The Board of Trustees met at 9:00 a.m. on January 8, 2015, at the Maine Public Employees Retirement System, 96 Sewall Street, Augusta, Maine. Peter Leslie, Chair presided. Other Trustees present were Shirrin Blaisdell, Neria Douglass, Dick Metivier, Ken Williams, Catherine Sullivan, and Ben Viola (Vice Chair). Joining the Trustees were Sandy Matheson, Executive Director; John Milazzo, General Counsel and Chief Deputy Executive Director; Chris Mann, Assistant Attorney General and Board Counsel; Terry Hayes, Incoming State Treasurer and Trustee; and Heidi Strassberg-Bersani, Acting Secretary to the Board of Trustees. The Board was also joined for select portions of the meeting by Andrew Sawyer, Chief Investment Officer; Jim Bennett, Deputy Chief Investment Officer; Bartley Parker, Managing Director; Alternative Assets; Mark Johnson, Cliffwater; John Meier and Margaret Jadallah, Strategic Investment Solutions.

The Chair called for consideration of the Consent Calendar. The action items on the Consent Calendar were:

1. Minutes of the December 11, 2014, Regular Meeting;
2. Adoption of Hearing Officer’s Final Report in Ivey Menzietti appeal;
3. Recommended Dismissal of the following appeals:
   A. Marlene Adley;
   B. Sharon Black;
   C. Kimberly Chadbourne;
   D. Nina Charczenko;
   E. Julie Delmonaco;
   F. Scott Findlen;
   G. Jodi Mosher;
   H. Dion Stratton; and
   I. Jennifer A. Taylor.

➤ Action. Shirrin Blaisdell made the motion, seconded by Catherine Sullivan, to approve the Consent Calendar. Voted unanimously by seven Trustees.
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) TASK FORCE UPDATE

Sandy Matheson introduced the ESG Task Force members and the stakeholders that were joining via conference call and attending in person. Task Force members John Brautigam, Cynthia Simon, Brian Rice, and stakeholder Jane Edwards called in. Task Force members Debra Spaulding and Rick Bennett and stakeholder Karen Marysdaughter were in attendance at the meeting. Sandy began with a brief overview of the report of the Task Force and the ESG Policy that was being recommended by the Task Force to the Board for adoption. Task Force members shared their thoughts and experience in working on the policy. Sandy and Andrew Sawyer recommended that the Board adopt the policy.

- **Action.** Shirrin Blaisdell made the motion, seconded by Catherine Sullivan, to adopt the Environmental, Social and Governance Policy. Voted unanimously by seven Trustees.

INVESTMENTS – PRIVATE MARKETS

- **Action.** Ben Viola made the motion, seconded by Neria Douglass, to enter into executive session pursuant to 1 M.R.S. § 405(6)(C) and (F); 5 M.R.S. § 17057(4)). Voted unanimously by seven Trustees.

Tyler Henritze, Senior Managing Director and Alexandra Hill, Managing Director, Blackstone Real Estate made a presentation to the Board regarding Blackstone Real Estate Partners VIII.

*The Board moved back into open session.*

**Blackstone Real Estate Partners VIII**

- **Action.** Dick Metivier made the motion seconded by Ben Viola, that MainePERS make a commitment of up to $50 million to Blackstone Real Estate Partners Fund VIII, L.P., subject to final due diligence, legal review and negotiations and to authorize the Executive Director, Chief Deputy Executive Director and General Counsel and Chief Investment Officer as signatories to execute the documents necessary to complete the transaction. Voted unanimously by seven Trustees.

**Money Market in the DC Plans**

Andrew Sawyer presented the background on the money market funds in the MaineSTART DC Plans to the Board. He advised the Board of the Defined Contribution Plan Oversight Council’s recommendation that the Vanguard Prime Money Market Fund be selected as the cash option for all three of the
defined contribution and deferred compensation programs that MainePERS administers.

Action. Ken Williams made the motion, seconded by Ben Viola, to accept the Defined Contribution Plan Oversight Council’s recommendation to change the cash option for the MaineSTART 401(a) and 457 participants to the Vanguard Prime Money Market Fund and to close the Vanguard Retirement Savings Trust to new and existing participants. Voted unanimously by seven Trustees.

MainePERS Co-Investment Recommendation

Jim Bennett presented the Investment Team’s recommendation that MainePERS include private equity and real assets as permissible co-investments. Andrew Sawyer provided background on the co-investments program.

Action. Ken Williams made the motion, seconded by Shirrin Blaisdell, that MainePERS include private equity and real assets, as defined in the Investment Policy Statement, as permissible co-investments to be managed on a discretionary basis by the Investment Team in conjunction with the asset class consultants. The Investment Team is authorized to make aggregate co-investment commitments of up to $300 million, with the following limitations: (1) co-investments may only be made alongside existing funded commitments; (2) a maximum of $25 million may be committed to any one co-investment; and (3) a maximum of $100 million in the aggregate may be co-invested with any single general partner. The Executive Director, Chief Deputy Executive Director and General Counsel, and Chief Investment Officer are authorized as signatories to execute any documents necessary to complete transactions in the co-investment program. Voted unanimously by seven Trustees.

INVESTMENTS

Monthly Performance – December 2014

Andrew Sawyer, Jim Bennett and John Meier discussed the monthly performance of the fund for December 2014.

Investment Consultants Review

Andrew Sawyer presented a proposed general consultant job description and the list of potential consultants that would be sent a request for information. The
trustees suggested several changes to the documents and instructed the
Investment Team to proceed with the general consultant search.

ADMINISTRATION REPORT

Disability Task Force Update

Sandy Matheson presented an update of the Task Force and its work, stating that
the process was proceeding as expected. Task Force members selected Mercer to
assist in developing a best practices model on which the Task Force can make
further decisions.

Operations Report

John Milazzo reviewed the Operating Report:

- Discussed the System’s Omnibus Bill;
- Reported that the CAFR was issued on time;
- Discussed direct deposit and the fact that there are currently
  approximately 1,600 beneficiaries who do not use direct deposit. The
  System will be encouraging these beneficiaries to enroll in direct deposit
  in a direct mail campaign using a postcard that was shared with the
  Trustees;
- Discussed the VMware and IT infrastructure outages the System has been
  experiencing over the past couple of months. John noted that this is not a
  MainePERS-only issue and that other companies are experiencing similar
  problems with the software.

LITIGATION SUMMARY

Chris Mann reviewed the litigation summary.

Peter Leslie again thanked Neria Douglass for her service to the Board. Other
board members and staff joined in this appreciation for her service.

The meeting adjourned approximately 1:35 p.m.

February 12, 2015
Date Approved by the Board

Sandra J. Matheson, Executive Director

February 12, 2015
Date Signed