

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
September 9, 2021

MainePERS
Augusta, Maine
9:00 a.m.

The Board of Trustees held a meeting at 139 Capitol Street, Augusta, ME 04330 at 9:00 a.m. on September 9, 2021. Dick Metivier, Vice-Chair, presided. Other Trustees participating were Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Mark Brunton; John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; 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; Brian McDonnell and Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumedder, Cliffwater; Ed Schwartz, ORG; Gene Kalwarski, Cheiron; Thomas Vicente and Ann M. Sturner, Bolton Partners; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; Sherry Vandrell, Director of Finance; and Kathy Morin, Manager, Actuarial and Legislative Affairs.

Dick Metivier called the meeting to order at 9:00 a.m. All Trustees except for Brian Noyes and Henry Beck were present. Dick welcomed Becky Wyke to her first Board meeting and shared the Board was looking forward to working with her for the next several years. Becky shared she was excited about the work ahead.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of August 12, 2021
- Action. Shirrin Blaisdell made the motion, seconded by Ken Williams, to approve the Consent Calendar. Voted unanimously by six Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, and Williams).

Henry Beck arrived at 9:05 a.m.

PRIVATE MARKET ACTIONS

Summit Partners Growth Equity Fund XI

- Action. John Beliveau made the motion, seconded by Ken Williams, that MainePERS make a commitment of up to \$45 million to Summit Partners Growth Equity Fund XI, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, and Williams).

Deerpath Capital VI

- **Action.** Mark Brunton made the motion, seconded by Shirrin Blaisdell, that MainePERS make a commitment of up to \$75 million to Deerpath Capital VI, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, and Williams).

PRIVATE MARKETS 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, September 28, 2021, with presentations by Kelso Investment Associates XI at 9:00 a.m. and General Catalyst Group XI at 9:45 a.m. Jim shared that the Investment Team continues due diligence for a possible investment in Angelo Gordon Direct Lending Fund IV Annex.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of August 31st the MainePERS fund had a preliminary value of \$18.2 billion, the preliminary fund return for the month was 0.6%, the fiscal year-to-date return was 0.9%, and the preliminary calendar year to date return was 12.0%.

Jim also shared that the Investment Team, along with the CEO, General Counsel, and consultants will begin the process of developing a response to the recent divestment legislation that is consistent with fiduciary duty. The first step will be a review of existing fossil fuel exposures in order to determine how the laws might impact the System's Investment Policy.

QUARTERLY INVESTMENT TRAINING

Setting Goals and Objectives

Jim Bennett began the training by providing an overview of the investment process. Jim explained the four phases of the process: goals and objectives, strategic asset allocation, implementation, and measurement and monitoring. Jim discussed and answered questions from the Trustees regarding the goals and objectives phase. Stuart Cameron discussed with the Trustees the fundamentals for developing a long-term investment policy from those goals and objectives.

MAINESTART

Cambridge Review

Brian McDonnell presented Cambridge's review of the defined contribution program's investment options. Brian answered questions from the Trustees.

MaineSTART Quarterly Review

Mike Colleran shared with the Trustees an overview of the MaineSTART program as of 6/30/2021. The Trustees asked for a more detailed session on the DC Plans at a future meeting. Mike answered questions from the Trustees.

ACTUARIAL AUDIT

Actuarial Audit Report

Thomas Vicente and Ann Sturner of Bolton Partners reviewed the actuarial audit of our retained actuarial consultant. Tom and Ann explained the purposes of the audit were to evaluate the services provided by Cheiron, express an actuarial opinion regarding Cheiron's deliverables, and suggest improvements by MainePERS and Cheiron. Tom and Ann answered questions from the Trustees regarding the report.

Cheiron Response

Gene Kalwarski and Elizabeth Wiley presented their response to the Bolton Partners' audit. Gene and Elizabeth answered questions from the Trustees. Gene stated he will present the 2021 Valuation Reports at the November meeting.

On behalf of the Trustees, Dick Metivier thanked both Bolton and Cheiron for their support and hard work.

ADMINISTRATION REPORT

Operations Report

Sherry Vandrell shared that 89% of payrolls were received on time in August and provided an update on the employer reporting assistance program.

Mike Colleran and Jim Dusch reviewed the service programs section of the Operations Report. They stated there were no increases in educator or total retirement applications for August as compared to prior years. Mike shared the mailing of member account statements will be restarting in September.

Rebecca Grant stated the Business Continuity Program (BCP) Steering Committee had successfully completed eight BCP tests through the end of August. Rebecca reported that property taxes had increased due to a reevaluation based on the sales price of our property when it was sold to our current landlord last year. We were successful in obtaining an abatement to reduce this increase.

Mike Colleran shared with the Trustees a stakeholder communication to Sandy Matheson regarding the disability retirement process and how applications are handled.

Signature Authority

Sherry Vandrell recommended removing Sandy and Gary Emery as signatories from Bangor Savings Bank and to replacing them with Becky Wyke and Mike Colleran.

- Action: Motion made by Ken Williams, seconded by Henry Beck, that the Board adopt a resolution to add Rebecca M. Wyke and Michael J. Colleran to, and remove Sandra J. Matheson and Gary Emery from, the list of authorized signers on the accounts of MainePERS held at Bangor Savings. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, and Williams).

RULEMAKING UPDATE

Michael Colleran provided the Trustees with the recommendation for amendments to Rule Chapter 803. The rule amendments incorporate two new statutes that permit additional membership opportunities for certain PLD employees. Mike reported that the PLD Advisory Committee has not formally made a recommendation because of a lack of quorum at the last Committee Meeting, but all present supported the amendments.

- Action: Motion made by Henry Beck, seconded by Shirrin Blaisdell, that the Board adopt amended Rule Chapter 803 and its Basis Statement. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, and Williams).

Mike stated that we are beginning the rulemaking process to update the actively seeking work rule and anticipate bringing a recommendation to the Board at the November meeting.

LITIGATION UPDATE

Betsy Stivers shared she is waiting for a date for oral argument on the 80C appeal in the Hawes case. She also reported oral argument on our Motion to dismiss the Hawaii case will be held on September 14th. Betsy stated that our responsive pleadings are due on October 12th in the federal discrimination case.

ADJOURNMENT

- Action. Motion by John Kimball, seconded by Mark Brunton, to adjourn the meeting of the Board of Trustees. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, and Williams).

The meeting adjourned at approximately 12:30 p.m.

10/14/2021
Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer
10/14/21
Date Signed