


MainePERS
Board of Trustees

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Monthly Meeting Packet

April 14, 2022

MainePERS Board of Trustees Meeting
April 14, 2022
Augusta – Fort Point

AGENDA

9:00 a.m.		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	CONSIDERATION OF CONSENT CALENDAR • Minutes of March 10, 2022 • Consideration of Items Removed	ACTION	Brian Noyes
9:05 – 9:15 a.m.	2.	CEO REPORT		Dr. Rebecca M. Wyke
9:15 – 9:30 a.m.	3.	PRIVATE MARKETS ACTION • Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4)	ACTION	Brian Noyes
		Board moves out of executive session.		
		• KKR Diversified Core Infrastructure Fund	ACTION	James Bennett Zackery McGuire
		• Advent International GPE X	ACTION	
		• Water Street Healthcare Partners	ACTION	
9:30 – 10:15 a.m.	4.	ASSET ALLOCATION		James Bennett, Zackery McGuire Brian McDonnell, Stuart Cameron, Cambridge Assocs.
10:15 – 10:20 a.m.	5.	PRIVATE MARKET REVIEW • Private Markets Activity		James Bennett Zackery McGuire
10:20 – 10:35 a.m.		*BREAK*		
10:35 – 10:45 a.m.	6.	INVESTMENT REVIEW • Investment Monthly Review		James Bennett, Zackery McGuire Brian McDonnell, Stuart Cameron, Cambridge Assocs.
10:45 – 11:00 a.m.	7.	INVESTMENT EDUCATION • Private Market Fund Lifecycle		James Bennett, Zackery McGuire Brian McDonnell, Stuart Cameron, Cambridge Assocs.

11:00 – 11:20 a.m.	8.	RULEMAKING • Public Hearing – Proposed Repeal of Rule Chapter 202 – Medical Board • Public Hearing – Proposed Rule Chapter 512 – Independent Medical Examinations	Brian Noyes Michael Colleran
11:20 – 11:35 a.m.	9.	ADMINISTRATION REPORT • Operations Report	Jim Dusch Sherry Vandrell Rebecca Grant
11:35 – 11:45 a.m.	10.	LEGISLATIVE UPDATE	Kathy Morin
11:45 – 11:55 a.m.	11.	RETIREE HEALTH INSURANCE POST-EMPLOYMENT BENEFITS INVESTMENT TRUST FUND UPDATE	Michael Colleran
11:55 – 12:00 p.m.	12.	LITIGATION SUMMARY	Betsy Stivers
12:00 p.m.		ADJOURNMENT	Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees	MainePERS
Board Meeting	Remote
March 10, 2022	9:00 a.m.

The Board of Trustees held a meeting through video remote access pursuant to P.L. 2021, Ch. 290 at 9:00 a.m. on March 10, 2022. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; 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; Monica Gorman, Secretary to the Board of Trustees; and Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Chief Investment Officer; Zackery McGuire, Deputy Chief Investment Officer; Brian McDonnell and Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Ed Schwartz, Thorsen Eriksen and Steven Stuckwisch, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; Sherry Vandrell, Director of Finance; Anedra Gregori, Associate General Counsel; and Bartley Parker, Managing Director, Investments.

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

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of February 10, 2022,
- Decision, C.G. Appeal, and
- Decision, P.C. Appeal

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

Brian Noyes shared a letter from the Board to Sandy Matheson thanking her for her work on behalf of MainePERS and for the work she has done on the new plan concept. Brian noted that Sandy thanked the Board and wished them the best in the future.

CEO REPORT

Dr. Rebecca Wyke summarized for Trustees the justification for continuing to meet remotely. She shared that the current plan is to hold the April meeting in person. A Trustee may join remotely due to illness, a medical condition, or a temporary absence from the State. The Chair needs to approve this absence prior to the meeting, and a Trustee can only join remotely two times per year. She stated two external stakeholders contacted her with issues related to investments. The Investment Team completed their due diligence on those issues and is satisfied that MainePERS is not exposed to undue risk. A PLD participant, Maine Veterans' Home, announced the pending closure of two of their facilities. MainePERS has reached out to them to offer assistance to employees regarding their retirement plans. Dr. Wyke shared the Divestment Advisory Panel's work is almost complete. We are working to finalize the RFP to engage one or more consultants in the development of MainePERS' approach. She stated staff met to provide input for new Mission and Vision statements and to develop a set of organizational values. She shared training on diversity, equity and inclusion (DEI) for all staff is scheduled to begin in late May.

PRIVATE MARKET ACTIONS

Angelo Gordon Realty XI

- Action. John Beliveau made the motion, seconded by Henry Beck, that MainePERS make a commitment of up to $50 million to Angelo Gordon Realty XI, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Kimball, Metivier, Noyes, and Williams).

PRIVATE MARKETS REVIEW

Alternative Asset Consultant Review

Jim Bennett shared that the Investment Team has begun a review of the alternative asset class consultant relationships. Consistent with Board policy, Jim expects to make a recommendation this spring on whether a search for new providers should begin.

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, March 22, 2022, with presentations by KKR Diversified Core Infrastructure Fund at 9:00 a.m., Advent International GPE X at 9:45 a.m., and Water Street Healthcare Partners V at 10:30 a.m.

Private Market Performance Measures

Zack McGuire shared a presentation with the Trustees that provided an overview of private market performance measurement. Zack reviewed time-weighted return, internal rate of return, performance measures and benchmarking. Zack discussed and answered various questions from the Trustees.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of February 28, the MainePERS fund had a preliminary market value of $18.7 billion, the preliminary fund return for the month was -0.8%, and the preliminary fiscal year-to-date and calendar year-to-date return was 4.8% and -2.7%, respectively.

ASSET ALLOCATION

Jim Bennett, Zack McGuire, Brian McDonnell, Stuart Cameron, and Gene Kalwarski continued the strategic asset allocation process discussion. The group discussed reducing portfolio risk for the post-2028 payoff of the 1996 UAL. The group reviewed the process and reasoning for this and told Trustees that recommendations for specific changes to the System's asset allocation would be made at a later meeting. Jim, Zack, Brian, Stuart and Gene answered questions from the Trustees.

MAINESTART QUARTERLY REVIEW

Michael Colleran shared the MaineSTART quarterly report for the quarter ending 12/31/2021. He reported that the default investment alternative change has been implemented, and the System bill that would authorize MaineSTART to be offered outside of PLDs is working its way through Legislature.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared recruitment has been successful with four new employees being hired in Retirement Services. Jim stated the RMD process continues to run smoothly, and work continues on those who may be lost.

Sherry Vandrell stated working with employers on timely remitting and reporting continues. She shared the new Employer Reporting Manager will be starting soon. Work continues to increase closure of employer reporting assistance findings.

Rebecca Grant shared recruiting for various positions within the organization is ongoing. She stated IT security testing continues. Rebecca, Jim, and Mike answered questions regarding recruitment from the Trustees.

LEGISLATIVE UPDATE

Kathy Morin provided an update on the status of legislative bills. Kathy shared the one time COLA for the State/Teacher plan, included in the supplemental budget bill, is scheduled to be heard in the next few weeks. Labor and Housing Committee reviewed the Procurement Report and had no concerns. Kathy will share their response in next month's legislative report. A favorable response was received on our Program Evaluation Report. Kathy stated she expected to receive responses on our military subsidy and our annual report in the coming weeks.

LITIGATION UPDATE

Betsy Stivers stated there continues to be no update in the Susan Hawes Freedom of Access matter. Betsy shared no final judgment has been issued in the Hawaii matter. The parties are no longer accepting electronic service, which has caused the delay. Betsy shared the federal court acted without oral argument and denied our request to dismiss in the personnel matter. She shared her office will being working on an answer and discovery in that case.

ADJOURNMENT

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

The meeting adjourned at approximately 11:30 a.m.

4/14/2022
Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **ASSET ALLOCATION REVIEW**

DATE: APRIL 7, 2022

POLICY REFERENCE

Board Policy 2.1 – Investment Policy Statement

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communication and Support to the Board

MainePERS has worked with Cambridge Associates and Cheiron since last year to review the System's strategic asset allocation with a view toward the payoff of the 1996 UAL in 2028. Last month we presented the results of Cheiron's simulation analysis showing the range of outcomes for funding status, contribution rates, and liquidity associated with different portfolio risks. Based on these results, and related issues associated with plan maturity, we recommended that the System begin a gradual reduction in portfolio risk as we approach 2028.

This month we plan to have a discussion around specific changes related to beginning this reduction in portfolio risk. Following this memo is a presentation and a marked-up version of the System's Investment Policy Statement (IPS) showing proposed changes. Based on the results of the discussion, we expect to bring recommendations for these changes to the May Trustee meeting for your consideration.

The presentation following this memo presents and discusses the impacts of the proposed allocation changes:

- Private Equity: Reduce from 15% to 12.5%
- Traditional Credit: Reduce from 7.5% to 5%
- Alternative Credit: Increase from 7.5% to 10%
- US Government: Increase from 7.5% to 10%

As shown in the presentation, these proposed changes will lead to a decrease in expected portfolio risk, with little to no impact on expected returns, based on current capital market expectations. These changes will serve to increase the portfolio's diversification and improve its liquidity.

The System's IPS follows the presentation, and contains a number of proposed changes. These include modifications related to the proposed allocation changes as well as several others:

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

Asset Allocation
April 14, 2022

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Last Month - Recap

In March, the Investment Team, along with Cambridge Associates and Cheiron recommended the System begin a gradual reduction in portfolio risk as we approach 2028 and the 1996 UAL payoff.

This recommendation is consistent with the System's goals of maintaining acceptable levels of contribution rate and funding level volatility and achieving fully funded status.

The reduction in risk is intended to begin to address impacts of plan maturation, including:

- Increase in Assets / Payroll ratio causing market downturns to have larger impact on contribution rates
- Increased liquidity needs as cash outflows grow

Today's Outline

1) Present proposed allocation changes for discussion
   - Reduce Private Equity and Traditional Credit by 2.5% each
   - Increase Alternative Credit and US Government by 2.5% each

2) Present proposed IPS changes for discussion
   - Asset Class policy weights
   - Monetary Hedge – updated description and benchmark
   - Rebalancing: Provide for explicit consideration of Role in portfolio
   - Incorporate co-investment guidelines into the IPS
   - Other date and title changes

3) Summary of Cheiron simulation results for State and Teacher and PLD

Recommended Allocation Changes

Asset Class Detail and Assumptions

As of December 31, 2021

Blended 25-Year Assumptions + 2.75% annual inflation

	Asset Classes	Policy Portfolio	Proposed Portfolio	Blended AACR	Standard Deviation
Growth Assets	Public Equity	30.0%	30.0%	6.5%	16.9%
	Private Equity	15.0%	12.5%	8.7%	22.4%
Diversifiers	Diversifiers	7.5%	7.5%	6.9%	7.0%
Hard Assets	Infrastructure	10.0%	10.0%	8.1%	20.2%
	Real Estate	10.0%	10.0%	6.3%	18.5%
	Natural Resources	5.0%	5.0%	6.8%	18.2%
Credit	Traditional Credit	7.5%	5.0%	4.2%	9.0%
	Alternative Credit	7.5%	10.0%	8.5%	15.0%
Monetary Hedge	US Government	7.5%	10.0%	3.9%	6.0%

Nominal Geometric Return	7.2%	7.2%
Standard Deviation	11.6%	11.2%

C|A

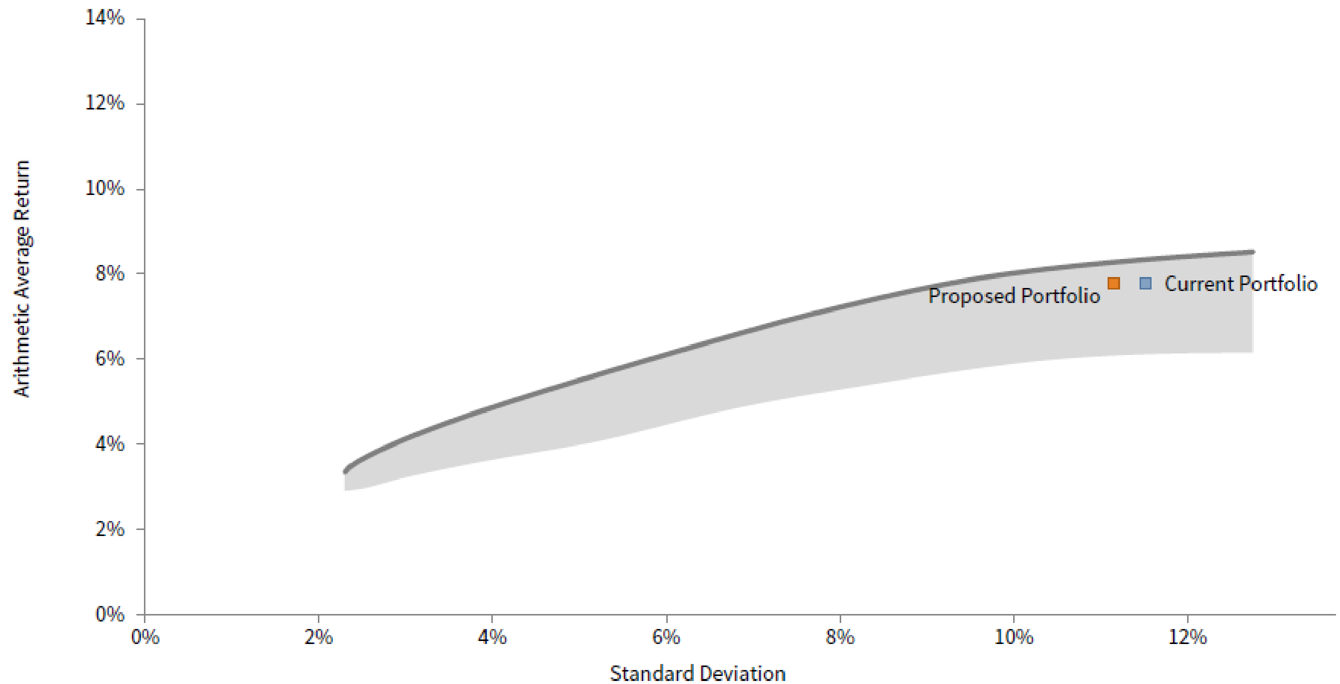
Note(s): All returns projections shown above are nominal.

Portfolio Risk & Return

Efficient Region Analysis

As of December 31, 2021

Blended 25-Year Assumptions + 2.75% annual inflation



RISK AND RETURN	CURRENT PORTFOLIO	PROPOSED PORTFOLIO
Nominal Arithmetic Return (%)	7.8	7.8
Nominal Compound Return (%)	7.2	7.2
Standard Deviation (%)	11.6	11.2

Note(s): All returns projections shown above are nominal.

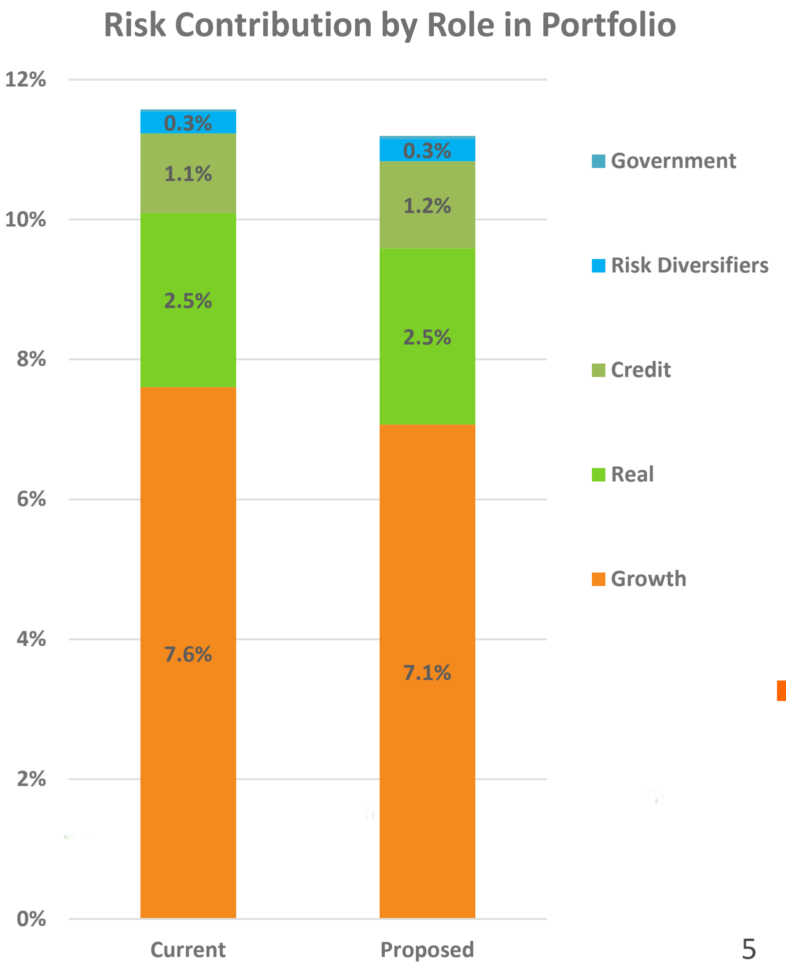
Impact of Allocation Changes

The proposed portfolio changes result in increased diversification, with a small reduction in portfolio risk and little to no impact on expected returns.

Reduced reliance on growth assets in favor of cash-flowing assets.

Improved net liquidity

- US Government vs Traditional Credit
- Alt. Credit vs Private Equity



Allocation Changes: Implementation

Public Market Asset Classes

- Reduce Traditional Credit, increase US Government over next several months

Private Market Asset Classes

- Adjust pacing budgets to reflect new targets
- Expect Alternative Credit to reach target in 2+ years
- Expect PE to reach target in 4-5 years, depending on distributions
- No planned manager or strategy shifts due to allocation changes

Next Slides: Other IPS Changes

In addition to the proposed changes to asset class weights, the Investment Team plans to recommend two other meaningful changes to the Investment Policy Statement:

1) The composition of the Monetary Hedge allocation
2) Portfolio rebalancing: Asset Classes vs Role in Portfolio

Monetary Hedge Composition

The System's Monetary Hedge allocation is invested in U.S. Government obligations, and is intended to "provide liquidity and a safe harbor in times of turbulence."

The IPS specifies that the allocation will include both nominal Treasuries and Treasury Inflation Protected Securities (TIPS), but does not specify target weights.

In March 2018, Trustees were informed that the allocation was currently 100% TIPS and that we intended to move toward a 50/50 split over time.

Current value of the allocation is $1.4B (90% TIPS / 10% Treasuries).

The Investment Team and Cambridge Associates recommend continuing the move toward a 50/50 split, and incorporating this target split into the IPS.

Rebalancing

Current policy emphasizes Asset Classes over Role in Portfolio. These can be in conflict, as show below:

View by Asset Class:

- Underweight: Public Equity & Alt Credit
- Overweight: Private Equity
- At target: Traditional Credit & US Gov

View by Role in Portfolio:

- Overweight: Growth Assets
- Underweight: Credit

	Target Weight	Actual
Growth Assets	45.0%	47.2%
Public Equity	30.0%	27.0%
Private Equity	15.0%	20.2%
Credit	15.0%	14.0%
Traditional Credit	7.5%	7.5%
Alternative Credit	7.5%	6.5%
US Government	7.5%	7.5%

To raise cash, can use Public Equity, Traditional Credit, or US Gov.

- If focus on Asset Class: we would sell Traditional Credit or US Gov, since these are at target and Public Equity is underweight
- If decide based on Role, sell Public Equity, since Growth Assets are overweight

Taking Role into account would facilitate maintaining risk profile

Appendix: State & Teacher / PLD

Materials distributed for the March meeting contained the detailed results of simulations for the State and Teacher plan.

These results are repeated in the next slides, along with the corresponding results for simulations related to the PLD plan.

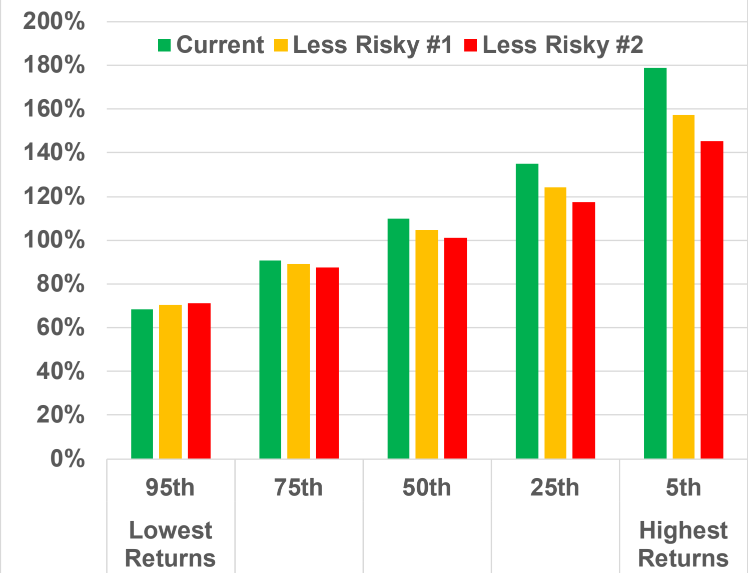
PLD outcomes are essentially identical to S&T.

S&T and PLD: Funded Ratios

State & Teacher

MVA Funded Ratio at July 1, 2028

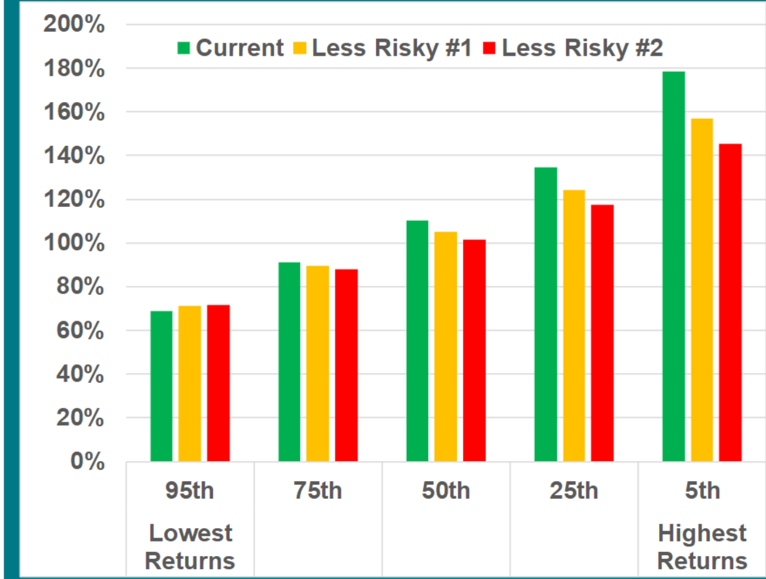
	Current	Less Risky #1	Less Risky #2
Exp Return	7.2%	6.5%	6.0%
Stan Dev	11.6%	9.6%	8.5%
Percentile			
95th	68.4%	70.5%	71.2%
75th	90.6%	89.1%	87.5%
50th	109.9%	104.7%	101.1%
25th	134.9%	124.2%	117.6%
5th	178.7%	157.1%	145.2%



PLD

MVA Funded Ratio at July 1, 2028

	Current	Less Risky #1	Less Risky #2
Exp Return	7.2%	6.5%	6.0%
Stan Dev	11.6%	9.6%	8.5%
Percentile			
95th	68.9%	71.1%	71.8%
75th	90.9%	89.5%	88.1%
50th	110.1%	105.0%	101.4%
25th	134.7%	124.0%	117.5%
5th	178.6%	157.0%	145.1%

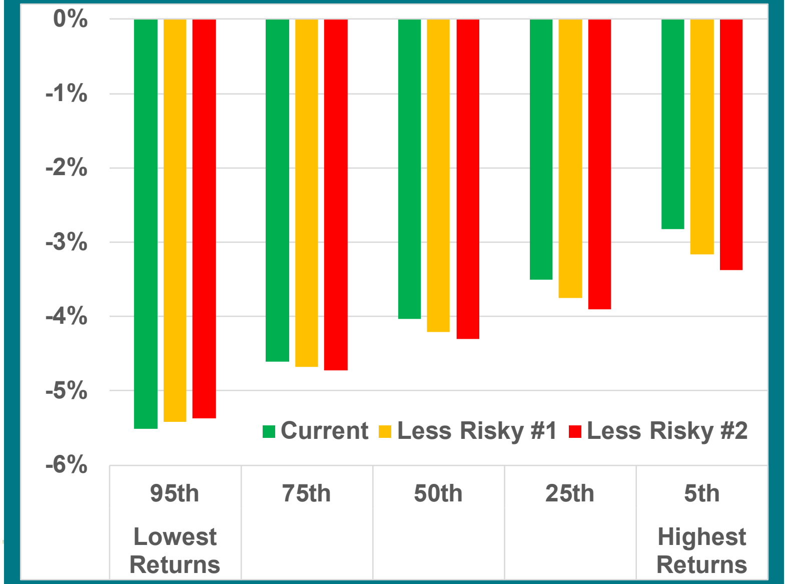


S&T and PLD: Net Cash Flow

State & Teacher

Net Cash Flow Ratio for FYE 2029

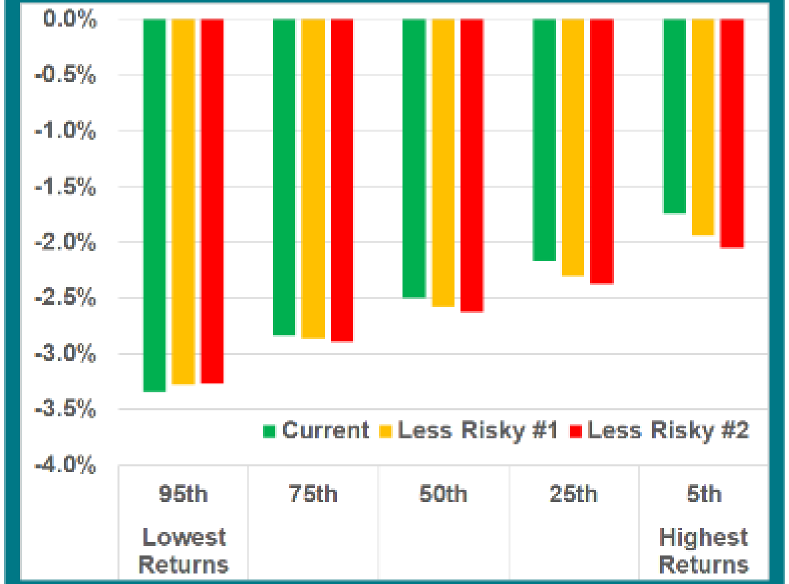
	Current	Less Risky #1	Less Risky #2
Exp Return	7.2%	6.5%	6.0%
Stan Dev	11.6%	9.6%	8.5%
Percentile			
95th	-5.5%	-5.4%	-5.4%
75th	-4.6%	-4.7%	-4.7%
50th	-4.0%	-4.2%	-4.3%
25th	-3.5%	-3.8%	-3.9%
5th	-2.8%	-3.2%	-3.4%



PLD

Net Cash Flow Ratio for FYE 2029

	Current	Less Risky #1	Less Risky #2
Exp Return	7.2%	6.5%	6.0%
Stan Dev	11.6%	9.6%	8.5%
Percentile			
95th	-3.3%	-3.3%	-3.3%
75th	-2.8%	-2.9%	-2.9%
50th	-2.5%	-2.6%	-2.6%
25th	-2.2%	-2.3%	-2.4%
5th	-1.8%	-1.9%	-2.1%

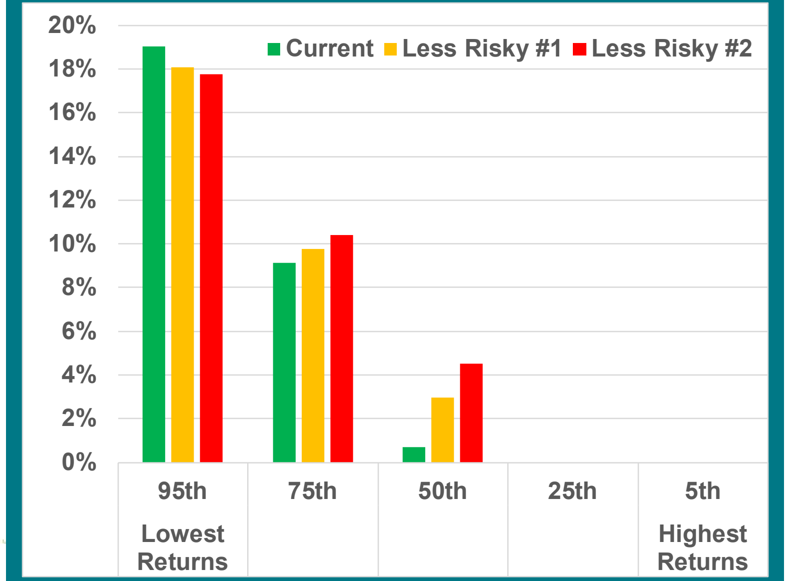


S&T and PLD: Employer Contributions

State & Teacher

Contribution Rate for FYE 2030 (Based on 2028 Val)

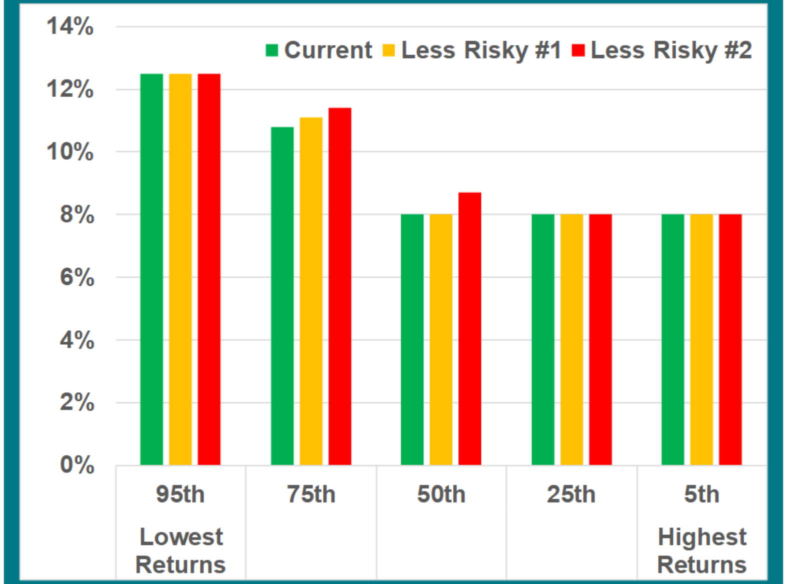
	Current	Less Risky #1	Less Risky #2
Exp Return	7.2%	6.5%	6.0%
Stan Dev	11.6%	9.6%	8.5%
Percentile			
95th	19.0%	18.1%	17.8%
75th	9.2%	9.8%	10.4%
50th	0.7%	3.0%	4.5%
25th	0.0%	0.0%	0.0%
5th	0.0%	0.0%	0.0%



PLD

ER Contribution Rate for FYE 2030 (Based on 2028 Val)

	Current	Less Risky #1	Less Risky #2
Exp Return	7.2%	6.5%	6.0%
Stan Dev	11.6%	9.6%	8.5%
Percentile			
95th	12.5%	12.5%	12.5%
75th	10.8%	11.1%	11.4%
50th	8.0%	8.0%	8.7%
25th	8.0%	8.0%	8.0%
5th	8.0%	8.0%	8.0%

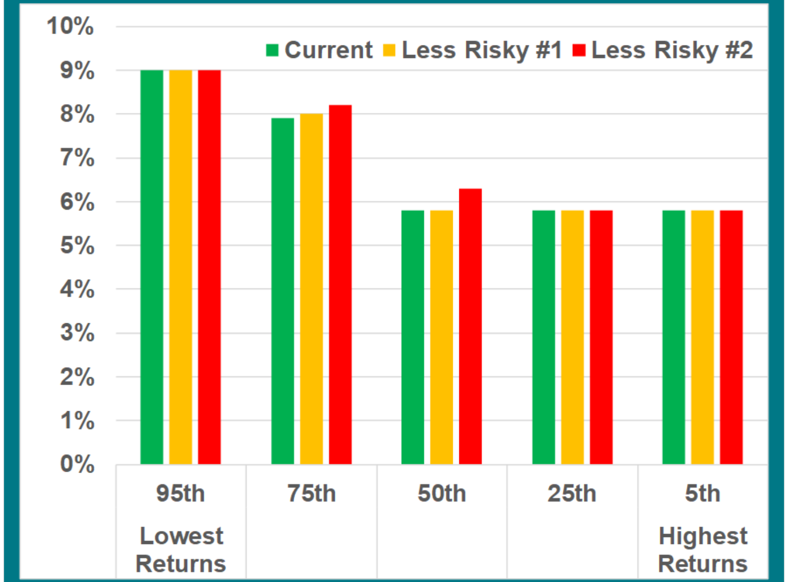


PLD: EE & COLA

Employee Contribution Rate

Member Rate for FYE 2030 (Based on 2028 Val)

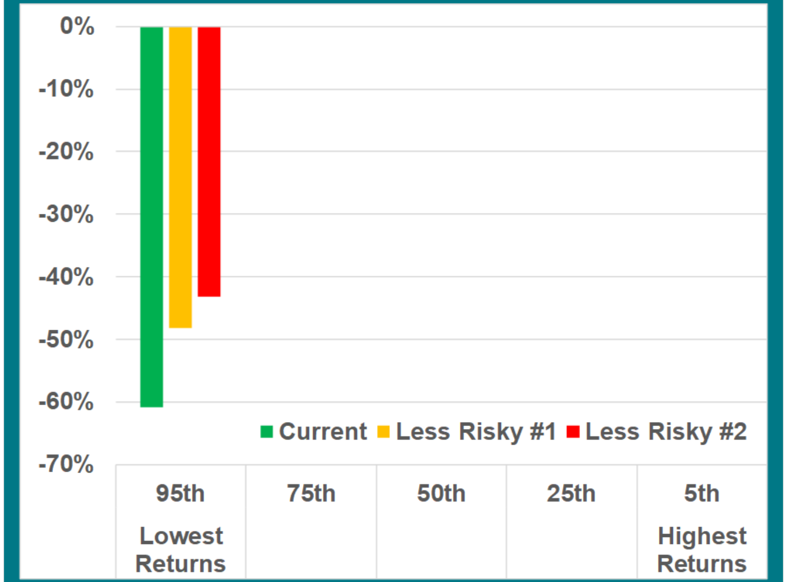
	Current	Less Risky #1	Less Risky #2
Exp Return	7.2%	6.5%	6.0%
Stan Dev	11.6%	9.6%	8.5%
Percentile			
95th	9.0%	9.0%	9.0%
75th	7.9%	8.0%	8.2%
50th	5.8%	5.8%	6.3%
25th	5.8%	5.8%	5.8%
5th	5.8%	5.8%	5.8%



COLA Adjustments

COLA Adjustment for FYE 2030 (Based on 2028 Val)

	Current	Less Risky #1	Less Risky #2
Exp Return	7.2%	6.5%	6.0%
Stan Dev	11.6%	9.6%	8.5%
Percentile			
95th	-60.9%	-48.1%	-43.2%
75th	0.0%	0.0%	0.0%
50th	0.0%	0.0%	0.0%
25th	0.0%	0.0%	0.0%
5th	0.0%	0.0%	0.0%



Board Responsibilities – Investment Policy for Defined Benefit Plans

2.1 – Investment Policy Statement

Date Adopted: June 9, 2016

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

Policy

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

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

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

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

Statutory/Legal Provisions

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

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

Resources

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

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

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

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

Investment Objectives

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

Strategic Asset Allocation and Rebalancing

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

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

Portfolio Risk Management

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

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

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

Performance Objectives and Benchmarks

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

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

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

Investment Implementation

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

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

Environmental, Social, and Governance; Engagement

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

Investment Manager Selection and Allocation Process

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

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

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

Derivatives

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

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

Leverage

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

Hedging

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

Transaction Costs and Brokerage

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

Securities Lending

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

Monitoring

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

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

Emergency Measures

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

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

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

Board Responsibilities – Investment Policy

Appendix 1: Asset Classes, Policy Weights and Ranges

Date Adopted: June 9, 2016

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

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

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

Asset Class Definitions

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

Public Equity

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

Private Equity

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

Risk Diversifiers

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

Real Estate

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

Infrastructure

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

Natural Resources

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

Traditional Credit

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

Alternative Credit

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

Monetary Hedges

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

Roles in the Overall Fund

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

Growth Assets

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

Risk Diversifiers

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

Hard Assets

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

Credit Assets

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

Monetary Hedges

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

Board Responsibilities – Investment Policy
Appendix 2: Rebalancing
Date Adopted: June 9, 2016
Date Amended: ~~New,~~ May 12, 2022

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

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

Board Responsibilities – Investment Policy
Appendix 3: Risk Strategy
Date Adopted: June 9, 2016
Date Amended: *New*

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

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

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

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

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

Board Responsibilities – Investment Policy

Appendix 4: Policy Benchmarks

Date Adopted: June 9, 2016

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

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

Board Responsibilities – Investment Policy

Appendix 4: Co-Investment

Date Adopted: June 9, 2016

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

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

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

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **INVESTMENT REVIEW**

DATE: APRIL 7, 2022

Following this memo is the Monthly Investment Review for March.

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 $18.7 billion, unchanged from last month.
- Monthly return of 0.3%.
- Fiscal and calendar year-to-date returns of 5.2% and -2.2%, respectively.

Investment Review April 14, 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.

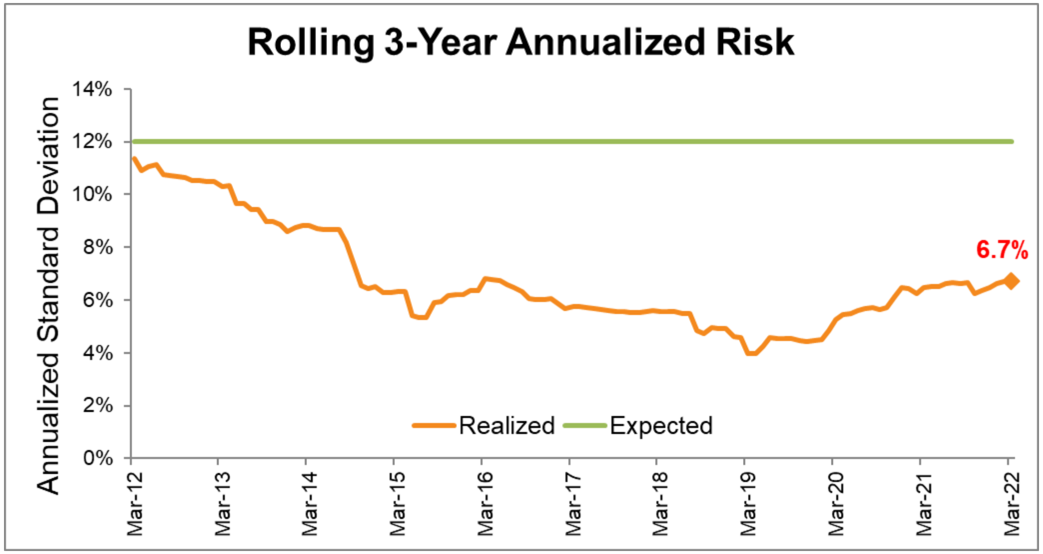
March 2022 Performance (Preliminary)

The **preliminary** fund value at the end of February is $18.7 billion.

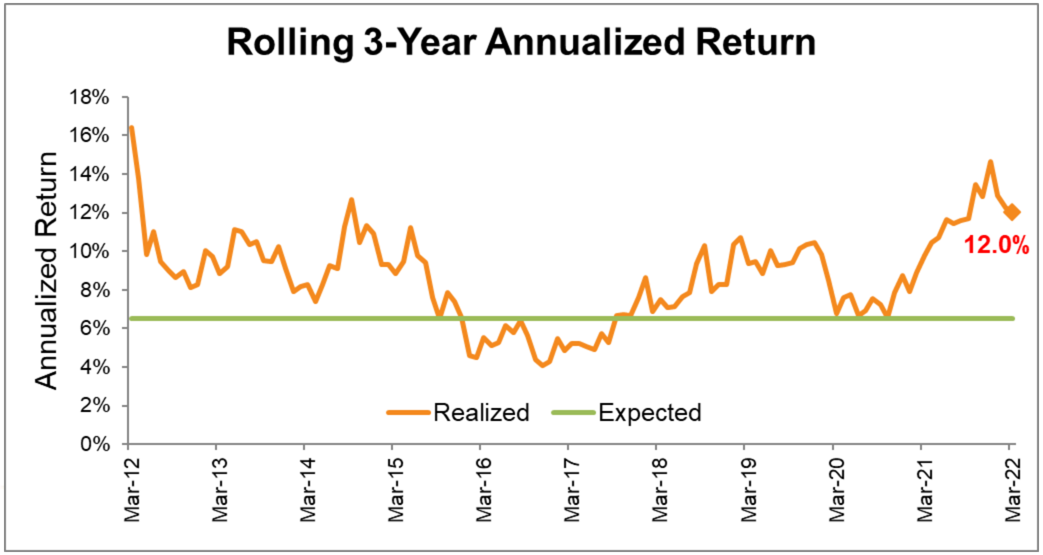
Fund and Benchmark Returns

	Mar-22	CYTD 2022	FYTD 2022
Total Fund	0.3%	-2.2%	5.2%
Russell 3000	3.2%	-5.3%	3.4%
MSCI ACWI ex-USA	0.2%	-5.4%	-6.6%
Barclays Agg. Bond Index	-2.8%	-5.9%	-5.9%

Investment Objective Measurement: Risk and Return



Recent fund risk remains well below targeted risk level.



Investment returns continue to exceed expected values.

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.

March 2022 Asset Allocation (Preliminary)

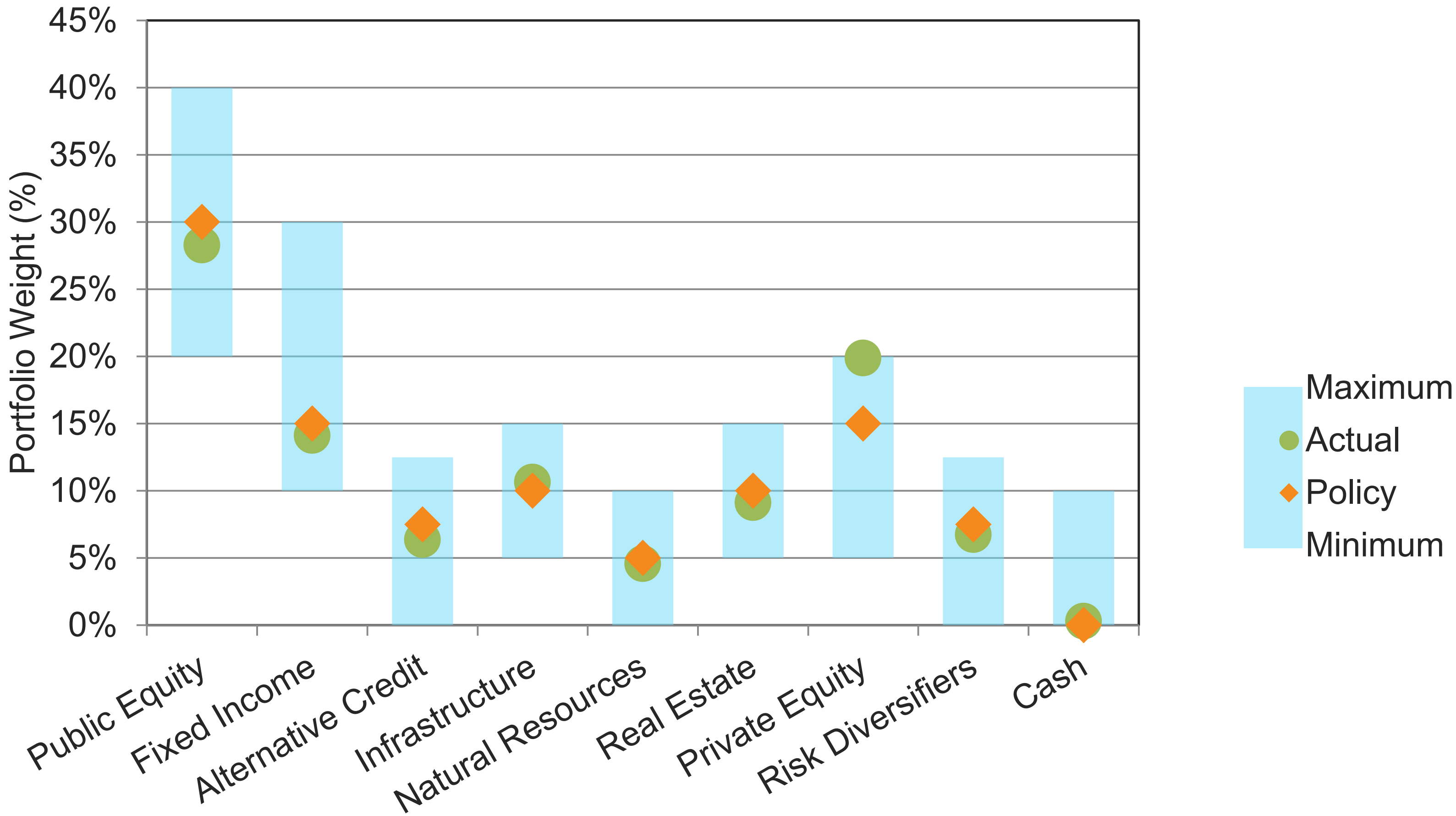
Assets (Millions)		Value	% of Fund	Policy %
MainePERS Portfolio	**$**	**18,739**	**100.0%**	**100.0%**
Domestic Equity	$	3,212	17.1%	18.2%
International Equity	$	2,087	11.1%	11.8%
Fixed Income	$	2,645	14.1%	15.0%
Alternative Credit	$	1,192	6.4%	7.5%
Infrastructure	$	1,995	10.6%	10.0%
Natural Resources	$	855	4.6%	5.0%
Private Equity	$	3,726	19.9%	15.0%
Real Estate	$	1,709	9.1%	10.0%
Risk Diversifiers	$	1,261	6.7%	7.5%
Cash	$	57	0.3%	0.0%

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

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

Private Markets assets in aggregate comprise 50.6% of the overall portfolio, above the 47.5% policy weight.

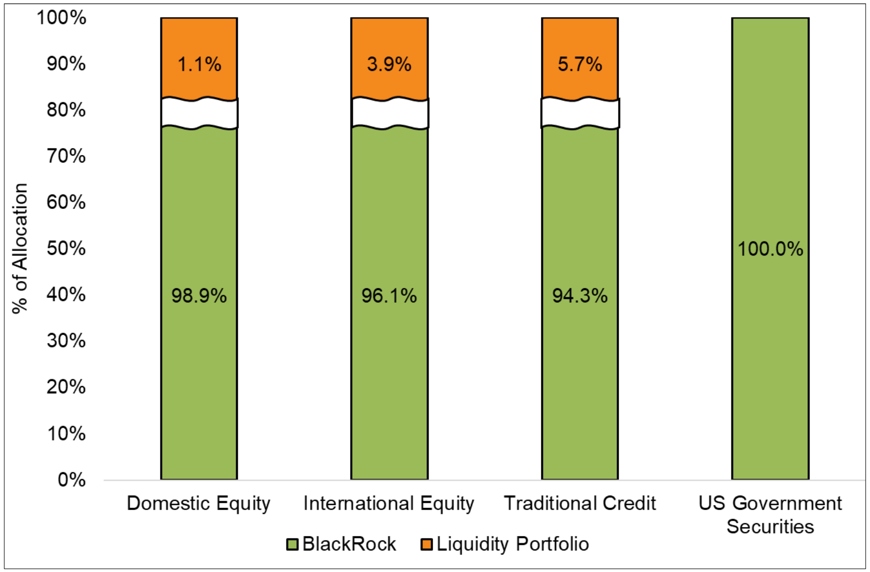
March 2022 Asset Allocation (Preliminary)



Public Securities: Liquidity Portfolio

At the end of March, 1% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 2.3% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	$34.7	Futures
Parametric International Equity	$81.2	Futures
Parametric Traditional Credit	$71.0	ETFs
Parametric US Government Securities	$0.0	Futures
Total Liquidity Portfolio	**$186.9**	

Derivatives and Leverage

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: March 2022

Description	FYTD 22	FY 21	FY 20	FY 19	FY 18
Investment Mgmt. Fees	$89,873,675	$118,561,261	$124,480,394	$106,398,871	$92,410,866
Securities Lending Fees [1]	1,171,663	1,653,172	2,239,396	2,226,826	3,714,108
Consulting Fees	840,000	1,120,000	1,120,000	1,120,000	1,120,000
Broker Commissions [2]	19,416	52,364	37,461	28,970	38,168
Placement Agent Fees	0	0	0	0	0
Total	**$91,904,754**	**$121,386,797**	**$127,877,251**	**$109,774,667**	**$97,283,142**
Percentage of Fund [3]	**0.74%**	**0.67%**	**0.87%**	**0.74%**	**0.68%**

1. Securities Lending Fees are through 2/28/2022
2. Actual paid commissions reported by JP Morgan
3. Annualized estimated total fees divided by the current fund value for FYTD 22. The prior years' calculations are actual fees divided by the June 30 market value.

Securities Lending: February 2022

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	$1,991,113,642	$1,366,971,732	$232,808	60%/40%	$139,685	$954,348
Total Equity	$1,996,668,741	$215,759,408	$114,578	60%/40%	$77,064	$970,237
Total Blackrock	$3,987,782,383	$1,582,731,140	$347,386		$216,749	$1,924,585
JP Morgan						
Domestic Equities	$3,141,430,219	$116,413,265	$16,030	85%/15%	$13,630	$164,641
Total	**$7,129,212,602**	**$1,699,144,405**	**$363,416**		**$230,379**	**$2,089,226**

Total Annualized Securities Lending Income, FY 2022: $3,133,840 (0.02%, or 1.7 bps)

Total Actual Securities Lending Income, FY 2021: $3,053,425 (0.02%, or 2.0 bps)

Liquidity Schedule: March 2022

Term	Market Value	Percent of Portfolio
Liquid[1]	$8,001m	42.7%
Semi-Liquid[2]	$2,468m	13.2%
Illiquid[3]	$8,270m	44.1%
Total	**$18,739m**	**100.0%**

Sources and Uses of Liquidity

Private Markets Activity	Last 12 Months Actual	Next 12 Months Projection
Capital Contributions	-$1,670m	-$800m
Distributions	$1,800m	$1,680m
Net Private Markets Activity	**$130m**	**$880m**
Benefit Payments	**-$420m**	**-$420m**
Net Cash Flows	**-$290m**	**$460m**

[1]Liquid assets includes public equities and public fixed income
[2]Semi-liquid assets includes risk diversifiers, open-end real estate investments, and listed alternative credit funds
[3]Illiquid assets includes closed-end alternative credit, infrastructure, natural resources, private equity, and real estate funds

MainePERS Alternative Investments Summary

as of 03/31/2022	# of Funds	# of GP Relationships
Alternative Credit	18	11
Infrastructure	32	11
Natural Resources	14	9
Private Equity	115	33
Real Estate	33	18
Risk Diversifiers	8	6
Total*	**220**	**81**

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 220 funds, and has 81 distinct manager relationships.

MainePERS Alternative Investments Summary

(in $millions) as of 03/31/2022	Current Market Value Dollars		% of Fund	Target	Unfunded Commitment Dollars		% of Fund
Alternative Credit	$	1,192	6.4%	7.5%	$	431	2.3%
Infrastructure	$	1,995	10.6%	10.0%	$	715	3.8%
Natural Resources	$	855	4.6%	5.0%	$	209	1.1%
Private Equity	$	3,726	19.9%	15.0%	$	1,275	6.8%
Real Estate	$	1,709	9.1%	10.0%	$	517	2.8%
Risk Diversifiers	$	1,261	6.7%	7.5%	$	-	0.0%
Total Alternatives	**$**	**10,738**	**57.3%**	**55.0%**	**$**	**3,146**	**16.8%**

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

Note: Market values shown above are preliminary estimates. Private market asset values are based on 9/30/21 values, adjusted for subsequent cash flows.

(in $millions) as of 03/31/2022	Private Market Commitments by Vintage Year 2019		2020		2021		2022		3-Year Average[1]	
Alternative Credit	$	200	$	275	$	410	$	-	$	295
Infrastructure	$	350	$	235	$	180	$	-	$	255
Natural Resources	$	175	$	-	$	-	$	-	$	58
Private Equity	$	240	$	276	$	438	$	45	$	318
Real Estate	$	230	$	80	$	285	$	140	$	198
Total Commitments	**$**	**1,195**	**$**	**866**	**$**	**1,313**	**$**	**185**	**$**	**1,125**

[1]3-Year Average: 2019-2021

MainePERS Private Market Investments Summary: 09/30/2021

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	$ 1,459,000	$ 984,341	$ 217,752	$ 956,433	$ 1,174,185	7.4%
Infrastructure	$ 3,152,675	$ 2,734,201	$ 1,854,011	$ 2,053,281	$ 3,907,292	11.4%
Natural Resources	$ 990,500	$ 980,066	$ 368,742	$ 837,890	$ 1,206,632	6.3%
Private Equity	$ 4,361,435	$ 3,825,800	$ 2,696,644	$ 4,015,278	$ 6,711,922	19.5%
Real Estate	$ 2,564,791	$ 2,228,435	$ 1,549,142	$ 1,671,611	$ 3,220,753	7.2%
Total	$ 12,528,401	$ 10,752,843	$ 6,686,291	$ 9,534,493	$ 16,220,784	11.7%

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	$ 116,185	21	$ 112,977	$ 36,217	$ 95,181	$ 131,398	7.9%
Infrastructure Co-Investments	$ 220,000	10	$ 203,397	$ 100,540	$ 214,218	$ 314,758	13.3%
Natural Resources Co-Investments	$ 32,500	2	$ 27,238	$ -	$ 45,268	$ 45,268	22.0%
Private Equity Co-Investments	$ 340,134	29	$ 333,843	$ 253,655	$ 326,408	$ 580,063	19.5%
Real Estate Co-Investments	$ 66,000	5	$ 40,015	$ 4,160	$ 39,016	$ 43,176	5.3%
Total	$ 774,819	67	$ 717,471	$ 394,572	$ 720,091	$ 1,114,663	16.7%

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

(all dollar amounts in thousands) Page 1

MainePERS Private Market Investments Summary: 09/30/2021

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Direct Lending Fund II	$ 25,000	3/31/2020	$ 23,749	$ 12,118	$ 18,061	$ 30,179	21.3%
Angelo Gordon Direct Lending Fund III	$ 100,000	7/20/2018	$ 100,000	$ 22,388	$ 100,814	$ 123,202	10.7%
Participation Agreement #1	$ 5,000	12/6/2019	$ 5,000	$ 1,247	$ 4,491	$ 5,738	NM
Participation Agreement #2	$ 5,000	10/11/2019	$ 7,475	$ 874	$ 7,304	$ 8,178	NM
Participation Agreement #3	$ 5,000	8/13/2020	$ 4,919	$ 315	$ 4,928	$ 5,243	NM
Participation Agreement #4	$ 5,000	4/9/2021	$ 4,925	$ 179	$ 4,953	$ 5,132	NM
Participation Agreement #5	$ 5,000	12/11/2019	$ 5,000	$ 823	$ 4,699	$ 5,522	NM
Participation Agreement #6	$ 5,000	12/6/2019	$ 5,000	$ 784	$ 4,757	$ 5,541	NM
Participation Agreement #7	$ 5,000	5/5/2021	$ 5,000	$ 216	$ 4,914	$ 5,130	NM
Participation Agreement #8	$ 5,000	10/18/2019	$ 7,488	$ 947	$ 7,279	$ 8,226	NM
Participation Agreement #9	$ 5,000	4/20/2021	$ 5,007	$ 219	$ 4,936	$ 5,155	NM
Participation Agreement #10	$ 5,000	10/11/2019	$ 4,994	$ 5,422	$ -	$ 5,422	7.0%
Participation Agreement #11	$ 5,000	10/11/2019	$ 5,000	$ 758	$ 4,795	$ 5,553	6.8%
Angelo Gordon Direct Lending Fund IV	$ 100,000	1/24/2020	$ 42,500	$ 1,514	$ 45,772	$ 47,286	NM
Participation Agreement #1	$ 5,000	10/23/2020	$ 4,913	$ 743	$ 4,429	$ 5,172	NM
Participation Agreement #2	$ 7,500	8/17/2021	$ 7,406	$ -	$ 7,373	$ 7,373	NM
Participation Agreement #3	$ 7,500	9/29/2021	$ -	$ -	$ 7,388	$ 7,388	NM
Ares Capital Europe IV	$ 122,000	4/30/2018	$ 97,180	$ 8,875	$ 102,529	$ 111,405	7.8%
Ares Capital Europe V	$ 122,000	9/4/2020	$ 24,299	$ -	$ 24,927	$ 24,927	NM
Audax Senior Debt (MP), LLC	$ 100,000	6/30/2017	$ 96,000	$ -	$ 116,364	$ 116,364	5.0%
Deerpath Capital VI	$ 75,000	9/30/2021	$ -	$ -	$ -	$ -	NM
Global Infrastructure Partners Spectrum	$ 100,000	2/20/2019	$ 28,784	$ 15,907	$ 14,694	$ 30,601	6.5%
Mesa West Core Lending Fund	$ 100,000	6/18/2013	$ 114,251	$ 48,694	$ 115,175	$ 163,868	6.6%
Owl Rock Capital Corporation	$ 100,000	3/10/2017	$ 100,000	$ 15,475	$ 108,744	$ 124,219	7.3%
Participation Agreement #1	$ 5,000	12/21/2018	$ 4,828	$ 1,132	$ 4,546	$ 5,678	6.8%
Participation Agreement #2	$ 5,000	8/20/2018	$ 4,567	$ 1,307	$ 4,343	$ 5,650	8.1%
Participation Agreement #3	$ 7,500	8/7/2020	$ 8,905	$ 2,264	$ 7,429	$ 9,693	NM
Participation Agreement #4	$ 7,500	7/26/2021	$ 6,567	$ 109	$ 6,617	$ 6,726	NM
Participation Agreement #5	$ 6,185	7/31/2018	$ 6,196	$ 7,745	$ -	$ 7,745	9.9%
Participation Agreement #6	$ 5,000	8/7/2018	$ 4,938	$ 5,634	$ -	$ 5,634	7.9%
Participation Agreement #7	$ 5,000	5/7/2018	$ 4,851	$ 5,499	$ -	$ 5,499	12.7%
Owl Rock Capital Corporation III	$ 100,000	6/19/2020	$ 74,365	$ 1,676	$ 75,584	$ 77,260	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2021

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Pathlight Capital Fund II	$ 75,000	4/22/2021	$ 25,972	$ 7,100	$ 19,933	$ 27,034	NM
Solar Capital Private Corporate Lending Fund	$ 50,000	6/26/2019	$ 23,189	$ 968	$ 25,419	$ 26,387	NM
Solar Capital Debt Fund	$ 50,000	6/26/2019	$ 4,902	$ 119	$ 5,592	$ 5,710	NM
Silver Point Specialty Credit II	$ 50,000	1/31/2020	$ 41,268	$ 18,266	$ 26,043	$ 44,309	NM
Tennenbaum Direct Lending VIII	$ 100,000	11/30/2017	$ 100,883	$ 53,492	$ 66,396	$ 119,887	6.9%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2021

Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alinda Infrastructure Fund II	$ 50,000	9/17/2009	$ 67,889	$ 64,449	$ 10,611	$ 75,060	2.3%
ArcLight Energy V	$ 75,000	10/28/2011	$ 76,031	$ 84,518	$ 18,002	$ 102,520	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	$ 67,278	$ 98,091	$ 165,369	1.1%
Great River Hydro Partners	$ 12,000	6/17/2017	$ 10,630	$ 8,639	$ 17,278	$ 25,917	32.9%
Brookfield Infrastructure Fund II	$ 100,000	6/28/2013	$ 114,639	$ 81,342	$ 93,565	$ 174,907	9.3%
Brookfield Infrastructure Fund III	$ 100,000	4/15/2016	$ 92,528	$ 37,552	$ 86,482	$ 124,034	11.3%
Co-Investment #1	$ 20,000	3/31/2017	$ 15,944	$ 16,640	$ 11,825	$ 28,465	24.8%
Carlyle Global Infrastructure Opportunity Fund	$ 100,000	5/1/2019	$ 44,188	$ 4,185	$ 32,312	$ 36,497	NM
Carlyle Infrastructure Partners	$ 50,000	11/2/2007	$ 57,366	$ 64,289	$ 217	$ 64,506	2.4%
Carlyle Power Partners II	$ 50,000	11/19/2015	$ 61,456	$ 16,479	$ 57,341	$ 73,819	7.9%
Cube Infrastructure II	$ 90,000	9/11/2018	$ 70,200	$ 2,319	$ 74,324	$ 76,643	4.9%
Cube Infrastructure III	$ 90,000	8/16/2021	$ -	$ -	$ -	$ -	NM
Cube Infrastructure	$ 45,000	4/16/2010	$ 60,063	$ 94,272	$ 2,916	$ 97,187	8.0%
EQT Infrastructure III	$ 68,000	12/3/2016	$ 82,383	$ 12,547	$ 120,470	$ 133,017	19.2%
EQT Infrastructure IV	$ 100,000	12/17/2018	$ 65,345	$ 6,799	$ 73,133	$ 79,932	13.7%
EQT Infrastructure V	$ 75,000	12/8/2020	$ 14,750	$ -	$ 13,297	$ 13,297	NM
First Reserve Energy Infrastructure Fund	$ 50,000	6/30/2010	$ 59,593	$ 48,603	$ 8,961	$ 57,564	-1.0%
First Reserve Energy Infrastructure Fund II	$ 100,000	10/21/2013	$ 122,291	$ 103,749	$ 54,686	$ 158,434	17.8%
Global Infrastructure Partners Sonic	$ 30,000	7/31/2020	$ 30,788	$ -	$ 25,455	$ 25,455	NM
Global Infrastructure Partners	$ 75,000	3/31/2008	$ 101,173	$ 205,062	$ 748	$ 205,810	17.3%
Global Infrastructure Partners II	$ 75,000	12/3/2011	$ 98,808	$ 101,364	$ 65,660	$ 167,023	15.9%
Global Infrastructure Partners III	$ 150,000	4/15/2016	$ 156,003	$ 53,670	$ 137,508	$ 191,177	7.6%
Co-Investment #1	$ 29,000	2/28/2017	$ 27,154	$ 13,939	$ 27,022	$ 40,961	12.1%
Co-Investment #2	$ 25,000	8/16/2018	$ 25,885	$ 1,985	$ 7,611	$ 9,595	-30.5%
Global Infrastructure Partners IV	$ 150,000	12/21/2018	$ 32,712	$ 0	$ 25,979	$ 25,979	NM
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	$ 19	$ 154,086	13.1%

(all dollar amounts in thousands)

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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	$ 180,180	$ 177,117	$ 124,235	$ 301,352	18.0%
KKR Byzantium Infrastructure Aggregator	$ 15,000	10/17/2017	$ 15,000	$ 7,013	$ 10,700	$ 17,713	5.7%
KKR Taurus Co-Invest II	$ 25,000	8/15/2017	$ 25,000	$ 3,111	$ 57,240	$ 60,352	26.5%
KKR Atlanta Co-Invest	$ 24,000	9/26/2014	$ 21,428	$ 28,551	$ -	$ 28,551	5.7%
KKR Global Infrastructure Investors III	$ 100,000	3/29/2018	$ 59,893	$ 4,974	$ 59,935	$ 64,909	5.7%
Meridiam Infrastructure (SCA)	$ 11,000	9/23/2015	$ 22,243	$ 8,625	$ 54,810	$ 63,436	10.5%
Meridiam Infrastructure Europe II (SCA)	$ 22,500	9/23/2015	$ 27,558	$ 12,965	$ 43,053	$ 56,018	12.4%
Meridiam Infrastructure Europe III SLP	$ 95,000	4/27/2016	$ 59,809	$ 11,254	$ 43,716	$ 54,971	-4.8%
Meridiam Sustainable Infrastructure Europe IV	$ 90,000	4/16/2021	$ 1,015	$ -	$ 327	$ 327	NM
Meridiam Infrastructure N.A. II	$ 75,000	9/28/2012	$ 70,901	$ 26,466	$ 138,228	$ 164,694	18.6%
MINA II CIP	$ 175	6/30/2015	$ 129	$ 21	$ 15,300	$ 15,321	155.3%
Meridiam Infrastructure N.A. II	$ 20,000	6/30/2015	$ 14,248	$ 3,111	$ 35,321	$ 38,432	28.1%
Meridiam Infrastructure N.A. III	$ 50,000	7/12/2017	$ 7,458	$ 1	$ 11,086	$ 11,087	NM
Stonepeak Infrastructure Partners II	$ 140,000	11/12/2015	$ 179,363	$ 125,992	$ 126,051	$ 252,043	13.9%
Stonepeak Claremont Co-Invest	$ 25,000	5/30/2017	$ 25,000	$ 925	$ 50,123	$ 51,048	19.8%
Stonepeak Spear (Co-Invest) Holdings	$ 25,000	1/8/2018	$ 19,648	$ -	$ 32,419	$ 32,419	15.2%
Stonepeak Infrastructure Partners III	$ 150,000	10/13/2017	$ 136,712	$ 20,649	$ 176,640	$ 197,289	23.6%
Stonepeak Infrastructure Partners IV	$ 125,000	5/8/2020	$ 10,071	$ 1	$ 10,585	$ 10,585	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2021

Natural Resources

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ACM Permanent Crops	$ 35,000	10/24/2014	$ 38,985	$ 9,147	$ 48,176	$ 57,322	7.8%
ACM Permanent Crops II	$ 35,000	5/12/2016	$ 39,642	$ 8,885	$ 23,694	$ 32,579	-8.1%
AMERRA Agri Fund III	$ 50,000	2/11/2016	$ 94,856	$ 58,676	$ 39,434	$ 98,110	1.6%
Denham Mining Fund	$ 35,000	6/29/2018	$ 23,288	$ -	$ 32,232	$ 32,232	18.7%
Homestead Capital Farmland II	$ 50,000	8/8/2016	$ 52,356	$ 7,762	$ 47,076	$ 54,838	1.9%
Homestead Capital Farmland III	$ 30,000	10/26/2018	$ 11,455	$ 1,757	$ 9,525	$ 11,282	NM
Orion Mine Finance Fund II	$ 50,000	5/25/2016	$ 99,849	$ 65,280	$ 55,305	$ 120,585	11.2%
Orion Mine Finance Co-Fund II	$ 20,000	8/13/2018	$ 20,085	$ -	$ 38,896	$ 38,896	25.2%
Silver Creek Aggregate Reserves Fund	$ 100,000	11/6/2018	$ 12,843	$ 1,262	$ 13,688	$ 14,950	NM
Taurus Mining Fund	$ 50,000	3/27/2015	$ 41,459	$ 36,780	$ 10,929	$ 47,709	6.1%
Taurus Mining Fund Annex	$ 23,000	12/1/2016	$ 17,302	$ 18,054	$ 4,717	$ 22,771	17.6%
Taurus Mining Fund No. 2	$ 75,000	4/18/2019	$ 45,827	$ 40,862	$ 12,458	$ 53,320	21.9%
Teays River Integrated Agriculture	$ 200,000	7/1/2015	$ 199,005	$ 28,770	$ 328,134	$ 356,904	10.4%
Twin Creeks Timber	$ 125,000	1/7/2016	$ 168,011	$ 80,450	$ 86,987	$ 167,438	-0.1%
U.S. Farming Realty Trust III	$ 100,000	7/7/2015	$ 107,949	$ 11,057	$ 80,266	$ 91,323	-4.8%
Canally Coinvest Holdings	$ 12,500	12/9/2019	$ 7,153	$ -	$ 6,372	$ 6,372	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ABRY Advanced Securities Fund II	$ 20,000	5/4/2011	$ 20,517	$ 29,476	$ 800	$ 30,276	13.3%
ABRY Advanced Securities Fund III	$ 30,000	4/30/2014	$ 42,955	$ 12,955	$ 29,904	$ 42,859	-0.1%
ABRY Heritage Partners	$ 10,000	5/31/2016	$ 9,144	$ 7,399	$ 6,343	$ 13,742	23.9%
ABRY Partners VII	$ 10,000	4/29/2011	$ 12,891	$ 16,845	$ 3,606	$ 20,451	13.5%
ABRY Partners VIII	$ 20,000	8/8/2014	$ 23,520	$ 27,397	$ 5,885	$ 33,282	10.7%
ABRY Senior Equity IV	$ 10,000	12/7/2012	$ 10,805	$ 15,679	$ 2,430	$ 18,110	15.2%
ABRY Senior Equity V	$ 12,050	1/19/2017	$ 11,773	$ 2,893	$ 12,587	$ 15,480	18.2%
Advent International GPE VII	$ 30,000	6/29/2012	$ 33,036	$ 43,560	$ 16,692	$ 60,252	15.2%
Advent International GPE VIII	$ 50,000	2/5/2016	$ 52,290	$ 38,625	$ 73,114	$ 111,739	26.9%
Advent International GPE IX	$ 50,000	5/9/2019	$ 24,630	$ 3,998	$ 70,147	$ 74,145	NM
GPE IX TKE Co-Investment	$ 24,000	3/30/2020	$ 21,243	$ -	$ 27,633	$ 27,633	NM
Advent Latin America PE Fund VI	$ 20,000	10/17/2014	$ 18,750	$ 8,350	$ 22,521	$ 30,871	19.0%
Affinity Asia Pacific Fund IV	$ 60,000	2/28/2013	$ 64,060	$ 62,177	$ 34,560	$ 96,737	14.9%
Affinity Asia Pacific Fund V	$ 40,000	12/11/2017	$ 10,856	$ 1,884	$ 12,060	$ 13,943	NM
Bain Capital Venture Coinvestment Fund III	$ 15,000	4/1/2021	$ 4,200	$ -	$ 4,159	$ 4,159	NM
Bain Capital Ventures 2021	$ 25,000	10/28/2020	$ 6,500	$ -	$ 7,135	$ 7,135	NM
Berkshire Fund VIII	$ 15,000	7/20/2011	$ 16,706	$ 18,605	$ 16,470	$ 35,075	17.5%
Berkshire Fund IX	$ 50,000	3/18/2016	$ 48,327	$ 10,413	$ 60,610	$ 71,023	18.1%
Blackstone Capital Partners VI	$ 30,000	6/30/2010	$ 36,787	$ 43,639	$ 16,664	$ 60,302	13%
Blackstone Capital Partners VII	$ 54,000	3/27/2015	$ 58,110	$ 22,869	$ 69,679	$ 92,548	21.1%
Carlyle Asia Partners III	$ 15,000	12/31/2009	$ 19,799	$ 26,953	$ 3,285	$ 30,238	12.6%
Carlyle Asia Partners IV	$ 60,000	6/3/2014	$ 75,997	$ 72,905	$ 45,513	$ 118,418	13.3%
Carlyle Asia Partners V	$ 45,000	10/30/2017	$ 19,492	$ 6,368	$ 19,314	$ 25,683	NM
Centerbridge Capital Partners III	$ 30,000	10/24/2014	$ 42,714	$ 31,909	$ 32,063	$ 63,971	19.7%
CB Blizzard Co-Invest	$ 10,000	9/11/2019	$ 15,012	$ 10,015	$ 11,645	$ 21,660	38.3%
Charterhouse Capital Partners VIII	$ 13,500	1/6/2011	$ 11,188	$ 14,160	$ -	$ 14,160	7.9%
Charterhouse Capital Partners IX	$ 4,500	1/6/2011	$ 5,203	$ 6,051	$ 1,096	$ 7,148	12.3%
Charterhouse Capital Partners X	$ 67,000	5/13/2015	$ 46,700	$ 14,634	$ 65,593	$ 80,227	21.8%

(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 Acrostone	$ 12,000	8/24/2018	$ 13,254	$ -	$ 21,897	$ 21,897	19.3%
Charterhouse Capital Partners XI	$ 45,000	4/23/2021	$ -	$ -	$ -	$ -	NM
CVC Capital Partners VI	$ 67,000	7/12/2013	$ 83,334	$ 65,178	$ 83,273	$ 148,451	18.2%
CVC Capital Partners VII	$ 48,000	5/9/2017	$ 49,339	$ 21,627	$ 46,765	$ 68,392	29.0%
CVC Capital Partners VIII	$ 44,000	6/11/2020	$ 62	$ 62	$ -	$ 62	NM
EnCap Energy Capital VIII	$ 30,000	1/31/2011	$ 34,181	$ 20,148	$ 9,592	$ 29,740	-3.7%
EnCap Energy Capital Fund VIII Co-Investors, L.P.	$ 16,238	12/8/2011	$ 16,492	$ 4,256	$ 5,618	$ 9,875	-8.7%
EnCap Energy Capital Fund IX	$ 30,000	12/19/2012	$ 34,413	$ 28,914	$ 14,649	$ 43,563	8.0%
EnCap Energy Capital Fund X	$ 40,000	3/5/2015	$ 40,300	$ 15,138	$ 37,751	$ 52,889	8.6%
EnCap Energy Capital Fund XI	$ 40,000	5/31/2017	$ 19,491	$ 923	$ 18,012	$ 18,935	NM
EnCap Flatrock Midstream Fund III	$ 20,000	4/9/2014	$ 24,871	$ 12,087	$ 17,602	$ 29,689	8.0%
EnCap Flatrock Midstream Fund IV	$ 22,000	11/17/2017	$ 11,008	$ 2,411	$ 10,294	$ 12,705	7.0%
General Catalyst - Early Venture	$ 19,565	3/26/2020	$ 16,337	$ -	$ 35,522	$ 35,522	NM
General Catalyst - Endurance	$ 22,826	3/26/2020	$ 22,859	$ -	$ 32,382	$ 32,382	NM
General Catalyst - Growth Venture	$ 32,609	3/26/2020	$ 30,163	$ -	$ 61,137	$ 61,137	NM
GTCR Fund X	$ 30,000	1/28/2011	$ 31,500	$ 60,806	$ 3,175	$ 63,980	21.3%
GTCR Fund XI	$ 35,000	11/15/2013	$ 34,036	$ 66,248	$ 82,745	$ 148,993	44.2%
GTCR Fund XII	$ 50,000	9/29/2017	$ 42,104	$ 10,763	$ 62,603	$ 73,366	40.5%
Co-Investment #1	$ 5,238	4/26/2019	$ 4,556	$ -	$ 7,954	$ 7,954	26.2%
Co-Investment #2	$ 5,997	11/1/2019	$ 5,806	$ -	$ 12,763	$ 12,763	NM
GTCR XIII	$ 50,000	10/27/2020	$ 3,530	$ -	$ 5,317	$ 5,317	NM
H.I.G. Bayside Loan Fund II	$ 25,000	5/28/2010	$ 24,192	$ 29,196	$ 2,262	$ 31,458	6.5%
H.I.G. Bayside Loan Ops Fund III (Europe)	$ 30,000	7/27/2012	$ 26,310	$ 29,995	$ 5,104	$ 35,099	8.2%
H.I.G. Brazil & Latin America Partners	$ 60,000	7/1/2015	$ 48,534	$ 9,202	$ 87,412	$ 96,614	29.9%
H.I.G. Capital Partners V	$ 15,000	2/28/2013	$ 16,719	$ 12,196	$ 20,718	$ 32,914	24.8%
H.I.G. Europe Capital Partners II	$ 22,500	7/1/2013	$ 23,186	$ 11,218	$ 22,716	$ 33,934	15.2%
H.I.G. Growth Buyouts & Equity Fund II	$ 17,500	6/30/2011	$ 19,855	$ 12,986	$ 29,257	$ 42,243	19.3%
H.I.G. Growth Buyouts & Equity Fund III	$ 35,000	9/13/2018	$ 5,852	$ -	$ 7,187	$ 7,187	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
H.I.G Middle Market LBO Fund II	$ 40,000	2/7/2014	$ 41,076	$ 35,300	$ 40,285	$ 75,585	28.5%
Co-Investment #1	$ 1,000	6/1/2021	$ 1,079	$ -	$ 1,139	$ 1,139	NM
Co-Investment #2	$ 9,000	10/12/2017	$ 9,000	$ -	$ 3,422	$ 3,422	-21.6%
Co-Investment #3	$ 686	6/19/2020	$ 686	$ -	$ 796	$ 796	NM
H.I.G. Middle Market LBO Fund III	$ 40,000	7/23/2019	$ 5,440	$ -	$ 5,053	$ 5,053	NM
Hellman & Friedman Capital Partners VII	$ 30,000	6/19/2009	$ 41,858	$ 93,025	$ 16,156	$ 109,181	25.0%
Hellman & Friedman Capital Partners VIII	$ 45,000	9/24/2014	$ 46,870	$ 14,806	$ 84,786	$ 99,592	27.0%
Hellman & Friedman Capital Partners IX	$ 45,000	9/28/2018	$ 38,262	$ 93	$ 49,962	$ 50,056	34.4%
Hellman & Friedman Capital Partners X	$ 45,000	5/10/2021	$ -	$ -	$ -	$ -	NM
Inflexion Buyout Fund IV	$ 27,000	9/30/2014	$ 33,433	$ 22,549	$ 33,304	$ 55,853	16.9%
Inflexion Partnership Capital Fund I	$ 17,000	9/30/2014	$ 21,182	$ 20,937	$ 16,307	$ 37,244	21.7%
Inflexion Supplemental Fund IV	$ 10,000	5/31/2016	$ 13,091	$ 9,435	$ 16,658	$ 26,093	27.5%
Kelso Investment Associates VIII	$ 3,000	1/6/2011	$ 3,022	$ 3,937	$ 389	$ 4,326	7.9%
Kelso Investment Associates IX	$ 60,000	11/5/2014	$ 69,489	$ 75,148	$ 36,591	$ 111,739	20.6%
KIA IX (Hammer) Investor	$ 25,000	8/12/2016	$ 25,426	$ 69,298	$ 150	$ 69,448	21.4%
Kelso Investment Associates X	$ 45,000	3/16/2018	$ 32,953	$ 2,411	$ 47,565	$ 49,976	45.8%
KKR North American Fund XI	$ 60,000	2/7/2012	$ 90,292	$ 116,264	$ 51,173	$ 167,437	19.3%
KKR Element Co-Invest	$ 10,000	8/29/2016	$ 10,050	$ 24,030	$ 1	$ 24,030	23.5%
KKR North America Fund XI (Platinum)	$ 8,003	2/26/2016	$ 8,040	$ 2,313	$ 6,573	$ 8,886	2.6%
KKR Americas XII	$ 60,000	3/3/2016	$ 48,601	$ 15,826	$ 85,050	$ 100,876	38.9%
KKR Enterprise Co-Invest AIV A	$ 8,936	11/8/2019	$ 8,936	$ 7,243	$ 6,432	$ 13,675	NM
KKR Enterprise Co-Invest	$ 16,721	10/11/2018	$ 15,000	$ -	$ 1,672	$ 1,672	-52.0%
KKR Sigma Aggregator	$ 15,000	6/22/2018	$ 15,000	$ -	$ 25,955	$ 25,955	18.3%
KKR North America XIII	$ 40,000	6/25/2021	$ -	$ -	$ -	$ -	NM
KKR Special Situations Fund	$ 60,000	12/19/2012	$ 118,946	$ 94,345	$ 18,256	$ 112,602	-2.1%
KKR Special Situations Fund II	$ 60,000	12/19/2014	$ 97,473	$ 60,376	$ 48,266	$ 108,642	5.3%
Oaktree Opportunities VIII	$ 30,000	12/9/2009	$ 30,000	$ 43,800	$ 319	$ 44,119	9.1%
ONCAP IV	$ 15,000	11/8/2016	$ 11,555	$ 2,725	$ 11,068	$ 13,793	7.8%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Onex Partners III	$ 10,000	1/6/2011	$ 11,177	$ 16,779	$ 1,719	$ 18,498	13.2%
Onex Partners IV	$ 60,000	11/22/2013	$ 62,871	$ 43,444	$ 46,945	$ 90,389	9.8%
Co-Investment #1	$ 10,000	2/27/2017	$ 10,471	$ 1,181	$ 16,637	$ 17,818	13.6%
Onex Partners V	$ 45,000	7/11/2017	$ 21,704	$ 1,881	$ 24,601	$ 26,483	NM
Paine & Partners Capital Fund IV	$ 60,000	12/18/2014	$ 52,618	$ 29,070	$ 44,321	$ 73,392	9.7%
Lyons Magnus Co-Investment Fund I	$ 15,000	11/8/2017	$ 15,000	$ -	$ 36,827	$ 36,827	25.9%
Wawona Co-Investment Fund I	$ 15,000	3/31/2017	$ 15,000	$ -	$ 10,365	$ 10,365	-7.9%
PSP AH&N Co-Investment Fund	$ 16,678	11/27/2019	$ 16,537	$ -	$ 28,013	$ 28,013	NM
PSP Maverick Co-Invest	$ 7,238	9/12/2019	$ 7,238	$ -	$ 10,901	$ 10,901	22.1%
Paine Schwartz Food Chain Fund V	$ 45,000	8/3/2018	$ 31,177	$ 8,595	$ 24,998	$ 33,593	16.9%
SNFL Co-Investment Fund	$ 10,000	10/11/2019	$ 5,018	$ -	$ 7,109	$ 7,109	NM
Rhone Partners V	$ 56,000	3/12/2015	$ 66,456	$ 28,635	$ 81,471	$ 110,107	22.2%
Riverside Capital Appreciation Fund VI	$ 60,000	7/3/2013	$ 60,175	$ 68,448	$ 22,411	$ 90,858	11.7%
RCAF VI CIV XXXII	$ 12,399	10/21/2015	$ 12,687	$ 34,905	$ -	$ 34,905	19.0%
Riverside Micro-Cap Fund III	$ 35,000	6/30/2014	$ 49,448	$ 123,214	$ 114,017	$ 237,231	38.8%
Riverside Micro-Cap Fund IV	$ 60,000	10/23/2015	$ 55,659	$ -	$ 106,908	$ 106,908	18.6%
Riverside Micro-Cap Fund IV-B	$ 20,000	8/9/2019	$ 24,292	$ 5,583	$ 28,694	$ 34,278	37.9%
Riverside Micro-Cap Fund V	$ 20,000	8/21/2018	$ 19,777	$ -	$ 28,460	$ 28,460	27.8%
Riverside Micro-Cap Fund VI	$ 45,000	8/26/2021	$ -	$ -	$ -	$ -	NM
Shoreview Capital Partners III	$ 24,000	7/24/2013	$ 25,079	$ 13,309	$ 30,560	$ 43,870	17.0%
Shoreview Capital Partners IV	$ 30,000	6/3/2019	$ 5,309	$ 71	$ 8,566	$ 8,637	NM
Sovereign Capital IV	$ 46,500	7/7/2014	$ 40,344	$ 20,746	$ 39,968	$ 60,714	14.4%
Summit Partners Credit II	$ 60,000	10/25/2013	$ 89,682	$ 73,256	$ 31,161	$ 104,417	6.5%
Summit Europe Growth Equity III	$ 22,000	3/18/2020	$ 4,505	$ -	$ 4,242	$ 4,242	NM
Summit Growth Equity VIII	$ 25,000	5/27/2011	$ 33,302	$ 61,481	$ 17,386	$ 78,867	28.2%
Co-Investment #1	$ 16,000	6/3/2015	$ 16,000	$ 34,179	$ 16,654	$ 50,833	32.1%
Summit Growth Equity IX	$ 60,000	8/26/2015	$ 79,029	$ 57,402	$ 122,463	$ 179,864	45.3%
Co-Investment #1	$ 15,000	11/29/2016	$ 14,895	$ 41,104	$ -	$ 41,104	160%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2021

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Summit Partners Co-Invest (Giants-B)	$ 15,000	10/22/2019	$ 15,000	$ 35,146	$ 12,410	$ 47,556	NM
Summit Partners Co-Invest (Ironman)	$ 15,000	4/20/2018	$ 14,998	$ -	$ 17,901	$ 17,901	5.6%
Summit Growth Equity X	$ 60,000	2/26/2019	$ 39,999	$ 12,699	$ 40,046	$ 52,745	54.5%
Summit Partners Co-Invest (Indigo)	$ 10,000	12/11/2020	$ 11,430	$ -	$ 11,423	$ 11,423	NM
Summit Partners Co-Invest (Lions)	$ 7,000	10/14/2020	$ 7,000	$ -	$ 7,031	$ 7,031	NM
Summit Venture Capital III	$ 13,150	5/27/2011	$ 17,894	$ 32,379	$ 2,534	$ 34,913	17.6%
Summit Venture Capital IV	$ 40,000	8/26/2015	$ 44,659	$ 45,082	$ 49,633	$ 94,715	47.4%
Summit Venture Capital V	$ 45,000	6/16/2020	$ 8,975	$ -	$ 8,884	$ 8,884	NM
Technology Crossover Ventures VIII	$ 60,000	5/8/2013	$ 52,305	$ 7,849	$ 141,075	$ 148,925	20.1%
Technology Crossover Ventures IX	$ 60,000	2/19/2016	$ 48,427	$ 23,105	$ 104,377	$ 127,481	37.3%
TCV Sports	$ 8,000	9/25/2018	$ 8,000	$ -	$ 17,486	$ 17,486	29.8%
Technology Crossover Ventures X	$ 45,000	8/31/2018	$ 31,718	$ -	$ 85,633	$ 85,633	80.8%
Technology Crossover Ventures XI	$ 45,000	10/2/2020	$ 13,572	$ -	$ 13,010	$ 13,010	NM
Technology Impact Fund	$ 40,000	12/18/2017	$ 29,415	$ 10,887	$ 79,335	$ 90,222	75.4%
Technology Impact Fund II	$ 40,000	4/13/2021	$ 3,252	$ -	$ 2,953	$ 2,953	NM
Technology Impact Growth Fund	$ 40,000	11/26/2018	$ 45,093	$ 18,113	$ 48,087	$ 66,200	29.4%
Technology Impact Growth Fund II	$ 40,000	8/6/2021	$ -	$ -	$ -	$ -	NM
Thoma Bravo Fund XI	$ 50,000	5/1/2014	$ 69,098	$ 118,090	$ 98,628	$ 216,718	31.8%
Thoma Bravo Fund XII	$ 60,000	4/27/2016	$ 68,543	$ 21,478	$ 102,423	$ 123,901	18.6%
Thoma Bravo Fund XIII	$ 45,000	12/7/2018	$ 50,019	$ 23,903	$ 64,656	$ 88,559	53.6%
Thoma Bravo Special Opportunities Fund II	$ 15,000	3/27/2015	$ 17,527	$ 17,624	$ 19,872	$ 37,495	19.6%
Tillridge Global Agribusiness Partners II	$ 50,000	10/21/2016	$ 20,687	$ 125	$ 17,478	$ 17,603	NM
Water Street Healthcare Partners III	$ 25,000	7/25/2012	$ 28,289	$ 42,009	$ 38,668	$ 80,677	35.8%
Water Street Healthcare Partners IV	$ 33,000	9/15/2017	$ 21,772	$ -	$ 27,385	$ 27,385	12.0%
Wayzata Opportunities Fund III	$ 30,000	9/11/2012	$ 14,718	$ 8,849	$ 4,754	$ 13,603	-2.1%
Wynnchurch Capital Partners IV	$ 40,000	10/23/2014	$ 35,173	$ 15,057	$ 61,538	$ 76,595	28.3%
Wynnchurch Capital Partners V	$ 40,000	1/15/2020	$ 8,117	$ -	$ 10,117	$ 10,117	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2021

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Net Lease IV	$ 50,000	2/17/2020	$ 23,808	$ 128	$ 25,193	$ 25,320	NM
Bain Capital Real Estate II	$ 50,000	3/5/2021	$ 5,000	$ -	$ 4,483	$ 4,483	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	$ 23,510	$ 404,548	$ 428,058	7.1%
Blackstone Real Estate Partners VII	$ 75,000	2/26/2012	$ 99,574	$ 126,224	$ 38,030	$ 164,254	15.5%
Blackstone Real Estate Partners VIII	$ 50,000	3/27/2015	$ 59,134	$ 45,795	$ 45,364	$ 91,159	16.5%
Blackstone Real Estate Partners IX	$ 40,000	12/21/2018	$ 24,758	$ 3,138	$ 30,316	$ 33,454	35.4%
Barings Asia Real Estate II	$ 50,000	7/31/2018	$ 10,860	$ -	$ 10,085	$ 10,085	NM
EQT Real Estate II	$ 55,000	4/26/2019	$ 15,318	$ 4,956	$ 12,327	$ 17,283	NM
EQT Real Estate Rock Co-Investment	$ 11,000	8/10/2020	$ 6,452	$ -	$ 8,151	$ 8,151	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	$ 94,031	$ 44,352	$ 123,326	$ 167,678	8.7%
HSRE-Coyote Maine PERS Core Co-Investment	$ 20,000	12/4/2020	$ 14,000	$ -	$ 15,075	$ 15,075	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	$ 36,022	$ 21	$ 36,042	13.2%
High Street Real Estate Fund VI	$ 25,000	3/22/2019	$ 25,000	$ 406	$ 27,064	$ 27,470	10.8%
HSREF VI Elgin Co-Invest	$ 10,000	4/9/2021	$ 10,000	$ -	$ 10,168	$ 10,168	NM
High Street Real Estate Fund VII	$ 35,000	8/16/2021	$ -	$ -	$ -	$ -	NM
Hines US Property Partners	$ 200,000	9/9/2021	$ -	$ -	$ -	$ -	NM
Invesco Real Estate Asia IV	$ 30,000	3/25/2020	$ 3,290	$ 1,793	$ 872	$ 2,665	NM
Invesco US Income Fund	$ 150,000	7/17/2014	$ 164,001	$ 50,278	$ 240,789	$ 291,067	11.6%
IPI Data Center Partners I	$ 30,000	12/15/2017	$ 29,383	$ 13,841	$ 39,554	$ 53,394	30.4%
IPI Data Center Partners II	$ 25,000	12/20/2019	$ 5,367	$ 1,619	$ 3,294	$ 4,913	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	$ 48,926	$ 37,118	$ 26,420	$ 63,538	11.1%
KKR Real Estate Partners Europe II	$ 25,000	12/23/2019	$ 7,320	$ -	$ 8,318	$ 8,318	NM
KKR Real Estate Partners Americas I	$ 50,000	12/20/2013	$ 49,543	$ 58,928	$ 3,121	$ 62,050	11.6%
KKR Real Estate Partners Americas II	$ 50,000	6/2/2016	$ 54,026	$ 23,895	$ 50,082	$ 73,976	23.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2021

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Northbridge-Strategic Fund II	$ 30,000	2/8/2019	$ 30,000	$ 506	$ 33,374	$ 33,880	4.9%
Prima Mortgage Investment Trust, LLC	$ 75,000	7/29/2011	$ 97,288	$ 45,135	$ 89,119	$ 134,255	4.3%
Principal Life Insurance Company U.S. Property Separat	$ 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	5.6%
Rubenstein Properties Fund III	$ 30,000	10/23/2015	$ 30,606	$ 627	$ 29,042	$ 29,669	-1.1%
LCC Co-Investor B	$ 15,000	10/18/2019	$ 13,565	$ -	$ 14,300	$ 14,300	NM
Rubenstein Properties Fund IV	$ 25,000	4/16/2019	$ 3,125	$ -	$ 2,423	$ 2,423	NM
Prudential Senior Housing Fund V	$ 50,000	3/17/2015	$ 41,333	$ 3,783	$ 51,599	$ 55,382	7.7%
Smart Markets Fund, L.P.	$ 150,000	6/17/2013	$ 162,199	$ 54,340	$ 237,307	$ 291,647	9.9%
Walton Street Real Estate Fund VII	$ 50,000	5/9/2012	$ 43,990	$ 49,099	$ 12,253	$ 61,353	10.0%
Walton Street Real Estate Fund VIII	$ 50,000	10/23/2015	$ 42,686	$ 21,728	$ 33,864	$ 55,593	11.1%
Co-Investment #1	$ 10,000	9/27/2017	$ 9,563	$ 4,160	$ 5,622	$ 9,782	0.8%
Westbrook Real Estate Fund IX	$ 15,000	6/30/2014	$ 17,353	$ 16,613	$ 3,840	$ 20,454	6.4%
Westbrook Real Estate Fund X	$ 50,000	1/15/2015	$ 48,261	$ 36,123	$ 23,084	$ 59,207	11.1%
Westbrook Real Estate Fund XI	$ 40,000	1/31/2019	$ 8,700	$ -	$ 9,184	$ 9,184	NM

(all dollar amounts in thousands) Page 13

MainePERS Private Market Investments Summary: 09/30/2021

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: **TRUSTEE EDUCATION: PRIVATE MARKET INVESTMENT LIFECYCLE**

DATE: APRIL 7, 2022

Following this memo is a presentation that illustrates the lifecycle of a private market investment. The presentation details the lifecycle of a typical fund, and includes an explanation of partnership fees and expenses.

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

Private Market Fund Lifecycle
Sample Infrastructure Fund
April 14, 2022

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Fund Summary

- MainePERS commitment: $75m
- Participated in final closing

- 10-year fund life, with 6-year investment period

- Management Fee
  - During investment period: 2% on committed capital
  - Post-investment period: 2% on invested capital

- 20% carried interest, 8% preferred return

- Recycle Provision: capital returned during the investment period may be recalled

Initial Capital Call

Initial capital call: $24m

- Management Fees
- Partnership Expenses

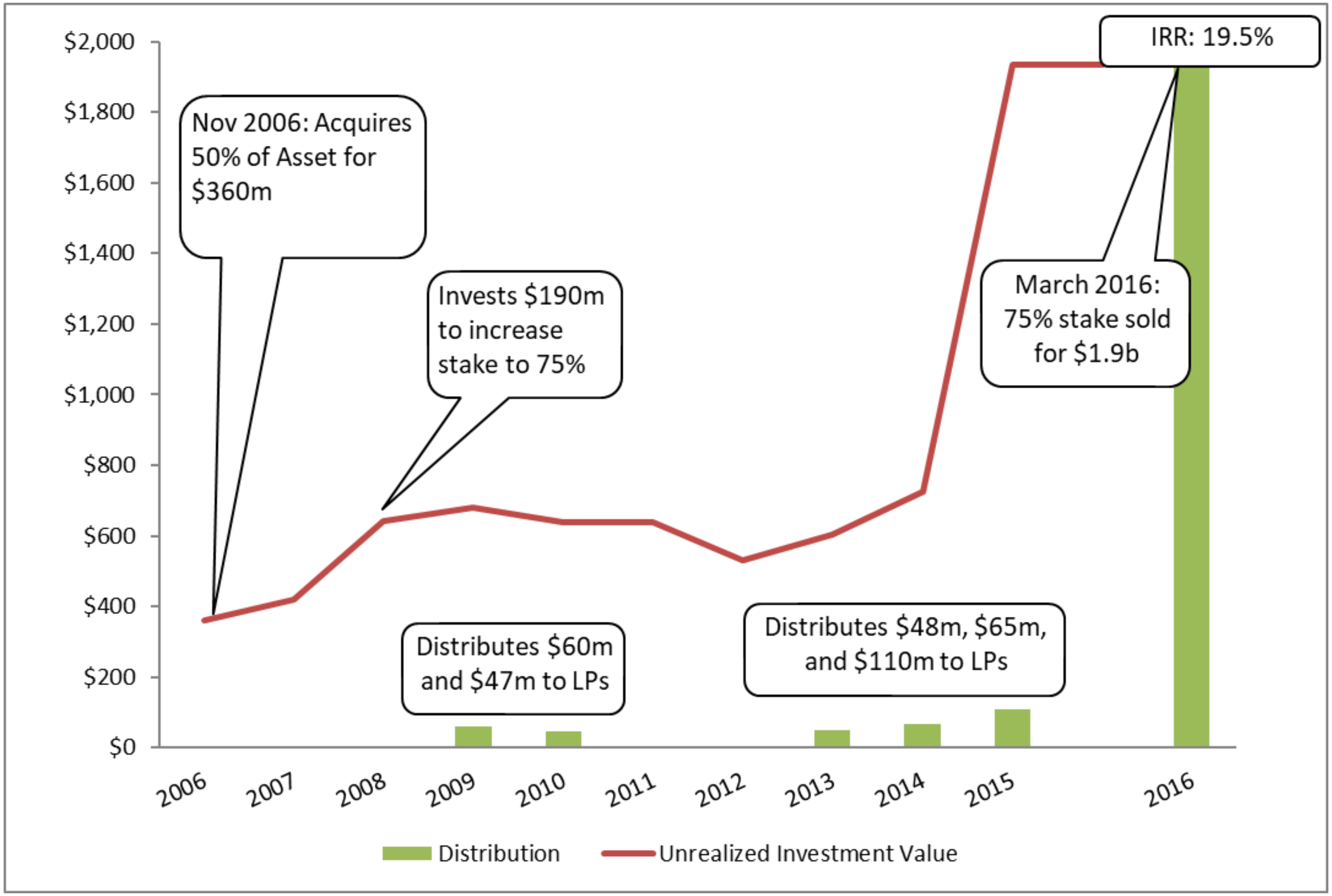
- Pro-rata Share of Existing Fund Investments
  - Airport – United Kingdom
  - Port – United Kingdom
  - Container Terminal – India
  - Container Terminal – Argentina
  - Waste Management – United Kingdom

- Capital for New Investment
  - Power - USA

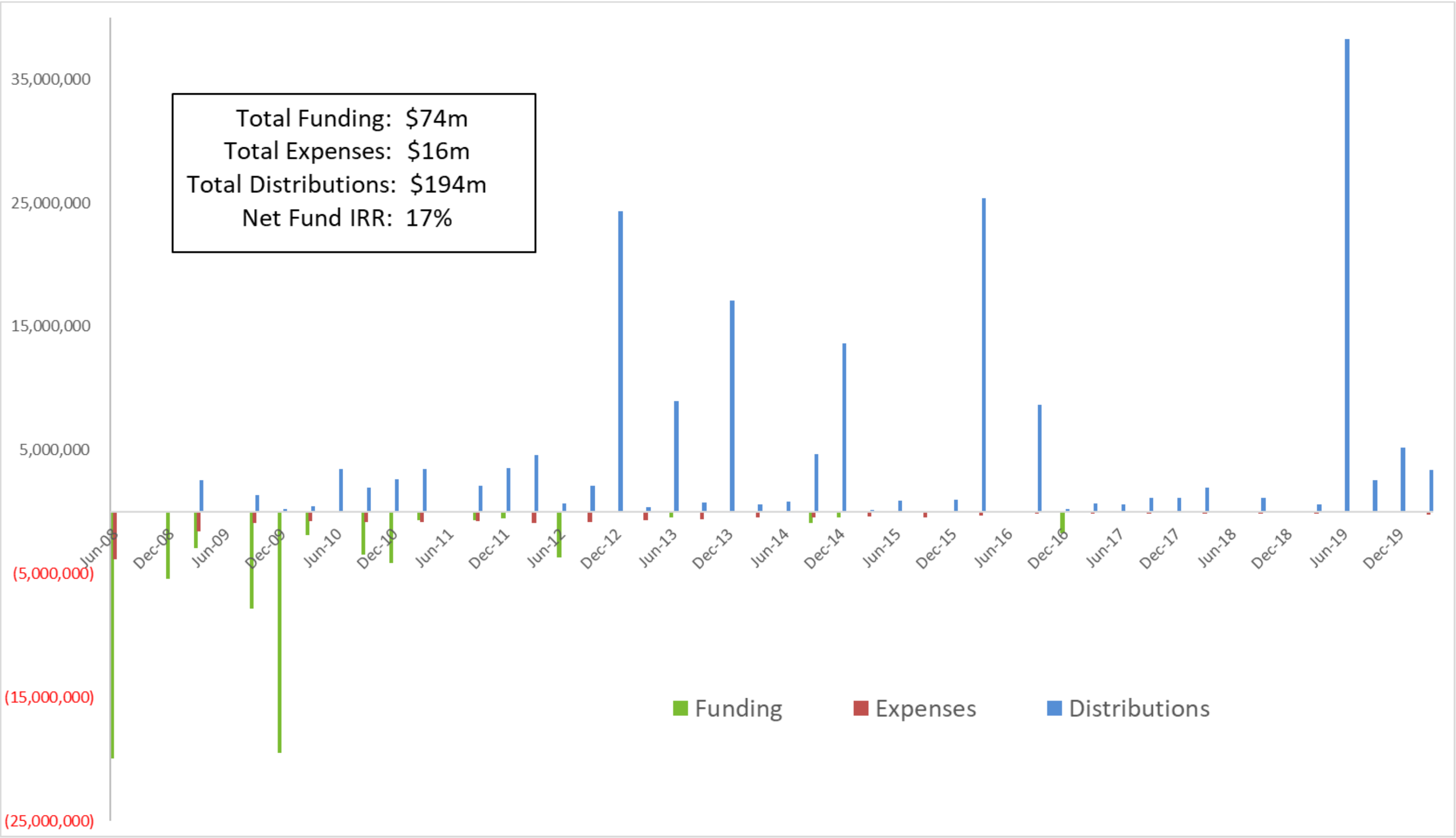
Investment & Disposition Timing

Note: Bars span time between initial and final cash flows. Note that most investments are staged over time, with multiple investments and distributions spread over the investment lifetime.

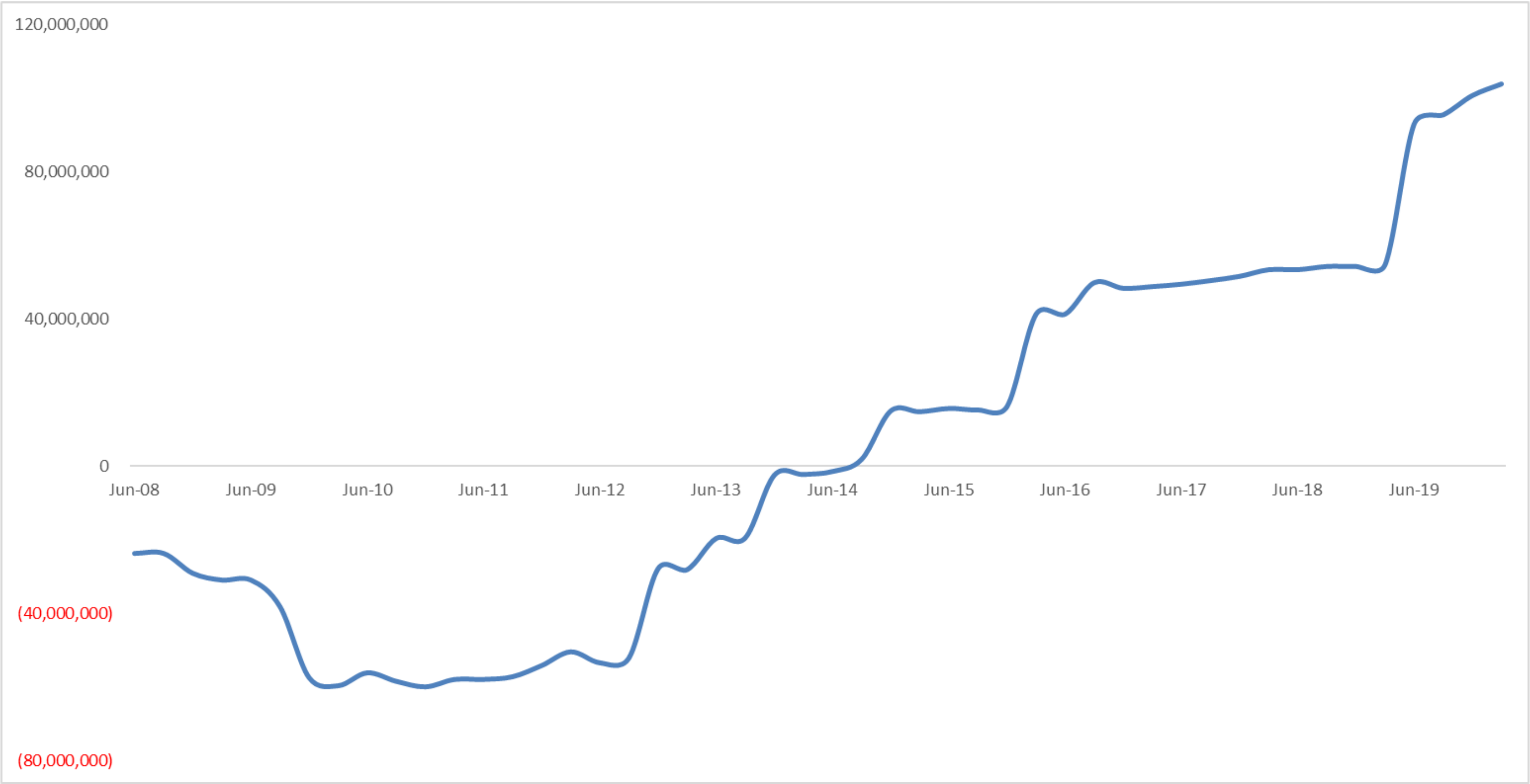
Representative Investment



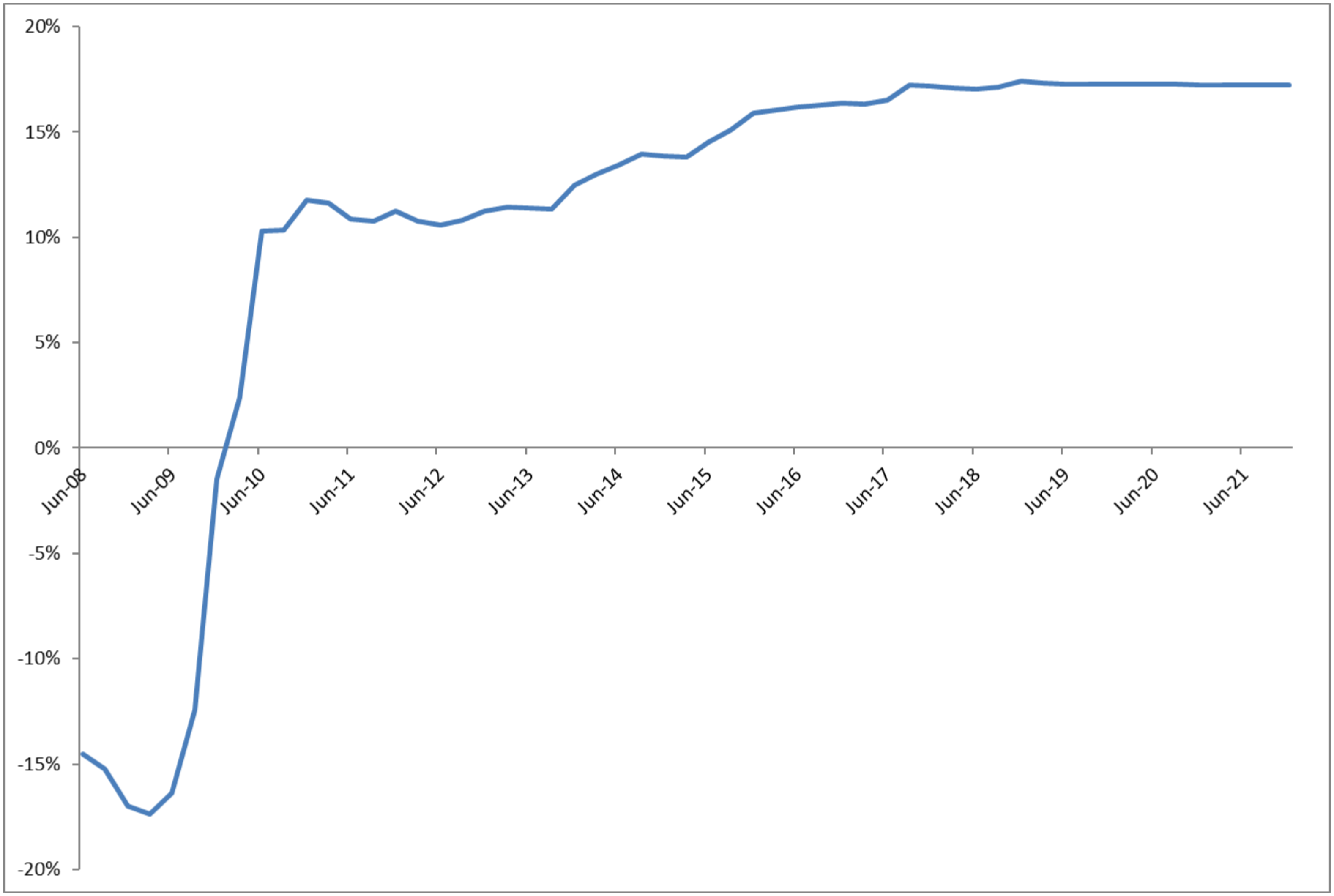
Funding, Expenses & Distributions



Cumulative Cash Flows



Net IRR Over Time



Fee Example

A capital account statement is provided each quarter for the duration of a partnership's life, and details things such as contributions made, distributions received, fees & expenses, and the fair market value of the active investments.

The fair market value reported by the manager on the capital account statement, and in turn in MainePERS' performance and reporting, is shown net of all fees and expenses.

A simplified example for the first year of an investment in the Fund is below.

Rounded

Quarter	Contributions Made	Distributions Received	Partnership Fees & Expenses	Investment Gain/Loss	Reported NAV
Q1	-	-	(2,000,000)	-	(2,000,000)
Q2	22,800,000	-	(400,000)	(100,000)	20,300,000
Q3	-	-	(250,000)	100,000	20,150,000
Q4	5,500,000	-	(1,000,000)	-	24,650,000

MAINEPERS

BOARD OF TRUSTEES RULEMAKING MEMORANDUM

TO: BOARD MEMBERS

FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND GENERAL COUNSEL

SUBJECT: RULEMAKING UPDATE

DATE: APRIL 7, 2022

Public hearings on the proposed repeal of Rule Chapter 202 and the proposed adoption of Rule Chapter 512 will be held as part of the Board meeting starting at 11:00 a.m.

A public hearing provides an opportunity for members of the public to comment on the 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 may also be submitted in writing through April 25. We then will consider all comments, make any revisions we think appropriate in response to the comments, and then bring recommendations to the Board for action at a future meeting.

POLICY REFERENCE

Board Policy 2.3 -- Rulemaking

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communications and Support to the Board

RULE CHAPTER 202

Rule Chapter 202 governs the establishment of the Medical Board and obtaining consultations from the Medical Board or other providers. We are proposing repeal of this rule because statutory references to a Medical Board have been repealed and the Medical Board has been disbanded. A copy of the rule is attached.

RULE CHAPTER 512

We are proposing new Rule Chapter 512 to address reimbursement rates for attending Independent Medical Examinations (IME) and means for waiving IMEs under the new disability law, P.L. 2021, c. 277. A copy of the proposed rule is attached.

RECOMMENDATION

No Board action is required at this time.

RULE AS IN EFFECT – PROPOSED FOR REPEAL APRIL 2022

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 202: MEDICAL BOARD

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

SECTION 1. ESTABLISHMENT OF THE MEDICAL BOARD

1. The MainePERS Board of Trustees shall designate a Medical Board to provide advice, recommendations, assistance, and consultations to the MainePERS Executive Director or designee in accordance with Maine statutes. The Board may designate an entity that employs medical providers who constitute the membership of the Medical Board.

2. The Medical Board shall include medical providers from those fields of medicine within which MainePERS receives the greatest number of applications for disability retirement.

SECTION 2. CONSULTATIONS

1. The Executive Director or designee shall obtain medical consultation from the Medical Board on each application for disability retirement unless the Medical Board notifies the Executive Director or designee that it lacks a medical provider qualified to review the case by specialty or experience and to whom the applicant is not known.

2. In the event that the Medical Board provides notification under subsection 1, the Executive Director or designee may obtain medical consultation from any medical provider qualified to review the case by specialty or experience and to whom the applicant is not known.

3. The Executive Director or designee may obtain additional medical consultations, independent medical examinations, advice, and recommendations in accordance with Maine statute.

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

EFFECTIVE DATE: January 20, 1985

EFFECTIVE DATE (ELECTRONIC CONVERSION): May 5, 1996

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

REPEALED AND REPLACED:
December 26, 2020 – filing 2020-255

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 512: INDEPENDENT MEDICAL EXAMINATIONS

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

SECTION 1. REIMBURSEMENT FOR INDEPENDENT MEDICAL EXAMINATIONS

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

1. The member must identify the representative to the System in writing within 30 days after the independent medical examination. Within 60 days after the independent medical examination, the representative must provide the System with the representative's tax identification number by submitting IRS Form W-9 and any other information reasonably necessary to permit reimbursement and payment, if applicable. The member and representative will provide the System with information reasonably necessary to determine mileage and whether the representative is a health care provider.

2. Mileage will be reimbursed at the standard rate set by the Internal Revenue Service.

3. The health care provider per diem rate is set at $300.

SECTION 2. WAIVER OF INDEPENDENT MEDICAL EXAMINATION

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

1. Signing a waiver form developed by the System's Chief Executive Officer for that purpose or otherwise clearly communicating a waiver in writing; or

2. On more than one occasion, failing to attend a scheduled independent medical examination or canceling a scheduled independent medical examination after the time at which the independent health care provider imposes a cancellation fee, unless the member reimburses the System for any no-show or cancellation fee or the failure or cancellation was not within the member's control.

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

EFFECTIVE DATE:

MAINEPERS

BOARD OF TRUSTEES ADMINISTRATION MEMORANDUM

TO: BOARD MEMBERS

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

SUBJECT: **OPERATIONS REPORT**

DATE: APRIL 7, 2022

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

POLICY REFERENCE

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communications and Support to the Board

SERVICE PROGRAMS

1. BENEFITS PAYROLL. In March, 46,322 benefit recipients were paid a total of $94,091,258.53.

2. RETIREMENT SERVICES. One hundred seventeen individuals received their first benefit payment in March, with the typical benefit amount being $1,628 after 19 years of service. The count of new recipients was slight higher, but the payment amount and service were in line with what has been seen in recent Marches.

   Two hundred sixteen former members received a refund of their contributions in March, typically amounting to $1,141 as the result of one-year of service. The aggregate amount refunded was $1,475,250. This is a higher count and lower typical amount than have been experienced in recent Marches. The primary reason for this change is a heightened focus on refunding low-balance accounts that have been inactive for greater than three-years.

3. DISABILITY SERVICES. Three new disability retirement applications were received in March, and 26 intakes with varying levels of detail and duration were conducted.

4. SURVIVOR SERVICES. Seventy-three life insurance claims were sent to The Hartford in March, with a total value of $1,660,260 in payments due to beneficiaries.

5. DEFINED CONTRIBUTION PLAN SERVICES. MaineSTART had 1,558 participants at the end of March, with $60,660,028 of investment assets.

6. PLD PLAN ADMINISTRATION. Effective April 1st, a new participant is joining the plan for its first responders and regular employees, and two existing participants adopted plan changes that will affect their first responders.

FINANCIAL PROGRAMS

1. EMPLOYER REPORTING. Ninety-one percent of the defined benefit payrolls expected to be received in March were uploaded on time, as compared to ninety percent in February.

2. EMPLOYER REPORTING ASSISTANCE PROGRAM. Two reviews were completed during the month of February, resulting in 44 findings, mostly relating to paperwork errors. Of the total findings, six were contribution-related errors. Staff are working with the employers to resolve these findings now. Four new reviews were initiated during the same period. Eighty-eight percent of all findings to date have been resolved satisfactorily.

ADMINISTRATION

1. SPECIAL PROJECTS. Each MainePERS department is reviewing their Business Continuity Plans with staff and addressing specific training. The Document Control Specialist has received an orientation in managing the documents associated with this program and is assuming responsibility for document management.

2. ADMINISTRATIVE ACTIONS. Each administrative department is preparing for individual department strategic plans in support of the overarching planning.

3. FACILITIES. Preparation of office space and furniture for newly hired employees has occupied much of the Facilities Manager's time this month.

4. COMMUNICATIONS. DocuSign utilization continues to increase with additional forms available for digital signature. MainePERS implemented DocuSign in June 2021 with 50% of total utilization occurring in the first quarter of CY2022.

5. HUMAN RESOURCES. Onboarding of personnel has been the focus of Human Resources with five new employees in March and three more starting the week of April 11th. Training remains at the center of all the onboarding.

6. INFORMATION TECHNOLOGY. MainePERS and vendor partner Oracle completed a project to migrate the Brunswick Disaster Recovery instance of the line-of-business system to a new storage platform. This allows for greater capacity and performance.

   Our managed service provider has completed work with new vendor partner CyberArk to complete the installation of a privileged access management system. This allows for greater control of elevated and privileged accounts that connect to the environment.

JD/SV/RG/mg

Maine Public Employees Retirement System

Contributions and Disbursements - Defined Benefit Plans

For the Eight Months Ended February 28, 2022 and February 28, 2021

	Current	Year to Date	Prior Year to Date
Contributions			
Employer Contributions[1]	$ 42,508,522	$ 346,476,191	$ 331,107,256
Member Contributions	16,423,724	133,693,168	128,935,955
Member Repurchases	738,731	7,521,104	1,759,957
Total Contributions	**$ 59,670,977**	**$ 487,690,463**	**$ 461,803,168**
Member Disbursements			
Benefits Payroll	$ 93,919,848	$ 744,084,587	$ 712,824,752
Member Refunds	1,869,759	14,405,951	11,837,650
Total Member Disbursements	**$ 95,789,607**	**$ 758,490,538**	**$ 724,662,402**
Net	**$ (36,118,630)**	**$ (270,800,075)**	**$ (262,859,234)**

[1]Employer Contributions include both normal cost and UAL contributions

MAINEPERS

BOARD OF TRUSTEES LEGISLATIVE MEMORANDUM

TO: BOARD MEMBERS

FROM: KATHY MORIN, DIRECTOR, ACTUARIAL AND LEGISLATIVE AFFAIRS

SUBJECT: **LEGISLATIVE UPDATE**

DATE: APRIL 6, 2022

The Second Regular Session of the 130th Legislature convened on January 5, 2022. Statutory adjournment for this session is April 20, 2022. We will review proposed bills as they are printed and will bring bills to you that either could directly affect the System or are otherwise of interest. We are also including in this update the relevant bills that were carried over from the First Special Session that are being considered in the Second Regular Session.

POLICY REFERENCE

Board Policy 3.1 – Reporting

Board Policy 3.2 – Legislation

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communications and Support to the Board

The following bills are currently being considered. The current status of each bill is provided, with updates from last month italicized.

CARRIED OVER BILLS

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

L.D. 111 – EARLY RETIREMENT FOR TEACHERS

This bill would allow teachers with at least 35 years of service credit to retire at any age without an early retirement reduction. It would also require a retired teacher who returns to work to make member contributions at the same rate as other teacher members. This bill was carried over on the Special Appropriations Table.

L.D. 548 – EARLY RETIREMENT REDUCTIONS

This bill requires a recalculation of retirement benefits based on a decreased early retirement reduction for certain state employee and teacher retirees. This bill was carried over by the Labor and Housing Committee. *This bill has been enacted by the House and Senate and placed on the Special Appropriations Table.*

L.D. 703 – COST-OF-LIVING ADJUSTMENTS

This bill would provide for a cost-of-living adjustment on the entire benefit for retired state employees and teachers. This bill was carried over on the Special Appropriations Table.

L.D. 907 – PENSION FUNDS AND CLIMATE CHANGE

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

L.D. 956 – MILITARY SERVICE PURCHASES

This bill expands the periods of military service that eligible members may purchase at a subsidized rate. This bill was carried over on the Special Appropriations Table.

L.D. 1041 – MENTAL HEALTH WORKER SPECIAL PLAN

This bill would allow certain mental health workers who are currently included in the regular plan to be covered instead by the 1998 Special Plan. This bill was carried over on the Special Appropriations Table.

PRINTED BILLS

The following bills have been printed:

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

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

L.D. 1753 – PLD SPECIAL PLANS

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

L.D. 1772 – REMOTE MEETINGS

This bill amends requirements for holding public meetings remotely. *A work session was held on March 18 and a divided report of the Committee is anticipated.*

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

This bill provides retroactive special plan coverage for certain employees of the Maine State Police Crime Laboratory and computer crimes unit. At a work session on February 2, the Committee voted the bill unanimously ought to pass as amended. The amendment makes the plan change language consistent with other similar laws, removes individual plan elections that are no longer relevant, and adds the fiscal note. *A work session is scheduled for April 7 to discuss amending the bill to provide benefits to this group under a more favorable special plan.*

L.D. 1840 – CORRECTIONS SUPERVISORS RETROACTIVE SPECIAL PLAN

This bill provides retroactive special plan coverage for certain employees of the Department of Corrections. *A work session was held on March 25, at which the Committee confirmed the list of positions to be included in the bill, which was previously voted with a majority ought to pass as amended. The amendment adds the fiscal note and includes the covered positions. This bill is currently being considered by the full Legislature.*

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

This bill establishes a retired teacher health insurance investment trust fund. As with the trust fund for retired state employees, the MainePERS Board of Trustees are the trustees of this investment trust fund. *A work session was held on March 25, at which the bill was unanimously voted ought not to pass at the request of the sponsor, who stated that the bill was not needed since current law authorizes the trust, and she had been assured that the fund would be established.*

L.D. 1922 – MAINEPERS SYSTEM BILL

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

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

L.D. 1995 – SUPPLEMENTAL BUDGET

This bill is the Governor's proposed supplemental budget. It includes one MainePERS-related initiative. Specifically, Part NN of the proposed budget would provide a one-time cost-of-living adjustment (COLA) payment to eligible retirees from the State-sponsored plans, based on the difference between the actual CPI-U at June 30, 2021 of 5.4% and the COLA cap of 3.0%. As proposed, this would be a non-cumulative payment, meaning that it would not be added to the "base benefit" subject to future adjustments. The public hearing on this initiative was held on March 3. *Budget work sessions are ongoing.*

REPORTS

The following reports have been submitted to the Legislature:

PROGRAM EVALUATION REPORT

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

ESG POLICY/DIVESTMENT

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

WINDFALL ELIMINATION PROVISION/GOVERNMENT PENSION OFFSET

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

PROCUREMENT

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

A copy of the Committee's report is included with this memo.

NEW PENSION PLAN DESIGN

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

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

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

MILITARY SUBSIDY REPORT

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

ANNUAL REPORT TO THE LEGISLATURE

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

APPROVED

MARCH 31, 2022

BY GOVERNOR

CHAPTER

548

PUBLIC LAW

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND TWENTY-TWO

H.P. 1430 - L.D. 1922

An Act To Amend Certain Laws Pertaining to the Maine Public Employees Retirement System

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

Sec. 1. 3 MRSA §701, sub-§2, as enacted by PL 1985, c. 507, §1, is amended to read:

2. Actuarial equivalent. "Actuarial equivalent" means ~~a benefit which is~~ an amount of equal value when computed at ~~regular interest, based on the mortality and service tables~~ the discount rate contained in actuarial assumptions adopted by the board of trustees.

Sec. 2. 4 MRSA §1201, sub-§2, as enacted by PL 1983, c. 853, Pt. C, §§15 and 18, is amended to read:

2. Actuarial equivalent. "Actuarial equivalent" means ~~a benefit which is~~ an amount of equal value when computed at ~~regular interest, based on the mortality and service tables~~ the discount rate contained in actuarial assumptions adopted by the board of trustees.

Sec. 3. 4 MRSA §1352, sub-§5, as amended by PL 1997, c. 643, Pt. M, §12, is repealed.

Sec. 4. 4 MRSA §1355, as amended by PL 2007, c. 491, §52, is further amended to read:

§1355. Ordinary death benefits

If a member who is in service or a former member who is a recipient of a disability retirement allowance dies, the member's beneficiary, or relative if the member has no designated beneficiary, is entitled to benefits on the same basis as provided for beneficiaries of state employees who are members of the State Employee and Teacher Retirement Program by Title 5, chapter 423, subchapter 5, article ~~3~~ 4.

Sec. 5. 4 MRSA §1357, sub-§2, as amended by PL 2007, c. 491, §§54 to 57, is further amended by amending the 2nd blocked paragraph to read:

For the purposes of this subsection, "qualifying member" means a member or a former member who ~~is~~ has been receiving a disability retirement benefit and changes to service retirement under section 1353, subsection 7.

Sec. 6. 5 MRSA §17001, sub-§2, as amended by PL 1993, c. 387, Pt. A, §3, is further amended to read:

2. Actuarial equivalent. "Actuarial equivalent" means an amount of equal value when computed at ~~an interest~~ the discount rate contained in actuarial assumptions adopted by the board ~~and upon the basis of mortality and service tables adopted by the board~~. "Actuarial equivalent," when used to indicate the amount that must be paid in order to purchase service credit, means the amount that equals the cost of additional benefits that become payable as a result of the service credit, including, when applicable, the projected cost of a member's earlier eligibility for retirement.

Sec. 7. 5 MRSA §17001, sub-§42, as amended by PL 2021, c. 6, §1, is further amended to read:

42. Teacher. "Teacher" means:

A. Any employee of a public school or ~~a school management and leadership~~ an education service center established pursuant to Title 20-A, chapter 123 who fills any position that the Department of Education requires be filled by a person who holds the appropriate certification or license required for that position, other than an educational technician position for which certification is not required under Title 20-A, section 13019-H, and:

(1) Holds appropriate certification from the Department of Education, including an employee whose duties include, in addition to those for which certification is required, either the setup, maintenance or upgrading of a school computer system the use of which is to assist in the introduction of new learning to students or providing school faculty orientation and training related to use of the computer system for educational purposes; or

(2) Holds an appropriate license issued to a professional employee by a licensing agency of the State;

B. Any employee of a public school or ~~a school management and leadership~~ an education service center established pursuant to Title 20-A, chapter 123 who fills any position not included in paragraph A, the principal function of which is to introduce new learning to students, except that a coach who is employed by a public school and who is not otherwise covered by the definition of teacher ~~as defined~~ in this subsection or an employee who is employed in adult education as defined in Title 20-A, section 8601-A, subsection 1 and who is not otherwise covered by the definition of teacher ~~defined~~ in this subsection may not be considered a teacher for purposes of this Part;

C. Any employee of a public school on June 30, 1989, in a position not included in paragraph A or B ~~which~~ that was included in the definition of teacher in effect on June 30, 1989, as long as:

(1) The employee does not terminate employment; or

(2) The employee terminates employment and returns to employment in a position in the same classification within 2 years of the date of termination.

Regardless of any subsequent employment history, any employee of a public school in a position ~~which~~ that was included in the definition of teacher in effect on June 30, 1989, is entitled to creditable service as a teacher for all service in that position on or before that date;

D. Any employee of a public school or ~~a school management and leadership~~ an education service center established pursuant to Title 20-A, chapter 123 in a position not included in paragraph A, B or C who was a member of the State Employee and Teacher Retirement Program of the retirement system as a teacher on August 1, 1988, as long as:

(1) The employee does not terminate employment; or

(2) The employee terminates employment and returns to employment in a position in the same classification within 2 years of the date of termination;

E. Any former employee of a public school or ~~a school management and leadership~~ an education service center established pursuant to Title 20-A, chapter 123 in a position not included in paragraph A, B or C who was a member of the State Employee and Teacher Retirement Program of the retirement system as a teacher before August 1, 1988, as long as the former employee returns to employment in a position in the same classification before July 1, 1991; or

F. For service before July 1, 1989, any employee of a public school in a position ~~which~~ that was included in the definition of teacher before July 1, 1989.

"Teacher" includes a person who is on a one-year leave of absence from a position as a teacher and is participating in the education of prospective teachers by teaching and supervising students enrolled in college-level teacher preparation programs in this State.

"Teacher" also includes a person who is on a leave of absence from a position as a teacher and is duly elected as President of the Maine Education Association.

"Teacher" also includes a person who, subsequent to July 1, 1981, has served as president of a recognized or certified bargaining agent representing teachers for which released time from teaching duties for performance of the functions of president has been negotiated in a collective bargaining agreement between the collective bargaining agent and the teacher's school administrative unit and for whom contributions related to the portion of the person's salary attributable to the released time have been paid as part of the regular payroll of the school administrative unit.

Sec. 8. 5 MRSA §17054-A, as enacted by PL 2009, c. 474, §12, is amended to read:

§17054-A. Responsibilities of employers and the retirement system

Employers are responsible for providing procedures by which employees for whom membership in the retirement system is optional make a membership election, for maintaining all records relevant to the election process and an individual employee's election and for informing the retirement system as to employee elections in accordance with procedures established by the chief executive ~~director~~ officer. The retirement system is responsible to ensure that its records accurately reflect the information provided by the employer. With respect to matters related to participation and membership in the retirement system other than those specified in this section, the retirement system and the board retain responsibility and authority according to applicable retirement system law and rules as to the employer and the employees to whom this Part applies, including the authority to make final administrative decisions on membership eligibility based on employee membership elections as reported by the employer pursuant to this section, the applicable retirement system laws and rules and the requirements of the Internal Revenue Code and United States Treasury regulations applicable to governmental qualified defined benefit plans.

Sec. 9. 5 MRSA §17102, sub-§1, ¶D, as amended by PL 1995, c. 3, §1, is further amended by amending subparagraph (3) to read:

(3) One of whom must be the recipient of a retirement allowance through the retirement system and be selected from a list or lists of nominees submitted by retired state employees, retired participating local district employees, the Maine Association of Retirees or a committee ~~comprised~~ composed of representatives of these groups; and

Sec. 10. 5 MRSA §17103, sub-§6, as amended by PL 2015, c. 384, §1, is further amended to read:

6. Rights, credits ~~and~~, privileges and membership eligibility; decisions. The board shall in all cases make the final and determining administrative decision in all matters affecting the rights, credits and privileges of all members of all programs of the retirement system whether in participating local districts or in the state service. The board shall also in all cases make the final and determining administrative decision on membership eligibility based on employee membership elections as reported by the employer pursuant to section 17054-A, the applicable retirement system laws and rules and the requirements of the Internal Revenue Code and United States Treasury regulations applicable to governmental qualified defined benefit plans. The board otherwise has no jurisdiction to hear a matter or make an administrative decision regarding a claim of an employee of a local plan for which membership is optional pursuant to section 18252, if that claim applies to a time when the employee was not a member of the retirement system.

Whenever the board finds that, because of an error or omission on the part of the employer of a member or retired member, a member or retired member is required to make a payment or payments to the retirement system, the board may waive payment of all or part of the amount due from the member or retired member. In these instances of recovery of overpayments from members of the retirement system, the retirement system is governed by section 17054, subsection 3.

Sec. 11. 5 MRSA §17103, sub-§8, as amended by PL 1989, c. 483, Pt. A, §§27 and 63, is further amended to read:

8. ~~Executive director~~ Chief executive officer. The board shall appoint ~~an~~ a chief executive ~~director~~ officer, whose salary ~~shall~~ must be set by the board subject to the requirements of Title 2, section 6-D.

Sec. 12. 5 MRSA §17103, sub-§11, ¶I, as enacted by PL 2009, c. 322, §4, is amended to read:

I. The total amount of employee and employer contributions to the retirement system in the previous calendar year and the total amount of payout to retirees, categorized by plan status; ~~and~~

Sec. 13. 5 MRSA §17103, sub-§11, ¶J, as enacted by PL 2009, c. 322, §4, is amended by repealing subparagraph (2).

Sec. 14. 5 MRSA §17103, sub-§11, ¶J, as enacted by PL 2009, c. 322, §4, is amended by amending subparagraph (3) to read:

(3) The ~~net~~ number of applicants for disability retirement who appealed decisions that denied disability retirement status; and

Sec. 15. 5 MRSA §17103, sub-§11, ¶J, as enacted by PL 2009, c. 322, §4, is amended by amending subparagraph (4) to read:

(4) The number of applicants who were granted disability retirement following their appeals~~.~~; and

Sec. 16. 5 MRSA §17103, sub-§11, ¶K is enacted to read:

K. Data from a survey of members and employees that measures the level of satisfaction and experience that members and employees have with the retirement system. For the purposes of this paragraph, "employee" means an employee of the retirement system.

Sec. 17. 5 MRSA §17103, sub-§12, as enacted by PL 1993, c. 387, Pt. A, §4, is amended to read:

12. Defined contribution ~~plan~~, deferred compensation and tax sheltered annuity plans. The board shall establish ~~a~~ one or more defined contribution ~~plan by July 1, 1994 that is~~, deferred compensation or tax sheltered annuity plans consistent with the applicable requirements of the ~~United States~~ Internal Revenue Code and may ~~be a defined contribution plan for other purposes. The board may establish a separate defined contribution plan or plans for other purposes~~, with employer agreement, offer participation in such plans to employees eligible for membership in a retirement program of the retirement system.

Sec. 18. 5 MRSA §17154, sub-§6, ¶J, as enacted by PL 2019, c. 460, §2, is amended to read:

J. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement programs applicable to those teachers employed by ~~a school management and leadership~~ an education service center, as defined in Title 20-A, section 3801, subsection 1, paragraph B, whose funding is provided from local and state funds must be paid by that ~~school management and leadership~~ education service center.

Sec. 19. 5 MRSA §17706-A, sub-§1, as amended by PL 2011, c. 449, §8, is further amended by amending the first blocked paragraph to read:

Pursuant to the Code, Section 401(a)(31)(B), the amount of an automatic refund under this section for a member who has not reached the later of 62 years of age or normal retirement age may not exceed $1,000.

Sec. 20. 5 MRSA §17760, sub-§3, ¶A, as amended by PL 2007, c. 491, §137, is further amended by amending subparagraph (3) to read:

(3) Was awarded an Armed Forces Expeditionary Medal, a Combat Action Ribbon, a Combat Infantry Badge or any other campaign or expeditionary medal and the receipt of such a medal would allow the member to be considered "preference eligible" under 5 United States Code, Section 2108(3)(A) ~~or 2108(3)(B)~~. A member described in this subparagraph is entitled to purchase

service credit at the cost set forth in subsection 4 only if a cost subsidy for that member's service credit has been paid to the State Employee and Teacher Retirement Program as provided in subsection 6.

Sec. 21. 5 MRSA §17804, sub-§5-A, as enacted by PL 1999, c. 744, §8 and affected by §17, is amended to read:

5-A. Option 4. The qualifying member may elect to have a reduced retirement benefit payable to the qualifying member while alive and at the qualifying member's death to have some benefit other than that available under subsection 3 or 4 payable to the beneficiary that the qualifying member has designated, if the beneficiary survives the qualifying member. The total value of the benefit paid to the qualifying member during the qualifying member's life plus the benefit paid after the qualifying member's death is the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. The method used to determine the benefit must be approved by the board, and the beneficiary must be designated by written designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~ officer on a form provided or specified by the retirement system.

Sec. 22. 5 MRSA §17804, sub-§5-B, as enacted by PL 1999, c. 744, §8 and affected by §17, is amended to read:

5-B. Option 5. The qualifying member may elect to have a reduced retirement benefit payable in part to the qualifying member and in part to the beneficiary, who must be the sole beneficiary, while both are alive and, at the death of either, to have the higher benefit paid to the survivor for the survivor's life. The total value of the benefit paid to the qualifying member and beneficiary, during the qualifying member's life, plus the benefit to be paid after the death of either is the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. The method used to determine the benefit must be approved by the board, and the beneficiary must be designated by written designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~ officer on a form provided or specified by the retirement system.

Sec. 23. 5 MRSA §17804, sub-§5-C, as enacted by PL 1999, c. 744, §8 and affected by §17, is amended to read:

5-C. Option 6. The qualifying member may elect to have a reduced retirement benefit payable to the qualifying member while alive and, at the qualifying member's death, to have the benefit continued in the same amount for the life of the beneficiary, who must be the sole beneficiary, that the qualifying member has designated by written designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~ officer on a form provided or specified by the retirement system, if the beneficiary survives the qualifying member. If the qualifying member's beneficiary predeceases the qualifying member, the qualifying member's benefit must be changed, effective the first day of the month following the date of the beneficiary's death, to be the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. The reduced retirement benefit must be actuarially calculated to reflect the fact that the benefit may be changed to the larger amount should the beneficiary predecease the member.

Sec. 24. 5 MRSA §17804, sub-§5-D, as enacted by PL 1999, c. 744, §8 and affected by §17, is amended to read:

5-D. Option 7. The qualifying member may elect to have a reduced retirement benefit payable to the qualifying member while alive and, at the qualifying member's death, to have the benefit continued at 1/2 that amount for the life of the beneficiary, who must be the sole beneficiary, that the qualifying member has designated by written designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~ officer on a form provided or specified by the retirement system, if the beneficiary survives the qualifying member. If the qualifying member's beneficiary predeceases the qualifying member, the qualifying member's benefit must be changed, effective the first day of the month following the date of the beneficiary's death, to the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. The reduced retirement benefit must be actuarially calculated to reflect the fact that the benefit may be changed to the larger amount should the beneficiary predecease the member.

Sec. 25. 5 MRSA §17804, sub-§5-F, as amended by PL 2007, c. 523, §2, is further amended to read:

5-F. Change of beneficiary. If the recipient of a service retirement benefit has elected an optional method of payment under subsection 3, 4, 5, 5-A, 5-B, 5-C, 5-D or 5-E~~,~~ and has designated someone other than a spouse or ex-spouse as sole beneficiary, the recipient is permitted a one-time change in the designated beneficiary except as provided in paragraph D, but may not change the already elected payment option or the amount of the benefits under that option, by filing a written designation of the new beneficiary, duly ~~notarized~~ acknowledged, with the chief executive ~~director~~ officer on a form provided or specified by the retirement system. The change of beneficiary permitted by this subsection may only be made prior to the death of the prior designated beneficiary.

A. The benefit payable to the recipient and the new beneficiary must be paid under the same payment option. The amount of the recipient's benefit may not change, and the amount of the new beneficiary's benefit must be the same as the amount of the prior beneficiary's benefit.

B. The effective date of the designation of the new beneficiary is the date the designation is received by the chief executive ~~director~~ officer. As of the first day of the month following the effective date of the designation of the new beneficiary, the prior beneficiary is no longer entitled to any benefit payment and, if concurrent payment under subsection 5-B has been elected, the new beneficiary's benefit must become effective on the same date.

C. The new beneficiary's entitlement to benefits ceases on the earlier of:

(1) The date of the new beneficiary's death; ~~or~~ and

(2) The date established when the amount of the prior beneficiary's benefit was established, which is the initial commencement date of benefits to the retiree increased by the life expectancy of the prior beneficiary computed in years and months using actuarial equivalence assumptions recommended by the system's actuary.

Payment of benefits to the new beneficiary must cease as of the first day of the month following the earlier of ~~subparagraph~~ subparagraphs (1) ~~or~~ and (2).

D. A recipient who exercises a one-time option under this subsection may revert back to the original designated beneficiary, who will be treated as the new beneficiary for purposes of paragraphs A to C.

Sec. 26. 5 MRSA §17804, sub-§7, ¶A, as enacted by PL 1999, c. 744, §9 and affected by §17, is amended to read:

A. By written certification of the spouse, duly ~~notarized~~ acknowledged and filed with the chief executive officer, on a form provided or specified by the retirement system, indicating that notice has been received from the qualifying member; or

Sec. 27. 5 MRSA §17804, sub-§7, ¶B, as enacted by PL 1999, c. 744, §9 and affected by §17, is amended to read:

B. When notice has been given but certification by the spouse has not been provided, by written certification of the qualifying member, duly ~~notarized~~ acknowledged and filed with the chief executive officer, on a form provided or specified by the retirement system, indicating that notice has been given to the spouse.

Sec. 28. 5 MRSA §17851, sub-§16 is enacted to read:

16. Member whose position is moved from one special plan to another special plan. A member whose position is subject to subsection 4, 5-B, 6-B or 7, section 17851-A or section 17851-B and, due to a change in law, becomes subject to different benefit qualification requirements may retire under the former benefit qualification requirements and the associated benefit computation provisions if the member remains in the position until the former requirements would have been met had the change in law not occurred.

Sec. 29. 5 MRSA §17906, sub-§1, as amended by PL 2001, c. 443, §1 and affected by §7, is further amended to read:

1. Excess compensation. If the compensation received from engaging in any gainful occupation by a beneficiary of a disability retirement benefit exceeds $20,000 in calendar year 2000 or in any subsequent calendar year exceeds that amount as cumulatively increased ~~or decreased~~ by the same percentage adjustments granted under section 17806~~, subsection 1, paragraphs A and B~~:

A. The excess must be deducted from the disability or service retirement benefits during the next calendar year, the deductions to be prorated on a monthly basis in an equitable manner prescribed by the board over the year or part of the year for which the benefits are received; and

B. The beneficiary shall reimburse the retirement system for any excess payments not deducted under paragraph A.

Sec. 30. 5 MRSA §17906, sub-§3, as amended by PL 2007, c. 491, §176, is further amended to read:

3. Restoration to service. If any recipient of a disability retirement benefit is restored to service and if the total of the recipient's monthly retirement benefit for any year and the recipient's total earnable compensation for that year exceeds ~~his~~ the recipient's average final compensation at retirement, increased ~~or decreased~~ by the same percentage adjustments as have been received under section 17806, the excess ~~shall~~ must be deducted from the disability retirement benefit payments during the next calendar year.

A. The deductions ~~shall~~ must be prorated on a monthly basis over the year or part of the year for which benefits are received in an equitable manner prescribed by the board.

B. The recipient of the disability retirement benefit shall reimburse the retirement system for any excess payments not deducted under this section.

C. If the retirement benefit payments are eliminated by operation of this subsection:

(1) The person again becomes a member of the State Employee and Teacher Retirement Program and begins contributing at the current rate; and

(2) When the person again retires, the person ~~shall~~ must receive benefits computed on the person's entire creditable service and in accordance with the law in effect at that time.

Sec. 31. 5 MRSA §17930, sub-§2, as amended by PL 2021, c. 277, §26, is further amended to read:

2. Compensation from employment not covered by this article. If any person who is the recipient of a disability retirement benefit receives compensation in any year from engaging in any gainful activity or from employment with an employer whose employees are not covered by this article or chapter 425, subchapter ~~V~~ 5, article 3-A~~, which~~ that exceeds the greater of $20,000 in calendar year 2000 or in any subsequent year that amount as cumulatively increased ~~or decreased~~ by the same percentage adjustments granted under section 17806, ~~subsection 1, paragraphs A and B,~~ or the difference between the person's disability retirement benefit for that year and the person's average final compensation at the time that the person became a recipient of a disability retirement benefit, increased ~~or decreased~~ by the same percentage adjustments as have been granted by section 17806:

A. The excess must be deducted from the disability or service retirement benefits during the next calendar year; the deductions to be prorated on a monthly basis in an equitable manner prescribed by the board over the year or part of the year for which the benefits are received;

B. The person shall reimburse the retirement system for any excess payments not deducted under paragraph A. If the retirement benefit payments are eliminated by this subsection, the disability is deemed to no longer exist, the payment of the disability retirement benefit must be discontinued and, except as provided in paragraph C, all of the person's rights to benefits under this article cease;

C. If, during the first 5 years of reemployment, the person again becomes disabled, terminates employment and is not covered by any other disability program, the retirement system shall resume paying the disability retirement benefit payable prior to the reemployment with all applicable cost-of-living adjustments and shall provide rehabilitation services in accordance with section 17927. If the benefit payable under the other disability program is not equal to or greater than the benefit under this article, the retirement system shall pay the difference between the amount of the benefit payable under the other disability program and the amount of the benefit payable under this article. The chief executive ~~director~~ officer shall require examinations or tests to determine whether the person is disabled as described in section 17921; and

D. At any time before the elimination of disability retirement benefit payments by this subsection, the person may request that benefit payments be terminated, and the chief executive ~~director~~ officer shall terminate benefit payments at the end of the month in which the request is received.

Sec. 32. 5 MRSA §18252, sub-§6, as amended by PL 2017, c. 392, §3, is repealed.

Sec. 33. 5 MRSA §18252-A, sub-§2, ¶C, as enacted by PL 1997, c. 709, §4, is amended to read:

C. The participating local district employer is responsible for providing procedures by which employees make elections under this section, for maintaining all records relevant to the election process and each employee's elections, for informing the retirement system as to employee elections in accordance with procedures established by the chief executive ~~director~~ officer and for making all administrative decisions, including the final administrative decision, ~~in any dispute related to an employee's elections or administrative decision,~~ in any dispute ~~related to~~ over the election process or an employee's elections or to any issue as to the plan provided by the employer under section 18252-B. Neither the retirement system nor the system's board of trustees has responsibility or jurisdiction to make the final administrative decision with respect to any of these matters. The retirement system is responsible ~~only~~ to ensure that its records accurately reflect the information provided by the employer, the employer's decision as to any of these matters~~,~~ and the legally cognizable outcome of any dispute related to any of these matters.

Sec. 34. 5 MRSA §18252-A, sub-§2, ¶D, as enacted by PL 1997, c. 709, §4, is amended to read:

D. With respect to matters related to participation and membership other than those specified as the responsibility of the employer in paragraph C, the retirement system and the board retain responsibility and authority according to applicable retirement system law and rules as to the participating local districts and their employees to whom this section applies, including the authority to make final administrative decisions on membership eligibility based on employee membership elections as reported by the employer pursuant to this section, the applicable retirement system laws and rules and the requirements of the Internal Revenue Code and United States Treasury regulations applicable to governmental qualified defined benefit plans.

Sec. 35. 5 MRSA §18252-B, sub-§3, as amended by PL 2007, c. 491, §196, is further amended to read:

3. Employee contribution. The employee must contribute as a percentage of compensation in each pay period an amount not less than the employee would have been required to contribute as of the employee's date of hire had the employee been a member under the Participating Local District Retirement Program under the so-called "Regular Plan A" of the consolidated plan for participating local districts, consistent with applicable contribution limits of federal law.

Sec. 36. 5 MRSA §18307-A, sub-§1, as amended by PL 2011, c. 449, §19, is further amended by amending the first blocked paragraph to read:

Pursuant to the Code, Section 401(a)(31)(B), the amount of an automatic refund under this subsection for a member who has not reached the later of 62 years of age or normal retirement age may not exceed $1,000.

Sec. 37. 5 MRSA §18404, sub-§5-A, as enacted by PL 1999, c. 744, §13 and affected by §17, is amended to read:

5-A. Option 4. The qualifying member may elect to have a reduced retirement benefit payable to the qualifying member while alive and at the qualifying member's death to have some benefit other than that available under subsection 3 or 4 payable to the beneficiary that the qualifying member has designated, if the beneficiary survives the qualifying member. The total value of the benefit paid to the qualifying member during the qualifying member's life plus the benefit paid after the qualifying member's death is the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. The method used to determine the benefit must be approved by the board, and the beneficiary must be designated by written designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~ officer on a form provided or specified by the retirement system.

Sec. 38. 5 MRSA §18404, sub-§5-B, as enacted by PL 1999, c. 744, §13 and affected by §17, is amended to read:

5-B. Option 5. The qualifying member may elect to have a reduced retirement benefit payable in part to the qualifying member and in part to the beneficiary, who must be the sole beneficiary, while both are alive and, at the death of either, to have the higher benefit paid to the survivor for the survivor's life. The total value of the benefit paid to the qualifying member and beneficiary, during the qualifying member's life, plus the benefit to be paid after the death of either is the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. The method used to determine the benefit must be approved by the board, and the beneficiary must be designated by written designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~ officer on a form provided or specified by the retirement system.

Sec. 39. 5 MRSA §18404, sub-§5-C, as enacted by PL 1999, c. 744, §13 and affected by §17, is amended to read:

5-C. Option 6. The qualifying member may elect to have a reduced retirement benefit payable to the qualifying member while alive and, at the qualifying member's death, to have the benefit continued in the same amount for the life of the beneficiary, who must be the sole beneficiary, that the qualifying member has designated by written designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~ officer on a form provided or specified by the retirement system, if the beneficiary survives the qualifying member. If the qualifying member's beneficiary predeceases the qualifying member, the qualifying member's benefit ~~shall~~ must be changed, effective the first day of the month following the date of the beneficiary's death, to be the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. The reduced retirement benefit must be actuarially calculated to reflect the fact that the benefit may be changed to the larger amount should the beneficiary predecease the member.

Sec. 40. 5 MRSA §18404, sub-§5-D, as enacted by PL 1999, c. 744, §13 and affected by §17, is amended to read:

5-D. Option 7. The qualifying member may elect to have a reduced retirement benefit payable to the qualifying member while alive and, at the qualifying member's death, to have the benefit continued at 1/2 that amount for the life of the beneficiary, who must be the sole beneficiary, that the qualifying member has designated by written designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~ officer on a form provided or specified by the retirement system, if the beneficiary survives the qualifying member. If the qualifying member's beneficiary predeceases the qualifying member, the qualifying member's benefit must be changed, effective the first day of the month following the date of the beneficiary's death, to the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. The reduced retirement benefit must be actuarially calculated to reflect the fact that the benefit may be changed to the larger amount should the beneficiary predecease the member.

Sec. 41. 5 MRSA §18404, sub-§5-F, as amended by PL 2007, c. 523, §3, is further amended to read:

5-F. Change of beneficiary. If the recipient of a service retirement benefit has elected an optional method of payment under subsection 3, 4, 5, 5-A, 5-B, 5-C, 5-D or 5-E~~,~~ and has designated someone other than a spouse or ex-spouse as sole beneficiary, the recipient is permitted a one-time change in the designated beneficiary except as provided in paragraph D, but may not change the already elected payment option or the amount of the benefits under that option, by filing a written designation of the new beneficiary, duly ~~notarized,~~ acknowledged with the chief executive ~~director~~ officer on a form provided or specified by the retirement system. The change of beneficiary permitted by this subsection may only be made prior to the death of the prior designated beneficiary.

A. The benefit payable to the recipient and the new beneficiary must be paid under the same payment option. The amount of the recipient's benefit may not change, and the amount of the new beneficiary's benefit must be the same as the amount of the prior beneficiary's benefit.

B. The effective date of the designation of the new beneficiary is the date the designation is received by the chief executive ~~director~~ officer. As of the first day of the month following the effective date of the designation of the new beneficiary, the prior beneficiary is no longer entitled to any benefit payment and, if concurrent payment under subsection 5-B has been elected, the new beneficiary's benefit must become effective on the same date.

C. The new beneficiary's entitlement to benefits ceases on the earlier of:

(1) The date of the new beneficiary's death; or

(2) The date established when the amount of the prior beneficiary's benefit was established, which is the initial commencement date of benefits to the retiree increased by the life expectancy of the prior beneficiary computed in years and months using actuarial equivalence assumptions recommended by the system's actuary.

Payment of benefits to the new beneficiary must cease as of the first day of the month following the earlier of ~~subparagraph~~ subparagraphs (1) ~~or~~ and (2).

D. A recipient who exercises a one-time option under this subsection may revert back to the original designated beneficiary, who will be treated as the new beneficiary for purposes of paragraphs A to C.

Sec. 42. 5 MRSA §18404, sub-§7, ¶A, as enacted by PL 1999, c. 744, §14 and affected by §17, is amended to read:

A. By written certification of the spouse, duly ~~notarized~~ acknowledged and filed with the chief executive officer, on a form provided or specified by the retirement system, indicating that notice has been received from the qualifying member; or

Sec. 43. 5 MRSA §18404, sub-§7, ¶B, as enacted by PL 1999, c. 744, §14 and affected by §17, is amended to read:

B. When notice has been given but certification by the spouse has not been provided, by written certification of the qualifying member, duly ~~notarized~~ acknowledged and filed with the chief executive officer, on a form provided or specified by the retirement system, indicating that notice has been given to the spouse.

Sec. 44. 5 MRSA §18802-A, sub-§7 is enacted to read:

7. Remote meeting policy. The remote meeting policy in Title 1, section 403-B, subsection 2 may be adopted by the chief executive officer on behalf of the advisory committee.

Sec. 45. Maine Revised Statutes amended; revision clause. Wherever in the Maine Revised Statutes the words "Executive Director of the Maine Public Employees Retirement System" appear or reference is made to that position or those words, those words are amended to read or mean, as appropriate, "Chief Executive Officer of the Maine Public Employees Retirement System" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes. Wherever in the Maine Revised Statutes, Title 5, Part 20, the words "executive director" appear or reference is made to that position within the Maine Public Employees Retirement System, those words are amended to read or mean, as appropriate, "chief executive officer," and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

SENATE

MATTHEA DAUGHTRY, DISTRICT 24, CHAIR
CRAIG V. HICKMAN, DISTRICT 14
STACEY K. GUERIN, DISTRICT 10

STEVE LANGLIN, LEGISLATIVE ANALYST
JUSTIN PURVIS, COMMITTEE CLERK

HOUSE

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GARY A. DRINKWATER, MILFORD
SOPHIE B. WARREN, SCARBOROUGH

STATE OF MAINE
ONE HUNDRED AND THIRTIETH LEGISLATURE
COMMITTEE ON LABOR AND HOUSING

MEMORANDUM

TO: Senator Nate Libby, Senate Chair
Representative Holly Stover, House Chair
Government Oversight Committee

FROM: Senator Matthea Daughtry, Senate Chair M.D. SL
Representative Michael Sylvester, House Chair M.S. SL
Joint Standing Committee on Labor and Housing

DATE: March 2, 2022

RE: Review of the Maine State Housing Authority, Workers' Compensation Board and Maine Public Employees Retirement System pursuant to 5 MRSA §12023, sub-§3

We are pleased to report the results of the Joint Standing Committee on Labor and Housing's review of Maine Public Employees Retirement System (MainePERS), Maine State Housing Authority (MaineHousing) and the Workers' Compensation Board (WCB) pursuant to the laws governing quasi-independent state entities in Title 5, chapter 379, subchapter 3 of the Maine Revised Statutes.

As required by Title 5, section 12023, subsection 3, the committee met to review each quasi-independent entity's annual report to the Legislature for the previous two calendar years to assess whether policies adopted by each entity are consistent with the requirements of Title 5, section 12022, subsections 3 to 5, and whether reported waivers of competitive procurement and contributions comply with adopted policies.

After review, the committee is pleased to report that the committee did not find any inconsistencies between the entities' policies and procedures and that the committee did not find any of the entities' reported waivers of competitive procurement and reported contributions to be out of compliance with the policies and procedures.

Thank you for your opportunity to report to you on these matters.

100 STATE HOUSE STATION, AUGUSTA, MAINE 04333-0100 TELEPHONE 207-287-1331

cc: Members, Government Oversight Committee
Members, Joint Standing Committee on Labor and Housing
Lucia Nixon, Director, Office of Program Evaluation and Government Accountability
Danielle D. Fox, Director, Office of Policy and Legal Analysis
Dan Brennan, Director, Maine State Housing Authority
Peter Merrill, Deputy Director, Maine State Housing Authority
Linda Grotton, Director of Internal Audit, Maine State Housing Authority
John Rohde, Executive Director, Maine Workers' Compensation Board
Rebecca M. Wyke, Chief Executive Officer, Maine Public Employees Retirement System
Michael Colleran, General Counsel, Maine Public Employees Retirement System
Kathy Morin, Manager of Actuarial and Legislative Affairs, Maine Public Employees Retirement System

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND GENERAL COUNSEL

SUBJECT: **RETIREE HEALTH INSURANCE POST-EMPLOYMENT BENEFITS INVESTMENT TRUST FUND**

DATE: APRIL 6, 2022

This is a refresher and update on the Retiree Health Insurance Post-Employment Benefits Investment Trust Fund ("Investment Trust Fund").

POLICY REFERENCE

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communications and Support to the Board

Board Policy 2.1-B – RHIT Investment Policy Statement

RETIREE HEALTH INSURANCE POST-EMPLOYMENT BENEFITS INVESTMENT TRUST

The Investment Trust Fund is a trust established in statute to hold and invest funds for the benefit of the Irrevocable Trust Funds for Other Post-Employment Benefits ("Benefit Trusts"), which are separate trusts established to meet the State's unfunded liability obligations for retiree health benefits. The statute names the members of the MainePERS Board of Trustees as the trustees of the Investment Trust Fund.

A Benefit Trust was established for retired State employee health benefits in 2007, and initial funding was received in early 2008. At that time, the trustees of the Investment Trust Fund and the Benefit Trust signed an agreement governing the relationship.

The balance in the Investment Trust Fund as of March 31, 2022, was $378.8 million. The funds are invested in accordance with Board Policy 2.1-B, which adopts an asset allocation similar to that used for the defined benefit funds, except that public market securities are substituted for illiquid private market investments. No disbursement of funds is expected before the year 2027.

A second Benefit Trust now is being established for retired teacher health benefits, and we expect the Investment Trust Fund to receive initial funding for that Benefit Trust in the coming months. We are working with the Attorney General's Office and the trustee of the new Benefit Trust on an agreement patterned after the existing agreement with the Benefit Trust for retired State employee health benefits. We anticipate bringing this agreement forward to you for approval next month.

RECOMENDATION

No Board action is required at this time.