

**SPECIAL CALL GENERAL EMPLOYEE PENSION COMMITTEE MEETING  
THURSDAY, JANUARY 13, 2022 3:30 P.M.  
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

**A G E N D A**

- 1. CALL TO ORDER**
- 2. PUBLIC COMMENT**
- 3. ITEM FOR DISCUSSION:**
  - A) [Assignment of Investment Management Services Agreement from Prudential/GPSI to Empower Retirement](#)
- 4. NEXT MEETING DATE**
- 5. ADJOURNMENT**

This is a Public Meeting. Should any interested party seek to appeal any decision made by the Committee with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings and that, for such purpose, he may need to ensure that a record of the proceedings is made which record includes the testimony and evidence upon which the appeal is to be based. Anyone who needs a special accommodation for this meeting may contact the City's American's with Disabilities Act (ADA) Coordinator at least 48 hours in advance of the meeting.

TO: General Employee Retirement Plan Committee

FROM: Cynthia D. Lawson, Finance Director 

SUBJECT: Assignment of Investment Management Services Agreement from Prudential/GPSI to Empower Retirement

Background:

As was discussed at a previous committee meeting, Prudential Financial Inc. has entered into an Agreement to sell its full-service retirement solutions business to Empower Retirement.

The City has agreements for various pension related services with Prudential Retirement Insurance and Annuity Company (PRIAC) and its affiliates including Global Portfolio Strategies, Inc. (GPSI). These contracts include administrative services, a group annuity contract (funds custodian), and an investment advisory services agreement. The attached email (Attachment A) from the City's Prudential (GPSI) pension investments manager, Ms. Jennifer Bourret, provides some background for each of these contracts.

As explained in the attached email, the only action required by the City is a consent to the assignment of the Investment Management Services agreement from GPSI to Empower. The original request and the second notice of this assignment consent is attached (Attachment B).

Recommendation:

The Committee should authorize the Finance Director to sign the attached consent to assignment and return it to Prudential by the January 28, 2022 deadline.

**From:** Jennifer Bourret <jennifer.bourret@prudential.com>  
**Sent:** Thursday, January 06, 2022 1:22 PM  
**To:** Lawson, Cindy  
**Subject:** RE: GPSI contract- assignment

**SECURITY WARNING:** This message has originated from an **EXTERNAL SOURCE**. Please show caution when clicking links, opening attachments, or responding to this email unless you recognize the sender and know the content is safe.

Cindy,

It was a pleasure speaking with you yesterday; I enjoyed our conversation! Here is a summary of the various contracts you have with Prudential and the response, if any, required from the City of Vero Beach as a result of the Empower transaction.

Administrative Services Agreement

Your plan's administrative services agreement is with Prudential Retirement Insurance and Annuity Company (PRIAC). The sale of the full-service retirement business includes the sale of PRIAC. On the effective date of the transition, PRIAC will be transferred to Empower Retirement and thereafter, PRIAC (under the brand Empower Retirement) will provide the services specified in the agreement. The terms, provisions and conditions of the agreement will remain unchanged and in full force and effect. There is no action for you to take with respect to this contract.

Group Annuity Contract

The trustee for your plan's Group Annuity Contract is Prudential Retirement Insurance and Annuity Company (PRIAC). The sale of the full-service retirement business includes the sale of PRIAC. On the effective date of the transition, PRIAC will be transferred to Empower Retirement and thereafter, PRIAC (under the brand Empower Retirement) will provide the services specified in the agreement. The terms, provisions and conditions of the agreement will remain unchanged and in full force and effect. There is no action for you to take with respect to this contract. Since all of the funds in your investment portfolio are covered under the Group Annuity Contract, a separate trust company agreement is not applicable for custodial services.

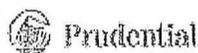
Investment Advisory Agreement

Your plan's original contract for these services was entered into with Connecticut General Pension Services, Inc. As the result of merger activity, these services are now provided by Global Portfolio Strategies, Inc. (GPSI), a registered investment advisor within Prudential. As part of the Advisor Act, we are required to notify clients in advance of any change of control. The sale of Prudential's full service retirement business will result in a change of control of GPSI. Assignment of this agreement requires your consent. We are asking for the consent document to be returned by January 28, 2022. If we do not hear from you as of that date, you shall be deemed to have consented to the assignment of the agreement.

I hope this clarifies the changes. Please let me know if you have additional questions.

Thanks,  
Jenn

Jennifer Bourret, CFA  
Vice President | Investment Strategy, Full Service Solutions  
280 Trumbull Street | Hartford, CT 06103  
(860) 534-2150  
[jennifer.bourret@prudential.com](mailto:jennifer.bourret@prudential.com)





**Prudential**

Global Portfolio Strategies, Inc.  
c/o Prudential Financial  
280 Trumbull Street, H16R  
Hartford, CT 06103

**ATTACHMENT B**

November 23, 2021

Re: Investment Management Agreement with Global Portfolio Strategies Inc.

Ladies and Gentlemen:

As you may be aware, Prudential Financial, Inc., a New Jersey corporation ("Prudential"), has entered into a definitive agreement to sell its U.S. business of providing full-service retirement solutions to retirement plans and individual retirement accounts, including recordkeeping and proprietary and third-party investments conducted by Prudential and its affiliates, to Great-West Life & Annuity Insurance Company, a Colorado insurance company, and its affiliates (operating under the brand name "Empower Retirement"), which includes the sale of Global Portfolio Strategies, Inc. ("GPSI") (collectively, the "Transaction"). Empower Retirement is the second-largest provider of workplace retirement plan solutions in the United States and services over 60,000 organizations and 12 million individuals. We currently expect the Transaction to be completed during the first quarter of 2022.

The Transaction will result in a change of control of GPSI, an investment adviser registered with the U.S. Securities and Exchange Commission with whom you have an investment advisory agreement (the "Agreement"), and a deemed "assignment" of the Agreement, and this requires your consent. The investment advisory services, resources, personnel, investment management approach, philosophy, strategies and techniques, and the terms of the Agreement, are expected to remain unchanged following the Transaction. GPSI will continue to be your investment adviser and will continue to provide you with the same level of investment advisory services as you have come to expect. We have further been assured by Empower Retirement that you will be entitled to the same overall level of administrative and operational services to which you have been provided historically. There will be no increase to the fees you pay as a result of the deemed assignment.

In order for GPSI to continue to provide you with the same level of investment advisory services as you have come to expect, we ask that you please acknowledge your receipt of this notice and confirm your consent to the deemed assignment of the Agreement as a result of the Transaction by countersigning below and returning it by email to [authorization@prudential.com](mailto:authorization@prudential.com).

We would appreciate your response to this request at your earliest convenience and in any event no later than December 24, 2021. If we do not hear from you as of that date, we will contact you again to request your consent and provide an additional 30 days to respond. If we do not hear from you within the additional 30-day period following the second request, you shall be deemed to have consented to the assignment of the Agreement.

Of course, if you do not wish to consent to the deemed assignment or will otherwise plan to terminate the Agreement, please notify us no later than December 24, 2021 by email to [authorization@prudential.com](mailto:authorization@prudential.com).

If you have any questions, please contact your Prudential representative. Thank you for your assistance in this matter.

Very truly yours,

**Global Portfolio Strategies, Inc.**

By: *Lazaro E. Guzman*

Name: Lazaro E. Guzman  
Title: President, GPSI

Acknowledged and Accepted:

**EMPLOYER / ORGANIZATION NAME:** \_\_\_\_\_

**PLAN NO.:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Second Consent Notice

December 27, 2021

Re: Investment Management Agreement with Global Portfolio Strategies Inc. (the "Agreement")

Ladies and Gentlemen:

As previously communicated in our notice dated November 23, 2021 (the "November Notice"), Prudential Financial, Inc., a New Jersey corporation ("Prudential"), has entered into a definitive agreement to sell its U.S. business of providing full-service retirement solutions to retirement plans and individual retirement accounts, including recordkeeping and proprietary and third-party investments, to Great-West Life & Annuity Insurance Company, a Colorado insurance company, and its affiliates (operating under the brand name "Empower Retirement"), which includes the sale of Global Portfolio Strategies, Inc. ("GPSI") (collectively, the "Transaction"). Empower Retirement is the second largest provider of workplace retirement plan solutions in the United States and services over 60,000 organizations and 12 million individuals. We currently expect the Transaction to be completed during the first quarter of 2022.

As previously communicated in the November Notice, the investment advisory services, resources, personnel, investment management approach, philosophy, strategies and techniques and the terms of the Agreement are expected to remain unchanged following the Transaction. GPSI will continue to be your investment adviser and will continue to provide you with the same level of investment advisory services as you have come to expect. There will be no increase to the fees you pay as a result of the deemed assignment.

As you know, we asked that you please acknowledge your receipt of the November Notice and confirm your consent to the deemed assignment of the Agreement as a result of the Transaction no later than December 24, 2021. Since we have not heard from you, we are contacting you again to request your consent by January 28, 2022. If we do not hear from you as of that date, you shall be deemed to have consented to the assignment of the Agreement.

Of course, if you do not wish to consent to the deemed assignment or will otherwise plan to terminate the Agreement, please notify us no later than January 28, 2022 by email to [authorization@prudential.com](mailto:authorization@prudential.com).

If you have any questions, please contact your Prudential representative. Thank you for your assistance in this matter.

Very truly yours,

**Global Portfolio Strategies, Inc.**

By: *Lazaro E. Guzman*

Name: Lazaro E. Guzman  
Title: President, GPSI

Acknowledged and Accepted:

**EMPLOYER / ORGANIZATION NAME:** \_\_\_\_\_

**PLAN NO.:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_