

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
June 11, 2020

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

The Board of Trustees held a meeting through video remote access pursuant to P.L. 2019, Ch. 617, § G-1 at 9:00 a.m. on May 14, 2020. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice-Chair; Matt Colpitts, Deputy State Treasurer; John Beliveau; Phil Brookhouse; Mark Brunton; and Ken Williams. Joining the Trustees were Sandy Matheson, Executive Director; 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; Rebecca Grant, Deputy Executive Director, Administration; Jim Dusch, Deputy Executive Director, Service Programs; Brian McDonnell and Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumedder, Cliffwater; Ed Schwartz and Austin Mack, ORG; and Gene Kalwarski, Cheiron.

Brian Noyes called the meeting to order at 9:06 a.m. A roll call of the Trustees was done to confirm a quorum. All Trustees except Shirrin Blaisdell and Phil Brookhouse responded affirmatively.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of May 14, 2020;
 - Decision, D.M. Appeal; and
 - Dismissal, Sandra Greenleaf Appeal
- Action. Ken Williams made the motion, seconded by Matt Colpitts to approve the Consent Calendar. Voted unanimously by six Trustees (Noyes, Metivier, Beliveau, Brunton, Colpitts and Williams).

PRIVATE MARKETS ACTIONS

Aspect Core Diversified

- Action. Motion made by Ken Williams, seconded by Matt Colpitts, that MainePERS make a commitment of up to \$100 million to Aspect Core Diversified, 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 (Noyes, Metivier, Beliveau, Brunton, Colpitts and Williams).

CVC Capital Partners VIII

- **Action.** Motion made by Dick Metivier, seconded by Ken Williams, that MainePERS make a commitment of up to €40 million to CVC Capital Partners VIII, 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 (Noyes, Metivier, Beliveau, Brunton, Colpitts and Williams).

Owl Rock Capital Corporation III

- **Action.** Motion made by Mark Brunton, seconded by Dick Metivier, that MainePERS make a commitment of up to \$100 million to Owl Rock Capital Corporation III, 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 (Noyes, Metivier, Beliveau, Brunton, Colpitts and Williams).

Owl Rock Capital Corporation

- **Action.** Motion made by Ken Williams, seconded by Matt Colpitts, that MainePERS reduce or eliminate its investment in Owl Rock Capital Corporation and authorize the Executive Director, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this action. Voted unanimously by six Trustees (Noyes, Metivier, Beliveau, Brunton, Colpitts and Williams).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of May 31st, the MainePERS fund had a preliminary value of \$15 billion, a preliminary fund return for the month was 1.4%, fiscal year-to-date return of 3.5%, and a preliminary calendar year to date return of -1.4%. Jim shared and reviewed a revised format for the private equity investments.

Tail Hedge Overview

Jim Bennett, Brian McDonnell and Stuart Cameron provided a first year review of tail risk hedging with the Trustees. Jim, Brian and Stuart answered various questions from the Trustees.

Phil Brookhouse joined the meeting at 9:30 a.m.

PRIVATE MARKET REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. Jim shared that the next manager meeting is scheduled for Tuesday, June 23, 2020, with a presentation by Ares Capital at 9:00 a.m.

ACTUARIAL

FY22-23 Actuarial Assumptions

Gene Kalwarski and Sandy Matheson reviewed with the Trustees a presentation that provided projected pension rates for FY22-23 for the State/Teacher Plan. Gene and Sandy answered various questions from the Trustees and will bring forward a recommendation at the next meeting.

MAINESTART QUARTERLY REVIEW

Jim Bennett provided an overview of the participation and value of the MaineSTART program as of 3/31/20.

ADMINISTRATION REPORT

Operations Report

Jim Dusch thanked the IT staff for their work in preparing, delivering, and fielding various questions from the employees working remotely. Jim shared that outgoing work is now more than the incoming as employees settle in to this work mode. Jim stated new PLD plan participants and plan changes become effective July 1st.

Rebecca Grant updated the Trustees on the progress of the new phone system installation and training. Rebecca shared the installation of the air quality system has been completed. Rebecca and Sandy Matheson informed the Trustees that migration to unique member identification numbers will eliminate the use of social security numbers for members.

LITIGATION UPDATE


Betsy Stivers shared she received the modified briefing schedule for the Lawrence Gervais case. The appellant's brief is due June 17th and ours is due August 5th.

ADJOURNMENT

- Action. Motion by Matt Colpitts, seconded by Ken Williams to adjourn the meeting of the Board of Trustees. Unanimously voted by seven Trustees (Noyes, Metivier, Beliveau, Brookhouse, Brunton, Colpitts and Williams).

The meeting adjourned at approximately 11:05 a.m.

7/9/2020
Date Approved by the Board


Sandra J. Matheson, Executive Director
7/9/2020
Date Signed