



STATE OF MAINE  
 DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES  
 Bureau of Human Resources  
 Office of Employee Health and Benefits  
 61 State House Station  
 Augusta, ME 04333-0061



Janet T. Mills, Governor  
 Kirsten LC Figueroa, Commissioner

Kurt Caswell, Executive Director

March 2019

Dear Plan Participant:

The State of Maine offers the MaineSaves voluntary retirement savings plan, also known as the Deferred Compensation Plan, to help you save for a secure retirement. MaineSaves is governed by an Advisory Council, and it's our job to make sure the plan offers diversified investment fund options, so you can select a mix of investments that best suits you and your retirement income goals. This May, the Council will be taking several steps to make the plan easier to understand and use, including offering an updated, simplified investment fund lineup and adjusting administrative fees to be more equitable and transparent. **Please read this letter and the attached information from your provider carefully to understand how your investments will be affected.**

**Why a new investment fund lineup?**

Working with Buck Global, an independent investment expert, the Advisory Council decided to remove certain funds that no longer meet the plan's Investment Policy Statement criteria. Currently, our fund lineup includes:

- Too many options with the same investment style, making it possible to invest in a mix of funds yet still be insufficiently diversified
- Too many investment options overall, making it harder to choose your investment mix

The Council's aim is to offer a new menu of investment fund options that will make it easier for everyone to create a diversified investment mix from a broad spectrum of investment options, whether you're a savvy investor or you're new to the world of investing and would like help finding your way around.

**What changes should I expect?**

The changes to our fund lineup are designed to make the MaineSaves plan simpler and easier to use.

- **There will be a revised lineup of core investment funds.** All three providers will offer the following funds across a range of asset classes, so you can build a diverse investment portfolio.

New Core Investment Fund Lineup	
Asset Class	Investment Option (Ticker Symbol)
Capital Preservation	Fixed Account
Bond	PGIM Total Return Bond Fund - Class R6 (PTRQX)
	Vanguard® Total Bond Market Index Fund Admiral (VBTLX)
U.S. Large Cap Stock	Vanguard® Institutional Index Fund - Institutional Shares (VINIX)
	Harbor Capital Appreciation Fund - Institutional Class (HACAX)
	MFS® Value Fund - Class R6 (MEIKX)
	Neuberger Berman Sustainable Equity Fund - Class R6 Shares (NRSRX)
U.S. Mid Cap Stock	Vanguard® Extended Market Index Fund - Institutional Shares (VIEIX)
U.S. Small Cap Stock	Neuberger Berman Genesis Fund - Class R6 Shares (NRGSX)
Global Stock	American Funds New Perspective Fund® - Class R-6 Shares (RNPGX)
International Stock	Vanguard® Developed Markets Index Fund - Admiral™ Shares (VTMGX)
	American Funds EuroPacific Growth Fund® - Class R-6 (RERGX)

- **We are introducing target date funds.** The State wants MaineSaves to be a voluntary retirement plan that every employee can understand and participate in. And the Council recognizes that some employees don't have the time or expertise to feel comfortable managing their investments and would appreciate more help with their investment decisions. Target date funds pre-mix your investments for you and adjust the mix gradually over time. They're intended to make investing for retirement simpler and more convenient. Target date funds may be a good choice for participants who want a simplified, all-in-one approach to investing.

#### What is a target date fund?

Each target date fund is a diversified, professionally managed, automatic investment option intended for all your retirement plan assets. Each fund has a date in its name — the fund's target date. The diversified mix of investments in the fund is automatically adjusted over time, gradually shifting to be more conservative as the fund nears its target retirement date.

To pick a fund to invest in, you would choose the fund with the year closest to when you plan to retire and/or begin withdrawing from your account. For many people, that date is the year they turn age 65.

Learn more about target date funds — see the enclosed brochure and visit [www.mainesaves457.com](http://www.mainesaves457.com).

- **You may still choose other funds instead of core funds or target date funds, if you wish.** As always, if you prefer to manage your own investments and select from a wider variety of funds, each provider will continue to offer a brokerage window. You can use that window to invest in any fund your provider offers, in addition to or in place of those listed above.
- **Fees will be more equitable and easier to understand.** Starting in May, plan administrative fees will be based on your account balance, instead of varying based on the specific funds you are invested in. Also, these fees will now be listed separately on your plan statements instead of wrapped into investment returns. This will make fees more equitable and transparent for all participants. This means you may see an increase or decrease in the fees you pay to participate in MaineSaves. Please check your 2<sup>nd</sup> quarter account statement in mid-July to see how you are affected.

#### What will happen now?

All balances and future contribution elections will be transferred — or “mapped” — to a comparable investment fund in the updated lineup in early May. (If there is no comparable fund, all balances and elections will be mapped to the age-appropriate target date fund.) This investment fund change will take place automatically.

#### What do I need to do?

Because the change is automatic, there's nothing you need to do. However, now is a great time to review your investments and determine whether you still have the right mix of investment funds or need to make some changes. After your investment elections are mapped, you can make changes — for example, transfer an existing balance from one investment fund to another or change the way future contributions are invested — at any time.

We encourage you to read the enclosed materials from your provider to learn more about which funds are changing, what steps you should consider, how to find more information about any of the plan's investment funds, and how you can change the investment of your current plan balances and future contributions.

#### What if I have questions?

If you have questions about MaineSaves, you can find more information on [www.MaineSaves457.com](http://www.MaineSaves457.com). If you have questions about the changes described here, please call your local representative. Contact information for representatives is available online at [www.MaineSaves457.com](http://www.MaineSaves457.com) on the home page, under Local Providers.

Sincerely,  
Deferred Compensation Plan Advisory Council

**April 1, 2019**

**MaineSaves Plan Change Notice**

Dear MaineSaves Participants:

By participating in MaineSaves, the State of Maine’s Deferred Compensation Plan, you are taking active steps to create the future that you want. As you plan for retirement, one of the most important investment decisions you will make is selecting a mix of investments to help you meet your retirement goals. The State is committed to providing a diverse and low-cost array of investments to allow you to construct a portfolio of investments to meet your needs.

Investment Fund Changes

The State, along with its investment advisor, regularly evaluates the performance of the funds available for investment within your plan. Based upon a recent review and performance evaluation, **the State of Maine’s Deferred Compensation Plan Advisory Council has decided to change the menu of investment options in MaineSaves by adding and replacing certain funds, effective May 1, 2019.**

The new funds being added are:

<b>Asset Class</b>	<b>Fund Name</b>	<b>Ticker Symbol</b>
Target Date	American Funds 2010 Target Date Retirement Fund Class R-6	RFTTX
Target Date	American Funds 2015 Target Date Retirement Fund Class R-6	RFJTX
Target Date	American Funds 2020 Target Date Retirement Fund Class R-6	RRCTX
Target Date	American Funds 2025 Target Date Retirement Fund Class R-6	RFDTX
Target Date	American Funds 2030 Target Date Retirement Fund Class R-6	RFETX
Target Date	American Funds 2035 Target Date Retirement Fund Class R-6	RFFTX
Target Date	American Funds 2040 Target Date Retirement Fund Class R-6	RFGTX
Target Date	American Funds 2045 Target Date Retirement Fund Class R-6	RFHTX
Target Date	American Funds 2050 Target Date Retirement Fund Class R-6	RFITX
Target Date	American Funds 2055 Target Date Retirement Fund Class R-6	RFKTX
Target Date	American Funds 2060 Target Date Retirement Fund Class R-6	RFUTX
U.S. Equity	Vanguard Extended Market Index Institutional	VIEIX
International Equity	American Funds New Perspective Fund R-6	RNPGX

At the same time that the funds above are added to the MaineSaves investment lineup, some of the existing funds will be discontinued. Your assets in those discontinued funds, as well as your future contributions, will be directed to new replacement funds that have similar investment objectives. This process, which is called “mapping,” is shown in the following table. **No action is required on your part, unless you do not wish to have your future contributions directed into the new fund.** If you choose not to have your future contributions and/or your existing assets automatically allocated to the replacement fund, you may choose a fund of your choice prior to 4 p.m. ET on Tuesday, April 30, 2019.

You may change your investment elections by calling VALIC by phone, our toll-free interactive telephone service, at 1-800-448-2542, or by accessing VALIC Online at VALIC.com/.

Additional information regarding these new funds is attached. Information on the remaining funds available to you in the plan is available on the VALIC website.

<b>How Existing Funds Will Be Mapped</b>				
<b>This Discontinued Fund</b>	<b>Ticker Symbol</b>	<b>Will Be Transferred To</b>	<b>This Replacement Fund</b>	<b>Ticker Symbol</b>
American Funds Balanced R6	RLBGX	➔	Age appropriate Target Date Fund*	
PIMCO Total Return I	PRRIX	➔	Age appropriate Target Date Fund*	
American Beacon Small Cap	AVFIX	➔	Age appropriate Target Date Fund*	
Templeton Global Bond R6	FBNRX	➔	Age appropriate Target Date Fund*	
Vanguard Mid Cap Index	VIMAX	➔	Vanguard Extended Market Index Institutional Shares	VIEIX
Vanguard Small Cap Index	VSMAX	➔	Vanguard Extended Market Index Institutional Shares	VIEIX

\*Your age appropriate fund assumes you will retire at Age 65

To prepare for the May 1, 2019 fund exchange, VALIC Online and VALIC by Phone will not be available on April 30, after 4 p.m. ET. On May 2, prior to 4 pm ET, all capabilities, including VALIC Online and VALIC by Phone will be reactivated.

#### Plan Administration Fee Change

Previously, participants were charged an annual plan administration fee of 0.33% of assets. However, this fee was not assessed against all funds, so some participants paid more than others. Effective May 1, 2019, the plan will reduce the annual administration fee to 0.23% of assets (0.0575% quarterly) but it will apply to all investments. For example, a participant with a \$10,000 account balance will be charged \$23 per year (or \$5.75 per quarter).

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We understand how important financial security is to you when planning for retirement. We encourage you to take advantage of the tax-advantaged savings investment options available through your plan.

Sincerely,

A handwritten signature in cursive script that reads "Melinda Ackerman".

Melinda Ackerman

VALIC

Vice President, Client Care Center

**To view or print a prospectus for a currently offered fund, visit [VALIC.com](http://VALIC.com) and click on Access ePrint at the right-hand side of the screen. The prospectus contains the investment objectives, risks, charges, expenses and other information about the respective investment companies that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money. You can also request a copy by calling 1 (800) 448-2542.**

Securities and investment advisory services are offered by VALIC Financial Advisors, Inc., member FINRA and an SEC-registered investment advisor.