



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
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Joshua F. Tenorio
Lieutenant Governor

Paula M. Blas
Director

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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

**INVESTMENT COMMITTEE MEETING
DEFINED CONTRIBUTION PLAN**

Wednesday, June 16, 2021
Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee Meeting for the Defined Contribution Plan was called to order at 11:08 a.m. Wednesday, June 16, 2021, in the Retirement Fund Conference Room. Investment Committee Chairman Artemio Hernandez officiated.

Board of Trustees Present:

Artemio R.A. Hernandez, Chairman
David N. Sanford, Member

Staff Present:

Diana Bernardo, Controller

Third Party Administrator Present:

Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement

Investment Consultant Present:

Cameron Systemans, Mercer Investment Consulting, Inc.

II. ACTION ITEMS

1. May 20, 2021 Regular Investment Committee Meeting Minutes

Committee Member David Sanford, seconded by Committee Chairman Artemio Hernandez, moved to approve the Minutes of the May 20, 2021 Regular Investment Committee Meeting, subject to technical corrections. Without objection, the motion passed.

III. OPEN ITEMS

None

IV. OLD BUSINESS

None

V. NEW BUSINESS

1. Mercer Investment Category Fees

Controller Diana Bernardo indicated that Director Paula Blas would like to have Bjorn Hauerbach, Director of Empower Retirement, discuss the fees for the Mercer Investment category.

Mr. Hauerbach stated that the Mercer fund was added to the investment line up in October 2020. It comes with an additional management fee that is billed directly from the plan and Empower is responsible for collecting that fee, as written in the contract, and forwarding it to Empower. The fees that were collected were based not on participants who actually hold the fund. Mr. Hauerbach stated that it was not specifically addressed how the 15 basis points management fee associated with the Mercer Stock International CIT was to be assessed.

Mr. Hauerbach stated that the first issue is that Empower assessed the fees against all participants. The second issue was that it was calculated on the wrong amount. Mr. Hauerbach stated that those things don't directly affect the Retirement Fund. Empower is working with Mercer to get that fixed so that the correct amount is billed.

Mr. Hauerbach stated that, as a Committee, what we need to discuss is a confirmation on how the 15 basis points fees are to be assessed. It would make sense to assess against participants who own the fund. Cameron Systemans of Mercer Investment stated, for the record, that his understanding is that the 15 basis points is only going to be charged to the participants that hold the fund. It is not fair to charge participants that don't hold a particular investment. Mr. Hauerbach stated that the process is already underway to refund the account to those participants who didn't hold the fund.

Mr. Hauerbach stated that he needs confirmation that the fees will be assessed and then forwarded to Mercer based on only the asset value associated with participants who own the fund.

Committee Chairman Hernandez asked whether this needs Committee action or will it be brought up to the Board. Controller Bernardo stated that it appears that, based on what Mr. Systemans indicated that it was his understanding that it was only for those participants that hold the fund, then it may not need to be brought up to the Board. Committee Chairman Hernandez asked whether this is an administrative issue that does not need Board approval. Controller Bernardo stated that it's possible and that she will check with Director Blas. Mr. Hauerbach stated that Empower does not necessarily

need a Board recommendation, an email from Director Blas would be fine. Controller Bernardo stated that she will discuss this with Director Blas and if we could go that route, then we'll go ahead and proceed with that.

VI. INFORMATIONAL ITEMS

1. 5-Year Plan

A copy of the 5-Year Plan was provided to the Committee for review and informational purposes.

Committee Chairman Hernandez stated that the annual review for Empower Retirement, the Retirement Fund's Third Party Administrator, was conducted today.

VII. OPEN DISCUSSION

None

VIII. CORRESPONDENCE

None

IX. ANNOUNCEMENTS

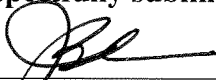
1. Next Due Diligence Meeting: August 5, 2021

Committee Chairman Hernandez stated that the next Due Diligence Meeting is scheduled for August 5, 2021. Controller Bernardo informed Committee Chairman Hernandez that Director Blas may be discussing the due diligence date with him as she may revert that date to the third week of the month. Committee Chairman Hernandez stated that Director Blas will work with Mr. Systemans on finalizing a date which will be sometime in July or early August.

X. ADJOURNMENT


There being no further business before the Investment Committee, a motion was made by Committee Member David Sanford, seconded by Committee Chairman Artemio Hernandez, to adjourn the meeting at 11:22 a.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE BLAS
Recording Secretary

AFFIRMED:



ARTEMIO R.A. HERNANDEZ, Ph.D.
Investment Committee Chairman