



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
 STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero  
 Governor

Joshua F. Tenorio  
 Lieutenant Governor

Paula M. Blas  
 Director

**BOARD OF TRUSTEES**  
**Regular Meeting**  
 Friday, December 15, 2023, 12:30 P.M.  
 Retirement Fund Conference Room

**MINUTES**

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

**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 15, 2023, in the Retirement Fund Conference Room. Vice Chair Antolina Leon Guerrero presided.

**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:**

Katherine T.E. Taitano, Secretary  
 Artemio R.A. Hernandez, Treasurer

**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 Consultant Present:**

Cameron Systemans, Mercer Investment Consulting, Inc.

**Legal Counsel Present:**

Vincent Camacho, Camacho Calvo Law Group LLC

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. November 27, 2023 Regular Meeting

Trustee Thomas San Agustin, seconded by Trustee David, moved to approve the Minutes of the November 27, 2023 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, 2023 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, 2023.

2. **Empower – Third Party Administrator (TPA) Extension of Contract** – The month-to-month term of the current contract with Empower ends of December 31, 2023. Management requested for approval for an extension of the contract through June 30, 2024, unless sooner terminated under the termination provisions of the contract. All other contract terms will remain the same.

Trustee Thomas San Agustin, seconded by Trustee George Santos, moved to approve to extend the contract for Empower, Third-Party Administrator, until June 30, 2024 or sooner terminated under the termination provisions of the current contract.

### Financial Report

1. **Contributions** - Director Paula Blas stated that as of December 12, 2023, all agencies are current with their Fiscal Year 2024 DC employee and employer contributions.

2. **Financial Statements** - Director Blas stated that the books for the month ended November 30, 2023 is scheduled to close on January 12, 2024.

## V. THIRD PARTY ADMINISTRATOR'S REPORT

### A. Contribution Report – November 2023

Director Blas stated that Alice Taijeron, Director, Client Relations & Participant Engagement, Empower, provided the TPA Report for the month ended November 30, 2023 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Mrs. Taijeron stated that the 401(a) Plan had total assets of \$500,388,323.88. There was an increase of \$36,048,098.03 or 7.76% from the previous month. The 457 Plan had total assets of \$141,043,670.80. There was an increase of \$10,364,621.43 or 7.93% from the previous month.

Mrs. Taijeron stated the board requested for a report of how much of the assets are subject to market change. The report will be available at next months meeting and moving forward.

Mrs. Taijeron stated that the 401(a) Plan had total contributions of \$3,198,771.66. There was a decrease in contributions of \$660,004.52 or -17.10% from the previous month. The 457 Plan had total contributions of \$1,280,560.77. There was an increase in contributions of \$40,190.32 or 3.24% from the previous month.

Mrs. Taijeron stated that the 401(a) Plan had disbursements totaling \$1,385,334.07. The 457 Plan had disbursements totaling \$750,329.82.

Mrs. Taijeron provided the following updates:

- Mrs. Taijeron stated Empower continues to see participants coming in due to the transfer to DB 1.75 who are signing up for the 457 Plan. Empowers goal is to inform participants the importance of saving regardless of what retirement plan you are in.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Trustee Thomas San Agustin reported that the Quarterly Performance Review for the Quarter Ended September 30, 2023 was held on December 14, 2023.

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

Trustee Thomas San Agustin 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, 2023. 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.

Mr. Systemans discussed the key economic and market drivers in the 3<sup>rd</sup> quarter of 2023. In that period there was substantial increase in bond yields which weighed on returns on both bonds and stocks so a few asset classes had delivered positive returns with the exception of the Stable Value fund. This did come after two very positive quarters before that. We are now close to the end of the 4<sup>th</sup> quarter which shows signs that inflation is coming under control and Feds have completed their interest rate hiking cycle and returns for the 4<sup>th</sup> quarter are likely to shape up to be strong.

#### **Action Item**

Mr. Systemans stated they discussed the performance of all of the funds on the plan's line-up, in particular the underperformance of AB Discovery Value Fund which is a SMID Cap Value Fund. The underperformance is more against their peers than the benchmark, as a result Mercer has recommended to put AB Discovery Value Fund strategy on watch and will continue to closely monitor the strategy.

**Trustee Thomas San Agustin, second by Trustee David Sanford, moved to accept Mercer Investment Consulting, Inc.'s recommendation to place AB Discovery Value Fund on watch. Without objection, the motion passed.**

**Informational Items**

**I. Next Quarterly Performance Review** – Trustee San Agustin informed the Board that the next Quarterly Performance Review is scheduled for March 21, 2024.

**B. Members and Benefits Committee** – No Report.

**VII. OLD BUSINESS**

None

**VIII. NEW BUSINESS**

None

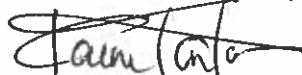
**IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

**X. ANNOUNCEMENTS**

**XI. ADJOURNMENT**

**There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Trustee David Sanford, and without objection, the meeting was adjourned at 12:43 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of December 15, 2023 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on January 19, 2024.**



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

**RECORDING SECRETARY:**



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**Andrea Atalig**