Board - August 2026

New Hampshire Retirement System
Board of Trustees Meeting

August 11, 2026 09:30 AM Eastern Time (US and Canada)

NHRS Board of Trustees

DRAFT Minutes – June 9, 2026

Note: These draft minutes from the June 9, 2026, Public Session are subject to approval at a subsequent Board of Trustees meeting.

Board of Trustees

June 9, 2026

DRAFT Public Minutes

New Hampshire Retirement System
80 Commercial Street
Concord, New Hampshire 03301

Participating: *Maureen Kelliher, Chair; Trustees Jon Frederick, Sue Hannan, Robert Maloney, Andrew Martineau, Monica Mezzapelle, Charles Nickerson, Don Roy, Joshua Quigley, and Steve Saltzman*.*

Absent: *Trustees Leah McKenna and Ken Merrifield.*

*This Trustee participated remotely as permitted under RSA 91-A:2. As a result, all votes were by roll call.

Staff: *Jan Goodwin, Executive Director; Rosamond Cain, Director of Human Resources (HR); Diana Crichton, Associate Counsel & Compliance Officer; Ashley Crutchfield, Director of Communications & Legislative Affairs; Sonja Gonzalez, Chief Information Technology Officer (CITO); Raynald Leveque, Chief Investment Officer (CIO); Nancy Miller, Director of Member Services; Marie Mullen, Chief Financial Officer (CFO); and Mariel Holdredge, Executive Assistant.*

The meeting was held at 7 Hazen Drive, Concord, New Hampshire instead of 80 Commercial Street due to exterior construction. Public notice of the location was provided in accordance with RSA 91-A:2, II.

Chair Kelliher called the June 9, 2026, regular meeting of the NHRS Board of Trustees to order at 9:43 a.m.

After ascertaining a quorum, Chair Kelliher called for a vote to approve the minutes of the April 14, 2026, Board meeting. On a motion by Trustee Frederick, seconded by Trustee Hannan, the Board voted unanimously to approve the meeting minutes as presented.

Trustee Quigley reported that the Ad Hoc Real Estate Committee met on May 28, 2026, and reviewed a proposed Building Capital Reserve Account Policy intended to support the long-term maintenance and sustainability of NHRS' property at 80 Commercial Street. Executive Director Goodwin noted that establishing a reserve is considered a best practice and that expenditures from the reserve would require Board approval.

Trustee Maloney arrived at the meeting at 9:47 a.m.

On a motion by Trustee Frederick, seconded by Trustee Quigley, the Board voted to approve the Building Capital Reserve Account Policy as presented, with Trustee Maloney abstaining.

Trustee Mezzapelle reported that the Audit Committee met earlier that morning and reviewed external and internal audit activities and cybersecurity matters. Trustee Mezzapelle then asked to enter nonpublic session to discuss cybersecurity.

On a motion by Trustee Hannan, seconded by Trustee Roy, the Board voted unanimously to enter nonpublic session under RSA 91-A:3, II(i) to discuss cybersecurity vulnerabilities and mitigation strategies that are exempt from disclosure.

On a motion by Trustee Quigley, seconded by Trustee Frederick, the Board voted unanimously to conclude the nonpublic session and seal the minutes of the nonpublic session. No action was taken during the nonpublic session.

After returning to public session, Trustee Roy reported that the Governance Committee had not met since the last Board meeting. He noted that outside counsel will attend a future Governance Committee meeting to discuss retiree return-to-work issues, and that NHRS will provide notice to Trustees who wish to attend.

Next, CIO Leveque reported on the May 27, 2026, Independent Investment Committee (IIC) meeting, including updates on investment performance, portfolio activity, work plan items, and recent Committee actions involving private market commitments and Non-U.S. Emerging Markets equity portfolio restructuring. He then reviewed the IIC Monthly Report, Callan Monthly Review, and Callan Executive Summary for the first quarter of 2026. A brief discussion followed regarding performance reporting and investment manager fees.

In Trustee Merrifield's absence, Director of Communications & Legislative Affairs Ashley Crutchfield provided the Legislative Committee update. She reported that the Legislative Committee had not met since the last Board meeting and reviewed the status of NHRS-related legislation.

Trustee Frederick reported that the Benefits Committee met on May 5 and June 2, 2026, reviewed disability applications, and voted to recommend two items for Board approval on the Consent Agenda regarding a pending administrative appeal matter and a gainful occupation offset waiver request.

Next, Trustee Hannan gave the Personnel, Performance & Compensation Committee (PPCC) report, noting that the Committee met virtually on June 3, 2026, and reviewed staffing updates and FY 27 compensation for non-union staff. Trustee Hannan then requested that the Board enter nonpublic session to discuss compensation matters.

On a motion by Trustee Quigley, seconded by Trustee Hannan, the Board voted unanimously to enter nonpublic session under RSA 91-A:3, II(a) to discuss compensation matters.

On a motion by Trustee Frederick, seconded by Trustee Maloney, the Board voted unanimously to conclude the nonpublic session and seal the minutes of the nonpublic session. No action was taken during this nonpublic session.

After returning to public session, Trustee Hannan concluded the PPCC report.

Chair Kelliher turned to CIO Leveque to introduce the scheduled J.P. Morgan economist; however, the Board was unable to connect with the speaker and proceeded to the next item on the agenda, operating reports.

NHRS functional teams presented the operating reports included in the June 2026 Board meeting materials published on NHRS' website.

Executive Director Goodwin gave her executive operating report, highlighting implementation of the new Group II Tier B benefits, NHRS' move to 80 Commercial Street, work underway to support public meetings in the new building, and continued strong Key Performance Measure (KPM) results. She also reported that NHRS' actuary, Gabriel, Roeder, Smith & Company (GRS), will prepare a risk assessment based on the June 30, 2025, valuation for the August Board meeting. Executive Director Goodwin then reviewed expenses associated with the 80 Commercial Street project, noting that costs exceeded the approved budget by approximately $15,000, or 0.75% of the $2.1 million project budget, and thanked CFO Mullen, CIO Leveque and CITO Gonzalez for their work managing project costs.

In response to a question from Trustee Maloney regarding the use of building space at 80 Commercial Street, Executive Director Goodwin explained that NHRS occupies all three floors, has vacant cubicles and offices for future growth, and does not intend to rent out unused space because of concerns related to personally identifiable information, security, and fiduciary duties.

CIO Leveque gave the Investments operating report, noting that the IIC would meet later in the day to continue work on emerging markets portfolio restructuring. He also reported that the Investment Office is fully staffed after hiring an Operations Specialist and highlighted ongoing training and operational priorities.

Director of Member Services Nancy Miller reported on member-facing activity related to House Bill (HB) 282, July retirement processing, Contact Center reporting, and coordination with the Public Information Office (PIO) on survey administration and member communications.

CFO Mullen gave the Finance operating report, highlighting employer-side implementation work, pay-period correction workflow improvements, annual report software implementation, and FY 26 year-to-date financial activity. She noted that administrative expenses through April remained within budget and that staff is preparing for the FY 28-29 Statutory Administrative Budget and FY 26 year-end close.

CFO Mullen then reviewed the proposed FY 27 Trust Fund Budget, explaining that the budget focuses primarily on investment-related expenses and reflects an overall decrease from the FY 26 revised budget. She also summarized non-statutory expense changes and building-related capital expenses, including the approved reserve methodology for 80 Commercial Street. Trustee questions followed regarding the Trust Fund, building-related assumptions, and investment expense savings.

Trustee Saltzman, who was participating remotely, disconnected at approximately 11:00 a.m. and was absent for the remainder of the meeting.

On a motion by Trustee Roy, seconded by Trustee Quigley, the Board voted unanimously to approve the FY 27 Trust Fund Budget as presented.

Director Cain gave the Human Resources operating report, highlighting recruitment, internal position changes, safety training for 80 Commercial Street, facilities staffing, compensation plan implementation, and ongoing process improvements.

Director Crutchfield reported on PIO activities, including website accessibility work, communications related to 80 Commercial Street, the inaugural employer survey, cybersecurity education, member education events, survey oversight, and planning for the upcoming website project.

CITO Gonzalez gave the Information Technology operating report, highlighting HB 282 implementation, technology and infrastructure work related to the move to 80 Commercial Street, cybersecurity and enterprise patching, document scanning, policy updates, and new staff onboarding.

Associate Counsel & Compliance Officer Diana Crichton gave the Legal operating report on behalf of Chief Legal Counsel Annie Gregori, highlighting work related to returned Form 1099-Rs, compliance and operational process review, firefighter cancer screening outreach, hearings examiner matters, legislative support, and pending appeals.

In response to Trustee Frederick's question regarding the Uniformed Services Employment and Reemployment Rights Act (USERRA), Attorney Crichton explained that the outreach relates to active members, including ensuring that members returning from military service receive the correct amount of service credit, and to employers' responsibilities under USERRA.

Chair Kelliher turned the Board's attention to the Consent Agenda. On a motion by Trustee Frederick, seconded by Trustee Roy, the Board voted unanimously to approve the Consent Agenda as presented.

There were no Trustee travel reports or requests.

Executive Director Goodwin reported on the status of Action Items from the April 14, 2026, Board meeting, noting that all items have been completed except for posting the revised Governance Manual, which remains in process.

During the Board Checkpoint Discussion, Chair Kelliher acknowledged the work of the Ad Hoc Real Estate Committee and noted that the Committee would be disbanded because its ad hoc purpose has been completed. Executive Director Goodwin also reviewed a Trustee survey intended to gather feedback on pension education topics, preferred education formats, Board meeting and Board book content, and Weekly Trustee Update content. Chair Kelliher provided a brief update on Trustee appointments and noted that she expects to provide another update at the August meeting.

With no further business to discuss, on a motion by Trustee Roy, seconded by Trustee Mezzapelle, the Board voted unanimously to adjourn the meeting at 11:24 a.m.

Respectfully submitted,

Mariel Holdredge
Executive Assistant

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AUDIT COMMITTEE

WIPFLI

New Hampshire Retirement System

Internal Control Risk Assessment

Wipfli Advisory LLC

June 5, 2026

Preliminary Report Issued: 06/29/2026 | **Final Report Issued:** 07/31/2026

2026 risk assessment and internal audit plan

Approval of New Hampshire Retirement System (NHRS) 2026 risk assessment and internal audit plan

In accordance with the terms of our engagement letter dated March 24, 2026, and accepted by Jan Goodwin, Executive Director, we have completed an internal control risk assessment engagement for New Hampshire Retirement System (NHRS).

Management, in conjunction with the Audit Committee of the Board of Trustees, is responsible for approving the annual risk assessment and internal audit plan. Approval of the System's annual risk assessment and internal audit plan for the period of March 2026 through February 2027, is hereby granted by management and the Audit Committee, as signed by the System's Executive Director and Audit Committee chairperson.

______________________________	____________________
Jan Goodwin Executive Director New Hampshire Retirement System	Date
______________________________	____________________
Monica Mezzapelle Audit Committee Chair New Hampshire Retirement System	Date

I. General information

From its inception in 1967, New Hampshire Retirement System ("NHRS" or the "System") has partnered with employers and communities to play an important role in the long-term economic security of the state's public employees, teachers, police officers, and firefighters. NHRS benefits are funded by member contributions, employer contributions, and net investment income. The System's trust fund stood at $12.3 billion as of June 30, 2024. Over 460 employers participate in the plan, and NHRS serves nearly 50,000 members. In fiscal year 2023, NHRS paid out $971 million in pension benefits, with an average annual benefit of $22,218. Previous to Wipfli's involvement, an in-house internal audit resource was utilized by NHRS for completion of an annual internal audit plan.

II. Key initiatives

We obtained and read NHRS's FY 27-29 strategic plan document. Per conversation with Executive Director Goodwin, individual executive team member plans (putting the strategic plan into action) were forthcoming at the time of our internal control risk assessment. The high-level goals for NHRS over the three-year time horizon include:

- Build on the new pension administration IT platform and implement a longer-term retirement operations strategy and plan
- Improve organizational effectiveness and accountability
- Build additional Investment Office capabilities to reduce costs and reliance on external resources while improving performance
- Build organizational resilience

III. Risk assessment objectives and scope

Objectives

The objective of this project was to perform a risk assessment of New Hampshire Retirement System. Emphasis was placed on covering the entire organization. Specific objectives included:

- Developing an understanding of the System's strategic goals and key initiatives.
- Obtaining an understanding of the processes through which the System conducts its business.
- Performing a comprehensive risk assessment to identify and evaluate the key business risks that may impact the organization and/or threaten the achievement of its strategic goals and objectives.
- Developing a multi-year internal audit plan.

Scope

The risk assessment covered the entire organization to ensure the scope of the final internal audit plan was comprehensive and covered all operations of the organization. In addition, efforts were made to ensure all key executive and senior management stakeholders were interviewed and their views on risks were considered.

Interviews held with management covered key lines of business and the associated processes and activities, personnel, information systems, and strategic initiatives. Discussions focused on current state of activities (2026) as well as near-term changes (2027 - 2028) that may impact processes and risk.

The risk assessment will support the internal audit plan. The proposed internal audit plan will be multi-year, covering a five-year period.

IV. Risk assessment approach

The risk assessment methodology uses both a bottom-up and top-down approach, combining information obtained from interviews with executive and senior management as well as line management and support personnel and knowledge of the System's business risks and challenges and the current state of the organization.

For example, the approach used to capture, prioritize, and assess the System's business risks was bottom-up, including interviews with business unit/process owners and review of process documentation, and top-down, including review of organizational charts, strategic plans, and interviews with executive and senior management and the Audit Committee.

Changes that occurred during the year, as well as anticipated changes in the near term, were also considered and analyzed (i.e., new strategic initiatives, key personnel changes, process changes, information system changes, etc.) to help assess the current and emerging risks and identify significant risks relevant to New Hampshire Retirement System.

A summary of the risk assessment approach includes the following activities:

- Prepared the preliminary internal audit scope using a top-down approach using the following information:
  - Organizational chart and employee listing
  - Strategic plan
  - Audited financial statements
  - Previous internal audit schedules and risk assessments
  - Internal audit finding tracker dated April 2026
  - Board of Trustees' and associated committee meeting minutes from the past year
  - Governance Manual dated May 18, 2026
  - Employee handbook dated February 2026
  - Information systems and applications inventory
  - Balance sheet and income statement information as of May 26, 2026
- Conducted interviews with key members of executive and senior management to understand the System's views of risk and key areas of concern.
- Determined the key activities and processes of each audit area, including key information systems and reliance on third-party service providers.
- Identified key initiatives and/or pending changes within the organization.

Interview list

Interviews were conducted with executive and senior management. Audit Committee thoughts were solicited during presentation of the draft report.

Name	Position
Jan Goodwin	Executive Director
Marie Mullen	Chief Financial Officer
Rosamond Cain	Chief Human Resources Officer
Ashley Crutchfield	Director of Communications and Legislative Affairs
Nancy Miller	Director of Member Services
Raynald Leveque	Chief Investment Officer
Sonja Gonzlez	Chief Information Technology Officer
Annie Gregori	Chief Legal Counsel
Karen Nixon	Employer Operations Manager
Tracey Horner	Assistant Director of Member Services
Greg Richard	Head of Portfolio Administration
Danita Johnson	Head of Private Markets
Marshall Thompson	Information Security Analyst

- Assessed inherent risk using the following risk factors: 1) Balance of account and/or volume of transactions, 2) new or changed processing systems, products, services, or procedures, 3) personnel turnover, 4) complexity of the completion of the function, 5) susceptibility to fraud, and 6) volume and severity of issues previously identified. A score of one to five for each of the inherent risk factors was assessed for a total score and inherent risk rating. Total inherent risk scores were evaluated, and risk ratings were set at high, moderate, or low as described in the table below.

Inherent risk classification	Score
Above 3.00	High
Less than 3.00 but greater than or equal to 1.95	Moderate
Less than 1.95	Low

- Assessed the mitigating controls for each business area and the associated lines of business, processes, or activities using the following factors: 1) level of documented control procedures, 2) level of internal monitoring and/or control activity, 3) information and reporting, 4) personnel mix and training 5) system automation, and 6) Board and management oversight. A score of one to five for each of the mitigating control risk factors was assessed for a total score and control risk rating. Total mitigating control scores were evaluated, and risk ratings were set at strong, satisfactory, or weak as described in the table below.

Mitigating control classification	Score
Above 3.00	Weak
Less than 3.00 but greater than or equal to 1.95	Satisfactory
Less than 1.95	Strong

- Assessed residual risk (the risk that remains after controls are taken into account or the net risk after controls and/or other mitigating factors are considered) based on the inherent risk assessment, consideration of the internal control structure and risk management system, and management's determination of the direction of risk.

Inherent/mitigating controls/direction of risk	Residual risk score
High/Weak/Increasing	High
High/Satisfactory/Increasing	High
High/Strong/Increasing	High
High/Weak/Stable	High
High/Satisfactory/Stable	High
High/Strong/Stable	Moderate
High/Weak/Decreasing	High
High/Satisfactory/Decreasing	High
High/Strong/Decreasing	Moderate
Moderate/Weak/Increasing	Moderate
Moderate/Satisfactory/Increasing	Moderate
Moderate/Strong/Increasing	Moderate
Moderate/Weak/Stable	Moderate
Moderate/Satisfactory/Stable	Moderate
Moderate/Strong/Stable	Low
Moderate/Weak/Decreasing	Moderate
Moderate/Satisfactory/Decreasing	Moderate
Moderate/Strong/Decreasing	Low
Low/Weak/Increasing	Low
Low/Satisfactory/Increasing	Low
Low/Strong/Increasing	Low
Low/Weak/Stable	Low
Low/Satisfactory/Stable	Low
Low/Strong/Stable	Low
Low/Weak/Decreasing	Low
Low/Satisfactory/Decreasing	Low
Low/Strong/Decreasing	Low

V. Risk assessment executive summary

Overview

The risk assessment identifies executive and senior management's perceived level of risk from an inherent risk perspective. Inherent risk is defined as the risk an activity poses if no controls or other mitigating factors are in place. Residual risk is defined as the level of risk remaining in a business process or activity after considering the internal controls and risk management system.

The direction of risk signifies whether the risk environment for the respective business/audit area is stable, increasing, or decreasing. Factors that may impact the direction of risk include but are not limited to regulatory changes, introduction of new products and services, competitive landscape, changes to information systems, turnover of key management personnel, economic factors, etc. In addition to the inherent risk and control risk factors evaluated, management also determined the direction of risk that indicates the likely changes to the risk profile of each area over the next 12 months.

All risk information presented is based on the perceptions and assessments of the System's management, through interviews conducted as part of the annual risk assessment process. This process did not include testing of internal controls or other forms of validation.

Audit areas and risk identification

The first step consisted of identifying the lines of business, processes, and activities that correspond to management's view of the System. We worked with members of senior and executive management to identify the audit areas and risks across the organization. Results from the initial risk identification include the following seven business areas:

- Member service
- Finance and accounting
- Human resources
- Legal, communications, and legislative affairs
- Investments
- Employer reporting
- Information technology

The business areas were further disaggregated into 55 processes or activities ("audit areas"). See the risk assessment matrix for the complete list.

Risk assessment matrix

The resulting component scores for the areas evaluated are illustrated in the following tables. The detailed internal control scoring matrix is shown, followed by results and a description of the ranking methodology.

Auditable Function	Inherent Risks									Mitigating Controls									
NHRS New Hampshire Retirement System	Balance of account or volume of transactions	New or changed processing systems, products, services, or procedures	Personnel turnover	Complexity of completion of the function	Susceptibility to fraud	Volume and severity of issues previously identified	Total Score	Inherent Risk Rating (see matrix below)	Comments	Level of documented control procedures	Level of internal monitoring and/or control activity	Information and reporting	Personnel mix and training	System automation	Board and management oversight	Total Score	Control Risk Rating (see matrix below)	Direction of Risk	Residual Risk Rating
Weighting Factor	20%	15%	10%	20%	20%	15%	100.00%			10%	25%	10%	15%	25%	15%	100.00%			
Member Services																			
Benefit processing and certification	4	5	1	3	1	1	2.60	Moderate		1	1	1	3	2	1	1.55	Strong	Decreasing	Low
Record change control	1	5	3	1	1	1	1.80	Low		1	1	5	2	4	4	2.75	Satisfactory	Decreasing	Low
Member record adjustments	3	5	2	2	1	1	2.30	Moderate		1	1	5	1	3	3	2.20	Satisfactory	Decreasing	Moderate
Benefit discontinuation, including overpayments	3	5	1	1	1	2	2.15	Moderate		1	1	5	3	2	4	2.40	Satisfactory	Stable	Moderate
Disability benefits	3	5	2	2	1	1	2.30	Moderate		1	1	2	3	5	1	2.40	Satisfactory	Decreasing	Moderate
Retiree check deductions	4	5	3	2	1	1	2.60	Moderate		1	1	1	3	2	4	2.00	Satisfactory	Decreasing	Moderate
Member refunds	4	5	1	1	1	1	2.20	Moderate		1	2	1	2	1	4	1.85	Strong	Decreasing	Low
Monthly payroll processing	5	5	1	1	1	1	2.40	Moderate		1	1	1	1	1	1	1.00	Strong	Decreasing	Low
QDROs	2	5	1	2	1	1	2.00	Moderate		1	3	2	2	2	3	2.30	Satisfactory	Decreasing	Moderate
RMDs	2	5	1	1	1	1	1.80	Low		4	3	5	1	4	4	3.40	Weak	Decreasing	Low
Restoration of service	3	5	1	1	1	1	2.00	Moderate		1	4	5	2	2	3	2.85	Satisfactory	Stable	Moderate
Temporary Supplemental Allowances (TSAs)	3	5	1	2	1	1	2.20	Moderate		1	2	2	1	2	2	1.75	Strong	Decreasing	Low
Contact center	3	3	2	2	3	3	2.70	Moderate		2	3	3	3	3	3	2.90	Satisfactory	Decreasing	Moderate
Finance and Accounting																			
Procurement	3	3	4	3	2	2	2.75	Moderate		3	2	2	2	3	1	2.20	Satisfactory	Decreasing	Moderate
Accounts payable	3	2	3	2	3	2	2.50	Moderate		2	1	2	2	3	1	1.85	Strong	Decreasing	Low
Financial reporting	3	2	2	3	1	1	2.05	Moderate		2	2	2	2	4	2	2.50	Satisfactory	Decreasing	Moderate
Bank accounts (access, reconcilations, sweep, HRS/FSA funding)	5	3	4	3	4	3	3.70	High		2	2	3	4	4	2	2.90	Satisfactory	Decreasing	High
Balance sheet reconciliations and journal entries	5	5	4	3	2	3	3.60	High		2	2	2	2	4	1	2.35	Satisfactory	Decreasing	High
Budget	4	1	1	3	1	1	2.00	Moderate		3	1	1	1	5	1	2.20	Satisfactory	Decreasing	Moderate
Operating cash management and cash flow	5	2	3	3	3	1	2.95	Moderate		2	1	2	2	5	1	2.35	Satisfactory	Decreasing	Moderate
Direct deposit changes	4	4	1	1	4	2	2.80	Moderate		2	2	1	1	4	3	2.40	Satisfactory	Decreasing	Moderate
Fixed assets	1	1	1	1	1	1	1.00	Low		2	1	1	1	3	1	1.60	Strong	Decreasing	Low
Stop payments and replacement checks	1	3	1	1	2	2	1.65	Low		1	1	2	1	2	3	1.65	Strong	Decreasing	Low
Collections	4	3	1	4	3	2	3.05	High		4	4	2	4	2	2	3.00	Satisfactory	Decreasing	High
Unclaimed property	3	2	5	3	1	3	2.65	Moderate		4	4	5	4	5	4	4.35	Weak	Decreasing	Moderate
Human Resources																			
Talent acquisition & onboarding	1	1	1	1	1	1	1.00	Low		1	1	2	1	4	3	2.15	Satisfactory	Stable	Low
Benefits administration	1	1	1	1	1	1	1.00	Low		1	1	2	1	4	3	2.15	Satisfactory	Stable	Low
Training and development	1	1	1	1	1	1	1.00	Low		1	1	2	1	4	3	2.15	Satisfactory	Stable	Low
Performance management	1	1	1	1	1	1	1.00	Low		1	1	2	1	4	3	2.15	Satisfactory	Stable	Low
Offboarding	1	1	1	1	1	1	1.00	Low		1	1	2	1	4	3	2.15	Satisfactory	Stable	Low
Payroll	1	2	1	2	3	1	1.75	Low		1	1	2	1	2	3	1.65	Strong	Stable	Low
Employee Safety Program	1	1	1	1	1	1	1.00	Low		1	1	2	1	4	3	2.15	Satisfactory	Stable	Low
Succession planning	1	1	1	2	1	1	1.20	Low		2	1	1	1	4	3	2.15	Satisfactory	Stable	Low

Auditable Function	Inherent Risks									Mitigating Controls									
NHRS New Hampshire Retirement System	Balance of account or volume of transactions	New or changed processing systems, products, services, or procedures	Personnel turnover	Complexity of completion of the function	Susceptibility to fraud	Volume and severity of issues previously identified	Total Score	Inherent Risk Rating (see matrix below)	Comments	Level of documented control procedures	Level of internal monitoring and/or control activity	Information and reporting	Personnel mix and training	System automation	Board and management oversight	Total Score	Control Risk Rating (see matrix below)	Direction of Risk	Residual Risk Rating
Weighting Factor	20%	15%	10%	20%	20%	15%	100.00%			10%	25%	10%	15%	25%	15%	100.00%			
Legal, Communications, Legislative Affairs																			
Legal: Contract compliance (both administrative and investment)	5	4	3	5	5	4	4.50	High		3	3	3	3	4	1	2.95	Satisfactory	Decreasing	High
PIO and Legal: Legislative work, administrative hearings, etc	3	1	3	2	2	2	2.15	Moderate		1	3	2	3	2	1	2.15	Satisfactory	Decreasing	Moderate
Legal: New employers and employer withdrawals	1	1	3	2	1	2	1.55	Low		1	3	2	3	2	1	2.15	Satisfactory	Decreasing	Low
Legal: VCP Compliance	2	4	3	5	2	4	3.30	High		3	3	3	3	4	1	2.95	Satisfactory	Decreasing	High
PIO and Legal: Education (internal and external)	1	1	3	1	1	2	1.35	Low		1	3	2	3	2	3	2.45	Satisfactory	Decreasing	Low
ROI requests	1	1	3	2	2	2	1.75	Low		2	3	2	3	2	1	2.25	Satisfactory	Decreasing	Low
PIO: Survey administration	1	1	3	1	1	1	1.20	Low		3	3	2	3	3	3	2.90	Satisfactory	Decreasing	Low
PIO: Website administration	1	1	3	1	1	1	1.20	Low		3	3	2	3	2	3	2.65	Satisfactory	Decreasing	Low
Investments																			
Investment manager oversight and actions	2	2	2	2	1	1	1.65	Low		1	2	1	2	3	1	1.90	Strong	Stable	Low
Investment due diligence	5	2	2	4	3	2	3.20	High		1	2	1	2	2	1	1.65	Strong	Stable	Moderate
Capital calls and distributions	5	2	2	3	4	2	3.20	High		1	2	1	2	2	1	1.65	Strong	Stable	Moderate
Cash management and cash forecasting	5	3	2	3	3	2	3.15	High		1	2	1	2	3	1	1.90	Strong	Decreasing	Moderate
Portfolio reporting, analytics, and oversight	3	2	2	3	2	2	2.40	Moderate		1	2	1	2	3	1	1.90	Strong	Decreasing	Low
Employer Reporting																			
Employer contribution reporting	3	5	2	3	3	3	3.20	High		3	2	2	2	4	1	2.45	Satisfactory	Decreasing	High
Voucher generation and payment processing	4	5	2	3	3	3	3.40	High		3	2	2	2	4	1	2.45	Satisfactory	Decreasing	High
Penalties	1	5	2	3	1	2	2.25	Moderate		3	2	2	2	4	1	2.45	Satisfactory	Decreasing	Moderate
Information Technology																			
General operational controls	5	5	5	5	5	4	4.85	High		4	3	4	2	4	3	3.30	Weak	Decreasing	High
Business continuity planning	5	5	5	5	2	5	4.40	High		4	4	4	3	4	4	3.85	Weak	Decreasing	High
System access controls and monitoring	5	5	4	5	5	3	4.60	High		2	3	3	2	4	3	3.00	Satisfactory	Decreasing	High
Network administration and architecture/security	5	5	5	5	5	5	5.00	High		3	2	2	2	4	2	2.60	Satisfactory	Decreasing	High
Cybersecurity	5	5	5	5	5	3	4.70	High		3	3	2	3	3	1	2.60	Satisfactory	Decreasing	High
Third party risk management	5	4	4	4	3	4	4.00	High		3	3	4	3	4	4	3.50	Weak	Decreasing	High

VI. Internal audit approach

Internal audit's role and objectives

The primary role and objective of internal audit are to provide objective assurance to the Audit Committee, Board of Trustees, and management on the effectiveness of the System's risk management framework. This involves the performance of monitoring and validation activities to ensure the risk management and internal control framework is operating effectively, as well as identifying and communicating opportunities for the implementation of best practices within the System's business operations. Internal audit serves as a key tool for monitoring risk throughout the organization and its interaction with the Audit Committee, as well as the issuance of formal reports, and serves a critical role in assisting the Audit Committee with facilitating its risk oversight responsibilities.

The secondary role and objective of internal audit are to provide management with process enhancements and insights into industry best practices to further improve the System's operational effectiveness.

Independence

To be effective and fulfill its role and accomplish its objectives, internal audit must be independent of management and objective in the performance of its work. Internal audit must report directly to the Audit Committee, with indirect reporting to senior management.

Risk assessment

The risk assessment is designed to focus on the organization's profile, strategic objectives, and business changes and on the specific risk concerns of the Audit Committee and senior management to identify and assess various risk exposures within the organization. The risk assessment serves as the basis for prioritizing and allocating internal audit resources, specifically to those areas posing a greater degree of risk to the organization. The overall risk ratings are utilized to define the scope and frequency of audits and serve as the basis for developing the internal audit plan.

Internal audit scope and plan

The internal audit scope is derived from the risk assessment and consists of auditing all high-risk areas at least once every 18 months, moderate-risk areas every 24-36 months, and low-risk functions cyclically. The risk assessment process is repeated at least annually, and the audit plan is adjusted accordingly based on any changes within the organization's risk profile. Changes to the risk profile may result from changes in key management, new organizational initiatives, etc. The internal audit plan will cover the period March 1, 2026, through February 28, 2027. As part of the planning and development of the 2026-2027 internal audit scope and plan to be submitted for consideration and approval by the Audit Committee, we completed the risk assessment of the organization.

Fieldwork and reporting

The audit areas to be reviewed and tested during each visit will be identified in advance of fieldwork and will be outlined in the annual internal audit plan. The scope of the review and testing will be discussed with the Executive Director prior to the commencement of fieldwork, and a client assistance request list will be sent before the scheduled start of fieldwork. An exit meeting will be conducted with management and all audit findings known at that time will be communicated. If additional findings are noted subsequent to fieldwork, management will be notified prior to delivery of the report draft.

Our reports will be structured as follows:

- Summary of results and risk ratings
- Detailed description of the exceptions/deficiencies noted in the audit, including recommendations for corrective action
- Detailed description of the internal audit procedures performed for the audit

A draft of the internal audit report will be issued after the completion of fieldwork. Upon review of the draft report, management will provide responses to the findings to Wipfli for inclusion in the final report. Copies of the final report will be sent to the Executive Director for presentation to the Audit Committee for review and approval. Wipfli is available to meet with the Audit Committee to discuss the reports.

Internal audit coordinator

As outlined in the internal audit engagement letter, the System is responsible for designating a competent individual to be responsible for and to oversee the internal audit function. The internal audit coordinator will play a key role in the coordination of internal audit activities, including risk assessment, scheduling and timing of planned visits, reporting, and exception monitoring and tracking. The internal audit coordinator will also be responsible for ensuring the annual risk assessment and internal audit plan is accepted and approved prior to the commencement of fieldwork.

VIII. Internal audit coverage matrix – five-year plan

New Hampshire Retirement System
Internal Control and IT Audit Plan
As of June 2026

Member Services	**Residual Risk Rating**	**Suggested Frequency**	**Mar 2026 - Feb 2027**	**Mar 2027 - Feb 2028**	**Mar 2028 - Feb 2029**	**Mar 2029 - Feb 2030**	**Mar 2030 - Feb 2031**
Benefit processing and certification	Low	Cyclically		X			
Record change control	Low	Cyclically		X			
Member record adjustments	Moderate	24-36 months		X			X
Benefit discontinuation, including overpayments	Moderate	24-36 months			X		
Disability benefits	Moderate	24-36 months			X		
Retiree check deductions	Moderate	24-36 months	X			X	
Member refunds	Low	Cyclically			X		
Monthly payroll processing	Low	Cyclically	X				
QDROs	Moderate	24-36 months		X			X
RMDs	Low	Cyclically				X	
Restoration of service	Moderate	24-36 months		X			X
Temporary Supplemental Allowances (TSAs)	Low	Cyclically				X	
Contact center	Moderate	24-36 months			X		
Finance and Accounting	**Risk Classification**	**Suggested Frequency**	**Mar 2026 - Feb 2027**	**Mar 2027 - Feb 2028**	**Mar 2028 - Feb 2029**	**Mar 2029 - Feb 2030**	**Mar 2030 - Feb 2031**
Procurement	Moderate	24-36 months		X			X
Accounts payable	Low	Cyclically		X			
Financial reporting	Moderate	24-36 months			X		
Bank accounts (access, reconciliations, sweep, HRS/FSA funding)	High	12-18 months	X				
Balance sheet reconciliations and journal entries	High	12-18 months	X				
Budget	Moderate	24-36 months			X		
Operating cash management and cash flow	Moderate	24-36 months		X			X
Direct deposit changes	Moderate	24-36 months			X		
Fixed assets	Low	Cyclically				X	
Stop payments and replacement checks	Low	Cyclically				X	
Collections	High	12-18 months		X		X	
Unclaimed property	Moderate	24-36 months		X			X
Human Resources	**Risk Classification**	**Suggested Frequency**	**Mar 2026 - Feb 2027**	**Mar 2027 - Feb 2028**	**Mar 2028 - Feb 2029**	**Mar 2029 - Feb 2030**	**Mar 2030 - Feb 2031**
Talent acquisition & onboarding	Low	Cyclically					X
Benefits administration	Low	Cyclically			X		
Training and development	Low	Cyclically				X	
Performance management	Low	Cyclically			X		
Offboarding	Low	Cyclically					X
Payroll	Low	Cyclically		X			
Employee Safety Program	Low	Cyclically				X	
Succession planning	Low	Cyclically		X			

Legal, Communications, Legislative Affairs	Risk Classification	Suggested Frequency	Mar 2026 - Feb 2027	Mar 2027 - Feb 2028	Mar 2028 - Feb 2029	Mar 2029 - Feb 2030	Mar 2030 - Feb 2031
Legal: Contract compliance (both administrative and investment)	High	12-18 months	X		X		X
PIO and Legal: Legislative work, administrative hearings, etc	Moderate	24-36 months		X		X	
Legal: New employers and employer withdrawals	Low	Cyclically			X		
Legal: VCP Compliance	High	12-18 months	X		X		X
PIO and Legal: Education (internal and external)	Low	Cyclically				X	
RTK requests	Low	Cyclically				X	
PIO: Survey administration	Low	Cyclically				X	
PIO: Website administration	Low	Cyclically				X	

Investments	Risk Classification	Suggested Frequency	Mar 2026 - Feb 2027	Mar 2027 - Feb 2028	Mar 2028 - Feb 2029	Mar 2029 - Feb 2030	Mar 2030 - Feb 2031
Investment manager oversight and actions	Low	Cyclically			X		
Investment due diligence	Moderate	24-36 months			X		X
Capital calls and distributions	Moderate	24-36 months		X			X
Cash management and cash forecasting	Moderate	24-36 months		X			X
Portfolio reporting, analytics, and oversight	Low	Cyclically		X			

Employer Reporting	Risk Classification	Suggested Frequency	Mar 2026 - Feb 2027	Mar 2027 - Feb 2028	Mar 2028 - Feb 2029	Mar 2029 - Feb 2030	Mar 2030 - Feb 2031
Employer contribution reporting	High	12-18 months	X		X		X
Voucher generation and payment processing	High	12-18 months	X		X		X
Penalties	Moderate	24-36 months	X				X

Information Technology	Risk Classification	Suggested Frequency	Mar 2026 - Feb 2027	Mar 2027 - Feb 2028	Mar 2028 - Feb 2029	Mar 2029 - Feb 2030	Mar 2030 - Feb 2031
General operational controls	High	12-18 months	X		X		X
Business continuity planning	High	12-18 months		X		X	
System access controls and monitoring	High	12-18 months	X		X		X
Network administration and architecture/security	High	12-18 months		X		X	
Cybersecurity	High	12-18 months		X		X	
Third party risk management	High	12-18 months		X		X	

Risk factor definitions

Scoring definitions were used to guide input toward determination of a total risk score for each line item. Each rating factor was assigned a score of one (lowest risk) to five (highest risk) by individual participants. The scores were then multiplied by the value weight indicated, also approved by management, based on the perceived level of importance of each risk factor. Individual weighted scores were then rolled up to an average score for each line item, providing a collective, judgmental total risk score.

Inherent risk factors

Balance of account and/or volume of transactions

The average account balance or volume of activity associated with a business process will normally affect the magnitude of risk.

- One - Few transactions and insignificant dollars involved or not applicable
- Two - Few transactions, but dollars may be significant
- Three - Moderate number of transactions and insignificant dollars involved
- Four - Moderate number of transactions and significant dollars involved
- Five - Significant number of transactions and/or large dollar amounts

New or changes to processing systems, products, services, or procedures

During periods of rapid business, organizational, or system change, the internal control structure can be adversely affected, requiring increased audit coverage. This category includes new product lines or services, new systems, and revised or new accounting or transaction processing systems.

- One - No changes within the past year
- Two - Relatively minor, noncomplex changes within the past three years
- Three - Moderate, noncomplex changes within the past three years
- Four - Moderate, complex changes within the past three years
- Five - Significant changes within the past three years

Personnel turnover

This category includes personnel turnover and potential changes to personnel (unplanned resignations, etc.).

- One - No changes within the past year
- Two - Limited management change or personnel turnover
- Three - Moderate turnover in personnel
- Four - Significant change in personnel and turnover in key personnel
- Five - High turnover in personnel, key personnel, and management

Complexity of completion of the function

The complexity of the function, process, procedures, and systems used can impact the potential for internal control concerns.

- One - Function not complex
- Two - Function moderately complex
- Three - Function moderately complex and subjective judgement involved
- Four - Function highly complex and subjective judgement involved
- Five - Function highly complex and significant subjective judgement involved

Susceptibility to fraud

Fraud is the intentional misrepresentation of fact with the intention of personal gain. Management, employees, or third parties may perpetrate it.

- One - No exposure potential
- Two - Minor exposure potential
- Three - Moderate exposure potential
- Four - Major exposure potential
- Five - Potential exposure could be catastrophic

Volume and severity of issues previously identified

Findings in prior reviews are one indication of the control discipline within each system. Serious control deficiencies are often characterized by a significant number of problems or major repetitive problems identified in prior audits.

- One - High confidence in control environment; insignificant or no errors or issues noted
- Two - Good confidence in control environment; minor errors or issues noted
- Three - Reasonable confidence in control environment; moderate errors and issues identified but follow-up completed and corrective action implemented
- Four - Limited confidence in control environment; major errors and issues identified repetitively
- Five - Little or no confidence in control environment; significant unresolved issues or material monetary losses

Mitigating risk factors

Level of documented control procedures

Documented control procedures consist of Board-approved policies, written management directives, and any other written procedures relating to significant business processes that personnel use to perform daily activities and aid them in their decision making.

- One - High level of documentation; clear and simple policies and procedures; appropriate levels of staff having access to the documentation
- Two - Major policies and procedures documented; some flexibility in meeting policies and procedures; good communication to staff on expectations
- Three - Moderate amount of documented controls and procedures; more reliance on informal instructions; moderate number of transactions subject to policies and procedures
- Four - Limited amount of documented controls and procedures; processes and procedures informal and highly flexible
- Five - No documentation of control activities

Level of internal monitoring and/or control activity (excludes internal audit and regulatory exams)

Internal monitoring is established to assess the control activities. Results are communicated to senior management/risk committee, Audit Committee, or the Board of Trustees.

- One - Control activities formalized in both policy and written procedures and monitored and tested by a second individual; monitoring done on a continuous basis; monitoring results reported to a senior management committee/risk committee or the Board of Trustees
- Two - Control activities documented and monitored and tested by a second individual; monitoring done on a monthly basis; monitoring results reported to a senior management committee/risk committee
- Three - Control activities informally documented and monitored; significant issues elevated to a senior management committee/risk committee; monitoring done on a periodic basis; serious exceptions may be reported to a senior management committee/risk committee
- Four - Limited monitoring of control activities; results addressed in operational department only; issues may be elevated to a senior management committee/risk committee when found by internal audit or regulatory exam
- Five - No monitoring of control activities; issues may be elevated to a senior management committee/risk committee when found by internal audit or regulatory exam

Information and reporting

Information is used in developing financial statements, making internal operating decisions, monitoring performance, providing services, and allocating resources.

- One - Reports and information containing useful, accurate, and complete data; provided on a timely basis; and relied on by management for oversight of the area
- Two - Reports and information reliable and containing basic data that generally contributes to the oversight of an area
- Three - Reports and information sporadic and may not contain complete enough information for management to rely on for oversight of an area
- Four - Reports and information not reliable as to timely production or accuracy and/or not comprehensive with respect to management's oversight of the area
- Five - No reports or information produced for management use or reports inaccurate or not reliable

Personnel mix and training

This category includes personnel experience and training associated with the function and the designation and training of backup employees.

- One - Personnel very experienced (over 5 to 10 years in current or similar position) and maintain that expertise by continuing education, on-the-job training, and certifications; backup for position fully trained and duties performed by the backup on a routine basis
- Two - Personnel very experienced (over 5 to 10 years in current or similar position) and maintain expertise by continuing education and on-the-job training; backup designated and proficient in many of the duties
- Three - Personnel experienced (two to five years of experience in current or similar position) and maintain expertise by on-the-job training and training provided by the financial institution; backup available at varying experience levels
- Four - Personnel not experienced (one year or less experience in current or similar position), training only on the job and selected training by financial institution, and minimal backup for position; or personnel very experienced and highly trained/technical and limited backup for job
- Five - Personnel not experienced (one year or less experience in current or similar position), training only on the job, and no backup available for the position; or personnel very experienced and highly trained/technical and no backup for job

System automation

Procedure, process, and documentation are automated. Level of human intervention in process is minimal. Likelihood of human error is limited.

- One - Process completely automated, with limited possibility for human error
- Two - Process automated but limited human input needed for accurate results
- Three - Process automated but depends on human input for accuracy
- Four - Process only partially automated
- Five - Process only completely manual

Board and management oversight

This category includes the level of Board and management oversight, strength of tone at the top, knowledge level of internal controls on both inside and outside teams, reporting to the Board and senior management on internal control/internal audit activities, and access by internal audit function to the Board.

- One - Regular reporting and or interaction with senior management and/or risk committee involvement and regular reporting to the Board; strong tone at the top
- Two - Significant oversight of senior management or support from senior management and/or reporting regularly to the Board, but less formal
- Three - Oversight limited to functional area, with some interaction with senior management and function represents no financial, regulatory, or reputation risk to the financial institution; Board has some knowledge of the functional area
- Four - Oversight limited to functional area only and function represents significant financial, regulatory, or reputation risk; senior management has some knowledge of the functional area
- Five - No oversight by the Board, senior management, or functional area

Residual risk ratings

For the purposes of determining residual risk, the following guidelines were utilized:

Low

Inherent risk is generally low to moderate for the business area. The System's internal control structure and risk management system are generally sound in every respect for an entity of its size and complexity and are rated low to moderate. Identified weaknesses are minor and can be handled in a routine manner by management and the Board of Trustees. The System is in substantial compliance with applicable laws and regulations. The business area has not been the subject of any recent regulatory criticism.

Moderate

Inherent risk is generally moderate to high for the business area. The System's internal control structure and risk management system are satisfactory in relation to its size and complexity and are rated low to moderate. Identified weaknesses are generally moderate in nature and well within management's and the Board of Trustees' capabilities to correct. The System is in substantial compliance with applicable laws and regulations. The business area has not been the subject of any material supervisory concerns, and as such, the supervisory response has been informal and limited.

High

Inherent risk is generally high for the business area. The System's internal control structure and risk management system generally are rated satisfactory to less than satisfactory in relation to its size and complexity. Identified weaknesses may range from moderate to more severe in nature and may or may not be within management's and the Board of Trustees' ability or willingness to correct. The System may be subject to experiencing moderate to higher levels of noncompliance with applicable laws and regulations as a result of increased product offerings and increased regulatory mandates. The business area might have been the subject of a stronger level of supervisory concerns, such as possibly including formal or informal enforcement actions.

Business Area	Risk Classification	Internal Audit Date
Planning		
Risk Assessment	N/A	July 2026
Employer Reporting		
Employer contribution reporting	High	November 2026
Voucher generation and payment processing	High	November 2026
Penalties	Moderate	November 2026
Finance and Accounting		
Bank accounts (access, reconciliations, sweep, HRS/FSA funding)	High	February 2027
Balance sheet reconciliations and journal entries	High	February 2027
Member Services		
Retiree check deductions	Moderate	October 2026
Monthly payroll processing	Low	September 2026
Legal, Communications, Legislative Affairs		
Legal: Contract compliance (both administrative and investment)	High	January 2027
Legal: VCP Compliance	High	January 2027
Information Technology		
General operational controls	High	February 2027
System access controls and monitoring	High	February 2027

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GOVERNANCE COMMITTEE

NHRS
New Hampshire Retirement System

To: Board of Trustees

From: Annie Gregori, NHRS Chief Legal Counsel

Date: July 31, 2026

Subject: Cyber Security Renewal

Item: Action: ☐ Discussion: ☐ Informational: ☒

NHRS has purchased cybersecurity insurance since 2015 as a best practice in the event of a data incident, to cover damages to third parties and related legal defense costs. More importantly, in the event of a covered data incident, this insurance provides access to a wide range of incident response and remediation services on an immediate, real-time basis such as forensic computer experts, notification and call center services, credit monitoring, public relations, and crisis management. Four years ago, the Committee and the Board decided to increase coverage from $3 million to $5 million with a $25,000 deductible, and the policy was placed with the incumbent carrier, Tokio Marine, through the Houston Casualty Company.

This year, Houston Casualty is offering the same coverage and limits with a premium cost of $48,300.00 for the renewal. This is a 16% reduction from last year's premium of $57,489. New Hampshire Retirement System conducted a comprehensive review of vendors last year, including obtaining multiple competitive quotes. Based on that analysis, the current renewal rate is lower than the prior pricing and remains the most cost-efficient option available.

Based on the comprehensive review conducted last year, and staff's positive experience with Houston Casualty when needed, the Governance Committee approved the renewal of the cyber coverage based on staff's recommendation.

To:	Board of Trustees
From:	Diana Crichton, NHRS Associate Counsel and Compliance Officer
Date:	July 30, 2026
Subject:	Office of Foreign Assets Control (OFAC) – FY 2026 Annual Compliance Report
Item:	Action: ☐ Discussion: ☐ Informational: ☒

Pursuant to the NHRS OFAC Policy (Policy), and in my capacity as OFAC Compliance Officer, I am reporting that, for the 2026 fiscal year, NHRS is in substantial compliance with the Policy.

The Office of Foreign Assets Control (OFAC) is part of the U.S. Department of the Treasury, and its rules prohibit the transfer of funds to specified sanctioned individuals, entities, and states. OFAC maintains a list of targets called the "Specially Designated Nationals" (SDN) list, and NHRS has a duty to assure that no funds are transferred to any person or entity on the SDN.

A survey of executive team members has confirmed no known violations. In this regard, NHRS relies primarily on its banks, custodians, investment managers, and payroll vendor. Each has systems and software in place to monitor NHRS fund transfers and integrate with the OFAC SDN in order to detect possible violations. NHRS requires all vendors to disclose any known OFAC violations.

Having a robust OFAC compliance program is important. OFAC regulations have a two-tiered penalty structure that doubles the fine if you do not have a compliance program in place. We have never had a violation and intend to continue that pattern based on our solid compliance program, which utilizes best practices including conducting annual reviews.

INDEPENDENT INVESTMENT COMMITTEE

Independent Investment Committee's Monthly Report to the Board

NHRS Investment Team

Board of Trustees Meeting

August 11, 2026

Total Plan Performance as of June 30, 2026 (Preliminary)

NHRS New Hampshire Retirement System

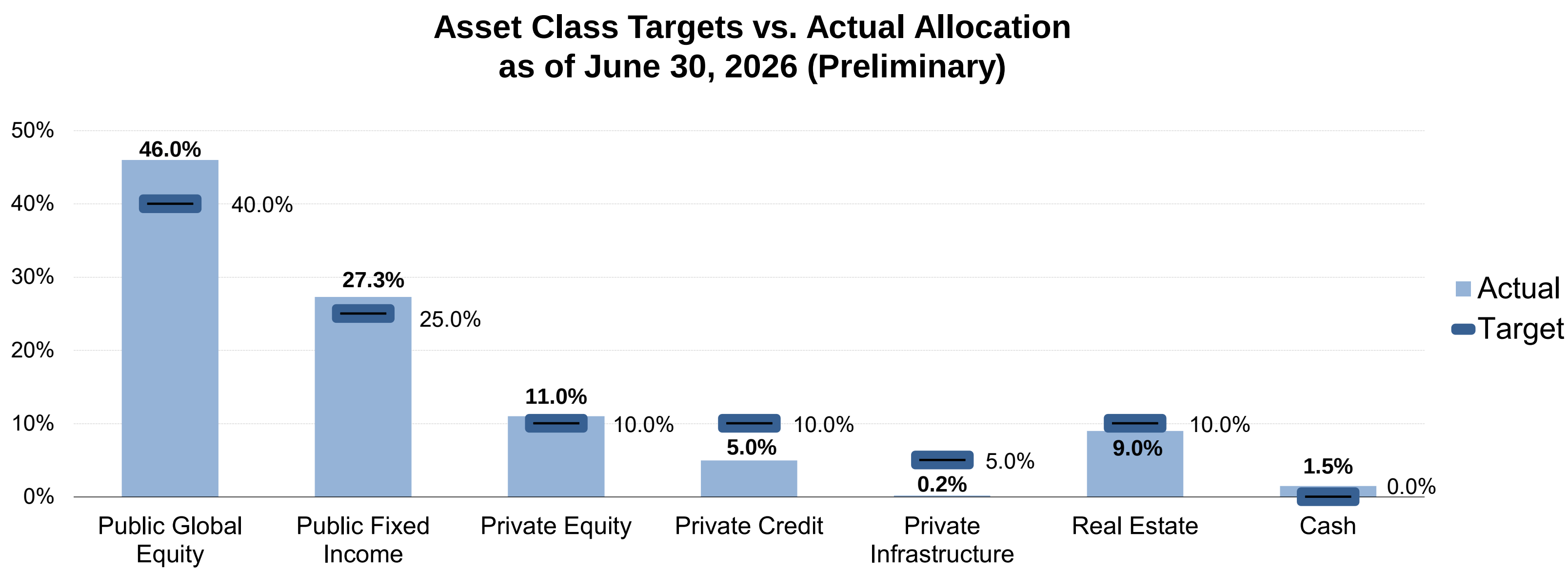
Composite	Total Fund Weighting As of 6/30/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
		Net of Fees Returns for Periods Ended June 30, 2026							
Total Global Equity	**46.09%**	**-0.05%**	**13.77%**	**21.53%**	**11.40%**	**21.53%**	**-**	**-**	**-**
MSCI ACWI IMI		*-0.61%*	*14.93%*	*24.22%*	*11.77%*	*24.22%*	*-*	*-*	*-*
Excess Return		*0.56%*	*-1.16%*	*-2.70%*	*-0.37%*	*-2.70%*	*-*	*-*	*-*
Total Domestic Equity	**26.25%**	**0.06%**	**15.80%**	**24.96%**	**14.36%**	**24.96%**	**18.69%**	**11.16%**	**13.74%**
Domestic Equity Benchmark(1)		*-0.30%*	*15.44%*	*22.82%*	*10.88%*	*22.82%*	*20.36%*	*12.30%*	*14.94%*
Excess Return		*0.35%*	*0.35%*	*2.14%*	*3.49%*	*2.14%*	*-1.67%*	*-1.15%*	*-1.20%*
Total Non US Equity	**19.84%**	**-0.31%**	**11.30%**	**17.16%**	**7.93%**	**17.16%**	**15.51%**	**7.67%**	**9.28%**
Non US Equity Benchmark(2)		*-1.03%*	*13.82%*	*26.56%*	*13.05%*	*26.56%*	*18.51%*	*8.62%*	*9.84%*
Excess Return		*0.72%*	*-2.52%*	*-9.40%*	*-5.12%*	*-9.40%*	*-3.00%*	*-0.95%*	*-0.57%*
Total Fixed Income	**27.27%**	**0.29%**	**1.00%**	**3.97%**	**0.84%**	**3.97%**	**4.85%**	**0.79%**	**2.66%**
Bloomberg Capital Universe Bond Index		*0.26%*	*0.92%*	*4.15%*	*0.77%*	*4.15%*	*4.70%*	*0.44%*	*1.95%*
Excess Return		*0.03%*	*0.08%*	*-0.18%*	*0.07%*	*-0.18%*	*0.15%*	*0.35%*	*0.71%*
Total Cash	**1.47%**	**0.29%**	**0.93%**	**3.93%**	**1.84%**	**3.93%**	**4.72%**	**3.62%**	**2.44%**
3-Month Treasury Bill		*0.29%*	*0.88%*	*3.84%*	*1.74%*	*3.84%*	*4.64%*	*3.52%*	*2.34%*
Excess Return		*0.00%*	*0.04%*	*0.09%*	*0.10%*	*0.09%*	*0.08%*	*0.10%*	*0.10%*
Total Real Estate (Q1)*	**9.03%**	**1.06%**	**1.28%**	**3.81%**	**2.98%**	**3.81%**	**0.13%**	**3.79%**	**6.42%**
Real Estate Benchmark(3)		*0.35%*	*1.04%*	*3.11%*	*1.75%*	*3.11%*	*-2.81%*	*2.34%*	*3.79%*
Excess Return		*0.71%*	*0.24%*	*0.69%*	*1.23%*	*0.69%*	*2.94%*	*1.45%*	*2.64%*
Total Infrastructure (Q1)	**0.15%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Infrastructure Benchmark		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Excess Return		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Total Private Equity (Q1)*	**10.88%**	**-1.31%**	**-0.57%**	**2.19%**	**0.42%**	**2.19%**	**4.05%**	**4.84%**	**11.43%**
Private Equity Benchmark(4)		*-4.69%*	*-3.37%*	*20.21%*	*-0.59%*	*20.21%*	*20.04%*	*14.13%*	*16.92%*
Excess Return		*3.38%*	*2.79%*	*-18.01%*	*1.01%*	*-18.01%*	*-15.99%*	*-9.29%*	*-5.48%*
Total Private Debt (Q1)*	**5.10%**	**1.90%**	**2.12%**	**5.24%**	**3.33%**	**5.24%**	**5.76%**	**6.13%**	**5.97%**
Private Debt Benchmark(5)		*0.09%*	*-0.38%*	*7.46%*	*1.42%*	*7.46%*	*9.50%*	*6.21%*	*5.61%*
Excess Return		*1.81%*	*2.50%*	*-2.22%*	*1.91%*	*-2.22%*	*-3.74%*	*-0.08%*	*0.36%*
Total Fund Composite	**100.00%**	**0.09%**	**6.63%**	**11.83%**	**5.91%**	**11.83%**	**10.31%**	**6.40%**	**8.83%**
Total Fund Benchmark(6)		*-0.67%*	*7.33%*	*15.74%*	*6.35%*	*15.74%*	*13.10%*	*7.73%*	*9.39%*
Excess Return		*0.76%*	*-0.70%*	*-3.91%*	*-0.44%*	*-3.91%*	*-2.79%*	*-1.32%*	*-0.56%*

(1) The Domestic Equity Benchmark is the Russell 3000 Index as of 7/1/2021.
(2) The Non US Equity Index is the MSCI ACWI ex US IMI Index as of 7/1/2024. Prior to 7/1/2024, it was the MSCI ACWI Ex-US Index.
(3) The Real Estate Benchmark is the NCREIF NFI-ODCE Value Weight Net Index lagged 1 quarter as of 7/1/2015.
(4) The Private Equity Benchmark is the Russell 3000 Index + 2% lagged 1 quarter as of 7/1/2022.
(5) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 Idx + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.
(6) Current Month Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.
(7) For the trailing 25 year period ended 6/30/26, the Total Fund has returned 7.04% versus the Total Fund Custom Benchmark return of 7.52%.
*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

FYTD *Fiscal Year to Date*
CYTD *Calendar Year to Date*
LYM *Last Twelve Months*

Source: Callan

Asset Class Policy Targets vs. Actual Allocation



*Figures in **bold** represent actual allocation amount.*

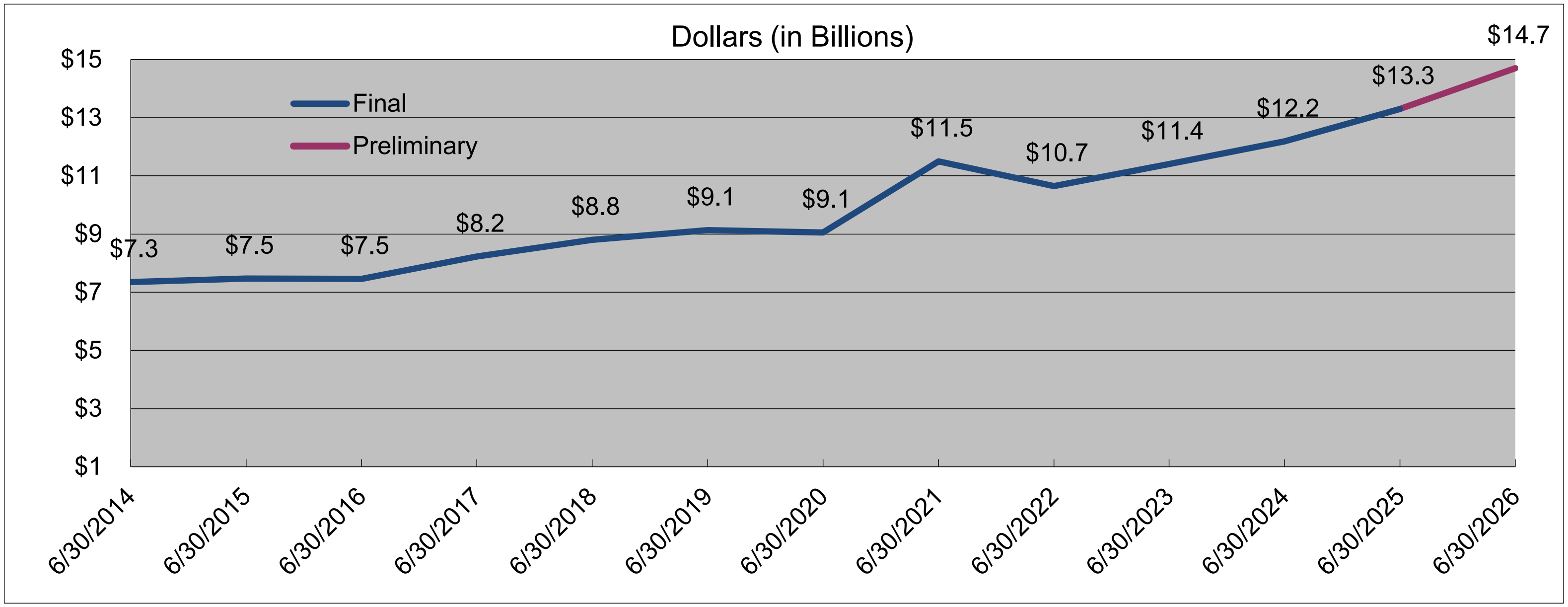
Asset Class	Policy Target	Actual	Policy Range
Public Global Equity	40.0%	46.0%	30 - 50%
Public Fixed Income	25.0%	27.3%	18 - 32%
Private Equity	10.0%	11.0%	5 - 15%
Private Credit	10.0%	5.0%	0 - 15%
Private Infrastructure	5.0%	0.2%	0 - 15%
Real Estate	10.0%	9.0%	5 - 20%
Cash	0.0%	1.5%	0 - 5%
	100.0%		

Note: private infrastructure and private credit allocations will be scaled up incrementally in subsequent periods to meet target allocations effective as of 7/1/2024.

Source: NHRS

Total Fund Market Value

Fiscal Year Ended	Dollars (in Billions)	
6/30/2014	$ 7.3	
6/30/2015	$ 7.5	
6/30/2016	$ 7.5	
6/30/2017	$ 8.2	
6/30/2018	$ 8.8	
6/30/2019	$ 9.1	
6/30/2020	$ 9.1	
6/30/2021	$ 11.5	
6/30/2022	$ 10.7	
6/30/2023	$ 11.4	
6/30/2024	$ 12.2	
6/30/2025	$ 13.3	Final
6/30/2026	$ 14.7	Preliminary



Source: NHRS

Callan

June 30, 2026

New Hampshire Retirement System

Investment Measurement Service Monthly Review

The table below details the rates of return for the fund's asset classes over various time periods ended June 30, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Composite	Total Fund Weighting As of 6/30/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
		Net of Fees Returns for Periods Ended June 30, 2026							
Total Global Equity	**46.09%**	**-0.05%**	**13.77%**	**21.53%**	**11.40%**	**21.53%**	**-**	**-**	**-**
MSCI ACWI IMI		*-0.61%*	*14.93%*	*24.22%*	*11.77%*	*24.22%*	-	-	-
Excess Return		*0.56%*	*-1.16%*	*-2.70%*	*-0.37%*	*-2.70%*	-	-	-
Total Domestic Equity	**26.25%**	**0.06%**	**15.80%**	**24.96%**	**14.36%**	**24.96%**	**18.69%**	**11.16%**	**13.74%**
Domestic Equity Benchmark(1)		*-0.30%*	*15.44%*	*22.82%*	*10.88%*	*22.82%*	*20.36%*	*12.30%*	*14.94%*
Excess Return		*0.35%*	*0.35%*	*2.14%*	*3.49%*	*2.14%*	*-1.67%*	*-1.15%*	*-1.20%*
Total Non US Equity	**19.84%**	**-0.31%**	**11.30%**	**17.16%**	**7.93%**	**17.16%**	**15.51%**	**7.67%**	**9.28%**
Non US Equity Benchmark(2)		*-1.03%*	*13.82%*	*26.56%*	*13.05%*	*26.56%*	*18.51%*	*8.62%*	*9.84%*
Excess Return		*0.72%*	*-2.52%*	*-9.40%*	*-5.12%*	*-9.40%*	*-3.00%*	*-0.95%*	*-0.57%*
Total Fixed Income	**27.27%**	**0.29%**	**1.00%**	**3.97%**	**0.84%**	**3.97%**	**4.85%**	**0.79%**	**2.66%**
Bloomberg Capital Universe Bond Index		*0.26%*	*0.92%*	*4.15%*	*0.77%*	*4.15%*	*4.70%*	*0.44%*	*1.95%*
Excess Return		*0.03%*	*0.08%*	*-0.18%*	*0.07%*	*-0.18%*	*0.15%*	*0.35%*	*0.71%*
Total Cash	**1.47%**	**0.29%**	**0.93%**	**3.93%**	**1.84%**	**3.93%**	**4.72%**	**3.62%**	**2.44%**
3-Month Treasury Bill		*0.29%*	*0.88%*	*3.84%*	*1.74%*	*3.84%*	*4.64%*	*3.52%*	*2.34%*
Excess Return		*0.00%*	*0.04%*	*0.09%*	*0.10%*	*0.09%*	*0.08%*	*0.10%*	*0.10%*
Total Real Estate (Q1)*	**9.03%**	**1.06%**	**1.28%**	**3.81%**	**2.98%**	**3.81%**	**0.13%**	**3.79%**	**6.42%**
Real Estate Benchmark(3)		*0.35%*	*1.04%*	*3.11%*	*1.75%*	*3.11%*	*-2.81%*	*2.34%*	*3.79%*
Excess Return		*0.71%*	*0.24%*	*0.69%*	*1.23%*	*0.69%*	*2.94%*	*1.45%*	*2.64%*
Total Infrastructure (Q1)	**0.15%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Infrastructure Benchmark		-	-	-	-	-	-	-	-
Excess Return		-	-	-	-	-	-	-	-
Total Private Equity (Q1)*	**10.88%**	**-1.31%**	**-0.57%**	**2.19%**	**0.42%**	**2.19%**	**4.05%**	**4.84%**	**11.43%**
Private Equity Benchmark(4)		*-4.69%*	*-3.37%*	*20.21%*	*-0.59%*	*20.21%*	*20.04%*	*14.13%*	*16.92%*
Excess Return		*3.38%*	*2.79%*	*-18.01%*	*1.01%*	*-18.01%*	*-15.99%*	*-9.29%*	*-5.48%*
Total Private Debt (Q1)*	**5.10%**	**1.90%**	**2.12%**	**5.24%**	**3.33%**	**5.24%**	**5.76%**	**6.13%**	**5.97%**
Private Debt Benchmark(5)		*0.09%*	*-0.38%*	*7.46%*	*1.42%*	*7.46%*	*9.50%*	*6.21%*	*5.61%*
Excess Return		*1.81%*	*2.50%*	*-2.22%*	*1.91%*	*-2.22%*	*-3.74%*	*-0.08%*	*0.36%*
Total Fund Composite	**100.00%**	**0.09%**	**6.63%**	**11.83%**	**5.91%**	**11.83%**	**10.31%**	**6.40%**	**8.83%**
Total Fund Benchmark(6)		*-0.67%*	*7.33%*	*15.74%*	*6.35%*	*15.74%*	*13.10%*	*7.73%*	*9.39%*
Excess Return		*0.76%*	*-0.70%*	*-3.91%*	*-0.44%*	*-3.91%*	*-2.79%*	*-1.32%*	*-0.56%*

(1) The Domestic Equity Benchmark is the Russell 3000 Index as of 7/1/2021.
(2) The Non US Equity Index is the MSCI ACWI ex US IMI Index as of 7/1/2024. Prior to 7/1/2024, it was the MSCI ACWI Ex-US Index.
(3) The Real Estate Benchmark is the NCREIF NFI-ODCE Value Weight Net Index lagged 1 quarter as of 7/1/2015.
(4) The Private Equity Benchmark is the Russell 3000 Index + 2% lagged 1 quarter as of 7/1/2022.
(5) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 Idx + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.
(6) Current Month Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.
(7) For the trailing 25 year period ended 6/30/26, the Total Fund has returned 7.04% versus the Total Fund Custom Benchmark return of 7.52%.
*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Composite	Total Fund Weighting As of 6/30/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
		Net of Fees Returns for Periods Ended June 30, 2026							
Total Domestic Equity	**26.25%**	**0.06%**	**15.80%**	**24.96%**	**14.36%**	**24.96%**	**18.69%**	**11.16%**	**13.74%**
Domestic Equity Benchmark(1)		*-0.30%*	*15.44%*	*22.82%*	*10.88%*	*22.82%*	*20.36%*	*12.30%*	*14.94%*
Excess Return		*0.35%*	*0.35%*	*2.14%*	*3.49%*	*2.14%*	*-1.67%*	*-1.15%*	*-1.20%*
Large Cap Domestic Equity	**22.05%**	**-0.95%**	**15.19%**	**22.31%**	**10.20%**	**22.31%**	**20.63%**	**13.38%**	**14.87%**
S&P 500 Index		*-0.95%*	*15.20%*	*22.32%*	*10.21%*	*22.32%*	*20.61%*	*13.41%*	*15.51%*
Excess Return		*0.00%*	*-0.01%*	*-0.01%*	*-0.01%*	*-0.01%*	*0.01%*	*-0.02%*	*-0.63%*
BlackRock S&P 500	**22.05%**	**-0.95%**	**15.19%**	**22.31%**	**10.20%**	**22.31%**	**20.63%**	**13.38%**	**15.48%**
S&P 500 Index		*-0.95%*	*15.20%*	*22.32%*	*10.21%*	*22.32%*	*20.61%*	*13.41%*	*15.51%*
Excess Return		*0.00%*	*-0.01%*	*-0.01%*	*-0.01%*	*-0.01%*	*0.01%*	*-0.02%*	*-0.03%*
Smid Cap Domestic Equity	**1.08%**	**2.82%**	**9.65%**	**19.38%**	**11.74%**	**19.38%**	**12.63%**	**5.82%**	**10.26%**
Russell 2500 Index		*3.68%*	*20.26%*	*36.72%*	*22.71%*	*36.72%*	*18.40%*	*8.30%*	*12.25%*
Excess Return		*-0.85%*	*-10.61%*	*-17.34%*	*-10.97%*	*-17.34%*	*-5.77%*	*-2.48%*	*-1.99%*
TSW	**1.08%**	**2.82%**	**9.65%**	**19.18%**	**10.49%**	**19.18%**	**12.30%**	**7.90%**	**8.53%**
TSW Blended Benchmark (2)		*4.20%*	*18.50%*	*38.54%*	*24.16%*	*38.54%*	*19.41%*	*10.28%*	*12.30%*
Excess Return		*-1.38%*	*-8.86%*	*-19.36%*	*-13.67%*	*-19.36%*	*-7.11%*	*-2.38%*	*-3.77%*
Small Cap Domestic Equity	**3.12%**	**6.42%**	**22.40%**	**32.98%**	**24.05%**	**32.98%**	**17.48%**	**9.19%**	**13.35%**
Russell 2000 Index		*3.74%*	*21.49%*	*40.78%*	*22.57%*	*40.78%*	*18.60%*	*6.98%*	*11.62%*
Excess Return		*2.68%*	*0.91%*	*-7.80%*	*1.48%*	*-7.80%*	*-1.12%*	*2.21%*	*1.72%*
Segall Bryant & Hamill	**1.14%**	**9.77%**	**21.24%**	**33.30%**	**24.66%**	**33.30%**	**16.66%**	**9.46%**	**13.19%**
Russell 2000 Index		*3.74%*	*21.49%*	*40.78%*	*22.57%*	*40.78%*	*18.60%*	*6.98%*	*11.62%*
Excess Return		*6.03%*	*-0.25%*	*-7.48%*	*2.09%*	*-7.48%*	*-1.95%*	*2.48%*	*1.57%*
Wellington	**1.98%**	**4.59%**	**23.08%**	**42.28%**	**25.51%**	**42.28%**	**21.93%**	**10.10%**	**14.60%**
Russell 2000 Index		*3.74%*	*21.49%*	*40.78%*	*22.57%*	*40.78%*	*18.60%*	*6.98%*	*11.62%*
Excess Return		*0.85%*	*1.58%*	*1.50%*	*2.94%*	*1.50%*	*3.32%*	*3.11%*	*2.97%*

(1) The Domestic Equity Benchmark is the Russell 3000 Index as of 7/1/2021.

(2) TSW Blended Benchmark is the Russell 2500 Value Index as of 7/1/2019. Prior to 7/1/2019 it was the Russell 2500.

The table below details the rates of return for the fund’s investment managers over various time periods ended June 30, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

		Net of Fees Returns for Periods Ended June 30, 2026							
Composite	Total Fund Weighting As of 6/30/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	**19.84%**	**-0.31%**	**11.30%**	**17.16%**	**7.93%**	**17.16%**	**15.51%**	**7.67%**	**9.28%**
Non US Equity Benchmark (1)		*-1.03%*	*13.82%*	*26.56%*	*13.05%*	*26.56%*	*18.51%*	*8.62%*	*9.84%*
Excess Return		*0.72%*	*-2.52%*	*-9.40%*	*-5.12%*	*-9.40%*	*-3.00%*	*-0.95%*	*-0.57%*
Core Non US Equity	**16.75%**	**0.21%**	**12.72%**	**21.51%**	**10.00%**	**21.51%**	**18.26%**	**10.33%**	**10.13%**
Core Non US Benchmark (2)		*-0.59%*	*14.49%*	*27.66%*	*13.68%*	*27.66%*	*18.82%*	*8.79%*	*9.93%*
Excess Return		*0.80%*	*-1.77%*	*-6.15%*	*-3.68%*	*-6.15%*	*-0.56%*	*1.54%*	*0.21%*
Aristotle	**3.09%**	**0.11%**	**10.25%**	**12.70%**	**5.20%**	**12.70%**	**13.25%**	**6.60%**	**-**
MSCI EAFE		*0.07%*	*10.82%*	*20.23%*	*9.44%*	*20.23%*	*16.44%*	*9.05%*	-
Excess Return		*0.04%*	*-0.57%*	*-7.53%*	*-4.24%*	*-7.53%*	*-3.19%*	*-2.45%*	-
Artisan Partners	**4.50%**	**0.18%**	**11.84%**	**23.07%**	**14.62%**	**23.07%**	**22.38%**	**10.99%**	**10.91%**
MSCI EAFE		*0.07%*	*10.82%*	*20.23%*	*9.44%*	*20.23%*	*16.44%*	*9.05%*	*9.66%*
Excess Return		*0.11%*	*1.02%*	*2.84%*	*5.18%*	*2.84%*	*5.94%*	*1.94%*	*1.25%*
BlackRock SuperFund	**2.05%**	**-0.58%**	**14.51%**	**28.03%**	**14.05%**	**28.03%**	**19.02%**	**-**	**-**
MSCI ACWI Ex-US		*-0.59%*	*14.49%*	*27.66%*	*13.68%*	*27.66%*	*18.82%*	-	-
Excess Return		*0.01%*	*0.02%*	*0.38%*	*0.36%*	*0.38%*	*0.20%*	-	-
Causeway Capital	**4.65%**	**0.48%**	**14.33%**	**23.55%**	**7.21%**	**23.55%**	**18.56%**	**13.30%**	**11.39%**
MSCI EAFE		*0.07%*	*10.82%*	*20.23%*	*9.44%*	*20.23%*	*16.44%*	*9.05%*	*9.66%*
Excess Return		*0.41%*	*3.51%*	*3.32%*	*-2.23%*	*3.32%*	*2.12%*	*4.25%*	*1.73%*
SSGA Transition	**2.46%**								
Emerging Markets	**1.64%**	**0.15%**	**15.25%**	**13.87%**	**8.71%**	**13.87%**	**12.91%**	**1.47%**	**5.62%**
MSCI EM		*-1.41%*	*24.05%*	*43.51%*	*23.85%*	*43.51%*	*23.03%*	*7.20%*	*10.08%*
Excess Return		*1.55%*	*-8.80%*	*-29.63%*	*-15.14%*	*-29.63%*	*-10.12%*	*-5.73%*	*-4.46%*
Wellington Emerging Markets	**1.64%**	**0.15%**	**15.25%**	**13.87%**	**8.71%**	**13.87%**	**12.91%**	**1.49%**	**6.45%**
MSCI EM		*-1.41%*	*24.05%*	*43.51%*	*23.85%*	*43.51%*	*23.03%*	*7.20%*	*10.08%*
Excess Return		*1.55%*	*-8.80%*	*-29.63%*	*-15.14%*	*-29.63%*	*-10.12%*	*-5.71%*	*-3.62%*
Non US Small Cap	**1.44%**	**-1.99%**	**9.45%**	**23.22%**	**10.77%**	**23.22%**	**18.39%**	**5.45%**	**5.33%**
MSCI EAFE Small Cap		*-3.72%*	*9.02%*	*17.39%*	*7.65%*	*17.39%*	*15.72%*	*5.35%*	*8.64%*
Excess Return		*1.73%*	*0.43%*	*5.83%*	*3.12%*	*5.83%*	*2.67%*	*0.10%*	*-3.31%*
Wellington Int'l Small Cap Research	**1.44%**	**-1.99%**	**9.45%**	**23.22%**	**10.77%**	**23.22%**	**18.39%**	**-**	**-**
MSCI EAFE Small Cap		*-3.72%*	*9.02%*	*17.39%*	*7.65%*	*17.39%*	*15.72%*	-	-
Excess Return		*1.73%*	*0.43%*	*5.83%*	*3.12%*	*5.83%*	*2.67%*	-	-

(1) The Non US Equity Index is the MSCI ACWI ex US IMI Index as of 7/1/2024. Prior to 7/1/2024, it was the MSCI ACWI Ex-US Index.
(2) The Core Non US Equity Index is the MSCI ACWI ex US Index as of 7/1/2007. Prior to 7/1/2007 it was the MSCI EAFE Index.
(3) The Walter Scott Blended Benchmark is the MSCI ACWI Index as 5/1/2008. Prior to 5/1/2008 it was the MSCI EAFE Index.

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Composite	Total Fund Weighting As of 6/30/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
		Net of Fees Returns for Periods Ended June 30, 2026							
Total Fixed Income	**27.27%**	**0.29%**	**1.00%**	**3.97%**	**0.84%**	**3.97%**	**4.85%**	**0.79%**	**2.66%**
Fixed Income Benchmark (1)		*0.26%*	*0.92%*	*4.15%*	*0.77%*	*4.15%*	*4.70%*	*0.44%*	*1.95%*
Excess Return		*0.03%*	*0.08%*	*-0.18%*	*0.07%*	*-0.18%*	*0.15%*	*0.35%*	*0.71%*
BlackRock SIO Bond Fund	**2.13%**	**0.56%**	**2.52%**	**6.24%**	**2.32%**	**6.24%**	**7.00%**	**3.29%**	**-**
BlackRock Custom Benchmark (2)		*0.32%*	*0.91%*	*4.02%*	*1.84%*	*4.02%*	*4.79%*	*3.69%*	*-*
Excess Return		*0.24%*	*1.60%*	*2.22%*	*0.47%*	*2.22%*	*2.21%*	*-0.41%*	*-*
FIAM (Fidelity) Tactical Bond	**2.86%**	**0.45%**	**1.25%**	**4.34%**	**1.35%**	**4.34%**	**4.92%**	**1.41%**	**-**
Bloomberg Aggregate		*0.24%*	*0.67%*	*3.79%*	*0.62%*	*3.79%*	*4.16%*	*0.08%*	*-*
Excess Return		*0.21%*	*0.58%*	*0.55%*	*0.74%*	*0.55%*	*0.76%*	*1.32%*	*-*
Income Research & Management	**5.88%**	**0.29%**	**0.83%**	**3.62%**	**0.67%**	**3.62%**	**4.23%**	**0.05%**	**1.93%**
Bloomberg Gov/Credit		*0.25%*	*0.70%*	*3.32%*	*0.49%*	*3.32%*	*3.97%*	*-0.10%*	*1.59%*
Excess Return		*0.04%*	*0.14%*	*0.30%*	*0.18%*	*0.30%*	*0.26%*	*0.15%*	*0.34%*
Loomis Sayles	**2.28%**	**0.06%**	**1.36%**	**4.83%**	**0.45%**	**4.83%**	**7.09%**	**2.24%**	**4.40%**
Loomis Sayles Custom Benchmark (3)		*0.25%*	*1.30%*	*4.54%*	*1.09%*	*4.54%*	*5.79%*	*1.52%*	*3.06%*
Excess Return		*-0.19%*	*0.07%*	*0.30%*	*-0.64%*	*0.30%*	*1.30%*	*0.72%*	*1.33%*
Manulife Core Bond	**5.82%**	**0.29%**	**0.83%**	**-**	**0.68%**	**-**	**-**	**-**	**-**
Bloomberg Aggregate		*0.24%*	*0.67%*	*-*	*0.62%*	*-*	*-*	*-*	*-*
Excess Return		*0.05%*	*0.17%*	*-*	*0.06%*	*-*	*-*	*-*	*-*
Mellon US Agg Bond Index	**8.30%**	**0.24%**	**0.67%**	**3.70%**	**0.64%**	**3.70%**	**4.10%**	**-**	**-**
Bloomberg Aggregate		*0.24%*	*0.67%*	*3.79%*	*0.62%*	*3.79%*	*4.16%*	*-*	*-*
Excess Return		*0.00%*	*0.00%*	*-0.09%*	*0.02%*	*-0.09%*	*-0.05%*	*-*	*-*
Total Cash	**1.47%**	**0.29%**	**0.93%**	**3.93%**	**1.84%**	**3.93%**	**4.72%**	**3.62%**	**2.44%**
3-month Treasury Bill		*0.29%*	*0.88%*	*3.84%*	*1.74%*	*3.84%*	*4.64%*	*3.52%*	*2.34%*
Excess Return		*0.00%*	*0.04%*	*0.09%*	*0.10%*	*0.09%*	*0.08%*	*0.10%*	*0.10%*
Total Marketable Assets	**74.83%**	**0.07%**	**8.72%**	**14.79%**	**7.28%**	**14.79%**	**13.16%**	**6.89%**	**9.00%**
Total Marketable Index (4)		*-0.32%*	*10.19%*	*17.35%*	*8.16%*	*17.35%*	*14.47%*	*7.39%*	*9.33%*
Excess Return		*0.39%*	*-1.46%*	*-2.56%*	*-0.88%*	*-2.56%*	*-1.31%*	*-0.50%*	*-0.34%*

(1) The Fixed Income Benchmark is the Bloomberg Universal Bond Index as of 7/1/2007.
(2) The BlackRock Custom Benchmark is 3 Month SOFR compounded in arrears as of 1/1/2022.
(3) The Loomis Sayles Custom Benchmark is 65% Bloomberg Aggregate and 35% Bloomberg High Yield.
(4) Marketable Assets Index is 66.7% MSCI ACWI IMI and 33.3% Bloomberg Universal as of 7/1/24. Prior, the benchmark was 40% Russell 3000, 26.7% MSCI ACWI ex US, and 33.3% Bloomberg Universal (as of 7/1/2021).

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

		Net of Fees Returns for Periods Ended June 30, 2026							
Composite	Total Fund Weighting As of 6/30/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q1)* (5)	**9.03%**	**1.06%**	**1.28%**	**3.81%**	**2.98%**	**3.81%**	**0.13%**	**3.79%**	**6.42%**
Real Estate Benchmark (1)		*0.35%*	*1.04%*	*3.11%*	*1.75%*	*3.11%*	*-2.81%*	*2.34%*	*3.79%*
Excess Return		*0.71%*	*0.24%*	*0.69%*	*1.23%*	*0.69%*	*2.94%*	*1.45%*	*2.64%*
Strategic Core Real Estate (Q1)*	**4.79%**	**0.82%**	**0.79%**	**4.35%**	**3.58%**	**4.35%**	**-0.53%**	**3.10%**	**5.36%**
Real Estate Benchmark (1)		*0.35%*	*1.04%*	*3.11%*	*1.75%*	*3.11%*	*-2.81%*	*2.34%*	*3.79%*
Excess Return		*0.48%*	*-0.25%*	*1.24%*	*1.83%*	*1.24%*	*2.28%*	*0.76%*	*1.57%*
Tactical Non-Core Real Estate (Q1)*	**4.24%**	**1.33%**	**1.86%**	**3.15%**	**2.25%**	**3.15%**	**1.22%**	**4.96%**	**8.34%**
Real Estate Benchmark (1)		*0.35%*	*1.04%*	*3.11%*	*1.75%*	*3.11%*	*-2.81%*	*2.34%*	*3.79%*
Excess Return		*0.98%*	*0.82%*	*0.04%*	*0.50%*	*0.04%*	*4.03%*	*2.63%*	*4.55%*
Total Infrastructure (Q1)	**0.15%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Infrastructure Benchmark		-	-	-	-	-	-	-	-
Excess Return		-	-	-	-	-	-	-	-
Total Alternative Assets (Q1)*	**15.99%**	**-0.33%**	**0.25%**	**3.12%**	**1.31%**	**3.12%**	**4.54%**	**5.20%**	**9.12%**
Alternative Assets Benchmark (2)		*-3.09%*	*-2.35%*	*15.91%*	*0.11%*	*15.91%*	*16.56%*	*11.60%*	*12.17%*
Excess Return		*2.76%*	*2.60%*	*-12.79%*	*1.20%*	*-12.79%*	*-12.01%*	*-6.40%*	*-3.05%*
Total Private Equity (Q1)*	**10.88%**	**-1.31%**	**-0.57%**	**2.19%**	**0.42%**	**2.19%**	**4.05%**	**4.84%**	**11.43%**
Private Equity Benchmark (3)		*-4.69%*	*-3.37%*	*20.21%*	*-0.59%*	*20.21%*	*20.04%*	*14.13%*	*16.92%*
Excess Return		*3.38%*	*2.79%*	*-18.01%*	*1.01%*	*-18.01%*	*-15.99%*	*-9.29%*	*-5.48%*
Total Private Debt (Q1)*	**5.10%**	**1.90%**	**2.12%**	**5.24%**	**3.33%**	**5.24%**	**5.76%**	**6.13%**	**5.97%**
Private Debt Benchmark (4)		*0.09%*	*-0.38%*	*7.46%*	*1.42%*	*7.46%*	*9.50%*	*6.21%*	*5.61%*
Excess Return		*1.81%*	*2.50%*	*-2.22%*	*1.91%*	*-2.22%*	*-3.74%*	*-0.08%*	*0.36%*

(1) The Real Estate Benchmark is the NCREIF NFI-ODCE Value Weight Net Index lagged 1 quarter as of 7/1/2015.
(2) The Alternative Assets Benchmark is 66.7% Russell 3000 Index + 2% lagged 1 quarter and 33.3% ((50% S&P LSTA Leveraged Loan 100 Index + 50% Bloomberg High Yield Index) + 1%) lagged 1 quarter as of 7/1/2022.
(3) The Private Equity Benchmark is the Russell 3000 Index + 2% lagged 1 quarter as of 7/1/2022.
(4) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 Index / 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.
(5) Total Real Estate returns includes Townsend discretionary fee as of 7/1/2022.
*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2026, with the distribution as of May 31, 2026. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	June 30, 2026				May 31, 2026	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Global Equity	**$6,780,318,600**	**46.09%**	**$(200,001,538)**	**$(3,520,506)**	**$6,983,840,644**	**47.48%**
Total Domestic Equity	**$3,861,192,753**	**26.25%**	**$114,999,954**	**$4,468,075**	**$3,741,724,724**	**25.44%**
Large Cap Domestic Equity	**$3,243,855,991**	**22.05%**	**$115,000,000**	**$(27,847,486)**	**$3,156,703,477**	**21.46%**
Blackrock S&P 500	3,243,855,991	22.05%	115,000,000	(27,847,486)	3,156,703,477	21.46%
SMid Cap Domestic Equity	**$159,028,454**	**1.08%**	**$(46)**	**$4,439,283**	**$154,589,217**	**1.05%**
AllianceBernstein	1,588	0.00%	(46)	46	1,588	0.00%
TSW	159,026,866	1.08%	0	4,439,237	154,587,629	1.05%
Small Cap Domestic Equity	**$458,308,309**	**3.12%**	**$0**	**$27,876,278**	**$430,432,030**	**2.93%**
Segall Bryant & Hamill	167,088,668	1.14%	0	14,932,458	152,156,210	1.03%
Wellington	291,219,641	1.98%	0	12,943,820	278,275,821	1.89%
Total Non US Equity	**$2,919,125,847**	**19.84%**	**$(315,001,492)**	**$(7,988,581)**	**$3,242,115,920**	**22.04%**
Core Non US Equity (1)	**$2,464,718,882**	**16.75%**	**$364,079,711**	**$1,345,566**	**$2,099,293,605**	**14.27%**
Aristotle	455,168,917	3.09%	0	634,989	454,533,928	3.09%
Artisan Partners	661,329,153	4.50%	0	1,437,420	659,891,733	4.49%
BlackRock Superfund	301,358,669	2.05%	0	(1,738,317)	303,096,985	2.06%
Causeway Capital	683,904,945	4.65%	0	3,553,669	680,351,276	4.63%
Lazard	870,136	0.01%	0	(18,903)	889,038	0.01%
SSGA Transition	361,567,173	2.46%	364,081,203	(2,514,030)	-	-
Emerging Markets	**$241,241,180**	**1.64%**	**$0**	**$550,295**	**$240,690,885**	**1.64%**
Wellington Emerging Markets	241,241,180	1.64%	0	550,295	240,690,885	1.64%
Non US Small Cap	**$211,560,105**	**1.44%**	**$0**	**$(4,169,644)**	**$215,729,748**	**1.47%**
Wellington Int'l Small Cap Research	211,560,105	1.44%	0	(4,169,644)	215,729,748	1.47%
World Equity	**$1,605,680**	**0.01%**	**$(679,081,203)**	**$(5,714,798)**	**$686,401,682**	**4.67%**
Walter Scott Global Equity	1,605,680	0.01%	(679,081,203)	(5,714,798)	686,401,682	4.67%
Total Fixed Income	**$4,011,506,749**	**27.27%**	**$0**	**$12,308,644**	**$3,999,198,105**	**27.19%**
BlackRock SIO Bond Fund	313,293,055	2.13%	0	1,863,896	311,429,159	2.12%
Brandywine Asset Mgmt	55,799	0.00%	0	(2,111)	57,910	0.00%
FIAM (Fidelity) Tactical Bond	421,017,900	2.86%	0	2,004,847	419,013,053	2.85%
Income Research & Management	864,379,774	5.88%	0	2,627,872	861,751,903	5.86%
Loomis Sayles	334,724,854	2.28%	0	287,760	334,437,094	2.27%
Mellon US Agg Bond Index	1,221,100,044	8.30%	0	2,959,183	1,218,140,861	8.28%
Manulife Core Bond	856,935,322	5.82%	0	2,567,196	854,368,126	5.81%
Total Cash	**$216,769,556**	**1.47%**	**$111,637,782**	**$288,341**	**$104,843,433**	**0.71%**
Total Marketable Assets	**$11,008,594,905**	**74.83%**	**$(88,363,756)**	**$9,076,479**	**$11,087,882,182**	**75.38%**
Total Real Estate	**$1,328,279,479**	**9.03%**	**$22,411,795**	**$17,848,541**	**$1,288,019,143**	**8.76%**
Strategic Core Real Estate	705,090,240	4.79%	(2,285,221)	6,281,764	701,093,698	4.77%
Tactical Non-Core Real Estate	623,189,237	4.24%	25,469,154	10,794,640	586,925,444	3.99%
Total Alternative Assets	**$2,352,118,034**	**15.99%**	**$18,457,050**	**$(282,582)**	**$2,333,943,566**	**15.87%**
Private Equity	1,601,207,900	10.88%	(6,755,923)	(18,211,191)	1,626,175,014	11.06%
Private Debt	750,910,134	5.10%	25,212,973	17,928,608	707,768,552	4.81%
Infrastructure	**$22,415,388**	**0.15%**	**$22,415,388**	**$0**	**-**	**-**
Total Fund Composite	**$14,711,407,805**	**100.0%**	**$(25,079,523)**	**$26,642,438**	**$14,709,844,891**	**100.0%**

-Alternatives market values reflect current custodian valuations, which may not be up to date.
(1) Includes $519,891 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

New Hampshire Retirement System
Target History

30-Jun-2024 - 30-Jun-2026		
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Other Alternatives	Russell 3000 Index+2.00%	10.00%
Other Alternatives	Bloomberg HY Corporate+1.00%	2.50%
Other Alternatives	Morningstar LSTA Leveraged Loan 100+1.00%	2.50%
Global Equity Broad	MSCI ACWI IMI (Net)	50.00%
		100.00%

30-Jun-2022 - 30-Jun-2024		
Domestic Broad Eq	Russell 3000 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Russell 3000 Index+2.00%	10.00%
Other Alternatives	Morningstar LSTA Leveraged Loan 100+1.00%	2.50%
Other Alternatives	Bloomberg HY Corporate+1.00%	2.50%
		100.00%

30-Jun-2021 - 30-Jun-2022		
Domestic Broad Eq	Russell 3000 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+3.00%	10.00%
Other Alternatives	Morningstar LSTA Leveraged Loan 100	5.00%
		100.00%

30-Sep-2020 - 30-Jun-2021		
Domestic Broad Eq	S&P 500 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+3.00%	10.00%
Other Alternatives	Morningstar LSTA Leveraged Loan 100	5.00%
		100.00%

30-Jun-2015 - 30-Sep-2020		
Domestic Broad Eq	S&P 500 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	15.00%
		100.00%

31-Mar-2015 - 30-Jun-2015		
Domestic Broad Eq	Russell 3000 Index	37.30%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.70%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	9.00%
		100.00%

31-Dec-2014 - 31-Mar-2015		
Domestic Broad Eq	Russell 3000 Index	37.70%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.80%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	8.50%
		100.00%

30-Sep-2014 - 31-Dec-2014		
Domestic Broad Eq	Russell 3000 Index	39.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	7.40%
		100.00%

30-Jun-2014 - 30-Sep-2014		
Domestic Broad Eq	Russell 3000 Index	39.60%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.90%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	6.50%
		100.00%

31-Mar-2014 - 30-Jun-2014		
Domestic Broad Eq	Russell 3000 Index	42.20%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	4.20%
		100.00%

31-Dec-2013 - 31-Mar-2014		
Domestic Broad Eq	Russell 3000 Index	41.80%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	9.10%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	4.10%
		100.00%

30-Sep-2013 - 31-Dec-2013		
Domestic Broad Eq	Russell 3000 Index	42.90%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	3.50%
		100.00%

30-Jun-2013 - 30-Sep-2013		
Domestic Broad Eq	Russell 3000 Index	42.50%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	9.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	3.50%
		100.00%

31-Mar-2013 - 30-Jun-2013		
Domestic Broad Eq	Russell 3000 Index	43.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	3.40%
		100.00%

Alternatives Benchmark represents from 7/1/2022 to present: 66.7% Russell 3000 Idx + 2% (1 qtr lag) and 33.3% ((50% S&P LSTA Leveraged Loan 100 Idx + 50% Bloomberg HY Idx) + 1%) (1 qtr lag).
From 7/1/2019 to 7/1/2022: 66.7% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag). From 7/1/2016 to 7/1/2019: 33.3% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag) + 33.3% of Cash (6-mo USD LIBOR) + 5%. From 7/1/2015 to 7/1/2016: 33.3% S&P 500 +3% (1qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Idx(1 qtr lag) + 33.3% of Cash (1 month USD LIBID) +5%. From 7/1/2013 to 7/1/2015: S&P 500 plus 5% (1 qtr lag). From 7/1/2011 to 7/1/2013: Qtr ending weight of Private Equity x S&P 500 plus 5% + Qtr ending weight Absolute Return x CPI + 5%. Prior to 7/1/2011: CPI + 5%.

New Hampshire Retirement System
Target History

31-Dec-2012 - 31-Mar-2013		
Domestic Broad Eq	Russell 3000 Index	43.60%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.80%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.60%
		100.00%

30-Sep-2012 - 31-Dec-2012		
Domestic Broad Eq	Russell 3000 Index	43.90%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.70%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.40%
		100.00%

30-Jun-2012 - 30-Sep-2012		
Domestic Broad Eq	Russell 3000 Index	43.50%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	9.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.50%
		100.00%

31-Mar-2012 - 30-Jun-2012		
Domestic Broad Eq	Russell 3000 Index	40.10%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	7.60%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.30%
		100.00%

31-Dec-2011 - 31-Mar-2012		
Domestic Broad Eq	Russell 3000 Index	39.70%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	8.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.30%
		100.00%

30-Sep-2011 - 31-Dec-2011		
Domestic Broad Eq	Russell 3000 Index	40.20%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	7.40%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.40%
		100.00%

30-Jun-2011 - 30-Sep-2011		
Domestic Broad Eq	Russell 3000 Index	42.50%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.40%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.10%
		100.00%

31-Mar-2011 - 30-Jun-2011		
Domestic Broad Eq	Russell 3000 Index	43.00%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.30%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	1.70%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

31-Dec-2010 - 31-Mar-2011		
Domestic Broad Eq	Russell 3000 Index	43.00%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.20%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	1.80%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

30-Sep-2010 - 31-Dec-2010		
Domestic Broad Eq	Russell 3000 Index	42.80%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.40%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	1.80%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

30-Jun-2010 - 30-Sep-2010		
Domestic Broad Eq	Russell 3000 Index	42.90%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.00%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.10%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

31-Dec-2009 - 30-Jun-2010		
Domestic Broad Eq	Russell 3000 Index	43.30%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	4.70%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.00%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

30-Sep-2009 - 31-Dec-2009		
Domestic Broad Eq	Russell 3000 Index	42.30%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.50%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.20%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

Alternatives Benchmark represents from 7/1/2022 to present: 66.7% Russell 3000 Idx + 2% (1 qtr lag) and 33.3% ((50% S&P LSTA Leveraged Loan 100 Idx + 50% Bloomberg HY Idx) + 1%) (1 qtr lag).
From 7/1/2019 to 7/1/2022: 66.7% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag). From 7/1/2016 to 7/1/2019: 33.3% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag) + 33.3% of Cash (6-mo USD LIBOR) + 5%. From 7/1/2015 to 7/1/2016: 33.3% S&P 500 +3% (1qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Idx(1 qtr lag) + 33.3% of Cash (1 month USD LIBID) +5%. From 7/1/2013 to 7/1/2015: S&P 500 plus 5% (1 qtr lag). From 7/1/2011 to 7/1/2013: Qtr ending weight of Private Equity x S&P 500 plus 5% + Qtr ending weight Absolute Return x CPI + 5%. Prior to 7/1/2011: CPI + 5%.

New Hampshire Retirement System
Target History

30-Jun-2009 - 30-Sep-2009		
Domestic Broad Eq	Russell 3000 Index	41.50%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	6.20%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.30%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

31-Mar-2009 - 30-Jun-2009		
Domestic Broad Eq	Russell 3000 Index	38.00%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	9.30%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.70%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

31-Dec-2008 - 31-Mar-2009		
Domestic Broad Eq	Russell 3000 Index	37.20%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	9.70%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	3.10%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

30-Sep-2008 - 31-Dec-2008		
Domestic Broad Eq	Russell 3000 Index	38.90%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index	8.20%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Consumer Price Index (W) + 5%	2.90%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

30-Jun-2008 - 30-Sep-2008		
Domestic Broad Eq	Russell 3000 Index	40.00%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index	7.30%
Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Consumer Price Index (W) + 5%	2.70%
Global Equity Broad	MSCI ACWI (Net)	5.00%
		100.00%

30-Jun-2007 - 30-Jun-2008		
Domestic Broad Eq	Russell 3000 Index	44.00%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index	5.00%
Intl Equity	MSCI ACWI xUS (Net)	16.00%
Other Alternatives	Consumer Price Index (W) + 5%	5.00%
		100.00%

30-Nov-2006 - 30-Jun-2007		
Domestic Broad Eq	Russell 3000 Index	44.00%
Domestic Fixed	Bloomberg Universal	26.00%
Real Estate	NCREIF Property Index	5.00%
Intl Equity	MSCI ACWI xUS (Net)	16.00%
Other Alternatives	Consumer Price Index (W) + 5%	5.00%
Global Fixed-Inc	Brandywine Blended Benchmark	4.00%
		100.00%

30-Jun-2003 - 30-Nov-2006		
Domestic Broad Eq	Russell 3000 Index	47.00%
Domestic Fixed	Bloomberg Universal	18.00%
Real Estate	NCREIF Property Index	10.00%
Intl Equity	MSCI ACWI xUS (Net)	12.00%
Other Alternatives	Consumer Price Index (W) + 5%	10.00%
Global Fixed-Inc	Brandywine Blended Benchmark	3.00%
		100.00%

31-Oct-1997 - 30-Jun-2003		
Domestic Broad Eq	S&P 500 Index	50.00%
Domestic Fixed	Bloomberg Universal	18.00%
Real Estate	NCREIF Property Index	10.00%
Intl Equity	MSCI EAFE (Net)	9.00%
Other Alternatives	Consumer Price Index (W) + 5%	10.00%
Global Fixed-Inc	Brandywine Blended Benchmark	3.00%
		100.00%

31-Mar-1990 - 31-Oct-1997		
Domestic Broad Eq	S&P 500 Index	50.00%
Domestic Fixed	Bloomberg Universal	18.00%
Real Estate	NCREIF Property Index	10.00%
Intl Equity	MSCI EAFE (Net)	9.00%
Other Alternatives	Consumer Price Index (W) + 5%	10.00%
Global Fixed-Inc	JPM GBI Global Unhedged USD	3.00%
		100.00%

30-Jun-1975 - 31-Mar-1990		
Domestic Broad Eq	S&P 500 Index	50.00%
Real Estate	NCREIF Property Index	10.00%
Intl Equity	MSCI EAFE (Net)	9.00%
Other Alternatives	Consumer Price Index (W) + 5%	10.00%
Global Fixed-Inc	JPM GBI Global Unhedged USD	3.00%
		82.00%

Alternatives Benchmark represents from 7/1/2022 to present: 66.7% Russell 3000 Idx + 2% (1 qtr lag) and 33.3% ((50% S&P LSTA Leveraged Loan 100 Idx + 50% Bloomberg HY Idx) + 1%) (1 qtr lag).
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Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal.

NHRS

New Hampshire Retirement System

Independent Investment Committee's Quarterly Report to the Board
August 11, 2026

NHRS

New Hampshire Retirement System

Discussion Topics

- Asset Allocation and Portfolio Structure
- Investment Performance
- Universe Comparisons
- Investment Expenses by Asset Class

Key Observations

NHRS Pension Plan

Asset Allocation and Portfolio Structure

- Overall, the Fund's asset allocation was within the permissible Policy ranges at quarter-end. The Fund's allocation to defensive positions, including fixed income and cash, represented 29.5% of total assets. The fixed income allocation was 28.7%, above the policy's 25% target but within the policy's 20%-30% range. The Fund had an overweight to alternatives relative to target and an underweight position to global equity and real estate.

Investment Performance

- The Fund had a gross return of -0.49% over the third quarter of Fiscal Year 2026, outperforming the market benchmark return of -0.91% and ranking in the 38th percentile of its peers. On a net-of-fees basis, the Fund returned -0.59%.
  - The Global Equity and Real Estate portfolios contributed most to relative performance over the quarter.
  - By contrast, the Alternative Assets portfolio detracted from performance.
- Overall, performance is competitive relative to both benchmarks over longer periods measured. The Fund outperformed the peer group median over the long term, ranking in the top 35% of peers for the trailing 10-year period. Over the last 25 years, the Fund's performance slightly trailed the benchmark and ranked in the 42nd percentile of peers.
- The Fund exhibits attractive risk-adjusted performance, as measured by the Sharpe Ratio over the last five years. In addition, relative risk-adjusted scores, as measured by the Excess Return Ratio, are also strong. Both of these ratios ranked in the top 34% of peers.

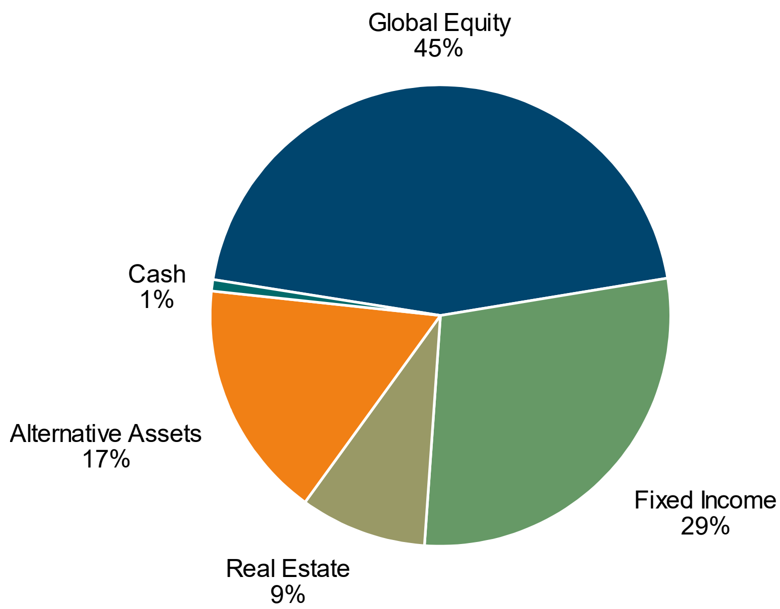
Other Developments

- Callan and the NHRS Investment Team are working closely to implement the recently approved asset allocation and global equity manager structure.

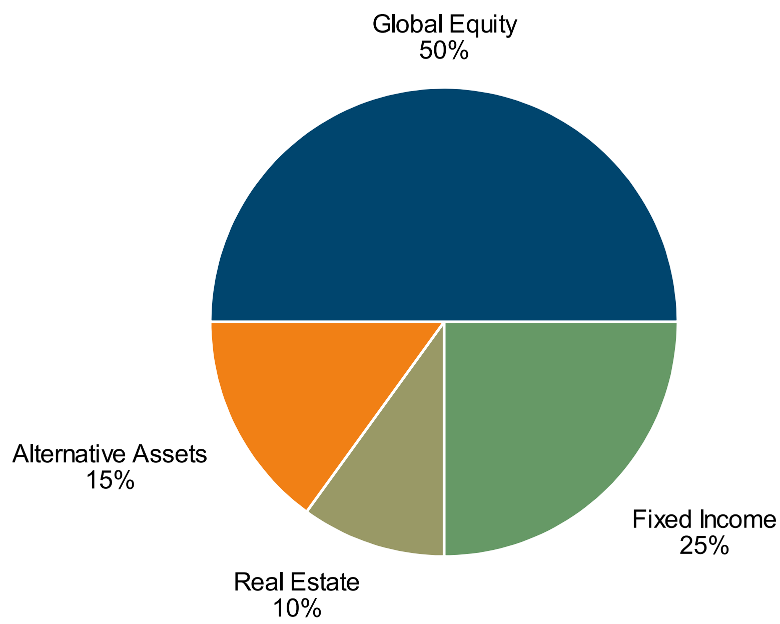
Total Fund

Actual Asset Allocation vs. Target as of March 31, 2026

Actual Asset Allocation



Target Asset Allocation



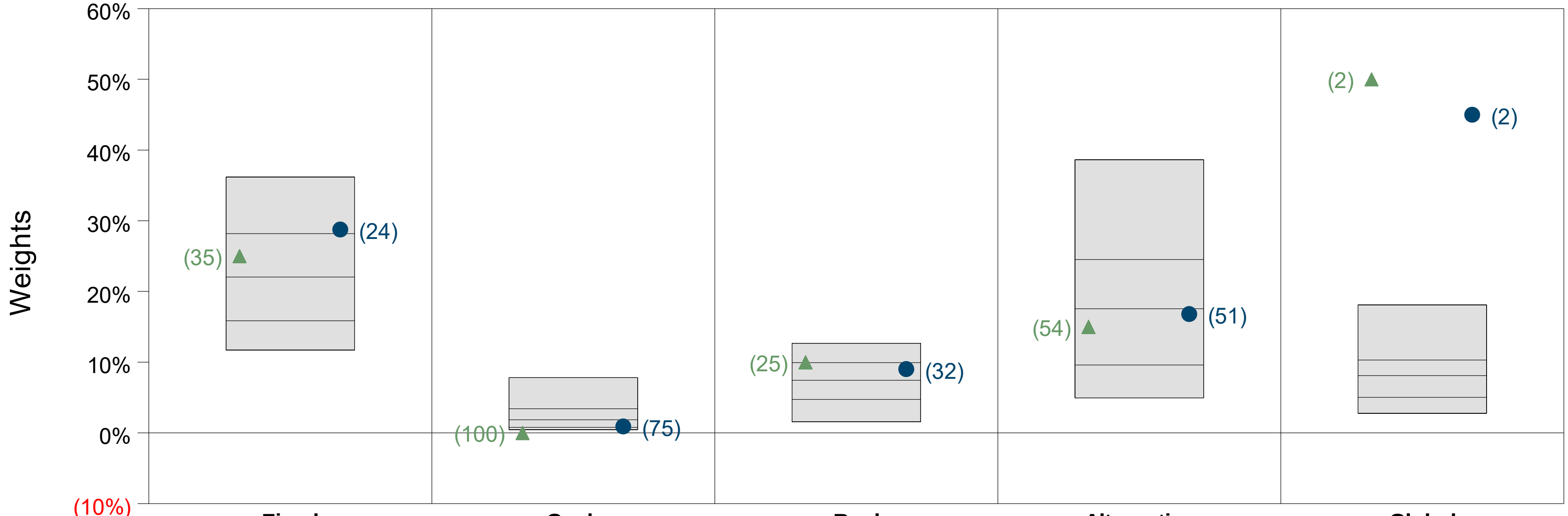
Asset Class	$Millions Actual	Weight Actual	Target	Percent Difference	$Millions Difference
Global Equity	6,221	44.9%	50.0%	(5.1%)	(706)
Fixed Income	3,970	28.7%	25.0%	3.7%	506
Real Estate	1,235	8.9%	10.0%	(1.1%)	(150)
Alternative Assets	2,314	16.7%	15.0%	1.7%	236
Cash	114	0.8%	0.0%	0.8%	114
Total	13,855	100.0%	100.0%		

*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>$1B) Peer Group, as of March 31, 2026

Asset Class Weights vs Callan Public Fund Spons - Large (>1B)



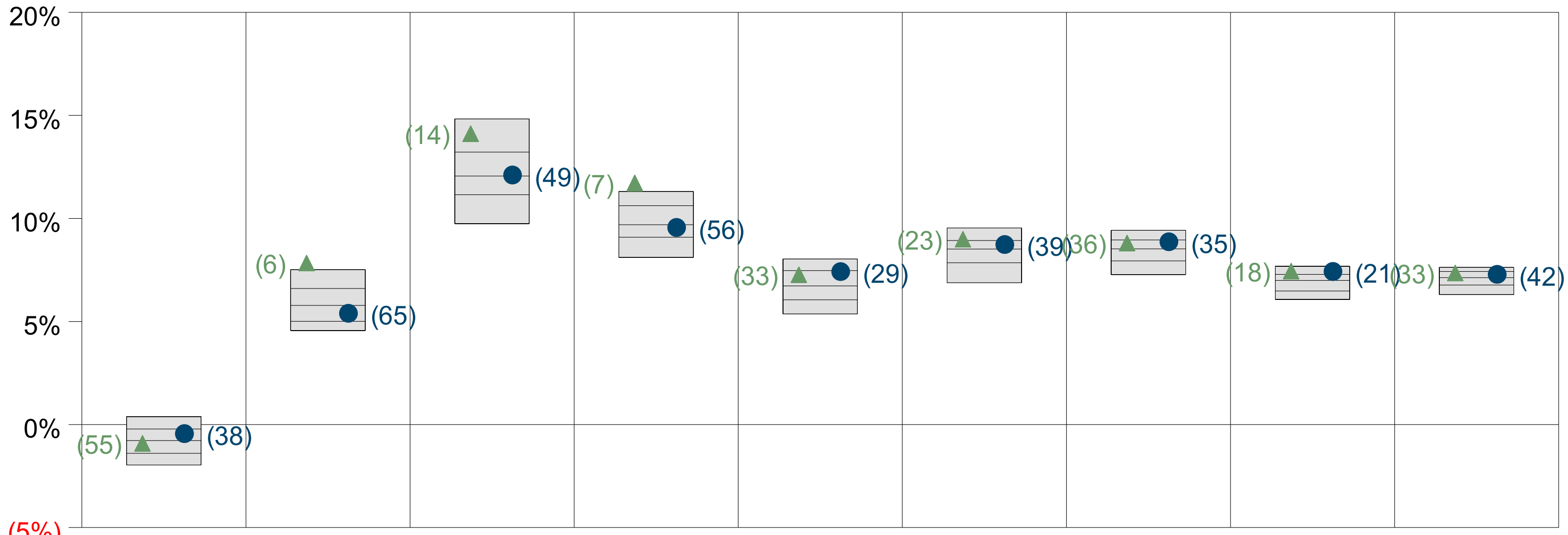
	Fixed Income	Cash	Real Estate	Alternative Assets	Global Equity
10th Percentile	36.18	7.81	12.66	38.64	18.09
25th Percentile	28.17	3.42	9.93	24.52	10.31
Median	22.04	1.86	7.44	17.56	8.10
75th Percentile	15.86	0.78	4.73	9.60	5.02
90th Percentile	11.72	0.45	1.56	4.94	2.78
Fund ●	28.66	0.82	8.92	16.70	44.90
Target ▲	25.00	0.00	10.00	15.00	50.00
% Group Invested	98.88%	93.26%	82.02%	95.65%	37.08%

*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

Total Fund Performance – Gross of Investment Management Fees

Performance vs. Large Public DB Plan (>$1B) Peers, as of March 31, 2026

Performance vs Callan Public Fund Large DB



	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20 Years	Last 25 Years
10th Percentile	0.38	7.52	14.83	11.31	8.03	9.54	9.43	7.67	7.63
25th Percentile	(0.22)	6.59	13.22	10.62	7.47	8.93	8.96	7.28	7.43
Median	(0.78)	5.78	12.06	9.70	6.73	8.51	8.53	7.00	7.13
75th Percentile	(1.40)	5.01	11.15	9.09	6.05	7.85	7.94	6.48	6.77
90th Percentile	(1.96)	4.55	9.75	8.11	5.37	6.88	7.27	6.07	6.30
Total Fund Composite ●	(0.49)	5.36	12.06	9.52	7.39	8.70	8.83	7.39	7.24
Total Fund Benchmark ▲	(0.91)	7.84	14.12	11.72	7.27	8.99	8.81	7.45	7.36

Note: Investment results are shown gross of investment management fees versus corresponding peer group.

*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

INVESTMENT EXPENSES BY ASSET CLASS

Investment activity fees and other related expenses:

For the Quarter and Fiscal Year to Date through 03/31/2026 (in thousands)

	Assets Under Management	Fees (Quarter)	Fees (FYTD)
Equity Investments			
Domestic (U.S.)	3,766,378	2,327	8,450
Non-U.S.	2,454,894	2,818	8,118
Fixed Income Investments	3,970,140	1,659	4,876
Alternative Investments	2,314,311	6,141	18,624
Real Estate Investments	1,235,420	3,180	9,001
Cash	113,532		
Subtotal Gross Investment Mgt Fees		**16,125**	**49,070**
Custodial Fees		389	762
Brokerage Fees		1,071	2,580
Investment Advisor Fees		163	325
Investment Professional Fees		139	373
Investment Staff Administrative Expense		418	1,210
Subtotal Investment Servicing Fees		**2,179**	**5,250**
TOTAL GROSS INVESTMENT EXPENSES	**13,854,675**	**18,304**	**54,320**

Notes:

1. Fees for both the Quarter and the Fiscal Year to Date shown here are reported on a cash basis. For most fees, there is a lag between the service provided and payment of the fee.

2. Gross fees are those paid in the quarter for partnership operating costs.

3. Annual audited GAAP accrual fee amounts are included in the Annual Comprehensive Financial Report (ACFR), audited by the external auditor Plante Moran, as well as in the Comprehensive Annual Investment Report (CAIR). Both reports are available at https://www.nhrs.org/funding-and-investments/reports-valuations.

4. NHRS requires a "most favored nation" clause in investment contracts that states that if another comparable public plan invests in a fund at a lower fee structure, NHRS' fees will also be adjusted downward.

DEFINITION OF ASSET CLASSES

Domestic Equity: The allocation to domestic equity serves to expose the fund to the largest economy of the world. An allocation to domestic equity should allow for return enhancement and principal appreciation.

Non-U.S. Equity: The allocation to non-U.S. equity, both developed and emerging markets, will serve as potential for return enhancement and principal appreciation. A secondary consideration is the diversification it provides from the U.S. market. While the U.S. and non-U.S. markets are considerably correlated, they are not perfectly correlated. Assets that are not perfectly correlated serve to reduce volatility over the long term.

Fixed Income: The investment in fixed income will serve to reduce volatility experienced in the equity markets, as well as offer an opportunity for return enhancement by investment in selected securities (for example, investment grade corporates and high yield).
A portion of the fixed income allocation is expected to be invested in Treasury or other government-related issues, which will serve to reduce risk within the portfolio.

Alternative Investments: Alternative investments are nontraditional investments, not covered by another investment class. In general, alternative investments are incorporated into the NHRS asset allocation to enhance the portfolio's risk-adjusted return (private equity/private debt) or to diversify volatility
(opportunistic strategies). While the risk associated with these types of investments is higher than that of other asset classes, the expected return is also higher.

Real Estate: The investment in real estate will serve as an inflation hedge, return enhancement opportunity, income generator, and diversification source and will include investments within core, value-added, and opportunistic opportunities.

Callan

June 4, 2026

New Hampshire Retirement System – Defined Benefit Plan

First Quarter 2026

Executive Summary

Angel G. Haddad
Senior Vice President, Fund Sponsor Consulting

Britton M. Murdoch
Senior Vice President, Fund Sponsor Consulting

Markets Pull Back Amid Uncertainty

Broad stock and bond markets down globally in the quarter

Small cap, non-U.S. top U.S. large cap

- S&P 500 dropped 4.3% while U.S. small caps gained 0.9%. Developed ex-U.S. stocks fell 0.9% and emerging markets slipped only 0.2%.

Fixed income down as rates rise

- The Bloomberg Aggregate posted a small loss of 5 basis points while long duration lost 0.8% and global ex-U.S. declined almost 1.9%. Cash outperformed, gaining 0.9%.
- Headline CPI-U rose 3.3% (year-over-year) through March as energy climbed 12.5%, hit by supply constraints from the Iran war. The core index rose by a more modest 2.6%, in line with the prior quarter.

Dislocation in economic growth measures

- The job market has slowed while GDP growth has remained resilient. The supply of workers is receding as job growth cools, clouding the true impact of the job market changes on the economy.
- Bifurcation between the wealthy, who are propping up consumer spending, and the average consumer is evident.

Returns for Periods ended 3/31/26

	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	-3.96	18.09	17.86	10.87	13.72	9.25
S&P 500	-4.33	17.80	18.32	12.06	14.16	9.18
Russell 2000	0.89	25.72	13.05	3.77	9.88	8.54
Global ex-U.S. Equity						
MSCI World ex USA	-0.94	22.99	14.30	8.40	8.66	6.14
MSCI Emerging Markets	-0.17	29.55	14.84	3.69	7.80	8.73
MSCI ACWI ex USA Small Cap	-0.48	27.82	13.67	5.66	8.01	8.55
Fixed Income						
Bloomberg Aggregate	-0.05	4.35	3.63	0.31	1.70	3.65
90-day T-Bill	0.85	4.00	4.74	3.34	2.26	1.81
Bloomberg Long Gov/Credit	-0.76	2.17	0.90	-2.93	1.18	4.86
Bloomberg Global Agg ex-US	-1.87	4.18	1.62	-2.90	-0.42	3.09
Real Estate						
NCREIF Property	1.19	4.82	-0.01	3.69	4.74	7.24
FTSE Nareit Equity	4.80	6.84	9.10	5.82	5.57	9.13
Alternatives						
Cambridge Private Equity*	3.09	13.08	8.34	10.19	14.04	11.34
Cambridge Senior Debt*	1.27	11.41	8.67	7.49	8.10	5.26
HFRI Fund Weighted	1.05	14.06	10.03	6.12	6.79	5.92
Bloomberg Commodity	24.41	32.29	13.88	14.04	8.02	2.80
Gold Spot Price	7.77	48.51	33.05	22.22	14.24	12.27
Inflation: CPI-U	1.90	3.26	3.04	4.51	3.32	2.54

*Cambridge Private Equity and Cambridge Senior Debt data as of 4Q25.
Returns greater than one year are annualized.
Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

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NHRS Pension Plan

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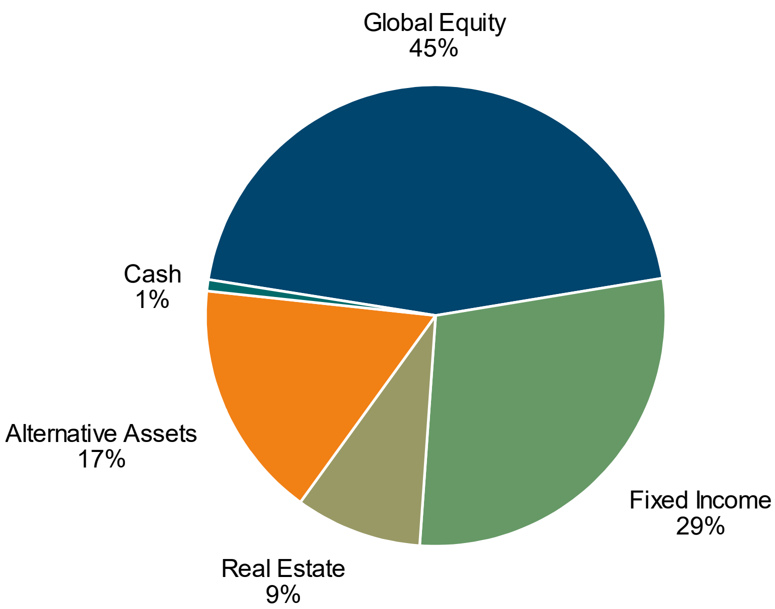
- The Fund had a gross return of -0.49% over the third quarter of Fiscal Year 2026, outperforming the market benchmark return of -0.91% and ranking in the 38th percentile of its peers. On a net-of-fees basis, the Fund returned -0.59%.
  - The Global Equity and Real Estate portfolios contributed most to relative performance over the quarter.
  - By contrast, the Alternative Assets portfolio detracted from performance.
- Overall, performance is competitive relative to both benchmarks over longer periods measured. The Fund outperformed the peer group median over the long term, ranking in the top 35% of peers for the trailing 10-year period. Over the last 25 years, the Fund's performance slightly trailed the benchmark and ranked in the 42nd percentile of peers.
- The Fund exhibits attractive risk-adjusted performance, as measured by the Sharpe Ratio over the last five years. In addition, relative risk-adjusted scores, as measured by the Excess Return Ratio, are also strong. Both of these ratios ranked in the top 34% of peers.

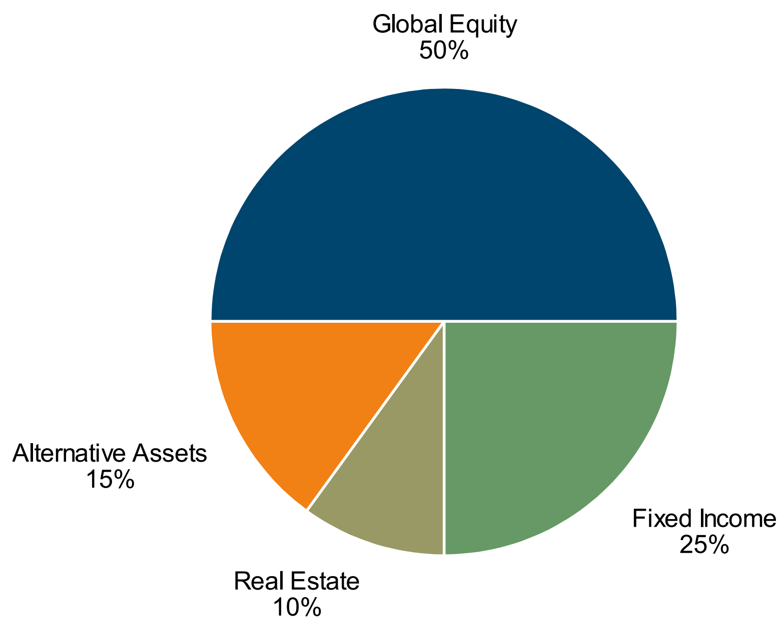
Other Developments

- Callan and the NHRS Investment Team are working closely to implement the recently approved asset allocation and global equity manager structure.

Total Fund

Actual Asset Allocation vs. Target as of March 31, 2026





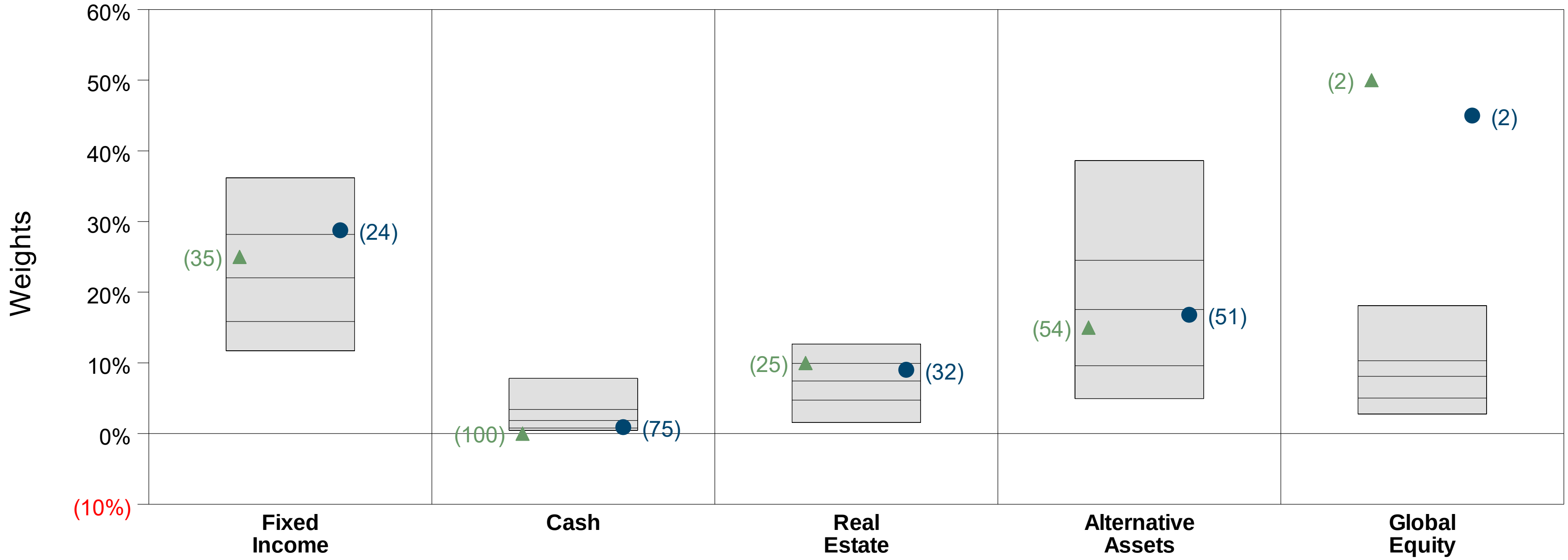
Asset Class	$Millions Actual	Weight Actual	Target	Percent Difference	$Millions Difference
Global Equity	6,221	44.9%	50.0%	(5.1%)	(706)
Fixed Income	3,970	28.7%	25.0%	3.7%	506
Real Estate	1,235	8.9%	10.0%	(1.1%)	(150)
Alternative Assets	2,314	16.7%	15.0%	1.7%	236
Cash	114	0.8%	0.0%	0.8%	114
Total	13,855	100.0%	100.0%		

*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>$1B) Peer Group, as of March 31, 2026

Asset Class Weights vs Callan Public Fund Spons - Large (>1B)



	Fixed Income	Cash	Real Estate	Alternative Assets	Global Equity
10th Percentile	36.18	7.81	12.66	38.64	18.09
25th Percentile	28.17	3.42	9.93	24.52	10.31
Median	22.04	1.86	7.44	17.56	8.10
75th Percentile	15.86	0.78	4.73	9.60	5.02
90th Percentile	11.72	0.45	1.56	4.94	2.78
Fund ●	28.66	0.82	8.92	16.70	44.90
Target ▲	25.00	0.00	10.00	15.00	50.00
% Group Invested	98.88%	93.26%	82.02%	95.65%	37.08%

*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

Total Fund

Market Values

	March 31, 2026				December 31, 2025	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Global Equity	**$6,221,272,045**	**44.90%**	**$(1,179,847)**	**$(129,838,559)**	**$6,352,290,451**	**45.40%**
Total Domestic Equity	**$3,319,683,528**	**23.96%**	**$(233,704)**	**$(42,619,723)**	**$3,362,536,954**	**24.03%**
Large Cap Domestic Equity	**$2,800,884,779**	**20.22%**	**$1,284,221,206**	**$(126,723,129)**	**$1,643,386,701**	**11.75%**
Blackrock S&P 500	2,800,884,779	20.22%	1,284,221,206	(126,723,129)	1,643,386,701	11.75%
SMid Cap Domestic Equity	**$144,840,301**	**1.05%**	**$(722,127,166)**	**$42,323,163**	**$824,644,305**	**5.89%**
AllianceBernstein	3,052	0.00%	(543,553,169)	34,069,234	509,486,988	3.64%
TSW	144,837,249	1.05%	(178,573,997)	8,253,929	315,157,317	2.25%
Small Cap Domestic Equity	**$373,857,074**	**2.70%**	**$(565,834,354)**	**$45,185,480**	**$894,505,948**	**6.39%**
Boston Trust	44	0.00%	(269,035,841)	11,314,048	257,721,838	1.84%
Segall Bryant & Hamill	137,641,200	0.99%	(175,137,838)	20,239,014	292,540,023	2.09%
Wellington	236,215,830	1.70%	(121,660,675)	13,632,418	344,244,087	2.46%
Total Non US Equity*	**$2,901,588,517**	**20.94%**	**$(946,143)**	**$(87,218,837)**	**$2,989,753,497**	**21.37%**
Core Non US Equity*	**$1,865,068,229**	**13.46%**	**$(946,143)**	**$(44,279,534)**	**$1,910,293,907**	**13.65%**
Aristotle	412,440,933	2.98%	0	(19,347,554)	431,788,487	3.09%
Artisan Partners	590,653,604	4.26%	0	14,996,951	575,656,653	4.11%
BlackRock Superfund	263,137,741	1.90%	0	(1,050,576)	264,188,317	1.89%
Causeway Capital	597,433,953	4.31%	0	(38,889,739)	636,323,692	4.55%
Lazard	877,477	0.01%	(94,164)	5,014	966,627	0.01%
SSGA Transition	584	0.00%	(847,750)	12,260	836,073	0.01%
Emerging Markets	**$208,813,768**	**1.51%**	**$0**	**$(12,023,223)**	**$220,836,991**	**1.58%**
Wellington Emerging Markets	208,813,768	1.51%	0	(12,023,223)	220,836,991	1.58%
Non US Small Cap	**$192,963,297**	**1.39%**	**$0**	**$2,621,846**	**$190,341,451**	**1.36%**
Wellington Int'l Small Cap Research	192,963,297	1.39%	0	2,621,846	190,341,451	1.36%
World Equity	**$634,743,223**	**4.58%**	**$0**	**$(33,537,925)**	**$668,281,148**	**4.78%**
Walter Scott Global Equity	634,743,223	4.58%	0	(33,537,925)	668,281,148	4.78%

*Includes $523,938 in legacy assets that are not actively managed and in liquidation following the termination of Fisher.

Total Fund

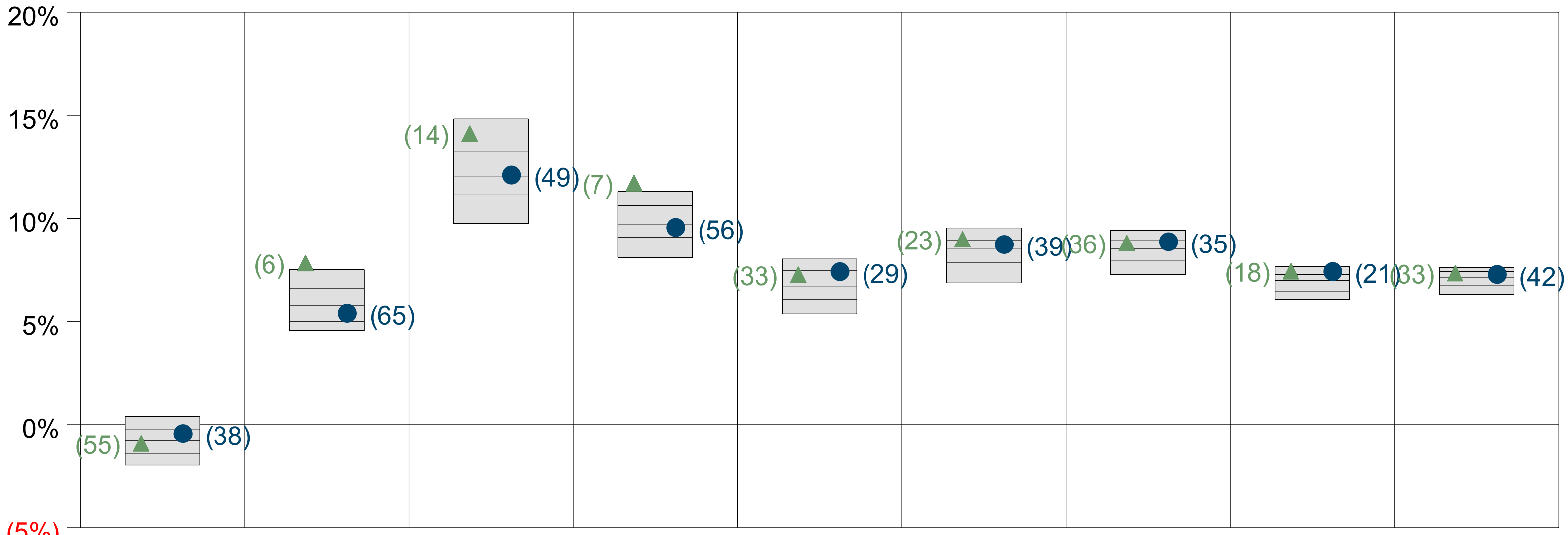
Market Values

	March 31, 2026				December 31, 2025	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Fixed Income	**$3,970,140,049**	**28.66%**	**$433,833**	**$(4,590,746)**	**$3,974,296,962**	**28.40%**
BlackRock SIO Bond Fund	305,246,969	2.20%	0	(241,282)	305,488,250	2.18%
Brandywine Asset Mgmt	56,260	0.00%	0	(2,079)	58,339	0.00%
FIAM (Fidelity) Tactical Bond	415,504,571	3.00%	0	751,818	414,752,753	2.96%
Income Research & Management	856,916,280	6.19%	0	(1,084,730)	858,001,011	6.13%
Loomis Sayles	329,964,885	2.38%	444,444	(2,738,826)	332,259,267	2.37%
Manulife Core Bond	849,539,302	6.13%	0	(972,780)	850,512,083	6.08%
Mellon US Agg Bond Index	1,212,911,783	8.75%	0	(303,296)	1,213,215,079	8.67%
Total Cash	**$113,531,615**	**0.82%**	**$(20,067,867)**	**$1,082,859**	**$132,516,624**	**0.95%**
Total Marketable Assets	**$10,304,943,709**	**74.38%**	**$(20,813,881)**	**$(133,346,447)**	**$10,459,104,037**	**74.75%**
Total Real Estate	**$1,235,420,398**	**8.92%**	**$(15,137,146)**	**$35,306,367**	**$1,215,251,177**	**8.69%**
Strategic Core Real Estate	679,327,753	4.90%	(17,554,728)	31,629,562	665,252,918	4.75%
Tactical Non-Core Real Estate	556,092,645	4.01%	2,873,302	3,221,086	549,998,258	3.93%
Total Alternative Assets	**$2,314,311,214**	**16.70%**	**$(32,609,549)**	**$29,497,784**	**$2,317,422,978**	**16.56%**
Private Equity	1,604,886,322	11.58%	(14,658,233)	18,313,829	1,601,230,726	11.44%
Private Debt	709,424,892	5.12%	(17,951,316)	11,183,955	716,192,252	5.12%
Total Fund Composite	**$13,854,675,321**	**100.00%**	**$(68,560,575)**	**$(68,542,295)**	**$13,991,778,192**	**100.00%**

Total Fund Performance – Gross of Investment Management Fees

Performance vs. Large Public DB Plan (>$1B) Peers, as of March 31, 2026

Performance vs Callan Public Fund Large DB



	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20 Years	Last 25 Years
10th Percentile	0.38	7.52	14.83	11.31	8.03	9.54	9.43	7.67	7.63
25th Percentile	(0.22)	6.59	13.22	10.62	7.47	8.93	8.96	7.28	7.43
Median	(0.78)	5.78	12.06	9.70	6.73	8.51	8.53	7.00	7.13
75th Percentile	(1.40)	5.01	11.15	9.09	6.05	7.85	7.94	6.48	6.77
90th Percentile	(1.96)	4.55	9.75	8.11	5.37	6.88	7.27	6.07	6.30
Total Fund Composite ●	(0.49)	5.36	12.06	9.52	7.39	8.70	8.83	7.39	7.24
Total Fund Benchmark ▲	(0.91)	7.84	14.12	11.72	7.27	8.99	8.81	7.45	7.36

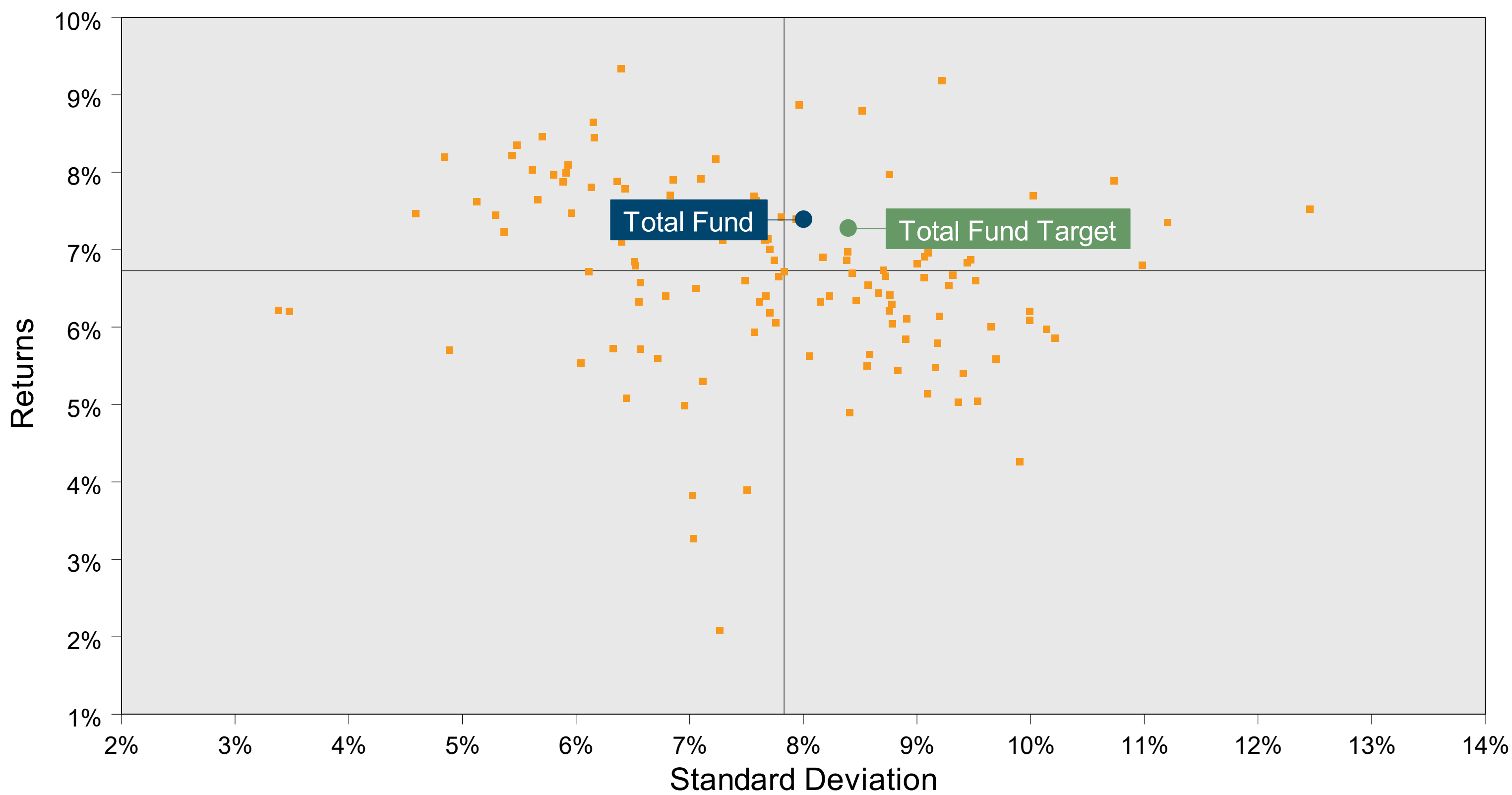
Note: Investment results are shown gross of investment management fees versus corresponding peer group.

*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

Total Fund Performance – Gross of Investment Management Fees

Five-Year Risk/Return Analysis as of March 31, 2026

Five Year Annualized Risk vs Return



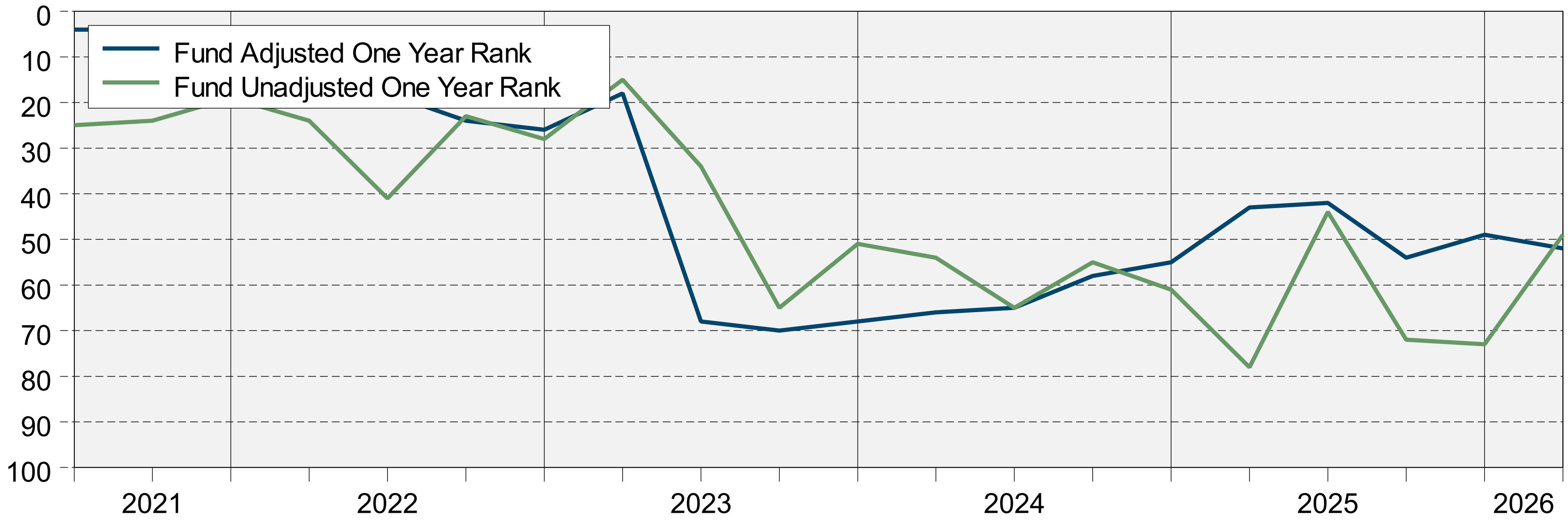
Squares represent membership of the Callan Public Fund Spons - Large (>1B)

Note: Investment results are shown gross of investment management fees versus corresponding peer group.

*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

Total Fund Performance – Gross of Investment Management Fees

Rolling One Year Ranking vs. Callan Public Fund (>$1B) Peer Group, as of March 31, 2026

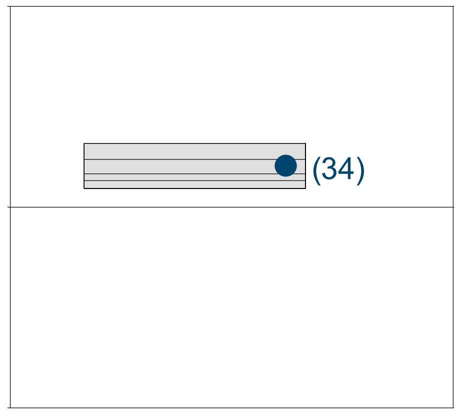


- This exhibit captures the Fund's ranking versus peers, observing rolling 1-year performance from June 30, 2021 to March 31, 2026
- Since total portfolio rankings are driven by the Fund's unique asset allocation profile, we are showing both an "Adjusted" output and an "Unadjusted" output. The former forces the peer group to follow the same asset allocation as that of the NHRS portfolio. This captures the incremental value created by the active managers in the NHRS Total Fund. The latter does not make this adjustment

Note: Investment results are shown gross of investment management fees.

Total Fund Performance – Gross of Investment Management Fees

Five-Year Sharpe Ratio, as of March 31, 2026



	Sharpe Ratio
10th Percentile	0.79
25th Percentile	0.59
Median	0.42
75th Percentile	0.33
90th Percentile	0.23
Total Fund Composite ●	0.51

- Measures absolute risk-adjusted performance, taking into account the risk-free rate and portfolio volatility
- Ranks above the peer group median

Note: Investment results are shown gross of investment management fees versus corresponding peer group.

Total Fund Performance – Net of Investment Management Fees

Trailing Quarter Attribution Analysis vs. Policy Benchmark, as of March 31, 2026

Relative Attribution Effects for Quarter ended March 31, 2026

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Global Equity	46%	50%	(2.08%)	(2.75%)	0.32%	0.04%	0.36%
Total Fixed Income	28%	25%	(0.15%)	(0.15%)	(0.00%)	0.02%	0.01%
Total Real Estate	9%	10%	2.72%	0.70%	0.17%	(0.03%)	0.14%
Total Alternative Assets	16%	15%	1.05%	2.52%	(0.23%)	0.03%	(0.20%)
Total Cash	1%	0%	0.91%	0.91%	0.00%	0.01%	0.01%
Total			**(0.59%) =**	**(0.91%) +**	**0.26% +**	**0.07%**	**0.33%**

What helped relative performance?

- Strong relative performance from the global equity and real estate portfolios
- An overweight to alternative assets and fixed income relative to target
- An underweight to global equity relative to target

What hurt relative performance?

- Weak relative performance from the alternative assets portfolio
- An underweight to real estate relative to target

*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

Callan

Appendix

Investment Manager Returns – Net of Investment Management Fees

As of March 31, 2026

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Net of Fees					
Global Equity	**(2.08%)**	**6.82%**	**17.83%**	**-**	**-**
MSCI ACWI IMI	(2.75%)	8.09%	20.64%	16.24%	9.03%
Total Domestic Equity	**(1.24%)**	**7.92%**	**17.44%**	**15.54%**	**9.36%**
Domestic Equity Benchmark (1)	(3.96%)	6.39%	18.09%	17.85%	10.93%
Secondary Domestic Equity Bmk (6)	(2.03%)	9.60%	20.54%	16.38%	9.16%
Large Cap Domestic Equity	**(4.33%)**	**6.18%**	**17.80%**	**18.28%**	**12.04%**
S&P 500 Index	(4.33%)	6.18%	17.80%	18.32%	12.06%
Blackrock S&P 500	(4.33%)	6.18%	17.80%	18.28%	12.04%
SMid Cap Domestic Equity	**1.91%**	**8.87%**	**15.81%**	**11.05%**	**4.94%**
Russell 2500 Index	2.04%	13.68%	23.45%	13.25%	5.48%
TSW	0.77%	8.70%	13.27%	10.72%	6.91%
TSW Blended Benchmark (2)	4.77%	16.91%	25.43%	14.46%	7.64%
Small Cap Domestic Equity	**1.35%**	**8.65%**	**14.69%**	**11.13%**	**5.66%**
Russell 2000 Index	0.89%	15.88%	25.72%	13.05%	3.77%
Segall Bryant & Hamill	2.82%	9.94%	17.54%	10.36%	5.96%
Wellington	1.98%	15.60%	25.66%	15.98%	6.43%
Total Non US Equity	**(3.03%)**	**5.26%**	**18.39%**	**12.92%**	**6.41%**
Non US Equity Benchmark (3)	(0.68%)	11.19%	25.32%	14.42%	6.98%
Core Non US Equity	**(2.42%)**	**7.79%**	**21.83%**	**14.95%**	**8.65%**
Core Non US Benchmark (4)	(0.71%)	11.50%	24.91%	14.49%	7.02%
Aristotle	(4.58%)	2.22%	13.76%	11.38%	5.83%
Artisan Partners	2.49%	10.04%	28.78%	18.47%	9.77%
BlackRock Superfund	(0.41%)	11.81%	25.38%	14.74%	-
Causeway Capital	(6.23%)	8.06%	19.58%	15.28%	10.76%
Emerging Markets	**(5.67%)**	**(1.19%)**	**9.83%**	**8.57%**	**(0.91%)**
MSCI EM	(0.17%)	15.68%	29.55%	14.84%	3.69%
Wellington Emerging Markets	(5.67%)	(1.19%)	9.83%	8.37%	(0.75%)
Non US Small Cap	**1.21%**	**12.58%**	**33.46%**	**15.44%**	**4.74%**
Wellington Int'l Small Cap Research	1.21%	12.58%	33.46%	15.44%	-
MSCI EAFE Small Cap	(1.25%)	7.68%	25.55%	12.65%	4.43%
World Equity	**(5.12%)**	**(1.37%)**	**8.44%**	**8.37%**	**6.02%**
MSCI ACWI net	(3.20%)	7.61%	20.01%	16.58%	9.49%
Walter Scott Global Equity	(5.12%)	(1.37%)	8.44%	8.37%	6.02%
Walter Scott Blended Benchmark (5)	(3.20%)	7.61%	20.01%	16.58%	9.49%

(1) The Domestic Equity Benchmark is the Russell 3000 index as of 7/1/2021. From 7/1/2015 to 6/30/2021 the benchmark was the S&P 500 Index. From 7/1/2003 to 6/30/2015 the benchmark was the Russell 3000 Index. Prior to 7/1/2003 the benchmark was the S&P 500.

(2) TSW Blended Benchmark is the Russell 2500 Value Index as of 7/1/2019. Prior to 7/1/2019 it was the Russell 2500.

(3) The Non US Equity Index is the MSCI ACWI ex US IMI Index as of 7/1/2024. Prior to 7/1/2024, it was the MSCI ACWI Ex-US Index.

(4) The Core Non US Equity Index is the MSCI ACWI ex US as of 7/1/2007. Prior to 7/1/2007 it was the MSCI EAFE Index.

(5) The Walter Scott Blended Benchmark is the MSCI ACWI Index as 5/1/2008. Prior to 5/1/2008 it was the MSCI EAFE Index.

(6) The Secondary Domestic Equity Bmk consists of 60% S&P 500, 20% Russell 2500, and 20% Russell 2000.

Investment Manager Returns – Net of Investment Management Fees

As of March 31, 2026

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Net of Fees					
Total Fixed Income	**(0.15%)**	**2.94%**	**5.18%**	**4.37%**	**1.05%**
Fixed Income Benchmark (1)	(0.15%)	3.20%	4.64%	4.18%	0.65%
Bloomberg Aggregate	(0.05%)	3.10%	4.35%	3.63%	0.31%
BlackRock SIO Bond Fund	(0.19%)	3.63%	6.35%	6.25%	3.01%
BlackRock Custom Benchmark (2)	0.92%	3.08%	4.21%	4.91%	3.51%
FIAM (Fidelity) Tactical Bond	0.10%	3.06%	4.80%	4.43%	1.67%
Bloomberg Aggregate	(0.05%)	3.10%	4.35%	3.63%	0.31%
Income Research & Management	(0.16%)	2.76%	4.01%	3.69%	0.39%
Bloomberg Gov/Credit	(0.20%)	2.61%	3.86%	3.41%	0.24%
Loomis Sayles	(0.90%)	3.42%	6.35%	6.46%	2.43%
Loomis Sayles Custom Benchmark (4)	(0.20%)	3.20%	5.28%	5.36%	1.69%
Manulife Core Bond	(0.15%)	-	-	-	-
Bloomberg Aggregate	(0.05%)	3.10%	4.35%	3.63%	0.31%
Mellon US Agg Bond Index	(0.03%)	3.01%	4.24%	-	-
Bloomberg Aggregate	(0.05%)	3.10%	4.35%	3.63%	0.31%
Total Cash	**0.91%**	**2.97%**	**4.10%**	**4.82%**	**3.43%**
3-month Treasury Bill	0.85%	2.93%	4.00%	4.74%	3.34%
Total Marketable Assets	**(1.33%)**	**5.58%**	**13.48%**	**11.44%**	**6.12%**
Total Marketable Index (5)	(1.84%)	6.50%	15.19%	12.22%	6.47%
Total Real Estate (10)	**2.72%**	**3.55%**	**6.40%**	**(1.68%)**	**6.04%**
Real Estate Benchmark (6)	0.70%	2.05%	2.92%	(4.25%)	2.51%
Strategic Core Real Estate	4.57%	5.34%	7.87%	(3.09%)	4.86%
Tactical Non-Core Real Estate	0.53%	1.42%	4.70%	1.06%	8.19%
Total Alternative Assets	**1.05%**	**2.86%**	**5.88%**	**5.65%**	**9.73%**
Alternative Assets Benchmark (7)	2.52%	18.70%	15.85%	19.88%	13.21%
Total Private Equity	1.00%	2.78%	5.71%	5.58%	10.75%
Private Equity Benchmark (8)	2.87%	24.39%	19.30%	24.43%	16.44%
Cambridge Global PE Idx 1 Qtr Lag	0.00%	0.00%	2.09%	4.74%	7.91%
Total Private Debt	1.18%	3.05%	6.29%	5.80%	7.17%
Private Debt Benchmark (9)	1.81%	7.88%	8.93%	10.91%	6.50%
Cambridge Private Credit Idx 1 Qtr Lag	0.00%	0.00%	2.34%	6.49%	7.62%
Total Fund Composite	**(0.59%)**	**4.97%**	**11.52%**	**8.96%**	**6.84%**
Total Fund Benchmark *	(0.91%)	7.84%	14.12%	11.72%	7.27%

*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

(1) The Fixed Income Benchmark is the Bloomberg Capital Universal Bond Index as of 7/1/2007.

(2) The BlackRock Custom Benchmark is 3 Month SOFR compounded in arrears as of 1/1/2022.

(4) The Loomis Sayles Custom Benchmark is 65% Bloomberg Aggregate and 35% Bloomberg High Yield.

(5) Marketable Assets Index is 66.7% MSCI ACWI IMI and 33.3% Bloomberg Universal as of 7/1/24. Prior, the benchmark was 40% Russell 3000, 26.7% MSCI ACWI ex US, and 33.3% Bloomberg Universal (as of 7/1/2021).

(6) The Real Estate Benchmark is the NCREIF NFI-ODCE Value Weight Net Index as of 7/1/2015.

(7) The Alternative Assets Benchmark is 66.7% Russell 3000 Index + 2% and 33.3% ((50% S&P LSTA Leveraged Loan 100 Index + 50% Bloomberg High Yield Index) + 1%) as of 7/1/2022.

(8) The Private Equity Benchmark is the Russell 3000 Index + 2% as of 7/1/2022.

(9) The Private Debt Benchmark is (50% S&P LSTA Leveraged Loan 100 Index & 50% Bloomberg HY Index) + 1% as of 7/1/2022..

(10) Total Real Estate returns includes Townsend discretionary fee as of 7/1/2022.

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Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal.

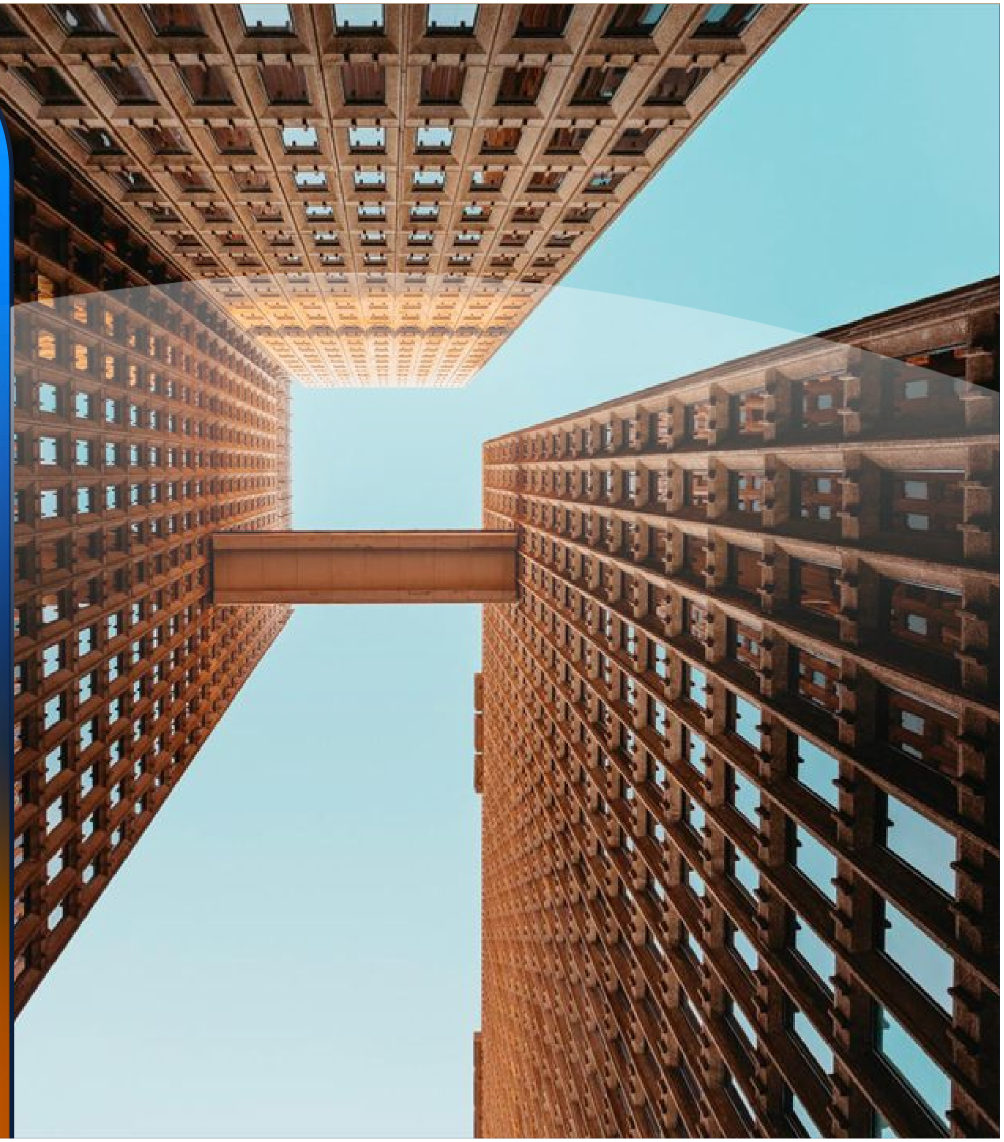
New Hampshire Retirement System

Real Estate Portfolio

June 2026

PROPRIETARY AND CONFIDENTIAL – NOT FOR FURTHER DISTRIBUTION
(in accordance with NH RSA Section 91-A:5 and NHRS Private Markets Disclosure Policy)

Townsend

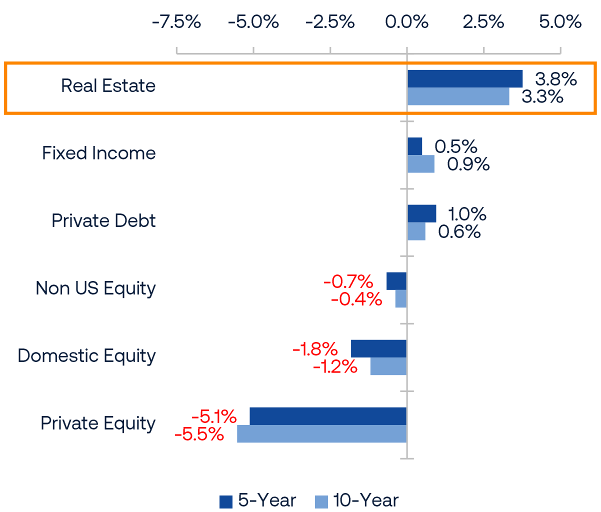


Townsend

NHRS and Townsend Partnership
Delivering Net Returns to Beneficiaries

Strong Relative Performance: Real estate is the best relative performing asset class over the 5 and 10-year periods for NHRS

NHRS Asset Class
Excess Return Relative to Benchmark[1]



Time Tested: Selective investment process, experienced team, and thoughtful portfolio construction has led to outperformance across cycles

- ☑ +260 bps of outperformance annually since 2010[2]
- ☑ Outperformed every year since 2012
- ☑ Supported by 72 investment and 43 operational professionals
- ☑ Global coverage with offices in Cleveland, San Francisco, London, Seoul, and Hong Kong

Structural Alpha: Outperformance has been delivered net of fees by leveraging Townsend's scale and execution

- ☑ $8.0 million of fee savings annually
- ☑ Fee efficient terms achieved through platform scale, new fund originations, and Townsend special situations investments
- ☑ As Townsend client capital grows, the fee savings achieved through scale benefits NHRS
- ☑ Purpose built operations team supports legal, back office, audit, and other ad hoc requests

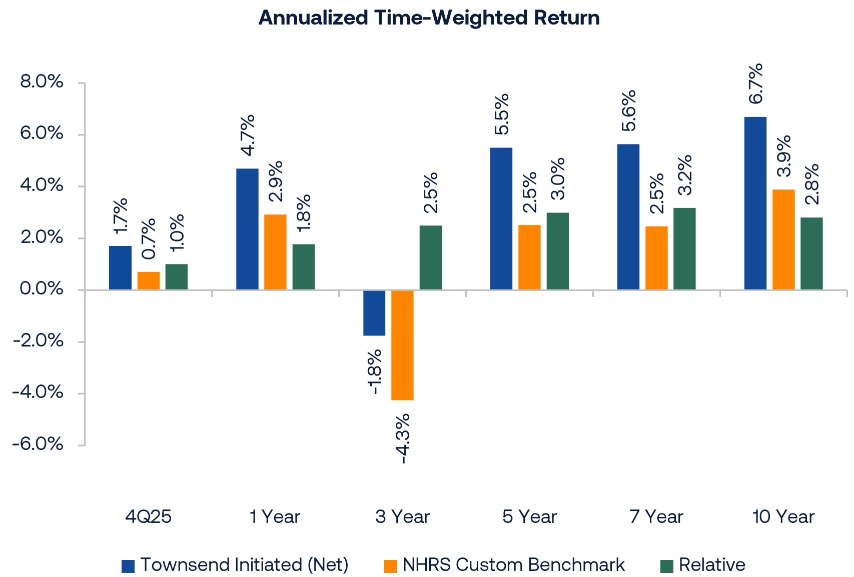
Source: New Hampshire Retirement System, Callan, Townsend. [1]As of February 28, 2026. [2]As of December 31, 2025. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

Townsend

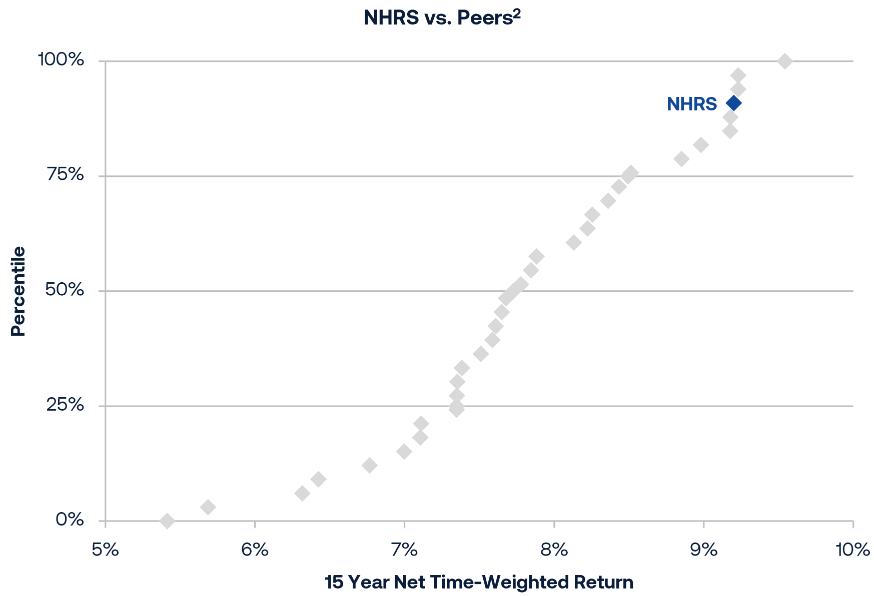
Real Estate Portfolio Performance
Consistent Outperformance

9.3% net IRR[1] **1.45x net equity multiple[1]** **86% of invested equity returned[1]** **$936 million of profit[1]**

Relative to Benchmark
+280 bps of annualized outperformance over 10-years



Relative to Peers
Top decile performance relative to peers, net of Townsend fees



[1]Townsend Initiated Investments since inception. [2]33 institutional investors, including corporate, governmental, and foundation/endowment plans pursuing a similar real estate strategy as NHRS. Data as of December 31, 2025. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

Townsend

Real Estate Portfolio Overview
Investment Guidelines

Allocation

- Target 10.0% (5-20% allowable range)
- **Operating within targeted range**

Investment Guidelines

- Designed in conjunction with NHRS
- **In compliance with all investment guidelines**

Benchmark

- NCREIF NFI-ODCE[1] measured net of fees over market cycles
- **Townsend outperformance over all time periods**

Category	Compliance Criteria	Status
Return Objective	NFI-ODCE net of fees[1]	Townsend outperformance
Target Allocation	10.0% of Total Plan Assets	8.8%
Risk Exposure	Minimum 50% Strategic	Strategic investments – 55%
	Maximum 50% Tactical	Tactical investments – 45%
Geographic Diversification	Maximum 35% Ex-US	Ex-US – 12%
	Maximum 50% of Ex-US in EM	Emerging Markets – 8%
Property Diversification	Maximum 40% to a Property Type	Industrial – 35%
Investment Diversification	Maximum 20% Strategic investment	Strategic – 4%
	Maximum 10% Tactical investment	Tactical – 3%
Manager Diversification	Maximum 40% Manager	Manager – 6%
Leverage	Maximum 50% Strategic	Strategic – 39%
	Maximum 75% Tactical	Tactical – 46%

[1]National Council of Real Estate Investment Fiduciaries Open-End Diversified Core Equity; a collection of commingled funds pursuing a core investment strategy in the United States. The NFI-ODCE was adopted as NHRS' real estate benchmark on July 1st, 2015. NPI + 50 bps net of fees was NHRS' historic real estate benchmark. Data as of December 31, 2025. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

Townsend

2026 Investment Plan
Mid-Year Update

Investment Activity

- **Strategic**: Commit $200-$250 million to Strategic investments
  - $95 committed to-date across five funds - all through upsizing (either directly or via discounted secondary purchases)
- **Tactical:** Commit $150-200 million to Tactical investments
  - $85 million committed to date across two investments in thematic sectors

Asset Management

- $116 million of outstanding redemptions with majority expected to be paid in 2026 and 2027
- Maintain Strategic exposure between 55%-60% of the Portfolio
- Maintain Ex-US exposure to 5-15%

Investment	Sector	Investment Date	Risk Profile	Committed (USD Millions)	Net IRR[1]
Jadian Evergreen Fund	IOS, Alts	1Q26	Special Situations	$60.0	13%
Stockbridge Smart Markets Fund	Diversified	1Q26	Strategic	$20.0	8%
Kayne Anderson Core Fund	Healthcare	1Q26	Strategic	$20.0	11%
GID Mainstay Fund	Multifamily	1Q26	Strategic	$25.0	8%
Cloud Capital Fund I	Data Centers	1Q26	Strategic	$15.0	15%
YES! Manufactured Housing Recap	MH	2Q26	Special Situations	$25.0	14%
Prime Property Fund (Secondary)	Diversified	2Q26	Strategic	$15.0	8%
Total				**$180.0**	

[1]Underwritten returns. Data as of June 8, 2026. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

Townsend

Property Sector Diversification
Investing in High Conviction Sectors

Property Sector Allocation Relative to Benchmark

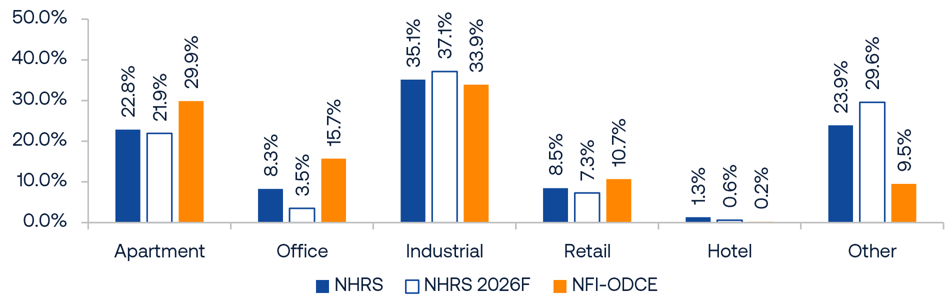
Overweight:

- Healthcare represents an +8.9% active weight relative to the benchmark and projecting to maintain overweight to take advantage of demand driven by the aging population
- Data centers represent a +7.5% overweight to capitalize on secular demand drivers including cloud adoption, AI compute growth, and hyperscale capacity expansion; focused on build-to-suit development for investment grade tenants
- Industrial represents a +1.2% active weight relative to the benchmark; trimmed to be in line with benchmark

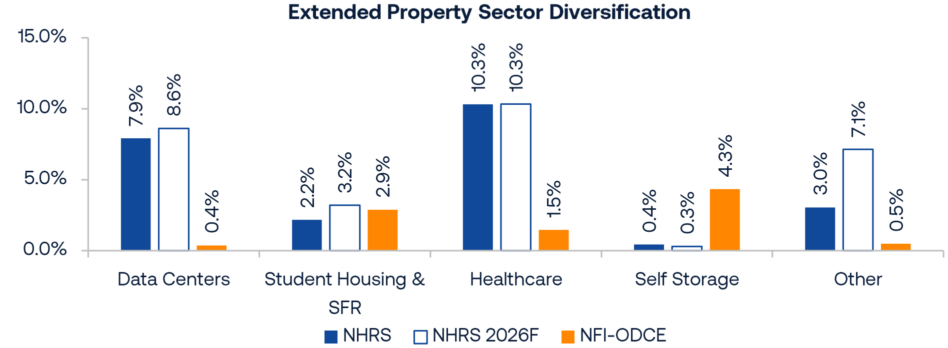
Underweight:

- Office represents a -7.4% active weight relative to the benchmark; continued uncertainty around long-term office demand and elevated capital requirements
- Apartment represents a -7.1% active weight relative to the benchmark; pursuing targeted residential investments to address underweight

Property Sector Diversification



Extended Property Sector Diversification



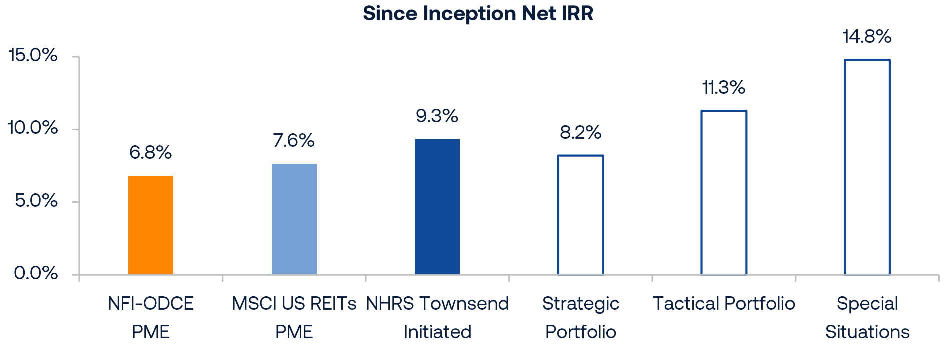
Source: Townsend, NCREIF. Data as of December 31, 2025. Townsend's views are as of this date of this publication and may be changed or modified at any time without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

Townsend

Fee Savings
Delivering Net Returns

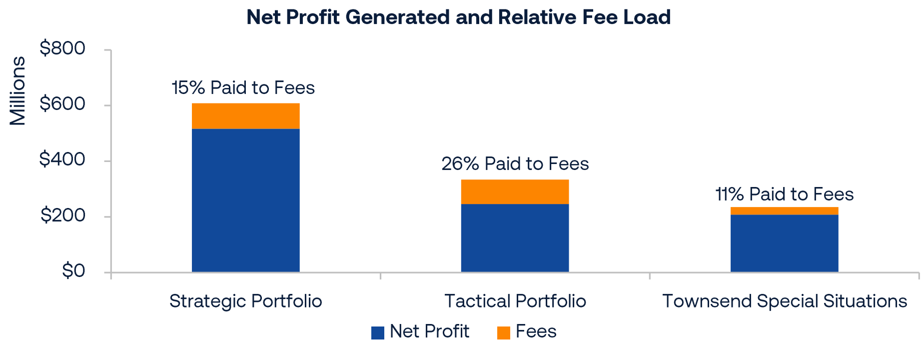
Portfolio Scale

- Townsend seeks to reduce manager fees without compromising execution by leveraging the platform's scale:
- $5.2 billion of Townsend managed capital across 20 Strategic Funds
- $2.6 billion of committed capital across 30 Tactical Funds
- $3.0 billion of committed capital across 25 proprietary Townsend Special Situations investments (Joint Ventures, Co-investments, Secondary, Recapitalizations, etc.)



NHRS Fee Savings

- Over $2,600,000 projected annual asset management fees savings within the Strategic Portfolio[1], ~33% discount to market rate fees
- $2,000,000 in annual incremental profits since inception within the Tactical Portfolio attributable to fee savings[2]
- $3,400,000 in annual incremental profits since inception within the Special Situations Portfolio attributable to fee savings[2]



[1]Relative to market rate investment at equivalent size to the December 31, 2025 valuation. [2]Relative to a market rate non-core fund investment, assuming equivalent performance for each underlying investment, and hypothetical liquidation at December 31, 2025, valuations. Fee savings are equivalent to excess profit relative to a market rate non-core fund fee structure and is divided equally over the duration of the program. Fee savings are not guaranteed. Data as of December 31, 2025. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

Townsend

Near-term Real Estate Pipeline
Highly Thematic Opportunities

Deal Sourcing Drivers

Longstanding presence across the GP and LP universe
Sourcing from +1,000 GP network
Recognized industry position among LPs

Regular meetings and inbound inquiry
+350 in-person meetings annually / significantly more virtually

Representation on Advisory Boards
+270 LPAC seats retained or advised[1]
+50 active governance positions

Brokers and placement agent relationships
Active with all major secondary brokers

Direct outreach to sponsors with thematic strategies
Referrals, spinouts, existing relationships

In $ Millions	Market	Sector	Investment Date	Entry Discount	Underwritten Returns[2] Net IRR	Net EM
Pipeline Investments						
European Living GP Capital Solution	Various, Europe	Rental Housing	2Q26	15%	16%	2.1x
Senior Housing Recapitalization	Various, US	Senior Housing	3Q26	5%	18%	1.8x
Structured Fund Portfolio Secondary	Global	Diversified	3Q26	10%	20%	1.8x
European Retail GP Capital Solution	Various, Europe	Retail	3Q26	-	22%	2.2x
Florida Multifamily Portfolio Recapitalization	Florida, US	Multifamily	3Q26	20%	21%	2.4x
Structured OECF Rescue Capital	Various, U.S.	Diversified	3Q26	5%	11%	1.7x
Pan-European IOS Platform Recapitalization	Various, Europe	Industrial Outdoor Storage	3Q26	-	16%	1.6x
IOS Platform Venture II	Various, U.S.	Industrial Outdoor Storage	4Q26	-	20%	2.0x

[1]Retained Advisory Board Seats represent positions maintained and voted by Townsend. Advised Board Seats represent positions retained by clients advised by Townsend from 2007-2025. [2]Underwritten IRRs and equity multiples reflect the return that an investor would receive on after all deal level fees. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

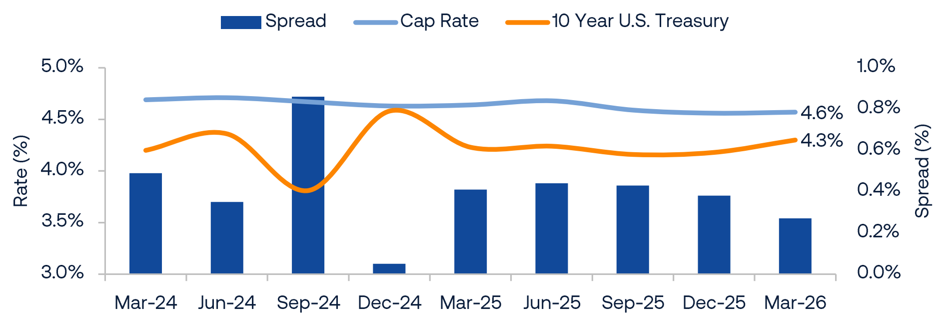
Townsend

U.S. Real Estate Market Conditions Improving
Most property sectors poised for growth

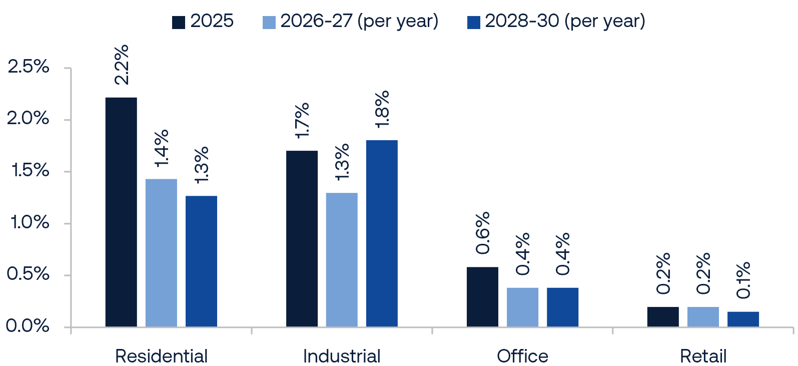
Returns Forecasted To Increase Through 2028
PREA Consensus Unlevered Gross Return Forecasts (First Quarter 2026)

Sector	2026	2027	2028	'26-'30
NPI All Property	5.7%	6.8%	7.2%	6.8%
Office	5.0%	5.9%	6.7%	6.2%
Retail	7.8%	7.9%	7.9%	7.6%
Industrial	5.3%	6.5%	6.7%	6.5%
Residential	5.5%	6.9%	7.6%	7.1%
Seniors Housing	12.1%	11.4%	10.6%	10.5%
Self Storage	5.6%	6.5%	7.5%	6.9%

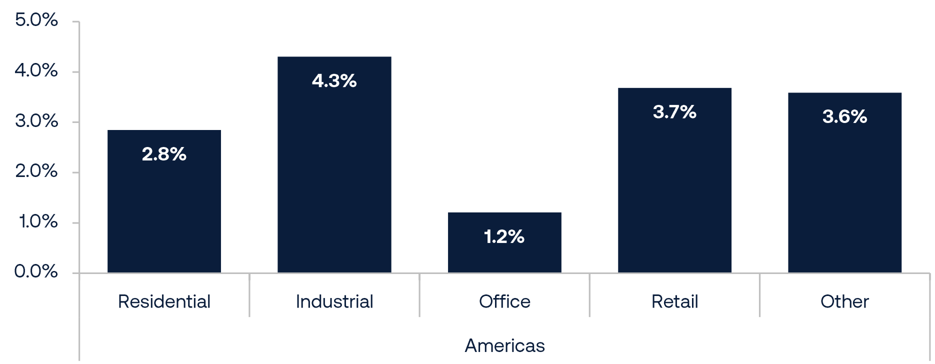
Private Real Estate Valuations Have Stabilized Despite Volatility in 10 Year Treasury
NPI Value Weighted Cap Rate Versus 10yr Treasury Market Yield



Supply growth is contracting meaningfully across sectors
Annual Completions as % of Existing Stock



Growth forecasts remain above long-term inflation
5-year NOI Growth CAGR Forecasts



Source: Pension Real Estate Association (First Quarter 2026), NCREIF, St. Louis Fed (First Quarter 2026), Green Street (March 2026), Townsend. Other NOI Growth includes cold storage, data center, self-storage, and senior housing sectors. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

Townsend

U.S. Real Estate Market Opportunity

Target alternatives, housing, and logistics

- Most favored CRE market globally with asset values down -20% from peak in 2022, creating attractive entry
- Real estate exhibiting better relative value vs. stocks: NFI-ODCE entry yield of 4.5% compared to the S&P 500 earnings yield of 3.1%

Alternatives

Maintain overweight

- Continued institutionalization expanding investment opportunity set
- Niche property types offer better risk/return trade off for investors

Data Centers

Conviction theme with development preference

- Hyperscaler spend ~$750b in 2026; entry yields ~5-6%
- Vacancy rates below 2% and over 80% of all new supply is pre-leased, often exhibiting high development margins

Housing

Overweight with demographic/geographic focus

- Senior Housing – demographic demand and low-supply driving growth fundamentals
- Apartments – focus on markets with low-supply or on Sunbelt markets at large discounts

Industrial

Positive with lower overweight

- Diversify with inland markets exhibiting higher yields as coastal market rents are softening
- NOI growth forecasts ~3-5%, lower versus prior years but attractive. In-place rents ~25% below market

Retail

Turning selectively positive

- Modestly constructive on necessity-anchored suburban retail. High-street remains underperformer
- Best performing primary sector over TTM (+6.9% unlevered, primarily income-driven); 93% occupancy

Office and Life Sciences

Remain cautious and very selective

- Remain underweight; CBD Office vacancy 24% and demand concentrated at high end
- Life sciences face capital, leasing, and supply headwinds

Source: Townsend, NCREIF NPI, NFI-ODCE (First Quarter 2026), Standard & Poor's (May 2026), Data Center: BloombergNEF (March 2026), CBRE NA Data Center Trends H2 2025 (February 2026).
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Townsend

Disclosures

Disclosures

Townsend

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There can be no assurance that any account will achieve results comparable to those presented. Past performance is not indicative of future results.

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Disclosures and Definitions

Townsend

General Disclosures

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Returns reflect the equal-weighted returns calculated during the periods indicated. Note: If including Core, this is value-weighted. In addition, the valuations reflect various assumptions, including assumptions of actual unrealized value existing in such investments at the time of valuation. As a result of portfolio customization/blending and other factors, actual investments made for your account may differ substantially from the investments of portfolios comprising any indices or composites presented.

Due to the customized nature of Townsend's client portfolios, the performance stated may be considered "hypothetical" as it does not reflect the experience of individual client portfolios, but rather aggregate client positions in the stated investment strategy.

NON REGULATORY ASSETS UNDER MANAGEMENT

As of September 30, 2025, Townsend had assets under management of approximately $19.7 billion. When calculating assets under management, Townsend aggregates net asset values and unfunded commitments on a quarterly basis. Townsend relies on third parties to provide asset valuations, which typically takes in excess of 90 days after the quarter end. Therefore, assets under management have been calculated using September 30, 2025 figures where available but may also include June 30, 2025 figures. Assets under management are calculated quarterly and includes discretionary assets under management and non-discretionary client assets where the client's contractual arrangement provides the client with the ability to opt out of or into particular transactions, or provides other ancillary control rights over investment decision-making (a/k/a "quasi-discretionary"). Regulatory AUM is calculated annually and can be made available upon request.

ADVISED ASSETS

As of September 30, 2025, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding $237.4 billion. Advised assets includes real estate and real asset allocation as reported by our clients for whom Townsend provides multiple advisory services—including strategic and underwriting advice for the entire portfolio. Advised assets are based on totals reported by each client to Townsend or derived from publicly available information. Advised assets are calculated quarterly. Select clients report less frequently than quarterly in which case we roll forward prior quarter totals. The recent change in Advised Assets is due to a change in the reporting of certain special projects.

Global Non-core Capital Solutions Strategies employ a global non-core multi strategy approach with 90% or more of the investments invested in non primary fund investments such as secondaries, recapitalizations, joint ventures, platform investments, and co-investments. Strategies are diversified by geography, sector, property type, manager and vintage year.

Separate Accounts includes all Townsend active discretionary accounts which invest in a variety of investment styles and structures.

LEGISLATIVE COMMITTEE

2026 Legislative Calendars

SENATE

Date	Deadline / Action
June 4, 2026	Deadline to act on Committee of Conference Reports
September 21, 2026	First day for incumbents running for re-election to file LSRs with complete information
September 25, 2026, 4:00 p.m.	Last day for incumbents running for re-election to file LSRs with complete information
November 4, 2026	First day for Senators to file LSRs with complete information
November 18, 2026, 4:00 p.m.	Last day for the Office of Legislative Services to accept drafting requests for Senate Bills, Senate Concurrent Resolutions, and Senate Joint Resolutions with complete information for the 2027 Senate Session
December 18, 2026, 4:00 p.m.	Last day for prime sponsors to sign off on legislation

HOUSE

(2nd Year Session Deadlines)

Date	Deadline / Action
June 4, 2026	Last day to act on Committee of Conference Reports
September 1, 2026	First day for incumbents running for re-election to file LSRs with complete information
September 11, 2026	Last day for incumbents running for re-election to file LSRs with complete information
October 23, 2026	Last day to file 2026 Interim Study reports
November 4, 2026	First day for all Representatives to file LSRs with complete information
November 18, 2026	Last day for all Representatives to file LSRs with complete information
November 18, 2026	Ten-day sign-off begins
January 5, 2027	Last day to sign off on all LSRs
January 15, 2027	Last day to introduce House Bills
January 15, 2027	Last day to amend House Rules by majority vote

New Hampshire Retirement System
80 Commercial Street, Concord, NH 03301
(603) 410-3500 | Toll-Free: (877) 600-0158
info@nhrs.org | www.nhrs.org

2026 Legislative Tracker

Updated: July 29, 2026 | Final

Legislation introduced in the 2026 session that would impact the New Hampshire Retirement System (NHRS, the retirement system) is listed below. For details on a particular bill, visit the State of New Hampshire General Court website.

Note: Bills that have been killed or for which no further action is expected in the current legislative session are shaded in gray.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
2026 NHRS-RELATED BILLS			
HB 1109	This bill is relative to notice requirements regarding public employee suspensions and investigations and recognizing certain positions in the department of corrections as group II positions.	Rep. Flanagan	7/15/26: Signed by the Governor. Section 1 effective 1/1/27; remainder took effect 6/30/26.
SB 502	This bill permits members of the NHRS Independent Investment Committee to participate in meetings electronically and to be counted toward a quorum and makes various other changes to how certain committees and commissions participate or operate.	Sen. Pearl	6/19/26: Signed by the Governor. Effective 8/18/26.
HB 1014	This bill modifies the definition and limitations of part-time employment for retired members of the retirement system, including exceptions for emergency service and concurrent employment at the time of retirement.	Rep. Petrigno	3/11/26: House voted ITL, VV. The bill is dead.
HB 1024	This bill prohibits investments by the New Hampshire Retirement System in businesses owned by a sitting president or their family.	Rep. Caplan	2/19/26: House voted to refer for Interim Study, VV. No further action on bill this session.
HB 1170	This bill provides a supplemental retirement allowance to certain group II retirees and their beneficiaries, funded by the state general fund and added permanently to their base annuity and makes an appropriation therefor.	Rep. Trottier	2/19/26: House voted ITL, VV. The bill is dead.

NHRS
New Hampshire Retirement System

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 1439	This bill revises the penalty structure for retirees who exceed the annual hour limit for part-time employment.	Rep. MacDonald	3/11/26: House voted ITL, VV. The bill is dead.
HB 1459	This bill standardizes the application of post-retirement part-time hour limits under the New Hampshire Retirement System.	Rep. MacDonald	2/12/26: House voted ITL, VV. The bill is dead.
HB 1471	This bill updates the calculation of AFC for group II retirement system members who began service before July 1, 2011, and were not vested by 1/1/12, aligning it with the formula adopted in HB 2 (2025).	Rep. Foote	3/11/26: House voted ITL, VV. The bill is dead.
HB 1585	This bill requires state and local public retirement systems to discharge their duties solely in the financial interest of the participants and beneficiaries.	Rep. Ammon	2/19/26: House voted to refer for Interim Study, VV. No further action on bill this session.
SB 601	This bill provides that the state shall pay 7.5 percent of contributions of retirement system employers other than the state for group I teachers and group II members.	Sen. Long	2/19/26: Senate voted ITL (16-8). The bill is dead.
OTHER BILLS OF INTEREST			
SB 423	This bill re-establishes the commission to study the incidence of post-traumatic stress disorder in first responders.	Sen. Birdsell	7/2/26: Signed by the Governor. Section 2 effective 11/1/27; remainder took effect 7/2/26.
SB 486	This bill revises the Administrative Procedure Act.	Sen. Lang	7/2/26: Signed by the Governor. Effective 1/1/27.
HB 1032	This bill creates an exception to physical attendance and quorum requirements under the Right-to-Know Law for individuals with disabilities and individuals caring for a household member with disabilities.	Rep. Horrigan	3/12/26: No vote by House deadline. Status: "Miscellaneous." No further action on bill this session.
HB 1123	This bill requires certain companies to post expected salary ranges on public job listings.	Rep. Wade	2/5/26: House voted ITL (193-149). The bill is dead.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 1150	This bill requires disclosure of complaints to public employees within 5 business days.	Rep. Pearson	2/19/26: House voted ITL, VV. The bill is dead.
HB 1177	This bill defines remote work and establishes employment protections for remote workers.	Rep. MacKenzie	3/12/26: No vote by House deadline. Status: "Miscellaneous." No further action on bill this session.
HB 1233	This bill modifies the Right-to-Know Law by requiring that the only minutes or decisions withheld from public disclosure are those portions covered by the motion to enter nonpublic session. The bill also adds start times and end times in the list of nonpublic session minutes available under the Right-to-Know Law.	Rep. Beaulier	3/5/26: House voted OTP, MA, VV. 4/9/26: Senate voted ITL, MA, VV. Bill killed. (SJ 8, 4/9/26).
SB 651	This bill legalizes cannabis; dedicates a portion of cannabis tax revenue to the NHRS UAAL (p. 22, l. 14).	Sen. Fenton	2/5/26: Senate voted to table the bill (15-9). No further action on bill this session.

COMMITTEE KEY		
D&A = Executive Departments & Administration Jud. = Judiciary Labor = Labor, Industrial and Rehabilitative Services CC = Consent Calendar	EL&MA = Election Law and Municipal Affairs LOB = Legislative Office Building SH = State House GP = Granite Place (South Bldg.)	ITL = Inexpedient to Legislate OTP = Ought to Pass OTP/A = Ought to Pass with Amendment VV = Voice Vote

BENEFITS COMMITTEE

New Hampshire Retirement System Benefits Committee Meeting

Consent Agenda
July 7, 2026

Disability Application Recommendations

1. C.A. Grant ordinary disability retirement to this member who meets the statutory requirements for the benefit.
2. K.C. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
3. B.K. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
4. L.L. Grant ordinary disability retirement to this member who meets the statutory requirements for the benefit.
5. K.R. Grant ordinary disability retirement to this member who meets the statutory requirements for the benefit.
6. L.S. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
7. C.S. Grant ordinary disability retirement to this member who meets the statutory requirements for the benefit.
8. J.T. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
9. T.W. Grant ordinary disability retirement to this member who meets the statutory requirements for the benefit.

New Hampshire Retirement System
Benefits Committee Meeting

Consent Agenda
August 4, 2026

Disability Application Recommendations

1. S.B. Grant ordinary disability retirement to this member who meets the statutory requirements for the benefit.
2. S.S. Grant ordinary disability retirement to this member who meets the statutory requirements for the benefit.

PERSONNEL PERFORMANCE & COMPENSATION COMMITTEE

Oral Presentation Only

WELLINGTON ECONOMIST PRESENTATION

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Biography

Thomas W. Mucha
Managing Director and Geopolitical Strategist

As a member of the firm's Global Macro Strategy Group, Thomas conducts research on the macro and market implications of geopolitical risk. In his role, he also focuses on internal and external communication efforts, with a particular emphasis on connecting our macro insights to actionable investment ideas in client portfolios. In addition, he is a frequent speaker at Wellington client events and investment seminars worldwide.

Prior to joining Wellington Management in 2015, Thomas had a successful career in journalism as a writer, producer, and editor focused on global business, economics, and geopolitics. He joined Wellington Management from *GlobalPost*, where he oversaw editorial operations and wrote a column on global business and economics, as well as its Macro blog on the global economy (2008 – 2015). Prior to *GlobalPost*, Thomas worked as a writer, producer, and editor for CNN and CNN International in New York and London, where he covered Wall Street and the US and global economies, including emerging markets (1991 – 1998). He also worked in similar roles at Crain's *Chicago Business* (2005 – 2008) and Time Inc.'s *Business 2.0 Magazine* (2001 – 2005).

Thomas earned his MA in international relations and economics from the University of Chicago (2002) and his BA in English from Michigan State University (1991).

The Brave New World of Geopolitics

And how to allocate capital in an age of disruption

Thomas Mucha
Geopolitical Strategist

New Hampshire Retirement System

July 23, 2026

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Geopolitics is a long, long cycle

The problem: These cycles almost always end with lots of conflict

Increasing global instability

- Worst picture since WWII
- 60+ active conflicts globally in 2026
- Double number of five years ago
- 1 in 8 people exposed to conflict
- 23 coups or coup attempts past three years – double the rate of previous decade
- Climate change to act as "stress multiplier" across equatorial/tropical regions for years to come

Key point: There's a structural reason why the world feels so adrift right now

Sources: International Rescue Committee; ACLED

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New Geopolitics Theme 1: Great-Power Politics Forever

Key question: Can we avoid catastrophic conflict?

US-China competition the dominant and most consequential issue for years to come

Thucydides Trap dynamics to persist

Flashpoints abound amid structurally higher geopolitical risk

Military-economic competition dominates

Technology "cold war" will likely accelerate

Policy/market impacts: more "protection and promotion" of strategic sectors; structural trade friction

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The military importance of critical minerals

China has a big advantage over the US, if it chooses to play this card

CRITICAL MINERALS IN WEAPONS SYSTEMS, 2025

Service	Parts containing minerals	Weapons systems impacted	Percentage of weapon systems impacted
Navy	51,468	739	91.6%
Air Force	29,769	302	85.1%
Army	17,904	575	70.3%
Marine Corps	5,802	292	61.7%
All Services	80,006	1,908	77.7%

Sources: US Department of Defense; Govini; 13D

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New Geopolitics Theme 2: Climate Change is National Security

Adapt… or else

Most underappreciated aspect of climate change

The Pentagon is preparing for significant geopolitical disruption as this "threat multiplier" expands

Location matters: "Catastrophic impacts" are expected in equatorial and tropical regions, where many geopolitical hotspots sit

National security impacts: more resource wars, food & water scarcity, climate migration, failed states, rising extremism, etc.

The national security policy response: climate adaptation & resilience

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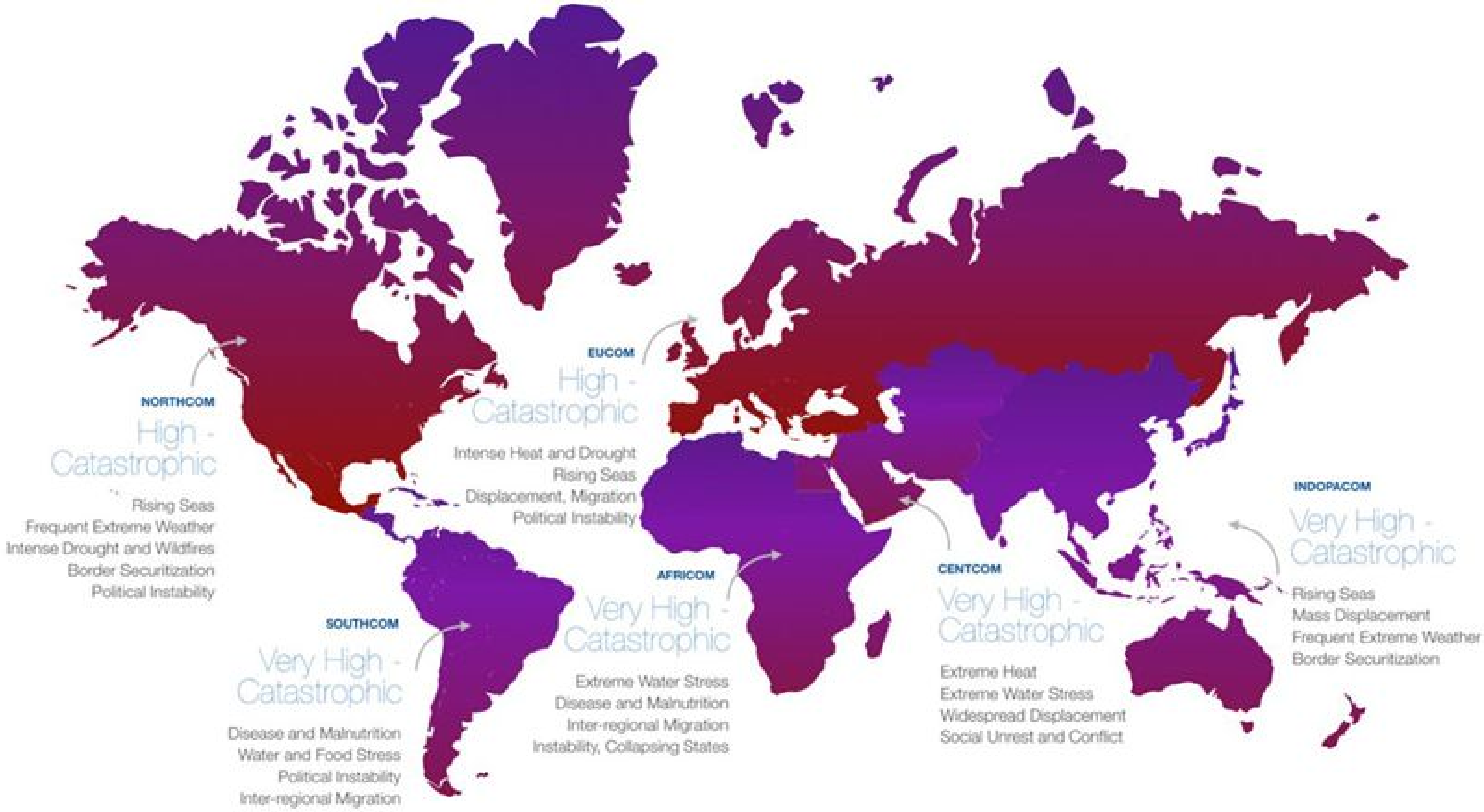
Mapping disaster from a national security perspective
Medium to long-term scenario (2-4 degrees C)

Climate Security Threat Profile
Medium-Long Term Scenario (2 – 4+ °C Warming)



Source: Center for Climate & Security

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New Geopolitics Theme 3: Defense at (Almost) Any Cost

Bullets & bombs, and a lot more

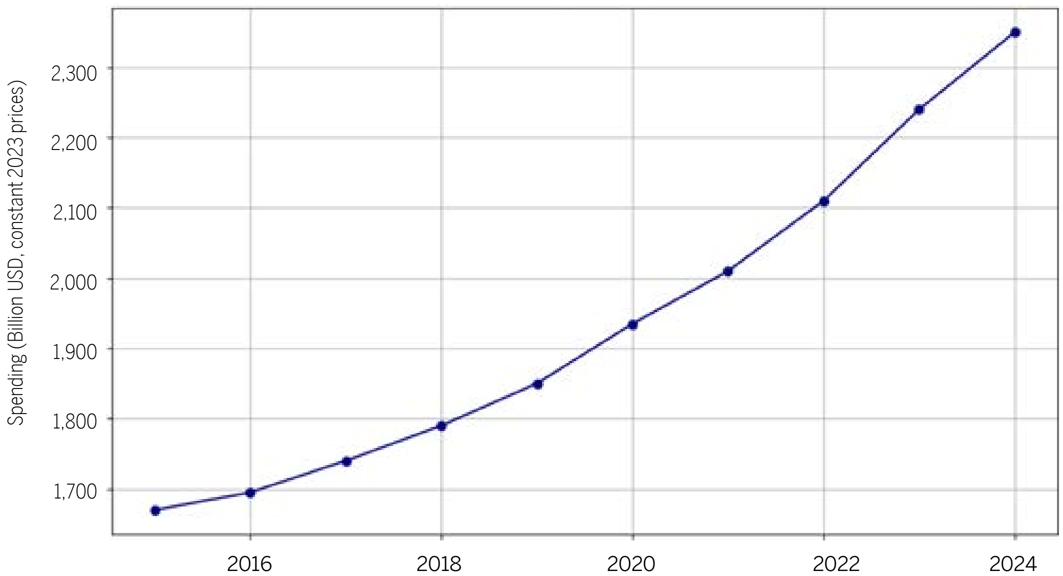
Global military spending at record high

10 consecutive years of increases

Key drivers

- Great-power threats from China/Russia
- Loss of confidence in US security umbrella
- Preparation for climate change disruptions
- Reconstitution of defense industrial bases & arsenals
- Growing demand for new and effective defense technologies

Global defense spending (2015 – 2024)



Source: SIPRI Military Expenditure Database, April 2025

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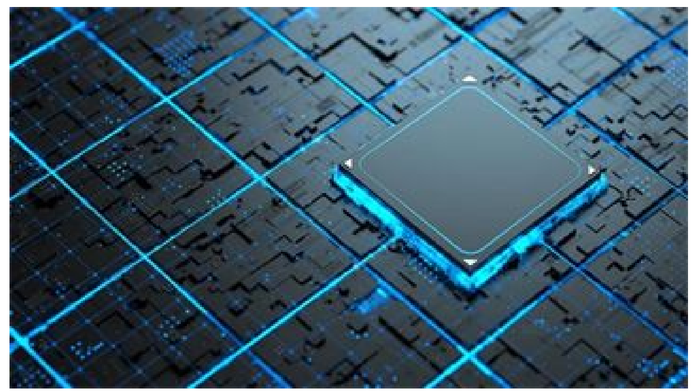
It's not just military spending: De-risking meets geopolitics

A new era of industrial policy arrives

The "must-win" sectors in a great-power world:

- Semiconductors
- **Critical minerals/rare earths**
- Renewable energy technologies
- Space-based technologies
- Biotech
- Drones
- Next-gen communications
- Robotics/automation
- Quantum technologies
- **All things AI**



Key point: industrial policy is here to stay given national security drivers

Sources: Global X; Office of the Undersecretary of Defense, 2023; European Commission EDF Work Programme, 2024

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New Geopolitics Theme 4: The Centrality of Artificial Intelligence

National security underpins all of this

AI is not just about private-sector productivity

Key military input for years

Great-power competition mantra: whoever "wins" AI will have significant geopolitical advantage

Pentagon uses of AI:

Analytical: applied to large data sets including missile targeting; nuclear/chemical/biological monitoring, etc.

Predictive: battlefield deployments; negotiations; scenario planning, etc.

Operational: weapons systems; intelligence gathering; supply chain & logistics, etc.

US doctrine requires human involvement in "kill chain"; US adversaries may not adhere to this

Key implications: expect fewer constraints on military uses of AI; reduced regulation overall; more policy protections of key AI inputs; structural tailwind for broader AI applications given national security stakes

Sources: Global X; Office of the Undersecretary of Defense, 2023; European Commission EDF Work Programme, 2024

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New Geopolitics Theme 5: The (Re)-Ascendance of Nuclear Weapons

New national security strategies for a new age?

WHY NUKES ARE BACK IN VOGUE

Rapidly fracturing global order raises incentives to obtain "ultimate" deterrence

North Korea and Iran programs raise probability of proliferation

Declining confidence in US security umbrella

Modernization of Russia's nuclear weapons program including tactical/ battlefield weapons

Increased nuclear threats from Moscow

Chinese and Russian hypersonic glide vehicles that could deliver nuclear weapons

Rapid growth in Chinese nuclear weapons capacity overall

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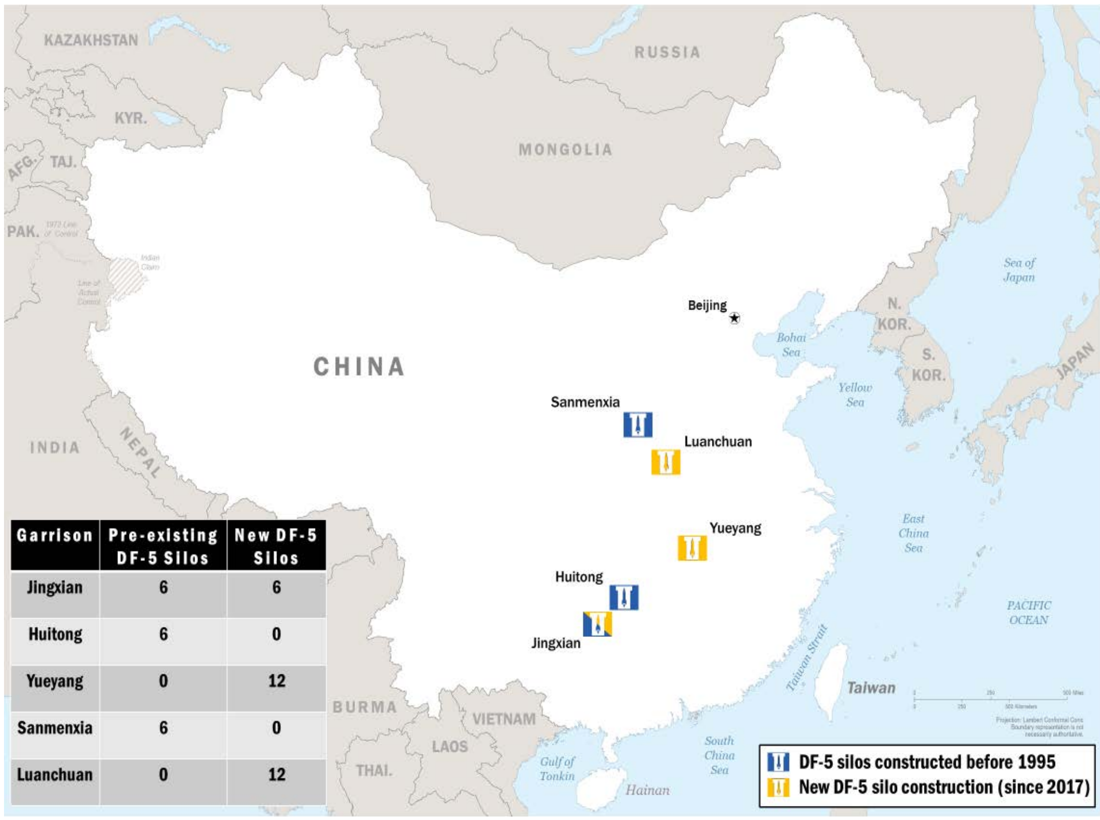
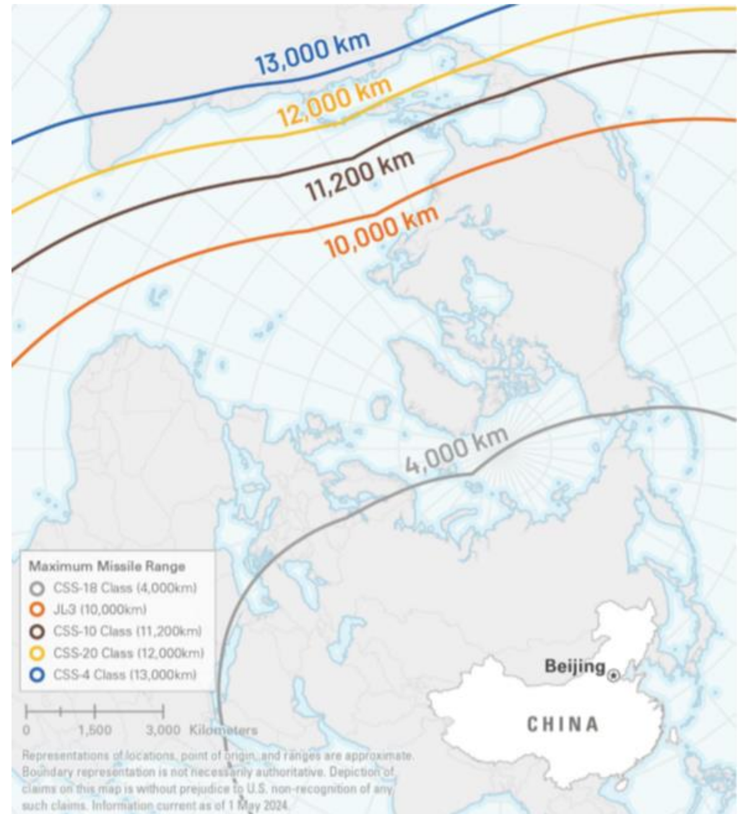
China's conventional military & nuclear build-up

DoD believes Beijing is doubling size of nuke arsenal over next five years



Garrison	Pre-existing DF-5 Silos	New DF-5 Silos
Jingxian	6	6
Huitong	6	0
Yueyang	0	12
Sanmenxia	6	0
Luanchuan	0	12



Source: US Dept. of Defense "Military and Security Developments Involving the People's Republic of China," 2024

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Enter Trump 2.0: Transactional, chaotic, determined to remake US role

MOST DISRUPTIVE US FOREIGN POLICY IN A CENTURY

Overturning 80+ years of US foreign policy priorities in just over one year

Multiple dimensions:

Trade/tariffs disruptions, shaken alliances, USAID shuttered, State Dept. and other Doge reforms/cuts, planned increases in defense spending, growing Pentagon focus on defense tech, ongoing strategic sector focus, etc.

None of this can be separated from structural national security concerns fueled by great-power competition & resulting geopolitical instability

"America First" priorities: leverage US economic advantages to achieve "peace through strength"; faster strategic decoupling from China; reconstitution of US manufacturing/defense industrial bases; selective/dramatic use of US military power

Last but not least: re-orient US national security priorities around core geographies closer to home (North America/Western Hemisphere, including Greenland and Venezuela)

Source: US Dept. of Defense "Military and Security Developments Involving the People's Republic of China," 2024

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Impacts across Latin America

A mix of geopolitical risks and new investment opportunities

Western Hemisphere: from periphery to “core” of great-power competition

US role will continue to deepen across the region

Impacts will vary

Venezuela

Mexico

Brazil

Chile

Peru

Argentina

Colombia

Cuba

Source: US Dept. of Defense “Military and Security Developments Involving the People’s Republic of China,” 2024

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The legacy of US national security exceptionalism: is it over?

The world is changing rapidly; seek opportunities alongside the risks

national security dominance has underpinned US market and macroeconomic exceptionalism – for decades

A fragmenting and more multipolar structural outlook challenges past capital market assumptions

In this brave new world policymakers globally will prioritize national security over all else

A disrupted policy and geopolitical backdrop favors active management, long-short and other alternative strategies, and growing opportunities across private markets

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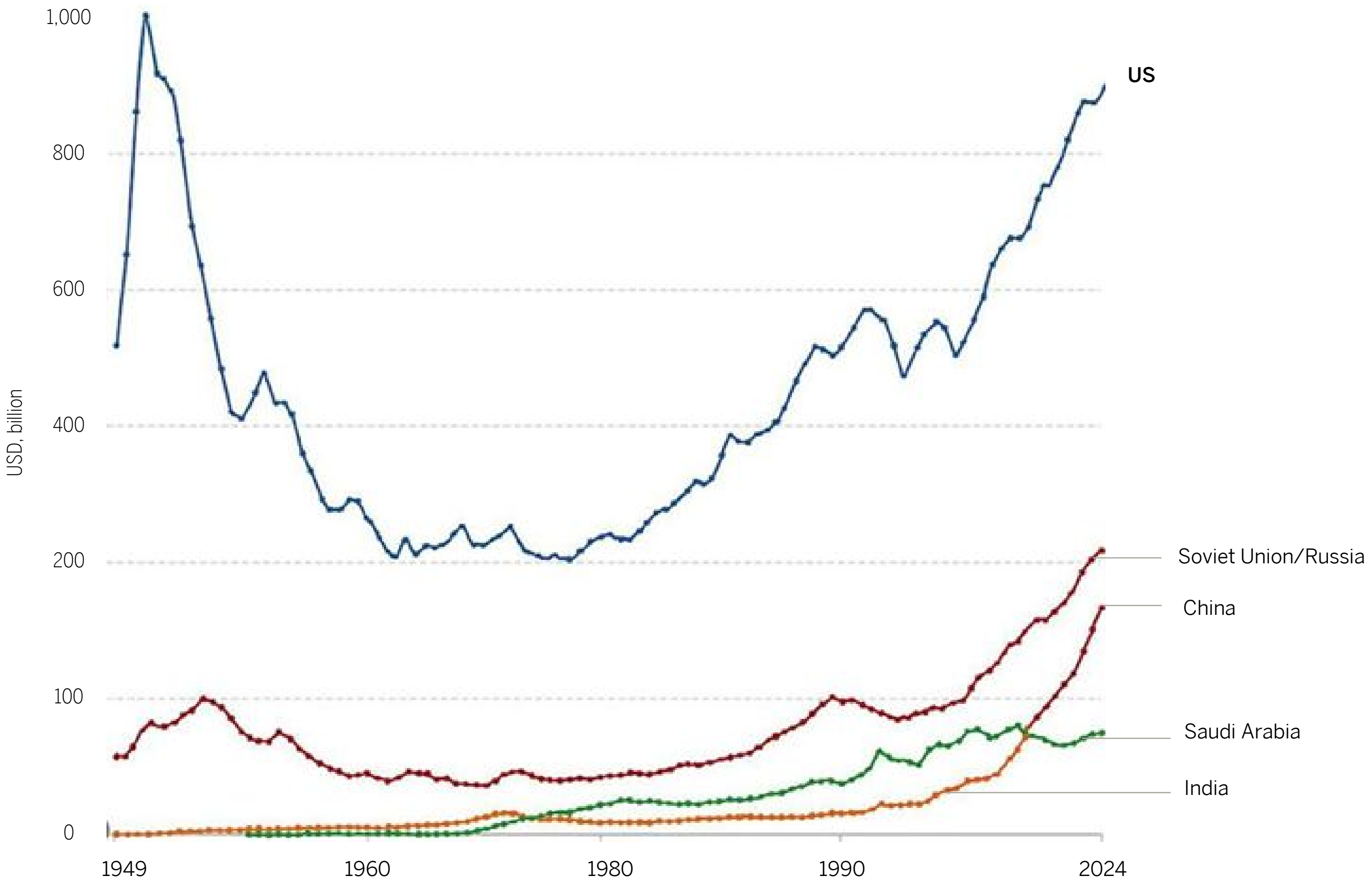
US national security dominance over the years
None of this happened by accident

Global military spending, 1949 – 2024



Source: SIPRI; figures expressed in constant 2023 US dollars

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What does all this military spending give you?

A strategic – and synergistic – set of advantages that has underpinned US and global growth for decades

- Global alliances & unmatched combined military, diplomatic and economic capabilities to promote global stability

- Protection of the global commons, trade routes & enforcement of "rules-based order" that makes globalization possible

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What else?
This goes far beyond direct military power

- World-leading research institutions to benefit US military & economic capabilities, while attracting "best and "brightest" globally

- Deep, liquid, and independent capital markets to support growth, reward innovation, and bolster US currency reserve status

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The bumpy road to multipolarity

Expect more conflict & unpredictability and a reduced global role for the US over the long-run

- Accelerating and destabilizing fragmentation of global order
- More conflict, less cooperation on critical global issues (climate, AI, immigration, health and pandemics, etc.)
- Reduced global trade and innovation flows
- Rising uncertainty regarding US economic, market and institutional capacities
- Growing incentives for global economic, trade, and security alliances that exclude US
- Growing incentives for global economic, trade, and security alliances that exclude US

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Investment Implications: think national security first

And new opportunities for investment strategy

- Disruption ahead means more differentiation – a long-term positive for active management and long-shorts in particular

- True at all levels: regional, country, industry, company, asset class – including macro performance

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New times, new investment themes & drivers

A critical role for capital allocators, in public & private markets

Defense and defense innovation (including AI, space & aerospace, etc.)

Climate & energy resilience

Real assets, critical minerals and other key national security inputs

National rejuvenation and industrialization

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Parting thought:
Think opportunity, not doom

Structural shifts in geopolitics come around once per century

These dramatic shifts provide new long-term investment opportunities alongside the risks

Most importantly: asset allocators do not lack agency

We have the ability – and the incentives – to deploy capital in ways that can decrease geopolitical risk, improve climate change outlooks, and broaden the potential societal and economic benefits of emerging technologies

Key point: approach geopolitical and policy disruption with a sense of opportunity and optimism, not doom and gloom

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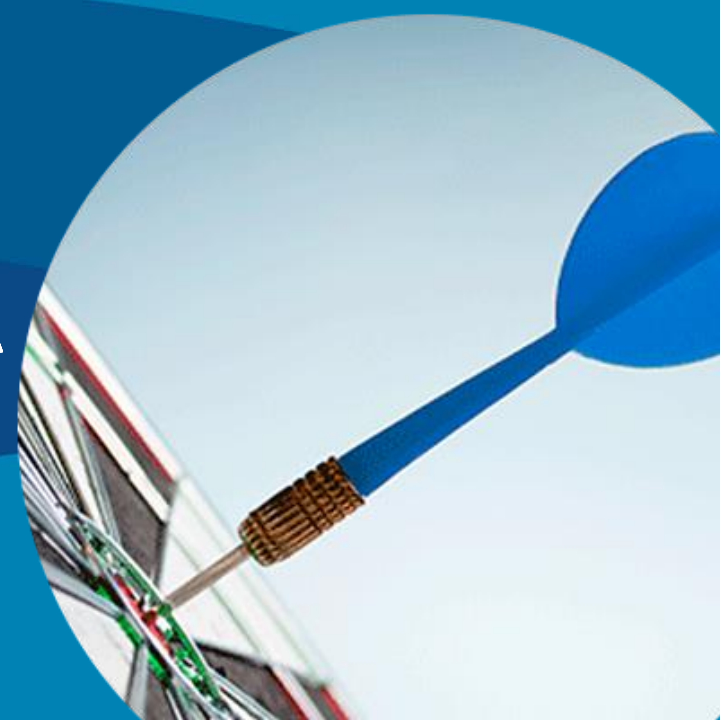
Important Notice

GRS ACTUARIAL STRESS TESTING PRESENTATION

New Hampshire Retirement System 2026 Risk Report

August 11, 2026

Heidi Barry, ASA, FCA, MAAA
Jeffrey Tebeau, FSA, EA, FCA, MAAA
Casey Ahlbrandt-Rains, ASA, FCA, MAAA



Risk Report – Purpose

- To identify risks posed to NHRS objectives and demonstrate the potential impact of experience not materializing as expected, and the effects of potential changes in the underlying expectations themselves

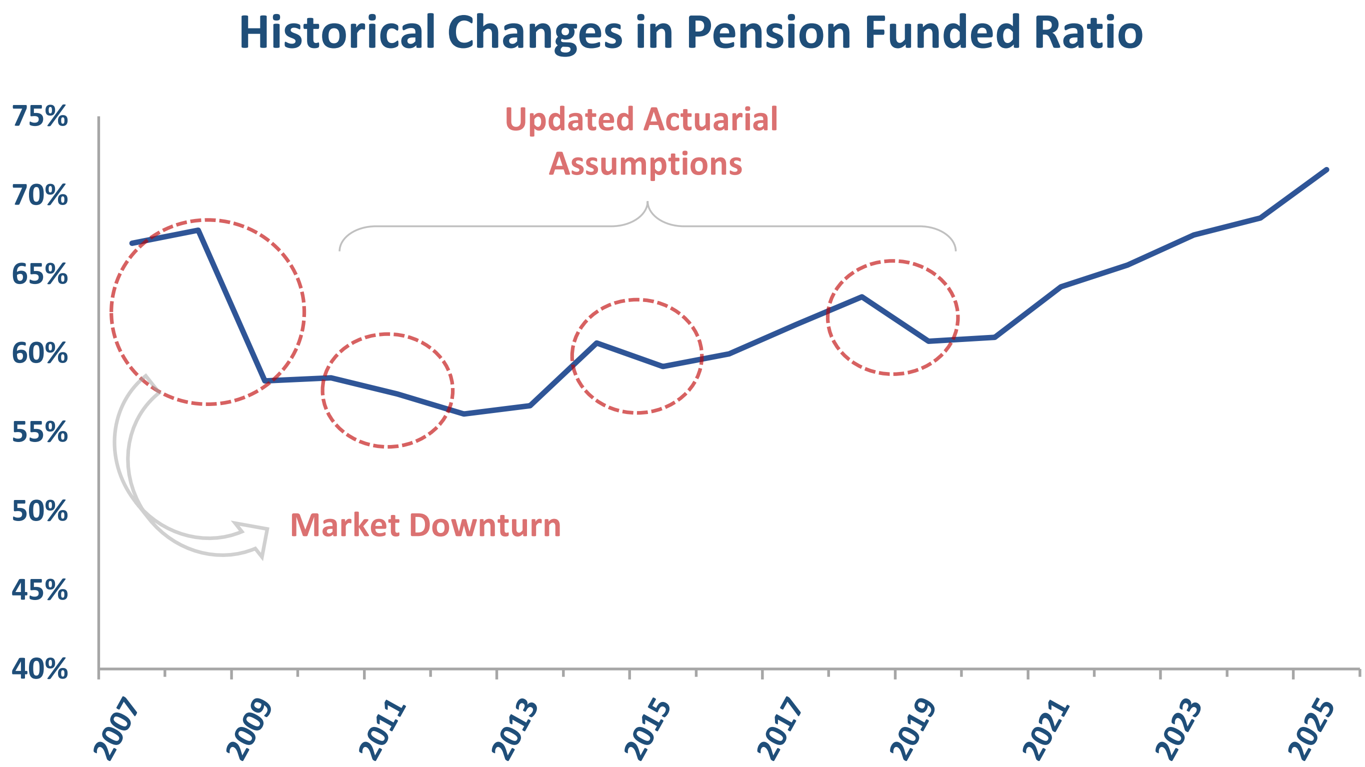
- **Sensitivity Analysis**
  – There is a reasonable range of assumptions an actuary could select in calculating results, but only one set of assumptions can be used

  – What effect does the use of one assumption set have on funding measure versus another?

- **Scenario Testing**
  – Examining the impact of a specific series of events and the manner in which funding and contributions would be affected

Metrics to Use – Funded Ratio

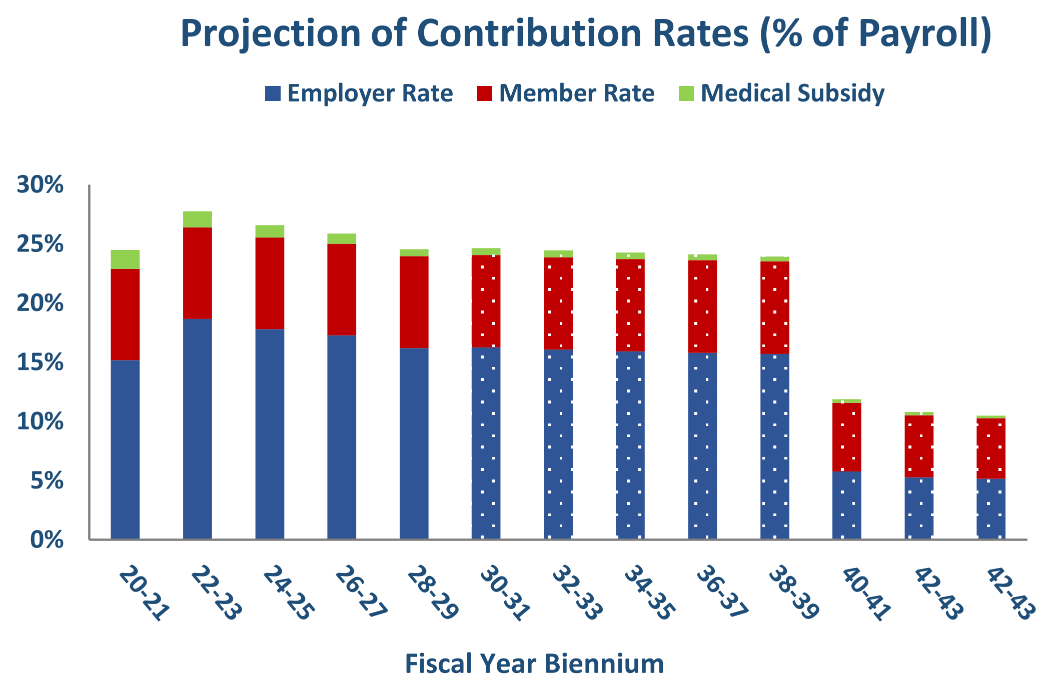
Funded Ratio: Measuring changes in the ratio of the System’s assets to its actuarial liabilities



Metrics to Use – Employer Contributions

Employer Contribution Rates are variable, and consist of the employer portion of normal cost as well as a payment to amortize unfunded liabilities (most volatile component)

For NHRS, employer rates are calculated on a biennial basis, which presents unique risks



Historical Gains and Losses

The table below shows the gains and losses for NHRS' pension fund over the past decade, split out by economic and demographic experience.

	UAAL Gains/(Losses) $-Millions		
Year	Assets	Liabilities	Total
2016	(30.1)	35.8	5.7
2017	141.4	(26.2)	115.2
2018	93.3	67.4	160.7
2019	(60.3)	(18.1)	(78.4)
2020	(109.3)	6.5	(102.8)
2021	382.1	(17.2)	364.9
2022	18.8	(88.1)	(69.3)
2023	17.1	(39.1)	(22.0)
2024	88.9	(301.5)	(212.6)
2025	275.9	1.9	277.8

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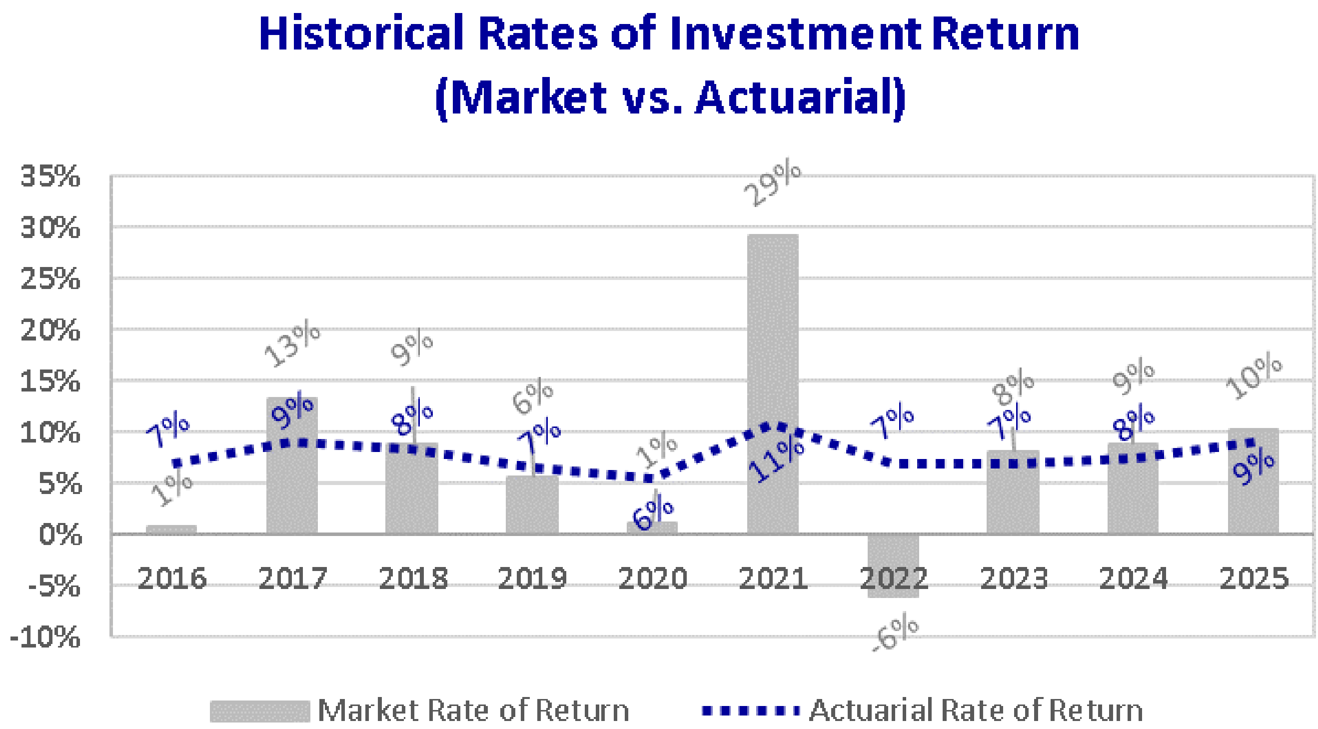
Areas of Risk

- The areas of risk that may reasonably be anticipated to significantly affect the future financial condition of NHRS include
  - Investment risk
    - Sustained investment returns below the assumed rate of return can significantly increase unfunded liabilities and future contribution requirements
  - Demographic risk
    - The potential for demographic experience, or experience related to the activity of the covered members, to differ from what the actuarial valuation assumes
  - Assumption Change risk including a change in interest rate assumption
    - The potential that assumptions will need to change from what they are currently to reflect the circumstances surrounding future actuarial valuations
  - Payroll risk
    - Contributions are developed as a percent of payroll and the extent to which overall pay growth is less than assumed may lead to lower contribution inflows than necessary to pay off unfunded liabilities

GRS

Investment Risk



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Investment Risk

- Market risk represents the largest source of uncertainty for the System
- Contributions are developed assuming that investment return on assets will fund a substantial portion of promised benefits
- Sustained investment returns below the assumed rate of return can significantly increase unfunded liabilities and future contribution requirements
- Depletion of assets from a short-lived downturn in capital markets, although often followed by periods of favorable returns, can likewise stifle funding progress and lead to acute contribution volatility
- Baseline projection scenarios commonly assume that the System will earn the investment return assumption each and every year
  - In reality, the System will experience volatility in investment returns each year

Demographic Risk

- Demographic risk is the potential for demographic experience, or experience related to the activity of the covered members, to differ from what the actuarial valuation assumes. For example, members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and members may terminate, retire, or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.
  - **Mortality** – Increased longevity among benefit recipients results in benefit payments lasting longer than expected. Higher rates of mortality among active members can lead to more benefits being paid than expected.
  - **Retirement** – Active members retiring at earlier ages than expected will result in benefits commencing earlier than assumed.
  - **Withdrawal** – Active members terminating service at higher rates than expected will generally result in lower benefits being paid out than assumed.

Assumption Change Risk

- Assumption change risk is the potential that assumptions will need to change from what they are currently to reflect the circumstances surrounding future actuarial valuations
  - Significant shifts in capital market expectations would require a reduction in the investment return assumption
  - Prolonged periods of inflation often are followed by increases in wage growth which would likely lead to adjustments in assumed wage inflation
  - Persisting longevity improvements would require the use of lower mortality rates
  - Changes in the labor market could lead to significantly different rates of retirement and withdrawal
- The assumptions used by the actuary should not be unnecessarily optimistic, nor unnecessarily conservative
  - Having assumptions which are too optimistic is likely to result in contributions not being sufficient to fund accrued benefits, requiring more contributions occurring later
  - Too much conservatism will likely result in front-loaded contributions in excess of what is required to fund benefits, potentially diverting monies from funding sources that could have been otherwise allocated
  - The assumptions themselves do not determine the amount of the benefits that will be paid, only the timing of the contributions to fund those benefits
- While the emergence of individual risks may be manageable in isolation, adverse outcomes occurring simultaneously may have a materially greater impact than the sum of their individual effects
  - An actuarial experience study performed on a regular basis (every four years) to review actuarial assumptions to ensure that the assumptions align with actual experience, as best as possible

GRS

Sensitivity Testing – Assumption Sets

Conservative Demographic Assumptions:
- Retirement rates were increased by 25% at first eligibility
- Withdrawal rates were decreased by 5% at all ages
- Mortality rates were decreased by 10%

Optimistic Demographic Assumptions:
- Retirement rates were decreased by 25% at first eligibility
- Withdrawal rates were increased by 5% at all ages
- Mortality rates were increased by 10%

Conservative Economic Assumptions:
- 5.75% assumed rate of investment return
- 3.50% wage inflation

Optimistic Economic Assumptions:
- 7.75% assumed rate of investment return
- 2.50% wage inflation

The "intermediate" assumption set represents those currently in use.

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Sensitivity Testing

Sensitivity Matrix: NHRS Pension Funded Ratio under Varying Actuarial Assumption Sets		**Economic Assumption Set**		
		Optimistic	**Intermediate**	**Conservative**
Demographic Assumption Set	**Optimistic**	81.4%	72.9%	64.9%
	Intermediate	80.0%	71.6%	63.7%
	Conservative	78.5%	70.3%	62.5%

Deterministic Scenario Testing

- Funding Projection Scenarios
  - One scenario with one set of results
  - Identifies the magnitude of the impact of a certain event happening
    - Specific investment experience scenarios
    - Payroll growth experience
    - Demographic experience

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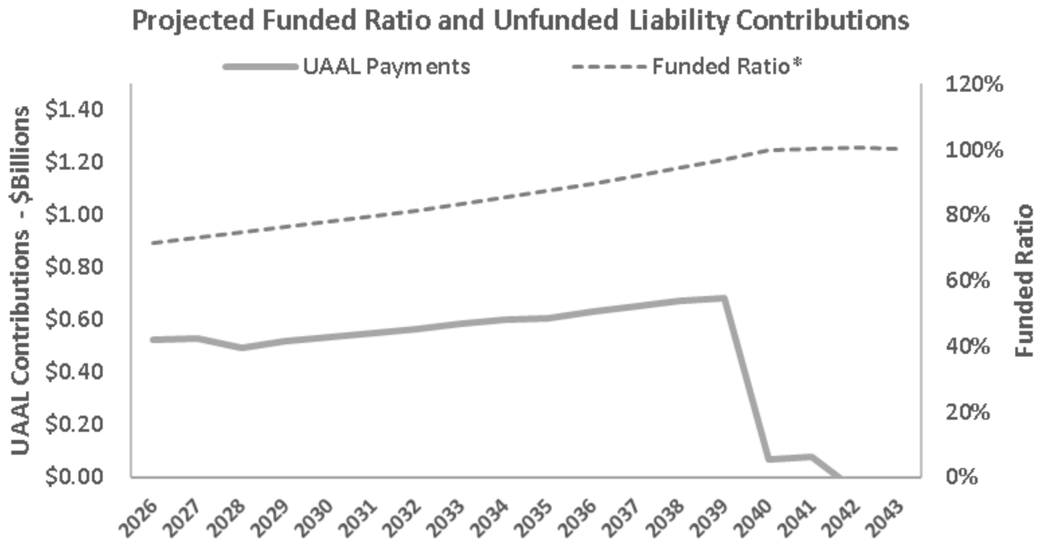
Measuring the Impact – Funding Projection

Based on funding policy and actuarial results, the actuaries prepare a funding projection that represents the plan to reach full funding. For the purposes of this assessment, a “risk” will be defined as any event, or series of events, that will result in funding progress falling short of the projection. The determination as to the impact of the risk event will be the difference from the baseline projection consistent with the June 30, 2025 funding valuation.

Baseline Projection



** Unfunded actuarial accrued liabilities (UAAL) and funded Ratio at beginning of fiscal year.*

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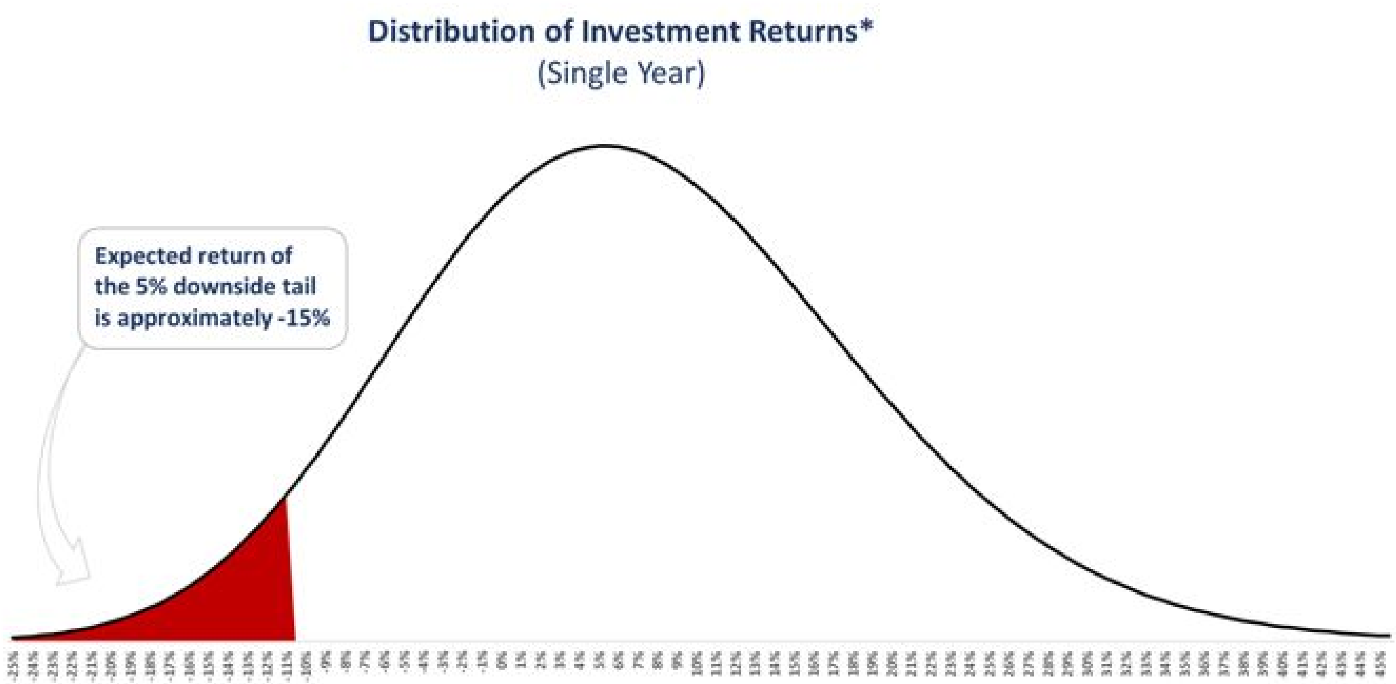
Scenario 1 – Market Downturn

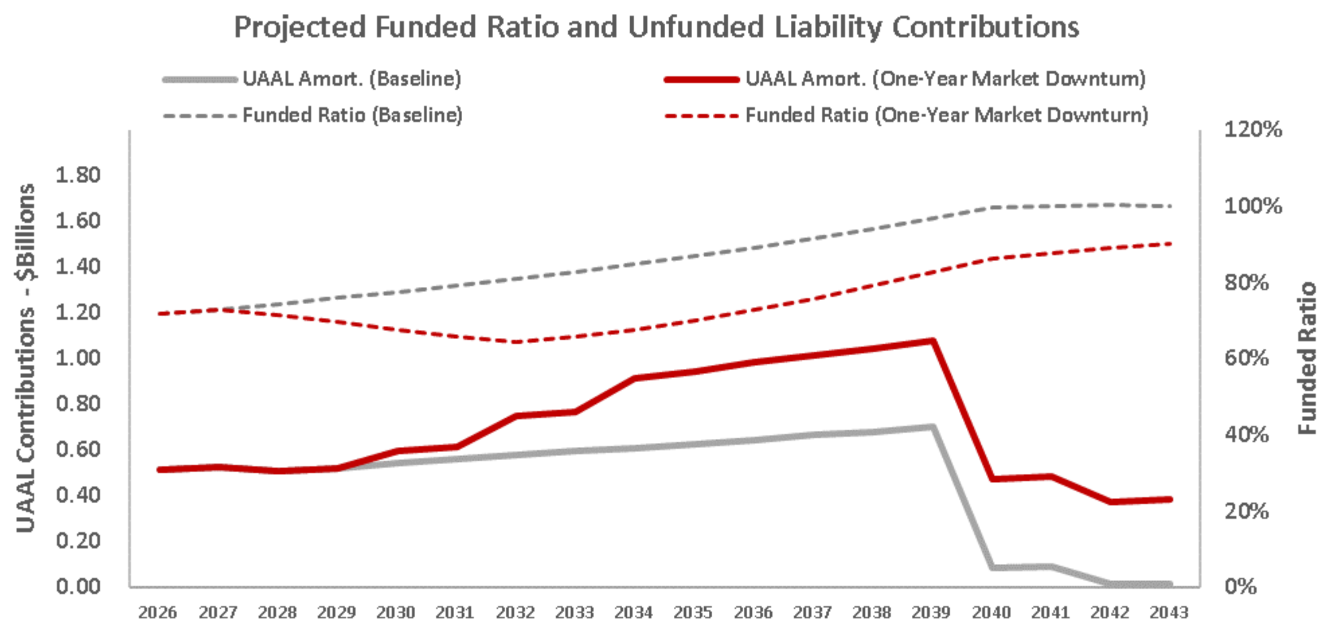
For the purposes of modeling the likely fallout of a market downtown, this risk scenario assumes that for fiscal year 2027 there will be a return on assets equal to the 5% Tail Value at Risk (-15%)



** Calculated assuming lognormally distributed asset prices using parameters based on 2026 capital market expectations gathered by GRS from various investment professionals across the United States.*

Scenario 1 – Market Downturn

This scenario assumes an investment return of 6.75% in fiscal year 2026 followed by a -15.0% return in fiscal year 2027. Thereafter, investment returns are assumed to revert to the long-term actuarial assumption of 6.75% per year.



Scenario 1 – Market Downturn

- The full magnitude of the 2027 investment losses would be recognized over the subsequent 5-year smoothing period
  - Only 20% of the asset loss would be reflected in funding contributions calculated for the June 30, 2027 valuation applicable for the 2030-2031 biennium; 60% of losses recognized for the 2029 valuation applicable to FY 2032-2033; with full recognition for the 2031 valuation with contributions applicable to FY 2034-2035
  - The losses will be amortized in 20-year layers in each biennium, meaning the fully recognized losses would be scheduled to be paid off in 2051
- The funded ratio would decline gradually to around 64% in 2032 as the full loss is recognized, and before the biennial funding contributions have completely reflected the impact on unfunded liabilities
- By 2032 the projected annual contributions will be $170 million greater than the baseline projection, at which point the funded ratio will begin to gradually increase
- Rather than being fully funded by the end of 2039, the System would be 86% funded, by which time there would have been about $2.5 billion in additional contributions

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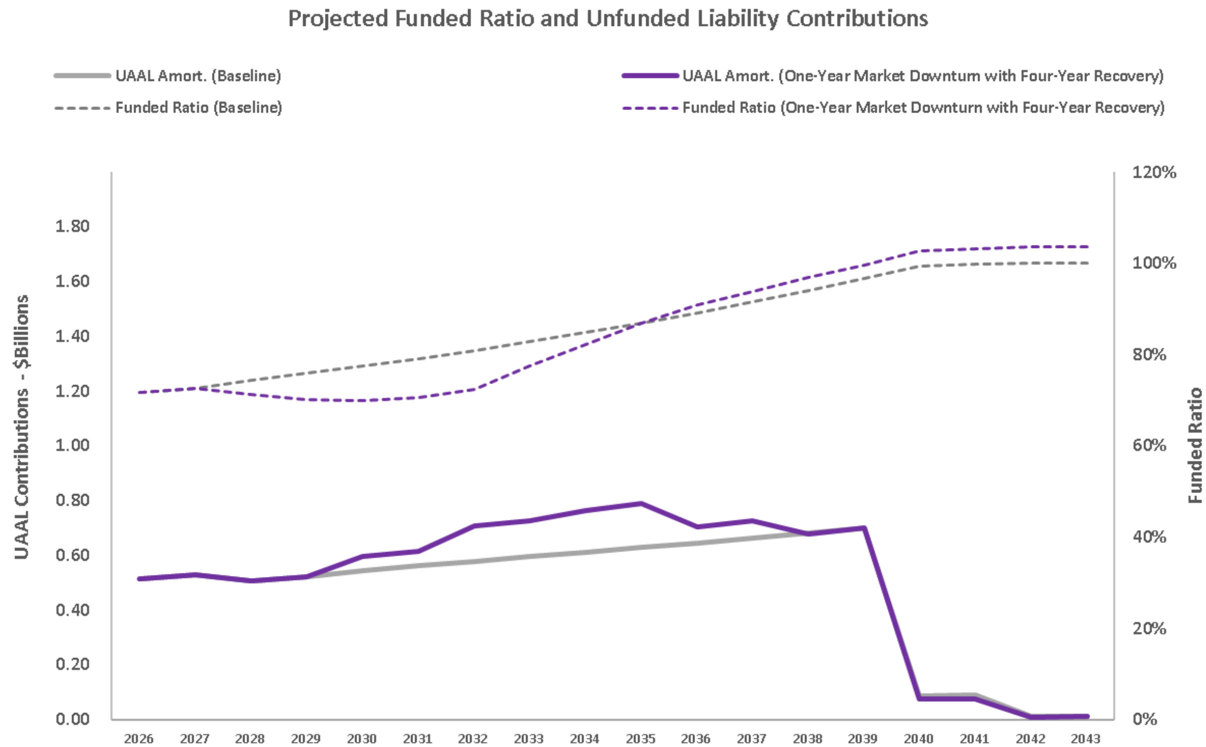
Scenario 2 – Market Downturn Followed by Market Rebound

This scenario assumes an investment return of 6.75% in fiscal year 2026 followed by a -15.0% return in fiscal year 2027. Thereafter, investment returns are assumed to revert to the long-term actuarial assumption of 6.75% per year. Note that this scenario of returns results in compounded average annual investment return over the projection period which is equal to the assumed rate of 6.75%.



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Scenario 2 – Market Downturn Followed by Market Rebound

- The funded ratio decrease resulting from initial recognition of the market loss will materialize in a similar manner to the previous scenario for fiscal year 2027
- Due to the smoothing method, the 2027 loss would result in recognized losses over the subsequent 5-year period despite the market value of the System's assets having already recovered
  - The funding ratio will begin to improve in 2032 after the 2027 losses are fully recognized and the gradual recognition of market gains from 2028 through 2031 are realized and will grow to 100%
- Contribution increases for 2030-2031 will be the same as the previous scenario
  - Contributions will continue to increase in future biennia as 2027 losses are being recognized, but at a lower rate than the previous scenario
- The greater unfunded liabilities in the period prior to full recognition of the market recovery would result in contributions being $1 billion greater relative to the baseline scenario
- This scenario would ultimately result in the System reaching a funded ratio of over 100%, assuming that employer contribution rates do not decrease below the normal cost percentage
  - The gains will be amortized in 20-year layers in each biennium, meaning the gains would be fully recognized by 2055

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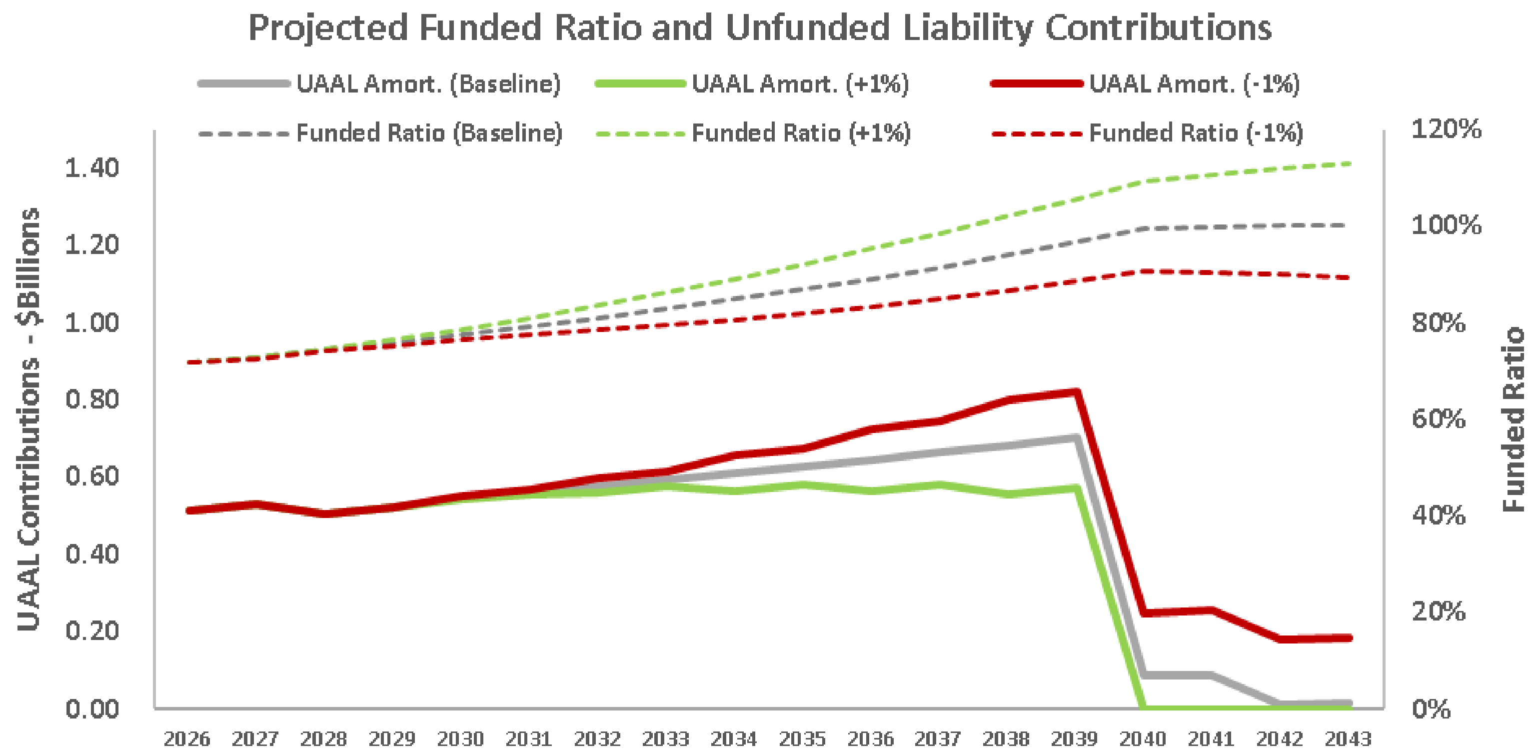
Scenarios 3 and 4 – Prolonged Period of Lower or Higher Investment Returns (6.75% +/-1%)

We have modeled scenarios which incorporate annual investment returns that are consistently 1% lower and higher than assumed.



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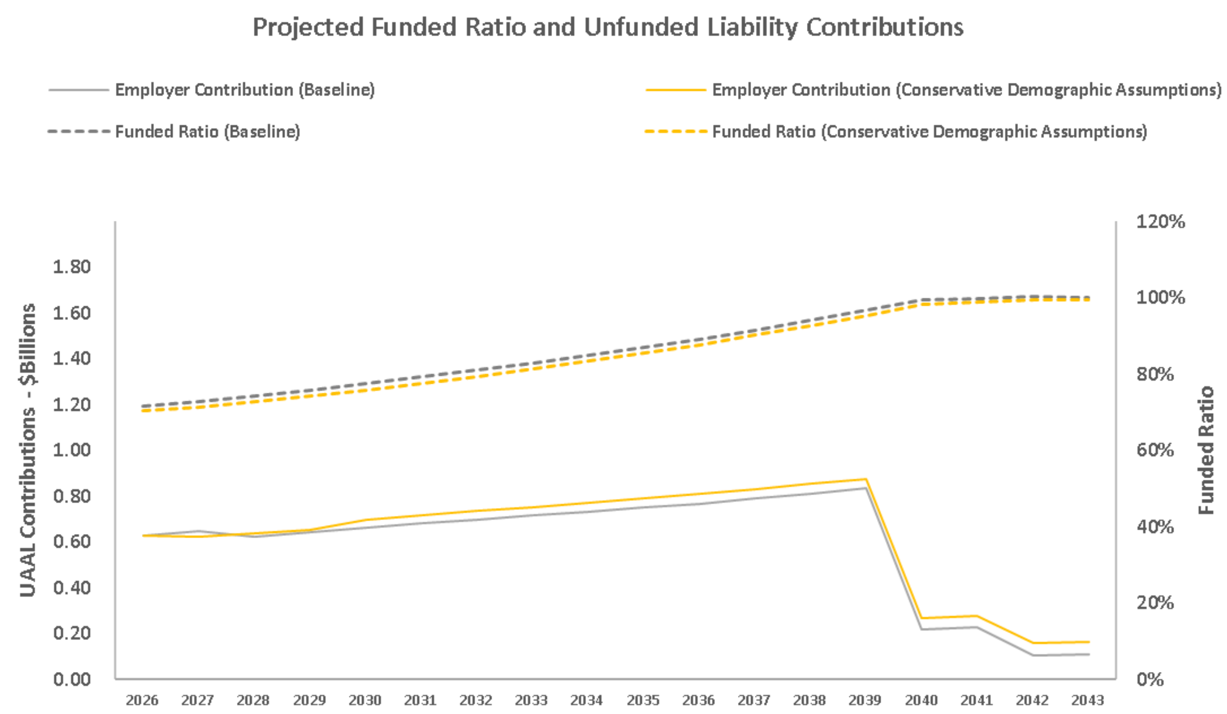
Scenarios 3 and 4 – Prolonged Period of Lower or Higher Investment Returns (6.75% +/-1%)

- Consistent returns 1% below the assumed rate of 6.75%
  - Will lead to slower funded ratio growth and ultimately higher contributions relative to the baseline
  - Due to the asset smoothing and biennial valuations, the effect on contributions would materialize gradually
  - The funded ratio would grow to about 90% in 2040 after which it will begin to very gradually decline indefinitely from the negative asset experience and due to the existing amortization bases having been paid off
  - By 2040, this suboptimal scenario would result in nearly $2 billion of additional contributions through 2043 at which point the System would be less than 90% funded
- Consistent returns 1% above the assumed rate of 6.75%
  - Would accelerate funding progress
  - By 2040, after the bulk of the current amortization bases have been paid off, any minor layers that remain will have been more than offset by the asset gains and there will be no further payments toward unfunded liability
  - In this scenario, the funded ratio would grow indefinitely

Scenario 5 – Demographic Risk Scenario

In order to demonstrate the impact of demographic assumptions on future funding, we have used the conservative demographic assumption set to project future funded ratios and contributions (both employer normal cost and UAAL payments). Additionally, it is assumed for this projection that the active member population will decrease by 5% from its current level.



Scenario 5 – Demographic Risk Scenario

- More conservative demographic results in an initial decrease in the funded ratio of just over 1% (as shown in the sensitivity analysis).
- Contributions are developed as a percent of payroll and the extent to which overall pay growth is less than assumed may lead to lower contribution inflows than necessary to pay off unfunded liabilities.
- Lagging payroll growth resulting from declining active member population in the first few years of the projection leads to lower UAAL contributions on a dollar basis initially, which slightly dampens funding progress for 2 years, before future employer contributions are increased to correct for the increased normal cost and liabilities.

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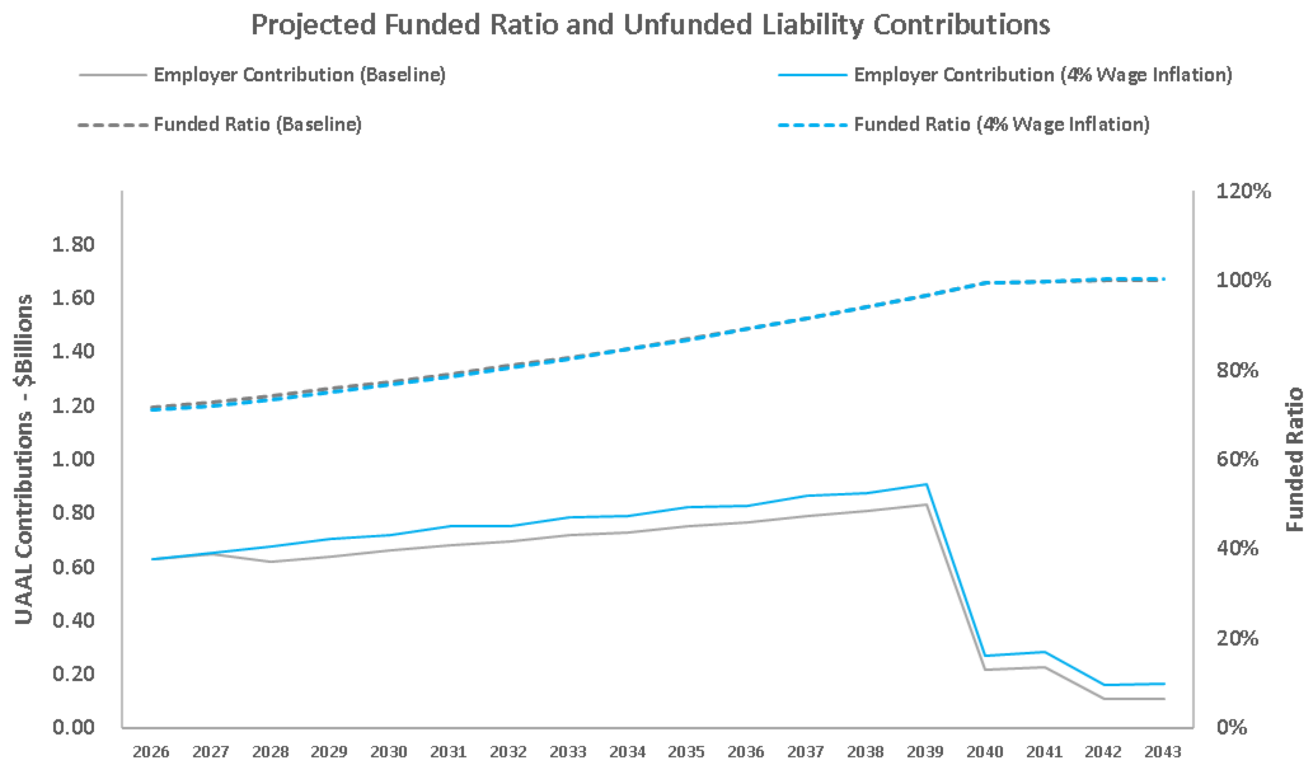
Scenario 6 – Wage Inflation Risk

To demonstrate the impact of higher-than-expected salary increases, we examine a scenario with wage inflation 1% above current assumption (4% vs. 3%). Higher pay increases than expected are typical in inflationary environments when the cost of living becomes more expensive.



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Scenario 6 – Wage Inflation Risk

- Recent actuarial liability losses have been driven partially by larger-than-expected payroll increases. Benefits are based on a percentage of final average pays, and thus increases in salaries have a direct effect on liabilities.
- Contributions are also based on payroll, meaning the liability impacts from payroll increases are somewhat offset by larger contributions on a dollar-basis.
- The increased liabilities from the higher wage inflation assumption results in a slight decrease to the funded ratio.
- Normal cost contributions as a percent of payroll will not increase significantly, however contributions for UAAL amortization will increase, causing employer contributions on a dollar-basis that are higher relative to the baseline scenario due to the larger payroll base.

Disclaimers

- This presentation should not be relied on for any purpose other than the purpose described herein.
- This presentation shall not be construed to provide tax advice, legal advice or investment advice.
- Future actuarial measurements may differ significantly from the current measurements presented in this presentation due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan’s funded status); and changes in plan provisions or applicable law.

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Disclaimers

- Readers are cautioned to examine original source materials and to consult with subject matter experts before making decisions related to the subject matter of this presentation.
- This presentation expresses the views of the author and does not necessarily express the views of Gabriel, Roeder, Smith & Company.
- Heidi Barry, Jeffrey Tebeau and Casey Ahlbrandt-Rains are independent of the plan sponsor, are Members of the American Academy of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

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July 30, 2026

Board of Trustees
New Hampshire Retirement System
54 Regional Drive
Concord, New Hampshire 03301

Re: Pension Risk Analysis and Scenarios

Dear Trustees of the Board:

This report summarizes the results of a financial stress test analysis on the New Hampshire Retirement System (NHRS).

The purpose of this report is to identify key risks, evaluate their potential financial implications, and assess the System's resilience under a range of plausible stress scenarios. These scenarios are not forecasts but are intended to illustrate the System's sensitivity to adverse conditions.

The stress testing results should be viewed as a tool for evaluating the System's financial resilience rather than as predictions of future experience. The scenarios demonstrate how adverse economic and demographic conditions could affect funding progress and contribution requirements. Periodic review of these risks, together with prudent funding, investment, and governance policies, can improve the System's ability to withstand unfavorable experience while continuing to meet its long-term benefit obligations.

Gabriel, Roeder, Smith & Company (GRS) has prepared this analysis exclusively for the Board; GRS is not responsible for reliance upon this report by any other party. This report may be provided to parties other than NHRS only in its entirety and only with the permission of the Board.

The assessment of the financial impact on the System first requires the identification of the key risks that impact the System. Actuarial Standard of Practice (ASOP) No. 51, Section 3.2 states, “The actuary should identify risks that, in the actuary’s professional judgment, may reasonably be anticipated to significantly affect the plan’s future financial condition.”

The areas of risk that may reasonably be anticipated to significantly affect the future financial condition of NHRS include:

- Investment risk;
- Demographic risks
- Assumption change risk including a change in interest rate assumption; and
- Payroll risk.

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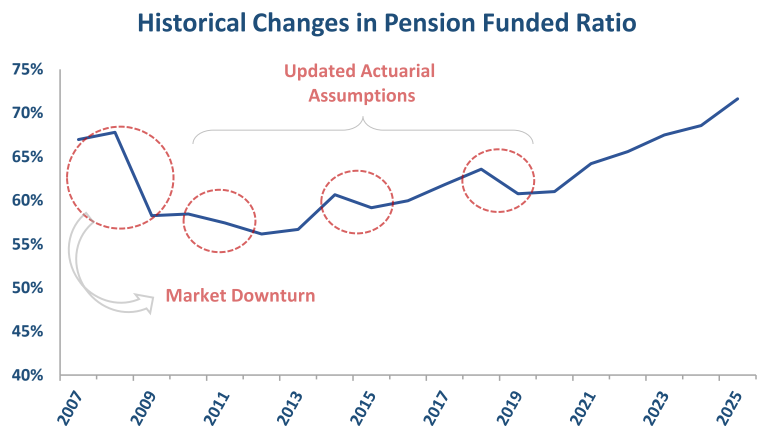
The stress test scenarios in this analysis were designed to assess the impact of the risks listed above. There may be other risks not included in the above list that could significantly affect the System.

Introduction

The objectives of any pension system are to provide secure benefits to members while managing the strains of budget constraints to the sponsoring employer. An actuarial valuation provides a measurement of this benefit obligation and how it may be funded. The actuarial valuation is based on a set of assumptions intended to represent the System's long-term expectations. Actual experience will differ from these assumptions, and those differences may be favorable or unfavorable. Over time, deviations between assumed and actual experience will affect the System's funded status, contribution requirements, and financial position.

A sufficient level of funding demonstrates a System's ongoing ability to pay benefits and is an indication of less acute reliance on contribution inflows. The System's funding level is measured by the extent to which System assets are adequate to cover actuarial accrued liabilities ("Funded Ratio"). The funded ratio can be impacted by experience related to assets or liabilities. The table below shows NHRS' historical funded ratio. The System is 71.6% funded as of June 30, 2025.



The strongest driver of short-term funded ratio fluctuations is investment returns on System assets. Like retirement systems across the country, NHRS assets decreased substantially following the Great Recession. Fluctuations in actuarial liabilities occur on a smaller scale and over longer time periods. Changes in liability manifest as either year-to-year experience which deviates from expectations or the incorporation of updated actuarial assumptions, methods or benefit provision changes. The largest drop in funded ratio seen in the graph above is the result of significant losses in assets, while the other meaningful drops are the result of assumption changes. Any other minor deviations in what one would otherwise expect to be a gradually increasing funded ratio are the result of demographic experience. Each decrease in the funded ratio has generally resulted in a larger contribution requirement intended to pay off unfunded liabilities. The analysis presented in this report will outline the potential effects of risks which, if materialized, would have a negative impact on System funding as well as required contributions.

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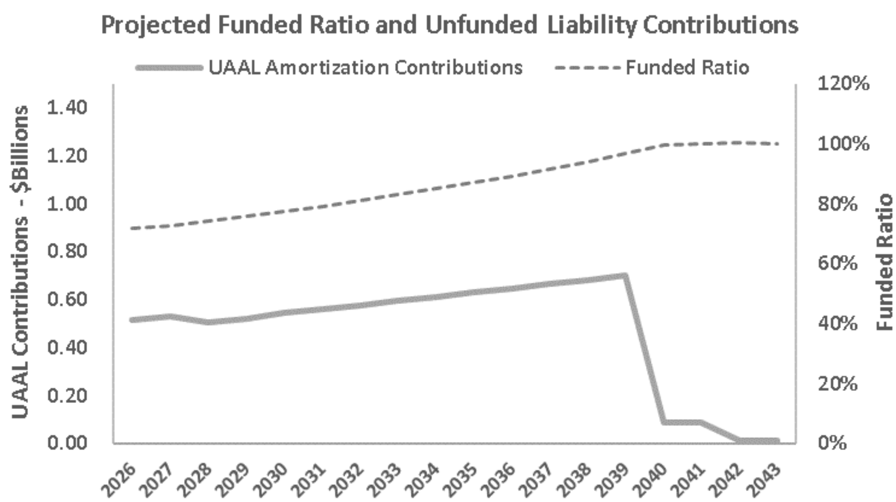
NHRS Contributions and Funding Projection (Baseline)

NHRS contributions consist of those intended to fund benefits being accrued (normal cost) and those which have already been accrued (unfunded liability amortization). Changes to normal cost contributions occur as a result of shifting demographic characteristics in the active member population which arise directly in the population itself, or due to benefit changes or changes in actuarial assumptions intended to anticipate these shifts. Absent actuarial assumption/method changes or benefit changes which may increase the normal cost, the larger fluctuations in required contributions generally are driven by changes in funding level due to actuarial experience and therefore additional unfunded liabilities that need to be amortized.

Baseline Projections

Based on the current funding policy and layered amortization schedule, $5.2 billion in Unfunded Actuarial Accrued Liabilities (UAAL) are scheduled to be paid by 2039. The amortization schedule includes various layers of changes in UAAL (gains and losses) which have occurred over the past 20 years.



The fallout of a given scenario will be assessed on the basis of its impact on System funding and contributions with respect to that which is projected by the June 30, 2025 actuarial funding valuation. The materialization of risks being modeled will result in negative experience which will impact the projected decline in UAAL and increase the need for contributions beyond what is necessary under the current projection.

Deterministic Projection Modeling

Deterministic projections are useful for quantifying the magnitude of the financial impact on the System due to certain economic events. This analysis is extremely useful for stakeholders to identify the magnitude of the financial impact due to certain events, but a limitation of this modeling technique is it is difficult to determine the likelihood that a particular deterministic scenario will occur. The following provides a list of scenarios that were modeled:

1. *Significant financial correction followed by no market rebound*: 6.75% in 2026, -15.0% return in 2027, 6.75% annual returns each year thereafter. *(Investment Risk)*

2. *Significant financial correction followed by four years of high returns*: 6.75% in 2026, -15.0% return in 2027, followed by four years of 13.0% returns, and 6.75% annual returns each year thereafter. *(Investment Risk)*

3. *Prolonged period of low investment returns:* 5.75% returns every year. *(Investment Risk)*

4. *Prolonged period of high investment returns:* 7.75% returns every year. *(Investment Risk)*

5. *Demographic Risk* – Funding projection based on conservative demographic assumptions as well as a shrinking active population.

6. *Wage Inflation Risk* – Wage inflation 1% higher than the current 3% assumption.

Investment Return Risk

Market risk represents the largest source of uncertainty for the System. Contributions are developed assuming that investment return on assets will fund a substantial portion of promised benefits. Sustained investment returns below the assumed rate of return can significantly increase unfunded liabilities and future contribution requirements. Depletion of assets from a short-lived downturn in capital markets, although often followed by periods of favorable returns, can likewise stifle funding progress and lead to acute contribution volatility.

Baseline projection scenarios commonly assume that the System will earn the investment return assumption each and every year. In reality, the System will experience volatility in investment returns each year. The purpose of this analysis is to illustrate to stakeholders that this volatility in investment returns will result in variability in the future financial condition of the System.

For purposes of this analysis, we are providing a baseline projection that assumes emerging investment experience is exactly the same as the 6.75% investment return assumption (i.e., no volatility) and several projection scenarios that result in volatility in the year-to-year investment experience.

Demographic Risk

Demographic risk is the potential for demographic experience, or experience related to the activity of the covered members, to differ from what the actuarial valuation assumes. For example, members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and members may terminate, retire, or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

- **Mortality** - Increased longevity among benefit recipients results in benefit payments lasting longer than expected. Higher rates of mortality among active members can lead to more benefits being paid than expected.
- **Retirement** – Active members retiring at earlier ages than expected will result in benefits commencing earlier than assumed.
- **Withdrawal** – Active members terminating service at lower rates than expected will generally result in more benefits being paid out than assumed.

Assumption Change Risk

Assumption change risk is the potential that assumptions will need to change from what they are currently to reflect the circumstances surrounding future actuarial valuations.

- Significant downward shifts in capital market expectations would require a reduction in the investment return assumption.
- Prolonged periods of inflation often are followed by increases in wage growth which would likely lead to adjustments in assumed wage inflation.
- Persisting longevity improvements would require the use of lower mortality rates.
- Changes in the labor market could lead to significantly different rates of salary increases, retirement and withdrawal.

It is the actuary's objective to have calculations that are not biased. In other words, the assumptions used by the actuary should not be unnecessarily optimistic, nor unnecessarily conservative. Having assumptions which are too optimistic is likely to result in contributions not being sufficient to fund accrued benefits, requiring more contributions occurring later. Conversely, too much conservatism will likely result in front-loaded contributions in excess of what is required to fund benefits, potentially diverting monies from funding sources that could have been otherwise allocated. *The assumptions themselves do not determine the amount of the benefits that will be paid, only the timing of the contributions to fund those benefits.*

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Historical Gains and Losses

The table below shows the gains and losses for NHRS' pension fund over the past decade, split out by economic and demographic experience.

UAAL Gains/(Losses) $-Millions			
Year	**Assets**	**Liabilities**	**Total**
2016	(30.1)	35.8	5.7
2017	141.4	(26.2)	115.2
2018	93.3	67.4	160.7
2019	(60.3)	(18.1)	(78.4)
2020	(109.3)	6.5	(102.8)
2021	382.1	(17.2)	364.9
2022	18.8	(88.1)	(69.3)
2023	17.1	(39.1)	(22.0)
2024	88.7	(301.3)	(212.6)
2025	275.3	2.5	277.8

While the emergence of individual risks may be manageable in isolation, adverse outcomes occurring simultaneously may have a materially greater impact than the sum of their individual effects. Like many other statewide pension systems, NHRS has an actuarial experience study performed on a regular basis (every four years) to review actuarial assumptions to ensure that the assumptions align with actual experience, as best as possible. Demographic assumptions are either adjusted or maintained with consideration for persisting observed experience, while also avoiding overcorrection. Decisions on economic assumptions are generally informed through surveys of forward-looking expectations from various sources.

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Sensitivity Analysis of Assumption Change and Demographic Risk

To assess the extent to which funding objectives would be affected by changes in the various assumptions and, by proxy, to observe the sensitivity of funding progress to experience in these areas, it is meaningful to examine the impact on the funded ratio which would result from the use of assumption sets with varying levels of optimism/conservatism.

Based on the observed fluctuations in experience over the prior decade, the demographic assumptions were adjusted in the following manner to create a conservative and optimistic set of assumptions:

Conservative Demographic Assumptions:

- Retirement rates were increased by 25% at first eligibility
- Withdrawal rates were decreased by 5% at all ages
- Mortality rates were decreased by 10%

Optimistic Demographic Assumptions:

- Retirement rates were decreased by 25% at first eligibility
- Withdrawal rates were increased by 5% at all ages
- Mortality rates were increased by 10%

Conservative Economic Assumptions:

- 5.75% assumed rate of investment return
- 3.50% wage inflation

Optimistic Economic Assumptions:

- 7.75% assumed rate of investment return
- 2.50% wage inflation

The "intermediate" assumption set represents those currently in use.

Sensitivity Matrix: NHRS Pension Funded Ratio under Varying Actuarial Assumption Sets		**Economic Assumption Set**		
		Optimistic	**Intermediate**	**Conservative**
Demographic Assumption Set	**Optimistic**	81.4%	72.9%	64.9%
	Intermediate	80.0%	71.6%	63.7%
	Conservative	78.5%	70.3%	62.5%

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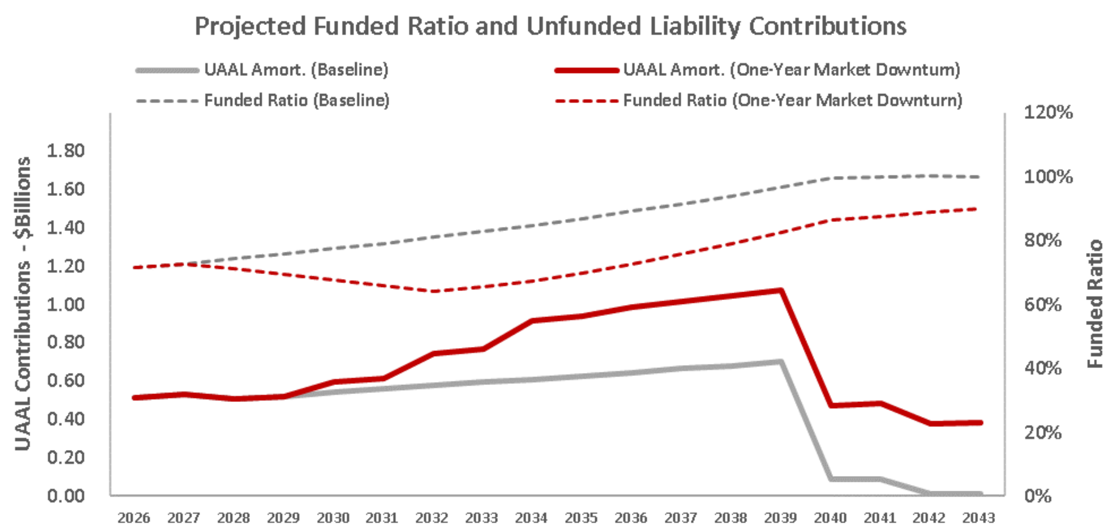
Risk Scenario #1 – Significant financial correction followed by no market rebound

To illustrate the potential effects of short-term market volatility on the System's long-term financial position, this scenario incorporates a significant market downturn followed by investment returns at the valuation assumption of 6.75% each year. Specifically, the scenario assumes an investment return of 6.75% in fiscal year 2026 followed by a -15.0% return in fiscal year 2027. Thereafter, investment returns are assumed to revert to the long-term actuarial assumption of 6.75% per year.



The full magnitude of the 2027 investment losses would be recognized over the subsequent five-year smoothing period, meaning only 20% of the asset loss would be reflected in funding contributions calculated for the June 30, 2027 valuation applicable for the 2030-2031 biennium. 60% of losses recognized for the 2029 valuation applicable to FY 2032-2033, with full recognition for the 2031 valuation with contributions applicable to FY 2034-2035. The losses will be amortized in 20-year layers in each biennium, meaning the fully recognized losses would be scheduled to be paid off in 2051.

Under this scenario, the funded ratio would decline gradually to around 64% in 2032 as the full loss is recognized, and before the biennial funding contributions have completely reflected the impact on unfunded liabilities. By 2032 the projected annual contributions will be $170 million greater than the baseline projection, at which point the funded ratio will begin to gradually increase. The increase in contributions from the baseline ranges from approximately $300 million in 2034 to over $400 million by 2040 (with projected increases at assumed payroll growth). Rather than being fully funded by the end of 2039, the System would be 86% funded, by which time there would have been about $2.5 billion in additional employer contributions.

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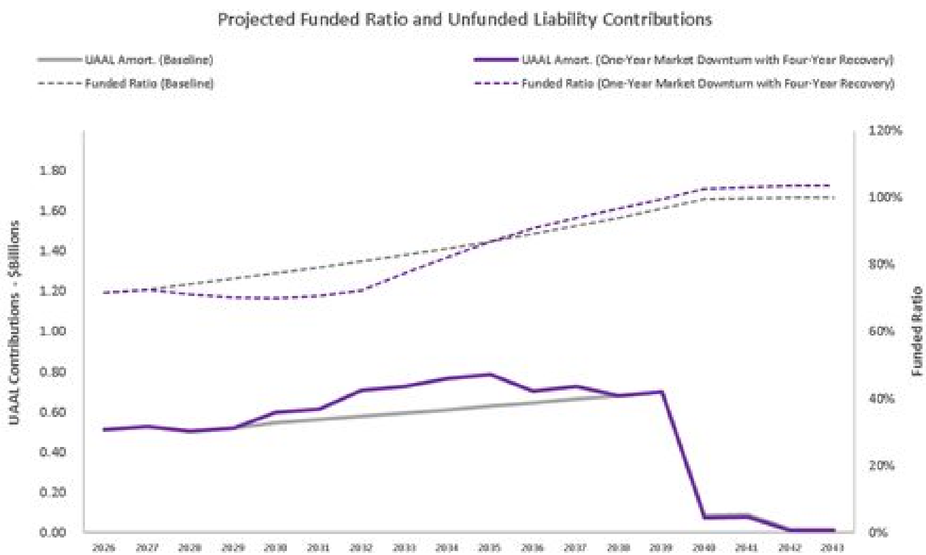
Risk Scenario #2 – Significant financial correction followed by four years of high returns

Following a market correction as described in the first scenario, it is reasonable to expect some form of recovery in capital markets characterized by multiple years of above-average investment returns. The following scenario considers a market downturn identical to that of the previous scenario, but followed by four years of higher-than-assumed returns. Specifically, the scenario assumes an investment return of 6.75% in fiscal year 2026 followed by a -15.0% return in fiscal year 2027, and subsequent annual returns of 13.0% for the following four fiscal years. Thereafter, investment returns are assumed to revert to the long-term actuarial assumption of 6.75% per year. Note that this scenario of returns results in compounded average annual investment return over the projection period which is equal to the assumed rate of 6.75%.



Under this scenario, the funded ratio decrease resulting from initial recognition of the market loss will materialize in a similar manner to the previous scenario but at a slower rate. However, unlike the previous scenario, the funding ratio will begin to improve in 2032 and grow to 100% after the 2027 losses are fully recognized and the gradual recognition of market gains from 2028 through 2031 are realized. Contribution increases for 2030-2031 will be the same as the previous scenario with contributions continuing to increase in future biennia as 2027 losses continue to be recognized. However due to the four years of market gains that follow, the contribution increases will be less than shown in the previous scenario.

Due to the smoothing method, the 2027 loss would result in recognized losses over the subsequent five-year period despite the market value of the System's assets having already recovered. The greater unfunded liabilities in the period prior to full recognition of the market recovery would result in contributions being $1 billion greater relative to the baseline scenario, and would ultimately result in the System reaching a funded ratio of over 100%, assuming that employer contribution rates do not decrease below the normal cost percentage. The gains resulting between 2028 through 2031 will be amortized in 20-year layers in each biennium, meaning gains would be the fully recognized by 2055.

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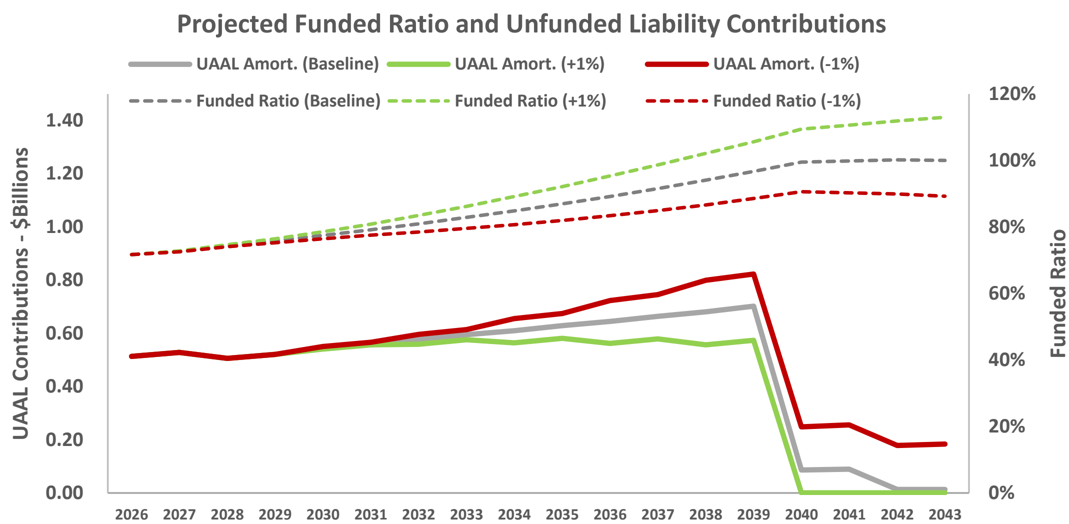
Risk Scenarios #3 and #4 – Prolonged period of lower or higher investment returns (6.75% +/-1%)

A certain degree of volatility is expected in the investment return on System assets. As characterized by the previous scenarios, this market volatility will, in turn, result in contribution volatility. The funding mechanisms create a lag in both the recognition of asset losses and the contribution increases resulting therefrom. As a result, offsetting aspects of the calculations make it difficult to isolate and identify the effect of more nuanced realistic scenarios. For this reason, to demonstrate the effect of asset experience that is either persistently above or below expectations, we have modeled scenarios which incorporate annual investment returns that are consistently 1% lower and higher than assumed.



Consistent returns 1% below the assumed rate of 6.75% will lead to slower funded ratio growth and ultimately higher contributions relative to the baseline. The funded ratio would grow to about 90% in 2040 after which it will begin to very gradually decline indefinitely from the negative asset experience and due to the existing amortization bases having been paid off. Due to the asset smoothing and biennial valuations, the effect on contributions would materialize gradually. By 2040, this suboptimal scenario would result in nearly $2 billion of additional contributions through 2043 at which point the System would be less than 90% funded.

Conversely, returns which persistently exceed expectations by 1% would accelerate funding progress. As the asset gains are recognized, the negative UAAL contribution layers would offset the positive layers and dampen what would otherwise be assumed to be an annually increasing amortization payment towards unfunded liabilities. By 2040, after the bulk of the current amortization bases have been paid off, any minor layers that remain will have been more than offset by the asset gains and there will be no further payments toward unfunded liability. In this scenario, the funded ratio would grow indefinitely.

Note that our projection does not allow the employer contribution to decrease below the normal cost percentage.

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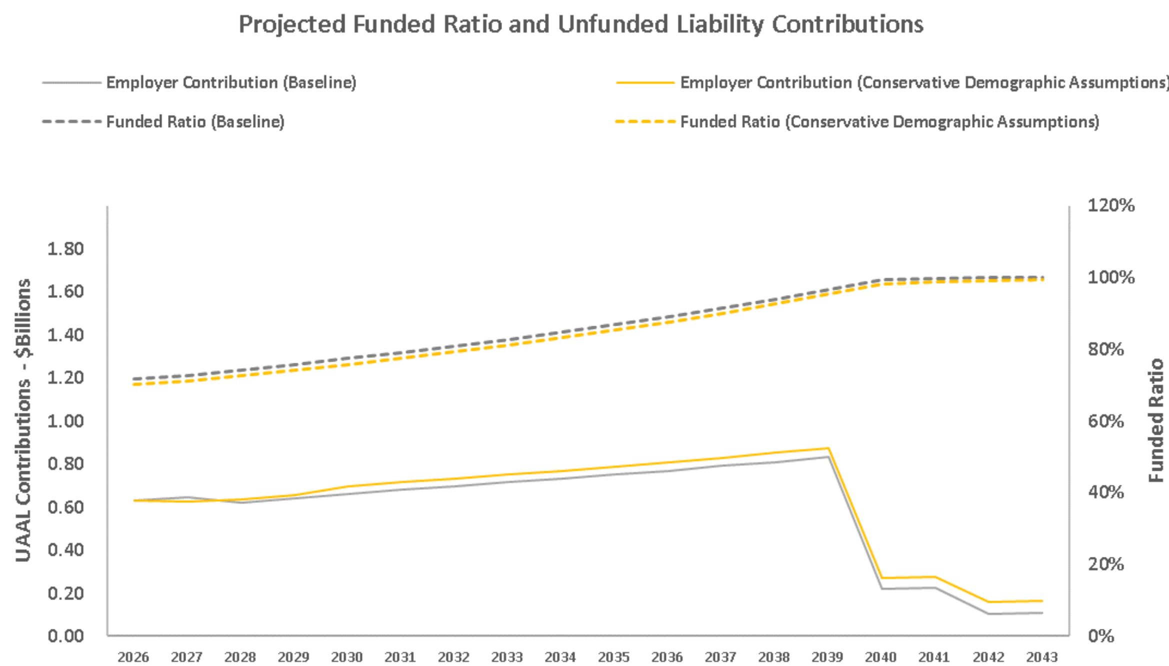
Risk Scenario #5 – Conservative Demographic Assumptions with Membership Decline

This scenario uses the conservative set of demographic assumptions as described in the sensitivity analysis found on Page 7. These assumptions result in benefits which are more likely to commence sooner and be paid longer. Additionally, we assumed that the new entrants to the active member population would ultimately decrease such that total membership is 95% of current levels.



Relative to the baseline, the use of more conservative demographic assumptions results in an initial decrease in the funded ratio of just over 1%. Contributions are developed as a percent of payroll and the extent to which overall pay growth is less than assumed may lead to lower contribution inflows than necessary to pay off unfunded liabilities. Lagging payroll growth resulting from declining active member population in the first few years of the projection leads to lower UAAL contributions on a dollar basis initially, which slightly dampens funding progress for 2 years, before future employer contributions are increased to correct for the increased normal cost and liabilities.

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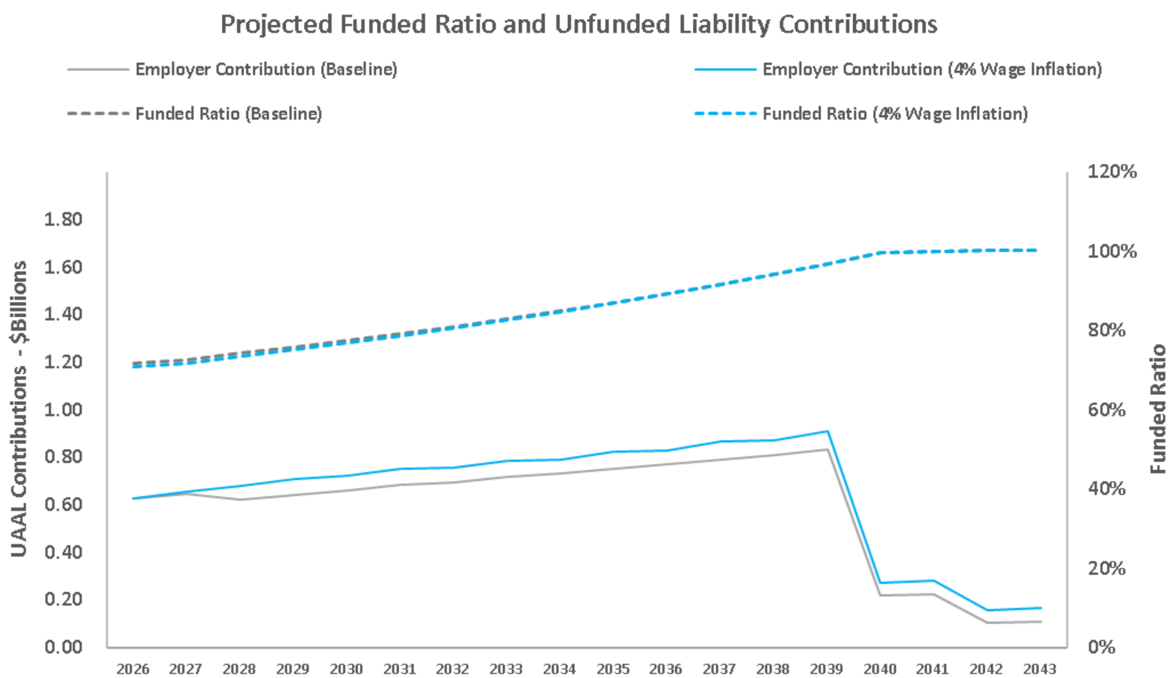
Risk Scenario #6 – Wage inflation 1% above current assumption (4% vs. 3%)

Recent actuarial liability losses have been driven partially by larger-than-expected payroll increases. In a defined benefit pension plan, projected benefits are modeled using an assumption for individual salary increases. Higher individual increases in salary lead to higher projected benefits and vice versa. Benefits are based on a percentage of final average pays, and thus increases in salaries have a direct effect on liabilities. Contributions are also based on payroll, meaning the liability impacts from payroll increases are somewhat offset by larger contributions on a dollar-basis.



The increased liabilities from the higher wage inflation assumption results in a slight decrease to the funded ratio. Normal cost contributions as a percent of payroll will not increase significantly, however contributions for UAAL amortization will increase, causing employer contributions on a dollar-basis which are higher relative to the baseline scenario due to the larger payroll base.

Additional Disclosures

This report pertains to the pension system. It excludes the risks associated with the medical subsidy benefit.

To the best of our knowledge, this actuarial statement is complete and accurate, fairly presents the actuarial position of NHRS as of June 30, 2025, based on the stress testing scenarios, and has been prepared in accordance with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions, contribution amounts, or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements in this report.

The projection information is based on the results of the June 30, 2025 actuarial valuation. Please refer to that report for a summary of the census data, actuarial assumptions, and benefit provisions. Our calculations are based upon assumptions regarding future events, which may or may not materialize. Depending on actual plan experience, actual results could deviate significantly from our projections.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

The signing actuaries are independent of the plan sponsor.

Heidi G. Barry, Jeffrey T. Tebeau, and Casey T. Ahlbrandt-Rains are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

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This communication shall not be construed to provide tax advice, legal advice, or investment advice.

Sincerely,
Gabriel, Roeder, Smith & Company

Heidi G. Barry, ASA, MAAA, FCA

Jeffrey T. Tebeau, FSA, EA, FCA, MAAA

Casey T. Ahlbrandt-Rains, ASA, FCA, MAAA

HGB/JTT/CTA:dj
Enclosure

cc: Jan Goodwin (NHRS via email)
Marie Mullen (NHRS via email)

Baseline

Funding Projection ($-Billions) - Baseline Scenario				
Fiscal Year	UAAL*	Funded Ratio*	UAAL Payments	Employer Contribution Rate
2026	$ 5.20	72%	$ 0.52	$ 0.64
2027	5.02	73%	0.53	0.65
2028	4.81	75%	0.50	0.61
2029	4.61	76%	0.52	0.64
2030	4.39	78%	0.53	0.65
2031	4.14	80%	0.55	0.67
2032	3.85	82%	0.56	0.68
2033	3.53	83%	0.58	0.71
2034	3.16	85%	0.60	0.72
2035	2.76	88%	0.61	0.73
2036	2.32	90%	0.63	0.76
2037	1.81	92%	0.65	0.78
2038	1.28	95%	0.67	0.80
2039	0.68	97%	0.68	0.81
2040	0.02	100%	0.07	0.20
2041	(0.05)	100%	0.08	0.22
2042	(0.14)	101%	(0.05)	0.05
2043	(0.10)	100%	(0.05)	0.05
2044	(0.05)	100%	(0.01)	0.11
2045	(0.04)	100%	(0.01)	0.12

** Unfunded actuarial accrued liabilities (UAAL) and funded ratio at beginning of fiscal year.*

Scenario 1

Funding Projection ($-Billions) - One-Year Market Downturn (-15% in 2027)			
Fiscal Year	**UAAL***	**Funded Ratio***	**UAAL Payments**
2026	$ 5.20	72%	$ 0.52
2027	5.02	73%	0.53
2028	5.44	71%	0.50
2029	5.91	70%	0.52
2030	6.43	68%	0.59
2031	6.92	66%	0.61
2032	7.43	64%	0.73
2033	7.26	66%	0.76
2034	7.02	67%	0.90
2035	6.59	70%	0.92
2036	6.09	73%	0.97
2037	5.50	76%	1.00
2038	4.83	79%	1.05
2039	4.08	83%	1.08
2040	3.25	86%	0.47
2041	3.00	88%	0.49
2042	2.70	89%	0.37
2043	2.51	90%	0.39
2044	2.28	91%	0.43
2045	2.00	92%	0.44

** Unfunded actuarial accrued liabilities (UAAL) and funded ratio at beginning of fiscal year.*

Scenario 2

Funding Projection ($-Billions) - One-Year Market Downturn with Recovery (-15% in 2027, 13% in 2028-2031, 6.75% thereafter)			
Fiscal Year	**UAAL***	**Funded Ratio***	**UAAL Payments**
2026	$ 5.20	72%	$ 0.52
2027	5.02	73%	0.53
2028	5.44	71%	0.50
2029	5.77	70%	0.52
2030	5.97	70%	0.59
2031	5.95	71%	0.61
2032	5.70	72%	0.69
2033	4.73	77%	0.72
2034	3.77	82%	0.76
2035	2.83	87%	0.77
2036	1.96	91%	0.69
2037	1.32	94%	0.72
2038	0.64	97%	0.68
2039	(0.03)	100%	0.70
2040	(0.75)	103%	0.07
2041	(0.87)	103%	0.08
2042	(1.01)	104%	0.01
2043	(1.02)	104%	0.01
2044	(1.03)	104%	0.01
2045	(1.07)	104%	0.01

** Unfunded actuarial accrued liabilities (UAAL) and funded ratio at beginning of fiscal year.*

Scenario 3

Funding Projection ($-Billions) - Sustained Investment Returns of 7.75%			
Fiscal Year	**UAAL***	**Funded Ratio***	**UAAL Payments**
2026	$ 5.20	72%	$ 0.52
2027	5.01	73%	0.53
2028	4.79	75%	0.50
2029	4.55	76%	0.52
2030	4.23	79%	0.53
2031	3.84	81%	0.55
2032	3.37	83%	0.55
2033	2.85	86%	0.57
2034	2.27	89%	0.55
2035	1.65	92%	0.56
2036	0.95	95%	0.55
2037	0.22	99%	0.57
2038	(0.59)	102%	0.56
2039	(1.44)	106%	0.57
2040	(2.39)	109%	-
2041	(2.73)	111%	-
2042	(3.11)	112%	-
2043	(3.47)	113%	-
2044	(3.86)	114%	-
2045	(4.29)	116%	-

** Unfunded actuarial accrued liabilities (UAAL) and funded ratio at beginning of fiscal year.*

Scenario 4

Funding Projection ($-Billions) - Sustained Investment Returns of 5.75%			
Fiscal Year	**UAAL***	**Funded Ratio***	**UAAL Payments**
2026	$ 5.20	72%	$ 0.52
2027	5.17	72%	0.53
2028	5.00	74%	0.50
2029	4.88	75%	0.52
2030	4.76	76%	0.54
2031	4.64	77%	0.56
2032	4.52	78%	0.58
2033	4.38	80%	0.60
2034	4.22	81%	0.64
2035	4.01	82%	0.65
2036	3.77	83%	0.71
2037	3.47	85%	0.74
2038	3.14	87%	0.80
2039	2.74	89%	0.82
2040	2.29	91%	0.25
2041	2.42	90%	0.26
2042	2.55	90%	0.18
2043	2.78	89%	0.18
2044	3.03	89%	0.27
2045	3.21	88%	0.27

** Unfunded actuarial accrued liabilities (UAAL) and funded ratio at beginning of fiscal year.*

Scenario 5

Funding Projection ($-Billions) - Conservative Demographic Assumptions			
Fiscal Year	**UAAL***	**Funded Ratio***	**Employer Contribution**
2026	$ 5.54	70%	$ 0.64
2027	5.40	71%	0.62
2028	5.26	73%	0.63
2029	5.09	74%	0.65
2030	4.89	76%	0.69
2031	4.63	77%	0.71
2032	4.33	79%	0.72
2033	4.00	81%	0.74
2034	3.63	83%	0.76
2035	3.21	85%	0.77
2036	2.74	88%	0.80
2037	2.23	90%	0.82
2038	1.65	93%	0.85
2039	1.02	95%	0.87
2040	0.33	98%	0.27
2041	0.21	99%	0.28
2042	0.08	99%	0.16
2043	0.07	99%	0.16
2044	0.06	99%	0.20
2045	0.01	100%	0.20

** Unfunded actuarial accrued liabilities (UAAL) and funded ratio of beginning of fiscal year.*

Scenario 6

Funding Projection ($-Billions) - 4% Wage Inflation			
Fiscal Year	UAAL*	Funded Ratio*	Employer Contribution
2026	$ 5.39	71%	$ 0.64
2027	5.26	72%	0.65
2028	5.11	73%	0.67
2029	4.91	75%	0.71
2030	4.67	77%	0.71
2031	4.41	79%	0.74
2032	4.09	81%	0.74
2033	3.75	83%	0.77
2034	3.36	85%	0.78
2035	2.94	87%	0.80
2036	2.46	89%	0.82
2037	1.94	92%	0.85
2038	1.36	94%	0.87
2039	0.73	97%	0.91
2040	0.02	100%	0.27
2041	(0.07)	100%	0.28
2042	(0.17)	100%	0.16
2043	(0.15)	100%	0.16
2044	(0.12)	100%	0.20
2045	(0.13)	100%	0.21

** Unfunded actuarial accrued liabilities (UAAL) and funded ratio of beginning of fiscal year.*

To: Board of Trustees

From: Jan Goodwin, NHRS Executive Director

Date: July 28, 2026

Subject: Executive Director Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

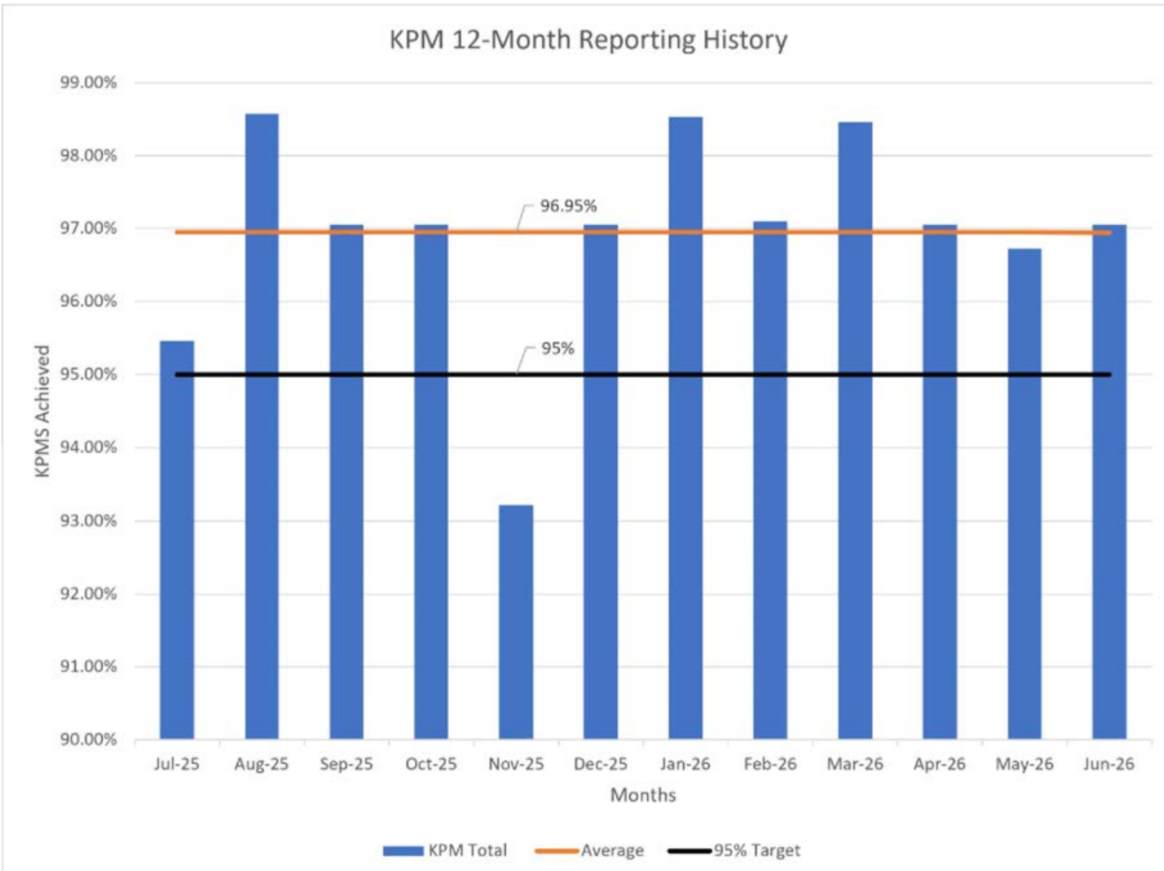
- Staff has prepared the Statutory Administrative Budget for FYs 28 and 29 for the Board of Trustees' consideration. The budget is aligned with NHRS' strategic plan for that time period.
- In June, Funston Advisory Services, a consulting firm specializing in governance, risk management and compliance, issued its first survey on transparency at U.S. public pension plans. Their analysis notes, "NHRS ranks among the most transparent integrated systems in the country: tied for first on public records, annual financial reporting, and actuarial disclosure, and 11th of 71 overall."
- Implementation of HB 282 continues. Staff and LRS are working on Phase IV, which includes calculations for split benefits and calculation of maximum benefits. Phase IV is expected to be completed in early 2027.

Current Months' Highlights – June and July

- The overall KPM scores for May and June were 96.67% and 97.06%, respectively. Systemwide, two KPMs were missed in May and two KPMs were missed in June. See 12-month rolling average chart attached.
- Fifteen of the ED's KPMs were achieved for May and June (one was N/A).
- PGv3 is 100% complete. Staff continues to test new releases, which contain modifications and improvements.

Upcoming Plans and Projects

- Wipfli will present its risk assessment and annual Internal Audit plan for the period ending February 2027 at the August Audit Committee meeting for consideration. The proposed audits will cover: Employer Reporting; Finance and Accounting; Member Services; Legal; and Information Technology.
- GRS, NHRS' actuaries, will be presenting a risk assessment based on the June 30, 2025 valuation at the August Board of Trustees meeting. Risk assessments allow fiduciaries and policymakers to evaluate potential risks and plan for uncertainty.


KPM 12-Month Reporting History
99.00%
98.00%
97.00%
96.00%
95.00%
94.00%
93.00%
92.00%
91.00%
90.00%
KPMS Achieved
96.95%
95%
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Months
KPM Total
Average
95% Target

KPM MONTHLY REPORTING HISTORY	MAY 2026 ACHIEVED			May 2026 ACHIEVED	JUNE 2026 ACHIEVED			June 2026 ACHIEVED
	YES	NO	N/A	YES / NO / N/A	YES	NO	N/A	YES / NO / N/A
Overall Score	96.72%	3.28%	23	We achieved a 96.72% success ratio in May. We failed 2 KPMs in May.	97.06%	2.94%	16	We achieved a 97.06% success ratio in June. We failed 2 KPMs in June.
Is overall score ≥ 95 %?								
Executive								
1. Distribute weekly email updates to all Trustees on or before the end of business on Friday of every week.	X				X			
2. Distribute weekly email updates to all staff on or before the end of business on Monday of every week.	X				X			
3. Prepare and distribute Board materials electronically by the Thursday before the Tuesday meeting.			X	No BOT meeting.	X			
4. Post Board and committee meeting notices according to 91-A:2.	X				X			
5. Prepare minutes of Board and Board Committee meetings according to the timeliness guidelines in 91-A:2 and 91-A:3, with draft minutes for internal review ready by close-of-business on the Friday following the Board meeting. Internal review of Board draft meeting minutes and posting of such minutes are to be completed within five (5) business days of the meeting.	X				X			
6. Prepare draft MTeam meeting minutes and forward to Executive Director for review within five (5) business days of meeting; to managers for review within seven (7) business days of meeting; and post final meeting minutes to the common drive within eight (8) business days of the meeting.	X				X			
7. Maintain expenditures at or less than Trust Fund Budget.	X				X			
8. Maintain expenditures at or less than Board of Trustees Budget as reported by Finance in the most recent manager's report (1-month lag).	X				X			
IT								
1. All vital servers maintain an uptime of 99% or higher.	X				X			
2. All PensionGold requests are prioritized within thirty-one (31) calendar days.	X				X			
3. All help desk requests are followed up with a conversation (phone/email) within four (4) business days.	X				X			
4. Maintain help desk survey scores above satisfactory marks of 95% or higher			X	Not currently sending out surveys			X	Not currently sending out surveys
5. All US-CERT email security advisories are placed into the help desk system to be addressed within two (2) business days.	X				X			
6. Respond to all phone calls within one (1) business day.	X				X			
7. Maintain expenditures at or less than IT budget as reported by Finance in the most recent manager's report (1-month lag).	X				X			
Finance								
1. Prepare the NHRS Annual Comprehensive Financial Report (ACFR): unaudited by October 31, and the audited ACFR by December 31, in accordance with generally accepted accounting principles.			X	Not due until December 2026.			X	Not due until December 2026.
2. Reconcile operating bank account within 60 days of the end of the month.		X		April not achieved due to Pension Gold system issue that delayed cash detail availability.	X			Achieved for May
3. Produce and distribute monthly actual-to-plan-budget reports within ten (10) business days from the end of the prior month.	X				X			
4. Produce the monthly financial statements (FS) for the Board of Trustees meeting at least three (3) business days prior to the scheduled Board mailing.			X	No board meeting in May.	X			
5. Post all cash receipts for a month, for which we have received the associated voucher, into the pension benefit system (Pension Gold) within ten (10) business days after the close of the month.	X				X			
6. Issue all NHRS annuitant pension payments timely and accurately.	X				X			
7. File annual payroll tax return (form 945) for the annuity payroll by January 31st.			X	Not due until January 2027			X	Not due until January 2027
8. Reconcile all employer accounts sufficiently to allow for interest posting for the reporting month within ninety (90) days of the end of the reporting month, for which we have received all payments and back-up from employers.	X			Achieved for February	X			Achieved for March
9. Process all confirmed post-retirement electronic direct deposit change requests received by the date that the pre-note wizard is run in Pension Gold and direct funds accordingly in the same month.	X				X			
10. Deposit all payments received at NHRS offices, with appropriate supporting documents, into local custodial bank within three (3) business days of receipt, with any payments secured on any intervening days.	X				X			
11. Annually for the preceding tax year, post electronic 1099-R forms to MyAccount by January 24 and mail hard copy 1099-R forms by January 31 of the subsequent year.			X	Not due until January 2027			X	Not due until January 2027
12. Maintain expenditures at or less than Finance Budget as reported in the most recent manager's report (1-month lag).	X				X			
Investment								
1. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable Total Fund Benchmark measured quarterly.			X	Q2 Performance Not Available Yet		X		3-Yr Excess Return = -276 bps 5-Yr Excess Return = -131 bps
2. Generate investment returns for the long-term (25 years) Total Fund Performance greater than the applicable Actuarial Assumed Rate of Return (6.75%) measured each June 30.			X	FYE Performance Not Available Yet		X		25-Yr Excess Return = -48 basis points
3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median measured quarterly.			X	Q2 Performance Not Available Yet			X	Q2 Performance Not Available Yet

KPM MONTHLY REPORTING HISTORY	MAY 2026			May 2026			JUNE 2026			June 2026		
	ACHIEVED			ACHIEVED			ACHIEVED			ACHIEVED		
	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A
4. Complete the IIC's Private Debt & Private Equity Strategic Plan for the calendar year.	X						X					
5. Manage cash flow and make funds available for the payment of monthly retirement benefits, expenses and capital calls on or before the last business day of the month.	X						X					
6. Manage continuously the asset allocation within approved ranges and rebalance as appropriate.	X						X					
7. Maintain trading cost at or below median of applicable peer universe as measured for the calendar year.	X						X					
8. Ensure all proxies are voted consistent with the Board approved Proxy Policy.	X						X					
9. Distribute complete and accurate Investment Committee materials to all members of the Investment Committee on the Friday before the regularly scheduled monthly Investment Committee meeting.	X						X					
10. Maintain internal expenditures at or less than Investment Budget as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Legal												
1. Assure no instances of statutory or regulatory non-compliance.			X						X			
2. Provide disability recommendations to the Benefits Committee within sixty (60) calendar days of receipt in the Legal Dept.	X						X					
3. Commence an adjudicative proceeding within sixty (60) calendar days of receipt of administrative appeal.	X						X					
4. Present a recommended decision to the Board within seventy-five (75) calendar days after the close of the record in an appeal.			X						X			
5. Perform employer compliance field audits; a rolling average of 1.5 audits per experienced auditor per month over the prior 12-month period.			X						X			
6. Present one (1) employer education session per quarter.			X						X			
7. Maintain expenditures at or less than Legal Budget as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Member Services												
1. Calculate all preliminary retirement benefits within thirty (30) calendar days of member-requested date of retirement.	X						X					
2. Calculate 100% of final retirement benefits (EXCLUDING JULY applications) within seven (7) months of member requested date of retirement provided that all statutorily required documentation has been received and all wages have been reported.			X						X			
3. Calculate 100% of July final retirements within eight (8) months of member requested date of retirement provided that all statutorily required documentation has been received and all wages have been reported.			X						X			
4. Schedule member meetings with Benefit Specialists within ten (10) business days of request.	X						X					
5. Issue all member retirement benefit estimates within thirty (30) business days of receipt of request.	X						X					
6. Enter member enrollment form data into Pension Gold (PG) within fifteen (15) business days of receipt.												
7. Process member refund requests within ninety (90) calendar days of receipt of written request.	X						X					
8. Process service purchases within fifteen (15) business days of request receipt.	X						X					
9. Process additional contribution calculations within ninety (90) calendar days of receipt.	X						X					
10. Process all non-employer audit corrections related to employer contribution refund witihin sixty (60) business days of receipt.												
11. Post all interest to member accounts within the month that Finance authorized the activity.	X						X					
12. Adhere to payroll "close" schedule for benefit setup balancing purposes.	X						X					
13. Process all pension changes within thirty (30) calendar days of receipt/notification.	X						X					
14. Process retiree death benefit refund payments within sixty (60) calendar days following receipt of all required paperwork.	X						X					
15. Establish survivorship benefit setup for payment within sixty (60) calendar days following receipt of all required death documentation and pension recoveries.	X						X					
16. Submit new recoupment cases to Recoupment Committee by next committee meeting following discovery.	X						X					
17. Initiate Recoupment/Benefits Committee recoupment decisions within seven (7) business days of decision.	X						X					
18. Review and balance updates submitted by employers and TPAs to PG for insurance rate changes received by the first business day of each month within four (4) business days.	X						X					
19. Complete monthly insurance non-rate changes by processing all authorizations received by the date the annuity payroll is posted with zero carryovers.	X						X					
20. Maintain expenditures at or less than Member Services Budget as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Human Resources												
1. Ensure compliance with all Federal, State and CBA rules and regulations as measured by no notices of violation.	X						X					
2. Respond to all payroll errors within one (1) business day and correct all payroll errors within one pay cycle.	X						X					
3. Reduce recruitment time for open staff positions to no more than forty-five (45) business days and open management/executive positions to no more than ninety (90) business days.		X		We were unable to fill the Retirement Benefit Generalist positon within 45 days			X					

KPM MONTHLY REPORTING HISTORY	MAY 2026 ACHIEVED			May 2026 ACHIEVED			JUNE 2026 ACHIEVED			June 2026 ACHIEVED		
	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A
4. Maintain expenditures at or less than HR Budget as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Communications/Legislative Affairs												
1. Schedule a minimum of thirty (30) online or in-person member/constituent education sessions each year.			X	Yes, on track to hit 30.			X			Yes, on track to hit 30.		
2. Achieve ninety-five percent (95%) rating from members attending an education session that the session was "completely/moderately" easy to understand.	X						X					
3. Meet all deadlines in editorial calendar.	X						X					
4. Monitor media coverage of NHRS and provide articles to Board, IIC and Staff within two (2) business days.	X						X					
5. Post updated legislative summaries on www.nhrs.org by the end of business every Friday throughout the legislative session.	X						X					
6. Prepare and deliver Quarterly Report to the General Court by January 1, April 1, July 1 and October 1.			X	N/A - No report due this month					X	N/A - No report due this month		
7. Maintain expenditures at or less than PIO Budget as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Internal Audit												
1. Prepare a Risk Assessment and Fiscal Year Audit Plan for the approval of the Audit Committee annually.			X						X			
2. Execute and present an engagement to the Audit Committee on a quarterly basis.			X						X			
3. On behalf of the external auditors, administer the GASB census data audits and provide the completed audits to the external auditors by the established due date.			X						X			
4. Prepare the updated NHRS Audit Issues Tracking Report for the Audit Committee and Board of Trustees at least three (3) business days prior to the scheduled Board/Committee mailing.			X				X					
5. Distribute complete and accurate meeting materials to all members of the Audit Committee at least three (3) business days prior to the scheduled Audit Committee meetings.			X				X					
6. Prepare draft Audit Committee Meeting minutes for review within three (3) business day of the meeting.			X				X					
7. Maintain expenditures at or less than Internal Audit Budget as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Contact Center												
1. Respond to all incoming emails within 24 business hours.	X						X					
2. Maintain an average speed of answer within two (2) minutes.												
3. Maintain a 95% call satisfaction rating for callers' experience with the Contact Center Representative (CCR).	X						X					
Administrative												
1. Assure that formal complaints are responded to within five (5) business days.			X						X			
2. Maintain expenditures, at or less than Administration Budget, as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Total of KPMs	59	2	23				66	2	16			
KPM Percentages	96.72%	3.28%	27.38%				97.06%	29.94%	19.05%			

FAS INGOV® · TRANSPARENCY PROTOCOL · SINGLE-SYSTEM SCORECARD

New Hampshire Retirement System

Transparency Protocol · 119 criteria · percentile ranking within the 71 integrated systems · July 2026

Overall Disclosure	Core Reporting (B, C, F)	Fees & Risk (G, H)
86	**100**	**32**
11th of 71 · 83rd percentile · peer avg 78	tied 1st of 71 · records, financial, actuarial	bottom decile · the priority gap

Domains — percent, band, and cohort percentile

95–100 81–94 51–80 ≤50

bar = percentile vs the 71 integrated systems

Domain	Percent	Percentile vs cohort	Rank
A. Open Meetings	91		79th · #11 of 71
B. Public Records	100		87th · tied 1st of 71
C. Annual Financial Reporting	100		41st · tied 1st of 71
D. Investment & Performance Reporting	92		90th · #4 of 71
E. Governance	93		75th · #15 of 71
F. Actuarial Assumptions & Funding	100		58th · tied 1st of 71
G. Investment Fees	30		10th · #56 of 71
H. Risk Analysis & Stress Testing	33		4th · #63 of 71
I. Stakeholder Communication	90		44th · #30 of 71

Methodology and standards

The InGov Transparency Protocol measures how much a system actually discloses to its stakeholders, judged against a compiled standard of best practice. It is a disclosure measure, not a test of legal compliance: a system can fully satisfy its own state's statutes and still score modestly where that law asks for less than best practice. Each assessment is built entirely from the system's own public record, its website, financial reports, actuarial valuations, and governance policies, and every affirmative finding is tied to a verbatim citation from the source document. Where the record is silent, the item is scored conservatively.

The standard for what leading practice looks like rests on three sources:

- **Open-meeting and open-records ("sunshine") laws**, which set the baseline legal expectations for public disclosure.
- **Authoritative guidance from industry associations and standard-setting bodies**, including NCPERS, the GFOA, and the accounting and financial-reporting standards issued by GASB.
- **Expert judgment on leading practice** in areas the first two do not yet reach, drawn from Funston Advisory Services' decades of work in the field.

Disclosure is scored across nine domains (A through I) and 119 individual criteria, each answered Yes (full credit), Partial (half credit), or No (no credit). A domain score, and the overall score, is the share of available points earned, expressed 0 to 100. Questions that do not apply to the system's structure are excluded rather than counted against it, so scores remain comparable across differently-structured systems. The percentiles and ranks on this scorecard are calculated within the cohort of 71 integrated retirement systems assessed under Protocol v1.0.

NHRS ranks among the most transparent integrated systems in the country: tied for first on public records, annual financial reporting, and actuarial disclosure, and 11th of 71 overall. Its standing is held back by just two domains, investment fees and risk and stress testing, where it sits in the bottom decile of the cohort, the same two areas where disclosure is weakest sector-wide. The score measures disclosure against best practice, not compliance with state law; questions not applicable to NHRS are excluded. Prepared by Funston Advisory Services · FAS InGov® Transparency Protocol v1.0 · assessed 2026-07-20.

New Hampshire Retirement System
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Board of Trustees Survey Analysis

New Hampshire Retirement System
August 3, 2026

RESPONSE SUMMARY

Responses: 9 of 13 Trustees (69% response rate).

EXECUTIVE SUMMARY

The Board of Trustees Survey reveals strong overall satisfaction with current information practices. Nearly all respondents indicated they receive the right amount of information on core topics including committee updates, department reports, and legislative matters. A minority requested additional information on emerging issues, risk management, benefits and services, and cybersecurity. When extra information is needed, trustees prefer reading materials or Board meeting sessions. The weekly Trustee Update has majority support, with only a few preferring a less frequent schedule. Open-ended feedback identified no significant concerns and confirmed current communication practices are largely effective.

RECOMMENDED ACTIONS

- Enhance Board Checkpoint Process: Require NHRS staff to proactively flag emerging issues and timely topics as needed.
- Add Budget Variance Commentary: Add written commentary explaining material year-over-year budget variances in reports to complement the verbal update provided.
- Standardize Committee Reporting: Develop standardized committee reporting template specifying format, content, and frequency expectations.
- Virtual Training Sessions: Explore optional virtual training sessions on cybersecurity, risk management, and emerging issues.
- Member Engagement Exploration: Assess feasibility of rank-and-file employee engagement or member benefits educational component.

Maintain

- Continue weekly Trustee Update schedule.
- Use reading materials and Board meeting sessions as primary channels for delivering additional information.
- Encourage ongoing trustee feedback to identify and address emerging information needs.

KEY FINDINGS

- Satisfaction is high across most information categories. Respondents indicated they receive the right amount of information on committee updates, actuarial and

fiduciary presentations, operating reports, contact center statistics, member education activities, and legislative updates (78–100% satisfaction).
- Information gaps center on risk topics. Three of nine trustees requested more information on risk management and cybersecurity; two requested more on emerging issues.
- Reading materials are the preferred delivery method for additional information (66–100% preference), with Board meeting sessions as the secondary option.
- Risk management shows the broadest interest in varied formats, including conferences and online training, suggesting openness to specialized sessions on this topic.
- The weekly Trustee Update cadence is preferred by six of nine trustees; three would accept every two weeks. One trustee noted staff workload concerns and suggested selective content curation as an alternative to frequency reduction.
- Additional topics of interest include member benefits education, employer contribution rate training, and optional virtual briefing sessions outside formal Board meetings.

New Hampshire Retirement System

To: Board of Trustees

From: Jan Goodwin, NHRS Executive Director

Date: August 4, 2026

Subject: Budget Update on 80 Commercial Street Renovations

Item: Action: ☐ Discussion: ☐ Informational: ☒

NHRS engaged in the renovation of the 80 Commercial Street building. We have worked with our consultants to provide the necessary due diligence and maintain our fiduciary responsibility to identify the most cost effective and reasonable approach.

The overall budget of $2.1 million for the project was approved at the October 14, 2025 meeting. The table below provides an update on the revised projections versus the original budget as well as information on unanticipated costs that surfaced during construction.

NHRS - 80 Commercial Street - Concord, NH				PROJECT COST REPORT
Origination Date:	**September 11, 2025**		**Project USF:**	**32,500**
Revision Date:	**August 4, 2026**		**Projected Cost/USF:**	**$65.68**
Revision Number:	**4**		**Contingency Percentage:**	**6.00%**

Budget Category	Original Budget Oct 2025	Budget Projections July 2026	Variance	Comments
Hard Costs				
Construction	$1,361,245	$1,678,535	$317,290	Includes change orders for low voltage cabling, door hardware, clean agent fire suppression system, HVAC Controls, water heater, and other misc items.
Voice/Data Cabling	$147,500	$0	($147,500)	Included in Construction
Soft Costs				
A&E Design Fees/Other Consultants	$175,300	$164,825	($10,475)	Increase in Legal estimate
Project Management	$85,305	$103,297	$17,992	Increase in GID and On Point
Furniture, Fixtures & Equipment				
Furniture	$44,000	$23,030	($20,970)	
IT Equipment	$50,000	$24,000	($26,000)	Needs identified less than anticipated for conference and other rooms
Audio Visual System/Equipment	$10,000	$67,265	$57,265	Unanticipated Board Room updates
Security System	$30,000	$32,035	$2,035	
Sound Masking/Intercom System	$35,000	$51,749	$16,749	Actual costs greater than estimate
Signage/Branding	$35,000	$27,570	($7,430)	Actual costs for exterior/interior signage less than estimate
Décor	$7,500	$0	($7,500)	
Projected savings from allowances and excess GMP		($37,627)	($37,627)	
Budget Contingency	$118,851	$0	($118,851)	
Totals	**$2,099,701**	**$2,134,679**	**$34,978**	

Last 12 Months Executive Director Contract Approvals (as of 8/1/26)

Vendor Name	Effective Date	Amount	Description
No-Tie Tech	8/11/2025	$13,800.00	Consultant for 80 Commercial Street Data Center Relocation
GID Development	8/18/2025	$20,000.00	Consultant for 80 Commercial Street Relocation
Stanley Elevator	8/19/2025	$1,500.00	Elevator Inspection for 80 Commercial Street
OnPoint Consulting	8/19/2025	$65,305.00	Owner's Rep for 80 Commercial Street Construction
Dell Technologies	9/25/2025	$12,554.00	Computer Storage
ePlus Technologies	10/1/2025	$8,159.00	Computer Support for Extreme
Linea Solutions	10/1/2025	$38,000.00	Cyber security consulting; as billed, total is estimate
Silver Tech	10/2/2025	Hourly Rate	Website support and ADA compliance Project - addendum to existing contract
Change Staffing	10/6/2025	Hourly Rate	Change Management
NH Print and Mail	11/19/2025	$54,967.38	Data Processing and Mailing Services
Dell Technologies	12/5/2025	$6,332.10	Licensing for Adobe Acrobat Standard and Pro
The Atom Group	12/23/2025	$21,500.00	Cyber security consulting and Preferred Emergency Cyber Response Services
IT Insiders	12/30/2025	$11,879.20	Licenses for Veeam Backup and Replication
Asiflex	1/1/2026	$5,400.00	Renewal option for Flex spending vendor
CP Managment	1/15/2026	$7,400.00	Tree Services at 80 Commericial Street
IT Insiders	2/18/2026	$6,576.80	Transceivers and Servers for server rooms
ePlus Technologies	2/24/2026	$45,086.48	Switches for 80 Commericial Street.
First Light	2/24/2026	$4,461.84	Public IPs
Dell Technologies	2/24/2026	$7,018.26	Three laptops for NHRS inventory
Usherwood	2/25/2026	$3,090.70	Two card readers and six licenses for Papercut
Everon	2/26/2026	$41,895.00	Access control and alarming for 80 Commericial Street
LRS	3/1/2026	$11,586.02	Document and Report Content Management Solution - Annual Renewal
Educate 360	3/3/2026	$15,000.00	Training learning credit pool
Everon	3/4/2026	$9,718.00	Security Cameras for 80 Commericial Street
SHI	3/11/2026	$18,577.00	Email TAP URL and attachment defense
IT Insiders	3/19/2026	$1,066.94	Transceivers and cables
Educate 360	3/19/2026	$15,000.00	Training learning credit pool contract renewal
Process Telerik	4/4/2026	$5,200.00	Sitefinity Software to Support NHRS.org Website
Canon USA	4/17/2026	$7,343.20	Printers for 80 Commericial Street, maintaince for 5 years
Janitech	4/17/2026	$38,352.00	Janitorial services at 80 commerical street
Blue Mantis	4/22/2026	$5,364.00	Sophos XDR
Canon USA	4/24/2026	$395.00	Amendment to exisiting contract, purchase of one printer
IT Insiders	4/28/2026	$7,475.00	Renewal of Cisco Duo licensing
Usherwood	4/28/2026	$216.00	Amendment to exisiting contract, licensing to support scanning in PaperCut - Submission Date: 4/28/26
Zix	5/12/2026	$6,117.21	Zix license renewal
Dell Technologies	5/21/2026	$114.80	Purchase of replacement laptop parts
Dell Technologies	5/21/2026	$961.66	Adobe Captivate Licenses
PRISM	5/28/2026	$15,000.00	Conflict management - Submission Date: 5/28/26
Dell Technologies	5/29/2026	$82.82	Adobe acrobat pro license
IT Insiders	6/1/2026	$27,600.00	Microsoft Office 365 G3 Licences
ISS	6/1/2026	$15,000.00	Contract renewal, securities litigation monitoring
IT Insiders	6/3/2026	$94.00	Fiber cables for 80 Commercial Street
Dell Technologies	6/19/2026	$74.47	Abobe Acrobat Pro license
IT Insiders	6/21/2026	$1,259.00	Renewal to contract, MOVEit automation
Dell Technologies	6/25/2026	$72.29	Abobe Acrobat Pro license
Diligent	6/30/2026	$18,138.00	Board material management renewal
IT Insiders	7/1/2026	$26,827.00	O365 G3 licences purchase
IT Insiders	7/8/2026	$1,088.00	Purchase of Administrator accounts in Diligent
Dell Technologies	7/9/2026	$228.15	Puchase of standard Adobe Acrobat license
Carahsoft	7/31/2026	$37,291.22	NASPO purchase, electronic signature platform
CDWG	8/1/2026	$45,629.00	Arctic Wolf Security Monitoring
Fusion Connect	8/1/2026	$41,555.00	Renewal of TalkDesk, call center software and support
		$747,351.54	

*As per the NHRS Procurement Policy, "The renewal or extension of a contract under preexisting terms and pricing does not require Board approval. The Executive Director will inform the Board of such contracts at its next regularly scheduled meeting."

Department: Executive
Executive Team Member: J. Goodwin

Date: 7/28/26
Approved: 6/16/26

FYs 27-29 Executive Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Oversee implementation of FYs 27-29 Strategic Plan.	JG	6/30/27	In process.	Goals 1-4.
2. Continue progress on Roadmap for LRS Pension Gold (PGV3) project.	JG/SG/NM/ MM	6/30/28	This is a continuation of the five-year project completed in FY 24.	Goal 1.
3. Identify areas for improved efficiencies across the organization, including assessing and improving employee engagement.	JG/ETeam	6/30/27	Ongoing.	Goal 2.
4. Enhance member, beneficiary, and employer education: identify/review industry best practices for education and engagement; adjust existing education programming, as needed.	JG/AC	6/30/27	In process.	Goal 1.
5. Implement agreed-upon elements of Vision for NHRS.	JG/ETeam	6/30/27	Presented to BOT in 8/24. In process.	Goals 1-4.

6. Attend two professional conferences.	JG	6/30/27	Will participate in NCTR's Annual Conference in October.	Goal 2.
7. Complete review of the organization structure to better align with the system's vital functions.	JG/RC/AG	12/31/26	In process.	Goal 2.
8. Begin preparatory work for the 2027 Decennial Commission.	JG/AC	6/30/27	In process.	Goal 1.
9. Work with Member Services to enhance the disability application member experience.	JG/NM	12/31/27	In process.	Goal 1.
10. Implement results of Trustee survey on information and delivery.	JG	6/30/27	In process.	Goal 1.

Variables: Legislative changes, personnel changes/turnover, technology changes.

NHRS
New Hampshire Retirement System

To: Board of Trustees

From: Nancy Miller, NHRS Director of Member Services

Date: July 30, 2026

Subject: Member Services Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Member Services was able to execute Phase III activities related to HB 282, which allowed an automated update moving all B+ eligible members to their new status in PG.
- Member Services coordinated with Finance to begin providing responses to Plante Moran census data questions. The teams will continue to respond as needed throughout the audit.
- Contact Center management is focused on building out a training program for new hires as we onboard and integrate new staff.

Current Months' Highlights – June and July

- July payroll reflected the addition of 565 new retirees to the payroll. This number is lower than in past years.
- Recruiting to fill our second Contact Center Representative continues.
- The Contact Center phone system contract was adjusted to reflect some system upgrades that will further allow management to identify and utilize measurable and meaningful data relative to service levels and volumes.
- All applicable KPMs were achieved.

Upcoming Plans and Projects

- HB 282 Phase IV work continues with the areas of concentration being the B+ calculations for split benefit members and the calculations for maximum benefits as outlined in the statute language.
- Member Services will be engaging in an Internal Audit by Wipfli of the monthly payroll process, starting in September.
- Along with multiple other departments, Member Services, specifically the Contact Center is involved in a significant review and process improvement around the security of *My Account* user log in and subsequent account activity.

NHRS
New Hampshire Retirement System

NHRS New Retirement Applicants Placed on Payroll

	2027	2026	2025	2024	2023	2022
June		92	92	77	105	106
May		105	85	81	88	110
April		94	82	93	76	117
March		101	91	74	97	104
February		83	82	94	89	105
January		142	161	125	131	200
December		103	75	64	88	71
November		81	81	90	66	91
October		111	103	103	110	128
September		110	119	143	116	128
August		147	140	180	162	210
July	565	625	606	579	731	775
Total	565	1,794	1,717	1,703	1,859	2,145

NHRS Retirement Appointment Total by Month for Fiscal Year

	2027	2026	2025	2024	2023	2022
June		84	93	77	55	25
May		175	195	187	115	34
April		164	210	137	84	49
March		88	61	67	36	22
February		89	59	52	25	15
January		92	44	29	22	13
December		88	33	49	15	13
November		78	48	54	15	19
October		113	57	32	24	23
September		60	30	33	10	23
August		69	52	46	14	19
July	83	78	56	38	15	25
Total	83	1,178	938	801	430	280

Department: Member Services (MS)
Executive Team Member: N. Miller

Date: 7/30/26
Approved: 7/1/26

FYs 27-29 Member Services Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Adhere to and complete PGV3 Roadmap enhancements and projects (i.e. term forms, mass benefit finalization, Community College population project.	NM/MS/IT/ LRS	FYs 27-29	Some projects in fight, other having dates prioritized over upcoming calendar years.	Goal 1.
2. Design, test and implement legislative changes related to benefit calculations according to effective dates determined in statute HB 282.	NM/MS/IT/ LRS	FY 27	In process.	-
3. Implement new and adjusted procedures for Retiree Death Case processing to realign process and roles.	NM/MS/Legal /IT/Finance	FYs 27-29	Best practice research underway.	Goal 2.
4. Identify and implement comprehensive KPMs for Contact Center (CC).	NM/KH/ CCTeam	FY 27	In process.	Goal 2.

5. Develop a Communication and Training Program for NHRS CC and “back office” teams to maximize consistent messaging/support.	NM/KH/MS/ Finance/PIO/ Legal/IT	FYs 27-28	In process.	Goal 2.
6. Identify disability application process improvement and issue TPA RFP for services (i.e. IME reports, medical record compilation.)	NM/MS/Legal	FYs 27-29	Not started.	Goal 2.

Variables: Legislative changes, personnel changes/turnover, technology changes**.**

Contact Center Dashboard

June 2026

Walk-Ins

Number of Walk-Ins	180

Emails

NHRS Info @ emails addressed by CCRs	595

Message Center Threads

Addressed by CCRs	84

Calls

Queue Name	Calls Presented	Total Calls Handled	Calls Abandoned	Percentage Abandoned	Voicemail	Missed Call	Average Handle Time
Employer	48	43	5	10.42%	0	0	4:01:00
My Account	246	225	21	8.54%	0	0	7:24:00
Member	1239	1158	77	6.21%	4	0	6:37:00
Retiree	1072	1017	49	4.57%	6	0	5:45:00
1099	0	0	0	0.00%	0	0	0:00:00
Totals	**2605**	**2443**	**152**	5.83%	**10**	**0**	**4:45:24**

Contact Center Dashboard

July 2026

Walk-Ins

Number of Walk-Ins	71

Emails

NHRS Info @ emails addressed by CCRs	1209

Message Center Threads

Addressed by CCRs	88

Calls

Queue Name	Calls Presented	Total Calls Handled	Calls Abandoned	Percentage Abandoned	Voicemail	Missed Call	Average Handle Time
Employer	40	27	12	30.00%	0	1	2:55:00
My Account	290	209	76	26.21%	5	0	7:54:00
Member	1218	949	258	21.18%	11	0	6:48:00
Retiree	1317	1045	253	19.21%	18	1	5:24:00
1099	0	0	0	0.00%	0	0	0:00:00
Totals	**2865**	**2230**	**599**	20.91%	**34**	**2**	**4:36:12**

NHRS
New Hampshire Retirement System

To: Board of Trustees

From: Marie Mullen, NHRS Chief Financial Officer

Date: July 30, 2026

Subject: Finance Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- New reporting and pension software changes to *My Account* are being prioritized among multiple departments to enhance security for retirees, beneficiaries, and members for banking changes as well as personal information.
- Processing of Pay Period Corrections has been paused while the end-to-end process is documented and additional enhancements identified for manual workarounds to be eliminated.
- Annual report software (Workiva) implementation is currently in user acceptance testing with training to begin soon. Completion is anticipated by the end of August.

Current Months' Highlights – June and July

- HB 282 Phase III changes related to the Actuarial extract were completed at the end of June.
- Interim FY 26 audit was completed during July with Plante Moran.
- June employer reporting and payments were 99% and 97% on time, respectively. July employer reporting and payments were 95% and 97% on time, respectively.
- Responses from our first annual employer survey have been reviewed, categorized into an action plan, and will be prioritized.
- Legal, Finance and IT completed dashboard reporting for death repayments that provide information needed to monitor and pursue collections.
- Internal Audit Risk Assessment completed and preliminary plan for departmental audits established for September 2026 through February 2027.
- Several positions were filled within Finance including the Staff Accountant, Accounts Payable Specialist, and Employer Reporting Specialist. Employer Audit has transitioned to Finance while recruiting continues for the Financial Analyst and Senior Accountant positions.
- FY 28-29 Statutory Administrative Budget developed and presented to Board for approval.
- Finance completed seven of 12 KPMs for May and nine of 12 KPMs for June. For May, four KPMs did not have deliverables and 1 was not achieved due to a Pension Gold

system issue that delayed cash detail report availability. For June, three KPMs did not have deliverables.

- FY 26 Net Position YTD through May increased $1.2 billion or 9.3% from FY 25 June to $14.7 billion.
- FY 26 Cash Flow YTD through May was unfavorable to the previous year once removing the one-time terminal funding for HB 282 of $14.5 million. The variance is due to the increase in annuity payments related to the year-over-year volume increase as well as increased average final compensation (AFC) for newer retirements. Employer rates also decreased at the beginning of FY 26. The shortfall is as anticipated and is covered by investments in the fund.
- FY 26 year-to-date administrative expenses through June are within budget.

Upcoming Plans and Projects

- FY 26 annual audit, ACFR, and year-end close.
- Complete budget submission to State of New Hampshire.
- Continue recruiting efforts for vacant positions.
- Continued improvements and enhancements to PGV3.
- Develop updated policies and procedures for Employer Audit.
- ISO200022 implementation.
- Implement IRS 1099 file submission changes for IRIS system.
- PG Secure implementation with IT.
- Develop requirements for financial software upgrade and conduct competitive bidding for implementation provider.

Department: Finance
Executive Team Member: M. Mullen

Date:7/30/26
Approved:6/23/26

FYs 27-29 Finance Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Develop Employer Reporting internal training manual. *	MM/KN/IT	Q4-FY 28	Weekly internal training sessions are occurring with documentation in process.	Goal 1.
2. Ensure data availability and define dashboard requirements for employer reporting.	MM/KN/IT	Q4-FY 27	In coordination with IT.	Goals 1 & 2.
3. Develop and implement plan to reduce use of paper checks (internal and external).	MM/KN/HS	Q4-FY 27	Employer Reporting refunds convert to ACH. Reduce checks for Employer payments.	Goal 2.
4. Implementation of financial and other software applications to automate processes, improve reporting, streamline financial analysis, and improve security.*	MM/IT/KN/HS	Ongoing.	PG roadmap items as prioritized for FY 27. Financial software upgrade/replacement.	Goal 2.
5. Implementation of Finance related item in Investment Strategic Plan. *	MM/HS/ Investments	Q2-FY 27	Hire Investment Analyst. Recruiting in process.	Goal 3.

NHRS
New Hampshire Retirement System

6. Implement plan to update Finance policies and procedures. *	MM/KN/HS	Ongoing.		Goal 4.
7. Attend Professional Conference.	MM/KN/HS	Q4-FY 27		Goal 4.

* - *These goals will have a more detailed action plan associated with it, listing more granular actions and target dates.*

Variables: Legislative changes, personnel changes/turnover, technology changes

NHRS Board Monthly Reporting Package
Finance
August 11, 2026

Net Position ($s in Billions)	**FY 2026**	**FY 2025**
Current Fiscal Year-To-Date	**May-26**	**May-25**
Net Position Change	$1.245	$1.323
Prior Year Beginning Balance	$13.448	$12.341
Net Position Balance	**$14.693**	**$13.664**

CASH FLOW-Contributions & Benefits
Cash Basis ($s in Millions)

		FY 2026 YTD		**FY 2025 YTD**
Contributions	**May-26**	**May**	**May-25**	**May**
Employers	$ 54.496	$ 602.472	$ 52.783	$ 627.430
RSA from State of NH	$ -	$ 14.500	$ -	$ 26.432
Members	$ 23.584	$ 263.384	$ 21.890	$ 261.508
Subtotal	$ 78.080	$ 880.356	$ 74.673	$ 915.370
Benefits				
Annuity & OPEB	$ 92.826	$ 1,010.116	$ 89.262	$ 974.781
Refunds & All Other	$ 4.639	$ 40.681	$ 5.007	$ 41.170
Subtotal	$ 97.465	$ 1,050.797	$ 94.269	$ 1,015.951
Total Cash Flow Gain/(Shortfal	**$ (19.385)**	**$ (170.441)**	**$ (19.596)**	**$ (100.581)**

FY 2026 BUDGET vs. ACTUAL
Investments & Non-Investment Administrative Expenses
July 1, 2025 Through June 30, 2026

	Total Budget	**FY26 Transfers**	**FYTD Budget**	**Actual**	**Difference**
Investment Administrative Expenses					
Internal	$ 2,714,314	$ -	$ 2,714,314	$ 1,869,400	$ 844,914
External (Manager & Custodial)	$ 33,337,726	$ 99,116	$ 33,337,726	$ 33,454,008	$ (17,166)
Subtotal	$ 36,052,040	$ 99,116	$ 36,052,040	$ 35,323,408	$ 827,748
Non-Investment Administrative Expenses					
Internal (Statutory Administrative	$ 19,255,529	$ -	$ 19,255,529	$ 15,259,581	$ 3,995,948
External (Actuary, Legal, Audit)	$ 3,467,486	$ (99,116)	$ 3,467,486	$ 2,755,239	$ 613,131
Subtotal	$ 22,723,015	$ (99,116)	$ 22,723,015	$ 18,014,820	$ 4,609,079
Total Administrative Expense	**$ 58,775,055**	**$ -**	**$ 58,775,055**	**$ 53,338,228**	**$ 5,436,827**

		TOTAL Budget	FY26 Transfers	FYTD Budget	FYTD Actual	Difference	Variance Explanations
New Hampshire Retirement System							
Investment & Non-Investment Administrative Expenses							
Budget vs. Actual							
July 1, 2025 Through June 30, 2026							
Fiscal Year 2026							
1	**Investment Administrative Expenses**						
2	**Internal Investment Expenses**						
3	Salaries & Benefits	$ 1,898,144		$ 1,898,144	$ 1,540,071	$ 358,073	
4	Part Time Salaries	-	1,000	-	974	26	
5	Current Expenses/Supplies/Education	51,400.0		51,400	12,964	38,436	
6	Subscriptions	6,220.0		6,220	5,786	434	
7	Consultants	215,000.0		215,000	62,639	152,361	
8	Technology & Analytical Systems	487,575.0	(2,560)	487,575	227,173	257,842	
9	Organization Dues	12,375.0	1,560	12,375	13,926	9	
10	Travel	43,600.0		43,600	5,867	37,733	
11	**Subtotal Internal Investment**	**2,714,314**	**-**	**2,714,314**	**1,869,400**	**844,914**	
12	**External Investment Expenses**						
13	Management Fees						
14	Marketable Investments	28,363,726		28,363,726	28,385,224	(21,498)	Fees exceeded budget due to higher performance of investments than anticipated in budget.
15	Real Estate	3,000,000		3,000,000	3,350,619	(350,619)	Fees exceeded budget due to higher performance of investments than anticipated in budget.
16	**Subtotal Management Fees**	**31,363,726**	**-**	**31,363,726**	**31,735,843**	**(372,117)**	
17	Investment Administrative Expenses						
18	Custody Fees						
19	Master-BNY Mellon	730,000	99,116	730,000	829,116	-	Includes FY25 expenses paid in FY26.
20	General Investment Consultant Fees	700,000		700,000	487,500	212,500	
21	Legal-Investment	400,000		400,000	348,169	51,831	
22	Other Fees	144,000	-	144,000	53,380	90,620	
23	**Subtotal Invest. Administrative Expens**	**1,974,000**	**99,116**	**1,974,000**	**1,718,165**	**354,951**	
24	**Subtotal External Investment**	**33,337,726**	**99,116**	**33,337,726**	**33,454,008**	**(17,166)**	
25							
26	**Total Investment Internal & External**	**$ 36,052,040**	**$ 99,116**	**$ 36,052,040**	**$ 35,323,408**	**$ 827,748**	
27	**Non-Investment Administrative Expenses**						
28	**Internal Non-Investment Expenses**						
29	Salaries & Benefits	$ 11,977,233		$ 11,977,233	$ 10,146,394	$ 1,830,839	
30	Current Expenses	295,875		295,875	266,168	29,707	
31	Rents & Leases	473,200		473,200	369,948	103,252	
32	Equipment	80,000		80,000	16,218	63,782	
33	Technology-Software & Hardware	4,288,000	-	4,288,000	2,992,257	1,295,743	
34	Payroll & Other Services	75,000		75,000	56,443	18,557	
35	Independent Med. Examiners/Consultants	605,000	(120,000)	605,000	375,600	109,400	
36	Retiree Health Insurance	174,000		174,000	118,403	55,597	
37	Other	1,287,221	120,000	1,287,221	918,150	489,071	Transfer was for increased utilities and maintenance associated with 80 Commercial St.
38	**Subtotal Internal Non-Invest. Adm**	**19,255,529**	**-**	**19,255,529**	**15,259,581**	**3,995,948**	
39							
42	**External Non-Investment Expenses**						
43	Actuarial Fees	236,000		236,000	194,766	41,234	
44	Legal Fees	225,000		225,000	204,546	20,454	
45	Audit Fees	411,500		411,500	310,750	100,750	
46	Other Consulting Fees	410,000	(145,123)	410,000	212,921	51,956	
47	Insurance Expense	269,986	43,123	269,986	280,834	32,275	Increased expense due to alignment of policies to renew at beginning of fiscal year.
48	Local Custodian	100,000	2,884	100,000	102,884	-	Expense over budget due to higher than anticipated volume increase in monthly retiree payroll.
49	Capital Expenses	1,815,000		1,815,000	1,448,538	366,462	
50	**Subtotal External Non-Invest. Adm**	**3,467,486**	**(99,116)**	**3,467,486**	**2,755,239**	**613,131**	
51							
52	**Total Non-Invest. Internal & External**	**$ 22,723,015**	**$ (99,116)**	**$ 22,723,015**	**$ 18,014,820**	**$ 4,609,079**	
53							
54	**Total Administrative Expense**	**$ 58,775,055**	**$ -**	**$ 58,775,055**	**$ 53,338,228**	**$ 5,436,827**	

New Hampshire Retirement System
80 Commercial Street, Concord, NH 03301
(603) 410-3500 | Toll-free: (877) 600-0158
info@nhrs.org | www.nhrs.org

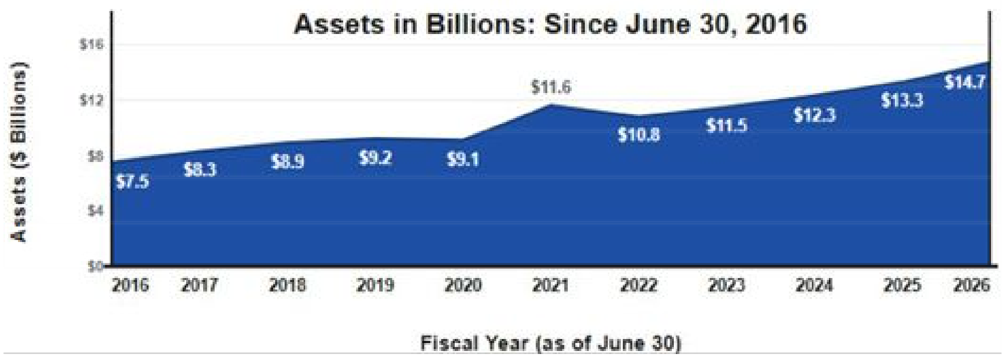
NHRS DASHBOARD: FY 2026 Fourth Quarter

For the period April 1, 2026, to June 30, 2026

Updated: August 2026

TRUST FUND

4th Quarter FY 2025: $13.3 billion	**4th Quarter FY 2026:** 14.7 billion*



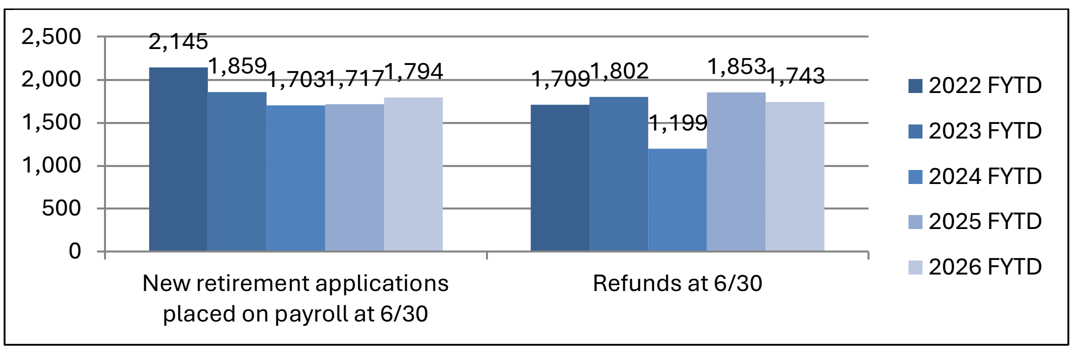
** Unaudited*

INVESTMENT PERFORMANCE

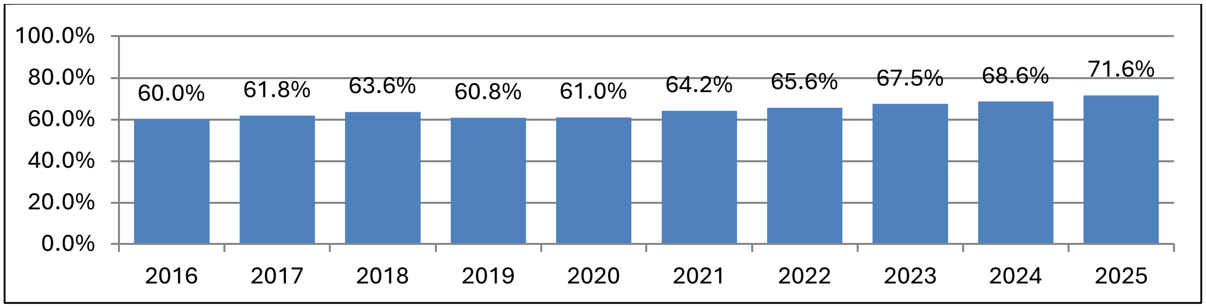
Net-of-fees returns	FYTD 6/30/26*	1 yr. at 6/30/26	3 yr. at 6/30/26	5 yr. at 6/30/26	10 yr. at 6/30/26
Total Fund Composite	11.83%	11.83%	10.31%	6.40%	8.83%

*Assumed rate of return: 6.75%. - *Annualized; valuation of real estate and alternative investments lagged three months.*

RETIREMENTS AND REFUNDS

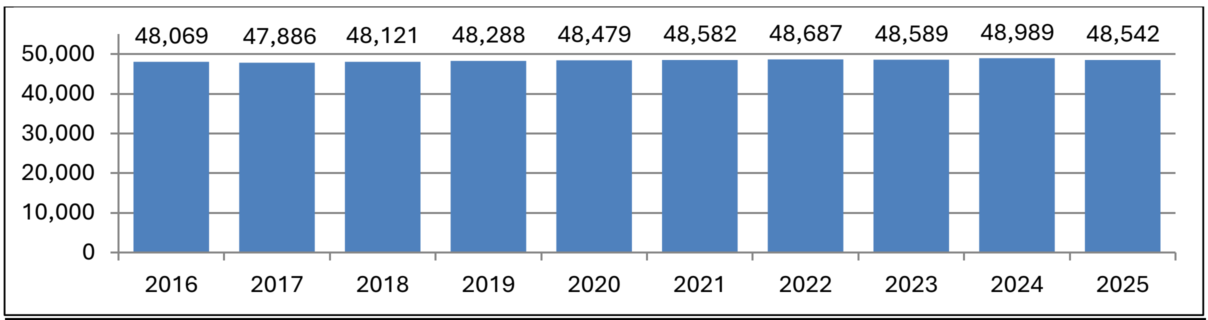


ACTUARIAL FUNDED RATIO

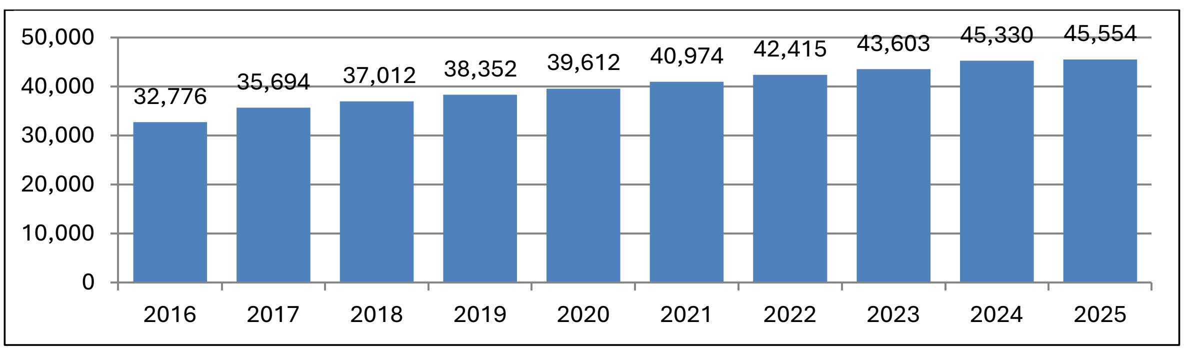


Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions in 2016 and 2020, and for revised actuarial assumptions in 2023.

ACTIVE MEMBERS



RETIREES & BENEFICIARIES



NHRS
New Hampshire Retirement System

To: Board of Trustees

From: Marie Mullen, NHRS Chief Financial Officer

Date: August 4, 2026

Subject: Proposed FY 2028-2029 NHRS Statutory Administrative Budget

Item: Action: ☒ Discussion: ☐ Informational: ☐

Please find attached the proposed FY 2028 and FY 2029 NHRS statutory administrative budget. This budget is one of the four components of the Trust Fund Budget. As we have discussed previously, the other three components consist of internal investment expenses, external investment expenses, and "third party" actuarial, legal, insurance, and audit expenses, and are approved by the Board each year. The statutory administrative budget, however, is approved every two years as per NH statutory requirements (RSA 100-A:14, XIII).

Overview:

- Overall, this proposal represents a decrease of 0.7% in FY 2028 (line 34), as compared to the adopted budget for FY 2027. The change in FY 2029 is projected to be an increase of 6.8% against the FY 2028 budget proposal.

- Information Technology (IT) is proposed to decrease by 2.8% in FY 2028 (line 23) as compared to FY 2027 Budget and increase in FY 2029 by 25.8% as compared to FY 2028. The software increases in FY 2029 and continued needs in FY 2028 are attributable to a backlog of projects to increase security, modernize, automate, and provide efficiency for internal operations and customer service to our members, beneficiaries, and employers. Many projects have been on hold and deferred during the implementation of HB 282 legislation. The increase in infrastructure hardware is needed to replace servers that will exceed their useful life. See attached list of proposed projects identified in FY 2028 and FY 2029.

- Salaries and Benefits (lines 6 and 16, respectively) represent full funding for all authorized positions, including those positions currently vacant. There are no proposed additions to staff. Overall, the change in Salaries & Benefits reflects a decrease of 1.3% in FY 2028 as compared to FY 2027 and a 4.1% increase in FY 2029 compared to FY 2028 attributable to increases in health insurance and wages. Internal NHRS investment staff salaries are not included in this budget.

- For all Other costs, the FY 2028 proposal is an increase of 5.9% over the FY 2027 budget, and the FY 2029 proposal is a decrease of 3.5% over the FY 2028 proposal. The primary increase in these costs is related to consultants providing implementation services for the various IT projects as well as outsourcing a portion of the medical disability process. The remaining budget in Other (line 31) includes expenses for training, travel, supplies, postage, printing, copier leases, organizational dues, payroll processing, and equipment. These expenses reflect a decrease of 1.5% as compared to the FY 2027 budget and an increase of 2.7% compared to FY 2028.

- There are several expense categories that reflect estimates related to State of New Hamshire shared services that we have not yet received. These include benefit estimates, retiree health, state cost allocation, unemployment compensation, and the employee assistance program (EAP).

Staff recommends approval of this budget by the Board so that it may be submitted to the Department of Administrative Services to begin the Governor and Legislative review process that we expect to conclude next June. We will keep the Board informed of any changes to the amounts presented here due to revised projections from the State.

New Hampshire Retirement System
Statutory Budget by Major Category - Final
FY 2026-2029

Line #		FY 26 Actual	FY 27 Budget	FY 28 Proposed	FY 29 Proposed	% of Total	% Change 28 vs 27	% Change 29 vs 28
1	**Salaries**							
2	Salaries	6,758,632	8,432,000	8,575,000	8,825,000		1.7%	2.9%
3	Longevity	21,900	26,100	18,000	19,200		-31.0%	6.7%
4	Overtime	130,809	139,500	169,500	172,500		21.5%	1.8%
5	Temp Salaries	333,066	569,000	230,000	230,000		-59.6%	0.0%
6	Subtotal Salaries	$ 7,244,407	$ 9,166,600	$ 8,992,500	$ 9,246,700	44.8%	-1.9%	2.8%
7								
8	**Benefits**							
9	FICA & Medicare	565,710	651,202	647,967	663,196		-0.5%	2.4%
10	Health Insurance	1,797,082	2,636,000	2,800,000	3,000,000		6.2%	7.1%
11	Employee's Retirement	777,106	1,098,954	955,000	1,015,000		-13.1%	6.3%
12	Dental Benefits & Life Benefits	95,154	131,500	136,500	141,500		3.8%	3.7%
13	NHRS Retiree Health Insurance	118,403	208,600	174,000	208,600		-16.6%	19.9%
14	EAP & ASI Flex	4,207	3,765	5,425	5,425		44.1%	0.0%
15	Unemployment & Workers Compensation	8,474	9,900	12,000	12,400		21.2%	3.3%
16	Subtotal Benefits	$ 3,366,137	$ 4,739,920	$ 4,730,892	$ 5,046,121	24.4%	-0.2%	6.7%
17								
18	**Subtotal Salaries & Benefits**	**$ 10,610,544**	**$ 13,906,520**	**$ 13,723,392**	**$ 14,292,821**	**69.3%**	**-1.3%**	**4.1%**
19								
20	**Information Technology**							
21	Infrastructure Hardware	415,908	192,000	212,500	590,000		10.7%	177.6%
22	Infrastructure Software	2,576,349	3,123,000	3,009,125	3,463,179		-3.6%	15.1%
23	**Subtotal IT**	**$ 2,992,257**	**$ 3,315,000**	**$ 3,221,625**	**$ 4,053,179**	**19.6%**	**-2.8%**	**25.8%**
24								
25	**Other**							
26	Building Lease	353,563	490,000	-	-		-100.0%	0.0%
27	Building Repairs & Maintenance	296,458	157,500	433,100	439,335		175.0%	1.4%
28	Independent Medical Examiners	152,033	250,000	310,000	310,000		24.0%	0.0%
29	IT & General Consultants	223,567	315,000	607,000	482,500		92.7%	-20.5%
30	Utilities & Telecommunications	254,701	246,000	252,000	266,290		2.4%	5.7%
31	All Other	370,607	785,805	774,132	795,262		-1.5%	2.7%
32	**Subtotal Other**	**$ 1,650,929**	**$ 2,244,305**	**$ 2,376,232**	**$ 2,293,387**	**11.1%**	**5.9%**	**-3.5%**
33								
34	**Total**	**$ 15,253,729**	**$ 19,465,825**	**$ 19,321,249**	**$ 20,639,387**	**100.0%**	**-0.7%**	**6.8%**

New Hampshire Retirement System
Statutory Budget Software and Consulting Review
FY 2028-2029 Budget

Software Category	FY 28 Proposed	FY 29 Proposed	FY 28 Consulting	FY 29 Consulting
Existing				
Business Applications & Productivity Tools	$789,695	$866,915		
Cloud Platforms & Infrastructure	$440,000	$587,500		
Communications & Messaging	$165,500	$199,025		
Security & Identity Management	$232,500	$307,500		
Existing Total	**$1,627,695**	**$1,960,940**		
New				
Business Applications & Productivity Tools	$1,068,680	$1,131,739	$50,000	
Cloud Platforms & Infrastructure	$110,000	$130,000	$175,000	$125,000
Security & Identity Management	$200,000	$237,750	$150,000	$100,000
New Total	**$1,378,680**	**$1,499,489**	**$375,000**	**$225,000**
Cybersecurity Consulting			125,000	150,000
Total Software and Consulting	**$3,006,375**	**$3,460,429**	**$500,000**	**$375,000**

NHRS Employer Survey Results

August 11, 2026

Employer Survey Summary

- Survey of 24 questions was sent to all employers
- Survey was open for approximately 3 weeks
- Received 136 responses – a 29% response rate!
- 85 respondents provided their name/email address
- 100 respondents said we could contact them if we had follow-up questions
- Reviewed with Employer Reporting Team to categorize and plan proposed actions based on survey responses

Executive Summary

Survey Feedback

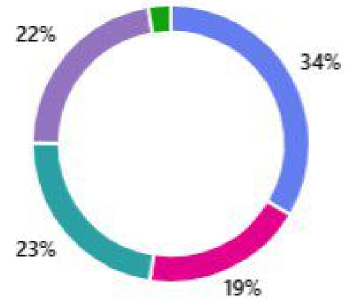
- 63% of reporters serve in multiple roles and 40% have no backup support
- There is a strong need for structured, targeted training
- Time to report
  - 63% $\leq$ 2 hours
  - 17% reported multiple days
- Significant difficulty with the batch process and system navigation
- Respondents indicated they seldom used our web resources – somewhat easy to find what they're looking for
- Frequency of communication from NHRS is just right
- Exception volume and clarity was the number one area employers have difficulty with

Action Plan

- Develop employer onboarding program
  - One on one training with Employer Relationship Manager
  - Targeted training on areas identified in survey
  - Establish standard communication protocol between Employer Relationship Manager and Employer
- Review opportunity for more intuitive screen navigation and improved system performance with pension software vendor
- Project to improve NHRS website is underway
- Salary Variance (exceptions) proposal has been developed to reduce exceptions. In review with pension software vendor.
- Improve wording of exceptions for clarity
- Develop additional educational tools to aid in clearing exceptions
- Review exceptions for opportunity to reduce/streamline

1. What is your **primary role(s)** in regard to Data Reporting System (DRS) reporting? Choose all that apply.

Payroll	101
Human Resources	57
Finance/Accounting	68
DRS Reporting	67
Other	8

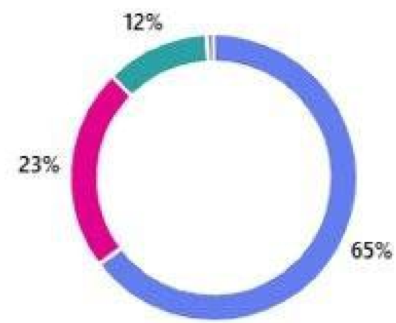


37% chose 1 role
23% chose 2 roles
13% chose 3 roles
27% chose 4 roles

63% have more than 1 role

3. Which of the following statements is true?

Only one employee is responsible for all NHRS-related tasks in my organization	88
NHRS-related tasks are divided between more than one individual in one department in my organization	31
NHRS-related tasks are divided between more than one department in my organization	16
Other	1



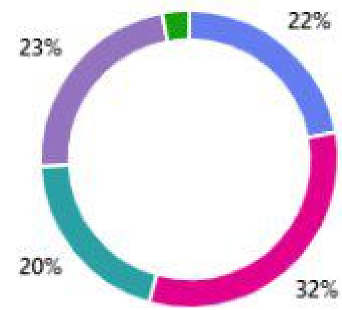
2. How long have you been in this role with your employer?

4. Is there a backup if the primary DRS user in your organization is unavailable for an extended period of time?

Turnover and lack of backup support leads to need for additional training and potential late reporting and payments

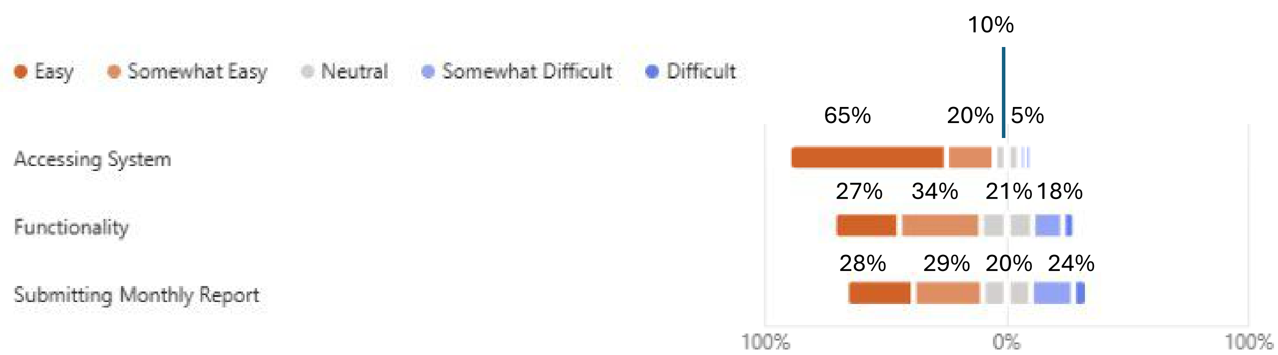
5. Did you receive training on how to use DRS?

Yes, from my employer	30
Yes, from my NHRS Employer Relationship Manager	44
Yes, from both my employer and NHRS	27
I used website resources to train myself	31
No training was necessary	4



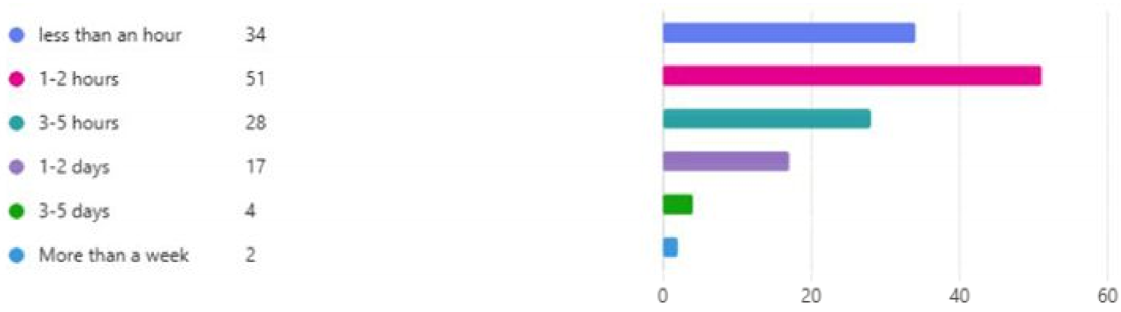
- Introduced the Employer Guide early 2026
- Action plan includes development of onboarding program
- Opportunity for targeted training sessions

6. Please rate the following DRS items.



If you chose Somewhat Difficult or Difficult, please explain the difficulties you are experiencing	**Proposed Action**
New hires and terminations processing	Education
DRS Security & getting kicked out of the system; system slowness	Technology enhancement/fixes; improve system performance
Exceptions – Volume and Clarity	Salary variance proposal; System enhancements; Education; Communication; Opportunity to reduce exceptions/improve processing
Communication from Employer Reporting Team requesting reporting/payment	Create standard communication protocol within Employer Reporting Team
Screen Navigation & Posting Workflow	Review with LRS for more intuitive screen navigation and improved batch process
Limited Training	Promote Employer Guide; Develop Employer Onboarding program; Offer targeted training opportunities

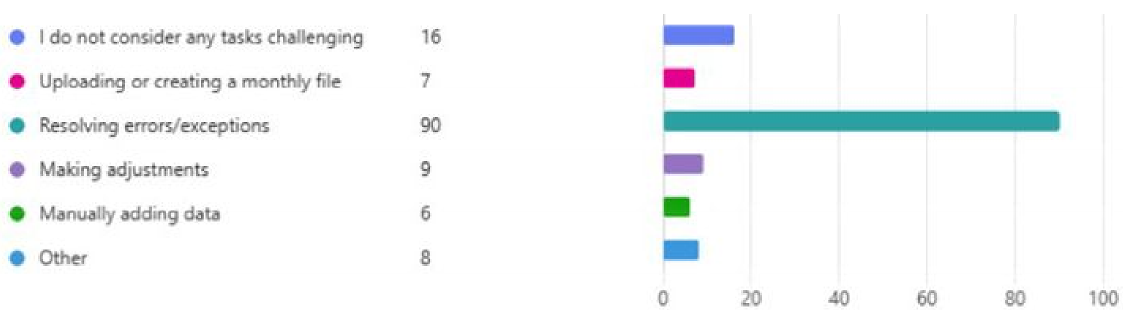
8. On average, how much time is spent on monthly NHRS reporting?



63% up to 2 hours
17% reported multiple days.

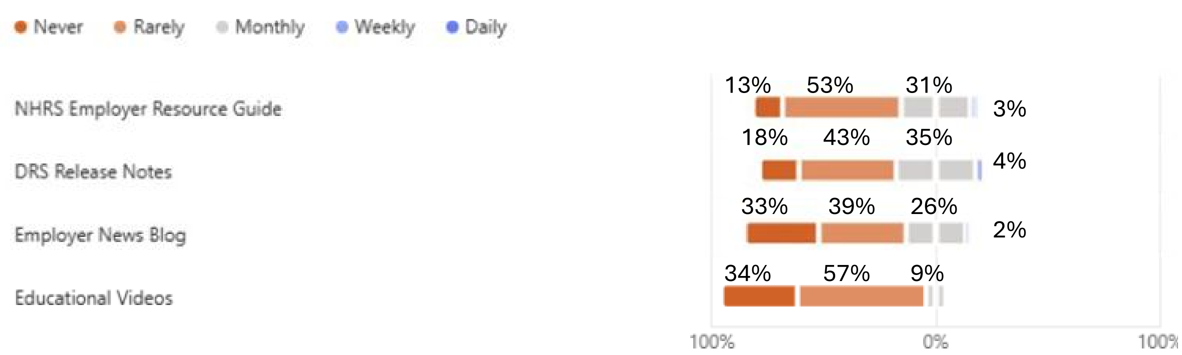
Improved system performance, screen navigation and batch process could reduce the time spent on reporting

9. Of the time spent on NHRS reporting, what is the most challenging task?

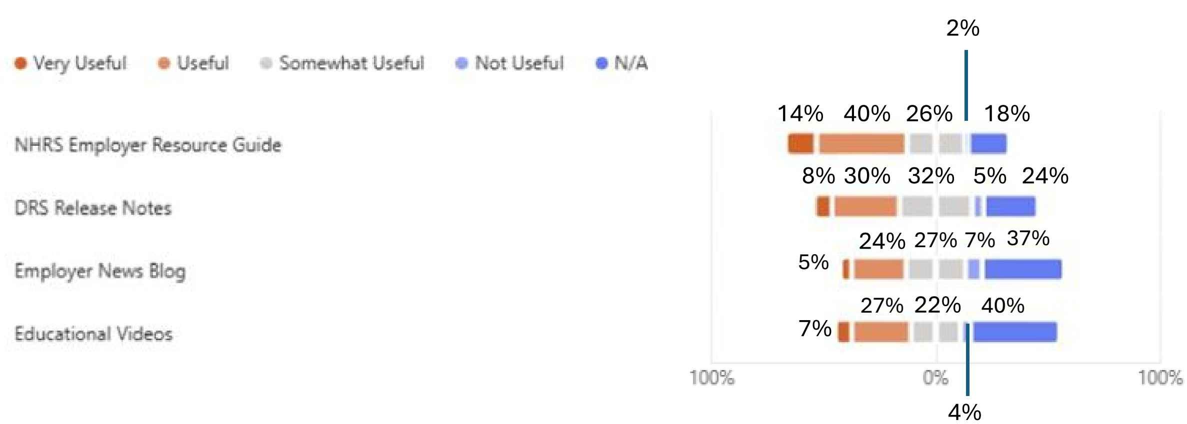


- Not a surprise
- Planned Actions:
  - Improved exception wording
  - Salary variance changes
  - Education

11. How often do you access the following reference items on the NHRS website?



12. Please rate the usefulness of the following reference items.



Resources are not used often, but when used, they are found useful

- Opportunity to improve website navigation
- Employer Onboarding Program
- Improve flow of Employer Resource Guide
- Guide to resolve exceptions

13. How easy is it to find the information you are looking for on the NHRS website?

Improve search capability and navigation on NHRS website

22. How would you describe the frequency of communication you receive from NHRS?

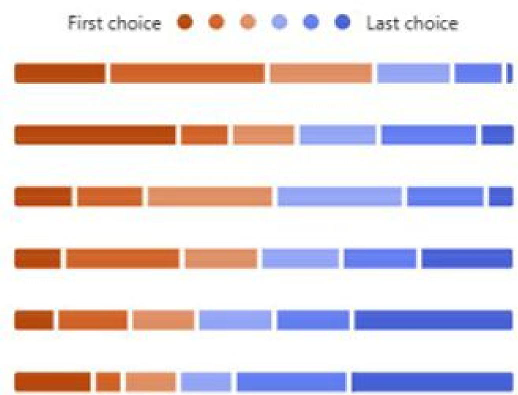
14. What DRS training topics would be most beneficial to you?

- Exceptions
  - Why they are occurring; what generates a salary variance
  - How to clear them
  - How to prevent them
- Earnable Compensation/Base vs COB
- Reporting employees on leave
- How to use DRS

15. Please rank the following training methods in order of preference, with most preferred being at the top.

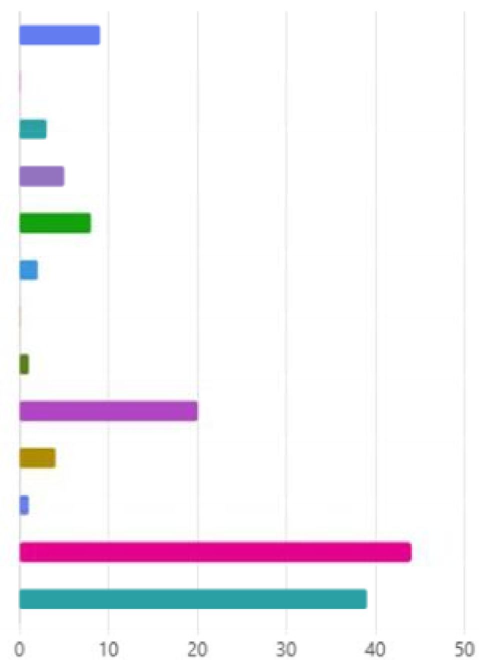
136 Responses

Rank	Options
1	Small group virtual sessions
2	Self-paced online videos/tutorials
3	One-on-one sessions
4	Teams Meetings
5	Ability to schedule one-on-one sessions via the NHRS web site
6	In-person workshop



16. Which payroll vendor does your employer use?

ADP	9
ADS	0
Blum, Shapiro & Co - ACCUFUND	3
BMSI	5
BS&A	8
CHECKMATE	2
CIMS/WEIDENHAMMER -(ALIO SUMMERTIME)	0
HARPER'S	1
QUICKBOOKS	20
PAYCHEX	4
TRIVANTUS	1
TYLER	44
Other	39

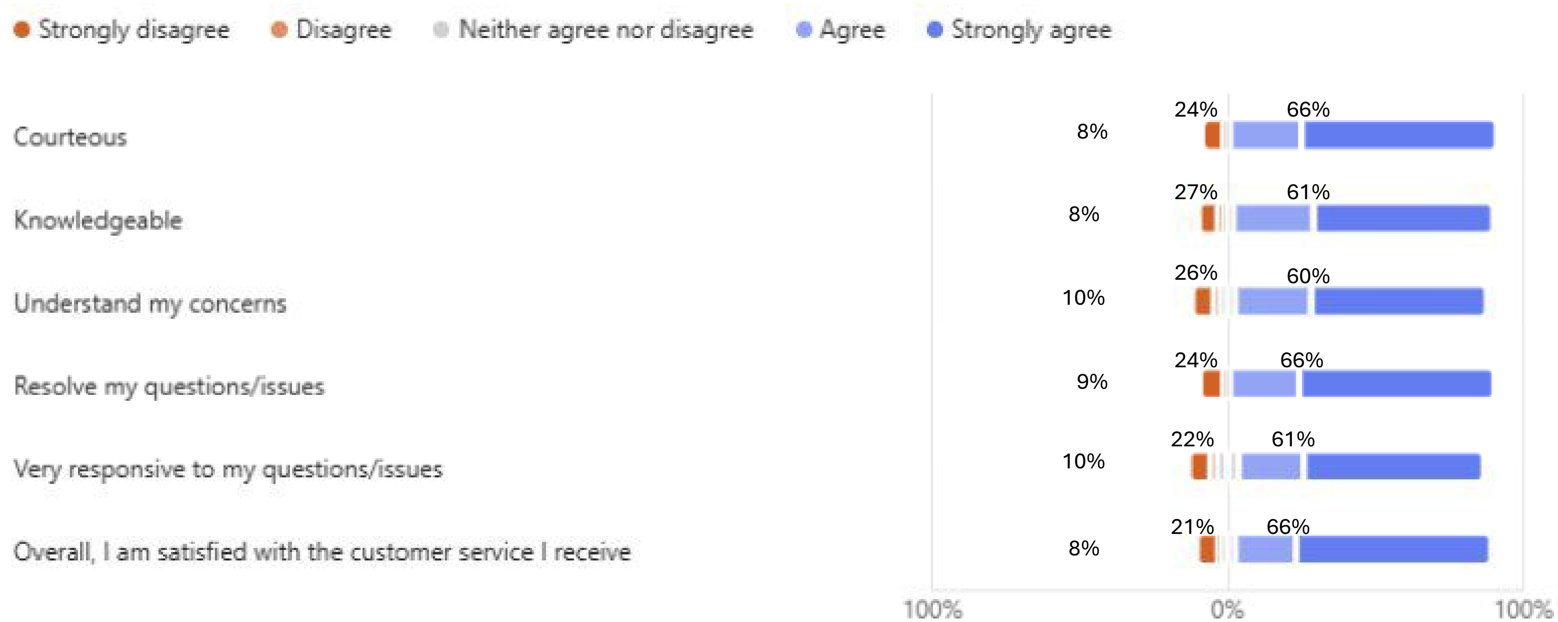


17. How do you submit monthly contributions to NHRS?

18. If you don't currently take advantage of QuickPay to pay monthly contributions, please select the reason.

Important data to understand when starting our campaign to reduce/eliminate checks and increase usage of QuickPay

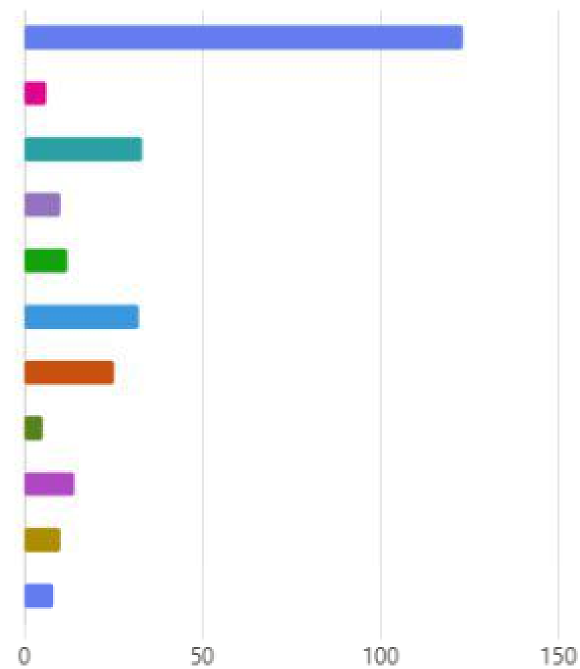
19. Please rate the level of agreement with the following statements regarding the NHRS Employer Relationship Managers. They are...



While 86% to 90% responded positively, there is opportunity to improve customer service on the Employer Reporting Team

20. Which topics do you most frequently contact the Employer Reporting Team about for help? Choose all that apply.

clearing exceptions	123
DRS document upload	6
earnable compensation	33
file uploading	10
leave of absence	12
making adjustments	32
member enrollment/eligibility	25
payment reason	5
payroll schedules/pay dates	14
web entry	10
Other	8



To: Board of Trustees

From: Rosamond Cain, NHRS Chief Human Resources Officer

Date: July 28, 2026

Subject: Human Resources Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- NHRS is currently actively recruiting for six positions: Human Resources Coordinator, Financial Analyst, Sr. Accountant, Executive Assistant, Legal, Internal Compliance Analyst, and a Contact Center Representative.
- Since the last Board meeting, we have filled one Contact Center Representative position, the Retirement Benefit Generalist position, the Accounts Payable Specialist position, the Employer Specialist I position, and the Member Services Administrative Assistant position.
- HR has continued to work on updating training manuals and position descriptions due to the implementation of PGV3.

Current Months' Highlights – June and July

- HR has met all their KPMs for the past two months.
- The union and non-union compensation plans for FY 27 have been implemented.
- The Employee Appreciation Team is busy planning this year's event.
- HR has started revamping the performance appraisal process and documents.

Upcoming Plans and Projects

- All policies and procedures need to be reviewed and updated if necessary.
- HR will be researching how effective and practical an internship program would be for NHRS.

Department: Human Resources
Executive Team Member: R. Cain

Date: 7/28/2026
Approved: 7/1/2026

FYs 27-29 Human Resources Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Plan, schedule, and present two trainings for our staff annual training plan.	RC/JG/ ETeam/ MTeam	6/30/27	Researching trainings- Civility in the workplace, Mental Health Resilience and Communication to be presented in June-This action item was not completed due to the move project.	Goal 4.
2. Maintain a management development program for middle managers and staff identified as possible managers.	RC/JG/ ETeam/ MTeam	6/30/27	Ongoing- eight managers are now enrolled.	Goal 2.
3. Assist in monitoring and maintaining staffing levels in all departments to keep organization on time and budget.	RC/ETeam/ MTeam	6/30/27	Ongoing.	Goals 2 & 4.
4. Create, implement, and maintain electronic performance appraisals utilizing the ADP software.	RC/MTeam	6/30/27	Ongoing.	Goal 2.

5. Begin a review of the organization structure and implement appropriate changes if warranted.	RC/AG/JG	12/31/26	FY 26 AP Item. This process has begun; updates will be forthcoming.	Goal 2.
6. Continue review of all training manuals to reflect PGV3.	RC/MTeam/ Staff	1/31/26	Ongoing.	Goal 4.
7. Continue review of all position descriptions to reflect PGV3.	RC/MTeam/ Staff	1/31/26	Ongoing.	Goal 4.
8. Implement a formal cross training program aligned with succession planning.	RC/ETeam/ MTeam	12/31/27	Not started.	Goal 4.
9. Ensure compliance with all federal, state and CBA rules and regulations.	RC/Legal/ J. Goodridge	6/30/27	Current.	–
10. HR Generalist to identify and enroll in a professional development program.	J. Goodridge/ RC	6/30/27	In process.	–
11. Chief HR Officer to identify, enroll in, and complete a professional development program.	RC/JG	6/30/27	Enrolled in- NCPERS HR Conference, Strategic HR Conference, HR State Council of NH Legislative Conference.	–

Variables: Legislative changes, personnel changes/turnover, technology changes.

To: Board of Trustees

From: Ashley Crutchfield, NHRS Director of Communications and Legislative Affairs

Date: July 31, 2026

Subject: PIO Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- The 2026 legislative session concluded in June. Of the 18 bills monitored, four were signed into law: two NHRS-related bills (HB 1109 and SB 502; details below) and two other bills of interest (SB 423 and SB 486). A press release on the 2026 session is being finalized.
  - HB 1109, recognizing certain Department of Corrections positions as Group II: Section 1 is effective January 1, 2027, and the remaining provisions took effect June 30, 2026.
  - SB 502, allowing remote participation by IIC members: effective August 18, 2026.
- The NHRS website accessibility score stands at 97.3% (excluding PDFs), exceeding the 95% threshold required by April 2027. Accessibility work continues, along with the conversion and archiving of legacy PDFs.
- With the NHRS survey program now under PIO ownership, work continues to standardize the survey platform and to evaluate cadence, timing, and feedback processes in coordination with each department.

Current Months' Highlights – June and July

- Hosted or participated in 11 member education events.
- Expanded the "Digital Sunscreen" cybersecurity blog series with four new posts, offering members and retirees practical tips and best practices for staying secure online.
- Distributed the summer editions of the Member, Retiree, and Employer newsletters, covering HB 282 benefit updates, cybersecurity resources, and the recently published *NHRS Insurance Reporting Guide*, among other timely topics.
- PIO met all 12 applicable KPMs across May and June (six each month).

Upcoming Plans and Projects

- Host or participate in eight member education events in August and September.
- Revise and expand the NHRS Style Guide (editorial and design) to translate accessibility guidelines and requirements into clear, actionable standards for staff.
- Issue an RFP for the NHRS website project, outlining scope, requirements, timeline, and WCAG 2.2 Level AA compliance standards.

Department: Communications (PIO) **Date:** 7/30/26
Executive Team Member: A. Crutchfield **Approved:** 6/30/26

FYs 27-29 Communications Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Revise the NHRS style guide, including all templates (letterhead, slide decks, memos, etc.), to modernize them and bring them into full ADA compliance.	AC	FY 27	In progress.	Goal 4.
2. Develop, institute, and maintain a systemwide survey program to support ongoing assessment of stakeholder communication and engagement.	AC	FYs 27-28	In progress.	Goal 4.
3. Update and expand member and employer education.	AC	FYs 27-28	In progress.	Goal 4.
4. Advance integration of PIO and the Contact Center.	AC/NM	FY 27	Scoping phase.	Goal 5.
5. Update current NHRS website to meet new ADA requirements that take effect in April 2027.	AC	Q4 FY 27	In progress.	Goal 1.

6. Design and deploy a new NHRS website consistent with ADA standards to improve accessibility, usability, and service delivery.	AC	FYs 27-28	In progress; RFP under development.	Goal 1.
7. Maintain positive and constructive working relationship with the NH Legislature.	AC/Legal	FYs 27-29	Ongoing. No end date by design.	–
8. Coordinate NHRS interactions with, and prepare materials for, the statutory commission studying retirement benefits and employee retention, which is scheduled to meet in the summer of 2027.	AC/Legal	FYs 27-28	Scheduled.	–
9. Annually identify, enroll in, and complete a professional development opportunity.	AC	FYs 27-29	Recurring.	–

Variables: Legislative, staffing, and technology changes.

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To: Board of Trustees

From: Sonja Gonzalez, NHRS Chief Information Technology Officer

Date: July 30, 2026

Subject: Information Technology Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Managed the HB 282 Phase III project which was deployed successfully, ahead of schedule. HB 282 Phase IV in progress, anticipated completion in early 2027.
- Security advancements in *My Account* are being designed and implemented.

Current Months' Highlights – June and July

- Met six of seven KPMs each month (May and June). One N/A as the function is not actively being performed.
- HB 282 Phase III deployed successfully, on time.
- Progress made on PensionGold enhancements portfolio and PG Secure project.
- Completed several building move tasks. Close to completing all tasks that were part of that effort.
- Continued improvements to security posture including risk mitigation and policy updates.
- Premise server room upgrades are complete; premise equipment has been installed; final tool optimization and implementation are nearly complete.
- PensionGold Enhancements and Efficiency Improvements
    - Operating status: tracking within expected support hours consumption rate
        - Current support hours available: 1,710.5
        - 2,500 hours purchased in December 2025
        - 360 Support hours projected through September 2026 (includes processes to support HB 282 Phase IV and *My Account* Security Updates)
- Performance Support Activity (June 1, 2026 – July 30, 2026):
    - Tickets opened: 414
    - Tickets closed during (from those opened): 337
    - High-severity issues resolved: 50
    - Cumulative Totals

- Total Lifetime Tickets: 3,472
- Total Lifetime Tickets Resolved: 3312
- Current backlog: 160 open tickets

Upcoming Plans and Projects

- HB 282 Phase IV project work will continue through the anticipated completion in February 2027.
- Continued focus on security posture, including patch management, configuration of premise and cloud security tools, and use of risk register to drive priority of project work.
- Policies, plans and procedures being updated to align with NIST800-53 frameworks.
- Updating job descriptions and team structure to meet current and future needs.
- Updating project portfolio, ensuring that project visibility.
- Continued work on completion of building move tasks and procurement of services for large facilities projects in FY 27.

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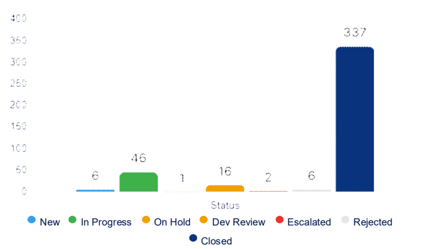
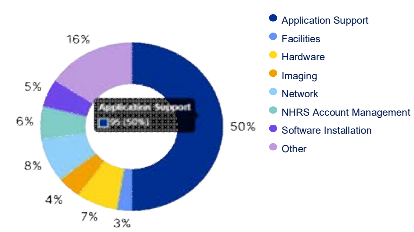
IT Services Dashboards
Performance metrics and project overview
June 2026 - July 2026

IT Service Management Dashboard

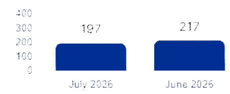
Ticket Status



Total Tickets

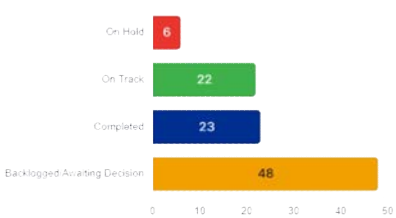


Month Over Month Totals

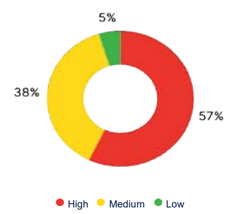


Project Management Dashboard

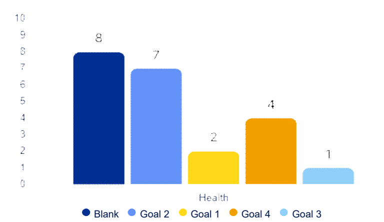
Projects by Health



Active Projects by Priority

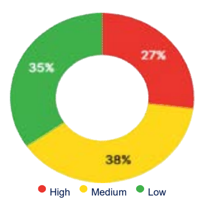


Active Projects by Strategic Goal

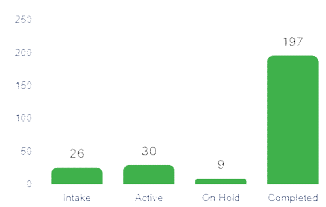


PG Roadmap Dashboard

Open Roadmap Items by Priority



Enhancement Requests by Status



Support Hours

Purchased	**3530**
Remaining	**1710.5**

Total PGv3 Enhancements

410

Total PGv3 Issues

807

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Department: Information Technology
Executive Team Member: S. Gonzalez

Date: 7/29/26
Approved: 7/1/26

FYs 27-29 Information Technology Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Complete key PIRs.	SG/PM/MS/ Finance	FY 29	Project plan being revised to accommodate HB 282 and security work; revisions to some PIRs being proposed to improve outcomes.	Goal 1.
2. Map the Pension Lifecycle.	SG/PM/MS/ Finance	FY 29	Establishing foundational tools.	Goal 1.
3. Develop and implement a digital fluency and data maturity training plan.	SG/AS	FY 27	Training plan being developed.	Goal 2.
4. Update all IT policies, procedures and plans.	SG/MT	FY 28	Plan developed; first policies drafted and being reviewed.	Goal 2.
5. Implement dashboard technology.	SG/PM	FY 28	Inventory and analysis of current state.	Goal 2.
6. Create AI roadmap.	SG/IT team	FY 27	Training and investigation of best practices in process.	Goal 2.

7. Upgrade financial systems application.	SG/Finance	FY 27	Planned start September 2027.	Goal 2.
8. Improve IT Ticketing experience and reporting.	SG/JO/PM/ AS	FY 28	Not started.	Goal 2.
9. Create IT Strategic Plan.	SG/JO/PM/ AS	FY 27	Assessment of IT objectives and alignment with the organizational strategic plan is complete; work is underway to produce the formal documented plan.	Goal 2.
10. Align operational practices to achieve NIST 800-53 v5 Moderate requirements.	SG/JO/MT	FY 29	Educating team on frameworks and aligning projects.	Goal 2.
11. Hire appropriate talent to support data needs throughout the organization.	SG/PM	FY 27	Working on job description.	Goal 3.
12. Modernize HR onboarding and offboarding.	SG/RC	FY 29	Not started.	Goal 4.
13. Deploy modern intranet, and engage with departments to use effectively.	SG/PIO	FY 27	Initiating scoping and requirements gathering with PIO.	Goal 4.
14. Perform Facilities Reserve assessment.	SG/SK	FY 27	Not started.	–

Variables: Legislative changes, personnel changes/turnover, technology changes

To:	Board of Trustees
From:	Annie Gregori, NHRS Chief Legal Counsel
Date:	July 30, 2026
Subject:	Legal Operating Report
Item:	Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

Since the June Board meeting, the Legal Department has continued its review of NHRS plan operations, legal compliance, and related governance and operational risks. The review also identified several areas that warrant continued monitoring, additional documentation, or process improvements. These include membership and enrollment, retiree return-to-work, in-service distributions, benefit overpayments, independent contractor determinations, missing members, employer reporting and contributions, cybersecurity governance, and procurement and contract administration.

Legal is working with the appropriate departments and Board Committees to distinguish matters that can be addressed through updated procedures, training, or enhanced monitoring from those that may require further Board consideration for legislative or rule changes.

Legal also continued supporting implementation of HB 282 by providing statutory interpretation, reviewing operational questions, and coordinating with other NHRS departments.

Current Months' Highlights – June and July

Area	Update
• **Appeals (Last 12 Months):**	Filed: 18 | Closed: 16 | Open/Pending: 11
• **Legal and Compliance Review:**	Substantially completed a broad review of plan operations, governance practices, compliance processes, and enterprise risks. Legal is organizing the findings into a prioritized framework for monitoring and corrective action.
• **HB 282 Implementation:**	Continued statutory analysis, operational support, and review of employer and member communications.

- **QDRO Program:** Conducted an inventory of pending matters and began revising procedures, forms, correspondence, workflow controls, and template letters.

- **Membership and Enrollment:** Reviewed membership, enrollment, optional-membership, service-credit, and related classification issues.

- **Retiree Return-to-Work:** Continued review of bona fide termination, independent-contractor arrangements, annual hour limitations, and in-service distribution restrictions.

- **Benefit Corrections and Member Data:** Continued work concerning benefit overpayments, death-related overpayments, missing members, uncashed payments, contribution errors, and the need for consistent monitoring and correction procedures.

- **Cybersecurity Governance:** Continued legal review of incident-response documentation, vendor management, cyber insurance, procurement, data governance, and the respective oversight responsibilities of management and the Board.

Upcoming Plans and Projects

Action	Upcoming Plans
• **Compliance Monitoring:**	Finalize the legal and compliance review and develop a practical process for tracking recommendations, corrective actions, responsible departments, and completion dates.
• **Membership and Benefit Administration:**	Continue focused review of membership and enrollment controls, retiree return-to-work, in-service distributions, employer reporting, service-credit issues, and benefit corrections.
• **Post Disability Retirement Administration:**	Continue reviewing disability re-examination and gainful-occupation procedures with Member Services to improve efficiency and member outcomes.
• **Missing Members and Overpayments:**	Work with the appropriate departments to improve procedures for identifying missing members, monitoring death notifications, preventing continued payments after death, and recovering or correcting overpayments.

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- **Cybersecurity and Data Governance:** Continue the legal and fiduciary review of cybersecurity governance, incident response, vendor management, insurance, documentation, and Board reporting.

- **Guidance and Training:** Continue developing standardized templates, decision tools, frequently asked questions, and staff training concerning HB 282, USERRA, return-to-work, membership, and other recurring plan-administration matters.

- **Cross-Functional Coordination:** Continue working with Member Services, Employer Reporting, Finance, Information Technology, and other departments to incorporate legal and compliance requirements into routine operations.

Department: Legal/Compliance
Executive Team Member: A. Gregori

Date: 7/29/26
Approved: 7/1/26

FYs 27-29 Legal Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. PGV3 Legal Support	AG	Q3 FY 27	Complete HB 282 implementation; continue to provide legal guidance on system enhancements required for legislative and regulatory reasons; updates to capacity for processing gainful occupation forms, retiree reporting, and legal interpretation of system changes.	Goal 1.
2. Enterprise Risk, Compliance, Governance & Policy Management	AG/Legal	FY 27/ Annually	Complete annual review of governance documents, Board policies, legal procedures, manuals, website guidance, and interpretive materials; identify legal and fiduciary risks; recommend improvements and maintain governance inventory. Conduct enterprise legal risk assessment; identify emerging legal, fiduciary, and operational risks; recommend mitigation strategies; strengthen internal controls and documentation standards.	Goal 1.

3. Regulatory Compliance Program	AG/Legal	FY 27/ Annually	Develop standards, training to enable NHRS to maintain compliance with IRS, RSA 100-A, Employee Plans Compliance Resolution System (EPCRS/VCP Policy), and other applicable legal requirements; document annual compliance review; monitor corrective actions.	Goal 1.
4. Legislative & Regulatory Implementation	AG	Ongoing.	Analyze enacted legislation; implement required operational changes; coordinate cross-functional implementation; assist Business Teams in legal interpretations, development of guidance to ensure that updates to policies, forms, employer guidance, and member communications are completed timing.	Goal 1.
5. Board Governance & Legal Advisory Services	AG	Ongoing.	Provide legal advice to the Board, Executive management; support Board committees; draft resolutions, policies, legal memoranda, and governance recommendations; manage litigation and outside counsel.	Goal 2.
6. Begin a review of the organization structure and implement appropriate changes if warranted.	JG/RC/AG	FY 27	FY 27 Action Plan Item. This process has begun; updates will be forthcoming.	Goal 2.

7. Operational Excellence & Business Process Improvement	AG	FY 27/ Annually	Improve legal workflows, contract management, document automation, reporting, procurement support, and internal service delivery; implement continuous improvement initiatives.	Goal 2.
8. Compliance Reporting, Data Analytics & Compliance Monitoring	AG	FY 27	Develop reporting tools and dashboards supporting employer compliance, audit activities, legislative implementation, and operational decision-making.	Goal 2.
9. Professional Development & Knowledge Management	AG/Legal	FY 27/ Annually	Maintain required CLEs and industry education; participate in NAPPA, ILPA, and other professional organizations; develop succession planning and internal legal knowledge resources.	Goal 1.
10. Development of Securities Litigation Program	AG/Legal/ Investments	FY 27	Enhance securities litigation oversight to maximize recovery of plan assets through policy development, monitoring and collaboration with investment staff, custodian, outside counsel and other service providers.	Goal 2.

Variables: Legislative changes, personnel changes/turnover, backlog of technology changes may impact the timing of technology dependent variables**.**

To: Board of Trustees

From: Raynald Leveque, NHRS Chief Investment Officer

Date: July 30, 2026

Subject: Investments Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- June 9 Investment Committee (Committee) Meeting Recap:
  - The Committee received presentations from four prospective Emerging Markets equity managers, Dimensional Fund Advisors, Wellington Management, ARGA Investment Management, and J.P. Morgan Asset Management, as part of the implementation of the Non-U.S. Emerging Markets portfolio restructuring approved in May.
  - Following the manager presentations, the Committee unanimously voted to approve "Alternative A" Emerging Market Managers, retaining Wellington Emerging Markets Systematic Equity, ARGA Emerging Markets, and J.P. Morgan Global Emerging Markets Focused Strategy. The action also included the termination of Walter Scott and Wellington Emerging Local Equity, consistent with Staff's implementation plan.

- June 23 Investment Committee Meeting Recap:
  - Staff presented an update on the monthly performance of the public market asset classes of the NHRS, holdings, and work plan.
  - Staff provided an update on transition activity pertaining to the Emerging Markets restructuring approved at the June 9th meeting.
  - The Committee unanimously voted to renew the Custody Agreement with The Bank of New York Mellon for a two-year term through June 30, 2028, subject to contract and legal review.
  - The Committee unanimously voted to approve a five-year extension of the investment relationship with BlackRock for the Strategic Income Opportunities (SIO) Bond Fund through June 30, 2031.
  - The Committee received a semi-annual real estate portfolio review from representatives of The Townsend Group.
  - The Committee received a semi-annual review of the private credit and private equity portfolios from Callan

Current Months' Highlights

- Preliminary Performance for June Period:

As of 6/30/2026	1 Month	Fiscal Year to Date	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund Net Return	+.09%	+11.83%	+11.83%	+10.31%	+6.40%	+8.83%
Policy Benchmark Return	-.67%	+15.74%	+15.74%	+13.10%	+7.73%	+9.39%
Net Return Minus Benchmark (in basis points)	+76	-391	-391	-279	-132	-56

Source: Callan, NHRS

May and June

- KPM Monthly Reporting for May:
  - Seven reported KPMs were achieved; one was not achieved; two are not applicable.

- KPM Monthly Reporting for June:
  - Seven reported KPMs were achieved; three are not applicable.

Upcoming Plans and Projects

- August 25 Investment Committee Meeting:
  - Staff will present an update on the monthly performance of the public market asset classes of the NHRS, holdings, and the Work Plan.
  - Staff will provide updates on Public Equity managers TSW and Aristotle.
  - The Committee will receive a presentation from a Private Infrastructure manager.
  - The Committee will receive a presentation from a Private Credit manager.
  - The Committee will receive presentations from prospective U.S. Enhanced Index equity managers, Acadian and Xponance.

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Securities Litigation Summary

- The Investment Team regularly monitors and participates in class action securities litigation to recover NHRS funds lost through investments in public securities. NHRS engages with our custodian bank to participate in standard U.S. class action litigation (the current custodian is BNY Mellon). NHRS hired ISS in 2018 to provide litigation research and claims filing solutions for non-standard U.S. class action and international securities litigation. The table below reports the annual historical recoveries for the NHRS.

Calendar Year	Amount
2005	$ 624,261
2006	$ 1,373,631
2007	$ 2,410,390
2008	$ 1,980,702
2009	$ 1,972,216
2010	$ 1,374,754
2011	$ 550,324
2012	$ 835,766
2013	$ 310,321
2014	$ 803,621
2015	$ 627,131
2016	$ 670,404
2017	$ 1,280,969
2018	$ 279,783
2019	$ 675,406
2020	$ 289,418
2021	$ 483,889
2022	$ 265,959
2023	$ 754,938
2024	$ 326,643
2025	$ 494,877
2026 through June 30th	$ 96,339
Total:	**$ 18,481,742**

Source: BNY, ISS, NHRS, Northern Trust

Department: Investments
Executive Team Member: R. Leveque

Date: 7/30/26
Approved: 7/1/26

FYs 27-29 Investments Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Address areas of cost efficiencies in the NHRS portfolio and/or Investment team services.	RL	FY 27	**In Process.** Reduced overall active management expenses in Global Equity portfolio in FY 25. Expected reduction in real estate fees in FY 27.	Goal 3.
2. Develop and gain approval for specific technology plans to support the Investment Office.	RL/JG	FY 27	**In Process.** Target RFP for analytics platform in FY 27.	Goal 3.
3. Identify, enroll and complete professional development for Investment Office.	RL	FY 27	**In Progress.** Executive Director approved 3Shoes Inc to provide team professional development/ communications training for FY 27.	Goal 4.
4. Assure compliance with all relevant statutory and regulatory requirements.	RL/IIC/BOT	FYs 27-29	**Ongoing**. In compliance with all relevant statutory and regulatory requirements.	Goal 2.
5. Complete Work Plans for Alternatives Asset Classes.	RL/IIC	12/27	**In Process**. Presented and received approval for Private Markets Strategic Plan at IIC meeting in March 26.	Goal 2.
6. Maintain investment expenses within budget.	RL/IIC	FYs 27-29	**Ongoing**. Expenses in line with Trust Budget.	Goal 2.

Variables: Legislative changes, personnel changes/turnover, technology changes.

Trustee Travel

No Travel Requests Submitted

To: Board of Trustees

From: Jan Goodwin, NHRS Executive Director

Date: July 30, 2026

Subject: June 9, 2026 – Action Items

Item: Action: ☐ Discussion: ☐ Informational: ☒

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1. Implement FY 27 Trust Fund Budget **MM**
   Action: Completed.

2. Implement Board decisions on Consent Agenda **DC**
   Action: Completed.

3. Implement Capital Expenditure Reserve Policy **MM**
   Action: Completed.

4. Post revised Governance Manual **PIO**
   Action: In progress.

5. Present risk assessment at August Board meeting **GRS**
   Action: On August BOT agenda.

6. Distribute survey to Board members **JG/PIO**
   Action: Completed.

BOARD CHECKPOINT DISCUSSION

Oral Presentation Only

CY 2026 BOARD ACTION CALENDAR

JANUARY 2026 – No Meeting

FEBRUARY

Date	Board Action Item	Requirement	Responsible Party
2/10/26	Board and Audit Committee approval of FY24 GASB 68/75 Reports	Best Practice	Board of Trustees
2/10/26	Annual Governance Manual revisions	Best Practice	Board of Trustees
2/10/26	Presentation of Capital Markets Assumptions	Best Practice	Investments
2/10/26	Quarterly IIC Report (Incl Inv. Fees and Sole Interest Statement)	RSA 100-A:15, II-a(c)	IIC
2/10/26	Trustee Education	Best Practice	ED
2/10/26	BCP Testing Report	Best Practice	ED
2/10/26	Initiate Review of Strategic Plan - PAA	Best Practice	Board of Trustees
2/10/26	Confirm quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns and Sole Interest Statement were submitted.	RSA 100-A:14, VII-a & RSA 100-A:15, II-a(c) & VIII(b)	ED

MARCH – No Meeting

APRIL

Date	Board Action Item	Requirement	Responsible Party
4/14/26	Confirm quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns and Sole Interest Statement were submitted.	RSA 100-A:14, VII-a & RSA 100-A:15, II-a(c) & VIII(b)	ED
4/14/26	Approve the Strategic Plan	Best Practice	Board of Trustees
4/14/26	Annual VCP Review	Best Practice	Legal/Board of Trustees

MAY – No Meeting

JUNE

Date	Board Action Item	Requirement	Responsible Party
6/9/26	Review and Approve annual Trust Fund Budget (non-statutory portion)	Best Practice	Board of Trustees
6/9/26	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c)	IIC

JULY – No Meeting

AUGUST

Date	Board Action Items	Requirement	Responsible Party
8/11/26	Annual IIC Real Estate update to the Board	Best Practice	IIC
8/11/26	Review and Approve Biennial Administrative Budget	RSA 100-A:14, XIII	Board of Trustees
8/11/26	Review and Approve Actuarial Valuation and Rate Certification	RSA 100-A:14, X	Board of Trustees
8/11/26	Office of Foreign Asset Control (OFAC) Compliance Report	Best Practice	Board of Trustees
8/11/26	Working After Retirement Report	Best Practice	Board of Trustees
8/11/26	Confirm quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns and Sole Interest Statement were submitted.	RSA 100-A:14, VII-a & RSA 100-A:15, II-a(c) & VIII(b)	ED

SEPTEMBER – No Meeting

OCTOBER

Date	Board Action Items	Requirement	Responsible Party
10/13/26	Confirm quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns and Sole Interest Statement were submitted.	RSA 100-A:14, VII-a & RSA 100-A:15, II-a(c) & VIII(b)	ED
10/13/26	Gainful Occupation Report	RSA 100-A:6, III(b)	Board of Trustees
10/13/26	Review charters for Board Committees	Governance Manual	Appropriate Board Committee
10/13/26	Annual Board Fiduciary Education	Best Practice	Board of Trustees
10/13/26	Annual Independent Medical Examiner (IME) Review	IME Policy	Board of Trustees
10/13/26	Set Board of Trustees meeting schedule for next calendar year	Governance Manual	Board of Trustees
10/13/26	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC
10/13/26	Call Firefighter Report	Best Practice	Board of Trustees

NOVEMBER – No Meeting

DECEMBER

Date	Board Action Items	Requirement	Responsible Party
12/8/26	Audited ACFR to Audit Committee and Board for approval	RSA 100-A:15, VI(a)	External Auditor
12/8/26	Audit Committee recommends that the Board approve the audited ACFR	RSA 100-A:15, VI(a)	Board of Trustees
12/8/26	RSA 15-A Statement of Financial Interests Reminder – due 3rd Fri. in Jan	RSA 15-A	Board of Trustees
12/8/26	The IIC recommends that the Board approve the CAIR	RSA 100-A:15, VII	Board of Trustees
12/8/26	Present annual ethics survey results	Ret. 401	Legal
12/8/26	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC
12/8/26	Deadline for issuing member statements for fiscal year ending 6/30/25	RSA 100-A:14, XI	Board of Trustees
12/8/26	ACFR and CAIR delivered per statute	RSA 100-A:15, VI(c)	PIO

New Hampshire Retirement System
Board of Trustees

As of March 25, 2026

NHRS
New Hampshire Retirement System

NHRS Board of Trustees Committee Membership List

as of June 30, 2026

COMMITTEE	AUDIT	BENEFITS	GOVERNANCE	LEGISLATIVE	PPCC	INVESTMENT
Staff Liaison	Jan Goodwin	Diana Crichton/ Nancy Miller	Annie Gregori	Jan Goodwin	Rosamond Cain	Raynald Leveque
Frederick, Jon		**X-Ch**		X		
Hannan, Sue				X	**X-Ch**	
Kelliher, Maureen					X	X
Maloney, Robert	X		X		X	
Martineau, Andrew		X		X		
McKenna, Leah	X	X				
Merrifield, Ken			X	**X-Ch**	X	
Mezzapelle, Monica	**X-Ch**		X			
Nickerson, Charles	X	X				
Vacant						
Quigley, Joshua				X	X	
Roy, Donald		X	**X-Ch**			
Saltzman, Steven	X		X			
TOTAL MEMBERS	5/5	5/5	5/5	5/5	5/5	1/6*

*Per RSA 100-A:14-b, I, the Independent Investment Committee shall consist of not more than 6 members, and up to 2 of whom shall be Trustees.

NHRS Abbreviations and Acronyms

About this document: This list of NHRS abbreviations and acronyms is for the purpose of familiarizing all staff, the Board of Trustees and the Independent Investment Committee with common terms NHRS uses externally. Some NHRS abbreviations/acronyms are intended for internal use only and are indicated by an asterisk (*). This document is a reference guide to help NHRS be consistent and accurate in our communication with colleagues, our members, retirees and their beneficiaries, participating employers, and stakeholders.

Style note: Spell out NHRS abbreviations and acronyms on first reference and put the abbreviation or acronym in parenthesis directly after the word for use on the second or subsequent references in a written document, ***e.g., The retiree called the NHRS Contact Center to ask why he doesn't receive cost-of-living adjustments (COLAs) every year. The contact center representative replied that COLAs are determined by the NH Legislature and encouraged the retiree to contact his state representatives.*** If there is no second reference, then there is no need to add the abbreviation or acronym in parenthesis after the word.

GENERAL

AU* – Audit

ACFR – Annual Comprehensive Financial Report

BET – Bureau of Education and Training

BOT* – Board of Trustees (BOT can be used on second reference but only internally)

Board – For Board of Trustees, second reference only

CAIR – Comprehensive Annual Investment Report

CCR* – Contact Center Representative

EE* – Employee

ER* – Employer

ERT – Employer Reporting Team

E-Team* – Executive Team

FA* – Facilities

FT-10 – Full-Time 10 months – full-time 10-month employees (generally teachers)

FT-12 – Full-Time 12 months – full-time 12-month employees

HB2 – House Bill 2 (2011 version, which made major changes to NHRS benefits)

IIC – Independent Investment Committee

JLMC* – Joint Loss Management Committee, also known as Safety Committee

M-Team* – Management Team

MS* – Member Services

NHRS – New Hampshire Retirement System

OPEB – Other Post-Employment Benefits (i.e., Medical Subsidy)

P. Sub (or "subs")* – Political Subdivision (i.e., any NHRS employer other than the state)

PIO* – Public Information Office(r)

PPCC – Personnel, Performance and Compensation Committee

RSA 91-A – A New Hampshire statute that allows citizens the right to know when public bodies or public agencies meet, and with provisions, the right for a citizen to inspect governmental records.

RSA 100-A – State statute governing NHRS

RTK – Right-to-Know law (alternative term in reference to RSA 91-A)

SAU – School Administrative Unit

SD – School District

SME* – Subject Matter Expert

Trustees – Used on second reference only for Board of Trustees (choose either Board or Trustees for use on second reference and use the one term consistently throughout the document and not interchangeably).

UAAL – Unfunded Actuarial Accrued Liability

BENEFITS

ADR – Accidental Disability Retirement (job-related)

AFC – Average Final Compensation (used in pension calculation as formulated by the state)

COB – Compensation Over Base (pay above base salary)

COLAs – Cost-of-Living Adjustments

EDD – Electronic Direct Deposit

ESDP – Extra or Special Duty Pay

FAS – Final Average Salary (part of pension calculation)

GI/GII – Group I (Employee, Teacher) / Group II (Police, Fire)

GO* – Gainful Occupation (employment status for disability benefits)

IME – Independent Medical Examiner/Examination (third-party medical evaluation)

ODR – Ordinary Disability Retirement (non-job-related)

Pre-lim* – Preliminary retirement benefit

QDRO – Qualified Domestic Relations Order

RET 304 –Contribution Adjustment, Earnable Compensation and Service Adjustment as described in the Administrative Rules

SP* – Service Purchase

SPC* – Service Purchase Contract

Tier A – Members vested by 1/1/12

Tier B – Members hired prior to 7/1/11 but not yet vested by 1/1/12

Tier B+ – Tier B members who qualify for new benefits under HB 282 (as of July 1, 2025) once the member's vested by date becomes effective

Tier C – Members hired on or after 7/1/11

TPS* – Treating Physician's Statement

TSA* – Temporary Supplemental Allowance (a one-time retiree payment)

VADR – Violent Accidental Disability Retirement (for Group II (Police and Fire) members) – a disability as a result of a violent attack with a deadly weapon in the line of duty

BUSINESS OPERATIONS/VENDORS

APs* – Action Plans

GRS – Gabriel, Roeder, Smith & Co (NHRS actuary)

KPMG – Former NHRS audit firm

KPMs* – Key Performance Measures

LRS – Levi, Ray and Shoup, Inc. (Pension Gold vendor)

LRWL – Consultant firm of PG upgrade (PGV3)

OFAC – Office of Foreign Assets Control

PM* – Plante Moran (NHRS' external auditor)

PPM* – Policy and Procedure Manager (database software system for NHRS policies/procedures)

RDI – Returned Deposit Item

RFI – Request for Information

RFP – Request for Proposal (open invitation for vendors to respond to with a bid for doing a specific project or service)

RFQ – Request for Qualifications

UPS – United Parcel Service

USPS – United States Postal Service

HUMAN RESOURCES (HR)

ADD* – Avoid, Deny, Defend (three-step plan to respond to a threat, e.g.: active shooter)

AED – Automated External Defibrillator

CBA – Collective Bargaining Agreement

CHERP – Community Health Education Reimbursement Program

CRASE – Civilian Response to Active Shooter Event

DCA – Dependent Care Account – A pre-tax benefit that can be used on eligible personal care, such as daycare, of qualifying dependents

EAP – Employee Assistance Program

FMLA – Family Medical Leave Act

FSA – Flexible Spending Account, another term for DCA

HAT – Health Assessment Tool – Incentive for Anthem-insured members to take an annual health questionnaire and earn a monetary reward for meeting certain qualifying health standards

INVESTMENT

ARR – Assumed Rate of Return

IMA – Investment Management Agreement

LTM – Last 12 months

PC – Private Credit

PE – Private Equity

RE – Real Estate

SAA – Strategic Asset Allocation

IT – INFORMATION TECHNOLOGY/APPLICATIONS

DRQ* – Document Review Queue (Queue in Pension Gold (PG) where all documentation is organized)

DRS – NHRS Data Reporting System (vendor & employer portal)

MFA – Multi-Factor Authentication (a layered security process used to protect data and applications that requires two or more personal identification methods to access the system or application

PG – Pension Gold (pension application from LRS), also referred to as PGV3 (PG Version 3)

PIN – Personal Identification Number

PIR* – Problem/Incident Report

LEGISLATIVE

FNW – Fiscal Note Worksheet (Bill cost analysis document)

HB – House Bill (proposed legislation under consideration by the House)

ITL – Inexpedient to Legislate (when a legislative committee reviews a bill, it can recommend that the full body not pass the legislation.)

JLCAR* – Joint Legislative Committee on Administrative Rules

LOB – Legislative Office Building

LSR – Legislative Services Request (a request to draft a bill)

OTP – Ought to Pass (when a legislative committee reviews a bill, it can recommend that the full body pass it.)

OTPA – Ought to Pass with Amendment (when a legislative committee reviews a bill, it can recommend that the full body pass an amended version.)

RET 304 – Section of NH Administrative Rules outlining procedures for adjusting member contributions, earnable compensation, and service credit within NHRS

SB – Senate Bill (proposed legislation under consideration by the Senate)

SH – State House

OTHER

BCCRR – Boston College Center for Retirement Research

G&C – Governor & Council

GASB – Governmental Accounting Standards Board

GFOA – Government Finance Officers Association

JRP – Judicial Retirement Plan (not affiliated with NHRS)

NHMA – New Hampshire Municipal Association

NASRA – National Association of State Retirement Administrators

NCPERS – National Council on Public Employee Retirement Systems

NCTR – National Council on Teachers Retirement

NHASBO – New Hampshire Association of School Business Officials

NIRS – National Institute for Retirement Security

P2F2 – Public Pension Financial Forum

COMMON BUSINESS TERMS

COB* – Close of Business

CYTD – Calendar Year to Date

EOB* – End of Business

EOD – End of Day

FYTD – Fiscal Year to Date

ITO – In the Office

WFH – Working from Home

OOO – Out of Office

Updated: November 17, 2025