



Janet T. Mills
Governor

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

Wayne Morrow
Labor Co-Chair

Heather Perreault
Management Co-Chair

DEFERRED COMPENSATION ADVISORY COUNCIL MEETING
Thursday August 27 @ 9:00 am
Microsoft Teams Meeting

Council members in attendance: Seth Blodgett, Alex Burnett, Rebekah Koroski, Wayne Morrow, Heather Perreault, Robyn Saucier & Stuart Turney
(Total = 7)

Council members absent: Tracy Bonnevie, Lindsay Mattson & Ricky Welton
(Council seat 15 vacant)

Others Present:

CAPTRUST: Michael Pratico

VOYA: Greg Miller & Jennifer George

Mass Mutual: David Hanson & Anthony Verdile

AIG: Anthony Durak & Gregg Libutti

Employee Health & Benefits: Kurt Caswell, Roberta Leonard & Shonna Poulin-Gutierrez

Empower Retirement: Gary Plourde & Marybeth Daubenspeck

Other: Shirley Ezzy

Agenda Item	Discussion	Action/Next Steps
I. Call to Order (9:02 am)	Shonna Poulin-Gutierrez called the meeting to order	
II. Introductions		
III. Approval of Minutes (May 28, 2020)		Seth Blodgett made a motion to approve the amended minutes, Wayne Morrow seconded by. Motion passed.
IV. Plan Management & Investment Report <i>Michael Pratico – CAPTRUST</i> a. 2 nd Quarter 2020 results	Information contained in written report. Discussion highlights below: <ul style="list-style-type: none"> Total assets for Q2 over \$507M. Slight increase since Q1 2020. Total participants with a balance decreased slightly from 6,473 to 6,456. Lack of on-site meeting causing low volume of participants. Virtual meetings are offered and taking place by all three vendors. 	



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	<ul style="list-style-type: none"> • <u>Updates</u>: Despite the unprecedented events of current times CapTrust has experienced growth for the first half of 2020 and will continue to grow with 750 employees and over 400 Billion of assets. • <u>Response to Covid-19</u>: Important for participants to stay invested and not panic, historic recover has taken place to the market. About 11% of participants have increased contributions, 8.6% have reduced and 2.7% have stopped contributing. • <u>Environmental, Social and Governance Investing</u>: ESG or socially responsibly investment. The State of Maine only has one fund in this category that is marked for review. The Neuberger Berman Social Equity fund. The fund has kept the strategy away from expensive, higher momentum stocks, which have outperformed recently. As a result, performance has lagged its benchmark. • <u>Securing Retirement Income</u>: More development on lifetime income products within retirement plans. • <u>New Electronic Disclosure Rules</u>: Allow for more electronic delivery of documents. • <u>Headwinds/Tailwinds</u>: Economic outlook. Coronavirus top headwind and continue to follow. • Kurt Caswell asked about the long-term concerns relating to all the spending that has to happen, stimulus, legislation. Michael Pratico stated the stimulus was necessary, likely to get the balance sheet under control. A lot of changes may be driven by the current election, could be looking at higher taxes in the future. • Search and selection process (page 1, second slide) Added S&P column. 	
<p>b. Current Market</p>	<p>Discussion highlights:</p> <ul style="list-style-type: none"> • <u>Target date Funds</u>: 2020 fund is up 4.75% and 2040 fund up over 6% year to date. Beating 93% of the per group. Overall fund line up as done very well. • <u>Socially responsible investing</u>: The plan is not required to have socially responsible investment options. Currently this fund has 	<p>Seth Blodgett made a motion to examine the option to replace the Neuberger Berman Sub-Sustainable Equity fund, to the Vanguard FTSE fund; Rebekah Koroski seconded. Kurt Caswell will look at regulations that are</p>



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	<p>low utilization. Performance is driving this fund into the watched category.</p> <ul style="list-style-type: none"> • Kurt Caswell stated this is a good option to have, can be an incentive to participate. Heather Perreault agrees to continue to offer this investment class and look more at what is being offered in this class for a possible change. Shonna Poulin-Gutierrez asked if there is any history on why this particular fund was selected. Kurt Caswell stated this fund has been an option in the portfolio since the program started, alternative funds may not have been looked at because it always performed well. • 	associate with this motion, if allowed motion passes.
<p>V. Other Business <i>Kurt Caswell – Employee Health & Benefits</i> a. Workday Update</p>	<p>Discussion highlights:</p> <ul style="list-style-type: none"> • <u>Workday Update</u>: Goal to have workday installed and ready for go-live as of 7/1/21. • Roth saving feature as well as other features will be able to be added to the plan once Workday goes live. 	
<p>b. Open Discussion</p>	<p>Discussion highlights:</p> <ul style="list-style-type: none"> • None 	
<p>VI. Adjourn (10:30 am)</p>		Wayne Morrow made a motion to adjourn, seconded by Seth Blodgett. Motion passed.

Next meeting: December 3, 2020