

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
January 13, 2022

MainePERS
Remote
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 January 13, 2022. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; 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; Brian McDonnell and Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Ed Schwartz, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; Sherry Vandrell, Director of Finance and Anedra Gregori, Associate General Counsel.

Brian Noyes called the meeting to order at 9:00 a.m. All Trustees were present.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of December 9, 2021

- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

CEO REPORT

Dr. Rebecca Wyke summarized for Trustees the justification for continuing to meet remotely. She shared she has met with all major MainePERS stakeholder groups. She met with the Labor and Housing and Appropriations Committees and provided them with an overview of the FY2021 Valuation results and an update on MaineERS. She reported that we also provided the Labor and Housing Committee with a presentation on our Program Evaluation Report and submitted our report in response to Resolve, c. 84 (the WEP/GPO study). Strategic planning for achieving the goals and objectives adopted by the Board last November will begin this month. Work continues on the study for developing a new State/Teacher pension plan design, which is due in February.

Michael Colleran shared that Compliance Officer Anedra Gregori has been promoted to Associate General Counsel.

ESG REPORT

Dr. Rebecca Wyke shared the 2021 ESG Report, which highlights ESG-related aspects of MainePERS' public and private investments. The ESG Report is available on MainePERS' public website.

PRIVATE MARKETS REVIEW

Co-Investment Review

Jim Bennett reviewed and answered questions from the Trustees regarding the recommended changes to the current co-investment guidelines.

- **Action:** Motion made by Mark Brunton, seconded by John Kimball, that the Board authorize MainePERS to make co-investments within the guidelines set forth below. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

CO-INVESTMENT GUIDELINES

Target Allocation	7.5% <i>Note that this co-investment allocation would continue to be included within the existing private market allocation and is not additive.</i>
Asset Classes	Co-investment may be made in each of the private market asset classes.
Discretion	Investment Team has discretion to make co-investments, in conjunction with the asset class consultant.
Signatories	The Chief Executive Officer, Chief Investment Officer, and General Counsel are authorized as signatories to execute documents in connection with co-investments.
Permissible Partners	Unless otherwise authorized, co-investments will only be made alongside Funds in which the System is a current investor.
Size Limits	Unless otherwise authorized, maximum of \$25m invested into any single co-investment. Unless otherwise authorized, maximum of \$200m aggregate co-investment in a single asset class with any single General Partner.

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. Jim shared the Investment Team will conduct meetings to discuss re-balancing of the real estate portfolio. The meeting is scheduled for Tuesday, January 25, 2022, with presentations by Stockbridge Smart Markets Fund at 9:00 a.m. and Invesco U.S. Income Fund at 9:45 a.m.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of December 31st the MainePERS fund had a preliminary value of \$18.8 billion, the preliminary fund return for the month was 1.3%, the preliminary fiscal year-to-date return was 4.9%, and the preliminary calendar year-to-date return was 16.4%.

ASSET ALLOCATION

Jim Bennett, Zack McGuire, Brian McDonnell, and Stuart Cameron provided an in-depth presentation of the strategic asset allocation process for the Trustees. They reviewed the strategic allocation process, asset classes and their roles in the portfolio, combining assets into portfolios, asset class expectations, and how different allocations equal different risks. The group shared they will be reviewing the goals and objectives and possible allocation changes over the next four to five months and will bring recommended changes to the Trustees at future meetings. Jim, Zack, Brian, and Stuart answered questions from the Trustees.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared three new PLD's have joined the retirement program, with seven other PLD's making plan enhancements. Jim stated current RMD distributions have been made on time and work continues to find those who have been deemed lost.

Sherry Vandrell reported that 89% of payrolls were received on time in December. Sherry stated the Employer Reporting Assistance Team completed four reviews with six new reviews being initiated during the same timeframe. Eighty-three percent of findings were satisfactorily completed.

Rebecca Grant shared that staff is primarily working remotely. Rebecca stated good results were received from the first year of a three-year IT assessment audit. Rebecca answered questions from Trustees regarding COVID vaccinations.

Interest Rates Update

Michael Colleran shared with the Trustees that the interest rate for withdrawals will be reset to 1.52%, an increase of .59% from last year. Michael stated the rates to purchase certain types of service credits will increase to 3.52% or 6.50%, depending upon the type of service credit.

LEGISLATIVE UPDATE

Kathy Morin provided an update on legislative bills carried over on the special appropriations tables or by the policy committee. Kathy shared information on our System bill that will make changes to part of our statute. Kathy reviewed the other printed bills, which covered a number of PLD special plans. Kathy stated that a number of reports were being prepared for the Legislature, and copies of those reports will be shared with the Trustees.

ACTUARIAL CONSULTANT RECOMMENDATION

Kathy Morin stated that Board Policy requires a review of the retained actuarial consultant at least every five years in conjunction with the completion of the actuarial audit. The actuarial audit was completed in August 2021. Kathy reviewed Cheiron's performance with the Board and the staff's recommendation to continue to retain the firm.

- Action. Ken Williams made a motion, seconded by John Kimball that MainePERS continue to retain Cheiron as actuarial consultant. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes and Williams).

LITIGATION UPDATE

Betsy Stivers stated the judgment in the Hawaii matter still has not been issued. Betsy shared that a motion to dismiss on the civil rights matter is ripe for a court decision. She also provided an update on the status of the Freedom of Access action brought by Susan Hawes.

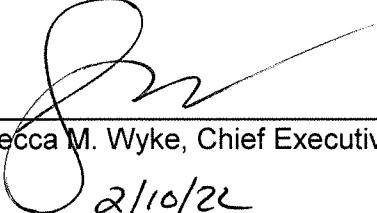
ADJOURNMENT

- Action. Dick Metivier made a motion, seconded by Shirrin Blaisdell, to adjourn the January Board of Trustees meeting. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes and Williams).

The meeting adjourned at approximately 11:15 a.m.

2/10/2022

Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer

2/10/22
Date Signed