

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Regular Board Meeting
September 13, 2018

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

The Board of Trustees met at 9:00 a.m. on September 13, 2018, at the Maine Public Employees Retirement System, 96 Sewall Street, Augusta, Maine. Brian Noyes, Chair, presided. Other Trustees present were Phil Brookhouse, Mike Currie, Terry Hayes, Dick Metivier, and Ken Williams. Joining the Trustees were Sandy Matheson, Executive Director; Michael Colleran, General Counsel; Monica Gorman, Secretary to the Board of Trustees; and Chris Mann, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by Andrew Sawyer, Chief Investment Officer; Rebecca Grant, Deputy Executive Director; Jim Dusch, Deputy Executive Director; Stuart Cameron, Cambridge Associates; and Mark Johnson, Cliffwater.

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 August 9, 2018;
2. Decision, C.K. Appeal;
3. Decision, S.P. Appeal; and
4. Decision, J.P. Appeal.

- Action. Phil Brookhouse made the motion, seconded by Ken Williams, to approve the Consent Calendar. Voted unanimously by five Trustees.

Sandy Matheson recognized Ben Viola who was attending the meeting as a guest. She congratulated Ben on his retirement from State service and thanked him for his hard work and dedication as a Trustee for the past 14 years. The Trustees shared their congratulatory comments with Ben as well.

BOARD ELECTIONS

Brian Noyes made the recommendation that Dick Metivier fill the vacant Vice Chair position.

- Action. Phil Brookhouse made the motion, seconded by Ken Williams, to have Dick Metivier serve as Vice Chair of the Board of Trustees. Voted unanimously by five Trustees.

PRIVATE MARKETS REVIEW

Private Markets Activity

Andrew Sawyer reviewed the table of private markets funds that had closed during the past 12 months. Andrew reminded the Board that the next investment manager meeting is scheduled for Tuesday, September 25, 2018, with presentations by Thoma Bravo at 9:00 a.m., GIP at 10:15 a.m., and Homestead at 12:15 p.m. Andrew shared that a Capricorn investment may be considered at the next Board meeting.

AQR Risk Premia

Andrew Sawyer shared that we have been negotiating for a reduction in management fees in return for accepting a two-year lock up provision.

- Action. Dick Metivier made the motion, seconded by Mike Currie, that the Board authorize an agreement between MainePERS and AQR for a reduced management fee rate in exchange for a renewable two-year lock-up requirement in the AQR Liquid Enhanced Alternative Premia Fund. Voted unanimously by five Trustees.

INVESTMENT REVIEW

Investment Monthly Review

Andrew Sawyer presented the monthly investment report. Andrew reported that as of August 31st, the MainePERS fund was valued at \$14.4 billion with a preliminary one-month return of .03%. The calendar year-to-date return was 3.6%. Andrew reviewed and discussed the asset allocation target with the Trustees. The Investment Team will have this as an agenda item for the March or April Board meeting.

ALTERNATIVE INVESTMENT REVIEW

Risk Diversifiers Quarterly Review

Stuart Cameron, Cambridge Associates, provided an overview of the risk diversifiers asset class as of June 30, 2018. Stuart answered questions from the Trustees.

Real Estate Quarterly Report

Andrew Sawyer presented the real estate asset class report as of March 31, 2018, which had been carried-over from the August Board meeting.

Terry Hayes arrived at 10:20 a.m.

MAINESTART ANNUAL REVIEW

Michael Colleran provided a presentation on the MaineSTART program. Michael shared information regarding the DC plans we administer, the Board's duties as well as staff's, and future plans.

RULEMAKING

Michael Colleran provided the Trustees with the proposed changes to Rule Chapter 803 that were recommended by the PLD Advisory Committee and staff. Sandy Matheson and Michael discussed the proposed changes and answered questions from the Trustees.

- Action. Dick Metivier made the motion, seconded by Phil Brookhouse, that the Board adopt amended Rule Chapter 803 and its Basis Statement. Voted unanimously by six Trustees.

Brian Noyes shared his gratitude for the great outreach to the PLD groups from Sandy and her staff. Sandy shared that she will pass along the Board's thanks to the PLD Advisory Committee for their hard work on this plan.

LITIGATION SUMMARY

Chris Mann updated the Trustees on recent activity within his summary.

ADMINISTRATION REPORT

Operations Report

The new building continues on schedule. Rebecca shared that October 5th staff will begin the paper reduction process as we look to move to the new building. This is an opportunity to recycle paper items we no longer need.

ED EVALUATION

Executive Session

- Action. Terry Hayes made the motion, seconded by Dick Metivier, to enter into Executive Session pursuant to 1 M.R.S. §405(6)(A). Voted unanimously by six Trustees.

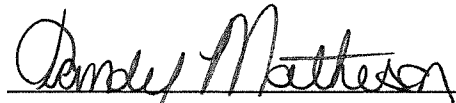
The Board moved back into open session.

NEW BUILDING TOUR

The Board of Trustees and staff toured the new building.

The meeting was adjourned at 3:00 p.m.

10-11-18
Date Approved by the Board


Sandy Matheson, Executive Director

10-11-18
Date Signed