Committee Meeting Minutes of October 29, 2020.

#### **Recommendation for Board Action:**

##### **1. Great-West Secure Foundation Lifetime Funds**

Treasurer Hernandez stated that Great-West decided to close the Great-West Secure Foundation Lifetime Funds effective February 2021. To provide the Retirement Fund with options of similar type funds, Mercer Investment Consulting, Inc. conducted a search for a replacement of the Great-West Secure Foundation Lifetime Funds prior to the closure of the Great-West Secure Foundation Lifetime Funds to minimize transaction costs.

Cameron Systemans of Mercer Investment Consulting, Inc. stated that at the October 30, 2020 Board Meeting, the Board approved to replace the Great-West Secure Foundation Target Date 2020, 2025 and 2030 Funds. Mercer provided three (3) options: BlackRock LifePath Index Retirement Funds, State Street Target Retirement Collective Trust Series, and Vanguard Target Retirement Funds. Mr. Systemans stated that Mercer recommends State Street Target Retirement Collective Trust Series as the replacement for the Great-West Secure Foundation Target Date 2020, 2025 and 2030 Funds.

Treasurer Hernandez stated that the Investment Committee recommends to accept Mercer's recommendation to replace the Great-West Secure Foundation Target Date 2020, 2025 and 2030 Funds with State Street Target Retirement Collective Trust Series. Treasurer Hernandez stated that the 2020, 2025 and 2030 Target Date Funds will still be offered to new participants or the participants that don't want to be in the Great-West Secure Foundation Balanced Fund.

**Treasurer Artemio Hernandez, seconded by Trustee George Santos, moved to accept the Investment Committee and Mercer Investment Consulting, Inc.'s recommendation to replace Great-West Secure Foundation Target Date Funds 2020 and beyond with State Street Target Retirement Collective Trust Series as soon as possible. Without objection, the motion passed.**

*Next Quarterly Performance Meeting* – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for January 28, 2021.

**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 12:33 p.m. Motion passed.**

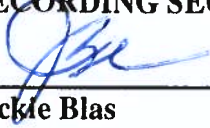
**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 20, 2020 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 18, 2020.**



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**KATHERINE F. TAITANO, Board Secretary**

**RECORDING SECRETARY:**



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**Jackie Blas**