



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, September 17, 2021, 10:00 A.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 11:28 a.m. Friday, September 17, 2021, 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
- Katherine T.E. Taitano, Secretary
- Artemio R.A. Hernandez, Treasurer
- Thomas H. San Agustin, Trustee
- David N. Sanford, Trustee
- George A. Santos, Trustee

**Staff Present:**

- Paula Blas, Director
- 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. August 20, 2021 Regular Meeting**

**Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, moved to approve the Minutes of the August 20, 2021 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 August 31, 2021 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 43 active claims as of August 31, 2021.

### **Financial Report**

**1. *Contributions*** - Director Blas stated that as of September 14, 2021, all agencies are current with their Fiscal Year 2021 employee and employer contributions.

**2. *Financial Statements*** - Director Blas stated that the books for the month ended August 31, 2021 are scheduled to close on September 27, 2021.

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

### **A. Contribution Report – August 2021**

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended August 31, 2021 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 \$501,288,056.72. There was an increase of \$8,671,349.22 or 1.76% from the previous month. The market effect was 1.23%. The 457 Plan had total assets of \$131,971,206.37. There was an increase of \$2,773,064.69 or 2.15% from the previous month. The market effect was 1.36%. Trustee Thomas San Agustin inquired about the percentage of the market effect. Mr. Hauerbach stated that part of the formula is contributions and it's an estimate. It also lines up with what the general market is doing. Mr. Hauerbach stated that he will look to compare exactly what attributes to the larger difference and report back to the Board at the next meeting. Treasurer Artemio Hernandez inquired about the average account balance. Mr. Hauerbach stated that it is \$32,000, but he will check to make sure. It has increased in line with how well the market has performed. Treasurer Hernandez stated that it may be helpful to aggregate the account balance for the active participants on how long they have been contributing to give us a better idea of their average balance. Mr. Hauerbach stated that this is something he could add to Empower's monthly report.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$2,598,358.10. There was a decrease in contributions of \$58,222.67 or -2.19% from the previous month. The 457 Plan had total contributions of \$1,013,371.06. There was a decrease in contributions of \$56,738.65 or -5.30% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$1,927,085.92. The 457 Plan had disbursements totaling \$501,997.10.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,171 participants receiving employer contributions. The 457 Plan has 5,531 actively contributing participants. The 401(a) Plan has 95 first-time contributors and the 457 Plan has 91 first-time contributors. Mr. Hauerbach stated that there were 11 retirees in the month of August; of the 11 retirees, 6 elected a full withdrawal, 4 elected no distribution and 1 elected a series of periodic annuity payments.

Mr. Hauerbach stated that there were 293 walk-ins and 431 participant engagements. The combined total of the local office participant engagements is 724.

Mr. Hauerbach provided the following updates:

- October 2021 is National Retirement Security Month - Empower put together a series of seminars which will be held next month. In addition to the new hire orientation, there will be some seminars geared towards retirement planning for women. On October 28, 2021, there will be a special seminar called "Myth vs. Reality." There will also be a seminar on what the DB Plan is all about, how the DC Plan came to be and it will also cover the Hybrid Plan.
- Starting April 2022 there will be a change on the participant experience online. Empower is incorporating all the advance technical and logical features that are available for participants. It is a personalized approach on the participants financial picture. It's purely optional for participants to elect to provide that additional information. The information is highly secured. The data gathered will be analyzed and then Empower will help participants move forward to where they would like to be.

Treasurer Hernandez stated that with regards to the history of the different plans, will Empower be running that by Director Blas first. Mr. Hauerbach stated that Empower is using Retirement Fund material and he will share the presentation with the Board.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Treasurer Hernandez reported that the Quarterly Performance Meeting for the Quarter Ended June 30, 2021 was held on September 16, 2021. The Investment Committee Meeting was also held on September 16, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of August 19, 2021.

#### ***DC Plan Quarterly Performance***

Treasurer Hernandez stated that Cameron Systemans of Mercer Investment Consulting, Inc. provided an overview of the DC Plan's Investment Performance for the Quarter Ended June 30, 2021.

#### ***Recommendation for Board Action***

Treasurer Hernandez stated that Dimensional Fund Advisors (DFA) Emerging Markets Core Equity strategy was placed on watch in January 2021 due to underperformance, and in April 2021 Mercer recommended to conduct a search to find a replacement manager for DFA. Mercer conducted a

manager search and provided a report and an overview of the manager profiles of the top three (3) managers for consideration.

Treasurer Hernandez stated that after reviewing the manager profiles, the Investment Committee recommends to replace DFA with Ninety One Emerging Markets Equity Fund.

**Treasurer Artemio Hernandez, seconded by Trustee Thomas San Agustin, moved to accept the Investment Committee and Mercer Investment Consulting, Inc.'s recommendation to replace Dimensional Fund Advisors (DFA) Emerging Markets Core Equity with Ninety One Emerging Markets Equity Fund. Without objection, the motion passed.**

*Next Quarterly Performance Meeting* – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is scheduled for December 16, 2021.

**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 11:49 a.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 17, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 15, 2021.**



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

**RECORDING SECRETARY:**

  
**Jackie Blas**

