



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, May 20, 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 12:33 p.m. Friday, May 20, 2022, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

**Board of Trustees Present:**

Wilfred P. Leon Guerrero, Chairman  
 Thomas H. San Agustin, Trustee  
 Artemio R.A. Hernandez, Treasurer (*Via Zoom*)  
 David N. Sanford, Trustee (*Via Zoom*)  
 George A. Santos, Trustee

**Board of Trustees Absent:**

Antolina S. Leon Guerrero, Vice Chair (*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

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

### **A. April 22, 2022 Regular Meeting**

**Trustee George Santos, seconded by Trustee Thomas San Agustin, moved to approve the Minutes of the April 22, 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 April 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 April 30, 2022.

### **Financial Report**

**1. *Contributions*** - Director Blas stated that as of May 17, 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 April 30, 2022 are scheduled to close on May 31, 2022.

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

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

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended April 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 \$452,508,435.26. There was a decrease of \$30,152,722.28 or -6.25% from the previous month. The market effect was -7.98%. The 457 Plan had total assets of \$120,623,233.81. There was a decrease of \$8,163,814.18 or -6.34% from the previous month. The market effect was -8.32%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$3,554,222.08. There was an increase in contributions of \$12,424.38 or 0.35% from the previous month. The 457 Plan had total contributions of \$1,197,821.21. There was a decrease in contributions of \$56,606.65 or -4.51% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$1,901,175.14. The 457 Plan had disbursements totaling \$721,414.56.

Mr. Hauerbach stated that the 401(a) Plan has a total of 7,155 participants receiving employer contributions. The 457 Plan has 5,828 actively contributing participants. The 401(a) Plan has 213 first-time contributors and the 457 Plan has 51 first-time contributors. Mr. Hauerbach stated that there were 8 retirees in the month of April; of the 8 retirees, 3 elected a full withdrawal, 3 took a partial withdrawal, 1 elected a stream of payments, and 1 with no distribution taken. Mr. Hauerbach pointed

out that there were 420 walk-ins and 513 participant engagements which brings the total to 933 engagements in the month of April.

Mr. Hauerbach provided the following updates:

- Liberation Day Campaign - emails will be sent out in mid July that commemorates the 78th Liberation Day and turn that into planning for retirement freedom.
- Empower Study - this is called "Empowering America's Financial Journey." The study had a lot of interesting data about all the participants that Empower has. The study was further refined and Empower will present details about the study next month.
- International Fund Change - change from Dimensional Fund Advisors Emerging Markets to RBC Global Asset Management will take effect on June 2nd.
- New Participant Experience - this is incorporating the network picture and the technology that was acquired from the Personal Capital acquisition. This should go live right around July 21st.
- Call Centers - calls are answered within 10 seconds. Empower is planning on adding a call center support out of the Philippines.
- 2022 Stock Exchange - DOW was down 11.4% as of May 13, S&P was down 15%, and NASDAQ was down 24%. The last 10 years' average return (2012-2021) - DOW was at 16.58%, the S&P was at 19.56%, and NASDAQ was at 21.76%. Those averages have doubled. If you look at the start of the pandemic in March 2020, we had a very large sharp drop and within two years the market doubled. Participants had asked about double digit decline -- double digit decline are actually very normal. The S&P was down in double digit 21 times. Participants have expressed concern of a loss and they were informed that they didn't have a loss, they were experiencing a decline in value.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Trustee Thomas San Agustin reported that the Investment Committee Meeting was held on May 19, 2022. The Committee reviewed and approved the Investment Committee Meeting Minutes of April 14, 2022.

*Next Quarterly Performance Meeting* – Trustee San Agustin informed the Board that the next Quarterly Performance Meeting is scheduled for June 16, 2022.

### **B. Members and Benefits Committee**

Trustee George Santos stated that there's no report to be made at this time.

## **VII. OLD BUSINESS**

None

## **VIII. NEW BUSINESS**

None

## **IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

None

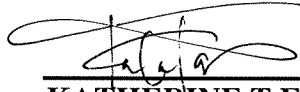
**X. ANNOUNCEMENTS**

None

**XI. ADJOURNMENT**

**There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Trustee Thomas San Agustin, and without objection, the meeting was adjourned at 12:51 p.m. Motion passed.**

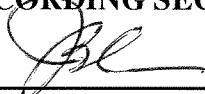
**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of May 20, 2022 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on June 17, 2022.**



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**KATHERINE T.E. TAITANO, Board Secretary**

**RECORDING SECRETARY:**



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**Jackie Blas**