

MainePERS Board of Trustees



Monthly Meeting Packet

May 12, 2022

**MainePERS Board of Trustees
May 12, 2022
Augusta – Fort Point**

AGENDA

9:00 a.m.		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	<u>CONSIDERATION OF CONSENT CALENDAR</u> <ul style="list-style-type: none">• Minutes of April 14, 2022• Dismissal, Diana Flaherty Appeal• Dismissal, Jeffrey Leclerc Appeal• Consideration of Items Removed	ACTION	Brian Noyes
9:05 – 9:15 a.m.	2.	<u>CEO REPORT</u>		Dr. Rebecca M. Wyke
9:15 – 9:30 a.m.	3.	<u>PRIVATE MARKETS ACTION</u> <ul style="list-style-type: none">• Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) <p><i>Board moves out of executive session.</i></p> <ul style="list-style-type: none">• Bain Capital Venture Fund 2022• Bain Capital Venture Coinvestment Fund IV• Comvest Credit Partners VI• Stonelake Opportunity Partners VII	ACTION	Brian Noyes
9:30 – 9:40 a.m.	4.	<u>INVESTMENT POLICY UPDATE</u>	ACTION	James Bennett, Zackery McGuire Brian McDonnell, Stuart Cameron, Cambridge Assocs.
9:40 – 10:00 a.m.	5.	<u>INVESTMENT REVIEW</u> <ul style="list-style-type: none">• Investment Monthly Review• Investment Quarterly Review• Risk Diversifiers Quarterly Review		James Bennett, Zackery McGuire Brian McDonnell, Stuart Cameron, Cambridge Assocs.
10:00 – 10:40 a.m.	6.	<u>PRIVATE MARKETS REVIEW</u> <ul style="list-style-type: none">• Private Markets Activity• Cliffwater Quarterly Review• Real Estate Quarterly Review		James Bennett, Zackery McGuire Tom Lynch, Cliffwater; Ed Schwartz, ORG
10:40 – 10:55 a.m.		<u>BREAK</u>		

10:55 – 11:25 a.m.	7.	<u>FINANCE AND AUDIT COMMITTEE</u> <ul style="list-style-type: none">• Report from the Committee• FY23 Administrative & Investment Operations Budgets Update• Internal Auditing Services	Shirrin Blaisdell Sherry Vandrell Sarah Lutzke, Chris Curran, Wipfli, LLP
11:25 – 11:35 a.m.	8.	<u>ADMINISTRATION REPORT</u> <ul style="list-style-type: none">• Operations Report	Jim Dusch Sherry Vandrell Rebecca Grant
11:35 – 11:45 a.m.	9.	<u>RULEMAKING</u> <ul style="list-style-type: none">• Repeal of Rule Chapter 202• Adoption of Rule Chapter 512	Michael Colleran ACTION ACTION
11:45 – 11:50 a.m.	10.	<u>LEGISLATIVE UPDATE</u>	Kathy Morin
11:50 – 11:55 a.m.	11.	<u>LITIGATION SUMMARY</u>	Betsy Stivers
11:55 a.m.		<u>ADJOURNMENT</u>	Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
April 14, 2022

MainePERS
Augusta and Remote
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04332 at 9:00 a.m. on April 14, 2022. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Henry Beck, State Treasurer; Shirrin Blaisdell; Mark Brunton; John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; Monica Gorman, Secretary to the Board of Trustees; and Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Chief Investment Officer; Zackery McGuire, Deputy Chief Investment Officer; Brian McDonnell and Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Ed Schwartz, Thorsen Eriksen and Steven Stuckwisch, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; Sherry Vandrell, Director of Finance; and Anedra Gregori, Associate General Counsel.

Brian Noyes called the meeting to order at 9:00 a.m. Henry Beck participated through video remote access pursuant to P.L. 2021, Ch. 290, having been excused from in-person attendance by the Board Chair due to illness. All other Trustees except for John Beliveau were present.

CONSIDERATION OF THE CONSENT CALENDAR

The Chair called for consideration of the Consent Calendar. The action items on the Consent Calendar were:

- Minutes of March 10, 2022
- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

CEO REPORT

Dr. Rebecca Wyke shared that the bidders' conference for the RFP to engage a consultant for development of our approach to implementing the divestment legislation was held on April 11th with proposals due April 29th. She outlined the ongoing process for staff input on the draft mission and vision statements and the development of organizational values. She reported that Introductory training on diversity, equity, and inclusion (DEI) for staff will begin in May, and senior management has begun work on developing the strategic plan with the goal of being finalized by July 1st. She stated the FY23 proposed budget will be brought before the Board for review at May's meeting. She shared that the new leadership positions have been filled and the last three hired will be introduced at a future Board meeting.

PRIVATE MARKET ACTIONS

- **Action.** Ken Williams made the motion, seconded by Dick Metivier, to enter into executive session pursuant to 1 M.R.S. §405(6)(E) & (F); 5 M.R.S. §17057(4) to consult with legal counsel concerning the rights and duties of the Board and the organization and to discuss private market investment information contained in non-public documents. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

Board moved out of executive session.

KKR Diversified Core Infrastructure Fund

- **Action.** Shirrin Blaisdell made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to \$100 million to KKR Diversified Core Infrastructure Fund, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

Advent International GPE X

- **Action.** Mark Brunton made the motion, seconded by Dick Metivier, that MainePERS make a commitment of up to \$45 million to Advent International GPE X, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

Water Street Healthcare Partners V

- **Action.** Dick Metivier made the motion, seconded by Shirrin Blaisdell, that MainePERS make a commitment of up to \$45 million to Water Street Healthcare Partners V, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

ASSET ALLOCATION

Jim Bennett provided a presentation of the impacts of the proposed allocation changes as the System approaches 2028. Jim also reviewed the proposed changes to the Investment Policy Statement with Trustees. Jim stated recommendations for the changes will be presented to the Board for consideration at the May meeting. Jim and the Trustees discussed those changes, and Jim answered questions from the Trustees.

PRIVATE MARKETS REVIEW

Private Markets Activity

Zack McGuire reviewed the table of private market funds and co-investments that had closed during the past 12 months. Zack shared that the next manager meeting is scheduled for Tuesday, April 26, 2022, with presentations by Comvest Partners at 9:00 a.m.; Bain Capital Venture at 9:45 a.m.; and, Stonelake Capital Partners at 10:30 a.m.

Jim Bennett shared with the Trustees that, consistent with Board policy, the Investment Team has begun a review of the System's consultants providing services related to alternative assets, and that the results of the review will be presented to Trustees at a future meeting.

Henry Beck left the meeting at 10:20.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of March 31st, the MainePERS fund had a preliminary market value of \$18.7 billion, the preliminary fund return for the month was 0.3%, and the preliminary fiscal year-to-date and calendar year-to-date returns were 5.2% and -2.2%, respectively.

INVESTMENT EDUCATION

Private Market Fund Lifecycle

Jim Bennett provided a presentation illustrating the lifecycle of a private market investment. The presentation described the lifecycle of a typical fund, including an explanation of fees and expenses. Jim answered questions from the Trustees.

RULEMAKING

Brian Noyes reviewed the process for in-person and virtual attendees from the public to participate and comment during the public hearings on rulemaking.

Public Hearing on Proposed Repeal of Rule Chapter 202

Michael Colleran summarized the proposed repeal of Rule 202, which governs the establishment of the Medical Board and obtaining consultations from the Medical Board or other providers.

Susan Hawes spoke in opposition to the repeal and submitted a written copy of her comments. No other members of the public participating in-person or remotely commented.

Public Hearing on Proposed New Rule Chapter 512

Michael Colleran summarized the proposed new Rule Chapter 512, which would address reimbursement rates for attending Independent Medical Examinations (IME) and the means for waiving IMEs under the new disability law, P.L. 2021, c. 277.

Susan Hawes spoke in opposition to the proposed rule and submitted a written copy of her comments. No other members of the public participating in-person or remotely commented.

Brian noted that written comments on the proposals may be submitted by the comment deadline of 4:00 p.m., April 25, 2022.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared that we continue to fill positions for member services. New hires are being trained and will be on their own in the near future.

Sherry Vandrell provided updates to the payroll filing and employer auditing statistics.

Rebecca Grant stated recruiting and hiring continues, which is keeping Human Resources, IT, and the Facilities Manager busy in getting offices ready for those coming on board.

Brian Noyes thanked them all for their hard work in hiring qualified candidates for these positions.

LEGISLATIVE UPDATE

Kathy Morin provided an update on the status of legislative bills. Kathy shared the MainePERS System bill was enacted and will become law 90 days after the end of the session. The three special plan bills have been enacted by the House and Senate and are now on the Appropriations table for consideration of funding. Kathy stated she and Dr. Wyke met with the Appropriation leads and the Commissioner of DAFS regarding the ongoing COLA work.

RETIREE HEALTH INSURANCE POST-EMPLOYMENT BENEFITS INVESTMENT TRUST FUND UPDATE

Michael Colleran updated the Trustees on the retiree health insurance post-employment benefits investment trust fund. He stated an agreement with the teacher plan trustee similar to the current agreement with the State employee plan trustees may be brought before the Board next month for approval. Michael answered questions from the Trustees.

LITIGATION UPDATE

Betsy Stivers stated in the Susan Hawes Freedom of Access matter, Ms. Hawes filed a motion to advance on the docket, and we are currently waiting on the Court. Betsy shared that the appeal period for the Hawaii action expired April 13, 2022 and we are waiting for

confirmation that no appeal was filed. She stated there was no change in the personnel matter.

John Kimball shared that his colleagues wanted the Trustees to know what a great job David Jones has done on behalf of retired teachers.

ADJOURNMENT

- Action. Ken Williams made a motion, seconded by John Kimball, to adjourn the April Board of Trustees meeting. Voted unanimously by six Trustees (Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

The meeting adjourned at approximately 12:10 p.m.

5/12/2022
Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

STATE OF MAINE
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Diana Flaherty)	
Appellant)	
)	Order of Dismissal
Appeal of Executive Director's Decision)	
Denying Eligibility for Disability)	
Retirement Benefits)	

By letter dated November 1, 2021, the Deputy Executive Director granted the Appellant retirement disability benefits for a certain condition. However, the System denied benefits as to other conditions. The Appellant chose to appeal the System's decision regarding those conditions.

The Appellant filed an addendum dated December 14, 2021, citing additional conditions. The matter was remanded to the System for reconsideration. On March 24, 2022, the System issued a decision granting the Appellant benefits on two new conditions.

The Appellant communicated her desire to dismiss the Appeal to the System Representative on or about March 25, 2022.

Based upon the foregoing, I find that the Appellant has voluntarily withdrawn her appeal with respect to all remaining portions of the original decision of the Executive Director's Designee that were not in her favor. Thus, in accordance with the decision of the Executive Director's Designee and the recommendation of the Hearing Officer pursuant to MainePERS Rule Chapter 702(8)(3)(A)(2), the appeal is hereby **dismissed with prejudice**.

Board of Trustees
Maine Public Employees Retirement System

By _____
Brian Noyes, Chair, Board of Trustees

Dated: _____

Submitted by:



Richard Regan, Esq., Hearing Officer

Dated: April 1, 2022

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: ASSET ALLOCATION AND INVESTMENT POLICY STATEMENT
MODIFICATIONS
DATE: MAY 5, 2022

POLICY REFERENCE

[Board Policy 2.1 – Investment Policy Statement](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

MainePERS has worked with Cambridge Associates and Cheiron over the past months on a review of the System's strategic asset allocation, with a focus on 2028 and the payoff of the 1996 UAL. At past meetings we have presented results of Cheiron's simulation analysis of key outcomes such as funded status, contribution rates, and liquidity based on different allocations, and discussed issues associated with demographics and plan maturity.

In April we presented and discussed the proposed allocation changes shown below. These changes, once fully implemented, will serve to increase the Fund's liquidity while slightly reducing risk and leaving expected returns essentially unchanged.

Private Equity:	Reduce from 15.0% to 12.5%
Alternative Credit:	Increase from 7.5% to 10.0%
Traditional Credit:	Reduce from 7.5% to 5.0%
US Government Securities:	Increase from 7.5% to 10.0%

As discussed last month, fully implementing these changes for the private market asset classes will be done gradually over a number of years.

A marked-up version of the System's Investment Policy Statement follows this memo, and contains a number of proposed changes that were discussed at the last meeting. In addition to the above proposed allocation changes, these changes include:

- Composition and benchmark change for US Government holdings
- Incorporating Role in Portfolio into rebalancing
- Incorporating Co-Investment guidelines into the IPS (no changes to guidelines)
- Housekeeping: dates and title changes

RECOMMENDATION

That the Board adopt amended Board Policy 2.1.

Board Responsibilities – Investment Policy for Defined Benefit Plans

2.1 – Investment Policy Statement

Date Adopted: June 9, 2016

Date Amended: November 10, 2016; May 11, 2017; June 8, 2017; September 14, 2017; December 14, 2017; November 12, 2020; January 14, 2021; May 12, 2022

Policy

The Board of Trustees of the Maine Public Employees Retirement System is authorized and responsible for administering defined benefit retirement programs at the State and local levels. The Board carries out this responsibility by adopting investment objectives and establishing an investment program through which the policy is implemented. In the case of conflicts, this policy statement supersedes previous policies and actions by the Board.

This policy covers the investment management of the assets of the following defined benefit programs administered by the Board:

- Legislative Retirement Program;
- Judicial Retirement Program;
- State Employee and Teacher Retirement Program, which includes State employees and public school members; and
- Participating Local District Retirement Program, which includes retirement plans of withdrawn participating local districts and the Consolidated Plan for Participating Local Districts.

Collectively, the assets of these programs are referred to as the DB Plan Assets. Statutes allow for the pooling of the DB Plan Assets for the purpose of investment. Pooling provides significant efficiencies. Because the relevant characteristics of the DB plans are sufficiently similar, all the DB Plan Assets are pooled for investment.

Statutory/Legal Provisions

- Me. Const. art. IX, § 18.
- 5 M.R.S. §§ 17102, 17103, 17435; 18-B M.R.S. § 801, et seq. (Maine Uniform Trust Code); 18-B M.R.S. § 901, et seq. (Maine Uniform Prudent Investor Act).
- 5 M.R.S. §§ 17153(4).
- Restatement (Third) of Trusts § 78(1) (2007) (the “sole interest rule”).
- Restatement (Third) of Trusts formally permits, and in some cases requires, the delegation of investment decisions from trustees to internal staff or external agents with the necessary skills and knowledge.
- The Employee Retirement Income Security Act (“ERISA”), codified at 29 U.S.C. § 1002, et seq., provides a description of the standard of care that applies to trustees of private

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sector retirement plans. Although the System as a public retirement plan is not specifically governed by the fiduciary duty standard set forth in ERISA, courts will often consider the standard set forth in ERISA when addressing public pension plan issues. Under ERISA, a fiduciary must act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person (expert) acting in a like capacity would act. This statutory standard is derived from the common law of trusts, which is applicable in the State of Maine.

Resources

The Board of Trustees implements this investment policy in coordination with:

- in-house investment professionals (the “Investment Team”), with experience, authority and responsibility to implement the investment policy and administer investment operations;
- consultants, with appropriate expertise, to assist the Board and the Investment Team;
- investment managers, selected individually and collectively to reflect and implement the investment policy, having full discretion within policy and contractual limits to manage assets allocated to them;
- custodians qualified to carry out recordkeeping, reporting, measurement and custodial functions; and
- other advisors that the Board deems appropriate and necessary

The Investment Team shall oversee the processes by which Custodians, Consultants, and other Advisors are hired, evaluated, and terminated, and shall work with the General Counsel on the terms of contracts of engagement.

At least every five years, the Investment Team will evaluate the performance and contract terms of all such service providers and make a recommendation to the Board as to whether or not a search process for new providers and/or renegotiation of terms be initiated.

Investment Objectives

MainePERS’ investment objectives balance the System’s twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls). The Board recognizes and accepts that these goals are in opposition, and that a trade-off exists between expected risk and return. The Board balances these goals by seeking to optimize portfolio returns consistent with an established targeted portfolio risk level. Additionally, by optimizing investment returns on trust assets, rather than attempting to maximize them, the Board seeks to maintain contribution rate and funding level volatility at acceptable levels that have been determined from time to time during strategic asset allocation planning and asset/liability reviews.

Strategic Asset Allocation and Rebalancing

The Investment Team and Board consultants shall annually review long-term capital market expectations and existing asset class allocations with Trustees. The Board shall review, and when strategically appropriate, approve recommended changes to the existing strategic asset classes, target weights, and ranges for implementation by the Investment Team. (See Appendix 1)

The specified policy weight ranges define minimum and maximum acceptable weights for each asset class. (See Appendix 2) The Investment Team shall maintain asset class weights within target ranges, subject to considerations such as transactions costs and the unique characteristics of private market investments, by reallocating capital within existing strategies and investments. The Investment Team will provide Trustees with reports showing the fund's current asset allocation at least monthly, and report on rebalancing activity quarterly.

Portfolio Risk Management

The primary method of controlling risk shall be the selection of the strategic asset allocation and asset class target weights within the allocation. (See Appendix 1) Combined with long term capital market expectations, these policy weights define a portfolio with a specific level of risk.

The Chief Investment Officer shall develop a risk strategy for managing assets within the Board approved strategic asset allocation. The risk strategy will specify practices and procedures for the measurement and management of portfolio risk, including the provision of a portfolio risk report to the Board at least quarterly. (See Appendix 3)

Nothing in the risk strategy shall override the Asset Classes, Policy Weights and Ranges described in Appendix 1.

Performance Objectives and Benchmarks

The Board acknowledges that benchmarks provide insight into fund and asset class performance, but are not necessarily guides for changing asset allocations or fund managers. The rate of return earned by fund assets will be measured against a policy benchmark comprised of the asset class benchmarks. (See Appendix 4) Returns earned by individual managers will be compared with a benchmark index appropriate to each manager's investment approach.

For performance evaluation purposes, all rates of return will be measured net of the deduction of investment management fees.

During a period of transition from one asset allocation to another, certain transitional allocations to appropriate benchmarks are permitted.

Investment Implementation

The Investment Team shall implement the investment policy, subject to Board guidelines:

- Exposure to publicly traded equity securities is expected to be obtained passively and with weightings substantially similar to those of the benchmarks specified in Appendix 4. Any exceptions must be approved by the Board.
- Investments within each Asset Class should be consistent with the Asset Class definitions provided in Appendix 1.

Environmental, Social, and Governance; Engagement

In performing due diligence and monitoring activities, the Board and the Investment Team shall comply with Board Policy 2.6, Environmental, Social and Governance Policy; and Board Policy 2.7, Engagement.

Investment Manager Selection and Allocation Process

MainePERS invests through external investment managers, who are charged to act as fiduciaries, and allocates fund assets among them in accordance with the strategic asset allocation. The Investment Team identifies, performs due diligence on, and recommends investment managers and allocations to the Board. The Investment Team also monitors performance and recommends retention and termination decisions to the Board. The Board retains final authority for manager selection, retention and termination decisions.

Managers are selected and retained on the basis of an evaluation that establishes sufficient confidence that the manager will improve the return and risk of the investment program. If and when the Investment Team and/or consultant(s) identify an investment manager that they believe will improve the investment program, the Investment Team will make a recommendation to the Board of Trustees that the manager be hired. This recommendation will be accompanied by an opinion by the investment consultant on this recommendation. The Board retains the final authority to accept or reject such recommendations.

The Investment Team will prepare and present to the Board of Trustees selection criteria they deem pertinent for each manager search and recommendation to hire. The Investment Team will provide the Board with all the necessary information and analysis to enable an informed decision. The Board may choose to interview the recommended manager or they may rely on the Investment Team to conduct interviews.

Derivatives

In general, the use of derivatives is permitted provided that the purpose of the derivative is to achieve an investment objective at lower cost and/or risk than would be the case with direct investments in the underlying securities. The System may also invest in strategies which use derivatives to obtain leverage. In all such cases, the use of derivatives must be disclosed to the

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Board prior to the Board's approval, and the strategy must be structured so as to limit System liability to the amount committed to the strategy.

Leverage

The System may invest in strategies in which managers have discretion to use leverage. The use of leverage in any strategy must be disclosed to the Board prior to the Board's approval, and the strategy must be structured so as to limit System liability to the amount committed to the strategy.

Hedging

The Board has reviewed the benefits and risks associated with foreign currency exposures. As a general rule the Board has chosen not to hedge currency at the portfolio level. Unless otherwise directed asset managers will have discretion to hedge investments under their management as they deem most beneficial to their mandate.

Transaction Costs and Brokerage

The Board of Trustees expects investment managers, in their capacity as fiduciaries, to manage transaction costs in the best interests of the System as an investor. To enable the managers to fulfill this fiduciary duty, it is the Board's policy not to be party to directed brokerage programs.

Securities Lending

The System may participate in a securities lending program either directly through its separately managed portfolios or indirectly through its investments in pooled vehicles. In each case, the securities lending program must focus on low risk, as opposed to maximization of returns. All DB Plan Assets are available for securities lending.

Monitoring

The Board relies on the Investment Team and the investment consultant(s) to continuously monitor the investment program and to report to the Board as outlined below.

- the Investment Team and investment consultant(s) provide comprehensive periodic reports on the entire investment program, including asset allocation, performance of each component relative to benchmarks, attribution analysis, and commentary.
- the Investment Team and investment consultant(s) monitor changes and developments at investment managers and at custodian(s) on an ongoing basis and report significant changes or events with recommended actions as needed.

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Emergency Measures

Immediate action may be taken beyond the bounds of this policy under extraordinary circumstances and in order to preserve the best interests of the plans' participants by unanimous decision of the following:

- The Chair, or in the Chair's absence, Vice Chair of the Board
- The [Chief Executive Officer](#)~~Director~~, or in the [Chief Executive Officer](#)~~Executive Director~~'s absence, the [Chief Operating Officer and](#) General Counsel
- The Chief Investment Officer, or in the Chief Investment Officer's absence, Deputy Chief Investment Officer, or in the absence of both of them, the general investment consultant

Any such action must be reported to the Board of Trustees at the earliest opportunity.

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Board Responsibilities – Investment Policy

Appendix 1: Asset Classes, Policy Weights and Ranges

Date Adopted: June 9, 2016

Date Amended: ~~New;~~ June 8, 2017; September 14, 2017; ~~;~~ January 14, 2021; May 12, 2022

The System’s assets are invested across nine Asset Classes that play four distinct Roles in the overall Fund. The Trustees define these Roles and Asset Classes and set target policy weights and ranges below.

	Weights		
	Minimum	Policy	Maximum
GROWTH	35%	45% <u>42.5%</u>	55%
Public Equity	20%	30%	40%
Private Equity	5%	15% <u>12.5%</u>	20%
RISK DIVERSIFIERS	0%	7.5%	12.5%
HARD ASSETS	15%	25%	35%
Real Estate	5%	10%	15%
Infrastructure	5%	10%	15%
Natural Resources	0%	5%	10%
CREDIT	5%	15%	20%
Traditional Credit	5% <u>0%</u>	7.5% <u>5%</u>	15% <u>10%</u>
Alternative Credit	0%	7.5% <u>10%</u>	12.5% <u>15%</u>
MONETARY HEDGE	5%	7.5% <u>10%</u>	15%
US Government Securities	5%	7.5% <u>10%</u>	15%
Cash	0%	0%	10%

Asset Class Definitions

The below Asset Class definitions are simplified and are intended to convey the general characteristics of investments held within each class. Some investment strategies involve assets and securities that span multiple asset classes.

Public Equity

Investments in publicly-traded shares of companies. May include different classes of common stock, shares of REITs, and MLPs.

Private Equity

Investments in non-publicly traded shares of companies. Investments are typically made via private limited partnerships, and may include both equity and debt securities.

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Risk Diversifiers

Investments typically made through private funds that generally invest in listed assets such as stocks, bonds, and commodities, via strategies that are expected to have little correlation with declining or rising stock markets.

Real Estate

Investments providing direct exposure Real Estate, including investments through private funds.

Infrastructure

Investments typically made through private funds that generally invest in assets that meet most or all of the following criteria: provide essential public services, possess monopoly-like characteristics, provide long term contracted cash flows, and bear limited volumetric and price risk.

Natural Resources

Investments in private funds that generally invest in businesses focused on natural resources such as timberland, agriculture, and mining. Private energy investments will generally be included in Private Equity, rather than Natural Resources.

Traditional Credit

Investments in investment-grade debt instruments that are not issued by the U.S. Government. Such debt may or may not be registered for sale to the general public.

Alternative Credit

Investments in debt instruments issued by non-investment grade and unrated entities. This may include, but is not limited to high yield debt, bank loans, structured debt, and asset-backed debt. Alternative credit investments are expected to pay or accrue periodic interest and to return principal at maturity. Distressed debt and other debt or yield-oriented securities that include equity-like exposures are considered Private Equity, not Alternative Credit.

Monetary Hedges

Investments in debt instruments issued by the U.S. Government, including nominal Treasury securities and Treasury Inflation Protected Securities (TIPS), held in approximately equal proportions.

Roles in the Overall Fund

Each of the above asset classes fills a specific Role in the overall portfolio. These Roles are defined below.

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Growth Assets

Growth Assets are intended to reduce the system's funding needs in the long term by appreciating in value. Growth Assets possess inherently higher expected returns than other asset classes. Growth Assets also have higher expected volatility than other asset classes, and are expected to increase funding volatility in the short run.

Risk Diversifiers

Risk Diversifiers are investments that primarily derive their return from alpha (or active manager skill) as opposed to market directionality. Risk Diversifiers are expected to provide significant risk diversification benefits away from Growth Assets.

Hard Assets

Investments in the Hard Assets category provide exposure to long-lived "real" assets, such as real estate, timber, agricultural, and infrastructure assets. Expected return levels of Hard Assets are lower than those of Growth Assets, and a substantial portion of such returns is expected to come from ongoing cash flows. Hard Assets are expected to provide inflation protection, to have low correlation with Growth Assets, and to provide diversification benefits.

Credit Assets

Credit investments provide capital to end-users via loans and the purchase of debt securities. Such investments provide for contractual returns (interest) and repayment of principal. Credit investments possess lower risk and expected returns than equity investments, but have higher risk and expected returns than monetary hedges. Credit investments are expected to provide diversification away from Growth Assets.

Monetary Hedges

The role of Monetary Hedges in the portfolio is to provide liquidity and a safe harbor in times of turbulence. These investments are cash and obligations of the U.S. Government, and are considered to be free of default risk.

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Board Responsibilities – Investment Policy

Appendix 2: Rebalancing

Date Adopted: June 9, 2016

Date Amended: ~~New~~ May 12, 2022

The Board has set target weights for each Asset Class and Role in Portfolio category in Appendix 1, and delegates the management of asset class allocation to the Investment Team. The Investment Team is expected to maintain asset class weights near target, subject to considerations such as transactions costs and the unique funding and liquidity characteristics of private market investments.

To this end, the Team is permitted to reallocate capital within existing strategies and investments for rebalancing purposes. The Investment Team is expected to consider both Role in Portfolio and Asset Class policy weights when rebalancing. The Team will provide Trustees with reports showing the Fund's current asset allocation at least monthly, and report on rebalancing activity at least quarterly.

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Board Responsibilities – Investment Policy

Appendix 3: Risk Strategy

Date Adopted: June 9, 2016

Date Amended: New

While this Risk Strategy is in development the Chief Investment Officer shall rely on the Strategic Asset Allocation and Rebalancing provisions of this policy to manage the Fund's risk.

The Investment Team and the Board believe that this approach will deliver an appropriate expected return with commensurate risk over a long term horizon. However they also recognize that the portfolio's realized risk will vary over time which may result in periods during which the fund bears substantially higher risk than the System initially targeted.

In an effort to achieve more stable (less volatile) returns, the Investment Team will seek to develop management tools and practices that they believe will be better able to keep the fund's risk in an acceptable range.

This Risk Strategy shall be updated from time to time by the Trustees to reflect recommendations developed by the Chief Investment Officer.

Nothing in the Risk Strategy shall override the Asset Classes, Policy Weights and Ranges described in Appendix 1.

Governance Manual

MainePERS Board of Trustees

Board Responsibilities – Investment Policy

Appendix 4: Policy Benchmarks

Date Adopted: June 9, 2016

Date Amended: June 8, 2017, January 14, 2021, May 12, 2022

Asset	Benchmark	Weight
Total Public Equity	Russell 3000 & MSCI ACWI ex-USA, based on ACWI weights	30%
Private Equity	Russell 3000 + 3%	15% <u>12.5%</u>
Diversifiers	0.3 Beta MSCI ACWI	7.5%
Real Estate	NCREIF Property (lagged one quarter)	10%
Infrastructure	CA Infrastructure Median	10%
Natural Resources	CA Natural Resources Median	5%
Traditional Credit	Barclays US Aggregate, ex Treasury	7.5% <u>5%</u>
Alternative Credit	50% BAML US HY II + 50% S&P/LSTA US Leveraged Loan Index	7.5% <u>10%</u>
U.S. Government Securities	Custom Fixed Income Benchmark <u>50% Bloomberg Barclays U.S. Government Bond Market Index + 50% Bloomberg U.S. TIPS Index</u>	7.5% <u>10%</u>

Governance Manual

MainePERS Board of Trustees

Board Responsibilities – Investment Policy

Appendix 4: Co-Investment

Date Adopted: June 9, 2016

Date Amended: June 8, 2017; January 14, 2021; May 12, 2022

Co-investments are permitted within private market asset classes, subject to the below guidelines.

Target Allocation	7.5% <u>of total Fund.</u> <u>This target is a subset of the total 47.5% allocation to private market asset classes, and is not in addition to that allocation.</u>
Asset Classes	Co-investment may be made in each of the private market asset classes.
Discretion	Investment Team has discretion to make co-investments, in conjunction with the asset class consultant.
Signatories	The Chief Executive Officer, Chief Investment Officer, and General Counsel are authorized as signatories to execute documents in connection with co-investments.
Permissible Partners	Unless otherwise authorized, co-investments will only be made alongside Funds in which the System is a current investor.
Size Limits	Unless otherwise authorized, maximum of \$25m invested into any single co-investment. Unless otherwise authorized, maximum of \$200m aggregate co-investment in a single asset class with any single General Partner. The Investment Team will provide additional co-investment portfolio reporting to Trustees for those General Partners with more than \$100m of aggregate co-investment in any single asset class.

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: INVESTMENT REVIEW
DATE: MAY 5, 2022

Following this memo is the Monthly Investment Review for April as well as Cambridge Associates' Quarterly Investment and Risk Diversifiers Reviews.

POLICY REFERENCE

[Board Policy 2.1 – Investment Policy Statement](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

MONTHLY INVESTMENT REVIEW: HIGHLIGHTS AND OBSERVATIONS

Preliminary Fund results for the month include:

- Month-end fund value of \$18.6 billion, down from last month's fund value of \$19.2 billion.
- Monthly return of -2.7%.
- Fiscal and calendar year-to-date returns of 4.8% and -2.6%, respectively.

INVESTMENT PERFORMANCE CAVEAT

All asset values and performance figures contained in the Monthly Investment Review are provided by the System's custodian, and as we have discussed in prior meetings, private market asset values are reported with a one quarter lag. For example, the \$1,210M value of Alternative Credit presented on slide 5 is based on investment values as of the end of the prior quarter (12/31), adjusted for cash flows through the end of April.

One consequence of this is that reported performance figures are a blend of returns based on both current values (for public holdings) and lagged values. This blending has little impact on

reported returns over longer periods, but can have a meaningful impact during shorter periods, especially when returns have been volatile. During such times, performance as reported by our custodian can differ from that based on unlagged values. This is currently the case for the reported FYTD return of 4.8% contained on slide 5, as shown below. I wanted to bring this difference to your attention at this point since the difference has become large, and can discuss further during the meeting.

	Lagged Value (per Custodian)	Unlagged Value
6/30/2021	\$18.1B	\$18.8B
Benefit Flows	\$355M	\$355M
4/30/22	\$18.6B	\$18.6B
Estimated FYTD Return	4.8%	≈1%



Investment Review

May 12, 2022



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Objective

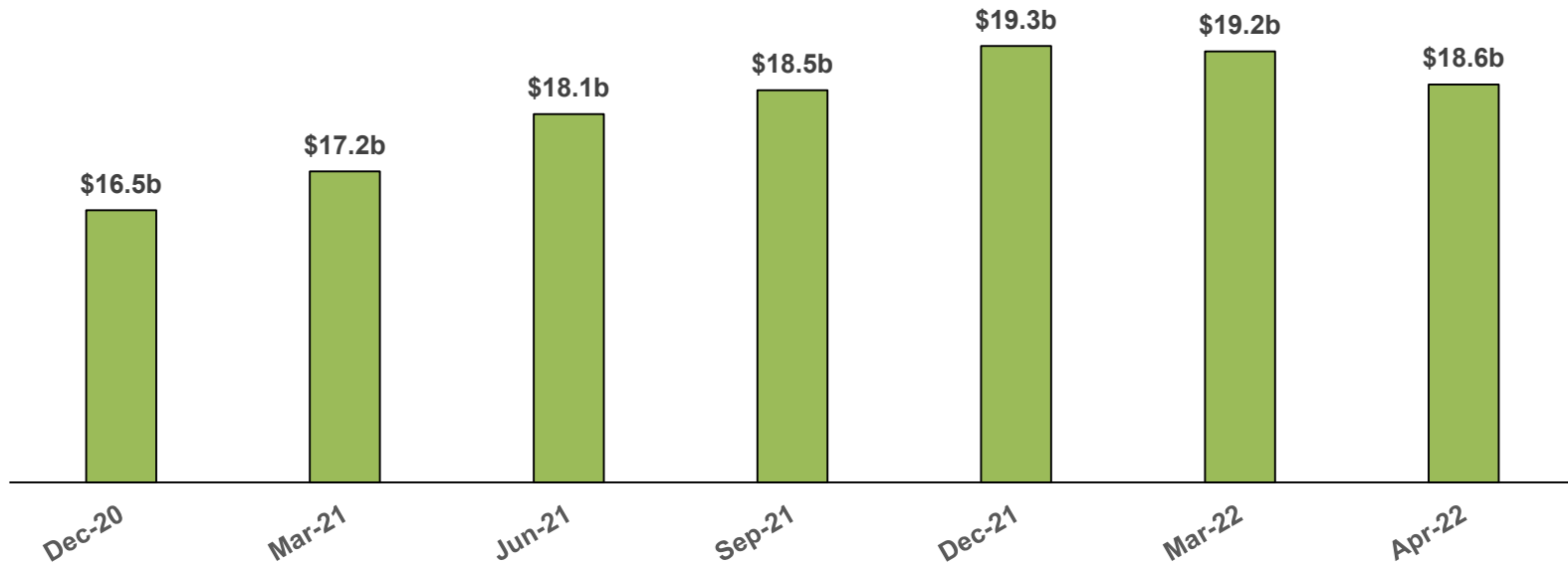
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

The Board recognizes and accepts that these goals are in opposition, and that a trade-off exists between expected risk and return. The Board balances these goals by seeking to optimize portfolio returns consistent with an established targeted portfolio risk level.

Additionally, by optimizing investment returns on trust assets, rather than attempting to maximize them, the Board seeks to maintain contribution rate and funding level volatility at acceptable levels that have been determined from time to time during strategic asset allocation planning and asset/liability reviews.

April 2022 Performance (Preliminary)

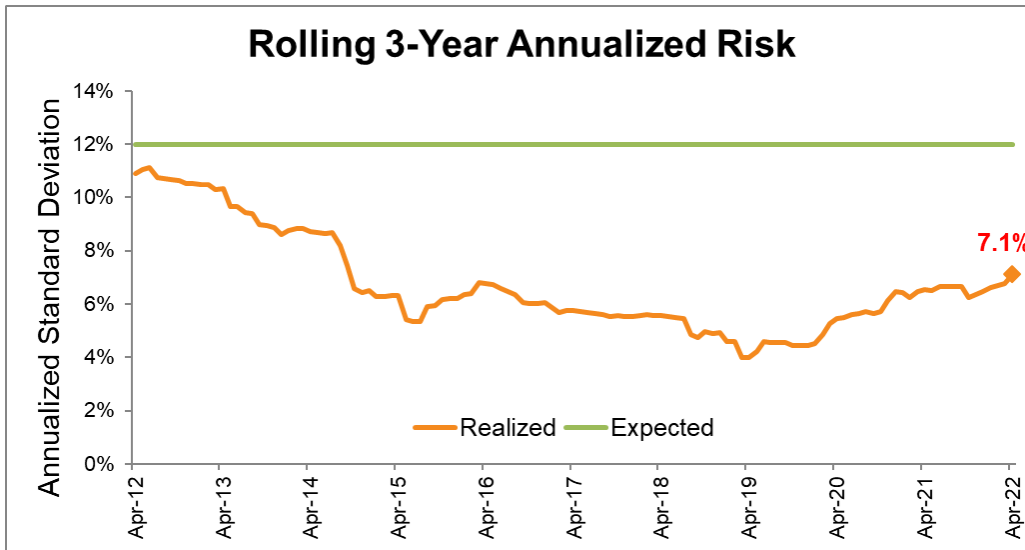
The **preliminary** fund value at the end of April is \$18.6 billion.



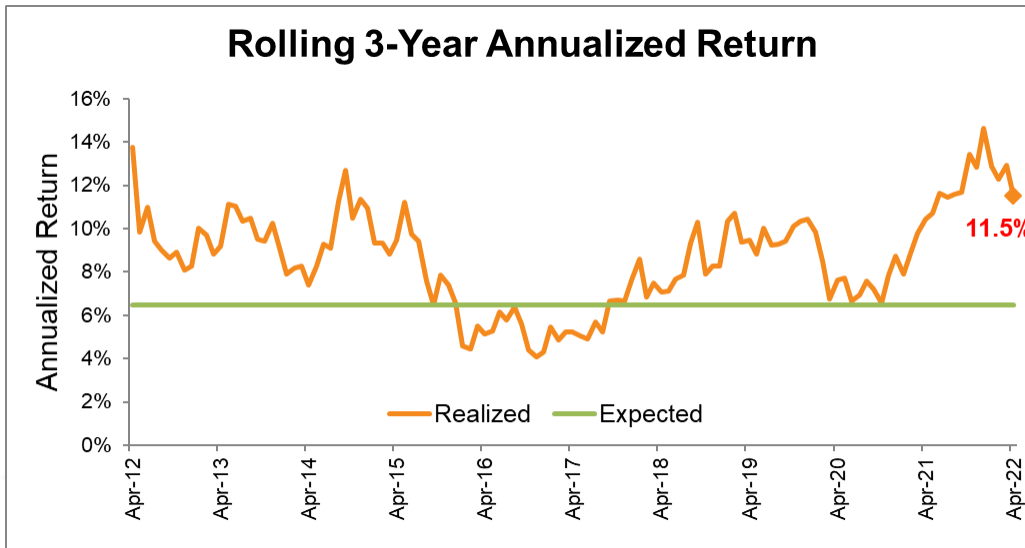
Fund and Benchmark Returns

	Apr-22	CYTD 2022	FYTD 2022
Total Fund	-2.7%	-2.6%	4.8%
Russell 3000	-9.0%	-13.8%	-5.9%
MSCI ACWI ex-USA	-6.3%	-11.4%	-12.5%
Barclays Agg. Bond Index	-3.8%	-9.5%	-9.4%

Investment Objective Measurement: Risk and Return



Recent fund risk remains well below targeted risk level on a rolling 3-year annualized basis.



Investment returns continue to exceed expected values on a rolling 3-year annualized basis.

Note: Rolling 3-year return and standard deviation are calculated at each point in time based on returns over prior 36 months. All figures are annualized.

April 2022 Asset Allocation (Preliminary)

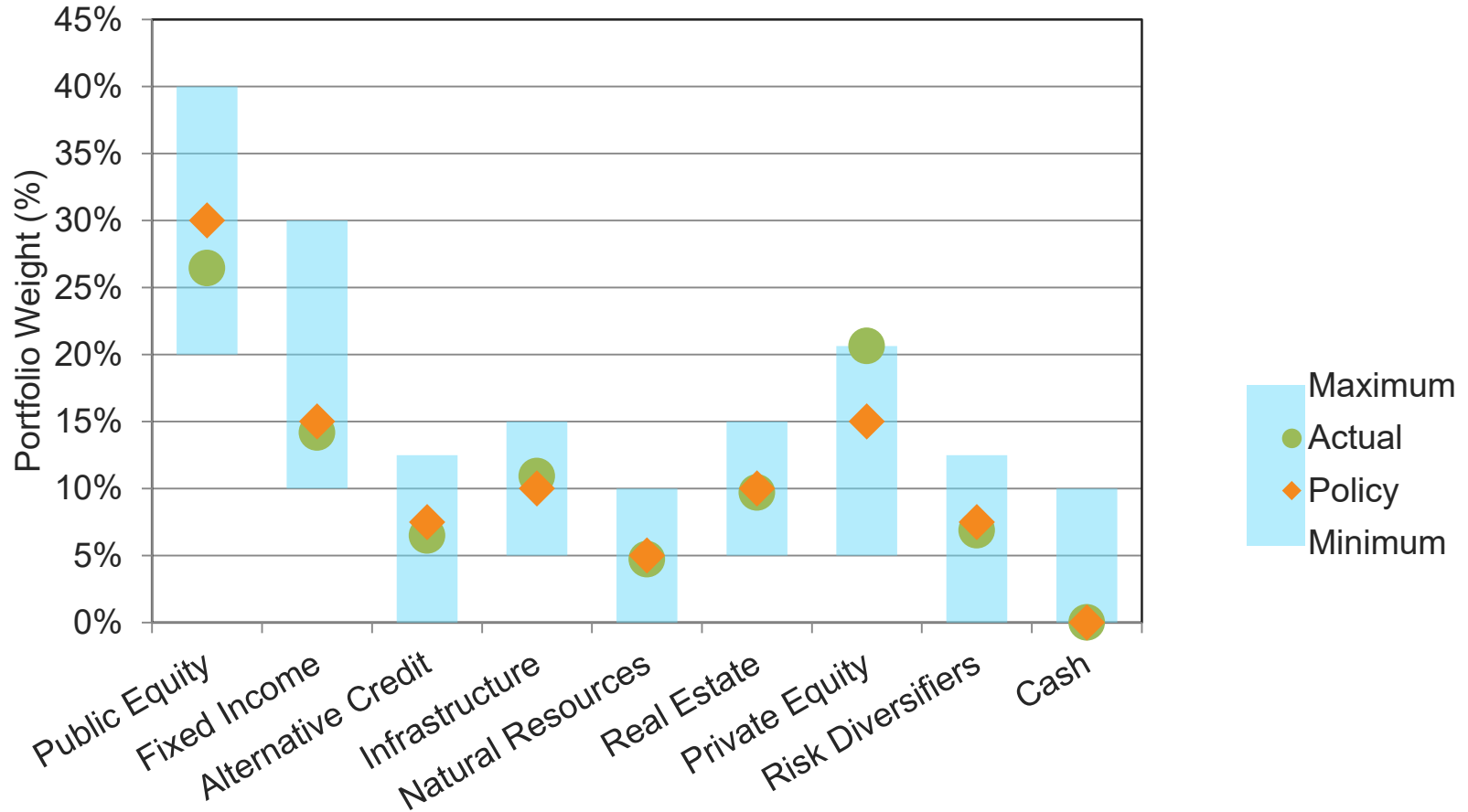
Assets (Millions)	Value	% of Fund	Policy %
MainePERS Portfolio	\$ 18,642	100.0%	100.0%
Domestic Equity	\$ 3,000	16.1%	18.4%
International Equity	\$ 1,930	10.4%	11.6%
Fixed Income	\$ 2,642	14.2%	15.0%
Alternative Credit	\$ 1,210	6.5%	7.5%
Infrastructure	\$ 2,037	10.9%	10.0%
Natural Resources	\$ 881	4.7%	5.0%
Private Equity	\$ 3,848	20.6%	15.0%
Real Estate	\$ 1,809	9.7%	10.0%
Risk Diversifiers	\$ 1,284	6.9%	7.5%
Cash	\$ 1	0.0%	0.0%

Portfolio weights for most asset classes remain near MainePERS Investment Policy asset allocation weights.

Private equity remains overweight at ~20% of Fund Value.

Private Markets assets in aggregate comprise 52.5% of the overall portfolio, above the 47.5% policy weight.

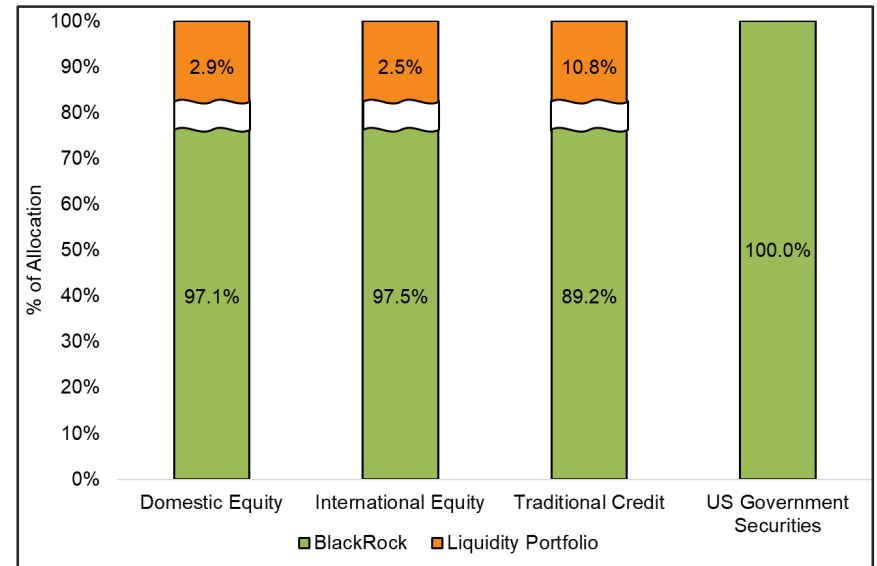
April 2022 Asset Allocation (Preliminary)



Public Securities: Liquidity Portfolio

At the end of April, 1.5% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 3.6% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	\$86.8	Futures
Parametric International Equity	\$48.8	Futures
Parametric Traditional Credit	\$136.3	ETFs
Parametric US Government Securities	\$0.0	Futures
Total Liquidity Portfolio	\$271.8	

MainePERS has **exposures to derivatives** in the following areas:

- Public Equities, Public Fixed Income, and Risk Diversifiers

MainePERS has **financial leverage** (borrowing and investing) in the following areas:

- BlackRock – Financial leverage in securities lending
- JP Morgan – Financial leverage in securities lending
- Alternative Credit
- Infrastructure
- Natural Resources
- Private Equity
- Real Estate

Securities Lending and Alternative Assets each result in leverage of around 10% of the total Fund.

Investment Related Fees: April 2022

Description	FYTD 22	FY 21	FY 20	FY 19	FY 18
Investment Mgmt. Fees	\$98,143,501	\$118,561,261	\$124,480,394	\$106,398,871	\$92,410,866
Securities Lending Fees ¹	1,324,215	1,653,172	2,239,396	2,226,826	3,714,108
Consulting Fees	933,333	1,120,000	1,120,000	1,120,000	1,120,000
Broker Commissions ²	19,574	52,364	37,461	28,970	38,168
Placement Agent Fees	0	0	0	0	0
Total	\$100,420,623	\$121,386,797	\$127,877,251	\$109,774,667	\$97,283,142
Percentage of Fund ³	0.72%	0.67%	0.87%	0.74%	0.68%

1. Securities Lending Fees are through 3/31/2022
2. Actual paid commissions reported by JP Morgan
3. Annualized estimated total fees divided by the current fund value for FYTD 22. The prior years' calculations are actual fees divided by the June 30 market value.

Securities Lending: March 2022

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	\$1,971,808,652	\$1,408,486,914	\$259,115	60%/40%	\$155,469	\$1,109,817
Total Equity	\$1,832,899,042	\$211,682,173	\$135,541	60%/40%	\$91,062	\$1,061,300
Total Blackrock	\$3,804,707,694	\$1,620,169,087	\$394,656		\$246,531	\$2,171,117
JP Morgan						
Domestic Equities	\$3,084,155,999	\$152,118,449	\$29,544	85%/15%	\$25,117	\$189,758
Total	\$6,888,863,693	\$1,772,287,536	\$424,200		\$271,648	\$2,360,875
Total Annualized Securities Lending Income, FY 2022:				\$3,147,833 (0.02%, or 1.7 bps)		
Total Actual Securities Lending Income, FY 2021:				\$3,053,425 (0.02%, or 2.0 bps)		

Liquidity Schedule: April 2022

Term	Market Value	Percent of Portfolio
Liquid ¹	\$7,574m	40.6%
Semi-Liquid ²	\$2,545m	13.7%
Illiquid ³	\$8,523m	45.7%
Total	\$18,642m	100.0%

<u>Sources and Uses of Liquidity</u>		
	Last 12 Months Actual	Next 12 Months Projection
Private Markets Activity		
Capital Contributions	-\$1,693m	-\$780m
Distributions	\$2,057m	\$1,740m
Net Private Markets Activity	\$364m	\$960m
Benefit Payments	-\$420m	-\$420m
Net Cash Flows	-\$56m	\$540m

¹Liquid assets includes public equities and public fixed income

²Semi-liquid assets includes risk diversifiers, open-end real estate investments, and listed alternative credit funds

³Illiquid assets includes closed-end alternative credit, infrastructure, natural resources, private equity, and real estate funds

MainePERS Alternative Investments Summary

<i>as of 04/30/2022</i>	# of Funds	# of GP Relationships
Alternative Credit	18	11
Infrastructure	33	11
Natural Resources	14	9
Private Equity	117	33
Real Estate	33	18
Risk Diversifiers	8	6
Total*	223	81

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 223 funds,
and has 81 distinct manager relationships.

MainePERS Alternative Investments Summary


<i>(in \$millions)</i> as of 04/30/2022	Current Market Value			Unfunded Commitment	
	Dollars	% of Fund	Target	Dollars	% of Fund
Alternative Credit	\$ 1,210	6.5%	7.5%	\$ 388	2.1%
Infrastructure	\$ 2,037	10.9%	10.0%	\$ 684	3.7%
Natural Resources	\$ 881	4.7%	5.0%	\$ 205	1.1%
Private Equity	\$ 3,848	20.6%	15.0%	\$ 1,290	6.9%
Real Estate	\$ 1,809	9.7%	10.0%	\$ 500	2.7%
Risk Diversifiers	\$ 1,284	6.9%	7.5%	\$ -	0.0%
Total Alternatives	\$ 11,069	59.4%	55.0%	\$ 3,066	16.4%

For more details please see Private Markets Investment Summary at <http://www.mainebers.org/Investments/>


Note: Market values shown above are preliminary estimates. Private market asset values are based on 12/31/21 values, adjusted for subsequent cash flows.

<i>(in \$millions)</i> as of 04/30/2022	Private Market Commitments by Vintage Year				3-Year
	2019	2020	2021	2022	Average ¹
Alternative Credit	\$ 200	\$ 275	\$ 410	\$ -	\$ 295
Infrastructure	\$ 350	\$ 235	\$ 180	\$ 100	\$ 255
Natural Resources	\$ 175	\$ -	\$ -	\$ -	\$ 58
Private Equity	\$ 240	\$ 276	\$ 438	\$ 133	\$ 318
Real Estate	\$ 230	\$ 80	\$ 285	\$ 140	\$ 198
Total Commitments	\$ 1,195	\$ 866	\$ 1,313	\$ 373	\$ 1,125

¹3-Year Average: 2019-2021



Q1 2022



Comprehensive Quarterly Reports

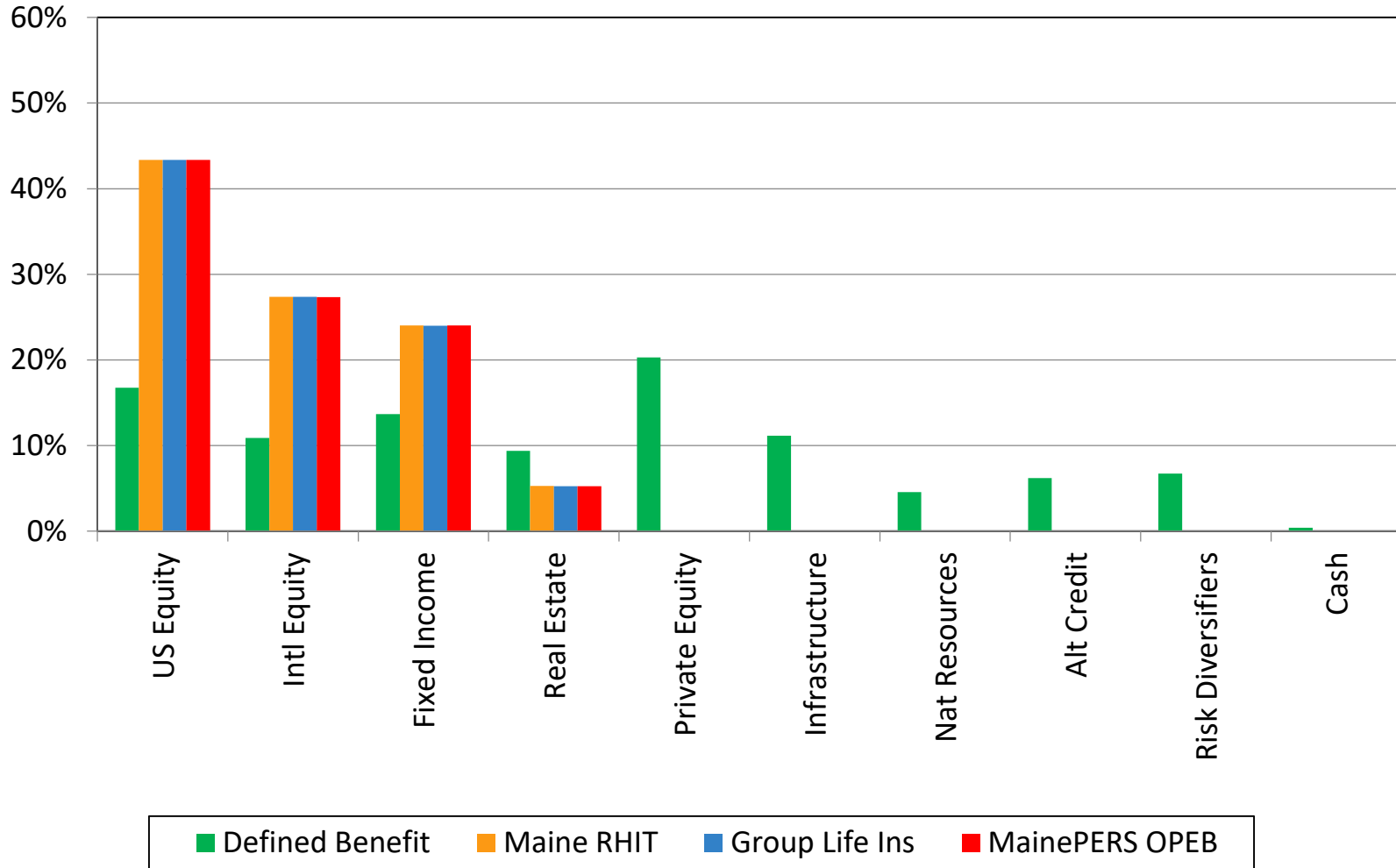


MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

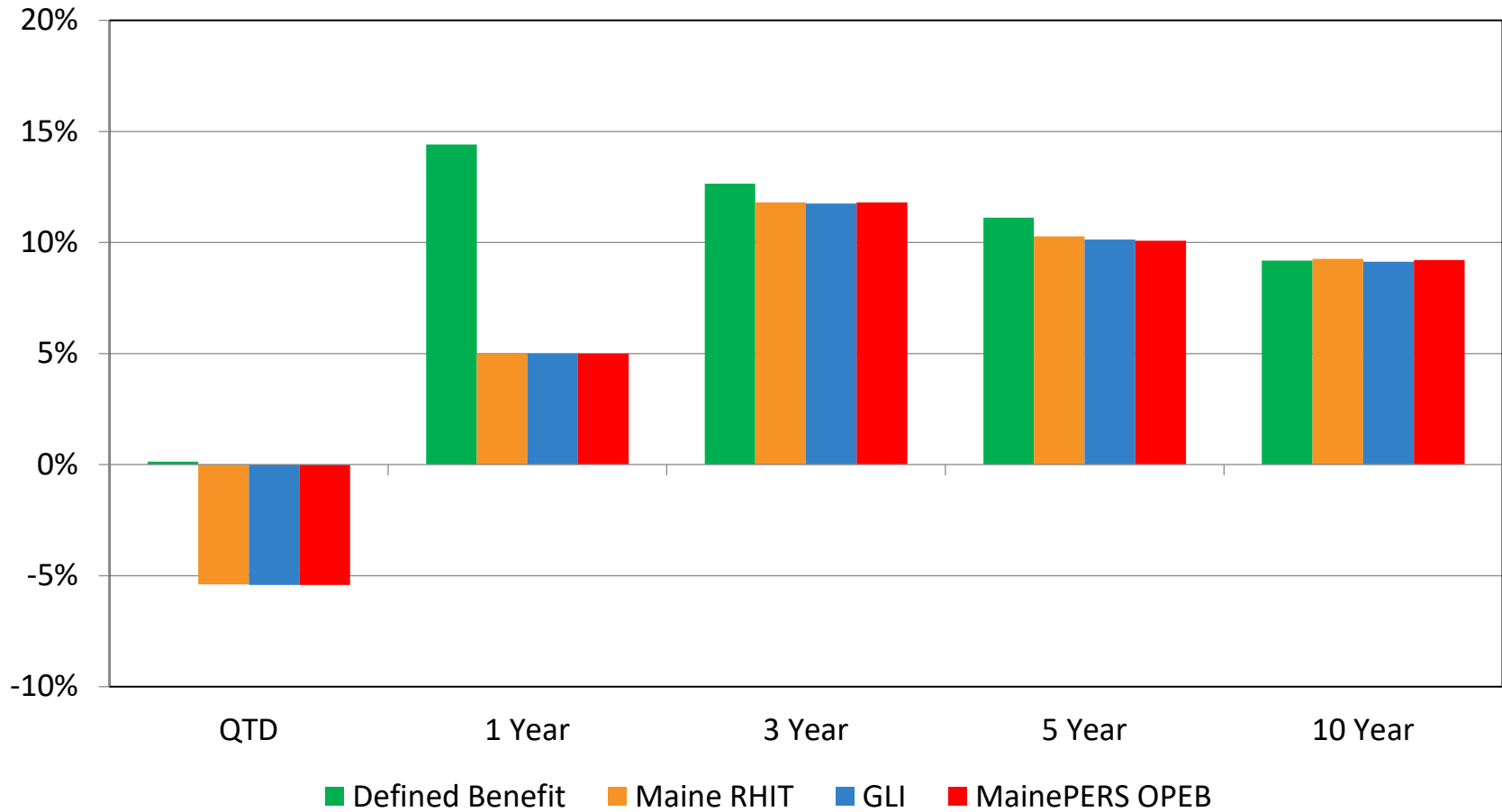
Investment Returns for All Funds at 3/31/2022

Fund	Market Value (millions)	Quarter End	1 Year	3 Year	5 Year	10 Year
Defined Benefit	\$19,193.2	0.1%	14.4%	12.6%	11.1%	9.2%
Benchmark		0.7%	11.4%	11.9%	10.3%	8.5%
Maine RHIT	\$378.8	-5.4%	5.0%	11.8%	10.3%	9.3%
Benchmark		-5.4%	5.1%	11.2%	9.8%	9.0%
Group Life Insurance	\$183.4	-5.4%	5.0%	11.8%	10.1%	9.1%
Benchmark		-5.4%	5.1%	11.2%	9.8%	9.0%
MainePERS OPEB	\$18.6	-5.4%	5.0%	11.8%	10.1%	9.2%
Benchmark		-5.4%	5.1%	11.2%	9.8%	9.0%

Asset Allocation for All Funds at 3/31/2022



Performance for All Funds at 3/31/2022



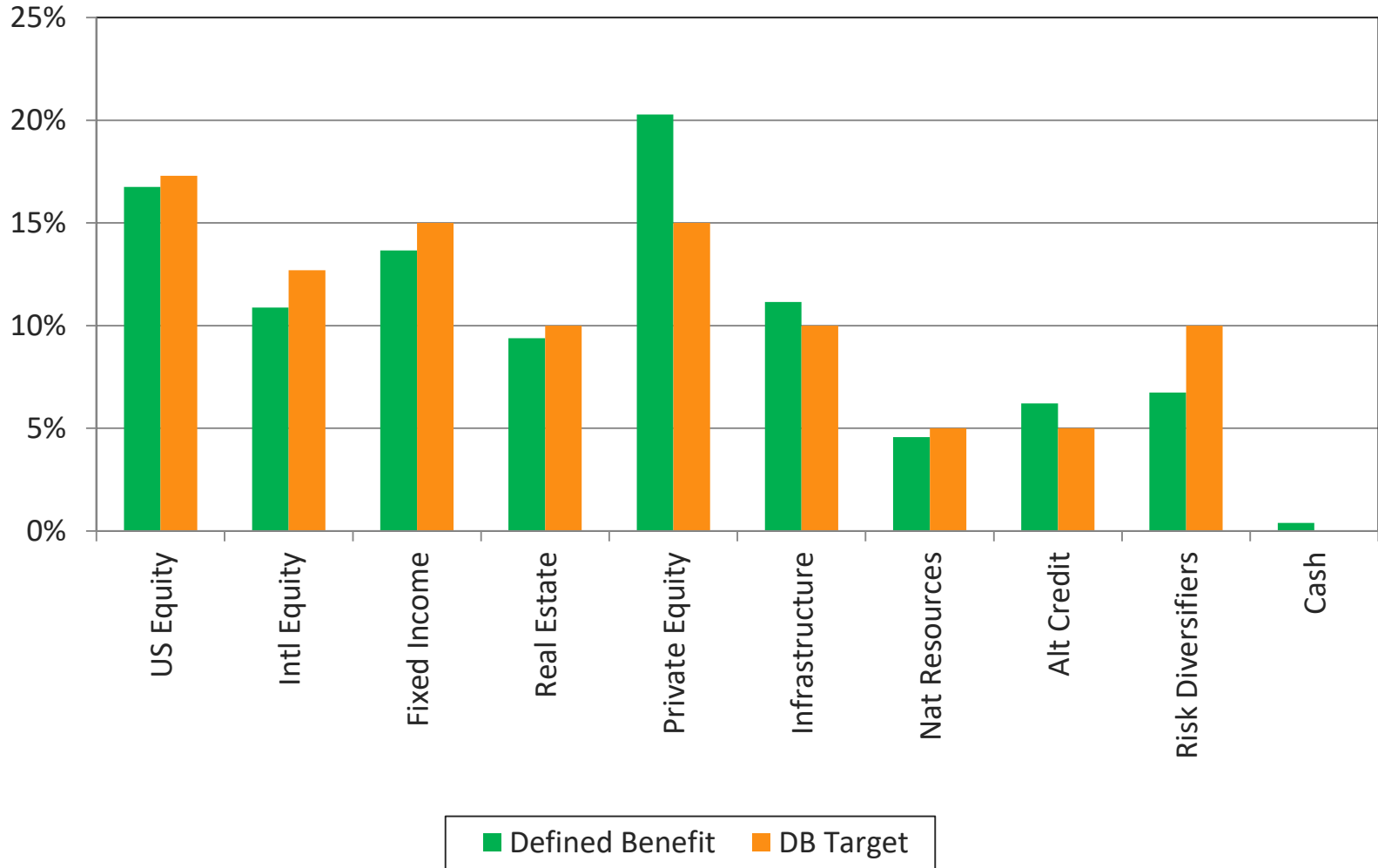


Appendix

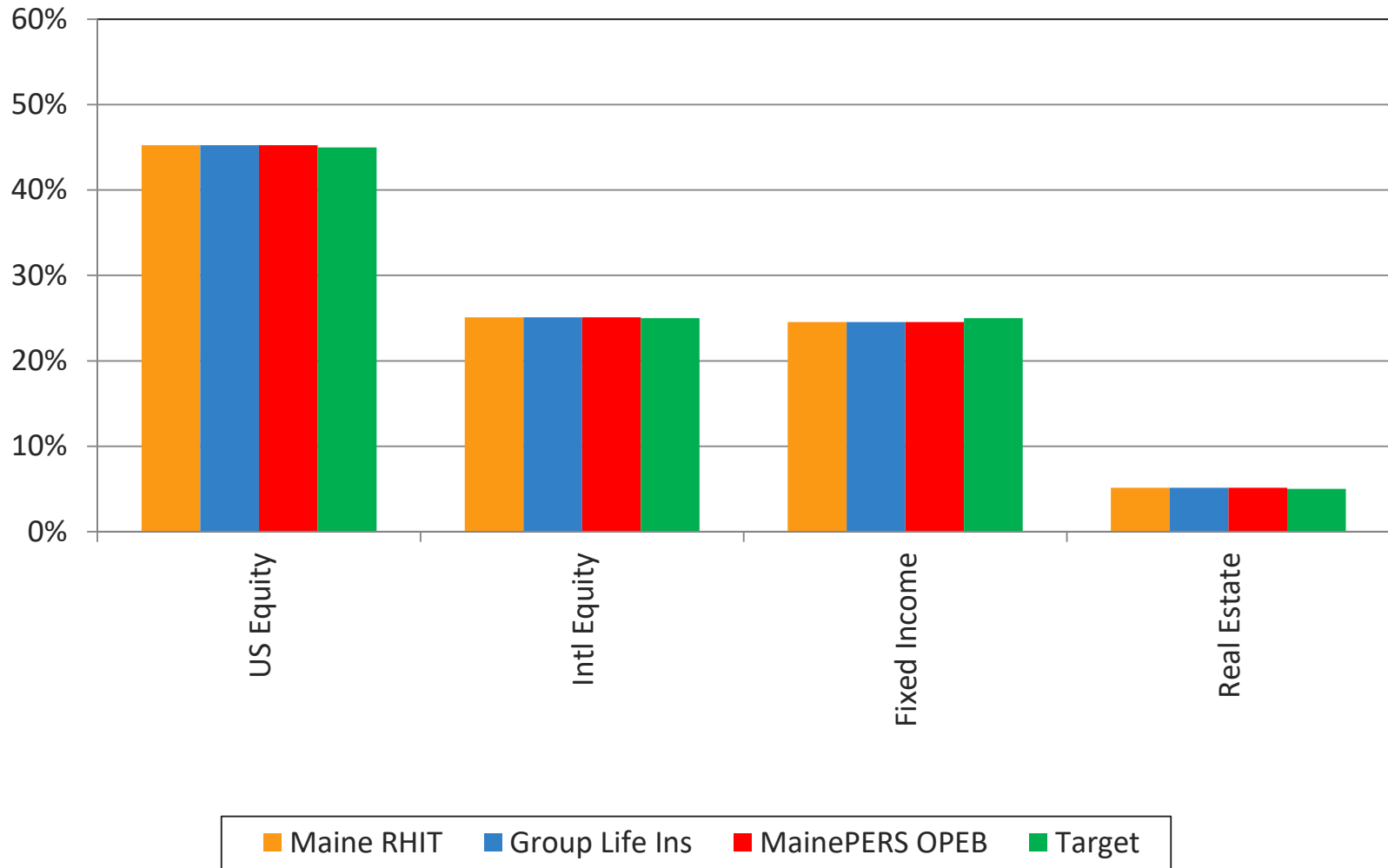


MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

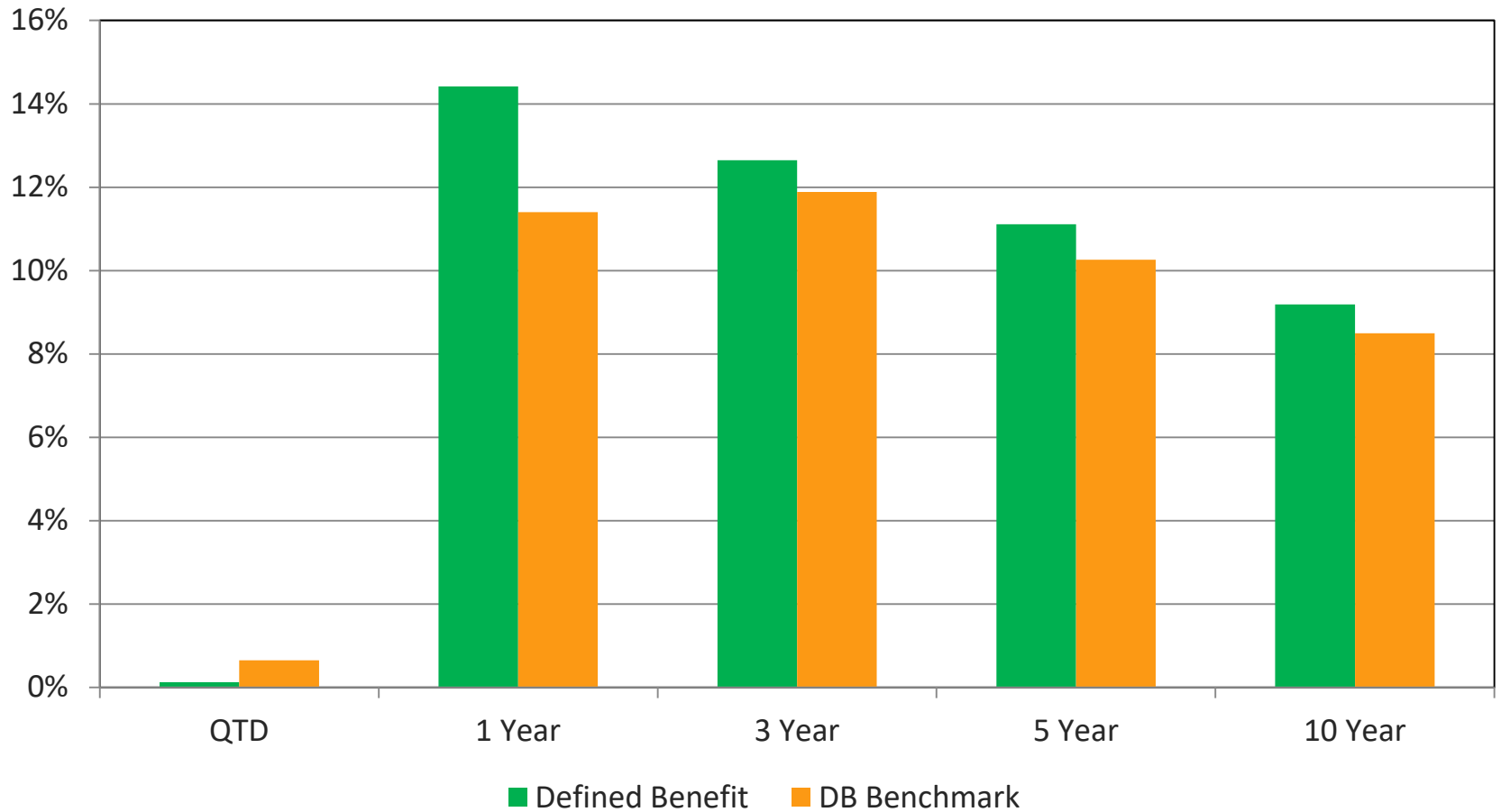
Asset Allocation for Defined Benefit at 3/31/2022



Asset Allocation for RHIPEB, GLI, and OPEB at 3/31/2022



Performance for Defined Benefit at 3/31/2022



Performance for RHIPEB, GLI, and OPEB at 3/31/2022



MainePERS Private Market Investments Summary: 12/31/2021

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	\$ 1,633,640	\$ 1,207,858	\$ 364,968	\$ 1,025,508	\$ 1,390,476	7.1%
Infrastructure	\$ 3,206,300	\$ 2,851,607	\$ 2,094,593	\$ 2,069,937	\$ 4,164,531	11.9%
Natural Resources	\$ 1,015,500	\$ 1,015,642	\$ 390,161	\$ 878,328	\$ 1,268,490	6.6%
Private Equity	\$ 4,739,008	\$ 4,108,609	\$ 3,297,836	\$ 3,904,639	\$ 7,202,475	19.4%
Real Estate	\$ 2,533,160	\$ 2,301,175	\$ 1,619,979	\$ 1,761,754	\$ 3,381,733	7.5%
Total	\$ 13,127,608	\$ 11,484,890	\$ 7,767,539	\$ 9,640,167	\$ 17,407,705	11.8%

Note: This Asset Class Summary table includes all private market investments: both fund investments and co-investments.

Co-Investment Summary	Commitment (A)	# of Co- Investments	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit Co-Investments	\$ 126,200	23	\$ 130,300	\$ 43,658	\$ 99,368	\$ 143,025	7.9%
Infrastructure Co-Investments	\$ 210,782	10	\$ 203,578	\$ 132,477	\$ 197,289	\$ 329,766	14.0%
Natural Resources Co-Investments	\$ 32,500	2	\$ 27,238	\$ -	\$ 43,611	\$ 43,611	18.3%
Private Equity Co-Investments	\$ 373,432	30	\$ 350,882	\$ 295,998	\$ 295,019	\$ 591,016	18.3%
Real Estate Co-Investments	\$ 67,509	5	\$ 55,720	\$ 4,335	\$ 59,251	\$ 63,587	8.7%
Total	\$ 810,423	70	\$ 767,719	\$ 476,468	\$ 694,538	\$ 1,171,005	15.9%

Note: This table contains values for the co-investment portion of the private market portfolio.

MainePERS Private Market Investments Summary: 12/31/2021

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Direct Lending Fund II	\$ 25,000	3/31/2020	\$ 23,749	\$ 14,814	\$ 15,867	\$ 30,682	20.5%
Angelo Gordon Direct Lending Fund III	\$ 100,000	7/20/2018	\$ 100,000	\$ 24,292	\$ 101,865	\$ 126,157	10.8%
Participation Agreement #1	\$ 5,000	10/11/2019	\$ 7,463	\$ 1,016	\$ 7,298	\$ 8,314	7.6%
Participation Agreement #2	\$ 5,000	10/11/2019	\$ 4,994	\$ 5,422	\$ 4,880	\$ 10,302	6.5%
Participation Agreement #3	\$ 5,000	10/11/2019	\$ 5,000	\$ 5,700	\$ 4,862	\$ 10,562	6.8%
Participation Agreement #4	\$ 5,000	10/18/2019	\$ 7,488	\$ 1,126	\$ 7,253	\$ 8,378	8.1%
Participation Agreement #5	\$ 5,000	12/6/2019	\$ 5,000	\$ 1,399	\$ 4,430	\$ 5,829	8.8%
Participation Agreement #6	\$ 5,000	12/6/2019	\$ 4,988	\$ 884	\$ 4,817	\$ 5,701	7.3%
Participation Agreement #7	\$ 5,000	12/11/2019	\$ 5,000	\$ 939	\$ 4,669	\$ 5,608	6.3%
Participation Agreement #8	\$ 5,000	8/13/2020	\$ 4,919	\$ 512	\$ 4,918	\$ 5,430	NM
Participation Agreement #9	\$ 5,000	4/9/2021	\$ 4,925	\$ 286	\$ 4,942	\$ 5,228	NM
Participation Agreement #10	\$ 5,000	4/20/2021	\$ 5,007	\$ 219	\$ 4,768	\$ 4,987	NM
Participation Agreement #11	\$ 5,000	5/5/2021	\$ 5,000	\$ 308	\$ 4,904	\$ 5,212	NM
Angelo Gordon Direct Lending Fund IV	\$ 100,000	1/24/2020	\$ 75,000	\$ 2,221	\$ 79,933	\$ 82,154	NM
Participation Agreement #1	\$ 5,000	10/23/2020	\$ 4,913	\$ 920	\$ 4,420	\$ 5,340	NM
Participation Agreement #2	\$ 7,500	8/17/2021	\$ 7,406	\$ 193	\$ 7,372	\$ 7,565	NM
Participation Agreement #3	\$ 7,500	10/5/2021	\$ 7,500	\$ 253	\$ 7,391	\$ 7,644	NM
Participation Agreement #4	\$ 5,000	12/21/2021	\$ 4,925	\$ 22	\$ 4,938	\$ 4,960	NM
Participation Agreement #5	\$ 5,000	12/21/2021	\$ 4,925	\$ -	\$ 4,925	\$ 4,925	NM
Angelo Gordon Direct Lending Fund IV Annex	\$ 50,000	11/18/2021	\$ 10,000	\$ -	\$ 9,856	\$ 9,856	NM
Ares Capital Europe IV	\$ 122,000	4/30/2018	\$ 97,118	\$ 12,622	\$ 97,854	\$ 110,476	6.5%
Ares Capital Europe V	\$ 122,000	9/4/2020	\$ 36,975	\$ 210	\$ 37,783	\$ 37,993	NM
Ares Senior Direct Lending Fund II	\$ 100,000	12/10/2021	\$ -	\$ -	\$ -	\$ -	NM
Audax Senior Debt (MP), LLC	\$ 100,000	6/30/2017	\$ 96,000	\$ -	\$ -	\$ -	5.0%
Deerpath Capital VI	\$ 75,000	9/30/2021	\$ 45,500	\$ -	\$ 46,270	\$ 46,270	NM
Global Infrastructure Partners Spectrum	\$ 100,000	2/20/2019	\$ 34,370	\$ 16,255	\$ 20,162	\$ 36,416	NM
Mesa West Core Lending Fund	\$ 100,000	6/18/2013	\$ 116,004	\$ 50,447	\$ -	\$ 50,447	6.6%
Owl Rock Capital Corporation	\$ 100,000	3/10/2017	\$ 100,000	\$ 17,863	\$ 109,052	\$ 126,915	7.5%
Participation Agreement #1	\$ 5,000	5/7/2018	\$ 4,851	\$ 5,499	\$ -	\$ 5,499	12.7%
Participation Agreement #2	\$ 6,185	7/31/2018	\$ 6,196	\$ 7,745	\$ -	\$ 7,745	9.9%
Participation Agreement #3	\$ 5,000	8/7/2018	\$ 4,938	\$ 5,634	\$ -	\$ 5,634	7.9%
Participation Agreement #4	\$ 5,000	8/20/2018	\$ 4,566	\$ 1,689	\$ 4,034	\$ 5,723	8.0%
Participation Agreement #5	\$ 5,000	12/21/2018	\$ 4,828	\$ 1,216	\$ 4,535	\$ 5,751	6.8%

MainePERS Private Market Investments Summary: 12/31/2021

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Participation Agreement #6	\$ 7,500	8/7/2020	\$ 8,905	\$ 2,432	\$ 7,410	\$ 9,842	NM
Participation Agreement #7	\$ 7,500	7/26/2021	\$ 6,566	\$ 245	\$ 6,600	\$ 6,845	NM
Owl Rock Capital Corporation III	\$ 100,000	6/19/2020	\$ 102,887	\$ 2,887	\$ 104,543	\$ 107,430	NM
Pathlight Capital Fund II	\$ 75,000	4/22/2021	\$ 50,459	\$ 9,179	\$ 42,813	\$ 51,991	NM
Solar Capital Private Corporate Lending Fund	\$ 50,000	6/26/2019	\$ 30,931	\$ 1,439	\$ 33,509	\$ 34,948	18.1%
Solar Capital Debt Fund	\$ 50,000	6/26/2019	\$ 7,353	\$ 241	\$ 8,136	\$ 8,378	NM
Silver Point Specialty Credit II	\$ 50,000	1/31/2020	\$ 50,330	\$ 18,847	\$ 35,323	\$ 54,170	NM
Tennenbaum Direct Lending VIII*	\$ 100,000	11/30/2017	\$ 100,883	\$ 62,306	\$ 66,396	\$ 128,702	6.9%

MainePERS Private Market Investments Summary: 12/31/2021

Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alinda Infrastructure Fund II	\$ 50,000	9/17/2009	\$ 67,889	\$ 64,449	\$ 10,360	\$ 74,810	2.2%
ArcLight Energy V	\$ 75,000	10/28/2011	\$ 76,031	\$ 84,518	\$ 18,355	\$ 102,872	8.0%
Shore Co-Investment Holdings II	\$ 20,000	1/30/2014	\$ 17,709	\$ 19,737	\$ -	\$ 19,737	8.4%
ArcLight Energy VI	\$ 150,000	11/25/2014	\$ 159,687	\$ 71,040	\$ 100,921	\$ 171,961	2.2%
Great River Hydro Partners	\$ 12,000	6/17/2017	\$ 10,718	\$ 8,639	\$ 15,865	\$ 24,503	29.5%
Brookfield Infrastructure Fund II	\$ 100,000	6/28/2013	\$ 115,152	\$ 83,038	\$ 97,166	\$ 180,203	9.6%
Brookfield Infrastructure Fund III	\$ 100,000	4/15/2016	\$ 93,512	\$ 39,239	\$ 88,367	\$ 127,606	11.3%
Co-Investment #1	\$ 20,000	3/31/2017	\$ 15,945	\$ 16,893	\$ 13,605	\$ 30,498	26.3%
Carlyle Global Infrastructure Opportunity Fund	\$ 100,000	5/1/2019	\$ 44,188	\$ 4,185	\$ 37,188	\$ 41,373	NM
Carlyle Infrastructure Partners	\$ 50,000	11/2/2007	\$ 57,366	\$ 64,289	\$ 216	\$ 64,506	2.4%
Carlyle Power Partners II	\$ 50,000	11/19/2015	\$ 61,769	\$ 27,760	\$ 46,888	\$ 74,647	7.6%
Cube Infrastructure*	\$ 45,000	4/16/2010	\$ 60,063	\$ 96,104	\$ 2,916	\$ 99,019	8.0%
Cube Infrastructure II*	\$ 90,000	9/11/2018	\$ 70,200	\$ 3,927	\$ 74,324	\$ 78,251	4.9%
Cube Infrastructure III*	\$ 90,000	8/16/2021	\$ 5,182	\$ -	\$ -	\$ -	NM
EQT Infrastructure III	\$ 68,000	12/3/2016	\$ 82,962	\$ 33,144	\$ 125,470	\$ 158,614	24.5%
EQT Infrastructure IV	\$ 100,000	12/17/2018	\$ 88,030	\$ 14,145	\$ 92,457	\$ 106,601	14.6%
EQT Infrastructure V	\$ 75,000	12/8/2020	\$ 23,304	\$ 1,091	\$ 20,953	\$ 22,044	NM
First Reserve Energy Infrastructure Fund	\$ 50,000	6/30/2010	\$ 59,716	\$ 51,620	\$ 6,090	\$ 57,710	-0.9%
First Reserve Energy Infrastructure Fund II	\$ 100,000	10/21/2013	\$ 123,649	\$ 116,892	\$ 42,965	\$ 159,857	17.1%
Global Infrastructure Partners Sonic	\$ 30,000	7/31/2020	\$ 30,788	\$ -	\$ 25,352	\$ 25,352	NM
Global Infrastructure Partners	\$ 75,000	3/31/2008	\$ 101,173	\$ 205,062	\$ 741	\$ 205,803	17.3%
Global Infrastructure Partners II	\$ 75,000	12/3/2011	\$ 101,774	\$ 123,985	\$ 51,250	\$ 175,235	16.3%
Global Infrastructure Partners III	\$ 150,000	4/15/2016	\$ 156,645	\$ 55,790	\$ 155,812	\$ 211,602	10.6%
Co-Investment #1	\$ 29,000	2/28/2017	\$ 27,245	\$ 14,545	\$ -	\$ 14,545	18.7%
Co-Investment #2	\$ 25,000	8/16/2018	\$ 25,885	\$ 1,985	\$ 7,914	\$ 9,898	-27.8%
Global Infrastructure Partners IV	\$ 150,000	12/21/2018	\$ 33,644	\$ 0	\$ 30,482	\$ 30,482	NM
IFM Global Infrastructure (US), L.P.	\$ 100,000	12/20/2012	\$ 144,550	\$ 208,040	\$ -	\$ 208,040	9.9%
KKR Global Infrastructure Investors	\$ 75,000	9/29/2010	\$ 87,917	\$ 154,068	\$ 22	\$ 154,089	13.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2021

Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
KKR Global Infrastructure Investors II	\$ 150,000	10/24/2014	\$ 182,268	\$ 217,783	\$ 84,822	\$ 302,605	17.4%
KKR Atlanta Co-Invest	\$ 24,000	9/26/2014	\$ 21,428	\$ 28,551	\$ -	\$ 28,551	5.7%
KKR Taurus Co-Invest II	\$ 25,000	8/15/2017	\$ 25,000	\$ 34,190	\$ 23,734	\$ 57,924	23.6%
KKR Byzantium Infrastructure Aggregator	\$ 15,000	10/17/2017	\$ 15,000	\$ 7,013	\$ 10,265	\$ 17,278	4.6%
KKR Global Infrastructure Investors III	\$ 100,000	3/29/2018	\$ 65,540	\$ 13,507	\$ 58,746	\$ 72,253	6.5%
Meridiam Infrastructure (SCA)	\$ 11,000	9/23/2015	\$ 21,938	\$ 8,571	\$ 29,755	\$ 38,326	10.8%
Meridiam Infrastructure Europe II (SCA)	\$ 22,500	9/23/2015	\$ 27,380	\$ 12,908	\$ 41,713	\$ 54,621	15.4%
Meridiam Infrastructure Europe III SLP	\$ 95,000	4/27/2016	\$ 59,809	\$ 13,144	\$ 42,649	\$ 55,793	-3.5%
Meridiam Sustainable Infrastructure Europe IV	\$ 90,000	4/16/2021	\$ 2,765	\$ 4	\$ 1,198	\$ 1,202	NM
Meridiam Infrastructure N.A. II	\$ 75,000	9/28/2012	\$ 73,604	\$ 27,659	\$ 148,899	\$ 176,558	18.9%
MINA II CIP	\$ 175	6/30/2015	\$ 134	\$ 21	\$ 17,009	\$ 17,030	150.0%
Meridiam Infrastructure N.A. II	\$ 20,000	6/30/2015	\$ 14,969	\$ 3,429	\$ 38,057	\$ 41,486	28.1%
Meridiam Infrastructure N.A. III	\$ 50,000	7/12/2017	\$ 8,021	\$ 1	\$ 11,746	\$ 11,747	NM
Stonepeak Infrastructure Partners II	\$ 140,000	11/12/2015	\$ 181,222	\$ 136,267	\$ 124,488	\$ 260,756	14.3%
Stonepeak Claremont Co-Invest	\$ 25,000	5/30/2017	\$ 25,000	\$ 925	\$ 50,004	\$ 50,929	18.5%
Stonepeak Spear (Co-Invest) Holdings	\$ 25,000	1/8/2018	\$ 19,648	\$ -	\$ 37,263	\$ 37,263	18.4%
Stonepeak Infrastructure Partners III	\$ 150,000	10/13/2017	\$ 139,904	\$ 25,555	\$ 183,249	\$ 208,805	23.3%
Stonepeak Infrastructure Partners IV	\$ 125,000	5/8/2020	\$ 24,801	\$ 773	\$ 25,805	\$ 26,578	NM

MainePERS Private Market Investments Summary: 12/31/2021

Natural Resources

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ACM Permanent Crops	\$ 35,000	10/24/2014	\$ 39,100	\$ 10,092	\$ 48,376	\$ 58,468	7.9%
ACM Permanent Crops II	\$ 35,000	5/12/2016	\$ 40,717	\$ 8,885	\$ 24,404	\$ 33,289	-7.9%
AMERRA Agri Fund III	\$ 50,000	2/11/2016	\$ 94,982	\$ 62,901	\$ 35,265	\$ 98,166	1.5%
Denham Mining Fund	\$ 35,000	6/29/2018	\$ 23,288	\$ -	\$ 34,054	\$ 34,054	19.3%
Homestead Capital Farmland II	\$ 50,000	8/8/2016	\$ 53,907	\$ 8,311	\$ 49,237	\$ 57,548	2.5%
Homestead Capital Farmland III	\$ 30,000	10/26/2018	\$ 17,122	\$ 1,814	\$ 15,418	\$ 17,232	0.9%
Orion Mine Finance Fund II	\$ 50,000	5/25/2016	\$ 100,560	\$ 69,208	\$ 53,659	\$ 122,867	11.2%
Orion Mine Finance Co-Fund II	\$ 20,000	8/13/2018	\$ 20,085	\$ -	\$ 37,634	\$ 37,634	21.7%
Silver Creek Aggregate Reserves Fund	\$ 100,000	11/6/2018	\$ 12,881	\$ 1,432	\$ 14,470	\$ 15,903	NM
Taurus Mining Fund	\$ 50,000	3/27/2015	\$ 41,459	\$ 43,121	\$ 4,931	\$ 48,052	6.3%
Taurus Mining Fund Annex	\$ 23,000	12/1/2016	\$ 18,116	\$ 21,956	\$ 1,676	\$ 23,631	17.4%
Taurus Mining Fund No. 2	\$ 75,000	4/18/2019	\$ 47,257	\$ 41,406	\$ 14,050	\$ 55,456	22.0%
Teays River Integrated Agriculture	\$ 200,000	7/1/2015	\$ 199,005	\$ 28,770	\$ 345,002	\$ 373,772	10.8%
Twin Creeks Timber	\$ 125,000	1/7/2016	\$ 191,978	\$ 80,701	\$ 112,848	\$ 193,549	0.3%
U.S. Farming Realty Trust III	\$ 100,000	7/7/2015	\$ 108,032	\$ 11,565	\$ 81,326	\$ 92,891	-4.1%
Canally Coinvest Holdings	\$ 12,500	12/9/2019	\$ 7,153	\$ -	\$ 5,977	\$ 5,977	-11.2%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ABRY Advanced Securities Fund II	\$ 20,000	5/4/2011	\$ 20,522	\$ 29,534	\$ 800	\$ 30,333	13.3%
ABRY Advanced Securities Fund III	\$ 30,000	4/30/2014	\$ 43,883	\$ 15,351	\$ 29,904	\$ 45,255	-0.1%
ABRY Heritage Partners	\$ 10,000	5/31/2016	\$ 10,068	\$ 7,399	\$ 6,343	\$ 13,742	23.9%
ABRY Partners VII	\$ 10,000	4/29/2011	\$ 12,911	\$ 16,979	\$ 3,606	\$ 20,585	13.5%
ABRY Partners VIII	\$ 20,000	8/8/2014	\$ 23,742	\$ 28,430	\$ 5,885	\$ 34,315	10.7%
ABRY Senior Equity IV	\$ 10,000	12/7/2012	\$ 10,801	\$ 16,090	\$ 2,430	\$ 18,520	15.2%
ABRY Senior Equity V	\$ 12,050	1/19/2017	\$ 12,360	\$ 3,826	\$ 12,587	\$ 16,414	18.2%
Advent International GPE VII	\$ 30,000	6/29/2012	\$ 33,170	\$ 45,435	\$ 16,692	\$ 62,127	15.2%
Advent International GPE VIII	\$ 50,000	2/5/2016	\$ 53,044	\$ 42,125	\$ 73,114	\$ 115,239	26.9%
Advent International GPE IX	\$ 50,000	5/9/2019	\$ 28,130	\$ 3,998	\$ 70,147	\$ 74,145	129.6%
GPE IX TKE Co-Investment	\$ 24,000	3/30/2020	\$ 21,243	\$ -	\$ 27,633	\$ 27,633	NM
Advent Latin America PE Fund VI	\$ 20,000	10/17/2014	\$ 18,750	\$ 8,350	\$ 22,521	\$ 30,871	19.0%
Affinity Asia Pacific Fund IV	\$ 60,000	2/28/2013	\$ 64,060	\$ 63,738	\$ 34,560	\$ 98,298	14.9%
Affinity Asia Pacific Fund V	\$ 40,000	12/11/2017	\$ 12,353	\$ 2,407	\$ 12,060	\$ 14,466	NM
Bain Capital Venture Coinvestment Fund III	\$ 15,000	4/1/2021	\$ 5,813	\$ -	\$ 4,159	\$ 4,159	NM
Bain Capital Ventures 2021	\$ 25,000	10/28/2020	\$ 8,688	\$ 1	\$ 7,135	\$ 7,136	NM
Berkshire Fund VIII	\$ 15,000	7/20/2011	\$ 16,706	\$ 24,573	\$ 16,470	\$ 41,042	17.5%
Berkshire Fund IX	\$ 50,000	3/18/2016	\$ 52,482	\$ 16,763	\$ 60,610	\$ 77,373	18.1%
Blackstone Capital Partners VI	\$ 30,000	6/30/2010	\$ 37,242	\$ 46,994	\$ 16,664	\$ 63,658	12.5%
Blackstone Capital Partners VII	\$ 54,000	3/27/2015	\$ 58,444	\$ 24,808	\$ 69,679	\$ 94,488	21.1%
Carlyle Asia Partners III	\$ 15,000	12/31/2009	\$ 20,408	\$ 29,734	\$ 3,285	\$ 33,019	12.6%
Carlyle Asia Partners IV	\$ 60,000	6/3/2014	\$ 75,997	\$ 74,015	\$ 45,513	\$ 119,528	13.3%
Carlyle Asia Partners V	\$ 45,000	10/30/2017	\$ 20,336	\$ 7,250	\$ 19,314	\$ 26,565	NM
Centerbridge Capital Partners III	\$ 30,000	10/24/2014	\$ 43,924	\$ 33,411	\$ -	\$ 33,411	19.7%
CB Blizzard Co-Invest	\$ 10,000	9/11/2019	\$ 15,012	\$ 10,015	\$ 11,645	\$ 21,660	38.3%
Charterhouse Capital Partners VIII	\$ 13,500	1/6/2011	\$ 11,188	\$ 14,160	\$ -	\$ 14,160	7.9%
Charterhouse Capital Partners IX	\$ 4,500	1/6/2011	\$ 5,373	\$ 7,091	\$ -	\$ 7,091	12.3%
Charterhouse Capital Partners X	\$ 67,000	5/13/2015	\$ 50,027	\$ 40,175	\$ 65,593	\$ 105,768	21.8%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Charterhouse Acrostone	\$ 12,000	8/24/2018	\$ 13,254	\$ 21,268	\$ 21,897	\$ 43,165	19.3%
Charterhouse Capital Partners XI	\$ 45,000	4/23/2021	\$ -	\$ -	\$ -	\$ -	NM
CVC Capital Partners VI	\$ 67,000	7/12/2013	\$ 93,886	\$ 84,232	\$ 83,273	\$ 167,505	18.2%
CVC Capital Partners VII	\$ 48,000	5/9/2017	\$ 65,807	\$ 25,751	\$ 46,765	\$ 72,516	29.0%
CVC Capital Partners VIII	\$ 44,000	6/11/2020	\$ 13,107	\$ 4,234	\$ (253)	\$ 3,982	NM
EnCap Energy Capital VIII	\$ 30,000	1/31/2011	\$ 34,181	\$ 20,148	\$ 9,592	\$ 29,740	-3.7%
EnCap Energy Capital Fund VIII Co-Investors, L.P.	\$ 16,238	12/8/2011	\$ 16,492	\$ 4,256	\$ 5,618	\$ 9,875	-8.7%
EnCap Energy Capital Fund IX	\$ 30,000	12/19/2012	\$ 34,413	\$ 29,862	\$ 14,649	\$ 44,511	8.0%
EnCap Energy Capital Fund X	\$ 40,000	3/5/2015	\$ 40,742	\$ 20,226	\$ 37,751	\$ 57,977	8.6%
EnCap Energy Capital Fund XI	\$ 40,000	5/31/2017	\$ 23,251	\$ 1,340	\$ 18,012	\$ 19,352	-1.6%
EnCap Flatrock Midstream Fund III	\$ 20,000	4/9/2014	\$ 24,932	\$ 16,247	\$ 17,602	\$ 33,849	8.0%
EnCap Flatrock Midstream Fund IV	\$ 22,000	11/17/2017	\$ 11,171	\$ 7,020	\$ 10,294	\$ 17,315	7.0%
General Catalyst X - Early Venture	\$ 19,565	3/26/2020	\$ 17,413	\$ -	\$ 35,522	\$ 35,522	NM
General Catalyst X - Endurance	\$ 22,826	3/26/2020	\$ 22,859	\$ -	\$ 32,382	\$ 32,382	NM
General Catalyst X - Growth Venture	\$ 32,609	3/26/2020	\$ 30,163	\$ -	\$ 61,137	\$ 61,137	NM
General Catalyst XI - Creation	\$ 8,823	10/29/2021	\$ -	\$ -	\$ -	\$ -	NM
General Catalyst XI - Endurance	\$ 29,412	10/29/2021	\$ 8,625	\$ -	\$ -	\$ -	NM
General Catalyst XI - Ignition	\$ 11,765	10/29/2021	\$ 1,681	\$ -	\$ -	\$ -	NM
GTCR Fund X	\$ 30,000	1/28/2011	\$ 31,766	\$ 64,445	\$ 3,175	\$ 67,620	21.3%
GTCR Fund XI	\$ 35,000	11/15/2013	\$ 34,036	\$ 66,248	\$ 82,745	\$ 148,993	44.2%
GTCR Fund XII	\$ 50,000	9/29/2017	\$ 49,335	\$ 26,687	\$ 62,603	\$ 89,290	40.5%
Co-Investment #1	\$ 5,238	4/26/2019	\$ 4,556	\$ -	\$ 7,954	\$ 7,954	26.2%
Co-Investment #2	\$ 5,997	11/1/2019	\$ 5,806	\$ 10,935	\$ 12,763	\$ 23,699	53.9%
GTCR XIII	\$ 50,000	10/27/2020	\$ 5,375	\$ 1,809	\$ 5,317	\$ 7,126	NM
H.I.G. Bayside Loan Fund II	\$ 25,000	5/28/2010	\$ 24,192	\$ 29,602	\$ 2,262	\$ 31,864	6.5%
H.I.G. Bayside Loan Ops Fund III (Europe)	\$ 30,000	7/27/2012	\$ 26,707	\$ 31,070	\$ 5,104	\$ 36,174	8.2%
H.I.G. Brazil & Latin America Partners	\$ 60,000	7/1/2015	\$ 50,448	\$ 9,202	\$ 87,412	\$ 96,614	29.9%
H.I.G. Capital Partners V	\$ 15,000	2/28/2013	\$ 18,737	\$ 21,761	\$ 20,718	\$ 42,479	24.8%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
H.I.G. Europe Capital Partners II	\$ 22,500	7/1/2013	\$ 25,208	\$ 20,538	\$ 22,716	\$ 43,253	15.2%
H.I.G. Growth Buyouts & Equity Fund II	\$ 17,500	6/30/2011	\$ 19,855	\$ 12,986	\$ 29,257	\$ 42,243	19.3%
H.I.G. Growth Buyouts & Equity Fund III	\$ 35,000	9/13/2018	\$ 7,251	\$ -	\$ 7,187	\$ 7,187	NM
H.I.G Middle Market LBO Fund II	\$ 40,000	2/7/2014	\$ 44,675	\$ 51,015	\$ 40,285	\$ 91,300	28.5%
Co-Investment #1	\$ 9,000	10/12/2017	\$ 9,000	\$ -	\$ 3,422	\$ 3,422	-21.6%
Co-Investment #2*	\$ 686	6/19/2020	\$ 686	\$ -	\$ 796	\$ 796	NM
Co-Investment #3*	\$ 1,000	6/1/2021	\$ 1,079	\$ -	\$ 1,139	\$ 1,139	NM
H.I.G. Middle Market LBO Fund III	\$ 40,000	7/23/2019	\$ 8,331	\$ -	\$ 5,053	\$ 5,053	NM
Hellman & Friedman Capital Partners VII	\$ 30,000	6/19/2009	\$ 44,336	\$ 105,422	\$ 16,156	\$ 121,577	25.0%
Hellman & Friedman Capital Partners VIII	\$ 45,000	9/24/2014	\$ 48,251	\$ 25,634	\$ 84,786	\$ 110,419	27.0%
Hellman & Friedman Capital Partners IX	\$ 45,000	9/28/2018	\$ 41,668	\$ 835	\$ 49,962	\$ 50,798	34.4%
Hellman & Friedman Capital Partners X	\$ 45,000	5/10/2021	\$ 5,481	\$ -	\$ (77)	\$ (77)	NM
Inflexion Buyout Fund IV	\$ 27,000	9/30/2014	\$ 33,433	\$ 22,549	\$ 33,304	\$ 55,853	16.9%
Inflexion Partnership Capital Fund I	\$ 17,000	9/30/2014	\$ 21,492	\$ 25,566	\$ 16,307	\$ 41,873	21.7%
Inflexion Supplemental Fund IV	\$ 10,000	5/31/2016	\$ 13,091	\$ 13,109	\$ 16,658	\$ 29,767	27.5%
Kelso Investment Associates VIII	\$ 3,000	1/6/2011	\$ 3,018	\$ 3,961	\$ 389	\$ 4,349	7.9%
Kelso Investment Associates IX	\$ 60,000	11/5/2014	\$ 69,497	\$ 75,265	\$ 36,591	\$ 111,856	20.6%
KIA IX (Hammer) Investor	\$ 25,000	8/12/2016	\$ 25,426	\$ 69,298	\$ 150	\$ 69,448	21.4%
Kelso Investment Associates X	\$ 45,000	3/16/2018	\$ 36,120	\$ 2,788	\$ 47,565	\$ 50,353	45.8%
Kelso Investment Associates XI	\$ 45,000	12/22/2021	\$ -	\$ -	\$ -	\$ -	NM
KKR North American Fund XI	\$ 60,000	2/7/2012	\$ 90,912	\$ 122,013	\$ 51,173	\$ 173,186	19.3%
KKR North America Fund XI (Platinum)	\$ 8,003	2/26/2016	\$ 8,040	\$ 2,313	\$ 6,573	\$ 8,886	2.6%
KKR Element Co-Invest	\$ 10,000	8/29/2016	\$ 10,050	\$ 24,030	\$ 1	\$ 24,030	23.5%
KKR Americas XII	\$ 60,000	3/3/2016	\$ 57,839	\$ 19,236	\$ 85,050	\$ 104,286	38.9%
KKR Sigma Aggregator	\$ 15,000	6/22/2018	\$ 15,000	\$ -	\$ 25,955	\$ 25,955	18.3%
KKR Enterprise Co-Invest	\$ 16,721	10/11/2018	\$ 15,000	\$ -	\$ 1,672	\$ 1,672	-52.0%
KKR Enterprise Co-Invest AIV A	\$ 8,936	11/8/2019	\$ 8,936	\$ 7,243	\$ 6,432	\$ 13,675	56.2%
KKR North America XIII	\$ 40,000	6/25/2021	\$ 0	\$ -	\$ (184)	\$ (184)	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
KKR Special Situations Fund	\$ 60,000	12/19/2012	\$ 118,957	\$ 95,239	\$ 18,256	\$ 113,496	-2.1%
KKR Special Situations Fund II	\$ 60,000	12/19/2014	\$ 97,619	\$ 64,982	\$ 48,266	\$ 113,249	5.3%
Oaktree Opportunities VIII	\$ 30,000	12/9/2009	\$ 30,000	\$ 43,800	\$ 319	\$ 44,119	9.1%
ONCAP IV	\$ 15,000	11/8/2016	\$ 11,555	\$ 2,725	\$ 11,068	\$ 13,793	7.8%
Onex Partners III	\$ 10,000	1/6/2011	\$ 11,181	\$ 16,832	\$ 1,719	\$ 18,550	13.2%
Onex Partners IV	\$ 60,000	11/22/2013	\$ 62,871	\$ 43,444	\$ 46,945	\$ 90,389	9.8%
Co-Investment #1	\$ 10,000	2/27/2017	\$ 10,471	\$ 1,181	\$ 16,637	\$ 17,818	13.6%
Onex Partners V	\$ 45,000	7/11/2017	\$ 24,687	\$ 1,881	\$ 24,601	\$ 26,483	25.3%
Paine & Partners Capital Fund IV	\$ 60,000	12/18/2014	\$ 52,618	\$ 29,070	\$ 44,321	\$ 73,392	9.7%
Wawona Co-Investment Fund I	\$ 15,000	3/31/2017	\$ 15,012	\$ -	\$ 10,365	\$ 10,365	-7.9%
Lyons Magnus Co-Investment Fund I	\$ 15,000	11/8/2017	\$ 15,000	\$ -	\$ 36,827	\$ 36,827	25.9%
PSP Maverick Co-Invest	\$ 7,238	9/12/2019	\$ 7,254	\$ -	\$ 10,901	\$ 10,901	22.1%
PSP AH&N Co-Investment Fund	\$ 16,678	11/27/2019	\$ 16,537	\$ -	\$ 28,013	\$ 28,013	35.4%
Paine Schwartz Food Chain Fund V	\$ 45,000	8/3/2018	\$ 31,177	\$ 9,424	\$ 24,998	\$ 34,422	16.9%
SNFL Co-Investment Fund	\$ 10,000	10/11/2019	\$ 5,018	\$ 124	\$ 7,109	\$ 7,233	19.3%
Rhone Partners V	\$ 56,000	3/12/2015	\$ 70,335	\$ 30,797	\$ 81,471	\$ 112,268	22.2%
Riverside Capital Appreciation Fund VI	\$ 60,000	7/3/2013	\$ 60,175	\$ 68,448	\$ 22,411	\$ 90,858	11.7%
RCAF VI CIV XXXII	\$ 12,399	10/21/2015	\$ 12,687	\$ 34,905	\$ 33,131	\$ 68,037	19.3%
Riverside Micro-Cap Fund III	\$ 35,000	6/30/2014	\$ 49,448	\$ 183,115	\$ 114,017	\$ 297,132	38.8%
Riverside Micro-Cap Fund IV	\$ 60,000	10/23/2015	\$ 55,659	\$ -	\$ 106,908	\$ 106,908	18.6%
Riverside Micro-Cap Fund IV-B	\$ 20,000	8/9/2019	\$ 24,292	\$ 5,583	\$ 28,694	\$ 34,278	37.9%
Riverside Micro-Cap Fund V	\$ 20,000	8/21/2018	\$ 26,407	\$ -	\$ 28,460	\$ 28,460	27.8%
Riverside Micro-Cap Fund VI	\$ 45,000	8/26/2021	\$ -	\$ -	\$ -	\$ -	NM
Shoreview Capital Partners III	\$ 24,000	7/24/2013	\$ 25,083	\$ 27,139	\$ 30,560	\$ 57,699	17.0%
Shoreview Capital Partners IV	\$ 30,000	6/3/2019	\$ 5,671	\$ 5,685	\$ 8,566	\$ 14,251	NM
Sovereign Capital IV	\$ 46,500	7/7/2014	\$ 40,344	\$ 20,746	\$ 39,968	\$ 60,714	14.4%
Summit Partners Credit II	\$ 60,000	10/25/2013	\$ 90,140	\$ 82,118	\$ 31,161	\$ 113,279	6.5%
Summit Europe Growth Equity III	\$ 22,000	3/18/2020	\$ 7,523	\$ -	\$ 4,242	\$ 4,242	NM

MainePERS Private Market Investments Summary: 12/31/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Summit Growth Equity VIII	\$ 25,000	5/27/2011	\$ 33,302	\$ 61,481	\$ 17,386	\$ 78,867	28.2%
Co-Investment #1	\$ 16,000	6/3/2015	\$ 16,000	\$ 34,179	\$ 16,654	\$ 50,833	32.1%
Summit Growth Equity IX	\$ 60,000	8/26/2015	\$ 82,533	\$ 87,700	\$ 122,463	\$ 210,162	45.3%
Co-Investment #1	\$ 15,000	11/29/2016	\$ 14,895	\$ 41,104	\$ -	\$ 41,104	159.6%
Summit Partners Co-Invest (Ironman)	\$ 15,000	4/20/2018	\$ 14,998	\$ -	\$ 17,901	\$ 17,901	5.6%
Summit Partners Co-Invest (Giants-B)	\$ 15,000	10/22/2019	\$ 15,000	\$ 35,146	\$ 12,410	\$ 47,556	92.0%
Summit Growth Equity X	\$ 60,000	2/26/2019	\$ 48,327	\$ 12,699	\$ 40,046	\$ 52,745	54.5%
Summit Partners Co-Invest (Lions)	\$ 7,000	10/14/2020	\$ 7,000	\$ -	\$ 7,031	\$ 7,031	NM
Summit Partners Co-Invest (Indigo)	\$ 10,000	12/11/2020	\$ 11,430	\$ -	\$ 11,423	\$ 11,423	NM
Summit Growth Equity XI	\$ 45,000	10/1/2021	\$ -	\$ -	\$ -	\$ -	NM
Summit Venture Capital III	\$ 13,150	5/27/2011	\$ 17,952	\$ 32,437	\$ 2,534	\$ 34,971	17.6%
Summit Venture Capital IV	\$ 40,000	8/26/2015	\$ 45,515	\$ 48,377	\$ 49,633	\$ 98,009	47.4%
Summit Venture Capital V	\$ 45,000	6/16/2020	\$ 12,373	\$ 773	\$ 8,884	\$ 9,656	NM
Summit Partners Co-Invest (CS)	\$ 12,000	10/22/2021	\$ 12,000	\$ -	\$ -	\$ -	NM
Technology Crossover Ventures VIII	\$ 60,000	5/8/2013	\$ 52,307	\$ 28,437	\$ 141,075	\$ 169,512	20.1%
Technology Crossover Ventures IX	\$ 60,000	2/19/2016	\$ 48,427	\$ 27,666	\$ 104,377	\$ 132,043	37.3%
TCV Sports	\$ 8,000	9/25/2018	\$ 8,000	\$ -	\$ 17,486	\$ 17,486	29.8%
Technology Crossover Ventures X	\$ 45,000	8/31/2018	\$ 33,774	\$ -	\$ 85,633	\$ 85,633	80.8%
Technology Crossover Ventures XI	\$ 45,000	10/2/2020	\$ 17,659	\$ -	\$ 13,010	\$ 13,010	NM
Technology Impact Fund	\$ 40,000	12/18/2017	\$ 32,648	\$ 19,442	\$ 79,335	\$ 98,777	75.4%
Technology Impact Fund II	\$ 40,000	4/13/2021	\$ 3,252	\$ -	\$ 2,953	\$ 2,953	NM
Technology Impact Growth Fund	\$ 40,000	11/26/2018	\$ 47,306	\$ 18,113	\$ 48,087	\$ 66,200	29.4%
Technology Impact Growth Fund II	\$ 40,000	8/6/2021	\$ 3,385	\$ -	\$ -	\$ -	NM
Thoma Bravo Fund XI	\$ 50,000	5/1/2014	\$ 69,098	\$ 118,090	\$ 98,628	\$ 216,718	31.8%
Thoma Bravo Fund XII	\$ 60,000	4/27/2016	\$ 68,543	\$ 21,478	\$ 102,423	\$ 123,901	18.6%
Thoma Bravo Fund XIII	\$ 45,000	12/7/2018	\$ 50,019	\$ 23,903	\$ 64,656	\$ 88,559	53.6%
Thoma Bravo Special Opportunities Fund II	\$ 15,000	3/27/2015	\$ 17,527	\$ 17,624	\$ 19,872	\$ 37,495	19.6%
Tillridge Global Agribusiness Partners II	\$ 50,000	10/21/2016	\$ 24,318	\$ 125	\$ 17,478	\$ 17,603	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Water Street Healthcare Partners III	\$ 25,000	7/25/2012	\$ 28,680	\$ 67,849	\$ 38,668	\$ 106,517	35.8%
Water Street Healthcare Partners IV	\$ 33,000	9/15/2017	\$ 24,481	\$ 10,624	\$ 27,385	\$ 38,008	12.0%
Wayzata Opportunities Fund III	\$ 30,000	9/11/2012	\$ 14,718	\$ 9,541	\$ 4,754	\$ 14,295	-2.1%
Wynnchurch Capital Partners IV	\$ 40,000	10/23/2014	\$ 36,991	\$ 33,609	\$ 61,538	\$ 95,147	28.3%
Wynnchurch Capital Partners V	\$ 40,000	1/15/2020	\$ 11,792	\$ -	\$ 10,117	\$ 10,117	NM

MainePERS Private Market Investments Summary: 12/31/2021

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Net Lease IV	\$ 50,000	2/17/2020	\$ 23,768	\$ 368	\$ 25,451	\$ 25,819	NM
Bain Capital Real Estate II	\$ 50,000	3/5/2021	\$ 12,500	\$ 920	\$ 11,665	\$ 12,585	NM
Blackrock Granite Property Fund	\$ 63,791	9/30/2006	\$ 68,771	\$ 53,312	\$ -	\$ 53,312	-4.9%
Blackstone Property Partners	\$ 350,000	6/29/2017	\$ 350,000	\$ 26,022	\$ 426,215	\$ 452,238	8.4%
Blackstone Real Estate Partners VII	\$ 75,000	2/26/2012	\$ 99,956	\$ 128,582	\$ 37,119	\$ 165,701	15.5%
Blackstone Real Estate Partners VIII	\$ 50,000	3/27/2015	\$ 60,618	\$ 51,752	\$ 46,300	\$ 98,052	17.8%
Blackstone Real Estate Partners IX	\$ 40,000	12/21/2018	\$ 27,596	\$ 6,405	\$ 34,986	\$ 41,391	43.2%
Barings Asia Real Estate II	\$ 50,000	7/31/2018	\$ 18,916	\$ -	\$ 18,143	\$ 18,143	NM
EQT Real Estate II	\$ 55,000	4/26/2019	\$ 21,269	\$ 4,956	\$ 19,271	\$ 24,227	NM
EQT Real Estate Rock Co-Investment	\$ 11,000	8/10/2020	\$ 8,576	\$ -	\$ 11,487	\$ 11,487	NM
H/2 Credit Partners, L.P.	\$ 75,000	6/21/2011	\$ 75,000	\$ 112,177	\$ -	\$ 112,177	5.9%
Harrison Street Core Property Fund, L.P.	\$ 75,000	4/30/2012	\$ 94,262	\$ 45,467	\$ 125,643	\$ 171,110	8.7%
HSRE-Coyote Maine PERS Core Co-Investment	\$ 20,000	12/4/2020	\$ 14,000	\$ -	\$ 16,910	\$ 16,910	NM
High Street Real Estate Fund IV, L.P.	\$ 25,000	8/23/2013	\$ 24,717	\$ 34,157	\$ -	\$ 34,157	14.7%
High Street Real Estate Fund V	\$ 25,000	7/24/2015	\$ 24,925	\$ 36,045	\$ 131	\$ 36,176	13.3%
High Street Real Estate Fund VI	\$ 25,000	3/22/2019	\$ 25,000	\$ 1,343	\$ 30,865	\$ 32,209	23.9%
HSREF VI Elgin Co-Invest	\$ 10,000	4/9/2021	\$ 10,000	\$ 175	\$ 12,550	\$ 12,725	NM
High Street Real Estate Fund VII	\$ 35,000	8/16/2021	\$ 0	\$ -	\$ (295)	\$ (295)	NM
Hines US Property Partners	\$ 200,000	9/9/2021	\$ 30,526	\$ 3,510	\$ -	\$ 3,510	NM
Invesco Real Estate Asia IV	\$ 30,000	3/25/2020	\$ 3,742	\$ 1,793	\$ 2,405	\$ 4,198	NM
Invesco US Income Fund	\$ 150,000	7/17/2014	\$ 164,001	\$ 50,278	\$ 255,050	\$ 305,328	12.1%
IPI Data Center Partners I	\$ 30,000	12/15/2017	\$ 31,563	\$ 14,995	\$ 41,674	\$ 56,668	29.0%
IPI Data Center Partners II	\$ 25,000	12/20/2019	\$ 7,349	\$ 1,619	\$ 5,101	\$ 6,720	NM
JPMCB Strategic Property Fund	\$ 130,000	11/15/2005	\$ 186,941	\$ 297,519	\$ -	\$ 297,519	5.9%
KKR Real Estate Partners Europe I	\$ 50,000	12/2/2015	\$ 50,464	\$ 41,031	\$ 24,014	\$ 65,045	10.6%
KKR Real Estate Partners Europe II	\$ 25,000	12/23/2019	\$ 11,604	\$ -	\$ 12,928	\$ 12,928	NM
KKR Real Estate Partners Americas I	\$ 50,000	12/20/2013	\$ 49,632	\$ 59,226	\$ -	\$ 59,226	11.4%
KKR Real Estate Partners Americas II	\$ 50,000	6/2/2016	\$ 54,319	\$ 54,236	\$ 22,818	\$ 77,054	24.0%

MainePERS Private Market Investments Summary: 12/31/2021

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Northbridge-Strategic Fund II	\$ 30,000	2/8/2019	\$ 30,000	\$ 944	\$ 33,243	\$ 34,187	4.8%
Prima Mortgage Investment Trust, LLC	\$ 75,000	7/29/2011	\$ 97,363	\$ 45,955	\$ 88,583	\$ 134,538	4.2%
Principal Life Insurance Company U.S. Property PRISA	\$ 60,000	5/20/2005	\$ 60,000	\$ 125,410	\$ -	\$ 125,410	6.2%
Rubenstein Properties Fund III	\$ 30,000	6/30/2005	\$ 139,622	\$ 222,450	\$ -	\$ 222,450	5.3%
LCC Co-Investor B	\$ 15,000	10/23/2015	\$ 30,606	\$ 627	\$ 30,323	\$ 30,951	0.4%
Rubenstein Properties Fund IV	\$ 25,000	10/18/2019	\$ 13,565	\$ -	\$ 13,002	\$ 13,002	-2.1%
Prudential Senior Housing Fund V	\$ 50,000	4/16/2019	\$ 3,125	\$ -	\$ 2,183	\$ 2,183	NM
Smart Markets Fund, L.P.	\$ 150,000	3/17/2015	\$ 41,333	\$ 3,783	\$ 52,416	\$ 56,199	7.6%
Walton Street Real Estate Fund VII	\$ 50,000	6/17/2013	\$ 164,172	\$ 56,314	\$ 252,118	\$ 308,431	10.4%
Walton Street Real Estate Fund VIII	\$ 50,000	5/9/2012	\$ 43,990	\$ 49,099	\$ 12,509	\$ 61,608	10.0%
Co-Investment #1	\$ 10,000	10/23/2015	\$ 42,686	\$ 24,965	\$ 33,135	\$ 58,100	12.2%
Westbrook Real Estate Fund IX	\$ 15,000	9/27/2017	\$ 9,579	\$ 4,160	\$ 5,303	\$ 9,463	-0.4%
Westbrook Real Estate Fund X	\$ 50,000	6/30/2014	\$ 17,361	\$ 17,080	\$ 3,439	\$ 20,519	6.4%
Westbrook Real Estate Fund XI	\$ 40,000	1/15/2015	\$ 48,332	\$ 40,544	\$ 19,383	\$ 59,927	11.2%
	\$ 40,000	1/31/2019	\$ 9,426	\$ 2,758	\$ 7,452	\$ 10,210	NM

MainePERS Private Market Investments Summary: 12/31/2021

Notes: *As of 9/30/2021. NM = Not Meaningful. MainePERS only reports IRRs for funds with more than 24 months of history and for which Amount Contributed is greater than 50% of Commitments. "Date of Commitment" is not the date of first capital draw. The "IRR" presented uses interim estimates and may not be indicative of ultimate performance of partnership investments due to a number of factors including lags in valuation, maturity of fund, and differences in investment pace and strategy of various funds. Performance figures should not be used to compare returns among multiple funds or different limited partners. Private market investments are long-term investments which are expected to generate returns over the course of their entire life cycle of 10 or more years. Common industry practice dictates that any performance analysis on these funds while they are still in the early years of their investment cycle would not generate meaningful results. The Interim Net IRR figures presented in this table are based on cash flow information provided by the general partner. The above information was not prepared, reviewed, or approved by any of the partnerships, general partners, or their affiliates and may differ from those generated by the general partner or other limited partners due to differences in timing of investments, disposal of in-kind distributions, and accounting and valuation policies.

MainePERS Dashboard as of March 31, 2022

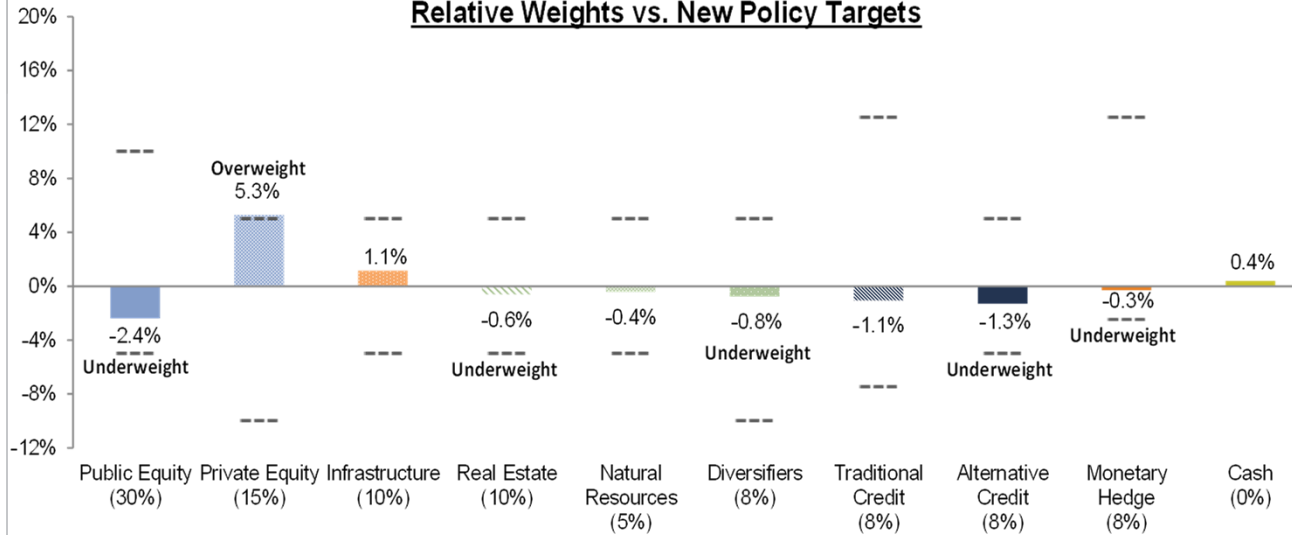
Summary Portfolio Observations

- The MainePERS total portfolio market value at the end of Q1 2022 was \$19,193.2 million. The portfolio returned +0.1% in the quarter ended March 31, 2022, with relative outperformance primarily driven by Infrastructure and Private Equity. Over the past five years, the portfolio has generated annualized returns of +11.1%.

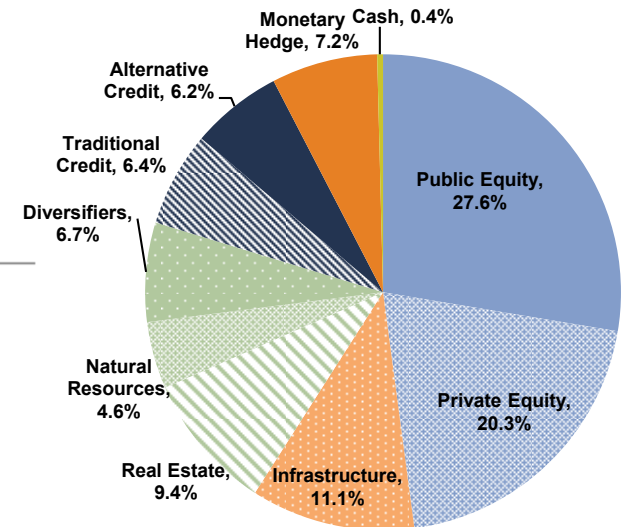
Total Fund Performance (3/31/2022)

	Q1 2022	Tr. 1 Year	Tr. 3 Year	Tr. 5 Year
Total Fund Composite	0.1	14.4	12.6	11.1
MainePERS Policy Index	0.7	11.4	11.9	10.3
Value Add	-0.5	3.0	0.8	0.9

Relative Weights vs. New Policy Targets



Asset Allocation





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MAINEPERS

FIRST QUARTER 2022 PERFORMANCE REVIEW



MARKET UPDATE

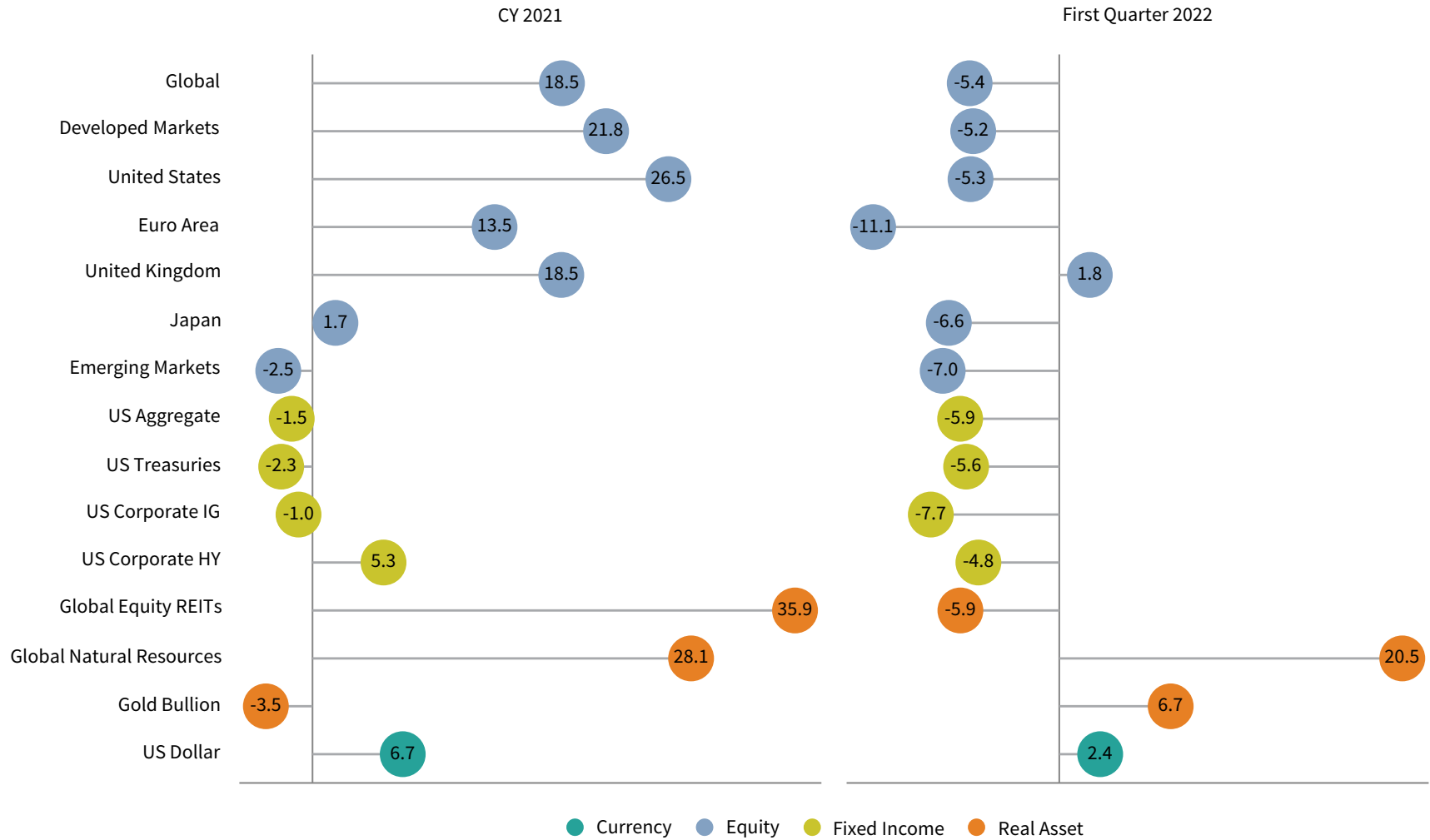


War and inflation hit markets in Q1

Russian invasion of Ukraine, and persistent inflation which was already forcing the Fed's hand, hurt both stocks and bonds in Q1

GLOBAL ASSET CLASS PERFORMANCE

As of March 31, 2022 • US Dollar • Percent (%)



Sources: Bloomberg Index Services Limited, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: All data are in USD terms. The equity data are total returns net of dividend taxes of MSCI indexes. The fixed income data are total returns of Bloomberg indexes. The MSCI Global Equity REIT Index, the MSCI ACWI Commodity Producers Index, and front-month gold contracts as traded on the New York Mercantile Exchange are used to calculate real asset performances. The US Dollar Index (DXY) is used to calculate USD performances. MMHC

Markets typically recover quickly after geopolitical events

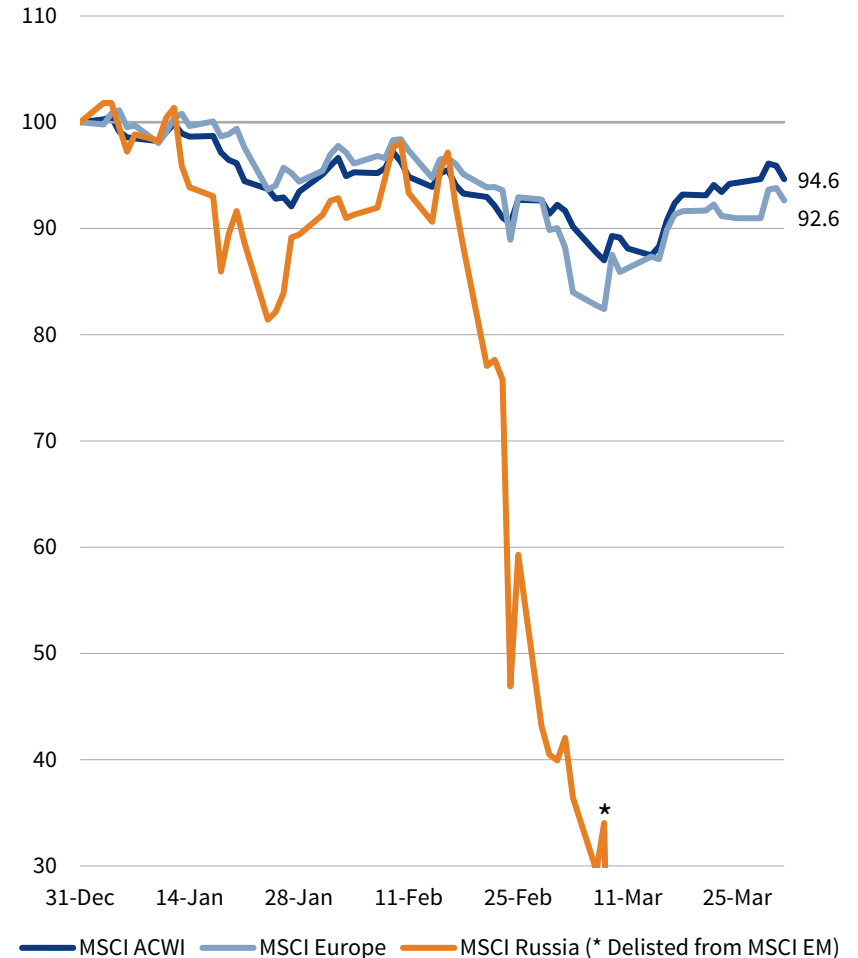
To date, global equity declines have been moderate and fit within the historical norms around geopolitical events. Meanwhile, Russian equities have been removed from many indexes

GLOBAL EQUITY DECLINES FOLLOWING GEOPOLITICAL EVENTS WERE MILD AND SHORT-LIVED

Event Date sell-off began	Sell-Off Duration (Trading Days)	Sell-Off Size (%)	1 mo from Bottom (%)
Invasion of Grenada October 17, 1983	15	-3.3	2.7
Bombing of Libya April 22, 1986	20	-3.7	3.2
First Gulf War December 14, 1990	24	-8.2	18.0
Kosovo Bombing March 22, 1999	3	-2.7	6.5
9/11 Attacks September 11, 2001	9	-11.7	10.7
Iraq War March 24, 2003	6	-4.7	8.6
Intervention in Libya February 21, 2011	18	-6.8	6.4
Annexation of Crimea March 7, 2014	6	-2.7	1.0
Intervention in Syria September 19, 2014	20	-8.6	7.2
Taliban Takeover of Kabul September 7, 2021	20	-5.7	7.1
Median	17	-5.2	6.8

EQUITY PERFORMANCE DURING RECENT UKRAINE CRISIS

December 31, 2021 – March 31, 2022 • US Dollars • December 31, 2021 = 100



Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

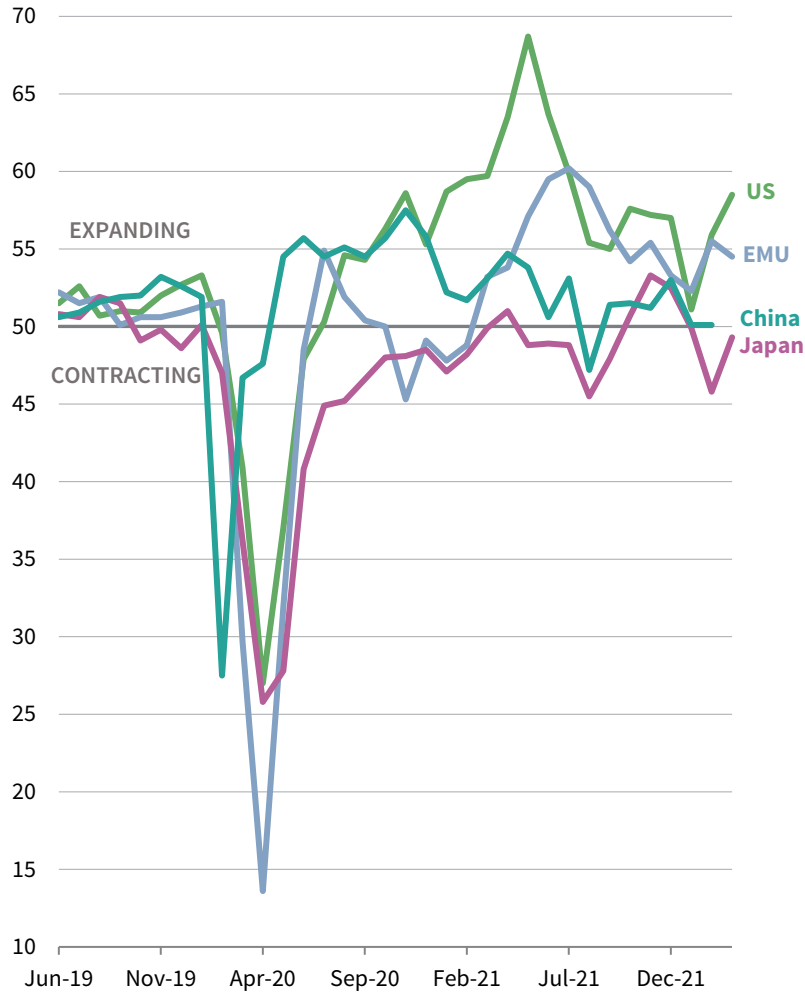
Notes: Data reflect MSCI All Country World from February 1988 to present and MSCI World prior to February 1988. MSCI Russia was removed from the MSCI Emerging Market Index after close on 3/9/2022. All geopolitical event returns reflect price changes in US dollars.

Economic activity generally remained expansionary in Q1

PMIs surprised to the upside in March with the drag from the war in Ukraine so far not as material as anticipated. Year-over-year inflation rates continued to rise in western nations

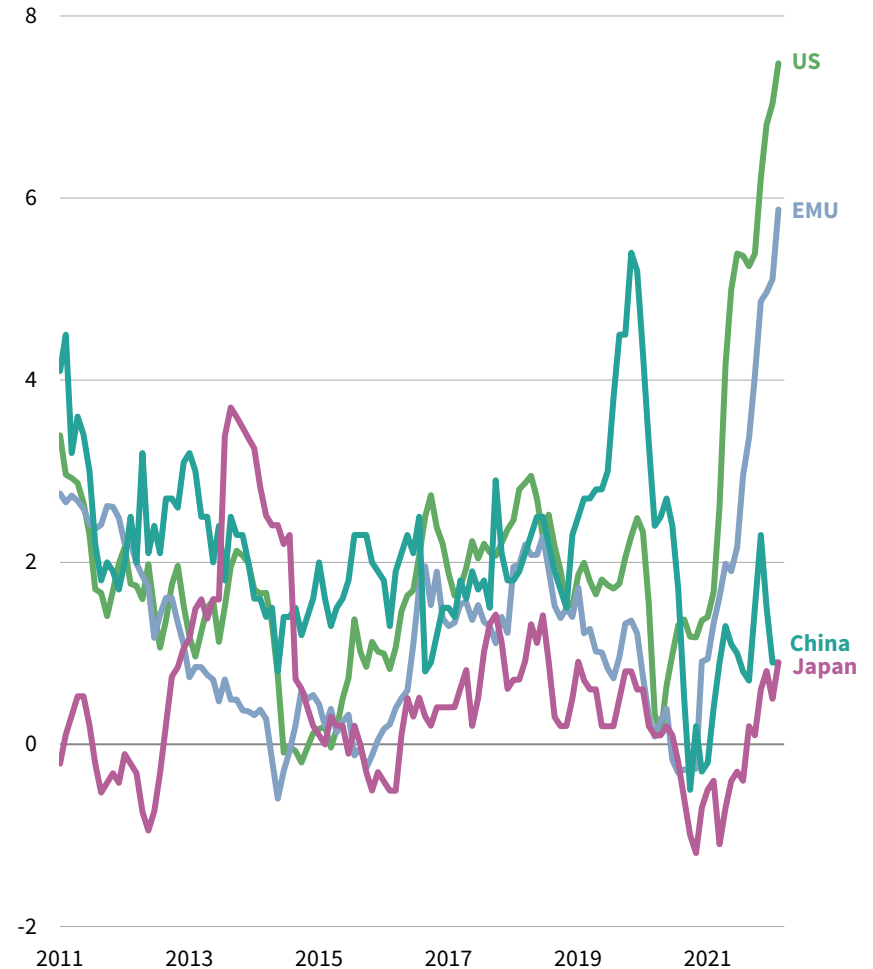
COMPOSITE PMIs

June 30, 2019 – March 31, 2022



HEADLINE CPIs

December 31, 2011 – February 28, 2022 • YOY Percent Change (%)



Sources: Bloomberg L.P., Federal Reserve, Markit Economics, Standard & Poor's, and Thomson Reuters Datastream.

Notes: Composite PMI data are flash estimates. Composite PMI data for China are through February 28, 2022. CPI data are monthly.

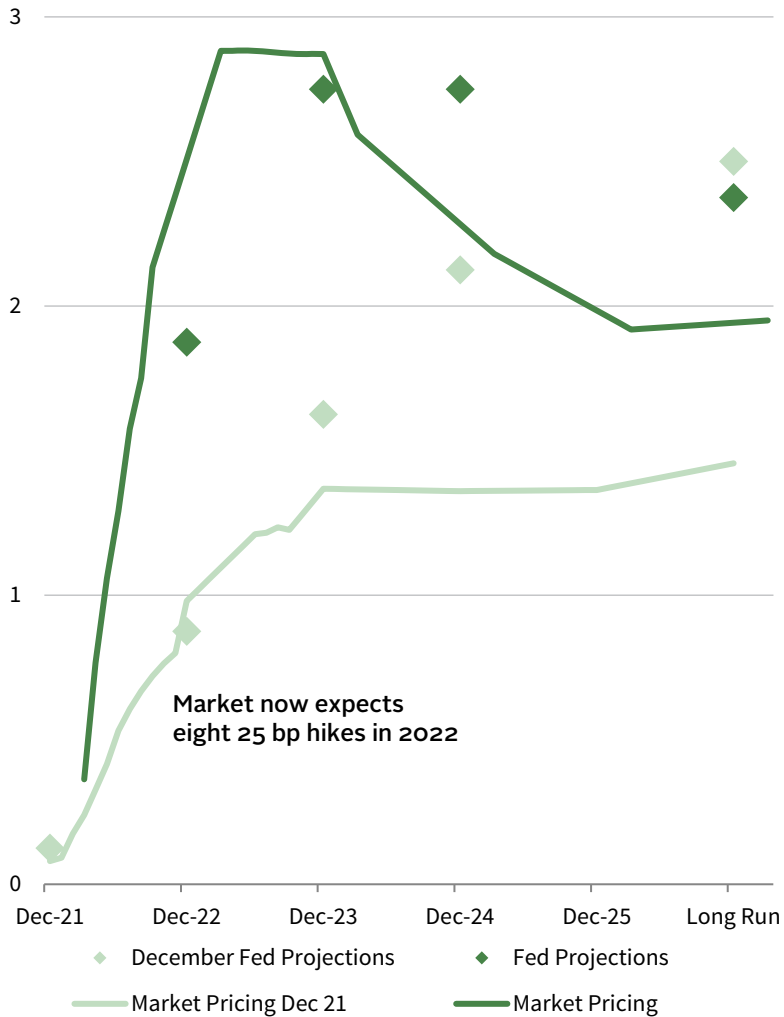
MMHC

Rising inflation is lifting the interest rate forecasts of both central banks and markets

The Fed has been forced to reappraise its inflation expectations, and as a result, the level it expects the Fed Funds rate will reach. Inflation has also eaten into its growth projections for this year

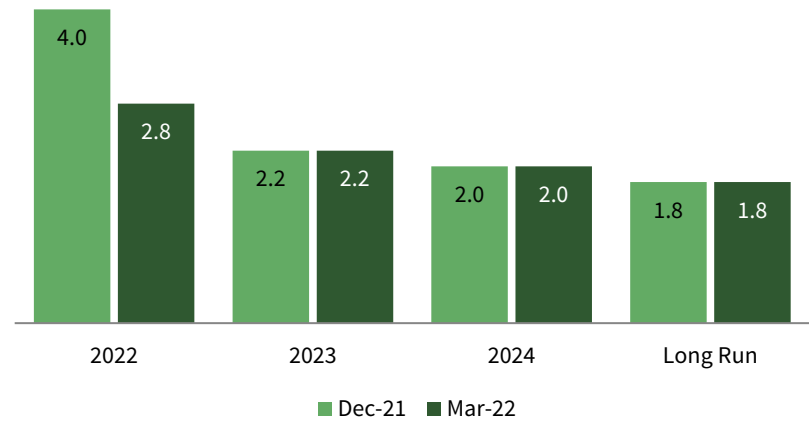
FED RATE HIKE EXPECTATIONS VS THE MARKET

As of March 31, 2022 • Percent (%)



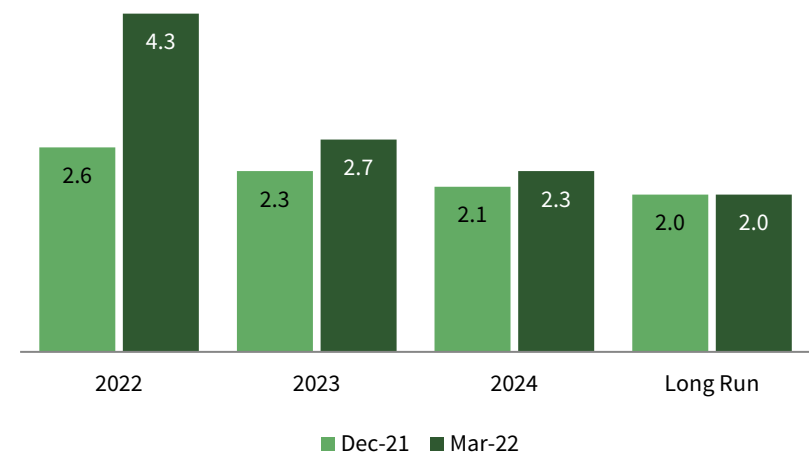
FED EXPECTATIONS FOR GDP GROWTH

As of March 31, 2022 • Percent (%)



FED EXPECTATIONS FOR PCE INFLATION

As of March 31, 2022 • Percent (%)

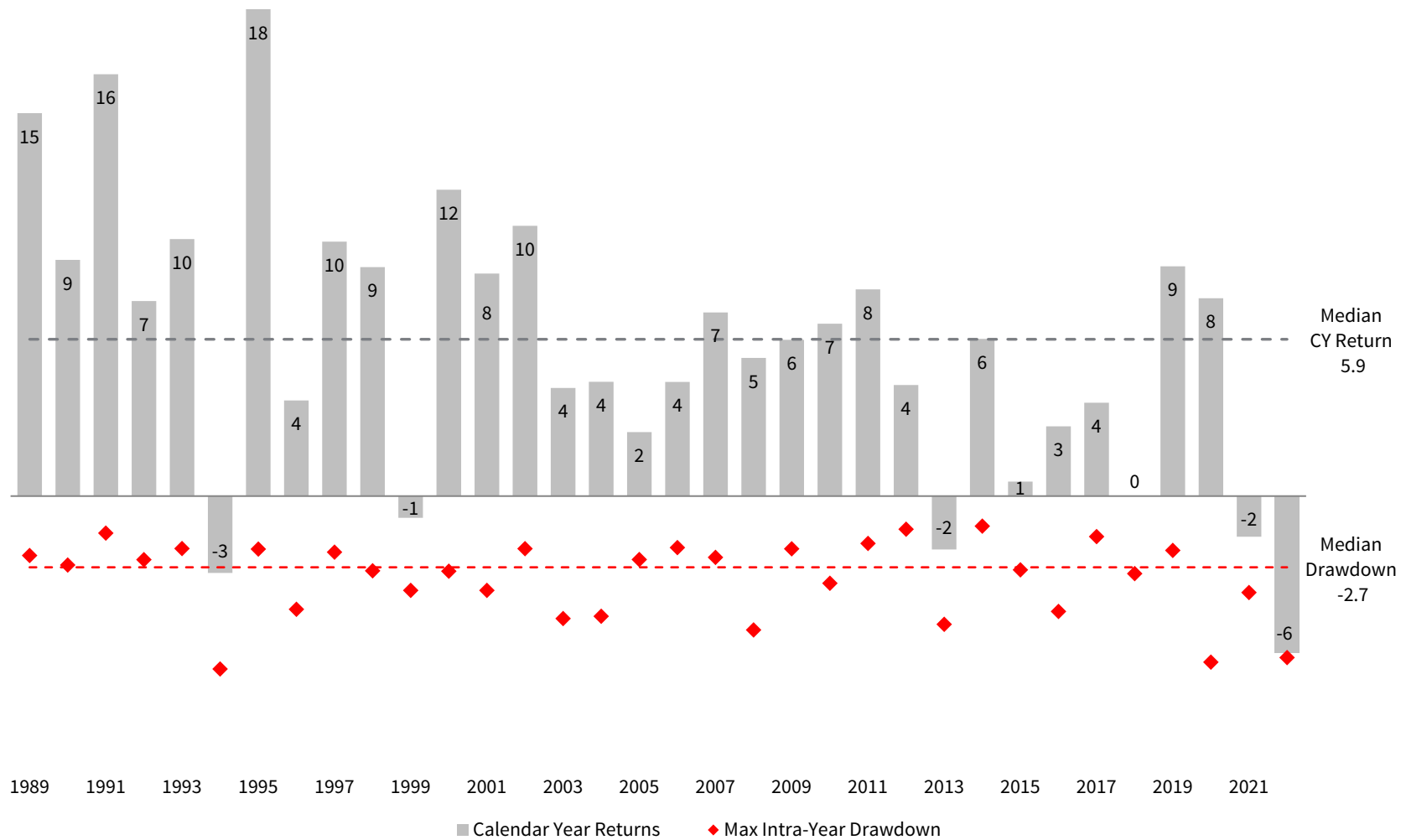


Bond indexes suffering this year on back of interest rate reappraisal

The drawdown seen this year in the Bloomberg US Agg is comparable to the worst intra-year drawdowns since the late 80's. If sustained, this would be the steepest calendar year decline in that time

CALENDAR YEAR RETURNS VS INTRA-YEAR DRAWDOWNS FOR US BONDS (BLOOMBERG AGGREGATE BOND INDEX)

1989–2022 • Total Return in USD (%)

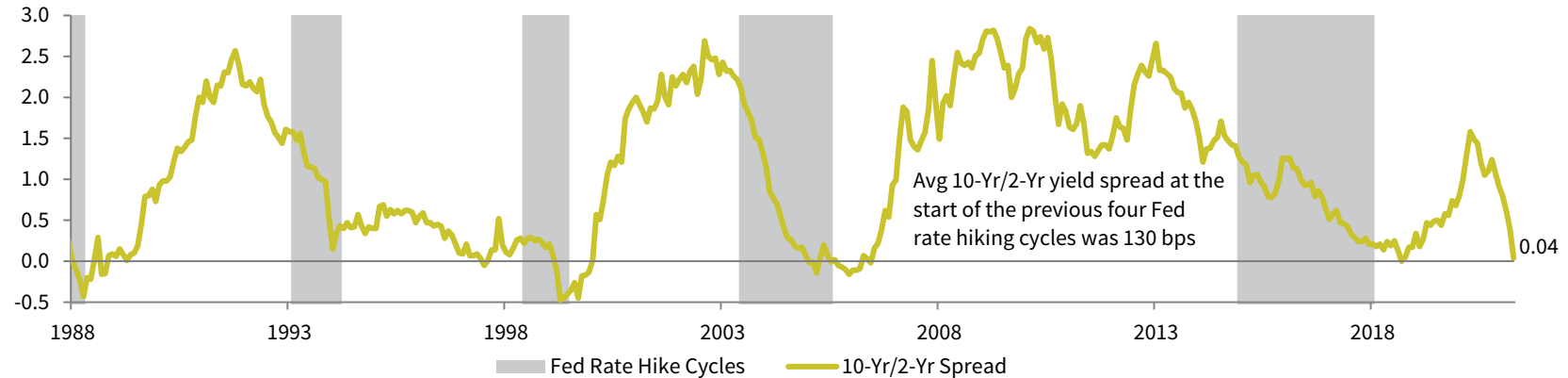


US 2-yr/10-yr yield curve has approached the point of inversion

Inversion of the yield curve has often presaged a recession. However, that typically occurs some time hence, with material upside for equities in the interim

US TREASURY YIELD CURVE DURING FED RATE HIKES

December 31, 1988 – March 31, 2022 • Percent (%)



EQUITY RETURNS AND RECESSIONS AROUND 10-YR/2-YR SPREAD INVERSIONS

January 31, 1966 – March 31, 2022 • Percent (%)

Date of First Inversion	Equity Returns Around Yield Curve Inversions				FI Returns	# of Months Between:	
	TTM Return	Fwd 12M Return	Forward 3Y Return	Inversion to Market Peak Return	Fwd 12M Return	YC Inversion & S&P Peak	YC Inversion & Recession
December 29, 1967	20.1	7.7	-4.5	12.3	--	11	24
February 28, 1973	4.8	-13.8	-10.7	-5.4	--	-2	9
August 18, 1978	7.2	3.9	24.2	13.1	-1.1	18	17
September 12, 1980	16.4	-3.1	31.8	11.9	-12.1	2	10
December 13, 1988	17.4	27.7	39.1	33.5	4.7	19	19
May 26, 1998	29.2	19.3	16.8	34.3	-2.1	19	--
February 2, 2000	11.7	-4.2	-38.9	8.4	6.2	1	13
December 27, 2005	4.3	13.6	-30.8	24.6	-1.0	22	24
August 27, 2019	-1.0	21.4	--	18.0	2.9	6	6
Mean	12.2	8.0	3.4	16.8	-0.4	10.7	15.3
Median	11.7	7.7	6.2	13.1	-1.0	11.0	15.0

Sources: Bloomberg L.P., Global Financial Data, Inc., National Bureau of Economic Research (NBER), and Thomson Reuters Datastream.

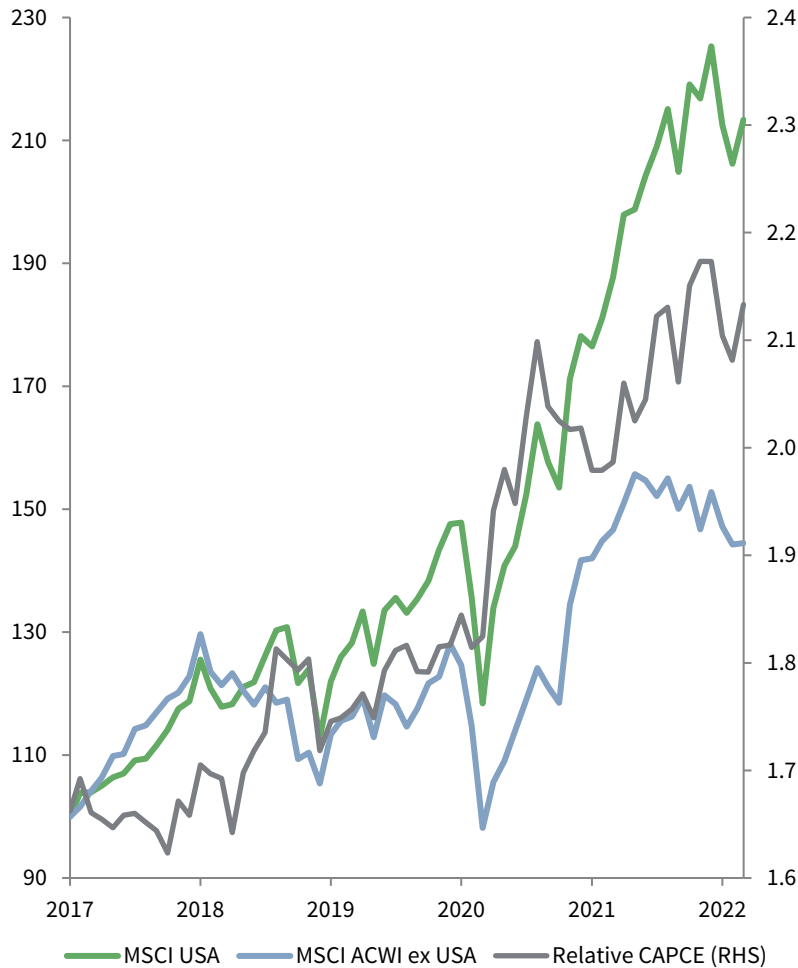
Notes: Return data are cumulative returns. Equity data reflect monthly price returns of the S&P 500 Index from January 1966 through May 1976, and daily price returns from June 1976 to present. FI data reflect monthly price returns of the Bloomberg US Aggregate Index from January 1976 through December 1989, and daily price returns from December 1989 to present. Two-year US Treasury Yields are represented with monthly data from Global Financial Data from 1966 to May 1976, and daily data from June 1976 to present.

US stock outperformance may be challenged by higher valuations

US ROE looks stretched, and rising labor costs may be a headwind

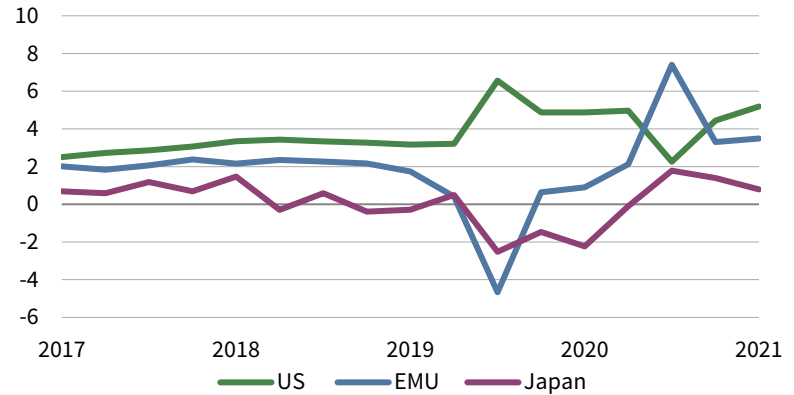
CUMULATIVE WEALTH AND RELATIVE VALUATIONS OF SELECT INDEXES

January 31, 2017 – March 31, 2022 • US Dollar • January 31, 2017 = 100



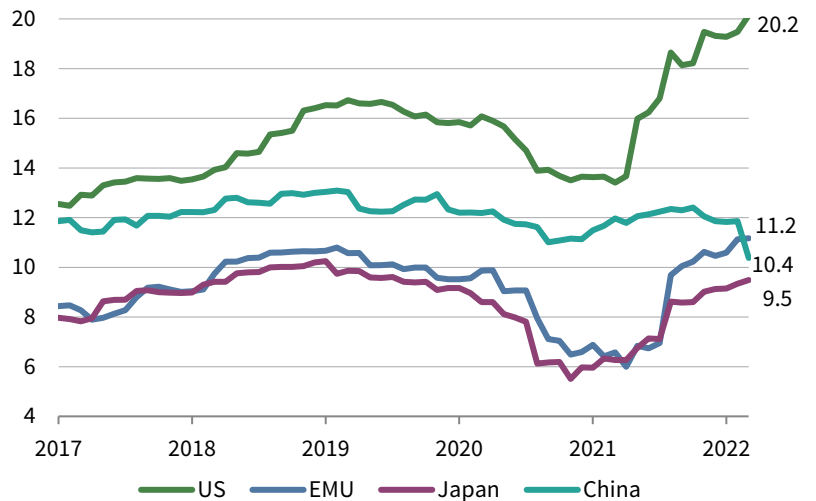
AVERAGE HOURLY EARNINGS

First Quarter 2017 – Fourth Quarter 2021 • YOY Percent Change (%)



RETURN ON EQUITY ACROSS VARIOUS REGIONS

January 31, 2017 – March 31, 2022 • Percent (%)



Sources: Bank of Japan, European Central Bank, Federal Reserve, MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Note: All data are monthly except average hourly earnings which are quarterly.

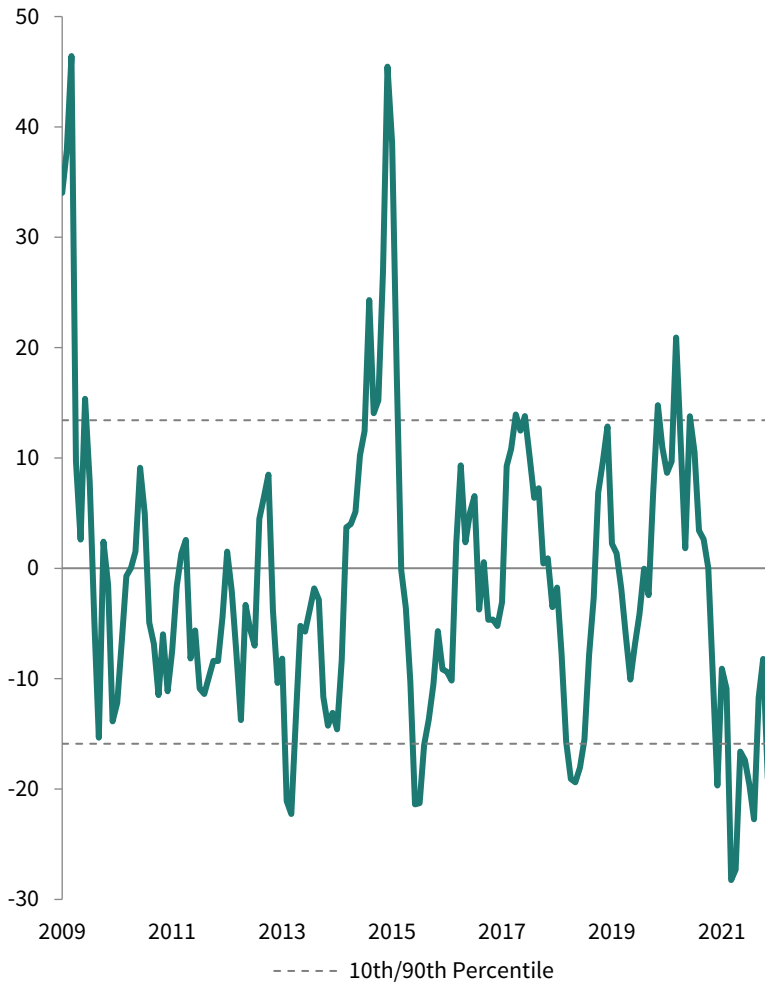
MMHC

Chinese equities have underperformed global peers to a significant degree

Underperformance opens up historically large valuation discount

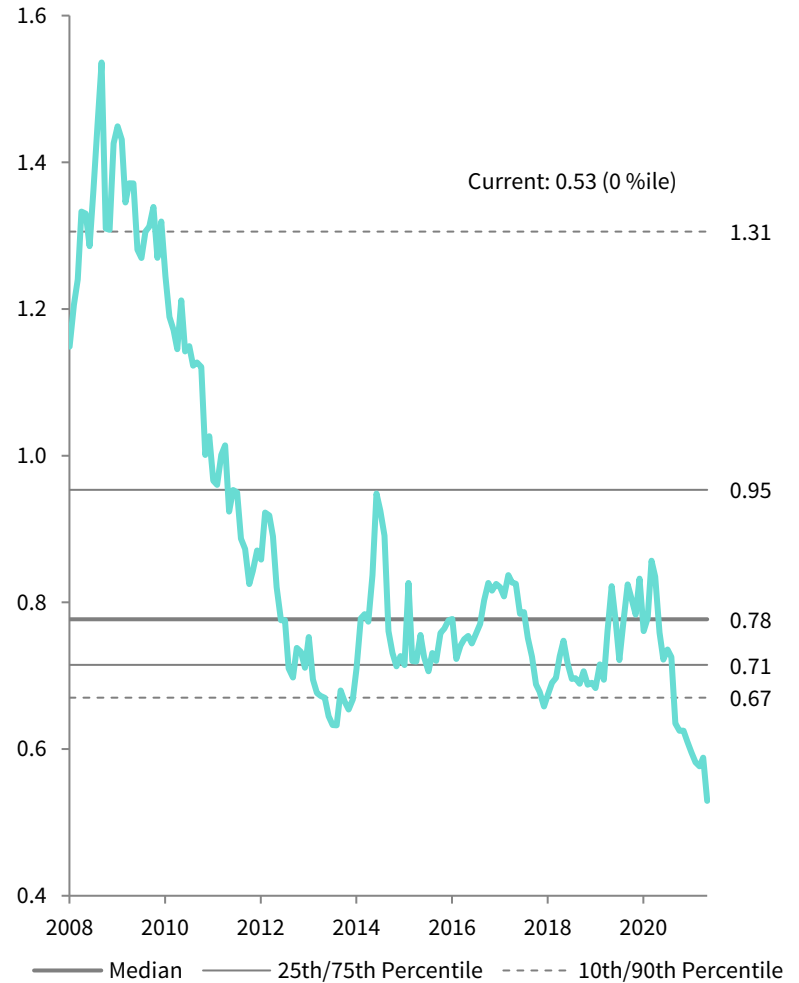
ROLLING 6-MONTH RELATIVE PERFORMANCE: MSCI CHINA ALL-SHARES VS ACWI

May 31, 2009 – March 31, 2022 • Local Currency • Total Return • Percent (%)



MSCI CHINA ALL-SHARES VS MSCI ACWI: RELATIVE ROE-ADJUSTED PE

November 30, 2008 – March 31, 2022

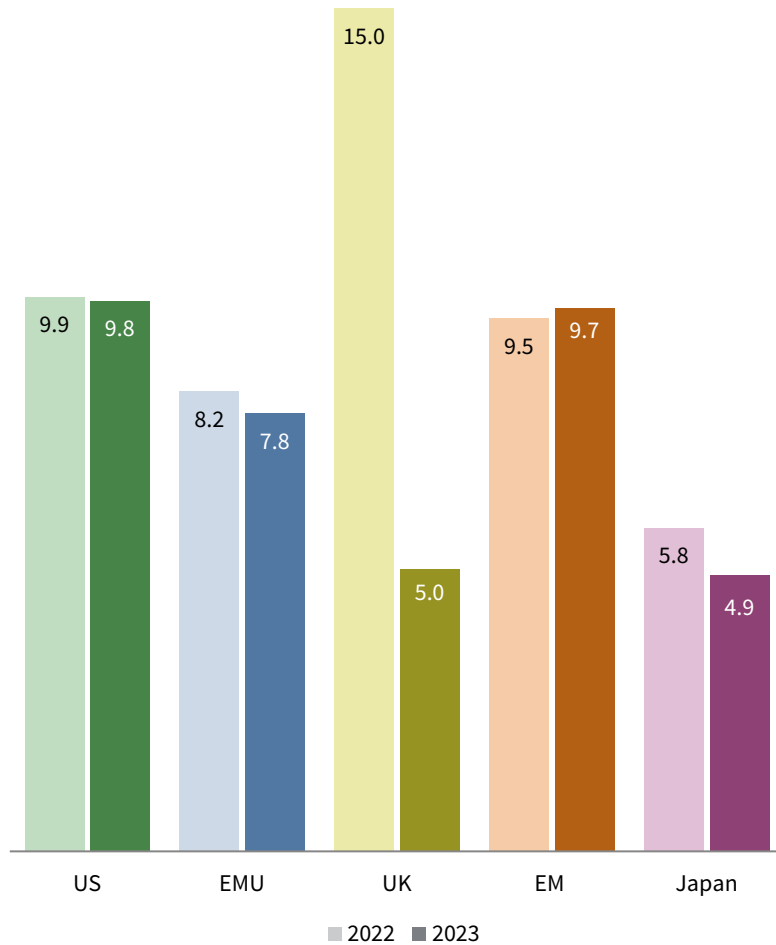


Earnings forecasts have held up, at least thus far

Despite rising commodity prices and the war in Ukraine, in recent months earnings forecasts have increased in some regions

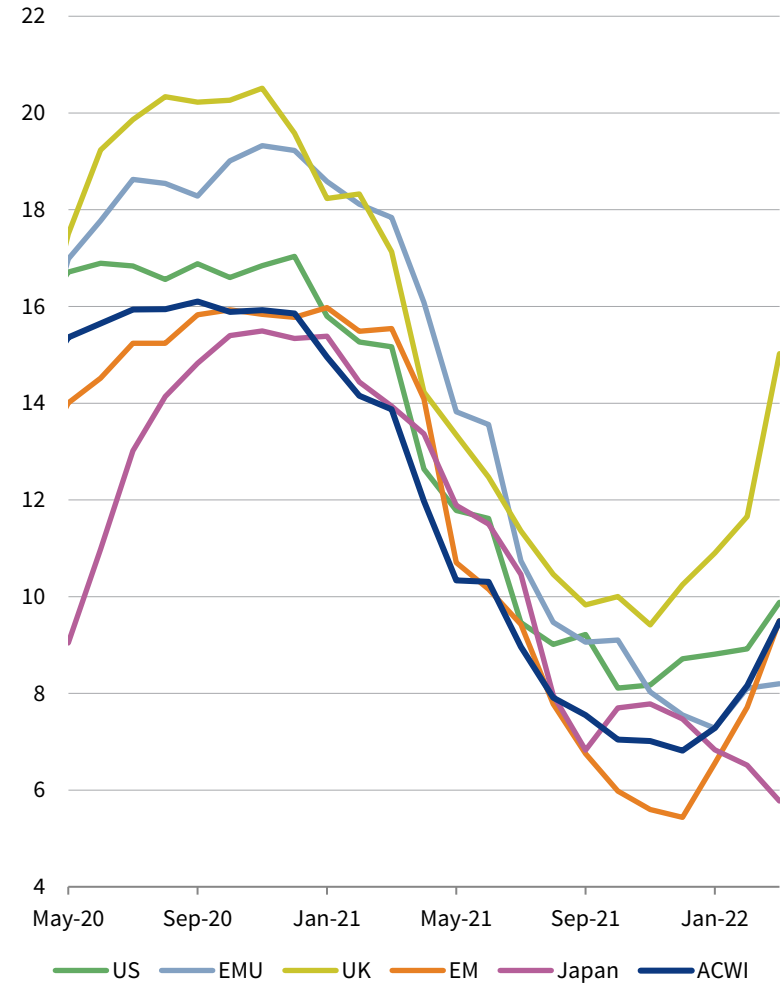
FY EPS GROWTH ESTIMATES BY REGION

As of March 31, 2022 • Percent (%)



2022 EARNINGS GROWTH ESTIMATES

As of March 31, 2022 • EPS Growth (%)



Sources: FTSE International Limited, I/B/E/S, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

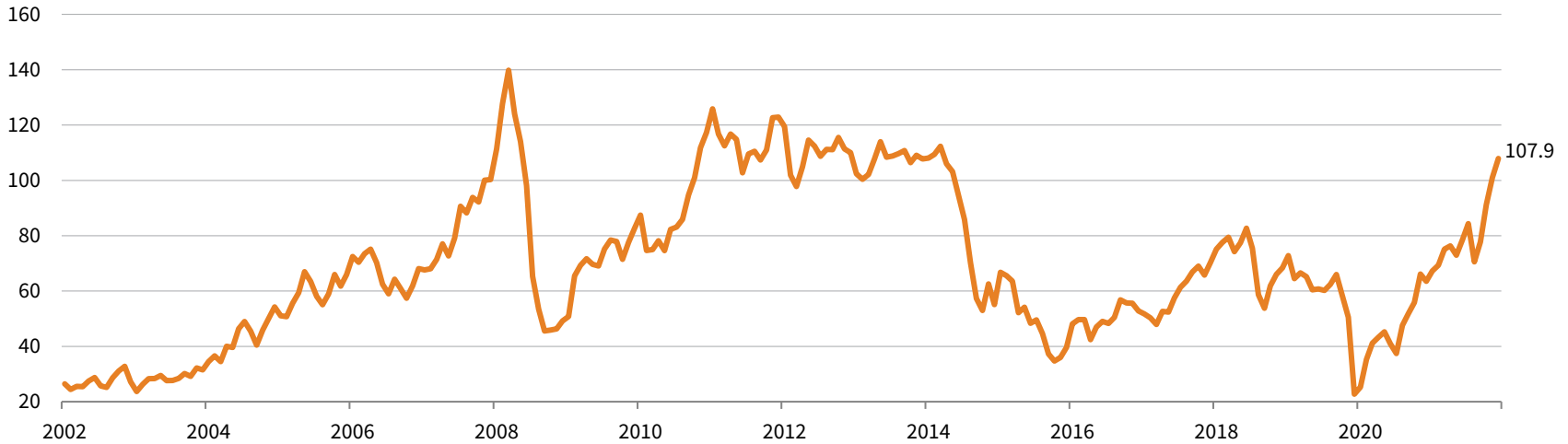
Notes: Japan FY data represents earnings growth from March through the next 12-month period. EM estimate is in USD terms and reflects the impact of currency fluctuations. Regions are represented by the following indexes: S&P 500 (US), MSCI EMU (EMU), FTSE® All-Share (UK), MSCI Emerging Markets (EM), and MSCI Japan (Japan).

War in Ukraine and previous reductions in supply cause oil prices to surge in 2022

Oil market was tight even before the war started, in part, because OPEC+ has not brought back production it cut during pandemic

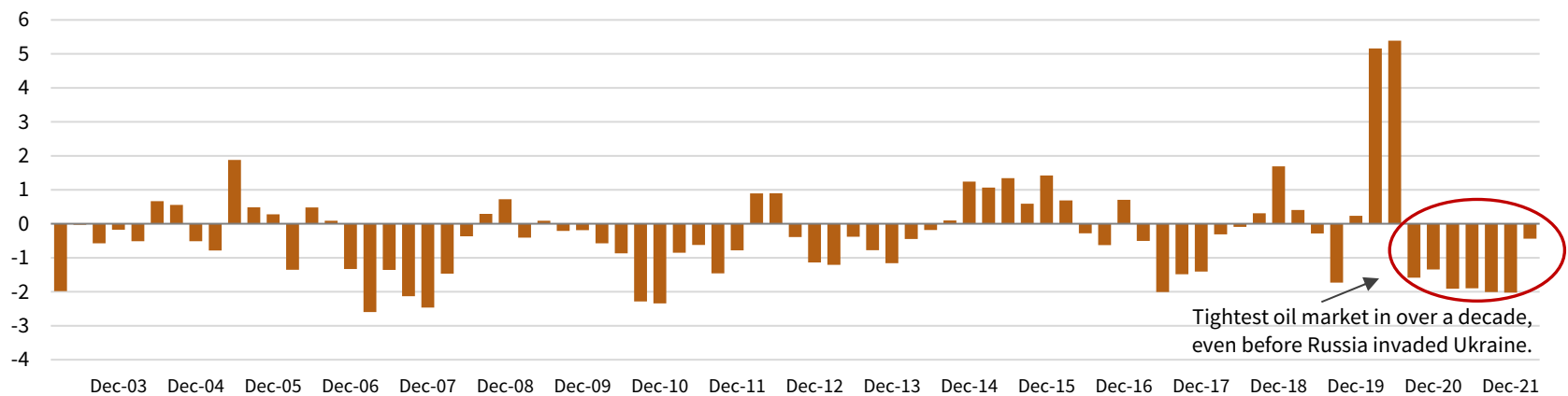
BRENT OIL PRICE OVER TIME

April 30, 2002 – March 31, 2022 • US Dollars



GLOBAL OIL SUPPLY/DEMAND: PRODUCTION – CONSUMPTION

First Quarter 2003 – First Quarter 2022 • Million barrels per day



Tightest oil market in over a decade, even before Russia invaded Ukraine.

Sources: Intercontinental Exchange - Ice Futures Limited, Thomson Reuters Datastream, and US Department of Energy - Energy Information Agency (EIA).

Notes: Brent Oil prices are monthly. Oil prices are represented by the ICE Brent Crude Oil front-month contract and are through March 31, 2022. Data for Global Oil Supply/Demand are based on each quarter's monthly average.

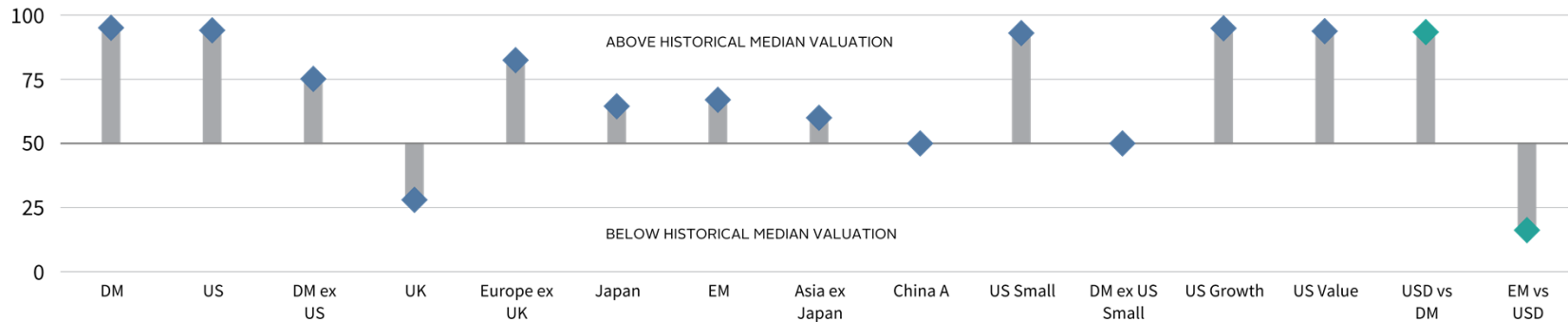
MMHC

Cambridge Associates Current Valuations Summary

CURRENT VALUATION LEVELS OF VARIOUS ASSET CLASSES

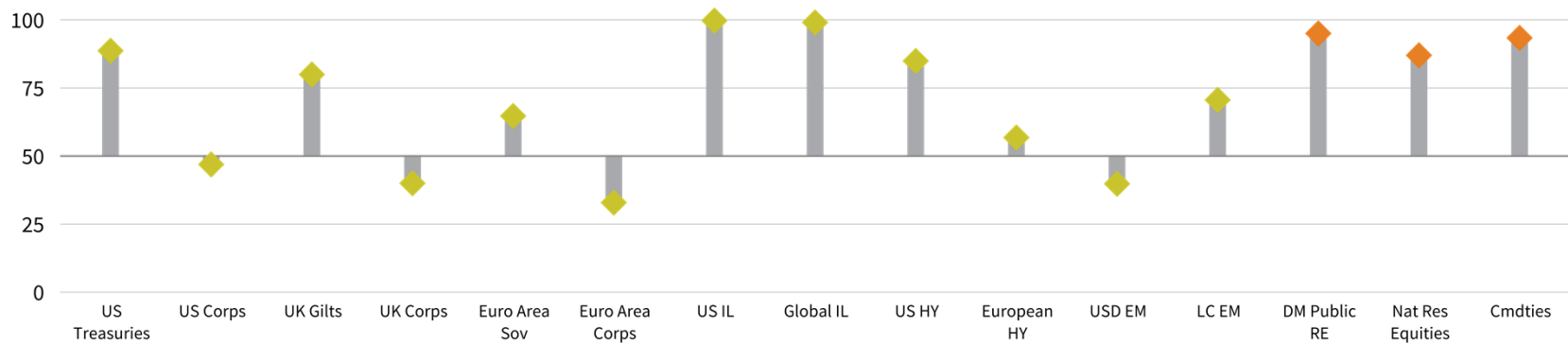
As of March 31, 2022 • Percentile

Equities



Currencies

Fixed Income



Real Assets

Source: Cambridge Associates LLC.

Notes: This exhibit compares current valuation levels to historical levels across a variety of asset classes. A percentile rank of 50 indicates that an asset class's current valuation level is consistent with its long-term median, while a percentile rank of 75 indicates that level is higher than 75% of historical data. The valuation level for each asset class is determined by a metric or composite of metrics relevant to that asset class.

PERFORMANCE REVIEW



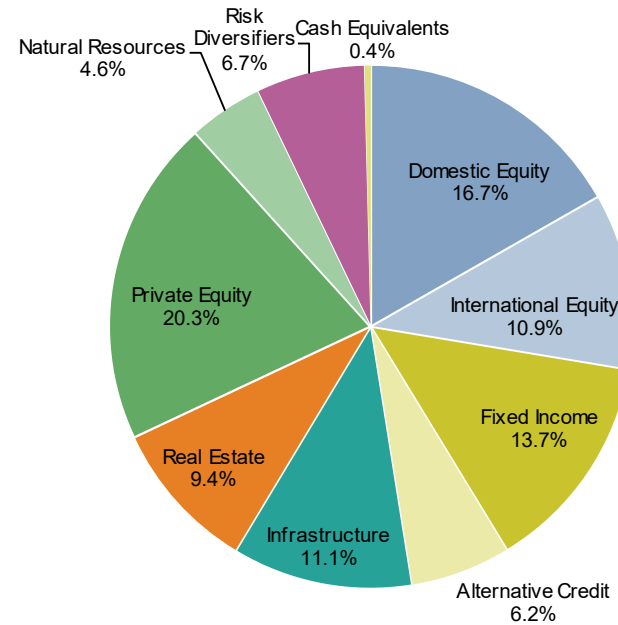
MainePERS Allocation Snapshot

As of March 31, 2022

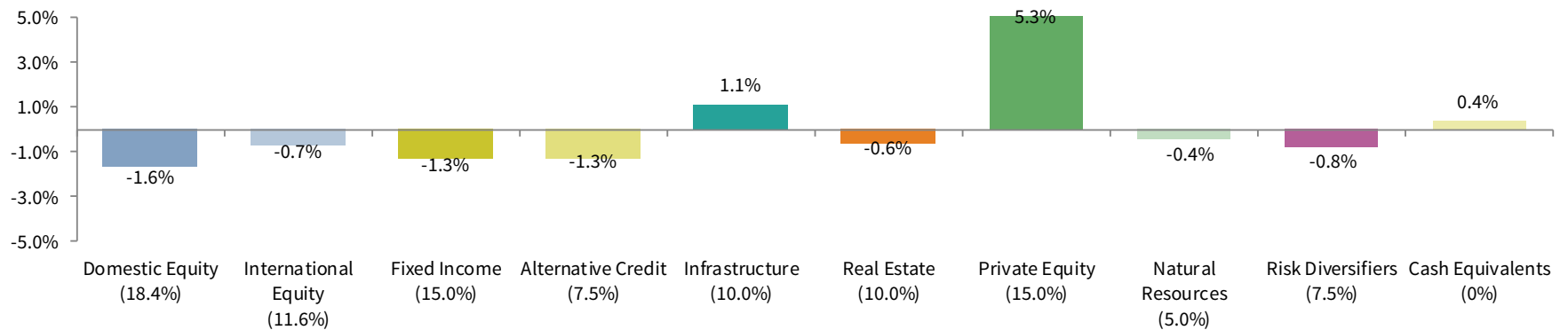
Asset class, composite breakout, and performance is based on JP Morgan performance data

Asset Allocation (\$ Millions)

Asset Class	\$	%
Domestic Equity	\$3,214.1	16.7%
International Equity	\$2,087.2	10.9%
Fixed Income	\$2,621.3	13.7%
Alternative Credit	\$1,191.3	6.2%
Infrastructure	\$2,139.6	11.1%
Real Estate	\$1,801.2	9.4%
Private Equity	\$3,892.7	20.3%
Natural Resources	\$876.5	4.6%
Risk Diversifiers	\$1,292.8	6.7%
Cash Equivalents	\$76.6	0.4%
Total	\$19,193.2	100.0%



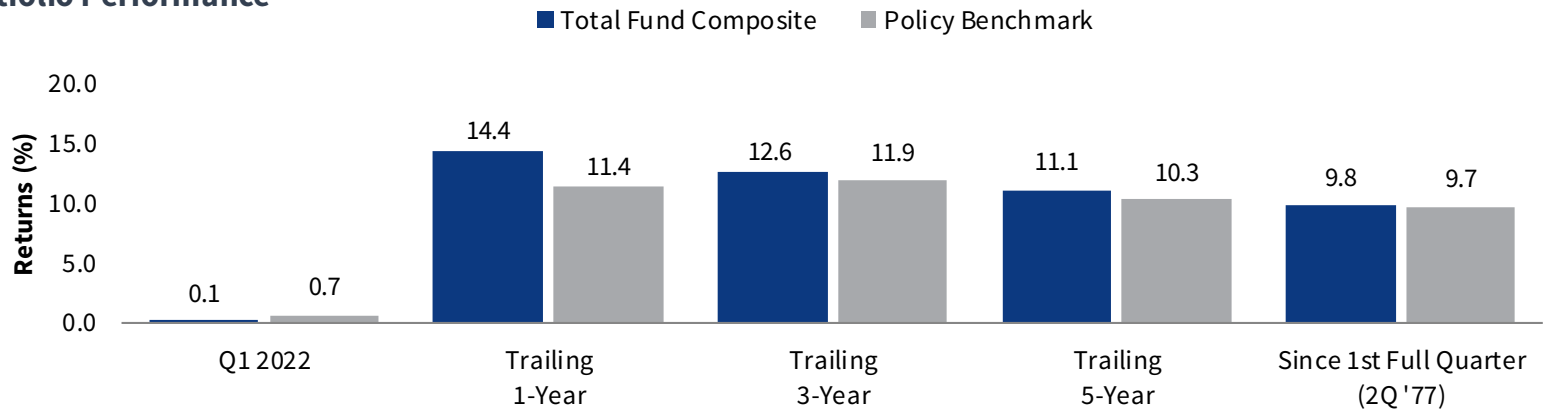
Relative Weights vs. Policy Targets



MainePERS Performance Summary

As of March 31, 2022

Total Portfolio Performance



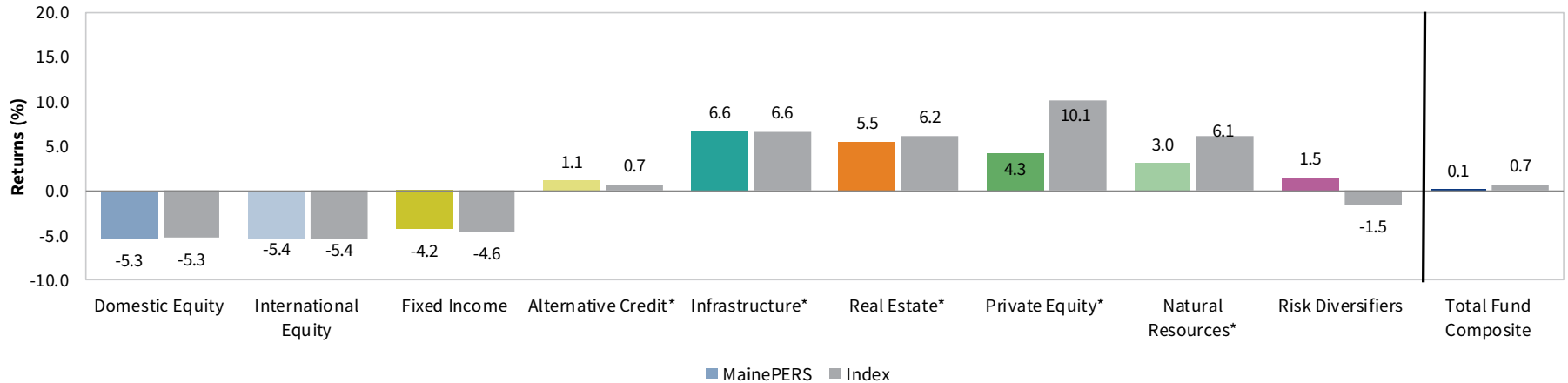
	Q1 2022	Trailing 1-Year	Trailing 3-Year	Trailing 5-Year	Since 1st Full Quarter (2Q '77)
Total Fund Composite	0.1	14.4	12.6	11.1	9.8
Policy Benchmark	0.7	11.4	11.9	10.3	9.7
<i>Value Added</i>	<i>(0.5)</i>	<i>3.0</i>	<i>0.8</i>	<i>0.9</i>	<i>0.1</i>

MainePERS Asset Class Performance

As of March 31, 2022

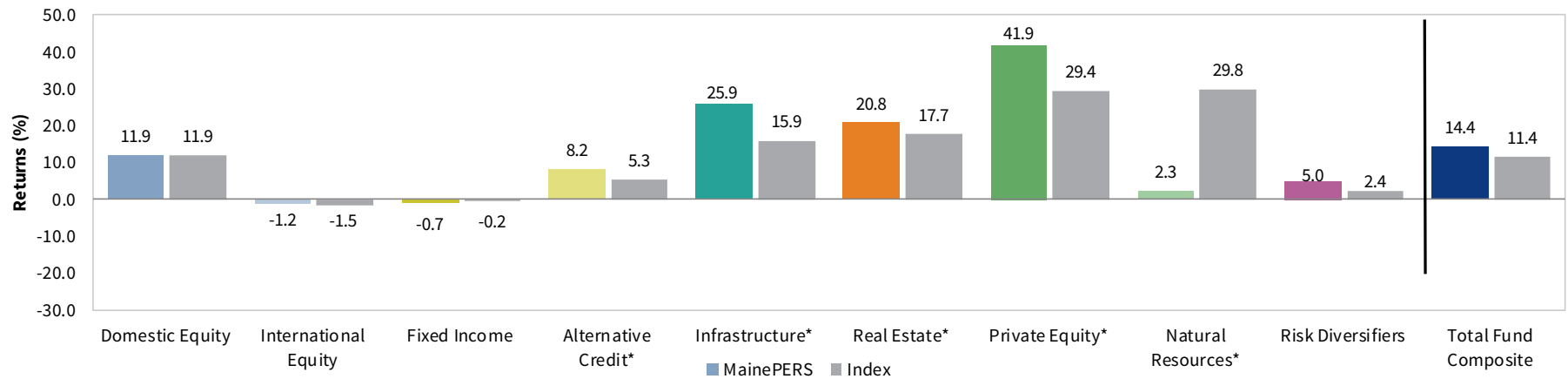
Quarter-to-Date

January 1, 2022 - March 31, 2022



Trailing 1-Year

April 1, 2021 - March 31, 2022



Notes: Asset class benchmarks (from left to right): Index returns for Infrastructure, Real Estate, and Natural Resources are reported on a quarterly basis. Returns reported by J.P. Morgan, except for Infrastructure and Real Estate indices, which are reported by Cambridge Associates on a quarter lag. Returns for CA Real Estate and Infrastructure indices are preliminary, and subject to adjustment.

*Performance is reported on a quarter lag, as December 31, 2021.

Asset Class Benchmarks

Asset Class	Benchmark	Long-Term Target
	Russell 3000 ¹	18.4%
	MSCI ACWI ex US ²	11.6%
Public Equity	Total Public Equity	30.0%
Private Equity	Russell 3000 + 3% per annum (1 qtr lag)	15.0%
Risk Diversifiers	0.3 Beta MSCI ACWI ³	7.5%
Real Estate	NCREIF Property (1 qtr lag)	10.0%
Infrastructure	Cambridge Associates Infrastructure Median (1 qtr lag)	10.0%
Natural Resources	Cambridge Associates Natural Resources Median (1 qtr lag)	5.0%
Traditional Credit	Barclays US Agg ex Treasury	7.5%
Alternative Credit	50% BAML US HY II + 50% S&P/LSTA US Leveraged Loan Index (1 qtr lag) ⁴	7.5%
US Govt Treasuries	Custom Fixed Income ⁵	7.5%
Total		100.0%

1. Russell 3000 weight is based upon the MSCI ACWI weighting for US

2. MSCI ACWI ex US weight is based upon the MSCI ACWI weighting for International

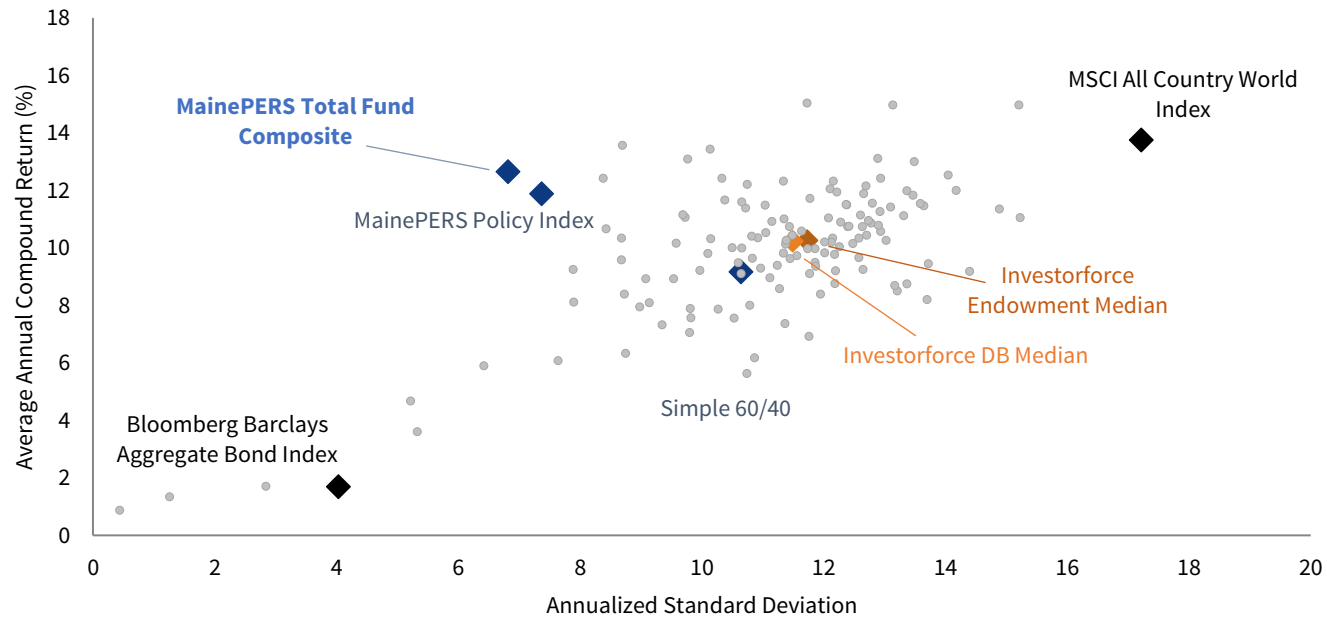
3. 91-day T-bill + 0.3(MSCI ACWI Return – 91-day T-bill)

4. 50% Bank of America US High Yield II + 50% S&P/Loan Syndications & Trading Association US Leveraged Loan Index

5. 65% 0-5 Year TIPS / 35% US TIPS Fund

MainePERS Risk/Return – 3 Years

As of March 31, 2022



	Average Annual Compound Return	Annualized Standard Deviation	Sharpe Ratio ¹	Beta vs. MSCI ACWI
MainePERS - Total Fund Composite	12.6	6.8	1.7	0.32
MainePERS - Policy Index	11.9	7.4	1.5	0.30
Simple 60/40	9.2	10.6	0.8	0.61
Investorforce Public DB Plan Median	10.2	11.5	0.8	---
Investorforce Endowment Median	10.3	11.7	0.8	---
Indices				
MSCI All Country World Index (Net)	13.8	17.2	0.8	--
Bloomberg Barclays Aggregate Bond Index	1.7	4.0	0.2	0.03



Note: Calculations are based on monthly data, net of fees.

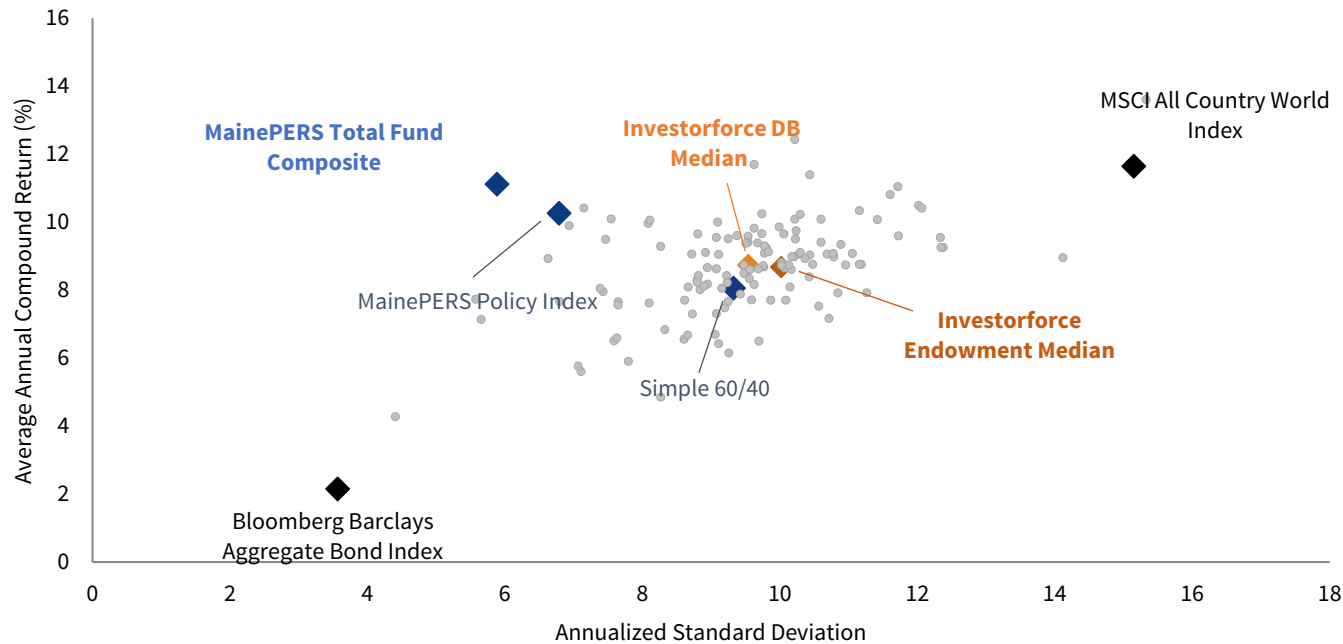
¹The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard deviations are based on monthly data, net of fees.

² Simple 60/40 is 60% MSCI ACWI and 40% BC Aggregate US Bond Index.

³ Net Investor Force Median data reflects median of 3-year returns and the standard deviations as reported by institutions with over \$100m in assets to Investor Force.

MainePERS Risk/Return – 5 Years

As of March 31, 2022



	Average Annual Compound Return	Annualized Standard Deviation	Sharpe Ratio ¹	Beta vs. MSCI ACWI
MainePERS - Total Fund Composite	11.1	5.9	1.7	0.31
MainePERS - Policy Index	10.3	6.8	1.4	0.35
Simple 60/40	8.0	9.3	0.7	0.61
Investorforce Public DB Plan Median	8.7	9.5	0.8	---
Investorforce Endowment Median	8.7	10.0	0.7	---
Indices				
MSCI All Country World Index (Net)	11.6	15.1	0.7	--
Bloomberg Barclays Aggregate Bond Index	2.1	3.6	0.3	0.03



Note: Calculations are based on monthly data, net of fees.

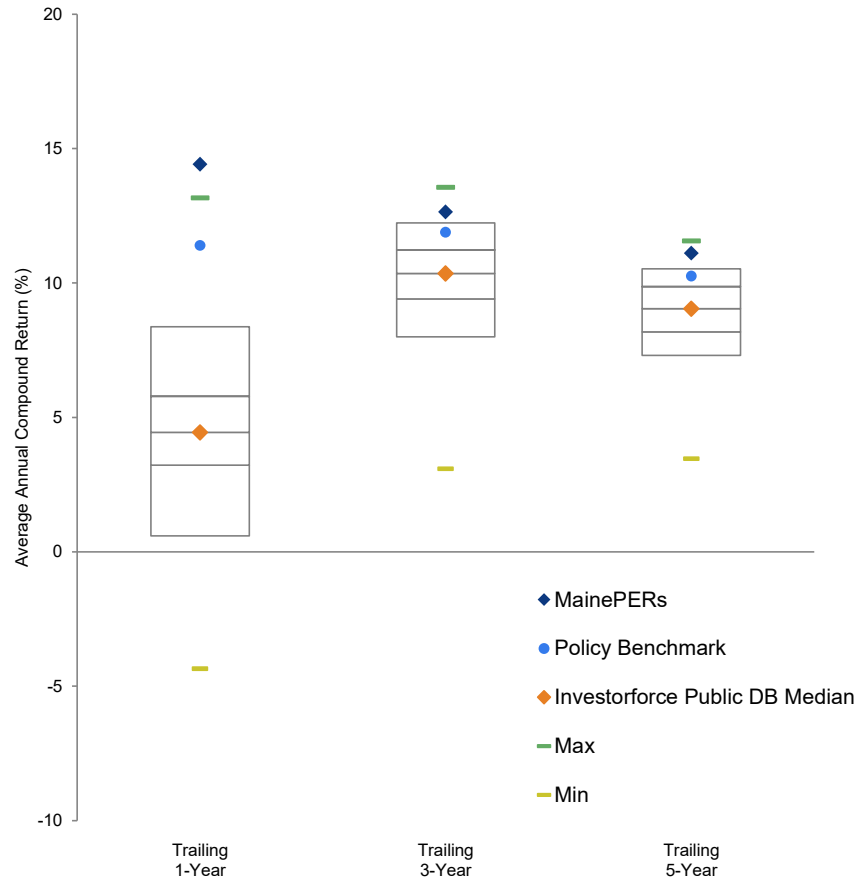
¹The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard deviations are based on monthly data, net of fees.

² Simple 60/40 is 60% MSCI ACWI and 40% BC Aggregate US Bond Index.

³ Net Investor Force Median data reflects median of 5-year returns and the standard deviations as reported by institutions with over \$100m in assets to Investor Force.

MainePERS vs. Defined Benefit Peers

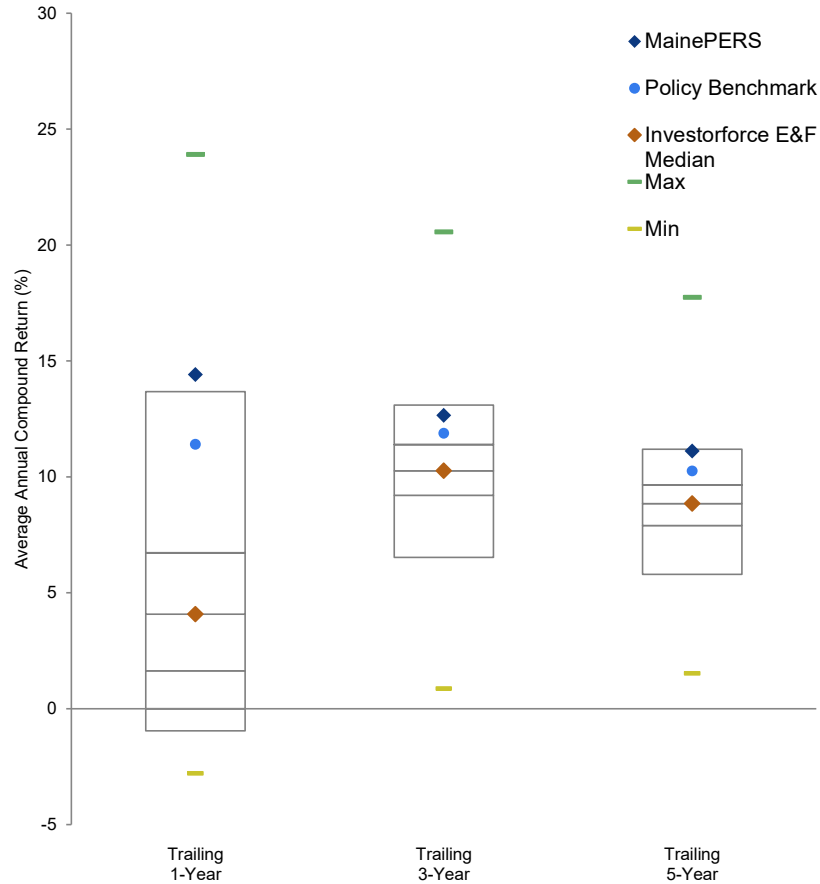
As of March 31, 2022



	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>
MainePERS	14.4	12.6	11.1
Policy Benchmark	11.4	11.9	10.3
Max	13.2	13.6	11.6
5th Percentile	8.4	12.2	10.5
25th Percentile	5.8	11.2	9.9
Investorforce Public DB Median	4.4	10.4	9.0
75th Percentile	3.2	9.4	8.2
95th Percentile	0.6	8.0	7.3
Min	-4.3	3.1	3.5
Sample Size			
<i>n</i>	103	103	103

MainePERS vs. E&F Peers

As of March 31, 2022



	One Year	Three Year	Five Year
MainePERS	14.4	12.6	11.1
Policy Benchmark	11.4	11.9	10.3
Max	23.9	20.6	17.7
5th Percentile	13.7	13.1	11.2
25th Percentile	6.7	11.4	9.7
Investorforce E&F Median	4.1	10.3	8.9
75th Percentile	1.6	9.2	7.9
95th Percentile	-1.0	6.5	5.8
Min	-2.8	0.9	1.5
Sample Size <i>n</i>	132	132	132

	One Year	Three Year	Five Year
MainePERS	14.4	12.6	11.1
Policy Benchmark	11.4	11.9	10.3
Max	23.9	20.6	17.7
5th Percentile	13.7	13.1	11.2
25th Percentile	6.7	11.4	9.7
Investorforce E&F Median	4.1	10.3	8.9
75th Percentile	1.6	9.2	7.9
95th Percentile	-1.0	6.5	5.8
Min	-2.8	0.9	1.5
Sample Size <i>n</i>	132	132	132



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MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: BOARD OF TRUSTEES
FROM: SHERRY VANDRELL, DIRECTOR OF FINANCE
SUBJECT: FY23 RECOMMENDED OPERATING BUDGET – ADMINISTRATION AND INVESTMENTS OPERATIONS
DATE: MAY 5, 2022

We presented two proposed budgets for FY23 to members of the Finance and Audit Committee in April, one for general administration and one for investment operations. Those drafts have been revised during the last several weeks as new information has become available and those revised proposed budgets will be presented to the Finance and Audit Committee at the May 12, 2022 meeting.

POLICY REFERENCE

[Board Policy 1.6 – Finance and Audit Committee of the Board](#)

[Board Policy 5.4 – Budgeting, Spending, and Reporting](#)

FY23 RECOMMENDED BUDGETS – ADMINISTRATION AND INVESTMENT OPERATIONS

We present proposed budgets to the Finance and Audit Committee in April each year to provide members of the Committee as much time as needed to review the documents and ask questions prior to recommending them to the full Board of Trustees for approval. After the April meeting, we completed additional internal review and made additional changes to the proposed budgets, including adjusting personnel costs to reflect a planned health insurance premium holiday in FY23 that we learned of after the April meeting. In addition, we are proposing to add a “salary pool” line item to each of the budgets to allow us some flexibility to address compensation for confidential staff in the coming year in response to a recently completed salary survey that revealed that compensation for confidential positions generally is below market. The reason for the salary pool is to give us time to evaluate revising our confidential employee compensation system to integrate market information with individual performance when determining compensation and phase in adjustments.

The Finance and Audit Committee has the option of recommending the proposed budgets to the Board of Trustees at either the May or June board meetings. We have attached the budget information that is being presented to the Finance and Audit Committee at their May 12th meeting so that all Trustees may have the opportunity to review the draft budgets ahead of the May 12th Board meeting and ask any questions you may have.

RECOMMENDATION

No action is required at this time.

OR

Approve the FY23 Recommended Operating Budget in the amount of \$17,755,530 and the Recommended Investment Operations Budget in the amount of \$6,371,987 as recommended by the Finance and Audit Committee.

**Maine Public Employees Retirement System
Proposed Administrative Expenses Budget
For the Fiscal Year Ended June 30, 2023**

	FY 22 Budgeted	FY22 Expected	FY 23 Budgeted	FY 23 Budget vs. FY22 Expected	FY 23 Budget vs. FY 22 Budget	FY 23 Budget vs. FY 22 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 6,633,153	\$ 6,600,235	\$ 7,596,417	\$ 996,182	\$ 963,264	14.5%
Overtime Wages	-	34,456	-	(34,456)	-	
Total Salaries & Wages	6,633,153	6,634,691	7,596,417	961,726	963,264	14.5%
Benefits						
Health Insurance	\$ 1,442,127	1,367,970	\$ 1,424,464	56,494	(17,663)	-1.2%
MainePERS Retirement Contributions	842,233	828,743	987,280	158,537	145,047	17.2%
Retiree Health Insurance Reserve	9,115	8,759	8,868	109	(247)	-2.7%
Other Insurance and Benefits	28,000	27,977	28,000	23	-	0.0%
Total Benefits	2,321,475	2,233,449	2,448,612	215,163	127,137	5.5%
Total Personnel Services	8,954,628	8,868,140	10,045,029	1,176,889	1,090,401	12.2%
Operating Expenses						
Computer Equipment, Supplies and Supports	2,797,126	2,549,836	2,936,084	386,248	138,958	5.0%
Medical Consultation Services	127,150	230,020	244,500	14,480	117,350	92.3%
Training, Continuing Education and Tuition	92,634	51,474	84,560	33,086	(8,074)	-8.7%
Travel	60,805	16,651	62,005	45,354	1,200	2.0%
Depreciation	1,925,163	1,878,618	927,876	(950,742)	(997,286)	-51.8%
Professional Services						
Actuarial Services	375,000	539,066	378,000	(161,066)	3,000	0.8%
Audit Services	67,500	85,731	99,000	13,269	31,500	46.7%
Legal Services	197,000	155,367	192,000	36,633	(5,000)	-2.5%
Hearing Officers Services	150,750	27,025	35,500	8,475	(115,250)	-76.5%
Miscellaneous Professional Services	614,300	414,851	935,873	521,022	321,573	52.3%
Total Professional Services	1,404,550	1,222,040	1,640,373	418,333	235,823	16.8%
Other Operating Expenses						
Buildings and Operations	384,130	437,085	411,764	(25,321)	27,634	7.2%
Capital Lease Expense	535,578	535,276	545,859	10,583	10,281	1.9%
Insurance	93,673	94,633	95,007	374	1,334	1.4%
Printing and Publications	138,792	116,157	140,658	24,501	1,866	1.3%
Postage	263,201	285,830	255,700	(30,130)	(7,501)	-2.8%
Telephone	144,246	138,578	146,916	8,338	2,670	1.9%
Other	198,320	232,940	219,198	(13,742)	20,878	10.5%
Total Other Operating Expenses	1,757,940	1,840,499	1,815,103	(25,396)	57,163	3.3%
Total Operating Expenses	8,165,367	7,789,138	7,710,501	(78,637)	(454,867)	-5.6%
Total Administrative Expenses	\$ 17,119,995	\$ 16,657,278	\$ 17,755,530	\$ 1,098,252	\$ 635,534	3.7%

**Maine Public Employees Retirement System
Proposed Investment Operations Expenses Budget
For the Fiscal Year Ended June 30, 2023**

	FY 22 Budgeted	FY22 Expected	FY 23 Budgeted	FY 23 Budget vs. FY22 Expected	FY 23 Budget vs. FY 22 Budget	FY 23 Budget vs. FY 22 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 1,971,872	\$ 1,680,004	\$ 2,142,873	\$ 462,868	\$ 171,000	8.7%
Overtime Wages	-	-	-	-	-	
Total Salaries & Wages	1,971,872	1,680,004	2,142,873	462,868	171,000	8.7%
Benefits						
Health Insurance	\$ 306,817	218,322	\$ 213,691	(4,631)	(93,126)	-30.4%
MainePERS Retirement Contributions	329,488	277,046	347,463	70,418	17,976	5.5%
Total Benefits	636,305	495,368	561,154	65,787	(75,150)	-11.8%
Total Personnel Services	2,608,177	2,175,372	2,704,027	528,655	95,850	3.7%
Operating Expenses						
Computer Equipment, Supplies and Supports	124,181	113,952	134,491	20,539	10,310	8.3%
Training, Continuing Education and Tuition	16,500	900	6,500	5,600	(10,000)	-60.6%
Travel	30,500	9,589	63,000	53,411	32,500	106.6%
Depreciation	5,816	5,814	3,840	(1,974)	(1,975)	-34.0%
Professional Services						
Audit Services	52,500	52,500	54,000	1,500	1,500	2.9%
Legal Services	845,000	667,940	1,018,500	350,560	173,500	20.5%
Investment Consulting	1,120,000	1,119,993	1,120,000	7	-	0.0%
Proxy Voting Services	24,037	24,037	24,037	-	-	0.0%
Custody Services	630,000	645,560	675,000	29,440	45,000	7.1%
Other Professional Services	70,000	76,852	202,500	125,648	132,500	189.3%
Total Professional Services	2,741,537	2,586,882	3,094,037	507,155	352,500	12.9%
Other Operating Expenses						
Buildings and Operations	127,900	130,141	127,668	(2,473)	(232)	-0.2%
Capital Lease Expense	152,927	152,355	150,782	(1,573)	(2,144)	-1.4%
Insurance	324	324	340	16	16	4.9%
Postage	750	325	540	215	(210)	-28.0%
Telephone	46,170	44,010	42,300	(1,710)	(3,870)	-8.4%
Other	56,679	44,709	44,462	(247)	(12,217)	-21.6%
Total Other Operating Expenses	384,750	371,864	366,092	(5,772)	(18,657)	-4.8%
Transfers to Reserves - MePERS	-	-	-	-	-	
Total Operating Expenses	3,303,283	3,089,001	3,667,960	578,959	364,677	11.0%
Total Investment Operations Expenses	\$ 5,911,460	\$ 5,264,373	\$ 6,371,987	\$ 1,107,614	\$ 460,527	7.8%

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: SHERRY VANDRELL, DIRECTOR OF FINANCE
SUBJECT: INTERNAL AUDIT UPDATE
DATE: MAY 5, 2022

POLICY REFERENCE

[Board Policy 1.6 – Finance and Audit Committee of the Board](#)

INTERNAL AUDIT SERVICES

We have completed contracting with two independent audit firms, Wipfli, LLP and Clifton, Larson, Anderson (CLA) to provide internal audit services. Introductory meetings with staff have occurred with both firms and work is underway with the firm of Wipfli, LLP to create an updated risk register to inform an audit schedule going forward.

Sarah Lutzke, Principal, and Chris Curran, Manager, of Wipfli, LLP, will attend the May 12, 2022 Board meeting to meet board members and to provide an overview of their approach to providing internal audit services and answer questions you may have.

RECOMMENDATION

No action is required at this time.

MAINEPERS

BOARD OF TRUSTEES ADMINISTRATION MEMORANDUM

TO: BOARD MEMBERS

FROM: JIM DUSCH, DIRECTOR OF MEMBER SERVICES
REBECCA GRANT, DIRECTOR OF ADMINISTRATION
SHERRY VANDRELL, DIRECTOR OF FINANCE

SUBJECT: OPERATIONS REPORT

DATE: MAY 6, 2022

Content in the following paragraphs was selected to provide noteworthy information regarding recent operations at the System.

POLICY REFERENCE

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

SERVICE PROGRAMS

1. BENEFITS PAYROLL. In April, 46,344 benefit recipients were paid a total of \$93,732,972.84.
2. RETIREMENT SERVICES. One hundred fourteen individuals received their first benefit payment in April, with the typical benefit amount being \$2,073 after 24 years of service. The count of new recipients was slight higher as was the payment and service amounts compared to what has been seen in recent Aprils.

Ninety-five former members received a refund of their contributions in April, typically amounting to \$8,766 as the result of four-years of service. The aggregate amount refunded was \$1,635,042.

3. DISABILITY SERVICES. Twelve new disability retirement applications were received in April, and 22 intakes with varying levels of detail and duration were conducted.
4. SURVIVOR SERVICES. Thirty-nine life insurance claims were sent to our carrier (The Hartford) in April, with a total value of \$762,745 in payments due to beneficiaries.
5. DEFINED CONTRIBUTION PLAN SERVICES. MaineSTART had 1,563 participants at the end of April, with \$56,908,228 of investment assets.
6. PLD PLAN ADMINISTRATION. Effective May 1st, a new participant joined to provide coverage for is administrators, and an existing participant adopted plan changes that allows coverage in the future for their police officers.

FINANCIAL PROGRAMS

1. EMPLOYER REPORTING. Ninety-six percent of the defined benefit payrolls expected to be received in April were uploaded on time, as compared to ninety-one percent in March.
2. EMPLOYER REPORTING ASSISTANCE PROGRAM. Seven reviews were completed during the month of March, resulting in 106 findings, 33 of which were contribution-related errors. Staff are working with the employers to resolve these findings now. Three new reviews were initiated during the same period. Eighty-five percent of all findings to date have been resolved satisfactorily.

ADMINISTRATION

1. BUSINESS CONTINUITY PLANNING. Departmental recovery plan reviews with staff are 71% complete. The target completion date is May 31st. We anticipate table-top testing to begin this summer.
2. ADMINISTRATIVE ACTIONS. Functional unit plans for each administrative department are written and pending review by the management team.
3. HUMAN RESOURCES. Onboarding of seven new personnel has been the focus of Human Resources. HR itself has three new employees who have had training under the oversight of the retired HR Manager.
4. INFORMATION TECHNOLOGY. MainePERS' new Director of Information Technology is in place and working with the IT team. Joy Childs joined the organization on April 25th.

MainePERS and vendor partner Presidio have completed upgrades to the Cisco security infrastructure.

Symantec endpoint protection is being replaced by CrowdStrike, which is a new generation of endpoint security. Deployment of the new software should be complete by the end of May.

JD/SV/RG/mg

Maine Public Employees Retirement System
Contributions and Disbursements - Defined Benefit Plans
For the Nine Months Ended March 31, 2022 and March 31, 2021

	<u>Current</u>	<u>Year to Date</u>	<u>Prior Year to Date</u>
Contributions			
Employer Contributions ⁽¹⁾	\$ 49,378,699	\$ 395,854,890	\$ 373,935,653
Member Contributions	19,070,020	152,763,188	145,088,792
Member Repurchases	661,793	8,182,897	2,537,027
Total Contributions	<u>\$ 69,110,512</u>	<u>\$ 556,800,975</u>	<u>\$ 521,561,472</u>
Member Disbursements			
Benefits Payroll	\$ 94,026,743	\$ 838,111,330	\$ 802,434,336
Member Refunds	2,370,230	16,776,181	13,933,142
Total Member Disbursements	<u>\$ 96,396,973</u>	<u>\$ 854,887,511</u>	<u>\$ 816,367,478</u>
Net	<u>\$ (27,286,461)</u>	<u>\$ (298,086,536)</u>	<u>\$ (294,806,006)</u>

⁽¹⁾Employer Contributions include both normal cost and UAL contributions

MAINEPERS

BOARD OF TRUSTEES RULEMAKING MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND
GENERAL COUNSEL
SUBJECT: RULEMAKING UPDATE
DATE: MAY 5, 2022

The repeal of Rule Chapter 202 and the adoption of Rule Chapter 512 are before the Board for consideration. The System published notice of the proposed rulemaking in March, and a public hearing was held at the April Board meeting. One member of the public spoke in opposition to each proposal and also submitted comments in writing. No other written comments were received by the April 25 deadline.

The System intends to publish notice next week of a proposed amendment to Rule Chapter 803 to provide an additional 1% cost of living adjustment for the current year to eligible PLD Consolidated Retirement Plan retirees and make several non-substantive revisions. A public hearing would be held as part of the Board's June meeting, and the proposal may be brought to the Board for consideration in July.

POLICY REFERENCE

[Board Policy 2.3 -- Rulemaking](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

RULE CHAPTER 202

Rule Chapter 202 governs the establishment of the Medical Board and obtaining consultations from the Medical Board or other providers. Statutory references to a Medical Board have been repealed, and the Medical Board has been disbanded. A copy of the current rule is attached, as is a proposed Basis Statement for its repeal.

Susan Hawes spoke in opposition to the proposal at the public hearing and submitted her comments in writing. She advocated for rulemaking to address medical reviews and independent medical examinations (“IMEs”) by the System’s vendors and to address other matters regarding the disability and appeals programs. However, she did not identify any reasons why the current version of Rule Chapter 202 should continue in effect. As a result, the staff recommends repealing Rule Chapter 202. Ms. Hawes’s comments will be considered in planning further rulemaking.

RULE CHAPTER 512

New Rule Chapter 512 would address reimbursement rates for attending IMEs and the means for waiving IMEs under the new disability law, P.L. 2021, c. 277. A copy of the proposed rule is attached along with its basis statement.

Under the proposed rule, mileage for attending an IME would be paid at the Internal Revenue Service’s standard rate, and a healthcare provider attending an IME on behalf of a member would receive a per diem of \$300. The right to an IME could be waived in writing or by repeatedly failing to attend a scheduled IME unless the member reimburses the System for any no-show or cancellation fee or the failure was outside of their control.

Ms. Hawes also commented in opposition to this proposal at the public hearing and in writing. She advocated for additional rulemaking regarding IMEs beyond the subjects covered by the proposed rule. However, she did not identify any reasons why the proposed provisions should not be adopted. As a result, the staff recommends adopting Rule Chapter 512 and its Basis Statement. Ms. Hawes’s comments will be considered in planning further rulemaking.

RECOMMENDATIONS

That the Board repeal Rule Chapter 202 and adopt the Basis Statement for repeal.

That the Board adopt Rule Chapter 512 and its Basis Statement.

RULE AS IN EFFECT – PROPOSED FOR REPEAL MAY 2022

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 202: MEDICAL BOARD

SUMMARY: This Chapter provides standards for establishing the Medical Board of the Maine Public Employees Retirement System (“MainePERS”) and for obtaining medical consultations from the Medical Board or other medical providers.

SECTION 1. ESTABLISHMENT OF THE MEDICAL BOARD

1. The MainePERS Board of Trustees shall designate a Medical Board to provide advice, recommendations, assistance, and consultations to the MainePERS Executive Director or designee in accordance with Maine statutes. The Board may designate an entity that employs medical providers who constitute the membership of the Medical Board.
2. The Medical Board shall include medical providers from those fields of medicine within which MainePERS receives the greatest number of applications for disability retirement.

SECTION 2. CONSULTATIONS

1. The Executive Director or designee shall obtain medical consultation from the Medical Board on each application for disability retirement unless the Medical Board notifies the Executive Director or designee that it lacks a medical provider qualified to review the case by specialty or experience and to whom the applicant is not known.
2. In the event that the Medical Board provides notification under subsection 1, the Executive Director or designee may obtain medical consultation from any medical provider qualified to review the case by specialty or experience and to whom the applicant is not known.
3. The Executive Director or designee may obtain additional medical consultations, independent medical examinations, advice, and recommendations in accordance with Maine statute.

STATUTORY AUTHORITY:

5 M.R.S. §§17103(4); 17106; 17902(1)(A); 18525(1)(A).

EFFECTIVE DATE: January 20, 1985

EFFECTIVE DATE (ELECTRONIC CONVERSION): May 5, 1996

NON-SUBSTANTIVE CORRECTIONS: October 2, 1996 - minor spelling and format.

REPEALED AND REPLACED:

December 26, 2020 – filing 2020-255

BASIS STATEMENT FOR REPEAL MAY 12, 2022/STATEMENT OF COMMENTS:

The proposal for rule-making was noticed on March 23, 2022. A public hearing was held on April 14, 2022. One member of the public provided oral and written comments at the public hearing. No other members of the public submitted written comments prior to the April 25, 2022 comment deadline.

The proposal was to repeal the rule. The rule governs the establishment of the Medical Board and obtaining consultations from the Medical Board or other providers. The System proposed repeal of the rule because statutory references to a Medical Board have been repealed and the Medical Board has been disbanded.

One member of the public¹ presented comments in opposition to the repeal of this rule. The commenter advocated for rulemaking to address medical reviews and independent medical examinations (“IMEs”) by the System’s vendors and to address other matters regarding the disability and appeals programs.

Because the commenter did not identify any reasons why the current version of Rule Chapter 202 should continue in effect, the Board repeals the rule.

At the Board’s regular meeting held on May 12, 2022, _____ made the motion, seconded by _____ to repeal the rule and to adopt the basis statement. Voted _____ by those Board members present.

¹ Susan Hawes, Portland, Maine

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 512: INDEPENDENT MEDICAL EXAMINATIONS

SUMMARY: This Chapter implements and describes procedures for conducting independent medical examinations under 5 M.R.S. §17106-B(2).

SECTION 1. REIMBURSEMENT FOR INDEPENDENT MEDICAL EXAMINATIONS

Under 5 M.R.S. § 17106-B(2), a member’s representative who attends the member’s independent medical examination is entitled to reimbursement of mileage and, if the representative is a health care provider, a per diem payment. The Maine Public Employees Retirement System (“the System”) will make these reimbursements and payments as follows:

1. The member must identify the representative to the System in writing within 30 days after the independent medical examination. Within 60 days after the independent medical examination, the representative must provide the System with the representative’s tax identification number by submitting IRS Form W-9 and any other information reasonably necessary to permit reimbursement and payment, if applicable. The member and representative will provide the System with information reasonably necessary to determine mileage and whether the representative is a health care provider.
2. Mileage will be reimbursed at the standard rate set by the Internal Revenue Service.
3. The health care provider per diem rate is set at \$300.

SECTION 2. WAIVER OF INDEPENDENT MEDICAL EXAMINATION

A member may waive an independent medical examination pursuant to 5 M.R.S. § 17106-B(2) by:

1. Signing a waiver form developed by the System’s Chief Executive Officer for that purpose or otherwise clearly communicating a waiver in writing; or
 2. On more than one occasion, failing to attend a scheduled independent medical examination or canceling a scheduled independent medical examination after the time at which the independent health care provider imposes a cancellation fee, unless the member reimburses the System for any no-show or cancellation fee or the failure or cancellation was not within the member’s control.
-

STATUTORY AUTHORITY: 5 M.R.S. §§ 17103(4), 17106-B(2)

EFFECTIVE DATE:

BASIS STATEMENT FOR ADOPTION MAY 12, 2022/STATEMENT OF COMMENTS:

The proposal for rule-making was noticed on March 23, 2022. A public hearing was held on April 14, 2022. One member of the public provided oral and written comments at the public hearing. No other members of the public submitted written comments prior to the April 25, 2022 comment deadline.

The proposal is new Rule Chapter 512, the purpose of which is to address reimbursement rates for attending Independent Medical Examinations (IME) and means for waiving IMEs under the new disability law, P.L. 2021, c. 277. The proposed rule establishes the rate at which a member's representative who attends the member's IME is reimbursed for mileage and for time if the representative is a health care provider. The proposed rule also establishes the manner in which a member may waive an IME.

One member of the public¹ presented comments in opposition to the repeal of this rule. The commenter did not object to the substance proposed in Chapter 512. Rather, the commenter opined that the proposed rule "...answers only the simplest procedural questions... (and that)...more clarification of procedures around Independent Medical Exams is necessary." The Board notes that the rule as proposed addresses the specific requirement of Chapter 277 that the Board establish reimbursement rates for IMEs. While the law does not specifically require the Board to define what constitutes a waiver of an IME, the Board determines that given the potential significance of waiving an exam, the guidance should be clear as to how an IME is waived. Because the commenter did not identify any reasons why the provisions proposed should not be adopted, the Board adopts the rule as proposed.

At the Board's regular meeting held on May 12, 2022, _____ made the motion, seconded by _____ to adopt the rule and its basis statement. Voted _____ by those Board members present.

¹ Susan Hawes, Portland, Maine

MAINEPERS

BOARD OF TRUSTEES LEGISLATIVE MEMORANDUM

TO: BOARD MEMBERS
FROM: KATHY MORIN, DIRECTOR, ACTUARIAL AND LEGISLATIVE AFFAIRS
SUBJECT: LEGISLATIVE UPDATE
DATE: MAY 5, 2022

The Second Regular Session of the 130th Legislature convened on January 5, 2022. Statutory adjournment for this session was April 20, 2022. The Legislature has not yet adjourned and will return on May 9 to consider any bills that are vetoed by the Governor.

POLICY REFERENCE

[Board Policy 3.1 – Reporting](#)

[Board Policy 3.2 – Legislation](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

The following bills were considered during this session. The current status of each bill is provided, with updates from last month italicized.

BILLS CARRIED OVER FROM THE FIRST SESSION

The following bills were carried over from the First Special Session:

L.D. 111 – EARLY RETIREMENT FOR TEACHERS

This bill would allow teachers with at least 35 years of service credit to retire at any age without an early retirement reduction. It would also require a retired teacher who returns to work to make member contributions at the same rate as other teacher members. This bill was carried over on the Special Appropriations Table. *The Appropriations Committee did not recommend funding of this bill.*

L.D. 548 – EARLY RETIREMENT REDUCTIONS

This bill requires a recalculation of retirement benefits based on a decreased early retirement reduction for certain state employee and teacher retirees. This bill was carried over by the Labor and Housing Committee. This bill has been enacted by the House and Senate and placed on the Special Appropriations Table. *The Appropriations Committee did not recommend funding of this bill.*

L.D. 703 – COST-OF-LIVING ADJUSTMENTS

This bill would provide for a cost-of-living adjustment on the entire benefit for retired state employees and teachers. This bill was carried over on the Special Appropriations Table. *The Appropriations Committee did not recommend funding of this bill.*

L.D. 907 – PENSION FUNDS AND CLIMATE CHANGE

This concept draft bill would change laws concerning state pension funds and climate change. This bill was carried over by the Labor and Housing Committee. A work session was held on May 21, at which the bill was unanimously voted ought not to pass at the request of the sponsor,

L.D. 956 – MILITARY SERVICE PURCHASES

This bill expands the periods of military service that eligible members may purchase at a subsidized rate. This bill was carried over on the Special Appropriations Table. *The Appropriations Committee did not recommend funding of this bill.*

L.D. 1041 – MENTAL HEALTH WORKER SPECIAL PLAN

This bill would allow certain mental health workers who are currently included in the regular plan to be covered instead by the 1998 Special Plan. This bill was carried over on the Special Appropriations Table. *The Appropriations Committee did not recommend funding of this bill.*

BILLS FROM THE SECOND SESSION

The following bills were introduced during the second session:

L.D. 1746 – CHIEF MEDICAL EXAMINER EMPLOYEE SPECIAL PLAN

This bill would allow certain employees in the Office of the Chief Medical Examiner who are currently included in the regular plan to be covered instead by the 1998 Special Plan. At a work session held on January 31, the Committee voted the bill with a majority ought to pass as amended. The amendment removes the individual plan election as recommended by MainePERS, makes the special plan coverage retroactive for the employees covered by this bill,

and adds the fiscal note. *This bill was enacted by the House and placed on the Special Appropriations Table. The Appropriations Committee did not recommend funding of this bill.*

L.D. 1753 – PLD SPECIAL PLANS

This bill changes the special plans available to some PLD employees. A work session was held on February 7, at which the bill was unanimously voted ought not to pass at the request of the sponsor, who stated that the bill was not needed given the plan options already available to PLD employers.

L.D. 1772 – REMOTE MEETINGS

This bill amends requirements for holding public meetings remotely. *This bill has been enacted as PL 2021, c. 666, and will be effective 90 days after close of session.*

A copy of the enacted law is included with this memo.

L.D. 1808 – CRIME LAB/COMPUTER CRIMES UNIT RETROACTIVE SPECIAL PLAN

This bill provides retroactive special plan coverage for certain employees of the Maine State Police Crime Laboratory and computer crimes unit. At a work session on February 2, the Committee voted the bill unanimously ought to pass as amended. The amendment makes the plan change language consistent with other similar laws, removes individual plan elections that are no longer relevant, and adds the fiscal note. *A work session was held on April 7, at which the Committee voted unanimously to amend the bill to put these employees into a special plan that allows retirement after twenty-five years of service, regardless of age. This bill was enacted by the House and placed on the Special Appropriations Table. The Appropriations Committee did not recommend funding of this bill.*

L.D. 1840 – CORRECTIONS SUPERVISORS RETROACTIVE SPECIAL PLAN

This bill provides retroactive special plan coverage for certain employees of the Department of Corrections. A work session was held on March 25, at which the Committee confirmed the list of positions to be included in the bill, which was previously voted with a majority ought to pass as amended. The amendment adds the fiscal note and includes the covered positions. *This bill was enacted by the House and placed on the Special Appropriations Table. The Appropriations Committee did not recommend funding of this bill.*

L.D. 1901 – RETIRED TEACHER HEALTH INSURANCE INVESTMENT TRUST FUND

This bill establishes a retired teacher health insurance investment trust fund. As with the trust fund for retired state employees, the MainePERS Board of Trustees are the trustees of this investment trust fund. A work session was held on March 25, at which the bill was unanimously

voted ought not to pass at the request of the sponsor, who stated that the bill was not needed since current law authorizes the trust, and she had been assured that the fund would be established.

L.D. 1922 – MAINEPERS SYSTEM BILL

We submitted this bill to make changes to several parts of our statute. This bill has been enacted in law as PL 2021, c. 548, and will be effective 90 days after close of session.

L.D. 1971 – REMOTE MEETINGS

This bill further amends the requirements for holding public meetings remotely. This bill was enacted as PL 2021, C. 611, and will be effective 90 days after close of session.

A copy of the enacted law is included with this memo.

L.D. 1995 – SUPPLEMENTAL BUDGET

This bill is the Governor's proposed supplemental budget. It includes one MainePERS-related initiative. Specifically, Part NN of the proposed budget would provide a one-time cost-of-living adjustment (COLA) payment to eligible retirees from the State-sponsored plans, based on the difference between the actual CPI-U at June 30, 2021 of 5.4% and the COLA cap of 3.0%. As proposed, this would be a non-cumulative payment, meaning that it would not be added to the "base benefit" subject to future adjustments. *The budget was enacted as PL 2021, c. 635. Part NN was amended to provide an additional 1% COLA to eligible retirees from the State-sponsored Plans and to raise the 2022 COLA Base to \$24,186.25, which reflects the full CPI-U of 5.4%.*

Additionally, Part DDD of the supplemental budget raises the exemption for pension income.

A copy of Part NN and Part DDD of the enacted budget is included with this memo.

REPORTS

The following reports have been submitted to the Legislature:

PROGRAM EVALUATION REPORT

The State Government Evaluation Act requires the System to submit a program evaluation report to the Legislature every eight years. We submitted our latest report on November 1, 2021, and provided a copy to the Board. On February 9, the Labor and Housing Committee issued a report of its findings and recommendations resulting from their review. A copy of the Committee's report was previously provided to Board members.

ESG POLICY/DIVESTMENT

The divestment laws enacted in the First Special Session of the 130th Legislature, chapters 231 and 234, required the Board to review its ESG policy, make any changes necessary to comply with the laws, and submit a report on the review to the Labor and Housing Committee. We filed the report on December 14, and a copy was provided to Board members at that time.

WINDFALL ELIMINATION PROVISION/GOVERNMENT PENSION OFFSET

Resolve, chapter 84, enacted in the First Special Session of the 130th Legislature, requires a study of existing and potential cooperation of state retirement systems affected by the social security offsets. A report of recommendations was due on January 1, 2022, and was submitted on December 29, 2021, and a copy of the report was previously provided to Board members.

PROCUREMENT

The System is required to report information annually to the Legislature regarding procurement, contributions, and changes to certain policies and procedures. This report was due by February 1 and was submitted on January 24. On February 28, the Labor and Housing Committee reviewed this report and posed no questions to MainePERS. On March 2, the Labor and Housing Committee issued a report of its findings and recommendations resulting from their review. A copy of the Committee's report was previously provided to Board members.

NEW PENSION PLAN DESIGN

Resolve, chapter 66, enacted in the First Special Session of the 130th Legislature, requires the convening of a working group to develop new plan designs. The System requested an extension of the December 1, 2021 deadline for filing the working group report to February 15, 2022. The final report was submitted on February 10.

Resolve 72, also enacted in the First Special Session of the 130th Legislature, requires the System to report on options for teachers to participate in Social Security. The System requested an extension of the December 1, 2021 deadline for filing the report to February 15, 2022. This report was included in the Resolve, chapter 66 report referenced above.

A copy of the report was previously provided to Board members.

MILITARY SUBSIDY REPORT

The System is required to report information annually to the Legislature regarding military service credit purchase requests received from certain categories of members. This report was due by February 15, 2022 and was submitted on February 9. A copy of the report was previously provided to Board members.

ANNUAL REPORT TO THE LEGISLATURE

The System is required to submit an annual report to the Legislature containing specific information set out in statute. This report was due by March 1, 2022 and was submitted on February 28. A copy of the report was previously provided to Board members.

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-TWO

—
H.P. 1323 - L.D. 1772

An Act To Amend the Remote Meeting Law in Maine's Freedom of Access Act

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 1 MRSA §403-B, sub-§2, ¶B, as enacted by PL 2021, c. 290, §1, is repealed.

Sec. 2. 1 MRSA §403-B, sub-§2, ¶E, as enacted by PL 2021, c. 290, §1, is amended to read:

E. Notice of the proceeding must be provided in accordance with section 406. When the public may attend by remote methods pursuant to paragraphs C and D, the notice must include the means by which members of the public may access the proceeding using remote methods. The notice must also identify a location for members of the public to attend in person. The body may ~~not determine that~~ limit public attendance at a proceeding ~~will be limited solely to remote methods except under the conditions in paragraph B, subparagraph (1) if there is an emergency or urgent situation that requires the body to meet only by remote methods;~~

Sec. 3. 1 MRSA §403-B, sub-§2, as enacted by PL 2021, c. 290, §1, is amended by enacting at the end a new first blocked paragraph to read:

The policy adopted pursuant to this subsection applies to a board or committee that is within the jurisdiction of the public body, unless the board or committee adopts its own policy under this subsection.

participation available in advance of the meeting if meeting remotely under paragraph A, subparagraphs (1) and (2).

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-TWO

—
H.P. 1466 - L.D. 1971

**An Act To Implement the Recommendations of the Right To Know Advisory
Committee Concerning Remote Participation**

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 1 MRSA §403-B, sub-§2, ¶A, as enacted by PL 2021, c. 290, §1, is amended to read:

A. After notice and hearing the body has adopted a written policy governing the conditions upon which members of the body and the public may participate in a public proceeding of that body by remote methods;

(1) If a public body has not adopted a policy authorizing remote methods of participation under this section and if the chair of the body determines that an emergency or urgent issue exists that prevents the public body from meeting in person to adopt a policy, the chair may call a meeting of the body in which the members may participate by remote methods. Notice of the meeting must include information about how the public can participate in the meeting and the proposed policy or instructions on how to obtain a copy of the proposed policy in advance of the meeting. Once the meeting is convened, the members shall vote on whether to support the chair's determination that an emergency or urgent issue exists that prevents the public body from meeting in person.

(2) If 2/3 of the members vote in support of the chair's determination under subparagraph (1), after an opportunity for hearing, the members may vote on whether to adopt a policy authorizing remote methods of participation in public proceedings of the body under this section;

Sec. 2. 1 MRSA §403-B, sub-§2, ¶H, as enacted by PL 2021, c. 290, §1, is amended to read:

H. The public body must make all documents and other materials considered by the public body available, electronically or otherwise, to the public who attend by remote methods to the same extent customarily available to members of the public who attend the proceedings of the public body in person, as long as additional costs are not incurred by the public body. The public body must make the proposed policy regarding remote



PART NN

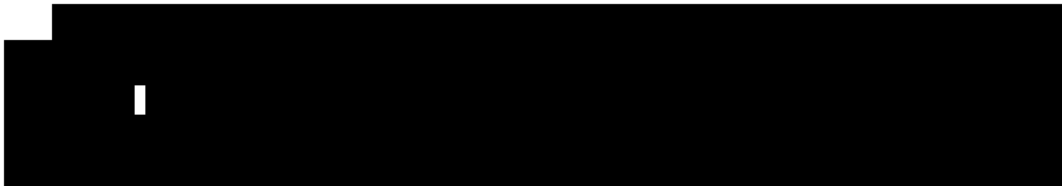
Sec. NN-1. 5 MRSA §17806, sub-§1, ¶A, as amended by PL 2015, c. 334, §1, is further amended to read:

A. Except as provided in paragraphs A-1 ~~and~~ A-2, and A-3, whenever there is a percentage increase in the Consumer Price Index from July 1st to June 30th, the board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 3%. Effective July 1, 2011, the increase applies to that portion of the retirement benefit up to \$20,000, which amount must be indexed in subsequent years by the same percentage adjustments granted under this paragraph and paragraph A-2 section. Effective July 1, 2022, the increase applies to that portion of the retirement benefit up to \$24,186.25, which amount must be indexed in subsequent years by the same percentage adjustments granted under this section.

Sec. NN-2. 5 MRSA §17806, sub-§1, ¶A-3 is enacted to read:

A-3. For cost-of-living adjustments awarded in fiscal year 2021-22 only, the board shall automatically make a percentage increase in retirement benefits of 4.0%. The increase applies to that portion of the retirement benefit that would otherwise be subject to an increase under paragraph A.

Sec. NN-3. Transfer from General Fund unappropriated surplus. Notwithstanding any provision of law to the contrary, on or before June 30, 2022, the State Controller shall transfer \$104,789,515 from the unappropriated surplus of the General Fund to the Retirement Allowance Fund within the Maine Public Employees Retirement System for the purpose of providing the resources to fund an additional cost-of-living increase of 1.0% of the established 2021 maximum benefit subject to an increase and to establish the 2022 maximum benefit subject to a cost-of-living increase as \$24,186.25 for retirees from the state-sponsored retirement plans. The additional 1.0% applies to retirement benefit payments, up to a maximum of \$22,947.11, for the one-year period ending August 31, 2021. This additional increase applies to retirees who were eligible for a cost-of-living adjustment in September 2021. The additional increase made pursuant to this section is cumulative and is included in the calculation of future benefit adjustments.





PART DDD

Sec. DDD-1. 36 MRSA §5122, sub-§2, ¶M-2, as amended by PL 2017, c. 170, Pt. H, §3, is further amended by amending subparagraph (2), division (d) to read:

- (d) "Pension deduction amount" means \$10,000:
 - (i) For tax years beginning prior to January 1, 2022, \$10,000;
 - (ii) For tax years beginning in 2022, \$25,000;
 - (iii) For tax years beginning in 2023, \$30,000; and
 - (iv) For tax years beginning on or after January 1, 2024, \$35,000.

Sec. DDD-2. Application. This Part applies to tax years beginning on or after January 1, 2022.

