

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Regular Board Meeting
March 14, 2019

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

The Board of Trustees met at 9:00 a.m. on March 14, 2019, at the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, Maine. Brian Noyes, Chair, presided. Other Trustees present were Shirrin Blaisdell; Phil Brookhouse; Matt Colpitts, Deputy Treasurer; Mike Currie; and Ken Williams. Trustee Dick Metivier joined the meeting via conference call. 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; James 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; Cara Majeski and Stuart Cameron, Cambridge Associates; Mark Johnson, Cliffwater; and Seth Keller, Senior Analyst, Investment Operations.

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 14, 2019
 2. Decision, C.F. Appeal
 3. Decision, W.M. Appeal
 4. Dismissal, Annie Connell Appeal
 5. Dismissal, Nikolas Hample Appeal
- Action. Shirrin Blaisdell made the motion, seconded by Phil Brookhouse to approve the Consent Calendar. Voted unanimously by six Trustees.

RISK MANAGEMENT STRATEGIES

Jim Bennett and Andrew Sawyer presented an overview of risk management strategies to the Trustees, participated in a discussion of this topic with the Trustees, and answered questions from the Trustees.

LONG TAIL ALPHA

- Action. Ken Williams made the motion, seconded by Phil Brookhouse, that MainePERS make a commitment of up to \$50 million annually to Long Tail Alpha's downside risk protection strategy, 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.

PRIVATE MARKET ACTIONS

- Action. Mike Currie made the motion, seconded by Ken Williams, 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.

ADVENT INTERNATIONAL GPE IX

- Action. Ken Williams made the motion, seconded by Matt Colpitts, that MainePERS make a commitment of up to \$50 million to Advent International GPE IX, 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.

RUBENSTEIN PROPERTIES FUND IV

- Action. Shirrin Blaisdell made the motion, seconded by Phil Brookhouse, that MainePERS make a commitment of up to \$30 million to Rubenstein Properties Fund 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.

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. Jim reminded the Board the next investment manager meeting is scheduled for Tuesday, March 26, 2019, with presentations by EQT at 10:00 a.m. and Carlyle Group at 11:15 a.m.

INVESTMENT REVIEW

Investment Monthly Review

Andrew reported that as of February 28, the MainePERS fund had a preliminary value of \$14.4 billion, and a preliminary calendar year to date return of 3.7%.

PLANS UPDATE

Sandy Matheson shared a presentation that was prepared for the Appropriations Committee regarding MainePERS' retirement plans, the defined benefit plan environment, and how our plans compare to other state public plans. Sandy answered questions from the Trustees about the presentation.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared the updated numbers for February in the service programs area. Jim informed the Trustees that Stephanie Fecteau, a long-time employee and PLD Administrator for MainePERS, is retiring after 30 years of service.

Rebecca Grant provided the Trustees with background information on an arbitration settlement involving reclassification of two employees. Rebecca also shared that we are beginning collective bargaining with the Supervisory Bargaining Unit.

Rebecca updated the Trustees on recent ransomware attacks on some of our employers and steps MainePERS has taken to protect our network.

Rebecca shared with the Trustees photographs of the old MainePERS building as it was being demolished.

Sandy and Jim provided the Trustees with information on the required minimum distribution process. Sandy, Jim, and Michael Colleran answered various questions from the Trustees.

LEGISLATIVE UPDATE

Kathy Morin presented the legislative update and provided information on new bills being introduced for consideration. Sandy and the Trustees thanked Kathy for her wealth of information and working relationships she has with our analysts and other legislative members.

LITIGATION SUMMARY

Chris Mann shared he will be working on a new appeal he recently received.

Brian Noyes closed the meeting by thanking the Trustees for their questions and discussion regarding risk management strategies. Brian shared the success of the Board is due to those discussions and it shows how well the Trustees work together. Sandy Matheson also thanked the Board for their hard work and great working relationship.

The meeting adjourned at approximately 2:00 p.m.

4/11/19

Date Approved by the Board



Sandra J. Matheson, Executive Director

4-11-19

Date Signed