



Janet T. Mills  
Governor

STATE OF MAINE  
Deferred Compensation Advisory Council  
61 State House Station  
Augusta, ME 04333-0061

Vacant  
Labor Member, Co-Chair

Michael Dunn  
Management Member, Co-Chair

**DEFERRED COMPENSATION ADVISORY COUNCIL MEETING**  
**Thursday, August 28, 2025, @ 9:00 am**  
**Microsoft Teams Meeting**

Burton M. Cross Building  
111 Sewall Street  
4<sup>th</sup> Floor, Room 400  
Augusta, ME 04330

Council members in attendance: Michael Dunn, Rebekah Koroski, Lindsey Mattson, Shonna Poulin-Gutierrez, Mark Roberts, and Stuart Turney.  
(Total = 6)

Council members absent: Kristopher Kennedy, Markayla Morris, and David Parent.  
(Council seat 4 vacant)

Others Present:

CAPTRUST: Michael Pratico.

VOYA: Greg Miller and Jennifer George.

Empower: Brenden Walsh and David Hanson.

Corebridge: Anthony Durak and Clinton Hyland.

Employee Health, Wellness, and Workers' Compensation: Devon French, Roberta DuPont, and Emma-Lee St. Germain.

Other: Christopher Ginchereau – Member of the public.

Capita Group: Michael Koch.

Agenda Item	Discussion	Action/Next Steps
I. Call to Order (9:02 am)	<b>Management Member, Shonna Poulin-Gutierrez</b> , called the meeting to order.	
II. Introductions		
III. Approval of Minutes (May 22, 2025)	Discussion highlights below:	<b>Labor Member Rebekah Koroski</b> made a motion to accept the May 22, 2025, minutes, seconded by <b>Management Member Michael Dunn</b> . The motion passed.



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<p><b>IV. Plan Management and Investment Report</b></p> <p><b>a. Michael Pratico - CAPTRUST Vendor Updates</b></p>	<p>Information contained in a written report. Discussion highlights below:</p> <ul style="list-style-type: none"> <li><u>VOYA Plan Activity Update – Greg Miller:</u> During Q2, 2025, the average member balance was over \$102K, with 1,062 participants actively deferring, down from the previous quarter. The balance as of 06/30/2025 was over \$190M. There are 1,868 participants with a balance greater than \$0 and 806 participants with a terminated balance. At the beginning of the plan period, assets exceeded \$177 million.</li> </ul> <p>Personal Financial Wellness Messaging reached 1,183 participants during Q2. Of those, 74% engaged with personalized financial wellness emails. Thirteen completed financial wellness assessments, 39 members saved more or restarted their contributions, 23 members named beneficiaries, and 50 members participated by logging into their accounts.</p> <ul style="list-style-type: none"> <li><u>Corebridge (Formerly AIG) Plan Activity Update – Anthony Durak:</u> During Q2, 2025, the average member balance was \$79.5K, with 796 participants actively deferring. The provider balance as of 06/30/2025 was over \$126M. There are 1,588 participants with a balance greater than \$0 and 792 participants with a terminated balance.</li> </ul> <p>In Q2, 858 active participants completed 144 engagements with Corebridge Financial professionals and 26 plans. They also interacted with the Corebridge Client Care Center 77 times and visited the Corebridge website 322 times, down from Q1.</p> <ul style="list-style-type: none"> <li><u>Empower Plan Activity Update - Brenden Walsh:</u> During Q2, 2025, the average member balance was over \$113K, with 1,601 participants actively deferring. The provider balance as of 06/30/2025 was over \$311M. There are 2,738 participants</li> </ul>	<p><b>Captrust</b> asks if there are specific obstacles that are preventing us from doing a small balance force out program? Is it system limitations? With the new Human Resources Information System in place this may make sense to review? the check list and update the plan document.</p> <p><b>Roberta DuPont</b> says there is a new plan document being updated currently.</p> <p><b>Captrust</b> asks whether Empower has a sense of the small balances at Empower?</p> <p><b>Empower</b> states it was about 100 a year ago (under \$5k).</p> <p><b>All the record keepers</b> will run that report and send it over.</p>



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	<p>with a balance greater than \$0 and 1,137 participants with a terminated balance.</p> <p>In Q2, there were 162 members in retirement planning, and 2 with a deferral increase. There were 34 newly enrolled members, with 115 making fund allocations. The digital registration rate was 61.9% with the total amount of digital registrations being 1,748, of which 236 were new registrants. Year-to-date total contributions exceeded \$5.2M, with disbursements totaling over \$16M.</p>	
<p><b>b. Quarter 2 - 2025 Performance</b></p>	<p>Information contained in a written report. Discussion highlights below:</p> <ul style="list-style-type: none"> <li>• <u>Total Plan Assets</u>: Total plan assets for Q2, 2025 increased from Q1, 2025 at \$588.3M to \$628.8M.</li> <li>• <u>Total Participants</u>: During Q2, 6,194 participants had a balance greater than \$0, 3,459 participants were actively deferring, and 2,735 participants terminated with a balance. The average balance was \$101.5K, up from the previous quarter.</li> </ul>	
<p><b>c. Market Commentary</b></p>	<p>Information contained in a written report. Discussion highlights below:</p> <ul style="list-style-type: none"> <li>• <u>Fiduciary Update</u>: On May 28, 2025, the Department of Labor (DOL) announced plans to develop a new rule on how retirement plan fiduciaries may consider environmental, social, and governance (ESG) factors in investment decisions.</li> </ul> <p>In 2023, the Internal Revenue Service (IRS) clarified that plan forfeitures must be used within 12 months after the end of the plan year in which they occur, with a temporary exception expiring at the end of the 2025 plan year.</p> <ul style="list-style-type: none"> <li>• <u>Private Markets</u>: Private markets—such as private equity, private debt, and cryptocurrency—are gaining attention in retirement plan discussions, even though many of these</li> </ul>	<p><b>Labor Member, Rebekah Koroski</b> asks when we reached a number of members where we were full enough for this change and when did we vote that we were actually going to make a change to the lineup?</p> <p><b>Captrust</b> states they had enough votes, we can circle back after we look through the email correspondence. If it's a problem we can pull it.</p> <p><b>Management Member, Shonna Poulin-Gutierrez</b> responds we can circle back offline and update the committee.</p>



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options won't be available in non-401(k) plans anytime soon. Environmental, social, and governance investing has also been clarified by the Department of Labor, which now allows fiduciaries to consider these factors when using a prudent review process. The overall priority remains careful evaluation, strong monitoring, and ensuring all investment options meet performance and fiduciary standards.

- Educating Employees: Educating employees is key to helping them make informed retirement decisions. State of Maine employees have strong support through recordkeepers, but regular reminders—such as updating beneficiaries and staying vigilant against cybercrime—add important protection. Coordinated communications can ensure employees get clear, consistent guidance throughout the year.
- Market Commentary: The second quarter started with a big drop in the markets because of U.S. trade policy worries, but things improved as trade tensions eased, and the economy stayed strong. U.S. large-cap stocks (Q2, 10.9%) rose to record highs, especially in technology and communication companies. A weaker U.S. dollar helped international markets grow. Bonds continued to do well (Q2, 1.2%), while falling demand hurt commodities (Q2, -3.1%) and energy prices. Gold remained popular as a safe investment, while real estate struggled due to weaker investor confidence.
- Stocks and Bonds Q2: Stocks and bonds have performed strongly this year. U.S. large-cap stocks are up about 11% for the quarter, with the S&P 500 rising from 6.2% year-to-date to 11.1%. Developed international stocks have done even better, increasing from 20% to roughly 22% year-to-date, helped by a weaker U.S. dollar. Bonds have also rebounded, with the U.S. Aggregate Bond Index rising from 4% to nearly 5% year-to-date. Even conservative target-date funds, such as the 2030 fund, are up around 11%, while longer-term funds like the



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2060 fund are up about 14%. Overall, diversified portfolios have performed strongly despite ongoing market rotations between growth and value stocks.

Headwinds and Tailwinds Q2: Even with changes in government policies, world tensions, and worries about long-term debt, the U.S. economy has stayed strong. Families and businesses are being careful but are still moving forward, even with big risks. Still, many different results could happen in the future.

**Headwinds:**

- **Waiting for Clarity**  
Uncertain policies are slowing the economy, and the Federal Reserve is waiting before making changes. High housing costs are deterring buyers.
- **Long-Term Problems**  
High government debt, fewer workers, and reduced immigration may slow growth, although Artificial Intelligence (AI) could help mitigate this in the future.

**Tailwinds:**

- **Balance Sheet Strength**  
Families remain financially stable with steady jobs and lower inflation, and businesses continue to profit and support investors.
  - **Long-Term Helpers**  
Artificial Intelligence (AI) and better access to information will drive growth and smarter solutions.
- Fund Line Up: The fund lineup is seeing a few important updates. A lagging large-cap blend fund is being replaced with changes rolling out across recordkeepers. The Neuberger Berman Genesis Fund—long used as a small- to mid-cap option—has shifted over time into a more small-cap, growth-leaning fund and has consistently underperformed its



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benchmarks. It remains on hold due to a recommendation but is now under close review and could be considered for replacement if performance does not improve. Overall, the plan continues to see strong participation in large-cap funds and growing use of target-date funds, which provide age-appropriate diversification and automatic risk adjustment.

Assets and Holdings: Target-date fund usage remains low, at 5–10%, presenting a strong opportunity to boost diversified, age-appropriate investing. The Neuberger Berman Genesis Fund is lightly used at Empower and Voya (under 0.5%) but much higher at Corebridge (7.5%). Overall, asset growth is steady, and allocation trends are consistent across platforms.

- Score Card Snapshot: The scorecard snapshot highlights funds affected by stylistic headwinds. A growth-leaning blend fund with higher emerging markets exposure was moved to the Massachusetts Financial Services International Fund due to underperformance in an out-of-favor style. The Neuberger Berman Genesis Fund, a long-standing part of the lineup, remains under review—small on most platforms but a larger holding on Corebridge—with potential for replacement by a small or mid-cap option if performance continues to lag.
- Change Recommendation: There is no change recommendation at this time.
- Neuberger Berman Genesis: The Neuberger Berman Genesis Fund has been part of the State of Maine plan for over ten years, but its performance has lagged in recent years. While three- and five-year returns are around 8 percent—well below the Extended Market Index at 15 percent and 11 percent—its ten-year performance remains strong. The fund has shifted its



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focus more toward small-cap exposure and away from mid-cap, making it essential to continue monitoring. The fund will be held for now, but it is on a short leash given its role in the plan and its relative underperformance.

**V. Other Business**

**d. Open Discussion**

Discussion highlights below:

The November meeting is being rescheduled for December 4th – look for an updated invitation.

**Management Member Stuart Turney** asks, When will the Roth go live?

**Management Member Shonna Poulin-Gutierrez** responds that Roth is transitioning into the new PRISM system, launching on September 8.

The Roth option is on track to go live when the system launches. Website updates and communications are still in progress, but once ready, they will be shared with the group to ensure everyone has easy access to the information.

**Management Member Stuart Turney** asks, Are there applications for participants?

**Management Member Shonna Poulin-Gutierrez** responds, With PRISM everything is online, so it is self-directed. There is no paper, but I have been told that the online application is ready.

**Management Member Stuart Turney** asks, Has the Roth notification been sent out?

**Management Member Shonna Poulin-Gutierrez** responds, No, there is still training happening on the system.



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	<p><b>Management Member Stuart Turney</b> asks if it is optimal for Roth to go live, and no one knows about it.</p> <p><b>Management Member Shonna Poulin-Gutierrez</b> responds, the new system is going live, covering payroll, benefits, time tracking, and recruitment, with Roth as just one part of the benefits module. Office training has been a priority, and the next focus is on life insurance, flexible spending accounts, and other supplemental benefits. Timely communication to employees remains urgent as the launch approaches.</p>	
<p><b>VI. Adjourn (11:41 am)</b></p>		<p><b>Management Member Rebekah Koroski</b> made a motion to adjourn, seconded by <b>Labor Member Mark Roberts</b>. The motion passed.</p>

**Next Meeting: December 4, 2025**