

NEW HAMPSHIRE RETIREMENT SYSTEM

BOARD MEETING

Tuesday, February 14, 2023

Agenda

WebEx information will be provided in advance of the meeting.

10:00 am	1. Ascertain Quorum and Call to Order		T. Lesko
10:05 am	2. Approval of Minutes	(Tab 1)	T. Lesko
	<ul style="list-style-type: none"> ○ January 10, 2023 <i>(Action Expected)</i> 		
10:10 am	3. Standing Committee Reports		
	<ul style="list-style-type: none"> • Audit (Tab 2) • Governance (Tab 3) • Investments (Tab 4) <ul style="list-style-type: none"> ○ IIC Monthly Report ○ Callan Monthly Review (Jan. 31, 2023) ○ 2022 Proxy Voting Summary • Legislative (Tab 5) • Benefits (Tab 6) • PPCC (Tab 7) 		M. Mezzapelle D. Roy M. Kelliher R. Leveque R. Leveque K. Merrifield C. Coates S. Hannan
10:35 am	4. Public Pension Overview	(Tab 8)	Keith Brainard NASRA
11:20 am	5. Operating Reports		
	<ul style="list-style-type: none"> • Executive (Tab 9) <ul style="list-style-type: none"> ○ Contract <i>(Action Expected)</i> • PIO (Tab 10) • Investments (Tab 11) • Member Services (Tab 12) • Finance (Tab 13) • Human Resources (Tab 14) • IT (Tab 15) 		J. Goodwin M. Karlon R. Leveque N. Miller M. Mullen R. Cain J. Goodwin

		• Legal	(Tab 16)	T. Crutchfield
11:55 am	6.	Consent Agenda <i>(Action Expected)</i>	(Tab 17)	T. Lesko
12:00 pm	7.	Trustee Travel	(Tab 18)	T. Lesko
12:05 pm	8.	Action Items – January 10, 2023	(Tab 19)	J. Goodwin
12:10 pm	9.	Board Checkpoint Discussion	(Tab 20)	T. Lesko
12:15 pm	10.	Adjournment		T. Lesko
	11.	Informational Materials	(Tab 21)	

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

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

<https://www.nhrs.org/meetings-events/event/2023/02/14/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 (or call 603-410-3682)

Note: These **draft** minutes from the January 10, 2023, Public Session are subject for approval at a subsequent Board of Trustees meeting.

Board of Trustees

January 10, 2023

DRAFT Public Minutes

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

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

Absent: *Trustees Christopher Coates, and Tim Lesko, Chair.*

Staff: *Jan Goodwin, Executive Director; Timothy Crutchfield, Deputy Director and Chief Legal Counsel; Frank Clough, Director of Information Technology; Raynald Leveque, Chief Investment Officer; Marie Mullen, Director of Finance; Nancy Miller, Director of Member Services; Rosamond Cain, Director of Human Resources, Marty Karlon, Director of Communications and Legislative Affairs; Mark F. Cavanaugh, Associate Counsel and Compliance Officer; Diana Crichton, Hearings Examiner; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Deanna Higgins, Contact Center Supervisor; Tracy Knight, Project Manager; Ann Stetson, Senior Business Analyst; Chris Murphy, System Administrator, and Christine McKenney, Administrative Assistant.*

Presiding Chair Maureen Kelliher called the January 10, 2023, regular meeting of the NHRS Board of Trustees to order at 10:02 a.m.

A quorum was established and Presiding Chair Kelliher called for a vote to approve the minutes of the December 13, 2022, Board meeting. On a motion by Trustee Roy, seconded by Trustee Maloney, the Board voted unanimously to approve the meeting minutes.

Trustee Roy opened the Committee reports, providing an update on the Governance Committee Report, noting it met on December 30, 2022, and discussed the annual Governance Manual review, and the System's Fiduciary Insurance renewal. Trustee Roy provided a review of the insurance renewal process, concluding that the Committee voted unanimously to recommend to the Board to renew its current coverage with the incumbent carrier, Hudson Insurance, at a modest 3% premium increase. Trustee Roy noted other carriers offered lesser coverage at higher rates and that the System has had a positive experience with the incumbent. He then explained the changes to the Governance Manual, which involved the yearly updates to the appendices and exhibits.

On a motion by Trustee Hannan, seconded by Trustee Roy, the Board voted unanimously

to accept the recommendation of the Governance Committee to approve the annual revisions to the Governance Manual, as presented.

On a motion by Trustee Maloney, seconded by Trustee Frederick, the Board voted unanimously to accept the recommendation of the Governance Committee to renew the annual fiduciary insurance coverage with Hudson Insurance Company, as presented.

Trustee Mezzapelle provided her report of the Audit Committee, which met earlier this morning, noting it heard internal audit updates and that all items on the Audit Tracker are in progress. She stated a new audit was added, alternative investments monitoring, which is in process, and the results are expected in March. The Committee received a status update from Finance on the FY 22 GASB 68 and 75 report from GRS, the System's actuary, and the report will be provided to NHRS's external auditor, Plante Moran. She noted that Plante Moran provided the FY 22 recommendation letter, which will be presented with the staff responses at the February Audit Committee meeting. She noted the RFP responses for an external auditor have been received and staff's recommendation would also be presented next month. In closing, Trustee Mezzapelle noted that the Audit Committee voted unanimously to approve and recommend to the Board the certification of employer payments relative to House Bill (HB) 1221, and that Director of Finance, Marie Mullen, would expand on that during her operating report.

Trustee Kelliher gave her report on the December 13, 2022, Independent Investment Committee (IIC, Committee) meeting. The Committee heard from Chief Investment Officer Raynald Leveque, who provided an update on investment returns through recent time-periods, referring to Callan's October 31 review. He proceeded to report on cash flows, liquidity, and discussed the non-U.S. equity rebalancing plan that staff recently implemented. He gave a status report on Russian assets held in the NHRS portfolio, noting staff continue to monitor these positions to keep the Committee informed of any changes. Mr. Leveque then provided a brief overview of the Work Plan, noting the macroeconomic update would take place in February. Trustee Kelliher reported that the Committee voted unanimously to terminate NHRS's investment in the Neuberger Berman Emerging Markets Equity Fund, and move those assets to BlackRock All Country World Index (ACWI) ex-U.S., CTF. The Committee heard a presentation from Callan on the Equity Structure Portfolio Review and a robust discussion followed on the rebalancing plan. The Committee also voted unanimously to renew the agreements with AllianceBernstein, and Thompson, Siegel & Walmsley (TSW), each through November 30, 2024, and to renew two other agreements with Aristotle and Lazard through December 31, 2024. The Committee then heard from Townsend Group representatives on the System's Real Estate Portfolio. Townsend presented a performance overview fiscal year-to-date, the portfolio performance, and current positioning. Following Townsend's presentation, the Committee voted unanimously to approve the Calendar Year (CY) 23 Real Estate Investment Plan. Next, Callan presented a review of the Private Equity and Private Debt Portfolio, providing an expected pacing schedule, with a net positive cash flow expected by 2029. Following Callan's presentation, the Committee unanimously voted to approve the CY 23 Private Equity and Private Debt Strategic Investment Plan.

Trustee Kelliher asked Mr. Leveque to report on the NHRS performance as of November 30, 2022. Mr. Leveque noted the Total Fund return for November was 3.9% versus the policy benchmark of 4.5%. He directed the Board's attention to the calendar year-to-date performance, noting the fund had losses of -7.0% compared to the policy benchmark of -8.9%, in a difficult year for the markets. Mr. Leveque commented on the

long-term performance of the Total Fund for 3, 5, and 10 years, noting it continues to do well, where the Plan is currently at \$10.6 billion. In closing, he gave a quarterly review, focusing on the importance of rebalancing the non-U.S. equity and global fixed income asset classes, noting Staff's deliberate approach while considering the volatility of the markets. Inquiries from Trustees prompted a discussion on net and gross performance, asset allocations associated with the rebalancing plan, and investment expenses by asset class.

Trustee Merrifield began the Legislative Committee report, referring to the Legislative Services Requests (LSRs), included in the Board materials, noting there are 20 LSRs relative to the System and provided an overview of them. He then mentioned that Executive Director Jan Goodwin and the Director of Communications and Legislative Affairs Marty Karlon gave a presentation on NHRS to the House Executive Departments and Administration (ED&A) on Monday, January 9, 2023, adding that they would provide the same presentation to the Senate ED&A on Wednesday, January 11. In closing, Trustee Merrifield announced there would be a public hearing on Thursday, January 12, at the House ED&A on the System's legislative clean-up bill.

On behalf of Trustee Coates, Tim Crutchfield, Deputy Director and Chief Legal Counsel, stated that the Benefits Committee had not met since the January Board meeting.

Trustee Hannan gave the PPCC report, which has not met since its last meeting in December and plans to meet later this month, when the Committee will welcome Trustee Quigley to the PPCC.

Presiding Chair Kelliher invited Ms. Goodwin to begin the operating reports. Ms. Goodwin opened her Executive Report with the KPMs, which were at 98.86% for the month, explaining that the one missed KPM was in the Contact Center due to not meeting the goal of transferring less than 10% of calls to subject matter experts (SMEs). She noted that upon further review of the statistics, the instances of calls transferred were subsequently under the 10% and therefore the KPM was met.

Ms. Goodwin gave an update on the PGV3 project, and she noted NHRS and Levi, Ray, and Shoup, Inc., (LRS), the Pension Gold (PGV3) software provider, are working together on an orientation plan for parallel processing, which is set to begin in October. Ms. Goodwin continued her report with the 12-month rolling KPMs, noting the System continues to perform well above the 95% benchmark. She then announced that the NHRS Contact Center celebrated its two-year anniversary in December and turned the floor to Contact Center and Administrative Manager Nina Calkins to share the Contact Center metrics. Ms. Calkins stated that in 2022, the Contact Center answered 92% of calls coming into the System, remarking that the number of calls transferred to SMEs also reflected calls escalated to management. She noted the Contact Center is now fully staffed and trained. She proceeded to give statistics on emails, explaining that the Contact Center forwards most of the incoming emails to SMEs because they usually contain documents that require departments to process them. Lastly, she provided the Board with the Contact Center's process enhancements with the help of the PIO staff to provide "lunch and learns" and its contributions to the Now You Know brochures. There was a brief discussion about incoming emails and how they are managed. Ms. Goodwin noted the importance of offering various avenues for members, employers, and retirees to contact NHRS. She concluded her operating report with her monthly calls to members, employers, and retirees, noting continued positive feedback. She then turned the Board's attention to a contract she approved for IT to proceed with contracting K logix to perform penetration and vulnerability testing.

Mr. Crutchfield presented his Legal report, beginning with the CY 23 Board calendar and internal regulatory compliance calendar, acknowledging Attorney Mark Cavanaugh for his work in preparing them. He mentioned the recent influx of LSRs and bills over the past week, noting the collaborative work with GRS to obtain valuations to provide Fiscal Note Worksheets promptly to the Legislative Budget Office. He noted that Legal met its eight KPMs and proceeded to give an overview of upcoming projects and plans. He thanked the Trustees who provided their statements of financial interests forms considering the January 20 deadline to provide these forms to the Secretary of State's Office. Mr. Crutchfield briefly discussed the disability appeals and closed with his Legal action plan, noting that 3 of 7 items would be completed following this meeting, and that the rest are in process.

Mr. Karlon provided his report on Legislative Affairs and PIO, commenting on the LSRs, stating many already have public hearings scheduled, and noted his department's focus on those while simultaneously working on educational seminars for this year, as well as preparing the NHRS 101 presentations for February to present to members, retirees, and employers, and legislators who are not on committees.

Mr. Leveque presented his report on Investments, noting his department met all 10 of its KPMs last month and provided an overview of the agenda for the IIC meeting, which immediately follows today's Board meeting. He mentioned the securities litigation discussed at the December Board meeting and noted the description at the top of the operating report, commenting on the firms the System contracts with for helping with such litigation. In closing, he noted his updated action plan.

Director of Member Services Nancy Miller gave her report, commenting on her department's continued work on PGV3 and primary focus on Deliverable 6 (D6), preparing for upcoming testing and meetings with LRS in February. She reported that Member Services met all 21 KPMs and provided a preview of upcoming projects, including the rollout of 1099-Rs later this month. Lastly, she noted updates to her action plan.

Ms. Mullen gave her Finance report, opening with Finance's ongoing involvement with PGV3, working on general ledger reporting, reviewing design documents for D6, and preparing for D6 testing in early February. She gave a status update on employer reporting as part of the PGV3 project, and the progress of surveys to school districts about teacher contracts. Finance met all applicable KPMs. Finance is working on the FY 22 GASB 68 and 75 reports and Ms. Mullen noted she expects to present the material at the February Board meeting. She reported that cash flows for November 30, 2022, and fiscal year-to-date were within range; the FY 23 administrative expenses for the first five months of the fiscal year are below budget overall; and the PGV3 project, inception-to-date, is below budget. Lastly, she noted that she expects that NHRS would be making an offer to a candidate for the Controller position in the upcoming week or two.

In closing, Ms. Mullen gave a recap on HB 1221, noting Finance had reconciled 55 of the remaining 59 employers eligible for the 7.5% state contribution through the State Treasurer's Office, and the remaining four employers were expected to be reconciled soon. On a motion by Trustee Roy, seconded by Trustee Hannan, the Board voted to certify to the State Treasurer the remaining employer contributions pursuant to HB 1221 of 2022, as presented, with one abstention.

Ms. Cain gave her Human Resources report, providing updates on the recruitment of the Director of IT, and Controller positions. She reported HR is working on securing a new

payroll provider, with the expectation of making changes after the first quarter of the calendar year. She mentioned the staff engagement survey is due at the end of this week. In closing, she noted her department is working on staff W2s and that the 1095 forms for staff are completed and available electronically.

Director of Information Technology (IT) Frank Clough provided his operating report, with an update on cybersecurity awareness, noting IT conducted its monthly phishing test, adding that IT gave additional training to the staff who failed. He then updated the Board on the recent power outage, noting the generator was inoperable and, because of the age of the generator, the parts are not available. He reported IT resolved to find alternative, affordable options to replacing it. He gave an update on a new security application to protect the System's network, stating he expects the installation to be completed by the end of January. He reported on the fax migration project, noting faxes have partly moved to the Cloud and testing is underway. He mentioned the System's migration from using WebEx to Microsoft Teams for meetings, adding it was a cost-free move for NHRS. Mr. Clough reported that, with the recent approval of the K logix contract, IT is preparing for the penetration and vulnerability assessment, and that the hardware and software has been purchased for the PGV3 kickoff. IT met all KPMs this month. In closing, he gave a brief overview of upcoming projects and noted his action plan is up to date.

Presiding Chair Kelliher thanked Mr. Clough for his final report to the Board, followed by a round of applause from Trustees. Mr. Clough expressed his gratitude for his time serving NHRS, a little over nine years. Executive Director Goodwin presented him a plaque and commended his work for keeping NHRS secure over the years, and especially during the move into a remote-working capacity at the start of the pandemic to keep NHRS serving its employers, members, and retirees. Lastly, she commended his dedication to building a good team in IT.

Presiding Chair Kelliher next presented the Consent Agenda, and on a motion by Trustee Martins, seconded by Trustee Hannan, the Board voted unanimously to approve the Consent Agenda, as presented.

There were no travel reports or requests.

Ms. Goodwin provided an update on Action Items from the December 13, 2022, Board meeting, commenting that all items except for one would be completed by the end of today's meeting. The one incomplete item involved seeking legislative appropriation for funding the call firefighter benefits and is in progress. The funding is expected to be included in this year's budget bill.

During the Board checkpoint, presiding Chair Kelliher announced new Trustee committee appointments, and again thanked Mr. Clough, whose last day at NHRS is February 10.

With no further business to discuss, on a motion by Trustee Roy, seconded by Trustee Maloney, the Board voted unanimously to adjourn the meeting at 11:19 a.m.

Respectfully submitted,

Christine McKenney,
Administrative Assistant

AUDIT COMMITTEE

GOVERNANCE COMMITTEE

Oral Presentation Only

Independent Investment Committee's Monthly Report to the Board

NHRS Investment Team
Board of Trustees Meeting
February 14, 2023

Total Plan Performance as of December 31, 2022



The table below details the rates of return for the fund's asset classes over various time periods ended December 31, 2022. 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 December 31, 2022								
Composite	Total Fund Weighting As of 12/31/2022	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.00%	-5.42%	3.71%	-17.72%	-17.72%	6.58%	7.81%	11.37%
Domestic Equity Benchmark(1)		-5.86%	2.40%	-19.21%	-19.21%	6.37%	8.64%	12.22%
Excess Return		0.44%	1.32%	1.49%	1.49%	0.21%	-0.83%	-0.85%
Total Non US Equity	16.92%	-1.15%	4.71%	-18.04%	-18.04%	-0.94%	0.59%	3.74%
Non US Equity Benchmark(2)		-0.75%	2.96%	-16.00%	-16.00%	0.07%	0.88%	3.80%
Excess Return		-0.40%	1.75%	-2.03%	-2.03%	-1.01%	-0.30%	-0.06%
Total Fixed Income	18.82%	-0.12%	-1.35%	-12.02%	-12.02%	-1.24%	0.75%	1.73%
Bloomberg Capital Universe Bond Index		-0.34%	-2.31%	-12.99%	-12.99%	-2.54%	0.18%	1.33%
Excess Return		0.22%	0.96%	0.97%	0.97%	1.30%	0.57%	0.40%
Total Cash	1.16%	0.35%	1.43%	1.58%	1.58%	0.75%	1.32%	0.83%
3-Month Treasury Bill		0.36%	1.31%	1.46%	1.46%	0.72%	1.26%	0.76%
Excess Return		-0.01%	0.12%	0.13%	0.13%	0.03%	0.06%	0.07%
Total Real Estate (Q3)*	13.27%	1.36%	1.03%	20.74%	20.74%	15.57%	12.64%	12.62%
Real Estate Benchmark(3)		0.10%	4.87%	20.96%	20.96%	11.38%	9.26%	9.98%
Excess Return		1.26%	-3.83%	-0.22%	-0.22%	4.19%	3.38%	2.64%
Total Private Equity (Q3)*	14.64%	-2.03%	-2.05%	1.46%	1.46%	17.75%	15.33%	12.79%
Private Equity Benchmark(4)		-8.80%	-18.84%	-12.74%	-12.74%	11.56%	12.65%	15.62%
Excess Return		6.77%	16.79%	14.19%	14.19%	6.18%	2.67%	-2.84%
Total Private Debt (Q3)*	5.18%	1.36%	1.35%	6.98%	6.98%	6.10%	5.63%	7.12%
Private Debt Benchmark(5)		-3.29%	-6.75%	-6.59%	-6.59%	0.44%	1.93%	7.36%
Excess Return		4.65%	8.10%	13.58%	13.58%	5.66%	3.70%	-0.24%
Total Fund Composite	100.00%	-1.95%	1.52%	-8.81%	-8.81%	5.90%	6.15%	7.88%
Total Fund Benchmark(6)		-3.03%	-0.81%	-11.67%	-11.67%	4.16%	5.47%	7.74%
Excess Return		1.08%	2.32%	2.86%	2.86%	1.74%	0.68%	0.14%

(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% S&P LSTA Leveraged Loan 100 ldx + 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% S&P/LSTA Lev Loan 100 lagged 3 months +1.0%.

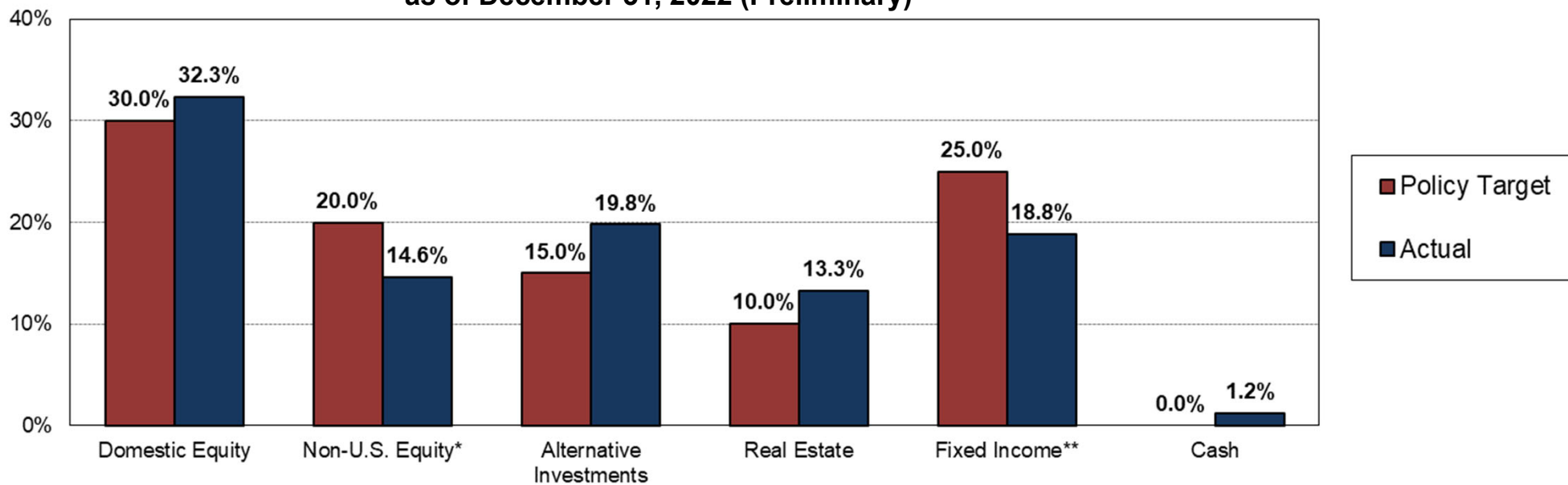
*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

(7) For the trailing 25 year period ended 12/31/22, the Total Fund has returned 6.71% versus the Total Fund Custom Benchmark return of 6.75%.

Source: Callan

Asset Class Policy Targets vs. Actual Allocation

**Asset Class Targets vs. Actual Allocation
as of December 31, 2022 (Preliminary)**



Asset Class	Policy Target	Actual	Range
Domestic Equity	30.0%	32.3%	20 - 40%
Non-U.S. Equity*	20.0%	14.6%	15 - 25%
Alternative Investments	15.0%	19.8%	5 - 25%
Real Estate	10.0%	13.3%	5 - 20%
Fixed Income**	25.0%	18.8%	20 - 30%
Cash	0.0%	1.2%	NA
	100.0%	100.0%	

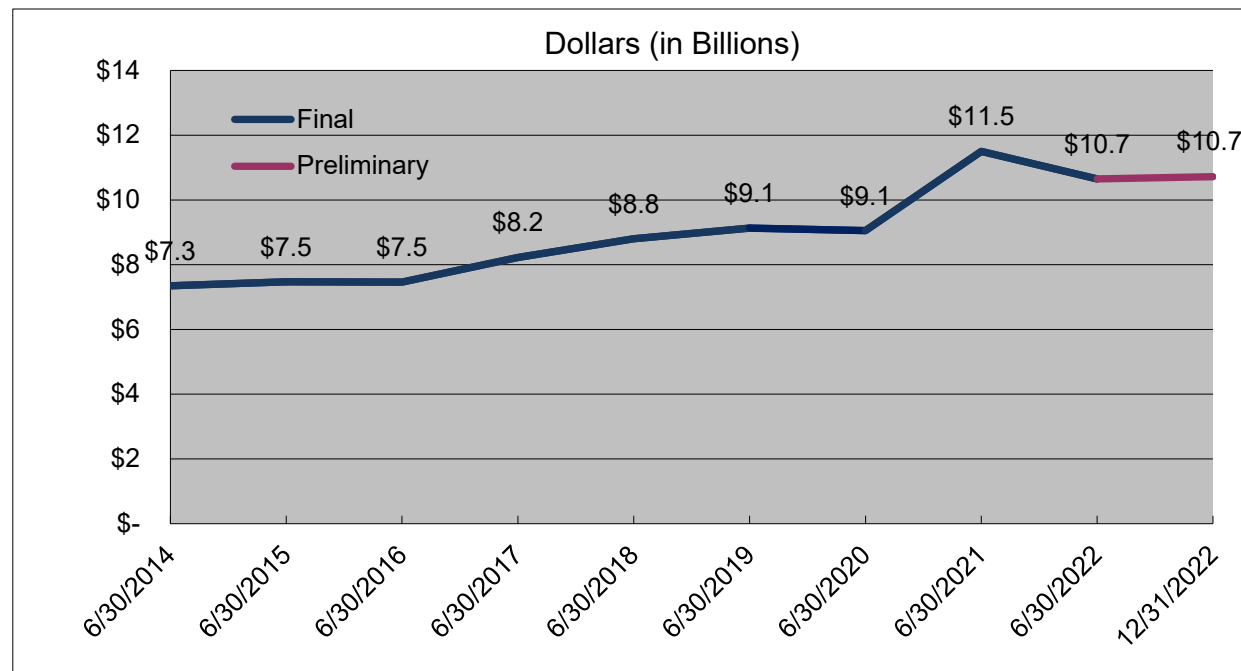
Source: NHRS

**Staff is monitoring Non-U.S. Equity and will rebalance from Domestic Equity as needed to meet minimum target range*

***Fixed Income is within lower-end of the range when Cash is included; Staff is monitoring Fixed Income and will rebalance from Domestic Equity as needed to meet minimum target range*

Total Fund Market Value

<u>Fiscal Year</u>	<u>Dollars (in Billions)</u>
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
December 31,2022	\$10.7



Source: NHRS

December 31, 2022



New Hampshire Retirement System

**Investment Measurement Service
Monthly Review**

The table below details the rates of return for the fund's asset classes over various time periods ended December 31, 2022. 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 December 31, 2022								
Composite	Total Fund Weighting As of 12/31/2022	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.00%	-5.42%	3.71%	-17.72%	-17.72%	6.58%	7.81%	11.37%
Domestic Equity Benchmark(1)		-5.86%	2.40%	-19.21%	-19.21%	6.37%	8.64%	12.22%
Excess Return		0.44%	1.32%	1.49%	1.49%	0.21%	-0.83%	-0.85%
Total Non US Equity	16.92%	-1.15%	4.71%	-18.04%	-18.04%	-0.94%	0.59%	3.74%
Non US Equity Benchmark(2)		-0.75%	2.96%	-16.00%	-16.00%	0.07%	0.88%	3.80%
Excess Return		-0.40%	1.75%	-2.03%	-2.03%	-1.01%	-0.30%	-0.06%
Total Fixed Income	18.82%	-0.12%	-1.35%	-12.02%	-12.02%	-1.24%	0.75%	1.73%
Bloomberg Capital Universe Bond Index		-0.34%	-2.31%	-12.99%	-12.99%	-2.54%	0.18%	1.33%
Excess Return		0.22%	0.96%	0.97%	0.97%	1.30%	0.57%	0.40%
Total Cash	1.16%	0.35%	1.43%	1.58%	1.58%	0.75%	1.32%	0.83%
3-Month Treasury Bill		0.36%	1.31%	1.46%	1.46%	0.72%	1.26%	0.76%
Excess Return		-0.01%	0.12%	0.13%	0.13%	0.03%	0.06%	0.07%
Total Real Estate (Q3)*	13.27%	1.36%	1.03%	20.74%	20.74%	15.57%	12.64%	12.62%
Real Estate Benchmark(3)		0.10%	4.87%	20.96%	20.96%	11.38%	9.26%	9.98%
Excess Return		1.26%	-3.83%	-0.22%	-0.22%	4.19%	3.38%	2.64%
Total Private Equity (Q3)*	14.64%	-2.03%	-2.05%	1.46%	1.46%	17.75%	15.33%	12.79%
Private Equity Benchmark(4)		-8.80%	-18.84%	-12.74%	-12.74%	11.56%	12.65%	15.62%
Excess Return		6.77%	16.79%	14.19%	14.19%	6.18%	2.67%	-2.84%
Total Private Debt (Q3)*	5.18%	1.36%	1.35%	6.98%	6.98%	6.10%	5.63%	7.12%
Private Debt Benchmark(5)		-3.29%	-6.75%	-6.59%	-6.59%	0.44%	1.93%	7.36%
Excess Return		4.65%	8.10%	13.58%	13.58%	5.66%	3.70%	-0.24%
Total Fund Composite	100.00%	-1.95%	1.52%	-8.81%	-8.81%	5.90%	6.15%	7.88%
Total Fund Benchmark(6)		-3.03%	-0.81%	-11.67%	-11.67%	4.16%	5.47%	7.74%
Excess Return		1.08%	2.32%	2.86%	2.86%	1.74%	0.68%	0.14%

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

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(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% S&P LSTA Leveraged Loan 100 ldx + 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% S&P/LSTA Lev Loan 100 lagged 3 months +1.0%.

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

(7) For the trailing 25 year period ended 12/31/22, the Total Fund has returned 6.71% versus the Total Fund Custom Benchmark return of 6.75%.

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2022. 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 December 31, 2022								
Composite	Total Fund Weighting As of 12/31/2022	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.00%	-5.42%	3.71%	-17.72%	-17.72%	6.58%	7.81%	11.37%
Domestic Equity Benchmark(1)		-5.86%	2.40%	-19.21%	-19.21%	6.37%	8.64%	12.22%
Excess Return		0.44%	1.32%	1.49%	1.49%	0.21%	-0.83%	-0.85%
Large Cap Domestic Equity	17.45%	-5.76%	2.30%	-18.11%	-18.11%	6.46%	8.12%	11.72%
S&P 500 Index		-5.76%	2.31%	-18.11%	-18.11%	7.66%	9.42%	12.56%
Excess Return		0.00%	-0.01%	0.00%	0.00%	-1.20%	-1.30%	-0.84%
BlackRock S&P 500	17.45%	-5.76%	2.30%	-18.11%	-18.11%	7.63%	9.40%	12.54%
S&P 500 Index		-5.76%	2.31%	-18.11%	-18.11%	7.66%	9.42%	12.56%
Excess Return		0.00%	-0.01%	0.00%	0.00%	-0.03%	-0.03%	-0.02%
Smid Cap Domestic Equity	5.46%	-4.97%	4.08%	-18.54%	-18.54%	6.13%	5.80%	10.19%
Russell 2500 Index		-5.95%	4.40%	-18.37%	-18.37%	5.00%	5.89%	10.03%
Excess Return		0.97%	-0.32%	-0.17%	-0.17%	1.13%	-0.09%	0.16%
AllianceBernstein	3.34%	-5.16%	4.31%	-24.54%	-24.54%	6.18%	6.27%	10.58%
Russell 2500 Index		-5.95%	4.40%	-18.37%	-18.37%	5.00%	5.89%	10.03%
Excess Return		0.79%	-0.09%	-6.17%	-6.17%	1.18%	0.38%	0.55%
TSW	2.11%	-4.68%	3.71%	-6.83%	-6.83%	6.05%	5.05%	9.50%
TSW Blended Benchmark (2)		-5.94%	4.29%	-13.08%	-13.08%	5.22%	6.03%	10.10%
Excess Return		1.27%	-0.58%	6.26%	6.26%	0.84%	-0.98%	-0.60%
Small Cap Domestic Equity	7.10%	-4.92%	7.06%	-16.09%	-16.09%	7.46%	8.49%	11.43%
Russell 2000 Index		-6.49%	3.91%	-20.44%	-20.44%	3.10%	4.13%	9.01%
Excess Return		1.57%	3.15%	4.34%	4.34%	4.36%	4.37%	2.42%
Boston Trust	1.95%	-4.72%	7.27%	-8.61%	-8.61%	9.07%	9.92%	11.08%
Russell 2000 Index		-6.49%	3.91%	-20.44%	-20.44%	3.10%	4.13%	9.01%
Excess Return		1.77%	3.37%	11.82%	11.82%	5.97%	5.80%	2.07%
Segall Bryant & Hamill	1.99%	-3.85%	10.44%	-12.96%	-12.96%	9.79%	9.95%	11.14%
Russell 2000 Index		-6.49%	3.91%	-20.44%	-20.44%	3.10%	4.13%	9.01%
Excess Return		2.64%	6.53%	7.48%	7.48%	6.69%	5.83%	2.13%
Wellington	3.16%	-5.70%	4.91%	-21.82%	-21.82%	5.21%	6.90%	11.81%
Russell 2000 Index		-6.49%	3.91%	-20.44%	-20.44%	3.10%	4.13%	9.01%
Excess Return		0.79%	1.01%	-1.38%	-1.38%	2.11%	2.78%	2.80%

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

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

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2022. 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 December 31, 2022								
Composite	Total Fund Weighting As of 12/31/2022	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	16.92%	-1.15%	4.71%	-18.04%	-18.04%	-0.94%	0.59%	3.74%
Non US Equity Benchmark (1)		-0.75%	2.96%	-16.00%	-16.00%	0.07%	0.88%	3.80%
Excess Return		-0.40%	1.75%	-2.03%	-2.03%	-1.01%	-0.30%	-0.06%
Core Non US Equity	8.76%	-0.53%	6.53%	-15.10%	-15.10%	-0.78%	0.49%	3.31%
Core Non US Benchmark (2)		-0.75%	2.96%	-16.00%	-16.00%	0.07%	0.88%	3.80%
Excess Return		0.22%	3.57%	0.91%	0.91%	-0.85%	-0.40%	-0.49%
Aristotle	1.35%	-1.65%	4.63%	-20.84%	-20.84%	-	-	-
MSCI EAFE		0.08%	6.36%	-14.45%	-14.45%	-	-	-
Excess Return		-1.73%	-1.73%	-6.39%	-6.39%	-	-	-
Artisan Partners	2.99%	-1.57%	6.91%	-18.97%	-18.97%	-1.66%	1.97%	-
MSCI EAFE		0.08%	6.36%	-14.45%	-14.45%	0.87%	1.54%	-
Excess Return		-1.65%	0.55%	-4.52%	-4.52%	-2.52%	0.43%	-
Causeway Capital	3.12%	1.30%	8.47%	-7.18%	-7.18%	2.64%	1.30%	-
MSCI EAFE		0.08%	6.36%	-14.45%	-14.45%	0.87%	1.54%	-
Excess Return		1.22%	2.11%	7.27%	7.27%	1.77%	-0.24%	-
Lazard	1.29%	-1.26%	3.20%	-16.78%	-16.78%	-	-	-
MSCI EAFE		0.08%	6.36%	-14.45%	-14.45%	-	-	-
Excess Return		-1.34%	-3.16%	-2.33%	-2.33%	-	-	-
Emerging Markets	2.95%	-1.47%	-0.73%	-21.78%	-21.78%	-5.46%	-3.90%	0.48%
MSCI EM		-1.41%	-2.99%	-20.09%	-20.09%	-2.69%	-1.39%	1.44%
Excess Return		-0.06%	2.26%	-1.68%	-1.68%	-2.77%	-2.50%	-0.96%
Neuberger Berman	1.50%	-2.27%	-2.27%	-23.25%	-23.25%	-6.36%	-4.36%	-
MSCI EM		-1.41%	-2.99%	-20.09%	-20.09%	-2.69%	-1.39%	-
Excess Return		-0.86%	0.72%	-3.16%	-3.16%	-3.67%	-2.97%	-
Wellington Emerging Markets	1.45%	-0.62%	0.92%	-20.19%	-20.19%	-4.49%	-3.45%	2.13%
MSCI EM		-1.41%	-2.99%	-20.09%	-20.09%	-2.69%	-1.39%	1.44%
Excess Return		0.78%	3.92%	-0.09%	-0.09%	-1.80%	-2.06%	0.69%
Non US Small Cap	1.07%	-0.16%	6.28%	-24.06%	-24.06%	-7.42%	-6.75%	0.87%
MSCI EAFE Small Cap		1.07%	4.41%	-21.39%	-21.39%	-0.93%	-0.05%	6.21%
Excess Return		-1.23%	1.87%	-2.67%	-2.67%	-6.48%	-6.70%	-5.34%
Wellington Int'l Small Cap Research	1.07%	-0.16%	6.28%	-24.06%	-24.06%	-	-	-
MSCI EAFE Small Cap		1.07%	4.41%	-21.39%	-21.39%	-	-	-
Excess Return		-1.23%	1.87%	-2.67%	-2.67%	-	-	-
Global Equity	4.13%	-2.45%	4.61%	-19.54%	-19.54%	4.50%	8.14%	9.97%
MSCI ACWI net		-3.94%	2.28%	-18.36%	-18.36%	4.00%	5.23%	7.98%
Excess Return		1.48%	2.33%	-1.17%	-1.17%	0.50%	2.92%	1.99%
Walter Scott Global Equity	4.13%	-2.45%	4.61%	-19.54%	-19.54%	4.50%	8.14%	9.97%
Walter Scott Blended Benchmark (3)		-3.94%	2.28%	-18.36%	-18.36%	4.00%	5.23%	7.98%
Excess Return		1.48%	2.33%	-1.17%	-1.17%	0.50%	2.92%	1.99%

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

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

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

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2022. 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 December 31, 2022								
Composite	Total Fund Weighting As of 12/31/2022	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Fixed Income	18.82%	-0.12%	-1.35%	-12.02%	-12.02%	-1.24%	0.75%	1.73%
<i>Fixed Income Benchmark (1)</i>		-0.34%	-2.31%	-12.99%	-12.99%	-2.54%	0.18%	1.33%
<i>Excess Return</i>		0.22%	0.96%	0.97%	0.97%	1.30%	0.57%	0.40%
BlackRock SIO Bond Fund	2.30%	0.12%	-0.08%	-6.24%	-6.24%	0.54%	-	-
<i>BlackRock Custom Benchmark (2)</i>		0.34%	1.47%	1.65%	1.65%	0.85%	-	-
<i>Excess Return</i>		-0.22%	-1.55%	-7.90%	-7.90%	-0.31%	-	-
Brandywine Asset Mgmt	2.06%	1.78%	-2.26%	-15.84%	-15.84%	-3.62%	-1.42%	0.44%
<i>Brandywine Custom Benchmark (3)</i>		-0.28%	-4.14%	-18.42%	-18.42%	-5.81%	-2.58%	-1.25%
<i>Excess Return</i>		2.06%	1.89%	2.58%	2.58%	2.19%	1.16%	1.69%
FIAM (Fidelity) Tactical Bond	3.26%	-0.46%	-0.02%	-10.86%	-10.86%	-0.44%	-	-
<i>Bloomberg Aggregate</i>		-0.45%	-2.97%	-13.01%	-13.01%	-2.71%	-	-
<i>Excess Return</i>		0.00%	2.95%	2.15%	2.15%	2.28%	-	-
Income Research & Management	6.89%	-0.55%	-3.05%	-13.88%	-13.88%	-2.13%	0.51%	1.52%
<i>Bloomberg Gov/Credit</i>		-0.48%	-2.84%	-13.58%	-13.58%	-2.57%	0.21%	1.16%
<i>Excess Return</i>		-0.08%	-0.21%	-0.31%	-0.31%	0.44%	0.30%	0.36%
Loomis Sayles	2.45%	-0.10%	-0.05%	-11.53%	-11.53%	0.64%	2.20%	3.15%
<i>Loomis Sayles Custom Benchmark (4)</i>		-0.51%	-0.72%	-12.32%	-12.32%	-1.65%	0.90%	2.14%
<i>Excess Return</i>		0.41%	0.67%	0.79%	0.79%	2.29%	1.31%	1.00%
Manulife Strategic Fixed Income	1.86%	-0.28%	0.63%	-9.84%	-9.84%	-0.81%	1.01%	-
<i>Bloomberg Multiverse</i>		0.55%	-2.37%	-16.01%	-16.01%	-4.38%	-1.57%	-
<i>Excess Return</i>		-0.83%	3.00%	6.18%	6.18%	3.56%	2.58%	-
Total Cash	1.16%	0.35%	1.43%	1.58%	1.58%	0.75%	1.32%	0.83%
<i>3-month Treasury Bill</i>		0.36%	1.31%	1.46%	1.46%	0.72%	1.26%	0.76%
<i>Excess Return</i>		-0.01%	0.12%	0.13%	0.13%	0.03%	0.06%	0.07%
Total Marketable Assets	66.91%	-2.79%	2.44%	-15.91%	-15.91%	2.33%	3.77%	6.58%
<i>Total Marketable Index (5)</i>		-2.65%	1.19%	-16.01%	-16.01%	2.04%	4.03%	6.80%
<i>Excess Return</i>		-0.14%	1.25%	0.10%	0.10%	0.28%	-0.25%	-0.21%

(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 December 31, 2022. 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 December 31, 2022							
	Total Fund Weighting As of 12/31/2022	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q3)* (5)	13.27%	1.36%	1.03%	20.74%	20.74%	15.57%	12.64%	12.62%
Real Estate Benchmark (1)		0.10%	4.87%	20.96%	20.96%	11.38%	9.26%	9.98%
Excess Return		1.26%	-3.83%	-0.22%	-0.22%	4.19%	3.38%	2.64%
Strategic Core Real Estate (Q3)*	8.93%	1.76%	1.63%	25.83%	25.83%	14.60%	12.20%	11.75%
Real Estate Benchmark (1)		0.10%	4.87%	20.96%	20.96%	11.38%	9.26%	9.98%
Excess Return		1.65%	-3.24%	4.87%	4.87%	3.22%	2.93%	1.78%
Tactical Non-Core Real Estate (Q3)*	4.34%	0.56%	-0.18%	11.73%	11.73%	17.10%	13.37%	14.11%
Real Estate Benchmark (1)		0.10%	4.87%	20.96%	20.96%	11.38%	9.26%	9.98%
Excess Return		0.45%	-5.05%	-9.23%	-9.23%	5.72%	4.11%	4.14%
Total Alternative Assets (Q3)*	19.82%	-1.17%	-1.19%	2.83%	2.83%	14.11%	11.66%	9.86%
Alternative Assets Benchmark (2)		-7.01%	-14.95%	-10.61%	-10.61%	7.76%	8.44%	11.62%
Excess Return		5.83%	13.76%	13.44%	13.44%	6.35%	3.22%	-1.76%
Total Private Equity (Q3)*	14.64%	-2.03%	-2.05%	1.46%	1.46%	17.75%	15.33%	12.79%
Private Equity Benchmark (3)		-8.80%	-18.84%	-12.74%	-12.74%	11.56%	12.65%	15.62%
Excess Return		6.77%	16.79%	14.19%	14.19%	6.18%	2.67%	-2.84%
Total Private Debt (Q3)*	5.18%	1.36%	1.35%	6.98%	6.98%	6.10%	5.63%	7.12%
Private Debt Benchmark (4)		-3.29%	-6.75%	-6.59%	-6.59%	0.44%	1.93%	7.36%
Excess Return		4.65%	8.10%	13.58%	13.58%	5.66%	3.70%	-0.24%

(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% S&P 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 December 31, 2022, with the distribution as of November 30, 2022. 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

	December 31, 2022				November 30, 2022	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Domestic Equity	\$3,216,552,951	30.00%	\$0	\$(183,497,808)	\$3,400,050,759	31.06%
Large Cap Domestic Equity	\$1,870,663,499	17.45%	\$0	\$(114,280,336)	\$1,984,943,834	18.13%
Blackrock S&P 500	1,870,663,499	17.45%	0	(114,280,336)	1,984,943,834	18.13%
SMid Cap Domestic Equity	\$585,022,580	5.46%	\$0	\$(30,327,570)	\$615,350,150	5.62%
AllianceBernstein	358,278,490	3.34%	0	(19,318,738)	377,597,228	3.45%
TSW	226,744,090	2.11%	0	(11,008,832)	237,752,922	2.17%
Small Cap Domestic Equity	\$760,866,872	7.10%	\$0	\$(38,889,902)	\$799,756,774	7.31%
Boston Trust	208,863,896	1.95%	0	(10,266,369)	219,130,265	2.00%
Segall Bryant & Hamill	213,138,431	1.99%	0	(8,383,191)	221,521,622	2.02%
Wellington	338,864,545	3.16%	0	(20,240,342)	359,104,887	3.28%
Total Non US Equity	\$1,814,326,702	16.92%	\$(7)	\$(20,063,489)	\$1,834,390,198	16.76%
Core Non US Equity (1)	\$939,207,493	8.76%	\$(7)	\$(4,547,443)	\$943,754,942	8.62%
Aristotle	144,844,926	1.35%	0	(2,374,039)	147,218,965	1.34%
Artisan Partners	320,469,946	2.99%	0	(4,930,420)	325,400,366	2.97%
Causeway Capital	334,785,379	3.12%	0	4,438,491	330,346,888	3.02%
Lazard	138,402,107	1.29%	0	(1,705,970)	140,108,078	1.28%
Emerging Markets	\$316,721,386	2.95%	\$0	\$(4,464,202)	\$321,185,588	2.93%
Neuberger Berman	161,233,221	1.50%	0	(3,622,489)	164,855,710	1.51%
Wellington Emerging Markets	155,488,165	1.45%	0	(841,713)	156,329,878	1.43%
Non US Small Cap	\$115,144,091	1.07%	\$0	\$(111,933)	\$115,256,024	1.05%
Wellington Int'l Small Cap Research	115,144,091	1.07%	0	(111,933)	115,256,024	1.05%
Global Equity	\$443,253,732	4.13%	\$0	\$(10,939,912)	\$454,193,644	4.15%
Walter Scott Global Equity	443,253,732	4.13%	0	(10,939,912)	454,193,644	4.15%
Total Fixed Income	\$2,017,993,067	18.82%	\$0	\$(1,893,521)	\$2,019,886,587	18.45%
BlackRock SIO Bond Fund	246,631,448	2.30%	0	401,466	246,229,982	2.25%
Brandywine Asset Mgmt	221,259,682	2.06%	0	3,932,715	217,326,967	1.99%
FIAM (Fidelity) Tactical Bond	349,595,213	3.26%	0	(1,503,635)	351,098,848	3.21%
Income Research & Management	738,659,439	6.89%	0	(4,011,115)	742,670,554	6.78%
Loomis Sayles	262,600,601	2.45%	0	(202,062)	262,802,664	2.40%
Manulife Strategic Fixed Income	199,246,682	1.86%	0	(510,889)	199,757,571	1.82%
Total Cash	\$124,325,969	1.16%	\$(37,708,155)	\$521,913	\$161,512,212	1.48%
Total Marketable Assets	\$7,173,198,688	66.91%	\$(37,708,162)	\$(204,932,905)	\$7,415,839,755	67.74%
Total Real Estate	\$1,422,541,323	13.27%	\$2,375,664	\$19,683,769	\$1,400,481,890	12.79%
Strategic Core Real Estate	957,581,943	8.93%	(3,006,519)	17,125,442	943,463,020	8.62%
Tactical Non-Core Real Estate	464,959,379	4.34%	5,382,183	2,558,326	457,018,870	4.17%
Total Alternative Assets	\$2,125,055,510	19.82%	\$14,719,804	\$(20,997,820)	\$2,131,333,527	19.47%
Private Equity	1,569,482,408	14.64%	6,652,123	(30,075,807)	1,592,906,092	14.55%
Private Debt	555,573,102	5.18%	8,067,681	9,077,987	538,427,435	4.92%
Total Fund Composite	\$10,720,795,521	100.0%	\$(25,879,908)	\$(200,979,743)	\$10,947,655,172	100.0%

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

(1) Includes \$705,134 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

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NHRS

New Hampshire Retirement System

To: Investment Committee and Board of Trustees

From: Raynald Leveque, Chief Investment Officer

Date: January 10, 2023

Re: **2022 Proxy Voting Summary**

Item: Action: ☐

Discussion: ☐

Informational: ☒

Shareholder responsibility is fundamental to good corporate governance, which requires an appropriate balance between the rights of shareholders and the need for management and the board to direct a corporation's affairs with a long-term perspective. The System's shareholder voting rights must be managed with the same care as any of its other assets. Therefore, the Board has adopted a formal Proxy Voting Policy reflecting three objectives: to protect the System's rights; to promote responsible corporate policies and activities; and to enhance long-term value.

The Proxy Voting Policy under which voting was conducted during calendar year 2022 was adopted by the Board on May 14, 2019. The Policy will be reviewed with Institutional Shareholder Services ("ISS"), the System's proxy voting agent, in early 2023 to ensure that it reflects current industry practices and any changes necessary due to new legislation. Should changes to the Policy be recommended by ISS, a revised Policy will be presented to the Investment Committee for recommendation to the Board.

For the 2022 calendar year, a total of 14,537 proposals were voted, representing 1,249 meetings for the companies owned in the System's investment portfolio. Among other things, the proxies focused on the election of board directors, auditor ratification and executive compensation. System policies generally support management if the position is reasonable, is not detrimental to the long-term economic prospects of the company, and does not tend to diminish the rights of shareholders.

Nearly 100% of votes cast during 2022 were compliant with the System's Proxy Voting Policy. One vote out of 14,537 was classified as "against" the System's Proxy Voting policy as a result of an administrative issue, which did not have any impact on the ultimate vote outcome.

A summary of 2022 proxy voting is provided below.

Summary of 2022 Proxy Voting:

	For	Against	Abstain/Withhold	Total
Management Proposals	11,834	1,513	577	13,924
Shareholder Proposals	218	41	302	561
Total	12,052 (83%)	1,554 (11%)	879 (6%)	14,485*

* Does not include 52 "Say on Pay Frequency" votes, as these are not voted on a *For* or *Against* basis, but are voted for either *One*, *Two*, or *Three Year* terms.

LEGISLATIVE COMMITTEE

Oral Presentation Only

2023 Legislative Tracker

Updated: January 31, 2023

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
2023 NHRS-RELATED BILLS			
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	1/12/23: House ED&A Committee voted, 18-0, to recommend ought to pass (OTP). The bill is on the House calendar for 2/2/23.
HB 50	This bill provides that the state shall pay 7.5% of local employer retirement contributions for Group I Teachers and Group II Police and Fire members.	Rep. Michael Edgar	House Finance Committee – Division I work session scheduled for 1/31/23 at 10 a.m. in LOB 212.
HB 183	This bill allows retired Group II Fire members to be employed by the state fire academy and not have those employment hours count against the annual limit on part-time hours.	Rep. Dan Wolf	1/12/23: House ED&A Committee held public hearing.
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	1/12/23: House ED&A Committee held public hearing.
HB 250	This bill increases the amount of the retirement annuity payable upon the accidental death of a Group II member to 100 percent of earnable compensation at the member's death.	Rep. Ben Baroody	1/26/23: House ED&A Committee held public hearing.
HB 278	This bill allows retired Group II Police members to work special duty law enforcement and not have the special duty hours count against the annual limit on part-time hours.	Rep. Tracy Emrick	Referred to House ED&A Committee.
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	Referred to House ED&A Committee.
HB 436	This bill adjusts the application of the minimum age, minimum years of service, and annuity multipliers in 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	1/26/23: House ED&A Committee held public hearing.
HB 449	This bill increases the service retirement and disability retirement annuity multiplier for the first 20 years of service of Group II retirement system members under the transition provisions adopted in 2011.	Rep. Jeff Goley	1/26/23: House ED&A Committee held public hearing.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 457	This bill prohibits the state treasurer and NHRS from conducting business with any financial institution or proxies that prioritize social, political, or ideological interests above or in concert with the traditional fiduciary duty to maximize financial benefit.	Rep. JD Bernardy	Referred to House ED&A Committee.
HB 461	This bill requires political subdivision employers to obtain an analysis from the retirement system and continue to pay contributions when eliminating or transferring a Group II position from full-time to part-time.	Rep. Steve Pearson	Referred to House ED&A Committee.
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	1/26/23: House ED&A Committee voted, 13-0, to recommend inexpedient to legislate (ITL). The bill will be acted on by the House at a future session.
HB 555	This bill requires the transfer of 75 percent of a state biennial surplus to the reduction in the retirement system's unfunded accrued liability.	Rep. Tony Lekas	House Finance Committee – Division I work session scheduled for 1/31/23 at 10:30 a.m. in LOB 212.
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 join the “Group III” defined contribution plan administered by the retirement system, and any other Group I Employees may elect to join.	Rep. Dan McGuire	Referred to House ED&A Committee.
HB 571	This bill establishes a cost-of-living adjustment (COLA) to be paid on the first \$50,000 of a retired Group II member's or beneficiary's retirement benefit. Group II members retired 10 to 19 years as of July 1, 2023, are eligible for a 5% COLA; Group II members (or beneficiaries) retired 20 or more years as of July 1, 2023, are eligible for a 10% COLA. The cost of this benefit is paid from the state general fund.	Rep. Ben Baroody	1/26/23: House ED&A Committee held public hearing.
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	1/26/23: House ED&A Committee voted, 12-0, to recommend inexpedient to legislate (ITL). The bill will be acted on by the House at a future session.
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 by the sale of cannabis toward paying down the retirement system's unfunded actuarial accrued liability.	Rep. Jason Osborne	1/25/23: House Commerce and Consumer Affairs Committee held public hearing.
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 Sen. D'Allesandro	1/26/23: Senate, on a voice vote, accepted committee recommendation of ought to pass (OTP). Bill referred to Senate Finance Committee.
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 Rosenwald	Senate Finance Committee public hearing scheduled for 1/31/23 at 1:55 p.m. in SH 103.
SB 134	The bill establishes a retirement system benefit for Group II members who retire due to a violent act injury.	Sen. Regina Birdsell	Referred to Senate ED&A Committee.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
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 Sen. D'Allesandro	Referred to Senate ED&A Committee.
<i>Note: Additional Senate bills are expected to be introduced.</i>			
Committee Key: ED&A = Executive Departments & Administration; Location Key: LOB = Legislative Office Building; SH = State House.			

2023 Legislative Schedule

SENATE

Monday, February 27, 2023 – Friday, March 03, 2023 – SENATE BREAK.

Thursday, March 09, 2023 – Deadline for Policy Committees to ACT on all Senate bills with a fiscal impact, except bills exempted pursuant to Senate Rule 4-5.

Thursday, March 30, 2023 – CROSSOVER – Deadline to ACT on all Senate bills.

Thursday, May 18, 2023 – Deadline for Policy Committees to ACT on all House bills with a fiscal impact, except bills exempted pursuant to Senate Rule 4-5.

Thursday, June 08, 2023 – Deadline to ACT on all House bills.

Thursday, June 15, 2023 – Deadline to FORM Committees of Conference.

Thursday, June 22, 2023 – Deadline to SIGN Committee of Conference Reports.

Thursday, June 29, 2023 – Deadline to ACT on Committee of Conference Reports.

HOUSE

Thursday, February 16, 2023 – Last day to report HBs going to a second committee.

Thursday, February 23, 2023 – Last day to act on HBs going to a second committee.

Thursday, March 16, 2023 – Last day to report all HBs not in a second committee, except budget bills.

Thursday, March 23, 2023 – Last day to act on HBs not in a second committee, except budget bills.

Thursday, March 30, 2023 – Last day to report all remaining HBs; Last day to report list of retained HBs.

Thursday, April 6, 2023 – CROSSOVER Last day to act on all bills.

Thursday, May 11, 2023 – Last day to report Senate Bills going to a second committee.

Thursday, May 18, 2023 – Last day to act on SBs going to a second committee.

Thursday, June 1, 2023 – Last day to report all remaining SBs; Last day to report list of retained SBs.

Thursday, June 8, 2023 – Last day to act on SBs.

Thursday, June 15, 2023 – Last day to form Committees of Conference.

Thursday, June 22, 2023 – Last day to sign Committee of Conference reports (4 p.m.).

Thursday, June 29, 2023 – Last day to act on Committee of Conference reports.

BENEFITS COMMITTEE

Oral Presentation Only

PERSONNEL PERFORMANCE & COMPENSATION COMMITTEE

Oral Presentation Only

Public Pension Issues and Trends

Keith Brainard

Research Director







National Association of State Retirement Administrators

Presented to the

New Hampshire Retirement System Board

February 2023

Public pensions in the U.S.

-  Overview of public pensions in the US
-  Trends in funding conditions
-  Actuarial assumptions
-  Employee and employer contributions
-  Employment levels
-  Amortization methods

Comparison of Retirement Benefits in the U.S.

Private Sector

- 62% of full-time private sector workers participate in an employer-sponsored retirement plan; 21% of part-time workers participate
- In total, 51% of all private sector workers participate in an employer-sponsored retirement plan
- 18 percent participate in a traditional pension (DB) plan
- Social Security coverage is universal

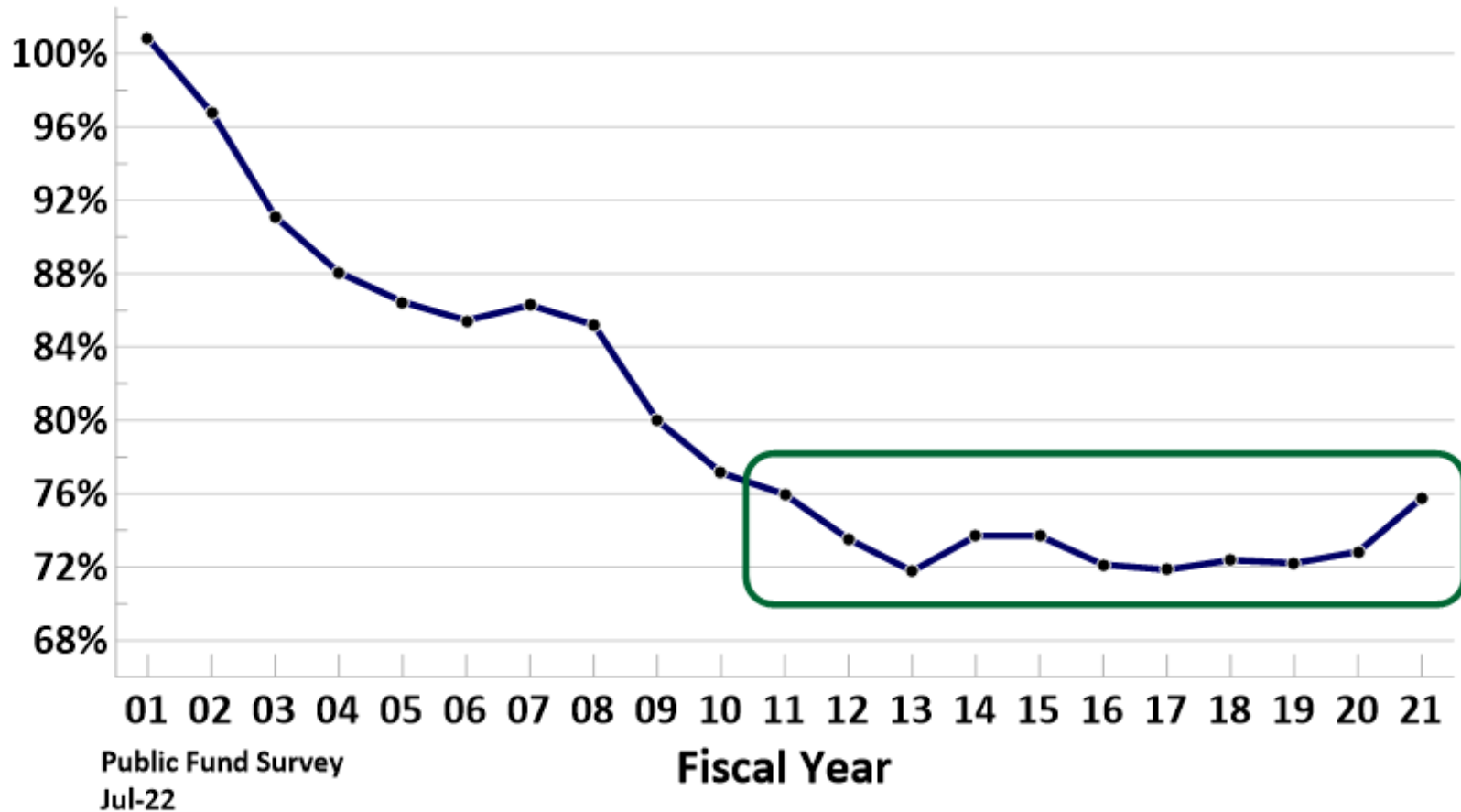
Public Sector

- Nearly all full-time workers have access to an employer-sponsored retirement benefit; most have access to a traditional pension (DB plan)
- 81% of full-time employees participate in a pension plan, as do 75% of all, including part-time workers; virtually all others are in a DC plan
- Three-fourths participate in Social Security

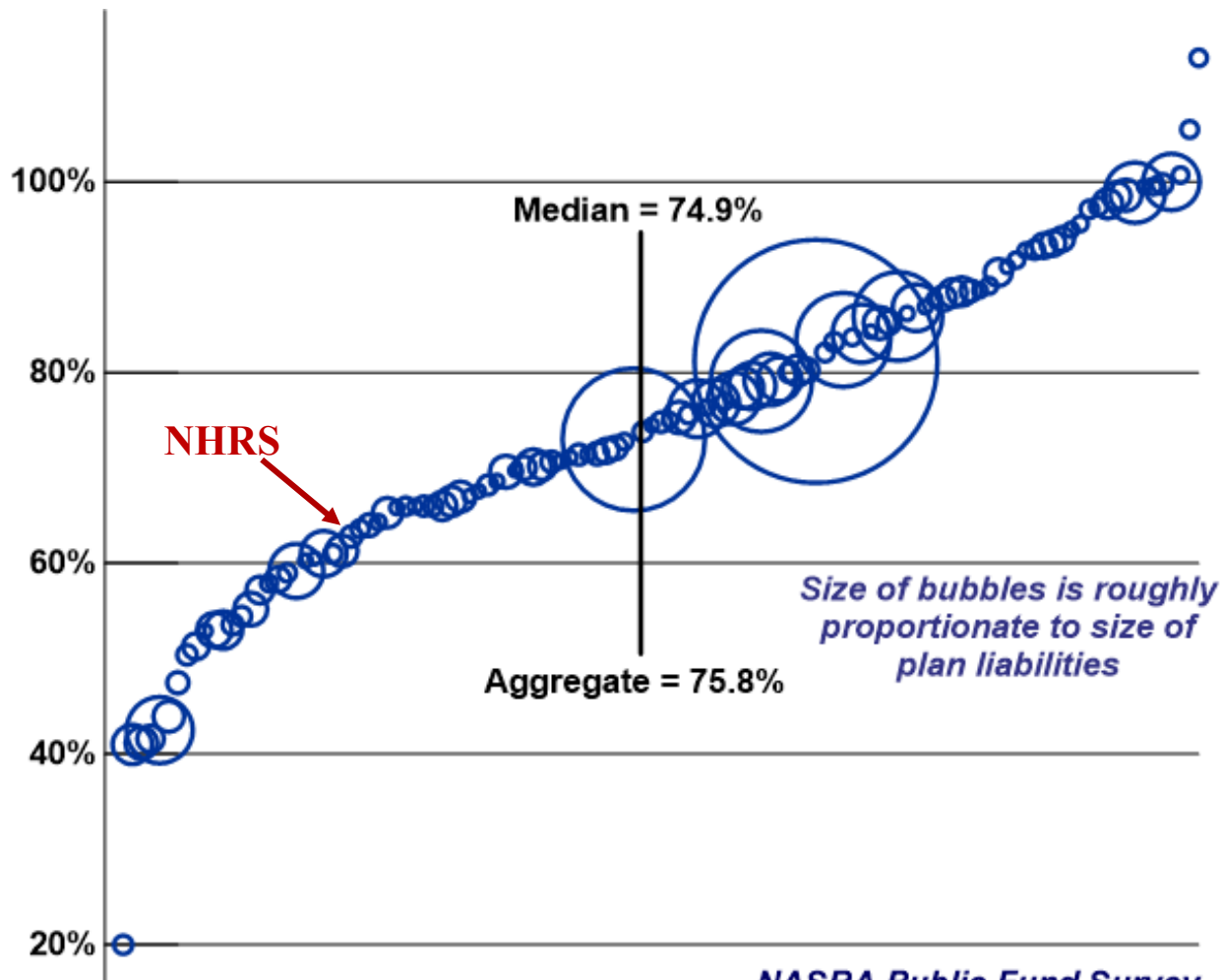
Public pensions in the U.S.

- ▲ ~\$5.0 trillion in assets (9/30/22 estimate)
- ▲ 14.6 million active (working) participants
 - ▲ 10 percent of the nation's workforce
- ▲ 11.2 million retirees and their survivors receive \$320+ billion annually in benefits
- ▲ Annual contributions = \$238 billion
 - ▲ \$180 billion from employers
 - ▲ \$58 billion from employees
- ▲ Of 5,000+ public retirement systems, the largest 75 account for 80+ percent of assets and members
- ▲ Aggregate funding level = ~75%

Change in aggregate public pension funding level, FY 01 to FY 21






Distribution of Public Pension Actuarial Funding Levels, FY 21






Key Factors Pushing Funding Levels Higher and Pulling Them Lower

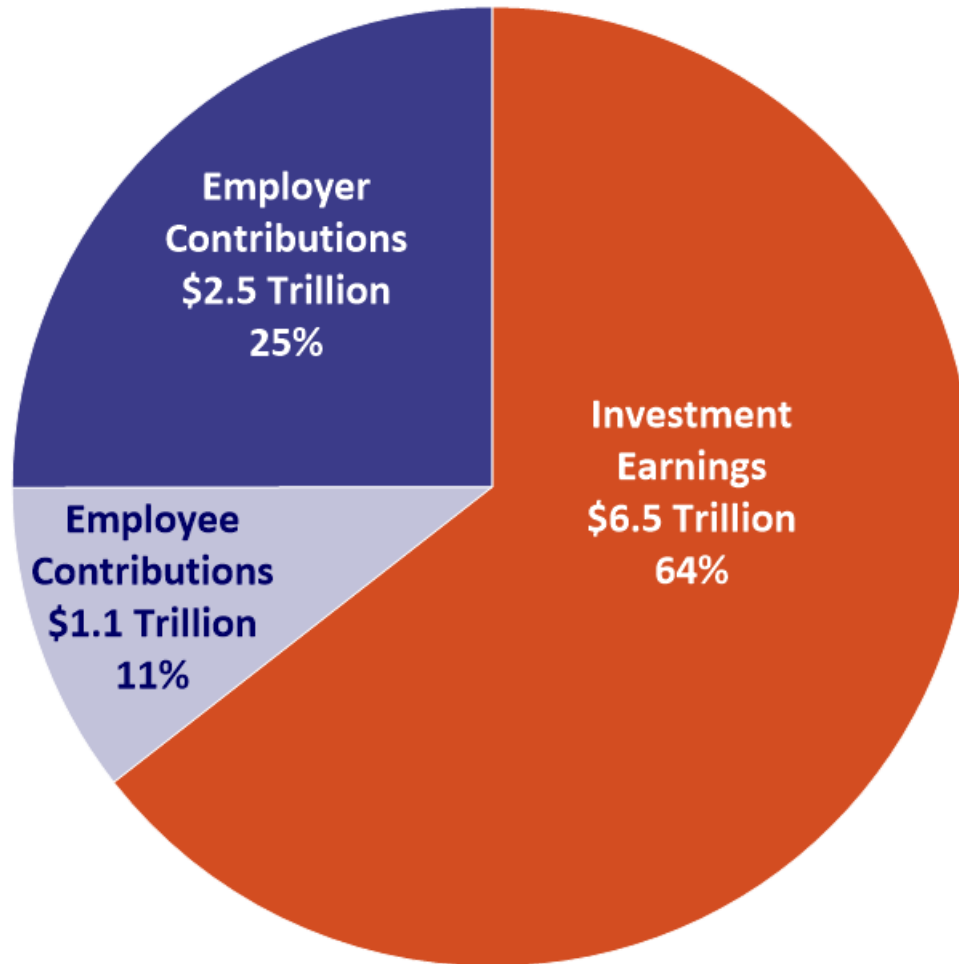
Pushing Higher

-  Sufficient and surplus contributions
-  Strong investment returns
-  Slower liability growth
 - ▲ Reforms have reduced benefit levels
 - ▲ Fewer and lower COLAs
 - ▲ Low inflation, wage and payroll growth assumptions

Pulling Lower

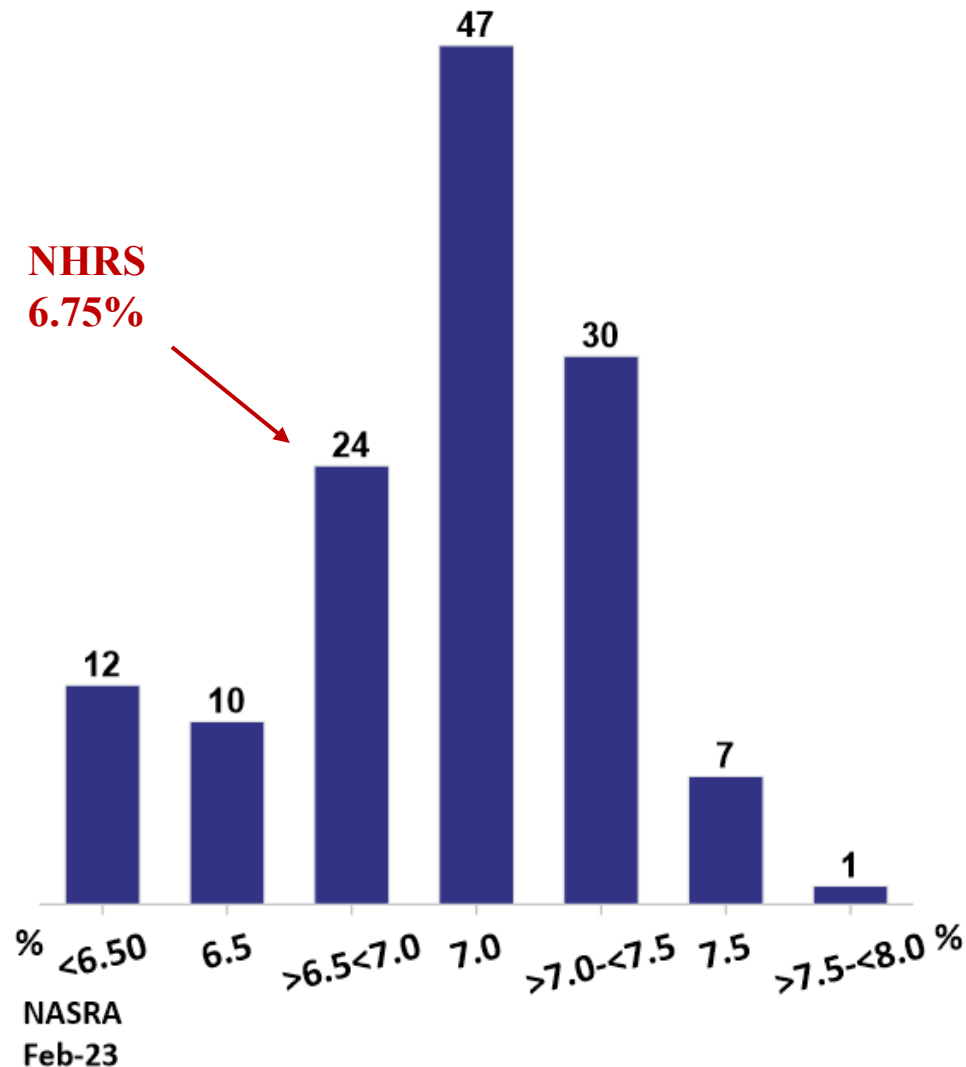
-  Lower investment return assumptions
-  Improving mortality: retirees living longer
-  Participants retiring sooner

Sources of Public Pension Revenue, FY 92 to FY 21

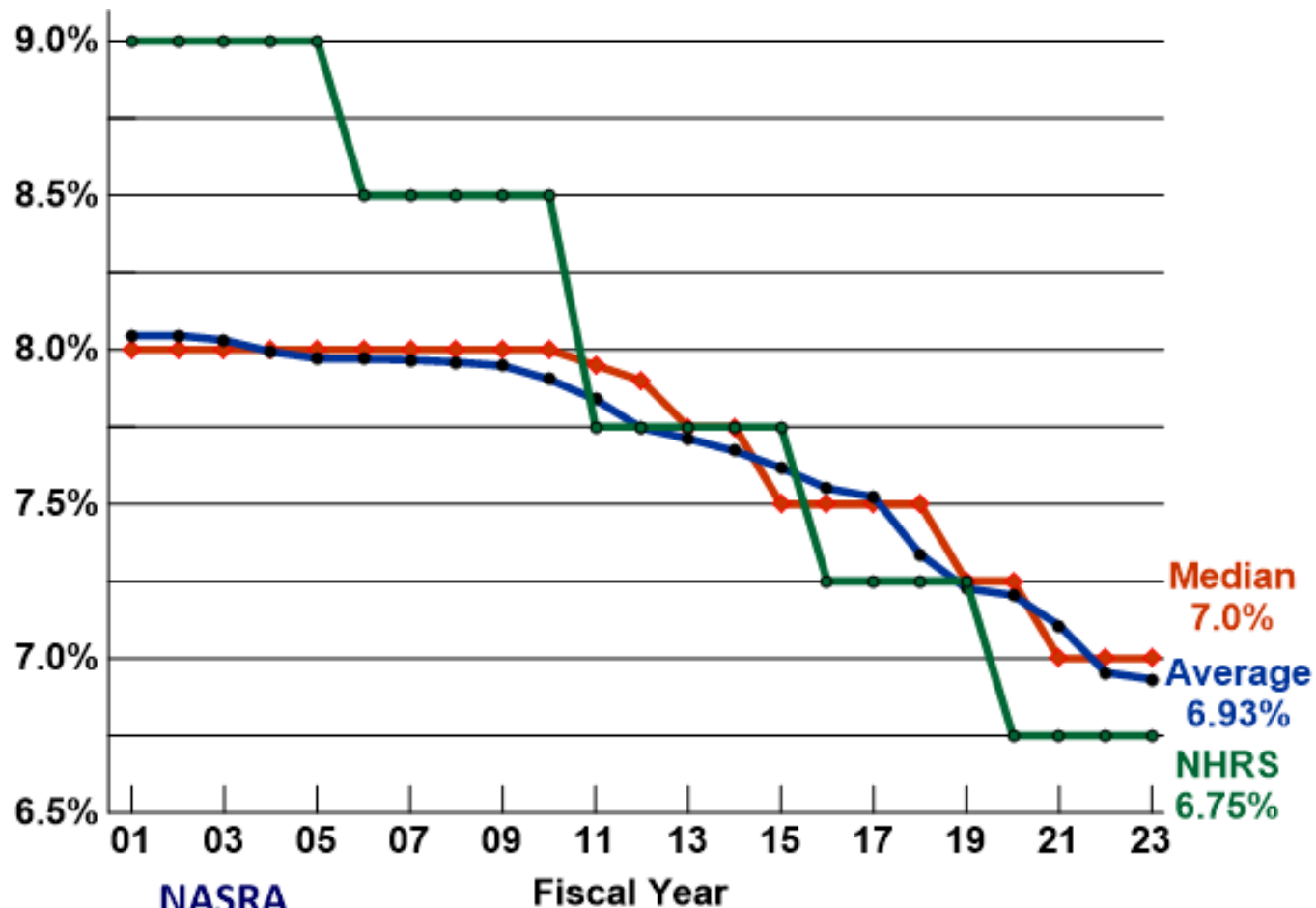


US Census Bureau

Distribution of Public Pension Investment Return Assumptions, February 2023

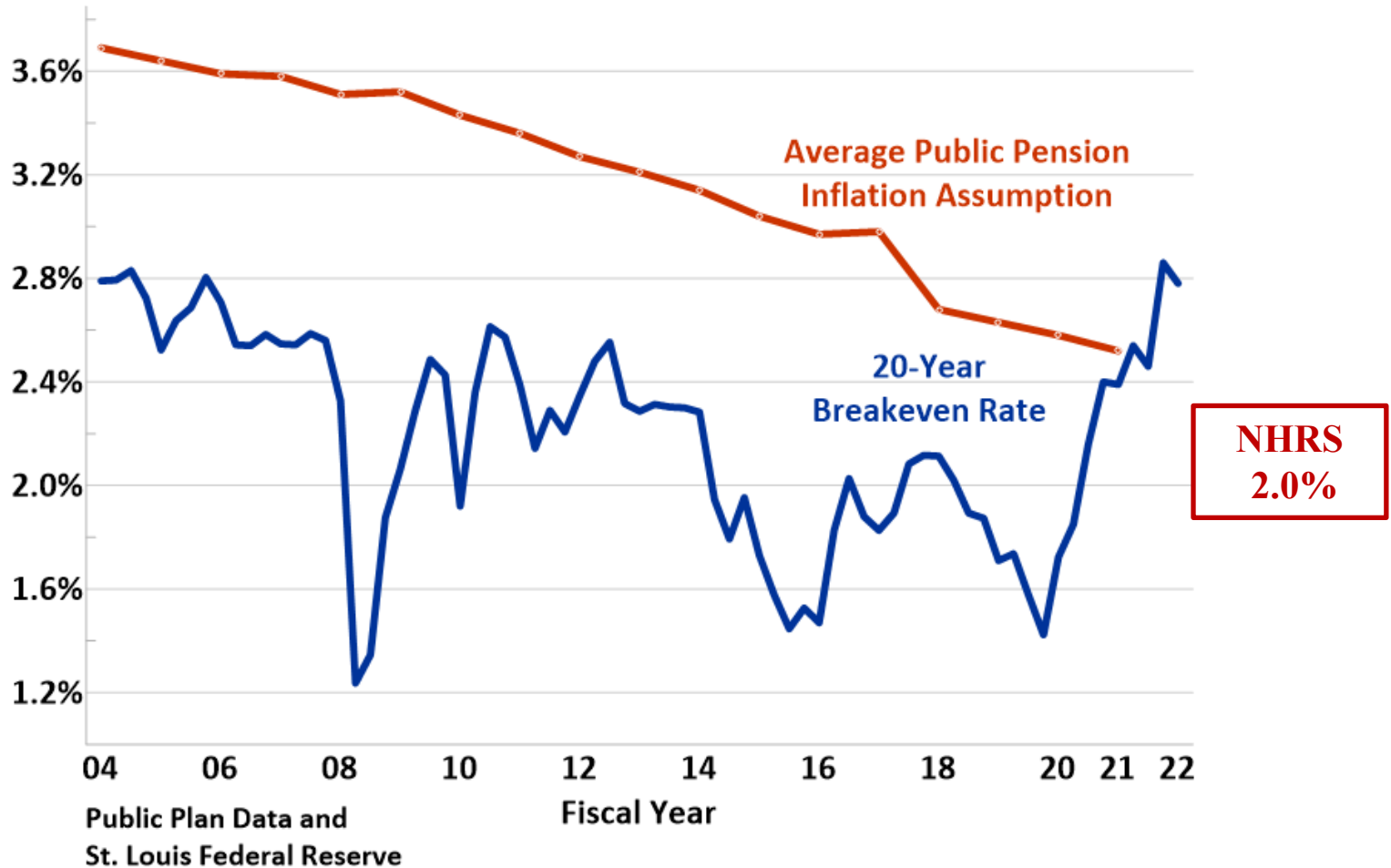


Change in median and average investment return assumption, FY 01 to present



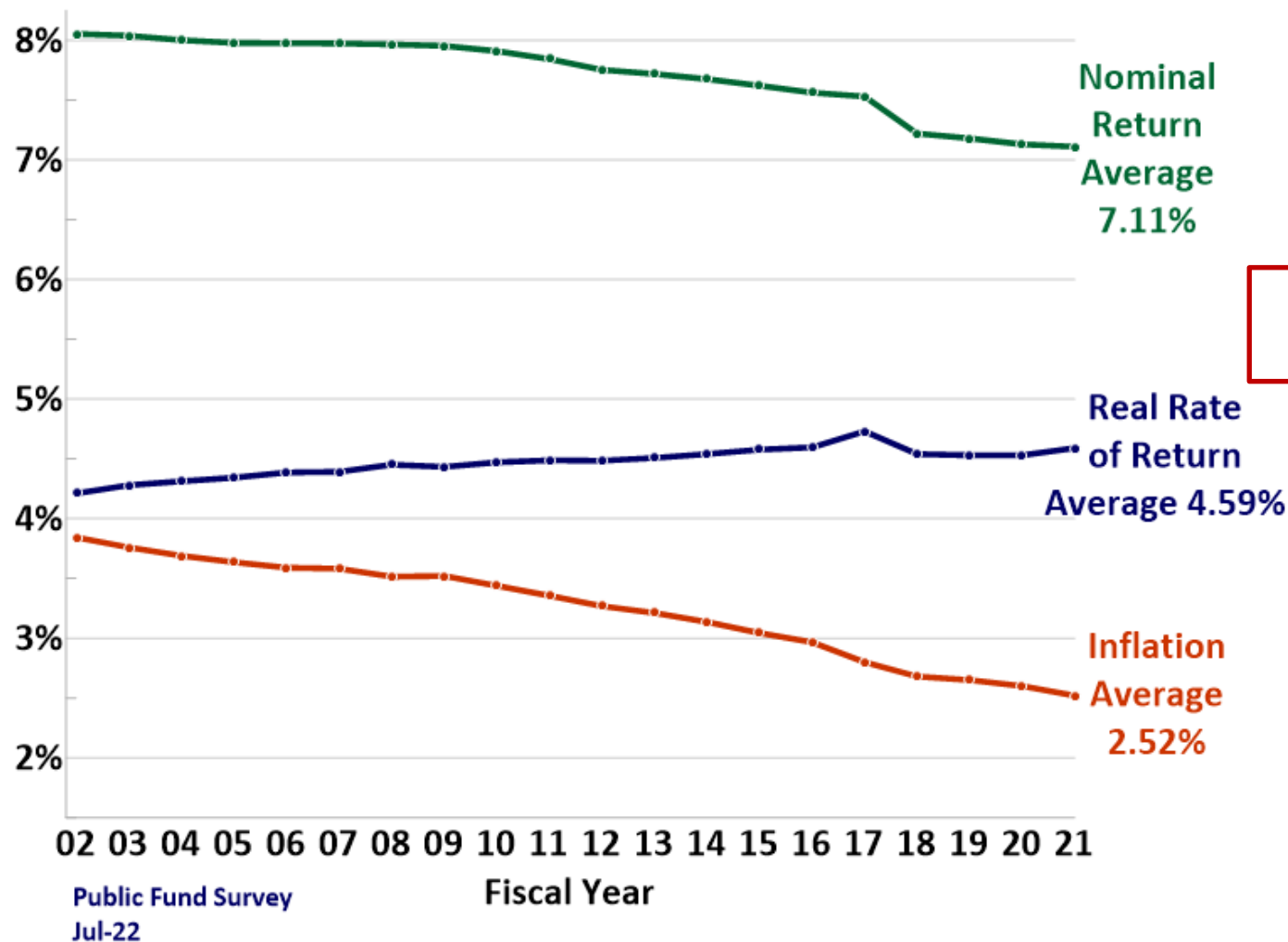
NASRA
Feb-23

Average Public Pension Plan Inflation Assumption vs. 20-Year Breakeven Rate



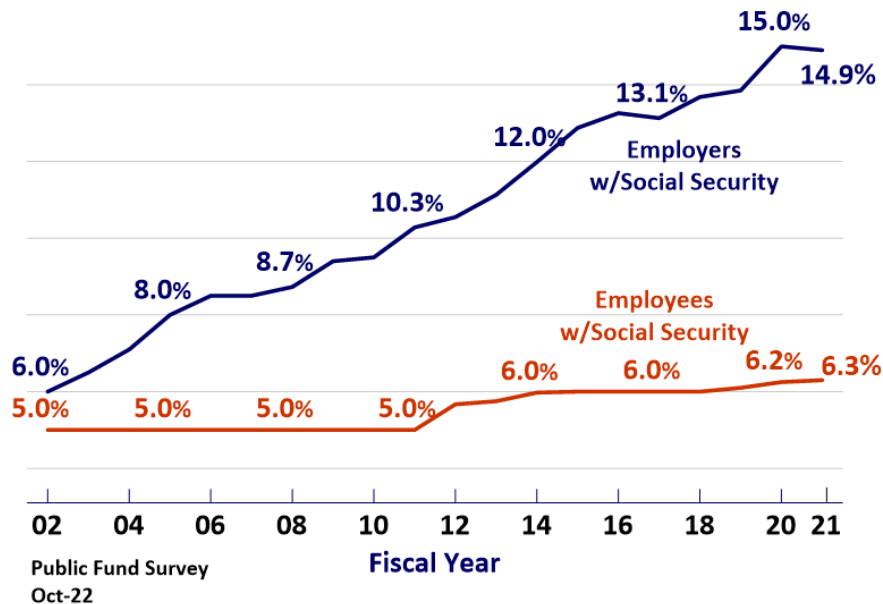
The breakeven rate is a measure of expected inflation derived from 20-Year Treasury Constant Maturity Securities and 20-Year Treasury Inflation-Indexed Constant Maturity Securities. The latest value implies what market participants expect inflation to be in the next 20 years, on average.

Change in Assumptions for Nominal and Real Rate of Return and Inflation

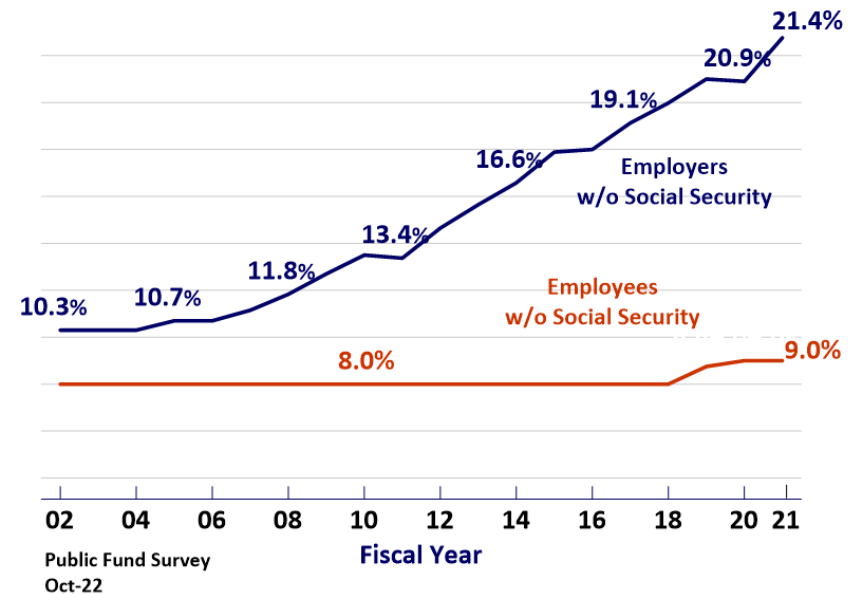


Median Contribution Rates Employee and Employer Social Security-Eligible and -Ineligible

Social Security-Eligible

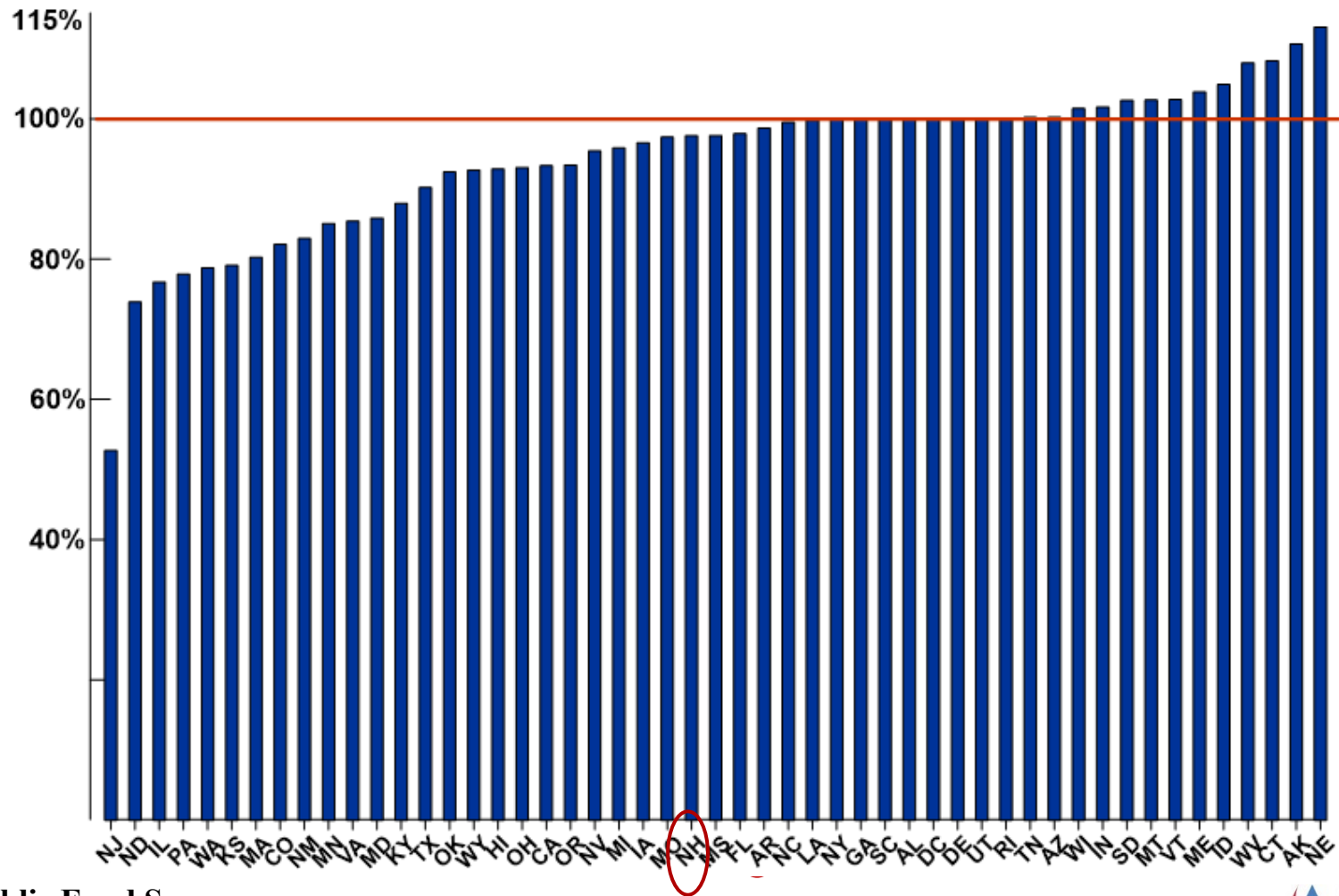


Social Security-Ineligible

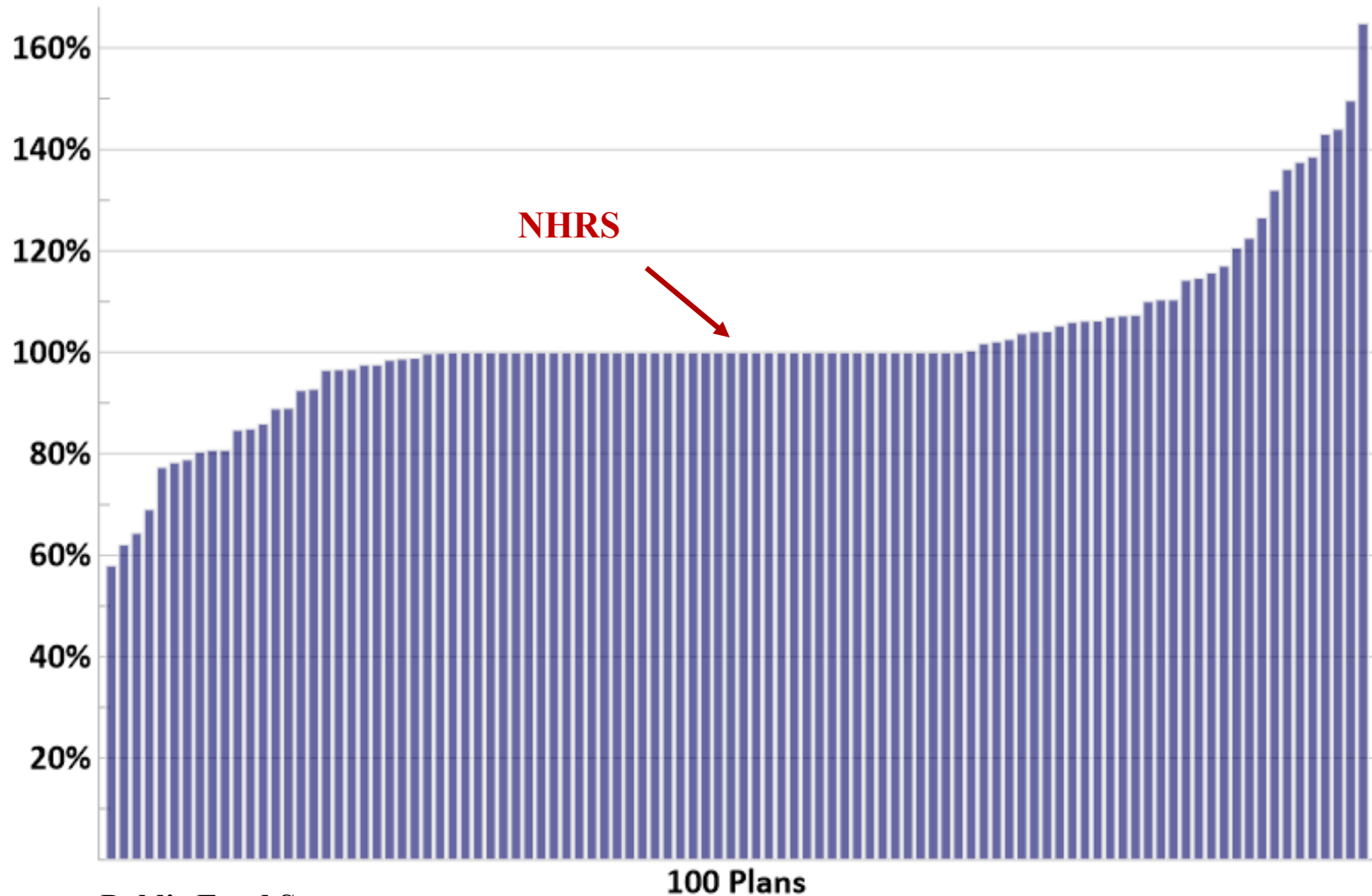


Contribution rates reflected here are those for general employees and public school teachers and predominantly exclude rates for public safety personnel

Distribution of Contributions Paid as a Percentage of Actuarial Recommended Rates, by State, FY 01 to FY 21

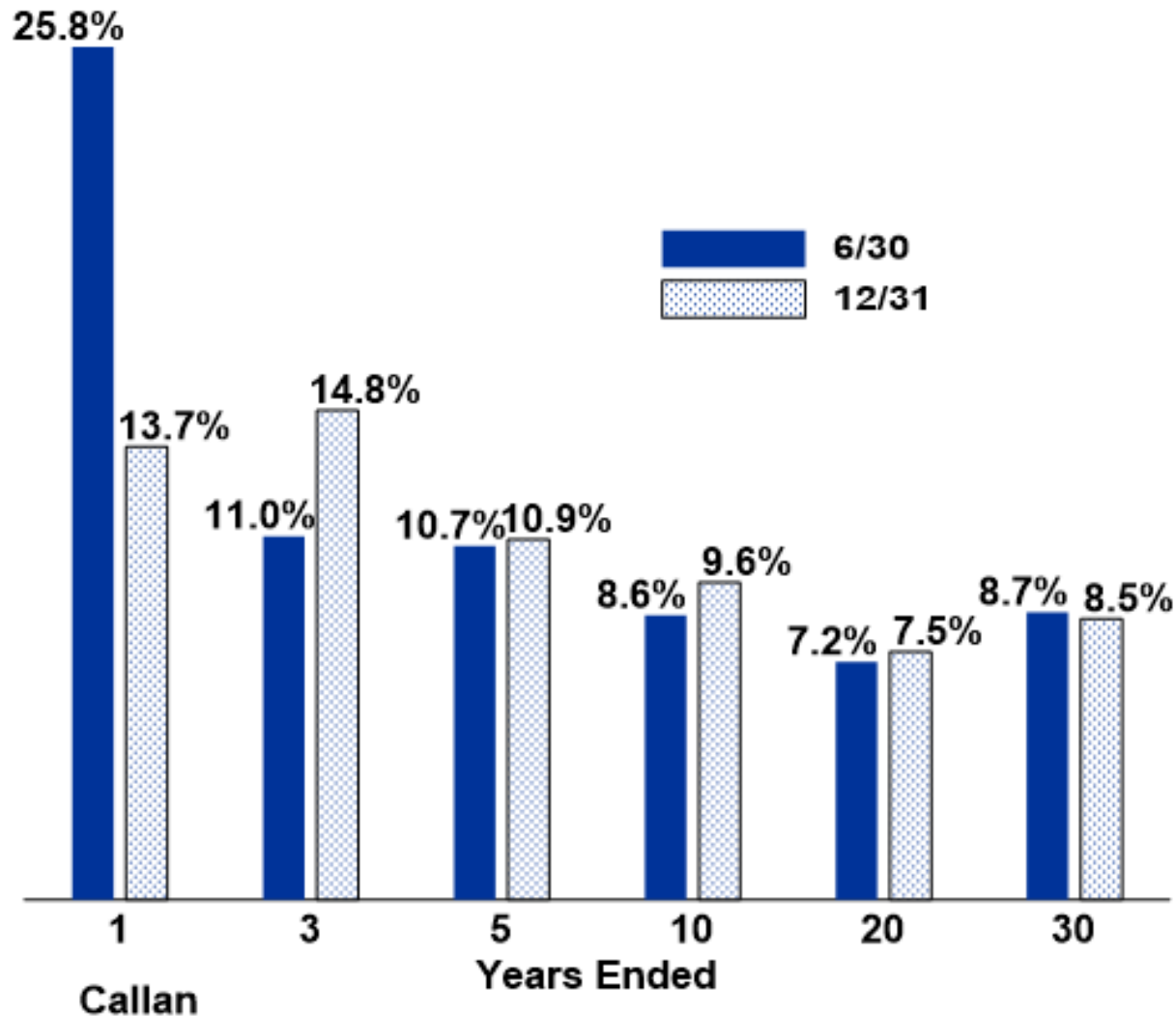


Distribution of ARC/ADC Effort FY 21

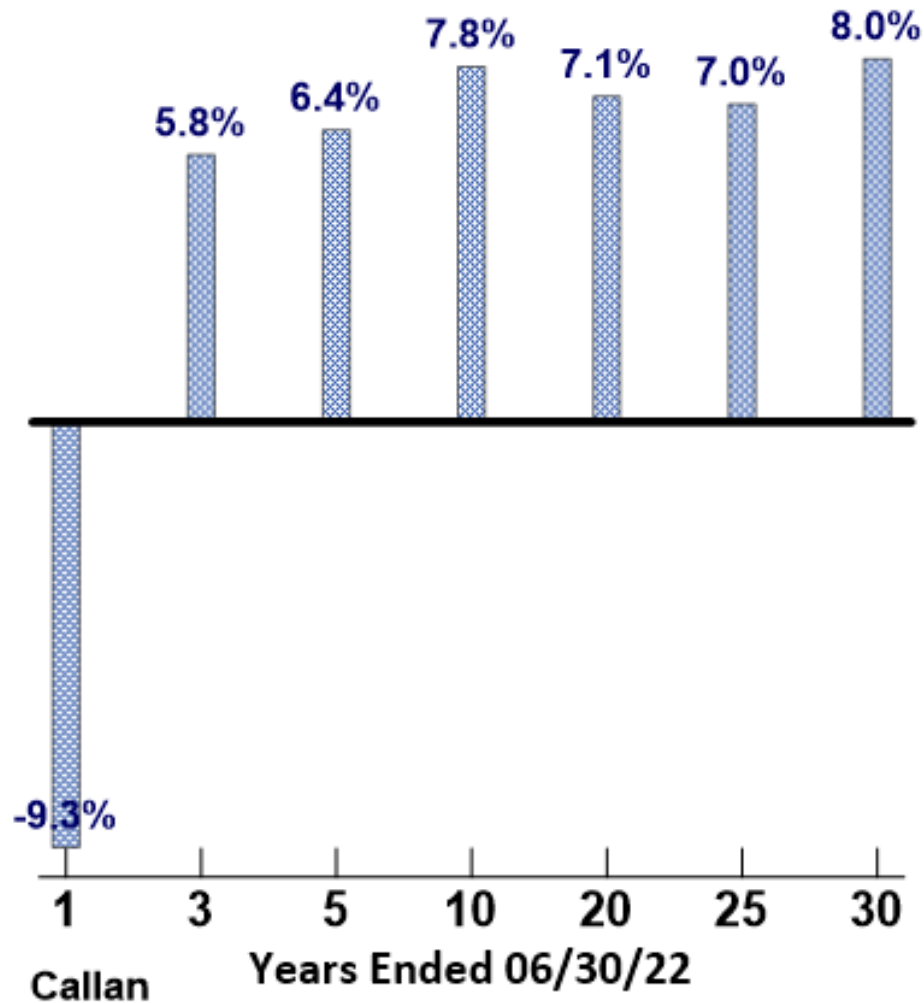


Public Fund Survey
Aug-22

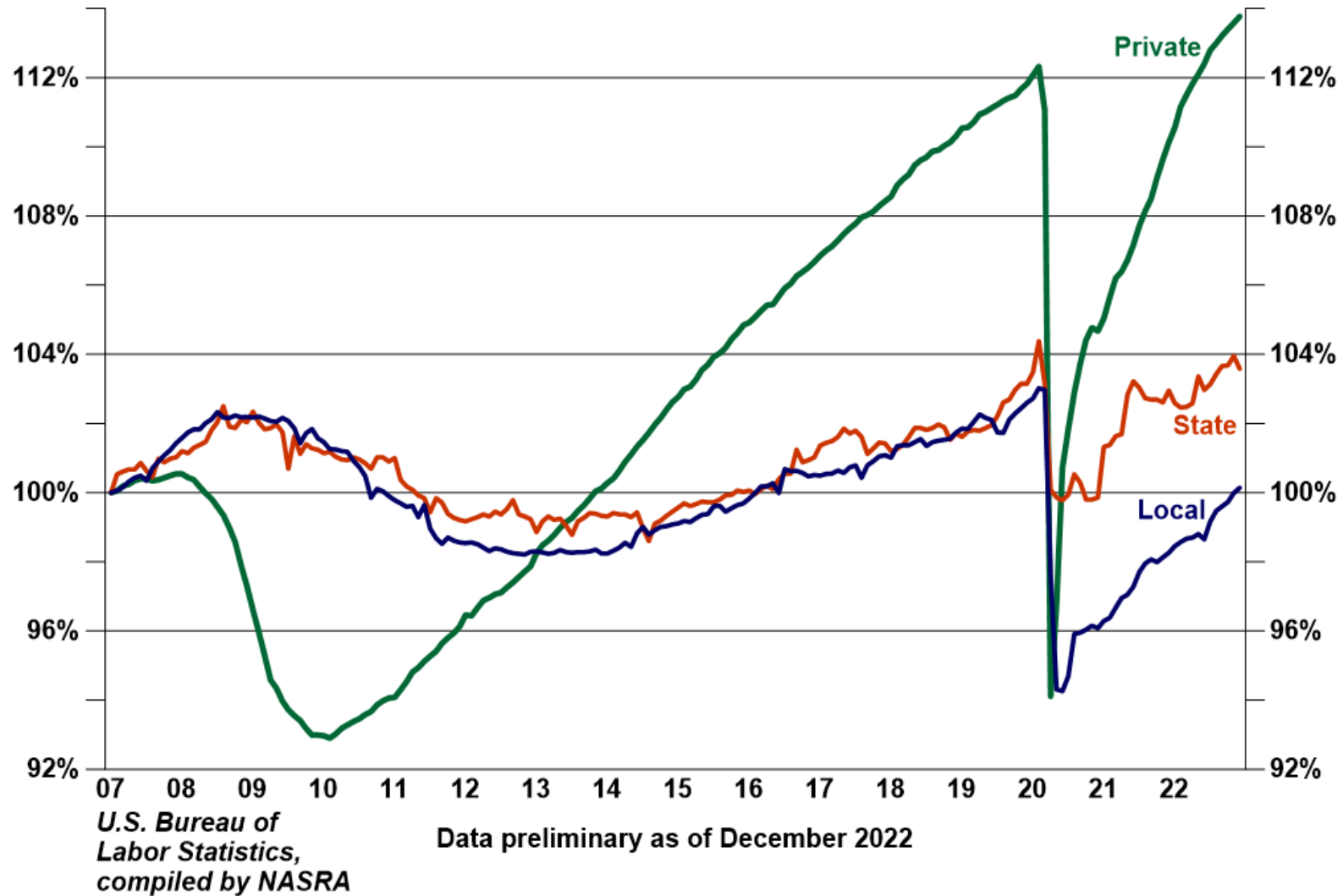
Median Public Pension Investment Returns for FY-end dates in 2021



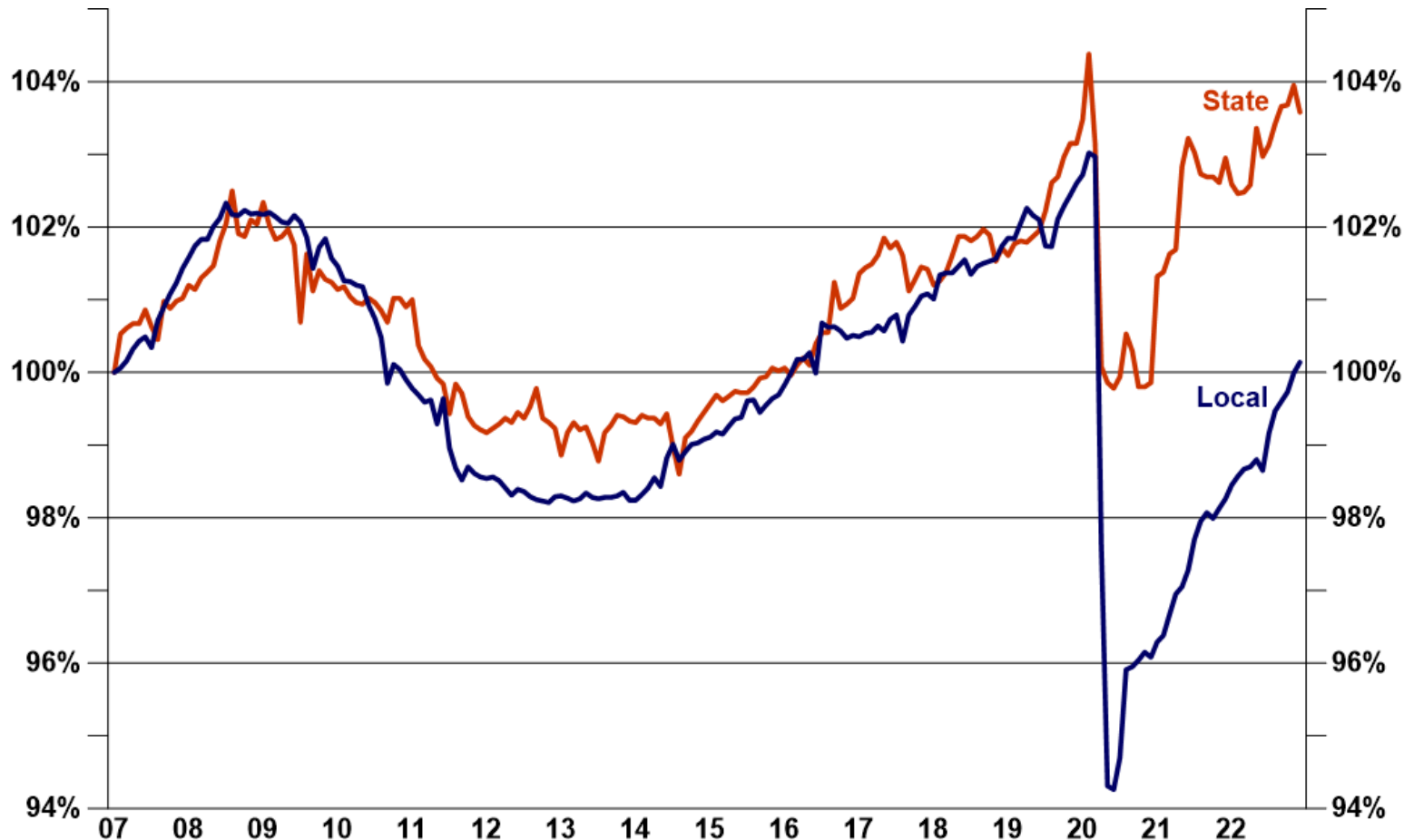
Median Public Pension Fund Investment Returns for Periods Ended 6/30/22



Relative Change in Private and State and Local Employment since 2007



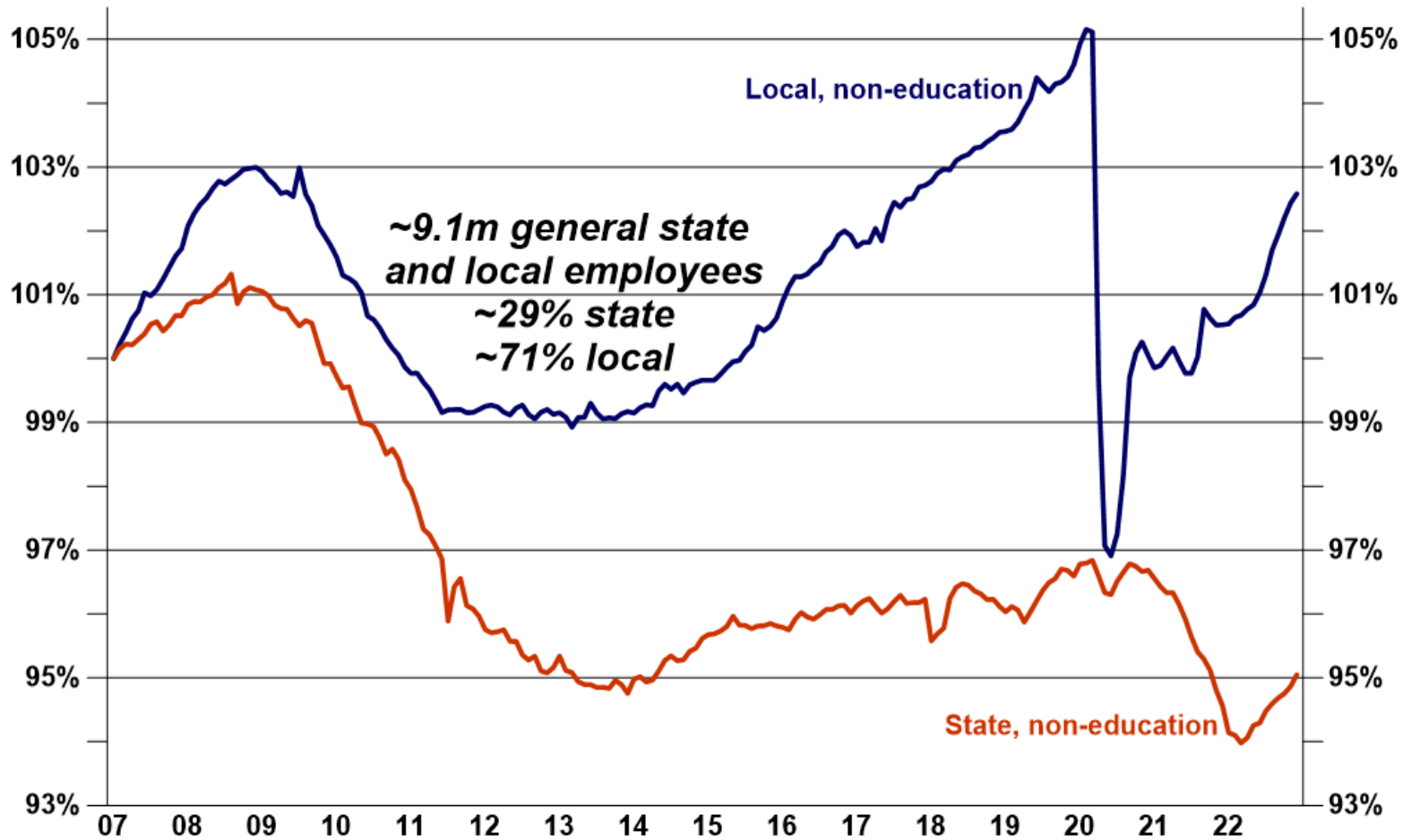
Relative Change in State and Local Employment since 2007



U.S. Bureau of
Labor Statistics,
compiled by NASRA

Data preliminary as of December 2022

Relative Change in General State and Local Employment since 2007

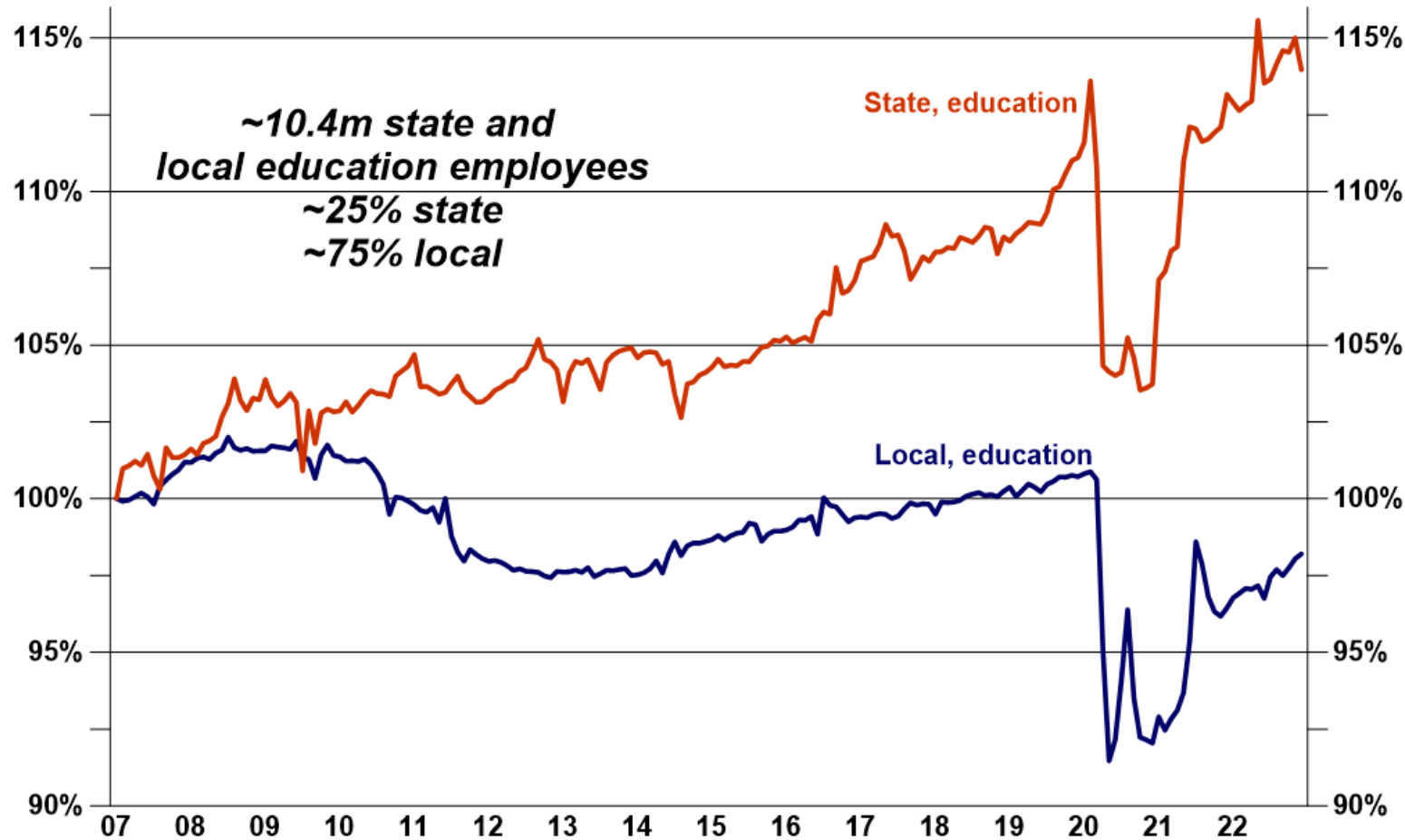


*~9.1m general state and local employees
~29% state
~71% local*

U.S. Bureau of
Labor Statistics,
compiled by NASRA

Data preliminary as of December 2022

Relative Change in State and Local Education Employment since 2007



*~10.4m state and
local education employees
~25% state
~75% local*

State, education

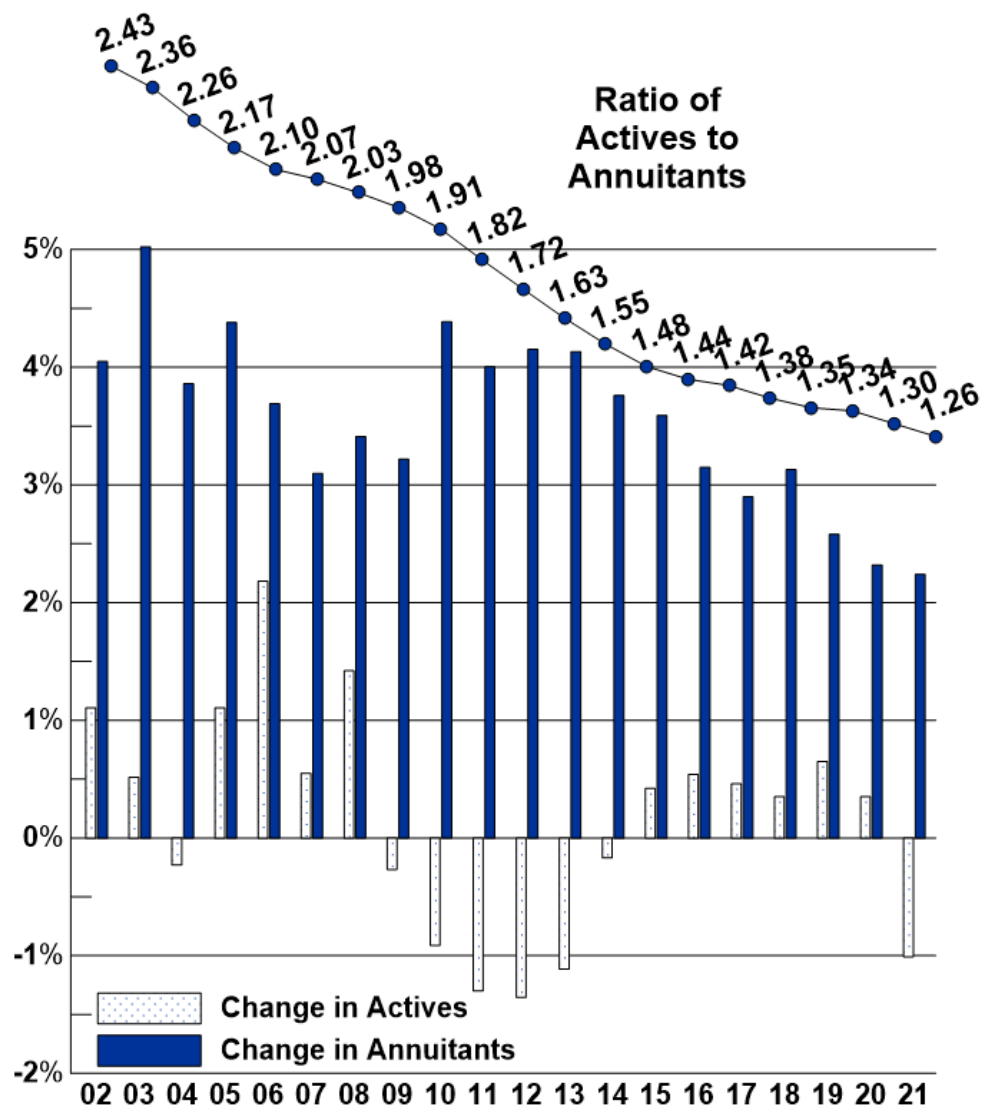
Local, education

U.S. Bureau of
Labor Statistics,
compiled by NASRA

Data preliminary as of December 2022



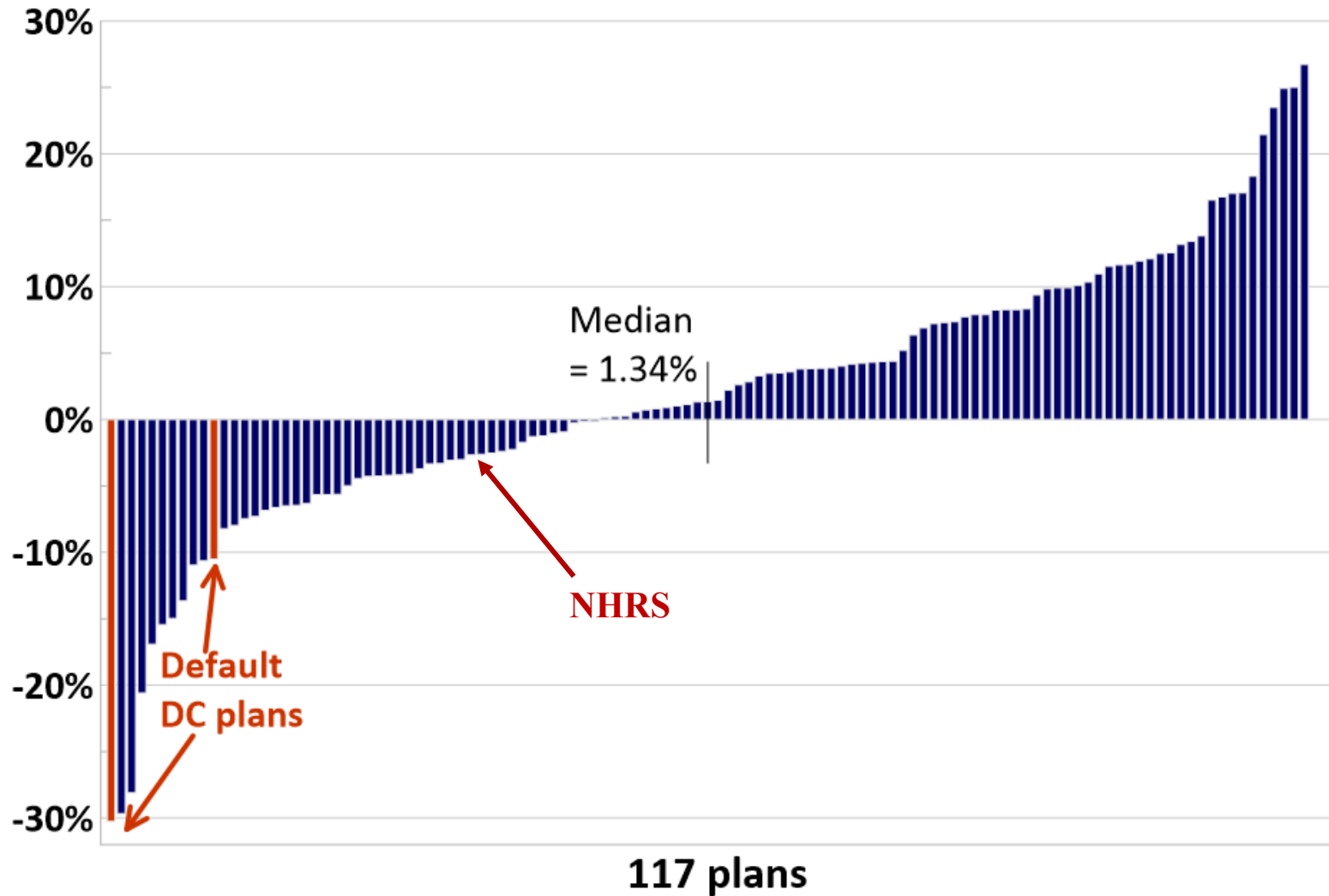
Median annual change in actives and annuitants



NHRS
1.19

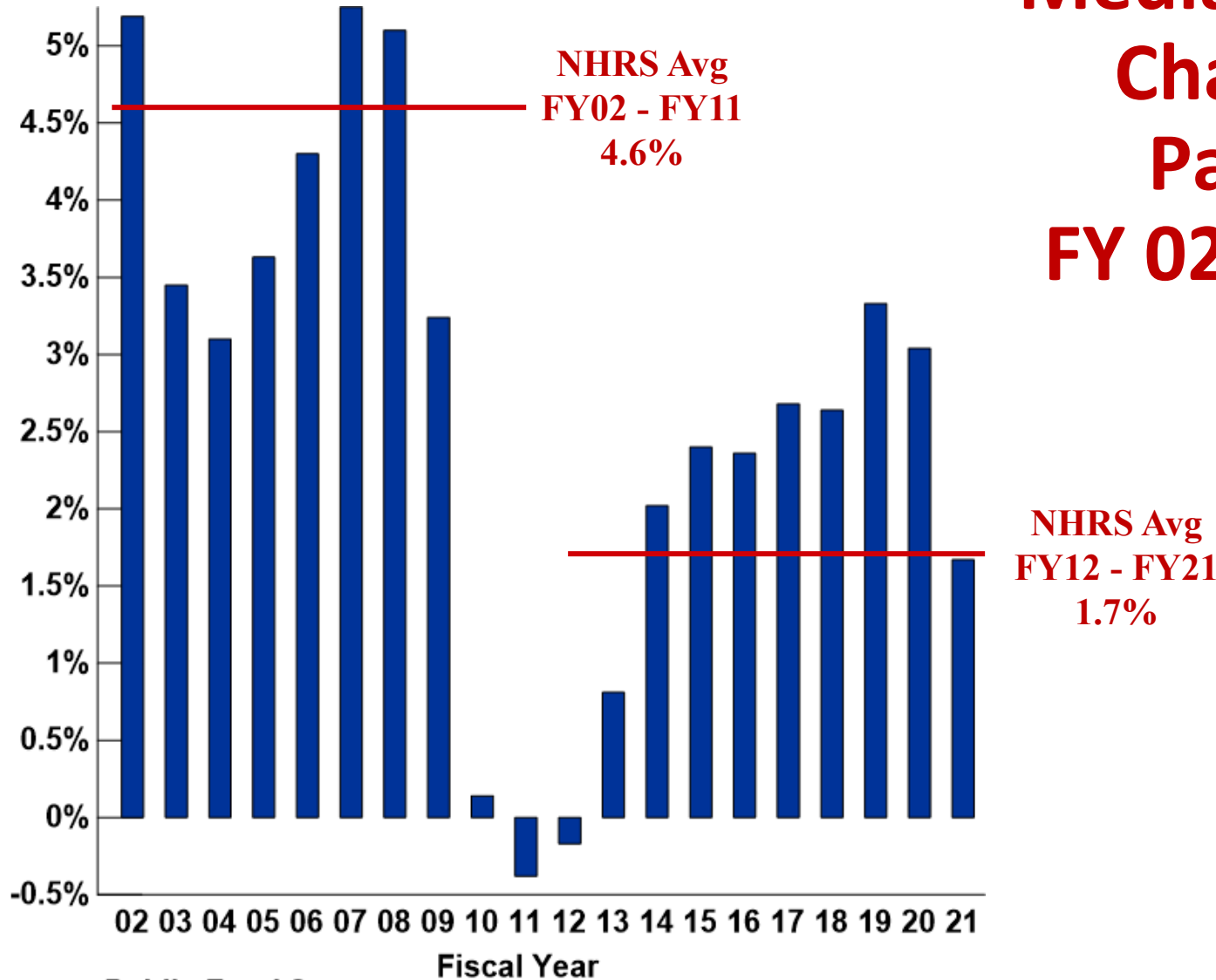
Public Fund Survey
Oct-22

Distribution of change in active participants, 2011-2020



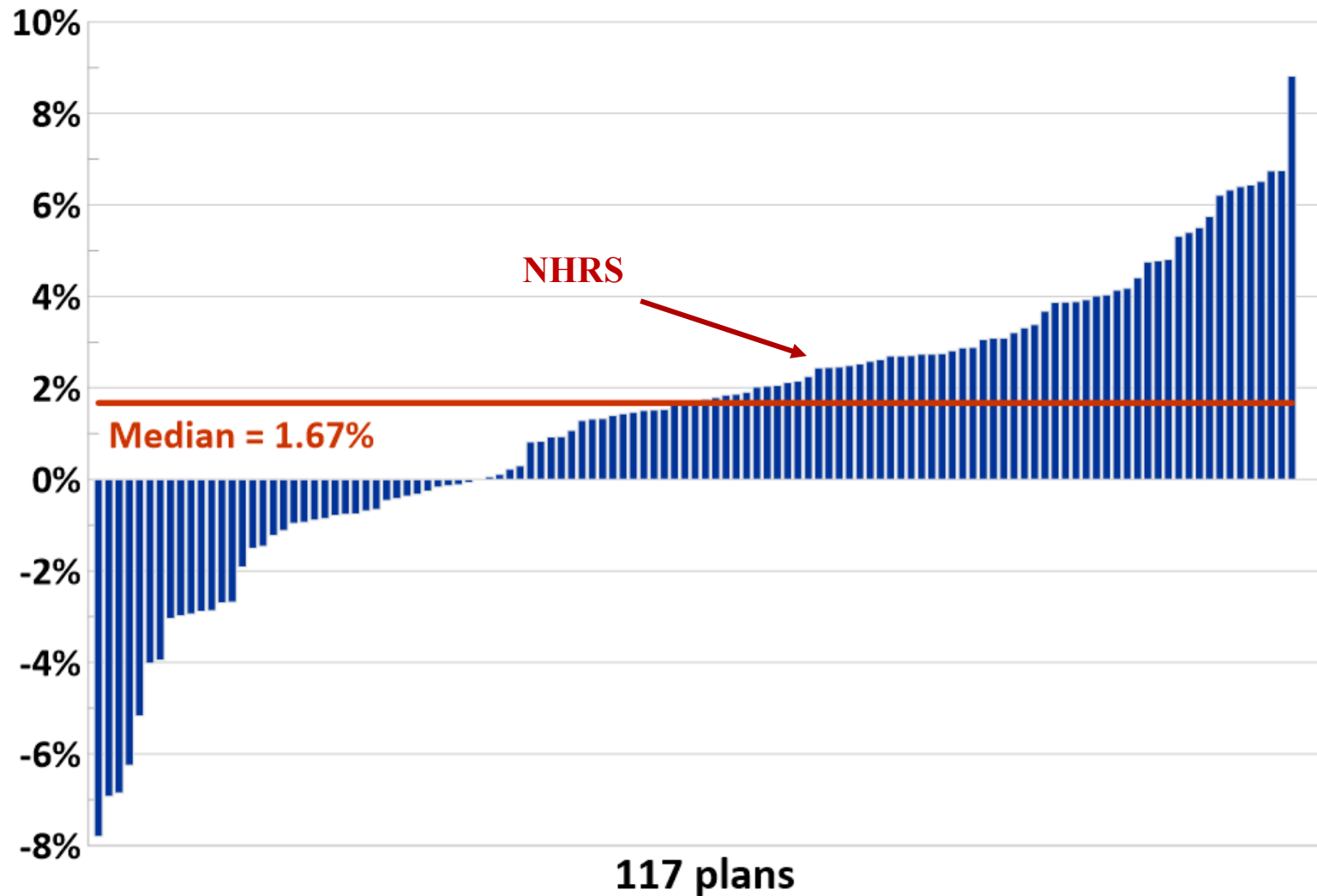


Median Annual Change in Payrolls FY 02 to FY 21



*Public Fund Survey
Aug-21*

Distribution of change in payroll, FY 20 to FY 21



Amortization Policy

Overview of Public Pension Plan Amortization Policies

April 2022

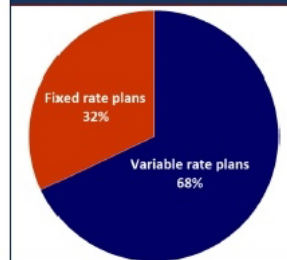


A pension plan's amortization policy is a central feature of its funding policy¹, and the effectiveness of the amortization policy can have significant effects on a pension plan's long-term cost. An amortization policy is defined as the rules and processes that determine the length of time and the structure of payments required to systematically eliminate a funding shortfall, known as the unfunded actuarial accrued liability (UAAL). The UAAL, or unfunded liability, is the difference between a plan's actuarial values of assets and liabilities.

Nearly every public pension plan has an unfunded liability; some plans have an actuarial surplus, which also is referred to as a negative unfunded liability. As financial obligations, public pension unfunded liabilities sometimes are likened to debt. As with other government obligations, unfunded liabilities typically are amortized, or paid, in a systematic manner over a period of time.

Amortization policies are characterized by several factors described in this brief. NASRA compiled data on elements of public pension plan amortization policies of 104 statewide and 20 locally administered public pension plans as of the latest fiscal year date for which this information was broadly available, generally FY 2020.² Collectively the plans in this sample represent nearly \$4.0 trillion in assets and nearly \$1.5 trillion in unfunded liabilities to be amortized. For purposes of comparing amortization policies, this paper distinguishes plans by the basis of employer contributions: variable or fixed.

Figure 1. Percentage of plans funded by variable or fixed employer contributions



Basis of Employer Contributions: Variable or Fixed

An overarching distinction driving differences in interpretation of public pension plan amortization policies is whether or not the period over which the unfunded liability is expected to be paid is fixed or variable. Although exceptions exist, in general, this distinction coincides with differences in the characteristics of the employer contributions received by the plan. The legal basis for employer contributions, which are used to pay down unfunded pension liabilities, is an important driver of amortization policies. Actuarially determined employer contributions to public pension plans have two primary components: the normal cost, which is the expected cost of a year of benefit accrual; and an amortization payment, i.e., an amount to pay down any unfunded liability in accordance with the plan's amortization policy.

A pension plan's funding policy can produce differences in the how the amortization policy is applied, depending on the characteristics of the employer contributions the plan receives. With some exceptions, amortization policies are interpreted differently depending on whether the employer contributions are variable or fixed. For plans whose employer contributions are *variable*, such as plans whose contribution rates fluctuate in accordance with changes to actuarially determined contribution rates, the amortization period is an *input*, or driving factor, in the plan's funding policy. For these plans, the amortization period is selected in advance and serves as

¹ A pension plan funding policy describes how pension benefits will be financed. State pension funding policies typically come in the form of statutes and retirement system board policies and practices. Core elements of a public pension funding policy are the actuarial cost method, the asset smoothing method, and the amortization policy.

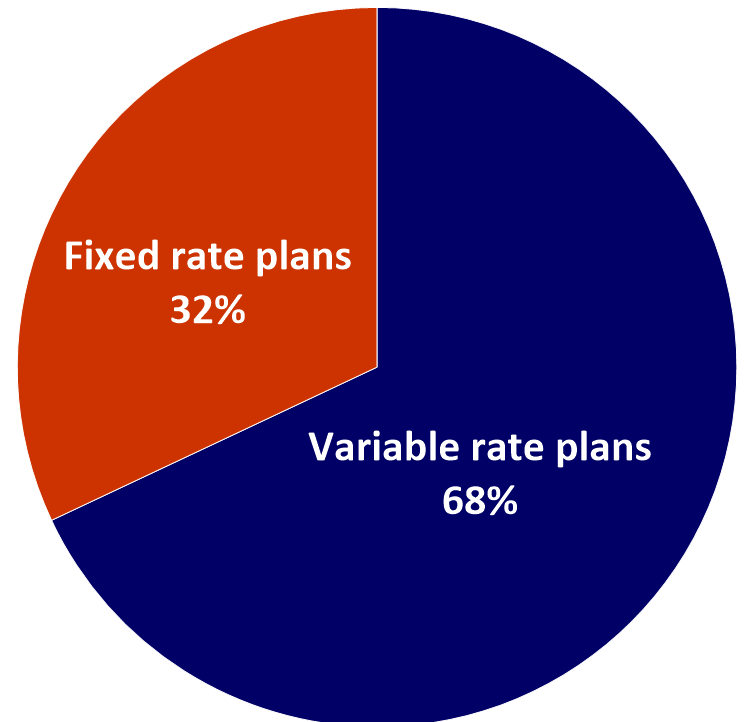
² Seven plans in the sample use the aggregate cost funding method, which does not identify an unfunded liability. These plans are not included in the analysis.

Amortization Policy Overview

- ▲ Amortization policy: the period and timing of payments required to systematically eliminate an unfunded liability or surplus
- ▲ The source of a plan's employer contributions is key to understanding its amortization policy
 - ▲ Actuarially determined contributions are composed of two components: the normal cost and the amortization rate
 - ▲ For plans with variable employer contributions, the amortization period is an *input*, or driving factor
 - ▲ For plans with fixed statutory contributions, the amortization period is an *outcome*

About the data




- 124 statewide and locally administered plans
- ~\$4.0 trillion in assets
- ~\$1.5 trillion in unfunded liabilities
- Data as of FY 2020





Variable rate plans

- ▶ Plans with variable contribution rates – such as those tied to the Actuarially Determined Contribution (ADC) – can amortize their unfunded liability over a fixed timeframe
- ▶ The amortization period may be open, closed, or layered
- ▶ if layered amortization is used, the length of the amortization period, or periods, is another important factor
- ▶ Amortization payments may be level as a percentage of payroll or level-dollar
- ▶ NHRS uses a rate tied to the ADC, layered, level as a percentage of payroll

Amortization Period Type: Open

-  An open amortization period resets each year to match the period specified in the amortization policy
-  Generally, use of an open amortization period will result in very slow progress, if any, in reducing a plan's UAAL
-  Use of open amortization is declining: 25 plans in our sample used open amortization in 2010; just one did so in 2020

Amortization Period Type: Closed single-layer

-  A closed, single-layer amortization period aims to eliminate the entire unfunded liability over a specified timeframe that declines annually by one year
-  Contribution rate volatility is possible, particularly toward the end of the single-layer period



Amortization Period Type: Closed multi-layer (aka layered)



A closed, multi-layered amortization policy blends elements of both open and closed amortization policies

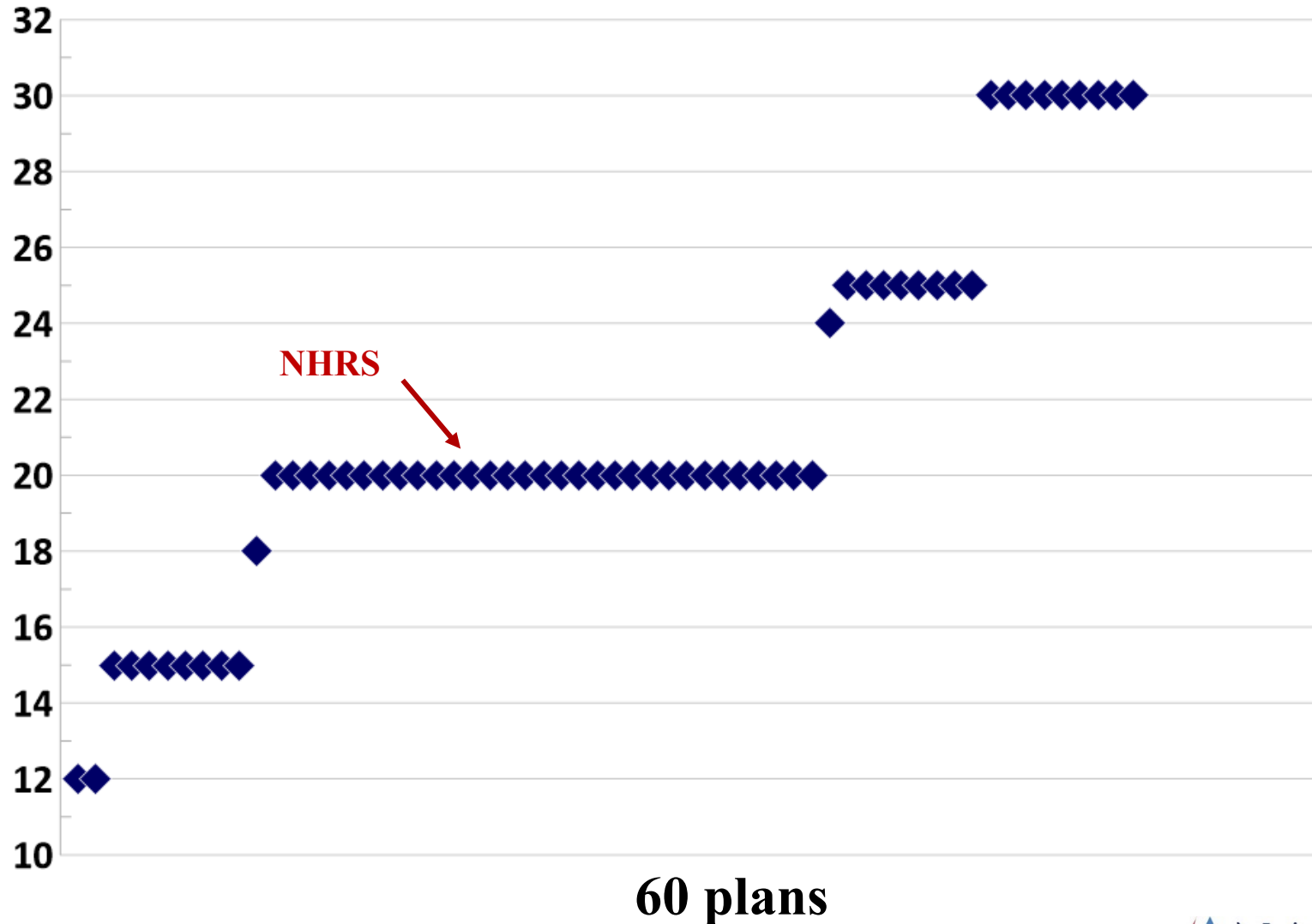
- ▲ The “initial” unfunded liability is amortized over a closed, single-layer period
- ▲ New closed periods are established for each year’s actuarial experience, assumption or benefits changes



Contribution rate volatility may be experienced as layers drop off once fully eliminated



Distribution of policy amortization periods for actuarial gains and losses, closed layered plans, FY 2020

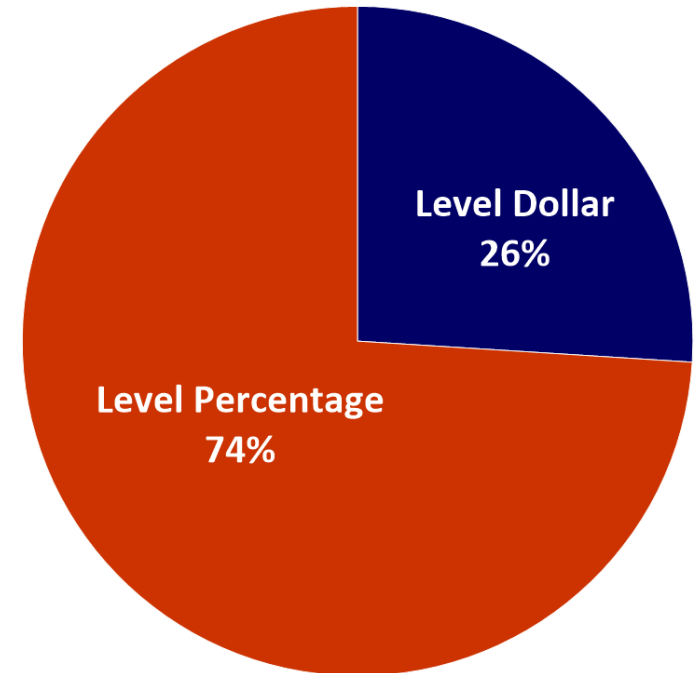


Fixed rate plans

- ▲ The funding period for plans with fixed contribution rates reflects the period by which the unfunded liability would be eliminated given the plan's benefit obligations and statutory contribution rate
- ▲ Some plans specify target amortization periods
- ▲ Some plans have date-specific amortization targets
- ▲ Exceeding these targets can lead to contribution increases and/or benefit reductions

Amortization method

- ▲ Level percentage of payroll: amortization payments increase over time commensurate with expected payroll growth
- ▲ Level dollar: amortization payments are a consistent dollar amount
- ▲ Level dollar is generally a more aggressive amortization approach
- ▲ *NHRS uses level percentage*





To: Board of Trustees
From: Jan Goodwin, Executive Director
Date: February 2, 2023
Re: Executive Director Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- COVID-19 Update: Maintaining status quo. Monitoring case numbers to determine when staff can be present in the Granite State room for Board meetings.
- We are actively recruiting Frank Clough's replacement as Director of IT to ensure that there will be minimal disruption and full continuity of all necessary services to ensure continued excellent service to our staff, members, and beneficiaries.
- Susan Hickey, NHRS' Controller, started on January 23.
- A staff committee has reviewed the external audit RFP responses and will make a recommendation to the Audit Committee on February 10.

Current Month Highlights

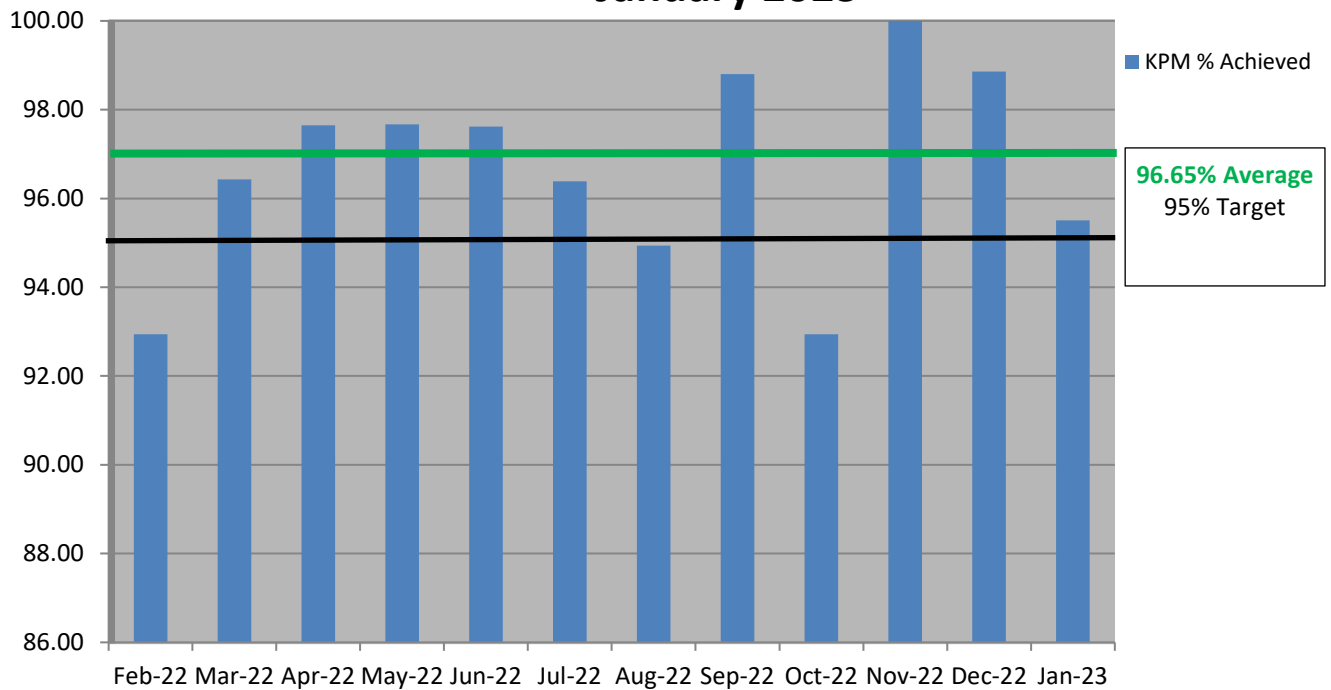
- This month's KPM score was 95.51%. See 12-month rolling average chart, attached.
- PGV3: is 71% completed, D5 Benefit Payroll is at 99%, and D6 (Year End Processes, Auditing, and Security) is at 77%. We also had our first meeting this week on D7, which is our Member Direct project, and our last Deliverable. Staff continue to work on creating workflows for PGV3. LRS will be on-site next week for D6 user acceptance training. Staff have been scheduled testing-time for D6 items. Hardware and software to support the PGV3 production and test environments has been delivered and installed.
- All three of the ED's KPMs were met this month.

Upcoming Plans & Projects

- NHRS legislative team continues to evaluate numerous legislative proposals for the 2023 session.
- Staff has begun preparing for parallel processing for PGV3, which is slated to begin in October 2023. We are working with LRS to develop an orientation program for all affected staff members. We will meet with LRS this month when they are at NHRS. In addition, NHRS staff is developing materials to acquaint staff with the new screens and processes.

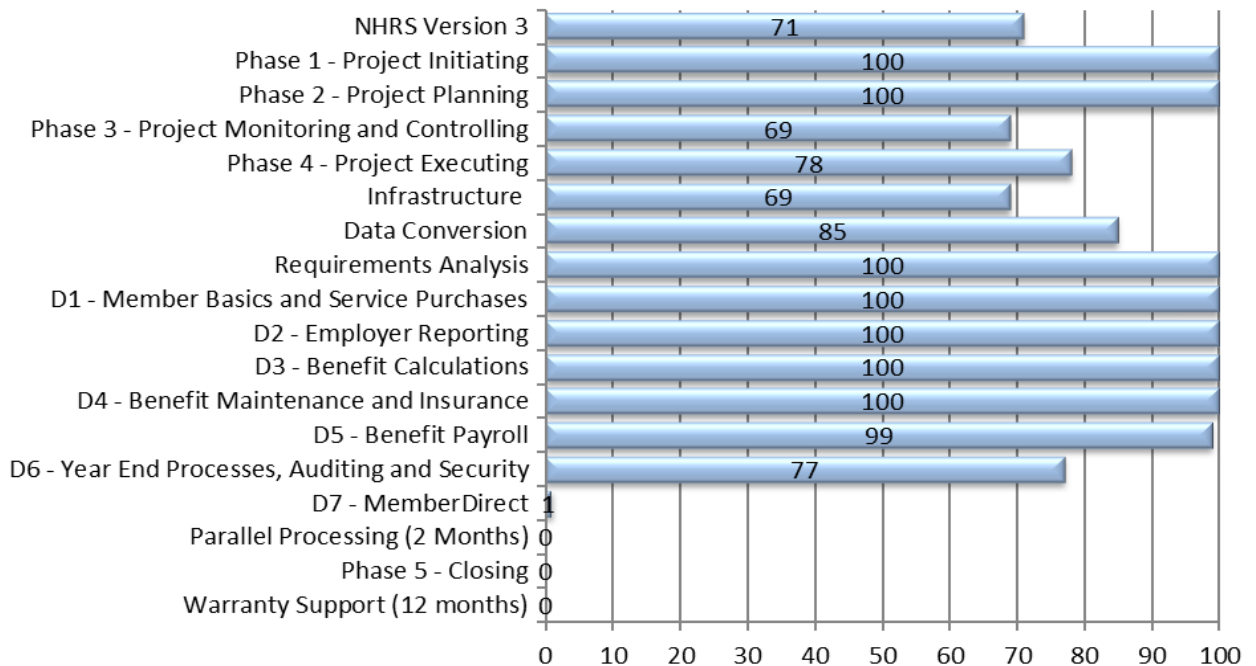
Our Mission: To provide secure retirement benefits and superior service.

KPM Rolling 12-Month Average January 2023



PGV3 Status as of February 2, 2022

Project Completion in Percent



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

KPM MONTHLY REPORTING

January 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	
Overall Score	X			We achieved a 95.51% success ratio. We failed on four (4) KPMs.
Executive				
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			
IT				
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			
Finance				
1. Prepare the NHRS Annual Comprehensive Financial Report (ACFR): unaudited by October 31, and the audited CAFR by December 31, in accordance with generally accepted accounting principles.			X	No report due this month.
2. Reconcile operating bank account within two (2) business days of receipt of bank statements.	X			
3. Produce and distribute monthly actual-to plan-budget reports within ten (10) business days from the end of the prior month.		X		
4. Produce the monthly financial statements (FS) for the Board of	X			

KPM MONTHLY REPORTING

January 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			December 2022 Cash receipts were keyed for all payments we had back-up for within the 10 business days.
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		A refund is due NHRS, therefore deadline is February 10 th and will be submitted by that date.
8. Provide fiscal impact statements on retirement-related legislative bills within deadlines set by the Legislative Budget Assistant (LBA).	X			
9. 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.		X		Dec 2022 contributions due 1/15/2023 counting back 90 days would be Sept 2022. Contributions due 10/15/2022 interest has only been posted thru August 2022. Strafford SD is holding up the interest posting for September 2022; therefore, we did not hit this KPM.
10. Generate first notice of employer penalty assessments within five (5) business days of the monthly cash receipt posting.	X			Will always hit this KPM since this is automatically generated via notification to Employer as soon as a report or payment posts late.
11. 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			
12. 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			
13. 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			Forms posted to MyAccount on 1/12 and hard copies mailed on 1/30 and 1/31.
14. Answer 95% of Employer Exceptions hunt group (X3532) calls within sixty (60) seconds.	X			

KPM MONTHLY REPORTING

January 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
15. Maintain expenditures at or less than Finance Budget as reported in the most recent manager's report (1-month lag).	X			
Investment				
1. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable Total Fund Benchmark measured quarterly .	X			
2. Generate investment returns for the long-term (25 years) Total Fund Performance greater than the applicable Actuarial Assumed Rate of Return (6.75%) measured each June 30 .	X			
3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median measured quarterly .			X	Data not available until mid-February 2023.
4. Complete the IIC's Private Debt & Private Equity Strategic Plan for the calendar year.	X			
5. Manage cash flow and make funds available for the payment of monthly retirement benefits, expenses and capital calls on or before the last business day of the month.	X			
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			
Legal				
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			

KPM MONTHLY REPORTING

January 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
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		Due to competing PGV3 priorities, the combined rolling average was missed by less than one audit.
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			
8. Maintain expenditures at or less than Legal Budget as reported by Finance in the most recent manager's report (1-month lag).	X			
Member Services				
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	X			

KPM MONTHLY REPORTING

January 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
authorized the activity.				
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 and pension recoveries.	X			
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			
Human Resources				
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			

KPM MONTHLY REPORTING

January 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
PIO				
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			
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 www.nhrs.org 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			
Internal Audit				
1. Prepare a Risk Assessment and Fiscal Year Audit Plan for the approval of the Audit Committee annually.			X	Not required this month.
2. Execute and present an assurance audit to the Audit Committee every quarter.			X	Not required this month.
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	Not required this month.
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			
Contact Center				

KPM MONTHLY REPORTING

January 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
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 0:23:30.
3. Transfer less than ten percent (10%) of calls to Subject Matter Experts (SMEs).	X			We transferred 4.89% calls to SMEs.
4. Maintain a 95% call satisfaction rating for callers' experience with the Contact Center Representative (CCR).	X			We maintained a 98.70% satisfaction rating.
Administrative				
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			
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			
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
Jan-23**

Phone Calls

	Total	Percentage
Calls addressed by CCRs	2846	94.58%
Calls forwarded to SMEs	147	4.89%
Calls forwarded to SME Manager	16	0.53%
Total	3,009	100.00%

Post Call Surveys

	Total
Total Calls Handled	3,009
Surveys Completed	
% of Total Calls Completion Rate	0.00%

Emails

	Total	Percentage
Emails addressed by CCRs	602	50.38%
Emails forwarded to SMEs	593	49.62%
Total	1,195	100.00%

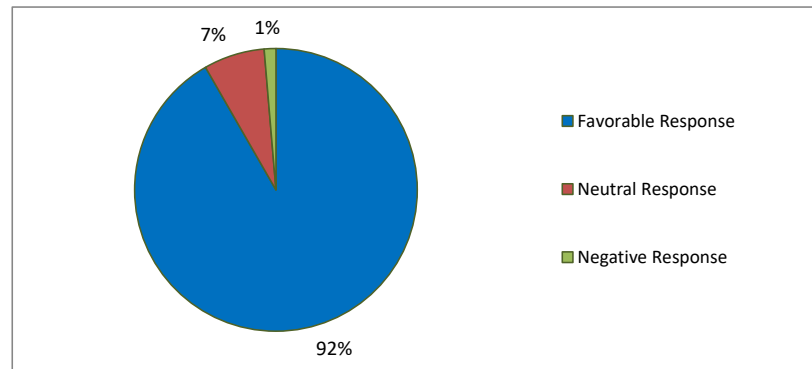
Goal: Answer calls within 2 minutes with 5% abandon rate.

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	790	784	99.24%	5	0.63%	0:23:00	0:23:00	0:49:00	5:47:00	
Reception	1043	1021	97.89%	22	2.11%	0:21:00	0:20:00	0:37:00	4:54:00	
Retiree	1042	1029	98.75%	12	1.15%	0:23:00	0:23:00	0:32:00	4:23:00	
1099	184	175	95.11%	9	4.89%	0:27:00	0:28:00	0:11:00	3:33:00	
Totals	3059	3009	98.37%	48	1.57%	0:23:30	0:23:30	0:32:15	4:39:15	Average

NHRS Board Monthly Reporting Package
Process Improvement
January 2023

Executive Director Telephone Survey Results

	Number of Names on Call List	Number of Connections Made	Favorable Response (1)	Neutral Response (2)	Negative Response (3)	Left VM No Call Back (4)	Bad Phone Number/Not in Service/No VM (5)
2023							
January							
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
	3317	1650	1513	115	22	1125	542



NHRS MEMBER SATISFACTION SURVEY SUMMARY

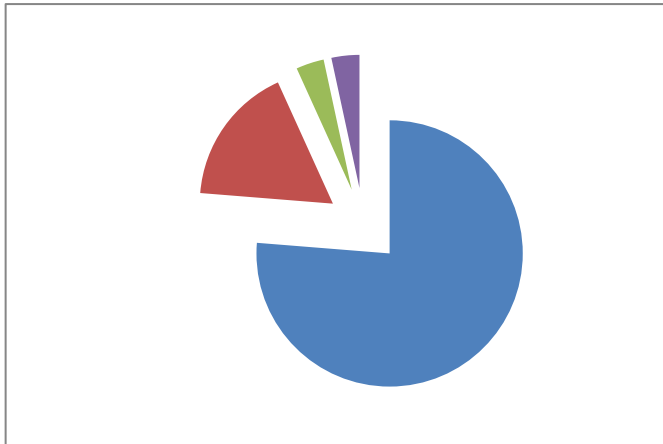
Q2 Fiscal Year 2023

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	76.27% (46 responses)
Somewhat Satisfied	16.95% (10 responses)
Neutral	3.39% (2 responses)
Somewhat Dissatisfied	3.39% (2 responses)
Very Dissatisfied	0.00% (0 responses)

Question: How satisfied are you with the following?	Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied
Phone system	78.94%	10.53%	10.53%	0.00%	0.00%
Email	92.31%	7.69%	0.00%	0.00%	0.00%
Initial contact with representative	85.71%	14.29%	0.00%	0.00%	0.00%

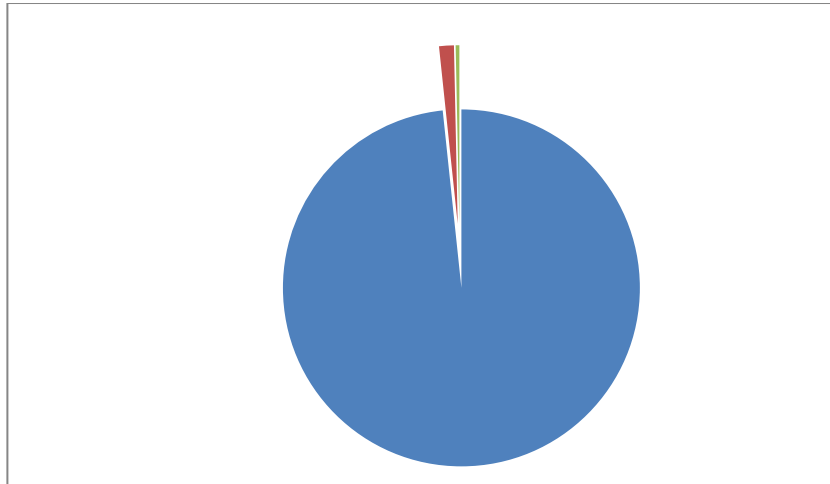
Question: How satisfied are you with the service provided by the NHRS representative who assisted you?	Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied
Friendliness / Professionalism / Courtesy	95.00%	5.00%	0.00%	0.00%	0.00%
Knowledge	90.00%	10.00%	0.00%	0.00%	0.00%
Clarity of verbal explanation	90.00%	5.00%	0.00%	0.00%	0.00%
Clarity of written materials	94.44%	0.00%	5.56%	0.00%	0.00%

Appointments: 39 sent/ 23 returned / 58.97%	Withdrawal / Rollover: 249 sent / 12 returned / 4.82%
Estimates: 249 sent / 37 returned / 14.86%	Service Credit: 13 sent / 1 returned / 7.69%

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	98.33% (294 responses)
Somewhat Satisfied	1.34% (4 responses)
Neutral	0.33% (1 response)
Somewhat Dissatisfied	0.00% (0 responses)
Very Dissatisfied	0.00% (0 responses)

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

Yes	No
68.23%	33.77%

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*
98.33%	1.34%	0.33%	0.00%	0.00%

Response Rate: 8,431 calls received / 318 surveys completed / 3.77%

* 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.

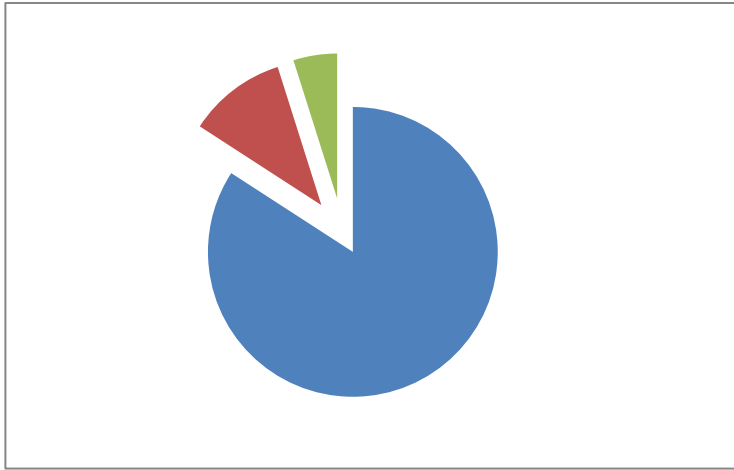
ED Telephone Surveys

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	84.15% (69 responses)
■ Neutral	10.98% (9 responses)
■ Negative	4.88% (4 responses)

Response rate: 130 calls made / 82 responses/ 63.08%



NHRS

New Hampshire Retirement System

To: NHRS Board of Trustees

From: Jan Goodwin, Executive Director

Date: February 6, 2023

Re: Segal extension

Item: Action: ☒

Discussion: ☐

Informational: ☐

Over the past several months, NHRS has been in discussions with The Segal Company (Segal), who has provided oversight consulting services during the PGV3 implementation project since 2018, to modify the terms of the consulting contract due to the extension of the original PGV3 timeline, specifically regarding services up to, and through, “parallel processing,” currently scheduled to begin approximately October 1, 2023, and end December 1, 2023.

The original contract called for Segal to provide up to 32 hours of services at a cost of up to \$8,800.00 a month through July 2023. Under the revised agreement, Segal will provide 24 hours of consulting at a monthly cost of \$6,000.00 for August and September 2023. In addition, the parties have agreed that Segal will provide consulting for the two months of parallel at \$6,600.00 per month, for a total additional cost of \$25,200.00, as represented in the Segal Statement of Work #3, included with this memo.

Following the completion of parallel processing, there is a 12-month warranty period, currently scheduled from December 2023 through November 2024. At this time, NHRS is reserving a decision on what is needed from Segal until we get closer to the planned warranty commencement date in December 2023.

In summary, I am requesting that the Board approve the additional four months of Segal consulting services from August through November 2023 for a total cost of \$25,200.00.

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

Division: Executive

Date: July 1, 2022

As of: January 31, 2023

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Complete implementation of data security assessment recommendations and continue to enhance IT security.	JG/FC	6/30/23	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	6/30/23	This is a four-year project scheduled for completion in 2024. 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	6/30/23	In process.
4. Enhance member, beneficiary, and employer education: identify/review industry best practices for education and engagement; adjust existing education programming, as needed.	JG/MK	3/31/23	In process.
5. Implement agreed-upon elements of Vision for NHRS.	JG/All	6/30/23	In process.



NHRS

New Hampshire Retirement System

To: Board of Trustees

From: Marty Karlon

Date: January 31, 2023

Re: Communications/Legislative Affairs Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Monitoring 21 bills related to NHRS introduced in 2023 legislative session.

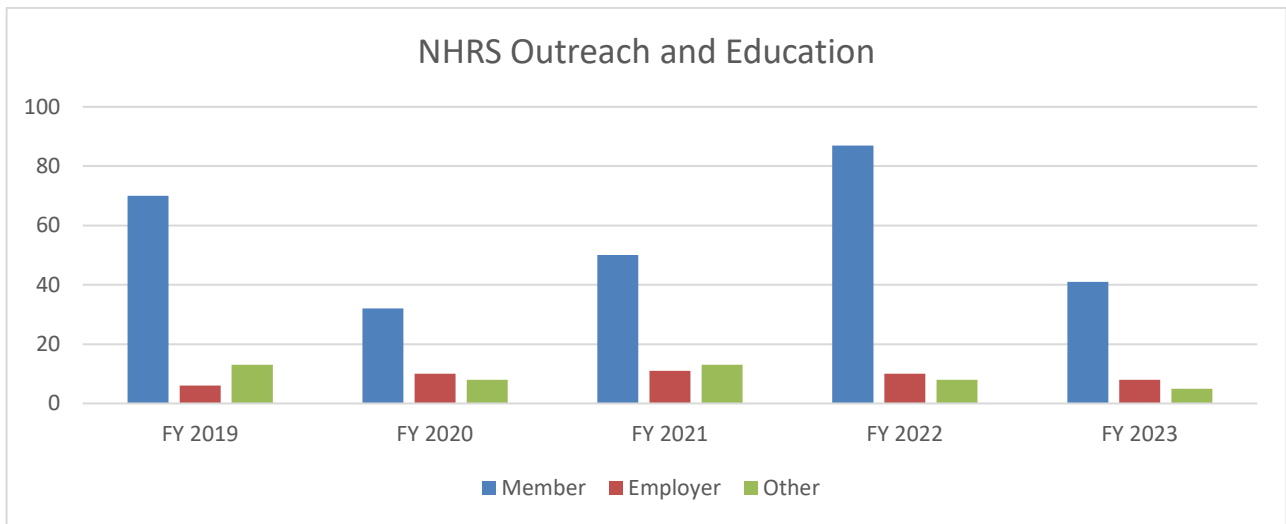
Current Month Highlights

- NHRS gave retirement system overview presentations for House and Senate Executive Departments and Administration Committees and House Finance Committee – Division I.
- Distributed NHRS 2023 fact sheets to all House and Senate members.
- Provided statutory notices of legislation with a cost impact to political subdivision employers.
- Hosted or participated in six, member education events.
- All seven of PIO KPMs were met this month.

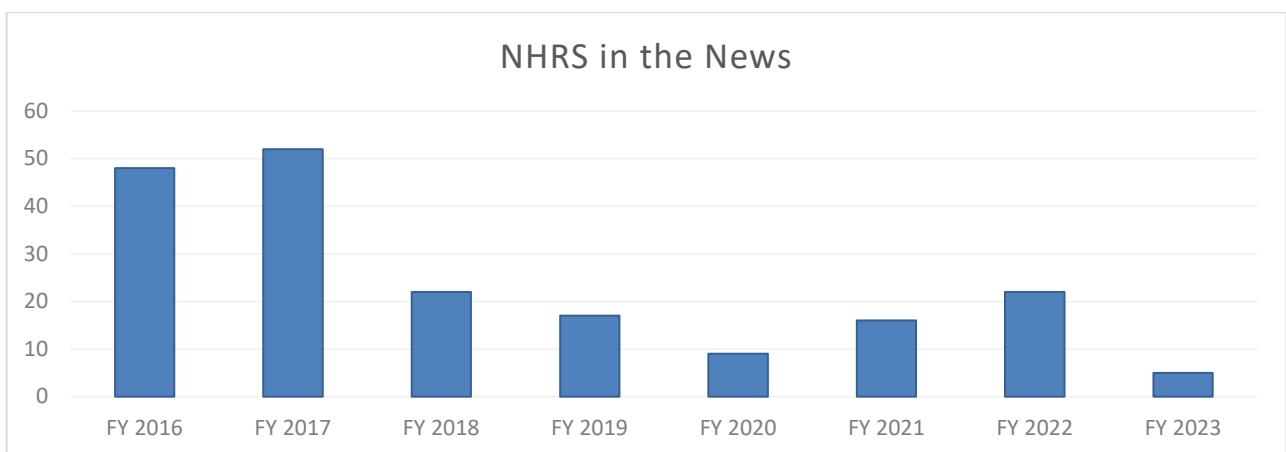
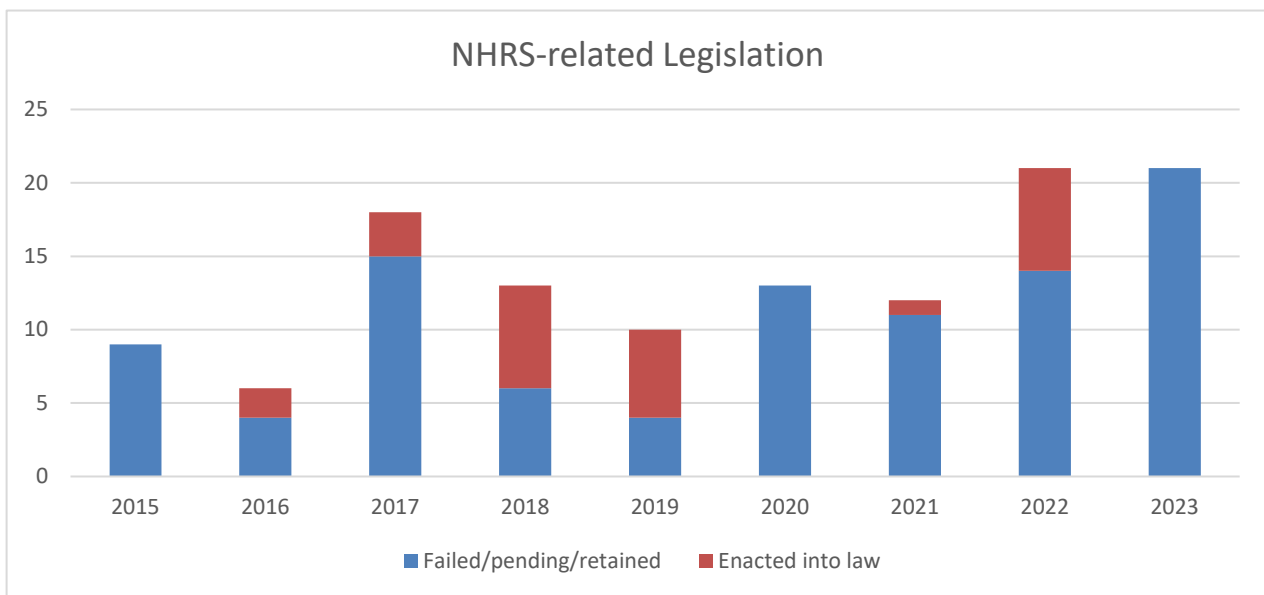
Upcoming Plans & Projects

- Scheduling “NHRS 101” overview presentations for February.
- Scheduled to host or participate in six, member education events, and one employer education event in February.

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



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

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FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. In collaboration with the Finance team and PGV3 Project Manager, create PGV3 employer training and communication plans and hit all FY 23 deliverable dates on time. *	MK / C. Minervini	6/30/23	Ongoing. Developed 2023 employer training schedule. <i>Note: The project runs into FY 24 and will roll over into next year's action plan.</i>
2. Maintain ongoing internal and external communications for overall PGV3 project. *	MK	6/30/23	<i>Note: The project runs into FY 24 and will roll over into next year's action plan.</i>
3. Maintain positive and constructive working relationship with the NH Legislature. *	MK	6/30/23	Ongoing. NHRS technical correction legislation introduced as LSR.
4. Develop and release member surveys assessing knowledge and comfort level with NHRS benefits and preferences for additional education efforts. *	MK / PIO staff	1/31/23	Behind schedule.
5. Continue to enhance member interface to include younger employees/members in the NHRS system. *	MK / PIO staff	5/31/23	Ongoing.
6. Develop 3-5 recorded member/retiree/employer presentations on specific topics.	MK / PIO staff	6/30/23	Ongoing.
7. Grow calendar year-over-year audience for social media channels by 10-15%.	MK / PIO staff	6/30/23	Ongoing.
8. Identify, enroll, and complete a	MK	6/30/23	Completed. Attended two-day course in

professional development opportunity.			July titled “Benefit Communication and Technology Institute,” and NASRA annual convention in August.
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* - *Aligns with initiatives listed on NHRS Three-Year Strategic Plan.*



To: Board of Trustees
From: Raynald Leveque, Chief Investment Officer
Date: February 14, 2023
Re: Investments Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- January Investment Committee (Committee) Meeting Recap:
 - Staff presented an update on the monthly performance of the public market asset classes of the NHRS, rebalancing, holdings, and the Work Plan.
 - Staff discussed the public markets manager contract renewal process.
 - The Committee heard a presentation from Fixed Income Manager Fidelity in conjunction with the contract extension process.
 - Staff discussed a rebalancing plan for fixed income holdings. The Committee unanimously voted to invest in the Mellon Investments Corporation U.S. Bond Index Fund (Lending) to replicate the Bloomberg Barclays U.S. Aggregate Bond index, subject to contract negotiation and legal review.
 - Staff discussed their recommendations for a staff-driven investment recommendation process.

Current Month Highlights

- Preliminary Performance:

As of 12/31/22	1-MO	FYTD	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net</u> Return	-1.95%	+1.52%	-8.81%	+5.90%	+6.15%	+7.88%
Policy Benchmark Return	-3.03%	-0.81%	-11.67%	+4.16%	+5.47%	+7.74%
Excess Returns (basis points)	+108	+232	+286	+174	+68	+14

Source: Callan

- KPM Performance for January 2023:
 - All 10 KPMs for Investments were met.

Upcoming Plans & Projects

- February Committee Meeting:
 - Staff will present an update on the monthly performance of the public market asset classes of the NHRS, rebalancing, holdings, and the Work Plan.
 - The Committee will vote on the updated public markets manager contract renewal process.
 - The Committee will vote on a five-year contract extension for Fidelity.
 - The Committee will hear a presentation from Fixed Income Manager Manulife in conjunction with the contract extension process.
 - Abel Noser will present their analysis of the System's equity trading costs for calendar year 2022.
 - Callan will present their Capital Markets Assumptions.

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 through December 31st	\$ 265,959
Total:	\$ 16,808,944

Source: BNY Mellon, ISS, NHRS, Northern Trust

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FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Assure compliance with all relevant statutory and regulatory requirements.	CIO/IIC/BOT	6/30/23	No exceptions have been identified.
2. Complete Private Debt/Equity Work Plan for calendar year 2023.	CIO/IIC	12/31/23	(DONE) IIC approved the CY 2023 Private Equity & Private Debt Work Plan on December 10, 2022. Implementation will occur in 2023.
3. Complete Real Estate Work Plan for calendar year 2023.	CIO/IIC	12/31/23	(DONE) IIC approved FY 2023 Real Estate Work Plan on December 10, 2022. Implementation will occur in 2023.
4. Maintain investment expenses within budget.	CIO/IIC	6/30/23	Investment expenses are within budget.
5. Implement rebalancing as necessary to address deviations from policy targets.	CIO/IIC/BOT	02/30/23	Non-US Equity & Fixed Income portfolios are outside the lower bound; NHRS investment staff will perform portfolio rebalancing to bring allocation within the policy range.
6. Recommend an optimized investment process for the IIC.	CIO/IIC	01/31/23	(DONE) Recommend an optimized staff-driven process to assist the IIC with investment decision-making for manager selection and termination.
7. Identify, enroll, and complete a professional development program.	CIO	6/30/23	In progress.
8. Conduct an internal review of the NHRS total plan portfolio.	CIO/IIC	06/30/23	(NEW) Conduct an internal review of the NHRS total plan by the Investment Team with assistance from the consultant and other partners (custody bank).

9. Complete a review of the Strategic Asset Allocation and, if necessary, recommend an update to the strategic asset allocation policy	CIO/IIC	09/30/23	(NEW) Complete an update to the NHRS strategic asset allocation policy with 2023 capital markets assumptions and, if necessary, recommend a new asset allocation policy portfolio
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NHRS

New Hampshire Retirement System

To: Board of Trustees

From: Nancy J. Miller

Date: February 1, 2023

Re: Member Services Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Member Services will be carrying out PGV3 D6 UAT testing in February and March.
- Teacher Final Average Salary calculations were discussed, and further review is set to be carried out when the LRS team is on site here at NHRS.

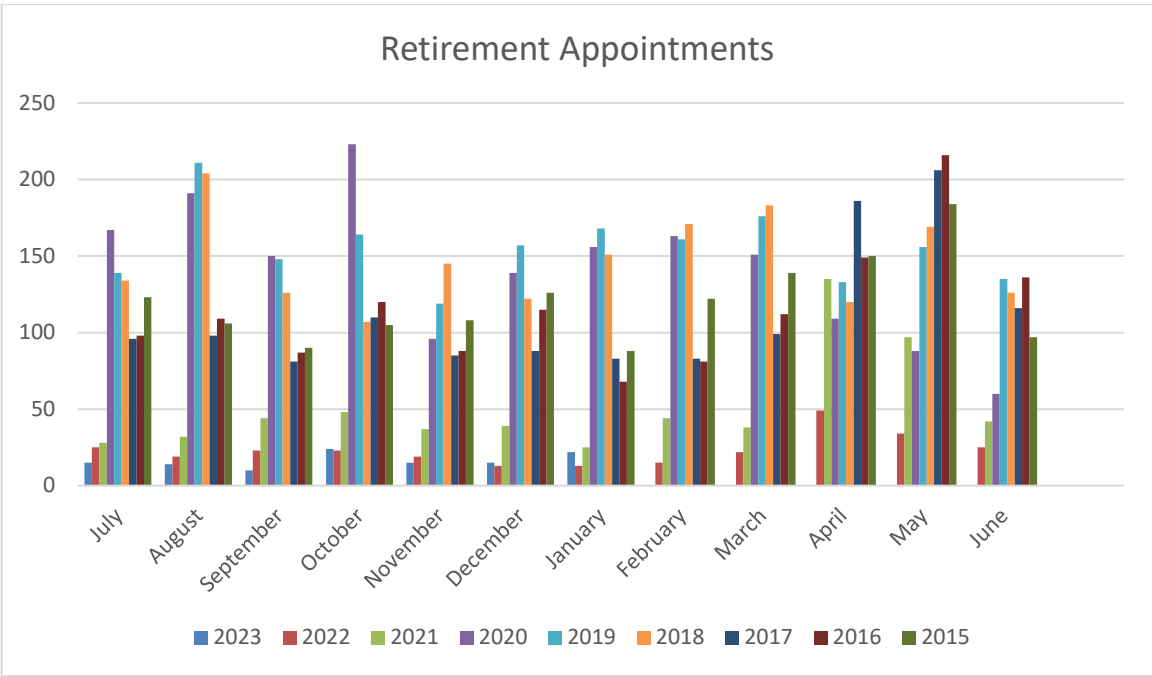
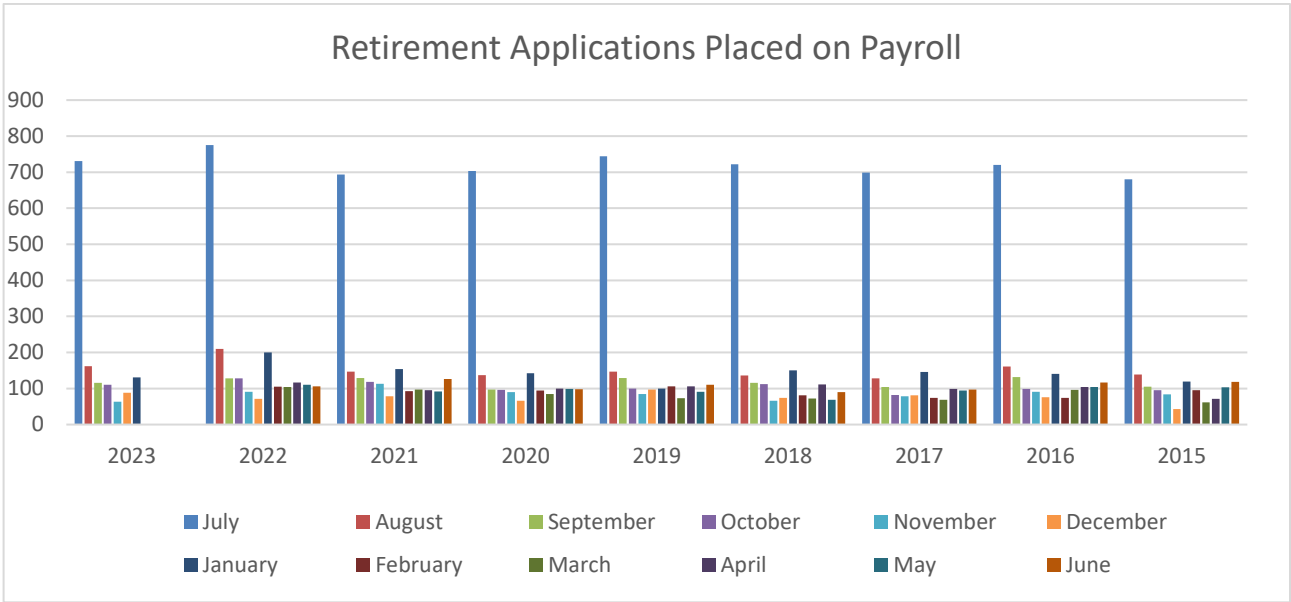
Current Month Highlights

- Member Services continues to participate in LSR reviews along with other members of the Legislative Team.
- The Retiree Benefits team completed the first notice mailing of the annual Medical Subsidy Recipient Questionnaires.
- Recruiting to fill a vacated Retirement Generalist position has begun.
- Member Services achieved all 21 of its KPMs this month.

Upcoming Plans & Projects

- PG parallel-preparation conversations with NHRS project management will continue in the upcoming month.
- Meetings to begin the review of PGV3 D7 (Member Direct) are beginning.

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FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Adhere to and complete PGV3 project plan milestones relative to all Member Services functions.	NM/MS/IT/LRS	6/30/23	In process.
2. Develop and implement an Employer Term Form tracking, and penalty issuance process, with monthly reporting capabilities.	Member Benefits/Legal/PIO	8/30/22	Completed.
3. Create new member correspondences, internal workflows, accountabilities, and documented procedures relative to all 2022 legislative changes with impact to Member Services and benefit calculation functions.	MS/PIO/Legal/Contact Center/LRS	Dates to be added as legislation passed/implementation plans completed. HB1497 HB1587 HB 363 HB1535	Completed.
4. Implement new and adjusted procedures for Retiree Death Case processing to reduce open (outstanding recoupment matters and non-	MS Retirement Benefits/LexisNexis/Recoupment Committee	8/1/22- New procedures 9/30/22 -	In process.

responder) cases by 50%.		Monthly tracking reports 6/23 - Reduction of open cases by 50%	
5. Identify and coordinate attendance of a training in which all of Member Services management team attend together as part of continuing education.	MS Managers/HR/Vendor	6/30/23	In process – sent HR seminar materials.



To: Board of Trustees
From: Marie A. Mullen, Director of Finance
Date: February 1, 2023
Re: Finance Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Status Update on PGV3 Finance deliverables:
 - Deliverable 6 (D6) General Ledger/Reporting/1099-R/Employer Reporting- we continue to review testing plans and are preparing for training and testing to begin the week of February 7 and continue through the month of March.
 - We continue to communicate with Employers on the need to submit test files for the Pension Gold upgrade. We have received 66 to date, up from 35 just a few weeks ago. We have received test files from the State of NH and Nashua/SAU42 and continue to work with employers that have submitted files on any schema errors.
 - Received 101 responses out of 107 from school districts on the teacher contract survey for LRS to create a back-up plan for those unable to report contract information in XML files.
- The audit of the GASB 68 and 75 employer proportionate share reports are in process and will be presented to the Audit Committee and the full Board at their respective March meetings.

Current Month Highlights

- Finance completed 11 of their 15 KPMs for the month. One KPM did not have a deliverable for the month. Finance did not meet the KPMs for distribution of Budget vs Actual reports due to resource constraints, Tax Form 945 due date for refund is February 10, therefore IRS deadline will be met; and the employer account reconciliation was due to one employer's non-compliance and was out of NHRS Finance control.
- Due to resource constraints, we are not able to provide fiscal year 2023 financial statements, however, we have hired a temporary employee to assist with the process and anticipate presenting at a future meeting.
- Cash flows for December and fiscal year to date were within the expected range.
- FY 23 spending through the first six months of the fiscal year is below budget.
- PGV3 project spending inception to date is below budget and FY23 is below the overall annual budget.
- Completed the External Audit RFP process and will provide a recommendation to the Audit Committee on February 10.

Upcoming Plans & Projects

- Review of design documents for PGV3 Deliverable 7.

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NHRS Board Monthly Reporting Package

Finance

February 14, 2023

CASH FLOW-Contributions & Benefits

Cash Basis (\$s in Millions)

Contributions	December 2022	FY 2023 YTD	December 2021	FY 2022 YTD
Employers	\$ 54.791	\$ 309.795	\$ 52.426	\$ 294.016
Members	\$ 20.899	\$ 121.393	\$ 20.247	\$ 118.903
Subtotal	\$ 75.690	\$ 431.188	\$ 72.673	\$ 412.919
Benefits				
Annuity & OPEB	\$ 83.205	\$ 507.504	\$ 79.063	\$ 473.387
Refunds & All Other	\$ 3.045	\$ 21.163	\$ 2.655	\$ 19.661
Subtotal	\$ 86.250	\$ 528.667	\$ 81.718	\$ 493.048
Total Cash Flow Gain/(Shortfall)	\$ (10.560)	\$ (97.479)	\$ (9.045)	\$ (80.129)

FY 2023 BUDGET vs. ACTUAL

Investments & Non-Investment Administrative Expenses

July 1, 2022 through December 31, 2022

	Total Budget	FYTD Budget	Actual	Difference
Investment				
Administrative Expenses				
Internal (In-house staff)	\$ 1,025,800	\$ 547,323	\$ 456,500	\$ 90,823
External (Manager & Custodial)	\$ 35,566,000	\$ 17,783,000	\$ 12,835,565	\$ 4,947,435
Subtotal	\$ 36,591,800	\$ 18,330,323	\$ 13,292,065	\$ 5,038,258
Non-Investment				
Administrative Expenses				
Internal (Statutory Administrative)	\$ 10,111,942	\$ 5,385,178	\$ 4,388,497	\$ 996,681
Pension Gold Version 3	\$ 2,180,905	\$ 1,090,453	\$ 1,210,375	\$ (119,922)
External (Actuary, Legal, Audit)	\$ 1,170,750	\$ 585,375	\$ 543,711	\$ 41,664
Subtotal	\$ 13,463,597	\$ 7,061,006	\$ 6,142,583	\$ 918,423
Total Administrative Expense	\$ 50,055,397	\$ 25,391,329	\$ 19,434,648	\$ 5,956,681

			New Hampshire Retirement System			
			Investment & Non-Investment Administrative Expenses			
			Budget vs. Actual			
			July 1, 2022 Through December 31, 2022			
			FY 2023			
		TOTAL Budget	FYTD Budget	FYTD Actual	Difference	Variance Explanations
1	Investment Administrative Expenses					
2	Internal Investment Expenses					
3	Salaries & Benefits	\$ 895,000	\$ 481,923	\$ 404,452	\$ 77,471	
4	Current Expenses/Supplies/Education	28,000	14,000	18,091	(4,091)	Tuition expense paid beginning of semester. Will balance by end of year.
5	Subscriptions	5,300	2,650	2,887	(237)	Renewals not aligned with monthly budget. Will balance by end of year.
6	License Fee-Bloomberg	54,000	27,000	23,938	3,062	
7	Organization Dues	18,500	9,250	5,869	3,381	
8	Travel	25,000	12,500	1,263	11,237	
9	Subtotal Internal Investment	1,025,800	547,323	456,500	90,823	
10	External Investment Expenses					
11	Management Fees					
12	Marketable Investments	30,280,000	15,140,000	11,339,866	3,800,134	
13	Real Estate	3,400,000	1,700,000	793,561	906,439	
14	Subtotal Management Fees	33,680,000	16,840,000	12,133,427	4,706,573	
15	Investment Administrative Expenses					
16	Custody Fees					
17	Master-BNY Mellon	625,000	312,500	286,469	26,031	
18	General Investment Consultant Fees	700,000	350,000	325,000	25,000	
19	Legal-Investment	500,000	250,000	77,486	172,514	
20	Other Fees	61,000	30,500	13,183	17,317	
21	Subtotal Invest. Administrative Expenses	1,886,000	943,000	702,138	240,862	
22	Subtotal External Investment	35,566,000	17,783,000	12,835,565	4,947,435	
23						
24	Total Investment Internal & External	\$ 36,591,800	\$ 18,330,323	\$ 13,292,065	\$ 5,038,258	
	Line 12 - Investment Management Fees: FYTD Budgeted in this report at 6 months.					
	Line 13 - Investment Management Fees: FYTD Budgeted in this report at 6 months.					
	Line 17 - Custody Fees, Master BNY Mellon: FYTD Budgeted in this report at 6 months.					
	Line 18 - General Investment Consultant Fees: FYTD Budgeted in this report at 6 months.					
25	Non-Investment Administrative Expenses					
26	Internal Non-Investment Expenses					
27	Salaries & Benefits	\$ 7,584,366	\$ 4,083,889	\$ 3,423,926	\$ 659,963	
28	Current Expenses	200,985	100,493	77,354	23,139	
29	Rents & Leases	465,000	270,000	221,942	48,058	
30	Equipment	24,700	12,350	24,723	(12,373)	Unanticipated equipment needs. Transfer from available prior year balance forward will be utilized to cover needs.
31	Technology-Software & Hardware	883,000	441,500	284,852	156,648	
32	Payroll & Other Services	50,500	25,250	32,149	(6,899)	Increased Retiree Search services required. Budget will be managed to accommodate increase.
33	Independent Med. Examiners/Consultants	234,000	117,000	107,229	9,771	
34	Retiree Health Insurance	177,900	88,950	51,584	37,366	
35	Other	491,491	245,746	164,738	81,008	
36	Subtotal Internal Non-Invest. Adm	10,111,942	5,385,178	4,388,497	996,681	
37						
38	Pension Gold Version 3 Upgrade	2,180,905	1,090,453	1,210,375	(119,922)	Progress payment. Will balance by end of year.
39						
40	External Non-Investment Expenses					
41	Actuarial Fees	\$ 230,000	115,000	\$ 104,238	\$ 10,762	
42	Legal Fees	225,000	112,500	53,054	59,446	
43	Audit Fees	259,500	129,750	219,000	(89,250)	Expenses frontloaded in first half of year. Will balance by end of year.
44	Other Consulting Fees	129,500	64,750	63,013	1,737	
45	Insurance Expense	201,750	100,875	49,103	51,772	
46	Local Custodian	125,000	62,500	55,303	7,197	
47	Depreciation Expense	-	-	-	-	
48	Subtotal External Non-Invest. Adm	1,170,750	585,375	543,711	41,664	
49						
50	Total Non-Invest. Internal & External	\$ 13,463,597	\$ 7,061,006	\$ 6,142,583	\$ 918,423	
51						
52	Total Administrative Expense	\$ 50,055,397	\$ 25,391,329	\$ 19,434,648	\$ 5,956,681	

FY 2021 PENALTY STATISTICS BY TYPE								
Assessed, Paid, Waived & Pending Penalties								
Fiscal Year 2021 as of 1/31/2023								
Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	332	\$ 468,991	200	\$ 388,505	51	\$ 7,611	81	\$ 72,875
Payment Penalty	162	\$ 113,463	64	\$ 66,857	35	\$ 7,565	63	\$ 39,041
Total	494	\$ 582,454	264	\$ 455,362	86	\$ 15,176	144	\$ 111,916

FY 2022 PENALTY STATISTICS BY TYPE								
Assessed, Paid, Waived & Pending Penalties								
Fiscal Year 2022 as of 1/31/2023								
Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	269	\$ 346,708	158	\$ 259,506	34	\$ 13,285	77	\$ 73,917
Payment Penalty	172	\$ 118,442	69	\$ 51,212	41	\$ 14,569	62	\$ 52,661
Total	441	\$ 465,150	227	\$ 310,718	75	\$ 27,854	139	\$ 126,578

FY 2023 PENALTY STATISTICS BY TYPE								
Assessed, Paid, Waived & Pending Penalties								
July 1, 2022 through January 31, 2023								
Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	179	\$ 304,249	65	\$ 129,898	11	\$ 4,452	103	\$ 169,899
Payment Penalty	53	\$ 53,188	11	\$ 7,945	1	\$ 7	41	\$ 45,236
Total	232	\$ 357,437	76	\$ 137,843	12	\$ 4,459	144	\$ 215,135

		New Hampshire Retirement System					As of December 31, 2022		
		Pension Gold Version 3 Upgrade							
		Total Project Lifecycle							
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		INTERNAL COSTS							TOTAL PROJECT
		Additional Staffing Costs with benefits	Overtime	Current Expenses	Desktop PC's	Desks/Office Furniture	Travel	Subtotal Internal Costs	
1	2019 Budget	\$ 177,145	\$ -	\$ 40,858	\$ 2,644	\$ 2,363	\$ -	\$ 223,010	\$ 1,193,185
2	2019 Actual	\$ 155,718	\$ 3,115	\$ 1,442	\$ 2,644	\$ 2,363	\$ -	\$ 165,282	\$ 1,084,933
3	2019 Variance	\$ 21,427	\$ (3,115)	\$ 39,416	\$ -	\$ -	\$ -	\$ 57,728	\$ 108,252
4	2019 Comments								
5									
6									
7	2020 Budget	\$ 525,220	\$ 20,000	\$ 9,000	\$ 11,100	\$ 20,000	\$ 2,250	\$ 587,570	\$ 2,946,761
8	2020 BUD Update							\$ -	\$ (543,726)
9	2020 Adj Budget	\$ 525,220	\$ 20,000	\$ 9,000	\$ 11,100	\$ 20,000	\$ 2,250	\$ 587,570	\$ 2,403,035
10	2020 Actual	\$ 368,213	\$ 883	\$ 2,334	\$ -	\$ -	\$ -	\$ 371,430	\$ 2,114,074
11	2020 Variance	\$ 157,007	\$ 19,117	\$ 6,666	\$ 11,100	\$ 20,000	\$ 2,250	\$ 216,140	\$ 288,962
12	2020 Comments								
13									
14									
15	2021 Budget	\$ 624,041	\$ 20,000	\$ 9,000			\$ 2,250	\$ 655,291	\$ 2,952,202
16	2021 BUD Update							\$ -	\$ (782,531)
17	2021 Adj Budget	\$ 624,041	\$ 20,000	\$ 9,000	\$ -	\$ -	\$ 2,250	\$ 655,291	\$ 2,169,671
18	2021 Actual	\$ 374,098	\$ 12,842	\$ 1,009	\$ -	\$ -	\$ -	\$ 387,949	\$ 2,152,323
19	2021 Variance	\$ 249,943	\$ 7,158	\$ 7,991	\$ -	\$ -	\$ 2,250	\$ 267,342	\$ 17,348
20	2021 Comments								
21									
22									
23	2022 Budget	\$ 655,243	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 685,243	\$ 2,195,102
24	2022 BUD Update	\$ (55,316)					\$ 2,250	\$ (53,066)	\$ 609,066
25	2022 Adj Budget	\$ 599,927	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 2,250	\$ 632,177	\$ 2,804,167
26	2022 Actual	\$ 413,963	\$ 1,760	\$ 672	\$ -	\$ -	\$ -	\$ 416,395	\$ 1,547,068
27	2022 Variance	\$ 185,964	\$ 18,240	\$ 9,328	\$ -	\$ -	\$ 2,250	\$ 215,782	\$ 1,257,099
28	2022 Comments								
29									
30									
31	2023 Budget	\$ 688,005	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 718,005	\$ 2,007,239
32	2023 BUD Update	\$ (65,909)					\$ 2,250	\$ (63,659)	\$ 70,863
33	2023 Adj Budget	\$ 622,096	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 2,250	\$ 654,346	\$ 2,078,101
34	2023 Actual	\$ 280,574	\$ 247	\$ 241	\$ -	\$ -	\$ -	\$ 281,062	\$ 1,210,375
35	2023 Variance	\$ 341,522	\$ 19,753	\$ 9,759	\$ -	\$ -	\$ 2,250	\$ 373,284	\$ 867,726
36	2023 Comments								
37									
38									
39	2024 Budget	\$ 722,405	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 727,405	\$ 2,205,526
40	2024 BUD Update	\$ (69,204)						\$ (69,204)	\$ 460,400
41	2024 Adj Budget	\$ 653,201	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 658,201	\$ 2,665,926
42	2024 Actual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	2024 Variance	\$ 653,201	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 658,201	\$ 2,665,926
44	2024 Comments								
45									
46									
47	TOTAL Budget	\$ 3,392,059	\$ 80,000	\$ 83,858	\$ 13,744	\$ 22,363	\$ 4,500	\$ 3,596,524	\$ 13,500,014
48	TOTAL BUD Update	\$ (190,429)	\$ -	\$ -	\$ -	\$ -	\$ 4,500	\$ (185,929)	\$ (185,929)
49	TOTAL Adj Budget	\$ 3,201,630	\$ 80,000	\$ 83,858	\$ 13,744	\$ 22,363	\$ 9,000	\$ 3,410,595	\$ 13,314,085
50	TOTAL Actual	\$ 1,592,566	\$ 18,847	\$ 5,698	\$ 2,644	\$ 2,363	\$ -	\$ 1,622,118	\$ 8,108,772
51	TOTAL Variance	\$ 1,609,064	\$ 61,153	\$ 78,160	\$ 11,100	\$ 20,000	\$ 9,000	\$ 1,788,477	\$ 5,205,313
52	TOTAL Comments								
53									
54	Assumptions:								
55		No costs associated with PGV2 are included in this analysis							
56		PGV3 Support Costs are at the Standard rate (as opposed to premium)							
57		Implementation Costs detailed in each year's Adjusted Budget match the payment schedule in the LRS contract, and total the not-to-exceed amount							
58		The Adjusted Budget for Internal Costs reflects the amounts included in the FY22/23 statutory administrative budget.							
59		There are no costs for hardware that may be necessary at COLO included above							
60		Consulting costs in total are set at the not-to-exceed amount set in the contract with LRWL							
61		In FY24, additional staffing costs are increased 5% over FY23							

Division: Finance

Date: January 31, 2023

Approved: September 19, 2022

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Perform tasks associated with PGV3 implementation, as per contractual implementation schedule.	JT/MM/Finance Team/PGV3 Steering Committee	6/30/23	Finance Team has been participating in various system design reviews, testing, employer file conversion and outreach.
2. Receive unmodified audit opinion for FY 22 audit.	MM/Finance Team	12/31/22	Completed.
3. Assure all statutory and other financial reporting deadlines and requirements are met, including the ACFR, benefit payroll, 1099s, FY 24 NHRS Trust Fund budget.	MM/Finance Team	6/30/23	Ongoing.
4. Deploy “New Staff Member” packet to address turnover of staff from participating employers responsible for NHRS reporting.	MM/JT/PIO	12/31/22	Due to staff constraints and PGV3 prioritization, item is behind schedule. Packet is being finalized, including a newly created Employer Reporting monthly deadline calendar.
5. Work to convert any employers still paying by paper check after the elimination of lockbox services, whether it be through NHRS <i>QuickPay</i> or ACH payment through their own banking partner.	MM/JT/MK	09/30/2023	Lockbox has been discontinued. We continue outreach to any employers still having trouble making electronic payments. We have updated forms not to send checks to lockbox. We hope to revisit the ACH topic with the employers still sending checks before “go-live” for PGV3.

6. Issue RFP and select next vendor for the processing of NHRS 1099 forms.	MM	6/30/23	Annual 1099-R process checklist has been created. RFP process delayed due to vacancies. Will use current vendor for 2022.
7. Meet the deadlines in FY23 associated with the PGV3 employer reporting rollout, as specified in the rollout plan dated 6/30/21.	JT/MM/PIO	9/30/23	Work is ongoing to validate the test files we have already received, and we continue to receive new files. We continue outreach to employers and software vendors to ensure employer conversion is adequate for go-live.
8. Manage & monitor expenditures to stay within the NHRS Trust Fund and statutory administrative budgets.	MM/E-Team	6/30/23	On track through December.
9. Inventory and evaluate all Finance records stored at state archives to determine if they can be destroyed, or if they need to be kept and/or imaged and destroyed.	MM/Finance Team/IT	6/30/23	Project delayed due to staff vacancies. Effort will be subject to space limitations and capacity for imaging of required files.
10. Enroll in and attend the P2F2 Program offered in October of 2022.	MM	10/31/22	Completed.
11. Issue RFP and select vendor for Annual Financial Audit.	MM	2/28/2023	Completed.

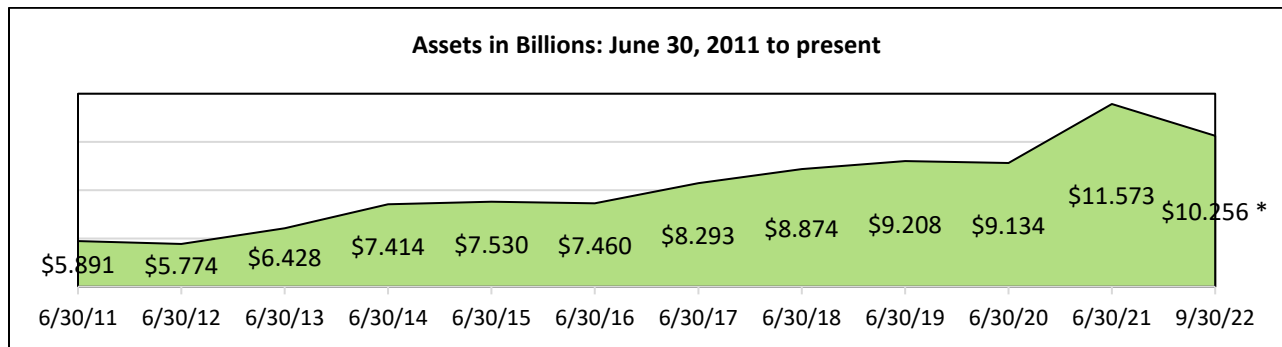
NHRS DASHBOARD: FY 2023 First Quarter

For the period July 1, 2022, to September 30, 2022

Updated: January 2023

TRUST FUND

1st Quarter FY 2022: \$11.465	1st Quarter FY 2023: \$10.256*
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* Unaudited

INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 9/30/22*	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	-3.4%	-6.1%	7.1%	7.2%	8.5%
Peer comparison (percentile)	NA	34th	35th	36th	18th

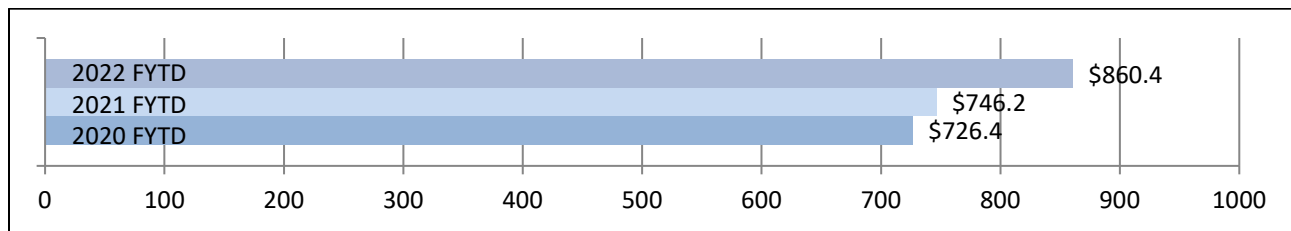
Assumed Rate of Return: 6.75%; * Annualized; valuation of real estate and alternative investments lagged three months

KEY PERFORMANCE MEASURES

July 2022: 96.39%	August 2022: 94.94%	Sept. 2022: 98.80%	12-month rolling average: 96.60%
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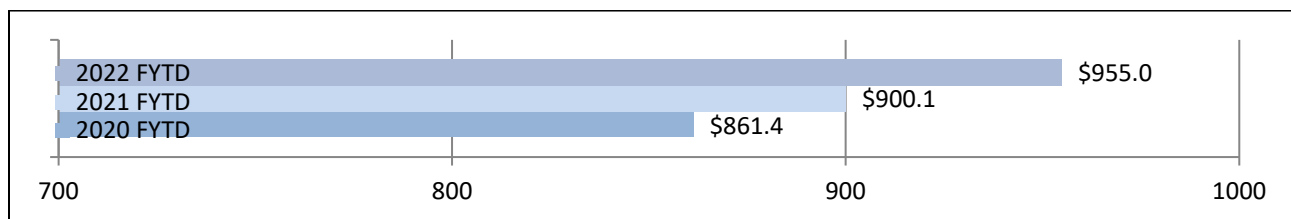
Target: 95%

CONTRIBUTIONS (in millions through 6/30*)



* 9/30 data is unavailable

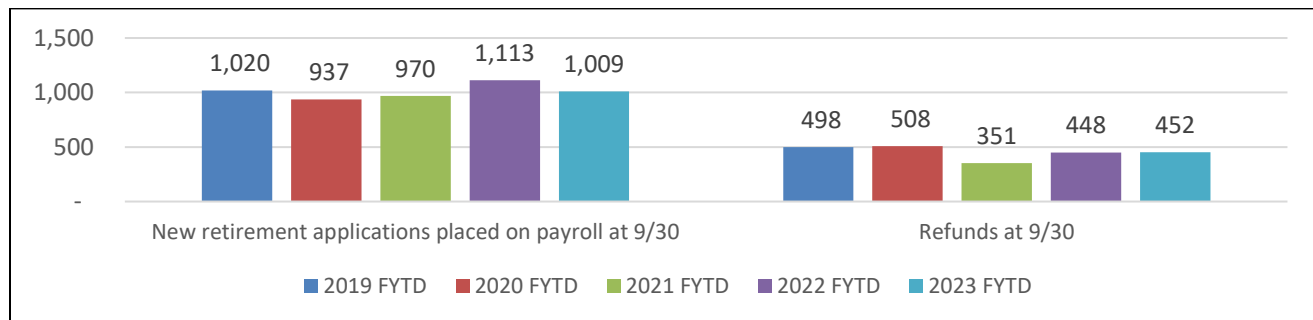
BENEFITS PAID (in millions through 6/30*)



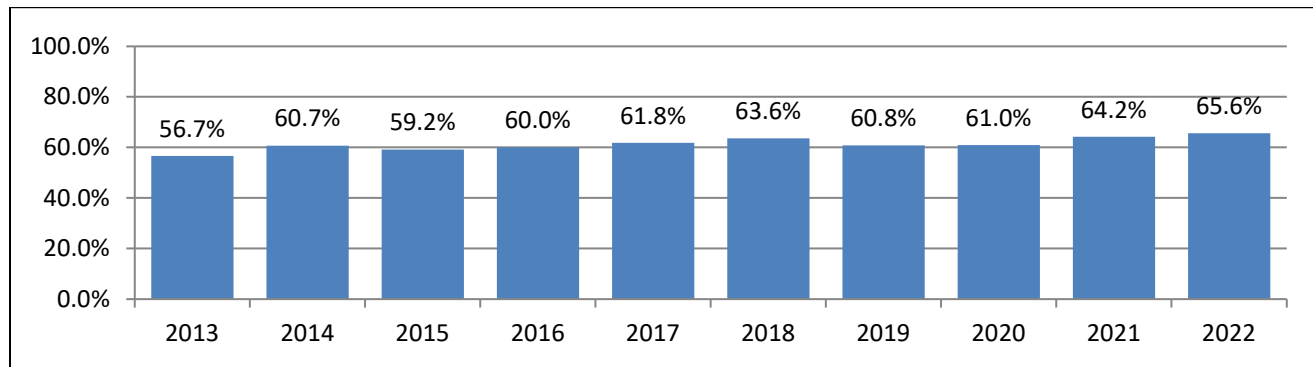
* 9/30 data is unavailable

Note: Benefits are paid from member and employer contributions and investment income. Historically, investment income has accounted for the majority of trust fund assets. There is a one-month lag in the reporting of member and employer contributions to NHRS, which accounts for the majority of the quarterly difference between contributions and benefits.

RETIREMENTS AND REFUNDS

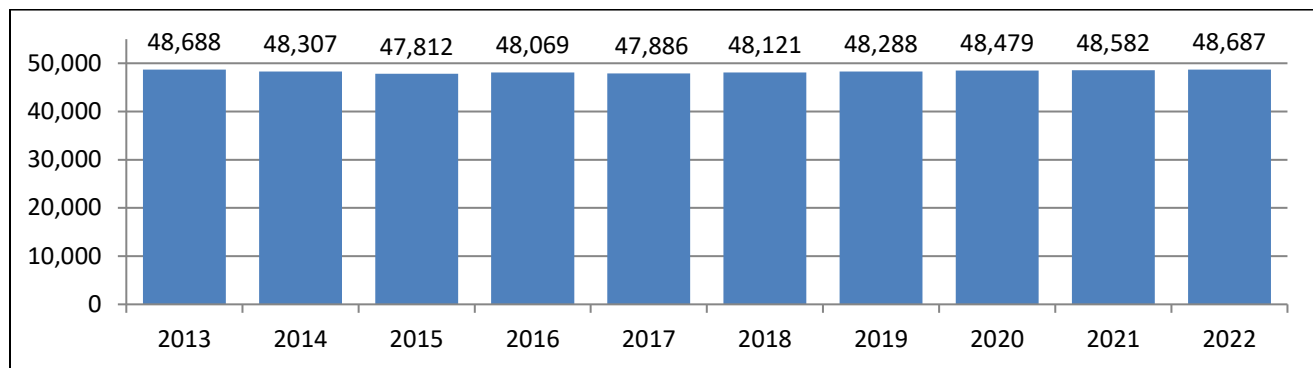


ACTUARIAL FUNDED RATIO

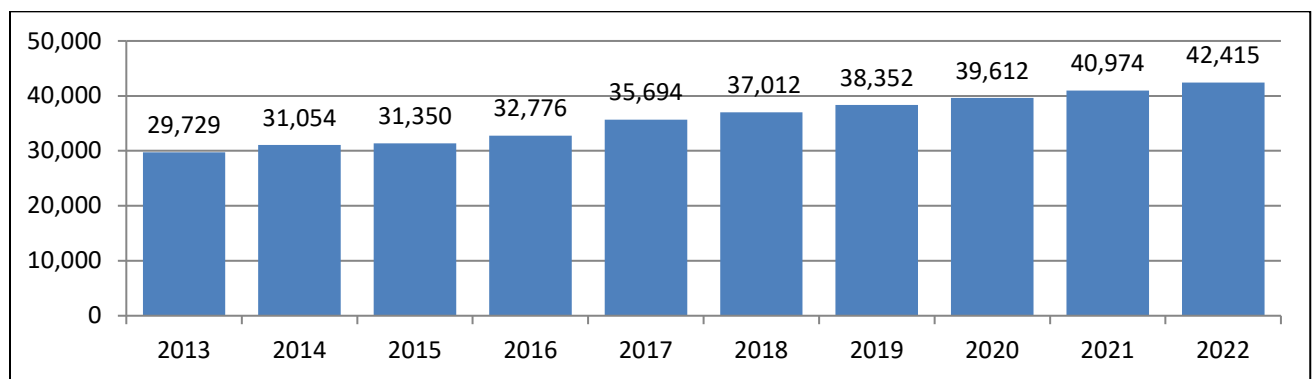


Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions effective in 2015 and 2019

ACTIVE MEMBERS



RETIREEES & BENEFICIARIES





NHRS

New Hampshire Retirement System

To: Board of Trustees

From: Rosamond Cain, Director of Human Resources

Date: February 14, 2023

Re: HR Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- NHRS currently has three staff openings, Retirement Generalist, Investment Operations Analyst, and the Director of IT.
- We have filled the Controller position; Susan Hickey started this month. We have also hired a temporary Sr. Accountant to assist Finance.
- NHRS has contracted with ADP to provide the HRIS/Payroll software. We are looking to go live in April or May.
- The NHRS staff engagement survey went out January 3. The results have been shared with the PPCC and will be discussed at the next PPCC meeting.

Current Month Highlights

- HR met all four HR KPMs last month.
- In 2022, NHRS hired 20 new staff members, additional statistics are attached.
- The 2022 Total Compensation Statements were sent to staff on February 2. A sample is attached.

Upcoming Plans & Projects

- We are continuing to evaluate our new staff training process.
- We are planning to look at staff engagement and how to increase it.
- We will be looking into using the payroll software to manage employee notices, trainings, recruitment, and performance.

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



For Year Ending December 31, 2022
Your Total Compensation Report

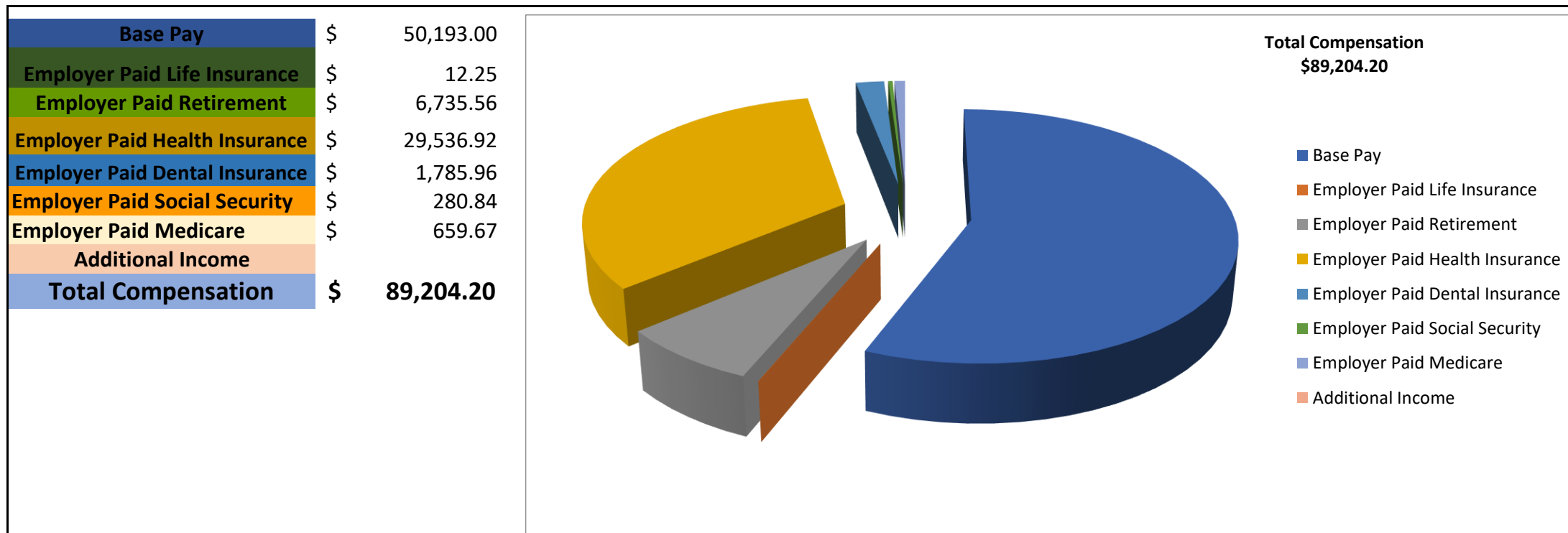
This is your personalized compensation statement which shows you the total value of the pay and benefits which you received from NHRS in 2022. It is sometimes easy to forget that our total compensation goes beyond what we see in our take home pay. We hope that this information provides you with a more complete picture of how we value your contribution to the organization. Your dedication and continued commitment to achieving our Mission of providing secure retirement benefits and superior service is sincerely appreciated, particularly in light of the unique challenges we all continued to face throughout 2022.

Employee Name

Thank you for your one year of service to NHRS and its members, retirees and beneficiaries.

Date of Hire: January 1, 2022

Jan Goodwin, Executive Director



Insurance Benefits			Retirement Benefits		
	NHRS Contribution	Your Contribution		NHRS Contribution	Your Contribution
Insurance Benefits Total			Retirement Benefits Total		
Health	\$ 29,536.92	\$ 1,560.00	Retirement	\$ 6,735.56	\$ 3,244.96
Dental	\$ 1,785.96	\$ -	Social Security	\$ 280.84	\$ 280.84
Life	\$ 12.25	\$ -	Medicare	\$ 659.67	\$ 659.67
Totals	\$ 31,335.13	\$ 1,560.00	Totals	\$ 7,676.07	\$ 4,185.47

Leave Time Benefits Total

Annual time, 12 Days per year	Included in your base pay	Holidays, 10 days per year	Included in your base pay
Sick Time, 15 Days per year	Included in your base pay	Floating Holidays, 3 days per year	Included in your base pay (unless unused and paid out)

* Additional Income may or may not include FYB, FH and/or comp time payouts, stipend or longevity, ER paid Ret. normal cost is 2.58%. Totals may vary due to rounding.

NHRS Staffing Activity January 1, 2022-December 31, 2022

14 Terminations January 1, 2022-December 31, 2022

1 Involuntary Termination

- 1 in Member Services

10 Voluntary Terminations

- 2 in Administration/Contact Center
- 2 in Finance
- 2 in Member Services
- 4 in IT

3 Retirements

- 1 in Finance
- 1 in Investments
- 1 in Member Services

19 New Hires January 1, 2022-December 31, 2022

- 1 in Investments
- 2 in Administration/Contact Center
- 4 in Finance
- 6 in IT
- 6 in Member Services

8 Internal Promotions/Transfers January 1, 2022-December 31, 2022

- 1 in Administration/Contact Center
- 1 in Investments
- 3 in Finance
- 3 in Member Services

NHRS Provided 31 staff members with 69 different professional development opportunities in 2022. This includes supporting 4 staff members in their pursuit of a degree.

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Plan, schedule, and present two trainings for our staff annual training plan.	RC/ED/ET/MT	6/30/23	All staff training will be on a hold until PGV3 deliverables have been completed.
2. Maintain a management development program for middle managers and staff identified as possible managers.	RC/ED/ET/MT	6/30/23	Program has been documented and guidelines for identifying staff have been documented. As of 02/01/2022, five staff members and three managers are currently participating.
3. Complete data remediation in accordance with DRAPP.	RC/FC	6/30/23	Ongoing.
4. Assist in monitoring and maintaining PGV3 Staffing levels to keep the project on time and budget.	RC/ET/MT	6/30/23	Ongoing.
5. Monitor and maintain staffing levels for the NHRS Contact Center.	RC/ED/NC/DH	6/30/23	Ongoing.
6. Continue to assess pandemic threat levels and adapt office protocol appropriately.	RC/ED/ET/MT	6/30/23	Ongoing.
7. Ensure compliance with all federal, state and CBA rules and regulations.	RC/JG/Legal	6/30/23	Ongoing.
8. HR Tech. to identify and enroll in a professional development program.	JG/RFC	9/30/23	Program identified and enrolled in.
9. HR Mgr. to identify, enroll in, and complete a professional development program.	RFC/ED	9/30/23	Program identified and enrolled in.



To: Board of Trustees
From: Frank Clough, Director of Information Technology
Date: February 2, 2023
Re: Information Technology Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Cybersecurity Awareness Updates – There were 4 (5%) failures on the January's phishing test. Additional monthly training was provided to all staff.
- Generator Replacement – Generator failed during the last power outage. The unit is completely dead – blown motor. Looking to get solar installed as a replacement.
- Migration to a Managed Detection and Response (MDR) service – The migration to SecureWorks has been completed.
- Fax Migration – We now have faxing in the cloud, and it is operational. We started the rollout; the main fax line is migrated.
- Microsoft Teams Migration – We have started the rollout of MS Teams and expected to phase out Zoom and Webex in the upcoming year.
- Annual Vulnerability and Penetration Assessment – K logix is underway with the testing, should be completed by early February.
- PensionGold V3 Technology kick-off – Expedited the project. Hardware and software have arrived and are currently up and running.
- Copiers – The copier contract ends in June. Working on a new copier contract.

Current Month Highlights

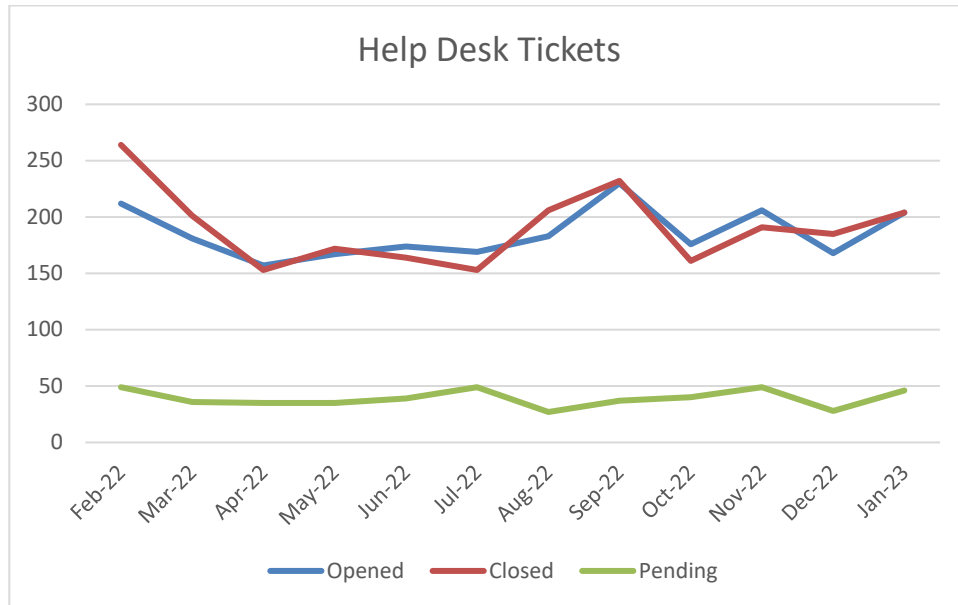
- IT Customer Satisfaction Score – 99%
- KPMs – 8 out of 8 of IT's KPMs were met.

Upcoming Plans & Projects

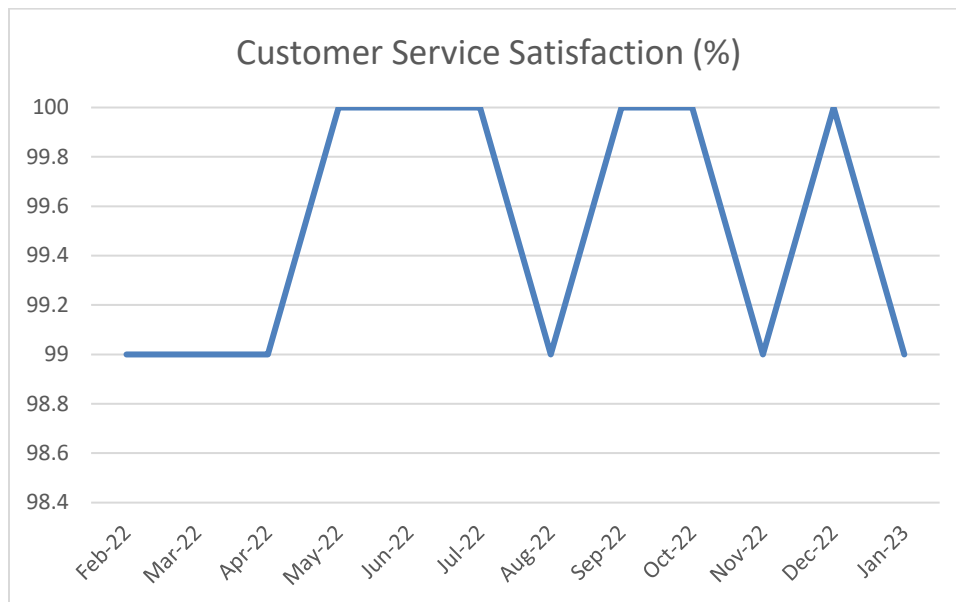
- SharePoint and OneDrive rollout.

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

NHRS Helpdesk Ticket Information by Month



NHRS Customer Satisfaction Scores by Month



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

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Migrate the existing Secureworks solution over to a MDR (Managed Detection and Response)	FC	04/30/2023	Completed 01/31/2023
2. Upgrade and install the new SAN (Storage Area Network)	FC, JO	10/31/2022	Completed 12/29/2022
3. Perform and complete yearly staff permissions review	FC	09/30/2022	Completed 8/31/2022
4. Execute third-party vulnerability and penetration test	FC	06/30/2023	Ongoing
5. Upgrade the Zix encryption to latest version	FC, JO	06/30/2023	Not started
6. Perform tasks associated with PensionGold V3 implementation, as per contractual implementation schedule	FC, TK, AS	06/30/2023	Installed
7. Deploy Office 365 hybrid environment; moving email to the Cloud.	FC, JO	06/30/2023	Completed 12/01/2022

8. Upgrade network switches for server infrastructure.	FC, JO	06/30/2023	Not started.
9. Upgrade the existing network bandwidth from 500MB to 1000MB.	FC	08/31/2022	Completed 7/1/2022.
10. Identify, enroll, and complete a professional development program.	FC	06/30/2023	Secureworks Security Trends webinar.



To: Board of Trustees

From: Tim Crutchfield

Date: February 2, 2023

Re: Legal Team Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- The CY 2023 Board calendar and internal regulatory compliance calendar have been finalized.
- Atty. Cavanaugh shepherded a busy January of preparing Fiscal Note Worksheets (FNWs) for the Legislative Budget Office for 20 proposed bills impacting NHRS.
- The fiduciary insurance and Executive Director surety bond for 2023 have been secured.
- The Statement of Financial Interests forms were provided to the Secretary of State's Office prior to the January 20 deadline. Thank you for your completed forms.

Current Month Highlights

- Over the past 12 months, the Employer Audit Team has completed 40 standard and 22 GASB audits. There are nine standard audits in process, covering approximately 679 members.
- Legal staff has begun the process of issuing administrative penalty letters to employers who are delinquent in making audit corrections.
- The CY 2022 Gainful Occupation process is complete. There are six retirees receiving an offset for noncompliance since December. The excess earnings offsets went into effect in January and one case is under appeal.
- Seven of the eight Legal KPMs this month were achieved. The missed KPM was regarding the failure to achieve a rolling average of 2 employer audits per experienced auditor per month over the prior 12-month period due to competing priorities with PGV3 testing. Actual performance was 0.16 below the benchmark.

Upcoming Plans & Projects

- By February 15, all employers must provide CY '22 information regarding NHRS retirees on their payroll, including hours worked and compensation paid.
- The CY 2023 Gainful Occupation notices will be mailed by March 15.

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

Administrative Appeals

Prior 12 months	Total Cases on Appeal at start of the month	New Appeals	Closed Appeals	Total Cases on Appeal end of the month
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
July '22	7	0	0	7
June '22	7	1	1	7
May '22	7	1	1	7
April '22	7	0	0	7
Mar. '22	9	1	3	7
Feb. '22	10	0	1	9
Totals		11	11	

Disability Appeals

Prior 12 months	Total Cases on Appeal at start of the month	New Appeals	Closed Appeals	Total Cases on Appeal end of the month
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
July '22	1	0	0	1
June '22	1	0	0	1
May '22	0	1	0	1
April '22	0	0	0	0
Mar. '22	0	0	0	0
Feb. '22	0	0	0	0
Totals		1	0	

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

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Review 100-A and propose recommended technical changes.	TC/MK	9/30/22	In process. Board approved recommended technical changes at its 8/9/22 meeting. HB 193 is under review by House ED&A.
2. Conduct and document annual review of NHRS legal and governance policies, procedures, and manuals to assure best practices.	TC	12/31/22	Completed. The annual Governance Manual revisions were approved at the January Board meeting.
3. Update the annual compliance calendar to ensure statutory compliance in all organizational areas.	TC	12/31/22	Completed.
4. Ensure annual compliance with the Voluntary Correction Program Policy.	TC	3/31/23	To be completed by 3/31/23.
5. Assure legal compliance with all legislative proposals adopted and effective in 2022.	TC	6/30/23	Completed.
6. Review NHRS website for legal compliance with updates as needed.	TC/MK	6/30/23	Ongoing.
7. Identify, enroll, and complete a professional development program.	TC	6/30/23	To be completed by 6/30/23.

**New Hampshire Retirement System
Board Meeting**

**Consent Agenda
Tuesday, February 14, 2023**

Disability Application Recommendations

1. R.E.B. Deny ordinary disability retirement for this group I member who worked for a political subdivision and has 11 years and 11 months of creditable service, based on medical evidence that does not support his claim for permanent incapacity from his work duties due to a medical condition.
2. R.P.B. Grant ordinary disability retirement (ODR) to this group I member who worked for the State of New Hampshire and has 16 years and 6 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
3. T.F. Grant accidental disability retirement (ADR) to this group I member who worked for a political subdivision and has 16 years and 2 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
4. S.M. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 9 years and 11 months of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties due to a medical condition.
5. A.M. Grant ordinary disability retirement (ODR) to this group I member who worked for the State of New Hampshire and has 11 years and 10 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. M.O. Grant accidental disability retirement (ADR) to this group I member who worked for a political subdivision and has 15 years and 2 months of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties due to a medical condition.

Trustee Travel

No Travel Requests Submitted



To: NHRS Board of Trustees
From: Jan Goodwin, Executive Director
Date: February 2, 2023
Re: January 10, 2023 - Action Items
Item: Action: ☐ Discussion: ☐ Informational: ☒

1. Provide the FY22 GASB 68/75 reports to the Board in February. MM
Action: To be presented at the March Board meeting.
2. Provide certified 7.5% state contributions for the remaining employers to the State Treasurer. MM
Action: In process: 2 employers still to be certified as of 2/2.
3. Bring the Segal contract extension to the Board in February. JG
Action: On the February Board agenda for action.
4. Update the Board on the external auditor search in February. MM
Action: The Audit Committee is expected to bring its selection to the Board at the February Board meeting.
5. Update the Governance Manual. MC
Action: Completed.
6. Finalize the fiduciary insurance renewal. MC
Action: Completed.
7. Implement Board decisions on the Consent Agenda. DC
Action: Completed.
8. Seek legislative appropriation for funding call firefighter benefits. MK/MM
Action: In progress.

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 rd 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	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

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

AUGUST

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

SEPTEMBER

Date	Board Action Items	Requirement	Responsible Party
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

Date	Board Action Items	Requirement	Responsible Party
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

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

DECEMBER

Date	Board Action Items	Requirement	Responsible Party
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

New Hampshire Retirement System Board of Trustees
As of November 14, 2022

Christopher Coates, Keene
September 5, 2018, to July 13, 2019
Association of Counties

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

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

Maureen Kelliher, Dover
June 18, 2014, to July 13, 2022
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, 2021
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 3, 2023
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, 2022
NH School Boards Association

**NHRS Board of Trustees
Committee Membership List
as of December 2022**

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

**Educational Seminars for Board Members,
as of January 17, 2023**

Sponsor	Program	Description
<p>(NCPERS) National Conference on Public Employee Retirement Systems www.ncpers.org</p>	<p>2023 Annual Conference & Exhibits (ACE) May 20-21, 2023 New Orleans, LA</p> <p>NCPERS Accredited Fiduciary (NAF) (Runs concurrently with ACE) Modules 1 & 2, 3 & 4</p>	<ul style="list-style-type: none"> ▪ Sharpen skills to advocate for public pension members to policymakers. ▪ Hear from lawmakers, House Ways & Means Committee, Senate Finance Committee and Treasury Department. ▪ Good for all Trustees, administrators, state and local officials, staff, financial and union officers, and public pension plan members. ▪ New Trustees session occurs immediately before conference. ▪ For Trustees with at least five-years of experience. Trustee Education Seminar (TEDS) is a pre-requisite. ▪ Earn continuing education credits. ▪ Strengthen knowledge of pensions and governance.
<p>(NASRA) National Assn. of State Retirement Administrators www.nasra.org</p>	<p>2023 Winter Meeting February 25-27, 2023 Washington, DC</p> <p>2023 Annual Conference August 5-9, 2023 Broomfield, CO</p>	<ul style="list-style-type: none"> ▪ Primarily for Executive Directors, but some Trustees attend. ▪ Discussions and presentations in the round; and a current overview of federal legislative and regulatory affairs. ▪ Agenda TBD.

<p>(CII) Council of Institutional Investors www.cii.org</p>	<p>2023 Spring Conference March 6-8, 2023 Washington, DC</p> <p>Monday, March 6, 2023 Trustee Dinner & Roundtable 6:45 p.m.-8:30 p.m.</p> <p>2023 Fall Conference September 11-13, 2023 Long Beach, CA</p>	<ul style="list-style-type: none"> ▪ Interact and share best practices with Corporate Governance professionals, investors, legislators, and regulators. ▪ Held in conjunction with Spring Conference, a private dinner and discussion for pension fund Trustees. ▪ Agenda TBD.
<p>Callan www.callan.com</p>	<p>2023 Callan National Conference April 2-4, 2023 Scottsdale, AZ</p>	<ul style="list-style-type: none"> ▪ Agenda TBD.
<p>(IFEBP) Int'l Foundation of Employee Benefit Plans www.ifebp.org</p>	<p>Certificate in Retirement Plan Basics March 3-4 Orlando, FL</p> <p>Trustees Institute Level II Concepts in Practice June 17-18, 2023 San Diego, CA</p>	<ul style="list-style-type: none"> ▪ Join industry peers to network and learn about defined benefit plans, defined contribution plans, non-qualified deferred compensation plans, and today's challenges facing retirement plans, as well as correcting retirement plan errors. Understand fiduciary duties and responsibilities with ever-changing regulatory guidance. ▪ Ideal for Plan professionals, and for Trustees who've served 3 to 5 years and completed Level I: Core Concepts. ▪ Learn from industry experts on current events and reform initiatives. ▪ Network with peers facing similar challenges – share best practices, ideas, and solutions. ▪ Gain insight and garner resource materials to share with colleagues.

	<p>Trustees Institute Level I Core Concepts June 19-21, 2023 San, Diego, CA</p> <p>Advanced Trustees & Administrators Institute June 19-20, 2023 San Diego, CA</p> <p>Certificate of Achievement in Public Plan Policy (CAPPP) Pensions Part I & II* July 24-27, 2023 Chicago, IL</p> <p>Pensions Part I* September 30-October 1, 2023 Boston, MA</p> <p><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>	<ul style="list-style-type: none"> ▪ Ideal for new Trustees to learn fiduciary responsibilities, and the technical aspects of serving as a Trustee. ▪ Agenda TBA. ▪ Ideal for Trustees and Plan administrators who've served less than two years and seek to network and learn about the latest industry trends, legal and regulatory changes, and best practices on how to address current challenges. ▪ Agenda TBA. ▪ For all-level Trustees. ▪ Pension-related topics include actuarial principles, fiduciary responsibility, governance, legal, legislative, & regulatory developments. ▪ Gain comprehensive knowledge of public employee plan management and learn targeted information to aid in policy-making decisions.
<p>(NCTR) National Council on Teacher Retirement www.nctr.org</p>	<p>NCTR's 101st Annual Conference October 7-11, 2023 La Jolla, CA</p>	<ul style="list-style-type: none"> ▪ Ideal for all pension system staff, members, and key stakeholders. ▪ Agenda TBD.

NHRS Abbreviations and Acronyms

BENEFITS

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

BUSINESS OPERATIONS/VENDORS

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

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

GENERAL

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

IT

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

LEGISLATIVE

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

OTHER

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

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