

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
March 14, 2024

MainePERS
Augusta
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04330 at 9:00 a.m. on March 14, 2024. Brian Noyes, Chair, presided. Other Trustees participating were: Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Nate Burnett; Kirk Duplessis; and John Kimball. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; James Bennett, Chief Investment Officer; Sherry Vandrell, Chief Financial Officer; Chip Gavin, Chief Services Officer; 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 Seth Keller, Asset Class Head, Investments; Stuart Cameron, Cambridge Associates; William Greenwood, Albourne; and Tom Lynch and George Bumeder, Cliffwater.

Brian Noyes called the meeting to order at 9:00 a.m. Brian asked the members of the public to introduce themselves to the Trustees.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of February 8, 2024
- Action. John Beliveau made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Unanimously voted by six Trustees (Blaisdell, Beliveau, Burnett, Duplessis, Kimball, and Noyes).

CONTINUATION VEHICLES

Jim Bennett presented the recommendation to amend the Investment Policy Statement to address continuation vehicles as discussed at the February Board meeting.

- Action. Shirrin Blaisdell made the motion, seconded by John Beliveau, that the Board adopt amended Board Policy 2.1. Unanimously voted by six Trustees (Blaisdell, Beliveau, Burnett, Duplessis, Kimball, and Noyes).

Henry Beck joined the meeting at 9:10 a.m.

Jim Bennett introduced Seth Keller of the Investment Team to the Trustees and the consultants to the new Trustees.

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private market funds and co-investments that had closed during the past 12 months. Jim shared the next manager meeting is scheduled for Tuesday,

March 26, 2024, in Portland, with presentations by High Street at 9:00 a.m.; Comvest Partners at 10:00 a.m.; and Tenex Capital Partners at 11:15 a.m.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of February 29, 2024, the MainePERS fund had a preliminary market value of \$19.3 billion, the preliminary return for the month was 1.0%, and the preliminary calendar year-to-date return was 0.9%.

CUSTODIAN REVIEW

Jim Bennett and Seth Keller shared with the Trustees that Board Policy 2.1 requires the Investment Team to evaluate the performance and contract terms of the System's custodian at least every five years and make a recommendation to the Board whether or not to begin the search process for a new provider.

Jim Bennett and Seth Keller provided a brief overview of the evaluation process and shared the recommendation to the Trustees to not begin a search for a new custodian and continue to use JP Morgan Chase. Jim and Seth answered questions from the Trustees.

INVESTMENT EDUCATION

Goal Setting and Asset Allocation

Jim Bennett and Stuart Cameron made a presentation on institutional investing as a process. The two areas of discussion for this process was setting goals and objectives and the asset allocation process. The Trustees asked questions about the processes.

RISK DIVERSIFIERS REVIEW

Seth Keller made a presentation on risk diversifiers to the Trustees. Seth reviewed the role in the portfolio; types of strategies used in the allocation; how the portfolio has evolved; and what is in store for 2024. Seth, Jim, and Stuart answered questions from the Trustees.

RISK DIVERSIFIERS REBALANCING

- **Action:** John Beliveau made the motion, seconded by Henry Beck, to enter into executive session pursuant to 1 M.R.S. §402(3)(B), 405(6)(F) to discuss trade secrets contained in non-public documents. Unanimously voted by seven Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, and Noyes).

The Board moved out of executive session.

MAINESTART QUARTERLY REVIEW

Michael Colleran shared the MaineSTART Quarterly Review for the quarter ending 12/31/23. Michael reviewed the three plans included in the MaineSTART program, the number of participants by plan, market value, participation, investment options, and fees associated with MaineSTART. Chip Gavin stated that information regarding MaineSTART is being provided

in a number of various outreach opportunities. Those opportunities include reaching out to employers, new employees, training sessions, and advertising the program. Michael and Chip answered questions from the Trustees.

CEO REPORT

Stakeholder Engagement

Dr. Rebecca Wyke shared that she and Michael Collieran met with representatives of the LD 99 Implementation Project. The group provided written materials, which have been provided to the Board, and expressed their concerns on the historical performance and financial risks posed by investments in fossil fuels. Dr. Wyke reported that we provided information to the group regarding the work done to evaluate and implement LD 99. All of that information has been provided to the Board of Trustees and the Joint Standing Committee on Labor and Housing.

Focus Friday Update

Dr. Rebecca Wyke stated “Focus Fridays” will continue indefinitely in order to clear the backlog in preliminary to final benefits. The service retirement estimates queue has been reduced significantly since Focus Friday’s began. She will share monthly updates with the Trustees.

State-Sponsored Plans and Sub-Plans

Kathy Morin provided a presentation to the Trustees on state-sponsored plans and sub-plans and how they interact. Kathy reviewed what interchangeability of benefits and portability.

FINANCE AND AUDIT COMMITTEE UPDATE

Shirrin Blaisdell summarized the budget adjustment recommendation approved by the Finance and Audit Committee at their February 8 meeting. The Board discussed the recommendation.

- **Action:** John Kimball made the motion, seconded by Shirrin Blaisdell that the Board authorize the Chief Financial Officer to transfer \$232,000 from the FY24 investment operations budget to the FY24 administrative operations budget resulting in a revised FY24 investment operations budget of \$6,437,040 and a revised FY24 administrative operations budget of \$19,402,306. Unanimously voted by seven Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, and Noyes).

LEGISLATIVE UPDATE

Kathy Morin provided an update on the status of legislative bills.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

Chip Gavin shared the Member Portal has more than 14,000 portal accounts registered. Chip stated the Pension Administration System Project is on track.

Sherry Vandrell reported work continues to assist an employer who is still struggling to get payrolls submitted to MainePERS.

Michael Colleran stated a number of RFP's have been released for various projects within the organization.

LITIGATION UPDATE

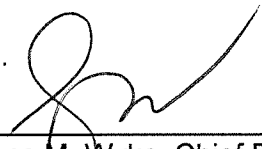
Betsy Stivers stated a scheduling order was received regarding the lawsuit for recovery of overpayments. She shared an agreed upon alternative dispute resolution date will be chosen in early April. Betsy reported she will be responding to the Superior Court on a FOA matter filed by Ms. Hawes.

ADJOURNMENT

The meeting adjourned at approximately 12:20 p.m.

4/11/24

Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer

4/11/24

Date Signed