



Janet T. Mills  
Governor

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

Vacant  
Labor Member, Co-Chair

Jenny Boyden  
Management Member, Co-Chair

**DEFERRED COMPENSATION ADVISORY COUNCIL MEETING**  
**Thursday, February 27, 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, and Stuart Turney.  
(Total = 8)

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

Others Present:

CAPTRUST: Michael Pratico.

VOYA: Greg Miller and Jennifer George.

Empower: Brenden Walsh.

Corebridge: Anthony Durak.

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

Other: Michael Koch - Capitol Group.

Agenda Item	Discussion	Action/Next Steps
I. Call to Order (9:00 am)	Management Member, <b>Shonna Poulin-Gutierrez</b> , called the meeting to order.	
II. Introductions		
III. Approval of Minutes (December 5, 2024)	Discussion highlights below:	Management Member, <b>Lindsey Mattson</b> , made a motion to accept the December 5, 2024, minutes, seconded by Management Member, <b>Michael Dunn</b> . Motion passed.



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**IV. Plan Management and Investment Report**

**a. Michael Pratico – CAPTRUST Vendor Updates**

Information contained in a written report. Discussion highlights below:

- Empower Plan Activity Update - Brenden Walsh: During Q4, 2024, the average member balance was over \$109.3K, with 1,647 participants actively deferring. The provider balance as of 12/31/2024 was over \$307M. There are 2,811 participants with a balance greater than \$0 and 1,164 participants with a terminated balance.

Participant engagement for Q4 shows that 518 members reached out for retirement planning, and 12 had a deferral increase. There were 41 members enrolled and 64 members who had fund allocations. Deferral changes for this period show an increase at 151. There were 30 enrollments from 10/01/2024 to 12/31/2024, and year to date through 12/31/2024, there were 101 enrollments.

91.8% of members continue to use the “do-it-yourself” strategy for their investments, with large-cap funds at 37.9% of participant assets.

- Corebridge (Formally AIG) Plan Activity Update – Anthony Durak: During Q4, 2024, the average member balance was \$78.2K, with 766 participants actively deferring. The provider balance as of 12/31/2024 was over \$127M. There are 1,624 participants with a balance greater than \$0 and 766 participants with a terminated balance.

In Q4, 826 active participants completed 148 engagements with Corebridge Financial professionals and 22 plans. They also interacted with the Corebridge Client Care Center 84 times and visited the Corebridge website 642 times.

- VOYA Plan Activity Update – Greg Miller: During Q4, 2024, the average member balance was \$99.3K, with 1,138 participants actively deferring, up from the previous quarter. The balance



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	<p>as of 12/31/2024 was over \$183M. There are 1,843 participants with a balance greater than \$0 and 705 participants with a terminated balance.</p> <p>Personal Financial Wellness Messaging reached out to 1,170 participants during Q4. Of those, 76% engaged with personalized financial wellness emails. Twelve completed financial wellness assessments, 34 members saved more or restarted their contributions, 28 members named beneficiaries, and 47 members participated by logging into their accounts. In addition, 23 participants maxed out their savings.</p>	
<p><b>b. Quarter 3 - 2024 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 Q4, 2024 increased from Q3, 2024 at \$613.2M to \$617.6M.</li> <li>• <u>Total Participants</u>: During Q4, 6,278 participants had a balance greater than \$0, 3,551 participants were actively deferring, and 2,727 participants terminated with a balance. The average balance was \$98.3K, down 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>Market Commentary</u>: In Q4, sentiment continued to favor the U.S., though a more hawkish Federal Reserve disrupted momentum in December. While high interest rates remain a hurdle for many sectors, U.S. mega-cap growth stocks continue to rise. Investor sentiment shifted in favor of domestic equities on strong relative fundamentals with a clear preference for mega-cap growth stocks. Bond yields mostly rose as the market anticipated a slower pace of rate cuts, with economic growth and inflation still above expectations.</li> </ul>	



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- Stocks and Bonds Q4: It's been a good year for domestic equity. We got out of the inverted yield curve environment that we had been in for two years, where short-term rates were higher than long-term rates. The 10-year Treasury is now up 4.6%, with the one-year Treasury at about 4%. We saw interest rates come down a bit in the latter part of 2024; however, the long end of the yield curve has actually gone up.
- Headwinds and Tailwinds Q4: Positively trending economic growth and a steady labor market led the central bank to caution investors that the pace of future interest rate cuts may be slower than expected. The forward path of monetary policy remains unsettled, but the economic backdrop is generally favorable, with multiple factors pointing to continued growth. While the federal government has lowered expectations for additional rate cuts, investors remain focused on each new economic data release for signs of monetary policy clarity. President Trump's platform of regulatory reform and extended tax cuts is intended to drive growth and profitability. While the timing is unknown, Republicans in Congress will likely want to maintain election momentum and move quickly.
- Fund Line Up: Market expectations for federal fund rate cuts moderated significantly over the final quarter of 2024. Rates were lowered by 1% over the past three federal meetings, ending the year at 4.25-4.50%. The State of Maine has what we would consider to be best-in-class actively managed funds as well as really low-cost index-paced funds. If you have investors who are focused on cost exclusively or predominantly when structuring their portfolio, they can structure a really well-diversified portfolio using the Vanguard bond index, the S&P 500 index, the Extended Market index, and the International Index as well. For people who are making their own selections or working with the financial professionals at



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	<p>the various record keepers, they can create really well-diversified portfolios and do so at a reasonable cost as well.</p> <ul style="list-style-type: none"> <li>• <u>Assets and Holdings</u>: The performance of the different asset classes on a year-to-year basis, from the best-performing asset class to the worst-performing asset class, historically promotes the importance of diversification. No one asset class leads the way every single year; however, historically, large-cap growth has been a really good asset class to have your portfolio concentrated in, leading the way in 2023-2024, 2019-2020, and 2017 as well.</li> <li>• <u>Score Card Snapshot</u>: Some really high-scoring funds include the Harbor Capital Appreciation, which scored a 95 and is coming off another really strong year. The Global Growth Fund and The American Funds' new perspective are having an exceptional run over 1, 3, 5, and 10-year periods of time. The International Fund has a higher waiting time in terms of where your assets are. The funds are doing really well.</li> </ul>	
<b>V. Other Business</b>		
<b>d. Open Discussion</b>	<p>Discussion highlights below:</p> <p>Management Member <b>Shonna Poulin Gutierrez</b> states that the Office of Employee Health, Wellness, and Workers' Compensation continues to try to fill board seats.</p> <p><b>Captrust</b> offers to schedule time individually with new board members to go through the process we follow with the scoring methodology and the history of the plan.</p>	



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**VI. Adjourn (10:27 am)**

Management Member **Michael Dunn** made a motion to adjourn, seconded by Labor Member **Lindsey Mattson**. The motion passed.

**Next Meeting: May 22, 2025**