

	• Human Resources	Pg. 162	R. Cain
	• Legal	Pg. 165	M. Cavanaugh
	○ Annual Retiree Reporting Update		
	• PIO	Pg. 170	R. Fabrizio
	• IT	Pg. 174	S. Gonzalez
	• Investments	Pg. 181	R. Leveque
	• Member Services	Pg. 186	N. Miller
11:40 am	6. Consent Agenda (Action Expected)	Pg. 191	D. Roy
11:45 am	7. Trustee Travel Reports/Requests	Pg. 254	D. Roy
11:50 am	8. Action Items – June 10, 2025	Pg. 255	J. Goodwin
11:55 am	9. Board Checkpoint Discussion	Pg. 256	D. Roy
12:00 pm	10. Adjournment		D. Roy
	11. Informational Materials	Pg. 257	
	Quarterly Report to the General Court		
	2025 Board Action Calendar		
	Trustee Appointments and Terms		
	Committee Membership		
	Trustee Confidential Contact Information		
	NHRS Conference Resource List		
	NHRS Acronyms		

Remote access information is available at:

<https://www.nhrs.org/meetings-events/event/2025/08/12/default-calendar/board-of-trustees-meeting>

*The following email will be monitored throughout the meeting by someone who can assist with and alert the Board to any technical issues:
public_relations@nhrs.org*

NHRS Board of Trustees

DRAFT Minutes – June 10, 2025

Note: These **draft** minutes from the June 10, 2025, Public Session are subject for approval at a subsequent Board of Trustees meeting.

**Board of Trustees
June 10, 2025**

DRAFT Public Minutes

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

Participating: *Trustees Maureen Kelliher, Chair; Jon Frederick, Sue Hannan, Jason Henry, Robert Maloney, Andrew Martineau, Leah McKenna, Ken Merrifield, Monica Mezzapelle, Paul Provost, Joshua Quigley, and Steve Saltzman (remotely).*

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

Absent: *Don Roy.*

Staff: *Jan Goodwin, Executive Director; Mark Cavanaugh, Deputy Counsel and Compliance Officer; Rosamond Cain, Director of Human Resources (HR); Rick Fabrizio, Director of Communications & Legislative Affairs; Raynald Leveque, Chief Investment Officer (CIO); Nancy Miller, Director of Member Services; Marie Mullen, Director of Finance; Diana Crichton, Hearings Examiner; Mariel Holdredge, Executive Assistant; and Karen Nixon, Employer Reporting Manager.*

Guests*: *David Kelly: J.P. Morgan; Tony Pietro, Joe Davenport, and Christian Nye: The Townsend Group.*

** Participating remotely.*

Chair Maureen Kelliher called the June 10, 2025, regular meeting of the NHRS Board of Trustees to order at 9:30 a.m.

A quorum was established and Chair Kelliher called for a vote to approve the minutes of the April 8, 2025, Board meeting. On a motion by Trustee Henry, seconded by Trustee Frederick, the Board voted to approve the April 8, 2025, meeting minutes and the non-public meeting minutes, with Trustee Mezzapelle abstaining. Trustee Saltzman joined the meeting remotely after the vote.

Chair Kelliher then turned to Trustee Mezzapelle to begin the standing committee reports. She reported that the Audit Committee met on April 14 and June 9, 2025, at which the Committee reviewed internal and external audit updates, closed a long-standing audit item, and approved the FY 26 Internal Audit Plan. Director Mullen reported that the NHRS' external auditor, Plante Moran, formally launched the FY 25 Audit, and she provided updates to the Committee on Finance's progress addressing the FY 24 audit findings and corrective action plan.

Next, Trustee Quigley began the Ad Hoc Real Estate Committee report, noting that the Committee met on May 22, 2025. Chair Kelliher then entertained a motion to enter into a non-public session under RSA 91-A:3, II(c) to discuss matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the public body itself.

On a motion by Trustee Quigley, seconded by Trustee Henry, the Board voted to enter into a non-public session. On a motion by Trustee Quigley, seconded by Trustee Maloney, the Board voted to conclude the non-public session. No action was taken in the non-public session. On a motion by Trustee Henry, seconded by Trustee Hannan, the Board voted to seal the minutes of the non-public session.

Chair Kelliher then turned to CIO Raynald Leveque, who introduced guest speaker Dr. David Kelly, Global Strategist at J.P. Morgan Asset Management, who provided the Board with a market and economic update in light of recent volatility.

Following the presentation, Trustee Quigley resumed the Ad Hoc Real Estate Committee report, noting that the Committee also met on June 5, 2025, to review staff evaluations of nine responses to the request for qualifications for architectural services, including four finalist interviews, and reference checks on two firms. Based on this process, the Committee recommended the Board award the contract to Lavallee Brensinger Architects (LBA).

On a motion by Trustee Maloney, seconded by Trustee Hannan, the Board voted to accept the recommendation of the Ad Hoc Real Estate Committee to authorize staff to negotiate terms with LBA.

Trustee Provost reported on behalf of the Governance Committee Chair, noting that the Committee met on June 4, 2025, with four members participating and that he served as Acting Chair in Trustee Roy's absence. He reviewed staff recommendations related to the issuance of a request for proposals (RFP) for actuarial consulting services, the selection of external counsel for fiduciary, tax, benefits and legislative matters, and appointments for legal services as NH Counsel.

On a motion by Trustee Quigley, seconded by Trustee Provost, the Board voted to accept the recommendation of the Governance Committee to authorize staff to issue an RFP for actuarial services. Trustee Maloney was not present at the time of the vote.

Trustee Provost then reported that the Committee recommended to the Board that it vote to select Groom Law Group and Ice Miller to serve as outside legal counsel for fiduciary, tax, benefits, and legislative matters.

On a motion by Trustee Henry, seconded by Trustee Hannan, the Board voted to accept the recommendation of the Governance Committee to authorize staff to negotiate terms for Fiduciary, Tax, Benefits and Legislative Counsel with Groom Law Group and Ice Miller.

Trustee Provost concluded the report with the Committee's recommendations to the Board that it vote to appoint Sulloway and Hollis, P.L.L.C., as NH Counsel for personnel matters, and Foley Law Office as NH Counsel for administrative and litigation matters; and that staff issue a revised RFP to for NH Counsel for general corporate, real estate and litigation needs.

On a motion by Trustee Henry, seconded by Trustee Hannan, the Board voted to authorize

staff to negotiate terms with Sulloway and Foley; and to issue a new RFP for NH Counsel for general corporate, real estate and litigation matters.

Trustee Provost then began his report on the May 13, 2025, Independent Investment Committee (IIC, Committee) meeting, at which five members participated, with one vacant position. The Investments Team presented an update on investment returns and holdings and reported on the team's investment activities and Work Plan.

Trustee Provost invited CIO Raynald Leveque to provide the remainder of the Committee report. Mr. Leveque referenced guest economist Dr. David Kelly's presentation as a contextual backdrop before reviewing investment performance as of April 30, 2025. Mr. Leveque discussed the impact of recent market volatility on Plan performance, emphasizing the importance of diversification and noting that while public equities underperformed in April, fixed income helped stabilize returns. He also reviewed the portfolio's asset allocation and rebalancing activity, highlighting continued efforts to reduce equity exposure and currency risk while increasing fixed income and infrastructure allocations. As of April 30, 2025, the Plan's assets total \$12.6 billion.

Trustee Merrifield reported on the Legislative Committee, which had not met since the last Board meeting. He updated the Board that the Senate passed both House Bill (HB) 1 and HB 2, with the latter including several significant NHRS-related provisions. Of the 17 NHRS-related bills tracked this session, 14 have been tabled, retained, or voted inexpedient to legislate, with only HB 1, HB 2, and HB 778 advancing.

Trustee Frederick then delivered an update on the Benefits Committee, noting it met twice since the last Board meeting, on May 6, 2025, and June 3, 2025, and approved five disability applications and eight disability applications, respectively. In addition, two rule waiver requests were reviewed and recommended for approval by the full Board.

On a motion by Trustee Frederick, seconded by Trustee Henry, the Board voted to accept the recommendation of the Benefits Committee to approve the Rule Waiver Request in the matter of SC. On a motion by Trustee McKenna, seconded by Trustee Frederick, the Board voted unanimously to accept the recommendation of the Benefits Committee to approve the Rule Waiver Request in the matter of AD.

Next, Trustee Hannan gave the PPCC report, which met on May 6, 2025, and received a staffing and recruitment update from HR. The Committee discussed removing Deputy Director title for the Chief Legal Counsel position. The Committee also inquired about progress at the new building, requested a tour for the full Board, and proposed a memorial honoring the late Tim Crutchfield at the site. Trustee Hannan then asked to enter into a non-public session to discuss employee compensation under RSA 91-A:3, II(a).

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

Executive Director Jan Goodwin began her operating report by highlighting strong agency performance, with key performance measure (KPM) achievement rates of 98.6% in April and 95.6% in May. She noted that pending legislation related to the budget and potential restoration of Group II benefits could significantly impact NHRS operations, requiring major staff effort and reprogramming that may delay progress on other organizational goals. She added that member, retiree, and employer feedback remain positive, with improvements to

employer reporting receiving particular recognition.

Ms. Goodwin then presented the finalized version of the FYs 26-28 Strategic Plan. She thanked Trustees who provided input on the Preserve, Achieve, Avoid (PAA) framework, which staff incorporated into the plan. Ms. Goodwin discussed key aspects in which the Strategic Plan reflects Board and staff priorities, and she highlighted the four main goals and strategies.

On a motion by Trustee Henry, seconded by Trustee Frederick, the Board voted to approve the FY 26-28 Three-Year Strategic Plan as presented.

Executive Director Goodwin turned the floor over to Director of Finance Marie Mullen, who explained the rationale for staff's request to ratify the pre-purchase of 1,000 discounted development hours from Levi, Ray and Shoup (LRS). The hours are necessary to implement employer reporting enhancements requested by the New Hampshire Association of School Business Officials (NHASBO) in time for June employer reporting. Ms. Mullen clarified that staff opted to purchase the full 1,000-hours block to secure a discounted rate.

On a motion by Trustee McKenna, seconded by Trustee Quigley, the Board voted to ratify an emergency contract for IT Services.

Ms. Goodwin added that staff elected not to pursue a billing credit from LRS for prior delays, citing the vendor's responsiveness and willingness to perform services without charge.

The Board then discussed the potential need to revise the procurement policy relating to emergency contracts to accommodate the bi-monthly Board meeting schedule. Chair Kelliher entertained a motion to delegate such authority to the Governance Committee and revise its charter accordingly, with the requirement that any approvals be disclosed to and ratified by the full Board.

On a motion by Trustee Provost, seconded by Trustee Henry, the Board opened discussion on delegating approval authority to the Governance Committee in situations where waiting for the next bi-monthly Board meeting could cause undue delays, including whether to involve the Board Chair in such approvals and whether to establish a spending cap. Trustee Henry moved to table the motion, seconded by Trustee Hannan. The Board voted to table the motion and requested that staff present this to the Governance Committee for recommendation to the full Board.

Director of Member Services Nancy Miller reported on the successful close of the July retirement filing period and the coordinated efforts between Member Services and the Contact Center to support members during that time. She also discussed ongoing work to process over 600 retirement applications, support employers transitioning to new health insurance vendors, and implement improvements to Contact Center operations and performance measurement.

Trustee Maloney excused himself from the meeting at this time and was subsequently absent for the remainder of the session.

Director of Finance Marie Mullen reported that NHRS continues to operate within its budget for FY 25, with expected variances due to timing and one-time expenses. She noted that cash flow remains in line with projections and year-to-date financial performance reflects anticipated trends.

Ms. Mullen then presented the proposed FY 26 Trust Fund Budget, which aligns with NHRS' organizational and investment strategic plans and reflects a reduction from the prior year, primarily due to lower external management fees and the absence of one-time building costs.

On a motion by Trustee Henry, seconded by Trustee Hannan, the Board voted to approve the FY 26 Trust Fund Budget.

Employer Reporting Manager Karen Nixon then provided an update on improvements made to employer reporting processes, including streamlining payment posting, enhancing data visibility, and implementing penalties for late reporting. She highlighted the implementation of an Employer Relationship Manager model, increased on-time reporting and payments, and a significant reduction in reconciliation backlogs. To conclude the Finance operating report, Ms. Nixon and Ms. Mullen credited cross-functional collaboration between departments for driving these improvements. Executive Director Goodwin emphasized that recent enhancements addressed longstanding challenges stemming from the Pension Gold system transition, particularly the complexities of exception clearing, and underscored the organization's renewed focus on supporting employers' needs through flexibility and responsive system updates.

Director of HR Rosamond Cain began her department's operating report with the announcement of several key hires, including the incoming Head of Private Markets and Chief Information Technology Officer, as well as progress in hiring for Member Services, Finance, Legal departments. She noted the completion of the 2025 Employee Survey, with communication identified as a recurring challenge, and shared that HR continues to focus on improving internal communication, updating training materials and position descriptions post-PGV3, and preparing an updated employee handbook. HR also completed the implementation of electronic onboarding and met all KPMs for the past two months.

Deputy Counsel and Compliance Officer Mark Cavanaugh began Legal's operating report with an update that the IRS fully waived previously assessed penalties related to alleged failure to file a required informational returns for tax withholding in the 2023 and 2024 taxable years. He also discussed legal concerns stemming from changes in retiree health coverage due to new third-party insurance arrangements, which may conflict with statutory requirements regarding retiree participation in employer health plans. Staff continues to work with affected employers to find compliant solutions that preserve retiree subsidies.

Director of Communications & Legislative Affairs Rick Fabrizio reported that the PIO team supported high-priority messaging related to employer reporting and *My Account*, hosted four employer listening sessions, participated in nine member education events, and met all KPMs for April and May. Upcoming efforts include continued legislative monitoring, development of customer service training, and additional member outreach events.

Executive Director Goodwin presented the IT operating report, noting the team's continued focus on cybersecurity training, vendor coordination for 80 Commercial Street, and preparing system enhancements related to employer and teacher contracts for the July reporting period, while commending the team's adaptability and performance during the extended director vacancy.

CIO Raynald Leveque closed out the department operating reports with an update that the Investments Team met seven of seven KPMs in April and six of seven KPMs in May and continues to focus on reducing external fees, enhancing internal efficiencies, and improving

reporting and audit coordination. He noted continued execution of the Strategic Plan, ongoing manager evaluations and renewals, and previewed the upcoming CEM benchmarking report for Board review.

Attorney Cavanaugh next presented the Consent Agenda. On a motion by Trustee Mezzapelle, seconded by Trustee Hannan, the Board voted to approve the Consent Agenda.

Chair Kelliher then invited Trustee McKenna to report on her recent educational seminar participation. Trustee McKenna shared that she attended the NCPERS Trustee Educational Seminar in Denver, CO, where she gained valuable insights into pension governance and was able to directly compare best practices with NHRS operations. She expressed appreciation for the opportunity and noted the quality and usefulness of the training materials provided.

Ms. Goodwin provided an update on Action Items from the April 8, 2025, Board meeting, reporting that all have been completed.

With no further business to discuss in the meeting, on a motion by Trustee Quigley, seconded by Trustee Henry, the Board voted unanimously to adjourn the meeting at 12:09 p.m.

Respectfully submitted,

Mariel Holdrege,
Executive Assistant

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AUDIT COMMITTEE

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GOVERNANCE COMMITTEE



To: NHRS Governance Committee

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

Date: June 30, 2025

Re: Cyber Insurance Renewal

Item: Action: X Discussion: Informational:

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

This year, Houston Casualty Company is offering the same coverage with a premium cost of \$57,489. This represents a 6.7% increase from last year's premium of \$53,891 which our broker, Cross Insurance, explained is mainly attributable to the increase in employer and member contributions, one metric the underwriters use in setting rates. Cross Insurance reached out to other carriers who either declined to offer coverage or offered rates that were not competitive as follows:

- Crum, Declined
- At Bay, Declined
- CFC, Declined
- Beazley, Declined
- Converge, Declined
- Coalition, Declined
- Ambridge, \$5M/\$250K deductible/\$175,000 premium
- Sompo \$5M/\$500K deductible/\$150,000 premium

Based on the quotes provided, and our positive past experience with Houston Casualty Company, staff respectfully requests that the Committee authorize staff to renew the cyber coverage with Houston Casualty.

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



To: NHRS Board of Trustees

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

Date: August 6, 2025

Re: Office of Foreign Assets Control (OFAC) – FY 2025 Annual
Compliance Report and Proposed Policy Revisions

Item: Action: X Discussion: Informational: X

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

Pursuant to the NHRS OFAC Policy (Policy), and in my capacity as OFAC Compliance Officer, I am reporting that, for the 2025 fiscal year, NHRS is in compliance with the Policy.

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

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

Attached is a draft of the proposed revisions to the OFAC Policy. The revisions are intended to conform the Policy with current practice regarding position titles and the related duties of staff.

On August 5, 2025, the Governance Committee voted to recommend to the Board that it adopt the proposed revisions to the OFAC Policy.



OFAC Compliance Policy – Board approved xx/xx/xxxx

I. Purpose And Intent

This Policy addresses compliance obligations with respect to controls on prohibited transactions imposed by the United States Department of the Treasury, Office of Foreign Assets Control. This Policy aims to create and implement thorough, targeted, and reasonable procedures designed to mitigate the risk of NHRS engaging in Prohibited Transactions. This Policy applies to all investment transactions, payroll transactions, benefit payment transactions, and vendor transactions that NHRS initiates, as well as investment transactions entered into on behalf of NHRS by external investment managers.

II. Definitions

- A. “Board” shall mean the Board of Trustees of NHRS.
- B. “NHRS” shall mean the New Hampshire Retirement System.
- C. “OFAC” shall mean the Office of Foreign Assets Control.
- D. “Procedure” shall mean the compliance procedures established for each operational area as hereinafter provided.
- E. “Prohibited Transactions” shall mean any transaction that results in a violation of the rules and regulations promulgated by OFAC.
- F. “Sanctions List(s)” shall mean, collectively, the Specially Designated Nationals List (“SDN List~~IST~~”), the Foreign Sanctions Evader List (“FSE List”) and the Sectoral Sanctions List (“SS List), each as issued and maintained by OFAC, a searchable version of which is located on the OFAC website at <https://sanctionssearch.ofac.treas.gov/> <https://sdnsearch.ofac.treas.gov/>.

III. Governing Authority

RSA 100-A:15, I-a(1) and (2) provide that the Board is to discharge its duties solely in the interest of participants and beneficiaries for the exclusive purpose of providing benefits and incurring only reasonable expenses. The Board's fiduciary duty requires the NHRS to adhere to OFAC's regulations because failure to do so would violate federal law and possibly expose NHRS to civil and criminal penalties.

IV. OFAC Compliance Officer

The Deputy Counsel and Compliance Officer is hereby designated as the OFAC Compliance Officer with such duties, responsibilities, and authority as hereinafter provided.

V. Roles and Responsibilities

- A. *OFAC Compliance Officer* - The OFAC Compliance Officer is responsible for (i) providing advice regarding legal compliance with OFAC; (ii) monitoring compliance with this Policy, including Procedures established pursuant to it, (iii) creating and maintaining an OFAC Compliance Manual; and, (iv) conducting staff training and education with respect to this Policy. If it is determined that a violation of this Policy has occurred, the OFAC Compliance Officer shall notify the ~~Deputy Director and~~ Chief Legal Counsel and the Executive Director.
- B. ~~Deputy Director and~~ *Chief Legal Counsel* - The ~~Deputy Director and~~ Chief Legal Counsel, in conjunction with the OFAC Compliance Officer, shall (i) determine when disclosure of actual and potential Prohibited Transactions is required; (ii) prepare disclosure submissions in accordance with OFAC regulations; and, (ii) submit an annual compliance report to the Board.
- C. *Executive and Management Staff* - The Chief Investment Officer, Director of Human Resources, Director of Finance, and Director of Member Services are, with respect to their respective operational areas, responsible for (i) developing compliance Procedures; (ii) implementing the Procedures, and training staff accordingly; (iii) monitoring compliance with the Policy and the Procedures; and (iv) recommending changes to the OFAC Compliance Officer.

Investment Transactions

I. Risk Assessment

Investment transactions represent a greater risk of violations due to the difficulty with certain investments in identifying counterparties, beneficial owners, and co-investors. It is more difficult to protect against business exchanges with a sanctioned party indirectly, or where the involvement of the sanctioned party is not readily apparent. While automated screening by the asset custodian of individual, entity, or country names can help alert NHRS to possible red flags in transactions, identifying the indirect involvement of a sanctioned party may require extra scrutiny and due diligence. This may be particularly true for alternative investments and investments with tiered ownership structures.

II. Procedures

The Chief Investment Officer will create and maintain Procedures to identify investment transactions prohibited by OFAC. In particular, the Procedures should provide as follows:

- A. *Reporting Violations* – The Chief Investment Officer shall immediately All-inform the OFAC Compliance Officer of all actual or perceived OFAC violations ~~shall be reported immediately to the OFAC Compliance Officer.~~
- B. *Divestment* – If it is determined that an OFAC violation has occurred, NHRS shall divest from any investment prohibited by OFAC, as soon as reasonably possible, as determined by consultation by-with the Board and the Independent Investment Committee.-
- C. *Vendor Agreements and Due Diligence* - The Chief Investment Officer, in conjunction with the Chief Legal Counsel and the OFAC Compliance Officer, should, at the time of initial engagement and should periodically upon the renewal of a contract, obtain written summaries of the OFAC compliance policies and procedures utilized by investment service providers, such as external investment managers, asset custodians, and consultants. Additionally, the Chief Investment Officer, in conjunction with the Chief Legal Counsel and the OFAC Compliance Officer, should review the same to ensure that such service providers have established reasonable policies and procedures to ensure compliance with OFAC regulations including, but not limited to, automated screening of all transactions involving assets of NHRS.
- D. *Vendor Agreements* - The Chief Investment Officer, in conjunction with the ~~Deputy Director and~~ Chief Legal Counsel and the OFAC Compliance Officer, should ensure that investment-related service provider agreements contain provisions regarding OFAC compliance, including, but not limited to, appropriate representations, warranties, covenants, and indemnifications consistent with industry standards.

Payroll Transactions

I. Risk Assessment

Given the general nature of the employee population of NHRS, payroll transactions present a limited risk of OFAC violations because employees are unlikely to live in sanctioned countries or appear as a “blocked person” on the Sanctions List. Moreover, because most payroll transactions are made by means of ACH or ETF, and the vendors clearing NHRS payroll checks utilize automated screening of all transactions, the likelihood of a Prohibited Transaction occurring is relatively low. Nevertheless, procedures should be implemented to ensure compliance.

II. Procedures

The Director of Human Resources will create and maintain Procedures to ensure that payroll transactions will not result in a Prohibited Transaction. In particular, the Procedures should provide for the following:

- A. *Reporting Violations* - All perceived OFAC violations shall be reported immediately to the OFAC Compliance Officer.
- B. *Payee Due Diligence* - The Director of Human Resources shall establish procedures for reviewing the name and address of each current employee and each new hire and, where appropriate, periodically search the Sanctions List to confirm that such persons are not “blocked persons.”
- C. *Vendor Due Diligence* - The ~~OFAC Compliance Officer~~[Director of Human Resources, in conjunction with the Chief Legal Counsel and the OFAC Compliance Officer](#), should periodically obtain written summaries of the OFAC compliance policies and procedures utilized by any vendor processing outgoing payroll transactions, and confirm that each such vendor has established reasonable procedures to ensure compliance with OFAC regulations including, but not limited to, automated screening of all payroll transactions.
- D. *Vendor Contracts* - The Director of Human Resources, in conjunction with the ~~Deputy Director and~~ Chief Legal Counsel and the OFAC Compliance Officer, should ensure that all agreements with vendors processing payroll transactions contain appropriate warranties, representations, covenants, and indemnifications consistent with industry standards.

Benefit Payment Transactions and Vendor Transactions

I. Risk Assessment

Given the general makeup of the NHRS beneficiary population, benefit payment transactions present a limited risk of violations of OFAC. NHRS beneficiaries are unlikely to live in sanctioned countries or appear as a “blocked person” on the Sanctions List. Moreover, because many benefit payment transactions are made by means of ACH or EFT, and the vendors clearing the checks utilize automated screening of all transactions, the likelihood of a Prohibited Transaction occurring is relatively low. Manual checks present slightly more risk and may require manual due diligence. In addition, most NHRS vendors are U.S. entities and, therefore, the risk of a Prohibited Transactions is small.

II. Procedures

The Director of Finance and the Director of Member Services will create and maintain Procedures to ensure that benefit payment transactions will not result in a Prohibited Transaction. In particular, the Procedures should provide for the following:

- A. *Reporting Violations* - All perceived OFAC violations shall be reported immediately to the OFAC Compliance Officer.
- B. *Payee Due Diligence* - The Director of Member Services shall establish procedures for reviewing the name and address of each beneficiary receiving a benefit payment and, where appropriate, perform a search of the Sanctions List to confirm that such beneficiaries are not “blocked persons.”
- C. *Vendor Due Diligence* - The [Director of Finance and the Director of Member Services in conjunction with the Chief Legal Counsel](#) and the OFAC Compliance Officer, should periodically obtain written summaries of the OFAC compliance policies and procedures utilized by any vendor processing benefit payments and confirm that each such vendor has established reasonable procedures to ensure compliance with OFAC regulations including, but not limited to, automated screening of all benefit payment [and vendor](#) transactions.
- D. *Vendor Contracts* - The Director of Finance and the Director of Member Services, in conjunction with the ~~Deputy Director and~~ Chief [Legal](#) Counsel and the OFAC Compliance Officer, should ensure that all agreements with any vendors processing benefit payments contain appropriate warranties, representations, covenants, and indemnifications consistent with industry standards.



To: NHRS Board of Trustees

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

Date: August 6, 2025

Re: Procurement Policy Revisions

Item: Action: X Discussion: X Informational:

Pursuant to the request of the Board at its June 10, 2025, meeting, attached are proposed revisions to the NHRS Procurement Policy relating to procurements when “emergency conditions” apply (Emergency Procurements). Staff is also recommending other revisions which are mainly editorial in nature to streamline, clarify, and eliminate superfluous text. Attached are clean and redlined versions of the proposed revisions.

The proposed revisions regarding Emergency Procurements are in Section II.E. “Emergency conditions” are defined in the policy as “those that if not immediately addressed could negatively affect the continuation of NHRS’ functions, the preservation and protection of persons or property, or the best interests of members and beneficiaries.”

Currently, the Executive Director has the authority to approve contracts up to \$100,000 for Emergency Procurements. Staff is proposing that the Board grant additional authority to the Governance Committee to approve Emergency Procurements up to \$200,000 if waiting for the next scheduled Board meeting would prevent a timely decision.

For comparative purposes, attached is a sample of procurement policies of other governmental pension plans.

On August 5, 2025, the Governance Committee voted to recommend to the Board that it adopt the proposed revisions to the Procurement Policy.

Comparison of Procurement Policies

Plan	AUM	Type	Board Meeting Schedule	Authority Levels	Emergency Contract Authority	“Emergency”
San Diego	\$11.3B 2024 ACFR	Board Policy	Bi-monthly	Executive Director - \$50,000 Board may delegate to ED or Committee \$50,001 - \$100,000 Board - \$100,000+	None	N/A
Kern County	\$6.19B 3/31/2025 Investment Report	CEO Charter	Monthly	Executive Director - \$50,000 annually	None	N/A
City of Phoenix	\$3.7B 3/31/2025 Investment Report	City Regulation	At least quarterly by law; monthly by policy	City Manager - \$100,000 (Dept. head approval also required) City Council \$100,000+	None	N/A
Illinois Municipal	\$55.18B 3/31/2025 Investment Report	Board Policy	7 times per year	Executive Director - \$24,999 Board - \$25,000+	None	N/A

Comparison of Procurement Policies

Plan	AUM	Type	Board Meeting Schedule	Authority Levels	Emergency Contract Authority	“Emergency”
Kansas PERS	\$27.5B 2024 ACFR	Board Policy	Bi-monthly	Division Directors - \$500 Executive Director - \$100,000 RFP Required - \$100,001+	Separate procurement procedures but no separate dollar limit stated.	Emergency purchases are special situations that require special review and approval. At times, incidents occur due to weather, equipment failures, etc., which create a threat to public health, welfare, safety and or property. During these situations, normal procurement requirements may not be able to be met. In cases of emergencies, division staff are to notify the Executive Director as soon as possible to explain the situation and receive verbal approval to proceed with the purchase.

Comparison of Procurement Policies

Plan	AUM	Type	Board Meeting Schedule	Authority Levels	Emergency Contract Authority	“Emergency”
Michigan Municipal ERS	\$15.3B 6/30/25 Investment Report	Board Policy	5 times per year	Executive Director - \$50,000 Executive Director with report to Board at next meeting - \$50,001 - \$300,000 Board - \$300,000	None	N/A
Missouri ERS	\$9B 2024 ACFR	Board Policy	Quarterly	Dollar limits relate to the required procedures, not to authority levels. Executive Director authority, if budgeted. RFP Required for professional services.	Regular procurement guidelines suspended.	This emergency procurement provision should only be used to purchase goods and services necessary to alleviate the emergency. Detailed records of all transactions should be retained of all purchases using the forms found in the Business Continuity Plan materials. Bids are not required on purchases for materials and services to maintain or repair the facility

Comparison of Procurement Policies

Plan	AUM	Type	Board Meeting Schedule	Authority Levels	Emergency Contract Authority	“Emergency”
Chicago Teachers	\$12.7B 3/31 Investment Report	Board Policy	Monthly	Executive Director - \$100,000 annually Board - \$100,001+		“Emergency Purchase” shall mean a purchase that is necessary to prevent a hazard to life, safety, or property, to prevent or remedy the non-payment of CTPF benefits, or to prevent economic loss, damage, or danger to CTPF trust assets.
Sonoma County	\$3.8B 3/31 Investment Report	Board Policy	11 times per year	Executive Director - \$50,000 Board - RFP required if \$50,001+ and for all “Core Service Providers” (i.e., professional services).	None	N/A

Procurement Policy - Revisions to be approved at the August 12, 2025 NHRS Board meeting.

I. Purpose and Intent

This Policy is intended to comply with the fiduciary duty of prudence of the Board of Trustees (Board) with respect to the procurement of goods and services for NHRS. The Board's overall intention is to effectively manage expenses, promote fairness and competition among vendors and service providers, and to be flexible to address any unique circumstances that arise during the course of business exigencies. This policy does not cover contracts for investment managers which are governed by the Investment Manual.

II. General Policy

A. Board Responsibilities. The Board has the authority to approve contracts for goods and services that are within established budgets and has delegated to the Executive Director the authority to approve certain contracts without prior approval as provided below.

Competitive bids are generally required, and the Board has delegated to staff the responsibility to seek and review such bids; and to make recommendations to the Board, as required. The Board, in its discretion or upon recommendation of staff, may require the use of Request for Proposal (RFP), Request for Information (RFI) or Request for Qualifications (RFQ) to solicit proposals, taking into consideration the amount of the expenditure, the complexity or materiality of the goods or services to be contracted for, and any other facts or circumstances, it deems to be relevant. In all instances, an RFP process will be utilized for legal, audit, custodial, investment consultant, and actuarial services. In limited instances, the use of sole sourcing is permitted as provided for in this policy.

The Board has delegated to staff the responsibility to develop Contract Administration Procedures for identifying vendors and negotiating vendor contracts, renewals and terminations. All contracts must be reviewed and approved in accordance with the Contract Administration Procedures, unless expressly excepted therein.

B. Executive Director Delegation and Responsibilities. The Board of Trustees delegates to the Executive Director the authority to approve contracts for initial expenditures of goods or services for NHRS up to the amount of \$50,000 per contract on an annualized basis, or any amendment or addendum to an existing contract up to the amount of \$50,000 on an annualized basis that provides for additional goods or services that were not included in the initial contract, without prior Board approval. The renewal of a contract under preexisting terms and pricing does not require Board approval. The Executive Director will inform the Board of the approval of such contracts at its next regularly scheduled meeting. Amounts for Small Contracts and Emergency Procurements are not included in these limits.

C. Small Contracts. An initial contract, or a renewal, amendment or addendum to an existing contract that provides for additional goods or services that were not included in the initial contract, for an estimated dollar value of \$7,500 or less on an annualized basis, may be made without obtaining competitive pricing if the Executive Director deems that to be reasonable. All efforts will be made to ensure small contracts are awarded in an equitable and fair manner. The Executive Director will inform the Board of such contracts at its next regularly scheduled meeting.

D. Sole Sourcing. There may be some instances where sole source procurement is optimal for certain contracts, including amendments, addendums, or renewals to existing contracts. Sole sourcing is appropriate when it can be demonstrated that the services or goods being sought are unique in nature, or if there is a compelling economic or operational justification for selecting a specific firm, vendor or service provider. In these instances, the Executive Director will document for the Board the reasons for the sole source procurement. This documentation will include a description of the services or goods, the estimated cost, a determination that the estimated costs are fair and reasonable and the supporting rationale for recommending a specific firm, vendor or service provider. Sole source contracts are subject to the dollar limits on authority as herein provided.

E. Emergency Procurement. The Executive Director is authorized to make Emergency Procurements up to \$100,000 to address “emergency conditions”. The Governance Committee is authorized to make Emergency Procurements up to \$200,000 if the timing of the next scheduled Board meeting would not allow for a timely decision. “Emergency conditions” are those that if not immediately addressed could negatively affect the continuation of NHRs’ functions, the preservation and protection of persons or property, or the best interests of members and beneficiaries. The Executive Director shall promptly advise the Board Chair when an Emergency Procurement is required and present written justification for the Emergency Procurement at the next scheduled Board Meeting for the Board’s ratification. The Executive Director shall promptly notify all Trustees by email when an emergency procurement is authorized by the Executive Director or the Governance Committee.

Procurement Policy - Revisions to be approved at the ~~September~~ August 12, 2025 NHRB Board meeting.

I. Purpose and Intent

This Policy is intended to comply with the fiduciary duty of prudence of the Board of Trustees (Board) with respect to the procurement of goods and services for NHRB. The Board's overall intention is to effectively manage expenses, promote fairness and competition among vendors and service providers, and to be flexible to address any unique circumstances that arise during the course of business exigencies. This policy does not cover contracts for investment managers which are governed by the Investment Manual.

II. General Policy

A. Board Responsibilities. The Board has the authority to approve contracts for goods and services that are within established budgets and has delegated to the Executive Director the authority to approve certain contracts without prior approval as provided below.

Competitive bids are generally required, and the Board has delegated to staff the responsibility to seek and review such bids; and, to make recommendations to the Board, as required. The Board, in its discretion or upon recommendation of staff, may require the use of ~~either a formal~~ Request for Proposal (RFP), ~~or~~ Request for Information (RFI) or Request for Qualifications (RFQ) to solicit proposals, taking into consideration the amount of the expenditure, the complexity or materiality of the goods or services to be contracted for, and any other facts or circumstances, it deems to be relevant. In all instances, an RFP process will be utilized for legal, audit, custodial, investment consultant, and actuarial services. In limited instances, the use of sole sourcing is permitted as provided for in this policy.

The Board has delegated to staff the responsibility to develop Contract Administration Procedures for identifying vendors and negotiating vendor contracts, renewals and terminations. All contracts must be reviewed and approved in accordance with the Contract Administration Procedures, unless expressly excepted therein.

B. Executive Director Delegation and Responsibilities. The Board of Trustees delegates to the Executive Director the authority to approve contracts for initial expenditures of goods or services for NHRB up to the amount of \$50,000 per contract on an annualized basis, or any amendment or addendum to an existing contract up to the amount of \$50,000 on an annualized basis that provides for additional goods or services that were not included in the initial contract, without prior Board approval. The renewal of a contract under preexisting terms and pricing does not require Board approval. The Executive Director will inform the Board of the approval of such contracts at its next regularly scheduled meeting. Amounts for Small Contracts and Emergency Procurements are not included in these limits.

C. Small Contracts. An initial contract, or a renewal, amendment or addendum to an existing contract that provides for ~~cost, or~~ additional goods or services that were not included in the initial contract, for an estimated dollar value of \$7,500 or less on an annualized basis, may be made without obtaining competitive pricing if the Executive Director deems that to be reasonable. All efforts will be made to ensure small contracts are awarded in an equitable and fair manner. The Executive Director will inform the Board of such contracts at its next regularly scheduled meeting. ~~Small contracts are not included in the Executive Director's \$50,000 per contract cap.~~

D. Sole Sourcing. There may be some instances where sole source procurement is optimal for certain contracts, including amendments, addendums, or renewals to existing contracts. Sole sourcing is appropriate when it can be demonstrated that the services or goods being sought are unique in nature, or if there is a compelling economic or operational justification for selecting a specific firm, vendor or service provider. In these instances, the Executive Director will document for the Board the reasons for the sole source procurement. This documentation will include a description of the services or goods, the estimated cost, a determination that the estimated costs are fair and reasonable and the supporting rationale for recommending a specific firm, vendor or service provider. Sole source contracts are subject to the dollar limits on authority as herein provided.

E. Emergency Procurement. The Executive Director is authorized to make ~~e~~Emergency ~~p~~Procurements ~~of~~ up to \$100,000 to address "emergency conditions". The Governance Committee is authorized to make Emergency Procurements up to \$200,000 if the timing of the next scheduled Board meeting would not allow for a timely decision. "Emergency conditions" are those that if not immediately addressed could negatively affect the continuation of NHRS's functions, the preservation and protection of persons or property, or the best interests of members and beneficiaries. The Executive Director shall ~~immediately promptly~~ advise the Board Chair ~~in such instances when an Emergency Procurement is required and and the Board shall ratify any such emergency procurement at its next regularly scheduled meeting. In either instance, the Executive Director shall present~~ when an Emergency Procurement is required and ~~and the Board shall ratify any such emergency procurement at its next regularly scheduled meeting. In either instance, the Executive Director shall present~~pare written justification for the ~~e~~Emergency ~~p~~Procurement at the next scheduled Board Meeting ~~for the Board's consideration ratification.~~ Emergency Procurements are not included in the Executive Director's \$50,000 per contract cap or the \$200,000 cumulative annual contract cap. The Executive Director shall promptly notify all Trustees by email when an emergency procurement is authorized by the Executive Director or the Governance Committee.

INDEPENDENT INVESTMENT COMMITTEE (IIC)

Independent Investment Committee's Monthly Report to the Board

NHRS Investment Team
Board of Trustees Meeting
August 12, 2025

Total Plan Performance as of June 30, 2025 (Preliminary)



Net of Fees Returns for Periods Ended June 30, 2025									
Composite	Total Fund Weighting As of 6/30/2025	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Global Equity	49.88%	4.08%	10.31%	14.90%	8.45%	14.90%	-	-	-
MSCI ACWI IMI		4.53%	11.62%	15.89%	9.82%	15.89%	-	-	-
Excess Return		-0.45%	-1.31%	-0.99%	-1.37%	-0.99%	-	-	-
Total Domestic Equity	29.20%	4.66%	8.83%	12.48%	3.29%	12.48%	16.20%	14.79%	11.24%
Domestic Equity Benchmark(1)		5.08%	10.99%	15.30%	5.75%	15.30%	19.08%	15.41%	13.05%
Excess Return		-0.42%	-2.16%	-2.82%	-2.46%	-2.82%	-2.88%	-0.62%	-1.81%
Total Non US Equity	20.69%	3.26%	12.47%	18.18%	17.13%	18.18%	16.17%	10.50%	6.68%
Non US Equity Benchmark(2)		3.60%	12.71%	17.83%	17.88%	17.83%	14.02%	10.15%	6.13%
Excess Return		-0.34%	-0.24%	0.36%	-0.75%	0.36%	2.14%	0.35%	0.55%
Total Fixed Income	23.13%	1.71%	2.18%	7.12%	4.88%	7.12%	3.99%	1.16%	2.68%
Bloomberg Capital Universe Bond Index		1.56%	1.40%	6.51%	4.10%	6.51%	3.28%	-0.15%	2.11%
Excess Return		0.15%	0.78%	0.60%	0.78%	0.60%	0.71%	1.30%	0.57%
Total Cash	1.69%	0.37%	1.10%	4.76%	2.16%	4.76%	4.69%	2.84%	2.07%
3-Month Treasury Bill		0.33%	1.04%	4.68%	2.07%	4.68%	4.56%	2.76%	1.98%
Excess Return		0.04%	0.06%	0.08%	0.09%	0.08%	0.14%	0.07%	0.09%
Total Real Estate (Q1)*	8.27%	0.92%	1.87%	3.30%	3.31%	3.30%	-3.84%	5.92%	7.31%
Real Estate Benchmark(3)		0.28%	0.85%	1.17%	1.82%	1.17%	-5.07%	2.01%	4.71%
Excess Return		0.64%	1.02%	2.13%	1.49%	2.13%	1.24%	3.91%	2.60%
Total Private Equity (Q1)*	12.08%	0.50%	0.56%	2.59%	1.08%	2.59%	3.58%	13.06%	11.39%
Private Equity Benchmark(4)		-5.52%	-4.09%	9.42%	-1.08%	9.42%	10.63%	20.82%	15.36%
Excess Return		6.02%	4.66%	-6.83%	2.15%	-6.83%	-7.05%	-7.76%	-3.97%
Total Private Debt (Q1)*	4.94%	1.69%	1.78%	4.98%	3.19%	4.98%	5.20%	7.23%	5.90%
Private Debt Benchmark(5)		-0.62%	0.98%	8.40%	2.56%	8.40%	7.12%	7.71%	4.62%
Excess Return		2.31%	0.81%	-3.42%	0.63%	-3.42%	-1.92%	-0.48%	1.27%
Total Fund Composite	100.00%	2.63%	5.79%	9.85%	5.78%	9.85%	8.93%	9.46%	7.68%
Total Fund Benchmark(6)		2.10%	5.82%	11.17%	6.23%	11.17%	10.35%	9.47%	8.06%
Excess Return		0.53%	-0.03%	-1.32%	-0.45%	-1.32%	-1.42%	-0.01%	-0.37%

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

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

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

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

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

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

(7) For the trailing 25 year period ended 6/30/25, the Total Fund has returned 6.23% versus the Total Fund Custom Benchmark return of 6.62%.

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

FYTD Fiscal Year to Date

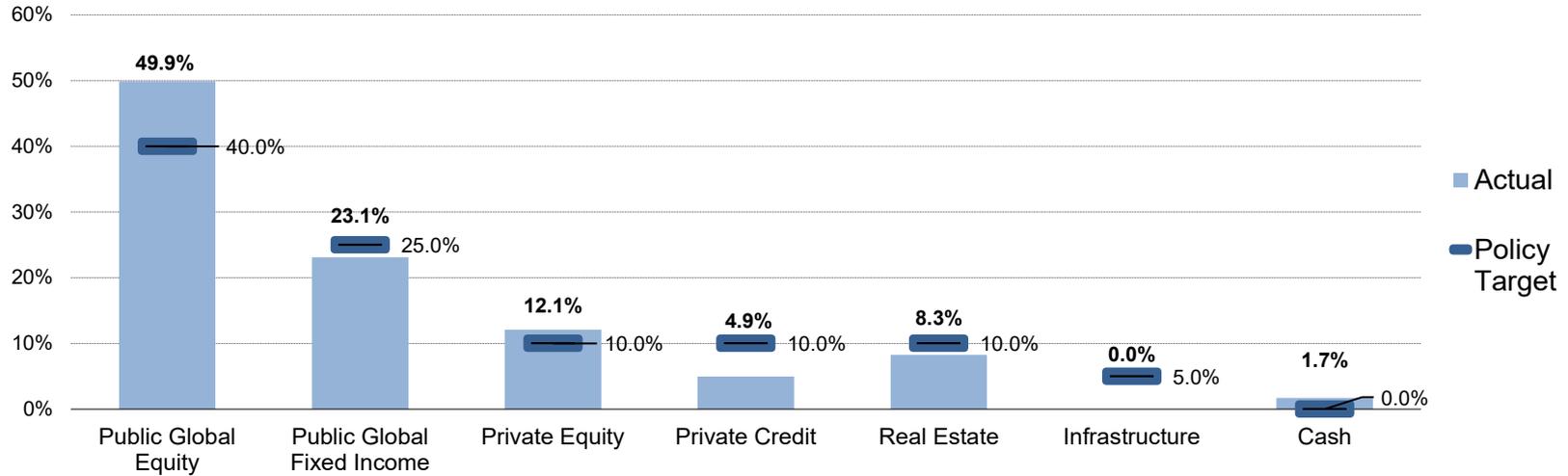
CYTD Calendar Year to Date

LTM Last Twelve Months

Source: Callan

Asset Class Policy Targets vs. Actual Allocation

**Asset Class Targets vs. Actual Allocation
 as of June 30, 2025 (Preliminary)**



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

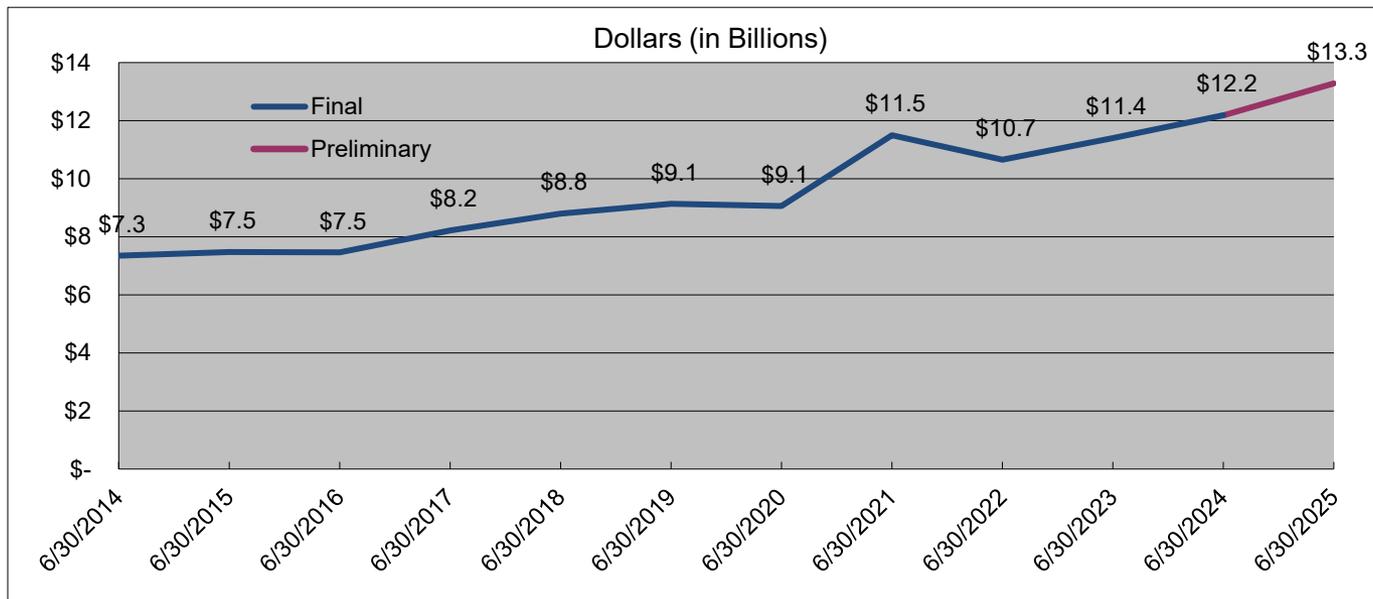
Asset Class	Policy Target	Actual	Range
Public Global Equity	40.0%	49.9%	30 - 50%
Public Global Fixed Income	25.0%	23.1%	18 - 32%
Private Equity	10.0%	12.1%	5 - 15%
Private Credit	10.0%	4.9%	0 - 15%
Real Estate	10.0%	8.3%	5 - 20%
Infrastructure	5.0%	0.0%	0 - 15%
Cash	0.0%	1.7%	0 - 5%
	100.0%		

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

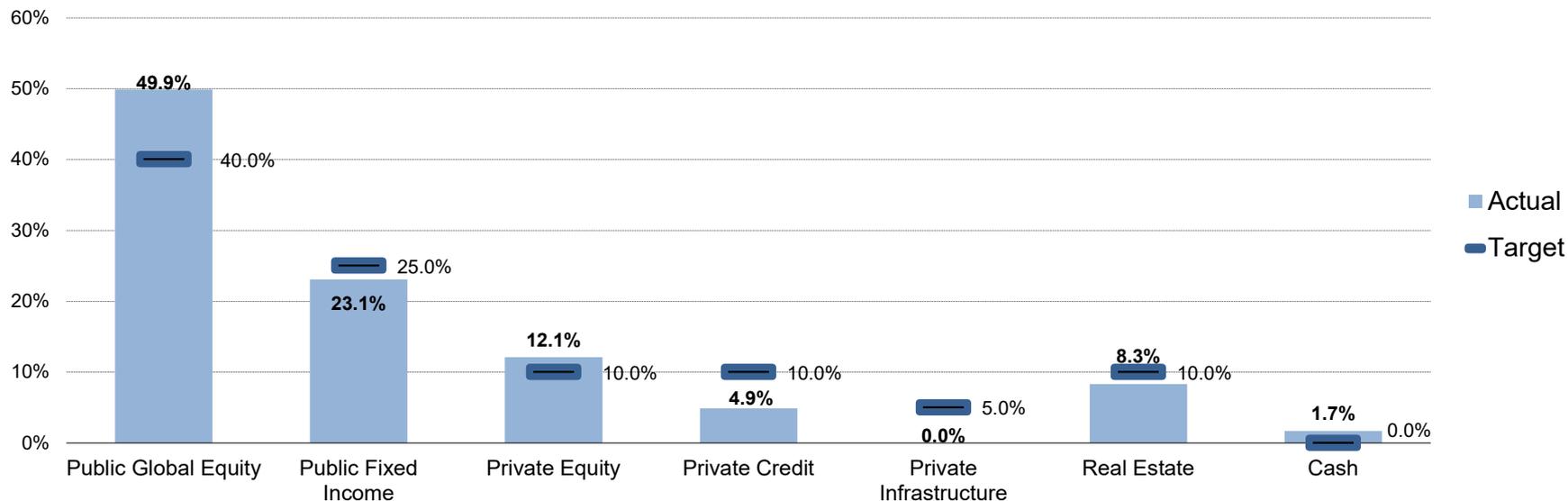
Fiscal Year	Dollars (in Billions)
June 30, 2014	\$7.3
June 30, 2015	\$7.5
June 30, 2016	\$7.5
June 30, 2017	\$8.2
June 30, 2018	\$8.8
June 30, 2019	\$9.1
June 30, 2020	\$9.1
June 30, 2021	\$11.5
June 30, 2022	\$10.7
June 30, 2023	\$11.4
June 30, 2024	\$12.2
June 30, 2025	\$13.3



Source: NHRS

Current Status

Class Targets vs. Actual Allocation as of June 30, 2025 (Preliminary)



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

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.

Asset Class Allocations Relative to Policy Targets and Ranges

As of June 30, 2025 (preliminary)

Asset Class	Allocation				Objective	Comments
	Range ¹	Target	Actual	Variance		
Public Markets						
Global Equity	30 - 50%	40.0%	49.9%	9.9%	Monitor	The Global Equity target will be achieved over several years as investments are made to Private Credit and Infrastructure.
Fixed Income	18 - 32%	25.0%	23.1%	-1.9%	Monitor	No immediate action needed.
Private Markets						
Equity ¹	5 - 15%	10.0%	12.1%	2.1%	Monitor	No immediate action needed.
Credit ¹	0 - 15%	10.0%	4.9%	-5.1%	Action	To be scaled up incrementally over subsequent periods as part of SAA implementation.
Infrastructure	0 - 15%	5.0%	0.0%	-5.0%	Action	To be scaled up incrementally over subsequent periods as part of SAA implementation.
Real Estate (RE)	5 - 20%	10.0%	8.3%	-1.7%	Monitor	No immediate action needed.
Cash Equivalents	0 - 5%	0.0%	1.7%	1.7%	No Action	Minimal cash balance to provide liquidity, as needed, for annuities, capital calls and other plan needs.
		100.0%	100.0%	0.0%		

¹As reported on the June 30, 2025 Callan Monthly Review.

June 30, 2025



New Hampshire Retirement System

**Investment Measurement Service
Monthly Review**

Asset Class Excess Returns

The table below details the rates of return for the fund's asset classes over various time periods ended June 30, 2025. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended June 30, 2025									
Composite	Total Fund Weighting As of 6/30/2025	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Global Equity	49.88%	4.08%	10.31%	14.90%	8.45%	14.90%	-	-	-
MSCI ACWI IMI		4.53%	11.62%	15.89%	9.82%	15.89%	-	-	-
Excess Return		-0.45%	-1.31%	-0.99%	-1.37%	-0.99%	-	-	-
Total Domestic Equity	29.20%	4.66%	8.83%	12.48%	3.29%	12.48%	16.20%	14.79%	11.24%
Domestic Equity Benchmark(1)		5.08%	10.99%	15.30%	5.75%	15.30%	19.08%	15.41%	13.05%
Excess Return		-0.42%	-2.16%	-2.82%	-2.46%	-2.82%	-2.88%	-0.62%	-1.81%
Total Non US Equity	20.69%	3.26%	12.47%	18.18%	17.13%	18.18%	16.17%	10.50%	6.68%
Non US Equity Benchmark(2)		3.60%	12.71%	17.83%	17.88%	17.83%	14.02%	10.15%	6.13%
Excess Return		-0.34%	-0.24%	0.36%	-0.75%	0.36%	2.14%	0.35%	0.55%
Total Fixed Income	23.13%	1.71%	2.18%	7.12%	4.88%	7.12%	3.99%	1.16%	2.68%
Bloomberg Capital Universe Bond Index		1.56%	1.40%	6.51%	4.10%	6.51%	3.28%	-0.15%	2.11%
Excess Return		0.15%	0.78%	0.60%	0.78%	0.60%	0.71%	1.30%	0.57%
Total Cash	1.69%	0.37%	1.10%	4.76%	2.16%	4.76%	4.69%	2.84%	2.07%
3-Month Treasury Bill		0.33%	1.04%	4.68%	2.07%	4.68%	4.56%	2.76%	1.98%
Excess Return		0.04%	0.06%	0.08%	0.09%	0.08%	0.14%	0.07%	0.09%
Total Real Estate (Q1)*	8.27%	0.92%	1.87%	3.30%	3.31%	3.30%	-3.84%	5.92%	7.31%
Real Estate Benchmark(3)		0.28%	0.85%	1.17%	1.82%	1.17%	-5.07%	2.01%	4.71%
Excess Return		0.64%	1.02%	2.13%	1.49%	2.13%	1.24%	3.91%	2.60%
Total Private Equity (Q1)*	12.08%	0.50%	0.56%	2.59%	1.08%	2.59%	3.58%	13.06%	11.39%
Private Equity Benchmark(4)		-5.52%	-4.09%	9.42%	-1.08%	9.42%	10.63%	20.82%	15.36%
Excess Return		6.02%	4.66%	-6.83%	2.15%	-6.83%	-7.05%	-7.76%	-3.97%
Total Private Debt (Q1)*	4.94%	1.69%	1.78%	4.98%	3.19%	4.98%	5.20%	7.23%	5.90%
Private Debt Benchmark(5)		-0.62%	0.98%	8.40%	2.56%	8.40%	7.12%	7.71%	4.62%
Excess Return		2.31%	0.81%	-3.42%	0.63%	-3.42%	-1.92%	-0.48%	1.27%
Total Fund Composite	100.00%	2.63%	5.79%	9.85%	5.78%	9.85%	8.93%	9.46%	7.68%
Total Fund Benchmark(6)		2.10%	5.82%	11.17%	6.23%	11.17%	10.35%	9.47%	8.06%
Excess Return		0.53%	-0.03%	-1.32%	-0.45%	-1.32%	-1.42%	-0.01%	-0.37%

(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 6/30/25, the Total Fund has returned 6.23% versus the Total Fund Custom Benchmark return of 6.62%.

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

Domestic Equity Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2025. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended June 30, 2025									
Composite	Total Fund Weighting As of 6/30/2025	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	29.20%	4.66%	8.83%	12.48%	3.29%	12.48%	16.20%	14.79%	11.24%
<i>Domestic Equity Benchmark(1)</i>		5.08%	10.99%	15.30%	5.75%	15.30%	19.08%	15.41%	13.05%
<i>Excess Return</i>		-0.42%	-2.16%	-2.82%	-2.46%	-2.82%	-2.88%	-0.62%	-1.81%
Large Cap Domestic Equity	17.14%	5.08%	10.94%	15.14%	6.20%	15.14%	19.66%	16.50%	12.75%
<i>S&P 500 Index</i>		5.09%	10.94%	15.16%	6.20%	15.16%	19.71%	16.64%	13.65%
<i>Excess Return</i>		0.00%	0.00%	-0.02%	-0.01%	-0.02%	-0.05%	-0.14%	-0.90%
BlackRock S&P 500	17.14%	5.08%	10.94%	15.14%	6.20%	15.14%	19.66%	16.60%	13.62%
<i>S&P 500 Index</i>		5.09%	10.94%	15.16%	6.20%	15.16%	19.71%	16.64%	13.65%
<i>Excess Return</i>		0.00%	0.00%	-0.02%	-0.01%	-0.02%	-0.05%	-0.04%	-0.03%
Smid Cap Domestic Equity	5.80%	4.56%	6.38%	8.71%	0.19%	8.71%	10.54%	12.21%	7.97%
<i>Russell 2500 Index</i>		4.61%	8.59%	9.91%	0.44%	9.91%	11.31%	11.44%	8.39%
<i>Excess Return</i>		-0.06%	-2.21%	-1.19%	-0.25%	-1.19%	-0.76%	0.77%	-0.42%
AllianceBernstein	3.60%	5.01%	7.74%	6.74%	-1.45%	6.74%	11.20%	11.05%	8.74%
<i>Russell 2500 Index</i>		4.61%	8.59%	9.91%	0.44%	9.91%	11.31%	11.44%	8.39%
<i>Excess Return</i>		0.39%	-0.84%	-3.17%	-1.89%	-3.17%	-0.11%	-0.39%	0.36%
TSW	2.19%	3.83%	4.20%	12.11%	3.01%	12.11%	9.50%	14.30%	6.80%
<i>TSW Blended Benchmark (2)</i>		4.52%	7.29%	10.47%	1.03%	10.47%	10.69%	13.96%	8.29%
<i>Excess Return</i>		-0.69%	-3.09%	1.65%	1.98%	1.65%	-1.19%	0.34%	-1.49%
Small Cap Domestic Equity	6.26%	3.62%	5.56%	8.22%	-1.54%	8.22%	12.01%	12.78%	9.88%
<i>Russell 2000 Index</i>		5.44%	8.50%	7.68%	-1.79%	7.68%	10.00%	10.04%	7.12%
<i>Excess Return</i>		-1.81%	-2.94%	0.54%	0.24%	0.54%	2.01%	2.75%	2.76%
Boston Trust	1.93%	1.12%	0.79%	7.93%	-2.46%	7.93%	9.27%	13.07%	9.95%
<i>Russell 2000 Index</i>		5.44%	8.50%	7.68%	-1.79%	7.68%	10.00%	10.04%	7.12%
<i>Excess Return</i>		-4.32%	-7.71%	0.25%	-0.68%	0.25%	-0.73%	3.04%	2.83%
Segall Bryant & Hamill	2.05%	3.97%	6.91%	3.81%	-2.47%	3.81%	11.57%	11.97%	9.40%
<i>Russell 2000 Index</i>		5.44%	8.50%	7.68%	-1.79%	7.68%	10.00%	10.04%	7.12%
<i>Excess Return</i>		-1.46%	-1.59%	-3.87%	-0.69%	-3.87%	1.57%	1.94%	2.28%
Wellington	2.28%	5.53%	8.70%	11.65%	0.12%	11.65%	14.05%	13.23%	10.20%
<i>Russell 2000 Index</i>		5.44%	8.50%	7.68%	-1.79%	7.68%	10.00%	10.04%	7.12%
<i>Excess Return</i>		0.09%	0.20%	3.97%	1.91%	3.97%	4.06%	3.19%	3.08%

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

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

Non-US Equity Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2025. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended June 30, 2025									
Composite	Total Fund Weighting As of 6/30/2025	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	20.69%	3.26%	12.47%	18.18%	17.13%	18.18%	16.17%	10.50%	6.68%
Non US Equity Benchmark (1)		3.60%	12.71%	17.83%	17.88%	17.83%	14.02%	10.15%	6.13%
Excess Return		-0.34%	-0.24%	0.36%	-0.75%	0.36%	2.14%	0.35%	0.55%
Core Non US Equity	12.99%	3.39%	13.02%	22.49%	21.44%	22.49%	18.38%	12.15%	6.60%
Core Non US Benchmark (2)		3.39%	12.03%	17.72%	17.90%	17.72%	13.99%	10.13%	6.12%
Excess Return		-0.01%	0.99%	4.76%	3.55%	4.76%	4.39%	2.02%	0.48%
Aristotle	3.03%	2.35%	11.29%	19.16%	15.22%	19.16%	14.99%	-	-
MSCI EAFE		2.20%	11.78%	17.73%	19.45%	17.73%	15.97%	-	-
Excess Return		0.15%	-0.49%	1.43%	-4.22%	1.43%	-0.98%	-	-
Artisan Partners	4.03%	4.81%	17.02%	30.66%	27.67%	30.66%	20.69%	11.08%	7.33%
MSCI EAFE		2.20%	11.78%	17.73%	19.45%	17.73%	15.97%	11.16%	6.51%
Excess Return		2.61%	5.25%	12.94%	8.22%	12.94%	4.72%	-0.08%	0.82%
BlackRock SuperFund	1.77%	3.43%	12.14%	17.92%	18.32%	17.92%	-	-	-
MSCI ACWI Ex-US		3.39%	12.03%	17.72%	17.90%	17.72%	-	-	-
Excess Return		0.04%	0.11%	0.20%	0.42%	0.20%	-	-	-
Causeway Capital	4.15%	3.00%	10.66%	21.83%	21.06%	21.83%	20.78%	16.38%	7.53%
MSCI EAFE		2.20%	11.78%	17.73%	19.45%	17.73%	15.97%	11.16%	6.51%
Excess Return		0.79%	-1.12%	4.11%	1.62%	4.11%	4.81%	5.22%	1.02%
Emerging Markets	1.58%	3.67%	11.16%	15.50%	15.38%	15.50%	10.12%	4.63%	3.65%
MSCI EM		6.01%	11.99%	15.29%	15.27%	15.29%	9.70%	6.81%	4.82%
Excess Return		-2.35%	-0.83%	0.22%	0.12%	0.22%	0.42%	-2.18%	-1.17%
Wellington Emerging Markets	1.58%	3.67%	11.16%	15.50%	15.38%	15.50%	9.92%	4.68%	4.21%
MSCI EM		6.01%	11.99%	15.29%	15.27%	15.29%	9.70%	6.81%	4.82%
Excess Return		-2.35%	-0.83%	0.22%	0.12%	0.22%	0.22%	-2.12%	-0.61%
Non US Small Cap	1.28%	5.31%	18.55%	23.93%	23.55%	23.93%	15.65%	8.47%	2.26%
MSCI EAFE Small Cap		4.35%	16.59%	22.46%	20.89%	22.46%	13.30%	9.28%	6.51%
Excess Return		0.97%	1.96%	1.47%	2.66%	1.47%	2.35%	-0.82%	-4.25%
Wellington Int'l Small Cap Research	1.28%	5.31%	18.55%	23.93%	23.55%	23.93%	15.65%	-	-
MSCI EAFE Small Cap		4.35%	16.59%	22.46%	20.89%	22.46%	13.30%	-	-
Excess Return		0.97%	1.96%	1.47%	2.66%	1.47%	2.35%	-	-
Global Equity	4.83%	2.26%	9.95%	7.51%	6.06%	7.51%	14.38%	11.10%	11.03%
MSCI ACWI net		4.49%	11.53%	16.17%	10.05%	16.17%	17.35%	13.65%	9.99%
Excess Return		-2.23%	-1.57%	-8.66%	-3.99%	-8.66%	-2.97%	-2.55%	1.04%
Walter Scott Global Equity	4.83%	2.26%	9.95%	7.51%	6.06%	7.51%	14.38%	11.10%	11.03%
Walter Scott Blended Benchmark (3)		4.49%	11.53%	16.17%	10.05%	16.17%	17.35%	13.65%	9.99%
Excess Return		-2.23%	-1.57%	-8.66%	-3.99%	-8.66%	-2.97%	-2.55%	1.04%

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

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

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

Fixed Income Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2025. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended June 30, 2025									
Composite	Total Fund Weighting As of 6/30/2025	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Fixed Income	23.13%	1.71%	2.18%	7.12%	4.88%	7.12%	3.99%	1.16%	2.68%
<i>Fixed Income Benchmark (1)</i>		1.56%	1.40%	6.51%	4.10%	6.51%	3.28%	-0.15%	2.11%
<i>Excess Return</i>		0.15%	0.78%	0.60%	0.78%	0.60%	0.71%	1.30%	0.57%
BlackRock SIO Bond Fund	2.21%	1.30%	2.62%	7.87%	4.42%	7.87%	5.52%	3.48%	-
<i>BlackRock Custom Benchmark (2)</i>		0.37%	1.09%	4.87%	2.19%	4.87%	4.76%	2.93%	-
<i>Excess Return</i>		0.93%	1.53%	3.01%	2.23%	3.01%	0.77%	0.55%	-
Brandywine Asset Mgmt	1.85%	3.14%	7.65%	10.64%	12.84%	10.64%	2.60%	0.19%	1.55%
<i>Brandywine Custom Benchmark (3)</i>		1.98%	4.80%	8.71%	7.81%	8.71%	1.63%	-2.54%	0.53%
<i>Excess Return</i>		1.16%	2.86%	1.93%	5.03%	1.93%	0.96%	2.74%	1.02%
FIAM (Fidelity) Tactical Bond	3.03%	1.69%	1.70%	6.80%	4.60%	6.80%	4.50%	2.00%	-
<i>Bloomberg Aggregate</i>		1.54%	1.21%	6.08%	4.02%	6.08%	2.55%	-0.73%	-
<i>Excess Return</i>		0.15%	0.49%	0.73%	0.58%	0.73%	1.95%	2.72%	-
Income Research & Management	6.27%	1.53%	1.22%	5.99%	3.90%	5.99%	2.88%	-0.54%	2.22%
<i>Bloomberg Gov/Credit</i>		1.47%	1.22%	5.89%	3.95%	5.89%	2.61%	-0.83%	1.92%
<i>Excess Return</i>		0.06%	0.00%	0.10%	-0.04%	0.10%	0.27%	0.29%	0.30%
Loomis Sayles	2.40%	1.93%	2.83%	9.55%	5.15%	9.55%	6.32%	3.33%	4.31%
<i>Loomis Sayles Custom Benchmark (4)</i>		1.64%	2.02%	7.55%	4.22%	7.55%	5.10%	1.60%	3.06%
<i>Excess Return</i>		0.29%	0.81%	2.00%	0.93%	2.00%	1.22%	1.73%	1.25%
Manulife Strategic Fixed Income	1.75%	1.69%	2.80%	7.29%	4.23%	7.29%	5.20%	2.28%	2.83%
<i>Bloomberg Multiverse</i>		1.92%	4.55%	9.08%	7.30%	9.08%	3.10%	-0.87%	1.36%
<i>Excess Return</i>		-0.22%	-1.75%	-1.79%	-3.07%	-1.79%	2.10%	3.15%	1.47%
Mellon US Agg Bond Index	5.63%	1.54%	1.20%	6.01%	4.02%	6.01%	-	-	-
<i>Bloomberg Aggregate Bond Index</i>		1.54%	1.21%	6.08%	4.02%	6.08%	-	-	-
<i>Excess Return</i>		0.00%	-0.01%	-0.07%	0.00%	-0.07%	-	-	-
Total Cash	1.69%	0.37%	1.10%	4.76%	2.16%	4.76%	4.69%	2.84%	2.07%
<i>3-month Treasury Bill</i>		0.33%	1.04%	4.68%	2.07%	4.68%	4.56%	2.76%	1.98%
<i>Excess Return</i>		0.04%	0.06%	0.08%	0.09%	0.08%	0.14%	0.07%	0.09%
Total Marketable Assets	74.71%	3.25%	7.48%	12.34%	7.06%	12.34%	12.45%	9.41%	7.43%
<i>Total Marketable Index (5)</i>		3.54%	8.16%	12.79%	7.97%	12.79%	12.37%	8.79%	7.69%
<i>Excess Return</i>		-0.29%	-0.68%	-0.45%	-0.91%	-0.45%	0.07%	0.62%	-0.26%

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

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

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

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

(5) Marketable Assets Index is 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

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2025. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended June 30, 2025

Composite	Total Fund Weighting As of 6/30/2025	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q1)* (5)	8.27%	0.92%	1.87%	3.30%	3.31%	3.30%	-3.84%	5.92%	7.31%
<i>Real Estate Benchmark (1)</i>		0.28%	0.85%	1.17%	1.82%	1.17%	-5.07%	2.01%	4.71%
<i>Excess Return</i>		0.64%	1.02%	2.13%	1.49%	2.13%	1.24%	3.91%	2.60%
Strategic Core Real Estate (Q1)*	4.55%	1.12%	1.32%	3.54%	3.42%	3.54%	-6.02%	3.91%	5.95%
<i>Real Estate Benchmark (1)</i>		0.28%	0.85%	1.17%	1.82%	1.17%	-5.07%	2.01%	4.71%
<i>Excess Return</i>		0.83%	0.46%	2.36%	1.60%	2.36%	-0.95%	1.90%	1.24%
Tactical Non-Core Real Estate (Q1)*	3.71%	0.68%	2.58%	2.99%	3.16%	2.99%	0.04%	9.39%	9.67%
<i>Real Estate Benchmark (1)</i>		0.28%	0.85%	1.17%	1.82%	1.17%	-5.07%	2.01%	4.71%
<i>Excess Return</i>		0.39%	1.73%	1.82%	1.33%	1.82%	5.12%	7.38%	4.96%
Total Alternative Assets (Q1)*	17.02%	0.84%	0.90%	3.25%	1.66%	3.25%	4.01%	11.29%	8.87%
<i>Alternative Assets Benchmark (2)</i>		-3.88%	-2.40%	9.21%	0.20%	9.21%	9.64%	16.56%	10.83%
<i>Excess Return</i>		4.72%	3.30%	-5.97%	1.46%	-5.97%	-5.63%	-5.26%	-1.96%
Total Private Equity (Q1)*	12.08%	0.50%	0.56%	2.59%	1.08%	2.59%	3.58%	13.06%	11.39%
<i>Private Equity Benchmark (3)</i>		-5.52%	-4.09%	9.42%	-1.08%	9.42%	10.63%	20.82%	15.36%
<i>Excess Return</i>		6.02%	4.66%	-6.83%	2.15%	-6.83%	-7.05%	-7.76%	-3.97%
Total Private Debt (Q1)*	4.94%	1.69%	1.78%	4.98%	3.19%	4.98%	5.20%	7.23%	5.90%
<i>Private Debt Benchmark (4)</i>		-0.62%	0.98%	8.40%	2.56%	8.40%	7.12%	7.71%	4.62%
<i>Excess Return</i>		2.31%	0.81%	-3.42%	0.63%	-3.42%	-1.92%	-0.48%	1.27%

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

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

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

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

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

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

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2025, with the distribution as of May 31, 2025. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	June 30, 2025		Net New Inv.	Inv. Return	May 31, 2025	
	Market Value	Weight			Market Value	Weight
Global Equity	\$6,625,090,401	49.88%	\$207,531	\$260,316,245	\$6,364,566,626	49.15%
Total Domestic Equity	\$3,877,504,188	29.20%	\$0	\$173,499,889	\$3,704,004,298	28.60%
Large Cap Domestic Equity	\$2,275,861,689	17.14%	\$0	\$110,146,900	\$2,165,714,789	16.72%
Blackrock S&P 500	2,275,861,689	17.14%	0	110,146,900	2,165,714,789	16.72%
SMid Cap Domestic Equity	\$769,801,209	5.80%	\$0	\$33,874,953	\$735,926,256	5.68%
AllianceBernstein	478,524,410	3.60%	0	23,003,708	455,520,702	3.52%
TSW	291,276,799	2.19%	0	10,871,245	280,405,554	2.17%
Small Cap Domestic Equity	\$831,841,290	6.26%	\$0	\$29,478,036	\$802,363,254	6.20%
Boston Trust	256,657,100	1.93%	0	2,908,422	253,748,678	1.96%
Segall Bryant & Hamill	272,607,958	2.05%	0	10,558,596	262,049,362	2.02%
Wellington	302,576,233	2.28%	0	16,011,019	286,565,213	2.21%
Total Non US Equity	\$2,747,586,214	20.69%	\$207,531	\$86,816,356	\$2,660,562,327	20.55%
Core Non US Equity (1)	\$1,725,807,578	12.99%	\$207,531	\$56,134,150	\$1,669,465,897	12.89%
Aristotle	402,067,816	3.03%	187,812,059	6,476,728	207,779,029	1.60%
Artisan Partners	534,870,631	4.03%	0	24,741,165	510,129,466	3.94%
BlackRock Superfund	235,282,060	1.77%	0	7,815,212	227,466,848	1.76%
Causeway Capital	550,746,821	4.15%	0	16,231,188	534,515,633	4.13%
Lazard	1,470,755	0.01%	(188,555,742)	349,088	189,677,409	1.46%
Emerging Markets	\$209,753,678	1.58%	\$0	\$7,576,138	\$202,177,540	1.56%
Wellington Emerging Markets	209,753,678	1.58%	0	7,576,138	202,177,540	1.56%
Non US Small Cap	\$170,507,794	1.28%	\$0	\$8,691,883	\$161,815,911	1.25%
Wellington Int'l Small Cap Research	170,507,794	1.28%	0	8,691,883	161,815,911	1.25%
World Equity	\$641,517,164	4.83%	\$0	\$14,414,184	\$627,102,980	4.84%
Walter Scott Global Equity	641,517,164	4.83%	0	14,414,184	627,102,980	4.84%
Total Fixed Income	\$3,072,517,962	23.13%	\$0	\$52,178,313	\$3,020,339,648	23.32%
BlackRock SIO Bond Fund	293,494,170	2.21%	0	3,875,659	289,618,511	2.24%
Brandywine Asset Mgmt	246,331,465	1.85%	0	7,553,233	238,778,232	1.84%
FIAM (Fidelity) Tactical Bond	402,222,459	3.03%	0	6,766,368	395,456,090	3.05%
Income Research & Management	832,952,912	6.27%	0	12,612,097	820,340,815	6.33%
Loomis Sayles	318,303,837	2.40%	0	6,112,103	312,191,734	2.41%
Manulife Strategic Fixed Income	232,113,870	1.75%	0	3,916,815	228,197,055	1.76%
Mellon US Agg Bond Index	747,099,250	5.63%	0	11,342,039	735,757,211	5.68%
Total Cash	\$224,806,348	1.69%	\$21,086,671	\$772,641	\$202,947,037	1.57%
Total Marketable Assets	\$9,922,414,711	74.71%	\$21,294,201	\$313,267,199	\$9,587,853,311	74.04%
Total Real Estate	\$1,097,923,270	8.27%	\$352,818	\$12,488,326	\$1,085,082,126	8.38%
Strategic Core Real Estate	604,674,958	4.55%	(2,180,963)	7,349,497	599,506,424	4.63%
Tactical Non-Core Real Estate	493,248,312	3.71%	2,945,503	4,727,108	485,575,701	3.75%
Total Alternative Assets	\$2,260,767,695	17.02%	\$(40,986,294)	\$24,967,648	\$2,276,786,341	17.58%
Private Equity	1,604,782,074	12.08%	(42,784,657)	10,226,428	1,637,340,303	12.64%
Private Debt	655,985,620	4.94%	1,798,362	14,741,220	639,446,038	4.94%
Total Fund Composite	\$13,281,105,676	100.0%	\$(19,339,275)	\$350,723,173	\$12,949,721,778	100.0%

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

(1) Includes \$553,516 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

New Hampshire Retirement System Target History

30-Jun-2024 - 30-Jun-2025		
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	Bloomberg HY Corporate+1.00%	2.50%
Other Alternatives	Morningstar LSTA Leveraged Loan 100+1.00%	2.50%
		100.00%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

New Hampshire Retirement System Target History

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

New Hampshire Retirement System Target History

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

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

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

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

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

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

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

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

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

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

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

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

From 7/1/2019 to 7/1/2022: 66.7% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leveraged 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 Leveraged 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 Leveraged 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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Past performance is no guarantee of future results.



NHRS

New Hampshire Retirement System

Independent Investment Committee's Quarterly Report to the Board August 12, 2025



NHRS

New Hampshire Retirement System

Discussion Topics

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

Key Observations

NHRS Pension Plan

Asset Allocation and Portfolio Structure

- Overall, the Fund's asset allocation was within the permissible Policy ranges at quarter-end. The Fund's allocation to defensive positions, including fixed income and cash, represented 23.3% of total assets. The fixed income allocation was 21.9%, below the policy's 25% target but within the policy's 20%-30% range. The Fund had an overweight to alternatives relative to target, and underweight positions to real estate and global equity.

Investment Performance

- The Fund had a gross return of 0.10% over the third quarter of Fiscal Year 2025, underperforming the market benchmark return of 0.39% and ranking in the 84th percentile of its peers. On a net-of-fees basis, the Fund returned -0.01%.
 - The Alternative Assets, Fixed Income and Global Equity portfolios detracted most from relative performance over the quarter. The Fund's underweight to Fixed Income and overweight to Global Equity also detracted from performance. By definition, the Alternative Assets portfolio will not keep up with the benchmark during high momentum markets given the benchmark proxies that are used to measure the performance of this component of the portfolio.
 - By contrast, the Real Estate portfolio contributed to 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 32% of peers for the trailing 10-year period. However, over the last 25 years, the Fund's legacy performance ranked in the 65th percentile of peers. The NHRS Investment Team is working diligently to continue to improve performance results going forward.
- The Fund exhibits attractive risk-adjusted performance, as measured by the Sharpe Ratio over the last five years. In addition, relative risk-adjusted scores, as measured by the Excess Return Ratio, are also strong. Both of these ratios ranked in the top 41% of peers.

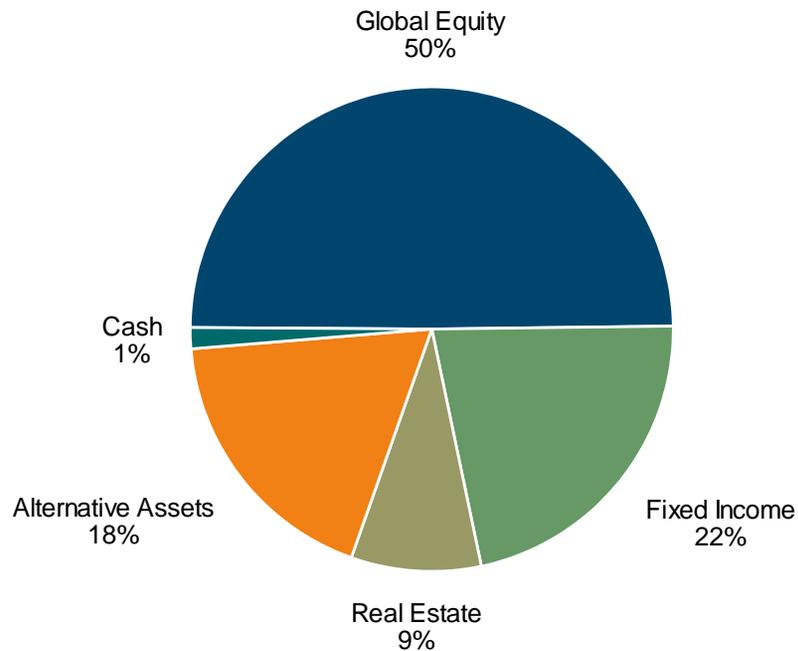
Other Developments

- Callan and the NHRS Investment Team are working closely to implement the recently approved asset allocation strategy.

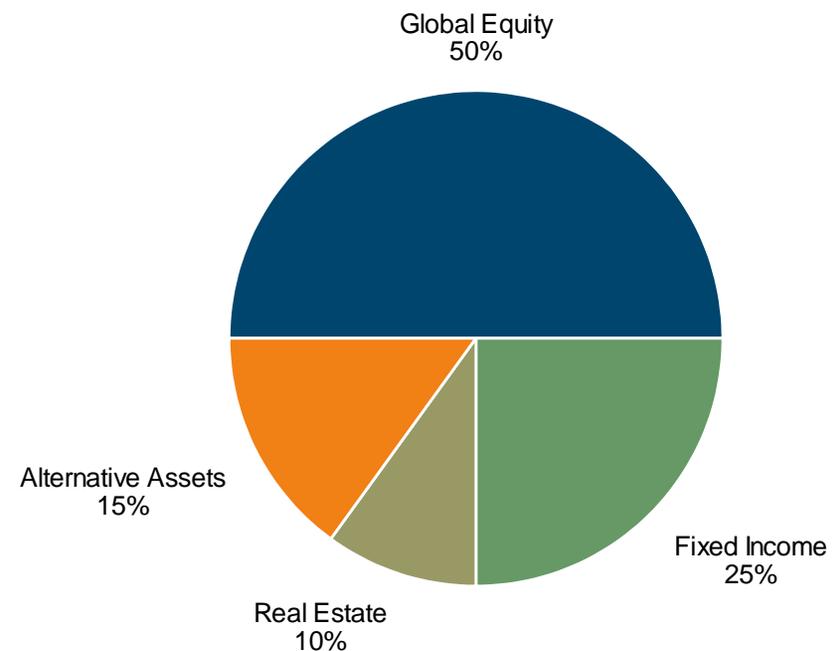
Total Fund

Actual Asset Allocation vs. Target as of March 31, 2025

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$Millions Actual	Weight Actual	Target	Percent Difference	\$Millions Difference
Global Equity	6,251	49.7%	50.0%	(0.3%)	(39)
Fixed Income	2,756	21.9%	25.0%	(3.1%)	(389)
Real Estate	1,099	8.7%	10.0%	(1.3%)	(159)
Alternative Assets	2,302	18.3%	15.0%	3.3%	415
Cash	173	1.4%	0.0%	1.4%	173
Total	12,581	100.0%	100.0%		

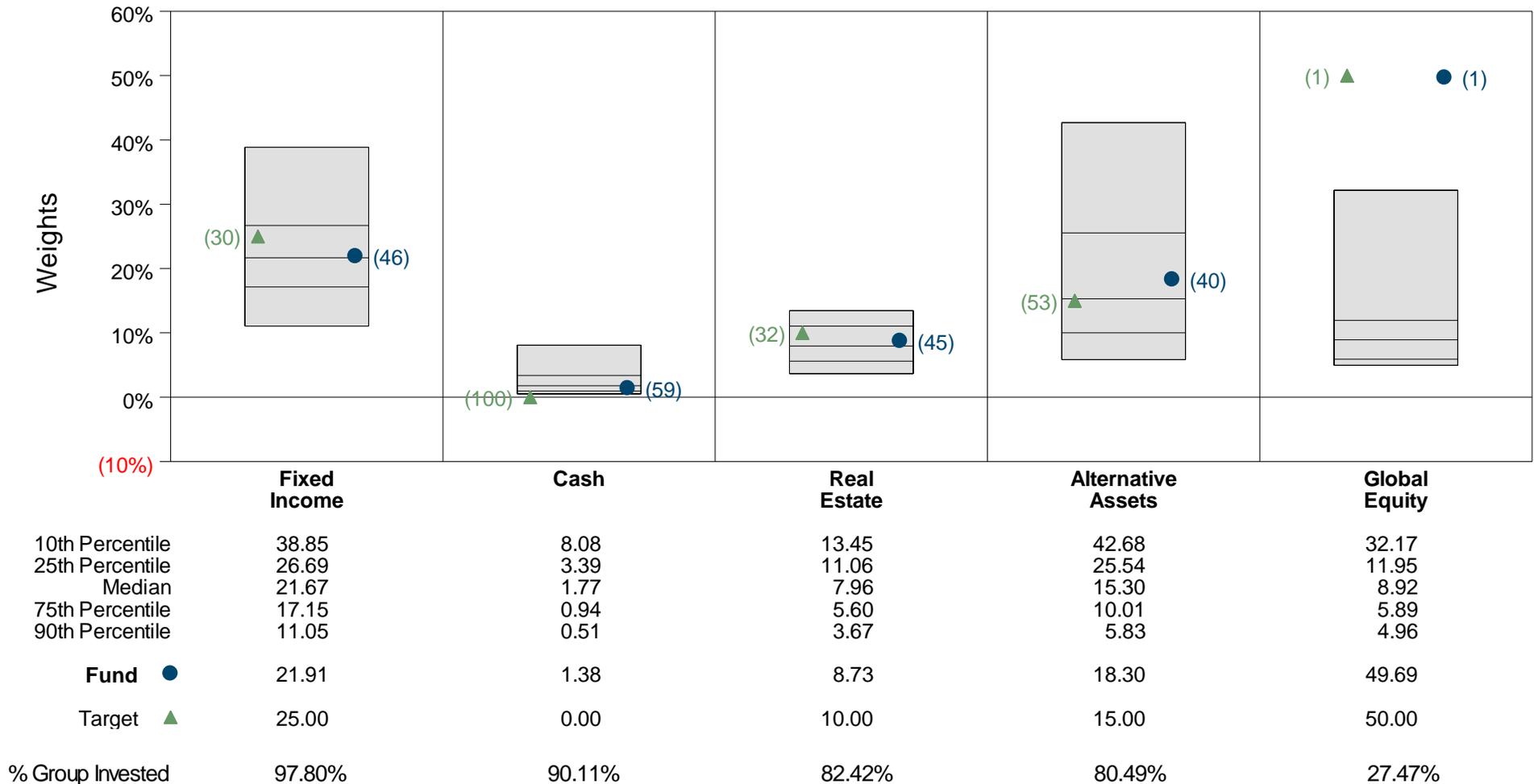
*Current Quarter Target = 50.0% MSCI ACWI IMI, 25.0% Bloomberg Universal, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

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

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>\$1B) Peer Group, as of March 31, 2025

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

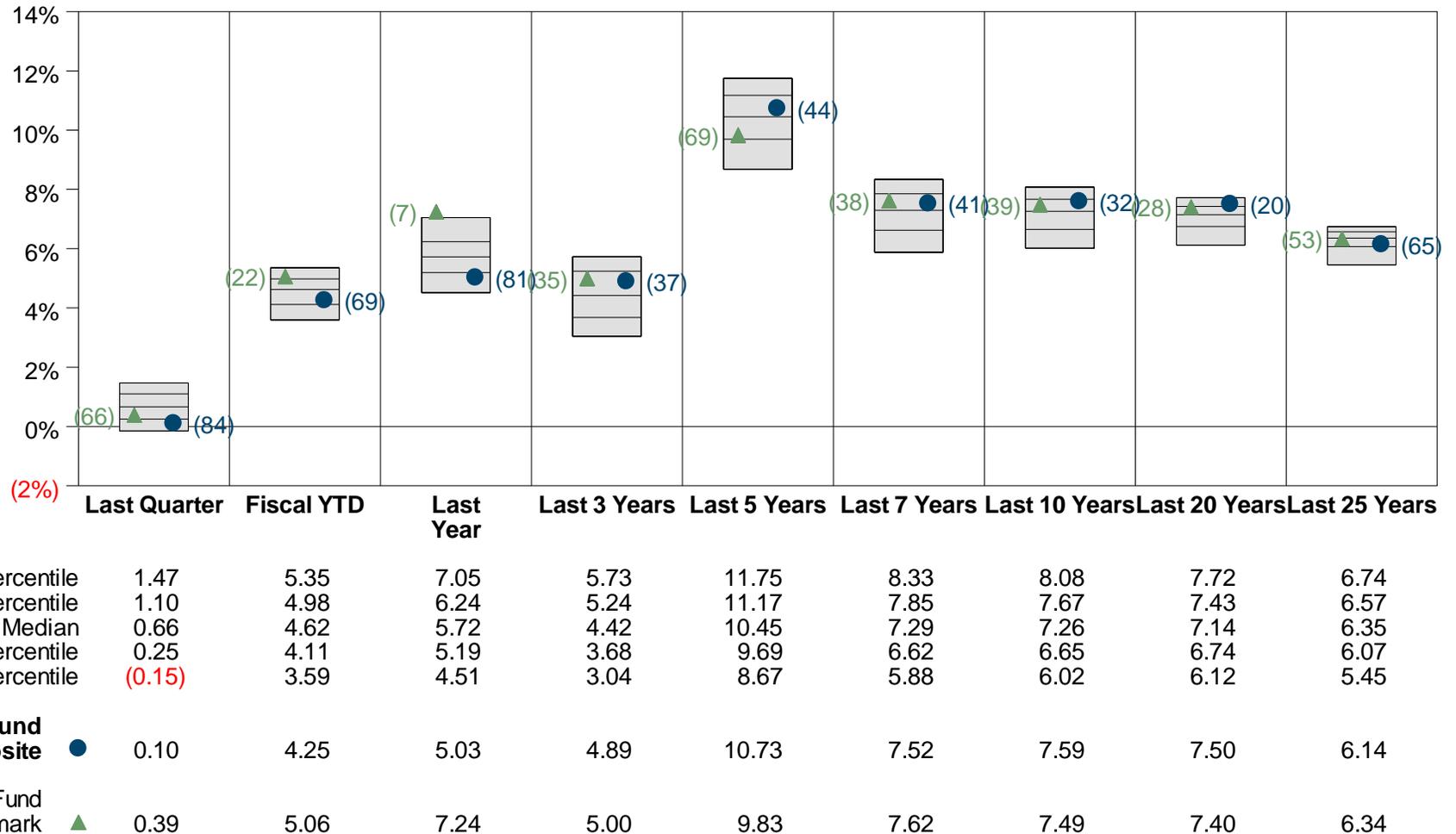


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Total Fund Performance – Gross of Investment Management Fees

Performance vs. Large Public DB Plan (>\$1B) Peers, as of March 31, 2025

Performance vs Callan Public Fund Large DB (Gross)



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

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

INVESTMENT EXPENSES BY ASSET CLASS

Investment activity fees and other related expenses:

For the Quarter and Fiscal Year to Date through 3/31/2025 (in thousands)

	Assets Under Management	Fees (Quarter)	Fees (FYTD)
Equity Investments			
Domestic (U.S.)	4,184,402	2,840	9,255
Non-U.S.	2,066,999	2,456	7,387
Fixed Income Investments	2,756,000	1,241	4,366
Alternative Investments	2,301,748	4,311	19,038
Real Estate Investments	1,098,859	2,824	8,671
Cash	173,044		
Subtotal Gross Investment Mgt Fees		13,673	48,716
Custodial Fees		176	352
Brokerage Fees		663	1,889
Investment Advisor Fees		163	488
Investment Professional Fees		117	474
Investment Staff Administrative Expense		260	818
Subtotal Investment Servicing Fees		1,378	4,020
TOTAL GROSS INVESTMENT EXPENSES	12,581,051	15,051	52,736

Notes:

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

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

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

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

DEFINITION OF ASSET CLASSES

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

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

Fixed Income: The investment in fixed income will serve to reduce volatility experienced in the equity markets, as well as offer an opportunity for return enhancement by investment in selected securities (for example, investment grade corporates and high yield).

A portion of the fixed income allocation is expected to be invested in Treasury or other government-related issues, which will serve to reduce risk within the portfolio.

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

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

Callan



June 3, 2025

New Hampshire Retirement System – Defined Benefit Plan

First Quarter 2025

Executive Summary

Angel G. Haddad

Senior Vice President, Fund Sponsor Consulting

Britton M. Murdoch

Senior Vice President, Fund Sponsor Consulting

Important Disclosures regarding the use of this document are included at the end of this document. These disclosures are an integral part of this document and should be considered by the user.

U.S. Equity Markets Down Sharply in 1Q25

Non-U.S. markets are up for 1Q, showing diversification

S&P 500 fell 4.3% in 1Q25

- U.S. small caps fell by 9.5% as markets reacted to tariff policy uncertainty: timing, size, countries, sectors.

Stronger 1Q for core fixed income

- The Bloomberg Aggregate rose 2.8%. Long duration saw an even greater increase in a nascent flight to quality.
- Interest rates remain volatile as the markets assess how the Fed will continue with easing.
- CPI-U came in at 2.4% (year-over-year) through March, down 50 bps from 4Q, although the core figure rose 3.8%. Energy pulled down the total headline number.

Solid economic growth in 2024

- The job market expanded and real incomes grew. 4Q GDP came in at 2.4%, and 2.8% for the year, but fell 0.3% in 1Q25.

Returns for Periods ended 3/31/25

	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	-4.72	7.22	8.22	18.18	11.80	7.44
S&P 500	-4.27	8.25	9.06	18.59	12.50	7.41
Russell 2000	-9.48	-4.01	0.52	13.27	6.30	6.83
Global ex-U.S. Equity						
MSCI World ex USA	6.20	5.30	5.70	12.16	5.50	4.01
MSCI Emerging Markets	2.93	8.09	1.44	7.94	3.71	--
MSCI ACWI ex USA Small Cap	0.64	1.87	0.99	11.84	5.32	6.09
Fixed Income						
Bloomberg Aggregate	2.78	4.88	0.52	-0.40	1.46	3.96
90-day T-Bill	1.02	4.97	4.23	2.56	1.87	1.90
Bloomberg Long Gov/Credit	3.57	1.72	-4.51	-3.74	1.01	5.28
Bloomberg Global Agg ex-US	2.53	1.46	-3.47	-2.35	-0.18	2.62
Real Estate						
NCREIF Property Index	1.28	2.72	-2.11	3.25	5.42	7.54
FTSE Nareit Equity	0.91	9.94	-0.61	11.34	5.33	9.78
Alternatives						
Cambridge Private Equity*	2.68	7.93	2.75	14.27	13.40	12.39
Cambridge Senior Debt*	3.35	10.18	7.08	7.89	7.31	4.59
HFRI Fund Weighted	-0.49	4.57	4.56	9.53	4.97	5.23
Bloomberg Commodity	8.88	12.28	-0.77	14.51	2.77	2.17
Gold Spot Price	19.28	40.74	17.26	14.56	10.29	10.14
Inflation: CPI-U	1.33	2.39	3.61	4.38	3.08	2.53

*Cambridge Private Equity and Cambridge Senior Debt data as of 9/30/24. 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 23.3% of total assets. The fixed income allocation was 21.9%, below the policy's 25% target but within the policy's 20%-30% range. The Fund had an overweight to alternatives relative to target, and underweight positions to real estate and global equity.

Investment Performance

- The Fund had a gross return of 0.10% over the third quarter of Fiscal Year 2025, underperforming the market benchmark return of 0.39% and ranking in the 84th percentile of its peers. On a net-of-fees basis, the Fund returned -0.01%.
 - The Alternative Assets, Fixed Income and Global Equity portfolios detracted most from relative performance over the quarter. The Fund's underweight to Fixed Income and overweight to Global Equity also detracted from performance. By definition, the Alternative Assets portfolio will not keep up with the benchmark during high momentum markets given the benchmark proxies that are used to measure the performance of this component of the portfolio.
 - By contrast, the Real Estate portfolio contributed to 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 32% of peers for the trailing 10-year period. However, over the last 25 years, the Fund's legacy performance ranked in the 65th percentile of peers. The NHRS Investment Team is working diligently to continue to improve performance results going forward.
- The Fund exhibits attractive risk-adjusted performance, as measured by the Sharpe Ratio over the last five years. In addition, relative risk-adjusted scores, as measured by the Excess Return Ratio, are also strong. Both of these ratios ranked in the top 41% of peers.

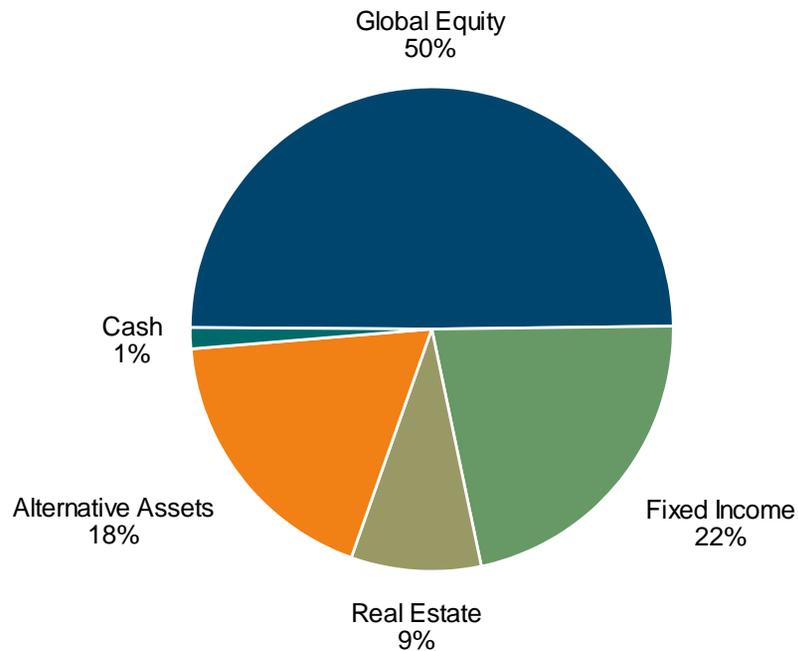
Other Developments

- Callan and the NHRS Investment Team are working closely to implement the recently approved asset allocation strategy.

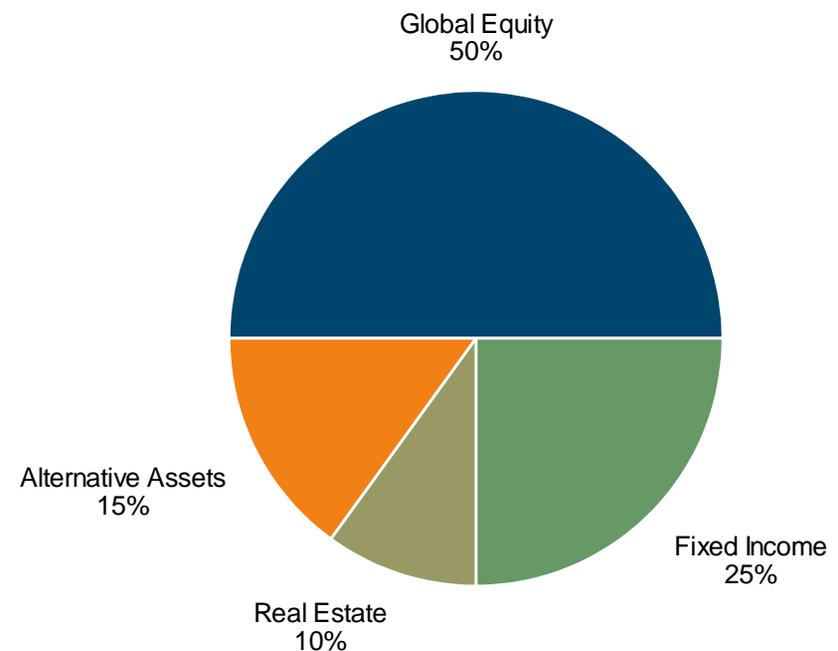
Total Fund

Actual Asset Allocation vs. Target as of March 31, 2025

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$Millions Actual	Weight Actual	Target	Percent Difference	\$Millions Difference
Global Equity	6,251	49.7%	50.0%	(0.3%)	(39)
Fixed Income	2,756	21.9%	25.0%	(3.1%)	(389)
Real Estate	1,099	8.7%	10.0%	(1.3%)	(159)
Alternative Assets	2,302	18.3%	15.0%	3.3%	415
Cash	173	1.4%	0.0%	1.4%	173
Total	12,581	100.0%	100.0%		

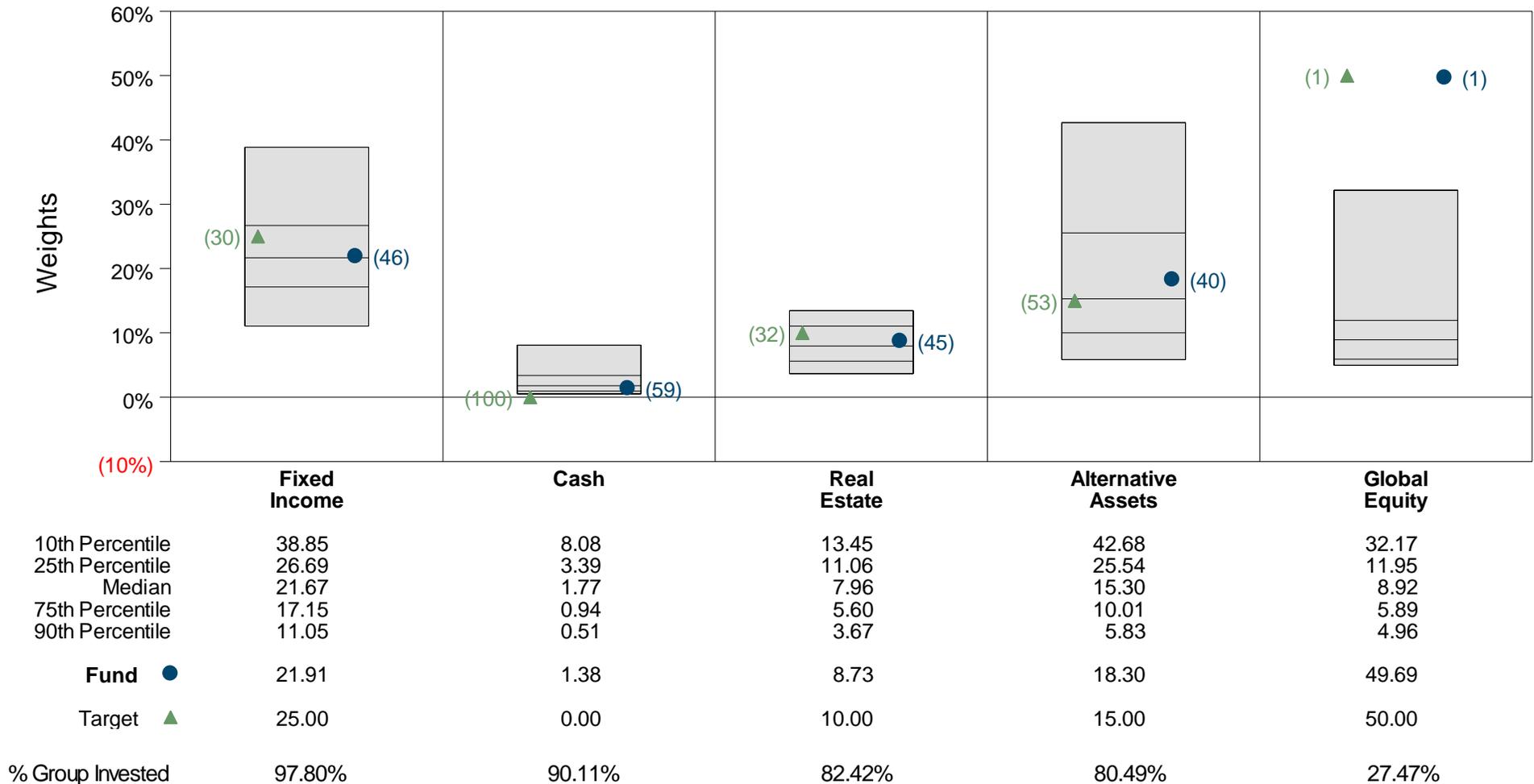
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**The United States equity portion of the Walter Scott Global Equity fund is allocated to the Domestic Equity composite.

Total Fund

Actual Asset Allocation vs. Large Public DB Plan (>\$1B) Peer Group, as of March 31, 2025

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



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

Total Fund

Market Values

	March 31, 2025			December 31, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Global Equity	\$6,251,400,856	49.69%	\$(19,228)	\$(101,739,761)	\$6,353,159,845	50.41%
Total Domestic Equity	\$3,809,980,330	30.28%	\$0	\$(201,792,622)	\$4,011,772,952	31.83%
Large Cap Domestic Equity	\$2,300,443,493	18.28%	\$0	\$(102,656,285)	\$2,403,099,778	19.07%
Blackrock S&P 500	2,300,443,493	18.28%	0	(102,656,285)	2,403,099,778	19.07%
SMid Cap Domestic Equity	\$722,684,825	5.74%	\$0	\$(43,580,241)	\$766,265,066	6.08%
AllianceBernstein	443,570,728	3.53%	0	(40,748,640)	484,319,368	3.84%
TSW	279,114,097	2.22%	0	(2,831,601)	281,945,698	2.24%
Small Cap Domestic Equity	\$786,852,012	6.25%	\$0	\$(55,556,096)	\$842,408,108	6.68%
Boston Trust	254,417,346	2.02%	0	(8,245,811)	262,663,157	2.08%
Segall Bryant & Hamill	254,555,738	2.02%	0	(24,020,768)	278,576,506	2.21%
Wellington	277,878,929	2.21%	0	(23,289,516)	301,168,445	2.39%
Total Non US Equity *	\$2,441,420,526	19.41%	\$(19,228)	\$100,052,861	\$2,341,386,892	18.58%
Core Non US Equity *	\$1,526,742,603	12.14%	\$(19,228)	\$107,464,375	\$1,419,297,456	11.26%
Aristotle	190,965,098	1.52%	0	6,704,067	184,261,031	1.46%
Artisan Partners	456,556,818	3.63%	(6,833)	38,645,849	417,917,802	3.32%
BlackRock Superfund	209,795,044	1.67%	0	10,981,893	198,813,151	1.58%
Causeway Capital	497,098,181	3.95%	0	43,285,477	453,812,704	3.60%
Lazard	171,818,104	1.37%	0	7,813,623	164,004,481	1.30%
Emerging Markets	\$188,244,497	1.50%	\$0	\$7,326,551	\$180,917,946	1.44%
Wellington Emerging Markets	188,244,497	1.50%	0	7,326,551	180,917,946	1.44%
Non US Small Cap	\$143,585,079	1.14%	\$0	\$6,046,206	\$137,538,873	1.09%
Wellington Int'l Small Cap Research	143,585,079	1.14%	0	6,046,206	137,538,873	1.09%
World Equity	\$582,848,347	4.63%	\$0	\$(20,784,271)	\$603,632,618	4.79%
Walter Scott Global Equity	582,848,347	4.63%	0	(20,784,271)	603,632,618	4.79%

*Includes \$509,356 in legacy assets that are not actively managed and in liquidation following the termination of Fisher

Total Fund

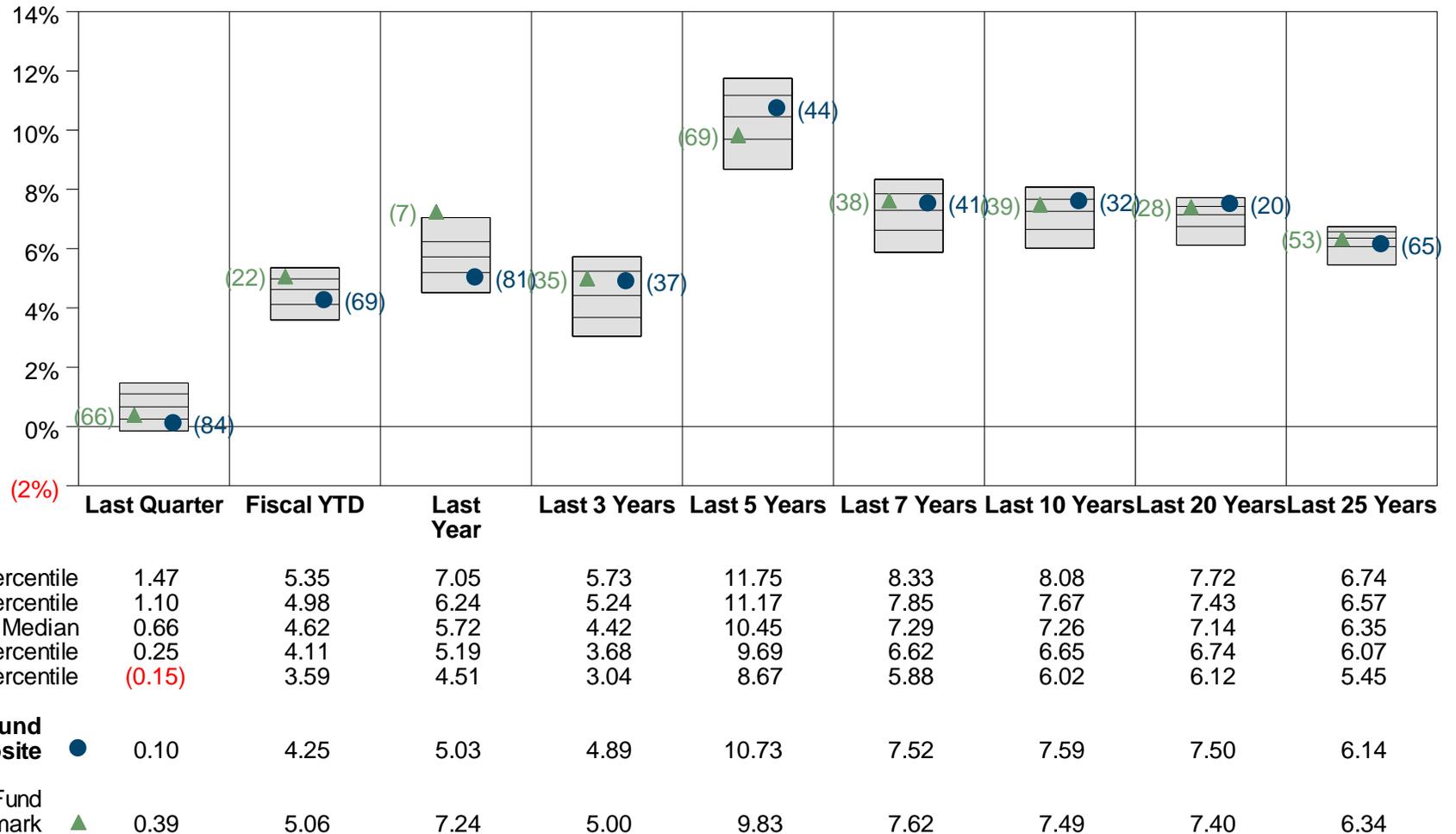
Market Values

	March 31, 2025			December 31, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Fixed Income	\$2,755,999,694	21.91%	\$0	\$72,324,588	\$2,683,675,107	21.29%
BlackRock SIO Bond Fund	285,661,589	2.27%	0	5,249,154	280,412,435	2.22%
Brandywine Asset Mgmt	228,654,286	1.82%	0	10,650,310	218,003,975	1.73%
FIAM (Fidelity) Tactical Bond	395,205,485	3.14%	0	11,277,265	383,928,220	3.05%
Income Research & Management	822,624,095	6.54%	0	21,576,289	801,047,806	6.36%
Loomis Sayles	309,309,694	2.46%	0	7,064,314	302,245,379	2.40%
Manulife Strategic Fixed Income	225,642,610	1.79%	0	3,235,630	222,406,981	1.76%
Mellon US Agg Bond Index	488,901,935	3.89%	0	13,271,625	475,630,310	3.77%
Total Cash	\$173,044,296	1.38%	\$(46,501,566)	\$2,287,521	\$217,258,340	1.72%
Total Marketable Assets	\$9,180,444,846	72.97%	\$(46,520,793)	\$(27,127,652)	\$9,254,093,292	73.43%
Total Real Estate	\$1,098,858,666	8.73%	\$(26,448,912)	\$18,448,563	\$1,106,859,014	8.78%
Strategic Core Real Estate	622,617,474	4.95%	(19,012,245)	13,170,147	628,459,573	4.99%
Tactical Non-Core Real Estate	476,241,191	3.79%	(6,606,522)	4,448,273	478,399,440	3.80%
Total Alternative Assets	\$2,301,747,910	18.30%	\$37,414,257	\$22,014,420	\$2,242,319,233	17.79%
Private Equity	1,672,148,369	13.29%	(19,206,851)	10,689,335	1,680,665,885	13.34%
Private Debt	629,599,541	5.00%	56,621,108	11,325,086	561,653,348	4.46%
Total Fund Composite	\$12,581,051,422	100.00%	\$(35,555,449)	\$13,335,332	\$12,603,271,539	100.00%

Total Fund Performance – Gross of Investment Management Fees

Performance vs. Large Public DB Plan (>\$1B) Peers, as of March 31, 2025

Performance vs Callan Public Fund Large DB (Gross)



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

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

Total Fund Performance – Gross of Investment Management Fees

Five-Year Risk/Return Analysis as of March 31, 2025

Five Year Annualized Risk vs Return



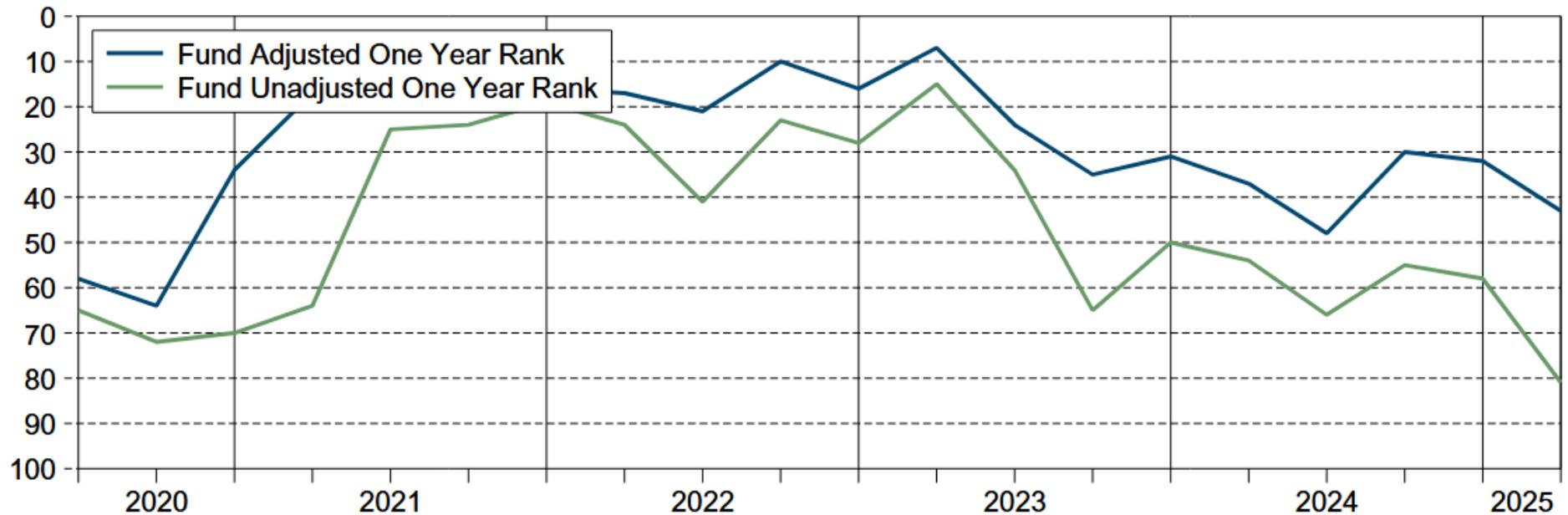
Squares represent membership of the Callan Public Fund Spons - Large (>1B)

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

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

Total Fund Performance – Gross of Investment Management Fees

Rolling One Year Ranking vs. Callan Public Fund (>\$1B) Peer Group, as of March 31, 2025

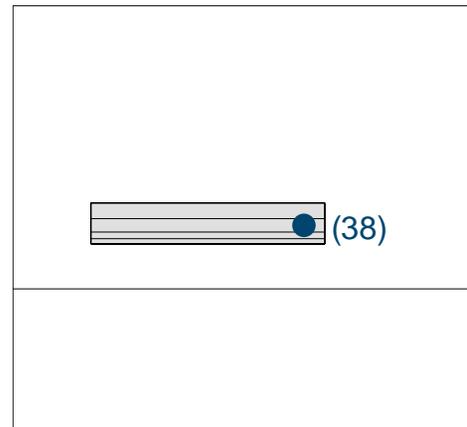


- This exhibit captures the Fund’s ranking versus peers, observing rolling 1-year performance from 2020 to March 31, 2025
- Since total portfolio rankings are driven by the Fund’s unique asset allocation profile, we are showing both an “Adjusted” output and an “Unadjusted” output. The former forces the 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
- Rankings are favorable over most time periods

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

Total Fund Performance – Gross of Investment Management Fees

Five-Year Sharpe Ratio, as of March 31, 2025



Sharpe Ratio

10th Percentile	1.21
25th Percentile	0.99
Median	0.80
75th Percentile	0.71
90th Percentile	0.63
Total Fund Composite ●	0.89

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

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

Total Fund Performance – Net of Investment Management Fees

Trailing Quarter Attribution Analysis vs. Policy Benchmark, as of March 31, 2025

Relative Attribution Effects for Quarter ended March 31, 2025

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Global Equity	51%	50%	(1.68%)	(1.61%)	(0.04%)	(0.03%)	(0.07%)
Total Fixed Income	21%	25%	2.64%	2.66%	(0.00%)	(0.08%)	(0.09%)
Total Real Estate	9%	10%	1.41%	0.96%	0.04%	(0.01%)	0.03%
Total Alternative Assets	18%	15%	0.75%	2.66%	(0.32%)	0.05%	(0.27%)
Total Cash	2%	0%	1.05%	1.05%	0.00%	0.00%	0.00%
Total			(0.01%)	= 0.39%	+ (0.33%)	+ (0.07%)	(0.40%)

What helped relative performance?

- Strong relative performance from the real estate portfolio
- An overweight to alternatives relative to target

What hurt relative performance?

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

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

Callan

Appendix

Investment Manager Returns – Net of Investment Management Fees

As of March 31, 2025

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Net of Fees					
Global Equity	(1.68%)	4.17%	-	-	-
MSCI ACWI IMI	(1.61%)	3.83%	6.30%	6.31%	15.02%
Total Domestic Equity	(5.08%)	3.36%	4.68%	6.62%	17.39%
Domestic Equity Benchmark (1)	(4.72%)	3.88%	7.22%	8.22%	17.34%
Secondary Domestic Equity Bmk (6)	(5.97%)	2.53%	3.57%	5.99%	16.94%
Large Cap Domestic Equity	(4.27%)	3.79%	8.31%	9.03%	18.36%
S&P 500 Index	(4.27%)	3.80%	8.25%	9.06%	18.59%
Blackrock S&P 500	(4.27%)	3.79%	8.31%	9.03%	18.54%
SMid Cap Domestic Equity	(5.81%)	2.20%	(2.19%)	2.41%	15.87%
Russell 2500 Index	(7.50%)	1.22%	(3.11%)	1.78%	14.91%
AllianceBernstein	(8.53%)	(0.93%)	(5.41%)	1.19%	14.99%
TSW	(1.15%)	7.59%	3.41%	4.47%	17.34%
TSW Blended Benchmark (2)	(5.83%)	2.96%	(1.47%)	2.27%	16.65%
Small Cap Domestic Equity	(6.73%)	2.52%	0.85%	3.83%	16.49%
Russell 2000 Index	(9.48%)	(0.75%)	(4.01%)	0.52%	13.27%
Boston Trust	(3.23%)	7.09%	3.79%	4.98%	16.23%
Segall Bryant & Hamill	(8.78%)	(2.90%)	(4.02%)	3.03%	15.31%
Wellington	(7.89%)	2.72%	1.58%	3.47%	17.22%
Total Non US Equity	4.15%	5.08%	4.85%	6.52%	11.46%
Non US Equity Benchmark (3)	4.59%	4.54%	5.54%	4.30%	10.80%
Core Non US Equity	7.46%	8.38%	8.05%	8.60%	12.89%
Core Non US Benchmark (4)	5.23%	5.08%	6.09%	4.48%	10.92%
Aristotle	3.53%	7.07%	6.13%	4.76%	-
Artisan Partners	9.10%	11.66%	10.25%	8.97%	11.14%
BlackRock Superfund	5.51%	5.16%	6.36%	-	-
Causeway Capital	9.40%	10.10%	11.53%	12.70%	18.13%
Lazard	4.64%	1.09%	(2.07%)	3.37%	-
Emerging Markets	3.80%	3.91%	6.70%	2.88%	6.38%
MSCI EM	2.93%	2.95%	8.09%	1.44%	7.94%
Wellington Emerging Markets	3.80%	3.91%	6.70%	2.98%	7.00%
Non US Small Cap	4.22%	4.54%	0.96%	2.05%	7.93%
Wellington Int'l Small Cap Research	4.22%	4.54%	0.96%	2.05%	-
MSCI EAFE Small Cap	3.69%	5.04%	3.10%	0.88%	9.89%
World Equity	(3.54%)	(2.22%)	(2.35%)	4.66%	12.36%
MSCI ACWI net	(1.32%)	4.16%	7.15%	6.91%	15.18%
Walter Scott Global Equity	(3.54%)	(2.22%)	(2.35%)	4.66%	12.36%
Walter Scott Blended Benchmark (5)	(1.32%)	4.16%	7.15%	6.91%	15.18%

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

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

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

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

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

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

Investment Manager Returns – Net of Investment Management Fees

As of March 31, 2025

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	
Net of Fees						
Total Fixed Income	2.64%	4.83%	4.80%	0.98%	2.06%	
Fixed Income Benchmark (1)	2.66%	5.04%	5.24%	1.01%	0.32%	
Bloomberg Aggregate	2.78%	4.81%	4.88%	0.52%	(0.40%)	
BlackRock SIO Bond Fund	1.76%	5.12%	5.91%	3.48%	4.14%	
BlackRock Custom Benchmark (2)	1.11%	3.78%	5.18%	4.31%	2.67%	
Brandywine Asset Mgmt	4.81%	2.77%	0.05%	(4.02%)	0.70%	(1) The Fixed Income Benchmark is the Bloomberg Capital Universal Bond Index as of 7/1/2007.
Brandywine Custom Benchmark (3)	2.87%	3.74%	1.84%	(3.03%)	(3.06%)	(2) The BlackRock Custom Benchmark is 3 Month SOFR compounded in arrears as of 1/1/2022.
FIAM (Fidelity) Tactical Bond	2.86%	5.02%	5.01%	1.38%	3.39%	(3) The Brandywine Blended Benchmark is the FTSE WGBI Ex-China Index as of 11/1/2021.
Bloomberg Aggregate	2.78%	4.81%	4.88%	0.52%	(0.40%)	(4) The Loomis Sayles Custom Benchmark is 65% Bloomberg Aggregate and 35% Bloomberg High Yield.
Income Research & Management	2.65%	4.71%	4.85%	0.65%	0.11%	(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).
Bloomberg Gov/Credit	2.70%	4.62%	4.66%	0.45%	(0.34%)	(6) The Real Estate Benchmark is the NCREIF NFI-ODCE Value Weight Net Index as of 7/1/2015.
Loomis Sayles	2.26%	6.53%	7.08%	2.89%	4.57%	(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.
Loomis Sayles Custom Benchmark (4)	2.16%	5.42%	5.87%	2.09%	2.27%	(8) The Private Equity Benchmark is the Russell 3000 Index + 2% as of 7/1/2022.
Manulife Strategic Fixed Income	1.39%	4.37%	4.62%	1.87%	2.93%	(9) The Private Debt Benchmark is (50% S&P LSTA Leveraged Loan 100 Index & 50% Bloomberg HY Index) + 1% as of 7/1/2022..
Bloomberg Multiverse	2.63%	4.34%	3.26%	(1.35%)	(1.03%)	(10) Total Real Estate returns includes Townsend discretionary fee as of 7/1/2022.
Mellon US Agg Bond Index	2.79%	4.75%	4.83%	-	-	
Bloomberg Aggregate	2.78%	4.81%	4.88%	0.52%	(0.40%)	
Total Cash	1.05%	3.62%	4.96%	4.36%	2.66%	
3-month Treasury Bill	1.02%	3.60%	4.97%	4.23%	2.56%	
Total Marketable Assets	(0.39%)	4.52%	5.04%	5.04%	10.86%	
Total Marketable Index (5)	(0.17%)	4.28%	5.97%	4.86%	9.88%	
Total Real Estate (10)	1.41%	1.40%	(1.19%)	(1.13%)	5.38%	
Real Estate Benchmark (6)	0.96%	0.32%	(2.27%)	(3.14%)	1.99%	
Strategic Core Real Estate	2.08%	2.19%	(2.18%)	(2.38%)	3.57%	
Tactical Non-Core Real Estate	0.56%	0.40%	0.39%	1.05%	8.52%	
Total Alternative Assets	0.75%	2.32%	5.13%	4.13%	10.69%	
Alternative Assets Benchmark (7)	2.66%	11.89%	20.34%	9.61%	13.11%	
Total Private Equity	0.51%	2.02%	4.80%	3.59%	12.73%	
Private Equity Benchmark (8)	3.14%	14.09%	25.96%	10.79%	17.11%	
Cambridge Global PE Idx 1 Qtr Lag	0.00%	3.78%	5.07%	1.07%	12.96%	
Total Private Debt	1.38%	3.14%	6.05%	5.73%	6.09%	
Private Debt Benchmark (9)	1.56%	7.36%	9.46%	6.71%	5.29%	
Cambridge Private Credit Idx 1 Qtr Lag	0.00%	5.06%	6.88%	6.92%	8.70%	
Total Fund Composite	(0.01%)	3.83%	4.47%	4.29%	10.22%	
Total Fund Benchmark *	0.39%	5.06%	7.24%	5.00%	9.83%	

Important Disclosures

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LEGISLATIVE COMMITTEE



2025 Legislative Tracker

July 17, 2025 — FINAL

Legislation introduced in the 2025 session that would impact the New Hampshire Retirement System is listed below. For details on a particular bill, visit the State of New Hampshire General Court website at: <http://gencourt.state.nh.us/>

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

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
2025 NHRS-RELATED BILLS			
HB 1	Making appropriations for the expenses of certain departments of the state for fiscal years ending June 30, 2026, and June 30, 2027.	Rep. Kenneth Wylar	4/10/25: House voted 192-183 for OTPA (#2025-1474h), which includes back of the budget cuts to NHRS. 6/5/25: Senate voted 15-9 for OTPA (#2025-2638s), deleting back of the budget cuts to NHRS. 6/18/25: Committee of Conference could not agree on NHRS budget cut, defaulting to Senate position. Committee agreed to amended HB 1. 6/26/25: Senate voted 16-8 to adopt HB 1. 6/26/25: House voted 185-180 to adopt HB 1. 6/27/25: Signed into law by the Governor.
HB 2	The budget trailer bill includes the Group II changes found in HB 727, which return the benefits for Tier B members to Tier A level.	Rep. Kenneth Weyler	4/10/25: House voted 185-175 for OTPA, which includes pension legislation. 6/2/25: Senate Finance approved amendment (#2025-2637s), which includes Group II, Tier B pension legislation. 6/5/25: Senate voted 14-10 for OTPA. 6/18/25: Committee of Conference agreed to amendment for Group II, Tier B pension legislation and amended HB 2. 6/26/25: Senate voted 16-8 to adopt HB 2. 6/26/25: House voted 184-183 to adopt HB 2. 6/27/25: Signed into law by the Governor.
HB 282	This bill increases the maximum benefits for first responders critically injured in the line of duty, relative to the determination of education adequacy grants and calculation of certain group II benefits within the retirement system.	Rep. Trottier	6/26/25: Senate amended bill to include compromise Group II, Tier B pension legislation. Voted OTPA (#2025-2895s and #2025-2898s) by voice vote. 6/26/25: House concurs with Senate amendments and voted 322-41 for OTPA. 6/27/25: Signed into law by the Governor.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 197	This bill provides that the state shall pay 7.5% of contributions of retirement system employers other than the state for Group I teachers and Group II members.	Rep. Michael Edgar	3/4/25: Finance Committee retained bill.
HB 216	This bill removes the one-year cap of creditable service towards retirement benefits for workers' compensation.	Rep. Carol McGuire	2/6/25: House voted OTP by voice vote and referred to Finance. 3/5/25: Finance Division 1 voted 7-0 to retain bill.
HB 445	This bill establishes a commission that includes a representative from the NHRS' Board, appointed by the Board, to study the causes of and ways to alleviate the shortage of law enforcement officers in New Hampshire.	Rep. Terry Roy	3/26/25: House voted OTP by voice vote. 4/17/25: Senate ED&A voted 4-0 for OTPA (#2025-1630s) and moved to consent calendar. 5/1/25: Senate removed from consent calendar, then tabled by voice vote.
HB 534	This bill excludes supplemental pay paid by the employer while the member is receiving workers' compensation from the calculation of the average percentage of compensation paid in excess of the full base rate of compensation.	Rep. Mark Pearson	2/20/25: <i>House voted for ITL by voice vote. Bill is dead.</i>
HB 536	This bill provides a COLA to NHRS retirees who have been retired for at least 60 months as of 7/1/25.	Rep. Jaci Grote	3/13/25: House voted 185-177 to table.
HB 581	This bill establishes a group III, defined contribution state retirement plan for new state employee members, who begin service on or after 7/1/25.	Rep. Dan McGuire	3/13/25: House tabled by voice vote. 3/19/25: Finance Division 1 voted 5-4 to add bill's provisions to HB 2. 4/10/25: House voted 183-177 to remove bill's provision from HB 2.
HB 622	This bill increases the hours a part-time employee in NHRS can work, removes 28-day waiting period before a retiree may be employed on a part-time basis, and adds that certain detail assignments performed by retired law enforcement officers shall not count towards the maximum hours cap.	Rep. Douglas Trottier	3/6/25: <i>House voted for ITL by voice vote. Bill is dead.</i>
HB 637	This bill provides that the reduction of a retiree's annuity at the member's full retirement age under the federal Social Security system shall apply to any group I retired state employee member or retired teacher member of group I who retired prior to 7/1/23, and who has not reached full Social Security retirement age by 7/1/25.	Rep. David Luneau	3/13/25: House voted 229-136 to table.
HB 702	This bill adds specific provisions regarding extra or special duty pay in the context of part-time employment for retired members of the New Hampshire retirement system.	Sen. Fred Doucette	3/13/25: House voted ITL by voice vote. Bill is dead.
HB 727	This bill makes significant changes to the NHRS, including the maximum retirement benefits for certain employees, the dates and percentages related to the calculation of retirement benefit, and the definition of "earnable compensation."	Rep. Charles Foote	2/11/25: House ED&A retained bill. Note: Group II changes from this bill were included in HB 2.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 728	This bill authorizes and regulates video lottery terminals, and repeals the authorization of historic horse racing. NOTE: 4.75 percent of the amount collected to the Group II retirement system under RSA 100-A.	Rep. Doucette	3/18/25 House Ways and Means voted 20-0 to retain bill. Note: Section concerning contribution to Group II retirement system removed from HB 2 in amendment #2025-1488h.
HB 778	This bill authorizes the director of the police standards and training council to detail law enforcement training specialists employed by the council for law enforcement and crowd control services and relative to disability retirement benefits.	Rep. Terry Roy	2/20/25: House voted OTPA (#2025-0329h) by voice vote. 4/17/25: Senate voted for OTPA (#2025-1489s) via consent calendar by voice vote. 6/12/25: House concurs with Senate version by voice vote. 6/18/25: Committee of Conference included version of bill in amended HB 2.
SB 20	This bill provides that the state shall pay 7.5% of local employer retirement contributions for Group I Teachers and Group II Police and Fire members.	Sen. Cindy Rosenwald	1/30/25: Senate voted 23-0 for OTP, then tabled by voice vote.
SB 83	I. Establishes an elderly, disabled, blind, and deaf property tax exemption fund to provide reimbursements to municipalities. II. Authorizes video lottery terminals at facilities licensed to conduct charitable gaming. III. Creates statewide self-exclusion list to combat problem gambling. IV. Renames state lottery commission to better reflect its statutory obligations.	Sen. Timothy Lang	3/27/25: Senate voted OTPA (#2025-1102s) by voice vote. 5/27/25: House Ways and Means voted 17-0 to retain the bill. Note: Bill includes dedicated funding from VLTs to Group II retirement system.
SB 242	This bill establishes a cost of living adjustment in 2025 to be paid by the retirement system on the first \$50,000 of a retired group II member's or beneficiary's allowance. Cost of this supplemental allowance is paid from the state general fund.	Sen. Bill Gannon	3/6/25: Senate voted for OTP by voice vote and then tabled by voice vote.
<p>Committee Key: ED&A = Executive Departments & Administration; Location Key: LOB = Legislative Office Building; SH = State House. Vote Key: OTP – Ought to Pass; OTPA – Ought to Pass with Amendment; ITL – Inexpedient to Legislate</p>			

OTHER BILLS OF INTEREST			
BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 66	This bill allows any person to invoke the right to know law, includes preliminary drafts of documents that are distributed to a quorum of a body among the materials that must be disclosed, allows persons to request documents in either paper or electronic form...	Rep. Bob Lynn	2/20/25: House voted 321-48 for OTPA (#2025-0110h) and referred to Finance. 4/1/25: Finance Division I voted 16-9 for OTPA (1005h). 4/10/25: House voted 207-164 for OTPA (1005h). 5/8/25: Senate voted ITL by voice vote via consent. Bill is dead.
HB 74	This bill defines the term citizen as a citizen of New Hampshire, includes the press in the definition of citizen, and provides for disclosure of preliminary drafts circulated to a quorum or majority of a public body.	Rep. Jess Edwards	3/14/25: House Judiciary Committee voted to retain.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 80	This bill requires a public body's member to be physically present at a meeting unless physical presence is unavoidable and provides that physical presence is required for voting.	Rep. Len Turcotte	2/20/25: House voted 188-181 for OTPA (#2025-0312h). 5/22/25: Senate voted ITL by voice vote via consent. Bill is dead.
HB 195	This bill regulates the collection, retention, and use of personal information and establishes a cause of action for violations of an individual's expectation of privacy in personal information.	Rep. Bob Lynn	3/26/25: House voted 261-79 OTPA (#2025-0890h). 5/1/25: Senate voted ITL via consent by voice vote. Bill is dead.
HB 265	This bill requires that public meeting minutes be documented with the start time, end time, and recording secretary's signature.	Rep. M. Smith	2/20/25: House voted OTP by voice vote. 4/17/25: Senate voted OTPA (#1544s) via consent. 5/8/25: House concurs with Senate version by voice vote. 6/25/25: Signed into law by the Governor.
HB 456	This bill requires that state agency personnel and state employees shall only provide information to the committee at the committee's request and shall not take a position on a matter before the committee.	Rep. Potenza	3/26/25: House voted 178-170 for OTPA (#2025-0908h), then voted 187-163 to Indefinitely Postpone. Bill is dead.
HB 522	This bill establishes an expectation of privacy in personal information maintained by the state.	Rep. Keith Erf	3/26/25: House voted for OTPA (#2025-0929h) by voice vote. 5/8/25: Senate voted ITL via consent by voice vote. Bill is dead.
HB 765	This bill: I. Consolidates the authority and duties of school administrative units. II. Empowers school boards to develop, evaluate, and implement school curriculums. III. Makes school superintendents elected officials.	Rep. Dan McGuire	3/26/25: House voted ITL by voice vote. Bill is dead.
SB 148	This bill: Enacts a chapter that prohibits a person who intentionally and feloniously kills another person from certain financial benefits from the estate of the decedent or other contractual provisions, and enacts provisions governing the disposition of the estate in such instances.	Sen. Victoria Sullivan	3/13/25: Senate voted OTPA (#2025-0746s) by voice vote. 5/22/25: House voted OTPA (1922h and 2207h). 6/12/25: Senate concurred by voice vote. 7/15/25: Signed into law by the Governor.
SB 181	This bill expands the presumption that heart or lung disease is occupationally related for firefighters unless there is clear and convincing evidence to the contrary.	Sen. Rebecca Perkins Kwoka	3/20/25: Senate voted OTP by voice vote, then tabled by voice vote.
SB 297	This bill would shift the risk of losses from NH RSA 5-B pooled risk management programs, such as HealthTrust, to the towns, cities, school districts, counties, and other public sector organizations they serve.	Sen. Carson	3/20/25: Senate voted OTPA (#2025-0951s) by voice vote. 6/5/25: House voted for OTPA (#2025-2473h) by voice vote. 6/12/25: Senate nonconcurred by voice vote. Bill is dead.

House and Senate Calendars for 2026 Legislative Session

2025-2026 House Schedule

Monday, Sept. 15 — First day to file LSRs for 2026 session

Friday, Sept. 19 — Last day to file LSRs for 2026 session

Friday, Nov. 21 — Last day to sign off LSRs for 2026 session

Friday, Nov. 21 — Last day to report all retained bills

Thursday, Jan. 8, 2026 — Last day to introduce House Bills

2025-2026 Senate Schedule

Wednesday, Sept. 3 — First day to file legislation for 2026 session.

Friday, Sept. 12 — Deadline for the Office of Legislative Services to accept drafting of a Senate bill, Senate concurrent resolution, or Senate joint resolution with complete information for the 2026 session.

Thursday, Nov. 13 — Deadline for prime sponsors to sign off on legislation.

Thursday, Dec. 11 — Deadline for co-sponsors to sign off on legislation.

Thursday, Dec. 11 — Deadline to report rereferred bills out of committee.

Wednesday, Jan. 7, 2026 — Convening Day

BENEFITS COMMITTEE

**New Hampshire Retirement System
Benefits Committee Meeting**

**Consent Agenda
July 1, 2025**

Disability Application Recommendations

1. M.M. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 16 years and 5 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
2. S.R. Grant ordinary disability retirement (ODR) to this group I member who worked for a political subdivision and has 16 years and 8 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
3. T.T. Grant ordinary disability retirement (ODR) to this group I member who worked for the State of New Hampshire and has 15 years and 9 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.

**New Hampshire Retirement System
Benefits Committee Meeting**

**Consent Agenda
August 5, 2025**

Disability Application Recommendations

1. R.B. Grant accidental disability retirement (ADR) to this group I member who worked for a political subdivision and has 9 years and 3 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
2. B.H. Grant ordinary disability retirement (ODR) to this group I member who worked for a political subdivision and has 18 years and 2 months of creditable service, based on medical evidence that supports his claims for permanent incapacity from his work duties due to a medical condition.
3. D.J. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 15 years and 4 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
4. R.M. Grant ordinary disability retirement (ODR) to this group I member who worked for the State of New Hampshire and has 13 years and 5 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
5. C.S. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 17 years and 5 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
6. R.V. Grant accidental disability retirement (ADR) to this group I member who worked for a political subdivision and has 6 years and 11 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.

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PERSONNEL PERFORMANCE & COMPENSATION COMMITTEE

Oral Presentation Only

AD HOC REAL ESTATE COMMITTEE



To: Board of Trustees
 From: Jan Goodwin, Executive Director
 Date: August 7, 2025
 Re: Sole Source Contract Approval: Milestone Construction LLC
 Item: Action: Discussion: Informational:

As you may recall, NHRS used the Request for Qualifications (RFQ) process to select Lavallee Brensinger Architects (LBA) to provide architectural services for the design and renovation of 80 Commercial Street. Because of our compressed timeframe, with the expiration of the lease for 54 Regional Drive in March 2026, we need to contract with a construction manager as expediently as possible. NHRS, as part of the RFQ, requested responding firms to recommend a construction management firm to oversee the construction part of the renovation project. LBA in its response recommended Milestone Construction, LLC. In addition, Milestone participated in the interview stage of the RFQ with LBA.

The construction management (CM) services required by our project are unique in nature due to the following project-specific criteria:

- The project schedule is very tight and requires a different approach to the project to facilitate the NHRS move to the new location by the end of March 2026.
- The need to expedite the procurement of construction services which will include:
 - Fast-track demolition work
 - Early order of long lead items which may be required by the project
 - Expedited permitting
 - Early engagement of subcontractors including mechanical, electrical, plumbing, and fire protection for pricing and early design input, and
 - Early input into project costs.
- Milestone's knowledge of the City of Concord permit review and approval process
- Milestone is a well-respected CM firm and has provided CM services to NHRS in the past for its earlier location on Chenell Drive.
- Milestone will employ an "open book" approach to all the sub-contractor bids enabling NHRS with the review of all bids in a competitive scenario.
- Milestone is participating in the scoping part of the process, to estimate the total construction budget for the project, on a no-fee basis.

Milestone will charge a fixed fee (five percent) for the construction management services based on the total cost of construction. This will be set once Phase 1 – Project Scoping is complete and a Construction Maximum Price (CMP) has been established.

Sole source is also prudent in this situation to expedite construction because a traditional request for proposal (RFP) process would delay our ability to vacate our current location and require a month-to-month lease at a significant premium over our

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current lease. Expedited construction will also minimize expenses related to the operation of two buildings.

Based on all these reasons, staff respectfully request that the Board approve a contract for CM services with Milestone Construction, LLC.

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



To: Board of Trustees
 From: Jan Goodwin, Executive Director
 Date: August 7, 2025
 Re: Project Management Services
 Item: Action: Discussion: Informational:

The NHRS Executive Team has evaluated our resources and expertise related to managing the building renovation and move to 80 Commercial Street. We determined that we need assistance internally to help manage the various phases of this project to ensure proper communication and logistics occur timely over the next eight months.

NHRS staff has been working with GID, one of the companies in our real estate portfolio, to identify an entity that can provide us with project management services to assist us in overseeing the renovation project and provide logistical support for the move to 80 Commercial Street. The entity will serve as NHRS' representative. The services that we expect the entity to provide include, but are not limited to:

- Advocating for NHRS' interests throughout all phases of design, construction, relocation, etc.;
- Serving as NHRS' primary project manager and liaison with the Project Team (Architect, Contractor, outside vendors and consultants) and NHRS internal stakeholders;
- Preparing and managing a unified Project Plan and Schedule covering all aspects of the project and incorporating input from the Project Team and NHRS;
- Reviewing and validating change orders to ensure scope alignment and cost control; and
- Supporting furniture, fixtures and equipment procurement and relocation logistics and the proper coordination with NHRS team.

On August 8, the Ad Hoc Real Estate Committee will vote to recommend to the Board that it authorize staff to engage a firm for project management services. Since that meeting, staff has interviewed the candidates and recommends the firm of XXX at a cost of YYY. Staff respectfully asks that the Board vote to approve that engagement.

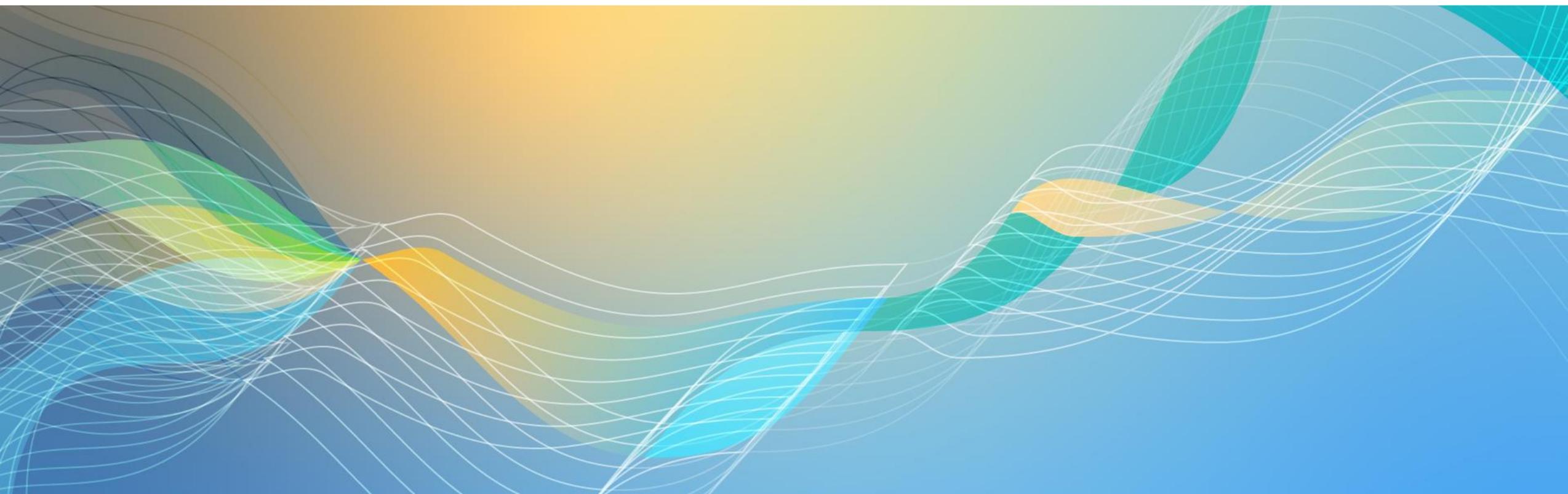
Our Mission: To provide secure retirement benefits and superior service.

Results of 2025 Actuarial Audit

**Milliman Presentation for
New Hampshire Retirement System**

**R. Ryan Falls, FSA, EA, MAAA
Jennifer M. Castelhana, FSA, EA, MAAA**

AUGUST 12, 2025



Agenda

Scope of Actuarial Audit

Actuarial Audit Results

Areas of Review

- Membership Data
- Actuarial Value of Assets
- Actuarial Liabilities
- Funding
- Actuarial Assumptions
- Reports

Scope of Actuarial Audit

Review the June 30, 2023 actuarial valuation and experience study for the New Hampshire Retirement System

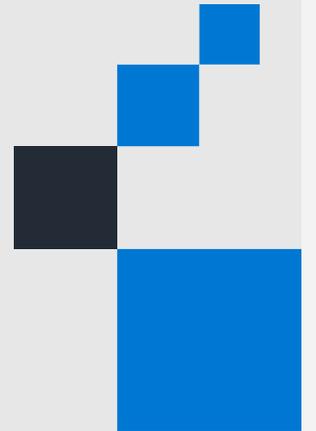
This review is focused on whether:

- The demographic and financial information used by the retained actuary are appropriate in the NHRS June 30, 2023 actuarial valuation report and most recent actuarial experience study.
- The actuarial valuation assumptions are reasonable and consistent with generally accepted actuarial standards and practices, are reasonable based on experience, and are appropriate for NHRS' structure and funding objectives.
- The retained actuary's valuation methods and procedures are reasonable and consistent with generally accepted actuarial standards and practices and are appropriate for NHRS' structure and funding objectives.
- The retained actuary's valuation results reflect the requirements set forth in State statutes and Board policies.
- The retained actuary's valuation results are reasonable, including analysis of contribution rates and accrued liabilities.
- The recommended assumption changes in the latest experience study are reasonable and in compliance with Actuarial Standards of Practice.
- The valuations were performed by qualified actuaries and were performed in accordance with principles and practices prescribed by the Actuarial Standards Board.

Actuarial Audit Results

Based on our review of the census data, experience study documents, liability replications, and actuarial valuation reports, we believe the June 30, 2023 actuarial valuation and experience study for NHRS are reasonable, based on reasonable assumptions and methods, and the reports generally comply with the Actuarial Standards of Practice.

We offer the following observations and recommendations that we believe would further enhance the communication and funding of NHRS going forward.



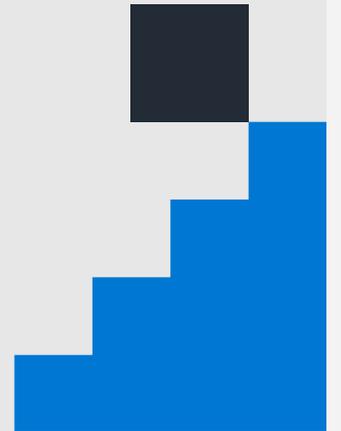
Membership Data

Process

Reviewed the raw data supplied by NHRS to the retained actuary for the actuarial valuation

Conclusion

Very close match between the data provided by NHRS and the summaries of the final valuation data used by the retained actuary



Actuarial Value of Assets

Process

Reviewed the calculation of the actuarial value of assets (AVA) used in the June 30, 2023 actuarial valuation and compliance with Actuarial Standard of Practice (ASOP) No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*

Conclusion

Calculations are reasonable and the methodology is appropriate and in compliance with Actuarial Standards of Practice



Actuarial Liabilities

Process

Independently replicated the actuarial liabilities of NHRS for a sample set of 30 participants.

Conclusion

Significant benefit provisions were accounted for in an accurate manner, the actuarial assumptions and methods are being applied correctly, and that our liability replications closely matched those calculated by the retained actuary.

	Retained Actuary	Milliman	Ratio
Active Sample Lives			
Present Value of Future Benefits	\$4,069,000	\$4,097,000	99.3%
Actuarial Accrued Liability	3,198,000	3,211,000	99.6%
Inactive and Annuitant Sample Lives			
Present Value of Future Benefits	4,809,000	4,825,000	100.3%
Medical Subsidy Annuitant Sample Lives			
Present Value of Future Benefits	197,000	198,000	100.5%

Funding

Process

Reviewed the calculations of the Actuarially Determined Employer Contribution (ADEC) Rates for the groups participating in NHRS and evaluated the application of the Actuarial Cost Method

Conclusion

Calculation of the ADEC Rates and the application of the Actuarial Cost Method are reasonable

Recommendation

We recommend that the retained actuary consider aligning the two calculations of gain/loss in the actuarial valuation report to enhance the report's ability to communicate the sources of gain/loss



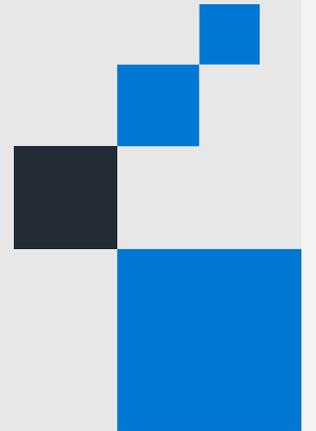
Actuarial Assumptions

Process

Reviewed the assumptions used in the actuarial valuation as of June 30, 2023 adopted based on the actuarial experience study for the period ending June 30, 2023 for compliance with ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations* and ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*

Conclusion

Assumptions are reasonable and meet the applicable Actuarial Standards of Practice



Actuarial Assumptions (cont.)

Recommendations

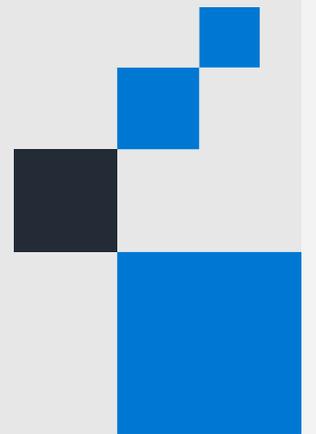
We recommend that the retained actuary note the number of annuitants who died in the next mortality experience analysis to provide additional context to the analysis and enhance the readers' ability to judge the credibility of the underlying data.

We recommend that the retained actuary provide additional justification in future experience study reports when adjusting the experience for certain groups during potentially anomalous experience periods.

We recommend the retained actuary comment on the beneficiary mortality assumption in future experience study reports, considering the appropriateness of the Contingent Survivor mortality tables for beneficiaries following the death of the primary annuitant, and provide rationale for the final tables selected.

We recommend that the retained actuary closely monitor the Teachers' select period withdrawal assumption to ensure that the assumption continues to be reasonable.

We recommend not "rounding down" the recommendation for the End of Career Payment assumption at the conclusion of the analysis to avoid any perceived bias in the assumption.



Reports

Process

Reviewed retained actuary's reports for compliance with Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, and ASOP No. 41, *Actuarial Communications*.

Conclusion

Reports meet the applicable Actuarial Standards of Practice

Recommendation

We recommended a series of improvements for the next valuation that will enhance the overall communication and disclosure in the actuarial valuation report

All recommendations are improvements to the reporting and would not impact the results of the valuation





Thank you

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New Hampshire Retirement System

2023 Actuarial Audit

Prepared by:

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July 28, 2025

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

Re: **Actuarial Audit of June 30, 2023 Valuation
New Hampshire Retirement System**

Dear Members of the Board:

The enclosed report presents the findings from our actuarial audit of the June 30, 2023 actuarial valuation of the New Hampshire Retirement System (NHRS) prepared by the retained actuary for NHRS, Gabriel, Roeder, Smith & Company (GRS). An overview of our major recommendations is included in the Executive Summary section of the report. More detailed commentary on our review process is included in the latter sections.

All calculations are based on the statutory benefit provisions and the actuarial assumptions adopted by the Board of Trustees. Our actuarial audit uses the same benefit provisions, assumptions and methods as those disclosed in the retained actuary's June 30, 2023 valuation report. As discussed in our report, we believe the package of actuarial assumptions and methods is reasonable, taking into account the experience of NHRS and reasonable expectations for future experience. Nevertheless, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following:

- System experience differing from the actuarial assumptions,
- Future changes in the actuarial assumptions,
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as potential additional contribution requirements due to changes in the NHRS funded status), and
- Changes in the benefit provisions or accounting standards.

Due to the scope of this assignment, we did not perform an analysis of the potential range of such measurements.



In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the NHRS staff and the retained actuary. This information includes, but is not limited to, statutory provisions, employee data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the actuarial audit results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

Our replication of valuation results was developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice. When reviewing the long-term investment return assumption discussed in Section 6, we relied upon a model developed by Milliman colleagues who are credentialed investment professionals with expertise in capital market modeling.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries.

Milliman's work product was prepared exclusively for NHRS for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning NHRS' operations and uses data which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third-party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to its own specific needs.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of NHRS. We are not aware of any relationship that would impair the objectivity of our work.

We would like to express our appreciation to both GRS and NHRS staff for their assistance in supplying the data and information on which this report is based.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We respectfully submit the following report, and we look forward to discussing it with you.

Sincerely,

R. Ryan Falls, FSA, EA, MAAA
Principal & Consulting Actuary

Jennifer M. Castelhana, FSA, EA, MAAA
Principal & Consulting Actuary

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1. Summary of the Findings

Purpose and Scope of the Actuarial Audit

In this actuarial audit, we reviewed the June 30, 2023 actuarial valuation and experience study for the New Hampshire Retirement System (NHRS) by the NHRS retained actuary. This review is focused on whether:

- The demographic and financial information used by the retained actuary are appropriate in the NHRS June 30, 2023 actuarial valuation report and most recent actuarial experience study.
- The actuarial valuation assumptions are reasonable and consistent with generally accepted actuarial standards and practices, are reasonable based on NHRS' experience, and are appropriate for NHRS' structure and funding objectives.
- The retained actuary's valuation methods and procedures are reasonable and consistent with generally accepted actuarial standards and practices, and are appropriate for NHRS' structure and funding objectives.
- The retained actuary's valuation results reflect the requirements set forth in State statutes and Board policies.
- The retained actuary's valuation results are reasonable, including analysis of contribution rates and accrued liabilities.
- The recommended assumption changes in the latest experience study are reasonable and in compliance with Actuarial Standards of Practice.
- The valuations were performed by qualified actuaries and were performed in accordance with principles and practices prescribed by the Actuarial Standards Board.

Actuarial Audit Conclusion

Based on our review of the census data, experience study documents, liability replications, and actuarial valuation reports, we believe the June 30, 2023 actuarial valuation and experience study for NHRS are reasonable, based on reasonable assumptions and methods, and the reports generally comply with the Actuarial Standards of Practice.

We offer the following observations and recommendations that we believe would further enhance the communication and funding of NHRS going forward.

Membership Data

We performed tests on both the raw data supplied by NHRS and the processed data used by the retained actuary in the actuarial valuation. Based on this review, we believe the individual member data used is appropriate. A summary is shown in Exhibit 2-1.

Actuarial Value of Assets

We have reviewed the calculation of the actuarial value of assets used in the June 30, 2023 actuarial valuation for NHRS. We found the calculations to be reasonable and the methodology to be appropriate and in compliance with Actuarial Standards of Practice.

Actuarial Liabilities

We independently calculated the normal cost and actuarial liabilities of NHRS for an individual sample set of participants. In general, we found that all significant benefit provisions were accounted for in an accurate manner,

the actuarial assumptions and methods are being applied correctly, and that our liability replications closely matched those calculated by the retained actuary. A summary is shown in Exhibit 4-1.

Funding

We reviewed the calculations of the Actuarially Determined Employer Contribution (ADEC) Rates for the groups participating in NHRS. Additionally, we evaluated the application of the Actuarial Cost Method. We believe the calculation of the Actuarially Determined Employer Contribution Rate and the application of the Actuarial Cost Method are reasonable. We recommend that the retained actuary consider aligning the two calculations of gain/loss in the report to enhance the report's ability to communicate the sources of gain/loss.

Actuarial Assumptions (Economic)

We reviewed the economic assumptions used in the June 30, 2023 actuarial valuation and found them to be reasonable. The economic assumptions used were adopted based on the retained actuary's Actuarial Experience Study for the period ending June 30, 2023.

Actuarial Assumptions (Demographic)

We completed a high-level review of the demographic assumptions that were adopted based on the retained actuary's Actuarial Experience Study for the period ending June 30, 2023. Based on this review, we believe the demographic assumptions used in the valuation are reasonable. We offer the following recommendations for monitoring assumptions and the next actuarial experience study:

- We recommend that the retained actuary note the number of annuitants who died in the next mortality experience analysis to provide additional context to the analysis and enhance the readers' ability to judge the credibility of the underlying data.
- We recommend that the retained actuary provide additional justification in future experience study reports when adjusting the experience for certain groups during potentially anomalous experience periods.
- We recommend the retained actuary comment on the beneficiary mortality assumption in future experience study reports, considering the appropriateness of the Contingent Survivor mortality tables for beneficiaries following the death of the primary annuitant, and provide rationale for the final tables selected.
- We recommend that the retained actuary closely monitor the Teachers' select period withdrawal assumption to ensure that the assumption continues to be reasonable.
- We recommend not "rounding down" the recommendation for the End of Career Payment assumption at the conclusion of the analysis to avoid any perceived bias in the assumption.

Reports

The retained actuary's reports meet the applicable Standards of Practice. The discussion in Section 8 of this actuarial audit report includes recommended improvements for the next valuation that should enhance the overall communication and disclosure in the actuarial valuation report. These are all suggested improvements to the reporting and would not impact the results of the actuarial valuation.

2. Membership Data

Actuarial Audit Conclusion

We performed tests on the raw data supplied by NHRS staff to the retained actuary that was processed and used in the valuation. Based on this review, we feel the individual member data used is appropriate and complete.

Comments

Overall, the data process appears to be thorough and accurate. We would add the following comments:

- **Raw Data:** We were provided with the same data that was given by the NHRS staff to the retained actuary for use in the actuarial valuation.
- **Completeness:** The data contained all the necessary fields to perform the actuarial valuation.
- **Quality:** Although we did not audit the data at the source, we performed some independent checks to confirm the overall reasonableness of the data. We compared the total retiree and beneficiary benefit amounts on the plans' data with the actual benefit payments made, as reported in the NHRS financial statements. We also compared the total active member compensation on the plans' data with the estimated active payroll for the prior year. Based on this analysis, we found the data to be reasonable.
- **Parallel Data Processing:** We performed independent edits on the raw data and then compared our results with the valuation data used by the retained actuary. We found our results to be consistent.

Our results did not match exactly; however, this is understandable since the retained actuary has more extensive data-editing procedures. Overall, each data key component matched within an acceptable level, and we believe the individual member data used by the retained actuary was appropriate for valuation purposes.

A summary of the data in aggregate is shown in Exhibit 2-1. The "Milliman" column reflects Milliman's review of the raw data provided by NHRS. The "Retained Actuary" column reflects the actual data used in the retained actuary's valuation.

In our opinion, there was a very close match between the data provided by NHRS and the valuation data used by the retained actuary.

**Exhibit 2-1
 Member Statistics as of June 30, 2023**

	Retained Actuary	Milliman	Ratio of Milliman / Retained Actuary
Active			
Total number*	48,589	48,586	100.0%
Average age*	46.3	46.3	100.0%
Average service*	11.3	11.3	100.0%
Covered Payroll (in thousands)	\$ 3,178,096	\$ 3,185,178	100.2%
Terminated Members			
Non-Vested Terminated	18,826	18,826	100.0%
Vested Terminated	3,266	3,266	100.0%
Annuitants			
Total number	43,603	43,598	100.0%
Annual Benefits (in thousands)	\$ 968,769	\$ 967,503	99.9%

* Excludes active members with reported pays being \$0 and active members with reported service less than 0.

3. Actuarial Value of Assets

Actuarial Audit Conclusion

We have reviewed the calculation of the actuarial value of assets (AVA) used in the June 30, 2023 actuarial valuation of NHRS. We found the calculations to be reasonable and the methodology to be appropriate and in compliance with actuarial standards of practice.

Comments

The market value of assets can experience significant short-term swings, which can cause large fluctuations in the development of the contributions necessary to eliminate a system's Unfunded Actuarial Accrued Liability (UAAL). Thus, many systems use an asset valuation method which dampens the short-term volatility to achieve more stability in the employer contribution. A good asset valuation method places value on a retirement system's assets which are related to the current market value, but which will also produce a smoother pattern of contributions.

ASOP No. 44, Selection and Use of Asset Valuation Methods for Pension Valuations, provides a framework for the determination of the actuarial value of assets (AVA), emphasizing that the method should: (1) bear a reasonable relationship to the market value of assets (MVA), (2) recognize investment gains and losses over an appropriate time period, and (3) avoid systematic bias that would overstate or understate the AVA in comparison to MVA.

The June 30, 2023 actuarial valuation of NHRS determined the smoothed asset valuation method by spreading the difference between each year's expected return on the AVA and actual return on the MVA over a five-year period. Specifically, the Actuarial Value of Assets is equal to the AVA at the beginning of the year, adjusted for the non-investment net cash flow, plus the expected return on the AVA, plus the sum of the following:

1. 20% of the difference between the actual return on the MVA and the expected return on the AVA in the first year preceding the valuation date,
2. 20% of the difference between the actual return on the MVA and the expected return on the AVA in the second year preceding the valuation date,
3. 20% of the difference between the actual return on the MVA and the expected return on the AVA in the third year preceding the valuation date,
4. 20% of the difference between the actual return on the MVA and the expected return on the AVA in the fourth year preceding the valuation date, and
5. 20% of the difference between the actual return on the MVA and the expected return on the AVA in the fifth year preceding the valuation date.

The final Actuarial Value of Assets may not be less than 80% nor more than 120% of Market Value of Assets. The Conference of Consulting Actuaries Public Plans Committee published a white paper on model actuarial funding policies which include guidelines for asset smoothing. In our opinion, the method used for NHRS of smoothing over five years with a 20% corridor falls in the "Model Practice" category under these guidelines.

4. Actuarial Liabilities

Actuarial Audit Conclusion

One purpose of this actuarial review is to verify the benefits and liabilities. Included in the information provided to us by the retained actuary were the individual pension liability amounts for 28 participants (12 active participants, four terminated participants, and 12 annuitants) and individual medical subsidy liability amounts for two annuitants. We prepared an independent replication of the liabilities for these participants based on the plan provisions, the valuation assumptions, and actuarial cost method.

Replication Process

We independently calculated the liabilities for the sample of participants based on the following:

Data: We used the same data used by the retained actuary in its valuation. As discussed in Section 2, we confirmed that this data was consistent with the data provided by the NHRS staff.

Assumptions: We used the assumptions disclosed in the June 30, 2023 actuarial valuation report and tables of assumed rates provided to us electronically by the retained actuary.

Methods: We used the actuarial methods disclosed in the June 30, 2023 actuarial valuation report. This was supplemented by discussions between the retained actuary and Milliman on the technical application of these methods.

Note that there will always be differences in the calculated liabilities when different software is used by different actuaries; however, the results should not deviate significantly. Our findings show a high level of consistency between our independent results and the valuation, which should provide assurance that the results of the valuation reasonably reflect the aggregate liabilities of NHRS based on the assumptions and methods.

Benefits: We obtained this information from the NHRS website and the relevant law.

Comments

A comparison of the liabilities to those provided by the retained actuary is shown below. As shown, we believe the liability calculations are reasonable.

Exhibit 4-1: Sample Life Liability Comparison
Comparison of 30 Individual Participants

	Retained Actuary	Milliman	Ratio of Retained Actuary/ Milliman
Active Sample Lives			
Present Value of Future Benefits	\$ 4,069,000	\$ 4,097,000	99.3%
Actuarial Accrued Liability	3,198,000	3,211,000	99.6%
Inactive and Annuitant Sample Lives			
Present Value of Future Benefits	\$ 4,809,000	4,825,000	100.3%
Medical Subsidy Annuitant Sample Lives			
Present Value of Future Benefits	\$ 197,000	198,000	100.5%

5. Funding

Actuarial Audit Conclusion

We have reviewed the calculations of the Actuarially Determined Employer Contribution Rates for the groups participating in NHRS. Additionally, we have also evaluated the application of the Actuarial Cost Method. We believe the calculation of the Actuarially Determined Employer Contribution Rate and the application of the Actuarial Cost Method are reasonable. We recommend that the retained actuary consider aligning the two calculations of gain/loss in the report in order to enhance the report's ability to communicate the sources of gain/loss.

NHRS Board's Funding Policy

The NHRS Board most recently updated the Funding Policy on March 10, 2020. The statute that establishes the pension funding policy for NHRS is RSA 100-A:16. The key aspects of the Policy pertaining to the unfunded liability include:

Purpose: The main financial objective of the funding policy is to fund the long-term cost of benefits provided by statute to plan members and beneficiaries.

Policy: The funding objective is to achieve 100% funding. For this purpose, 100% funding means that the Actuarial Value of Assets equals the Actuarial Accrued Liability. The amortization objective is to reach 100% funding by June 30, 2039 for the Unfunded Accrued Actuarial Liability as of June 30, 2017.

The policy goes on to address other issues, including risk management. In general, we believe this is a reasonably constructed Funding Policy. The actual contributions for NHRS are determined based on this policy.

Funding Results

Amortization of UAAL

Pursuant to the Laws of 2018, Chapter 48, RSA 100-A:16, II(e), was revised in June 2018 and stipulates that the Unfunded Accrued Actuarial Liability (UAAL) as of June 30, 2017 shall be amortized through 2039. It further states that each subsequent change in liability as calculated in odd-numbered years will be amortized as a level percentage of pay for no longer than 20 years. For each Actuarial Valuation in the subsequent odd-numbered years, a new 20-year amortization, as a level percentage of payroll, of the actuarial gain or loss will be created in that actuarial valuation.

The NHRS June 30, 2023 actuarial valuation report indicates that the remaining amortization period of the initial UAAL as of June 30, 2017, the period until the UAAL is expected to be eliminated, is 14 years as of June 30, 2025 for each covered group. This is consistent with the initial UAAL being fully amortized by 2039. Each subsequent change in liability as calculated in odd-numbered years has a separate closed amortization period of 20 years.

We believe that the scheduled amortization payments are reasonable and consistent with RSA 100-A:16 II(e).

Actuarially Determined Employer Contribution Rate

The Summary of Results in the actuarial valuation report indicates that the average Employer Pension Contribution Rate is 14.67% and 18.07% of pay for State members and Political Subdivision members, respectively. The Total Contribution Rate consists of two pieces: the Normal Cost Rate and the UAAL Payment Rate. The Employer Contribution Rate is equal to the Total Contribution Rate minus the Member Contribution Rate.

The NHRS June 30, 2023 actuarial valuation report indicates that Normal Cost Rates from the first year of the rate setting biennium are projected forward to better reflect the impact of the changing benefit tiers and generational mortality. The total normal cost for the active populations of the four member classifications is expected to trend each year towards the rates for new hires. The retained actuary developed projected Normal Cost Rates based on a new entrant profile determined by the current active population with 3-8 years of service. In addition, the retained actuary included an adjustment to the Normal Cost Rate to reflect administrative expenses expected to be paid from plan assets. We believe the approach used to develop the Normal Cost Rate is reasonable. The retained actuary could consider showing the Normal Cost Rates both as of the valuation date as well as at the beginning of the next biennium to demonstrate the effect and reasonability of this adjustment.

Contribution Lag

The June 30, 2023 actuarial valuation determines the employer contribution rates for fiscal years 2026 and 2027. Currently, the UAAL amortization schedules are designed to pay every dollar of the projected UAAL as of June 30, 2025 over the established amortization periods. Additionally, the normal cost is projected to the beginning of the 2026 fiscal year to better reflect the impact of the changing benefit tiers and generational mortality.

The recent revisions to ASOP No. 4 directly address the concept of the timing lag:

3.20 CONTRIBUTION LAG

When calculating an actuarially determined contribution, the actuary should consider reflecting the passage of time between the measurement date and the expected timing of actual contributions.

We believe the retained actuary's procedure for incorporating the contribution lag into the contribution calculation is reasonable and consistent with the guidance in ASOP No. 4.

Analysis of Gain/Loss

A key component of an actuarial valuation is the Gain and Loss Analysis. According to ASOP No. 4, the definition of Gain and Loss Analysis is: "An analysis of the effect on the plan's funded status between two measurement dates resulting from the difference between expected experience based upon a set of assumptions and actual experience." Essentially, the analysis reconciles the unexpected changes in the UAAL from one valuation to the next.

Section 3.22 of ASOP No. 4 goes on to state, in part: *When performing a funding valuation, the actuary should perform a gain and loss analysis for the period between the prior measurement date and the current measurement date [...] If a gain and loss analysis is performed, the actuary should at least separate the total gain or loss into investment gain or loss and other gain or loss.*

Page 21 of the June 30, 2023 valuation report presents an allocation of the sources of gain/loss in the UAAL for each group. The following tables restates the original table from the report (in millions).

	Employees	Teachers	Police	Fire	Total
Impact of Experience (Gain)/Loss	(6.6)	8.9	48.3	32.6	83.2
Impact of Assumption Change	(66.3)	(11.0)	5.1	(2.4)	(74.6)
Impact of Plan Change	18.7	25.2	(6.4)	(3.8)	33.7

Similarly, the “Amortization of Unfunded Actuarial Accrued Liability Schedule” for each group (pages 46, 51, 56, and 61) present the similar categories for gain/loss in the UAAL based on the results of the same June 30, 2023 actuarial valuation. There is a two-year timing difference for the stated dollar amounts but the gains and losses should be attributed to the same sources so the magnitude of the amounts should be similar.

	Employees	Teachers	Police	Fire	Total
Impact of Experience (Gain)/Loss	22.9	(19.1)	57.2	5.4	66.4
Impact of Assumption Change	(77.7)	(7.5)	8.3	(1.3)	(78.2)
Impact of Plan Change	21.3	28.7	(7.3)	(4.3)	38.4

We believe it would enhance the overall understanding of the actuarial valuation and the identified sources of gain/loss for these two disclosures of gain/loss to be better harmonized.

For the table on page 21, it appears that the “expected UAAL” is calculated based on the actual contributions for the year based on the accompanying calculations on page 32. It appears that the “expected UAAL” is calculated based on the expected contributions for the year for the second set of gain/loss sources. This difference could explain a portion of the apparent differences.

There is a comment on page 25 that may be attempting to generally address these differences. Regardless, we believe the overall communication of unexpected changes in the UAAL would be enhanced by aligning these gain/loss calculations associated with the results of the June 30, 2023 valuation.

Actuarial Cost Method

The June 30, 2023 actuarial valuation for NHRS prepared by the retained actuary uses the Entry Age Normal Actuarial Cost Method. This actuarial cost method is consistent with the guidance in the Board’s Funding Policy. The law stipulates under RSA 100-A:16 the use of the Entry Age Normal Actuarial Cost Method for each of the four member classifications. We agree that it is appropriate for valuing the costs and liabilities of NHRS and is the cost method that we usually recommend.

Purpose of a Cost Method: The purpose of any cost method is to allocate the cost of future benefits to specific time periods. Most public plans follow one of a group of generally accepted funding methods, which allocate the cost over the members’ working years. In this way, benefits are financed during the time in which services are provided.

Most Common Public Plan Cost Method (Entry Age): The most common cost method used by public plans is the Entry Age Normal Actuarial Cost Method. The focus of the Entry Age Normal Actuarial Cost Method is the level allocation of costs over the member’s working lifetime. For a public plan, this means current taxpayers pay their fair share of the pensions of the public employees who are currently providing services. Current taxpayers are not expected to pay for services received by a past generation, nor are they expected to pay for the services that will be received by a future generation. The cost method does not anticipate increases or decreases in allocated costs. We believe that the use of this cost method is reasonable.

For GASB Statements No. 67 and No. 68, the Entry Age Normal Actuarial Cost Method is the only permissible cost method for financial reporting purposes.

6. Actuarial Assumptions (Economic)

Actuarial Audit Conclusion

The purpose of the actuarial valuation is to analyze the resources needed to meet the current and future obligations of the benefits administered by NHRS. To provide the best estimate of the long-term funded status of the plan, the actuarial valuation should be predicated on methods and assumptions that will estimate the future obligations of the plans in a reasonable manner.

An actuarial valuation uses various methods and two different types of assumptions: economic and demographic. Economic assumptions are related to the general economy and its long-term impact on the NHRS plan, or to the operation of the plan itself. Demographic assumptions are based on the emergence of the specific experience of plan members. This section of the report will focus on economic assumptions. The next section will address the demographic assumptions.

We reviewed the economic assumptions used in the June 30, 2023 actuarial valuation and found them to be reasonable. The economic assumptions used were adopted based on the retained actuary's Actuarial Experience Study for the period ending June 30, 2023.

Please note that effective January 1, 2025, the Actuarial Standards Board adopted a revised Actuarial Standards of Practice (ASOP) that affected the citations relevant for pension plan valuations, but which left the substance of the guidance materially unchanged. After that date, an updated version of ASOP No. 27 now governs both economic and demographic assumption and the existing ASOP No. 35, which previously governed demographic assumptions, was eliminated. For purposes of the discussion in this report we have continued to refer to the previous versions of ASOP Nos. 27 and 35, since those were the standards that applied as of the June 30, 2023 valuation date and experience study.

Actuarial Standard of Practice No. 27: Selection of Economic Assumptions

As of the valuation date, the governing Actuarial Standard of Practice (ASOP) adopted by the Actuarial Standards Board related to economic assumptions was ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. This standard provides guidance to actuaries giving advice on selecting economic assumptions for measuring obligations under defined benefit plans, such as NHRS. As the future is unknown, the best an actuary can do is to use professional judgment to estimate possible future economic outcomes. These estimates are based on a mixture of past experience, future expectations, and professional judgment. The actuary should consider a number of factors, including the purpose and nature of the measurement, and appropriate recent and long-term historical economic data. ASOP No. 27 explicitly advises the actuary not to give undue weight to recent experience.

Each economic assumption should individually satisfy this Standard. Furthermore, with respect to any particular valuation, each economic assumption should be consistent with every other economic assumption over the measurement period.

After completing the selection process, the actuary should review the set of economic assumptions for consistency. For example, this may entail the actuary using the same inflation component in each of the economic assumptions selected.

An actuary's estimate with respect to a particular measurement of pension obligations may change from time to time due to changing conditions or emerging plan experiences. Even if assumptions are not changed, we believe that the actuary should be satisfied that each of the economic assumptions selected for a particular measurement complies with ASOP No. 27, unless that assumption has been prescribed by someone with the authority to do so.

Inflation

Use in the Valuation: Inflation, as referred to here, means price inflation. The inflation assumption has an indirect impact on the results of the actuarial valuation through the development of the assumptions for investment return and wage growth. The inflation assumption was increased from 2.00% to 2.25% for the June 30, 2023 actuarial valuation based on the results of the most recent experience study.

There is expected to be a long-term relationship between inflation and the investment return assumption. The basic principle is that the investors demand a “real return” – the excess of actual investment returns over inflation. If inflation rates are expected to be high, investors will demand expected investment returns that are also expected to be high enough to exceed inflation, while lower inflation rates will result in lower demanded expected investment returns, at least in the long run. Due to the application of the building block approach, it is important not to select an inflation assumption that is unreasonably high compared to long-term expectations, as doing so may lead to an investment return assumption that is too optimistic.

Historical Perspective: The data for inflation discussed below is based on the national Consumer Price Index, U.S. City Average, All Urban Consumers (CPI-U) as published by the Bureau of Labor Statistics.

There are numerous ways to review historical data, with significantly differing results. Inflation has been very high for the past few years; however, we do not believe adding the experience of the past few years would meaningfully change the historical perspective.

Forecasts of Inflation: As noted by the retained actuary, the assumed rate of inflation must be based on a forward-looking expectation of future experience.

The retained actuary presents price inflation expectations over the next 30 years from many sources in the most recent actuarial experience study report. For example, the retained actuary noted that the “Survey of Professional Forecasters” published by the Philadelphia Federal Reserve Bank set the median expected annual rate of inflation for 10 years to be 2.40% as of November 13, 2023.

Most investment consultants and economists look at a shorter time horizon than is appropriate for a pension valuation. To consider a longer, similar time frame, we looked at the expected increase in the CPI by the Office of the Chief Actuary for the Social Security Administration. In the 2022 and 2023 Trustees reports, the projected ultimate average increase under the intermediate cost assumptions was 2.40%.

Peer System Comparison: Although assumptions should not be set based on what other systems are doing, it is informative to see how NHRS compares.

According to the National Association of State Retirement Administrators (NASRA) Public Fund Survey (a survey of approximately 130 large municipal and statewide systems), the average inflation assumption for statewide systems was 2.47% in the March 2024 NASRA Issue Brief.

Conclusion: We believe that a 2.25% assumption is reasonable for a June 30, 2023 actuarial valuation of a retirement system.

General Wage Inflation

Use in the Valuation: Estimates of future salaries are based on two types of assumptions. Rates of increase in the general wage level of the membership are directly related to inflation, while individual salary increases due to promotion and longevity (referred to as the merit scale) occur even in the absence of inflation. This section will address the general wage inflation assumption (inflation plus productivity increases). The merit, promotion, and longevity increase assumption is discussed in Section 7 of this report (demographic assumptions).

The General Wage Inflation assumption was increased from 2.75% to 3.00% for the June 30, 2023 actuarial valuation as a result of the most recent actuarial experience study. This growth includes increases in wages through inflation of 2.25% plus a component for productivity of 0.75%.

Historical Perspective: As with inflation, historical measures for general wage inflation vary widely depending upon the data source, consideration of mean versus median, and how far back it is measured. We have used statistics from the Social Security Administration on the National Average Wage. Using this data implies real wage growth of about 0.6% over the past 50 years. The retained actuary notes that this data implies real wage growth of about 0.9% over the past 10 years.

Forecasts for Future Wage Growth: Wage inflation has been projected by the Office of the Chief Actuary of the Social Security Administration. In the 2023 Trustees Report, the long-term ultimate annual increase in the National Average Wage was estimated to be 1.14% higher than the Social Security intermediate ultimate inflation assumption of 2.40% per year.

Conclusion: We believe that the current estimate of wage growth of 0.75% above inflation falls within multiple data points for this assumption and serves as a reasonable estimate of future real wage growth. Combined with price inflation assumption of 2.25%, this results in a total general wage inflation assumption of 3.00%.

Payroll Growth Assumption

Payroll is projected to grow in the development of the years to fund the Unfunded Actuarial Accrued Liability. The current payroll growth assumption is equal to 2.50% for Teachers and 3.00% for all other groups. The assumption for Teachers is lower because it incorporates the assumption that the active member population is assumed to decrease 0.5% per year. From our perspective, the payroll increase assumption should generally be more than that inflation assumption and less than, or equal to, the general wage inflation assumption. As a result, this assumption appears reasonable.

Investment Return (Discount Rate)

Use in the Valuation: The investment return assumption is one of the primary determinants of the stated results of the annual actuarial valuation, providing a discount of the estimated future benefit payments to reflect the time value of money. This assumption has a direct impact on the calculations of actuarial accrued liabilities, normal cost rate, and period necessary to eliminate the UAAL.

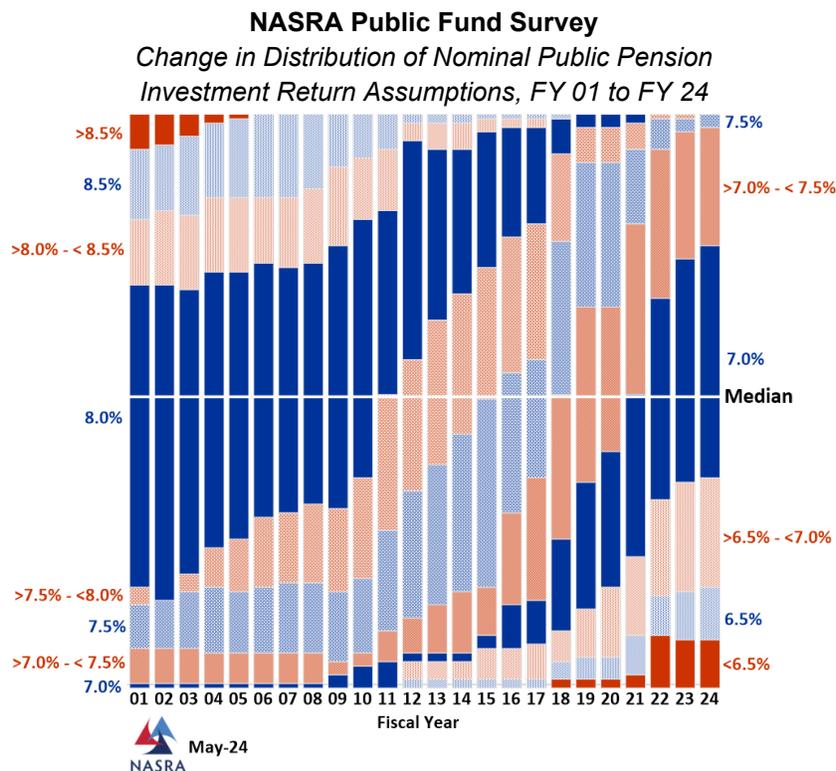
The discount rate is the rate used to discount future benefit payments into an actuarial present value. The traditional actuarial approach used for public sector funding sets the discount rate equal to the expected investment return. Under current standards set by the GASB, the “discount rate” should reflect the long-term expected rate of return on pension fund investments to the extent that the pension fund’s assets are expected to be sufficient to pay benefits.

The most recent recommendation for the net investment return assumption of 6.75% per year includes two components: (1) inflation of 2.25%, and (2) a real rate of return equal to 4.50%. This approach of splitting the net return into separate pieces is called the “building block” method.

Long-term Expected Investment Return: To develop an analytical basis for assessing the investment return assumption, the retained actuary used capital market expectations from the GRS 2023 Capital Market Assumption Modeler (CMAM), which includes information from 11 investment advisors. Based on this analysis, the 10-year average 50th percentile geometric annual real return was 4.50%. We agree that the geometric annual return is the appropriate measure. This is a reasonable approach to the analysis.

To provide some additional perspective on this assumption, the chart below shows the assumptions used by over 130 of the largest U.S. public sector systems in a regularly updated survey published by the National Association

of State Retirement Administrators (NASRA). As can be seen from the chart, the trend over time has been for systems to lower their investment return assumptions.



Based on Milliman’s current capital market assumption model as of June 30, 2024 and NHRS’ Target Asset Allocation from the experience study report, we would expect a 10-year geometric median assumed real return of 4.19% and a 20-year geometric assumed real return of 4.62%.

Conclusion: We find the 6.75% investment return assumption is reasonable for funding and financial reporting purposes.

7. Actuarial Assumptions (Demographic)

Actuarial Audit Conclusion

We completed a review of the demographic assumptions that were adopted based on the retained actuary's Actuarial Experience Study for the period ending June 30, 2023. Based on this review, we believe the demographic assumptions used in the valuations are reasonable. In this section, we provide recommendations for setting and monitoring the mortality, termination and retirement assumptions in future actuarial studies.

Note that we did not independently replicate the detailed analysis completed by the retained actuary as it was outside the scope of this actuarial audit.

We understand that the analysis of demographic assumptions in the Actuarial Experience Study was based on experience from the period July 1, 2019 through June 30, 2023. Because this period includes time periods that were affected by the COVID pandemic, the retained actuary extended the analysis to cover the period of 2016 through 2023, where necessary. We believe this was a reasonable approach.

Overview of Actuarial Experience Studies

Actuarial experience studies are studies of demographic experience involving a detailed comparison of actual and expected experience. If the actual experience differs significantly from the overall expected results, or if the actual pattern does not follow the expected pattern, new assumptions are considered. Recommended revisions normally are not an exact representation of the experience during the observation period. Judgment is required to predict future experience from past trends and current evidence, including a determination of the amount of weight to assign to the most recent experience.

In an experience study, the actuary first determines the number of actual occurrences (i.e., deaths, terminations, retirements, etc.) that occurred during the experience period. Then the actuary determines the number that were expected to occur, based on the current actuarial assumptions. A comparison of the "actual occurrences" to the "expected occurrences" can determine the appropriateness of a particular assumption and is generally referred to as a "headcount-weighted" experience analysis. Selecting an assumption based on a headcount-weighted analysis is consistent with determining the *expected number of occurrences* in the actuarial valuation.

An actuary can enhance the "headcount-weighted" analysis by considering an "amount-weighted" experience analysis. An amount-weighted analysis will generally use an amount that is relevant to the plan, such as benefits or liabilities, to "weight" the occurrences reviewed as part of the analysis. By weighting the data, the actuary gives more weight to members who have larger benefits (and thus have larger liabilities). Selecting an assumption based on an amount-weighted analysis is consistent with *minimizing actuarial gains and losses* associated with a particular assumption in the actuarial valuation.

We noted that the retained actuary used an "amount-weighted" approach when analyzing the mortality assumption in the most recent experience study. The retained actuary discusses the appropriateness of the assumption, both before and after the recommended change, on an amount-weighted basis in the experience study report. We recommend that the retained actuary note in the experience study report the number of annuitants who died for the mortality analysis. We believe this additional detail would provide additional context to the assumption analysis and enhance the readers' ability to judge the credibility of the underlying data. A "headcount-weighted" approach was used to analyze the remaining decrements.

We did not independently perform the detailed calculations of the actual and expected rates that the retained actuary did, but we reviewed the assumptions based on our experience with similar systems.

Actuarial Standard of Practice No. 35: Selection of Demographic Assumptions

Actuarial Standard of Practice No. 35 (ASOP 35) governs the selection of demographic and other noneconomic assumptions for measuring pension obligations. ASOP 35 states that the actuary should use professional

judgment to estimate possible future outcomes based on past experience and future expectations, and select assumptions based upon application of that professional judgment. The actuary should select reasonable demographic assumptions in light of the particular characteristics of the defined benefit plan that is the subject of the measurement. A reasonable assumption is one that is expected to appropriately model the contingency being measured and is not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Please note that effective January 1, 2025, the Actuarial Standards Board adopted a revised Actuarial Standards of Practice (ASOP) that affected the citations relevant for pension plan valuations, but which left the substance of the guidance materially unchanged. After that date, an updated version of ASOP No. 27 now governs both economic and demographic assumption and the existing ASOP No. 35, which previously governed demographic assumptions, was eliminated. For purposes of the discussion in this report we have continued to refer to the previous versions of ASOP No. 27 and No. 35, since those were the standards that applied as of the June 30, 2023 valuation date.

Post-Retirement Mortality

Mortality rates are used to project the length of time benefits will be paid to current and future retirees and beneficiaries. The selection of a mortality assumption affects plan liabilities because the estimated value of retiree benefits depends on how long the benefit payments are expected to continue. There are clear differences in the mortality rates by gender, job categorization, non-annuitant versus annuitant, and non-disabled versus disabled retired members.

The retained actuary stated that they observed significant excess mortality for males in the Employee group during the latter part of the period resulting in the exclusion of 2022 and 2023 experience from the analysis for this group. While this was understandably an anomalous period with respect to mortality, we recommend that the retained actuary provide additional justification in future experience study reports when adjusting certain groups during potentially anomalous experience periods. In this case, additional context about how much data was excluded for these periods, what the adjustment factor might have been without excluding the data, and why adjustments were not made to other groups could have provided additional context and improved the readers' ability to judge the credibility of the underlying data.

Base Mortality Tables: The Retirement Plans Experience Committee (RPEC) of the Society of Actuaries (SoA) issued the "Pub-2010" family of static base mortality tables in 2019. The "2010" in the title refers to the central year of collected study data. These are the first tables published by the RPEC based solely on public sector experience. The RPEC created separate tables for public safety, teachers, and general employees.

The retained actuary recommended the Pub-2010 Amount Weighted Healthy Retiree mortality table for public safety, teachers, and general employees with partial credibility adjustment as shown below. The credibility adjustments for Police and Fire are combined.

	Employees	Teachers	Police/Fire
Male	102%	106%	101%
Female*	107%	104%	101%

**Proposed mortality table for Females in the Employee group is the below-median income table.*

The adjustments were determined following the procedures outlined in the Credibility Educational Resource for Pension Actuaries, Application of Credibility Theory to Mortality Assumption published by the Society of Actuaries.

The employee and disabled retiree mortality experience during the study period was not sufficient to be fully credible. Therefore, the retained actuary recommended the continued use of the group-specific Pub-2010 Employee and Disabled Retiree mortality tables with no adjustments.

We reviewed the retained actuary's results for the probability of death for employees and healthy and disabled retired members and found them to be reasonable.

Mortality Improvement Scale: It is difficult to predict how much future mortality will improve compared to mortality today. The SoA has created very precise projections of mortality improvement in "MP" tables that are generally updated each year. The SoA's calculations feature a two-dimensional assumption to allow for varying improvements by age and calendar year. The SoA created new tables in 2014 through 2021. The retained actuary recommended the use of the MP-2021 version of the mortality improvement scale. We believe this assumption is reasonable for funding and financial reporting purposes.

Beneficiary Mortality: The retained actuary does not currently reflect different mortality assumptions for beneficiaries. Further, the retained actuary did not review the beneficiary mortality assumption in the most recent actuarial experience study and the valuation report does not disclose the mortality assumption for beneficiaries. The SoA issued "Pub-2010 Contingent Survivor mortality tables" as part of its Pub-2010 study. These tables were developed based exclusively on experience after the death of the retired member and, as a result, the mortality rates are likely to be higher than experience for contingent annuitants with living spouses due to what is sometimes known as the "grieving widow(er) effect." The retained actuary appears to have elected not to recommend this standard Contingent Survivor tables for beneficiaries. We recommend the retained actuary comment on the beneficiary mortality assumption in future experience study reports, considering the appropriateness of the Contingent Survivor mortality tables for beneficiaries following the death of the primary annuitant, and provide rationale for the final tables selected.

In May, RPEC issued a new study of a "Pub-2016" family of static base mortality tables. The updated base mortality tables generally show a slightly shorter life expectancy for retired teachers than the Pub-2010 mortality tables. We expect that the retained actuary will consider the "Pub-2016" mortality tables as part of the next experience study for NHRS.

Conclusion: The retained actuary recommended mortality assumptions based on published mortality studies of applicable public sector employees with appropriate adjustments for credibility. In total, we believe the base mortality and mortality improvement assumptions are reasonable. We recommend that the retained actuary note the number of annuitants who died in the next mortality experience analysis to provide additional context to the analysis and enhance the readers' ability to judge the credibility of the underlying data. Additionally, we recommend that the retained actuary provide additional justification in future experience study reports when adjusting the experience for certain groups during potentially anomalous experience periods. Finally, we recommend the retained actuary comment on the beneficiary mortality assumption in future experience study reports, considering the appropriateness of the Contingent Survivor mortality tables for beneficiaries following the death of the primary annuitant, and provide rationale for the final tables selected.

Merit, Promotion, and Longevity Salary Increases

The individual salary increase assumptions due to merit (longevity and promotion) are intended to anticipate the salary increases in addition to the assumed increases due to general wage inflation. The retained actuary differentiates the salary increase assumption for Employees, Teachers, Police, and Fire members.

The retained actuary reviewed the merit and seniority pay increases experienced by member classification during the 4-year period of the experience study. The 4-year average increase in total pay was subtracted from the actual pay increases, calculated for each year of service, to obtain the merit/seniority portion of the pay increases. Based on the summary of the recommendations in the experience study report, it appears that the recommended

rate of merit and seniority pay stayed the same or increased for each group at almost every year of service. We believe that this approach is reasonable.

It should be noted that we looked at the magnitude of the assumed increases and they are in line with what we have seen with similar plans for similar groups.

In total, we believe that the assumptions for merit salary increases are reasonable.

Rates of Service Retirement

We reviewed the assumed rates of service retirement. The current assumptions for the Employee and Teacher groups vary by age and by whether the member is eligible for reduced or full benefits. The current assumptions for the Police and Fire groups vary by age and service.

The retained actuary currently applies separate retirement rate assumptions to members hired before and after July 1, 2011. Members hired on or after July 1, 2011 have lower benefits and later retirement eligibility thresholds than members hired prior to that date. As a result, their retirement behavior can be expected to differ from patterns observed for pre-July 1, 2011 members. Analyzing the experience for both tiers separately allows the retained actuary to identify emerging differences in experience between these groups. We believe separate assumptions for these groups is appropriate. Overall, we believe the assumptions and the analysis in the experience study report are reasonable.

In future experience study reports, it would be helpful to the readers of the report if the retained actuary included in the Development of Proposed Retirement Rates for Fire in Section J, similar to the summary provided for each of the other groups.

Rates of Termination (Refund and Vested Termination)

We reviewed the rates of termination of employment. The current assumption varies by length of service for members with fewer than five years of credited service and by age for members with five or more years of credited service. We agree that service is generally the most significant in anticipating termination rate, especially during earlier years of service. Based on the retained actuary's analysis, the termination rates are aligned with actual experience and the assumptions appear reasonable. The select withdrawal assumption for Teachers with less than five years of service is set at a level where the valuation is anticipating notably more terminations than the recent experience would indicate, even after the recommended assumption changes. When the termination assumption is set too high, actuarial losses in the annual actuarial valuation are more likely to occur. We recommend that the retained actuary closely monitor this assumption to ensure that the assumption continues to be reasonable. Each of the other recommended withdrawal and retirement assumptions for each group were set at a more reasonable range where experience is more likely to produce actuarial gains.

Rates of Disability Retirement

We reviewed the rates of disability retirement. The current assumptions are low and increase with age. The low probabilities are supported by the data, and based on the retained actuary's analysis, the disability assumptions appear reasonable.

End of Career Payments

The analysis for End of Career Payments in the experience study report generally seems reasonable. The procedures noted in the analysis indicate that the final recommended assumption is "rounded down to nearest 0.50%." Given that this assumption can be impactful for certain groups of plan members, we recommend not "rounding down" this amount at the conclusion of the analysis to avoid any perceived bias in the assumption.

Medical Subsidy Opt-Out Assumption

The medical subsidy benefits provided by statute are fixed amounts for a declining population. Not all members eligible for the medical subsidy are currently receiving it. The opt-out assumption represents the percent of

members who are ultimately expected to opt in to the medical subsidy benefit. Beginning with the June 30, 2020 actuarial valuation, NHRS staff provided additional data to the retained actuary to more easily determine if a new opt-in record belongs to a survivor of a member or a member who previously opted out of the benefit. For this reason, the retained actuary excluded a comparison of the 2019-2020 data in their analysis. We reviewed the medical subsidy opt-out assumption and it appears reasonable.

8. Content of the Valuation Report

Actuarial Audit Conclusion

ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, and ASOP No. 41, *Actuarial Communications*, provide guidance for measuring pension obligations and communicating the results. These Standards list specific elements to be included, either directly or by references to prior communication, in pension actuarial communications. The retained actuary's reports meet the applicable Standards. We are recommending improvements for the next valuation that will enhance the overall communication and disclosure in the actuarial valuation report. These are all improvements to the reporting and would not impact the results of the valuation.

Comments

Following our review of the retained actuary's actuarial valuation report, we have the following comments and recommendations for future actuarial valuation reports:

Certification Letter

In the first paragraph of the certification letter, the purposes the retained actuary provides for the report are "to measure the System's funding progress and to calculate employer contribution rates for Fiscal Years 2026 and 2027." Additionally, Page 12 of the report notes that "the primary purposes of this valuation report are to measure the plan's liabilities, to analyze changes in NHRS' actuarial position and to determine employer contribution rates." We recommend that the retained actuary thoughtfully consider the main purposes for the actuarial valuation and coordinate these discussions in the report.

Section A: Introduction

Results of the Valuation

On page 17 of the valuation report, the second sentence of the second paragraph states: "The funded status is appropriate for assessing the need for additional UAAL contributions." We recommend that the retained actuary provide more context to this statement. Is the statement intending to say: (1) that the Plan currently needs additional UAAL contributions in excess of the current funding policy, or (2) the Plan generally needs further UAAL contributions in the future?

On page 18 of the valuation report, the second sentence under "Mortality rates" states: "The SoA also published the MP-2021 projection scales to reflect mortality improvements after 2021." We recommend that the retained actuary provide more context to this statement because the MP-2021 projection scale can be used to reflect mortality improvements for periods prior to 2021. For example, MP-2021 is being used to reflect mortality improvements after 2010 just in this valuation.

Comments

The June 30, 2023 valuation report indicates that the normal cost rates are projected forward to better reflect the impact of the changing benefit tiers and generational mortality in the contribution rate setting. Specifically, the normal cost rates are projected forward to the applicable fiscal year of the contribution rate, so the biennial rates for FY 2026/2027 incorporate the normal cost projected to FY 2026. Additionally, Page 23 of the valuation report presents the average employer normal cost rates "as of June 30, 2023" and the same normal cost rates are included in the development of the FY 2026 and FY 2027 employer contribution rates on pages 26 and 27. Based on an email exchange with the retained actuary, it is our understanding that the normal cost rates stated on pages 23, 26 and 27 are actually the projected FY 2026 rates. We recommend that the retained actuary

enhance the description of these normal cost rates, especially on page 23, to appropriately identify them as projected to FY 2026.

Section B: Funding Results

Page 30 of the valuation report includes a “hypothetical illustration” of the projected UAAL based on level dollar amortization. This projection provides an interesting perspective but there is no context for this projection in the valuation report. Since a level dollar amortization is contrary to the discussions in all of the other sections of the valuation report, we recommend that the retained actuary provide more context to this project to indicate how this illustration fits into the larger discussion about the health of the Plan and the current funding policy.

Section E: Methods and Assumptions

We believe it would enhance the description of the assumptions in the actuarial valuation report if the retained actuary made the following enhancements:

- Note that deferred vested members are assumed to commence their benefit at first eligibility for normal unreduced retirement,
- Update the rates of retirement on page 84 of the report to reflect the correct early retirement rates used in the June 30, 2023 actuarial valuation, and
- State the mortality assumption for beneficiaries.

Section G: Summary of Plan Provisions

On page 109 of the valuation report, remove the parenthetical in the sixth paragraph that states: “(1/66th of AFC times creditable service for members who commence service on or after July 1, 2011).”

Labeling of Payroll Amounts

Throughout the June 30, 2023 valuation report, similar payroll amounts are referred to as many different names, including: “Covered Annual Payroll,” “Valuation Payroll,” “Covered Payroll,” “Total payroll supplied, annualized,” and “Total Payroll.” We recommend that the retained actuary use more consistent labeling of the payroll amounts to make it clear that the amounts are intended to be consistent. If they are not consistent, then the retained actuary may want to consider defining the different payroll amounts within the valuation report.



August 1, 2025

Ms. Marie Mullen
Director of Finance
New Hampshire Retirement System
54 Regional Drive
Concord, New Hampshire 03301

Re: Response to the Actuarial Audit of the Actuarial Valuation and Experience Study as of June 30, 2023

Dear Members of the Board:

Thank you for providing us with the opportunity to respond to the actuarial audit of the June 30, 2023 actuarial valuation and experience study of the New Hampshire Retirement System (“NHRS”).

GRS is very supportive of the actuarial review process. We have reviewed the work of other firms, and similarly, our work has been reviewed many times. A common purpose of an actuarial review is to double check the retained actuary’s technical work, and to ensure that mathematical processes are being carried out correctly and appropriately. The actuarial review process also provides a means for Boards to receive a different perspective on their particular situation from another experienced consulting firm. In virtually every actuarial review that GRS has been involved in, the end result is an improved product for the client.

We have reviewed the actuarial audit, prepared by the actuaries at Milliman, of the June 30, 2023 actuarial valuation and experience study for the period ended June 30, 2023. The purpose of this letter is to document our response to the actuarial audit, as requested.

In the Summary of the Findings, on page 1, the auditing actuary indicated the following:

“Based on our review of the census data, experience study documents, liability replications, and actuarial valuation reports, we believe the June 30, 2023 actuarial valuation and experience study for NHRS are reasonable, based on reasonable assumptions and methods, and the reports generally comply with the Actuarial Standards of Practice.”

We are very pleased with these key findings.

As is typical with most actuarial audits, the auditing actuary has made a number of suggestions for improvement and/or clarification of the information presented in our report. Many of these suggestions pertained to the communication and presentation of the results and underlying assumptions.

Ms. Marie Mullen
August 1, 2025
Page 2

The following pages provide a high-level overview of the recommendations of the auditors in their Summary of Findings, as well as our responses thereto.

Reconciliation of Actuarial Gains and Losses

Auditor Recommendations:

“We recommend that the retained actuary consider aligning the two calculations of gain/loss in the report to enhance the report’s ability to communicate the sources of gain/loss.”

“We believe it would enhance the overall understanding of the actuarial valuation and the identified sources of gain/loss for these two disclosures of gain/loss to be better harmonized.”

GRS Response:

We will consider recommendations from the auditing actuary and make applicable changes to assist the reader in reconciling changes in liabilities and contributions resulting from actuarial gains and losses, as appropriate.

Actuarial Assumptions

Auditor Recommendations:

“We recommend that the retained actuary note the number of annuitants who died in the next mortality experience analysis to provide additional context to the analysis and enhance the readers’ ability to judge the credibility of the underlying data.”

“We recommend that the retained actuary provide additional justification in future experience study reports when adjusting the experience for certain groups during potentially anomalous experience periods.”

“We recommend the retained actuary comment on the beneficiary mortality assumption in future experience study reports, considering the appropriateness of the Contingent Survivor mortality tables for beneficiaries following the death of the primary annuitant, and provide rationale for the final tables selected.”

“We recommend that the retained actuary closely monitor the Teachers’ select period withdrawal assumption to ensure that the assumption continues to be reasonable.”

“We recommend not “rounding down” the recommendation for the End of Career Payment assumption at the conclusion of the analysis to avoid any perceived bias in the assumption.”

GRS Response:

We will consider recommendations from the auditing actuary and make applicable changes to demonstrate credibility and eliminate perceived bias in adjustments to actuarial assumptions. Analysis of separate beneficiary mortality assumptions will also be considered for future experience studies.



Ms. Marie Mullen
August 1, 2025
Page 3

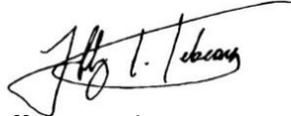
The auditing actuary provided additional feedback throughout the remainder of the report related to the manner in which actuarial results were presented, and offered suggestions to improve the clarity of discussions surrounding the results. Many of the suggestions made are reasonable and will enhance the communication in the actuarial valuation report. We also note that none of the recommended changes would impact the results of the actuarial valuation.

An actuarial audit is a meaningful practice that contributes to the sustainable management of a pension system. We are very pleased with the results of the audit. We certainly appreciate the thorough work, professional demeanor, and helpful suggestions and recommendations that the actuaries at Milliman have made. We will continue to review them throughout the next valuation cycle and will implement those that seem to be in the best interest of the NHRS.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Heidi G. Barry, ASA, MAAA, FCA



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



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



To: Board of Trustees
 From: Jan Goodwin, Executive Director
 Date: July 31, 2025
 Re: Executive Director Operating Report
 Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- We are working with Groom Law Group to resolve ambiguities in HB 282, which restored some of the Group II, Tier B benefits reduced in 2011. Once resolved, we will work with LRS to implement the changes. We are also seeking input from GRS, NHRS' actuary, on how to implement the changes in calculating employer contributions as a result of the increased benefits.
- We have begun the new fiscal year and are prioritizing projects.

Current Months' Highlights – June and July

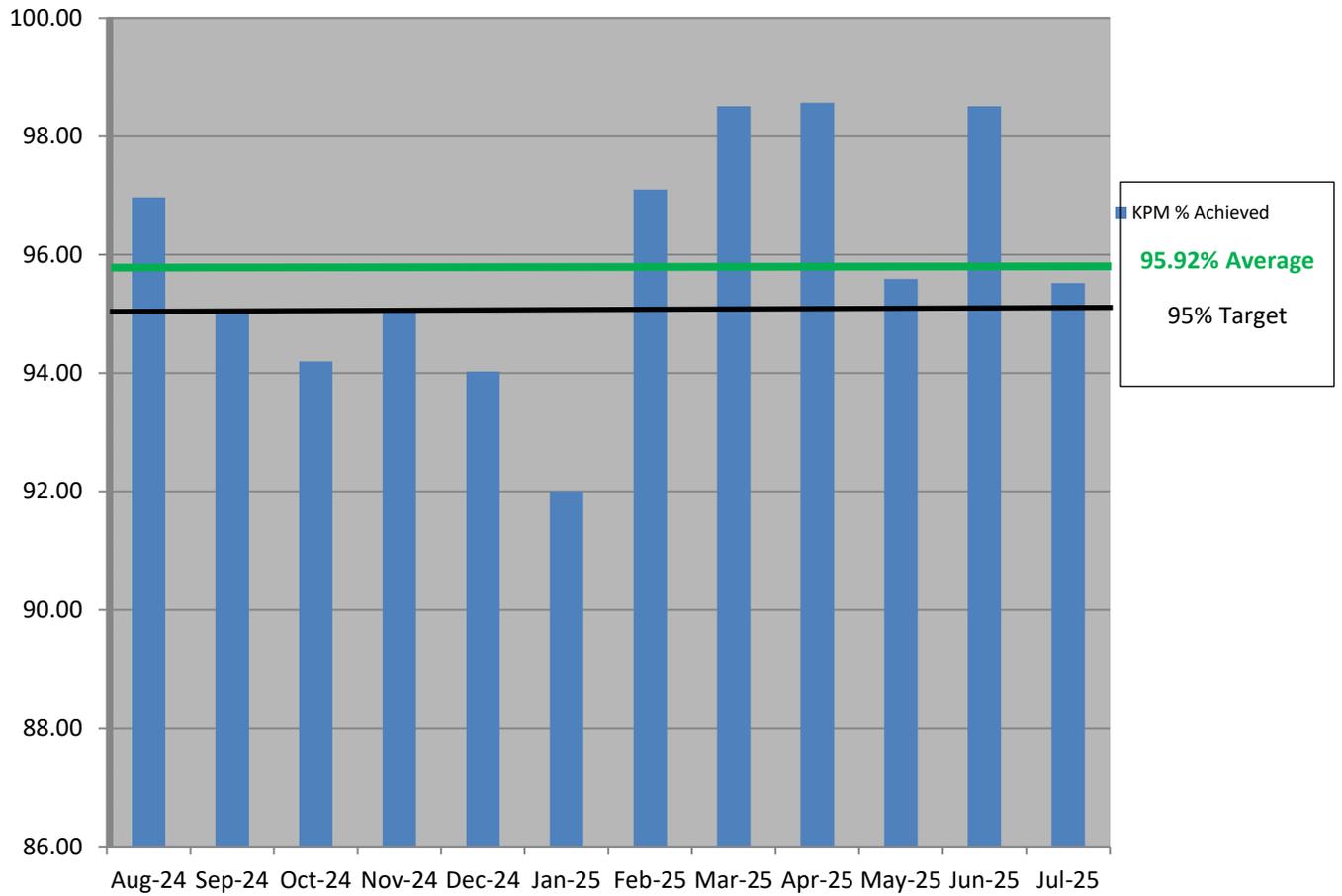
- The KPM scores for June and July were 98.51% and 95.52%, respectively. See 12-month rolling average chart attached.
- PGV3 is 100% completed. Staff continues to test new releases which contain modifications and improvements. All of the employer reporting changes requested by the educational employers have been implemented.
- 15 of the ED's KPMs were achieved for June and July (one was N/A).
- The collective bargaining began in January and has concluded with union members' approval of the contract. The Board of Trustees will consider the new three-year contract, which begins July 1, 2025.
- Milliman, an actuarial firm, will present the results of their Level 2 actuarial audit of GRS' June 30, 2023 actuarial valuation and its experience study covering July 1, 2019 through June 30, 2023 at the August Board of Trustees meeting.

Upcoming Plans & Projects

- Annie Gregori will be joining NHRS August 26 to serve as Chief Legal Counsel.
- The ETeam is working with Lavallee Brensinger Architects on possible layouts for our new office. We are awaiting cost estimates by Milestone Construction to present to the Board of Trustees at the August Board of Trustees meeting.

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

KPM Rolling 12-Month Average June/July 2025



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

KPM MONTHLY REPORTING

June/July 2025

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

	June 2025			July 2025			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
Overall Score	X			X			We achieved a 98.51% success rate in June and a 95.52% in July. We failed on one (1) KPM in June and three (3) in July.
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					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			

KPM MONTHLY REPORTING

June/July 2025

	June 2025			July 2025			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
7. Maintain expenditures at or less than Trust Fund Budget.	X			X			
8. Maintain expenditures at or less than Board of Trustees Budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			
IT							
1. All vital servers maintain an uptime of 99% or higher.	X			X			
2. All PensionGold requests are prioritized within thirty-one (31) calendar days.	X			X			
3. All help desk requests are followed up with a conversation (phone/email) within four (4) business days.	X			X			
4. Maintain help desk survey scores above satisfactory marks of 95% or higher.			X			X	We are currently not sending the surveys out. This is under review by the Infrastructure IT Team.
5. All US-CERT email security advisories are placed into the help desk system to be addressed within two (2) business days.	X			X			We currently use Arctic Wolf advisories. These are more targeted to our environment and business.
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			X	Not due until October & December 2025.
2. Reconcile operating bank account within 60 days of the end of the month.		X			X		This was not met as we continue to get caught up on our monthly bank reconciliations.

KPM MONTHLY REPORTING

June/July 2025

	June 2025			July 2025			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
3. Produce and distribute monthly actual-to-plan-budget reports within ten (10) business days from the end of the prior month.	X			X			
4. Produce the monthly financial statements (FS) for the Board of Trustees meeting at least three (3) business days prior to the scheduled Board mailing.	X					X	No board meeting in July.
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 31.			X			X	Not due until January 2026.
8. Reconcile all employer accounts sufficiently to allow for interest posting for the reporting month within ninety (90) days of the end of the reporting month, for which we have received all payments and back-up from employers.			X			X	Suspended due to PGV3 implementation.
9. Process all confirmed post-retirement electronic direct deposit change requests received by the date that the pre-note wizard is run in Pension Gold and direct funds accordingly in the same month.	X			X			
10. Deposit all payments received at NHRS offices, with appropriate supporting documents, into local custodial bank within three (3) business days of receipt, with any payments secured on any intervening days.	X			X			
11. Annually for the preceding tax year, post electronic 1099-R forms to MyAccount by January 24 and mail hard copy 1099-R forms by January 31 of the subsequent year.			X			X	Not due until January 2026.

KPM MONTHLY REPORTING

June/July 2025

	June 2025			July 2025			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
12. Maintain expenditures at or less than Finance Budget as reported in the most recent manager's report (1-month lag).	X			X			
Investment							
1. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable Total Fund Benchmark measured quarterly .			X		X		3-Yr Excess Return = -142 basis points 5-Yr Excess Return = -1 basis points
2. Generate investment returns for the long-term (25 years) Total Fund Performance greater than the applicable Actuarial Assumed Rate of Return (6.75%) measured each June 30 .			X		X		25-Yr Excess Return = -52 basis points
3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median measured quarterly .			X			X	
4. Complete the IIC's Private Debt & Private Equity Strategic Plan for the calendar year.			X			X	
5. Manage cash flow and make funds available for the payment of monthly retirement benefits, expenses and capital calls on or before the last business day of the month.	X			X			
6. Manage continuously the asset allocation within approved ranges and rebalance as appropriate.	X			X			
7. Maintain trading cost at or below median of applicable peer universe as measured for the calendar year.			X			X	
8. Ensure all proxies are voted consistent with the Board approved Proxy Policy.	X			X			
9. Distribute complete and accurate Investment Committee materials to all members of the Investment Committee on the Friday before the regularly scheduled monthly Investment	X			X			New standard is to deliver IIC materials to the committee one week in advance.

KPM MONTHLY REPORTING

June/July 2025

	June 2025			July 2025			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
Committee meeting.							
10. Maintain internal expenditures at or less than Investment Budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			
Legal							
1. Assure no instances of statutory or regulatory non-compliance.	X			X			
2. Provide disability recommendations to the Benefits Committee within sixty (60) calendar days of receipt in the Legal Dept.	X			X			
3. Commence an adjudicative proceeding within sixty (60) calendar days of receipt of administrative appeal.	X			X			
4. Present a recommended decision to the Board within ninety (90) 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			X			X	Suspended due to PGV3 implementation

KPM MONTHLY REPORTING

June/July 2025

	June 2025			July 2025			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
documentation has been received and all wages have been reported.							
3. Calculate 100% of July final retirements within eight (8) months of member requested date of retirement provided that all statutorily required documentation has been received and all wages have been reported.			X			X	Suspended due to PGV3 implementation
4. Schedule member meetings with Benefit Specialists within ten (10) business days of request.	X			X			
5. Issue all member retirement benefit estimates within thirty (30) business days of receipt of request.	X			X			
6. Process member refund requests within ninety (90) calendar days of receipt of written request.	X			X			
7. Process service purchases within fifteen (15) business days of request receipt.	X			X			
8. Process additional contribution calculations within ninety (90) calendar days of receipt.	X			X			
9. Post all interest to member accounts within the month that Finance authorized the activity.	X			X			
10. Adhere to payroll "close" schedule for benefit setup balancing purposes.	X			X			
11. Process all pension changes within thirty (30) calendar days of receipt/notification.	X			X			
12. Process retiree death benefit refund payments within sixty (60) calendar days following receipt of all required paperwork.	X			X			
13. Establish survivorship benefit setup for payment within sixty (60) calendar days following receipt of all required death documentation and pension recoveries.	X			X			
14. Submit new recoupment cases to Recoupment Committee by next committee meeting following discovery.	X			X			

KPM MONTHLY REPORTING

June/July 2025

	June 2025			July 2025			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
15. Initiate Recoupment/Benefits Committee recoupment decisions within seven (7) business days of decision.	X			X			
16. 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			
17. Complete monthly insurance non-rate changes by processing all authorizations received by the date the annuity payroll is posted with zero carryovers.	X			X			
18. Maintain expenditures at or less than Member Services Budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			
Human Resources							
1. Ensure compliance with all Federal, State and CBA rules and regulations as measured by no notices of violation.	X			X			
2. Respond to all payroll errors within one (1) business day and correct all payroll errors within one pay cycle.	X			X			
3. Reduce recruitment time for open staff positions to no more than forty-five (45) business days and open management/executive positions to no more than ninety (90) business days.	X			X			
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			

KPM MONTHLY REPORTING

June/July 2025

	June 2025			July 2025			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
2. Achieve ninety-five percent (95%) rating from members attending an-education session that the session was “completely/moderately” easy to understand.	X			X			
3. Meet all deadlines in editorial calendar.	X			X			
4. Monitor media coverage of NHRS and provide articles to Board, IIC and Staff within two (2) business days.	X			X			
5. Post updated legislative summaries on www.nhrs.org by the end of business every Friday throughout the legislative session.	X			X			
6. Prepare and deliver Quarterly Report to the General Court by January 1, April 1, July 1 and October 1.			X	X			
7. Maintain expenditures at or less than PIO Budget as reported by Finance in the most recent manager’s report (1-month lag).	X			X			
Internal Audit							
1. Prepare a Risk Assessment and Fiscal Year Audit Plan for the approval of the Audit Committee annually.	X					X	No July requirement.
2. Execute and present an engagement to the Audit Committee on a quarterly basis.			X			X	4Q2025 done for April, 1Q2026 due by September.
3. On behalf of the external auditors, administer the GASB census data audits and provide the completed audits to the external auditors by the established due date.	X			X			
4. Prepare the updated NHRS Audit Issues Tracking Report for the Audit Committee and Board of Trustees at least three (3) business days prior to the scheduled Board/Committee mailing.	X			X			
5. Distribute complete and accurate meeting materials to all members of the Audit Committee	X					X	No July meeting.

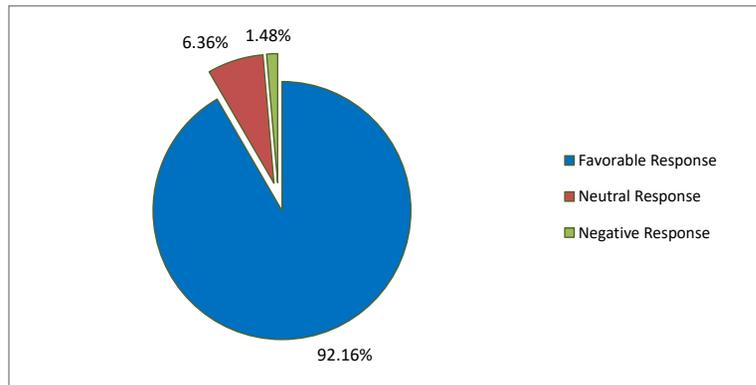
KPM MONTHLY REPORTING

June/July 2025

	June 2025			July 2025			COMMENTS
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	
at least three (3) business days prior to the scheduled Audit Committee meetings.							
6. Prepare draft Audit Committee Meeting minutes for review within three (3) business day of the meeting.	X					X	No July meeting.
7. Maintain expenditures at or less than Internal Audit Budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			
Contact Center							
1. Respond to all incoming emails within 24 business hours.	X			X			
2. Maintain a 95% call satisfaction rating for callers' experience with the Contact Center Representative (CCR).	X			X			We achieved a 95.45% satisfaction rate in June and a 97.87% satisfaction rate in July.
Administrative							
1. Assure that formal complaints are responded to within five (5) business days.			X			X	No complaints were received in either June or July.
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			

**NHRS Board Monthly Reporting Package
Process Improvement
June - July, 2025**

Executive Director Telephone Survey Results		Number of Names on Call List	Number of Connections Made	Favorable Response (1)	Neutral Response (2)	Negative Response (3)	Left VM No Call Back (4)	Bad Phone Number/Not in Service/No VM (5)
2025								
July		40	14	14	0	0	18	8
June		40	17	17	0	0	16	7
May		40	16	15	1	0	17	7
April		50	14	14	0	0	25	11
March		40	14	13	0	1	17	9
February		40	15	15	0	0	17	8
January		40	18	18	0	0	13	9
2024								
January - December		520	224	213	7	4	207	89
2023								
January - December		520	251	226	19	6	219	50
2022								
January - December		520	291	265	21	5	174	55
2021								
January - December		130	73	64	8	1	42	15
2020								
January - December		100	50	47	2	1	37	13
2019								
January - December		500	228	216	7	5	150	122
2018								
January - December		490	227	217	8	2	183	80
2017								
January - December		460	214	204	8	2	168	78
2016								
January - December		520	258	230	25	3	189	73
2015								
January - December		510	273	242	28	3	152	85
2014								
October - December		87	36	28	8	0	30	21
		4647	2233	2058	142	33	1674	740



NHRS MEMBER SATISFACTION SURVEY SUMMARY

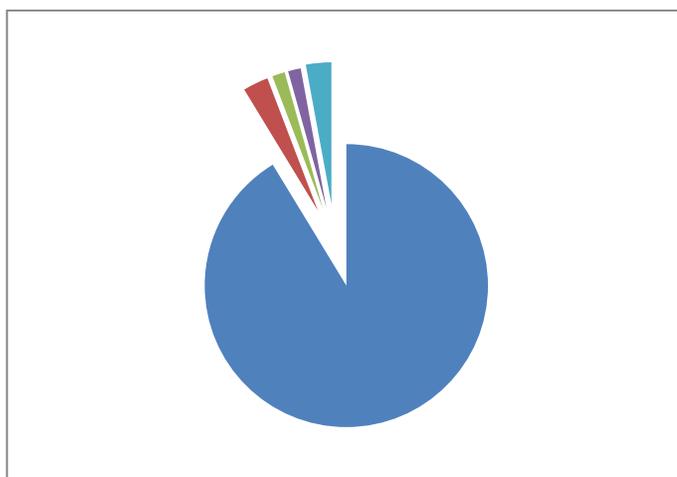
Q4 Fiscal Year 2025

Overview

NHRS has been utilizing member satisfaction surveys since July 2013. The following summary provides a high-level overview of key survey results for Member Services. Negative comments are identified when responses are received and, in keeping with our mission to provide superior service, managers reach out to anyone who has had an unsatisfactory experience and provided their name and/or contact information.

Active Members

Separate surveys are provided to members who are involved in the following interactions: (1) appointment with a benefits specialist; (2) request for a written pension estimate; (3) withdrawal or rollover of accumulated contributions; or (4) purchase of service credit. There are several common questions on each survey, and the responses to all the common questions are aggregated below:



Question: Overall, how satisfied are you with your experience?

Very Satisfied	91.30% (126 responses)
Somewhat Satisfied	2.90% (4 responses)
Neutral	1.45% (2 responses)
Somewhat Dissatisfied	1.45% (2 responses)
Very Dissatisfied	2.90% (4 responses)

Question: How satisfied are you with the following?	Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied
Phone system	84.04%	9.57%	5.32%	0.00%	1.07%
Email	88.16%	3.95%	6.57%	0.00%	1.32%
Initial contact with representative	92.80%	2.70%	2.70%	0.90%	0.90%

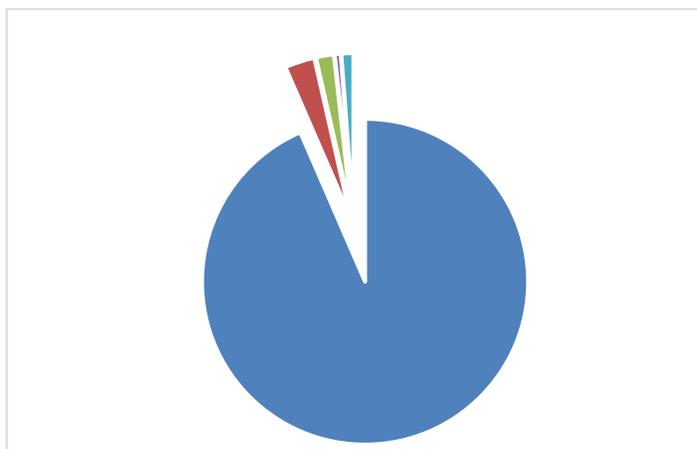
Question: How satisfied are you with the service provided by the NHRS representative who assisted you?	Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied
Friendliness / Professionalism / Courtesy	94.69%	2.66%	1.77%	0.00%	0.88%
Knowledge	94.74%	1.75%	0.88%	0.88%	1.75%
Clarity of verbal explanation	93.86%	0.88%	2.63%	0.88%	1.75%
Clarity of written materials	88.99%	5.50%	0.92%	0.00%	4.59%

Appointments: 500 sent / 94 returned / 18.80%	Withdrawal / Rollover: 203 sent / 18 returned / 8.87%
Estimates: 183 sent / 24 returned / 13.11%	Service Credit: 44 sent / 2 returned / 4.55%

Contact Center

The contact center opened in December 2020 to transform member services operations to better meet the needs of our stakeholders. Callers reaching the contact center include active members and retirees. Callers are offered the option to stay on the line after their call is finished to complete a brief, three (3) question survey. The following summary provides a high-level overview of the results for this survey.

Overall Satisfaction



Question: Overall, how satisfied were you with the service provided by the representative who assisted you?

Very Satisfied	93.49%	(158 responses)
Somewhat Satisfied	2.96%	(5 responses)
Neutral	1.78%	(3 responses)
Somewhat Dissatisfied	0.59%	(1 response)
Very Dissatisfied	1.18%	(2 responses)

Question: Was this the first time you contacted NHRS about this issue?

Yes	No
74.59%	25.41%

Question: Overall, how satisfied are you with your experience?

Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied*	Very Dissatisfied*
87.70%	3.91%	2.24%	2.24%	3.91%

Response Rate: 7,489 calls received /187 surveys completed / 2.50%

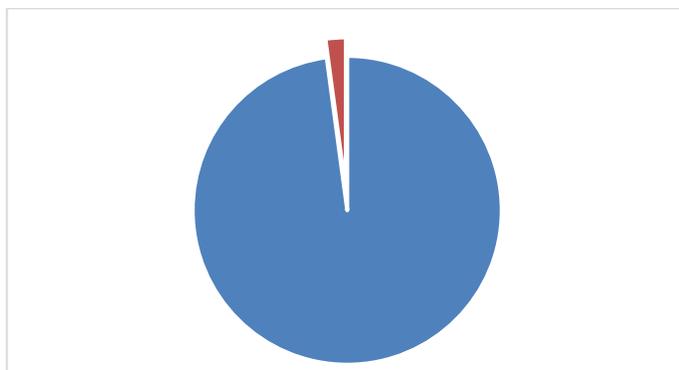
* Contact center management reviews all 'somewhat dissatisfied' and 'very dissatisfied' calls to understand whether members were truly dissatisfied with their service or if they simply selected an incorrect response option. Since calls are recorded, every call in these two categories is listened to and a report is issued. These reports will be used to determine if our survey options need to be modified and serve as a training tool for our contact center representatives.

ED Telephone Surveys

In October 2021, the Executive Director resumed making calls to stakeholders to inquire about their level of satisfaction with NHRS. These calls were discontinued in March 2020 at the onset of Covid-19. On a weekly basis, a list of ten (10) members who have visited or called NHRS are selected at random and provided to the Executive Director.

The Executive Director, in turn, contacts or attempts to contact each member on the list to inquire about their satisfaction with the service received. Below are the results for the quarter.

Overall Satisfaction



Question: "I am calling to see if you are happy with the service you received from our staff."

■ Positive	97.87% (46 responses)
■ Neutral	2.13% (1 response)
■ Negative	0.00% (0 responses)

Response rate: 130 calls made / 47 responses/ 36.15%

NHRS MEMBER SATISFACTION SURVEY SUMMARY

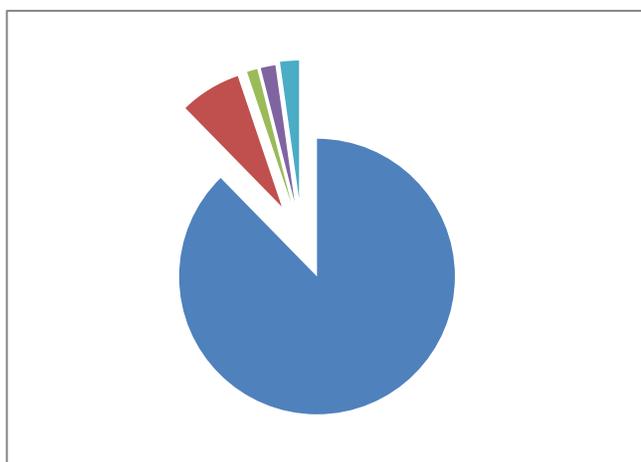
Fiscal Year 2025

Overview

NHRS has been utilizing member satisfaction surveys since July 2013. The following summary provides a high-level overview of key survey results for Member Services. Negative comments are identified when responses are received and, in keeping with our mission to provide superior service, managers reach out to anyone who has had an unsatisfactory experience and provided their name and/or contact information.

Active Members

Separate surveys are provided to members who are involved in the following interactions: (1) appointment with a benefits specialist; (2) request for a written pension estimate; (3) withdrawal or rollover of accumulated contributions; or (4) purchase of service credit. There are several common questions on each survey, and the responses to all the common questions are aggregated below:



Question: Overall, how satisfied are you with your experience?

Very Satisfied	87.69% (356 responses)
Somewhat Satisfied	7.14% (29 responses)
Neutral	1.23% (5 responses)
Somewhat Dissatisfied	1.72% (7 responses)
Very Dissatisfied	2.22% (9 responses)

Question: How satisfied are you with the following?	Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied
Phone system	83.40%	8.11%	6.95%	1.15%	0.39%
Email	87.10%	5.07%	6.45%	0.46%	0.92%
Initial contact with representative	92.35%	4.14%	2.23%	0.64%	0.64%

Question: How satisfied are you with the service provided by the NHRS representative who assisted you?	Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied
Friendliness / Professionalism / Courtesy	95.91%	1.46%	1.17%	0.58%	0.88%
Knowledge	95.61%	0.88%	2.05%	0.58%	0.88%
Clarity of verbal explanation	94.41%	1.47%	1.47%	0.88%	1.77%
Clarity of written materials	91.74%	3.36%	1.84%	0.61%	2.45%

Appointments: 944 sent / 247 returned / 27.17%

Estimates: 1125 sent / 84 returned / 7.47%

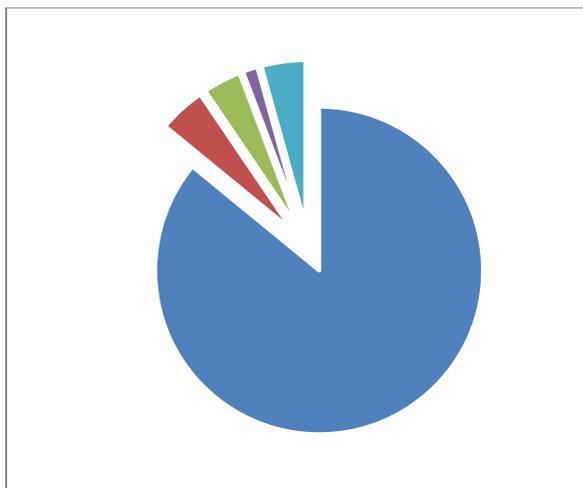
Withdrawal / Rollover: 866 sent / 68 returned / 7.85%

Service Credit: 229 sent / 8 returned / 3.49%

Contact Center

The contact center opened in December 2020 to transform member services operations to better meet the needs of our stakeholders. Callers reaching the contact center include active members and retirees. Callers are offered the option to stay on the line after their call is finished to complete a brief, three (3) question survey. The following summary provides a high-level overview of the results for this survey.

Overall Satisfaction



Question: Overall, how satisfied were you with the service provided by the representative who assisted you?

Very Satisfied	94.12% (929 responses)
Somewhat Satisfied	2.43% (24 responses)
Neutral	2.23% (22 responses)
Somewhat Dissatisfied	0.30% (3 responses)
Very Dissatisfied	0.91% (9 responses)

Question: Was this the first time you contacted NHRS about this issue?

Yes	No
78.21%	21.79%

Question: Overall, how satisfied are you with your experience?

Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied*	Very Dissatisfied*
85.93%	4.59%	3.73%	1.44%	4.31%

Response Rate: 35,210 calls received / 1,110 surveys completed / 3.15%

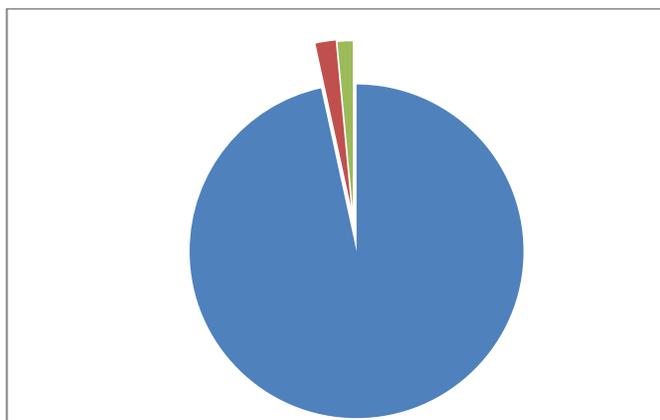
* Contact center management reviews all 'somewhat dissatisfied' and 'very dissatisfied' calls to understand whether members were truly dissatisfied with their service or if they simply selected an incorrect response option. Since calls are recorded, every call in these two categories is listened to and a report is issued. These reports will be used to determine if our survey options need to be modified and serve as a training tool for our contact center representatives.

ED Telephone Surveys

In October 2021, the Executive Director resumed making calls to stakeholders to inquire about their level of satisfaction with NHRS. These calls were discontinued in March 2020 at the onset of Covid-19. On a weekly basis, a list of ten (10) members who have visited or called NHRS are selected at random and provided to the Executive Director.

The Executive Director, in turn, contacts or attempts to contact each member on the list to inquire about their satisfaction with the service received. Below are the results for the fiscal year.

Overall Satisfaction



Question: "I am calling to see if you are happy with the service you received from our staff."

■ Positive	96.59% (198 responses)
■ Neutral	1.95% (4 responses)
■ Negative	1.46% (3 responses)

Response rate: 510 calls made / 205 responses / 40.20%

Last 12 Months Executive Director Contract Approvals (as of 8/1/25)

Vendor Name	Effective Date	Amount	Description
NH Print and Mail	9/24/2024	\$25,503	1099R Form Preparation
Single Wire	10/1/2024	\$9,000	SaaS notification software
BNY/Mellon	10/1/2024	\$25,000	Adding NonLagged reporting Capabilities
McLagan	10/3/2024	\$17,500	Investment Positions Evaluations
Liberty Mutual	10/20/2024	\$4,500	Business Owners Insurance Policy
Sara Brownstein	11/1/2024	Hourly Rate	Financial consultant for preparation of ACFR
De Lage Landen Financial Services	11/12/2024	\$13,968	Copier Lease - 5 years
Bloomberg	11/30/2024	\$26,580	Additional Terminal
GRS	1/1/2025	\$175,000	One-year extension on same terms*
Citizens Bank	1/1/2025	\$650,000	5-year renewal option on same terms*
ePlus Technologies	1/13/2025	\$10,600	Network Engineering Consulting Services
Linea Solutions	1/22/2025	\$168,450	5-year Professional Services Agreement contract for PGV3 Implementation and Improvement Analysis
Linea Solutions	2/20/2025	\$5,600	Interim IT oversight consulting services of indeterminate duration; monthly minimum rate against hourly billing in excess of 20 hours
MCS	3/1/2025	\$7,728	HVAC Maintenance - 80 Commercial
Twin Elms Enviromental Brokerage	3/4/2025	\$16,003	Site Pollution Insurance for 80 Commercial Street
Milliman	3/12/2025	\$37,500	Audit of 2024 Acturial Valuation by GRS
3Shoes	3/15/2025	\$15,300	Leadership Coaching
Canoe	4/1/2025	\$130,369	3 Years Private Market Document Management
Brochu	4/3/2025	\$4,650	FY25 Landscaping - 80 Commercial
Pitchbook	5/1/2025	\$81,000	2 Years, Investment Data Analytics
Debbie K Graphics	6/1/2025	\$5,827	ACFR Graphics
John Carter	6/4/2025	\$450	Sprinkler Inspection - 80 Commercial
Brochu	7/1/2025	17,520	FY26 Landscaping - 80 Commercial
Travelers	7/1/2025	\$5,747	Workers' Compensation Renewal
Kelly Brown	7/1/2025	Hourly Rate	Accounting consultant
Diligent	7/1/2025	\$19,640	Board Management Software
		\$1,473,435	

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

Department: Executive
Executive Team Member: J. Goodwin

Date: 7/31/25
Approved: 7/01/25

FYs 26-28 Executive Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Oversee implementation of FYs 26-28 Strategic Plan.	JG	6/30/26	<i>In process.</i>	Goals 1-4.
2. Continue progress on Roadmap for LRS Pension Gold (PGV3) project.	JG/IT/NM/MM	6/30/26	<i>This is a continuation of the five-year project completed in FY 24.</i>	Goal 1.
3. Identify areas for improved efficiencies across the organization, including assessing and improving employee engagement.	JG/ETeam	6/30/26	<i>Ongoing.</i>	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/RF	6/30/26	<i>In process.</i>	Goal 1.
5. Implement agreed-upon elements of Vision for NHRS.	JG/ETeam	6/30/26	<i>Presented to BOT in 8/24. In process.</i>	Goals 1-4.
6. Attend two professional conferences.	JG	6/30/26	<i>Will participate in NCTR's Annual Conference in October</i>	Goal 2.

7. Begin reviewing the organization structure to better align with the system's vital functions.	JG/RC/AG	12/31/26	<i>Not started.</i>	Goal 2.
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Variables: Legislative changes, personnel changes/turnover, technology changes.



To: Board of Trustees
 From: Marie A. Mullen, Director of Finance
 Date: July 29, 2025
 Re: Finance Operating Report
 Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- We continue our search for the Controller position. Responsibilities have been delegated, and all functions are being covered in the interim.
- All critical Employer Reporting enhancements related to school and SAU reporting were implemented between May and July in advance of the end of the school year. Employer communication, How-To Guides, and recorded training sessions have been included with each release. A comprehensive Employer Guide is in progress and will be published in August.
- Participate in requirements development and identifying impact on employers related to HB 282 legislation.
- Interim audit and fiscal year 2025 year-end financial statements have been our focus. The auditors have indicated that we are ahead of last year at this point in the audit.

Current Months' Highlights – June and July

- Employer reporting on time reporting has been greater than 90% two out of the last three months. Payments on time have been 90% or greater the last three out of three months.
- All employers have completed reporting through May wages due June 2025.
- Payments are current through April, with only 6 employers outstanding for May and June.
- A payment plan was received from Pittsfield SD to be current by April 2026.
- Finance completed seven of 12 KPMs for June and six of 12 for July. For June, three KPMs did not have deliverables, and one was suspended due to the PGV3 implementation. One was not met as we continue to get caught up on our monthly bank reconciliations. For July, four KPMs did not have deliverables for the month, and one was suspended due to the PGV3 implementation. One was not met as we continue to get caught up on our monthly bank reconciliations.
- FY 25 Net Position YTD through March increased \$718 million or 5.8% since FY24 June.
- FY 25 Cash Flow YTD through March is in line with the previous year once removing the one-time terminal funding for HB 1647 and HB 1307 TSA of \$26.4 million. The shortfall is as anticipated and is covered by investments in the fund.
- FY 25 year-to-date spending through June was within budget including the balance forward from the previous year.

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

- Continued testing the invoice approval workflow automation project and completing documentation. Training and implementation are anticipated for August.
- Implementation of investment automated document acquisition and validation project (CANOE) is ongoing. Project is proceeding well with over 75% of the 165 alternative investments onboarded. Anticipated completion at the end of Q1 FY26.

Upcoming Plans & Projects

- FY25 Year-end, Audit, and ACFR preparation.
- HB 282 implementation.
- Actuarial RFP submission reviews and recommendation.
- Continue work on identified internal and external audit improvements.
- Continued improvements and enhancements to PGV3.
- Inaugural employer survey development.

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

Division: Finance
Executive Team Member: M. Mullen

Date: 7/28/25
Approved: 7/30/25

FYs 26-28 Finance Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Develop Employer Reporting internal training manual.	MM/KN/IT	Q2-FY 26		Goal 1.
2. Develop Employer training program for DRS reporting.*	MM/KN/IT/ Finance	Q3-FY 26	<i>Employer manual. Training program for employer new hires.</i>	Goal 1.
3. Develop and deploy first annual employer survey.	MM/TBD/PIO/ KN	Q2-FY 26	<i>In coordination with PIO.</i>	Goals 1 & 2.
4. Improve and develop Employer Reporting dashboards and reports.	MM/KN/IT	Q4-FY 26	<i>In coordination with IT, build automated dashboard reports.</i>	Goals 1 & 2.
5. Implementation of financial and other software applications to automate processes, improve reporting, streamline financial analysis, and improve security.*	MM/IT/KN/ TBD	Ongoing.	<i>In coordination with IT. PG roadmap items as prioritized for FY26. Financial software upgrade/replacement.</i>	Goal 2.
6. Implementation of Finance related items in Investment Strategic Plan.*	MM/TBD/ Investments	Ongoing.	<i>In coordination with Investments. Automate investment documentation acquisition for cap calls, financials, cap statements, etc. (Q1-FY 26) Hire Investment Analyst.</i>	Goal 3.

7. Develop schedule to update Finance policies and procedures.	MM/KN/TBD	Q3-FY 26		-
8. Attend Professional Conference.	MM/KN	Q2-FY 26		Goal 4.

* - *This goal 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
8/5/2025

Net Position (\$s in Billions)	FY 2025	FY 2024
Current Fiscal Year-To-Date	Mar-25	Mar-24
Net Position Change	\$0.718	\$0.817
Prior Year Beginning Balance	\$12.341	\$11.510
Net Position Balance	\$13.059	\$12.327

CASH FLOW-Contributions & Benefits

Cash Basis (\$s in Millions)

Contributions	Mar-25	FY 2025 YTD Mar	Mar-24	FY 2024 YTD Mar
Employers	\$ 64.705	\$ 517.455	\$ 61.288	\$ 487.689
RSA from State of NH	\$ -	\$ 26.432	\$ -	\$ 7.140
Members	\$ 26.691	\$ 216.184	\$ 25.437	\$ 203.635
Subtotal	\$ 91.396	\$ 760.071	\$ 86.725	\$ 698.464
Benefits				
Annuity & OPEB	\$ 89.116	\$ 796.334	\$ 86.134	\$ 770.793
Refunds & All Other	\$ 4.671	\$ 32.969	\$ 3.989	\$ 31.924
Subtotal	\$ 93.787	\$ 829.303	\$ 90.123	\$ 802.717
Total Cash Flow Gain/(Shortfall)	\$ (2.391)	\$ (69.232)	\$ (3.398)	\$ (104.253)

FY 2025 BUDGET vs. ACTUAL

Investments & Non-Investment Administrative Expenses
July 1, 2024 Through June 30, 2025

	Total Budget	FY25 Balance Forward and Transfers	FYTD Budget	Actual	Difference
Investment					
Administrative Expenses					
Internal	\$ 2,455,695	\$ -	\$ 2,455,695	\$ 1,270,327	\$ 1,185,368
External (Manager & Custodial)	\$ 36,599,000	\$ -	\$ 36,599,000	\$ 31,530,825	\$ 5,068,175
Subtotal	\$ 39,054,695	\$ -	\$ 39,054,695	\$ 32,801,152	\$ 6,253,543
Non-Investment					
Administrative Expenses					
Internal (Statutory Administrative)	\$ 13,632,278	\$ 463,680	\$ 13,632,278	\$ 13,668,149	\$ 427,809
External (Actuary, Legal, Audit)	\$ 6,339,137	\$ -	\$ 6,339,137	\$ 5,987,518	\$ 351,619
Subtotal	\$ 19,971,415	\$ 463,680	\$ 19,971,415	\$ 19,655,667	\$ 779,428
Total Administrative Expense	\$ 59,026,110	\$ 463,680	\$ 59,026,110	\$ 52,456,819	\$ 7,032,971

New Hampshire Retirement System
Investment & Non-Investment Administrative Expenses
Budget vs. Actual
July 1, 2024 Through June 30, 2025
FY 2025

	TOTAL Budget	FY25 Balance Forward and Transfers	FYTD Budget	FYTD Actual	Difference
1 Investment Administrative Expenses					
2 Internal Investment Expenses					
3 Salaries & Benefits	\$ 1,570,743		\$ 1,570,743	\$ 936,738	\$ 634,005
4 Temporary Employees	-	32,100	-	32,033	67
5 Current Expenses/Supplies/Education	66,400		66,400	12,495	53,905
6 Subscriptions	5,852		5,852	2,180	3,672
7 Consultants	350,000	(34,200)	350,000	86,358	229,442
8 Technology & Analytical Systems	400,575		400,575	169,072	231,503
9 Organizational Dues	18,525	2,100	18,525	20,625	-
10 Travel	43,600		43,600	10,826	32,774
11 Subtotal Internal Investment	2,455,695	-	2,455,695	1,270,327	1,185,368
12 External Investment Expenses					
13 Management Fees					
14 Marketable Investments	31,250,000		31,250,000	27,252,471	3,997,529
15 Real Estate	3,200,000		3,200,000	2,330,653	869,347
16 Subtotal Management Fees	34,450,000	-	34,450,000	29,583,124	4,866,876
17 Investment Administrative Expenses					
18 Custody Fees					
19 Master-BNY Mellon	705,000		705,000	595,800	\$ 109,200
20 General Investment Consultant Fees	700,000	(345)	700,000	650,000	\$ 49,655
21 Legal-Investment	550,000	76,670	550,000	626,670	\$ -
22 Other Fees	194,000	(76,325)	194,000	75,231	\$ 42,444
23 Subtotal Invest. Administrative Expenses	2,149,000	-	2,149,000	1,947,701	201,299
24 Subtotal External Investment	36,599,000	-	36,599,000	31,530,825	5,068,175
26 Total Investment Internal & External	\$ 39,054,695	\$ -	\$ 39,054,695	\$ 32,801,152	\$ 6,253,543
27 Non-Investment Administrative Expenses					
28 Internal Non-Investment Expenses					
29 Salaries & Benefits	\$ 8,959,938	\$ 766,892	\$ 8,959,938	\$ 9,611,891	\$ 114,939
30 Current Expenses	232,075	8,709	232,075	129,374	\$ 111,410
31 Rents & Leases	461,000	2,038	461,000	462,521	\$ 517
32 Equipment	28,950	(19,307)	28,950	1,792	\$ 7,851
33 Technology-Software & Hardware	2,918,000	(956,312)	2,918,000	1,935,529	\$ 26,159
34 Payroll & Other Services	59,890	6,427	59,890	66,002	\$ 315
35 Independent Med. Examiners/Consultants	250,000	130,699	250,000	349,352	\$ 31,347
36 Retiree Health Insurance	165,200	60	165,200	126,517	\$ 38,743
37 Other	557,225	524,474	557,225	985,171	\$ 96,528
38 Subtotal Internal Non-Invest. Adm	13,632,278	463,680	13,632,278	13,668,149	427,809
42 External Non-Investment Expenses					
43 Actuarial Fees	\$ 253,000	\$ 10,000	253,000	\$ 256,603	\$ 6,397
44 Legal Fees	225,000		225,000	176,171	\$ 48,829
45 Audit Fees	357,000		357,000	306,250	\$ 50,750
46 Other Consulting Fees	165,000	(73,373)	165,000	48,446	\$ 43,181
47 Insurance Expense	221,137	6,000	221,137	72,261	\$ 154,876
48 Local Custodian	118,000		118,000	70,414	\$ 47,586
49 Capital Expense	5,000,000	57,373	5,000,000	5,057,373	\$ -
50 Subtotal External Non-Invest. Adm	6,339,137	-	6,339,137	5,987,518	351,619
52 Total Non-Invest. Internal & External	\$ 19,971,415	\$ 463,680	\$ 19,971,415	\$ 19,655,667	\$ 779,428
54 Total Administrative Expense	\$ 59,026,110	\$ 463,680	\$ 59,026,110	\$ 52,456,819	\$ 7,032,971



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

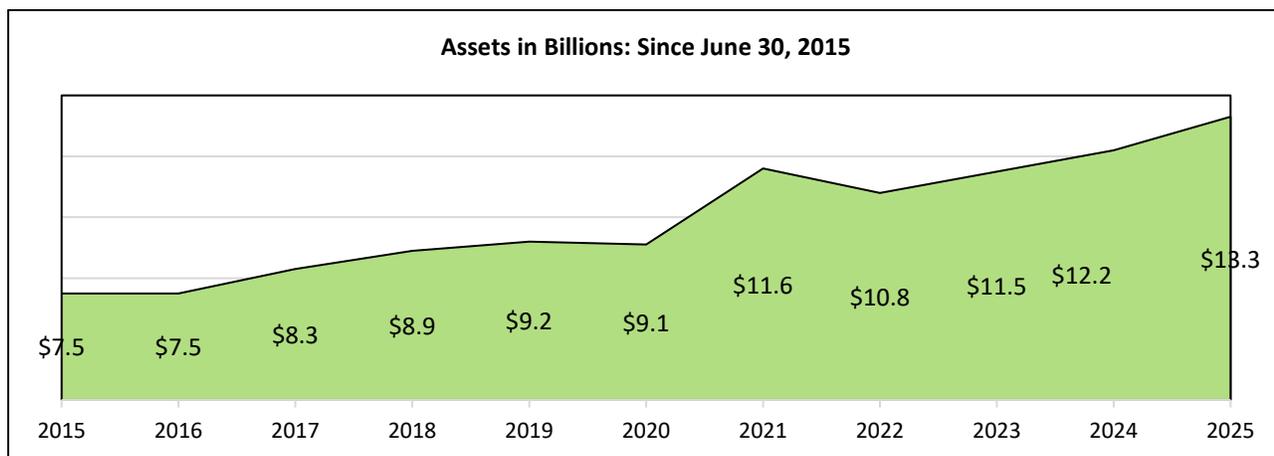
NHRS DASHBOARD: FY 2025 Fourth Quarter

For the period April 1, 2025, to June 30, 2025

Updated: August 2025

TRUST FUND

4th Quarter FY 2024: \$12.2 billion	4th Quarter FY 2025: \$13.3 billion*
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*FY 2025 is unaudited

INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 6/30/25*	1 yr. at 6/30/25	3 yr. at 6/30/25	5 yr. at 6/30/25	10 yr. at 6/30/25
Total Fund Composite	9.85%	9.85%	8.93%	9.46%	7.68%
Peer comparison (percentile)	45th	45th	28th	40th	33rd

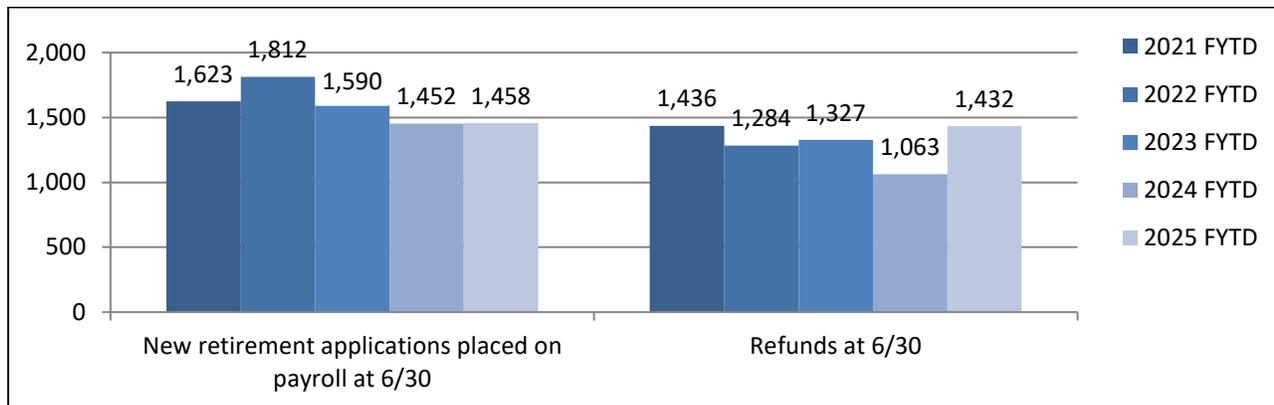
Assumed Rate of Return: 6.75%; * - Annualized; valuation of real estate and alternative investments lagged three months.

INTERNAL NHRS KEY PERFORMANCE MEASURES

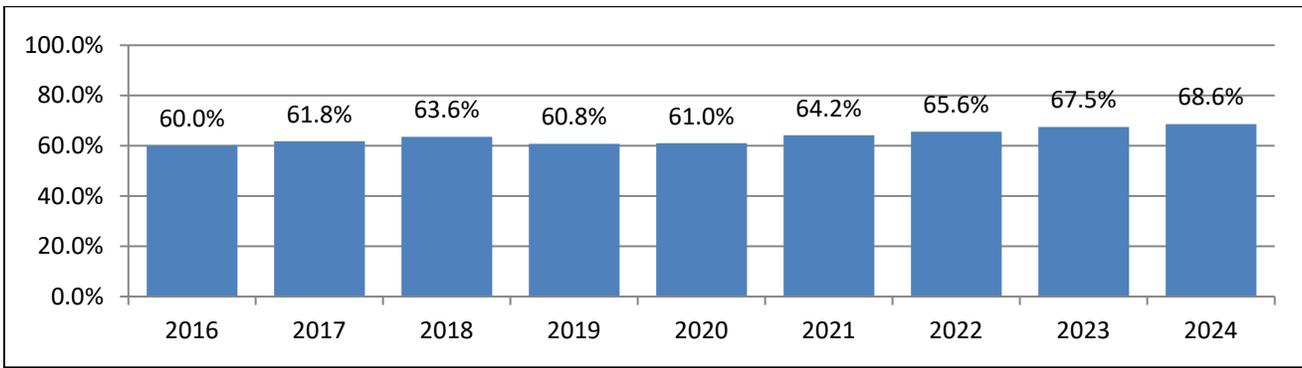
April 2025: 98.57%	May 2025: 95.59%	June 2025: 98.51%	12-month rolling average: 95.40%
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Target: 95%

RETIREMENTS AND REFUNDS

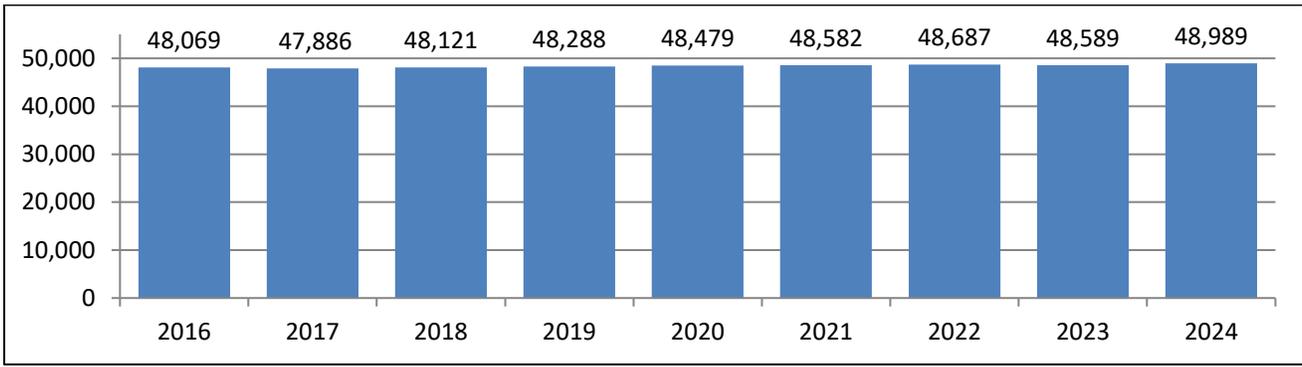


ACTUARIAL FUNDED RATIO

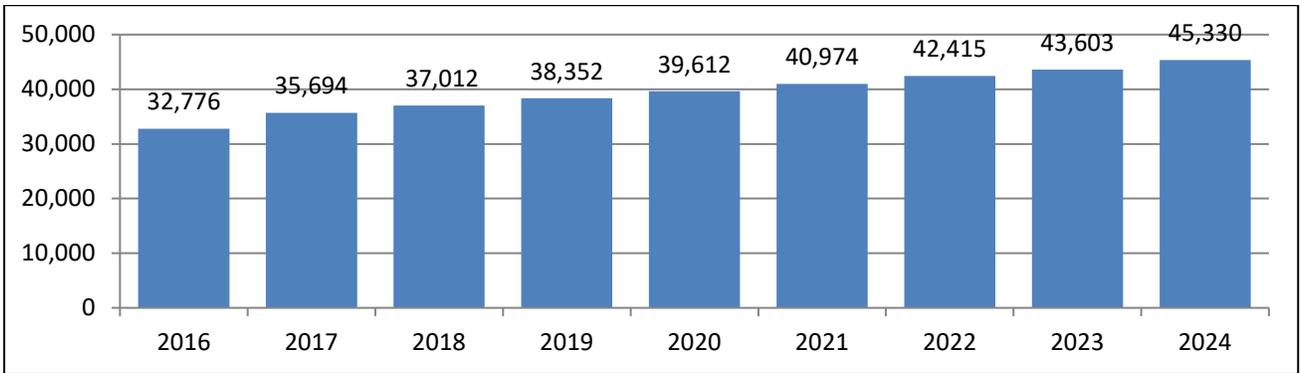


Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions in 2016 and 2020 and for revised actuarial assumptions in 2023.

ACTIVE MEMBERS



RETIREES & BENEFICIARIES





To: Board of Trustees
From: Rosamond Cain, Director of Human Resources
Date: July 28, 2025
Re: HR Operating Report
Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- NHRS has filled the Chief Legal Counsel position; the candidate will start on August 26. Member Services has one position open, a Member Account Generalist, and Finance is recruiting for a Controller.
- HR is working with IT, Finance and Investments to build new position descriptions.
- We have successfully negotiated a new contract with the SEA.
- The FY 2026 nonunion compensation plan recommendations was presented to the PPCC on August 1.
- HR continues its work on updating training manuals and position descriptions due to the implementation of PGV3.

Current Months' Highlights – June and July

- HR met all four KPMs for the past two months.
- HR continues to work with the ETeam on the building and move projects.

Upcoming Plans & Projects

- Planning all staff trainings for FY 26.
- All policies and procedures need to be reviewed, and updated if necessary.
- Update to the NHRS Handbook is being reviewed.

Division: Human Resources (HR)
Executive Team Member: R. Cain

Date: 7/28/25
Approved: 7/1/25

FYs 26-28 Human Resources Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Plan, schedule, and present two trainings for our staff annual training plan.	RC/JG/ETeam/ MTeam	6/30/26	<i>Researching trainings.</i>	Goal 4.
2. Maintain a management development program for middle managers and staff identified as possible managers.	RC/JG/ETeam/ MTeam	6/30/26	<i>Ongoing.</i>	Goal 2.
3. Assist in monitoring and maintaining staffing levels in all departments to keep organization on time and budget.	RC/ETeam/ MTeam	6/30/26	<i>Ongoing.</i>	Goals 2 & 4.
4. Create, implement, and maintain electronic performance appraisals utilizing the ADP software.	RC/MTeam	6/30/26	<i>Ongoing.</i>	Goal 2.
5. Begin a review of the organization structure and implement appropriate changes if warranted.	RC/AG/JG	12/31/26	<i>FY 26 AP Item.</i>	Goal 2.
6. Continue review of all training manuals to reflect PGV3.	RC/MTeam/ Staff	1/31/26	<i>Ongoing.</i>	Goal 4.

7. Continue review of all position descriptions to reflect PGV3.	RC/MTeam/ Staff	1/31/26	<i>Ongoing.</i>	Goal 4.
8. Implement a formal cross training program aligned with succession planning.	RC/ETeam/ MTeam	12/31/27	<i>Not started.</i>	Goal 4.
9. Ensure compliance with all federal, state and CBA rules and regulations.	RC/Legal/ J. Goodridge	6/30/26	<i>Current.</i>	–
10. HR Tech. to identify and enroll in a professional development program.	J. Goodridge/ RC	12/31/25		–
11. HR Mgr. to identify, enroll in, and complete a professional development program.	RC/JG	12/31/25		–

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



To: Board of Trustees
From: Mark Cavanaugh, Deputy Counsel and Compliance Officer
Date: August 1, 2025
Re: Legal Team Operating Report
Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- Staff will be presenting its recommendations for NH Counsel for corporate, real estate and litigation matters to the Governance Committee for its consideration and recommendation to the Board at the October meeting.
- The certified record has been filed in the NH Supreme Court appeal in the Matter of Scott Marshall regarding the Board's December 2024 decision that Mr. Marshall was properly classified as a Group II Tier B member. The petitioner's brief was filed on July 2 and NHRS' reply brief is due on August 18.

Current Months' Highlights – June and July

- All 23 GASB audits for 2025 have been processed.
- Legal achieved six of six KPMs in June and July with one KPM suspended.
- 423 Gainful Occupation Letters for 2024 income were sent in early March. 333 responses have been received and 319 have been processed.
- The report for Retiree Work Hours for calendar year 2024 is attached. The results are consistent with past years. Four retirees are subject to an offset of the State annuity portion of their monthly benefit for 12 months due to exceeding the annual limit, one of whom has an appeal pending.

Upcoming Plans & Projects

- Integration of the employer audit process into PGV3 has been rescheduled for the fall due to competing PG priorities.

Administrative Appeals

Prior 12 months	Total Cases on Appeal at start of the month	New Appeals	Closed Appeals	Total Cases on Appeal end of the month
July '25	7	2	0	9
June '25	6	2	1	7
May '25	6	0	0	6
Apr. '25	5	1	0	6
Mar. '25	5	0	0	5
Feb. '25	4	1	0	5
Jan. '25	6	0	2	4
Dec. '24	6	1	1	6
Nov. '24	7	1	2	6
Oct. '24	8	0	1	7
Sept. '24	7	1	0	8
Aug. '24	9	0	2	7
Totals		9	9	

Disability Appeals

Prior 12 months	Total Cases on Appeal at start of the month	New Appeals	Closed Appeals	Total Cases on Appeal end of the month
July '25	1	0	0	1
June '25	1	0	0	1
May '25	1	0	0	1
Apr. '25	1	0	0	1
Mar. '25	1	0	0	1
Feb. '25	1	0	0	1
Jan. '25	1	0	0	1
Dec. '24	1	0	0	1
Nov. '24	1	0	0	1
Oct. '24	1	0	0	1
Sept. '24	1	0	0	1
Aug. '24	1	0	0	1
Totals		0	0	

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

Department: Legal/Compliance
Executive Team Member: TBD

Date: 8/1/25
Approved: 5/28/24

FYs 26-28 Legal Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Assist in the PGV3 implementation and long-term enhancements.	TBD	6/30/26	<i>Ongoing.</i>	Goal 1.
2. Conduct and document annual review of NHRS legal and governance policies, procedures, and manuals to assure best practices.	TBD	12/31/25	<i>Ongoing.</i>	-
3. Update the annual compliance calendar to enhance timely compliance in all organizational areas.	TBD	12/31/25	<i>Ongoing.</i>	-
4. Ensure annual compliance with the Voluntary Correction Program Policy.	TBD	3/31/26	<i>Ongoing.</i>	-
5. Assure legal compliance with all legislative proposals adopted and effective in 2025.	TBD	6/30/26	<i>Ongoing.</i>	-
6. Review NHRS website for legal compliance with updates as needed.	TBD /RF	6/30/26	<i>Ongoing.</i>	-
7. Identify, enroll, and complete a professional development program.	TBD	6/30/26		-

8. Begin reviewing the organization structure to better align with the system's vital functions.	JG/RC/ TBD	12/31/26		Goal 2.
9. Evaluate and develop PGV3 capabilities for employer audits.	TBD	12/31/25	<i>In process. Due date changed due to competing PGV3 priorities.</i>	Goal 1.

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



NHRS Retiree Work Hours for 2024

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 for 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 2024 calendar year.

CATEGORY	ALL RETIREES WORKING	GRANDFATHERED	NOT GRANDFATHERED	EXEMPT	NOT EXEMPT	STATE	POLITICAL SUBDIVISIONS
Number of Working Retirees	3,164	873	2,292	100	3,064	568	2,597
Total Work Hours	1,703,308	557,384	1,145,923	110,969	1,592,338	442,908	1,260,400
Average Annual Hours	538	639	500	1,110	520	780	486
Total Compensation	\$59,317,686	\$19,036,783	\$40,280,902	\$4,395,574	\$54,922,111	\$15,536,394	\$43,781,291
Average Annual Compensation	\$19,925	\$21,831	\$17,560	\$43,955	\$17,925	\$27,353	\$16,865

CATEGORY	POLICE	FIRE	TEACHER	EMPLOYEE
Number of Working Retirees	266	66	651	2182
Total Work Hours	162,675	30,109	210,321	1,300,202
Average Annual Hours	612	436	323	596
Total Compensation	\$6,992,608	\$947,662	\$7,999,986	\$43,476,428
Average Annual Compensation	\$26,288	\$14,579	\$12,137	\$19,925

Notes: 1. This data has not been audited; 2. Because some retirees worked for multiple employers and/or had part-time employment in multiple member groups, the total number of retirees in particular groupings may differ slightly from the aggregate data; 3. Although exempt retirees (i.e., bailiffs, court security officers and retirees in full-time positions that are not subject to mandatory enrollment) are not subject to the annual limit on work hours, their wage and hour information is included in this summary pursuant to RSA 100-A:16 VII(a).



To: Board of Trustees
 From: Rick Fabrizio, Director of Communications and Legislative Affairs
 Date: July 24, 2025
 Re: Communications/Legislative Affairs Operating Report
 Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- Three NHRS-related bills were signed into law in 2025 — HB 282, HB 1, the budget, and HB 2, the budget trailer bill. HB 282 restored some of the benefits for Group II, Tier B (Police and Fire) members that were reduced by changes enacted in 2011. Implementation efforts across multiple departments are ongoing.
- Tracked a total of 18 NHRS-related bills and 11 other bills of interest through the end of the session. The final Legislative Tracker is in the Board materials.

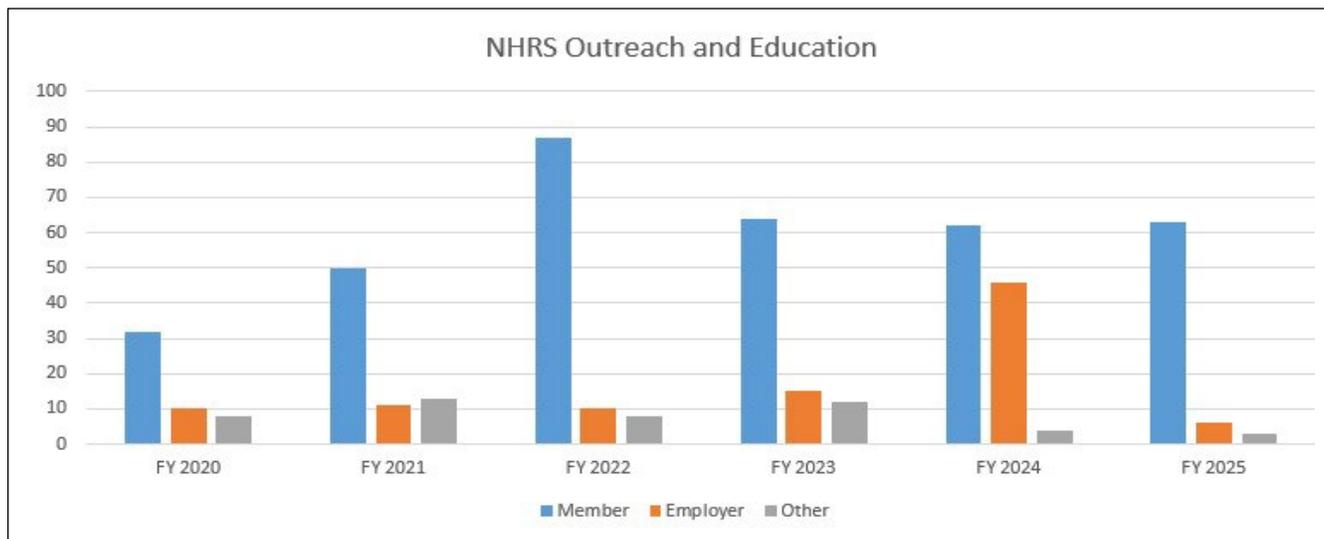
Current Months' Highlights – June and July

- Communications team continues to work with multiple functional teams to develop messaging for employers, members, and retirees related to employer reporting and *My Account*.
- Conducted a member poll on usage of NHRS toll-free phone number, which drew over 1,000 responses. Respondents strongly favored keeping the number and NHRS will consistently include it in all contact information areas.
- Hosted eight employer listening sessions.
- Hosted or participated in nine member education events.
- PIO met seven of seven applicable KPMs each month.
- Completed FY 25 Analytics for NHRS' Facebook and YouTube pages, NHRS email communications, website and Google. The report is included in the Board materials.

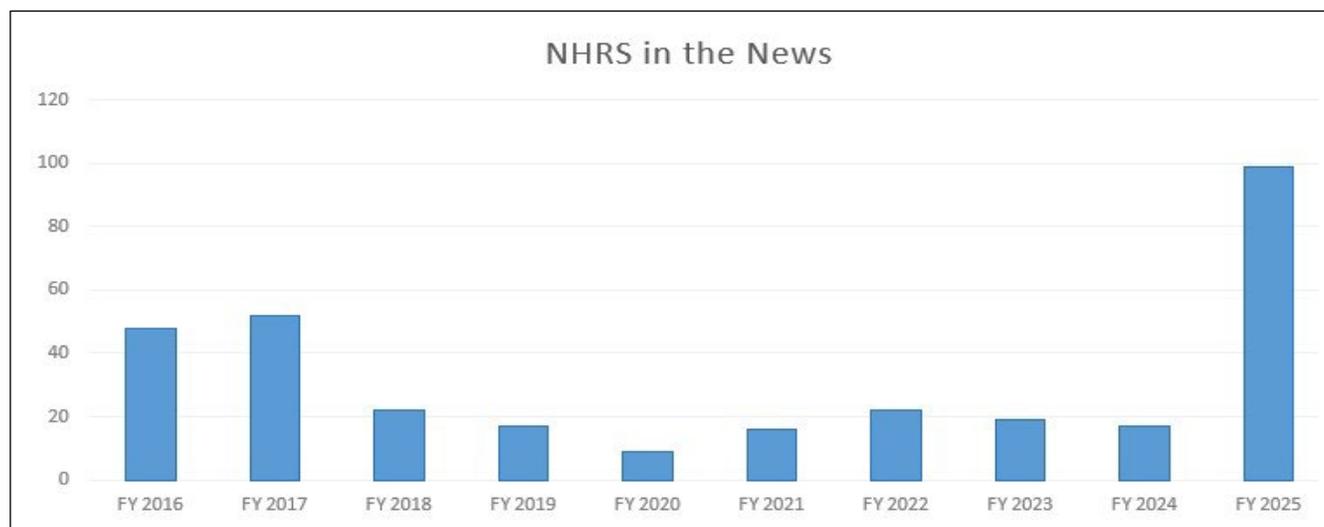
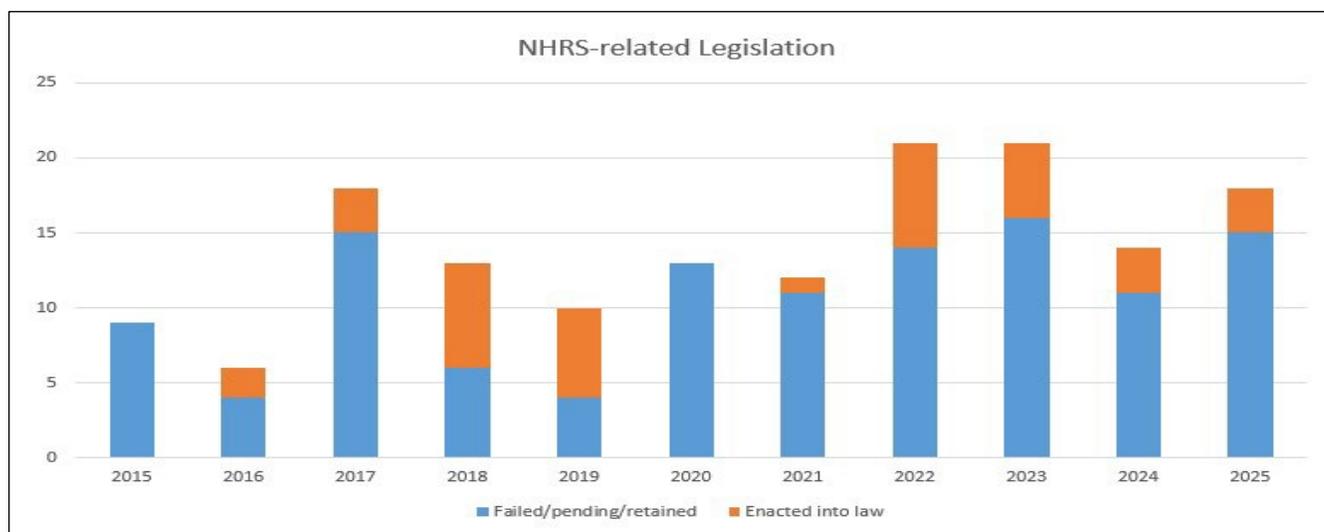
Upcoming Plans & Projects

- Communications team continues to work with multiple functional teams in the process of updating calculations in NHRS pension administration software system and employer reporting requirements following enactment of HB 282.
- Working with multiple functional teams on the development of Customer Service Training including telephone, email and in-person communications best practices.
- Hosting or participating in nine member events in August and September.

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



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

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Department: Communications (PIO)
Executive Team Member: R. Fabrizio

Date: 7/22/25
Approved: 6/10/25

FYs 26-28 Communications Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. In collaboration with the Finance team, implement new, ongoing employer training program for DRS reporting.	PIO/ Finance	FYs 25-26	<i>In progress.</i>	Goal 1.
2. Update NHRS website to meet new ADA compliance rules that take effect in April 27.	PIO/IT	FY 26	<i>In progress.</i>	Goal 1.
3. Develop a series of best practices, standard protocols and training for staff for phone, email and in-person communications.	PIO/IT/HR	FY 26	<i>In progress.</i>	Goal 4.
4. Develop and deploy annual member survey assessing knowledge of NHRS benefits and preferences for future member education efforts.	PIO	FYs 27-28	<i>Pending.</i>	Goal 4.
5. Update and expand member education.	PIO	FY 26	<i>In progress. Update presentation materials and handouts to reflect legislative changes from 2025.</i>	Goal 4.

6. Investigate further integration of PIO and the Contact Center.	RF/JG/NM	FYs 26-27	<i>Pending.</i>	Goal 5.
7. Implement ongoing campaign to encourage members and retirees to sign up for <i>My Account</i> .	PIO/NM	FY 26	<i>Complete.</i>	Goal 1.
8. Assist Finance team in developing and deploying annual employer survey.	Finance/PIO	FY 26	<i>FY 26 goal.</i>	Goal 2.
9. Maintain positive and constructive working relationship with the NH Legislature.	PIO	FYs 26-28	<i>In progress.</i>	–
10. Coordinate NHRS interactions with and prepare materials for statutory commission to study retirement benefits and retention of employees scheduled to meet in the summer of 2027.	PIO/Legal	FYs 26-27	<i>FY 26 goal.</i>	–
11. Annually identify, enroll, and complete a professional development opportunity.	RF	FYs 26-28	<i>TBD.</i>	–

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



To: Board of Trustees
 From: Sonja Gonzalez
 Date: July 31, 2025
 Re: Information Technology Operating Report
 Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- Chief Information Technology Officer started June 23, 2025.
- Linea Security Assessment completed in late June; in review by IT for prioritization. Several projects to mitigate the findings have been initiated.

Current Months' Highlights – June and July

- Met all seven of its KPMs each month.
- Completed enterprise-wide system patching.
- Continue to work closely with Security Operations Center (SOC) and engaging with vendors for additional security assessments.
- Coordinating with facilities vendors at the new building to oversee site management ahead of our March move-in and to support occupancy preparations.
- Successfully implemented Automated Server patching process to better streamline updates.
- Streamlined the process for employers submitting teacher contracts, successfully resolving prior challenges related to reporting pay, address, and pay period details. The project is nearing completion, and the updated system is now live for all users.
- June to July:
 - 71 change requests were approved and deployed into the production environment, 31 of which were PGM3 changes.
 - 272 Help Desk tickets were submitted to IT & Application Support between June and July. The teams closed 272 with an average of seven days.
- Application & PMO Updates:
 - Resolved 31 bug/issues or support requests directly with the vendor.
 - Completed 15 enhancements from the roadmap.
 - 11 Projects in progress.
 - Internal Help Desk ticket closure time averages nine days.

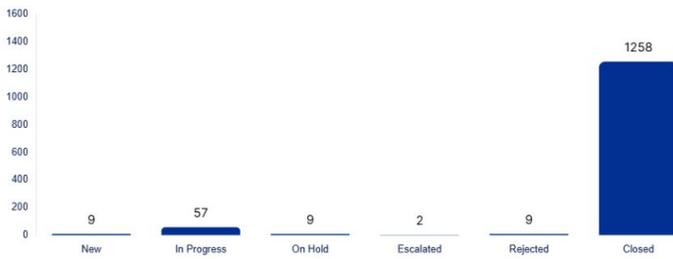
Upcoming Plans & Projects

- Researching options for improved network and server management for new building.
- Implement a board management platform.
- Achieve ADA compliance for website.

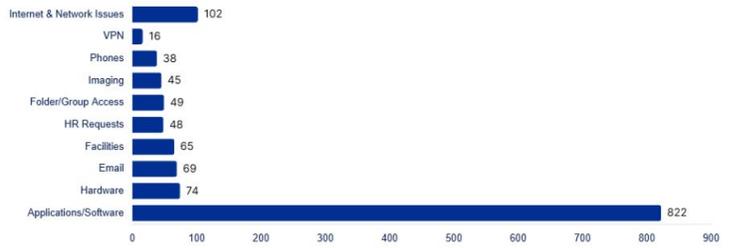
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Help Desk Ticketing Dashboard

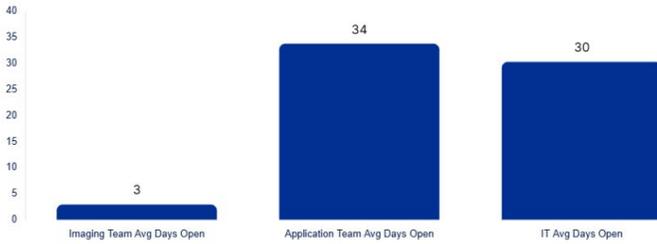
Overall Ticket Status



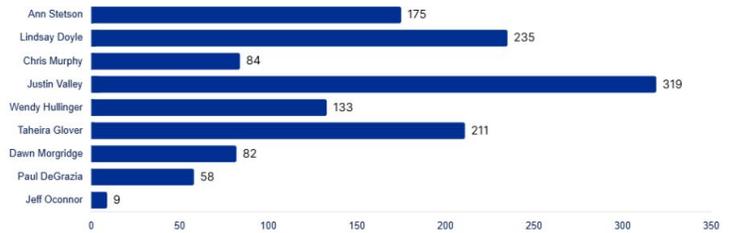
Total Tickets by Type



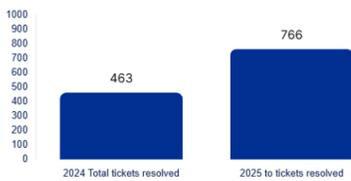
Average Days to Open Ticket By Team



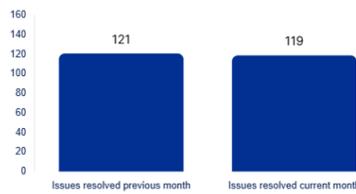
Tickets Worked by Person



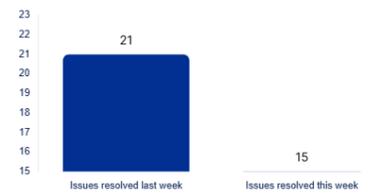
Year Over Year Totals



Month Over Month Totals



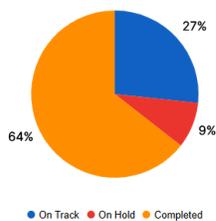
Week Over Week Totals



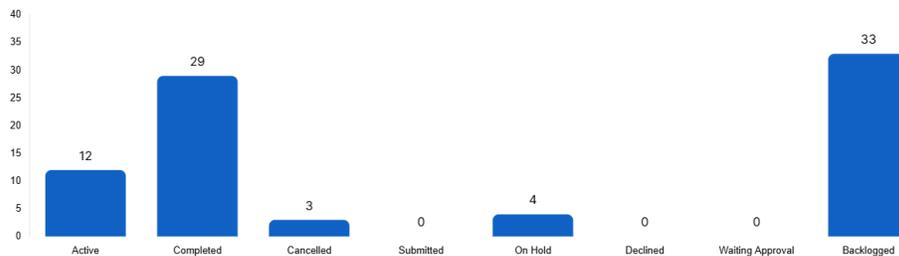
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NHRS PMO Dashboard

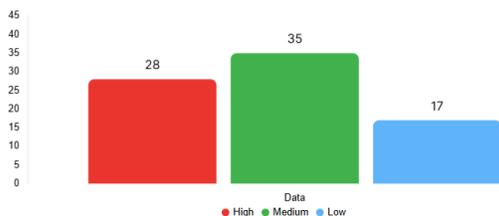
PMO Overall Health



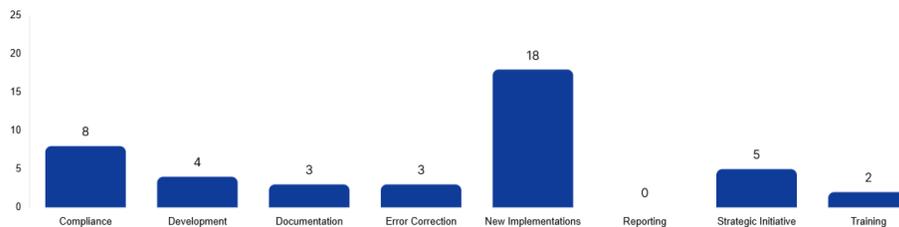
Projects by Stage



Projects by Priority



Projects by Type



By Strategic Goal



Change Management Totals

CAB 10-Week Total: 5/21/25-7/30/25

Type	Totals
Normal - IT	35
Emergency - IT	3
Normal - PG	18
Emergency - PG	13
Normal - Contact Center	0
Emergency - Contact Center	1
On hold	1
Total requests	71
Total PGV3 requests	31

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PensionGold Roadmap & Releases

Total Enhancements 2024-2025

149

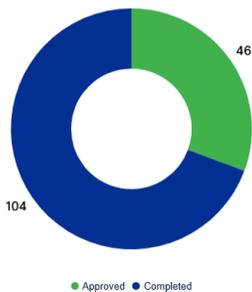
Total Bugs & Issues 2024-2025

265

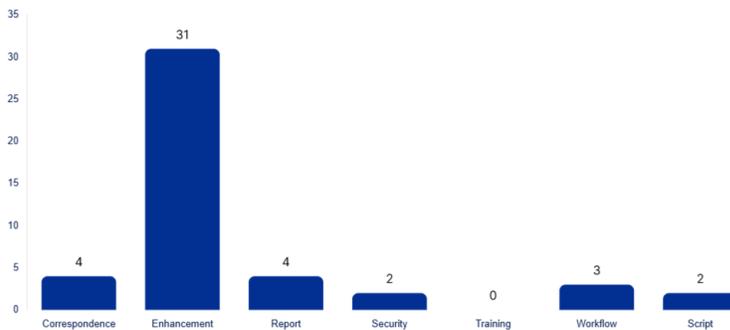
2025 Product Roadmap Development Hours

Purchased	1000
Spent	269.5
Remaining	730.5

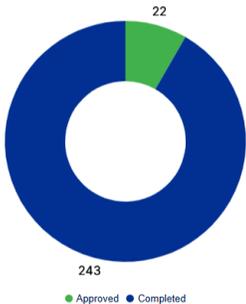
Enhancement Requests by Status



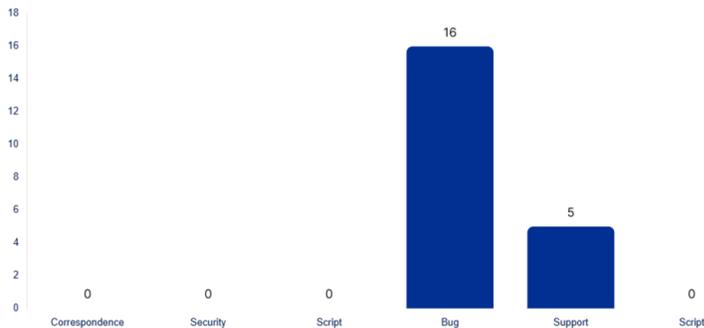
Open Roadmap Items by Type



Bug/Issue Requests by Status



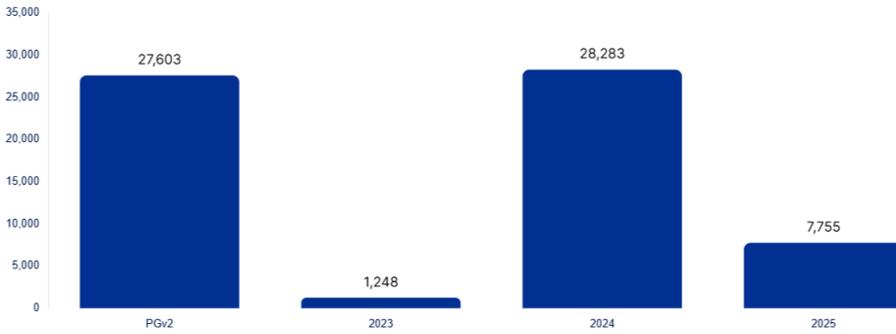
Open PG Issues by Type



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My Account Totals

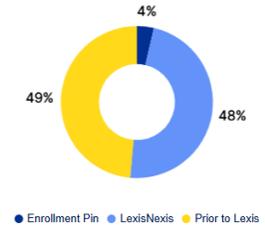
Total My Account Accounts Created Year to Year



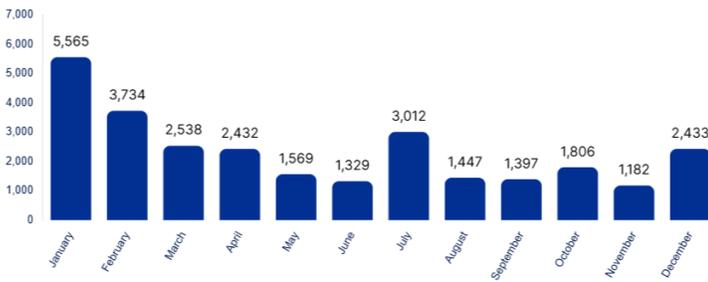
Total MyAccount Users

37,286

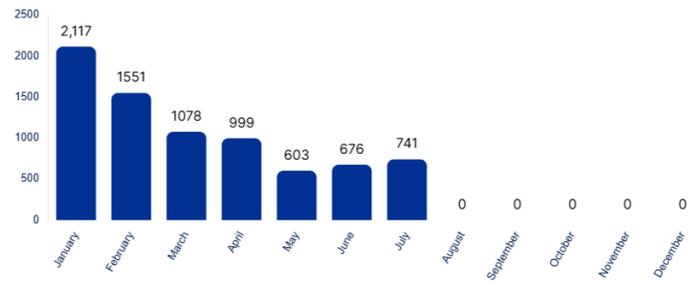
Enrollment Type



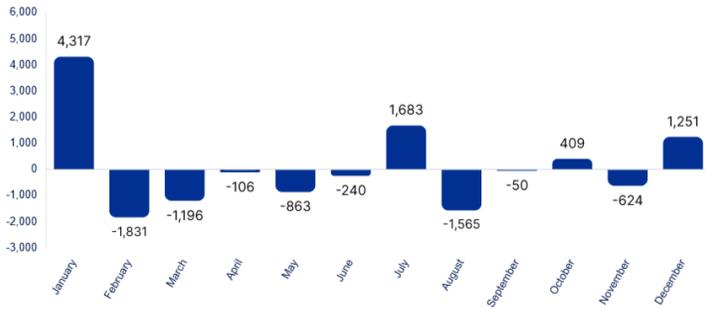
Total New My Account Users by Month - 2024



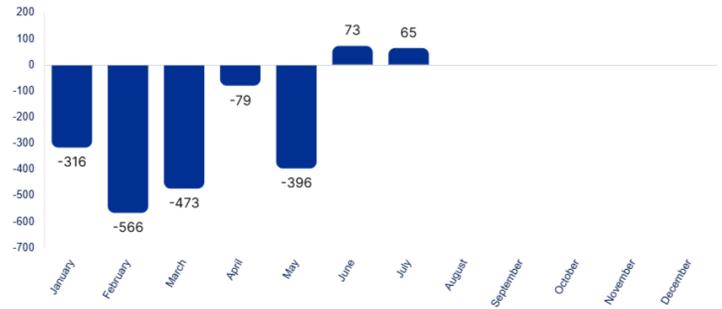
Total New My Account Users by Month - 2025



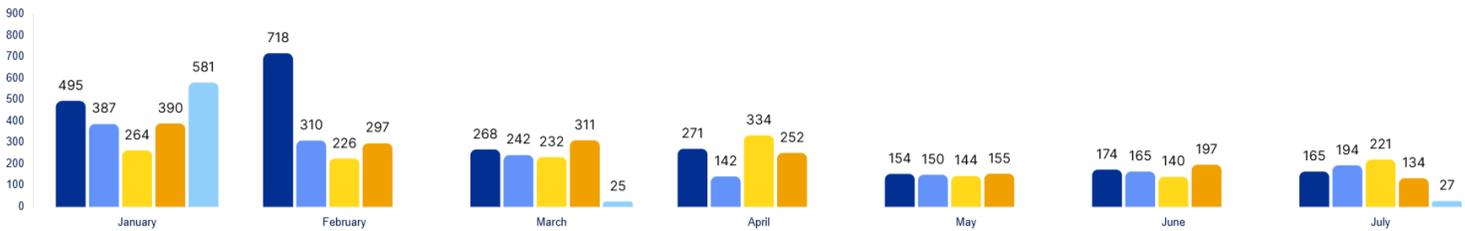
Month over Month Change - 2024



Month over Month Change - 2025



New My Account Users by Month per Week - 2025



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Department: Information Technology
Executive Team Member: S. Gonzalez

Date: 7/31/25
Approved: 7/25/25

FYs 26-28 Information Technology Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Establish timeline for stability with full utilization of PGV3 as intended/described.	SG/NM/MM/LD	FY 26	<i>Ongoing.</i>	Goal 1.
2. Return to “normal” operations.	GS/NM/MM/LD	FY 26	<i>Ongoing.</i>	Goal 1.
3. Effectively monitor and improve member and employer service levels.	SG/NM/MM/LD	FYs 25-26	<i>Ongoing.</i>	Goal 1.
4. Begin the development of a long-term plan for future service enhancements.	SG/NM/MM/LD	FYs 25-27	<i>Ongoing.</i>	Goal 1.
5. Investigate further integration of PIO and the Contact Center.	SG/JG/RF	FYs 25-26	<i>Ongoing.</i>	–
6. Identify AI platform to be used internally.	SG/JO	FY 26	<i>Ongoing.</i>	–
7. Provide a roadmap for a mobile application.	SG	FY 26	<i>Ongoing. Identifying options.</i>	–
8. Optimize the cloud infrastructure.	SG/JO/PD	FYs 25-26	<i>Completed for FY 25.</i>	–
9. Upgrade financial system application.	SG/MM/LD	FYs 25-26	<i>Ongoing. The project started phase I requirements identified.</i>	–

10. Integrate vendor and bank account verification services.	SG/JO/PD	FY 26	<i>Not started.</i>	–
11. Integrate communication interfaces for external systems – PG, BNY, Citizens.	SG/JO/PD	FY 26	<i>Ongoing.</i>	–
12. Develop an enterprise Structured Support System that incorporates Ticketing, Troubleshooting, Enhancement Requests, and change control.	SG/LD	FY 26	<i>Ongoing. Current in Phase II.</i>	–

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



To: Board of Trustees
From: Raynald Leveque, Chief Investment Officer
Date: July 31, 2025
Re: Investments Operating Report
Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- June Investment Committee (Committee) Meeting Recap:
 - The Investment Team presented an update on the monthly performance of the public market asset classes of the NHRS, holdings, recent portfolio transition activity, and the Work Plan.
 - The Committee unanimously voted to renew the Investment Management Agreements with Wellington Management and Segall Bryant & Hamill for their respective U.S. Small Cap Equity mandates through June 30, 2030.
 - The Committee unanimously voted to commit \$75 million to Advent Global Private Equity Fund XI, subject to contract and legal review, following a presentation from representatives of Advent International.
 - The Townsend Group delivered a semi-annual real estate portfolio review, including a review of the Calendar Year 2025 Investment Plan.
 - Callan delivered its semi-annual review of the private equity and private credit portfolios, including updates on recent commitments and pacing expectations.

Current Months' Highlights – May and June

- Preliminary Performance for May Period:

As of 5/31/2025	1 Month	Fiscal Year to Date	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net Return</u>	+2.58%	+7.03%	+7.95%	+6.73%	+9.06%	+7.37%
Policy Benchmark Return	+2.65%	+8.88%	+10.44%	+8.07%	+9.04%	+7.68%
Net Return Minus Benchmark (in basis points)	-6	-186	-249	-134	+2	-31

Source: Callan, NHRS

- KPM Performance for June:
 - Five reported KPMs were achieved; five are not applicable.
- Preliminary Performance for June 2025 Period:

As of 6/30/2025	1 Month	Fiscal Year to Date	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net Return</u>	+2.63%	+9.85%	+9.85%	+8.93%	+9.46%	+7.68%
Policy Benchmark Return	+2.10%	+11.17%	+11.17%	+10.35%	+9.47%	+8.06%
Net Return Minus Benchmark (in basis points)	+53	-132	-132	-142	-1	-37

- KPM Performance for July:
 - Five reported KPMs were achieved; two KPMs were not achieved and three are not applicable. The total fund net performance for the three-year and five-year periods is 142 basis points and 1 basis point lower than the total fund benchmark respectively. The twenty-five year net performance is 52 basis points lower than the actuarial rate of return.

Upcoming Plans & Projects

- August Committee Meeting:
 - The Investment Team will present an update on the monthly performance of the public market asset classes of the NHRS, holdings, the Work Plan, and the proposed 2025 Investment Committee meeting schedule.
 - The Committee will vote on contract renewals for U.S. SMID Cap Equity mandates managed by AllianceBernstein and Thompson, Siegel & Walmsley.
 - Representatives from J.P. Morgan will present a private infrastructure investment opportunity for Committee consideration.

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- Representatives from ICG will present a private credit investment opportunity for Committee consideration.

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 through June 30th	\$ 169,840
Total:	\$ 18,060,365

Source: BNY, ISS, NHRS, Northern Trust

Department: Investments
Executive Team Member: R. Leveque

Date: 8/01/25
Approved: 7/25/25

FYs 26-28 Investments Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Complete a 5-yr Strategic Plan for the Investments department at NHRS for approval with the IIC and the BOT.	RL/IIC/BOT	8/24	<i>Completed. IIC approved the Investment Office Strategic plan at the 7/24 IIC meeting. BOT approved Investment Office Strategic Plan in the 8/24 BOT meeting.</i>	Goal 3.
2. Develop and gain approval for plan to expand the talent and resources to support the Investment Office.	RL/JG	FY 26	<i>In Process. Completed hire of Head of Private Markets in July 2025. Planning on additional resources following addition of General Counsel.</i>	Goal 3.
3. Review the NHRS portfolio and Investment Office cost benchmarking study.	RL	8/25	<i>In Process. CEM Cost Benchmarking study currently in process – target for presentation at October meeting.</i>	Goal 3.
4. Address areas of cost efficiencies in the NHRS portfolio and/or Investment team services.	RL	FYs 26-28	<i>In Process. Work estimated to begin at the conclusion of the CEM Cost Benchmarking study.</i>	Goal 3.

5. Work with Legal, IT, and Finance to implement middle and back-office capabilities for the Investment Office.	RL/JG/ TC/JL/MM	FYs 26-28	<i>In Process. Completed McLagan review of Investment, Legal and Finance positions. Completed hire of Head of Private Markets in July 2025.</i>	Goal 3.
6. Develop and gain approval for specific technology plan to support the Investment Office.	RL/JG	FYs 26-28	<i>In Process. Working with Chief IT Officer to develop plan for RFP of investment analytics system.</i>	Goal 3.
7. Investigate and recommend additional services for fee monitoring and validation at the total plan and asset class levels.	RL	FYs 26-28	<i>Completed. Implementing Albourne fee transparency service for alternative portfolio – estimated time to implement November 2025. Implemented</i>	Goal 4.
8. Identify, enroll and complete professional development for Investment Office.	RL	FYs 26-28	<i>Not Started. Work estimated to begin in Q3-2025.</i>	Goal 4.
9. Assure compliance with all relevant statutory and regulatory requirements.	RL/IIC/BOT	Ongoing	<i>Ongoing. In compliance with all relevant statutory and regulatory requirements.</i>	Goal 2.
10. Complete Work Plans for Alternatives Asset Classes.	RL/IIC	12/25	<i>Ongoing. Presented overall strategy for NHRS public market asset classes at January IIC.</i>	Goal 2.
11. Maintain investment expenses within budget.	RL/IIC	Ongoing	<i>Ongoing. Expenses in line with Trust Budget.</i>	Goal 2.

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



To: Board of Trustees
 From: Nancy J. Miller, Director of Member Services
 Date: July 31, 2025
 Re: Member Services Operating Report
 Item: Action: Discussion: Informational:

Significant Developments and Priority Issues

- Member Services successfully coordinated the additional of over 600 new retirees to the monthly payroll during July.
- The Contact Center team has successfully transitioned to having more representatives in the office each day to continue increased walk in service coverage and the return to standard hours.
- The Contact Center team continues to adjust for optimum customer and back-office support with an increase of the number of representatives in the office each day as well as providing walk in coverage for members. The NHRS lobby hours have accordingly returned to 8 a.m. to 4 p.m.

Current Months' Highlights – June and July

- Member Accounts continues to recruit for open positions in the team.
- Member Benefits has maintained a heavy focus on processing backlogged benefit finalizations in as Employer Reporting continues to handle and reduce the reconciliation of employer file reports and payments.
- Retiree Benefits worked extensively with NHRS IT and Finance to successfully onboard several new Retiree Insurance Vendors – both Third Party Administrative firms and individual employers who took over for NH Interlocal Trust.
- Member Services, along with others of the NHRS legislative team began intensive work on HB 282 interpretative work to be able to move towards identifying the membership and seeking legal clarification to move towards system changes for benefits and employer reporting.

Upcoming Plans & Projects

- HB 282 implementation will continue to be a high priority project for Member Services. We have begun to individually respond to a high number of Group II member inquiries.
- We will be looking to schedule team training with our Contact Center phone system vendor. Contact Center management will also begin to put together a plan for moving the Contact Center to call back services for our members.

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NHRS New Retirement Applicants Placed on Payroll

	2026	2025	2024	2023	2022	2021
June		92	77	105	106	126
May		85	81	88	110	92
April		82	93	76	117	95
March		91	74	97	104	97
February		82	94	89	105	93
January		161	125	131	200	154
December		75	64	88	71	78
November		81	90	66	91	113
October		103	103	110	128	118
September		119	143	116	128	129
August		140	180	162	210	147
July	625	606	579	731	775	694
Total	625	1,717	1,703	1,859	2,145	1936

NHRS Retirement Appointment Total by Month for Fiscal Year

	2026	2025	2024	2023	2022	2021
June		93	77	55	25	42
May		195	187	115	34	34
April		210	137	84	49	135
March		61	67	36	22	38
February		59	52	25	15	44
January		44	29	22	13	25
December		33	49	15	13	39
November		48	54	15	19	37
October		57	32	24	23	48
September		30	33	10	23	44
August		52	46	14	19	32
July	78	56	38	15	25	28
Total	78	938	801	430	280	546

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

Date: 7/31/25
Approved: 7/1/25

FYs 26-28 Member Services Strategic Plan Summary

ACTION	PRIME MOVER(S)	TARGET DATE	STATUS/COMMENTS	ALIGNMENT WITH NHRS STRATEGIC PLAN
1. Adhere to and complete PGV3 Roadmap enhancements and projects (i.e. teacher salary contract project, Community College population project).	NM/MS/IT/ LRS	FYs 26-28	<i>Some projects in flight, others having dates prioritized over upcoming calendar year quarters.</i>	Goal 1.
2. Design, test and implement legislative changes relative to Benefit calculations according to effective dates determined in statute HB 282.	NM/MS/IT/ LRS	FY 26	<i>In process.</i>	–
3. Implement new and adjusted procedures for Retiree Death Case processing to realign NHRS collection procedures (audit finding).	NM/MS/IT/ Legal/ Finance	FYs 26-28	<i>Best practice research underway.</i>	–
4. Identify and implement comprehensive KPMs for NHRS Contact Center (CC).	NM/ CC Manager/ Team	FY 26	<i>In process.</i>	–
5. Develop a Communication and Training Program for NHRS CC to facilitate response content clarity and consistency from Back Office to CCRs.	NM/ CC Manager/ MS/Finance/ Legal/PIO	FY 26	<i>In Process.</i>	–

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

Contact Center Dashboard

June 2025

Walk-Ins

Number of Walk-Ins	277
Average Walk-In Time (Minutes)	9:34

Emails

NHRS Info @ emails addressed by CCRs	500
--------------------------------------	-----

Message Center Threads

Addressed by CCRs	102
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Calls

Queue Name	Calls Presented	Total Calls Handled	Calls Abandoned	Percentage Abandoned	Voicemail	Average Handle Time
Employer	49	46	3	6.12%	0	4:38:00
My Account	253	231	19	7.51%	0	7:42:00
Member	1086	1013	57	5.25%	4	6:27:00
Retiree	1036	948	77	7.43%	1	6:05:00
1099	0	0	0	0.00%	0	0:00:00
Totals	2424	2238	156	6.44%	5	4:58:24
Call Surveys Completed		45				
% of Calls Handled		2.01%				

Contact Center Dashboard

July 2025

Walk-Ins

Number of Walk-Ins	266
Average Walk-In Time (Minute)	9.88

Emails

NHRS Info @ emails addressed by CCRs	686
--	-----

Message Center Threads

Addressed by CCRs	70
-------------------	----

Calls

Queue Name	Calls Presented	Total Calls Handled	Calls Abandoned	Percentage Abandoned	Voicemail	Average Handle Time
Employer	75	65	8	10.67%	0	3:40:00
My Account	351	304	47	13.39%	0	8:31:00
Member	1300	1198	97	7.46%	5	6:22:00
Retiree	1233	1100	130	10.54%	3	5:45:00
1099	0	0	0	0.00%	0	0:00:00
Totals	2959	2667	282	9.53%	8	4:51:36
Call Surveys Completed		65				
% of Calls Handled		2.44%				

**New Hampshire Retirement System
Board Meeting**

**Consent Agenda
Tuesday, August 12, 2025**

Participation Election

1. Town of Candia Employees

Modification Request

2. L. Fucci – Town of Amherst

Administrative Recommendation

3. C. Wyman Recommend that the Board of Trustees deny the Petitioner's appeal and uphold the NHRS Staff's denial of the Petitioner's request for Accidental Death Benefits.

Town of Candia
Participation Effective: September 2025

NHRS administrative staff has reviewed the application and supporting documents of the above employer for NHRS participation and find them in order.

Under RSA 100-A:20, I, "The NHRS Board of Trustees shall set the date when the participation of the officers and employees of any employer shall become effective". It is the recommendation of NHRS administrative staff that the Board vote to set the effective date for the Town of Candia as the first day of the first complete payroll period in September of 2025.

NHRS Authorized Signatures:

Tamre McCrea

	<u>7/24/25</u>
Tamre McCrea – Employer Audit Manager	Date

Mark F. Cavanaugh, Esq.

	<u>7/24/25</u>
Mark F. Cavanaugh – Deputy Counsel & Compliance Officer	Date



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: <u>Town of Candia</u>	
At a meeting of the <u>Board of Selectmen</u> of the town of <u>Candia</u> in the county of <u>Rockingham</u> and the State of New Hampshire, legally called on the <u>9th</u> day of <u>June</u> 20 <u>25</u> , the following resolution was offered by <u>Amy M. Spencer, Town Administrator</u> : <small>(Governing Board) (Town) (County) (Day) (Month) (YY) (Name and Title)</small>	
Be it Resolved: That the <u>Town of Candia</u> will elect to approve the inclusion of its officers and 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 Candia</u> to be effective <u>9/7/2025</u> . <small>(Organization) (Organization) (Date)</small>	
The above resolution was adopted as appears by the following vote: Yeas: <u>4</u> Nays: <u>1</u>	
ACKNOWLEDGEMENT	
State of New Hampshire, County of: <u>Rockingham</u> I <u>Amy Spencer, Town Administrator</u> of the <u>Town of Candia</u> do hereby certify that I have compared the foregoing with the original resolution adopted by the <u>Town of Candia</u> at a meeting held on the <u>9th</u> day of <u>June</u> 20 <u>25</u> on file in this office, and that the same is a true copy thereof and the whole of said original. <small>(Name and Title) (Organization) (Organization) (Day) (Month) (YY)</small>	
I further certify that the full board consists of <u>5</u> duly elected members and that, as above stated, <u>4</u> of said duly elected members voted yes to the above resolution. <small>(Number) (Number)</small>	
In Witness Whereof, I have hereunto set my hand of the <u>Town of Candia</u> on this <u>9th</u> day of <u>June</u> 20 <u>25</u> . <small>(Organization) (Day) (Month) (YY)</small>	
Officer Signature: <u>Amy E. Broad</u>	Title: <u>Selectman</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.

1 UNAPPROVED
2 **Candia's Virtual Selectmen's Public Session Minutes**
3 **July 14th, 2025, 6:30 pm**
4

5 Note: Individual roll call has been taken after each motion.
6

7 **6:37 pm** Chair Brien Brock opened the Public Session Meeting followed by the Pledge of Allegiance.
8

9 **Attendance:** Chair Brien Brock, Selectman Patrick Moran, Selectman Boyd Chivers, Selectman
10 Stephanie Helmig, Selectman Susan Young and Town Administrator Amy Spencer.
11

12 **Approval of Minutes:** Public session minutes of June 23rd, 2025.

13 **Motion: Selectmen Moran made a motion to approve the June 23rd, 2025, Public Session Minutes**
14 **as presented. Selectman Chivers seconded. All in favor. Motion carried by a vote of (5-0-0).**
15

16 **DEPARTMENT REPORTS**

17 **Highway:** Road Agent Wuebbolt read his report and gave updates. Selectman Young asked about
18 cutting the overgrown brush on roads. She said there was an obstruction of view and blind spot that
19 occurred in a recent car accident. The Road Agent said they did some brush cutting in that area,
20 however it might not have been cut back far enough.

21 Chief Shevlin reported there was a bad accident around there and it is a very dangerous area. He
22 indicated the line of sight was a problem near this area and many drivers pull up to the edge of the trail
23 and peer out into the road before driving across. He would like to have a road study completed in order
24 to bring speeds down. At the time of the accident, speed was not an issue, but the line of sight was the
25 main factor. When a Town Ordinance is in place the Officer will go out, write a ticket and the money
26 will go to the Town and not to the State. This is why he would like to have a road study done, as well as
27 Town Ordinances in place. He mentioned there is a lot of wildlife and pedestrians near the rail trail and
28 we need this to help in slowing down drivers. Chair Brock said he is in favor of having a road study
29 completed. Chief Shevlin informed the Board that he would look into it. In the meantime, his
30 department is currently enforcing the speed limits as much as possible.

31 Road Agent Wuebbolt said many of Candia's roads are overgrown with brush, and it will take some
32 time for them to complete. He mentioned that every road they work on and redo during the year has
33 had shoulder work completed as well as clearing overgrown brush on them. Selectman Helmig asked
34 when he will be working on North Road. Road Agent Wuebbolt said they will begin work on August 4th,
35 2025, and it will be finished in time before the school year begins.
36

37 **Police:** Chief Shevlin read his report and gave an update. Officer Schaffer has gone through FTO (Field
38 Training Officer School) and has learned how to objectively train and score the new trainees that come
39 to work for the Department.

40 Selectman Helmig asked if there have been any issues with retaining individuals that are arrested.
41 Chief Shevlin clarified the Town Hall Building does not have holding cells. If the Officers need to bring
42 in an arrested individual, they are transferred to the Rockingham County Sheriff's Office, where they
43 have access to holding cell facilities.

44 Chief Shevlin encourages the public to always be observant of their surroundings and to report any
45 suspicious activity or anything that seems unusual by giving the Police Department a call.

Candia Selectmen's Public Meeting Minutes of 7/14/2025

46 Chief Shevlin gave a letter of merit to Officer Schaffer, as a result of her responding to a call on
47 6/30/2025 for a reckless vehicle operation. The vehicle just came off the highway, and when Officer
48 Schaffer went to the scene, she observed an unconscious individual and immediately administered
49 Narcan that was available in her cruiser. Officer Schaffer was able to revive them and then they were
50 transferred to the hospital by ambulance. Her swift actions not only ensured the driver in the vehicle
51 received the medical attention needed, but also potentially saved their life. Officer Schaffer's
52 professional manner and willingness to help is an example of her dedication and professionalism to
53 our community and the Candia Police Department.

54 Chief Shevlin provided the Board with estimates for the painting and flooring work in the Police
55 Department. The flooring estimate is \$3,400, and a new painting quote that he received and accepted
56 is for \$4,985.

57 Chief Shevlin stated Lieutenant Stanton recently applied for Speed Grants through the State and
58 reported that Candia was awarded a total of \$4,800. He is asking for the Board's approval along with
59 their signatures and said it will begin in October. A total of three grants are included: 1) Speed Grant
60 for \$1,600. 2) DWI Grant for \$1,600. 3) Distracting Driving for \$1,600 totaling \$4,800. He indicated the
61 Town will need to match the award by \$1,200. He briefed the Board on how each of these grants work
62 and indicated there will be auditors that will be coming in, to be certain our Officers are doing what is
63 required. There will be additional grants available for them to apply for in the future such as radar units
64 and speed trailers.

65 **Motion: Chair Brock made a motion to accept the Police Safety Grants as presented in the**
66 **amount of \$4,800. Selectman Chivers seconded. All in favor. Motion carried by a vote of (5-0-0).**
67

68 **Fire Department:** Selectman Chivers read the report.
69

70 **Building Department:** Chair Brock announced Richard Lavoie has been hired as the new Building
71 Inspector and he will begin working on Monday, July 21st, 2025.
72

73 **Solid Waste:** Selectman Chivers read the report.
74

75 **Budget Committee:** Selectman Young said the Budget Committee would like to start the 2026 Budget
76 Season early this year. Selectman Moran asked what the advantage is of beginning the budget season
77 early. Selectman Helmig pointed out the Budget Committee had a lot of questions last year including
78 a lot of historical data. Selectman Young said it is up to the Selectmen to decide if they want to start
79 early this year. She encourages the Budget Committee to come to the Selectmen's 2026 Proposed
80 Budget Meeting when the department heads are presenting their budgets to the Board, because that
81 is where everything is explained. Selectman Moran said this is where the Budget Committee has
82 opportunities to ask their questions to all the departments. Selectman Young said they can invite the
83 Budget Committee to their 2026 Proposed Budget Meeting and if they are unable attend they may
84 listen to the recording. Selectman Moran said for the Selectmen to stick to the original schedule.
85 Selectman Helmig said in her opinion it might be a good recommendation for the Budget Committee
86 to add in one or two additional meetings to their schedule. Discussion ensued
87

88 **NHRS:** Chair Brock said Town Administrator Spencer received a notice from NHRS, stating the motion
89 that was given in the last Selectboard Meeting was not acceptable and they will need a new motion
90 with very specific writing.

91 **Motion: Chair Brock made a motion that the Town of Candia will elect to approve the inclusion of**
92 **its officers and employees in the New Hampshire Retirement System of the State of New**
93 **Hampshire, as provided for by RSA 100-A, for the employees of the Town of Candia to be effective**
94 **as soon after as possible. Selectman Moran seconded. All in favor. Motion carried by a vote of (5-**
95 **0-0).**

96 **Next Board of Selectman Meeting:** Administrative Assistant Chandonnet asked the Board if they
97 would consider canceling their next meeting scheduled for July 28th, 2025. The Board verbally agreed
98 to tentatively cancel the meeting and if anything changes, they can choose to have one.

99
100 **OLD BUSINESS:**

101 **America's 250th Anniversary:** Chair Brock asked Administrative Assistant Chandonnet for an update
102 on her progress for next year's 250th Anniversary. Administrative Assistant Chandonnet stated she had
103 a conversation with Hannah Lewis, and indicated she is willing to help and she will be reaching out to
104 other people to assist. She revealed some of her ideas and that she would like to involve all of our
105 Town Departments and Committees.

106
107 **Public Input:** Dick Snow (Resident) addressed the Board regarding a conservation easement located
108 on Chester Tpk. Over a year ago, the Conservation Commission was approached by a Resident about
109 buying a piece of landlocked property on the road that is between the Kinnicum Pond area, and two
110 Town owned properties, and it would allow them to have access to them. He did not understand why
111 they wanted the Town to purchase this property and why they would not have a Conservation
112 Easement on it. The Resident went through the planning process to consolidate two lots in order to get
113 to one lot. They received a preliminary appraisal by the people who do conservation easements to get
114 the value. The paperwork was signed by both parties. The next step began in June 2024 to have it
115 surveyed in order to get a conservation easement on it. He asked how much it would cost for a survey
116 according to Candia's Purchasing Policy. He has reached out to four or five surveyors and received a
117 response back from Promised Land Survey for a quote of \$9,500. He said \$9,500 from the
118 Conservation Commission Fund is acceptable for this bid. Chair Brock asked if there are enough funds
119 to do this. Mr. Snow said yes and made it clear that the funds would come out of the Conservation
120 Commission Fund. Selectman Helmig asked what the main purpose is for the conservation easement.
121 Chair Brock said it is to protect the property and it allows the Town to go across their property to the
122 Town's property. Discussion ensued.

123 **Motion: Selectman Helmig made a motion to approve \$9,500 to come out of the Conservation**
124 **Commission Fund. Selectman Young seconded. All in favor. Motion carried by a vote of (5-0-0).**
125

126 **7:39 pm – Selectman Moran made a motion to adjourn the meeting. Seconded by Selectman**
127 **Chivers. All in favor. Motion carried by a vote of (5-0-0).**

128
129 Linda Chandonnet
130 Recording Secretary



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

June 27, 2025

**Request to Consider Prior Service Purchase Application Under RSA 100-A:22
Modifications Filed by a **Town of Amherst** prior employee.**

The following **Town of Amherst** prior employee has filed a request to purchase prior service credit under RSA 100-A:22 Modifications

LaVern Fucci

The Town of Amherst became a participating employer of the New Hampshire Retirement System effective 02/02/2025

Sincerely,

Amber Kehoe

Amber Kehoe
Member Accounts Generalist
603-410-3554



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

Member Request for Cost Calculation Under RSA 100-A:22 Modifications

Employer: Town of Amherst	Period of Prior Service from date of full-time hire to date of Membership July 17, 2006 – June 30, 2024	Amount of Prior Service requested 18 year 0 months	Total Eligible Prior Service 18 year 0 months
Election:			
Name: LaVern Fucci			

Prepared by: Amber Kehoe
Member Account Generalist

6/25/2025
Date

Approved by: _____
Board of Trustees

Denied:

Date:

Reason Denied:

New Hampshire Retirement System

Service Purchase Calculator

Member Data

Member Name	LAVERN FUCCI
Type of Service Purchase	Modifications
Highest Salary	\$66,476.80
Birth Date	1/18/1964
Hire Date	2/2/2025
Date of Request	5/13/2025
Days Until Purchase	104
Anticipated Date of Purchase	8/25/2025
Current Service Credit Years at Anticipated Purchase Date	0 Years
Current Service Credit Months at Anticipated Purchase Date	4 Months
Amount of Service to Purchase Years	18 Years
Amount of Service to Purchase Months	0 Months
Member Classification	Employee Political Sub
Vested Status	Group I Hired On or After 7/1/2011

Service Purchase Calculation

Actuarial Cost as of Anticipated Purchase Date

A. Present Value of Future Benefits Before Purchase	\$30,639
B. Present Value of Future Benefits After Purchase	\$189,247
C. Present Value of Future Member Contributions Before Purchase	\$17,838
D. Present Value of Future Member Contributions After Purchase	<u>\$17,838</u>
E. Full Actuarial Cost (B. - A.) + (C. - D.)	\$158,608

Adjusted Amounts at Later Purchase Dates

F. Full Actuarial Cost if paid September 1, 2025	\$158,807
G. Full Actuarial Cost if paid October 1, 2025	\$159,662
H. Full Actuarial Cost if paid November 1, 2025	\$160,550
I. Full Actuarial Cost if paid July 1, 2026	\$167,656

Calculations are based on RSA 100-A:22, effective July 14, 2019. If this section of the Statute has subsequently changed, results may no longer apply.

This calculation is subject to correction. If you are or become aware of errors in the data that was used, the calculations that were made, or the plan provisions that were applied, it is your responsibility to contact the plan administrator. The plan has the right to recover from you amounts that were paid to you in error.

Present Value Calculations are based on the actuarial assumptions used in the 2024 actuarial valuation with the following modifications:

All assumptions are made unisex in the same manner as used in the actuarial factors for optional forms of payment.

Mortality rates include three years of projection from 2024 under MP-2021.

Pay increase and decrement timing are assumed to be on the anticipated purchase date.

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Trustee Travel

No Travel Requests Submitted



To: NHRS Board of Trustees
From: Jan Goodwin, Executive Director
Date: August 1, 2025
Re: June 10, 2025 - Action Items
Item: Action: Discussion: Informational:

1. Post Board Minutes MC
Action: Completed
2. Execute Contract with Architect JG
Action: In Process
3. Issue Actuarial Services RFP MM
Action: Completed
4. Execute Fiduciary and Tax Counsel Contract MC
Action: Completed
5. Execute NH Counsel Contracts MC
Action: Completed
6. Issue RFP for NH Counsel MC
Action: Completed
7. Give Notice of Decision in Rule Waiver Requests MC
Action: Completed
8. Enroll/Set Up Town of Kensington and Pasquaney School District MC
Action: Completed
9. Present Governance Committee recommendation on Procurement Policy MC
Action: To be presented on 8/12/25

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

BOARD CHECKPOINT DISCUSSION

Oral Presentation Only



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

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

RE: Quarterly Report to the General Court – July 1, 2025

Dear Senator Pearl and Representative McGuire:

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

Here is a summary of NHRS activities during the quarter ending June 30, 2025:

- The Board in June approved the Fiscal Year 2026 three-year Strategic Plan. This Plan is updated annually and identifies the key objectives to be achieved over the next 36 months.
- Monitored 17 bills with direct impacts to NHRS throughout the 2025 legislative session, including legislation related to Group II, Tier B pensions.
- Sonja Gonzalez officially joined NHRS in June as Chief Information Technology Officer.
- NHRS held a series of listening sessions with participating employers in May and June to gather input on enhancements to the employer Data Reporting System.

In addition to this cover letter, the report contains:

- An executive summary of NHRS Board activity from April through June.
- The minutes of the April 8, 2025, Board meeting, and draft minutes of the June 10, 2025, Board meeting.
- Quarterly Total Fund investment information through March 31, 2025, which is the most recent data available.
- Monthly investment information on marketable assets through April 30, 2025, which is the most recent data available.
- Quarterly Investment Compliance Notice provided to the Legislative Budget Assistant.
- FY 2026-2028 NHRS Strategic Plan.
- A tracker of NHRS-related legislation as of June 27, 2025.

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

Respectfully,

A handwritten signature in blue ink that reads "Jan Goodwin".

Jan Goodwin
Executive Director

cc: Office of Governor Kelly Ayotte

CY 2025 BOARD ACTION CALENDAR

JANUARY 2025 – No Meeting

FEBRUARY

Date	Board Action Item	Requirement	Responsible Party
2/11/25	Board and Audit Committee approval of FY24 GASB 68/75 Reports	Best Practice	Board of Trustees
2/11/25	Annual Governance Manual revisions	Best Practice	Board of Trustees
2/11/25	Presentation of Capital Markets Assumptions	Best Practice	Investments
2/11/25	Quarterly IIC Report (Incl Inv. Fees and Sole Interest Statement)	RSA 100-A:15, II-a(c)	IIC
2/11/25	Trustee Education	Best Practice	ED
2/11/25	BCP Testing Report	Best Practice	ED
2/11/25	Initiate Review of Strategic Plan - PAA	Best Practice	Board of Trustees
2/11/25	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
4/8/25	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
4/8/25	Approve the Strategic Plan	Best Practice	Board of Trustees
4/8/25	Annual VCP Review	Best Practice	Legal/Board of Trustees

MAY – No Meeting

JUNE

Date	Board Action Item	Requirement	Responsible Party
6/10/25	Review and Approve annual Trust Fund Budget (non-statutory portion)	Best Practice	Board of Trustees
6/10/25			
6/10/25	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
8/12/25	Annual IIC Real Estate update to the Board	Best Practice	IIC
8/12/25		RSA 100-A:14, XIII	Board of Trustees
8/12/25		RSA 100-A:14, X	Board of Trustees
8/12/25	Office of Foreign Asset Control (OFAC) Compliance Report	Best Practice	Board of Trustees
8/12/25	Working After Retirement Report	Best Practice	Board of Trustees
8/12/25	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
10/14/25	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
10/14/25	Gainful Occupation Report	RSA 100-A:6, III(b)	Board of Trustees
10/14/25	Review charters for Board Committees	Governance Manual	Appropriate Board Committee
10/14/25	Annual Board Fiduciary Education	Best Practice	Board of Trustees
10/14/25	Annual Independent Medical Examiner (IME) Review	IME Policy	Board of Trustees
10/14/25	Set Board of Trustees meeting schedule for next calendar year	Governance Manual	Board of Trustees
10/14/25	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC
10/14/25	Call Firefighter Report	Best Practice	Board of Trustees

NOVEMBER – No Meeting**DECEMBER**

Date	Board Action Items	Requirement	Responsible Party
12/9/25	Audited ACFR to Audit Committee and Board for approval	RSA 100-A:15, VI(a)	External Auditor
12/9/25	Audit Committee recommends that the Board approve the audited ACFR	RSA 100-A:15, VI(a)	Board of Trustees
12/9/25	RSA 15-A Statement of Financial Interests Reminder – due 3 rd Fri. in Jan	RSA 15-A	Board of Trustees
12/9/25	The IIC recommends that the Board approve the CAIR	RSA 100-A:15, VII	Board of Trustees
12/9/25	Present annual ethics survey results	Ret. 401	Legal
12/9/25	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC
12/9/25	Deadline for issuing member statements for fiscal year ending 6/30/25	RSA 100-A:14, XI	Board of Trustees
12/9/25	ACFR and CAIR delivered per statute	RSA 100-A:15, VI(c)	PIO

**New Hampshire Retirement System Board of Trustees
As of August 6, 2025**

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

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

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

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

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

Andrew Martineau, Bow
February 26, 2025, to July 1, 2027
NH State Permanent Firemen's Association

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

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

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

**NHRS Board of Trustees
Committee Membership List
as of June 11, 2025**

Committee	Audit	Benefits	Governance	Legislative	PPCC	Ad Hoc Real Estate	Investment
Staff Liaison	Heather Hoffacker	Mark Cavanaugh/ Nancy Miller	Mark Cavanaugh	Rick Fabrizio	Rosamond Cain	Jan Goodwin	Raynald Leveque
Frederick, Jon		X-Ch		X			
Hannan, Sue				X	X-Ch	X	
Henry, Jason	X	X					
Kelliher, Maureen					X	X	X
Maloney, Robert	X		X		X		
Martineau, Andrew		X		X			
McKenna, Leah	X	X					
Merrifield, Ken				X-Ch	X		
Mezzapelle, Monica	X-Ch		X				
Provost, Paul			X				X
Quigley, Joshua				X	X	X-Ch	
Roy, Donald		X	X-Ch			X	
Saltzman, Steven	X		X				
TOTAL MEMBERS	5/5	5/5	5/5	5/5	5/5	4/4	2/6*

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

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**Educational Seminars for Board Members,
as of August 4, 2025**

Sponsor	Program	Description
<p>(NCPERS) National Conference on Public Employee Retirement Systems www.ncpers.org</p>	<p>2025 NCPERS Trustee Educational Seminar (TEDS)* May 17 – 20, 2026 Las Vegas, NV</p> <p>2025 NCPERS Accredited Fiduciary (NAF)**</p> <p>NAF Modules 1 & 2 October 25 – 26, 2025 Las Vegas, NV</p> <p>NAF Modules 3 & 4 October 25 – 26, 2025 Las Vegas, NV</p> <p><i>*Runs concurrently with the Annual Conference & Exhibition (ACE).</i></p> <p><i>**Trustees who wish to earn their NCPERS Accredited Fiduciary (NAF) accreditation take TEDS first.</i></p>	<ul style="list-style-type: none"> ▪ Gain comprehensive insights into Trustee responsibilities, investment strategies, and pension management. ▪ Engage in interactive sessions covering plan governance, investment roles, actuarial valuations, funding policies, fiduciary duties, and asset allocation challenges. ▪ For Trustees with at least five years of experience. Trustee Education Seminar (TEDS) is a pre-requisite. ▪ Earn continuing education credits. ▪ Strengthen knowledge of pensions and governance. ▪ Topics include investing principles, understanding actuarial science, board policies and fundamental concepts.
<p>(NASRA) National Association of State Retirement Administrators www.nasra.org</p>	<p>NASRA Annual Conference August 9 – 13, 2025 Seattle, WA</p> <p>NASRA Winter Meeting February 28 – March 2, 2026 Washington, D.C.</p>	<ul style="list-style-type: none"> ▪ Hear from leaders in the retirement field on a variety of subjects including investment management, world events relative to the pension industry, economy, and trends. ▪ Retirement system directors and staff gather for Sunday afternoon roundtable discussions and presentations, followed by a day of analysis, forecasts, and overviews on current federal legislative and regulatory activities for all NASRA members.

Sponsor	Program	Description
<p>(NCTR) National Council on Teacher Retirement www.nctr.org</p>	<p>NCTR's 26th Annual Trustee Workshop July 12 – 15, 2026 Berkeley, CA</p> <p>NCTR's 103rd Conference October 4 – 7, 2025 Salt Lake City, UT</p>	<ul style="list-style-type: none"> ▪ Good for new and experienced Trustees. ▪ Workshop sessions. ▪ Ideal for all pension system staff, members, and key stakeholders. ▪ Agenda TBD.
<p>(IFEBP) Int'l Foundation of Employee Benefit Plans www.ifebp.org</p>	<p>New Trustees Institute Level I: Core Concepts November 7 – 9, 2025 Honolulu, HI</p> <p>February 21 – 22, 2026 Orlando, FL</p> <p>Trustees Institute Level II: Concepts in Practice November 8 – 9, 2025 Honolulu, HI</p> <p>February 21 – 22, 2026 Orlando, FL</p> <p>Advanced Trustees & Administrators Institute February 23 – 25, 2026 Orlando, FL</p>	<ul style="list-style-type: none"> ▪ Ideal for new Trustees to learn fiduciary responsibilities, and the technical aspects of serving as a Trustee. ▪ Topics include Trustee responsibility and legal environment, retirement plans, investing health and welfare pension assets, and governance. ▪ Ideal for plan professionals, and for Trustees who've served 3 to 5 years and completed Level I: Core Concepts. ▪ Learn from industry experts on current events and reform initiatives. ▪ Network with peers facing similar challenges – share best practices, ideas, and solutions. ▪ Gain insight and garner resource materials to share with colleagues. ▪ Ideal for Trustees and plan administrators who've served two or more years. Seek to network and learn about the latest industry issues/trends, attend sessions that cover such topics as emerging benefit trends, legal and regulatory update, crisis management, artificial intelligence (AI), and cybersecurity.

Sponsor	Program	Description
<p>(IFEBP)</p> <p>Int'l Foundation of Employee Benefit Plans</p> <p>www.nctr.org</p>	<p>Trustees Masters Program (TMP) November 8 – 9, 2025 Honolulu, HI</p> <p>Public Plan Trustees Institute (formerly known as CAPPP) Level I February 23 – 24, 2026 Orlando, FL</p>	<ul style="list-style-type: none"> ▪ For advanced-level trustees who have at least five years of experience and have attended at least two International Foundation conference. ▪ Gain deeper insights, interact with peers, earn a TMP certificate, and receive special recognition through tiered program completion. ▪ For all-level Trustees. ▪ Pension-related topics include fiduciary responsibility, plan governance, legal, legislative, & regulatory developments. ▪ Gain comprehensive knowledge of public employee plan management.

NHRS Abbreviations and Acronyms

BENEFITS

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

BUSINESS OPERATIONS/VENDORS

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

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

GENERAL

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

IT

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

LEGISLATIVE

ED&A	= House (or Senate) Executive Departments and Administration Committee
HB	= House Bill
ITL	= Inexpedient to Legislate
JLCAR	= Joint Legislative Committee on Administrative Rules
LOB	= Legislative Office Building
LSR	= Legislative Services Request (a request to draft a bill)
OTP	= Ought to Pass
SB	= Senate Bill
SH	= State House
VV	= Voice Vote

OTHER

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

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