



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

Meeting Packet

August 11, 2022

**MainePERS Board of Trustees
August 11, 2022
139 Capitol Street, Augusta**

AGENDA

9:00 a.m. ¹		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	<u>CONSIDERATION OF CONSENT CALENDAR</u> • Minutes of July 14, 2022	ACTION	Brian Noyes
9:05 – 9:20 a.m.	2.	<u>CEO REPORT</u> • MainePERS 5-year Strategic Plan	ACTION	Dr. Rebecca M. Wyke
9:20 – 9:35 a.m.	3.	<u>PRIVATE MARKETS ACTIONS</u> • Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) <i>Board moves out of executive session.</i> • Sprott Private Resources Lending III • Hudson Bay Master Fund	ACTION ACTION	Brian Noyes James Bennett Zackery McGuire
9:35 – 10:00 a.m.	4.	<u>INVESTMENT REVIEW</u> • Investment Monthly Review • Quarterly Rebalancing Report • Investment Quarterly Review • Risk Diversifiers Quarterly Review		James Bennett Zackery McGuire Stuart Cameron, Cambridge Assocs.
10:00 – 10:30 a.m.	5.	<u>PRIVATE MARKETS REVIEW</u> • Private Markets Activity • Co-Investment Additional Reporting • Real Estate Quarterly Review • Cliffwater Quarterly Review		James Bennett Zackery McGuire Tom Lynch, George Bumeder, Cliffwater; Ed Schwartz, ORG
10:30 – 10:45 a.m.		<u><i>BREAK</i></u>		
10:45 – 11:15 a.m.	6.	<u>RULEMAKING</u> • Public Hearing on Proposed Amendment to Rule Chapter 509 • Public Hearing on Proposed Amendment to Rule Chapter 702 • Amendment to Rule Chapter 414	ACTION	Brian Noyes Michael Colleran

¹ All times are estimated based upon the anticipated length of each presentation, hearing, discussion, and action. The presiding officer may take agenda items out of order for more efficient or effective conduct of the meeting.

11:15 – 11:25 a.m.	7.	<u>COST OF LIVING ADJUSTMENT (COLA)</u>		Dr. Rebecca M. Wyke
		<ul style="list-style-type: none">• COLA Update• Adoption of Annual COLA Rates	ACTION	
11:25 – 11:40 a.m.	8.	<u>FINANCE AND AUDIT COMMITTEE</u>	ACTION	Brian Noyes
		<ul style="list-style-type: none">• Executive Session pursuant to 1 M.R.S. §405(6)(D)		
		<i>Board moves out of executive session.</i>		
		<ul style="list-style-type: none">• Internal Audit Update		Shirrin Blaisdell Sherry Vandrell
11:40 – 11:50 a.m.	9.	<u>GOVERNANCE</u>		Michael Colleran
		<ul style="list-style-type: none">• Public Hearing on Proposed Amendment to Remote Meeting Provisions of Board Policy 1.10• Proposed Amendment to Remote Meeting Provisions of Board Policy 1.10	ACTION	
11:50 – 12:00 p.m.	10.	<u>OPERATIONS AND MEMBER SERVICES REPORT</u>		Michael Colleran Chip Gavin
12:00 – 12:05 p.m.	11.	<u>LITIGATION SUMMARY</u>		Betsy Stivers
12:05 p.m.		<u>ADJOURNMENT</u>		Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
July 14, 2022

MainePERS
Augusta
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04332 at 9:00 a.m. on July 14, 2022. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Henry Beck, State Treasurer; Shirrin Blaisdell; John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; Chip Gavin, Chief Services Officer; 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; Kathy Morin, Director of Actuarial and Legislative Affairs; Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Thor Eriksen, ORG; Gene Kalwarski, Fiona Liston, and Ryan Benitez, Cheiron; and Brianna Castro, Gordon Seymour, Matt Seutfert, and Denise Mallett, Glass Lewis.

Brian Noyes called the meeting to order at 9:00 a.m. All Trustees were present except for John Beliveau and Mark Brunton.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of June 9, 2022
- Decision, D.C. Appeal 2019-011

- Action. Shirrin Blaisdell made the motion, seconded by Dick Metivier, to approve the Consent Calendar. Voted in the affirmative by six Trustees (Beck, Blaisdell, Kimball, Metivier, Noyes, and Williams).

CEO REPORT

Dr. Rebecca Wyke reported that Amy McDuffee of Mosaic Governance Advisors will be conducting a survey and facilitating a discussion to support the Board's self-evaluation process. Amy will compile the survey results and provide them to the Board at the September Board meeting. Dr. Wyke updated the Board on the strategic planning process, including the engagement of employees and the solicitation and receipt of comments from members, retirees, employees, employers, and stakeholders. She presented the draft 5-year Strategic Plan to the Board for review and feedback prior to requesting approval at the August Board meeting.

PRIVATE MARKETS ACTION

- Action. Ken Williams made the motion, seconded by Shirrin Blaisdell, to enter into executive session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) to discuss

private market investment information contained in non-public documents. Voted unanimously by six Trustees (Beck, Blaisdell, Kimball, Metivier, Noyes, and Williams).

Board moved out of executive session.

AG Direct Lending Fund V

- **Action.** Dick Metivier made the motion, seconded by Ken Williams, that MainePERS make a commitment of up to \$125 million to AG Direct Lending Fund 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 six Trustees (Beck, Blaisdell, Kimball, Metivier, Noyes, and Williams).

Stonepeak Core Fund

- **Action.** Dick Metivier made the motion, seconded by Ken Williams, that MainePERS make a commitment of up to \$100 million to Stonepeak Core 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 six Trustees (Beck, Blaisdell, Kimball, Metivier, Noyes, and Williams).

RISK DIVERSIFIERS ACTION

Risk Diversifiers Rebalancing

Jim Bennett reviewed and discussed with the Trustees the suggested change to Policy 2.1 Appendix 2 Rebalancing. Jim stated the Investment Team is recommending the policy be modified to allow rebalancing within the Risk Diversifier allocation.

- **Action.** Henry Beck made the motion, seconded by John Kimball, that the Board adopt amended Appendix 2 of Board Policy 2.1. Voted unanimously by six Trustees (Beck, Blaisdell, Kimball, Metivier, Noyes, and Williams).

Risk Regime Investment Strategy

Jim Bennett made a recommendation to the Board to redeem the System's investment in Windham Capital's Risk Regime strategy and explained that this recommendation followed a review of the Risk Diversifier allocation conducted by the Investment Team and Cambridge Associates.

- **Action.** Henry Beck made the motion, seconded by Shirrin Blaisdell, that the Board authorize the Chief Executive Officer, Chief Investment Officer and General Counsel as signatories to execute the documents necessary to include full redemption (approximately \$175 million) of the System's investment in Windham Capital's Risk Regime strategy. Voted unanimously by six Trustees (Beck, Blaisdell, Kimball, Metivier, Noyes, and Williams).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of June 30th, the MainePERS fund had a preliminary market value of \$18.2 billion, the preliminary fund return for the month was -2.5%, and the preliminary calendar year-to-date return was -4.9%.

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, July 26, 2022, in Portland, with presentations by Sprott Private Resources Lending III at 10:00 a.m. and Hudson Bay Master Fund at 11:15 a.m. Zack shared there will not be an August Investment Meeting.

ACTUARIAL

Rate Setting for State-Funded Plans FY24-25

Dr. Rebecca M. Wyke, Gene Kalwarski, and Fiona Liston reviewed with the Trustees a presentation of the pension rates for FY24-25 for the State Employee and Teacher Retirement Program, Judicial Retirement Program, and Legislative Retirement Program. The group answered questions from the Trustees.

- **Action.** Motion by Shirrin Blaisdell, seconded by Henry Beck, that the Board approve the recommended rates for the State Employee and Teacher Retirement Program, Judicial Retirement Program and Legislative Retirement Program for fiscal years 2024 and 2025 based on Option 3 in Cheiron's presentation, notwithstanding Board Policy 2.2. Voted unanimously by six Trustees (Beck, Blaisdell, Kimball, Metivier, Noyes, and Williams).

Brian Noyes thanked all of those involved in putting this information together.

GLI Study and Rates

Ryan Benitez reviewed group life insurance coverage and basic premiums for active employees and retirees. He also reported on retiree actuarially determined contributions.

1996 UAL

Gene Kalwarski discussed progress on paying off the 1996 unfunded actuarial liability.

OPERATIONS AND MEMBER SERVICES REPORT

Michael Colleran shared the Operations and Member Services Report will be provided by himself and Chip Gavin going forward. Chip reviewed the member services data and shared the PLD Advisory Committee will be discussing the retroactive FY22 COLA at their August meeting. Chip stated a MaineSTART outreach has begun for the possible

expansion to eligible teachers. Chip shared that PLD activity increased with 10 employers joining or rejoining and 18 communities updating their agreements to expand employee eligibility. Michael shared that the Accounting and Finance Department is busy closing out FY22 and beginning work on the annual audit with BerryDunn. He also stated we are working again with our security consultant on building security and an active shooter response plan. Human Resources continues to work on recruitment, while Maureen Burgess, HR Assistant, will be retiring at the end of this month after 31 years at MainePERS. Michael also reported on new information technology.

PROXY VOTING

Jim Bennett provided an overview of Board Policy 2.7, which directs the Investment Team to develop and maintain proxy voting guidelines and to engage a proxy agent for the purpose of voting its proxies. Jim introduced Denise Mallet, Director of Business Development; Brianna Castro, Senior Director, US Research; Gordon Seymour, Special Counsel for Public Policy; and Matt Seufert, Head of US Client Services from Glass Lewis, our current proxy agent. Denise, Brianna, Gordon, and Matt reviewed with the Trustees the proxy voting summary report for FY22.

RULEMAKING

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

Public Hearing on Proposed Amendment to Rule Chapter 414

Michael Colleran summarized the proposed amendments of Rule 414 (Required Minimum Distributions), which would provide additional guidance on compliance with federal required minimum distribution requirements for defined benefit plans.

No members of the public commented. Brian noted that written comments on the proposed amendments may be submitted by 4:00 p.m. on July 25, 2022.

Amendment to Rule Chapter 803

Michael Colleran provided the Trustees with recommendations for amendments of Rule Chapter 803 (plan provisions for the PLD Consolidated Plan), which would provide an additional 1% cost of living adjustment for the current year, correct erroneous cross-references, and remove obsolete language.

- **Action:** Motion made by Dick Metivier, seconded by Henry Beck, that the Board adopt amended Rule 803 and its Basis Statement. Voted unanimously by six Trustees (Beck, Blaisdell, Kimball, Metivier, Noyes, and Williams).

LITIGATION UPDATE

Betsy Stivers shared the Judge consolidated Ms. Hawes' FOA matters and he will have a conference of the parties to discuss any outstanding issues and whether a hearing is necessary. She stated she was given approval to file an amicus brief in the workers'

compensation matter, but the case was settled with no amicus brief necessary. Betsy shared the personnel matter is still in discovery.

ADJOURNMENT

- Action. Henry Beck made a motion, seconded by Shirrin Blaisdell, to adjourn the July Board of Trustees meeting. Voted unanimously by six Trustees (Beck, Blaisdell, Kimball, Metivier, Noyes, and Williams).

The meeting adjourned at approximately 12:15 p.m.

8/11/2022
Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CHIEF EXECUTIVE OFFICER
SUBJECT: STRATEGIC PLANNING
DATE: AUGUST 3, 2022

The proposed MainePERS 5-Year Strategic Plan that was presented to the Board last month for review and comment is now before the Board for adoption. A copy is included with this memo. Adoption of the Strategic Plan would include revising the goals and objectives set by the Board last November by adding as a goal, "Foster an engaged workforce that advances the organization's mission."

POLICY REFERENCE

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

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

RECOMMENDATION

That the Board adopt the MainePERS 5-Year Strategic Plan.



MainePERS 5-Year Strategic Plan

Introduction

MainePERS is pleased to share this Strategic Plan adopted on August 11, 2022.

The Maine Public Employees Retirement System (MainePERS) is an incorporated public instrumentality of the state governed by a Board of Trustees pursuant to Maine law. Since 1942, MainePERS has joined with public employers to help their employees prepare for retirement. The System’s active contributing members include teachers, state, county, and municipal employees, legislators, judges, and others. Upon retirement, our members receive monthly benefits from their respective defined benefit plans. The System also administers disability retirement, group life insurance, survivor services, and a tax-deferred retirement savings program known as MaineSTART. Management of these programs includes financial and investment administration, recordkeeping of members’ work and compensation data, and administration of retirement and related services.

In the fall of 2021, the newly appointed Chief Executive Officer engaged in a series of discussions with a broad spectrum of stakeholders to assess their experience with MainePERS. The knowledge gained through these meetings laid the groundwork for the development of a strategic plan. In December 2021, the Board of Trustees adopted a set of Goals and Objectives to guide the strategic planning process and create a framework for the Plan.

The process of developing the mission, vision, and organizational values engaged all MainePERS employees through multiple all-staff meetings, two rounds of small group meetings, and two employee surveys. A set of strategic outcomes was developed and the resulting draft Strategic Plan was posted on the MainePERS website along with a survey tool. Members, employers, and stakeholders were invited to comment on the plan through the survey tool, a public comment meeting, and individual meetings.

As used in this Plan: “*members*” is inclusive of active contributing members, inactive members, retired members, and beneficiaries; “*stakeholders*” is inclusive of representatives of participant employers and groups representing members; and “*retirement*” or “*retirement and related services*” is inclusive of all programs administered by MainePERS, including the defined benefit plans, disability retirement, group life insurance, survivor services, and MaineSTART.

In all 113 responses to the survey were received. The majority of respondents expressed support, and the feedback received was used to shape the final version of the Plan.

Goals and Objectives

Goals *(ongoing, long-term strategic direction)*

- Preservation of the Trust Fund
- Stability of the contribution rates
- Security and integrity of our information systems
- Cultivation of a member-centric organization
- Development of stakeholder relations
- Foster an engaged workforce that advances the organization's mission

Objectives *(short-term legislatively directed)*

- Planning for the post-2028 full funding of the Unfunded Actuarial Liability (UAL), including potential public pension plan options that include social security *Resolves 2021, c. 66 & 72*
- Responding to the recent divestment legislation *PL 2021, c. 231 & 234*
- Expanding the availability of defined contribution plans to teachers *PL 2021, c. 548*
- Exploring mandatory long-term disability insurance coverage *PL 2021, c. 277*

Mission and Vision Statements

Mission

MainePERS partners with public employers to deliver retirement and related services.

Vision

MainePERS is a trusted and effective fiduciary focused on meeting the needs of active and retired members, beneficiaries, and employers.

Organizational Values

- **Accountability** – We act with integrity. We educate, equip, and empower all to consistently deliver knowledgeable and respectful service to our constituents and colleagues.
- **Respect** – We are mindful of culture and diversity in all we do, exercising empathy, compassion, kindness, and appreciation in valuing all others.
- **Collaboration** – We work together, proactively sharing information and knowledge and acting transparently in all interactions.
- **Stewardship** – We secure and safeguard assets (data, funds) entrusted to our care and consistently comply with our obligations to ensure benefits are sustained.
- **Agility** – We strive for personal and organizational excellence through continuous improvement.

Strategic Objectives

Goal I: Preservation of the Trust Fund

Strategic Objectives:

- A. Continuously review governance and risk management practices that drive accountability, consistency, and transparency and engage trustees in annual fiduciary education
- B. Continuously review the strategic asset allocation to optimize earnings, manage risk, and ensure sufficient liquidity
- C. Plan for post-2028 full funding of the 1996 State Employee and Teacher Plan UAL and engage with stakeholders
- D. Develop policy to address the recent divestment legislation in accordance with sound investment criteria and consistent with fiduciary obligations
- E. Exercise efficient use of resources in the administration of the retirement plans and related services

Goal II: Stability of the Contribution Rates

Strategic Objectives:

- A. Employ periodic experience studies and annual actuarial valuations to identify the trust fund's future financial needs
- B. Apply sound actuarial methods to promote stability of the contribution rates
- C. Ensure employers and other stakeholders are informed of funding trends

Goal III: Security and Integrity of our Information Systems

Strategic Objectives:

- A. Ensure the cybersecurity management program meets current and future needs
- B. Maintain and upgrade core information systems
- C. Explore a cloud strategy to host information systems

Goal IV: Cultivation of a Member-centric Organization

Strategic Objectives:

- A. Develop a comprehensive member education, communications, and service model that supports planning for retirement security
- B. Improve processes to promote timely and accurate service by ensuring the integrity of the data, streamlining and automating workflow processes, and reducing processing times
- C. Document workflow policies, practices, and procedures and develop staff training programs
- D. Institute a quality assurance and control program
- E. Implement a member self-service portal, including access to annual member statements
- F. Expand the availability of defined contribution plans (MaineSTART)
- G. Assess the experience of the system and its members following the implementation of the new disability legislation
- H. Seek member input and measure satisfaction

Goal V: Development of Stakeholder Relations

Strategic Objectives:

- A. Provide legislators, employers, and other stakeholders with information on defined benefit retirement plans and related services
- B. Continue to explore with stakeholders potential post-2028 pension plan options that enhance benefit portability, including Social Security participation
- C. Engage stakeholders to develop an implementation plan for providing mandatory long-term disability insurance coverage to members through their employers
- D. Develop a comprehensive employer education, communications, and service model and partner with employers and third-party payroll vendors to streamline processing and improve reporting
- E. Seek employer input and measure satisfaction

Goal VI: Foster an Engaged Workforce that Advances the Organization's Mission

Strategic Objectives:

- A. Institutionalize the Organizational Values developed by the staff
- B. Develop an onboarding, training, and development plan
- C. Support and empower staff in the performance of their work
- D. Create a staff working group to advance a positive organizational culture
- E. Implement strategic performance management
- F. Increase awareness and knowledge related to diversity, equity, and inclusion (DEI)
- G. Develop and maintain a succession plan

Key Performance and Risk Measures

MainePERS is committed to measuring its progress on the Strategic Plan by utilizing the key performance and risk measures developed by the National Conference on Public Employee Retirement Systems in its publication *Best Governance Practices for Public Retirement Systems* (revised May 2019).

- I. The funded ratio as measured by the ratio of fund assets to fund liabilities
- II. Net annualized investment returns relative to the return assumption and benchmarks
- III. Timeliness and accuracy of distributions paid to members and beneficiaries
- IV. Member satisfaction with fund services as measured by surveys and correspondence
- V. Future benefits owed to members as measured by the actuarial accrued liability
- VI. Net assets available for benefits and changes as reported in the annual audit

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: INVESTMENT REVIEW
DATE: AUGUST 4, 2022

Following this memo is the Monthly Investment Review for July.

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.
- Monthly return of 1.8%.
- Calendar year-to-date return of -2.3%.



Investment Review

August 11, 2022



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Objective

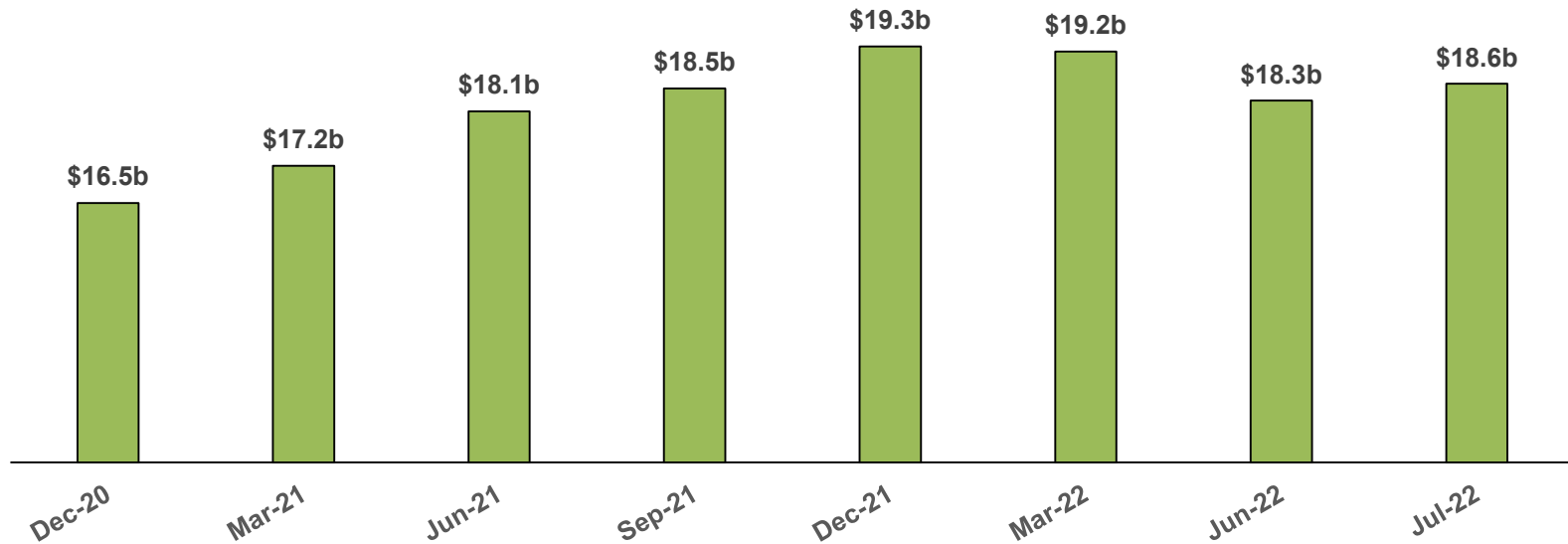
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

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.

July 2022 Performance (Preliminary)

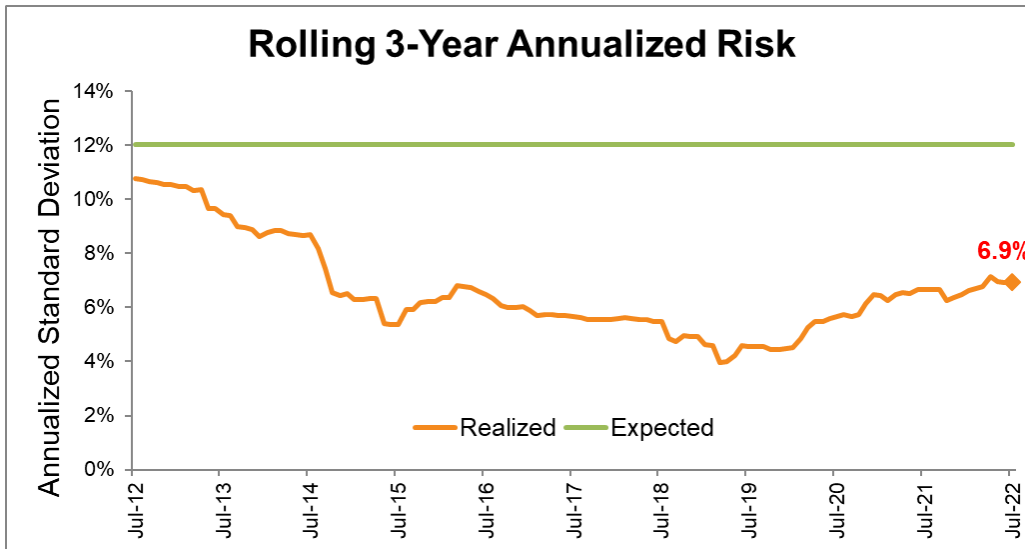
The **preliminary** fund value at the end of July is \$18.6 billion.



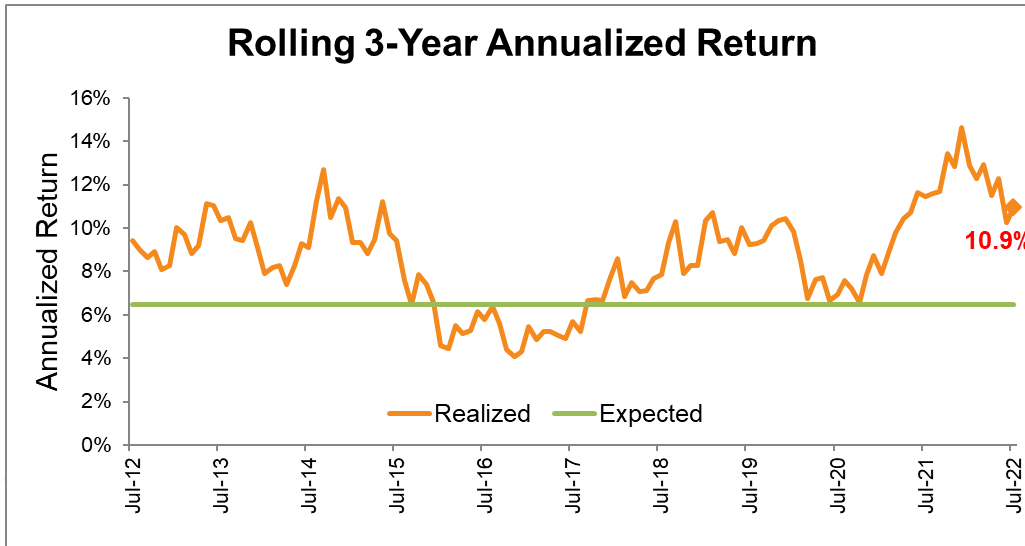
Fund and Benchmark Returns

	Jul-22	CYTD 2022	FYTD 2023
Total Fund	1.8%	-2.3%	1.8%
Russell 3000	9.4%	-13.7%	9.4%
MSCI ACWI ex-USA	3.4%	-15.6%	3.4%
Barclays Agg. Bond Index	2.4%	-8.2%	2.4%

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.

July 2022 Asset Allocation (Preliminary)

Assets (Millions)	Value	% of Fund	Policy %
MainePERS Portfolio	\$ 18,626	100.0%	100.0%
Domestic Equity	\$ 3,119	16.7%	18.2%
International Equity	\$ 1,967	10.6%	11.8%
Fixed Income	\$ 2,607	14.0%	15.0%
Alternative Credit	\$ 1,279	6.9%	10.0%
Infrastructure	\$ 2,005	10.8%	10.0%
Natural Resources	\$ 898	4.8%	5.0%
Private Equity	\$ 3,780	20.3%	12.5%
Real Estate	\$ 1,874	10.1%	10.0%
Risk Diversifiers	\$ 1,079	5.8%	7.5%
Cash	\$ 17	0.1%	0.0%

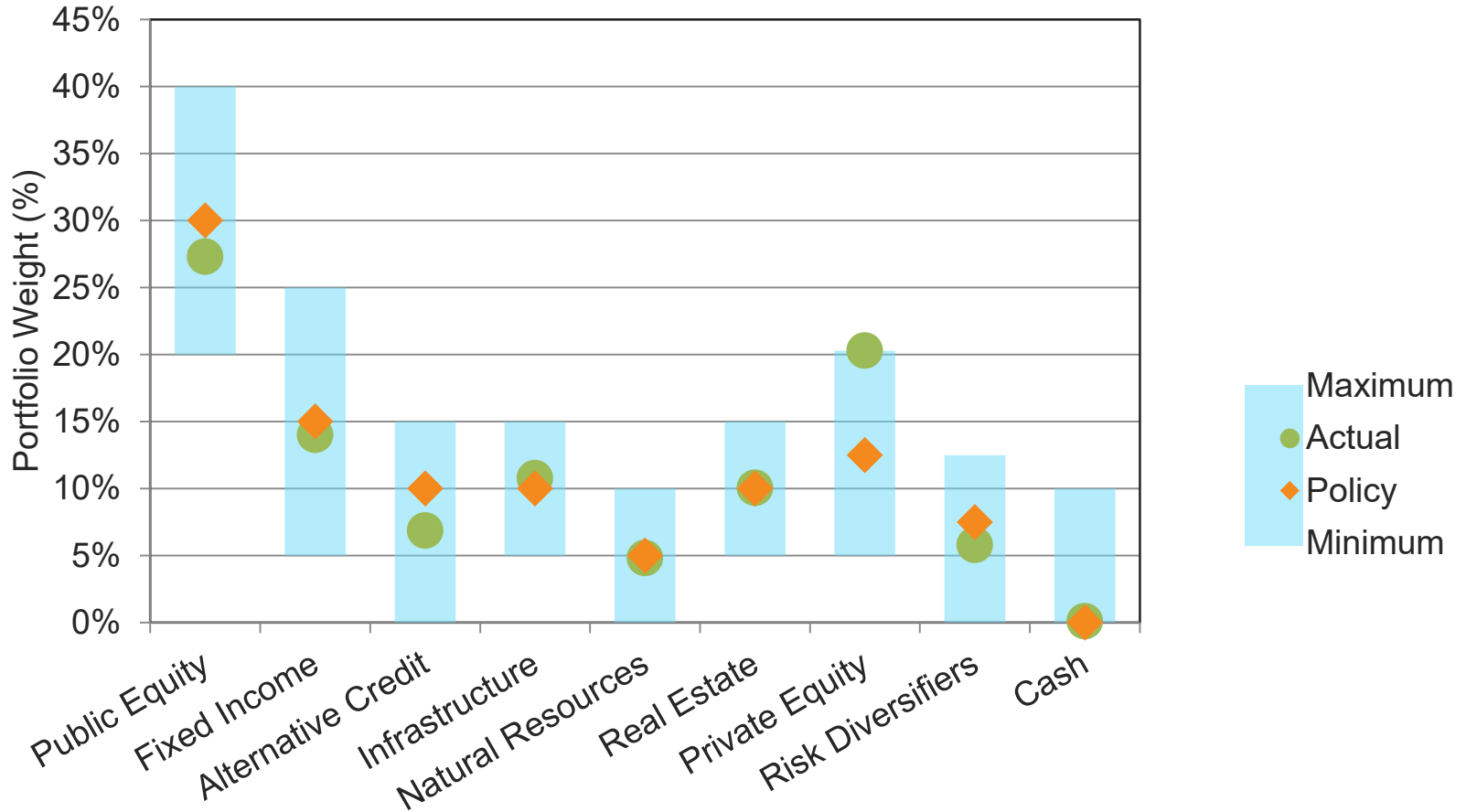
Portfolio weights for most asset classes remain near MainePERS Investment Policy asset allocation weights.

Private equity remains overweight at ~20% of Fund value, and private markets assets in aggregate comprise 52.8% of the overall portfolio, above the 47.5% policy weight.

Reflects new Investment Policy weights approved in May 2022

* Total Public Equity policy weight is 30%, divided across U.S. and non-U.S. equities based on ACWI weights.

July 2022 Asset Allocation (Preliminary)



Investment Policy Updates

The following updates to the Investment Policy Statement were approved at the May 2022 Board of Trustees meeting:

- Traditional Credit (public) – reduced to 5.0% from 7.5%
- US Government Securities (public) – increased to 10.0% from 7.5%
- Private Equity (private) – reduced to 12.5% from 15.0%
- Alternative Credit (private) – increased to 10.0% from 7.5%

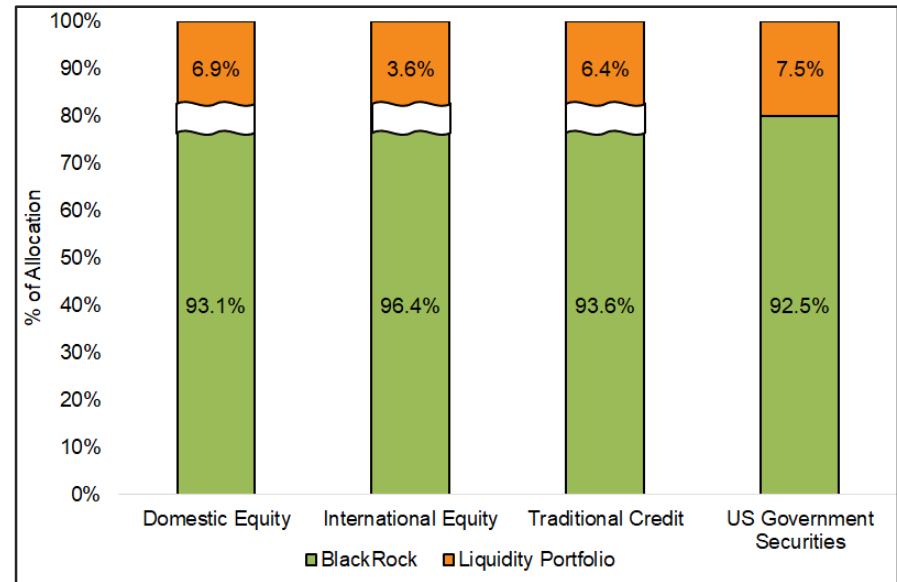
The Investment Team began rebalancing public assets toward the updated weights in June, and expects to complete the process this month. JP Morgan will use the updated policy weights for performance calculations.

While the new Investment Policy weights for Private Equity and Alternative Credit are being factored into commitment decisions, it will take several years for these asset classes to reach target. Consistent with past practice, the Investment Team will transition to the new policy weights for performance calculations over time.

Public Securities: Liquidity Portfolio

At the end of July, 2.5% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 6.1% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	\$216.7	Futures
Parametric International Equity	\$71.8	Futures
Parametric Traditional Credit	\$66.7	ETFs
Parametric US Government Securities	\$117.3	Futures
Total Liquidity Portfolio	\$472.5	

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

Investment Related Fees: July 2022

Description	FYTD 23	FY 22	FY 21	FY 20	FY 19
Investment Mgmt. Fees	\$10,013,051	\$119,200,558	\$118,561,261	\$124,480,394	\$106,398,871
Securities Lending Fees ¹	0	1,744,317	1,653,172	2,239,396	2,226,826
Consulting Fees	93,333	1,120,000	1,120,000	1,120,000	1,120,000
Broker Commissions ²	112	30,833	52,364	37,461	28,970
Placement Agent Fees	0	0	0	0	0
Total	\$10,106,496	\$122,095,708	\$121,386,797	\$127,877,251	\$109,774,667
Percentage of Fund ³	0.65%	0.66%	0.67%	0.87%	0.74%

1. Securities Lending Fees are through 6/30/2022
2. Actual paid commissions reported by JP Morgan
3. Annualized estimated total fees divided by the current fund value for FYTD 23. The prior years' calculations are actual fees divided by the June 30 market value.

Securities Lending: June 2022

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	\$1,859,833,835	\$1,319,975,957	\$159,858	60%/40%	\$95,915	\$1,479,645
Total Equity	\$1,681,550,744	\$212,876,662	\$126,066	60%/40%	\$83,724	\$1,362,224
Total Blackrock	\$3,541,384,579	\$1,532,852,619	\$285,924		\$179,639	\$2,841,869
JP Morgan						
Domestic Equities	\$2,769,723,531	\$143,149,657	\$42,573	85%/15%	\$36,192	\$276,857
Total	\$6,311,108,110	\$1,676,002,276	\$328,497		\$215,831	\$3,118,726
Total Annualized Securities Lending Income, FY 2022:				\$3,118,726 (0.02%, or 1.7 bps)		
Total Actual Securities Lending Income, FY 2021:				\$3,053,425 (0.02%, or 2.0 bps)		

Liquidity Schedule: July 2022

Term	Market Value	Percent of Portfolio
Liquid ¹	\$7,710m	41.4%
Semi-Liquid ²	\$2,385m	12.8%
Illiquid ³	\$8,531m	45.8%
Total	\$18,626m	100.0%

<u>Sources and Uses of Liquidity</u>		
	Last 12 Months Actual	Next 12 Months Projection
Private Markets Activity		
Capital Contributions	-\$1,765m	-\$880m
Distributions	\$1,957m	\$1,750m
Net Private Markets Activity	\$192m	\$870m
Benefit Payments	-\$385m	-\$420m
Net Cash Flows	-\$193m	\$450m

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 07/31/2022</i>	# of Funds	# of GP Relationships
Alternative Credit	21	13
Infrastructure	33	11
Natural Resources	14	9
Private Equity	120	33
Real Estate	34	19
Risk Diversifiers	8	6
Total*	230	82

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 230 funds,
and has 82 distinct manager relationships.

MainePERS Alternative Investments Summary

<i>(in \$millions)</i> as of 07/31/2022	<u>Current Market Value</u>			<u>Unfunded Commitment</u>	
	Dollars	% of Fund	Policy %*	Dollars	% of Fund
Alternative Credit	\$ 1,279	6.9%	10.0%	\$ 622	3.3%
Infrastructure	\$ 2,005	10.8%	10.0%	\$ 759	4.1%
Natural Resources	\$ 898	4.8%	5.0%	\$ 197	1.1%
Private Equity	\$ 3,780	20.3%	12.5%	\$ 1,278	6.9%
Real Estate	\$ 1,874	10.1%	10.0%	\$ 546	2.9%
Risk Diversifiers	\$ 1,079	5.8%	7.5%	\$ -	0.0%
Total Alternatives	\$ 10,915	58.6%	55.0%	\$ 3,401	18.3%


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

*Investment Policy weights approved by the Board of Trustees effective May 2022

Note: Market values shown above are preliminary estimates. Private market asset values are based on 3/31/2022 values, adjusted for subsequent cash flows.

<i>(in \$millions)</i> as of 07/31/2022	<u>Private Market Commitments by Vintage Year</u>				<u>3-Year</u>
	2019	2020	2021	2022	Average ¹
Alternative Credit	\$ 200	\$ 275	\$ 410	\$ 300	\$ 295
Infrastructure	\$ 350	\$ 235	\$ 180	\$ 100	\$ 255
Natural Resources	\$ 175	\$ -	\$ -	\$ -	\$ 58
Private Equity	\$ 240	\$ 276	\$ 438	\$ 218	\$ 318
Real Estate	\$ 230	\$ 80	\$ 285	\$ 180	\$ 198
Total Commitments	\$ 1,195	\$ 866	\$ 1,313	\$ 798	\$ 1,125

¹13-Year Average: 2019-2021



Q2 2022

Comprehensive Quarterly Reports

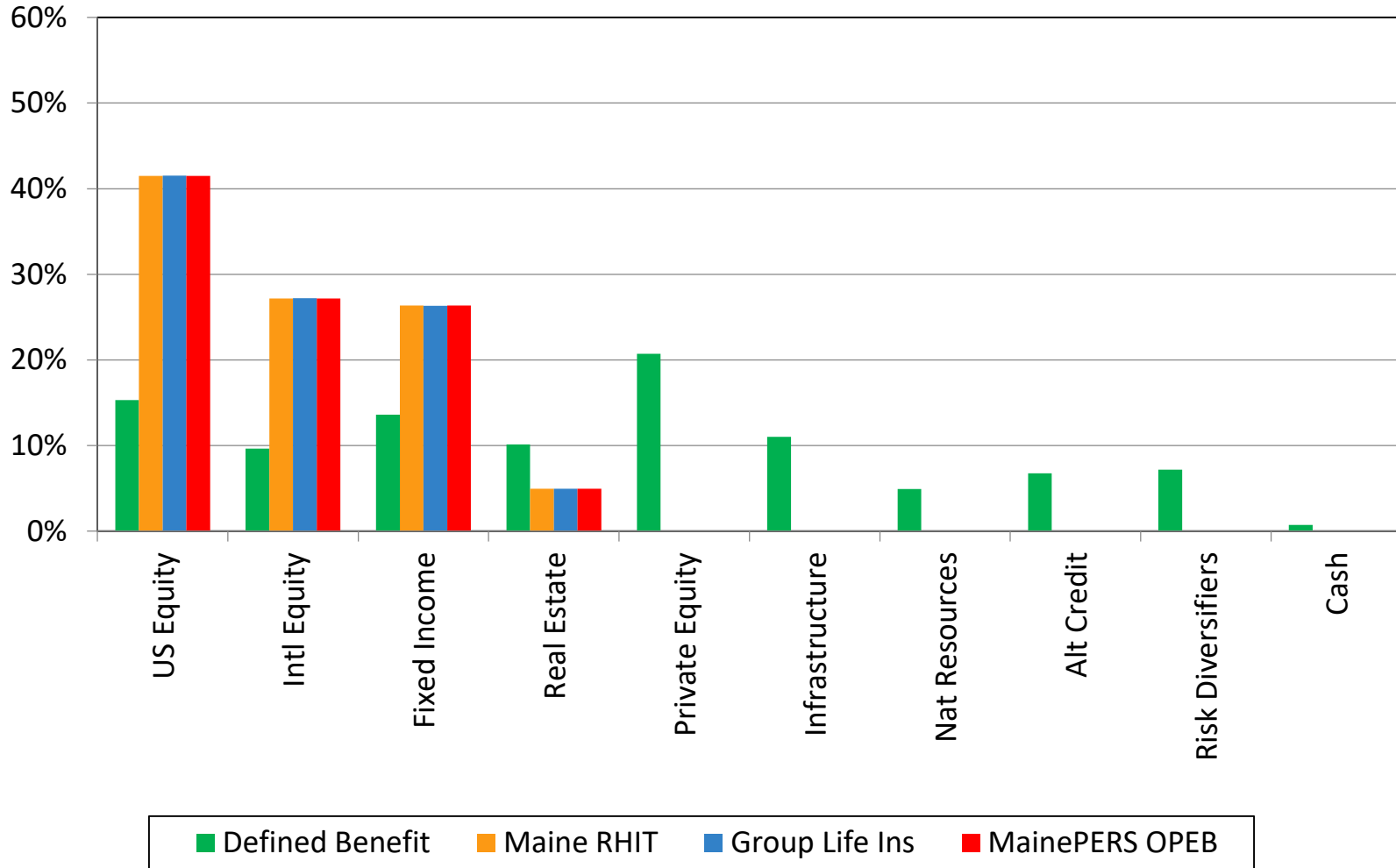


MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

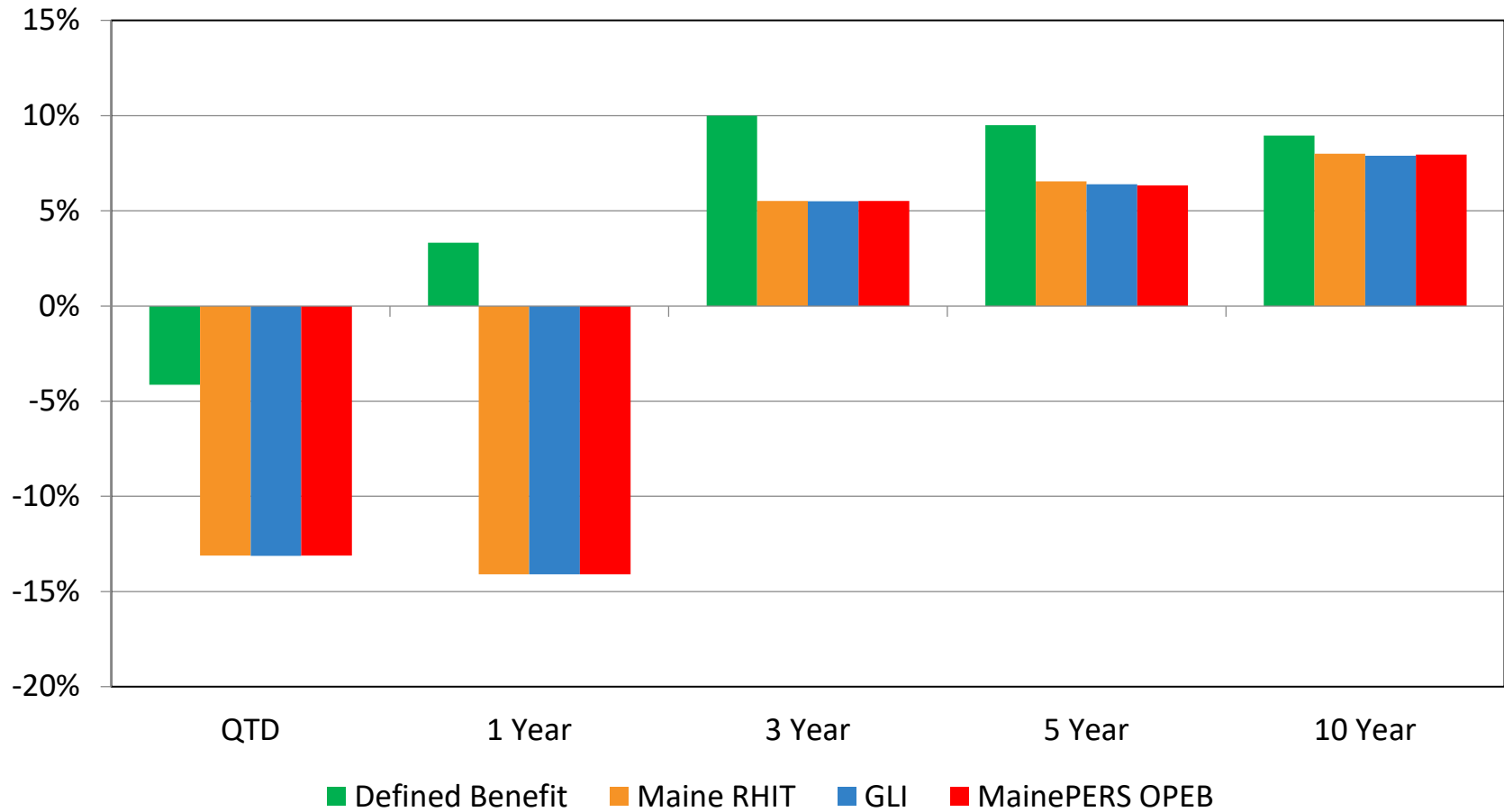
Investment Returns for All Funds at 6/30/2022

Fund	Market Value (millions)	Quarter End	1 Year	3 Year	5 Year	10 Year
Defined Benefit	\$18,330.9	-4.1%	3.3%	10.0%	9.5%	8.9%
Benchmark		-5.1%	1.0%	8.8%	8.6%	8.2%
Maine RHIT	\$329.2	-13.1%	-14.1%	5.5%	6.5%	8.0%
Benchmark		-13.2%	-14.0%	4.8%	6.0%	7.7%
Group Life Insurance	\$159.4	-13.1%	-14.1%	5.5%	6.4%	7.9%
Benchmark		-13.2%	-14.0%	4.8%	6.0%	7.7%
MainePERS OPEB	\$16.2	-13.1%	-14.1%	5.5%	6.3%	8.0%
Benchmark		-13.2%	-14.0%	4.8%	6.0%	7.7%

Asset Allocation for All Funds at 6/30/2022



Performance for All Funds at 6/30/2022



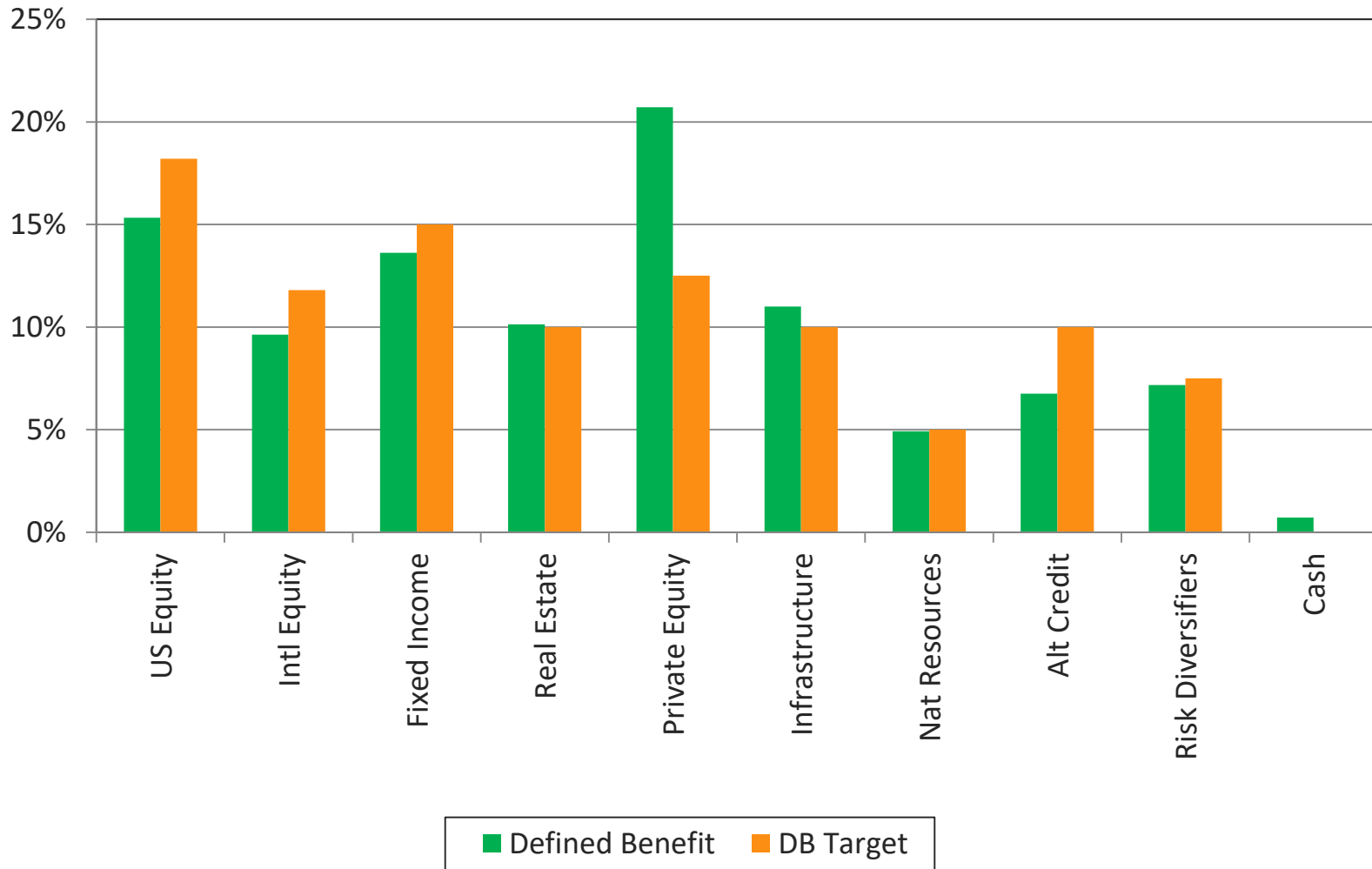


Appendix

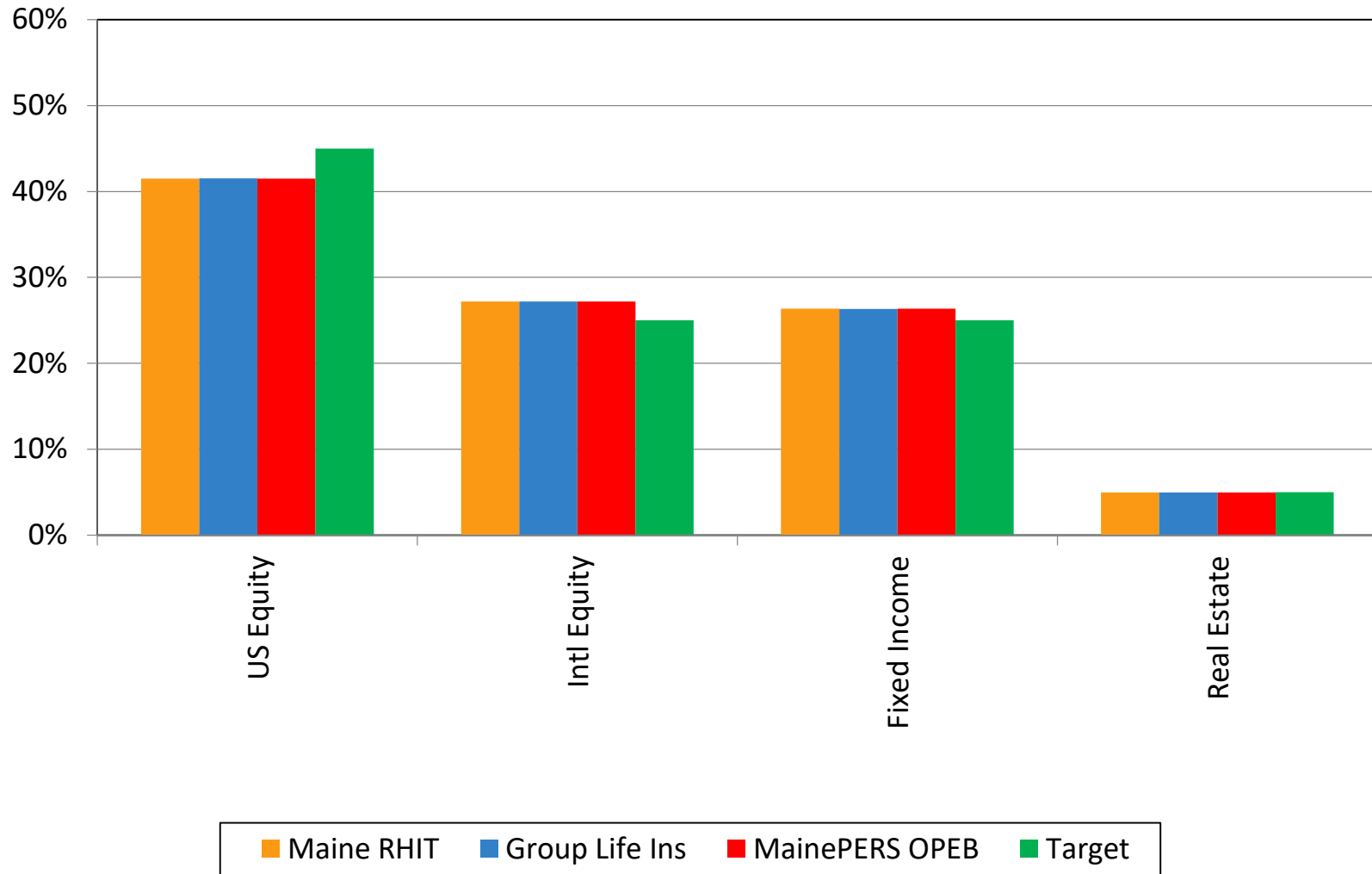


MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

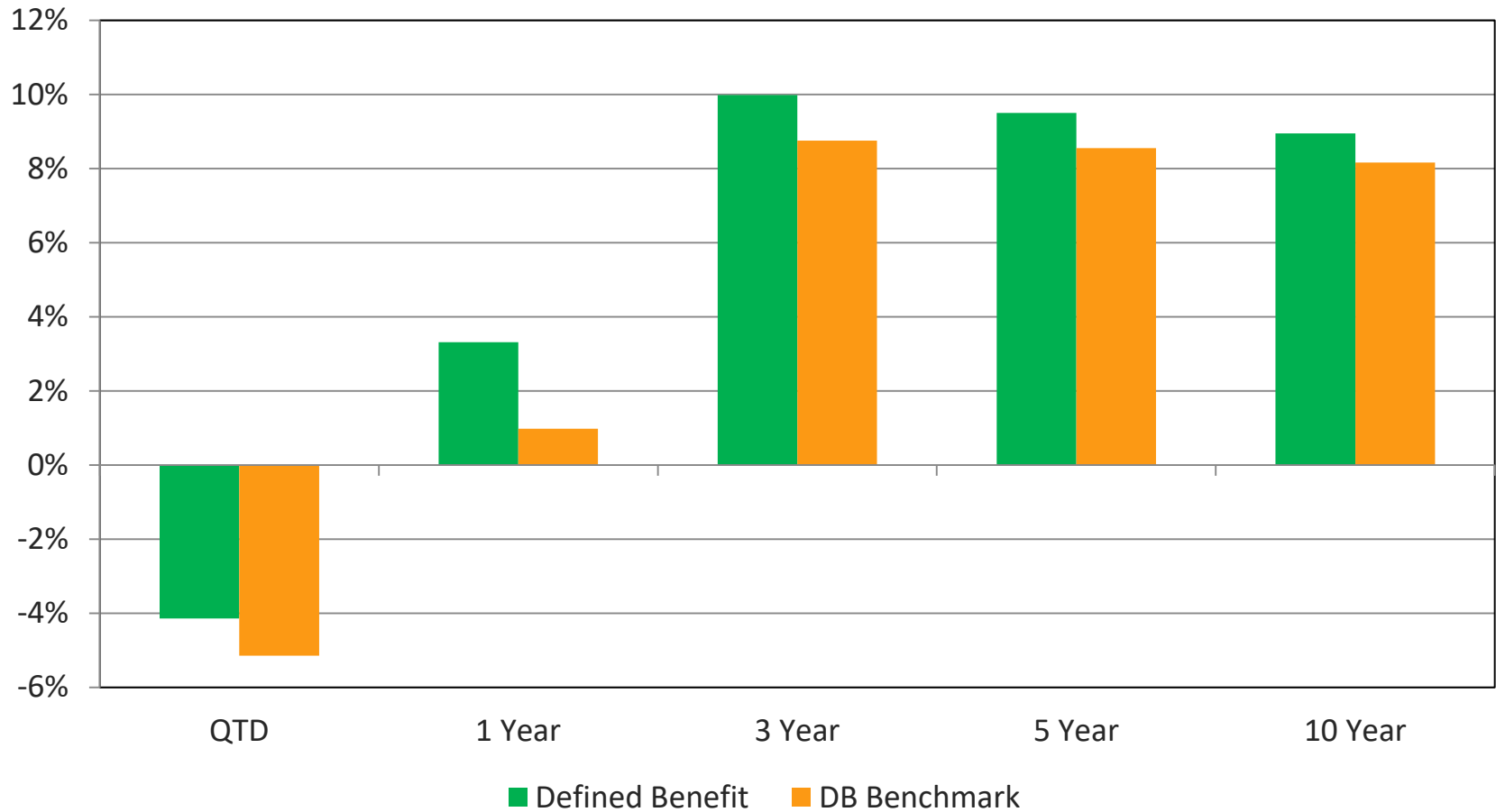
Asset Allocation for Defined Benefit at 6/30/2022



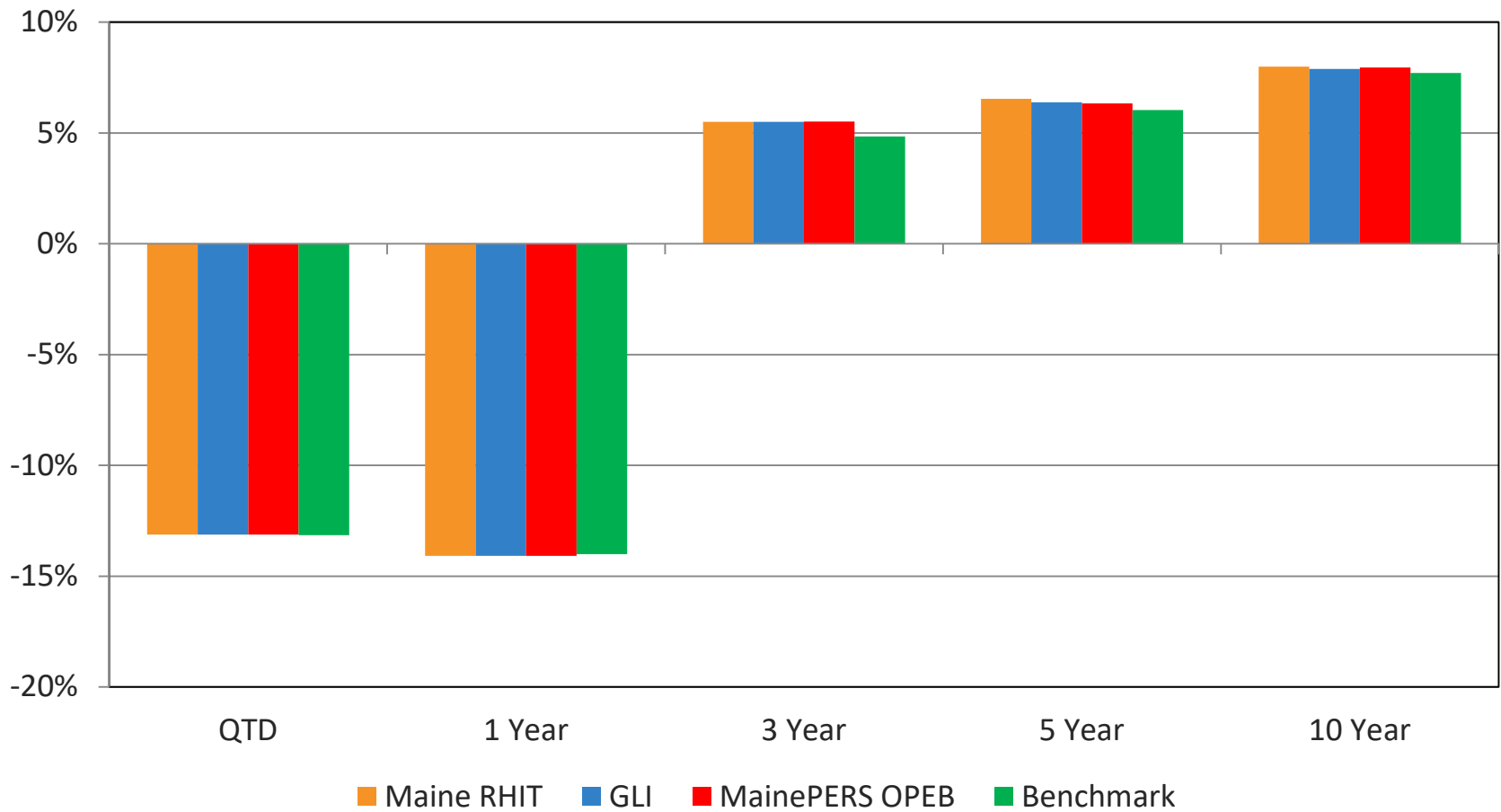
Asset Allocation for RHIPEB, GLI, and OPEB at 6/30/2022



Performance for Defined Benefit at 6/30/2022



Performance for RHIPEB, GLI, and OPEB at 6/30/2022



MainePERS Private Market Investments Summary: 03/31/2022

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	\$ 1,656,230	\$ 1,304,577	\$ 415,206	\$ 1,084,596	\$ 1,499,801	6.9%
Infrastructure	\$ 3,193,890	\$ 3,040,263	\$ 2,198,721	\$ 2,251,828	\$ 4,450,548	12.1%
Natural Resources	\$ 1,015,500	\$ 1,027,482	\$ 400,606	\$ 893,155	\$ 1,293,761	6.6%
Private Equity	\$ 4,726,710	\$ 4,244,495	\$ 3,436,529	\$ 3,882,628	\$ 7,319,157	18.7%
Real Estate	\$ 2,531,663	\$ 2,366,413	\$ 1,648,094	\$ 1,911,342	\$ 3,559,436	7.9%
Total	\$ 13,123,993	\$ 11,983,230	\$ 8,099,155	\$ 10,023,548	\$ 18,122,703	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	\$ 153,700	25	\$ 145,107	\$ 46,105	\$ 114,102	\$ 160,208	8.1%
Infrastructure Co-Investments	\$ 209,837	10	\$ 203,670	\$ 134,667	\$ 205,355	\$ 340,022	14.3%
Natural Resources Co-Investments	\$ 32,500	2	\$ 27,238	\$ -	\$ 43,550	\$ 43,550	16.7%
Private Equity Co-Investments	\$ 372,646	30	\$ 352,555	\$ 304,051	\$ 283,667	\$ 587,717	17.4%
Real Estate Co-Investments	\$ 67,239	5	\$ 57,087	\$ 4,702	\$ 59,796	\$ 64,498	7.2%
Total	\$ 835,923	72	\$ 785,657	\$ 489,525	\$ 706,470	\$ 1,195,994	15.4%

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

MainePERS Private Market Investments Summary: 03/31/2022

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	\$ 16,716	\$ 14,409	\$ 31,125	19.9%
Angelo Gordon Direct Lending Fund III	\$ 100,000	7/20/2018	\$ 100,000	\$ 39,762	\$ 88,819	\$ 128,581	10.8%
Participation Agreement #1	\$ 5,000	10/11/2019	\$ 7,463	\$ 1,161	\$ 7,286	\$ 8,447	7.6%
Participation Agreement #2	\$ 5,000	10/11/2019	\$ 4,994	\$ 5,422	\$ -	\$ 5,422	8.8%
Participation Agreement #3	\$ 5,000	10/11/2019	\$ 5,000	\$ 5,700	\$ -	\$ 5,700	7.3%
Participation Agreement #4	\$ 5,000	10/18/2019	\$ 7,488	\$ 1,126	\$ 7,234	\$ 8,359	6.9%
Participation Agreement #5	\$ 5,000	12/6/2019	\$ 5,000	\$ 1,549	\$ 4,368	\$ 5,918	8.8%
Participation Agreement #6	\$ 5,000	12/6/2019	\$ 4,988	\$ 983	\$ 4,823	\$ 5,806	7.5%
Participation Agreement #7	\$ 5,000	12/11/2019	\$ 5,000	\$ 1,053	\$ 4,657	\$ 5,709	6.5%
Participation Agreement #8	\$ 5,000	8/13/2020	\$ 4,914	\$ 610	\$ 4,910	\$ 5,520	NM
Participation Agreement #9	\$ 7,500	4/9/2021	\$ 7,425	\$ 467	\$ 7,409	\$ 7,876	NM
Participation Agreement #10	\$ 5,000	4/20/2021	\$ 5,007	\$ 570	\$ 4,772	\$ 5,342	NM
Participation Agreement #11	\$ 5,000	5/5/2021	\$ 5,000	\$ 398	\$ 4,895	\$ 5,293	NM
Angelo Gordon Direct Lending Fund IV	\$ 100,000	1/24/2020	\$ 75,000	\$ 3,456	\$ 80,939	\$ 84,394	12.1%
Participation Agreement #1	\$ 5,000	10/23/2020	\$ 4,913	\$ 1,004	\$ 4,412	\$ 5,416	NM
Participation Agreement #2	\$ 7,500	8/17/2021	\$ 7,406	\$ 329	\$ 7,361	\$ 7,690	NM
Participation Agreement #3	\$ 7,500	10/5/2021	\$ 7,500	\$ 417	\$ 7,376	\$ 7,793	NM
Participation Agreement #4	\$ 5,000	12/21/2021	\$ 4,925	\$ 119	\$ 4,925	\$ 5,044	NM
Participation Agreement #5	\$ 5,000	12/21/2021	\$ 4,925	\$ 77	\$ 4,916	\$ 4,993	NM
Participation Agreement #6	\$ 5,000	1/12/2022	\$ 4,925	\$ 68	\$ 4,903	\$ 4,971	NM
Participation Agreement #7	\$ 7,500	1/12/2022	\$ 7,388	\$ 133	\$ 7,337	\$ 7,469	NM
Angelo Gordon Direct Lending Fund IV Annex	\$ 50,000	11/18/2021	\$ 20,000	\$ -	\$ 20,114	\$ 20,114	NM
Ares Capital Europe IV	\$ 122,000	4/30/2018	\$ 97,118	\$ 12,622	\$ 92,920	\$ 105,542	3.8%
Ares Capital Europe V	\$ 122,000	9/4/2020	\$ 49,763	\$ 557	\$ 49,970	\$ 50,527	NM
Ares Senior Direct Lending Fund II	\$ 100,000	12/10/2021	\$ 20,827	\$ -	\$ 22,061	\$ 22,061	NM
Audax Senior Debt (MP), LLC	\$ 100,000	6/30/2017	\$ 96,000	\$ -	\$ 118,414	\$ 118,414	4.9%
Deerpath Capital VI	\$ 75,000	9/30/2021	\$ 45,500	\$ 676	\$ 46,156	\$ 46,832	NM
Global Infrastructure Partners Spectrum	\$ 100,000	2/20/2019	\$ 34,414	\$ 16,642	\$ 20,139	\$ 36,781	NM
Mesa West Core Lending Fund	\$ 100,000	6/18/2013	\$ 117,381	\$ 51,824	\$ 118,348	\$ 170,172	6.6%
Owl Rock Capital Corporation	\$ 100,000	3/10/2017	\$ 100,000	\$ 20,250	\$ 113,827	\$ 134,077	8.7%
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%

MainePERS Private Market Investments Summary: 03/31/2022

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 #3	\$ 5,000	8/7/2018	\$ 4,938	\$ 5,634	\$ -	\$ 5,634	7.9%
Participation Agreement #4	\$ 5,000	8/20/2018	\$ 4,566	\$ 1,767	\$ 4,022	\$ 5,789	8.0%
Participation Agreement #5	\$ 5,000	12/21/2018	\$ 4,828	\$ 1,299	\$ 4,523	\$ 5,822	6.8%
Participation Agreement #6	\$ 7,500	8/7/2020	\$ 8,905	\$ 2,599	\$ 7,391	\$ 9,990	NM
Participation Agreement #7	\$ 7,500	7/26/2021	\$ 6,565	\$ 378	\$ 6,584	\$ 6,961	NM
Owl Rock Capital Corporation III	\$ 100,000	6/19/2020	\$ 104,750	\$ 4,750	\$ 105,770	\$ 110,520	NM
Pathlight Capital Fund II	\$ 75,000	4/22/2021	\$ 80,362	\$ 24,417	\$ 58,599	\$ 83,016	NM
Solar Capital Private Corporate Lending Fund	\$ 50,000	6/26/2019	\$ 30,931	\$ 2,099	\$ 33,775	\$ 35,874	16.5%
Solar Capital Debt Fund	\$ 50,000	6/26/2019	\$ 9,804	\$ 402	\$ 11,020	\$ 11,422	NM
Silver Point Specialty Credit II	\$ 50,000	1/31/2020	\$ 52,988	\$ 20,052	\$ 37,053	\$ 57,105	12.8%
Tennenbaum Direct Lending VIII	\$ 100,000	11/30/2017	\$ 100,883	\$ 69,576	\$ 51,986	\$ 121,563	6.8%

MainePERS Private Market Investments Summary: 03/31/2022

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	\$ 10,911	\$ 75,360	2.3%
ArcLight Energy V	\$ 75,000	10/28/2011	\$ 76,031	\$ 84,518	\$ 18,705	\$ 103,223	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	\$ 102,642	\$ 173,682	2.4%
Great River Hydro Partners	\$ 12,000	6/17/2017	\$ 10,718	\$ 8,639	\$ 16,192	\$ 24,830	28.6%
Brookfield Infrastructure Fund II	\$ 100,000	6/28/2013	\$ 115,506	\$ 88,914	\$ 97,072	\$ 185,986	9.9%
Brookfield Infrastructure Fund III	\$ 100,000	4/15/2016	\$ 95,127	\$ 40,964	\$ 94,759	\$ 135,723	12.4%
Co-Investment #1	\$ 20,000	3/31/2017	\$ 15,945	\$ 16,893	\$ 16,110	\$ 33,003	27.9%
Carlyle Global Infrastructure Opportunity Fund	\$ 100,000	5/1/2019	\$ 65,818	\$ 4,486	\$ 64,809	\$ 69,295	5.7%
Carlyle Infrastructure Partners	\$ 50,000	11/2/2007	\$ 57,366	\$ 64,289	\$ 216	\$ 64,505	2.4%
Carlyle Power Partners II	\$ 50,000	11/19/2015	\$ 61,769	\$ 27,760	\$ 48,831	\$ 76,591	8.1%
Cube Infrastructure	\$ 45,000	4/16/2010	\$ 60,063	\$ 96,104	\$ 1,146	\$ 97,250	8.0%
Cube Infrastructure II	\$ 90,000	9/11/2018	\$ 73,467	\$ 3,927	\$ 76,097	\$ 80,024	3.9%
Cube Infrastructure III	\$ 90,000	8/16/2021	\$ 17,597	\$ -	\$ 16,431	\$ 16,431	NM
EQT Infrastructure III	\$ 68,000	12/3/2016	\$ 84,604	\$ 51,700	\$ 108,953	\$ 160,652	23.2%
EQT Infrastructure IV	\$ 100,000	12/17/2018	\$ 88,030	\$ 14,145	\$ 98,606	\$ 112,751	16.4%
EQT Infrastructure V	\$ 75,000	12/8/2020	\$ 30,320	\$ 1,502	\$ 27,555	\$ 29,057	NM
First Reserve Energy Infrastructure Fund	\$ 50,000	6/30/2010	\$ 59,716	\$ 51,620	\$ 5,700	\$ 57,320	-1.1%
First Reserve Energy Infrastructure Fund II	\$ 100,000	10/21/2013	\$ 125,503	\$ 117,680	\$ 43,271	\$ 160,951	16.3%
Global Infrastructure Partners Sonic	\$ 30,000	7/31/2020	\$ 31,578	\$ -	\$ 26,055	\$ 26,055	NM
Global Infrastructure Partners	\$ 75,000	3/31/2008	\$ 101,173	\$ 205,062	\$ 722	\$ 205,783	17.3%
Global Infrastructure Partners II	\$ 75,000	12/3/2011	\$ 104,105	\$ 139,374	\$ 40,041	\$ 179,415	16.3%
Global Infrastructure Partners III	\$ 150,000	4/15/2016	\$ 166,256	\$ 57,216	\$ 171,974	\$ 229,190	11.2%
Co-Investment #1	\$ 29,000	2/28/2017	\$ 27,337	\$ 15,017	\$ 35,245	\$ 50,262	16.4%
Co-Investment #2	\$ 25,000	8/16/2018	\$ 25,885	\$ 1,985	\$ 15,292	\$ 17,277	-11.6%
Global Infrastructure Partners IV	\$ 150,000	12/21/2018	\$ 88,215	\$ 2,150	\$ 86,126	\$ 88,276	0.1%
IFM Global Infrastructure (US), L.P.	\$ 100,000	12/20/2012	\$ 144,550	\$ 208,040	\$ -	\$ 208,040	9.8%
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: 03/31/2022

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	\$ 182,463	\$ 218,162	\$ 87,317	\$ 305,479	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	\$ 23,640	\$ 57,830	23.0%
KKR Byzantium Infrastructure Aggregator	\$ 15,000	10/17/2017	\$ 15,000	\$ 7,013	\$ 10,224	\$ 17,237	4.3%
KKR Global Infrastructure Investors III	\$ 100,000	3/29/2018	\$ 80,891	\$ 16,363	\$ 75,577	\$ 91,940	9.1%
Meridiam Infrastructure (SCA)	\$ 11,000	9/23/2015	\$ 21,938	\$ 8,571	\$ 28,891	\$ 37,462	10.0%
Meridiam Infrastructure Europe II (SCA)	\$ 22,500	9/23/2015	\$ 27,380	\$ 13,513	\$ 40,495	\$ 54,009	14.6%
Meridiam Infrastructure Europe III SLP	\$ 95,000	4/27/2016	\$ 69,465	\$ 13,144	\$ 51,460	\$ 64,604	-3.9%
Meridiam Sustainable Infrastructure Europe IV	\$ 90,000	4/16/2021	\$ 8,932	\$ 4	\$ 7,081	\$ 7,084	NM
Meridiam Infrastructure N.A. II	\$ 75,000	9/28/2012	\$ 88,232	\$ 31,084	\$ 175,399	\$ 206,483	19.7%
MINA II CIP	\$ 175	6/30/2015	\$ 169	\$ 29	\$ 19,844	\$ 19,873	147.2%
Meridiam Infrastructure N.A. II	\$ 20,000	6/30/2015	\$ 18,870	\$ 4,342	\$ 44,935	\$ 49,277	28.9%
Meridiam Infrastructure N.A. III	\$ 50,000	7/12/2017	\$ 12,794	\$ 1	\$ 20,403	\$ 20,404	NM
Stonepeak Infrastructure Partners II	\$ 140,000	11/12/2015	\$ 183,928	\$ 165,251	\$ 101,454	\$ 266,704	14.2%
Stonepeak Claremont Co-Invest	\$ 25,000	5/30/2017	\$ 25,000	\$ 925	\$ 51,032	\$ 51,957	17.9%
Stonepeak Spear (Co-Invest) Holdings	\$ 25,000	1/8/2018	\$ 19,648	\$ 1,717	\$ 37,620	\$ 39,338	18.8%
Stonepeak Infrastructure Partners III	\$ 150,000	10/13/2017	\$ 140,812	\$ 38,992	\$ 182,384	\$ 221,376	23.8%
Stonepeak Infrastructure Partners IV	\$ 125,000	5/8/2020	\$ 37,950	\$ 5,480	\$ 35,128	\$ 40,608	NM

MainePERS Private Market Investments Summary: 03/31/2022

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	\$ 49,703	\$ 59,795	8.0%
ACM Permanent Crops II	\$ 35,000	5/12/2016	\$ 40,717	\$ 8,885	\$ 24,311	\$ 33,195	-7.5%
AMERRA Agri Fund III	\$ 50,000	2/11/2016	\$ 96,079	\$ 63,563	\$ 35,990	\$ 99,553	1.6%
Denham Mining Fund	\$ 35,000	6/29/2018	\$ 24,377	\$ -	\$ 34,285	\$ 34,285	16.1%
Homestead Capital Farmland II	\$ 50,000	8/8/2016	\$ 53,907	\$ 8,311	\$ 54,225	\$ 62,535	5.2%
Homestead Capital Farmland III	\$ 30,000	10/26/2018	\$ 19,862	\$ 2,014	\$ 19,318	\$ 21,332	8.6%
Orion Mine Finance Fund II	\$ 50,000	5/25/2016	\$ 100,573	\$ 74,178	\$ 48,522	\$ 122,700	10.6%
Orion Mine Finance Co-Fund II	\$ 20,000	8/13/2018	\$ 20,085	\$ -	\$ 37,630	\$ 37,630	20.0%
Silver Creek Aggregate Reserves Fund	\$ 100,000	11/6/2018	\$ 12,919	\$ 1,605	\$ 14,823	\$ 16,428	NM
Taurus Mining Fund	\$ 50,000	3/27/2015	\$ 41,459	\$ 44,644	\$ 4,276	\$ 48,921	6.9%
Taurus Mining Fund Annex	\$ 23,000	12/1/2016	\$ 18,250	\$ 22,717	\$ 1,310	\$ 24,027	17.9%
Taurus Mining Fund No. 2	\$ 75,000	4/18/2019	\$ 51,122	\$ 42,003	\$ 18,537	\$ 60,540	22.8%
Teays River Integrated Agriculture	\$ 200,000	7/1/2015	\$ 199,005	\$ 28,770	\$ 345,002	\$ 373,772	10.4%
Twin Creeks Timber	\$ 125,000	1/7/2016	\$ 194,844	\$ 82,259	\$ 119,043	\$ 201,302	1.1%
U.S. Farming Realty Trust III	\$ 100,000	7/7/2015	\$ 108,032	\$ 11,565	\$ 80,260	\$ 91,825	-4.1%
Canally Coinvest Holdings	\$ 12,500	12/9/2019	\$ 7,153	\$ -	\$ 5,919	\$ 5,919	-10.2%

MainePERS Private Market Investments Summary: 03/31/2022

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	\$ 20,526	\$ 29,579	\$ 727	\$ 30,306	13.3%
ABRY Advanced Securities Fund III	\$ 30,000	4/30/2014	\$ 44,186	\$ 18,509	\$ 25,697	\$ 44,206	0.0%
ABRY Heritage Partners	\$ 10,000	5/31/2016	\$ 10,068	\$ 7,399	\$ 9,288	\$ 16,687	27.4%
ABRY Partners VII	\$ 10,000	4/29/2011	\$ 12,920	\$ 17,118	\$ 3,015	\$ 20,133	13.0%
ABRY Partners VIII	\$ 20,000	8/8/2014	\$ 23,742	\$ 28,430	\$ 4,849	\$ 33,279	10.3%
ABRY Senior Equity IV	\$ 10,000	12/7/2012	\$ 10,809	\$ 16,594	\$ 1,871	\$ 18,465	15.4%
ABRY Senior Equity V	\$ 12,050	1/19/2017	\$ 12,560	\$ 3,933	\$ 14,031	\$ 17,964	20.2%
Advent International GPE VII	\$ 30,000	6/29/2012	\$ 34,211	\$ 52,335	\$ 6,877	\$ 59,212	14.2%
Advent International GPE VIII	\$ 50,000	2/5/2016	\$ 55,594	\$ 42,125	\$ 64,905	\$ 107,030	22.0%
Advent International GPE IX	\$ 50,000	5/9/2019	\$ 34,629	\$ 3,998	\$ 67,305	\$ 71,303	68.1%
GPE IX TKE Co-Investment	\$ 24,000	3/30/2020	\$ 21,243	\$ -	\$ 24,495	\$ 24,495	8.8%
Advent Latin America PE Fund VI	\$ 20,000	10/17/2014	\$ 18,750	\$ 8,350	\$ 27,614	\$ 35,964	21.8%
Affinity Asia Pacific Fund IV	\$ 60,000	2/28/2013	\$ 64,277	\$ 65,014	\$ 36,610	\$ 101,624	15.6%
Affinity Asia Pacific Fund V	\$ 40,000	12/11/2017	\$ 13,743	\$ 2,414	\$ 15,860	\$ 18,274	NM
Bain Capital Venture Coinvestment Fund III	\$ 15,000	4/1/2021	\$ 10,875	\$ -	\$ 12,607	\$ 12,607	NM
Bain Capital Ventures 2021	\$ 25,000	10/28/2020	\$ 12,313	\$ 1	\$ 16,969	\$ 16,970	NM
Berkshire Fund VIII	\$ 15,000	7/20/2011	\$ 16,706	\$ 24,989	\$ 12,593	\$ 37,582	18.1%
Berkshire Fund IX	\$ 50,000	3/18/2016	\$ 52,482	\$ 23,195	\$ 66,140	\$ 89,335	22.6%
Blackstone Capital Partners VI	\$ 30,000	6/30/2010	\$ 37,311	\$ 47,809	\$ 13,992	\$ 61,802	12.6%
Blackstone Capital Partners VII	\$ 54,000	3/27/2015	\$ 59,021	\$ 28,812	\$ 66,618	\$ 95,430	19.1%
Carlyle Asia Partners III	\$ 15,000	12/31/2009	\$ 20,408	\$ 29,734	\$ 1,080	\$ 30,815	12.6%
Carlyle Asia Partners IV	\$ 60,000	6/3/2014	\$ 76,251	\$ 74,572	\$ 43,977	\$ 118,549	12.7%
Carlyle Asia Partners V	\$ 45,000	10/30/2017	\$ 23,484	\$ 7,873	\$ 22,789	\$ 30,662	21.3%
Centerbridge Capital Partners III	\$ 30,000	10/24/2014	\$ 43,924	\$ 33,411	\$ 34,404	\$ 67,814	19.5%
CB Blizzard Co-Invest	\$ 10,000	9/11/2019	\$ 15,684	\$ 10,053	\$ 2,949	\$ 13,002	-22.1%
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	\$ 173	\$ 7,264	12.0%
Charterhouse Capital Partners X	\$ 67,000	5/13/2015	\$ 50,027	\$ 40,175	\$ 47,221	\$ 87,396	21.2%
Charterhouse Acrostone	\$ 12,000	8/24/2018	\$ 13,254	\$ 21,268	\$ 11	\$ 21,279	16.9%

(all dollar amounts in thousands)

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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 Capital Partners XI	\$ 45,000	4/23/2021	\$ 0	\$ -	\$ (384)	\$ (384)	NM
CVC Capital Partners VI	\$ 67,000	7/12/2013	\$ 93,997	\$ 84,344	\$ 87,890	\$ 172,234	19.2%
CVC Capital Partners VII	\$ 48,000	5/9/2017	\$ 67,841	\$ 30,869	\$ 63,409	\$ 94,278	29.2%
CVC Capital Partners VIII	\$ 44,000	6/11/2020	\$ 13,107	\$ 4,234	\$ 9,233	\$ 13,467	NM
EnCap Energy Capital VIII	\$ 30,000	1/31/2011	\$ 34,181	\$ 20,148	\$ 14,427	\$ 34,575	0.3%
EnCap Energy Capital Fund VIII Co-Investors, L.P.	\$ 16,238	12/8/2011	\$ 16,492	\$ 4,256	\$ 8,068	\$ 12,324	-4.5%
EnCap Energy Capital Fund IX	\$ 30,000	12/19/2012	\$ 34,460	\$ 31,840	\$ 15,238	\$ 47,077	9.7%
EnCap Energy Capital Fund X	\$ 40,000	3/5/2015	\$ 41,146	\$ 24,867	\$ 46,065	\$ 70,931	15.7%
EnCap Energy Capital Fund XI	\$ 40,000	5/31/2017	\$ 29,428	\$ 2,875	\$ 33,079	\$ 35,954	12.7%
EnCap Flatrock Midstream Fund III	\$ 20,000	4/9/2014	\$ 24,986	\$ 16,585	\$ 14,015	\$ 30,600	8.3%
EnCap Flatrock Midstream Fund IV	\$ 22,000	11/17/2017	\$ 13,343	\$ 7,094	\$ 8,454	\$ 15,549	7.9%
General Catalyst X - Early Venture	\$ 19,565	3/26/2020	\$ 17,413	\$ -	\$ 42,459	\$ 42,459	109.6%
General Catalyst X - Endurance	\$ 22,826	3/26/2020	\$ 22,859	\$ -	\$ 28,402	\$ 28,402	21.2%
General Catalyst X - Growth Venture	\$ 32,609	3/26/2020	\$ 30,815	\$ -	\$ 56,830	\$ 56,830	65.1%
General Catalyst XI - Creation	\$ 8,823	10/29/2021	\$ 665	\$ -	\$ 556	\$ 556	NM
General Catalyst XI - Endurance	\$ 29,412	10/29/2021	\$ 12,128	\$ -	\$ 11,897	\$ 11,897	NM
General Catalyst XI - Ignition	\$ 11,765	10/29/2021	\$ 3,376	\$ -	\$ 3,335	\$ 3,335	NM
GTCR Fund X	\$ 30,000	1/28/2011	\$ 31,766	\$ 64,445	\$ 168	\$ 64,613	21.4%
GTCR Fund XI	\$ 35,000	11/15/2013	\$ 34,036	\$ 66,248	\$ 70,691	\$ 136,938	40.1%
GTCR Fund XII	\$ 50,000	9/29/2017	\$ 51,223	\$ 31,746	\$ 55,771	\$ 87,517	36.3%
Co-Investment #1	\$ 5,238	4/26/2019	\$ 4,556	\$ -	\$ 8,168	\$ 8,168	22.4%
Co-Investment #2	\$ 5,997	11/1/2019	\$ 5,806	\$ 10,935	\$ 2,746	\$ 13,682	51.5%
GTCR XIII	\$ 50,000	10/27/2020	\$ 9,180	\$ 1,809	\$ 12,493	\$ 14,302	NM
H.I.G. Bayside Loan Fund II	\$ 25,000	5/28/2010	\$ 24,192	\$ 29,602	\$ 2,128	\$ 31,729	6.6%
H.I.G. Bayside Loan Ops Fund III (Europe)	\$ 30,000	7/27/2012	\$ 26,707	\$ 31,070	\$ 3,943	\$ 35,013	7.8%
H.I.G. Brazil & Latin America Partners	\$ 60,000	7/1/2015	\$ 51,217	\$ 14,505	\$ 80,484	\$ 94,990	23.7%
H.I.G. Capital Partners V	\$ 15,000	2/28/2013	\$ 18,737	\$ 21,761	\$ 14,745	\$ 36,506	24.7%
H.I.G. Europe Capital Partners II	\$ 22,500	7/1/2013	\$ 25,208	\$ 20,538	\$ 14,878	\$ 35,416	13.3%
H.I.G. Growth Buyouts & Equity Fund II	\$ 17,500	6/30/2011	\$ 20,845	\$ 18,008	\$ 27,068	\$ 45,076	19.0%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2022

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. Growth Buyouts & Equity Fund III	\$ 35,000	9/13/2018	\$ 11,116	\$ -	\$ 12,248	\$ 12,248	NM
H.I.G Middle Market LBO Fund II	\$ 40,000	2/7/2014	\$ 47,094	\$ 61,399	\$ 31,306	\$ 92,706	31.6%
Co-Investment #1	\$ 9,000	10/12/2017	\$ 9,000	\$ -	\$ 5,893	\$ 5,893	-9.0%
Co-Investment #2	\$ 686	6/19/2020	\$ 686	\$ -	\$ 813	\$ 813	NM
Co-Investment #3	\$ 1,000	6/1/2021	\$ 1,079	\$ -	\$ 1,504	\$ 1,504	NM
H.I.G. Middle Market LBO Fund III	\$ 40,000	7/23/2019	\$ 9,246	\$ 431	\$ 13,095	\$ 13,526	NM
Hellman & Friedman Capital Partners VII	\$ 30,000	6/19/2009	\$ 44,336	\$ 105,422	\$ 6,486	\$ 111,908	24.9%
Hellman & Friedman Capital Partners VIII	\$ 45,000	9/24/2014	\$ 48,284	\$ 26,428	\$ 71,314	\$ 97,743	22.7%
Hellman & Friedman Capital Partners IX	\$ 45,000	9/28/2018	\$ 41,902	\$ 1,069	\$ 53,672	\$ 54,741	22.7%
Hellman & Friedman Capital Partners X	\$ 45,000	5/10/2021	\$ 24,529	\$ -	\$ 25,061	\$ 25,061	NM
Inflexion Buyout Fund IV	\$ 27,000	9/30/2014	\$ 33,518	\$ 34,364	\$ 21,464	\$ 55,829	15.5%
Inflexion Partnership Capital Fund I	\$ 17,000	9/30/2014	\$ 21,492	\$ 25,566	\$ 15,378	\$ 40,944	23.3%
Inflexion Supplemental Fund IV	\$ 10,000	5/31/2016	\$ 14,009	\$ 17,917	\$ 10,356	\$ 28,272	26.8%
Kelso Investment Associates VIII	\$ 3,000	1/6/2011	\$ 3,022	\$ 4,263	\$ 158	\$ 4,421	8.3%
Kelso Investment Associates IX	\$ 60,000	11/5/2014	\$ 69,589	\$ 75,442	\$ 40,432	\$ 115,873	20.7%
KIA IX (Hammer) Investor	\$ 25,000	8/12/2016	\$ 25,426	\$ 69,298	\$ 225	\$ 69,522	21.4%
Kelso Investment Associates X	\$ 45,000	3/16/2018	\$ 36,379	\$ 7,943	\$ 56,437	\$ 64,380	47.1%
Kelso Investment Associates XI	\$ 45,000	12/22/2021	\$ 0	\$ -	\$ (136)	\$ (136)	NM
KKR North American Fund XI	\$ 60,000	2/7/2012	\$ 91,789	\$ 127,700	\$ 48,562	\$ 176,261	19.7%
KKR North America Fund XI (Platinum)	\$ 8,003	2/26/2016	\$ 8,040	\$ 2,313	\$ 6,643	\$ 8,956	2.6%
KKR Element Co-Invest	\$ 10,000	8/29/2016	\$ 10,050	\$ 24,030	\$ -	\$ 24,030	23.5%
KKR Americas XII	\$ 60,000	3/3/2016	\$ 59,547	\$ 21,516	\$ 90,865	\$ 112,382	32.3%
KKR Sigma Aggregator	\$ 15,000	6/22/2018	\$ 15,000	\$ -	\$ 21,885	\$ 21,885	10.6%
KKR Enterprise Co-Invest	\$ 16,721	10/11/2018	\$ 15,000	\$ -	\$ -	\$ -	-100.0%
KKR Enterprise Co-Invest AIV A	\$ 8,936	11/8/2019	\$ 8,936	\$ 7,243	\$ 4,482	\$ 11,726	30.7%
KKR North America XIII	\$ 40,000	6/25/2021	\$ 0	\$ -	\$ (212)	\$ (212)	NM
KKR Special Situations Fund	\$ 60,000	12/19/2012	\$ 118,957	\$ 96,149	\$ 14,299	\$ 110,448	-2.8%
KKR Special Situations Fund II	\$ 60,000	12/19/2014	\$ 97,775	\$ 70,726	\$ 39,165	\$ 109,891	5.2%
Oaktree Opportunities VIII	\$ 30,000	12/9/2009	\$ 30,000	\$ 43,849	\$ 268	\$ 44,117	9.1%

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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
ONCAP IV	\$ 15,000	11/8/2016	\$ 12,053	\$ 2,725	\$ 14,573	\$ 17,298	14.1%
Onex Partners III	\$ 10,000	1/6/2011	\$ 11,181	\$ 16,832	\$ 1,765	\$ 18,596	13.2%
Onex Partners IV	\$ 60,000	11/22/2013	\$ 62,871	\$ 43,444	\$ 45,959	\$ 89,403	9.0%
Co-Investment #1	\$ 10,000	2/27/2017	\$ 10,471	\$ 1,181	\$ 17,898	\$ 19,080	13.8%
Onex Partners V	\$ 45,000	7/11/2017	\$ 38,694	\$ 2,378	\$ 43,443	\$ 45,821	22.5%
Paine & Partners Capital Fund IV	\$ 60,000	12/18/2014	\$ 52,618	\$ 29,070	\$ 46,210	\$ 75,280	9.7%
Wawona Co-Investment Fund I	\$ 15,000	3/31/2017	\$ 15,012	\$ -	\$ 9,236	\$ 9,236	-9.3%
Lyons Magnus Co-Investment Fund I	\$ 15,000	11/8/2017	\$ 15,000	\$ -	\$ 36,056	\$ 36,056	22.1%
PSP Maverick Co-Invest	\$ 7,238	9/12/2019	\$ 7,254	\$ -	\$ 12,063	\$ 12,063	22.1%
PSP AH&N Co-Investment Fund	\$ 16,678	11/27/2019	\$ 17,539	\$ -	\$ 29,651	\$ 29,651	27.8%
Paine Schwartz Food Chain Fund V	\$ 45,000	8/3/2018	\$ 36,199	\$ 10,548	\$ 35,668	\$ 46,217	37.0%
SNFL Co-Investment Fund	\$ 10,000	10/11/2019	\$ 5,018	\$ 124	\$ 8,117	\$ 8,241	22.3%
Rhone Partners V	\$ 56,000	3/12/2015	\$ 70,335	\$ 31,231	\$ 82,623	\$ 113,854	19.4%
Riverside Capital Appreciation Fund VI	\$ 60,000	7/3/2013	\$ 61,421	\$ 69,145	\$ 24,615	\$ 93,759	11.8%
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	\$ 59,799	\$ 242,914	38.2%
Riverside Micro-Cap Fund IV	\$ 60,000	10/23/2015	\$ 55,659	\$ -	\$ 109,460	\$ 109,460	16.9%
Riverside Micro-Cap Fund IV-B	\$ 20,000	8/9/2019	\$ 24,292	\$ 5,583	\$ 35,298	\$ 40,882	41.2%
Riverside Micro-Cap Fund V	\$ 20,000	8/21/2018	\$ 28,463	\$ -	\$ 41,034	\$ 41,034	26.8%
Riverside Micro-Cap Fund VI	\$ 45,000	8/26/2021	\$ 0	\$ -	\$ (605)	\$ (605)	NM
Shoreview Capital Partners III	\$ 24,000	7/24/2013	\$ 25,083	\$ 27,139	\$ 24,347	\$ 51,486	19.9%
Shoreview Capital Partners IV	\$ 30,000	6/3/2019	\$ 10,131	\$ 5,761	\$ 8,311	\$ 14,072	NM
Sovereign Capital IV	\$ 46,500	7/7/2014	\$ 40,344	\$ 21,967	\$ 38,271	\$ 60,238	12.9%
Summit Partners Credit II	\$ 60,000	10/25/2013	\$ 90,550	\$ 82,118	\$ 25,381	\$ 107,499	7.0%
Summit Europe Growth Equity III	\$ 22,000	3/18/2020	\$ 7,523	\$ -	\$ 7,401	\$ 7,401	NM
Summit Growth Equity VIII	\$ 25,000	5/27/2011	\$ 33,302	\$ 61,481	\$ 17,395	\$ 78,876	27.8%
Co-Investment #1	\$ 16,000	6/3/2015	\$ 16,000	\$ 35,559	\$ 16,654	\$ 52,213	31.7%
Summit Growth Equity IX	\$ 60,000	8/26/2015	\$ 82,878	\$ 88,968	\$ 95,930	\$ 184,897	40.5%
Co-Investment #1	\$ 15,000	11/29/2016	\$ 14,895	\$ 41,104	\$ -	\$ 41,104	159.6%

(all dollar amounts in thousands)

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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 Partners Co-Invest (Ironman)	\$ 15,000	4/20/2018	\$ 14,998	\$ -	\$ 17,900	\$ 17,900	4.8%
Summit Partners Co-Invest (Giants-B)	\$ 15,000	10/22/2019	\$ 15,000	\$ 41,780	\$ 5,246	\$ 47,026	85.5%
Summit Growth Equity X	\$ 60,000	2/26/2019	\$ 51,699	\$ 13,584	\$ 50,795	\$ 64,379	30.2%
Summit Partners Co-Invest (Lions)	\$ 7,000	10/14/2020	\$ 7,000	\$ -	\$ 7,096	\$ 7,096	NM
Summit Partners Co-Invest (Indigo)	\$ 10,000	12/11/2020	\$ 11,430	\$ -	\$ 11,422	\$ 11,422	NM
Summit Growth Equity XI	\$ 45,000	10/1/2021	\$ 0	\$ -	\$ (133)	\$ (133)	NM
Summit Venture Capital III	\$ 13,150	5/27/2011	\$ 17,952	\$ 32,437	\$ 3,244	\$ 35,681	17.8%
Summit Venture Capital IV	\$ 40,000	8/26/2015	\$ 48,467	\$ 48,377	\$ 62,131	\$ 110,508	47.9%
Summit Venture Capital V	\$ 45,000	6/16/2020	\$ 15,792	\$ 773	\$ 15,484	\$ 16,256	NM
Summit Partners Co-Invest (CS)	\$ 12,000	10/22/2021	\$ 12,000	\$ -	\$ 11,943	\$ 11,943	NM
Technology Crossover Ventures VIII	\$ 60,000	5/8/2013	\$ 52,307	\$ 39,509	\$ 79,197	\$ 118,706	14.6%
Technology Crossover Ventures IX	\$ 60,000	2/19/2016	\$ 48,427	\$ 27,666	\$ 84,482	\$ 112,148	28.3%
TCV Sports	\$ 8,000	9/25/2018	\$ 8,000	\$ -	\$ 14,333	\$ 14,333	18.1%
Technology Crossover Ventures X	\$ 45,000	8/31/2018	\$ 33,774	\$ -	\$ 86,605	\$ 86,605	57.6%
Technology Crossover Ventures XI	\$ 45,000	10/2/2020	\$ 19,087	\$ -	\$ 20,781	\$ 20,781	NM
Technology Impact Fund	\$ 40,000	12/18/2017	\$ 32,648	\$ 10,887	\$ 90,589	\$ 101,475	66.0%
Technology Impact Fund II	\$ 40,000	4/13/2021	\$ 6,883	\$ -	\$ 6,812	\$ 6,812	NM
Technology Impact Growth Fund	\$ 40,000	11/26/2018	\$ 47,422	\$ 26,676	\$ 37,244	\$ 63,920	19.9%
Technology Impact Growth Fund II	\$ 40,000	8/6/2021	\$ 4,202	\$ -	\$ 3,517	\$ 3,517	NM
Thoma Bravo Fund XI	\$ 50,000	5/1/2014	\$ 69,098	\$ 118,090	\$ 77,406	\$ 195,496	28.6%
Thoma Bravo Fund XII	\$ 60,000	4/27/2016	\$ 70,219	\$ 29,897	\$ 100,834	\$ 130,730	17.8%
Thoma Bravo Fund XIII	\$ 45,000	12/7/2018	\$ 50,019	\$ 23,903	\$ 65,137	\$ 89,040	42.4%
Thoma Bravo Special Opportunities Fund II	\$ 15,000	3/27/2015	\$ 17,527	\$ 17,624	\$ 18,750	\$ 36,374	17.9%
Tillridge Global Agribusiness Partners II	\$ 50,000	10/21/2016	\$ 24,318	\$ 125	\$ 21,186	\$ 21,311	NM
Water Street Healthcare Partners III	\$ 25,000	7/25/2012	\$ 29,669	\$ 67,849	\$ 16,172	\$ 84,021	35.5%
Water Street Healthcare Partners IV	\$ 33,000	9/15/2017	\$ 31,714	\$ 10,624	\$ 26,478	\$ 37,101	9.4%
Wayzata Opportunities Fund III	\$ 30,000	9/11/2012	\$ 14,718	\$ 10,063	\$ 3,706	\$ 13,769	NM
Wynnchurch Capital Partners IV	\$ 40,000	10/23/2014	\$ 36,991	\$ 35,093	\$ 56,675	\$ 91,768	30.7%
Wynnchurch Capital Partners V	\$ 40,000	1/15/2020	\$ 11,792	\$ -	\$ 15,288	\$ 15,288	NM

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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	\$ 23,752	\$ 668	\$ 25,404	\$ 26,071	NM
Angelo Gordon Realty Fund XI	\$ 50,000	3/31/2022	\$ -	\$ -	\$ -	\$ -	NM
Bain Capital Real Estate II	\$ 50,000	3/5/2021	\$ 15,667	\$ 920	\$ 18,587	\$ 19,507	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	\$ 28,663	\$ 463,789	\$ 492,452	10.5%
Blackstone Real Estate Partners VII	\$ 75,000	2/26/2012	\$ 100,163	\$ 129,409	\$ 38,562	\$ 167,971	15.6%
Blackstone Real Estate Partners VIII	\$ 50,000	3/27/2015	\$ 61,121	\$ 52,261	\$ 51,624	\$ 103,885	18.8%
Blackstone Real Estate Partners IX	\$ 40,000	12/21/2018	\$ 29,955	\$ 10,592	\$ 38,255	\$ 48,847	47.2%
Barings Asia Real Estate II	\$ 50,000	7/31/2018	\$ 18,916	\$ -	\$ 18,371	\$ 18,371	NM
EQT Real Estate II	\$ 55,000	4/26/2019	\$ 21,269	\$ 4,956	\$ 18,826	\$ 23,781	NM
EQT Real Estate Rock Co-Investment	\$ 11,000	8/10/2020	\$ 8,576	\$ -	\$ 11,357	\$ 11,357	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	\$ 94,498	\$ 46,681	\$ 127,858	\$ 174,539	8.8%
HSRE-Coyote Maine PERS Core Co-Investment	\$ 20,000	12/4/2020	\$ 14,000	\$ -	\$ 17,113	\$ 17,113	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	\$ -	\$ 36,045	13.2%
High Street Real Estate Fund VI	\$ 25,000	3/22/2019	\$ 25,000	\$ 1,798	\$ 30,700	\$ 32,497	20.4%
HSREF VI Elgin Co-Invest	\$ 10,000	4/9/2021	\$ 10,000	\$ 542	\$ 12,412	\$ 12,954	NM
High Street Real Estate Fund VII	\$ 35,000	8/16/2021	\$ 0	\$ -	\$ (428)	\$ (428)	NM
Hines US Property Partners	\$ 200,000	9/9/2021	\$ 57,508	\$ 3,568	\$ 53,969	\$ 57,537	NM
Invesco Real Estate Asia IV	\$ 30,000	3/25/2020	\$ 16,296	\$ 8,779	\$ 6,580	\$ 15,359	-22.9%
Invesco US Income Fund	\$ 195,000	7/17/2014	\$ 164,001	\$ 50,278	\$ 272,720	\$ 322,998	12.7%
IPI Data Center Partners I	\$ 30,000	12/15/2017	\$ 31,645	\$ 16,578	\$ 40,730	\$ 57,308	27.4%
IPI Data Center Partners II	\$ 25,000	12/20/2019	\$ 10,563	\$ 1,619	\$ 8,806	\$ 10,425	NM
JPMCB Strategic Property Fund	\$ 130,000	11/15/2005	\$ 186,941	\$ 297,519	\$ -	\$ 297,519	5.8%
KKR Real Estate Partners Europe I	\$ 50,000	12/2/2015	\$ 50,849	\$ 42,679	\$ 23,915	\$ 66,594	11.0%
KKR Real Estate Partners Europe II	\$ 25,000	12/23/2019	\$ 15,972	\$ 520	\$ 18,044	\$ 18,564	47.1%
KKR Real Estate Partners Americas I	\$ 50,000	12/20/2013	\$ 49,776	\$ 59,226	\$ 2,489	\$ 61,716	11.2%
KKR Real Estate Partners Americas II	\$ 50,000	6/2/2016	\$ 54,400	\$ 54,792	\$ 25,436	\$ 80,228	25.4%
Northbridge-Strategic Fund II	\$ 30,000	2/8/2019	\$ 30,000	\$ 2,653	\$ 31,401	\$ 34,054	4.3%
Prima Mortgage Investment Trust, LLC	\$ 75,000	7/29/2011	\$ 97,453	\$ 46,880	\$ 86,455	\$ 133,336	4.0%

(all dollar amounts in thousands)

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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
Principal Life Insurance Company U.S. Property	\$ 60,000	5/20/2005	\$ 60,000	\$ 125,410	\$ -	\$ 125,410	6.2%
PRISA	\$ 90,000	6/30/2005	\$ 139,622	\$ 222,450	\$ -	\$ 222,450	5.3%
Rubenstein Properties Fund III	\$ 30,000	10/23/2015	\$ 30,606	\$ 627	\$ 31,282	\$ 31,909	1.3%
LCC Co-Investor B	\$ 15,000	10/18/2019	\$ 14,917	\$ -	\$ 14,413	\$ 14,413	-1.7%
Rubenstein Properties Fund IV	\$ 25,000	4/16/2019	\$ 5,700	\$ 56	\$ 4,485	\$ 4,541	NM
Prudential Senior Housing Fund V	\$ 50,000	3/17/2015	\$ 41,333	\$ 3,783	\$ 52,483	\$ 56,266	7.3%
Smart Markets Fund, L.P.	\$ 195,000	6/17/2013	\$ 166,169	\$ 58,311	\$ 278,699	\$ 337,009	11.4%
Walton Street Real Estate Fund VII	\$ 50,000	5/9/2012	\$ 43,990	\$ 49,099	\$ 12,317	\$ 61,416	9.8%
Walton Street Real Estate Fund VIII	\$ 50,000	10/23/2015	\$ 42,686	\$ 24,965	\$ 34,459	\$ 59,424	12.4%
Co-Investment #1	\$ 10,000	9/27/2017	\$ 9,595	\$ 4,160	\$ 4,501	\$ 8,661	-3.5%
Westbrook Real Estate Fund IX	\$ 15,000	6/30/2014	\$ 17,371	\$ 17,080	\$ 3,498	\$ 20,578	6.4%
Westbrook Real Estate Fund X	\$ 50,000	1/15/2015	\$ 48,395	\$ 42,123	\$ 18,421	\$ 60,544	11.2%
Westbrook Real Estate Fund XI	\$ 40,000	1/31/2019	\$ 14,296	\$ 2,758	\$ 13,384	\$ 16,142	NM

MainePERS Private Market Investments Summary: 03/31/2022

Notes: 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

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: QUARTERLY REBALANCING ACTIVITY REPORT
DATE: AUGUST 4, 2022

This memo summarizes rebalancing activity undertaken during the first half of calendar year 2022. This summary will be provided on a quarterly basis in the future.

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](#)

REBALANCING

Two types of rebalancing activity are contained in the below table. During the first three months of the year, rebalancing occurred as cash was raised from asset classes that were most overweight (or least underweight). In June, capital was shifted between asset classes to better reflect policy weights.

Month	Asset Class			Note
	Public Equity	Traditional Credit	US Government	
January		-\$78 Million		Raising cash
February	-\$100 Million	-\$75 Million		Raising cash
March	-\$50 Million	-\$50 Million		Raising cash
June	\$40 Million	-\$80 Million	\$40 Million	Rebalancing

MainePERS Dashboard as of June 30, 2022

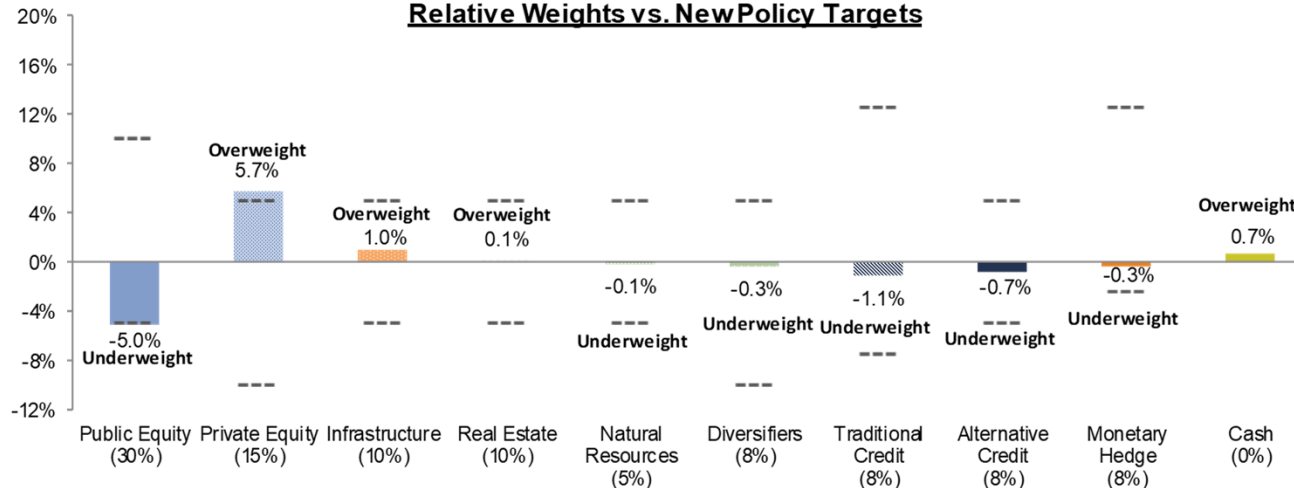
Summary Portfolio Observations

- The MainePERS total portfolio market value at the end of Q2 2022 was \$18,330.9 million. The portfolio returned -4.1% in the quarter ended June 30, 2022, with relative outperformance primarily driven by Risk Diversifiers and Real Estate. Over the past five years, the portfolio has generated annualized returns of +9.5%.

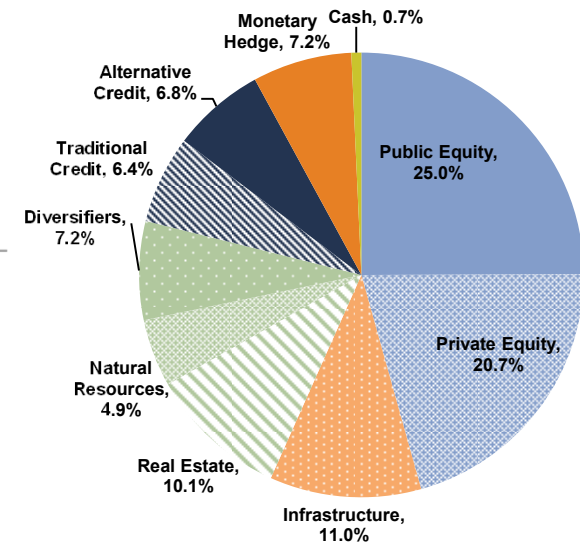
Total Fund Performance (6/30/2022)

	Q2 2022	Tr. 1 Year	Tr. 3 Year	Tr. 5 Year
Total Fund Composite	-4.1	3.3	10.0	9.5
MainePERS Policy Index	-5.1	1.0	8.8	8.6
Value Add	1.0	2.3	1.2	0.9

Relative Weights vs. New Policy Targets



Asset Allocation





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The primary data source for information is the investment manager and/or fund administrator, therefore data may not match custodial or other client records due to differences in data sourcing, methodology, valuation practices, etc. Estimated values may include prior quarter end data adjusted by a proxy benchmark or by subsequent cash flows. In some instances, data may be sourced directly from a client and/or prior advisors or service providers. CA makes no representations that data reported by unaffiliated parties is accurate, and the information contained herein is not reconciled with manager, custodian, and/or client records. There are multiple methodologies available for use in the calculation of portfolio performance, and each may yield different results. Differences in both data inputs and calculation methodologies can lead to different calculation results. Expected return, efficient frontier analysis and methodology may include equilibrium asset class assumptions derived from CA's Capital Markets Group, and such assumptions are available upon request.

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MAINEPERS

SECOND QUARTER 2022 PERFORMANCE REVIEW



MARKET UPDATE



Cross asset performance was very weak in the second quarter

GLOBAL ASSET CLASS PERFORMANCE As of June 30, 2022 • US Dollar • Percent (%)

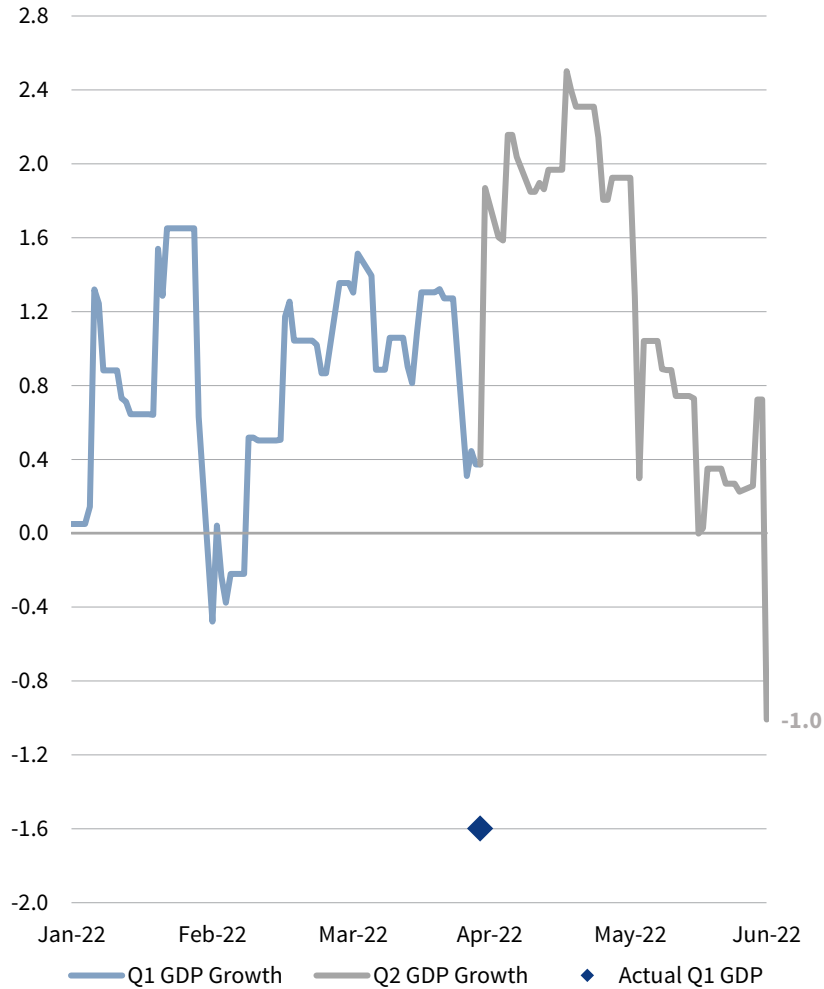


Sources: Bloomberg Index Services Limited, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: All data are in USD terms. The equity data are total returns net of dividend taxes of MSCI indexes. The fixed income data are total returns 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

Growth forecasts continue to be revised down as emerging economic data softens

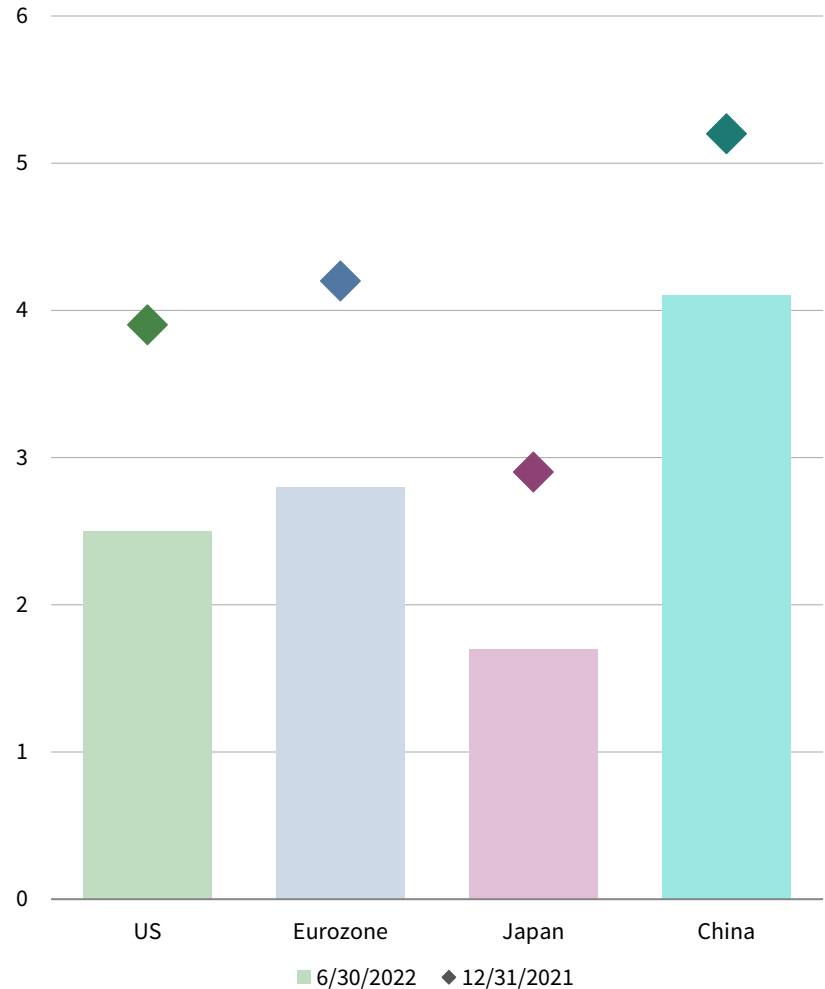
ATLANTA FED GDPNOW REAL GDP FORECAST

January 28, 2022 – June 30, 2022



2022 REAL GDP GROWTH ESTIMATES

As of June 30, 2022



Markets typically bounce back quickly after recessions

VALUATIONS AND RETURNS AROUND US RECESSIONS

1968–2022

Dates				Forward P/E				Returns 12M From Recession Start			Returns 12M From Recession End	
Market Peak	Recession Start	Recession End	Recession Length (months)	FWD PE Peak	FWD PE Trough	FWD PE Change	Equity Peak-to-Trough (%)	Equity Return (%)	Fixed Income Return (%)	Equity Return (%)	Fixed Income Return (%)	
Nov-68	Dec-69	Nov-70	11	--	--	--	-36	0	---	8	---	
Jan-73	Nov-73	Mar-75	16	--	--	--	-48	-27	---	23	---	
Feb-80	Jan-80	Jul-80	6	--	--	--	-17	13	-2	8	-13	
Nov-80	Jul-81	Nov-82	16	7.7	5.0	-2.7	-27	-18	9	20	-1	
Jul-90	Jul-90	Mar-91	8	11.6	9.5	-2.1	-20	9	1	8	2	
Mar-00	Mar-01	Nov-01	8	23.8	18.7	-5.1	-49	-1	-2	-18	1	
Oct-07	Dec-07	Jun-09	18	16.0	10.8	-5.2	-57	-38	0	12	4	
Feb-20	Feb-20	Apr-20	2	18.6	15.3	-3.3	-34	29	-2	44	-4	
		Mean	10.6	15.5	11.9	-3.7	-36	-4	1	13	-2	
		Median	9.5	16.0	10.8	-3.3	-35	-1	-1	10	0	

Sources: FactSet Research Systems, Goldman Sachs Global Investment Research, National Bureau of Economic Research (NBER), and Thomson Reuters Datastream.

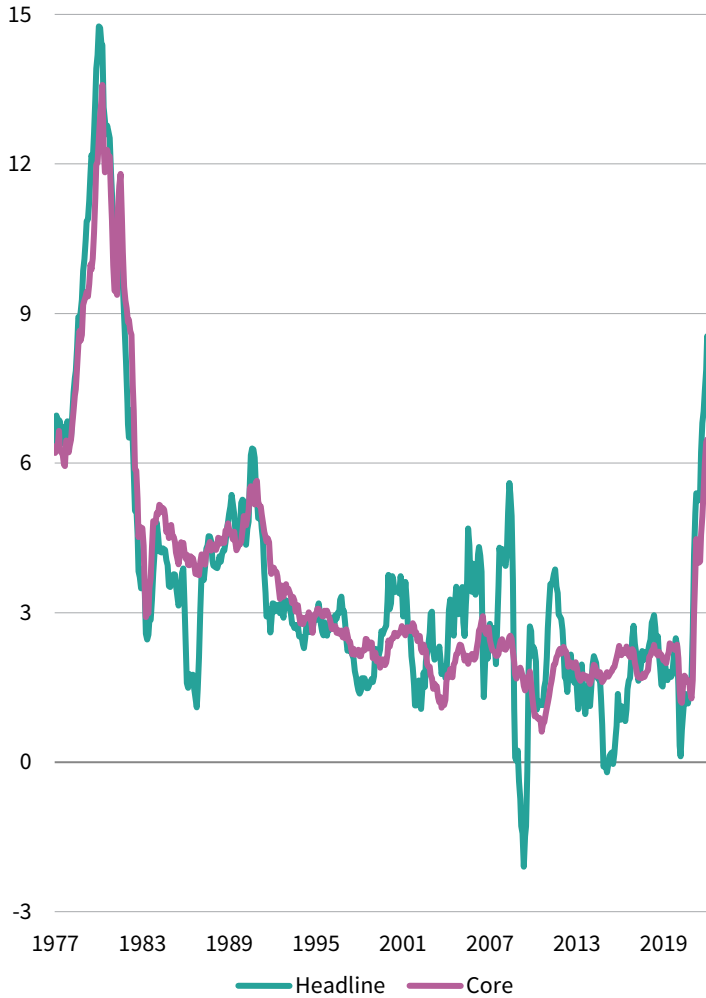
Notes: FWD PE defined as the next 12-month forward looking price-to-earnings of the S&P 500. Equity peak-to-recession start, and peak-to-trough based on S&P 500 peak level surrounding recession start dates. Equity and Fixed Income returns 12 months from recession start and end are cumulative based on monthly price returns based on the S&P 500 and Bloomberg Aggregate Bond Index. Market peak dates are based on daily data. Recession start dates are based on NBER monthly dates.

MMHC

Increasing role of demand in driving inflation has led to increased central bank hawkishness

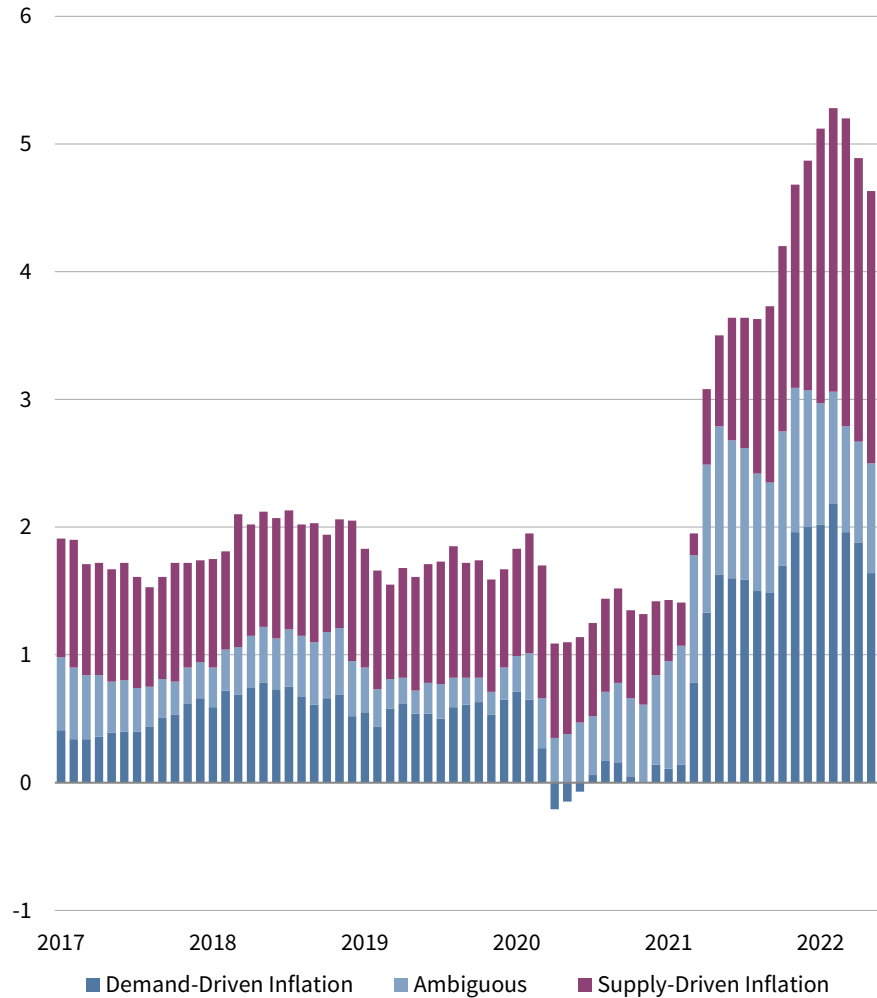
US HEADLINE AND CORE INFLATION

March 31, 1977 – May 31, 2022 • Year-Over-Year Percent Change (%)



CONTRIBUTIONS TO CORE PCE INFLATION

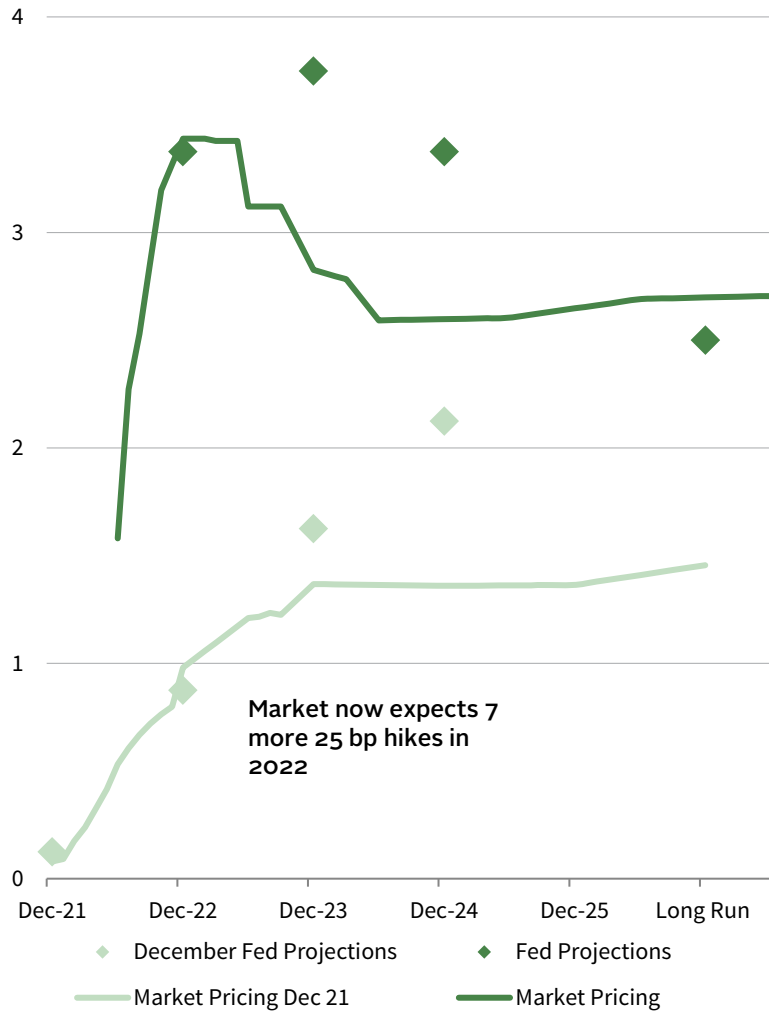
January 31, 2017 – May 31, 2022 • Year-Over-Year Percent Change (%)



Fed projects a higher peak in rates, as its revises its growth projections down and inflation up

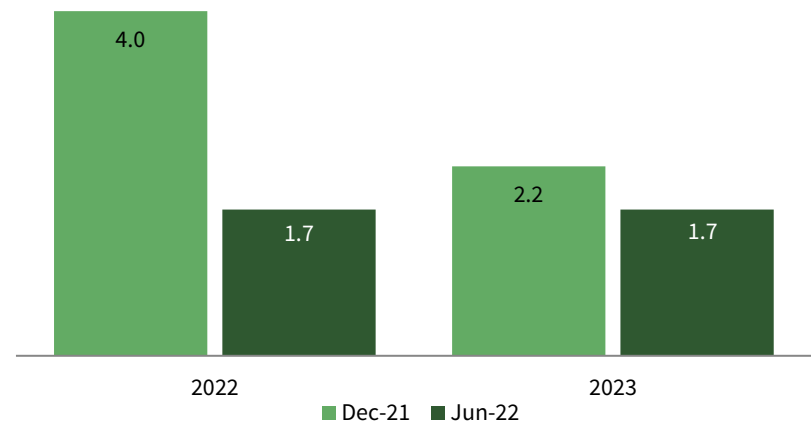
FED RATE HIKE EXPECTATIONS VS THE MARKET

As of June 30, 2022 • Percent (%)



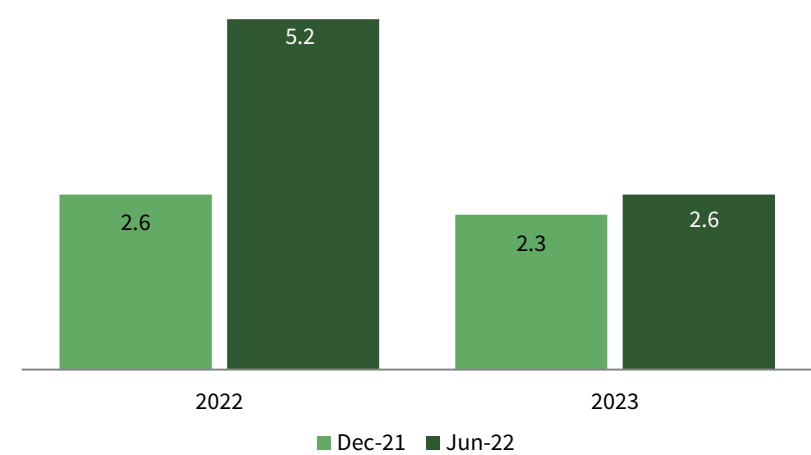
FED EXPECTATIONS FOR GDP GROWTH

As of June 30, 2022 • Percent (%)



FED EXPECTATIONS FOR PCE INFLATION

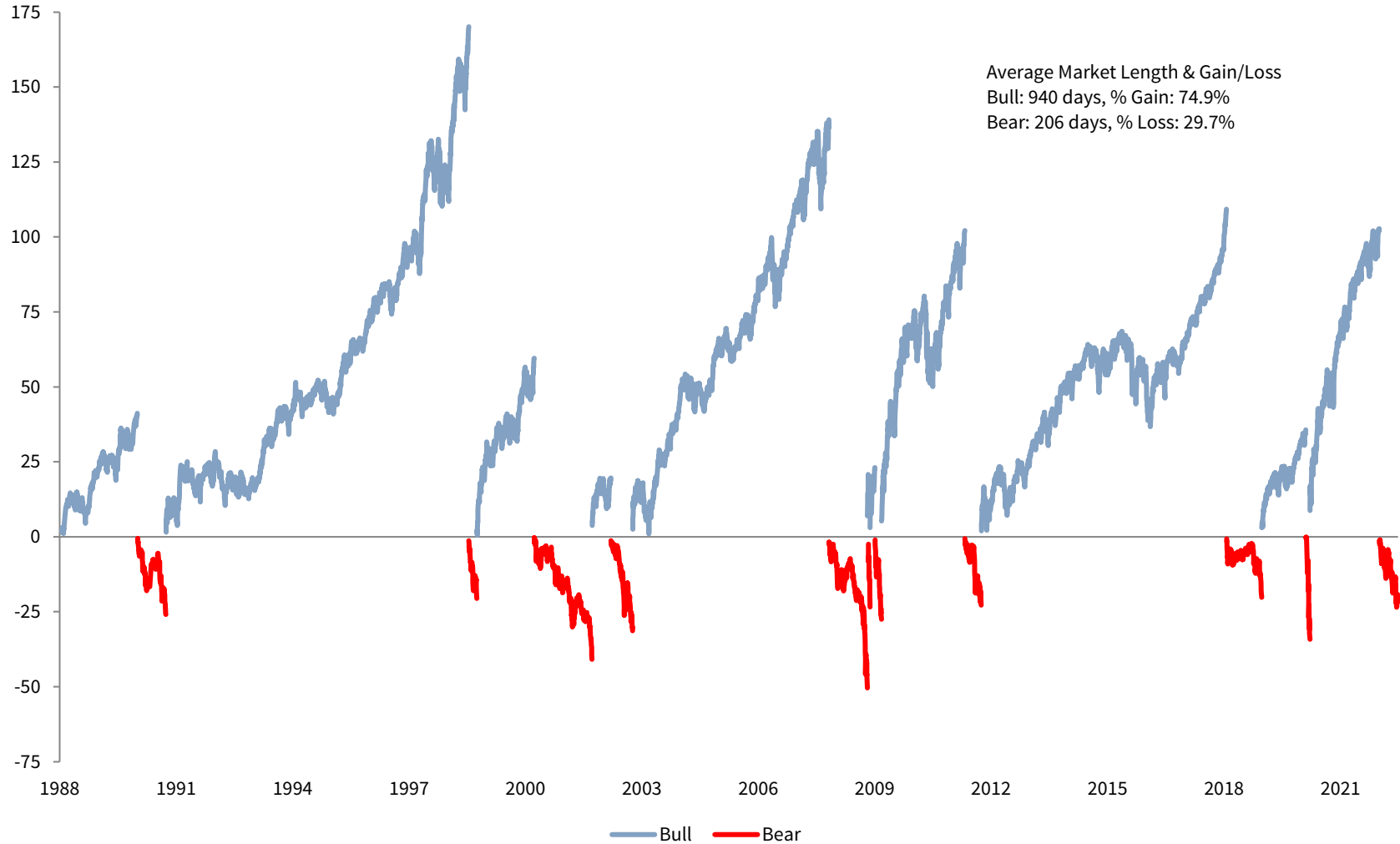
As of June 30, 2022 • Percent (%)



Bear market declines average 30%—we are two-thirds of the way there

MSCI WORLD HISTORICAL LENGTH OF BULL/BEAR MARKET CYCLES

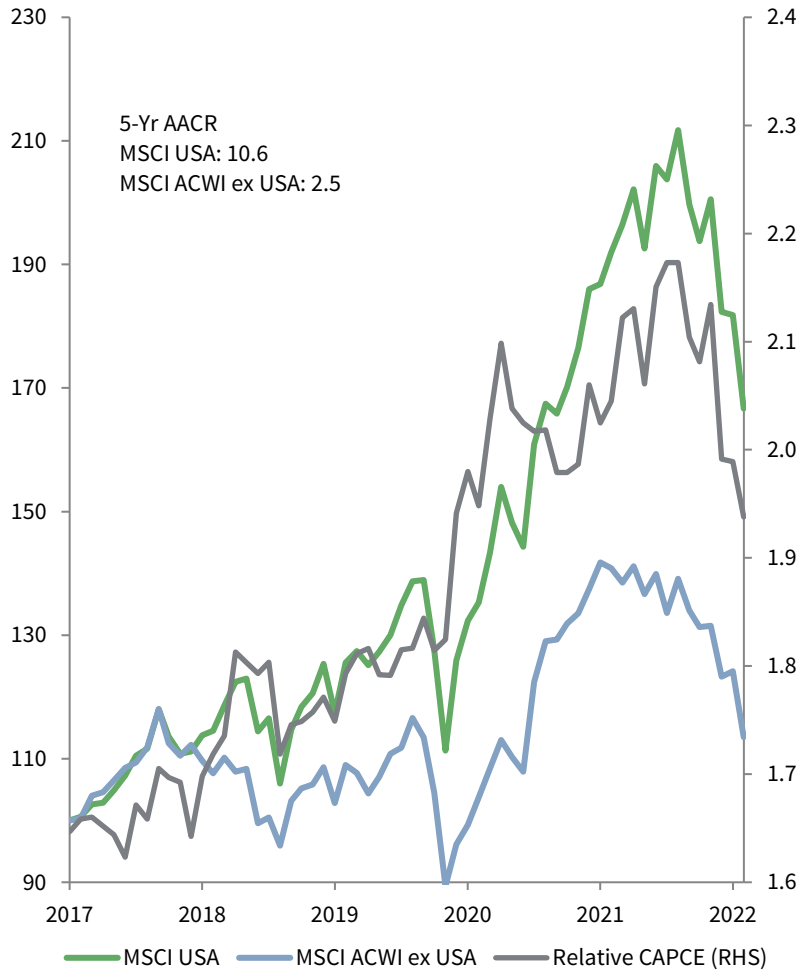
January 1, 1988 – June 30, 2022 • US Dollar • Percent (%)



US stock outperformance is threatened by valuations, margins

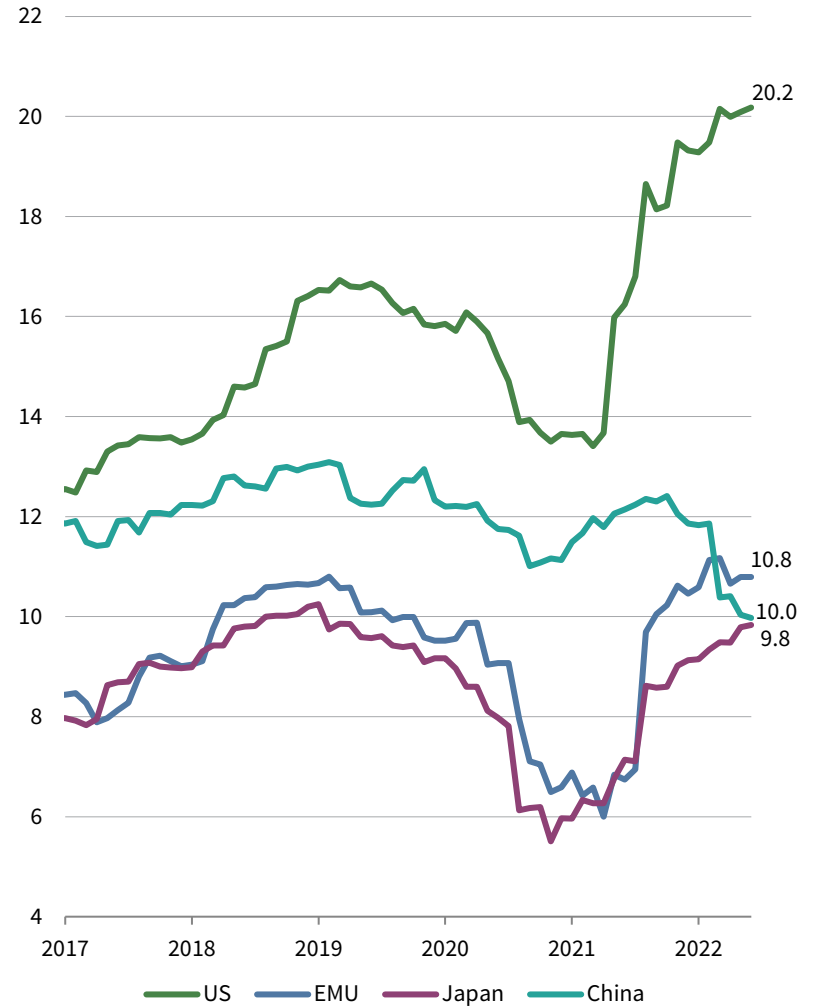
CUMULATIVE WEALTH AND RELATIVE VALUATIONS OF SELECT INDEXES

May 31, 2017 – June 30, 2022 • US Dollar • May 31, 2017 = 100



RETURN ON EQUITY ACROSS VARIOUS REGIONS

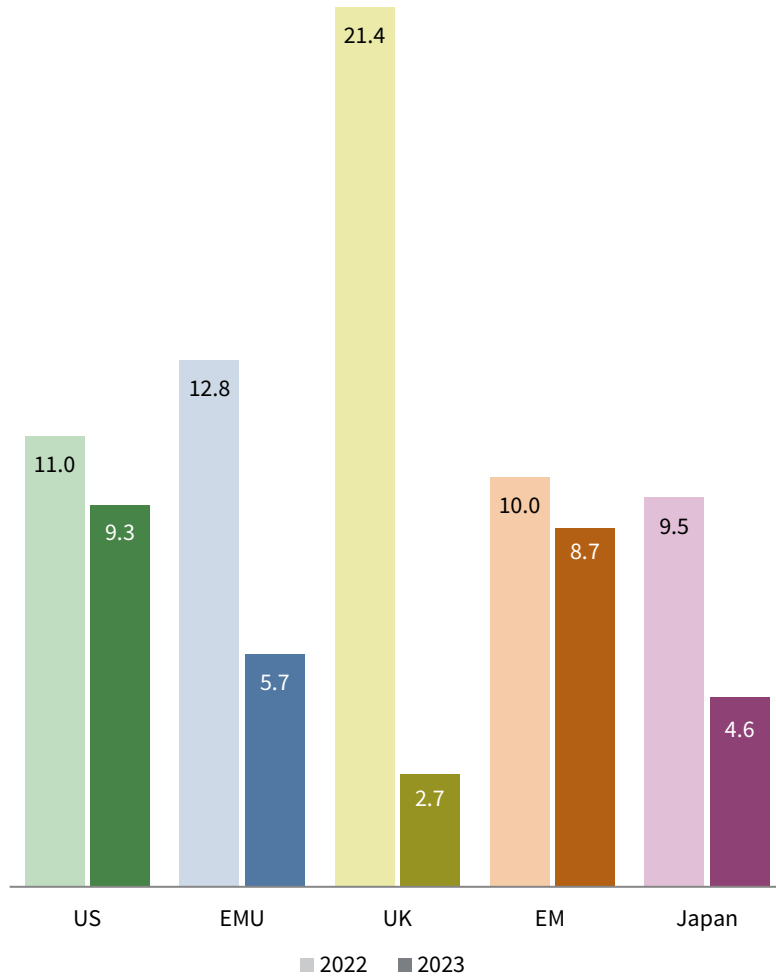
January 31, 2017 – June 30, 2022 • Percent (%)



Earnings estimates have held up reasonably well

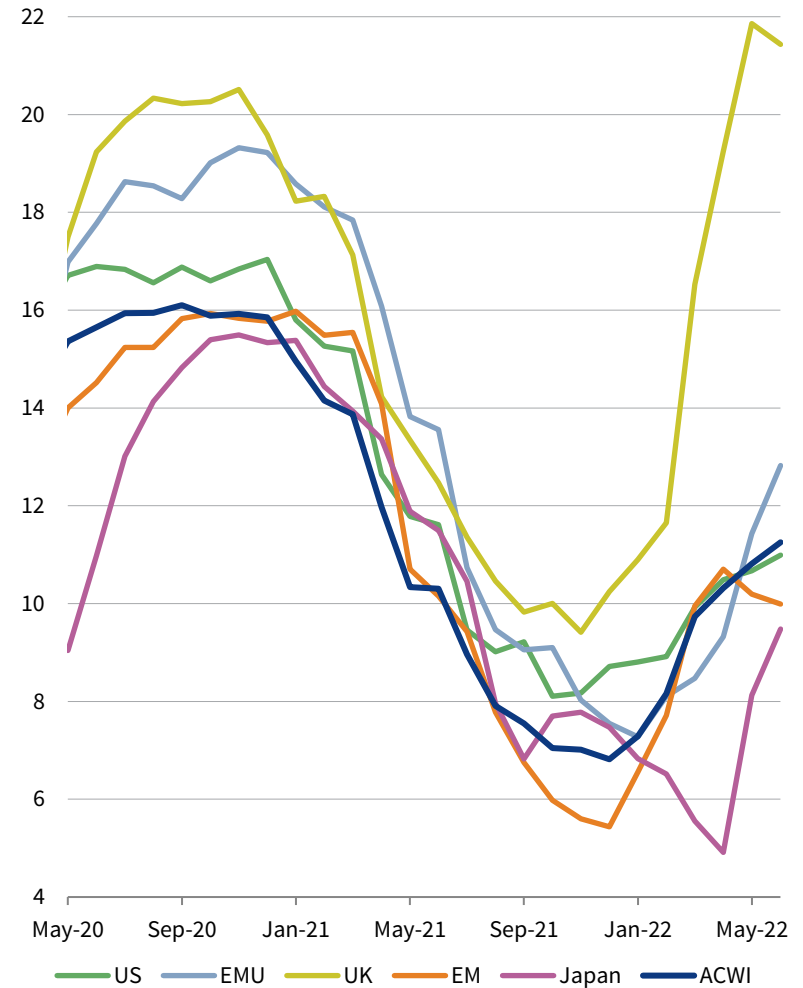
FY EPS GROWTH ESTIMATES BY REGION

As of June 30, 2022 • Percent (%)



2022 EARNINGS GROWTH ESTIMATES

As of June 30, 2022 • EPS Growth (%)

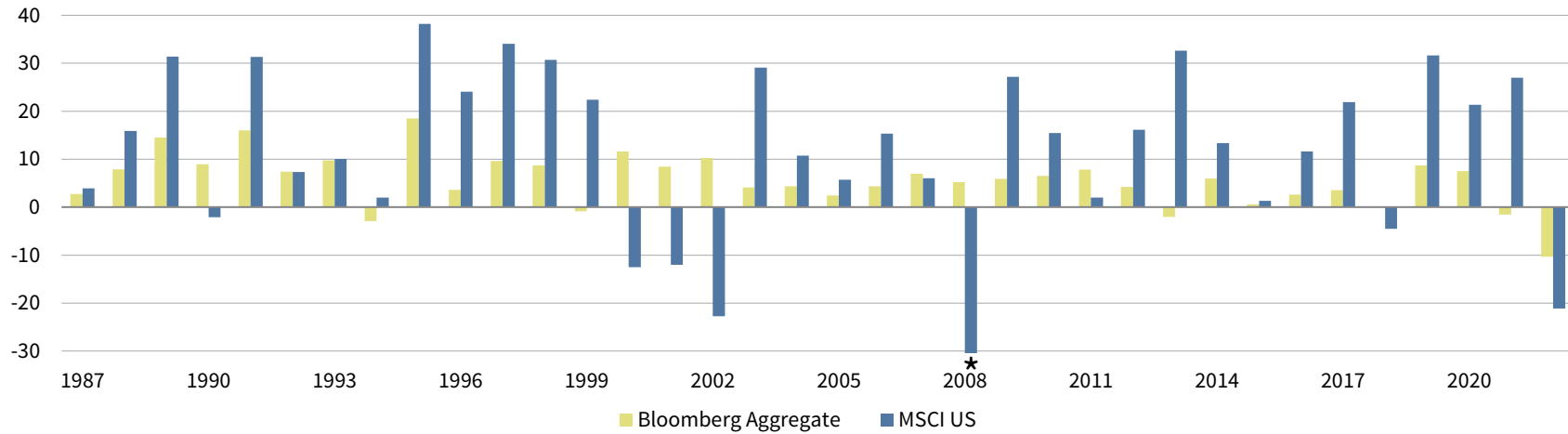


Sources: FTSE International Limited, I/B/E/S, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: Japan FY data represents earnings growth from March through the next 12-month period. EM estimate is in USD terms and 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). MMHC

Historically bad start to 2022 for traditional 60/40 portfolios but some fixed income markets have held up OK

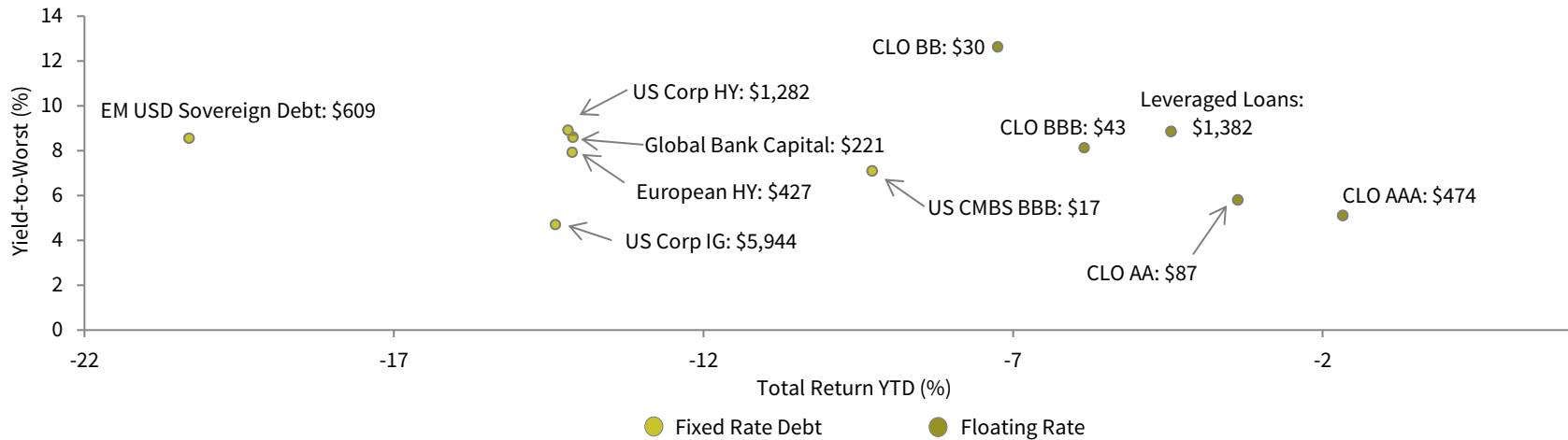
MSCI USA AND BLOOMBERG AGGREGATE CALENDAR YEAR RETURNS

1987–2022 • Total Return in USD (%)



DEBT MARKETS BY YIELD, PERFORMANCE AND MARKET VALUE

As of June 30, 2022 • US Dollar (Market Cap Billions)



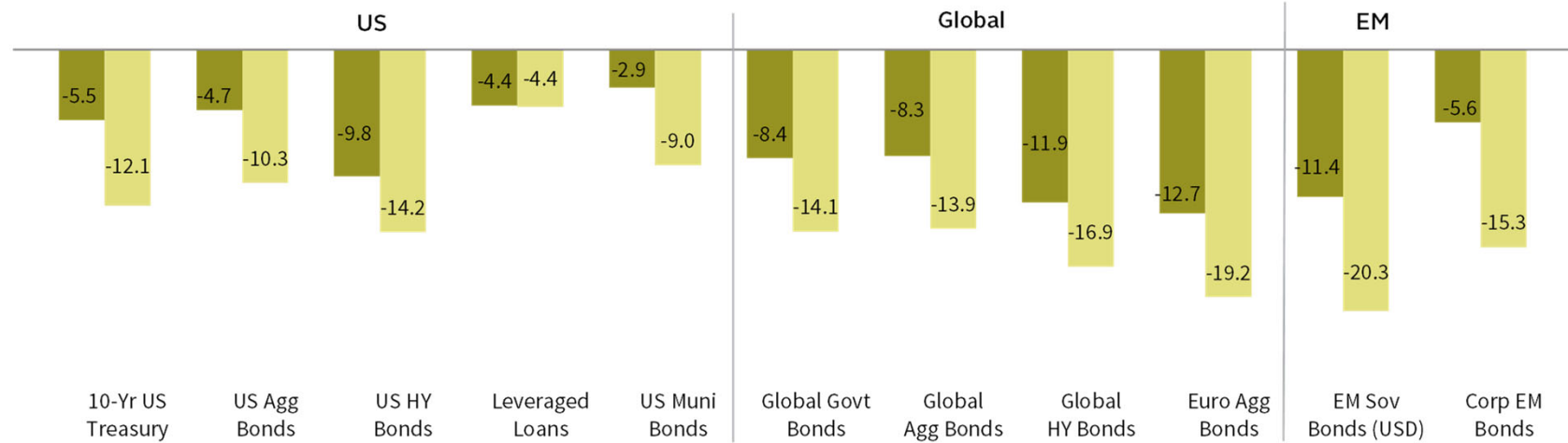
Notes: Global Bank Capital are represented by the Bloomberg Global Contingent Capital Index, CLO AAA by the J.P. Morgan CLO AAA Index, CLO AA by the J.P. Morgan CLO AA Index, CLO BBB by the J.P. Morgan CLO BBB Index, CLO BB by the J.P. Morgan CLO BB Index, US CMBS BBB by the Bloomberg Barclays US CMBS Investment Grade Baa Index, US Corp IG by the Bloomberg US Corporate Investment Grade Index, EM USD Sovereign Debt by the J.P. Morgan EMBI Global Diversified Index, European HY by the Bloomberg Pan European High Yield Index, Leveraged Loans by the Credit Suisse Leveraged Loan Index and US Corp HY by the Bloomberg US Corporate High Yield Index. Yield for the Credit Suisse Leveraged Loan Index is calculated as the three-month LIBOR plus three-year discount rate. Data for 2022 are through June 30. MMHC

Difficult start to 2022 for both high-quality and higher beta fixed income

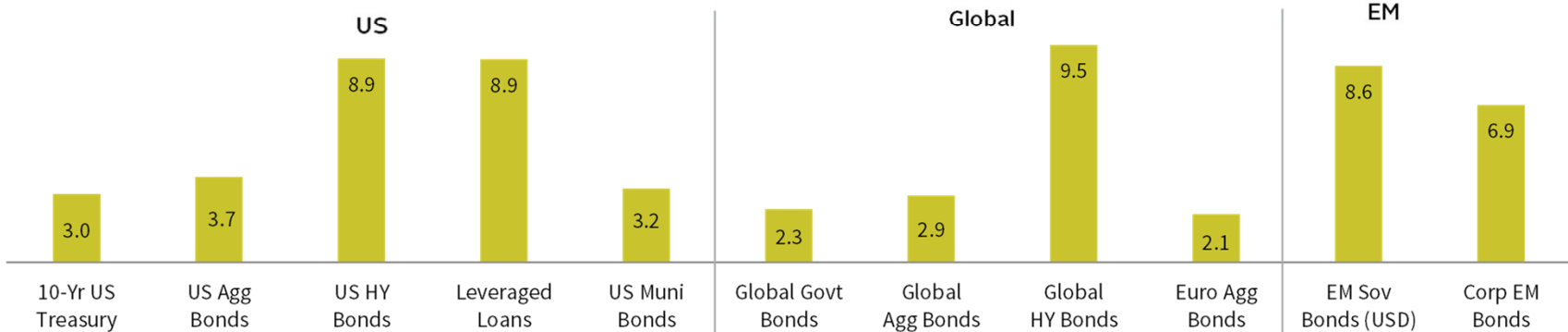
FIXED INCOME MARKET SUMMARY

As of June 30, 2022 • US Dollar

QTD & YTD 2022



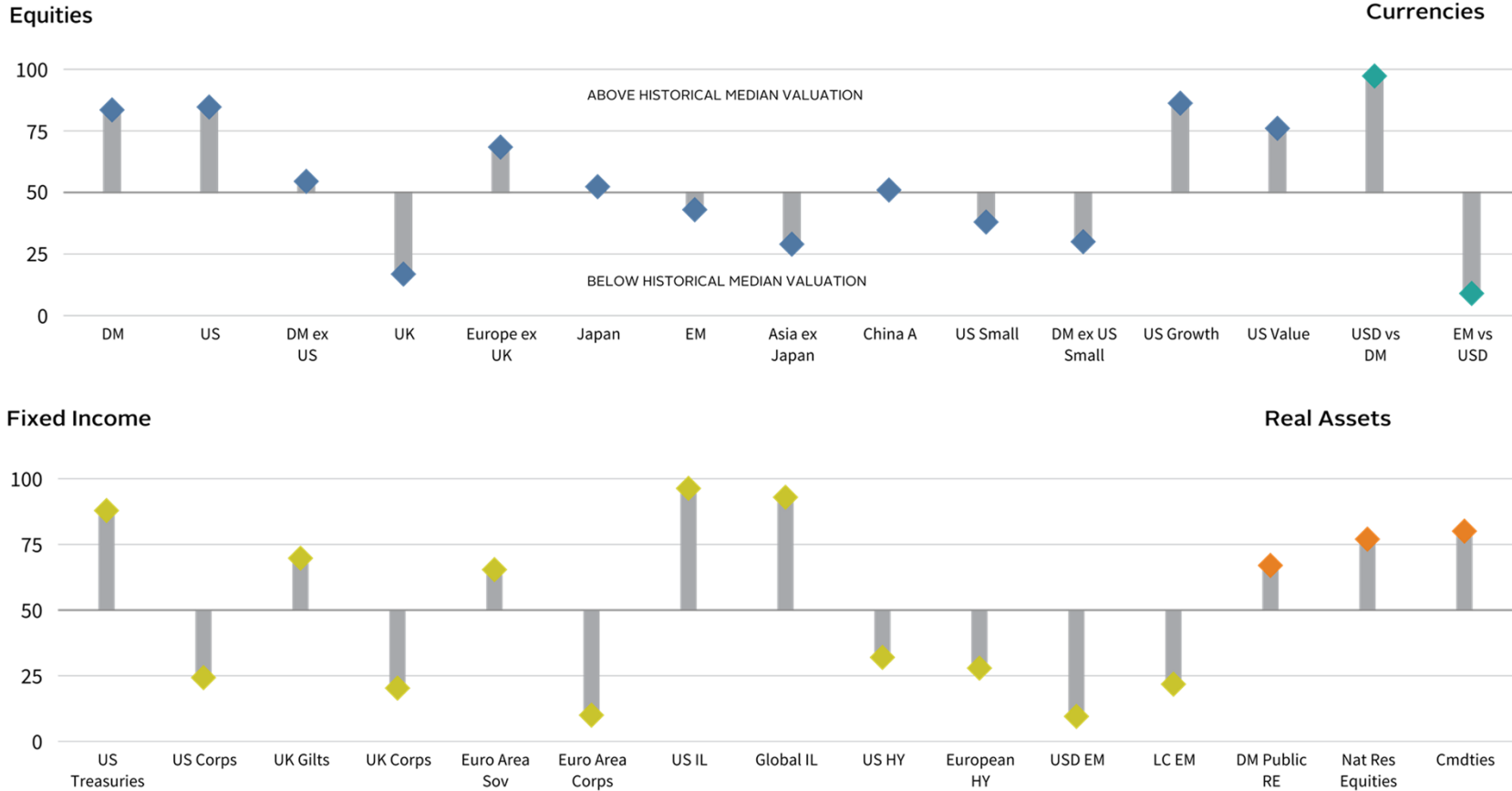
Current Yields (%)



Cambridge Associates Current Valuations Summary

CURRENT VALUATION LEVELS OF VARIOUS ASSET CLASSES

As of June 30, 2022 • Percentile



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

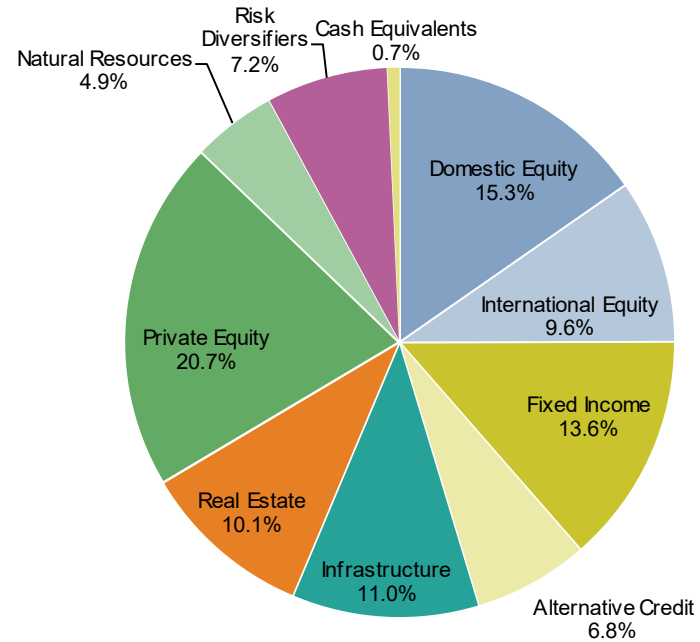


MainePERS Allocation Snapshot

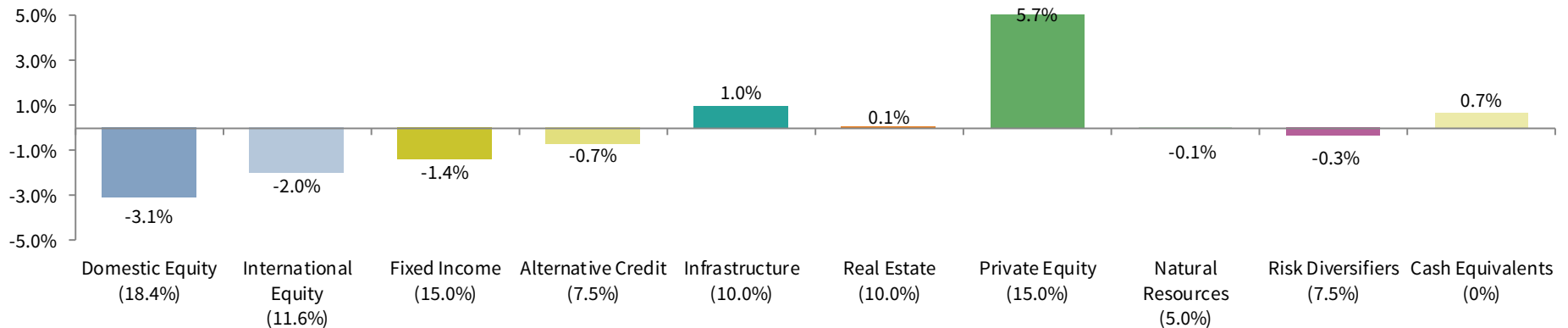
As of June 30, 2022

Asset Allocation (\$ Millions)

Asset Class	\$	%
Domestic Equity	\$2,809.2	15.3%
International Equity	\$1,765.2	9.6%
Fixed Income	\$2,496.9	13.6%
Alternative Credit	\$1,238.5	6.8%
Infrastructure	\$2,017.3	11.0%
Real Estate	\$1,856.7	10.1%
Private Equity	\$3,796.8	20.7%
Natural Resources	\$902.9	4.9%
Risk Diversifiers	\$1,315.2	7.2%
Cash Equivalents	\$132.1	0.7%
Total	\$18,330.9	100.0%



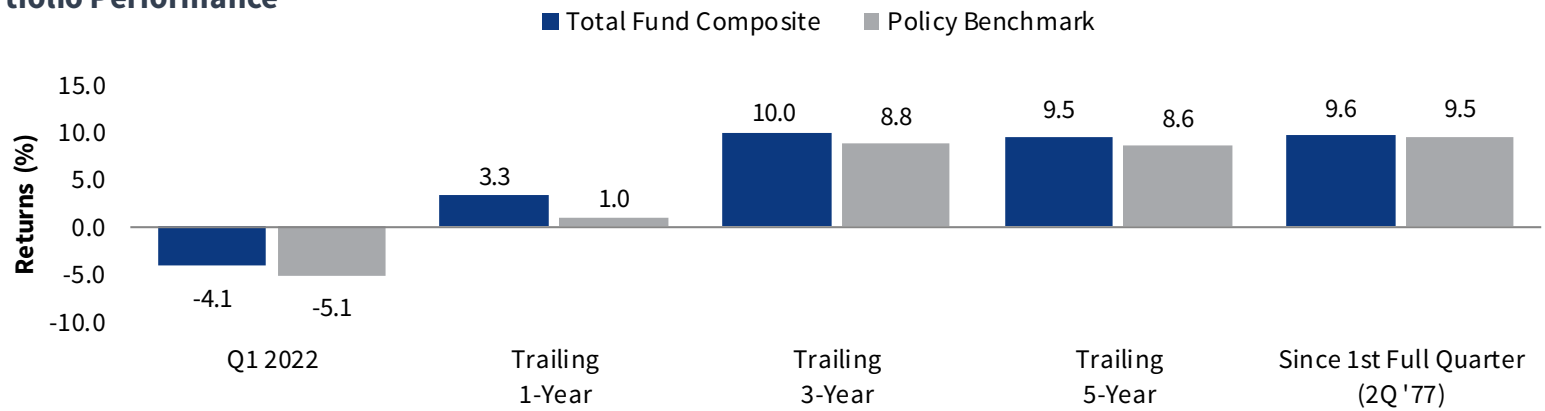
Relative Weights vs. Policy Targets



MainePERS Performance Summary

As of June 30, 2022

Total Portfolio Performance



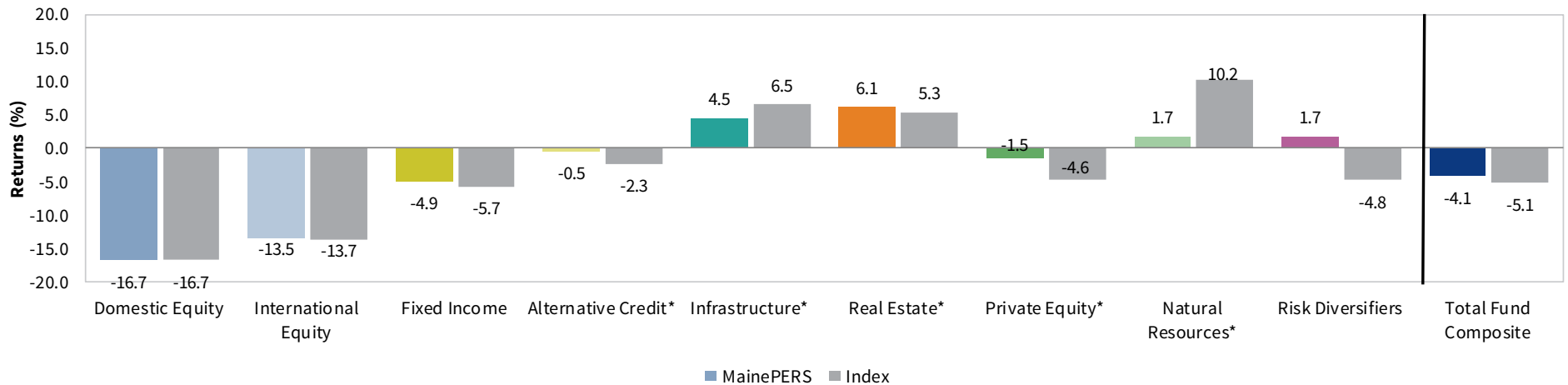
	Q1 2022	Trailing 1-Year	Trailing 3-Year	Trailing 5-Year	Since 1st Full Quarter (2Q '77)
Total Fund Composite	(4.1)	3.3	10.0	9.5	9.6
Policy Benchmark	(5.1)	1.0	8.8	8.6	9.5
<i>Value Added</i>	<i>1.0</i>	<i>2.3</i>	<i>1.2</i>	<i>0.9</i>	<i>0.1</i>

MainePERS Asset Class Performance

As of June 30, 2022

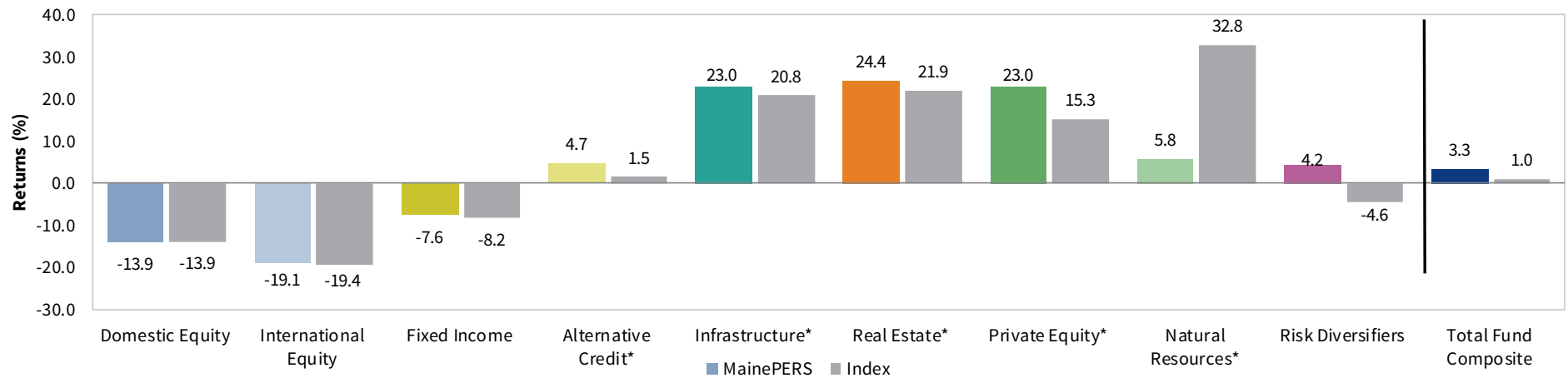
Quarter-to-Date

April 1, 2022 - June 30, 2022



Trailing 1-Year

July 1, 2021 - June 30, 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 March 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

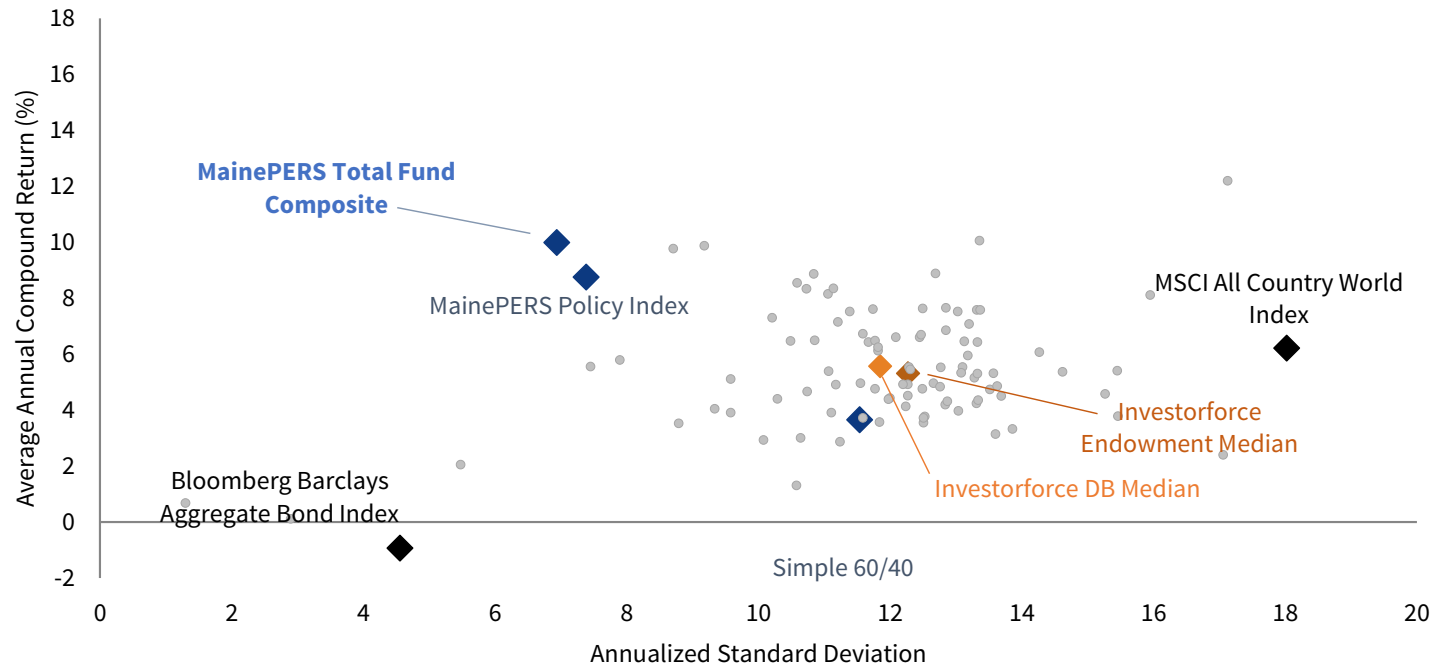
3. 91-day T-bill + 0.3(MSCI ACWI Return – 91-day T-bill)

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 June 30, 2022



	Average Annual Compound Return	Annualized Standard Deviation	Sharpe Ratio ¹	Beta vs. MSCI ACWI
MainePERS - Total Fund Composite	10.0	6.9	1.4	0.31
MainePERS - Policy Index	8.8	7.4	1.1	0.30
Simple 60/40	3.7	11.5	0.3	0.63
Investorforce Public DB Plan Median	5.6	11.9	0.4	---
Investorforce Endowment Median	5.3	12.3	0.4	---
Indices				
MSCI All Country World Index (Net)	6.2	18.0	0.3	--
Bloomberg Barclays Aggregate Bond Index	-0.9	4.6	-0.3	0.09



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

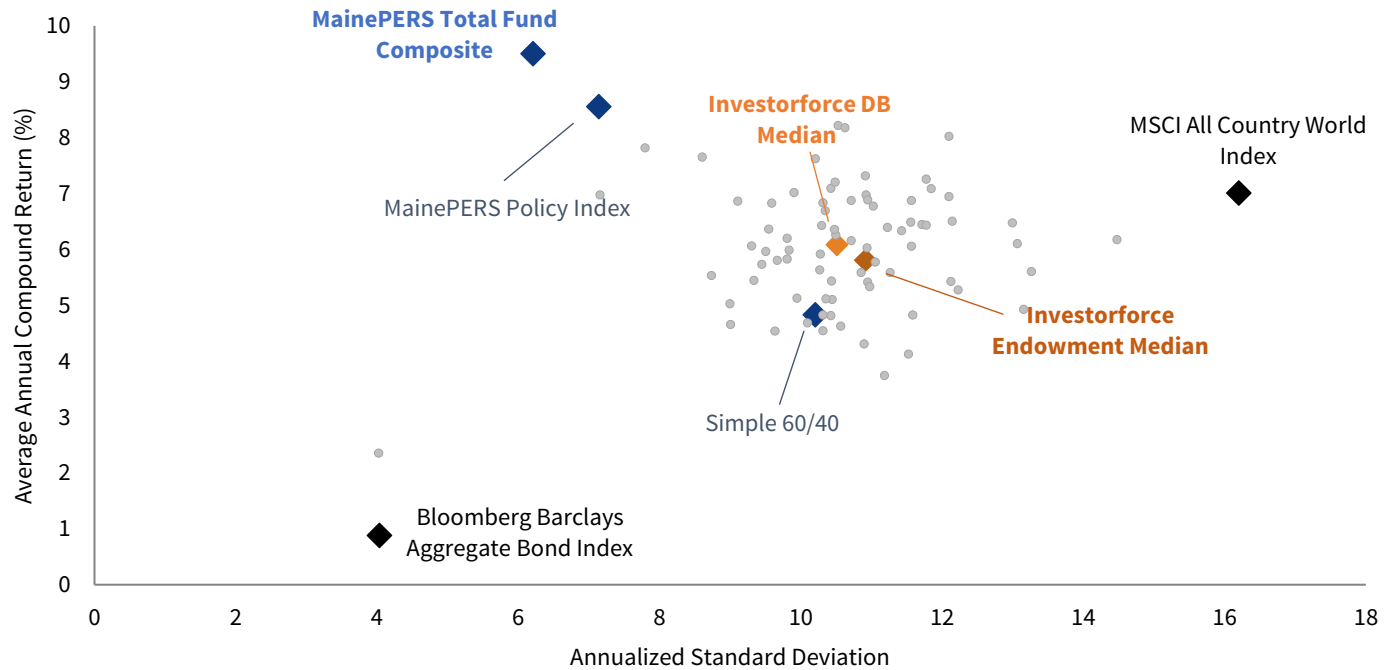
¹The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard 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 June 30, 2022



	Average Annual Compound Return	Annualized Standard Deviation	Sharpe Ratio ¹	Beta vs. MSCI ACWI
MainePERS - Total Fund Composite	9.5	6.2	1.4	0.32
MainePERS - Policy Index	8.6	7.1	1.1	0.35
Simple 60/40	4.8	10.2	0.4	0.62
Investorforce Public DB Plan Median	6.1	10.5	0.5	---
Investorforce Endowment Median	5.8	10.9	0.5	---
Indices				
MSCI All Country World Index (Net)	7.0	16.2	0.4	--
Bloomberg Barclays Aggregate Bond Index	0.9	4.0	-0.1	0.06



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

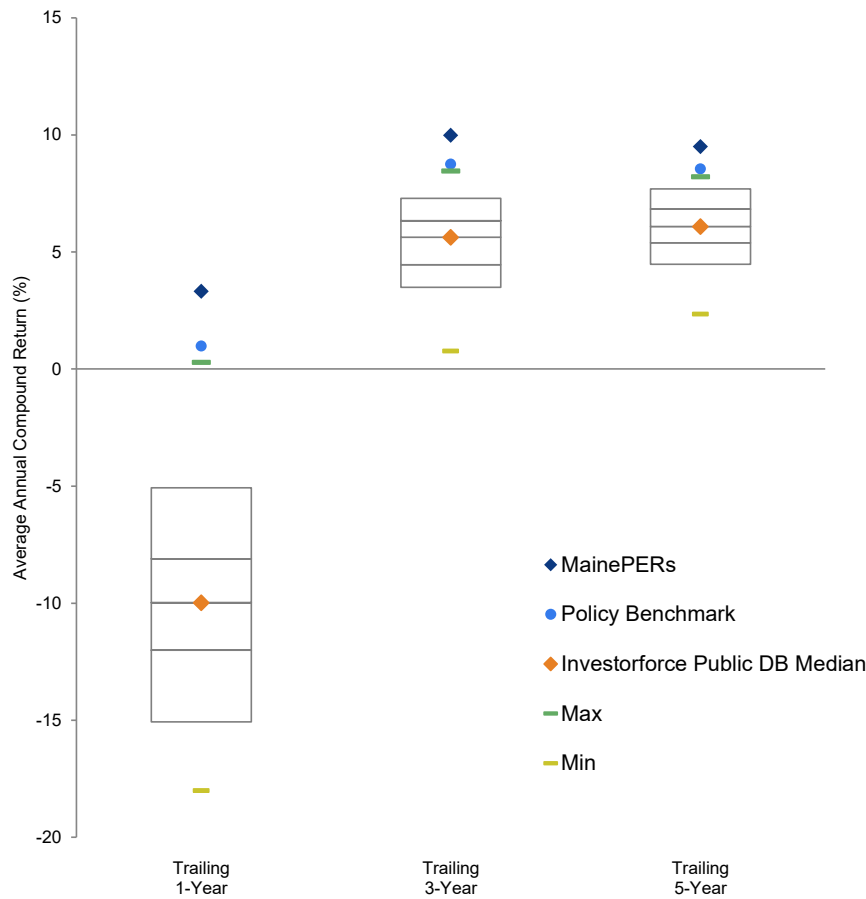
¹The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard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

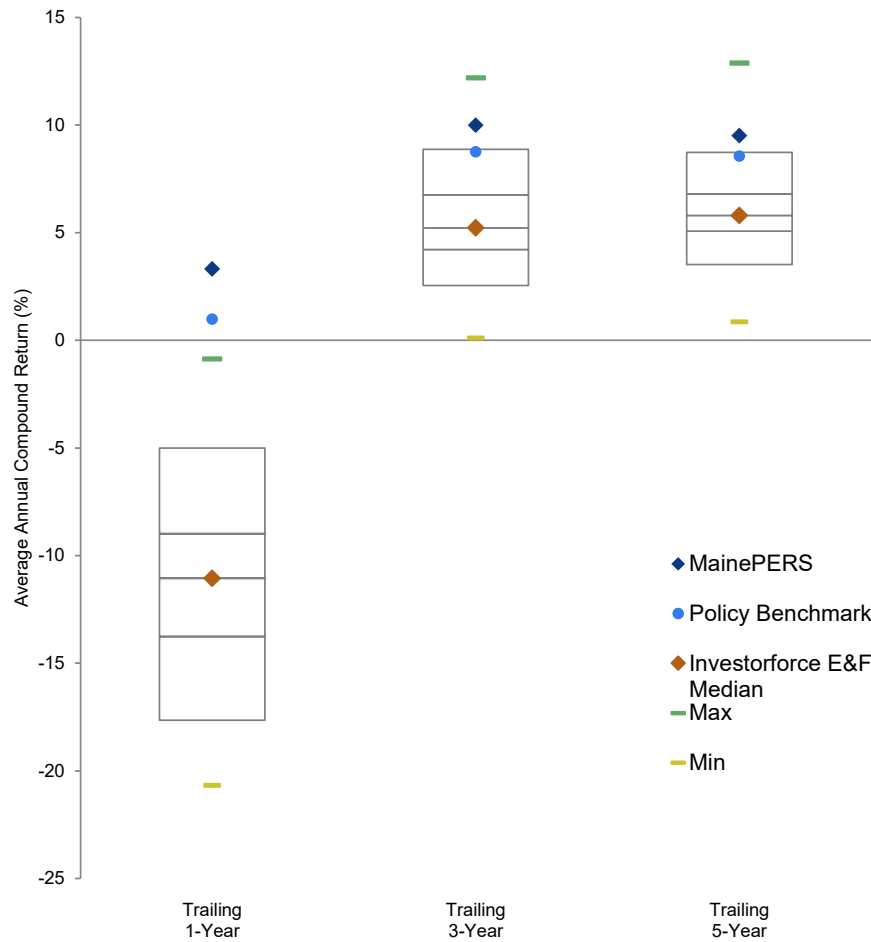
As of June 30, 2022



	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>
MainePERS	3.3	10.0	9.5
Policy Benchmark	1.0	8.8	8.6
Max	0.3	8.5	8.2
5th Percentile	-5.1	7.3	7.7
25th Percentile	-8.1	6.3	6.8
Investorforce Public DB Median	-10.0	5.6	6.1
75th Percentile	-12.0	4.4	5.4
95th Percentile	-15.1	3.5	4.5
Min	-18.0	0.8	2.4
Sample Size			
<i>n</i>	76	76	76

MainePERS vs. E&F Peers

As of June 30, 2022



	One Year	Three Year	Five Year
MainePERS	3.3	10.0	9.5
Policy Benchmark	1.0	8.8	8.6
Max	-0.9	12.2	12.9
5th Percentile	-5.0	8.9	8.7
25th Percentile	-9.0	6.8	6.8
Investorforce E&F Median	-11.1	5.2	5.8
75th Percentile	-13.8	4.2	5.1
95th Percentile	-17.7	2.6	3.5
Min	-20.7	0.1	0.9
Sample Size <i>n</i>	88	88	88

	One Year	Three Year	Five Year
MainePERS	3.3	10.0	9.5
Policy Benchmark	1.0	8.8	8.6
Max	-0.9	12.2	12.9
5th Percentile	-5.0	8.9	8.7
25th Percentile	-9.0	6.8	6.8
Investorforce E&F Median	-11.1	5.2	5.8
75th Percentile	-13.8	4.2	5.1
95th Percentile	-17.7	2.6	3.5
Min	-20.7	0.1	0.9
Sample Size <i>n</i>	88	88	88

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MAINEPERS

BOARD OF TRUSTEES RULEMAKING MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND
GENERAL COUNSEL
SUBJECT: RULEMAKING
DATE: AUGUST 3, 2022

The August Board meeting will include public hearings on proposed amendments to Rule Chapter 509 (Determination of Impossibility to Perform the Duties of the Employment Position) and 702 (Appeals) and Board consideration of proposed amendments to Rule Chapter 414 (Required Minimum Distributions).

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 509

Rule 509 provides guidance on determining whether an applicant for disability retirement is unable to perform the duties of their employment position. The proposed amendments conform the rule language to the new disability statutory language, make non-substantive changes, and remove obsolete language. A copy of the proposed amended rule is attached.

RULE CHAPTER 702

Rule 702 sets out the process for appeals of decisions of the Chief Executive Officer to the Board of Trustees. The proposed amendments implement two provisions in the new disability law by providing a mechanism for the appellant to participate in selection of the hearing officer and providing a process for a successful appellant to receive attorney's fees. The proposed changes also incorporate the title change from Executive Director to Chief Executive Officer and remove obsolete language. A copy of the proposed amended rule is attached.

PUBLIC HEARING

A public hearing provides an opportunity for members of the public to comment on proposed rulemaking. It is not the time for the Board to make any decisions or for the Board or staff to provide responses to any comments or questions. Comments from the public on the proposed amended rules may also be submitted in writing through August 22, 2022. We then will consider all comments, make any revisions we think appropriate in response to the comments, and bring recommendations to the Board for action at a future meeting.

RULE CHAPTER 414

Rule 414 rule provides guidance on compliance with federal required minimum distribution requirements for the defined benefit plans. The proposed amendments address a circumstance not covered by the existing rule, the default option for a beneficiary of a vested member who does not choose between lump-sum and annuity options. The amendments provide that a beneficiary who does not make a choice will receive the annuity option, which in most cases is preferable to receiving a refund of employee contributions plus interest. A copy of the proposed amended rule is attached, along with its Basis Statement.

No members of the public commented on the proposed amendment during the public hearing at the July Board meeting, and no written comments were submitted prior to the July 25, 2022 deadline. While performing a final review of the proposed amended rule, staff noticed that section 1 of the existing rule had redundant numbering, which is corrected in the proposed amended rule.

RECOMMENDATION

That the Board adopt amended Rule Chapter 414 and its Basis Statement.

94-411 MAINE ~~STATE-PUBLIC EMPLOYEES~~ RETIREMENT SYSTEM

Chapter 509: DETERMINATION OF ~~INABILITY/IMPOSSIBILITY~~ TO PERFORM THE ESSENTIAL DUTIES OF THE EMPLOYMENT POSITION

Summary: The purpose of this rule is to specify the standard and definitions to be applied under 5 MRSA §§~~17901~~, 17921, ~~18501~~ and 18521 in determining whether ~~it is impossible for~~ a disability applicant is unable to perform the duties of the employment position with reasonable accomodation.

§1-SECTION 1. Standard and Related Definitions-

A disability benefit applicant must meet certain statutory requirements under 5 MRSA §§~~17901~~, 17921, ~~18501~~ and 18521 in order to be eligible to receive disability retirement benefits. One of these requirements is that the applicant must demonstrate that ~~it is "impossible" for~~ the applicant is unable to perform the essential duties of the employment position with reasonable accomodation." The following standard and definitions govern the determination of whether this requirement is met~~impossibility to perform the duties of the employment position~~.

A1. A member shall not be considered incapacitated ~~such that it is impossible to perform the duties of the employment position~~ if the employer agrees to make job modifications as defined below that will enable the member to perform the duties of the employment position.

1A. For these purposes, "job modification" means a change or changes to the member's work situation that alters any aspect(s) that, because of the member's physical or mental incapacity, inhibit ability to perform the duties of the employment position. "Job modification" includes but is not limited to modification in the job tasks or duties, change in the way a particular task or duty is carried out, change to the physical environment, provision of adaptive equipment, and change in the job conditions.

2B. "Employment position" means the position in which the member is employed at the time the member becomes incapacitated or this position as modified by the member's employer in accordance with (1) above, or a position that is made available to the member by the member's employer that is of comparable stature and equal or greater compensation and benefits to the position in which the member is employed at the time the member becomes incapacitated and whose location is of a reasonable commuting distance and does not require the member to relocate ~~his or her~~their residence.

§2SECTION 2. Application of Standard

A1. The member who is an applicant for disability retirement benefits has the ultimate burden of demonstrating ~~inability that it is impossible~~ to perform the essential duties of the employment position with reasonable accomodation.

B2. When a determination is made by the System that job modification would enable the member to perform the duties of the employment position, the System has the initial burden to determine generally the job modifications that would enable the member to perform the duties of the employment position. This will be communicated in writing to the applicant and the applicant's employer prior to or at the time that a decision on eligibility for disability retirement benefits is made. If the member disputes the determination, the member then has the burden to demonstrate either that the member has requested the employer to provide the job modifications determined by the System and that the employer has refused to make these job modifications or that the modifications identified by the System would not allow the member to perform the duties of the employment position.

C3. In the event that the employer refuses to make the requested modifications, a member must also demonstrate that ~~he or she has~~they have requested the employer to provide a position that the member's disability does not prevent ~~him or her~~them from performing and that is of comparable stature and equal or greater compensation and benefits to the member's employment position at the time the incapacity arose and that the employer has refused to offer such a position.

~~§3. Applicability~~

~~Any party in an appeal pending before the Board in which a pre-hearing conference has not yet been held by a hearing officer on the date this rule goes into effect and in which the System has taken the position that job modification would enable the person to perform the duties of the employment position may have an opportunity to put in additional evidence before the hearing officer on this issue.~~

AUTHORITY: 5 MRSA §§ ~~17901~~ 17103(4), 17921, ~~18501~~ and 18521

EFFECTIVE DATE: June 7, 1997

PROPOSED AMENDMENTS – JULY 2022

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 702 APPEALS OF DECISIONS OF THE ~~EXECUTIVE DIRECTOR~~CHIEF EXECUTIVE OFFICER

SUMMARY: This Chapter sets out the process for appeals of decisions of the ~~Executive Director~~Chief Executive Officer to the Board of Trustees (“Board”). It provides for the appointment of a hearing officer to conduct an appeal and to prepare a recommended decision for action by the Board.

SECTION 1. Purpose and Scope

The purpose of this Chapter is to set out procedures for reaching final agency action on matters initially decided by the ~~Executive Director~~Chief Executive Officer (or designee) of the Maine Public Employees Retirement System (“System” or “MainePERS”). The law governing the System provides that the ~~Executive Director~~Chief Executive Officer’s decisions may be appealed to the Board, which has authority and responsibility to render a decision that will become the final agency action. The person appealing the Decision has the burden to establish, by a preponderance of the evidence, that the ~~Executive Director~~Chief Executive Officer’s Decision is in error. This Chapter applies to appeals by any person aggrieved by a decision of the ~~Executive Director~~Chief Executive Officer.

SECTION 2. Authority

The authority for this Chapter is 5 M.R.S. §§ 9051 - 9064 and 5 M.R.S. §17451, which provide that an appeal under section 17451 is an adjudicatory proceeding subject to the Administrative Procedure Act and 5 M.R.S. §§~~17106-A, 17106-B~~.

SECTION 3. Definitions

1. **Appeals clerk.** “Appeals clerk” means the dedicated clerk who acts as liaison between the hearing officer and the parties to an appeal. The appeals clerk shall avoid all communication with System staff, or MainePERS representatives, regarding substantive issues for cases on appeal. The appeals clerk shall address all policy and procedural questions to ~~the clerk’s~~her supervisor, the system advisor or Board counsel.
2. **Board.** “Board” means the Board of Trustees of MainePERS.
3. **Board counsel.** “Board counsel” means the attorney general or the designated assistant attorney general assigned to represent the Board and to prepare the Board’s decisions.
4. **~~Executive Director~~Chief Executive Officer.** “~~Executive Director~~Chief Executive Officer” means the ~~Executive Director~~Chief Executive Officer of MainePERS or ~~their~~his/her decision-making designee.

5. **Hearing officer.** "Hearing officer" means an individual who has contracted with designated by the Board to conduct appeal proceedings under this Chapter.
6. ~~**Medical Board.** "Medical Board" means any Medical Board established pursuant to 5-M.R.S. §17106.~~ **Medical review service provider.** "Medical review service provider" means an entity with whom the Chief Executive Officer has contracted for the review of medical records and the provision of recommendations, opinions and certifications by health care providers employed by the entity.
7. **MainePERS or System Representative.** "MainePERS Representative" or "System Representative" means the person or persons advocating for the decision of the ~~Executive Director~~ Chief Executive Officer in an appeal.
8. **Participating Local District.** "Participating local district" means a local district which has approved the participation of its employees in the Retirement System under 5 M.R.S. §18201.
9. **Party.** "Party" means the person bringing an appeal, MainePERS, and any person who intervenes in an appeal. If an appeal involves or affects a participating local district, "party" includes the participating local district, regardless of whether the participating local district actually participates as a party in the appeal.
10. **Person.** "Person" means any individual, partnership, corporation, governmental entity, association or public or private organization of any character, other than the Board or the System.
11. **Record.** "Record" means those materials required by 5 M.R.S. §9059 and this rule to be compiled in the course of an appeal.
12. **Staff.** "Staff" means an employee of MainePERS, other than the MainePERS Representative.
13. **Substantially larger caseload.** "Substantially larger caseload" means that the number of appeals a hearing officer is presiding over is at least five and exceeds the mean hearing officer caseload by at least 30%.
14. **System advisor.** "System advisor" is a System employee who is knowledgeable in System policies, practices and procedures and who is available as an informational resource to assist the hearing officer, the Board and Board counsel. If the hearing officer seeks information from the system advisor, such request shall be in writing and both the request and the response shall be copied to the parties and placed of record.

SECTION 4. Applicability: Who May Appeal

1. **Application.** This Chapter applies to all appeals of decisions of the ~~Executive Director~~ Chief Executive Officer to the Board.
2. **Who may appeal.** Any person whose legal rights, duties or privileges are adversely affected by a decision of the ~~Executive Director~~ Chief Executive Officer may appeal the

decision to the Board. A person may ~~but is not required to represent him/herself or~~ be represented by another person in accordance with 4 M.R.S. §807.

SECTION 5. Bringing an Appeal

1. **Notice.** When notifying a person whose legal rights, duties or privileges are affected by a decision of the ~~Executive Director~~Chief Executive Officer, the System must advise the person of ~~the her/his~~ right to appeal to the Board and of the manner in which the right may be exercised. This notice must comply with 5 M.R.S. §9052.
2. **Statement of appeal.** A person who wishes to appeal a decision of the ~~Executive Director~~Chief Executive Officer must begin the appeal process by sending a written statement of appeal to the Board. Any reasonably clear statement to the effect that the person wishes to appeal a decision of the ~~Executive Director~~Chief Executive Officer, and identifying that decision, shall be treated as a statement of appeal. The only issues that are the subject of an appeal are those that have previously been decided by the ~~Executive Director~~Chief Executive Officer. If the person wishes to raise issues or conditions not previously considered by the ~~Executive Director~~Chief Executive Officer, those additional issues can be added in accordance with section 6(2) below.
3. **Assignment to hearing officer.** When a statement of appeal is received, the System, in a timely manner, will assign the appeal to a hearing officer in accordance with section 8. The System will notify the person of the identity of the assigned hearing officer and alternative hearing officers, describe the process for selecting an alternative hearing officer, briefly outline the appeal process and advise that, if the person fails to appear at any hearing, the appeal may be deemed to have been abandoned and the matter dismissed with prejudice.
4. **Notice to Participating Local District.** If the appeal involves an employee of a participating local district, the System will notify the participating local district that the appeal has been brought, identify the employee and hearing officer and advise that the participating local district is a party to the appeal. The notice must comply with 5 M.R.S. §9052.

SECTION 6. Choice of Appeal Process

At the pre-hearing conference described in section 8(3)(C) of this Chapter, the appellant shall affirmatively elect either the expedited or the unrestricted appeal process. This election becomes irrevocable 10 days after the pre-hearing conference, unless the System agrees to a later request to change the election.

1. **Expedited Appeal.** If the appellant elects the expedited process to pursue an appeal of the issues decided in the decision of the ~~Executive Director~~Chief Executive Officer, the evidence is limited to the appellant's testimony, the testimony of any lay witnesses and the documentary evidence already considered by the ~~Executive Director~~Chief Executive Officer. The parties may not raise any additional issues for decision. It is anticipated that a decision will be issued by the Board within approximately 90 days of the initial pre-hearing conference. Under this option, only non-expert witnesses may provide testimony on behalf of the appellant or the System.

2. **Unrestricted Appeal.** Alternatively, in the unrestricted appeal process, the appellant may raise issues in addition to those decided by the ~~Executive Director~~Chief Executive Officer, and the parties may introduce documentary evidence in addition to the evidence already considered by the ~~Executive Director~~Chief Executive Officer and testimony from expert as well as non-expert witnesses. The unrestricted appeal process is anticipated to take substantially longer than 90 days because some or all of the steps listed below may be required, or duplicated prior to the hearing officer's issuance of a recommended decision. An appellant who chooses to proceed under the unrestricted appeal process must affirmatively accept and acknowledge that this appeal process is likely to take substantially longer than 90 days. The additional steps that might occur in the unrestricted appeal process include, but are not limited to the following:
- A. If the appellant introduces issues not previously decided by the ~~Executive Director~~Chief Executive Officer, the hearing officer will return the appeal to the ~~Executive Director~~Chief Executive Officer for consideration of the new issues and reconsideration of any issues previously decided by the ~~Executive Director~~Chief Executive Officer. The appeal will be stayed pending the issuance of a decision of the ~~Executive Director~~Chief Executive Officer on all issues.
 - B. If the appellant seeks to introduce new documentary medical evidence on any of the issues previously decided by the ~~Executive Director~~Chief Executive Officer, the hearing officer will, at the request of the MainePERS Representative, return the appeal to the ~~Executive Director~~Chief Executive Officer for reconsideration of those issues. The appeal will be stayed pending a reconsidered decision of the issues previously decided by the ~~Executive Director~~Chief Executive Officer. The ~~Executive Director~~Chief Executive Officer may submit the new evidence to the ~~medical review provider~~Medical Board at a regularly scheduled meeting of the Medical Board.
 - C. If any party introduces expert testimony, any other party, upon request to the hearing officer, may be granted additional time to prepare cross-examination of the expert and/or the submission of rebuttal expert testimony. Parties are entitled to a rebuttal hearing on request.

SECTION 7. Public Interest; Notice

If the ~~Executive Director~~Chief Executive Officer or designee determines that an appeal involves an issue of substantial public interest, notice must be given to the public, sufficiently in advance of the hearing date, to afford interested parties an adequate opportunity to prepare and submit evidence and to petition to intervene pursuant to 5 M.R.S. §9054. Notice to the public must be given in accordance with 5 M.R.S. §9052(3). If a party asserts that an appeal involves a matter of substantial public interest, such that public notice is required and the ~~Executive Director~~Chief Executive Officer or designee does not agree, the Board will make the determination in the following manner.

1. **By request.** The ~~Executive Director~~Chief Executive Officer or any other person may request that the Board make a determination of substantial public interest.

2. **Determination after appeal process has begun.** If the Board makes a determination of substantial public interest after the appeal process has begun, the process must be suspended until notice to the public has been given and interested persons have had an adequate opportunity to take action in accordance with this section.

SECTION 8. Hearing officer

1. **Appointment.** The Board shall ~~contract with~~appoint one or more hearing officers to perform the duties and exercise the powers set forth in this Chapter. The hearing officers must have appropriate experience and training, be fair, impartial, unbiased, and demonstrate a continuing ability to conduct a fair, efficient and effective appeal process.
2. **Assignment; Removal; Replacement**
 - A. An appeal will be assigned by the System to a hearing officer who has no personal or financial interest, direct or indirect, in the appeal or its outcome, and who has not been involved directly or indirectly in the matter that is the subject of the appeal. The fact that a hearing officer is the recipient of a MainePERS benefit does not constitute, by itself, direct or indirect personal or financial interest in an appeal or its outcome. The assignment shall be based on balancing caseloads among contracted hearing officers. The appellant within 15 days after notice of the assigned hearing officer may select an alternative hearing officer who has contracted with the Board.
 - (1) The System need not offer as an alternative any hearing officer who has a substantially larger caseload than other hearing officers. The appellant may select a hearing officer who was not offered as an alternative because of a substantially larger caseload if the appellant shows, within the timeframe for selecting an alternative hearing officer, that the hearing officer is uniquely qualified to preside over the appeal.
 - (2) In an appeal with more than one appellant, if the appellants cannot agree on an alternative hearing officer, the hearing officer assigned by the System will serve as hearing officer.
 - B. If a party files a timely allegation of bias, prejudice or personal or financial interest, either direct or indirect, against the hearing officer, the hearing officer will promptly determine whether to remove herself/himself as hearing officer and will include that determination in the record.
 - C. A hearing officer may also independently remove ~~themselves~~herself/himself from the appeal if the hearing officer~~she/he~~ cannot be fair, impartial and unbiased.
 - D. When a hearing officer is removed, terminated or cannot continue, the System will assign the appeal to another hearing officer, and the appellant will have an opportunity to select an alternative hearing officer consistent with paragraph A and section 5(3). The new hearing officer will continue the ongoing appeal process, unless the hearing officer determines that in order to avoid substantial prejudice to any party it is necessary to start the process anew.

3. **Duty and powers of the hearing officer.** The hearing officer has the duty to render a fair and impartial recommended decision to the Board in accordance with section 15. This recommended decision must be based on the record as a whole and resolve all material issues in the appeal. In lieu of a recommended decision, the hearing officer may recommend dismissal. The hearing officer has the following powers:
- A. To resolve an appeal without a hearing; provided that the parties mutually agree to dispense with a hearing, by issuing:
 - (1) a recommended decision which meets the requirements of section 15, to be acted on by the Board under section 16, on the basis of the documentary materials which constitute the record; or
 - (2) a recommended dismissal with prejudice to be submitted to the Board for approval if, pursuant to section 6(2), the ~~Executive Director~~Chief Executive Officer issues a decision that favors the appellant, in whole or in part, and the appellant withdraws the appeal with respect to all portions of the decision of the ~~Executive Director~~Chief Executive Officer that are not in the appellant's favor; or
 - (3) a recommended dismissal, with or without prejudice as circumstances warrant, to be submitted to the Board for approval.
 - B. Upon adequate notice to the parties, to schedule the date, time and place or to change the date, time or place and to continue any conference, hearing, or deadline of any nature;¹
 - C. Generally working through the appeals clerk, to notify parties and hold a pre-hearing conference, of which all parties must be notified and at which they may participate, the purposes of which may include:
 - (1) determining whether the appellant elects the expedited or unrestricted appeal process in accordance with section 6, and explaining the consequences of the choice of appeal process;
 - (2) identifying and clarifying the issues on appeal and determining whether the appellant intends to introduce issues, not previously considered by the ~~Executive Director~~Chief Executive Officer;
 - (3) developing stipulations of fact and admissions as to facts that are not contested;
 - (4) identifying exhibits to apprise the parties as fully as is practicable of the nature of the evidence to be offered by all parties and to eliminate, as far as possible, the element of surprise;

¹ The MainePERS office in Augusta shall be the normal location for hearings, absent a request made in the notice of appeal or at the pre-hearing conference, together with a showing by the requesting party of a compelling need for an alternative venue.

- (5) identifying witnesses and the manner in which the testimony will be provided as described in section 11(2);
 - (6) identifying any potential parties to the adjudication whose joinder may foster economy, efficiency and fairness;
 - (7) identifying and resolving disputes as to production of documents and admissibility of evidence, including the making of evidentiary rulings; and
 - (8) any other action that will encourage and maintain a fair, efficient and effective appeal process.
- D. To order, where relevant and useful, one or more independent medical evaluations, for which the System will, to the extent reasonably practicable, provide the names of three appropriately qualified health care providers, among whom the person appealing will choose and to whom the person will go for evaluation, the costs of which will be paid by the System;
 - E. To return to the ~~Executive Director~~Chief Executive Officer or designee for consideration, any issue raised for the first time in the appeal process, as required pursuant to section 6(2)(A);
 - F. To rule on any request at any conference, during the hearing or at any other time during the appeal process, prior to delivery of the recommended decision to the Board;
 - G. Generally working through the appeals clerk, to set the time for all filings, appearances, and other actions by any party or parties in connection with the appeal process, in accordance with 5 M.R.S. §17451;
 - H. To issue subpoena(s) on request of a party or to deny a request when the hearing officer determines that the testimony or evidence is not relevant to any issue of fact in the hearing, or otherwise inadmissible, in accordance with 5 M.R.S. §9060 and section 12 of these rules;
 - I. After the close of the evidence, the parties' receipt of a hearing transcript, if any, and the issuance of an ~~Executive Director~~Chief Executive Officer's reconsidered decision as described in section 14, to request that the parties submit briefs on the issues not decided by the ~~Executive Director~~Chief Executive Officer in the appellant's favor, and to request or allow the parties to make oral argument to the hearing officer, when the hearing officer deems oral argument to be necessary or useful;
 - J. To refer or re-refer to the ~~medical review service provider~~Medical Board any matter involving medical evidence, questions or issues;
 - K. To ascertain the rights of the parties, to identify and notify all parties that may be affected by a decision, to ensure that all parties have a full opportunity to present their claims orally or in writing and to secure witnesses and evidence to establish

their claims, and to assist parties and witnesses in making full and free statements in order to develop all issues which may govern the outcome of the appeal;

- L. To administer oaths or affirmations to all witnesses in all hearings;
- M. To regulate the presentation of evidence, including questioning of witnesses and the participation of parties, in order to ensure an adequate and comprehensive record of the proceedings and to avoid repetition and delay;
- N. To examine witnesses and ensure that relevant evidence is admitted in the record;
- O. To determine the credibility of witnesses and to decide the weight to be given to testimony and all other evidence;
- P. To take official notice of facts in accordance with 5 M.R.S. §9058, and parties shall be copied with the facts noticed, and the source of those facts, which shall be placed of record;
- Q. To rule on the admissibility of evidence;
- R. To ensure that a complete record is made of the hearing, including recording in accordance with 5 M.R.S. §9059;
- S. To consult with the Board's counsel on legal issues; provided that, when an appeal raises issues of equity or constitutionality, the hearing officer must consult with the Board's counsel.
- T. To consult with the System advisor if the hearing officer requires information concerning general System structure, policies or practices if the hearing officer determines that such consultation would be helpful to a determination of the issues on appeal.
- U. To recommend dismissal in the event an appellant fails to appear at a hearing, or otherwise fails to prosecute the appeal, unless there is a showing of good cause under section 10.

SECTION 9. Duties and Responsibilities of the MainePERS Representative

The MainePERS Representative shall:

1. Organize case. Organize the presentation of the ~~Executive Director~~Chief Executive Officer's case;
2. Pre-hearing conference. Participate in the pre-hearing conference;
3. Present witnesses. Present and examine witnesses when appropriate;
4. Provide records. Ensure that relevant records of the System are present at the hearing and that other parties have adequate opportunity to examine the records prior to and during the hearing;

5. Introduce records. Introduce into evidence relevant System records and documents; and
6. Provide evidence. Present and establish relevant facts and circumstances by oral testimony, including that of MainePERS staff, and by documentary evidence.

SECTION 10. Default

1. **Failure to appear.** Except as provided in subsection 2 below, if an appellant fails to participate in a scheduled conference, appear at hearing, or otherwise fails to prosecute his or her case, the appellant may be deemed by the hearing officer to have abandoned the appeal. The hearing officer will so notify the appellant in writing. If within 10 business days of receipt of the notice, the appellant submits information which demonstrates, in the judgment of the hearing officer, that she or he had good cause for failure to appear, the hearing will be rescheduled. On the 11th day following receipt of the notice by appellant and without suitable response, the decision of the ~~Executive Director~~**Chief Executive Officer** will become final and the hearing officer will issue a recommended dismissal with prejudice to the Board.
2. **Hearing in the absence of the appellant.** A hearing may be held in the absence of the person appealing when:
 - A. The person requests or agrees to a hearing in ~~their~~**her/his** absence; or
 - B. The hearing officer, at ~~their~~**his or her** discretion, proceeds with the hearing as the alternative to a default.

SECTION 11. Evidence

1. **Admissibility.** Evidence shall be admitted if it is the kind of evidence upon which reasonable persons are accustomed to rely in the conduct of serious affairs.
2. **Testimony and Conduct of Hearings.** ~~During the state of emergency declared by the Governor in accordance with Title 37-B, section 742 due to the outbreak of COVID-19 and continuing for 30 days thereafter, all hearings will be conducted using audio or video conferencing.~~ Testimony may be provided telephonically, by deposition, by video, by a sworn written statement, or, after the requirement to conduct hearings using audio or video conferencing has expired, in person, at the discretion of the hearing officer. With the exception of sequestered witnesses, all participants in a hearing conducted by audio or video conferencing must be able to hear the other participants. Parties must ensure that witnesses who provide sworn written statements or testimony be available for cross-examination during the hearing, although the cross-examination of expert witnesses may, at the request of a party, take place at a different time.
3. **Irrelevant or repetitious evidence.** Evidence which is irrelevant or unduly repetitive may be excluded.
4. **No formal rules of evidence.** Formal rules of evidence are not required and need not be observed.

5. **Weight of evidence.** The fact that evidence is admitted shall not limit the authority of the hearing officer to determine the weight to be given the evidence.
6. **Hearsay.** Hearsay evidence shall not be excluded simply because of its hearsay nature. The hearing officer will determine the weight to be given to hearsay evidence.
7. **Rules of privilege.** Rules of privilege as provided in the *Maine Rules of Evidence*, Article 5, shall be observed.
8. **Stipulation of facts.** When all parties stipulate to a fact, the hearing officer may make a finding of fact on the basis of the stipulation. Signed statements or on-the-record oral statements by parties are sufficient as stipulations.
9. **Official notice of facts.** The hearing officer may take official notice of a fact upon her/his own initiative or at the request of a party. Official notice may be taken of any fact of which judicial notice could be taken, and in addition, of any general or technical matter within the specialized experience or knowledge of the hearing officer, and of any statutes, rules and non-confidential public records. The hearing officer will notify the parties when official notice is taken and shall afford the parties an opportunity to contest the reliability, substance and/or materiality of the material noticed.
10. **Rebuttal Evidence.** To the extent that the appellant testifies or introduces evidence on matters or facts not previously known to the System, the hearing officer may, at the request of the MainePERS Representative, hold the record open for a reasonable period in order to allow the System to offer rebuttal evidence.

SECTION 12. Discovery and subpoenas

1. **Access to System documents and records.** A party must have an adequate opportunity prior to hearing, and at the hearing, to examine all of the System's documents and records to be offered as evidence. The System must provide to the person bringing the appeal a copy of the relevant portions of the record without charge.
2. **Request for subpoenas.** Any party may request the issuance of a subpoena by presenting the request to the hearing officer. The request must contain:
 - A. The name and address of the party requesting the subpoena; and
 - B. The name and address of the person to be subpoenaed, or other place where the person to be subpoenaed may be found; and
 - C. A brief statement why the testimony or evidence of the person to be subpoenaed is relevant to an issue of fact in the appeal.
3. **Issuance on approval.** If the hearing officer determines that the request seeks testimony or evidence relevant to an issue of fact in the appeal, and not otherwise excludable, the hearing officer must submit the subpoena for approval by the Attorney General or Deputy Attorney General who is not involved in the appeal.
4. **Requirements.** A subpoena shall comply with the requirements of 5 M.R.S. §9060.

SECTION 13. Hearings recorded

1. All hearings will be recorded in a form susceptible to transcription.
2. A copy of the transcript of a hearing or of expert testimony taken pursuant to section 11(2) will be provided to the parties.

SECTION 14. Reconsideration by the ~~Executive Director~~Chief Executive Officer

After the close of the evidence and the parties' receipt of any transcript, the ~~Executive Director~~Chief Executive Officer shall have 10 working days to reconsider all of the evidence and affirm or reverse, in whole or in part, the decision that is the subject of the appeal. If new grounds for affirming a decision adverse to the appellant are articulated by the ~~Executive Director~~Chief Executive Officer at this stage of the process, the hearing officer shall allow the parties a reasonable time to present additional evidence relevant to the issues raised in the ~~Executive Director~~Chief Executive Officer's reconsidered decision. If, after receiving the appeal evidence and any transcripts, the ~~Executive Director~~Chief Executive Officer consults with the medical review provider~~Medical Board~~, the 10-day period described above begins to run upon the ~~Executive Director~~Chief Executive Officer's receipt of the medical review provider's reports~~Medical Board's memorandum~~.

SECTION 15. Recommended decision of the hearing officer

1. **Contents.** Following the hearing or, if the parties have agreed to waive hearing, following review of the documentary and testimonial record, and following the issuance of the ~~Executive Director~~Chief Executive Officer's reconsidered decision, the hearing officer will prepare a recommended decision, which will include:
 - A. A clear statement of the subject(s) of the appeal and of the issues which must be resolved to decide the appeal;
 - B. A listing of the date, place of hearing, and participants at the hearing or, if no hearing was held, a statement that the parties agreed to proceed without a hearing or other explanation;
 - C. A listing of all evidence admitted and upon which the recommended final decision is based;
 - D. Findings of fact, which must be sufficient to apprise the parties of the basis for the recommended decision;
 - E. A clear statement of result resolving all issues under consideration; and
 - F. A clear explanation of the reasoning underlying the result, including references to applicable law and rules.
2. **Comments, modification, and delivery to the Board**

- A. The hearing officer will furnish a copy of the recommended decision to each of the parties for comment. A party's comments must be in writing and must be received within the time period set by the hearing officer.
- B. If a party believes that the hearing officer's decision contains one or more errors of law, or that the hearing officer has exceeded ~~their~~~~his~~~~or~~~~her~~ jurisdiction, or that there is no support in the record for the factual findings of the hearing officer, the party shall so advise the hearing officer in that party's written comments. Identification of the error(s) by specific record citation is required.
- C. The hearing officer may, but is not required to, modify the recommended decision in response to the parties' comments. If in the judgment of the hearing officer, the previously issued recommended decision is substantially modified, the hearing officer will send the recommended decision as modified to the parties for further comment, as provided in paragraph A.
- D. The hearing officer will submit the recommended decision, as originally prepared and as modified, together with the written comments made by the parties, to the Board clerk. Where the recommended decision is not modified, the hearing officer will also deliver to the Board clerk ~~a~~~~her~~~~his~~ written response to the parties' written comments. Upon transmittal to the Board, the decision of the hearing officer constitutes the recommended final decision of the hearing officer.
- E. If a party believes that the recommended final decision of the hearing officer contains one or more errors of law, or that the hearing officer has exceeded ~~their~~~~his~~~~or~~~~her~~ jurisdiction, or that there is no support in the record for the factual findings of the hearing officer, the party must so notify the Board in writing so that the notification is received by the Board within 10 days after that party's receipt of the recommended final decision, specifying the error(s) by specific citation to the record. In the event no written comments are received by the Board as specified herein, the Board will be compelled to accept the recommended final decision pursuant to 5 M.R.S. §17106-A and will not schedule consideration of the appeal or permit oral argument by the parties.

SECTION 16. Action by the Board

- 1. If the Board is compelled to adopt the recommended final decision of the hearing officer pursuant to 5 M.R.S. §17106-A(1), the Board will do so during its monthly meeting, as time permits, and will not schedule consideration of the appeal or permit oral argument by the parties.
- 2. If a party believes an error exists in the recommended decision pursuant to 5 M.R.S. §17106-A and the alleged error has not been resolved by the hearing officer, that party shall notify the Attorney General's Office, to the attention of MainePERS Board counsel, so that the notification is received within 10 days of that party's receipt of the recommended final decision.
 - A. The Board or Board counsel may on its own initiative, determine that an error pursuant to 5 M.R.S. §17106-A exists in the recommended final decision.

3. Upon review of the record, the Attorney General or designee shall notify the parties, prior to the scheduled Board consideration, whether the Board will be advised that an error of law exists in the recommended final decision.
4. If the Attorney General or designee recommend that the Board find one or more errors in the recommended final decision as described in 5 M.R.S. §17106-A(1), then the following procedures will be followed.
 - A. **Board Consideration.** The Board will consider the recommended final decision, together with the allegation of error(s), on a timely basis and, for an appellant who has chosen the expedited appeal process, will issue a decision within 90 days of the initial pre-hearing conference, when possible.
 - B. **Recommended final decision and record.** In advance of Board consideration, a copy of the recommended final decision with the parties' comments and Board counsel's recommendation, will be forwarded to each Board member.
 - C. **Statement by party.** A party who is present at a scheduled consideration may not offer evidence but may make a statement of position not to exceed 15 minutes in length. Such statement of position may address the alleged error(s) pursuant to 5 M.R.S. §17106-A(1). When a party's statement of position relies on specific portions of the record, the party must provide copies of the relevant portions to the Board and other parties at least 5 days prior to the date for consideration by the Board.
 - D. **Hearing officer present.** If requested by the Board, the hearing officer may be present at the scheduled consideration to assist the Board.
 - E. **Action after consideration.** After considering the recommended final decision, the Board may:
 - (1) adopt the recommended final decision as delivered;
 - (2) modify the recommended final decision;
 - (3) send the recommended final decision back to the same hearing officer if possible, or a replacement hearing officer for the taking of further evidence, for additional consideration of issues, for reconsideration of the application of law or rules, or for such other proceedings or considerations as the Board may specify; or
 - (4) reject the recommended final decision in whole or in part and issue an amended Board decision;
5. Board counsel will draft the decision and order. A decision as issued by the Board under this Section is the final administrative decision in the appeal.

SECTION 17. Attorney's Fees

1. The System is required to pay attorney's fees, up to a total of \$12,000, if an attorney has represented the appellant on appeal of a disability retirement decision and obtained a favorable result. A favorable result is a reversal of a decision of the Board or Chief Executive Officer that results in the grant of benefits to the appellant or otherwise materially advantages the appellant.
2. Attorney's fees under this section may be awarded by a Court on judicial review of a Board decision or by the hearing officer in the case where a decision of the Chief Executive Officer has been reversed by the Board or the Chief Executive Officer.
3. Application to a hearing officer for attorney's fees must be made no later than 30 days after receipt of the Board decision or the dismissal of the appeal following reversal by the Chief Executive Officer.
 - A. The application must be accompanied by proof of the fee arrangement and a statement of attorney's fees incurred in the appeal. The statement of attorney's fees shall be accompanied by an affidavit executed by the attorney of record itemizing the attorney's charges for legal services and a statement of the attorney's customary billing rate for similar work.
 - B. The hearing officer may grant the application based on the proof submitted or may hold a hearing and receive argument orally, in writing, or both.
 - C. A decision on an attorney's fee application may be appealed to the Board, who shall affirm the decision unless it is not supported by the record as a whole, the Board is advised by Attorney General that the hearing officer has made an error of law, or the decision exceeds the authority or jurisdiction conferred upon the hearing officer.
 1. The process for Board review shall be consistent with section 16 above to the extent applicable.
 2. The Board's decision constitutes final agency action.

STATUTORY AUTHORITY:

5 M.R.S. §§ 9051-9064, 17103(4), 17106-A, 17106-B and 17451

EFFECTIVE DATE:

June 30, 1992

AMENDED:

March 2, 1994

April 30, 1995

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 5, 1996

NON-SUBSTANTIVE CORRECTIONS:

October 3, 1996 - minor spelling and format

AMENDED:

January 5, 1997

May 9, 2007, filing 2007-183

REPEALED AND REPLACED:

March 31, 2010 – filing 2010-108

AMENDED:

December 20, 2013 – filing 2013-296

April 14, 2020 – Section 11(2), filing 2020-095 (EMERGENCY)

July 18, 2020 - Section 11(2), filing 2020-159

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 414: REQUIRED MINIMUM DISTRIBUTIONS

SUMMARY: This Chapter establishes the date when a member must begin to receive a service retirement benefit or withdraw accumulated contributions under a retirement program pursuant to *Internal Revenue Code* Section 401(a)(9), and any Code requirements on the form of distribution.

SECTION 1. DEFINITIONS

1. **Code.** “Code” means the *Internal Revenue Code of 1986*, as amended.
2. **Member.** “Member” as used in this Chapter means member or retiree, depending on the context.
- ~~23.~~ **Required Beginning Date.** “Required Beginning Date” means the later of the April 1 following the calendar year in which the member attains age 72 (70½ for members born before July 1, 1949) or April 1 of the year following the calendar year in which a member terminates employment.
- ~~34.~~ **QDRO.** “QDRO” means qualified domestic relations order, as defined in Code Section 414(p).
- ~~45.~~ **Vested.** “Vested” means that the member has met the creditable service requirement and/or applicable age requirement for eligibility to receive a service retirement benefit from the retirement plan under which the member is covered.

SECTION 2. COMPLIANCE WITH CODE SECTION 401(a)(9) FOR A REQUIRED MINIMUM DISTRIBUTION TO A VESTED MEMBER

1. Distribution of a service retirement benefit to a vested member must commence no later than the Required Beginning Date. If a member fails to apply for a service retirement benefit by the Required Beginning Date, the System will begin distribution of the monthly service retirement benefit under the benefit option set forth in 4 M.R.S.A. §1357(1), 5 M.R.S.A. §§ 17804(1) or 18404(1), as applicable to the member based upon the employer at last termination of employment before retirement.
 - A. The effective date of a service retirement benefit paid under this subsection is no later than April 1 of the year in which the Required Beginning Date occurs.
 - B. Once a service retirement benefit commences to be paid under this subsection, the member may not change the benefit option under which the benefit is paid.
2. The member’s entire interest must be distributed over a time not to exceed the member’s life or the lives of the member and a designated beneficiary, or over a period not extending beyond the life expectancy of the member or of the member and a designated beneficiary.

3. The retirement program pursuant to a QDRO may establish separate benefits for a member and an alternate payee.
4. If a member dies after the required distribution of benefits has begun, the remaining portion of the member's interest must be distributed at least as rapidly as under the method of distribution before the member's death.
5. If a member dies before required distribution of the member's benefits has begun, the member's entire interest must be either:
 - A. distributed (in accordance with federal regulations) over a time not to exceed the life or life expectancy of the designated beneficiary, with the distributions beginning no later than December 31 of the calendar year following the calendar year of the member's death; or
 - B. distributed within five years of the member's death.
6. The amount of an annuity paid to a member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of Code Section 401(a)(9)(G), and the minimum distribution incidental benefit (MDIB) rule under Treasury Regulation Section 1.401(a)(9)-6, Q&A2 or any successor regulation thereto.
 - A. All payments to a member's spouse are treated by the regulations as satisfying the MDIB rules as long as the payment to the spouse is not greater than 100% of what the member was receiving.
 - B. All optional forms of benefits payable to a non-spousal beneficiary must be designed to pay 50% or more of the present value of the total benefit to the member.
7. The death and disability benefits provided by each retirement program are limited by the incidental benefit rule set forth in Code Section 401(a)(9)(G) and Treasury Regulation Section 1.401-1(b)(1)(i) or any successor regulation thereto. As a result, the total death or disability benefits payable may not exceed 25% of the cost for all of the member's benefits received from each retirement program.
8. Notwithstanding the other provisions of this rule or the provisions of the Treasury Regulations, benefit options under 4 M.R.S.A. §1357, 5 M.R.S.A. §§ 17804 and 18404 may continue so long as the option satisfies Code Section 401(a)(9) based on a reasonable and good faith interpretation of that section. Benefit options that do not satisfy this Section will not be available to the member or beneficiary.

SECTION 3. COMPLIANCE WITH CODE SECTION 401(a)(9) FOR A REQUIRED MINIMUM DISTRIBUTION TO A MEMBER WHO IS NOT VESTED

If a member who is not vested and has terminated employment fails to apply for a refund of accumulated contributions by January 1 of the year when the member will attain age 72 (70½ for members born before July 1, 1949), the System will refund the full amount of accumulated contributions to the member. Once a distribution is made under this Section, the member may not change the manner in which the accumulated contributions are distributed.

**SECTION 4. COMPLIANCE WITH CODE SECTION 401(a)(9) FOR A REQUIRED
MINIMUM DISTRIBUTION TO A BENEFICIARY OF A VESTED MEMBER.**

If the benefit selection form for a beneficiary of a vested member who has a choice between a lump-sum payment, or a lifetime benefit is not received by MainePERS on or before October 1 of the calendar year following the year of the member's death, the benefit will default to the monthly benefit option as described in 5 M.R.S. §17953(5-B) and §18553(5-B). The effective date of the monthly benefit will be no later than December 31 of the calendar year following the year of the member's death. Once a distribution is made under this Section, the beneficiary may not change the manner in which the benefits are distributed.

If the sole beneficiary is the member's spouse, the default benefit under this section will be delayed until December 31 of the year the member would have turned 72.

STATUTORY AUTHORITY:

5 M.R.S. §§ 17103(4), 17603(9), 18205(9)

EFFECTIVE DATE:

July 26, 2010 – filing 2010-315

AMENDED:

April 17, 2019 – filing 2019-065 (*Emergency*)

June 24, 2019 – filing 2019-100

April 19, 2021 – filing 2021-084

BASIS STATEMENT FOR ADOPTION AUGUST 11, 2022/STATEMENT OF COMMENTS:

The proposal for rule-making was noticed on June 14, 2022. A public hearing was held on July 14, 2022, at which no members of the public submitted comments. No members of the public submitted written comments prior to the July 25, 2022 comment deadline.

This rule establishes the date when a member must begin to receive a service retirement benefit or withdraw accumulated contributions under a retirement program pursuant to Internal Revenue Code. The proposed changes establish the form and timing of the payment of a required minimum distribution to a beneficiary of a deceased vested member who does not otherwise execute a benefit selection form in a timely manner.

While performing a final review of the proposed amended rule, staff noticed that section 1 of the rule included redundant numbering. The rule considered for adoption by the Board includes this correction.

At the Board's regular meeting held on August 11, 2022, _____ made the motion, seconded by _____ to adopt the amended rule. Voted _____.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CHIEF EXECUTIVE OFFICER
SUBJECT: 2022 COST OF LIVING ADJUSTMENTS
DATE: AUGUST 2, 2022

The Board of Trustees is mandated by law and rule to award a cost of living adjustment (COLA) on retirement benefits each September based on the increase in the Consumer Price Index (CPI-U) as of June 30th. The CPI-U for the year ending June 30, 2022 was 9.1%.

There are different legal requirements on setting this increase for the State-funded plans, the PLD Consolidated Plan, and the non-consolidated PLD plans.

For the State-sponsored plans, the increase this year is on the first \$24,186.25 of benefits and capped at 3%. This means the maximum COLA awarded will be \$725.59. This base is indexed for inflation, so the maximum benefit eligible for a COLA will increase to \$24,911.84 in 2023.

The increase for the PLD Consolidated Plan is paid on the total benefit and capped at 2.5%. This means the 2022 COLA will be 2.5% of the total benefit. The cap for withdrawn PLDs is 4%, which means the COLA to be awarded is 4% of the total benefit.

When the full COLA is not covered for the State-sponsored plans because of the cap, the Board must submit information and a supplemental budget request to the Governor regarding the additional cost to fund the full COLA. Cheiron has estimated the cost to be \$519.6 million, broken down by group as follows: State, \$188.6 million; Teachers, \$329.4 million; Judges, \$1.3 million; and Legislators, \$0.3 million. The additional costs for the pay-as-you-go retired Governors plan are estimated to be \$7,377.

RECOMMENDATION

That the Board adopt cost-of-living adjustments of 3% of the COLA base for the State-sponsored plans, 2.5% for the PLD Consolidated Plan, and 4% for withdrawn PLDs, effective September of 2022, and that the System provide the Governor with the information and supplemental budget request required when the full COLA is not paid for the State-sponsored plans because of the cap.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: SHERRY VANDRELL, DIRECTOR OF FINANCE
SUBJECT: INTERNAL AUDIT UPDATE
DATE: AUGUST 3, 2022

POLICY REFERENCE

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

INTERNAL AUDIT UPDATE

Sarah Lutzke, Principal, and Chris Curran, Manager, of Wipfli, LLP, will attend the August 11, 2022 Finance and Audit Committee meeting to provide the Committee with an update on the work related to our internal audit program. They will provide a draft internal audit risk assessment and draft audit plan for consideration.

We will provide an update on this work to the full Board as part of the report from the Finance and Audit Committee.

RECOMMENDATION

No action is required by the Board at this time.

MAINEPERS

BOARD OF TRUSTEES GOVERNANCE MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
SUBJECT: BOARD MEETING POLICY AMENDMENT
DATE: AUGUST 3, 2022

An amendment to the remote meeting statute gives public bodies more flexibility in permitting members to participate in meetings remotely effective August 8, 2022. After reviewing Board Policy 1.10 – Board Meetings with this new law in mind, we recommend retaining the current remote meeting policy provisions with one exception. We recommend eliminating the limitation on the number of meetings a member may participate in remotely because of individual circumstances. In conjunction with this change, we also recommend updating the Chief Executive Officer’s title in the policy. A draft of the proposed amended policy is attached.

The statute requires that remote meeting policies be adopted after notice and hearing. We advertised that the Board would be considering this amended policy at this meeting, and an opportunity for public comment should be provided during the meeting.

POLICY REFERENCE

[Board Policy 1.1 – Governance Principles and Commitment Board](#)

[Policy 1.4 – Trustee Responsibilities and Position Description Board](#)

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

RECOMMENDATION

That the Board approve amended Board Policy 1.10.

Attachment

Board Governance

1.10 – Board Meetings

Date Adopted: October 8, 2015

Date Amended: October 11, 2018; November 12, 2020; August 12, 2021 (after notice and hearing); [August 11, 2022 \(after notice and hearing\)](#)

Policy

The MainePERS Board of Trustees typically meets at least once a month. Board meetings are scheduled and held on the second Thursday of each month unless rescheduled to another date in that month due to holidays, weather or other conflicts. Additional Board meetings may be scheduled as needed.

Board meetings shall be managed by the Chair or the Chair’s designee and through the use of agenda and Board materials provided to Trustees prior to each Board meeting.

Statutory/Legal Provisions

[1 M.R.S. § 400 et seq.](#)
[5 M.R.S. § 17103](#)

Meeting Notice

MainePERS Board of Trustee meetings shall comply with open public meeting laws. Notice shall be given in advance of each meeting in compliance with Maine law.

Agenda

Board meeting agendas shall be set to enable Trustees to meet their legal, fiduciary, and oversight responsibilities. The agenda for each meeting shall be published to the Board meeting distribution list maintained by the Executive Department. Requests by an organization or member of the public to place an item on a Board meeting agenda must be made to the [Chief Executive Officer/Director](#) at least two weeks prior to the meeting date and must clearly state the action requested. There is no right to have an item placed on the agenda, and items will be placed on the agenda only if determined by the [Chief Executive Officer/Director](#) to be appropriate for the Trustees to address in meeting their responsibilities.

Copies of the agenda shall be available for guests and visitors outside the door of the boardroom.

Board Meeting Materials

Board meeting materials shall be prepared with the purpose of efficiently assisting Trustees in meeting their legal, fiduciary and oversight responsibilities. The [Chief Executive Officer/Director](#) shall ensure that Board meeting materials provide Trustees with a comprehensive understanding of issues and decisions before them in a clear and concise format. Unnecessary or extraneous information shall not be distributed as it detracts from Trustee time available to focus on important matters. All decisions before the Board shall be presented with a range of available options accompanied by

a staff recommendation of which option best serves the System and its related parties and why.

Trustees shall read the materials provided and come prepared to all meetings.

Guests and Visitors

Guests and visitors include MainePERS consultants and vendors, parties to an appeal process and their representatives, legislators, and members of the public, including MainePERS members, retirees, and employers. Vendors and consultants with pre-issued access badges may sign-in and enter the building upon arrival and are not subject to the following escort requirements. All other visitors must be escorted to the Board room either at the designated time on the agenda or at the beginning of the morning or afternoon session, as applicable, in accordance with MainePERS security policies and practices.

The Chair shall call on guests and visitors who are not known to the Board to introduce themselves and identify whom they represent, if applicable.

Guests and visitors must be escorted to and stay in the designated waiting area when Trustees are in executive session in accordance with MainePERS security policies and practices. Guests and visitors leaving the meeting must be escorted to the reception area.

Public Comment

The MainePERS Board of Trustees delegates the receipt, evaluation and response to public comment to the Chief Executive Officer/Director. The MainePERS Board of Trustees receives public comment through the Chief Executive Officer/Director in written form only and only if relevant to business currently before the Board. Public comment should be provided to the Chief Executive Officer/Director at least one week prior to the Board meeting.

Unsolicited written information or verbal statements received on the day of the meeting are considered untimely for consideration in any of that day's discussions or decisions. Members of the public wishing to provide information to the Board can do so in writing through the Chief Executive Officer/Director for possible consideration at a future date.

The Chair shall acknowledge the receipt of written public comment at the beginning of the meeting and, if necessary, inform guests and visitors that public comment must be received in writing through the Chief Executive Officer/Director prior to the meeting to allow Trustees time to consider the material. The Chair will re-state that Trustees do not use written materials or verbal comments received on the day of the Board meeting in that day's discussions or decisions. The Chair shall ask guests to respect this policy. Disruptive guests shall be asked to leave the meeting.

Trustees and staff shall respect this policy by directing additional or new written or verbal public comment offered at Board meetings to the Chief Executive Officer/Director. This will enable the Board to make decisions based on a common universe of information and speak with one voice.

The Chief Executive Officer/Director shall work with stakeholders providing information to individual Trustees or the Board as a whole to understand their concerns. If the concerns

are relevant to the business of the Board, the Chief Executive Officer will work first to resolve these concerns to the satisfaction of the stakeholder(s) and subsequently notify the Board of the concerns and the resolution. If the concerns are not resolved before a related scheduled Board action, the Chief Executive Officer shall forward the concerns to Trustees before the start of the meeting in which Board action is considered. The Chief Executive Officer shall also keep the Board informed of stakeholder concerns that are not addressed to the Board but, in the Chief Executive Officer's judgement, are relevant to the Board's legal, fiduciary, and oversight responsibilities.

The above provisions on receipt of public comment do not apply to rulemaking proceedings. Rulemaking is addressed in Board Governance Policy 2.3.

Remote Participation in Board Meetings

Board members are expected to attend and participate in Board meetings in person. However, under certain circumstances when being physically present is not practicable, the Board Chair may permit one or more Board members to participate remotely using audio or videoconferencing. This will be permitted only under the following circumstances:

- A weather, public health, or other emergency or urgent issue in the judgment of the Chief Executive Officer requires the Board to meet by remote methods;
- Illness or other medical condition prevents a Board member from attending in person; or
- Temporary absence from the State of Maine prevents a Board member from attending in person.

~~A Board member will be permitted to participate remotely because of individual circumstances in no more than two Board meetings in a calendar year.~~

If one or more Board members participate in a Board meeting by remote means, members of the public must also be permitted to attend remotely and the meeting must be conducted in accordance with 5 M.R.S. § 403-B.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
CHIP GAVIN, CHIEF SERVICES OFFICER
SUBJECT: OPERATIONS AND MEMBER SERVICES REPORT
DATE: AUGUST 3, 2022

Content in the following paragraphs was selected to provide noteworthy information regarding the System's operations and member services.

POLICY REFERENCE

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

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

MEMBER SERVICES

1. PLD RETROACTIVE COLA. Substantial efforts are ongoing across the organization –Finance, IT, Communications, Member Services – to implement the pending retroactive cost of living adjustment for eligible PLD participants. This work includes substantial communication by various means to both proactively and reactively inform those receiving the payment. Mailings are being sent to recipients, information has been posted on the MainePERS web site, the phone system for incoming calls will be updated when timely to best assist anyone with questions, and other steps were taken. The updated estimated population receiving the payments stands at approximately 7,300 unique individuals. MainePERS also will be discussing COLA matters overall with the PLD Advisory Committee at that group's August meeting.
2. ELECTRONIC COMMUNICATION PILOT PROJECT: With the goal of strengthening our ability to communicate with those we serve, a pilot project is underway to communicate electronically with approximately 5,000 randomly selected members and retirees. Because this is new, MainePERS took the extra step for this pilot of sending notices early this month via USPS to all those who will be receiving an email. Ultimately, this pilot is intended as a step toward additional electronic communication in the future with those we serve regarding matters of general interest. For example, newsletters, COLA payments and general solicitation of feedback from members and retirees. The current pilot project is using the email tool Constant Contact. Member services, Communications and IT have collaborated on this effort. Sensitive information regarding individual accounts or otherwise sensitive information

will continue to be handled securely via traditional and encrypted electronic messaging systems, as is the current practice, not via general email.

3. CUSTOMARY SERVICES DATA. The customary member services data points that have been provided to Trustees as part of the operations update in the past are attached to this report.
4. MAINESTART EXPANSION: MaineSTART in August conducted further employer outreach regarding the expansion of MaineSTART eligibility to teachers, which takes effect this month. A sample of the email communication to leaders of school systems statewide is below.



Greetings:

MainePERS is pleased to announce that the MaineSTART 457 deferred compensation plan is now available to teachers starting August 8th.



By selecting MaineSTART, participating employers can provide their employees with access to traditional (pre-tax) and Roth (after-tax) 457 accounts. More information for employers and employees is available at mainestart.org. If you would like to learn more about becoming a participating employer, please contact Gary Emery at Gary.Emery@MainePERS.org or (207) 512-3116.

www.mainebers.org	LOCATION 139 Capitol Street, Augusta, ME 04330	LOCAL 207-512-3100	FAX 207-512-3101
	MAILING ADDRESS P.O. Box 349, Augusta, ME 04332-0349	TOLL-FREE 1-800-451-9800	MAINE RELAY 711

FINANCE

1. EMPLOYER REPORTING. The Employer Reporting unit was busy in July assisting 10 new or rejoining PLDs and 18 PLDs with new plans and ensuring PLD reporting reflected the new contribution rates that were effective July 1. Timeliness of employer reporting ticked up, with 96.2% of the defined benefit payrolls due in July uploaded on time, above the FY22 monthly average of 91.75% but slightly below the July 2021 rate of 97.8%.
2. EMPLOYER AUDITING. One review was finalized during the month of July. Staff continue to support some data cleanup work and are focused on closing out audit findings. Ninety-two percent of all findings to date have been resolved satisfactorily.

3. CONTRIBUTIONS AND DISBURSEMENTS. Attached is a report of contributions and member disbursements for the combined defined benefit plans for FY22 with a comparison to FY21.
4. VALUATION. In addition to heavily contributing to implementing the PLD additional COLA, the Line of Business staff and the Information Technology Development staff have been working with Kathy Morin to provide Cheiron with the complete and accurate information needed to perform the annual valuations of the defined benefit and group life insurance programs. Accounting and Investments also contribute to this process.

ADMINISTRATION

1. PHYSICAL SECURITY. Security consultant Blue-U Defense was on site on August 2 for evaluation of building security and to work with us on development of an active shooter response plan.
2. HUMAN RESOURCES. Long-time Human Resources Administrative Assistant Maureen Burgess retired at the end of July after 31 years of service. We continue the focus on hiring, with eight positions currently in recruitment. Eight staff members were promoted or accepted lateral transfers in July. MainePERS and its employees will enjoy a health insurance premium holiday for the next three months. This is based on claims experience for the State health insurance plan in which we participate.
3. DOCUMENT CENTER. We have filled the new Quality Control Technician position with an internal hire. These positions are focusing on improving the quality of member, retiree, and beneficiary addresses in V3.

INFORMATION TECHNOLOGY

1. EMAIL ARCHIVE. We have completed migrating archived emails to our new Mimecast platform. We plan to continue to archive both to Mimecast and our legacy platform for 45 days before retiring the latter.
2. ENTERPRISE ASSET MANAGEMENT. We are implementing the asset management module of our Manage Engine ticketing platform, which will allow for improved monitoring, patching, and resolution of issues.
3. SECURITY. Configuration of Airgap continues. This technology increases our ability to recover quickly and safely from certain types of cyber attacks. In late July, we participated in our annual Information Technology risk assessment with Tyler Technology. We expect to receive Tyler's report this month.

RECOMMENDATION

No Board action is recommended at this time.

AUGUST 2022 BOT SUPPLEMENTAL NUMBERS

BENEFITS PAYROLL. Monthly pension payments were made to 46,924 recipients in July, totaling \$96,074,419.03.

RETIREMENT SERVICES. Six hundred thirty-two individuals received their first benefit payment in July, with the typical benefit amount being \$2,795. First time recipients averaged 27 years of service. The count of new recipients, payment amount, and service are in line with what has been seen in for the same month in recent prior years.

One hundred fifty former members received a refund of their contributions in July, typically amounting to \$4,463 as the result of two years of service. The aggregate amount refunded was \$1,708,414.

DISABILITY SERVICES. Four new disability retirement applications were received in July, and 8 intakes with varying levels of detail and duration were conducted.

SURVIVOR SERVICES. Sixty life insurance claims were sent to our carrier (The Hartford) in July, with a total value of \$1,820,300 in payments due to beneficiaries.

DEFINED CONTRIBUTION PLAN SERVICES. MaineSTART had 1,584 participants at the end of July, with \$56,988,173 of investment assets in the program.

Maine Public Employees Retirement System
Contributions and Disbursements - Defined Benefit Plans
For the Twelve Months Ended June 30, 2022 and June 30, 2021

	<u>Current</u>	<u>Year to Date</u>	<u>Prior Year to Date</u>
Contributions			
Employer Contributions ⁽¹⁾	\$ 49,834,501	\$ 636,501,097	\$ 500,763,802
Member Contributions	20,446,406	207,757,727	197,345,058
Member Repurchases	523,804	9,447,850	3,962,621
Total Contributions	<u>\$ 70,804,711</u>	<u>\$ 853,706,674</u>	<u>\$ 702,071,481</u>
Member Disbursements			
Benefits Payroll	\$ 94,680,316	\$ 1,125,022,694	\$ 1,070,605,903
Member Refunds	3,033,633	24,312,164	21,209,236
Total Member Disbursements	<u>\$ 97,713,949</u>	<u>\$ 1,149,334,858</u>	<u>\$ 1,091,815,139</u>
Net	<u>\$ (26,909,238)</u>	<u>\$ (295,628,184)</u>	<u>\$ (389,743,658)</u>

⁽¹⁾Employer Contributions include both normal cost and UAL contributions, and include contributions in May of 2022 to fund the increased COLA benefit for the State sponsored plans.