

# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Minutes

Board of Trustees  
Regular Board Meeting  
April 12, 2018

MainePERS Board Room  
Augusta, Maine  
9:00 a.m.

*The Board of Trustees met at 9:00 a.m. on April 12, 2018, at the Maine Public Employees Retirement System, 96 Sewall Street, Augusta, Maine. Ben Viola, Vice-Chair, presided. Other Trustees present were Shirrin Blaisdell; Mike Currie; Matthew Colpitts, Deputy State Treasurer; Dick Metivier; and Ken Williams. Joining the Trustees were Sandy Matheson, Executive Director; Michael Colleran, General Counsel; and Monica Gorman, Secretary to the Board of Trustees. The Board also was joined for select portions of the meeting by Andrew Sawyer, Chief Investment Officer; Jim Bennett, Deputy Chief Investment Officer; Rebecca Grant, Deputy Executive Director, Administrative Services; Jim Dusch, Deputy Executive Director, Service Programs; Kathy Morin, Manager, Actuarial and Legislative Affairs; Brian McDonnell and Cara Majeski, Cambridge Associates; Mark Johnson, Cliffwater; and Ed Schwartz and Jonathan Berns, ORG.*

Ben Viola began the meeting by thanking Andrew, Jim and the Investment Team on a job well done on being nominated for Institutional Investor's Hedge Fund Investor Small Public Plan of the Year award.

### **CONSIDERATION OF THE CONSENT CALENDAR**

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

1. Minutes of February 8, 2018 and March 12, 2018;
2. Decision, A.R. Appeal;
3. Dismissal, Monica Nelson Appeal.

- Action. Shirrin Blaisdell made the motion, seconded by Mike Currie, to approve the Consent Calendar. Voted unanimously by six Trustees.

### **EXECUTIVE SESSION**

- Action. Shirrin Blaisdell made the motion, seconded by Dick Metivier, to enter into Executive Session pursuant to 1 M.R.S. § 405(6)(F); 5 M.R.S. § 17057(4). Voted unanimously by six Trustees.

*The Board moved back into open session.*

### **ARES CAPITAL EUROPE IV**

- Action. Shirrin Blaisdell made the motion, seconded by Mike Currie that MainePERS make a commitment of up to €100 million to Ares Capital Europe

IV, subject to final due diligence, legal review and negotiations, and authorize the Executive Director, Chief Investment Officer and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by six Trustees.

## **BPEA REAL ESTATE FUND II**

- **Action.** Dick Metivier made the motion, seconded by Matthew Colpitts, that MainePERS make a commitment of up to \$50 million to BPEA Real Estate Fund II, subject to final due diligence, legal review and negotiations, and authorize the Executive Director, Chief Investment Officer and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by six Trustees.

Andrew Sawyer introduced Ed Schwartz and Jonathan Berns from ORG and Bartley Parker, Managing Director for Investments.

## **PRIVATE MARKETS REVIEW**

### **Private Market Activity**

Jim Bennett reviewed the private markets activity for the past 12 months. Jim shared with the Board that there are no manager meetings planned for April. Jim informed the Board that Denham Capital and Silver Creek Construction Materials Fund are under consideration and may meet in the future.

## **INVESTMENT REVIEW**

### **Investment Monthly Review**

Andrew Sawyer presented the monthly investment report. Andrew reported that as of March 31, the MainePERS fund was valued at \$14.0 billion, and the preliminary fiscal YTD return is 7.3%.

## **REAL ESTATE REVIEW**

Ed Schwartz and Jonathan Berns from ORG provided an overview of the real estate portfolio as of December 31, 2017. Ed and Jonathan discussed the portfolio with the Trustees.

## **QUARTERLY INVESTMENT TRAINING**

### **Implementation**

Jim Bennett provided a presentation on the implementation phase of institutional investing, with a focus on the implementation of passive investments. Jim also discussed the methods used to implement those investments as well what the roles of U.S. Equities and Non-U.S. Equities are in this implementation.

## **ADMINISTRATION REPORT**

### **Operations Report**

Jim Dusch provided an update on the long-term disability insurance program. Jim shared that things are moving forward. The Governor has signed the bill to offer long-term disability insurance. There are a variety of options that will be brought before the Disability Task Force in the near future.

Rebecca Grant stated the new board website will track the progress of the new building and will provide pictures as well. Rebecca also shared the adoption of the NIST Cybersecurity framework.

Sandy Matheson shared what a fantastic job Mike Colleran, Val Scott and Rebecca Grant have done on the new building.

## **LEGISLATIVE UPDATE**

Kathy Morin updated the Board on the status of bills. Sandy Matheson shared that the new pension plan report due date was extended another year and a half.

## **LITIGATION SUMMARY**

Mike Colleran provided the Trustees with an updated litigation summary.

## **RULEMAKING HEARING**

A public hearing on a proposed amendment to Rule Chapter 803 was held at 1:00 p.m. Comments on the proposed rule were made by 11 members of the public during the hearing.

The Board of Trustees meeting was adjourned at 2:00 p.m.

5-10-18  
Date Approved by the Board

Sandy Matheson  
Sandy Matheson, Executive Director

5-10-18  
Date Signed