

NEW HAMPSHIRE RETIREMENT SYSTEM

BOARD MEETING

Tuesday, April 9, 2024

Agenda

- | | | | |
|------------|--|------------------------------|---------------|
| 10:00 a.m. | 1. Ascertain Quorum and Call to Order | | M. Kelliher |
| 10:05 a.m. | 2. Approval of Minutes | (Pg. 1) | M. Kelliher |
| | o February 13, 2024 | | |
| | | (Action Expected) | |
| 10:10 a.m. | 3. Standing Committee Reports | | |
| | • Audit | (Pg. 9) | M. Mezzapelle |
| | • Governance | (Pg. 14) | D. Roy |
| | • Investments | (Pg. 15) | P. Provost |
| | o IIC Monthly Report | | |
| | o Callan Monthly Review (Feb. 29, 2024) | | R. Leveque |
| | o Institutional Proxy Voting Vendor Rec. | | |
| | | (Action Expected) | R. Leveque |
| | • Legislative | (Pg. 114) | K. Merrifield |
| | • Benefits | (Pg. 119) | G. Martins |
| | o Consent Agenda Report | | |
| | o IME RFP | | |
| | | (Action Expected) | |
| | o Rule Waiver Request | | |
| | | (Action Expected) | |
| | • PPCC | (Pg. 127) | S. Hannan |
| | o ED Performance Evaluation | | |
| | | (Non-public Expected) | |
| 10:55 a.m. | 4. Statement of Beliefs | (Pg. 128) | J. Goodwin |
| 11:10 a.m. | 5. Operating Reports | | |
| | • Executive | (Pg. 132) | J. Goodwin |
| | o Strategic Plan | | |
| | • IT | (Pg. 149) | J. Laferriere |
| | • Investments | (Pg. 152) | R. Leveque |
| | • Member Services | (Pg. 156) | N. Miller |

	<ul style="list-style-type: none"> • Finance • Human Resources • Legal • PIO 	<p>(Pg. 159)</p> <p>(Pg. 168)</p> <p>(Pg. 170)</p> <p>(Pg. 173)</p>	<p>M. Mullen</p> <p>R. Cain</p> <p>T. Crutchfield</p> <p>M. Karlon</p>
11:50 a.m.	6. Trustee Travel	(Pg. 177)	M. Kelliher
12:00 p.m.	7. Action Items – February 13, 2024	(Pg. 178)	J. Goodwin
12:05 p.m.	8. Board Checkpoint Discussion	(Pg. 179)	M. Kelliher
12:10 p.m.	9. Adjournment		M. Kelliher
	10. Informational Materials	(Pg. 180)	

Quarterly Report to the General Court
 2024 Board Action Calendar
 Committee Membership
 Trustee Confidential Contact Information
 Trustee Appointments and Terms
 NHRS Conference Resource List
 NHRS Acronyms

Remote access information is available at:

<https://www.nhrs.org/meetings-events/event/2024/04/09/default-calendar/board-of-trustees-meeting>

The following email will be monitored throughout the meeting by someone who can assist with and alert the Board to any technical issues:

public_relations@nhrs.org (or call 603-410-3578)

NHRS Board of Trustees

DRAFT Minutes – February 13, 2024

Note: These **draft** minutes from the February 13, 2024, Public Session are subject for approval at a subsequent Board of Trustees meeting.

Board of Trustees

February 13, 2024

DRAFT Public Minutes

**New Hampshire Retirement System 54 Regional Drive
Concord, New Hampshire 03301**

Participating: *Trustees Maureen Kelliher, Chair; Jon Frederick*, Sue Hannan*, Jason Henry, Robert Maloney*, Andrew Martineau, Germano Martins, Ken Merrifield, Monica Mezzapelle, Paul Provost*, Joshua Quigley, and Don Roy.*

* Participating remotely. Because some Trustees were participating remotely, all votes were by roll call.

Staff: *Jan Goodwin, Executive Director; Timothy Crutchfield, Deputy Director and Chief Legal Counsel; Rosamond Cain, Director of Human Resources; Marty Karlon, Director of Communications & Legislative Affairs; John Laferriere, Director of IT; Raynald Leveque, Chief Investment Officer; Nancy Miller, Director of Member Services; Marie Mullen, Director of Finance; Mark Cavanaugh, Associate Counsel and Compliance Officer; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Deanna Higgins, Contact Center Supervisor; Greg Richard, Senior Investment Officer; Diana Crichton, Hearings Examiner; Jonathan Diaz, Investment Officer; Jesse Pasierb, Investment Operations Analyst; Mariel Holdredge, Executive Assistant.*

Guest: *Dan Doonan, NIRS Executive Director.*

Chair Maureen Kelliher called the February 13, 2024, regular meeting of the NHRS Board of Trustees to order at 10:00 a.m.

A quorum was established and Chair Kelliher called for a vote to approve the minutes of the December 12, 2023, Board meeting. On a motion by Trustee Henry, seconded by Trustee Mezzapelle, the Board voted unanimously to approve the meeting minutes, with Trustee Maloney not present.

Trustee Mezzapelle provided the Audit Committee report, noting the Committee met this morning prior to the Board meeting. She stated the Committee heard internal audit updates and management resumed responding to all outstanding audit committee findings, following a postponement due to work on PensionGold Version 3 (PGV3) implementation. Many findings have been addressed and all outstanding items on the Audit Tracker continue to make progress. She reported that an audit of Form ADV and other regulatory disclosures required to be submitted to NHRS were audited with no audit findings. A test of the Business Continuity Plan will be conducted in March. An update on the status of the data security assessment was provided, finding that all issues have been addressed and improvements will continue to be implemented in PGV3. In closing, Trustee Mezzapelle noted that Finance

presented the results of the GASB 68 & 75 audits, which are reports on the schedule of employer allocations of pension amounts by each employer's proportionate share. The external auditors issued unmodified opinions for both reports, which the Committee voted unanimously to recommend the Board accept. On a motion by Trustee Henry, seconded by Trustee Roy, the Board voted unanimously to accept the recommendation of the Audit Committee to accept the June 30, 2023, GASB 68 & 75 Statement Reports as presented. Trustee Maloney was not present for the vote but arrived shortly thereafter.

Trustee Roy provided the report of the Governance Committee, which met on January 9, 2024, with four members participating, and discussed the annual Governance Manual review, and the System's annual fiduciary insurance renewal. He provided a review of the insurance renewal process, concluding that the Committee voted unanimously to renew its current coverage with the incumbent carrier, Hudson Insurance, with the same conditions and at the same premium as last year. The Committee also discussed the annual review of the Governance Manual updates, which the Committee voted unanimously to recommend to the Board. On a motion by Trustee Mezzapelle, seconded by Trustee Henry, the Board voted unanimously to accept the recommendation of the Governance Committee to approve the annual revisions to the Governance Manual, as presented.

Trustee Kelliher gave her report on the January 9, 2024, Independent Investment Committee (IIC, Committee) meeting. The Committee heard from Chief Investment Officer Raynald Leveque, who provided an update on investment returns through recent time-periods, referring to Callan's November 30, 2023, review. He reported on holdings within the NHRS portfolio, and confirmed all asset allocations were in their approved ranges. Mr. Leveque next updated the Committee on total fund liquidity, the System's Russian holdings, and the Work Plan. The Committee unanimously voted to accept the Work Plan. The Committee heard a presentation from Callan regarding the System's Private Market Portfolio. They discussed performance over various periods, and the portfolio's current positioning. Representatives from Townsend, the System's real estate manager, then discussed the program's progress, including the portfolio's adherence to guideline guidance and the goals established at the beginning of calendar year (CY) 23.

Trustee Kelliher turned to Mr. Leveque who reported on the NHRS performance as of December 31, 2023. Mr. Leveque remarked on the long-term performance of the Total Fund for 3, 5, and 10 years, noting it continues to do well relative to the policy benchmark. He provided a calendar year-to-date overview of the System's portfolio performance, highlighting the positive returns in fixed income, real estate, private debt, and private equity. The Plan is currently at \$11.8 billion. A brief discussion ensued on portfolio allocation's impact on meeting targets for reported returns. Regarding the FY 23 proxy voting summary report, Mr. Leveque commented that NHRS had 14,833 proposals and the System aligned with its voting policy 100%, without issues, according to ISS (Institutional Shareholder Services), NHRS's third-party proxy voting service provider. Mr. Leveque mentioned in closing that the System has begun posting its proxy voting summary on the NHRS website under the Investments section, providing increased transparency to stakeholders and beneficiaries.

Trustee Merrifield reported on the Legislative Committee, which met on January 26, 2024, with all members participating virtually. The Committee heard from the Director of Communications and Legislative Affairs Marty Karlon, who gave a high level summary of 2024 legislation, noting those bills relative to the System, including three Environmental, Social and Governance (ESG) bills requiring the Board's direct attention. He provided an overview of House Bill (HB) 1267, HB 1421 and Senate Bill (SB) 520. Following a review of the three bills and a brief discussion of staff's recommendation that the Board take a position

on these proposals, the Committee voted unanimously to recommend to the full Board that a formal opposition be taken to the forementioned bills, regardless of the bills' current status in the Legislature, as they could interfere with the System's fiduciary to act solely in the best interest of the membership at all times.

On a motion by Trustee Henry, seconded by Trustee Quigley, the Board voted to accept the recommendation of the Legislative Committee to formally oppose any bill that could interfere with the Board's fiduciary duty to make all decisions solely in the interests of its members and beneficiaries, as represented in the draft letter in today's materials. The motion passed 11-0, with Trustee Mezzapelle abstaining. Trustee Merrifield then turned the floor over to Marty Karlon who presented a brief overview of the other System-related LSRs and their status in the House and Senate. A robust discussion then ensued over the implications of the bills and possible effects on the System.

Trustee Martins delivered an update of the Benefits Committee, noting it met twice since the December 2023 Board meeting, on January 10, 2024, and February 6, 2024. At its January meeting, the Committee reviewed and approved six disability applications on the Consent Agenda. The Committee also heard from legal staff on a proposed draft RFP for Independent Medical Evaluations (IME) services due to a chronic shortage of individual physicians available to perform IMEs. The Committee voted to meet on the first Tuesday of every month for the remainder of CY 2024. At its February meeting, the Committee reviewed and approved six more disability applications. Staff then provided an update on the proposed RFP and the need for an internal group to discuss its potential impact on certain staff duties. The Committee is scheduled to meet next month on March 5, 2024.

Trustee Hannan gave the PPCC report, which met on February 2, 2024, noting the Committee heard a staffing update from Rosamond Cain, Director of Human Resources (HR), and that HR is currently interviewing for a financial analyst and an employer reporting specialist. The NHRS Employee Handbook has been updated, and the PPCC voted to recommend the Board approve the updated version. On a motion by Trustee Mezzapelle, seconded by Trustee Roy, the Board voted unanimously to accept the recommendation of the PPCC to approve the proposed revisions to the Employee Handbook. Trustee Hannan also reported that the NHRS has completed the 2023 succession planning process and the PPCC has reviewed and approved the succession plans. Lastly, she noted that the Executive Director Annual Evaluation will be completed electronically later this month. The PPCC will then meet the week of March 18 to review the results of the evaluation and lead a non-public discussion at the April 9 Board meeting.

On a motion by Trustee Henry, seconded by Trustee Mezzapelle, the Board voted unanimously to enter into a non-public session.

On a motion by Trustee Henry, seconded by Trustee Quigley, the Board voted unanimously to conclude the non-public session. No action was taken in the non-public session.

Chair Kelliher turned to Ms. Goodwin who welcomed today's guest presenter, Dan Doonan, the Executive Director of the National Institute on Retirement Security (NIRS). Mr. Doonan provided an update of recent public retirement trends, issues, and legislation around the country, and where NHRS fits in the national landscape. There was discussion at the end of the presentation about retention trends on a national scale when states change their vesting periods from ten years to five.

The Executive Director Jan Goodwin began her operating report by reporting the Key

Performance Measures (KPMs) monthly scores for December and January, both of which were 100%. She noted many KPMs were suspended for these months because of staff's focus on PGV3. She proceeded to provide an update on PGV3, noting the project is 89% completed and is now in the third month of the 12-month warranty period. Ms. Goodwin reviewed the 12-month KPM rolling average, which is 98%, above the 95% benchmark. She reviewed the increased volume of calls through the System's Contact Center and mitigating action taken. She then reported that all of the Executive Director (ED) KPMs were achieved in December and January and provided an update on her monthly calls to members, employers, and retirees, commenting on the continued positive feedback she receives. Ms. Goodwin then provided an update on the contracts she has approved since June, three of which have been approved since the last Board meeting. Ms. Goodwin then discussed the Executive Team's (ETeam) work to develop the rolling three-year strategic plan for FY 25. She noted that this annual exercise has become more pro forma than substantive over the past three years. As a result, the ETeam has initiated an overview of the process and is soliciting quotes from consulting firms to assist in developing a new process in advance of the June Board meeting, when the three-year plan will come before the Board for action.

Mr. Karlon provided his report on Legislative Affairs and communications, noting his department's work on educational materials and seminars. Due to the transition to PGV3, the communications team has been heavily involved in the development of employer training materials and programs. This trend is continuing into the year with the introduction of the new version of MyAccount. Mr. Karlon concluded by stating the importance of the System's reputation through the rollouts of these new products and highlighted the need to remain vigilant, stay in front of potential issues, and be responsive to stakeholders to maintain a good reputation.

Mr. Laferriere presented the IT operating report, noting that IT conducted its monthly phishing tests and subsequently bolstered education as part of cybersecurity awareness. He reported that IT has met its eight KPMs and introduced 166 changes into the production environment over the last two months, 112 of which were PGV3 changes. Mr. Laferriere concluded by providing updates on ongoing projects including the rollout of new laptops, the movement of production backups into the cloud, and the implementation of a new document management system.

Mr. Leveque provided his operating report, noting Chair Kelliher's earlier report on the January IIC meeting and his earlier report on the plan's performance highlights for December. Eight of the ten KPMs were met, the remaining two were not applicable.

Director of Member Services Nancy Miller updated the Board on the latest activity in her department. This included successfully navigating the System's first two months of retiree benefit payroll processing solely in PGV3. Member Services has adjusted some of its KPMs to reflect the areas of expected delay in processing due to system issues and employer reporting challenges. She closed with a summary of upcoming plans and projects and noted the progress on action plan items continues to move forward.

Director of Finance Marie Mullen gave her Finance report, beginning with status updates on Finance PGV3 deliverables. Finance has moved to production in PGV3 and continues to monitor the system, identify enhancements, and work through identified issues. The department's attention continues to be on working with employers to ensure their reporting is submitted and posted, focusing on the employers that are delinquent. Ms. Mullen noted that, similar to other departments, some of Finance's monthly KPMs in December and

January were suspended, and others were without deliverables due to the PGV3 implementation. She shared a major achievement for January: issuing over 45,000 1099-Rs for retirees in the new system. She concluded her report with upcoming plans and projects and progress on action items.

Ms. Cain opened her Human Resources report with updates on recruiting and current projects, including drafting the NHRS Employee Engagement Survey and producing the 2023 W-2s and 1094-C/1095-C forms through ADP, the NHRS payroll provider. The department met all four KPMs for the last two months. Upcoming projects will include updating training manuals and position descriptions to reflect changes due to PGV3. She concluded by reporting that all action plan items are either completed or in process.

Mr. Crutchfield opened his Legal report thanking Trustees for the timely submission of their annual Statements of Financial Interests forms, which NHRS provided to the Secretary of State's Office prior to the January 19 statutory deadline. He reported that the Employer Auditors are winding down their assistance to the Finance Team. Over the past 12 months, the Employer Audit Team has completed 18 standard and 23 GASB audits. There are eight standard audits in process. Legal achieved seven of its eight KPMs in each of the last two months. The one missed was suspended due to the Employer Auditors assisting the Finance Team as noted above. Mr. Crutchfield concluded his report with upcoming plans and projects and progress on action items.

Chair Kelliher next presented the Consent Agenda which included a request to purchase prior service credit and a gainful occupation recommendation to not reduce a retiree's 2024 pension as agreed to by staff. On a motion by Trustee Roy, seconded by Trustee Mezzapelle, the Board voted unanimously to approve the Consent Agenda, as presented.

There were no travel reports or requests.

Ms. Goodwin provided an update on Action Items from the December 12, 2023, Board meeting, commenting that four of the five items are expected to be completed by the end of today's meeting and the fifth regarding Change Requests under the LSR contracts is part of a broader review of that contract.

During the Board checkpoint, Chair Kelliher announced that she will be reviewing Committee appointments over the next month in light of openings resulting from Tim Lesko's resignation.

With no further business to discuss, on a motion by Trustee Henry, seconded by Trustee Mezzapelle, the Board voted unanimously to adjourn the meeting at 12:08 p.m.

Respectfully submitted,

Mariel Holdrege,
Executive Assistant

NHRS Board of Trustees
DRAFT minutes – February 13, 2024

Note: These draft minutes from the February 13, 2024 Non-Public Session are subject to approval at a subsequent meeting of the Board of Trustees.

Board of Trustees February 13, 2023
Draft Non-Public Minutes

New Hampshire Retirement System 54 Regional Drive
Concord, New Hampshire 03301

Participating: Trustees Maureen Kelliher, Chair; Jon Frederick, Sue Hannan, Jason Henry, Robert Maloney, Andrew Martineau, Germano Martins, Ken Merrifield, Monica Mezzapelle, Paul Provost, Joshua Quigley, and Don Roy.

Chair Kelliher asked for a motion that the Board enter non-public session, under RSA 91-A:3 II(c) to discuss personnel matters.

On a motion by Trustee Henry, seconded by Trustee Mezzapelle, the Board voted unanimously on a roll call vote to enter into a non-public session.

On a motion by Trustee Henry, seconded by Trustee Quigley, the Board voted unanimously to conclude the non-public session. No action was taken in the non-public session.

Respectfully submitted,

Mariel Holdredge,
Executive Assistant

AUDIT COMMITTEE

GOVERNANCE COMMITTEE*Oral Presentation Only*

Independent Investment Committee's Monthly Report to the Board

NHRS Investment Team
Board of Trustees Meeting
April 9, 2024

Total Plan Performance as of February 29, 2024



The table below details the rates of return for the fund's asset classes over various time periods ended February 29, 2024. 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 February 29, 2024									
Composite	Total Fund Weighting As of 2/29/2024	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	32.82%	5.24%	12.15%	13.44%	5.19%	22.07%	8.27%	12.09%	10.70%
Domestic Equity Benchmark(1)		5.41%	12.23%	15.56%	6.58%	28.60%	10.29%	13.76%	12.12%
Excess Return		-0.17%	-0.08%	-2.12%	-1.39%	-6.53%	-2.02%	-1.67%	-1.42%
Total Non US Equity	18.76%	2.70%	8.00%	8.22%	2.85%	16.49%	2.63%	6.01%	4.61%
Non US Equity Benchmark(2)		2.53%	6.61%	7.21%	1.51%	12.51%	1.32%	5.44%	3.96%
Excess Return		0.17%	1.38%	1.01%	1.33%	3.98%	1.32%	0.57%	0.65%
Total Fixed Income	19.34%	-1.07%	2.61%	2.66%	-1.38%	4.53%	-2.05%	1.75%	2.15%
Bloomberg Capital Universe Bond Index		-1.20%	2.30%	2.27%	-1.44%	4.06%	-2.81%	0.85%	1.72%
Excess Return		0.13%	0.30%	0.39%	0.05%	0.47%	0.76%	0.90%	0.42%
Total Cash	0.34%	0.42%	1.35%	3.67%	0.88%	5.35%	2.54%	2.06%	1.42%
3-Month Treasury Bill		0.41%	1.31%	3.56%	0.84%	5.22%	2.43%	1.97%	1.33%
Excess Return		0.01%	0.04%	0.11%	0.04%	0.13%	0.11%	0.09%	0.09%
Total Real Estate (Q3)*	10.21%	-0.07%	-1.99%	-2.17%	-0.27%	-10.22%	10.45%	8.26%	10.17%
Real Estate Benchmark(3)		-1.69%	-4.04%	-8.12%	-3.36%	-12.78%	4.73%	3.80%	6.74%
Excess Return		1.63%	2.05%	5.95%	3.09%	2.56%	5.72%	4.46%	3.43%
Total Private Equity (Q3)*	13.74%	-0.01%	1.31%	1.30%	-0.03%	6.65%	17.10%	13.28%	12.23%
Private Equity Benchmark(4)		9.39%	1.94%	13.03%	6.73%	14.91%	12.02%	15.44%	15.19%
Excess Return		-9.40%	-0.64%	-11.73%	-6.76%	-8.26%	5.08%	-2.16%	-2.96%
Total Private Debt (Q3)*	4.79%	0.00%	1.68%	1.67%	-0.01%	5.32%	8.30%	5.40%	6.53%
Private Debt Benchmark(5)		2.94%	2.32%	7.39%	2.43%	11.23%	4.12%	4.24%	5.66%
Excess Return		-2.94%	-0.64%	-5.72%	-2.44%	-5.91%	4.18%	1.16%	0.87%
Total Fund Composite	100.00%	1.95%	5.79%	6.21%	1.87%	10.26%	6.35%	8.08%	7.32%
Total Fund Benchmark(6)		2.75%	5.47%	7.61%	2.37%	12.60%	4.89%	7.98%	7.41%
Excess Return		-0.80%	0.32%	-1.40%	-0.50%	-2.34%	1.46%	0.10%	-0.09%

(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 Index as of 7/1/2003. Prior to 7/1/2003 it was the MSCI EAFE 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.

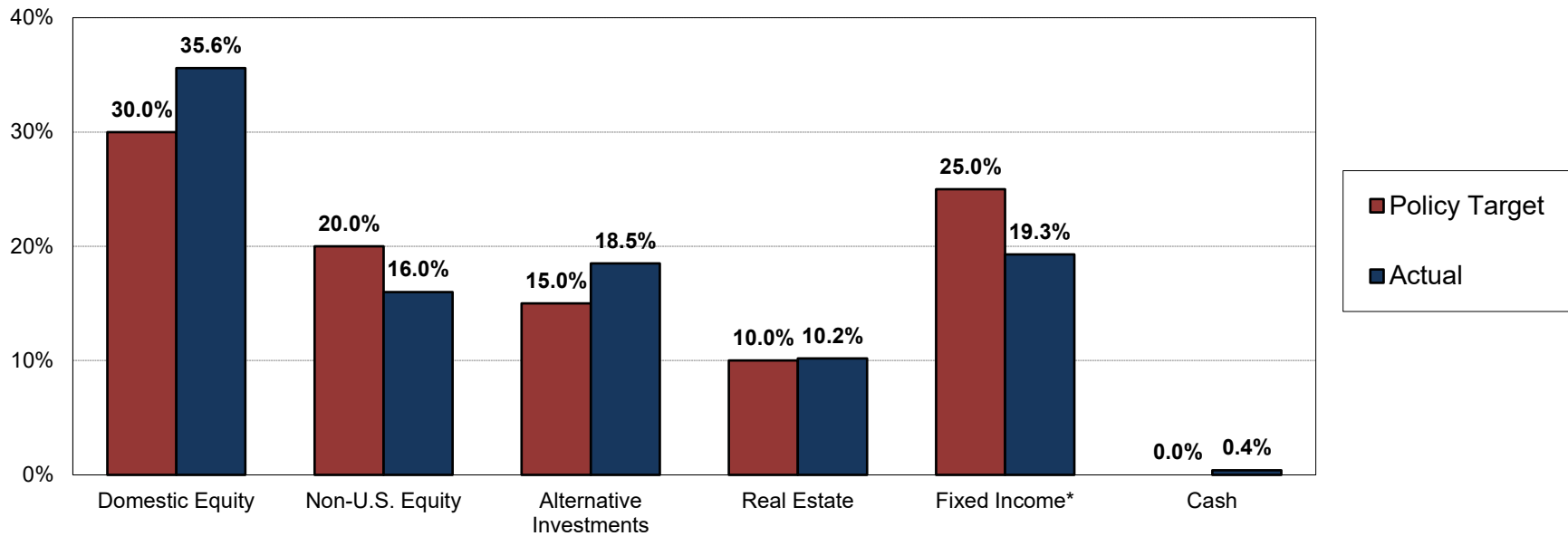
(6) Current Month Target = 30.0% Russell 3000 Index, 25.0% Bloomberg Universal, 20.0% MSCI ACWI ex-US, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

(7) For the trailing 25 year period ended 2/29/24, the Total Fund has returned 6.60% versus the Total Fund Custom Benchmark return of 6.60%.

*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
LTM Last Twelve Months

Asset Class Targets vs. Actual Allocation as of February 29, 2024 (Preliminary)

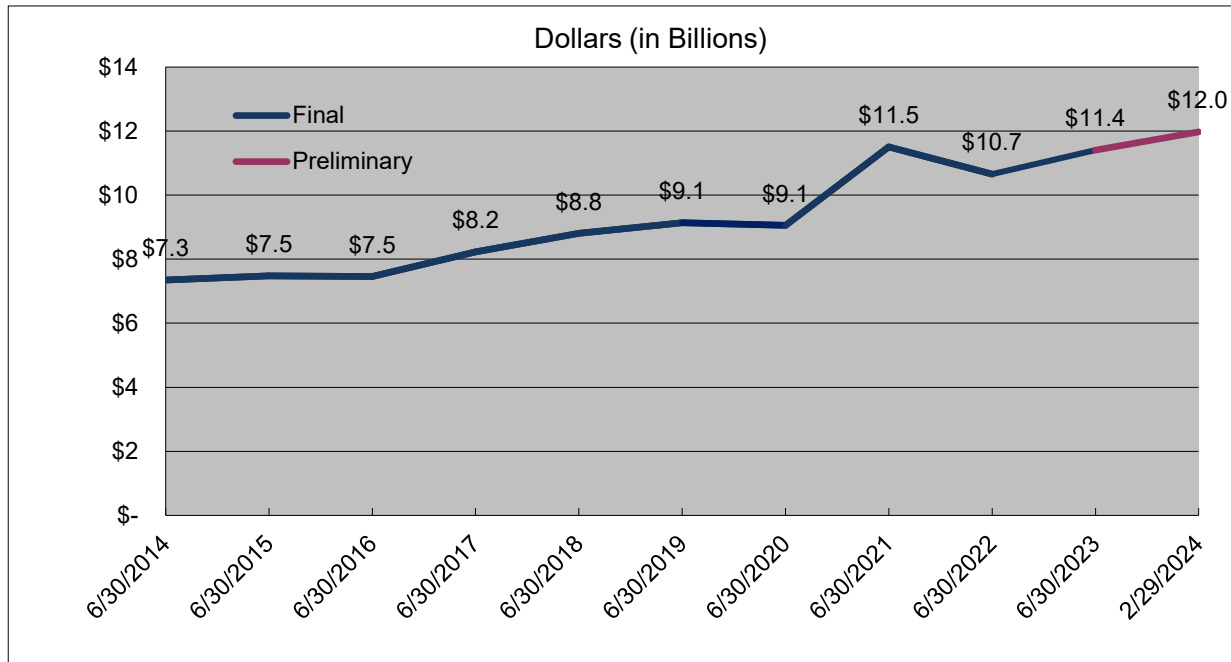


Asset Class	Target	Actual	Range
Domestic Equity	30.0%	35.6%	20 - 40%
Non-U.S. Equity	20.0%	16.0%	15 - 25%
Alternative Investments	15.0%	18.5%	5 - 25%
Real Estate	10.0%	10.2%	5 - 20%
Fixed Income*	25.0%	19.3%	20 - 30%
Cash	0.0%	0.4%	NA
	100.0%	100.0%	

**The new Target Asset Allocation approved by the Board in December 2023 will be effective beginning in the new fiscal year (7/1/24)*

**Fixed Income is within range when Cash is included*

Fiscal Year	Dollars (in Billions)
June 30,2014	\$7.3
June 30,2015	\$7.5
June 30,2016	\$7.5
June 30,2017	\$8.2
June 30,2018	\$8.8
June 30,2019	\$9.1
June 30,2020	\$9.1
June 30,2021	\$11.5
June 30,2022	\$10.7
June 30,2023	\$11.4
February 29,2024	\$12.0





NHRS

New Hampshire Retirement System

Independent Investment Committee's 3rd Quarter Report to the Board April 9, 2024



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 close to the permissible Policy ranges at quarter-end. The Fund's allocation to defensive positions, including fixed income and cash, represented 20.6% of total assets. The fixed income allocation was slightly below the policy range by 0.2%, partially balanced by a 0.8% allocation to cash equivalent instruments. The Fund had an overweight to domestic equity, real estate and alternatives relative to target, and underweight positions to international equity and fixed income

Investment Performance

- The Fund had a gross return of -2.34% over the first quarter of Fiscal Year 2024, underperforming the market benchmark return of -1.70% and ranking in the 66th percentile of its peers. On a net-of-fees basis, the Fund returned -2.45%
 - The Real Estate and Fixed Income portfolios had positive impacts on relative performance
 - By contrast, the Alternative Assets, Non-U.S. Equity, and U.S. Equity portfolios detracted from performance. This is a reflection of more modest valuations within alternatives as well as the outperformance of large cap stocks versus their mid and small cap counterparts over the quarter
- Overall, performance is competitive relative to both benchmarks over longer periods measured, including the most recent fiscal year. The Fund outperformed the peer group median over the long term, ranking in the top 19% of peers for the trailing 10-year period, and in the top 31% of peers over the last 25 years
- 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 within the top 29% of peers

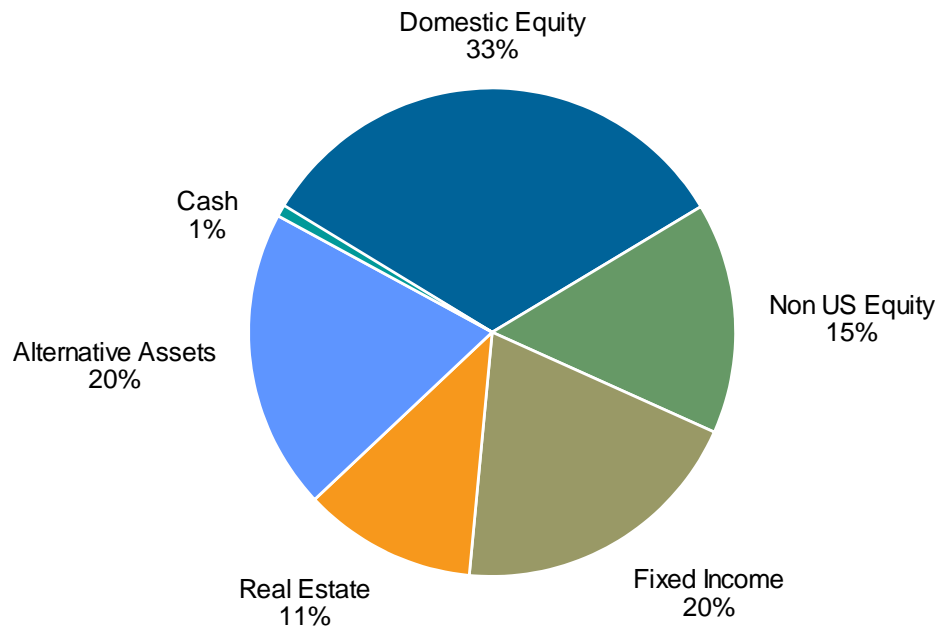
Other Developments

- Murali Srikantiah, Partner and PM of Wellington Emerging Markets Local Equity ("EMLE"), will be withdrawing from the Wellington partnership on June 30, 2024. Bo Meunier, a partner of the firm and current PM of Emerging Markets Equity ("EME") and dedicated China equity strategies, will assume Co-PM responsibilities of EMLE on January 1, 2024. David Reed will be named Meunier's backup portfolio manager. Meunier will be supported by the dedicated EME team, whose existing research will effectively translate to both EME and EMLE portfolios. Meunier is relocating from Hong Kong to London to manage the broader Emerging Markets team better. There are no plans for resource expansion.

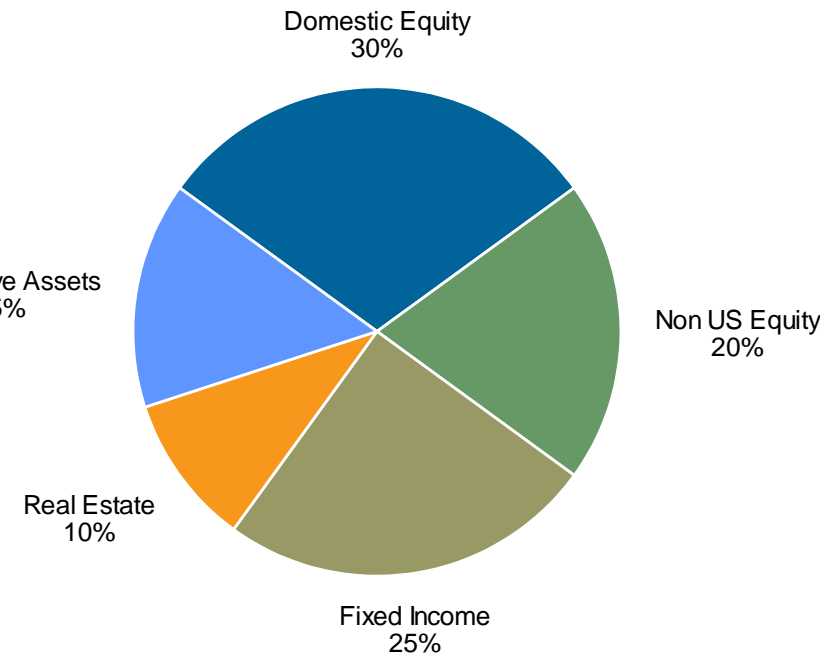
Total Fund

Actual Asset Allocation vs. Target, as of September 30, 2023

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	3,628,884	32.8%	30.0%	2.8%	307,457
Non US Equity	1,690,595	15.3%	20.0%	(4.7%)	(523,689)
Fixed Income	2,188,383	19.8%	25.0%	(5.2%)	(579,472)
Real Estate	1,269,768	11.5%	10.0%	1.5%	162,625
Alternative Assets	2,205,681	19.9%	15.0%	4.9%	544,968
Cash	88,111	0.8%	0.0%	0.8%	88,111
Total	11,071,423	100.0%	100.0%		

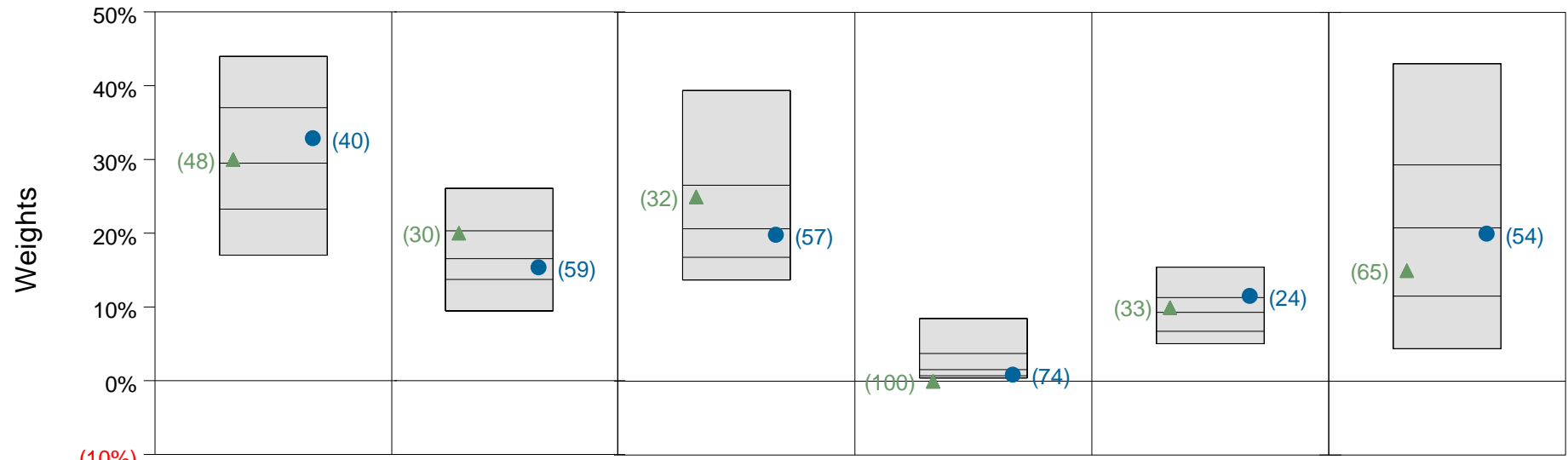
*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

**The United States equity portion of the Walter Scott Global Equity fund is allocated to the Domestic Equity composite.

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>\$1B) Peer Group, as of September 30, 2023

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



(10%)

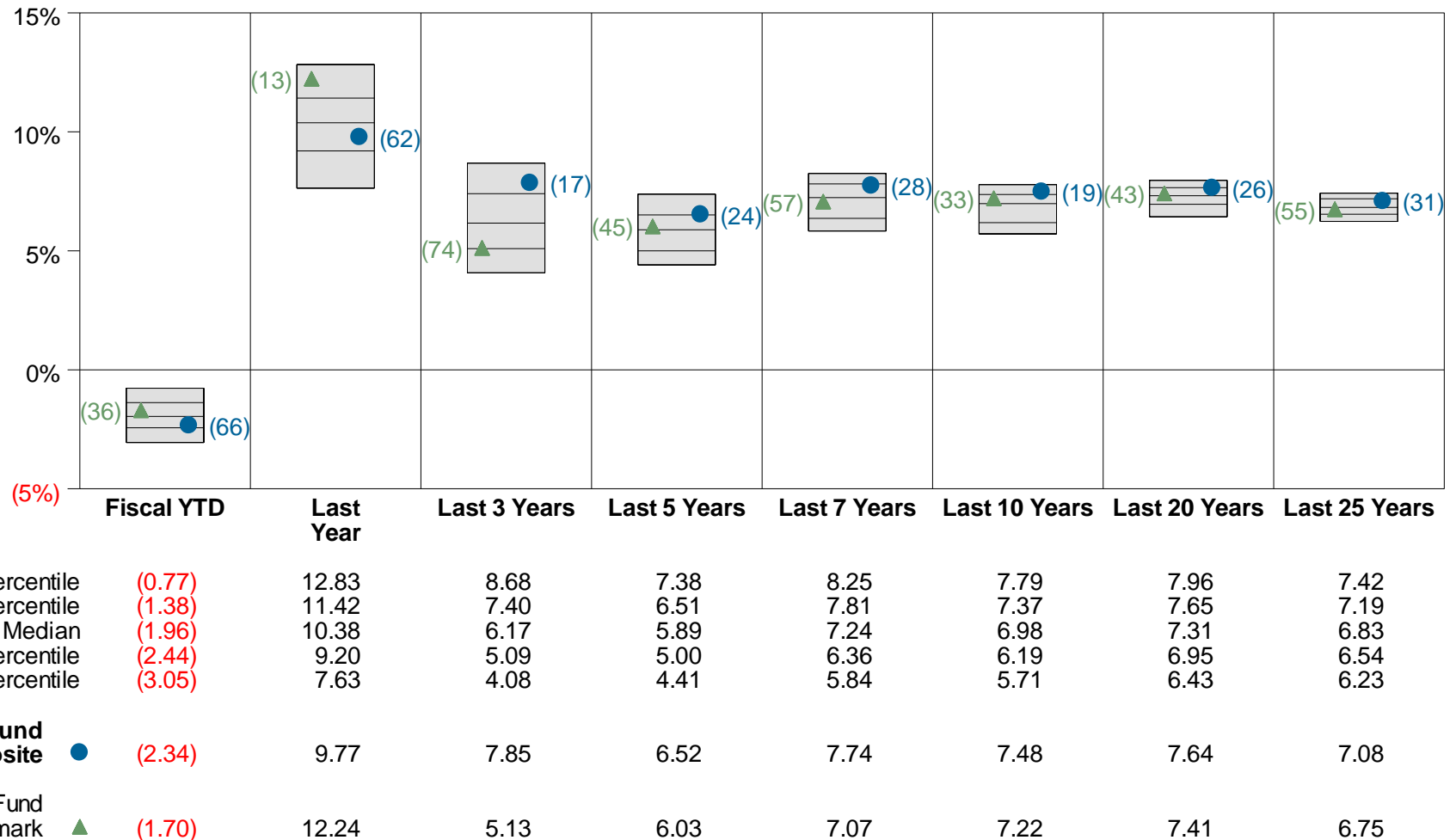
	Domestic Equity	Non US Equity	Fixed Income	Cash	Real Estate	Alternative Assets
10th Percentile	43.98	26.08	39.42	8.51	15.48	43.06
25th Percentile	37.00	20.32	26.57	3.77	11.36	29.33
Median	29.50	16.54	20.67	1.57	9.35	20.80
75th Percentile	23.26	13.74	16.81	0.74	6.77	11.55
90th Percentile	17.02	9.47	13.73	0.44	5.09	4.41
Fund ●	32.78	15.27	19.77	0.80	11.47	19.92
Target ▲	30.00	20.00	25.00	0.00	10.00	15.00
% Group Invested	95.16%	93.55%	96.77%	87.10%	75.81%	72.15%

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/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 September 30, 2023

Performance vs Callan Public Fund Large DB (Gross)



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

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/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 9/30/23 (in thousands)

	Assets Under Management	Fees (Quarter)	Fees (FYTD)
Equity Investments			
Domestic (U.S.)	3,628,866	2,577	2,577
Non-U.S.	1,690,613	2,346	2,346
Fixed Income Investments	2,188,383	1,463	1,463
Alternative Investments	2,205,681	5,972	5,972
Real Estate Investments	1,269,768	3,097	3,097
Cash	88,111		
Subtotal Gross Investment Mgt Fees		15,456	15,456
Custodial Fees		186	186
Brokerage Fees		437	437
Investment Advisor Fees		163	163
Investment Professional Fees		218	218
Investment Staff Administrative Expense		227	227
Subtotal Investment Servicing Fees		1,230	1,230
TOTAL GROSS INVESTMENT EXPENSES	11,071,423	16,685	16,685

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.



NHRS

New Hampshire Retirement System

Independent Investment Committee's 4th Quarter Report to the Board April 9, 2024



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 close to the permissible Policy ranges at quarter-end. The Fund's allocation to defensive positions, including fixed income and cash, represented 20.3% of total assets. The fixed income allocation was slightly below the policy range by 0.1%, partially balanced by a 0.4% allocation to cash equivalent instruments. The Fund had an overweight to domestic equity, alternatives and real estate relative to target, and underweight positions to international equity and fixed income.

Investment Performance

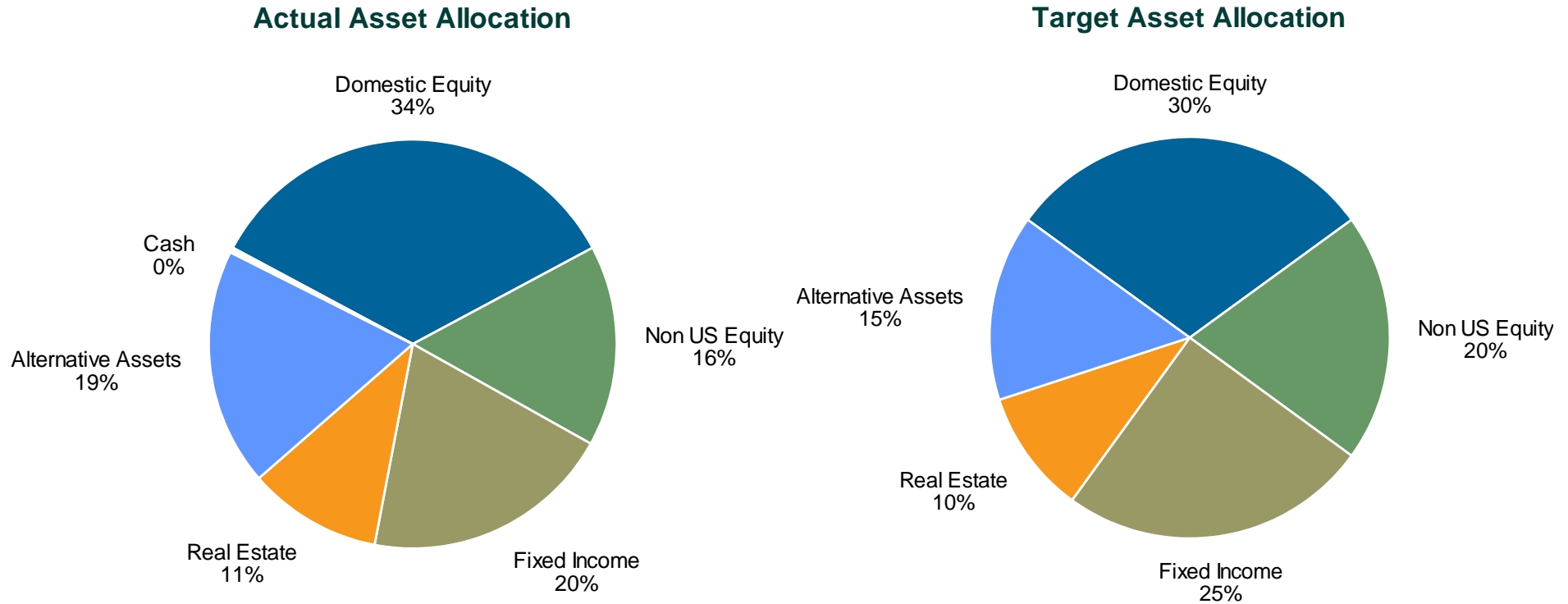
- The Fund had a gross return of 7.02% over the second quarter of Fiscal Year 2024, outperforming the market benchmark return of 6.93% and ranking in the 57th percentile of its peers. On a net-of-fees basis, the Fund returned 6.88%
 - The Alternative Assets and Fixed Income portfolios had positive impacts on relative performance
 - By contrast, the Real Estate and U.S. Equity portfolios detracted from performance. This is a reflection of more modest valuations within real estate as well as underperformance from small/mid cap equity manager TSW over the quarter
- Overall, performance is competitive relative to both benchmarks over longer periods measured, including the most recent fiscal year. The Fund outperformed the peer group median over the long term, ranking in the top 24% of peers for the trailing 10-year period, and in the top 34% of peers over the last 25 years
- 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 within the top 38% of peers

Other Developments

- Murali Srikantaiah, Partner and PM of Wellington Emerging Markets Local Equity ("EMLE"), will be withdrawing from the Wellington partnership on June 30, 2024. Bo Meunier, a partner of the firm and current PM of Emerging Markets Equity ("EME") and dedicated China equity strategies, will assume Co-PM responsibilities of EMLE on January 1, 2024. David Reed will be named Meunier's backup portfolio manager. Meunier will be supported by the dedicated EME team, whose existing research will effectively translate to both EME and EMLE portfolios. Meunier is relocating from Hong Kong to London to manage the broader Emerging Markets team better. There are no plans for resource expansion.

Total Fund

Actual Asset Allocation vs. Target, as of December 31, 2023



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	4,048,532	34.4%	30.0%	4.4%	517,377
Non US Equity	1,869,115	15.9%	20.0%	(4.1%)	(484,988)
Fixed Income	2,346,688	19.9%	25.0%	(5.1%)	(595,941)
Real Estate	1,242,240	10.6%	10.0%	0.6%	65,188
Alternative Assets	2,217,599	18.8%	15.0%	3.8%	452,022
Cash	46,343	0.4%	0.0%	0.4%	46,343
Total	11,770,517	100.0%	100.0%		

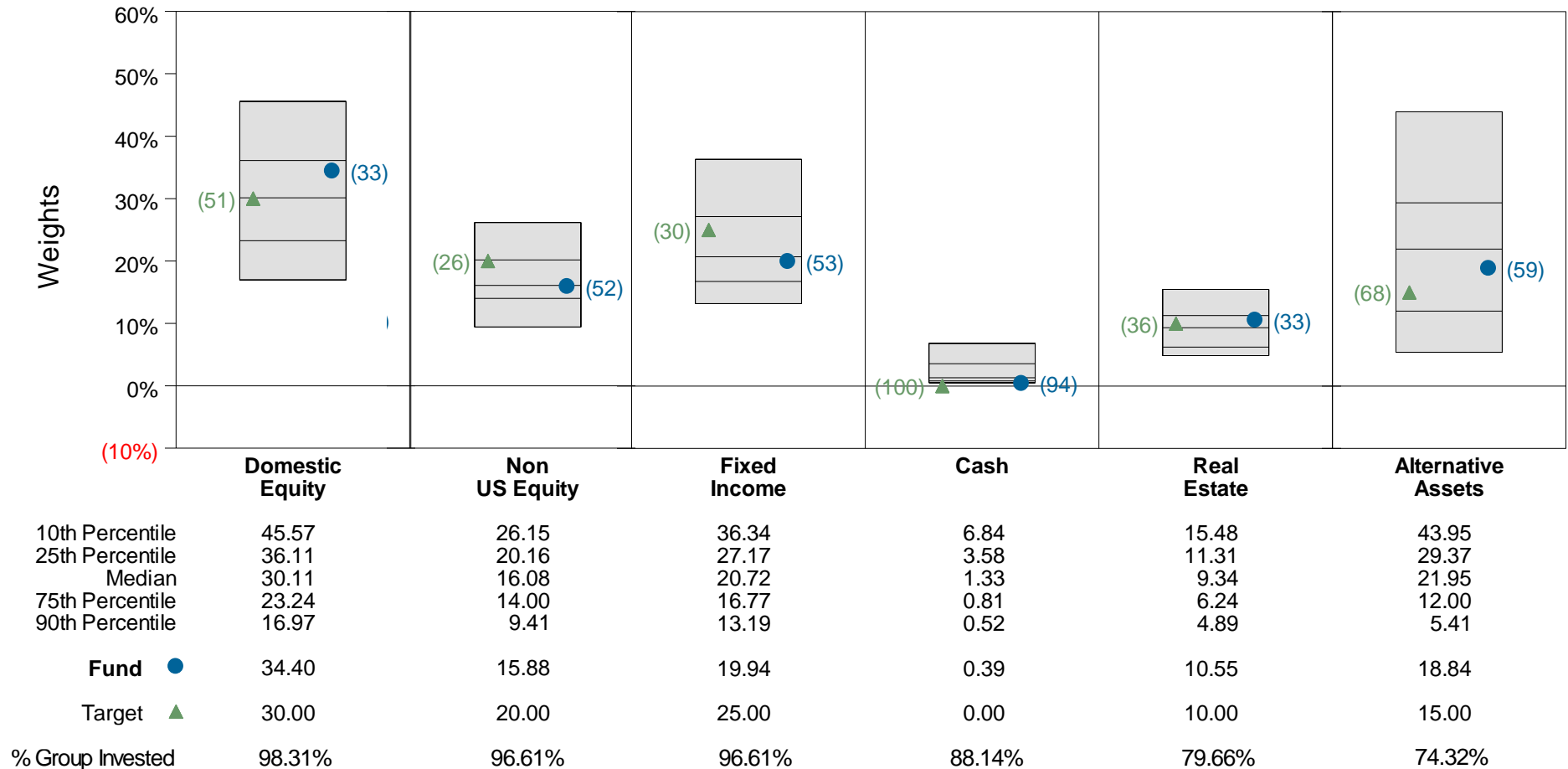
*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

**The United States equity portion of the Walter Scott Global Equity fund is allocated to the Domestic Equity composite.

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>\$1B) Peer Group, as of December 31, 2023

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

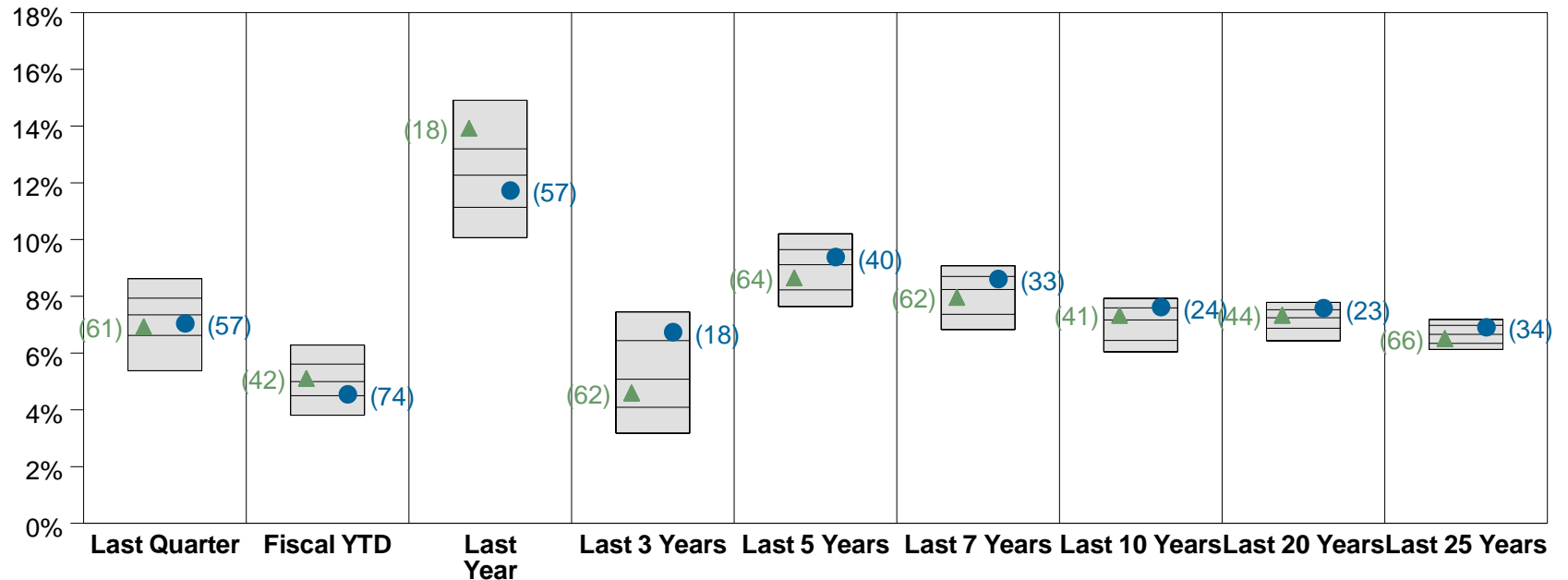


*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Total Fund Performance – Gross of Investment Management Fees

Performance vs. Large Public DB Plan (>\$1B) Peers, as of December 31, 2023

Performance vs Callan Public Fund Large DB (Gross)



10th Percentile		8.63	6.29	14.91	7.45	10.20	9.08	7.93	7.79	7.19
25th Percentile		7.94	5.61	13.20	6.44	9.65	8.70	7.59	7.53	6.98
Median		7.34	5.00	12.27	5.08	9.12	8.24	7.17	7.25	6.66
75th Percentile		6.62	4.50	11.14	4.09	8.23	7.37	6.45	6.87	6.34
90th Percentile		5.38	3.81	10.07	3.18	7.64	6.83	6.05	6.43	6.13
Total Fund Composite	●	7.02	4.51	11.70	6.71	9.35	8.58	7.59	7.56	6.88
Total Fund Benchmark	▲	6.93	5.11	13.92	4.60	8.65	7.97	7.34	7.34	6.52

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

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/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 12/31/23 (in thousands)

	Assets Under Management	Fees (Quarter)	Fees (FYTD)
Equity Investments			
Domestic (U.S.)	4,048,506	2,678	5,254
Non-U.S.	1,869,142	2,165	4,511
Fixed Income Investments	2,346,688	1,461	2,924
Alternative Investments	2,217,599	5,296	11,268
Real Estate Investments*	1,242,240	2,320	5,418
Cash	46,343		
Subtotal Gross Investment Mgt Fees		13,920	29,375
Custodial Fees		186	372
Brokerage Fees		426	863
Investment Advisor Fees		163	325
Investment Professional Fees		84	301
Investment Staff Administrative Expense		259	486
Subtotal Investment Servicing Fees		1,117	2,347
TOTAL GROSS INVESTMENT EXPENSES	11,770,517	15,037	31,722

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.
5. *The Real Estate Investments quarterly fee represents 70% of underlying assets. The remainder have not reported yet as of 3/28/24.

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.

February 29, 2024



**New Hampshire Retirement
System**

**Investment Measurement Service
Monthly Review**

Asset Class Excess Returns

The table below details the rates of return for the fund's asset classes over various time periods ended February 29, 2024. 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 February 29, 2024									
Composite	Total Fund Weighting As of 2/29/2024	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	32.82%	5.24%	12.15%	13.44%	5.19%	22.07%	8.27%	12.09%	10.70%
<i>Domestic Equity Benchmark(1)</i>		5.41%	12.23%	15.56%	6.58%	28.60%	10.29%	13.76%	12.12%
<i>Excess Return</i>		-0.17%	-0.08%	-2.12%	-1.39%	-6.53%	-2.02%	-1.67%	-1.42%
Total Non US Equity	18.76%	2.70%	8.00%	8.22%	2.85%	16.49%	2.63%	6.01%	4.61%
<i>Non US Equity Benchmark(2)</i>		2.53%	6.61%	7.21%	1.51%	12.51%	1.32%	5.44%	3.96%
<i>Excess Return</i>		0.17%	1.38%	1.01%	1.33%	3.98%	1.32%	0.57%	0.65%
Total Fixed Income	19.34%	-1.07%	2.61%	2.66%	-1.38%	4.53%	-2.05%	1.75%	2.15%
<i>Bloomberg Capital Universe Bond Index</i>		-1.20%	2.30%	2.27%	-1.44%	4.06%	-2.81%	0.85%	1.72%
<i>Excess Return</i>		0.13%	0.30%	0.39%	0.05%	0.47%	0.76%	0.90%	0.42%
Total Cash	0.34%	0.42%	1.35%	3.67%	0.88%	5.35%	2.54%	2.06%	1.42%
<i>3-Month Treasury Bill</i>		0.41%	1.31%	3.56%	0.84%	5.22%	2.43%	1.97%	1.33%
<i>Excess Return</i>		0.01%	0.04%	0.11%	0.04%	0.13%	0.11%	0.09%	0.09%
Total Real Estate (Q3)*	10.21%	-0.07%	-1.99%	-2.17%	-0.27%	-10.22%	10.45%	8.26%	10.17%
<i>Real Estate Benchmark(3)</i>		-1.69%	-4.04%	-8.12%	-3.36%	-12.78%	4.73%	3.80%	6.74%
<i>Excess Return</i>		1.63%	2.05%	5.95%	3.09%	2.56%	5.72%	4.46%	3.43%
Total Private Equity (Q3)*	13.74%	-0.01%	1.31%	1.30%	-0.03%	6.65%	17.10%	13.28%	12.23%
<i>Private Equity Benchmark(4)</i>		9.39%	1.94%	13.03%	6.73%	14.91%	12.02%	15.44%	15.19%
<i>Excess Return</i>		-9.40%	-0.64%	-11.73%	-6.76%	-8.26%	5.08%	-2.16%	-2.96%
Total Private Debt (Q3)*	4.79%	0.00%	1.68%	1.67%	-0.01%	5.32%	8.30%	5.40%	6.53%
<i>Private Debt Benchmark(5)</i>		2.94%	2.32%	7.39%	2.43%	11.23%	4.12%	4.24%	5.66%
<i>Excess Return</i>		-2.94%	-0.64%	-5.72%	-2.44%	-5.91%	4.18%	1.16%	0.87%
Total Fund Composite	100.00%	1.95%	5.79%	6.21%	1.87%	10.26%	6.35%	8.08%	7.32%
<i>Total Fund Benchmark(6)</i>		2.75%	5.47%	7.61%	2.37%	12.60%	4.89%	7.98%	7.41%
<i>Excess Return</i>		-0.80%	0.32%	-1.40%	-0.50%	-2.34%	1.46%	0.10%	-0.09%

(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 Index as of 7/1/2003. Prior to 7/1/2003 it was the MSCI EAFE 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 = 30.0% Russell 3000 Index, 25.0% Bloomberg Universal, 20.0% MSCI ACWI ex-US, 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 2/29/24, the Total Fund has returned 6.60% versus the Total Fund Custom Benchmark return of 6.60%.

*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

Domestic Equity Excess Returns

February 29, 2024

The table below details the rates of return for the fund's investment managers over various time periods ended February 29, 2024. 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 February 29, 2024									
Composite	Total Fund Weighting As of 2/29/2024	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	32.82%	5.24%	12.15%	13.44%	5.19%	22.07%	8.27%	12.09%	10.70%
Domestic Equity Benchmark(1)		5.41%	12.23%	15.56%	6.58%	28.60%	10.29%	13.76%	12.12%
Excess Return		-0.17%	-0.08%	-2.12%	-1.39%	-6.53%	-2.02%	-1.67%	-1.42%
Large Cap Domestic Equity	19.34%	5.34%	11.97%	15.71%	7.11%	30.23%	11.83%	13.74%	11.79%
S&P 500 Index		5.34%	11.98%	15.72%	7.11%	30.45%	11.91%	14.76%	12.70%
Excess Return		0.00%	-0.01%	0.00%	0.00%	-0.22%	-0.08%	-1.02%	-0.90%
BlackRock S&P 500	19.34%	5.34%	11.97%	15.71%	7.11%	30.23%	11.83%	14.71%	12.66%
S&P 500 Index		5.34%	11.98%	15.72%	7.11%	30.45%	11.91%	14.76%	12.70%
Excess Return		0.00%	-0.01%	0.00%	0.00%	-0.22%	-0.08%	-0.06%	-0.04%
Smid Cap Domestic Equity	5.87%	5.53%	12.73%	10.18%	3.21%	11.57%	3.60%	8.83%	8.02%
Russell 2500 Index		5.44%	13.69%	10.83%	2.68%	12.25%	2.15%	8.84%	8.36%
Excess Return		0.09%	-0.96%	-0.65%	0.52%	-0.68%	1.45%	-0.01%	-0.35%
AllianceBernstein	3.74%	7.19%	15.63%	13.34%	5.18%	14.61%	2.29%	9.58%	8.98%
Russell 2500 Index		5.44%	13.69%	10.83%	2.68%	12.25%	2.15%	8.84%	8.36%
Excess Return		1.75%	1.94%	2.51%	2.50%	2.36%	0.14%	0.74%	0.62%
TSW	2.13%	2.74%	7.98%	5.04%	-0.09%	6.61%	6.08%	7.58%	6.52%
TSW Blended Benchmark (2)		4.01%	11.70%	10.79%	1.09%	9.70%	5.37%	8.38%	8.13%
Excess Return		-1.27%	-3.72%	-5.75%	-1.18%	-3.09%	0.72%	-0.79%	-1.61%
Small Cap Domestic Equity	7.61%	4.77%	12.17%	10.43%	2.05%	11.27%	3.45%	10.58%	9.53%
Russell 2000 Index		5.65%	13.95%	9.85%	1.54%	10.05%	-0.94%	6.89%	7.13%
Excess Return		-0.88%	-1.78%	0.58%	0.51%	1.22%	4.39%	3.69%	2.40%
Boston Trust	1.97%	3.90%	10.21%	7.54%	1.48%	5.65%	6.96%	10.52%	9.53%
Russell 2000 Index		5.65%	13.95%	9.85%	1.54%	10.05%	-0.94%	6.89%	7.13%
Excess Return		-1.75%	-3.74%	-2.31%	-0.07%	-4.40%	7.90%	3.63%	2.40%
Segall Bryant & Hamill	2.12%	4.76%	12.37%	12.00%	3.06%	12.36%	5.06%	11.28%	9.27%
Russell 2000 Index		5.65%	13.95%	9.85%	1.54%	10.05%	-0.94%	6.89%	7.13%
Excess Return		-0.89%	-1.59%	2.15%	1.51%	2.31%	6.00%	4.38%	2.14%
Wellington	3.52%	5.27%	13.18%	11.17%	1.77%	13.99%	0.81%	10.21%	9.70%
Russell 2000 Index		5.65%	13.95%	9.85%	1.54%	10.05%	-0.94%	6.89%	7.13%
Excess Return		-0.38%	-0.77%	1.32%	0.23%	3.94%	1.75%	3.31%	2.57%

(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.

Non-US Equity Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended February 29, 2024. 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 February 29, 2024									
Composite	Total Fund Weighting As of 2/29/2024	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	18.76%	2.70%	8.00%	8.22%	2.85%	16.49%	2.63%	6.01%	4.61%
Non US Equity Benchmark (1)		2.53%	6.61%	7.21%	1.51%	12.51%	1.32%	5.44%	3.96%
Excess Return		0.17%	1.38%	1.01%	1.33%	3.98%	1.32%	0.57%	0.65%
Core Non US Equity	11.34%	2.34%	6.90%	7.65%	2.04%	14.65%	4.26%	6.08%	3.97%
Core Non US Benchmark (2)		2.53%	6.61%	7.21%	1.51%	12.51%	1.32%	5.44%	3.96%
Excess Return		-0.19%	0.29%	0.44%	0.52%	2.14%	2.94%	0.64%	0.01%
Aristotle	1.46%	0.94%	6.43%	6.53%	1.19%	14.62%	3.39%	-	-
MSCI EAFE		1.83%	7.86%	8.44%	2.42%	14.41%	4.45%	-	-
Excess Return		-0.89%	-1.43%	-1.91%	-1.23%	0.21%	-1.06%	-	-
Artisan Partners	3.29%	3.99%	9.61%	10.50%	5.30%	15.26%	2.93%	6.53%	-
MSCI EAFE		1.83%	7.86%	8.44%	2.42%	14.41%	4.45%	6.77%	-
Excess Return		2.16%	1.76%	2.06%	2.88%	0.85%	-1.52%	-0.24%	-
BlackRock SuperFund	1.60%	2.53%	6.53%	7.13%	1.54%	12.73%	-	-	-
MSCI ACWI Ex-US		2.53%	6.61%	7.21%	1.51%	12.51%	-	-	-
Excess Return		0.00%	-0.08%	-0.08%	0.03%	0.22%	-	-	-
Causeway Capital	3.57%	0.79%	3.99%	5.25%	-0.85%	14.13%	7.34%	8.12%	-
MSCI EAFE		1.83%	7.86%	8.44%	2.42%	14.41%	4.45%	6.77%	-
Excess Return		-1.04%	-3.87%	-3.19%	-3.27%	-0.28%	2.89%	1.35%	-
Lazard	1.42%	3.80%	9.31%	9.17%	3.65%	16.89%	2.41%	-	-
MSCI EAFE		1.83%	7.86%	8.44%	2.42%	14.41%	4.45%	-	-
Excess Return		1.97%	1.45%	0.73%	1.24%	2.48%	-2.03%	-	-
Emerging Markets	1.43%	4.48%	5.35%	4.53%	1.80%	10.37%	-7.91%	0.60%	2.10%
MSCI EM		4.76%	3.80%	4.60%	-0.11%	8.73%	-6.30%	1.89%	3.01%
Excess Return		-0.28%	1.55%	-0.06%	1.90%	1.64%	-1.61%	-1.29%	-0.91%
Wellington Emerging Markets	1.43%	4.48%	5.35%	4.53%	1.80%	9.93%	-7.82%	0.87%	2.70%
MSCI EM		4.76%	3.80%	4.60%	-0.11%	8.73%	-6.30%	1.89%	3.01%
Excess Return		-0.28%	1.55%	-0.06%	1.90%	1.20%	-1.52%	-1.02%	-0.31%
Non US Small Cap	1.12%	1.78%	7.40%	7.34%	-0.36%	9.92%	-2.10%	-0.10%	-0.51%
MSCI EAFE Small Cap		0.38%	5.92%	5.87%	-1.27%	6.26%	-1.85%	4.21%	4.27%
Excess Return		1.40%	1.48%	1.47%	0.91%	3.65%	-0.25%	-4.31%	-4.78%
Wellington Int'l Small Cap Research	1.12%	1.78%	7.40%	7.34%	-0.36%	9.92%	-	-	-
MSCI EAFE Small Cap		0.38%	5.92%	5.87%	-1.27%	6.26%	-	-	-
Excess Return		1.40%	1.48%	1.47%	0.91%	3.65%	-	-	-
Global Equity	4.87%	3.27%	11.63%	10.96%	5.91%	25.01%	8.30%	11.70%	10.77%
MSCI ACWI net		4.29%	9.94%	12.51%	4.90%	23.15%	6.79%	10.51%	8.37%
Excess Return		-1.02%	1.69%	-1.56%	1.00%	1.86%	1.51%	1.19%	2.40%
Walter Scott Global Equity	4.87%	3.27%	11.63%	10.96%	5.91%	25.01%	8.30%	11.70%	10.77%
Walter Scott Blended Benchmark (3)		4.29%	9.94%	12.51%	4.90%	23.15%	6.79%	10.51%	8.37%
Excess Return		-1.02%	1.69%	-1.56%	1.00%	1.87%	1.51%	1.19%	2.40%

(1) The Non US Equity Index is the MSCI ACWI ex US Index as of 7/1/2003. Prior to 7/1/2003 it was the MSCI EAFE Index.

(2) 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.

(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 February 29, 2024. 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 February 29, 2024									
Composite	Total Fund Weighting As of 2/29/2024	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Fixed Income	19.34%	-1.07%	2.61%	2.66%	-1.38%	4.53%	-2.05%	1.75%	2.15%
<i>Fixed Income Benchmark (1)</i>		-1.20%	2.30%	2.27%	-1.44%	4.06%	-2.81%	0.85%	1.72%
<i>Excess Return</i>		0.13%	0.30%	0.39%	0.05%	0.47%	0.76%	0.90%	0.42%
BlackRock SIO Bond Fund	2.22%	-0.46%	2.79%	5.15%	-0.19%	6.25%	0.63%	2.90%	-
<i>BlackRock Custom Benchmark (2)</i>		0.43%	1.36%	3.65%	0.92%	5.38%	2.61%	2.10%	-
<i>Excess Return</i>		-0.89%	1.43%	1.51%	-1.11%	0.87%	-1.98%	0.80%	-
Brandywine Asset Mgmt	1.90%	-2.19%	1.95%	-0.75%	-4.87%	3.10%	-5.81%	-0.39%	0.83%
<i>Brandywine Custom Benchmark (3)</i>		-1.45%	1.19%	0.29%	-3.08%	2.40%	-7.00%	-2.10%	-0.90%
<i>Excess Return</i>		-0.74%	0.76%	-1.05%	-1.80%	0.69%	1.19%	1.70%	1.73%
FIAM (Fidelity) Tactical Bond	3.10%	-0.89%	2.98%	2.63%	-1.12%	3.89%	-1.01%	2.64%	-
<i>Bloomberg Aggregate</i>		-1.41%	2.08%	1.63%	-1.68%	3.33%	-3.16%	0.56%	-
<i>Excess Return</i>		0.52%	0.90%	1.00%	0.56%	0.56%	2.16%	2.08%	-
Income Research & Management	6.48%	-1.21%	2.40%	2.06%	-1.27%	3.79%	-2.89%	1.29%	1.93%
<i>Bloomberg Gov/Credit</i>		-1.36%	2.04%	1.80%	-1.59%	3.69%	-3.14%	0.87%	1.60%
<i>Excess Return</i>		0.14%	0.36%	0.27%	0.32%	0.10%	0.25%	0.42%	0.33%
Loomis Sayles	2.38%	-0.72%	3.51%	5.24%	-0.43%	6.81%	-0.70%	3.36%	3.34%
<i>Loomis Sayles Custom Benchmark (4)</i>		-0.82%	2.76%	3.81%	-0.99%	5.98%	-1.40%	1.88%	2.50%
<i>Excess Return</i>		0.09%	0.75%	1.43%	0.56%	0.84%	0.71%	1.48%	0.84%
Manulife Strategic Fixed Income	1.78%	-0.58%	2.47%	3.19%	-0.84%	5.89%	-0.91%	2.28%	-
<i>Bloomberg Multiverse</i>		-1.18%	1.54%	1.77%	-2.50%	3.45%	-5.26%	-0.87%	-
<i>Excess Return</i>		0.60%	0.93%	1.42%	1.67%	2.44%	4.35%	3.15%	-
Mellon US Agg Bond Index	1.47%	-1.42%	2.08%	1.62%	-1.69%	-	-	-	-
<i>Bloomberg Aggregate Bond Index</i>		-1.41%	2.08%	1.63%	-1.68%	-	-	-	-
<i>Excess Return</i>		0.00%	0.00%	0.00%	-0.01%	-	-	-	-
Total Cash	0.34%	0.42%	1.35%	3.67%	0.88%	5.35%	2.54%	2.06%	1.42%
<i>3-month Treasury Bill</i>		0.41%	1.31%	3.56%	0.84%	5.22%	2.43%	1.97%	1.33%
<i>Excess Return</i>		0.01%	0.04%	0.11%	0.04%	0.13%	0.11%	0.09%	0.09%
Total Marketable Assets	71.26%	2.77%	8.25%	8.91%	2.69%	15.19%	3.77%	7.34%	6.53%
<i>Total Marketable Index (5)</i>		2.44%	7.39%	8.87%	2.54%	15.83%	3.62%	7.42%	6.71%
<i>Excess Return</i>		0.32%	0.86%	0.04%	0.15%	-0.63%	0.15%	-0.08%	-0.18%

(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 Brandywine Blended Benchmark is the FTSE WGBI Ex-China Index as of 11/1/2021.

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

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

Alternatives Excess Returns

February 29, 2024

The table below details the rates of return for the fund's investment managers over various time periods ended February 29, 2024. 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 February 29, 2024									
Composite	Total Fund Weighting As of 2/29/2024	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q3)* (5)	10.21%	-0.07%	-1.99%	-2.17%	-0.27%	-10.22%	10.45%	8.26%	10.17%
<i>Real Estate Benchmark (1)</i>		-1.69%	-4.04%	-8.12%	-3.36%	-12.78%	4.73%	3.80%	6.74%
<i>Excess Return</i>		1.63%	2.05%	5.95%	3.09%	2.56%	5.72%	4.46%	3.43%
Strategic Core Real Estate (Q3)*	6.33%	-0.06%	-1.82%	-2.02%	-0.28%	-14.20%	8.30%	6.62%	8.76%
<i>Real Estate Benchmark (1)</i>		-1.69%	-4.04%	-8.12%	-3.36%	-12.78%	4.73%	3.80%	6.74%
<i>Excess Return</i>		1.64%	2.23%	6.10%	3.08%	-1.42%	3.56%	2.82%	2.02%
Tactical Non-Core Real Estate (Q3)*	3.88%	-0.09%	-2.28%	-2.43%	-0.24%	-2.23%	14.28%	11.24%	12.63%
<i>Real Estate Benchmark (1)</i>		-1.69%	-4.04%	-8.12%	-3.36%	-12.78%	4.73%	3.80%	6.74%
<i>Excess Return</i>		1.60%	1.77%	5.69%	3.12%	10.55%	9.55%	7.44%	5.89%
Total Alternative Assets (Q3)*	18.53%	-0.01%	1.40%	1.39%	-0.03%	6.30%	14.49%	10.83%	9.40%
<i>Alternative Assets Benchmark (2)</i>		7.24%	2.12%	11.21%	5.32%	13.78%	9.48%	11.51%	11.01%
<i>Excess Return</i>		-7.25%	-0.72%	-9.82%	-5.35%	-7.48%	5.01%	-0.67%	-1.61%
Total Private Equity (Q3)*	13.74%	-0.01%	1.31%	1.30%	-0.03%	6.65%	17.10%	13.28%	12.23%
<i>Private Equity Benchmark (3)</i>		9.39%	1.94%	13.03%	6.73%	14.91%	12.02%	15.44%	15.19%
<i>Excess Return</i>		-9.40%	-0.64%	-11.73%	-6.76%	-8.26%	5.08%	-2.16%	-2.96%
Total Private Debt (Q3)*	4.79%	0.00%	1.68%	1.67%	-0.01%	5.32%	8.30%	5.40%	6.53%
<i>Private Debt Benchmark (4)</i>		2.94%	2.32%	7.39%	2.43%	11.23%	4.12%	4.24%	5.66%
<i>Excess Return</i>		-2.94%	-0.64%	-5.72%	-2.44%	-5.91%	4.18%	1.16%	0.87%

(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 February 29, 2024, with the distribution as of January 31, 2024. 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

	February 29, 2024		Net New Inv.	Inv. Return	January 31, 2024	
	Market Value	Weight			Market Value	Weight
Total Domestic Equity	\$3,930,411,767	32.82%	\$0	\$196,426,495	\$3,733,985,272	31.75%
Large Cap Domestic Equity	\$2,315,522,712	19.34%	\$0	\$117,345,463	\$2,198,177,249	18.69%
Blackrock S&P 500	2,315,522,712	19.34%	0	117,345,463	2,198,177,249	18.69%
SMid Cap Domestic Equity	\$703,465,825	5.87%	\$0	\$37,139,109	\$666,326,715	5.67%
AllianceBernstein	448,043,735	3.74%	0	30,217,998	417,825,737	3.55%
TSW	255,422,090	2.13%	0	6,921,112	248,500,978	2.11%
Small Cap Domestic Equity	\$911,423,230	7.61%	\$0	\$41,941,923	\$869,481,307	7.39%
Boston Trust	235,791,262	1.97%	0	8,932,148	226,859,114	1.93%
Segall Bryant & Hamill	254,134,584	2.12%	0	11,686,629	242,447,954	2.06%
Wellington	421,497,385	3.52%	0	21,323,146	400,174,239	3.40%
Total Non US Equity	\$2,246,716,756	18.76%	\$0	\$60,074,027	\$2,186,642,729	18.59%
Core Non US Equity (1)	\$1,358,092,557	11.34%	\$0	\$31,503,011	\$1,326,589,546	11.28%
Aristotle	174,856,509	1.46%	0	1,686,458	173,170,050	1.47%
Artisan Partners	393,865,319	3.29%	0	15,282,554	378,582,765	3.22%
BlackRock Superfund	191,299,792	1.60%	0	4,719,465	186,580,326	1.59%
Causeway Capital	426,877,974	3.57%	0	3,515,383	423,362,591	3.60%
Lazard	170,523,352	1.42%	0	6,301,689	164,221,662	1.40%
Emerging Markets	\$171,203,191	1.43%	\$0	\$7,461,816	\$163,741,375	1.39%
Wellington Emerging Markets	171,203,191	1.43%	0	7,461,816	163,741,375	1.39%
Non US Small Cap	\$134,627,409	1.12%	\$0	\$2,424,035	\$132,203,374	1.12%
Wellington Int'l Small Cap Research	134,627,409	1.12%	0	2,424,035	132,203,374	1.12%
Global Equity	\$582,793,598	4.87%	\$0	\$18,685,165	\$564,108,434	4.80%
Walter Scott Global Equity	582,793,598	4.87%	0	18,685,165	564,108,434	4.80%
Total Fixed Income	\$2,315,274,484	19.34%	\$0	\$(24,584,418)	\$2,339,858,902	19.90%
BlackRock SIO Bond Fund	265,976,126	2.22%	0	(1,139,052)	267,115,179	2.27%
Brandywine Asset Mgmt	227,598,397	1.90%	0	(5,029,051)	232,627,448	1.98%
FIAM (Fidelity) Tactical Bond	371,397,925	3.10%	0	(3,257,877)	374,655,802	3.19%
Income Research & Management	776,231,664	6.48%	0	(9,436,011)	785,667,675	6.68%
Loomis Sayles	284,762,172	2.38%	0	(2,002,756)	286,764,928	2.44%
Manulife Strategic Fixed Income	213,210,980	1.78%	0	(1,192,074)	214,403,054	1.82%
Mellon US Agg Bond Index	176,097,220	1.47%	0	(2,527,597)	178,624,817	1.52%
Total Cash	\$40,742,720	0.34%	\$(5,553,681)	\$205,559	\$46,090,841	0.39%
Total Marketable Assets	\$8,533,145,727	71.26%	\$(5,553,681)	\$232,121,663	\$8,306,577,744	70.63%
Total Real Estate	\$1,222,609,183	10.21%	\$(3,860,171)	\$(418,851)	\$1,226,888,206	10.43%
Strategic Core Real Estate	758,015,461	6.33%	(1,549,235)	(0)	759,564,696	6.46%
Tactical Non-Core Real Estate	464,593,721	3.88%	(2,310,936)	(418,851)	467,323,508	3.97%
Total Alternative Assets	\$2,218,170,645	18.53%	\$(8,995,531)	\$(150,193)	\$2,227,316,369	18.94%
Private Equity	1,645,059,059	13.74%	(13,053,452)	(138,169)	1,658,250,680	14.10%
Private Debt	573,111,586	4.79%	4,057,921	(12,024)	569,065,689	4.84%
Total Fund Composite	\$11,973,925,556	100.0%	\$(18,409,382)	\$231,552,619	\$11,760,782,319	100.0%

-Alternatives market values reflect current custodian valuations, which may not be up to date.

(1) Includes \$669,612 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-2022 - 29-Feb-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	Bloomberg HY Corporate+1.00%	2.50%	
Other Alternatives	Morningstar LSTA Leveraged Loan 100+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%

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%

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-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%	

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-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%	

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%	

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%	

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-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%	

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%	

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%	

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%	

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-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).

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%.

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Callan



December 12, 2023

**New Hampshire Retirement
System – Defined Benefit Plan**

Third Quarter 2023

Executive Summary

Angel G. Haddad

Senior Vice President, Fund Sponsor Consulting

Britton M. Murdoch

Vice President, Fund Sponsor Consulting

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Equity Markets Down in 3Q, Following Rebound in First Half of 2023

Stocks and bonds still have ground to make up after declines in 2022

S&P 500 down 3.3% in 3Q23.

- Loss through first three quarters of 2022 was 23.9%; rebound in the following three quarters reduced the loss to 2.9% by June, but decline in 3Q shows S&P is still over 7% below 1/2022 high-water mark

Fixed income recovered in first half of 2023 as high inflation began to ease; speculation about interest rate cuts evaporated in 2Q

- Bloomberg Aggregate: up 3% in 1Q, but declined 0.8% in 2Q and another 3.2% in 3Q as Fed continued to raise rates
- CPI-U: +3.7% year-over year for 3Q, and still up 5.8% since the start of 2022

Economic data defied expectations of recession in 2023; GDP growth came in at 2.1% in 1Q and 2.2% in 2Q, and surged to a stunning 4.9% in 3Q

- Job market remains solid, providing support to Fed efforts to fight inflation

Returns for Periods ended 9/30/23

	Quarter	YTD	Since 1/2022	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	-3.25	12.39	-5.36	9.14	11.28	8.09
S&P 500	-3.27	13.07	-4.30	9.92	11.91	7.92
Russell 2000	-5.13	2.54	-10.98	2.40	6.65	8.00
Global ex-U.S. Equity						
MSCI World ex USA	-4.10	6.73	-4.97	3.44	3.84	4.98
MSCI Emerging Markets	-2.93	1.82	-11.12	0.56	2.07	--
MSCI ACWI ex USA Small Cap	-1.70	5.03	-9.45	2.58	4.35	7.41
Fixed Income						
Bloomberg Aggregate	-3.23	-1.21	-8.29	0.10	1.13	3.59
90-day T-Bill	1.31	3.60	2.89	1.72	1.11	1.89
Bloomberg Long Gov/Credit	-9.37	-5.40	-19.12	-1.21	1.94	4.67
Bloomberg Global Agg ex-US	-4.00	-3.20	-12.79	-3.10	-1.73	2.04
Real Estate						
NCREIF Property	-1.98	-5.66	-0.26	5.13	7.33	8.29
FTSE Nareit Equity	-7.13	-2.14	-15.80	2.77	5.96	8.49
Alternatives						
CS Hedge Fund Index	1.81	3.71	2.72	4.77	4.08	5.96
Cambridge Private Equity*	1.59	4.56	0.39	15.37	14.91	13.67
Bloomberg Commodity	4.71	-3.44	6.74	6.13	-0.75	2.45
Gold Spot Price	-3.28	2.18	1.17	9.30	3.47	7.60
Inflation - CPI-U	0.88	3.70	5.81	4.04	2.77	2.56

*Cambridge PE data as of 2Q23

Sources: Bloomberg, Callan, Cambridge, Credit Suisse, FTSE Russell, MSCI, NCREIF, S&P Dow Jones Indices

Key Observations

NHRS Pension Plan

Asset Allocation and Portfolio Structure

- Overall, the Fund's asset allocation was close to the permissible Policy ranges at quarter-end. The Fund's allocation to defensive positions, including fixed income and cash, represented 20.6% of total assets. The fixed income allocation was slightly below the policy range by 0.2%, partially balanced by a 0.8% allocation to cash equivalent instruments. The Fund had an overweight to domestic equity, real estate and alternatives relative to target, and underweight positions to international equity and fixed income

Investment Performance

- The Fund had a gross return of -2.34% over the first quarter of Fiscal Year 2024, underperforming the market benchmark return of -1.70% and ranking in the 66th percentile of its peers. On a net-of-fees basis, the Fund returned -2.45%
 - The Real Estate and Fixed Income portfolios had positive impacts on relative performance
 - By contrast, the Alternative Assets, Non-U.S. Equity, and U.S. Equity portfolios detracted from performance. This is a reflection of more modest valuations within alternatives as well as the outperformance of large cap stocks versus their mid and small cap counterparts over the quarter
- Overall, performance is competitive relative to both benchmarks over longer periods measured, including the most recent fiscal year. The Fund outperformed the peer group median over the long term, ranking in the top 19% of peers for the trailing 10-year period, and in the top 31% of peers over the last 25 years
- 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 within the top 29% of peers

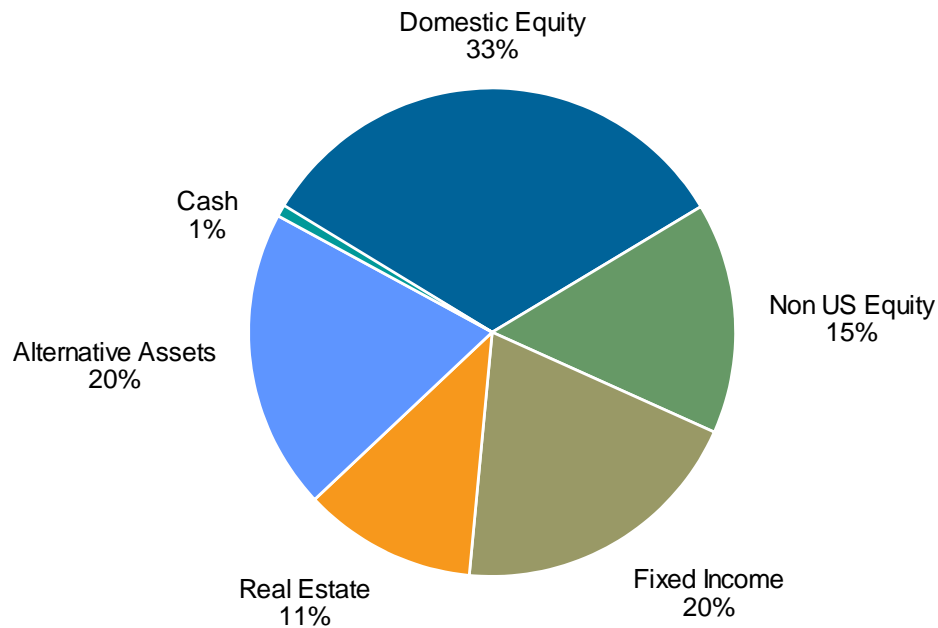
Other Developments

- Murali Srikantaiah, Partner and PM of Wellington Emerging Markets Local Equity ("EMLE"), will be withdrawing from the Wellington partnership on June 30, 2024. Bo Meunier, a partner of the firm and current PM of Emerging Markets Equity ("EME") and dedicated China equity strategies, will assume Co-PM responsibilities of EMLE on January 1, 2024. David Reed will be named Meunier's backup portfolio manager. Meunier will be supported by the dedicated EME team, whose existing research will effectively translate to both EME and EMLE portfolios. Meunier is relocating from Hong Kong to London to manage the broader Emerging Markets team better. There are no plans for resource expansion.

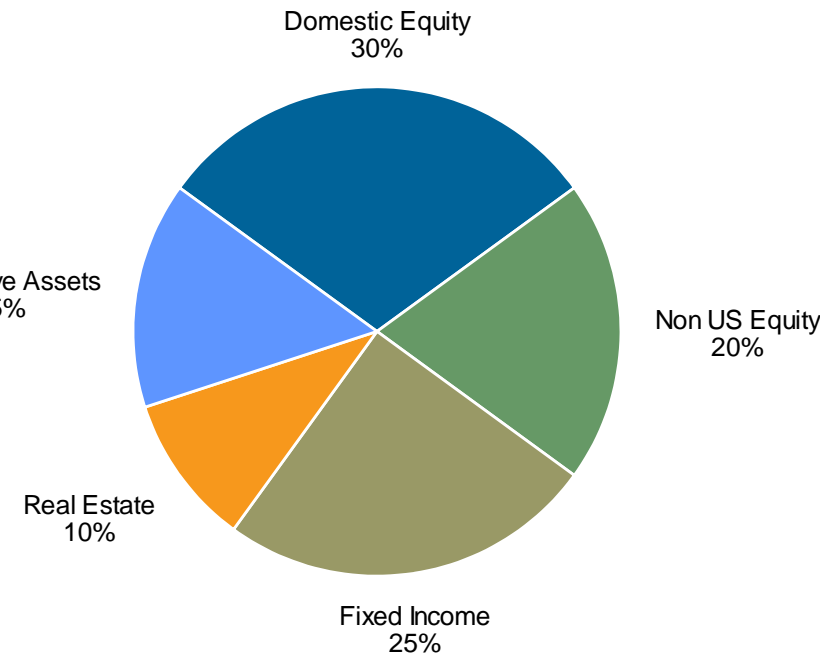
Total Fund

Actual Asset Allocation vs. Target, as of September 30, 2023

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	3,628,884	32.8%	30.0%	2.8%	307,457
Non US Equity	1,690,595	15.3%	20.0%	(4.7%)	(523,689)
Fixed Income	2,188,383	19.8%	25.0%	(5.2%)	(579,472)
Real Estate	1,269,768	11.5%	10.0%	1.5%	162,625
Alternative Assets	2,205,681	19.9%	15.0%	4.9%	544,968
Cash	88,111	0.8%	0.0%	0.8%	88,111
Total	11,071,423	100.0%	100.0%		

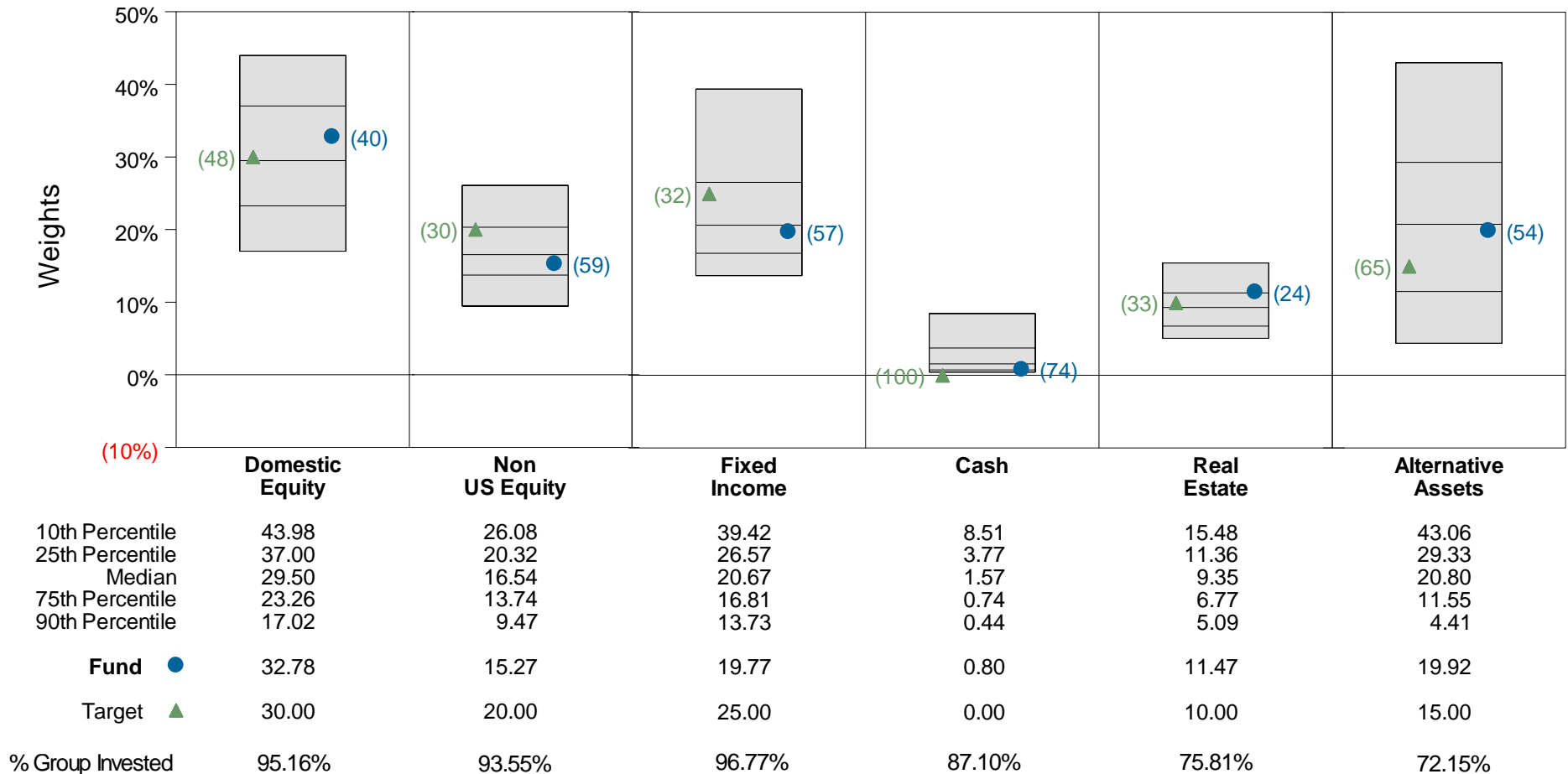
*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

**The United States equity portion of the Walter Scott Global Equity fund is allocated to the Domestic Equity composite.

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>\$1B) Peer Group, as of September 30, 2023

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



*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Total Fund

Market Values

	September 30, 2023			June 30, 2023		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Domestic Equity	\$3,341,644,686	30.18%	\$0	\$(117,069,899)	\$3,458,714,586	30.36%
Large Cap Domestic Equity	\$1,935,613,066	17.48%	\$0	\$(65,303,295)	\$2,000,916,361	17.56%
Blackrock S&P 500	1,935,613,066	17.48%	0	(65,303,295)	2,000,916,361	17.56%
SMid Cap Domestic Equity	\$611,803,668	5.53%	\$0	\$(24,341,129)	\$636,144,797	5.58%
AllianceBernstein	373,417,661	3.37%	0	(20,496,137)	393,913,798	3.46%
TSW	238,386,007	2.15%	0	(3,844,993)	242,230,999	2.13%
Small Cap Domestic Equity	\$794,227,953	7.17%	\$0	\$(27,425,475)	\$821,653,428	7.21%
Boston Trust	210,038,968	1.90%	0	(8,542,678)	218,581,646	1.92%
Segall Bryant & Hamill	219,617,698	1.98%	0	(6,117,337)	225,735,035	1.98%
Wellington	364,571,287	3.29%	0	(12,765,460)	377,336,747	3.31%
Total Non US Equity*	\$1,977,834,164	17.86%	\$0	\$(90,773,316)	\$2,068,607,480	18.16%
Core Non US Equity*	\$1,209,436,400	10.92%	\$0	\$(48,249,006)	\$1,257,685,405	11.04%
Aristotle	156,533,810	1.41%	0	(7,123,276)	163,657,086	1.44%
Artisan Partners	340,838,723	3.08%	0	(14,104,701)	354,943,424	3.12%
BlackRock Superfund	171,855,968	1.55%	0	(6,685,479)	178,541,447	1.57%
Causeway Capital	392,406,678	3.54%	0	(11,766,066)	404,172,744	3.55%
Lazard	147,132,498	1.33%	0	(8,549,070)	155,681,568	1.37%
Emerging Markets	\$157,268,749	1.42%	\$0	\$(5,420,395)	\$162,689,144	1.43%
Wellington Emerging Markets	157,268,749	1.42%	0	(5,420,395)	162,689,144	1.43%
Non US Small Cap	\$119,565,062	1.08%	\$0	\$(5,251,916)	\$124,816,978	1.10%
Wellington Int'l Small Cap Research	119,565,062	1.08%	0	(5,251,916)	124,816,978	1.10%
Global Equity	\$491,563,953	4.44%	\$0	\$(31,851,999)	\$523,415,953	4.59%
Walter Scott Global Equity	491,563,953	4.44%	0	(31,851,999)	523,415,953	4.59%

*Includes \$668,722 in legacy assets that are not actively managed and in liquidation following the termination of Fisher

Total Fund

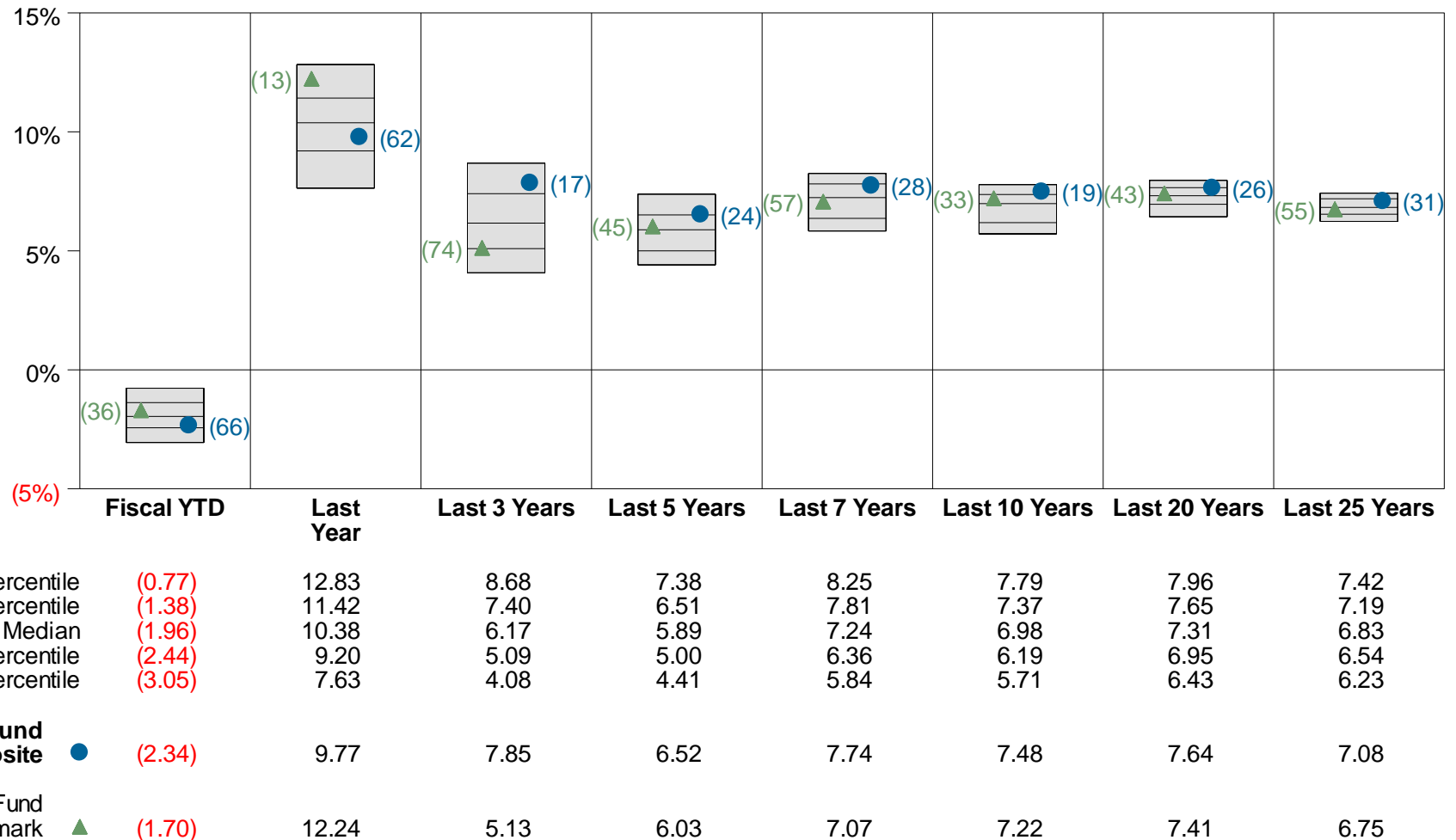
Market Values

	September 30, 2023		Net New Inv.	Inv. Return	June 30, 2023	
	Market Value	Weight			Market Value	Weight
Total Fixed Income	\$2,188,383,430	19.77%	\$0	\$(62,881,779)	\$2,251,265,208	19.76%
BlackRock SIO Bond Fund	252,016,802	2.28%	0	(114,758)	252,131,560	2.21%
Brandywine Asset Mgmt	212,212,886	1.92%	0	(16,617,346)	228,830,232	2.01%
FIAM (Fidelity) Tactical Bond	350,096,425	3.16%	0	(11,026,659)	361,123,084	3.17%
Income Research & Management	737,749,165	6.66%	0	(21,926,415)	759,675,580	6.67%
Loomis Sayles	266,839,188	2.41%	0	(3,168,872)	270,008,060	2.37%
Manulife Strategic Fixed Income	201,801,127	1.82%	0	(4,427,704)	206,228,831	1.81%
Mellon US Agg Bond Index	167,667,836	1.51%	0	(5,600,025)	173,267,861	1.52%
Total Cash	\$88,111,316	0.80%	\$(16,436,776)	\$1,462,717	\$103,085,375	0.90%
Total Marketable Assets	\$7,595,973,596	68.61%	\$(16,436,777)	\$(269,262,276)	\$7,881,672,649	69.19%
Total Real Estate	\$1,269,767,688	11.47%	\$(11,800,973)	\$(16,993)	\$1,281,585,654	11.25%
Strategic Core Real Estate	792,998,719	7.16%	(17,692,880)	19,961	810,671,639	7.12%
Tactical Non-Core Real Estate	476,768,969	4.31%	5,891,907	(36,952)	470,914,014	4.13%
Total Alternative Assets	\$2,205,681,460	19.92%	\$(26,039,587)	\$3,377,172	\$2,228,343,876	19.56%
Private Equity	1,648,028,961	14.89%	(13,064,269)	2,651,635	1,658,441,594	14.56%
Private Debt	557,652,500	5.04%	(12,975,318)	725,537	569,902,281	5.00%
Total Fund Composite	\$11,071,422,744	100.00%	\$(54,277,338)	\$(265,902,097)	\$11,391,602,179	100.00%

Total Fund Performance – Gross of Investment Management Fees

Performance vs. Large Public DB Plan (>\$1B) Peers, as of September 30, 2023

Performance vs Callan Public Fund Large DB (Gross)



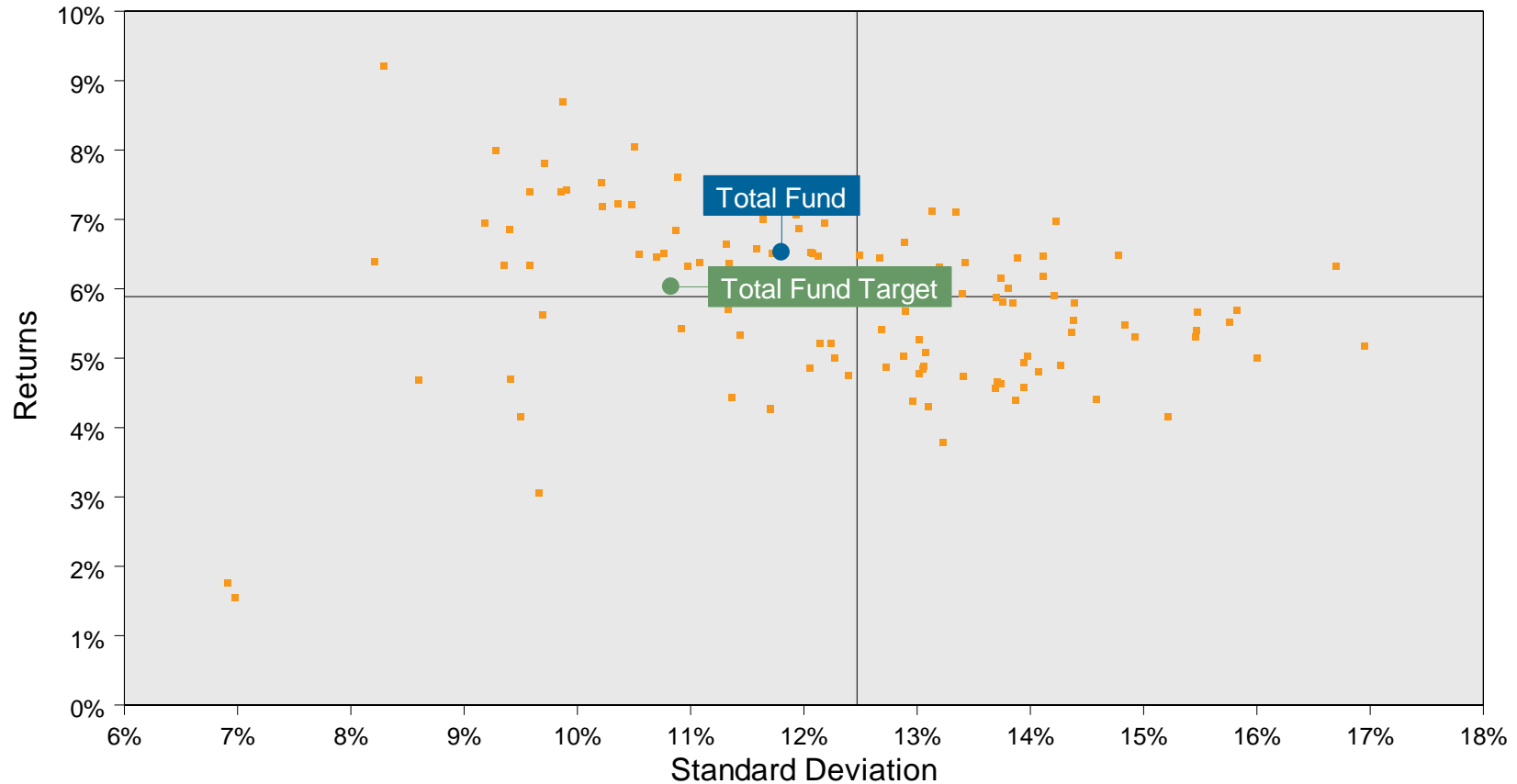
Note: Investment results are shown gross of investment management fees versus corresponding peer group.

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Total Fund Performance – Gross of Investment Management Fees

Five-Year Risk/Return Analysis as of September 30, 2023

Five Year Annualized Risk vs Return



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

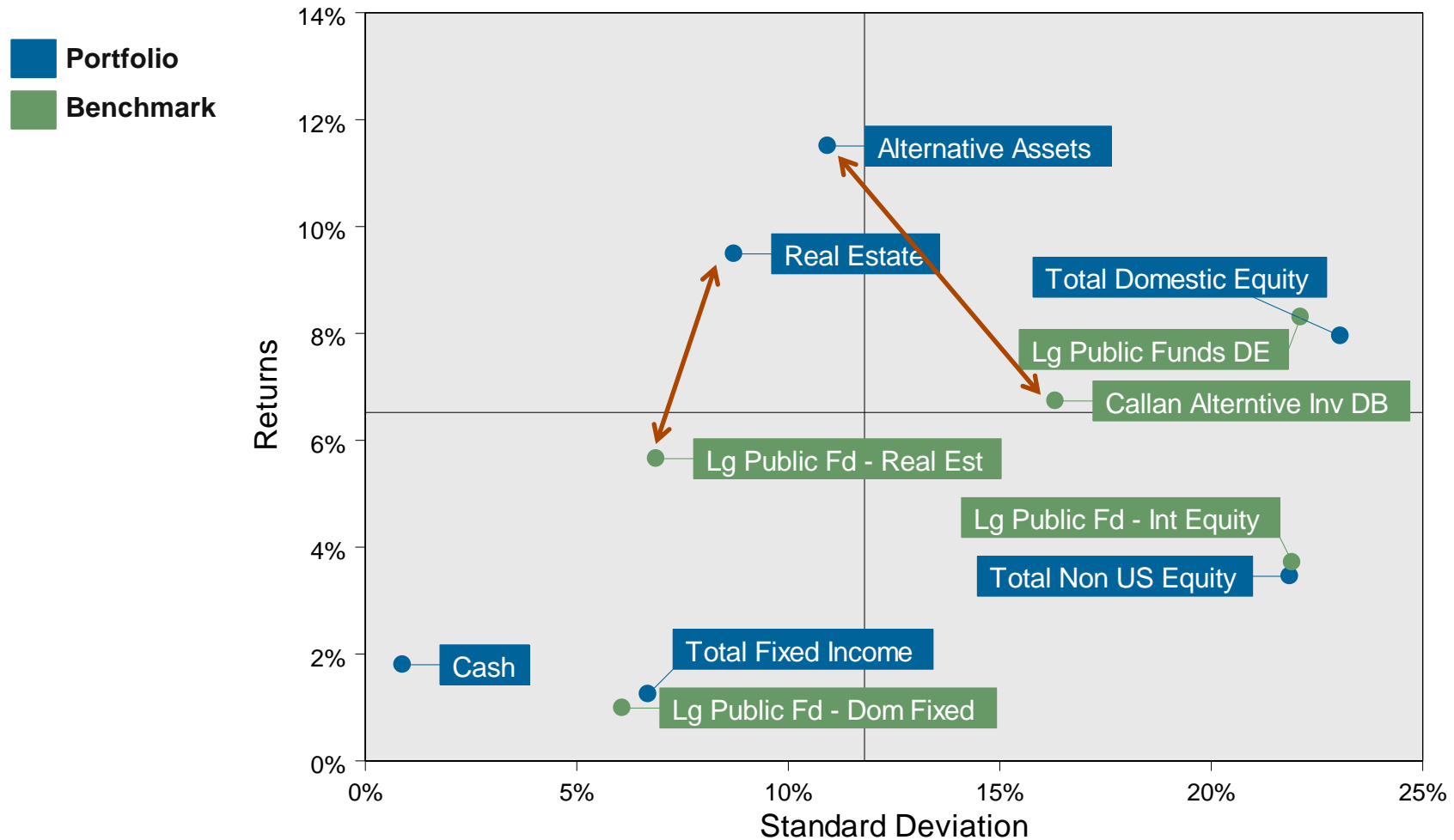
Note: Investment results are shown gross of investment management fees versus corresponding peer group.

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Total Fund Performance – Gross of Investment Management Fees

Asset Class Composites – Five-Year Risk/Return Analysis as of September 30, 2023

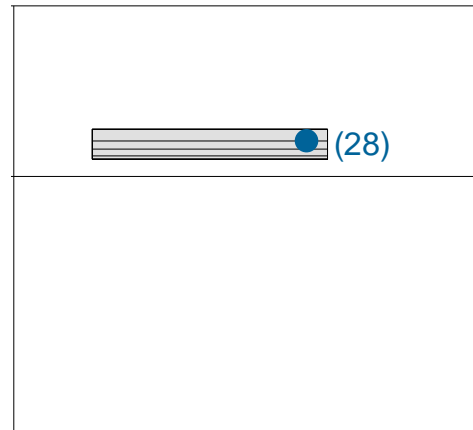
Five Year Annualized Risk vs Return Asset Classes vs Asset Class Median



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

Total Fund Performance – Gross of Investment Management Fees

Five-Year Sharpe Ratio, as of September 30, 2023



**Sharpe
Ratio**

10th Percentile	0.55
25th Percentile	0.42
Median	0.32
75th Percentile	0.24
90th Percentile	0.21

Total Fund Composite ● 0.41

- Measures absolute risk-adjusted performance, taking into account the risk-free rate and portfolio volatility
- Ranks near the top quartile of the peer group

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

Total Fund Performance – Net of Investment Management Fees

One-Year Attribution Analysis vs. Policy Benchmark, as of September 30, 2023

One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	30%	30%	17.98%	20.46%	(0.71%)	(0.14%)	(0.85%)
Non US Equity	17%	20%	24.08%	20.39%	0.57%	(0.40%)	0.16%
Fixed Income	19%	25%	2.50%	1.61%	0.18%	0.57%	0.76%
Real Estate	12%	10%	(7.06%)	(10.73%)	0.56%	(0.72%)	(0.15%)
Alternative Assets	20%	15%	3.61%	18.22%	(3.12%)	0.29%	(2.83%)
Cash	1%	0%	4.71%	4.71%	0.00%	(0.13%)	(0.13%)
Total			9.18%	= 12.24%	+ (2.52%)	+ (0.53%)	(3.06%)

What helped relative performance?

- Strong relative performance from the real estate, non-U.S. equity, and fixed income portfolios
- An underweight to fixed income and overweight to alternative assets relative to the target

What hurt relative performance?

- Weak relative performance from the alternative assets and domestic equity portfolios
- An overweight to the real estate relative to target
- An underweight to international equity relative to target

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Total Fund Performance – Net of Investment Management Fees

Five-Year Attribution Analysis vs. Policy Benchmark, as of September 30, 2023

Five Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	30%	30%	7.66%	8.99%	(0.33%)	(0.16%)	(0.50%)
Non US Equity	18%	20%	2.82%	2.58%	0.03%	(0.00%)	0.03%
Fixed Income	21%	25%	0.97%	0.34%	0.11%	0.17%	0.29%
Real Estate	11%	10%	9.00%	5.56%	0.36%	(0.07%)	0.29%
Alternative Assets	19%	15%	11.03%	11.18%	(0.15%)	0.14%	(0.01%)
Cash	1%	0%	1.80%	1.80%	0.00%	(0.02%)	(0.02%)
Total			6.11%	6.03%	+ 0.03%	+ 0.06%	0.08%

What helped relative performance?

- Strong relative performance from real estate and non-U.S. equity portfolios
- An underweight to fixed income and an overweight to alternative assets relative to target

What hurt relative performance?

- Weak relative performance from domestic equity and alternative assets portfolios
- A slight underweight to domestic equity relative to target
- A slight overweight to real estate relative to target

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

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Appendix

Investment Manager Returns – Net of Investment Management Fees

As of September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Net of Fees				
Total Domestic Equity	(3.45%)	17.98%	10.21%	7.66%
Domestic Equity Benchmark (1)	(3.25%)	20.46%	8.61%	8.99%
Secondary Domestic Equity Bmk (6)	(3.93%)	17.04%	9.34%	7.43%
Large Cap Domestic Equity	(3.27%)	21.43%	10.07%	8.98%
S&P 500 Index	(3.27%)	21.62%	10.15%	9.92%
Blackrock S&P 500	(3.27%)	21.43%	10.07%	9.86%
SMid Cap Domestic Equity	(3.96%)	12.75%	10.34%	4.54%
Russell 2500 Index	(4.78%)	11.28%	8.39%	4.55%
AllianceBernstein	(5.33%)	11.10%	7.58%	4.48%
TSW	(1.73%)	15.42%	15.32%	4.69%
TSW Blended Benchmark (2)	(3.66%)	11.34%	13.32%	4.35%
Small Cap Domestic Equity	(3.50%)	13.52%	11.09%	6.93%
Russell 2000 Index	(5.13%)	8.93%	7.16%	2.40%
Boston Trust	(4.02%)	11.56%	14.30%	7.55%
Segall Bryant & Hamill	(2.91%)	14.33%	11.07%	7.25%
Wellington	(3.56%)	14.19%	9.40%	6.39%
Total Non US Equity	(4.52%)	24.08%	4.04%	2.82%
Non US Equity Benchmark (3)	(3.77%)	20.39%	3.74%	2.58%
Core Non US Equity	(3.95%)	28.23%	6.29%	2.88%
Core Non US Benchmark (4)	(3.77%)	20.39%	3.74%	2.58%
Aristotle	(4.46%)	22.18%	-	-
Artisan Partners	(4.13%)	22.87%	0.63%	2.87%
BlackRock Superfund	(3.75%)	-	-	-
Causeway Capital	(3.04%)	41.26%	14.75%	5.39%
Lazard	(5.61%)	20.75%	-	-
Emerging Markets	(3.58%)	11.63%	(4.00%)	(0.45%)
MSCI EM	(2.93%)	11.70%	(1.73%)	0.56%
Wellington Emerging Markets	(3.58%)	9.02%	(4.02%)	(0.14%)
Non US Small Cap	(4.38%)	19.25%	(0.41%)	(4.41%)
Wellington Int'l Small Cap Research	(4.38%)	19.25%	-	-
MSCI EAFE Small Cap	(3.51%)	17.90%	1.10%	0.76%
Global Equity	(6.21%)	24.47%	6.46%	7.63%
MSCI ACWI net	(3.40%)	20.80%	6.89%	6.46%
Walter Scott Global Equity	(6.21%)	24.47%	6.46%	7.63%
Walter Scott Blended Benchmark (5)	(3.40%)	20.80%	6.89%	6.46%

(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 Index as of 7/1/2003. Prior to 7/1/2003 it was the MSCI EAFE 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 of 5/1/2008. Prior to 5/1/2008 it was the MSCI EAFE Index. (6) Secondary Domestic Equity Bmk consists of 60% S&P 500, 20% Russell 2500, and 20% Russell 2000.

(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 September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	
Net of Fees					
Total Fixed Income	(2.86%)	2.50%	(3.22%)	0.97%	
Fixed Income Benchmark (1)	(2.88%)	1.61%	(4.68%)	0.34%	
Bloomberg Aggregate	(3.23%)	0.64%	(5.21%)	0.10%	
BlackRock SIO Bond Fund	(0.17%)	3.48%	0.05%	-	
BlackRock Custom Benchmark (2)	1.32%	4.49%	1.73%	-	
Brandywine Asset Mgmt	(7.34%)	2.33%	(5.55%)	(1.53%)	
Brandywine Custom Benchmark (3)	(4.50%)	0.98%	(8.81%)	(2.63%)	
FIAM (Fidelity) Tactical Bond	(3.13%)	2.62%	(2.04%)	-	
Bloomberg Aggregate	(3.23%)	0.64%	(5.21%)	0.10%	
Income Research & Management	(2.93%)	1.25%	(5.13%)	0.81%	
Bloomberg Gov/Credit	(3.00%)	0.93%	(5.32%)	0.41%	
Loomis Sayles	(1.25%)	4.09%	(1.25%)	2.42%	
Loomis Sayles Custom Benchmark (4)	(1.95%)	3.95%	(2.79%)	1.17%	
Manulife Strategic Fixed Income	(2.22%)	4.30%	(1.72%)	1.48%	
Bloomberg Multiverse	(3.46%)	2.69%	(6.62%)	(1.48%)	
Mellon US Agg Bond Index	(3.24%)	-	-	-	
Bloomberg Aggregate	(3.23%)	0.64%	(5.21%)	0.10%	
Total Cash	1.34%	4.71%	1.79%	1.80%	
3-month Treasury Bill	1.31%	4.47%	1.70%	1.72%	
Total Marketable Assets	(3.50%)	14.35%	4.43%	4.42%	
Total Marketable Index (5)	(3.24%)	14.10%	3.00%	4.68%	
Total Real Estate (10)	(0.17%)	(7.06%)	11.50%	9.00%	
Real Estate Benchmark (6)	(2.88%)	(10.73%)	7.04%	5.56%	
Strategic Core Real Estate	(0.09%)	(11.12%)	9.05%	7.50%	
Tactical Non-Core Real Estate	(0.31%)	1.04%	15.88%	11.76%	
Total Alternative Assets	(0.02%)	3.61%	16.23%	11.03%	
Alternative Assets Benchmark (7)	6.78%	18.22%	13.00%	11.18%	
Total Private Equity	(0.02%)	3.15%	19.63%	13.70%	
Private Equity Benchmark (8)	8.80%	21.50%	17.16%	15.41%	
Cambridge Global PE Idx 1 Qtr Lag	0.00%	1.16%	18.42%	14.82%	
Total Private Debt	(0.03%)	4.97%	8.48%	5.37%	
Private Debt Benchmark (9)	2.77%	11.55%	4.59%	3.48%	
Cambridge Private Credit Idx 1 Qtr Lag	1.89%	8.37%	11.79%	7.62%	
Total Fund Composite	(2.45%)	9.18%	7.34%	6.11%	
Total Fund Benchmark *	(1.70%)	12.24%	5.13%	6.03%	

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/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.

(3) The Brandywine Blended Benchmark is the FTSE WGBI Ex-China Index as of 11/1/2021.

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

(5) Marketable Assets Index is 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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Callan



February 26, 2024

**New Hampshire Retirement
System – Defined Benefit Plan**

Fourth Quarter 2023

Executive Summary

Angel G. Haddad

Senior Vice President, Fund Sponsor Consulting

Britton M. Murdoch

Vice President, Fund Sponsor Consulting

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Equity Markets Surge in 4Q, Following Decline in 3Q

Stocks have recovered losses of 2022, bonds still have ground to make up

S&P 500 surged 11.7% in 4Q23

- Loss through first three quarters of 2022 was 23.9%; the rebound in the following five quarters brought the index back to a positive return of 1.7% over the past two years.

Fixed income recovered in 4Q

- The Bloomberg Aggregate surged 6.8% after suffering a sharp loss of 3.2% in 3Q.
- The Aggregate was on track for another negative year through 3Q; softening Fed language on rates in 4Q turned the market around.
- CPI-U: declined in 4Q compared to 3Q but is still up 3.4% year-over-year, and the index is 10% higher than it was at the start of 2022

Economy defied recession fears

- GDP growth came in at 2.1% in 1Q, 2.2% in 2Q, 4.9% in 3Q, and a very healthy 3.3% in 4Q.

Returns for Periods ended 12/31/23

	Quarter	1 Year	2 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	12.07	25.96	0.88	15.16	11.48	7.74
S&P 500	11.69	26.29	1.69	15.69	12.03	7.56
Russell 2000	14.03	16.93	-3.55	9.97	7.16	7.91
Global ex-U.S. Equity						
MSCI World ex USA	10.51	17.94	0.54	8.45	4.32	4.62
MSCI Emerging Markets	7.86	9.83	-6.32	3.69	2.66	--
MSCI ACWI ex USA Small Cap	10.12	15.66	-3.79	7.89	4.88	7.28
Fixed Income						
Bloomberg Aggregate	6.82	5.53	-4.19	1.10	1.81	3.85
90-day T-Bill	1.37	5.01	3.22	1.88	1.25	1.90
Bloomberg Long Gov/Credit	13.24	7.13	-11.62	1.12	3.22	5.21
Bloomberg Global Agg ex-US	9.21	5.72	-7.29	-1.56	-0.79	2.25
Real Estate						
NCREIF Property Index	-3.02	-7.94	-1.44	4.33	6.80	8.03
FTSE Nareit Equity	16.22	13.73	-7.25	7.39	7.65	9.27
Alternatives						
HFRI Fund Weighted	3.64	7.57	1.55	7.01	4.54	6.31
Cambridge Private Equity*	-0.42	4.17	0.19	14.59	14.27	13.87
Bloomberg Commodity	-4.63	-7.91	3.40	7.23	-1.11	2.83
Gold Spot Price	11.02	13.45	6.44	10.09	5.59	8.19
Inflation - CPI-U	-0.34	3.35	4.89	4.07	2.79	2.54

*Cambridge PE data as of 9/30/23.

Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

Key Observations

NHRS Pension Plan

Asset Allocation and Portfolio Structure

- Overall, the Fund's asset allocation was close to the permissible Policy ranges at quarter-end. The Fund's allocation to defensive positions, including fixed income and cash, represented 20.3% of total assets. The fixed income allocation was slightly below the policy range by 0.1%, partially balanced by a 0.4% allocation to cash equivalent instruments. The Fund had an overweight to domestic equity, alternatives and real estate relative to target, and underweight positions to international equity and fixed income.

Investment Performance

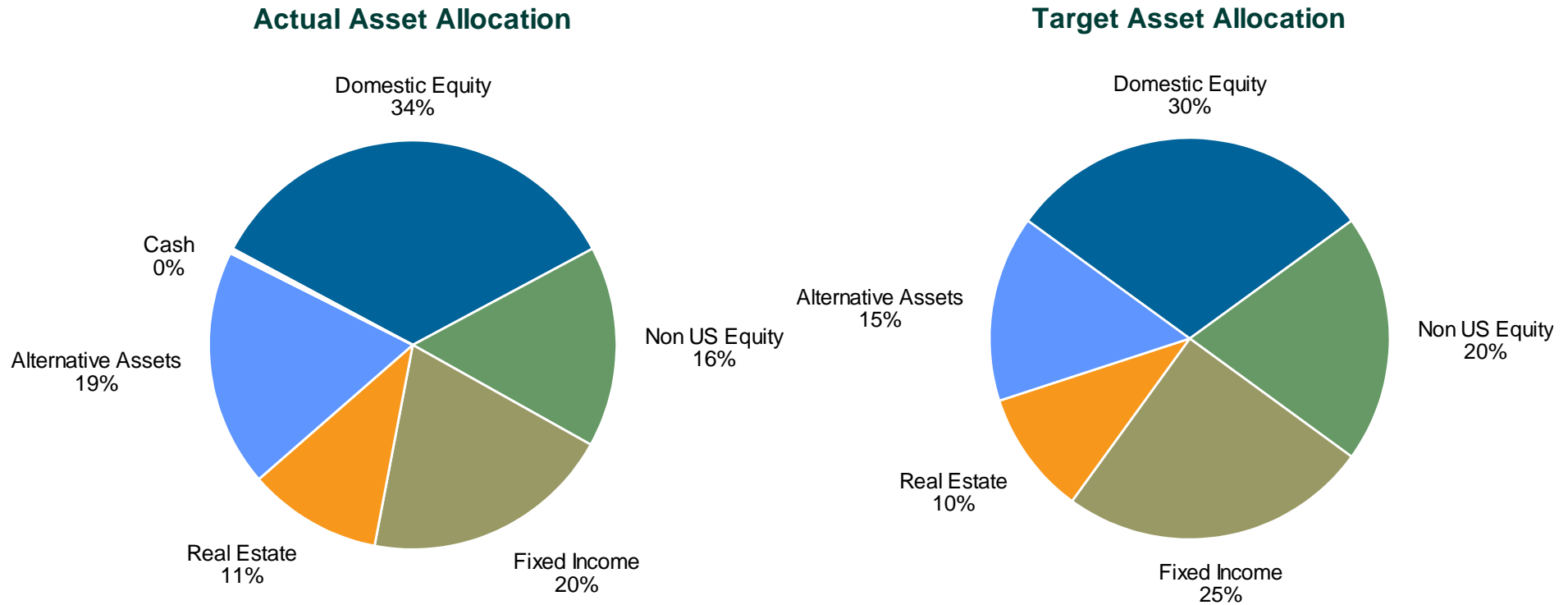
- The Fund had a gross return of 7.02% over the second quarter of Fiscal Year 2024, outperforming the market benchmark return of 6.93% and ranking in the 57th percentile of its peers. On a net-of-fees basis, the Fund returned 6.88%
 - The Alternative Assets and Fixed Income portfolios had positive impacts on relative performance
 - By contrast, the Real Estate and U.S. Equity portfolios detracted from performance. This is a reflection of more modest valuations within real estate as well as underperformance from small/mid cap equity manager TSW over the quarter
- Overall, performance is competitive relative to both benchmarks over longer periods measured, including the most recent fiscal year. The Fund outperformed the peer group median over the long term, ranking in the top 24% of peers for the trailing 10-year period, and in the top 34% of peers over the last 25 years
- 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 within the top 38% of peers

Other Developments

- Murali Srikantaiah, Partner and PM of Wellington Emerging Markets Local Equity ("EMLE"), will be withdrawing from the Wellington partnership on June 30, 2024. Bo Meunier, a partner of the firm and current PM of Emerging Markets Equity ("EME") and dedicated China equity strategies, will assume Co-PM responsibilities of EMLE on January 1, 2024. David Reed will be named Meunier's backup portfolio manager. Meunier will be supported by the dedicated EME team, whose existing research will effectively translate to both EME and EMLE portfolios. Meunier is relocating from Hong Kong to London to manage the broader Emerging Markets team better. There are no plans for resource expansion.

Total Fund

Actual Asset Allocation vs. Target, as of December 31, 2023



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	4,048,532	34.4%	30.0%	4.4%	517,377
Non US Equity	1,869,115	15.9%	20.0%	(4.1%)	(484,988)
Fixed Income	2,346,688	19.9%	25.0%	(5.1%)	(595,941)
Real Estate	1,242,240	10.6%	10.0%	0.6%	65,188
Alternative Assets	2,217,599	18.8%	15.0%	3.8%	452,022
Cash	46,343	0.4%	0.0%	0.4%	46,343
Total	11,770,517	100.0%	100.0%		

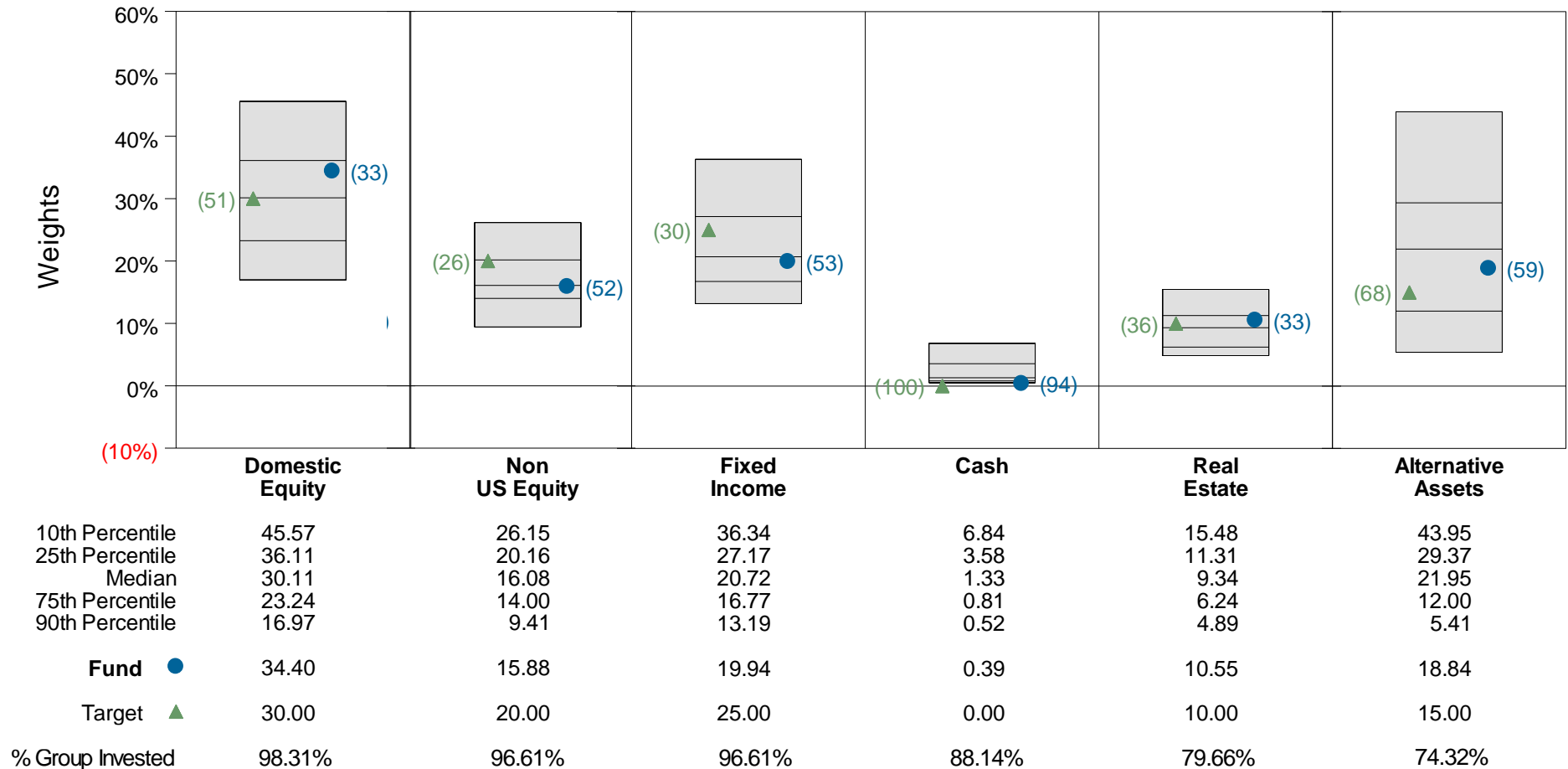
*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

**The United States equity portion of the Walter Scott Global Equity fund is allocated to the Domestic Equity composite.

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>\$1B) Peer Group, as of December 31, 2023

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



*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Total Fund

Market Values

	December 31, 2023			September 30, 2023		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Domestic Equity	\$3,734,991,813	31.73%	\$0	\$393,347,127	\$3,341,644,686	30.18%
Large Cap Domestic Equity	\$2,161,866,634	18.37%	\$0	\$226,253,568	\$1,935,613,066	17.48%
Blackrock S&P 500	2,161,866,634	18.37%	0	226,253,568	1,935,613,066	17.48%
SMid Cap Domestic Equity	\$680,984,900	5.79%	\$0	\$69,181,233	\$611,803,668	5.53%
AllianceBernstein	425,590,996	3.62%	0	52,173,335	373,417,661	3.37%
TSW	255,393,904	2.17%	0	17,007,898	238,386,007	2.15%
Small Cap Domestic Equity	\$892,140,279	7.58%	\$0	\$97,912,326	\$794,227,953	7.17%
Boston Trust	232,180,382	1.97%	0	22,141,414	210,038,968	1.90%
Segall Bryant & Hamill	246,291,763	2.09%	0	26,674,065	219,617,698	1.98%
Wellington	413,668,134	3.51%	0	49,096,848	364,571,287	3.29%
Total Non US Equity *	\$2,182,655,605	18.54%	\$(25)	\$204,821,466	\$1,977,834,164	17.86%
Core Non US Equity *	\$1,329,966,023	11.30%	\$(25)	\$120,529,649	\$1,209,436,400	10.92%
Aristotle	172,677,350	1.47%	0	16,143,540	156,533,810	1.41%
Artisan Partners	373,664,128	3.17%	0	32,825,405	340,838,723	3.08%
BlackRock Superfund	188,391,200	1.60%	0	16,535,232	171,855,968	1.55%
Causeway Capital	430,172,433	3.65%	0	37,765,755	392,406,678	3.54%
Lazard	164,377,378	1.40%	0	17,244,880	147,132,498	1.33%
Emerging Markets	\$167,904,443	1.43%	\$0	\$10,635,694	\$157,268,749	1.42%
Wellington Emerging Markets	167,904,443	1.43%	0	10,635,694	157,268,749	1.42%
Non US Small Cap	\$134,953,584	1.15%	\$0	\$15,388,523	\$119,565,062	1.08%
Wellington Int'l Small Cap Research	134,953,584	1.15%	0	15,388,523	119,565,062	1.08%
Global Equity	\$549,831,555	4.67%	\$0	\$58,267,601	\$491,563,953	4.44%
Walter Scott Global Equity	549,831,555	4.67%	0	58,267,601	491,563,953	4.44%

*Includes \$683,533 in legacy assets that are not actively managed and in liquidation following the termination of Fisher

Total Fund

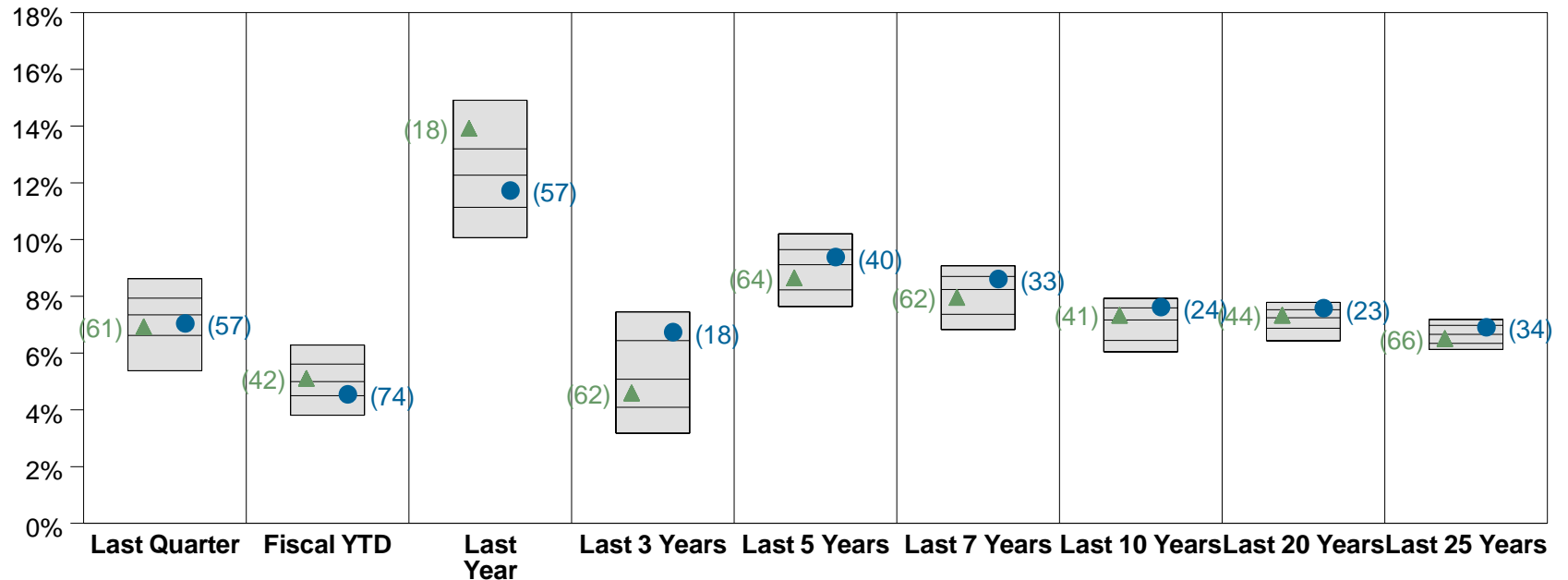
Market Values

	December 31, 2023			September 30, 2023		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Fixed Income	\$2,346,687,743	19.94%	\$0	\$158,304,313	\$2,188,383,430	19.77%
BlackRock SIO Bond Fund	266,277,704	2.26%	0	14,260,902	252,016,802	2.28%
Brandywine Asset Mgmt	239,132,976	2.03%	0	26,920,089	212,212,886	1.92%
FIAM (Fidelity) Tactical Bond	375,407,619	3.19%	0	25,311,195	350,096,425	3.16%
Income Research & Management	785,987,790	6.68%	0	48,238,625	737,749,165	6.66%
Loomis Sayles	285,847,793	2.43%	0	19,008,605	266,839,188	2.41%
Manulife Strategic Fixed Income	214,913,943	1.83%	0	13,112,816	201,801,127	1.82%
Mellon US Agg Bond Index	179,119,918	1.52%	0	11,452,082	167,667,836	1.51%
Total Cash	\$46,342,766	0.39%	\$(42,933,955)	\$1,165,405	\$88,111,316	0.80%
Total Marketable Assets	\$8,310,677,927	70.61%	\$(42,933,980)	\$757,638,311	\$7,595,973,596	68.61%
Total Real Estate	\$1,242,239,728	10.55%	\$(7,848,330)	\$(19,679,630)	\$1,269,767,688	11.47%
Strategic Core Real Estate	771,525,310	6.55%	(10,853,385)	(10,620,024)	792,998,719	7.16%
Tactical Non-Core Real Estate	470,714,417	4.00%	3,798,660	(9,853,211)	476,768,969	4.31%
Total Alternative Assets	\$2,217,599,162	18.84%	\$(25,646,114)	\$37,563,815	\$2,205,681,460	19.92%
Private Equity	1,655,749,890	14.07%	(18,333,867)	26,054,796	1,648,028,961	14.89%
Private Debt	561,849,272	4.77%	(7,312,247)	11,509,019	557,652,500	5.04%
Total Fund Composite	\$11,770,516,817	100.00%	\$(76,428,424)	\$775,522,497	\$11,071,422,744	100.00%

Total Fund Performance – Gross of Investment Management Fees

Performance vs. Large Public DB Plan (>\$1B) Peers, as of December 31, 2023

Performance vs Callan Public Fund Large DB (Gross)



10th Percentile	8.63	6.29	14.91	7.45	10.20	9.08	7.93	7.79	7.19
25th Percentile	7.94	5.61	13.20	6.44	9.65	8.70	7.59	7.53	6.98
Median	7.34	5.00	12.27	5.08	9.12	8.24	7.17	7.25	6.66
75th Percentile	6.62	4.50	11.14	4.09	8.23	7.37	6.45	6.87	6.34
90th Percentile	5.38	3.81	10.07	3.18	7.64	6.83	6.05	6.43	6.13
Total Fund Composite	● 7.02	4.51	11.70	6.71	9.35	8.58	7.59	7.56	6.88
Total Fund Benchmark	▲ 6.93	5.11	13.92	4.60	8.65	7.97	7.34	7.34	6.52

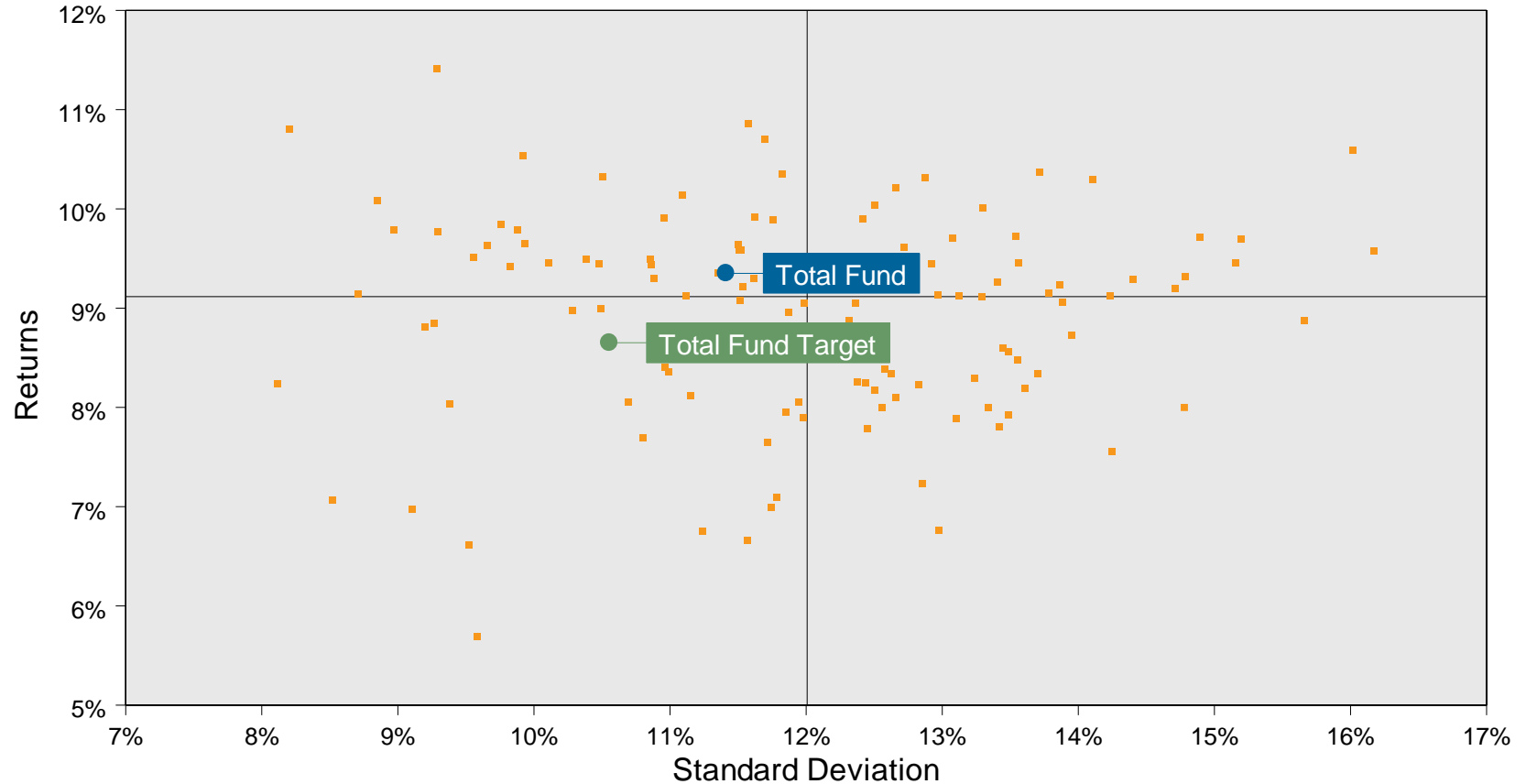
Note: Investment results are shown gross of investment management fees versus corresponding peer group.

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Total Fund Performance – Gross of Investment Management Fees

Five-Year Risk/Return Analysis as of December 31, 2023

Five Year Annualized Risk vs Return



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

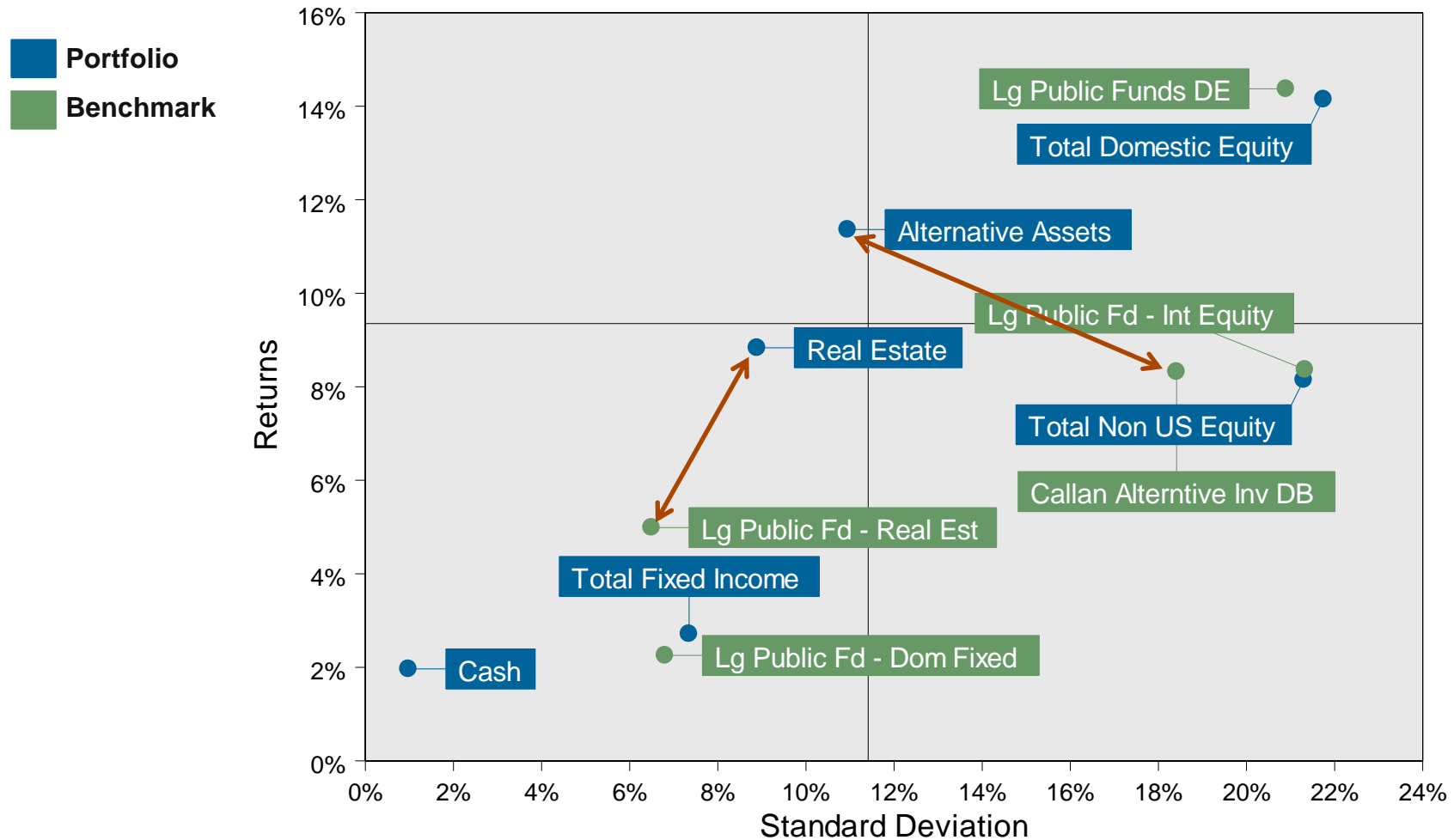
Note: Investment results are shown gross of investment management fees versus corresponding peer group.

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Total Fund Performance – Gross of Investment Management Fees

Asset Class Composites – Five-Year Risk/Return Analysis as of December 31, 2023

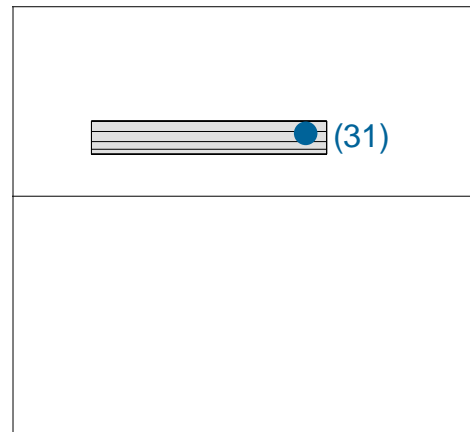
Five Year Annualized Risk vs Return Asset Classes vs Asset Class Median



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

Total Fund Performance – Gross of Investment Management Fees

Five-Year Sharpe Ratio, as of December 31, 2023



Sharpe Ratio

10th Percentile	0.80
25th Percentile	0.69
Median	0.58
75th Percentile	0.50
90th Percentile	0.45
Total Fund Composite ●	0.65

- Measures absolute risk-adjusted performance, taking into account the risk-free rate and portfolio volatility
- Ranks near the top quartile of the peer group

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

Total Fund Performance – Net of Investment Management Fees

One-Year Attribution Analysis vs. Policy Benchmark, as of December 31, 2023

One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	30%	30%	21.93%	25.96%	(1.10%)	(0.06%)	(1.16%)
Non US Equity	18%	20%	19.60%	15.62%	0.67%	(0.09%)	0.58%
Fixed Income	19%	25%	7.03%	6.17%	0.18%	0.42%	0.60%
Real Estate	12%	10%	(9.94%)	(12.88%)	0.46%	(0.67%)	(0.20%)
Alternative Assets	19%	15%	6.31%	19.58%	(2.79%)	0.25%	(2.54%)
Cash	1%	0%	5.21%	5.21%	0.00%	(0.08%)	(0.08%)
Total			11.11%	= 13.92%	+ (2.57%)	+ (0.24%)	(2.81%)

What helped relative performance?

- Strong relative performance from the non-U.S. equity, real estate, and fixed income portfolios
- An underweight to fixed income relative to target
- An overweight to alternative assets relative to target

What hurt relative performance?

- Weak relative performance from the alternative assets and domestic equity portfolios
- An overweight to the real estate relative to target
- An underweight to international equity relative to target
- A slight overweight to cash and a slight underweight to domestic equity relative to target

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Total Fund Performance – Net of Investment Management Fees

Five-Year Attribution Analysis vs. Policy Benchmark, as of December 31, 2023

Five Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	30%	30%	13.84%	14.79%	(0.22%)	(0.19%)	(0.41%)
Non US Equity	18%	20%	7.49%	7.08%	0.06%	(0.04%)	0.03%
Fixed Income	21%	25%	2.43%	1.44%	0.20%	0.24%	0.43%
Real Estate	11%	10%	8.31%	4.72%	0.39%	(0.08%)	0.31%
Alternative Assets	19%	15%	10.83%	10.03%	0.02%	(0.01%)	0.00%
Cash	1%	0%	1.97%	1.97%	0.00%	(0.09%)	(0.09%)
Total			8.91%	= 8.65%	+ 0.44%	+ (0.18%)	0.26%

What helped relative performance?

- Strong relative performance from real estate, fixed income, and non-U.S. equity portfolios
- An underweight to fixed income relative to target

What hurt relative performance?

- Weak relative performance from domestic equity portfolio
- A slight underweight to domestic equity and non-U.S. equity relative to target
- A slight overweight to real estate and cash relative to target

*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

Callan

Appendix

Investment Manager Returns – Net of Investment Management Fees

As of December 31, 2023

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Net of Fees					
Total Domestic Equity	11.70%	7.84%	21.93%	8.13%	13.84%
Domestic Equity Benchmark (1)	12.07%	8.43%	25.96%	8.59%	14.79%
Secondary Domestic Equity Bmk (6)	12.57%	8.15%	22.81%	7.38%	13.88%
Large Cap Domestic Equity	11.69%	8.04%	26.10%	9.92%	14.71%
S&P 500 Index	11.69%	8.04%	26.29%	10.00%	15.69%
Blackrock S&P 500	11.69%	8.04%	26.10%	9.92%	15.63%
SMid Cap Domestic Equity	11.16%	6.75%	15.77%	5.66%	11.46%
Russell 2500 Index	13.35%	7.93%	17.42%	4.24%	11.67%
AllianceBernstein	13.82%	7.75%	18.16%	4.07%	12.16%
TSW	6.98%	5.13%	12.00%	8.55%	10.35%
TSW Blended Benchmark (2)	13.76%	9.59%	15.98%	8.81%	11.55%
Small Cap Domestic Equity	12.14%	8.21%	16.47%	5.74%	13.64%
Russell 2000 Index	14.03%	8.18%	16.93%	2.22%	9.97%
Boston Trust	10.41%	5.97%	10.65%	9.25%	13.44%
Segall Bryant & Hamill	11.93%	8.67%	14.64%	7.24%	14.12%
Wellington	13.27%	9.23%	21.21%	3.15%	13.47%
Total Non US Equity	10.21%	5.23%	19.60%	2.16%	7.49%
Non US Equity Benchmark (3)	9.75%	5.61%	15.62%	1.55%	7.08%
Core Non US Equity	9.84%	5.50%	20.35%	4.00%	7.80%
Core Non US Benchmark (4)	9.75%	5.61%	15.62%	1.55%	7.08%
Aristotle	10.19%	5.28%	18.69%	3.15%	-
Artisan Partners	9.46%	4.94%	15.87%	0.95%	7.44%
BlackRock Superfund	9.61%	5.50%	-	-	-
Causeway Capital	9.48%	6.15%	27.83%	9.14%	10.82%
Lazard	11.58%	5.32%	18.18%	1.31%	-
Emerging Markets	6.50%	2.69%	9.28%	(6.98%)	1.84%
MSCI EM	7.86%	4.71%	9.83%	(5.08%)	3.69%
Wellington Emerging Markets	6.50%	2.69%	6.91%	(7.19%)	2.00%
Non US Small Cap	12.67%	7.73%	16.42%	(1.20%)	1.75%
Wellington Int'l Small Cap Research	12.67%	7.73%	16.42%	-	-
MSCI EAFE Small Cap	11.14%	7.24%	13.16%	(0.69%)	6.58%
Global Equity	11.71%	4.77%	23.40%	5.67%	12.98%
MSCI ACWI net	11.03%	7.26%	22.20%	5.75%	11.72%
Walter Scott Global Equity	11.71%	4.77%	23.40%	5.67%	12.98%
Walter Scott Blended Benchmark (5)	11.03%	7.26%	22.20%	5.75%	11.72%

(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 Index as of 7/1/2003. Prior to 7/1/2003 it was the MSCI EAFE 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 December 31, 2023

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years		
Net of Fees							
Total Fixed Income	7.16%	4.10%	7.03%	(2.16%)	2.43%		
Fixed Income Benchmark (1)	6.83%	3.76%	6.17%	(2.97%)	1.44%	*Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net lagged 3 months, 10% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg HY Corp lagged 3 months+1.0%, and 2.5% S&P/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. (3) The Brandywine Blended Benchmark is the FTSE WGBI Ex-China Index as of 11/1/2021. (4) The Loomis Sayles Custom Benchmark is 65% Bloomberg Aggregate and 35% Bloomberg High Yield. (5) Marketable Assets Index is 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.	
Bloomberg Aggregate	6.82%	3.37%	5.53%	(3.31%)	1.10%		
BlackRock SIO Bond Fund	5.53%	5.36%	7.45%	0.79%	3.05%		
BlackRock Custom Benchmark (2)	1.37%	2.71%	5.09%	2.17%	1.92%		
Brandywine Asset Mgmt	12.59%	4.33%	7.73%	(4.92%)	1.09%		
Brandywine Custom Benchmark (3)	8.36%	3.48%	5.36%	(7.19%)	(1.39%)		
FIAM (Fidelity) Tactical Bond	7.14%	3.79%	7.04%	(1.17%)	-		
Bloomberg Aggregate	6.82%	3.37%	5.53%	(3.31%)	1.10%		
Income Research & Management	6.49%	3.38%	6.23%	(3.46%)	1.79%		
Bloomberg Gov/Credit	6.63%	3.44%	5.72%	(3.53%)	1.41%		
Loomis Sayles	7.04%	5.69%	8.50%	(0.63%)	4.18%		
Loomis Sayles Custom Benchmark (4)	6.94%	4.85%	8.25%	(1.46%)	2.65%		
Manulife Strategic Fixed Income	6.42%	4.06%	7.56%	(0.96%)	3.03%		
Bloomberg Multiverse	8.13%	4.38%	6.05%	(5.26%)	(0.13%)		
Mellon US Agg Bond Index	6.83%	3.37%	-	-	-		
Bloomberg Aggregate	6.82%	3.37%	5.53%	(3.31%)	1.10%		
Total Cash	1.40%	2.76%	5.21%	2.26%	1.97%		
3-month Treasury Bill	1.37%	2.70%	5.01%	2.15%	1.88%		
Total Marketable Assets	9.89%	6.05%	16.61%	3.51%	8.48%		
Total Marketable Index (5)	9.72%	6.17%	16.46%	2.97%	8.47%		
Total Real Estate (10)	(1.74%)	(1.91%)	(9.94%)	10.54%	8.31%		
Real Estate Benchmark (6)	(2.10%)	(4.92%)	(12.88%)	6.19%	4.72%		
Strategic Core Real Estate	(1.65%)	(1.74%)	(13.99%)	8.40%	6.69%		
Tactical Non-Core Real Estate	(1.89%)	(2.20%)	(1.79%)	14.35%	11.28%		
Total Alternative Assets	1.44%	1.42%	6.31%	14.48%	10.83%		
Alternative Assets Benchmark (7)	(1.12%)	5.59%	19.58%	9.86%	10.03%		
Total Private Equity	1.35%	1.33%	6.67%	17.09%	13.28%		
Private Equity Benchmark (8)	(2.66%)	5.90%	22.76%	12.61%	12.97%		
Cambridge Global PE Idx 1 Qtr Lag	0.00%	1.61%	4.72%	15.12%	14.51%		
Total Private Debt	1.71%	1.68%	5.31%	8.29%	5.40%		
Private Debt Benchmark (9)	2.02%	4.85%	13.14%	4.07%	3.47%		
Cambridge Private Credit Idx 1 Qtr Lag	0.00%	1.96%	8.65%	10.26%	7.23%		
Total Fund Composite	6.88%	4.26%	11.11%	6.18%	8.91%		
Total Fund Benchmark *	6.93%	5.11%	13.92%	4.60%	8.65%		

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To: Board of Trustees
From: Raynald Leveque, Chief Investment Officer
Date: April 9, 2024
Re: **Institutional Proxy Voting Vendor Recommendation**
Item: Action: Discussion: Informational:

Attached is a red-lined version of the System's Proxy Voting Policy (Policy), which has been updated to reflect a change proposed by the NHRS regarding Social and Environmental Issues. The Board most recently updated and approved the Policy in April 2023.

NHRS has worked with Institutional Shareholder Services (ISS) to review and update the System's Policy to ensure that current industry practices clearly and accurately reflect the intended Policy. As such, the Policy guidelines have been updated to ensure that social issue proposals are considered based on their potential impact on the long-term economic interest of a company.

The change to the Policy is reflected on the following page:

- Page 33: relative to Social and Environmental Issues.

NHRS is seeking approval of the policy revisions conditioned on the review and approval of the Investment Committee, which meets following the Board meeting on April 9, 2024. If the recommendations are approved by the Investment Committee, the revisions will be adopted in the System's Policy.

New Hampshire Retirement System Proxy Voting Policy

INTRODUCTION

A proxy is a written power of attorney given by a shareholder of a corporation, authorizing a specific vote on the shareholder's behalf at corporate meetings. A proxy will normally pertain to election of members of the corporation's board of directors, or to various resolutions submitted for shareholder approval. The System's Proxy Voting Policy has been established to protect the System's long-term investment interests and to promote responsible corporate policies and activities which enhance a corporation's financial prospects.

U.S. PROXY VOTING GUIDELINES

I. OPERATIONAL ITEMS

Adjourn Meeting

Generally vote **against** proposals to provide management with the authority to adjourn an annual or special meeting absent compelling reasons to support the proposal.

Vote **for** adjournment proposals that relate specifically to soliciting votes for a merger or transaction if supporting that merger or transaction. Vote **against** such proposals if the wording is too vague or if the proposal includes "other business."

Amend Quorum Requirements

Proposals to amend quorum requirements for shareholder meetings are evaluated based on several factors which include: market norms, the company's reasons for the change, and the company's ownership structure.

Amend Minor Bylaws

Generally, vote **for** proposals to make bylaw or charter changes that are of a housekeeping nature (updates or corrections) unless the proposed changes are believed to be detrimental to shareholder value.

Change Company Name

Generally, vote **for** proposals to change company name unless the reasons behind the change and necessity of the change have not been clearly provided by the company.

Change Date, Time, or Location of Annual Meeting

Generally, vote **for** management proposals to rotate the time or place of annual meetings unless the proposed change is unreasonable and motivation is unclear.

Generally, vote **against** shareholder proposals to rotate the time or place of annual meetings unless the current scheduling or location is unreasonable and change is determined to be in the best interests of the company and its shareholders.

Ratifying Auditors

Generally, vote **for** proposals to ratify auditors unless:

- More than 20 percent of total fees paid to the auditors are attributable to nonaudit, but not including, SEC-related work. Nonaudit fees should be calculated by adding financial information systems design and implementation fees and all other fees.
- An auditor has a financial interest in or association with the company, and is therefore not independent
- There is reason to believe that the independent auditor has rendered an opinion which is neither accurate nor indicative of the company's financial position
- Poor accounting practices are identified that rise to a serious level of concern, such as: fraud; misapplication of GAAP; and material weaknesses identified in Section 404 disclosures

Vote **for** shareholder proposals that request the company rotate its auditors, taking into account the length of rotation specified in the proposal.

Vote **for** shareholder proposals that request the board adopt a policy stating that the company's independent accountants will only provide audit services to the company and no other services.

Vote **for** shareholder proposals requesting the company submit the ratification of its auditors to a shareholder vote.

Transact Other Business

Vote against management proposals asking for authority to vote at the meeting for "other business" not already described in the proxy statement.

II. THE BOARD OF DIRECTORS

Voting on Director Nominees in Uncontested Elections

Votes on management proposals to elect director nominees are evaluated by taking the following factors into account: composition of the board and key board committees, attendance at board meetings, corporate governance provisions and takeover activity, long-term company performance relative to a market index, directors' investment in the company,

whether the chairman is also serving as CEO, and whether a retired CEO sits on the board. However, there are some actions by directors that should result in votes being withheld. These instances include directors who:

- Attend less than 75 percent of the board and committee meetings without a valid excuse
- In cases of chronic poor attendance without reasonable justification, in addition to voting against the director(s) with poor attendance, generally vote against or withhold from appropriate members of the nominating/governance committees or the full board
- Implement or renew a dead-hand or modified dead-hand poison pill
- Adopts a long-term poison pill without shareholder approval. When it comes to the adoption of short-term poison pill, the nomination of directors will be assessed on a case-by-case basis.
- Ignore a shareholder proposal that is approved by a majority of the votes cast
- Are incumbent board members and the board implements an advisory vote on executive compensation on a less frequent basis than the frequency that received the majority of votes cast at the most recent shareholder meeting at which shareholders voted on the say-on-pay frequency
- Failed to act on takeover offers where the majority of the shareholders tendered their shares
- Are inside directors or affiliated outsiders and sit on the audit, compensation, or nominating committees
- Are inside directors or affiliated outsiders and the full board serves as the audit, compensation, or nominating committee or the company does not have one of these committees
- Are audit committee members and the non-audit fees paid to the auditor are more than 20 percent of total fees paid to the auditors
- Are audit committee members and the company receives an adverse opinion on the company's financial statements from its auditor
- Are audit committee members and poor accounting practices are identified that rise to a level of serious concern, such as: fraud; misapplication of GAAP; and material weaknesses identified in Section 404 disclosures
- Are audit committee members and the audit committee entered into an inappropriate indemnification agreement with its auditor
- Are inside directors or affiliated outside directors and the full board is less than majority independent
- Sit on more than two outside public company boards (i.e. more than three boards in total, including the board seat of the company for which the vote is being cast), or sit on more than one outside public company board if they are CEOs of public companies (i.e. more than two boards in total, including the seat for which the vote is being cast)
- Are on the compensation committee and potentially the full board when there is a recurring or egregious negative correlation between chief executive pay and company performance

- Are on the compensation committee and potentially the full board when the company has recurring or egregious problematic pay practices
- Are on the compensation committee and potentially the full board when the company exhibits a significant level of poor communication and responsiveness to shareholders
- Have failed to address the issue(s) that resulted in any of the directors receiving more than 50% withhold votes out of those cast at the previous board election
- Are incumbent board members and the board had material failures of governance, stewardship, risk oversight, or fiduciary responsibilities at the company

In addition, directors who enacted egregious corporate governance policies or failed to replace management as appropriate would be subject to recommendations to **withhold** votes.

If the board lacks accountability and oversight coupled with sustained poor performance relative to peers, any or all appropriate nominees may be held accountable.

If the board is classified and a continuing director responsible for a problematic governance issue at the board/committee level that would warrant a **withhold/against** vote recommendation is not up for election, any or all appropriate nominees may be held accountable.

Exception may be made for new nominees.

Term Limits

Generally, vote **against** term limits unless it is determined that the lack of new perspectives, resulting from insufficient turnover, may be unfavorable to long-term investment interests.

Board Size

Generally, vote **for** management proposals to determine board size.

Classification/Declassification of the Board

Vote **against** management proposals to classify the board.

Vote **for** shareholder proposals to repeal a classified board.

Cumulative Voting

Vote **against** proposals to eliminate cumulative voting.

Vote **for** proposals to restore or permit cumulative voting in those cases where shareholders have access to the board through their own nominations.

Director and Officer Indemnification and Liability Protection

Vote **for** indemnification proposals that only cover legal expenses when the officer acted in good faith in what he/she believed was the company's interest.

Vote **against** proposals that totally eliminate officers' liability.

A certain level of protection is desirable so as to attract and keep qualified candidates as directors and officers. This protection, however, must not go so far as to excuse officers from being accountable for their actions or for becoming negligent in their duties. The protection should only be effective when officers act in good faith, for the best interests of the company. Specifically, officers should be liable for:

- a) breach of loyalty;
- b) acts or omissions not in good faith or involving intentional misconduct or knowing violations of the law;
- c) unlawful purchases or redemptions of stock;
- d) payments of unlawful dividends; or
- e) receipt of improper personal benefits.

Establish/Amend Nominee Qualifications

Generally, vote **for** management proposals to establish or amend director qualifications unless the proposed criteria are unreasonable and would have a demonstrable effect in precluding dissident nominees from joining the board.

Vote **against** shareholder proposals requiring two candidates per board seat.

Filling Vacancies/Removal of Directors

Vote **against** management proposals to allow for a director's removal from the board only for cause. Directors should be elected or removed by a simple majority vote of shareholders.

Vote **against** management proposals which provide that only continuing directors may fill vacancies on the board.

Vote **for** proposals which allow shareholders to fill vacancies on the board.

Vote **for** proposals to restore shareholder ability to remove directors with or without cause.

Independent Chairman (Separate Chairman/CEO)

Vote **for** shareholder proposals to separate the position of chairman of the board and CEO. The combination of the two positions creates an inherent conflict of interests.

Majority Vote Proposals

Vote **for** reasonably crafted proposals calling for directors to be elected with an affirmative majority of votes cast and/or the elimination of the plurality standard for electing directors (including binding resolutions requesting that the board amend the company's bylaws),

provided the proposal includes a carve-out for a plurality voting standard when there are more director nominees than board seats (e.g. contested elections).

Majority of Independent Directors/Establishment of Committees

Generally, vote **for** shareholder proposals asking that boards be comprised of a majority of independent directors, unless it has been determined that the current board composition satisfies our independence threshold.

Vote **for** shareholder proposals asking that board audit, compensation, and/or nominating committees be comprised exclusively of independent directors.

Proxy Access to Nominate Directors

Management and shareholder proposals to enact provisions that give shareholders access to the proxy to nominate directors that are evaluated based on the long-term investment interests of the System, and are examined by considering the following factors:

- Company-specific factors; and
- Proposal-specific factors, including:
 - The ownership thresholds proposed in the resolution (i.e. percentage and duration);
 - The maximum proportion of directors that shareholders may nominate each year; and
 - The method of determining which nominations should appear on the ballot if multiple shareholders submit nominations

Open Access

Vote **for** any and all equal access proposals.

Equal access proposals generally relate to three major topics:

- a) discussion of management nominees for the board of directors;
- b) discussion of other management proposals;
- c) discussion of shareholders' own proposals or nominees.

Shareholders should have the freedom to obtain information and discuss all of these topics. Only with sufficient information will they be able to vote their proxies wisely and maximize the value of their stock.

Management will often oppose these equal access proposals, seeing them as an infringement of its rights. Management will argue that the added cost and length of proxy statements is inefficient. The marginal cost of longer proxies, however, will be minimal, and the cost will be borne by the stockholders anyway.

Stock Ownership Requirements

Vote **for** shareholder proposals requiring directors to own company stock in order to qualify as a director, or to remain on the board.

Shareholder proposals asking that the company adopt a holding or retention period for its executives (for holding stock after the vesting or exercise of equity awards) shall be evaluated by taking into account any stock ownership requirements or holding period/retention ratio already in place and the actual ownership level of executives.

Plurality Vote Requirement for Director Nominees

Vote **for** proposals to elect director nominees by the affirmative vote of the majority of votes cast at an annual meeting of shareholders.

III. PROXY CONTESTS

Voting for Director Nominees in Contested Elections

Votes in a contested election of directors are evaluated based on the long-term economic interest of the System, and must be examined by taking the following factors into account:

- Past performance relative to its peers;
- Market in which fund invests;
- Measures taken by the board to address the issues;
- Past shareholder activism, board activity, and votes on related proposals;
- Strategy of the incumbents versus the dissidents;
- Independence of directors;
- Experience and skills of director candidates;
- Governance profile of the company;
- Evidence of management entrenchment.

Reimbursing Proxy Solicitation Expenses

Generally, vote **for** proposals to reimburse all appropriate proxy solicitation expenses when voting in conjunction with support of a dissident slate. We will also generally support shareholder proposals calling for the reimbursement of reasonable costs associated with nominating one or more candidates in a contested election where the following apply:

- The election of fewer than 50% of the directors to be elected is contested in the election;
- One or more of the dissident's candidates is elected;

- Shareholders are not permitted to cumulate their votes for directors; and
- The election occurred, and the expenses were incurred, after the adoption of this bylaw.

IV. ANTI - TAKEOVER MECHANISMS

Confidential Voting

Vote **for** a confidential voting policy.

Confidential voting would minimize the ability of management to influence proxy votes. It would allow shareholders the freedom to vote solely in their best interests, not considering actual or perceived pressure from management.

In order to maintain and monitor fiduciary responsibility, fiduciaries should still make their records available to clients after the confidential vote. Therefore, fiduciaries can still be held accountable for their votes.

Advance Notice Requirements for Shareholder Proposals/Nominations

Generally, vote **for** advance notice resolutions provided that the proposals seek to allow shareholders to submit proposals as close to the meeting date as reasonably possible and within the broadest window possible. A reasonable deadline for shareholder notice of a proposal/ nominations must not be more than 60 days prior to a meeting, with a submittal window of at least 30 days prior to the deadline.

Amend Bylaws without Shareholder Consent

Vote **against** proposals giving the board exclusive authority to amend the bylaws.

Vote **for** proposals giving the board the ability to amend the bylaws in addition to shareholders.

Poison Pills

Vote **for** shareholder resolutions requiring that poison pills must be submitted for shareholder approval before going into effect.

Generally, vote **against** management proposals to approve or renew a poison pill unless the following factors are present:

- 1) 20 percent or higher flip-in
- 2) Two- to three-year sunset provision
- 3) No dead-hand or no-hand provision
- 4) Shareholder redemption feature: If the board refuses to redeem the pill 90 days after an offer is announced, ten percent of the shares may call a special meeting or seek a written consent to vote on rescinding the pill.

Shareholder Ability to Act by Written Consent

Vote **against** management proposals to restrict or prohibit shareholders' ability to take action by written consent.

Vote **for** shareholder proposals to allow or make easier shareholder action by written consent.

Shareholder Ability to Call Special Meetings

Vote **against** management proposals to restrict or prohibit shareholders' ability to call special meetings.

Vote **for** shareholder proposals to allow or make easier shareholders' ability to call special meetings.

Supermajority Vote Requirements

Vote **against** management proposals to require a supermajority vote to amend any bylaw or charter provision.

Vote **for** shareholder proposals to lower supermajority vote requirements to amend any bylaw or charter provision. However, at companies with shareholder(s) who have significant ownership levels, proposals to lower supermajority vote requirements should be analyzed on a case-by-case basis, taking into account the following:

- Ownership structure;
- Quorum requirements; and
- Vote requirements

Exclusive Venue

Management proposals seeking shareholder approval to limit shareholder litigation to the company's jurisdiction of incorporation are evaluated based on the long-term investment interests of the System, and are examined by considering the following factors:

- Whether the company has been materially harmed by shareholder litigation outside its jurisdiction of incorporation, based on disclosure in the company's proxy statement; and
- Whether the company has the following good governance features:
 - An annually elected board;
 - A majority vote standard in contested director elections; and
 - The absence of a poison pill, unless the pill was approved by shareholders.

Vote **for** shareholder proposals to remove or adjust exclusive venue proposals, unless:

- The company has sufficiently proven that it has been materially harmed by shareholder litigation outside its jurisdiction of incorporation; and
- The company has the following good governance features:
 - An annually elected board;
 - A majority vote standard in contested director elections; and
 - The absence of a poison pill, unless the pill was approved by shareholders.

V. MERGERS AND CORPORATE RESTRUCTURINGS

Appraisal Rights

Vote **for** shareholder proposals to provide rights of appraisal to dissenting shareholders.

Asset Purchases

Votes on asset purchase proposals are evaluated based on the long-term investment interests of the System, and are examined by considering the following factors:

- Purchase price
- Fairness opinion
- Financial and strategic benefits
- How the deal was negotiated
- Conflicts of interest
- Other alternatives for the business
- Noncompletion risk

Asset Sales

Votes on asset sales are evaluated based on the long-term investment interests of the System, and are examined by considering the following factors:

- Impact on the balance sheet/working capital
- Potential elimination of diseconomies
- Anticipated financial and operating benefits
- Anticipated use of funds
- Value received for the asset
- Fairness opinion
- How the deal was negotiated
- Conflicts of interest

Bundled Proposals

Vote **against** bundled proxy proposals.

Conversion of Securities

Votes on proposals regarding conversion of securities are determined based on the long-term economic interest of the System. When evaluating these proposals the investor should review the dilution to existing shareholders, the conversion price relative to market value, financial issues, control issues, termination penalties, and conflicts of interest.

Vote **for** the conversion if it is expected that the company will be subject to onerous penalties or will be forced to file for bankruptcy if the transaction is not approved.

Corporate Reorganization/Debt Restructuring/Prepackaged Bankruptcy Plans/Reverse Leveraged Buyouts/Wrap Plans

Votes on proposals to increase common and/or preferred shares and to issue shares as part of a debt restructuring plan are determined based on the long-term investment interest of the System, by taking into consideration the following:

- Dilution to existing shareholders' position
- Terms of the offer
- Financial issues
- Management's efforts to pursue other alternatives
- Control issues
- Conflicts of interest

Vote **for** the debt restructuring if it is expected that the company will file for bankruptcy if the transaction is not approved.

Formation of Holding Company

Votes on proposals regarding the formation of a holding company should be determined based on the long-term economic interests of the System, taking into consideration the following:

- The reasons for the change
- Any financial or tax benefits
- Regulatory benefits
- Increases in capital structure
- Changes to the articles of incorporation or bylaws of the company

Absent compelling financial reasons to recommend the transaction, vote **against** the formation of a holding company if the transaction would include either of the following:

- Increases in common or preferred stock in excess of the allowable maximum as calculated by the ISS Capital Structure model
- Adverse changes in shareholder rights

Going Private Transactions (LBOs and Minority Squeeze Outs)

Going private transactions are evaluated based on the long-term economic interest of the System, by taking into account the following: offer price/premium, fairness opinion, how the deal was negotiated, conflicts of interest, other alternatives/offers considered, and noncompletion risk.

Joint Ventures

Proposals seeking to form joint ventures are determined based on the long-term investment interests of the System, by taking into account the following: percentage of assets/business contributed, percentage ownership, financial and strategic benefits, governance structure, conflicts of interest, other alternatives, and noncompletion risk.

Liquidations

Proposals on liquidations are considered based on the long-term investment interests of the System, by taking into account the following: management's efforts to pursue other alternatives, appraisal value of assets, and the compensation plan for executives managing the liquidation.

Vote **for** the liquidation if the company will file for bankruptcy if the proposal is not approved.

Mergers and Acquisitions/ Issuance of Shares to Facilitate Merger or Acquisition

Proposals to merge one company with another, or for one company to acquire another are determined based on the long-term economic interest of the System. When evaluating the proposals, shareholders should weigh the cost to the company, market reaction, strategic rationale, the immediate and long-term benefits to shareholders, conflict of interests, and the resulting corporate governance changes.

Private Placements/Warrants/Convertible Debentures

Votes on proposals regarding private placements should be determined based on the long-term investment interests of the System. When evaluating these proposals the investor should review: dilution to existing shareholders' position, terms of the offer, financial issues, management's efforts to pursue other alternatives, control issues, conflicts of interest, and market reaction.

Vote **for** the private placement if it is expected that the company will file for bankruptcy if the transaction is not approved.

Spinoffs

Votes on spinoffs should be considered based on the long-term investment interests of the System, taking the following factors into account:

- Tax and regulatory advantages
- Planned use of the sale proceeds
- Valuation of spinoff
- Fairness opinion
- Benefits to the parent company
- Conflicts of interest
- Managerial incentives
- Corporate governance changes
- Changes in the capital structure

Value Maximization Proposals

Shareholder proposals seeking to maximize shareholder value by hiring a financial advisor to explore strategic alternatives, selling the company or liquidating the company and distributing the proceeds to shareholders should be evaluated based on the following factors: prolonged poor performance with no turnaround in sight, signs of entrenched board and management, strategic plan in place for improving value, likelihood of receiving reasonable value in a sale or dissolution, and whether company is actively exploring its strategic options, including retaining a financial advisor.

VI. STATE OF INCORPORATION

Control Share Acquisition Provisions

Vote **for** proposals to opt out of control share acquisition statutes unless doing so would enable the completion of a takeover that would be detrimental to shareholders.

Vote **against** proposals to amend the charter to include control share acquisition provisions.

Vote **for** proposals to restore voting rights to the control shares.

Control Share Cashout Provisions

Vote **for** proposals to opt out of control share cashout statutes.

Disgorgement Provisions

Vote **for** proposals to opt out of state disgorgement provisions, if maximizing shareholder value.

Fair Price Provisions

Vote **for** management proposals to adopt a fair price provision, as long as the shareholder vote requirement embedded in the provision is no more than a majority of the disinterested shares.

Vote **against** all other management fair price proposals.

Vote **for** shareholder proposals to lower the shareholder vote requirement embedded in existing fair price provisions.

Generally, vote **against** fair price provisions with shareholder vote requirements greater than a majority of disinterested shares.

Freeze Out Provisions

Vote **for** proposals to opt out of state freeze out provisions, if maximizing shareholder value.

Greenmail

Vote **for** proposals to restrict the company's ability to pay greenmail.

Reincorporation Proposals

Proposals to change a corporation's state of incorporation should be examined based on the long-term economic interest of the System, giving consideration to both financial and corporate governance concerns including the following:

- Reasons for reincorporation;
- Comparison of company's governance practices and provisions prior to and following the reincorporation; and
- Comparison of corporation laws of original state and destination state

Vote **against** proposals that seek to reincorporate the company outside of the jurisdiction of the United States.

Stakeholder Provisions

Vote **against** proposals that ask the board to consider nonshareholder constituencies or other nonfinancial effects when evaluating a merger or business combination.

VII. CAPITAL STRUCTURE

Adjustments to Par Value of Common Stock

Vote **for** management proposals to reduce the par value of common stock, if it will not adversely affect shareholder rights.

Common Stock Authorization

Votes on proposals to increase the number of shares of common stock authorized for issuance are determined based on the long-term economic interest of the System, using a model developed by ISS.

Vote **against** proposals at companies with dual-class capital structures to increase the number of authorized shares of the class of stock that has superior voting rights.

Vote **for** proposals to approve increases beyond the allowable increase when a company's shares are in danger of being delisted or if a company's ability to continue to operate as a going concern is uncertain.

Dual-Class Stock

Proposals to recapitalize a company into dual classes of voting stock must be examined based on the long-term economic interest of the System.

Vote **against** the creation of stock with supervoting privileges.

Vote **against** proposals that introduce nonvoting shares or exchange voting shares for nonvoting shares.

Vote **for** shareholder proposals asking that a company report to shareholders on the financial impact of its dual class voting structure.

Vote **for** shareholder proposals asking that a company submit its dual class voting structure for shareholder ratification.

Issue Stock for Use with Rights Plan

Vote **against** proposals that increase authorized common stock for the explicit purpose of implementing a shareholder rights plan (poison pill).

Preemptive Rights

Vote **against** proposals requesting the issuance of shares with or without preemptive rights which are excessive under local market best practice standards.

Preferred Stock

Vote **against** proposals authorizing the creation of new classes of preferred stock with unspecified voting, conversion, dividend distribution, and other rights ("blank check" preferred stock).

Vote **for** proposals to create "declawed" blank check preferred stock (stock that cannot be used as a takeover defense).

Vote **for** proposals to authorize preferred stock in cases where the company specifies the voting, dividend, conversion, and other rights of such stock and the terms of the preferred stock appear reasonable.

Vote **against** proposals to increase the number of blank check preferred stock authorized for issuance when no shares have been issued or reserved for a specific purpose.

Votes on proposals to increase the number of blank check preferred shares are determined after analyzing the number of preferred shares available for issue given a company's industry and performance in terms of shareholder returns.

Recapitalization

Votes on recapitalizations (reclassifications of securities) are considered based on long-term investment interests of the System, taking into account the following: more simplified capital structure, enhanced liquidity, fairness of conversion terms, impact on voting power and dividends, reasons for the reclassification, conflicts of interest, and other alternatives considered.

Reverse Stock Splits

Generally, vote **for** management proposals to implement a reverse stock split provided that the number of authorized shares will be proportionally reduced or the effective increase in authorized shares is equal to or less than the allowable increase calculated in accordance with stock authorization model developed by ISS. In the event that a proportional reduction of authorized shares is not reciprocated, we will only support such proposals if:

- A stock exchange has provided notice to the company of a potential delisting;
- There is substantial doubt about the company's ability to continue as a going concern without additional financing; or
- The company's rationale or other factors as applicable merit support.

Share Repurchase Programs

Proposals to repurchase shares should be considered based on the long-term economic interest of the System. For example, if this is done because management believes the stock is undervalued then the measure should be approved. If the purchase is proposed as an antitakeover device, then it ought to be opposed. We generally vote **for** management proposals to institute open market share repurchase plans in which all shareholders may participate on equal terms.

Stock Distributions: Splits and Dividends

Vote **for** management proposals to increase the common share authorization for a stock split or share dividend, provided that the increase in authorized shares would not result in an excessive number of shares available for issuance as determined using a model developed by ISS.

Generally, vote **for** proposals to approve stock splits or share dividends unless it is determined that such authorities are detrimental to the long-term economic interest of the System.

Tracking Stock

Vote case-by-case on the creation of tracking stock, weighing the strategic value of the transaction against such factors as:

- Adverse governance changes;
- Excessive increases in authorized capital stock;
- Unfair method of distribution;
- Diminution of voting rights;
- Adverse conversion features;
- Negative impact on stock option plans; and
- Alternatives such as spin-off.

VIII. EXECUTIVE COMPENSATION

Vote for resolutions intended to improve the transparency of executive compensation by:

- Requiring a company to place a dollar value on all forms of compensation paid to a company's top-five executives and to include such monetarized disclosure in the summary compensation tables filed by the company with the SEC.
- Requiring a company to disclose to shareholders that compensation paid to a company's top-five executives that are not tax-deductible for federal income tax purposes, and to state the monetary value of the costs of such non-deductibility to the company.
- Requiring a company to disclose to shareholders those gains realized by a company's top-five executives in their exercise of stock options (or in the vesting of restricted shares for restricted share grants) and to report what fraction, if any, is attributable to company outperformance of its industry peers.
- Requiring a company to periodically disclose to shareholders equity investments received as compensation and unloaded by any of the company's top-five executives.

Vote **for** resolutions intended to improve the linkage of executive pay-for-performance by:

- Indexing the exercise price of a company's stock option grants to industry sector or broad market stock movements, or by linking the exercise price to changes in the stock price of firms among the company's industry peer group.
- Establishing executive bonus plans that would discount those improvements in a company's financial performance attributable to industry sector or broad market movements.
- Establishing executive bonus plans that would not utilize metrics based on a company's absolute increases in earnings, sales, or revenues, but rather based on the company's performance relative to its industry peer group.
- Prohibiting a company's top-five executives from unwinding equity-based incentive compensation received from the company.
- Prohibiting a company's top-five executives from hedging or employing any measure intended to eliminate their exposure to a decline in the company stock price.

- Requiring a company's top-five executives to publicly disclose, not less than ten days in advance, their intention to sell company stock, including the number of shares to be sold.
- Requiring "clawback" provisions in executive compensation arrangements that would result in a return to the company of executive over-payments based on performance metrics that are subsequently depressed upon a company's restatement of earnings.
- Requiring equity-based executive compensation arrangements to be "dividend neutral" – i.e., neither encouraging nor discouraging the payment of stock dividends to shareholders.
- Requiring executive stock option plans to adjust downward the exercise price of such options to reflect dividend payments made on company stock during the executive's holding period.
- Curtailing Supplemental Executive Retirement Plans (SERPs) for the top-five executives in the event a company terminates, "freezes", or otherwise curtails a defined benefit plan covering its rank-and-file employees.
- Reducing benefits provided under severance arrangements for a company's chief executive officer (CEO).
- Limiting the ratio of the sum of the compensation paid to a company's top-five executives to 8% of the company's aggregate earnings.

Advisory Votes on Executive Compensation (Say-on-Pay) Management Proposals

Generally, evaluate executive pay and practices based on the overall executive compensation structure's ability to effectively motivate participants to focus on long-term shareholder value and returns, while adhering to market law, disclosure and best practice standards.

Vote **against** management say on pay (MSOP) proposals, **against/withhold** on compensation committee members (or, in rare cases where the full board is deemed responsible, all directors including the CEO), and/or **against** an equity-based incentive plan proposal if:

- There is a misalignment between CEO pay and company performance (pay for performance);
- The company maintains problematic pay practices;
- The board exhibits poor communication and responsiveness to shareholders.

Frequency of Advisory Vote on Executive Compensation (Management "Say on Pay")

Vote **for** annual advisory votes on compensation, which provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs.

Advisory Vote on Golden Parachutes in an Acquisition, Merger, Consolidation, or Proposed Sale

We will evaluate these proposals based on our existing policies related to severance packages and problematic pay practices.

Equity-Based and Other Incentive Plans

Proposals concerning director compensation are determined based on compensation methodology developed by ISS.

Vote **against** awarding stock option plans as compensation for directors.

Stock Plans in Lieu of Cash

Votes **for** plans which provide directors with the choice of taking all or a portion of their cash compensation in the form of stock or which provide a dollar-for-dollar cash for stock exchange.

Director Retirement Plans

Vote **against** retirement plans for non-employee directors.

Vote **for** shareholder proposals to eliminate retirement plans for non-employee directors.

Management Proposals Seeking Approval to Reprice Options

Vote **against** management proposals seeking approval to reprice options.

Shareholder Proposals Regarding Executive and Director Pay

Vote **for** shareholder proposals seeking additional disclosure of executive and director pay information, provided the information requested is relevant to shareholders' needs, would not put the company at a competitive disadvantage relative to its industry, and is not unduly burdensome to the company.

Vote **against** shareholder proposals seeking to set absolute levels on compensation or otherwise dictate the amount or form of compensation.

Vote **against** shareholder proposals requiring director fees be paid in stock only.

Vote **for** shareholder proposals to put option repricings to a shareholder vote.

All other shareholder proposals regarding executive and director pay are evaluated by taking into account company performance, pay level versus peers, pay level versus industry, and long term corporate outlook.

Qualified Employee Stock Purchase Plans

Vote **for** proposals to approve qualified employee stock purchase plans where all of the following are aligned with local market best practice standards:

- Purchase price;
- Offering period; and

- The number of shares.

Nonqualified Employee Stock Purchase Plans

Vote **for** proposal to approve nonqualified employee stock purchase plans where all of the following are aligned with local market best practice standards:

- Broad-based participation;
- Limits on employee contribution;
- Company matching contribution;
- No discount on the stock price on the date of purchase (since there is a company matching contribution).

In the event of excessive company matching contributions, we will evaluate the cost of plan against an allowable cap developed by ISS.

Employee Stock Ownership Plans (ESOPs)

Vote **for** proposals to implement an ESOP or increase authorized shares for existing ESOPs, unless the number of shares allocated to the ESOP is excessive (more than five percent of outstanding shares.)

401(k) Employee Benefit Plans

Vote **for** proposals to implement a 401(k) savings plan for employees.

Performance-Based Awards

Generally vote **for** shareholder proposals advocating the use of performance-based awards like indexed, premium-priced, and performance-vested options or performance-based shares, unless:

- The proposal is overly restrictive (e.g., it mandates that awards to all employees must be performance-based or all awards to top executives must be a particular type, such as indexed options)
- The company demonstrates that it is using a substantial portion of performance-based awards for its top executives

Pay-for-Superior-Performance Standard

Generally vote **for** shareholder proposals requesting to establish a pay-for-superior-performance standard whereby the company discloses defined financial performance criteria and a detail list of comparative peer group to allow shareholders to sufficiently determine the pay and performance correlation established in the plan. In addition, establish that no award should be paid out unless the company performance exceeds its peer's median or mean performance on the selected financial and stock price performance criteria.

Golden Parachutes and Executive Severance Agreements

Vote **for** shareholder proposals to require golden parachutes or executive severance agreements to be submitted for shareholder ratification, unless the proposal requires shareholder approval prior to entering into employment contracts.

Proposals to ratify or cancel golden parachutes are determined based on several qualifying factors. An acceptable parachute should include the following:

- The triggering mechanism should be beyond the control of management
- The amount should not exceed three times base amount (defined as the average annual taxable W-2 compensation during the five years prior to the year in which the change of control occurs)
- Change-in-control payments should be double-triggered, i.e., (1) after a change in control has taken place, and (2) termination of the executive as a result of a “change in control”, meaning a change in the company ownership structure
- The agreements do not contain problematic features (e.g. excessive cash severance; excessive golden parachute payments)

Pension Plan Income Accounting

Vote **for** shareholder proposals to exclude pension plan income in the calculation of earnings used in determining executive bonuses/compensation.

Supplemental Executive Retirement Plans (SERPs)

Vote **for** shareholder proposals requesting to put extraordinary benefits contained in SERP agreements to a shareholder vote unless the company’s executive pension plans do not contain excessive benefits beyond what is offered under employee-wide plans.

In addition, generally vote **for** shareholder proposals urging the board to limit the executive benefits provided under the company’s supplemental executive retirement plan (SERP) by limiting covered compensation to a senior executive’s annual salary and excluding of all incentive or bonus pay from the plan’s definition of covered compensation used to establish such benefits.

Advisory Vote on Executive Compensation (Say-on-Pay)

Generally vote **for** shareholder proposals asking the board to propose an advisory resolution seeking to ratify the compensation of the company’s named executive officers (NEOs) on an annual basis. The proposal submitted to shareholders should make it clear that the vote is non-binding and would not have an impact on compensation paid or awarded to any NEO.

Disclosure of Board or Company’s Utilization of Compensation Consultants

Generally vote **for** shareholder proposals seeking disclosure regarding the Company, Board, or Board committee’s use of compensation consultants, such as company name, business relationship(s) and fees paid.

IX. SOCIAL AND ENVIRONMENTAL ISSUES

Social issue proposals will be considered based on their potential impact on the long-term economic interests of the System. Generally, we will **abstain** absent clear effect of proposal on share value.

NON-U.S. PROXY VOTING GUIDELINES

I. OPERATIONAL ITEMS

Allocation of Income

Vote **for** approve of the allocation of income, unless:

- The dividend payout ratio has been consistently below 30 percent without adequate explanation; or
- The payout is excessive given the company's financial position.

Amend Minor Bylaws/Articles of Association

Generally, vote **for** proposals to make bylaw or charter changes that are of a housekeeping nature (updates or corrections) unless the proposed changes are believed to be detrimental to shareholder value or in absence of adequate information to evaluate the proposal per local market best practice standards.

Amend Quorum Requirements

Proposals to amend quorum requirements for shareholder meetings are evaluated based on several factors which include: market norms, the company's reasons for the change, and the company's ownership structure.

Change in Company Fiscal Term

Vote **for** proposals to change a company's fiscal term unless the company's motivation for the change is to postpone its annual general meeting.

Financial Statements/Director and Auditor Reports

Vote **for** proposals to approve financial statements and director and auditor reports, unless:

- There are concerns about the accounts presented or audit procedures used; or

- The company is not responsive to shareholder questions about specific items that should be publicly disclosed.

General Meeting Formalities

In some markets, shareholders are routinely asked to approve:

- the opening of the shareholder meeting
- acknowledge proper convening of meeting
- that the meeting has been convened under local regulatory requirements
- the presence of quorum
- the agenda for the shareholder meeting
- the election of the chair of the meeting
- the appointment of shareholders to co-sign the minutes of the meeting
- regulatory filings
- the designation of inspector or shareholder representative(s) of minutes of meeting
- the designation of two shareholders to approve and sign minutes of meeting
- the allowance of questions
- the publication of minutes
- the closing of the shareholder meeting
- authorize board to ratify and execute approved resolutions
- prepare and approve list of shareholders

As these are typically formalities associated with the convening of general shareholder meetings, generally vote **for** these and similar routine management proposals.

Lower Disclosure Threshold for Stock Ownership

Vote **against** proposals to lower the stock ownership disclosure threshold below 5 percent unless specific reasons exist to implement a lower threshold.

Stock (Scrip) Dividend Alternative

Generally, vote **for** stock (scrip) dividend proposals.

Vote **against** proposals that do not allow for a cash option unless management demonstrates that the cash option is detrimental to shareholder value.

Transact Other Business

Vote **against** other business when it appears as a voting item.

II. AUDITORS

Appointment of Auditors and Auditor Fees

Vote **for** the reelection of auditors and proposals authorizing the board to fix auditor fees, unless:

- There are serious concerns about the accounts presented or the audit procedures used;
- The auditors are being changed without explanation;
- The name(s) of the proposed auditors has not been published;
- The auditors are being changed without explanation;
- For widely-held companies, excessive fees for non-audit services as determined by local market best practice standards; or
- The lead audit partner(s) has been linked with a significant auditing controversy.

Vote **against** the appointment of external auditors if they have previously served the company in an executive capacity or can otherwise be considered affiliated with the company.

Appointment of Internal Statutory Auditors

Vote **for** the appointment or reelection of statutory auditors, unless:

- There are serious concerns about the statutory reports presented or the audit procedures used;
- Questions exist concerning any of the statutory auditors being appointed; or
- The auditors have previously served the company in an executive capacity or can otherwise be considered affiliated with the company.

Auditor Indemnification and Liability Provisions

Vote **against** proposals to indemnify auditors.

III. THE BOARD OF DIRECTORS

Voting on Director Nominees in Uncontested Elections (Non-U.S.)

Votes on management nominees in the election of directors are evaluated by observing relevant market listing rules and regulations, coupled with local market best practice standards. We will typically not support nominees if:

- Adequate disclosure has not been provided in a timely manner;
- There are clear concerns over questionable finances or restatements;
- There have been questionable transactions with conflicts of interest;
- There are any records of abuses against minority shareholder interests; or
- The board fails to meet minimum corporate governance standards.

Vote **for** individual nominees unless there are specific concerns about the individual, such as criminal wrongdoing or breach of fiduciary responsibilities.

Vote **against** individual directors if repeated absences at board meetings have not been explained (in countries where this information is disclosed).

Votes in a contested election of directors are evaluated based on the long-term economic interest of the System, and must be examined by taking the following factors into account:

- Past performance relative to its peers;
- Market in which fund invests;
- Measures taken by the board to address the issues;
- Past shareholder activism, board activity, and votes on related proposals;
- Strategy of the incumbents versus the dissidents;
- Independence of directors;
- Experience and skills of director candidates;
- Governance profile of the company;
- Evidence of management entrenchment.

Vote **for** employee and/or labor representatives if they sit on either the audit or compensation committee *and* are required by law to be on those committees. Vote **against** employee and/or labor representatives if they sit on either the audit or compensation committee, if they are not required to be on those committees.

Under extraordinary circumstances, vote **against** or **withhold** from directors individually, on a committee, or the entire board, due to:

- Material failures of governance, stewardship, or fiduciary responsibilities at the company; or
- Failure to replace management as appropriate; or
- Egregious actions related to the director(s)' service on other boards that raise substantial doubt about his or her ability to effectively oversee management and serve the best interests of shareholders at any company.

Board Structure

Generally, vote **for** management proposals to determine board size.

Director and Officer Indemnification and Liability Provisions

Votes on proposals seeking indemnification and liability protection for directors and officers are examined based on the indemnification and liability protections applicable in each respective market, provided that they are within reason. We will generally only support those proposals that provide directors and officers protection if they have acted in good faith on company business and were found innocent of any civil or criminal charges for duties performed on behalf of the company.

Discharge of Directors

Generally vote **for** the discharge of directors, including members of the management board and/or supervisory board, unless there is reliable information about significant and compelling controversies that the board is not fulfilling its fiduciary duties warranted by:

- A lack of oversight or actions by board members which invoke shareholder distrust related to malfeasance or poor supervision, such as operating in private or company interest rather than in shareholder interest; or
- Any legal issues (e.g. civil/criminal) aiming to hold the board responsible for breach of trust in the past or related to currently alleged actions yet to be confirmed (and not only the fiscal year in question), such as price fixing, insider trading, bribery, fraud, and other illegal actions; or
- Other egregious governance issues where shareholders will bring legal action against the company or its directors.

IV. PROXY CONTESTS

Voting for Director Nominees in Contested Elections

Votes in a contested election of directors are evaluated based on the long-term economic interest of the System, and must be examined by taking the following factors into account:

- Past performance relative to its peers;
- Market in which fund invests;
- Measures taken by the board to address the issues;
- Past shareholder activism, board activity, and votes on related proposals;
- Strategy of the incumbents versus the dissidents;
- Independence of directors;
- Experience and skills of director candidates;
- Governance profile of the company;
- Evidence of management entrenchment.

V. ANTI - TAKEOVER MECHANISMS

Anti-takeover/Entrenchment Devices

Generally vote **against** all antitakeover proposals, unless they are structured in such a way that they give shareholders the ultimate decision on any proposal or offer.

Depository Receipts and Priority Shares

Generally vote **against** the introduction of depository receipts and priority shares.

Issuance of Free Warrants

Generally vote **against** the issuance of free warrants.

Mandatory Takeover Bid Waivers

Generally, vote **for** proposals to waive mandatory takeover bid requirements provided that the event prompting the takeover bid is a repurchase by the company of its own shares. During a buyback of shares, the relative stake of a large shareholder increases even though the number of shares held by the large shareholder has not changed. In certain markets, the mandatory bid rules require a large shareholder to make a takeover offer if its stake in the company is increased on a relative basis as a result of a share repurchase by the company. Companies in such markets may seek a waiver from the takeover bid requirement applicable to their large shareholder.

Renew Partial Takeover Provision

Generally vote **for** the adoption of this proposal as this article provides protection for minority shareholders by giving them ultimate decision-making authority based on their own interests.

VI. MERGERS AND CORPORATE RESTRUCTURINGS

Control and Profit Transfer Agreements

Generally vote **for** management proposals to approve control and profit transfer agreements between a parent and its subsidiaries.

Expansion of Business Activities

Vote **for** resolutions to expand business activities unless the new business takes the company into risky areas.

Mergers and Acquisitions/ Issuance of Shares to Facilitate Merger or Acquisition

Proposals to merge one company with another, or for one company to acquire another are determined based on the long-term economic interest of the System. When evaluating the proposals, shareholders should weigh the cost to the company, market reaction, strategic rationale, the immediate and long-term benefits to shareholders, conflict of interests, whether the transaction is contested, and the resulting corporate governance changes.

Vote **against** if the companies do not provide sufficient information upon request to make an informed voting decision.

Related-Party Transactions

Evaluate resolutions that seek shareholder approval on related party transactions (RPTs), considering factors including, but not limited to, the following:

- the parties on either side of the transaction;
- the nature of the asset to be transferred/service to be provided;
- the pricing of the transaction (and any associated professional valuation);
- the views of independent directors (where provided);
- the views of an independent financial adviser (where appointed);
- whether any entities party to the transaction (including advisers) are conflicted; and
- the stated rationale for the transaction, including discussions of timing.

If there is a transaction that NHRS deemed problematic and that was not put to a shareholder vote, we may recommend against the election of the director involved in the related-party transaction or the full board.

Reorganizations/Restructurings

Proposals to approve reorganizations and restructurings are evaluated based on the long-term economic interest of the System. When evaluating such proposals, shareholders should consider if there are clear conflicts of interest among the various parties, if shareholder rights' are being negatively affected, or if certain groups or shareholders appear to be getting a better deal at the expense of general shareholders.

VII. COUNTRY OF INCORPORATION

Reincorporation Proposals

Proposals to change a corporation's country of incorporation should be examined based on the long-term economic interest of the System, giving consideration to both financial and corporate governance concerns including the following:

- Reasons for reincorporation;
- Comparison of company's governance practices and provisions prior to and following the reincorporation; and

- Comparison of corporation laws of original country and destination country

VIII. CAPITAL STRUCTURE

Adjust Par Value of Common Stock

Vote **for** management proposals to reduce par value of common stock.

Capitalization of Reserves for Bonus Issues/Increase in Par Value

Vote **for** requests to capitalize reserves for bonus issues of shares or to increase par value.

Debt Issuance Requests

Votes on non-convertible debt issuance requests with or without preemptive rights are evaluated based on their individual merits, demonstrated need, and long-term investment interests of the company. We will examine the potential impact the proposed authority may have on the company's debt ratio, and further compare the level with similar peers in the industry.

Vote **for** the creation/issuance of convertible debt instruments as long as the maximum number of common shares that could be issued upon conversion meets recommended guidelines on equity issuance requests.

Vote **for** proposals to restructure existing debt arrangements unless the terms of the restructuring would adversely affect the rights of shareholders.

Increases in Authorized Capital

Vote **for** non-specific proposals to increase authorized capital in line with local market best practice standards.

Vote **against** proposals to adopt unlimited capital authorizations.

Increase in Borrowing Powers

Votes on proposals to approve increases in a company's borrowing powers are evaluated based on their individual merits, demonstrated need, and long-term investment interests of the company. We will examine the potential impact the proposed authority may have on the company's debt ratio, and further compare the level with similar peers in the industry.

Pledging of Assets for Debt

Votes on proposals to approve the pledging of assets for debt are evaluated based on their individual merits, demonstrated need, and long-term investment interests of the company. We will examine the potential impact the proposed authority may have on the company's debt ratio, and further compare the level with similar peers in the industry.

Preferred Stock

Vote **for** the creation of a new class of preferred stock or for issuances of preferred stock up to 50 percent of issued capital unless the terms of the preferred stock would adversely affect the rights of existing shareholders.

Vote **for** the creation/issuance of convertible preferred stock as long as the maximum number of common shares that could be issued upon conversion meets ISS guidelines on equity issuance requests.

Vote **against** the creation of a new class of preference shares that would carry superior voting rights to the common shares.

Vote **against** the creation of blank check preferred stock unless the board clearly states that the authorization will not be used to thwart a takeover bid.

Votes on proposals to increase blank check preferred authorizations are evaluated based on the rationale for requested increase, the ability for the company to use the blank check preferred stock as a takeover defense, and whether the company has historically issued such stock for legitimate financing purposes.

Preemptive Rights

Vote **against** proposals requesting the issuance of shares with or without preemptive rights which are excessive under local market best practice standards.

Reduction of Capital

Vote **for** proposals to reduce capital for routine accounting purposes unless the terms are unfavorable to shareholders.

Generally, vote **for** proposals to reduce capital in connection with corporate restructuring, as opposition could lead to insolvency, which is not in the long-term economic interests of shareholders. Evaluation of this type of proposal should take a realistic approach to the company's situation and the future prospects for shareholders.

Reissuance of Repurchased Shares

Vote **for** requests to reissue any repurchased shares unless there is clear evidence of abuse of this authority in the past.

Share Repurchase Programs

Generally vote **for** share repurchase programs/market repurchase authorities, provided that the proposal meets local market best practice standards regarding:

- Maximum volume;
- Duration.

For markets that either generally do not specify the maximum duration of the authority or seek an excessive duration that is allowable under market specific legislation, we will assess the company's historic practice. If there is evidence that a company has sought shareholder approval for the authority to repurchase shares on an annual basis, we will support the proposed authority.

In addition, vote **against** any proposal where:

- The repurchase can be used for takeover defenses;
- There is clear evidence of abuse;
- There is no safeguard against selective buybacks;
- Pricing provisions and safeguards are deemed to be unreasonable in light of market practice.

We may support share repurchase plans with excessive volume under exceptional circumstances, such as one-off company specific events (e.g. capital restructuring). Such proposals will be assessed based on merits, which should be clearly disclosed in the annual report.

IX. EXECUTIVE COMPENSATION

Executive Compensation Plans

All compensation proposals will be reviewed based on local market best practice standards.

Director Remuneration and Compensation

Vote **for** proposals to award cash fees to non-executive directors unless the amounts are excessive relative to other companies in the country or industry.

Votes on non-executive director compensation proposals that include both cash and share-based components are determined based on whether the terms of the proposed compensation can effectively motivate participants to focus on long-term shareholder value and returns, while adhering to local market law, disclosure and best practice standards. However, we will typically vote **against** awarding stock option plans as compensation for non-executive directors.

Votes on proposals that bundle compensation for both non-executive and executive directors into a single resolution are determined based on whether the terms of the proposed compensation can effectively motivate participants to focus on long-term shareholder value and returns, while adhering to local market law, disclosure and best practice standards. However, we will typically vote **against** awarding stock option plans as compensation for non-executive directors.

Vote **against** proposals to introduce retirement benefits for non-executive directors.

Director and Statutory Auditor Retirement Plans

Vote **against** retirement plans for nonemployee directors and statutory auditors.

Vote **for** shareholder proposals to eliminate retirement plans for nonemployee directors and statutory auditors.

Remuneration Report

Management proposals seeking ratification of a company's remuneration policy are evaluated by considering a combination of local market law and best practice standards. We will typically oppose a company's remuneration policy if the proposed compensation policy/report was not made available to shareholders in a timely manner, or if the level of disclosure of the proposed compensation policy is below what local market best practice standards dictate.

X. SOCIAL AND ENVIRONMENTAL ISSUES

Social issue proposals will be considered based on their potential impact on the long-term economic interests of the company. Generally, we will **abstain** absent clear effect of proposal on share value.

Vote **against** proposals barring a company from making political contributions. Businesses are affected by legislation at the federal, state, and local level; barring political contributions can put the company at a competitive disadvantage. (Predominantly seen in the U.K.).

Vote **abstain** on Black Economic Empowerment (BEE) transactions on a case-by-case basis. Factors considered include the overall dilutive impact, the structure of the transaction and the identity of the company's chosen BEE partners. Proposals which are genuinely broad-based are more appealing than those which stand to benefit a narrow group of investors, as are those which have a long-term timeframe. (South Africa specific).

Vote **abstain** on proposals restricting a company from making charitable contributions. Charitable contributions are generally useful for assisting worthwhile causes and for creating goodwill in the community. In the absence of bad faith, self-dealing, or gross negligence, management should determine which, and if, contributions are in the best interests of the company. (Predominantly seen in Turkey, Egypt, Sri Lanka, Oman markets).

LEGISLATIVE COMMITTEE

Oral Presentation Only



New Hampshire Retirement System
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 Phone: (603) 410-3500 - Fax: (603) 410-3501
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2024 Legislative Tracker

March 26, 2024

Legislation introduced in the 2024 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 at: <http://gencourt.state.nh.us/>

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
2024 NHRS-RELATED BILLS			
HB 1211	This bill temporarily increases the number of hours a retired employee can work in a calendar year from 1,352 to 1,872. After 10 years, the number of hours would revert to 1,352.	Rep. Mark Proulx	2/22/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1267	This bill prohibits the investment of funds of the state treasury, executive branch agencies, and the state retirement system in investments which consider environmental, social, and governance (ESG) criteria.	Rep. Mike Belcher	2/8/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1279	This bill provides that the state shall pay 7.5% of local employer retirement contributions for Group I Teachers and Group II Police and Fire members.	Rep. Michael Edgar	3/19/24: House Finance Committee voted, 16-9, to recommend inexpedient to legislate (ITL). The bill is on the House calendar for 3/28/24.
HB 1299	This bill makes community college fire educators eligible for Group II membership.	Rep. Douglas Trottier	2/15/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1307	This bill makes a one-time supplemental allowance of \$500 to accidental disability benefit recipients whose annual benefit is less than \$50,000. The bill also provides for future supplemental allowances and cost-of-living adjustments for accidental disability beneficiaries to be granted without regard to years of creditable service.	Rep. Hope Damon	3/19/24: House Finance Committee voted, 25-0, to recommend ought to pass (OTP). The bill will be acted on at a future House session.
HB 1421	This bill requires the NHRS Board of Trustees to contract for two investment consulting firms and review their performance.	Rep. Stephen Pearson	2/15/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1435	This bill provides that if a retirement system retiree returns to being a member of the system, the portion of the retiree's allowance which is paid to a former spouse under a qualified domestic relations order will continue.	Rep. Barbara Comtois	2/8/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 1451	This bill provides that mandatory overtime shall be reported as part of the full base rate of compensation.	Rep. Carol McGuire	3/20/24: Senate ED&A Committee held public hearing.
HB 1647	This bill increases the multiplier for Group II Tier B and C members (and future hires) to 2.5% for all years worked in excess of 10 years for members who retire under service or disability retirement. The bill includes a \$55.9 million appropriation toward the cost of this change.	Rep. Peter Leishman	3/19/24: House Finance Committee voted, 25-0, to recommend ought to pass (OTP) as amended (am-1134h). The bill will be acted on at a future House session.
HB 1653	This bill modifies the definition of earnable compensation for Group II members hired prior to July 1, 2011, and who did not attain vested status prior to January 1, 2012.	Rep. Kevin Pratt	2/15/24: House, on a voice vote, accepted committee recommendation of refer to interim study. No further action expected in 2024.
HB 1673	This bill redefines average final compensation for Group II members hired prior to July 1, 2011, and who did not attain vested status prior to January 1, 2012.	Rep. Kevin Pratt	2/15/24: House, on a voice vote, accepted committee recommendation of refer to interim study. No further action expected in 2024.
SB 309	This bill changes the vesting period for retirement system benefits from 10 years to 5 years.	Sen. Donna Soucy	3/21/24: Senate, on voice vote, accepted committee recommendation of ought to pass (OTP). The bill was then referred to the Senate Finance Committee.
SB 368	This bill links the recalculation of a Group I retiree's NHRS benefit to his or her full retirement age under the federal Social Security system for members who retired prior to July 1, 2023, and who have not attained age 65 prior to July 1, 2024.	Sen. Donovan Fenton	3/21/24: Senate, on voice vote, accepted committee recommendation of refer to interim study.
SB 520	This bill requires state and local public retirement systems to discharge its duties solely in the financial interest of the participants and beneficiaries.	Sen. Bill Gannon	2/21/24: Senate, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
Committee Key: ED&A = Executive Departments & Administration; Location Key: LOB = Legislative Office Building; SH = State House.			

RETAINED/RE-REFERRED 2023 BILLS			
HB 183	This bill allows retired Group II Fire members to be employed by the state fire academy and not have those employment hours count against the annual limit on part-time hours.	Rep. Dan Wolf	1/3/24: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 250	This bill modifies the amount of the retirement annuity payable upon the accidental death of a member to 100 percent of average final compensation at the member's death with a maximum benefit of \$85,000.	Rep. Ben Baroody	1/3/24: Senate, on voice vote, accepted committee recommendation of refer to interim study. The bill is dead.
HB 436	This bill, as amended, provides a one-time, \$50 million appropriation toward the retirement system's unfunded pension liability in fiscal year 2023.	Rep. Kevin Pratt	3/12/24: Senate Finance Committee held public hearing.

HB 449	This bill increases the service retirement and disability retirement annuity multiplier for the first 20 years of service of Group II retirement system members under the transition provisions adopted in 2011.	Rep. Jeff Goley	1/3/24: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 559	This bill establishes a defined contribution retirement plan for new state employees who begin service on or after July 1, 2024, and who would previously have been enrolled in Group I. All new state employees on and after July 1, 2024, will be required to participate in a defined contribution plan administered by the state Deferred Compensation Commission and would not be members of NHRS.	Rep. Dan McGuire	1/3/24: House voted 201-174 to accept a motion of indefinite postponement. The bill can only be taken up by a two-thirds vote. No further action expected in 2024.
HB 571	This bill authorizes a one-time payment to a retired Group II member or beneficiary.	Rep. Ben Baroody	1/3/24: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
SB 134	The bill establishes a new retirement system disability benefit for Group II members who retire as a result of a purposeful, violent attack by means of a deadly weapon.	Sen. Regina Birdsell	2/15/24: Re-referred to Senate Finance Committee.

2024 SENATE SCHEDULE

Thursday, April 11, 2024 – CROSSOVER – Deadline to act on all Senate bills.

Thursday, May 9, 2024 – Deadline for Policy Committees to act on all House bills with a fiscal impact, except bills exempted pursuant to Senate Rule 4-5.

Thursday, May 23, 2024 – Deadline to act on all House bills.

Thursday, May 30, 2024 – Deadline to form Committees of Conference.

Thursday, June 6, 2024 – Deadline to sign Committee of Conference Reports. (4:00 p.m.)

Thursday, June 13, 2024 – Deadline to act on Committee of Conference Reports.

2024 HOUSE SCHEDULE

Thursday, April 11, 2024 – CROSSOVER – Last day to act on all House Bills

Thursday, April 25, 2024 – Last day to report Senate Bills going to a second committee

Thursday, May 2, 2024 – Last day to act on Senate Bills going to a second committee

Thursday, May 16, 2024 – Last day to report all Senate Bills

Thursday, May 23, 2024 – Last day to act on all Senate Bills

Thursday, May 30, 2024 – Last day to form committees of conference

Thursday, June 6, 2024 – Last day to sign committee of conference reports (4:00 p.m.)

Thursday, June 13, 2024 – Last day to act on committee of conference reports

Tuesday, September 3, 2024 – First day for incumbents running for re-election to file LSRs with complete information

Friday, September 13, 2024 – Last day prior to the General Election for incumbents running for re-election to file LSRs with complete information

Friday, October 25, 2024 – Last day to file 2024 Interim Study reports

Wednesday, November 6, 2024 – First day for all Representatives to file LSRs with complete information

Friday, November 22, 2024 – Last day to file LSRs with complete information (4:00 p.m.) Ten-day signoff begins

Thursday, January 2, 2025 – Last day to sign-off on all LSRs (12:00 p.m.)

Friday, January 24, 2025 – Last day to introduce House Bills; Last day to amend House Rules by majority vote

BENEFITS COMMITTEE

**New Hampshire Retirement System
Benefits Committee Meeting**

**Consent Agenda
March 5, 2024**

Disability Application Recommendations

1. B.F. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 9 years and 5 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
2. E.L. Grant accidental disability retirement (ADR) to this group I member who worked for a political subdivision and has 31 years and 7 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
3. E.O. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 16 years and 6 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.

**New Hampshire Retirement System
Benefits Committee Meeting**

**Consent Agenda
April 2, 2024**

Disability Application Recommendations

1. R.B. Grant ordinary disability retirement (ODR) to this group I member who worked for a political subdivision and has 24 years and 1 month of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties due to a medical condition.
2. C.D. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 19 years and 1 month of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
3. P.L. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 19 years and 10 month of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.



To: NHRS Board of Trustees

From: Tim Crutchfield, Deputy Director and Chief Legal Counsel

Date: March 26, 2024

Re: RFP for Independent Medical Examiners and Disability Case Managers

Item: Action: Discussion: Informational:

At present, NHRS has three Independent Medical Examiners (IME) available to perform examinations relating to disability retirement applications as required under RSA 100-A:6; one IME for physical diagnoses and two for psychological diagnoses.

In order to engage additional IMEs to fulfill this requirement, Legal staff is recommending that a Request for Proposals (RFP) be issued to solicit offers from individual physicians and business entities to conduct independent medical exams and/or provide case management services of the disability process. With respect to the latter, no decisions have been made to outsource the case management tasks at this time. That will depend on the responses to the RFP and management considerations regarding how those services may affect current staff responsibilities and procedures.

A draft RFP was presented to the Benefits Committee at its March 5, 2024 meeting for its consideration. The Committee voted unanimously to recommend to the full Board that it authorize staff to issue an RFP in substantially the same form as presented to the Committee and included with this memo. Staff now respectfully requests that the Board act on this RFP request.

NEW HAMPSHIRE RETIREMENT SYSTEM

REQUEST FOR PROPOSALS FOR THE CASE MANGEMENT OF DISABILITY APPLICATIONS AND/OR INDEPENDENT MEDICAL EXAMINER SERVICES

This Request for Proposals (RFP) invites the submission from individual qualified licensed physicians and business entities to offer to the New Hampshire Retirement System ("NHRS") services relating to the case management of disability benefit applications and/or the provision of independent medical examinations (IME).

Offerors may submit proposals for IME services only or for combined IME services and the case management of the disability application process.

I. CASE MANAGEMENT OF DISABILITY APPLICATIONS AND INDEPENDENT MEDICAL EXAMINER SERVICES SOUGHT

A. Background.

The New Hampshire Retirement System ("NHRS") is a contributory public employee governmental defined benefit plan intended to be qualified under section 401(a) of the Internal Revenue Code (Code) and funded through a trust which is exempt from tax under Code Section 501(a). NHRS provides benefits to its eligible members and their beneficiaries upon retirement, disability, death, or other termination of employment. Benefits are based on members' average final compensation and years of creditable service. Separate benefit structures apply to Group I members (employees and teachers) and Group II members (police officers and firefighters).

The plan is administered by the NHRS Board of Trustees ("Board"), consisting of 13 members including the State Treasurer as an ex-officio member, four public non-members, four employer representatives, and four members representing each of the employee classifications: employees, teachers, police, and firefighters. NHRS is governed by New Hampshire RSA 100-A, the rules, regulations, and policies promulgated by the Board, and federal tax laws relating to qualified pension plans. The Board formulates administrative policies and procedures, authorizes benefit payments to members and their beneficiaries, and manages the trust fund. The Executive Director oversees administrative functions which are carried out by the administrative staff of approximately 75 employees.

B. General Requirements.

The Board grants disability retirements to applicants who meet the legal standards for either "ordinary" disability (i.e., not work related) or "accidental" disability (i.e., work related) retirement. The governing statute requires the use of an independent medical examiner to determine whether an applicant meets the applicable standard. The nature and extent of case management and IME services needed by the Board cannot be predetermined with reasonable precision; however, over the past five years, the NHRS has processed an average of 68 disability applications per year. The NHRS will contract with one or more providers for case management and IME services as described in Section I.C. below.

C. Statement of Work.

The specific services that NHRS anticipates needing are:

1. Case Management of Disability Applications by business entities:
 - a. Communicate and coordinate with applicants and NHRS staff to obtain all medical records necessary to evaluate disability applications.
 - b. For accidental disability applications, collect necessary workers' compensation records.
 - c. Schedule and perform an IME in accordance with paragraph 2 below.
2. Independent Medical Examiner services by individual physicians and business entities:
 - a. Review disability applications, applicants' medical records, and, as needed, per NHRS policy, conduct in-person examinations of applicants and conduct appropriate testing, in accordance with professional standards.
 - b. Preparation of an IME Examination Statement and an examination narrative report in such form as required by NHRS.
 - c. Review appeals filed by applicants who are initially denied disability benefits, any new medical evidence provided, and prior Board decisions.
 - d. Prepare an IME Examination Statement and narrative report for appeal, and testify, if required, during administrative appeals for disability denials.
 - e. Conduct periodic re-examinations required by the Board.

D. General Engagement Terms.

1. Any engagement shall be effective upon approval by the NHRS Board or its designee and the successful execution of an agreement providing for the specific terms of the engagement.
2. Compensation and Expenses.
 - a. Proposed fees shall be stated separately in the proposal in accordance with section II.C. below.
 - b. Award of an engagement does not guarantee the selected physician or business entity will receive a minimum amount of work.
 - c. Only reasonable, allowable, and allocable direct costs and expenses are reimbursable. Expenses are reimbursable at cost and shall not contain a mark-up of any kind.

- i. Reimbursable expenses include:
 - a. Postage;
 - b. Messenger and overnight delivery services if requested or approved by NHRS.
 - ii. Non-reimbursable expenses include:
 - a. Telephone calls, emails, and instant and text messages;
 - b. Photocopying;
 - c. Secretarial and transcription services;
 - d. Local transportation;
 - e. Non-local travel expenses without the prior written authorization of NHRS.
- d. The Executive Director or designee reserves the right to object to fees and expenses considered to be excessive.

E. Engagement Term.

The initial period of performance, and any fees agreed upon, shall apply for a term of three years from the effective date of the engagement. The engagement will automatically extend for three additional one-year periods unless NHRS or the Offeror provides written notice of its intent to terminate not less than thirty (30) days prior to the expiration date of the initial period of performance or any subsequent anniversary date.

F. Administration Data.

The NHRS Associate Counsel and Compliance Officer is responsible for this Engagement:

Name: Mark F. Cavanaugh, Esq.
Address: New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301
Telephone: (603) 410-3592
Fax: (603) 410-3593
Email: mark.cavanaugh@nhrs.org

All instructions, notices, demands, other correspondence to be given by either party to the other party shall be in writing and shall be given by electronic mail or first-class mail with verification of delivery or by a recognized delivery or courier service that maintains written verification of actual delivery. Such communications shall be sufficient and effective upon delivery to the designated NHRS point of contact listed above in this section.

Invoices for work performed and expenses incurred shall be submitted to the designated

NHRS point of contact in this section I.F. no later than fifteen (15) days after the end of the preceding month or in such form as mutually agreed upon by the parties.

G. Special Engagement Terms.

1. This engagement shall be effective upon approval by the NHRS Board or its designee and the successful execution of a contract providing for the specific terms of the engagement.
2. This engagement may be terminated by the NHRS Executive Director or designee at any time with ten (10) days prior written notice to the physician or entity.
3. Licensure. All physicians working on matters pursuant to this Agreement shall at all times be licensed and in good standing in the State of New Hampshire, another state, the District of Columbia, or the Commonwealth of Puerto Rico. Any business entity shall certify annually that no physicians it uses for IME services have been sanctioned or disciplined by a regulatory body. In addition, any individual physician or business entity shall report to NHRS within 30 days of when the physician or business entity knew or should have known of any such sanction or discipline has been imposed. No physician shall perform IME services for NHRS after the imposition of any such sanction or discipline.
4. Physician Office Location. If an in-person examination is required, the IME must have an office location within 100 miles of Concord, New Hampshire, unless otherwise agreed to by the parties.
5. For psychological/psychiatric evaluations only, the in-person examination may be conducted via an appropriate video conference platform, if agreed to by the parties.
6. Conflicts. If the continued provision of IME services to NHRS would create a professional conflict of interest, the physician or business entity shall immediately cease performance and promptly notify NHRS.
7. This engagement is non-exclusive and work within the purview of this RFP may be awarded to other entities.

II. INSTRUCTIONS TO OFFERORS

A. In General.

1. Offerors must submit separate technical and price proposals electronically, each as described below, in Word format.
2. Questions and proposals shall be addressed to:

Mark F. Cavanaugh, Associate Counsel and Compliance Officer
New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301
mark.cavanaugh@nhrs.org
603-312-6204

3. Questions must be received no later than 4:00pm EST **on DATE** in order to be assured of a response. Questions and responses shall be shared with all Offerors at their request.
4. Proposals must be received no later than 4:00 pm EST on **DATE**. Untimely proposals shall not be considered.
5. NHRS may convene a pre-proposal meeting to which all or some of the Offerors requesting or sent an RFP shall be invited.
6. NHRS may amend or terminate this RFP at its discretion at any time prior to notice of engagement.
7. Technical proposals shall be no more than ten (10) pages in length, excluding a cover page, an introductory page, and an index page. Pages exceeding this limit will not be considered.
8. The text of all proposals shall be in 12-point Times New Roman type.
9. Pages of a proposal containing confidential or proprietary information shall contain a header and footer with an appropriate restrictive legend.
10. Under no circumstances shall the NHRS be responsible for the expense of preparing a proposal for this RFP.
11. Proposals shall be self-containing and shall not refer to a web site or other external sources for additional information. Offerors may attach informational and marketing materials to their proposals, notwithstanding II.A.7. above.
12. The cover page of the technical proposal shall contain the name, title, street address, telephone and fax numbers, email address and signature of an individual attesting that:
 - a. He or she has actual authority to accept the terms of engagement on behalf of the Offeror;
 - b. The offer may be accepted by NHRS without discussions; and
 - c. The entity accepts all of the terms of the engagement as set forth herein.
13. Proposals may be withdrawn at any time up to award. Unless withdrawn, all offers shall remain in effect for ninety (90) days after the proposal due date, including any extensions thereto.

B. Technical Proposals.

Offerors shall provide in their technical proposals:

1. The names, titles, specialties, and office location of all physicians who are expected to provide IME services under any engagement.

2. The name and contact information for the person who will serve as the Offeror's point of contact for administrative and performance matters relating to the engagement.
3. A copy of all promotional, marketing, instructional and workflow materials relevant to the service being offered.
4. A brief description of how IME assignments are made, how workload is managed by the Offeror, and how back up assistance is provided.
5. A certification that no physician has been, in the past ten (10) years, sanctioned or disciplined by the State of New Hampshire, the U.S. Government, or any other jurisdiction from the practice of medicine.
6. A description of the Offeror's malpractice liability insurance applicable to the work described in this RFP, including limits of coverage.
7. A description of any other relevant experience and knowledge.
8. Names and telephone numbers of three clients for purposes of reference checking.

Technical proposals shall not contain or describe proposed hourly rates or other price factors. Proposals violating this requirement shall not be considered.

C. Fee Proposals.

1. Offerors shall provide in their fee proposals the base rates for the completion of an IME Examination, and a description of what factors may increase the base rate and any fees for missed appointments.
2. Fees for case management for disability applications in addition to IME services shall be separately stated either on a case-by-case basis or as a global annual or monthly fee with final terms subject to contract negotiation.
3. Fees for affidavits, testimony, and travel shall be separately stated.

D. Evaluation of Proposals.

1. Proposals shall be reviewed for soundness of technical capability and reasonableness of fees. Technical factors shall constitute two-thirds of a proposal's overall rating and fees shall constitute one-third of its overall rating.
2. Awards shall be made to those Offerors whose proposals are most advantageous to the NHRS, fees and other factors considered.
3. Appropriate NHRS staff will evaluate the proposals and provide recommendations to the NHRS Board or its designee for selection.
4. Offerors may be required to make presentations to the NHRS Board or a Board committee prior to award of an engagement. Offerors shall be solely responsible for any costs associated with such presentations, including travel expenses.



NHRS

New Hampshire Retirement System

To: NHRS Board of Trustees

From: Mark F. Cavanaugh, Associate Counsel and Compliance Officer

Date: April 2, 2024

Re: Theresa Poulin - Request for Waiver of Administrative Rule

Item: Action: Discussion: Informational:

This memo discusses a situation where a member has been awarded service credit for a significant portion of her work history when she was not eligible to receive such service credit due to a reduction in her regularly scheduled work hours to part-time status. Here are the relevant facts and law:

1. Theresa Poulin commenced employment as a full-time employee of the City of Portsmouth (City) on 11/23/1987, but she was not enrolled until 6/2/88¹
2. Effective 9/25/89, her work hours were reduced to part-time status working 25-30 hours per week, which was below the 35 hours required under NHRS Administrative Rule Ret 302.05(b)(1) ("Minimum Participation Standards")².
3. Nonetheless, the City continued to remit employee and employer contributions for Ms. Poulin in contravention to Ret 302.05(c) which provides that *"Any group I member whose hourly work status is subsequently reduced to a level below the minimum participation standards established in (b) shall be ineligible to make membership contributions."*
4. It appears that the City was unaware of the Minimum Participation Standards that were promulgated effective 1/21/88, which was after her initial date of hire but before her date of enrollment, when she was still working at least 35 hours per week, and the later date on which her work hours were subsequently reduced below 35 hours.

¹ This was due to a mistaken assumption by the City that it could impose a 6 month probationary period before enrollment. At that time, State employees had a probationary period that has since been repealed but political subdivision employers have never had a probationary period. Ms. Poulin has the right to apply for "oversight" under RSA 100-A:3, VI(d)(1) for that period but she has not indicated yet whether she intends to do so. Her request for a waiver relates only to her date of enrollment on 6/2/88 and the periods subsequent to that.

² "(1) Employee members employed by political subdivisions shall be employed:
 a. On a regularly scheduled basis;
 b. Thirty-Five hours or more per week with the same participating employer; and
 c. In permanent positions within the employee job classification; . . ."

5. As of 1/25/10, Ms. Poulin's regularly scheduled work hours were increased to over 35 hours per week and have been maintained at that level since then.
6. Thus, from 9/25/89 until 1/25/10, Ms. Poulin received service credit for a substantial period of time (21+ years) when she did not meet the Minimum Participation Standards.
7. Ret 313.01 provides that a member may request that the Board of Trustees waive the requirements of an administrative rule, as follows:

"Ret 313.01 Modification or Suspension of Rules.

(a) The board of trustees shall, in the interest of justice, modify or suspend any requirement or limitation imposed by this chapter, except those that are also mandated by statute, following a determination that good cause exists for such proposed modification or suspension. Such modification or suspension shall only be considered when made upon the member's initiative.

(b) The member shall have the burden of proving by a preponderance of the evidence to the board of trustees that the basis for such a modification or suspension is not due primarily to the fault of the member. Good cause shall include, but not be limited to, a member's detrimental reliance on a third party to timely and accurately provide information to the member or the NHRS necessary for the member's eligibility for retirement benefits as well as those circumstances enumerated in Ret 201.02(d).

(c) The party determined to be at fault shall reimburse the NHRS for any cost incurred as a result of that party's failure to comply with the NHRS's requirements."

8. Ms. Poulin has, at her own initiative, requested that the Board waive the Minimum Participation Standards such that she be awarded service credit for the period during which she did not meet the Minimum Participation Standards (See *Poulin NHRS Waiver Request 2-27-24* and *Poulin NHRS supplemental [sic] letter 2-27-24* included with this memo).
9. The City has confirmed the date ranges involved and its agreement that the error in reporting was through no fault of Ms. Poulin (See *NH Retirement System Terry Poulin ltr_02-26-2024* and *T.P. Hour Certification Letter from the City*).
10. NHRS staff also notes that, although Ms. Poulin did not work sufficient hours to earn service credit during the period when she worked part-time, both she and the City made all required contributions on the compensation she was paid.
11. Gabriel, Roeder, Smith & Company, the NHRS actuaries, has calculated that the cost related to the waiver is \$94,234. The City of Portsmouth has confirmed in writing that it will reimburse NHRS for that amount as required under Ret 313.01(c).

In conclusion, it is Legal staff's view that, based on the facts as represented by Ms. Poulin and the City, she was not primarily at fault for the administrative error resulting in her continued enrollment after her work hours were reduced to part-time; and, in the interest of justice, good cause exists for the Board to waive the Minimum Participation Standards in this case such that Ms. Poulin be awarded service credit for the full period of her enrollment in NHRS from 6/2/88 to 4/30/24, assuming she works full-time until then.

At its meeting on April 2, 2024, the Benefits Committee voted unanimously to recommend to the Board that it grant Ms. Poulin's rule waiver request.

PERSONNEL PERFORMANCE & COMPENSATION COMMITTEE

Oral Presentation Only



To: Board of Trustees
From: Jan Goodwin, Executive Director
Date: March 28, 2024
Re: NHRS Statement of Beliefs and Guiding Principles
Item: Action: Discussion: Informational:

Background:

The boards of many organizations, including public pension plans, adopt a Statement of Beliefs and Guiding Principles to provide a strategic framework to help guide their decision making with the overarching goal of serving the best interests of those the organization serves. I believe this would be useful for NHRS and I respectfully offer a draft Statement of Beliefs and Guiding Principles for the Board's consideration.

This draft statement is divided into five sections: General; Plan Design; Funding; Investments; and Organization. You will see that many of the statements reflect long-established operating principles for NHRS, but others reflect new ideas for the Board to consider. It is my hope and belief that adopting such a Statement would provide a useful framework and clear guidance to help the Board in its decision making. In addition, by adhering to these guiding principles, the Board can navigate the complexities of pension administration with clarity and purpose, ensuring the long-term sustainability and success of NHRS.

I look forward to your input and perspectives.

NHRS Board Statement of Beliefs and Guiding Principles

This statement provides a strategic framework for the administration of the New Hampshire Retirement System (“NHRS” or “the Board”) and its related pension trust fund (“the Trust” or “Fund”), its pension benefits (“the Plan”) and the organization. The material below is numbered for reference, however, all of these statements are of equal importance to the administration of the Trust, the Plan, and the organization, and are consistent with our mission to “Provide secure benefits and superior service”.

General

1. The Board is committed to being a trusted and effective fiduciary by always acting solely in the collective best interest of our membership.
2. The Board shall oppose any legislation that either interferes with the Board’s fiduciary duty or threatens the Plan’s tax qualified status.
3. The Board believes in applying a best practices approach to governance of the Board, the Trust, the Plan, and the agency. In the absence of industry accepted best practices, staff will develop policies and practices that are in the best interest of the NHRS and recommend them to the Board. These best practices include:
 - a. clear and documented allocation of responsibilities,
 - b. development and documentation of all related policies and procedures,
 - c. proper reporting, oversight, and performance evaluation,
 - d. reviewing peer pension practices, and
 - e. obtaining advice from experts and/or delegating specific responsibilities, as needed.
4. All beliefs, guiding principles, and related policies should be consistent with, and mutually supportive of, each other and be balanced and reasonable.
5. The Executive Director and all staff must be guided at all times by what is in the best long-term interest of the Plan members and beneficiaries in all investment and administrative functions.
6. All Plan-related activities will comply with statutes and related regulations (federal and state), and NHRS policies and rules.
7. All Plan-related activities and reporting will be in compliance with current professional standards and based on transparency and full disclosure where relevant and appropriate.
8. The Board and Staff are committed to adhering to best practices regarding data protection.
9. Board and staff are committed to developing prudent NHRS operating budgets, hiring qualified staff, adopting actuarially sound employer contribution rates, and providing data and factual analysis of Plan design changes or amendments to RSA 100-A.
10. Board and staff recognize that retirement benefits are an important part of public employees’ total compensation package.
11. The Board and staff are part of two important peer groups - pension plan administrators and investors- and must be actively engaged in their discussions.
12. The statutory purpose of the NHRS retirement benefits is to replace a portion of the working salaries of our members, rather than to be a wealth creation device.

Plan Design

1. The design and operation of the Plan should reflect the foundational concept that saving for retirement is a shared responsibility and is dependent on the consistent efforts of federal and state governments, employers, and members. This approach is often referred to as the three-legged stool for retirement income: an employer-provided defined benefit plan, Social Security (if applicable), and additional member savings, such as through an employer-provided defined contribution plan, Independent Retirement Account (IRA), or other investment vehicles.
2. The Plan must be cost-effective to participating employers and members. Pursuant to statute the participating employers shall pay a portion of the normal cost in addition to amortizing the unfunded liability.
3. The eligibility for, and payment of, NHRS benefits are designed to reward members for their service to our participating employers.
4. The Plan will provide a lifetime retirement income for its retirees and eligible beneficiaries, if chosen.
5. All public employees who can be a member, should be a member.
6. The Legislature should consider having retirees working in retirement for NHRS employers pay contributions, along with their employers. No additional retirement benefits should accrue to working retired members in receipt of a pension.
7. Working in retirement for a participating employer must be actuarially sound, not encourage retirement with the intent to return to service, and not threaten the Plan's tax qualified status.
8. The eligibility for, and payment of, NHRS benefits are designed to reward members for their service to our participating employers.
9. Retirement income from the Plan should keep pace with inflation over the long term and maintain its real value over the long-term subject to available funding.
10. To ensure intergenerational equity, each cohort of members, during their working years for NHRS participating employers, along with their employers, should pay enough in contributions so that those contributions and related investment earnings are sufficient to pay for the retirement benefits earned by members.
11. When considering benefit enhancement proposals, the Board generally supports prefunding as the most responsible funding method.

Funding

1. Market risk is borne by the Fund – and by participating employers – and mitigated through prudent investment decisions made by the Board and the Independent Investment Committee and implemented by the Investment Team.
2. The Plan and its benefits must be sustainable and remain on a path to amortize the pre-7/1/2017 unfunded liability by 2039 due to its closed 30-year amortization period. Subsequent changes in liability after 6/30/17 are amortized in layers of no more than 20 years. Layers are determined every two years in the rate-setting actuarial valuations.
3. Full funding of the Plan is an important goal. When the Plan is 100% funded, actuarial contribution levels will be significantly lower because the unfunded liability will be eliminated.

4. Contributions from the employers and the members should be stable and predictable.
5. The funding mechanisms for the Plan should be tax effective for the members.
6. The Board and staff are committed to maintaining the Plan's tax qualified status.

Investments

1. NHRS is a long-term investor with the goal to deliver secure retirement benefits through prudent investment management.
2. The performance goal for the Fund is to achieve a risk adjusted rate of return over the long-term, equal to or exceeding the assumed rate of return.
3. All investment decisions are based solely in the interest of NHRS' participants and beneficiaries.
4. Asset allocation is an important determinant of long-term investment performance, incorporating diversification and risk management as factors to achieve the long-term rate of return.
5. NHRS investment processes should be efficient, prudent, transparent and provide net value.
6. The Board, the Independent Investment Committee, and Investment team will regularly review and identify opportunities to achieve the long-term goals for plan assets.
7. As a long-term investor, NHRS is focused on generating sufficient funds to pay retirement benefits to current and future beneficiaries and takes a measured approach to short-term market and economic conditions.
8. The Fund has a responsibility to engage with investment managers and advisors to encourage and improve transparency in the funds we invest in.

Organization

1. We desire to create an environment in which all employees can thrive and be aware of the importance of the work they do for our members, beneficiaries, and participating employers.
2. We have a commitment to a diversified workforce that reflects our state and our membership.
3. We recognize the importance of lifelong learning and creation of career paths for all employees.
4. Total compensation for all employees must be competitive with comparable public pension plans.
5. We strive to provide responsive, accurate, and timely information to our stakeholders, including, but not limited to, educating plan members to prepare for retirement by providing relevant information online, in newsletters, through regular member education events, and other effective means of communication.
6. We are committed to safeguarding the confidentiality of personal information.
7. We strive to exceed expectations through innovation, accountability, and teamwork.
8. We are committed to acting in an ethical, honest, and professional manner in all our interactions.



To: Board of Trustees
From: Jan Goodwin, Executive Director
Date: March 27, 2024
Re: Executive Director Operating Report
Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- COVID-19 Update: Maintaining status quo. The office is now welcoming walk-ins.

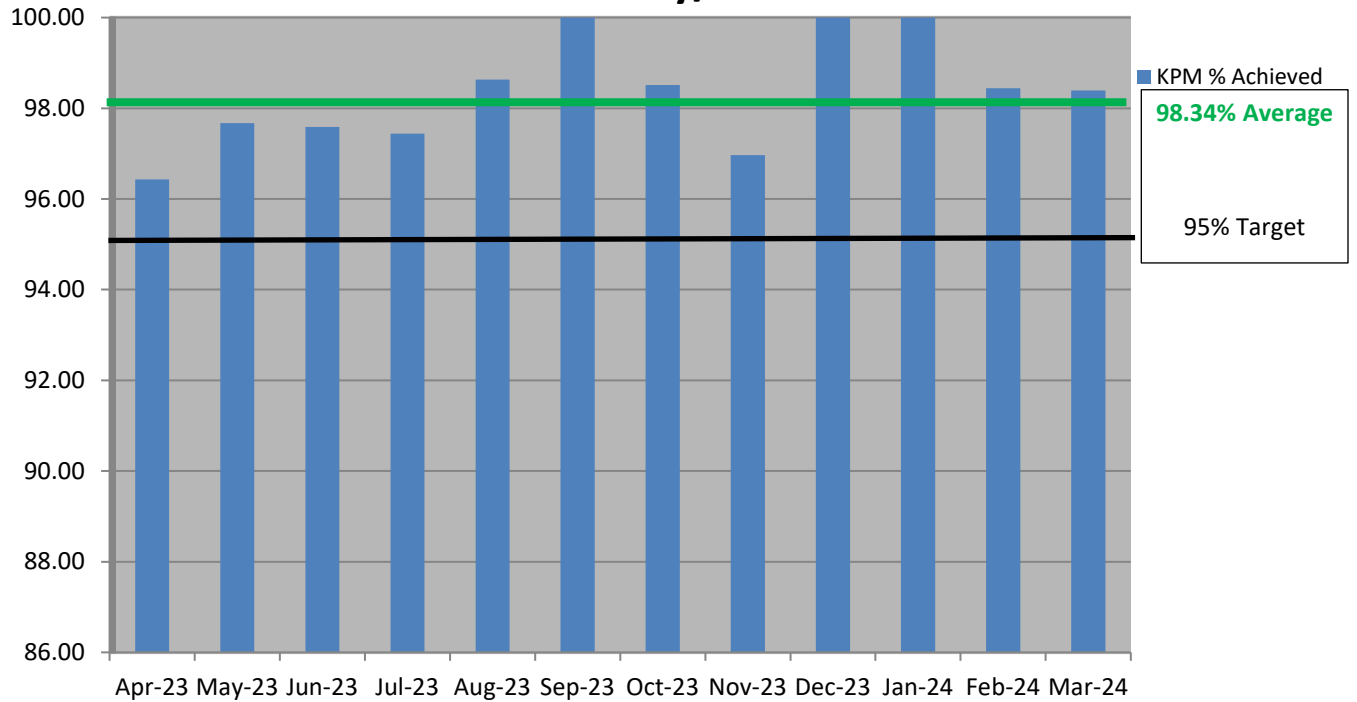
Current Month Highlights

- The KPM scores for February and March were 98.44% and 98.39%, respectively. See 12-month rolling average chart, attached.
- PGV3: is 89% completed. We have completed the fourth month of our twelve-month warranty period. Earlier this month, NHRS IT staff traveled to LRS' office in Illinois for training. We continue to meet regularly with LRS to resolve bugs and set priorities for future enhancements.
- Finance is implementing its new model to support employers who are having difficulties with the new PGV3 reporting requirements and more quickly resolve the employer issues. Delays in employer reporting affect our ability to run estimates, develop preliminary benefit calculations and process refunds on a timely basis.
- 14 of the ED's KPMs were achieved for February and March (two were N/A).
- The ETeam is continuing its work on the annual Five-Year Strategic Plan.
- We successfully held our annual Business Continuity Plan exercise. The purpose of the test is to ensure that the procedures included in the plan are effective and will be sufficient in the event of a business continuity event.

Upcoming Plans & Projects

- The NHRS legislative team will be implementing the \$500 benefit for eligible retirees in April and the modification of the age 65 benefit reduction this spring from the 2023 session.
- We will continue to work on the rollout of the enhanced MyAccount, making changes to improve the user experience.
- We continue our efforts to identify alternative office locations and analyze their financial impact.
- We will continue to monitor, and provide testimony when needed, for the 2024 legislative session.

KPM Rolling 12-Month Average February/March 2024



PGV3 Status as of March 29, 2024

Project Schedule and Completion					
Task	Scheduled Start Date	Scheduled Finish Date	Baseline Finish Date	Actual Finish Date	Percent Complete
NHRS Version 3	1/2/2019	12/3/2024	12/27/2023		89%
Phase 1 - Project Initiating	1/2/2019	1/25/2019	1/25/2019	1/25/2019	100%
Phase 2 - Project Planning	1/2/2019	2/14/2019	2/14/2019	2/14/2019	100%
Phase 3 - Project Monitoring and Controlling	1/2/2019	12/14/2023	12/22/2022	12/14/2023	100%
Phase 4 - Project Executing	1/2/2019	12/1/2023	12/22/2022	12/1/2023	100%
Infrastructure	2/14/2019	8/10/2023	9/9/2022	8/10/2023	100%
Data Conversion	5/22/2019	12/1/2023	12/22/2022	12/1/2023	100%
Requirements Analysis	1/9/2019	7/12/2019	7/12/2019	7/12/2019	100%
D1 - Member Basics and Service Purchases	6/6/2019	12/20/2019	12/11/2019	12/20/2019	100%
D2 - Employer Reporting	10/31/2019	11/10/2020	9/11/2020	11/10/2020	100%
D3 - Benefit Calculations	2/26/2020	9/28/2022	4/23/2021	9/28/2022	100%
D4 - Benefit Maintenance and Insurance	7/9/2021	7/25/2022	8/27/2021	7/25/2022	100%
D5 - Benefit Payroll	2/11/2022	7/26/2023	12/17/2021	7/26/2023	100%
D6 - Year End Processes, Auditing and Security	6/13/2022	5/11/2023	5/11/2022	5/11/2023	100%
D7 - MemberDirect	12/13/2022	10/26/2023	10/13/2022	10/26/2023	100%
Parallel Processing (2 Months)	10/9/2023	12/1/2023	12/22/2022	12/1/2023	100%
Phase 5 - Closing	9/13/2023	12/3/2024	12/27/2023		11%
Warranty Support (12 months)	12/5/2023	12/3/2024	1/0/1900		0%

KPM MONTHLY REPORTING

February/March 2024

“No” answers must include a comment, whereas “Yes” answers can include a comment, but a comment is not required. N/A should be used only in cases where reporting is not required, i.e., task is quarterly (comment must so indicate).

	FEBRUARY 2024			MARCH 2024			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
Overall Score	X			X			We achieved a 98.44% success ratio in February and a 98.39% in March. We failed on one (1) KPM each month.
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 monthly Board materials electronically by the Thursday before the Tuesday meeting.	X					X	Board meetings are bimonthly.
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.	X					X	Board meetings are bimonthly.
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			

KPM MONTHLY REPORTING

February/March 2024

	FEBRUARY 2024			MARCH 2024			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
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 TrackIT (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			X			
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. Answer 95% of My Account hunt group (X3508) calls within sixty (60) seconds.	X			X			
8. 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			X	
2. Reconcile operating bank account within 60 days of the end of the month.		X			X		This was not met as we continue to get caught up on our monthly bank reconciliations.

KPM MONTHLY REPORTING

February/March 2024

	FEBRUARY 2024			MARCH 2024			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
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	X			
5. Post all cash receipts for a month, for which we have received the associated voucher, into the pension benefit system (PensionGold) within ten (10) business days after the close of the month.			X			X	Suspended due to PGV3 implementation.
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 31.			X			X	
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			X	Suspended due to PGV3 implementation.
9. Process all confirmed post-retirement electronic direct deposit change requests received by the date that the pre-note wizard is run in PensionGold 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			X	

KPM MONTHLY REPORTING

February/March 2024

	FEBRUARY 2024			MARCH 2024			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
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			X	Reported Quarterly.
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			X	Reported June 30 th .
3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median measured quarterly .			X	X			Reported Quarterly.
4. Complete the IIC's Private Debt & Private Equity Strategic Plan for the calendar year.	X					X	Reported in February for 2024.
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.	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			

KPM MONTHLY REPORTING

February/March 2024

	FEBRUARY 2024			MARCH 2024			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
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 2 audits per experienced auditor per month over the prior 12-month period.			X			X	Suspended to reassess rolling average following PGV3 assistance.
6. Present one (1) employer education session per quarter.	X			X			
7. Answer 95% of Employer Audit/Compliance hunt group (X3681) calls within sixty (60) seconds.	X			X			
8. 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			X			X	Suspended due to PGV3 implementation

KPM MONTHLY REPORTING

February/March 2024

	FEBRUARY 2024			MARCH 2024			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
provided that all statutorily required documentation has been received and all wages have been reported.							
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	Suspended due to PGV3 implementation
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	Suspended due to PGV3 implementation
6. Enter member enrollment form data into Pension Gold (PG) within fifteen (15) business days of receipt.	X			X			
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	Suspended due to PGV3 implementation
9. Process additional contribution calculations within ninety (90) calendar days of receipt.			X			X	Suspended due to PGV3 implementation
10. Process all non-employer audit correction related employer contribution refunds within sixty (60) business days of receipt.			X			X	Suspended due to PGV3 implementation
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	Suspended due to PGV3 implementation
14. Process retiree death benefit refund payments within sixty (60) calendar days following receipt of all required paperwork.			X			X	Suspended due to PGV3 implementation

KPM MONTHLY REPORTING

February/March 2024

	FEBRUARY 2024			MARCH 2024			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
15. Establish survivorship benefit setup for payment within sixty (60) calendar days following receipt of all required death documentation and pension recoveries.			X			X	Suspended due to PGV3 implementation
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. Render QDRO qualification determinations within federal time limit guidelines.			X			X	Carried out by legal now
21. 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			X			

KPM MONTHLY REPORTING

February/March 2024

	FEBRUARY 2024			MARCH 2024			COMMENTS
	ACHIEVED			ACHIEVED			
	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			X			
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			X			
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 assurance audit to the Audit Committee every quarter.	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			X			X	The census data audits have not started yet for this year.

KPM MONTHLY REPORTING

February/March 2024

	FEBRUARY 2024			MARCH 2024			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
established due date.							
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.			X			X	Suspended due to PGV3 implementation.
3. Maintain a 95% call satisfaction rating for callers' experience with the Contact Center Representative (CCR).			X			X	Suspended due to PGV3 implementation.
Administrative							
1. Assure that formal complaints are responded to within five (5) business days.			X			X	No complaints received in February or March.
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			

Contact Center February 2024

Phone Calls

	Total	Percentage
Calls addressed by CCRs	4785	97.16%
Calls forwarded to SMEs	125	2.54%
Calls forwarded to SME Manager	15	0.30%
Total	4,925	100.00%

Post Call Surveys

	Total
Total Calls Handled	4,925
Surveys Completed	292
% of Total Calls Completion Rate	5.93%

Walk Ins

	Total
Number of Walk-Ins	268
Total Walk In Time (hours)	35.95
Average Walk In time (minutes)	7.91

Emails

	Total	Percentage
Emails addressed by CCRs	771	57.93%
Emails forwarded to SMEs	560	42.07%
Total	1,331	100.00%

Goal: Answer calls within 2 minutes with 5% abandon rate.

Queue Name	Calls Presented	Calls Handled	Percentage	Calls Abandoned	Percentage	Average Queue Time	Average Speed of Answer	Average Time to Abandon	Average Handle Time
Employer	261	226	86.59%	35	13.41%	2:18:00	1:57:00	4:36:00	3:38:00
My Account	1030	998	96.89%	32	3.11%	1:00:00	0:55:00	3:50:00	13:03:00
Member	924	924	100.00%	80	8.66%	2:39:00	2:26:00	5:02:00	5:30:00
Reception	1204	793	65.86%	314	26.08%	2:30:00	1:53:00	3:29:00	4:31:00
Retiree	1378	1269	92.09%	109	7.91%	2:49:00	2:33:00	5:49:00	4:44:00
1099	776	715	92.14%	61	7.86%	1:58:00	1:47:00	4:05:00	6:17:00
Totals	5573	4925		631	11.32%	2:12:20	1:55:10	4:28:30	6:17:10

Average

Contact Center March 2024

Phone Calls

	Total	Percentage
Calls addressed by CCRs	4151	97.65%
Calls forwarded to SMEs	98	2.31%
Calls forwarded to SME Manager	2	0.05%
Total	4,251	100.00%

Post Call Surveys

	Total
Total Calls Handled	4,251
Surveys Completed	172
% of Total Calls Completion Rate	4.05%

Walk Ins

	Total
Number of Walk-Ins	274
Total Walk In Time (hours)	51
Average Walk In time (minutes)	11.17

Emails

	Total	Percentage
Emails addressed by CCRs	590	52.21%
Emails forwarded to SMEs	540	47.79%
Total	1,130	100.00%

Message Center Threads

	Total
Contact Center	98

Goal: Answer calls within 2 minutes with 5% abandon rate.

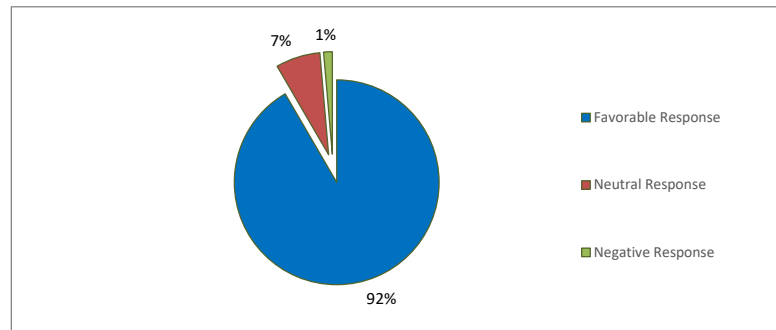
Queue Name	Calls Presented	Calls Handled	Percentage	Calls Abandoned	Percentage	Average Queue Time	Average Speed of Answer	Average Time to Abandon	Average Handle Time
Employer	223	199	89.24%	24	10.76%	1:33:00	1:12:00	4:25:00	3:25:00
My Account	663	656	98.94%	7	1.06%	0:14:00	0:13:00	1:29:00	11:42:00
Member	1074	1006	93.67%	68	6.33%	2:05:00	1:55:00	4:45:00	5:54:00
Reception	1032	810	78.49%	150	14.53%	1:47:00	1:43:00	2:17:00	4:35:00
Retiree	1201	1127	93.84%	74	6.16%	2:20:00	2:10:00	4:47:00	5:00:00
1099	461	453	98.26%	8	1.74%	0:31:00	0:29:00	2:52:00	5:23:00
Totals	4654	4251		331	7.11%	1:25:00	1:17:00	3:25:50	5:59:50

Average

**NHRS Board Monthly Reporting Package
Process Improvement
February - March 2024**

Executive Director Telephone Survey Results

	Number of Names on Call List	Number of Connections Made	Favorable Response (1)	Neutral Response (2)	Negative Response (3)	Left VM No Call Back (4)	Bad Phone Number/Not in Service/No VM (5)
2024							
March	20	12	12	0	0	4	4
February	40	15	13	1	1	18	7
January	50	29	27	1	1	16	5
2023							
December	40	18	16	2	0	19	3
November	50	24	24	0	0	24	2
October	40	19	17	0	2	14	7
September	40	21	19	1	1	18	1
August	50	20	20	0	0	22	8
July	40	17	16	0	1	15	8
June	40	23	21	1	1	15	2
May	50	29	23	6	0	19	2
April	40	23	22	1	0	16	1
March	50	22	18	4	0	22	6
February	40	17	15	2	0	17	6
January	40	18	15	2	1	18	4
2022							
January - December	520	291	265	21	5	174	55
2021							
January - December	130	73	64	8	1	42	15
2020							
January - December	100	50	47	2	1	37	13
2019							
January - December	500	228	216	7	5	150	122
2018							
January - December	490	227	217	8	2	183	80
2017							
January - December	460	214	204	8	2	168	78
2016							
January - December	520	258	230	25	3	189	73
2015							
January - December	510	273	242	28	3	152	85
2014							
October - December	87	36	28	8	0	30	21
	3947	1957	1791	136	30	1382	608



FY 2024 Contracts Executive Director Approval (as of 3/28/24)

Vendor Name	Effective Date	Amount	Description
Blue Mantis - Interim Security	7/5/2023	\$ 5,022	Cybersecurity consulting
Houde Consulting	7/10/2023	\$ 5,970	Finance assistance
PACE Cooling	8/30/2023	\$ 14,200	Cooling equipment for server room
SilverTech	9/19/2023	\$ 8,000	Website maintenance.
MCN IME	9/19/2023	\$ 4,950	IME for R. B. disability appeal
CPM	11/30/2023	\$ 24,000	Facilities maintenance
PIF	12/14/2023	\$ 36,253	Document management
Blue Mantis - Barracuda	1/2/2024	\$ 44,055	Cybersecurity protection services
NH Print and Mail	1/31/2024	\$ 24,332	Printing and mailing of 1099-R forms
CEM Benchmarking	3/15/2024	\$ 34,000	Benchmarking services- investment expenses
Funston Advisory Services	3/1/2024	\$ 49,000	Investment strategic plan review
Funston Advisory Services	3/1/2024	\$ 45,000	Strategic planning
		<u>\$ 294,782</u>	

ED STRATEGIC PLAN

Oral Presentation Only

Division: Executive

Date: July 1, 2023
As of: March 31, 2024**FY 2024 Action Plan Summary**

ACTION	PM	DATE	STATUS/COMMENTS
1. Complete implementation of data security assessment recommendations and continue to enhance IT security.	JG/JL	6/30/24	Note: While most of the recommendations have been implemented, there are a few that are ongoing as part of the PGV3 implementation project.
2. Complete project plan milestones for LRS Pension Gold (PGV3) project.	JG/TK	6/30/24	This is a five-year project scheduled for completion in FY 24. Project modifications have added 6 months to the original completion date.
3. Identify areas for improved efficiencies across the organization, including assessing and improving employee engagement.	JG/All	6/30/24	Ongoing.
4. Enhance member, beneficiary, and employer education: identify/review industry best practices for education and engagement; adjust existing education programming, as needed.	JG/MK	6/30/24	On hold due to PGV3.
5. Implement agreed-upon elements of Vision for NHRS.	JG/All	6/30/24	Incorporated in FYs 25-27 Strategic Plan, which will be presented to BOT in June 2024.



To: Board of Trustees

From: John Laferriere, Director of Information Technology

Date: March 28, 2024

Re: Information Technology Operating Report

Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- Cybersecurity Awareness – no new issues, phishing testing continues.
- The security group identified no new security issues in February and March.
- IT successfully completed the deployment of the Barracuda web application protection services for all internet-facing web applications.
- NHRS experienced sporadic internet connectivity from February 26 until March 4. The carrier resolved the issue by replacing core hardware that failed in their central office.

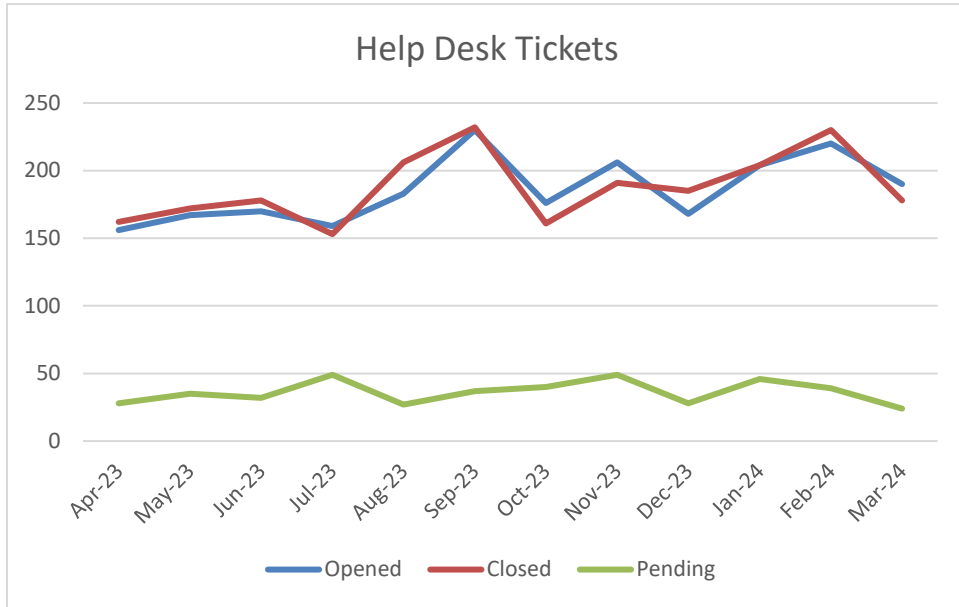
Current Month Highlights

- IT Customer Satisfaction Score – 99% and 100% over the last two months.
- IT met all eight of its KPMs.
- 86 change requests were approved and deployed into the production environment, of which 64 were PGM3 changes.
- The laptop refresh project is expected to be completed on April 17.
- Application and Network modeling has started.
- Phase I of the document management project has been completed.
- Successfully completed annual business continuity planning testing.
- Non-renewal notice sent to colocation provider.

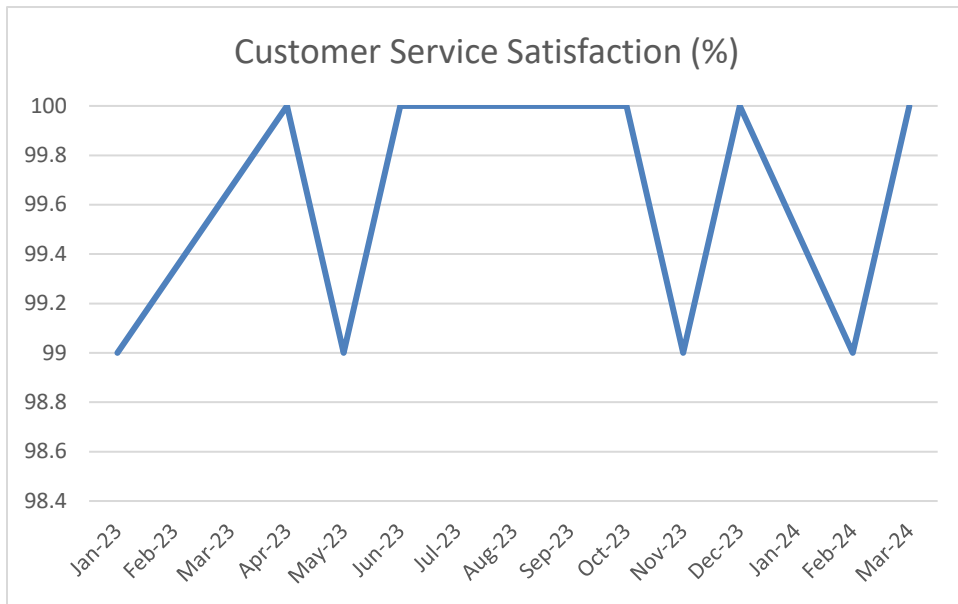
Upcoming Plans & Projects

- Complete the phone system project; cutover date is April 12.
- Complete the shutdown the colocation backup center.
- Retire old carrier internet access.
- Finalize cloud migration plan.
- Start phase II of the document management project.

NHRS Helpdesk Ticket Information by Month



NHRS Customer Satisfaction Scores by Month



Division: Information Technology

Date: March 28, 2024
Approved: July 5, 2023**FY 2024 Action Plan Summary**

ACTION	PM	DATE	STATUS/COMMENTS
1. Outsource security management to third-party provider.	JL	10/30/2023	Completed.
2. Upgrade networking infrastructure.	JL, JO	12/30/2023	Completed.
3. Perform and complete yearly staff permissions review.	JL	09/30/2023	Completed.
4. Upgrade firewall hardware.	JL, JO	09/30/2023	Completed.
5. Replace desktops and laptops with new laptops.	JL, JV	06/30/2024	Expected completion date of April 5.
6. Perform tasks associated with PensionGold Version 3 (PGV3) implementation, as per contractual implementation schedule.	JL, TK, AS, JO	06/30/2024	Ongoing.
7. Move 80% of the production applications to the cloud.	JL, JO	06/30/2024	Ongoing.
8. Move physical data center to new location.	JL, JO	11/30/2023	Completed.
9. Replace existing phone system with a cloud-based phone system.	JL	06/30/2024	Ongoing. Deployment expected to complete on April 17.
10. Identify, enroll, and complete a professional development program.	JO	02/28/2024	Ongoing.
11. Replace the existing emergency generator.	JL, CM	08/30/2023	Completed.
12. Install fault-tolerant internet connection.	JL, JO	08/30/2023	Completed.
13. Identify and install an enterprise document management system.	JL	06/30/2024	Completed phase I. Phase II started mid-March.
14. Develop a secure Enterprise transmissions platform for all file transfers.	JO	06/30/2024	Completed.



To: Board of Trustees
 From: Raynald Leveque, Chief Investment Officer
 Date: April 9, 2024
 Re: **Investments Operating Report**
 Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- February Investment Committee (Committee) Meeting Recap:
 - Staff presented an update on the monthly performance of the NHRS public market asset classes, rebalancing, holdings, and the Work Plan.
 - The Committee heard a presentation from private equity manager H.I.G. Capital and unanimously voted to commit \$50 million to the H.I.G. Advantage Buyout Fund II and \$50 million to an H.I.G. Capital Co-Investment Separately Managed Account.
 - Callan presented the Calendar Year 2024 Pacing Plan Presentation.
 - Abel Noser presented a review of 2023 Trading Cost Analysis.
 - The Committee elected Christine Clinton as IIC Chair following the appointment of sitting IIC Chair Maureen Kelliher to Chair of the Board of Trustees.

Previous Months Highlights

- Preliminary Performance for January 2024:

As of 01/31/2024	1 Month	Fiscal Year to Date	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net</u> Return	-0.08%	+4.19%	+6.46%	+6.31%	+8.00%	+7.46%
Policy Benchmark Return	-0.36%	+4.73%	+7.87%	+4.69%	+7.72%	+7.47%
Net Return Minus Benchmark (in basis points)	+29	-55	-142	+162	+27	-1

Source: Callan, NHRS

- KPM Performance for February 2024:
 - Seven KPMs were achieved; three were not applicable.

- Preliminary Performance for February 2024:

As of 2/29/2024	1 Month	Fiscal Year to Date	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net</u> Return	+1.95%	+6.21%	+10.26%	+6.35%	+8.08%	+7.32%
Policy Benchmark Return	+2.75%	+7.61%	+12.60%	+4.89%	+7.98%	+7.41%
Net Return Minus Benchmark (in basis points)	-80	-140	-234	+146	+10	-9

Source: Callan, NHRS

- KPM Performance for March 2024:
 - Seven KPMs were achieved; three were not applicable.

Upcoming Plans & Projects

- April Committee Meeting:
 - Brookfield will present a private infrastructure education presentation.

Securities Litigation Summary

Staff 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 US 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 US 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 through February 29	\$ 6,587
Total:	\$ 17,570,469

Source: BNY Mellon, ISS, NHRS, Northern Trust

Division: Investments

Date: April 9, 2024

Approved: July 5, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Assure compliance with all relevant statutory and regulatory requirements.	CIO/IIC/BOT	06/30/24	No exceptions have been identified.
2. Complete Private Debt/Equity Work Plan for Calendar Year (CY) 2024.	CIO/IIC	02/29/24	Completed in February 2024.
3. Complete Real Estate Work Plan for CY 2024.	CIO/IIC	12/31/23	Completed in January 2024.
4. Maintain investment expenses within budget.	CIO/IIC	06/30/24	Investment expenses are within budget.
5. Implement rebalancing as necessary to address deviations from policy targets.	CIO/IIC/BOT	06/30/24	No rebalancing necessary.
9. Complete a review of the Strategic Asset Allocation and, if necessary, recommend an update to the Strategic Asset Allocation policy.	CIO/IIC/BOT	12/31/23	Completed in December 2023.
7. Identify, enroll, and complete a professional development program for the Investment team.	CIO	12/31/23	Completed in September 2023.
8. Conduct an internal review of the NHRS total plan portfolio.	CIO/IIC	6/30/24	On hold – Staff will incorporate build or buy solution for NHRS total plan data within the five-year Strategic Plan for Investments division.
9. Complete a five-year Strategic Plan for the Investments division at NHRS for approval with the IIC and the BOT.	CIO/IIC/BOT	6/30/24	In Process.



To: Board of Trustees

From: Nancy J. Miller

Date: April 1, 2024

Re: **Member Services Operating Report**

Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- A significant focus for Member Services and other departments is the issuance of the \$500 TSA (temporary supplemental allowance) to all qualifying retirees and beneficiaries. Member Services and NHRS Project Management have been working closely with LRS to create a roll out plan for carrying out these payments that must be paid out by or before July 1, 2024.
- The team is focused on the July 2024 retirement process, with filing opening April 2.
- Member Services continues to work in multiple reoccurring weekly meetings to manage matters NHRS faces across the PGV3 platform: PGV3 Steering Committee, PGV3 NHRS roadmap and NHRS/LRS roadmap discussions along with weekly department meetings with LRS.

Current Months Highlights

- Member Services has begun to coordinate a PGV3 project plan that involves the manual movement of teacher salary information from V2 to V3 to correlate with contract periods. This is a significant project and is necessary to provide for future accuracy of teacher wage records in the new platform.
- Meetings were held with staff from the State of NH Department of Administrative Services and HealthTrust to review the new reporting process in PGV3 and gather take-away items for NHRS to review internally and with LRS.
- Member Services has adjusted some of its KPMs to reflect the areas of expected delay in processing due to system issues and employer reporting challenges.

Upcoming Plans & Projects

- Significant testing efforts will be focused on the second area of legislative change required prior to July 1, 2024: the “post 65 reduction corrections” that involve retroactive payment adjustments (V2) as well as the establishment of the fully functional calculations for eligible retirees who reach the Social Security normal retirement age. The teams are targeting May for this.

NHRS New Retirement Applicants Placed on Payroll

	2024	2023	2022	2021	2020	2019
June		105	106	126	98	110
May		88	110	92	99	91
April		76	117	95	100	106
March	74	97	104	97	85	73
February	94	89	105	93	94	106
January	125	131	200	154	142	100
December	64	88	71	78	66	97
November	90	66	91	113	90	85
October	103	110	128	118	96	100
September	143	116	128	129	97	129
August	180	162	210	147	137	147
July	579	731	775	694	703	744
Total	1,284	1,856	2,145	2,063	1,888	1,799

NHRS Retirement Appointment Total by Month for Fiscal Year

	2024	2023	2022	2021	2020	2019
June		55	25	42	60	116
May		115	34	34	129	215
April		84	49	135	166	198
March	67	36	22	38	186	117
February	52	25	15	44	75	100
January	29	22	13	25	60	95
December	49	15	13	39	65	104
November	54	15	19	37	96	104
October	32	24	23	48	96	107
September	33	10	23	44	61	95
August	46	14	19	32	76	101
July	38	15	25	28	68	107
Total	281	430	280	546	1,138	1,459

Division: Member Services (MS)

Date: April 1, 2024

Approved: July 3, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Adhere to and complete PGV3 project plan milestones relative to all Member Services functions.	NM/MS/IT/ LRS	12/30/24	In process.
2. Develop and implement PGV3 Employer Term Form audit process to confirm accuracy of employer reported data relative to benefit finalization. Target date will equal the formal elimination of Manual (paper) forms in the NHRS Benefit process.	Member Benefits/ Finance/LRS	7/30/24	This will need to be revisited relative to employer reporting process to date.
3. Create new member correspondences, internal workflows, accountabilities, and documented procedures relative to all 2023 legislative changes with impact to Member Services and benefit calculation functions. HB2 section 459-461.	MS/PIO/Legal/ Contact Center/ LRS	3/30/24 – TSA Post 65 Change – TBD based on LRS system changes	In process.
4. Implement new and adjusted procedures for Retiree Death Case processing to realign NHRS collection procedures to include finance and legal.	MS Retirement Benefits/LexisNexis /Legal/Finance	6/30/24	In process.
5. Identify and schedule MS Manager team training program.	MS Managers/HR/ Vendor	6/30/24	



To: Board of Trustees
 From: Marie A. Mullen, Director of Finance
 Date: March 28, 2024
 Re: Finance Operating Report
 Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- The PGV3 implementation and external and internal audits demand different requirements for the Finance team that has necessitated a review of our position descriptions and needs. We evaluated the current job descriptions in Employer Reporting and functions related to investment accounting. We established a Financial Analyst position that will focus on investment accounting, reporting, and reconciliation and have restructured the Employer Reporting Specialist position to allow for three levels commensurate with the complexity of the employers they will be servicing. All Employer Specialists will be assigned to specific employers and will support them through the monthly process from reporting to payment and reconciliation.
- Status Update on PGV3 Finance deliverables:
 - Our focus continues to be working with employers to ensure their reporting is submitted and posted, focusing on the employers that are delinquent.
 - We have worked through minor software issues during the past two months and have identified enhancements that will be prioritized and implemented over the next 9-12 months.

Current Month Highlights – February and March

- Finance completed five of its 12 KPMs for February and six of its 12 for March. For February, three KPMs did not have deliverables for the month and two were suspended due to the PGV3 implementation. One was not met as we continue to get caught up on our monthly bank reconciliations. For March, four KPMs did not have a deliverable for the month and two were suspended due to the PGV3 implementation. One was not met as we continue to get caught up on our monthly bank reconciliations.
- FY 24 spending through the first eight months of the fiscal year is below budget. We have completed transfers between accounts to fund changes required during the PGV3 implementation and unanticipated costs for personnel. These transfers are within the existing budget and have not required new funding.
- PGV3 project spending inception to date is below budget and FY 24 is below the overall annual budget.

Upcoming Plans & Projects

- Continue work on identified internal and external audit improvements.
- FY 25 Trust Fund Budget.
- FYs 26-27 Administrative Operating Budget.
- Experience Study and Employer Rates for FYs 26-27.
- Continued improvements and enhancements to PGV3.
- Complete hiring and implementation of Finance departmental changes.

Division: Finance

Date: 3/27/2024

Approved: 6/14/2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Perform tasks associated with PGV3 implementation, as per contractual implementation schedule.	MM/JT/JG/Finance Team/PGV3 Steering Committee	11/30/2023	Complete.
2. Work to convert any employers still paying by paper check to NHRS <i>QuickPay</i> or ACH payment through their own banking partner.	MM/JT/MK	06/30/2024	On hold. Focus is on employers that did not provide files during parallel.
3. Meet the implementation schedule associated with the PGV3 employer reporting rollout.	JT/MM/PIO	11/30/2023	Ongoing. Focus is on employers that did not provide files during parallel.
4. Manage & monitor expenditures to stay within the NHRS Trust Fund and statutory administrative budgets.	MM/JG/ E-Team	06/30/2024	Ongoing.
5. Strategic review of financial software and configuration to identify requirements to automate processes, improve reporting, and streamline financial analysis.	MM/JG	06/30/2024	
6. Enroll in and attend the CAPPP (Certificate of Achievement in Public Plan Policy) through IFEBP (International Foundation of Employee Benefit Plans).	MM	06/30/2024	



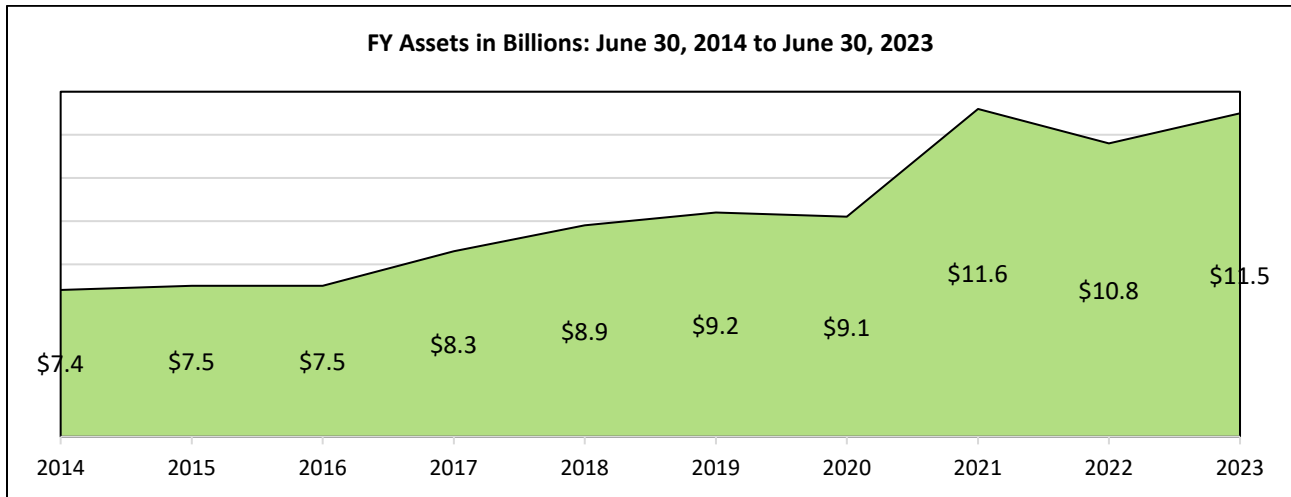
NHRS DASHBOARD: FY 2024 Second Quarter

For the period October 1, 2023, to December 31, 2023

Updated: February 2024

TRUST FUND

2 nd Quarter FY 2023: \$11.7 billion	2 nd Quarter FY 2024: \$11.8 billion*
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INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 12/31/23*	1 yr. at 6/30/23	3 yr. at 6/30/23	5 yr. at 6/30/23	10 yr. at 6/30/23
Total Fund Composite	4.3%	8.2%	9.6%	7.1%	7.9%
Peer comparison (percentile)	NA	33rd	22nd	30th	17th

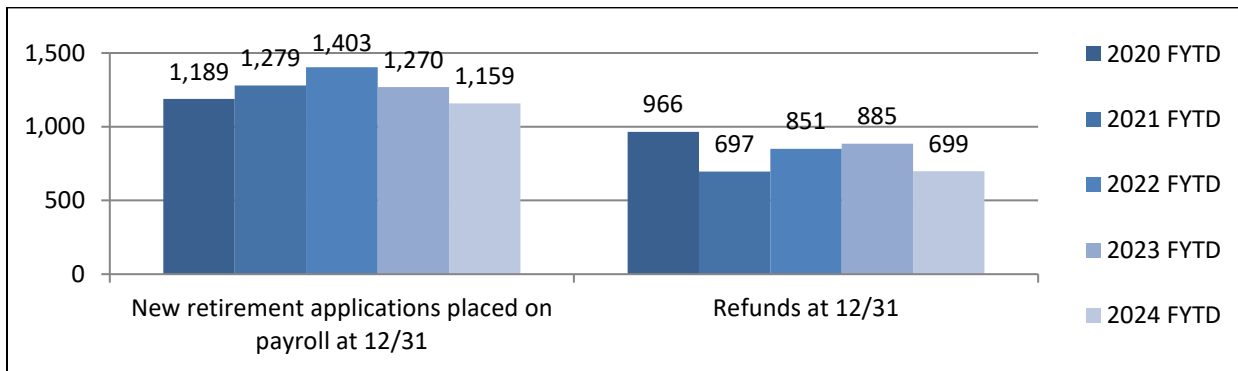
Assumed Rate of Return: 6.75%; * Annualized; valuation of real estate and alternative investments lagged three months.

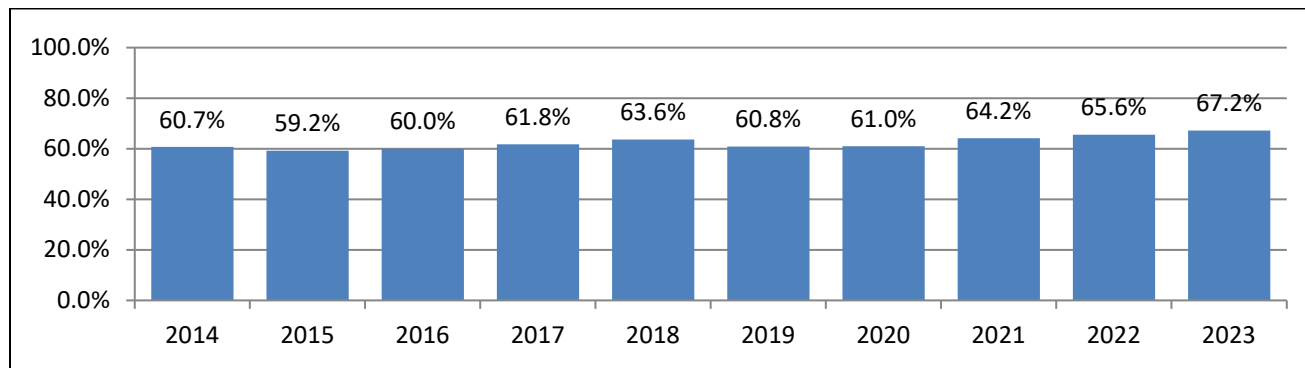
KEY PERFORMANCE MEASURES

October 2023: 98.5%	November 2023: 97.0%	December 2023: 100%	12-month rolling average: 97.9%
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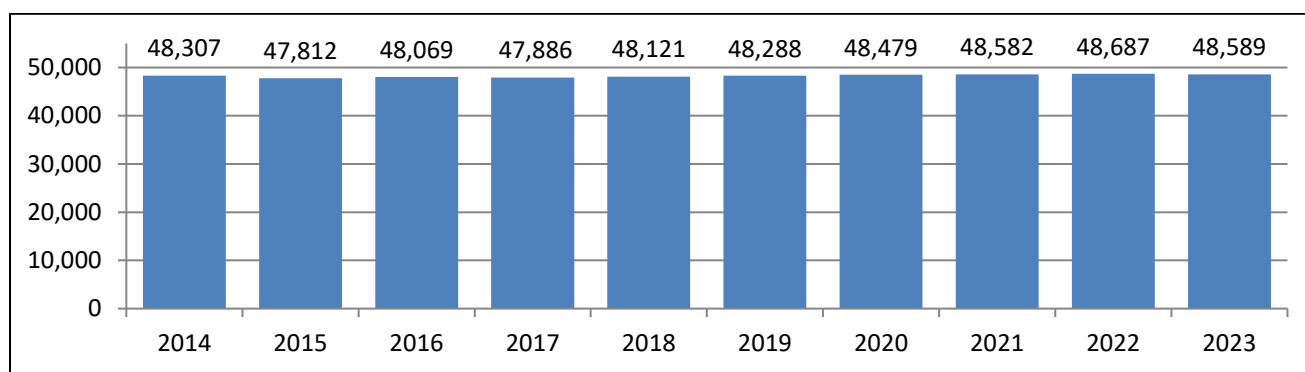
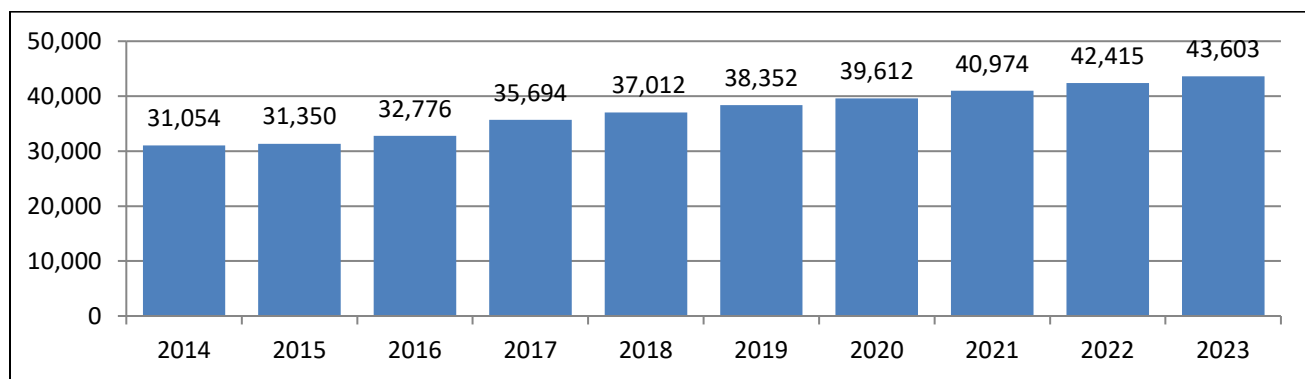
Target: 95%

RETIREMENTS AND REFUNDS



ACTUARIAL FUNDED RATIO

Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions effective in 2015 and 2019

ACTIVE MEMBERS**RETIREES & BENEFICIARIES**

NHRS Board Monthly Reporting Package

Finance

April 09, 2024

Net Position (\$s in Billions)	FY 2024	FY 2023
Current Fiscal Year-To-Date	Sep-23	Sep-22
Net Position Change	(\$0.363)	(\$0.408)
Prior Year Beginning Balance	\$11.509	\$10.753
Net Position Balance	\$11.146	\$10.345

CASH FLOW-Contributions & Benefits					
Cash Basis (\$s in Millions)					
		FY 2024 YTD		FY 2023 YTD	
Contributions	Oct-23	Oct	Oct-22	Oct	
Employers	\$ 53.528	\$ 205.932	\$ 64.285	\$ 211.725	
RSA from State of NH	\$ -	\$ 7.140	\$ -	\$ -	
Members	\$ 22.503	\$ 83.376	\$ 25.244	\$ 83.109	
Subtotal	\$ 76.031	\$ 296.448	\$ 89.529	\$ 294.834	
Benefits					
Annuity & OPEB	\$ 85.602	\$ 341.709	\$ 93.697	\$ 341.295	
Refunds & All Other	\$ 2.810	\$ 15.431	\$ 4.595	\$ 16.426	
Subtotal	\$ 88.412	\$ 357.140	\$ 98.292	\$ 357.721	
Total Cash Flow Gain/(Shortfall)	\$ (12.381)	\$ (60.692)	\$ (8.763)	\$ (62.887)	

FY 2024 BUDGET vs. ACTUAL					
Investments & Non-Investment Administrative Expenses					
July 1, 2023 through February 29, 2024					
	Total Budget	FY23 Balance Forward and Transfers	FYTD Budget	Actual	Difference
Investment					
Administrative Expenses					
Internal	\$ 1,339,670	\$ -	\$ 879,882	\$ 672,380	\$ 207,502
External (Manager & Custodial)	\$ 33,106,000	\$ -	\$ 22,070,667	\$ 19,596,870	\$ 2,473,797
Subtotal	\$ 34,445,670	\$ -	\$ 22,950,549	\$ 20,269,250	\$ 2,681,299
Non-Investment					
Administrative Expenses					
Internal (Statutory Administrative)	\$ 10,619,842	\$ 479,418	\$ 7,017,479	\$ 7,065,845	\$ 431,052
Pension Gold Version 3	\$ 2,383,600	\$ 755,621	\$ 1,589,067	\$ 2,467,847	\$ (123,159)
External (Actuary, Legal, Audit)	\$ 1,194,450	\$ -	\$ 796,300	\$ 498,281	\$ 298,019
Subtotal	\$ 14,197,892	\$ 1,235,039	\$ 9,402,846	\$ 10,031,973	\$ 605,912
Total Administrative Expense	\$ 48,643,562	\$ 1,235,039	\$ 32,353,395	\$ 30,301,223	\$ 3,287,211

New Hampshire Retirement System							
Investment & Non-Investment Administrative Expenses							
Budget vs. Actual							
July 1, 2023 Through February 29, 2024							
FY 2024							
	TOTAL Budget	FY23 Balance Forward and Transfers	FYTD Budget	FYTD Actual	Difference	Variance Explanations	
1	Investment Administrative Expenses						
2	Internal Investment Expenses						
3	Salaries & Benefits	\$ 1,032,000		\$ 674,769	\$ 528,869	\$ 145,900	
4	Temporary Employees	-	80,000	-	58,385	21,615	Coverage for leave of absence of full time employee.
5	Current Expenses/Supplies/Education	57,200		38,133	14,323	23,810	
6	Subscriptions	5,320		3,547	4,010	(463)	Timing of expenses to budget.
7	License Fee-Bloomberg	202,575	(80,000)	135,050	50,820	4,230	Fewer licenses required in first half of year
8	Organizational Dues	18,075		12,050	8,150	3,900	
9	Travel	24,500		16,333	7,823	8,510	
10	Subtotal Internal Investment	1,339,670	-	879,882	672,380	207,502	
11	External Investment Expenses						
12	Management Fees						
13	Marketable Investments	27,440,000		18,293,333	16,426,238	1,867,095	
14	Real Estate	3,700,000		2,466,667	1,653,368	813,299	
15	Subtotal Management Fees	31,140,000	-	20,760,000	18,079,606	2,680,394	
16	Investment Administrative Expenses						
17	Custody Fees						
18	Master-BNY Mellon	705,000		470,000	690,279	(220,279)	Includes fees from FY 2023 paid in 2024
19	General Investment Consultant Fees	700,000		466,667	487,500	(20,833)	Includes fees from FY 2023 paid in 2024
20	Legal-Investment	500,000		333,333	314,874	18,459	Includes fees from FY 2023 paid in 2024
21	Other Fees	61,000		40,667	24,611	16,056	
22	Subtotal Invest. Administrative Expenses	1,966,000	-	1,310,667	1,517,264	(206,597)	
23	Subtotal External Investment	33,106,000	-	22,070,667	19,596,870	2,473,797	
24							
25	Total Investment Internal & External	\$ 34,445,670	\$ -	\$ 22,950,549	\$ 20,269,250	\$ 2,681,299	
26	Non-Investment Administrative Expenses						
27	Internal Non-Investment Expenses						
28	Salaries & Benefits	\$ 7,793,341	\$ (390,000)	\$ 5,095,646	\$ 4,915,726	\$ (210,080)	Timing of expenses to budget related to annual Longevity payments.
29	Current Expenses	220,550	(37,844)	147,033	67,206	\$ 41,983	
30	Rents & Leases	461,000		344,833	289,456	\$ 55,377	
31	Equipment	28,950	76,000	19,300	93,446	\$ 1,854	
32	Technology-Software & Hardware	1,118,000	199,172	745,333	521,943	\$ 422,562	
33	Payroll & Other Services	58,704		39,136	70,003	\$ (30,867)	Increased banking expenses related to change in account structure. Offset by increase in interest income. Future transfer to cover excess.
34	Independent Med. Examiners/Consultants	255,000		170,000	176,958	\$ (6,958)	Expenses related to outsourcing of system security. Future transfer to cover excess.
35	Retiree Health Insurance	147,400		98,267	102,647	\$ (4,380)	Expenses over estimates from State of NH. Future transfer to cover excess.
36	Other	536,897	632,090	357,931	828,460	\$ 161,561	
37	Subtotal Internal Non-Invest. Adm	10,619,842	479,418	7,017,479	7,065,845	431,052	
38							
39	Pension Gold Version 3 Upgrade	2,383,600	755,621	1,589,067	2,467,847	(123,159)	Timing of expenses against estimated budget. Will balance by end of year.
40							
41	External Non-Investment Expenses						
42	Actuarial Fees	\$ 286,000		190,667	\$ 156,149	\$ 34,518	
43	Legal Fees	200,000		133,333	62,018	71,315	
44	Audit Fees	254,000		169,333	147,500	21,833	
45	Other Consulting Fees	100,000		66,667	24,699	41,968	
46	Insurance Expense	220,450		146,967	53,889	93,078	
47	Local Custodian	134,000		89,333	54,026	35,307	
48	Depreciation Expense	-		-	-	-	
49	Subtotal External Non-Invest. Adm	1,194,450	-	796,300	498,281	298,019	
50							
51	Total Non-Invest. Internal & External	\$ 14,197,892	\$ 1,235,039	\$ 9,402,846	\$ 10,031,973	\$ 605,912	
52							
53	Total Administrative Expense	\$ 48,643,562	\$ 1,235,039	\$ 32,353,395	\$ 30,301,223	\$ 3,287,211	

New Hampshire Retirement System											As of February 29, 2024
Pension Gold Version 3 Upgrade											
Total Project Lifecycle											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
EXTERNAL COSTS											
	PG V3 Perpetual License	PG V3 Support Costs	Implementation Costs	Hardware Costs		Software Costs		Other Costs		Subtotal External Costs	
				Test environment	Production environment	Commodity Software Costs	Software Licenses	Consulting Costs	Legal Costs		
1	2019 Budget	\$ 850,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 20,000	\$ 970,175	
2	2019 Actual	\$ 850,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,700	\$ 6,776	\$ 919,651	
3	2019 Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,300	\$ 13,224	\$ 50,524	
4	2019 Comments										
5											
6											
7	2020 Budget	\$ -	\$ 170,035	\$ 2,012,751	\$ 50,000	\$ -	\$ 10,000	\$ 2,280	\$ 114,125	\$ -	\$ 2,359,191
8	2020 BUD Update			\$ (543,726)							\$ (543,726)
9	2020 Adj Budget	\$ -	\$ 170,035	\$ 1,469,025	\$ 50,000	\$ -	\$ 10,000	\$ 2,280	\$ 114,125	\$ -	\$ 1,815,465
10	2020 Actual	\$ -	\$ 170,035	\$ 1,462,054	\$ 25,717	\$ -	\$ -	\$ 84,838	\$ -	\$ -	\$ 1,742,644
11	2020 Variance	\$ -	\$ -	\$ 6,971	\$ 24,283	\$ -	\$ 10,000	\$ 2,280	\$ 29,288	\$ -	\$ 72,822
12	2020 Comments										
13											
14											
15	2021 Budget	\$ -	\$ 170,035	\$ 2,012,751	\$ -	\$ -	\$ -	\$ 114,125	\$ -	\$ -	\$ 2,296,911
16	2021 BUD Update			\$ (782,531)							\$ (782,531)
17	2021 Adj Budget	\$ -	\$ 170,035	\$ 1,230,220	\$ -	\$ -	\$ -	\$ 114,125	\$ -	\$ -	\$ 1,514,380
18	2021 Actual	\$ -	\$ 170,035	\$ 1,531,294	\$ -	\$ -	\$ -	\$ 63,045	\$ -	\$ -	\$ 1,764,374
19	2021 Variance	\$ -	\$ -	\$ (301,074)	\$ -	\$ -	\$ -	\$ 51,080	\$ -	\$ -	\$ (249,994)
20	2021 Comments										
21											
22											
23	2022 Budget	\$ -	\$ 170,035	\$ 1,070,699	\$ -	\$ 50,000	\$ 105,000	\$ -	\$ 114,125	\$ -	\$ 1,509,859
24	2022 BUD Update			\$ 99,480							\$ 99,480
25	2022 Adj Budget	\$ -	\$ 170,035	\$ 1,170,178	\$ -	\$ 50,000	\$ 105,000	\$ -	\$ 114,125	\$ -	\$ 1,609,338
26	2022 Actual	\$ -	\$ 170,035	\$ 797,012	\$ -	\$ -	\$ -	\$ 163,626	\$ -	\$ -	\$ 1,130,673
27	2022 Variance	\$ -	\$ -	\$ 373,166	\$ -	\$ 50,000	\$ 105,000	\$ -	\$ (49,501)	\$ -	\$ 478,665
28	2022 Comments										
29											
30											
31	2023 Budget	\$ -	\$ 170,035	\$ 1,070,699	\$ -	\$ -	\$ -	\$ 48,500	\$ -	\$ -	\$ 1,289,234
32	2023 BUD Update			\$ 697,174							\$ 697,174
33	2023 Adj Budget	\$ -	\$ 170,035	\$ 1,767,872	\$ -	\$ -	\$ -	\$ 48,500	\$ -	\$ -	\$ 1,986,407
34	2023 Actual	\$ -	\$ -	\$ 1,506,999	\$ -	\$ -	\$ -	\$ 69,712	\$ -	\$ -	\$ 1,576,711
35	2023 Variance	\$ -	\$ 170,035	\$ 260,873	\$ -	\$ -	\$ -	\$ (21,212)	\$ -	\$ -	\$ 409,696
36	2023 Comments										
37											
38											
39	2024 Budget	\$ -	\$ -	\$ 1,088,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,088,276
40	2024 BUD Update			\$ 1,617,345							\$ 1,617,345
41	2024 Adj Budget	\$ -	\$ -	\$ 2,705,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,705,621
42	2024 Actual	\$ -	\$ -	\$ 1,948,065	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 1,953,065
43	2024 Variance	\$ -	\$ -	\$ 757,556	\$ -	\$ -	\$ -	\$ (5,000)	\$ -	\$ -	\$ 752,556
44	2024 Comments										
45											
46											
47	TOTAL Budget	\$ 850,175	\$ 680,140	\$ 7,255,175	\$ 50,000	\$ 50,000	\$ 115,000	\$ 2,280	\$ 490,875	\$ 20,000	\$ 9,513,645
48	TOTAL BUD Update	\$ -	\$ -	\$ 1,087,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,087,741
49	TOTAL Adj Budget	\$ 850,175	\$ 680,140	\$ 8,342,916	\$ 50,000	\$ 50,000	\$ 115,000	\$ 2,280	\$ 490,875	\$ 20,000	\$ 10,601,386
50	TOTAL Actual	\$ 850,175	\$ 510,105	\$ 7,245,424	\$ 25,717	\$ -	\$ -	\$ 448,921	\$ 6,776	\$ -	\$ 9,087,117
51	TOTAL Variance	\$ -	\$ 170,035	\$ 1,097,492	\$ 24,283	\$ 50,000	\$ 115,000	\$ 2,280	\$ 41,955	\$ 13,224	\$ 1,514,269
52	TOTAL Comments										
53											
54	Assumptions:										
55		No costs associated with PGV2 are included in this analysis									
56		PGV3 Support Costs are at the Standard rate (as opposed to premium)									
57		Implementation Costs detailed in each year's Adjusted Budget match the payment schedule in the LRS contract, and total the not-to-exceed amount									
58		The Adjusted Budget for Internal Costs reflects the amounts included in the FY22/23 statutory administrative budget.									
59		There are no costs for hardware that may be necessary at COLO included above									
60		Consulting costs in total are set at the not-to-exceed amount set in the contract with LRLW									
61		In FY24, additional staffing costs are increased 5% over FY23									

		New Hampshire Retirement System						As of February 29, 2024	
		Pension Gold Version 3 Upgrade							
		Total Project Lifecycle							
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		INTERNAL COSTS							TOTAL PROJECT
		Additional Staffing Costs with benefits	Overtime	Current Expenses	Desktop PC's	Desks/Office Furniture	Travel	Subtotal Internal Costs	
1	2019 Budget	\$ 177,145	\$ -	\$ 40,858	\$ 2,644	\$ 2,363	\$ -	\$ 223,010	\$ 1,193,185
2	2019 Actual	\$ 155,718	\$ 3,115	\$ 1,442	\$ 2,644	\$ 2,363	\$ -	\$ 165,282	\$ 1,084,933
3	2019 Variance	\$ 21,427	\$ (3,115)	\$ 39,416	\$ -	\$ -	\$ -	\$ 57,728	\$ 108,252
4	2019 Comments								
5									
6									
7	2020 Budget	\$ 525,220	\$ 20,000	\$ 9,000	\$ 11,100	\$ 20,000	\$ 2,250	\$ 587,570	\$ 2,946,761
8	2020 BUD Update							\$ -	\$ (543,726)
9	2020 Adj Budget	\$ 525,220	\$ 20,000	\$ 9,000	\$ 11,100	\$ 20,000	\$ 2,250	\$ 587,570	\$ 2,403,035
10	2020 Actual	\$ 368,213	\$ 883	\$ 2,334	\$ -	\$ -	\$ -	\$ 371,430	\$ 2,114,074
11	2020 Variance	\$ 157,007	\$ 19,117	\$ 6,666	\$ 11,100	\$ 20,000	\$ 2,250	\$ 216,140	\$ 288,962
12	2020 Comments								
13									
14									
15	2021 Budget	\$ 624,041	\$ 20,000	\$ 9,000			\$ 2,250	\$ 655,291	\$ 2,952,202
16	2021 BUD Update							\$ -	\$ (782,531)
17	2021 Adj Budget	\$ 624,041	\$ 20,000	\$ 9,000	\$ -	\$ -	\$ 2,250	\$ 655,291	\$ 2,169,671
18	2021 Actual	\$ 374,098	\$ 12,842	\$ 1,009	\$ -	\$ -	\$ -	\$ 387,949	\$ 2,152,323
19	2021 Variance	\$ 249,943	\$ 7,158	\$ 7,991	\$ -	\$ -	\$ 2,250	\$ 267,342	\$ 17,348
20	2021 Comments								
21									
22									
23	2022 Budget	\$ 655,243	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 685,243	\$ 2,195,102
24	2022 BUD Update	\$ (55,316)					\$ 2,250	\$ (53,066)	\$ 46,414
25	2022 Adj Budget	\$ 599,927	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 2,250	\$ 632,177	\$ 2,241,515
26	2022 Actual	\$ 413,963	\$ 1,760	\$ 672	\$ -	\$ -	\$ -	\$ 416,395	\$ 1,547,068
27	2022 Variance	\$ 185,964	\$ 18,240	\$ 9,328	\$ -	\$ -	\$ 2,250	\$ 215,782	\$ 694,447
28	2022 Comments								
29									
30									
31	2023 Budget	\$ 688,005	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 718,005	\$ 2,007,239
32	2023 BUD Update	\$ (65,909)					\$ 2,250	\$ (63,659)	\$ 633,515
33	2023 Adj Budget	\$ 622,096	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 2,250	\$ 654,346	\$ 2,640,753
34	2023 Actual	\$ 504,240	\$ 263	\$ 741	\$ -	\$ -	\$ -	\$ 505,244	\$ 2,081,955
35	2023 Variance	\$ 117,856	\$ 19,737	\$ 9,259	\$ -	\$ -	\$ 2,250	\$ 149,102	\$ 558,798
36	2023 Comments								
37									
38									
39	2024 Budget	\$ 722,405	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 727,405	\$ 1,815,681
40	2024 BUD Update	\$ (129,805)	\$ 20,000	\$ 5,000			\$ 11,000	\$ (93,805)	\$ 1,523,540
41	2024 Adj Budget	\$ 592,600	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 11,000	\$ 633,600	\$ 3,339,221
42	2024 Actual	\$ 508,945	\$ 2,509	\$ 5,116	\$ -	\$ 89	\$ 3,124	\$ 519,783	\$ 2,472,848
43	2024 Variance	\$ 83,655	\$ 17,491	\$ 4,884	\$ -	\$ (89)	\$ 7,876	\$ 113,817	\$ 866,373
44	2024 Comments								
45									
46									
47	TOTAL Budget	\$ 3,392,059	\$ 80,000	\$ 83,858	\$ 13,744	\$ 22,363	\$ 4,500	\$ 3,596,524	\$ 13,110,169
48	TOTAL BUD Update	\$ (251,030)	\$ 20,000	\$ 5,000	\$ -	\$ -	\$ 15,500	\$ (210,530)	\$ 877,211
49	TOTAL Adj Budget	\$ 3,141,029	\$ 100,000	\$ 88,858	\$ 13,744	\$ 22,363	\$ 20,000	\$ 3,385,994	\$ 13,987,380
50	TOTAL Actual	\$ 2,325,177	\$ 21,372	\$ 11,315	\$ 2,644	\$ 2,452	\$ 3,124	\$ 2,366,084	\$ 11,453,201
51	TOTAL Variance	\$ 815,852	\$ 78,628	\$ 77,543	\$ 11,100	\$ 19,911	\$ 16,876	\$ 1,019,910	\$ 2,534,179
52	TOTAL Comments								
53									
54	Assumptions:								
55		No costs associated with PGV2 are included in this analysis							
56		PGV3 Support Costs are at the Standard rate (as opposed to premium)							
57		<i>Implementation Costs detailed in each year's Adjusted Budget match the payment schedule in the LRS contract, and total the not-to-exceed amount</i>							
58		<i>The Adjusted Budget for Internal Costs reflects the amounts included in the FY22/23 statutory administrative budget.</i>							
59		There are no costs for hardware that may be necessary at COLO included above							
60		Consulting costs in total are set at the not-to-exceed amount set in the contract with LRWL							
61		In FY24, additional staffing costs are increased 5% over FY23							



To: Board of Trustees
From: Rosamond Cain, Director of Human Resources
Date: April 9, 2024
Re: HR Operating Report
Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- NHRS is currently recruiting for two Employer Specialists. HR and IT are working on updating the Application Manager and Senior Business Analyst position descriptions to better describe what the positions actually do.
- The Executive Team (ETeam) is working on a project focused on communication. The team is currently meeting weekly and has received input from the Management Team (MTeam). The ETeam will be drafting a plan with the MTeam to present to all employees.
- HR has the results of the Employee Engagement Survey and will have the information to provide to the PPCC at the next meeting.
- Our first all staff training since the pandemic is taking place April 15 and 17.

Current Highlights

- HR met all four KPMs for the past two months.
- Three of our managers have begun leadership coaching, with two more beginning at the end of April.
- HR is working on the nonunion compensation plan for FY 25 and intends to present it to the PPCC before the June Board meeting.

Upcoming Plans & Projects

- All training manuals will need to be updated to reflect processing in PGV3. This project is expected to begin in January 2025.
- All position descriptions will need to be updated to reflect changes due to PGV3. This project is expected to begin in FY 25.
- The NHRS compensation program needs to be reviewed and updated. HR is currently meeting with vendors to choose one to assist with a salary survey. The time frame for the compensation review has yet to be determined.

Division: Human Resources (HR)

Date: April 1, 2024

Approved: July 1, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Plan, schedule, and present two trainings for our staff annual training plan.	RC/ED/ET/MT	6/30/2024	In process. First training scheduled for April 15 and 17.
2. Maintain a management development program for middle managers and staff identified as possible managers.	RC/ED/ET/MT	6/30/2024	In process. Currently, have seven staff members pursuing a degree and we are working with five managers on their leadership development plans. Three managers are currently working with a leadership development coach.
3. Create, implement, and maintain electronic onboarding utilizing the ADP software.	RC/Janet G.	6/30/2024	Completed.
4. Assist in monitoring and maintaining PGV3 staffing levels to keep the project on time and budget.	RC/ET/MT	6/30/2024	Continuing.
5. Monitor and maintain staffing levels for the NHRS Contact Center.	RC/ED/NC/DH	6/30/2024	Continuing.
6. Create, implement, and maintain electronic performance appraisals utilizing the ADP software.	RC/MT	6/30/2024	This project started on September 15 and was postponed on March 15 as other projects have taken priority.
7. Ensure compliance with all federal, state and CBA rules and regulations.	RC/Janet G./Legal	6/30/2024	Continuing.
8. HR Tech. to identify and enroll in a professional development program.	Janet G./RFC	12/31/2023	Completed.
9. HR Mgr. to identify, enroll in, and complete a professional development program.	RFC/ED	12/31/2023	Completed.



To: Board of Trustees

From: Tim Crutchfield, Deputy Director and Chief Legal Counsel

Date: March 28, 2024

Re: Legal Team Operating Report

Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- Legal and IT staff have released a new document management software product to calendar and streamline the contract administration process. This product will eventually expand to other functional areas. Next up is to develop a docketing system and document repository for the administrative hearings process.
- NH Supreme Court briefs have been filed in the Keene School District compensation matter and we are waiting to hear whether there will be oral argument.

Current Highlights

- Over the past 12 months, the Employer Audit Team has completed 37 standard and 23 GASB audits. There are eight standard audits in process.
- Legal achieved seven of its eight KPMs in each of the last two months. There is one that is not applicable regarding the rolling 12-month average of completed employer audits due to the Employer Auditors assisting the Finance Team over the past four months regarding the new reporting functions as part of the PGV3 transition.
- 439 Gainful Occupation reports were mailed in early March. 124 have been returned and 106 of those have been processed.

Upcoming Plans and Projects

- The Legal team will be presenting an RFP for IME services to the Board at this April meeting for action following a unanimous recommendation from the Benefits Committee.
- Staff continues to work with LRS to develop and refine the workflows for gainful occupation and disability reexaminations.

Administrative Appeals

Prior 12 months	Total Cases on Appeal at start of the month	New Appeals	Closed Appeals	Total Cases on Appeal end of the month
Mar. '24	8	0	0	8
Feb.'24	9	0	1	8
Jan. '24	9	1	1	9
Dec. '23	9	1	1	9
Nov. '23	8	2	1	9
Oct. '23	6	2	0	8
Sept. '23	5	1	0	6
Aug. '23	6	1	2	5
July '23	6	1	1	6
June '23	6	0	0	6
May '23	7	0	1	6
April '23	7	0	0	7
Totals		9	8	

Disability Appeals

Prior 12 months	Total Cases on Appeal at start of the month	New Appeals	Closed Appeals	Total Cases on Appeal end of the month
Mar. '24	2	0	1	1
Feb. '24	2	0	0	2
Jan. '24	2	0	0	2
Dec. '23	2	0	0	2
Nov. '23	2	0	0	2
Oct. '23	2	0	0	2
Sept. '23	2	0	0	2
Aug. '23	2	0	0	2
July '23	2	0	0	2
June '23	2	0	0	2
May '23	2	0	0	2
April '23	2	0	0	2
Totals		0	1	

Division: Legal/Compliance

Date: March 28, 2024

Approved: June 13, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Assist in the PGV3 implementation.	TC	12/31/23	In process.
2. Conduct and document annual review of NHRS legal and governance policies, procedures, and manuals to assure best practices.	TC/MC	12/31/23	Completed; Governance Manual annual revisions to the Board 2/13/24.
3. Update the annual compliance calendar to ensure statutory compliance in all organizational areas.	TC	12/31/23	Completed.
4. Ensure annual compliance with the Voluntary Correction Program Policy.	TC	3/31/24	Completed.
5. Assure legal compliance with all legislative proposals adopted and effective in 2023.	TC	6/30/24	In process.
6. Review NHRS website for legal compliance with updates as needed.	TC/MK	6/30/24	In process.
7. Identify, enroll, and complete a professional development program.	TC	6/30/24	



To: Board of Trustees
From: Marty Karlon
Date: March 26, 2024
Re: Communications/Legislative Affairs Operating Report
Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

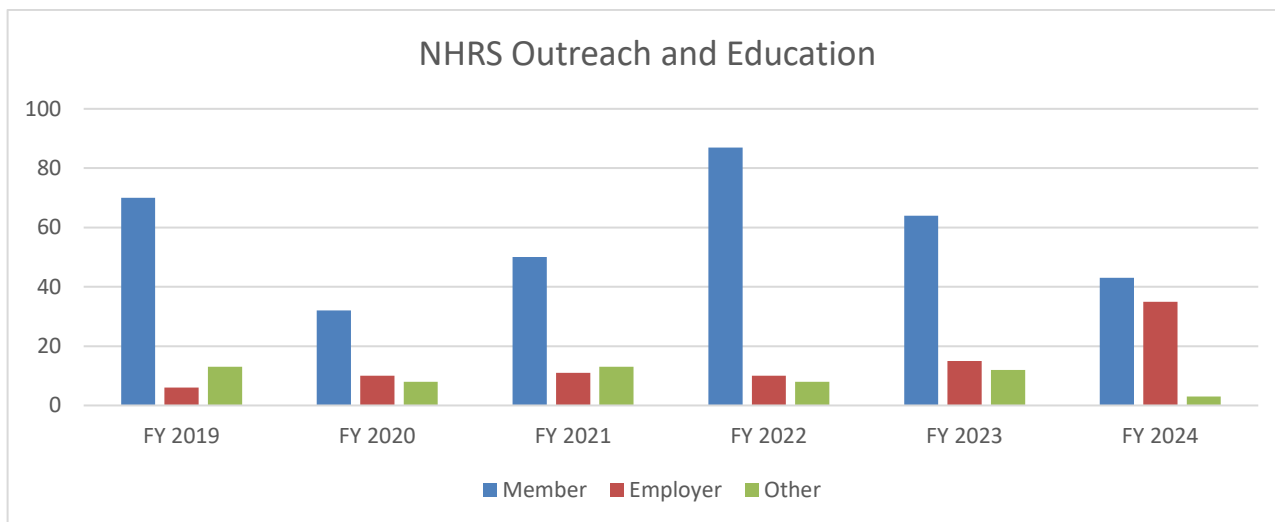
- The 2024 legislative session is approaching the crossover point. Seven NHRS-related bills remain active as of the date of this report.
- The Communications Team continues to work closely with multiple business units to develop short- and long-term messaging for employers, members, and retirees related to the transition to PGV3.

Current Highlights

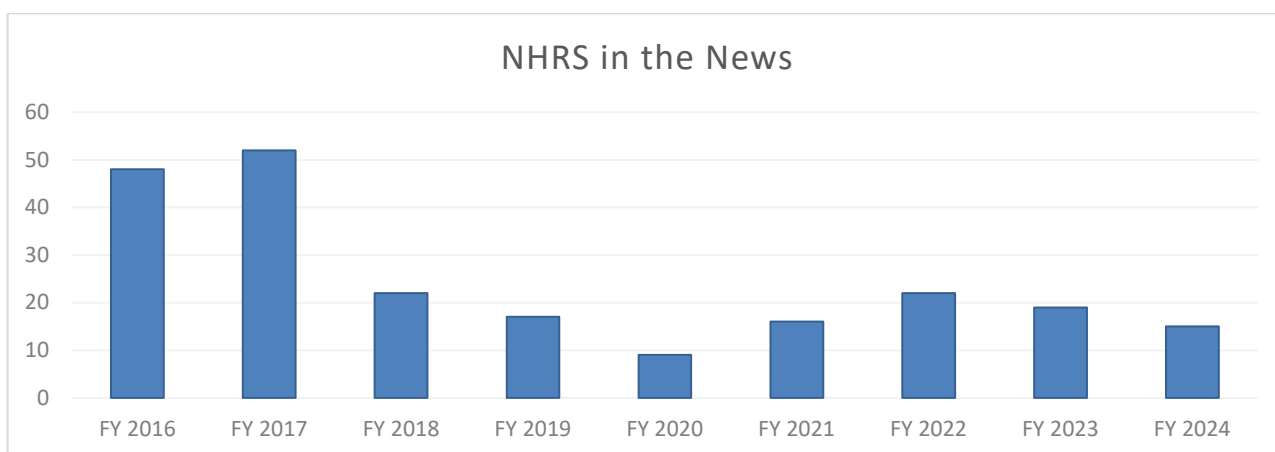
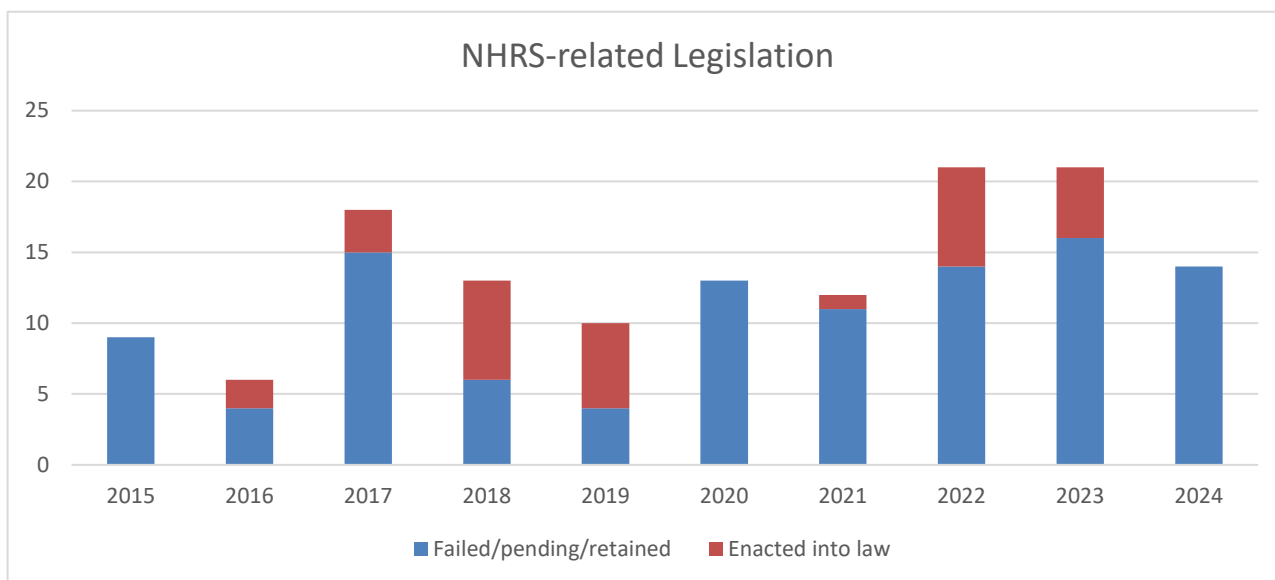
- Created and issued employer survey in March regarding the PGV3 transition; currently working with Finance to schedule employer listening sessions in April and May.
- Kicked off targeted campaign asking employers to promote *My Account 2.0* registration to their employees.
- Hosted or participated in 17 member education events and two employer education events in February/March.
- PIO met all seven of its KPMs in February and March.

Upcoming Plans & Projects

- Drafting messaging related to \$500 temporary supplemental allowance to eligible retirees and beneficiaries and correspondence to retirees impacted by the 2023 change to the Group I benefit recalculation.
- Hosting or participating in 11 member or employer education events in April/May.
- Developing *My Account 2.0* promotional campaign for members, retirees and beneficiaries; final account setup changes are expected to be completed in May.



“Other” events include presentations to member, employer, and retiree organizations.



News articles and commentary in NH and national media outlets in which NHRS is the primary subject.

Division: Communications

Date: March 26, 2024

Approved: June 22, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. In collaboration with the Finance team and PGV3 Project Manager, implement PGV3 employer training and communication plans. *	MK/ PIO staff/ Finance	1/31/24	Completed.
2. Maintain ongoing internal and external communications for overall PGV3 project. *	MK	3/31/24	Ongoing. Note: Outreach efforts will continue well beyond due date of this action item.
3. Develop and implement campaign to encourage members and retirees to sign up for MyAccount 2.0 *	MK/ PIO staff	6/30/24	Ongoing. More than 12,500 users have registered for the new site through March 26.
4. Coordinate NHRS interactions with and prepare materials for statutory commission to study retirement benefits and retention of employees scheduled to meet in the summer of 2023.	MK	11/30/23	Completed.
5. Maintain positive and constructive working relationship with the NH Legislature. *	MK	6/30/24	(always) In progress. Successfully represented NHRS' interests on three bills that had the potential to impact the Board's fiduciary duty; all three bills were killed.
6. Grow calendar year-over-year audience for social media channels by 10-15%.	MK/ PIO staff	6/30/24	In progress.
7. Develop member surveys assessing	MK/	6/30/24	Note: Survey will be released in FY 25.

knowledge and comfort level with NHRS benefits and preferences for additional education efforts.	PIO staff		
8. Update printed and recorded member/retiree/employer presentations impacted by recent legislation.	MK/ PIO staff	12/31/23	Completed.
9. Identify, enroll, and complete a professional development opportunity.	MK	6/30/24	Completed. Attended and presented at NCPERS Communications Summit in January 2024.

* - *Aligns with initiatives listed on NHRS Three-Year Strategic Plan.*

Trustee Travel

No Travel Requests Submitted

To: NHRS Board of Trustees
From: Jan Goodwin, Executive Director
Date: March 28, 2024
Re: February 13, 2024 - Action Items
Item: Action: Discussion: Informational:

1. Post the final GASB 68 & 75 Reports on the NHRS website. MK
Action: Completed.

2. Update the Governance Manual revisions. MC
Action: Completed.

3. File formal opposition to any bill that could interfere with the Board's fiduciary duties. MK
Action: Completed.

4. Update and distribute the NHRS Employee Handbook revisions. RC
Action: Completed.

5. Implement Board decisions on the Consent Agenda. DC
Action: Completed.

BOARD CHECKPOINT DISCUSSION



New Hampshire Retirement System
54 Regional Drive, Concord, NH 03301
Phone: (603) 410-3500 - Fax: (603) 410-3501
Website: www.nhrs.org - Email: info@nhrs.org

TO: Senator Howard Pearl, Chair, Senate Executive Departments & Administration Committee
 Representative Carol McGuire, Chair, House Executive Departments & Administration Committee

FROM: New Hampshire Retirement System Board of Trustees
 (Prepared by Jan Goodwin, Executive Director)

RE: Quarterly Report to the General Court – April 1, 2024

Dear Senator Pearl and Representative McGuire:

Pursuant to RSA 100-A:14, VII-a, the Board of Trustees of the New Hampshire Retirement System (NHRS, the retirement system) is submitting this quarterly report to the General Court.

Here is a summary of NHRS activities during the quarter ending March 31, 2024:

- Fourteen bills related to the retirement system were introduced in 2024, five of which remain active in the House or Senate. In addition, two of seven retained 2023 bills remain active.
- The Board unanimously voted in February to oppose on fiduciary grounds three bills related to the management of NHRS investments. All three bills have been killed.
- Maureen Kelliher of Dover was appointed by the Governor in January to chair the NHRS Board of Trustees. A public member of the Board since January 2014 and formerly the Board's vice chair, she replaced Tim Lesko, who resigned when he moved out of state.
- Christine Clinton of Dublin was elected chair of the NHRS Independent Investment Committee (IIC) in February. A public member of the IIC since January 2018, she replaced Trustee Kelliher as IIC chair.
- The Board unanimously voted in February to accept the June 30, 2023, GASB Statements 68 and 75 Reports. The reports, which detail the proportionate share of unfunded pension and OPEB (medical subsidy) liabilities for participating employers, will be used by employers to prepare financial statements in accordance with Governmental Accounting Standards Board requirements.

In addition to this cover letter, the report contains:

- The draft minutes of the February 13, 2024, Board meeting.
- Investment information on Total Fund through December 31, 2023, which is the most recent data available.
- Monthly investment information through February 29, 2024, which is the most recent data available.
- Quarterly Investment Compliance Notice to the Legislative Budget Assistant.
- A tracker of NHRS-related legislation as of March 27, 2024.

If you have any questions or would like additional information, please do not hesitate to contact me.

Respectfully,

Jan Goodwin
 Executive Director

cc: Office of Governor Christopher Sununu

CY 2024 BOARD ACTION CALENDAR

DECEMBER 2023

Date	Board Action Item	Requirement	Responsible Party
12/12/23	Approve 2023 Annual Comprehensive Financial Report (ACFR)	RSA 100-A:15, VI	Trustees & Audit Committee
12/12/23	Recommend Update to the Strategic Asset Allocation	RSA 100-A:15, VII(c)(2)	IIC & Investments
12/12/23	Statement of Financial Interests due 3 rd Friday in January	RSA 15-A	Trustees & IIC Members
12/12/23	Annual Ethics Survey Results	Ret. 401	Legal

JANUARY 2024 – No Meeting

FEBRUARY

Date	Board Action Item	Requirement	Responsible Party
2/13/24	Board and Audit Committee approval of FY23 GASB 68/75 Reports	Best Practice	Board of Trustees
2/13/24	Annual Governance Manual revisions	Best Practice	Board of Trustees
2/13/24	Presentation of Capital Markets Assumptions	Best Practice	Investments
2/13/24	Quarterly IIC Report (Incl Inv. Fees and Sole Interest Statement)	RSA 100-A:15, II-a(c)	IIC
2/13/24	Trustee Education	Best Practice	ED
2/13/24	BCP Testing Report	Best Practice	ED
2/13/24	Initiate Review of Strategic Plan - PAA	Best Practice	Board of Trustees
2/13/24	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
4/1/24	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
4/9/24	Approve the Strategic Plan	Best Practice	Board of Trustees

MAY – No Meeting**JUNE**

Date	Board Action Item	Requirement	Responsible Party
6/11/24	Review and Approve annual Trust Fund Budget (non-statutory portion)	Best Practice	Board of Trustees
6/11/23	Review and Approve Experience Study and Actuarial Assumptions	RSA 100-A:14, X	Board of Trustees
6/11/24	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
8/13/24	Annual IIC Real Estate update to the Board	Best Practice	IIC
8/13/23	Review and Approve Biennial Administrative Budget	RSA 100-A:14, XIII	Board of Trustees
8/13/24	Review and Approve Actuarial Valuation and Rate Certification	RSA 100-A:14, X	Board of Trustees
8/13/24	Office of Foreign Asset Control (OFAC) Compliance Report	Best Practice	Board of Trustees
8/13/24	Working After Retirement Report	Best Practice	Board of Trustees
8/13/24	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
10/1/24	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
10/8/24	Gainful Occupation Report	RSA 100-A:6, III(b)	Board of Trustees
10/8/24	Review charters for Board Committees	Governance Manual	Appropriate Board Committee
10/8/24	Annual Board Fiduciary Education	Best Practice	Board of Trustees
10/8/23	Annual Independent Medical Examiner (IME) Review	IME Policy	Board of Trustees
10/8/24	Set Board of Trustees meeting schedule for next calendar year	Governance Manual	Board of Trustees
10/8/24	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC
10/8/24	Call Firefighter Report	Best Practice	Board of Trustees

NOVEMBER – No Meeting**DECEMBER**

Date	Board Action Items	Requirement	Responsible Party
12/10/24	Audited ACFR to Audit Committee and Board for approval	RSA 100-A:15, VI(a)	External Auditor
12/10/24	Audit Committee recommends that the Board approve the audited ACFR	RSA 100-A:15, VI(a)	Board of Trustees
12/10/24	RSA 15-A Statement of Financial Interests Reminder – due 3 rd Fri. in Jan	RSA 15-A	Board of Trustees
12/10/24	The IIC recommends that the Board approve the CAIR	RSA 100-A:15, VII	Board of Trustees
12/10/24	Present annual ethics survey results	Ret. 401	Legal
12/10/24	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC
12/31/24	Deadline for issuing member statements for fiscal year ending 6/30/24	RSA 100-A:14, XI	Board of Trustees
12/31/24	ACFR and CAIR delivered per statute	RSA 100-A:15, VI(c)	PIO

**NHRS Board of Trustees
Committee Membership List
as of March 2024**

Committee	Audit	Benefits	Governance	Legislative	PPCC	Investment
Staff Liaison	Heather Hoffacker	Timothy Crutchfield/ Nancy Miller	Timothy Crutchfield	Marty Karlon	Rosamond Cain	Raynald Leveque
Frederick, Jon		X	X	X		
Hannan, Sue				X	X-Ch	
Henry, Jason	X	X				
Kelliher, Maureen	X					X
VACANT						
Maloney, Robert			X		X	
Martineau, Andrew		X		X		
Martins, Germano	X	X-Ch				
Merrifield, Ken				X-Ch	X	
Mezzapelle, Monica	X-Ch		X			
Provost, Paul			X			X
Quigley, Joshua				X	X	
Roy, Donald		X	X-Ch			
TOTAL MEMBERS	4/5	5/5	5/5	5/5	4/5	2/6*

*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.

**New Hampshire Retirement System Board of Trustees
As of January 1, 2024**

Jon Frederick, Jaffrey
September 21, 2022, to September 5, 2025
NH Municipal Association

Sue Ellen Hannan, Derry
July 27, 2018, to July 1, 2021
NH Education Association

Jason M. Henry, Brentwood
May 17, 2023, to July 13, 2025
Association of Counties

Maureen Kelliher, Dover
June 18, 2014, to July 13, 2025
Non-member Trustee

Robert Maloney, Holderness
July 27, 2018, to July 13, 2024
Non-member Trustee

Andrew Martineau, Bow
December 18, 2020, to July 1, 2024
NH State Permanent Firemen's Association

Germano Martins, Hooksett
August 18, 2021, to July 1, 2024
State Employees' Association

Kenneth Merrifield, Franklin
March 24, 2021, to July 13, 2025
NH State Employer

Monica Mezzapelle, Concord
January 6, 2021, to January 7, 2025
State Treasurer

Paul Provost, Concord
November 2, 2022, to November 2, 2025
Non-member Trustee

Joshua Quigley, Bedford
October 19, 2022, to July 1, 2024
NH Police Association

Donald M. Roy, Jr., North Hampton
July 13, 2011, to July 13, 2025
NH School Boards Association

Vacant - Non-member Trustee

**Educational Seminars for Board Members,
as of March 28, 2024**

Sponsor	Program	Description
(NASRA) National Association of State Retirement Administrators www.nasra.org	2024 Annual Conference August 3 – 7, 2024 Pittsburg, PA	<ul style="list-style-type: none"> ▪ Hear from leaders in the retirement field on a variety of subjects including investment management, world events relative to the pension industry, economy, and trends.
(IFEBP) Int'l Foundation of Employee Benefit Plans www.ifebp.org	<p>Portfolio Concepts and Management May 6 – 9, 2024 Philadelphia, PA</p> <p>New Trustees Institute Level I: Core Concepts June 24-26, 2024 Las Vegas, NV & November 9 – 11, 2024 San Diego, CA</p> <p>Trustees Institute Level II: Concepts in Practice June 22 – 23, 2024 Las Vegas, NV & November 9 – 10, 2024 San Diego, CA</p>	<ul style="list-style-type: none"> ▪ For Trustees with little experience with investments. ▪ Gain a comprehensive understanding of portfolio oversight fundamentals and modern portfolio theory principles. ▪ Obtain practical experience for making informed investment decisions through interactive case studies, guided by renowned faculty experts in the field. ▪ Ideal for new Trustees to learn fiduciary responsibilities, and the technical aspects of serving as a Trustee. ▪ Agenda TBA. ▪ Ideal for new Trustees to learn fiduciary responsibilities, and the technical aspects of serving as a Trustee. ▪ Agenda TBA. ▪ Ideal for Plan professionals, and for Trustees who've served 3 to 5 years and completed Level I: Core Concepts. ▪ Learn from industry experts on current events and reform initiatives. ▪ Network with peers facing similar challenges – share best practices, ideas, and solutions. ▪ Gain insight and garner resource materials to share with colleagues.

Sponsor	Program	Description
<p>(IFEBP) Int'l Foundation of Employee Benefit Plans www.ifebp.org</p>	<p>Advanced Trustees & Administrators Institute June 24 – 26, 2024 Las Vegas, NV</p> <p>Trustees Masters Program (TMP) November 9 – 10, 2024 San Diego, CA</p> <p>Certificate of Achievement in Public Plan Policy (CAPPP)</p> <p>Pensions Part 1* July 30 – 31, 2024 Boston, MA</p> <p>Pensions Part II* August 1 – 2, 2024 Boston, MA & November 9 – 10, 2024 San Diego, CA</p> <p><i>*(Completion of Part I and Part II, along with a take-home exam, are required to earn a CAPPP in pensions.)</i></p>	<ul style="list-style-type: none"> ▪ Ideal for Trustees and Plan administrators who've served less than two years and seek to network and learn about the latest industry trends, legal and regulatory changes, and best practices on how to address current challenges. ▪ Agenda TBA. ▪ For advanced-level trustees who have at least five years of experience and have attended at least two International Foundation conferences. ▪ Gain deeper insights, interact with peers, earn a TMP certificate, and receive special recognition through tiered program completion. ▪ For all-level Trustees. ▪ Pension-related topics include actuarial principles, fiduciary responsibility, governance, legal, legislative, & regulatory developments. ▪ Gain comprehensive knowledge of public employee plan management and learn targeted information to aid in policy-making decisions.
<p>(CII) Council of Institutional Investors www.cii.org</p>	<p>2024 Fall Conference September 9 – 11, 2024 Brooklyn, NY</p> <p>CII Spring Conference & 40th Anniversary Celebration March 10 – 12, 2025</p>	<ul style="list-style-type: none"> ▪ Interact with representatives in investments, legislators, regulators, and other corporate governance professionals. Hear from special guests; learn and share best practices. This event hosts more than 500+ attendees. ▪ Interact and share best practices with Corporate Governance Professionals, other investors, legislators, and regulators – make global contacts.

Sponsor	Program	Description
<p>(NCPERS)</p> <p>National Conference on Public Employee Retirement Systems</p> <p>www.ncpers.org</p>	<p>2024 NCPERS Trustee Educational Seminar (TEDS)* May 18-19, 2024 Seattle, WA</p> <p>2024 NCPERS Accredited Fiduciary (NAF)**</p> <p>NAF Modules 1 & 2 May 18 – 19, 2024</p> <p>NAF Modules 3 & 4 May 18 – 19, 2024</p> <p>*(Runs concurrently with the Annual Conference & Exhibition (ACE)).</p> <p>**Trustees who wish to earn their NCPERS Accredited Fiduciary (NAF) accreditation take TEDS first.</p> <p>2024 Annual Conference & Exhibition (ACE) May 19-22, 2024 Seattle, WA</p>	<ul style="list-style-type: none"> ▪ Gain comprehensive insights into Trustee responsibilities, investment strategies, and pension management. ▪ Engage in interactive sessions covering plan governance, investment roles, actuarial valuations, funding policies, fiduciary duties, and asset allocation challenges. ▪ For Trustees with at least five years of experience. Trustee Education Seminar (TEDS) is a pre-requisite. ▪ Earn continuing education credits. ▪ Strengthen knowledge of pensions and governance. ▪ Topics include investing principles, understanding actuarial science, board policies and fundamental concepts. ▪ Good for new and experienced Trustees, administrators, public pension plan members, staff, local officials, and financial and union officers. ▪ The new Trustees session occurs immediately before the conference.
<p>(NCTR)</p> <p>National Council on Teacher Retirement</p> <p>www.nctr.org</p>	<p>NCTR’s 24th Annual Trustee Workshop July 21-24, 2024 Berkeley, CA</p> <p>NCTR’s 102nd Conference October 5 – 9, 2024 Atlanta, GA</p>	<ul style="list-style-type: none"> ▪ Good for new and experienced Trustees. ▪ Workshop sessions. ▪ Ideal for all pension system staff, members, and key stakeholders. ▪ Agenda TBD.

NHRS Abbreviations and Acronyms

BENEFITS

ADR	= Accidental Disability Retirement (job-related)
AFC	= Average Final Compensation
COB	= Compensation over base pay
COLAs	= Cost of Living Adjustments
EDD	= Electronic Direct Deposit
ESDP	= Extra or Special Duty Pay
GI/GII	= Group I (Employee, Teacher) / Group II (Police, Fire)
GO	= Gainful Occupation
IME	= Independent Medical Examiner/Examination
ODR	= Ordinary Disability Retirement (non-job-related)
QDRO	= Qualified Domestic Relations Order
Tier A	= Members vested prior to 1/1/12
Tier B	= Members in service prior to 7/1/11 but not vested prior to 1/1/12
Tier C	= Members hired on or after 7/1/11
TPS	= Treating Physician's Statement
TSA	= Temporary Supplemental Allowance (a one-time retiree payment)

BUSINESS OPERATIONS/VENDORS

APs	= Action Plans
DRAPP	= Data Risk Assessment Project Plan
GRS	= Gabriel, Roeder, Smith & Co (NHRS actuary)
KPMs	= Key Performance Measures
LRS	= Levi, Ray and Shoup, Inc. (PensionGold vendor)

PM	= Plante Moran (NHRS external auditor)
PPM	= Policy and Procedure Manager (database software system for NHRS policies/procedures)
PIP	= Process Improvement Program

GENERAL

ACFR	= Annual Comprehensive Financial Report
AU	= Audit
BOT	= Board of Trustees
CAIR	= Comprehensive Annual Investment Report
EE	= Employee
ER	= Employer
FA	= Facilities
HB 2	= House Bill 2 (2011 version, which made major changes to NHRS benefits)
IIC	= Independent Investment Committee
JLMC	= Joint Loss Management Committee (a.k.a. Safety Committee)
MS	= Member Services
NHRS	= New Hampshire Retirement System
OPEB	= Other Post-Employment Benefits (i.e. Medical Subsidy)
PIO	= Public Information Office(r)
PPCC	= Personnel, Performance and Compensation Committee
P. Sub (or "subs")	= Political Subdivision (i.e. any NHRS employer other than the state)
RTK	= Right to Know request
SAU	= School Administrative Unit
SD	= School District
UAAL	= Unfunded Actuarial Accrued Liability

IT

CO-LO	= Co-location site for backup servers
DRS	= NHRS Data Reporting System (employer portal)
PG	= Pension Gold (current pension application from LRS)
PGV3	= Pension Gold Version 3 project

LEGISLATIVE

ED&A	= House (or Senate) Executive Departments and Administration Committee
HB	= House Bill
ITL	= Inexpedient to Legislate
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
SB	= Senate Bill
SH	= State House
VV	= Voice Vote

OTHER

BCCRR	= Boston College Center for Retirement Research
COB	= Close of Business
EOB	= End of Business
GASB	= Governmental Accounting Standards Board
G&C	= Governor & Executive Council
JRP	= Judicial Retirement Plan (not affiliated with NHRS)

NASRA	= National Association of State Retirement Administrators
NCPERS	= National Council on Public Employee Retirement Systems
NCTR	= National Council on Teachers Retirement
NIRS	= National Institute for Retirement Security