



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

Public Meeting Packet

April 11, 2024

MainePERS Board of Trustees Meeting
April 11, 2024
139 Capitol Street, Augusta

AGENDA

9:00 a.m. ¹		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	<u>CONSIDERATION OF CONSENT CALENDAR</u> <ul style="list-style-type: none">Minutes of March 14, 2024 MeetingConsideration of Items Removed	ACTION	Brian Noyes
9:05 – 9:20 a.m.	2.	<u>PRIVATE MARKET ACTION</u> <ul style="list-style-type: none">Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) <p><i>Board moves out of executive session.</i></p> <ul style="list-style-type: none">Comvest Credit Partners VIIHigh Street Value Fund ITenex Capital Partners IV	ACTION	Brian Noyes James Bennett James Bennett James Bennett
9:20 – 9:25 a.m.	3.	<u>PRIVATE MARKET REVIEW</u> <ul style="list-style-type: none">Private Markets Activity		James Bennett
9:25 – 9:30 a.m.	4.	<u>CO-INVESTMENT QUARTERLY REVIEW</u>		James Bennett
9:30 – 9:40 a.m.	5.	<u>INVESTMENT REVIEW</u> <ul style="list-style-type: none">Investment Monthly Review		James Bennett
9:40 – 10:20 a.m.	6.	<u>CEO REPORT</u> <ul style="list-style-type: none">Pension Administration System Project Update		Dr. Rebecca M. Wyke
10:20 – 10:25 a.m.	7.	<u>FINANCE AND AUDIT COMMITTEE MEETING REPORT</u>		Shirrin Blaisdell Sherry Vandrell
10:25 – 10:40 a.m.		<u>BREAK</u>		
10:40 – 10:45 a.m.	8.	<u>RULEMAKING UPDATE</u>		Michael Colleran
10:45 – 10:55 a.m.	9.	<u>LEGISLATIVE UPDATE</u>		Kathy Morin

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.

10:55 – 11:05 a.m.	10. <u>MEMBER SERVICES, FINANCE, and OPERATIONS REPORT</u>	Shelley O'Brian Sherry Vandrell Michael Colleran
11:05 – 11:10 a.m.	11. <u>LITIGATION UPDATE</u>	Betsy Stivers
11:10 a.m. – 12:10 p.m.	12. <u>ANNUAL FIDUCIARY EDUCATION</u>	Amy McDuffee
12:10 p.m.	<u>ADJOURNMENT</u>	Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
March 14, 2024

MainePERS
Augusta
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04330 at 9:00 a.m. on March 14, 2024. Brian Noyes, Chair, presided. Other Trustees participating were: Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Nate Burnett; Kirk Duplessis; 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 Seth Keller, Asset Class Head, Investments; Stuart Cameron, Cambridge Associates; William Greenwood, Albourne; and Tom Lynch and George Bumeder, Cliffwater.

Brian Noyes called the meeting to order at 9:00 a.m. Brian asked the members of the public to introduce themselves to the Trustees.

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 February 8, 2024
- Action. John Beliveau made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Unanimously voted by six Trustees (Blaisdell, Beliveau, Burnett, Duplessis, Kimball, and Noyes).

CONTINUATION VEHICLES

Jim Bennett presented the recommendation to amend the Investment Policy Statement to address continuation vehicles as discussed at the February Board meeting.

- Action. Shirrin Blaisdell made the motion, seconded by John Beliveau, that the Board adopt amended Board Policy 2.1. Unanimously voted by six Trustees (Blaisdell, Beliveau, Burnett, Duplessis, Kimball, and Noyes).

Henry Beck joined the meeting at 9:10 a.m.

Jim Bennett introduced Seth Keller of the Investment Team to the Trustees and the consultants to the new Trustees.

PRIVATE MARKETS 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,

March 26, 2024, in Portland, with presentations by High Street at 9:00 a.m.; Comvest Partners at 10:00 a.m.; and Tenex Capital Partners at 11:15 a.m.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of February 29, 2024, the MainePERS fund had a preliminary market value of \$19.3 billion, the preliminary return for the month was 1.0%, and the preliminary calendar year-to-date return was 0.9%.

CUSTODIAN REVIEW

Jim Bennett and Seth Keller shared with the Trustees that Board Policy 2.1 requires the Investment Team to evaluate the performance and contract terms of the System's custodian at least every five years and make a recommendation to the Board whether or not to begin the search process for a new provider.

Jim Bennett and Seth Keller provided a brief overview of the evaluation process and shared the recommendation to the Trustees to not begin a search for a new custodian and continue to use JP Morgan Chase. Jim and Seth answered questions from the Trustees.

INVESTMENT EDUCATION

Goal Setting and Asset Allocation

Jim Bennett and Stuart Cameron made a presentation on institutional investing as a process. The two areas of discussion for this process was setting goals and objectives and the asset allocation process. The Trustees asked questions about the processes.

RISK DIVERSIFIERS REVIEW

Seth Keller made a presentation on risk diversifiers to the Trustees. Seth reviewed the role in the portfolio; types of strategies used in the allocation; how the portfolio has evolved; and what is in store for 2024. Seth, Jim, and Stuart answered questions from the Trustees.

RISK DIVERSIFIERS REBALANCING

- **Action:** John Beliveau made the motion, seconded by Henry Beck, to enter into executive session pursuant to 1 M.R.S. §402(3)(B), 405(6)(F) to discuss trade secrets contained in non-public documents. Unanimously voted by seven Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, and Noyes).

The Board moved out of executive session.

MAINSTART QUARTERLY REVIEW

Michael Colleran shared the MaineSTART Quarterly Review for the quarter ending 12/31/23. Michael reviewed the three plans included in the MaineSTART program, the number of participants by plan, market value, participation, investment options, and fees associated with MaineSTART. Chip Gavin stated that information regarding MaineSTART is being provided

in a number of various outreach opportunities. Those opportunities include reaching out to employers, new employees, training sessions, and advertising the program. Michael and Chip answered questions from the Trustees.

CEO REPORT

Stakeholder Engagement

Dr. Rebecca Wyke shared that she and Michael Colleran met with representatives of the LD 99 Implementation Project. The group provided written materials, which have been provided to the Board, and expressed their concerns on the historical performance and financial risks posed by investments in fossil fuels. Dr. Wyke reported that we provided information to the group regarding the work done to evaluate and implement LD 99. All of that information has been provided to the Board of Trustees and the Joint Standing Committee on Labor and Housing.

Focus Friday Update

Dr. Rebecca Wyke stated “Focus Fridays” will continue indefinitely in order to clear the backlog in preliminary to final benefits. The service retirement estimates queue has been reduced significantly since Focus Friday’s began. She will share monthly updates with the Trustees.

State-Sponsored Plans and Sub-Plans

Kathy Morin provided a presentation to the Trustees on state-sponsored plans and sub-plans and how they interact. Kathy reviewed what interchangeability of benefits and portability.

FINANCE AND AUDIT COMMITTEE UPDATE

Shirrin Blaisdell summarized the budget adjustment recommendation approved by the Finance and Audit Committee at their February 8 meeting. The Board discussed the recommendation.

- **Action:** John Kimball made the motion, seconded by Shirrin Blaisdell that the Board authorize the Chief Financial Officer to transfer \$232,000 from the FY24 investment operations budget to the FY24 administrative operations budget resulting in a revised FY24 investment operations budget of \$6,437,040 and a revised FY24 administrative operations budget of \$19,402,306. Unanimously voted by seven Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, and Noyes).

LEGISLATIVE UPDATE

Kathy Morin provided an update on the status of legislative bills.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

Chip Gavin shared the Member Portal has more than 14,000 portal accounts registered. Chip stated the Pension Administration System Project is on track.

Sherry Vandrell reported work continues to assist an employer who is still struggling to get payrolls submitted to MainePERS.

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: MONTHLY INVESTMENT REVIEW
DATE: APRIL 3, 2024

Following this memo is the Monthly Investment Review for March.

POLICY REFERENCE

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

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

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

MONTHLY INVESTMENT REVIEW: HIGHLIGHTS AND OBSERVATIONS

Preliminary Fund results for the month include:

- Month-end fund value of \$19.4 billion.
- Monthly return of 0.9%.
- Calendar year-to-date return of 1.9%.
- Fiscal year-to-date return of 5.3%.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Review

April 11, 2024

Investment Policy Objective

Investment Objective

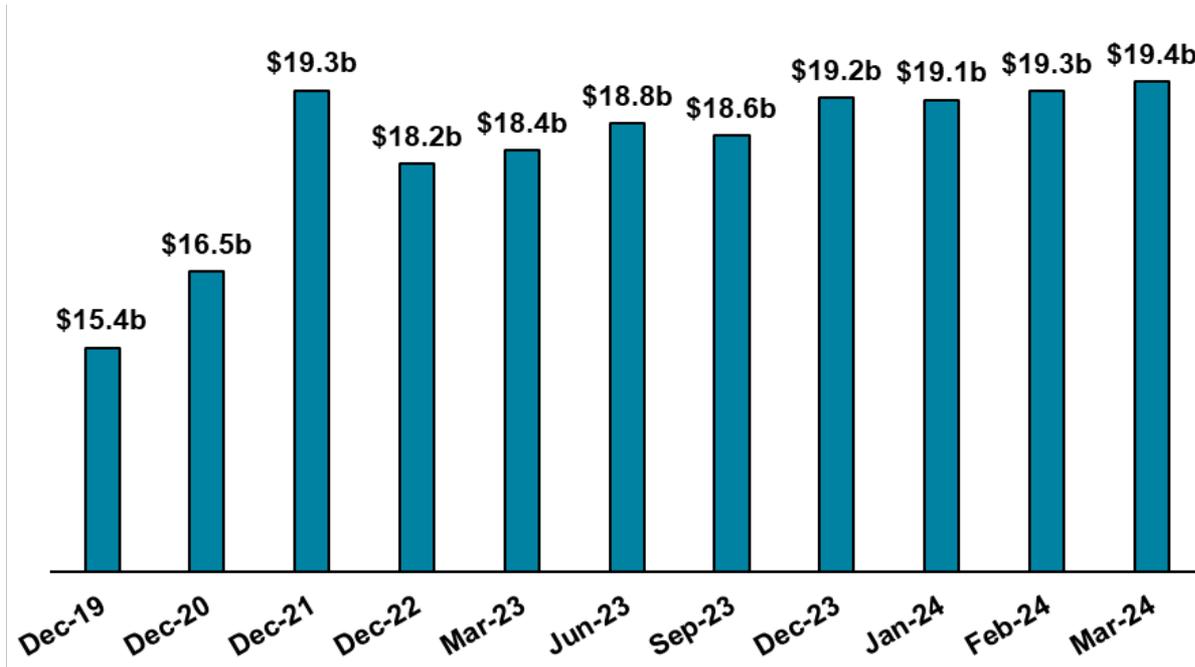
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

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.

March 2024 Performance (Preliminary)

The **preliminary** fund value at the end of February is \$19.4 billion.



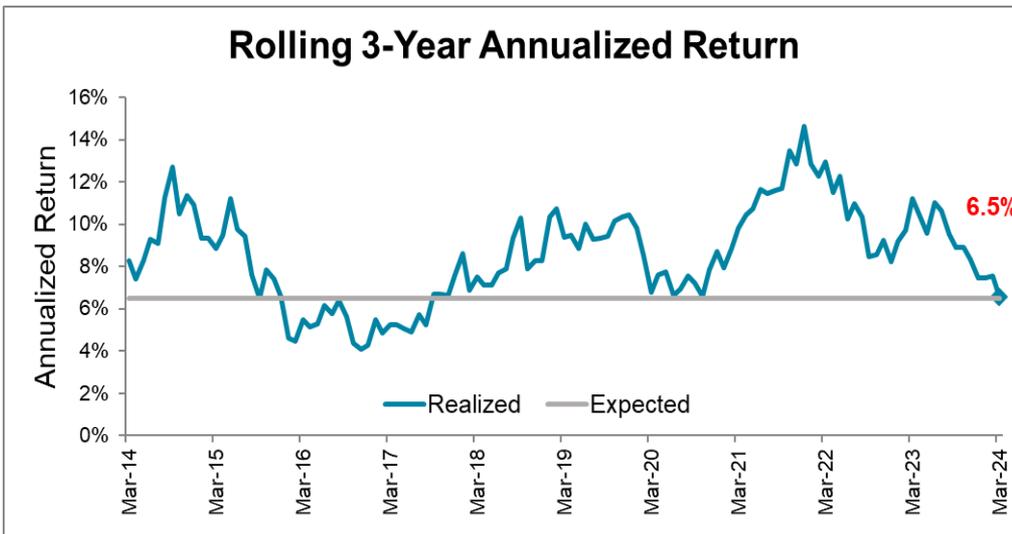
Fund and Benchmark Returns

	Mar-24	CYTD 2023	FYTD 2024
Total Fund	0.9%	1.9%	5.3%
Russell 3000	3.2%	10.0%	19.3%
MSCI ACWI ex-USA	3.0%	4.5%	10.4%
Bloomberg US Aggregate	0.9%	-0.8%	2.6%

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.

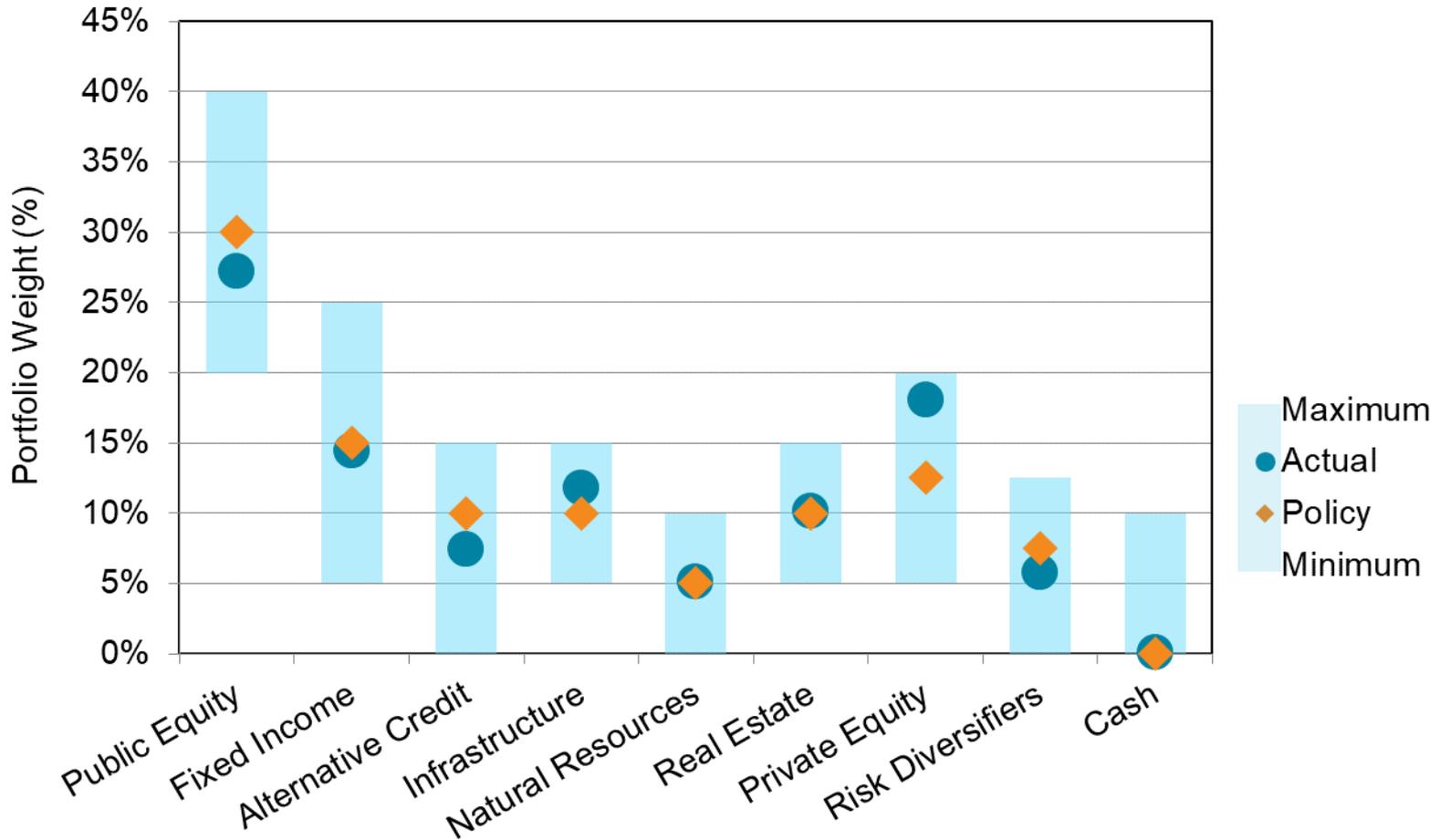
March 2024 Asset Allocation (Preliminary)

Assets (Millions)	Value	% of Fund	Policy %
MainePERS Portfolio	\$ 19,418	100.0%	100.0%
Domestic Equity	\$ 3,395	17.5%	19.1%
International Equity	\$ 1,888	9.7%	10.9%
Fixed Income	\$ 2,804	14.4%	15.0%
Alternative Credit	\$ 1,438	7.4%	10.0%
Infrastructure	\$ 2,286	11.8%	10.0%
Natural Resources	\$ 991	5.1%	5.0%
Private Equity	\$ 3,503	18.0%	12.5%
Real Estate	\$ 1,971	10.1%	10.0%
Risk Diversifiers	\$ 1,129	5.8%	7.5%
Cash	\$ 13	0.1%	0.0%

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

Private equity remains overweight at ~18% of Fund value, and private markets assets in aggregate comprise 52.5% of the overall portfolio, above the 47.5% policy weight.

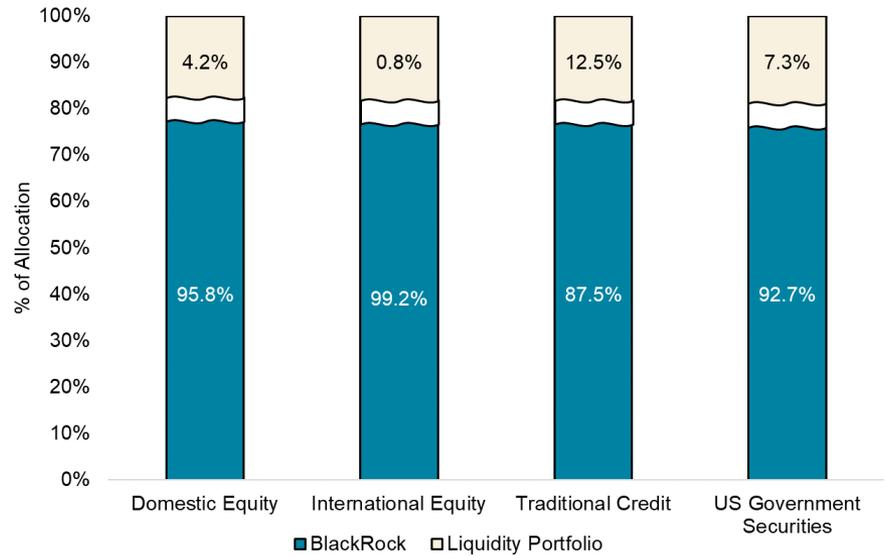
March 2024 Asset Allocation (Preliminary)



Public Securities: Liquidity Portfolio

At the end of March, 2.1% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 5.1% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	\$143.4	Futures
Parametric International Equity	\$15.2	Futures
Parametric Traditional Credit	\$116.1	ETFs
Parametric US Government Securities	\$136.6	Futures
Total Liquidity Portfolio	\$411.3	

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: March 2024

Description	FYTD 24	FY 23	FY 22	FY 21	FY 20
Investment Mgmt. Fees	\$102,266,477	\$133,285,971	\$130,884,088	\$120,429,567	\$122,567,451
Securities Lending Fees ¹	925,561	1,303,543	1,744,317	1,653,172	2,239,396
Consulting Fees	911,250	1,193,543	1,120,000	1,120,000	1,120,000
Broker Commissions ²	54,495	136,039	77,558	52,364	37,461
Placement Agent Fees	0	0	0	0	0
Total	\$104,157,783	\$135,919,096	\$133,825,963	\$123,255,103	\$125,964,308
Percentage of Fund ³	0.72%	0.72%	0.73%	0.68%	0.86%

1. Securities Lending Fees are through 2/29/2024
2. Actual paid commissions reported by JP Morgan
3. For FY24: Total fees projected for the full fiscal year (\$138,877,044) divided by current Fund value.
For prior FY: Total fees divided by FYE Fund value.

Securities Lending: February 2024

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	\$2,126,996,229	\$1,469,195,925	\$193,885	60%/40%	\$116,331	\$986,344
Total Equity	\$1,609,871,434	\$186,786,535	\$65,946	60%/40%	\$43,933	\$457,901
Total Blackrock	\$3,736,867,663	\$1,655,982,460	\$259,831		\$160,264	\$1,444,245
JP Morgan						
Domestic Equities	\$2,931,953,594	\$105,553,727	\$23,791	85%/15%	\$20,225	\$218,127
Total JP Morgan	\$2,931,953,594	\$105,553,727	\$23,791		\$20,225	\$218,127
Total	\$6,668,821,257	\$1,761,536,187	\$283,622		\$180,489	\$1,662,372
Total Annualized Securities Lending Income, FY 2024:				\$2,493,558 (0.01%, or 1.3 bps)		
Total Actual Securities Lending Income, FY 2023:				\$2,557,153 (0.01%, or 1.4 bps)		

Liquidity Schedule: March 2024

Term	Market Value	Percent of Portfolio
Liquid ¹	\$8,101m	41.7%
Semi-Liquid ²	\$2,391m	12.3%
Illiquid ³	\$8,926m	46.0%
Total	\$19,418m	100.0%

<u>Sources and Uses of Liquidity</u>		
	Last 12 Months Actual	Next 12 Months Projection
Private Markets Activity		
Capital Contributions	-\$916m	-\$760m
Distributions	\$1,157m	\$1,800m
Net Private Markets Activity	\$242m	\$1,040m
Benefit Payments	-\$445m	-\$460m
Net Cash Flows	-\$203m	\$580m

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 03/31/2024</i>	# of Funds	# of GP Relationships
Alternative Credit	25	13
Infrastructure	35	11
Natural Resources	16	10
Private Equity	126	34
Real Estate	34	18
Risk Diversifiers	11	10
Total*	247	87

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 247 funds,
and has 87 distinct manager relationships.

MainePERS Alternative Investments Summary

<i>(in \$millions)</i> as of 03/31/2024	Current Market Value			Unfunded Commitment	
	Dollars	% of Fund	Policy %*	Dollars	% of Fund
Alternative Credit	\$ 1,438	7.5%	10.0%	\$ 717	3.7%
Infrastructure	\$ 2,286	11.9%	10.0%	\$ 499	2.6%
Natural Resources	\$ 991	5.1%	5.0%	\$ 216	1.1%
Private Equity	\$ 3,503	18.2%	12.5%	\$ 1,122	5.8%
Real Estate	\$ 1,971	10.2%	10.0%	\$ 334	1.7%
Risk Diversifiers	\$ 1,129	5.9%	7.5%	\$ 85	0.4%
Total Alternatives	\$ 11,318	58.7%	55.0%	\$ 2,972	15.4%

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

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

Note: Market values shown above are preliminary estimates. Private market asset values are based on 9/30/2023 values, adjusted for subsequent cash flows.

<i>(in \$millions)</i> as of 03/31/2024	Private Market Commitments by Vintage Year				3-Year
	2021	2022	2023	2024	Average ¹
Alternative Credit	\$ 410	\$ 550	\$ 80	\$ 100	\$ 347
Infrastructure	\$ 180	\$ 200	\$ 50	\$ -	\$ 143
Natural Resources	\$ -	\$ 30	\$ 40	\$ -	\$ 23
Private Equity	\$ 438	\$ 218	\$ 71	\$ 124	\$ 242
Real Estate	\$ 285	\$ 180	\$ 50	\$ -	\$ 172
Total Commitments	\$ 1,313	\$ 1,178	\$ 291	\$ 224	\$ 927

¹13-Year Average: 2021-2023

MainePERS Private Market Investments Summary: 09/30/2023

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	\$ 2,476,510	\$ 1,928,817	\$ 793,139	\$ 1,495,365	\$ 2,288,504	7.4%
Infrastructure	\$ 3,427,079	\$ 3,589,037	\$ 2,836,562	\$ 2,316,829	\$ 5,153,391	11.1%
Natural Resources	\$ 1,060,500	\$ 1,101,386	\$ 451,297	\$ 981,795	\$ 1,433,092	6.2%
Private Equity	\$ 4,937,582	\$ 4,839,179	\$ 4,222,538	\$ 3,599,546	\$ 7,822,084	15.5%
Real Estate	\$ 2,740,833	\$ 2,741,326	\$ 1,930,501	\$ 1,904,981	\$ 3,835,482	6.7%
Total	\$ 14,642,504	\$ 14,199,745	\$ 10,234,037	\$ 10,298,516	\$ 20,532,554	10.2%

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	\$ 260,353	35	\$ 257,290	\$ 91,693	\$ 208,716	\$ 300,409	9.5%
Infrastructure Co-Investments	\$ 217,762	11	\$ 215,308	\$ 254,113	\$ 129,012	\$ 383,125	14.4%
Natural Resources Co-Investments	\$ 32,500	2	\$ 32,662	\$ 37	\$ 49,868	\$ 49,906	11.1%
Private Equity Co-Investments	\$ 378,643	33	\$ 378,049	\$ 315,568	\$ 256,651	\$ 572,219	12.9%
Real Estate Co-Investments	\$ 66,646	5	\$ 58,775	\$ 7,504	\$ 41,498	\$ 49,003	-6.1%
Total	\$ 955,905	86	\$ 942,084	\$ 668,916	\$ 685,745	\$ 1,354,661	12.2%

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

MainePERS Private Market Investments Summary: 09/30/2023

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	\$ 22,351	\$ 11,314	\$ 33,665	18.5%
Angelo Gordon Direct Lending Fund III	\$ 100,000	7/20/2018	\$ 102,623	\$ 78,072	\$ 62,892	\$ 140,964	10.5%
Participation Agreement #1	\$ 7,500	10/11/2019	\$ 7,497	\$ 2,525	\$ 7,092	\$ 9,617	8.9%
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	\$ 2,705	\$ 9,562	\$ 12,267	9.0%
Participation Agreement #5	\$ 5,000	12/6/2019	\$ 5,000	\$ 2,574	\$ 4,048	\$ 6,622	9.7%
Participation Agreement #6	\$ 10,000	12/6/2019	\$ 9,991	\$ 2,804	\$ 9,548	\$ 12,352	9.6%
Participation Agreement #7	\$ 5,000	12/11/2019	\$ 5,000	\$ 2,053	\$ 4,571	\$ 6,624	9.0%
Participation Agreement #8	\$ 5,000	8/13/2020	\$ 4,866	\$ 1,748	\$ 4,548	\$ 6,296	9.5%
Participation Agreement #9	\$ 7,500	4/9/2021	\$ 7,425	\$ 1,951	\$ 7,078	\$ 9,029	10.2%
Participation Agreement #10	\$ 5,000	4/20/2021	\$ 4,996	\$ 1,528	\$ 4,531	\$ 6,059	9.5%
Participation Agreement #11	\$ 5,000	5/5/2021	\$ 5,000	\$ 1,096	\$ 4,589	\$ 5,685	6.1%
Angelo Gordon Direct Lending Fund IV	\$ 100,000	1/24/2020	\$ 90,000	\$ 15,718	\$ 99,450	\$ 115,168	12.0%
Participation Agreement #1	\$ 5,000	10/23/2020	\$ 4,913	\$ 2,199	\$ 3,848	\$ 6,047	8.8%
Participation Agreement #2	\$ 12,500	8/17/2021	\$ 12,295	\$ 2,224	\$ 12,044	\$ 14,268	9.3%
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	\$ 901	\$ 4,866	\$ 5,767	NM
Participation Agreement #5	\$ 5,000	12/21/2021	\$ 4,925	\$ 1,260	\$ 4,469	\$ 5,729	NM
Participation Agreement #6	\$ 5,000	1/12/2022	\$ 4,925	\$ 898	\$ 4,861	\$ 5,759	NM
Participation Agreement #7	\$ 7,500	1/12/2022	\$ 7,378	\$ 1,342	\$ 7,274	\$ 8,617	NM
Participation Agreement #8	\$ 12,500	6/16/2022	\$ 12,391	\$ 1,818	\$ 12,220	\$ 14,037	NM
Angelo Gordon Direct Lending Fund IV Annex	\$ 50,000	11/18/2021	\$ 47,500	\$ 4,818	\$ 49,759	\$ 54,577	NM
Angelo Gordon Direct Lending Fund V	\$ 125,000	8/3/2022	\$ 53,125	\$ -	\$ 59,405	\$ 59,405	NM
Participation Agreement #1	\$ 7,500	9/1/2022	\$ 7,388	\$ 896	\$ 7,315	\$ 8,211	NM
Participation Agreement #2	\$ 12,500	10/7/2022	\$ 12,263	\$ 963	\$ 12,250	\$ 13,213	NM
Participation Agreement #3	\$ 10,000	10/19/2022	\$ 9,850	\$ 1,123	\$ 9,751	\$ 10,874	NM
Participation Agreement #4	\$ 10,000	10/27/2022	\$ 9,800	\$ 1,435	\$ 9,295	\$ 10,730	NM
Participation Agreement #5	\$ 10,000	2/27/2023	\$ 9,814	\$ 766	\$ 9,762	\$ 10,528	NM
Ares Capital Europe IV	\$ 122,000	4/30/2018	\$ 96,890	\$ 24,885	\$ 84,897	\$ 109,782	3.7%
Ares Capital Europe V	\$ 122,000	9/4/2020	\$ 88,922	\$ 6,744	\$ 89,579	\$ 96,323	5.6%
Ares Capital Europe VI	\$ 82,500	3/17/2023	\$ 0	\$ -	\$ 519	\$ 519	NM
Ares Senior Direct Lending Fund II	\$ 100,000	12/10/2021	\$ 56,230	\$ 7,706	\$ 57,494	\$ 65,200	NM
Ares Senior Direct Lending Fund III	\$ 100,000	7/28/2023	\$ -	\$ -	\$ -	\$ -	NM

MainePERS Private Market Investments Summary: 09/30/2023

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
Audax Senior Debt (MP), LLC	\$ 100,000	6/30/2017	\$ 100,000	\$ 75,700	\$ 56,403	\$ 132,103	5.1%
Brookfield Infrastructure Debt Fund III	\$ 100,000	7/15/2022	\$ 53,696	\$ 10,444	\$ 45,170	\$ 55,615	NM
Comvest Credit Partners VI	\$ 125,000	5/20/2022	\$ 68,750	\$ 12,741	\$ 61,579	\$ 74,320	NM
Deerpath Capital VI	\$ 75,000	9/30/2021	\$ 54,590	\$ 7,055	\$ 55,550	\$ 62,604	8.4%
Global Infrastructure Partners Spectrum	\$ 100,000	2/20/2019	\$ 73,223	\$ 29,601	\$ 50,578	\$ 80,179	6.8%
Mesa West Core Lending Fund	\$ 100,000	6/18/2013	\$ 127,612	\$ 64,415	\$ 113,170	\$ 177,585	5.4%
Owl Rock Capital Corporation	\$ 100,000	3/10/2017	\$ 116,571	\$ 53,149	\$ 106,664	\$ 159,813	7.9%
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	\$ 2,141	\$ 4,453	\$ 6,594	7.5%
Participation Agreement #6	\$ 11,653	8/7/2020	\$ 12,181	\$ 3,868	\$ 10,594	\$ 14,461	9.9%
Participation Agreement #7	\$ 7,500	7/26/2021	\$ 6,558	\$ 1,419	\$ 6,484	\$ 7,903	9.8%
Participation Agreement #8	\$ 12,500	6/17/2022	\$ 12,778	\$ 2,046	\$ 12,043	\$ 14,090	NM
Participation Agreement #9	\$ 7,500	9/26/2022	\$ 7,388	\$ 898	\$ 7,295	\$ 8,193	NM
Owl Rock Capital Corporation III	\$ 100,000	6/19/2020	\$ 118,400	\$ 22,255	\$ 122,930	\$ 145,185	10.8%
Pathlight Capital Fund II	\$ 75,000	4/22/2021	\$ 113,652	\$ 60,955	\$ 64,516	\$ 125,470	10.0%
Participation Agreement #1	\$ 7,500	4/1/2022	\$ 7,368	\$ 1,564	\$ 7,016	\$ 8,580	NM
Participation Agreement #2	\$ 7,500	4/1/2022	\$ 7,429	\$ 1,198	\$ 7,311	\$ 8,510	NM
Pathlight Capital Fund III	\$ 75,000	6/24/2022	\$ 76,862	\$ 25,931	\$ 55,558	\$ 81,490	NM
Solar Capital Private Corporate Lending Fund	\$ 50,000	6/26/2019	\$ 40,188	\$ 8,648	\$ 41,518	\$ 50,165	11.8%
Solar Capital Debt Fund	\$ 50,000	6/26/2019	\$ 25,000	\$ 3,098	\$ 26,493	\$ 29,591	13.0%
SLR Private Corporate Lending Fund II	\$ 125,000	12/23/2022	\$ -	\$ -	\$ -	\$ -	NM
Silver Point Specialty Credit II	\$ 50,000	1/31/2020	\$ 59,634	\$ 28,400	\$ 40,076	\$ 68,475	10.0%
Tennenbaum Direct Lending VIII	\$ 100,000	11/30/2017	\$ 100,883	\$ 86,361	\$ 37,799	\$ 124,160	6.3%

MainePERS Private Market Investments Summary: 09/30/2023

Infrastructure

Fund Name	Commitment		Amount	Total	Current	Total Value (C+D)	Interim Net IRR
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Market Value (D)		
Alinda Infrastructure Fund II	\$ 50,000	9/17/2009	\$ 68,297	\$ 74,099	\$ 265	\$ 74,365	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	\$ 134,744	\$ 51,448	\$ 186,191	3.6%
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	\$ 117,448	\$ 113,934	\$ 88,594	\$ 202,528	10.0%
Brookfield Infrastructure Fund III	\$ 100,000	4/15/2016	\$ 110,706	\$ 59,689	\$ 108,410	\$ 168,099	12.2%
Co-Investment #1	\$ 20,000	3/31/2017	\$ 15,952	\$ 21,225	\$ 16,058	\$ 37,283	26.7%
Carlyle Global Infrastructure Opportunity Fund	\$ 100,000	5/1/2019	\$ 93,946	\$ 23,574	\$ 91,376	\$ 114,950	11.8%
Carlyle Infrastructure Partners	\$ 50,000	11/2/2007	\$ 57,366	\$ 64,289	\$ 345	\$ 64,635	2.5%
Carlyle Power Partners II	\$ 50,000	11/19/2015	\$ 64,349	\$ 41,978	\$ 50,914	\$ 92,892	10.6%
Cube Infrastructure	\$ 45,000	4/16/2010	\$ 60,063	\$ 96,665	\$ 422	\$ 97,087	8.0%
Cube Infrastructure II	\$ 90,000	9/11/2018	\$ 78,539	\$ 5,744	\$ 71,910	\$ 77,654	-0.3%
Cube Infrastructure III	\$ 90,000	8/16/2021	\$ 45,481	\$ -	\$ 46,529	\$ 46,529	2.0%
EQT Infrastructure III	\$ 68,000	12/3/2016	\$ 104,276	\$ 156,706	\$ 21,845	\$ 178,551	20.4%
EQT Infrastructure IV	\$ 100,000	12/17/2018	\$ 97,706	\$ 17,180	\$ 110,342	\$ 127,521	10.5%
EQT Infrastructure V	\$ 75,000	12/8/2020	\$ 62,693	\$ 8,532	\$ 62,074	\$ 70,606	10.2%
First Reserve Energy Infrastructure Fund	\$ 50,000	6/30/2010	\$ 59,778	\$ 52,235	\$ 3,739	\$ 55,974	-1.8%
First Reserve Energy Infrastructure Fund II	\$ 100,000	10/21/2013	\$ 128,288	\$ 128,229	\$ 27,384	\$ 155,614	11.8%
Global Infrastructure Partners Sonic	\$ 35,000	7/31/2020	\$ 32,792	\$ -	\$ 19,984	\$ 19,984	-15.3%
Global Infrastructure Partners	\$ 75,000	3/31/2008	\$ 101,173	\$ 205,062	\$ 234	\$ 205,296	17.2%
Global Infrastructure Partners II	\$ 75,000	12/3/2011	\$ 105,524	\$ 145,737	\$ 36,936	\$ 182,673	15.6%
Global Infrastructure Partners III	\$ 150,000	4/15/2016	\$ 184,977	\$ 107,052	\$ 153,706	\$ 260,758	9.8%
Co-Investment #1	\$ 29,000	2/28/2017	\$ 27,782	\$ 16,891	\$ 32,745	\$ 49,636	12.7%
Co-Investment #2	\$ 25,000	8/16/2018	\$ 27,071	\$ 3,392	\$ 21,877	\$ 25,269	-1.5%
Global Infrastructure Partners IV	\$ 150,000	12/21/2018	\$ 141,865	\$ 15,348	\$ 135,329	\$ 150,676	4.4%
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	\$ 101,009	\$ 1,009	\$ 103,468	\$ 104,477	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	\$ 185,410	\$ 244,913	\$ 77,125	\$ 322,039	16.9%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2023

Infrastructure

Fund Name	Commitment		Amount	Total	Current	Total Value (C+D)	Interim Net IRR
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Market Value (D)		
KKR Atlanta Co-Invest	\$ 24,000	9/26/2014	\$ 21,428	\$ 28,551	\$ -	\$ 28,551	5.7%
KKR Taurus Co-Invest II	\$ 25,000	8/15/2017	\$ 25,000	\$ 56,779	\$ 839	\$ 57,618	21.4%
KKR Byzantium Infrastructure Aggregator	\$ 15,000	10/17/2017	\$ 15,000	\$ 7,013	\$ 11,169	\$ 18,182	4.7%
KKR Global Infrastructure Investors III	\$ 100,000	3/29/2018	\$ 91,642	\$ 25,857	\$ 91,705	\$ 117,562	10.6%
Meridiam Infrastructure (SCA)	\$ 11,000	9/23/2015	\$ 21,938	\$ 11,716	\$ 25,330	\$ 37,046	8.2%
Meridiam Infrastructure (SCA) B Shares	\$ 1,000	9/23/2015	\$ 305	\$ 55	\$ 23,240	\$ 23,295	77.0%
Meridiam Infrastructure Europe II (SCA)	\$ 22,500	9/23/2015	\$ 27,639	\$ 17,109	\$ 34,885	\$ 51,994	11.3%
Meridiam Infrastructure Europe III SLP	\$ 95,000	4/27/2016	\$ 71,670	\$ 17,268	\$ 62,150	\$ 79,418	3.4%
Meridiam Sustainable Infrastructure Europe IV	\$ 90,000	4/16/2021	\$ 21,748	\$ 1,057	\$ 18,285	\$ 19,342	NM
Meridiam Infrastructure N.A. II	\$ 75,000	9/28/2012	\$ 88,232	\$ 39,091	\$ 161,525	\$ 200,616	15.7%
MINA II CIP	\$ 175	6/30/2015	\$ 169	\$ 29	\$ 19,130	\$ 19,159	107.5%
Meridiam Infrastructure N.A. II	\$ 20,000	6/30/2015	\$ 18,870	\$ 6,394	\$ 41,382	\$ 47,776	21.1%
Meridiam Infrastructure N.A. III	\$ 50,000	7/12/2017	\$ 32,309	\$ 1	\$ 38,056	\$ 38,057	10.2%
Stonepeak Infrastructure Partners II	\$ 140,000	11/12/2015	\$ 189,328	\$ 232,691	\$ 40,437	\$ 273,127	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	\$ 35,365	\$ 38,838	13.3%
Stonepeak Infrastructure Partners III	\$ 150,000	10/13/2017	\$ 164,779	\$ 57,735	\$ 186,079	\$ 243,814	14.5%
Stonepeak Guardian (Co-Invest) Holdings	\$ 10,000	4/27/2023	\$ 10,000	\$ 0	\$ 10,958	\$ 10,958	NM
Stonepeak Infrastructure Partners IV	\$ 125,000	5/8/2020	\$ 67,441	\$ 10,441	\$ 64,137	\$ 74,578	8.2%
Stonepeak Core Infrastructure Fund	\$ 100,000	8/5/2022	\$ 100,238	\$ 238	\$ 103,823	\$ 104,061	NM
Stonepeak Opportunities Fund	\$ 50,000	6/12/2023	\$ 7,370	\$ -	\$ 6,666	\$ 6,666	NM

MainePERS Private Market Investments Summary: 09/30/2023

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	\$ 56,755	\$ 68,862	8.7%
ACM Permanent Crops II	\$ 35,000	5/12/2016	\$ 42,415	\$ 8,885	\$ 20,299	\$ 29,184	-10.2%
AMERRA Agri Fund III	\$ 50,000	2/11/2016	\$ 98,715	\$ 83,164	\$ 20,437	\$ 103,601	1.9%
Denham Mining Fund	\$ 35,000	6/29/2018	\$ 31,349	\$ 659	\$ 37,447	\$ 38,106	6.5%
Homestead Capital Farmland II	\$ 50,000	8/8/2016	\$ 55,737	\$ 11,016	\$ 57,389	\$ 68,405	5.2%
Homestead Capital Farmland III	\$ 30,000	10/26/2018	\$ 30,403	\$ 2,654	\$ 31,159	\$ 33,814	6.6%
Orion Mine Finance Fund II	\$ 50,000	5/25/2016	\$ 101,839	\$ 77,793	\$ 46,593	\$ 124,386	8.5%
Orion Mine Finance Co-Fund II	\$ 20,000	8/13/2018	\$ 20,125	\$ -	\$ 32,449	\$ 32,449	10.2%
Silver Creek Aggregate Reserves Fund	\$ 100,000	11/6/2018	\$ 15,385	\$ 2,763	\$ 17,399	\$ 20,163	NM
Sprott Private Resource Lending Fund III	\$ 30,000	8/31/2022	\$ 2,436	\$ 539	\$ 1,689	\$ 2,228	NM
Sprott Private Resource Streaming and Royalty Annex	\$ 40,000	5/17/2023	\$ 18,345	\$ 477	\$ 18,735	\$ 19,212	NM
Taurus Mining Fund	\$ 50,000	3/27/2015	\$ 41,459	\$ 46,409	\$ 3,632	\$ 50,041	7.4%
Taurus Mining Fund Annex	\$ 23,000	12/1/2016	\$ 18,375	\$ 23,435	\$ 853	\$ 24,288	17.7%
Taurus Mining Fund No. 2	\$ 75,000	4/18/2019	\$ 64,374	\$ 45,393	\$ 31,979	\$ 77,372	17.2%
Teays River Integrated Agriculture	\$ 200,000	7/1/2015	\$ 198,974	\$ 28,770	\$ 315,264	\$ 344,034	7.4%
Twin Creeks Timber	\$ 200,000	1/7/2016	\$ 199,803	\$ 95,629	\$ 128,768	\$ 224,398	2.9%
U.S. Farming Realty Trust III	\$ 100,000	7/7/2015	\$ 110,017	\$ 11,565	\$ 143,527	\$ 155,092	6.6%
Canally Coinvest Holdings	\$ 12,500	12/9/2019	\$ 12,537	\$ 37	\$ 17,420	\$ 17,457	14.8%

MainePERS Private Market Investments Summary: 09/30/2023

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	\$ 264	\$ 29,942	13.0%
ABRY Advanced Securities Fund III	\$ 30,000	4/30/2014	\$ 45,102	\$ 28,005	\$ 17,784	\$ 45,789	0.4%
ABRY Heritage Partners	\$ 10,000	5/31/2016	\$ 10,887	\$ 12,264	\$ 7,442	\$ 19,706	26.4%
ABRY Partners VII	\$ 10,000	4/29/2011	\$ 12,939	\$ 17,340	\$ 2,177	\$ 19,517	12.1%
ABRY Partners VIII	\$ 20,000	8/8/2014	\$ 23,864	\$ 29,732	\$ 3,610	\$ 33,342	9.9%
ABRY Senior Equity IV	\$ 10,000	12/7/2012	\$ 10,845	\$ 16,881	\$ 1,106	\$ 17,987	14.6%
ABRY Senior Equity V	\$ 12,050	1/19/2017	\$ 13,029	\$ 5,898	\$ 12,934	\$ 18,832	13.7%
Advent International GPE VII	\$ 30,000	6/29/2012	\$ 34,811	\$ 53,835	\$ 4,227	\$ 58,062	13.3%
Advent International GPE VIII	\$ 50,000	2/5/2016	\$ 57,147	\$ 55,750	\$ 55,322	\$ 111,072	18.1%
Advent International GPE IX	\$ 50,000	5/9/2019	\$ 46,753	\$ 4,998	\$ 59,731	\$ 64,729	16.0%
GPE IX TKE Co-Investment	\$ 24,000	3/30/2020	\$ 21,243	\$ -	\$ 27,142	\$ 27,142	8.0%
Advent International GPE X	\$ 45,000	4/28/2022	\$ 13,500	\$ -	\$ 12,533	\$ 12,533	NM
AI Co-Investment I-A	\$ 7,500	3/2/2023	\$ 7,443	\$ -	\$ 7,423	\$ 7,423	NM
Advent Latin America PE Fund VI	\$ 20,000	10/17/2014	\$ 19,516	\$ 12,350	\$ 22,287	\$ 34,637	15.3%
Affinity Asia Pacific Fund IV	\$ 60,000	2/28/2013	\$ 64,997	\$ 74,730	\$ 32,021	\$ 106,751	15.0%
Affinity Asia Pacific Fund V	\$ 40,000	12/11/2017	\$ 23,158	\$ 4,884	\$ 22,250	\$ 27,134	7.3%
Bain Capital Ventures 2021	\$ 25,000	10/28/2020	\$ 19,250	\$ 1	\$ 20,026	\$ 20,026	2.3%
Bain Capital Ventures 2022	\$ 25,000	6/10/2022	\$ 2,375	\$ 0	\$ 1,922	\$ 1,922	NM
Bain Capital Venture Coinvestment Fund III	\$ 15,000	4/1/2021	\$ 15,000	\$ 825	\$ 15,035	\$ 15,860	3.6%
Bain Capital Venture Coinvestment Fund IV	\$ 15,000	6/10/2022	\$ 450	\$ -	\$ 427	\$ 427	NM
Berkshire Fund VIII	\$ 15,000	7/20/2011	\$ 16,846	\$ 27,586	\$ 9,354	\$ 36,940	16.7%
Berkshire Fund IX	\$ 50,000	3/18/2016	\$ 56,849	\$ 36,889	\$ 55,700	\$ 92,589	16.0%
Blackstone Capital Partners VI	\$ 30,000	6/30/2010	\$ 38,018	\$ 53,961	\$ 10,063	\$ 64,024	12.4%
Blackstone Capital Partners VII	\$ 54,000	3/27/2015	\$ 61,598	\$ 41,319	\$ 52,839	\$ 94,158	13.0%
Carlyle Asia Partners III	\$ 15,000	12/31/2009	\$ 20,752	\$ 31,105	\$ 179	\$ 31,284	12.6%
Carlyle Asia Partners IV	\$ 60,000	6/3/2014	\$ 81,617	\$ 101,354	\$ 29,312	\$ 130,666	12.9%
Carlyle Asia Partners V	\$ 45,000	10/30/2017	\$ 40,050	\$ 10,769	\$ 34,637	\$ 45,406	7.7%
Centerbridge Capital Partners III	\$ 30,000	10/24/2014	\$ 47,767	\$ 45,744	\$ 29,209	\$ 74,953	17.6%
CB Blizzard Co-Invest	\$ 15,684	9/11/2019	\$ 15,684	\$ 10,053	\$ 2,527	\$ 12,581	-17.6%
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	\$ 5,410	\$ 7,275	\$ 31	\$ 7,305	12.0%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2023

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 Capital Partners X	\$ 67,000	5/13/2015	\$ 59,406	\$ 76,351	\$ 30,130	\$ 106,480	20.0%
Charterhouse Acrostone	\$ 12,000	8/24/2018	\$ 13,254	\$ 21,268	\$ -	\$ 21,268	16.9%
Charterhouse Capital Partners XI	\$ 45,000	4/23/2021	\$ 18,245	\$ 1,329	\$ 18,481	\$ 19,810	NM
CVC Capital Partners VI	\$ 67,000	7/12/2013	\$ 101,240	\$ 122,151	\$ 54,851	\$ 177,002	16.3%
CVC Capital Partners VII	\$ 48,000	5/9/2017	\$ 73,161	\$ 43,350	\$ 65,829	\$ 109,180	21.1%
CVC Capital Partners VIII	\$ 44,000	6/11/2020	\$ 50,894	\$ 26,205	\$ 26,817	\$ 53,022	6.7%
CVC Capital Partners IX	\$ 44,000	6/29/2023	\$ -	\$ -	\$ -	\$ -	NM
EnCap Energy Capital VIII	\$ 30,000	1/31/2011	\$ 34,188	\$ 23,562	\$ 11,809	\$ 35,371	0.7%
EnCap Energy Capital Fund VIII Co-Investors	\$ 16,238	12/8/2011	\$ 16,506	\$ 5,997	\$ 6,501	\$ 12,497	-3.8%
EnCap Energy Capital Fund IX	\$ 30,000	12/19/2012	\$ 34,541	\$ 41,151	\$ 10,938	\$ 52,089	11.0%
EnCap Energy Capital Fund X	\$ 40,000	3/5/2015	\$ 42,225	\$ 55,847	\$ 24,498	\$ 80,344	15.8%
EnCap Energy Capital Fund XI	\$ 40,000	5/31/2017	\$ 40,630	\$ 21,939	\$ 42,792	\$ 64,731	21.1%
EnCap Flatrock Midstream Fund III	\$ 20,000	4/9/2014	\$ 25,255	\$ 22,642	\$ 11,971	\$ 34,613	10.2%
EnCap Flatrock Midstream Fund IV	\$ 22,000	11/17/2017	\$ 19,746	\$ 10,710	\$ 12,580	\$ 23,291	7.7%
General Catalyst X - Early Venture	\$ 19,565	3/26/2020	\$ 18,880	\$ -	\$ 32,443	\$ 32,443	23.6%
General Catalyst X - Endurance	\$ 22,826	3/26/2020	\$ 22,859	\$ -	\$ 21,601	\$ 21,601	-2.1%
General Catalyst X - Growth Venture	\$ 32,609	3/26/2020	\$ 32,120	\$ -	\$ 35,198	\$ 35,198	3.6%
General Catalyst XI - Creation	\$ 8,823	10/29/2021	\$ 4,169	\$ -	\$ 4,275	\$ 4,275	NM
General Catalyst XI - Endurance	\$ 29,412	10/29/2021	\$ 23,367	\$ -	\$ 22,520	\$ 22,520	NM
General Catalyst XI - Ignition	\$ 11,765	10/29/2021	\$ 7,723	\$ -	\$ 7,384	\$ 7,384	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	\$ 35,411	\$ 112,112	32.7%
GTCR Fund XII	\$ 50,000	9/29/2017	\$ 51,713	\$ 31,746	\$ 57,242	\$ 88,988	24.0%
Co-Investment #1	\$ 5,238	4/26/2019	\$ 4,556	\$ -	\$ 9,649	\$ 9,649	18.6%
Co-Investment #2	\$ 5,997	11/1/2019	\$ 5,911	\$ 10,962	\$ 2,618	\$ 13,580	45.1%
GTCR XIII	\$ 50,000	10/27/2020	\$ 25,978	\$ 5,447	\$ 25,906	\$ 31,353	17.4%
GTCR XIV	\$ 50,000	12/16/2022	\$ -	\$ -	\$ -	\$ -	NM
H.I.G. Bayside Loan Fund II	\$ 25,000	5/28/2010	\$ 24,020	\$ 32,189	\$ 270	\$ 32,459	7.1%
H.I.G. Bayside Loan Ops Fund III (Europe)	\$ 30,000	7/27/2012	\$ 26,707	\$ 31,070	\$ 3,412	\$ 34,483	7.2%
H.I.G. Brazil & Latin America Partners	\$ 60,000	7/1/2015	\$ 69,040	\$ 26,649	\$ 73,744	\$ 100,394	12.2%
H.I.G. Capital Partners V	\$ 15,000	2/28/2013	\$ 21,070	\$ 31,337	\$ 9,358	\$ 40,694	23.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2023

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
H.I.G. Europe Capital Partners II	\$ 22,500	7/1/2013	\$ 25,240	\$ 20,667	\$ 14,907	\$ 35,574	11.1%
H.I.G. Growth Buyouts & Equity Fund II	\$ 17,500	6/30/2011	\$ 23,683	\$ 27,565	\$ 13,320	\$ 40,884	13.9%
H.I.G. Growth Buyouts & Equity Fund III	\$ 35,000	9/13/2018	\$ 16,492	\$ 2,134	\$ 15,163	\$ 17,297	NM
H.I.G Middle Market LBO Fund II	\$ 40,000	2/7/2014	\$ 48,874	\$ 68,526	\$ 21,462	\$ 89,988	26.4%
Co-Investment #1	\$ 9,000	10/12/2017	\$ 9,000	\$ -	\$ (32)	\$ (32)	-100.0%
Co-Investment #2	\$ 686	6/19/2020	\$ 686	\$ -	\$ 954	\$ 954	10.6%
Co-Investment #3	\$ 1,000	6/1/2021	\$ 1,079	\$ -	\$ 11	\$ 11	-86.3%
H.I.G. Middle Market LBO Fund III	\$ 40,000	7/23/2019	\$ 34,813	\$ 2,021	\$ 40,691	\$ 42,712	15.1%
Hellman & Friedman Capital Partners VII	\$ 30,000	6/19/2009	\$ 44,355	\$ 105,844	\$ 7,039	\$ 112,884	24.7%
Hellman & Friedman Capital Partners VIII	\$ 45,000	9/24/2014	\$ 48,803	\$ 26,913	\$ 56,080	\$ 82,993	13.2%
Hellman & Friedman Capital Partners IX	\$ 45,000	9/28/2018	\$ 46,070	\$ 3,147	\$ 61,227	\$ 64,374	13.7%
Hellman & Friedman Capital Partners X	\$ 45,000	5/10/2021	\$ 32,383	\$ -	\$ 35,713	\$ 35,713	6.8%
Inflexion Buyout Fund IV	\$ 27,000	9/30/2014	\$ 34,338	\$ 40,916	\$ 19,281	\$ 60,197	15.1%
Inflexion Partnership Capital Fund I	\$ 17,000	9/30/2014	\$ 26,034	\$ 40,815	\$ 6,415	\$ 47,230	22.1%
Inflexion Supplemental Fund IV	\$ 10,000	5/31/2016	\$ 15,169	\$ 22,276	\$ 7,103	\$ 29,379	23.7%
Kelso Investment Associates VIII	\$ 3,000	1/6/2011	\$ 3,022	\$ 4,263	\$ 76	\$ 4,338	7.9%
Kelso Investment Associates IX	\$ 60,000	11/5/2014	\$ 70,283	\$ 87,690	\$ 33,992	\$ 121,682	19.6%
KIA IX (Hammer) Investor	\$ 25,000	8/12/2016	\$ 25,426	\$ 69,298	\$ 309	\$ 69,606	21.4%
Kelso Investment Associates X	\$ 45,000	3/16/2018	\$ 48,272	\$ 15,611	\$ 71,809	\$ 87,420	30.3%
Kelso Investment Associates XI	\$ 45,000	12/22/2021	\$ 10,476	\$ 961	\$ 12,426	\$ 13,386	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	\$ 100,517	\$ 166,162	\$ 21,794	\$ 187,956	19.2%
KKR North America Fund XI (Platinum)	\$ 8,003	2/26/2016	\$ 8,040	\$ 2,313	\$ 5,393	\$ 7,706	-0.8%
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	\$ 63,524	\$ 39,251	\$ 72,512	\$ 111,763	19.8%
KKR Sigma Aggregator	\$ 15,000	6/22/2018	\$ 15,000	\$ -	\$ 23,753	\$ 23,753	9.1%
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	\$ 1,017	\$ 8,261	-8.7%
KKR North America XIII	\$ 40,000	6/25/2021	\$ 17,771	\$ -	\$ 18,603	\$ 18,603	NM
KKR Special Situations Fund	\$ 60,000	12/19/2012	\$ 118,957	\$ 100,114	\$ 10,624	\$ 110,738	-2.5%
KKR Special Situations Fund II	\$ 60,000	12/19/2014	\$ 98,284	\$ 78,212	\$ 23,161	\$ 101,373	1.2%

MainePERS Private Market Investments Summary: 09/30/2023

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
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	\$ 88	\$ 44,008	9.1%
ONCAP IV	\$ 15,000	11/8/2016	\$ 15,962	\$ 5,321	\$ 18,911	\$ 24,232	13.7%
Onex Partners III	\$ 10,000	1/6/2011	\$ 11,202	\$ 17,038	\$ 1,787	\$ 18,824	13.1%
Onex Partners IV	\$ 60,000	11/22/2013	\$ 62,871	\$ 50,953	\$ 39,595	\$ 90,549	8.0%
Co-Investment #1	\$ 10,000	2/27/2017	\$ 10,471	\$ 1,235	\$ 5,573	\$ 6,808	-7.4%
Onex Partners V	\$ 45,000	7/11/2017	\$ 39,000	\$ 5,911	\$ 45,330	\$ 51,241	13.5%
Paine & Partners Capital Fund IV	\$ 60,000	12/18/2014	\$ 56,684	\$ 29,070	\$ 48,981	\$ 78,051	7.5%
Wawona Co-Investment Fund I	\$ 15,000	3/31/2017	\$ 15,023	\$ -	\$ 3	\$ 3	-86.0%
Lyons Magnus Co-Investment Fund I	\$ 15,000	11/8/2017	\$ 15,016	\$ -	\$ 25,164	\$ 25,164	9.2%
PSP Maverick Co-Invest	\$ 7,238	9/12/2019	\$ 7,264	\$ -	\$ 516	\$ 516	-48.2%
PSP AH&N Co-Investment Fund	\$ 19,724	11/27/2019	\$ 17,539	\$ -	\$ 32,418	\$ 32,418	18.4%
Paine Schwartz Food Chain Fund V	\$ 45,000	8/3/2018	\$ 46,537	\$ 23,888	\$ 39,404	\$ 63,292	21.3%
SNFL Co-Investment Fund	\$ 5,000	10/11/2019	\$ 5,024	\$ 5,524	\$ 4,453	\$ 9,977	19.5%
Rhone Partners V	\$ 56,000	3/12/2015	\$ 75,954	\$ 65,200	\$ 63,592	\$ 128,792	16.4%
Riverside Capital Appreciation Fund VI	\$ 60,000	7/3/2013	\$ 63,008	\$ 79,860	\$ 20,009	\$ 99,868	12.0%
RCAF VI CIV XXXII	\$ 12,399	10/21/2015	\$ 12,687	\$ 35,268	\$ -	\$ 35,268	19.9%
Riverside Micro-Cap Fund III	\$ 35,000	6/30/2014	\$ 51,608	\$ 194,767	\$ 40,653	\$ 235,420	36.1%
Riverside Micro-Cap Fund IV	\$ 60,000	10/23/2015	\$ 55,659	\$ 5,112	\$ 81,689	\$ 86,801	8.0%
Riverside Micro-Cap Fund IV-B	\$ 20,000	8/9/2019	\$ 24,292	\$ 5,583	\$ 37,395	\$ 42,978	23.5%
Riverside Micro-Cap Fund V	\$ 40,000	8/21/2018	\$ 33,628	\$ 2,513	\$ 48,665	\$ 51,178	16.8%
Riverside Micro-Cap Fund VI	\$ 45,000	8/26/2021	\$ 13,878	\$ 263	\$ 13,967	\$ 14,230	NM
Shoreview Capital Partners III	\$ 24,000	7/24/2013	\$ 25,657	\$ 28,779	\$ 24,865	\$ 53,644	18.0%
Shoreview Capital Partners IV	\$ 30,000	6/3/2019	\$ 17,031	\$ 5,989	\$ 18,483	\$ 24,472	39.0%
Sovereign Capital IV	\$ 46,500	7/7/2014	\$ 40,344	\$ 26,905	\$ 32,417	\$ 59,323	10.0%
Summit Partners Credit II	\$ 60,000	10/25/2013	\$ 90,831	\$ 87,991	\$ 17,753	\$ 105,744	5.7%
Summit Europe Growth Equity III	\$ 22,000	3/18/2020	\$ 18,184	\$ -	\$ 19,372	\$ 19,372	4.7%
Summit Europe Growth Equity IV	\$ 22,000	2/10/2023	\$ -	\$ -	\$ -	\$ -	NM
Summit Growth Equity VIII	\$ 25,000	5/27/2011	\$ 33,445	\$ 63,535	\$ 11,922	\$ 75,456	26.1%
Co-Investment #1	\$ 16,000	6/3/2015	\$ 16,000	\$ 38,735	\$ 18,893	\$ 57,628	31.4%

MainePERS Private Market Investments Summary: 09/30/2023

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 IX	\$ 60,000	8/26/2015	\$ 83,969	\$ 91,405	\$ 80,841	\$ 172,246	29.0%
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	\$ -	\$ 15,508	\$ 15,508	0.0%
Summit Partners Co-Invest (Giants-B)	\$ 15,000	10/22/2019	\$ 15,000	\$ 41,780	\$ 5,448	\$ 47,228	80.8%
Summit Growth Equity X	\$ 60,000	2/26/2019	\$ 61,418	\$ 18,176	\$ 64,422	\$ 82,598	17.7%
Summit Partners Co-Invest (Lions)	\$ 7,534	10/14/2020	\$ 7,534	\$ 119	\$ 14,420	\$ 14,539	26.0%
Summit Partners Co-Invest (Indigo)	\$ 10,000	12/11/2020	\$ 11,436	\$ -	\$ 11,424	\$ 11,424	0.0%
Summit Growth Equity XI	\$ 45,000	10/1/2021	\$ 11,487	\$ -	\$ 12,406	\$ 12,406	NM
Summit Venture Capital III	\$ 13,150	5/27/2011	\$ 18,044	\$ 32,899	\$ 2,902	\$ 35,801	17.5%
Summit Venture Capital IV	\$ 40,000	8/26/2015	\$ 51,043	\$ 48,377	\$ 58,620	\$ 106,997	36.1%
Summit Venture Capital V	\$ 45,000	6/16/2020	\$ 26,101	\$ 2,771	\$ 23,660	\$ 26,431	0.9%
Summit Partners Co-Invest (CS)	\$ 13,753	10/22/2021	\$ 13,798	\$ -	\$ 11,709	\$ 11,709	NM
Technology Crossover Ventures VIII	\$ 60,000	5/8/2013	\$ 55,596	\$ 48,062	\$ 65,431	\$ 113,493	11.4%
Technology Crossover Ventures IX	\$ 60,000	2/19/2016	\$ 48,427	\$ 49,773	\$ 50,846	\$ 100,619	19.9%
TCV Sports	\$ 8,000	9/25/2018	\$ 8,000	\$ -	\$ 8,726	\$ 8,726	1.8%
Technology Crossover Ventures X	\$ 45,000	8/31/2018	\$ 36,448	\$ 10,890	\$ 58,754	\$ 69,644	22.0%
Technology Crossover Ventures XI	\$ 45,000	10/2/2020	\$ 27,647	\$ -	\$ 24,136	\$ 24,136	-8.3%
Technology Impact Fund	\$ 40,000	12/18/2017	\$ 37,554	\$ 23,745	\$ 89,536	\$ 113,281	45.0%
Technology Impact Fund II	\$ 40,000	4/13/2021	\$ 12,686	\$ 325	\$ 12,708	\$ 13,033	NM
Technology Impact Growth Fund	\$ 40,000	11/26/2018	\$ 49,485	\$ 26,676	\$ 29,786	\$ 56,462	6.3%
Technology Impact Growth Fund II	\$ 40,000	8/6/2021	\$ 15,968	\$ -	\$ 14,173	\$ 14,173	NM
TIGF II Direct Strategies LLC - Series 3	\$ 5,000	7/14/2023	\$ 5,000	\$ -	\$ 4,992	\$ 4,992	NM
Thoma Bravo Fund XI	\$ 50,000	5/1/2014	\$ 74,040	\$ 145,149	\$ 56,338	\$ 201,487	26.6%
Thoma Bravo Fund XII	\$ 60,000	4/27/2016	\$ 78,447	\$ 80,943	\$ 67,033	\$ 147,977	16.3%
Thoma Bravo Fund XIII	\$ 45,000	12/7/2018	\$ 59,671	\$ 31,856	\$ 74,544	\$ 106,400	28.6%
Thoma Bravo Special Opportunities Fund II	\$ 15,000	3/27/2015	\$ 18,113	\$ 21,091	\$ 16,223	\$ 37,313	16.1%
Thoma Bravo Discover Fund IV	\$ 45,000	7/1/2022	\$ 18,829	\$ -	\$ 20,228	\$ 20,228	NM
Tillridge Global Agribusiness Partners II	\$ 50,000	10/21/2016	\$ 28,819	\$ 2,900	\$ 23,895	\$ 26,795	-2.3%
Water Street Healthcare Partners III	\$ 25,000	7/25/2012	\$ 30,292	\$ 78,671	\$ 10,106	\$ 88,776	35.5%
Water Street Healthcare Partners IV	\$ 33,000	9/15/2017	\$ 35,377	\$ 10,624	\$ 47,237	\$ 57,860	19.1%
Water Street Healthcare Partners V	\$ 43,000	4/15/2022	\$ 5,719	\$ -	\$ 4,679	\$ 4,679	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2023

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)	
Wayzata Opportunities Fund III	\$ 30,000	9/11/2012	\$ 14,718	\$ 11,686	\$ 3,176	\$ 14,862	0.2%
Wynnchurch Capital Partners IV	\$ 40,000	10/23/2014	\$ 38,351	\$ 44,971	\$ 56,904	\$ 101,875	26.8%
Wynnchurch Capital Partners V	\$ 40,000	1/15/2020	\$ 28,231	\$ 538	\$ 34,155	\$ 34,693	13.7%

MainePERS Private Market Investments Summary: 09/30/2023

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	\$ 45,941	\$ 3,521	\$ 47,679	\$ 51,200	6.1%
Angelo Gordon Realty Fund XI	\$ 50,000	3/31/2022	\$ 7,500	\$ -	\$ 7,216	\$ 7,216	NM
Bain Capital Real Estate II	\$ 50,000	3/5/2021	\$ 27,080	\$ 2,365	\$ 27,366	\$ 29,731	8.1%
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	\$ 43,714	\$ 407,343	\$ 451,057	5.4%
Blackstone Real Estate Partners VII	\$ 75,000	2/26/2012	\$ 104,422	\$ 156,076	\$ 11,931	\$ 168,007	14.7%
Blackstone Real Estate Partners VIII	\$ 50,000	3/27/2015	\$ 63,972	\$ 65,315	\$ 36,984	\$ 102,299	15.1%
Blackstone Real Estate Partners IX	\$ 40,000	12/21/2018	\$ 44,994	\$ 16,201	\$ 46,648	\$ 62,849	20.4%
Barings Asia Real Estate II	\$ 50,000	7/31/2018	\$ 27,008	\$ 2,506	\$ 22,686	\$ 25,192	-3.1%
EQT Real Estate II	\$ 55,000	4/26/2019	\$ 32,356	\$ 5,268	\$ 29,615	\$ 34,883	4.2%
EQT Real Estate Rock Co-Investment	\$ 11,000	8/10/2020	\$ 9,281	\$ -	\$ 10,832	\$ 10,832	6.5%
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	\$ 95,998	\$ 54,063	\$ 128,923	\$ 182,985	8.1%
HSRE-Coyote Maine PERS Core Co-Investment	\$ 20,000	12/4/2020	\$ 14,201	\$ 1,769	\$ 12,431	\$ 14,200	0.0%
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	\$ 5,855	\$ 37,641	\$ 43,496	22.1%
HSREF VI Elgin Co-Invest	\$ 10,000	4/9/2021	\$ 10,000	\$ 1,575	\$ 13,748	\$ 15,323	20.4%
High Street Real Estate Fund VII	\$ 35,000	8/16/2021	\$ 35,000	\$ -	\$ 39,360	\$ 39,360	11.1%
High Street Real Estate VII Venture	\$ 15,000	3/17/2023	\$ 15,000	\$ -	\$ 14,880	\$ 14,880	NM
Hines US Property Partners	\$ 200,000	9/9/2021	\$ 114,643	\$ 12,421	\$ 99,343	\$ 111,764	-2.2%
Invesco Real Estate Asia IV	\$ 30,000	3/25/2020	\$ 23,831	\$ 16,983	\$ 8,876	\$ 25,858	10.4%
Invesco US Income Fund	\$ 195,000	7/17/2014	\$ 230,599	\$ 71,876	\$ 316,345	\$ 388,221	10.1%
IPI Data Center Partners I	\$ 30,000	12/15/2017	\$ 34,788	\$ 19,556	\$ 33,524	\$ 53,080	15.1%
IPI Data Center Partners II	\$ 25,000	12/20/2019	\$ 23,346	\$ 1,619	\$ 24,037	\$ 25,656	8.7%
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	\$ 53,582	\$ 54,632	\$ 15,149	\$ 69,781	9.7%
KKR Real Estate Partners Europe II	\$ 25,000	12/23/2019	\$ 19,932	\$ 6,137	\$ 14,167	\$ 20,304	1.4%
KKR Real Estate Partners Americas I	\$ 50,000	12/20/2013	\$ 50,037	\$ 59,408	\$ 2,307	\$ 61,714	10.9%
KKR Real Estate Partners Americas II	\$ 50,000	6/2/2016	\$ 60,978	\$ 71,922	\$ 11,654	\$ 83,576	19.8%
Northbridge-Strategic Fund II	\$ 30,000	2/8/2019	\$ 30,000	\$ 4,591	\$ 45,317	\$ 49,908	12.2%
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: 09/30/2023

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	\$ 14,428	\$ 15,056	-14.3%
LCC Co-Investor B	\$ 15,000	10/18/2019	\$ 15,000	\$ -	\$ 4,487	\$ 4,487	-29.9%
Rubenstein Properties Fund IV	\$ 25,000	4/16/2019	\$ 8,286	\$ 56	\$ 2,639	\$ 2,695	NM
Prudential Senior Housing Fund V	\$ 50,000	3/17/2015	\$ 41,333	\$ 5,453	\$ 44,937	\$ 50,390	3.6%
Smart Markets Fund, L.P.	\$ 195,000	6/17/2013	\$ 224,993	\$ 72,135	\$ 300,452	\$ 372,586	8.6%
Stonelake Opportunity Partners VII	\$ 40,000	6/30/2022	\$ 0	\$ -	\$ (1,406)	\$ (1,406)	NM
Walton Street Real Estate Fund VII	\$ 50,000	5/9/2012	\$ 43,990	\$ 50,664	\$ 9,242	\$ 59,906	8.8%
Walton Street Real Estate Fund VIII	\$ 50,000	10/23/2015	\$ 42,789	\$ 35,597	\$ 22,594	\$ 58,191	9.4%
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	\$ 17,427	\$ 17,500	\$ 2,493	\$ 19,993	5.1%
Westbrook Real Estate Fund X	\$ 50,000	1/15/2015	\$ 48,746	\$ 42,649	\$ 15,233	\$ 57,882	7.5%
Westbrook Real Estate Fund XI	\$ 40,000	1/31/2019	\$ 30,960	\$ 11,223	\$ 24,011	\$ 35,234	16.1%

MainePERS Private Market Investments Summary: 09/30/2023

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.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CEO
SUBJECT: CEO REPORT
DATE: APRIL 3, 2024

Fiduciary Duty Education

Amy McDuffee, of Mosaic Governance Advisors, will be with us to conduct annual fiduciary duty education. The educational session includes a nuanced discussion of the fiduciary duties of Trustees for public pension plans informed by case studies, which we request be reviewed by Trustees prior to the meeting.

Fiscal Year 2025 Budget

We will present a draft of the proposed FY25 Administrative and Investment Operations budgets to the Finance and Audit Committee at their meeting on April 11th for their review and comment. All Trustees are welcome to attend the meeting which begins at 8am prior to the Board of Trustees meeting. The FY25 budgets will be presented to the full Board for consideration at the June meeting.

PAS System Briefing

MainePERS' current pension administration system (PAS) is at end of life and in need of replacement. Planning for this transition began in fall 2022. At the October 2023 Board of Trustees Meeting, Chief Services Officer Chip Gavin and I presented an overview of the project, including the process for developing the request for proposals (RFP). We anticipate releasing the RFP later this month and will keep the Board apprised as the process unfolds.

At the April Board of Trustees meeting, I will present an updated briefing on the project, including both the need for and advantages of a new PAS system, the key performance indicators to which the Board should pay attention to during development, the challenges and risks associated with an information technology project of this scope, best practices in planning for a PAS system, and the estimated costs for system development and associated staffing and change management plans.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

PAS System Briefing
Board of Trustees
April 11, 2024

Dr. Rebecca M. Wyke, Chief Executive Officer

New PAS System

- ◆ MainePERS current PAS is at end of life and in need of replacement
- ◆ A new PAS also offers several advantages:
 - ◆ Increased accuracy and efficiency through process automation
 - ◆ Knowledge transfer, with complex rules embedded in platform
 - ◆ Convenient user access to data and streamlined workflows
 - ◆ Improved data integrity and security, operational resiliency, and reduction of risk
 - ◆ Enhanced access and service for members and employers
 - ◆ Comprehensive communications and reporting tools
- ◆ A new PAS is integral to achieving the goals of the Strategic Plan

5-Year Strategic Plan

The new PAS is integral to achieving the goals of the Strategic Plan:

Goal III: Security and Integrity of our Information Systems

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

Goal IV: Cultivation of a Member-centric Organization

- ◆ Develop a comprehensive member education, communications, and service model that supports planning for retirement security
- ◆ Improve processes to promote timely and accurate service by ensuring the integrity of the data, streamlining and automating workflow processes, and reducing processing times

Goal V: Development of Stakeholder Relations

- ◆ Develop a comprehensive employer, education, communications, and service model and partner with employers and third-party payroll vendors to streamline processing and improve reporting

Phase IV: System Development & Testing - KPIs

◆ Scope

Determining and documenting the list of specific project goals, deliverables, tasks, costs, and deadlines.

◆ Resources

Determining and resourcing sufficient internal (staff) and external (consultants) resources to support the project and maintain current operations.

◆ Budget

Determining and allocating sufficient funding to meet contract and resource needs.

Challenges/Risks

- ◆ Data quality & migration
- ◆ Plan complexities
- ◆ Manual or automated workarounds
- ◆ Limited subject matter experts (SME) on staff and some pending retirement
- ◆ Maintaining current operations and addressing member request backlogs & employer account reconciliations
- ◆ Project duration
- ◆ Readiness of the organizational culture for change

Best Practices Planning for PAS Development

- ◆ Budget for change management
- ◆ Ensure contract reflects full scope of work
- ◆ Prepare in advance for data migration
- ◆ Staff up and do it early to free up subject matter experts to focus on the project
- ◆ Exercise good change management practices, educate and engage staff and communicate often
 - ◆ Discuss why a new PAS system is needed
 - ◆ Envision the future state
 - ◆ Build buy-in and engagement early
- ◆ Educate, engage and communicate with external stakeholders

Estimated Cost of New PAS

Linea Estimate	Low	Medium	High
Capital cost	\$14.5m	\$24.5m	\$34.6m
10 year amortization	\$1.45m	\$2.45m	\$3.46m
Annual infrastructure & licensing	\$0.7m	\$0.7m	\$0.7m
Annual maintenance & support	\$0.7m	\$0.7m	\$0.7m
Year 1 - Total Cost	\$2.85m	\$3.85m	\$4.86m
Increase over V3 Annual Cost	5.9%	43.3%	80.6%

Cost of Current V3 System

◆ V3 Capital Cost	\$13.00m
- adjusted for inflation	\$15.60m
V3 Annual Cost - licensing & support	\$ 1.20m
◆ V3 Annual Total Cost	\$ 2.39m
- adjusted for inflation*	\$ 2.69m

*V3 FY22 costs for depreciation, support, maintenance, and environment rolled forward to FY27.

Staffing & Change Management Plans

Goals:

- ◆ Improve our ability to meet current member and employer needs
 - ◆ Continue to address backlog of member requests
 - ◆ Continue to reconcile employer accounts
- ◆ Enhance organizational capacity for successful PAS system development and deployment
- ◆ Retain knowledgeable and experienced staff for the duration of the project

Staffing

Considerations:

- ◆ Current staffing levels not sufficient to meet member and employer needs (member request backlogs, employer account reconciliations)
- ◆ Current staff of 128 is below 2009 level of 138
- ◆ Membership has grown over the past decade by 14k
 - ◆ Active Members have grown by 9.25%
 - ◆ Retired Members & Beneficiaries have grown by 22%

Plan:

- ◆ 12 new positions
 - ◆ 7 Member Services
 - ◆ 5 Employer Reporting
- ◆ Cost: \$1,291,605

Change Management

Considerations:

- ◆ Budgeting for change management is a best practice
- ◆ Rule of thumb, budget 10-15% of project cost for change management, \$2.45m to \$3.68m at “medium” estimated cost
- ◆ Project duration 3 years, plus 1 year after “go live” for a total of 4 years

Plan:

- ◆ 4 project staff, \$467,766 *annual, duration of project - estimate 4 years*
 - ◆ 1 Project Manager, 1 Technical Writer, & 2 Business Analysts
- ◆ Data Conversion, \$300,000 *estimated total for project, spread over 2 years*
- ◆ Consulting, \$575,000 *estimated total for project, spread over 4 years*
 - ◆ Linea support, \$200,000
 - ◆ Other consulting, \$375,000

Total Cost, \$2.75m *estimated cost of change management over 4 years*

Budget Capacity

- ◆ Size of trust fund sufficient to support increased budget
 - ◆ Average fund administrative expenses = 16 BP* all plans
 - ◆ FY23 FNP is \$18.9b; 16 BP = \$30.2m
 - ◆ FY24 Administrative Expenses = \$19.4m

**NCPERS 2024 Public Retirement Systems Study:
Trends in Fiscal, Operational, and Business Practices*

Comparators

FY 2023	Comparators		
	MainePERS	Ohio SERS	Michigan MERS
Fund Size - FNP FY23	\$18.9b	\$18.3b	\$14.1b
Members & Annuitants	113,600	236,214	101,109
Admin staff/member ratio	1 to 988	1 to 1,312	1 to 772
Administrative Staff	115	180	73
Administrative Expense	\$16.5m	\$33.2m	\$21.3m
- Personal Services	\$9.9m	\$20.4m	\$16.5m
16 BP - Admin Expense	\$30.2m	\$29.3m	\$22.6m
% of budget capacity	55%	113%	94%
Investment staff	9	12	5
Investment Expense	\$145.8m	\$115.9m	\$10.5m*
- Personal Services	\$5.9m	\$4.4m	\$2.8m

**Does not include management fees for alternative & comingled funds.*

- *Comparators provided by Hudepohl & Associates*
- *Data from 2023 NASRA Roll Call and 2023 ACFR for each respective plan*
- *Note: MainePERS FY24 Administrative Operations Budget is \$19.4m*

Estimated Costs

Costs:

New Staff	\$1.29m	<i>annual, ongoing</i>
New PAS - capital cost	\$2.45m	<i>annual, 10-year depreciation at “medium” estimated cost</i>
New PAS - annual cost	\$1.40m	<i>annual, ongoing</i>
Change Management	\$2.75m	<i>estimated total cost over 4 years</i>

Costs by Fiscal Year:

FY25**	FY26*	FY27*	FY28	FY29*
\$2.14m	\$2.02m	\$5.75m	\$5.89m	\$5.36m

**reflects costs for new staff and project staff*

**reflects one-time costs for data conversion*

**reflects ongoing annual cost of depreciation and support for new PAS system*

**reflects end of project staff and change management costs*

MAINEPERS

BOARD OF TRUSTEES RULEMAKING MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND
GENERAL COUNSEL
SUBJECT: RULEMAKING UPDATE
DATE: APRIL 3, 2024

On April 17, 2024, we plan to publish notice of intent to repeal and replace Rule Chapter 201, which governs payroll reporting by employers. The current rule has not been amended since it was adopted in 1985. The proposed replacement rule would set expectations for payroll reporting, submission of contributions, and payment of Group Life Insurance premiums and provide for late fees and interest. A copy of the proposed rule is attached. A public hearing would be held at the May Board meeting, with Board consideration of the proposal at the June Board meeting.

POLICY REFERENCE

[Board Policy 2.3 -- Rulemaking](#)

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

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

RECOMMENDATION

No Board action is required at this time.

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 201: EMPLOYER REPORTING AND PAYMENTS

SUMMARY: This Chapter sets out requirements regarding employer reporting and payment of contributions and premiums.

SECTION 1. REPORTING AND PAYMENT REQUIREMENTS

1. **Payroll Reporting.** Every employer reporting unit is required to submit a complete and accurate payroll report to the Maine Public Employees Retirement System (“MainePERS”) within 15 days after the end of each month (“the Due Date”). The report shall contain data relating to all payrolls paid during the calendar month immediately preceding the Due Date and shall be in the format prescribed by the Chief Executive Officer.
2. **Submission of Contributions and Insurance Premiums.** Every employer reporting unit is required by the Due Date to electronically submit in the manner prescribed by the Chief Executive Officer: (1) the employer and employee contributions for the time period covered by the report; and (2) the Group Life Insurance (“GLI”) premiums as invoiced by MainePERS.

SECTION 2. LATE FEES AND INTEREST

1. **Late Fees.** An employer reporting unit that has not submitted a complete and accurate payroll report as determined by the Chief Executive Officer within 30 days after the Due Date may be charged a late fee of \$100 per day calculated from the Due Date until a complete and accurate report has been received by MainePERS.
2. **Interest.** An employer reporting unit that has failed to pay any employer and employee contributions and GLI premiums required to be paid pursuant to section 1, subsection 2 within 30 days after the Due Date, regardless of whether a complete and accurate payroll report has been submitted, may be charged interest on the amount owed at the then-current actuarial discount rate, compounded monthly, from the Due Date until the amount owed is paid in full.

STATUTORY AUTHORITY: 3 M.R.S. § 731(2); 4 M.R.S. § 1231(2); 5 M.R.S. §§ 17103(4), 17203(1), 18053, 18653

CHAPTER 436 (L.D. 483) – RETROACTIVE SPECIAL PLAN COVERAGE

This law provides retroactive special plan coverage for certain employees of the Department of Corrections. This law is effective July 1, 2024. The bill included an appropriation of approximately \$170 thousand to pay for the increased liabilities associated with this plan change.

BILLS CARRIED OVER – LABOR AND HOUSING COMMITTEE**L.D. 550 – CORRECTIONAL OFFICER BENEFITS**

This concept draft proposes to increase benefits for correctional officers, including changing the special plan by which they are covered. A public hearing was held on May 9, 2023 before the Criminal Justice and Public Safety Committee. The bill was subsequently referred to the Labor and Housing Committee. A work session was held on January 25, 2024, at which the Committee voted unanimously ought not to pass.

L.D. 926 – MAINEPERS REPRESENTATION

The stated intent of this concept draft is to improve MainePERS representation. A public hearing has not yet been held on this bill. This bill was withdrawn by the sponsor.

L.D. 1152 – LONG-TERM DISABILITY INSURANCE

This bill requires the Board to offer long-term disability insurance coverage to participating employers and requires employers to pay the full cost of that coverage. This bill is the version of the proposed legislation included in the November 2022 Long-Term Disability Insurance Implementation Plan that was favored by the labor members of the stakeholder group. *This bill was voted majority ought to pass as amended, and the amendment requires the State to pay the full cost of premiums and other carrier fees. This bill has been placed on the Special Appropriations Table for funding consideration.*

L.D. 1424 – DEPARTMENT OF CORRECTIONS SPECIAL PLAN

This bill changes the plan by which certain Department of Corrections employees are covered from the 1998 Special Plan to the 25 year, regardless of age special plan. The preliminary cost of this plan change was estimated to be approximately \$10.8 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs, since the normal cost of the new plan is higher than the current plan by which these employees are covered. A work session was held on January 30, 2024, at which the Committee voted unanimously ought to pass as amended. The amendment will make technical changes to

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the wording of the bill and also add the fiscal note. The updated fiscal note submitted by the System is \$15.3 million in increased liabilities. *This bill has been placed on the Special Appropriations Table for funding consideration.*

BILLS CARRIED OVER – SPECIAL APPROPRIATIONS TABLE

L.D. 70 – COLA BASE

This bill, as amended, would change the COLA Base, which is the level of benefit that is subject to a cost-of-living adjustment (COLA), to \$40,000. This applies to retirees from the State-sponsored plans. The cost of this plan change is estimated to be approximately \$745 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs of approximately \$8.8 million annually.

L.D. 185 – TEACHER EARLY RETIREMENT

This bill would change the early retirement reduction that applies to teachers with at least thirty-five years of service credit. The amended bill reduces the early retirement reduction from the current reduction of 6% per year to 5% per year versus the 2% originally proposed in the bill. The cost of this plan change is estimated to be approximately \$12.3 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs of approximately \$227 thousand annually.

L.D. 426 – MILITARY SERVICE PURCHASE

This bill expands the periods of military service that eligible members may purchase at a subsidized rate. The bill was amended to add a requirement that the System report back on the experience under the new law. The cost of this plan change is estimated to be approximately \$2.6 million in increased liabilities, which would have to be funded when the change is enacted.

L.D. 610 – EXPAND 1998 SPECIAL PLAN – MEDICAL EXAMINER EMPLOYEES

This bill would allow certain employees in the Office of the Chief Medical Examiner who are currently included in the regular plan to be covered instead by the 1998 Special Plan. The bill was amended to change the effective date of special plan coverage to October 1, 2023. The cost of this plan change is estimated to be approximately \$347 thousand in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs, since the special plan normal cost rate is higher than the regular plan rate.

L.D. 1096 – COLA CAP

This bill, as amended, would provide an additional 2% cumulative COLA effective September 2022. The cost of this plan change is estimated to be approximately \$182 million in increased liabilities, which would have to be funded when the change is enacted, and a future increase in normal costs, which would be determined as part of future ratemaking.

L.D. 1760 – EXPAND 1998 SPECIAL PLAN – CRISIS WORKERS

This bill would allow certain employees in the Department of Health and Human Services who are currently included in the regular plan to be covered instead by the 1998 Special Plan. The bill was amended to remove a member election that is not permissible under federal law. The cost of this plan change is estimated to be approximately \$1.6 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs, since the special plan normal cost rate is higher than the regular plan rate.

L.D. 1761 – EXPAND 1998 SPECIAL PLAN – MENTAL HEALTH WORKERS

This bill would allow certain employees in the Department of Health and Human Services who are currently included in the regular plan to be covered instead by the 1998 Special Plan. The bill was amended to remove a member election that is not permissible under federal law. The cost of this plan change is estimated to be approximately \$8.4 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs, since the special plan normal cost rate is higher than the regular plan rate.

OTHER CARRIED OVER BILLS

L.D. 457 – INCREASED COLA BASE

This bill was a concept draft carried over by the Taxation Committee. The amended bill includes language to set the COLA Base in 2024 (i.e., for the COLA paid in September 2024) to \$40,000, after which time it would revert back to the level that otherwise would have applied absent this change. The cost of this plan change is estimated to be approximately \$40 million in increased liabilities, which would have to be funded when the change is enacted. A public hearing was held on February 20, and a work session was held on March 5. *This bill was voted majority ought to pass as amended. This bill is currently before the House and Senate for consideration.*

REPORTS

The following required reports have been submitted to the Legislature:

WINDFALL ELIMINATION PROVISION/GOVERNMENT PENSION OFFSET

Resolve, chapter 23, enacted in the First Special Session of the 131st Legislature, directed the System 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). A report of recommendations was due on December 6, 2023, and was submitted on November 21, 2023. A copy of the report was previously provided to the Board.

BOARD AND PLD ADVISORY COMMITTEE ACTIVITY

The System is required to report annually to the Secretary of State on activities of the Board of Trustees and the PLD Advisory Committee. These reports were submitted on December 20, 2023, and copies were previously provided to the Board.

ESG POLICY

The System is required to report information annually to the Legislature regarding its environmental, social and governance investment policy. This report must disclose commonly available environmental performance metrics on the environmental effects of the Board's investment. This report was filed on December 19, 2023, and a copy was previously provided to the Board.

DIVESTMENT

The System is required to report information to the Legislature regarding the progress of divestment from fossil fuels and the implementation of the divestment law enacted in 2021 (PL c. 231). This report must be submitted annually by January 1, 2023, 2024 and 2025. The report was submitted on December 19, 2023, and a copy was previously provided to the Board.

PROCUREMENT

The System is required to report information annually to the Legislature regarding procurement, contributions, and changes to certain policies and procedures. This report is due annually by February 1. This report was submitted on January 25, 2024 and a copy was previously provided to the Board. After a public review of this and last year's reports on February 27, 2024, the Labor and Housing Committee issued a report finding no inconsistencies with the relevant statute or policy compliances issues. A copy of the Committee's report was previously provided to the Board.

MILITARY SUBSIDY REPORT

The System is required to report information annually to the Legislature regarding military service credit purchase requests received from certain categories of members. This report was submitted on February 5, and a copy was previously provided to the Board.

ANNUAL REPORT TO THE LEGISLATURE

The System is required to submit an annual report to the Legislature, including specific information set out in statute. This report was submitted on February 29, and a copy was previously provided to the Board.

OTHER REQUESTED UPDATES

The Labor and Housing Committee requested that the System provide the following information in spring 2024:

- “Update on the member portal, as well as information on future plans by MainePERS to continue phasing in the member portal and the ability of members to access that data going forward.”
- “Update on how these rules (Chapter 506: Eligibility for Disability Retirement Benefits) are being implemented, including any feedback that MainePERS has received from members on the rules.”

These updates were submitted on February 29, and copies were previously provided to the Board.

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: MARCH 6, 2024

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](#)

All items in yellow highlighting are from March and are pending updates or removal.

MEMBER SERVICES

1. RMD: Required minimum distributions were complete for 92 members for the April 1, deadline. There were no related plan failures and no members were deemed lost; all accounts have been paid as required.
2. FOCUSED FRIDAYS: The continuation of the Focused Friday efforts is being implemented following the March meeting of Trustees. The signage at the Augusta office entrance is being updated. Communication has been shared with staff. The practical efforts to address pending queues of work during this focused time is continuing. With ten of the twelve Pension Associate I staff trained in estimates, MainePERS anticipates maintaining the progress achieved to date regarding Service Retirement Estimates. Additionally, five Pension Associate I staff have begun training on preliminary benefits, a milestone for those individuals and for the team.
3. RECEPTION: A new feature recently added to the MainePERS main telephone line allows callers who have been waiting for more than 90 seconds to select the option to receive a call-back rather than to continue to hold. This feature allows callers to maintain their place in the queue without having to continue to wait on the line. While we only have a minimal amount of data at this point, it tentatively shows an increase in handled call volume and the

reception staff share that members are reporting positive experiences with the call feature. It has been popular anecdotally with callers and MainePERS current answer rate for incoming calls stands at 86%.

4. MEMBER EDUCATION UPDATE: The first PLD Special Plan session about which Trustees were informed occurred as scheduled in March. A follow-up survey of attendees shows that they found the session to be extremely helpful. This session is now part of the growing roster of available MainePERS member education opportunities.

5. PENSION ADMINISTRATION SYSTEM (PAS) PROJECT: Linea, the 3rd party advisor to MainePERS on this project, reports the overall PAS project status is green, indicating overall stability and progress toward completion of and release of a Request for Proposals. MainePERS agrees. Three of the four major monitoring areas remain coded green as of Linea’s April 1 report. This is stable since the last Trustee meeting. MainePERS is currently concluding the RFP drafting phase of the project. Release of the RFP is anticipated in April or potentially May, with evaluation of responses being concluded by late summer or early fall. MainePERS routinely revisits the risks to the project as a standing project management practice. Since the last Trustee meeting, no risks monitored by Linea have worsened in their severity ratings. The PAS project supports Goals III and IV and other elements of the Strategic Plan. Below is an excerpt of Linea’s most recent bi-weekly status report:

MainePERS RFP Development - Status Update

Overall		Scope	
Schedule		Resources	
Project Lead	Denise Myers	Project Sponsor	CEO Rebecca Wyke
Project Start	July 17, 2023	Project End	Aug 20, 2024
Reporting Period	Mar 18 to Apr 1, 2024	Reporting Date	Apr 1, 2024
Audience	Chip Gavin, Michael Colleran, Joy Childs, Valerie Scott, Lauren Fowler, Domna Giatas, Timothy Poulin, Sherry Vandrell	Next Core Team Meeting with Linea	Apr 3, 2024

FINANCE

1. EMPLOYER REPORTING. Employers submitted defined benefit payrolls on time at a 95% rate in March. This compares to a rate of 89% for the same period last year. The number of accounts now fully reconciled through January data is now 506, or 78%. This is down from a high of 516 fully reconciled accounts last month.

Since we reported last month, staff have met with BerryDunn and representatives of the large school district employer that we’ve been regularly reporting on for a status update on that work. Some progress has been made and the engagement is ongoing. MainePERS staff have participated by fulfilling document and data requests to allow BerryDunn to do the work. We are actively seeking a temporary resource so we will be prepared to make corrections as this work progresses.

2. EMPLOYER AUDITING. Two audits were opened during the month of March and one audit was closed. The percentage of resolved findings to date is 96%.
3. ACCOUNTING AND FINANCE. CliftonLarsonAllen (CLA) will present the report of facilities management and controls work to the Finance and Audit Committee at their April meeting. Work continues on the next review covering member estimates and statements of account and we will keep you updated on progress there as it happens.

OPERATIONS

1. INFORMATION TECHNOLOGY: IT staff continue to be heavily involved in the PAS replacement project. The Data Cleansing Project Team is making great strides identifying and remediating data issues using automated scripts. We will be conducting two lunch and learn training sessions for staff this month on Outlook and our phone system, GoTo. IT leadership kicked off a project to implement the full Mimecast suite of email security and data loss prevention solutions to modernize that technology stack. Initial planning steps have begun to prepare for MainePERS to move to Office 365. Lastly, we are completing the third year of a three-year NIST audit cycle with CBIZ. This year's audit focused on Physical Detect and Protect.
2. FACILITIES: We issued a request for proposals for a generator for our Augusta facility and conducted a walk-through with potential bidders. Bids will be due April 19.
3. LEGAL: We have issued a request for proposals for pension counsel in coordination with the Attorney General's office, which must approve retention of any counsel. We also are preparing requests for proposals for the other outside counsel we use – collective bargaining, securities litigation, and investments.
4. HUMAN RESOURCES: We had one new employee start in March and one employee leave. We are recruiting for four openings, including the Deputy Chief Investment Officer position. Interest remains strong – we received 55 applications in March.

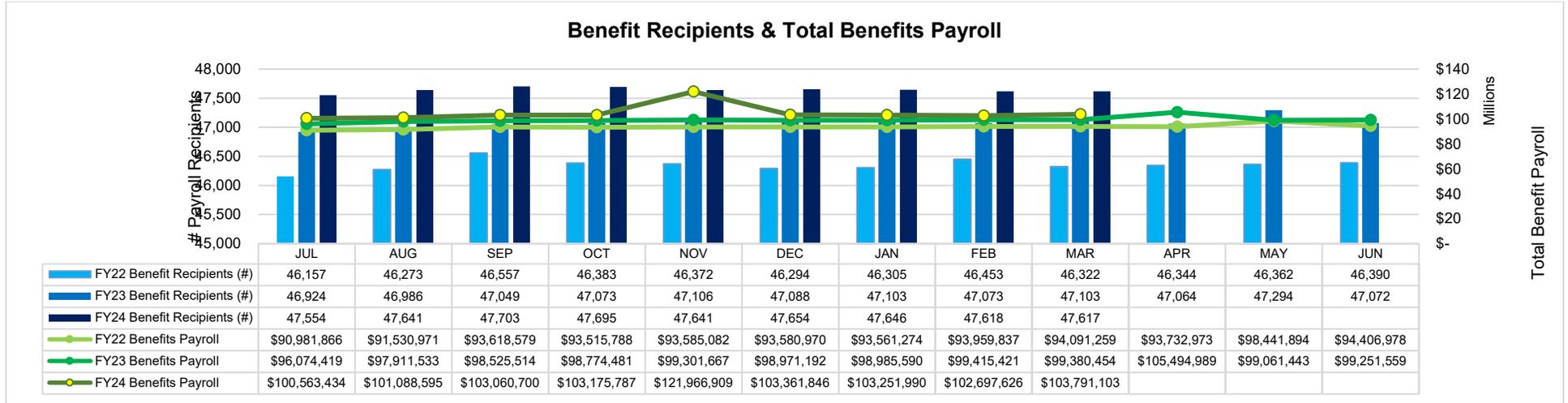
RECOMMENDATION

No Board action is recommended at this time.

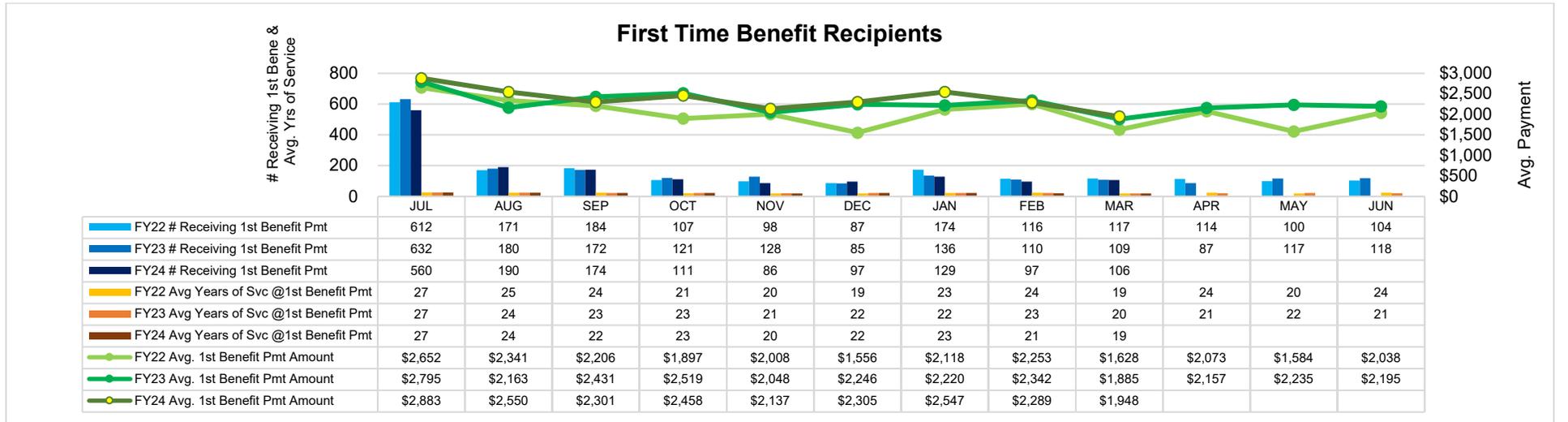
MARCH 2024 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES

BENEFITS PAYROLL: Regular monthly pension benefit payments were made to 47,617 recipients in March, totaling \$103,791,103. Note: Special payments paid outside of the regular payroll run are not reflected in the “Benefits Payroll” total.

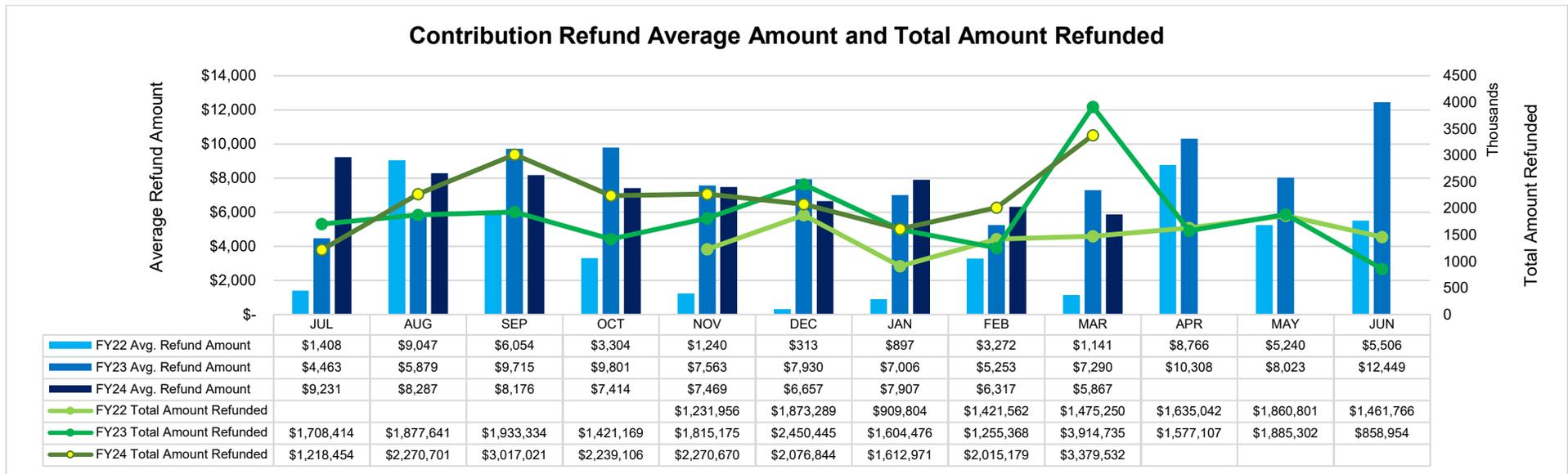
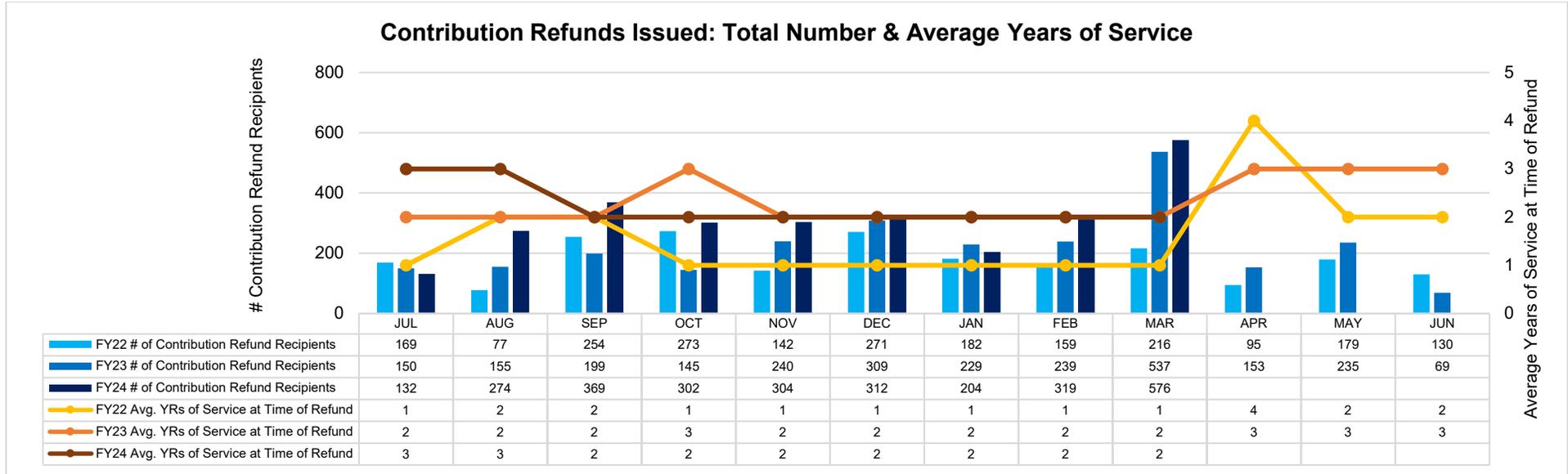


FIRST TIME BENEFIT RECIPIENTS: One-hundred-six (106) individuals received their first benefit payment in March. The average benefit amount was \$1,948. First time recipients averaged nineteen (19) years of service. The count of new recipients, payment amount, and service are comparable to data seen during the same month in recent prior years.



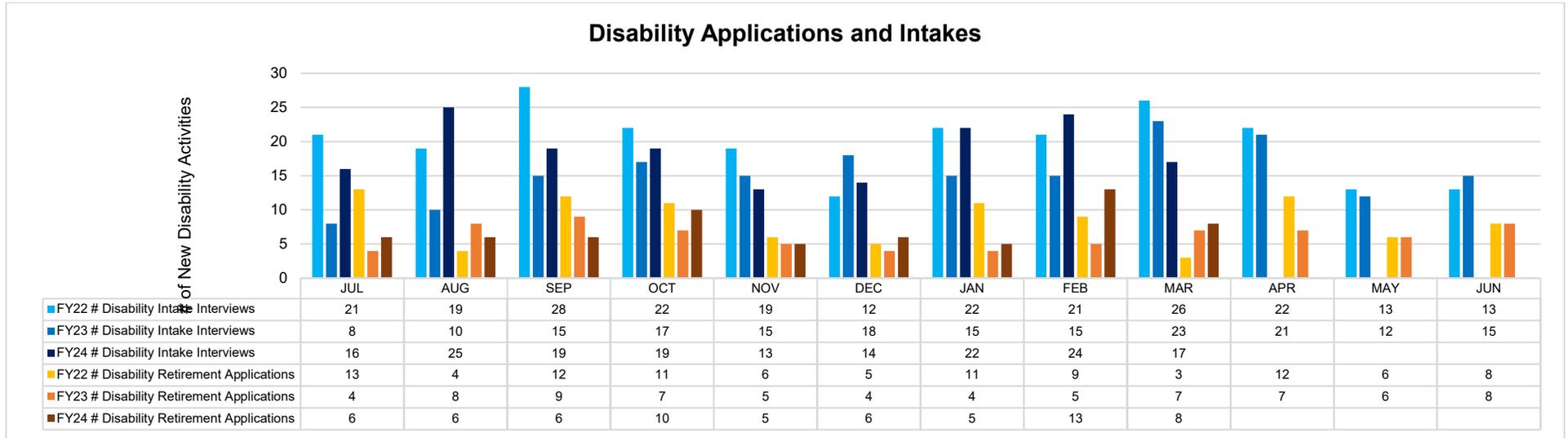
RETIREMENT SERVICES: continued

CONTRIBUTION REFUNDS: Five hundred seventy-six (576) former members received a refund of their contributions in March. The average refund was \$5,867 as the result of an average two (2) years of service. The aggregate amount refunded was \$3,379,532.



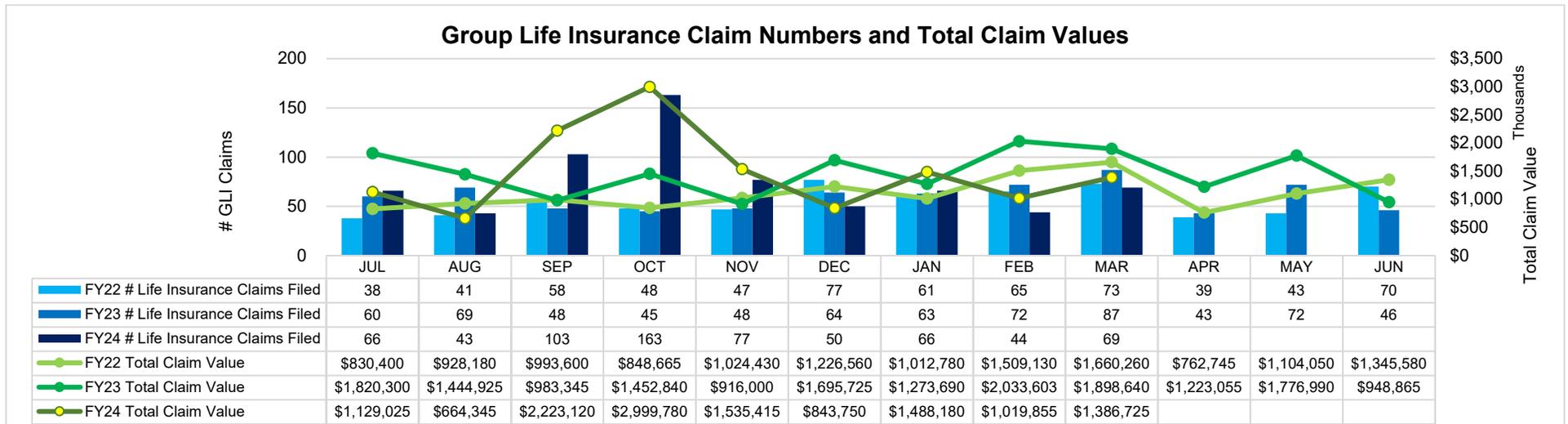
DISABILITY SERVICES

Seventeen (17) intake interviews were completed in March with varying levels of detail and duration. Intakes included three (3) State members, ten (10) Teacher members, and four (4) PLD members. Eight (8) new disability retirement applications were received in March.



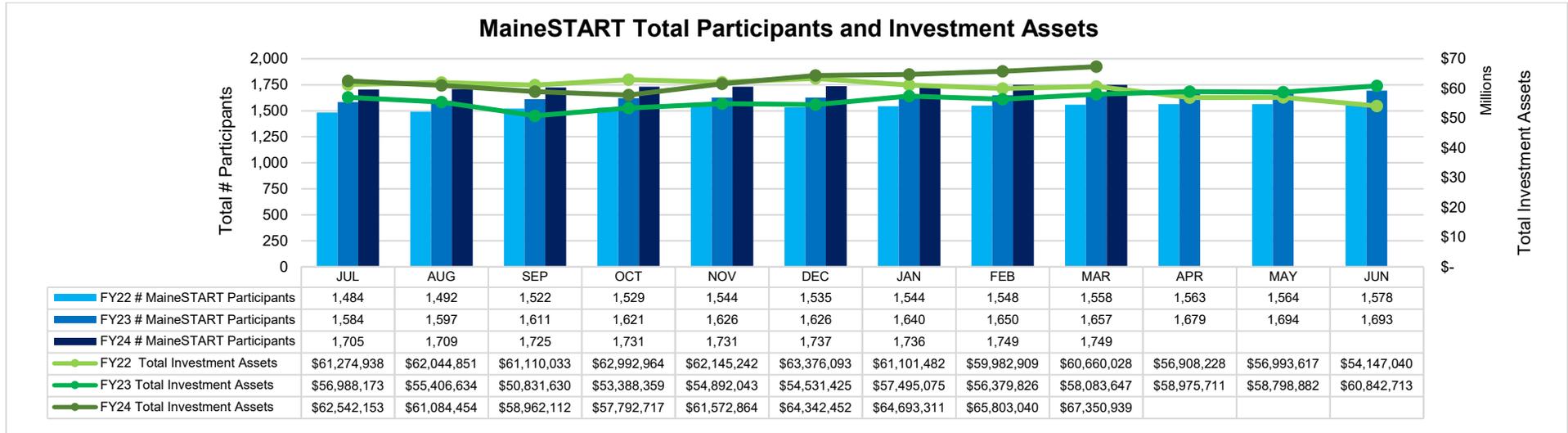
SURVIVOR SERVICES

Sixty-nine (69) life insurance claims were sent to our carrier (The Hartford) in March with a total value of \$1,386,725 in payments due to beneficiaries. Of the claims, sixty-five (65) were retirees claims and four (4) were active members claims; there were no dependent claims.



DEFINED CONTRIBUTION PLAN SERVICES

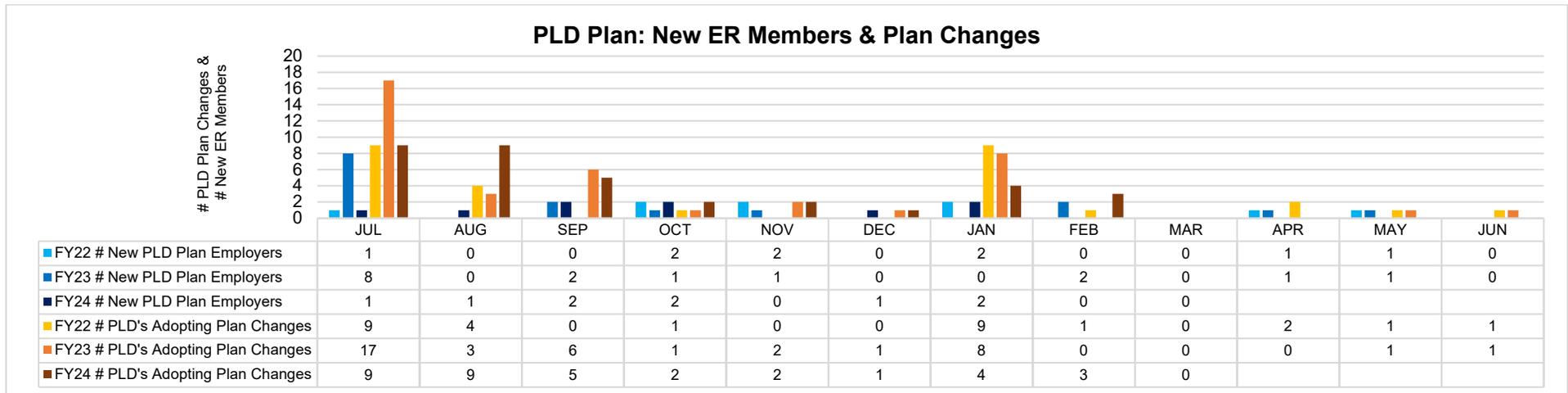
MaineSTART had one thousand seven hundred forty-nine (1,749) participants at the end of March with \$67,350,939 of investment assets in the program.



PLD PLAN ADMINISTRATION

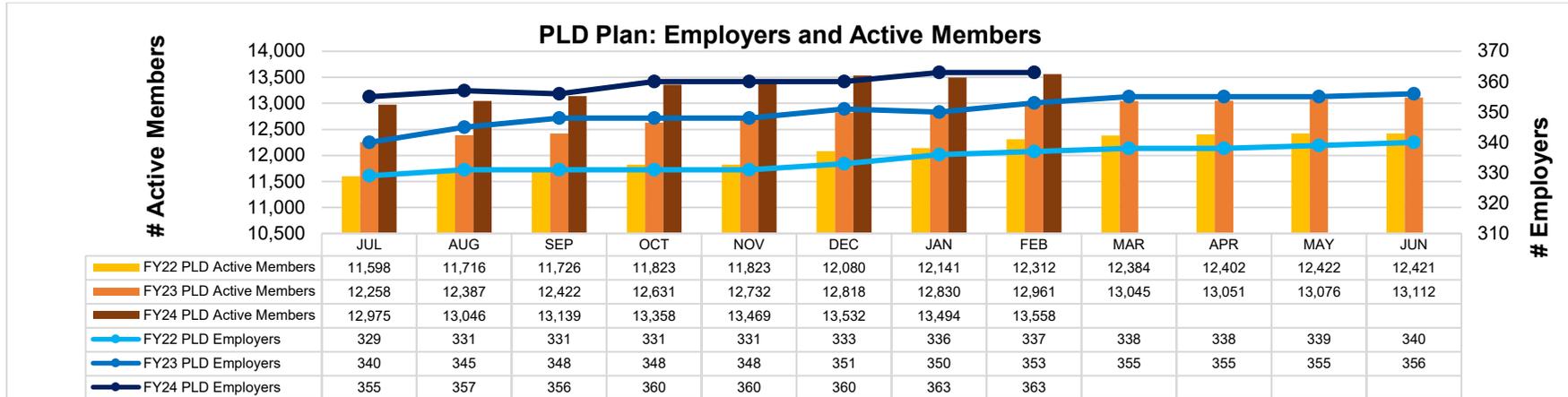
No new employers joined the PLD Retirement Program effective March 1, 2024. There were no employer plan changes effective March 1, 2024.

Note: This metric reflects PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. This format is consistent with MainePERS activity reporting to our actuary.



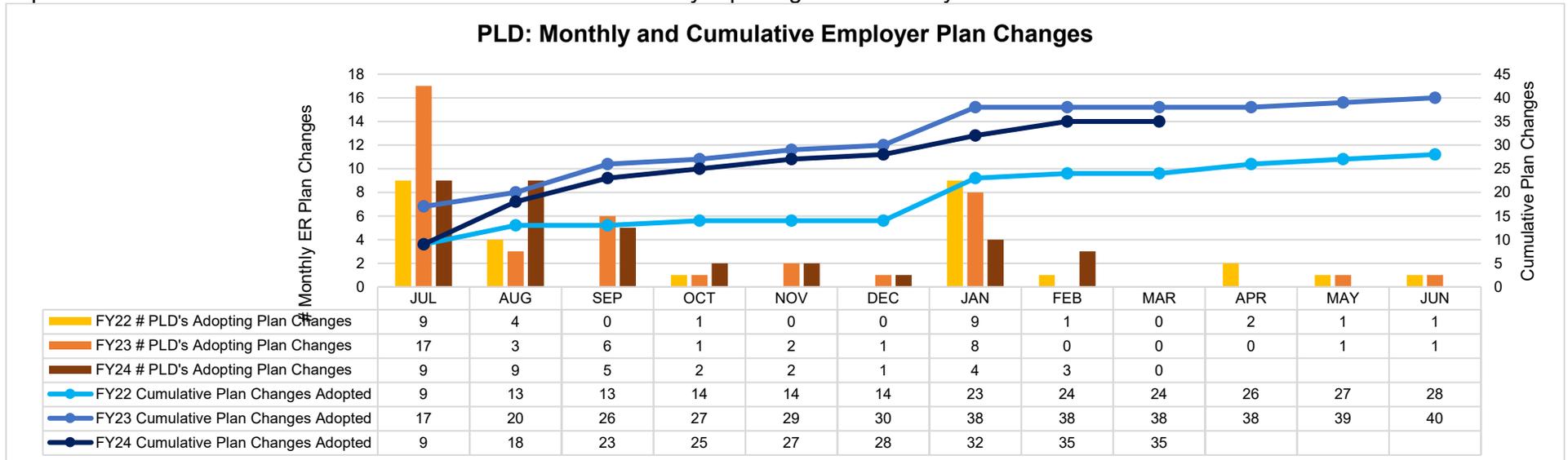
PLD PLAN ADMINISTRATION – Continued
PLD Plan - Cumulative Employer and Member Numbers

PLD employers increased from 360 for October to December to 363 in January and February; PLD Employee numbers increased to 13,558 through the end of February 2024. This data will be reported quarterly; the next update will be included in the June 2024 report.



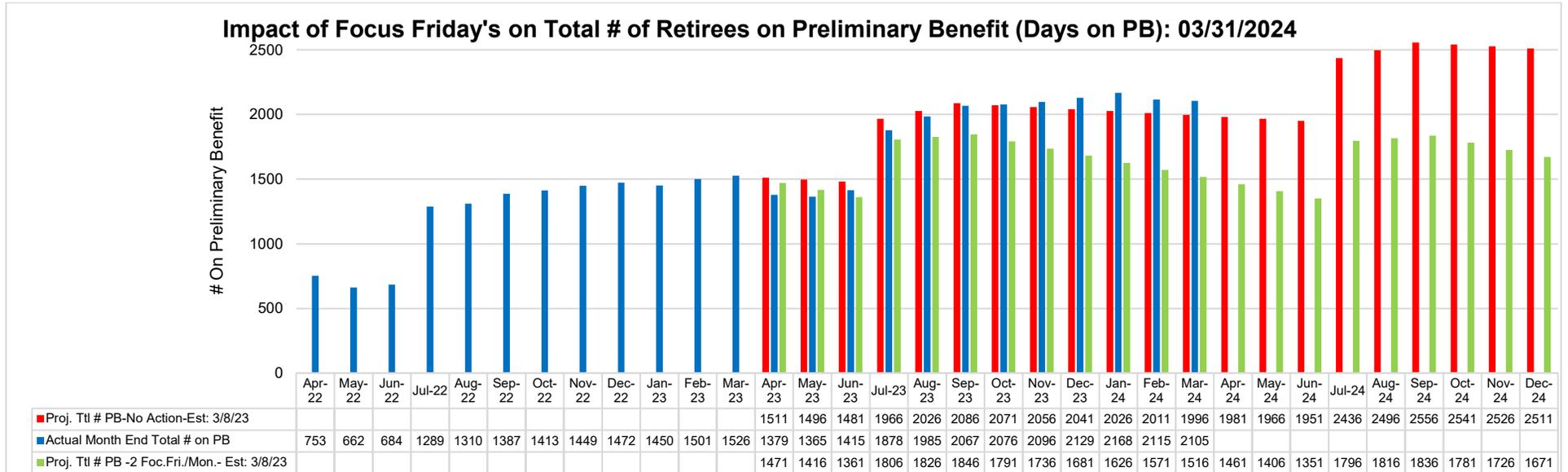
PLD PLAN - MONTHLY AND CUMULATIVE EMPLOYER PLAN CHANGES

There were no new employers joining the PLD Retirement Program nor were there any employer plan changes effective March 1, 2024. Total plan change this FY remain at 35. *Note:* This metric reflects PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. This format is consistent with MainePERS activity reporting to our actuary.

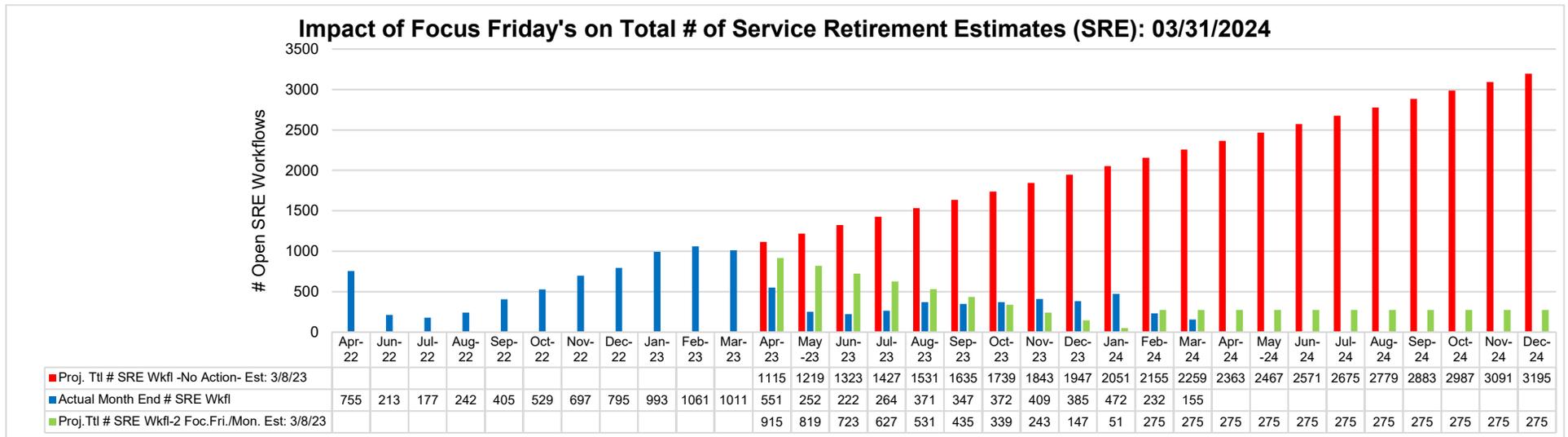


FOCUS FRIDAY IMPACT ON BACKLOG REDUCTION

PRELIMINARY TO FINAL BENEFIT (PB TO FINAL) BACKLOG THROUGH MARCH 31, 2024: 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 THROUGH MARCH 31, 2024: The backlog projections and reporting below are based on data that count the total number of open Service Retirement Estimate workflows.



MAINEPERS

BOARD OF TRUSTEES GOVERNANCE MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND
GENERAL COUNSEL
SUBJECT: FIDUCIARY DUTY EDUCATION
DATE: APRIL 3, 2024

At the April meeting, Amy McDuffee of Mosaic Governance Advisors will facilitate the Board's annual fiduciary duty education. A copy of her presentation and a handout of applicable laws prepared by Board Counsel Betsy Stivers follow this memo.

POLICY REFERENCE

[Board Policy 1.2 – Trustee Fiduciary Responsibility](#)

[Board Policy 1.8 – Trustee Education](#)

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

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

RECOMMENDATION

No Board action is required at this time.

Educational Session on Fiduciary Responsibilities

Amy McDuffee, Mosaic Governance Advisors, LLC
Michael Colleran, MainePERS
Betsy Stivers, Maine Assistant Attorney General

A Presentation to MainePERS Board of Trustees | April 11, 2024

Objectives for Today's Session



Refresh on fiduciary fundamentals



Identify resources and protections available to trustees



Engage in interactive discussion

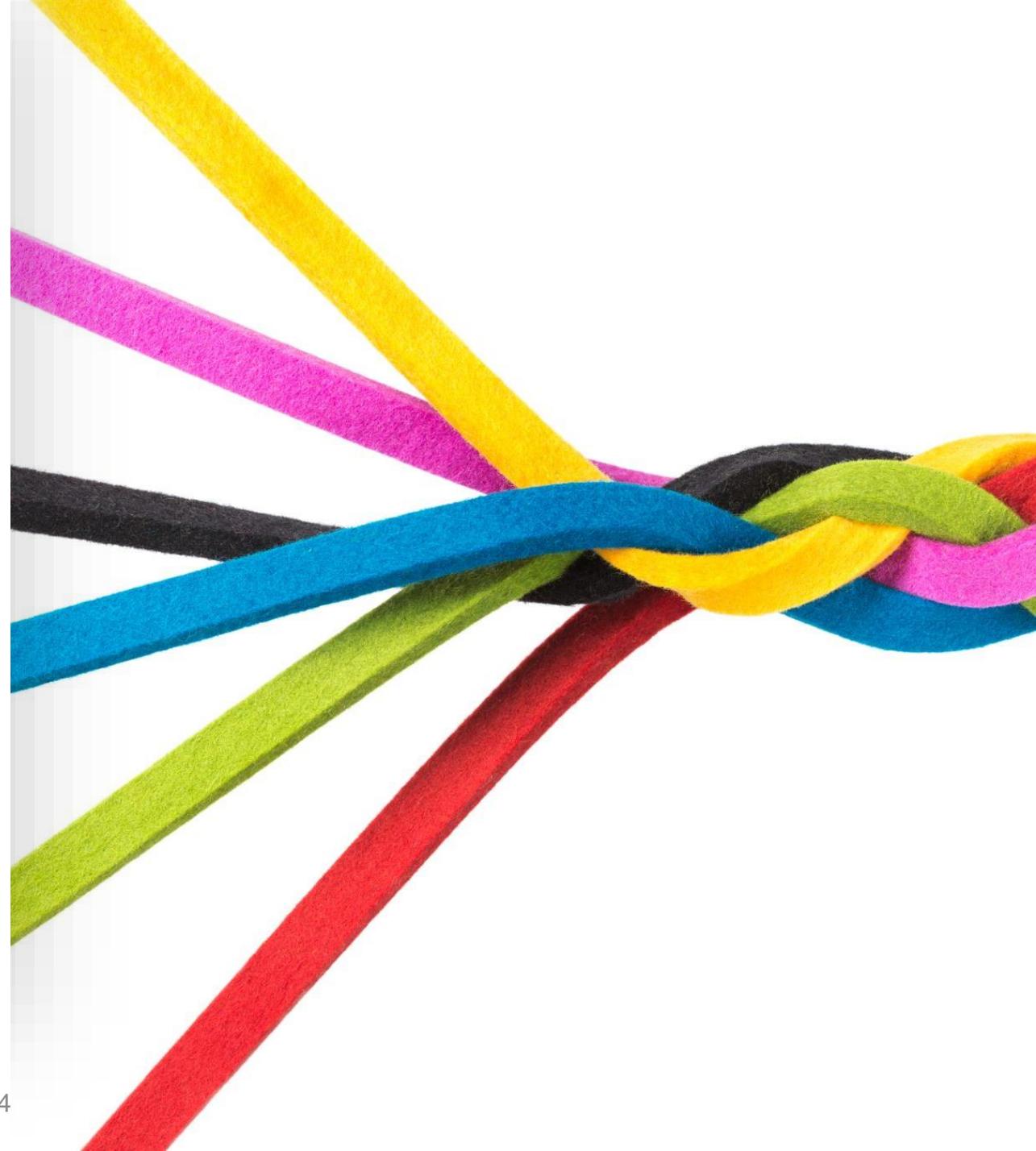


Address Questions



Fiduciary Responsibilities Originate from the Roles in a Trust

- Settlor (sponsor)
- Trustees
- Beneficiaries



Overview of Legal Framework that Applies to MainePERS Trustees

- Maine Constitution
- Maine Statutes
- Federal Law on Qualified Pension Plans, including the Internal Revenue Code
- Please see “Summary of Legal Framework” provided by Assistant Attorney General Betsy Stivers

MainePERS Board of Trustees Fiduciary Responsibility Summary of Legal Framework

Maine Constitution Article IX:

Section 18. **Limitation on use of funds of Maine State Retirement System.** All of the assets, and proceeds or income therefrom, of the Maine State Retirement System or any successor system and all contributions and payments made to the system to provide for retirement and related benefits shall be held, invested or disbursed as in trust for the exclusive purpose of providing for such benefits and shall not be encumbered for, or diverted to, other purposes. Funds appropriated by the Legislature for the Maine State Retirement System are assets of the system and may not be diverted or deappropriated by any subsequent action.

Maine Statutes

MainePERS Board of Trustee statutes:¹

§17101. Establishment

1. Purpose. There is established a retirement system, the functions and operations of which are under the supervision of the board, for the purpose of providing retirement allowances and other benefits under this Part for employees.

2. Name. The retirement system is known as the "Maine Public Employees Retirement System" and by that name all of its business must be transacted, all of its funds invested and all of its cash and securities and other property held in trust for the purpose for which received.

§17102. Duties of the Board of Trustees

4. Oath. Each trustee shall, within 30 days after the trustee's appointment, take an oath of office to faithfully discharge the duties of a trustee, in the form prescribed by the Constitution of Maine.²

§17151. Legislative findings and intent

¹ 5 M.R.S. §17101 et seq. Board of Trustees requirements

² Article IX, Section 1. **Oaths and subscriptions.** Every person elected or appointed to either of the places or offices provided in this Constitution, and every person elected, appointed, or commissioned to any judicial, executive, military or other office under this State, shall, before entering on the discharge of the duties of that place or office, take and subscribe the following oath or affirmation: "I, _____, do swear [or affirm] that I will support the Constitution of the United States and of this State, so long as I shall continue a citizen thereof. So help me God."



Primary Duties that Apply to Fiduciaries

- Loyalty
- Prudence
- Follow plan documents



Attorney General Frey on the Duty of Loyalty

As a fiduciary of a pension trust, the MainePERS Board of Trustees (“the Trustees”) has a duty of loyalty to administer the trust solely in the interest of the beneficiaries and for the articulated purpose of the trust – providing retirement and related benefits. A trustee’s duty of loyalty is a fundamental principle of common law reflected in the Restatement (Third) of Trusts,¹ the Maine Uniform Trust Code,² and the Employee Retirement Income Security Act of 1974 (“ERISA”).³ The constitutional intent is clear. By requiring the funds be held as in trust for the exclusive purpose of providing retirement benefits, the Constitution is mandating that the Trustees manage these funds solely in the best interest of MainePERS members as pension recipients.

Maine Attorney General Aaron M. Frey

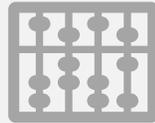
Excerpt from Letter to Joint Standing Committee on Labor and Housing dated April 9, 2021 regarding LD 99 and LD 319



Duty of Prudence – Prudent Investor Standard



Consider the **entire investment portfolio** when determining the fit of an individual investment



Diversification is required, unless it is not prudent to do so



Use special skills and expertise if you have them; otherwise, **delegation*** is **allowed and encouraged**

*Oversee delegation to investment staff.



Duty to Follow Plan Documents

- The “plan document” is established by the settlor/plan sponsor.
- Examples of MainePERS “plan document” includes the following:
 - The Maine Constitution;
 - Maine State Statutes; and
 - Federal Statutes, specifically, including the Internal Revenue Code and securities laws.
- Following the written plan document in the day-to-day management and administration of the plan is a fiduciary duty.
- Strict compliance is non-negotiable; straying from the plan’s written terms is generally considered a violation.



Examples of Fiduciary Breaches

- **Improper Loyalty:** Not acting consistently in the best interests of members and beneficiaries, such as acting for personal gain or favoring non-members.
- **Lack of Due Diligence:** Acting without proper due diligence or disregarding its results.
- **Non-Compliance with plan terms:** Failing to adhere to the written terms of the plan when administering and managing it.
- **Co-Fiduciary Liability:** Knowing about a fellow trustee's misconduct and not acting.





Protection from Personal / Civil Liability

- **State law offers substantial protection** for governmental entities, including both the Board and individual board members in their roles as trustees.
- **Board members**, when acting in good faith and within their authority as trustees, **will receive defense against claims** stemming from performance of their duties.



Ways to Mitigate Risk and Manage Liability

- Attend orientation and participate in continuing education.
- Thoroughly read board and committee meetings materials and ask questions.
- Participate actively in the decision-making process.
- Require clear documentation of board actions and rationale.
- Access the board's internal and external experts on legal, actuarial, investment, and audit matters.
- Delegate when you, or the board as a whole, lack expertise.
- Ensure delegations and assignments are clear and regularly monitored.
- Wear “one hat” but welcome diverse opinions and perspectives into board discussions.



Hypothetical Scenario #1

- Nikola, a board member for XYZPERS, is facing a critical decision at today's board meeting regarding the modernization of the retirement system's pension administration system.
- As the director for the state's office of management and budget, Nikola has a deep appreciation for and understanding of the state's budgetary constraints and recent cuts across all state agencies. He is also aware of the Governor's initiative to consolidate and centralize IT across all state agencies through the state's department of technology. Nikola knows it's the Governor's desire to see XYZPERS included in the initiative, even though the board has statutory authority.
- Before the board meeting, Nikola is reviewing the XYZPERS staff recommendation. The modernization project is funded through the XYZPERS trust and not the state's general fund. Still, Nikola is keenly aware of the political pressure that may ensue if he votes in favor.



Discussion Questions

1. What challenges do you observe Nikola facing?
2. What are the key considerations that Nikola should weigh as he approaches this board decision?
3. If Nikola reached out to you for your guidance, what would you say?



Hypothetical Scenario #2

- Katy, a member-elected trustee of the XYZPERS board, also holds membership in an association representing a segment of XYZPERS participating employers. She was supported by the association in her election, positioning her as a voice for participating employers.
- Recently, representatives of the employer association contacted Katy expressing discontent over a communication from the XYZPERS CEO. The communication emphasized the importance of employers ensuring contributions are made for a specific class of employees. It was sent after XYZPERS employer audits uncovered a trend of some employers inadvertently excluding this class of employees from XYZPERS membership.
- Concerned about the impact on employer costs, the association is urging Katy to influence the board to reverse the CEO's decision. Katy has a meeting scheduled later today with the XYZPERS CEO to discuss.



Discussion Questions

1. What challenges do you observe Katy facing?
2. What are the key considerations that Katy should weigh?
3. If Katy reached out to you for your guidance, what would you say?



Hypothetical Scenario #3

- Aaron, a trustee of XYZPERS, has been approached by a union representing workers from a hotel owned by an investment fund in which XYZPERS is a limited partner. Although these workers are not members of XYZPERS, they are residents of communities where XYZPERS members live and work.
- The union is urging Aaron and the XYZPERS board to cease investing in the investment fund until a labor management dispute at certain properties owned by the fund is resolved. Additionally, if the dispute is not resolved, it is requesting that XYZPERS divest from the fund manager, citing a pattern of known infringement of workers' rights across its portfolio companies. They emphasize that labor strikes negatively impact investment returns.
- Aaron, newly appointed to the XYZPERS board, is eager to demonstrate his effectiveness as a trustee. He is scheduled to meet with the union later today to discuss their concerns.



Discussion Questions

1. What challenges do you observe Aaron facing?
2. What are the key considerations that Aaron should weigh before taking any next steps?
3. If Aaron reached out to you for your guidance, what would you say?



Thank you for your time!

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MainePERS Board of Trustees Fiduciary Responsibility Summary of Legal Framework

Maine Constitution Article IX:

Section 18. **Limitation on use of funds of Maine State Retirement System.** All of the assets, and proceeds or income therefrom, of the Maine State Retirement System or any successor system and all contributions and payments made to the system to provide for retirement and related benefits shall be held, invested or disbursed as in trust for the exclusive purpose of providing for such benefits and shall not be encumbered for, or diverted to, other purposes. Funds appropriated by the Legislature for the Maine State Retirement System are assets of the system and may not be diverted or deappropriated by any subsequent action.

Maine Statutes

MainePERS Board of Trustee statutes:¹

§17101. Establishment

1. Purpose. There is established a retirement system, the functions and operations of which are under the supervision of the board, for the purpose of providing retirement allowances and other benefits under this Part for employees.
2. Name. The retirement system is known as the "Maine Public Employees Retirement System" and by that name all of its business must be transacted, all of its funds invested and all of its cash and securities and other property held in trust for the purpose for which received.

§17102. Duties of the Board of Trustees

4. Oath. Each trustee shall, within 30 days after the trustee's appointment, take an oath of office to faithfully discharge the duties of a trustee, in the form prescribed by the Constitution of Maine.²

§17151. Legislative findings and intent

¹ 5 M.R.S. §17101 et seq. Board of Trustees requirements

² Article IX, Section 1. **Oaths and subscriptions.** Every person elected or appointed to either of the places or offices provided in this Constitution, and every person elected, appointed, or commissioned to any judicial, executive, military or other office under this State, shall, before entering on the discharge of the duties of that place or office, take and subscribe the following oath or affirmation: "I, _____, do swear [or affirm] that I will support the Constitution of the United States and of this State, so long as I shall continue a citizen thereof. So help me God."

1. Findings. The Legislature finds that the State owes a great debt to its retired employees for their years of faithful and productive service.
 - A. Part of that debt is repaid by the benefits provided to retirees through the State Employee and Teacher Retirement Program.
 - B. Retirees, who depend heavily on these benefits, and current employees, who will one day retire and receive benefits, are concerned about the financial viability of the retirement program.

§17153. Board of trustees

3. Investment of funds. The board may cause the funds created by this Part to be invested and reinvested in accordance with the standards defined in Title 18-B, [Maine Uniform Trust Code] sections 802 to 807 and chapter 9, [Maine Prudent Investor Act] subject to periodic approval of the investment program by the board.

Maine Uniform Trust Code³

§802. Duty of loyalty

1. Interests of beneficiaries. A trustee shall administer the trust solely in the interests of the beneficiaries.

§804. Prudent administration

A trustee shall administer the trust as a prudent person would, by considering the purposes, terms, distributional requirements and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill and caution.

Maine Uniform Prudent Investor Act⁴

§901. Prudent investor rule

1. Duty to comply. Except as otherwise provided in [section 902](#), a trustee who invests and manages trust assets owes a duty to the beneficiaries of the trust to comply with the prudent investor rule set forth in this chapter.

2. Altered by provisions of trust. The prudent investor rule may be expanded, restricted, eliminated or otherwise altered by the provisions of a trust. A trustee is not liable to a beneficiary to the extent that the trustee acted in reasonable reliance on the provisions of the trust.

§902. Standard of care; portfolio strategy; risk and return objectives

1. Consideration of purposes, terms, distribution requirements and other circumstances. A trustee shall invest and manage trust assets, as a prudent investor would, by considering the purposes, terms, distribution requirements and other

³ 18-B M.R.S. Uniform Trust Code, Chapter 8, Duties and Powers of Trustees

⁴ 18-B M.R.S. Uniform Trust Code, Chapter 9, Uniform Prudent Investor Act

circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill and caution.

Board Policies

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 interest of the members as beneficiaries of pension and related benefits.⁵

Trustees shall conduct all System business in a fair and reasonable manner for the sole benefit of the members, participants and beneficiaries and consistent with all other governance policies.⁶

Common law of Trusts

Restatement (Third) of Trusts § 78 (2007)

§ 78 Duty of Loyalty

Except as otherwise provided in the terms of the trust, a trustee has a duty to administer the trust solely in the interest of the beneficiaries, or solely in furtherance of its charitable purpose.

Except in discrete circumstances, the trustee is strictly prohibited from engaging in transactions that involve self-dealing or that otherwise involve or create a conflict between the trustee's fiduciary duties and personal interests

Whether acting in a fiduciary or personal capacity, a trustee has a duty in dealing with a beneficiary to deal fairly and to communicate to the beneficiary all material facts the trustee knows or should know in connection with the matter.

MainePERS Divestment statutes⁷

§ 1957 (Divestment from fossil fuels)

2. Limitation on investment in fossil fuel company. The board, in accordance with sound investment criteria and consistent with fiduciary obligations, may not invest the assets of any state pension or annuity fund in the stocks, securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company. Nothing in this section precludes de minimis exposure of any funds held by the board to the stocks,

⁵ Board Governance 1.2

⁶ Board Governance 1.3

⁷ 5 M.R.S. § 1957 and § 1958

securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company.

3. Review and divestment of assets. The board shall review the extent to which the assets of any state pension or annuity fund are invested in the stocks, securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company. The board shall, in accordance with sound investment criteria and consistent with fiduciary obligations, divest any such holdings. Divestment pursuant to this subsection must be complete by January 1, 2026. Nothing in this subsection precludes de minimis exposure of any funds held by the board to the stocks, securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company.

§ 1958 (Divestment from private prisons)

2. Board may not invest. The board, in accordance with sound investment criteria and consistent with fiduciary obligations, may not invest the assets of the retirement system in any stocks or other securities of any corporation or company that owns or operates prisons for profit. Nothing in this subsection precludes de minimis exposure of any funds held by the board to the stocks, securities or other obligations of any corporation or company that owns or operates prisons for profit.

3. Board to divest. The board shall review the extent to which the assets of the retirement system are invested in any stocks or other securities of any corporation or company that owns or operates prisons for profit. The board shall, in accordance with sound investment criteria and consistent with fiduciary obligations, divest any such holdings. Nothing in this subsection precludes de minimis exposure of any funds held by the board to the stocks, securities or other obligations of any corporation or company that owns or operates prisons for profit.

IRS laws⁸

26 USC §401(a)(2) Qualified pension, profit-sharing, and stock bonus plans

(A) REQUIREMENTS FOR QUALIFICATION A trust created or organized in the United States and forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall constitute a qualified trust under this section—

...

(2) if under the trust instrument it is impossible, at any time prior to the satisfaction of all liabilities with respect to employees and their beneficiaries

⁸ 26 USC §401(a)(2)

under the trust, for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, purposes other than for the exclusive benefit of his employees or their beneficiaries (but this paragraph shall not be construed, in the case of a multiemployer plan, to prohibit the return of a contribution within 6 months after the plan administrator determines that the contribution was made by a mistake of fact or law (other than a mistake relating to whether the plan is described in section 401(a) or the trust which is part of such plan is exempt from taxation under section 501(a), or the return of any withdrawal liability payment determined to be an overpayment within 6 months of such determination));

Federal regulation⁹

§ 1.401-2 Impossibility of diversion under the trust instrument¹⁰

(a) *In general.*

(1) Under section 401(a)(2) a trust is not qualified unless under the trust instrument it is impossible (in the taxable year and at any time thereafter before the satisfaction of all liabilities to employees or their beneficiaries covered by the trust) for any part of the trust corpus or income to be used for, or diverted to, purposes other than for the exclusive benefit of such employees or their beneficiaries. This section does not apply to funds of the trust which are allocated to provide medical benefits described in section 401(h) as defined in paragraph (a) of § 1.401-14. For the rules prohibiting diversion of such funds and the requirement of reversion to the employer after satisfaction of all liabilities under the medical benefits account, see paragraph (c) (4) and (5) of § 1.401-14. For rules permitting reversion to the employer of amounts held in a section 415 suspense account, see § 1.401(a)-2(b).

(3) As used in section 401(a)(2), the phrase “purposes other than for the exclusive benefit of his employees or their beneficiaries” includes all objects or aims not solely designed for the proper satisfaction of all liabilities to employees or their beneficiaries covered by the trust.

⁹ 26 CFR 1.401-2