

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
February 11, 2021

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 February 11, 2021. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice-Chair; Henry Beck, State Treasurer; John Beliveau, Mark Brunton; and Ken Williams. Joining the Trustees were Sandy Matheson, Executive Director; Michael Colleran, Chief Deputy Executive Director and General Counsel; 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; Brian McDonnell and Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Ed Schwartz and Austin Mack, ORG; Rebecca Grant, Deputy Executive Director; Jim Dusch, Deputy Executive Director; and Kathy J. Morin, Manager, Actuarial and Legislative Affairs.

Brian Noyes called the meeting to order at 9:00 a.m. All Trustees except for Shirrin Blaisdell and Phil Brookhouse 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 January 14, 2021;
 - Dismissal, LeAnn Greenleaf Appeal; and
 - Dismissal, Shivon McAfee Appeal
- Action. Dick Metivier made the motion, seconded by Ken Williams to approve the Consent Calendar. Voted unanimously by six Trustees (Noyes, Metivier, Beck, Beliveau, Brunton and Williams).

Brian Noyes, on behalf of the Board, congratulated Mike Colleran on his new position as Chief Deputy Executive Director of MainePERS.

PRIVATE MARKETS ACTIONS

- Action. Dick Metivier 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) to discuss private market investment information contained in non-public documents. Voted unanimously by six Trustees (Noyes, Metivier, Beck, Beliveau, Brunton and Williams).

The Board moved out of executive session.

Bain Capital Real Estate II

- **Action.** Dick Metivier made the motion, seconded by Henry Beck, that MainePERS make a commitment of up to \$50 million to Bain Capital 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 (Noyes, Metivier, Beck, Beliveau, Brunton and Williams).

HBK Multi-Strategy Fund

- **Action.** Ken Williams made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to \$100 million to HBK Multi-Strategy Fund, 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, Beck, Beliveau, Brunton and Williams).

GIP Sonic

- **Action.** John Beliveau made the motion, seconded by Mark Brunton, that MainePERS increase its original commitment of \$30 million to GIP Sonic, by up to \$5 million, to a total of up to \$35 million, 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, Beck, Beliveau, Brunton and Williams).

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the private markets activity for the past 12 months. Jim shared that the next managers meeting is scheduled for Tuesday, February 23, 2021 with a presentation from Cube Infrastructure at 9:00 a.m., Meridiam Infrastructure at 9:45 a.m., and Capricorn Investment Group at 10:30 a.m.

Real Estate Quarterly Review

Ed Schwartz and Austin Mack from ORG shared a presentation on the Real Estate Investment Summary for the period ending September 30, 2020. The presentation provided the Trustees with a market overview of the impact of COVID-19 on the portfolio. Ed and Austin answered questions from the Trustees.

Cliffwater Quarterly Review

Tom Lynch and George Bumeder provided an overview of the private market portfolios as of September 30, 2020. The Trustees discussed the overview with Tom and George and asked various questions about the portfolios. Brian Noyes asked that a comparative analysis be provided on sub classes in the private portfolio.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of January 31st, the MainePERS fund had a preliminary value of \$16.5 billion, the preliminary fund return for the month was -0.1%, fiscal year-to-date return of 13.9%, and a preliminary calendar year to date return of -0.1%.

Investment Quarterly Review

Brian McDonnell and Stuart Cameron reviewed the portfolio dashboard as of December 31, 2020. Brian and Stuart presented the 4th quarter 2020 performance review to the Trustees. They answered questions from the Trustees.

Risk Diversifier Quarterly Review

Stuart Cameron shared with the Trustees the risk diversifiers quarterly report as of December 21, 2020. The Trustees asked questions and discussed the report.

2020 ESG Report

Sandy Matheson shared that the 2020 ESG Report was included in the Board packet for review. Dick Metivier stated it was an excellent report, easy to read and reflects the position of MainePERS.

ACTUARIAL

Experience Study

Sandy Matheson shared that Cheiron will present the results of the latest experience study with the Trustees at the March Board meeting. Sandy provided the Trustees with the recommendation to amend Board Policy 2.2 – Actuarial Soundness and Funding. The recommendation will require an experience study every five years or more frequently as necessary. Upon completion of the current experience study, an Actuarial Audit RFP will be done.

- Action. Ken Williams made the motion, seconded by Dick Metivier, that the Board adopt amended Board Policy 2.2 – Actuarial Soundness and Funding. Voted unanimously by six Trustees (Noyes, Metivier, Beck, Beliveau, Brunton and Williams).

ADMINISTRATION REPORT

Operations Report

Ken Williams asked Jim Dusch if there had been an increase in teacher retirement applications recently. Jim stated there had not been an uptick in teacher retirement applications, calls or session requests.

Rebecca Grant shared that Valerie Scott is currently working on reorganizing the Business Continuity Program. Rebecca stated Senior Management worked on a tabletop exercise on

how to respond to a ransomware event. The team worked well together and will do another similar exercise in June. She also reviewed the new online screening process called the PinPoint Program. This program is used each time an employee is scheduled to work in the building.

Brian Noyes stated during the Audit and Finance Committee meeting it was brought to his attention the hard work and excellent management abilities Rebecca brings to MainePERS not only in the finance area but in all the areas she is responsible for. On behalf of the Board, Brian thanked Rebecca for her hard work. Sandy Matheson shared that Valerie's work on special projects is extremely valuable to the staff.

LEGISLATIVE UPDATE

Kathy Morin shared that bills are being printed and hearings have begun. Sandy Matheson provided information on the disability bill stakeholders meeting (same bill from last session), where it was agreed to make changes to the bill and resubmit it. Sandy also updated the Trustees on the divestment bill public hearing. Sandy answered questions from the Trustees regarding the bill.

RULEMAKING

Michael Colleran stated the rulemaking process will begin on an amendment to our RMD rule, which will provide more flexibility on when distributions can be made.

LITIGATION UPDATE

Betsy Stivers shared that she has been working on two matters. One being a Board Counsel review of a Hearing Officer's recommended decision and the other being a memorandum she has filed in opposition to the motion to amend the record in the Philip Hawes Superior Court case.

ED SEARCH

Brian Noyes updated the Trustees on the ED search progress.

ADJOURNMENT

- Action. Motion by Ken Williams, seconded by Dick Metivier, to adjourn the meeting of the Board of Trustees. Unanimously voted by six Trustees (Noyes, Metivier, Beck, Beliveau, Brunton, and Williams).

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

3/11/2021
Date Approved by the Board

Sandra J. Matheson
Sandra J. Matheson, Executive Director

3-8-2021
Date Signed