



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY • SECURITY • REWARDS

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, June 20, 2025, 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, June 20, 2025, 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

Third Party Administrator Present:

Alice Taijeron, Director, Client Relations & Participant Engagement, Empower

Investment Consultant Present:

Stephen Pola, Mercer Investment Consulting
Christian De Leon, Mercer Investment Consulting (*Via Zoom*)

Public Present:

Joe Ebisa, With Intelligence (*Via Zoom*)

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. May 23, 2025 Regular Meeting

Treasurer Artemio Hernandez, seconded by Trustee David Sanford, moved to approve the Minutes of the May 23, 2025 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 May 31, 2025 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. There are 47 active claims as of May 31, 2025.

2. **RFP No. GGRF-002-25 for Plan Administration Services related to the Defined Contribution Retirement System (401(a) Plan), 457(b) Deferred Compensation Plan and Welfare Benefit Plan** – GGRF Issued the RFP on March 17, 2025 and it was scheduled to close on April 24, 2025. Due to the protest filed by ASC Trust, a stay was placed on the procurement process.

Status Update:

- A protest was filed by ASC Trust on April 16, 2025.
- GGRF responded to the protest on April 23, 2025.
- A second protest was filed by ASC Trust on April 25, 2025.
- GGRF responded to the second protest on April 28, 2025
- ASC Trust filed a procurement appeal with the Office of Public Accountability on April 30, 2025.
- OAP provided the Notice of Receipt of Appeal – OPA-PA-25-007 on May 1, 2025.
- GGRF responded to the procurement appeal – Agency Report and Agency Statement.
- ASC provided comments on Agency Statement.
- GGRF provided a Rebuttal to ASC's comments on Agency Statement,
- Pre-Hearing Conference and Motion Deadline is scheduled for June 23, 2025 and June 24, 2025 respectively.

Financial Report

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

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

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – June 2025

Director Blas stated that Alice Taijeron, Director, Client Relations & Participant Engagement, Empower, provided the TPA Report for the month ended May 31, 2025 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Taijeron stated that the 401(a) Plan had total assets of \$464,809,506.94. There was an increase of \$17,232,472.24 or 3.85% from the previous month. The market gain was 3.6%. The 457 Plan had total assets of \$187,859,615.11. There was an increase of \$8,005,835.01 or 4.45% from the previous month. The market gain was 3.9%.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$3,122,442.73. There was an increase in contributions of \$95,518.55 or 3.16% from the previous month. The 457 Plan had total contributions of \$1,787,129.39. There was an increase in contributions of \$174,838.06 or 10.84% from the previous month.

Ms. Taijeron stated that the 401(a) Plan had disbursements totaling \$2,624,114.80. The 457 Plan had disbursements totaling \$967,907.20. Ms. Taijeron stated the Board inquired on the total number of loans distributed and of the \$967,907.20 in overall disbursements, \$551,111.99 was through loans. In the month of May there were 1,029 outstanding loans.

Mr. Hernandez inquired on how loans are repaid. Ms. Taijeron explained that loans are paid through the participants payroll center or the participant has an option of making payments through their banking institution. The payment deduction is post-tax and the participant repays themselves the interest and principal. Chair Leon Guerrero inquired if participants receive notifications from Empower if a payment has not been received. Ms. Taijeron explained that participants will be notified if a payment is missed, and after two reminders, a third notice will formally declare the account in default due to non-payment.

Ms. Taijeron stated that the 401(a) Plan has a total of 6,139 participants receiving employer contributions and 6,142 participants actively contributing. Ms. Taijeron stated that there were 11 retirements in the month of May.

Ms. Taijeron pointed out that there was a total of 406 walk-ins with 35 of them being new hires and 9 of them enrolled into the 457 Plan. Ms. Taijeron stated in addition to the walk-ins there were 339 participant engagements for the month of May. Ms. Grace Atalig, Retirement Plan Counselor, had 91 meetings with 19 participants or 21% of those participants enrolling into the 457 Plan, three site visits and three webinars. Ms. Tamara Santos, Retirement Plan Advisor, had 57 meetings with participants and one retirement readiness reviews. Ms. Taijeron explained A Retirement Readiness Review is a one-on-one meeting between a participant and their advisor to evaluate current assets, forecast future income, and assess how prepared they are for retirement. Ms. Taijeron provided a schedule of Education Seminars for the month of May and June for the Boards review.

Ms. Taijeron provided the following updates:

- The 2065 and 2070 State Street was added to the Plan lineup on June 16, 2025.

- The investment education provided by Empower is currently being updated and going through compliance.
- The email campaign for May was “3 reasons to stay invested in your future”.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Artemio Hernandez reported that the Quarterly Performance Review for the Quarter Ended March 31, 2025 was held on June 19, 2025.

DC Plan Quarterly Performance

Treasurer Artemio Hernandez stated that Stephen Pola of Mercer Investment Consulting, Inc. provided an overview of the Economic Outlook and the DC Plan’s Investment Performance for the Quarter Ended March 31, 2025. Mr. Pola 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 will continue to place on watch or add to the watch list the following funds due to underperformance:
 - a. AB Discovery Value Fund strategy will remain on watch.
 - b. Principal Global Real Estate will remain on watch.
 - c. William Blair Small-Mid Growth strategy to be placed on watch.
 - d. Grandeur Peak strategy to be placed on watch.

Treasurer Artemio Hernandez, second by Trustee David Sanford, moved to accept Mercer Investment Consulting, Inc.’s recommendation to place William Blair Small-Mid Growth strategy and Grandeur Peak strategy on watch. Without objection, the motion passed.

2. As recommended by Mercer, GGRF considers the addition of passively managed U.S. Core Bond, U.S. Small/Mid Cap equity and International ex-U.S. equity. These funds mirror the investment line-up and allow participant choice between active and passive options. Fees lower in passive options. Mercer to proceed with the search for the U.S. Core Bond, U.S. Small/Mid equity and International ex-U.S. equity passive managers.

Treasurer Artemio Hernandez, second by Trustee David Sanford, moved to accept Mercer Investment Consulting, Inc.’s recommendation to proceed with the search for the U.S. Core Bond, U.S. Small/Mid equity and International ex-U.S. equity passive managers.

3. As recommended by Mercer, GGRF considers consolidating assets within the active U.S. Small/Mid Cap Value and Growth into one U.S. SMID Core option. Consolidating to a single “SMID

Cap Core" option may simplify the lineup and ease participant decision-making. Aids participants who are less familiar with specific investment styles. Possible chance for free reductions due to increased AUM in a single option. Mercer to proceed with the search for a SMID Cap Core manager.

Treasurer Artemio Hernandez, second by Secretary Thomas San Agustin, moved to accept Mercer Investment Consulting, Inc.'s recommendation to proceed with the search for a SMID Cap Core manager.

Informational Items

1. Next Quarterly Performance Review – Treasurer Hernandez informed the Board that the next Quarterly Performance Review is scheduled for September 25, 2025.

B. Members and Benefits Committee

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 Vice Chair George Santos, seconded by Trustee David Sanford, and without objection, the meeting was adjourned at 1:01 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 20, 2025 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 18, 2025.



THOMAS SAN AGUSTIN, Board Secretary

RECORDING SECRETARY:



Andrea Atalig

Board of Trustees Regular Meeting (DC)

June 20, 2025

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