



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, March 25, 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 1:09 p.m. Friday, March 25, 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  
 Thomas H. San Agustin, Trustee  
 David N. Sanford, Trustee  
 George A. Santos, Trustee

**Board of Trustees Absent:**

Artemio R.A. Hernandez, Treasurer (*Excused*)  
 Katherine T.E. Taitano, Secretary (*Excused*)

**Staff Present:**

Paula Blas, Director  
 Diana Bernardo, Controller  
 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. February 18, 2022 Regular Meeting**

**Vice Chair Antolina Leon Guerrero, seconded by Trustee Thomas San Agustin, moved to approve the Minutes of the February 18, 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 February 28, 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 37 active claims as of February 28, 2022.

### **Financial Report**

**1. *Contributions*** - Director Blas stated that as of March 22, 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 February 28, 2022 are scheduled to close on March 30, 2022.

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

### **A. Contribution Report – February 2022**

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended February 28, 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 \$481,860,910.89. There was a decrease of \$8,257,453.00 or -1.68 % from the previous month. The market effect was -2.3%. The 457 Plan had total assets of \$127,792,115.11. There was a decrease of \$1,991,952.94 or -1.53% from the previous month. The market effect was -2.39%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$3,029,864.03. There was an increase in contributions of \$275,648.32 or 10.01% from the previous month. The 457 Plan had total contributions of \$1,108,214.07. There was an increase in contributions of \$107,790.67 or 10.77% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$1,944,122.37. The 457 Plan had disbursements totaling \$652,273.09.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,912 participants receiving employer contributions. The 457 Plan has 5,835 actively contributing participants. The 401(a) Plan has 220 first-time contributors and the 457 Plan has 83 first-time contributors. Mr. Hauerbach stated that there were 8 retirees in the month of February; of the 8 retirees, 3 elected a full withdrawal, 2 elected a partial withdrawal and 3 with no distribution taken. Mr. Hauerbach pointed out that there were a total of 988 of either walk-ins or participant engagements in February.

Chairman Leon Guerrero inquired about the interest rate on loans. Mr. Hauerbach stated that the interest rate on 457 loans is around 7% (prime rate plus 3%). Chairman Leon Guerrero inquired about participants' purpose of obtaining loans. Mr. Hauerbach stated that it could be for any purpose. Director Blas stated that it in the "General Purpose," it could be used for anything. Controller Diana Bernardo stated that the loan limitation is not to exceed up to 50% of participant's account balance.

Mr. Hauerbach provided the following updates:

- Webinars - Second Quarter Webinars were finalized. A total of 24 Webinars will be offered; 12 of which are New Hire Orientations and 12 are Financial Wellness Webinars.
- New Enhancement - Empower hands out flyers to walk-in participants to educate them on some of the new on-line enhancements.
- Investment Lineup - Share Class Change on the Great West Secure Foundation Balanced Fund - this lowered the operating costs and eliminated Revenue Sharing.
- Call Center Representatives - Empower added 2 more Call Center Representatives.
- Market Volatility - Banners were placed on the [guamretire.com](http://guamretire.com) website about Market Volatility.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Trustee Thomas San Agustin reported that the Quarterly Performance Meeting for the Quarter Ended December 31, 2021 was held on March 24, 2022. The Investment Committee Meeting was also held on March 24, 2022. The Committee reviewed and approved the Investment Committee Meeting Minutes of February 17, 2022.

#### **1. DC Plan Quarterly Performance**

Trustee San Agustin stated that Cameron Systemans of Mercer Investment Consulting, Inc. provided an overview of the DC Plan's Investment Performance for the Quarter Ended December 31, 2021.

## **2. Recommendations for Board Action: Dimensional Fund Advisors (DFA) Emerging Markets**

Mr. Systemans stated that the Board placed DFA Emerging Markets on watch in January 2021 due to their underperformance. At the September 17, 2021 Board Meeting, Ninety One Emerging Markets Equity Fund was selected as the replacement fund, however, during the onboarding process, Ninety One/SEI and Empower Retirement were unable to reach an agreement on key terms resulting in Ninety One/SEI being unable to be implemented. As a result, Mercer updated the manager search and provided two (2) managers for consideration.

Mr. Systemans stated that Mercer is recommending to replace DFA Emerging Markets with RBC Global Asset Management (RBC Emerging Markets Equity Fund).

Mr. Hauerbach provided a background information on the issue. Mr. Hauerbach stated that Empower was requesting that in the event that SEI provide a late net asset value price or any information, that they would need to compensate Empower with unlimited liability. SEI and Empower were working towards reaching an agreement. On or around March 8, 2022, SEI and Empower decided to walk away from the attempt to reach an agreement.

**Trustee Thomas San Agustin, seconded by Trustee David Sanford, moved to accept the Investment Committee and Mercer Investment Consulting, Inc.'s recommendation to replace Dimensional Fund Advisors Emerging Markets with RBC Global Asset Management. Without objection, the motion passed.**

*Next Quarterly Performance Meeting* – Trustee San Agustin informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for June 16, 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 Vice Chair Antolina Leon Guerrero, and without objection, the meeting was adjourned at 1:30 p.m. Motion passed.

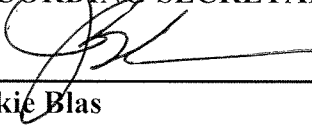
I hereby certify that the foregoing is a full, true and correct copy of the Minutes of March 25, 2022 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on April 22, 2022.



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KATHERINE T.E. TAITANO, Board Secretary

**RECORDING SECRETARY:**



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Jackie Blas