

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
February 10, 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 February 10, 2022. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; John Beliveau; Shirrin Blaisdell; Mark Brunton; John Kimball; Greg Olsen, Deputy State Treasurer; 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, Thorsen Eriksen and Steven Stuckwisch, 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 January 13, 2022
- Action. Dick Metivier made the motion, seconded by Ken Williams, to approve the Consent Calendar. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olsen, and Williams).

CEO REPORT

Dr. Rebecca Wyke summarized for Trustees the justification for continuing to meet remotely. She congratulated John Beliveau and Shirrin Blaisdell on their reappointment to the Board of Trustees. She reported on concerns presented to the Labor and Housing Committee by a stakeholder during the Committee's review of our Government Evaluation Act report. Susan Hawes outlined her concerns relating to the handling of her husband's disability retirement in 2018 and the disability program in general. Dr. Wyke noted that Ms. Hawes previously brought these concerns to our attention, and we have briefed the Board on them. She further noted that Public Law 2021, c. 277, amended the laws relating to disability retirement, and those changes have been substantially implemented. Dr. Wyke shared that work with the Divestment Advisory Panel continues, and the working group studying a new State/Teacher pension plan design as required by Resolves, c. 66 and 72 has completed its work. She shared that as part of the strategic planning process, staff has been asked to provide feedback on the draft mission and vision statements, as well as helping to develop a set of organizational values in support of the mission and vision. This process is expected

to conclude by July 1st of this year and is intended to drive cultural change within MainePERS enabling best in class services and performance.

PRIVATE MARKET ACTIONS

- **Action.** Ken Williams made the motion, seconded by John Beliveau, to enter into Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) to discuss private market investment information contained in non-public documents. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olsen, and Williams).

Board moved out of executive session.

Smart Markets Fund

- **Action.** John Beliveau made the motion, seconded by Shirrin Blaisdell, that MainePERS make an additional commitment of up to \$45 million to Smart Markets 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 eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olsen, and Williams).

Invesco U.S. Income Fund

- **Action.** Dick Metivier made the motion, seconded by Mark Brunton, that MainePERS make an additional commitment of up to \$45 million to Invesco U.S. Income 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 eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olsen, and Williams).

PRIVATE MARKETS REVIEW

Private Markets Activity

Zack McGuire reviewed the table of private markets funds that had closed during the past 12 months. Zack stated there is a new co-investments section which will be included in the memo going forward. Zack shared that the next manager meeting is scheduled for Tuesday, February 22, 2022, with presentations by Angelo Gordon at 9:00 a.m. and Silvercreek Capital Management at 10:00 a.m.

Real Estate Quarterly Review

Ed Schwartz, Thor Eriksen and Steve Stuckwisch from ORG provided the Trustees with a presentation on the real estate portfolio for the period ending September 30, 2021. The presentation provided an overview of the impact of inflation on the portfolio. Ed, Thor, and Steve answered questions from the Trustees.

Cliffwater Quarterly Review

Tom Lynch and George Bumeder provided an overview of the private market portfolios as of September 30, 2021. Tom and George answered questions from the Trustees regarding the various portfolios.

INVESTMENT REVIEW

Public Securities Liquidity Portfolio

Jim Bennett reviewed the public securities liquidity portfolio, which was approved by the Trustees in 2021 and is now active. A report on the public securities liquidity portfolio will be included in the investment monthly review each month.

Investment Monthly Review

Jim Bennett reported that as of January 31st the MainePERS fund had a preliminary market value of \$18.9 billion, the preliminary fund return for the month was -1.6%, the preliminary fiscal year-to-date return was 5.9%, and the preliminary calendar year-to-date return was -1.6%.

Investment Quarterly Review

Brian McDonnell and Stuart Cameron provided an overview of the portfolio dashboard as of December 31, 2021 and presented the 4th quarter 2021 performance review to the Trustees. Brian and Stuart answered questions from the Trustees.

Risk Diversifier Quarterly Report

Stuart Cameron shared the Risk Diversifiers quarterly report as of December 31, 2021. The Trustees discussed and asked questions about the report.

ASSET ALLOCATION

Jim Bennett, Zack McGuire, Brian McDonnell, and Stuart Cameron continued the strategic asset allocation process discussion from last month. The group presented a review of the process, goals and objectives, and the changes that resulted from the 2013 asset allocation study. The next steps for the Investment Team, Cambridge Associates, and Cheiron will be to model the Fund's post-2028 position for portfolios at various risk levels. This will be presented at the next Board meeting. Jim, Zack, Brian, and Stuart answered questions from the Trustees.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared there were eleven PLD plan changes for the month of January, and two new PLDs joined. Jim stated RMD distributions are on target for processing, and work continues to look for those who may be lost. Jim shared new hires have given positive

feedback on the training program and reference materials provided in the onboarding process.

Sherry Vandrell reported that 92% of payrolls were received on time in January.

Rebecca Grant shared that Human Resources is very busy with recruitments in process for 12 positions. Rebecca stated IT printed and sealed over 130,000 tax and payroll forms in January.

LEGISLATIVE UPDATE

Kathy Morin provided an update on the status of legislative bills. She reviewed the various PLD special plan bills and answered questions from the Trustees. Kathy shared the reports that had been submitted to the Legislature and those reports that are due in the upcoming weeks.

LITIGATION UPDATE

Betsy Stivers stated no final judgment has been issued in the Hawaii matter. Betsy stated there is no update in the Susan Hawes Freedom of Access matter. Betsy shared that the federal court has not yet scheduled an argument on our motion to dismiss in the personnel matter.

ADJOURNMENT

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

The meeting adjourned at approximately 11:20 a.m.

3/10/2022
Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer

3/10/22

Date Signed