



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

Public Meeting Packet

November 9, 2023

**MainePERS Board of Trustees
November 9, 2023
One City Center, Portland**

AGENDA

| | | | |
|------------------------|--|--------|---|
| 9:00 a.m. ¹ | CALL TO ORDER | ACTION | Brian Noyes |
| 9:00 – 9:05 a.m. | 1. <u>CONSIDERATION OF CONSENT CALENDAR</u> <ul style="list-style-type: none"> • Minutes of October 12, 2023 • Dismissal, Hubbell Appeal • Consideration of Items Removed | ACTION | Brian Noyes |
| 9:05 – 9:10 a.m. | 2. <u>BOARD ELECTIONS</u> | ACTION | Dr. Rebecca M. Wyke |
| 9:10 – 9:20 a.m. | 3. <u>PRIVATE MARKETS ACTION</u> <ul style="list-style-type: none"> • Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) <p style="margin-left: 20px;"><i>Board moves out of executive session.</i></p> <ul style="list-style-type: none"> • General Catalyst XII | ACTION | Brian Noyes James Bennett Seth Keller |
| 9:20 – 9:30 a.m. | 4. <u>OPEB FUND INVESTMENT POLICY STATEMENT</u> | ACTION | James Bennett |
| 9:30 – 9:55 a.m. | 5. <u>INVESTMENT REVIEW</u> <ul style="list-style-type: none"> • Investment Monthly Review • RHIT/GLI/OPEB Quarterly Review • Investment Quarterly Review | | James Bennett Brian McDonnell, Stuart Cameron, Cambridge Assocs. |
| 9:55 – 10:20 a.m. | 6. <u>PRIVATE MARKETS REVIEW I</u> <ul style="list-style-type: none"> • Private Markets Activity • Albourne Quarterly Review | | James Bennett, Seth Keller; William Greenwood, Jennifer Yeung, Albourne |
| 10:20 – 10:35 a.m. | <u>BREAK</u> | | |
| 10:35 – 11:00 a.m. | 6. <u>PRIVATE MARKETS REVIEW II</u> <ul style="list-style-type: none"> • Cliffwater Quarterly Review | | James Bennett, Seth Keller; Tom Lynch, George Bumeder, Cliffwater; |
| 11:00 – 11:15 a.m. | 7. <u>RISK DIVERSIFIERS QUARTERLY REVIEW</u> | | Brian McDonnell, Stuart Cameron, Cambridge Assocs. |

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

| | | | | |
|-------------------------|-----|--|--------|--|
| 11:15 – 11:40 a.m. | 8. | <u>GOVERNANCE</u> <ul style="list-style-type: none">• Board Charter Review• Board Policies Review | ACTION | Michael Colleran |
| 11:40 – 11:50 a.m. | 9. | <u>BOARD 2024 CALENDAR AND WORK PLAN</u> | ACTION | Dr. Rebecca M. Wyke |
| 11:50 a.m. – 12:00 p.m. | 10. | <u>FINANCE AND AUDIT COMMITTEE UPDATE</u> | | Shirrin Blaisdell |
| 12:00 – 12:30 p.m. | | <u>LUNCH</u> | | |
| 12:30 – 1:10 p.m. | 11. | <u>CEO REPORT</u> <ul style="list-style-type: none">• Disability Retirement Experience Survey• Investment Team Activities• WEP/GPO | | Dr. Rebecca M. Wyke James Bennett Michael Colleran |
| 1:10 – 1:20 p.m. | 12. | <u>MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT</u> | | Chip Gavin Sherry Vandrell Michael Colleran |
| 1:20 – 2:00 p.m. | 13. | <u>CEO ANNUAL REVIEW</u> <ul style="list-style-type: none">• Executive Session pursuant to 1 M.R.S. §405(6)(A) <p><i>Board moves out of executive session.</i></p> | | Brian Noyes Amy McDuffee, Mosaic Governance |
| 2:00 p.m. | | <u>ADJOURNMENT</u> | | Brian Noyes |

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
October 12, 2023

MainePERS
Augusta
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04332 at 9:00 a.m. on October 12, 2023. Brian Noyes, Chair, presided. Other Trustees participating were: Dick Metivier, Vice Chair; Greg Olson, Deputy State Treasurer; John Beliveau; Shirrin Blaisdell; Mark Brunton; and John Kimball. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; James Bennett, Chief Investment Officer; Sherry Vandrell, Chief Financial Officer; Chip Gavin, Chief Services Officer; Monica Gorman, Secretary to the Board of Trustees; and Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by Kathy Morin, Director of Actuarial and Legislative Affairs; Gene Kalwarski, Bonnie Rightnour, and Ryan Benitez, Cheiron; Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; and William Greenwood and Jennifer Yeung, Albourne.

Brian Noyes called the meeting to order at 9:00 a.m. John Beliveau and Deputy Treasurer Greg Olson participated through video remote access pursuant to 1 M.R.S. § 403-B, having been excused from in-person attendance by the Board Chair. All other Trustees were physically present.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of September 14, 2023
- Decision, E.P. Appeal

- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Voted by six Trustees in the affirmative (Beliveau, Blaisdell, Brunton, Metivier, Noyes, and Olson) and one in the negative (Kimball).

ACTUARIAL VALUATIONS AND UAL UPDATE

Gene Kalwarski, Bonnie Rightnour, and Ryan Benitez presented the FY23 draft actuarial reports for the State Employee and Teacher program, the Legislative Program, the Judicial Program, the PLD Consolidated Plan, and the Group Life Insurance Program (State-sponsored and PLD) to the Trustees for consideration. They discussed and answered questions from the Trustees.

- Action: Shirrin Blaisdell made the motion, seconded by Mark Brunton, to accept the FY23 Actuarial Reports for the State Employee and Teacher Program, the Legislative Program, the Judicial Program, the PLD Consolidated Plan, and the Group Life Insurance Program (State-sponsored and PLD) as presented. Voted unanimously by seven Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Olson).

AUDITED FINANCIAL STATEMENTS

Mark Laprade and Leah Clair of Berry Dunn, presented the 2023 Audited Financial Statements for the fiscal year ended June 30, 2023. Mark provided an overview of the various steps taken in the audit process. Leah highlighted the financial statement audit steps and footnotes with the Trustees.

Mark reviewed the yellow book report and the required auditor communications noting no significant audit adjustments. Mark and Leah thanked Sherry and the accounting team for a job well done.

- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell, to accept the FY23 Audited Financial Statements as presented. Voted unanimously by seven Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Olson).

PRIVATE MARKET REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private market funds and co-investments that had closed during the past 12 months. Jim shared the next manager meeting is scheduled for Tuesday, October 24, 2023, in Portland, with presentations by General Catalyst Group XII at 10:00 a.m. and BlackRock at 11:00 a.m.

Jim stated in November Wynnchurch Capital Partners VI is scheduled for Tuesday, November 28th at 10:00 a.m. and Bain Capital Real Estate for 11:00 a.m.

Quarterly Rebalancing Report

Jim Bennett shared a summary of the public markets and risk diversifiers rebalancing activity through the third quarter of calendar year 2023. Jim answered questions from the Trustees.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of September 30, 2023 the MainePERS fund had a preliminary market value of \$18.4 billion, the preliminary return for the month was -1.3%, and the preliminary calendar year-to-date return was 3.4%.

GLI/RHIT INVESTMENT POLICY STATEMENTS

Amendment to Board Policy 2.1A – GLI Investment Policy Statement **Amendment to Board Policy 2.1B – RHIT Investment Policy Statement**

Jim Bennett shared that the review of the RHIT and GLI Investment Policies has been completed and recommended changes to the Trustees for their consideration. Jim discussed and answered questions from the Trustees.

- Action: John Kimball made the motion, seconded by Mark Brunton, that the Board approve amended Board Policies 2.1A and 2.1B. Voted unanimously by seven Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Olson).

BOARD MEETING POLICY

Amendment to Board Policy 1.10 – Board Meetings

Michael Colleran reviewed the recommended amendment to the Board policy, which would provide more flexibility to the Board Chair to approve remote participation of Board members. An opportunity for public comment was provided, but no comments were offered.

- **Action:** John Kimball made the motion, seconded by Dick Metivier, that the Board approve amended Board Policy 1.10. Voted unanimously by seven Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Olson).

CEO REPORT

Member Portal

Dr. Rebecca Wyke stated the phased launch of the portal began early October. She stated member portal information sessions have been scheduled through the end of the year. Dr. Wyke thanked the staff for all of their work towards making this possible.

FY2023 Year End

Dr. Rebecca Wyke shared that MainePERS was awarded the GFOA Excellence Award for the 19th year in a row. She congratulated Sherry Vandrell and her staff for the excellent work they provided.

State Employee and Teacher Plan Maturity

Dr. Rebecca Wyke discussed planning for the post-2028 full funding of the 1996 UAL with the Trustees. She answered questions from the Trustees.

Strategic Plan Update & Key Performance and Risk Measures

Dr. Rebecca Wyke provided the Trustees with the first annual update of the 5-Year Strategic Plan. Dr. Wyke shared a presentation on progress toward the Strategic Plan's goals and objectives. The Trustees asked questions and discussed the presentation with Dr. Wyke.

Member Satisfaction Survey Results

Dr. Rebecca Wyke reviewed the results of a recent satisfaction survey that was sent to active and retired members of State sponsored and Participating Local District Plans. The survey showed positive results on satisfaction and a favorable impression of MainePERS' integrity and staff knowledge level. Some of the responses made suggestions for more frequent communications, easier to understand information, and more timely responses to inquiries.

Members also shared their interest in pre-retirement informational meetings, retirement security planning sessions, and defined contribution plan participation.

Dr. Rebecca Wyke thanked the staff and leadership team for their hard work.

Pension Administration System Project Education

Dr. Rebecca Wyke and Chip Gavin shared a presentation on the PAS Project with the Trustees. They provided an overview of the project and detail on the current phase, which includes development of a request for proposal and contract award. They identified areas of risk and discussed Board oversight of the project. Dr. Wyke and Chip answered questions from the Trustees.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

Chip Gavin provided an update on the member portal. Chip stated webinars have been scheduled for education and support efforts to assist members with the portal. Chip shared member education sessions for new and mid-career members for all three plans are available.

Sherry Vandrell reported 96.5% of employers reported payrolls on time in September. She shared the investment processes and controls internal audit is complete. Sherry stated an internal audit of cash receipts and disbursements has begun.

Michael Colleran stated voice phishing (vishing) training was provided to staff in September. Tyler Technologies will be providing follow-up testing in the near future. Michael shared the physical security system is being updated to include additional cameras and motion sensors. Michael thanked Document Center Quality Control Technicians, Jenn Fraser and Darrin Reed, for their work on updating contact information for over 4,000 members and retirees.

LITIGATION UPDATE

Betsy Stivers updated the Trustees in the Hawes FOA matter. Betsy stated after the last count was dismissed and the judgement was final, Ms. Hawes filed a statement of position making procedural complaints but did not appeal, and the judgement was final. The statement was reviewed as a motion for relief from judgement by a new judge. The judge considered it under the motion for relief from judgment rule and denied it.

ADJOURNMENT

- **Action.** Mark Brunton made the motion, seconded by Dick Metivier to adjourn the October meeting of the Board of Trustees. Unanimously voted by seven Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Olson).

The meeting adjourned at approximately 2:30 p.m.

11/9/23
Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

MAINEPERS

BOARD OF TRUSTEES GOVERNANCE MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
SUBJECT: BOARD ELECTIONS
DATE: NOVEMBER 1, 2023

Board Policy 1.5 calls for annual election of the Board Chair and Vice Chair and lays out a process for conducting the elections. The Board has traditionally conducted the elections at the November meeting and has departed from the policy's paper ballot process based on the circumstances of a particular election, including where Trustees have been participating remotely.

POLICY REFERENCE

[Board Policy 1.5 – MainePERS Board Officer Elections and Position Descriptions](#)

RECOMMENDATION

That the Board elect a Chair and Vice Chair for the next year.

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: RHIT AND GLI INVESTMENT POLICY REVIEWS
DATE: NOVEMBER 1, 2023

In October Trustees approved changes to the Investment Policy Statements (IPS) guiding the investments of Group Life Insurance (GLI) and Retiree Health Insurance Post-Employment Benefits Investment Trust Fund (RHIT) assets. These changes were the result of a review conducted by the Investment Team and Cambridge Associates.

That review also resulted in the development of a standalone Investment Policy Statement covering the assets of the MainePERS OPEB Trust. This new policy follows this memo and is effectively identical to the policies adopted last month.

POLICY REFERENCE

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

[Board Policy 2.1-D – OPEB Trust Investment Policy Statement \(proposed\)](#)

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

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

RECOMMENDATION

That the Board adopt Board Policy 2.1-D – OPEB Trust Investment Policy Statement.

Board Responsibilities – Investment Policy for MainePERS Other Post-Employment Benefits Trust

2.1-D – OPEB Trust Investment Policy Statement

Date Adopted: November 9, 2023

Policy

The members of the Board of Trustees, as trustees of the MainePERS Other Post-Employment Benefits Trust (“OPEB Trust” or “Investment Trust”), are authorized and responsible for investing and managing the assets of the Investment Trust in accordance with legal requirements and the Maine Public Employees Retirement System Other Post-Employment Benefits Trust Agreement dated April 8, 2010 (the “Trust Agreement”). The Board carries out its investment responsibility by adopting investment objectives and strategic asset allocations and delegating implementation to the investment staff (the “Investment Team”).

Statutory/Legal Provisions

- 5 M.R.S. §§ 17431 - 17439; 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.
- 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.

Background

The OPEB Trust is established by Trust Agreement to hold and invest funds for the exclusive purpose of providing funds to pay OPEB for certain MainePERS retired employees and their beneficiaries. The Trust Agreement names the Board members as the trustees of the OPEB Trust (“Trustees”).

Investment Objectives

The assets of the OPEB Trust are to be invested with a long-term time horizon in accordance with the Maine Uniform Trust Code and the Maine Uniform Prudent Investor Act.

The primary goals of OPEB Trust are the preservation and growth of principal in accordance with long-term investment assumptions established from time to time by the Board for the defined benefits plans of the System, as considered appropriate by the Trustees.

The Board recognizes and accepts that these goals are in opposition, and that a trade-off exists between expected risk and return. The Board seeks to achieve these goals by constructing a diversified portfolio containing a moderate-to-high level of investment risk.

Strategic Asset Allocation and Rebalancing

The strategic asset allocation and asset class target weights set forth in Appendix 1 are established for the OPEB Trust investments. The Investment Team shall maintain asset class weights within target ranges. The Investment Team will provide Trustees with reports showing current asset allocations at least quarterly. The Investment Team shall annually review the investments and asset allocations with Trustees. The Board shall review, and when strategically appropriate, approve recommended changes for implementation by the Investment Team.

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 2). 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 OPEB Trust Investment Policy, subject to Board guidelines:

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MainePERS Board of Trustees

- 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 2. Any exceptions must be approved by the Board.
- Investments within each asset class should be consistent with the asset class definitions appended to Board Policy 2.1.

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/Leverage

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. Derivatives are not to be used as a means of obtaining leverage. The use of leverage in any strategy must be disclosed to the Board prior to the Board's approval.

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

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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.

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, or in the Chief Executive Officer's absence, the Chief Operating Officer
- 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 for MainePERS OPEB Trust
Appendix 1: Asset Classes, Policy Weights and Ranges

Date Adopted: November 9, 2023

The OPEB Trust assets are invested across four asset classes that play distinct roles. The asset classes and target policy weights and ranges are set forth below.

| Weights | | | |
|--------------------------|---------|--------|---------|
| | Minimum | Policy | Maximum |
| Public Equity | 60% | 70% | 80% |
| Traditional Credit | 10% | 15% | 20% |
| US Government Securities | 10% | 15% | 20% |
| Cash | 0% | 0% | 10% |

Board Responsibilities – Investment Policy for MainePERS OPEB Trust
Appendix 2: Policy Benchmarks

Date Adopted: November 9, 2023

| Asset | Benchmark | Weight |
|----------------------------|--|---------------|
| Total Public Equity | Russell 3000 & MSCI ACWI ex-USA, based on ACWI weights | 70% |
| Traditional Credit | Barclays US Aggregate, ex Treasury | 15% |
| U.S. Government Securities | 50% Bloomberg Barclays U.S. Government Bond Market Index + 50% Bloomberg U.S. TIPS Index | 15% |

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: MONTHLY INVESTMENT REVIEW
DATE: NOVEMBER 1, 2023

Following this memo is the Monthly Investment Review for October, the RHIT/GLI/OPEB Quarterly Review, and Cambridge Associates Quarterly Review.

POLICY REFERENCE

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

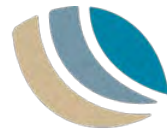
[Board Policy 4.5 – Board/Staff Relations](#)

[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 \$18.4 billion.
- Monthly return of -0.9%.
- Calendar year-to-date return of 3.4%.
- Fiscal year-to-date return of -1.3%.



Maine PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Review

November 9, 2023

Investment Policy Objective

Investment Objective

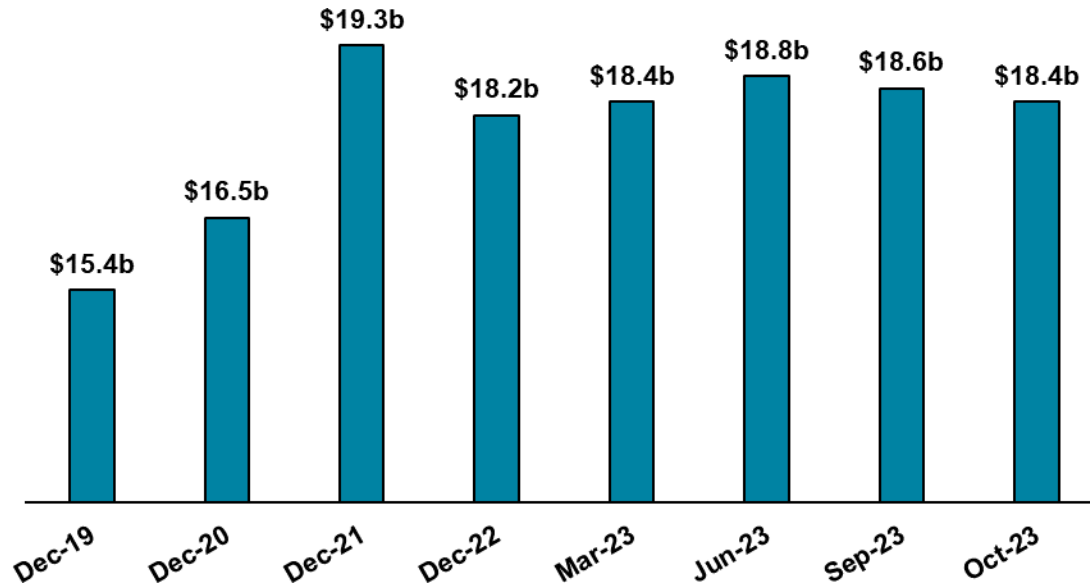
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

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.

October 2023 Performance (Preliminary)

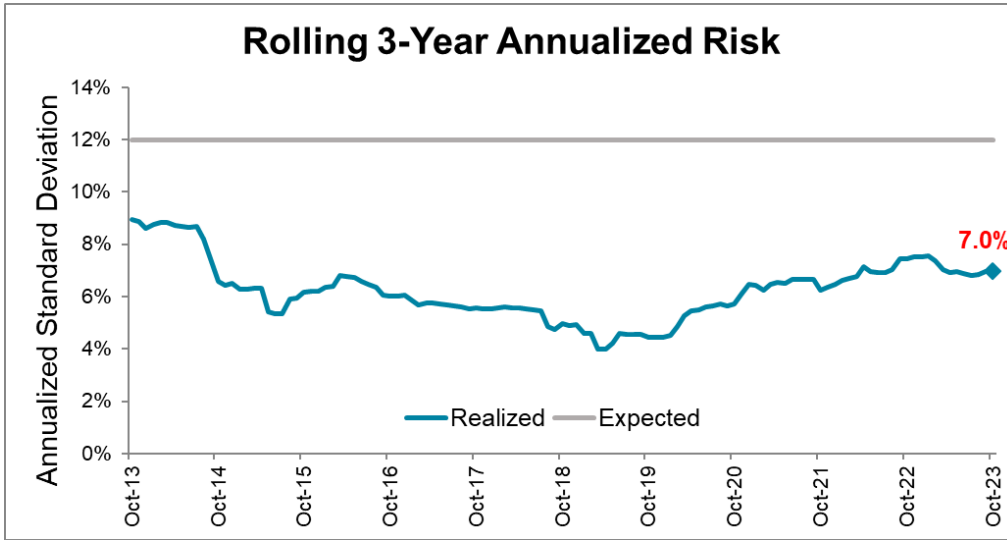
The **preliminary** fund value at the end of October is \$18.4 billion.



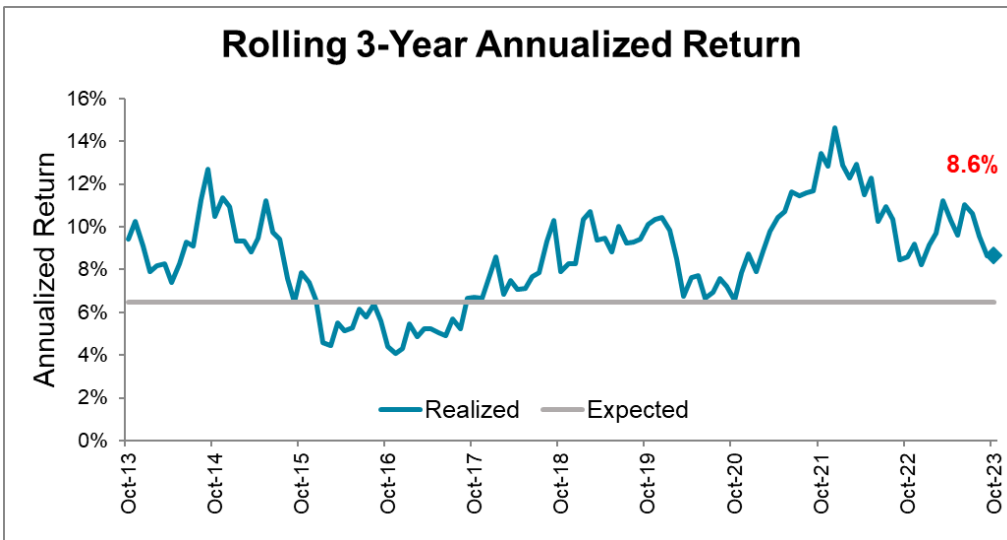
Fund and Benchmark Returns

| | Oct-23 | CYTD 2023 | FYTD 2024 |
|------------------------|--------|--------------|--------------|
| Total Fund | -0.9% | 3.4% | -1.3% |
| Russell 3000 | -2.7% | 9.4% | -5.8% |
| MSCI ACWI ex-USA | -4.1% | 1.0% | -7.7% |
| Bloomberg US Aggregate | -1.6% | -2.8% | -4.8% |

Investment Objective Measurement: Risk and Return



Despite heightened volatility in 2022, observed risk at the Fund level remains below targeted risk on a rolling 3-year annualized basis.



On a rolling 3-year annualized basis, investment returns have exceeded expected values and the System's discount rate.

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.

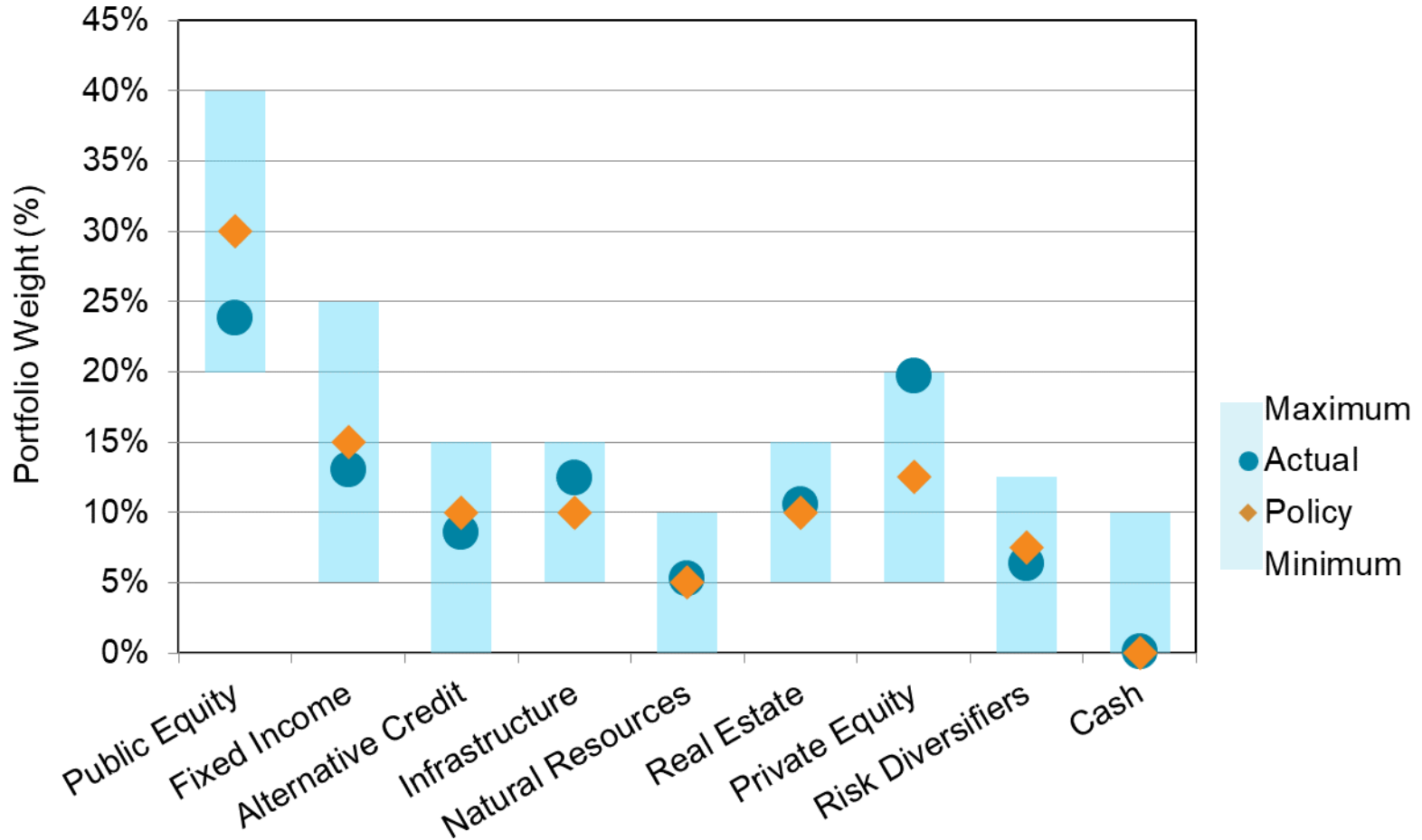
October 2023 Asset Allocation (Preliminary)

| Assets (Millions) | Value | % of Fund | Policy % |
|----------------------------|------------------|---------------|---------------|
| MainePERS Portfolio | \$ 18,385 | 100.0% | 100.0% |
| Domestic Equity | \$ 2,711 | 14.7% | 18.7% |
| International Equity | \$ 1,673 | 9.1% | 11.3% |
| Fixed Income | \$ 2,399 | 13.0% | 15.0% |
| Alternative Credit | \$ 1,582 | 8.6% | 10.0% |
| Infrastructure | \$ 2,285 | 12.4% | 10.0% |
| Natural Resources | \$ 977 | 5.3% | 5.0% |
| Private Equity | \$ 3,617 | 19.7% | 12.5% |
| Real Estate | \$ 1,945 | 10.6% | 10.0% |
| Risk Diversifiers | \$ 1,173 | 6.4% | 7.5% |
| Cash | \$ 24 | 0.1% | 0.0% |

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

Private equity remains overweight at ~20% of Fund value, and private markets assets in aggregate comprise 56.6% of the overall portfolio, above the 47.5% policy weight.

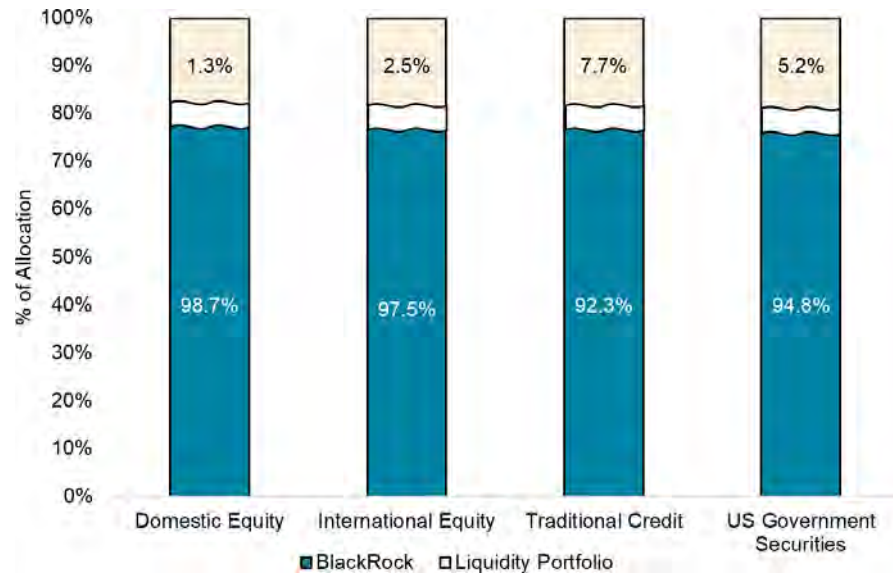
October 2023 Asset Allocation (Preliminary)



Public Securities: Liquidity Portfolio

At the end of October, 1.2% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 3.3% of MainePERS' total exposure to public securities.



| MainePERS Liquidity Portfolio | Market Value (Millions) | Exposure Type |
|-------------------------------------|-------------------------|---------------|
| Parametric Domestic Equity | \$35.7 | Futures |
| Parametric International Equity | \$41.1 | Futures |
| Parametric Traditional Credit | \$62.4 | ETFs |
| Parametric US Government Securities | \$82.4 | Futures |
| Total Liquidity Portfolio | \$221.6 | |

Derivatives and Leverage

MainePERS has **exposure 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: October 2023

| Description | FYTD 24 | FY 23 | FY 22 | FY 21 | FY 20 |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|
| Investment Mgmt. Fees | \$44,378,580 | \$133,285,971 | \$130,884,088 | \$120,429,567 | \$122,567,451 |
| Securities Lending Fees ¹ | 375,648 | 1,303,543 | 1,744,317 | 1,653,172 | 2,239,396 |
| Consulting Fees | 405,000 | 1,193,543 | 1,120,000 | 1,120,000 | 1,120,000 |
| Broker Commissions ² | 23,585 | 136,039 | 77,558 | 52,364 | 37,461 |
| Placement Agent Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$45,182,813 | \$135,919,096 | \$133,825,963 | \$123,255,103 | \$125,964,308 |
| Percentage of Fund ³ | 0.74% | 0.72% | 0.73% | 0.68% | 0.86% |

1. Securities Lending Fees are through 9/30/2023
2. Actual paid commissions reported by JP Morgan
3. For FY24: Total fees projected for the full fiscal year divided by current Fund value.
For prior FY: Total fees divided by FYE Fund value.

Securities Lending: September 2023

| | Average Lendable Assets | Average Assets On Loan | Total Sec Lending Revenue | Revenue Split | MainePERS Net Income | MainePERS Net Income, FYTD |
|--|-------------------------|------------------------|---------------------------|---------------------------------|----------------------|----------------------------|
| BlackRock | | | | | | |
| Fixed Income | \$1,832,202,466 | \$1,314,143,016 | \$215,266 | 60%/40% | \$129,159 | \$385,946 |
| Total Equity | \$1,600,729,592 | \$184,245,972 | \$104,513 | 60%/40% | \$69,757 | \$199,316 |
| Total Blackrock | \$3,432,932,058 | \$1,498,388,988 | \$319,779 | | \$198,916 | \$585,262 |
| JP Morgan | | | | | | |
| Domestic Equities | \$2,737,052,724 | \$97,459,443 | \$16,359 | 85%/15% | \$13,910 | \$111,573 |
| Total JP Morgan | \$2,737,052,724 | \$97,459,443 | \$16,359 | | \$13,910 | \$111,573 |
| Total | \$6,169,984,782 | \$1,595,848,431 | \$336,138 | | \$212,826 | \$696,835 |
| Total Annualized Securities Lending Income, FY 2024: | | | | \$2,787,337 (0.02%, or 1.5 bps) | | |
| Total Actual Securities Lending Income, FY 2023: | | | | \$2,557,153 (0.01%, or 1.4 bps) | | |

Liquidity Schedule: October 2023

| Term | Market Value | Percent of Portfolio |
|--------------------------|------------------|----------------------|
| Liquid ¹ | \$6,808m | 37.0% |
| Semi-Liquid ² | \$2,449m | 13.3% |
| Illiquid ³ | \$9,128m | 49.6% |
| Total | \$18,385m | 100.0% |

| <u>Sources and Uses of Liquidity</u> | | |
|--------------------------------------|-----------------------|---------------------------|
| | Last 12 Months Actual | Next 12 Months Projection |
| Private Markets Activity | | |
| Capital Contributions | -\$1,315m | -\$760m |
| Distributions | \$1,171m | \$1,850m |
| Net Private Markets Activity | -\$144m | \$1,090m |
| | | |
| Benefit Payments | -\$445m | -\$460m |
| | | |
| Net Cash Flows | -\$589m | \$630m |

¹Liquid assets includes public equities and public fixed income

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

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

MainePERS Alternative Investments Summary

| <i>as of 10/31/2023</i> | # of Funds | # of GP Relationships |
|-------------------------|------------|-----------------------|
| Alternative Credit | 25 | 13 |
| Infrastructure | 35 | 11 |
| Natural Resources | 16 | 10 |
| Private Equity | 124 | 34 |
| Real Estate | 33 | 18 |
| Risk Diversifiers | 11 | 10 |
| Total* | 244 | 87 |

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 244 funds,
and has 87 distinct manager relationships.

MainePERS Alternative Investments Summary

| <i>(in \$millions)</i> as of 10/31/2023 | Current Market Value | | | Unfunded Commitment | |
|--|----------------------|--------------|--------------|---------------------|--------------|
| | Dollars | % of Fund | Policy %* | Dollars | % of Fund |
| Alternative Credit | \$ 1,582 | 8.6% | 10.0% | \$ 732 | 4.0% |
| Infrastructure | \$ 2,285 | 12.4% | 10.0% | \$ 535 | 2.9% |
| Natural Resources | \$ 977 | 5.3% | 5.0% | \$ 211 | 1.1% |
| Private Equity | \$ 3,617 | 19.7% | 12.5% | \$ 1,037 | 5.6% |
| Real Estate | \$ 1,945 | 10.6% | 10.0% | \$ 378 | 2.1% |
| Risk Diversifiers | \$ 1,173 | 6.4% | 7.5% | \$ 105 | 0.6% |
| Total Alternatives | \$ 11,579 | 63.0% | 55.0% | \$ 2,998 | 16.3% |

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

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

Note: Market values shown above are preliminary estimates. Private market asset values are based on 6/30/2023 values, adjusted for subsequent cash flows.

| <i>(in \$millions)</i> as of 10/31/2023 | Private Market Commitments by Vintage Year | | | | 3-Year |
|--|--|-----------------|-----------------|---------------|----------------------|
| | 2020 | 2021 | 2022 | 2023 | Average ¹ |
| Alternative Credit | \$ 275 | \$ 410 | \$ 550 | \$ 180 | \$ 412 |
| Infrastructure | \$ 235 | \$ 180 | \$ 200 | \$ 50 | \$ 205 |
| Natural Resources | \$ - | \$ - | \$ 30 | \$ 40 | \$ 10 |
| Private Equity | \$ 276 | \$ 438 | \$ 218 | \$ 130 | \$ 311 |
| Real Estate | \$ 80 | \$ 285 | \$ 180 | \$ 15 | \$ 182 |
| Total Commitments | \$ 866 | \$ 1,313 | \$ 1,178 | \$ 415 | \$ 1,119 |

¹3-Year Average: 2020-2022

MainePERS Private Market Investments Summary: 06/30/2023

| Asset Class Summary | Commitment (A) | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---------------------|----------------------|------------------------------|-------------------------------|--------------------------------|----------------------|--------------------|
| Alternative Credit | \$ 2,378,725 | \$ 1,900,417 | \$ 691,352 | \$ 1,538,663 | \$ 2,230,014 | 7.4% |
| Infrastructure | \$ 3,442,946 | \$ 3,528,753 | \$ 2,777,854 | \$ 2,305,186 | \$ 5,083,040 | 11.3% |
| Natural Resources | \$ 1,060,500 | \$ 1,096,444 | \$ 443,446 | \$ 982,880 | \$ 1,426,327 | 6.4% |
| Private Equity | \$ 4,890,371 | \$ 4,757,030 | \$ 4,068,610 | \$ 3,698,626 | \$ 7,767,236 | 16.0% |
| Real Estate | \$ 2,742,800 | \$ 2,673,612 | \$ 1,901,803 | \$ 1,895,727 | \$ 3,797,530 | 6.9% |
| Total | \$ 14,515,342 | \$ 13,956,255 | \$ 9,883,065 | \$ 10,421,082 | \$ 20,304,147 | 10.5% |

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 | \$ 253,700 | 35 | \$ 257,381 | \$ 83,105 | \$ 211,391 | \$ 294,496 | 9.2% |
| Infrastructure Co-Investments | \$ 219,004 | 11 | \$ 215,216 | \$ 252,582 | \$ 128,829 | \$ 381,411 | 14.6% |
| Natural Resources Co-Investments | \$ 32,500 | 2 | \$ 32,662 | \$ 37 | \$ 48,853 | \$ 48,890 | 11.3% |
| Private Equity Co-Investments | \$ 372,922 | 32 | \$ 372,944 | \$ 310,156 | \$ 264,013 | \$ 574,170 | 13.5% |
| Real Estate Co-Investments | \$ 67,001 | 5 | \$ 58,567 | \$ 7,306 | \$ 41,903 | \$ 49,209 | -6.3% |
| Total | \$ 945,127 | 85 | \$ 936,770 | \$ 653,187 | \$ 694,988 | \$ 1,348,175 | 12.6% |

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

MainePERS Private Market Investments Summary: 06/30/2023

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 | \$ 22,083 | \$ 11,213 | \$ 33,297 | 18.7% |
| Angelo Gordon Direct Lending Fund III | \$ 100,000 | 7/20/2018 | \$ 102,285 | \$ 75,242 | \$ 64,264 | \$ 139,506 | 10.6% |
| Participation Agreement #1 | \$ 7,500 | 10/11/2019 | \$ 7,497 | \$ 2,294 | \$ 7,041 | \$ 9,335 | 8.4% |
| Participation Agreement #2 | \$ 5,000 | 10/11/2019 | \$ 4,994 | \$ 5,422 | \$ - | \$ 5,422 | 8.8% |
| Participation Agreement #3 | \$ 5,000 | 10/11/2019 | \$ 5,000 | \$ 5,700 | \$ - | \$ 5,700 | 7.3% |
| Participation Agreement #4 | \$ 10,000 | 10/18/2019 | \$ 9,915 | \$ 2,376 | \$ 9,578 | \$ 11,954 | 8.6% |
| Participation Agreement #5 | \$ 5,000 | 12/6/2019 | \$ 5,000 | \$ 2,413 | \$ 4,085 | \$ 6,497 | 9.5% |
| Participation Agreement #6 | \$ 10,000 | 12/6/2019 | \$ 9,991 | \$ 2,447 | \$ 9,535 | \$ 11,983 | 9.0% |
| Participation Agreement #7 | \$ 5,000 | 12/11/2019 | \$ 5,000 | \$ 1,927 | \$ 4,543 | \$ 6,470 | 8.7% |
| Participation Agreement #8 | \$ 5,000 | 8/13/2020 | \$ 4,914 | \$ 1,302 | \$ 4,828 | \$ 6,130 | 8.8% |
| Participation Agreement #9 | \$ 7,500 | 4/9/2021 | \$ 7,425 | \$ 1,477 | \$ 7,331 | \$ 8,808 | 10.0% |
| Participation Agreement #10 | \$ 5,000 | 4/20/2021 | \$ 5,007 | \$ 1,365 | \$ 4,549 | \$ 5,914 | 9.0% |
| Participation Agreement #11 | \$ 5,000 | 5/5/2021 | \$ 5,000 | \$ 995 | \$ 4,676 | \$ 5,671 | 6.6% |
| Angelo Gordon Direct Lending Fund IV | \$ 100,000 | 1/24/2020 | \$ 90,000 | \$ 12,658 | \$ 99,776 | \$ 112,434 | 12.1% |
| Participation Agreement #1 | \$ 5,000 | 10/23/2020 | \$ 4,913 | \$ 1,551 | \$ 4,373 | \$ 5,925 | 8.5% |
| Participation Agreement #2 | \$ 12,500 | 8/17/2021 | \$ 12,295 | \$ 1,839 | \$ 12,233 | \$ 14,072 | NM |
| Participation Agreement #3 | \$ 7,500 | 10/5/2021 | \$ 7,500 | \$ 7,913 | \$ - | \$ 7,913 | NM |
| Participation Agreement #4 | \$ 5,000 | 12/21/2021 | \$ 4,925 | \$ 747 | \$ 4,877 | \$ 5,624 | NM |
| Participation Agreement #5 | \$ 5,000 | 12/21/2021 | \$ 4,925 | \$ 902 | \$ 4,694 | \$ 5,596 | NM |
| Participation Agreement #6 | \$ 5,000 | 1/12/2022 | \$ 4,925 | \$ 743 | \$ 4,868 | \$ 5,611 | NM |
| Participation Agreement #7 | \$ 7,500 | 1/12/2022 | \$ 7,388 | \$ 1,109 | \$ 7,286 | \$ 8,394 | NM |
| Participation Agreement #8 | \$ 12,500 | 6/16/2022 | \$ 12,406 | \$ 1,424 | \$ 12,253 | \$ 13,677 | NM |
| Angelo Gordon Direct Lending Fund IV Annex | \$ 50,000 | 11/18/2021 | \$ 47,500 | \$ 3,449 | \$ 49,741 | \$ 53,190 | NM |
| Angelo Gordon Direct Lending Fund V | \$ 125,000 | 8/3/2022 | \$ 53,125 | \$ - | \$ 58,013 | \$ 58,013 | NM |
| Participation Agreement #1 | \$ 7,500 | 9/1/2022 | \$ 7,388 | \$ 674 | \$ 7,328 | \$ 8,002 | NM |
| Participation Agreement #2 | \$ 12,500 | 10/7/2022 | \$ 12,263 | \$ 565 | \$ 12,277 | \$ 12,842 | NM |
| Participation Agreement #3 | \$ 10,000 | 10/19/2022 | \$ 9,850 | \$ 819 | \$ 9,770 | \$ 10,589 | NM |
| Participation Agreement #4 | \$ 10,000 | 10/27/2022 | \$ 9,800 | \$ 805 | \$ 9,720 | \$ 10,524 | NM |
| Participation Agreement #5 | \$ 10,000 | 2/27/2023 | \$ 9,821 | \$ 442 | \$ 9,783 | \$ 10,225 | NM |
| Ares Capital Europe IV | \$ 122,000 | 4/30/2018 | \$ 96,890 | \$ 24,885 | \$ 88,496 | \$ 113,381 | 4.9% |
| Ares Capital Europe V | \$ 122,000 | 9/4/2020 | \$ 88,965 | \$ 4,738 | \$ 92,330 | \$ 97,069 | 7.3% |
| Ares Capital Europe VI | \$ 82,500 | 3/17/2023 | \$ 0 | \$ - | \$ 248 | \$ 248 | NM |
| Ares Senior Direct Lending Fund II | \$ 100,000 | 12/10/2021 | \$ 53,930 | \$ 5,758 | \$ 54,717 | \$ 60,476 | NM |
| Audax Senior Debt (MP), LLC | \$ 100,000 | 6/30/2017 | \$ 100,000 | \$ 39,300 | \$ 90,894 | \$ 130,194 | 5.0% |

MainePERS Private Market Investments Summary: 06/30/2023

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 |
|--|-------------------|--------------------|------------------------------|-------------------------------|--------------------------------|----------------------|--------------------|
| Brookfield Infrastructure Debt Fund III | \$ 100,000 | 7/15/2022 | \$ 45,341 | \$ 6,628 | \$ 39,737 | \$ 46,366 | NM |
| Comvest Credit Partners VI | \$ 125,000 | 5/20/2022 | \$ 68,750 | \$ - | \$ 72,257 | \$ 72,257 | NM |
| Deerpath Capital VI | \$ 75,000 | 9/30/2021 | \$ 54,590 | \$ 5,743 | \$ 55,563 | \$ 61,306 | NM |
| Global Infrastructure Partners Spectrum | \$ 100,000 | 2/20/2019 | \$ 72,889 | \$ 28,392 | \$ 50,712 | \$ 79,104 | 6.9% |
| Mesa West Core Lending Fund | \$ 100,000 | 6/18/2013 | \$ 127,612 | \$ 62,055 | \$ 115,891 | \$ 177,945 | 5.5% |
| Owl Rock Capital Corporation | \$ 100,000 | 3/10/2017 | \$ 116,571 | \$ 50,068 | \$ 103,353 | \$ 153,421 | 7.2% |
| Participation Agreement #1 | \$ 5,000 | 5/7/2018 | \$ 4,851 | \$ 5,499 | \$ - | \$ 5,499 | 12.7% |
| Participation Agreement #2 | \$ 6,185 | 7/31/2018 | \$ 6,196 | \$ 7,745 | \$ - | \$ 7,745 | 9.9% |
| Participation Agreement #3 | \$ 5,000 | 8/7/2018 | \$ 4,938 | \$ 5,634 | \$ - | \$ 5,634 | 7.9% |
| Participation Agreement #4 | \$ 5,000 | 8/20/2018 | \$ 4,566 | \$ 5,835 | \$ - | \$ 5,835 | 8.1% |
| Participation Agreement #5 | \$ 5,000 | 12/21/2018 | \$ 4,988 | \$ 1,843 | \$ 4,627 | \$ 6,470 | 7.3% |
| Participation Agreement #6 | \$ 11,653 | 8/7/2020 | \$ 12,181 | \$ 3,513 | \$ 10,540 | \$ 14,053 | 9.2% |
| Participation Agreement #7 | \$ 7,500 | 7/26/2021 | \$ 6,558 | \$ 1,220 | \$ 6,501 | \$ 7,721 | NM |
| Participation Agreement #8 | \$ 12,500 | 6/17/2022 | \$ 12,778 | \$ 1,660 | \$ 12,383 | \$ 14,043 | NM |
| Participation Agreement #9 | \$ 7,500 | 9/26/2022 | \$ 7,388 | \$ 655 | \$ 7,350 | \$ 8,006 | NM |
| Owl Rock Capital Corporation III | \$ 100,000 | 6/19/2020 | \$ 118,400 | \$ 18,400 | \$ 121,972 | \$ 140,372 | 10.1% |
| Pathlight Capital Fund II | \$ 75,000 | 4/22/2021 | \$ 108,651 | \$ 54,950 | \$ 63,695 | \$ 118,645 | 9.7% |
| Participation Agreement #1 | \$ 7,500 | 4/1/2022 | \$ 7,368 | \$ 1,333 | \$ 7,008 | \$ 8,341 | NM |
| Participation Agreement #2 | \$ 7,500 | 4/1/2022 | \$ 7,429 | \$ 918 | \$ 7,354 | \$ 8,272 | NM |
| Pathlight Capital Fund III | \$ 75,000 | 6/24/2022 | \$ 66,468 | \$ 18,843 | \$ 50,271 | \$ 69,115 | NM |
| Solar Capital Private Corporate Lending Fund | \$ 50,000 | 6/26/2019 | \$ 40,188 | \$ 7,644 | \$ 41,335 | \$ 48,980 | 11.8% |
| Solar Capital Debt Fund | \$ 50,000 | 6/26/2019 | \$ 25,000 | \$ 2,473 | \$ 26,277 | \$ 28,750 | 12.9% |
| SLR Private Corporate Lending Fund II | \$ 125,000 | 12/23/2022 | \$ - | \$ - | \$ - | \$ - | NM |
| Silver Point Specialty Credit II | \$ 50,000 | 1/31/2020 | \$ 57,821 | \$ 26,206 | \$ 39,334 | \$ 65,540 | 9.7% |
| Tennenbaum Direct Lending VIII | \$ 100,000 | 11/30/2017 | \$ 100,883 | \$ 83,247 | \$ 40,535 | \$ 123,782 | 6.4% |

MainePERS Private Market Investments Summary: 06/30/2023

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 | \$ 68,297 | \$ 74,099 | \$ 214 | \$ 74,314 | 1.9% |
| ArcLight Energy V | \$ 75,000 | 10/28/2011 | \$ 76,031 | \$ 103,624 | \$ - | \$ 103,624 | 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 | \$ 127,354 | \$ 60,942 | \$ 188,297 | 4.0% |
| Great River Hydro Partners | \$ 12,000 | 6/17/2017 | \$ 10,718 | \$ 45,094 | \$ - | \$ 45,094 | 39.5% |
| Brookfield Infrastructure Fund II | \$ 100,000 | 6/28/2013 | \$ 117,103 | \$ 108,637 | \$ 90,867 | \$ 199,504 | 10.0% |
| Brookfield Infrastructure Fund III | \$ 100,000 | 4/15/2016 | \$ 110,004 | \$ 58,327 | \$ 105,676 | \$ 164,004 | 12.1% |
| Co-Investment #1 | \$ 20,000 | 3/31/2017 | \$ 15,951 | \$ 20,057 | \$ 18,529 | \$ 38,586 | 28.1% |
| Carlyle Global Infrastructure Opportunity Fund | \$ 100,000 | 5/1/2019 | \$ 85,007 | \$ 16,111 | \$ 89,348 | \$ 105,459 | 13.0% |
| Carlyle Infrastructure Partners | \$ 50,000 | 11/2/2007 | \$ 57,366 | \$ 64,289 | \$ 372 | \$ 64,661 | 2.5% |
| Carlyle Power Partners II | \$ 50,000 | 11/19/2015 | \$ 63,926 | \$ 33,971 | \$ 56,874 | \$ 90,845 | 10.5% |
| Cube Infrastructure | \$ 45,000 | 4/16/2010 | \$ 60,063 | \$ 96,665 | \$ 422 | \$ 97,087 | 8.0% |
| Cube Infrastructure II | \$ 90,000 | 9/11/2018 | \$ 77,017 | \$ 5,744 | \$ 70,669 | \$ 76,413 | -0.2% |
| Cube Infrastructure III | \$ 90,000 | 8/16/2021 | \$ 40,821 | \$ - | \$ 42,313 | \$ 42,313 | NM |
| EQT Infrastructure III | \$ 68,000 | 12/3/2016 | \$ 102,922 | \$ 154,917 | \$ 24,311 | \$ 179,228 | 20.9% |
| EQT Infrastructure IV | \$ 100,000 | 12/17/2018 | \$ 94,746 | \$ 17,140 | \$ 105,333 | \$ 122,473 | 10.7% |
| EQT Infrastructure V | \$ 75,000 | 12/8/2020 | \$ 57,888 | \$ 6,451 | \$ 58,072 | \$ 64,523 | 10.4% |
| First Reserve Energy Infrastructure Fund | \$ 50,000 | 6/30/2010 | \$ 59,778 | \$ 52,235 | \$ 4,147 | \$ 56,383 | -1.6% |
| First Reserve Energy Infrastructure Fund II | \$ 100,000 | 10/21/2013 | \$ 128,143 | \$ 127,258 | \$ 32,764 | \$ 160,022 | 13.4% |
| Global Infrastructure Partners Sonic | \$ 35,000 | 7/31/2020 | \$ 32,521 | \$ - | \$ 19,842 | \$ 19,842 | -16.4% |
| Global Infrastructure Partners | \$ 75,000 | 3/31/2008 | \$ 101,173 | \$ 205,062 | \$ 237 | \$ 205,298 | 17.2% |
| Global Infrastructure Partners II | \$ 75,000 | 12/3/2011 | \$ 105,524 | \$ 145,737 | \$ 37,281 | \$ 183,018 | 15.8% |
| Global Infrastructure Partners III | \$ 150,000 | 4/15/2016 | \$ 184,409 | \$ 104,294 | \$ 155,738 | \$ 260,031 | 10.2% |
| Co-Investment #1 | \$ 29,000 | 2/28/2017 | \$ 27,782 | \$ 16,891 | \$ 35,630 | \$ 52,520 | 14.3% |
| Co-Investment #2 | \$ 25,000 | 8/16/2018 | \$ 26,980 | \$ 3,029 | \$ 18,213 | \$ 21,242 | -5.5% |
| Global Infrastructure Partners IV | \$ 150,000 | 12/21/2018 | \$ 130,542 | \$ 15,348 | \$ 122,304 | \$ 137,652 | 4.2% |
| IFM Global Infrastructure (US), L.P. | \$ 100,000 | 12/20/2012 | \$ 144,550 | \$ 208,040 | \$ - | \$ 208,040 | 9.8% |
| KKR Diversified Core Infrastructure Fund | \$ 100,000 | 4/29/2022 | \$ 100,000 | \$ - | \$ 101,266 | \$ 101,266 | NM |
| KKR Global Infrastructure Investors | \$ 75,000 | 9/29/2010 | \$ 87,917 | \$ 154,328 | \$ 89 | \$ 154,418 | 13.1% |
| KKR Global Infrastructure Investors II | \$ 150,000 | 10/24/2014 | \$ 184,831 | \$ 243,203 | \$ 77,264 | \$ 320,467 | 17.0% |
| KKR Atlanta Co-Invest | \$ 24,000 | 9/26/2014 | \$ 21,428 | \$ 28,551 | \$ - | \$ 28,551 | 5.7% |

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 06/30/2023

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 Taurus Co-Invest II | \$ 25,000 | 8/15/2017 | \$ 25,000 | \$ 56,779 | \$ 834 | \$ 57,613 | 21.4% |
| KKR Byzantium Infrastructure Aggregator | \$ 15,000 | 10/17/2017 | \$ 15,000 | \$ 7,013 | \$ 11,100 | \$ 18,113 | 4.8% |
| KKR Global Infrastructure Investors III | \$ 100,000 | 3/29/2018 | \$ 90,022 | \$ 24,909 | \$ 87,408 | \$ 112,317 | 10.1% |
| Meridiam Infrastructure (SCA) | \$ 11,000 | 9/23/2015 | \$ 21,938 | \$ 10,863 | \$ 26,227 | \$ 37,089 | 8.4% |
| Meridiam Infrastructure (SCA) B Shares | \$ 1,000 | 9/23/2015 | \$ 305 | \$ 55 | \$ 24,063 | \$ 24,118 | 77.0% |
| Meridiam Infrastructure Europe II (SCA) | \$ 22,500 | 9/23/2015 | \$ 27,639 | \$ 16,507 | \$ 36,981 | \$ 53,488 | 12.2% |
| Meridiam Infrastructure Europe III SLP | \$ 95,000 | 4/27/2016 | \$ 71,670 | \$ 17,268 | \$ 60,393 | \$ 77,661 | 2.9% |
| Meridiam Sustainable Infrastructure Europe IV | \$ 90,000 | 4/16/2021 | \$ 12,422 | \$ 393 | \$ 9,996 | \$ 10,389 | NM |
| Meridiam Infrastructure N.A. II | \$ 75,000 | 9/28/2012 | \$ 88,232 | \$ 31,965 | \$ 171,429 | \$ 203,394 | 16.4% |
| MINA II CIP | \$ 175 | 6/30/2015 | \$ 169 | \$ 29 | \$ 19,431 | \$ 19,460 | 113.0% |
| Meridiam Infrastructure N.A. II | \$ 20,000 | 6/30/2015 | \$ 18,870 | \$ 4,568 | \$ 43,920 | \$ 48,488 | 22.3% |
| Meridiam Infrastructure N.A. III | \$ 50,000 | 7/12/2017 | \$ 32,309 | \$ 1 | \$ 38,829 | \$ 38,830 | 13.4% |
| Stonepeak Infrastructure Partners II | \$ 140,000 | 11/12/2015 | \$ 189,188 | \$ 232,329 | \$ 39,601 | \$ 271,930 | 13.3% |
| Stonepeak Claremont Co-Invest | \$ 25,000 | 5/30/2017 | \$ 25,000 | \$ 51,959 | \$ - | \$ 51,959 | 17.8% |
| Stonepeak Spear (Co-Invest) Holdings | \$ 25,000 | 1/8/2018 | \$ 19,648 | \$ 3,472 | \$ 34,528 | \$ 38,000 | 13.5% |
| Stonepeak Infrastructure Partners III | \$ 150,000 | 10/13/2017 | \$ 163,376 | \$ 53,280 | \$ 188,424 | \$ 241,704 | 15.4% |
| Stonepeak Guardian (Co-Invest) Holdings | \$ 10,000 | 4/27/2023 | \$ 10,000 | \$ - | \$ 9,995 | \$ 9,995 | NM |
| Stonepeak Infrastructure Partners IV | \$ 125,000 | 5/8/2020 | \$ 66,956 | \$ 10,212 | \$ 62,412 | \$ 72,624 | 7.9% |

MainePERS Private Market Investments Summary: 06/30/2023

Natural Resources

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|-------------------|--------------------|------------------------------|-------------------------------|-----------------------------------|----------------------|--------------------|
| ACM Permanent Crops | \$ 35,000 | 10/24/2014 | \$ 39,100 | \$ 12,107 | \$ 57,989 | \$ 70,096 | 9.2% |
| ACM Permanent Crops II | \$ 35,000 | 5/12/2016 | \$ 41,556 | \$ 8,885 | \$ 19,807 | \$ 28,692 | -10.4% |
| AMERRA Agri Fund III | \$ 50,000 | 2/11/2016 | \$ 98,675 | \$ 77,368 | \$ 26,208 | \$ 103,576 | 1.9% |
| Denham Mining Fund | \$ 35,000 | 6/29/2018 | \$ 31,349 | \$ 659 | \$ 38,790 | \$ 39,449 | 8.3% |
| Homestead Capital Farmland II | \$ 50,000 | 8/8/2016 | \$ 55,063 | \$ 11,016 | \$ 57,554 | \$ 68,570 | 5.8% |
| Homestead Capital Farmland III | \$ 30,000 | 10/26/2018 | \$ 27,356 | \$ 2,610 | \$ 28,180 | \$ 30,790 | 7.7% |
| Orion Mine Finance Fund II | \$ 50,000 | 5/25/2016 | \$ 101,839 | \$ 77,793 | \$ 48,191 | \$ 125,984 | 9.3% |
| Orion Mine Finance Co-Fund II | \$ 20,000 | 8/13/2018 | \$ 20,125 | \$ - | \$ 34,263 | \$ 34,263 | 12.0% |
| Silver Creek Aggregate Reserves Fund | \$ 100,000 | 11/6/2018 | \$ 15,340 | \$ 2,572 | \$ 17,775 | \$ 20,347 | NM |
| Sprott Private Resource Lending Fund III | \$ 30,000 | 8/31/2022 | \$ 2,436 | \$ 537 | \$ 1,658 | \$ 2,195 | NM |
| Sprott Private Resource Streaming and Royalty Annex | \$ 40,000 | 5/17/2023 | \$ 18,215 | \$ - | \$ 18,114 | \$ 18,114 | NM |
| Taurus Mining Fund | \$ 50,000 | 3/27/2015 | \$ 41,459 | \$ 46,116 | \$ 4,112 | \$ 50,228 | 7.6% |
| Taurus Mining Fund Annex | \$ 23,000 | 12/1/2016 | \$ 18,366 | \$ 23,384 | \$ 950 | \$ 24,335 | 17.8% |
| Taurus Mining Fund No. 2 | \$ 75,000 | 4/18/2019 | \$ 64,374 | \$ 45,393 | \$ 31,911 | \$ 77,304 | 18.5% |
| Teays River Integrated Agriculture | \$ 200,000 | 7/1/2015 | \$ 198,974 | \$ 28,770 | \$ 315,267 | \$ 344,037 | 7.6% |
| Twin Creeks Timber | \$ 200,000 | 1/7/2016 | \$ 199,664 | \$ 94,635 | \$ 124,867 | \$ 219,502 | 2.5% |
| U.S. Farming Realty Trust III | \$ 100,000 | 7/7/2015 | \$ 110,017 | \$ 11,565 | \$ 142,655 | \$ 154,220 | 6.8% |
| Canally Coinvest Holdings | \$ 12,500 | 12/9/2019 | \$ 12,537 | \$ 37 | \$ 14,590 | \$ 14,627 | 7.6% |

MainePERS Private Market Investments Summary: 06/30/2023

Private Equity

| Fund Name | Commitment | | Amount | Total | Current Market | Total Value | Interim Net |
|--|------------|--------------------|-----------------|-------------------|----------------|-------------|-------------|
| | (A) | Date of Commitment | Contributed (B) | Distributions (C) | Value (D) | (C+D) | IRR |
| ABRY Advanced Securities Fund II | \$ 20,000 | 5/4/2011 | \$ 20,539 | \$ 29,678 | \$ 281 | \$ 29,958 | 13.1% |
| ABRY Advanced Securities Fund III | \$ 30,000 | 4/30/2014 | \$ 44,799 | \$ 25,795 | \$ 18,783 | \$ 44,578 | -0.2% |
| ABRY Heritage Partners | \$ 10,000 | 5/31/2016 | \$ 10,865 | \$ 10,979 | \$ 8,694 | \$ 19,673 | 27.2% |
| ABRY Partners VII | \$ 10,000 | 4/29/2011 | \$ 12,939 | \$ 17,340 | \$ 2,102 | \$ 19,442 | 12.1% |
| ABRY Partners VIII | \$ 20,000 | 8/8/2014 | \$ 23,864 | \$ 29,732 | \$ 3,631 | \$ 33,362 | 10.0% |
| ABRY Senior Equity IV | \$ 10,000 | 12/7/2012 | \$ 10,841 | \$ 16,718 | \$ 1,485 | \$ 18,203 | 14.8% |
| ABRY Senior Equity V | \$ 12,050 | 1/19/2017 | \$ 12,795 | \$ 5,370 | \$ 13,194 | \$ 18,565 | 14.5% |
| Advent International GPE VII | \$ 30,000 | 6/29/2012 | \$ 34,811 | \$ 52,785 | \$ 5,519 | \$ 58,304 | 13.4% |
| Advent International GPE VIII | \$ 50,000 | 2/5/2016 | \$ 56,378 | \$ 45,750 | \$ 64,357 | \$ 110,107 | 18.6% |
| Advent International GPE IX | \$ 50,000 | 5/9/2019 | \$ 46,753 | \$ 4,998 | \$ 64,838 | \$ 69,836 | 22.2% |
| GPE IX TKE Co-Investment | \$ 24,000 | 3/30/2020 | \$ 21,243 | \$ - | \$ 29,956 | \$ 29,956 | 12.4% |
| Advent International GPE X | \$ 45,000 | 4/28/2022 | \$ 10,463 | \$ - | \$ 9,927 | \$ 9,927 | NM |
| AI Co-Investment I-A | \$ 7,500 | 3/2/2023 | \$ 7,443 | \$ - | \$ - | \$ - | NM |
| Advent Latin America PE Fund VI | \$ 20,000 | 10/17/2014 | \$ 19,516 | \$ 12,350 | \$ 21,039 | \$ 33,389 | 14.9% |
| Affinity Asia Pacific Fund IV | \$ 60,000 | 2/28/2013 | \$ 64,783 | \$ 74,509 | \$ 31,746 | \$ 106,255 | 15.1% |
| Affinity Asia Pacific Fund V | \$ 40,000 | 12/11/2017 | \$ 22,767 | \$ 4,872 | \$ 22,448 | \$ 27,320 | 9.1% |
| Bain Capital Ventures 2021 | \$ 25,000 | 10/28/2020 | \$ 18,688 | \$ 1 | \$ 19,584 | \$ 19,585 | 3.1% |
| Bain Capital Ventures 2022 | \$ 25,000 | 6/10/2022 | \$ 1,375 | \$ 0 | \$ 1,001 | \$ 1,001 | NM |
| Bain Capital Venture Coinvestment Fund III | \$ 15,000 | 4/1/2021 | \$ 15,000 | \$ 825 | \$ 15,175 | \$ 16,000 | 4.9% |
| Bain Capital Venture Coinvestment Fund IV | \$ 15,000 | 6/10/2022 | \$ - | \$ - | \$ - | \$ - | NM |
| Berkshire Fund VIII | \$ 15,000 | 7/20/2011 | \$ 16,846 | \$ 27,586 | \$ 9,895 | \$ 37,481 | 17.1% |
| Berkshire Fund IX | \$ 50,000 | 3/18/2016 | \$ 56,849 | \$ 35,932 | \$ 57,181 | \$ 93,113 | 16.9% |
| Blackstone Capital Partners VI | \$ 30,000 | 6/30/2010 | \$ 37,993 | \$ 53,245 | \$ 10,612 | \$ 63,856 | 12.4% |
| Blackstone Capital Partners VII | \$ 54,000 | 3/27/2015 | \$ 61,475 | \$ 40,806 | \$ 53,651 | \$ 94,458 | 13.7% |
| Carlyle Asia Partners III | \$ 15,000 | 12/31/2009 | \$ 20,752 | \$ 31,105 | \$ 178 | \$ 31,283 | 12.6% |
| Carlyle Asia Partners IV | \$ 60,000 | 6/3/2014 | \$ 81,289 | \$ 99,315 | \$ 30,119 | \$ 129,434 | 12.9% |
| Carlyle Asia Partners V | \$ 45,000 | 10/30/2017 | \$ 36,138 | \$ 10,769 | \$ 29,613 | \$ 40,382 | 6.9% |
| Centerbridge Capital Partners III | \$ 30,000 | 10/24/2014 | \$ 47,767 | \$ 45,744 | \$ 29,134 | \$ 74,878 | 18.0% |
| CB Blizzard Co-Invest | \$ 15,684 | 9/11/2019 | \$ 15,684 | \$ 10,053 | \$ 3,270 | \$ 13,324 | -12.9% |
| 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 | \$ 5,400 | \$ 7,226 | \$ 80 | \$ 7,307 | 12.0% |
| Charterhouse Capital Partners X | \$ 67,000 | 5/13/2015 | \$ 58,597 | \$ 65,409 | \$ 40,609 | \$ 106,017 | 20.5% |

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 06/30/2023

Private Equity

| Fund Name | Commitment | | Amount | Total | Current Market | Total Value | Interim Net |
|---|------------|--------------------|-----------------|-------------------|----------------|-------------|-------------|
| | (A) | Date of Commitment | Contributed (B) | Distributions (C) | Value (D) | (C+D) | IRR |
| Charterhouse Acrostone | \$ 12,000 | 8/24/2018 | \$ 13,254 | \$ 21,268 | \$ 0 | \$ 21,269 | 16.9% |
| Charterhouse Capital Partners XI | \$ 45,000 | 4/23/2021 | \$ 13,385 | \$ - | \$ 14,762 | \$ 14,762 | NM |
| CVC Capital Partners VI | \$ 67,000 | 7/12/2013 | \$ 101,033 | \$ 121,740 | \$ 57,244 | \$ 178,985 | 16.9% |
| CVC Capital Partners VII | \$ 48,000 | 5/9/2017 | \$ 72,939 | \$ 43,129 | \$ 66,501 | \$ 109,630 | 23.0% |
| CVC Capital Partners VIII | \$ 44,000 | 6/11/2020 | \$ 46,581 | \$ 21,835 | \$ 27,038 | \$ 48,873 | 9.1% |
| CVC Capital Partners IX | \$ 44,000 | 6/29/2023 | \$ - | \$ - | \$ - | \$ - | NM |
| EnCap Energy Capital VIII | \$ 30,000 | 1/31/2011 | \$ 34,186 | \$ 23,364 | \$ 11,702 | \$ 35,066 | 0.5% |
| EnCap Energy Capital Fund VIII Co-Investors | \$ 16,238 | 12/8/2011 | \$ 16,506 | \$ 5,997 | \$ 6,373 | \$ 12,370 | -4.0% |
| EnCap Energy Capital Fund IX | \$ 30,000 | 12/19/2012 | \$ 34,541 | \$ 40,196 | \$ 10,041 | \$ 50,237 | 10.4% |
| EnCap Energy Capital Fund X | \$ 40,000 | 3/5/2015 | \$ 42,225 | \$ 49,332 | \$ 28,948 | \$ 78,280 | 15.5% |
| EnCap Energy Capital Fund XI | \$ 40,000 | 5/31/2017 | \$ 40,343 | \$ 17,226 | \$ 42,157 | \$ 59,382 | 18.8% |
| EnCap Flatrock Midstream Fund III | \$ 20,000 | 4/9/2014 | \$ 25,178 | \$ 20,835 | \$ 13,620 | \$ 34,455 | 10.4% |
| EnCap Flatrock Midstream Fund IV | \$ 22,000 | 11/17/2017 | \$ 19,661 | \$ 9,245 | \$ 13,847 | \$ 23,091 | 8.0% |
| General Catalyst X - Early Venture | \$ 19,565 | 3/26/2020 | \$ 18,880 | \$ - | \$ 33,270 | \$ 33,270 | 27.8% |
| General Catalyst X - Endurance | \$ 22,826 | 3/26/2020 | \$ 22,859 | \$ - | \$ 22,819 | \$ 22,819 | -0.1% |
| General Catalyst X - Growth Venture | \$ 32,609 | 3/26/2020 | \$ 31,467 | \$ - | \$ 35,114 | \$ 35,114 | 4.7% |
| General Catalyst XI - Creation | \$ 8,823 | 10/29/2021 | \$ 3,082 | \$ - | \$ 3,269 | \$ 3,269 | NM |
| General Catalyst XI - Endurance | \$ 29,412 | 10/29/2021 | \$ 20,731 | \$ - | \$ 19,821 | \$ 19,821 | NM |
| General Catalyst XI - Ignition | \$ 11,765 | 10/29/2021 | \$ 7,723 | \$ - | \$ 7,172 | \$ 7,172 | NM |
| GTCR Fund X | \$ 30,000 | 1/28/2011 | \$ 31,766 | \$ 64,646 | \$ - | \$ 64,646 | 21.4% |
| GTCR Fund XI | \$ 35,000 | 11/15/2013 | \$ 34,961 | \$ 76,701 | \$ 38,690 | \$ 115,391 | 33.5% |
| GTCR Fund XII | \$ 50,000 | 9/29/2017 | \$ 51,223 | \$ 31,746 | \$ 53,657 | \$ 85,403 | 24.0% |
| Co-Investment #1 | \$ 5,238 | 4/26/2019 | \$ 4,556 | \$ - | \$ 9,150 | \$ 9,150 | 18.3% |
| Co-Investment #2 | \$ 5,997 | 11/1/2019 | \$ 5,806 | \$ 10,935 | \$ 2,722 | \$ 13,657 | 46.4% |
| GTCR XIII | \$ 50,000 | 10/27/2020 | \$ 25,573 | \$ 5,447 | \$ 24,926 | \$ 30,373 | 19.1% |
| GTCR XIV | \$ 50,000 | 12/16/2022 | \$ - | \$ - | \$ - | \$ - | NM |
| H.I.G. Bayside Loan Fund II | \$ 25,000 | 5/28/2010 | \$ 24,020 | \$ 32,189 | \$ 272 | \$ 32,461 | 7.1% |
| H.I.G. Bayside Loan Ops Fund III (Europe) | \$ 30,000 | 7/27/2012 | \$ 26,707 | \$ 31,070 | \$ 3,812 | \$ 34,882 | 7.5% |
| H.I.G. Brazil & Latin America Partners | \$ 60,000 | 7/1/2015 | \$ 69,005 | \$ 24,546 | \$ 78,959 | \$ 103,504 | 13.9% |
| H.I.G. Capital Partners V | \$ 15,000 | 2/28/2013 | \$ 20,501 | \$ 28,359 | \$ 11,694 | \$ 40,054 | 23.3% |
| H.I.G. Europe Capital Partners II | \$ 22,500 | 7/1/2013 | \$ 25,240 | \$ 20,667 | \$ 15,673 | \$ 36,340 | 12.1% |
| H.I.G. Growth Buyouts & Equity Fund II | \$ 17,500 | 6/30/2011 | \$ 23,547 | \$ 26,958 | \$ 14,369 | \$ 41,327 | 14.4% |

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 06/30/2023

Private Equity

| Fund Name | Commitment | | Amount | Total | Current Market | | Interim Net IRR |
|---|------------|--------------------|-----------------|-------------------|----------------|-------------------|-----------------|
| | (A) | Date of Commitment | Contributed (B) | Distributions (C) | Value (D) | Total Value (C+D) | |
| H.I.G. Growth Buyouts & Equity Fund III | \$ 35,000 | 9/13/2018 | \$ 16,048 | \$ - | \$ 16,604 | \$ 16,604 | NM |
| H.I.G Middle Market LBO Fund II | \$ 40,000 | 2/7/2014 | \$ 49,049 | \$ 68,278 | \$ 25,419 | \$ 93,698 | 27.9% |
| Co-Investment #1 | \$ 9,000 | 10/12/2017 | \$ 9,000 | \$ - | \$ (31) | \$ (31) | -100.0% |
| Co-Investment #2 | \$ 686 | 6/19/2020 | \$ 686 | \$ - | \$ 925 | \$ 925 | 10.3% |
| Co-Investment #3 | \$ 1,000 | 6/1/2021 | \$ 1,079 | \$ - | \$ 12 | \$ 12 | -88.4% |
| H.I.G. Middle Market LBO Fund III | \$ 40,000 | 7/23/2019 | \$ 34,486 | \$ 1,694 | \$ 41,233 | \$ 42,927 | 19.5% |
| Hellman & Friedman Capital Partners VII | \$ 30,000 | 6/19/2009 | \$ 44,355 | \$ 105,844 | \$ 6,537 | \$ 112,382 | 24.7% |
| Hellman & Friedman Capital Partners VIII | \$ 45,000 | 9/24/2014 | \$ 48,742 | \$ 26,913 | \$ 56,723 | \$ 83,636 | 14.0% |
| Hellman & Friedman Capital Partners IX | \$ 45,000 | 9/28/2018 | \$ 44,605 | \$ 1,069 | \$ 61,442 | \$ 62,511 | 14.8% |
| Hellman & Friedman Capital Partners X | \$ 45,000 | 5/10/2021 | \$ 32,383 | \$ - | \$ 34,519 | \$ 34,519 | 5.4% |
| Inflexion Buyout Fund IV | \$ 27,000 | 9/30/2014 | \$ 34,338 | \$ 38,539 | \$ 23,110 | \$ 61,649 | 15.9% |
| Inflexion Partnership Capital Fund I | \$ 17,000 | 9/30/2014 | \$ 25,813 | \$ 39,627 | \$ 7,453 | \$ 47,080 | 22.3% |
| Inflexion Supplemental Fund IV | \$ 10,000 | 5/31/2016 | \$ 14,912 | \$ 20,957 | \$ 8,436 | \$ 29,393 | 24.3% |
| Kelso Investment Associates VIII | \$ 3,000 | 1/6/2011 | \$ 3,022 | \$ 4,263 | \$ 126 | \$ 4,388 | 8.1% |
| Kelso Investment Associates IX | \$ 60,000 | 11/5/2014 | \$ 70,159 | \$ 86,523 | \$ 34,174 | \$ 120,698 | 19.8% |
| KIA IX (Hammer) Investor | \$ 25,000 | 8/12/2016 | \$ 25,426 | \$ 69,298 | \$ 310 | \$ 69,608 | 21.4% |
| Kelso Investment Associates X | \$ 45,000 | 3/16/2018 | \$ 46,763 | \$ 13,311 | \$ 72,197 | \$ 85,508 | 33.0% |
| Kelso Investment Associates XI | \$ 45,000 | 12/22/2021 | \$ 8,192 | \$ 652 | \$ 10,474 | \$ 11,127 | NM |
| Kelso XI Heights Co-Investment | \$ 12,000 | 8/19/2022 | \$ 10,013 | \$ - | \$ 10,841 | \$ 10,841 | NM |
| KKR North American Fund XI | \$ 60,000 | 2/7/2012 | \$ 100,494 | \$ 166,162 | \$ 21,231 | \$ 187,393 | 19.3% |
| KKR North America Fund XI (Platinum) | \$ 8,003 | 2/26/2016 | \$ 8,040 | \$ 2,313 | \$ 5,323 | \$ 7,636 | -1.0% |
| KKR Element Co-Invest | \$ 10,000 | 8/29/2016 | \$ 10,050 | \$ 24,030 | \$ - | \$ 24,030 | 23.5% |
| KKR Americas XII | \$ 60,000 | 3/3/2016 | \$ 62,049 | \$ 30,802 | \$ 74,925 | \$ 105,727 | 19.5% |
| KKR Sigma Aggregator | \$ 15,000 | 6/22/2018 | \$ 15,000 | \$ - | \$ 23,606 | \$ 23,606 | 9.5% |
| KKR Enterprise Co-Invest | \$ 15,000 | 10/11/2018 | \$ 15,000 | \$ - | \$ - | \$ - | -100.0% |
| KKR Enterprise Co-Invest AIV A | \$ 8,936 | 11/8/2019 | \$ 8,936 | \$ 7,243 | \$ 911 | \$ 8,154 | -10.8% |
| KKR North America XIII | \$ 40,000 | 6/25/2021 | \$ 14,209 | \$ - | \$ 14,865 | \$ 14,865 | NM |
| KKR Special Situations Fund | \$ 60,000 | 12/19/2012 | \$ 118,957 | \$ 99,865 | \$ 12,352 | \$ 112,216 | -2.0% |
| KKR Special Situations Fund II | \$ 60,000 | 12/19/2014 | \$ 98,291 | \$ 77,594 | \$ 23,778 | \$ 101,372 | 1.3% |
| Long Ridge Equity Partners IV | \$ 15,000 | 6/26/2023 | \$ - | \$ - | \$ - | \$ - | NM |
| Metwest Enhanced TALF Strategy Fund L. P. | \$ 75,000 | 7/31/2009 | \$ 53,350 | \$ 67,405 | \$ - | \$ 67,405 | 10.2% |
| Oaktree Opportunities VIII | \$ 30,000 | 12/9/2009 | \$ 30,000 | \$ 43,920 | \$ 86 | \$ 44,005 | 9.1% |

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 06/30/2023

Private Equity

| Fund Name | Commitment | | Amount | Total | Current Market | Total Value | Interim Net |
|--|------------|--------------------|-----------------|-------------------|----------------|-------------|-------------|
| | (A) | Date of Commitment | Contributed (B) | Distributions (C) | Value (D) | (C+D) | IRR |
| ONCAP IV | \$ 15,000 | 11/8/2016 | \$ 13,085 | \$ 3,296 | \$ 18,115 | \$ 21,411 | 14.6% |
| Onex Partners III | \$ 10,000 | 1/6/2011 | \$ 11,202 | \$ 17,022 | \$ 1,763 | \$ 18,786 | 13.1% |
| Onex Partners IV | \$ 60,000 | 11/22/2013 | \$ 62,871 | \$ 50,953 | \$ 38,805 | \$ 89,758 | 8.0% |
| Co-Investment #1 | \$ 10,000 | 2/27/2017 | \$ 10,471 | \$ 1,235 | \$ 7,235 | \$ 8,470 | -3.8% |
| Onex Partners V | \$ 45,000 | 7/11/2017 | \$ 39,000 | \$ 5,911 | \$ 43,783 | \$ 49,694 | 13.4% |
| Paine & Partners Capital Fund IV | \$ 60,000 | 12/18/2014 | \$ 56,550 | \$ 29,070 | \$ 48,785 | \$ 77,855 | 7.7% |
| Wawona Co-Investment Fund I | \$ 15,000 | 3/31/2017 | \$ 15,023 | \$ - | \$ 3 | \$ 3 | -92.3% |
| Lyons Magnus Co-Investment Fund I | \$ 15,000 | 11/8/2017 | \$ 15,016 | \$ - | \$ 24,991 | \$ 24,991 | 9.5% |
| PSP Maverick Co-Invest | \$ 7,238 | 9/12/2019 | \$ 7,264 | \$ - | \$ 517 | \$ 517 | -50.4% |
| PSP AH&N Co-Investment Fund | \$ 19,724 | 11/27/2019 | \$ 17,539 | \$ - | \$ 31,750 | \$ 31,750 | 19.2% |
| Paine Schwartz Food Chain Fund V | \$ 45,000 | 8/3/2018 | \$ 46,537 | \$ 21,166 | \$ 42,550 | \$ 63,716 | 24.2% |
| SNFL Co-Investment Fund | \$ 5,000 | 10/11/2019 | \$ 5,024 | \$ 265 | \$ 9,960 | \$ 10,225 | 21.3% |
| Rhone Partners V | \$ 56,000 | 3/12/2015 | \$ 71,743 | \$ 35,889 | \$ 86,905 | \$ 122,795 | 16.6% |
| Riverside Capital Appreciation Fund VI | \$ 60,000 | 7/3/2013 | \$ 63,008 | \$ 79,860 | \$ 19,409 | \$ 99,269 | 12.0% |
| RCAF VI CIV XXXII | \$ 12,399 | 10/21/2015 | \$ 12,687 | \$ 35,260 | \$ - | \$ 35,260 | 19.9% |
| Riverside Micro-Cap Fund III | \$ 35,000 | 6/30/2014 | \$ 49,448 | \$ 183,115 | \$ 51,304 | \$ 234,419 | 36.3% |
| Riverside Micro-Cap Fund IV | \$ 60,000 | 10/23/2015 | \$ 55,659 | \$ 5,112 | \$ 80,064 | \$ 85,176 | 8.0% |
| Riverside Micro-Cap Fund IV-B | \$ 20,000 | 8/9/2019 | \$ 24,292 | \$ 5,583 | \$ 35,233 | \$ 40,817 | 23.2% |
| Riverside Micro-Cap Fund V | \$ 40,000 | 8/21/2018 | \$ 33,000 | \$ 2,513 | \$ 46,456 | \$ 48,968 | 17.0% |
| Riverside Micro-Cap Fund VI | \$ 45,000 | 8/26/2021 | \$ 12,766 | \$ 263 | \$ 12,994 | \$ 13,258 | NM |
| Shoreview Capital Partners III | \$ 24,000 | 7/24/2013 | \$ 25,657 | \$ 28,779 | \$ 24,511 | \$ 53,290 | 18.2% |
| Shoreview Capital Partners IV | \$ 30,000 | 6/3/2019 | \$ 13,902 | \$ 5,989 | \$ 13,924 | \$ 19,912 | NM |
| Sovereign Capital IV | \$ 46,500 | 7/7/2014 | \$ 40,344 | \$ 26,905 | \$ 33,889 | \$ 60,794 | 10.8% |
| Summit Partners Credit II | \$ 60,000 | 10/25/2013 | \$ 90,831 | \$ 87,991 | \$ 18,173 | \$ 106,165 | 5.9% |
| Summit Europe Growth Equity III | \$ 22,000 | 3/18/2020 | \$ 15,638 | \$ - | \$ 17,317 | \$ 17,317 | 8.0% |
| Summit Europe Growth Equity IV | \$ 22,000 | 2/10/2023 | \$ - | \$ - | \$ - | \$ - | NM |
| Summit Growth Equity VIII | \$ 25,000 | 5/27/2011 | \$ 33,445 | \$ 63,535 | \$ 11,978 | \$ 75,513 | 26.3% |
| Co-Investment #1 | \$ 16,000 | 6/3/2015 | \$ 16,000 | \$ 38,735 | \$ 19,728 | \$ 58,463 | 31.8% |
| Summit Growth Equity IX | \$ 60,000 | 8/26/2015 | \$ 83,784 | \$ 88,968 | \$ 93,001 | \$ 181,969 | 31.9% |
| Co-Investment #1 | \$ 15,000 | 11/29/2016 | \$ 14,895 | \$ 41,743 | \$ - | \$ 41,743 | 159.6% |
| Summit Partners Co-Invest (Ironman) | \$ 15,530 | 4/20/2018 | \$ 15,534 | \$ - | \$ 15,509 | \$ 15,509 | 0.0% |
| Summit Partners Co-Invest (Giants-B) | \$ 15,000 | 10/22/2019 | \$ 15,000 | \$ 41,780 | \$ 5,439 | \$ 47,219 | 81.4% |

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 06/30/2023

Private Equity

| Fund Name | Commitment | | Amount | Total | Current Market | Total Value | Interim Net |
|---|------------|--------------------|-----------------|-------------------|----------------|-------------|-------------|
| | (A) | Date of Commitment | Contributed (B) | Distributions (C) | Value (D) | (C+D) | IRR |
| Summit Growth Equity X | \$ 60,000 | 2/26/2019 | \$ 59,876 | \$ 18,176 | \$ 61,929 | \$ 80,105 | 19.1% |
| Summit Partners Co-Invest (Lions) | \$ 7,534 | 10/14/2020 | \$ 7,534 | \$ - | \$ 14,476 | \$ 14,476 | 28.6% |
| Summit Partners Co-Invest (Indigo) | \$ 10,000 | 12/11/2020 | \$ 11,436 | \$ - | \$ 11,425 | \$ 11,425 | 0.0% |
| Summit Growth Equity XI | \$ 45,000 | 10/1/2021 | \$ 10,983 | \$ - | \$ 11,536 | \$ 11,536 | NM |
| Summit Venture Capital III | \$ 13,150 | 5/27/2011 | \$ 18,044 | \$ 32,899 | \$ 2,902 | \$ 35,802 | 17.6% |
| Summit Venture Capital IV | \$ 40,000 | 8/26/2015 | \$ 50,767 | \$ 48,377 | \$ 60,888 | \$ 109,265 | 38.1% |
| Summit Venture Capital V | \$ 45,000 | 6/16/2020 | \$ 25,742 | \$ 2,771 | \$ 23,649 | \$ 26,421 | 2.1% |
| Summit Partners Co-Invest (CS) | \$ 13,753 | 10/22/2021 | \$ 13,798 | \$ - | \$ 11,714 | \$ 11,714 | NM |
| Technology Crossover Ventures VIII | \$ 60,000 | 5/8/2013 | \$ 52,307 | \$ 39,509 | \$ 74,765 | \$ 114,275 | 12.2% |
| Technology Crossover Ventures IX | \$ 60,000 | 2/19/2016 | \$ 48,428 | \$ 48,612 | \$ 53,319 | \$ 101,931 | 20.8% |
| TCV Sports | \$ 8,000 | 9/25/2018 | \$ 8,000 | \$ - | \$ 11,167 | \$ 11,167 | 7.3% |
| Technology Crossover Ventures X | \$ 45,000 | 8/31/2018 | \$ 36,448 | \$ 6,801 | \$ 65,121 | \$ 71,922 | 24.9% |
| Technology Crossover Ventures XI | \$ 45,000 | 10/2/2020 | \$ 23,033 | \$ - | \$ 20,587 | \$ 20,587 | -6.6% |
| Technology Impact Fund | \$ 40,000 | 12/18/2017 | \$ 37,492 | \$ 23,745 | \$ 99,543 | \$ 123,288 | 51.2% |
| Technology Impact Fund II | \$ 40,000 | 4/13/2021 | \$ 11,992 | \$ 325 | \$ 12,061 | \$ 12,386 | NM |
| Technology Impact Growth Fund | \$ 40,000 | 11/26/2018 | \$ 48,109 | \$ 26,676 | \$ 31,866 | \$ 58,542 | 9.5% |
| Technology Impact Growth Fund II | \$ 40,000 | 8/6/2021 | \$ 13,066 | \$ - | \$ 11,640 | \$ 11,640 | NM |
| Thoma Bravo Fund XI | \$ 50,000 | 5/1/2014 | \$ 74,040 | \$ 145,149 | \$ 59,279 | \$ 204,428 | 27.0% |
| Thoma Bravo Fund XII | \$ 60,000 | 4/27/2016 | \$ 78,447 | \$ 80,943 | \$ 64,890 | \$ 145,834 | 16.3% |
| Thoma Bravo Fund XIII | \$ 45,000 | 12/7/2018 | \$ 59,671 | \$ 31,856 | \$ 71,784 | \$ 103,640 | 29.4% |
| Thoma Bravo Special Opportunities Fund II | \$ 15,000 | 3/27/2015 | \$ 18,113 | \$ 21,091 | \$ 16,545 | \$ 37,636 | 16.5% |
| Thoma Bravo Discover Fund IV | \$ 45,000 | 7/1/2022 | \$ 14,963 | \$ - | \$ 15,636 | \$ 15,636 | NM |
| Tillridge Global Agribusiness Partners II | \$ 50,000 | 10/21/2016 | \$ 28,819 | \$ 2,900 | \$ 24,991 | \$ 27,891 | -1.1% |
| Water Street Healthcare Partners III | \$ 25,000 | 7/25/2012 | \$ 30,122 | \$ 78,657 | \$ 8,782 | \$ 87,439 | 35.4% |
| Water Street Healthcare Partners IV | \$ 33,000 | 9/15/2017 | \$ 34,936 | \$ 10,624 | \$ 41,382 | \$ 52,006 | 16.5% |
| Water Street Healthcare Partners V | \$ 43,000 | 4/15/2022 | \$ 5,719 | \$ - | \$ 4,815 | \$ 4,815 | NM |
| Wayzata Opportunities Fund III | \$ 30,000 | 9/11/2012 | \$ 14,718 | \$ 11,338 | \$ 3,861 | \$ 15,199 | 0.7% |
| Wynnchurch Capital Partners IV | \$ 40,000 | 10/23/2014 | \$ 38,209 | \$ 39,897 | \$ 60,278 | \$ 100,175 | 27.3% |
| Wynnchurch Capital Partners V | \$ 40,000 | 1/15/2020 | \$ 28,231 | \$ 538 | \$ 33,666 | \$ 34,204 | 15.1% |

MainePERS Private Market Investments Summary: 06/30/2023

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 | \$ 45,944 | \$ 2,943 | \$ 47,708 | \$ 50,650 | 6.3% |
| Angelo Gordon Realty Fund XI | \$ 50,000 | 3/31/2022 | \$ 5,000 | \$ - | \$ 4,290 | \$ 4,290 | NM |
| Bain Capital Real Estate II | \$ 50,000 | 3/5/2021 | \$ 25,803 | \$ 2,365 | \$ 26,299 | \$ 28,664 | 10.8% |
| 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 | \$ 41,647 | \$ 409,102 | \$ 450,749 | 5.7% |
| Blackstone Real Estate Partners VII | \$ 75,000 | 2/26/2012 | \$ 104,422 | \$ 155,916 | \$ 13,153 | \$ 169,068 | 14.9% |
| Blackstone Real Estate Partners VIII | \$ 50,000 | 3/27/2015 | \$ 63,719 | \$ 65,135 | \$ 37,900 | \$ 103,035 | 15.7% |
| Blackstone Real Estate Partners IX | \$ 40,000 | 12/21/2018 | \$ 43,884 | \$ 15,219 | \$ 47,476 | \$ 62,695 | 23.7% |
| Barings Asia Real Estate II | \$ 50,000 | 7/31/2018 | \$ 21,041 | \$ - | \$ 17,992 | \$ 17,992 | NM |
| EQT Real Estate II | \$ 55,000 | 4/26/2019 | \$ 31,496 | \$ 5,268 | \$ 29,914 | \$ 35,182 | 6.9% |
| EQT Real Estate Rock Co-Investment | \$ 11,000 | 8/10/2020 | \$ 9,090 | \$ - | \$ 10,607 | \$ 10,607 | 7.2% |
| 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 | \$ 95,749 | \$ 52,811 | \$ 132,721 | \$ 185,532 | 8.5% |
| HSRE-Coyote Maine PERS Core Co-Investment | \$ 20,000 | 12/4/2020 | \$ 14,184 | \$ 1,669 | \$ 13,364 | \$ 15,034 | 2.4% |
| 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 | \$ 36,176 | \$ - | \$ 36,176 | 13.2% |
| High Street Real Estate Fund VI | \$ 25,000 | 3/22/2019 | \$ 25,000 | \$ 5,106 | \$ 38,269 | \$ 43,375 | 24.0% |
| HSREF VI Elgin Co-Invest | \$ 10,000 | 4/9/2021 | \$ 10,000 | \$ 1,477 | \$ 13,677 | \$ 15,153 | 22.2% |
| High Street Real Estate Fund VII | \$ 35,000 | 8/16/2021 | \$ 33,151 | \$ - | \$ 38,524 | \$ 38,524 | NM |
| High Street Real Estate VII Venture | \$ 15,000 | 3/17/2023 | \$ 1,765 | \$ - | \$ - | \$ - | NM |
| Hines US Property Partners | \$ 200,000 | 9/9/2021 | \$ 99,107 | \$ 11,550 | \$ 88,217 | \$ 99,767 | NM |
| Invesco Real Estate Asia IV | \$ 30,000 | 3/25/2020 | \$ 22,739 | \$ 13,923 | \$ 10,492 | \$ 24,414 | 9.7% |
| Invesco US Income Fund | \$ 195,000 | 7/17/2014 | \$ 223,678 | \$ 64,955 | \$ 320,060 | \$ 385,016 | 10.6% |
| IPI Data Center Partners I | \$ 30,000 | 12/15/2017 | \$ 34,676 | \$ 19,043 | \$ 36,242 | \$ 55,285 | 17.4% |
| IPI Data Center Partners II | \$ 25,000 | 12/20/2019 | \$ 18,540 | \$ 1,619 | \$ 17,813 | \$ 19,432 | 4.2% |
| 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 | \$ 52,860 | \$ 54,632 | \$ 14,222 | \$ 68,854 | 9.8% |
| KKR Real Estate Partners Europe II | \$ 25,000 | 12/23/2019 | \$ 19,592 | \$ 5,644 | \$ 14,866 | \$ 20,510 | 3.9% |
| KKR Real Estate Partners Americas I | \$ 50,000 | 12/20/2013 | \$ 50,037 | \$ 59,408 | \$ 2,310 | \$ 61,717 | 10.9% |
| KKR Real Estate Partners Americas II | \$ 50,000 | 6/2/2016 | \$ 59,546 | \$ 67,721 | \$ 14,725 | \$ 82,446 | 20.4% |
| Northbridge-Strategic Fund II | \$ 30,000 | 2/8/2019 | \$ 30,000 | \$ 4,169 | \$ 44,596 | \$ 48,765 | 12.3% |
| Prima Mortgage Investment Trust, LLC | \$ 75,000 | 7/29/2011 | \$ 97,490 | \$ 131,918 | \$ - | \$ 131,918 | 3.8% |
| Principal Life Insurance Company U.S. Property | \$ 60,000 | 5/20/2005 | \$ 60,000 | \$ 125,410 | \$ - | \$ 125,410 | 6.2% |

MainePERS Private Market Investments Summary: 06/30/2023

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 |
|-------------------------------------|-------------------|--------------------|------------------------------|-------------------------------|--------------------------------|----------------------|--------------------|
| PRISA | \$ 90,000 | 6/30/2005 | \$ 139,622 | \$ 222,450 | \$ - | \$ 222,450 | 5.3% |
| Rubenstein Properties Fund III | \$ 30,000 | 10/23/2015 | \$ 30,606 | \$ 627 | \$ 19,302 | \$ 19,929 | -9.2% |
| LCC Co-Investor B | \$ 15,000 | 10/18/2019 | \$ 15,000 | \$ - | \$ 4,255 | \$ 4,255 | -33.2% |
| Rubenstein Properties Fund IV | \$ 25,000 | 4/16/2019 | \$ 8,232 | \$ 2 | \$ 5,055 | \$ 5,056 | NM |
| Prudential Senior Housing Fund V | \$ 50,000 | 3/17/2015 | \$ 41,333 | \$ 5,453 | \$ 47,943 | \$ 53,397 | 4.8% |
| Smart Markets Fund, L.P. | \$ 195,000 | 6/17/2013 | \$ 222,335 | \$ 69,476 | \$ 303,527 | \$ 373,003 | 9.0% |
| Stonelake Opportunity Partners VII | \$ 40,000 | 6/30/2022 | \$ 0 | \$ - | \$ (1,020) | \$ (1,020) | NM |
| Walton Street Real Estate Fund VII | \$ 50,000 | 5/9/2012 | \$ 43,990 | \$ 49,882 | \$ 10,666 | \$ 60,548 | 9.1% |
| Walton Street Real Estate Fund VIII | \$ 50,000 | 10/23/2015 | \$ 42,685 | \$ 35,493 | \$ 23,133 | \$ 58,626 | 10.0% |
| Co-Investment #1 | \$ 10,000 | 9/27/2017 | \$ 10,293 | \$ 4,160 | \$ - | \$ 4,160 | -60.0% |
| Westbrook Real Estate Fund IX | \$ 15,000 | 6/30/2014 | \$ 17,418 | \$ 17,500 | \$ 2,794 | \$ 20,294 | 5.6% |
| Westbrook Real Estate Fund X | \$ 50,000 | 1/15/2015 | \$ 48,688 | \$ 42,649 | \$ 16,513 | \$ 59,162 | 8.6% |
| Westbrook Real Estate Fund XI | \$ 40,000 | 1/31/2019 | \$ 24,541 | \$ 11,223 | \$ 17,388 | \$ 28,610 | 18.5% |

MainePERS Private Market Investments Summary: 06/30/2023

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.



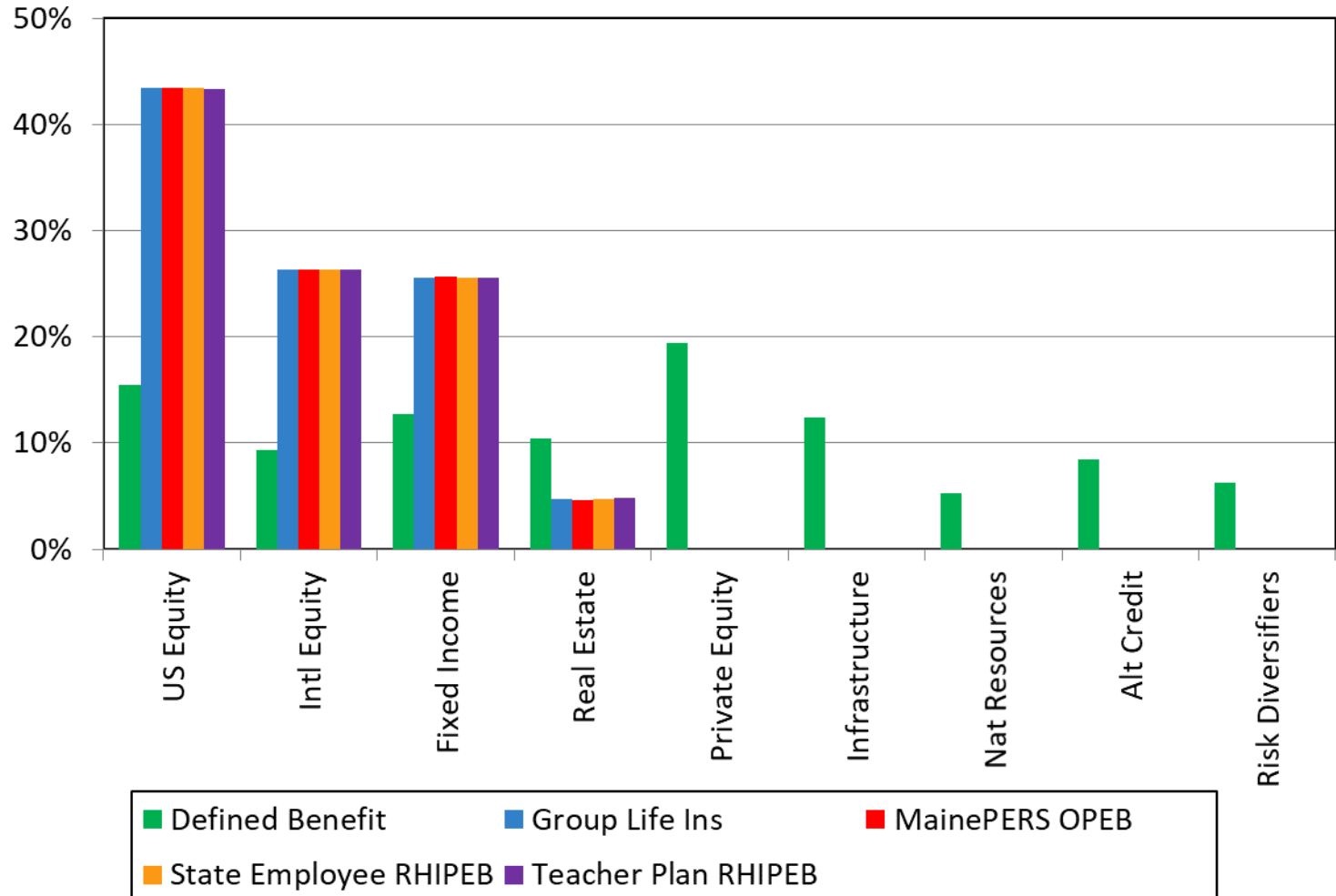
Maine PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Comprehensive Quarterly Reports

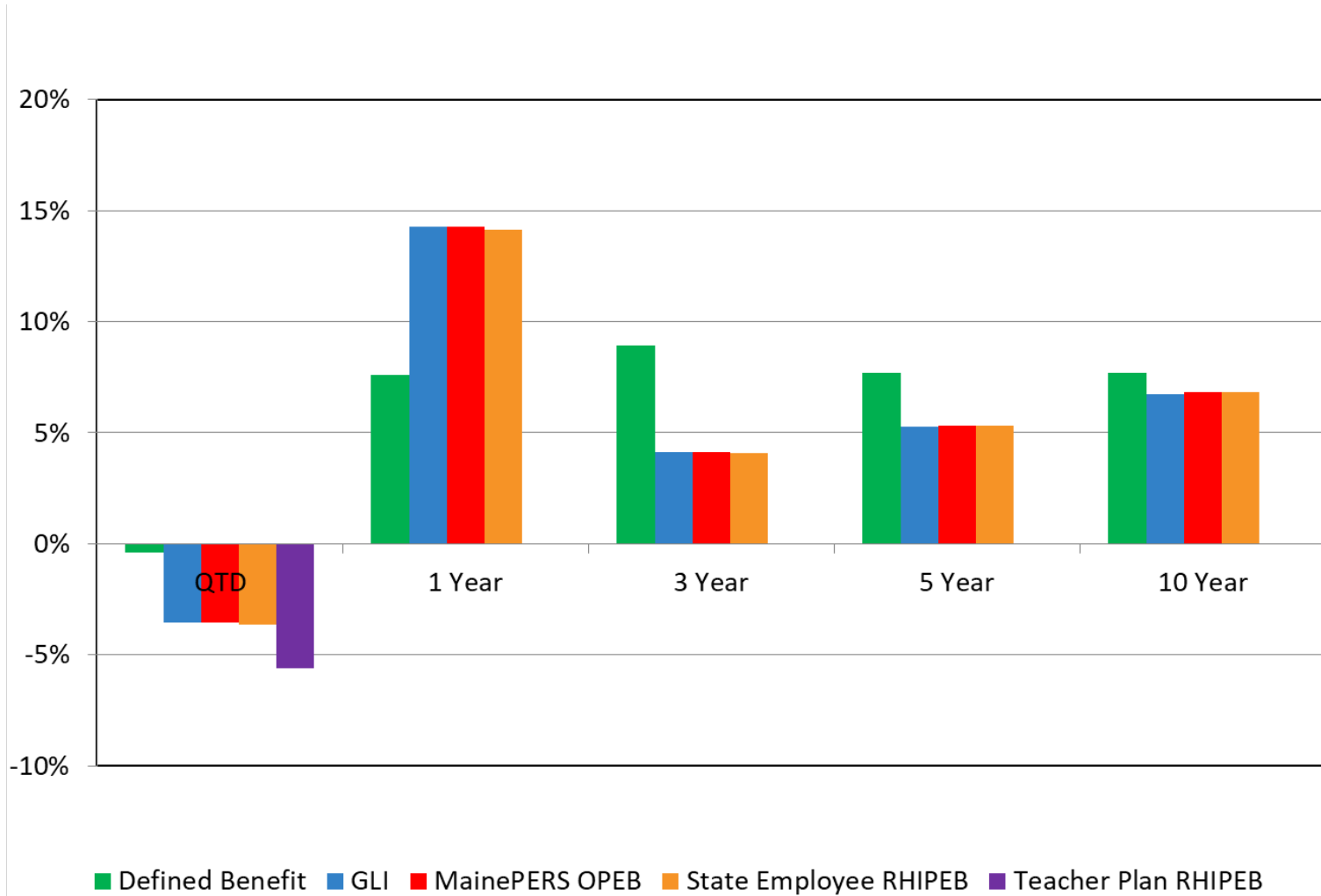
Investment Returns for all Funds at 9/30/2023

| Fund | Market Value (millions) | Current Quarter | 1 Year | 3 Year | 5 Year | 10 Year |
|------------------------------|----------------------------|--------------------|-----------|-----------|-----------|------------|
| Defined Benefit | \$18,594.6 | -0.4% | 7.6% | 8.9% | 7.7% | 7.7% |
| Benchmark | | 0.0% | 11.6% | 8.2% | 7.2% | 7.2% |
| Group Life Insurance | \$170.7 | -3.6% | 14.3% | 4.1% | 5.3% | 6.7% |
| Benchmark | | -3.6% | 14.6% | 4.2% | 5.1% | 6.6% |
| MainePERS OPEB | \$15.7 | -3.6% | 14.3% | 4.1% | 5.3% | 6.8% |
| Benchmark | | -3.6% | 14.6% | 4.2% | 5.1% | 6.6% |
| State Employee RHIPEB | \$417.3 | -3.7% | 14.1% | 4.1% | 5.3% | 6.8% |
| Benchmark | | -3.6% | 14.6% | 4.2% | 5.1% | 6.6% |
| Teacher Plan RHIPEB | \$97.4 | -5.6% | | | | |
| Benchmark | | -5.2% | | | | |

Asset Allocation for All Funds at 9/30/2023



Performance for All Funds at 9/30/2023

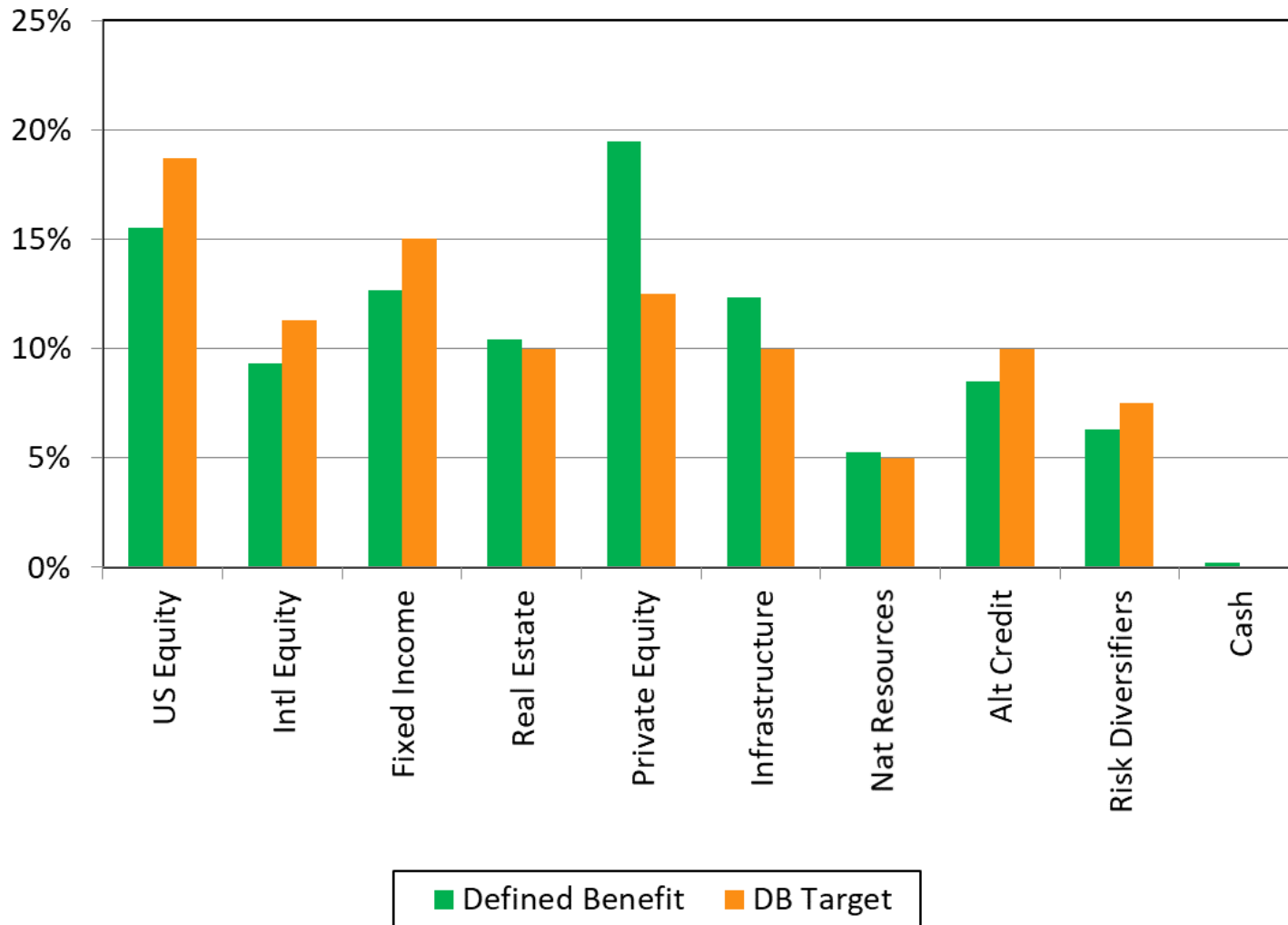




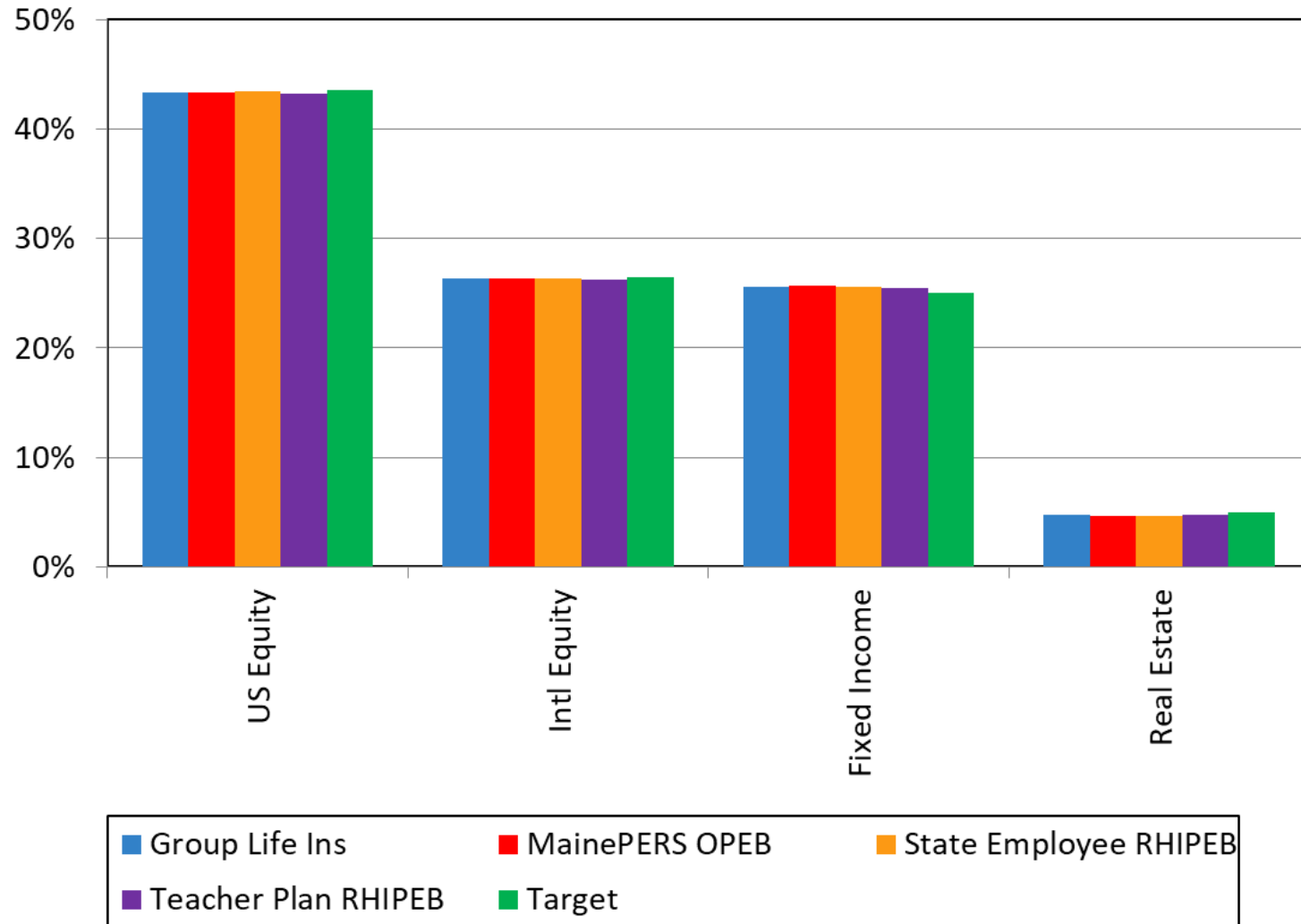
Maine PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Appendix

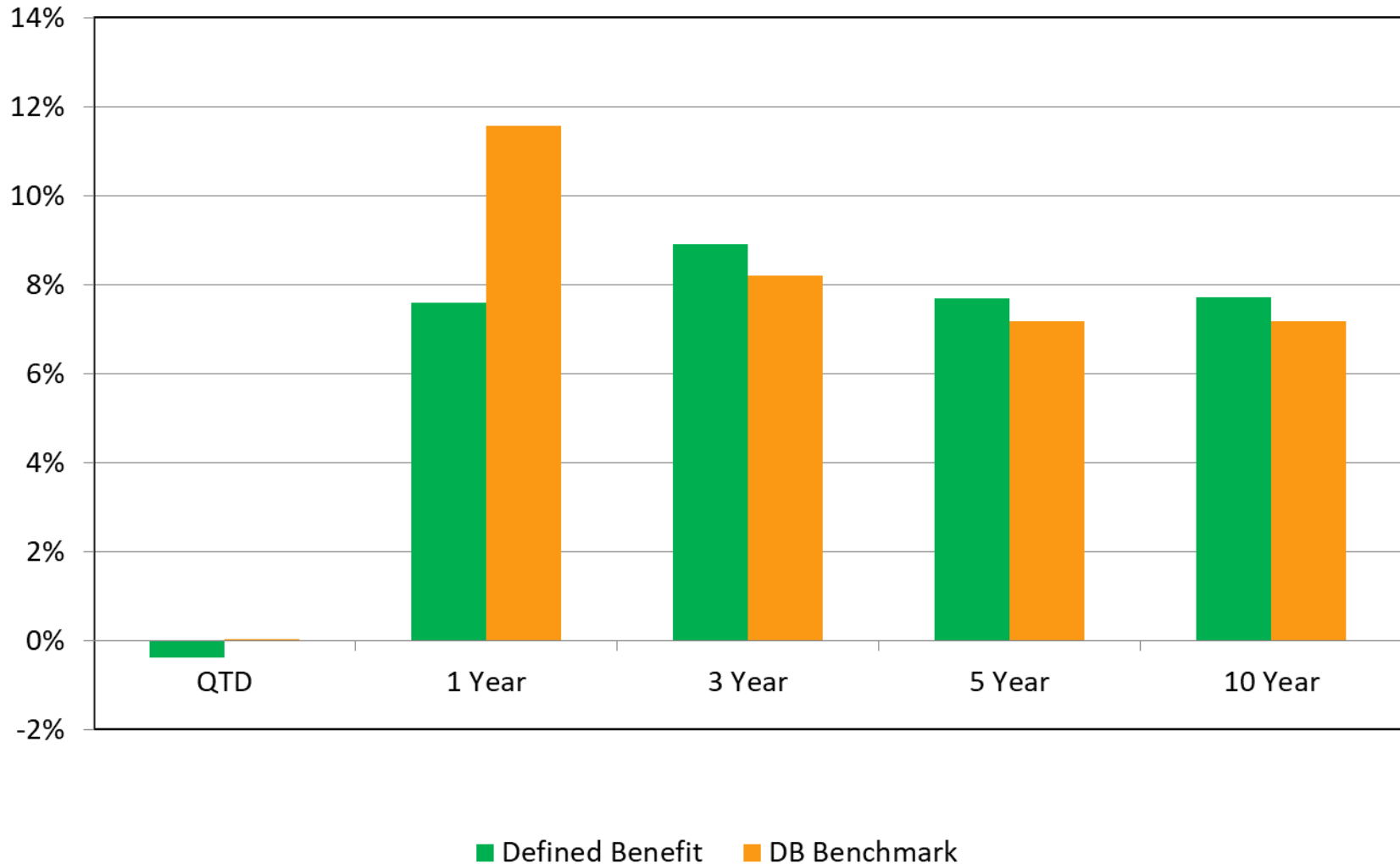
Asset Allocation for Defined Benefit at 9/30/2023



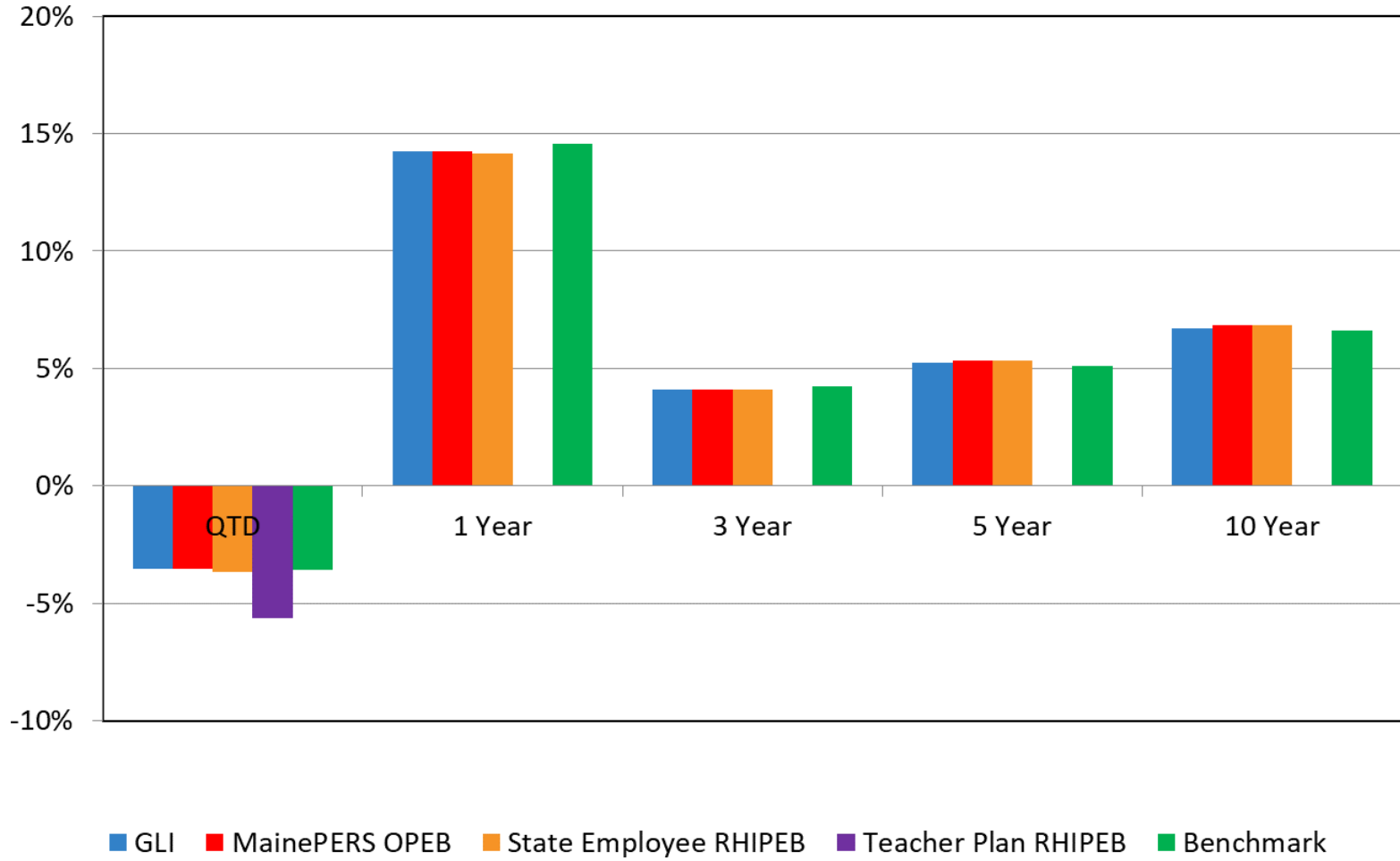
Asset Allocation for RHIPEB, GLI, and OPEB at 9/30/2023



Performance for Defined Benefit at 9/30/2023



Performance for RHIPEB, GLI, and OPEB at 9/30/2023



MAINEPERS

THIRD QUARTER 2023 PERFORMANCE REVIEW

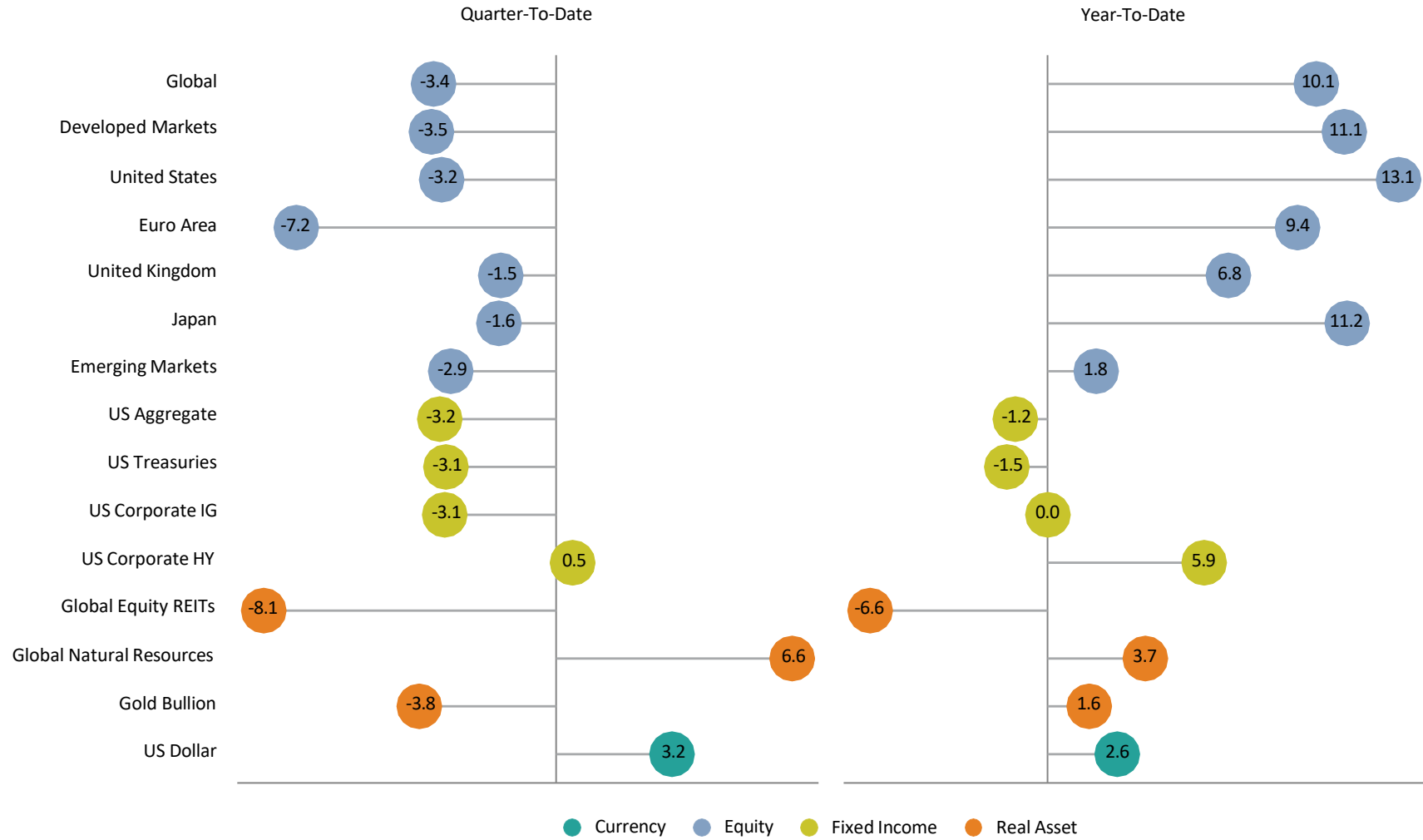


MARKET UPDATE



Higher rates, weaker economic data, and resurgent oil prices weighed on markets in 3Q

GLOBAL ASSET CLASS PERFORMANCE
As of September 30, 2023 • US Dollar • Percent (%)

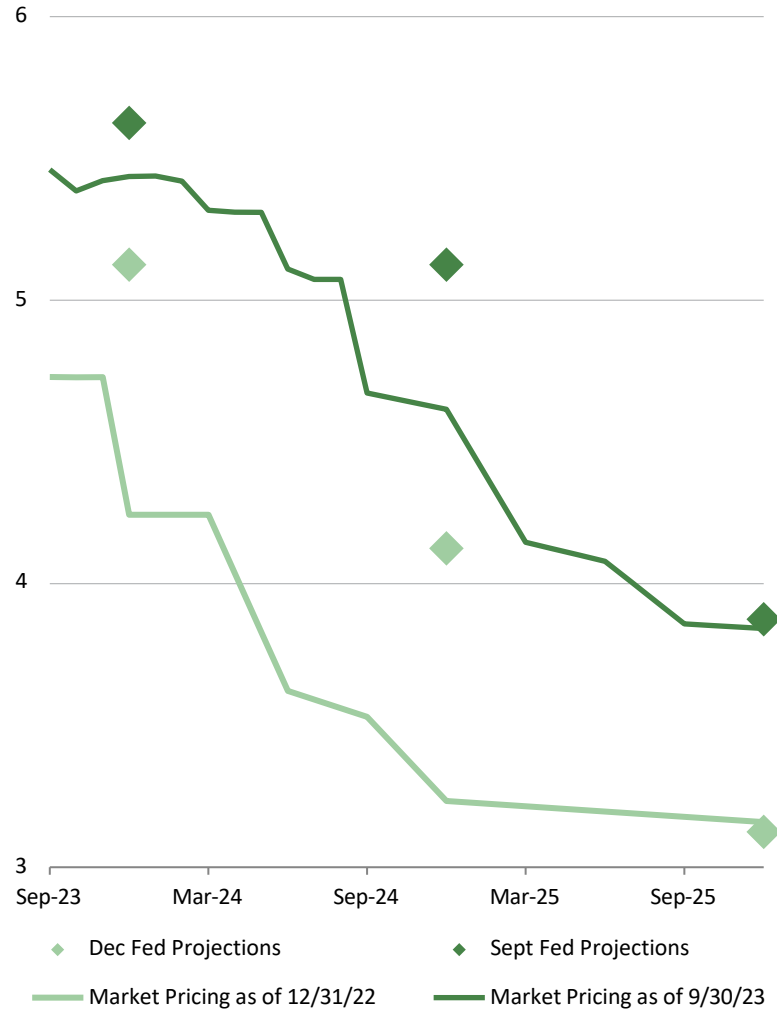


Sources: Bloomberg Index Services Limited., ICE Benchmark Administration Ltd., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: All data are in US dollar terms. The equity data are total returns net of dividend taxes of MSCI indexes.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

Fiscal spending is helping to support US growth despite tighter monetary policy

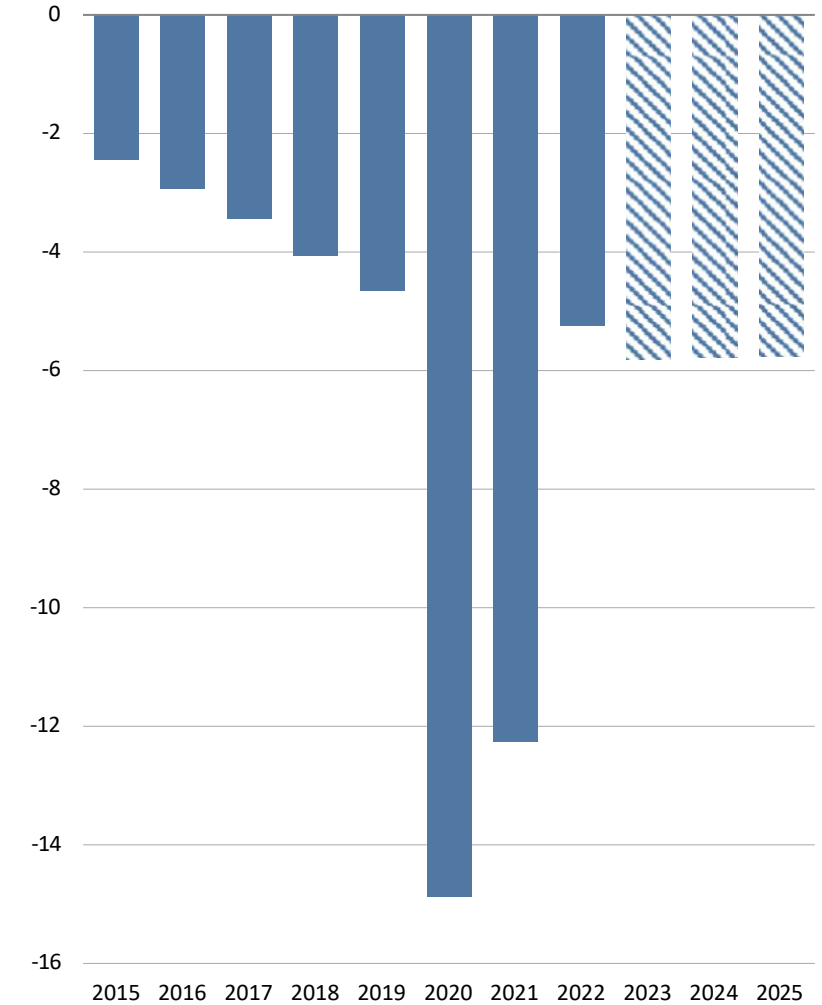
FED RATE HIKE EXPECTATIONS VS THE MARKET

As of September 30, 2023 • Percent (%)



FISCAL YEAR US FEDERAL BUDGET SURPLUS/DEFICIT

2015–25 • Percentage of GDP (%)

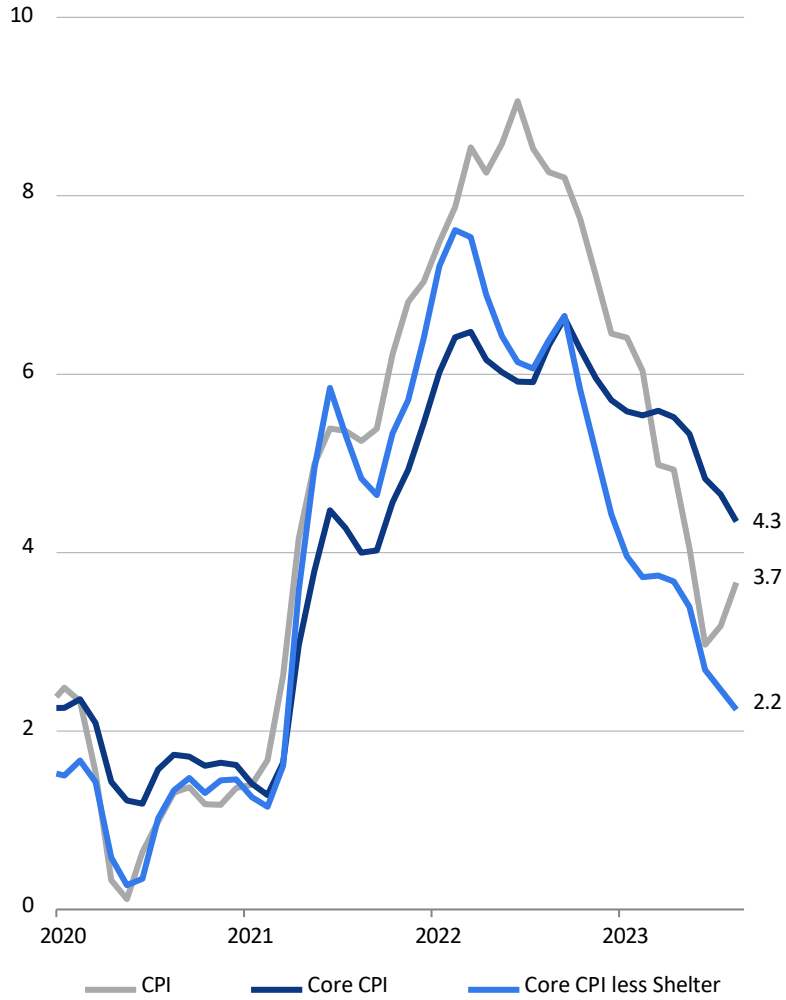


Sources: Bloomberg L.P., Congressional Budget Office, Federal Reserve, and Thomson Reuters Datastream.
 Note: Budget deficits for 2023–25 are the projected fiscal year estimates as of June 30, 2023.
 MMHC

Weaker core consumer prices have eased pressures on central banks to continue tightening

US INFLATION RATES

January 31, 2020 – August 31, 2023 • Year-Over-Year Percent Change (%)



US HOME PRICES AND SHELTER INFLATION

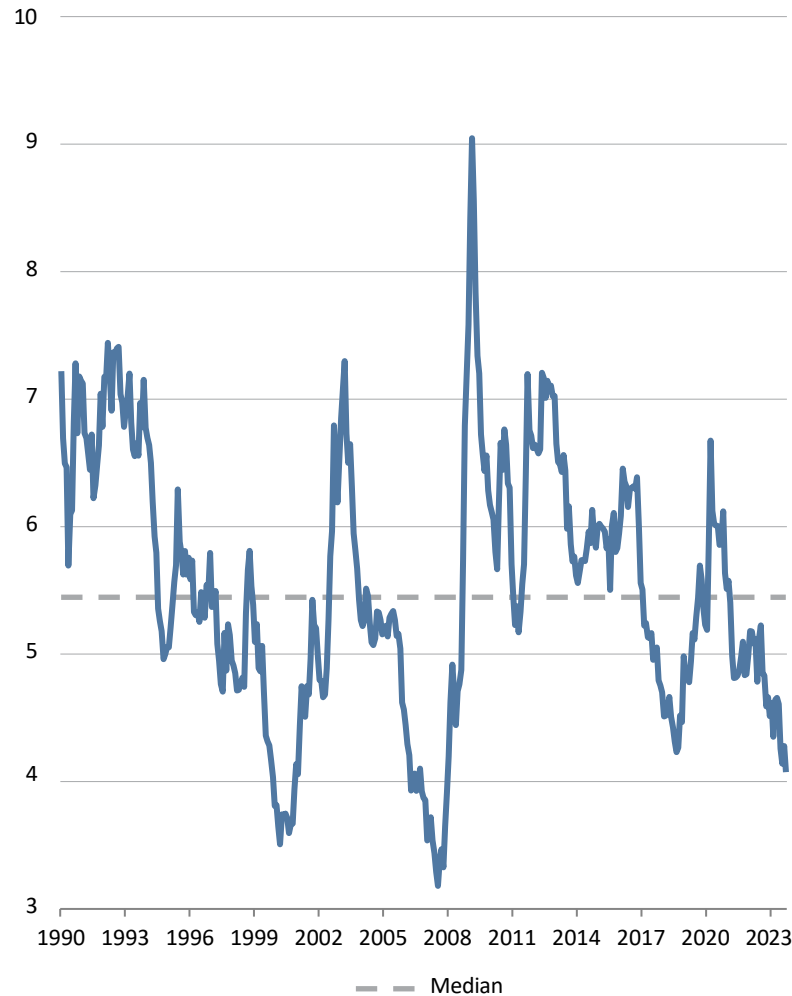
January 31, 2000 – August 31, 2023 • Year-Over-Year Percent Change (%)



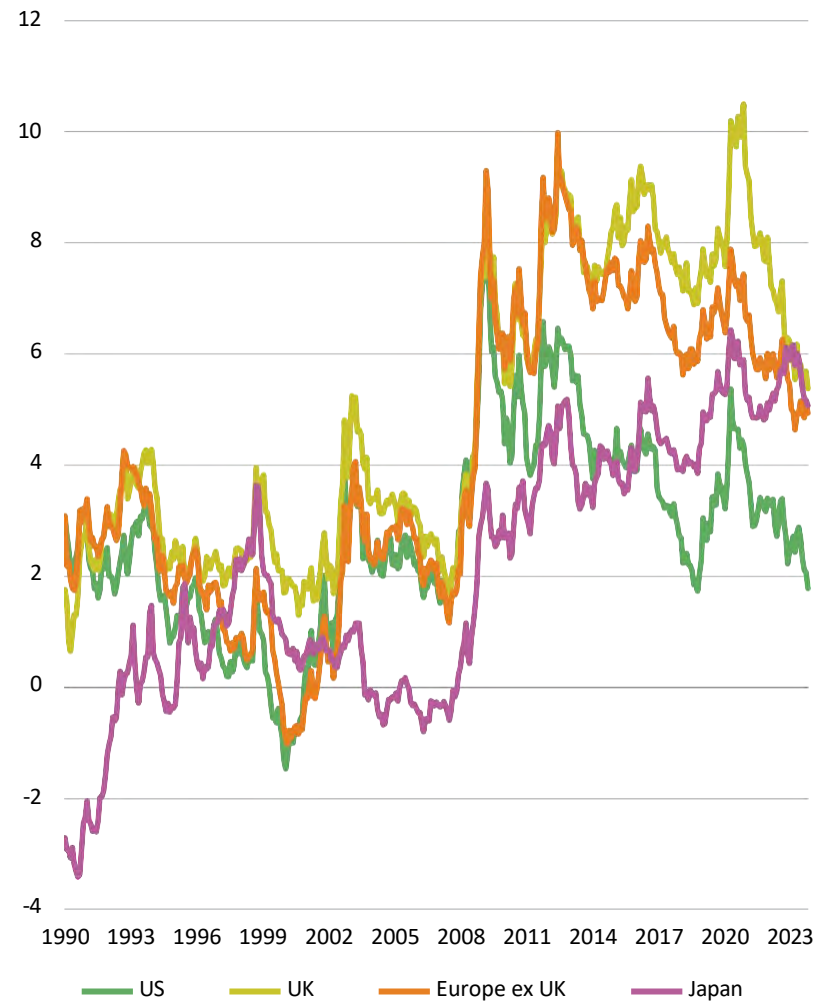
Sources: S&P/Case-Shiller, Thomson Reuters Datastream, and US Department of Labor - Bureau of Labor Statistics.
 Notes: Data are monthly. Home prices are as of July 2023 and represent the Standard & Poor's Case-Shiller National Home Prices Index.
 MMHC

Equities look expensive relative to bonds

GLOBAL EQUITIES YIELD SPREAD OVER GLOBAL BONDS
January 31, 1990 – September 30, 2023 • Equity Earnings Yield Less Bond Yield (%)



EQUITIES YIELD SPREAD OVER BONDS FOR SELECT REGIONS
January 31, 1990 – September 30, 2023 • Equity Earnings Yield Less Bond Yield (%)



Sources: Eurostat, FTSE International Limited, MSCI Inc., National Sources (Japan Ministry of Internal Affairs & Communication), OECD, and Thomson Reuters Datastream. MSCI data provided “as is” without any express or implied warranties.

Notes: The spread reflects the difference between the cyclically adjusted real earnings yield less the government bond real yield. The global spread calculations were aided by the following indexes: MSCI World, FTSE World Government Bond 7-10 Year, and the OECD Total CPI Index. The US spread calculations were aided by the following indexes: MSCI US, US Benchmark 10 Year Datastream Government Bond, and the OECD US CPI Index. The UK spread calculations were aided by the following indexes: MSCI UK, UK Benchmark 10 Year Datastream Government Bond, and the OECD UK CPI Index. The Europe ex UK spread calculations were aided by the following indexes: MSCI Europe ex UK, Eurozone Benchmark 10 Year Datastream Government Bond, and the Eurostat Eurozone CPI Index. The Japan spread calculations were aided by the following indexes: MSCI Japan, Japan Benchmark 10 Year Datastream Government Bond, and the Japan CPI Index.

PERFORMANCE REVIEW

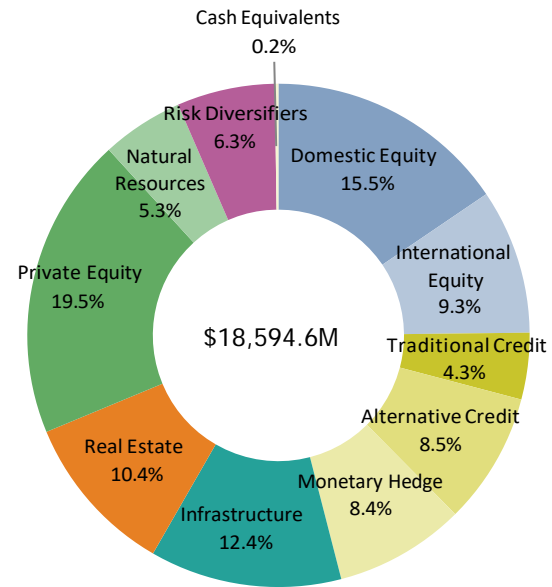


MainePERS Allocation Snapshot

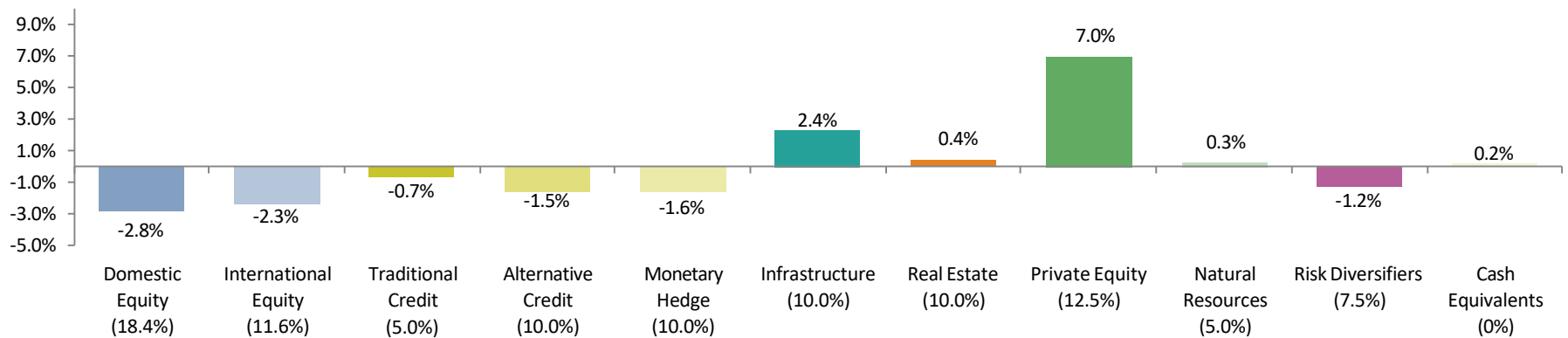
As of September 30, 2023

Asset Allocation (\$ Millions)

| Asset Class | \$(M) | % |
|----------------------|-------------------|---------------|
| Domestic Equity | 2,883.5 | 15.5% |
| International Equity | 1,733.5 | 9.3% |
| Traditional Credit | 795.0 | 4.3% |
| Alternative Credit | 1,575.1 | 8.5% |
| Monetary Hedge | 1,561.2 | 8.4% |
| Infrastructure | 2,296.8 | 12.4% |
| Real Estate | 1,936.3 | 10.4% |
| Private Equity | 3,618.6 | 19.5% |
| Natural Resources | 978.3 | 5.3% |
| Risk Diversifiers | 1,172.5 | 6.3% |
| Cash Equivalents | 43.9 | 0.2% |
| Total | \$18,594.6 | 100.0% |



Relative Weights vs. Policy Targets

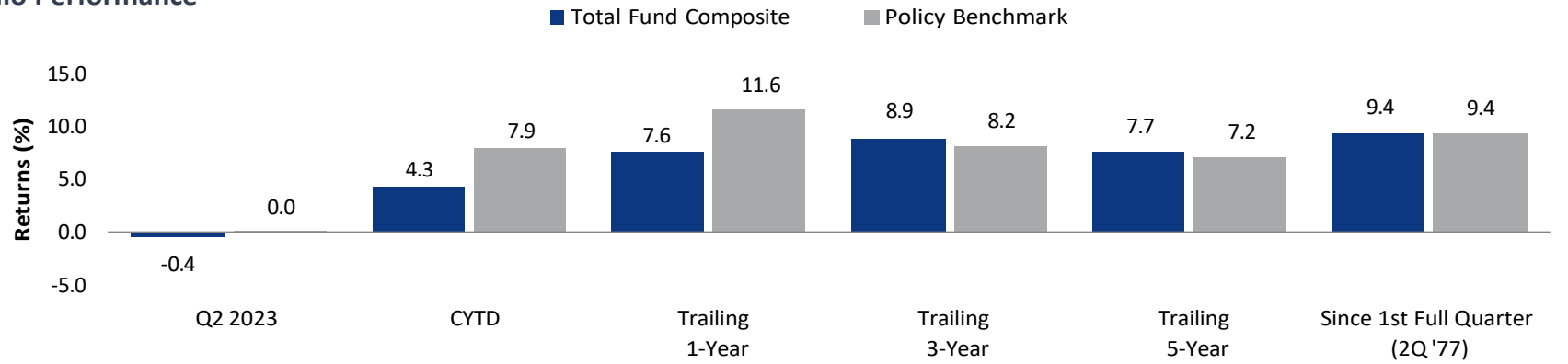


Note: Interim Policy Target allocation in parentheses. Asset class, composite breakout, and performance is based on JP Morgan performance data. Risk Diversifiers NAV is preliminary.

MainePERS Performance Summary

As of September 30, 2023

Total Portfolio Performance



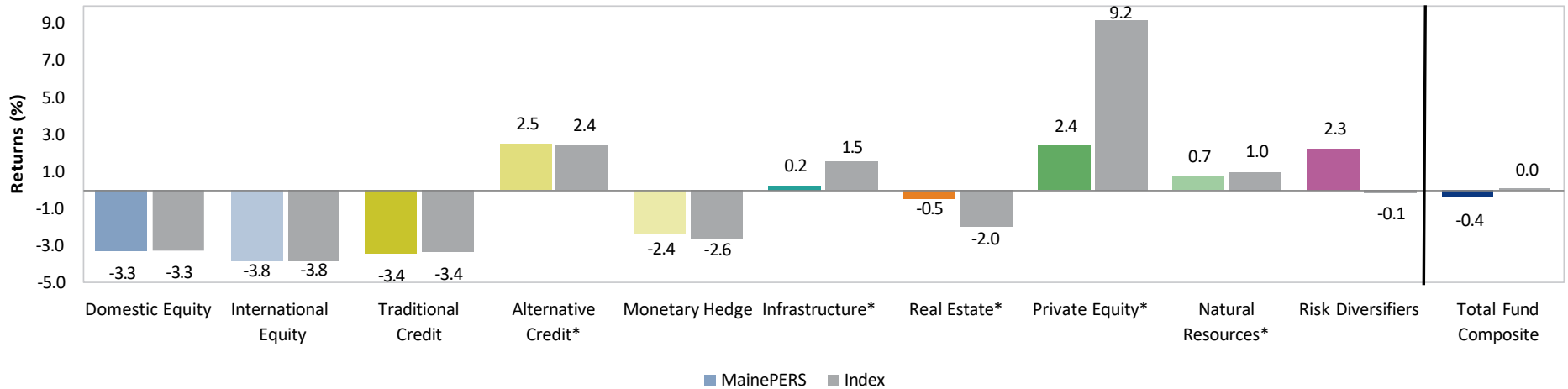
| | Q2 2023 | CYTD | Trailing 1-Year | Trailing 3-Year | Trailing 5-Year | Since 1st Full Quarter (2Q '77) |
|----------------------|--------------|--------------|-----------------|-----------------|-----------------|---------------------------------|
| Total Fund Composite | (0.4) | 4.3 | 7.6 | 8.9 | 7.7 | 9.4 |
| Policy Benchmark | 0.0 | 7.9 | 11.6 | 8.2 | 7.2 | 9.4 |
| <i>Value Added</i> | <i>(0.4)</i> | <i>(3.6)</i> | <i>(4.0)</i> | <i>0.7</i> | <i>0.5</i> | <i>0.0</i> |

MainePERS Asset Class Performance

As of September 30, 2023

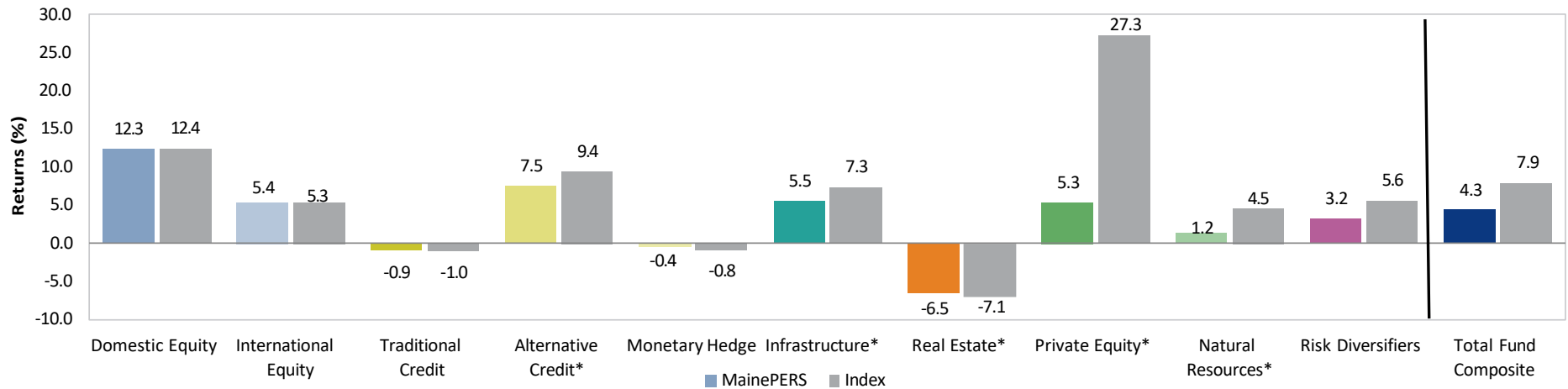
Quarter-to-Date

July 1, 2023 - September 30, 2023



Calendar Year-to-Date

January 1, 2023 - September 30, 2023



Notes: Asset class benchmarks (from left to right): Index returns for Infrastructure, Real Estate, and Natural Resources are reported on a quarterly basis. Returns reported by J.P. Morgan, except for Infrastructure and Real Estate indices, which are reported by Cambridge Associates on a quarter lag. Returns for CA Real Estate and Infrastructure indices are preliminary, and subject to adjustment. Performance for Risk Diversifiers is preliminary.
 *Performance is reported on a quarter lag, as June 30, 2023.

Asset Class Benchmarks and Target Weights

| Asset Class | Benchmark | Long-Term Target |
|--------------------|---|------------------|
| | Russell 3000 ¹ | 18.4% |
| | MSCI ACWI ex US ² | 11.6% |
| Public Equity | Total Public Equity | 30.0% |
| Private Equity | Russell 3000 + 3% per annum (1 qtr lag) | 12.5% |
| Risk Diversifiers | 0.3 Beta MSCI ACWI ³ | 7.5% |
| Real Estate | NCREIF Property (1 qtr lag) | 10.0% |
| Infrastructure | Cambridge Associates Infrastructure Median (1 qtr lag) | 10.0% |
| Natural Resources | Cambridge Associates Natural Resources Median (1 qtr lag) | 5.0% |
| Traditional Credit | Barclays US Agg ex Treasury | 5.0% |
| Alternative Credit | 50% BAML US HY II + 50% S&P/LSTA US Leveraged Loan Index (1 qtr lag) ⁴ | 10.0% |
| US Govt Treasuries | Custom Fixed Income ⁵ | 10.0% |

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

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

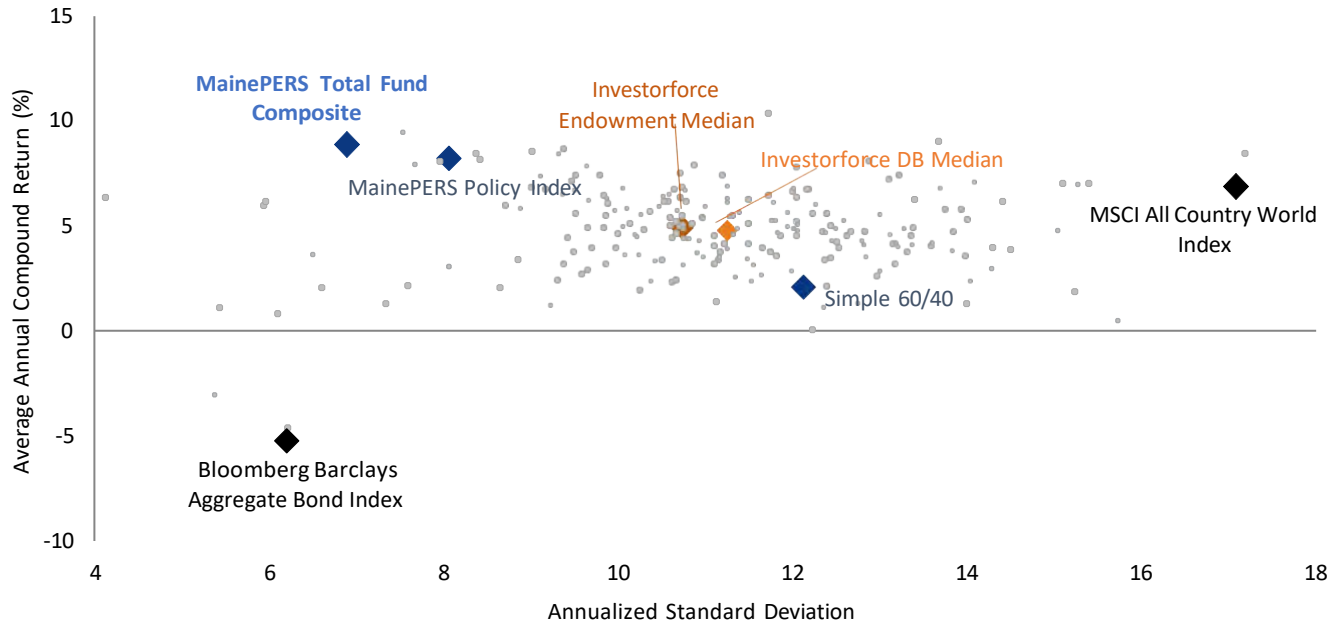
3. 91-day T-bill + 0.3(MSCI ACWI Return – 91-day T-bill)

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

5. 50% 0-5 Year TIPS / 50% US TIPS Fund

MainePERS Risk/Return – 3 Years

As of September 30, 2023



| | Average Annual Compound Return | Annualized Standard Deviation | Sharpe Ratio ¹ | Beta vs. MSCI ACWI |
|---|-----------------------------------|----------------------------------|---------------------------|-----------------------|
| MainePERS - Total Fund Composite | 8.9 | 6.9 | 1.0 | 0.34 |
| MainePERS - Policy Index | 8.2 | 8.1 | 0.8 | 0.42 |
| Simple 60/40 | 2.1 | 12.1 | 0.0 | 0.70 |
| Investorforce Public DB Plan Median | 4.8 | 11.3 | 0.3 | --- |
| Investorforce Endowment Median | 4.9 | 10.8 | 0.4 | --- |
| Indices | | | | |
| MSCI All Country World Index (Net) | 6.9 | 17.1 | 0.3 | -- |
| Bloomberg Barclays Aggregate Bond Index | -5.2 | 6.2 | -1.1 | 0.25 |



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

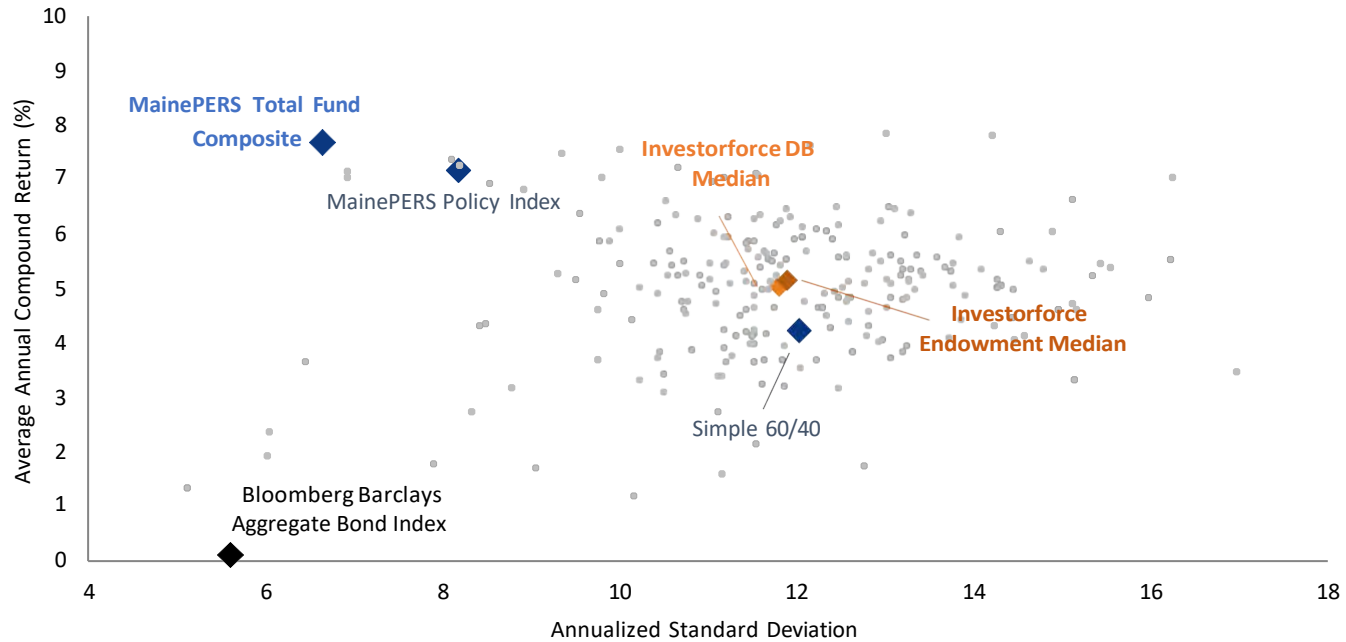
¹The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard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

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

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

MainePERS Risk/Return – 5 Years

As of September 30, 2023



| | Average Annual Compound Return | Annualized Standard Deviation | Sharpe Ratio ¹ | Beta vs. MSCI ACWI |
|---|-----------------------------------|----------------------------------|---------------------------|-----------------------|
| MainePERS - Total Fund Composite | 7.7 | 6.6 | 0.9 | 0.32 |
| MainePERS - Policy Index | 7.2 | 8.2 | 0.7 | 0.37 |
| Simple 60/40 | 4.2 | 12.0 | 0.2 | 0.66 |
| Investorforce Public DB Plan Median | 5.0 | 11.8 | 0.3 | --- |
| Investorforce Endowment Median | 5.1 | 11.9 | 0.4 | --- |
| Indices | | | | |
| MSCI All Country World Index (Net) | 6.5 | 18.1 | 0.3 | -- |
| Bloomberg Barclays Aggregate Bond Index | 0.1 | 5.6 | -0.3 | 0.14 |



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

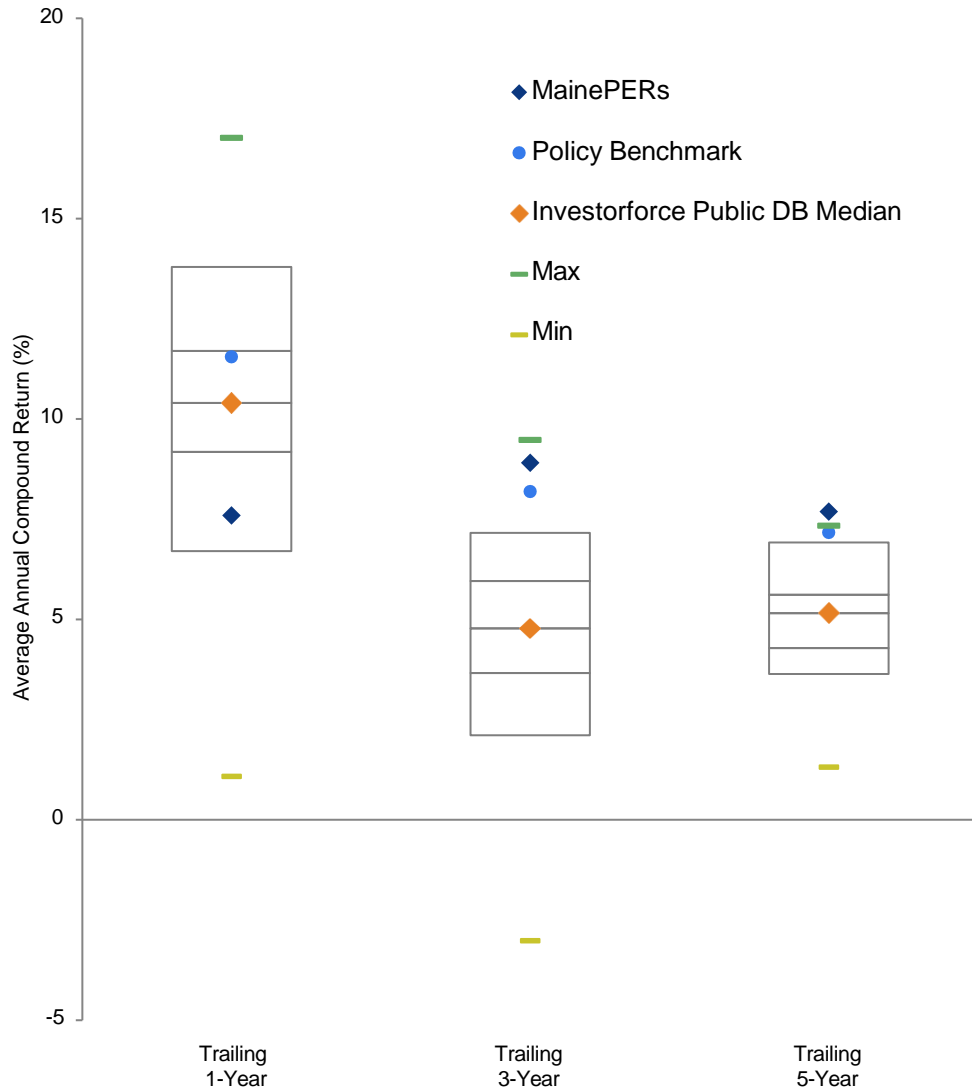
¹The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard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

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

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

MainePERS vs. Defined Benefit Peers

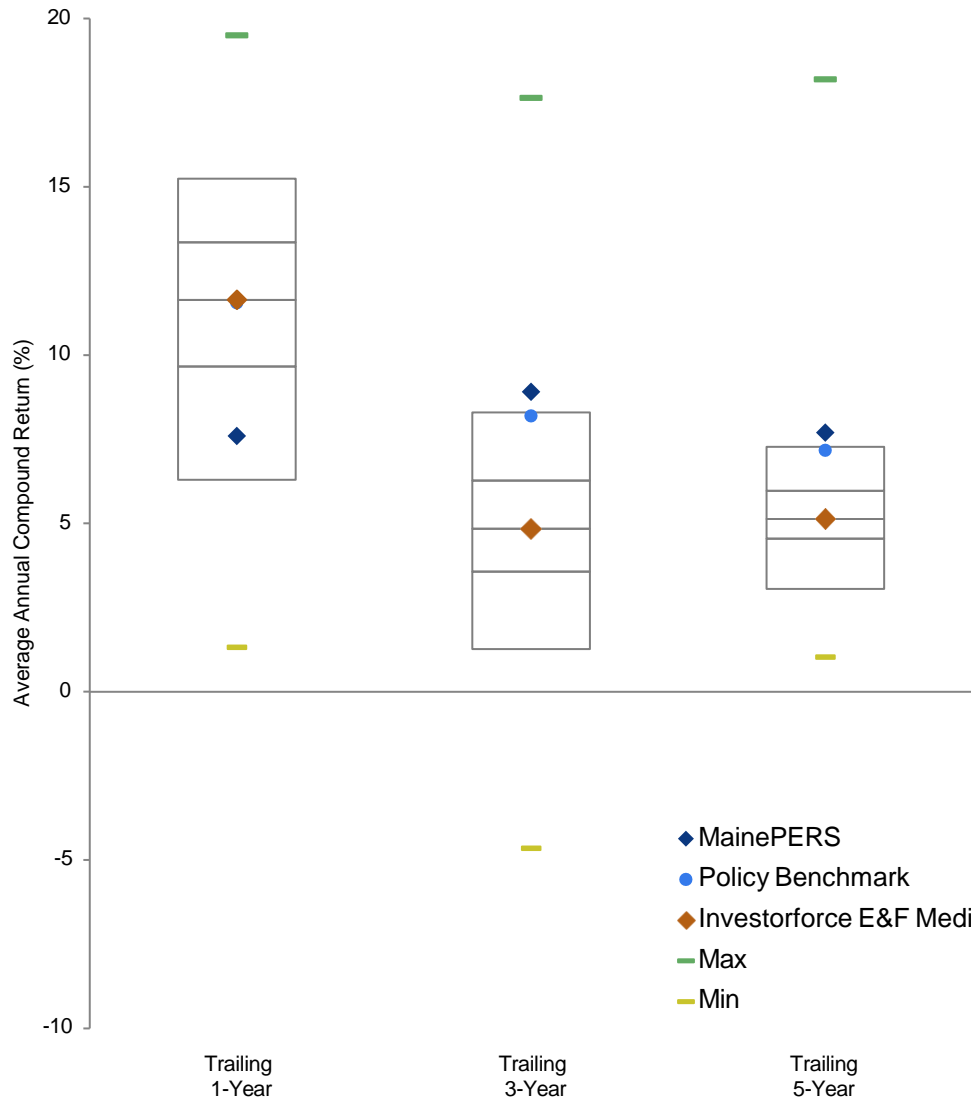
As of September 30, 2023



| | <u>One Year</u> | <u>Three Year</u> | <u>Five Year</u> |
|--------------------------------|-----------------|-------------------|------------------|
| MainePERS | 7.6 | 8.9 | 7.7 |
| Policy Benchmark | 11.6 | 8.2 | 7.2 |
| Max | 17.0 | 9.5 | 7.3 |
| 5th Percentile | 13.8 | 7.2 | 6.9 |
| 25th Percentile | 11.7 | 6.0 | 5.6 |
| Investorforce Public DB Median | 10.4 | 4.8 | 5.2 |
| 75th Percentile | 9.2 | 3.7 | 4.3 |
| 95th Percentile | 6.7 | 2.1 | 3.6 |
| Min | 1.1 | -3.0 | 1.3 |
| Sample Size | | | |
| <i>n</i> | 97 | 96 | 94 |

MainePERS vs. E&F Peers

As of September 30, 2023



| | <u>One Year</u> | <u>Three Year</u> | <u>Five Year</u> |
|--------------------------|-----------------|-------------------|------------------|
| MainePERS | 7.6 | 8.9 | 7.7 |
| Policy Benchmark | 11.6 | 8.2 | 7.2 |
| Max | 19.5 | 17.6 | 18.2 |
| 5th Percentile | 15.2 | 8.3 | 7.3 |
| 25th Percentile | 13.4 | 6.3 | 6.0 |
| Investorforce E&F Median | 11.6 | 4.8 | 5.1 |
| 75th Percentile | 9.7 | 3.6 | 4.5 |
| 95th Percentile | 6.3 | 1.3 | 3.1 |
| Min | 1.3 | -4.7 | 1.0 |
| Sample Size <i>n</i> | 132 | 128 | 119 |



Source: InvestorForce – All Endowments and Foundations Q3 2023

Note: Net InvestorForce median data reflects medians of 1-, 3-, and 5-year returns as reported by plans with AUM exceeding \$100 million.



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MAINEPERS

BOARD OF TRUSTEES GOVERNANCE MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
SUBJECT: BOARD CHARTER AND POLICY REVIEW
DATE: NOVEMBER 1, 2023

We have adopted a process of reviewing each Board Policy at least every three years and revising and updating as needed. This year we have reviewed ten policies and recommend substantive amendments to three of the policies, which are summarized below. We also are recommending non-substantive changes to all of the policies reviewed, primarily changing “Executive Director” to “Chief Executive Officer.” In October of 2018, the Board authorized non-substantive changes to Board Policies without further Board approval.

We are incorporating an annual review of the Board Charter into this process. The Charter was just adopted in March of this year, and we are not recommending any changes at this time.

A copy of the Charter and red-lined copies of the policies reviewed this year are included with this memo.

POLICY REFERENCE

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

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

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

POLICIES REVIEWED AND RECOMMENDED AMENDMENTS

- 1.6 Finance and Audit Committee of the Board
- Add responsibility for oversight of risk management, including annual reports by management on significant risks

4.5 Board-Staff Relations

- Add a requirement that staff provide an analysis of relevant risks in support of any major decision

5.1 Chief Executive Officer Scope of Responsibility

- No substantive changes

5.2 Service to Members, Retirees, Employers and Stakeholders

- No substantive changes

5.3 Service to Staff

- No substantive changes

5.4 Budgeting, Spending, and Reporting

- No substantive changes

5.5 Asset Protection

- Replace provision that appears to require approval of internal controls by the internal auditor
- New language requires adoption and use of internal controls, including any recommended by the internal or external auditors

5.6 Open Access to Government

- No substantive changes

5.7 Emergency Chief Executive Officer Succession

- No substantive changes

5.8 Compensation and Benefits

- No substantive changes

RECOMMENDATION

That the Board approve amended Board Policies 1.6, 4.5, and 5.5.

MainePERS Board of Trustees Charter

Adopted: March 9, 2023

Every Trustee is a fiduciary for the System's members and beneficiaries. As such, Trustees are expected to participate fully in all Board business and in their assigned roles on the Board. Trustees are expected to maintain current knowledge on issues facing the system. Trustees must be able to devote the time necessary to fulfill the commitments of good stewardship, fiduciary duty, and others delineated by Maine law. (*Board Policy 1.4*) Accordingly, the Board of Trustees has adopted this charter which sets out the Board's principles, duties, and oversight responsibilities for the governance of MainePERS and its programs.

Board Principles

The Board will govern with an emphasis on outward and future vision, strategic leadership, encouraging diverse viewpoints and collective decision-making. The Board will maintain a clear distinction between Board and management roles.

In order to govern under these principles, the Board commits to:

- Promoting group responsibility while using the individual experience of members to enhance the proficiency of the Board as a body;
- Directing, controlling and inspiring the organization through broad written governance policies focused on long-term outcomes that reflect the Board's values and perspectives;
- Governing itself with excellence, allowing no individual Trustee to hinder or be an excuse for not making collective decisions or fulfilling its commitments;
- Continuing Board development including orientation of new Trustees in the Board's governance process and periodic Board discussion of governance improvements; and
- Monitoring and discussing the Board's process and performance through annual self-evaluations. (*Board Policy 1.1*)

Board Duties

The Trustees of the System, both collectively as the Board and individually, have a fiduciary duty imposed by the Constitution of Maine, statutes, and common law. The members of the Board of Trustees are trustees of the funds of the System and have a fiduciary obligation to administer the System and the funds under the System's control solely in the best interests of the members as beneficiaries of pension and related benefits.

It is the obligation of every Trustee to conduct themselves in a manner that promotes public confidence in the integrity, impartiality, professionalism and ethical behavior of the system in its relations with retirees, beneficiaries, members, employers, the public, staff and outside providers of goods and services.

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MainePERS Board of Trustees

Nothing shall excuse any Trustee from any other restrictions or requirements of State or federal law concerning conflicts of interest and fiduciary duties. (*Board Policies 1.2, 1.3*)

The duties of the Board include, but are not limited to:

1. Setting policy for the Chief Executive Officer (CEO) to implement;
2. Monitoring compliance with applicable law, regulations, rules and policies;
3. Adopting, monitoring and periodically updating a strategic plan and key performance and risk measures;
4. Considering recommendations from staff and Board consultants before making decisions;
5. Adopting an annual budget to support operations and monitoring expenses;
6. Adopting rules governing the administration of benefits;
7. Submitting reports and making recommendations to the Legislature regarding the plan's fiscal health and changes to the law; and
8. Reviewing and discussing major issues impacting MainePERS.

Board Oversight Responsibilities

The Board's oversight responsibilities are outlined as follows:

1. Governance. The Board shall:
 - a. Elect Board officers annually (*Board Policy 1.5*)
 - b. Adopt a Board calendar and work plan annually
 - c. Review the strategic plan annually and update periodically
 - d. Monitor key performance and risk measures annually
 - e. Participate in a Board self-assessment annually (*Board Policy 1.7*)
 - f. Review the Board education plan annually (*Board Policy 1.8*)
 - g. Review Board policies on a three-year cycle and update as needed
 - h. Delegate responsibilities to the CEO, as appropriate (*Board Policy 4.1*)
2. Finance and Audit. The Board shall:
 - a. Approve the administration and investment operating budgets annually (*Board Policy 1.6*)
 - b. Adopt an internal audit plan and update periodically (*Board Policy 1.6*)
 - c. Accept the audited financial statements of the Plan annually (*Board Policy 1.6*)
 - d. Review the Board's independent financial auditor every five years and competitively bid as needed (*Board Policies 1.6, 4.4*)
 - e. Monitor the administration and investment operating budgets quarterly through the Finance and Audit Committee (*Board Policy 1.6*)
 - f. Monitor internal audit activity quarterly through the Finance and Audit Committee (*Board Policy 1.6*)
3. Investments. The Board shall:
 - a. Review investment performance monthly (*Board Policy 2.1*)
 - b. Participate in investment education quarterly (*Board Policy 1.8*)
 - c. Review rebalancing activity quarterly (*Board Policy 2.1*)

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- d. Review proxy voting reports semi-annually (*Board Policy 2.7*)
 - e. Review capital market expectations and existing asset class allocations annually (*Board Policy 2.1*)
 - f. Review the investment policy statement annually
 - g. Review the ESG report and policy annually (*Board Policy 2.6; PL2021, c. 231*)
 - h. Conduct an asset/liability study every five years and adjust asset allocation as needed
 - i. Review the Board's custodian, proxy advisor, and consultants every five years and competitively bid as needed (*Board Policies 2.1, 4.4*)
 - j. Consider recommendations of investment staff and consultants on investment manager selection and MaineSTART plan investment options (*Board Policies 2.1, 2.1-C*)
4. Funding and Actuarial. The Board shall:
- a. Participate in actuarial practices education annually (*Board Policy 1.8*)
 - b. Review actuarial economic assumptions annually (*Board Policy 2.2*)
 - c. Conduct an actuarial valuation of each plan annually (*Board Policy 2.2*)
 - d. Set contribution rates for the state-sponsored plans biennially (*Board Policy 2.2*)
 - e. Conduct a Group Life Insurance Premium Study every four years and set premiums for all participant groups (*Board Policy 2.1-A*)
 - f. Conduct an actuarial experience study every five years (*Board Policy 2.2*)
 - g. Conduct an actuarial audit every five years (*Board Policy 2.2*)
 - h. Review the Board's actuary every five years and competitively bid as needed (*Board Policies 2.2, 4.4*)
5. Operations. The Board shall:
- a. Participate in education about the System's lines of business (*Board Policy 1.8*)
 - b. Consider appeals of administrative determinations as needed (*Board Policy 2.4*)
 - c. Monitor member services data monthly
 - d. Review the enterprise-wide risk assessment annually
 - e. Approve cost-of-living-adjustments for retired members and beneficiaries annually (*5 M.R.S. §§ 17806 & 18407*)
 - f. Monitor cybersecurity and business continuity preparedness
6. Personnel. The Board shall:
- a. Appoint the CEO
 - b. Review the performance and set the compensation of the CEO annually (*Board Policy 4.3*)
 - c. Ensure there is an appropriate succession plan for the CEO and other key positions
 - d. Approve collective bargaining agreements
7. Legal Matters. The Board shall:
- a. Ensure compliance with applicable laws and regulations
 - b. Adopt agency rules when required or otherwise appropriate (*Board Policy 2.3*)
 - c. Review outstanding litigation monthly
 - d. Comply with open meeting requirements (*Board Policies 1.10, 5.6*)

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Board Governance

1.6 – Finance and Audit Committee of the Board

Date Adopted: October 9, 2003

Date Amended: December 13, 2012; March 13, 2014; October 13, 2016; May 9, 2019;

November 18, 2021; ~~November 9, 2023~~

Policy

The Finance and Audit Committee (Committee) is a standing committee of the Board of Trustees with duties and responsibilities as set forth in this policy. The Committee is responsible for overseeing the integrity of the System's budgeting, financial accounting and reporting, audits, internal controls, and ~~risk management~~ compliance. It coordinates communication to and within the Board of Trustees, the System's external auditors, the System's internal auditors and System management. The Committee recommends actions to the Board of Trustees, but has no independent authority to make final decisions.

Statutory/Legal Provisions

- [5 M.R.S. §§ 17103](#), [17104](#) and [17109](#).

Membership, Expertise and Meetings of the Finance and Audit Committee

Membership

The Committee consists of at least three members of the Board of Trustees, at least one of whom must be qualified through training or experience in the field of investments, accounting, banking or insurance, or as actuaries. Committee members will be appointed or removed by the Board Chair with the concurrence of the number of Board members required by law for Board action. The Board Chair may appoint him/herself as a Committee member, but may not serve as Chair of the Committee. Appointments are for two years and may be renewed without limit. Vacancies within a term shall be filled in the same manner. The Committee shall select the Chair and Vice Chair in February of each year.

Expertise

The members of the Committee, individually or as a group, must, in the Board's determination, possess sufficient financial knowledge and experience to understand the nature of the work performed by the System's external and internal auditors and the reports prepared by them. If the Committee does not have the necessary knowledge and expertise, the Board must provide the Committee with, or authorize the Committee to obtain, an external advisor from a source independent of both System staff and the System's external auditors.

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Meetings

The Committee shall meet quarterly or as circumstances require, but at least twice in each fiscal year. ~~Committee members must be physically present to vote on matters forwarded to the Board of Trustees.~~

Responsibilities of the Finance and Audit Committee

General Responsibilities

The Committee is responsible for oversight of the System's budgeting, financial reporting, external audits, and internal audit functions (which may be outsourced), including periodic reviews of external and internal audit work plans and reports. The Committee also oversees the System's risk management. The Committee is responsible to inform the Board as needed on matters that it oversees, but at least twice in each fiscal year.

Annual Budget

The Committee is responsible to:

- Review the annual budget prior to the beginning of the fiscal year;
- Make any adjustments deemed necessary by the Committee; and
- Recommend approval of the annual budget to the Board.

Annual Audit

The Committee is responsible to:

- Review the audit plan, in advance of the audit;
- Review proposed adjustments to the financial statements;
- Assess the financial statements as a whole;
- Review with the Chief Executive Officer, Chief Operating Officer, and ~~Director of Finance~~ Chief Financial Officer, with or without the presence of the external auditor, the result of the auditor's annual audit and plans to address any comments therein; and
- Report to the Board on the financial statements and audit shortly after the completion of the audit.

Internal Controls

The Committee is responsible to assure, by reports from and/or discussions with management and/or the internal auditor and/or the external auditor that:

- the System's internal controls, including without limitation fraud controls, and procedures for its operations are adequate and effective;

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- the System's internal controls and procedures are evaluated with appropriate frequency to assure that they continue to be adequate and effective;
- significant defects in or failures of the System's internal controls, including without limitation any instance of fraud or misuse of System data or information, are reported to the Committee in a timely manner and that corrective actions are undertaken and completed in a timely manner; and
- where such reports are from and/or discussions with management, the internal and/or external auditor, as the Committee deems appropriate, is aware of them and either does not have a view different from management's or that any different view is made known to the Committee.

Information, Concerns and Complaints

The Committee is responsible to oversee the establishment of procedures by which information, concerns and complaints regarding accounting, internal controls, and auditing matters are received, evaluated, and responded to by management and/or the Committee itself. Where the procedure calls for or permits the submission of such information, concerns and complaints to management, it must also require management to report to the Committee at appropriate intervals on such submissions and their handling.

The Committee is responsible to establish a procedure for the confidential and/or anonymous submission by MainePERS employees to the Committee itself of concerns regarding accounting, internal controls or auditing matters and for response by the Committee.

Risk Management

The Committee provides oversight to the System's management of risk. Management shall report at least annually to the Committee on the significant risks facing the System and the steps taken to address those risks. The Committee shall obtain reasonable assurance that management has identified, analyzed, and established a framework for addressing the key risks the System faces.

External Auditor

Engagement, Evaluation, Compensation, and Termination

The Committee shall oversee the process by which the external auditor is hired, evaluated, and terminated as well as the terms of the contract of engagement. The Committee shall ensure that the external auditor is engaged through an open bid process with a written contract for a term not to exceed five years. The contract may be extended up to a total period of time under contract of ten years. The Committee shall evaluate the external auditor performance at the annual exit conference and formally at every contract extension. The Committee shall recommend the engagement, compensation and termination of the external auditor to the Board.

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Auditor Rotation and Future Employment at System

The Committee shall ensure, in the case of the continuing engagement of an external audit firm that either the lead or the concurring audit partner is rotated at least every five years and that, once rotated, no lead or concurring partner serves again on the System's audit for three years. When the Committee finds that the five-year requirement is impracticable and that waiving it will not compromise the audit function or the System, the Committee may waive the requirement. A waiver may be for a one-year period only, though a waiver may be renewed. No partner shall serve on the System's audit for more than eight consecutive years.

An employee of the external auditor who served on the MainePERS audit team may not become an employee of the System within one year of the annual audit unless the Committee has reviewed the request to determine that no conflicts exist and recommends to the Board that the employment be approved.

Meetings and Communication with Auditor

The Committee shall meet with the external auditor for formal audit entrance and exit conferences, and whenever the Committee decides that a meeting is indicated. The Committee may include System management in all or part of any meeting with the auditors, but must meet with the auditor without management during at least one meeting in each fiscal year. The Committee shall direct the auditor to report any critical accounting or reporting issue or issue with management in a timely manner. The Committee is responsible to meet with the auditor whenever the auditor requests such a meeting. The Committee shall provide the external auditor with contact information that enables the external auditor to contact the Committee directly.

Non-audit Services

An external auditor who performs an annual audit of the System's financial condition may not provide any non-audit services to the System in the fiscal year that a given financial audit covers or during the period in which the annual financial audit is being performed, unless the Committee recommends to the Board that the provision of such services be approved.

Internal Auditor

Staffing the Internal Audit Function

The internal audit function may be staffed by one or more System employees or by one or more independent audit firms. If the Chief Executive Officer determines that one or more independent audit firms should be engaged for this function, those firms will be selected using the System's competitive bid process.

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Regular Reports

The Internal Auditor shall provide an annual work plan to the Committee and quarterly reports of progress thereon and as to other matters of which the internal auditor believes the Committee should be aware. In the case of outsourced internal audit functions, the Chief Executive Officer shall provide the annual work plan and quarterly reports of progress. The Chief Executive Officer may delegate this responsibility to the Chief Operating Officer or the ~~Director of Finance~~Chief Financial Officer.

Auditor Access to the Finance and Audit Committee

The Internal Auditor shall provide reports directly to the Committee. In the case of an outsourced internal audit function, these reports will be provided by the Chief Executive Officer or, if designated, the Chief Operating Officer or ~~Director of Finance~~Chief Financial Officer. The Internal Auditor shall also have direct access to the Committee when the Internal Auditor deems it necessary.

Particular Projects and Reports

The Committee may direct an internal audit examination and/or report to the Committee itself and/or to management on any System matter that the Committee believes to require such examination and/or report.

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Board – Chief Executive Officer Coordination

4.5 – Board / Staff Relations

Date Adopted: June 13, 2013

Date Amended: November 14, 2019; November 10, 2022; November 9, 2023

Policy

Trustees shall in part fulfill their fiduciary duty through reliance on trained and experienced qualified professional staff. The Chief Executive Officer shall ensure that only trained and experienced qualified staff support Trustees in fulfilling their duty.

Staff/Board Relations

Staff shall prepare an appropriate level of information and education for Trustees to fulfill their fiduciary role and monitor System operations.

Staff shall work to provide relevant information to Trustees, including metrics that enable Trustees to effectively monitor the operating outcomes of Board policy. Staff shall also thoroughly research and prepare background material for all decisions required or collectively requested by Trustees. Trustees shall be provided with a set of options along with supporting reasoning for each requested decision, and the option recommended by staff along with supporting reasoning. Staff shall provide Trustees with an analysis of relevant risks in support of any major decision.

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Chief Executive ~~Officer~~ Director Responsibilities

5.1 – Chief Executive ~~Officer~~ Director Scope of Responsibility

Date Adopted: August 8, 2013

Date Amended: October 12, 2017; November 9, 2023

Policy

The Chief Executive ~~Officer~~ Director shall carry out Board policy and achieve Board adopted outcomes. The Chief Executive ~~Officer~~ Director shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent or in violation of commonly accepted business or professional ethics.

Chief Executive Officer~~Director~~ Responsibilities

5.2 – Service to Members, Retirees, Employers and Stakeholders

Date Adopted: August 8, 2013

Date Amended: October 12, 2017; November 9, 2023

Policy

The System shall provide service by building trust through the delivery of timely and accurate information while maintaining respect for member, retiree, employer or stakeholder need for information and level of knowledge about the System and its business.

Statutory/Legal Provisions

- [1 M.R.S. § 402\(3\)](#), [5 M.R.S. § 17057](#).

Administration

The **Chief Executive Officer**~~Director~~ shall manage the organization so that:

- MainePERS serves members, retirees, employers and stakeholders with accurate, timely and transparent information about the System's retirement plans, funding requirements, investment performance and national trends;
- Members, retirees, employers and stakeholders are treated respectfully at all times, whether in their presence or absence;
- Members, retirees, employers and stakeholders receive a clear understanding of services provided;
- Services are tailored to individual or group needs;
- Only information necessary to conduct System business is collected and maintained;
- Information technology and systems follow best practices in safeguarding member, retiree, and employer data;
- Member, retiree, employer and stakeholder concerns are addressed and resolved at the earliest point in the service delivery process;
- System operations are transparent; and
- Investment information is managed to meet transparency needs of stakeholders without jeopardizing -MainePERS' competitive position.

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Chief Executive Officer~~Director~~ Responsibilities

5.3 – Service to Staff

Date Adopted: August 8, 2013

Date Amended: October 12, 2017; November 9, 2023

Policy

The Chief Executive Officer~~Director~~ shall manage the organization by creating a safe, trusting, and resourceful work environment.

Administration

The Chief Executive Officer~~Director~~ shall manage the organization so that:

- Staff has a common sense of purpose;
- Staff are provided appropriate direction for work;
- Personnel policies are maintained and disseminated to clarify work rules for employees;
- Non-public personnel information is safeguarded from disclosure;
- Staff are protected from unlawful discrimination or harassment;
- Conditions that are wrongful, unfair, undignified, disorganized, or unsafe do not exist;
- Suitable behavioral and skill-based competencies for each position or category of work are maintained, and a process to fill positions with qualified persons is in use.

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Chief Executive ~~Officer~~ Director Responsibilities

5.4 – Budgeting, Spending, and Reporting

Date Adopted: October 11, 2012

Date Amended: December 13, 2012, March 13, 2015; October 12, 2017; November 12, 2020; November 9, 2023

Policy

The Board of Trustees shall safeguard System assets and maintain quality services by overseeing System budgeting, spending, and financial reporting in support of the System’s mission.

Statutory/Legal Provisions

- [5 M.R.S. § 12021](#), et seq. ~~(L.D. 1843 “An Act to Implement the Recommendations of the Office of Program Evaluation and Government Accountability and the Government Oversight Committee Regarding Quasi-independent State Entities”)~~.
- [41 C.F.R. Chapters 300-304](#).
- [26 U.S.C. § 401\(a\)\(1\)](#) [“Exclusive benefit rule”].
- [5 M.R.S. §§ 17102, 17103](#), 17105.

Budgeting

The System’s annual budget and interim budget modifications shall support the Board’s mission and System goals.

Accordingly, the **Chief Executive ~~Officer~~ Director** shall develop financial planning/budgeting for Board approval which:

- Ensures Board compliance with its statutory and fiduciary duties;
- Limits costs to those reasonable and necessary for accomplishing the Board’s mission and the System’s outcomes;
- Complies with all Board policy and statutory requirements;
- Substantiates compliance with all Board, administrative and statutory requirements;
- Substantiates all costs by department and line item; and
- Includes capital project costs.

Spending

The **Chief Executive ~~Officer~~ Director** shall not cause or allow the material deviation of actual expenditures as established by the budget without prior notification to the Chair of the Finance and Audit Committee. The **Chief Executive ~~Officer~~ Director** shall manage spending by limiting costs to those reasonable and necessary for accomplishing the Board’s mission and System goals.

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Accordingly, the Chief Executive Officer~~Director~~ shall manage spending to:

- Implement Board adopted actuarial, investment, and interest assumptions;
- Accurately calculate and timely pay all benefits due members in accordance with law;
- Maintain internal equity between staff salaries at market level, not above or below;
- Accurately and timely collect receivables in accordance with administrative policy that allows for reasonable grace periods within regulatory and statutory rules;
- Keep stakeholders informed on matters of interest;
- Maintain transparent and open financial records except where prohibited or protected by statute or regulation;
- Settle payroll and debts in a timely manner;
- Accurately file and pay all tax or other government-authority ordered payments in a timely manner;
- Select, engage, and timely pay vendors in accordance with administrative policy that:
 - Establishes competitive procurement as the standard procurement method except where it creates unnecessary cost or might jeopardize compliance with fiduciary duties or is in conflict with other regulatory or statutory requirements;
 - Specifies conditions under which competitive procurement may be waived;
 - Maintain justification and documentation on all procurements in excess of \$10,000 that were not competitively procured for five years, including Board resolutions exempting certain types of procurement that might jeopardize compliance with the System's fiduciary duties;
- Plan, approve and conduct travel or sponsor business meals in accordance with administrative policy so that:
 - Travel expenses are pre-approved and in accordance with the standards in the Government Services Administration's (GSA) Federal Travel Regulations (FTR) (41 C.F.R. Chapters 300-304). Accordingly, travel shall be limited both in scope and in personnel to what is reasonable and necessary to further the Board's mission and the System's outcomes;
 - Travel expenses are pre-paid by the System wherever possible and incidental expenses are reimbursed based on expense reports;
 - Business meals are sponsored only when necessary for conducting Board or System business; and
- Prohibit expenses not related to the Board's mission and business, including contributions and lobbying;
 - The System may belong to and pay dues to professional organizations that primarily provide access to industry information and similar professionals in other states when there are no readily accessible or local peer groups. Incidental or informational lobbying conducted by a professional organization to which the System pays membership dues will not be considered to fall within the restriction contained in 5 M.R.S. § 12022(6).

Reporting

The Chief Executive Officer~~Director~~ shall cause regular financial reporting to be prepared for and reviewed by the Finance and Audit Committee whose policy determines content and reporting schedules to the Board.

Accordingly, the Chief Executive Officer~~Director~~ shall develop a reporting system for the Board which:

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- Presents quarterly financial reports to the Finance and Audit Committee. These reports shall include:
 - Actual financial performance against budget, with reasons for and substantiation of variations from budget;
 - Any recommended budget adjustments to accommodate unanticipated requirements or unexpected changes in costs;
 - Compliance with statutory requirements for which the Board is responsible, including;
 - Annual Report to the Legislature due February 1 each year documenting compliance with 5 M.R.S. § 12023
 - Annual Report to the Legislature due March 1 each year documenting annual operations in compliance with [5 M.R.S. § 17103\(11\)](#)

Chief Executive Officer~~Director~~ Responsibilities

5.5 – Asset Protection

Date Adopted: August 8, 2013

Date Amended: November 13, 2014; November 9, 2023

Policy

The Chief Executive Officer~~Director~~ shall protect System assets against unnecessary risk.

Statutory/Legal Provisions

- [Me. Const. art. IX, § 18.](#)
- [5 M.R.S. §§ 17103, 17105.](#)
- [18-B M.R.S. § 801](#), *et seq.* (Maine Uniform Trust Code).

Administration

The Chief Executive Officer~~Director~~ shall:

- Maintain property and liability insurance coverage in appropriate amounts;
- Provide for suitable care and maintenance of all System real and personal property;
- Follow best practices to protect member, retiree, employer and investment information
- Adopt and utilize internal controls ~~approved by the independent auditor~~ to safeguard trust and operating funds, including any controls recommended by the System's internal or external auditors; and
- Maintain and enforce policies to protect the System's assets from theft, loss or damage.

Emergencies

In the event of an emergency, the Chief Executive Officer~~Director~~ shall take any action that the Chief Executive Officer~~Director~~ determines is necessary or appropriate to protect the assets of the System and to continue or restore business operations. Whether an emergency exists shall be determined by the Chief Executive Officer~~Director~~, who shall, as soon as practicable, inform the Chair of the Board of Trustees or, in the absence of the Chair, the Vice Chair of the Board of Trustees. The Chief Executive Officer~~Director~~ shall establish a progression of authority so that executive leadership is provided in the event that the Chief Executive Officer~~Director~~ is unable to act in an emergency. A senior staff member acting for the Chief Executive Officer~~Director~~ pursuant to the progression of authority is vested with the rights, duties, obligations, and authority of the Chief Executive Officer~~Director~~.

Governance Manual

MainePERS Board of Trustees

Chief Executive ~~Officer~~ Director Responsibilities

5.6 – Open Access to Government

Date Adopted: August 8, 2013

Date Amended: November 14, 2013; October 12, 2017; November 9, 2023

Policy

The Board of Trustees conforms to and supports all laws, policies and rules providing citizen access to government. Open access includes 1) maintaining records for public accessibility; and 2) conducting all Board business in open meetings except for matters appropriate for executive sessions of the Board.

Statutory/Legal Provisions

- 1 M.R.S. ch. 13 (Freedom of Access Act)
- 5 M.R.S. § 17057

Implementation

The Chief Executive Officer ~~Director~~ shall:

- Maintain all records of the Board of Trustees and the organization in a manner to comply with the Freedom of Access Act;
- Provide public notice for all Board of Trustee meetings;
- Prepare agendas with all Board of Trustee meeting deliberations and discussion in open meetings for which the public has been notified;
- Inform and train trustees in open public meeting laws and requirements; and
- Support the laws and the spirit of the laws in all Board of Trustee and staff interactions.

Governance Manual

MainePERS Board of Trustees

Chief Executive Officer~~Director~~ Responsibilities

5.7 – Emergency Chief Executive Officer~~Director~~ Succession

Date Adopted: 8/8/13

Date Amended: 11/14/13; November 9, 2023

Policy

The Chief Executive Officer~~Director~~ may have no fewer than two other executives familiar with Board and Chief Executive Officer~~Director~~ issues and processes in order to protect the Board from sudden loss of Chief Executive Officer~~Director~~ services.

Governance Manual

MainePERS Board of Trustees

Chief Executive Officer~~Director~~ Responsibilities

5.8 – Compensation and Benefits

Date Adopted: August 8, 2013

Date Amended: October 12, 2017; November 9, 2023

Policy

The Chief Executive Officer~~Director~~ shall not cause or allow jeopardy to fiscal integrity or deviate materially from the market with respect to employment, compensation, and benefits to employees.

Accordingly, the Chief Executive Officer~~Director~~ shall not:

- Change the Chief Executive Officer~~Director~~'s own compensation and benefits;
- Promise or imply permanent or guaranteed employment.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CEO
SUBJECT: BOARD CALENDAR AND WORK PLAN
DATE: NOVEMBER 1, 2023

POLICY REFERENCE

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

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

Following this memo is a proposed 2024 Calendar of Board, Board Officer, Finance and Audit Committee, and Investment Managers meetings. Also included is a proposed 2024 Annual Board Work Plan, which outlines regularly-occurring Board activities, updates, or reports required by law or Board policy, or pursuant to best practices in governance.

RECOMMENDATION

That the Board approve the proposed MainePERS 2024 Board Calendar and Annual Board Work Plan.

MainePERS
Board of Trustees Calendar
2024

January

- January 9 – Board Officer Meeting
- January 11 – Board Meeting
- January 23 – Investment Managers Meeting (if needed)

February

- February 6 – Board Officer Meeting
- February 8 – Finance and Audit Committee Meeting
- February 8 – Board Meeting
- February 27 – Investment Managers Meeting (if needed)

March

- March 12 – Board Officer Meeting
- March 14 – Board Meeting
- March 26 – Investment Managers Meeting (if needed)

April

- April 9 – Board Officer Meeting
- April 11 – Finance and Audit Committee Meeting
- April 11 – Board Meeting
- April 23 – Investment Managers Meeting (if needed)

May

- May 7 – Board Officer Meeting
- May 9 – Finance and Audit Committee Meeting
- May 9 – Board Meeting
- May 28 – Investment Managers Meeting (if needed)

June

- June 11 – Board Officer Meeting
- June 13 – Board Meeting
- June 25 – Investment Managers Meeting (if needed)

July

- July 9 – Board Officer Meeting
- July 11 - Board Meeting
- July 23 – Investment Managers Meeting (if needed)

MainePERS
Board of Trustees Calendar
2024

August

- August 6 – Board Officer Meeting
- August 8 – Finance and Audit Committee Meeting
- August 8 – Board Meeting
- August 27 – Investment Managers Meeting (if needed)

September

- September 10 – Board Officer Meeting
- September 12 – Board Meeting
- September 24 – Investment Managers Meeting (if needed)

October

- October 8 – Board Officer Meeting
- October 10 – Board Meeting
- October 22 – Investment Managers Meeting (if needed)

November

- November 12 – Board Officer Meeting
- November 14 – Finance and Audit Committee Meeting
- November 14 – Board Meeting
- November 26 – Investment Managers Meeting (if needed)

December

- December 10 – Board Officer Meeting
- December 12 – Board Meeting
- December 24 – Investment Managers Meeting (if needed)

NOTE: The annual board calendar is for Board and staff planning purposes. Notice of public meetings are provided in accordance with the Freedom of Access Act.

MainePERS 2024 Annual Board Work Plan

January

Custodian Review
Proxy Voting Report

February

Finance & Audit Committee

- Annual Selection of Chair and Vice Chair
- Quarterly Internal Audit Report

Investment Policy Review
Quarterly Investment Reports*

March

Employee Satisfaction Survey
Quarterly Investment Education
MaineStart Quarterly Review

April

Finance & Audit Committee

- Annual Budget – Review

Fiduciary Education

May

Finance & Audit Committee

- Annual Budget – Vote
- Quarterly Internal Audit Report

Annual Budget
Member Satisfaction Survey
Quarterly Investment Reports*

June

Actuarial Practices Education
Actuarial Economics Assumption Review
GLI Premium Study
Quarterly Investment Education
MaineStart Quarterly Review
Board Self-Evaluation Survey

July

Disability Retirement Experience Survey
Biennial Rate Setting – State-Funded Plans
GLI Premium Setting
Proxy Voting Report

August

Finance & Audit Committee

- Enterprise Risk Management Assessment
- Quarterly Internal Audit Report

Annual COLA Approval

Board Self-Assessment Survey Results/Discussion

Good Governance Practices Education

Quarterly Investment Reports*

September

Board Education Plan

Quarterly Investment Education

MaineStart Quarterly Review

CEO Annual Self-Assessment Due

October

Annual Actuarial Valuation

- UAL Update

Annual Audited Financial Statements

Strategic Plan Update

Key Performance and Risk Measures

CEO Annual Review

November

Finance & Audit Committee

- Employer Reporting Update
- Quarterly Internal Audit Report

Board Officer Elections

Annual Board Calendar

Annual Board Work Plan

Annual Review of the Trustee Charter

Board Policy Review

Employer Satisfaction Survey

Quarterly Investment Reports*

December

Biennial Finance & Audit Committee Appointments

Divestment Report

ESG Report & Policy Review

Quarterly Investment Education

MaineStart Quarterly Review

Annual Conflict of Interest Statement

Annual Board Work Plan - Frequency Schedule

Quarterly

Finance & Audit Committee Meetings (1.6)

- Internal Audit Reports (1.6)

Quarterly Investment Education (1.8)

Quarterly Investment Reports*:

- Rebalancing Report (2.1)
 - GLI Current Asset Allocation (2.1-A)
 - RHIT Current Asset Allocation (2.1-B)
 - OPEB Current Asset Allocation (2.1-D)
- Investment Quarterly Review
- Risk Diversifiers Quarterly Review
- Cliffwater Quarterly Review
- Real Estate Quarterly Review

MaineStart Quarterly Report (2.1-C)

Proxy Voting Report (2.7) – semi-annually

Annually

Board Calendar (1.10)

Board Work Plan #

Review of the Trustee Charter#

Board Education Plan#

Board Policy Reviews (review 1/3 each year)

Board Self-Assessment (1.7) & Continuing Education Needs #

Conflict of Interest Statement (1.3)

Budget (1.6)

Audited Financial Statements (1.6)

Fiduciary Education (1.8)

Good Governance Practices Education (1.8)

Actuarial Practices Education (1.8)

Line of Business Education (1.8) - Mission Moments

Actuarial Economic Assumptions Review (2.2)

Actuarial Valuation (2.2)

Investment Policy Review #

ESG Report (2.6; PL2021, c. 277)

COLA Approval (5 M.R.S. sec. 17806; Rule 803)

Enterprise-wide Risk Assessment (1.6)

Employer Reporting Update#

Strategic Plan Update #

Key Performance and Risk Measures #

ASurveys#:

- Member Satisfaction
- Employer Satisfaction
- Employee Satisfaction
- Disability Retirement Experience

Divestment Report (PL2021, c. 231)

Every 2 Years

Rate Setting (Biennial Budget; July of even-numbered years)

Finance and Audit Committee Appointments (1.6; November of even-numbered years)

Every 4 Years

GLI Premium Study – June 2024

GLI Rate Setting – July 2024

CEO Comprehensive Evaluation (4.3; in 2nd year & every 4 years thereafter) – November 2027

Every 5 Years

Custodian Review/RFP – April 2029 (2.1)

Proxy Advisor Review/RFP – April 2025 (2.1)

Actuarial Experience Study - June 2026 (2.2)

Actuarial Audit - Sep 2026 (2.2)

Actuarial Consultant Review/RFP - January 2027 (2.2)

Asset/Liability Study – March 2027 #

Strategic Plan - July/August 2027 #

Board Investment Consultants Review/RFP - October 2027 (2.1)

External Auditor Bid Process (1.6) – March 2026

Variable

Collective Bargaining Contract Approval - October 2024

Governance Best Practice

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CEO
SUBJECT: CEO REPORT
DATE: NOVEMBER 1, 2023

PPCC Recognition Award

For the sixteenth consecutive year, MainePERS has been awarded the Public Pension Coordinating Council (PPCC) Recognition Award for Funding in recognition of meeting professional standards for plan funding as set forth in the Public Pension Standards. The PPCC is a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement.

Disability Retirement Experience Survey Results

MainePERS completed its second disability retirement experience survey in October. At the November meeting I will present the survey results. Included in the meeting materials is the memorandum, presentation, and complete results for both the active and retired member surveys.

Investment Team Activities

Chief Investment Officer Jim Bennett will lead Investment Team members in a “mission moment” presentation on their daily work activities. Other presenters include Managing Director Investments William Proom, Bartley Parker, and James Acker, and Sr. Analyst Operations Justin Hopkins. Included in the meeting materials is the presentation.

Windfall Elimination Provision (WEP) and Government Pension Offset (GPO)

Chief Operating Officer and General Counsel Michael Colleran will present the findings for the report required by Resolve 2023, c. 23, which directs MainePERS to study and report on the creation and adoption of an interstate compact with other states affected by the WEP and the GPO. The report is due to the Legislature on December 6, 2023. Included in the meeting materials is the presentation.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CEO
SUBJECT: DISABILITY RETIREMENT EXPERIENCE SURVEY RESULTS
DATE: NOVEMBER 1, 2023

POLICY REFERENCE

[5.2 - Service to Members, Retirees, Employers and Stakeholders](#)

MainePERS conducted a disability retirement experience survey September 18 – October 7, 2023. All members who had completed the disability retirement services application process over the past year and received a final outcome on their application were invited to participate in the survey. Forty-four (44) individuals met the criteria for receiving the survey. An email invitation was sent to forty-two (42) of these individuals who had an email address on file, and thirty-eight (38) of those emails were delivered. Two (2) individuals with no email address on file, were sent a letter offering an alternative method for completing the survey but neither responded. The full survey and responses are included in the materials for today's Agenda.

Of the twenty-four (24) respondents completing the survey, seventeen (17) indicated they agreed or strongly agreed that the disability application and process is easy to understand and follow, while five (5) disagreed or strongly disagreed and two (2) were neutral or had no opinion. Twenty-two (22) respondents indicated they agreed or strongly agreed that they were treated with respect by those handling their application, while one (1) strongly disagreed and one (1) had no opinion. Twenty-two (22) respondents agreed or strongly agreed that MainePERS responded to their questions in a timely manner, while one (1) strongly disagreed and one (1) had no opinion. And, twenty-one (21) respondents were satisfied or very satisfied that the disability services process was fairly conducted, while one (1) had no opinion and two (2) were dissatisfied or very dissatisfied. Eleven (11) respondents offered additional feedback, which provided clarification on the two (2) who were dissatisfied the process was fairly conducted. Of

those, one was currently under appeal at the time of the survey and the other indicated their dissatisfaction was associated with the independent medical services provider.



Maine PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Disability Retirement Experience Survey Board of Trustees

November 9, 2023

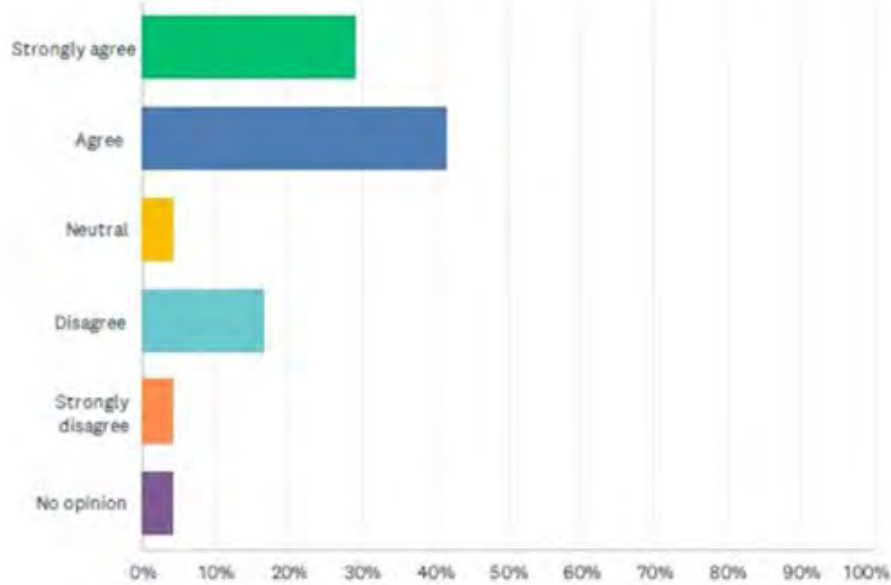
Dr. Rebecca Wyke, CEO

Disability Retirement Experience Survey

- ◆ Survey conducted September 18 - October 7, 2023
- ◆ All members who had completed the application process over the past year and received a final outcome were invited to participate
- ◆ A total of 44 members met the criteria
- ◆ Of those, 24 members responded

Q1 The disability application and process is easy to understand and follow.

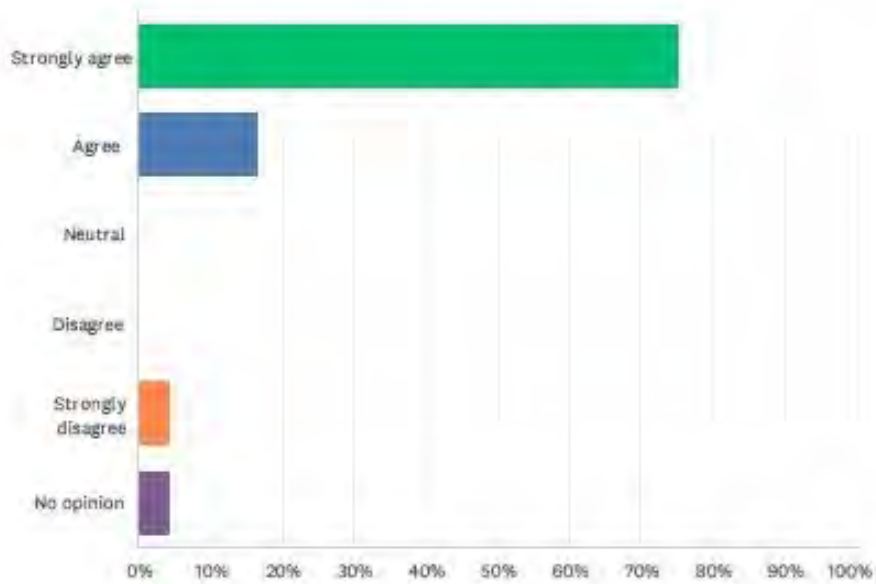
Answered: 24 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|-------------------|-----------|-----------|
| Strongly agree | 29.17% | 7 |
| Agree | 41.67% | 10 |
| Neutral | 4.17% | 1 |
| Disagree | 16.67% | 4 |
| Strongly disagree | 4.17% | 1 |
| No opinion | 4.17% | 1 |
| TOTAL | | 24 |

Q2 I was treated with respect by those handling my application.

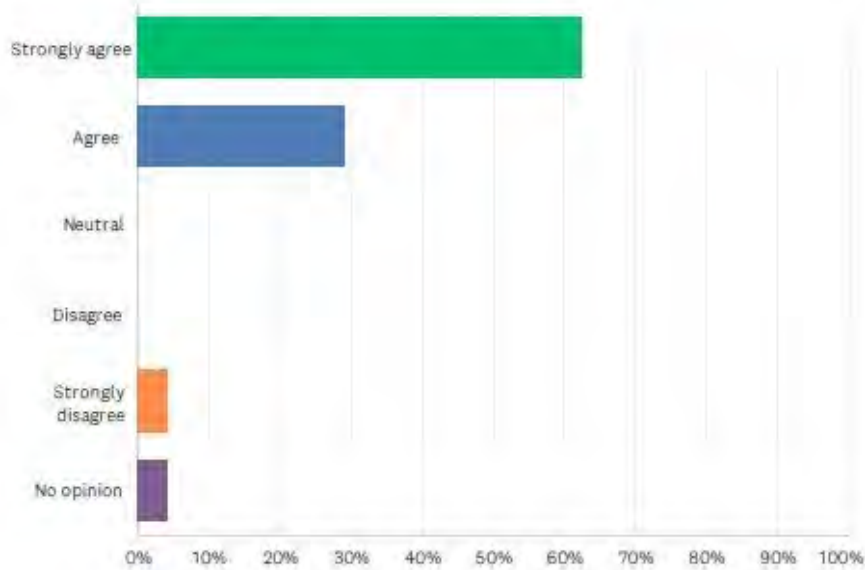
Answered: 24 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|-------------------|-----------|-----------|
| Strongly agree | 75.00% | 18 |
| Agree | 16.67% | 4 |
| Neutral | 0.00% | 0 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 4.17% | 1 |
| No opinion | 4.17% | 1 |
| TOTAL | | 24 |

Q3 MainePERS responded to my questions in a timely manner.

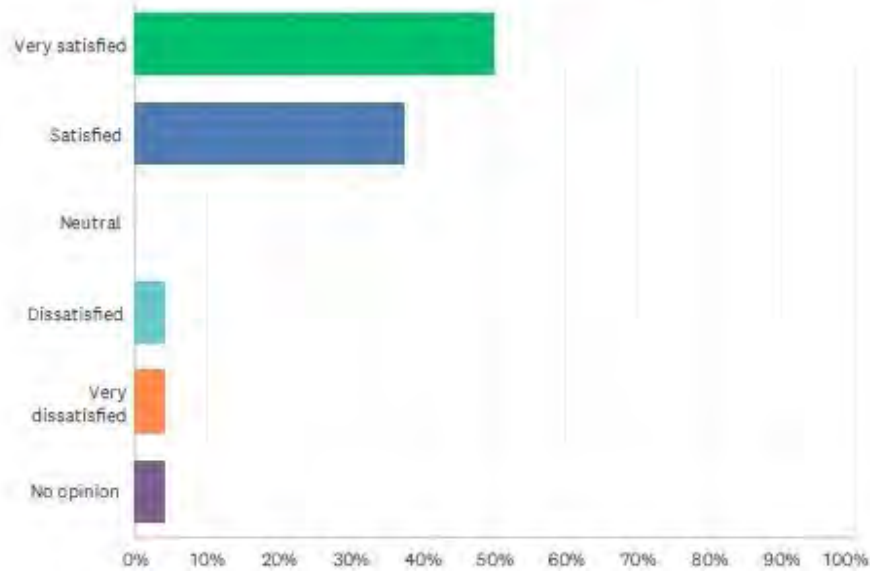
Answered: 24 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|-------------------|-----------|-----------|
| Strongly agree | 62.50% | 15 |
| Agree | 29.17% | 7 |
| Neutral | 0.00% | 0 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 4.17% | 1 |
| No opinion | 4.17% | 1 |
| TOTAL | | 24 |

Q4 The Disability Services process was fairly conducted.

Answered: 24 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|-------------------|-----------|-----------|
| Very satisfied | 50.00% | 12 |
| Satisfied | 37.50% | 9 |
| Neutral | 0.00% | 0 |
| Dissatisfied | 4.17% | 1 |
| Very dissatisfied | 4.17% | 1 |
| No opinion | 4.17% | 1 |
| TOTAL | | 24 |

2023 Disability Services Satisfaction Survey

Comments

| | End Date | Question 5: Please feel welcome to provide any additional feedback regarding your experience with MainePERS Disability Services Unit. |
|----|---------------------|--|
| | | Open-Ended Response |
| 3 | 2023-10-02 19:24:25 | [Employee] was very helpful getting through the process |
| 5 | 2023-10-02 15:57:10 | The professionalism coupled with kindness made the process comfortable. It is hard to present your narrative to a faceless stranger. The gentle way questions were asked made it less stressful. Thank you! |
| 8 | 2023-09-22 08:22:30 | I've sent my comments via email to [Employee] |
| 9 | 2023-09-21 14:05:48 | [Employee] and everyone I dealt with responded back to me every time promptly |
| 10 | 2023-09-21 10:02:30 | The IME process needs improvement. Had I not acted proactively, my case would have resulted in a denial. I'd be happy to speak to someone about it. |
| 12 | 2023-09-19 15:55:57 | MainePERS Disability Service was very pleasant and made the process comfortable. The State of Maine HR on the other hand made the process difficult. Thank you MainePers for all you efforts. |
| 15 | 2023-09-19 13:34:16 | It was a very long process, a lot of information, but my contact [Employee] helped me every step of the way made it very clear to me laid everything out and if I ever needed any help, she was always there very happy with the way I was taken care of |
| 16 | 2023-09-19 08:13:29 | Because of my disability, please keep me updated if information is needed on my stroke situation. Thanks |
| 19 | 2023-09-18 11:22:45 | Main parts representative were very, very helpful. But because of my disability, I have a hard time understanding the process I need it in more simple terms, but the representatives were great. |
| 20 | 2023-09-18 11:16:49 | [Employee] is the most patient and kind person I have ever spoken to she answered every single question I had is very knowledgeable about disability. I could not have gone through the process without her help. thank you. |
| 21 | 2023-09-18 10:31:01 | I took just about six months and I was given more info each time I spoke with someone . I feel if I called with a question I could get an answer quickly in return. |
| 23 | 2023-09-18 10:03:14 | [Employee] was very helpful and seemed like she really cared. |
| 24 | 2023-09-18 10:03:10 | Everyone I have dealt with in the unit I found to be friendly and professional. The process itself was tedious. |
| | | |



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Team Activities

November, 2023

Investment Activities - Outline

Investment Operations – Justin Hodgkins

Investment Research – Bill Proom

Private Equity – Manager Search – Jim Ackor

Investment Monitoring – Bartley Parker

Investment Operations

- Main point of Contact with JPM, Blackrock, Glass Lewis and Parametric
- Cash Management
 - Monitor cash, project future flows, ensure sufficient funds to meet capital calls
 - Weekly custodian reconciliations
 - Monitor Parametric exposures, notify regarding unexpected cash flows
 - Rebalance as needed at Blackrock
 - Internal Investment Team support – private market data, FF exposures, etc.
- Reporting
 - Daily internal performance and cash reports
 - Material for public website postings, complete surveys as needed
 - Monthly board reports
 - Monthly management fees
 - Annual Financial Reports and Audit
 - RHIPED monitoring & rebalancing, monthly letter to State Treasurer and Controller

Investment Research

Alternative Investment Research

- Identification of Macro Theme – Energy Transition
- Evaluation of Macro Theme on Asset Classes and Sectors
 - PE
 - Infrastructure
 - Natural Resource
 - Mining
- Determination of Managers' Ability to Capitalize upon Macro Theme
 - Equity
 - Debt
 - Streams and Royalties
- Research Sector-Specific Investment Strategies (see attachment)
- Selection of Optimal Strategy Mix to Exploit Macro Theme
- Selection of Best Managers to Execute Strategy

Private Equity Manager Search

Alternative Investment Monitoring

- Internal Discussion and Debate – In Search of The Most Attractive Risk-Adjusted Returns
- Developing a List of Attractive Managers
- Building an Actionable Pipeline

Investment Monitoring

Alternative Investment Monitoring

- Day to day activities are rooted in best practices
- Purpose of these activities is to:
 - Ensure accountability
 - Understand risks
 - Inform future decision-making
- Form of activities:
 - In-person/Telephone (annual or quarterly)
 - Written Material (quarterly reports)
 - Manager Understanding (on-going review)
 - Financial Understanding (quarterly reports)
 - Compliance (quarterly and annual reports)

Monitoring: Real Estate Values

Office Real Estate Values are widely believed to be under pressure

 Commercial Observer

How WeWork's Bankruptcy Would Ripple Through Commercial Real Estate

Building values could drop and vacancies spike; meanwhile, competitors would have a major opening.

 Mortgage Professional


Upswing in office delinquencies add to commercial real estate distress

Office mortgage delinquency rates are now higher than those of retail properties.

 Reuters

Banks report continued pain on commercial real estate loans

A number of U.S. banks saw continued pain in the third quarter on delinquent commercial real estate (CRE) loans in their portfolios,...

 Bloomberg.com

US Distressed Commercial Real Estate Nears \$80 Billion, Its Highest in a Decade

The value of distressed US commercial real estate neared \$80 billion in the third quarter, its highest level in a decade, as rising interest rates...

 Morningstar

Commercial real-estate values slide 11%. Surge in 10-year Treasury yields won't help, Barclays says.

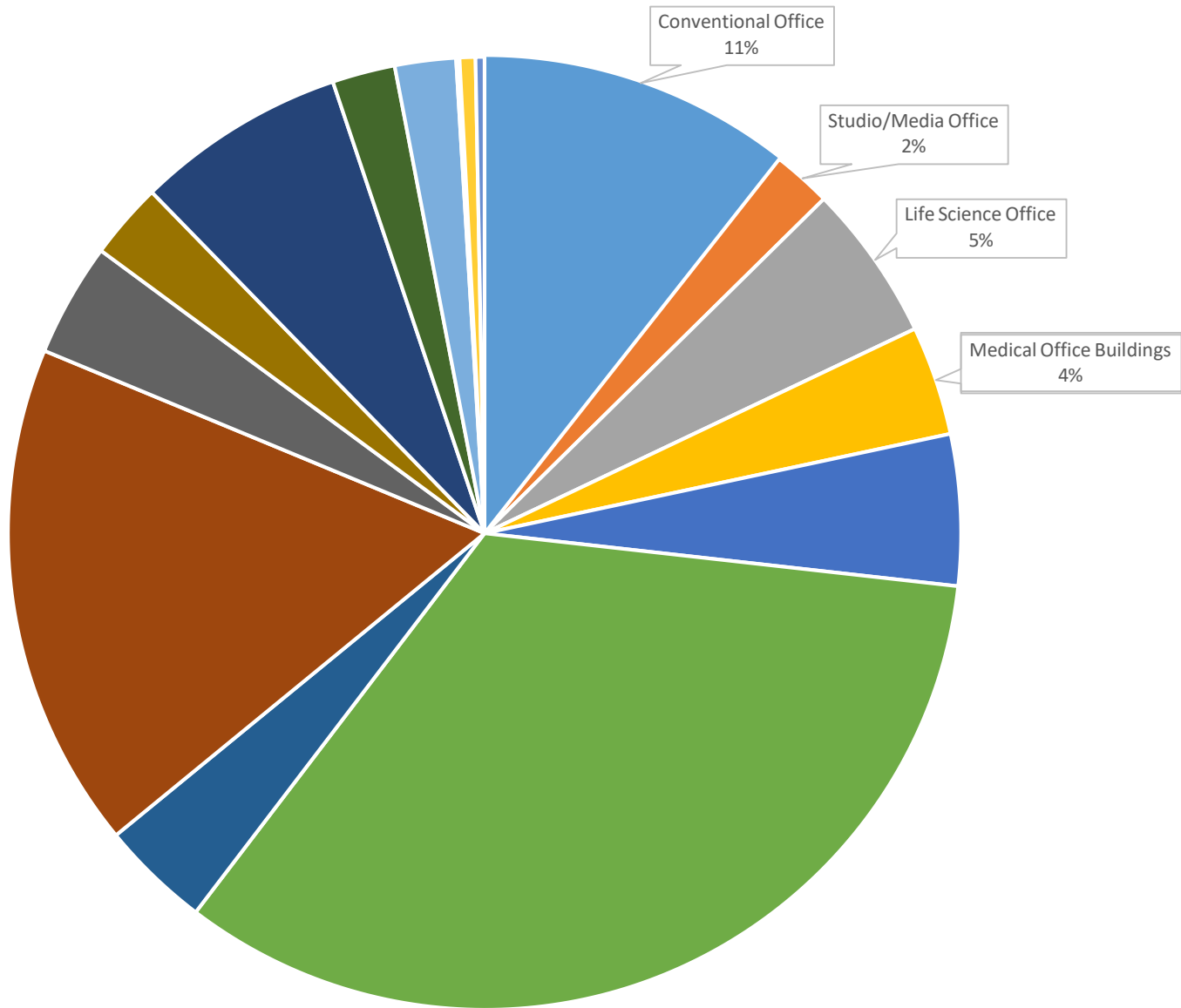
By Joy Wiltermuth. A surge in the 10-year Treasury yield regains steam on Monday. How bad is it for commercial real estate?

 Markets Insider

Distressed Commercial Real Estate Debt Hits Decade-High \$80 Billion

There's around \$216 billion in commercial real estate properties that could be considered in distress, according to MSCI Real Assets.

Monitoring: Exposures



Understanding the Exposure

| Fund | % of Equity Owned | Property | Address | City | State or County | Zip | Type | SubType (LEED shading) | Date Acquire | Rentable Sq. Ft. or Units/Beds | Current Cost @ 100% | Debt @ 100% | Tenant Info | GMV Fund Share 6/30/17 | GMV Fund Share 6/30/18 | GMV Fund Share 6/30/19 | GMV Fund Share 6/30/20 | GMV Fund Share 6/30/21 | GMV Fund Share 6/30/22 | GMV Fund Share 6/30/23 | Cost / Sq. Ft. or Key/Bldg | Cur / Sq. Ft. or Key/Bed |
|-------------------|-------------------|-------------------------------|--------------------------------|---------------|-----------------|-------|-----------------|------------------------|--------------|--------------------------------|---------------------|------------------|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|--------------------------|
| Smart Markets | | Smith Station | 211 Park Road | Charlotte | NC | 28204 | Office | | Dec-20 | 38,300 | \$ 18,115,867 | | Way Ward Marketing | | | | \$ 18,124,532 | \$ 21,800,000 | \$ 20,800,000 | \$ 473 | \$ 543 | |
| Smart Markets | | Smith Yard 325 | | Charlotte | NC | | Office | | Aug-20 | 81,021 | \$ 4,043,237 | | | | | | \$ 8,600,000 | \$ 11,900,000 | \$ 13,300,000 | \$ 50 | \$ 164 | |
| Smart Markets | | Stone 221 | 221 N. Mathilda Ave | Sunnyvale | CA | 94086 | Office | LR | Mar-19 | 154,907 | \$ 167,656,191 | \$ 55,000,000 | Zendrive (Apr-2021) | \$ 104,000,000 | \$ 190,000,000 | \$ 186,000,000 | \$ 190,000,000 | \$ 164,000,000 | \$ 1,082 | \$ 1,058 | | |
| Smart Markets | | 15 Street Station | 1200 West Peachtree Street | Atlanta | GA | 30309 | Office | | Aug-18 | 42,408 | \$ 24,000,000 | | Interface Inc. (NASDAQ: TILE) | \$ 24,152,999 | \$ 25,000,000 | \$ 25,200,000 | \$ 28,300,000 | \$ 24,000,000 | \$ 566 | \$ 566 | | |
| Smart Markets | | Dorset Centre (6 buildings) | 113-117 Seaboard Lane | Franklin | TN | 37067 | Suburban Office | | Jun-16 | 226,830 | \$ 44,500,000 | | IASIS Hcs \$ 46,900,000 | \$ 47,300,000 | \$ 45,300,000 | \$ 47,400,000 | \$ 47,600,000 | \$ 41,600,000 | \$ 196 | \$ 183 | | |
| Smart Markets | | Canage Works | 512-530, 580 Aliens Street | Atlanta | GA | 30318 | Office | LR | Feb-16 | 138,980 | \$ 27,000,000 | | IASIS Hcs \$ 29,946,238 | \$ 37,400,000 | \$ 42,100,000 | \$ 42,400,000 | \$ 45,400,000 | \$ 36,600,000 | \$ 194 | \$ 263 | | |
| Smart Markets | | Deerfield Professional Centre | 12600 Deerfield Parkway | Alpharetta | GA | 30004 | Suburban Office | | Oct-15 | 170,399 | \$ 16,668,414 | | | \$ 21,700,000 | \$ 28,500,000 | \$ 23,700,000 | \$ 14,600,000 | \$ 15,800,000 | \$ 11,200,000 | \$ 98 | \$ 66 | |
| Smart Markets | | 110 Sutter Street | 110 Sutter Street | San Francisco | CA | 94101 | Office | LR | Mar-15 | 42,932 | \$ 25,960,613 | | | \$ 28,700,000 | \$ 33,700,000 | \$ 35,000,000 | \$ 32,500,000 | \$ 23,800,000 | \$ 13,400,000 | \$ 605 | \$ 312 | |
| Smart Markets | | Deerfield Common | 12600 Deerfield Parkway | Alpharetta | GA | 30004 | Suburban Office | | Dec-14 | 121,969 | \$ 19,300,000 | | | \$ 22,100,000 | \$ 23,100,000 | \$ 21,500,000 | \$ 20,000,000 | \$ 19,100,000 | \$ 17,800,000 | \$ 158 | \$ 146 | |
| Smart Markets | | Steel Yard | 1801, 1910, 1918 South Boulder | Charlotte | NC | 28203 | Office | LR-U | May-14 | 78,895 | \$ 14,552,164 | | IS24 (sq ft) \$ 20,100,000 | \$ 20,100,000 | \$ 24,700,000 | \$ 28,100,000 | \$ 31,000,000 | \$ 35,500,000 | \$ 30,500,000 | \$ 184 | \$ 387 | |
| Smart Markets | | City Centre One | 600 Town & Country Blvd | Houston | TX | 77024 | Office | | Jan-12 | 119,260 | \$ 36,170,000 | | Midway (R) \$ 52,400,000 | \$ 50,900,000 | \$ 52,000,000 | \$ 50,600,000 | \$ 52,100,000 | \$ 50,400,000 | \$ 303 | \$ 423 | | |
| RI-U S. Income | | Redwood Town Center | 16221-16301-16351-16774 N | Redwood | VA | 99062 | Office | | Jun-18 | 610,230 | \$ 297,107,019 | | Microsoft | \$ 270,000,000 | \$ 303,000,000 | \$ 320,000,000 | \$ 353,000,000 | \$ 311,800,000 | \$ 272,600,000 | \$ 487 | \$ 447 | |
| BPP | | 1740 Broadway | 1740 Broadway | New York | NY | 10019 | Office | | Dec-14 | 603,000 | \$ 474,000,000 | \$ 308,000,000 | | \$ 532,800,000 | \$ 537,000,000 | \$ 541,000,000 | \$ 489,000,000 | \$ 328,000,000 | \$ 308,000,000 | \$ - | \$ 786 | \$ - |
| BPP | | 179 Lincoln | 179 Lincoln Street | Boston | MA | 02111 | Office | | Jan-20 | 221,474 | \$ 85,000,000 | \$ 73,000,000 | SmartStart (NYSE: SMAR) PowerLocate (NYSE: OUT) Meda (NYSE: OUT) | \$ 151,000,000 | \$ 147,000,000 | \$ 144,000,000 | \$ 73,000,000 | | | | \$ 385 | |
| BPP | | 211 Main | 211 Main Street | San Francisco | CA | 94111 | Office | HR | Mar-17 | 395,000 | \$ 313,000,000 | \$ 195,000,000 | Schwab (NYSE: SCHW) | \$ 309,633,000 | \$ 330,000,000 | \$ 348,000,000 | \$ 383,000,000 | \$ 376,000,000 | \$ 349,000,000 | \$ 220,000,000 | \$ 792 | \$ 657 |
| BPP | 50% | 45 Fremont Street | 45 Fremont Street | San Francisco | CA | 94105 | Office | HR | Sep-17 | 619,000 | \$ 467,270,896 | \$ 300,100,700 | Wells Fargo | \$ 434,000,000 | \$ 570,000,000 | \$ 624,000,000 | \$ 565,000,000 | \$ 522,000,000 | \$ 381,000,000 | \$ 755 | \$ 622 | |
| BPP | | 900 Fifth Ave | 900 Fifth Ave | Seattle | WA | 98104 | Office | HR | Jan-19 | 935,000 | \$ 528,000,000 | \$ 328,000,000 | | \$ 582,000,000 | \$ 581,000,000 | \$ 586,000,000 | \$ 586,000,000 | \$ 580,000,000 | \$ 378,000,000 | \$ 565 | \$ 439 | |
| BPP | 80% | Bentall Centre | | Vancouver | ON | | Office | HR | Apr-19 | 1,600,000 | \$ 803,750,000 | \$ 485,000,000 | | \$ 808,000,000 | \$ 811,000,000 | \$ 960,000,000 | \$ 950,000,000 | \$ 749,000,000 | \$ 502 | \$ 458 | | |
| BPP | | Embarcadero Square | | San Francisco | CA | | Office | | Oct-18 | 294,000 | \$ 245,000,000 | \$ 150,000,000 | | \$ 268,000,000 | \$ 273,000,000 | \$ 246,000,000 | \$ 239,000,000 | \$ 149,000,000 | \$ 833 | \$ 502 | | |
| BPP | | Emerald Office Portfolio | | Seattle | WA | | Office | HR | Jun-19 | 2,000,000 | \$ 1,202,222,222 | \$ 759,000,000 | | \$ 1,077,000,000 | \$ 1,232,000,000 | \$ 1,283,000,000 | \$ 1,312,000,000 | \$ 803,000,000 | \$ 601 | \$ 422 | | |
| BPP | | Exchange Building | 821 2nd Ave | Seattle | WA | 98104 | Office | | Sep-17 | 316,000 | \$ 162,000,000 | \$ 90,000,000 | | \$ 173,000,000 | \$ 190,000,000 | \$ 190,000,000 | \$ 190,000,000 | \$ 167,000,000 | \$ 91,000,000 | \$ 513 | \$ 318 | |
| BPP | 45% | Hopkins Portno | 801 W 28th St | New York | NY | 10001 | Office | HR | Jun-15 | 4,200,000 | \$ 3,022,222,222 | \$ 1,746,666,667 | | \$ 4,492,714,000 | \$ 4,449,000,000 | \$ 4,815,000,000 | \$ 4,060,000,000 | \$ 3,811,000,000 | \$ 3,490,000,000 | \$ 2,605,000,000 | \$ 720 | \$ 616 |
| BPP | 43% | Market Square | 701 & 811 Pennsylvania Avenue | Washington | DC | 20004 | Office | | Oct-15 | 707,000 | \$ 626,530,612 | \$ 324,489,739 | Edison El | \$ 521,042,000 | \$ 645,000,000 | \$ 655,000,000 | \$ 622,000,000 | \$ 580,000,000 | \$ 531,000,000 | \$ 336,000,000 | \$ 886 | \$ 492.54 |
| BPP | 36% | One Liberty Plaza | One Liberty Plaza | New York | NY | | Office | HR | Dec-17 | 2,300,000 | \$ 1,532,212,885 | \$ 848,739,491 | | \$ 1,559,000,000 | \$ 1,651,000,000 | \$ 1,514,000,000 | \$ 1,419,000,000 | \$ 1,249,000,000 | \$ - | \$ 666 | \$ 423 | |
| BPP | 25% | One Market Plaza | One Market Plaza | San Francisco | CA | 94105 | Office | HR | Jun-16 | 1,600,000 | \$ 1,775,510,204 | \$ 975,510,204 | Google W \$ 1,336,530,000 | \$ 1,569,000,000 | \$ 2,083,000,000 | \$ 2,169,000,000 | \$ 2,138,000,000 | \$ 2,251,000,000 | \$ 1,902,000,000 | \$ 1,110 | \$ 1,188 | |
| Hines US Property | 75% | Victor Building | 801 Second Ave | Seattle | WA | 98104 | Office | HR | Nov-21 | 289,755 | \$ 149,866,033 | \$ 74,200,000 | Lamont (London Wealth Management, Hies (Kk soft), Coughlin (Park, London) | | | \$ - | \$ 148,069,358 | \$ 142,000,000 | \$ 556 | \$ 563 | | |

Understanding the Exposure: Property Tours

| Date | Partner | Location | Property Type |
|----------------|---------------------|---------------------|----------------------------------|
| October 2023 | IPI Data Centers | Silicon Valley area | Data Center |
| October 2023 | Harrison Street | Silicon Valley area | Life Science Office |
| September 2023 | Rubenstein Partners | Atlanta, GA area | Office |
| September 2023 | CVA/Stockbridge | Atlanta, GA area | Multi-family/Studio-Media Office |
| May 2023 | EQT Exeter | Philadelphia area | Industrial Warehouse |
| April 2023 | Hines | Austin, TX area | Multi-family |
| April 2023 | EQT Exeter | Stockholm, SW area | Multi-family, Office, Industrial |
| March 2023 | Northbridge | Portland, ME area | Senior Living |
| October 2022 | Westbrook Partners | London, UK area | Industrial |
| October 2022 | KKR | London, UK area | Office |

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
SUBJECT: WEP AND GPO
DATE: NOVEMBER 1, 2023

A resolve passed by the Legislature last session requires MainePERS to study the creation of an interstate compact with other states affected by WEP and GPO and submit a report to the Joint Standing Committee on Labor and Housing by December 6, 2023. A copy of draft report is included with this memo along with a presentation on the WEP and GPO.

POLICY REFERENCE

[Board Policy 1.8 – Trustee Education](#)

[Board Policy 3.1 – Reporting](#)

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

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

RECOMMENDATION

No Board action is recommended at this time.



Maine PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

WEP and GPO

November 9, 2023

Michael J. Colleran

WEP and GPO

Social Security Coverage History

- Social Security originally excluded government employees.
- Voluntary participation was allowed starting in 1951.
- Maine entered into a participation agreement in 1951, but excluded State/Teacher Plan members.
- Many Maine local governments now have Social Security coverage, including many that participate in the PLD Consolidated Plan.

WEP and GPO

WEP – Windfall Elimination Provision

- The WEP has been in the Social Security Act since 1983.
- It reduces the Social Security benefit for workers with time covered by a retirement plan but not by Social Security.
- This was intended to address a “windfall” these workers would have received under the Social Security benefit formula.

WEP and GPO

WEP – Windfall Elimination Provision

- The Social Security formula provides a higher income replacement rate for workers with lower average earnings.
- A worker with time covered by a retirement plan but not Social Security will have lower career-average earnings
 - Years outside of Social Security will be reported as zero income.
- The WEP reduces the Social Security benefit to counter this.
- The reduction formula is inaccurate.

WEP and GPO

Table 1. Social Security Benefit Formula for Workers Who First Become Eligible in 2023

| Factor | Average Indexed Monthly Earnings (AIME) |
|---------------|---|
| 90% | of the first \$1,115, plus |
| 32% | of AIME over \$1,115 and through \$6,721 (if any), plus |
| 15% | of AIME over \$6,721 (if any) |

Source: CRS, based on Social Security Administration (SSA), Office of the Chief Actuary (OCACT), “Benefit Formula Bend Points,” <https://www.ssa.gov/oact/cola/bendpoints.html>.

WEP and GPO

| Employment | Regular Formula (w/o WEP) (1) | Current- Law WEP (2) | Propor- tional Formula (3) |
|---|--|---|---|
| Covered: 35 years; Noncovered: 0 years | 49% | 49% | 49% |
| Covered: 15 years; Noncovered: 20 years | 72% | 38% | 49% |

Source: Congressional Research Service.

Notes: The worker is assumed to earn \$45,000 (indexed by average wage growth) per year and becomes eligible for benefits in 2023.

WEP and GPO

GPO – Government Pension Offset

- The GPO reduces Social Security spousal benefits by 2/3 of pension benefits received for governmental work not covered by Social Security.
- The spousal benefit was intended “to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse.”¹
- The GPO is less than the reduction under the “dual entitlement rule” for those covered by Social Security.

¹ Social Security Administration, Government Pension Offset (May 2019)

WEP and GPO

Table 4. Mary's Spousal Benefit Under Three Scenarios: Dual Entitlement Rule, Before GPO Enactment, and After GPO Enactment

| | Mary works in Social Security–Covered Position | Mary works in Non-Social Security–Covered Position | |
|---|--|--|---------------------|
| | Dually Entitled | Before GPO Enactment | After GPO Enactment |
| Social Security retired-worker monthly benefit (based on own earnings record) | \$900 | \$0 | \$0 |
| Non-Social Security–covered monthly pension | \$0 | \$900 | \$900 |
| Maximum Social Security spousal monthly benefit eligible to receive (based on spouse's earnings record), equal to 50% of the spouse's Social Security retirement benefit | \$1,000 | \$1,000 | \$1,000 |
| Reduction in spousal monthly benefit due to dual entitlement rule (equal to worker's Social Security retired-worker benefit) | \$900 | — | — |
| Reduction in Social Security spousal monthly benefit due to GPO (equals 2/3 of non–Social Security–covered pension) | — | — | \$600 |
| Actual Social Security spousal monthly benefit paid | \$100 | \$1,000 | \$400 |
| Total monthly retirement benefits paid to Mary (Social Security spousal benefit plus either (a) Social Security retired-worker benefit or (b) noncovered pension) | \$1,000 | \$1,900 | \$1,300 |

Source: Illustrative example provided by CRS.

Notes: Dashes are used to represent scenarios in which either the dual entitlement rule or the GPO are not applicable. For example, in the dual entitlement scenario, Mary does not receive a noncovered government pension and, thus, the GPO does not apply.

WEP and GPO

Options for Relief from WEP and GPO

- Provide Social Security coverage.
- Change federal law.

WEP and GPO

Report Required by Resolve 23, Chapter 23

- The resolve requires MainePERS to study and report by December 6, 2023 on the creation of an interstate compact with other states affected by WEP and GPO.
- The draft report provides information on Social Security coverage, the WEP and GPO, options for relief from the WEP and GPO, ways to provide Social Security coverage and implications, pending federal legislation on the WEP and GPO, and interstate compacts.

WEP and GPO

Report Required by Resolve 23, Chapter 23

- The draft report does not recommend pursuing an interstate compact concerning the WEP and GPO
 - A compact would not help with providing Social Security coverage.
 - States could work together to influence federal lawmakers without going through the cumbersome and multi-year process of developing and enacting a compact.
- If an interstate compact is pursued, the draft report recommends engaging the National Center for Interstate Compacts for development.



Maine PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Creation of an Interstate Compact on the WEP and GPO

Resolve 2023, c. 23

December 2023

Prepared by the Maine Public Employees Retirement System



Maine PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

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APPENDICES:

- A. Social Security Administration, Windfall Elimination Provision (Sept. 2023)
- B. Social Security Administration, Government Pension Offset (May 2019)
- C. Congressional Research Service, Social Security: The Windfall Elimination Provision (WEP) (Updated Feb. 13, 2023)
- D. Congressional Research Service, The Windfall Elimination Provision (WEP) in Social Security: Proposals for a New Proportional Formula (Updated Sept. 19, 2023)
- E. Congressional Research Service, Social Security: The Government Pension Offset (Updated Feb. 13, 2023)

I. INTRODUCTION

Resolve 2023, chapter 23 directs the Maine Public Employees Retirement System (MainePERS) to study and report on the creation and adoption of an interstate compact with other states affected by the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO).

Chapter 23 includes provisions requiring MainePERS to:

- Study the creation and adoption of an interstate compact with other states affected by the WEP and GPO;
- Consult and collaborate with any applicable retirement associations as necessary;¹ and
- Submit a report with any recommendations to the Joint Standing Committee on Labor and Housing by December 6, 2023.

Following submission of information received from MainePERS, the Joint Standing Committee on Labor and Housing “may report out a bill based on the report and recommendations to the Second Regular Session of the 131st Legislature.”

II. EXECUTIVE SUMMARY

Maine state employees, teachers, and some local governmental employees who are entitled to receive Social Security benefits may have those benefits reduced because they have spent part of the work lives in positions covered by a governmental pension instead of Social Security. MainePERS frequently hears concerns from members who have paid into both Social Security and a MainePERS-covered plan about the impact of the WEP on their retirement income, as well as from members whose spousal benefit has been reduced by the GPO.

The WEP reduces a worker’s own Social Security benefits, while the GPO reduces or eliminates Social Security spousal benefits. Both mechanisms are intended to provide equivalent treatment between those whose entire career is covered by Social Security and those who work part of their career in a covered position and part in a non-covered position with a pension.

The application of the WEP and GPO to Maine governmental employees could be eliminated by either providing Social Security coverage or changing federal law.

¹ MainePERS has consulted with the National Association of State Retirement Administrators, the Coalition to Preserve Retirement Security, and the National Center for Interstate Compacts in preparing this report.

Providing Social Security coverage would require changes in state law and would only eliminate the WEP and GPO for future hires and some current employees, although other current employees may have the effects of the WEP and GPO reduced depending on their earnings history and retirement. There would be no effect on current retirees. If coverage is provided in addition to MainePERS membership, costs would increase for employers and employees; if coverage is provided instead of MainePERS membership, a valuable employee benefit and tool for recruiting and retention would be eliminated.

Four bills are pending in Congress that would repeal the WEP and GPO, and two bills are pending to improve the WEP formula. Prior federal legislation to eliminate or reform the WEP and GPO has been introduced over the years, but none of these initiatives have succeeded.

An interstate compact is a contract between two or more states for their mutual benefit. It involves each state enacting legislation and usually involves the creation of a commission to administer the compact. This process generally takes several years before a compact is in place.

MainePERS does not recommend pursuing an interstate compact concerning the WEP and GPO. Providing Social Security coverage would not require any action by other states. An interstate compact does not appear to be an appropriate vehicle for seeking a change in federal law. States could work together to influence federal lawmakers without going through the cumbersome and multi-year process of developing and enacting a compact.

If an interstate compact is pursued, MainePERS recommends attempting to engage the National Center for Interstate Compacts, part of the Council of State Governments, for development of the compact.

III. BACKGROUND

Social Security Coverage for State and Local Government Employees

The Social Security Act of 1935 created the Social Security program. The Federal Insurance Contribution Act (FICA) enabled collection of payroll taxes beginning in 1937.

The original Social Security Act of 1935 excluded state and local government employees from Social Security coverage because of unresolved legal questions regarding the federal government's authority to tax state and local governments.

An amendment to the Act allowed state and local governments beginning in 1951 to enter into voluntary agreements with the Federal government to provide Social Security coverage to their public employees. Section 218 of the Social Security Act authorized these "Section 218 Agreements."

In response, Maine enacted a statute in 1951 permitting employees of political subdivisions to participate in Social Security through a Section 218 Agreement, but did not extend this permission to members of the State Employee and Teacher Retirement Program (State/Teacher Plan).²

Maine then entered into a Section 218 Agreement with the Social Security Administration covering designated employment positions of 21 political subdivisions. The Agreement has since been modified 329 times and now covers more than 700 political subdivisions. Many of these entities participate in the MainePERS-administered Participating Local District Consolidated Retirement Plan (PLD Consolidated Plan). If a position is covered both by Maine's Section 218 Agreement and by the PLD Consolidated Plan, membership in the PLD Consolidated Plan is optional for the employee. If the employee elects membership, the employer and employee pay contributions to the Plan and pay the 12.4% FICA tax for Social Security (6.2% each for the employer and employee). If the employee declines membership, the employer and employee pay only the FICA tax.

All 50 states have entered into Section 218 Agreements providing Social Security coverage to at least some of their public employees.³ Approximately one-fourth of state and local government employees (approximately six million) are not covered by Social Security. Most of these work at the local level as police officers, firefighters, and teachers.⁴ States with high percentages of non-covered employees include Maine, Alaska, California, Colorado, Louisiana, Massachusetts, Nevada, Ohio, and Texas.⁵

A further amendment to the Social Security Act in 1991 mandated Social Security coverage for state and local government employees not covered under a Section 218 Agreement or by a qualified Social Security replacement plan.⁶ The defined benefit plans administered by MainePERS are qualified Social Security replacement plans.⁷

The WEP

The regular Social Security benefit formula is weighted to help workers who spend their lives in low-paying jobs by providing a retirement income that is a higher portion of career-average earnings than is provided to workers with higher earnings.⁸ However, this formula cannot distinguish between the workers it was intended to help and workers who appear to have low career-average earnings because

² P.L. 1951, ch. 395; 5 M.R.S. § 19001 (2023).

³ IRS Publication 963, Federal State Reference Guide (July 2020) at 1.

⁴ Publication 963 at 1.

⁵ National Association of State Retirement Administrators (NASRA), <https://www.nasra.org/socialsecurity> (visited Oct. 26, 2023); Publication 963 at 1.

⁶ Publication 963 at 2.

⁷ See Publication 963 at 53, 101-106.

⁸ Congressional Research Service, Social Security: The Windfall Elimination Provision (WEP) (Updated Feb. 13, 2023) at 1.

they have zero earnings in years when they were working in jobs not covered by Social Security.⁹ Before the WEP was adopted, “people whose primary job wasn’t covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn’t pay Social Security taxes.” (See Attachment 1)

Major amendments to the Social Security Act were enacted in 1983 “to shore up the financing of the Social Security program.”¹⁰ The amendments included the WEP, which was designed to make Social Security benefits equivalent between those who paid into Social Security for all their earnings and those who paid into Social Security for some, but not all of their earnings.¹¹ “The WEP is intended to place affected workers in approximately the same position they would have been in had *all* their earnings been covered by Social Security.”¹²

The WEP reduces Social Security benefits by 10-60% depending on the worker’s earning history. The reduction formula provides only a rough equivalency between those who worked their entire careers in positions covered by Social Security and those who worked part of their careers in non-covered employment.¹³ At the time the WEP was adopted in 1983, the Social Security Administration had insufficient data on non-covered earnings to adopt a more accurate formula.¹⁴ After 40 years, the Social Security Administration now has sufficient data to implement a more accurate reduction formula.¹⁵

Approximately 3% (two million people) of Social Security recipients are subject to the WEP.¹⁶ The percentage of affected recipients in Maine is 5.6% (approximately 20,000).¹⁷

The GPO

The GPO is related to the WEP in that it reduces certain Social Security benefits because the recipient has worked part of their career in employment not covered by Social Security. However, the GPO does not reduce a worker’s own Social Security benefit. It reduces “spousal benefits,” benefits received as a

⁹ CRS WEP Report at 1.

¹⁰ CRS WEP Report at 7.

¹¹ CRS WEP Report at 7.

¹² CRS WEP Report at 7.

¹³ Congressional Research Service, The Windfall Elimination Provision (WEP) in Social Security: Proposals for a New Proportional Formula (Updated Sept. 19, 2023) at 1.

¹⁴ CRS Proportional Formula Report at 1.

¹⁵ CRS Proportional Formula Report at 1.

¹⁶ CRS WEP Report at 14-15.

¹⁷ CRS WEP Report at 14-15.

spouse or surviving spouse of a Social Security participant. The reduction amount is two-thirds of any pension benefits the worker receives for governmental work not covered by Social Security.¹⁸

The spousal benefit was adopted in the 1930s “to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse.”¹⁹ Where both spouses work and earn their own Social Security benefits, the “dual entitlement rule” prevents the worker from receiving both their own full benefits and full spousal benefits. Instead, the spousal benefit is reduced dollar-for-dollar by the worker’s own Social Security benefit, effectively leading to the worker receiving the higher of the two benefits.²⁰

The GPO was enacted in 1977 to create a comparable reduction to the Social Security spousal benefit for workers who are not covered by Social Security but receive a government pension. The GPO initially was a dollar-for-dollar reduction to the spousal benefit for the pension benefit, like the dual entitlement rule, but that was changed as part of the 1983 Social Security Act amendments to be a reduction of two-thirds of the government pension.²¹ So, the GPO imposes a smaller benefit reduction than the dual entitlement rule imposes on workers covered by Social Security.²²

Approximately 735,000 Social Security recipients are subject to the GPO, including approximately 8,100 in Maine.²³ These figures do not include people who did not apply for spousal benefits because they believed that the GPO would eliminate the benefits.²⁴

IV. OPTIONS FOR ELIMINATING APPLICATION OF THE WEP AND GPO

There are two options for eliminating the application of the WEP and GPO to Maine governmental employees: (1) Provide Social Security coverage to these employees; or (2) Change federal law to eliminate the WEP and GPO.

Providing Social Security Coverage

There are two ways to provide Social Security coverage to state and local governmental employees.

¹⁸ Congressional Research Service, Social Security: The Government Pension Offset (Updated Feb. 13, 2023) at 1.

¹⁹ Social Security Administration, Government Pension Offset (May 2019) at 1.

²⁰ CRS GPO Report at 1.

²¹ CRS GPO Report at 7.

²² CRS GPO Report at 6.

²³ CRS GPO Report at 8.

²⁴ CRS GPO Report at 8.

The first way is by adding the employees' positions to Maine's Section 218 Agreement with the Social Security Administration. This method already is available for non-teacher employees of political subdivisions. Making it available to teachers and state employees would require an amendment to 5 M.R.S. § 19001 and completing the federally-required process for amending Maine's Section 218 Agreement, which would include holding a referendum in which a majority of eligible employees voted in favor of Social Security coverage. Providing Social Security coverage in addition to membership in the State/Teacher Plan would increase costs to employers and employees by subjecting them to the 12.4% FICA tax (6.2% each for employer and employee).

Two years ago in response to Resolve 2021, chapter 66, MainePERS led a working group of employer and employee representatives in studying new pension designs for public employees based on participation in Social Security. The resulting study report outlined two options that would provide Social Security coverage supplemented by a new defined pension plan or a cash balance plan.²⁵ These options would produce a benefit comparable to the current State/Teacher Plan, avoid prospective application of the WEP and GPO, and offer increased portability.²⁶ The cost of these options would be less than the cost of adding Social Security coverage to the existing State/Teacher Plan.²⁷

The second way to provide Social Security coverage is to cease providing a qualified Social Security replacement plan (e.g., the State/Teacher Plan). Positions not covered by a qualified Social Security replacement plan are subject to mandatory Social Security coverage under federal law. Closing the State/Teacher Plan would require amendments to 5 M.R.S. §§ 17001-18101 and would eliminate a valuable employee benefit and tool for recruiting and retention.

Providing Social Security coverage would eliminate the WEP and GPO for employees hired in the future. There would be no effect on current retirees. Current employees may have the impact of the WEP and GPO reduced as their future employment will be covered by Social Security, but their past non-covered service may still subject them to these reductions depending upon their length of covered employment at the time of retirement.

Changing Federal Law

As the WEP and GPO are contained in federal law, federal legislation would be required to eliminate or change them.

²⁵ MainePERS, Pension Designs Based on Participation in Social Security (Feb. 10, 2022).

²⁶ MainePERS Pension Designs Report at 3-4.

²⁷ MainePERS Pension Designs Report at 14.

Several pieces of federal legislation to reduce the impact of the WEP and GPO have been introduced over the years, but none have been enacted.

There currently are four bills pending in Congress that would repeal the WEP and GPO: (1) The Social Security Fairness Act of 2023 (H.R. 82); (2) The Social Security Fairness Act (S. 597); (3) The Social Security 2100 Act (H.R. 4583); and (4) The Social Security 2100 Act (S. 2280).²⁸ The repeal in H.R. 4583 and S. 2280 is temporary, from 2025 through 2034. While a temporary or permanent repeal would have a negative impact on Social Security funding, H.R. 4583 and S. 2280 have offsetting provisions that would result in a net positive effect on funding.²⁹ Senators Collins and King have co-sponsored S. 597, Representatives Pingree and Golden have co-sponsored H.R. 82, and Representative Pingree has co-sponsored H.R. 4583.

Two other bills currently pending in Congress would leave the WEP and GPO in place but adopt a more-accurate, proportional WEP formula. These bills are the Public Servants Protection and Fairness Act of 2023 (H.R. 4260) and the Equal Treatment of Public Servants Act of 2023 (H.R. 5342). A proportional formula would result in a lower benefit reduction for some Social Security recipients, but would result in a greater reduction for others. To avoid negative impacts, both H.R. 4260 and H.R. 5342 contain provisions ensuring that recipients will be no worse off than under current law. The Social Security Administration's Office of the Chief Actuary estimates that these bills would cost an additional \$23.9 billion (H.R. 5342) to \$30.1 billion (H.R. 4260) from 2023 through 2032.³⁰ Representatives Pingree and Golden have co-sponsored H.R. 4260.

V. INTERSTATE COMPACTS

An interstate compact is a binding contractual agreement between two or more states for their mutual benefit. The Compacts Clause of the United States Constitution limits the ability of states to enter into interstate compacts without congressional approval.³¹ The United States Supreme Court has interpreted this limitation as applying only where the compact would increase the political power of the states at the expense of federal sovereignty, in which case congressional consent to the compact is required.³²

²⁸ United States Congress, www.congress.gov (visited 10/26/23)

²⁹ Social Security Administration, Chief Actuary Letter to Rep. Larson (July 12, 2023) at 1, 12.

³⁰ CRS Proportional Formula Report at 1-2.

³¹ U.S. Const. art. I, § 10, cl. 3.

³² *Virginia v. Tennessee*, 148 U.S. 503, 519 (1893).

Interstate compacts have been used to resolve boundary disputes between states, manage interstate resources and infrastructure projects, facilitate interstate oversight of probationers and parolees, manage multi-state lotteries, and allow professionals licensed in one state to practice in others.³³

Entering into an interstate compact involves each state enacting model legislation that imposes mutual obligations on the states and usually involves creation of a commission to administer the compact.³⁴ This process generally takes several years because it requires legislative action in multiple states.³⁵ The National Center for Interstate Compacts is available to assist in developing interstate compacts.³⁶ The Center is part of the Council of State Governments.³⁷

There are over 250 interstate compacts in existence.³⁸ Maine has belonged to 37 interstate compacts over the past century.³⁹ Within the past 20 years, Maine has entered into three: (1) The Enhance Nursing License Compact; (2) The Interstate Compact on Educational Opportunity for Children; and (3) The Interstate Insurance Product Regulation Compact.⁴⁰

VI. RECOMMENDATIONS

MainePERS does not recommend pursuing the creation and adoption of an interstate compact concerning the WEP and GPO. The effects of the WEP and GPO can only be eliminated by providing Social Security coverage to affected employees or by changing federal law.

Providing Social Security coverage would not require any action by other states, so an interstate compact would not be necessary or useful to achieving that result.

An interstate compact also does not appear to be an appropriate vehicle for seeking a change in federal law. States could work together to influence federal lawmakers without going through the cumbersome and multi-year process of developing and enacting a compact. Furthermore, the mutual legal obligations that are the hallmark of interstate compacts do not appear to be necessary to work in

³³ United States Congress, www.constitution.congress.gov/browse/essay/artI-S10-C3-3-3/ALDE_00013533/ (visited 10/25/23); *e.g.*, 8 M.R.S. §§ 401-422 (2023); 32 M.R.S §§ 2171-2181 (2023).

³⁴ National Center for Interstate Compacts, www.compacts.csg.org/faq/ (visited 10/25/23)

³⁵ National Center for Interstate Compacts, www.compacts.csg.org/faq/ (visited 10/25/23)

³⁶ National Center for Interstate Compacts, www.compacts.csg.org/faq/ (visited 10/25/23)

³⁷ National Center for Interstate Compacts, www.compacts.csg.org/faq/ (visited 10/25/23)

³⁸ National Center for Interstate Compacts, www.compacts.csg.org/faq/ (visited 10/25/23)

³⁹ Ballotpedia, www.ballotpedia.org/Interstate_compacts_by_state#Maine (visited 9/28/23).

⁴⁰ Ballotpedia, www.ballotpedia.org/Interstate_compacts_by_state#Maine (visited 9/28/23).

concert to influence federal lawmakers. Use of an interstate compact for this purpose appears to be unprecedented.⁴¹

If an interstate compact is pursued, MainePERS recommends exploring an engagement with the National Center for Interstate Compacts for development of the compact, including drafting legislation. MainePERS recommends that attempts to influence federal legislation on the WEP and GPO continue to be pursued by interested employee and retiree associations.

Draft

⁴¹ None of the Maine interstate compacts listed on Ballotpedia appears to concern attempting to influence federal lawmakers, and the National Center for Interstate Compacts is unaware of any compact developed for that purpose. E-mail from Director, NCIC to MainePERS of 9/27/23.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
CHIP GAVIN, CHIEF SERVICES OFFICER
SHERRY VANDRELL, CHIEF FINANCIAL OFFICER

SUBJECT: MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

DATE: OCTOBER 30, 2023

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

POLICY REFERENCE

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

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

MEMBER SERVICES

1. COLA: A special one-time COLA payment for state-sponsored plans for the period ending August 31, 2022, which was authorized by the recently adjourned session of the Legislature and became effective 10/25/23, is on track to be implemented by MainePERS in November 2023. Communication for members and retirees is posted to the MainePERS website www.maineopers.org and other communication efforts are scheduled, including email and postcard notices.
2. MEMBER EDUCATION: More than 600 members have registered so far this year for the various MainePERS member webinars. A total of 14 of the various sessions for new & mid-career members and for those nearing retirement have been offered so far. This effort is ongoing. Member Education supports Goal IV, Strategic Objective (A) among other elements of the strategic plan
3. PENSION ADMINISTRATION SYSTEM (PAS) PROJECT: Linea reports the overall PAS project is green, indicating overall stability. MainePERS agrees. The resource category health per Linea remains yellow, unchanged from its last bi-weekly report, due to potential constraints in MainePERS resource availability, stemming from overlapping timelines with internal projects. Linea has expressed concern about the project's ability to maintain the current timeline and is working with MainePERS to address that concern.

Since Linea’s prior bi-weekly status report, 3 risks have decreased in rated severity, 4 risks have remained unchanged and no risks have increased. One new risk is being considered for addition to the ongoing risk register.

MainePERS staff as of the end of October has completed approximately 2/3 of the anticipated 40+ fact-finding and information gathering discussion sessions with its pension administration software advisor. These discussions are intended to help establish the requirements and otherwise to inform the drafting of the request for proposals to be issued to obtain a software solution to renew or refresh MainePERS current pension administration system. Discussions involving dozens of MainePERS staff members from across the organization have been and are occurring. This effort is part of Goal III, Strategic Objective (B) and other related components of the Strategic Plan.

Below is an excerpt of Linea’s most recently bi-weekly status report:

| | | | |
|-------------------------|---|--------------------------|---|
| Overall |  | Scope |  |
| Schedule |  | Resources |  |
| Project Lead | Denise Fernandes | Project Sponsor | CEO Rebecca Wyke |
| Project Start | July 17, 2023 | Project End | Aug 19, 2024 |
| Reporting Period | Oct 17, 2023 – Oct 30, 2023 | Reporting Date | Oct 30, 2023 |
| Audience | Chip Gavin, Michael Colleran, Joy Childs, Valerie Scott, Lauren Fowler, Domna Giatas, Timothy Poulin, Sherry Vandrell, Gabi Rodriguez | Next Meeting Date | Nov 15, 2023 |

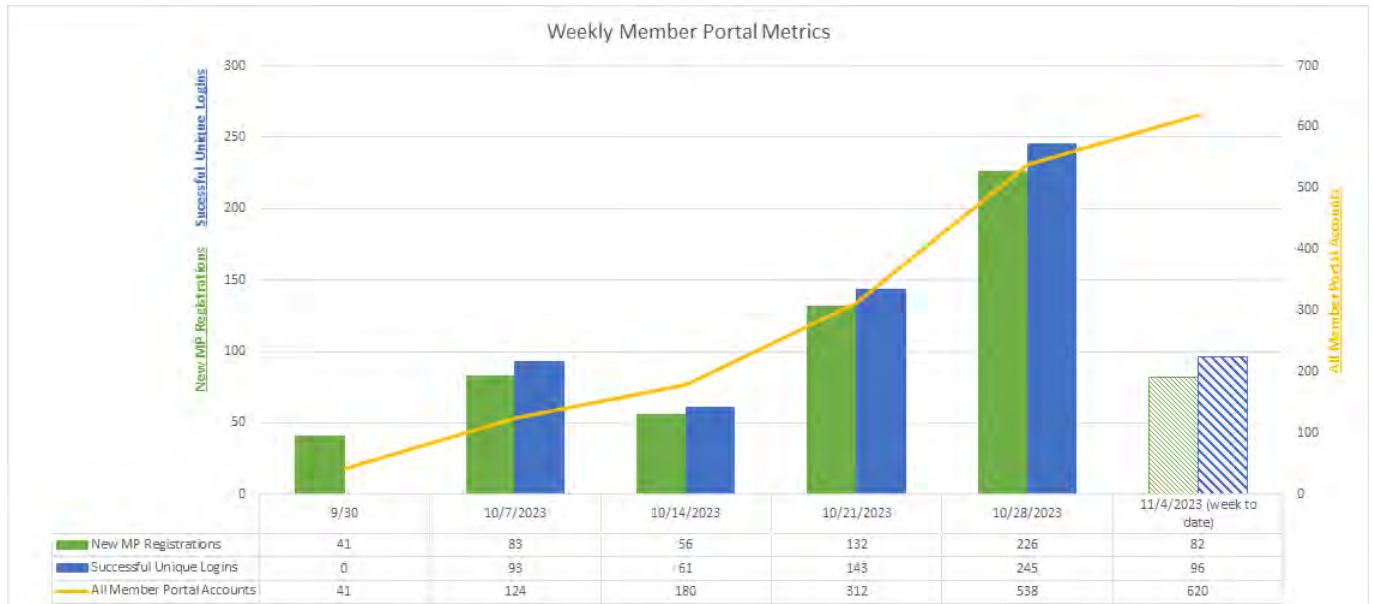
The PAS project supports Goals III and IV among other elements of the Strategic Plan.

4. **MEMBER PORTAL:** More than 600 MainePERS members and retirees registered their online member portal accounts through October 31, 2023. The phased rollout is continuing and the volume of weekly invitations is increasing.

The portal effort is part of Goal IV, Strategic Objectives (E) and (B) and other related components of the Strategic Plan, and the related contact information data project supports efforts to communicate with active and retired members. More than 10,000 people had responded through October 31 to MainePERS recent mailings inviting them to update their contact and other demographic information on file with MainePERS to facilitate portal access and other MainePERS communication.

To help assess satisfaction and inform future portal enhancements, MainePERS will begin in November surveying registered member portal users regarding their registration process and overall user experience.

The graph below reflects member portal registration activity through Oct. 31, 2023.



FINANCE

1. EMPLOYER REPORTING. Employers submitted defined benefit payrolls on time at a 95% rate in October. This compares to a rate of 87% for the same period last year. The number of accounts now fully reconciled through August data is now 481, or 74%. This is a drop in the percentage reported last month and is the result of staff spending more time on some of the most complicated accounts.
2. EMPLOYER AUDITING. One audit was opened in October and one was completed with one contribution related finding. Ninety-four percent of all findings to date have been resolved satisfactorily, which is the same rate reported last month.
3. ACCOUNTING AND FINANCE. We have engaged the audit firm of CliftonLarsonAllen to conduct an internal audit of cash receipts and disbursements and that audit is just about complete. The next review will be of facilities management and controls. CliftonLarsonAllen has been engaged to conduct that review as well and it is expected to start in November.

The FY23 financial statements were completed following your meeting in October and a copy of the final report is included in your packet for your reference. In addition, BerryDunn has provided the Report on Internal Control over Financial Reporting and the standard required auditor communications. Copies of these additional reports are also included in your packet.

OPERATIONS

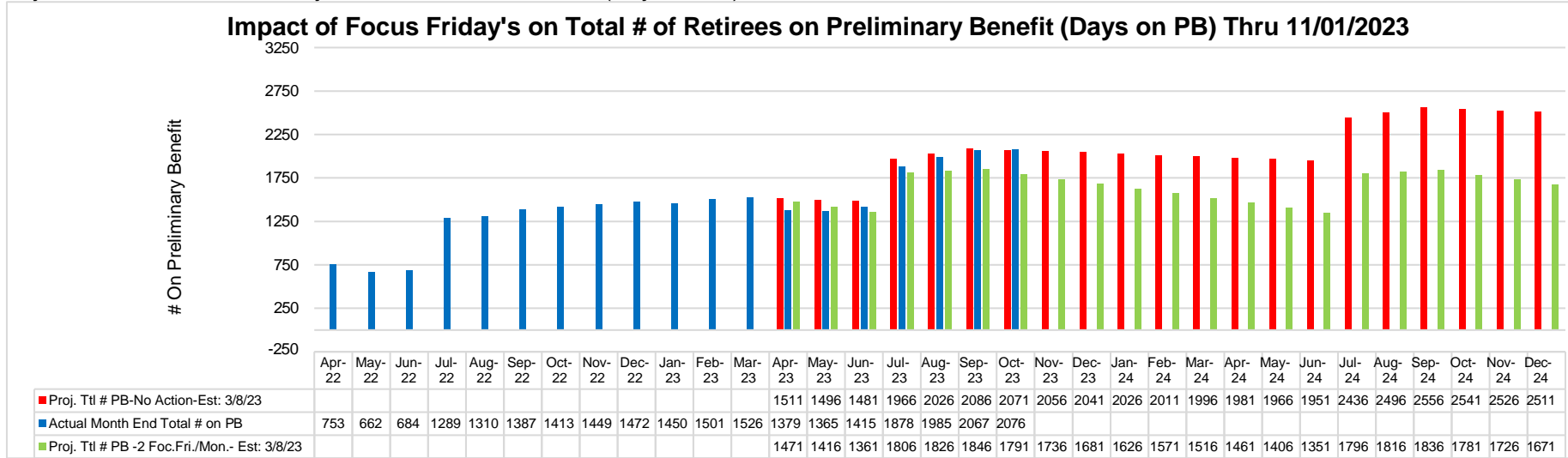
1. HUMAN RESOURCES: We hired three new employees in October and had no terminations. We are recruiting for four openings. We opened sick leave banks for two employees and had 29% of employees respond with donations. We conducted a business continuity plan tabletop exercise with the HR team and an armed aggressor tabletop exercise with our safety marshals.
2. INFORMATION TECHNOLOGY: IT staff continue to be heavily involved in the PAS replacement project, implementation of the supplemental COLA for the state-funded plans, updates to V3 to enhance compliance and efficiency, and regular security and network operations functions.
3. FACILITIES: The upgrades to our physical security systems were completed. Our irrigation system was inadvertently damaged by the contractor during winterization. The damage is being assessed. The Facilities Manager completed routine battery and bulb replacement for our automatic external defibrillators and ozone treatment systems, respectively.
4. DOCUMENT CENTER: We have updated contact information for more than 7,500 members and retirees since the beginning of our member portal mailing campaign in August. Document Center staff processed over 18,000 mailings and imaged over 13,000 documents in October.
5. ACTUARIAL: We received the Public Pension Coordinating Council's Recognition Award for Funding for the sixteenth consecutive year. This recognizes adherence to best practices in maintaining plan funding.

RECOMMENDATION

No Board action is recommended at this time.

FOCUS FRIDAY IMPACT ON BACKLOG REDUCTION

Preliminary to Final Benefit (PB to Final) Backlog thru 11/01/23: The backlog projections and reporting below are based on a data point that counts days since an initial Preliminary Benefit disbursement date (Days on PB) occurred.



SERVICE RETIREMENT ESTIMATE BACKLOG THRU 11/01/23: The backlog projections and reporting below are based on data that count the total number of open Service Retirement Estimate workflows.

