



Lourdes A. Leon Guerrero
Governor

Joshua F. Tenorio
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Antolina S. Leon Guerrero
Chair

George A. Santos
Vice Chair

Thomas H. San Agustin
Secretary

Artemio R.A. Hernandez, Ph.D.
Treasurer
Chair, Investment Committee

Katherine T.E. Taitano
Trustee
Chair, Members and Benefits Committee

David N. Sanford
Trustee

Vacant
Trustee

BOARD OF TRUSTEES
Regular Meeting
Friday, December 20, 2024, 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 12:32 p.m. Friday, December 20, 2024, in the Retirement Fund Conference Room. Chair Antolina S. Leon Guerrero officiated.

Board of Trustees Present:

Antolina S. Leon Guerrero, Chair
George A. Santos, Vice Chair
Thomas H. San Agustin, Secretary
Artemio R.A. Hernandez, Treasurer
David N. Sanford, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Trustee

Staff Present:

Paula Blas, Director
Andrea Atalig, Recording Secretary

Third Party Administrator Present:

Alice Taijeron, Director, Client Relations & Participant Engagement, Empower
Grace Atalig, Retirement Plan Counselor, Empower

Investment Consultants Present:

Cameron Systemans, Mercer Investment Consulting, Inc.
Maggie Ralbovsky, Wilshire Associates

Public:

Jonah Benavente, The Guam Post

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. November 26, 2024 Regular Meeting

Treasurer Artemio Hernandez, seconded by Trustee David Sanford, moved to approve the Minutes of the November 26, 2024 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 November 30, 2024 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. There are 41 active claims as of November 30, 2024.

2. *Empower – Third Party Administrator (TPA) Extension of Contract* – The month-to-month term of the current contract with Empower ends on December 31, 2024. Management requested for approval for an extension of the contract through June 30, 2025 unless sooner terminated under the termination provisions of the contract. All other contract terms will remain the same.

Treasurer Artemio Hernandez, seconded by Secretary Thomas San Agustin, moved to approve to extend the contract for Empower, Third-Party Administrator, until June 30, 2025 or sooner terminated under the termination provisions of the current contract.

Financial Report

1. *Contributions* - Director Paula Blas stated that as of December 17, 2024, all agencies are current with their Fiscal Year 2025 employee and employer contributions with the exception of GMH.

2. *Financial Statements* - Director Blas stated that the books for the month ended November 2024 are scheduled to close on January 30, 2025.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – November 2024

Director Blas stated that Alice Tajeron, Director, Client Relations & Participant Engagement, Empower, provided the TPA Report for the month ended November 30, 2024 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Tajeron stated that the 401(a) Plan had total assets of \$457,240,801.41. There was an increase of \$16,010,161.18 or 3.63% from the previous month. The market effect of 95% was due to market gains. The 457 Plan had total assets of \$180,720,840.94. There was an increase of \$7,076,930.08 or 4.08% from the previous month. The market effect of 88% was due to market gains.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$2,747,945.81. There was a decrease in contributions of \$247,262.05 or -8.26% from the previous month. The 457 Plan had total contributions of \$1,424,854.98. There was a decrease in contributions of \$152,189.37 or -9.65% from the previous month. The decrease was due to contributions for previous pay periods coming in late. Ms. Taijeron stated GMH needs to ensure that 457 loans are paid to avoid participants defaulting on their loans.

Ms. Taijeron stated that the 401(a) Plan has a total of 5,951 participants receiving employer contributions and 5,929 participants actively contributing. The 457 Plan has 6,746 actively contributing participants. The 401(a) Plan has 61 first-time contributors and the 457 Plan has 62 first-time contributors. The 401(a) Plan had 112 full withdrawals and 40 full withdrawals in the 457 Plan.

Ms. Taijeron stated that there were 3 retirees in the month of November. Ms. Taijeron pointed out that there was a total of 304 walk-ins with 26% or 79 of them being new hires and 59 of them enrolled into the 457 Plan, of the 304 walk-ins 2% of those were for inquires on the 457 Plan, 22 participants or 9% came in to update information such as beneficiaries, and 26% signed up for online access. Grace Atalig, Retirement Plan Counselor, met with 12 individuals who are participants in the DB 1.75 Plan inquiring on their benefits with the 457 Plan and how they can access their DB 1.75 Plan information to see in what way their 457 Plan would impact their DB 1.75 Plan. Tamara Santos, will start individual meetings in January 2025 as a Retirement Plan Counselor. Grace Atalig, Retirement Plan Counselor, had 112 meetings with 28% enrolling in the 457 Plan.

Ms. Taijeron stated for the month of November there were 215 calls to the call center, averaging about 7-8 minutes with positive results from the surveys taken after the call.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Artemio Hernandez reported that the Quarterly Performance Review for the Quarter Ended September 30, 2024 was held on December 19, 2024

DC Plan Quarterly Performance

Treasurer Artemio Hernandez stated that Cameron Systemans of Mercer Investment Consulting, Inc. provided an overview of the Economic Outlook and the DC Plan's Investment Performance for the Quarter Ended September 30, 2024. Mr. Systemans stated that during the due diligence meeting they discussed and reviewed recent developments on the economic and capital market environment and the DC Plan performance.

Action Items

1. GGRF placed the AB Global Fixed Income Fund on watch since July 2024 due to underperformance. Mercer downgraded the Fund's strategy to a B rating stating that Mercer no longer had conviction that AB will outperform the benchmark on a forward-looking basis.

At the September 20, 2024 Board meeting Mercer was tasked with the finding a replacement for the AB Global Fixed Income Fund. As a result, Mr. Systemans recommends PIMCO Global Bond Opportunities Fund for consideration. After reviewing the manager profile and accepting the recommendation, the Committee recommends to replace AB Global Fixed Income Fund with PIMCO Global Bond Opportunities Fund.

Treasurer Artemio Hernandez, second by Trustee David Sanford, moved to accept Mercer Investment Consulting, Inc.'s recommendation to replace AB Global Fixed Income Fund with PIMCO Global Bond Opportunities Fund. Without objection, the motion passed.

2. At the September Board meeting, the Wellington Core Bond Plus CIT was selected to replace the Hartford Total Return Bond Fund for a lower fee class however, at the onboarding process, Wellington informed Mercer and Empower that GGRF will not be eligible to invest in this strategy. Mr. Systemans reported that the Hartford Total Return Bond Fund is still a good performer and recommends to keep the Hartford Total Return Bond Fund is still a good performer and recommends to keep the Hartford Total Return Bond Fund at this time.

Informational Items

1. Next Quarterly Performance Review – Treasurer Hernandez informed the Board that the next Quarterly Performance Review is scheduled for March 27, 2025.

B. Members and Benefits Committee

VII. OLD BUSINESS

None

VIII. NEW BUSINESS

None

IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT

X. ANNOUNCEMENTS

XI. ADJOURNMENT

There being no further business before the Board for the Defined Contribution Plan, on motion of Vice Chair George Santos, seconded by Secretary Thomas San Agustin, and without objection, the meeting was adjourned at 12:59 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of December 20, 2024 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on January 24, 2025.



THOMAS SAN AGUSTIN, Board Secretary

RECORDING SECRETARY:



Andrea Atalig