

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
December 9, 2021

MainePERS
Remotely
9:00 a.m.

The Board of Trustees held a meeting through video remote access pursuant to P.L. 2021, Ch. 290 at 9:00 a.m. on December 9, 2021. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; Mark Brunton; John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; Monica Gorman, Secretary to the Board of Trustees; and Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Chief Investment Officer; Zackery McGuire, Deputy Chief Investment Officer; Douglas Porter, Asset Class Head; Brian McDonnell, Cambridge Associates; Tom Lynch and George Bumedder, Cliffwater; Ed Schwartz and Thor Eriksen, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; and Sherry Vandrell, Director of Finance.

Brian Noyes called the meeting to order at 9:00 a.m. All Trustees except for Shirrin Blaisell were present. Jim Bennett introduced and welcomed Zack McGuire, the System's new Deputy Chief Investment Officer. Jim also shared that Doug Porter has been promoted to Deputy Managing Director effective January 1st.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of November 18, 2021
- Action. Dick Metivier made the motion, seconded by John Beliveau, to approve the Consent Calendar. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes, and Williams).

CEO REPORT

Dr. Rebecca Wyke summarized for Trustees the justification for continuing to meet remotely and provided an update on outreach, including a presentation she and Ken Williams gave to the Maine Education Association and a meeting with the Executive Director of the New Hampshire Retirement System. She announced the membership of the Divestment Advisory Panel and reviewed the process for complying with the divestment laws. She also outlined strategic planning that is beginning on the newly-adopted goals and objectives and discussed related personnel and budget adjustments.

PERSONNEL MATTER

- **Action.** Motion made by Dick Metivier, seconded by Henry Beck, to enter into Executive Session pursuant to 1 M.R.S. §405(6)(A) to discuss employment, compensation, and duties of employees. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes, and Williams).

Board moved out of executive session.

PRIVATE MARKETS ACTION

Ares Senior Direct Lending Fund II

- **Action.** Ken Williams made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to \$100 million to Ares Senior Direct Lending Fund II, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

Varadero Master Fund

- **Action.** Dick Metivier made the motion, seconded by John Beliveau, that MainePERS make a commitment of up to \$100 million to Varadero Master Fund, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

Real Estate Rebalancing

- **Action.** Henry Beck made the motion, seconded by Ken Williams, that MainePERS submit a full redemption request to Prima Capital Advisors for the entire account balance of MainePERS' interest in the Prima Mortgage Investment Trust, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this redemption request. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

FY22 BUDGET ADJUSTMENT

- **Action.** Mark Brunton made the motion, seconded by Henry Beck, that the Board amend the FY22 Budget by increasing Personal Services by \$220,435. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. Jim shared that there is no manager meeting scheduled for December.

Co-Investment Review

Jim Bennett and Doug Porter reviewed and answered questions from the Trustees regarding the current co-investment program.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of November 30th the MainePERS fund had a preliminary value of \$18.6 billion, the preliminary fund return for the month was -0.9%, the preliminary fiscal year-to-date return was 3.6%, and the preliminary calendar year to date return was 14.9%.

QUARTERLY INVESTMENT EDUCATION

Jim Bennett presented the strategic asset allocation process for the Trustees. Jim reviewed the asset classes and their roles in the portfolio, asset class modeling, risk and return, and the current portfolio with the Trustees. Brian McDonnell shared Cambridge Associates' asset class expectations for the future. Jim and Brian answered questions from the Trustees. Jim shared he will continue the discussion at the next Board meeting.

BOARD POLICY AMENDMENTS

Mike Colleran presented recommended amendments to Board Policy 2.1-C DC Plans Investment Policy Statement and Board Policy 2.2 – Actuarial Soundness and Funding.

- **Action.** Motion made by Ken Williams, seconded by Dick Metivier, that the Board approve amended Board Policies 2.1-C and 2.2. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

Henry Beck left the meeting at 10:55 a.m.

MAINESTART QUARTERLY REPORT

Mike Colleran shared with the Trustees an overview of the MaineSTART program as of 9/30/2021. Mike stated in next legislative session there will be a request included in the System bill to give us express authority to offer MaineSTART to employers who are not PLDs. Mike answered questions from the Trustees.

RULEMAKING UPDATE

Mike Colleran shared the rulemaking process to update the disability program rules due to new statutory changes has begun. We anticipate receiving public comments in writing and bringing recommendations to the Board early next year.

ADMINISTRATION REPORT

Operations Report

Jim Dusch stated recruitment for pension associates is going well. Jim stated that progress continues on the end of year beneficiary-related required minimum distributions.

Sherry Vandrell reported that 89% of payrolls were received on time in November. Sherry stated the Employer Reporting Assistance Team has renewed focus on the importance of submitting reports in a timely fashion. Eighty-four percent of findings were satisfactorily completed. The team is identifying themes underlying these findings that will help in developing additional employer training.

Rebecca Grant shared that the current focus is updating business continuity plans, over 50% of which have been completed. Rebecca stated the IT assessment results should be received in the near future.

LITIGATION UPDATE

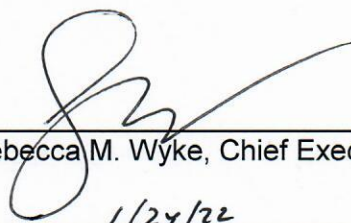
Betsy Stivers stated the two cases are still pending. In the Hawaii matter, a request for final judgement has been made from the Hawaii Court. Betsy shared that a motion to dismiss on the personnel matter has been filed and fully briefed and is currently waiting for a court decision.

ADJOURNMENT

- Action. Ken Williams made a motion, seconded by Dick Metivier, to adjourn the December Board of Trustees meeting. Voted unanimously by six Trustees (Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

The meeting adjourned at approximately 11:30 a.m.

1/13/2022
Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer

1/24/22
Date Signed