

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
March 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 March 10, 2022. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; 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, Thorsen Eriksen and Steven Stuckwisch, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; Sherry Vandrell, Director of Finance; Anebra Gregori, Associate General Counsel; and Bartley Parker, Managing Director, Investments.

Brian Noyes called the meeting to order at 9:00 a.m. All Trustees except for Mark Brunton 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 February 10, 2022,
- Decision, C.G. Appeal, and
- Decision, P.C. Appeal

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

Brian Noyes shared a letter from the Board to Sandy Matheson thanking her for her work on behalf of MainePERS and for the work she has done on the new plan concept. Brian noted that Sandy thanked the Board and wished them the best in the future.

CEO REPORT

Dr. Rebecca Wyke summarized for Trustees the justification for continuing to meet remotely. She shared that the current plan is to hold the April meeting in person. A Trustee may join remotely due to illness, a medical condition, or a temporary absence from the State. The Chair needs to approve this absence prior to the meeting, and a Trustee can only join remotely two times per year. She stated two external stakeholders contacted her with

issues related to investments. The Investment Team completed their due diligence on those issues and is satisfied that MainePERS is not exposed to undue risk. A PLD participant, Maine Veterans' Home, announced the pending closure of two of their facilities. MainePERS has reached out to them to offer assistance to employees regarding their retirement plans. Dr. Wyke shared the Divestment Advisory Panel's work is almost complete. We are working to finalize the RFP to engage one or more consultants in the development of MainePERS' approach. She stated staff met to provide input for new Mission and Vision statements and to develop a set of organizational values. She shared training on diversity, equity and inclusion (DEI) for all staff is scheduled to begin in late May.

PRIVATE MARKET ACTIONS

Angelo Gordon Realty XI

- **Action.** John Beliveau made the motion, seconded by Henry Beck, that MainePERS make a commitment of up to \$50 million to Angelo Gordon Realty XI, 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, Blaisdell, Kimball, Metivier, Noyes, and Williams).

PRIVATE MARKETS REVIEW

Alternative Asset Consultant Review

Jim Bennett shared that the Investment Team has begun a review of the alternative asset class consultant relationships. Consistent with Board policy, Jim expects to make a recommendation this spring on whether a search for new providers should begin.

Private Markets Activity

Zack McGuire reviewed the table of private market funds and co-investments that had closed during the past 12 months. Zack shared that the next manager meeting is scheduled for Tuesday, March 22, 2022, with presentations by KKR Diversified Core Infrastructure Fund at 9:00 a.m., Advent International GPE X at 9:45 a.m., and Water Street Healthcare Partners V at 10:30 a.m.

Private Market Performance Measures

Zack McGuire shared a presentation with the Trustees that provided an overview of private market performance measurement. Zack reviewed time-weighted return, internal rate of return, performance measures and benchmarking. Zack discussed and answered various questions from the Trustees.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of February 28, the MainePERS fund had a preliminary market value of \$18.7 billion, the preliminary fund return for the month was -0.8%, and the

preliminary fiscal year-to-date and calendar year-to-date return was 4.8% and -2.7%, respectively.

ASSET ALLOCATION

Jim Bennett, Zack McGuire, Brian McDonnell, Stuart Cameron, and Gene Kalwarski continued the strategic asset allocation process discussion. The group discussed reducing portfolio risk for the post-2028 payoff of the 1996 UAL. The group reviewed the process and reasoning for this and told Trustees that recommendations for specific changes to the System's asset allocation would be made at a later meeting. Jim, Zack, Brian, Stuart and Gene answered questions from the Trustees.

MAINESTART QUARTERLY REVIEW

Michael Colleran shared the MaineSTART quarterly report for the quarter ending 12/31/2021. He reported that the default investment alternative change has been implemented, and the System bill that would authorize MaineSTART to be offered outside of PLDs is working its way through Legislature.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared recruitment has been successful with four new employees being hired in Retirement Services. Jim stated the RMD process continues to run smoothly, and work continues on those who may be lost.

Sherry Vandrell stated working with employers on timely remitting and reporting continues. She shared the new Employer Reporting Manager will be starting soon. Work continues to increase closure of employer reporting assistance findings.

Rebecca Grant shared recruiting for various positions within the organization is ongoing. She stated IT security testing continues. Rebecca, Jim, and Mike answered questions regarding recruitment from the Trustees.

LEGISLATIVE UPDATE

Kathy Morin provided an update on the status of legislative bills. Kathy shared the one time COLA for the State/Teacher plan, included in the supplemental budget bill, is scheduled to be heard in the next few weeks. Labor and Housing Committee reviewed the Procurement Report and had no concerns. Kathy will share their response in next month's legislative report. A favorable response was received on our Program Evaluation Report. Kathy stated she expected to receive responses on our military subsidy and our annual report in the coming weeks.

LITIGATION UPDATE

Betsy Stivers stated there continues to be no update in the Susan Hawes Freedom of Access matter. Betsy shared no final judgment has been issued in the Hawaii matter. The parties are no longer accepting electronic service, which has caused the delay. Betsy shared the federal court acted without oral argument and denied our request to dismiss in the personnel matter. She shared her office will be working on an answer and discovery in that case.

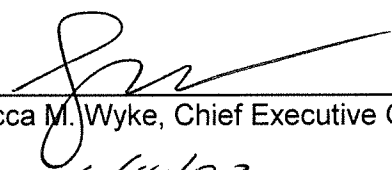
ADJOURNMENT

- Action. Ken Williams made a motion, seconded by John Kimball, to adjourn the March Board of Trustees meeting. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Kimball, Metivier, Noyes, and Williams).

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

4/14/2022

Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer

4/14/22

Date Signed