

Board - October 2026

New Hampshire Retirement System
Board of Trustees Meeting



October 13, 2026 09:30 AM Eastern Time (US and Canada)

Agenda Topic	Presenter	Time	Page
1. Ascertain Quorum and Call to Order	M. Kelliher	09:30 AM-09:35 AM	
2. Approval of Minutes	M. Kelliher	09:35 AM-09:40 AM	4
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2026 Succession Plan Review			
4. Retiree Reemployment and Federal Considerations Presentation	A. Ferguson & N. Giambarrese, Ice Miller	10:10 AM-10:40 AM	217
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Remote Access Information:

Microsoft Teams Meeting

Meeting ID: 267 525 565 622 672

Passcode: HX6VG7Es

Join: <https://teams.microsoft.com/meet/267525565622672?p=m7MUQ2a1M3qgzpoqVY>

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

NHRS Board of Trustees

DRAFT Minutes – August 11, 2026

Note: These **draft** minutes from the August 11, 2026, Public Session are subject to approval at a subsequent Board of Trustees meeting.

Board of Trustees

August 11, 2026

DRAFT Public Minutes

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

Participating: Maureen Kelliher, Chair; Trustees Robert Maloney, Leah McKenna, Monica Mezzapelle, Charles Nickerson, Joshua Quigley, Don Roy, and Steve Saltzman.

Absent: Trustees Jon Frederick, Sue Hannan, Andrew Martineau, and Ken Merrifield.

Staff: Jan Goodwin, Executive Director; Diana Crichton, Associate Counsel and Compliance Officer; Ashley Crutchfield, Director of Communications & Legislative Affairs; Sonja Gonzalez, Chief Information Technology Officer (CITO); Annie Gregori, Chief Legal Counsel; Raynald Leveque, Chief Investment Officer (CIO); Nancy Miller, Director of Member Services; Marie Mullen, Chief Financial Officer (CFO); Karen Nixon, Employer Operations Manager; and Mariel Holdredge, Executive Assistant.

Chair Kelliher called the August 11, 2026, regular meeting of the NHRS Board of Trustees to order at 9:31 a.m.

After ascertaining a quorum, Chair Kelliher called for a vote to approve the minutes of the June 9, 2026, Board meeting.

On a motion by Trustee Roy, seconded by Trustee Nickerson, the Board voted unanimously to approve the meeting minutes as presented.

Trustee Mezzapelle reported on the Audit Committee meeting held earlier that morning. Sarah Lutzke of Wipfli Advisory, LLC, presented the internal control risk assessment and the internal audit plan for audits running from September 2026 through February 2027. Staff updated the Committee on the Open Audit Issues Tracking Report, death benefit overpayment collections, and cybersecurity.

Trustee Roy reported on the July 20, 2026, Governance Committee meeting. The Committee approved renewal of the cybersecurity insurance policy with the current provider and reviewed

the FY 26 Office of Foreign Assets Control annual compliance report, which noted no known violations. Outside counsel from Ice Miller advised the Committee on retiree return-to-work, and the Committee will develop policies for future Board consideration.

CIO Raynald Leveque reported on the June 9 and June 23, 2026, Investment Committee meetings. The Committee selected the emerging markets equity managers for the Non-U.S. Emerging Markets portfolio restructuring and extended agreements with BNY Mellon through 2028 and BlackRock through 2031. The total fund returned a preliminary net return of 11.83% for FY 26, with plan assets totaling \$14.7 billion.

Chair Kelliher took this item out of order to accommodate the presenter. CIO Leveque introduced Masmin Phelan of Wellington Management Company, who introduced Geopolitical Strategist Thomas Mucha. Mr. Mucha discussed the geopolitical backdrop, including a durable shift in policymaker priorities from globalization toward national security and resilience. Discussion followed on the transition period, sovereign debt, inflation, and NHRS' passive allocation.

In Trustee Merrifield's absence, Trustee Quigley delivered the Legislative Committee update. The Committee has not met since the last Board meeting. Legislators introduced 18 NHRS-related bills in the 2026 session and enacted four, including House Bill 1109 and Senate Bill 502.

In Trustee Frederick's absence, Trustee Roy reported on the Benefits Committee meetings of July 7 and August 4, 2026. The Committee approved nine disability applications at the July meeting and two at the August meeting.

In Trustee Hannan's absence, Trustee Quigley reported that the Personnel, Performance & Compensation Committee has not met since the last Board meeting. The Committee anticipates meeting before the October Board meeting.

Executive Director Jan Goodwin introduced Casey Ahlbrandt-Rains, Jeff Tebeau and Heidi Barry, with Gabriel, Roeder, Smith & Company. Mr. Ahlbrandt-Rains presented the 2026 stress test report, which is based on the June 30, 2025, valuation. The report models a market downturn in FY 27, investment returns above and below the assumed rate of return and higher wage inflation. He reported that NHRS' current assumptions fall in the middle of the range of reasonable assumptions.

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

Executive Director Goodwin delivered her operating report. Funston Advisory Services' first pension plan transparency report ranks NHRS eleventh of 71 systems overall. Key Performance Measure scores for May and June were 96.67% and 97.06%. The renovation project as of July is at \$2,134,679 against an approved budget of \$2,099,701, a variance of \$34,978 or 1.7%. By comparison, 35% to 85% of commercial renovation projects exceed budget, typically by 15% to 30%. Trustees commended staff on the result, and Director Goodwin credited CFO Marie Mullen, CIO Raynald Leveque and CITO Sonja Gonzalez for holding contractors to schedule and budget.

Director Nancy Miller reported that NHRS placed 565 new retirees on the July payroll. Member Services is working on HB 282 Phase IV, which covers split benefit and maximum benefit

calculations. Staff is also answering census questions from NHRS' external auditor, Plante Moran. The department is preparing for the September internal audit and recruiting and training Contact Center staff.

CFO Mullen provided an update on Finance Department activities, noting that FY 26 net position through May increased \$1.2 billion, or 9.3%, to \$14.7 billion and administrative expenses remained within budget. Finance expects to complete the Workiva annual report software implementation by the end of August and is working with Member Services, Information Technology (IT) and Legal to strengthen *My Account* security.

CFO Mullen then presented the proposed FYs 28-29 Statutory Administrative Budget and revised schedule reflecting updated State of New Hampshire estimates for employee medical and retiree health costs. The budget aligns with NHRS' three-year strategic plan, adds no full-time equivalent positions, and increases 0.5% in FY 28 (compared to FY 27) and 6.8% in FY 29 (compared to FY 28), with benefits, IT and consulting driving most of the growth.

On a motion by Trustee Maloney, seconded by Trustee Nickerson, the Board voted unanimously to approve the Statutory Administrative Budget for FYs 28-29 as presented.

Employer Operations Manager Karen Nixon presented results from NHRS' first annual employer survey. NHRS sent the survey to all participating employers in late May and received a 29% response rate, at the high end of the 10% to 30% typical range for digital surveys. Employers gave feedback on staffing, training needs, monthly reporting time, website use and reporting exceptions. The resulting action plan includes an employer onboarding program, expanded training, a salary variance flagging proposal and clearer exception wording.

In Chief Human Resources (HR) Officer Rosamond Cain's absence, Executive Director Goodwin presented the HR report. NHRS is recruiting for six positions and has filled five positions. HR is also updating training manuals and position descriptions, planning the September employee appreciation event, and researching the feasibility of an NHRS internship program.

Director Ashley Crutchfield reported on Public Information Office (PIO) activities. The NHRS website accessibility score stands at 97.3%, excluding PDFs, above the 95% threshold required by April 2027. PIO hosted or participated in 11 member education events in June and July and is preparing a Request for Proposal for a new NHRS website.

CITO Sonja Gonzalez reported that IT deployed HB 282 Phase III and has Phase IV in progress. The department completed the premise server room and remaining building move tasks, and continues work on PensionGold (PG) enhancements, the PG Secure project, its cybersecurity posture, and updates to policies and the project portfolio.

Chief Legal Counsel Annie Gregori reported that Legal substantially completed a broad review of plan operations, compliance and related risks and continues to support HB 282 implementation. Legal is working with the Governance Committee on retiree return-to-work, independent contractor determinations and optional-membership, and is coordinating with departments on related process improvements and potential legislative or rule changes. Legal is also strengthening cybersecurity governance and its securities litigation monitoring practice.

CIO Leveque reported that the Investment Committee meets on August 25, 2026. Staff will recommend a U.S. enhanced indexing strategy, and a private infrastructure manager and a private credit manager will present to the Committee. The Investment Office will implement an analytics platform this year.

There were no Trustee travel reports or requests.

Executive Director Goodwin reported on the Action Items from the June 9, 2026, Board meeting. The staff will have completed all items upon conclusion of the meeting. Director Goodwin thanked the Legal and PIO teams for the revised Governance Manual and for making the document accessible to users.

Chair Kelliher opened the floor for checkpoint discussion. Trustees raised no items.

With no further business to discuss, on a motion by Trustee Roy, seconded by Trustee Saltzman, the Board voted unanimously to adjourn the meeting at 11:52 a.m.

Respectfully submitted,

Mariel Holdredge
Executive Assistant

AUDIT COMMITTEE

To: Audit Committee
Board of Trustees

Copy: Jan Goodwin, Executive Director
NHRS

From: Sarah Lutzke, Partner
Wipfli LLP

Date: October 2, 2026

Re: Internal audit update

The completed risk assessment and drafted annual audit plan included both member services and employer reporting as the first two internal audits. These two audits include a total of five auditable functions. This memo serves to provide a further understanding of the internal audit process and next steps for Wipfli and management. It is for your information only.

All internal audits performed by Wipfli will follow the same general format, including the following three components:

Planning

Audit milestones will be agreed upon between Wipfli and management. Wipfli will send a documentation request list and hold a kick-off meeting to better understand the area under audit and answer management questions. Management will compile requested documentation and be available for interviews and additional documentation requests during the agreed-upon audit week.

Audit walkthroughs and testing

The audit will be conducted in accordance with professional internal auditing standards and will include a process understanding (review of key policies and procedures as well as interviews of key personnel), control evaluation (assessment of control design and identification of key risks and mitigating controls), and control testing (observation of audit evidence and sample-based testing of activities).

Reporting

An exit meeting will be held with management at the conclusion of our testing. Management will be provided a draft report for their use in crafting management responses and corrective action plans. A final report will be provided to the Audit Committee that includes an overall rating, summary of procedures performed, detailed observations and recommendations, management responses and corrective action plans.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Member Services (October 2026)

Audit Objectives

The objectives of the internal audit are to determine whether:

1. Monthly payroll processing controls are adequately designed and operating effectively.
2. Benefit payments are accurate, authorized, and processed timely.
3. Retiree deductions are established, modified, and discontinued only upon proper authorization.
4. Deduction calculations are accurate and consistently applied.
5. Payroll review and approval controls are functioning as intended.
6. Deduction remittances are complete, accurate, and timely.
7. Payroll and deduction reconciliations are performed and independently reviewed.
8. User access and segregation-of-duty controls appropriately limit the risk of unauthorized transactions.
9. Exception processing, adjustments, and overrides are adequately controlled and monitored.

Key Risks Considered

- Unauthorized payroll changes
- Incorrect benefit payments
- Improper deduction setup or maintenance
- Failure to timely remit deductions to third parties
- Unauthorized direct deposit changes
- Inadequate segregation of duties
- Inaccurate financial reporting and reconciliation activity

We issued a request for information the week of October 5, expect to perform our testing the week of October 26, issue a draft of the report to management by November 13, and a final report by November 30 – with a presentation of the results to the Audit Committee at the meeting on December 8, 2026. This project is slightly behind schedule due to a delay in Wipfli completing planning for this audit; however, a new milestone document has been completed and no additional delays expected or known at this time.

Employer Reporting (November 2026)

Audit Objectives

The objectives of the internal audit are to determine whether:

1. Employer contributions are accurately calculated, reported, and recorded.
2. Voucher generation and billing processes operate effectively.
3. Employer payments are processed accurately and timely.
4. Penalties are assessed consistently and in accordance with policy.
5. Reporting exceptions and delinquent employer activity are effectively monitored and resolved.
6. Access controls and segregation-of-duties controls are operating effectively.

7. Reconciliations provide assurance over the completeness and accuracy of reported contributions and collections.

Key Risks Considered

- Inaccurate employer contribution calculations.
- Missing or incomplete employer reporting.
- Incorrect billing and voucher generation.
- Untimely collection of contributions.
- Unauthorized adjustments.
- Inconsistent penalty administration.
- Financial reporting inaccuracies.
- Inadequate monitoring of delinquent employers.

We expect to issue a request for information no later than October 16, expect to perform our testing the week of November 16, issue a draft of the report to management by December 11 and a final report by December 30 – with a presentation of the results to the Audit Committee at the January 2027 meeting. This project is currently on schedule with no delays expected or known at this time.

Thank you,

Sarah Lutzke
sglutzke@wipfli.com
651.766.2892

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

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GOVERNANCE COMMITTEE



To: Board of Trustees
 From: Annie Gregori, Chief Legal Counsel
 Date: October 1, 2026
 Re: Employment of Retirees by NHRS Participating Employers
 Item: Action: ☒ Discussion: ☐ Informational: ☐

Recommendation

The Governance Committee voted on October 1, 2026, to recommend to the Board of Trustees that it adopt the proposed Retiree Return-to-Work Policy with an effective date of January 1, 2027.

Summary

Legal, in consultation with outside tax counsel, reviewed NHRS' existing retiree return-to-work practices against applicable state and federal requirements.

The principal changes are:

- **Bona fide separation:** Reinforces the 28-day separation period before a retiree who has experienced a bona fide separation from service may return to work for the same participating employer.
- **Independent contractors:** Clarifies when services performed by a retiree as an independent contractor will be treated as employment for NHRS purposes and subject to return-to-work requirements.
- **Participating employers:** Consistent with RSA 100-A, clarifies that participating employers are generally treated separately for return-to-work purposes, except the State, which is treated as a single employer.
- **Consistent administration:** Establishes uniform rules for the annual part-time hour limitation, employer reporting, required certifications, and related administration.
- **Prospective implementation:** Applies the revised policy prospectively beginning January 1, 2027, including prospective treatment of existing independent-contractor arrangements as described in the policy.

Governance Manual
NHRS Board of Trustees

5.8 – Policy on Retiree Employment by NHRS Participating Employers

Date Adopted:

I. Purpose and Intent

This policy establishes the requirements for NHRS retirees performing post-retirement Services for an NHRS participating employer. It is intended to ensure compliance with RSA chapter 100-A and applicable federal qualification requirements under Internal Revenue Code (“IRC”) §§ 401(a) and 414(d) and the applicable Treasury Regulations (“Treas. Reg.”). This policy applies to Services performed by a retiree for an NHRS participating employer. Applicable law and administrative rules and regulations control in the event of a conflict.

II. Applicable Law, Administrative Rules, and Regulations

RSA ch. 100-A
 IRC §§ 401(a) and 414(d)
 IRC § 72(t)
 Treas. Reg. § 1.401(a)-1(b)(1)–(3) and § 1.401(k)-1(a)(3)(v)
 Board Policy 5.5 – Voluntary Correction Program Policy

III. Definitions

- A. Bona Fide Separation from Service** means a termination from employment, where:
1. an employee is no longer performing Services for an Employer; and
 2. at the time of separation, the member and Terminating Employer have no written or oral agreement, commitment, promise, or mutual understanding, that the member will return at a later day to perform Services for that employer.
- B. Certification at Retirement** means a certification from the member and Terminating Employer at retirement confirming that a Bona Fide Separation from Service has occurred.
- C. Early Distribution Tax** is the additional federal income tax imposed under the Internal Revenue Code on distributions from a qualified retirement plan before age 59 ½, unless an exception applies.
- D. Employer** is an employer as defined in RSA 100-A:1, IV. NHRS participating employers are generally treated as separate employers. The State of New Hampshire is a single employer.

- E. **Hiring Employer** is the participating NHRS employer for which a retiree performs Services after retirement.
- F. **Services** means any work, whether full-time, part-time, or volunteer, performed for a participating employer, directly or indirectly, in any capacity, including as an employee, consultant, independent contractor, temporary or leased worker, vendor-supplied worker, or through another entity or third party.
- G. **Terminating Employer** is the Employer from which the member separates immediately before retirement.

IV. Post Retirement Reemployment Requirements

- A. **Bona Fide Separation from Service.** A member who retires from NHRS covered employment must have a Bona Fide Separation from Service from the Terminating Employer before receiving a retirement allowance. A mere reduction in hours or a change in title, payroll source, worker classification, or payment arrangement does not constitute a separation from employment.
- B. **Mandatory 28-Day Reemployment Restriction.** A retiree may not perform Services for any participating employer during the first 28 days following the effective date of retirement. The 28-day period is a statutory minimum. Completion of the 28-day period does not cure a prearranged return to the Terminating Employer, as described in Section III(A)(2).
- C. **Services.** Post-retirement Services will be evaluated based on the substance of the working relationship, regardless of title, worker classification, contracting arrangement, or method of payment. A retiree may not avoid the 28-day restriction, membership requirements, or annual hour limitation through a different contractual or payment arrangement.
- D. **Mandatory Membership.** A retiree who returns to a position requiring mandatory membership will be restored to active service, and their retirement allowance will cease.
- E. **Annual Hour Limit.** Unless a statutory exception applies, a retiree may not perform more than 1,352 hours of Services during a calendar year for all participating employers combined in any capacity.
- F. **Membership-Optional Positions.** NHRS Staff must review reemployment in a membership-optional position for a Bona Fide Separation from Service before NHRS continues the retirement allowance or records a membership election.
- G. **Certification at Retirement.** A certification from the member and Terminating Employer confirming that a Bona Fide Separation from Service has occurred is required.

V. Responsibilities

- A.** Retirees must provide complete and accurate information, disclose planned and actual post-retirement Services, comply with the 28-day restriction, and monitor total annual hours.
- B.** Hiring Employers must identify retirees performing Services, provide required information and certifications, maintain supporting records, and submit required reports to NHRS.
- C.** NHRS Staff are responsible for administering certifications, membership determinations, employer reporting, hour monitoring, and documentation and development of process documentation consistent with this policy.
- D.** NHRS will take the appropriate corrective action when a retirement or reemployment arrangement is inconsistent with RSA chapter 100-A or applicable federal qualification requirements.



To: Board of Trustees
 From: Annie Gregori, Chief Legal Counsel
 Date: October 1, 2026
 Re: Compliance Review Proposal
 Item: Action: ☒ Discussion: ☐ Informational: ☐

Summary

At the October 1, 2026, Governance Committee meeting, the Committee reviewed a recommendation to engage independent legal counsel to conduct plan compliance and cybersecurity reviews.

These reviews will provide the Board with independent assurance that NHRS is:

- maintaining the System's federal tax-qualified status and identifying any required corrective action;
- operating consistently with applicable legal and fiduciary requirements; and
- appropriately addressing cybersecurity and data-protection risk, which represents one of the most significant enterprise risks facing retirement systems given the volume and sensitivity of member financial and personal information maintained by NHRS, including Social Security numbers, employment and salary histories, banking information, marital status, spouse and beneficiary designations.

Requiring periodic independent compliance reviews is an important component of the Board's fiduciary oversight. These reviews will help the Board identify and address legal, qualification, privacy, cybersecurity, and operational risks before they result in harm to members or the System. Engaging specialized counsel will provide a documented and informed basis for Board oversight of these responsibilities.

Last year, the Board approved an evaluation of NHRS' IT environment and cybersecurity posture from a technical and operational perspective, including infrastructure, cybersecurity readiness, cloud hosting, and IT governance by Linea. The proposed Ice Miller review does not duplicate the 2025 Linea assessment. Ice Miller would provide complementary legal and compliance review evaluating whether NHRS' governance structure, policies, contractual protections, incident-response framework, and Board oversight appropriately address applicable legal, fiduciary, and compliance obligations. The two reviews answer different questions: Linea assessed whether the technology and

security controls are sound; Ice Miller would assess whether NHRS' legal and governance framework adequately manages the resulting risk.

Cost and Budget

- A. Ice Miller's proposed "Comply Now" service would review the current NHRS Plan document for compliance in form with applicable Internal Revenue Code requirements. The review would use the Plan's June 18, 2014, favorable IRS determination letter as its baseline, consider subsequent federal legal developments, identify required amendments, and provide a compliance letter if recommended amendments were timely adopted. The last comprehensive review of compliance operations appears to have been completed in 2013-2014, when NHRS engaged in a Process Improvement effort that was described in meeting minutes as a "massive undertaking," and when NHRS filed for its last IRS determination letter.

The proposed flat fee for this service is \$8,500.

- B. Ice Miller's proposed cybersecurity and privacy engagement would assess NHRS' information-governance program, incident-response plan, staff and Board training, vendor agreements, cyber-liability insurance, data-retention practices, and related legal compliance. The engagement would also include a compliance-focused tabletop exercise and a privileged memorandum identifying gaps and recommending policy, procedural, and contractual improvements.

The proposed flat fee is \$43,000, and the fixed-fee arrangement would provide greater budget certainty while addressing the principal legal components of NHRS' cybersecurity and privacy program.

Requested Action

For the reasons outlined above, the Governance Committee recommends that the full Board authorize the proposed independent compliance, cybersecurity and privacy reviews, consistent with the approved budget, and direct that the results and any material recommendations be reported to the appropriate Board committee and the full Board.

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INDEPENDENT INVESTMENT COMMITTEE

Independent Investment Committee's Monthly Report to the Board

NHRS Investment Team
Board of Trustees Meeting
October 13, 2026

Total Plan Performance as of August 31, 2026 (Preliminary)



Net of Fees Returns for Periods Ended August 31, 2026									
Composite	Total Fund Weighting As of 8/31/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Global Equity	46.90%	1.98%	1.91%	1.96%	13.59%	19.40%	-	-	-
MSCI ACWI IMI		2.79%	1.90%	2.52%	14.58%	22.35%	-	-	-
Excess Return		-0.81%	0.02%	-0.56%	-1.00%	-2.95%	-	-	-
Total Domestic Equity	26.71%	2.44%	2.15%	2.09%	16.75%	21.83%	18.91%	10.75%	13.43%
Domestic Equity Benchmark(1)		2.74%	1.95%	2.26%	13.37%	20.10%	20.62%	11.80%	14.77%
Excess Return		-0.30%	0.20%	-0.18%	3.38%	1.73%	-1.71%	-1.05%	-1.34%
Total Non US Equity	20.19%	1.38%	1.48%	1.80%	9.87%	16.39%	16.27%	7.61%	8.92%
Non US Equity Benchmark(2)		3.01%	2.13%	3.19%	16.67%	26.37%	20.02%	9.25%	9.59%
Excess Return		-1.64%	-0.65%	-1.40%	-6.79%	-9.97%	-3.75%	-1.64%	-0.67%
Total Fixed Income	26.95%	0.37%	-0.56%	-0.85%	-0.01%	2.15%	4.72%	0.48%	2.43%
Bloomberg Capital Universe Bond Index		0.43%	-0.54%	-0.80%	-0.03%	2.23%	4.60%	0.10%	1.77%
Excess Return		-0.06%	-0.02%	-0.05%	0.02%	-0.08%	0.12%	0.38%	0.65%
Total Cash	1.44%	0.28%	0.87%	0.59%	2.44%	3.79%	4.61%	3.74%	2.49%
3-Month Treasury Bill		0.28%	0.90%	0.61%	2.37%	3.71%	4.56%	3.65%	2.40%
Excess Return		-0.01%	-0.03%	-0.03%	0.07%	0.08%	0.06%	0.09%	0.09%
Total Real Estate (Q1)*	8.80%	0.04%	1.31%	0.25%	3.23%	4.01%	-0.12%	3.63%	6.45%
Real Estate Benchmark(3)		0.43%	1.20%	0.85%	2.62%	3.43%	-1.90%	2.02%	3.75%
Excess Return		-0.38%	0.10%	-0.60%	0.62%	0.58%	1.78%	1.61%	2.70%
Total Infrastructure (Q1)**	0.15%	-	-	-	-	-	-	-	-
Infrastructure Benchmark		-	-	-	-	-	-	-	-
Excess Return		-	-	-	-	-	-	-	-
Total Private Equity (Q1)*	10.61%	0.00%	-3.26%	-1.98%	-1.57%	0.19%	3.13%	4.42%	11.21%
Private Equity Benchmark(4)		5.16%	10.52%	15.95%	15.26%	31.62%	25.38%	16.10%	18.35%
Excess Return		-5.16%	-13.78%	-17.93%	-16.83%	-31.43%	-22.26%	-11.68%	-7.14%
Total Private Debt (Q1)*	5.14%	0.01%	1.91%	0.01%	3.34%	5.25%	5.30%	6.13%	5.98%
Private Debt Benchmark(5)		0.57%	2.16%	2.07%	3.52%	7.54%	10.05%	6.43%	5.51%
Excess Return		-0.56%	-0.25%	-2.06%	-0.18%	-2.29%	-4.75%	-0.30%	0.47%
Total Fund Composite	100.00%	1.03%	0.58%	0.49%	6.43%	10.06%	10.26%	6.11%	8.57%
Total Fund Benchmark(6)		2.09%	2.12%	2.81%	9.34%	15.47%	14.05%	7.77%	9.38%
Excess Return		-1.06%	-1.55%	-2.32%	-2.91%	-5.41%	-3.79%	-1.66%	-0.80%

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

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

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

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

(5) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 Idx + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.

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

(7) For the trailing 25 year period ended 8/31/26, the Total Fund has returned 7.06% versus the Total Fund Custom Benchmark return of 7.77%.

*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter. Lagged market values are carried forward, resulting in a temporary reported return near 0% for the current month.

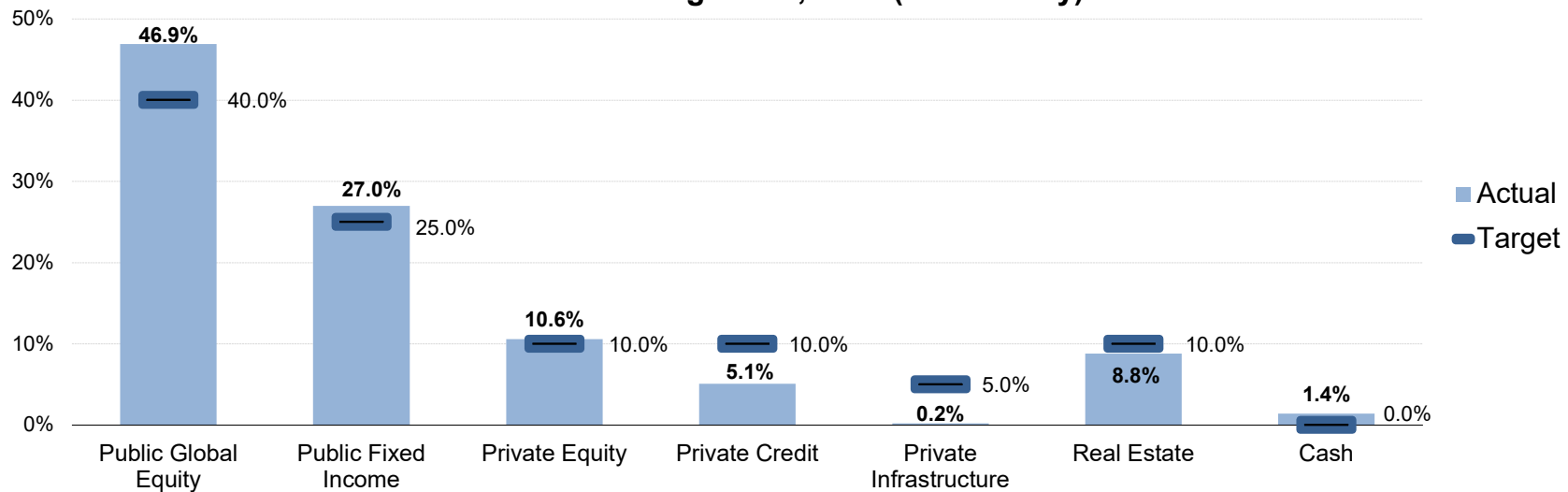
**Infrastructure was funded July 2026 with no valuations changes during August 2026.

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

Source: Callan

Asset Class Policy Targets vs. Actual Allocation

**Asset Class Targets vs. Actual Allocation
as of August 31, 2026 (Preliminary)**



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

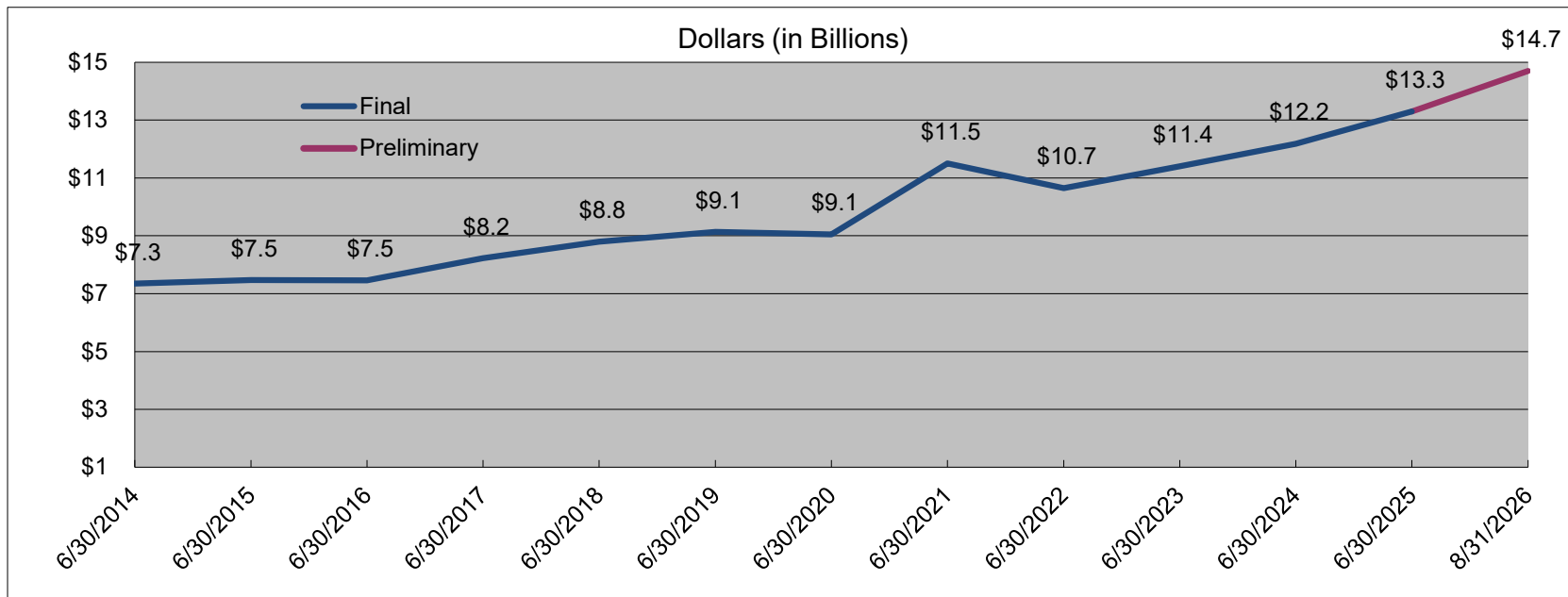
Asset Class	Policy		
	Policy Target	Actual	Range
Public Global Equity	40.0%	46.9%	30 - 50%
Public Fixed Income	25.0%	27.0%	18 - 32%
Private Equity	10.0%	10.6%	5 - 15%
Private Credit	10.0%	5.1%	0 - 15%
Private Infrastructure	5.0%	0.2%	0 - 15%
Real Estate	10.0%	8.8%	5 - 20%
Cash	0.0%	1.4%	0 - 5%
	100.0%		

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

Source: NHRS

Total Fund Market Value

Fiscal Year Ended	Dollars (in Billions)
6/30/2014	\$ 7.3
6/30/2015	\$ 7.5
6/30/2016	\$ 7.5
6/30/2017	\$ 8.2
6/30/2018	\$ 8.8
6/30/2019	\$ 9.1
6/30/2020	\$ 9.1
6/30/2021	\$ 11.5
6/30/2022	\$ 10.7
6/30/2023	\$ 11.4
6/30/2024	\$ 12.2
6/30/2025	\$ 13.3 Final
8/31/2026	\$ 14.7 Preliminary



Source: NHRS

Callan

August 31, 2026



New Hampshire Retirement System

Investment Measurement Service Monthly Review

Asset Class Excess Returns

August 31, 2026

The table below details the rates of return for the fund's asset classes over various time periods ended August 31, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Composite	Net of Fees Returns for Periods Ended August 31, 2026								
	Total Fund Weighting As of 8/31/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Global Equity	46.90%	1.98%	1.91%	1.96%	13.59%	19.40%	-	-	-
MSCI ACWI IMI		2.79%	1.90%	2.52%	14.58%	22.35%	-	-	-
Excess Return		-0.81%	0.02%	-0.56%	-1.00%	-2.95%	-	-	-
Total Domestic Equity	26.71%	2.44%	2.15%	2.09%	16.75%	21.83%	18.91%	10.75%	13.43%
Domestic Equity Benchmark(1)		2.74%	1.95%	2.26%	13.37%	20.10%	20.62%	11.80%	14.77%
Excess Return		-0.30%	0.20%	-0.18%	3.38%	1.73%	-1.71%	-1.05%	-1.34%
Total Non US Equity	20.19%	1.38%	1.48%	1.80%	9.87%	16.39%	16.27%	7.61%	8.92%
Non US Equity Benchmark(2)		3.01%	2.13%	3.19%	16.67%	26.37%	20.02%	9.25%	9.59%
Excess Return		-1.64%	-0.65%	-1.40%	-6.79%	-9.97%	-3.75%	-1.64%	-0.67%
Total Fixed Income	26.95%	0.37%	-0.56%	-0.85%	-0.01%	2.15%	4.72%	0.48%	2.43%
Bloomberg Capital Universe Bond Index		0.43%	-0.54%	-0.80%	-0.03%	2.23%	4.60%	0.10%	1.77%
Excess Return		-0.06%	-0.02%	-0.05%	0.02%	-0.08%	0.12%	0.38%	0.65%
Total Cash	1.44%	0.28%	0.87%	0.59%	2.44%	3.79%	4.61%	3.74%	2.49%
3-Month Treasury Bill		0.28%	0.90%	0.61%	2.37%	3.71%	4.56%	3.65%	2.40%
Excess Return		-0.01%	-0.03%	-0.03%	0.07%	0.08%	0.06%	0.09%	0.09%
Total Real Estate (Q1)*	8.80%	0.04%	1.31%	0.25%	3.23%	4.01%	-0.12%	3.63%	6.45%
Real Estate Benchmark(3)		0.43%	1.20%	0.85%	2.62%	3.43%	-1.90%	2.02%	3.75%
Excess Return		-0.38%	0.10%	-0.60%	0.62%	0.58%	1.78%	1.61%	2.70%
Total Infrastructure (Q1)**	0.15%	-	-	-	-	-	-	-	-
Infrastructure Benchmark		-	-	-	-	-	-	-	-
Excess Return		-	-	-	-	-	-	-	-
Total Private Equity (Q1)*	10.61%	0.00%	-3.26%	-1.98%	-1.57%	0.19%	3.13%	4.42%	11.21%
Private Equity Benchmark(4)		5.16%	10.52%	15.95%	15.26%	31.62%	25.38%	16.10%	18.35%
Excess Return		-5.16%	-13.78%	-17.93%	-16.83%	-31.43%	-22.26%	-11.68%	-7.14%
Total Private Debt (Q1)*	5.14%	0.01%	1.91%	0.01%	3.34%	5.25%	5.30%	6.13%	5.98%
Private Debt Benchmark(5)		0.57%	2.16%	2.07%	3.52%	7.54%	10.05%	6.43%	5.51%
Excess Return		-0.56%	-0.25%	-2.06%	-0.18%	-2.29%	-4.75%	-0.30%	0.47%
Total Fund Composite	100.00%	1.03%	0.58%	0.49%	6.43%	10.06%	10.26%	6.11%	8.57%
Total Fund Benchmark(6)		2.09%	2.12%	2.81%	9.34%	15.47%	14.05%	7.77%	9.38%
Excess Return		-1.06%	-1.55%	-2.32%	-2.91%	-5.41%	-3.79%	-1.66%	-0.80%

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

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

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

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

(5) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 ldx + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.

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

(7) For the trailing 25 year period ended 8/31/26, the Total Fund has returned 7.06% versus the Total Fund Custom Benchmark return of 7.77%.

*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter. Lagged market values are carried forward, resulting in a temporary reported return near 0% for the current month.

**Infrastructure was funded July 2026 with no valuations changes during August 2026.

Domestic Equity Excess Returns

August 31, 2026

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended August 31, 2026									
Composite	Total Fund Weighting As of 8/31/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	26.71%	2.44%	2.15%	2.09%	16.75%	21.83%	18.91%	10.75%	13.43%
Domestic Equity Benchmark(1)		2.74%	1.95%	2.26%	13.37%	20.10%	20.62%	11.80%	14.77%
Excess Return		-0.30%	0.20%	-0.18%	3.38%	1.73%	-1.71%	-1.05%	-1.34%
Large Cap Domestic Equity	22.56%	2.72%	1.68%	2.65%	13.13%	20.36%	21.05%	12.76%	14.71%
S&P 500 Index		2.72%	1.68%	2.66%	13.14%	20.38%	21.04%	12.79%	15.37%
Excess Return		0.00%	-0.01%	0.00%	-0.01%	-0.02%	0.01%	-0.03%	-0.66%
BlackRock S&P 500	22.56%	2.72%	1.68%	2.65%	13.13%	20.36%	21.05%	12.76%	15.34%
S&P 500 Index		2.72%	1.68%	2.66%	13.14%	20.38%	21.04%	12.79%	15.37%
Excess Return		0.00%	-0.01%	0.00%	-0.01%	-0.02%	0.01%	-0.03%	-0.03%
Smid Cap Domestic Equity	1.15%	2.15%	10.01%	6.99%	19.55%	20.87%	14.65%	6.78%	10.33%
Russell 2500 Index		1.14%	2.13%	-1.49%	20.88%	25.54%	17.48%	7.87%	11.42%
Excess Return		1.01%	7.88%	8.48%	-1.34%	-4.67%	-2.83%	-1.08%	-1.09%
TSW	1.15%	2.15%	10.01%	6.99%	18.20%	19.08%	14.14%	9.12%	8.62%
TSW Blended Benchmark (2)		1.01%	5.33%	1.08%	25.50%	30.78%	19.13%	10.38%	11.76%
Excess Return		1.15%	4.68%	5.91%	-7.29%	-11.70%	-4.98%	-1.26%	-3.13%
Small Cap Domestic Equity	3.00%	0.49%	2.57%	-3.62%	19.56%	22.19%	15.49%	8.02%	12.27%
Russell 2000 Index		0.98%	1.58%	-2.08%	20.01%	26.46%	17.46%	6.85%	10.55%
Excess Return		-0.49%	0.99%	-1.53%	-0.45%	-4.27%	-1.97%	1.18%	1.71%
Segall Bryant & Hamill	1.07%	-1.36%	3.37%	-5.83%	17.39%	18.92%	13.75%	7.74%	11.81%
Russell 2000 Index		0.98%	1.58%	-2.08%	20.01%	26.46%	17.46%	6.85%	10.55%
Excess Return		-2.34%	1.80%	-3.74%	-2.62%	-7.54%	-3.71%	0.90%	1.26%
Wellington	1.93%	1.54%	2.13%	-2.35%	22.56%	30.22%	20.37%	9.54%	13.62%
Russell 2000 Index		0.98%	1.58%	-2.08%	20.01%	26.46%	17.46%	6.85%	10.55%
Excess Return		0.57%	0.56%	-0.27%	2.55%	3.76%	2.91%	2.69%	3.07%

(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

August 31, 2026

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Composite	Net of Fees Returns for Periods Ended August 31, 2026								
	Total Fund Weighting As of 8/31/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	20.19%	1.38%	1.48%	1.80%	9.87%	16.39%	16.27%	7.61%	8.92%
Non US Equity Benchmark (1)		3.01%	2.13%	3.19%	16.67%	26.37%	20.02%	9.25%	9.59%
Excess Return		-1.64%	-0.65%	-1.40%	-6.79%	-9.97%	-3.75%	-1.64%	-0.67%
Core Non US Equity	16.63%	0.98%	1.89%	1.68%	11.84%	20.17%	18.88%	10.14%	9.72%
Core Non US Benchmark (2)		2.57%	2.32%	2.92%	17.01%	27.35%	20.22%	9.37%	9.64%
Excess Return		-1.60%	-0.43%	-1.25%	-5.17%	-7.18%	-1.34%	0.78%	0.08%
Aristotle	3.21%	1.13%	4.02%	3.91%	9.32%	14.48%	14.95%	7.02%	-
MSCI EAFE		1.99%	4.06%	3.99%	13.81%	21.62%	18.25%	9.35%	-
Excess Return		-0.86%	-0.03%	-0.07%	-4.48%	-7.14%	-3.30%	-2.34%	-
Artisan Partners	4.49%	-0.34%	0.22%	0.04%	14.67%	20.83%	22.16%	10.03%	10.60%
MSCI EAFE		1.99%	4.06%	3.99%	13.81%	21.62%	18.25%	9.35%	9.54%
Excess Return		-2.33%	-3.83%	-3.94%	0.86%	-0.79%	3.90%	0.67%	1.06%
BlackRock SuperFund	2.10%	2.53%	2.29%	2.88%	17.33%	27.58%	20.41%	-	-
MSCI ACWI Ex-US		2.57%	2.32%	2.92%	17.01%	27.35%	20.22%	-	-
Excess Return		-0.05%	-0.03%	-0.04%	0.32%	0.23%	0.19%	-	-
Causeway Capital	4.80%	0.02%	3.90%	3.40%	10.86%	22.91%	19.53%	13.97%	11.16%
MSCI EAFE		1.99%	4.06%	3.99%	13.81%	21.62%	18.25%	9.35%	9.54%
Excess Return		-1.97%	-0.16%	-0.58%	-2.94%	1.29%	1.28%	4.61%	1.63%
SSGA Transition	2.03%								
Emerging Markets	2.05%	2.65%	-0.09%	-0.24%	8.45%	10.60%	12.75%	2.31%	4.98%
MSCI EM		3.37%	-1.22%	0.19%	24.08%	39.25%	23.23%	8.18%	9.29%
Excess Return		-0.72%	1.13%	-0.43%	-15.63%	-28.64%	-10.49%	-5.88%	-4.30%
Wellington EM Systematic Equity	2.05%	2.65%	-	-	-	-	-	-	-
MSCI EM		3.37%	-	-	-	-	-	-	-
Excess Return		-0.72%	-	-	-	-	-	-	-
Non US Small Cap	1.51%	4.19%	3.00%	5.09%	16.41%	25.28%	20.26%	5.82%	5.25%
MSCI EAFE Small Cap		3.81%	1.90%	5.84%	13.93%	18.85%	17.55%	5.59%	8.67%
Excess Return		0.38%	1.10%	-0.75%	2.48%	6.43%	2.71%	0.22%	-3.42%
Wellington Int'l Small Cap Research	1.51%	4.19%	3.00%	5.09%	16.41%	25.28%	20.26%	-	-
MSCI EAFE Small Cap		3.81%	1.90%	5.84%	13.93%	18.85%	17.55%	-	-
Excess Return		0.38%	1.10%	-0.75%	2.48%	6.43%	2.71%	-	-

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

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

Fixed Income Excess Returns

August 31, 2026

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Composite	Total Fund Weighting As of 8/31/2026	Net of Fees Returns for Periods Ended August 31, 2026							
		Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Fixed Income	26.95%	0.37%	-0.56%	-0.85%	-0.01%	2.15%	4.72%	0.48%	2.43%
<i>Fixed Income Benchmark (1)</i>		0.43%	-0.54%	-0.80%	-0.03%	2.23%	4.60%	0.10%	1.77%
<i>Excess Return</i>		-0.06%	-0.02%	-0.05%	0.02%	-0.08%	0.12%	0.38%	0.65%
BlackRock SIO Bond Fund	2.11%	0.49%	0.10%	-0.45%	1.85%	4.28%	6.58%	3.12%	-
<i>BlackRock Custom Benchmark (2)</i>		0.31%	0.94%	0.62%	2.48%	3.92%	4.69%	3.81%	-
<i>Excess Return</i>		0.18%	-0.84%	-1.07%	-0.62%	0.36%	1.88%	-0.69%	-
FIAM (Fidelity) Tactical Bond	2.83%	0.46%	-0.44%	-0.89%	0.46%	2.45%	4.79%	0.99%	-
<i>Bloomberg Aggregate</i>		0.39%	-0.68%	-0.92%	-0.31%	1.89%	4.08%	-0.29%	-
<i>Excess Return</i>		0.07%	0.24%	0.03%	0.76%	0.56%	0.71%	1.27%	-
Income Research & Management	5.80%	0.36%	-0.64%	-0.93%	-0.27%	1.77%	4.10%	-0.37%	1.75%
<i>Bloomberg Gov/Credit</i>		0.35%	-0.69%	-0.94%	-0.45%	1.51%	3.88%	-0.51%	1.44%
<i>Excess Return</i>		0.01%	0.05%	0.01%	0.19%	0.27%	0.22%	0.14%	0.31%
Loomis Sayles	2.26%	0.20%	-0.34%	-0.40%	0.05%	2.45%	6.80%	2.02%	4.05%
<i>Loomis Sayles Custom Benchmark (3)</i>		0.59%	-0.10%	-0.35%	0.74%	2.94%	5.63%	1.26%	2.82%
<i>Excess Return</i>		-0.40%	-0.24%	-0.05%	-0.69%	-0.49%	1.17%	0.75%	1.23%
Manulife Core Bond	5.75%	0.34%	-0.70%	-0.99%	-0.31%	2.09%	-	-	-
<i>Bloomberg Aggregate</i>		0.39%	-0.68%	-0.92%	-0.31%	1.89%	-	-	-
<i>Excess Return</i>		-0.05%	-0.02%	-0.07%	-0.01%	0.20%	-	-	-
Mellon US Agg Bond Index	8.20%	0.39%	-0.68%	-0.91%	-0.28%	1.78%	4.03%	-	-
<i>Bloomberg Aggregate</i>		0.39%	-0.68%	-0.92%	-0.31%	1.89%	4.08%	-	-
<i>Excess Return</i>		0.00%	0.00%	0.00%	0.03%	-0.11%	-0.05%	-	-
Total Cash	1.44%	0.28%	0.87%	0.59%	2.44%	3.79%	4.61%	3.74%	2.49%
<i>3-month Treasury Bill</i>		0.28%	0.90%	0.61%	2.37%	3.71%	4.56%	3.65%	2.40%
<i>Excess Return</i>		-0.01%	-0.03%	-0.03%	0.07%	0.08%	0.06%	0.09%	0.09%
Total Marketable Assets	75.30%	1.36%	0.98%	0.91%	8.25%	12.66%	13.32%	6.56%	8.69%
<i>Total Marketable Index (4)</i>		2.00%	1.09%	1.41%	9.68%	15.45%	14.89%	7.22%	9.13%
<i>Excess Return</i>		-0.64%	-0.11%	-0.50%	-1.43%	-2.79%	-1.57%	-0.67%	-0.44%

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

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

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

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

Alternatives Excess Returns

August 31, 2026

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2026. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended August 31, 2026									
Composite	Total Fund Weighting As of 8/31/2026	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q1)* (5)	8.80%	0.04%	1.31%	0.25%	3.23%	4.01%	-0.12%	3.63%	6.45%
Real Estate Benchmark (1)		0.43%	1.20%	0.85%	2.62%	3.43%	-1.90%	2.02%	3.75%
Excess Return		-0.38%	0.10%	-0.60%	0.62%	0.58%	1.78%	1.61%	2.70%
Strategic Core Real Estate (Q1)*	4.75%	0.00%	1.09%	0.26%	3.85%	4.50%	-0.92%	3.16%	5.38%
Real Estate Benchmark (1)		0.43%	1.20%	0.85%	2.62%	3.43%	-1.90%	2.02%	3.75%
Excess Return		-0.43%	-0.11%	-0.59%	1.24%	1.07%	0.98%	1.14%	1.64%
Tactical Non-Core Real Estate (Q1)*	4.05%	0.09%	1.56%	0.23%	2.48%	3.43%	1.22%	4.45%	8.36%
Real Estate Benchmark (1)		0.43%	1.20%	0.85%	2.62%	3.43%	-1.90%	2.02%	3.75%
Excess Return		-0.33%	0.36%	-0.62%	-0.13%	-0.01%	3.12%	2.43%	4.61%
Total Infrastructure (Q1)**	0.15%	-	-	-	-	-	-	-	-
Infrastructure Benchmark		-	-	-	-	-	-	-	-
Excess Return		-	-	-	-	-	-	-	-
Total Alternative Assets (Q1)*	15.75%	0.00%	-1.66%	-1.34%	-0.05%	1.75%	3.78%	4.92%	8.95%
Alternative Assets Benchmark (2)		3.63%	7.80%	11.24%	11.36%	23.25%	20.23%	12.98%	13.12%
Excess Return		-3.63%	-9.47%	-12.58%	-11.41%	-21.50%	-16.44%	-8.06%	-4.17%
Total Private Equity (Q1)*	10.61%	0.00%	-3.26%	-1.98%	-1.57%	0.19%	3.13%	4.42%	11.21%
Private Equity Benchmark (3)		5.16%	10.52%	15.95%	15.26%	31.62%	25.38%	16.10%	18.35%
Excess Return		-5.16%	-13.78%	-17.93%	-16.83%	-31.43%	-22.26%	-11.68%	-7.14%
Total Private Debt (Q1)*	5.14%	0.01%	1.91%	0.01%	3.34%	5.25%	5.30%	6.13%	5.98%
Private Debt Benchmark (4)		0.57%	2.16%	2.07%	3.52%	7.54%	10.05%	6.43%	5.51%
Excess Return		-0.56%	-0.25%	-2.06%	-0.18%	-2.29%	-4.75%	-0.30%	0.47%

(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.

**Infrastructure was funded July 2026 with no valuations changes during August 2026.

Investment Manager Asset Allocation

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

Asset Distribution Across Investment Managers

	August 31, 2026				July 31, 2026	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Global Equity	\$6,922,842,114	46.90%	\$6,700,000	\$135,546,811	\$6,780,595,303	46.33%
Total Domestic Equity	\$3,942,555,001	26.71%	\$0	\$94,306,086	\$3,848,248,915	26.29%
Large Cap Domestic Equity	\$3,330,031,457	22.56%	\$0	\$88,239,753	\$3,241,791,704	22.15%
Blackrock S&P 500	3,330,031,457	22.56%	0	88,239,753	3,241,791,704	22.15%
SMid Cap Domestic Equity	\$170,300,820	1.15%	\$0	\$3,670,583	\$166,630,237	1.14%
AllianceBernstein	1,588	0.00%	0	0	1,588	0.00%
TSW	170,299,232	1.15%	0	3,670,583	166,628,649	1.14%
Small Cap Domestic Equity	\$442,222,724	3.00%	\$0	\$2,395,750	\$439,826,974	3.01%
Segall Bryant & Hamill	157,498,040	1.07%	0	(2,096,864)	159,594,904	1.09%
Wellington	284,724,684	1.93%	0	4,492,615	280,232,069	1.91%
Total Non US Equity	\$2,980,287,113	20.19%	\$6,700,000	\$41,240,725	\$2,932,346,388	20.04%
Core Non US Equity (1)	\$2,454,071,229	16.63%	\$(53,150,862)	\$24,351,048	\$2,482,871,043	16.97%
Aristotle	473,314,266	3.21%	0	5,435,223	467,879,043	3.20%
Artisan Partners	662,141,114	4.49%	0	(2,018,807)	664,159,920	4.54%
BlackRock Superfund	310,057,639	2.10%	0	7,646,713	302,410,926	2.07%
Causeway Capital	707,797,970	4.80%	0	462,385	707,335,585	4.83%
Lazard	882,952	0.01%	0	7,148	875,804	0.01%
SSGA Transition	299,349,076	2.03%	(53,150,862)	12,813,361	339,686,577	2.32%
Emerging Markets	\$302,463,571	2.05%	\$60,000,000	\$7,800,484	\$234,663,087	1.60%
Wellington Em Systematic Equity	302,463,571	2.05%	60,000,000	7,800,484	234,663,087	1.60%
Non US Small Cap	\$222,588,281	1.51%	\$0	\$9,082,864	\$213,505,417	1.46%
Wellington Int'l Small Cap Research	222,588,281	1.51%	0	9,082,864	213,505,417	1.46%
World Equity	\$1,164,033	0.01%	\$(149,138)	\$6,329	\$1,306,842	0.01%
Walter Scott Global Equity	1,164,033	0.01%	(149,138)	6,329	1,306,842	0.01%
Total Fixed Income	\$3,978,356,665	26.95%	\$(45,952)	\$15,266,699	\$3,963,135,919	27.08%
BlackRock SIO Bond Fund	312,128,429	2.11%	0	1,634,948	310,493,481	2.12%
Brandywine Asset Mgmt	10,236	0.00%	(45,952)	159	56,029	0.00%
FIAM (Fidelity) Tactical Bond	417,509,418	2.83%	0	2,004,847	415,504,571	2.84%
Income Research & Management	856,526,390	5.80%	0	3,174,425	853,351,965	5.83%
Loomis Sayles	333,562,751	2.26%	0	743,846	332,818,905	2.27%
Mellon US Agg Bond Index	1,209,953,547	8.20%	0	4,727,654	1,205,225,892	8.24%
Manulife Core Bond	848,665,895	5.75%	0	2,980,820	845,685,075	5.78%
Total Cash	\$212,345,755	1.44%	\$(13,181,616)	\$634,399	\$224,892,972	1.54%
Total Marketable Assets	\$11,113,544,535	75.30%	\$(6,527,568)	\$151,447,910	\$10,968,624,193	74.95%
Total Real Estate	\$1,298,443,691	8.80%	\$(6,067,047)	\$568,571	\$1,303,942,167	8.91%
Strategic Core Real Estate	701,109,527	4.75%	(1,075,918)	0	702,185,445	4.80%
Tactical Non-Core Real Estate	597,334,164	4.05%	(4,991,129)	568,571	601,756,721	4.11%
Total Alternative Assets	\$2,325,044,188	15.75%	\$(14,965,827)	\$44,957	\$2,339,965,059	15.99%
Private Equity	1,566,366,964	10.61%	(15,422,706)	585	1,581,789,085	10.81%
Private Debt	758,677,224	5.14%	456,879	44,372	758,175,974	5.18%
Infrastructure	\$22,415,388	0.15%	\$0	\$0	\$22,415,388	0.15%
Total Fund Composite	\$14,759,447,802	100.0%	\$(27,560,443)	\$152,061,438	\$14,634,946,807	100.0%

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

(1) Includes \$528,212 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

New Hampshire Retirement System Target History

30-Jun-2024 - 31-Aug-2026		
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Other Alternatives	Russell 3000 Index+2.00%	10.00%
Other Alternatives	Bloomberg HY Corporate+1.00%	2.50%
Other Alternatives	Morningstar LSTA Leveraged Loan 100+1.00%	2.50%
Global Equity		
Broad	MSCI ACWI IMI (Net)	50.00%
		100.00%
30-Jun-2022 - 30-Jun-2024		
Domestic Broad		
Eq	Russell 3000 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Russell 3000 Index+2.00%	10.00%
Other Alternatives	Morningstar LSTA Leveraged Loan 100+1.00%	2.50%
Other Alternatives	Bloomberg HY Corporate+1.00%	2.50%
		100.00%
30-Jun-2021 - 30-Jun-2022		
Domestic Broad		
Eq	Russell 3000 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+3.00%	10.00%
Other Alternatives	Morningstar LSTA Leveraged Loan 100	5.00%
		100.00%
30-Sep-2020 - 30-Jun-2021		
Domestic Broad		
Eq	S&P 500 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+3.00%	10.00%
Other Alternatives	Morningstar LSTA Leveraged Loan 100	5.00%
		100.00%
30-Jun-2015 - 30-Sep-2020		
Domestic Broad		
Eq	S&P 500 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	15.00%
		100.00%
31-Mar-2015 - 30-Jun-2015		
Domestic Broad		
Eq	Russell 3000 Index	37.30%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.70%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	9.00%
		100.00%
31-Dec-2014 - 31-Mar-2015		
Domestic Broad		
Eq	Russell 3000 Index	37.70%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.80%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	8.50%
		100.00%
30-Sep-2014 - 31-Dec-2014		
Domestic Broad		
Eq	Russell 3000 Index	39.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	7.40%
		100.00%
30-Jun-2014 - 30-Sep-2014		
Domestic Broad		
Eq	Russell 3000 Index	39.60%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.90%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	6.50%
		100.00%
31-Mar-2014 - 30-Jun-2014		
Domestic Broad		
Eq	Russell 3000 Index	42.20%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	4.20%
		100.00%
31-Dec-2013 - 31-Mar-2014		
Domestic Broad		
Eq	Russell 3000 Index	41.80%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	9.10%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	4.10%
		100.00%
30-Sep-2013 - 31-Dec-2013		
Domestic Broad		
Eq	Russell 3000 Index	42.90%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	3.50%
		100.00%
30-Jun-2013 - 30-Sep-2013		
Domestic Broad		
Eq	Russell 3000 Index	42.50%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	9.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+5.00%	3.50%
		100.00%
31-Mar-2013 - 30-Jun-2013		
Domestic Broad		
Eq	Russell 3000 Index	43.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	3.40%
		100.00%

Alternatives Benchmark represents from 7/1/2022 to present: 66.7% Russell 3000 Idx + 2% (1 qtr lag) and 33.3% ((50% S&P LSTA Leveraged Loan 100 Idx + 50% Bloomberg HY Idx) + 1%) (1 qtr lag).

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

New Hampshire Retirement System Target History

31-Dec-2012 - 31-Mar-2013			
Domestic Broad			
Eq	Russell 3000 Index	43.60%	
Domestic Fixed	Bloomberg Universal	25.00%	
Real Estate	NCREIF Property Index+0.50%	8.80%	
Intl Equity	MSCI ACWI xUS (Net)	20.00%	
Other Alternatives	Alternative Asset Benchmark	2.60%	
		100.00%	
30-Sep-2012 - 31-Dec-2012			
Domestic Broad			
Eq	Russell 3000 Index	43.90%	
Domestic Fixed	Bloomberg Universal	25.00%	
Real Estate	NCREIF Property Index+0.50%	8.70%	
Intl Equity	MSCI ACWI xUS (Net)	20.00%	
Other Alternatives	Alternative Asset Benchmark	2.40%	
		100.00%	
30-Jun-2012 - 30-Sep-2012			
Domestic Broad			
Eq	Russell 3000 Index	43.50%	
Domestic Fixed	Bloomberg Universal	25.00%	
Real Estate	NCREIF Property Index+0.50%	9.00%	
Intl Equity	MSCI ACWI xUS (Net)	20.00%	
Other Alternatives	Alternative Asset Benchmark	2.50%	
		100.00%	
31-Mar-2012 - 30-Jun-2012			
Domestic Broad			
Eq	Russell 3000 Index	40.10%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	7.60%	
Intl Equity	MSCI ACWI xUS (Net)	20.00%	
Other Alternatives	Alternative Asset Benchmark	2.30%	
		100.00%	
31-Dec-2011 - 31-Mar-2012			
Domestic Broad			
Eq	Russell 3000 Index	39.70%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	8.00%	
Intl Equity	MSCI ACWI xUS (Net)	20.00%	
Other Alternatives	Alternative Asset Benchmark	2.30%	
		100.00%	
30-Sep-2011 - 31-Dec-2011			
Domestic Broad			
Eq	Russell 3000 Index	40.20%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	7.40%	
Intl Equity	MSCI ACWI xUS (Net)	20.00%	
Other Alternatives	Alternative Asset Benchmark	2.40%	
		100.00%	
30-Jun-2011 - 30-Sep-2011			
Domestic Broad			
Eq	Russell 3000 Index	42.50%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	5.40%	
Intl Equity	MSCI ACWI xUS (Net)	20.00%	
Other Alternatives	Alternative Asset Benchmark	2.10%	
		100.00%	
31-Mar-2011 - 30-Jun-2011			
Domestic Broad			
Eq	Russell 3000 Index	43.00%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	5.30%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Alternative Asset Benchmark	1.70%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
31-Dec-2010 - 31-Mar-2011			
Domestic Broad			
Eq	Russell 3000 Index	43.00%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	5.20%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Alternative Asset Benchmark	1.80%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
30-Sep-2010 - 31-Dec-2010			
Domestic Broad			
Eq	Russell 3000 Index	42.80%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	5.40%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Alternative Asset Benchmark	1.80%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
30-Jun-2010 - 30-Sep-2010			
Domestic Broad			
Eq	Russell 3000 Index	42.90%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	5.00%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Alternative Asset Benchmark	2.10%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
31-Dec-2009 - 30-Jun-2010			
Domestic Broad			
Eq	Russell 3000 Index	43.30%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	4.70%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Alternative Asset Benchmark	2.00%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
30-Sep-2009 - 31-Dec-2009			
Domestic Broad			
Eq	Russell 3000 Index	42.30%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	5.50%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Alternative Asset Benchmark	2.20%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	

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

New Hampshire Retirement System Target History

30-Jun-2009 - 30-Sep-2009			
Domestic Broad			
Eq	Russell 3000 Index	41.50%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	6.20%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Alternative Asset Benchmark	2.30%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
31-Mar-2009 - 30-Jun-2009			
Domestic Broad			
Eq	Russell 3000 Index	38.00%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	9.30%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Alternative Asset Benchmark	2.70%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
31-Dec-2008 - 31-Mar-2009			
Domestic Broad			
Eq	Russell 3000 Index	37.20%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index+0.50%	9.70%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Alternative Asset Benchmark	3.10%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
30-Sep-2008 - 31-Dec-2008			
Domestic Broad			
Eq	Russell 3000 Index	38.90%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index	8.20%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Consumer Price Index (W) + 5%	2.90%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
30-Jun-2008 - 30-Sep-2008			
Domestic Broad			
Eq	Russell 3000 Index	40.00%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index	7.30%	
Intl Equity	MSCI ACWI xUS (Net)	15.00%	
Other Alternatives	Consumer Price Index (W) + 5%	2.70%	
Global Equity			
Broad	MSCI ACWI (Net)	5.00%	
		100.00%	
30-Jun-2007 - 30-Jun-2008			
Domestic Broad			
Eq	Russell 3000 Index	44.00%	
Domestic Fixed	Bloomberg Universal	30.00%	
Real Estate	NCREIF Property Index	5.00%	
Intl Equity	MSCI ACWI xUS (Net)	16.00%	
Other Alternatives	Consumer Price Index (W) + 5%	5.00%	
		100.00%	
30-Nov-2006 - 30-Jun-2007			
Domestic Broad			
Eq	Russell 3000 Index	44.00%	
Domestic Fixed	Bloomberg Universal	26.00%	
Real Estate	NCREIF Property Index	5.00%	
Intl Equity	MSCI ACWI xUS (Net)	16.00%	
Other Alternatives	Consumer Price Index (W) + 5%	5.00%	
Global Fixed-Inc	Brandywine Blended Benchmark	4.00%	
		100.00%	
30-Jun-2003 - 30-Nov-2006			
Domestic Broad			
Eq	Russell 3000 Index	47.00%	
Domestic Fixed	Bloomberg Universal	18.00%	
Real Estate	NCREIF Property Index	10.00%	
Intl Equity	MSCI ACWI xUS (Net)	12.00%	
Other Alternatives	Consumer Price Index (W) + 5%	10.00%	
Global Fixed-Inc	Brandywine Blended Benchmark	3.00%	
		100.00%	
31-Oct-1997 - 30-Jun-2003			
Domestic Broad			
Eq	S&P 500 Index	50.00%	
Domestic Fixed	Bloomberg Universal	18.00%	
Real Estate	NCREIF Property Index	10.00%	
Intl Equity	MSCI EAFE (Net)	9.00%	
Other Alternatives	Consumer Price Index (W) + 5%	10.00%	
Global Fixed-Inc	Brandywine Blended Benchmark	3.00%	
		100.00%	
31-Mar-1990 - 31-Oct-1997			
Domestic Broad			
Eq	S&P 500 Index	50.00%	
Domestic Fixed	Bloomberg Universal	18.00%	
Real Estate	NCREIF Property Index	10.00%	
Intl Equity	MSCI EAFE (Net)	9.00%	
Other Alternatives	Consumer Price Index (W) + 5%	10.00%	
Global Fixed-Inc	JPM GBI Global Unhedged USD	3.00%	
		100.00%	
30-Jun-1975 - 31-Mar-1990			
Domestic Broad			
Eq	S&P 500 Index	50.00%	
Real Estate	NCREIF Property Index	10.00%	
Intl Equity	MSCI EAFE (Net)	9.00%	
Other Alternatives	Consumer Price Index (W) + 5%	10.00%	
Global Fixed-Inc	JPM GBI Global Unhedged USD	3.00%	
		82.00%	

Alternatives Benchmark represents from 7/1/2022 to present: 66.7% Russell 3000 Idx + 2% (1 qtr lag) and 33.3% ((50% S&P LSTA Leveraged Loan 100 Idx + 50% Bloomberg HY Idx) + 1%) (1 qtr lag).

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 undertakes no obligation to update the information contained herein except as specifically requested by the client.

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



Independent Investment Committee's Quarterly Report to the Board October 13, 2026



Discussion Topics

- Asset Allocation and Portfolio Structure
- Investment Performance
- Universe Comparisons

Key Observations

NHRS Pension Plan

Asset Allocation and Portfolio Structure

- Overall, the Fund's asset allocation was within the permissible Policy ranges at quarter-end. The Fund's allocation to defensive positions, including fixed income and cash, represented 28.8% of total assets. The fixed income allocation was 27.3%, above the policy's 25% target but within the policy's 20%-30% range. The Fund had an overweight to alternatives relative to target and an underweight position to global equity and real estate.

Investment Performance

- The Fund had a gross return of 6.84% over the fourth quarter of Fiscal Year 2026, underperforming the market benchmark return of 7.33% and ranking in the 64th percentile of its peers. On a net-of-fees basis, the Fund returned 6.63%.
 - The Alternative Assets portfolio contributed most to relative performance over the quarter.
 - By contrast, the Global Equity portfolio detracted from performance.
- Overall, performance is competitive relative to both benchmarks over longer periods measured. The Fund outperformed the peer group median over the long term, ranking in the top 44% of peers for the trailing 10-year period. Over the last 25 years, the Fund's performance slightly trailed the benchmark and ranked in the 44th percentile of peers.
- The Fund exhibits attractive risk-adjusted performance, as measured by the Sharpe Ratio over the last five years, ranking in the top 41% of peers. Relative risk-adjusted scores, as measured by the Excess Return Ratio, are less favorable, ranking in the top 60% of peers.

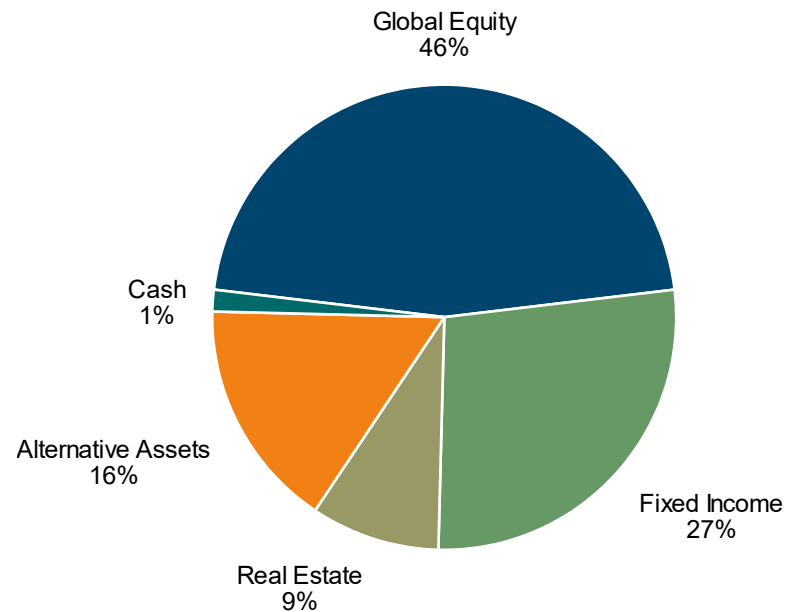
Other Developments

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

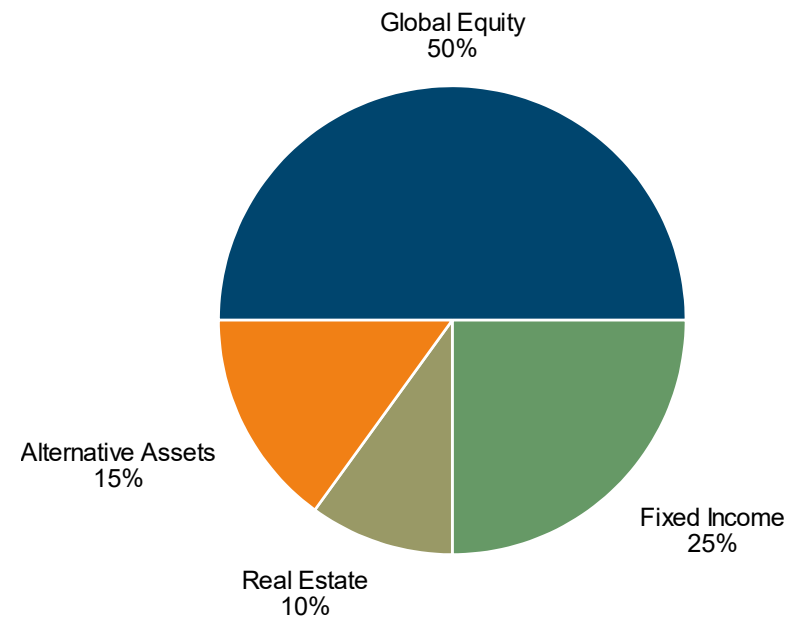
Total Fund

Actual Asset Allocation vs. Target as of June 30, 2026

Actual Asset Allocation



Target Asset Allocation



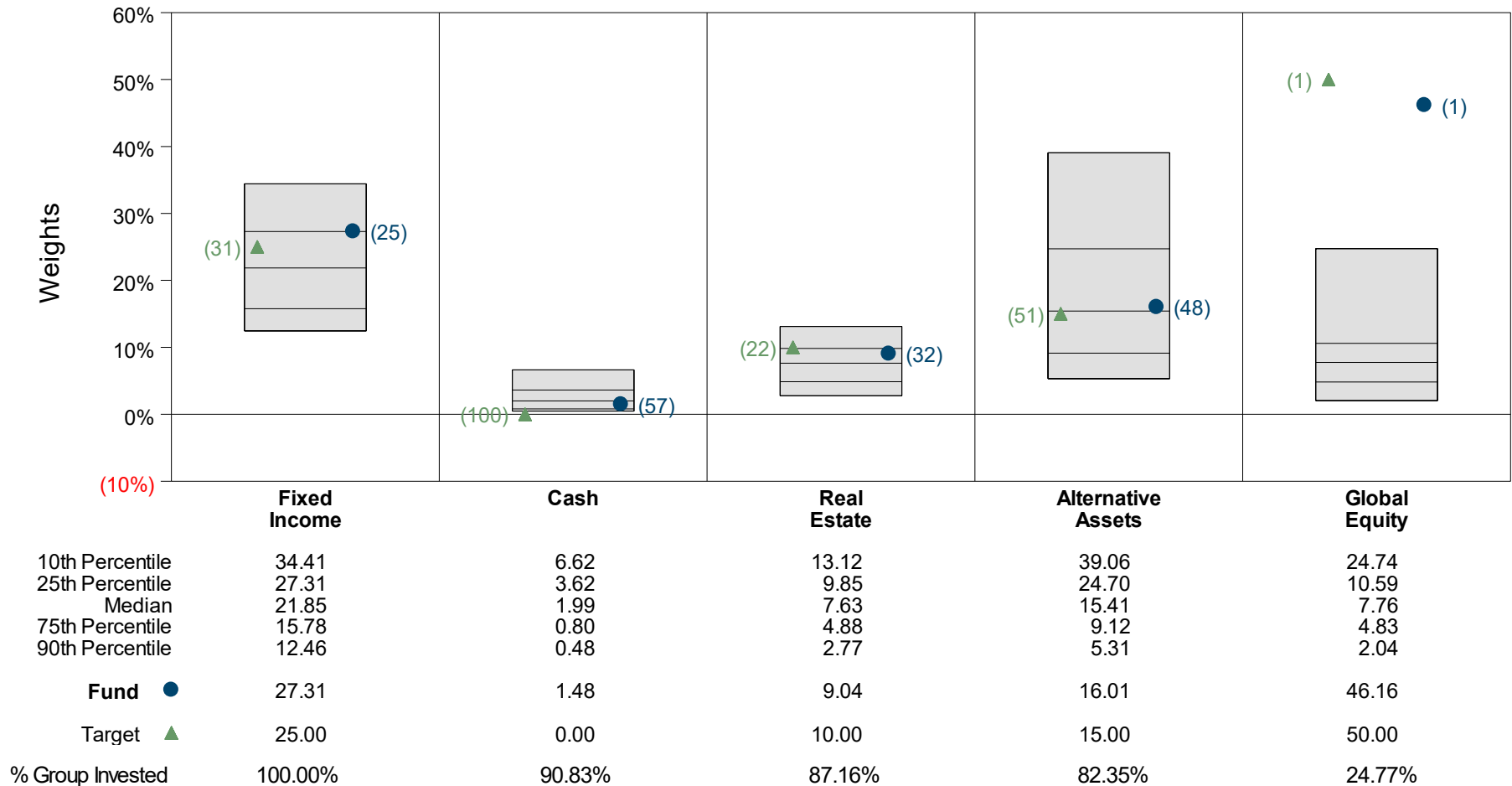
Asset Class	\$Millions Actual	Weight Actual	Target	Percent Difference	\$Millions Difference
Global Equity	6,780	46.2%	50.0%	(3.8%)	(564)
Fixed Income	4,012	27.3%	25.0%	2.3%	339
Real Estate	1,328	9.0%	10.0%	(1.0%)	(141)
Alternative Assets	2,352	16.0%	15.0%	1.0%	149
Cash	217	1.5%	0.0%	1.5%	217
Total	14,689	100.0%	100.0%		

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

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>\$1B) Peer Group, as of June 30, 2026

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

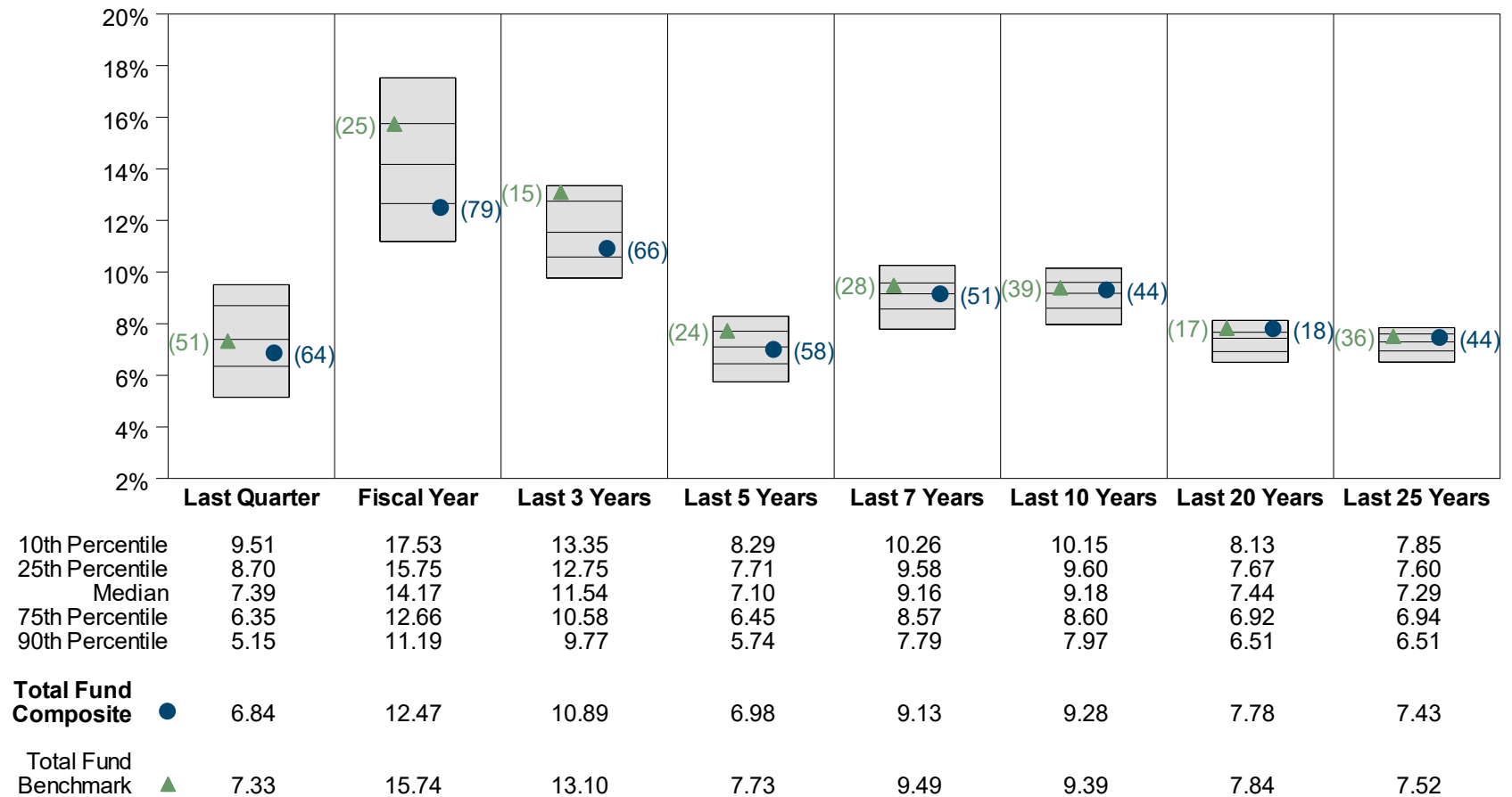


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Total Fund Performance – Gross of Investment Management Fees

Performance vs. Large Public DB Plan (>\$1B) Peers, as of June 30, 2026

Performance vs Callan Public Fund Large DB



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

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Callan



August 27, 2026

New Hampshire Retirement System – Defined Benefit Plan

Second Quarter 2026

Executive Summary

Angel G. Haddad

Senior Vice President, Fund Sponsor Consulting

Britton M. Murdoch

Senior Vice President, Fund Sponsor Consulting

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Public Market Equities Rebound Sharply in 2Q26

Fixed income sees muted gains

Stocks up big after posting losses in 1Q

- Double-digit gains in the quarter amid solid economic activity and strong earnings
- Small caps topped large caps in the U.S.
- Emerging markets led developed non-U.S.

Fixed income gains despite rising rates

- Coupon income and spread tightening offset higher Treasury yields.

Summary of economic measures

- Headline CPI-U rose 3.5% (year-over-year), up from 3.3% in March but down from 4.2% in May; the core index rose a more modest 2.6%, in line with the prior quarter.
- The job market improved slightly in the quarter, adding an average of 111,000 jobs per month vs. 73,000 in 1Q, but the overall trend is still down over the last few years.
- GDP growth has remained resilient, with it rising 1.5% in 2Q, although below estimates.

Returns for Periods ended 6/30/26

	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	15.43	22.81	20.35	12.30	15.06	9.59
S&P 500	15.20	22.32	20.61	13.41	15.51	9.55
Russell 2000	21.49	40.78	18.60	6.98	11.62	8.80
Global ex-U.S. Equity						
MSCI World ex USA	10.22	20.99	16.90	9.32	9.84	6.59
MSCI Emerging Markets	24.05	43.51	23.03	7.20	10.08	9.50
MSCI ACWI ex USA Small Cap	9.62	19.83	16.42	6.30	9.10	8.87
Fixed Income						
Bloomberg Aggregate	0.67	3.79	4.16	0.08	1.54	3.65
90-day T-Bill	0.88	3.84	4.64	3.52	2.34	1.80
Bloomberg Long Gov/Credit	1.53	3.92	1.86	-3.84	0.70	4.95
Bloomberg Global Agg ex-US	0.99	-1.95	2.70	-2.89	-0.66	3.20
Real Estate						
NCREIF Property	1.24	4.86	1.07	3.21	4.66	7.19
FTSE Nareit Equity	12.43	21.53	12.47	5.90	6.10	9.19
Alternatives						
Cambridge Private Equity*	0.38	10.79	7.58	7.84	13.59	11.57
Cambridge Senior Debt*	-0.69	6.53	7.70	7.26	7.53	5.15
HFRI Fund Weighted	6.40	16.25	11.49	6.56	7.25	6.04
Bloomberg Commodity	-8.08	25.46	11.69	9.37	5.83	2.57
Gold Spot Price	-13.68	22.09	27.92	17.92	11.83	11.41
Inflation: CPI-U	1.13	3.53	3.06	4.21	3.32	2.55

*Cambridge Private Equity and Cambridge Senior Debt data as of 1Q26.

Returns greater than one year are annualized.

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 within the permissible Policy ranges at quarter-end. The Fund's allocation to defensive positions, including fixed income and cash, represented 28.8% of total assets. The fixed income allocation was 27.3%, above the policy's 25% target but within the policy's 20%-30% range. The Fund had an overweight to alternatives relative to target and an underweight position to global equity and real estate.

Investment Performance

- The Fund had a gross return of 6.84% over the fourth quarter of Fiscal Year 2026, underperforming the market benchmark return of 7.33% and ranking in the 64th percentile of its peers. On a net-of-fees basis, the Fund returned 6.63%.
 - The Alternative Assets portfolio contributed most to relative performance over the quarter.
 - By contrast, the Global Equity portfolio detracted from performance.
- Overall, performance is competitive relative to both benchmarks over longer periods measured. The Fund outperformed the peer group median over the long term, ranking in the top 44% of peers for the trailing 10-year period. Over the last 25 years, the Fund's performance slightly trailed the benchmark and ranked in the 44th percentile of peers.
- The Fund exhibits attractive risk-adjusted performance, as measured by the Sharpe Ratio over the last five years, ranking in the top 41% of peers. Relative risk-adjusted scores, as measured by the Excess Return Ratio, are less favorable, ranking in the top 60% of peers.

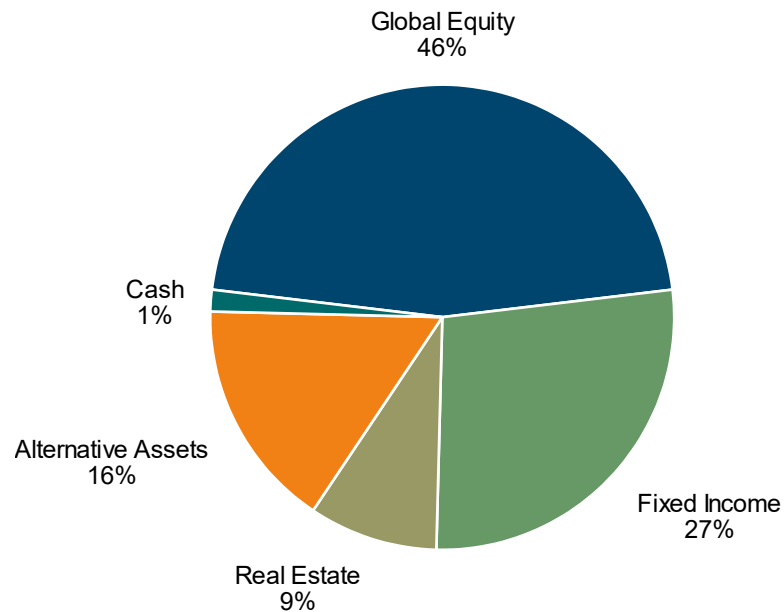
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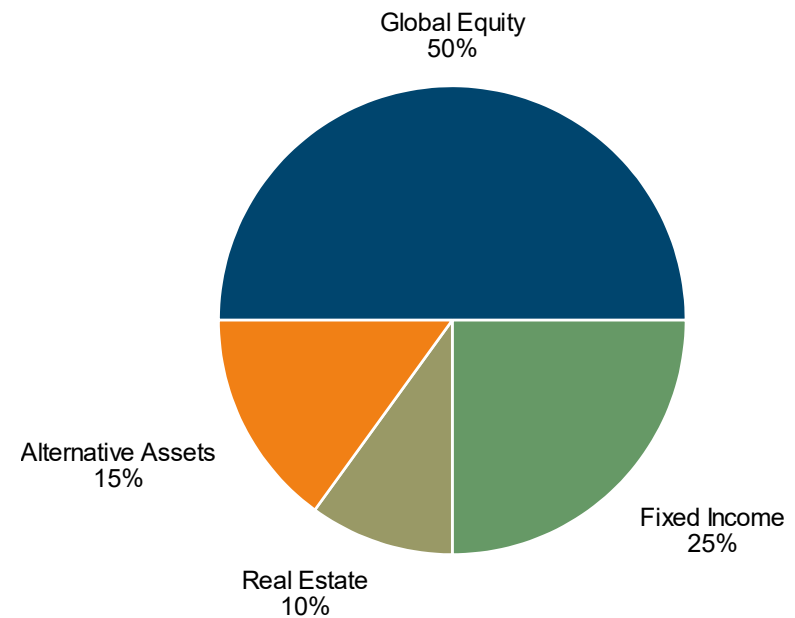
Total Fund

Actual Asset Allocation vs. Target as of June 30, 2026

Actual Asset Allocation



Target Asset Allocation



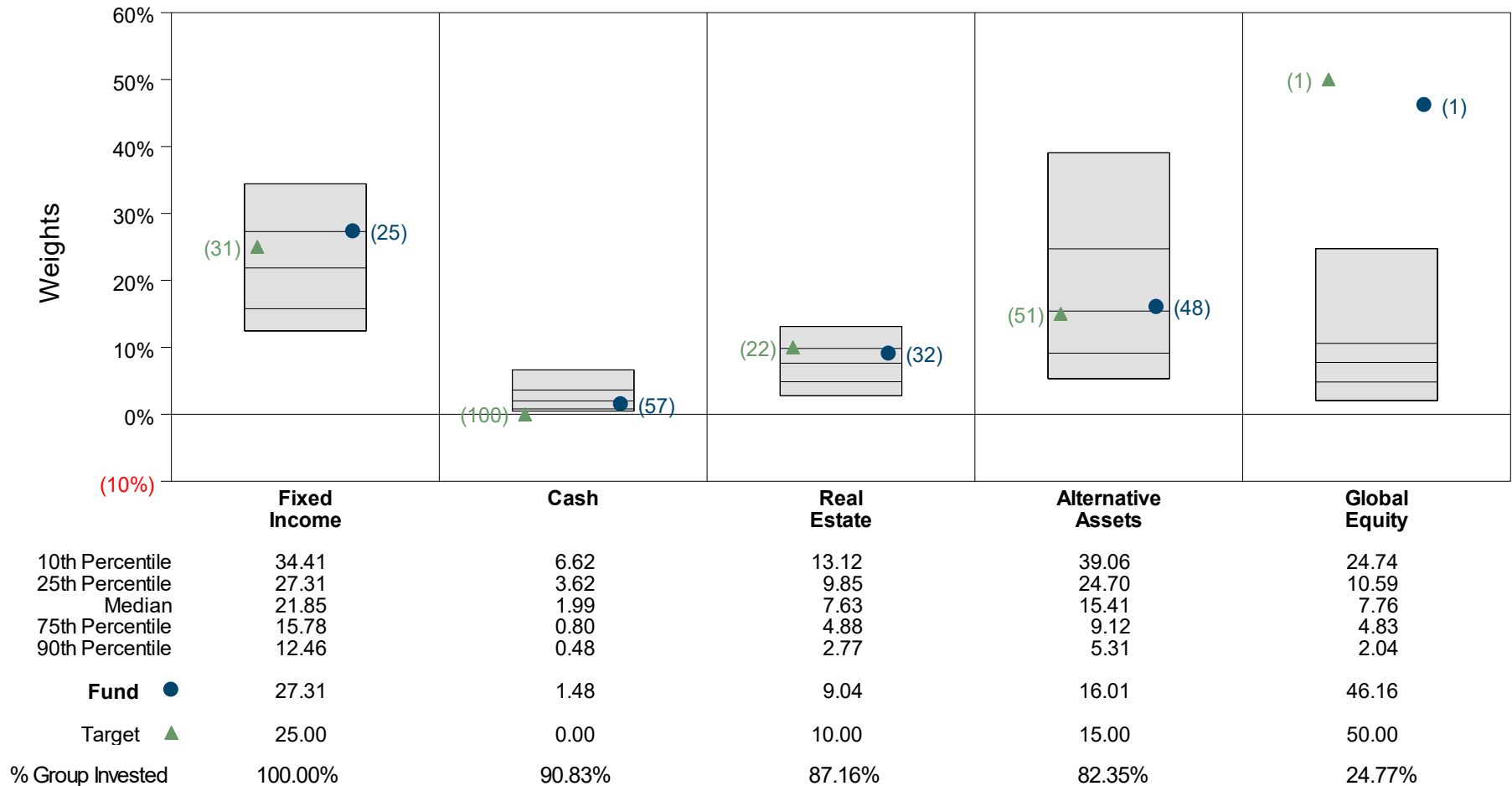
Asset Class	\$Millions Actual	Weight Actual	Target	Percent Difference	\$Millions Difference
Global Equity	6,780	46.2%	50.0%	(3.8%)	(564)
Fixed Income	4,012	27.3%	25.0%	2.3%	339
Real Estate	1,328	9.0%	10.0%	(1.0%)	(141)
Alternative Assets	2,352	16.0%	15.0%	1.0%	149
Cash	217	1.5%	0.0%	1.5%	217
Total	14,689	100.0%	100.0%		

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

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>\$1B) Peer Group, as of June 30, 2026

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



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Total Fund

Market Values

	June 30, 2026				March 31, 2026	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Global Equity	\$6,780,318,600	46.09%	\$(300,047,005)	\$859,093,560	\$6,221,272,045	44.90%
Total Domestic Equity	\$3,861,192,753	26.25%	\$14,955,073	\$526,554,152	\$3,319,683,528	23.96%
Large Cap Domestic Equity	\$3,243,855,991	22.05%	\$15,000,000	\$427,971,212	\$2,800,884,779	20.22%
Blackrock S&P 500	3,243,855,991	22.05%	15,000,000	427,971,212	2,800,884,779	20.22%
SMid Cap Domestic Equity	\$159,028,454	1.08%	\$(9,486)	\$14,197,639	\$144,840,301	1.05%
AllianceBernstein	1,588	0.00%	(9,486)	8,022	3,052	0.00%
TSW	159,026,866	1.08%	0	14,189,617	144,837,249	1.05%
Small Cap Domestic Equity	\$458,308,309	3.12%	\$(44)	\$84,451,279	\$373,857,074	2.70%
Boston Trust	0	0.00%	(44)	0	44	0.00%
Segall Bryant & Hamill	167,088,668	1.14%	0	29,447,469	137,641,200	0.99%
Wellington	291,219,641	1.98%	0	55,003,810	236,215,830	1.70%
Total Non US Equity*	\$2,919,125,847	19.84%	\$(315,002,079)	\$332,539,408	\$2,901,588,517	20.94%
Core Non US Equity*	\$2,464,718,882	16.75%	\$364,079,124	\$235,571,528	\$1,865,068,229	13.46%
Aristotle	455,168,917	3.09%	0	42,727,984	412,440,933	2.98%
Artisan Partners	661,329,153	4.50%	0	70,675,549	590,653,604	4.26%
BlackRock Superfund	301,358,669	2.05%	0	38,220,928	263,137,741	1.90%
Causeway Capital	683,904,945	4.65%	0	86,470,991	597,433,953	4.31%
Lazard	870,136	0.01%	(3)	(7,338)	877,477	0.01%
SSGA Transition	361,567,173	2.46%	364,080,619	(2,514,030)	584	0.00%
Emerging Markets	\$241,241,180	1.64%	\$0	\$32,427,412	\$208,813,768	1.51%
Wellington Emerging Markets	241,241,180	1.64%	0	32,427,412	208,813,768	1.51%
Non US Small Cap	\$211,560,105	1.44%	\$0	\$18,596,808	\$192,963,297	1.39%
Wellington Int'l Small Cap Research	211,560,105	1.44%	0	18,596,808	192,963,297	1.39%
World Equity	\$1,605,680	0.01%	\$(679,081,203)	\$45,943,660	\$634,743,223	4.58%
Walter Scott Global Equity	1,605,680	0.01%	(679,081,203)	45,943,660	634,743,223	4.58%

*Includes \$534,056 in legacy assets that are not actively managed and in liquidation following the termination of Fisher.

Total Fund

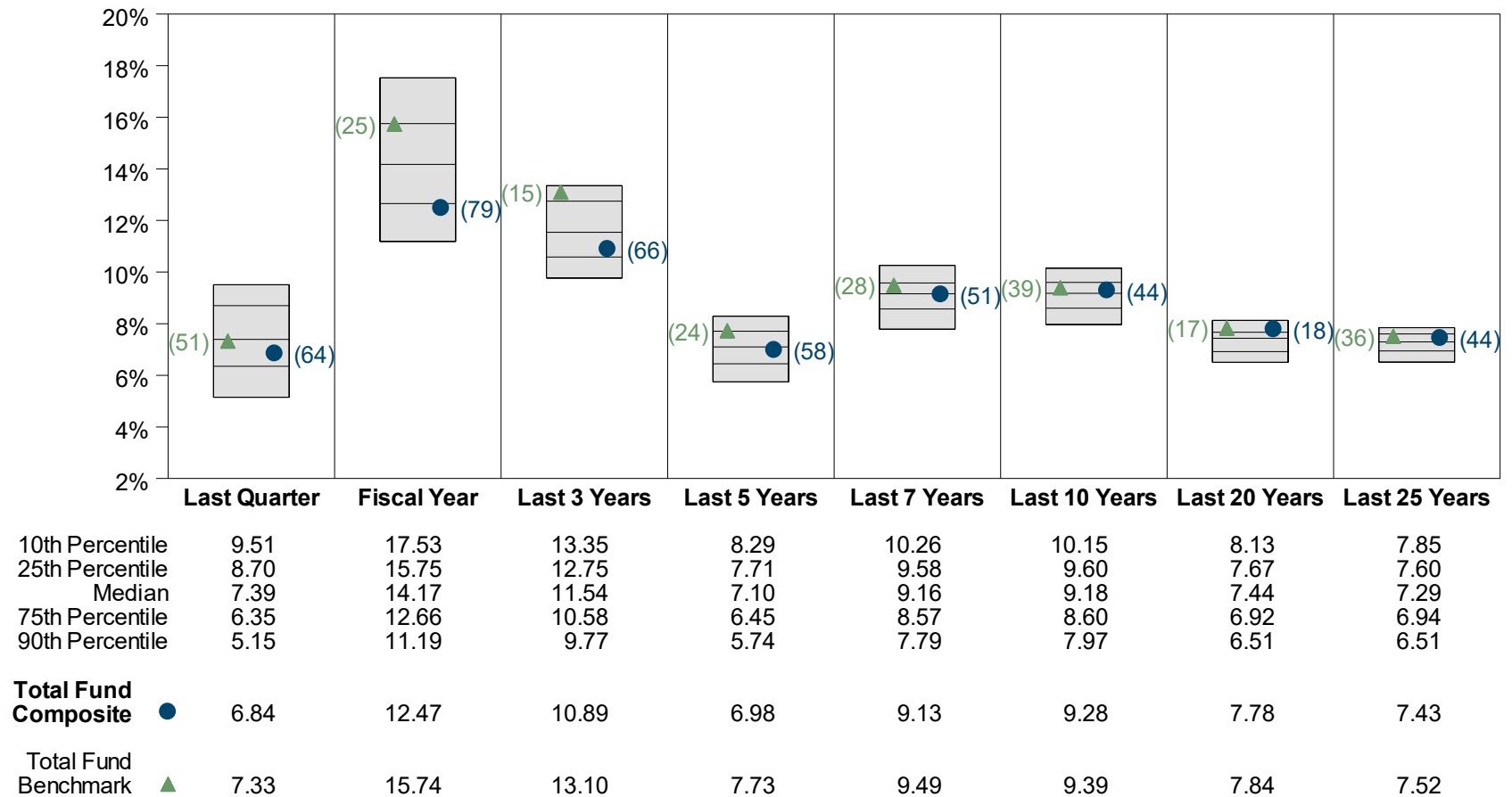
Market Values

	June 30, 2026				March 31, 2026	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Fixed Income	\$4,011,506,749	27.27%	\$0	\$41,366,700	\$3,970,140,049	28.66%
BlackRock SIO Bond Fund	313,293,055	2.13%	0	8,046,087	305,246,969	2.20%
Brandywine Asset Mgmt	55,799	0.00%	0	(461)	56,260	0.00%
FIAM (Fidelity) Tactical Bond	421,017,900	2.86%	0	5,513,330	415,504,571	3.00%
Income Research & Management	864,379,774	5.88%	0	7,463,494	856,916,280	6.19%
Loomis Sayles	334,724,854	2.28%	0	4,759,970	329,964,885	2.38%
Manulife Core Bond	856,935,322	5.82%	0	7,396,019	849,539,302	6.13%
Mellon US Agg Bond Index	1,221,100,044	8.30%	0	8,188,261	1,212,911,783	8.75%
Total Cash	\$216,769,556	1.47%	\$102,418,323	\$819,619	\$113,531,615	0.82%
Total Marketable Assets	\$11,008,594,905	74.83%	\$(197,628,683)	\$901,279,879	\$10,304,943,709	74.38%
Total Real Estate	\$1,328,279,479	9.03%	\$71,912,463	\$20,946,618	\$1,235,420,398	8.92%
Strategic Core Real Estate	705,090,240	4.79%	19,660,656	6,101,832	679,327,753	4.90%
Tactical Non-Core Real Estate	623,189,237	4.24%	53,023,944	14,072,649	556,092,645	4.01%
Total Alternative Assets	\$2,352,118,034	15.99%	\$22,413,509	\$15,393,311	\$2,314,311,214	16.70%
Private Equity	1,601,207,900	10.88%	501,886	(4,180,308)	1,604,886,322	11.58%
Private Debt	750,910,134	5.10%	21,911,623	19,573,619	709,424,892	5.12%
Total Fund Composite	\$14,711,407,805	100.00%	\$(80,887,324)	\$937,619,808	\$13,854,675,321	100.00%

Total Fund Performance – Gross of Investment Management Fees

Performance vs. Large Public DB Plan (>\$1B) Peers, as of June 30, 2026

Performance vs Callan Public Fund Large DB



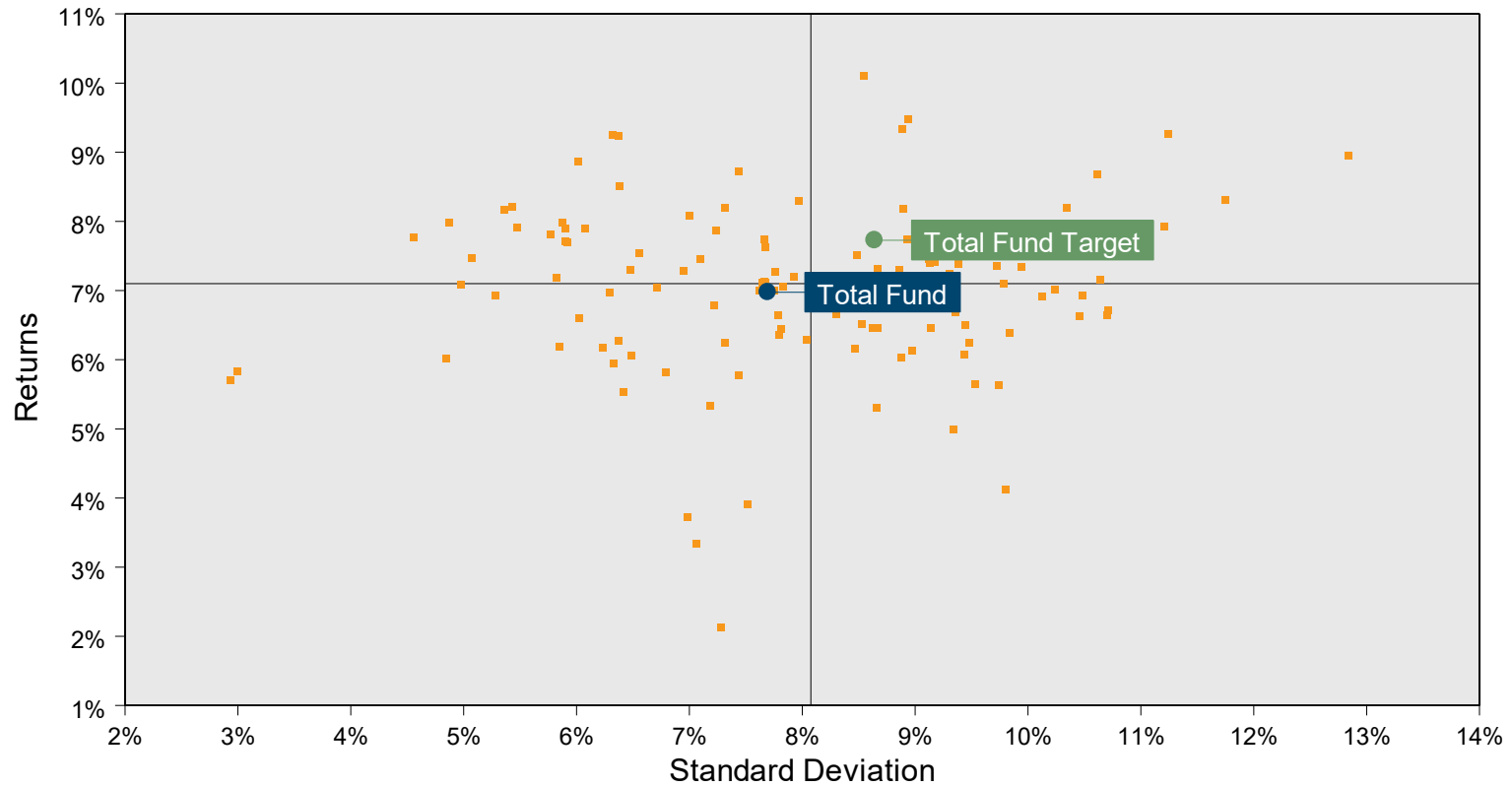
Note: Investment results are shown gross of investment management fees versus corresponding peer group.

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

Total Fund Performance – Gross of Investment Management Fees

Five-Year Risk/Return Analysis as of June 30, 2026

Five Year Annualized Risk vs Return



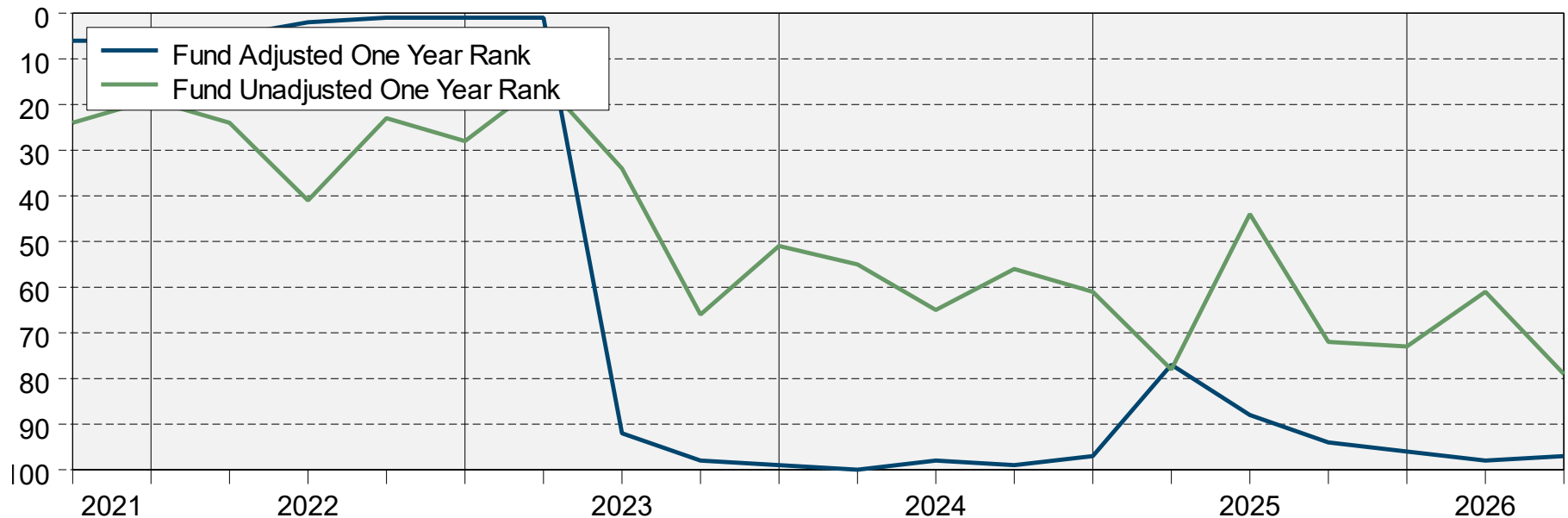
Squares represent membership of the Callan Public Fund Spons - Large (>1B)

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

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

Total Fund Performance – Gross of Investment Management Fees

Rolling One Year Ranking vs. Callan Public Fund (>\$1B) Peer Group, as of June 30, 2026

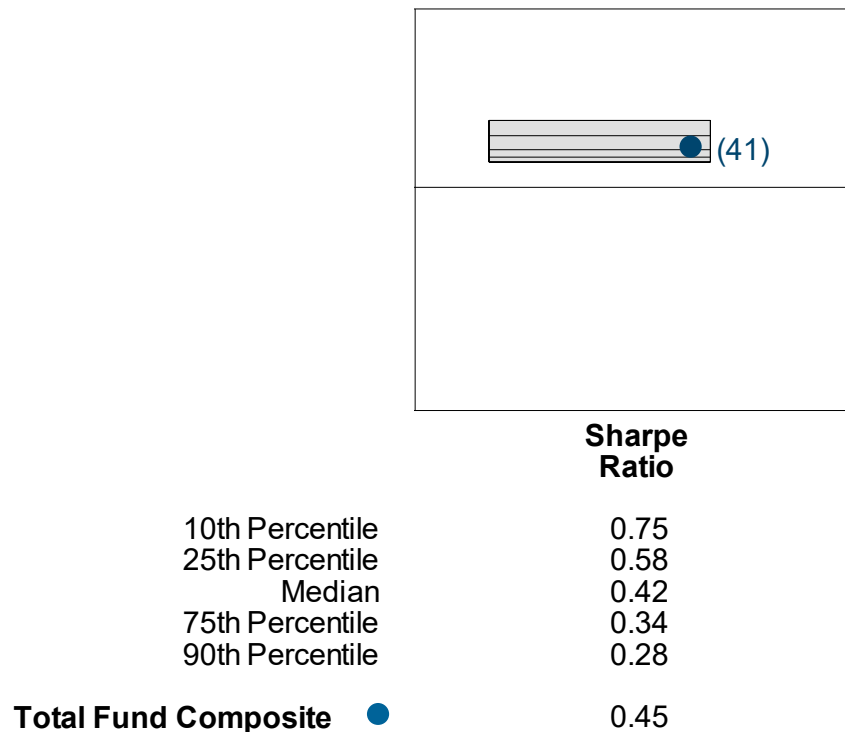


- This exhibit captures the Fund’s ranking versus peers, observing rolling 1-year performance from September 30, 2021 to June 30, 2026
- Since total portfolio rankings are driven by the Fund’s unique asset allocation profile, we are showing both an “Adjusted” output and an “Unadjusted” output. The former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

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

Total Fund Performance – Gross of Investment Management Fees

Five-Year Sharpe Ratio, as of June 30, 2026



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

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

Total Fund Performance – Net of Investment Management Fees

Trailing Quarter Attribution Analysis vs. Policy Benchmark, as of June 30, 2026

Relative Attribution Effects for Quarter ended June 30, 2026

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Global Equity	46%	50%	13.77%	14.93%	(0.51%)	(0.33%)	(0.84%)
Total Fixed Income	28%	25%	1.00%	0.92%	0.02%	(0.23%)	(0.20%)
Total Real Estate	9%	10%	1.28%	1.04%	0.02%	0.06%	0.09%
Total Alternative Assets	16%	15%	0.25%	(2.35%)	0.44%	(0.13%)	0.30%
Total Cash	1%	0%	0.93%	0.93%	0.00%	(0.04%)	(0.04%)
Total			6.63%	= 7.33%	+ (0.03%)	+ (0.66%)	(0.70%)

What helped relative performance?

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

What hurt relative performance?

- Weak relative performance from the global equity portfolio
- An underweight to global equity relative to target
- An overweight to fixed income and alternative assets relative to target

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

Callan

Appendix

Investment Manager Returns – Net of Investment Management Fees

As of June 30, 2026

	Last Quarter	Fiscal Year	Last 3 Years	Last 5 Years
Net of Fees				
Global Equity	13.77%	21.53%	-	-
MSCI ACWI IMI	14.93%	24.22%	19.45%	10.57%
Total Domestic Equity	15.80%	24.96%	18.69%	11.16%
Domestic Equity Benchmark (1)	15.43%	22.81%	20.35%	12.30%
Secondary Domestic Equity Bmk (6)	17.47%	28.74%	19.93%	11.21%
Large Cap Domestic Equity	15.19%	22.31%	20.63%	13.38%
S&P 500 Index	15.20%	22.32%	20.61%	13.41%
Blackrock S&P 500	15.19%	22.31%	20.63%	13.38%
SMid Cap Domestic Equity	9.65%	19.38%	12.63%	5.82%
Russell 2500 Index	20.26%	36.72%	18.40%	8.30%
TSW	9.65%	19.18%	12.30%	7.90%
TSW Blended Benchmark (2)	18.50%	38.54%	19.41%	10.28%
Small Cap Domestic Equity	22.40%	32.98%	17.48%	9.19%
Russell 2000 Index	21.49%	40.78%	18.60%	6.98%
Segall Bryant & Hamill	21.24%	33.30%	16.66%	9.46%
Wellington	23.08%	42.28%	21.93%	10.10%
Total Non US Equity	11.30%	17.16%	15.51%	7.67%
Non US Equity Benchmark (3)	13.82%	26.56%	18.51%	8.62%
Core Non US Equity	12.72%	21.51%	18.26%	10.33%
Core Non US Benchmark (4)	14.49%	27.66%	18.82%	8.79%
Aristotle	10.25%	12.70%	13.25%	6.60%
Artisan Partners	11.84%	23.07%	22.38%	10.99%
BlackRock Superfund	14.51%	28.03%	19.02%	-
Causeway Capital	14.33%	23.55%	18.56%	13.30%
Emerging Markets	15.25%	13.87%	12.91%	1.47%
MSCI EM	24.05%	43.51%	23.03%	7.20%
Wellington Emerging Markets	15.25%	13.87%	12.91%	1.49%
Non US Small Cap	9.45%	23.22%	18.39%	5.45%
Wellington Int'l Small Cap Research	9.45%	23.22%	18.39%	-
MSCI EAFE Small Cap	9.02%	17.39%	15.72%	5.35%
World Equity	5.85%	4.40%	8.24%	5.53%
MSCI ACWI net	14.93%	23.67%	19.70%	10.98%
Walter Scott Global Equity	5.85%	4.40%	8.24%	5.53%
Walter Scott Blended Benchmark (5)	14.93%	23.67%	19.70%	10.98%

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

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

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

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

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

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

Investment Manager Returns – Net of Investment Management Fees

As of June 30, 2026

	Last Quarter	Fiscal Year	Last 3 Years	Last 5 Years	
Net of Fees					
Total Fixed Income	1.00%	3.97%	4.85%	0.79%	*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%. (1) The Fixed Income Benchmark is the Bloomberg Capital Universal Bond Index as of 7/1/2007. (2) The BlackRock Custom Benchmark is 3 Month SOFR compounded in arrears as of 1/1/2022. (4) The Loomis Sayles Custom Benchmark is 65% Bloomberg Aggregate and 35% Bloomberg High Yield. (5) Marketable Assets Index is 66.7% MSCI ACWI IMI and 33.3% Bloomberg Universal as of 7/1/24. Prior, the benchmark was 40% Russell 3000, 26.7% MSCI ACWI ex US, and 33.3% Bloomberg Universal (as of 7/1/2021). (6) The Real Estate Benchmark is the NCREIF NFI-ODCE Value Weight Net Index as of 7/1/2015. (7) The Alternative Assets Benchmark is 66.7% Russell 3000 Index + 2% and 33.3% ((50% S&P LSTA Leveraged Loan 100 Index + 50% Bloomberg High Yield Index) + 1%) as of 7/1/2022. (8) The Private Equity Benchmark is the Russell 3000 Index + 2% as of 7/1/2022. (9) The Private Debt Benchmark is (50% S&P LSTA Leveraged Loan 100 Index & 50% Bloomberg HY Index) + 1% as of 7/1/2022.. (10) Total Real Estate returns includes Townsend discretionary fee as of 7/1/2022.
Fixed Income Benchmark (1)	0.92%	4.15%	4.70%	0.44%	
Bloomberg Aggregate	0.67%	3.79%	4.16%	0.08%	
BlackRock SIO Bond Fund	2.52%	6.24%	7.00%	3.29%	
BlackRock Custom Benchmark (2)	0.91%	4.02%	4.79%	3.69%	
FIAM (Fidelity) Tactical Bond	1.25%	4.34%	4.92%	1.41%	
Bloomberg Aggregate	0.67%	3.79%	4.16%	0.08%	
Income Research & Management	0.83%	3.62%	4.23%	0.05%	
Bloomberg Gov/Credit	0.70%	3.32%	3.97%	(0.10%)	
Loomis Sayles	1.36%	4.83%	7.09%	2.24%	
Loomis Sayles Custom Benchmark (4)	1.30%	4.54%	5.79%	1.52%	
Manulife Core Bond	0.83%	-	-	-	
Bloomberg Aggregate	0.67%	3.79%	4.16%	0.08%	
Mellon US Agg Bond Index	0.67%	3.70%	4.11%	-	
Bloomberg Aggregate	0.67%	3.79%	4.16%	0.08%	
Total Cash	0.93%	3.93%	4.72%	3.62%	
3-month Treasury Bill	0.88%	3.84%	4.64%	3.52%	
Total Marketable Assets	8.72%	14.79%	13.16%	6.89%	
Total Marketable Index (5)	10.19%	17.35%	14.47%	7.39%	
Total Real Estate (10)	1.28%	3.81%	0.13%	3.79%	
Real Estate Benchmark (6)	1.04%	3.11%	(2.81%)	2.34%	
Strategic Core Real Estate	0.79%	4.35%	(0.53%)	3.10%	
Tactical Non-Core Real Estate	1.86%	3.15%	1.22%	4.96%	
Total Alternative Assets	0.25%	3.12%	4.54%	5.20%	
Alternative Assets Benchmark (7)	(2.35%)	15.91%	16.56%	11.60%	
Total Private Equity	(0.57%)	2.19%	4.05%	4.84%	
Private Equity Benchmark (8)	(3.37%)	20.21%	20.04%	14.13%	
Cambridge Global PE Idx 1 Qtr Lag	0.00%	0.00%	4.02%	5.68%	
Total Private Debt	2.12%	5.24%	5.76%	6.13%	
Private Debt Benchmark (9)	(0.38%)	7.46%	9.50%	6.21%	
Cambridge Private Credit Idx 1 Qtr Lag	0.00%	0.00%	5.86%	7.09%	
Total Fund Composite	6.63%	11.83%	10.31%	6.40%	
Total Fund Benchmark *	7.33%	15.74%	13.10%	7.73%	

Important Disclosures

Information contained in this document may include confidential, trade secret and/or proprietary information of Callan and the client. It is incumbent upon the user to maintain such information in strict confidence. Neither this document nor any specific information contained herein is to be used other than by the intended recipient for its intended purpose.

The content of this document is particular to the client and should not be relied upon by any other individual or entity. There can be no assurance that the performance of any account or investment will be comparable to the performance information presented in this document.

Certain information herein has been compiled by Callan from a variety of sources believed to be reliable but for which Callan has not necessarily verified for accuracy or completeness. Information contained herein is provided as of the date of this report may not be current. Callan has no obligation to bring current the information contained herein.

Callan's performance, market value, and, if applicable, liability calculations are inherently estimates based on data available at the time each calculation is performed and may later be determined to be incorrect or require subsequent material adjustment due to many variables including, but not limited to, reliance on third party data, differences in calculation methodology, presence of illiquid assets, the timing and magnitude of unrecognized cash flows, and other data/assumptions needed to prepare such estimated calculations. In no event should the performance measurement and reporting services provided by Callan be used in the calculation, deliberation, policy determination, or any other action of the client as it pertains to determining amounts, timing or activity of contribution levels or funding amounts, rebalancing activity, benefit payments, distribution amounts, and/or performance-based fee amounts, unless the client understands and accepts the inherent limitations of Callan's estimated performance, market value, and liability calculations.

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Callan's performance measurement service reports estimated returns for a portfolio and compares them against relevant benchmarks and peer groups, as appropriate; such service may also report on historical portfolio holdings, comparing them to holdings of relevant benchmarks and peer groups, as appropriate ("portfolio holdings analysis"). To the extent that Callan's reports include a portfolio holdings analysis, Callan relies entirely on holdings, pricing, characteristics, and risk data provided by third parties including custodian banks, record keepers, pricing services, index providers, and investment managers. Callan reports the performance and holdings data as received and does not attempt to audit or verify the holdings data. Callan is not responsible for the accuracy or completeness of the performance or holdings data received from third parties and such data may not have been verified for accuracy or completeness.

Callan does not provide holdings-level monitoring for client portfolios and does not evaluate the appropriateness, risk or characteristics of individual holdings in client portfolios.

Callan's performance measurement service may report on illiquid asset classes, including, but not limited to, private real estate, private equity, private credit, hedge funds and infrastructure. The final valuation reports, which Callan receives from third parties, for of these types of asset classes may not be available at the time a Callan performance report is issued. As a result, the estimated returns and market values reported for these illiquid asset classes, as well as for any composites including these illiquid asset classes, including any total fund composite prepared, may not reflect final data, and therefore may be subject to revision in future quarters.

Callan's services with respect to private markets include qualitative and quantitative due diligence and monitoring of fund managers (i.e., investment managers and general partners) and the funds they sponsor (i.e., portfolios). This may include the review of the investment strategy and team, organizational structure and related matters, historical performance and the volatility of returns, portfolio characteristics, and peer comparisons. Callan does not provide holdings-level monitoring for private market portfolios and does not evaluate the appropriateness, risk or characteristics of individual holdings in private market portfolios. Callan does not assume any responsibility for the underlying investments held within any private market fund or vehicle, including without limitation, the individual portfolio companies, loans, credit instruments, real assets, or other holdings of any such fund or vehicle.

Important Disclosures (continued)

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Unless Callan has been specifically engaged to do so, Callan does not conduct background checks or in-depth due diligence of the operations of any investment manager search candidate or investment vehicle, as may be typically performed in an operational due diligence evaluation assignment and in no event does Callan conduct due diligence beyond what is described in its report to the client.

Any decision made on the basis of this document is the sole responsibility of the client, as the intended recipient, and it is incumbent upon the client to make an independent determination of the suitability and consequences of such a decision.

Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

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



To: Board of Trustees
 From: Raynald Leveque, Chief Investment Officer
 Date: October 2, 2026
 Re: **Update to Investment Policy – Collective Investment Trusts**
 Item: Action: ☒ Discussion: ☐ Informational: ☐

Attached for your review and approval are proposed revisions to the New Hampshire Retirement System's (System) Investment Manual related to clarifying the use of collective investment trusts or CIT, a type of commingled investment vehicle.

The revisions clarify the System's ability to invest in common, collective, commingled or group trust funds in the Global Equity and Global Fixed Income classes. Certain commingled investment vehicles require the authority governing documents to be included in the System's governing documents and require the applicable trust documents to be incorporated by reference.

The proposed changes also include the addition of Appendix A to the Investment Manual, which identifies the governing documents incorporated into the Investment Policy as it relates to collective investment trusts and commingled investment vehicles utilized by NHRS.

These updates are intended to ensure that the Investment Manual includes the appropriate language for the System's use of these investment vehicles.

Attached are clean and redlined versions of the Investment reflecting the proposed changes.

Staff recommend that the Board of Trustees approve the proposed revisions and updates to the Investment Manual.

These updates are designed to ensure alignment with the System's long-term investment objectives and to enhance the overall investment framework. Please note that the Investment Manual was last reviewed and formally approved by the Board of Trustees (BOT) on February 11, 2025.

Changes to the Investment Manual are reflected on the following pages within the Investment Manual :

- **Investment Policy – Document Page 18 (PDF Page 22)** : Addition of section XV. Commingled Fund -Trusts, which includes language to address the approval and adoption of commingled investment vehicles;
- **Global Equity and Fixed Investment Guidelines – Document Pages 1-2 (PDF pages 86–90)** : Revisions to permit the investment and commingling of System assets in common, collective investment trusts and other type of commingled vehicles across public markets assets classes;
- **Appendix A – PDF Page 104** : Addition of Appendix A identifying the governing documents for commingled investment vehicles, including collective investment trusts.

NEW HAMPSHIRE RETIREMENT SYSTEM



Investment Manual

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SECTION I

Investment Policy

Investment Policy
Amended by NHRS Board of Trustees on ~~February 11,~~
2025October 13,2026

I. Introduction to the Investment Policy

The purpose of this Investment Policy is to:

- A. Fulfill the Board's and IIC's statutory duty to oversee the investments of NHRS in accordance with the basic fiduciary responsibilities. These duties include:
 - Managing the fund with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like objectives.
 - Making all decisions solely in the interest of, and for the exclusive purpose of providing benefits to the members, retirees, and their beneficiaries.
 - Defraying reasonable administrative expenses.
- B. Set forth the investment policies the Board and IIC judge to be appropriate, prudent and, in consideration of the Systems' needs, to comply with current laws and to direct the investment of the System's assets.
- C. Ensure appropriate flexibility within the investment process to allow for the System to participate in prudent investment opportunities while also establishing risk parameters within which the portfolio will operate.
- D. Establish criteria to evaluate the System's investment performance.
- E. Communicate investment policies, objectives, asset class guidelines, and performance criteria to the investment team, external investment managers/advisors, consultants, custodians, and all other interested parties.
- F. Serve as a review document to guide ongoing oversight of the System's investments for compliance with the laws of New Hampshire.

II. Responsible Parties and Their Duties

Key parties that participate in the investment decision-making and oversight process for NHRS include the:

- Board of Trustees
- Independent Investment Committee (IIC)
- Investment Team (Team)
- Investment Consultants
- Investment Advisors
- Investment Managers
- Custodian Bank
- Proxy Voting Service Provider
- Investment Service Providers
- External Fund Counsel
- Internal Stakeholders:
 - Finance & Accounting
 - Legal
 - Information Technology
 - Communications

Board of Trustees:

The Board sets investment policy in accordance with applicable State and Federal laws, hires the investment consultant(s), and sets policy for establishing and modifying investment objectives. The Board also has responsibility to review quarterly and annual reports from the IIC.

Independent Investment Committee:

The IIC prepares for the Board's review and approval an investment policy statement, including investment objectives, an expected rate of return the System is attempting to earn, asset allocation targets and ranges, and identification of appropriate benchmarks. The IIC has the full power to hold, purchase, sell, assign, transfer, and dispose of any securities and investments, as well as the proceeds of such investments, in accordance with the policy set by the Board. The IIC has the responsibility to establish asset class guidelines and for selecting, monitoring, and terminating investment managers. The IIC is responsible for reporting to the Board on a quarterly and annual basis as directed by the statute.

Investment Team:

The NHRS Investment Team, led by the Chief Investment Officer (CIO), is responsible for implementation of the investment decisions made by the Board of Trustees and/or the IIC. In general, the responsibilities of the Investment Team include:

- Ensuring the asset allocation of the Fund is implemented in accordance with the policy approved by the Board, including rebalancing as necessary in accordance with the investment policy

- Monitoring policy and statutory compliance of the portfolio
- Assisting the IIC in developing investment policy recommendations to present to the Board for approval
- Monitoring investment managers and performing due diligence on new investment opportunities or managers as directed by the IIC
- Coordinating work with the investment consultant or any other investment-related service provider selected by the Board
- Conducting special research or analysis as directed by the Board, IIC, or CIO
- Ensuring the Board and IIC receive appropriate reporting regarding the investment portfolio

Investment Consultants:

The investment consultant will perform those services as described in its contract, either general consulting or specific asset class consulting. The investment consultant is hired by the Board and is expected to work cooperatively and collaboratively with the Board, the IIC, as well as the Investment Team.

In general, the investment consultant's responsibilities may include:

- Providing advice on total plan asset allocation, or specific asset class guidance
- Assisting the Board, IIC, and Team with decision-making
- Providing reviews of investment policy, asset class structure, and investment manager due diligence
- Calculating performance
- Reporting and analyzing performance of the total portfolio, asset classes, and individual investment managers
- Performing research as needed
- Providing investment education to the Board, IIC and team as requested
- Reporting quarterly to the Board on investment consultant contract fulfillment actions
- Reporting quarterly to the Board on recommendations made to the IIC and the status of their recommendations.

Investment Advisors:

The investment advisor will carry out the duties stipulated in their contractual agreements. Engaged by the Board, they are expected to actively cooperate and collaborate with the Investment Team, IIC, and the Board. The advisors may have full and complete discretion and authority with respect to the selection and management of investments in a specific asset class.

Broadly, the responsibilities of the investment advisors encompass:

- Assisting the Board, IIC and team with due diligence, selection, review, management and reporting.
- Providing strategic guidance to the IIC and Team on investment strategies, market trends, and economic developments as requested

- Ensuring all investments comply with legal and regulatory requirements and preparing detailed reports for stakeholders on the fund's financial health and performance.

Investment Managers:

The investment managers hired by the IIC have the duty to manage the assets allocated to them as fiduciaries and in accordance with the Investment Management Guidelines established for their accounts and their individual contracts. Investment managers must execute all transactions for the benefit of NHRS and update NHRS regarding any major changes to the portfolio management team, investment strategy, portfolio structure, ownership, organizational structure, or other changes relevant to the account.

Managers may also play a role in transition management, which includes the following responsibilities:

- Transition Planning: Develop transition strategies, including setting timelines and milestones.
- Execution Management: Oversee trade execution and coordinate with custodians, brokers, and other relevant parties.
- Risk Management and Compliance: Manage risks, ensure compliance, and oversee transition processes.
- Performance Monitoring: Track the transition's performance against benchmarks and objectives and provide regular updates.
- Providing guidance to investment office when executing asset class transition management.

Custodian Bank:

The duties of the custodian bank are set forth by their contract with NHRS.

In general, the custodian's responsibilities include:

- Safekeeping of NHRS assets
- Settling investment transactions and collecting income
- Preparing monthly and year-end accounting statements
- Serving as the "book of record" for investment transactions and valuations
- Properly recording and reporting investment activities, transactions, income, and valuations
- Calculating and reporting on gross and net investment performance as well as other investment analytics

When selecting the custodian bank, the IIC will use the current industry standards appropriate for evaluating the qualifications of a custodian bank.

Proxy Voting Service Provider:

The duties of the proxy voting service provider are set forth by their contract with NHRS.

In general, those responsibilities include:

- Voting proxies on behalf of NHRS per the Proxy Voting Policy
- Providing research reports
- Preparing monthly and year-end summaries
- Alerting the Investment Team to issues not covered by the NHRS Proxy Voting Policy
- Recommending revisions to the NHRS Proxy Voting Policy
- Assisting in revising the NHRS Proxy Voting Policy

Transparency / Monitoring Service Provider:

The duties of the Transparency and Monitoring Service Provider, as outlined in their contract with NHRS, include:

- Analyzing financial documentation: Identify and advise on any potential fee discrepancies between contracted Investment Managers and NHRS
- Detecting hidden fees and costs: Search for and analyze hidden fees or costs charged to funds or portfolio investments (e.g., double fee layers, placement agents) and assess any excessive high operating expenses
- Presenting findings: Report findings to NHRS and the respective managers.
- Negotiating resolutions: Work to resolve any identified issues
- Monitoring refunds and optimizations: Oversee the refund process and ensure optimization where applicable

External Fund Counsel:

The duties of external fund counsel, as outlined in their contract with NHRS, include but not limited to:

- Engagement and legal diligence for prospective contracts for fund investments and subscription to private fund mandates and commitments
- Review and assistance with negotiating private investments with external general partners and fund managers
- Representation and assistance in administrative, regulatory proceedings, or litigation related to investment matters
- Ongoing notification and education relevant to changes in the law and industry practices affecting investments

Internal Partners:

The duty of the internal NHRS partners, is to support and/or facilitate activities being performed by the Investment Team to fulfill fiduciary responsibilities to the beneficiaries. The internal partners are made up of the following teams:

Finance & Accounting:

- Cash Management and Financial Reporting
- Processing wires required to fund new investments and/or capital calls, pay service providers and vendors
- Maintaining log of Investment-related transactions
- Budget oversight ensuring the alignment of investment decisions with the fund's budgetary constraints and cash flow needs

Legal:

- Regulatory compliance: Ensure investment activities align with local, state, and federal laws
- Vendor contract review: Assess and approve agreements with external managers, custodians, and consultants
- Coordination with external fund counsel in the legal diligence of investment management agreements with external general partners and fund managers

Information Technology:

- Supporting the secure storage and accessibility of investment-related data systems
- Ensuring that software platforms for investment analytics, risk management, and accounting work seamlessly
- Overseeing the implementation process, ensuring the system is tested and seamlessly integrated

Communications:

- Stakeholder engagement: Facilitate communication between the Investment Team, board members and plan participants
- Policy dissemination: Ensure clarity and accessibility of the investment policy statement to relevant parties.

The Accountability Matrix incorporated herein by reference further summarizes key responsibilities and duties of the Board; IIC; Chief Investment Officer and Investment Team; Internal Legal Team; Investment Consultant(s); and Actuary. Additional responsibilities are also detailed in the Board's governance manual, contracts, and NHRS's position descriptions for Team.

III. Investment Objectives

Considering the purpose of the System, the Board, based on the recommendation of the IIC, has adopted the following investment objectives:

- Efficiently allocate and manage the assets of the Fund so that beneficiaries will receive promised benefits.
- Manage the portfolio on a total return basis, which recognizes the importance of the preservation of capital, as well as the fact that reasonable and varying degrees of investment risk are generally rewarded over the long-term
- Work towards achieving and then maintaining a fully funded pension status.
- Exceed the Policy benchmark on a net of fees basis over a full market cycle.

IV. Risk Management

The Board's role in risk management is to approve the asset allocation targets and ranges for each asset class of the Fund. The Board recognizes that in order for the Fund to achieve its investment objectives, a reasonable level of risk must be present within the investment portfolio. Risk is referenced both in terms of absolute risk (the risk of loss) and volatility (the variability of returns). The Board will seek to minimize the risk of loss by approving an asset allocation that includes an appropriate level of diversification of Fund assets. The Board will periodically review the level of risk as represented by the asset allocation targets and ranges within the Fund and each asset class to ensure it is reasonable and within its tolerance for risk. Equity volatility (risk) is among the highest for any asset class. Other risks that the Board will consider when approving investment policy include benchmark risk, timing risk, market risk, credit risk, currency risk, liquidity risk, and any other risk it determines is relevant.

The Board acknowledges that the IIC also has a responsibility to consider risk when recommending asset allocation, and to monitor risks within the portfolio. The IIC will consider market risk, credit risk, currency risk, liquidity risk, and any other risk it believes to be relevant when it determines an asset allocation to recommend to the Board. The IIC is responsible for risk management at the manager level as it decides upon the number and types of managers to utilize within each asset class portfolio. When making decisions, the IIC will consider idiosyncratic risk (firm specific risk), benchmark risk, timing risk, market risk, credit risk, liquidity risk, interest rate risk, operational risk, concentration risk or any other risk it determines relevant as it makes its decisions.

The investment managers are responsible for risk management within the portfolio they manage on behalf of NHRS. Investment managers will consider those risks most relevant to their portfolio, which could include market risk, credit risk, currency risk, liquidity risk, inflation risk, geo-political risk, political risk, interest rate risk, and operational risk.

Descriptions of major types of risk follow:

- A. Credit Risk: The risk of default of a party owing cash to the System as the result of a transaction. These parties may include, but are not limited to, the counterparty and the issuer.
- B. Counterparty risk (default risk): The risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk is a risk to both parties and should be considered when evaluating a contract.
- C. Liquidity Risk: There are two types of liquidity risk: market liquidity risk and funding liquidity risk. Market liquidity risk is the risk of being unable to purchase or liquidate a security quickly enough (or in requisite quantities) at a fair price. Market liquidity risk differs from market risk (defined below). Market liquidity risk only reflects realized price changes, while market risk reflects both realized and unrealized price changes. Funding liquidity risk relates to the relative ease of the organization to meet its cash flow needs as they come due.
- D. Market Risk: The risk of unexpected change in market price (amount or direction). Price changes in securities can result from movements in equity markets, interest rates, and currency exchange rates, in addition to various other factors. Market risk incorporates both realized and unrealized price changes.
- E. Systemic Risk: Risk that affects an entire financial market or system, and not just specific asset classes. Systemic risk cannot be avoided through diversification.
- F. Absolute Risk: Risk of loss of capital.
- G. Volatility Risk: The variability of returns often used as a proxy for risk.
- H. Operational Risk: The risk of inadequate controls against fraud, incorrect market valuation, failure to record or settle a deal, settlement with the wrong counterparty, failure to collect amounts due, failure of the computer system, or enforceability of contracts. The implications of operational risk include both financial loss and loss of reputation.
- I. Geo-Political Risk: The risk of the occurrence of an unanticipated international and/or domestic incident such as war, assassination, terrorism or energy shock that adversely affects global and capital markets resulting in the re-pricing of securities.
- J. Political Risk: The risk of nationalization or other unfavorable government action.

- K. Idiosyncratic Risk: Firm specific risk or the risk of the change in price of a security due to the unique circumstances of that security.
- L. Benchmark Risk: The risk that an investment may outperform or underperform its target return.
- M. Interest rate risk: The risk of an investment losing value (such as bonds) when interest rates rise. Rising interest rates increase the cost of doing business for most companies and can also, thereby, raise market risk.
- N. Inflation risk: The risk that rising inflation may erode the value of income and/or assets.
- O. Currency risk: The risk that currency movements will negatively impact an investment's return. If the value of the U.S. dollar rises in relation to other currencies, the value of foreign stock shares translates into a smaller number of U.S. dollars for investors who hold those shares. Put another way, a "strong" dollar can buy more foreign goods, including foreign stocks. Conversely, if the dollar falls in relation to other currencies, the value of foreign stock shares rises, as more "weak" dollars are needed to buy a given amount of foreign stock.
- P. Timing risk: The risk that the market will not move in the anticipated direction when an investment is made (upward for long positions, and downward for short positions).
- Q. Concentration risk: The risk that the System does not appropriately and effectively diversify the assets within an asset class. An example of concentration risk is having too large a percentage of System assets with a single investment manager.

V. Asset Allocation

The Board approves the asset allocation targets and ranges for each asset class of the Fund (the allowable asset classes and the distribution of assets among those asset classes) based on recommendations from the IIC. As fiduciaries, the Board and the IIC have a duty to diversify the investments of the System to reduce risk, while maximizing the investment return. Approximately ninety percent (90%) of the long-term total return stems from the asset allocation decision. The remaining ten percent (10%) is expected to be attributable to either the selection of individual assets or timing. Accordingly, asset allocation is one of the most important fiduciary decisions. The Board adopts an asset allocation based on recommendations from the IIC, which relies upon the advice from the Chief Investment Officer and the investment consultant to formulate its recommendations to the Board.

The asset allocation approved by the Board will reflect the results of an Asset Allocation Study performed at least once in every five-year period, or more often, as recommended by the IIC, in consultation with the Investment Team and investment consultant. The study may also include an Asset Liability Study that analyzes the current assets and projected liabilities under various scenarios to ensure long-term funding for retiree benefits.

The Asset Allocation Study identifies a mix of investments, by asset class, which is expected to produce the return required to meet future funding requirements at the lowest level of risk, given all of the assumptions made and employing a mean-variance optimization model.

The asset allocation chart, which follows, lists the approved asset classes in the portfolio and the target percentages and ranges, at market value, of the System's assets to be invested in each. Due to fluctuations of market values, positioning within a specified range is acceptable and constitutes compliance with the policy. Based on the approved asset allocation, recommendations from the System's consulting actuary, IIC, investment managers and the Team, the Board adopts an assumed rate of return, which is subject to periodic change and which is the long-term return that can be expected from this combination of assets. As of June 9, 2020, the assumed rate of return was 6.75%.

Asset Class	Target Allocation	Allocation Range
Public Markets:		
Global Equity	40%	30 – 50%
Global Fixed Income	25%	18 – 32%
Private Markets:		
Private Equity	10%	5 – 15%
Private Credit	10%	0 – 15%
Infrastructure	5%	0 – 10%
Real Estate	10%	5 – 20%
Cash:	0%	0 – 5%

Asset Allocation Targets were approved in December 2023 and the Ranges approved in December 2024.

The Board has approved the use of the above listed asset classes for the following reasons:

Global Equity: The allocation to global equity serves to expose the fund to economic growth throughout the world and will serve as the primary growth engine for capital appreciation.

Global 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.

Private Markets: Private markets investments are non-traditional investments, not covered by another investment class. In general, private market investments are incorporated into the NHRS asset allocation to enhance the portfolio's risk-adjusted return (private equity/private credit) or to diversify volatility. While the risk associated with these types of investments is higher than that of other asset classes, the expected return is also higher.

- Private Equity: generates attractive risk-adjusted rates of return through investments in private companies and earns returns in excess of the public equity markets over the long-term. Private Equity sub asset classes include leveraged buyouts, venture capital, growth equity and special situations such as investment in general partner interests and industry sector funds, and include co-investments, secondaries and other customized strategies.
- Private Credit: investments will be made across the credit universe, seeking attractive risk-adjusted returns using a diverse set of strategies. Sub asset class strategies include direct lending, mezzanine finance, distressed and special situations, specialty finance, structured credit, real assets credit, real estate credit, and liquid credit.
- Infrastructure: refers to physical assets or facilities that are used to provide essential services or support economic activity, and which are privately owned and managed rather than publicly owned or operated. This category typically includes assets in sectors such as energy (e.g., power plants, renewable energy installations), transportation (e.g., toll roads, bridges, ports, airports), utilities (e.g., water, sewage, telecommunications), and social infrastructure (e.g., schools, hospitals, and housing projects). Private infrastructure investments often involve long-term capital commitments, offering the potential for stable, inflation-linked cash flows and diversification benefits within a broader investment portfolio.
- 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.

VI. Rebalancing

The actual asset class allocation of the Fund will be continuously reviewed by the Investment Team relative to the asset class policy targets. Market movements or cash flow requirements may require the actual allocations in the portfolio to deviate from the target allocations. The Team shall seek to maintain the Fund's actual asset allocation within allocation ranges at all times. When rebalancing is required, the team will develop a rebalancing plan that, when possible, minimizes transaction costs. The plan will identify whether the assets will be rebalanced to a point within the allowable range, or to the allocation target. The Team will give due consideration to market environments, costs and risks of implementation, potential impacts on manager-level performance, and other relevant factors. The Team will report to the IIC and the Board regarding rebalancing activities that have occurred.

VII. Equity Investment in Another Entity

When the System makes an equity investment in another entity, the underlying assets of such other entity will be deemed "assets" of the System for purposes of Section 100-A15, I-b of the RSA except with respect to investments in the following entities:

- (a) Publicly-offered securities
- (b) An investment company registered under the Investment Company Act of 1940
- (c) A Company primarily engaged, either directly or through majority-owned subsidiaries, in the production and/or sale of goods and/or services (other than the investment of capital) ("Operating Company")
- (d) A private equity fund whose primary objective is to invest in Operating Companies in which it has contractual rights to influence company management
- (e) A private investment fund whose primary objective is to invest in real estate with respect to which it has the right to participate directly in the development or management
- (f) A government mortgage pool guaranteed by the United States or an agency or instrumentality thereof
- (g) An investment fund or entity in which:
 - (1) (i) private U.S. employee benefit plans subject to Part 4 of Subtitle B of Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA Plans"), (ii) plans subject to Section 4975 of the Internal Revenue Code ("4975 Plans"), and (iii) other entities deemed under ERISA to hold assets of such

ERISA Plans and 4975 Plans (together with ERISA Plans and 4975 Plans, “Benefit Plan Investors”), hold less than 25% of any class of equity interests and

(2) the System holds less than 25% of the total equity interests

- (h) An insurance company general account to the extent that the non-guaranteed policy portion of such account is less than 25% held by Benefit Plan Investors and less than 25% held by the System.

It is the intention of the Board that in settling any ambiguity regarding this section of policy, the Board shall look to available guidance under ERISA to settle such ambiguity.

VIII. Liquidity

Currently, each fiscal year, the member benefit payments paid by the System exceed the employer contributions received by the System. As a result, maintaining appropriate liquidity is critical to the System’s operations and the System’s ability to meet its financial obligations. The Team will be responsible for ensuring the System maintains the appropriate liquidity for the payment of member benefits, fund expenses and capital calls from its General Partners.

IX. Active and Passive Management

The IIC may implement the Board’s approved asset allocation through the use of both passive and active management. The use of active and passive management is detailed in the guidelines for each asset class. The goal of passive management is to gain diversified exposure to the desired asset class while incurring minimal expense and seeking a performance return comparable to the asset class benchmark. The goal of active management is to exceed the performance of the appropriate index on a net-of-fees basis at a commensurate level of risk over a full market cycle.

X. Benchmarks

The following benchmarks represent the standards of measurement to be used for the various investment asset classes of the New Hampshire Retirement System as determined by the Board and IIC.

Asset Class	Benchmark
Global Equity	MSCI ACWI IMI (All Country World Index Investable Market Index)
Sub-asset class:	
Domestic Equity	Russell 3000 Index
Non-U.S Equity	MSCI ACWI ex USA IMI Index

Global Fixed Income	Bloomberg Barclays Capital U.S. Universal Bond Index
Private Markets:	
Private Equity	Russell 3000 Index + 2.0%
Private Credit	(50% S&P/LSTA U.S. Leveraged Loan 100 Index and 50% Bloomberg High Yield Index) + 1.0%
Infrastructure	Consumer Price Index + 4%
Real Estate	NCREIF NFI-ODCE Index (net of fees)
Cash Equivalents	Three-month Treasury Bill Index
Total Fund	Total Fund Custom Benchmark

The Total Fund Custom Benchmark is a weighted average return comprised of the respective asset class benchmarks in the same proportion as the target asset allocation.

As performance results may vary under different economic conditions and market cycles, an effective period for measuring performance would span three to five years or more. Performance returns are expected to meet or exceed the relevant benchmark on a net-of-fees basis over time.

The IIC has responsibility for identifying appropriate benchmarks for each investment in the Fund.

Definitions of the benchmarks are listed below:

- A. The MSCI ACWI (All Country World Index) IMI is a global equity benchmark that includes large, mid, and small-cap companies across 23 developed and 26 emerging markets. It is designed to represent the performance of global equity markets and provides broad diversification across regions and sectors.
- B. The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies, representing approximately 98% of the investable U.S. equity market.
- C. The MSCI ACWI ex USA (All Country World Index excluding the United States) IMI is a global equity benchmark that includes large, mid, and small-cap companies across 23 developed markets and 26 emerging markets, excluding the United States. It is designed to represent the performance of global equity markets outside of the U.S. and provides broad diversification across regions and sectors.
- D. The Bloomberg Barclays Capital U.S. Universal Index represents the union of Bloomberg Barclays Capital's U.S. Aggregate Index (see below), U.S. Corporate High-Yield, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging

Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment grade or below investment grade.

- E. The Bloomberg Barclays Capital U.S. Aggregate Index is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed and mortgage-backed securities, with maturities of one year or more.
- F. The National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index Open-End Diversified Core (NFI-ODCE) is a composite comprised of primarily Core open-end funds widely used by institutional investors for exposure to domestic private market real estate. An open-end fund is a large pool of properties held in a commingled fund structure where investors have redemption rights (typically quarterly right to make capital deposits or withdrawals). Because of quarterly purchase or redemption of fund shares, open-end funds have some of the best valuation disciplines in private market real estate. The funds report performance quarterly to NCREIF. Nearly all open-end funds are designed to be perpetual life vehicles, with many having history dating back to the 1970s.
- G. The S&P/LSTA U.S. Leveraged Loan 100 Index is a daily tradable index for the U.S. market that seeks to mirror the market-weighted performance of the largest institutional leverage loans. The constituents are drawn from a universe of syndicated leveraged loans representing over 90% of the leveraged loan market.
- H. The Bloomberg High Yield Index measures the USD-denominated, high-yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. Consumer Price Index (CPI) measures the average change over time in the prices paid by urban consumers for a basket of goods and services. It is commonly used as a gauge of inflation and to assess changes in the cost of living. The CPI is a key economic indicator and is often used to adjust income and investment returns for inflation.
- I. The Three-month Treasury bill serves as a common benchmark for cash equivalents in an institutional portfolio due to its risk-free rate, backed by the full faith and credit of the US government, high liquidity, short-term maturity capturing current interest rate conditions, and widely published, accessible and transparent benchmark for performance comparison.

XI. Reporting to the Board

Pursuant to RSA 100-A:15, II-a, the IIC will report to the Board at least quarterly on the management, investment, and reinvestment activities of the IIC, and may delegate such reporting as it deems appropriate.

The quarterly report will include:

- A report on the investment performance of the assets of the System
- Changes, if any, in the investment managers of the System
- Changes, if any, in the investment guidelines for each of the asset classes
- Rebalancing activities, if any

Pursuant to RSA 100-A:15, VII, the IIC will prepare, for Board approval, a comprehensive annual investment report for the Board.

The annual report will include:

- A description of the IIC's philosophy for investing the assets of the System
- An analysis of the return on investment, by category
- An annual investment policy statement
- Any suggested changes in legislation which the Board may seek in order to better serve the members of the system

After Board approval, the comprehensive annual investment report is submitted to the president of the senate, the speaker of the house, and the governor.

The Investment Team, investment consultant(s), custodian bank, and other parties will also provide reporting to the Board as requested or needed.

XII. Manager Selection, Monitoring, and Termination

The IIC, with the assistance of the Investment Team and the investment consultant, will establish a process by which to select investment managers. Criteria for each manager search will be tailored to the search underway and NHRS' specific needs and requirements.

Examples of criteria include:

- Organizational stability
- Investment team, experience and tenure
- Investment process
- Ownership
- Fees
- Performance

Manager searches will be conducted in a fair and transparent manner. During a manager search, a "no contact policy" will be in effect. During this time, only the Investment Team members designated by the Chief Investment Officer will have any contact with potential candidates. Trustees, IIC members, and other team members will refrain from discussing the search with candidate firms or potential candidate firms. This policy does not preclude existing managers from carrying out their normal business requirements with NHRS.

The IIC has delegated selected manager monitoring efforts to the Team and the investment consultant. Any significant changes to a manager's investment philosophy, fees, personnel, ownership or organizational structure will be summarized and reported to the IIC. The IIC will receive quarterly and annual reporting regarding the performance of the investment managers within the fund.

The IIC has the right to terminate any investment manager at any time. Grounds for termination may include, but are not limited to:

- Changes in asset allocation that require re-structuring of the portfolio
- Failure to comply with investment management agreements
- Underperformance over the short to medium term, with consideration of long-term investment strategy and time horizon
- Significant process, organizational, ownership or personnel changes
- Unethical behavior
- Loss of confidence in the organization
- Unresponsiveness or inability to satisfy reporting requests

XIII. Private Markets Fund Advisory Board/Committee Participation

The primary purpose of a private markets fund advisory board/committee is to (1) provide "checks and balances" on the general partner's power and authority to operate the fund; and (2) act as a "sounding board" for matters where the interests of all the fund's partners may not be aligned.

The System has determined that the benefits of the Investment Team participating on advisory boards/committees far outweigh the risks or potential risks of not participating on advisory boards/committees. As a result, it is appropriate for the CIO or designated team member to represent the System as a member of an advisory board/committee, with the approval of the IIC and provided that there are appropriate protections for such members (e.g., with respect to fiduciary duty/standard of care, indemnification, confidentiality, etc.).

XIV. Use of Derivatives

Derivatives may only be used to modify risk/return characteristics of the portfolio, implement asset allocation changes in a cost-effective manner, or reduce transaction costs or taxes. Derivatives may not be used for speculation or leverage (borrowing).

Contracts with separate account managers will identify the types of derivatives that may be used, consistent with this Manual and prudent discretion. Managers must notify the CIO of modifications in the types of derivatives used and obtain the CIO's approval of

such modifications. The System's Non-U.S. Equity managers generally have authorization for broader use of derivatives; however, their actions will be monitored for excessive risk.

Investments in commingled funds are open to other investors; therefore, it is not possible for the System to insist that the managers of such funds abide by System policy regarding the use of derivatives; however, their actions will be monitored for excessive risk. The CIO will monitor a manager's use of derivatives on an ongoing basis to determine whether continued investment in a fund is prudent.

XV. Commingled Funds - Trusts

Trusts when the System invests in or contributes assets to commingled vehicles, such as collective investment trusts managed by a bank or trust company, the terms of the documents governing the commingled vehicle for regulatory purposes occasionally require the Board, on behalf of the System, to adopt certain provisions of trust documents governing the commingled vehicle, all as provided under the terms of such trust documents. The Board has authorized and empowered the IIC, when they deem it to be in the best interest of the System and its beneficiaries, in connection with an investment in or contribution of assets to a commingled vehicle, to approve and cause the System to adopt the provisions of the trust documents for the commingled vehicle on behalf of the System, to make such documents a part of the System's Investment Manual, evidenced by inclusion of such adopted provisions as an appendix to this Manual, and to execute such other documents and take such other actions as shall be necessary and desirable in connection therewith. Attached as [Appendix A] to this Manual, as such appendix may be amended from time to time without further action of the Board, is a list of documents adopted as part of the Investment Manual in connection with an investment in or contribution of assets to a commingled vehicle.

XVI. Prohibited Transactions

The following transactions will be prohibited unless stated otherwise in the investment manager guidelines:

- "Prohibited transactions" as defined under the Employee Retirement Income Security Act of 1974 (ERISA).
- Transactions that involve a broker acting as a "principal", where such broker is also the investment manager who is making the transaction.
- Any or all investment activities forbidden by SEC or other applicable governing bodies.

The exposure for options, when permitted by contract, must be based on an appropriate options pricing model.

XVI.II. Review of Investment Policy

The IIC will review the investment policy at least annually to ensure it remains appropriate and to determine whether any modifications are needed and make a recommendation to the Board for changes, if any, to the investment policy. The Board will review the recommendations of the IIC regarding the investment policy and review the policy at least annually.

XVI.III. Glossary of Common Investment Terms

Investment in any particular instrument or security remains subject to applicable law and circumstances then prevailing. Notwithstanding, the most common investments are cited below:

- A. Private Markets Investments are investable assets that fall outside traditional investments (stocks, bonds, cash), and involve less liquid and more specialized strategies (e.g. private equity / private credit and other private markets strategies)
- B. American Depositary Receipts (ADRs) are receipts for the shares of a foreign-based corporation held in the vault of a U.S. bank and entitling the shareholder to all dividends and capital gains. These are traded on various U.S.-based exchanges and are available for hundreds of stocks from numerous countries.
- C. Commercial Mortgage-Backed Securities (CMBS) are multi-class bonds backed by pools of commercial mortgages.
- D. Commercial Mortgage Lending investments are notes and bonds secured by a mortgage or deed of trust providing first lien on real estate.
- E. Derivatives are financial instruments such as forwards, futures, options, or other instruments whose values are “derived” from another financial instrument.
- F. Domestic Equity Securities for System purposes typically consist of corporate common stock. These stocks must be registered on a national securities exchange or must be otherwise registered as provided in the Securities Exchange Act of 1934 as amended, with price quotations furnished through a nationwide automated quotations system approved by the National Association of Securities Dealers, Inc. (NASD). Domestic Equity Securities also include stock in corporate real estate investment trusts (REITs), which are traded on a national exchange and acquired as part of an index fund or by one of the System’s domestic equity managers.

- G. Domestic Fixed Income Securities are U.S. Treasury or Government agency obligations; equipment trust certificates; corporate, industrial, or utility bonds; U.S. dollar denominated Euro or Yankee bonds, including Canadian obligations payable in U.S. dollars; residential and commercial mortgage-backed securities; and pass-through certificates. For System purposes, Domestic Fixed Income Securities primarily consist of instruments with maturities in excess of twelve (12) months at time of purchase.
- H. Emerging Market Equities are common or preferred stocks and investment shares which are registered on exchanges outside the U.S. Emerging market countries are the developing international countries which have a relatively low per capita Gross National Product. There is wide variety of economic, regulatory, and market development among the emerging countries.
- I. Equity Real Estate Investments are any investments in real property, either made directly or through the use of pooled vehicles such as limited partnerships, open or closed-end commingled funds, Real Estate Investment Trusts (REITs) including publicly traded REIT securities, and Real Estate Operating Companies (REOCs).
- J. Non-U.S. Equity Securities are common or preferred corporate stocks and investment trust shares. Only stocks registered on recognized exchanges outside the U.S. are to be considered Non-U.S. Equity Securities.
- K. Real Estate Mezzanine Funds are investments in funds or partnerships whose portfolios consist of junior loans secured by real estate or partnership interests in real estate ownership.
- L. Repurchase Agreements are agreements between a seller and a buyer, whereby the seller agrees to repurchase the securities at an agreed upon price and, usually, at a stated time.
- M. Securities Lending occurs when a lender transfers a security to a borrower for cash or non-cash collateral pursuant to an agreement to return the collateral for an identical security in the future.
- N. Short Term Investments (Cash Equivalents) include, but are not limited to, interest bearing or discount instruments such as money market funds; U.S. Treasury Bills; corporate-issued commercial paper; bank-issued Certificates of Deposit; bankers' acceptances; and fully collateralized repurchase agreements. For System purposes, short-term investments consist primarily of instruments maturing in twelve (12) months or less at time of purchase.

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O. Trusts: are commingled investment vehicles, such as collective investment trusts, in which the System invests or contributes assets alongside other investors under governing trust documents.

N:

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Proxy Voting 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 permitting companies to make 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).

Vote **abstain** on proposals to approve, accept, or amend Corporate Social Responsibility Charters, Policies, or Reports. (Predominantly seen in Saudi Arabia, Qatar, and Spain).

Securities Lending Policy

New Hampshire Retirement System Securities Lending Policy
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This policy governs the System's direct lending program. The direct lending program covers securities directly owned by NHRS in separately managed accounts. This policy does not address indirect lending, where securities are lent from commingled investment funds.

Securities lending occurs when the System loans a security to a borrower, such as a broker-dealer or a bank, for cash or non-cash collateral pursuant to an agreement to return the identical security to NHRS in the future. Securities are borrowed for a number of reasons, including settlement of short sales and to cover hedges, options, arbitrage positions and settlement fails. Consequently, the borrower receives custody of the loaned security and has the right to resell it. The borrower, however, is obligated to return the exact same security at the end of the loan period and to make the System whole for dividends, interest, and other distributions as if the security remained in the System's portfolio during the loan period. The System does not retain the right to vote on any proxies for a given security during the period the security is on loan.

Due to the current relationship of risk to reward involved in securities lending, and the limited earning potential associated with this activity due to very low interest rates, the NHRS no longer participates in the practice of securities lending.

Securities Litigation Policy

**New Hampshire Retirement System
Securities Litigation Policy
Amended by NHRS Board of Trustees on January 14, 2014**

I. Purpose and Intent

This policy establishes the New Hampshire Retirement System's ("NHRS") policy regarding potential participation in securities class action lawsuits.

II. Policy

A. Background

To fulfill its fiduciary responsibilities to prudently invest and manage the assets of NHRS, NHRS purchases the stock of various public companies or issuers. Periodically, class action lawsuits are brought against the issuers, their directors and/or their officers for alleged violations of federal and state securities laws relating to various disclosure obligations and other breaches of fiduciary or other duties. As a shareholder, NHRS is often a member of the classes. Frequently, NHRS receives solicitations from attorneys who desire to represent NHRS as lead plaintiff in these class action lawsuits.

B. Appointment as Lead Plaintiff

Under the federal Private Securities Litigation Reform Act of 1995, federal courts are required to appoint one or more members of the class to serve as the lead plaintiff(s) in securities class action lawsuits. The Act provides a presumption that the lead plaintiff is to be the investor with the largest financial interest in the relief sought by the lawsuit. Typically, this means that those investors with the largest holdings in the defendant issuer's stock have the right to serve as the lead plaintiffs. Generally, in most class action lawsuits, several other investors with substantially larger assets than NHRS will hold more shares in the defendant issuer than NHRS and therefore have a larger financial interest in the relief sought. Accordingly, in most of these lawsuits, an investor other than NHRS will have the right to serve as the lead plaintiff.

C. Financial Risks of Serving as Lead Plaintiff

There are financial risks that result from serving as a lead plaintiff in a securities class action lawsuit. Serving as lead plaintiff may have financial risks if the litigation is unsuccessful. Unless the lead plaintiff successfully negotiates an allocation of potential financial risk with other named plaintiffs, the lead plaintiff could bear the costs, expenses or, potentially, attorneys' fees of the defendant if the litigation is unsuccessful or the court grants sanctions pursuant to Rule 11 of the *Federal Rules of Civil Procedure*. Regardless of the outcome of the lawsuit, other class members

could potentially pursue claims against the lead plaintiff for inadequately representing their interests. In return for accepting these financial risks, the lead plaintiff does not receive any additional financial benefit from serving as the lead plaintiff, but, instead, shares any final judgment or settlement with all class members on an equal, per share basis. However, the lead plaintiff may also recover its attorneys' fees, costs and expenses if the lawsuit is successful or a settlement is obtained.

D. NHRS Policy

Based on the issues enumerated above, it is the policy of NHRS not to serve as the lead plaintiff in securities class action litigation unless NHRS is among the largest shareholders of the defendant issuer and serving as the lead plaintiff is determined by the Board of Trustees to be in the best interest of NHRS.

Private Markets Disclosure Policy

**New Hampshire Retirement System
Private Markets Disclosure Policy
Amended by NHRS Board of Trustees on June 13, 2017**

I. Purpose and Intent

The New Hampshire Retirement System (“NHRS”) is committed to providing the highest degree of public disclosure and transparency of its financial operations not in conflict with its paramount fiduciary duty to act solely in the interest of its members and beneficiaries and to prudently maximize a risk-adjusted return on NHRS assets for their exclusive benefit. With respect to those private market investments (including these asset types: all private equity, absolute return, and non-direct real estate funds) in which NHRS is invested, and recognizing its general public obligation to be transparent and accountable subject to that fiduciary duty of loyalty it owes to its members and beneficiaries, NHRS’s disclosure policy is guided by the following principles:

1. The fiduciary duty of NHRS is to prudently maximize a risk-adjusted return on fund assets solely in the interest of and for the exclusive benefit of its members and beneficiaries.
2. NHRS’s Board of Trustees and Independent Investment Committee (IIC) manage NHRS’s investments with as much transparency as possible, recognizing it is a public body accountable in the first instance to its members and then also to the general public.
3. However, when the general policy favoring transparency is seen to conflict with the Board’s and IIC’s express fiduciary duty to act solely in the interest of and for the exclusive benefit of its members, it must act in the best interests of its members.

II. Policy

A. Quarterly Disclosure. On balance, and upon careful consideration, the Board has concluded that public disclosure of the periodic investment performance by asset type of those private market investment funds in which NHRS is invested would neither interfere with the operation of those funds nor impede the fiduciary duty owed to NHRS’s members and beneficiaries. Accordingly, NHRS, on a quarterly basis, shall compile, post on its website, and make available for public inspection a report disclosing private market investment information, as outlined below:

1. Date of commitment and the total amount committed for each fund;
2. The type of fund (e.g. buyout, mezzanine, venture, real estate);
3. A column for relationship disclosure (any connection that investment staff or any Trustee or investment committee member has with a partnership or the general partners will be disclosed in detail in footnotes);

4. The asset type internal rate of return (IRR);
5. The asset type contribution amount;
6. The asset type distribution amount; and
7. The asset type market value.

These disclosures will provide substantial relevant information to members, their beneficiaries, and the public. They provide the financial extent of NHRS's private market program, and of each asset type, their scale relative to the total portfolio, the names and numbers of partnerships in which NHRS is invested, their type, whether NHRS is invested in more than one generation of a fund, where the program for each asset type stands relative to its allocation (over-invested or under-invested), how much over-commitment has been made to achieve the invested target (potential liability), what the quarterly cash flows are with regard to the program, the return (success, or lack thereof) of the program, and whether cash is being paid out (invested) or received, on balance. If any funds are bought or sold, that will also be apparent. All transactions, including other important information, are reported through the IIC and captured in the meeting minutes.

B. Nondisclosure. The following information will not be regularly disclosed by NHRS, subject to the exception provided below:

NHRS does not provide information publicly on the internal rates of return on individual partnerships in the portfolio and does not provide sufficient detail for the public to calculate it. This is consistent with the fact that NHRS does not provide returns on individual public investments such as common stocks or bonds held in portfolios. This level of detail is not needed for our constituents to evaluate the performance of the portfolio, or the program, and it distracts attention from the information NHRS does provide which is sufficient to assess success, risks and other relevant program metrics.

As to that additional information specifically concerning underlying investments or portfolio companies in NHRS private market investment portfolios, NHRS recognizes a material adverse effect on the ability of such funds to succeed in their investment activities, objectives, and negotiations that would result from public disclosure of such confidential and proprietary financial information. The business impairment of such compromised funds of course would immediately translate to a direct and negative impact on the economic interests of NHRS, its members and beneficiaries.

In addition to causing substantial harm to the competitive position of those funds and portfolio companies in which NHRS is invested, such public disclosure would likely result in degraded reporting to NHRS of that financial information and reduced opportunities to participate in future private market investments. Therefore, such confidential and proprietary information as may detail a fund's portfolio companies, underlying investments, investment management and sponsor fees, or otherwise exist

outside the scope of those items included in the quarterly report described above are exempt from public inspection and may not be disclosed.

Exception: In the event of a valid Right to Know request submitted to NHRS pursuant to RSA 91-A, the Board of Trustees may authorize NHRS staff, after consultation with the IIC, to disclose any information that would otherwise not be subject to disclosure (as noted above) if NHRS staff either previously has or, in response to such an information request, subsequently does confirm and document through direct communication with the private market investment sponsor/manager that such information may be disclosed by NHRS.

SECTION II

Accountability Matrix

New Hampshire Retirement System Accountability Matrix

Total Fund Investment Policy¹

Function	Independent Investment Committee	Board	Chief Investment Officer and Investment Team	Legal Counsel	Investment Consultants	Actuary
1. Establishing (and modifying when necessary) investment policy, which includes risk tolerances and investment objectives	Recommends 100-A:14-b, III; A:15, I-a(b) & VII(c)	Decides 100-A:15, I; I-a(b) & (c) & VII(c)	Provides advice/analysis		Provides advice/analysis	Provides input
2. Establishing asset allocation targets and ranges	Recommends A:15, VII(c)(2)	Decides A:15, VII(c)(2)	Provides advice/analysis		Provides advice/analysis	Provides input
3. Determining Investment Committee's philosophy for investing assets	Decides A:15, VII(a)	Reviews A:15, VII(a)	Provides advice/analysis			
4. Rebalancing procedures	Decides A:15, I, II-a(b) & VII(c)(2)	Reviews A:15, I-a(c) & VII(c)(2)	Provides advice/analysis		Provides advice/analysis	
5. Monitoring policy compliance	Reviews and assigns responsibility A:15, I-a(a)	Reviews A:15, I-a(a)	Oversees		Serves as a double check	
6. Ensuring statutory compliance of investments parameters	Reviews quarterly A:15, I-a(a)	Reviews annually A:15, I-a(a)	Monitors compliance	Reviews for legal compliance	Abides by parameters	
7. Monitoring Total Fund performance	Reviews and reports to the Board quarterly A:15, II-a(c)	Reviews quarterly IIC reports A:15, II-a(c)	Provides advice/analysis		Provides advice/analysis	
8. Completing comprehensive annual investment report (as outlined in HB 1645)	Prepares A:15, VII	Approves A:15, VII	Provides assistance	Provides assistance	Provides assistance	Provides assistance

¹ Items in red are responsibilities dictated by statute.

Global Equity²

Function	Independent Investment Committee	Board	Chief Investment Officer and Investment Team	Legal Counsel	Investment Consultants
1. Determining global equity asset class guidelines (active vs. passive, style, limitations, etc.)	Decides A:15, I-a(a)	Reviews A:15, I-a(a)	Provides advice/analysis		Provides advice/analysis
2. Setting and reviewing domestic and international equity benchmarks	Decides A:15, I-a(a)	Reviews A:15, I-a(a)	Provides Advice/Analysis		Provides advice/analysis
3. Determining number and types of managers for the asset class	Decides A:14-b, III; A:15, II-a(b)	Reviews A:15, I-a(a)	Provides advice/analysis		Provides advice/analysis
4. Selecting external investment managers	Decides A:14-b, III; A:15, II-a(b)	Monitors A:15, I-a(a)	Recommends	Reviews contracts	Influences/recommends
5. Monitoring compliance with asset class strategy and guidelines	Reviews and assigns responsibility A:15, VII(c)(3)	Reviews A:15, I-a(a) & VII(c)(3)	Oversees		Serves as a double check
6. Reviewing asset class performance	Reviews and reports to the Board quarterly A:15, II-a(c)	Reviews quarterly IIC reports A:15, II-a(c)	Provides advice/analysis		Provides advice/analysis
7. Monitoring performance of external investment managers	Reviews on on-going basis A:14-b, III; A:15, VII(c)(3)	Reviews quarterly reports A:15, II-a(c)	Completes monitoring activities		Completes monitoring activities

² Items in red are responsibilities dictated by statute.

Global Fixed Income³

Function	Independent Investment Committee	Board	Chief Investment Officer and Investment Team	Legal Counsel	Investment Consultants
1. Determining global fixed income asset class guidelines (active vs. passive, style, limitations, etc.)	Decides A:15, I-a(a)	Reviews A:15, I-a(a)	Provides advice/analysis		Provides advice/analysis
2. Setting and reviewing asset class benchmarks	Decides A:15, I-a(a)	Reviews A:15, I-a(a)	Recommends		Provides advice/analysis
3. Determining number and types of managers for each asset class	Decides A:14-b, III; A:15, II-a(b)	Reviews A:15, I-a(a)	Provides advice/analysis		Provides advice/analysis
4. Selecting external investment managers	Decides A:14-b, III; A:15, II-a(b)	Monitors A:15, I-a(a)	Recommends	Reviews contracts	Influences/ Recommends
5. Monitoring compliance with asset class strategy and guidelines	Reviews and assigns responsibility A:15, VII(c)(3)	Reviews A:15, VII(c)(3)	Oversees		Serves as a double check
6. Reviewing performance of asset classes	Reviews and reports to the Board quarterly A:15, II-a(c)	Reviews quarterly IIC reports A:15, II-a(c)	Provides advice/analysis		Provides advice/analysis
7. Monitoring performance of external investment managers	Reviews on on-going basis A:14-b, III; A:15, VII(c)(3)	Reviews quarterly reports A:15, II-a(c)	Completes monitoring activities		Completes monitoring activities

³ Items in red are responsibilities dictated by statute.

Real Estate ⁴

Function	Independent Investment Committee	Board	Chief Investment Officer and Investment Team	Legal Counsel	Investment Consultants
1. Determining real estate asset class guidelines (diversification, style, limitations, etc.)	Decides A:15, I-a(a)	Reviews A:15, I-a(a)	Provides advice/analysis		Provides advice/analysis
2. Setting and reviewing asset class benchmarks	Decides A:14-b, III; A:15, VII	Reviews A:15, VII	Provides advice/analysis		Provides advice/analysis
3. Determining number and types of managers for the asset class	Decides A:14-b, III; A:15, II-a(b)	Reviews A:15, I-a(a)	Provides advice/analysis		Provides advice/analysis
4. Selecting external investment management firms	Decides A:14-b, III; A:15, II-a(b)	Monitors A:15, I-a(a)	Recommends	Reviews contracts	Influences
5. Monitoring compliance with policy	Reviews and assigns responsibility	Reviews A:15, I-a(a)	Oversees		Serves as a double check
6. Reviewing performance of the asset class	Reviews and reports to the Board quarterly A:15, II-a(c)	Reviews quarterly IIC reports A:15, II-a(c)	Provides advice/analysis		Provides advice/analysis
7. Monitoring performance of external investment managers	Reviews on on-going basis A:14-b, III; A:15, VII(c)(3)	Reviews quarterly reports A:15, II-a(c)	Completes monitoring activities		Completes monitoring activities
8. Valuation of real estate	Reviews quarterly A:15, I-a(b)(3); A:15, VII(c)(3)	Monitors A:15, I-a(a)	Ensures valuations are completed		Assists as needed
9. Executing purchase and sale agreements on real estate	Reviews quarterly A:15, II-a(b) & VII(c)(3)		Ensures valuations are completed	Reviews contracts	

⁴ Items in red are responsibilities dictated by statute.

Private Markets Policy⁵

Function	Independent Investment Committee	Board	Chief Investment Officer and Investment Team	Legal Counsel	Investment Consultants
1. Determining private markets class guidelines (style, diversification, limitations, etc.)	Decides A:15, I-a(a)	Reviews A:15, I-a(a)	Provides advice/analysis		Provides advice/analysis
2. Setting and reviewing asset class benchmarks	Decides A:14-b, III; A:15, VII	Reviews A:15, VII	Provides advice/analysis		Provides advice/analysis
3. Approving number and types of external managers	Decides A:14-b, III; A:15, II-a(b)	Monitors A:15, I-a(a)	Provides advice/analysis		Provides advice/analysis
4. Selecting external investment management firms	Decides A:14-b, III; A:15, II-a(b)	Monitors A:15, I-a(a)	Recommends	Reviews contracts	Influences
5. Monitoring compliance with policy	Reviews and assigns responsibility A:15, VII(c)(3)	Reviews A:15, I-a(a)	Oversees		Serves as a double check
6. Reviewing performance of the asset class	Reviews and reports to the Board quarterly A:15, II-a(c)	Reviews quarterly IIC reports A:15, II-a(c)	Provides advice/analysis		Provides advice/analysis
7. Monitoring performance of external investment managers	Reviews on on-going basis A:14-b, III; A:15, VII(c)(3)	Reviews quarterly reports A:15, II-a(c)	Completes monitoring activities		Completes monitoring activities
8. Valuation of private equity	Reviews quarterly A:15, I-a(b)(3); A:15, VII(c)(3)		Ensures valuations are completed		Assists as needed
9. Executing partnership agreements on private equity	Reviews quarterly A:14-b, III; A:15, II-a(b)		Ensures agreements are executed	Reviews agreements	

⁵ Items in red are responsibilities dictated by statute.

Selection and Monitoring of Investment Managers⁶

Function	Investment Committee	Board	Chief Investment Officer and Investment Team	Legal Counsel	Investment Consultants
1. Selecting specific external investment management firms	Decides A:14-b, III; A:15, II-a(b)	Monitors A:15, I-a(a)	Recommends	Reviews contracts	Influences
2. Conducting due diligence meetings and activities	Reviews staff/consultants A:15, I-a(a); A:15, VII(c)(3); A:15, (c)(3)		Completes investment manager due diligence		Completes independent due diligence activities
3. Developing individual manager guidelines			Recommends	Reviews	Provides advice/analysis
4. Executing investment manager contracts			Approves	Conducts legal diligence	Provides assistance
5. Monitoring performance of external investment managers	Reviews on on-going basis A:14-b, III; A:15, VII(c)(3)	Reviews quarterly reports A:15, II-a(c)	Completes monitoring activities		Completes monitoring activities

⁶ Items in red are responsibilities dictated by statute.

Selection of Other Service Providers⁷

Function	Independent Investment Committee	Board	Chief Investment Officer and Investment Team	Legal Counsel	Investment Consultant
1. Selecting (and periodically reviewing) custodian banks	Decides A:15, II-a(a)	Monitors A:15, I-a(a)	Influences	Reviews contract	Influences
2. Selecting (and periodically reviewing) general investment consultant	Recommends A:14-b, III	Decides A:15, II(c)	Provides input	Reviews contract	
3. Selecting (and periodically reviewing) specialty investment consultants	Recommends A:14-b, III	Decides A:15, II(c)	Provides input	Reviews contract	
4. Selecting (and periodically reviewing) the fund's actuary		Decides A:15, II(a)	Influences	Reviews contract	
5. Selecting (and periodically reviewing) outside legal counsel for investment issues		Decides A:15, IV	Influences	Recommends	
6. Selecting (and periodically reviewing) proxy voting service provider		Approves A:15, I-a(a)	Recommends	Oversees/Recommends/Reviews Contract	Influences
7. Selecting (and periodically reviewing) transition managers	Decides A:14-b, III; A:15, II-a(b)	Reviews A:15, I-a(a)	Recommends	Reviews contract	Influences
8. Selecting (and periodically reviewing) transaction analysis provider	Decides A:15, II-a(b)	Reviews A:15, I-a(a)	Recommends	Reviews contract	Influences

⁷ Items in red are responsibilities dictated by statute.

Proxy Voting

Function	Investment Committee	Board	Executive Director or Chief Investment Officer	Legal Counsel	Investment Consultant
1. Setting (and modifying) proxy voting policy		Decides A:15, I-a(a)	Recommends	Provides input	Provides advice/analysis
2. Identifying proxy voting issues and positions		Decides A:15, I-a(a)	Provides advice/analysis	Provides input	Provides advice/analysis
3. Monitoring proxy voting activity		Reviews annually A:15, I-a(a)	Prepares		
4. Approving exceptions to the policy		Reviews annually A:15, I-a(a)	Oversees/ recommends	Provides input	Provides advice/analysis
5. Ensuring policy compliance		Reviews annually A:15, I-a(a)	Oversees	Provides input	Provides advice/analysis

Securities Lending

Function	Investment Committee	Board	Executive Director or Chief Investment Officer	Legal Counsel	Investment Consultant
1. Setting (and modifying) securities lending policy	Provides Input A:15, I-a(a)	Decides A:15, I-a(a)	Provides advice/analysis	Provides input	Provides advice/analysis
2. Creating and updating securities lending guidelines	Approves A:15, I-a(a)	Reviews A:15, I-a(a)	Recommends	Provides input	Provides advice/analysis
3. Monitoring securities lending activity	Reviews and assigns responsibility A:15, I-a(a)	Reviews A:15, I-a(a)	Oversees	Provides input	Provides advice/analysis
4. Ensuring policy compliance	Reviews and assigns responsibility A:15, I-a(a)	Reviews A:15, I-a(a)	Oversees	Provides input	Provides advice/analysis

SECTION III

Independent Investment Committee Charter

New Hampshire Retirement System Independent Investment Committee Charter

Revisions approved at the November 22, 2019 Independent Investment Committee meeting.

Purpose

The Independent Investment Committee (IIC) was established by Chapter 300 of the 2008 Session Laws with an effective date of January 1, 2009. The purpose of the IIC is to invest the funds of the New Hampshire Retirement System (“NHRS” or “System”) in accordance with the policies approved by the NHRS Board of Trustees (the Board). The IIC will also make recommendations to the Board on investment policy, prepare a comprehensive annual investment report, and provide quarterly investment program updates to the Board.

As fiduciaries, the IIC members must exercise the highest degree of care, skill, prudence, and loyalty to beneficiaries of the trust funds.

Authority

The IIC is granted authority as outlined in statute, as may be amended from time to time, and as summarized below. The IIC has the authority to invest and reinvest fund assets in accordance with the policy set by the Board, and in recognition of the assumed rate of return set by the Board. Furthermore, the IIC has the authority to hire and terminate investment managers, and the custodian, and other related investment agents, consistent with statute.

The IIC has the authority to review research data, historical information, consultants’ reports, and other documents it deems reasonably necessary to form an opinion on the capabilities of the investment managers and related agents, custodian, and investment consultant of the fund. The Committee is allowed to ask any questions of the firms that are relevant to the services they perform on behalf of the trust funds.

The IIC also has the authority to call upon the NHRS Executive Director, Director of Investments or his or her designee, legal counsel, investment consultant, actuary, and auditor to assist it in carrying out its responsibilities.

Implementation of IIC decisions and directives is delegated to NHRS staff.

Composition

The IIC consists of not more than 5 members. Three members, who shall not be members of the NHRS Board, will be appointed by the Governor with the consent of the Executive Council. Up to two members, who will be members the NHRS Board, will be appointed by the chairperson of the NHRS Board of Trustees. All members of the IIC shall have substantial experience in the field of institutional investments or finance (beyond experience as a trustee of the New Hampshire Retirement System).

Meetings

The IIC shall set an annual calendar and generally meet monthly. All committee members are expected to attend each meeting in person. Meetings will be held in accordance with New Hampshire open meeting requirements under RSA 91-A. The Committee may invite members of staff or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to Committee members, along with appropriate briefing materials. Minutes of the meeting discussions and decisions will be prepared by staff. Any Trustee may attend the Committee's meetings.

Staffing

The Director of Investments will act as staff liaison to the Committee. NHRS staff will assist the Committee in the discharge of its responsibilities.

Statutory Obligation to Act as Fiduciary (excerpts from RSA 100-A:15):

"I-a.(a) A trustee, independent investment committee member, or other fiduciary shall discharge duties with respect to the retirement system:

- (1) Solely in the interest of the participants and beneficiaries;
- (2) For the exclusive purpose of providing benefits to participants and beneficiaries and paying reasonable expenses of administering the system;
- (3) With the care, skill, and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose;
- (4) Impartially, taking into account any differing interests of participants and beneficiaries;
- (5) Incurring only costs that are appropriate and reasonable; and
- (6) In accordance with a good-faith interpretation of the law governing the retirement system.

(b) In investing and managing assets of the retirement system pursuant to subparagraph (a), a trustee or independent investment committee member with authority to invest and manage assets:

- (1) Shall consider among other circumstances:
 - (A) General economic conditions;
 - (B) The possible effect of inflation or deflation;
 - (C) The role that each investment or course of action plays within the overall portfolio of the retirement system;
 - (D) The expected total return from income and the appreciation of capital;
 - (E) Needs for liquidity, regularity of income, and preservation or appreciation of capital; and

(F) The adequacy of funding for the system based on reasonable actuarial factors;

(2) Shall diversify the investments of the retirement system unless the trustee or independent investment committee member reasonably determines that, because of special circumstances, it is clearly prudent not to do so;

(3) Shall make a reasonable effort to verify facts relevant to the investment and management of assets of a retirement system; and

(4) May invest in any kind of property or type of investment consistent with this section.

(c) The board of trustees shall adopt a statement of investment objectives and policy for the retirement system as provided in subparagraph VII(c).

I-b. Paragraph 1-a shall apply to all board members, independent investment committee members, and other fiduciaries, as well as staff and vendors to the extent they exercise any discretionary authority or discretionary control respecting management of the retirement system or exercise any authority or control respecting management or disposition of its assets, or they render investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the retirement system, or have any authority or responsibility to do so, or they have any discretionary authority or discretionary responsibility in the administration of the retirement system.

I-c. The fiduciary obligations of the members of the board of trustees and the independent investment committee are paramount to any other interest a trustee or independent investment committee member may have arising from another role or position that he or she holds, including the position which qualified the person for appointment to the board of trustees or independent investment committee.”

Responsibilities of the Committee

The IIC has the following responsibilities:

- Determine the IIC’s philosophy for investing the assets of the System;
- Recommend changes in the Investment Policy to the Board;
- Review, with the assistance of the investment consultant or Director of Investments or his or her designee, the performance of the fund, asset classes, and investment managers versus the benchmarks set forth in the Investment Policy;
- Select and, as appropriate, terminate the investment managers or related investment agents, consistent with statute;
- Develop appropriate benchmarks for investment managers;
- Appoint and periodically review a custodian bank for the assets;
- Report to the Board at least quarterly on the management, investment, and reinvestment activities of the IIC;
- Recommend an investment consultant to the Board;

- Prepare a Comprehensive Annual Investment Report as outlined in statute for review and approval by the Board;
- Suggest legislative changes to the Board; and,
- Maintain an orientation and education program for Committee members.

Responsibilities of the Committee Members

Individual Committee members have the following responsibilities:

- Discharge duties solely in the interest of the members and beneficiaries and for their exclusive benefit;
- Observe relevant policies and procedures of NHRS such as those covering Code of Ethics, disclosure, confidentiality, travel, and communications;
- Observe appropriate distinctions in roles and responsibilities with NHRS staff, service providers, IIC members and Trustees;
- Be informed about the System's investment policies and remain current on developments in the pension and public fund industry;
- Work constructively with other IIC members ;
- Interact appropriately with NHRS staff, outside service providers, and the full Board
- Be prepared and regularly attend IIC meetings;
- Respect open meeting laws by not convening meetings with fellow IIC members to discuss NHRS business outside the properly noticed meetings;
- Maintain co-fiduciary responsibility; and,
- Live up to high ethical standards and avoid the appearance of impropriety.

Reporting to the NHRS Board of Trustees

By statute the IIC is required to provide quarterly and annual investment reports to the Board.

The quarterly investment reports will be provided to the Board in advance of its scheduled meetings. They will include, at a minimum, the following:

- Review of the performance of the total fund, asset classes, and investment managers' versus benchmarks;
- Comparison of the fund's actual asset allocations versus target allocations, with explanation of deviations; and,
- Summary of actions taken which involved moving investment proceeds or assets during the period (such as liquidity events, rebalancing, manager hire or termination).

In addition to the items above, supplemental information for the annual period ending June 30th will be provided to the Board. Each year the IIC will also present the Comprehensive Annual Investment Report. It will include, at a minimum, the following:

- A description of the IIC's investment philosophy, including a summary of any significant changes to that philosophy that have occurred since the last annual report;
- A review of the Investment Policy with any recommended changes, including asset class target allocations and allowable ranges;
- A summary of compliance with the Investment Policy, including an explanation for exceptions and steps taken to return to compliance;

- An analysis of returns on investment by investment category;
- Summary of changes to investment structure or portfolio managers;
- An assessment of the current asset structure to determine if it will allow the funds to reach its long range objectives, and any recommended changes;
- Statement of investment costs;
- Summary of any other relevant investment program developments, including those affecting securities lending, proxy voting, divestment, etc.;
- Any suggested changes in legislation which are requested to better serve the members of the System; and,
- Other items as required by statute

Upon approval of this Comprehensive Annual Investment Report by the Board, it will be submitted to the President of the Senate, the Speaker of the House, and the Governor.

As the IIC is also responsible for recommending an investment consultant to the Board of Trustees, the IIC will provide a report, upon request from the Board, which may include any of the following:

- An assessment of the current investment consultant;
- A recommendation to retain, competitively review, or terminate the investment consultant; and,
- An assessment of proposals from investment consultants, including a recommendation for an investment consultant.

Governance

The IIC will elect a chairperson for the term of the person on the IIC, or until a successor is chosen, from among the Committee members who will have the following responsibilities:

- Communicating with the chairperson of the NHRS Board of Trustees, the NHRS Executive Director, and the Director of Investments or his or her designee, on a regular basis;
- Setting the schedule and agendas for the meetings;
- Conducting the IIC meetings or appointing another IIC member to conduct them in his or her absence;
- Calling special or emergency meetings, when necessary;
- Enforcing the governing policies of the IIC; and,
- Scheduling and attending new member orientations.

SECTION IV

Asset Class Guidelines

Global Equity Investment Guidelines

Purpose: The Global Equity allocation provides the assets of the System with broad participation in global equity markets, including both domestic and international equities. This diversified allocation, across various styles, capitalizations, and geographies, aims to maximize long-term total returns while mitigating risk through geographical and sector diversification.

Allocation: The target allocation to Global Equity is 40% of the Total Fund, with an allowable range of 30 – 50%.

Structure: The Global Equity portfolio is structured to incorporate both active and passive management strategies. Active management is utilized where there is the greatest potential for alpha generation, while passive management is employed in regions or sectors where alpha generation is difficult to obtain, focusing instead on low-cost, efficient beta exposure. The portfolio is diversified across styles, capitalizations, and geographies, with a focus on areas where active management is expected to add value. Global Equity will encompass the Domestic Equity asset class and the Non-US Equity asset class.

Domestic Equity: The Domestic Equity portion is primarily managed with both active and passive strategies, with a minimum of 50% allocated to passive, large-cap equity securities domiciled in the US.

Non-U.S. Equity: The Non-U.S. Equity portion is predominantly actively managed and diversified across global markets, including developed and emerging markets excluding the US. Passive management may be used if determined to be beneficial by Investment Team and the Independent Investment Committee (IIC).

Custody: All Global Equity securities, including both Domestic and Non-U.S. equities, shall be maintained in the custody and safekeeping of the System's master custodian bank. Commingled fund assets may be held in custody at the discretion of the fund manager.

Use of Commingled Funds: Mutual funds, Collective Investment Trusts, and other types of commingled investment vehicles provide, under some circumstances, lower costs and better diversification than can be obtained with a separately managed account pursuing the same investment objectives. However, commingled investment funds cannot customize investment guidelines to the specific needs of individual clients. The Independent Investment Committee (IIC) is willing to accept the policies of such funds in order to achieve the lower costs and diversification benefits of commingled funds, as long as the commingled guidelines are consistent with the spirit of those specified herein and the underlying individual investment manager portfolio-level guidelines. The IIC relies on the Investment Team and the Investment Consultant to assess and monitor the investment policies of any commingled fund used by the System.

Attached as Appendix A to the Investment Manual, as such appendix may be amended from time to time without further action of the Board, is a list of documents adopted as part of the Investment Policy Manual in connection with an investment in or contribution of assets to a commingled vehicle.

Manager Guidelines for Separate Accounts: Portfolio-level guidelines are negotiated with each IIC-approved investment manager with the purpose of establishing agreed-upon parameters for the management of assets. These guidelines are generally based on the guidelines for the respective manager's composite portfolio and investment style; are reviewed by the Team in collaboration with the System's Investment Consultant; and are subject to execution by the Chief Investment Officer and the manager prior to implementation. Each manager will be granted full discretion within the context of their respective portfolio-level negotiated guidelines.

Managers are prohibited from deviating from their respective portfolio-level guidelines without prior written approval from the Chief Investment Officer. Any guideline violation must be reported by the manager in writing as soon as it is discovered (within 24 hours). Recommendations for guideline revisions are to be provided to the Chief Investment Officer in writing, and shall include the rationale for the changes and all relevant research. Any guideline revision requests are reviewed by the Chief Investment Officer in consultation with the System's Investment Consultant prior to approval. All substantive changes to manager guidelines will be reported to the IIC at the next meeting.

Permissible Investments: All eligible securities shall be traded in domestic markets and be of a class listed on a national securities exchange or traded in the over-the-counter market.

Permissible investments are defined within individual manager portfolio-level guidelines, and generally include:

- Common stocks, preferred stocks, and securities with equity characteristics (including, but not limited to, American Depositary Receipts and Shares, warrants, and rights) of U.S. and foreign issuers
- European Depositary Receipts listed and traded on major U.S. exchanges and in over-the-counter markets
- Securities convertible into common stocks
- 144A securities
- Futures contracts
- Exchange traded funds and similar vehicles
- Closed-end funds
- Private placements, Secondary Offerings, IPO investments and offers for sale
- Real Estate Investment Trusts and Income Trusts
- Short-term fixed income securities and cash equivalents

Prohibited Investments: Any security or strategy not specifically permitted in the respective manager portfolio guidelines requires written permission from the Chief Investment Officer prior to purchase.

Prohibited investments are defined within individual manager portfolio-level guidelines, and generally include:

- Short sales
 - Margin transactions
 - Use of leverage
 - Stock in non-public corporations, private placements or other non-marketable issues
 - Specialized investment vehicles
 - Direct investments in commodities
 - Direct investments in real estate
 - Direct investments in Venture Capital
 - Lettered stock
 - Foreign securities other than those noted in *Permissible Investments* above
 - Direct investments in oil, gas, or other mineral exploration or development programs
-
- **Concentration Limits:** The System shall closely monitor instances where its investments represent a significant component of a commingled fund or total assets under management (AUM) at the strategy level. If the System's positions become more than 20% of any commingled investment fund, or total strategy AUM, Investment Team will notify the IIC and the investment will be monitored to see if any changes are warranted.

Global Fixed Income Investment Guidelines

Purpose: The allocation to Global Fixed Income serves to provide income and potentially reduce volatility experienced in the equity markets, as well as offer an opportunity for return enhancement by investing in selected global debt sectors (for example, investment grade corporate bonds and high yield debt). A portion of the Global Fixed Income allocation is expected to be invested in U.S. Treasury securities or other government-related issues, which will potentially reduce risk within the portfolio.

Allocation: The current target allocation to Global Fixed Income is 25% of the Total Fund, with an allowable range of 18% – 32%.

Structure: The Global Fixed Income portfolio is currently 100% actively managed, as fixed income has been identified as an area in the capital markets where it is more likely that active management will add value. The portfolio is broadly diversified across global markets, sectors, securities and maturities. Active management is focused where there is the greatest potential for alpha generation. Passive management is focused where alpha generation has been demonstrated to be difficult to obtain while also allowing the ability to gain low-cost efficient beta exposure. Passive management may be utilized if determined to be beneficial by the Independent Investment Committee (IIC).

Component	Allocation Target*
Core	Minimum of 60%

* As a percentage of Global Fixed Income.

The Global Fixed Income Core component is defined as securities held within the Bloomberg Barclays U.S. Aggregate Index which measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes U.S. Treasuries, government-related and corporate securities, mortgage backed securities, asset backed securities, and commercial mortgage backed securities. TIPS, 144a securities with registration rights and permanent 144a securities are also permitted.

Custody: All Global Fixed Income securities shall be maintained in the custody and safekeeping of the System's master custodial bank. Commingled fund assets, however, are held in custody at the discretion of the fund manager.

Use of Commingled Funds: Mutual funds, Collective Investment Trusts, and other types of commingled investment vehicles provide, under some circumstances, lower costs and better diversification than can be obtained with a separately managed account pursuing the same investment objectives. However, commingled investment funds cannot customize investment guidelines to the specific needs of individual clients. The IIC is willing to accept the policies of such funds in order to achieve the lower costs and diversification benefits of commingled funds, as long as the commingled guidelines are consistent with the spirit of those specified herein and the underlying individual investment manager portfolio-level guidelines. The IIC relies on the Team and the Investment

Consultant to assess and monitor the investment policies of any commingled fund used by the System.

Attached as Appendix A to the Investment Manual, as such appendix may be amended from time to time without further action of the Board, is a list of documents adopted as part of the Investment Policy Manual in connection with an investment in or contribution of assets to a commingled vehicle.

Manager Guidelines for Separate Accounts: Portfolio-level guidelines are negotiated with each IIC-approved investment manager with the purpose of establishing agreed-upon parameters for the management of assets. These guidelines are generally based on the guidelines for the respective manager's composite portfolio and investment style; are reviewed by the Team in collaboration with the System's Investment Consultant; and are subject to execution by the Chief Investment Officer and the manager prior to implementation. Each manager will be granted full discretion within the context of their respective portfolio-level negotiated guidelines.

Managers are prohibited from deviating from their respective portfolio-level guidelines without prior written approval from the Chief Investment Officer. Any guideline violation must be reported by the manager in writing as soon as it is discovered (within 24 hours). Recommendations for guideline revisions are to be provided to the Chief Investment Officer in writing, and shall include the rationale for the changes and all relevant research. Any guideline revision requests are reviewed by the Team and the System's Investment Consultant prior to approval. All substantive changes to manager guidelines will be reported to the IIC at the next meeting.

Permissible Investments: Permissible investments are defined within individual manager portfolio-level guidelines, and generally include:

- U.S. Treasuries and U.S. Treasury Inflation Protected Securities
- Obligations of U.S. Federal Agencies and Government Sponsored Enterprises (GSEs)
- Foreign Sovereign Debt
- Small Business Administration Securities
- Municipal Securities
- Corporate Obligations, including but not limited to, Convertible Bonds
- Foreign Sovereign Debt
- Structured Securities including Asset Backed Securities; Collateralized Mortgage Obligations; Commercial Mortgage Backed Securities; Residential Mortgage Backed Securities
- Zero Coupon Securities
- Non-Sovereign Government/Non-Supranational Debt
- Emerging Market Debt

- Forward exchange contracts/currency derivatives, when used to protect the U.S. Dollar value of the portfolio, dampen portfolio volatility, or to facilitate the settlement of securities
- Private Placements, including 144A securities
- Exchange traded funds and similar vehicles
- Common Stock (shall not exceed 5% of the market value of any individual manager)
- Preferred Stock (shall not exceed 20% of the market value of any individual manager)
- Capital Securities
- Trust Preferred Securities
- Real Estate Investment Trust debt
- Short-term fixed income securities and cash equivalents

Prohibited Investments: Any security or strategy not specifically permitted in the respective manager portfolio guidelines requires written permission from the Chief Investment Officer prior to purchase.

Prohibited investments are defined within individual manager portfolio-level guidelines, and generally include:

- Short Sales
- Margin transactions
- Use of leverage
- Specialized investment vehicles
- Direct investments in commodities
- Direct investments in real estate
- Direct investments in Venture Capital
- Direct investments in oil, gas, or other mineral exploration or development programs

Concentration Limits:

- The System shall closely monitor instances where its investments represent a significant component of a commingled fund or total assets under management (AUM) at the strategy level. If the System's positions become more than 20% of any commingled investment fund, or total strategy AUM, the Team will notify the IIC and the investment will be monitored to see if any changes are warranted.

Private Markets Guidelines

Purpose: Private markets investments or alternative investments represent non-traditional vehicles that do not fit within conventional investment asset classes. These investments aim primarily to achieve superior risk-adjusted returns. They may also exhibit a low correlation with broader stock and bond market returns, potentially reducing the volatility of the plan's total returns. Examples of private markets investments encompass private equity, private credit, real estate, infrastructure, hedge funds, and opportunistic strategies.

Due to their non-traditional, long-term, and illiquid nature, private markets investments necessitate the development of an Annual Strategic Plan. This plan will be prepared and presented to the Independent Investment Committee (IIC) for approval.

Allocation: The current target allocation to Private Markets Investments is 25% of the Total Fund, with an allowable range of 15 – 35%.

In order to reach and maintain the target allocation, capital commitments in excess of 25% of the Total Fund may be made. The primary reasons for permitting such an over commitment are the staged capital calls for new investments and anticipated returns of capital.

Targets:

Sub Strategy	Allocation Target*
Private Equity	10%
Private Credit	10%
Infrastructure	5%

* As a percentage of Total Fund

Custody: All assets are held in custody at the discretion of the fund manager.

Structure: The Private Markets portfolio primarily includes the following:

Private Equity – The purpose of Private Equity is to earn risk-adjusted returns in excess of public equity markets. These investments are also expected to decrease the volatility of the System's assets through the diversification benefits of having lower correlations with other asset classes.

Sub-strategies include:

- *Buyouts/Corporate Finance* – Provides leveraged capital and business development capital to enable the restructuring of existing business and industries.

- *Private Energy* – Investments may include exploration & production, generation, storage, transmission, distribution, renewable energy sources, clean technologies, energy technologies and other similar investments.
- *Growth Equity* – Provides expansion capital for small, growing businesses that are generating cash flow and profits. Generally, these types of investments have reduced exposure to technology risk compared with venture capital.
- *Secondaries* – Private equity interests that are generally purchased at a discount from valuation from motivated sellers. The interests purchased are generally venture and buyout interests with limited exposure to unfunded capital commitments. The strategy also includes the purchase of direct interests in companies through the secondary market.
- *Distressed/Special Situations* – A strategy whereby a manager invests in the distressed debt of companies that likely will undergo some sort of financial and/or operational restructuring. A manager will usually build a controlling stake in a distressed company through the “fulcrum security” which is generally a high yield bond or bank debt. The investment team will then work actively to maximize the value of the investment through driving either an informal restructuring or a formal bankruptcy procedure. The balance sheet may be restructured; new management inserted; cost cutting implemented; as well as other operational improvements put in place. Distressed debt returns are generally comprised of a combination of a debt coupon; capital appreciation of the distressed security; and, participation in the upside of post-reorganization equity.
- *Venture Capital* – Implies early, late and balanced-stages of financing, as well as growth capital, of rapidly growing companies with an innovative/disruptive business idea for a proprietary product or service.

Private Credit - diversify the portfolio and aim to generate higher risk-adjusted returns compared to public credit markets. These investments focus on opportunities in private lending, providing stable income and reducing overall portfolio volatility. They complement traditional fixed income investments by offering lower correlation with public markets and potential for attractive yields. Our strategy aims to preserve capital, generate income sustainably, and enhance overall portfolio performance over the long term.

Sub-strategies include:

- *Direct Lending* – An investment strategy involving senior or unitranche lending directly to companies that seek to generate high current income while focusing on preservation of capital.
- *Distressed* – Includes trading strategies through control positions. For trading strategies, distressed securities are defined as securities experiencing financial or operational distress, default, or are under bankruptcy. Investment instruments

include publicly-traded debt securities, private debt, trade claims, mortgage debt, common and preferred stock and commercial paper. Control strategies involve companies with poorly-organized capital structures, turnaround situations and bankrupt companies. Long and short positions are commonly used as a technique to lock in profit or reduce risk.

- *Mezzanine/Junior Capital* – An investment strategy involving subordinated debt (the level of financing tranche that is senior to equity but below senior debt). Capital supplied by mezzanine or junior capital financing is used for various situations such as facilitating changes in ownership through leveraged buyouts or recapitalizations, financing acquisitions, or enabling growth. Venture lending and leasing is a subset of mezzanine financing that targets venture-backed companies. Revenue and Royalty interests are a subset of mezzanine financing that targets intellectual property, license agreements and other similar property that has the ability to restrict the rights to commercialization.
- *Asset-Based Lending* – providing loans that are secured by a borrower's tangible assets, such as accounts receivable, inventory, equipment, or real estate. This strategy focuses on lending to companies that may not have access to traditional credit markets but possess valuable physical assets that can be used as collateral. ABL investments are typically structured as revolving credit facilities or term loans, and are primarily used to finance working capital needs, acquisitions, or other corporate requirements.
- *Structured Credit* – A private credit strategy which, involves investing in complex financial instruments that are typically collateralized by a pool of assets, such as collateralized loan obligations (CLOs), collateralized debt obligations (CDOs), or asset-backed securities (ABS). Returns are driven by a combination of underlying loan coupon; value enhancement through servicing; and, upside through public market securitization.
- *Specialty Finance* – A private credit strategy which generally provides growth capital in the form of senior secured loans to loan origination platforms such as mortgage; consumer debt and transportation leasing. These loans are securitized by a pool of underlying loans which are placed in a bankruptcy remote structure and pay amortize over time. Specialty finance lenders' returns are generated by a combination of a coupon and, in some cases, equity kickers in the underlying borrower. These loan pools may be securitized and sold into the public market.
- *Litigation Finance* – A private credit strategy which lends money to corporations or law firms to fund the cost of prolonged litigation, often contingent on a favorable payout. Financings may be pre-settlement in which returns are driven by a combination of a debt coupon and upside participation in one, or a diversified pool of legal cases. Litigation funding in the form of a loan may also be provided post a legal settlement. This type of funding is used to bridge a payment expected by the law firm or other entity entitled to litigation proceeds.

- Real Asset Lending – Private asset-backed loans including backed by real asset collateral such as real estate and infrastructure. Real Assets credit investments may include senior debt or project finance loans, often with long-term, stable cash flows.

Risk Management: Private Markets strategies do not lend themselves to traditional quantitative measures of risk such as standard deviation and benchmark tracking error. Rather, risk is managed through a combination of quantitative and qualitative constraints. The following sections identify the unique risks with private markets investments and method of control:

- Industry – Typically, private markets funds are permitted to invest in a wide variety of industries with limited controls. Industry risk is controlled primarily through appropriate diversification across strategies and sub-strategies.
- Leverage – Many underlying private markets programs will utilize leverage. The intent of the System is to not rely on managers employing high degrees of leverage.
- Vintage Year – Vintage year reflects the year of first capital draw and vintage risk refers to the variability of investment commitments over time. A long-term investment pacing schedule is developed which minimizes vintage risk while achieving targeted exposure.
- Concentration Limits –The System shall not own more than 10% of any single investment vehicle except with prior approval of the NHRS IIC.
- Due Diligence – Each potential investment will be evaluated for portfolio fit; organizational stability; investment staff; investment strategy; investment process; and fund economics.
- Annual Strategic Plan – Given the non-traditional, long-term and illiquid nature of private markets investments, an Annual Strategic Plan will be prepared and presented to the IIC for approval. The Annual Strategic Plan will include a review of performance; cash flow and liquidity analyses; commitment pacing; and sub-strategy recommendations.

Real Estate Investment Guidelines

Purpose: The primary objective of real-estate investing is to seek superior risk-adjusted returns. Secondly, these investments have had a low to negative correlation with stock and bond returns, thus potentially reducing the volatility of the return of the Total Fund. Moreover, real-estate investments, like some other real assets, have historically been a hedge against inflation.

Allocation: The current target allocation to Real Estate is 10% of the Total Fund, with an allowable range of 5 – 20%. The allocation is measured based upon the net equity value (gross real estate assets less any debt) of the portfolio.

In order to reach and maintain the target allocation, capital commitments in excess of 10% of the Total Fund may be made. The primary reasons for permitting such an over commitment are the staged capital calls for new closed-end investments, finite offering periods, and anticipated returns of capital.

Structure: The Real Estate portfolio consists of Strategic and Tactical investments as defined below. NHRS will maintain a Strategic Portfolio to provide its “keel in the water”, and a Tactical Portfolio in order to target expected superior risk adjusted returns.

Strategic Portfolio (Core/Core Plus): Strategic Portfolio investments are typically the lowest risk and return investments in the real estate sector and consist of commingled investment vehicles comprised of operating, substantially leased (typically 60% or more for Core Plus and 75% or more for Core) institutional quality properties. These investments include mostly well located traditional property types in developed markets. Traditional property types are office, apartment, retail, and industrial. These investments offer relatively high current income returns, and as a result, a greater predictability of total returns under normal market conditions. The income component typically represents a significant component of the expected total return.

Tactical Portfolio (Non-Core): Tactical Portfolio investments include those that have higher expected returns, and correspondingly higher expected risk, than the Strategic Portfolio. Examples of the higher return and risk strategies that may be included in the Tactical Portfolio include life cycle opportunities (e.g. leasing, renovation, development); business or operational opportunities (e.g. hotels, senior housing, investments in real estate operating companies); non-traditional property types (e.g. data centers, golf courses); and non-traditional formats (e.g. distressed assets, private-to-public market arbitrage). Opportunistic investment in real estate debt is also a permissible element of the Tactical Portfolio.

Real Estate Investment Trusts (REITs) may be included as part of the Strategic and/or Tactical portfolios.

Portfolio Component	Allocation Target	U.S.	Ex -U.S.
Strategic Portfolio	Minimum of 50%		
Tactical Portfolio	Maximum of 50%		
Total Portfolio	100%	≥ 65%	≤ 35%

Implementation: A manager (“Manager”) has been retained as a “manager of managers” with full and complete discretion and authority with respect to the selection and management of investments. Currently, the Manager is Townsend Holdings LLC (d/b/a) The Townsend Group (“Townsend”).

The Manager is responsible for the due diligence, selection, review, management and reporting of the Real Estate program. It will not acquire or manage assets directly but will select investments and provide oversight for assets managed by other third-party investment managers. The Manager shall prepare a periodic (annually at a minimum) Real Estate Investment Plan that shall set forth the implementation and management plans for the Real Estate allocation. The NHRS Independent Investment Committee (IIC) will review and annually approve the Real Estate Investment Plan.

The Manager shall make presentations to the IIC, at a minimum, on a semi-annual basis. In addition, the Manager will provide a formal update to Staff, at a minimum, on a quarterly basis.

Staff will provide oversight of the Manager and serve as a liaison between the IIC and the Manager. Staff is responsible for coordinating with the Manager, custodian, consultant(s) and legal counsel to implement and administer the Real Estate program, including the coordination of information between these parties and the management of funding relative to the investments. Staff will facilitate any other duties with the Manager relative to the NHRS Real Estate program, including the implementation of IIC actions.

Custody: REIT securities shall be maintained in the custody and safekeeping of the System’s master custodial bank. All other assets, however, are held in custody at the discretion of the third-party investment managers.

As numerous studies indicate, distributing portfolio investments by certain attributes will reduce the risk in the real estate portfolio. The attributes by which investments should be distributed or diversified to most effectively reduce risk are:

- 1) Property type
- 2) Geographic location
- 3) Manager allocation and investment size
- 4) Leverage

As such, within the Real Estate allocation, the guidelines are as follows:

1) Property Type - The property type limit will ensure prudent diversification amongst property types while still being able to capitalize on opportunities caused by shifts in real estate and capital markets.

- No more than 40% of the allocation shall be invested in any one property type

2) Geographic Location – Investments within the Real Estate allocation will be distributed geographically for the purpose of attaining economic market diversification. A minimum of 65% will be located in the U.S. with a maximum of 35% invested outside the U.S.

3) Manager Allocation and Investment Size – Investments within the Real Estate allocation will be diversified both by individual investment exposure and manager exposure, as the System does not want the failure of a single investment to have a significant or material impact on the performance of the total Real Estate program.

- No more than 20% of capital committed to any investment in the Strategic Portfolio
- No more than 10% of capital committed to any investment in the Tactical Portfolio
- No more than 40% of capital committed to any single investment manager
- No more than 50% of ex-U.S. exposure to come from investments in emerging markets

4) Leverage

- The Strategic Portfolio loan-to-value ratio shall be no more than 50% at portfolio level
- The Tactical Portfolio loan-to-value ratio shall be no more than 75% at portfolio level

Infrastructure Investment Guidelines

Purpose: The allocation to Infrastructure serves to provide diversification to the overall plan as well as offer the opportunity to generate superior risk-adjusted returns through income and capital appreciation. This allocation is expected to have a lower overall correlation with other asset classes, thus potentially reducing the volatility of the return of the Total Fund. Moreover, like real estate assets, infrastructure investments may serve as an inflation hedge.

Allocation: The target allocation to Infrastructure is 5% of the Total Fund per the strategic asset allocation, with an allowable range of 0 – 10%.

During the initial investment period the portfolio is likely to be below the 5% target as infrastructure funds often require several years to identify and acquire assets.

To achieve and maintain the target allocation, capital commitments in excess of 5% of the Total Fund may be made. An annual pacing pace will be approved by the Independent Investment Committee (IIC). This flexibility in over-commitment is designed to accommodate the nature of capital calls, offering periods, and the anticipated return of capital.

Structure: The Infrastructure portfolio seeks to be broadly diversified and consists of two strategy segments: Core and Non-Core, defined below.

Core Infrastructure: Core Infrastructure are typically investments which produce stable, long-lived current income through assets with operating history and high level of contracted revenues with no capital appreciation. Core infrastructure assets generally have been operationally de-risked, with fixed pricing through long-term contracts and contractual inflation escalation. Core investments are typically located in developed markets, which infrastructure managers commonly refer to as the Organization for Economic Co-operation and Development (“OECD”) markets; member countries represent approximately 80% of world trade. Core investments offer relatively high current income returns, and as a result, a greater predictability of total returns under normal market conditions. The income component typically represents a significant component of the expected total return.

Core Plus: Core Plus Infrastructure investments are expected to have low to moderate levels of capital appreciation through improvements, repairs, or expansion with little to no construction risk. Core Plus investments will have a higher exposure to fluctuations in demand compared to Core assets, with features that will limit overall risk (e.g., long-term contracts, regulatory price support, etc.). Core Plus assets are typically found in OECD markets, although may include investments in non-OECD countries. Core Plus

infrastructure will yield exposure primarily to current income with some capital appreciation exposure through higher operational or structural complexity.

Non-Core Infrastructure includes Value-Add and Opportunistic strategies, which are accessed through closed-end funds.

Value-Add Infrastructure: Value-Add Infrastructure investments are expected to have moderate levels of capital appreciation through improvements, repairs, or expansion with little to no construction risk. Value-Add investments will exhibit higher operating risk with higher growth potential compared to Core strategies. Value-Add assets are typically found in OECD markets, although may include investments in non-OECD countries. Value Add infrastructure derives a higher share return from capital appreciation than current income, which is often re-invested into the infrastructure business.

Opportunistic Infrastructure: Opportunistic Infrastructure investments are assets with a high exposure to capital appreciation returns through development or construction. Opportunistic investments exhibit the highest risk-return profile, focusing on capital growth of the underlying asset and very little on stable cash flows, with no contracted revenues and higher exposure to market competition. Opportunistic investments can be found in both OECD and emerging markets. Opportunistic investments will attribute most of its returns to capital growth and appreciation.

Portfolio Composition	Lower Target	Upper Target	OECD	Non-OECD
Core / Core Plus Infrastructure	70%	100%		
Non-core Infrastructure	0%	30%		
Total Portfolio		100%	≥ 75%	≤ 25%

Target: 75% Core / Core Plus & 25% Non-core

Infrastructure sectors vary across three project stages or development stages that are analogous to risk profile:

- *Secondary* – a fully operational asset or structure that has no further need for development investment, with fully developed operational cash flow and revenue.
- *Brownfield* – an existing structure or asset that requires improvements, repairs or expansion, that is partially operational and may be generating income.
- *Greenfield* – an asset that does not currently exist and needs to be designed and constructed, with uncertain demand, usage, price and development costs. Greenfield investments have no revenue generation prior to existence.

The infrastructure investment opportunity set can be broken into six sector groupings:

- *Transportation* – includes toll roads, bridges, tunnels, airports, ports, rail and mass transit networks
- *Energy and Power Generation* – includes both conventional and renewable power generation, storage and pipelines
- *Utilities* – includes power utilities, water utilities, regulated transmission and distribution assets, water treatment and processing,
- *Telecommunications* – includes fiber optics networks, broadcast and mobile towers, data centers and digital assets
- *Energy transition* – includes electric vehicle charging infrastructure, smart metering, hydrogen, carbon capture, waste to energy, microgrids
- *Social* – includes educational facilities, health care offices, courts, police stations, defense, judicial and community centers

Implementation: Investment vehicles for the infrastructure asset class will be made primarily through private open-end funds and closed-end commingled funds. Other structures such as fund of funds, fund-of-one mandates, or managed accounts by an advisor approved by the IIC may be considered. Additionally, investments may also include secondaries and co-investments alongside a general partner or a dedicated co-investment vehicle. Open-end funds will have defined investment and redemption provisions and/or limited partnerships will have fund expiration and extension provisions.

Custody: All assets are held in custody at the discretion of the general partner (investment manager) of the fund vehicle.

Currency: NHRS accepts the currency risks consistent with the geographic exposures of the infrastructure asset class. Infrastructure managers may or may not offer investment vehicles that are hedged back to United States Dollars (USD), but the Fund will not implement currency hedges. Where possible, the Fund will make investments in USD-hedged vehicles and receive distributions in USD.

Benchmark: The portfolio will initially benchmark performance against an absolute benchmark Consumer Price Index (CPI) + 400 bps and evaluate the universe of benchmarks as the asset class continues to evolve.

Portfolio Construction: Portfolio investments will be allocated across various factors to achieve the intended target. The attributes by which investments should be distributed or diversified to most effectively reduce risk are:

- 1) Sector
- 2) Geographic location
- 3) Manager allocation and investment size
- 4) Leverage

As such, within the infrastructure asset class allocation, the guidelines are as follows:

Sector - The portfolio will limit exposure to any single infrastructure sub-sector to avoid over-concentration. This strategy is designed to mitigate sector-specific risks and enhance the overall stability and resilience of the portfolio.

Geographic Location – Investments within the Infrastructure allocation will be distributed geographically for the purpose of attaining economic market diversification. OECD markets are expected to represent a minimum of 75% of the portfolio. Non-OECD markets may represent up to 25% of the portfolio.

Manager Allocation and Investment Size – Investments within the Infrastructure allocation will be diversified both by individual investment exposure and manager exposure, as the System does not want the failure of a single investment to have a significant or material impact on the performance of the overall asset class.

- No more than 50% of capital committed to any single investment manager
- No more than 50% of the non-OECD exposure to come from investments in emerging markets

Leverage – infrastructure investments will utilize leverage based on risk profile, with the amount of leverage related to the level and security of the asset's revenue streams. Core investments will usually have higher levels of leverage and Non-Core investments may have lower leverage levels. The intent for the asset class is to have a moderate level of leverage with respect to the overall portfolio exposure, typically at the fund level.

Permissible leverage: The total Program shall, in aggregate, utilize no more than 65% fund level leverage. Any single fund shall utilize no more than 75% leverage.

Summary of Policy Limits

Policy Parameter	Policy Limit
Allocation to Infrastructure	5% of total plan assets; range of 0-10%.
Permissible Investments	Equity investments in infrastructure.
Investment Styles - Core / Core Plus - Non-Core	Core / Core Plus: Target: 70% to 100% Non-Core: Target 0% to 30%
Manager Exposure	No more than 50% of capital committed to any single investment manager
Infrastructure Sector Ranges - Communications / Data - Power / Energy (including Renewables) - Water / Wastewater - Transportation - Social	The portfolio will limit exposure to any single infrastructure sub-sector to avoid over-concentration. This strategy is designed to mitigate sector-specific risks and enhance the overall stability and resilience of the portfolio.
Geographic Exposures Developed Markets / OECD Emerging Markets / Non-OECD	The Fund aims to invest in a broadly diversified range of geographic markets, with a primary focus on major investable infrastructure markets within the OECD, specifically North America, Europe, and Australia. Investments in these regions will comprise at least 75% of the Fund's infrastructure allocation. Additionally, investments in emerging markets and/or non-OECD countries will be capped at a maximum of 25% of the Fund's infrastructure allocation.
Leverage	Underlying investment managers may use various forms of debt financing to execute their respective investment mandates. The use of leverage will be monitored for prudence and will maintain the following loan to value ratios. - The total Program shall, in aggregate, utilize no more than 65% fund level leverage - Any single fund shall utilize no more than 75% leverage
Portfolio Buildout	During the initial investment period the portfolio is likely to be below the 5% target as infrastructure funds often require several years to identify and acquire assets.

Appendix A
Commingled Vehicles – Documents Adopted as Part of Investment Manual

- Plan of BlackRock Institutional Trust Company, N.A. Investment Funds for Employee Benefits Trusts, amended and restated as of September 30, 2018.
- Declaration of Trust for the FIAM Group Trust for Employee Benefit Plans, as amended and restated effective November 20, 2015
- Declaration of Trust for the Bank of New York Employee Benefit Collective Investment Fund Plan, dated April 11, 2016, as amended and restated May 16, 2017.
- Amended and Restated Plan and Declaration of Trust for the Wellington Trust Company, National Association Multiple Common Trust, Funds Trust, effective September 1, 2010.
- Declaration of Trust for the Commingled Pension Trust (Emerging Markets Equity Focused) of JPMorgan Chase Bank, N.A., amended and restated in its entirety effective March 1, 2014.
- Declaration of Trust for the ARGA Investment Management Collective Investment Trust, established November 7, 2022, as amended and restated September 16, 2025.

LEGISLATIVE COMMITTEE

House and Senate Calendars for 2027 Legislative Session

House Schedule

Friday, October 23, 2026	Last day to file 2026 Interim Study reports.
Wednesday, November 4, 2026	First day for all Representatives to file Legislative Service Requirements (LSRs) with complete information.
Wednesday, November 18, 2026	Last day to file LSRs with complete information.
Tuesday, January 5, 2027	Ten-day sign off begins.
Friday, January 15, 2027	Last day to sign off on all LSRs.
	Last day to introduce House Bills.
	Last day to amend House Rules by majority vote.

Senate Schedule

Monday, September 21, 2026	First day for incumbents seeking re-election to file LSRs with complete information.
Friday, September 25, 2026	Last day for incumbents seeking re-election to file LSRs with complete information.
Wednesday, November 4, 2026	First day for Senators to file LSRs with complete information.
Wednesday, November 11, 2026	Veterans' Day (State Holiday)
Wednesday, November 18, 2026	Last day for the Office of Legislative Services to accept drafting requests for Senate Bills, Senate Concurrent Resolutions, and Senate Joint Resolutions with complete information for the 2027 Senate Session.
Wednesday, December 2, 2026	Organization Day
Friday, December 18, 2026	Last day for prime sponsors to sign off on legislation.

2027 LSR Titles

An LSR is a legislative service request, which is what a member of the House or Senate submits to the Office of Legislative Services to initiate the process of drafting a bill. The title of an LSR, but not the content, is posted on the NH General Court website at ([https://gc.nh.gov/2027 LSRs](https://gc.nh.gov/2027_LSRs)). Details of an LSR remain confidential until a bill number is assigned to the proposal. All House LSRs are posted; Senate LSRs may remain nonpublic.

NHRS Related:

2027-0084-HB: Relative to payment by the state of a portion of retirement system contributions of political subdivision employers. Sponsor(s): (Prime) Brian Sullivan

2027-0112-HB: Relative to the decennial retirement commission. Sponsor(s): (Prime) Bill Ohm

2027-0113-HB: Relative to auditing the New Hampshire retirement system. Sponsor(s): (Prime) Bill Ohm

2027-0118-HB: Relative to line of duty death benefits through the New Hampshire retirement system. Sponsor(s): (Prime) Mark Proulx

Other Titles monitoring:

2027-0018-HB: Relative to lobbying restrictions for publicly funded entities. Sponsor(s): (Prime) Ellen Read

2027-0046-HB: Relative to the type of entities that are subject to public access of governmental records and meetings. Sponsor(s): (Prime) Ellen Read

2027-0148-HB: Relative to minimum qualifications for fire chiefs. Sponsor(s): (Prime) Stephen Pearson

2027-0153-HB: Relative to civil causes of action against attorneys, judicial officers, and governmental units. Sponsor(s): (Prime) Joseph Barton

2027-0223-HB: Relative to enforcement of unadopted agency rules. Sponsor(s): (Prime) Liz Barbour

BENEFITS COMMITTEE

**New Hampshire Retirement System
Benefits Committee Meeting**

**Consent Agenda
September 1, 2026**

Disability Application Recommendations

1. J.A. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
2. C.D. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
3. M.O. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
4. A.O. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
5. J.S. Grant violent accidental disability retirement (VADR) to this member who meets the statutory requirements for the benefit.
6. S.S. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.

Accidental Death Recommendation

7. B.R. Grant accidental death benefits under RSA 100-A:8 to the spouse of this former member who meets the statutory requirements for the benefit.

**New Hampshire Retirement System
Benefits Committee Meeting**

**Consent Agenda
October 6, 2026**

Disability Application Recommendations

1. J.A. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
2. B.A. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
3. J.D. Grant accidental disability retirement to this member who meets the statutory requirements for the benefit.
4. T.V. Grant ordinary disability retirement to this member who meets the statutory requirements for the benefit.

List of Individually Contracted Physicians
Performing IMEs for NHRS

Name: **BOURNE, DAVID J.** MD

NH License Number: 8884

NH License Date: 1/6/93

NH License Expiration Date: 6/30/27

Additional states licensed: Maine - 9685 (issue date: 2/2/79; expiration date: 11/30/26)

Address: 3 Executive Park Dr., Ste. 259, Bedford, NH 03110

Phone: 603-471-1011 (NH) 207-774-6330 (ME)

Board Certified: Psychiatry and Forensic Psychiatry

Medical School and Year of Graduation: University of Bruxelles, 1977

Residency: University of Massachusetts, 1979

Psychiatry Residency and Year: Maine Medical Center, 1982

Name: **BURRESS, JOHN** MD, MPH

NH License Number: 18355

NH License Date: 8/2/17

NH License Expiration Date: 6/30/27

Additional states licensed: Massachusetts – 75679 (issue date: 4/8/92; expiration date: 6/25/27)

Address: OccMed Consulting & Injury Care, LLC, 10 Hawthorne Pl., Unit 114, Boston, MA 02114

Phone: 617-367-5002

Board Certified: Occupational and Environmental Medicine; Preventative Medicine

Medical School and Year of Graduation: University of Kentucky College of Medicine, 1989

Occupational and Environmental Medicine Residency and Year: Harvard School of Public Health, 1994

Name: **DRUKTEINIS, ALBERT M.** MD, JD

NH License Number: 5505

NH License Date: 4/19/76

NH License Expiration Date: 6/30/28

Additional states licensed: Vermont - 042.0010042 (issue date: 6/7/00; expiration date: 11/30/26)

Address: 1 Hardy Rd., #409, Bedford, NH 03110

Phone: 603-540-4721

Board Certified: Psychiatry and Forensic Psychiatry

Medical School and Year of Graduation: University of Louisville School of Medicine, 1971

Psychiatry Internship and Residency and Year: University of Texas Medical Branch, 1974

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**THE NEW HAMPSHIRE RETIREMENT SYSTEM
CY 2025 GAINFUL OCCUPATION COMPLIANCE REPORT**

To: NHRS Board of Trustees

The annual Gainful Occupation Report summarizes the employment activities of disability recipients during calendar year 2025. It is based on the filings that had been received by NHRS as of September 30, 2026.

SUMMARY OF REPORTING INFORMATION

Total Retirees on Disability	1,659
Total Annual Benefits Paid	\$32,592,000
Total Retirees Required to Report ¹	412
Retirees excluded due to no income	293
Total Annual Reported Earnings	\$3,353,053
No Earnings	181
Earnings Not In Excess	130
Excess Earnings ²	9
Noncompliant Retirees	92
Avg. Monthly Earnings for Reporting Retirees	\$2,010
Avg. Monthly Benefit for Reporting Retirees	\$1,965

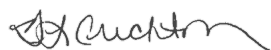
¹ Retirees who are exempt from reporting include: Group II duty disability retirees, who are age 45 and older with at least 20 years of combined years of service and years on disability; retirees 70 years of age and over; retirees granted waivers after reporting no earnings for the prior five years; and retirees in nursing homes or who are incarcerated.

² Retirees may apply for a waiver of the reduction due to anticipated reduced earnings in 2027.

The Benefits Committee voted to recommend to the full Board that it approve the following actions:

1. Pursuant to RSA 100-A:6, III(b), reduce the State annuity and related cost-of-living allowance, of those disability recipients who earned more than the difference between the retirement allowance payable and the “current comparable compensation.” Recommended offsets due to excess 2025 earnings are scheduled to begin with benefits paid in January 2027 and continue for 12 months thereafter.
2. Pursuant to Ret 309.01(k), withhold the State annuity and related cost-of-living allowance of those disability recipients who have not provided all required documents. The withholding for noncompliance is scheduled to begin with benefits paid in December 2026 and continue until all requested documentation has been submitted and processed.

Respectfully submitted,



Diana L. Crichton
Associate Counsel & Compliance Officer



To: NHRS Board of Trustees

From: Karen Nixon, Employer Operations Manager

Date: October 7, 2026

Re: Request for Authority to Waive Ret 304.05(c) Requirement in Limited Circumstances

Item: Action: X Discussion: Informational:

Background

N.H. Admin R. Ret 304.05(c) requires that member contributions shall be paid by the member with after-tax funds and may not be paid by the employer on behalf of the member except in cases where the employer withheld the member contribution at the time the compensation was paid but failed to remit the contributions in a timely manner. While this requirement appropriately establishes the member's responsibility for required contributions, there are circumstances in which strict application of the requirement may create an inequitable result for both the member and the employer.

NHRS Staff is requesting authority to waive this requirement in limited circumstances where the failure to deduct and remit the required member contributions was a result of an employer error or omission, and allowing the employer to pay the member portion is determined to be in the best interest of both the member and the employer.

For example, an employer may inadvertently fail to deduct required member contributions from an employee's compensation due to an administrative or payroll error. The employer may subsequently identify the error and advise the member that, because the error was the employer's responsibility, the employer will assume responsibility for the unpaid member contributions. Under the current requirement, however, NHRS must require the member to pay the contributions, even when the member was not responsible for the error and reasonably relied upon the employer's representation that the matter would be corrected by the employer.

Requested Authority

NHRS Staff requests authority to waive the requirement that unpaid member contributions must be paid by the member when specific criteria are met.

Specifically, Staff requests that it be authorized to permit an employer to pay the member portion of required contributions when:

1. The failure to deduct the member contributions resulted from employer error or omission.
2. The member received the compensation without the required member contribution being deducted and was not responsible for the error.
3. The employer accepts responsibility for the error and requests to pay the unpaid member contributions on behalf of the member.
4. Allowing the employer to make the payment is determined to be in the best interest of the member and the employer.
5. The arrangement does not result in an enhancement of the member's benefit beyond what the member would have received had the required contributions been properly deducted.
6. The employer's payment is properly documented and reported to NHRS in accordance with applicable requirements.
7. NHRS determines that permitting the employer to make the payment is appropriate under the circumstances.
8. The employer submits documentation that they agreed to submit payment on behalf of the member.

Purpose of the Requested Authority

The intent of this request is not to eliminate the member's responsibility for required contributions or to establish a general ability for employers to routinely assume member contribution obligations. Rather, the intent is to provide NHRS with reasonable administrative discretion to address situations in which strict application of Ret 304.05(c) would place the financial burden on a member for an error that was solely attributable to the employer.

Providing this limited authority would allow NHRS to consider the facts and circumstances of each situation and determine whether employer payment is appropriate. It would also provide a practical mechanism for resolving employer errors while maintaining the member's proper contribution record.

In conclusion, this limited discretion would allow NHRS to address unusual circumstances fairly and consistently while preserving the underlying requirement that member contributions be properly collected and credited to the member's account.

Recommendation

On October 6, 2026, the Benefits Committee voted to recommend to the Board that it grant authority to NHRS Staff to waive, on a case-by-case basis, the requirement in Ret 304.05(c) that unpaid member contributions must be paid by the member when the failure to deduct the contributions was caused by employer error and permitting the employer to make the payment is determined to be in the best interest of the member and the employer.

**PERSONNEL PERFORMANCE & COMPENSATION
COMMITTEE**

Oral Presentation Only

Retiree Reemployment and Federal Considerations

NHRS Board of Trustees

October 13, 2026

Presented by: Audra Ferguson and Nicole Giambarrese





IceMiller



Teeing Off:

The Importance of Qualification



Understand the Landscape:

Qualification Considerations



Club Selection Matters:

How to Tax Benefits



Playing by the Book:

Fiduciary Considerations



Bunkers to Watch:

Considerations for a Return-to-Work Program



19th Hole:

Questions and Comments?

icemiller.com



The Importance of Qualification

Trust

- Earnings are not taxable
- Tax recapture is available in tax treaty countries

Employer

- No employment taxes on contributions

Member

- Employee/employer contributions are not currently taxable (as income)
- Income is not taxed (until distribution)
- Certain favorable tax treatment upon distribution
- No employment taxes when contributions are made or benefits are paid

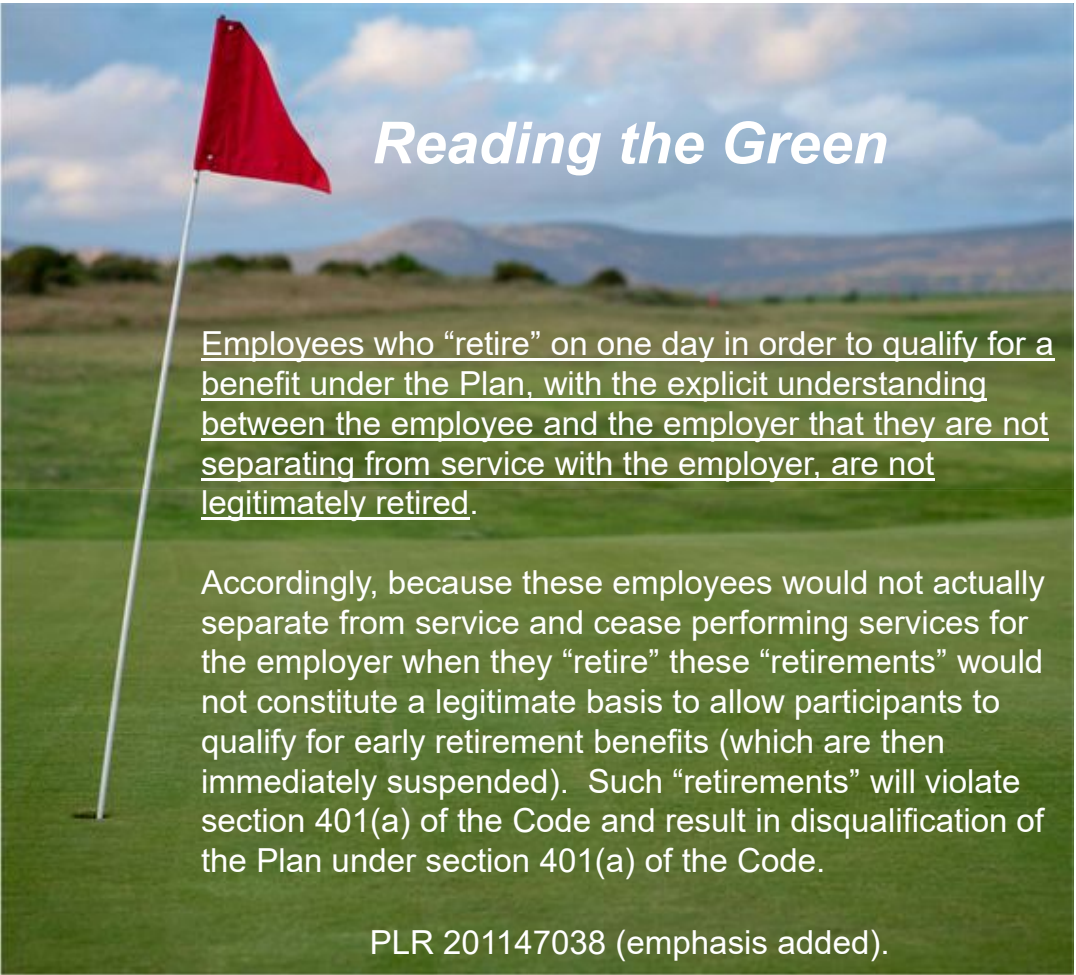
Governmental Status

- Exempt from ERISA
- Mandatory employee contributions may be "**picked up**" and treated as pre-tax under Code § 414(h)
- State/local governmental plans have favorable **grandfathering and transitional rules**
- Governmental plans may have favorable **special limits** on benefits
- Special **service purchase opportunities** exist for governmental plans under Code § 415(n)



Qualification Considerations

- ✓ Does the Code allow retiree reemployment?
- ✓ Does the **Plan provide** for in-service distributions?
- ✓ Is the individual at least the earlier of age **59 ½** or **normal retirement age**?
- ✓ Was there a **bona fide separation** from employment?



Reading the Green

Employees who “retire” on one day in order to qualify for a benefit under the Plan, with the explicit understanding between the employee and the employer that they are not separating from service with the employer, are not legitimately retired.

Accordingly, because these employees would not actually separate from service and cease performing services for the employer when they “retire” these “retirements” would not constitute a legitimate basis to allow participants to qualify for early retirement benefits (which are then immediately suspended). Such “retirements” will violate section 401(a) of the Code and result in disqualification of the Plan under section 401(a) of the Code.

PLR 201147038 (emphasis added).



Taxation of the Benefit

Penalty

If Participant is under age 59½, 10% penalty may apply to distribution if no bona fide separation from service

Examples of non-bona fide separation:

County employee retires with prearranged part-time rehire

Retiree returns immediately as a contractor or temporary worker

Retiree resumes similar duties under a new job classification

Exceptions

Normal retirement age is not exception to penalty.

Two primary exceptions to 10% penalty **require bona fide separation from service:**

Age 55 (or age 50 or 25 years of service for public safety employee).

Substantially equal periodic payments.



Fiduciary Considerations

Board has
fiduciary
responsibility to
ensure plan
operations align
with IRS and
state law
requirements

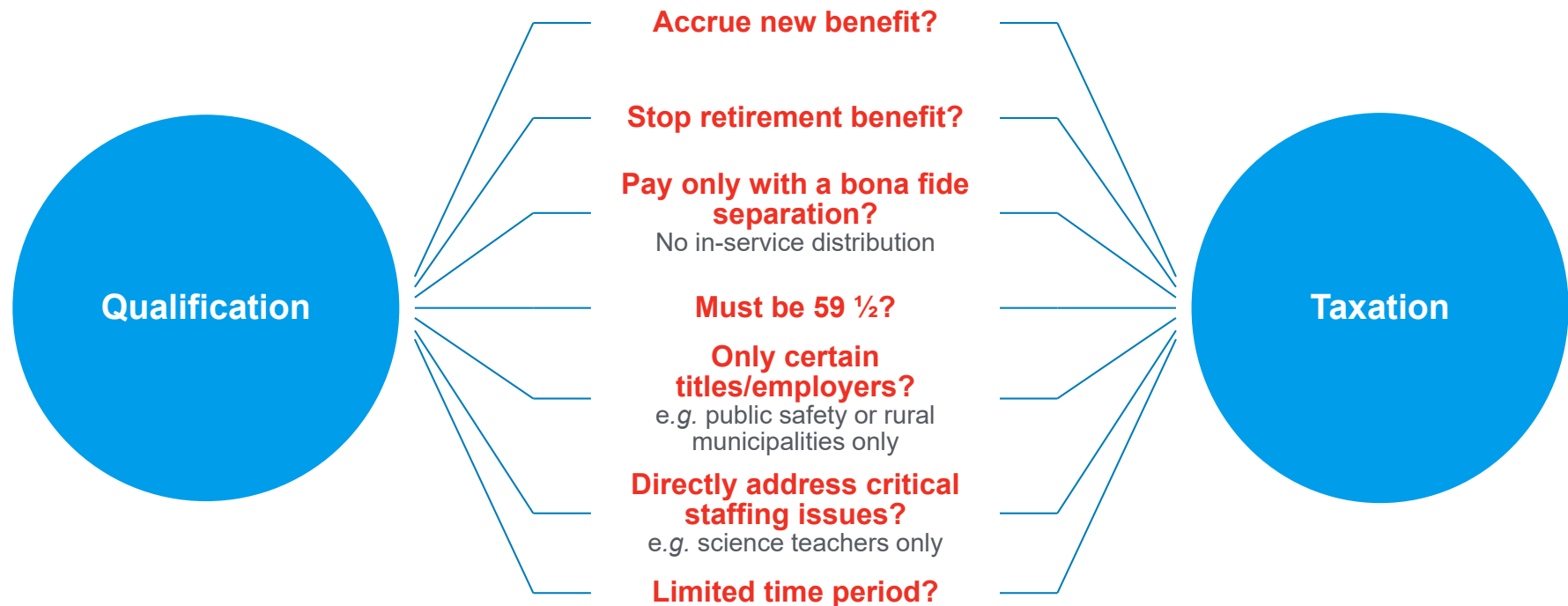
Adopt clear
policies on
separation and
reemployment

Provide
guidance and
training to
employers

Conduct
periodic audits
or compliance
reviews



Considerations For Retiree Reemployment Design



<https://www.nasra.org/files/JointPublications/SLGE-NASRA%20Post-Retirement%20Employment.pdf>

Retiree Reemployment Summary

Qualification Issue

Must have a bona fide break in service (no prearrangement) if return to employment with the same employer or it is an in-service distribution

There is no safe harbor period to show a bona fide separation.

No 10% penalty if reemployment occurs after age 59 ½ (if separating service: age 55, or age 50 or 25 years of service for public safety).

There is NO exception for distributions after normal retirement age, 10% penalty if not age 59 ½.

Taxation Issue

Fiduciary Considerations

- Obligation to ensure plan operations comport with federal and state law requirements
- Adopt (and follow!) clear policies on separation and reemployment
- Conduct periodic internal audits or compliance reviews
- Provide guidance and training to employers





A Primer on

Portfolio Monitoring and Securities Litigation

NEW HAMPSHIRE RETIREMENT SYSTEM

Board of Trustees Meeting

October 13, 2026

Attorney Client/Work Product Privileged and Confidential



What Services Do We Offer NHRS?



MONITORING

Domestic and international securities monitoring



REPORTING

Quarterly reports and news alerts



SETTLEMENTS

Reporting on class action settlements impacting NHRS's portfolio



EVALUATION

Case evaluations and recommendations on lead plaintiff position, opting out, or other action



LITIGATION

Litigation services

Overview of Our Discussion

01 Monitoring

02 Recommendations

03 Lead Plaintiff Considerations

04 Litigation

05 Additional Services

01

Portfolio Monitoring

Monitoring

Recommendations

**Lead Plaintiff
Considerations**

Litigation

Additional Services

What We Monitor



SECURITIES

Traditional securities cases



DEAL ACTIONS

Deal, derivative, and opt-out cases



MISSTATEMENTS

Individual misrepresentation cases



ANTITRUST

Antitrust-related cases

Identifying Potential Cases for NHRS's Consideration

NEW CASE INVESTIGATIONS



In-house New Case Investigations Team Resources

- Attorneys dedicated to new case evaluation and development
- Team of portfolio analysts
- Team of investigators



Identifying potential cases from several angles using many tools and sources

- Following news about potential frauds
- Investigating reasons for specific losses

How We Support Foreign Claims



FOREIGN MONITORING

Supporting NHRS in foreign securities matters



Identify foreign matters where NHRS has significant losses



Gather and evaluate factors needed to decide whether to actively participate in foreign litigation



Assist NHRS in registering for a foreign action, if desired



Act as liaison if NHRS wishes to pursue a foreign matter

02

Recommendations

Monitoring

Recommendations

Lead Plaintiff
Considerations

Litigation

Additional Services

Case Evaluation/Recommendations – Philosophy of Selectivity



Thorough investigation at inception by our in-house New Case Investigations Team

- Attorneys dedicated to new case evaluation and development
- Team includes investigators and portfolio analysts



Focus on identifying false statements and uncovering evidence of scienter



Extensive analysis of damages vs. market losses

- Team of portfolio analysts, overseen by a senior analyst with more than 25 years of experience in securities monitoring
- Loss calculations prepared and manually cross-checked, then refined into recognized-loss calculations

Client-Centric Approach

Firm expends significant resources to ensure it only recommends legal action when its clients have a meaningful interest in the litigation and an opportunity to obtain the sought-after relief



Focus on client's damages, not market loss



Focus on identifying issues specific to clients and protecting their interests



New Case Investigations Team members are available by telephone or in person to answer questions about portfolio monitoring, case evaluations, loss calculations and litigation strategies

03

Lead Plaintiff Considerations

Monitoring

Recommendations

**Lead Plaintiff
Considerations**

Litigation

Additional Services

Why Institutions: Leadership Matters

Settlement recoveries are higher when the lead plaintiff is a public pension fund

- ✓ Greater likelihood of withstanding a motion to dismiss
- ✓ Higher recoveries
- ✓ Lower attorneys' fees
- ✓ Greater chance for corporate governance changes



Settlement recoveries are higher when the lead counsel is an “established” firm

Lead Plaintiff Responsibilities

1

CERTIFY

File a sworn certification of transactions in the security and seek court appointment as lead plaintiff

2

SELECT COUNSEL

Retain and supervise lead counsel, subject to court approval, and negotiate the fee structure

3

DIRECT

Oversee case strategy and represent the interests of the class fairly and adequately

4

RESOLVE

Participate in discovery and evaluate settlement terms, governance relief, and allocation before approval

04

Litigation

Monitoring

Recommendations

Lead Plaintiff
Considerations

Litigation

Additional Services

The Goals



RECOVER

Civil actions seek compensation for investor losses



DETER

Private claims add market discipline where regulators cannot pursue every case



GOVERN

Institutional lead plaintiffs can select counsel, participate in strategy, negotiate fees

What Plaintiffs Must Prove

A price decline is not enough. The case must connect a material misstatement to investor loss.

1

Material misstatement or omission

2

Scienter

3

Connection with purchase or sale

4

Reliance

5

Economic loss

6

Loss causation

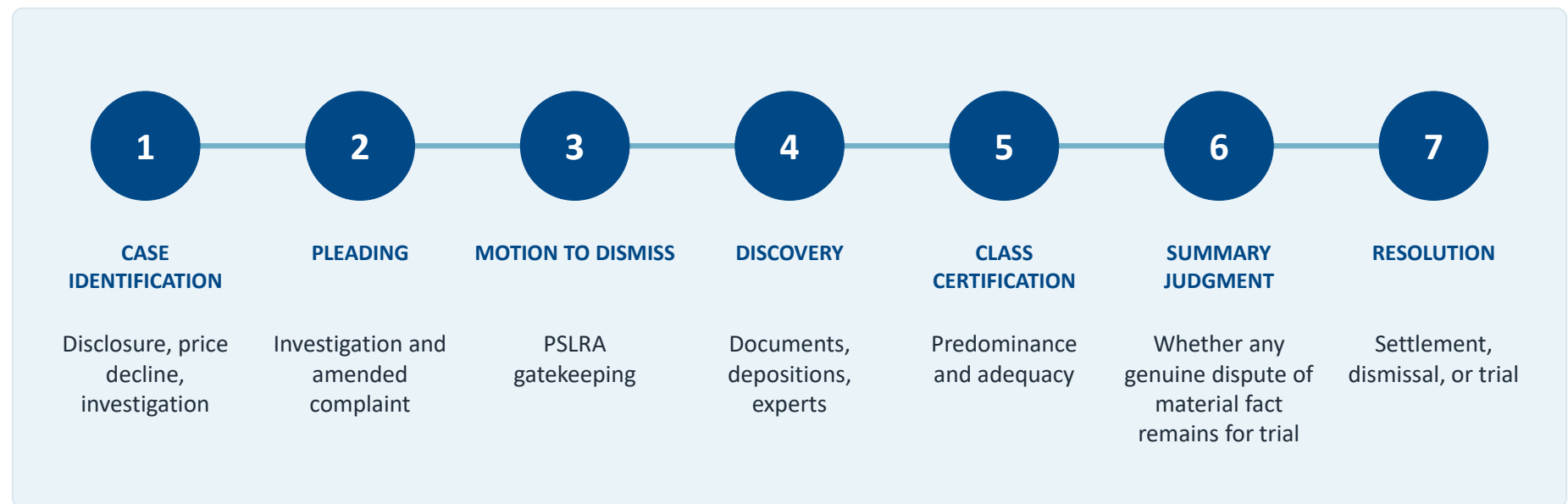
Classwide reliance

Basic recognizes the fraud-on-the-market presumption. Halliburton II permits price-impact rebuttal at class certification.

Section 11 differs

Scienter and reliance generally are not required, but standing, traceability, statutory damages, and negative causation matter.

Lifecycle of a Case



05

Additional Services

Monitoring

Recommendations

Lead Plaintiff
Considerations

Litigation

Additional Services

Other Services Provided to Institutional Investors



ASSET RECOVERY

Legal advice and litigation on other asset-recovery cases, including U.S. antitrust, Commodity Exchange Act and RICO claims



VENDOR DISPUTES

Representing clients in disputes with vendors and custodians



DISCOVERY SUPPORT

Representing clients with discovery obligations in cases where the client was a third party



PRIVATE EQUITY

Evaluating potential claims regarding private equity investments

Thank you!



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To: Board of Trustees
From: Jan Goodwin, NHRS Executive Director
Date: October 1, 2026
Subject: Executive Director Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

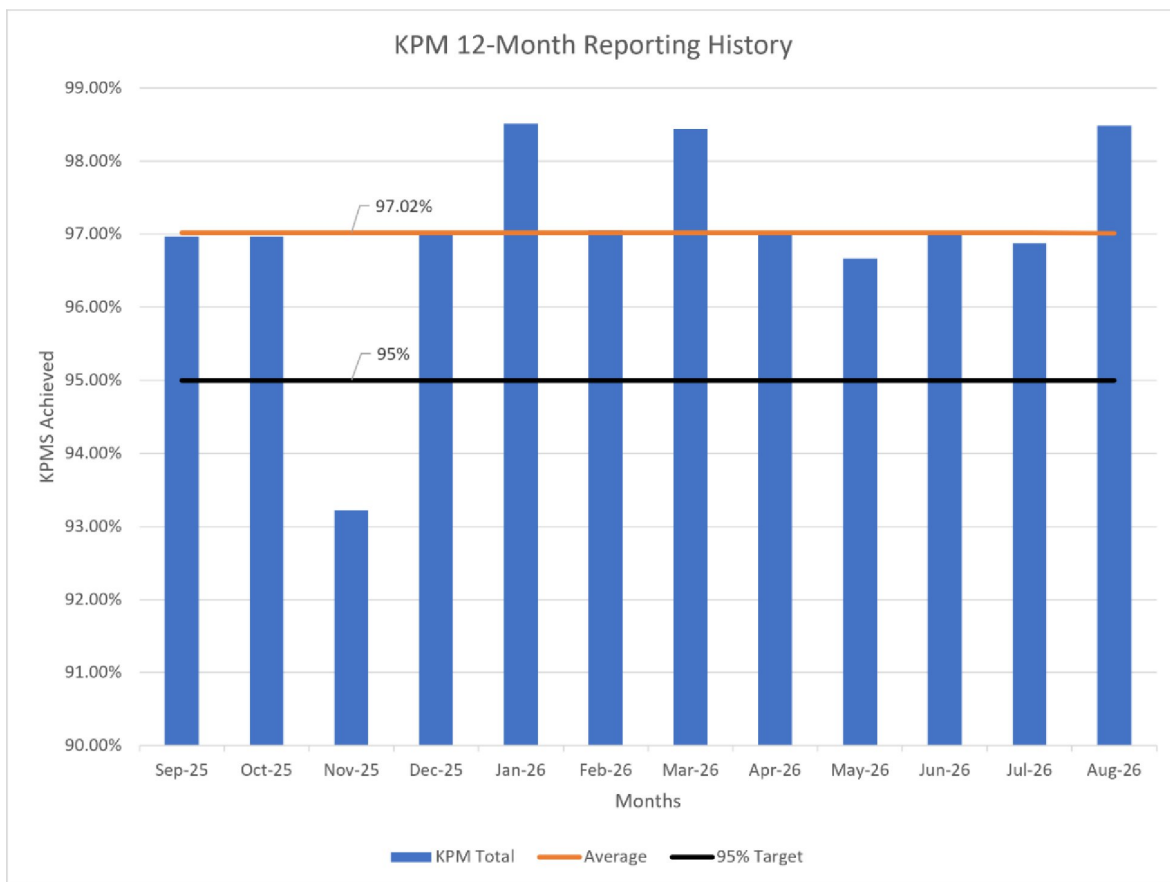
- Staff has submitted the Statutory Administrative Budget for FYs 28 and 29 to the State of New Hampshire. The budget is aligned with the NHRS Strategic Plan for that time period.
- In August, the National Conference on Public Employee Retirement Systems (NCPERS) published a study documenting the nationwide progress of fiscal sustainability for public pension plans. In short, a pension's liability is fiscally sustainable when it does not grow faster than the economy that supports it. New Hampshire's economy continues to grow more quickly than our pension liability. New Hampshire had the second-best overall sustainability ratio nationally in 2024, the year the study is based on.
- Implementation of HB 282 continues. Staff and LRS are working on Phase IV, which includes calculations for split benefits and calculation of maximum benefits. Phase IV is expected to be completed in early 2027.

Current Months' Highlights – August and September

- The overall KPM scores for July and August were 96.88% and 98.48%, respectively. Systemwide, two KPMs were missed in July and one KPM was missed in August. See 12-month rolling average chart attached.
- All 15 of the ED's KPMs applicable in July and August were achieved (one was N/A).
- PGV3 is 100% complete. Staff continues to test new releases, which contain modifications and improvements.

Upcoming Plans & Projects

- Staff is developing a three-year Board of Trustees education program. This is consistent with the results of the survey that Trustees completed, indicating that they prefer training during Board of Trustees meetings to attending conferences. Presenters will include economists from NHRS investment managers, NHRS' actuary, representatives from national pension organizations, fiduciary counsel and NHRS staff.
- Staff has begun preparations for the 2027 Decennial Commission, in which the NH Legislature will study NHRS. NHRS will be making numerous presentations over the course of the hearings, which will likely begin in August 2027.



KPM MONTHLY REPORTING HISTORY	JULY			July			AUGUST			August		
	2026			2026			2026			2026		
	ACHIEVED			ACHIEVED			ACHIEVED			ACHIEVED		
	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A
Overall Score	96.88%	3.13%	16	We achieved a 96.88 % success ratio in July. We failed 2 KPMs in July.			98.48%	1.52%	14	We achieved a 98.48 % success ratio in August. We failed 1 KPM in August.		
Is overall score ≥ 95 %?	X						X					
Executive												
1. Distribute weekly email updates to all Trustees on or before the end of business on Friday of every week.	X						X					
2. Distribute weekly email updates to all staff on or before the end of business on Monday of every week.	X						X					
3. Prepare and distribute Board materials electronically by the Thursday before the Tuesday meeting.			X	No Board meeting in July.			X					
4. Post Board and committee meeting notices according to 91-A:2.	X						X					
5. Prepare minutes of Board and Board Committee meetings according to the timeliness guidelines in 91-A:2 and 91-A:3, with draft minutes for internal review ready by close-of-business on the Friday following the Board meeting. Internal review of Board draft meeting minutes and posting of such minutes are to be completed within five (5) business days of the meeting.	X						X					
6. Prepare draft MTeam meeting minutes and forward to Executive Director for review within five (5) business days of meeting; to managers for review within seven (7) business days of meeting; and post final meeting minutes to the common drive within eight (8) business days of the meeting.	X						X					
7. Maintain expenditures at or less than Trust Fund Budget.	X						X					
8. Maintain expenditures at or less than Board of Trustees Budget as reported by Finance in the most recent manager's report (1-month lag).	X						X					
IT												
1. All vital servers maintain an uptime of 99% or higher.	X						X					
2. All Pension Gold requests are prioritized within thirty-one (31) calendar days.	X						X					
3. All help desk requests are followed up with a conversation (phone/email) within four (4) business days.	X						X					
4. Maintain help desk survey scores above satisfactory marks of 95% or higher			X	Not currently sending out surveys.					X	Not currently sending out surveys.		
5. All US-CERT email security advisories are placed into the help desk system to be addressed within two (2) business days.	X						X					
6. Respond to all phone calls within one (1) business day.	X						X					
7. Maintain expenditures at or less than IT budget as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Finance												
1. Prepare the NHRS Annual Comprehensive Financial Report (ACFR): unaudited by October 31, and the audited ACFR by December 31, in accordance with generally accepted accounting principles.			X	Not due until December 2026.					X	Not due until December 2026.		
2. Reconcile operating bank account within 60 days of the end of the month.	X			Achieved for June.			X			Achieved for July.		
3. Produce and distribute monthly actual-to-plan-budget reports within ten (10) business days from the end of the prior month.	X						X					
4. Produce the monthly financial statements (FS) for the Board of Trustees meeting at least three (3) business days prior to the scheduled Board mailing.			X	No board meeting in July.			X					
5. Post all cash receipts for a month, for which we have received the associated voucher, into the pension benefit system (Pension Gold) within ten (10) business days after the close of the month.	X						X					
6. Issue all NHRS annuitant pension payments timely and accurately.	X						X					
7. File annual payroll tax return (form 945) for the annuity payroll by January 31st.			X	Not due until January 2027.					X	Not due until January 2027.		
8. Reconcile all employer accounts sufficiently to allow for interest posting for the reporting month within ninety (90) days of the end of the reporting month, for which we have received all payments and back-up from employers.	X			Achieved for April.			X			Achieved for May and June.		
9. Process all confirmed post-retirement electronic direct deposit change requests received by the date that the pre-note wizard is run in Pension Gold and direct funds accordingly in the same month.	X						X					
10. Deposit all payments received at NHRS offices, with appropriate supporting documents, into local custodial bank within three (3) business days of receipt, with any payments secured on any intervening days.	X						X					
11. Annually for the preceding tax year, post electronic 1099-R forms to My Account by January 24 and mail hard copy 1099-R forms by January 31 of the subsequent year.			X	Not due until January 2027.					X	Not due until January 2027.		
12. Maintain expenditures at or less than Finance Budget as reported in the most recent manager's report (1-month lag).	X						X					
Investment												
1. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable Total Fund Benchmark measured quarterly.			X	Q3 Performance Not Available Yet.					X	Q3 Performance Not Available Yet.		
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	Not due until next June 30th reporting period.					X	Not due until next June 30th reporting period.		

KPM MONTHLY REPORTING HISTORY	JULY			July			AUGUST			August		
	2026			2026			2026			2026		
	ACHIEVED			ACHIEVED			ACHIEVED			ACHIEVED		
	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A
3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median measured quarterly.		X		3-Yr Peer Median = 66 pctle (06/30/26) 5-Yr Peer Median = 58 pctle (06/30/26)					X	Q3 Performance Not Available Yet.		
4. Complete the IIC’s Private Debt & Private Equity Strategic Plan for the calendar year.			X	Achieved for Calendar Year.					X	Achieved for Calendar Year.		
5. Manage cash flow and make funds available for the payment of monthly retirement benefits, expenses and capital calls on or before the last business day of the month.	X						X					
6. Manage continuously the asset allocation within approved ranges and rebalance as appropriate.	X						X					
7. Maintain trading cost at or below median of applicable peer universe as measured for the calendar year.			X						X			
8. Ensure all proxies are voted consistent with the Board approved Proxy Policy.	X						X					
9. Distribute complete and accurate Investment Committee materials to all members of the Investment Committee on the Friday before the regularly scheduled monthly Investment Committee meeting.	X						X					
10. Maintain internal expenditures at or less than Investment Budget as reported by Finance in the most recent manager’s report (1-month lag).	X						X					
Legal												
1. Assure no instances of statutory or regulatory non-compliance.			X	Legal is unable to opine on this KPM. There are identified plan compliance, governance, and internal control concerns that are being evaluated.					X	Legal is unable to opine on this KPM. There are identified plan compliance, governance, and internal control concerns that are being evaluated.		
2. Provide disability recommendations to the Benefits Committee within sixty (60) calendar days of receipt in the Legal Dept.	X						X					
3. Commence an adjudicative proceeding within sixty (60) calendar days of receipt of administrative appeal.	X						X					
4. Present a recommended decision to the Board within seventy-five (75) calendar days after the close of the record in an appeal.	X						X					
5. Perform employer compliance field audits; a rolling average of 1.5 audits per experienced auditor per month over the prior 12-month period.			X						X			
6. Present one (1) employer education session per quarter.			X						X			
7. Maintain expenditures at or less than Legal Budget as reported by Finance in the most recent manager’s report (1-month lag).	X						X					
Member Services												
1. Calculate all preliminary retirement benefits within thirty (30) calendar days of member-requested date of retirement.	X						X					
2. Calculate 100% of final retirement benefits (EXCLUDING JULY applications) within seven (7) months of member requested date of retirement provided that all statutorily required documentation has been received and all wages have been reported.			X	Suspended due to V3 backlog/resume 1/27					X	Suspended due to V3 backlog/resume 1/27		
3. Calculate 100% of July final retirements within eight (8) months of member requested date of retirement provided that all statutorily required documentation has been received and all wages have been reported.			X						X			
4. Schedule member meetings with Benefit Specialists within ten (10) business days of request.	X						X					
5. Issue all member retirement benefit estimates within thirty (30) business days of receipt of request.	X						X					
6. Enter member enrollment form data into Pension Gold (PG) within fifteen (15) business days of receipt.												
7. Process member refund requests within ninety (90) calendar days of receipt of written request.	X						X					
8. Process service purchases within fifteen (15) business days of request receipt.	X						X					
9. Process additional contribution calculations within ninety (90) calendar days of receipt.	X						X					
10. Process all non-employer audit corrections related to employer contribution refund within sixty (60) business days of receipt.												
11. Post all interest to member accounts within the month that Finance authorized the activity.	X						X					
12. Adhere to payroll “close” schedule for benefit setup balancing purposes.	X						X					
13. Process all pension changes within thirty (30) calendar days of receipt/notification.	X						X					
14. Process retiree death benefit refund payments within sixty (60) calendar days following receipt of all required paperwork.	X						X					
15. Establish survivorship benefit setup for payment within sixty (60) calendar days following receipt of all required death documentation and pension recoveries.	X						X					
16. Submit new recoupment cases to Recoupment Committee by next committee meeting following discovery.	X						X					

KPM MONTHLY REPORTING HISTORY	JULY			July			AUGUST			August		
	2026			2026			2026			2026		
	ACHIEVED			ACHIEVED			ACHIEVED			ACHIEVED		
	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A
17. Initiate Recoupment/Benefits Committee recoupment decisions within seven (7) business days of decision.	X						X					
18. Review and balance updates submitted by employers and TPAs to PG for insurance rate changes received by the first business day of each month within four (4) business days.	X						X					
19. Complete monthly insurance non-rate changes by processing all authorizations received by the date the annuity payroll is posted with zero carryovers.	X						X					
20. Maintain expenditures at or less than Member Services Budget as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Human Resources												
1. Ensure compliance with all Federal, State and CBA rules and regulations as measured by no notices of violation.	X						X					
2. Respond to all payroll errors within one (1) business day and correct all payroll errors within one pay cycle.	X						X					
3. Reduce recruitment time for open staff positions to no more than forty-five (45) business days and open management/executive positions to no more than ninety (90) business days.			X			Unable to fill			X			Unable to fill
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 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					
2. 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					
3. Prepare draft Audit Committee Meeting minutes for review within three (3) business days of the meeting.			X			No meeting in July	X					
Contact Center												
1. Respond to all incoming emails within 24 business hours.	X						X					
2. Maintain an average speed of answer within two (2) minutes.												
3. Maintain a 95% call satisfaction rating for callers' experience with the Contact Center Representative (CCR).	X						X					
Administrative												
1. Assure that formal complaints are responded to within five (5) business days.	X						X					
2. Maintain expenditures, at or less than Administration Budget, as reported by Finance in the most recent manager's report (1-month lag).	X						X					
Total of KPMs	62	2	16				65	1	14			
KPM Percentages	96.88%	3.13%	20.00%				98.48%	1.52%	17.50%			



To: Board of Trustees
From: Marie Mullen, NHRS Chief Financial Officer
Date: September 30, 2026
Subject: FY 2026 Call Fire Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Below is the annual call fire report to the Board and represents FY 26 call fire financial activity.

The Call Fire program was repealed by Chapter 48, Laws of 2014, effective 7/1/14. In addition to the repeal, the legislation required that each person receiving an annual benefit allowance as of the effective date of the act shall continue to receive that allowance.

The remaining beneficiary died in December 2025.

During the FY 2023 legislative session, House Bill 2 (HB 2) provided an additional \$40,000 from the General Fund to shore up the fund. Any of these funds remaining after all beneficiaries are deceased would be reverted to the General Fund. The additional \$40,000 is in the process of being refunded to the State of NH.

Pursuant to Chapter 48, Laws of 2014, the remaining \$6,799.73 *“shall be refunded to the individual call firefighter, governmental entity, or other organization which paid the annual sums under RSA 100-A:19 for the 2013 fiscal year. Said refund shall be paid in a lump sum to the respective fire chief, clerk, or other responsible officer or governmental representative who remitted such annual sums on a pro rata basis based upon the total amounts remitted pursuant to RSA 100-A:19 for the 2013 fiscal year. Each such fire chief, clerk, or other responsible officer or governmental representative shall, in turn, make payments of the refunded sums, on a pro rata basis as reasonably determined, to the individual call firefighter, if then surviving and located by the remitting entity, without unreasonable delay.”*

NHRS is researching employer payment history to determine the appropriate entities to refund. The FY 26 Financial Activity Summary is shown below:

NHRS Call Fire Financial Activity Summary

For the Fiscal Year Ended June 30, 2026

Balance July 1, 2025	\$47,703.13
¹ Revenue	0.00
² Benefit Payments	(903.40)
Balance June 30, 2026	<u>\$ 46,799.73</u>

¹The revenue portion of this program was repealed in FY 2014.

²Benefit payments represent payments to one beneficiary for five months.

Note: investment earnings and administrative expenses are assumed to be equal, netting to zero.



To: Board of Trustees
From: Jan Goodwin, NHRS Executive Director
Date: September 30, 2026
Subject: Budget Update on 80 Commercial St Renovations
Item: Action: ☐ Discussion: ☐ Informational: ☒

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

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

NHRS - 80 Commercial Street - Concord, NH				PROJECT COST REPORT	
Origination Date:	September 11, 2025			Project USF:	32,500
Revision Date:	September 30, 2026			Projected Cost/USF:	\$65.75
Revision Number:	4			Contingency Percentage:	6.00%
Budget Category		Original Budget Oct 2025	Budget Projections Sept 2026	Variance	Comments
Hard Costs					
Construction		\$1,361,245	\$1,712,472	\$351,227	Includes change orders for low voltage cabling, door hardware, clean agent fire suppression system, HVAC Controls, water heater, and other misc items.
Voice/Data Cabling		\$147,500	\$0	(\$147,500)	Included in Construction
Soft Costs					
A&E Design Fees/Other Consultants		\$175,300	\$145,672	(\$29,628)	Legal and Change Management expenses less than estimate
Project Management		\$85,305	\$99,280	\$13,975	Increase in GID and On Point
Furniture, Fixtures & Equipment					
Furniture		\$44,000	\$17,375	(\$26,625)	
IT Equipment		\$50,000	\$23,963	(\$26,037)	Needs identified less than anticipated for conference and other rooms
Audio Visual System/Equipment		\$10,000	\$67,243	\$57,243	Unanticipated Board Room updates
Security System		\$30,000	\$31,243	\$1,243	
Sound Masking/Intercom System		\$35,000	\$57,951	\$22,951	Actual costs greater than estimate
Signage/Branding		\$35,000	\$26,807	(\$8,193)	Actual costs for exterior/interior signage less than estimate
Décor		\$7,500	\$0	(\$7,500)	
Projected savings from allowances and excess GMP			(\$45,000)	(\$45,000)	
Budget Contingency		\$118,851	\$0	(\$118,851)	
Totals		\$2,099,701	\$2,137,006	\$37,305	

Last 12 Months Executive Director Contract Approvals (as of 10/1/26)

Vendor Name	Effective Date	Amount	Description
ePlus Technologies	10/1/2025	\$8,159.00	Computer Support for Extreme
Linea Solutions	10/1/2025	\$38,000.00	Cyber security consulting; as billed, total is estimate
Silver Tech	10/2/2025	Hourly Rate	Website support and ADA compliance Project - addendum to existing contract
Change Staffing	10/6/2025	Hourly Rate	Change Management
NH Print and Mail	11/19/2025	\$54,967.38	Data Processing and Mailing Services
Dell Technologies	12/5/2025	\$6,332.10	Licensing for Adobe Acrobat Standard and Pro
The Atom Group	12/23/2025	\$21,500.00	Cyber security consulting and Preferred Emergency Cyber Response Services
IT Insiders	12/30/2025	\$11,879.20	Licenses for Veeam Backup and Replication
Asiflex	1/1/2026	\$5,400.00	Renewal option for Flex spending vendor
CP Management	1/15/2026	\$7,400.00	Tree Services at 80 Commercial Street
IT Insiders	2/18/2026	\$6,576.80	Transceivers and Servers for server rooms
ePlus Technologies	2/24/2026	\$45,086.48	Switches for 80 Commercial Street.
First Light	2/24/2026	\$4,461.84	Public IPs
Dell Technologies	2/24/2026	\$7,018.26	Three laptops for NHRS inventory
Usherwood	2/25/2026	\$3,090.70	Two card readers and six licenses for PaperCut
Everon	2/26/2026	\$41,895.00	Access control and alarming for 80 Commercial Street
LRS	3/1/2026	\$11,586.02	Document and Report Content Management Solution - Annual Renewal
Educate 360	3/3/2026	\$15,000.00	Training learning credit pool
Everon	3/4/2026	\$9,718.00	Security Cameras for 80 Commercial Street
SHI	3/11/2026	\$18,577.00	Email TAP URL and attachment defense
IT Insiders	3/19/2026	\$1,066.94	Transceivers and cables
Educate 360	3/19/2026	\$15,000.00	Training learning credit pool contract renewal
Process Telerik	4/4/2026	\$5,200.00	Sitefinity Software to Support NHRS.org Website
Canon USA	4/17/2026	\$7,343.20	Printers for 80 Commercial Street, maintenance for 5 years
Janitech	4/17/2026	\$38,352.00	Janitorial services at 80 Commercial Street
Blue Mantis	4/22/2026	\$5,364.00	Sophos XDR
Canon USA	4/24/2026	\$395.00	Amendment to existing contract, purchase of one printer
IT Insiders	4/28/2026	\$7,475.00	Renewal of Cisco Duo licensing
Usherwood	4/28/2026	\$216.00	Amendment to existing contract, licensing to support scanning in PaperCut - Submission Date: 4/28/26
Zix	5/12/2026	\$6,117.21	Zix license renewal
Dell Technologies	5/21/2026	\$114.80	Purchase of replacement laptop parts
Dell Technologies	5/21/2026	\$961.66	Adobe Captivate Licenses
PRISM	5/28/2026	\$15,000.00	Conflict management - Submission Date: 5/28/26
Dell Technologies	5/29/2026	\$82.82	Adobe Acrobat Pro license
IT Insiders	6/1/2026	\$27,600.00	Microsoft Office 365 G3 Licenses
ISS	6/1/2026	\$15,000.00	Contract renewal, securities litigation monitoring
IT Insiders	6/3/2026	\$94.00	Fiber cables for 80 Commercial Street
Dell Technologies	6/19/2026	\$74.47	Adobe Acrobat Pro license
IT Insiders	6/21/2026	\$1,259.00	Renewal to contract, MOVEit automation
Dell Technologies	6/25/2026	\$72.29	Adobe Acrobat Pro license
Diligent	6/30/2026	\$18,138.00	Board material management renewal
IT Insiders	7/1/2026	\$26,827.00	O365 G3 licenses purchase
IT Insiders	7/8/2026	\$1,088.00	Purchase of Administrator accounts in Diligent
Dell Technologies	7/9/2026	\$228.15	Purchase of standard Adobe Acrobat license
Carahsoft	7/31/2026	\$37,291.22	NASPO purchase, electronic signature platform
CDWG	8/1/2026	\$45,629.00	Arctic Wolf Security Monitoring
Fusion Connect	8/1/2026	\$41,555.00	Renewal of Talkdesk, call center software and support
IT Insiders	8/25/2026	\$4,952.00	Environmental monitoring appliances
LexisNexis	9/1/2026	\$28,632.00	Contract renewal, legal research services
IT Insiders	9/1/2026	\$5,889.00	Infrastructure monitoring tool
Carahsoft	9/8/2026	\$3,559.24	Renewal of KnowBe4 training and testing services
Carahsoft	9/17/2026	\$20,809.82	Renewal of Veeam Data Cloud Vault
Blue Mantis	9/24/2026	\$2,005.00	SaaS renewal
ePlus Technologies	10/1/2026	\$33,334.60	Hardware replacement and platform licensing

\$733,374.20

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



To: Board of Trustees
From: Jan Goodwin, NHRS Executive Director
Date: October 6, 2026
Re: Sole Source Contract Approval: Avidex
Item: Action: ☐ Discussion: ☐ Informational: ☒

Background

Prior to occupying 80 Commercial Street, NHRS staff and consultants conducted a competitive procurement process and selected Avidex to design and implement audiovisual improvements for the Board Room to support Board meetings and other organizational functions. The installation has been substantially completed and the system is operational.

During the installation process and subsequent evaluation of the room's AV infrastructure, two additional issues were identified. First, the projector mount was found to be improperly secured and requires replacement to ensure safe and reliable operation. Second, the projector screen experienced a mechanical failure and is no longer able to retract.

Because these components are integrated with the AV system installed by Avidex, utilizing a different vendor could create coordination challenges, increase costs, and introduce risks associated with compatibility and system performance. For these reasons, staff believes it is in NHRS' best interest to engage Avidex to provide the necessary equipment, repairs, and related services. The expected cost is \$8,355.23.

Our Mission: To provide secure retirement benefits and superior service.



To: Board of Trustees
From: Jan Goodwin, NHRS Executive Director
Date: October 6, 2026
Re: Sole Source Contract Approval: Everon
Item: Action: ☐ Discussion: ☐ Informational: ☒

Background

Prior to occupying 80 Commercial Street, NHRS conducted a competitive procurement process and selected Everon to design, install, and provide ongoing support for the organization's physical security system. The installation has been substantially completed, and the system is fully operational.

Following occupancy and operational use of the facility, staff identified additional life safety and monitoring needs that were not included in the original scope of work. Specifically, staff determined that additional panic alarm buttons are needed in designated sensitive areas to enhance employee safety and emergency response capabilities. In addition, water detection sensors are recommended in select locations where a leak or water intrusion could pose a risk to building infrastructure, equipment, or business operations.

Because these enhancements must integrate seamlessly with the existing security and monitoring platform installed and maintained by Everon, engaging another vendor could result in compatibility concerns, increased implementation costs, and potential service coordination challenges. Utilizing the original system provider will help ensure system reliability, maintain a single point of accountability, and minimize disruption to ongoing operations. Staff will enter into a sole source contract in an amount not to exceed \$5,000.

Our Mission: To provide secure retirement benefits and superior service.



Department: Executive
Executive Team Member: J. Goodwin

Date: 10/1/26
Approved: 6/16/26

FYs 27-29 Executive Action Plan Summary

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



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

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



To: Board of Trustees
From: Marie Mullen, NHRS Chief Financial Officer
Date: September 30, 2026
Subject: Finance Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Pension software changes to *My Account* continue to be prioritized among multiple departments to enhance security for retirees, beneficiaries, and members for banking changes as well as personal information.
- Processing of Pay Period Corrections has been paused while multiple teams collaborate to document the end-to-end process and identify additional enhancements to eliminate manual workarounds.
- Employer Reporting team and Legal are working together to develop documentation and tools to assist Employers in determining whether compensation is earnable or not.

Current Months' Highlights – August and September

- NHRS received \$27.5 million from the State of NH General Fund for the HB 282 annual payment.
- August employer reporting and payments were 97% and 92% on time, respectively. September employer reporting and payments were 96% and 94% on time, respectively.
- Annual report software (Workiva) implementation occurred in the first week of October with training continuing over the next two months.
- Legal and Finance continue to work with the third-party vendor to pursue collections related to death repayments.
- Positions filled within Finance include the Financial Analyst and Senior Accountant.
- FY28-29 Statutory Administrative Budget and preliminary FY 26 financial statements submitted to the State of New Hampshire.
- Finance completed eight of 12 KPMs for July and nine of 12 KPMs for August. For July, four KPMs did not have deliverables and three KPMs did not have deliverables in August.
- FY 26 Unaudited Net Position YTD through June increased \$1.3 billion or 9.5% from FY 25 June to \$14.7 billion. This is preliminary pending receipt of final Alternative Investment values.
- FY 26 Cash Flow YTD through June was unfavorable to the previous year once removing the one-time terminal funding for HB 282 of \$14.5 million. The variance is due



to the increase in annuity payments related to the year-over-year volume increase as well as increased average final compensation (AFC) for newer retirements. Employer rates also decreased at the beginning of FY 26. The shortfall is as anticipated and is covered by investments in the fund.

- FY 27 year-to-date administrative expenses through August are within budget.

Upcoming Plans & Projects

- FY 26 annual audit, ACFR, and year-end close.
- Continued improvements and enhancements to PGV3.
- Develop updated policies and procedures for Finance and Employer Reporting.
- ISO200022 implementation.
- Implement IRS 1099 file submission changes for IRIS system.
- PG Secure implementation with IT.
- Implement DocuSign.
- Develop requirements for financial software upgrade and conduct competitive bidding for implementation provider.



Department: Finance
Executive Team Member: M. Mullen

Date: 10/1/26
Approved: 6/23/26

FYs 27-29 Finance Action Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Develop Employer Reporting internal training manual. *	MM/KN/IT	Q4-FY 28	Weekly internal training sessions are occurring with documentation in process.	Goal 1.
2. Ensure data availability and define dashboard requirements for employer reporting.	MM/KN/IT	Q4-FY 27	In coordination with IT.	Goals 1 & 2.
3. Develop and implement plan to reduce use of paper checks (internal and external).	MM/KN/HS	Q4-FY 27	Employer Reporting refunds convert to ACH. Reduce checks for Employer payments.	Goal 2.
4. Implementation of financial and other software applications to automate processes, improve reporting, streamline financial analysis, and improve security.*	MM/IT/KN/HS	Ongoing.	PG roadmap items as prioritized for FY 27. Financial software upgrade/replacement. Workiva implementation complete. - Oct 2026	Goal 2.



5. Implementation of Finance-related item in Investment Strategic Plan. *	MM/HS/ Investments	Q2-FY 27	Hire Investment Analyst. Complete.	Goal 3.
6. Implement plan to update Finance policies and procedures. *	MM/KN/HS	Ongoing.	In process. Policies and Procedures have been prioritized. Updating high-priority items.	Goal 4.
7. Attend Professional Conference.	MM/KN/HS	Q4-FY 27	MM and KN Complete.	Goal 4.

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

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

NHRS Board Monthly Reporting Package
Finance
October 13, 2026

Net Position (\$s in Billions)	FY 2026	FY 2025
Current Fiscal Year-To-Date	Jun-26	Jun-25
Net Position Change	\$1.270	\$1.107
Prior Year Beginning Balance	\$13.448	\$12.341
Net Position Balance	\$14.718	\$13.448
<i>Note: FY 26 Net Position is unaudited pending updated alternative investment transactions</i>		

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

	FY 2026 YTD		FY 2025 YTD	
Contributions	Jun-26	June	Jun-25	June
Employers	\$ 64.810	\$ 667.282	\$ 67.840	\$ 695.269
RSA from State of NH	\$ -	\$ 14.500	\$ -	\$ 26.432
Members	\$ 26.607	\$ 289.991	\$ 27.189	\$ 288.697
Subtotal	\$ 91.417	\$ 971.773	\$ 95.029	\$ 1,010.398
Benefits				
Annuity & OPEB	\$ 92.989	\$ 1,103.105	\$ 89.405	\$ 1,064.187
Refunds & All Other	\$ 4.152	\$ 43.235	\$ 3.971	\$ 45.140
Subtotal	\$ 97.141	\$ 1,146.340	\$ 93.376	\$ 1,109.327
Total Cash Flow Gain/(Shortfal	\$ (5.724)	\$ (174.567)	\$ 1.653	\$ (98.929)

FY 2027 BUDGET vs. ACTUAL
Investments & Non-Investment Administrative Expenses
July 1, 2026 Through August 31, 2026

	Total Budget	FY26 Balance Forward / FY 27 Transfer	FYTD Budget	Actual	Difference
Investment					
Administrative Expenses					
Internal	\$ 2,857,120	\$ -	\$ 447,860	\$ 355,631	\$ 92,229
External (Manager & Custodial)	\$ 32,789,000	\$ -	\$ 5,464,834	\$ 7,047,378	\$ (1,582,544)
Subtotal	\$ 35,646,120	\$ -	\$ 5,912,694	\$ 7,403,009	\$ (1,490,315)
Non-Investment					
Administrative Expenses					
Internal (Statutory Administrative)	\$ 19,471,975	\$ 3,850,357	\$ 3,077,186	\$ 2,086,959	\$ 4,840,584
External (Actuary, Legal, Audit)	\$ 2,651,255	\$ -	\$ 441,876	\$ 384,321	\$ 57,555
Subtotal	\$ 22,123,230	\$ 3,850,357	\$ 3,519,062	\$ 2,471,280	\$ 4,898,139
Total Administrative Expense	\$ 57,769,350	\$ 3,850,357	\$ 9,431,756	\$ 9,874,289	\$ 3,407,824

New Hampshire Retirement System							
Investment & Non-Investment Administrative Expenses							
Budget vs. Actual							
July 1, 2026 Through August 31, 2026							
Fiscal Year 2027							
		TOTAL Budget	FY26 Balance Forward / FY 27 Transfer	FYTD Budget	FYTD Actual	Difference	Variance Explanations
1	Investment Administrative Expenses						
2	Internal Investment Expenses						
3	Salaries & Benefits	\$ 2,209,575		\$ 339,935	\$ 350,838	\$ (10,903)	Includes annual performance vs budget of two months. Will balance by end of year.
4	Part Time Salaries	-		-	-	-	
5	Current Expenses/Supplies/Education	59,500.0		9,917	2,361	7,556	
6	Subscriptions	6,500.0		1,083	194	889	
7	Consultants	105,000.0		17,500	-	17,500	
8	Technology & Analytical Systems	421,145.0		70,191	-	70,191	
9	Organization Dues	22,000.0		3,667	1,390	2,277	
10	Travel	33,400.0		5,567	848	4,719	
11	Subtotal Internal Investment	2,857,120	-	447,860	355,631	92,229	
12	External Investment Expenses						
13	Management Fees						
14	Marketable Investments	28,720,000		4,786,667	6,079,037	(1,292,370)	Fees exceed budget due to higher performance of investments than anticipated in budget.
15	Real Estate	1,600,000		266,667	865,917	(599,250)	Fees exceed budget due to timing of service contract changes not anticipated to be implemented until Q2 FY27.
16	Subtotal Management Fees	30,320,000	-	5,053,334	6,944,954	(1,891,620)	
17	Investment Administrative Expenses						
18	Custody Fees						
19	Master-BNY Mellon	830,000		138,333	-	138,333	
20	General Investment Consultant Fees	750,000		125,000	-	125,000	
21	Legal-Investment	675,000		112,500	91,299	21,201	
22	Other Fees	214,000	-	35,667	11,125	24,542	
23	Subtotal Invest. Administrative Expens	2,469,000	-	411,500	102,424	309,076	
24	Subtotal External Investment	32,789,000	-	5,464,834	7,047,378	(1,582,544)	
25							
26	Total Investment Internal & External	\$ 35,646,120	\$ -	\$ 5,912,694	\$ 7,403,009	\$ (1,490,315)	
27	Non-Investment Administrative Expenses						
28	Internal Non-Investment Expenses						
29	Salaries & Benefits	\$ 13,115,255	\$ 1,683,474	\$ 2,017,732	\$ 1,687,165	\$ 2,014,041	
30	Current Expenses	246,025	29,707	41,004	44,382	26,329	
31	Rents & Leases	505,840	103,252	84,307	2,010	185,549	
32	Equipment	82,500	63,782	13,750	656	76,876	
33	Technology-Software & Hardware	3,300,000	1,295,743	550,000	45,162	1,800,581	
34	Payroll & Other Services	80,000	18,557	13,333	5,594	26,296	
35	Independent Med. Examiners/Consultants	565,000	109,400	94,167	95,768	107,799	
36	Retiree Health Insurance	208,600	55,597	34,767	26,382	63,982	
37	Other	1,368,755	490,845	228,126	179,840	539,131	
38	Subtotal Internal Non-Invest. Adm	19,471,975	3,850,357	3,077,186	2,086,959	4,840,584	
39							
42	External Non-Investment Expenses						
43	Actuarial Fees	283,000		47,167	34,353	12,814	
44	Legal Fees	425,000		70,833	17,216	53,617	
45	Audit Fees	461,500		76,917	-	76,917	
46	Other Consulting Fees	260,000		43,333	-	43,333	
47	Insurance Expense	303,150		50,525	55,366	(4,841)	Cyber Insurance payment for full year vs budget of two months.
48	Local Custodian	125,000		20,833	17,501	3,332	
49	Capital Expenses	793,605		132,268	259,885	(127,617)	Renovation expenses anticipated early in fiscal year vs budget over 12 months.
50	Subtotal External Non-Invest. Adm	2,651,255	-	441,876	384,321	57,555	
51							
52	Total Non-Invest. Internal & External	\$ 22,123,230	\$ 3,850,357	\$ 3,519,062	\$ 2,471,280	\$ 4,898,139	
53							
54	Total Administrative Expense	\$ 57,769,350	\$ 3,850,357	\$ 9,431,756	\$ 9,874,289	\$ 3,407,824	



New Hampshire Retirement System
80 Commercial Street, Concord, NH 03301-5031
Website: www.nhrs.org - Email: info@nhrs.org
Phone: (603) 410-3500 – Toll Free (877) 600-0158

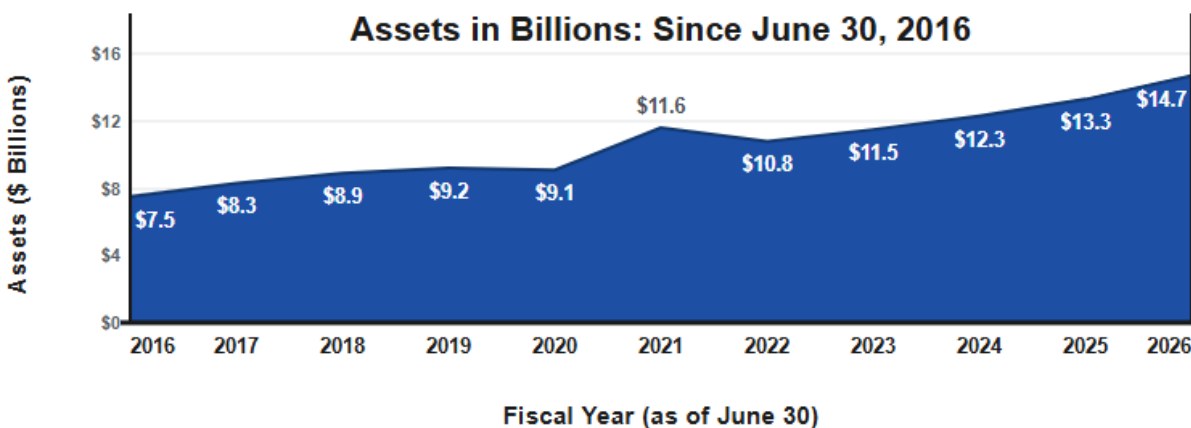
NHRS DASHBOARD: FY 2026 Fourth Quarter

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

Updated: October 2026

TRUST FUND

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

INVESTMENT PERFORMANCE

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

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

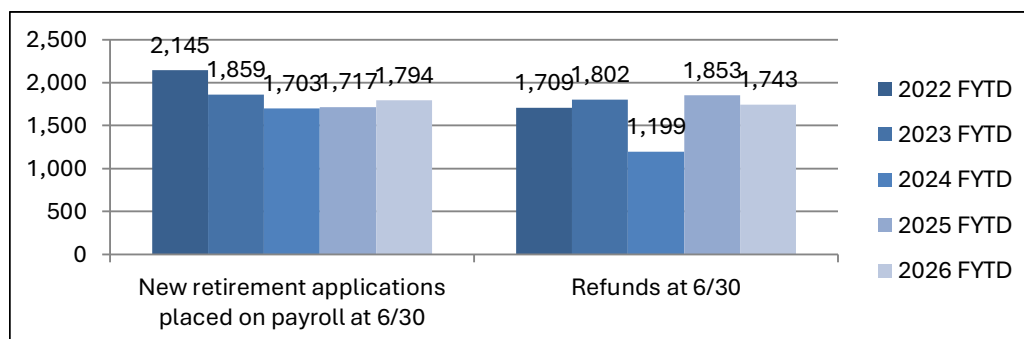
Note: In investment parlance, the lower the percentile regarding peer comparison, the better the performance is relative to peers. For instance, NHRS' 10-year gross performance in the 32nd percentile means the retirement system outperformed 68% of peer public plans over that period.

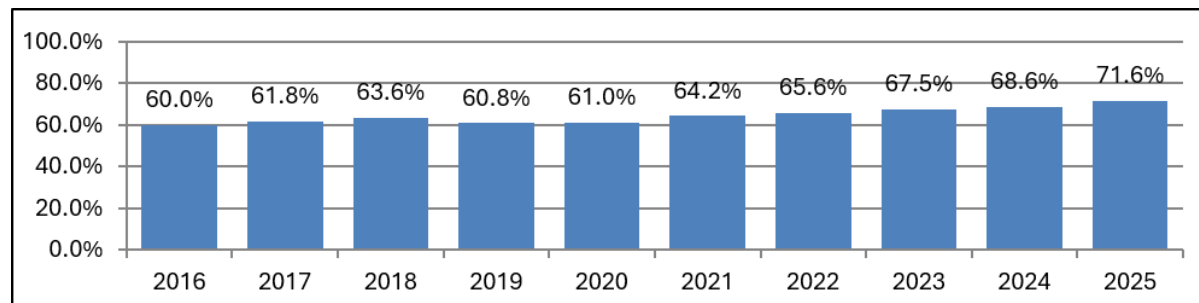
INTERNAL NHRS KEY PERFORMANCE MEASURES

April 2026: 97.01%	May 2026: 96.67%	June 2026: 97.01%	12-month rolling average: 96.89%
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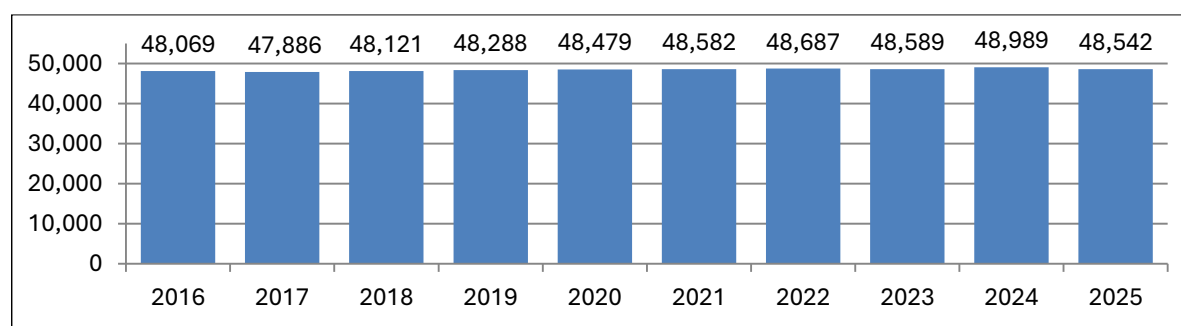
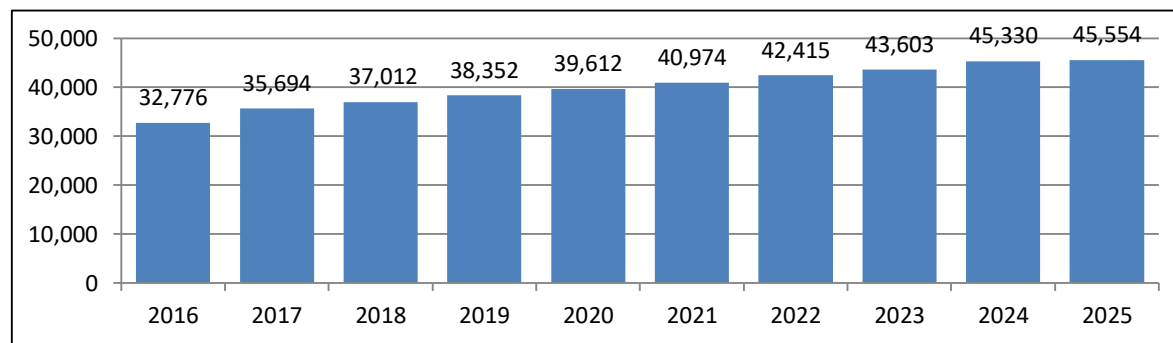
Target 95%

RETIREMENT AND REFUNDS



ACTUARIAL FUNDED RATIO

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

ACTIVE MEMBERS**RETIREEES & BENEFICIARIES**



To: Board of Trustees
From: Marie Mullen, NHRS Chief Financial Officer
Date: September 30, 2026
Subject: FY 28-29 Statutory Administrative Budget Update
Item: Action: ☐ Discussion: ☐ Informational: ☒

This memo is to provide an update to the Board with respect to changes made to the FY 28-29 Statutory Administrative Budget for budget items received from the State of NH. See attached schedule for revised amounts and explanations.

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

Line #	FY 26 Actual	FY 27 Budget	FY 28 Proposed	FY 29 Proposed	% of Total	% Change 28 vs 27	% Change 29 vs 28
1 Salaries							
2 Salaries	6,758,632	8,432,000	8,575,000	8,825,000		1.7%	2.9%
3 Longevity	21,900	26,100	18,000	19,200		-31.0%	6.7%
4 Overtime	130,809	139,500	169,500	172,500		21.5%	1.8%
5 Temp Salaries	333,066	569,000	230,000	230,000		-59.6%	0.0%
6 Subtotal Salaries	\$ 7,244,407	\$ 9,166,600	\$ 8,992,500	\$ 9,246,700	44.3%	-1.9%	2.8%
8 Benefits							
9 FICA & Medicare	565,710	651,202	647,967	663,196		-0.5%	2.4%
10 Health Insurance	1,797,082	2,636,000	2,915,000	3,100,000		10.6%	6.3%
11 Employee's Retirement	777,106	1,098,954	955,000	1,015,000		-13.1%	6.3%
12 Dental Benefits & Life Benefits	95,154	131,500	126,500	131,500		-3.8%	4.0%
13 NHRS Retiree Health Insurance	118,403	208,600	307,600	369,200		47.5%	20.0%
14 EAP & ASI Flex	4,207	3,765	5,751	5,751		52.7%	0.0%
15 Unemployment & Workers Compensation	8,474	9,900	12,000	12,400		21.2%	3.3%
16 Subtotal Benefits	\$ 3,366,137	\$ 4,739,920	\$ 4,969,818	\$ 5,297,047	25.4%	4.9%	6.6%
18 Subtotal Salaries & Benefits	\$ 10,610,544	\$ 13,906,520	\$ 13,962,318	\$ 14,543,747	69.6%	0.4%	4.2%
20 Information Technology							
21 Infrastructure Hardware	415,908	192,000	212,500	590,000		10.7%	177.6%
22 Infrastructure Software	2,576,349	3,123,000	3,009,125	3,463,179		-3.6%	15.1%
23 Subtotal IT	\$ 2,992,257	\$ 3,315,000	\$ 3,221,625	\$ 4,053,179	19.4%	-2.8%	25.8%
25 Other							
26 Building Lease	353,563	490,000	-	-		-100.0%	0.0%
27 Building Repairs & Maintenance	296,458	157,500	433,100	439,335		175.0%	1.4%
28 Independent Medical Examiners	152,033	250,000	310,000	310,000		24.0%	0.0%
29 IT & General Consultants	223,567	315,000	607,000	482,500		92.7%	-20.5%
30 Utilities & Telecommunications	254,701	246,000	252,000	266,290		2.4%	5.7%
31 All Other	370,607	785,805	767,132	789,262		-2.4%	2.9%
32 Subtotal Other	\$ 1,650,929	\$ 2,244,305	\$ 2,369,232	\$ 2,287,387	11.0%	5.6%	-3.5%
33							
34 Total	\$ 15,253,729	\$ 19,465,825	\$ 19,553,175	\$ 20,884,313	100.0%	0.4%	6.8%

Reduction \$7,000 FY28 and \$6,000 FY29 for SWCAP



To: Board of Trustees
From: Rosamond Cain, NHRS Chief Human Resources Officer
Date: October 1, 2026
Subject: Human Resources Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- NHRS is currently actively recruiting for five positions: Human Resources Coordinator, Executive Assistant, Legal, a Contact Center Representative, IT Business Analyst, and a Retirement Generalist.
- Since the last Board meeting, we have filled the Financial Analyst position, the Sr. Accountant position and the Internal Compliance Analyst position.
- HR has continued to work on updating training manuals and position descriptions due to the implementation of PGV3.

Current Months' Highlights – August and September

- HR missed two KPMs in the past two months; six were achieved. We were unable to fill the Sr. Accountant position within the time frame.
- The Employee Appreciation Team produced a successful Employee Appreciation Day, complete with lots of food and games.
- HR is in the process of revamping the performance appraisal process and documents.

Upcoming Plans & Projects

- All policies and procedures need to be reviewed and updated if necessary.
- HR will be drafting an internship program proposal for NHRS.



Department: Human Resources
Executive Team Member: R. Cain

Date: 10/1/26
Approved: 7/1/26

FYs 27-29 Human Resources Action Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Plan, schedule, and present two trainings for our staff annual training plan.	RC/JG/ ETeam/ MTeam	6/30/27	Researching trainings- Civility in the workplace, Mental Health Resilience and Communication to be presented in June-This action item was not completed due to the move project. Cultivating the NHRS Culture to be presented 10/20 & 10/22	Goal 4.
2. Maintain a management development program for middle managers and staff identified as possible managers.	RC/JG/ ETeam/ MTeam	6/30/27	Ongoing- eight managers are now enrolled.	Goal 2.
3. Assist in monitoring and maintaining staffing levels in all departments to keep organization on time and budget.	RC/ETeam/ MTeam	6/30/27	Ongoing.	Goals 2 & 4.



4. Create, implement, and maintain electronic performance appraisals utilizing the ADP software.	RC/MTeam	6/30/27	Ongoing.	Goal 2.
5. Begin a review of the organization structure and implement appropriate changes if warranted.	RC/AG/JG	12/31/26	FY 26 AP Item. The discovery phase has been completed. Documentation to follow.	Goal 2.
6. Continue review of all training manuals to reflect PGV3.	RC/MTeam/ Staff	1/31/26	Ongoing.	Goal 4.
7. Continue review of all position descriptions to reflect PGV3.	RC/MTeam/ Staff	1/31/26	Ongoing.	Goal 4.
8. Implement a formal cross training program aligned with succession planning.	RC/ETeam/ MTeam	12/31/27	Not started.	Goal 4.
9. Ensure compliance with all federal, state and CBA rules and regulations.	RC/Legal/ J. Goodridge	6/30/27	Current.	—
10. HR Generalist to identify and enroll in a professional development program.	J. Goodridge/ RC	6/30/27	In process.	—
11. Chief HR Officer to identify, enroll in, and complete a professional development program.	RC/JG	6/30/27	Enrolled in- NCPERS HR Conference, Strategic HR Conference, HR State Council of NH Legislative Conference.	—

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



To: Board of Trustees
From: Ashley Crutchfield, NHRS Director of Communications and Legislative Affairs
Date: September 30, 2026
Subject: PIO Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- The NHRS website accessibility score stands at 99.4% (excluding PDFs), exceeding the 95% threshold required by April 2027. Accessibility work continues, along with the conversion and archiving of legacy PDFs.
- PIO is making progress with the NHRS survey program, having met with several departments as it seeks to standardize the survey platform and evaluate cadence, timing, and feedback processes and optimize survey engagement with respective members, retirees, beneficiaries, and participating employers.
- PIO is working with the PIR group on communication about *My Account* security enhancements, including implementation of multi-factor authorization.
- Disseminated information to members on availability of Member Annual Statements on *My Account*, which were posted to the member portal in late September.

Current Months' Highlights – August and September

- Hosted or participated in 11 member education events.
- PIO met all 12 applicable KPMs across July and August (six each month).

Upcoming Plans & Projects

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



Department: Communications (PIO)
Executive Team Member: A. Crutchfield

Date: 10/1/26
Approved: 6/25/26

FYs 27-29 Communications Action Plan Summary

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



6. Design and deploy a new NHRS website consistent with ADA standards to improve accessibility, usability, and service delivery.	AC	FYs 27-28	In progress.	Goal 1.
7. Maintain positive and constructive working relationship with the NH Legislature.	AC/Legal	FYs 27-29	Ongoing.	—
8. Coordinate NHRS interactions with, and prepare materials for, the statutory commission studying retirement benefits and employee retention, which is scheduled to meet in the summer of 2027.	AC/Legal	FYs 27-28	Not yet begun.	—
9. Annually identify, enroll in, and complete a professional development opportunity.	AC	FYs 27-29	Reviewing options.	—

Variables: Legislative, staffing, and technology changes.



To: Board of Trustees
From: Sonja Gonzalez, NHRS Chief Information Technology Officer
Date: September 30, 2026
Subject: Information Technology Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- HB 282 Phase IV in progress, anticipated completion in early 2027.
- Security advancements in MyAccount are being designed and planned for implementation.

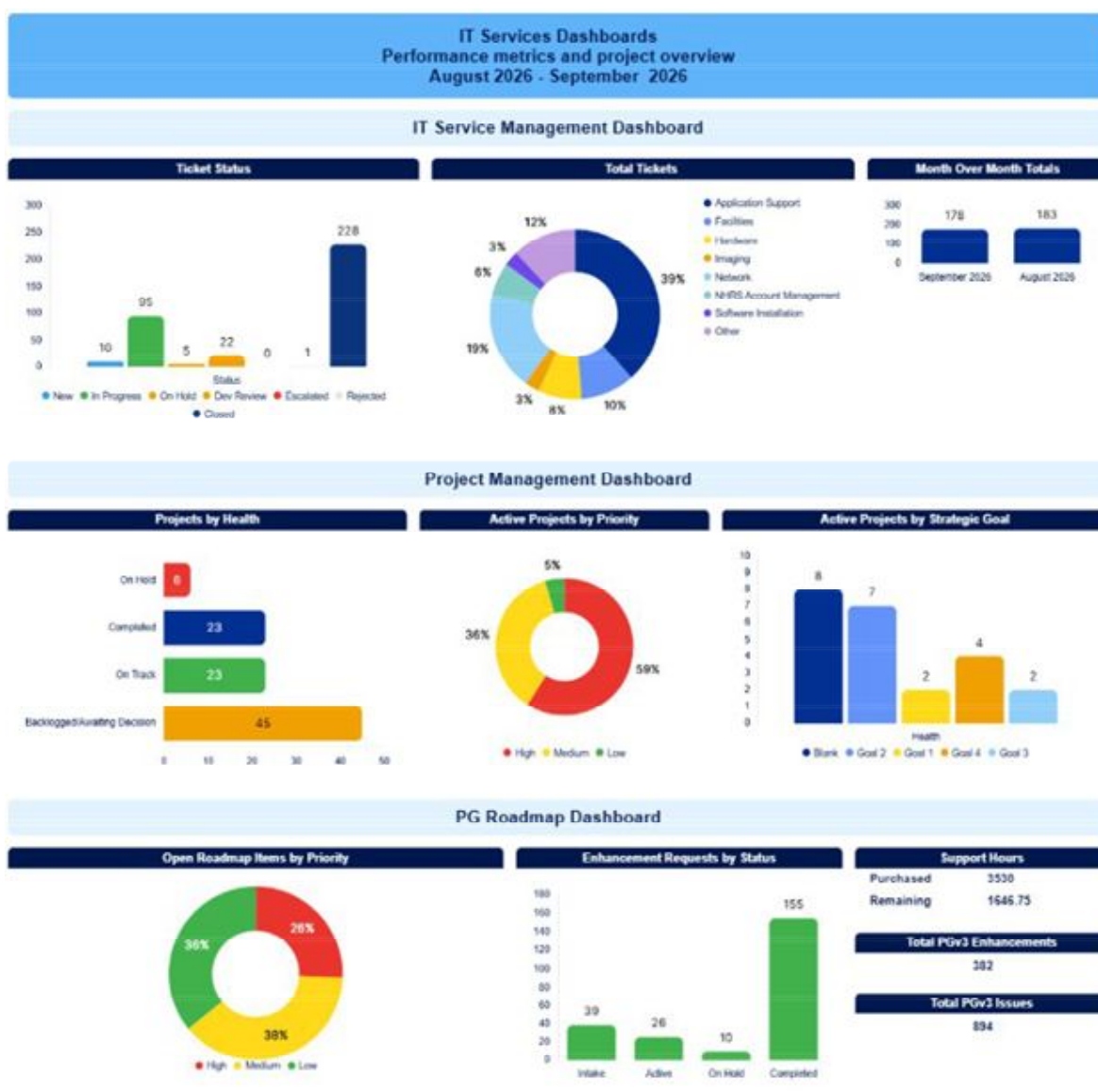
Current Months' Highlights – August and September

- Met six of seven KPMs each month (July and August). One is N/A as the function is not actively being performed.
- Progress made on Pension Gold enhancements portfolio and PG Secure project.
- Successful balancing of HVAC system has been completed.
- Continued improvements to security posture including risk mitigation and policy work.
- Premise server equipment has been installed, optimized and is functioning as designed.
- PensionGold Enhancements and Efficiency Improvements
 - Operating status: tracking within expected support hours consumption rate
 - Current support hours available: 1,646.75
 - 2,338 hours purchased in September 2026
- Performance Support Activity (August 1, 2026 – September 30, 2026):
 - Tickets opened: 356
 - Tickets closed during (from those opened): 229
 - High-severity issues resolved: 50
 - Cumulative Totals
 - Total Lifetime Tickets: 3,056
 - Total Lifetime Tickets Resolved: 2,822
 - Current backlog: 234 open tickets



Upcoming Plans & Projects

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





Department: Information Technology
Executive Team Member: S. Gonzalez

Date: 9/30/26
Approved: 7/1/26

FYs 27-29 Information Technology Action Plan Summary

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



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

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

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To: Board of Trustees
From: Annie Gregori, NHRS Chief Legal Counsel
Date: October 1, 2026
Subject: Legal Department Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

Legal's recent work has identified a recurring need to strengthen the connection between Board policy, legal requirements, and operational practice. Reviews have identified outdated or incomplete procedures, inconsistent documentation of approvals and transactions, data and record-control issues, and gaps in monitoring and audit coverage. These issues span plan administration, procurement, records, information systems, and compliance.

Several matters remain under review and vary in significance. Taken together, however, they support stronger enterprise controls: clear ownership; current written procedures; documented approvals; routine testing; tracked corrective action; and regular reporting to the appropriate Board committees.

Legal's immediate plan compliance priorities include: retiree return-to-work and independent-contractor treatment; required minimum distributions (RMD) and missing participants; benefit limits and other tax-qualification corrections; service-credit and contribution-refund practices; and overpayments of benefits, including payments issued after death.

Current Months' Highlights – August and September

Legal and Compliance Review

Continued its review of plan operations and compliance controls, focusing on areas where written policies, procedures, system practices, and current legal requirements are not aligned. Work is moving toward prioritized corrective actions, assigned responsibility, and documented implementation, including development of a revised policy governing retiree reemployment with NHRS employers.

Legal Department

Kim Kenney, who has been with NHRS since 2005, and comes with significant institutional knowledge, joined the Legal team as a Legal Compliance Analyst. Legal continues to evaluate department responsibilities, workflows, and staffing to strengthen plan advising, legislative support, compliance monitoring, Right-to-Know administration, and Board support.

Appeals (Last 12 months)

Filed: 14 | Closed: 17 | Open/Pending: 10



Upcoming Plans and Projects

Compliance Monitoring

Continue working with business units to implement procedures for identifying, evaluating, correcting and documenting plan compliance issues consistent with RSA 100-A, NHRS administrative rules and the IRS correction guidance found in the IRS Employee Plans Compliance Resolution System (EPCRS). \$150,000.

Return-to-Work Implementation

Work with business units to prepare for a January 1 implementation date, including employer reporting, forms, member and employer communications, website materials, staff guidance, and treatment of existing independent-contractor arrangements.

Plan Administration

Collaborate with business units to develop or update written procedures and correction protocols for RMDs and missing participants, § 415 limits, service-credit and contribution corrections, refunds, overpayments, and other qualification matters.

Policies and Procedures

Continue prioritizing policies and procedures requiring legal or operational updates and establish a more consistent review cycle.



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

Date: 10/1/26
Approved: 7/1/26

FYs 27-29 Legal/Compliance Action Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. PGM3 Legal Support	AG	Q3 FY 27	Complete HB 282 implementation; continue to provide legal guidance on system enhancements required for legislative and regulatory reasons; updates to capacity for processing gainful occupation forms, retiree reporting, and legal interpretation of system changes.	Goal 1.
2. Enterprise Risk, Compliance, Governance & Policy Management	AG/Legal	FY 27/ Annually	Complete annual review of governance documents, Board policies, legal procedures, manuals, website guidance, and interpretive materials; identify legal and fiduciary risks; recommend improvements and maintain governance inventory. Conduct enterprise legal risk assessment; identify emerging legal, fiduciary, and operational risks; recommend mitigation strategies; strengthen internal controls and documentation standards.	Goal 1.



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



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

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



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

NHRS Retiree Work Hours for 2025

RSA 100-A:1, XXXIV limits the work hours for NHRS retirees who work part-time for participating employers. Retirees working part-time prior to January 1, 2019, ("Grandfathered") may work a maximum of 1,664 hours as long as they remain in at least one of the part-time positions they held prior to that date. Retirees who retired on or after January 1, 2019, ("Not Grandfathered") may work a maximum of 1,352 hours per calendar year. Employers are required to report on an annual basis all hours worked and compensation paid to any NHRS retirees in the prior calendar year. The following is a summary of the work hours and compensation reported to NHRS for the 2025 calendar year.

CATEGORY	ALL RETIREES WORKING	GRANDFATHERED	EXEMPT	NEITHER GRANDFATHERED NOR EXEMPT
Number of Working Retirees	2,952	705	106	2,142
Total Work Hours	1,699,626	493,615	139,205	1,066,806
Average Annual Hours	576	700	1,313	498
Total Compensation	\$61,989,732	\$17,472,610	\$5,441,442	\$39,057,533
Average Annual Compensation	\$20,999	\$24,784	\$51,816	\$18,234

CATEGORY	ALL RETIREES WORKING	STATE	SCHOOL DISTRICTS	POLITICAL SUBDIVISIONS
Number of Working Retirees	2,952	651	1,301	962
Total Work Hours	1,699,714	487,208	559,248	636,232
Average Annual Hours	576	748	430	661
Total Compensation	\$61,989,732	\$17,871,571	\$18,654,443	\$24,775,682
Average Annual Compensation	\$20,999	\$27,452	\$14,339	\$25,754

Note: This data has not been audited.

Our Mission: To Provide Secure Retirement Benefits and Superior Service



To: Board of Trustees
From: Annie Gregori, Chief Legal Counsel
Date: October 1, 2026
Re: Securities Litigation Policy
Item: Action: ☒ Discussion: ☐ Informational: ☐

Recommendation

Legal recommends that the Board adopt the Securities Litigation Policy as presented by the Legal Department, replacing the policy dated January 14, 2014.

Outside counsel recommended updating the policy to reflect NHRS's operations and establish a more complete securities litigation program, consistent with the objectives of the 2024 procurement. The existing policy does not clearly assign responsibility or establish procedures for monitoring cases, assessing potential losses, determining participation, or filing and tracking claims. It also inaccurately describes NHRS's financial exposure when pursuing lead-plaintiff status.

The proposed policy assigns case monitoring and routine claims decisions to Legal, with Investment Team support and consultation with the Executive Director and Chief Investment Officer before seeking lead-plaintiff status. It establishes regular Board reporting and requires Board approval before NHRS seeks lead-plaintiff status. These changes clarify accountability, support timely decisions and recovery of eligible losses, and preserve Board oversight.

Governance Manual

NHRS Board of Trustees

5.9 – Securities Litigation Policy

Date Adopted:

Amended & Restated:

Revised:

I. Purpose and Intent

The purpose of the New Hampshire Retirement System (NHRS) Securities Litigation Policy is to establish procedures and guidelines for monitoring and participating in domestic and international securities class action lawsuits or similar litigation impacting the investment portfolio, when appropriate to protect NHRS' interests.

II. Assumptions

- A. The authority to pursue claims is delegated to the Legal Department. Legal staff may retain outside consultants to assist in monitoring securities litigation cases, identifying those cases that potentially involve NHRS' assets and evaluating NHRS' potential losses and chances of recovery.
- B. Legal staff may also retain outside counsel to assist in identifying and evaluating other types of claims resulting in investment losses and assessing potential financial interest, particularly claims pursuant to antitrust laws or the Commodity Exchange Act. Such retention would include assessing NHRS' potential financial interest in pursuing litigation for such claims to the extent possible.
- C. Legal staff will attempt to ensure that NHRS obtains its fair share of any recovery in such cases where NHRS has a valid claim. Where the size of NHRS' potential loss in a particular case justifies involvement, Legal staff will monitor and/or participate in the case as appropriate. Alternatively, in cases where it may be difficult to assess NHRS' potential recovery, and if the case appears to have a potentially significant interest and has merit, Legal staff shall determine whether NHRS will participate in such cases. Additionally, Legal staff may also monitor and/or object to attorneys' fee requests made in cases where NHRS has standing to file a claim. Investment staff monitors foreign securities fraud litigation cases, and in consultation with Legal, determines whether NHRS will participate in such cases.
- D. When deciding whether to pursue lead plaintiff status in securities litigation class actions or class actions alleging alternative theories of liability for investment losses, Legal staff will consult with the Executive Director and the Chief Investment Officer and seek Board approval before participating as lead plaintiff.
- E. The implementation of this policy should not place an inordinate burden on NHRS Legal staff. Existing resources should be used to keep the Board apprised of the status of the filing and settlement of securities class action cases or other class action litigation impacting NHRS' investment portfolio.

Governance Manual
NHRS Board of Trustees

III. Policy Guidelines

- A. Review of Class Action Filings. Investment and Legal staff shall monitor the filing and settlement of securities class actions.
- B. Active Case Monitoring. Where the potential amount NHRS could recover in a case is sufficiently large and the case has merit, Legal staff shall determine whether NHRS should actively monitor and/or actively participate in the litigation.
- C. Participation in Settlement. Investment and Legal staff shall develop and implement procedures for ensuring that timely claims are submitted on behalf of NHRS in all appropriate securities class action settlements as well as other class action litigation impacting the portfolio.
- D. Procedure Development. Legal staff will develop and implement procedures for filing objections to attorneys' fees requests made by plaintiffs' counsel(s) where appropriate in securities class action settlements.
- E. Reports to the Board and IIC. Investment and Legal staff shall report annually to the Board regarding those cases which are being monitored and cases in which NHRS has taken an active role. Legal staff shall keep the Board apprised of any unusual or extraordinary events as they occur.

IV. Policy Review

This policy shall be reviewed by the Governance Committee at least every three (3) years to ensure that it remains relevant and appropriate.

Securities Litigation Policy Revisions approved at the January 14, 2014, NHRS Board meeting.

I. Purpose and Intent

This policy establishes the New Hampshire Retirement System's ("NHRS") policy regarding potential participation in securities class action lawsuits.

II. Policy

A. Background

To fulfill its fiduciary responsibilities to prudently invest and manage the assets of NHRS, NHRS purchases the stock of various public companies or issuers. Periodically, class action lawsuits are brought against the issuers, their directors and/or their officers for alleged violations of federal and state securities laws relating to various disclosure obligations and other breaches of fiduciary or other duties. As a shareholder, NHRS is often a member of the classes. Frequently, NHRS receives solicitations from attorneys who desire to represent NHRS as lead plaintiff in these class action lawsuits.

B. Appointment as Lead Plaintiff

Under the federal Private Securities Litigation Reform Act of 1995, federal courts are required to appoint one or more members of the class to serve as the lead plaintiff(s) in securities class action lawsuits. The Act provides a presumption that the lead plaintiff is to be the investor with the largest financial interest in the relief sought by the lawsuit. Typically, this means that those investors with the largest holdings in the defendant issuer's stock have the right to serve as the lead plaintiffs. Generally, in most class action lawsuits, several other investors with substantially larger assets than NHRS will hold more shares in the defendant issuer than NHRS and therefore have a larger financial interest in the relief sought. Accordingly, in most of these lawsuits, an investor other than NHRS will have the right to serve as the lead plaintiff.

C. Financial Risks of Serving as Lead Plaintiff

There are financial risks that result from serving as a lead plaintiff in a securities class action lawsuit. Serving as lead plaintiff may have financial risks if the litigation is unsuccessful. Unless the lead plaintiff successfully negotiates an allocation of potential financial risk with other named plaintiffs, the lead plaintiff could bear the costs, expenses or, potentially, attorneys' fees of the defendant if the litigation is unsuccessful or the court grants sanctions pursuant to Rule 11 of the *Federal Rules of Civil Procedure*. Regardless of the outcome of the lawsuit, other class members could potentially pursue claims against the lead plaintiff for inadequately representing their interests. In return for accepting these financial

risks, the lead plaintiff does not receive any additional financial benefit from serving as the lead plaintiff, but, instead, shares any final judgment or settlement with all class members on an equal, per share basis. However, the lead plaintiff may also recover its attorneys' fees, costs and expenses if the lawsuit is successful or a settlement is obtained.

D. NHRS Policy

Based on the issues enumerated above, it is the policy of NHRS not to serve as the lead plaintiff in securities class action litigation unless NHRS is among the largest shareholders of the defendant issuer and serving as the lead plaintiff is determined by the Board of Trustees to be in the best interest of NHRS.



To: Board of Trustees
From: Raynald Leveque, NHRS Chief Investment Officer
Date: September 29, 2026
Subject: Investments Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- August 25 Investment Committee (Committee) Meeting Recap:
 - Staff presented an update on portfolio performance, asset allocation, liquidity, current investment activity, and the Investment Work Plan.
 - Staff provided an update on transition activity pertaining to the restructuring of the Non-U.S. Equity Portfolio approved by the Committee at its May meeting.
 - Staff and Callan provided updates on recent performance of U.S. SMID equity manager TSW and Non-U.S. equity manager Aristotle as part of the manager review process.
 - The Committee received a presentation from private infrastructure manager I Squared Capital and unanimously voted to commit up to \$75 million to I Squared Capital Global Infrastructure Fund IV, subject to contract and legal review.
 - The Committee received a presentation from private credit manager Pemberton Asset Management and unanimously voted to commit \$100 million to Pemberton Mid-Market Debt Fund V, USD Levered, subject to contract and legal review.
 - The Committee received presentations from U.S. enhanced index finalists Acadian Asset Management and Xponance as part of the final phase of the U.S. Public Equity Portfolio restructuring approved in January. The Committee unanimously voted to approve an initial \$1 billion investment with Acadian to manage a customized U.S. enhanced indexing mandate benchmarked to the Russell 1000, funded through the transition of approximately \$1 billion currently invested in the BlackRock S&P 500 Index strategy.



Current Months' Highlights

- Preliminary Performance for August Period:

As of 8/31/2026	1 Month	Fiscal Year to Date	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net</u> Return	+1.03%	+0.49%	+10.06%	+10.26%	+6.11%	+8.57%
Policy Benchmark Return	+2.09%	+2.81%	+15.47%	+14.05%	+7.77%	+9.38%
Net Return Minus Benchmark (in basis points)	-106	-232	-541	-379	-166	-80

Source: Callan, NHRS

July and August KPMs

- KPM Monthly Reporting for July:
 - Five reported KPMs were achieved; one was not achieved; four are not applicable.
- KPM Monthly Reporting for August:
 - Five reported KPMs were achieved; five are not applicable.

Upcoming Plans and Projects

- Investments issued two RFPs in September for the following:
 - Enterprise Investment Analytics and Portfolio Management Platform.
 - Private Markets Investment Consultant.
- October 27 Investment Committee Meeting:
 - Staff will present an update on the monthly performance of the public market asset classes of the NHRS, holdings, the Work Plan, and the proposed 2027 Investment Committee meeting schedule.
 - The Committee will receive presentations from two Private Equity managers.
 - The Committee will receive a presentation from The Townsend Group on a proposed Fund of One mandate.



Securities Litigation Summary

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

Calendar Year	Amount
2005	\$ 624,261
2006	\$ 1,373,631
2007	\$ 2,410,390
2008	\$ 1,980,702
2009	\$ 1,972,216
2010	\$ 1,374,754
2011	\$ 550,324
2012	\$ 835,766
2013	\$ 310,321
2014	\$ 803,621
2015	\$ 627,131
2016	\$ 670,404
2017	\$ 1,280,969
2018	\$ 279,783
2019	\$ 675,406
2020	\$ 289,418
2021	\$ 483,889
2022	\$ 265,959
2023	\$ 754,938
2024	\$ 326,643
2025	\$ 494,877
2026 through August 31st	\$ 110,728
Total:	\$ 18,496,130

Source: BNY, ISS, NHRS, Northern Trust



Department: Investments
Executive Team Member: R. Leveque

Date: 10/1/26
Approved: 7/1/26

FYs 27-29 Investments Action Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/ COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Address areas of cost efficiencies in the NHRS portfolio and/or Investment team services.	RL	FY 27	In Process. Reduced overall active management expenses in Global Equity portfolio in FY 25. Expected reduction in real estate fees in FY 27.	Goal 3.
2. Develop and gain approval for specific technology plans to support the Investment Office.	RL/JG	FY 27	In Process. RFP for analytics platform issued on September 1 for decision by year-end 2026.	Goal 3.
3. Identify, enroll and complete professional development for Investment Office.	RL	FY 27	In Progress. Executive Director approved 3Shoes Inc to provide team professional development/ communications training for FY 27.	Goal 4.
4. Assure compliance with all relevant statutory and regulatory requirements.	RL/IIC/BOT	FYs 27-29	Ongoing. In compliance with all relevant statutory and regulatory requirements.	Goal 2.
5. Complete Work Plans for Alternatives Asset Classes.	RL/IIC	12/27	Ongoing. Presented and received approval for Private Markets Strategic Plan at IIC meeting 3/26.	Goal 2.
6. Maintain investment expenses within budget.	RL/IIC	FYs 27-29	Ongoing. Expenses in line with Trust Budget.	Goal 2.

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



To: Board of Trustees
From: Nancy Miller, NHRS Director of Member Services
Date: September 30, 2026
Subject: Member Services Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Member Services continues to work with NHRS IT and LRS on Phase IV of HB 282.
- Along with multiple other departments, Member Services, specifically the Contact Center continues to be involved in the significant review and process improvement around the security of *My Account* user login and subsequent account activity.
- Member Statements were successfully generated and issued to all members the week of September 21.

Current Months' Highlights – August and September

- Significant focus has been placed on the finalization of retiree preliminary benefits. This process has faced delay and is now returning to standard timeframes for retirees.
- Recruiting to fill our sixth of six Contact Center Representative positions continues along with an open position in Retiree Benefits.
- The Contact Center is moving forward with building out training materials as well as identifying further automation opportunities with PG and Talkdesk (phone system).
- All applicable KPMs were achieved.

Upcoming Plans and Projects

- HB 282 Phase IV work will continue in the Tier B+ calculations for split benefit members and the calculations for maximum benefits as outlined in the statute language.
- Member Services is scheduled to be engaged with Internal Audit in the areas of the monthly payroll process and retiree deductions.
- Member Services will be joining other teams for a PG Secure Tabletop test in late October.



NHRS New Retirement Applicants Placed on Payroll

	2027	2026	2025	2024	2023	2022
June		92	92	77	105	106
May		105	85	81	88	110
April		94	82	93	76	117
March		101	91	74	97	104
February		83	82	94	89	105
January		142	161	125	131	200
December		103	75	64	88	71
November		81	81	90	66	91
October		111	103	103	110	128
September	132	110	119	143	116	128
August	147	147	140	180	162	210
July	565	625	606	579	731	775
Total	565	1,794	1,717	1,703	1,859	2,145

NHRS Retirement Appointment Total by Month for Fiscal Year

	2027	2026	2025	2024	2023	2022
June		84	93	77	55	25
May		175	195	187	115	34
April		164	210	137	84	49
March		88	61	67	36	22
February		89	59	52	25	15
January		92	44	29	22	13
December		88	33	49	15	13
November		78	48	54	15	19
October		113	57	32	24	23
September	56	60	30	33	10	23
August	67	69	52	46	14	19
July	83	78	56	38	15	25
Total	206	1,178	938	801	430	280



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

Date: 10/1/26
Approved: 7/1/26

FYs 27-29 Member Services Action Plan Summary

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



5. Develop a Communication and Training Program for NHRS CC and "back office" teams to maximize consistent messaging/support.	NM/KH/MS/ Finance/PIO/ Legal/IT	FYs 27-28	In process.	Goal 2.
6. Identify disability application process improvement and issue TPA RFP for services (i.e., IME reports, medical record compilation.)	NM/MS/Legal	FYs 27-29	MS/Legal to meet in October.	Goal 2.

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

Contact Center Dashboard

August 2026

Walk-Ins

Number of Walk-Ins	249
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Emails

NHRS Info @ emails addressed by CCRs	818
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Message Center Threads

Addressed by CCRs	52
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Calls

Queue Name	Calls Presented	Total Calls Handled	Calls Abandoned	Percentage Abandoned	Voicemail	Missed Call	Average Handle Time
Employer	53	41	11	20.75%	1	0	4:25:00
My Account	309	227	81	<u>26.21%</u>	1	0	7:44:00
Member	1141	899	237	20.77%	5	0	7:24:00
Retiree	2468	1968	485	19.65%	15	0	6:39:00
1099	0	0	0	0.00%	0	0	0:00:00
Totals	3971	3135	814	20.50%	22	0	5:14:24

Contact Center Dashboard

September 2026

Walk-Ins

Number of Walk-Ins	228
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Emails

NHRS Info @ emails addressed by CCRs	1110
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Message Center Threads

Addressed by CCRs	108
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Calls

Queue Name	Calls Presented	Total Calls Handled	Calls Abandoned	Percentage Abandoned	Voicemail	Missed Call	Average Handle Time
Employer	38	32	6	15.79%	0	0	3:06:00
My Account	450	329	117	<u>26.00%</u>	2	2	7:08:00
Member	1028	827	196	19.07%	4	1	7:03:00
Retiree	1278	1038	235	18.39%	0	5	5:48:00
1099	0	0	0	0.00%	0	0	0:00:00
Totals	2794	2226	554	19.83%	6	8	4:37:00

**New Hampshire Retirement System
Board Meeting**

**Consent Agenda
Tuesday, October 13, 2026**

I. Participation Election

1. Town of Nottingham employees

II. Board of Trustees 2027 Meeting Dates

Adopt the proposed 2027 Board meeting dates.

III. Policy on Retiree Employment by NHRS Participating Employers

The Governance Committee recommends that the Board of Trustees adopt the Policy of Retiree Employment by Participating Employers.

IV. Compliance Plan Review

The Governance Committee recommends that the full Board authorize the proposed independent compliance, cybersecurity and privacy reviews, consistent with the approved budget, and direct that the results and any material recommendations be reported to the appropriate Board committee and the full Board.

V. Calendar Year 2025 Gainful Occupation Compliance Report

The Benefits Committee recommends that the Board of Trustees approve the following:

1. Pursuant to RSA 100-A:6, III(b), reduce the State annuity and related cost-of-living allowance, up to the amount of the excess earnings for those disability retirees with excess earnings. Offsets due to excess earnings in 2025 are scheduled to begin with benefits paid in January 2027 and shall continue for 12 months.
2. Pursuant to Ret 309.01(k), withhold the State annuity and related cost-of-living allowance of those disability recipients who have not provided all required documents. The withholding for noncompliance is scheduled to begin with benefits paid in December 2026 and continue until all requested documentation has been submitted and processed.

VI. Request for Authority to Waive Ret 304.05(c) Requirement in Limited Circumstances

The Benefits Committee recommends that the Board authorize NHRS staff to waive the requirement in Ret 304.05(c) that unpaid member contributions must be paid by the member.



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

EMPLOYER ELECTION TO PARTICIPATE IN THE NEW HAMPSHIRE RETIREMENT SYSTEM PLAN

ORGANIZATION OF:	
At a meeting of the <u>Select Board</u> of the town of <u>Nottingham</u> in the county of <u>Rockingham</u> (Governing Board) (Town) (County) and the State of New Hampshire, legally called on the <u>20th</u> day of <u>July</u> 20 <u>26</u> , the (Day) (Month) (YY) following resolution was offered by <u>Matthew Shirland, Select Board Chair</u> : (Name and Title) Be it Resolved: That the <u>Town of Nottingham</u> will elect to approve the inclusion of its officers and (Organization) employees in the New Hampshire Retirement System of the State of New Hampshire, as provided for by RSA 100-A (supp), for the employees of the <u>Town of Nottingham</u> to be effective <u>10/01/2026</u> . (Organization) (Date)	
The above resolution was adopted as appears by the following vote: Yeas: <u>5</u> Nays: <u>0</u>	
ACKNOWLEDGEMENT	
State of New Hampshire, County of: <u>Rockingham</u> I <u>Alana Kenney, Town Clerk</u> of the <u>Town of Nottingham</u> (Name and Title) (Organization) do hereby certify that I have compared the foregoing with the original resolution adopted by the <u>Select Board</u> (Organization) at a meeting held on the <u>20</u> day of <u>July</u> 20 <u>26</u> on file in this office, and that the same is a true copy thereof and (Day) (Month) (YY) the whole of said original.	
I further certify that the full board consists of <u>5</u> duly elected members and that, as above stated, <u>5</u> of said (Number) (Number) duly elected members voted yes to the above resolution.	
In Witness Whereof, I have hereunto set my hand of the <u>Town of Nottingham</u> on this <u>10th</u> (Organization) (Day) day of <u>August</u> 20 <u>26</u> . (Month) (YY)	
Officer Signature: <u>Alana Kenney</u>	Title: <u>Town clerk</u>

The New Hampshire Retirement System (NHRS) is governed by New Hampshire RSA 100-A, rules, regulations, and Federal laws including the Internal Revenue Code. NHRS also implements policies adopted by the Board of Trustees. These laws, rules, regulations, and policies are subject to change. Even though the goal of NHRS is to provide information that is current, correct, and complete, NHRS does not make any representation or warranty as to the current applicability, accuracy, or completeness of any information provided. The information herein is intended to provide general information only, and should not be construed as a legal opinion or as legal advice. Members are encouraged to address specific questions, regarding NHRS, with an NHRS representative. In the event of any conflict between the information herein and the laws, rules, and regulations which govern NHRS, the laws, rules, and regulations shall prevail.

Form Emp Elect
Revised 4/2017



To: NHRS Board of Trustees

From: Annie Gregori, Chief Legal Counsel

Date: September 25, 2026

Re: 2027 Board Meeting Schedule

Item: Action: ☒ Discussion: ☐ Informational: ☐

2027 Board Meeting Dates (Second Tuesday of even-numbered months)

February 9, 2027

April 13, 2027

June 8, 2027

August 10, 2027

October 12, 2027

December 14, 2027

TRUSTEE TRAVEL

No Travel Requests Submitted



To: Board of Trustees
From: Jan Goodwin, NHRS Executive Director
Date: October 1, 2026
Subject: August 11, 2026 – Action Items
Item: Action: ☐ Discussion: ☐ Informational: ☒

- | | |
|---|------------|
| 1. Submit approved FYs 28-29 Statutory Administrative Budget to the Department of Administrative Services.
Action: Completed. | MM |
| 2. Post GRS Stress Testing results on website.
Action: Completed. | PIO |
| 3. Send Trustees Funston white paper on transparency.
Action: Completed. | JG |

BOARD CHECKPOINT DISCUSSION

Oral Presentation Only



New Hampshire Retirement System
80 Commercial Street, 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 Erica Layon, 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 – October 1, 2026

Dear Senator Pearl and Representative Layon:

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 June 30, 2026:

- NHRS continues its work on implementing changes related to Group II, Tier B (Police and Fire) pensions as created by HB 282. Staff provided supporting materials for the coding changes to Levi, Ray, and Shoup, Inc. (LRS), who are now planning development work. Completion of the entire project is estimated to be early 2027.
- NHRS continues its work on renovations of its new office at 80 Commercial Street, having engaged Milestone Construction, LLC, for construction management services. Since occupancy in April, we had an NHRS sign installed on the outside wall and had issues resolved with the HVAC system.

In addition to this cover letter, the report contains:

- An executive summary of NHRS Board activity from June 30, 2026, through September 30, 2026.
- Approved minutes of the June 9, 2026, Board meeting and draft minutes of the August 11, 2026, Board meeting.
- Quarterly Total Fund investment information through March 31, 2026, which is the most recent quarterly data available.
- Monthly investment information on marketable assets through June 30, 2026, which is the most recent data available.
- Quarterly Investment Compliance Notice provided to the Legislative Budget Assistant.

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 Kelly Ayotte



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

October 1, 2026

TO: Michael W. Kane, Legislative Budget Assistant

CC: Governor Kelly Ayotte
Sen. Howard Pearl, Chairman, Senate Executive Departments and
Administration
Rep. Erica Layon, Chairman, House Executive Departments and
Administration

FROM: New Hampshire Retirement System Board of Trustees and Independent Investment Committee
(Prepared by Jan Goodwin, NHRS Executive Director, and Raynald Leveque, NHRS Chief Investment
Officer)

RE: Quarterly Compliance Notice

Dear Mr. Kane:

Pursuant to RSA 100-A:15, VIII(a), we are writing to confirm that New Hampshire Retirement System is in compliance with its duty to make all investment decisions solely in the interest of its participants and beneficiaries and does not have investments in any funds that may have mixed, rather than sole, interest investment motivations.

NHRS pursues an investment strategy designed to achieve its long-term funding requirements. The goal is to meet or exceed the retirement system's assumed rate of return over the long term, while at the same time managing the risk, return, and liquidity of the portfolio.

Respectfully,

Jan Goodwin
Executive Director

Raynald Leveque
Chief Investment Officer

**Executive Summary of
New Hampshire Retirement System (NHRS)
Board of Trustees Meeting**

August 11, 2026

At the August 11, 2026, regular bi-monthly meeting of the NHRS Board of Trustees, the Board confirmed NHRS had no violations in accordance to the Fiscal Year (FY) 2026 Office of Foreign Assets Control (OFAC) evaluation.

The Board renewed NHRS' cybersecurity insurance with Houston Casualty for the same coverage but at a 16% reduction to last year's premium of \$57,489. The renewal cost for this year was \$48,300.00.

The Board approved the Statutory Administrative Budget for FYs 2028 and 2029.

Additional details regarding actions and discussions of the NHRS Board of Trustees may be found in the archive of meeting minutes posted on www.nhrs.org. The direct link to this page is: <https://www.nhrs.org/about-nhrs/board-of-trustees/meeting-minutes>

CY 2026 BOARD ACTION CALENDAR**JANUARY 2026 – No Meeting****FEBRUARY**

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

MARCH – No Meeting**APRIL**

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

MAY – No Meeting

JUNE

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

JULY – No Meeting**AUGUST**

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

SEPTEMBER – No Meeting**OCTOBER**

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

NOVEMBER – No Meeting**DECEMBER**

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

CY 2027 BOARD ACTION CALENDAR**JANUARY 2027 – No Meeting****FEBRUARY**

Date	Board Action Item	Requirement	Responsible Party
2/9/27	Board and Audit Committee approval of FY 26 GASB 68/75 Reports	Best Practice	Board of Trustees
2/9/27	Annual Governance Manual revisions	Best Practice	Board of Trustees
2/9/27	Presentation of Capital Markets Assumptions	Best Practice	Investments
2/9/27	Quarterly IIC Report (Incl Inv. Fees and Sole Interest Statement)	RSA 100-A:15, II-a(c)	IIC
2/9/27	Trustee Education	Best Practice	ED
2/9/27	BCP Testing Report	Best Practice	ED
2/9/27	Initiate Review of Strategic Plan - PAA	Best Practice	Board of Trustees
2/9/27	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
4/13/27	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
4/13/27	Approve the Strategic Plan	Best Practice	Board of Trustees
4/13/27	Annual VCP Review	Best Practice	Legal/Board of Trustees

MAY – No Meeting**JUNE**

Date	Board Action Item	Requirement	Responsible Party
6/8/27	Review and Approve annual FY 28 Trust Fund Budget (non-statutory portion)	Best Practice	Board of Trustees
6/8/27	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c)	IIC
6/8/27	Board Self Evaluation	Governance Manual	Board of Trustees

JULY – No Meeting**AUGUST**

Date	Board Action Items	Requirement	Responsible Party
8/10/27	Annual IIC Real Estate update to the Board	Best Practice	IIC
8/10/27	Office of Foreign Assets Control (OFAC) Compliance Report	Best Practice	Board of Trustees
8/10/27	Working After Retirement Report	Best Practice	Board of Trustees
8/10/27	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
10/12/27	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
10/12/27	Gainful Occupation Report	RSA 100-A:6, III(b)	Board of Trustees
10/12/27	Review charters for Board Committees	Governance Manual	Appropriate Board Committee
10/12/27	Annual Board Fiduciary Education	Best Practice	Board of Trustees
10/12/27	Set Board of Trustees meeting schedule for next calendar year	Governance Manual	Board of Trustees
10/12/27	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC

NOVEMBER – No Meeting**DECEMBER**

Date	Board Action Items	Requirement	Responsible Party
12/14/27	Audited ACFR to Audit Committee and Board for approval	RSA 100-A:15, VI(a)	External Auditor
12/14/27	Audit Committee recommends that the Board approve the audited ACFR	RSA 100-A:15, VI(a)	Board of Trustees
12/14/27	RSA 15-A Statement of Financial Interests Reminder – due 3 rd Fri. in Jan	RSA 15-A	Board of Trustees
12/14/27	The IIC recommends that the Board approve the CAIR	RSA 100-A:15, VII	Board of Trustees
12/14/27	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC
12/31/27	Deadline for issuing member statements for fiscal year ending 6/30/27	RSA 100-A:14, XI	Board of Trustees
12/31/27	ACFR and CAIR delivered per statute	RSA 100-A:15, VI(c)	PIO

New Hampshire Retirement System

Board of Trustees

As of September 15, 2026

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

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

Leah McKenna, Concord
December 18, 2024, to July 1, 2027
State Employees' Association

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

Monica Mezzapelle, Concord
March 25, 2020, to December 4, 2026
State Treasurer

Charles Nickerson, Rochester
March 25, 2026, to July 13, 2028
NH Association of Counties

Joshua Quigley, Bedford
October 19, 2022, to July 1, 2027
NH Police Association

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

Steven G. Saltzman, Concord
March 12, 2025, to November 30, 2025
Non-member Trustee

Vacant - NH State Permanent Firemen's Association

Vacant - Non-member Trustee



NHRS Board of Trustees Committee Membership List

as of September 15, 2026

COMMITTEE	AUDIT	BENEFITS	GOVERNANCE	LEGISLATIVE	PPCC	INVESTMENT
Staff Liaison	Jan Goodwin	Nancy Miller/ Diana Crichton	Annie Gregori	Ashley Crutchfield	Rosamond Cain	Raynald Leveque
Frederick, Jon		X-Ch		X		
Hannan, Sue				X	X-Ch	
Kelliher, Maureen					X	X
Maloney, Robert	X		X		X	
<i>Vacant</i>						
McKenna, Leah	X	X				
Merrifield, Ken			X	X-Ch	X	
Mezzapelle, Monica	X-Ch		X			
Nickerson, Charles	X	X				
<i>Vacant</i>						
Quigley, Joshua				X	X	
Roy, Donald		X	X-Ch			
Saltzman, Steven	X		X			
TOTAL MEMBERS	5/5	4/5	5/5	4/5	5/5	1/6*

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

NHRS Abbreviations and Acronyms

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

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

GENERAL

AU* – Audit

ACFR – Annual Comprehensive Financial Report

BET – Bureau of Education and Training

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

Board – For Board of Trustees, second reference only

CAIR – Comprehensive Annual Investment Report

CCR* – Contact Center Representative

EE* – Employee

ER* – Employer

ERT – Employer Reporting Team

E-Team* – Executive Team

FA* – Facilities

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

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

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

IIC – Independent Investment Committee

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

M-Team* – Management Team

MS* – Member Services

NHRS – New Hampshire Retirement System

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

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

PIO* – Public Information Office(r)

PPCC – Personnel, Performance and Compensation Committee

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

RSA 100-A – State statute governing NHRS

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

SAU – School Administrative Unit

SD – School District

SME* – Subject Matter Expert

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

UAAL – Unfunded Actuarial Accrued Liability

BENEFITS

ADR – Accidental Disability Retirement (job-related)

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

COB – Compensation Over Base (pay above base salary)

COLAs – Cost-of-Living Adjustments

EDD – Electronic Direct Deposit

ESDP – Extra or Special Duty Pay

FAS – Final Average Salary (part of pension calculation)

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

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

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

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

Pre-lim* – Preliminary retirement benefit

QDRO – Qualified Domestic Relations Order

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

SP* – Service Purchase

SPC* – Service Purchase Contract

Tier A – Members vested by 1/1/12

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

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

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

TPS* – Treating Physician's Statement

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

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

BUSINESS OPERATIONS/VENDORS

APs* – Action Plans

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

KPMG – Former NHRS audit firm

KPMs* – Key Performance Measures

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

LRWL – Consultant firm of PG upgrade (PGV3)

OFAC – Office of Foreign Assets Control

PM* – Plante Moran (NHRS' external auditor)

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

RDI – Returned Deposit Item

RFI – Request for Information

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

RFQ – Request for Qualifications

UPS – United Parcel Service

USPS – United States Postal Service

HUMAN RESOURCES (HR)

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

AED – Automated External Defibrillator

CBA – Collective Bargaining Agreement

CHERP – Community Health Education Reimbursement Program

CRASE – Civilian Response to Active Shooter Event

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

EAP – Employee Assistance Program

FMLA – Family Medical Leave Act

FSA – Flexible Spending Account, another term for DCA

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

INVESTMENT

ARR – Assumed Rate of Return

IMA – Investment Management Agreement

LTM – Last 12 months

PC – Private Credit

PE – Private Equity

RE – Real Estate

SAA – Strategic Asset Allocation

IT – INFORMATION TECHNOLOGY/APPLICATIONS

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

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

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

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

PIN – Personal Identification Number

PIR* – Problem/Incident Report

LEGISLATIVE

FNW – Fiscal Note Worksheet (Bill cost analysis document)

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

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

JLCAR* – Joint Legislative Committee on Administrative Rules

LOB – Legislative Office Building

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

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

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

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

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

SH – State House

OTHER

BCCRR – Boston College Center for Retirement Research

G&C – Governor & Council

GASB – Governmental Accounting Standards Board

GFOA – Government Finance Officers Association

JRP – Judicial Retirement Plan (not affiliated with NHRS)

NHMA – New Hampshire Municipal Association

NASRA – National Association of State Retirement Administrators

NCPERS – National Council on Public Employee Retirement Systems

NCTR – National Council on Teachers Retirement

NHASBO – New Hampshire Association of School Business Officials

NIRS – National Institute for Retirement Security

P2F2 – Public Pension Financial Forum

COMMON BUSINESS TERMS

COB* – Close of Business

CYTD – Calendar Year to Date

EOB* – End of Business

EOD – End of Day

FYTD – Fiscal Year to Date

ITO – In the Office

WFH – Working from Home

OOO – Out of Office

Updated: November 17, 2025