



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, December 16, 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 12:35 p.m. Friday, December 16, 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
 David N. Sanford, Trustee (*Via Zoom*)

Board of Trustees Absent:

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

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

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

Investment Consultant Present:

Cameron Systemans, Mercer Investment Consulting, Inc.

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. November 10, 2022 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, moved to approve the Minutes of the November 10, 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 November 30, 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 November 30, 2022.

Financial Report

I. *Contributions* - Director Blas stated that as of December 14, 2022, all agencies are current with their Fiscal Year 2023 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended November 30, 2022 are scheduled to close on December 30, 2022.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – November 2022

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower, provided the TPA Report for the month ended November 30, 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 \$453,131,228.60. There was an increase of \$27,103,767.18 or 6.36% from the previous month. The market effect was 5.66%. The 457 Plan had total assets of \$123,157,879.76. There was an increase of \$7,835,189.95 or 6.79% from the previous month. The market effect was 5.95%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$3,566,417.84. There was an increase in contributions of \$575,722.62 or 19.25% from the previous month. The 457 Plan had total contributions of \$1,260,131.92. There was an increase in contributions of \$285,450.58 or 29.29% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$1,597,020.76. The 457 Plan had disbursements totaling \$252,857.44.

Mr. Hauerbach stated that the 401(a) Plan has a total of 7,325 participants receiving employer contributions. The 457 Plan has 5,712 actively contributing participants. The 401(a) Plan has 132 first-time contributors and the 457 Plan has 31 first-time contributors. Mr. Hauerbach stated that there were 4 retirees in the month of November; of the 4 retirees, 3 elected a full withdrawal, and 1 elected a

series of periodic payments. Mr. Hauerbach pointed out that there were 309 walk-ins and 517 other participant engagements for a total of 826 engagements in the month of November.

Mr. Hauerbach provided the following updates:

- Empower Communications Engine - a new way to communicate with participants, which is automated. Year-to-date, there were 58,683 total messages sent to 26,818 account members. There were 169 participants, between the period of July and November 2022, that increased their 457 contribution rate. There were 132 of the 169 participants who raised their contribution rate to higher than 6%.
- Call Center Statistics - for the 4th Quarter to date, there were 547 participants that called the off-island Call Center. There were 95 calls in November.
- Plan Advisers - new hires are asking for financial education tailored to them specifically. Mr. Hauerbach stated that he is working with Rob Dwyer on addressing this.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Artemio Hernandez reported that the Quarterly Performance Meeting for the Quarter Ended September 30, 2022 was held on December 15, 2022. The Investment Committee Meeting was also held on December 15, 2022. The Committee reviewed and approved the Investment Committee Meeting Minutes of November 8, 2022.

DC Plan Quarterly Performance

Treasurer Hernandez stated that Cameron Systemans of Mercer Investment Consulting, Inc. discussed the current economic environment and outlook for the next year, and provided an overview of the DC Plan's Investment Performance for the Quarter Ended September 30, 2022.

Mr. Systemans stated that the 3rd quarter remained quite a challenging investment environment for virtually all asset classes. Inflation was a multi decade high. Mr. Systemans stated that it's a bad environment for buying stocks and bonds. In the 3rd quarter, the only investment option with a positive return was Stable Value. Negative returns were primarily driven by market drivers. Mr. Systemans stated that there are no concerns on any of the strategies. There are no strategies that are currently on watch.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is scheduled for March 9, 2023.

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

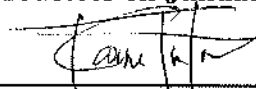
X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

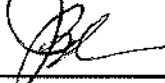
There being no further business before the Board for the Defined Contribution Plan, on motion of Treasurer Artemio Hernandez, seconded by Vice Chair Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:47 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of December 16, 2022 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on January 20, 2023.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas