

NEW HAMPSHIRE RETIREMENT SYSTEM

BOARD MEETING

Tuesday, June 13, 2023

Agenda

WebEx information will be provided in advance of the meeting.

- | | | | |
|------------|--|-----------------|----------------|
| 10:30 a.m. | 1. Ascertain Quorum and Call to Order | | T. Lesko |
| 10:35 a.m. | 2. Approval of Minutes | (Tab 1) | T. Lesko |
| | o May 9, 2023 | | |
| | (Action Expected) | | |
| 10:40 a.m. | 3. Standing Committee Reports | | |
| | • Audit | (Tab 2) | M. Mezzapelle |
| | • Governance | (Tab 3) | D. Roy |
| | • Investments | (Tab 4) | M. Kelliher |
| | o IIC Monthly Report | | |
| | o Callan Monthly Review (4/30/23) | | R. Leveque |
| | • Legislative | (Tab 5) | K. Merrifield |
| | • Benefits | (Tab 6) | G. Martins |
| | • PPCC | (Tab 7) | S. Hannan |
| 11:10 a.m. | 4. Operating Reports | | |
| | • Executive | (Tab 8) | J. Goodwin |
| | o FY 24 Strategic Plan | | |
| | (Action Expected) | | |
| | o FY 24 Trust Fund Budget | | |
| | (Action Expected) | | |
| | • Human Resources | (Tab 9) | R. Cain |
| | • Legal | (Tab 10) | T. Crutchfield |
| | • PIO | (Tab 11) | M. Karlon |
| | • IT | (Tab 12) | J. Laferriere |
| | • Investments | (Tab 13) | R. Leveque |
| | • Member Services | (Tab 14) | N. Miller |
| | • Finance | (Tab 15) | M. Mullen |

11:45 a.m.	5.	Consent Agenda <i>(Action Expected)</i>	(Tab 16)	T. Lesko
11:50 a.m.	6.	Trustee Travel	(Tab 17)	T. Lesko
11:55 a.m.	7.	Action Items – May 9, 2023	(Tab 18)	J. Goodwin
12:00 p.m.	8.	Board Checkpoint Discussion	(Tab 19)	T. Lesko
12:05 p.m.	9.	Adjournment		T. Lesko
	10.	Informational Materials	(Tab 20)	
		Draft Executive Summary of Board Actions		
		Draft Quarterly Report to the General Court		
		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/2023/06/13/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 603-410-3648)

NHRS Board of Trustees

DRAFT Minutes – May 9, 2023

Note: These **draft** minutes from the May 9, 2023, Public Session are subject for approval at a subsequent Board of Trustees meeting.

Board of Trustees

May 9, 2023

DRAFT Public Minutes

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

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

Absent: *Trustee Andrew Martineau.*

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

Chair Tim Lesko called the May 9, 2023, regular meeting of the NHRS Board of Trustees to order at 10:31 a.m., and after establishing a quorum, Chair Lesko called for a vote to approve the public and non-public meeting minutes of the April 11, 2023, Board meeting. On a motion by Trustee Roy, seconded by Trustee Frederick, the Board voted unanimously to approve the meeting minutes.

Trustee Mezzapelle began her report of the Audit Committee, which met earlier this morning, stating the Committee heard internal audit updates, including the status of items on the audit tracker and the Fiscal Year (FY) 23 Audit Plan. She mentioned that internal audit is preparing for the GASB 67 & 74 audits. She noted the opinion letter from the System's external auditor, Plante Moran, and a new report generated from the PGV3 test environment that will be used to simplify the GASB audit work. Trustee Mezzapelle reported on the recent testing of a component of the Business Continuity Plan, noting an update is expected on the testing at the Committee's next meeting. She stated the Committee approved the FY 24 Audit Plan and heard a status report from Finance on the FY 22 Audit recommendations, noting Finance would implement the changes by Fiscal Year-end. In closing, she referred to the commencement of the FY 23 Audit and noted that Plante Moran would attend the June Audit Committee meeting.

Trustee Roy reported on the Governance Committee, noting it had not met since the April

Board meeting, but expects to meet in June for the annual review of the cyber insurance renewal and to prepare a recommendation to the Board for its July meeting.

Trustee Kelliher gave her report on the April 11, 2023, 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 February 28, 2023, review. He gave updates on holdings within the NHRS portfolio, rebalancing, liquidity, and Russian holdings. Investment Officer Shana Bilech provided an update on the bank exposure and subsequent bailout of Silicon Valley Bank, continued volatility of the regional bank sector, and the sale of Credit Suisse to UBS. Trustee Kelliher reported that Mr. Leveque presented updates to the Work Plan and following a brief discussion, the Committee voted unanimously to accept the first quarter of the FY 24 Work Plan. She noted the Committee heard presentations from two of the System's equity managers, Wellington and Walter Scott, both of whom discussed their respective relationships with NHRS, strategies, and roles in the portfolio, and investment outlooks.

Trustee Kelliher turned to Mr. Leveque, who reported on the NHRS performance as of March 31, 2023, noting the Total Fund return for the month was +1.10% versus the policy benchmark of +1.15%. NHRS's FY 23 total fund performance fiscal year-to-date (FYTD) outperformed the policy benchmark by 142 basis points. He noted the long-term performance of the last 12 months, with the System outperforming the benchmark by 306 basis points. He gave an update on portfolio performance by asset class and noted that cash flow and the returns for 3-, 5-, and 10-year periods were within range. Mr. Leveque commented on fixed income and the staff's work on implementing the rebalancing plan. A Trustee requested information on the duration of the portfolio's fixed income investments, and a brief discussion followed on the fund's aggregate debt positioning. There was also a brief discussion on the Silicon Valley Bank business profile and subsequent bailout.

Trustee Merrifield began the report of the Legislative Committee, which had not met since the April Board meeting, providing updates on a few bills that are now in House Bill (HB) 2, the budget trailer bill, including HB 436, impacting Group II, Tier B members with certain provisions; HB 50 for a Group II COLA; and the funding of the call firefighter death benefit that NHRS provides to two widows. He commented that Senate Finance would review the bills in the coming weeks and that the deadline for the Senate to act on bills is June 8. Trustee Merrifield reported that the Governor signed two NHRS-related bills last week: HB 30, which allows county commissioners to exempt their chief administrative officers from mandatory membership of the System at the time of hiring; and HB 193, NHRS's legislative cleanup bill. He noted there are three bills on the Senate calendar this Thursday that would not directly affect NHRS: HB 461, which creates a committee to study local employers transferring full-time positions to part-time; HB 457, which requires the System to report on a quarterly basis that it remains in compliance of its fiduciary duty of acting solely in the interests of members and beneficiaries; and HB 555, which would earmark 25% of any future state biennial surpluses to the reduction of the System's unfunded accrued liability. He added that all three bills have committee recommendations as ought to pass. Trustee Merrifield turned to Marty Karlon, Director of Communications and Legislative Affairs, for further comments and he had nothing to add.

Trustee Martins delivered a brief update of the Benefits Committee, noting it met on May 8, during which the Committee heard a presentation from Mr. Karlon on member benefits

education. The Committee then held a non-meeting in accordance with RSA 91-A to discuss legal matters with in-house counsel.

Trustee Hannan reported on the PPCC, which had not met since the last Board meeting, but plans to meet prior to the June Board meeting.

Chair Lesko turned to Executive Director Goodwin to begin the operating reports. She opened her Executive report with the KPMs, which were at 96.47% for the month, with three missed KPMs systemwide. She gave an update on the PGV3 project, which is at 78% complete overall, with Deliverable 6 (D6) (Year-End Processes, Auditing, and Security) at 99% complete, and D7 (Member Direct-MyAccount) at 23% complete. She commented that the design document review for D7 is under way, and staff are working with LRS on key business procedures, with expected completion of the first set of procedures later this month. Ms. Goodwin reported on the progress of the employer rollout, noting staff continue to review XML test files from employers and payroll providers, and that training sessions for employers are scheduled to begin next month. She commented on the ongoing meetings to ensure staff is ready for parallel processing, noting NHRS would hold a mock parallel beginning in August, followed by the actual parallel processing beginning in early October. Ms. Goodwin mentioned the annual test of the Business Continuity Plan that was conducted last month by Internal Auditor Heather Hoffacker, and noted some areas of improvement that the System would address.

She informed Trustees of two contracts she approved in accordance with the Procurement Policy, which allows the Executive Director to approve contracts under \$25,000. The first contract was with Consolidated Communications, as a three-year addendum to a current contract to increase internet access and bandwidth by 100% to assist NHRS with such activities as the onboarding of PGV3 and system migration to the cloud. The second is a short-term contract with Green Pages to evaluate NHRS's existing in-house phone system and provide operational knowledge to staff. She gave an update on the Contact Center, which continues to achieve its monthly goal of answering phone calls within 2 minutes, and less than a 5% abandon rate. Ms. Goodwin affirmed the positive responses she receives from her monthly calls to members, employers, and retirees regarding NHRS customer service. She closed her report with her action plan, which is on schedule.

Ms. Goodwin presented the proposed FY 24 Strategic Plan, which is a three-year plan required for Board review annually as part of the Strategic Plan Policy. She first referred the Trustees to the Preserve, Achieve, and Avoid (PAA) document in the Board materials, which includes staff's suggested changes and updates. Ms. Goodwin requested that the Board review the PAA document over the next two weeks and provide feedback prior to the June Board meeting. She noted the primary focus remains PGV3 for the near future, and that staff also reviewed the Strategic Plan objectives, and requested Trustee input on that document, as well. Lastly, she mentioned that staff put together plan priorities, and that the Board's feedback on the PAA and plan objectives would be incorporated in the FY 24 Strategic Plan for final approval at the next Board meeting. A brief discussion followed her presentation on whether staff considers other retirement systems' plans to produce NHRS's Strategic Plan. Ms. Goodwin noted staff participation in a variety of national retirement organizations to obtain different perspectives.

Ms. Goodwin then provided an overview of the preliminary FY 24 Trust Fund budget, breaking down the components of the overall budget, including the Investment internal

expenses, Investment external expenses, and non-Investment third-party expenses. She noted the proposed FY 24 Trust Fund budget is \$48,643,562, which is \$1.4 million lower than the adopted FY 23 budget, a total decrease of 2.8%. Chair Lesko reminded Trustees that the budget would be voted on at the June Board meeting.

Director of Finance Marie Mullen gave her Finance report, noting her department continues work on PGV3, and achieved 10 of the 15 KPMs in April, adding that three of the 15 KPMs were not applicable. Of the two missed KPMs, one had to do with banking reconciliation and was missed because Finance was training a new staff member. The second missed KPM was relative to employer account reconciliation and was missed because Finance had not received payment from an employer, and she suggested reviewing this KPM requirement since it is out of the department's control. She reported on cash flows for March and FYTD, which were each in the expected range and noted receipt of State reimbursement from the general fund of \$10,792,000 in March for the legislation passed last year for the one-time \$500 COLA payment. She also reported that in April, NHRS received the Board-approved \$42.9 million from the general fund regarding HB 1587. Ms. Mullen noted FYTD 23 spending for the first nine months is below budget, with several categories that are overbudget because the budget is prorated to nine-month expenses as opposed to incurred expenses that may be for full year. Ms. Mullen reviewed the various expense categories, commenting that those that are overbudget would resolve by FY-end, adding that the balance from the FY 22 budget would cover any overages. Lastly, she mentioned her action plan was on schedule.

Human Resources Director Rosamond Cain opened her report with a staffing update, noting there are three open positions at NHRS, including an Imaging Specialist, Communications Specialist, and a Finance Accountant. She noted the hiring of an Investment Operations Analyst and an Imaging Specialist, who both begin next Monday. She mentioned the current use of three temporary employees and that HR continues to assess NHRS's staffing needs for PGV3. She reported that recruitment of an Information Security Officer is on hold while NHRS evaluates the position. Ms. Cain announced the successful launch of the System's new payroll vendor, ADP, on May 5. She noted HR missed one of its KPMs last month regarding the recruitment of the Investment Operations Analyst position within 45 days. She closed her report noting HR's upcoming plans for Employee Appreciation Day in July.

Deputy Director and Chief Legal Counsel Tim Crutchfield began his Legal report with a status update on the ongoing lawsuit filed by five Department of Corrections' employees who believe they should have been reclassified from Group I to Group II approximately 20 years ago. The System received an order from Coos County Superior Court last month granting the Motion to Dismiss, each filed by NHRS and the Dept. of Administrative Services, who now await to see whether the Petitioners will request an appeal to the NH Supreme Court. Mr. Crutchfield reported that Legal met seven of its eight KPMs this month, noting the one KPM put on hold because of competing priorities with PGV3. He commented on the Barnstead embezzlement matter, noting that NHRS is researching whether any of its members were negatively affected relative to service credit.

He commented on the Private Letter Ruling (PLR) that the Groom Law Group is preparing for submission to the IRS regarding the medical subsidy provisions passed in 2021 as part of HB 2.

In closing, Mr. Crutchfield gave an overview of upcoming plans and projects, and noted five of the seven items on his action plan have been completed, and the remaining items are progressing.

Mr. Karlon gave his report on PIO, noting its simultaneous focus of monitoring legislation and planning for parallel processing. He mentioned his department's open position and that PIO is working with HR on recruitment. Lastly, he reported PIO met its KPMs for the month.

John Laferriere, Director of IT, presented his operating report, beginning with cyber security awareness and the monthly phishing tests, noting there were no staff failures in April. He reported on the results of the security scans, noting one finding of medium impact on the email portal that was remediated within 48 hours of discovery and that NHRS was not compromised. He commented on the open position in IT for an Information Security Officer, and that staff and service providers are fulfilling those duties in the interim.

Mr. Laferriere noted IT scored 100% on customer satisfaction and met all eight of its KPMs. He gave an update on the generator, noting IT installed and tested a temporary one until the new one arrives in July. He provided status updates on several IT projects. In closing, he gave an overview of upcoming projects and referred to his action plan, which is on schedule.

Mr. Leveque gave a brief operating report on Investments, noting his department met seven of the 10 KPMs, and the other three were not applicable this month. He then provided an agenda overview of the April IIC meeting, which will occur after today's Board meeting. He noted that his action plan is on schedule, aside from one item relative to the recently approved Bloomberg terminals.

Director of Member Services Nancy Miller updated the Board on her department, noting its continued work on PGV3 and preparations for parallel processing, alongside July retirement filings. She mentioned her department is preparing to produce and mail Member Annual Statements in September. She reported that Member Services met all 21 of its KPMs in April, noting that some KPMs would need adjustments to accommodate PGV3 parallel processing, adding that communication would be disseminated to members and stakeholders on the expected delays on certain processes. Lastly, she noted her action plan is in progress.

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

There were no travel reports or requests.

Ms. Goodwin provided an update on Action Items from the April 11, 2023, Board meeting, noting that Legal staff had reviewed the 12-month warranty period for PGV3, and was comfortable that the warranty period was sufficient.

During the Board checkpoint, Chair Lesko encouraged Trustees to attend the IIC meetings.

With no further business to discuss, on a motion by Trustee Hannan, seconded by Trustee Roy, the Board voted unanimously to adjourn the meeting at 11:40 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
June 13, 2023

Total Plan Performance as of April 30, 2023



The table below details the rates of return for the fund's asset classes over various time periods ended March 31, 2023. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended April 30, 2023								
Composite	Total Fund Weighting As of 4/30/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.68%	0.46%	10.26%	6.31%	1.29%	14.60%	9.10%	10.71%
Domestic Equity Benchmark(1)		1.07%	10.92%	8.32%	1.50%	12.85%	10.47%	11.76%
Excess Return		-0.61%	-0.66%	-2.01%	-0.21%	1.74%	-1.37%	-1.04%
Total Non US Equity	18.23%	1.98%	16.73%	11.48%	8.32%	9.92%	2.72%	4.18%
Non US Equity Benchmark(2)		1.74%	11.95%	8.72%	3.05%	9.74%	2.50%	3.97%
Excess Return		0.25%	4.78%	2.76%	5.27%	0.19%	0.22%	0.21%
Total Fixed Income	18.76%	0.50%	2.33%	3.72%	-0.52%	-0.03%	1.60%	1.86%
Bloomberg Capital Universe Bond Index		0.61%	1.16%	3.56%	-0.31%	-2.47%	1.31%	1.57%
Excess Return		-0.11%	1.16%	0.17%	-0.21%	2.44%	0.29%	0.29%
Total Cash	0.99%	0.37%	2.98%	1.53%	3.11%	1.13%	1.53%	0.98%
3-Month Treasury Bill		0.31%	2.72%	1.39%	2.81%	0.99%	1.44%	0.90%
Excess Return		0.06%	0.26%	0.13%	0.30%	0.14%	0.09%	0.08%
Total Real Estate (Q4)*	12.15%	0.39%	-1.89%	-2.89%	8.68%	13.34%	11.31%	11.96%
Real Estate Benchmark(3)		-1.14%	-1.69%	-6.25%	2.94%	8.46%	7.33%	8.89%
Excess Return		1.53%	-0.21%	3.35%	5.73%	4.88%	3.99%	3.07%
Total Private Equity (Q4)*	14.12%	0.19%	-0.56%	1.52%	-1.56%	17.03%	14.62%	12.82%
Private Equity Benchmark(4)		6.97%	-6.49%	15.21%	-5.44%	13.34%	12.98%	16.54%
Excess Return		-6.78%	5.93%	-13.70%	3.88%	3.68%	1.64%	-3.71%
Total Private Debt (Q4)*	5.07%	0.24%	2.91%	1.54%	5.87%	6.47%	5.64%	7.45%
Private Debt Benchmark(5)		3.46%	0.55%	7.83%	0.23%	2.16%	3.06%	7.50%
Excess Return		-3.22%	2.36%	-6.29%	5.64%	4.30%	2.58%	-0.05%
Total Fund Composite	100.00%	0.68%	6.07%	4.48%	2.90%	10.09%	6.94%	7.56%
Total Fund Benchmark(6)		1.58%	5.56%	6.42%	1.42%	7.85%	6.65%	7.61%
Excess Return		-0.89%	0.50%	-1.94%	1.48%	2.25%	0.28%	-0.05%

(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%.

(7) For the trailing 25 year period ended 4/30/23, the Total Fund has returned 6.55% versus the Total Fund Custom Benchmark return of 6.61%.

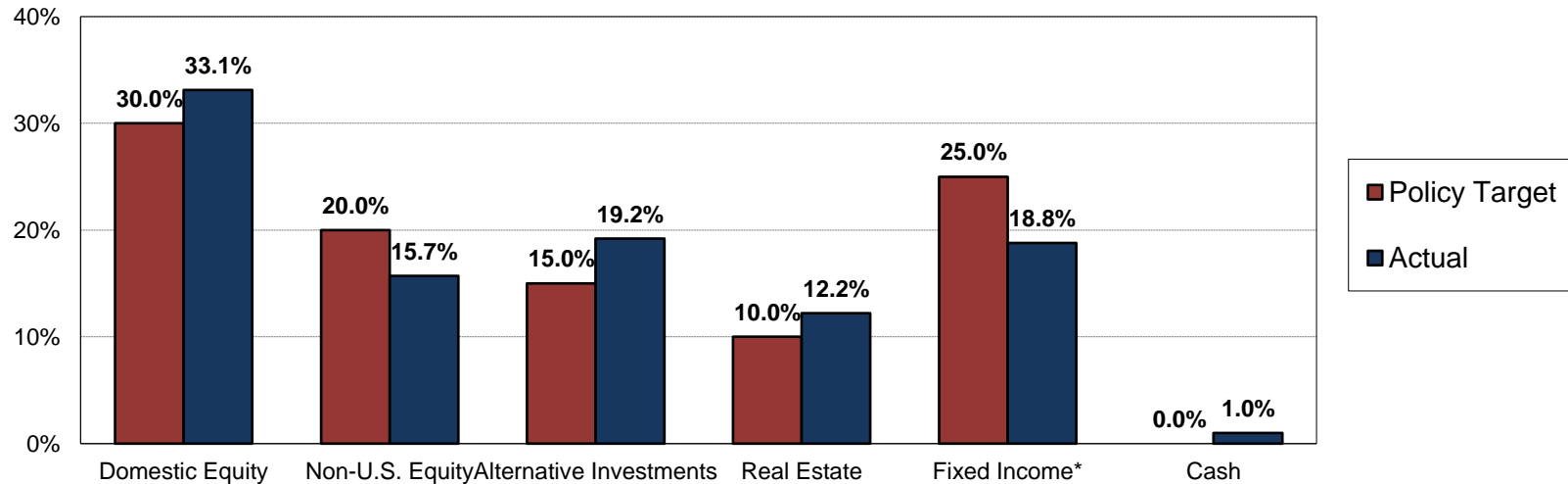
*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

Source: Callan

Asset Class Policy Targets vs. Actual Allocation



**Asset Class Targets vs. Actual Allocation
as of April 30, 2023 (Preliminary)**



Asset Class	Policy Target	Actual	Range
Domestic Equity	30.0%	33.1%	20 - 40%
Non-U.S. Equity	20.0%	15.7%	15 - 25%
Alternative Investments	15.0%	19.2%	5 - 25%
Real Estate	10.0%	12.2%	5 - 20%
Fixed Income*	25.0%	18.8%	20 - 30%
Cash	0.0%	1.0%	NA
	100.0%	100.0%	

As of 5/11/2023 - WITHIN RANGE

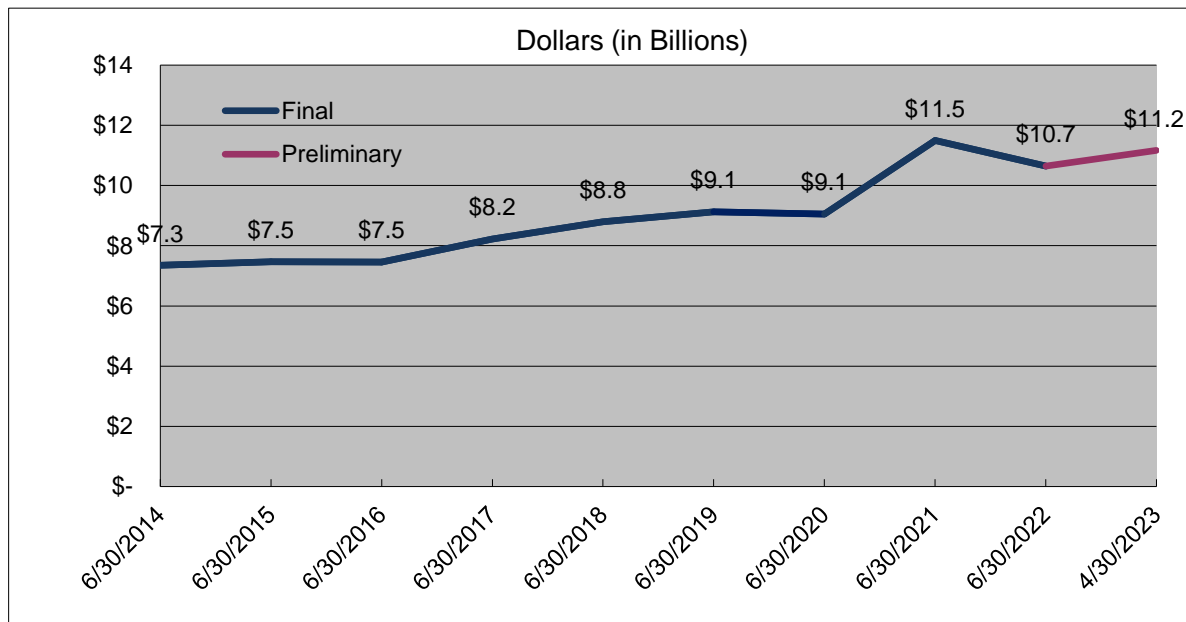
Source: NHRS

**Fixed Income was below target allocation range as of 4/30/23. On 5/11/23, Staff rebalanced approximately 1.5% of total assets from Domestic Equity to Fixed Income to bring Fixed Income back within its target allocation range.*

Total Fund Market Value



Fiscal Year	Dollars (in Billions)
June 30,2014	\$7.3
June 30,2015	\$7.5
June 30,2016	\$7.5
June 30,2017	\$8.2
June 30,2018	\$8.8
June 30,2019	\$9.1
June 30,2020	\$9.1
June 30,2021	\$11.5
June 30,2022	\$10.7
April 30,2023	\$11.2



Source: NHRS

Callan

April 30, 2023



New Hampshire Retirement System

Investment Measurement Service Monthly Review

Asset Class Excess Returns

April 30, 2023

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

Net of Fees Returns for Periods Ended April 30, 2023								
Composite	Total Fund Weighting As of 4/30/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.68%	0.46%	10.26%	6.31%	1.29%	14.60%	9.10%	10.71%
Domestic Equity Benchmark(1)		1.07%	10.92%	8.32%	1.50%	12.85%	10.47%	11.76%
Excess Return		-0.61%	-0.66%	-2.01%	-0.21%	1.74%	-1.37%	-1.04%
Total Non US Equity	18.23%	1.98%	16.73%	11.48%	8.32%	9.92%	2.72%	4.18%
Non US Equity Benchmark(2)		1.74%	11.95%	8.72%	3.05%	9.74%	2.50%	3.97%
Excess Return		0.25%	4.78%	2.76%	5.27%	0.19%	0.22%	0.21%
Total Fixed Income	18.76%	0.50%	2.33%	3.72%	-0.52%	-0.03%	1.60%	1.86%
Bloomberg Capital Universe Bond Index		0.61%	1.16%	3.56%	-0.31%	-2.47%	1.31%	1.57%
Excess Return		-0.11%	1.16%	0.17%	-0.21%	2.44%	0.29%	0.29%
Total Cash	0.99%	0.37%	2.98%	1.53%	3.11%	1.13%	1.53%	0.98%
3-Month Treasury Bill		0.31%	2.72%	1.39%	2.81%	0.99%	1.44%	0.90%
Excess Return		0.06%	0.26%	0.13%	0.30%	0.14%	0.09%	0.08%
Total Real Estate (Q4)*	12.15%	0.39%	-1.89%	-2.89%	8.68%	13.34%	11.31%	11.96%
Real Estate Benchmark(3)		-1.14%	-1.69%	-6.25%	2.94%	8.46%	7.33%	8.89%
Excess Return		1.53%	-0.21%	3.35%	5.73%	4.88%	3.99%	3.07%
Total Private Equity (Q4)*	14.12%	0.19%	-0.56%	1.52%	-1.56%	17.03%	14.62%	12.82%
Private Equity Benchmark(4)		6.97%	-6.49%	15.21%	-5.44%	13.34%	12.98%	16.54%
Excess Return		-6.78%	5.93%	-13.70%	3.88%	3.68%	1.64%	-3.71%
Total Private Debt (Q4)*	5.07%	0.24%	2.91%	1.54%	5.87%	6.47%	5.64%	7.45%
Private Debt Benchmark(5)		3.46%	0.55%	7.83%	0.23%	2.16%	3.06%	7.50%
Excess Return		-3.22%	2.36%	-6.29%	5.64%	4.30%	2.58%	-0.05%
Total Fund Composite	100.00%	0.68%	6.07%	4.48%	2.90%	10.09%	6.94%	7.56%
Total Fund Benchmark(6)		1.58%	5.56%	6.42%	1.42%	7.85%	6.65%	7.61%
Excess Return		-0.89%	0.50%	-1.94%	1.48%	2.25%	0.28%	-0.05%

(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 Idx + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.

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

(7) For the trailing 25 year period ended 4/30/23, the Total Fund has returned 6.55% versus the Total Fund Custom Benchmark return of 6.61%.

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

Domestic Equity Excess Returns

April 30, 2023

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

Net of Fees Returns for Periods Ended April 30, 2023								
Composite	Total Fund Weighting As of 4/30/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.68%	0.46%	10.26%	6.31%	1.29%	14.60%	9.10%	10.71%
<i>Domestic Equity Benchmark(1)</i>		1.07%	10.92%	8.32%	1.50%	12.85%	10.47%	11.76%
<i>Excess Return</i>		-0.61%	-0.66%	-2.01%	-0.21%	1.74%	-1.37%	-1.04%
Large Cap Domestic Equity	18.32%	1.56%	11.62%	9.11%	2.60%	14.17%	10.15%	11.33%
<i>S&P 500 Index</i>		1.56%	11.70%	9.17%	2.66%	14.52%	11.45%	12.20%
<i>Excess Return</i>		0.00%	-0.07%	-0.07%	-0.07%	-0.35%	-1.29%	-0.87%
BlackRock S&P 500	18.32%	1.56%	11.62%	9.11%	2.60%	14.46%	11.41%	12.18%
<i>S&P 500 Index</i>		1.56%	11.70%	9.17%	2.66%	14.52%	11.45%	12.20%
<i>Excess Return</i>		0.00%	-0.07%	-0.07%	-0.07%	-0.06%	-0.04%	-0.03%
Smid Cap Domestic Equity	5.37%	-0.87%	6.45%	2.28%	-2.18%	15.16%	5.92%	8.98%
<i>Russell 2500 Index</i>		-1.30%	6.53%	2.04%	-3.32%	13.63%	6.32%	8.89%
<i>Excess Return</i>		0.43%	-0.08%	0.24%	1.14%	1.52%	-0.39%	0.09%
AllianceBernstein	3.30%	-1.59%	7.09%	2.67%	-3.68%	13.78%	6.28%	9.57%
<i>Russell 2500 Index</i>		-1.30%	6.53%	2.04%	-3.32%	13.63%	6.32%	8.89%
<i>Excess Return</i>		-0.29%	0.56%	0.63%	-0.36%	0.15%	-0.03%	0.68%
TSW	2.07%	0.30%	5.45%	1.68%	0.30%	17.50%	5.34%	8.10%
<i>TSW Blended Benchmark (2)</i>		-1.33%	4.34%	0.04%	-5.30%	16.34%	6.04%	8.75%
<i>Excess Return</i>		1.64%	1.11%	1.63%	5.60%	1.16%	-0.70%	-0.65%
Small Cap Domestic Equity	7.00%	-1.33%	9.74%	2.50%	0.67%	15.88%	8.95%	10.46%
<i>Russell 2000 Index</i>		-1.80%	4.83%	0.89%	-3.65%	11.90%	4.15%	7.88%
<i>Excess Return</i>		0.47%	4.91%	1.61%	4.31%	3.98%	4.80%	2.58%
Boston Trust	1.91%	-1.69%	9.25%	1.84%	3.31%	17.25%	10.31%	10.43%
<i>Russell 2000 Index</i>		-1.80%	4.83%	0.89%	-3.65%	11.90%	4.15%	7.88%
<i>Excess Return</i>		0.11%	4.42%	0.95%	6.96%	5.35%	6.16%	2.55%
Segall Bryant & Hamill	1.92%	-2.43%	10.77%	0.30%	0.85%	15.26%	9.49%	9.91%
<i>Russell 2000 Index</i>		-1.80%	4.83%	0.89%	-3.65%	11.90%	4.15%	7.88%
<i>Excess Return</i>		-0.63%	5.93%	-0.59%	4.49%	3.36%	5.34%	2.03%
Wellington	3.17%	-0.43%	9.42%	4.30%	-0.96%	15.46%	7.92%	10.83%
<i>Russell 2000 Index</i>		-1.80%	4.83%	0.89%	-3.65%	11.90%	4.15%	7.88%
<i>Excess Return</i>		1.37%	4.59%	3.41%	2.68%	3.56%	3.77%	2.95%

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

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

Non-US Equity Excess Returns

April 30, 2023

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

Net of Fees Returns for Periods Ended April 30, 2023								
Composite	Total Fund Weighting As of 4/30/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	18.23%	1.98%	16.73%	11.48%	8.32%	9.92%	2.72%	4.18%
Non US Equity Benchmark (1)		1.74%	11.95%	8.72%	3.05%	9.74%	2.50%	3.97%
Excess Return		0.25%	4.78%	2.76%	5.27%	0.19%	0.22%	0.21%
Core Non US Equity	11.15%	2.57%	20.40%	13.02%	11.93%	11.90%	2.94%	3.91%
Core Non US Benchmark (2)		1.74%	11.95%	8.72%	3.05%	9.74%	2.50%	3.97%
Excess Return		0.83%	8.45%	4.30%	8.88%	2.16%	0.44%	-0.06%
Aristotle	1.45%	3.81%	16.76%	11.59%	6.41%	-	-	-
MSCI EAFE		2.82%	18.62%	11.53%	8.42%	-	-	-
Excess Return		0.99%	-1.86%	0.06%	-2.01%	-	-	-
Artisan Partners	3.17%	1.29%	17.84%	10.22%	9.35%	7.58%	3.55%	-
MSCI EAFE		2.82%	18.62%	11.53%	8.42%	11.68%	3.63%	-
Excess Return		-1.54%	-0.79%	-1.31%	0.93%	-4.10%	-0.09%	-
BlackRock SuperFund	1.59%	1.82%	-	-	-	-	-	-
MSCI ACWI Ex-US		1.74%	-	-	-	-	-	-
Excess Return		0.08%	-	-	-	-	-	-
Causeway Capital	3.59%	4.38%	29.70%	19.58%	22.18%	19.90%	5.27%	-
MSCI EAFE		2.82%	18.62%	11.53%	8.42%	11.68%	3.63%	-
Excess Return		1.55%	11.08%	8.05%	13.76%	8.21%	1.64%	-
Lazard	1.35%	0.52%	11.93%	8.46%	3.49%	-	-	-
MSCI EAFE		2.82%	18.62%	11.53%	8.42%	-	-	-
Excess Return		-2.30%	-6.69%	-3.07%	-4.94%	-	-	-
Emerging Markets	1.50%	-0.37%	2.71%	3.46%	-1.51%	2.09%	-3.03%	0.37%
MSCI EM		-1.13%	-0.30%	2.78%	-6.51%	4.33%	-1.04%	1.81%
Excess Return		0.76%	3.00%	0.68%	5.00%	-2.24%	-1.99%	-1.43%
Wellington Emerging Markets	1.42%	-0.39%	2.72%	1.78%	-1.93%	2.88%	-2.85%	1.45%
MSCI EM		-1.13%	-0.30%	2.78%	-6.51%	4.33%	-1.04%	1.81%
Excess Return		0.75%	3.02%	-0.99%	4.58%	-1.44%	-1.80%	-0.36%
Non US Small Cap	1.12%	2.05%	15.51%	8.69%	3.02%	5.91%	-5.17%	0.71%
MSCI EAFE Small Cap		2.01%	11.75%	7.03%	-1.24%	9.16%	1.00%	5.70%
Excess Return		0.04%	3.77%	1.66%	4.26%	-3.24%	-6.17%	-4.99%
Wellington Int'l Small Cap Research	1.12%	2.05%	15.51%	8.69%	3.02%	-	-	-
MSCI EAFE Small Cap		2.01%	11.75%	7.03%	-1.24%	-	-	-
Excess Return		0.04%	3.77%	1.66%	4.26%	-	-	-
Global Equity	4.46%	1.33%	17.51%	12.33%	7.14%	12.07%	10.09%	10.26%
MSCI ACWI net		1.44%	11.33%	8.85%	2.06%	12.04%	7.03%	7.91%
Excess Return		-0.11%	6.18%	3.48%	5.08%	0.03%	3.06%	2.35%
Walter Scott Global Equity	4.46%	1.33%	17.51%	12.33%	7.14%	12.07%	10.09%	10.26%
Walter Scott Blended Benchmark (3)		1.44%	11.33%	8.85%	2.06%	12.04%	7.03%	7.91%
Excess Return		-0.11%	6.18%	3.48%	5.08%	0.03%	3.06%	2.35%

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

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

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

Fixed Income Excess Returns

April 30, 2023

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

Net of Fees Returns for Periods Ended April 30, 2023								
Composite	Total Fund Weighting As of 4/30/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Fixed Income	18.76%	0.50%	2.33%	3.72%	-0.52%	-0.03%	1.60%	1.86%
<i>Fixed Income Benchmark (1)</i>		0.61%	1.16%	3.56%	-0.31%	-2.47%	1.31%	1.57%
<i>Excess Return</i>		-0.11%	1.16%	0.17%	-0.21%	2.44%	0.29%	0.29%
BlackRock SIO Bond Fund	2.26%	0.39%	1.90%	1.99%	-0.51%	2.06%	-	-
<i>BlackRock Custom Benchmark (2)</i>		0.38%	3.01%	1.52%	3.16%	1.18%	-	-
<i>Excess Return</i>		0.01%	-1.11%	0.47%	-3.68%	0.88%	-	-
Brandywine Asset Mgmt	2.06%	0.12%	1.69%	4.03%	-3.02%	0.30%	-0.96%	0.58%
<i>Brandywine Custom Benchmark (3)</i>		0.43%	-0.28%	4.03%	-3.52%	-5.57%	-1.92%	-0.71%
<i>Excess Return</i>		-0.31%	1.97%	0.01%	0.51%	5.86%	0.96%	1.29%
FIAM (Fidelity) Tactical Bond	3.25%	0.53%	3.82%	3.83%	-0.59%	1.68%	-	-
<i>Bloomberg Aggregate</i>		0.61%	0.51%	3.59%	-0.43%	-3.15%	-	-
<i>Excess Return</i>		-0.08%	3.30%	0.25%	-0.17%	4.83%	-	-
Income Research & Management	6.89%	0.64%	1.00%	4.18%	-0.32%	-2.60%	1.82%	1.79%
<i>Bloomberg Gov/Credit</i>		0.63%	0.87%	3.82%	-0.26%	-3.14%	1.46%	1.44%
<i>Excess Return</i>		0.01%	0.13%	0.36%	-0.06%	0.54%	0.36%	0.35%
Loomis Sayles	2.44%	0.56%	3.58%	3.63%	0.14%	2.18%	3.13%	3.09%
<i>Loomis Sayles Custom Benchmark (4)</i>		0.74%	3.20%	3.95%	0.22%	-0.42%	1.99%	2.31%
<i>Excess Return</i>		-0.19%	0.39%	-0.31%	-0.08%	2.60%	1.14%	0.78%
Manulife Strategic Fixed Income	1.85%	0.39%	4.41%	3.75%	0.88%	1.08%	1.91%	-
<i>Bloomberg Multiverse</i>		0.44%	1.02%	3.47%	-2.17%	-3.58%	-0.84%	-
<i>Excess Return</i>		-0.05%	3.39%	0.28%	3.06%	4.65%	2.75%	-
Total Cash	0.99%	0.37%	2.98%	1.53%	3.11%	1.13%	1.53%	0.98%
<i>3-month Treasury Bill</i>		0.31%	2.72%	1.39%	2.81%	0.99%	1.44%	0.90%
<i>Excess Return</i>		0.06%	0.26%	0.13%	0.30%	0.14%	0.09%	0.08%
Total Marketable Assets	68.65%	0.87%	9.42%	6.81%	2.59%	8.62%	5.14%	6.44%
<i>Total Marketable Index (5)</i>		1.09%	8.11%	6.84%	1.62%	6.98%	5.55%	6.66%
<i>Excess Return</i>		-0.22%	1.30%	-0.03%	0.97%	1.64%	-0.41%	-0.22%

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

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

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

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

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

Alternatives Excess Returns

April 30, 2023

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

Net of Fees Returns for Periods Ended April 30, 2023								
Composite	Total Fund Weighting As of 4/30/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q4)* (5)	12.15%	0.39%	-1.89%	-2.89%	8.68%	13.34%	11.31%	11.96%
<i>Real Estate Benchmark (1)</i>		-1.14%	-1.69%	-6.25%	2.94%	8.46%	7.33%	8.89%
<i>Excess Return</i>		1.53%	-0.21%	3.35%	5.73%	4.88%	3.99%	3.07%
Strategic Core Real Estate (Q4)*	7.94%	-0.49%	-3.38%	-4.93%	9.72%	12.00%	10.37%	10.93%
<i>Real Estate Benchmark (1)</i>		-1.14%	-1.69%	-6.25%	2.94%	8.46%	7.33%	8.89%
<i>Excess Return</i>		0.65%	-1.69%	1.32%	6.77%	3.54%	3.04%	2.04%
Tactical Non-Core Real Estate (Q4)*	4.21%	2.10%	1.09%	1.28%	6.97%	15.60%	13.05%	13.90%
<i>Real Estate Benchmark (1)</i>		-1.14%	-1.69%	-6.25%	2.94%	8.46%	7.33%	8.89%
<i>Excess Return</i>		3.24%	2.78%	7.52%	4.03%	7.14%	5.72%	5.02%
Total Alternative Assets (Q4)*	19.20%	0.20%	0.32%	1.52%	0.26%	13.77%	11.43%	9.82%
<i>Alternative Assets Benchmark (2)</i>		5.80%	-4.08%	12.79%	-3.45%	9.50%	9.80%	12.35%
<i>Excess Return</i>		-5.60%	4.40%	-11.26%	3.71%	4.28%	1.63%	-2.54%
Total Private Equity (Q4)*	14.12%	0.19%	-0.56%	1.52%	-1.56%	17.03%	14.62%	12.82%
<i>Private Equity Benchmark (3)</i>		6.97%	-6.49%	15.21%	-5.44%	13.34%	12.98%	16.54%
<i>Excess Return</i>		-6.78%	5.93%	-13.70%	3.88%	3.68%	1.64%	-3.71%
Total Private Debt (Q4)*	5.07%	0.24%	2.91%	1.54%	5.87%	6.47%	5.64%	7.45%
<i>Private Debt Benchmark (4)</i>		3.46%	0.55%	7.83%	0.23%	2.16%	3.06%	7.50%
<i>Excess Return</i>		-3.22%	2.36%	-6.29%	5.64%	4.30%	2.58%	-0.05%

(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 April 30, 2023, with the distribution as of March 31, 2023. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	April 30, 2023				March 31, 2023	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Domestic Equity	\$3,427,021,344	30.68%	\$0	\$16,351,830	\$3,410,669,514	30.75%
Large Cap Domestic Equity	\$2,045,930,592	18.32%	\$0	\$31,439,388	\$2,014,491,204	18.16%
Blackrock S&P 500	2,045,930,592	18.32%	0	31,439,388	2,014,491,204	18.16%
SMid Cap Domestic Equity	\$599,451,108	5.37%	\$0	\$(4,997,882)	\$604,448,989	5.45%
AllianceBernstein	368,479,158	3.30%	0	(5,803,931)	374,283,089	3.37%
TSW	230,971,950	2.07%	0	806,050	230,165,900	2.07%
Small Cap Domestic Equity	\$781,639,644	7.00%	\$0	\$(10,089,677)	\$791,729,321	7.14%
Boston Trust	213,039,336	1.91%	0	(3,568,558)	216,607,894	1.95%
Segall Bryant & Hamill	214,337,942	1.92%	0	(5,193,565)	219,531,507	1.98%
Wellington	354,262,366	3.17%	0	(1,327,554)	355,589,919	3.21%
Total Non US Equity	\$2,036,709,168	18.23%	\$0	\$40,495,652	\$1,996,213,516	18.00%
Core Non US Equity (1)	\$1,245,044,078	11.15%	\$0	\$31,650,063	\$1,213,394,015	10.94%
Aristotle	161,870,103	1.45%	0	5,996,075	155,874,029	1.41%
Artisan Partners	353,947,223	3.17%	0	4,674,114	349,273,109	3.15%
BlackRock Superfund	177,147,954	1.59%	0	3,158,283	173,989,670	1.57%
Causeway Capital	400,995,397	3.59%	0	16,973,533	384,021,864	3.46%
Lazard	150,355,853	1.35%	0	837,046	149,518,808	1.35%
Emerging Markets	\$167,468,268	1.50%	\$0	\$(484,317)	\$167,952,586	1.51%
Neuberger Berman	8,688,437	0.08%	0	16	8,688,422	0.08%
Wellington Emerging Markets	158,779,831	1.42%	0	(484,333)	159,264,164	1.44%
Non US Small Cap	\$125,449,363	1.12%	\$0	\$2,596,167	\$122,853,196	1.11%
Wellington Int'l Small Cap Research	125,449,363	1.12%	0	2,596,167	122,853,196	1.11%
Global Equity	\$498,747,459	4.46%	\$0	\$6,733,739	\$492,013,720	4.44%
Walter Scott Global Equity	498,747,459	4.46%	0	6,733,739	492,013,720	4.44%
Total Fixed Income	\$2,095,040,280	18.76%	\$0	\$10,859,844	\$2,084,180,435	18.79%
BlackRock SIO Bond Fund	251,923,614	2.26%	0	1,066,777	250,856,836	2.26%
Brandywine Asset Mgmt	230,424,975	2.06%	0	346,502	230,078,474	2.07%
FIAM (Fidelity) Tactical Bond	363,378,537	3.25%	0	2,004,847	361,373,690	3.26%
Income Research & Management	769,967,887	6.89%	0	5,012,097	764,955,790	6.90%
Loomis Sayles	272,435,251	2.44%	0	1,578,140	270,857,111	2.44%
Manulife Strategic Fixed Income	206,910,016	1.85%	0	851,482	206,058,535	1.86%
Total Cash	\$110,116,234	0.99%	\$7,015,812	\$409,713	\$102,690,710	0.93%
Total Marketable Assets	\$7,668,887,026	68.65%	\$7,015,812	\$68,117,039	\$7,593,754,176	68.46%
Total Real Estate	\$1,357,185,803	12.15%	\$(12,419,436)	\$5,801,535	\$1,363,803,705	12.29%
Strategic Core Real Estate	886,713,369	7.94%	(14,134,319)	(3,869,267)	904,716,954	8.16%
Tactical Non-Core Real Estate	470,472,435	4.21%	1,714,882	9,670,803	459,086,749	4.14%
Total Alternative Assets	\$2,144,171,895	19.20%	\$3,165,790	\$5,570,869	\$2,135,435,236	19.25%
Private Equity	1,577,432,977	14.12%	(2,365,170)	3,802,435	1,575,995,712	14.21%
Private Debt	566,738,918	5.07%	5,530,960	1,768,433	559,439,524	5.04%
Total Fund Composite	\$11,170,244,725	100.0%	\$(3,155,002)	\$80,406,609	\$11,092,993,117	100.0%

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

(1) Includes \$727,548 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

LEGISLATIVE COMMITTEE

2023 Legislative Schedule

HOUSE AND SENATE

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.



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

2023 Legislative Tracker

Updated: June 2, 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 2	This is the budget trailer bill. As adopted by the House, the provisions of the following NHRS-related bills listed below have been added to HB 2: HB 50, HB 436, and HB 571. HB 2 is currently with the Senate and subject to further amendments.	–	The Senate will vote on HB 2 on 6/7/23.
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	5/3/23: Signed into law by the Governor. Effective 7/2/23. (Chapter 9, Laws of 2023)
HB 50	This bill provides a one-time, \$50 million appropriation toward the retirement system's unfunded pension liability in fiscal year 2023.	Rep. Michael Edgar	<i>The provisions of the bill were included in the House version of HB 2 (See above). HB 2 is currently with the Senate and subject to further amendments.</i>
HB 183	This bill allows retired Group II Fire members to be employed by the state fire academy and not have those employment hours count against the annual limit on part-time hours.	Rep. Dan Wolf	2/8/23: House ED&A Committee voted, 20-0, to retain the bill in committee. No further action is expected in the 2023 session.
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	5/3/23: Signed into law by the Governor. Effective 7/2/23. (Chapter 19, Laws of 2023)
HB 250	This bill modifies the amount of the retirement annuity payable upon the accidental death of a member to 100 percent of average final compensation at the member's death with a maximum benefit of \$85,000.	Rep. Ben Baroody	5/18/23: Senate, on a voice vote, accepted committee recommendation to re-refer bill to committee. No further action is expected in the 2023 session.
HB 278	This bill ratifies a provision of RSA 100-A regarding annual employer reporting of hours worked and compensation paid to retired members working part-time that was inadvertently repealed.	Rep. Carol McGuire	6/1/23: Signed into law by the Governor. Effective upon passage.
HB 339	This bill provides that no funds from NHRS or the state public employee deferred compensation plan shall be invested with any company that is boycotting Israel.	Rep. James Splaine	3/23/23: House, on a voice vote, tabled the bill. No further action is expected in the 2023 session.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 436	This bill, over a 10-year period, adjusts the application of the minimum age, minimum years of service, average final compensation, and annuity multipliers for Group II members in service prior to July 1, 2011, and not vested prior to January 1, 2012.	Rep. Kevin Pratt	<i>The provisions of the bill were included in the House version of HB 2 (See above). HB 2 is currently with the Senate and subject to further amendments.</i>
HB 449	This bill increases the service retirement and disability retirement annuity multiplier for the first 20 years of service of Group II retirement system members under the transition provisions adopted in 2011.	Rep. Jeff Goley	2/8/23: House ED&A Committee voted, 20-0, to retain the bill in committee. No further action is expected in the 2023 session.
HB 457	This bill requires NHRS to report on a quarterly basis to the office of legislative budget assistant regarding compliance with the duty to make all investment decisions solely in the interest of the participants and beneficiaries.	Rep. JD Bernardy	5/11/23: Senate voted, 14-10, to accept committee recommendation of ought to pass (OTP). The bill will be enrolled and sent to the Governor. *
HB 461	As amended, this bill creates a committee to study the elimination by political subdivision employers of retirement system-eligible positions.	Rep. Steve Pearson	5/18/23: Senate, on a voice vote, accepted committee recommendation of ought to pass (OTP). The bill will be enrolled and sent to the Governor. *
HB 525	This bill adjusts the application of the transition provisions for Group II service retirement adopted in 2011 to be applicable as of January 1, 2014, rather than January 1, 2012.	Rep. Kevin Pratt	2/22/23: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 555	As amended, this bill requires the transfer of 25 percent of any future state biennial surpluses to the reduction in the retirement system's unfunded accrued liability.	Rep. Tony Lekas	5/11/23: Senate, on a voice vote, tabled the bill. No further action is expected in the 2023 session.
HB 559	This bill establishes a defined contribution retirement plan for new state employees who begin service on or after July 1, 2024, and who would previously have been enrolled in Group I. All new state employees on and after July 1, 2024, will be required to participate in a defined contribution plan administered by the state Deferred Compensation Commission and would not be members of NHRS.	Rep. Dan McGuire	3/10/23: House ED&A Committee voted, 20-0, to retain the bill in committee. No further action is expected in the 2023 session.
HB 571	This bill authorizes a one-time payment to a retired Group II member or beneficiary. Group II members (or their beneficiaries) retired 10 to 19 years as of July 1, 2023, are eligible for a payment ranging from \$1,100-\$2,900 depending on the number or years retired; Group II members (or their beneficiaries) retired 20 or more years as of July 1, 2023, are eligible for a payment of \$3,000. Group II members with a benefit of \$100,000 or more are ineligible for the one-time payment.	Rep. Ben Baroody	<i>The provisions of the bill were included in the House version of HB 2 (See above). HB 2 is currently with the Senate and subject to further amendments.</i>
HB 579	This bill eliminates the transition provision adopted in 2011 for Group II members who began service before July 1, 2011, but were not yet vested as of January 1, 2012.	Rep. Doug Trottier	2/22/23: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 639	This bill establishes procedures for the legalization, regulation, and taxation of cannabis; and the licensing and regulation of cannabis establishments. Note: This bill dedicates a portion of state revenue generated through the sale of cannabis toward paying down the retirement system's unfunded actuarial accrued liability.	Rep. Jason Osborne	5/11/23: Senate voted, 14-10, to accept committee recommendation of inexpedient to legislate (ITL). The bill is dead.
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	5/30/23: <i>The provisions of the bill were included in the Senate version of HB 2 (See above). HB 2 is currently with the Senate and subject to further amendments.</i>
SB 114	This bill provides that the state shall pay 7.5% of local employer retirement contributions for Group I Teachers and Group II Police and Fire members.	Sen. Cindy Rosenwald	2/9/23: Passed by the Senate, then tabled on a voice vote. No further action is expected in the 2023 session.
SB 134	The bill establishes a retirement system benefit for Group II members who retire due to a violent act injury.	Sen. Regina Birdsell	2/22/23: Senate, on a voice vote, accepted committee recommendation to re-refer bill committee. No further action is expected in the 2023 session.
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	3/23/23: Passed by the Senate, then tabled on a voice vote. No further action is expected in the 2023 session.
<p>* – Bill has passed the House and is currently in the Senate</p> <p>Committee Key: ED&A = Executive Departments & Administration;</p> <p>Location Key: LOB = Legislative Office Building; SH = State House.</p>			

BENEFITS COMMITTEE*Oral Presentation Only*

PERSONNEL PERFORMANCE & COMPENSATION COMMITTEE*Oral Presentation Only*



To: Board of Trustees
 From: Jan Goodwin, Executive Director
 Date: May 31, 2023
 Re: Executive Director Operating Report
 Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- COVID-19 Update: Maintaining status quo.

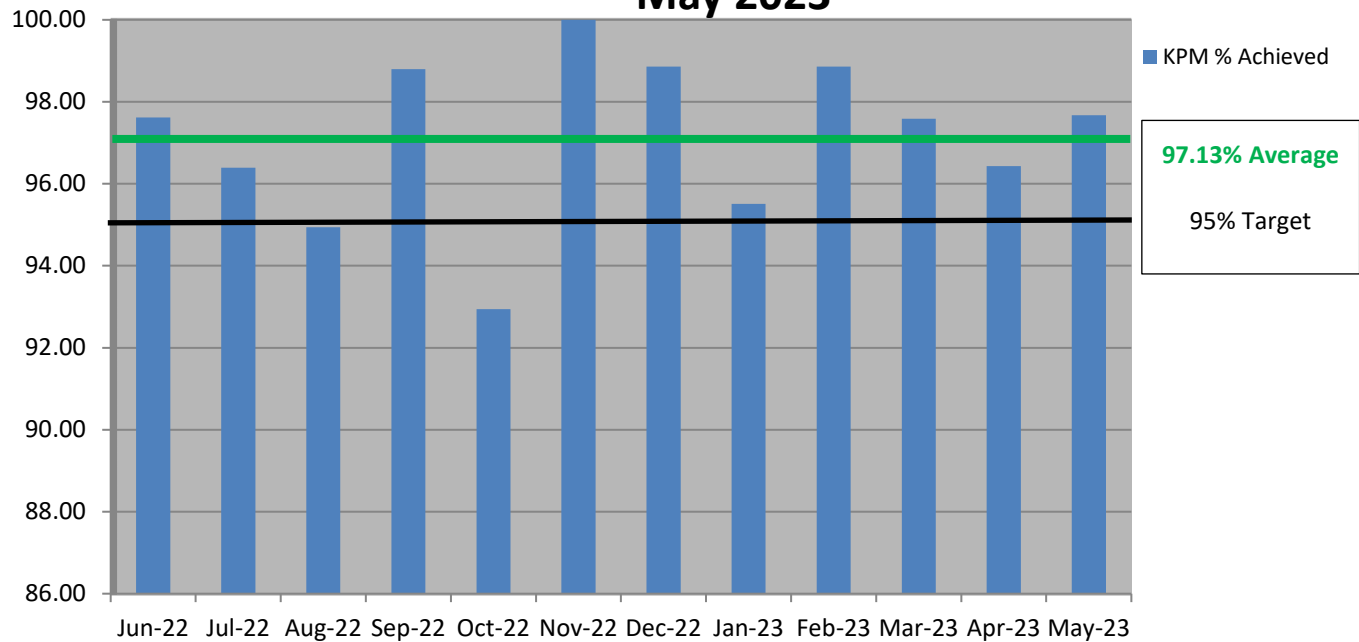
Current Month Highlights

- This month's KPM score was 97.67%. See 12-month rolling average chart, attached.
- PGV3 is 79% completed, and D7 (Member Direct/My Account) is 37% completed. Staff are meeting with LRS for D7 (Member Direct/My Account) design document review meetings. PGV2 queries have been reviewed to determine which ones will need custom reports in PGV3. Staff continue to review XML test files submitted by employers and payroll providers. Meetings are being held to prepare for the August mock parallel, and the full parallel, which is scheduled for October through November 2023.
- All three of the ED's KPMs were met this month.

Upcoming Plans & Projects

- The NHRS legislative team continues to evaluate numerous legislative proposals for the 2023 session.
- Staff continues to prepare for parallel processing for PGV3, which is slated to begin in October 2023. Currently, the biggest risk to not starting on time is HB 436, which would require significant reprogramming to both our current PG system and PGV3. This legislation has been added to the House's budget bill. Another significant risk is the high number of employers who have not yet submitted a test file and the low number of files received that have been validated. We are redeploying resources to ensure these deadlines are met. We are working with LRS to develop an orientation program for all affected staff members who will be assisting employers. In addition, NHRS staff is developing materials to acquaint staff with the new screens and processes and train employers on the new filing requirements.

KPM Rolling 12-Month Average May 2023



PGV3 Status as of May 30, 2023

Project Schedule and Completion					
Task	Scheduled Start Date	Scheduled Finish Date	Baseline Finish Date	Actual Finish Date	Percent Complete
NHRS Version 3	1/2/2019	12/2/2024	12/27/2023		79%
Phase 1 - Project Initiating	1/2/2019	1/25/2019	1/25/2019	1/25/2019	100%
Phase 2 - Project Planning	1/2/2019	2/14/2019	2/14/2019	2/14/2019	100%
Phase 3 - Project Monitoring and Controlling	1/2/2019	7/5/2027	12/22/2022		80%
Phase 4 - Project Executing	1/2/2019	1/25/2024	12/22/2022		85%
Infrastructure	2/14/2019	8/7/2023	9/9/2022		69%
Data Conversion	1/2/2019	11/30/2023	12/22/2022		88%
Requirements Analysis	1/9/2019	7/12/2019	7/12/2019	7/12/2019	100%
D1 - Member Basics and Service Purchases	6/6/2019	12/20/2019	12/11/2019	12/20/2019	100%
D2 - Employer Reporting	10/31/2019	11/10/2020	9/11/2020	11/10/2020	100%
D3 - Benefit Calculations	2/26/2020	9/28/2022	4/23/2021	9/28/2022	100%
D4 - Benefit Maintenance and Insurance	7/9/2021	7/25/2022	8/27/2021	7/25/2022	100%
D5 - Benefit Payroll	2/11/2022	2/15/2023	12/17/2021	2/15/2023	100%
D6 - Year End Processes, Auditing and Security	6/13/2022	5/11/2023	5/11/2022		100%
D7 - MemberDirect	12/13/2022	8/25/2023	10/13/2022		37%
Parallel Processing (2 Months)	10/3/2023	11/30/2023	12/22/2022		0%
Phase 5 - Closing	12/1/2023	12/2/2024	12/27/2023		0%
Warranty Support (12 months)	12/1/2023	12/2/2024	12/27/2023		0%

“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				We achieved a 97.67% success ratio. We failed on two (2) 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	
2. Reconcile operating bank account within two (2) business days of receipt of bank statements.		X		The KPM was not completed within two days because staff completing has left NHRS.
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			

	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			April 2023 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	
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		April 2023 contributions due 5/15/2023 counting back 90 days would be Jan 2023 contributions due 2/15/2023. Interest has only been posted through October 2022; however, we are waiting on one (1) employer to pay their voucher payments to post Nov 2022 & Dec 2022 interest. We have received payment but no back-up. Staff is working with employer to create voucher for deposit and posting this week (6/1/2023).
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	

	ACHIEVED			COMMENTS
	YES	NO	N/A	
14. Answer 95% of Employer Exceptions hunt group (X3532) calls within sixty (60) seconds.	X			
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	Reported annually. As of Jun. 30, 2022, 25yr: +688 vs +675 bps = +13 bps excess.
3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median measured quarterly .	X			
4. Complete the IIC's Private Debt & Private Equity Strategic Plan for the calendar year.			X	Reported annually in January for CY 2022.
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)	X			

	ACHIEVED			COMMENTS
	YES	NO	N/A	
calendar days of receipt in the Legal Dept.				
3. Commence an adjudicative proceeding within sixty (60) calendar days of receipt of administrative appeal.	X			
4. Present a recommended decision to the Board within seventy-five (75) calendar days after the close of the record in an appeal.	X			
5. Perform employer compliance field audits; a rolling average of 2 audits per experienced auditor per month over the prior 12-month period.			X	On hold due to staff priorities with PGV3.
6. Present one (1) employer education session per quarter.	X			
7. Answer 95% of Employer Audit/Compliance hunt group (X3681) calls within sixty (60) seconds.	X			
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	X			

	ACHIEVED			COMMENTS
	YES	NO	N/A	
contribution refunds within sixty (60) business days of receipt.				
11. Post all interest to member accounts within the month that Finance authorized the activity.	X			
12. Adhere to payroll “close” schedule for benefit setup balancing purposes.	X			
13. Process all pension changes within thirty (30) calendar days of receipt/notification.	X			
14. Process retiree death benefit refund payments within sixty (60) calendar days following receipt of all required paperwork.	X			
15. Establish survivorship benefit setup for payment within sixty (60) calendar days following receipt of all required death documentation 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			

	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			
2. Execute and present an assurance audit to the Audit Committee every quarter.			X	Not due 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			
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				

	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 0:14:30
3. Transfer less than ten percent (10%) of calls to Subject Matter Experts (SMEs).	X			We transferred 2.66% of calls to SMEs.
4. Maintain a 95% call satisfaction rating for callers' experience with the Contact Center Representative (CCR).	X			We maintained a 100% rate.
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	There were no complaints received during the month.
6. Maintain expenditures at or less than Administration Budget as reported by Finance in the most recent manager's report (1-month lag).	X			
7. Maintain expenditures at or less than Board of Trustees Budget as reported by Finance in the most recent manager's report (1-month lag).	X			

Contact Center May 2023

Phone Calls

	Total	Percentage
Calls addressed by CCRs	2645	96.53%
Calls forwarded to SMEs	73	2.66%
Calls forwarded to SME Manager	22	0.80%
Total	2,740	100.00%

Post Call Surveys

	Total
Total Calls Handled	2,645
Surveys Completed	484
% of Total Calls Completion Rate	18.30%

Walk Ins

	Total
Number of Walk-Ins	293
Total Walk In Time (minutes)	2932
Average Walk In time (minutes)	10.01

Emails

	Total	Percentage
Emails addressed by CCRs	508	50.45%
Emails forwarded to SMEs	499	49.55%
Total	1,007	100.00%

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

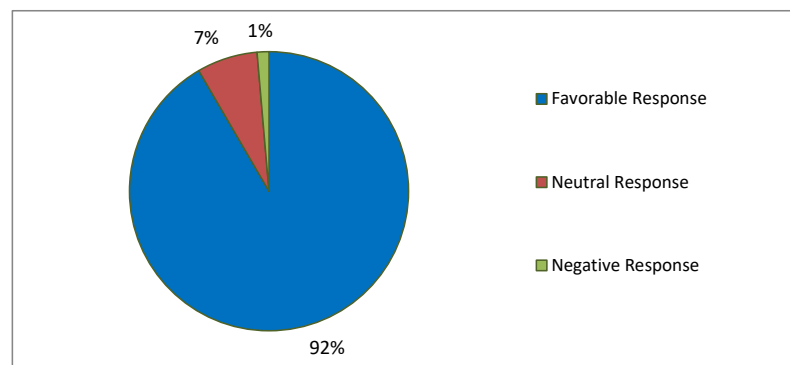
Queue Name	Calls Presented	Calls Handled	Percentage	Calls Abandoned	Percentage	Average Queue Time	Average Speed of Answer	Average Time to Abandon	Average Handle Time
Member	829	809	97.59%	10	1.21%	0:15:00	0:15:00	1:05:00	5:24:00
Reception	989	967	97.78%	22	2.22%	0:15:00	0:15:00	0:24:00	4:39:00
Retiree	934	923	98.82%	11	1.18%	0:15:00	0:15:00	0:15:00	3:40:00
1099	43	41	95.35%	2	4.65%	0:12:00	0:13:00	0:05:00	3:12:00
Totals	2795	2740	98.03%	45	1.61%	0:14:15	0:14:30	0:27:15	4:13:45

Average

NHRS Board Monthly Reporting Package
Process Improvement
May 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							
May	40	23	18	5	0	15	2
April	40	23	22	1	0	16	1
March	50	22	18	4	0	22	6
February	30	12	11	1	0	13	5
January	40	18	15	2	1	18	4
2022							
January - December	520	291	265	21	5	174	55
2021							
January - December	130	73	64	8	1	42	15
2020							
January - December	100	50	47	2	1	37	13
2019							
January - December	500	228	216	7	5	150	122
2018							
January - December	490	227	217	8	2	183	80
2017							
January - December	460	214	204	8	2	168	78
2016							
January - December	520	258	230	25	3	189	73
2015							
January - December	510	273	242	28	3	152	85
2014							
October - December	87	36	28	8	0	30	21
	3517	1748	1597	128	23	1209	560



Division: Executive

Date: July 1, 2022
As of: May 30, 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 five-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	On hold due to PGV3.
5. Implement agreed-upon elements of Vision for NHRS.	JG/All	6/30/23	In process.



NHRS

New Hampshire Retirement System

To: NHRS Trustees
 From: Jan Goodwin, Executive Director
 Date: June 2, 2023
 Re: FY 2024 Strategic Plan
 Item: Action: ☒ Discussion: ☐ Informational: ☐

The Board's Governance Manual includes a requirement for the Board to adopt a 3- to 5-year rolling strategic plan that is to be updated annually. The Strategic Plan is the basis for creating action plans for each operating area within the retirement system and developing the trust fund budget. Performance in achieving the objectives of the Action Plans and managing budgetary expenditures is reported to the Board monthly throughout the year.

The first step in the annual planning process is to engage the Board in an exercise referred to "Preserve, Achieve, and Avoid" (PAA). This is an interactive discussion to identify functions and activities that are positive contributors to the NHRS mission; additional opportunities or initiatives not yet being realized; and, situations or circumstances that are perceived as detrimental and ought to be mitigated or eliminated.

The same exercise is undertaken internally with senior managers to supplement the determinations of the Trustees.

All of this information is evaluated, prioritized, and integrated into the Strategic Plan, subject to review and approval by the Trustees. Action Plans for all Direct Reports to the Executive Director are developed, focusing on the significant operational issues that have been identified, including any plans from the prior year that have not been completed.

The Strategic Plan and the Action Plans are not intended to address day-to-day operations, which are instead monitored and managed via Key Performance Measures ("KPMs"). The Action Plans focus on specific objectives to be achieved over the next fiscal year as opposed to "ordinary course of business" activities or functions.

Included with this memorandum is the NHRS Mission Statement, an updated draft of the PAA document based on Trustee input, and the FY 24 Strategic Plan. Following any Board discussion on these materials, I respectfully request Board approval of the FY 24 Strategic Plan.

NHRS FY 2024 STRATEGIC PLAN “PAA”
June 7, 2023 - DRAFT

PRESERVE	ACHIEVE	AVOID
<ul style="list-style-type: none"> • Positive Working Relationship with the Legislature by continuing to provide impartial information and testimony • Compliance • Organizational Communication • Good Board & IIC Relationship • Transparency • Responsiveness • Desire to Improve • Knowledge Base • Objective Data Analysis • Public Education Sessions with Members • Seek to Stabilize Long-Term Investments, Without Reaction to Short-Term Market Volatility • Performance Measurement & Reporting • Productivity • Accountability • Financial Controls and prudence • Operating Budget • Business Continuity Plan • Succession Planning • Electronic Filing/Access • IT capabilities / security • Leverage IIC expertise • Employee Engagement • Pro-active Employer Relations: • Inter-Departmental Communication and Cooperation • Middle Management Effectiveness • Employer payment by ACH/Quickpay • Continually improving stakeholder service 	<ul style="list-style-type: none"> • Organizational Efficiency • Cross Training • Enhanced data & cybersecurity • PGV3 implementation • Initiate experience study in FY 24 • FY 26&27 employer contribution rates • Outreach to younger members • Optimization of Investment Process to improve net performance • Reduce reliance on external vendors to execute key functions for NHRS in investments • Policies & Procedures in a user-friendly format • IT resiliency and availability 	<ul style="list-style-type: none"> • Operational “Silos” • “That’s the way we always did it” • Surprises • Letting others define NHRS • Path of Least Resistance • Unclear Communication • Avoid Cybersecurity Breaches • Unintended consequences • Spreadsheets / manual processes • Trying to do too much at once and as a result doing things poorly • Putting any other considerations above serving our members, beneficiaries and employers • Application downtime <p>NOTES: Bold type – Relate to items added or moved for FY 2024</p>

POTENTIAL STRATEGIC OBJECTIVES – DRAFT FY 2024

Assess effectiveness and productivity of Employer Audit operations.

Increase communication from ETeam to MTeam to staff.

Conduct succession planning at management level.

Identify opportunities to eliminate paper documents and processes.

Review and evaluate Contact Center performance and assess impact on other operational areas.

Continue implementation of PGV3 on schedule and within budget.

Implement improved quality control in PGV3 to assure the integrity of enrollment, benefit, and demographic data.

Evaluate modifying office hours, particularly during extremely busy times of year, to accommodate other state/municipal employees whose hours are the same as NHRS.

Implement PGV3-related employer education and communication, with particular attention to employer pay codes and reporting changes.

Develop proactive responses to anticipated scrutiny of investment fees, performance, and ESG issues surrounding investment program, with particular attention to alternative investments.

Implementation of actuarial option factors after experience study is completed in FY 24.

Identify and implement best practices for making demographic and banking information changes for members and beneficiaries.

Continue to improve disclosure of investment fees.

Evaluate ways to reduce investment fees.

Prepare for changes in staff positions/duties due to PGV3.

Implement software tool to streamline ACFR reporting.

Strategic review of financial software and configuration to identify changes that will automate processes, improve reporting and streamline financial analysis.

Create and implement a cloud migration strategy to move the data center to the cloud.

Improve overall business continuity and availability for staff and stakeholders to mission critical systems and applications.

Identify and optimize cost-savings through the use of new technologies and services.



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

NHRS Mission, Vision & Values

The New Hampshire Retirement System plays an important role in the long-term economic well-being of the state's public employees, teachers, police officers, and firefighters. NHRS strives to meet this responsibility through a commitment to our mission, vision, and values.

MISSION

To provide secure retirement benefits and superior service.

VISION

NHRS will fulfill our role as fiduciary of the trust and deliver retirement benefits to our members and beneficiaries through a commitment to value, innovation and excellence.

VALUES

Security – Providing promised benefits and guarding the confidentiality of personal information.

Excellence – Striving to exceed expectations through innovation, accountability, and teamwork.

Respect – By recognizing the uniqueness and importance of our stakeholders, our co-workers, and ourselves, we foster collaboration and cooperation.

Value – Committing to be a trusted and effective fiduciary by always acting in the best interest of our membership.

Integrity – Acting in an ethical, honest, and professional manner in all our interactions.

Communication – Providing responsive, accurate, and timely information to our stakeholders.

Empathy – Being aware of the feelings of others and how our actions affect them enables us to be responsive to the needs of all we encounter.



To: NHRS Trustees
 From: Jan Goodwin, Executive Director
 Date: May 30, 2023
 Re: FY 24 Final Trust Fund Budget
 Item: Action: ☒ Discussion: ☐ Informational: ☐

Overview

Please find attached the final Fiscal Year (FY) 2024 Trust Fund Budget, which includes the FY 22 actual figures, the FY 23 budget figures and projected actual FY 23 expenditures extrapolated from nine months of expenditures. The Trust Fund Budget includes all NHRS expenditures, divided into four categories, as follows:

Investment Expenses/Internal – internal NHRS investment-related expenses, including staff and related expense (***APPROVED ANNUALLY BY THE BOARD***)

Investment Expenses/External – external investment-related expenses, including management, custodial, legal, and consulting contracts (***APPROVED ANNUALLY BY THE BOARD***)

Non-Investment Expenses/Non-Statutory – “third party” expenses that are unrelated to investment activity, including actuarial, legal, audit, etc. (***APPROVED ANNUALLY BY THE BOARD***)

Statutory Administrative Expenses – internal administrative expenses, as per statutory requirements (***APPROVED BIENNIALY BY THE BOARD DUE TO STATE BUDGET CYCLE***)

Commentary

Methodology

The investment management fees were determined by starting with actual investment balances as of March 31, 2023, and then projecting those balances 15 months forward to June 30, 2024, using the current assumed rate of return of 6.75%.

These budget documents do not show depreciation amounts to avoid any potential double counting. Any depreciable assets are budgeted and purchased through the statutory administrative budget and only depreciated over five years in the audited financial statements if certain dollar thresholds are met in accordance with the NHRS fixed asset policy.

Results

To summarize, the final FY 24 Trust Fund Budget of \$48,643,562 is projected to be \$1,411,835 lower than the FY 23 Adopted Budget of \$50,055,397, a decrease of 2.8%. In dollar terms, this decrease in the total budget is driven mainly by projected decreases of \$2,460,000 in external investment expenses, including investment management fees, as well as \$110,925 in the non-investment, non-statutory category and an increase of \$313,870 in internal investment expense.

Investment Expenses/External

- The final FY 24 budget for this category shows a decrease of \$2,460,000, or 6.9%, as compared to the FY 23 budget. The decrease is driven by a projected decrease of \$2,540,000 in investment management fees. These fees are set by contract as a percentage of the assets under management and this decrease is attributable to the expected growth of the trust fund. As a reminder, all investment manager contracts include a “Most Favored Nation” (MFN) provision, meaning no other client with a comparable mandate receives a fee lower than NHRS.
- Also within this category is a projected increase of \$80,000, or 4.2%, in investment administration expenses, which include the fees for the custodial bank, the general investment consultant, the investment legal fees, and other investment administration.

Investment Expenses/Internal

- In total, the final FY 24 budget for this category increased by \$313,870, or 30.6%, as compared to the FY 23 budget. The majority of that increase is due to an expected \$137,000 increase in salaries and benefits, mostly attributable to the addition of a new staff member and pay increases for staff.

Non-Investment Expenses/Non-Statutory

- The final FY 24 budget for this category decreased by \$110,925, or 8.5%, as compared to the FY 23 budget. This projected decrease is driven primarily by the decrease in Other Consulting Fees. There were other increases and decreases in this category: increase for the inclusion of an experience study to be performed by GRS; increase in insurance costs, based on expected market prices for various coverages we purchase; and decrease for legal expenses.

Statutory Administrative Expenses

- This component of the budget is approved every two years, as per NH statutory requirements.
- The statutory administrative budget for FY 24 and FY 25 was approved by the NHRS Board in September 2022 and is expected to be adopted by the legislature in June 2023.
- For reference purposes, a copy of the actual to budget performance of the Statutory Administrative Budget is included in the package.

Also included on the next page for your reference is a timeline of the various components of the NHRS Budget.

NHRS Budget Process Timeline

<u>Month</u>	<u>Action</u>	<u>Example</u>
August of Even-Numbered year	Preliminary Statutory Administrative Budget presented to NHRS BOT for the biennium beginning July 1 of the subsequent year (only 1 of the 4 NHRS Budget categories)	Preliminary FY2024/2025 NHRS Statutory Administrative Budget presented to BOT – August 2022
September of Even-Numbered year	Statutory Administrative Budget acted upon by NHRS BOT for the biennium beginning the following July	FY2024/2025 NHRS Statutory Administrative Budget approved by BOT – September 2022
October of Even-Numbered year	SONH publishes FY2024/2025 Agency Phase Budget Request, including NHRS Statutory Administrative Budget	FY2024/2025 NHRS Statutory Administrative Budget begins the legislative process 10/1/22
May of Odd-Numbered year	Preliminary Trust Fund Budget presented to NHRS BOT for the year beginning July of that same year (All 4 NHRS Budget categories and includes budget from <i>first year</i> of Stat. Admin approved in the previous September)	Preliminary FY2024 NHRS Trust Fund Budget to be presented to BOT – May 2023 (includes <i>FY2024</i> Statutory Administrative Budget approved by BOT in September 2022)
June of Odd-Numbered year	Trust Fund Budget acted upon by NHRS BOT for the year beginning July of that same year (All 4 NHRS Budget categories and includes budget from <i>first year</i> of Stat. Admin approved in the previous September)	FY2024 NHRS Trust Fund Budget to be acted upon by BOT – June 2023 (includes <i>FY2024</i> Statutory Administrative Budget approved by BOT in September 2022)
May of Even-Numbered year	Preliminary Trust Fund Budget presented to NHRS BOT for the year beginning July of that same year (All 4 NHRS Budget categories and includes budget from the <i>second year</i> of Stat. Admin approved in the previous September)	Preliminary FY2025 NHRS Trust Fund Budget to be presented to BOT – May 2025 (includes <i>FY2025</i> Statutory Administrative Budget approved by BOT in September 2022)
June of Even-Numbered year	Trust Fund Budget acted upon by NHRS BOT for the year beginning July of that same year (All 4 NHRS Budget categories and includes budget from the <i>second year</i> of Stat. Admin approved in the previous September)	FY2025 NHRS Trust Fund Budget to be acted upon by BOT – June 2024 (includes <i>FY2025</i> Statutory Administrative Budget approved by BOT in September 2022)

New Hampshire Retirement System

FINAL

FY 2024 Trust Fund Budget

Presentation to the Board of Trustees

June 2023

	5/1/2023										
	PRELIMINARY										
	NEW HAMPSHIRE RETIREMENT SYSTEM										
	TRUST FUND BUDGET SUMMARY										
	FOR FISCAL YEARS 2022, 2023 AND 2024										
	(1)	(2)	(3)	(4)		(5)		(6)	(7)		
		FY 2022	FY 2023			FY 2024		Variance			
		ACTUAL	BUDGET	PROJECTED		PROPOSED		FY 2024 Proposed vs			
				ACTUAL		BUDGET		FY 2023 Budget			
								\$	%		
1	Investment Expense/Internal:	\$738,041	\$1,025,800	\$894,500		\$1,339,670		\$313,870	30.6%		
2	Investment Expense/External:	\$32,630,094	\$35,566,000	\$30,233,859		\$33,106,000		(\$2,460,000)	-6.9%		
3	Non-Investment Expense/Non-Statutory:	\$1,105,052	\$1,305,375	\$1,075,190		\$1,363,450		\$58,075	4.4%		
4	Subtotal	\$34,473,187	\$37,897,175	\$32,203,549		\$35,809,120		(\$2,088,055)	-5.5%		
5	Statutory Administrative Budget	\$10,249,572	\$12,158,222	\$11,991,000		\$12,988,106		\$829,884	6.8%		
6	Standard NHRS Operations	\$8,866,131	\$10,111,942	\$9,476,000		\$10,604,506		\$492,564	4.9%		
7	Pension Gold Version 3 upgrade	\$1,383,441	\$2,046,280	\$2,515,000		\$2,383,600		\$337,320	16.5%		
8	Total Proposed NHRS Trust Fund:	\$44,722,759	\$50,055,397	\$44,194,549		\$48,797,226		(\$1,258,171)	-2.5%		
9											
10											

New Hampshire Retirement System									
PRELIMINARY									
NEW HAMPSHIRE RETIREMENT SYSTEM									
TRUST FUND BUDGET ANALYSIS									
FY 2024 Trust Fund Budget									
FOR FISCAL YEARS 2022, 2023 AND 2024									
			FY 2022		FY 2023		FY 2024	Variance	
					PROJECTED		PROPOSED	FY 24 Proposed vs	
June 2023			ACTUAL		ACTUAL		BUDGET	FY 23 Projected Actual	
								\$s	%
1	Investment Expense/Internal:	Ref							
2	Administrative Expenses								
3	Salaries & Benefits	3	\$657,088	\$895,000	\$785,000	\$1,032,000	\$247,000	15.3%	
4	Current Expenses/Supplies/Education	4	13,984	28,000	30,000	57,200	27,200	104.3%	
5	Subscriptions	5	4,805	5,300	6,000	5,320	(680)	0.4%	
6	License Fee-Bloomberg	6	48,280	54,000	57,000	202,575	145,575	275.1%	
7	Organization Dues	7	11,529	18,500	14,000	18,075	4,075	-2.3%	
8	Travel	8	2,355	25,000	2,500	24,500	22,000	-2.0%	
9	Total Investment Expense/Internal	9	\$738,041	\$1,025,800	\$894,500	\$1,339,670	\$445,170	49.8%	
10	Investment Expense/External:								
11	Management Fees								
12	Marketable Investments	13	\$28,283,800	\$30,280,000	\$25,241,400	\$27,440,000	\$2,198,600	-9.4%	
13	Real Estate	17	2,840,977	3,400,000	3,404,000	3,700,000	296,000	8.8%	
14	Subtotal Management Fees	22	31,124,777	33,680,000	28,645,400	31,140,000	2,494,600	8.7%	
15	Investment Administrative Expenses								
16	Custody Fees	25	604,730	625,000	600,000	705,000	105,000	12.8%	
17	General Investment Consultant Fees	27	487,500	700,000	650,000	700,000	50,000	0.0%	
18	Legal	28	357,114	500,000	285,000	500,000	215,000	0.0%	
19	Other Fees	29	55,973	61,000	53,459	61,000	7,541	0.0%	
20	Subtotal Investment Adm. Expenses	34	1,505,317	1,886,000	1,588,459	1,966,000	377,541	23.8%	
21	Total Investment Expense/External	36	\$32,630,094	\$35,566,000	\$30,233,859	\$33,106,000	\$2,872,141	9.5%	
22	Non-Investment Expense/Non-Statutory:								
23	Professional Fees & Other								
24	Actuarial Fees	39	\$200,965	\$230,000	\$190,000	\$286,000	\$96,000	24.3%	
25	Legal Fees	45	123,042	225,000	125,000	200,000	75,000	-11.1%	
26	Audit Fees	46	224,250	259,500	259,500	257,000	(2,500)	-1.0%	
27	Other Consulting Fees	50	271,431	264,125	175,000	270,000	95,000	2.2%	
28	Insurance	52	179,607	201,750	197,690	220,450	22,760	9.3%	
29	Local Custodian	58	105,757	125,000	128,000	130,000	2,000	4.0%	
30	Total Non-Investment Expense/Non-Statutory	61	\$1,105,052	\$1,305,375	\$1,075,190	\$1,363,450	\$288,260	26.8%	
31	¹ Trust Fund (not including Statutory Budget)	62	\$34,473,187	\$37,897,175	\$32,203,549	\$35,809,120	\$3,605,571	11.2%	
32	¹ Trust Fund Less Invest. Management Fees		\$3,348,410	\$4,217,175	\$3,558,149	\$4,669,120	\$1,110,971	31.2%	
	¹ This schedule does not include Statutory budgeted items								

	NEW HAMPSHIRE RETIREMENT SYSTEM				
	TRUST FUND BUDGET DETAIL ANALYSIS				
	(Does not include the NHRS Statutory Budget)				
	FISCAL YEARS 2022 - 2024				
FY 2024 Trust Fund Budget					
		FY 2022	FY 2023	FY 2023	FY 2024
				PROJECTED	PROPOSED
		ACTUAL	BUDGET	ACTUAL	BUDGET
June 2023					
1	Investment Expense/Internal:				
2	Administrative Expenses				
3	Salaries & Benefits	\$657,088	\$895,000	\$785,000	\$1,032,000
4	Current Expenses/Supplies/Education	13,984	28,000	30,000	57,200
5	Subscriptions	4,805	5,300	6,000	5,320
6	License Fee-Bloomberg	48,280	54,000	57,000	202,575
7	Organization Dues	11,529	18,500	14,000	18,075
8	Travel	2,355	25,000	2,500	24,500
9	Total Investment Expense/Internal	\$738,041	\$1,025,800	\$894,500	\$1,339,670
10					
11	Investment Expense/External:				
12	Management Fees				
13	Marketable Investments	\$28,283,800	\$30,280,000	\$25,241,400	\$27,440,000
14	Domestic Equity	8,356,218	11,931,000	8,571,400	9,420,000
15	Non-US Equity	11,503,726	11,789,000	10,910,000	11,660,000
16	Fixed Income	8,423,856	6,560,000	5,760,000	6,360,000
17	Real Estate	2,840,977	3,400,000	3,404,000	3,700,000
18	Townsend	2,840,977	3,400,000	3,404,000	3,700,000
22	Subtotal Management Fees	31,124,777	33,680,000	28,645,400	31,140,000
23					
24	Investment Administrative Expenses				
25	Custody Fees	604,730	625,000	600,000	705,000
26	Master Custodian	604,730	625,000	600,000	705,000
27	General Investment Consultant Fees	487,500	700,000	650,000	700,000
28	Legal	357,114	500,000	285,000	500,000
29	Other Fees	55,973	61,000	53,459	61,000
30	Trading Cost Analysis	13,256	12,000	11,025	12,000
31	Proxy Voting Service	26,958	30,000	26,675	30,000
32	ISS Class Action	12,000	15,000	12,000	15,000
33	Other Fees-Foreign Tax Agent Fees	3,759	4,000	3,759	4,000
34	Subtotal Investment Adm. Expenses	1,505,317	1,886,000	1,588,459	1,966,000
35					
36	Total Investment Expense/External	\$32,630,094	\$35,566,000	\$30,233,859	\$33,106,000
		FY 2022	FY 2023	FY 2023	FY 2024
			PROPOSED	PROJECTED	PROPOSED
		ACTUAL	BUDGET	ACTUAL	BUDGET
37	Non-Investment Expense/Non-Statutory:				
38	Professional Fees & Other				
39	Actuarial Fees	\$200,965	\$230,000	\$190,000	\$286,000
40	Valuation & CAFR	89,879	100,000	93,600	103,000
41	Legislative-Related & Other	61,086	80,000	40,000	80,000
42	Experience Study	0	0	0	53,000
43	Decennial Commission	0	0	0	0
44	GASB-Work	50,000	50,000	56,400	50,000
45	Legal Fees	123,042	225,000	125,000	200,000
46	Audit Fees	224,250	259,500	259,500	257,000
47	CAFR and GASB Audits	224,250	259,500	259,500	257,000
48	GASB-Implementation & Census Audits				
49	Actuarial Audit				
50	Other Consulting Fees	271,431	264,125	175,000	270,000
51	Consulting Fees/Temporary Projects	271,431	264,125	175,000	270,000
52	Insurance	179,607	201,750	197,690	220,450
53	Fiduciary	144,162	160,000	148,487	165,000
54	Business Owner/Automotive	6,459	7,150	5,969	7,500
55	Crime	2,353	2,600	2,763	2,850
56	Public Office Bond \$100 for Exec. Dir.	100	150	100	100
57	Cyber Insurance	26,533	31,850	40,371	45,000
58	Local Custodian	105,757	125,000	128,000	130,000
59	Local Custodian Banking Services	105,757	105,000	112,000	112,000
60	Local Custodian Payroll Services		20,000	16,000	18,000
61	Total Non-Investment Expense/Non-Statutory	\$1,105,052	\$1,305,375	\$1,075,190	\$1,363,450
62	¹ Subtotal Trust Fund	\$34,473,187	\$37,897,175	\$32,203,549	\$35,809,120
	¹ Does not include Statutory budgeted items or depreciation				

	NEW HAMPSHIRE RETIREMENT SYSTEM				
	TRUST FUND BUDGET DETAIL ANALYSIS				
	STATUTORY ADMINISTRATIVE BUDGET				
	FISCAL YEAR 2022 - 2024				
Trust Fund Budget					
		FY 2022	FY 2023	FY 2023	FY 2024
				PROJECTED	
		ACTUAL	BUDGET	ACTUAL	BUDGET
The 2023					
1	Statutory Administrative Budget				
2	All non PGv3	\$8,866,131	\$10,111,942	\$9,476,000	\$10,604,506
3					
4					
5					
6					
7					
8					
9					
10					
11	<i>PGV3 Upgrade Project</i>	1,383,441	2,046,280	2,515,000	2,383,600
12	Total Statutory Administrative Expense	\$10,249,572	\$12,158,222	\$11,991,000	\$12,988,106



To: Board of Trustees

From: Rosamond Cain, Director of Human Resources

Date: June 13, 2023

Re: HR Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- NHRS currently has three staff openings, IT Infrastructure Manager (formally Systems Security Administrator), Communications Specialist, and Finance Accountant.
- We went live with ADP on May 5 and our first paycheck with ADP was produced on June 2. We are calling it a successful transition.

Current Month Highlights

- HR met all four KPMs last month.
- We are waiting for a quote from Korn Ferry to review our position assessment process and tools.
- The nonunion compensation plan for FY 2024 was slated to be presented to the PPCC before this meeting; we were unable to meet that deadline due to scheduling and it will now be presented to the PPCC before the July Board meeting. The PPCC will bring their recommendations to you at the July meeting.

Upcoming Plans & Projects

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

Division: Human Resources (HR)

Date: June 1, 2023

Approved: July 1, 2022

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 hold until PGV3 parallel has 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 06/01/2023, six 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	9/30/22	Complete.
9. HR Mgr. to identify, enroll in, and complete a professional development program.	RFC/ED	9/30/22	Complete.



To: Board of Trustees

From: Tim Crutchfield, Deputy Director and Chief Legal Counsel

Date: June 1, 2023

Re: Legal Team Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Employer Audit staff have developed a “Top 10 Reporting Mistakes” list to focus on educating employers on how to properly report the different categories of earnable compensation.

Current Month Highlights

- Over the past 12 months, the Employer Audit Team has completed 38 standard and 22 GASB audits. There are 8 standard audits covering approximately 302 members, and 23 GASB audits in process. Staff is finalizing revisions to the employer audit procedures to make them more effective and efficient.
- Seven of the eight Legal KPMs this month were achieved. The other KPM is on hold due to competing staff priorities with PGV3.
- 449 Gainful Occupation reports were mailed in early March. 279 have been returned and 262 of those have been processed.
- Five employers, who did not file their retiree working-after-retirement reports that were due on February 15, failed to respond to the NHRS noncompliance letters sent on April 18 within the required 30 days. As a result, penalty letters were issued last month.
- Regarding the Barnstead School District embezzlement case, we are still waiting for the District to provide us with its forensic audit to assist us in identifying whether there was possible underreporting of contributions, which could impact member service credit.
- Groom has provided a draft of the Private Letter Ruling (PLR) request, stemming from the mechanics of the medical subsidy provisions passed as part of HB2 in 2021. We are waiting for the Department of Administrative Services to provide a letter of support.
- The NH Supreme Court appeal deadline has passed regarding the Coos County Superior Court Order dismissing the Petitioners’ Group II reclassification suit, so it appears this case is settled.
- Administrative penalty letters have been sent to several employers who have failed to provide correction files resulting from employer audits.

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
May '23	7	0	1	6
April '23	7	0	0	7
Mar. '23	8	1	2	7
Feb. '23	10	1	3	8
Jan. '23	8	3	1	10
Dec. '22	8	2	2	8
Nov. '22	9	0	1	8
Oct. '22	8	2	1	9
Sept. '22	8	0	0	8
Aug. '22	7	1	0	8
July '22	7	0	0	7
June '22	7	1	1	7
Totals		11	12	

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
May '23	2	0	0	2
April '23	2	0	0	2
Mar. '23	1	1	0	2
Feb. '23	1	0	0	1
Jan. '22	1	0	0	1
Dec. '22	1	0	0	1
Nov. '22	1	0	0	1
Oct. '22	1	0	0	1
Sept. '22	1	0	0	1
Aug. '22	1	0	0	1
July '22	1	0	0	1
June '22	1	0	0	1
Totals		1	0	

Division: Legal/Compliance

Date: June 1, 2023

Approved: June 2, 2022

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Review 100-A and propose recommended technical changes.	TC/MK	9/30/22	Completed.
2. Conduct and document annual review of NHRS legal and governance policies, procedures, and manuals to assure best practices.	TC	12/31/22	Completed.
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	Completed.
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	Attending the Nat'l Assoc. of Public Pension Attys' educational conference end of June.



To: Board of Trustees

From: Marty Karlon

Date: June 1, 2023

Re: Communications/Legislative Affairs Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

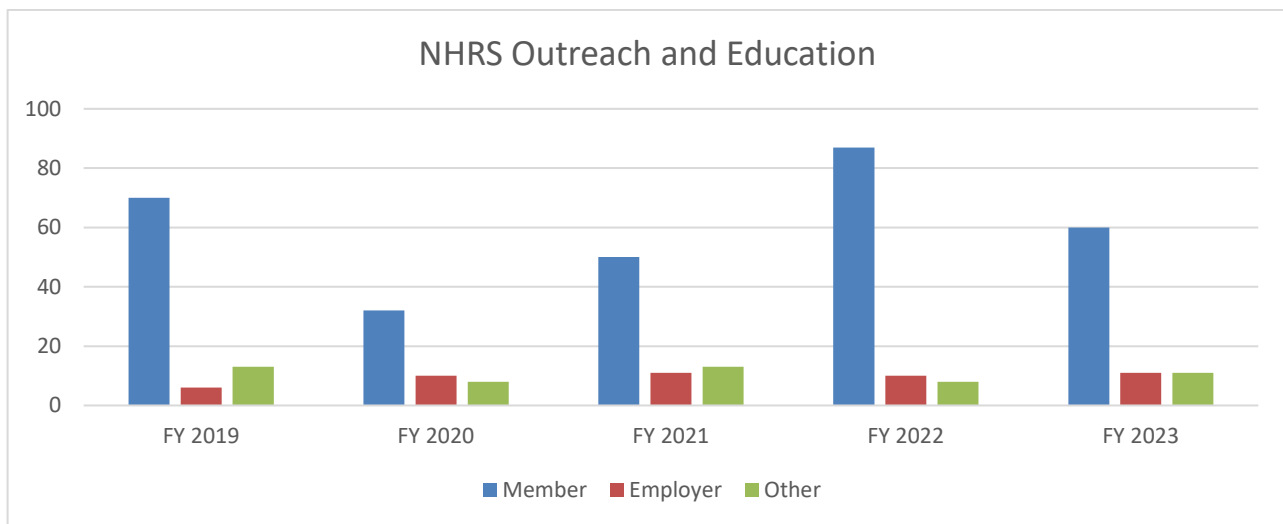
- As of June 1, five 2023 bills related to NHRS have been passed by the House and Senate, three of which have been signed into law by the Governor. The focus this month is House Bill 2, the budget trailer bill, which contains multiple sections related to the retirement system that differ in the House and Senate versions of the bill.
- We are launching the first wave of PGV3 training for employers later this month. More than 20 events are currently scheduled between June and September.

Current Month Highlights

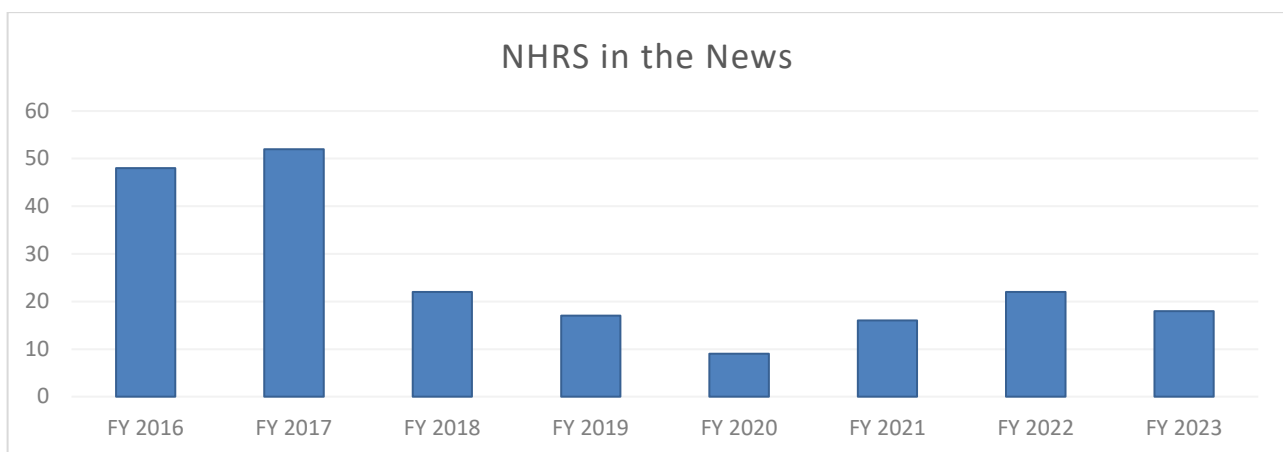
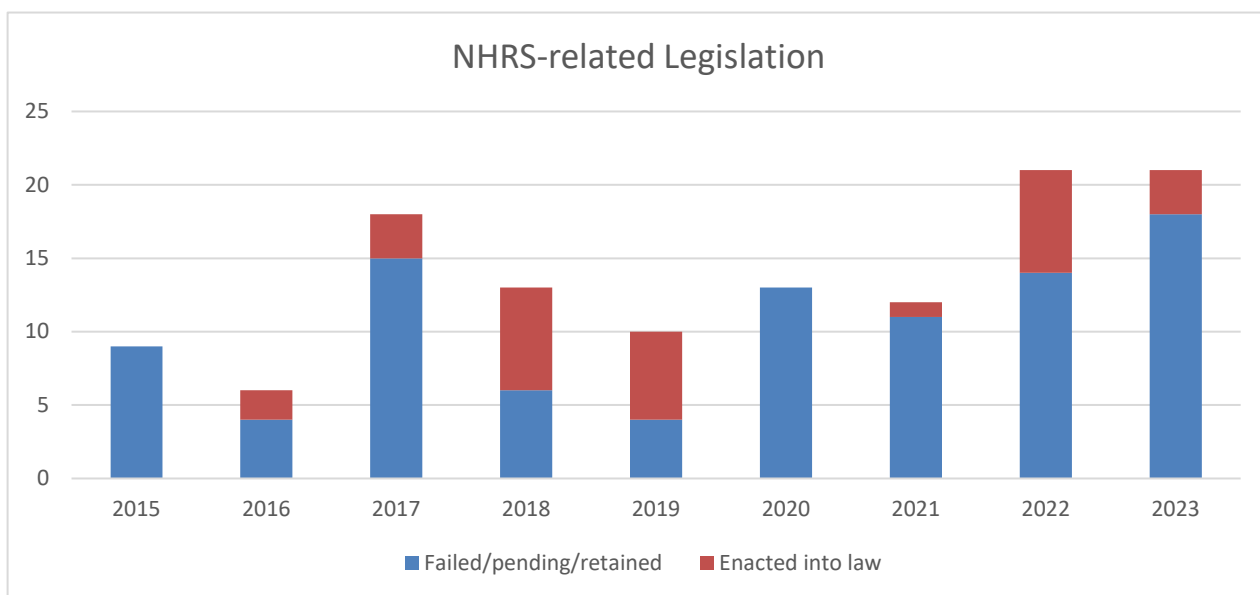
- Hosted or participated in four, member education events and one employer education event.
- PIO met all seven of its KPMs this month.

Upcoming Plans & Projects

- Actively recruiting for open Communications Specialist position.
- Scheduled to host or participate in four, member education events and five employer education events in June.



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



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

Division: Communications

Date: June 1, 2023

Approved: June 2022 (Revised: February 2023)

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. In collaboration with the Finance team and the PGV3 Project Manager, create PGV3 employer training and communication plans and hit all FY 23 deliverable dates on time. *	MK	6/30/23	On schedule/ongoing. Opened registration for 2023 employer training in May. <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	On schedule/ongoing. <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	Completed. NHRS technical correction legislation signed by the Governor in May.
4. Grow calendar year-over-year audience for social media channels by 10-15%.	MK / PIO staff	6/30/23	On schedule/ongoing.
5. Identify, enroll, and complete a professional development opportunity.	MK	6/30/23	Completed. Attended two-day course in July titled "Benefit Communication and Technology Institute" and NASRA annual convention in August.
On Hold due to PGV3 Project			
6. 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	On hold.
7. Continue to enhance member interface to include younger employees/members in the NHRS	MK / PIO staff	5/31/23	On hold.

system. *			
8. Develop 3-5 recorded member/retiree/employer presentations on specific topics.	MK / PIO staff	6/30/23	On hold.

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



To: Board of Trustees

From: John Laferriere, Director of Information Technology

Date: June 13, 2023

Re: Information Technology Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Cybersecurity Awareness – All staff passed the May phishing test, and IT did not need to implement additional training.
- Security Officer – Decision to currently not replace the security officer and outsource security functions to a Managed Security Service Provider (MSSP).

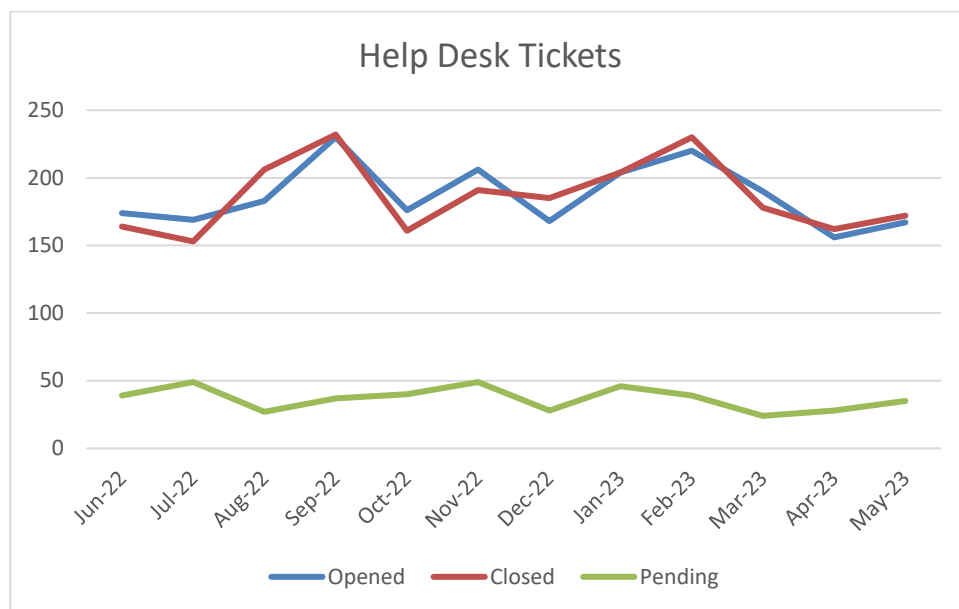
Current Month Highlights

- IT Customer Satisfaction Score – 99%.
- IT met all eight of its KPMs.
- Installation of proof-of-concept Teams video-conferencing system in the Hearings Conference Room.
- Engineering for the fault-tolerant internet connectivity project has been completed and installation has started.
- Transmissions platform has been deployed into the Microsoft Cloud.
- Identified Dell as the provider of future laptop purchases.
- Deployed the new PGV3 test and production environments into the infrastructure.
- Completed network assessment and reviewing recommendations.

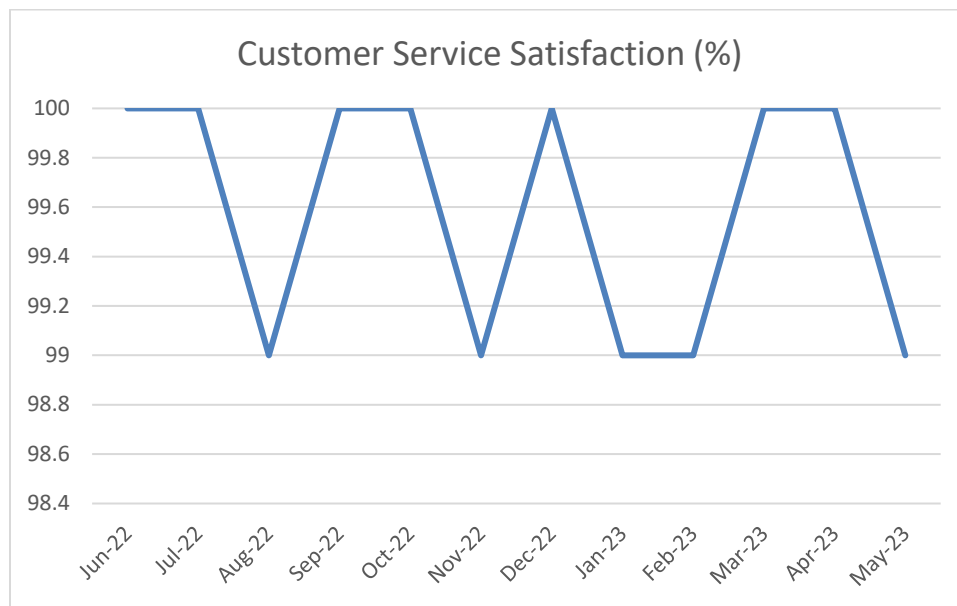
Upcoming Plans & Projects

- Complete rollout of the new Teams video-conferencing systems for all conference rooms.
- Replace Apple devices for the Board of Trustees.
- Finalize selection of Managed Security Service Provider (MSSP).
- Complete the phone system proof-of-concept.
- Start upgrade of the primary and secondary network firewalls.
- Develop cloud-based backup and recovery processes for all production systems.

NHRS Helpdesk Ticket Information by Month



NHRS Customer Satisfaction Scores by Month



Division: Information Technology

Date: June 5, 2023

Approved: February 15, 2023

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Migrate the existing Secureworks solution 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.	JL, JB	06/30/2023	Ongoing.
5. Upgrade the Zix encryption to the latest version.	JL, JO	06/30/2023	Completed 04/08/2023.
6. Perform tasks associated with PensionGold Version 3 (PGV3) implementation, as per contractual implementation schedule.	JL, TK, AS	06/30/2023	Ongoing.
7. Deploy Office 365 hybrid environment; move email to the cloud.	FC, JO	06/30/2023	Completed 12/01/2022.
8. Upgrade network switches for server infrastructure.	JL, JO	06/30/2023	Ongoing.
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.	JB	06/30/2023	Ongoing.
11. Replace the existing emergency generator.	JL, CM	06/30/2023	Ongoing.
12. Install fault-tolerant internet connection.	JL, JO	06/30/2023	Ongoing.
13. Install corporate wireless access. points throughout building.	JL, CM	06/30/2023	Ongoing.



To: Board of Trustees
 From: Raynald Leveque, Chief Investment Officer
 Date: June 13, 2023
 Re: Investments Operating Report
 Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- May 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.
 - The Committee unanimously voted to approve a five-year contract renewal for Walter Scott.
 - The Committee unanimously voted to approve a five-year contract extension for Wellington EMLE.
 - The Committee heard a presentation from private equity manager American Industrial Partners and unanimously voted to commit \$50 million to American Industrial Partners VIII, subject to contract and legal review.
 - The Committee heard a presentation from private equity manager Apollo and unanimously voted to commit \$40 million to the Apollo Fund X primary fund and \$40 million to the Apollo Fund X co-investment vehicle, subject to contract and legal review.
 - The Committee heard presentations from fixed income managers Brandywine and Loomis Sayles in conjunction with the contract renewal process.

Current Month Highlights

- Preliminary Performance:

As of 4/30/23	1-MO	FYTD	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net</u> Return	+0.68%	+6.07%	+2.90%	+10.09%	+6.94%	+7.56%
Policy Benchmark Return	+1.58%	+5.56%	+1.42%	+7.85%	+6.65%	+7.61%
Excess Returns (basis points)	-90	+51	+148	+224	+29	-5

Source: Callan

- KPM Performance for May 2023:
 - Investments achieved eight reported KPMs; two are not applicable to this month's reporting.

Upcoming Plans & Projects

- June Committee Meeting:
 - The Committee will vote on a two-year contract extension for custodian bank BNY Mellon.
 - The Committee will vote on two-year contract renewals for fixed income managers Brandywine and Loomis Sayles.
 - The Townsend Group will present an update on the status of the Real Estate Investment Plan for Calendar Year 2023.
 - Callan will present a detailed review of the private equity and private debt assets of the NHRS portfolio.

Securities Litigation Summary

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

Calendar Year	Amount
2005	\$ 624,261
2006	\$ 1,373,631
2007	\$ 2,410,390
2008	\$ 1,980,702
2009	\$ 1,972,216
2010	\$ 1,374,754
2011	\$ 550,324
2012	\$ 835,766
2013	\$ 310,321
2014	\$ 803,621
2015	\$ 627,131
2016	\$ 670,404
2017	\$ 1,280,969
2018	\$ 279,783
2019	\$ 675,406
2020	\$ 289,418
2021	\$ 483,889
2022	\$ 265,959
2023 through April 30 th	\$ 418,364
Total:	\$ 17,227,308

Source: BNY Mellon, ISS, NHRS, Northern Trust



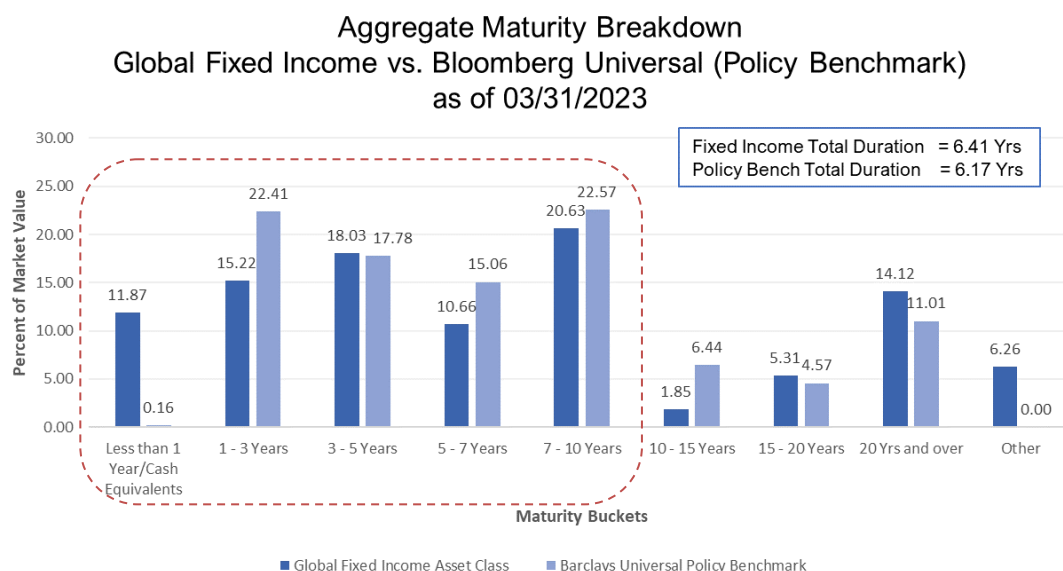
To: Board of Trustees
 From: NHRS Investment Team
 Date: June 13, 2023
 Re: Aggregate Fixed Income Portfolio Exposure
 Item: Action: ☐ Discussion: ☐ Informational: ☒

At the May 2023 Board of Trustees meeting, Trustee Maloney requested an analysis of the Global Fixed Income portfolio that illustrates the aggregate exposure of the NHRS bond holdings in terms of maturity, in connection with an inquiry of the March U.S. regional banking crisis.

Our global fixed income portfolio currently contains six active bond managers, with a total market value of \$2.1 billion as of March 31, 2023.

At an aggregate level, the Global Fixed Income duration is longer than the benchmark by a quarter of a year (6.41 versus 6.17 years). However, this does not inform as to where various durations are positioned in the portfolio. From a maturity exposure perspective, our aggregate exposure is concentrated between zero and 10 years of maturity relative to the Bloomberg-Barclays Universal policy benchmark (76% of the NHRS bond portfolio matures in 10 years or less).

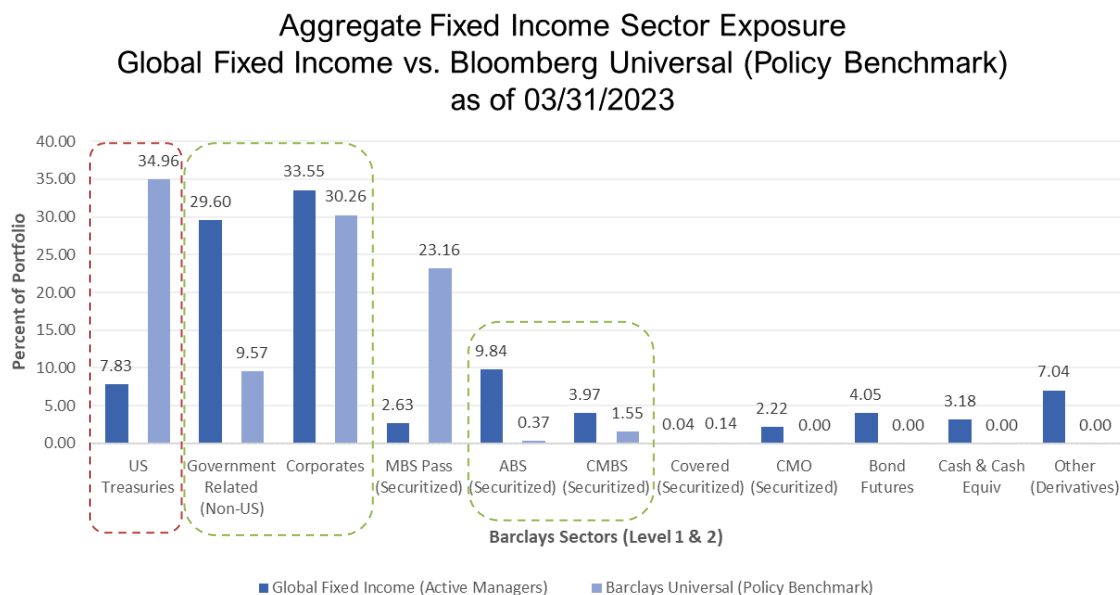
The aggregate exposure for the NHRS Fixed Income portfolio versus the policy benchmark is shown below.



Source: NHRS, BNY Mellon

Additionally, from a sector perspective, the NHRS Global Fixed Income portfolio is well-diversified, due to the active management of our bond managers. Illustrated below is the exposure of the aggregate sector exposure relative to the policy benchmark.

The aggregate asset class is over-weighted to sectors like Corporates, Non-U.S. bonds (Government Related), and select securitized instruments (Asset-Backed Securities or ABS and Commercial Mortgage-Backed Securities or CMBS) which are higher yielding credits relative to the U.S. Treasuries. Alternatively, the aggregate exposure of U.S. Treasuries is underweight relative to the policy benchmark by close to 27%.



Source: NHRS, BNY Mellon

Overall, the Investment Team is pleased with the current profile of the Global Fixed Income asset class and will continue to monitor for unintended exposures at the aggregate level that may adversely affect the overall performance for the total plan. At this point, the portfolio is diversified across sectors and our U.S. Treasury exposure is positioned toward a shorter maturity profile relative to the yield curve.

Division: Investments

Date: May 31, 2023

Approved: October 3, 2022

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Assure compliance with all relevant statutory and regulatory requirements.	CIO/IIC/BOT	06/30/23	No exceptions have been identified.
2. Complete Private Debt/Equity Work Plan for Calendar Year (CY) 2023.	CIO/IIC	12/31/23	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 CY 2023.	CIO/IIC	12/31/23	IIC approved Fiscal Year (FY) 2023 Real Estate Work Plan on December 10, 2022. Implementation will occur in 2023.
4. Maintain investment expenses within budget.	CIO/IIC	06/30/23	Investment expenses are within budget.
5. Implement rebalancing as necessary to address deviations from policy targets.	CIO/IIC/BOT	03/31/23	(Done) Fixed Income portfolio allocation is now within the rebalancing ranges per policy as of May 31, 2023.
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	06/30/23	(In Process) Investments has identified a professional training program for team development.
8. Conduct an internal review of the NHRS total plan portfolio.	CIO/IIC	07/31/23	(In Process) 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	(In Process) 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.



NHRS

New Hampshire Retirement System

To: Board of Trustees

From: Nancy J. Miller

Date: June 1, 2023

Re: Member Services Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

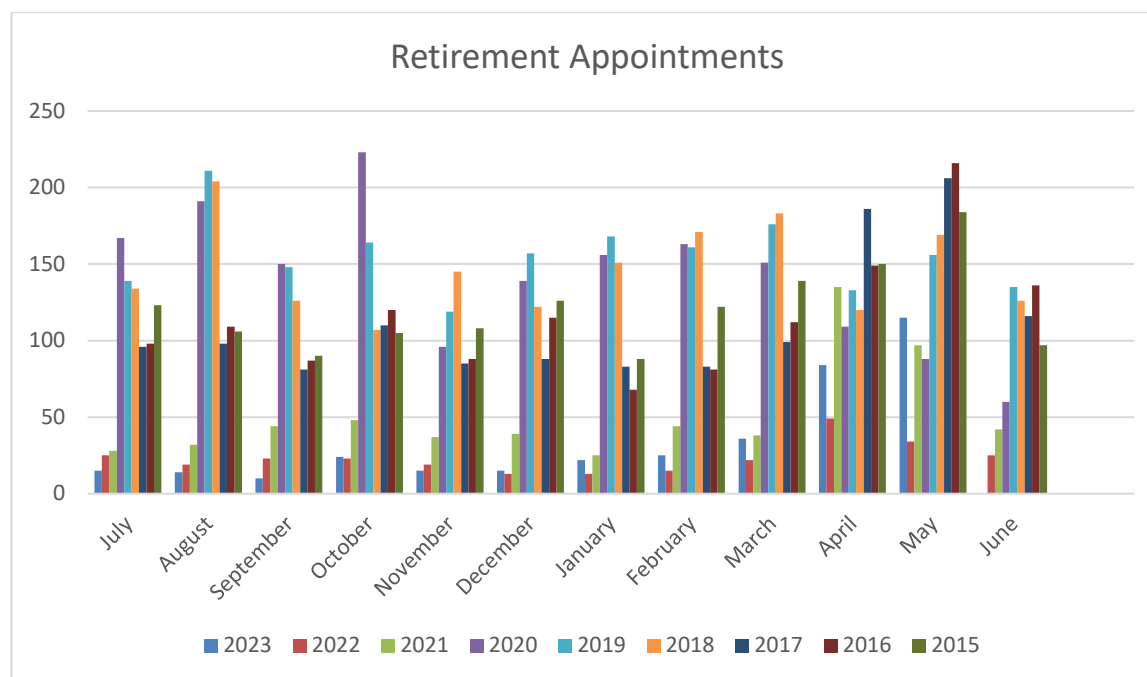
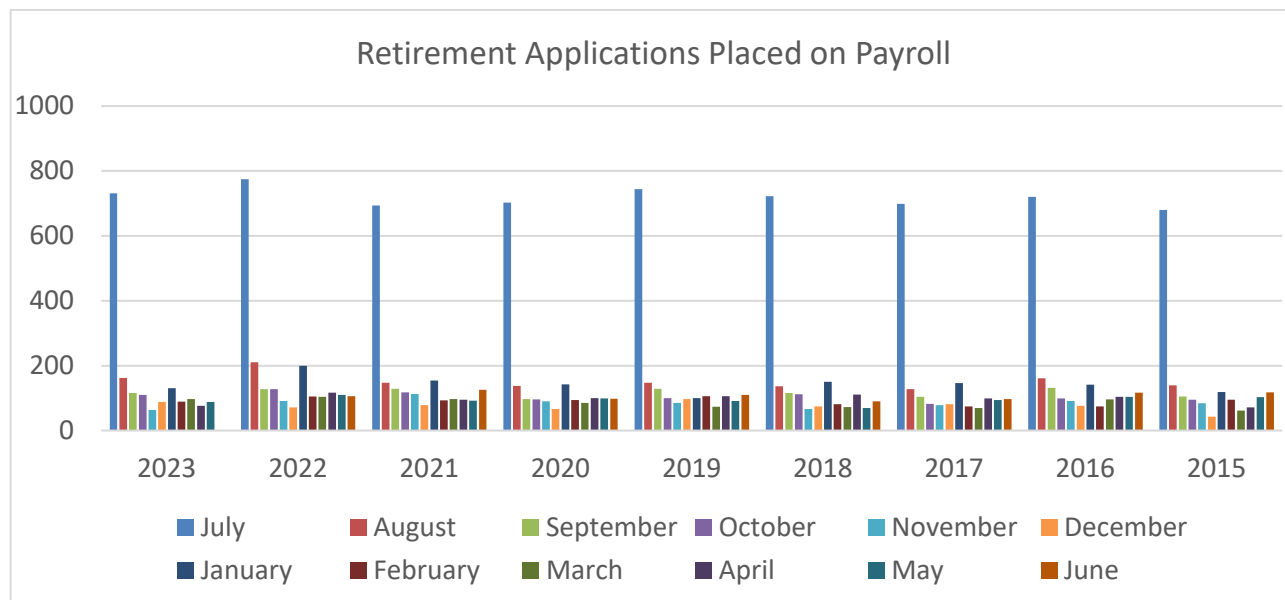
- Member Services was heavily involved in processing the July retirement applications during May, with the filing period closing June 1.
- Parallel preparation work continues with NHRS teams and the LRS auxiliary team.

Current Month Highlights

- With the retirement of the QDRO Specialist, Member Benefits is assessing the workflow and staffing adjustment needs to absorb that function.
- Key Business Process work continues with LRS, with a focus on Insurance Reporting and new employer reporting Standard Operating Procedures.
- Member Services achieved all 21 of its KPMs this month.

Upcoming Plans & Projects

- Member Services will be working with LRS in person during the week of June 6 and again in the week of June 19.
- The processing of the July 2023 preliminary retiree benefits will be a significant focus for Member Services.
- Review of upcoming legislative changes that impact PGV2 and PGV3 will be a key focus area for Member Services in June.



Division: Member Services

Date: June 1, 2023

Approved: June 6, 2022

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-responder) cases by 50%.	MS Retirement Benefits/LexisNexis /Recoupment Committee	8/1/22- New procedures 9/30/22 -Monthly tracking reports 6/23 - Reduction of open cases by 50%	In process - Portions of this initiative on hold, pending completion of PGV3 parallel and implementation.
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	On hold due to upcoming PGV3 parallel/implementation schedule.



NHRS

New Hampshire Retirement System

To: Board of Trustees
 From: Marie A. Mullen, Director of Finance
 Date: June 2, 2023
 Re: Finance Operating Report
 Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Status Update on PGV3 Finance deliverables:
 - Review of queries and reports that will be needed in V3 was completed last month along with Image process meetings and review/plan for transactions during black-out week.
 - Documentation of PGV3 key business processes has occurred and training will take place in June to prepare for parallel.
 - We continue to communicate with Employers on the need to submit test files for the Pension Gold upgrade. We have received 175 to date, up 46 from last month. Reminders were sent to all employers that have not submitted a file.
 - Employer Reporting and PIO have completed one of the training courses for municipalities, with the first employer training scheduled for June 7.

Current Month Highlights

- Finance completed 10 of their 15 KPMs for the month. Three KPMs did not have deliverables for the month and 2 were not met. The KPM related to bank reconciliation was not within 2 days because the individual working on the process has left NHRS and the KPM related to employer account reconciliation to post interest was not met because we have not received payment from 1 employer.
- Cash flows for April and the fiscal year to date were within the expected range. In April, we received reimbursement from the State of NH General Fund for the \$42.9 million certified at the April Board meeting that was authorized in the Fiscal Year 2022 legislative session for HB 1587.
- FY 23 spending through the first 10 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.

Upcoming Plans & Projects

- PGV3
- We are working with Citizens Bank to open a Checking with Interest account that will be FDIC Insured. We want to maximize the interest income on the operating account balance during each month. The current rate is .25% on the operating account and the new account will have a rate of 4.25%.
- We are also in the process of upgrading to Citizens Bill Pay Pro for our employer payments to allow us to automate daily file uploads through SFTP and into Pension Gold V3. We are working with IT on the requirements and testing.

NHRS Board Monthly Reporting Package

Finance

June 13, 2023

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

	April 2023	FY 2023 YTD	April 2022	FY 2022 YTD
Contributions				
Employers	\$ 60.216	\$ 528.193	\$ 53.234	\$ 506.632
RSA from State of NH	\$ 42.900	\$ 53.692	\$ -	\$ -
Members	\$ 23.245	\$ 205.245	\$ 20.492	\$ 202.049
Subtotal	\$ 126.361	\$ 787.130	\$ 73.726	\$ 708.681
Benefits				
Annuity & OPEB	\$ 83.662	\$ 841.413	\$ 80.243	\$ 793.712
Refunds & All Other	\$ 3.989	\$ 37.067	\$ 3.672	\$ 31.524
Subtotal	\$ 87.651	\$ 878.480	\$ 83.915	\$ 825.236
Total Cash Flow Gain/(Shortfall)	\$ 38.710	\$ (91.350)	\$ (10.189)	\$ (116.555)

FY 2023 BUDGET vs. ACTUAL**Investments & Non-Investment Administrative Expenses**

July 1, 2022 through April 30, 2023

	<u>Total Budget</u>	<u>FY22 Balance Forward and Transfers</u>	<u>FYTD Budget</u>	<u>Actual</u>
Investment				
Administrative Expenses				
Internal	\$ 1,025,800	\$ -	\$ 866,308	\$ 732,288
External (Manager & Custodial)	\$ 35,566,000	\$ -	\$ 29,638,332	\$ 21,512,432
Subtotal	\$ 36,591,800	\$ -	\$ 30,504,640	\$ 22,244,720
Non-Investment				
Administrative Expenses				
Internal (Statutory Administrative)	\$ 10,111,942	\$ 1,473,951	\$ 8,561,353	\$ 7,932,246
Pension Gold Version 3	\$ 2,180,905	\$ 562,652	\$ 1,817,421	\$ 2,081,955
External (Actuary, Legal, Audit)	\$ 1,170,750	\$ -	\$ 975,626	\$ 966,691
Subtotal	\$ 13,463,597	\$ 2,036,603	\$ 11,354,400	\$ 10,980,892
Total Administrative Expense	\$ 50,055,397	\$ 2,036,603	\$ 41,859,040	\$ 33,225,612

New Hampshire Retirement System						
Investment & Non-Investment Administrative Expenses						
Budget vs. Actual						
July 1, 2022 Through April 30, 2023						
FY 2023						
	TOTAL Budget	FY22 Balance Forward and Transfers	Original FYTD Budget	FYTD Actual	Difference	Variance Explanations
1 Investment Administrative Expenses						
2 Internal Investment Expenses						
3 Salaries & Benefits	\$ 895,000		\$ 757,308	\$ 655,954	\$ 101,354	
4 Current Expenses/Supplies/Education	28,000		23,333	23,801	(468)	Timing of education expenses paid. Will balance by end of year.
5 Subscriptions	5,300		4,417	3,890	527	
6 License Fee-Bloomberg	54,000		45,000	37,058	7,942	
7 Organizational Dues	18,500		15,417	9,869	5,548	
8 Travel	25,000		20,833	1,716	19,117	
9 Subtotal Internal Investment	1,025,800	-	866,308	732,288	134,020	
10 External Investment Expenses						
11 Management Fees						
12 Marketable Investments	30,280,000		25,233,333	18,062,875	7,170,458	
13 Real Estate	3,400,000		2,833,333	2,551,516	281,817	
14 Subtotal Management Fees	33,680,000	-	28,066,666	20,614,391	7,452,275	
15 Investment Administrative Expenses						
16 Custody Fees						
17 Master-BNY Mellon	625,000		520,833	301,022	219,811	
18 General Investment Consultant Fees	700,000		583,333	487,500	95,833	
19 Legal-Investment	500,000		416,667	77,486	339,181	
20 Other Fees	61,000		50,833	32,033	18,800	
21 Subtotal Invest. Administrative Expenses	1,886,000	-	1,571,666	898,041	673,625	
22 Subtotal External Investment	35,566,000	-	29,638,332	21,512,432	8,125,900	
23						
24 Total Investment Internal & External	\$ 36,591,800	\$ -	\$ 30,504,640	\$ 22,244,720	\$ 8,259,920	
Line 12 - Investment Management Fees: FYTD Budgeted in this report at 10 months.						
Line 13 - Investment Management Fees: FYTD Budgeted in this report at 10 months.						
Line 17 - Custody Fees, Master BNY Mellon: FYTD Budgeted in this report at 10 months.						
Line 18 - General Investment Consultant Fees: FYTD Budgeted in this report at 10 months.						
25 Non-Investment Administrative Expenses						
26 Internal Non-Investment Expenses						
27 Salaries & Benefits	\$ 7,584,366	\$ 634,698	\$ 6,417,540	\$ 6,036,731	\$ 1,015,507	
28 Current Expenses	200,985	81,610	167,488	137,456	\$ 111,642	
29 Rents & Leases	465,000	24,293	425,000	361,790	\$ 87,503	
30 Equipment	24,700	119,391	20,583	34,373	\$ 105,601	
31 Technology-Software & Hardware	883,000	282,766	735,833	748,428	\$ 270,171	
32 Payroll & Other Services	50,500	45,111	42,083	68,599	\$ 18,595	
33 Independent Med. Examiners/Consultants	234,000	17,351	195,000	154,479	\$ 57,872	
34 Retiree Health Insurance	177,900	35,793	148,250	101,966	\$ 82,077	
35 Other	491,491	232,938	409,576	288,424	\$ 354,090	
36 Subtotal Internal Non-Invest. Adm	10,111,942	1,473,951	8,561,353	7,932,246	2,103,058	
37						
38 Pension Gold Version 3 Upgrade	2,180,905	562,652	1,817,421	2,081,955	298,118	
39						
40 External Non-Investment Expenses						
41 Actuarial Fees	\$ 230,000		191,667	\$ 187,803	\$ 3,864	
42 Legal Fees	225,000		187,500	127,033	60,467	
43 Audit Fees	259,500		216,250	259,629	(43,379)	Expenses frontloaded in first half of year. Will balance by end of year.
44 Other Consulting Fees	129,500		107,917	103,907	4,010	
45 Insurance Expense	201,750		168,125	197,690	(29,565)	Timing of annual fiduciary insurance payment. Will balance by end of year.
46 Local Custodian	125,000		104,167	90,629	13,538	
47 Depreciation Expense	-		-	-	-	
48 Subtotal External Non-Invest. Adm	1,170,750	-	975,626	966,691	8,935	
49						
50 Total Non-Invest. Internal & External	\$ 13,463,597	\$ 2,036,603	\$ 11,354,400	\$ 10,980,892	\$ 2,410,111	
51						
52 Total Administrative Expense	\$ 50,055,397	\$ 2,036,603	\$ 41,859,040	\$ 33,225,612	\$ 10,670,031	

FY 2021 PENALTY STATISTICS BY TYPE**Assessed, Paid, Waived & Pending Penalties****Fiscal Year 2021 as of 5/31/2023**

Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	259	\$ 399,447	199	\$ 387,497	60	\$ 11,950	0	\$ -
Payment Penalty	107	\$ 76,056	66	\$ 68,034	37	\$ 7,968	4	\$ 54
Total	366	\$ 475,503	265	\$ 455,531	97	\$ 19,918	4	\$ 54

FY 2022 PENALTY STATISTICS BY TYPE**Assessed, Paid, Waived & Pending Penalties****Fiscal Year 2022 as of 5/31/2023**

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	\$ 14,402	62	\$ 52,828
Total	441	\$ 465,150	227	\$ 310,718	75	\$ 27,687	139	\$ 126,745

FY 2023 PENALTY STATISTICS BY TYPE**Assessed, Paid, Waived & Pending Penalties****July 1, 2022 through May 31, 2023**

Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	320	\$ 488,176	101	\$ 228,857	13	\$ 4,737	206	\$ 254,582
Payment Penalty	123	\$ 106,598	24	\$ 23,863	5	\$ 697	94	\$ 82,038
Total	443	\$ 594,774	125	\$ 252,720	18	\$ 5,434	300	\$ 336,620

Division: Finance

Date: 6/1/2023

Approved: March 16, 2023

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 Completed Statutory 24/25 Admin Budget, ACFR, GASB 68/75, and 1099s.
4. Deploy "New Staff Member" packet to address turnover of staff from participating employers responsible for NHRS reporting.	MM/JT/PIO	12/31/22	On hold.
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	ACH will be reviewed with the employers still sending checks before "go-live" for PGV3.
6. 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 any additional new files. We continue outreach to employers and software vendors to ensure

			employer conversion is adequate for go-live.
7. Manage & monitor expenditures to stay within the NHRS Trust Fund and statutory administrative budgets.	MM/ E-Team	6/30/23	On track through April.
8. 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	On hold.
9. Enroll in and attend the P2F2 Program offered in October 2022.	MM	10/31/22	Completed.
10. Issue RFP and select vendor for Annual Financial Audit.	MM	2/28/2023	Completed.



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

NHRS DASHBOARD: FY 2023 Third Quarter

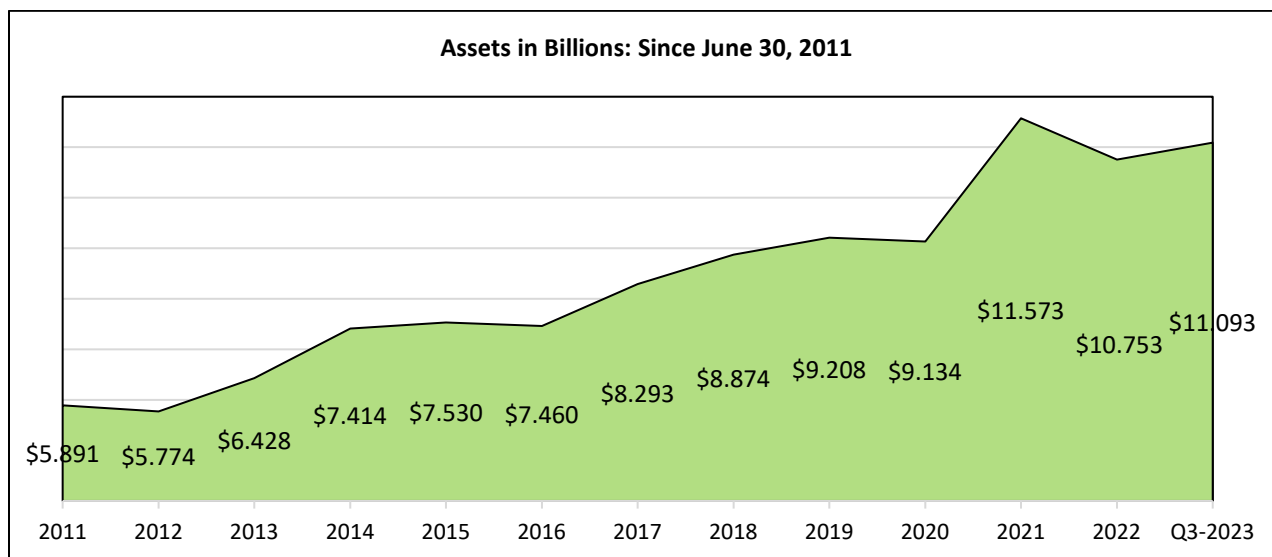
For the period January 1, 2023, to March 31, 2023

Updated: May 2023

TRUST FUND

3rd Quarter FY 2022: \$11.585 billion

3rd Quarter FY 2023: \$11.093*



* Unaudited

INVESTMENT PERFORMANCE

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

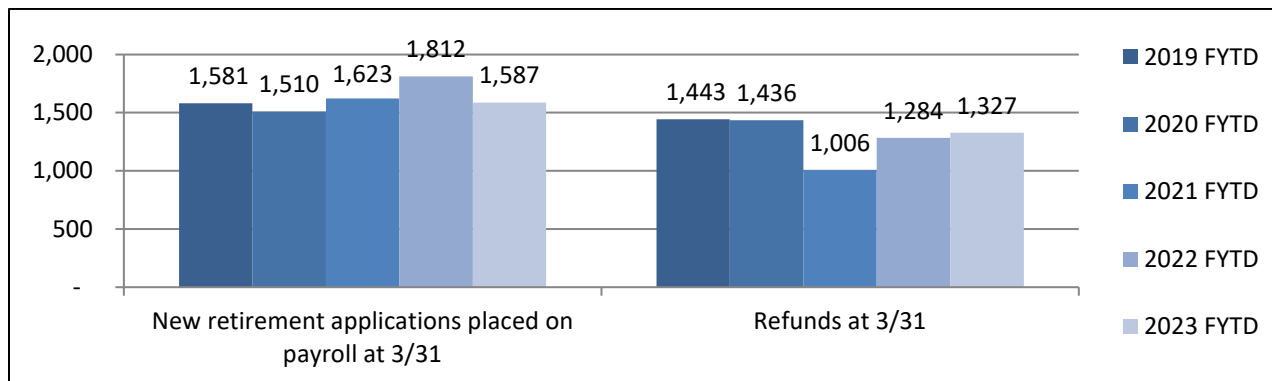
Assumed Rate of Return: 6.75%; * Annualized; valuation of real estate and alternative investments lagged three months

KEY PERFORMANCE MEASURES

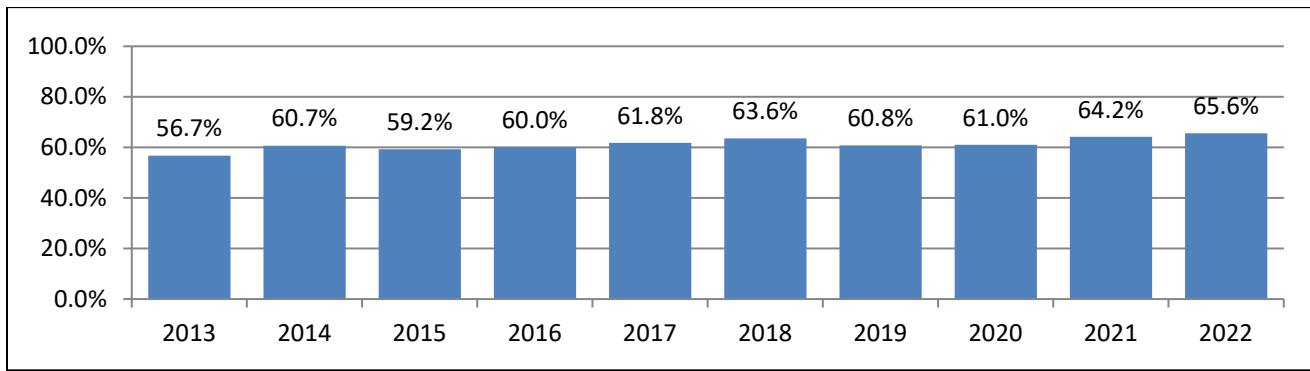
Jan. 2023: 95.51%	Feb. 2023: 98.86%	March 2023: 97.59%	12-month rolling average: 97.24%
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Target: 95%

RETIREMENTS AND REFUNDS

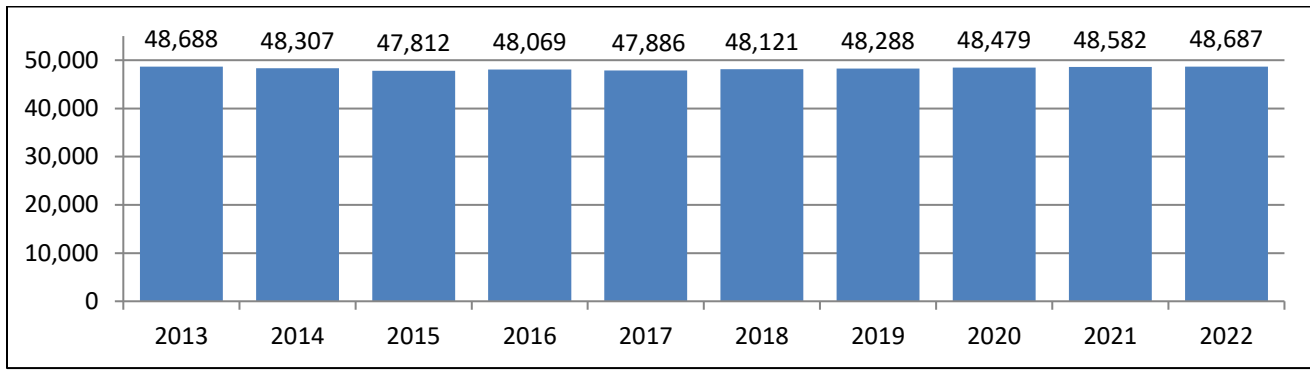


ACTUARIAL FUNDED RATIO

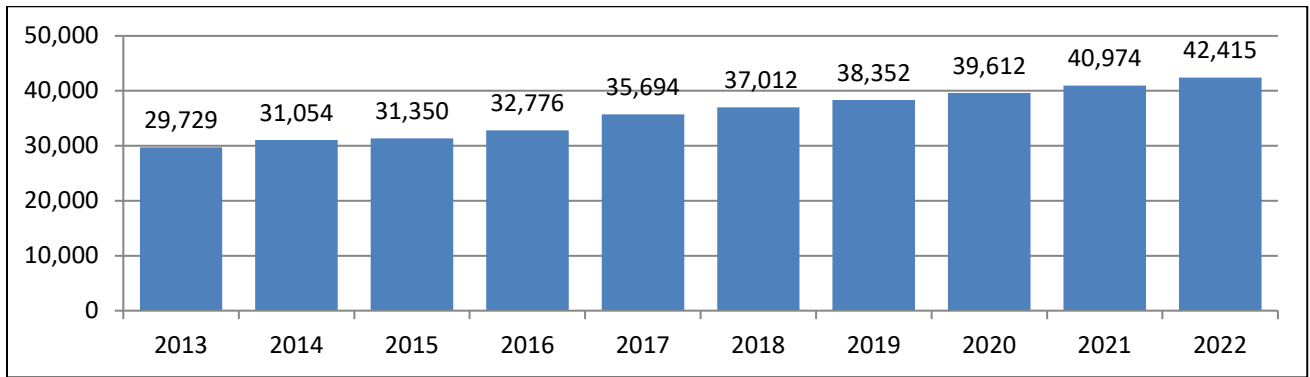


Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions effective in 2015 and 2019

ACTIVE MEMBERS



RETIREES & BENEFICIARIES



**New Hampshire Retirement System
Board Meeting**

**Consent Agenda
Tuesday, June 13, 2023**

Disability Application Recommendations

1. C.D. Grant ordinary disability retirement (ODR) to this group II member who worked for a political subdivision and has 19 years and 1 month of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
2. R.G. Grant ordinary disability retirement (ODR) to this group I member who worked for a political subdivision and has 10 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. P.G. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 2 years of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
4. C.N. Grant accidental disability retirement (ADR) to this group II member who worked for the State of New Hampshire and has 18 years and 11 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
5. K.P. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 8 years of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
6. R.R. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 21 years and 10 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
7. J.S. Grant ordinary disability retirement (ODR) to this group I member who worked for the State of New Hampshire and has 14 years and 9 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
8. N.T. Grant ordinary disability retirement (ODR) to this group I member who worked for a political subdivision and has 22 years 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: June 1, 2023
 Re: May 9, 2023 - Action Items
 Item: Action: ☐ Discussion: ☐ Informational: ☒

1. Provide certified 7.5% state contributions for the remaining employer to the State Treasurer. MM
Action: In process; delayed due to employer staffing issue.
2. Approve the FY '24 Strategic Plan. JG
Action: On the June agenda.
3. Approve the FY '24 Trust Fund budget. JG
Action: On the June agenda.
4. Provide information on duration re: bonds in the portfolio. RL
Action: Completed.
5. Implement Board decisions on the Consent Agenda. DC
Action: Completed.
6. Obtain legislative appropriation for funding call firefighter benefits. MK/MM
Action: Funding included in the current HB2 budget proposal.

BOARD CHECKPOINT DISCUSSION



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

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

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

RE: Quarterly Report to the General Court – July 1, 2023

Dear Senator Pearl and Representative McGuire:

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

Here is a summary of NHRS activities during the quarter ending June 30, 2023:

- XXX bills related to RSA 100-A, the NHRS enabling statute, were enacted by the New Hampshire Legislature during the 2023 session and signed into law by the Governor. *These bills ...*
- Jason Henry, superintendent of the Rockingham County Department of Corrections, was confirmed as the county employer representative on the NHRS Board in May by the Executive Council.
- *(pending) The Board in June (acted on) the Fiscal Year 2024 three-year Strategic Plan. This Plan is updated annually and identifies the key objectives to be achieved over the next 36 months.*
- The multi-year upgrade of the NHRS pension database (“PGV3”), which began in January 2019, is now xx% percent complete and remains on track to “go live” at the end of this calendar year.

In addition to this cover letter, the report contains:

- An executive summary of NHRS Board and staff activity from April through June.
- The minutes of the following Board meetings: April 13, 2023; May 9, 2023; June 13, 2023 (draft).
- Investment information on Total Fund through March 31, 2023, which is the most recent quarterly data available.
- Monthly investment information through May 31, 2023, which is the most recent data available.
- FY 2024 NHRS Strategic Plan.
- A tracker of NHRS-related legislation.

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

Respectfully,

Jan Goodwin
 Executive Director

cc: Office of Governor Christopher Sununu

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

April 11, 2023, to June 13, 2023

At the April 11, 2023, regular monthly meeting of the NHRS Board of Trustees, the Board heard a detailed presentation from NHRS's IT Project Manager Tracy Knight and the lead Pension Gold Version 3 (PGV3) representatives from Levi, Ray & Shoup (LRS), the software vendor for Pension Gold, to present on Parallel Processing. Parallel Processing, which involves staff and participating employers entering data into the current system and the new system simultaneously, begins in October and is expected to run for two months. Parallel Processing is needed to ensure that the new software is doing what it's supposed to be doing and generating the same data and calculations as the current version.

The Board received an update on pending legislation from Trustee Ken Merrifield, chair of the Board's Legislative Committee, and Marty Karlon, NHRS' Director of Communications & Legislative Affairs. Mr. Karlon noted that some proposals, if adopted, would require significant reprogramming of Pension Gold and could impact the timeline of transitioning to PGV3, which is currently scheduled to occur in early December of this year.

The Board voted unanimously to adopt revisions to the Voluntary Compliance Program (VCP) Policy regarding required minimum distributions, which were needed as a result of recently passed federal legislation, SECURE 2.0.

At the May 10, 2022, regular monthly meeting, the Board received a presentation from Executive Director Jan Goodwin on the proposed FY 24 Strategic Plan, which is a three-year plan reviewed by Trustees annually pursuant to the Strategic Plan Policy. She first referred the Trustees to the Preserve, Achieve, and Avoid (PAA) document in the Board materials, which includes staff's suggested changes and updates. Ms. Goodwin requested that the Board review the PAA document over the next two weeks and provide feedback prior to the June Board meeting. She noted the primary focus remains PGV3 for the near future.

Trustee Merrifield reported that the Governor signed two NHRS-related bills the prior week: House Bill 30, which allows county commissioners to exempt their chief administrative officers from mandatory membership in the System at the time of hiring; and House Bill 193, NHRS's legislative cleanup bill.

At the June 13, 2023, regular monthly meeting ... (TBD)

Throughout the quarter, the Board received regular monthly updates on the status of the retirement system's multi-year pension software upgrade project (PGV3), which will replace the current 18-year-old system (PGV2) NHRS is currently using. The project is xx percent completed.

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

<https://www.nhrs.org/about-nhrs/board-of-trustees/meeting-minutes>

CY 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	Approve the Strategic Plan.	Best Practice	Board of Trustees
6/13/23	Quarterly report to chairpersons of House & Senate ED&A Committees, describing recent Board actions including any changes to actuarial assumptions and investment returns. Due 7/1/23.	RSA 100-A:14, VII-a	Board of Trustees

JULY

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 May 25, 2023

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Committee	Audit	Benefits	Governance	Legislative	PPCC	Investment
Staff Liaison	Heather Hoffacker	Timothy Crutchfield/ Nancy Miller	Timothy Crutchfield	Marty Karlon	Rosamond Cain	Raynald Leveque
Frederick, Jon		X	X	X		
Hannan, Sue				X	X-Ch	
Henry, Jason						
Kelliher, Maureen	X					X-Ch
Lesko, Tim	X				X	
Maloney, Robert			X		X	
Martineau, Andrew		X		X		
Martins, Germano	X	X-Ch				
Merrifield, Ken				X-Ch	X	
Mezzapelle, Monica	X-Ch		X			
Provost, Paul			X			X
Quigley, Joshua				X	X	
Roy, Donald		X	X-Ch			
TOTAL MEMBERS	4/5	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 May 15, 2023**

Sponsor	Program	Description
(NCPERS) National Conference on Public Employee Retirement Systems www.ncpers.org	2023 FALL (Financial, Actuarial, Legislative, Legal) Conference October 22-25 Las Vegas, NV	<ul style="list-style-type: none"> ▪ Earn 12 continuing education hours toward Accredited Fiduciary (AF). ▪ Topics of Finance, Actuarial Science, Legislative and Legal relative to their effects on the pension industry. ▪ Network with colleagues, and or clients.
(NASRA) National Assn. of State Retirement Administrators www.nasra.org	2023 Annual Conference August 5-9, 2023 Broomfield, CO	<ul style="list-style-type: none"> ▪ Hear from leaders in the retirement field on a variety of subjects including investment management, world events relative to the pension industry, economy, and trends.
(CII) Council of Institutional Investors www.cii.org	2023 Fall Conference September 11-13, 2023 Long Beach, CA	<ul style="list-style-type: none"> ▪ Interact with representatives in investments, legislators, regulators, and other corporate governance professionals. Hear from special guests; learn and share best practices. This event hosts more than 500+ attendees, including CII members global wide.
(IFEBP) Int'l Foundation of Employee Benefit Plans www.ifebp.org	<p>Trustees Institute Level II Concepts in Practice June 17-18, 2023 San Diego, CA</p> <p>Trustees Institute Level I Core Concepts June 19-21, 2023 San, Diego, CA</p>	<ul style="list-style-type: none"> ▪ Ideal for Plan professionals, and for Trustees who've served 3 to 5 years and completed Level I: Core Concepts. ▪ Learn from industry experts on current events and reform initiatives. ▪ Network with peers facing similar challenges – share best practices, ideas, and solutions. ▪ Gain insight and garner resource materials to share with colleagues. ▪ Ideal for new Trustees to learn fiduciary responsibilities, and the technical aspects of serving as a Trustee.

	<p>Advanced Trustees & Administrators Institute June 19-21, 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"> ▪ Topics include Trustee Responsibility and Legal Environment, Retirement Plans, Investing Health and Welfare Pension Assets, and Governance. ▪ 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. ▪ Topics include updates on economy, legislation and regulations, good governance, asset allocation, succession planning, Health Care Issues and trends, Retirement Plan issues and trends, cybersecurity. ▪ 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 Trustee Workshop July 16-19, 2023 (Registration opens in April) Williamsburg, VA</p> <p>NCTR's 101st Annual Conference October 7-11, 2023 (Registration opens in June) La Jolla, CA</p>	<ul style="list-style-type: none"> ▪ Ideal for public pension board Trustees, new and experienced. ▪ 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