

# NEW HAMPSHIRE RETIREMENT SYSTEM

## BOARD MEETING

Tuesday, August 8, 2023

### Agenda

*WebEx information will be provided in advance of the meeting.*

|            |   |                 |                |
|------------|---|-----------------|----------------|
| 10:30 a.m. | <b>1. Ascertain Quorum and Call to Order</b>  |                 | T. Lesko       |
| 10:35 a.m. | <b>2. Approval of Minutes</b>   | <b>(Tab 1)</b>  | T. Lesko       |
|            | <ul style="list-style-type: none"> <li>○ July 11, 2023</li> </ul>                   |                 |                |
|            | <b>(Action Expected)</b>  |                 |                |
| 10:40 a.m. | <b>3. Standing Committee Reports</b>  |                 |                |
|            | <ul style="list-style-type: none"> <li>• Audit</li> </ul>                           | <b>(Tab 2)</b>  | M. Mezzapelle  |
|            | <ul style="list-style-type: none"> <li>• Governance</li> </ul>                      | <b>(Tab 3)</b>  | D. Roy         |
|            | <ul style="list-style-type: none"> <li>• Investments</li> </ul>                     | <b>(Tab 4)</b>  | M. Kelliher    |
|            | <ul style="list-style-type: none"> <li>○ IIC Monthly Report</li> </ul>              |                 |                |
|            | <ul style="list-style-type: none"> <li>○ Callan Monthly Review (6/30/23)</li> </ul> |                 | R. Leveque     |
|            | <ul style="list-style-type: none"> <li>• Legislative</li> </ul>                     | <b>(Tab 5)</b>  | K. Merrifield  |
|            | <ul style="list-style-type: none"> <li>• Benefits</li> </ul>                        | <b>(Tab 6)</b>  | G. Martins     |
|            | <ul style="list-style-type: none"> <li>• PPCC</li> </ul>                            | <b>(Tab 7)</b>  | S. Hannan      |
| 11:10 a.m. | <b>4. Operating Reports</b>   |                 |                |
|            | <ul style="list-style-type: none"> <li>• Executive</li> </ul>                       | <b>(Tab 8)</b>  | J. Goodwin     |
|            | <ul style="list-style-type: none"> <li>○ Contracts</li> </ul>                       |                 |                |
|            | <b>(Action Expected)</b>  |                 |                |
|            | <ul style="list-style-type: none"> <li>• PIO</li> </ul>                             | <b>(Tab 9)</b>  | M. Karlon      |
|            | <ul style="list-style-type: none"> <li>• IT</li> </ul>                              | <b>(Tab 10)</b> | J. Laferriere  |
|            | <ul style="list-style-type: none"> <li>• Investments</li> </ul>                     | <b>(Tab 11)</b> | R. Leveque     |
|            | <ul style="list-style-type: none"> <li>• Human Resources</li> </ul>                 | <b>(Tab 12)</b> | R. Cain        |
|            | <ul style="list-style-type: none"> <li>• Legal</li> </ul>                           | <b>(Tab 13)</b> | T. Crutchfield |
| 11:40 a.m. | <b>5. Consent Agenda</b>  | <b>(Tab 14)</b> | T. Lesko       |
|            | <b>(Action Expected)</b>  |                 |                |
| 11:45 a.m. | <b>6. Trustee Travel</b>  | <b>(Tab 15)</b> | T. Lesko       |
| 11:50 a.m. | <b>7. Action Items – July 14, 2023</b>  | <b>(Tab 16)</b> | J. Goodwin     |

11:55 a.m. **8. Board Checkpoint Discussion (Tab 17)** T. Lesko

12:00 p.m. **9. Adjournment** T. Lesko

**10. Informational Materials (Tab 18)**

2023 Board Action Calendar  
 Committee Membership  
 Trustee Confidential Contact Information  
 Trustee Appointments and Terms  
 NHRS Conference Resource List  
 NHRS Acronyms

Note: There will be a non-meeting under RSA 91-A to consult with legal counsel immediately following the conclusion of the Board meeting.

***Remote access information will be provided in advance of the meeting at:***

<https://www.nhrs.org/meetings-events/event/2023/08/08/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:*

[publicrelations@nhrs.org](mailto:publicrelations@nhrs.org) (or call 603-410-3648)

NHRS Board of Trustees

**DRAFT** Minutes – July 11, 2023

**Note:** These **draft** minutes from the July 11, 2023, Public Session are subject for approval at a subsequent Board of Trustees meeting.

**Board of Trustees**

**July 11, 2023**

**DRAFT Public Minutes**

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

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

Staff: *Jan Goodwin, Executive Director; Timothy Crutchfield, Deputy Director and Chief Legal Counsel; Raynald Leveque, Chief Investment Officer; Marie Mullen, Director of Finance; Nancy Miller, Director of Member Services; John Laferriere, Director of IT; Rosamond Cain, Director of Human Resources; Marty Karlon, Director of Communications and Legislative Affairs; Mark F. Cavanaugh, Associate Counsel and Compliance Officer; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Tracy Knight, Project Manager; Greg Richard, Senior Investment Officer; Shana Bilech, Investment Officer; Jesse Pasierb, Investment Operations Analyst; Diana Crichton, Hearings Examiner; and Christine McKenney, Communications Specialist.*

Guests: *Torsten Slok, Chief Economist, and Ria Nova, Partner, from Apollo Global Management.*

Chair Tim Lesko called the July 11, 2023, regular meeting of the NHRS Board of Trustees to order at 10:01 a.m., and after establishing a quorum, Chair Lesko called for a vote to approve the meeting minutes of the June 13, 2023, Board meeting. On a motion by Trustee Hannan, seconded by Trustee Roy, the Board voted unanimously to approve the meeting minutes.

Trustee Mezzapelle reported on the Audit Committee, which met earlier this morning. The Committee heard updates from Internal Audit and Finance. The Census Data Audit is in process and there was one recommendation from the Proxy Voting Compliance Monitoring Policy Audit that Management accepted. The FY 23 Audit Plan is complete.

Trustee Roy reported on the Governance Committee, which met on July 3 for the annual review of the cyber insurance renewal. He reported that the broker reached out to 14 carriers and received only four quotes, including one from the System's incumbent carrier, Houston Casualty, which offered the same coverage of \$5 million, with a \$25,000 deductible at a premium of \$52,126. Trustee Roy noted it is a 29% increase, however, that is modest in comparison to others insured in this market. After discussion, the Committee voted unanimously to recommend to the Board that it accept the renewal cyber security insurance coverage through Houston Casualty.

On a motion by Trustee Hannan, seconded by Trustee Roy, the Board voted unanimously to accept the recommendation of the Governance Committee that the Board approve the renewal of cyber insurance coverage with Houston Casualty, as presented.

Trustee Kelliher reported on the June 13, 2023, Independent Investment Committee (IIC, Committee) meeting. Chief Investment Officer Raynald Leveque provided an update on investment returns through recent time-periods, referring to Callan's April 30, 2023 report. He gave updates on holdings within the NHRS portfolio, the rebalancing from domestic equities to fixed income, which is now within its target allocation range. Mr. Leveque also gave updates to the IIC on liquidity, Russian holdings, and the Work Plan. Trustee Kelliher reported the Committee reviewed an extension to the Custody Agreement with BNY Mellon, the Burgis Private Markets Transparency Service, which the Committee voted unanimously to accept for a two-year period, subject to contract and legal review. The IIC then voted on two five-year term contract renewals for the investment managers that presented at its May meeting, Brandywine and Loomis Sayles. The System's Real Estate Investment Manager, The Townsend Group, gave insight on the Real Estate Investment Plan for Calendar Year 2023. Callan provided a summary of the alternative investment portfolio, a market outlook, and plans for future alternative allocations.

Mr. Leveque reported on the NHRS performance as of May 31, 2023, noting the Total Fund return for the month was -1.16% versus the policy benchmark of -1.22%. He remarked on the calendar-year-to-date (CYTD) performance, reporting the plan is at 3.27% versus the benchmark of 5.12%. He noted for the past 12 months the policy benchmark is flat or 0% and the System's return was 1.21% for the period. He provided the total fund net performance fiscal year-to-date, which is at 4.84%, relative to the long-term actuarial rate of return target of 6.75%, adding that June had a positive performance, and he expects when the numbers become available for that month, the System will be close to its target. Lastly, Mr. Leveque gave an update by asset class. The performance for alternative investments is still reporting fourth quarter valuations, and the returns for 3-, 5-, and 10-year periods were as expected for the private investment asset classes. The Total Plan is at \$11.1 billion.

Trustee Merrifield reported the Legislative Committee plans to meet in July or August regarding the Retirement Benefits Study Commission created by House Bill (HB) 2. NHRS staff is working to implement new legislation. The most complicated change is with the Group I benefit recalculations relative to normal retirement age under Social Security, and the impact on the System's PGV3 project. Trustee Merrifield reported that HB 457 awaits the Governor's signature. That bill requires NHRS to report on a quarterly basis to the Office of Legislative Budget Assistant on compliance with the duty to make all investment decisions solely in the interest of the participants and beneficiaries. He noted the HB 2 Commission will meet this summer and the deadline for the Commission to complete its report is December 1. Lastly, he commented on the state appropriation of funds for a one-time \$500 payment to eligible retirees and beneficiaries as stated in HB 2.

On a motion by Trustee Frederick, seconded by Trustee Merrifield, the Board voted unanimously to certify to the Governor \$7.1 million, as the cost of the \$500 payment to eligible retirees and beneficiaries determined by GRS per HB 2 and for the Director of Finance to initiate a request for reimbursement, as presented.

Trustee Martins noted the Benefits Committee did not meet last month and is planning to meet this month to review a pending recoupment matter.

Trustee Hannan reported on the PPCC, which met on June 5, and heard from Director of Human Resources Rosamond Cain on staffing updates, noting recruitment was underway for two open positions: an Imaging Specialist and an IT Infrastructure Engineer. She reported that the IT Infrastructure Manager position has since been filled with an internal candidate and NHRS hired one of the temporary employees to fill the Finance Accountant position. Trustee Hannan noted the Committee went into non-public session to discuss the non-union compensation recommendations for FY 24 and the PPCC heard from Ms. Cain and Executive Director Jan Goodwin regarding the management positions, annual appraisals, and recommended increases.

The Board meeting was running ahead of the agenda schedule and Chair Lesko called on Ms. Goodwin to begin the operating reports while waiting to temporarily adjourn to consult with legal counsel.

Ms. Goodwin opened her report with the KPMs, which were at 97.6% for the month, above the 95% benchmark. She provided a PGV3 status update, noting the project is 80% complete, with Deliverable 7 (My Account-Member Direct) at 50% complete. Ms. Goodwin summarized the staff activities associated with the project and reported that management and the PGV3 Team are planning for the mock parallel, which is next month and parallel processing in October and November. She mentioned the KPMs, noting there were two missed agencywide. She commented on the Contact Center and its continued success achieving its KPM goals. She reported on her monthly and most recent phone surveys to members, retirees, employers, and beneficiaries, noting the consistent positive feedback she receives on NHRS's customer service.

Ms. Goodwin then presented three contracts: the first, a sole-source contract from Investments for professional development for \$12,645.00; the second two from IT, one for new laptops/workstations and associated equipment from Dell for a total of \$139,221.54, and the other for a network hardware/firewall upgrade for \$79,989.73 with the System's existing vendor, Consolidated Communications. Some discussion ensued about the lifecycle of the new laptops and when the equipment would be replaced. Director of IT John Laferriere addressed the query noting IT is expected to receive the equipment in October and would implement them in early 2024 after PGV3 goes live.

Ms. Goodwin concluded her report by informing the Board that she approved a three-month contract on July 5 for cyber security consulting with GreenPages for \$5,022, which is under the \$10,000 threshold permitted under the Procurement Policy.

On a motion by Trustee Henry, seconded by Trustee Provost, the Board voted unanimously to accept the recommendation of the Executive Director that the Board approve the procurement of goods and services as presented in the Board materials, subject to contract and legal review.

Tim Crutchfield, Deputy Director and Chief Legal Counsel, provided an update on the electronic QDRO templates, which NHRS instituted a few months ago. Mr. Crutchfield reported that Legal met all seven of its applicable KPMs for the month. He gave an update on the private letter ruling (PLR), which the System's external legal counsel, Groom Law, submitted to the IRS relative to HB 2 from two years ago and the medical subsidy payment methodology. He noted an IRS decision on the PLR could take up to nine months. He

reported his FY 23 action plan is complete, aside from an ongoing item regarding reviewing the website for legal compliance and referred to his FY 24 action plan.

Mr. Karlon provided an update on the work his team continues to do on the PGV3 project, noting collaboration with several departments, including Finance on the DRS employer training, putting together instructions and scheduling training sessions. He noted his team is simultaneously working on preparing background information for the Retirement Benefits Study Commission and implementing recently passed bills, such as the revision to the age 65 benefit recalculation, which will require PGV3 reprogramming and updating instructional materials. He announced filling the vacancy for a Communications Specialist on his team with an internal staff member. He reported PIO met all its KPMs and noted his action plans for FY 23 and FY 24.

At 10:19 a.m., Chair Lesko welcomed Attorney Cameron Shilling of McLane-Middleton, and called for a temporary adjournment of the meeting for the purpose of consulting with legal counsel under RSA 91-A:2, I (b). On a motion by Trustee Hannan, seconded by Trustee Roy, the Board voted unanimously to temporarily adjourn.

At 10:37 a.m., on a motion by Trustee Henry, seconded by Trustee Mezzapelle, the Board voted unanimously to reconvene to the regular meeting of the Board of Trustees.

Chair Lesko turned to Director of Investments Raynald Leveque who welcomed guests from Apollo, with whom NHRS has private equity investments. He introduced Ria Nova, partner at Apollo, and Torsten Slok, Chief Economist at Apollo. Mr. Slok discussed his views and insights on the U.S. economic landscape, detailing market trends over the past three quarters, the projected economic growth as the Fed raises interest rates to settle inflation, and his perspective on the macroeconomy relative to the banking sector.

Mr. Laferriere, Director of IT, reported on cyber security awareness, noting IT did not perform a phishing test in June and is working on a new approach to the monthly phishing tests. He noted the metrics on that would be forthcoming. He commented on the recent appointment of a contracted service, GreenPages, to assess NHRS' security environment over the next few months. He reported on the firewall upgrade and the status of several other projects. He mentioned IT scored 100% on customer satisfaction and met all eight of its KPMs. He gave an update on the Teams videoconferencing, noting IT continues to make progress on installing the proof-of-concept systems to each of the conference rooms at NHRS. He gave an overview of upcoming projects and in closing, referred to his FY 23 and FY 24 action plans.

Mr. Leveque reported on Investments, noting his department met seven of the 10 KPMs, and that the others were not applicable this month. He provided an overview of the July IIC meeting, which will occur immediately after today's Board meeting. He then gave a synopsis of the real estate market, as provided by the System's Real Estate Investment Manager, The Townsend Group. Lastly, he referred to the FY 23 and FY 24 action plans for Investments.

Director of Member Services Nancy Miller opened her report with her department's continued work on preparations for PGV3 testing, training, and parallel, while simultaneously managing competing priorities in Member Services, including adjusting Pension Gold and the benefit calculation in association with recent legislation, and processing the July retirement filings. Ms. Miller gave a staffing update, mentioning the evaluation of positions to manage QDROs. She noted Member Services achieved all 21 of its KPMs. In closing, she noted her FY 23 and FY 24 action plans and commented on upcoming projects.

Director of Finance Marie Mullen reported on Finance, noting staff's extensive work on PGV3 with employer reporting and training. Finance achieved eight of its 13 KPMs; three KPMs did not have deliverables, and two were missed. One missed KPM was regarding bank reconciliation that was not achieved within the two days required because of a staffing transition and the other missed KPM, relative to producing and distributing the monthly actual-to-plan budget reports to the Executive Team within 10 business days from the end of the prior month, was not met because of PGV3 priorities. She informed the Board of some revisions to Finance KPMs, noting the removal of two and the rewording of another since these KPMs involved requirements outside of Finance's control.

Ms. Mullen reported on the net position year to date through December, noting an increase of \$66 million since June 30, 2022. She stated cash flows for May 2023 and the fiscal year-to-date were within the expected range and commented on the FYTD administrative expenses, noting some excess funds in several categories that will balance out accordingly. She noted that PGV3 project spending is below budget to date. Ms. Mullen concluded her report with upcoming projects and her FY 23 and FY 24 action plans.

Human Resources (HR) Director Rosamond Cain provided a staffing update, noting NHRS continues its recruiting efforts for two positions. She reported that NHRS is fully integrated with its payroll vendor, ADP, and can recruit through the system and obtain the employer report. She gave a status update on the System's position assessment process. She mentioned the annual Employee Appreciation Day will be held July 26. Lastly, she noted HR met all its KPMs for the month and presented her action plans for FY 23 and FY 24.

Chair Lesko next presented the Consent Agenda. On a motion by Trustee Martins, seconded by Trustee Hannan, the Board voted unanimously to approve the Consent Agenda.

There were no travel reports or requests.

Ms. Goodwin provided an update on Action Items from the June 13, 2023, Board meeting, noting everything except Item 1 is completed and she expects to receive the data from the remaining municipality to complete Item 1 in the near future.

During the Board checkpoint, Chair Lesko praised staff for their ongoing efforts with the PGV3 project.

With no further business to discuss, on a motion by Trustee Roy, seconded by Trustee Martins, the Board voted unanimously to adjourn the meeting at 11:44 a.m.

Respectfully submitted,

Christine McKenney  
Communications Specialist

## **AUDIT COMMITTEE**



**GOVERNANCE COMMITTEE***Oral Presentation Only*

# Independent Investment Committee's Monthly Report to the Board

NHRS Investment Team  
Board of Trustees Meeting  
August 8, 2023

# Total Plan Performance as of June 30, 2023

The table below details the rates of return for the fund's asset classes over various time periods ended June 30, 2023. 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, 2023 |                                      |               |               |               |               |               |               |               |               |
|---|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Composite   | Total Fund Weighting As of 6/30/2023 | Last Month    | QTD           | FYTD          | CYTD          | LTM           | 3-YR          | 5-YR          | 10-YR         |
| <b>Total Domestic Equity</b>                        | <b>30.43%</b>                        | <b>7.15%</b>  | <b>6.81%</b>  | <b>17.25%</b> | <b>13.06%</b> | <b>17.25%</b> | <b>14.21%</b> | <b>9.65%</b>  | <b>11.18%</b> |
| Domestic Equity Benchmark(1)                        |                                      | 6.83%         | 8.39%         | 18.95%        | 16.17%        | 18.95%        | 12.99%        | 11.36%        | 12.43%        |
| Excess Return                                       |                                      | 0.32%         | -1.57%        | -1.70%        | -3.11%        | -1.70%        | 1.22%         | -1.71%        | -1.24%        |
| <b>Total Non US Equity</b>                          | <b>18.20%</b>                        | <b>5.14%</b>  | <b>3.98%</b>  | <b>19.01%</b> | <b>13.66%</b> | <b>19.01%</b> | <b>7.75%</b>  | <b>3.97%</b>  | <b>4.99%</b>  |
| Non US Equity Benchmark(2)                          |                                      | 4.49%         | 2.44%         | 12.72%        | 9.47%         | 12.72%        | 7.22%         | 3.52%         | 4.75%         |
| Excess Return                                       |                                      | 0.65%         | 1.54%         | 6.30%         | 4.19%         | 6.30%         | 0.52%         | 0.46%         | 0.24%         |
| <b>Total Fixed Income</b>                           | <b>19.81%</b>                        | <b>0.23%</b>  | <b>-0.38%</b> | <b>1.43%</b>  | <b>2.82%</b>  | <b>1.43%</b>  | <b>-1.51%</b> | <b>1.60%</b>  | <b>2.24%</b>  |
| Bloomberg Capital Universe Bond Index               |                                      | -0.16%        | -0.59%        | -0.04%        | 2.32%         | -0.04%        | -3.43%        | 0.98%         | 1.80%         |
| Excess Return                                       |                                      | 0.39%         | 0.21%         | 1.47%         | 0.49%         | 1.47%         | 1.92%         | 0.62%         | 0.44%         |
| <b>Total Cash</b>                                   | <b>0.91%</b>                         | <b>0.42%</b>  | <b>1.22%</b>  | <b>3.85%</b>  | <b>2.39%</b>  | <b>3.85%</b>  | <b>1.34%</b>  | <b>1.64%</b>  | <b>1.06%</b>  |
| 3-Month Treasury Bill                               |                                      | 0.46%         | 1.17%         | 3.59%         | 2.25%         | 3.59%         | 1.27%         | 1.55%         | 0.98%         |
| Excess Return                                       |                                      | -0.04%        | 0.06%         | 0.26%         | 0.13%         | 0.26%         | 0.07%         | 0.08%         | 0.08%         |
| <b>Total Real Estate (Q1)*</b>                      | <b>11.49%</b>                        | <b>-2.54%</b> | <b>-2.99%</b> | <b>-5.19%</b> | <b>-6.16%</b> | <b>-5.19%</b> | <b>12.43%</b> | <b>9.51%</b>  | <b>11.09%</b> |
| Real Estate Benchmark(3)                            |                                      | -1.14%        | -3.38%        | -3.91%        | -8.37%        | -3.91%        | 7.46%         | 6.56%         | 8.45%         |
| Excess Return                                       |                                      | -1.40%        | 0.39%         | -1.28%        | 2.21%         | -1.28%        | 4.98%         | 2.95%         | 2.64%         |
| <b>Total Private Equity (Q1)*</b>                   | <b>14.20%</b>                        | <b>1.32%</b>  | <b>1.06%</b>  | <b>0.30%</b>  | <b>2.40%</b>  | <b>0.30%</b>  | <b>18.58%</b> | <b>13.07%</b> | <b>12.19%</b> |
| Private Equity Benchmark(4)                         |                                      | 2.80%         | 7.62%         | -5.92%        | 15.92%        | -5.92%        | 21.39%        | 14.40%        | 15.93%        |
| Excess Return                                       |                                      | -1.48%        | -6.57%        | 6.22%         | -13.53%       | 6.22%         | -2.81%        | -1.33%        | -3.74%        |
| <b>Total Private Debt (Q1)*</b>                     | <b>4.97%</b>                         | <b>1.22%</b>  | <b>1.44%</b>  | <b>4.14%</b>  | <b>2.75%</b>  | <b>4.14%</b>  | <b>8.25%</b>  | <b>5.21%</b>  | <b>6.62%</b>  |
| Private Debt Benchmark(5)                           |                                      | 0.57%         | 3.53%         | 0.62%         | 7.90%         | 0.62%         | 5.87%         | 3.01%         | 6.88%         |
| Excess Return                                       |                                      | 0.65%         | -2.09%        | 3.52%         | -5.15%        | 3.52%         | 2.38%         | 2.20%         | -0.26%        |
| <b>Total Fund Composite</b>                         | <b>100.00%</b>                       | <b>3.00%</b>  | <b>2.49%</b>  | <b>7.98%</b>  | <b>6.37%</b>  | <b>7.98%</b>  | <b>9.49%</b>  | <b>7.02%</b>  | <b>7.85%</b>  |
| Total Fund Benchmark(6)                             |                                      | 3.10%         | 3.45%         | 7.50%         | 8.38%         | 7.50%         | 7.95%         | 7.03%         | 7.96%         |
| Excess Return                                       |                                      | -0.10%        | -0.95%        | 0.48%         | -2.01%        | 0.48%         | 1.55%         | -0.01%        | -0.10%        |

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

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

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

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

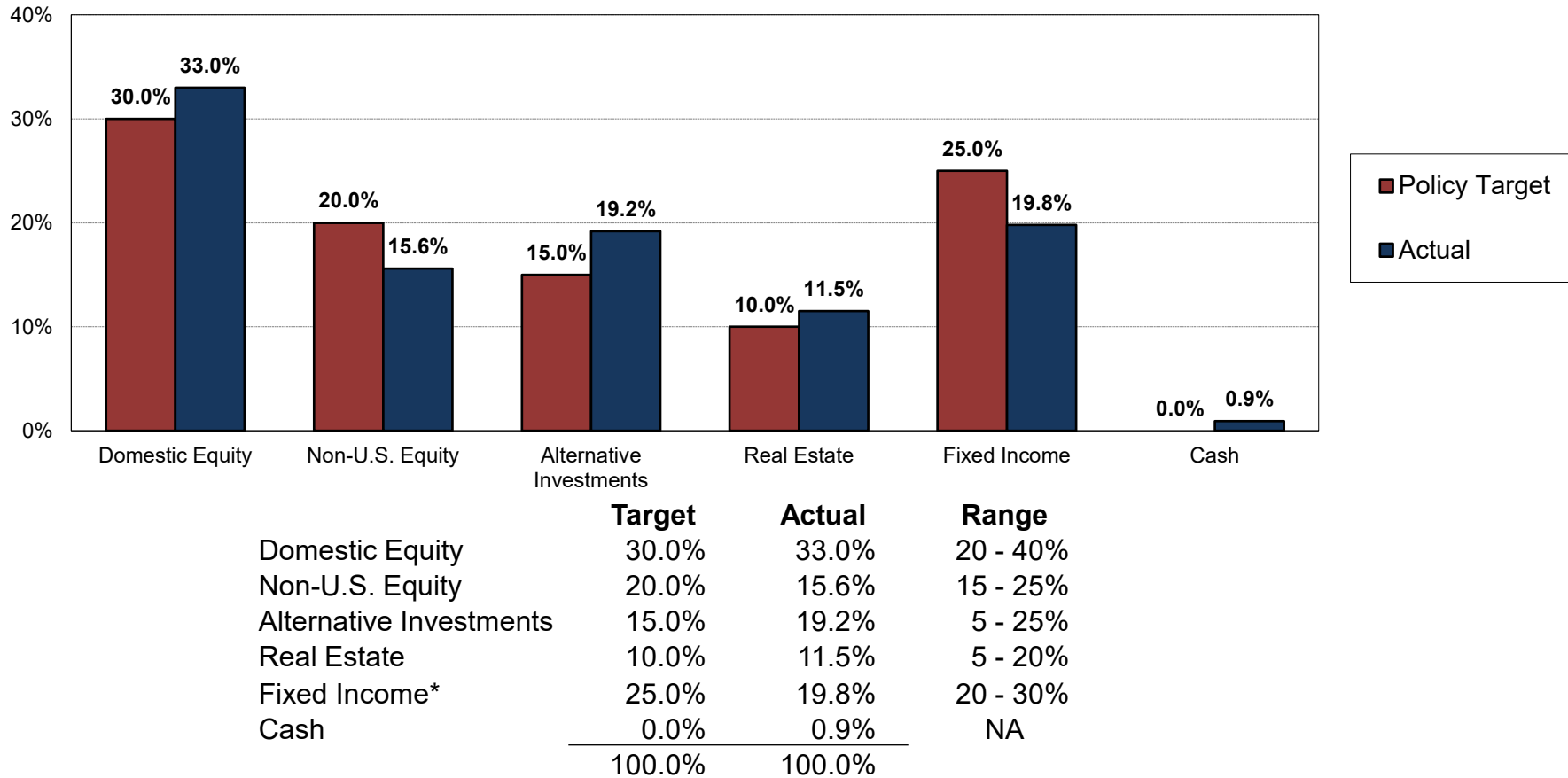
(5) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 Index + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.

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

(7) For the trailing 25 year period ended 6/30/23, the Total Fund has returned 6.52% versus the Total Fund Custom Benchmark return of 6.61%.

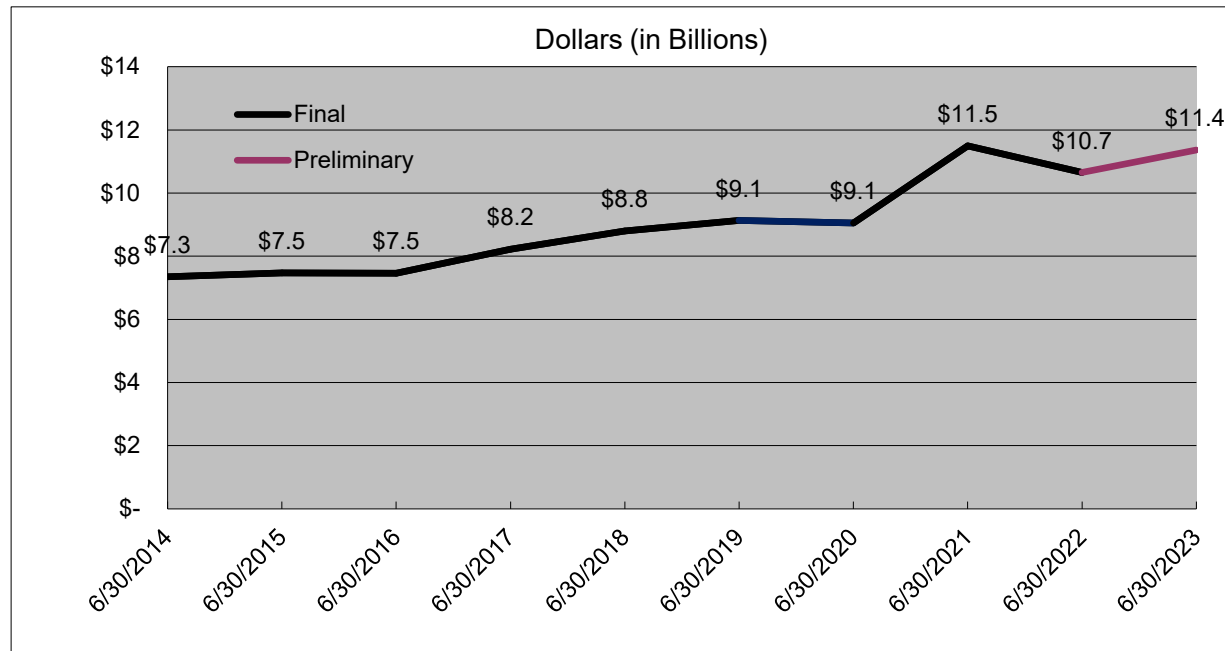
\*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

### Asset Class Targets vs. Actual Allocation as of June 30, 2023 (Preliminary)



\*Fixed income is within range when cash is included

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



# Callan

June 30, 2023



## **New Hampshire Retirement System**

**Investment Measurement Service  
Monthly Review**

## Asset Class Excess Returns

June 30, 2023

The table below details the rates of return for the fund's asset classes over various time periods ended June 30, 2023. 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, 2023 |                                      |               |               |               |               |               |               |               |               |
|---|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Composite   | Total Fund Weighting As of 6/30/2023 | Last Month    | QTD           | FYTD          | CYTD          | LTM           | 3-YR          | 5-YR          | 10-YR         |
| <b>Total Domestic Equity</b>                        | <b>30.43%</b>                        | <b>7.15%</b>  | <b>6.81%</b>  | <b>17.25%</b> | <b>13.06%</b> | <b>17.25%</b> | <b>14.21%</b> | <b>9.65%</b>  | <b>11.18%</b> |
| <i>Domestic Equity Benchmark(1)</i>                 |                                      | 6.83%         | 8.39%         | 18.95%        | 16.17%        | 18.95%        | 12.99%        | 11.36%        | 12.43%        |
| <i>Excess Return</i>                                |                                      | 0.32%         | -1.57%        | -1.70%        | -3.11%        | -1.70%        | 1.22%         | -1.71%        | -1.24%        |
| <b>Total Non US Equity</b>                          | <b>18.20%</b>                        | <b>5.14%</b>  | <b>3.98%</b>  | <b>19.01%</b> | <b>13.66%</b> | <b>19.01%</b> | <b>7.75%</b>  | <b>3.97%</b>  | <b>4.99%</b>  |
| <i>Non US Equity Benchmark(2)</i>                   |                                      | 4.49%         | 2.44%         | 12.72%        | 9.47%         | 12.72%        | 7.22%         | 3.52%         | 4.75%         |
| <i>Excess Return</i>                                |                                      | 0.65%         | 1.54%         | 6.30%         | 4.19%         | 6.30%         | 0.52%         | 0.46%         | 0.24%         |
| <b>Total Fixed Income</b>                           | <b>19.81%</b>                        | <b>0.23%</b>  | <b>-0.38%</b> | <b>1.43%</b>  | <b>2.82%</b>  | <b>1.43%</b>  | <b>-1.51%</b> | <b>1.60%</b>  | <b>2.24%</b>  |
| <i>Bloomberg Capital Universe Bond Index</i>        |                                      | -0.16%        | -0.59%        | -0.04%        | 2.32%         | -0.04%        | -3.43%        | 0.98%         | 1.80%         |
| <i>Excess Return</i>                                |                                      | 0.39%         | 0.21%         | 1.47%         | 0.49%         | 1.47%         | 1.92%         | 0.62%         | 0.44%         |
| <b>Total Cash</b>                                   | <b>0.91%</b>                         | <b>0.42%</b>  | <b>1.22%</b>  | <b>3.85%</b>  | <b>2.39%</b>  | <b>3.85%</b>  | <b>1.34%</b>  | <b>1.64%</b>  | <b>1.06%</b>  |
| <i>3-Month Treasury Bill</i>                        |                                      | 0.46%         | 1.17%         | 3.59%         | 2.25%         | 3.59%         | 1.27%         | 1.55%         | 0.98%         |
| <i>Excess Return</i>                                |                                      | -0.04%        | 0.06%         | 0.26%         | 0.13%         | 0.26%         | 0.07%         | 0.08%         | 0.08%         |
| <b>Total Real Estate (Q1)*</b>                      | <b>11.49%</b>                        | <b>-2.54%</b> | <b>-2.99%</b> | <b>-5.19%</b> | <b>-6.16%</b> | <b>-5.19%</b> | <b>12.43%</b> | <b>9.51%</b>  | <b>11.09%</b> |
| <i>Real Estate Benchmark(3)</i>                     |                                      | -1.14%        | -3.38%        | -3.91%        | -8.37%        | -3.91%        | 7.46%         | 6.56%         | 8.45%         |
| <i>Excess Return</i>                                |                                      | -1.40%        | 0.39%         | -1.28%        | 2.21%         | -1.28%        | 4.98%         | 2.95%         | 2.64%         |
| <b>Total Private Equity (Q1)*</b>                   | <b>14.20%</b>                        | <b>1.32%</b>  | <b>1.06%</b>  | <b>0.30%</b>  | <b>2.40%</b>  | <b>0.30%</b>  | <b>18.58%</b> | <b>13.07%</b> | <b>12.19%</b> |
| <i>Private Equity Benchmark(4)</i>                  |                                      | 2.80%         | 7.62%         | -5.92%        | 15.92%        | -5.92%        | 21.39%        | 14.40%        | 15.93%        |
| <i>Excess Return</i>                                |                                      | -1.48%        | -6.57%        | 6.22%         | -13.53%       | 6.22%         | -2.81%        | -1.33%        | -3.74%        |
| <b>Total Private Debt (Q1)*</b>                     | <b>4.97%</b>                         | <b>1.22%</b>  | <b>1.44%</b>  | <b>4.14%</b>  | <b>2.75%</b>  | <b>4.14%</b>  | <b>8.25%</b>  | <b>5.21%</b>  | <b>6.62%</b>  |
| <i>Private Debt Benchmark(5)</i>                    |                                      | 0.57%         | 3.53%         | 0.62%         | 7.90%         | 0.62%         | 5.87%         | 3.01%         | 6.88%         |
| <i>Excess Return</i>                                |                                      | 0.65%         | -2.09%        | 3.52%         | -5.15%        | 3.52%         | 2.38%         | 2.20%         | -0.26%        |
| <b>Total Fund Composite</b>                         | <b>100.00%</b>                       | <b>3.00%</b>  | <b>2.49%</b>  | <b>7.98%</b>  | <b>6.37%</b>  | <b>7.98%</b>  | <b>9.49%</b>  | <b>7.02%</b>  | <b>7.85%</b>  |
| <i>Total Fund Benchmark(6)</i>                      |                                      | 3.10%         | 3.45%         | 7.50%         | 8.38%         | 7.50%         | 7.95%         | 7.03%         | 7.96%         |
| <i>Excess Return</i>                                |                                      | -0.10%        | -0.95%        | 0.48%         | -2.01%        | 0.48%         | 1.55%         | -0.01%        | -0.10%        |

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

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

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

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

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

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

(7) For the trailing 25 year period ended 6/30/23, the Total Fund has returned 6.52% versus the Total Fund Custom Benchmark return of 6.61%.

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

## Domestic Equity Excess Returns

June 30, 2023

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2023. 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, 2023 |                                      |              |              |               |               |               |               |               |               |
|---|--------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Composite   | Total Fund Weighting As of 6/30/2023 | Last Month   | QTD          | FYTD          | CYTD          | LTM           | 3-YR          | 5-YR          | 10-YR         |
| <b>Total Domestic Equity</b>                        | <b>30.43%</b>                        | <b>7.15%</b> | <b>6.81%</b> | <b>17.25%</b> | <b>13.06%</b> | <b>17.25%</b> | <b>14.21%</b> | <b>9.65%</b>  | <b>11.18%</b> |
| Domestic Equity Benchmark(1)                        |                                      | 6.83%        | 8.39%        | 18.95%        | 16.17%        | 18.95%        | 12.99%        | 11.36%        | 12.43%        |
| Excess Return                                       |                                      | 0.32%        | -1.57%       | -1.70%        | -3.11%        | -1.70%        | 1.22%         | -1.71%        | -1.24%        |
| <b>Large Cap Domestic Equity</b>                    | <b>17.60%</b>                        | <b>6.60%</b> | <b>8.60%</b> | <b>19.41%</b> | <b>16.72%</b> | <b>19.41%</b> | <b>14.35%</b> | <b>11.20%</b> | <b>11.93%</b> |
| S&P 500 Index                                       |                                      | 6.61%        | 8.74%        | 19.59%        | 16.89%        | 19.59%        | 14.60%        | 12.31%        | 12.86%        |
| Excess Return                                       |                                      | 0.00%        | -0.14%       | -0.19%        | -0.18%        | -0.19%        | -0.25%        | -1.11%        | -0.94%        |
| <b>BlackRock S&amp;P 500</b>                        | <b>17.60%</b>                        | <b>6.60%</b> | <b>8.60%</b> | <b>19.41%</b> | <b>16.72%</b> | <b>19.41%</b> | <b>14.51%</b> | <b>12.25%</b> | <b>12.83%</b> |
| S&P 500 Index                                       |                                      | 6.61%        | 8.74%        | 19.59%        | 16.89%        | 19.59%        | 14.60%        | 12.31%        | 12.86%        |
| Excess Return                                       |                                      | 0.00%        | -0.14%       | -0.19%        | -0.18%        | -0.19%        | -0.09%        | -0.06%        | -0.04%        |
| <b>Smid Cap Domestic Equity</b>                     | <b>5.60%</b>                         | <b>8.19%</b> | <b>5.10%</b> | <b>12.87%</b> | <b>8.45%</b>  | <b>12.87%</b> | <b>14.13%</b> | <b>6.10%</b>  | <b>9.28%</b>  |
| Russell 2500 Index                                  |                                      | 8.52%        | 5.22%        | 13.58%        | 8.79%         | 13.58%        | 12.29%        | 6.55%         | 9.38%         |
| Excess Return                                       |                                      | -0.33%       | -0.12%       | -0.71%        | -0.35%        | -0.71%        | 1.84%         | -0.45%        | -0.10%        |
| <b>AllianceBernstein</b>                            | <b>3.47%</b>                         | <b>8.95%</b> | <b>5.11%</b> | <b>14.38%</b> | <b>9.66%</b>  | <b>14.38%</b> | <b>12.00%</b> | <b>6.54%</b>  | <b>9.94%</b>  |
| Russell 2500 Index                                  |                                      | 8.52%        | 5.22%        | 13.58%        | 8.79%         | 13.58%        | 12.29%        | 6.55%         | 9.38%         |
| Excess Return                                       |                                      | 0.43%        | -0.12%       | 0.80%         | 0.86%         | 0.80%         | -0.29%        | 0.00%         | 0.56%         |
| <b>TSW</b>  | <b>2.13%</b>                         | <b>6.98%</b> | <b>5.10%</b> | <b>10.49%</b> | <b>6.53%</b>  | <b>10.49%</b> | <b>17.97%</b> | <b>5.32%</b>  | <b>8.28%</b>  |
| TSW Blended Benchmark (2)                           |                                      | 8.89%        | 4.37%        | 10.37%        | 5.83%         | 10.37%        | 16.07%        | 6.11%         | 9.15%         |
| Excess Return                                       |                                      | -1.91%       | 0.72%        | 0.12%         | 0.71%         | 0.12%         | 1.89%         | -0.78%        | -0.87%        |
| <b>Small Cap Domestic Equity</b>                    | <b>7.23%</b>                         | <b>7.71%</b> | <b>3.61%</b> | <b>15.23%</b> | <b>7.63%</b>  | <b>15.23%</b> | <b>14.38%</b> | <b>8.82%</b>  | <b>10.57%</b> |
| Russell 2000 Index                                  |                                      | 8.13%        | 5.21%        | 12.31%        | 8.09%         | 12.31%        | 10.82%        | 4.21%         | 8.26%         |
| Excess Return                                       |                                      | -0.42%       | -1.60%       | 2.92%         | -0.45%        | 2.92%         | 3.56%         | 4.61%         | 2.32%         |
| <b>Boston Trust</b>                                 | <b>1.92%</b>                         | <b>6.88%</b> | <b>0.79%</b> | <b>12.01%</b> | <b>4.41%</b>  | <b>12.01%</b> | <b>16.64%</b> | <b>9.71%</b>  | <b>10.32%</b> |
| Russell 2000 Index                                  |                                      | 8.13%        | 5.21%        | 12.31%        | 8.09%         | 12.31%        | 10.82%        | 4.21%         | 8.26%         |
| Excess Return                                       |                                      | -1.25%       | -4.41%       | -0.30%        | -3.67%        | -0.30%        | 5.82%         | 5.50%         | 2.07%         |
| <b>Segall Bryant &amp; Hamill</b>                   | <b>1.99%</b>                         | <b>8.15%</b> | <b>2.62%</b> | <b>16.50%</b> | <b>5.49%</b>  | <b>16.50%</b> | <b>13.86%</b> | <b>9.54%</b>  | <b>9.94%</b>  |
| Russell 2000 Index                                  |                                      | 8.13%        | 5.21%        | 12.31%        | 8.09%         | 12.31%        | 10.82%        | 4.21%         | 8.26%         |
| Excess Return                                       |                                      | 0.02%        | -2.58%       | 4.19%         | -2.59%        | 4.19%         | 3.03%         | 5.33%         | 1.69%         |
| <b>Wellington</b>                                   | <b>3.32%</b>                         | <b>7.93%</b> | <b>5.93%</b> | <b>16.41%</b> | <b>10.96%</b> | <b>16.41%</b> | <b>13.45%</b> | <b>7.98%</b>  | <b>11.13%</b> |
| Russell 2000 Index                                  |                                      | 8.13%        | 5.21%        | 12.31%        | 8.09%         | 12.31%        | 10.82%        | 4.21%         | 8.26%         |
| Excess Return                                       |                                      | -0.20%       | 0.72%        | 4.11%         | 2.87%         | 4.11%         | 2.62%         | 3.77%         | 2.87%         |

(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

June 30, 2023

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2023. 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, 2023 |                                      |              |              |               |               |               |               |               |               |
|---|--------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Composite   | Total Fund Weighting As of 6/30/2023 | Last Month   | QTD          | FYTD          | CYTD          | LTM           | 3-YR          | 5-YR          | 10-YR         |
| <b>Total Non US Equity</b>                          | <b>18.20%</b>                        | <b>5.14%</b> | <b>3.98%</b> | <b>19.01%</b> | <b>13.66%</b> | <b>19.01%</b> | <b>7.75%</b>  | <b>3.97%</b>  | <b>4.99%</b>  |
| Non US Equity Benchmark (1)                         |                                      | 4.49%        | 2.44%        | 12.72%        | 9.47%         | 12.72%        | 7.22%         | 3.52%         | 4.75%         |
| Excess Return                                       |                                      | 0.65%        | 1.54%        | 6.30%         | 4.19%         | 6.30%         | 0.52%         | 0.46%         | 0.24%         |
| <b>Core Non US Equity</b>                           | <b>11.07%</b>                        | <b>4.72%</b> | <b>3.53%</b> | <b>21.53%</b> | <b>14.08%</b> | <b>21.53%</b> | <b>9.12%</b>  | <b>4.11%</b>  | <b>4.57%</b>  |
| Core Non US Benchmark (2)                           |                                      | 4.49%        | 2.44%        | 12.72%        | 9.47%         | 12.72%        | 7.22%         | 3.52%         | 4.75%         |
| Excess Return                                       |                                      | 0.24%        | 1.09%        | 8.81%         | 4.61%         | 8.81%         | 1.90%         | 0.59%         | -0.18%        |
| <b>Aristotle</b>                                    | <b>1.44%</b>                         | <b>4.60%</b> | <b>4.88%</b> | <b>17.96%</b> | <b>12.74%</b> | <b>17.96%</b> | -             | -             | -             |
| MSCI EAFE   |                                      | 4.55%        | 2.95%        | 18.77%        | 11.67%        | 18.77%        | -             | -             | -             |
| Excess Return                                       |                                      | 0.05%        | 1.92%        | -0.81%        | 1.07%         | -0.81%        | -             | -             | -             |
| <b>Artisan Partners</b>                             | <b>3.12%</b>                         | <b>4.74%</b> | <b>1.46%</b> | <b>18.04%</b> | <b>10.42%</b> | <b>18.04%</b> | <b>4.33%</b>  | <b>4.40%</b>  | -             |
| MSCI EAFE   |                                      | 4.55%        | 2.95%        | 18.77%        | 11.67%        | 18.77%        | 8.93%         | 4.39%         | -             |
| Excess Return                                       |                                      | 0.19%        | -1.49%       | -0.73%        | -1.25%        | -0.73%        | -4.60%        | 0.01%         | -             |
| <b>BlackRock SuperFund</b>                          | <b>1.57%</b>                         | <b>4.54%</b> | <b>2.62%</b> | -             | -             | -             | -             | -             | -             |
| MSCI ACWI Ex-US                                     |                                      | 4.49%        | 2.44%        | -             | -             | -             | -             | -             | -             |
| Excess Return                                       |                                      | 0.06%        | 0.18%        | -             | -             | -             | -             | -             | -             |
| <b>Causeway Capital</b>                             | <b>3.56%</b>                         | <b>4.92%</b> | <b>5.11%</b> | <b>30.62%</b> | <b>20.42%</b> | <b>30.62%</b> | <b>16.54%</b> | <b>6.37%</b>  | -             |
| MSCI EAFE   |                                      | 4.55%        | 2.95%        | 18.77%        | 11.67%        | 18.77%        | 8.93%         | 4.39%         | -             |
| Excess Return                                       |                                      | 0.37%        | 2.16%        | 11.84%        | 8.75%         | 11.84%        | 7.61%         | 1.98%         | -             |
| <b>Lazard</b>                                       | <b>1.37%</b>                         | <b>4.50%</b> | <b>3.99%</b> | <b>15.80%</b> | <b>12.21%</b> | <b>15.80%</b> | -             | -             | -             |
| MSCI EAFE   |                                      | 4.55%        | 2.95%        | 18.77%        | 11.67%        | 18.77%        | -             | -             | -             |
| Excess Return                                       |                                      | -0.05%       | 1.04%        | -2.97%        | 0.54%         | -2.97%        | -             | -             | -             |
| <b>Emerging Markets</b>                             | <b>1.43%</b>                         | <b>6.12%</b> | <b>2.48%</b> | <b>5.64%</b>  | <b>6.42%</b>  | <b>5.64%</b>  | <b>-0.27%</b> | <b>-0.99%</b> | <b>1.67%</b>  |
| MSCI EM   |                                      | 3.80%        | 0.90%        | 1.75%         | 4.89%         | 1.75%         | 2.32%         | 0.93%         | 2.95%         |
| Excess Return                                       |                                      | 2.32%        | 1.58%        | 3.89%         | 1.53%         | 3.89%         | -2.58%        | -1.92%        | -1.28%        |
| <b>Wellington Emerging Markets</b>                  | -                                    | <b>5.55%</b> | <b>1.90%</b> | <b>5.08%</b>  | <b>4.12%</b>  | <b>5.08%</b>  | <b>-0.18%</b> | <b>-0.84%</b> | <b>2.73%</b>  |
| MSCI EM   |                                      | 3.80%        | 0.90%        | 1.75%         | 4.89%         | 1.75%         | 2.32%         | 0.93%         | 2.95%         |
| Excess Return                                       |                                      | 1.76%        | 1.00%        | 3.33%         | -0.77%        | 3.33%         | -2.50%        | -1.77%        | -0.22%        |
| <b>Non US Small Cap</b>                             | <b>1.10%</b>                         | <b>3.85%</b> | <b>1.47%</b> | <b>14.86%</b> | <b>8.07%</b>  | <b>14.86%</b> | <b>3.69%</b>  | <b>-3.91%</b> | <b>0.96%</b>  |
| MSCI EAFE Small Cap                                 |                                      | 2.89%        | 0.58%        | 10.18%        | 5.53%         | 10.18%        | 5.70%         | 1.31%         | 6.19%         |
| Excess Return                                       |                                      | 0.95%        | 0.89%        | 4.68%         | 2.55%         | 4.68%         | -2.01%        | -5.22%        | -5.23%        |
| <b>Wellington Int'l Small Cap Research</b>          | <b>1.10%</b>                         | <b>3.85%</b> | <b>1.47%</b> | <b>14.86%</b> | <b>8.07%</b>  | <b>14.86%</b> | -             | -             | -             |
| MSCI EAFE Small Cap                                 |                                      | 2.89%        | 0.58%        | 10.18%        | 5.53%         | 10.18%        | -             | -             | -             |
| Excess Return                                       |                                      | 0.95%        | 0.89%        | 4.68%         | 2.55%         | 4.68%         | -             | -             | -             |
| <b>Global Equity</b>                                | <b>4.60%</b>                         | <b>6.16%</b> | <b>6.24%</b> | <b>23.21%</b> | <b>17.78%</b> | <b>23.21%</b> | <b>11.70%</b> | <b>10.66%</b> | <b>11.14%</b> |
| MSCI ACWI net                                       |                                      | 5.81%        | 6.18%        | 16.53%        | 13.93%        | 16.53%        | 10.99%        | 8.10%         | 8.76%         |
| Excess Return                                       |                                      | 0.35%        | 0.07%        | 6.69%         | 3.85%         | 6.69%         | 0.71%         | 2.55%         | 2.38%         |
| <b>Walter Scott Global Equity</b>                   | <b>4.60%</b>                         | <b>6.16%</b> | <b>6.24%</b> | <b>23.21%</b> | <b>17.78%</b> | <b>23.21%</b> | <b>11.70%</b> | <b>10.66%</b> | <b>11.14%</b> |
| Walter Scott Blended Benchmark (3)                  |                                      | 5.81%        | 6.18%        | 16.53%        | 13.93%        | 16.53%        | 10.99%        | 8.10%         | 8.76%         |
| Excess Return                                       |                                      | 0.35%        | 0.07%        | 6.69%         | 3.85%         | 6.69%         | 0.71%         | 2.55%         | 2.38%         |

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

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

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

## Fixed Income Excess Returns

June 30, 2023

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2023. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

| Composite                                 | Net of Fees Returns for Periods Ended June 30, 2023 |               |               |               |              |               |               |               |              |
|---|---|---------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|
|   | Total Fund Weighting As of 6/30/2023                | Last Month    | QTD           | FYTD          | CYTD         | LTM           | 3-YR          | 5-YR          | 10-YR        |
| <b>Total Fixed Income</b>                 | <b>19.81%</b>                                       | <b>0.23%</b>  | <b>-0.38%</b> | <b>1.43%</b>  | <b>2.82%</b> | <b>1.43%</b>  | <b>-1.51%</b> | <b>1.60%</b>  | <b>2.24%</b> |
| <i>Fixed Income Benchmark (1)</i>         |   | -0.16%        | -0.59%        | -0.04%        | 2.32%        | -0.04%        | -3.43%        | 0.98%         | 1.80%        |
| <i>Excess Return</i>                      |   | 0.39%         | 0.21%         | 1.47%         | 0.49%        | 1.47%         | 1.92%         | 0.62%         | 0.44%        |
| <b>BlackRock SIO Bond Fund</b>            | <b>2.22%</b>  | <b>0.32%</b>  | <b>0.39%</b>  | <b>1.91%</b>  | <b>1.99%</b> | <b>1.91%</b>  | <b>1.45%</b>  | -             | -            |
| <i>BlackRock Custom Benchmark (2)</i>     |   | 0.42%         | 1.27%         | 3.92%         | 2.41%        | 3.92%         | 1.46%         | -             | -            |
| <i>Excess Return</i>                      |   | -0.10%        | -0.88%        | -2.01%        | -0.43%       | -2.01%        | -0.01%        | -             | -            |
| <b>Brandywine Asset Mgmt</b>              | <b>2.01%</b>  | <b>1.27%</b>  | <b>-0.62%</b> | <b>0.93%</b>  | <b>3.26%</b> | <b>0.93%</b>  | <b>-1.92%</b> | <b>-0.18%</b> | <b>1.14%</b> |
| <i>Brandywine Custom Benchmark (3)</i>    |   | 0.07%         | -1.70%        | -2.40%        | 1.82%        | -2.40%        | -6.50%        | -2.04%        | -0.49%       |
| <i>Excess Return</i>                      |   | 1.20%         | 1.08%         | 3.32%         | 1.44%        | 3.32%         | 4.58%         | 1.86%         | 1.63%        |
| <b>FIAM (Fidelity) Tactical Bond</b>      | <b>3.18%</b>  | <b>0.46%</b>  | <b>-0.15%</b> | <b>3.12%</b>  | <b>3.13%</b> | <b>3.12%</b>  | <b>0.23%</b>  | -             | -            |
| <i>Bloomberg Aggregate</i>                |   | -0.36%        | -0.84%        | -0.94%        | 2.09%        | -0.94%        | -3.96%        | -             | -            |
| <i>Excess Return</i>                      |   | 0.82%         | 0.70%         | 4.05%         | 1.04%        | 4.05%         | 4.20%         | -             | -            |
| <b>Income Research &amp; Management</b>   | <b>6.68%</b>  | <b>-0.20%</b> | <b>-0.73%</b> | <b>-0.38%</b> | <b>2.76%</b> | <b>-0.38%</b> | <b>-3.78%</b> | <b>1.42%</b>  | <b>2.04%</b> |
| <i>Bloomberg Gov/Credit</i>               |   | -0.32%        | -0.93%        | -0.70%        | 2.21%        | -0.70%        | -4.11%        | 1.03%         | 1.66%        |
| <i>Excess Return</i>                      |   | 0.11%         | 0.20%         | 0.32%         | 0.55%        | 0.32%         | 0.32%         | 0.39%         | 0.38%        |
| <b>Loomis Sayles</b>                      | <b>2.38%</b>  | <b>0.34%</b>  | <b>-0.39%</b> | <b>2.61%</b>  | <b>2.66%</b> | <b>2.61%</b>  | <b>0.19%</b>  | <b>2.96%</b>  | <b>3.45%</b> |
| <i>Loomis Sayles Custom Benchmark (4)</i> |   | 0.35%         | 0.06%         | 2.50%         | 3.24%        | 2.50%         | -1.50%        | 1.74%         | 2.58%        |
| <i>Excess Return</i>                      |   | -0.02%        | -0.45%        | 0.11%         | -0.59%       | 0.11%         | 1.68%         | 1.21%         | 0.87%        |
| <b>Manulife Strategic Fixed Income</b>    | <b>1.81%</b>  | <b>0.56%</b>  | <b>0.01%</b>  | <b>4.01%</b>  | <b>3.36%</b> | <b>4.01%</b>  | <b>0.00%</b>  | <b>2.09%</b>  | -            |
| <i>Bloomberg Multiverse</i>               |   | 0.12%         | -1.39%        | -0.82%        | 1.59%        | -0.82%        | -4.67%        | -0.94%        | -            |
| <i>Excess Return</i>                      |   | 0.44%         | 1.40%         | 4.83%         | 1.77%        | 4.83%         | 4.67%         | 3.03%         | -            |
| <b>Mellon US Agg Bond Index</b>           | <b>1.52%</b>  | <b>-0.35%</b> | -             | -             | -            | -             | -             | -             | -            |
| <i>Bloomberg Aggregate Bond Index</i>     |   | -0.36%        | -             | -             | -            | -             | -             | -             | -            |
| <i>Excess Return</i>                      |   | 0.01%         | -             | -             | -            | -             | -             | -             | -            |
| <b>Total Cash</b>                         | <b>0.91%</b>  | <b>0.42%</b>  | <b>1.22%</b>  | <b>3.85%</b>  | <b>2.39%</b> | <b>3.85%</b>  | <b>1.34%</b>  | <b>1.64%</b>  | <b>1.06%</b> |
| <i>3-month Treasury Bill</i>              |   | 0.46%         | 1.17%         | 3.59%         | 2.25%        | 3.59%         | 1.27%         | 1.55%         | 0.98%        |
| <i>Excess Return</i>                      |   | -0.04%        | 0.06%         | 0.26%         | 0.13%        | 0.26%         | 0.07%         | 0.08%         | 0.08%        |
| <b>Total Marketable Assets</b>            | <b>69.34%</b>                                       | <b>4.46%</b>  | <b>3.84%</b>  | <b>12.65%</b> | <b>9.96%</b> | <b>12.65%</b> | <b>7.50%</b>  | <b>5.74%</b>  | <b>6.92%</b> |
| <i>Total Marketable Index (5)</i>         |   | 3.88%         | 3.79%         | 11.00%        | 9.69%        | 11.00%        | 6.04%         | 6.06%         | 7.16%        |
| <i>Excess Return</i>                      |   | 0.58%         | 0.04%         | 1.64%         | 0.27%        | 1.64%         | 1.46%         | -0.33%        | -0.23%       |

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

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

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

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

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

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2023. 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, 2023 |                                      |               |               |               |               |               |               |               |               |
|---|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Composite   | Total Fund Weighting As of 6/30/2023 | Last Month    | QTD           | FYTD          | CYTD          | LTM           | 3-YR          | 5-YR          | 10-YR         |
| <b>Total Real Estate (Q1)* (5)</b>                  | <b>11.49%</b>                        | <b>-2.54%</b> | <b>-2.99%</b> | <b>-5.19%</b> | <b>-6.16%</b> | <b>-5.19%</b> | <b>12.43%</b> | <b>9.51%</b>  | <b>11.09%</b> |
| Real Estate Benchmark (1)                           |                                      | -1.14%        | -3.38%        | -3.91%        | -8.37%        | -3.91%        | 7.46%         | 6.56%         | 8.45%         |
| Excess Return                                       |                                      | -1.40%        | 0.39%         | -1.28%        | 2.21%         | -1.28%        | 4.98%         | 2.95%         | 2.64%         |
| <b>Strategic Core Real Estate (Q1)*</b>             | <b>7.41%</b>                         | <b>-4.35%</b> | <b>-4.88%</b> | <b>-7.64%</b> | <b>-9.12%</b> | <b>-7.64%</b> | <b>10.45%</b> | <b>8.33%</b>  | <b>9.83%</b>  |
| Real Estate Benchmark (1)                           |                                      | -1.14%        | -3.38%        | -3.91%        | -8.37%        | -3.91%        | 7.46%         | 6.56%         | 8.45%         |
| Excess Return                                       |                                      | -3.21%        | -1.50%        | -3.73%        | -0.75%        | -3.73%        | 3.00%         | 1.77%         | 1.39%         |
| <b>Tactical Non-Core Real Estate (Q1)*</b>          | <b>4.08%</b>                         | <b>0.94%</b>  | <b>0.67%</b>  | <b>-0.32%</b> | <b>-0.14%</b> | <b>-0.32%</b> | <b>15.96%</b> | <b>11.70%</b> | <b>13.22%</b> |
| Real Estate Benchmark (1)                           |                                      | -1.14%        | -3.38%        | -3.91%        | -8.37%        | -3.91%        | 7.46%         | 6.56%         | 8.45%         |
| Excess Return                                       |                                      | 2.08%         | 4.05%         | 3.59%         | 8.23%         | 3.59%         | 8.51%         | 5.14%         | 4.78%         |
| <b>Total Alternative Assets (Q1)*</b>               | <b>19.17%</b>                        | <b>1.29%</b>  | <b>1.16%</b>  | <b>1.27%</b>  | <b>2.49%</b>  | <b>1.27%</b>  | <b>15.40%</b> | <b>10.55%</b> | <b>9.53%</b>  |
| Alternative Assets Benchmark (2)                    |                                      | 2.06%         | 6.25%         | -3.69%        | 13.25%        | -3.69%        | 16.28%        | 10.20%        | 11.85%        |
| Excess Return                                       |                                      | -0.77%        | -5.09%        | 4.96%         | -10.76%       | 4.96%         | -0.88%        | 0.35%         | -2.32%        |
| <b>Total Private Equity (Q1)*</b>                   | <b>14.20%</b>                        | <b>1.32%</b>  | <b>1.06%</b>  | <b>0.30%</b>  | <b>2.40%</b>  | <b>0.30%</b>  | <b>18.58%</b> | <b>13.07%</b> | <b>12.19%</b> |
| Private Equity Benchmark (3)                        |                                      | 2.80%         | 7.62%         | -5.92%        | 15.92%        | -5.92%        | 21.39%        | 14.40%        | 15.93%        |
| Excess Return                                       |                                      | -1.48%        | -6.57%        | 6.22%         | -13.53%       | 6.22%         | -2.81%        | -1.33%        | -3.74%        |
| <b>Total Private Debt (Q1)*</b>                     | <b>4.97%</b>                         | <b>1.22%</b>  | <b>1.44%</b>  | <b>4.14%</b>  | <b>2.75%</b>  | <b>4.14%</b>  | <b>8.25%</b>  | <b>5.21%</b>  | <b>6.62%</b>  |
| Private Debt Benchmark (4)                          |                                      | 0.57%         | 3.53%         | 0.62%         | 7.90%         | 0.62%         | 5.87%         | 3.01%         | 6.88%         |
| Excess Return                                       |                                      | 0.65%         | -2.09%        | 3.52%         | -5.15%        | 3.52%         | 2.38%         | 2.20%         | -0.26%        |

(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, 2023, with the distribution as of May 31, 2023. 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, 2023           |               |                       |                       | May 31, 2023            |               |
|-------------------------------------|-------------------------|---------------|-----------------------|-----------------------|-------------------------|---------------|
|                                     | Market Value            | Weight        | Net New Inv.          | Inv. Return           | Market Value            | Weight        |
| <b>Total Domestic Equity</b>        | <b>\$3,458,714,586</b>  | <b>30.43%</b> | <b>\$0</b>            | <b>\$231,581,206</b>  | <b>\$3,227,133,380</b>  | <b>29.20%</b> |
| <b>Large Cap Domestic Equity</b>    | <b>\$2,000,916,361</b>  | <b>17.60%</b> | <b>\$0</b>            | <b>\$123,966,631</b>  | <b>\$1,876,949,730</b>  | <b>16.98%</b> |
| Blackrock S&P 500                   | 2,000,916,361           | 17.60%        | 0                     | 123,966,631           | 1,876,949,730           | 16.98%        |
| <b>SMid Cap Domestic Equity</b>     | <b>\$636,144,797</b>    | <b>5.60%</b>  | <b>\$0</b>            | <b>\$48,402,279</b>   | <b>\$587,742,518</b>    | <b>5.32%</b>  |
| AllianceBernstein                   | 393,913,798             | 3.47%         | 0                     | 32,503,755            | 361,410,043             | 3.27%         |
| TSW                                 | 242,230,999             | 2.13%         | 0                     | 15,898,524            | 226,332,476             | 2.05%         |
| <b>Small Cap Domestic Equity</b>    | <b>\$821,653,428</b>    | <b>7.23%</b>  | <b>\$0</b>            | <b>\$59,212,295</b>   | <b>\$762,441,132</b>    | <b>6.90%</b>  |
| Boston Trust                        | 218,581,646             | 1.92%         | 0                     | 14,145,993            | 204,435,653             | 1.85%         |
| Segall Bryant & Hamill              | 225,735,035             | 1.99%         | 0                     | 17,151,770            | 208,583,264             | 1.89%         |
| Wellington                          | 377,336,747             | 3.32%         | 0                     | 27,914,532            | 349,422,215             | 3.16%         |
| <b>Total Non US Equity</b>          | <b>\$2,068,607,480</b>  | <b>18.20%</b> | <b>\$(18,476)</b>     | <b>\$101,864,275</b>  | <b>\$1,966,761,681</b>  | <b>17.80%</b> |
| <b>Core Non US Equity (1)</b>       | <b>\$1,257,685,405</b>  | <b>11.07%</b> | <b>\$(18,469)</b>     | <b>\$57,181,657</b>   | <b>\$1,200,522,218</b>  | <b>10.86%</b> |
| Aristotle                           | 163,657,086             | 1.44%         | 0                     | 7,259,962             | 156,397,124             | 1.42%         |
| Artisan Partners                    | 354,943,424             | 3.12%         | 0                     | 16,247,957            | 338,695,467             | 3.06%         |
| BlackRock Superfund                 | 178,541,447             | 1.57%         | 0                     | 7,758,054             | 170,783,393             | 1.55%         |
| Causeway Capital                    | 404,172,744             | 3.56%         | 0                     | 19,126,347            | 385,046,397             | 3.48%         |
| Lazard                              | 155,681,568             | 1.37%         | 0                     | 6,770,453             | 148,911,115             | 1.35%         |
| <b>Emerging Markets</b>             | <b>\$162,689,144</b>    | <b>1.43%</b>  | <b>\$(7)</b>          | <b>\$9,499,873</b>    | <b>\$153,189,279</b>    | <b>1.39%</b>  |
| Wellington Emerging Markets         | 162,689,144             | 1.43%         | 0                     | 8,682,435             | 154,006,708             | 1.39%         |
| Neuberger Berman                    | -                       | -             | (7)                   | 817,437               | -817,430                | (0.01%)       |
| <b>Non US Small Cap</b>             | <b>\$124,816,978</b>    | <b>1.10%</b>  | <b>\$0</b>            | <b>\$4,623,068</b>    | <b>\$120,193,910</b>    | <b>1.09%</b>  |
| Wellington Int'l Small Cap Research | 124,816,978             | 1.10%         | 0                     | 4,623,068             | 120,193,910             | 1.09%         |
| <b>Global Equity</b>                | <b>\$523,415,953</b>    | <b>4.60%</b>  | <b>\$0</b>            | <b>\$30,559,678</b>   | <b>\$492,856,275</b>    | <b>4.46%</b>  |
| Walter Scott Global Equity          | 523,415,953             | 4.60%         | 0                     | 30,559,678            | 492,856,275             | 4.46%         |
| <b>Total Fixed Income</b>           | <b>\$2,251,265,208</b>  | <b>19.81%</b> | <b>\$0</b>            | <b>\$5,712,488</b>    | <b>\$2,245,552,721</b>  | <b>20.32%</b> |
| BlackRock SIO Bond Fund             | 252,131,560             | 2.22%         | 0                     | 913,223               | 251,218,337             | 2.27%         |
| Brandywine Asset Mgmt               | 228,830,232             | 2.01%         | 0                     | 2,925,911             | 225,904,321             | 2.04%         |
| FIAM (Fidelity) Tactical Bond       | 361,123,084             | 3.18%         | 0                     | 1,754,241             | 359,368,843             | 3.25%         |
| Income Research & Management        | 759,675,580             | 6.68%         | 0                     | (1,445,534)           | 761,121,114             | 6.89%         |
| Loomis Sayles                       | 270,008,060             | 2.38%         | 0                     | 979,780               | 269,028,280             | 2.43%         |
| Manulife Strategic Fixed Income     | 206,228,831             | 1.81%         | 0                     | 1,192,074             | 205,036,757             | 1.86%         |
| Mellon US Agg Bond Index            | 173,267,861             | 1.52%         | 0                     | (607,208)             | 173,875,069             | 1.57%         |
| <b>Total Cash</b>                   | <b>\$103,085,375</b>    | <b>0.91%</b>  | <b>\$(39,357,065)</b> | <b>\$535,078</b>      | <b>\$141,907,362</b>    | <b>1.28%</b>  |
| <b>Total Marketable Assets</b>      | <b>\$7,881,672,649</b>  | <b>69.34%</b> | <b>\$(39,375,541)</b> | <b>\$339,693,046</b>  | <b>\$7,581,355,144</b>  | <b>68.60%</b> |
| <b>Total Real Estate</b>            | <b>\$1,305,579,011</b>  | <b>11.49%</b> | <b>\$(3,450,776)</b>  | <b>\$(33,574,790)</b> | <b>\$1,342,604,577</b>  | <b>12.15%</b> |
| Strategic Core Real Estate          | 842,225,131             | 7.41%         | (3,140,499)           | (37,908,874)          | 883,274,504             | 7.99%         |
| Tactical Non-Core Real Estate       | 463,353,878             | 4.08%         | (310,277)             | 4,334,082             | 459,330,073             | 4.16%         |
| <b>Total Alternative Assets</b>     | <b>\$2,179,017,788</b>  | <b>19.17%</b> | <b>\$23,453,427</b>   | <b>\$27,575,668</b>   | <b>\$2,127,988,693</b>  | <b>19.25%</b> |
| Private Equity                      | 1,613,602,138           | 14.20%        | 23,389,425            | 20,768,521            | 1,569,444,192           | 14.20%        |
| Private Debt                        | 565,415,650             | 4.97%         | 64,002                | 6,807,146             | 558,544,502             | 5.05%         |
| <b>Total Fund Composite</b>         | <b>\$11,366,269,448</b> | <b>100.0%</b> | <b>\$(20,188,877)</b> | <b>\$334,509,911</b>  | <b>\$11,051,948,414</b> | <b>100.0%</b> |

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

(1) Includes \$689,136 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

## **LEGISLATIVE COMMITTEE**

## **2023 Legislative Schedule**

### **SENATE**

Thursday, September 28, 2023 – First day to FILE legislation for the 2024 Session.

Thursday, October 12, 2023 – 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 2024 Session. (4 p.m.)

Thursday, November 16, 2023 – Deadline for prime sponsors to sign off on legislation. (4 p.m.)

Thursday, November 30, 2023 – Deadline for co-sponsors to sign off on legislation. (4 p.m.)

Thursday, December 14, 2023 – Deadline to REPORT rereferred bills out of committee.

### **HOUSE**

Monday, September 11, 2023 – First Day to file LSRs for 2024 Session.

Friday, September 15, 2023 – Last Day to file LSRs for 2024 Session. (4 p.m.)

Friday, November 3, 2023 – Last Day to sign off LSRs for 2024 Session. (4 p.m.)

Friday, November 17, 2023 – Last Day to report all retained bills.

Thursday, January 4, 2024 – Last Day to introduce House Bills.

### **OTHER**

Friday, December 1, 2023 – Deadline for Retirement Benefits Commission to submit final report to the President of the Senate, the Speaker of the House of Representatives, the Senate Clerk, the House Clerk, the Governor, and the State Library.



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

## 2023 Legislative Tracker

*Final*

Legislation introduced in the 2023 session that would impact the New Hampshire Retirement System (NHRS, the retirement system) is listed below. For details on a particular bill, visit the State of New Hampshire General Court website at: <http://gencourt.state.nh.us/>

| BILL #                         | BRIEF DESCRIPTION  | PRIMARY SPONSOR    | STATUS   |
|--------------------------------|--|--------------------|--|
| <b>2023 NHRS-RELATED BILLS</b> |  |                    |  |
| HB 2                           | This is the budget trailer bill. Among the NHRS-related sections are:<br>– Adjusting the recalculation of a Group I retiree's NHRS benefit to his or her full retirement age under the federal Social Security system.<br>– Providing a one-time \$500 payment to eligible retirees.<br>– Creating a commission to study retirement benefits and retention of employees. | –                  | <b>6/20/23: Signed into law by the Governor. Multiple effective dates. (Chapter 79, Laws of 2023)</b>  |
| HB 30                          | This bill allows county commissioners to exempt the county chief administrative officer from compulsory NHRS membership at the time of initial hiring or appointment.  | Rep. Judy Aron     | <b>5/3/23: Signed into law by the Governor. Effective 7/2/23. (Chapter 9, Laws of 2023)</b>  |
| HB 50                          | This bill provides a one-time, \$50 million appropriation toward the retirement system's unfunded pension liability in fiscal year 2023.   | Rep. Michael Edgar | 3/23/23: House voted, 206-120, to table the bill. <b>No further action is expected in the 2023 session.</b>  |
| HB 183                         | This bill allows retired Group II Fire members to be employed by the state fire academy and not have those employment hours count against the annual limit on part-time hours.   | Rep. Dan Wolf      | 2/8/23: House ED&A Committee voted to retain the bill in committee. <b>No further action is expected in the 2023 session.</b>                                |
| HB 193                         | This bill makes various changes to the administration of the NHRS, including clarification of the definition of teacher job share, references to the system's annual comprehensive financial report, and procedures related to the purchase of service credit.   | Rep. Tony Lekas    | <b>5/3/23: Signed into law by the Governor. Effective 7/2/23. (Chapter 19, Laws of 2023)</b>   |
| HB 250                         | This bill modifies the amount of the retirement annuity payable upon the accidental death of a member to 100 percent of average final compensation at the member's death with a maximum benefit of \$85,000.   | Rep. Ben Baroody   | 5/18/23: Senate, on a voice vote, accepted committee recommendation to re-refer bill to committee. <b>No further action is expected in the 2023 session.</b> |
| HB 278                         | This bill ratifies a provision of RSA 100-A regarding annual employer reporting of hours worked and compensation paid to retired members working part-time that was inadvertently repealed.  | Rep. Carol McGuire | <b>6/1/23: Signed into law by the Governor. Effective upon passage. (Chapter 63, Laws of 2023)</b>   |
| HB 339                         | This bill provides that no funds from NHRS or the state public employee deferred compensation plan shall be invested with any company that is boycotting Israel.   | Rep. James Splaine | 3/23/23: House, on a voice vote, tabled the bill. <b>No further action is expected in the 2023 session.</b>  |

| BILL # | BRIEF DESCRIPTION   | PRIMARY SPONSOR    | STATUS  |
|--------|---|--------------------|---|
| HB 436 | This bill, over a 10-year period, adjusts the application of the minimum age, minimum years of service, average final compensation, and annuity multipliers for Group II members in service prior to July 1, 2011, and not vested prior to January 1, 2012.   | Rep. Kevin Pratt   | 3/28/23: House Finance Committee voted to retain the bill in committee. <b>No further action is expected in the 2023 session.</b> |
| HB 449 | This bill increases the service retirement and disability retirement annuity multiplier for the first 20 years of service of Group II retirement system members under the transition provisions adopted in 2011.  | Rep. Jeff Goley    | 2/8/23: House ED&A Committee voted to retain the bill in committee. <b>No further action is expected in the 2023 session.</b>     |
| HB 457 | This bill requires NHRS to report on a quarterly basis to the office of legislative budget assistant regarding compliance with the duty to make all investment decisions solely in the interest of the participants and beneficiaries.  | Rep. JD Bernardy   | <b>6/30/23: Signed into law by the Governor. Effective 8/29/23. (Chapter 132, Laws of 2023)</b>                                   |
| HB 461 | As amended by the Senate, this bill creates a committee to study the elimination by political subdivision employers of retirement system-eligible positions.  | Rep. Steve Pearson | 6/19/23: Committee of conference could not reach agreement. <b>No further action is expected in the 2023 session.</b>             |
| HB 525 | This bill adjusts the application of the transition provisions for Group II service retirement adopted in 2011 to be applicable as of January 1, 2014, rather than January 1, 2012.   | Rep. Kevin Pratt   | 2/22/23: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). <b>The bill is dead.</b>      |
| HB 555 | As amended, this bill requires the transfer of 25 percent of any future state biennial surpluses to the reduction in the retirement system's unfunded accrued liability.  | Rep. Tony Lekas    | 5/11/23: Senate, on a voice vote, tabled the bill. <b>The bill is dead.</b>   |
| HB 559 | This bill establishes a defined contribution retirement plan for new state employees who begin service on or after July 1, 2024, and who would previously have been enrolled in Group I. All new state employees on and after July 1, 2024, will be required to participate in a defined contribution plan administered by the state Deferred Compensation Commission and would not be members of NHRS.   | Rep. Dan McGuire   | 3/10/23: House ED&A Committee voted to retain the bill in committee. <b>No further action is expected in the 2023 session.</b>    |
| HB 571 | This bill authorizes a one-time payment to a retired Group II member or beneficiary. Group II members (or their beneficiaries) retired 10 to 19 years as of July 1, 2023, are eligible for a payment ranging from \$1,100-\$2,900 depending on the number of years retired; Group II members (or their beneficiaries) retired 20 or more years as of July 1, 2023, are eligible for a payment of \$3,000. Group II members with a benefit of \$100,000 or more are ineligible for the one-time payment. | Rep. Ben Baroody   | 3/28/23: House Finance Committee voted to retain the bill in committee. <b>No further action is expected in the 2023 session.</b> |
| HB 579 | This bill eliminates the transition provision adopted in 2011 for Group II members who began service before July 1, 2011, but were not yet vested as of January 1, 2012.  | Rep. Doug Trottier | 2/22/23: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). <b>The bill is dead.</b>      |
| HB 639 | This bill establishes procedures for the legalization, regulation, and taxation of cannabis, and the licensing and regulation of cannabis establishments. Note: This bill dedicates a portion of state revenue generated through the sale of cannabis toward paying down the retirement system's unfunded actuarial accrued liability.  | Rep. Jason Osborne | 5/11/23: Senate voted, 14-10, to accept committee recommendation of inexpedient to legislate (ITL). <b>The bill is dead.</b>      |



| BILL #   | BRIEF DESCRIPTION   | PRIMARY SPONSOR                  | STATUS  |
|--|---|----------------------------------|---|
| SB 57  | This bill links the recalculation of a Group I retiree's NHRS benefit to his or her full retirement age under the federal Social Security system.   | Sen. Lou<br>Sen.<br>D'Allesandro | 3/9/23: Passed by the Senate, then tabled on a voice vote. <b>Note:</b> <i>The provisions of the bill were included in HB 2 (See above).</i>              |
| SB 114   | 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<br>Rosenwald          | 2/9/23: Passed by the Senate, then tabled on a voice vote. <b>The bill is dead.</b>   |
| SB 134   | The bill establishes a retirement system benefit for Group II members who retire due to a violent act injury.   | Sen. Regina<br>Birdsell          | 2/22/23: Senate, on a voice vote, accepted committee recommendation to re-refer bill committee. <b>No further action is expected in the 2023 session.</b> |
| SB 205   | This bill grants a 1.5% cost-of-living adjustment (COLA) on the first \$50,000 of the pension benefit to retirees who retired on or before July 1, 2018, or any beneficiary of such retiree who is receiving a pension benefit. The COLA would take effect on the retired member's first anniversary date occurring on or after July 1, 2024. | Sen. Lou<br>Sen.<br>D'Allesandro | 3/23/23: Passed by the Senate, then tabled on a voice vote. <b>The bill is dead.</b>  |
| <p>* – Bill has passed the House and is currently in the Senate</p> <p><b>Committee Key:</b> ED&amp;A = Executive Departments &amp; Administration;</p> <p><b>Location Key:</b> LOB = Legislative Office Building; SH = State House.</p> |   |                                  |   |

**BENEFITS COMMITTEE***Oral Presentation Only*

**PERSONNEL PERFORMANCE & COMPENSATION COMMITTEE***Oral Presentation Only*



To: Board of Trustees  
From: Jan Goodwin, Executive Director  
Date: July 27, 2023  
Re: Executive Director Operating Report  
Item: Action: ☐ Discussion: ☐ Informational: ☒

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### **Significant Developments and Priority Issues**

- COVID-19 Update: Maintaining status quo.

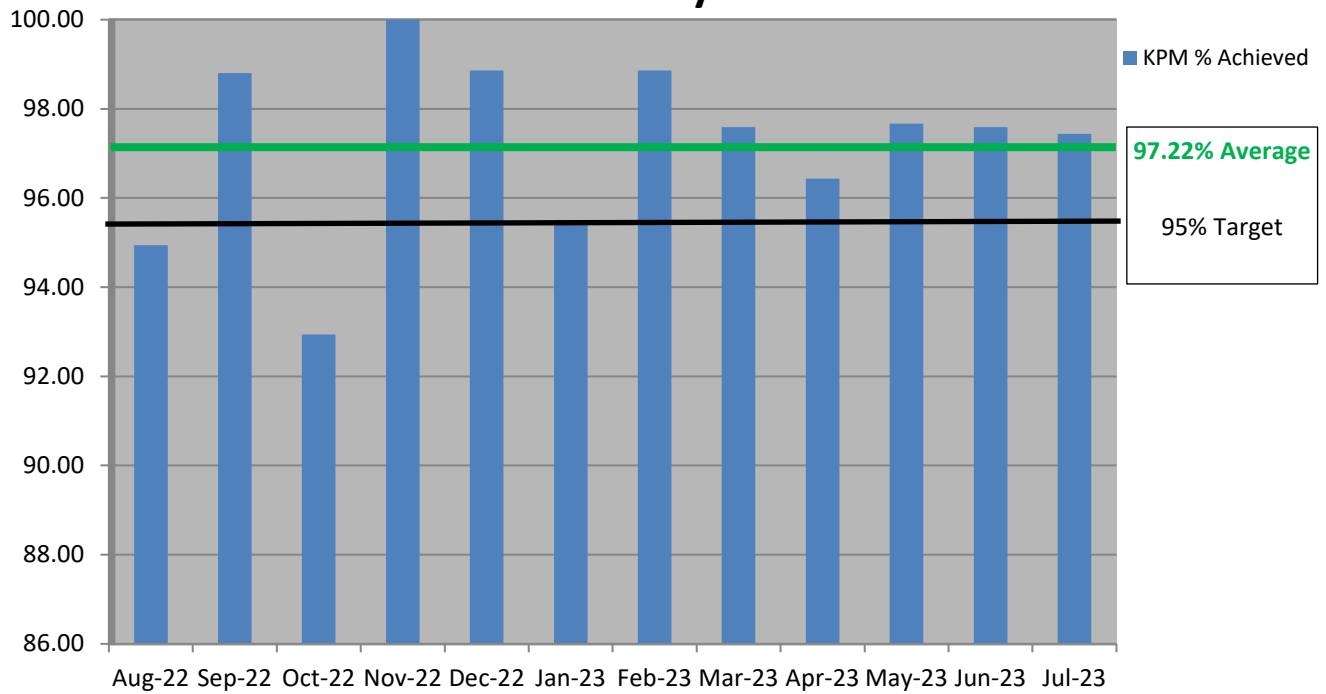
### **Current Month Highlights**

- This month's KPM score was 97.44%. See 12-month rolling average chart, attached.
- PGV3 is 82% completed and Deliverable 7 (D7) (Member Direct – My Account) is at 81%. D7 UAT testing is scheduled to begin on Monday, July 31 and runs through the end of August. Management, the PGV3 project team, and LRS have been preparing and planning for mock parallel in August and parallel in October and November this year. LRS will be on site in August for mock parallel.
- All three of the ED's KPMs were met this month.

### **Upcoming Plans & Projects**

- The NHRS legislative team has developed a plan to implement enacted legislation from the 2023 session that conforms with the PGV3 rollout and related activities. In order to keep the PGV3 project on schedule, the \$500 one-time payment to eligible retirees and beneficiaries will be paid no earlier than March 2024. The 10% benefit reduction for Group I retirees, now based on normal retirement age under Social Security as opposed to age 65, will be implemented after the switchover to PGV3, which will take place in December.
- Staff continues to prepare for parallel processing for PGV3, which is slated to begin in October 2023. Currently, the biggest risk to not starting on time is the high number of employers who have not yet submitted a test file and the number of files received that have been validated. We have escalated contacts at employers to ensure the test files are received on a timely basis. Staff is using the tools LRS developed to streamline and standardize the process. We are working with LRS to develop an orientation program for all affected staff members who will be assisting employers. In addition, NHRS staff is developing materials to acquaint staff with the new screens and processes and train employers on the new filing requirements.

## KPM Rolling 12-Month Average July 2023



## PGV3 Status as of July 27, 2023

| Project Schedule and Completion                |                      |                       |                      |                    |                  |
|--|----------------------|-----------------------|----------------------|--------------------|------------------|
| Task   | Scheduled Start Date | Scheduled Finish Date | Baseline Finish Date | Actual Finish Date | Percent Complete |
| NHRS Version 3                                 | 1/2/2019             | 12/2/2024             | 12/27/2023           |                    | 82%              |
| Phase 1 - Project Initiating                   | 1/2/2019             | 1/25/2019             | 1/25/2019            | 1/25/2019          | 100%             |
| Phase 2 - Project Planning                     | 1/2/2019             | 2/14/2019             | 2/14/2019            | 2/14/2019          | 100%             |
| Phase 3 - Project Monitoring and Controlling   | 1/2/2019             | 9/4/2024              | 12/22/2022           |                    | 77%              |
| Phase 4 - Project Executing                    | 1/2/2019             | 1/25/2024             | 12/22/2022           |                    | 90%              |
| Infrastructure                                 | 2/14/2019            | 8/11/2023             | 9/9/2022             |                    | 100%             |
| Data Conversion                                | 1/2/2019             | 11/30/2023            | 12/22/2022           |                    | 90%              |
| Requirements Analysis                          | 1/9/2019             | 7/12/2019             | 7/12/2019            | 7/12/2019          | 100%             |
| D1 - Member Basics and Service Purchases       | 6/6/2019             | 12/20/2019            | 12/11/2019           | 12/20/2019         | 100%             |
| D2 - Employer Reporting                        | 10/31/2019           | 11/10/2020            | 9/11/2020            | 11/10/2020         | 100%             |
| D3 - Benefit Calculations                      | 2/26/2020            | 9/28/2022             | 4/23/2021            | 9/28/2022          | 100%             |
| D4 - Benefit Maintenance and Insurance         | 7/9/2021             | 7/25/2022             | 8/27/2021            | 7/25/2022          | 100%             |
| D5 - Benefit Payroll                           | 2/11/2022            | 2/15/2023             | 12/17/2021           | 2/15/2023          | 100%             |
| D6 - Year End Processes, Auditing and Security | 6/13/2022            | 5/11/2023             | 5/11/2022            | 5/11/2023          | 100%             |
| D7 - MemberDirect                              | 12/13/2022           | 8/25/2023             | 10/13/2022           |                    | 81%              |
| Parallel Processing (2 Months)                 | 10/9/2023            | 11/30/2023            | 12/22/2022           |                    | 0%               |
| Phase 5 - Closing                              | 12/4/2023            | 12/2/2024             | 12/27/2023           |                    | 0%               |
| Warranty Support (12 months)                   | 12/4/2023            | 12/2/2024             | 12/27/2023           |                    | 0%               |

## KPM MONTHLY REPORTING

**July 2023**

“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).

|  | ACHIEVED |    |     | COMMENTS   |
|--|----------|----|-----|--|
|  | YES      | NO | N/A |  |
| <b>Overall Score</b>   | X        |    |     | We achieved a 97.44% success ratio. We failed on two (2) KPMs. |
|  |          |    |     |  |
| <b>Executive</b>   |          |    |     |  |
| 1. Distribute weekly email updates to all Trustees on or before the end of business on Friday of every week.   | X        |    |     |  |
| 2. Distribute weekly email updates to all staff on or before the end of business on Monday of every week.  | X        |    |     |  |
| 3. Maintain expenditures at or less than Trust Fund Budget.  | X        |    |     |  |
| <b>IT</b>  |          |    |     |  |
| 1. All vital servers maintain an uptime of 99% or higher.  | X        |    |     |  |
| 2. All PensionGold requests are prioritized within thirty-one (31) calendar days.  | X        |    |     |  |
| 3. All TrackIT (help desk) requests are followed up with a conversation (phone/email) within four (4) business days.   | X        |    |     |  |
| 4. Maintain help desk survey scores above satisfactory marks of 95% or higher.   | X        |    |     |  |
| 5. All US-CERT email security advisories are placed into the help desk system to be addressed within two (2) business days.  | X        |    |     |  |
| 6. Respond to all phone calls within one (1) business day.   | X        |    |     |  |
| 7. Answer 95% of My Account hunt group (X3508) calls within sixty (60) seconds.  | X        |    |     |  |
| 8. Maintain expenditures at or less than IT budget as reported by Finance in the most recent manager's report (1-month lag).   | X        |    |     |  |
| <b>Finance</b>   |          |    |     |  |
| 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   | No report due.   |
| 2. Reconcile operating bank account within two (2) business days of receipt of bank statements.  |          |    | X   | Suspended due to PGV3 implementation.                          |
| 3. Produce and distribute monthly actual-to plan-budget reports within ten (10) business days from the end of the prior month.   |          |    | X   | Suspended due to PGV3 implementation.                          |
| 4. Produce the monthly financial statements (FS) for the Board of  |          |    | X   | Suspended due to PGV3 implementation.                          |

## KPM MONTHLY REPORTING

July 2023

|  | ACHIEVED |    |     | COMMENTS   |
|--|----------|----|-----|--|
|  | YES      | NO | N/A |  |
| Trustees meeting at least three (3) business days prior to the scheduled Board mailing.  |          |    |     |  |
| 5. Post all cash receipts for a month, for which we have received the associated voucher, into the pension benefit system (PensionGold) within ten (10) business days after the close of the month.                                  |          |    | X   | Suspended due to PGV3 implementation.  |
| 6. Issue all NHRS annuitant pension payments timely and accurately.  | X        |    |     |  |
| 7. File annual payroll tax return (form 945) for the annuity payroll by January 31.  |          |    | X   | No return due.   |
| 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   | Suspended due to PGV3 implementation.  |
| 9. Process all confirmed post-retirement electronic direct deposit change requests received by the date that the pre-note wizard is run in PensionGold and direct funds accordingly in the same month.                               | X        |    |     |  |
| 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        |    |     |  |
| 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   | No filings due.  |
| 12. Answer 95% of Employer Exceptions hunt group (X3532) calls within sixty (60) seconds.  |          |    | X   | Suspended due to PGV3 implementation.  |
| 13. Maintain expenditures at or less than Finance Budget as reported in the most recent manager's report (1-month lag).  | X        |    |     |  |
| <b>Investment</b>  |          |    |     |  |
| 1. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable Total Fund Benchmark <b>measured quarterly</b> .   |          | X  |     | Performance for total fund (5-yr) returned 7.02% versus 7.03% trailing the benchmark by 0.01%. |
| 2. Generate investment returns for the long-term (25 years) Total Fund Performance greater than the applicable Actuarial Assumed Rate of   |          | X  |     | Performance for total fund (25-yr) returned 6.52% versus 6.61% trailing the benchmark by       |

## KPM MONTHLY REPORTING

July 2023

|  | ACHIEVED |    |     | COMMENTS   |
|--|----------|----|-----|--|
|  | YES      | NO | N/A |  |
| Return (6.75%) <b>measured each June 30.</b>   |          |    |     | 0.09%.   |
| 3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median <b>measured quarterly.</b>                                |          |    | X   | Reported quarterly - peer universe median not available yet. |
| 4. Complete the IIC's Private Debt & Private Equity Strategic Plan for the calendar year.  |          |    | X   | Reported annually in January for CY 2023.                    |
| 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        |    |     |  |
| 6. Manage continuously the asset allocation within approved ranges and rebalance as appropriate.   | X        |    |     |  |
| 7. Maintain trading cost at or below median of applicable peer universe.   | X        |    |     |  |
| 8. Ensure all proxies are voted consistent with the Board approved Proxy Policy.   | X        |    |     |  |
| 9. Distribute complete and accurate Investment Committee materials to all members of the Investment Committee on the Friday before the regularly scheduled monthly Investment Committee meeting. | X        |    |     |  |
| 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        |    |     |  |
| <b>Legal</b>   |          |    |     |  |
| 1. Assure no instances of statutory or regulatory non-compliance.  | X        |    |     |  |
| 2. Provide disability recommendations to the Board within sixty (60) calendar days of receipt in the Legal Dept.   | X        |    |     |  |
| 3. Commence an adjudicative proceeding within sixty (60) calendar days of receipt of administrative appeal.  | X        |    |     |  |
| 4. Present a recommended decision to the Board within seventy-five (75) calendar days after the close of the record in an appeal.  | X        |    |     |  |
| 5. Perform employer compliance field audits; a rolling average of 2 audits per experienced auditor per month over the prior 12-month period.   |          |    | X   | On hold due to staff priorities with PGV3.                   |
| 6. Present one (1) employer education session per quarter.   | X        |    |     |  |
| 7. Answer 95% of Employer Audit/Compliance hunt group (X3681) calls within sixty (60) seconds.   | X        |    |     |  |



## KPM MONTHLY REPORTING

July 2023

|  | ACHIEVED |    |     | COMMENTS |
|--|----------|----|-----|----------|
|  | YES      | NO | N/A |          |
| 8. Maintain expenditures at or less than Legal Budget as reported by Finance in the most recent manager's report (1-month lag).  | X        |    |     |          |
| <b>Member Services</b>   |          |    |     |          |
| 1. Calculate all preliminary retirement benefits within thirty (30) calendar days of member-requested date of retirement.  | X        |    |     |          |
| 2. Calculate 100% of final retirement benefits (EXCLUDING JULY applications) within seven (7) months of member requested date of retirement provided that all statutorily required documentation has been received and all wages have been reported. | X        |    |     |          |
| 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        |    |     |          |
| 4. Schedule member meetings with Benefit Specialists within ten (10) business days of request.   | X        |    |     |          |
| 5. Issue all member retirement benefit estimates within thirty (30) business days of receipt of request.   | X        |    |     |          |
| 6. Enter member enrollment form data into Pension Gold (PG) within fifteen (15) business days of receipt.  | X        |    |     |          |
| 7. Process member refund requests within ninety (90) calendar days of receipt of written request.  | X        |    |     |          |
| 8. Process service purchases within fifteen (15) business days of request receipt.   | X        |    |     |          |
| 9. Process additional contribution calculations within ninety (90) calendar days of receipt.   | X        |    |     |          |
| 10. Process all non-employer audit correction related employer contribution refunds within sixty (60) business days of receipt.  | X        |    |     |          |
| 11. Post all interest to member accounts within the month that Finance authorized the activity.  | X        |    |     |          |
| 12. Adhere to payroll "close" schedule for benefit setup balancing purposes.   | X        |    |     |          |
| 13. Process all pension changes within thirty (30) calendar days of receipt/notification.  | X        |    |     |          |
| 14. Process retiree death benefit refund payments within sixty (60) calendar days following receipt of all required paperwork.   | X        |    |     |          |
| 15. Establish survivorship benefit setup for payment within sixty (60) calendar days following receipt of all required death documentation   | X        |    |     |          |

## KPM MONTHLY REPORTING

July 2023

|  | ACHIEVED |    |     | COMMENTS |
|--|----------|----|-----|----------|
|  | YES      | NO | N/A |          |
| and pension recoveries.  |          |    |     |          |
| 16. Submit new recoupment cases to Recoupment Committee by next committee meeting following discovery.   | X        |    |     |          |
| 17. Initiate Recoupment/Benefits Committee recoupment decisions within seven (7) business days of decision.  | X        |    |     |          |
| 18. Review and balance updates submitted by employers and TPAs to PG for insurance rate changes received by the first business day of each month within four (4) business days.      | X        |    |     |          |
| 19. Complete monthly insurance non-rate changes by processing all authorizations received by the date the annuity payroll is posted with zero carryovers.                            | X        |    |     |          |
| 20. Render QDRO qualification determinations within federal time limit guidelines.   | X        |    |     |          |
| 21. Maintain expenditures at or less than Member Services Budget as reported by Finance in the most recent manager's report (1-month lag).   | X        |    |     |          |
| <b>Human Resources</b>   |          |    |     |          |
| 1. Ensure compliance with all Federal, State and CBA rules and regulations as measured by no notices of violation.   | X        |    |     |          |
| 2. Respond to all payroll errors within one (1) business day and correct all payroll errors within one pay cycle.  | 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        |    |     |          |
| 4. Maintain expenditures at or less than HR Budget as reported by Finance in the most recent manager's report (1-month lag).   | X        |    |     |          |
| <b>PIO</b>   |          |    |     |          |
| 1. Schedule a minimum of thirty (30) member/constituent education sessions in Concord and statewide each year.   | X        |    |     |          |
| 2. Achieve ninety-five percent (95%) rating of members attending a live education session that the session was "completely/moderately" easy to understand.                           | X        |    |     |          |
| 3. Meet all deadlines in editorial calendar.   | X        |    |     |          |

## KPM MONTHLY REPORTING

July 2023

|   | ACHIEVED |    |     | COMMENTS                                |
|---|----------|----|-----|---|
|   | YES      | NO | N/A |   |
| 4. Monitor media coverage of NHRS and provide articles to Board, IIC and Staff within two (2) business days.  | X        |    |     |   |
| 5. Post updated legislative summaries on <a href="http://www.nhrs.org">www.nhrs.org</a> by the end of business every Friday throughout the legislative session.                         | X        |    |     |   |
| 6. Prepare and deliver Quarterly Report to the General Court by January 1, April 1, July 1 and October 1.   | 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        |    |     |   |
| <b>Internal Audit</b>   |          |    |     |   |
| 1. Prepare a Risk Assessment and Fiscal Year Audit Plan for the approval of the Audit Committee annually.   | X        |    |     |   |
| 2. Execute and present an assurance audit to the Audit Committee every quarter.   | X        |    |     |   |
| 3. On behalf of the external auditors, administer the GASB census data audits and provide the completed audits to the external auditors by the established due date.                    | X        |    |     |   |
| 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        |    |     |   |
| 5. Distribute complete and accurate Audit Committee materials to all members of the Audit Committee by the Thursday before the monthly meeting.   | X        |    |     |   |
| 6. Prepare draft Audit Committee Meeting minutes for review within three (3) business day of the meeting.   | X        |    |     |   |
| 7. Maintain expenditures at or less than Internal Audit Budget as reported by Finance in the most recent manager's report (1-month lag).  | X        |    |     |   |
| <b>Contact Center</b>   |          |    |     |   |
| 1. Respond to all incoming emails within 24 business hours.   | X        |    |     |   |
| 2. Maintain an average speed of answer within two (2) minutes.  | X        |    |     | We maintained an average of 0:18:40.    |
| 3. Maintain a 95% call satisfaction rating for callers' experience with the Contact Center Representative (CCR).  | X        |    |     | We achieved a 99.01% satisfactory rate. |
| <b>Administrative</b>   |          |    |     |   |
| 1. Prepare and distribute monthly Board materials electronically by the Thursday before the Tuesday meeting.  | X        |    |     |   |
| 2. Post Board and committee meeting notices according to 91-A:2.  | X        |    |     |   |

## KPM MONTHLY REPORTING

**July 2023**

|  | ACHIEVED |    |     | COMMENTS                                      |
|--|----------|----|-----|---|
|  | YES      | NO | N/A |   |
| 3. Prepare minutes of Board and Board Committee meetings according to the timeliness guidelines in 91-A:2 and 91-A:3, with draft minutes for internal review ready by close-of-business on the Friday following the Board meeting.                       | X        |    |     |   |
| 4. Prepare draft MTeam minutes and forward to Executive Director for review within 3 business days of meeting; to managers for review within 5 business days of meeting; and post final minutes to the common drive by the Friday following the meeting. | X        |    |     |   |
| 5. Assure that formal complaints are responded to within ten (10) calendar days.   |          |    | X   | No complaints were received during the month. |
| 6. Maintain expenditures at or less than Administration Budget as reported by Finance in the most recent manager's report (1-month lag).   | X        |    |     |   |
| 7. 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        |    |     |   |

## Contact Center July 2023

### Phone Calls

|                                | Total | Percentage |
|--------------------------------|-------|------------|
| Calls addressed by CCRs        | 2474  | 98.41%     |
| Calls forwarded to SMEs        | 39    | 1.55%      |
| Calls forwarded to SME Manager | 1     | 0.04%      |
| Total                          | 2,514 | 100.00%    |

### Post Call Surveys

|                                  | Total  |
|----------------------------------|--------|
| Total Calls Handled              | 2,511  |
| Surveys Completed                | 313    |
| % of Total Calls Completion Rate | 12.47% |

### Walk Ins

|                                | Total |
|--------------------------------|-------|
| Number of Walk-Ins             | 213   |
| Total Walk In Time (hours)     | 35.18 |
| Average Walk In time (minutes) | 248   |

### Emails

|                          | Total | Percentage |
|--------------------------|-------|------------|
| Emails addressed by CCRs | 387   | 35.50%     |
| Emails forwarded to SMEs | 703   | 64.50%     |
| Total                    | 1,090 | 100.00%    |

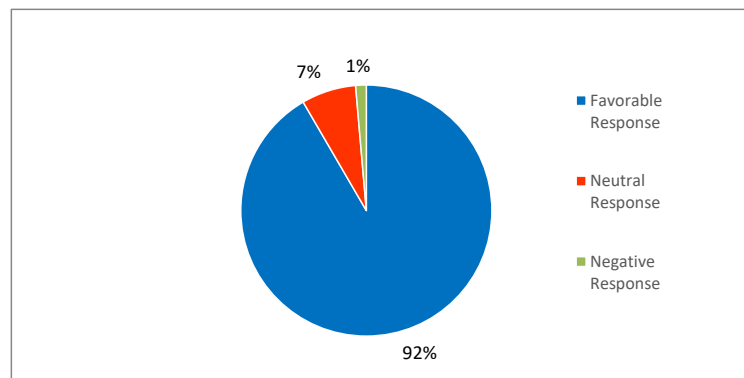
Goal: Answer calls within 2 minutes with 5% abandon rate.

| Queue Name    | Calls Presented | Calls Handled | Percentage    | Calls Abandoned | Percentage   | Average Queue Time | Average Speed of Answer | Average Time to Abandon | Average Handle Time |                |
|---------------|-----------------|---------------|---------------|-----------------|--------------|--------------------|-------------------------|-------------------------|---------------------|----------------|
| Member        | 783             | 773           | <b>98.72%</b> | 10              | <b>1.28%</b> | 0:16:00            | 0:16:00                 | 0:39:00                 | 5:25:00             |                |
| Reception     | 1008            | 972           | <b>96.43%</b> | 33              | <b>3.27%</b> | 0:18:00            | 0:17:00                 | 0:32:00                 | 4:20:00             |                |
| Retiree       | 773             | 769           | <b>99.48%</b> | 4               | <b>0.52%</b> | 0:23:00            | 0:23:00                 | 0:28:00                 | 4:25:00             |                |
| <b>Totals</b> | <b>2564</b>     | <b>2514</b>   | <b>98.05%</b> | 47              | <b>1.83%</b> | 0:19:00            | 0:18:40                 | 0:33:00                 | 4:43:20             | <b>Average</b> |

**NHRS Board Monthly Reporting Package**  
**Process Improvement**  
**July 2023**

**Executive Director Telephone Survey Results**

|                    | Number of Names<br>on Call List | Number of<br>Connections Made | Favorable Response<br>(1) | Neutral<br>Response<br>(2) | Negative<br>Response<br>(3) | Left VM<br>No Call Back<br>(4) | Bad Phone<br>Number/Not in<br>Service/No VM<br>(5) |
|--------------------|---------------------------------|-------------------------------|---------------------------|----------------------------|-----------------------------|--------------------------------|--|
| 2023               |                                 |                               |                           |                            |                             |                                |  |
| July               | 20                              | 9                             | 8                         | 0                          | 1                           | 7                              | 4  |
| June               | 40                              | 23                            | 21                        | 1                          | 1                           | 15                             | 2  |
| May                | 50                              | 28                            | 22                        | 6                          | 0                           | 20                             | 2  |
| April              | 40                              | 23                            | 22                        | 1                          | 0                           | 16                             | 1  |
| March              | 50                              | 22                            | 18                        | 4                          | 0                           | 22                             | 6  |
| February           | 30                              | 12                            | 11                        | 1                          | 0                           | 13                             | 5  |
| January            | 40                              | 18                            | 15                        | 2                          | 1                           | 18                             | 4  |
| 2022               |                                 |                               |                           |                            |                             |                                |  |
| January - December | 520                             | 291                           | 265                       | 21                         | 5                           | 174                            | 55   |
| 2021               |                                 |                               |                           |                            |                             |                                |  |
| January - December | 130                             | 73                            | 64                        | 8                          | 1                           | 42                             | 15   |
| 2020               |                                 |                               |                           |                            |                             |                                |  |
| January - December | 100                             | 50                            | 47                        | 2                          | 1                           | 37                             | 13   |
| 2019               |                                 |                               |                           |                            |                             |                                |  |
| January - December | 500                             | 228                           | 216                       | 7                          | 5                           | 150                            | 122  |
| 2018               |                                 |                               |                           |                            |                             |                                |  |
| January - December | 490                             | 227                           | 217                       | 8                          | 2                           | 183                            | 80   |
| 2017               |                                 |                               |                           |                            |                             |                                |  |
| January - December | 460                             | 214                           | 204                       | 8                          | 2                           | 168                            | 78   |
| 2016               |                                 |                               |                           |                            |                             |                                |  |
| January - December | 520                             | 258                           | 230                       | 25                         | 3                           | 189                            | 73   |
| 2015               |                                 |                               |                           |                            |                             |                                |  |
| January - December | 510                             | 273                           | 242                       | 28                         | 3                           | 152                            | 85   |
| 2014               |                                 |                               |                           |                            |                             |                                |  |
| October - December | 87                              | 36                            | 28                        | 8                          | 0                           | 30                             | 21   |
|                    | 3587                            | 1785                          | 1630                      | 130                        | 25                          | 1236                           | 566  |



## NHRS MEMBER SATISFACTION SURVEY SUMMARY

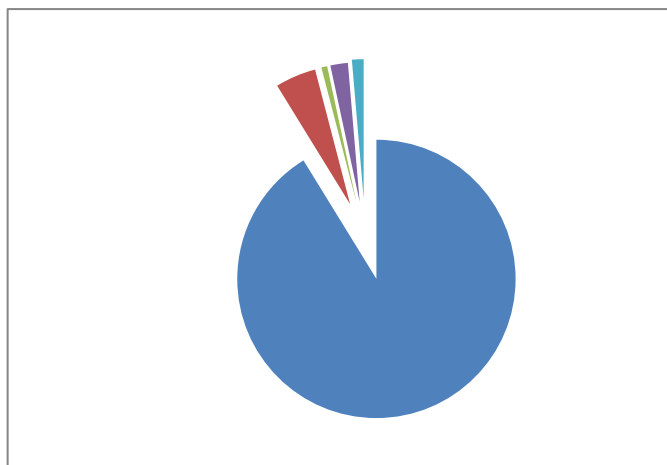
### Q4 Fiscal Year 2023

#### 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 had an unsatisfactory experience and provided their name and/or contact information.

#### Active Members

Separate surveys are provided to members who engage 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        | 91.22% (135 responses) |
| Somewhat Satisfied    | 4.73% (7 responses)    |
| Neutral               | 0.68% (1 response)     |
| Somewhat Dissatisfied | 2.02% (3 responses)    |
| Very Dissatisfied     | 1.35% (2 responses)    |

| <b>Question:</b> How satisfied are you with the following? | Very Satisfied | Somewhat Satisfied | Neutral | Somewhat Dissatisfied | Very Dissatisfied |
|--|----------------|--------------------|---------|-----------------------|-------------------|
| Phone system   | 86.58%         | 9.76%              | 3.66%   | 0.00%                 | 0.00%             |
| Email  | 90.90%         | 4.55%              | 4.55%   | 0.00%                 | 0.00%             |
| Initial contact with representative                        | 95.15%         | 1.94%              | 0.97%   | 1.94%                 | 0.00%             |

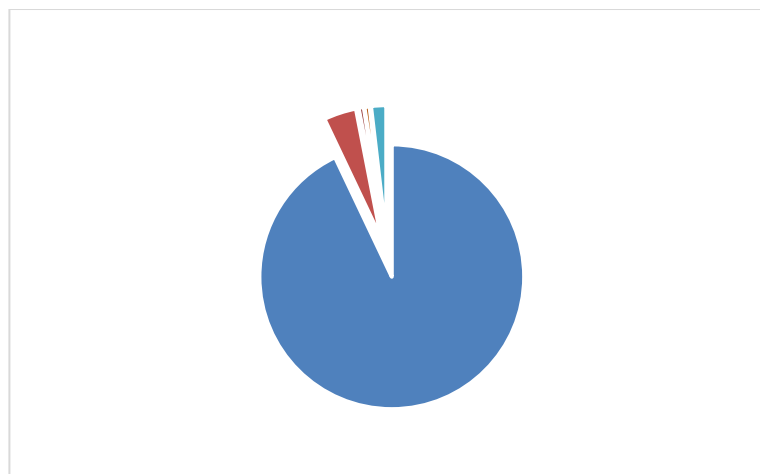
| <b>Question:</b> How satisfied are you with the service provided by the NHRS representative who assisted you? | Very Satisfied | Somewhat Satisfied | Neutral | Somewhat Dissatisfied | Very Dissatisfied |
|---|----------------|--------------------|---------|-----------------------|-------------------|
| Friendliness / Professionalism / Courtesy   | 97.06%         | 1.96%              | 0.98%   | 0.00%                 | 0.00%             |
| Knowledge   | 96.12%         | 3.88%              | 0.00%   | 0.00%                 | 0.00%             |
| Clarity of verbal explanation   | 96.08%         | 2.94%              | 0.00%   | 0.98%                 | 0.00%             |
| Clarity of written materials  | 84.22%         | 5.26%              | 0.00%   | 5.26%                 | 5.26%             |

|   |  |
|---|--|
| Appointments: 281 sent / 81 returned / 28.83% | Withdrawal / Rollover: 192 sent / 21 returned / 10.94% |
| Estimates: 449 sent / 44 returned / 9.80%     | Service Credit: 73 sent / 2 returned / 2.74%           |

#### 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 of this survey.

### Overall Satisfaction



**Question:** Overall, how satisfied were you with your experience?

|                       |                        |
|-----------------------|------------------------|
| Very Satisfied        | 96.87% (340 responses) |
| Somewhat Satisfied    | 1.71% (6 responses)    |
| Neutral               | 1.14% (4 responses)    |
| Somewhat Dissatisfied | 0.00% (0 responses)    |
| Very Dissatisfied     | 0.28% (1 response)     |

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

| Yes    | No     |
|--------|--------|
| 65.25% | 34.75% |

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

| Very Satisfied | Somewhat Satisfied | Neutral | Somewhat Dissatisfied* | Very Dissatisfied* |
|----------------|--------------------|---------|------------------------|--------------------|
| 96.87%         | 1.71%              | 1.14%   | 0.00%                  | 0.28%              |

Response Rate: 8,188 calls received / 376 surveys completed / 4.59%

\* 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 had been discontinued in March 2020 at the onset of Covid-19. On a weekly basis, a list of ten (10)

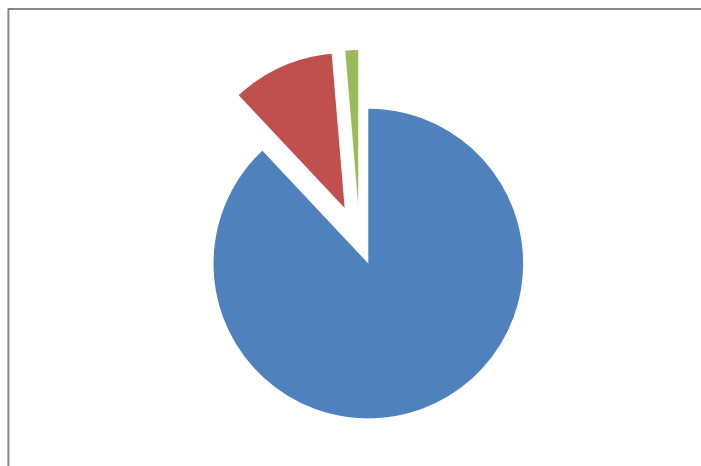


members who have visited or called NHRS are selected at random and provided to the Executive Director.

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.

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#### Overall Satisfaction



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

|            |                       |
|------------|-----------------------|
| ■ Positive | 88.00% (66 responses) |
| ■ Neutral  | 10.67% (8 responses)  |
| ■ Negative | 1.33% (1 response)    |

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Response rate: 130 calls made / 75 responses/ 57.69%

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## NHRS MEMBER SATISFACTION SURVEY SUMMARY

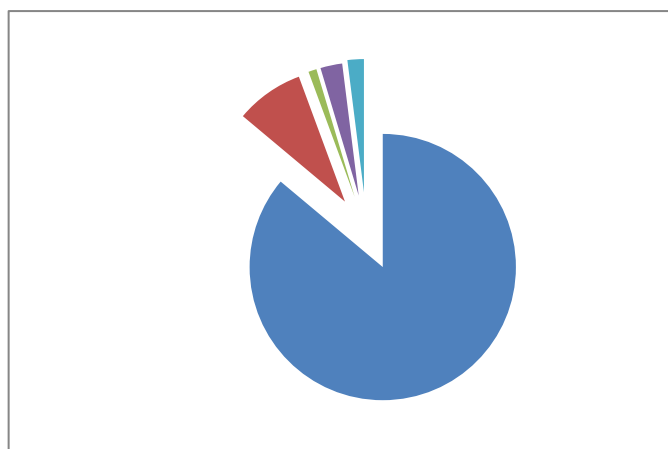
### Fiscal Year 2023

#### 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 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 of the common questions are aggregated below:



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

|                       |                        |
|-----------------------|------------------------|
| Very Satisfied        | 86.09% (260 responses) |
| Somewhat Satisfied    | 8.28% (25 responses)   |
| Neutral               | 0.99% (3 responses)    |
| Somewhat Dissatisfied | 2.65% (8 responses)    |
| Very Dissatisfied     | 1.99% (6 responses)    |

| <b>Question:</b> How satisfied are you with the following? | Very Satisfied | Somewhat Satisfied | Neutral | Somewhat Dissatisfied | Very Dissatisfied |
|--|----------------|--------------------|---------|-----------------------|-------------------|
| Phone system   | 84.00%         | 9.33%              | 5.33%   | 0.67%                 | 0.67%             |
| Email  | 88.71%         | 4.03%              | 5.65%   | 0.00%                 | 1.61%             |
| Initial contact with representative                        | 91.85%         | 4.35%              | 1.09%   | 1.63%                 | 1.08%             |

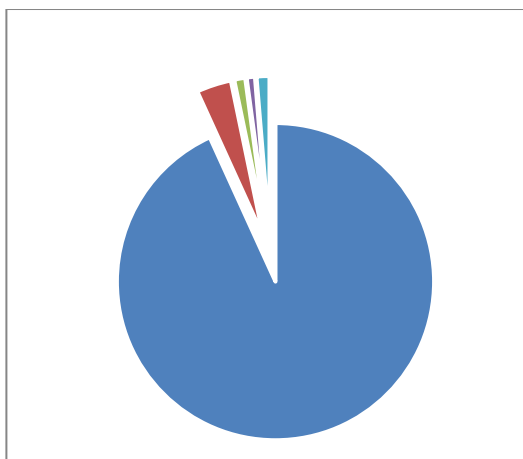
| <b>Question:</b> How satisfied are you with the service provided by the NHRS representative who assisted you? | Very Satisfied | Somewhat Satisfied | Neutral | Somewhat Dissatisfied | Very Dissatisfied |
|---|----------------|--------------------|---------|-----------------------|-------------------|
| Friendliness / Professionalism / Courtesy   | 95.05%         | 3.30%              | 1.10%   | 0.00%                 | 0.55%             |
| Knowledge   | 92.90%         | 4.92%              | 1.09%   | 0.00%                 | 1.09%             |
| Clarity of verbal explanation   | 92.86%         | 3.30%              | 1.64%   | 1.10%                 | 1.10%             |
| Clarity of written materials  | 84.78%         | 6.52%              | 4.35%   | 1.09%                 | 3.26%             |

|  |   |
|--|---|
| Appointments: 442 sent / 123 returned / 27.83% | Withdrawal / Rollover: 867 sent / 66 returned / 7.61% |
| Estimates: 1240 sent / 161 returned / 12.98%   | Service Credit: 182 sent / 15 returned / 8.24%        |

#### 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 your experience?

|                       |                         |
|-----------------------|-------------------------|
| Very Satisfied        | 93.20% (1000 responses) |
| Somewhat Satisfied    | 3.54% (38 responses)    |
| Neutral               | 1.12% (12 responses)    |
| Somewhat Dissatisfied | 0.84% (9 responses)     |
| Very Dissatisfied     | 1.30% (14 responses)    |

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

| Yes    | No     |
|--------|--------|
| 65.10% | 34.90% |

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

| Very Satisfied | Somewhat Satisfied | Neutral | Somewhat Dissatisfied* | Very Dissatisfied* |
|----------------|--------------------|---------|------------------------|--------------------|
| 97.39%         | 1.74%              | 0.78%   | 0.00%                  | 0.09%              |

Response Rate: 34,693 calls received / 1,219 surveys completed / 3.51%

\* 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 are listened to and a report is issued. These reports will be used to determine if our survey options need to be modified and also serve as a training tool for our contact center representatives.

### ED Telephone Surveys

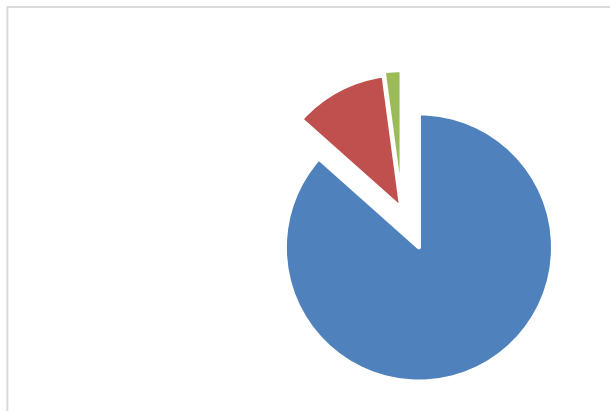
In October 2021, the Executive Director resumed making calls to stakeholders to inquire about their level of satisfaction with NHRS. These calls had been discontinued in March 2020 at the onset of Covid-19. On a weekly basis, a list of ten (10)

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 | 86.6% (245 responses) |
| ■ Neutral  | 11.3% (32 responses)  |
| ■ Negative | 2.1% (6 responses)    |

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Response rate: 520 calls made / 284 responses/ 54.6%

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To: NHRS Board of Trustees  
From: Jan Goodwin, Executive Director  
Date: July 31, 2023  
Re: Green Pages Technologies MSSP  
Item: Action: ☒ Discussion: ☐ Informational: ☐

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Director of IT John Laferriere has requested approval to enter into a three-year agreement with Green Pages to provide outsourced security monitoring and remediation services for \$126,818.52 annually and an initial setup and onboarding fee of \$10,460.00. The estimated first-year savings is \$24,000 over current costs for in-house security services if this agreement is approved. In addition to the anticipated cost-savings, NHRS has had increasing difficulty hiring and keeping the internal position of Information Systems Security Officer (ISSO) filled since that position was created in 2018. Most recently it has been vacant for approximately three months. As a result, NHRS entered into a short-term contract with Green Pages for cyber security consulting earlier this summer while Mr. Laferriere reviewed different vendors for a long-term solution.

As this request exceeds \$25,000 annually, it is being submitted for Board consideration in accordance with the Board Procurement Policy. The attached memorandum from Mr. Laferriere outlines the service, pricing, and additional information in support of this request.

For the reasons outlined above, and as more specifically addressed in Mr. Laferriere's accompanying memorandum, I respectfully request that the Board approve this agreement.



To: Jan Goodwin, Executive Director  
From: John Laferriere, Director of Information Technology  
Date: July 25, 2023  
Re: Green Pages Technologies MSSP  
Item: Action: ☒ Discussion: ☐ Informational: ☐

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NHRS IT researched to select an appropriate vendor to provide services as part of its decision to outsource the information technology security monitoring and remediation to a Managed Security Service Provider (MSSP). NHRS IT identified Mainstay Technologies, Green Pages Technologies, and Secureworks as potential providers. While each service provider was identified as an MSSP, Green Pages' service offerings met all the criteria IT determined necessary. These service offerings include total solution integration, tiered pricing, similar tool use, complete monitoring and training, and continuous threat assessment and remediation services.

Additionally, Green Pages provides short-term managed security services and training and management of the existing NHRS phone system. As the outsourcing of NHRS IT security is a long-term engagement, these smaller engagements have allowed staff to evaluate their technical and professional abilities before engaging in such a critical relationship.

This engagement will allow IT to stabilize critical security services, remove the need for a Security Officer, reduce the need for third-party licenses and services, and improve overall security, monitoring, and remediation of security threats.

If approved, staff will enter a three-year contract with Green Pages to provide outsourced security monitoring and remediation services for \$126,818.52 annually and an initial setup and onboarding fee of \$10,460.00. The estimated first-year savings is \$24,000 over current costs for in-house security services.

Green Pages Technologies is a nationwide service provider for security managed services, cloud services, and technology infrastructure services. As Green Pages is an existing service provider to NHRS for the current phone system and short-term service administration and for the other reasons outlined above, I respectfully request that the Board approve this agreement.

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



To: NHRS Board of Trustees  
From: Jan Goodwin, Executive Director  
Date: July 31, 2023  
Re: LexisNexis Identity Services  
Item: Action: ☒ Discussion: ☐ Informational: ☐

---

Director of IT John Laferriere has requested approval to enter into a two-year agreement with existing vendor LexisNexis to provide online member authorization services to the My Account portal, as part of the PGV3 project. These services will directly integrate with the portal and validate the member through member-specific questions to ensure the member is authentic.

If approved, the two-year cost of this addendum agreement is estimated to be \$210,000.00. This is based on a setup fee of \$60,000.00 (which is at a 50% discount); a first-year cost of \$90,000.00 based on the number of transactions as users will be required to register to the new My Account portal; and a second-year cost of \$60,000.00 with fewer expected transactions.

As this request exceeds \$25,000 annually, it is being submitted for Board consideration in accordance with the Board Procurement Policy. The attached memorandum from Mr. Laferriere outlines the service, pricing, and additional information in support of this request.

For the reasons outlined above, and as more specifically addressed in Mr. Laferriere's accompanying memorandum, I respectfully request that the Board approve this agreement.



To: Jan Goodwin, Executive Director

From: John Laferriere, Director of Information Technology

Date: July 25, 2023

Re: LexisNexis Identity Services

Item: Action: ☒ Discussion: ☐ Informational: ☐

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NHRS requires the ability to identify its members before authorizing access to online services and personal information via the NHRS Call Center. NHRS has engaged LexisNexis, a current provider of existing authorization services for us, to provide online member authorization to the My Account portal, as part of the PGV3 project. These services will directly integrate with the portal and validate the member through member-specific questions to ensure the member is authentic.

This two-year agreement request is an addendum to the existing LexisNexis contract. If approved, we will purchase the professional services setup fee for a 50% discount of \$60,000.00. Because we will require all current My Account users to reregister when PGV3 goes live, we expect the first-year cost to be \$90,000.00 based on the number of transactions, while the second-year cost is expected to decrease to \$60,000.00.

LexisNexis is a current NHRS service provider of identity validation and authentication services. For the reasons stated above, I respectfully request that the Board approve this agreement.





To: NHRS Board of Trustees

From: Jan Goodwin, Executive Director

Date: July 31, 2023

Re: Fusion Connect Phone System

Item: Action: ☒ Discussion: ☐ Informational: ☐

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Director of IT John Laferriere has requested approval to enter into a three-year agreement with Fusion Connect for a cloud-based phone system, at an annual cost of \$33,169.32, with a one-time professional services fee of \$14,995.00. A cost-reduction of approximately \$15,000.00 will be recognized by terminating the disaster recovery co-location contract if this agreement is approved.

As this request exceeds \$25,000 annually, it is being submitted for Board consideration in accordance with the Board Procurement Policy. The attached memorandum from Mr. Laferriere outlines the service, pricing, and additional information in support of this request.

For the reasons outlined above, and as more specifically addressed in Mr. Laferriere's accompanying memorandum, I respectfully request that the Board approve this agreement.



To: Jan Goodwin, Executive Director  
From: John Laferriere, Director of Information Technology  
Date: July 25, 2023  
Re: Fusion Connect Phone System  
Item: Action: ☒ Discussion: ☐ Informational: ☐

---

The existing NHRS Phone system is aging out, and NHRS IT took the opportunity to investigate replacing the on-premises phone system with a new cloud-based phone system, which would provide advanced call center features, reporting, and integration with existing communication platforms, such as Microsoft Teams. Additionally, a cloud-based phone system would reduce support requirements and improve business continuity and disaster recovery by eliminating the need for redundant hardware and licensing at the existing disaster recovery site.

During its investigation, NHRS IT identified two vendors, Consolidated Communications, and Fusion Connect, both industry leaders as cloud-based telephony providers. While Consolidated Communications currently provides internet services and networking hardware to NHRS, their phone system offering was similar to the current NHRS phone system and short of the requirements NHRS identified. Fusion Connect's offering met or exceeded all NHRS requirements. Additionally, Fusion Connect integrates with the Microsoft Teams platform and provides extensive call routing and web-based administration, reducing overall support complexities.

NHRS IT and Fusion Connect engaged in an extensive three-month proof-of-concept review of the proposed phone system to ensure the new system would meet NHRS' needs. During this time, the NHRS Call Center systems and configurations, phone hardware, call quality, and Teams integration were tested and accepted by NHRS IT.

NHRS IT recommends moving forward with a three-year contract with Fusion Connect to provide cloud-based phone and call center services to NHRS. This agreement includes Microsoft Teams, end user, call center licensing, and required professional service and support to transition from the existing phone system.

If approved, staff will enter into a three-year agreement with Fusion Connect at an annual cost of \$33,169.32, with a one-time professional services fee of \$14,995.00. Additionally, a cost-reduction of approximately \$15,000.00 will be recognized by terminating the disaster recovery co-location contract. For the reasons stated above, I respectfully request that the Board approve this agreement.

Division: Executive

Date: July 27, 2023

Approved: July 1, 2023

**FY 2024 Action Plan Summary**

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



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

## NHRS DASHBOARD: FY 2023 Third Quarter

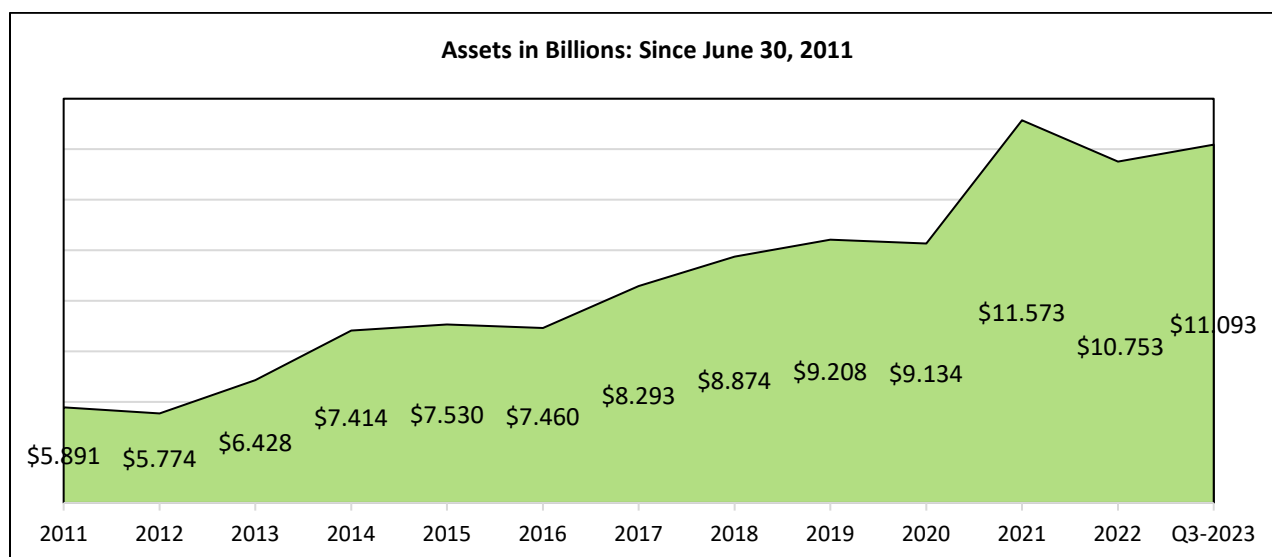
For the period January 1, 2023, to March 31, 2023

Updated: May 2023

### TRUST FUND

3rd Quarter FY 2022: \$11.585 billion

3rd Quarter FY 2023: \$11.093\*



\* Unaudited

### INVESTMENT PERFORMANCE

| Net-of-fees returns          | FYTD – 3/31/23* | 1 yr. at 6/30/22 | 3 yr. at 6/30/22 | 5 yr. at 6/30/22 | 10 yr. at 6/30/22 |
|------------------------------|-----------------|------------------|------------------|------------------|-------------------|
| Total Fund Composite         | 5.4%            | -6.1%            | 7.1%             | 7.2%             | 8.5%              |
| Peer comparison (percentile) | NA              | 34th             | 35th             | 36th             | 18th              |

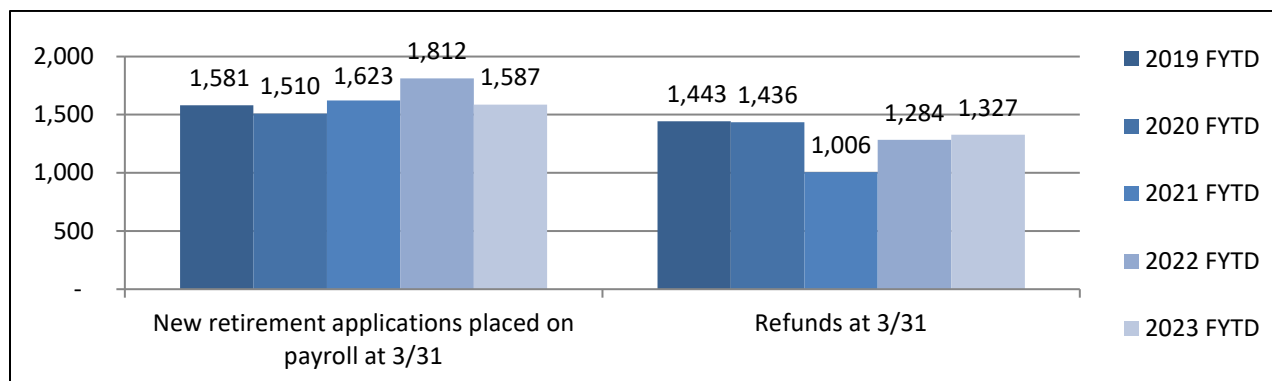
Assumed Rate of Return: 6.75%; \* Annualized; valuation of real estate and alternative investments lagged three months

### KEY PERFORMANCE MEASURES

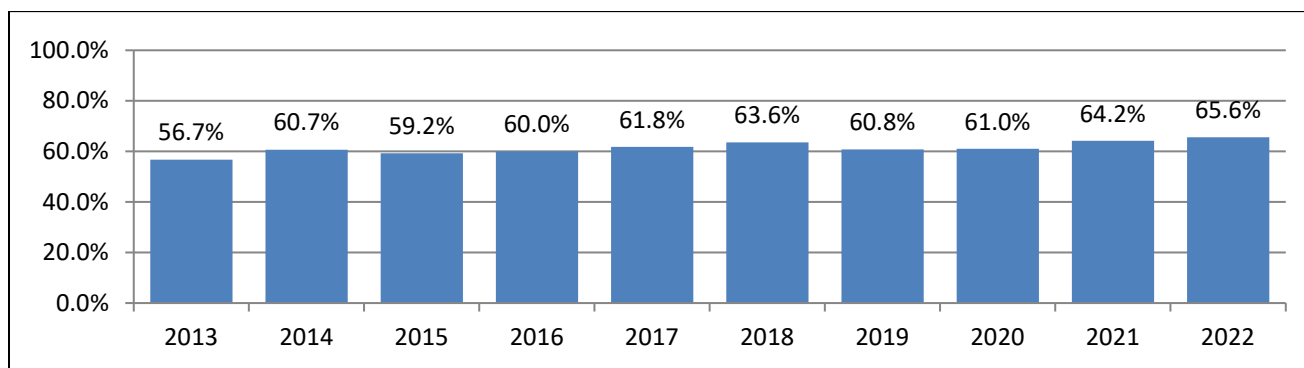
|                   |                   |                    |                                  |
|-------------------|-------------------|--------------------|----------------------------------|
| Jan. 2023: 95.51% | Feb. 2023: 98.86% | March 2023: 97.59% | 12-month rolling average: 97.24% |
|-------------------|-------------------|--------------------|----------------------------------|

Target: 95%

### RETIREMENTS AND REFUNDS

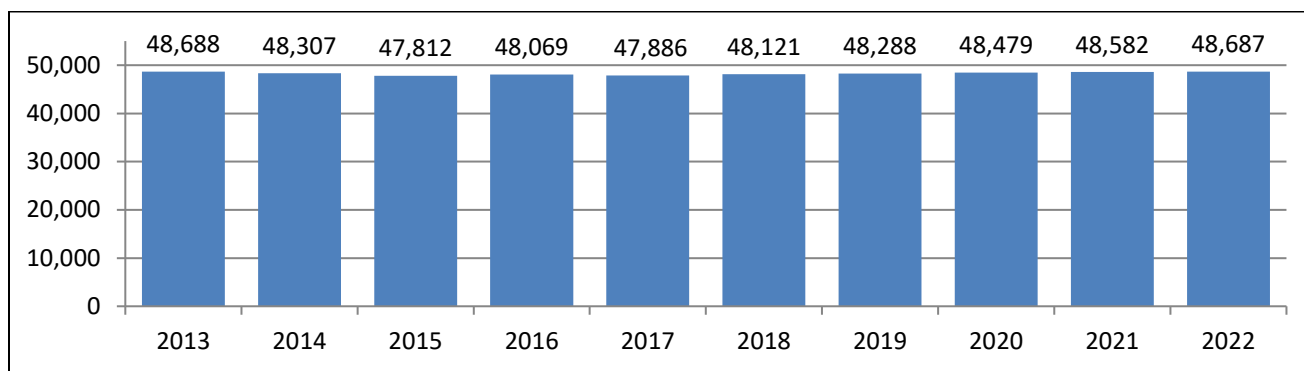


### ACTUARIAL FUNDED RATIO

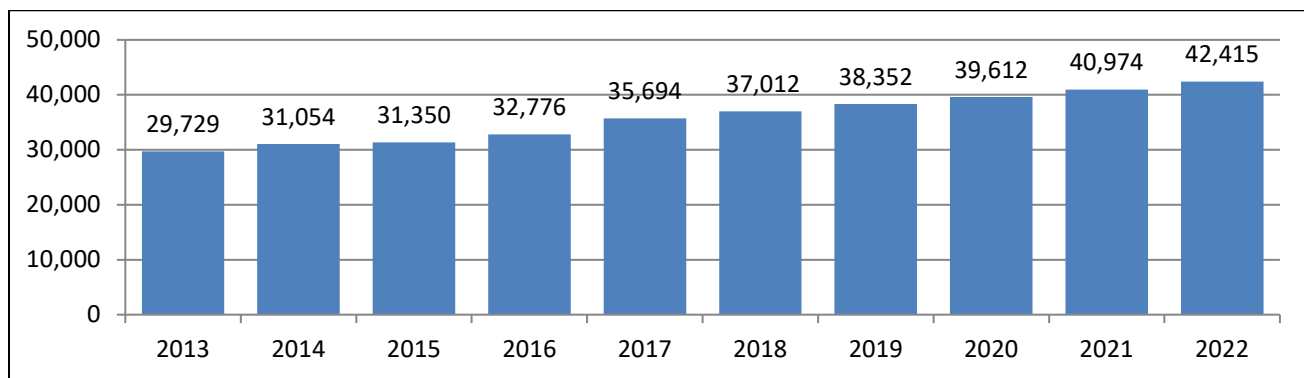


*Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions effective in 2015 and 2019*

### ACTIVE MEMBERS



### RETIREES & BENEFICIARIES





To: Board of Trustees

From: Marty Karlon

Date: July 27, 2023

Re: Communications/Legislative Affairs Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

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### **Significant Developments and Priority Issues**

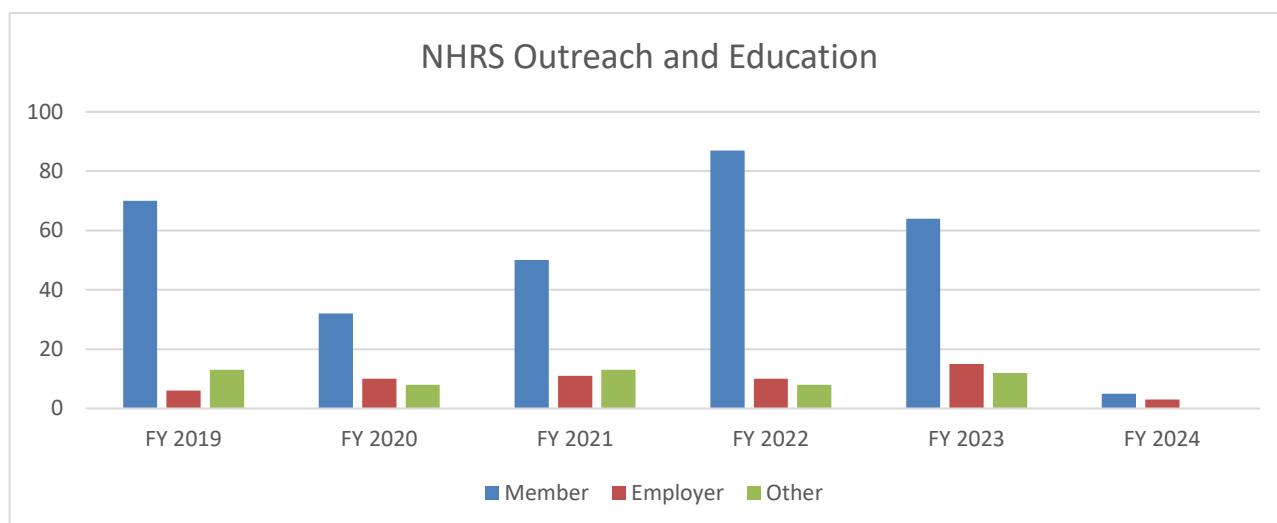
- The commission to study retirement benefits and retention of employees created in House Bill (HB) 2 has begun meeting. NHRS will be attending all sessions and providing data to the commission over the next several months.
- We are in the thick of PGV3 training for employers, with 10 events scheduled this month. More than 20 events have been scheduled between July and September.
- Collaborating with Member Services and other business units on implementation of 2023 legislative changes.

### **Current Month Highlights**

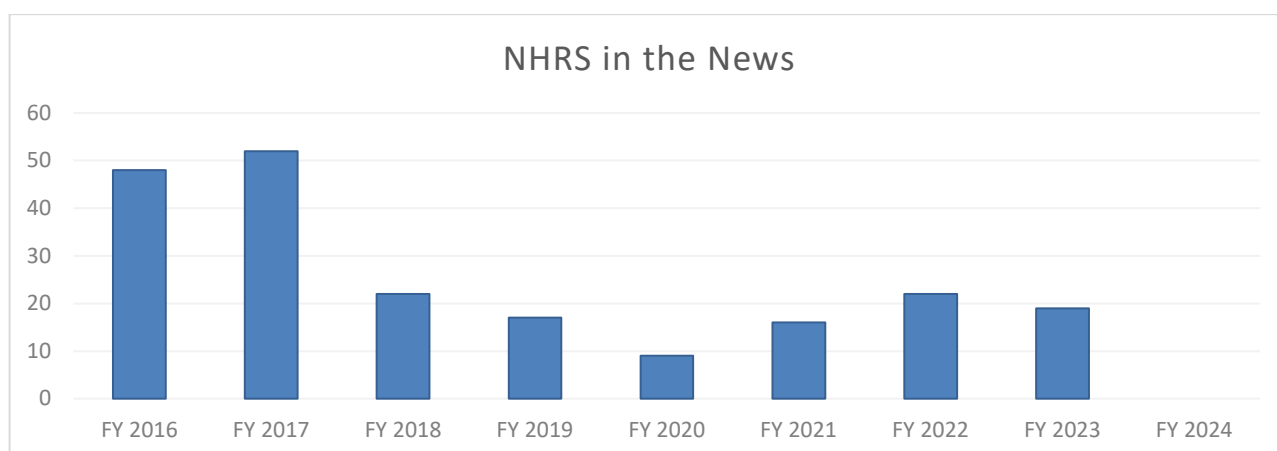
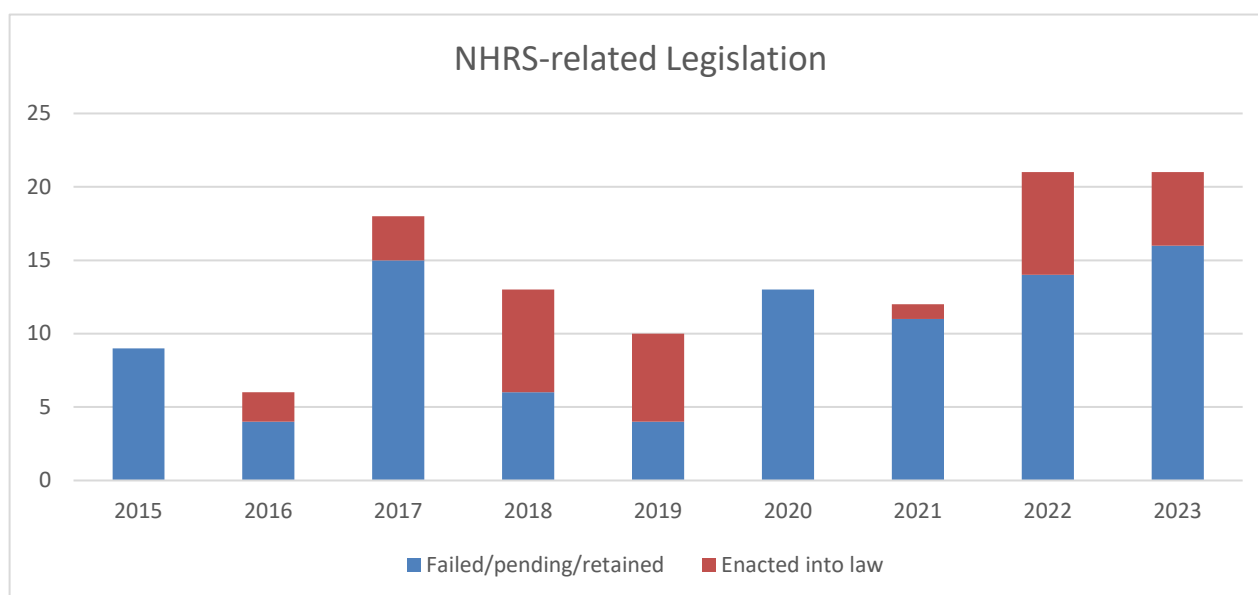
- Finalized PGV3 training presentations for employers and held three training events.
- Hosted or participated in five member education events and three employer education events.
- PIO met all seven of its KPMs this month.

### **Upcoming Plans & Projects**

- Continue to develop additional employer and vendor training handouts in advance of parallel processing in October.
- Scheduled to host or participate in two member education events, 10 employer education events, and two constituent events in August.



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



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

Division: Communications

Date: June 22, 2023

Approved: July 27, 2023

**FY 2023 Action Plan Summary**

| <b>ACTION</b>  | <b>PM</b>                | <b>DATE</b> | <b>STATUS/COMMENTS</b>                  |
|--|--------------------------|-------------|---|
| 1. In collaboration with the Finance team and PGV3 Project Manager, implement PGV3 employer training and communication plans.*   | MK / PIO staff / Finance | 1/31/24     |   |
| 2. Maintain ongoing internal and external communications for overall PGV3 project.*  | MK                       | 3/31/24     |   |
| 3. Develop and implement campaign to encourage members and retirees to sign up for MyAccount 2.0 *   | MK / PIO staff           | 6/30/24     |   |
| 4. Coordinate NHRS interactions with and prepare materials for statutory commission to study retirement benefits and retention of employees scheduled to meet in the summer of 2023. | MK                       | 11/30/23    |   |
| 5. Maintain positive and constructive working relationship with the NH Legislature. *  | MK                       | 6/30/24     |   |
| 6. Grow calendar year-over-year audience for social media channels by 10-15%.  | MK / PIO staff           | 6/30/24     |   |
| 7. Develop member surveys assessing knowledge and comfort level with NHRS benefits and preferences for additional education efforts.   | MK / PIO staff           | 6/30/24     | Note: Survey will be released in FY 25. |
| 8. Update printed and recorded   | MK / PIO                 | 12/31/23    |   |



|   |       |         |  |
|---|-------|---------|--|
| member/retiree/employer presentations impacted by recent legislation.     | staff |         |  |
| 9. Identify, enroll, and complete a professional development opportunity. | MK    | 6/30/24 |  |

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



To: Board of Trustees

From: John Laferriere, Director of Information Technology

Date: July 27, 2023

Re: Information Technology Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

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### **Significant Developments and Priority Issues**

- Cybersecurity Awareness – Phishing testing continues, and IT does not need to implement additional training. IT is working with the Managed Security Service Provider (MSSP) to create a more robust program.
- Security – IT conducted a full security review with the MSSP. No significant issues were identified.
- Weekly meetings with the MSSP have been established to continuously review security scan reports and address vulnerabilities.

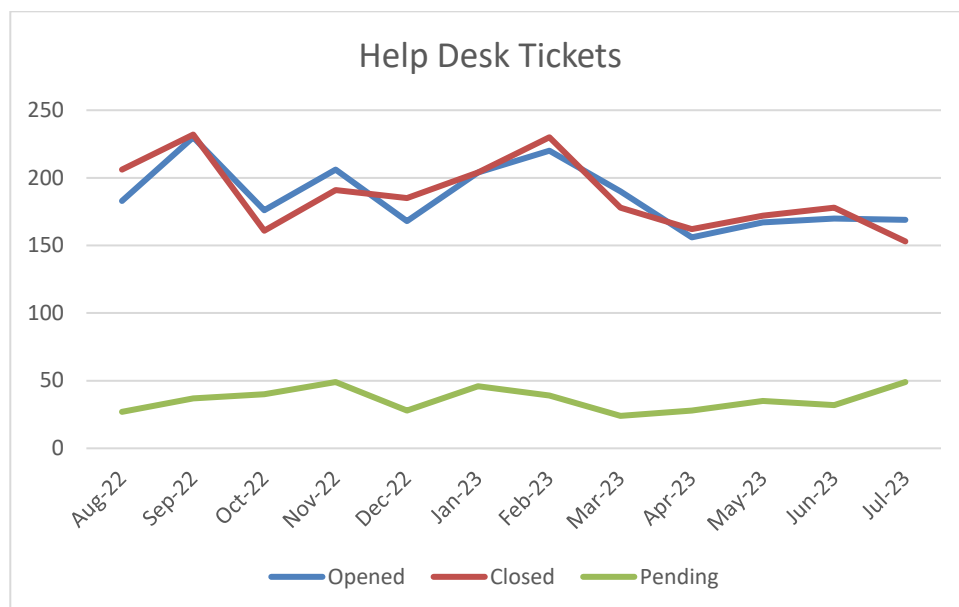
### **Current Month Highlights**

- IT Customer Satisfaction Score – 100%.
- IT met all eight of its KPMs.
- The primary circuit for the fault-tolerant internet connectivity project is complete.
- Enterprise network and firewall equipment have started to arrive.
- Dell laptops have begun to arrive.
- Proof-of-concept for the new phone system is complete.
- The new generator has been installed and tested.
- Identification of new document management started.
- The data transmission platform installation is complete.

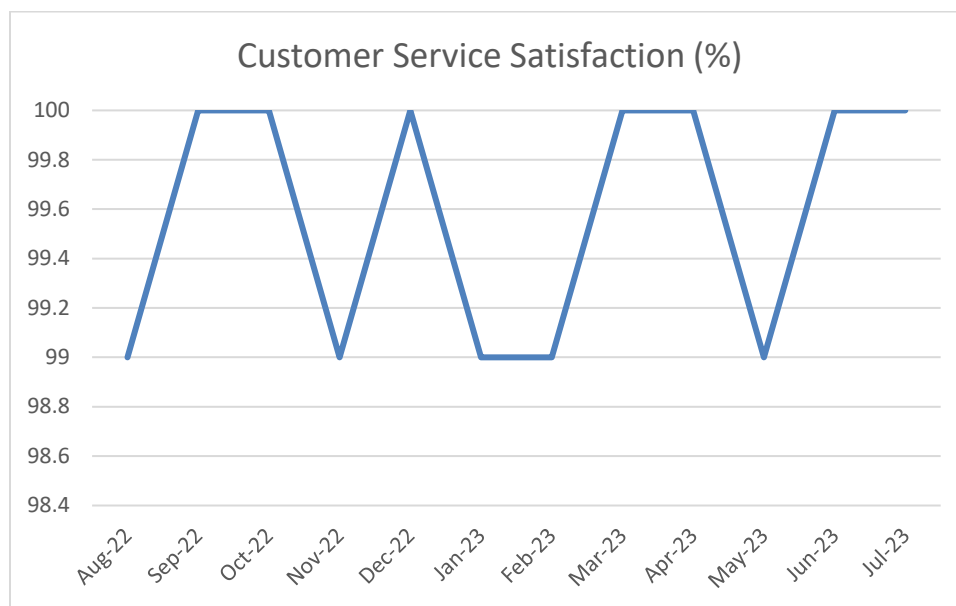
### **Upcoming Plans & Projects**

- Onboard MSSP.
- Deploy new firewalls and network infrastructure.
- Conduct a demo of a proposed enterprise document management system.
- Complete re-wiring for data center relocation.
- Relocate data center equipment to a new location.
- Create an enterprisewide data transmission governance policy, based on current data transmission requirements.

## NHRS Helpdesk Ticket Information by Month



## NHRS Customer Satisfaction Scores by Month



Division: Information Technology

Date: June 30, 2023

Approved: July 5, 2023

**FY 2024 Action Plan Summary**

| <b>ACTION</b>   | <b>PM</b>      | <b>DATE</b> | <b>STATUS/COMMENTS</b>  |
|---|----------------|-------------|---|
| 1. Outsource security management to third-party provider.   | JL             | 09/30/2023  | Vendor identified, moved to BOT for approval.   |
| 2. Upgrade networking infrastructure.   | JL, JO         | 12/30/2023  | Hardware ordered, expected arrival in mid-August.   |
| 3. Perform and complete yearly staff permissions review.  | JL             | 09/30/2023  | Not started.  |
| 4. Upgrade firewall hardware.   | JL, JB         | 09/30/2023  | Hardware ordered, expected arrival in mid-August.   |
| 5. Replace desktops and laptops with new laptops.   | JL, JO         | 06/30/2024  | Hardware ordered and arriving.  |
| 6. Perform tasks associated with PensionGold Version 3 (PGV3) implementation, as per contractual implementation schedule. | JL, TK, AS, JO | 06/30/2024  | Ongoing.  |
| 7. Move 80% of the production applications to the cloud.  | JL, JO         | 06/30/2024  | Building cloud environment.   |
| 8. Move physical data center to new location.   | JL, JO         | 11/30/2023  | Not Started.  |
| 9. Replace existing phone system with a cloud-based phone system.   | JL             | 06/30/2024  | Vendor identified, moved to BOT for approval.   |
| 10. Identify, enroll, and complete a professional development program.  | JO             | 02/28/2024  | Ongoing.  |
| 11. Replace the existing emergency generator.   | JL, CM         | 08/30/2023  | Ongoing. Generator installed and started. Electrical work begins in the first week of August. |
| 12. Install fault-tolerant internet connection.   | JL, JO         | 08/30/2023  | First circuit completed.  |
| 13. Identify and install an enterprise document management system.  | JL             | 06/30/2024  | Initial meeting. Demo to follow.  |
| 14. Develop a secure enterprise transmissions platform for all file transfers.  | MM             | 06/30/2024  | Operational.  |



To: Board of Trustees  
 From: Raynald Leveque, Chief Investment Officer  
 Date: August 8, 2023  
 Re: Investments Operating Report  
 Item: Action: ☐ Discussion: ☐ Informational: ☒

### Significant Developments and Priority Issues

- July Investment Committee (Committee) Meeting Recap:
  - The Committee heard macroeconomic presentations from J.P. Morgan and BlackRock, which outlined economic conditions during Fiscal Year (FY) 2023.
  - Staff presented an update on the monthly performance of the public market asset classes of the NHRS, rebalancing, holdings, and the Work Plan.
- Investments is actively recruiting to fill an Investment Officer position from a recent departure.

### Current Month Highlights

- Preliminary Performance:

| As of 6/30/2023                   | 1-MO   | FYTD   | 1-YR   | 3-YR   | 5-YR   | 10-YR  |
|-----------------------------------|--------|--------|--------|--------|--------|--------|
| NHRS Total Fund <u>Net</u> Return | +3.00% | +7.98% | +7.98% | +9.49% | +7.02% | +7.85% |
| Policy Benchmark Return           | +3.10% | +7.50% | +7.50% | +7.95% | +7.03% | +7.96% |
| Excess Returns<br>(basis points)  | -10    | +48    | +48    | +155   | -1     | -11    |

Source: Callan

- KPM Performance for July 2023:
  - Six reported KPMs were achieved; two were not achieved and two are not applicable to this month's reporting.

### Upcoming Plans & Projects

- August Committee Meeting:
  - Staff will present an update on the monthly performance of the public market asset classes of the NHRS, holdings, and the Work Plan.
  - The Committee will consider a GP fund commitment to the Private Credit portfolio: Ares Pathfinder II. Representatives from Ares will present to the Committee on their mandate.

## Securities Litigation Summary

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

| Calendar Year        | Amount               |
|----------------------|----------------------|
| 2005                 | \$ 624,261           |
| 2006                 | \$ 1,373,631         |
| 2007                 | \$ 2,410,390         |
| 2008                 | \$ 1,980,702         |
| 2009                 | \$ 1,972,216         |
| 2010                 | \$ 1,374,754         |
| 2011                 | \$ 550,324           |
| 2012                 | \$ 835,766           |
| 2013                 | \$ 310,321           |
| 2014                 | \$ 803,621           |
| 2015                 | \$ 627,131           |
| 2016                 | \$ 670,404           |
| 2017                 | \$ 1,280,969         |
| 2018                 | \$ 279,783           |
| 2019                 | \$ 675,406           |
| 2020                 | \$ 289,418           |
| 2021                 | \$ 483,889           |
| 2022                 | \$ 265,959           |
| 2023 Through June 30 | \$ 421,356           |
| <b>Total:</b>        | <b>\$ 17,230,300</b> |

Source: BNY Mellon, ISS, NHRS, Northern Trust

Division: Investments

Date: July 31, 2023

Approved: June 12, 2023

**FY 2024 Action Plan Summary**

| <b>ACTION</b>   | <b>PM</b>   | <b>DATE</b> | <b>STATUS/COMMENTS</b> |
|---|-------------|-------------|------------------------|
| 1. Assure compliance with all relevant statutory and regulatory requirements.   | CIO/IIC/BOT | 06/30/24    |                        |
| 2. Complete Private Debt/Equity Work Plan for Calendar Year (CY) 2024.  | CIO/IIC     | 12/31/23    |                        |
| 3. Complete Real Estate Work Plan for CY 2024.  | CIO/IIC     | 12/31/23    |                        |
| 4. Maintain investment expenses within budget.  | CIO/IIC     | 06/30/24    |                        |
| 5. Implement rebalancing as necessary to address deviations from policy targets.  | CIO/IIC/BOT | 06/30/24    |                        |
| 9. Complete a review of the Strategic Asset Allocation and, if necessary, recommend an update to the Strategic Asset Allocation policy. | CIO/IIC/BOT | 12/31/23    |                        |
| 7. Identify, enroll, and complete a professional development program for the Investment team.   | CIO         | 12/31/23    |                        |
| 8. Conduct an internal review of the NHRS total plan portfolio.   | CIO/IIC     | 12/31/23    |                        |
| 9. Complete a five-year Strategic Plan for the Investments division at NHRS for approval with the IIC and the BOT.                      | CIO/IIC/BOT | 12/31/23    |                        |



To: Board of Trustees  
From: Rosamond Cain, Director of Human Resources  
Date: August 8, 2023  
Re: HR Operating Report  
Item: Action: ☐ Discussion: ☐ Informational: ☒

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### **Significant Developments and Priority Issues**

- NHRS is currently recruiting for three staff openings, IT Infrastructure Engineer (formally IT Technical Administrator), Investment Officer, and an Imaging Specialist.
- We are using the ADP platform to recruit for all open positions.
- We have successfully been able to report to NHRS for the June contributions in PGV2 with ADP. The PGV3 Employer Report is in test.
- The 2023 Employee Appreciation Day was a success. We had the Smoothie Bus here for breakfast, the Taco Beyond truck here for lunch and our favorite, an ice cream truck here in the afternoon.

### **Current Month Highlights**

- HR met all four of its KPMs last month.
- HR is now training on the ADP learning and document cloud modules, and the performance and compensation modules will follow.

### **Upcoming Plans & Projects**

- We are continuing to evaluate our new staff training process.
- HR is in the beginning phases of creating an all staff training plan for the remainder of FY 2024. It has been two years since we have had a full training schedule.



Division: Human Resources (HR)

Date: August 1, 2023

Approved: July 1, 2023

**FY 2024 Action Plan Summary**

| <b>ACTION</b>   | <b>PM</b>         | <b>DATE</b> | <b>STATUS/COMMENTS</b>  |
|---|-------------------|-------------|---|
| 1. Plan, schedule, and present two trainings for our staff annual training plan.                            | RC/ED/ET/MT       | 6/30/24     | In process.   |
| 2. Maintain a management development program for middle managers and staff identified as possible managers. | RC/ED/ET/MT       | 6/30/24     | In process, currently have four staff members pursuing a degree and we are working with four managers to create leadership development plans. |
| 3. Create, implement, and maintain electronic onboarding utilizing the ADP software.                        | RC/Janet G.       | 6/30/24     | In process.   |
| 4. Assist in monitoring and maintaining PGV3 staffing levels to keep the project on time and budget.        | RC/ET/MT          | 6/30/24     | Continuing.   |
| 5. Monitor and maintain staffing levels for the NHRS Contact Center.  | RC/ED/NC/DH       | 6/30/24     | Continuing.   |
| 6. Create, implement, and maintain electronic performance appraisals utilizing the ADP software.            | RC/MT             | 6/30/24     | Set to begin in September.  |
| 7. Ensure compliance with all Federal, state and CBA rules and regulations.                                 | RC/Janet G./Legal | 6/30/24     | Continuing.   |
| 8. HR Tech. to identify and enroll in a professional development program                                    | Janet G./RFC      | 12/31/23    | In process.   |
| 9. HR Mgr. to identify, enroll in, and complete a professional development program.                         | RFC/ED            | 12/31/23    | In process.   |



To: Board of Trustees

From: Tim Crutchfield, Deputy Director and Chief Legal Counsel

Date: July 27, 2023

Re: Legal Team Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

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### **Significant Developments and Priority Issues**

- Legal staff is working with PIO to initiate the annual ethics surveys in August with responses submitted via Survey Monkey.
- The IRS contacted Groom Law, who filed a Private Letter Ruling (PLR) request on our behalf on 6/21/23, and requested additional information and clarification regarding the medical subsidy process. Our responses are due by 8/8/23.

### **Current Month Highlights**

- Over the past 12 months, the Employer Audit Team has completed 34 standard and 17 GASB audits. There are 7 GASB audits in process and 8 standard audits are on hold in order to complete the GASB audits as soon as possible.
- Seven of the eight Legal KPMs this month were achieved. The other KPM is on hold due to competing staff priorities with PGV3.
- 445 Gainful Occupation reports were mailed in early March. 356 have been returned and 335 of those have been processed.
- Legal has been working with Member Services in identifying and contacting disability applicants who have been approved by the Board, but continue to work, some for over a year since the Board approval. The issue is determining whether NHRS will require those individuals to rescind their prior disability approval so they can keep working or require them to terminate their employment and begin collecting their approved disability benefits. RSA 100-A is silent on this scenario.

### **Upcoming Plans and Projects**

- The annual review of Committee charters will be on the agendas for upcoming Committee meetings.

### Administrative Appeals

| Prior 12 months | Total Cases<br>on Appeal<br>at start of<br>the month | New<br>Appeals | Closed<br>Appeals | Total Cases<br>on Appeal<br>end of the<br>month |
|-----------------|--|----------------|-------------------|---|
| July '23        | 6  | 1              | 1                 | 6   |
| June '23        | 6  | 0              | 0                 | 6   |
| May '23         | 7  | 0              | 1                 | 6   |
| April '23       | 7  | 0              | 0                 | 7   |
| Mar. '23        | 8  | 1              | 2                 | 7   |
| Feb. '23        | 10   | 1              | 3                 | 8   |
| Jan. '23        | 8  | 3              | 1                 | 10  |
| Dec. '22        | 8  | 2              | 2                 | 8   |
| Nov. '22        | 9  | 0              | 1                 | 8   |
| Oct. '22        | 8  | 2              | 1                 | 9   |
| Sept. '22       | 8  | 0              | 0                 | 8   |
| Aug. '22        | 7  | 1              | 0                 | 8   |
| Totals          |  | 11             | 12                |   |

### Disability Appeals

| Prior 12 months | Total Cases<br>on Appeal<br>at start of<br>the month | New<br>Appeals | Closed<br>Appeals | Total Cases<br>on Appeal<br>end of the<br>month |
|-----------------|--|----------------|-------------------|---|
| July '23        | 2  | 0              | 0                 | 2   |
| June '23        | 2  | 0              | 0                 | 2   |
| May '23         | 2  | 0              | 0                 | 2   |
| April '23       | 2  | 0              | 0                 | 2   |
| Mar. '23        | 1  | 1              | 0                 | 2   |
| Feb. '23        | 1  | 0              | 0                 | 1   |
| Jan. '22        | 1  | 0              | 0                 | 1   |
| Dec. '22        | 1  | 0              | 0                 | 1   |
| Nov. '22        | 1  | 0              | 0                 | 1   |
| Oct. '22        | 1  | 0              | 0                 | 1   |
| Sept. '22       | 1  | 0              | 0                 | 1   |
| Aug. '22        | 1  | 0              | 0                 | 1   |
| Totals          |  | 1              | 0                 |   |

Division: Legal/Compliance

Date: July 27, 2023

Approved: June 13, 2023

**FY 2024 Action Plan Summary**

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

**New Hampshire Retirement System  
Board Meeting**

**Consent Agenda  
Tuesday, August 8, 2023**

**Disability Application Recommendations**

1. A.B. Grant ordinary disability retirement (ODR) to this group I member who worked for the State of New Hampshire and has 28 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.
2. T.C. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 5 years and 10 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. S.C. Grant accidental disability retirement (ADR) to this group I member who worked for a political subdivision and has 2 years and 4 months of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties to a medical condition.
4. R.D. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 19 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.
5. V.K. Grant accidental disability retirement (ADR) to this group I member who worked for a political subdivision and has 20 years and 4 months of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties due to a medical condition.
6. N.W. Grant ordinary disability retirement (ODR) to this group I member who worked for a political subdivision and has 20 years and 3 months of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties due to a medical condition.
7. M.W. Grant ordinary disability retirement (ODR) to this group I member who worked for a political subdivision and has 23 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.

**Trustee Travel**

*No Travel Requests Submitted*



To: NHRS Board of Trustees  
From: Jan Goodwin, Executive Director  
Date: July 28, 2023  
Re: July 11, 2023 - Action Items  
Item: Action: ☐ Discussion: ☐ Informational: ☒

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1. Provide certified 7.5% state contributions for the remaining employer to the State Treasurer. MM  
**Action: Remains in process; delayed due to employer staffing issue.**
2. Bind cyber insurance renewal approved at the July Board meeting. TC  
**Action: Completed.**
3. Provide certification of the cost of the \$500 payment to eligible retirees and beneficiaries to the Governor's Office. MM  
**Action: Completed.**
4. Finalize the procurement of the Board-approved contracts. RL/JL  
**Action: Completed.**
5. Implement non-bargaining employee salary adjustments as approved by the PPCC. RC  
**Action: Completed.**
6. Implement Board decisions on the Consent Agenda. DC  
**Action: Completed.**

## **BOARD CHECKPOINT DISCUSSION**



## CY 2023 BOARD ACTION CALENDAR

## JANUARY

| Date    |   | Requirement   | Responsible Party      |
|---------|---|---------------|------------------------|
| 1/10/23 | Annual IIC Private Equity/Debt update to the Board  | Best Practice | IIC                    |
| 1/10/23 | Report on Status of Statement of Financial Interests due to Secretary of State (Due Annually – 3 <sup>rd</sup> Friday in January) | RSA 15-A      | Trustees & IIC Members |
| 1/10/23 | Annual Governance Manual revisions  | Best Practice | Board of Trustees      |
| 1/10/23 | Fiduciary Insurance Renewal   | Best Practice | Board of Trustees      |

## FEBRUARY

| Date     | Board Action Item   | Requirement   | Responsible Party |
|----------|---|---------------|-------------------|
| 2/14 /23 | Board and Audit Committee approval of FY21 GASB 68/75 Reports | Best Practice | Board of Trustees |
| 2/14 /23 | Trustee Education   | Best Practice |                   |

## MARCH

| Date    | Board Action Item   | Requirement          | Responsible Party |
|---------|---|----------------------|-------------------|
| 3/14/23 | Quarterly IIC report to the Board   | RSA 100-A:15,II-a(c) | IIC               |
| 3/14/23 | Quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns. Due 4/1/23. | RSA 100-A:14, VII-a  | Board of Trustees |

## APRIL

| Date    | Board Action Item               | Requirement   | Responsible Party |
|---------|---------------------------------|---------------|-------------------|
| 4/11/23 | No compliance items this month. |               |                   |
| 4/11/23 | Trustee education               | Best Practice |                   |

## MAY

| Date   | Board Action Item  | Requirement   | Responsible Party |
|--------|--|---------------|-------------------|
| 5/9/23 | Review annual Trust Fund Budget (non-statutory portion). | Best Practice | Board of Trustees |

## JUNE

| Date    | Board Action Item  | Requirement           | Responsible Party |
|---------|--|-----------------------|-------------------|
| 6/13/23 | Approve annual Trust Fund Budget (non-statutory portion).  | Best Practice         | Board of Trustees |
| 6/13/23 | Quarterly IIC report to the Board  | RSA 100-A:15, II-a(c) | IIC               |
| 6/13/23 | Approve the Strategic Plan.  | Best Practice         | Board of Trustees |
| 6/13/23 | Quarterly report to chairpersons of House & Senate ED&A Committees, describing recent Board actions including any changes to actuarial assumptions and investment returns. Due 7/1/23. | RSA 100-A:14, VII-a   | Board of Trustees |

**JULY**

| <b>Date</b> | <b>Board Action Items</b>                  | <b>Requirement</b> | <b>Responsible Party</b> |
|-------------|--|--------------------|--------------------------|
| 7/11/23     | Annual IIC Real Estate update to the Board | Best Practice      | IIC                      |

**AUGUST**

| <b>Date</b> | <b>Board Action Items</b>       | <b>Requirement</b> | <b>Responsible Party</b> |
|-------------|---------------------------------|--------------------|--------------------------|
| 8/8/23      | No compliance items this month. | RSA 100-A:14, XIII | Board of Trustees        |

**SEPTEMBER**

| <b>Date</b> | <b>Board Action Items</b>   | <b>Requirement</b>  | <b>Responsible Party</b>    |
|-------------|---|---------------------|-----------------------------|
| 9/12/23     | Review charters for Board Committees.   | Governance Manual   | Appropriate Board Committee |
| 9/12/23     | Annual Independent Medical Examiner (IME) Review  | IME Policy          | Board of Trustees           |
| 9/12/23     | Set Board of Trustees meeting schedule for next calendar year.  | Governance Manual   | Board of Trustees           |
| 9/12/23     | Annual Board Fiduciary Education  | Best Practice       | Board of Trustees           |
| 9/12/23     | Quarterly report to chairpersons of House & Senate ED&A Committees, describing recent Board actions including any changes to actuarial assumptions and investment returns. Due 10/1/23. | RSA 100-A:14, VII-a | Board of Trustees           |

**OCTOBER**

| <b>Date</b> | <b>Board Action Items</b>   | <b>Requirement</b>    | <b>Responsible Party</b> |
|-------------|---|-----------------------|--------------------------|
| 10/10/23    | Gainful Occupation Report   | RSA 100-A:6, III(b)   | Board of Trustees        |
| 10/10/23    | Office of Foreign Asset Control (OFAC) Compliance Report                              | Best Practice         | Board of Trustees        |
| 10/10/23    | Annual Comprehensive Financial Report (ACFR) deadline (within 120 days from 6/30/23). | RSA 100-A:15, VI      | Board of Trustees        |
| 10/10/23    | Quarterly IIC report to the Board   | RSA 100-A:15, II-a(c) | IIC                      |
| 10/10/23    | Call Firefighter Report   | Best Practice         | Board of Trustees        |

**NOVEMBER**

| <b>Date</b> | <b>Board Action Items</b>                                   | <b>Requirement</b> | <b>Responsible Party</b> |
|-------------|---|--------------------|--------------------------|
| 11/14/23    | IIC prepares Comprehensive Annual Investment Report (CAIR). | RSA 100-A:15, VII  | IIC                      |

**DECEMBER**

| <b>Date</b> | <b>Board Action Items</b>  | <b>Requirement</b>  | <b>Responsible Party</b> |
|-------------|--|---------------------|--------------------------|
| 12/12/23    | Audited ACFR to Audit Committee  | RSA 100-A:15, VI(a) | External Auditor         |
| 12/12/23    | Audit Committee recommends that the Board approve and accept the audited ACFR. | RSA 100-A:15, VI(a) | Board of Trustees        |

|          |   |                      |                   |
|----------|---|----------------------|-------------------|
| 12/12/23 | The IIC recommends that the Board approve and accept the CAIR.  | RSA 100-A:15, VII    | Board of Trustees |
| 12/12/23 | The IIC recommends that the Board approve and accept the IIC meeting schedule for the next calendar year.   | Best Practice        | Board of Trustees |
| 12/12/23 | Quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns. Due 1/2/23. | RSA 100-A:14, VII-a  | Board of Trustees |
| 12/12/23 | Quarterly IIC report to the Board.  | RSA 100-A:15,II-a(c) | IIC               |
| 12/31/23 | Deadline for issuing member statements for fiscal year ending 6/30/23.  | RSA 100-A:14, XI     | Board of Trustees |
| 12/31/23 | ACFR and CAIR delivered per statute.  | RSA 100-A:15, VI(c)  | PIO               |

**NHRS Board of Trustees  
Committee Membership List  
as of June 2023**

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

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

**New Hampshire Retirement System Board of Trustees**  
**As of June 26, 2023**

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

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

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

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

Tim Lesko, Concord  
January 24, 2018, to November 30, 2022  
Non-member Trustee

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

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

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

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

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

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

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

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

**Educational Seminars for Board Members,  
as of July 14, 2023**

| Sponsor  | Program   | Description   |
|--|---|---|
| (NCPERS)<br>National Conference on<br>Public Employee Retirement<br>Systems <a href="http://www.ncpers.org">www.ncpers.org</a> | <p><b>2023 FALL (Financial, Actuarial, Legislative, Legal) Conference</b><br/>           October 22-25<br/>           Las Vegas, NV</p> <p><b>NCPERS Accredited Fiduciary (NAF) Program</b>, hosted prior to FALL Conference<br/>           Modules 1&amp;2 and 3&amp;4<br/>           Las Vegas, NV<br/>           October 21-22</p>   | <ul style="list-style-type: none"> <li>▪ Earn 12 continuing education hours toward Accredited Fiduciary (AF).</li> <li>▪ Topics of finance, actuarial science, legislative and legal relative to their effects on the pension industry.</li> <li>▪ Network with colleagues, and/or clients.</li> <li>▪ Trustee accreditation program for public pension governance; completion of the NCPERS Trustee Educational Seminar is a prerequisite.</li> </ul>  |
| (CII)<br>Council of<br>Institutional Investors<br><a href="http://www.cii.org">www.cii.org</a>                                 | <p><b>2023 Fall Conference</b><br/>           September 11-13, 2023<br/>           Long Beach, CA</p>   | <ul style="list-style-type: none"> <li>▪ Interact with representatives in investments, legislators, regulators, and other corporate governance professionals. Hear from special guests; learn and share best practices. This event hosts more than 500+ attendees, including CII members global wide.</li> </ul>  |
| (IFEBP)<br>Int'l Foundation of<br>Employee Benefit Plans<br><a href="http://www.ifebp.org">www.ifebp.org</a>                   | <p><b>Trustees Institute Level I Core Concepts</b><br/>           September 30 – October 2, 2023<br/>           Boston, MA</p> <p><b>Trustees Institute Level II Concepts in Practice</b><br/>           September 30 – October 1, 2023<br/>           Boston, MA (<i>SOLD OUT – Waitlisting and alternative options available</i>)</p> | <ul style="list-style-type: none"> <li>▪ Ideal for new Trustees to learn fiduciary responsibilities, and the technical aspects of serving as a Trustee.</li> <li>▪ Topics include Trustee responsibility and legal environment, retirement plans, investing health and welfare pension assets, and governance.</li> <li>▪ Ideal for plan professionals, and for Trustees who've served 3 to 5 years and completed Level I: Core Concepts.</li> <li>▪ Learn from industry experts on current events and reform initiatives.</li> <li>▪ Network with peers facing similar challenges – share</li> </ul> |

|   |  |  |
|---|--|--|
|   | <p><b>Administrators Master's Program (AMP)</b><br/>September 30 – October 1, 2023<br/>Boston, MA</p> <p><b>Certificate of Achievement in Public Plan Policy (CAPPP)</b><br/><b>Pensions Part I &amp; II*</b><br/>September 30 – October 1, 2023<br/>Boston, MA</p> <p><b>Pensions Part I*</b><br/>September 30-October 1, 2023<br/>Boston, MA<br/><i>*(Completion of Part I <u>and</u> Part II, along with a take-home exam, are required to earn a CAPPP in pensions.)</i></p> | <p>best practices, ideas, and solutions.</p> <ul style="list-style-type: none"> <li>▪ Gain insight and garner resource materials to share with colleagues.</li> <li>▪ Ideal for Trustees and plan administrators who've served five or more years and seek to network and learn about the latest industry issues and trends, participate in case studies, learn big picture skills, and best practices on how to address current challenges.</li> <li>▪ For all-level Trustees.</li> <li>▪ Pension-related topics include actuarial principles, fiduciary responsibility, governance, legal, legislative, &amp; regulatory developments.</li> <li>▪ Gain comprehensive knowledge of public employee plan management and learn targeted information to aid in policy-making decisions.</li> </ul> |
| <p>(NCTR)<br/>National Council on Teacher Retirement<br/><a href="http://www.nctr.org">www.nctr.org</a></p>                     | <p><b>NCTR's 101<sup>st</sup> Annual Conference</b><br/>October 7-11, 2023<br/>(Registration opens in June)<br/>La Jolla, CA</p>   | <ul style="list-style-type: none"> <li>▪ Ideal for all pension system staff, members, and key stakeholders.</li> <li>▪ Preliminary agenda available online.<br/>Pensions2: Fundamentals and Innovation</li> </ul>  |
| <p>(NASRA)<br/>National Association of State Retirement Administrators<br/><a href="http://www.nasra.org">www.nasra.org</a></p> | <p><b>NASRA Winter Meeting</b><br/>February 23-27, 2024<br/>Washington, DC</p>   | <ul style="list-style-type: none"> <li>▪ Agenda TBD.</li> </ul>  |

## **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              |