

NEW HAMPSHIRE RETIREMENT SYSTEM

BOARD MEETING

Tuesday, March 14, 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 | (P. 3) | T. Lesko |
| | o February 14, 2023 | | |
| | (Action Expected) | | |
| 10:40 a.m. | 3. Standing Committee Reports | | |
| | • Audit | (N/A) | M. Mezzapelle |
| | o FY21 GASB 68 & 75 | | |
| | (Action Expected) | | |
| | • Governance | (P. 8) | D. Roy |
| | • Investments | (P. 9) | M. Kelliher |
| | o IIC Monthly Report | | |
| | o Callan Monthly Review (Jan. 31, 2023) | | R. Leveque |
| | • Legislative | (P. 20) | K. Merrifield |
| | • Benefits | (P. 25) | G. Martins |
| | • PPCC | (P. 26) | S. Hannan |
| | o ED Performance Evaluation | | |
| | (Non-Public Expected) | | |
| 11:10 a.m. | 4. Operating Reports | | |
| | • Executive | (P. 27) | J. Goodwin |
| | • Investments | (P. 39) | R. Leveque |
| | • Member Services | (P. 42) | N. Miller |
| | • Finance | (P. 46) | M. Mullen |
| | • Human Resources | (P. 56) | R. Cain |
| | • Legal | (P. 58) | T. Crutchfield |
| | • PIO | (P. 61) | M. Karlon |
| | • IT | (P. 65) | J. Laferriere |

11:45 a.m.	5.	Consent Agenda <i>(Action Expected)</i>	(P. 69)	T. Lesko
11:50 a.m.	6.	Trustee Travel	(P. 70)	T. Lesko
11:55 a.m.	7.	Action Items – February 14, 2023	(P. 71)	J. Goodwin
12:00 p.m.	8.	Board Checkpoint Discussion	(P. 72)	T. Lesko
12:05 p.m.	9.	Adjournment		T. Lesko
	10.	Informational Materials	(P. 73)	
		Draft Executive Summary of Board Actions		
		Draft Quarterly Report to the General Court		
		2023 Board Action Calendar		
		Committee Membership		
		Trustee Confidential Contact Information	(N/A)	
		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/2023/03/14/default-calendar/board-of-trustees-meeting>

The following email will be monitored throughout the meeting by someone who can assist with and alert the Board to any technical issues:

publicrelations@nhrs.org (or call 603-410-3682)

NHRS Board of Trustees

DRAFT Minutes – February 14, 2023

Note: These **draft** minutes from the February 14, 2023, Public Session are subject for approval at a subsequent Board of Trustees meeting.

Board of Trustees

February 14, 2023

DRAFT Public Minutes

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

Participating: *Tim Lesko, Chair; Trustees Christopher Coates, Jon Frederick, Sue Hannan, Maureen Kelliher, Robert Maloney, Andrew Martineau, Germano Martins, Ken Merrifield, Paul Provost, and Joshua Quigley.*

Absent: *Trustees Monica Mezzapelle and Don Roy.*

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; Rosamond Cain, Director of Human Resources, Marty Karlson, Director of Communications and Legislative Affairs; Mark F. Cavanaugh, Associate Counsel and Compliance Officer; Diana Crichton, Hearings Examiner; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Deanna Higgins, Contact Center Supervisor; Tracy Knight, Project Manager; and Christine McKenney, Administrative Assistant.*

Guest: *Keith Brainard, Research Director of NASRA (National Association of State Retirement Administrators)*

Chair Tim Lesko called the February 14, 2023, regular meeting of the NHRS Board of Trustees to order at 10:00 a.m.

A quorum was established and Chair Lesko called for a vote to approve the minutes of the January 10, 2023, Board meeting. On a motion by Trustee Hannan, seconded by Trustee Frederick, the Board voted to approve the meeting minutes, with Chair Lesko abstaining.

Executive Director Jan Goodwin started the Committee reports, speaking on behalf of Trustee Mezzapelle for the Audit Committee, which met February 10, 2023. She stated the Committee heard internal audit updates and reported all outstanding items on the Audit Tracker continue to make progress. She mentioned that the results from the Alternatives Investments Monitoring Audit and the Market Value Confirmation Audit as part of the FY 2023 Audit will be presented at the Committee's March meeting. The Committee heard from Finance on the Fiscal Year (FY) 22 opportunity letter from the System's external auditor, Plante Moran, and staff responded accordingly to two repeat recommendations, and concurred with three new ones. Ms. Goodwin remarked on the audit comments that had to do with control deficiencies, which were primarily due to vacancies in the Finance Department, adding that procedures would be put into place to

prevent them in the future. She noted that Finance also presented to the Committee on the RFP for an external auditor, adding that the RFP Review Committee decided to contract with NHRS's current external auditor, Plante Moran, because of the qualifications of its staff, their experience, and knowledge of the System. Ms. Goodwin reported the Committee voted unanimously to contract Plante Moran for an additional five years of external audit services. In closing, she noted that the FY 22 GASB 68 & 75 reports on the proportional share for employers would come before the Audit Committee and the Board at their respective meetings next month.

On behalf of Trustee Roy, Tim Crutchfield, Deputy Director and Chief Legal Counsel, provided an update on the Governance Committee, noting it had not met since the January Board meeting. He stated the Committee is expected to meet next month to conduct the annual review of the fee schedules for copies that NHRS charges for public records, pursuant to an administrative rule, and comparing those costs to what other agencies charge. He also mentioned the Committee would also perform its annual review of the voluntary corrections program policy.

Trustee Kelliher gave her report on the January 10, 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 November 30, 2022, review. He reported on holdings within the NHRS portfolio and discussed the staff's non-U.S. equity holdings rebalancing plan that is in progress. Mr. Leveque then presented an update to the Work Plan with the inclusion of the fourth quarter, which the Committee unanimously voted to accept. The Committee heard from Mr. Leveque on a recommendation memo regarding a five-year investment management contract agreement term, which the IIC agreed to discuss at its February meeting.

Trustee Kelliher reported that the Committee heard a presentation from Fidelity Investments (Fidelity), who manages a tactical bond strategy for the System, on its philosophy, current performance, and outlook on its investment strategy, as part of its contract extension renewal. She reported that Mr. Leveque shared the non-U.S. equity rebalancing plan for fixed income holdings that staff recommended, proposing to invest in the BNY Mellon Investments Corporation U.S. Bond Index Fund to replicate the Bloomberg Barclays U.S. Aggregate Bond Index, which the IIC unanimously voted to accept, subject to contract and legal review.

Trustee Kelliher turned to Mr. Leveque who reported on the NHRS performance as of November 30, 2022. Mr. Leveque noted the Total Fund return for December 31, 2022, came in at -1.95% for a total of 108 basis points above the policy benchmark of -3.03%. The FY 23 Total Fund performance at one year was -8.81%, outperforming the benchmark of -11.67%. Mr. Leveque remarked on the long-term performance of the Total Fund for 3, 5, and 10 years, noting it continues to do well relative to the policy benchmark. He provided a calendar year-to-date overview of the System's portfolio performance, highlighting the positive returns in fixed income, real estate, private debt, and private equity. The Plan is currently at \$10.7 billion. With regards to the FY 22 proxy voting summary report, Mr. Leveque commented that NHRS had 14,537 proposals and the System aligned with its voting policy 100%, and without issues with any activity, according to ISS (Institutional Shareholder Services), NHRS's third-party proxy voting service provider.

Trustee Merrifield began the report of the Legislative Committee, which had not met since the January 10 Board meeting, and called the Board's attention to the Legislative

tracker. Trustee Merrifield turned to Director of Communications and Legislative Affairs Marty Karlon to provide an update on legislative activity. Mr. Karlon gave a summary of bills that the House and Senate will vote on next Thursday, including House Bill (HB) 436, which has been amended, proposing to move Group II members in Tier B into Tier A on a rolling basis and adjust applicable annuity multipliers.

He reported that the House ED & A Committee last week voted on the System's legislative clean-up bill, HB 193, recommending ought to pass to the House, which is voting on it this morning. Mr. Karlon mentioned that the Governor would present his budget this afternoon to a joint session of the Legislature, noting that NHRS was told the funding for the call firefighter benefit account that NHRS administers is included in HB 2. He then noted that the first of two investment-related bills will be heard on Wednesday morning, adding that this bill pertains to banning NHRS from investing in any managers that put ESG (Environmental Social Governance) considerations above or in concert with its traditional fiduciary duty. Lastly, he discussed a defined contribution bill for new Group I state employees, and two COLA bills, which will go before the House or Senate ED & A Committee next week. A brief discussion regarding the ESG bills took place following his report.

Trustee Coates delivered a brief update of the Benefits Committee, noting it had not met since the January Board meeting.

Trustee Hannan gave the PPCC report, which met on January 18, 2023, noting the Committee heard a staffing update from Rosamond Cain, Director of Human Resources, and that the Committee decided to postpone discussion of the annual Executive Director evaluation process until its February meeting. She reported that the Committee met earlier this morning, at which time Ms. Cain updated the PPCC on staffing, noting the new Director of IT and the Controller will begin at NHRS on Wednesday, February 15. The PPCC then discussed the Executive Director Annual Evaluation process, favoring the use of the 360-evaluation process again this year. Trustee Hannan noted that a mailing on the Executive Director evaluation would go to the Board and staff in early March. Lastly, the PPCC discussed the Employee Engagement Survey, which 68% of staff participated in, and was mostly positive with a few items to address, noting one common theme of the remote work policy, which has been established and communicated. The Executive and Management teams have reviewed the survey results and distribution of the results will go to staff later this week.

Chair Lesko turned to Ms. Goodwin who welcomed today's guest presenter, NASRA Research Director Keith Brainard, who last presented to the NHRS Board of Trustees in April 2021. Today, Mr. Brainard presented on Public Pension issues, beginning with a comparative analysis of public versus private sector retirement benefits in the United States. He proceeded to give a comprehensive overview of the variation of funding levels in public pensions, public pension revenue resources, assumptions, and statistics, and lastly, an explanation of amortization policies and periods. There was some discussion about NHRS's amortization plan after the presentation.

Ms. Goodwin began her Executive Report with the KPMs, which were at 95.51% for the month. She then gave an update on the PGV3 project, noting it is 73% complete. Levi, Ray, and Shoup, Inc., (LRS) was on site last week for the training of Deliverable 6 (D6), and staff testing began this week. She mentioned D7 (Member Direct-My Account), noting progress with design documents and that meetings have been scheduled with LRS for review. Ms. Goodwin continued her report with the 12-month rolling KPMs,

commenting that the System's ongoing performance is well above the 95% benchmark. She commended the Contact Center's success with achieving its monthly goal of answering calls within 2 minutes with a 5% abandonment rate, noting that the average pick-up time is within 23 seconds. She noted she did make calls to members, employers, and retirees in January but a timing difference in the reports would have the calls reflected in the February reports. She proceeded to give a status report on the quarterly outcome of member surveys sent to those who had appointments or other contact with NHRS staff, which often result in positive feedback on the System's customer service. Ms. Goodwin concluded her operating report describing an existing contract with The Segal Company (Segal), the consultant NHRS hired to oversee services during the implementation of the PGV3 project, noting the need to extend the contract on a per-month basis during parallel processing. She reported the total to extend the contract would be \$25,200. Lastly, she noted her action plan continues to make progress.

On a motion by Trustee Coates, seconded by Trustee Provost, the Board voted unanimously to approve the procurement of services as presented in the Board materials, subject to contract and legal review.

Mr. Karlon gave his report on Legislative Affairs and PIO, commenting on the high level of activity surrounding the legislative session, while his department simultaneously maintains its yearly schedule of hosting education sessions for NHRS members and employers. He described an email initiative his department employs to its mailing list to keep members, retirees, and employers informed and shared data on the overall reach and frequency with the use of the email software application, noting it generates member interest and an increased volume of visits to the NHRS website. PIO met all seven of its KPMs.

Mr. Leveque presented his report on Investments, noting his department met all 10 of its KPMs last month and provided an overview of the February IIC meeting agenda. The IIC will meet immediately following today's Board meeting.

Director of Member Services Nancy Miller updated the Board on the latest activity in her department, including work on PGV3 with LRS regarding the final average salary calculations for teachers. She noted recruitment for a position in Member Services is underway and that the medical subsidy questionnaires went out last week, noting her department has already received thousands in return that are in process. Member Services met all 21 of its KPMs. In closing, she gave a summary of upcoming plans and projects and noted the items on her action plan are either in process or completed.

Director of Finance Marie Mullen gave her Finance report, beginning with the KPMs, which Finance completed 11 of the 15 and she explained the reasons for the missed KPMs. She then updated the Board on cash flows for December 2022 and fiscal year-to-date, noting they are in the expected range. She reported on the administrative expenses, commenting that both statutory and investments are below budget for the year. Ms. Mullen mentioned that a few categories are overbudget because of timing issues and noted her resolutions to compensate for them in the future. She updated the Board on PGV3 project spending, noting it is also below budget. She referred to Finance's involvement with PGV3, noting her staff is reviewing design documents for D7 and performing testing on D6 this week. In closing, she reported that Item 11 on her action plan regarding the RFP was completed.

Ms. Cain opened her Human Resources report with a clarification, stating that the Controller who starts Wednesday, February 15, is different than the one mentioned in the Board

materials. She reported that HR seeks to secure ADP as the new payroll provider, noting that the current vendor cannot produce the monthly employer reports that NHRS requires. She noted that while her action plan states all staff training has been put on hold, NHRS continues to support individual staff in pursuit of professional development, noting four staff members are enrolled in degree programs and that a staff member who recently received her bachelor's degree qualifies her for a one-time monetary bonus as described in the CBA.

Ms. Goodwin presented the IT operating report, noting that IT conducted its monthly phishing test as part of cybersecurity awareness. She updated the Board on the quest to replace the generator, commenting that NHRS is working with the landlord to find options on getting a new one. She reported that the annual penetration and assessment security testing with K logix recently occurred, and the results are forthcoming.

Mr. Crutchfield opened his Legal report commending Trustees for the timely submission of their Annual Statements of Financial Interests, which NHRS provided to the Secretary of State's Office by the January 20 deadline, per statute. He reported on NHRS's initiative of issuing penalty letters to delinquent employers, providing them with a 30-day notice as an effort to prompt them to supply NHRS with the necessary information required to complete retiree benefit information and employer audit corrections. Legal missed one of eight KPMs this month, and Mr. Crutchfield explained that due to competing priorities with PGV3 testing, the auditors could not meet the set KPM of performing a rolling average of two employer audits per experienced auditor per month over a 12-month period. In closing, he gave an overview of upcoming plans and projects, including the CY23 Gainful Occupation notices, which will be mailed March 15. There was a brief discussion about the employer penalty legislation following his report.

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

There were no travel reports or requests.

Ms. Goodwin provided an update on Action Items from the January 10, 2023, Board meeting, commenting that five of the eight items are expected to be completed by the end of today's meeting. She gave the status of the three remaining items: the GASB 68/75 reports, which would be presented at the March meeting; the two other employers that NHRS is waiting on information from to complete their certifications; and lastly, the legislative appropriation for funding the call firefighter benefits, which is in progress.

During the Board checkpoint, Chair Lesko announced that this would be Trustee Coates' last Board of Trustees meeting and thanked him for his time on the Board, which began in 2018. He then presented Trustee Coates with a granite statue of New Hampshire, which he accepted in a roomful of applause. Trustee Coates thanked the Board and spoke of his future endeavors and commitment to working on projects for Cheshire County.

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

Respectfully submitted,

Christine McKenney,
Administrative Assistant

GOVERNANCE COMMITTEE

Oral Presentation Only

Independent Investment Committee's Monthly Report to the Board

NHRS Investment Team
Board of Trustees Meeting
March 14, 2023

Total Plan Performance as of January 31, 2023



The table below details the rates of return for the fund's asset classes over various time periods ended January 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 January 31, 2023								
Composite	Total Fund Weighting As of 1/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.92%	7.42%	11.41%	7.42%	-5.55%	9.63%	8.46%	11.56%
Domestic Equity Benchmark(1)		6.89%	9.45%	6.89%	-8.24%	8.77%	8.87%	12.37%
Excess Return		0.53%	1.96%	0.53%	2.70%	0.85%	-0.42%	-0.80%
Total Non US Equity	17.57%	8.15%	13.25%	8.15%	-6.86%	2.68%	1.03%	4.14%
Non US Equity Benchmark(2)		8.11%	11.32%	8.11%	-5.72%	3.64%	1.36%	4.20%
Excess Return		0.04%	1.93%	0.04%	-1.14%	-0.96%	-0.33%	-0.05%
Total Fixed Income	18.69%	3.51%	2.11%	3.51%	-7.22%	-0.58%	1.31%	2.07%
Bloomberg Capital Universe Bond Index		3.10%	0.72%	3.10%	-8.28%	-2.13%	0.99%	1.69%
Excess Return		0.41%	1.39%	0.41%	1.06%	1.55%	0.32%	0.37%
Total Cash	1.26%	0.39%	1.83%	0.39%	1.98%	0.84%	1.38%	0.87%
3-Month Treasury Bill		0.31%	1.63%	0.31%	1.78%	0.78%	1.30%	0.80%
Excess Return		0.08%	0.20%	0.08%	0.20%	0.06%	0.07%	0.07%
Total Real Estate (Q3)*	12.63%	0.12%	1.16%	0.12%	20.95%	15.60%	12.59%	12.59%
Real Estate Benchmark(3)		-1.75%	3.03%	-1.75%	15.95%	10.57%	8.75%	9.69%
Excess Return		1.88%	-1.87%	1.88%	5.00%	5.03%	3.84%	2.91%
Total Private Equity (Q3)*	13.92%	0.02%	-2.03%	0.02%	1.48%	17.75%	15.30%	12.74%
Private Equity Benchmark(4)		8.27%	-12.13%	8.27%	-11.81%	13.67%	13.89%	16.72%
Excess Return		-8.26%	10.09%	-8.26%	13.29%	4.08%	1.41%	-3.98%
Total Private Debt (Q3)*	5.01%	-0.01%	1.34%	-0.01%	6.62%	6.12%	5.57%	7.12%
Private Debt Benchmark(5)		2.19%	-4.71%	2.19%	-4.56%	1.24%	2.26%	7.75%
Excess Return		-2.20%	6.05%	-2.20%	11.18%	4.88%	3.32%	-0.63%
Total Fund Composite	100.00%	4.29%	5.87%	4.29%	-1.62%	7.60%	6.47%	7.99%
Total Fund Benchmark(6)		5.22%	4.38%	5.22%	-5.07%	5.88%	5.96%	7.96%
Excess Return		-0.93%	1.50%	-0.93%	3.46%	1.72%	0.51%	0.04%

(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%.

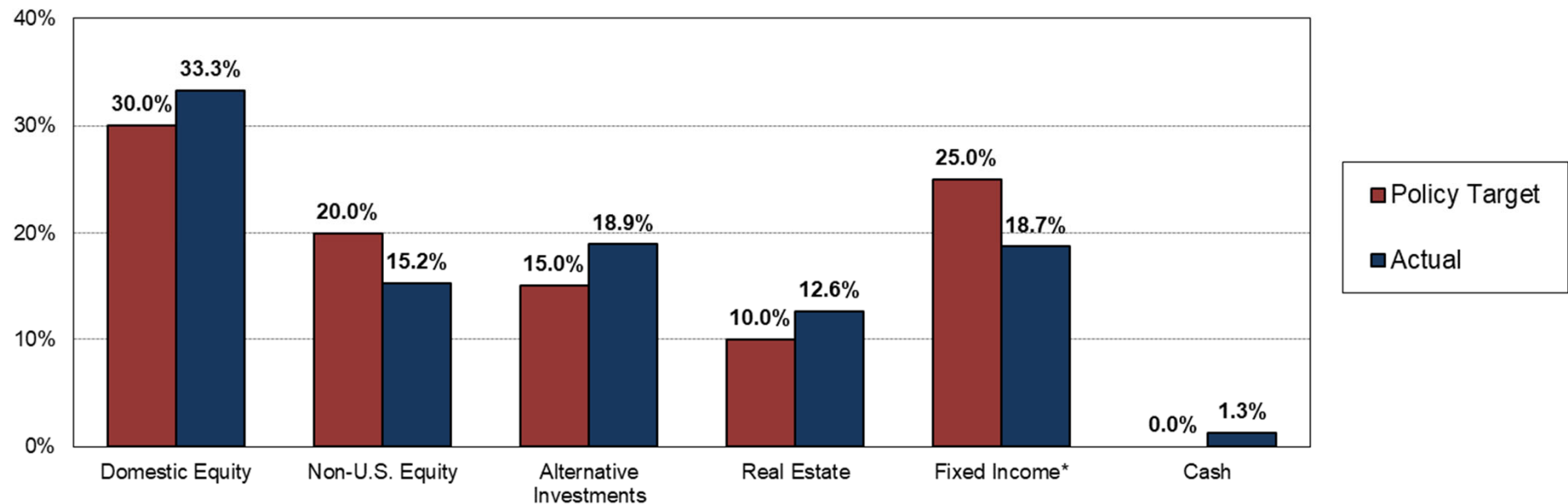
(7) For the trailing 25 year period ended 1/31/23, the Total Fund has returned 6.88% versus the Total Fund Custom Benchmark return of 6.91%.

*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 January 31, 2023 (Preliminary)**



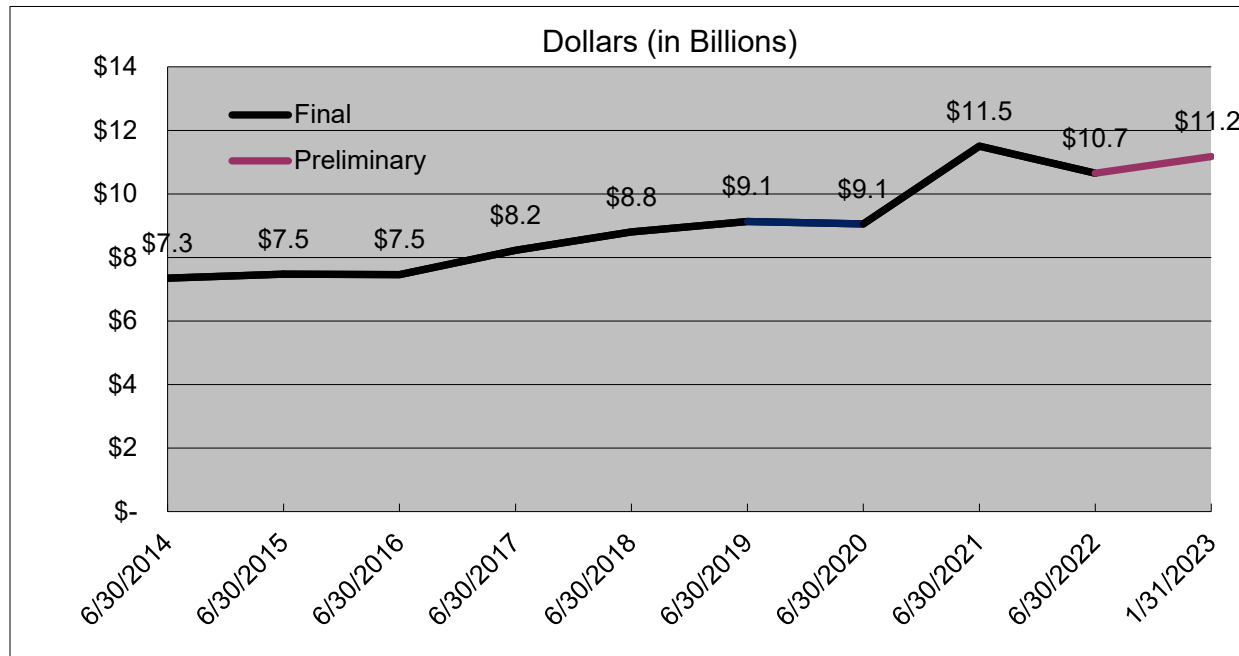
Asset Class	Policy Target	Actual	Range
Domestic Equity	30.0%	33.3%	20 - 40%
Non-U.S. Equity	20.0%	15.2%	15 - 25%
Alternative Investments	15.0%	18.9%	5 - 25%
Real Estate	10.0%	12.6%	5 - 20%
Fixed Income*	25.0%	18.7%	20 - 30%
Cash	0.0%	1.3%	NA
	100.0%	100.0%	

Source: NHRS

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

Total Fund Market Value

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
January 31,2023	\$11.2



Source: NHRS

January 31, 2023



New Hampshire Retirement System

**Investment Measurement Service
Monthly Review**

The table below details the rates of return for the fund's asset classes over various time periods ended January 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 January 31, 2023								
Composite	Total Fund Weighting As of 1/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.92%	7.42%	11.41%	7.42%	-5.55%	9.63%	8.46%	11.56%
<i>Domestic Equity Benchmark(1)</i>		6.89%	9.45%	6.89%	-8.24%	8.77%	8.87%	12.37%
<i>Excess Return</i>		0.53%	1.96%	0.53%	2.70%	0.85%	-0.42%	-0.80%
Total Non US Equity	17.57%	8.15%	13.25%	8.15%	-6.86%	2.68%	1.03%	4.14%
<i>Non US Equity Benchmark(2)</i>		8.11%	11.32%	8.11%	-5.72%	3.64%	1.36%	4.20%
<i>Excess Return</i>		0.04%	1.93%	0.04%	-1.14%	-0.96%	-0.33%	-0.05%
Total Fixed Income	18.69%	3.51%	2.11%	3.51%	-7.22%	-0.58%	1.31%	2.07%
<i>Bloomberg Capital Universe Bond Index</i>		3.10%	0.72%	3.10%	-8.28%	-2.13%	0.99%	1.69%
<i>Excess Return</i>		0.41%	1.39%	0.41%	1.06%	1.55%	0.32%	0.37%
Total Cash	1.26%	0.39%	1.83%	0.39%	1.98%	0.84%	1.38%	0.87%
<i>3-Month Treasury Bill</i>		0.31%	1.63%	0.31%	1.78%	0.78%	1.30%	0.80%
<i>Excess Return</i>		0.08%	0.20%	0.08%	0.20%	0.06%	0.07%	0.07%
Total Real Estate (Q3)*	12.63%	0.12%	1.16%	0.12%	20.95%	15.60%	12.59%	12.59%
<i>Real Estate Benchmark(3)</i>		-1.75%	3.03%	-1.75%	15.95%	10.57%	8.75%	9.69%
<i>Excess Return</i>		1.88%	-1.87%	1.88%	5.00%	5.03%	3.84%	2.91%
Total Private Equity (Q3)*	13.92%	0.02%	-2.03%	0.02%	1.48%	17.75%	15.30%	12.74%
<i>Private Equity Benchmark(4)</i>		8.27%	-12.13%	8.27%	-11.81%	13.67%	13.89%	16.72%
<i>Excess Return</i>		-8.26%	10.09%	-8.26%	13.29%	4.08%	1.41%	-3.98%
Total Private Debt (Q3)*	5.01%	-0.01%	1.34%	-0.01%	6.62%	6.12%	5.57%	7.12%
<i>Private Debt Benchmark(5)</i>		2.19%	-4.71%	2.19%	-4.56%	1.24%	2.26%	7.75%
<i>Excess Return</i>		-2.20%	6.05%	-2.20%	11.18%	4.88%	3.32%	-0.63%
Total Fund Composite	100.00%	4.29%	5.87%	4.29%	-1.62%	7.60%	6.47%	7.99%
<i>Total Fund Benchmark(6)</i>		5.22%	4.38%	5.22%	-5.07%	5.88%	5.96%	7.96%
<i>Excess Return</i>		-0.93%	1.50%	-0.93%	3.46%	1.72%	0.51%	0.04%

(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 1/31/23, the Total Fund has returned 6.88% versus the Total Fund Custom Benchmark return of 6.91%.

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

The table below details the rates of return for the fund's investment managers over various time periods ended January 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 January 31, 2023								
Composite	Total Fund Weighting As of 1/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.92%	7.42%	11.41%	7.42%	-5.55%	9.63%	8.46%	11.56%
Domestic Equity Benchmark(1)		6.89%	9.45%	6.89%	-8.24%	8.77%	8.87%	12.37%
Excess Return		0.53%	1.96%	0.53%	2.70%	0.85%	-0.42%	-0.80%
Large Cap Domestic Equity	17.79%	6.28%	8.72%	6.28%	-8.22%	8.94%	8.28%	11.80%
S&P 500 Index		6.28%	8.74%	6.28%	-8.22%	9.88%	9.54%	12.68%
Excess Return		-0.01%	-0.01%	-0.01%	0.00%	-0.94%	-1.26%	-0.88%
BlackRock S&P 500	17.79%	6.28%	8.72%	6.28%	-8.22%	9.85%	9.51%	12.66%
S&P 500 Index		6.28%	8.74%	6.28%	-8.22%	9.88%	9.54%	12.68%
Excess Return		-0.01%	-0.01%	-0.01%	0.00%	-0.04%	-0.03%	-0.02%
Smid Cap Domestic Equity	5.75%	9.84%	14.32%	9.84%	-3.61%	10.15%	7.19%	10.53%
Russell 2500 Index		10.00%	14.84%	10.00%	-2.05%	9.13%	7.28%	10.35%
Excess Return		-0.16%	-0.52%	-0.16%	-1.55%	1.02%	-0.09%	0.18%
AllianceBernstein	3.54%	10.40%	15.16%	10.40%	-8.08%	10.33%	7.56%	10.94%
Russell 2500 Index		10.00%	14.84%	10.00%	-2.05%	9.13%	7.28%	10.35%
Excess Return		0.41%	0.32%	0.41%	-6.03%	1.20%	0.28%	0.59%
TSW	2.21%	8.96%	13.00%	8.96%	4.55%	9.87%	6.59%	9.79%
TSW Blended Benchmark (2)		9.99%	14.71%	9.99%	0.72%	9.96%	7.42%	10.42%
Excess Return		-1.03%	-1.71%	-1.03%	3.83%	-0.09%	-0.83%	-0.63%
Small Cap Domestic Equity	7.38%	8.36%	16.01%	8.36%	-0.08%	11.22%	9.64%	11.68%
Russell 2000 Index		9.75%	14.03%	9.75%	-3.38%	7.51%	5.54%	9.36%
Excess Return		-1.39%	1.98%	-1.39%	3.30%	3.72%	4.10%	2.31%
Boston Trust	2.02%	7.97%	15.82%	7.97%	5.84%	12.90%	10.95%	11.38%
Russell 2000 Index		9.75%	14.03%	9.75%	-3.38%	7.51%	5.54%	9.36%
Excess Return		-1.78%	1.79%	-1.78%	9.22%	5.39%	5.41%	2.02%
Segall Bryant & Hamill	2.04%	6.69%	17.83%	6.69%	0.92%	13.07%	10.60%	11.25%
Russell 2000 Index		9.75%	14.03%	9.75%	-3.38%	7.51%	5.54%	9.36%
Excess Return		-3.05%	3.79%	-3.05%	4.30%	5.57%	5.06%	1.89%
Wellington	3.33%	9.65%	15.04%	9.65%	-3.93%	9.22%	8.40%	12.13%
Russell 2000 Index		9.75%	14.03%	9.75%	-3.38%	7.51%	5.54%	9.36%
Excess Return		-0.10%	1.01%	-0.10%	-0.55%	1.71%	2.87%	2.77%

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

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

The table below details the rates of return for the fund's investment managers over various time periods ended January 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 January 31, 2023								
Composite	Total Fund Weighting As of 1/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	17.57%	8.15%	13.25%	8.15%	-6.86%	2.68%	1.03%	4.14%
Non US Equity Benchmark (1)		8.11%	11.32%	8.11%	-5.72%	3.64%	1.36%	4.20%
Excess Return		0.04%	1.93%	0.04%	-1.14%	-0.96%	-0.33%	-0.05%
Core Non US Equity	9.17%	9.10%	16.22%	9.10%	-3.68%	3.25%	1.13%	3.76%
Core Non US Benchmark (2)		8.11%	11.32%	8.11%	-5.72%	3.64%	1.36%	4.20%
Excess Return		0.99%	4.91%	0.99%	2.04%	-0.40%	-0.23%	-0.44%
Aristotle	1.40%	7.65%	12.63%	7.65%	-7.81%	-	-	-
MSCI EAFE		8.10%	14.97%	8.10%	-2.83%	-	-	-
Excess Return		-0.45%	-2.34%	-0.45%	-4.98%	-	-	-
Artisan Partners	3.12%	8.61%	16.11%	8.61%	-6.43%	1.07%	2.19%	-
MSCI EAFE		8.10%	14.97%	8.10%	-2.83%	4.25%	2.13%	-
Excess Return		0.51%	1.14%	0.51%	-3.60%	-3.18%	0.06%	-
Causeway Capital	3.33%	11.00%	20.40%	11.00%	2.35%	7.97%	2.70%	-
MSCI EAFE		8.10%	14.97%	8.10%	-2.83%	4.25%	2.13%	-
Excess Return		2.90%	5.42%	2.90%	5.17%	3.72%	0.57%	-
Lazard	1.33%	7.18%	10.62%	7.18%	-6.64%	-	-	-
MSCI EAFE		8.10%	14.97%	8.10%	-2.83%	-	-	-
Excess Return		-0.91%	-4.36%	-0.91%	-3.81%	-	-	-
Emerging Markets	3.03%	6.89%	6.11%	6.89%	-14.76%	-2.23%	-3.79%	0.80%
MSCI EM		7.90%	4.67%	7.90%	-12.12%	1.40%	-1.47%	2.07%
Excess Return		-1.01%	1.44%	-1.01%	-2.64%	-3.63%	-2.31%	-1.27%
Neuberger Berman	1.55%	7.59%	5.14%	7.59%	-16.66%	-2.55%	-4.09%	-
MSCI EM		7.90%	4.67%	7.90%	-12.12%	1.40%	-1.47%	-
Excess Return		-0.31%	0.48%	-0.31%	-4.54%	-3.96%	-2.62%	-
Wellington Emerging Markets	1.48%	6.16%	7.14%	6.16%	-12.66%	-1.88%	-3.62%	2.20%
MSCI EM		7.90%	4.67%	7.90%	-12.12%	1.40%	-1.47%	2.07%
Excess Return		-1.73%	2.48%	-1.73%	-0.54%	-3.28%	-2.15%	0.13%
Non US Small Cap	1.12%	8.19%	14.98%	8.19%	-10.19%	-3.56%	-6.02%	1.30%
MSCI EAFE Small Cap		7.47%	12.20%	7.47%	-8.85%	2.48%	0.40%	6.43%
Excess Return		0.72%	2.78%	0.72%	-1.33%	-6.04%	-6.42%	-5.13%
Wellington Int'l Small Cap Research	1.12%	8.19%	14.98%	8.19%	-10.19%	-	-	-
MSCI EAFE Small Cap		7.47%	12.20%	7.47%	-8.85%	-	-	-
Excess Return		0.72%	2.78%	0.72%	-1.33%	-	-	-
Global Equity	4.25%	7.05%	11.99%	7.05%	-6.44%	7.37%	8.28%	10.37%
MSCI ACWI net		7.17%	9.61%	7.17%	-7.99%	6.83%	5.53%	8.24%
Excess Return		-0.12%	2.38%	-0.12%	1.55%	0.54%	2.75%	2.13%
Walter Scott Global Equity	4.25%	7.05%	11.99%	7.05%	-6.44%	7.37%	8.28%	10.37%
Walter Scott Blended Benchmark (3)		7.17%	9.61%	7.17%	-7.99%	6.83%	5.53%	8.24%
Excess Return		-0.12%	2.38%	-0.12%	1.55%	0.54%	2.75%	2.13%

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

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

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

The table below details the rates of return for the fund's investment managers over various time periods ended January 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 January 31, 2023								
Composite	Total Fund Weighting As of 1/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Fixed Income	18.69%	3.51%	2.11%	3.51%	-7.22%	-0.58%	1.31%	2.07%
<i>Fixed Income Benchmark (1)</i>		3.10%	0.72%	3.10%	-8.28%	-2.13%	0.99%	1.69%
<i>Excess Return</i>		0.41%	1.39%	0.41%	1.06%	1.55%	0.32%	0.37%
BlackRock SIO Bond Fund	2.26%	2.17%	2.09%	2.17%	-3.11%	1.06%	-	-
<i>BlackRock Custom Benchmark (2)</i>		0.38%	1.85%	0.38%	2.04%	0.93%	-	-
<i>Excess Return</i>		1.79%	0.24%	1.79%	-5.15%	0.13%	-	-
Brandywine Asset Mgmt	2.08%	4.99%	2.62%	4.99%	-10.83%	-1.73%	-1.30%	0.88%
<i>Brandywine Custom Benchmark (3)</i>		3.20%	-1.07%	3.20%	-13.99%	-5.33%	-2.28%	-0.80%
<i>Excess Return</i>		1.79%	3.69%	1.79%	3.16%	3.59%	0.98%	1.69%
FIAM (Fidelity) Tactical Bond	3.24%	3.70%	3.68%	3.70%	-6.22%	0.19%	-	-
<i>Bloomberg Aggregate</i>		3.08%	0.02%	3.08%	-8.36%	-2.35%	-	-
<i>Excess Return</i>		0.62%	3.66%	0.62%	2.14%	2.54%	-	-
Income Research & Management	6.84%	3.51%	0.34%	3.51%	-8.76%	-1.84%	1.43%	1.93%
<i>Bloomberg Gov/Credit</i>		3.01%	0.08%	3.01%	-8.75%	-2.37%	1.04%	1.55%
<i>Excess Return</i>		0.49%	0.26%	0.49%	-0.02%	0.53%	0.39%	0.38%
Loomis Sayles	2.44%	3.61%	3.56%	3.61%	-6.16%	1.46%	2.88%	3.39%
<i>Loomis Sayles Custom Benchmark (4)</i>		3.33%	2.59%	3.33%	-7.21%	-0.99%	1.67%	2.48%
<i>Excess Return</i>		0.27%	0.97%	0.27%	1.04%	2.45%	1.22%	0.91%
Manulife Strategic Fixed Income	1.84%	3.05%	3.70%	3.05%	-5.01%	-0.22%	1.54%	-
<i>Bloomberg Multiverse</i>		3.32%	0.87%	3.32%	-11.42%	-3.71%	-1.17%	-
<i>Excess Return</i>		-0.26%	2.84%	-0.26%	6.42%	3.49%	2.70%	-
Total Cash	1.26%	0.39%	1.83%	0.39%	1.98%	0.84%	1.38%	0.87%
<i>3-month Treasury Bill</i>		0.31%	1.63%	0.31%	1.78%	0.78%	1.30%	0.80%
<i>Excess Return</i>		0.08%	0.20%	0.08%	0.20%	0.06%	0.07%	0.07%
Total Marketable Assets	68.44%	6.37%	8.97%	6.37%	-6.18%	4.74%	4.33%	6.87%
<i>Total Marketable Index (5)</i>		5.95%	7.22%	5.95%	-7.24%	4.08%	4.52%	7.05%
<i>Excess Return</i>		0.42%	1.75%	0.42%	1.07%	0.67%	-0.19%	-0.18%

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

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

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

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

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

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

Composite	Net of Fees Returns for Periods Ended January 31, 2023							
	Total Fund Weighting As of 1/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q3)* (5)	12.63%	0.12%	1.16%	0.12%	20.95%	15.60%	12.59%	12.59%
Real Estate Benchmark (1)		-1.75%	3.03%	-1.75%	15.95%	10.57%	8.75%	9.69%
Excess Return		1.88%	-1.87%	1.88%	5.00%	5.03%	3.84%	2.91%
Strategic Core Real Estate (Q3)*	8.50%	0.01%	1.64%	0.01%	25.85%	14.55%	12.14%	11.70%
Real Estate Benchmark (1)		-1.75%	3.03%	-1.75%	15.95%	10.57%	8.75%	9.69%
Excess Return		1.77%	-1.39%	1.77%	9.90%	3.98%	3.40%	2.02%
Tactical Non-Core Real Estate (Q3)*	4.14%	0.35%	0.17%	0.35%	12.29%	17.32%	13.33%	14.18%
Real Estate Benchmark (1)		-1.75%	3.03%	-1.75%	15.95%	10.57%	8.75%	9.69%
Excess Return		2.10%	-2.86%	2.10%	-3.66%	6.75%	4.58%	4.49%
Total Alternative Assets (Q3)*	18.93%	0.01%	-1.18%	0.01%	2.76%	14.12%	11.58%	9.82%
Alternative Assets Benchmark (2)		6.25%	-9.64%	6.25%	-9.36%	9.40%	9.49%	12.40%
Excess Return		-6.24%	8.46%	-6.24%	12.12%	4.72%	2.09%	-2.57%
Total Private Equity (Q3)*	13.92%	0.02%	-2.03%	0.02%	1.48%	17.75%	15.30%	12.74%
Private Equity Benchmark (3)		8.27%	-12.13%	8.27%	-11.81%	13.67%	13.89%	16.72%
Excess Return		-8.26%	10.09%	-8.26%	13.29%	4.08%	1.41%	-3.98%
Total Private Debt (Q3)*	5.01%	-0.01%	1.34%	-0.01%	6.62%	6.12%	5.57%	7.12%
Private Debt Benchmark (4)		2.19%	-4.71%	2.19%	-4.56%	1.24%	2.26%	7.75%
Excess Return		-2.20%	6.05%	-2.20%	11.18%	4.88%	3.32%	-0.63%

(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 January 31, 2023, with the distribution as of December 31, 2022. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	January 31, 2023				December 31, 2022	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Domestic Equity	\$3,455,920,829	30.92%	\$0	\$239,367,879	\$3,216,552,951	30.00%
Large Cap Domestic Equity	\$1,988,094,819	17.79%	\$0	\$117,431,320	\$1,870,663,499	17.45%
Blackrock S&P 500	1,988,094,819	17.79%	0	117,431,320	1,870,663,499	17.45%
SMid Cap Domestic Equity	\$642,891,750	5.75%	\$0	\$57,869,170	\$585,022,580	5.46%
AllianceBernstein	395,724,377	3.54%	0	37,445,887	358,278,490	3.34%
TSW	247,167,373	2.21%	0	20,423,283	226,744,090	2.11%
Small Cap Domestic Equity	\$824,934,261	7.38%	\$0	\$64,067,389	\$760,866,872	7.10%
Boston Trust	225,597,222	2.02%	0	16,733,327	208,863,896	1.95%
Segall Bryant & Hamill	227,554,755	2.04%	0	14,416,324	213,138,431	1.99%
Wellington	371,782,283	3.33%	0	32,917,738	338,864,545	3.16%
Total Non US Equity	\$1,963,260,026	17.57%	\$0	\$148,933,325	\$1,814,326,702	16.92%
Core Non US Equity (1)	\$1,025,105,978	9.17%	\$0	\$85,898,486	\$939,207,493	8.76%
Aristotle	155,979,642	1.40%	0	11,134,715	144,844,926	1.35%
Artisan Partners	348,239,292	3.12%	0	27,769,346	320,469,946	2.99%
Causeway Capital	371,763,419	3.33%	0	36,978,040	334,785,379	3.12%
Lazard	148,406,576	1.33%	0	10,004,469	138,402,107	1.29%
Emerging Markets	\$338,792,287	3.03%	\$0	\$22,070,901	\$316,721,386	2.95%
Neuberger Berman	173,584,870	1.55%	0	12,351,649	161,233,221	1.50%
Wellington Emerging Markets	165,207,417	1.48%	0	9,719,252	155,488,165	1.45%
Non US Small Cap	\$124,648,738	1.12%	\$0	\$9,504,647	\$115,144,091	1.07%
Wellington Int'l Small Cap Research	124,648,738	1.12%	0	9,504,647	115,144,091	1.07%
Global Equity	\$474,713,023	4.25%	\$0	\$31,459,291	\$443,253,732	4.13%
Walter Scott Global Equity	474,713,023	4.25%	0	31,459,291	443,253,732	4.13%
Total Fixed Income	\$2,089,257,755	18.69%	\$0	\$71,264,688	\$2,017,993,067	18.82%
BlackRock SIO Bond Fund	252,097,017	2.26%	0	5,465,569	246,631,448	2.30%
Brandywine Asset Mgmt	232,352,885	2.08%	0	11,093,203	221,259,682	2.06%
FIAM (Fidelity) Tactical Bond	362,626,719	3.24%	0	13,031,506	349,595,213	3.26%
Income Research & Management	764,661,372	6.84%	0	26,001,933	738,659,439	6.89%
Loomis Sayles	272,142,412	2.44%	0	9,541,810	262,600,601	2.45%
Manulife Strategic Fixed Income	205,377,350	1.84%	0	6,130,667	199,246,682	1.86%
Total Cash	\$140,265,656	1.26%	\$15,391,495	\$548,192	\$124,325,969	1.16%
Total Marketable Assets	\$7,648,704,267	68.44%	\$15,391,495	\$460,114,084	\$7,173,198,688	66.91%
Total Real Estate	\$1,411,816,583	12.63%	\$(13,049,212)	\$2,324,473	\$1,422,541,323	13.27%
Strategic Core Real Estate	949,667,199	8.50%	(8,624,981)	710,237	957,581,943	8.93%
Tactical Non-Core Real Estate	462,149,384	4.14%	(4,424,231)	1,614,236	464,959,379	4.34%
Total Alternative Assets	\$2,115,363,165	18.93%	\$(13,205,707)	\$3,513,362	\$2,125,055,510	19.82%
Private Equity	1,555,434,579	13.92%	(14,285,064)	237,235	1,569,482,408	14.64%
Private Debt	559,928,586	5.01%	1,079,357	3,276,127	555,573,102	5.18%
Total Fund Composite	\$11,175,884,016	100.0%	\$(10,945,242)	\$466,033,736	\$10,720,795,521	100.0%

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

(1) Includes \$717,049 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

LEGISLATIVE

Oral Presentation Only

2023 Legislative Schedule

SENATE

Thursday, March 9, 2023 – Deadline for Policy Committees to ACT on all Senate bills with a fiscal impact, except bills exempted pursuant to Senate Rule 4-5.

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

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

Thursday, June 8, 2023 – Deadline to ACT on all House bills.

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

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

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

HOUSE

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

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

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

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

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

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

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

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

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

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

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

2023 Legislative Tracker

Updated: February 24, 2023

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

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
2023 NHRS-RELATED BILLS			
HB 30	This bill allows county commissioners to exempt the county chief administrative officer from compulsory NHRS membership at the time of initial hiring or appointment.	Rep. Judy Aron	2/2/23: House, on a voice vote, accepted committee recommendation of ought to pass (OTP).
HB 50	This bill provides that the state shall pay 7.5% of local employer retirement contributions for Group I Teachers and Group II Police and Fire members.	Rep. Michael Edgar	2/7/23: House Finance Committee – Division I held work session.
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	2/14/23: House, on a voice vote, accepted committee recommendation of ought to pass (OTP) with amendment (am-0296h).
HB 250	This bill increases the amount of the retirement annuity payable upon the accidental death of a Group II member to 100 percent of earnable compensation at the member's death.	Rep. Ben Baroody	2/22/23: House voted, 260-103, to accept committee recommendation of ought to pass (OTP). The bill was referred to the House Finance Committee.
HB 339	This bill provides that no funds from NHRS or the state public employee deferred compensation plan shall be invested with any company that is boycotting Israel.	Rep. James Splaine	House ED&A Committee public hearing scheduled for 3/8/23 at 11:15 p.m. in LOB 306-308.
HB 436	This bill 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	2/22/23: House vote, 282-80, to accept committee recommendation of ought to pass (OTP) with amendment (am-0483h). The bill was referred to the House Finance Committee.
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.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 457	This bill prohibits the state treasurer and NHRS from conducting business with any financial institution or proxies that prioritize social, political, or ideological interests above or in concert with the traditional fiduciary duty to maximize financial benefit.	Rep. JD Bernardy	House ED&A Committee executive session scheduled for 3/8/23 at 1:30 p.m. in LOB 306-308.
HB 461	This bill requires political subdivision employers to obtain an analysis from the retirement system and continue to pay contributions when eliminating or transferring a Group II position from full-time to part-time.	Rep. Steve Pearson	House ED&A Committee executive session scheduled for 3/8/23 at 1:30 p.m. in LOB 306-308.
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	This bill requires the transfer of 75 percent of a state biennial surplus to the reduction in the retirement system's unfunded accrued liability.	Rep. Tony Lekas	1/31/23: House Finance Committee – Division I held work 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	House ED&A Committee executive session scheduled for 3/8/23 at 1:30 p.m. in LOB 306-308.
HB 571	This bill establishes a cost-of-living adjustment (COLA) to be paid on the first \$50,000 of a retired Group II member's or beneficiary's retirement benefit. Group II members retired 10 to 19 years as of July 1, 2023, are eligible for a 5% COLA; Group II members (or beneficiaries) retired 20 or more years as of July 1, 2023, are eligible for a 10% COLA. The cost of this benefit is paid from the state general fund.	Rep. Ben Baroody	2/2/23: House voted, 192-167, to accept committee recommendation of ought to pass (OTP). The bill was referred to the House Finance Committee.
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.
HB 639	This bill establishes procedures for the legalization, regulation, and taxation of cannabis; and the licensing and regulation of cannabis establishments. Note: This bill dedicates a portion of state revenue generated by the sale of cannabis toward paying down the retirement system's unfunded actuarial accrued liability.	Rep. Jason Osborne	2/22/23: House voted, 234-127, to accept committee recommendation of ought to pass (OTP) with amendment (am-0543h). The bill was referred to the House Ways and Means Committee.
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	2/21/23: Senate Finance Committee voted, 6-1, to recommend ought to pass (OTP). The bill is on the Senate calendar for 3/9/23.
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: Senate, on a voice voted, tabled the bill.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
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	2/22/23: Senate ED&A Committee voted, 4-1, to recommend ought to pass (OTP). The bill is on the Senate calendar for 3/9/23.
<i>Note: Additional Senate bills are expected to be introduced.</i>			
Committee Key: ED&A = Executive Departments & Administration; Location Key: LOB = Legislative Office Building; SH = State House.			

BENEFITS COMMITTEE

Oral Presentation Only

PERSONNEL PERFORMANCE & COMPENSATION COMMITTEE

Oral Presentation Only



To: Board of Trustees
From: Jan Goodwin, Executive Director
Date: March 3, 2023
Re: Executive Director Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- COVID-19 Update: Maintaining status quo. Monitoring case numbers to determine when staff can be present in the Granite State room for Board meetings.
- John Laferriere, Director of IT, and Jennifer Gordon, Controller, started February 15.
- On February 16, we became aware that we withheld too little for federal taxes for 3,370 retirees or beneficiaries in their January payments. The amounts underwithheld range from \$0.03 to \$314. For 3,148 recipients, the underwithheld amount was less than \$100. We have mailed letters to notify the 2,936 individuals whose underwithholding was \$25 or more, per Internal Revenue Service requirements. We will make the adjustment in withholding to the recipients' April benefit checks.

Current Month Highlights

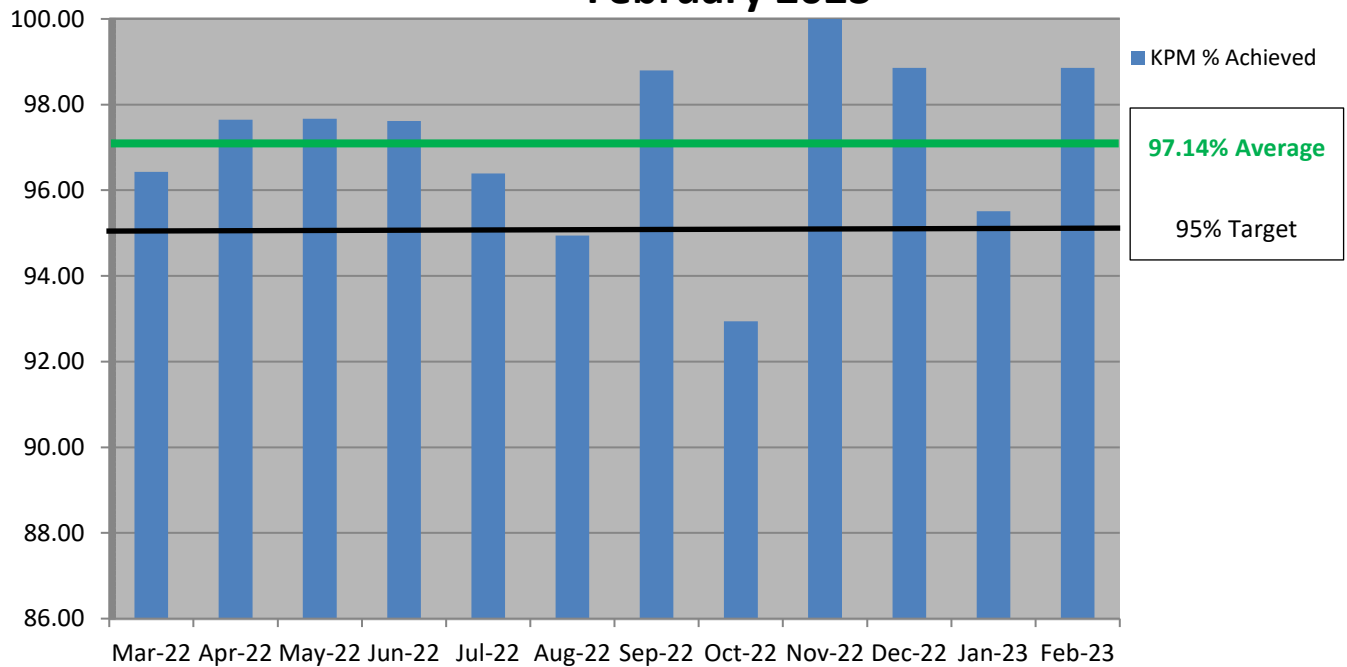
- This month's KPM score was 98.86%. See 12-month rolling average chart, attached.
- PGV3: is 74% completed, D5 Benefit Payroll is at 100%, D6 (Year End Processes, Auditing, and Security) is at 88% and D7 (Member Direct – My Account) is at 4%. Staff continue to work on creating workflows for PGV3. D6 UAT is in progress and runs through the end of March. Meetings are being held to review D7 (Member Direct – My Account) requirements.
- All three of the Executive Director's KPMs were met this month.

Upcoming Plans & Projects

- NHRS legislative team continues to evaluate numerous legislative proposals for the 2023 session.
- Staff has begun preparing for parallel processing for PGV3, which is slated to begin in October 2023. This preparation includes discussions with LRS regarding having dedicated LRS staff assist NHRS in the parallel preparation. We are working with LRS to develop an orientation program for all affected staff members. In addition, NHRS staff is developing materials to acquaint staff with the new screens and processes and train employers on the new filing requirements.

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

KPM Rolling 12-Month Average February 2023



PGV3 Status as of March 3, 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		74%
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	2/22/2024	12/22/2022		75%
Phase 4 - Project Executing	1/2/2019	11/30/2023	12/22/2022		80%
Infrastructure	2/14/2019	8/7/2023	9/9/2022		69%
Data Conversion	1/2/2019	11/30/2023	12/22/2022		86%
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		100%
D6 - Year End Processes, Auditing and Security	6/13/2022	3/29/2023	5/11/2022		88%
D7 - MemberDirect	12/13/2022	8/28/2023	10/13/2022		4%
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%

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

KPM MONTHLY REPORTING

February 2023

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

	ACHIEVED			COMMENTS
	YES	NO	N/A	
Overall Score	X			We achieved a 98.86% success ratio. We failed on one (1) KPM.
Executive				
1. Distribute weekly email updates to all Trustees on or before the end of business on Friday of every week.	X			
2. Distribute weekly email updates to all staff on or before the end of business on Monday of every week.	X			
3. Maintain expenditures at or less than Trust Fund Budget.	X			
IT				
1. All vital servers maintain an uptime of 99% or higher.	X			
2. All PensionGold requests are prioritized within thirty-one (31) calendar days.	X			
3. All TrackIT (help desk) requests are followed up with a conversation (phone/email) within four (4) business days.	X			
4. Maintain help desk survey scores above satisfactory marks of 95% or higher.	X			
5. All US-CERT email security advisories are placed into the help desk system to be addressed within two (2) business days.	X			
6. Respond to all phone calls within one (1) business day.	X			
7. Answer 95% of My Account hunt group (X3508) calls within sixty (60) seconds.	X			
8. Maintain expenditures at or less than IT budget as reported by Finance in the most recent manager's report (1-month lag).	X			
Finance				
1. Prepare the NHRS Annual Comprehensive Financial Report (ACFR): unaudited by October 31, and the audited CAFR by December 31, in accordance with generally accepted accounting principles.			X	No Report due this month.
2. Reconcile operating bank account within two (2) business days of receipt of bank statements.	X			
3. Produce and distribute monthly actual-to plan-budget reports within ten (10) business days from the end of the prior month.	X			
4. Produce the monthly financial statements (FS) for the Board of	X			

KPM MONTHLY REPORTING

February 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
Trustees meeting at least three (3) business days prior to the scheduled Board mailing.				
5. Post all cash receipts for a month, for which we have received the associated voucher, into the pension benefit system (PensionGold) within ten (10) business days after the close of the month.	X			January 2023 Cash receipts were keyed for all payments that 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	No filing due this month.
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			Jan. 2023 contributions due 2/15/2023, counting back 90 days would be Oct. 2022. Contributions due 10/15/2022 interest has only been posted through August 2022; however, Joy has sent the email to Melissa P to post Sept. 2022 and Oct. 2022 interest as of 3/1/2023.
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	No activity due this month.
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			

KPM MONTHLY REPORTING

February 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
Investment				
1. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable Total Fund Benchmark measured quarterly .	X			
2. Generate investment returns for the long-term (25 years) Total Fund Performance greater than the applicable Actuarial Assumed Rate of Return (6.75%) measured each June 30 .	X			
3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median measured quarterly .	X			
4. Complete the IIC's Private Debt & Private Equity Strategic Plan for the calendar year.	X			
5. Manage cash flow and make funds available for the payment of monthly retirement benefits, expenses and capital calls on or before the last business day of the month.	X			
6. Manage continuously the asset allocation within approved ranges and rebalance as appropriate.	X			
7. Maintain trading cost at or below median of applicable peer universe.	X			
8. Ensure all proxies are voted consistent with the Board approved Proxy Policy.	X			
9. Distribute complete and accurate Investment Committee materials to all members of the Investment Committee on the Friday before the regularly scheduled monthly Investment Committee meeting.	X			
10. Maintain internal expenditures at or less than Investment Budget as reported by Finance in the most recent manager's report (1-month lag).	X			
Legal				
1. Assure no instances of statutory or regulatory non-compliance.	X			
2. Provide disability recommendations to the Board within sixty (60) calendar days of receipt in the Legal Dept.	X			
3. Commence an adjudicative proceeding within sixty (60) calendar days of receipt of administrative appeal.	X			
4. Present a recommended decision to the Board within seventy-five (75) calendar days after the close of the record in an appeal.	X			

KPM MONTHLY REPORTING

February 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
5. Perform employer compliance field audits; a rolling average of 2 audits per experienced auditor per month over the prior 12-month period.		X		Due to competing PGV3 priorities, the combined rolling average was missed by less than one audit.
6. Present one (1) employer education session per quarter.	X			
7. Answer 95% of Employer Audit/Compliance hunt group (X3681) calls within sixty (60) seconds.	X			
8. Maintain expenditures at or less than Legal Budget as reported by Finance in the most recent manager's report (1-month lag).	X			
Member Services				
1. Calculate all preliminary retirement benefits within thirty (30) calendar days of member-requested date of retirement.	X			
2. Calculate 100% of final retirement benefits (EXCLUDING JULY applications) within seven (7) months of member requested date of retirement provided that all statutorily required documentation has been received and all wages have been reported.	X			
3. Calculate 100% of July final retirements within eight (8) months of member requested date of retirement provided that all statutorily required documentation has been received and all wages have been reported.	X			
4. Schedule member meetings with Benefit Specialists within ten (10) business days of request.	X			
5. Issue all member retirement benefit estimates within thirty (30) business days of receipt of request.	X			
6. Enter member enrollment form data into Pension Gold (PG) within fifteen (15) business days of receipt.	X			
7. Process member refund requests within ninety (90) calendar days of receipt of written request.	X			
8. Process service purchases within fifteen (15) business days of request receipt.	X			
9. Process additional contribution calculations within ninety (90) calendar days of receipt.	X			
10. Process all non-employer audit correction related employer contribution refunds within sixty (60) business days of receipt.	X			
11. Post all interest to member accounts within the month that Finance authorized the activity.	X			
12. Adhere to payroll "close" schedule for benefit setup balancing purposes.	X			

KPM MONTHLY REPORTING

February 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
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			
PIO				
1. Schedule a minimum of thirty (30) member/constituent education sessions in Concord and statewide each year.	X			

KPM MONTHLY REPORTING

February 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
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	Beginning the process in March.
2. Execute and present an assurance audit to the Audit Committee every quarter.			X	Two being presented in March.
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	Process hasn’t started yet.
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				
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 0:25:30.
3. Transfer less than ten percent (10%) of calls to Subject Matter Experts (SMEs).	X			We transferred 2.60% calls to SMEs.

KPM MONTHLY REPORTING

February 2023

	ACHIEVED			COMMENTS
	YES	NO	N/A	
4. Maintain a 95% call satisfaction rating for callers' experience with the Contact Center Representative (CCR).	X			We maintained a 99.14% satisfaction rating.
Administrative				
1. Prepare and distribute monthly Board materials electronically by the Thursday before the Tuesday meeting.	X			
2. Post Board and committee meeting notices according to 91-A:2.	X			
3. Prepare minutes of Board and Board Committee meetings according to the timeliness guidelines in 91-A:2 and 91-A:3, with draft minutes for internal review ready by close-of-business on the Friday following the Board meeting.	X			
4. Prepare draft MTeam minutes and forward to Executive Director for review within 3 business days of meeting; to managers for review within 5 business days of meeting; and post final minutes to the common drive by the Friday following the meeting.	X			
5. Assure that formal complaints are responded to within ten (10) calendar days.	X			Morin complaint responded to within eight (8) calendar days.
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
February 2023**

Phone Calls

	Total	Percentage
Calls addressed by CCRs	3474	97.01%
Calls forwarded to SMEs	93	2.60%
Calls forwarded to SME Manager	14	0.39%
Total	3,581	100.00%

Post Call Surveys

	Total
Total Calls Handled	3,474
Surveys Completed	123
% of Total Calls Completion Rate	3.54%

Emails

	Total	Percentage
Emails addressed by CCRs	696	55.68%
Emails forwarded to SMEs	554	44.32%
Total	1,250	100.00%

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

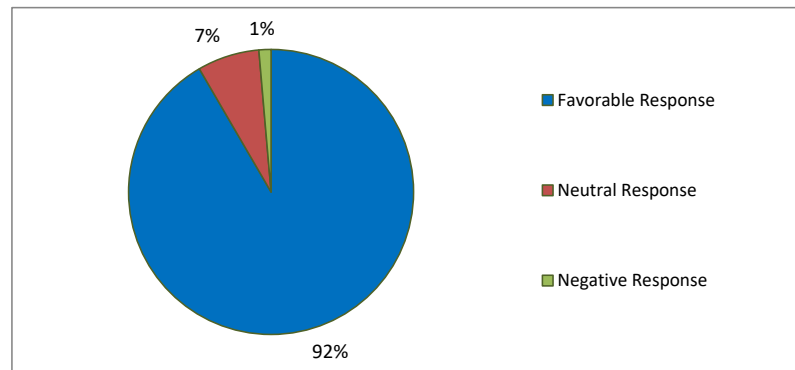
Queue Name	Calls Presented	Calls Handled	Percentage	Calls Abandoned	Percentage	Average Queue Time	Average Speed of Answer	Average Time to Abandon	Average Handle Time
Member	773	763	98.71%	10	1.29%	0:28:00	0:28:00	0:26:00	5:49:00
Reception	1108	1066	96.21%	42	3.79%	0:24:00	0:22:00	1:13:00	4:31:00
Retiree	1220	1207	98.93%	13	1.07%	0:28:00	0:28:00	0:46:00	4:22:00
1099	560	545	97.32%	15	2.68%	0:24:00	0:24:00	0:23:00	3:49:00
Totals	3661	3581	97.81%	80	2.19%	0:26:00	0:25:30	0:42:00	4:37:45

Average

NHRS Board Monthly Reporting Package
Process Improvement
February 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							
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
	3387	1680	1539	118	23	1156	551



Division: Executive

Date: February 28, 2023

Approved: July 1, 2022

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Complete implementation of data security assessment recommendations and continue to enhance IT security.	JG/FC	6/30/23	Note: While most of the recommendations have been implemented, there are a few that are ongoing as part of the PGV3 implementation project.
2. Complete project plan milestones for LRS Pension Gold (PGV3) project.	JG/TK	6/30/23	This is a four-year project scheduled for completion in 2024. Project modifications have added 6 months to the original completion date.
3. Identify areas for improved efficiencies across the organization, including assessing and improving employee engagement.	JG/All	6/30/23	In process.
4. Enhance member, beneficiary, and employer education: identify/review industry best practices for education and engagement; adjust existing education programming, as needed.	JG/MK	3/31/23	In process.
5. Implement agreed-upon elements of Vision for NHRS.	JG/All	6/30/23	In process.



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

Significant Developments and Priority Issues

- February 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 update public markets investment management contract terms from two years, with an automatic 12-month renewal provision, to an initial contract term of five years, with an automatic 12-month extension provision. The change will take effect for new mandates and renewals going forward.
 - The Committee unanimously voted to approve a five-year contract extension for Fidelity.
 - The Committee heard a presentation from Fixed Income manager Manulife in conjunction with the contract extension process.
 - Abel Noser presented their analysis of the System's equity trading costs for calendar year 2022.
 - Callan presented their Capital Markets Assumptions.

Current Month Highlights

- Preliminary Performance:

As of 1/31/23	1-MO	FYTD	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net</u> Return	+4.29%	+5.87%	-1.62%	+7.60%	+6.47%	+7.99%
Policy Benchmark Return	+5.22%	+4.38%	-5.07%	+5.88%	+5.96%	+7.96%
Excess Returns (basis points)	-93	+150	+346	+172	+51	+4

Source: Callan

- KPM Performance for February 2023:
 - Investments met all 10 of its KPMs.

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

Upcoming Plans & Projects

- March Committee Meeting:
 - The Committee will vote to approve the revised Proxy Voting Policy for recommendation to the Board of Trustees.
 - The Committee will vote on a five-year contract extension for Manulife.
 - The Committee will hear a global macroeconomic presentation from Morgan Stanley.

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 January 31 st	\$ 113,057
Total:	\$ 16,922,001

Source: BNY Mellon, ISS, NHRS, Northern Trust

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

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 2023	CIO/IIC	12/31/23	(DONE) IIC approved the CY 2023 Private Equity & Private Debt Work Plan on December 10, 2022. Implementation will occur in 2023
3. Complete Real Estate Work Plan for calendar year 2023	CIO/IIC	12/31/23	(DONE) IC approved 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	Fixed Income portfolio allocation is outside the lower bound, NHRS investment staff will perform portfolio rebalancing to bring allocation within the policy range
6. Recommend an optimized investment process for the IIC	CIO/IIC	01/31/23	(DONE) Recommend an optimized staff-driven process to assist the IIC with investment decision-making for manager selection and termination
7. Identify, enroll and complete a professional development program.	CIO	06/30/23	In progress
8. Conduct an internal review of the NHRS total plan portfolio	CIO/IIC	06/30/23	(NEW) Conduct an internal review of the NHRS total plan by the Investment Team with assistance from the consultant and other partners (custody bank).
9. Complete a review of the Strategic Asset Allocation and, if necessary, recommend an update to the strategic asset allocation policy	CIO/IIC	09/30/23	(NEW) Complete an update to the NHRS strategic asset allocation policy with 2023 capital markets assumptions and, if necessary, recommend a new asset allocation policy portfolio



NHRS

New Hampshire Retirement System

To: Board of Trustees

From: Nancy J. Miller

Date: March 1, 2023

Re: Member Services Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Member Services continues to carry out PGV3 D6 testing while also participating in the design of D7 (Member Direct.)
- Teacher Final Average Salary calculations were discussed with LRS in February and significant progress has been made in handling future reporting and historical teacher wage and contract information to allow optimum functionality in PGV3.

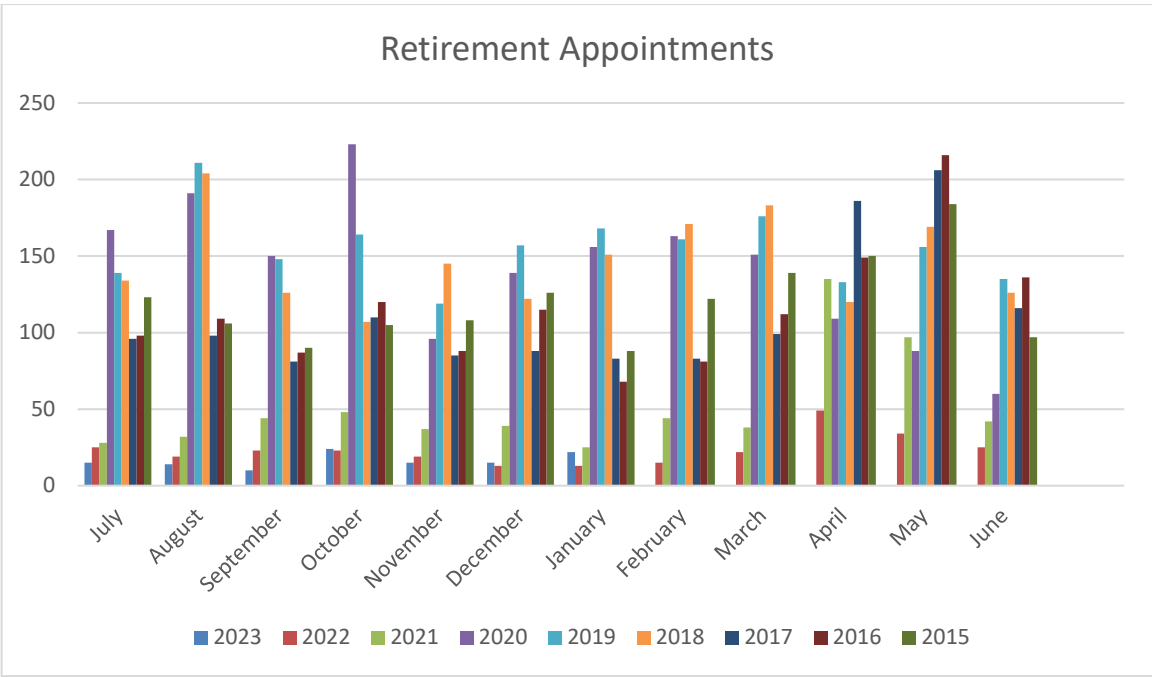
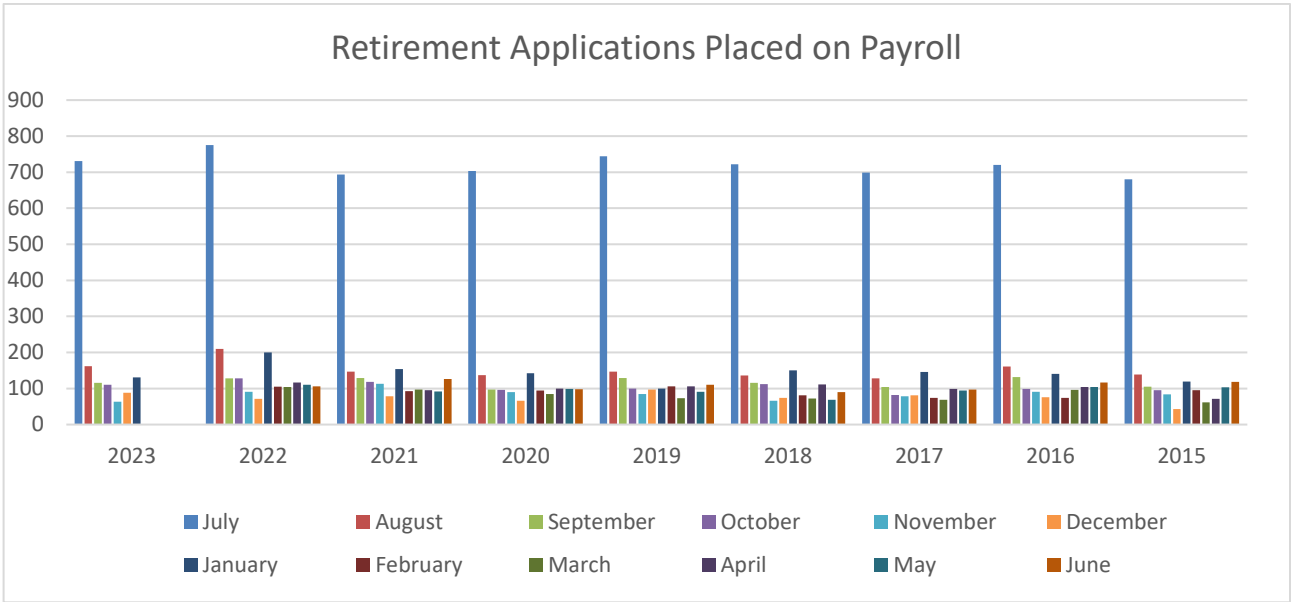
Current Month Highlights

- The Retiree Benefits Team along with the Contact Center are fielding the heavy volume of retiree calls as a result of the Tax Correction Letter that NHRS issued in February.
- Recruiting to fill a vacated Retirement Generalist position continues.
- Member Services achieved all 21 of its KPMs this month.

Upcoming Plans & Projects

- Multiple PG parallel-preparation conversations are scheduled with both the LRS project team and internal NHRS project management.

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



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

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	MS/PIO/Legal/Contact Center/LRS	Dates to be added as legislation passed/implementation plans completed. HB1497 HB1587 HB 363 HB1535	Completed.

changes with impact to Member Services and benefit calculation functions.			
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	In process – sent HR seminar materials.



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

Significant Developments and Priority Issues

- Status Update on PGV3 Finance deliverables:
 - Deliverable 6 (D6) General Ledger/Reporting/1099-R/Employer Reporting-testing has been ongoing for February and will continue for the entire month of March. We are engaging with the Project Manager to complete a detailed project plan for the remainder of the year through parallel and warranty to evaluate resource needs and Finance schedule.
 - Review of design documents and requirements for Deliverable 7.
 - We continue to communicate with Employers on the need to submit test files for the Pension Gold upgrade. We have received 87 to date, up 22 from last month. ADP, Checkmate, and Accufund have all been working on programming changes for their respective employers. We continue to work with the State of NH and City of Nashua to clear file errors and data set issues.
 - Received 104 responses out of 107 from school districts on the teacher contract survey for LRS to create a back-up plan for those unable to report contract information in XML files.

Current Month Highlights

- Finance completed 12 of their 15 KPMs for the month. Three KPMs did not have deliverables for the month.
- Due to resource constraints, we are not able to provide Fiscal Year 2023 financial statements, however, we have hired a temporary employee to assist with the process and anticipate presenting at a future meeting.
- Cash flows for January and fiscal year to date were within the expected range. In March, we anticipate reimbursement from the State of NH General Fund for the \$500 COLA authorized in the FY 22 legislative session of \$10,792,000.
- FY 23 spending through the first seven 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.
- The audit of the GASB 68 and 75 employer proportionate share reports are complete with unmodified opinions.

Upcoming Plans & Projects

- PGV3.

NHRS Board Monthly Reporting Package

Finance

March 14, 2023

CASH FLOW-Contributions & Benefits

Cash Basis (\$s in Millions)

	January 2023	FY 2023 YTD	January 2022	FY 2022 YTD
Contributions				
Employers	\$ 61.782	\$ 371.577	\$ 62.308	\$ 356.324
Members	\$ 24.414	\$ 145.807	\$ 24.572	\$ 143.475
Subtotal	\$ 86.196	\$ 517.384	\$ 86.880	\$ 499.799
Benefits				
Annuity & OPEB	\$ 83.320	\$ 590.824	\$ 79.560	\$ 552.947
Refunds & All Other	\$ 2.891	\$ 24.054	\$ 3.179	\$ 22.840
Subtotal	\$ 86.211	\$ 614.878	\$ 82.739	\$ 575.787
Total Cash Flow Gain/(Shortfall)	\$ (0.015)	\$ (97.494)	\$ 4.141	\$ (75.988)

FY 2023 BUDGET vs. ACTUAL

Investments & Non-Investment Administrative Expenses

July 1, 2022 through January 31, 2023

	Total Budget	FYTD Budget	Actual	Difference
Investment				
Administrative Expenses				
Internal	\$ 1,025,800	\$ 627,069	\$ 512,071	\$ 114,998
External (Manager & Custodial)	\$ 35,566,000	\$ 20,746,832	\$ 13,400,365	\$ 7,346,467
Subtotal	\$ 36,591,800	\$ 21,373,901	\$ 13,912,436	\$ 7,461,465
Non-Investment				
Administrative Expenses				
Internal (Statutory Administrative)	\$ 10,111,942	\$ 6,179,220	\$ 5,305,348	\$ 873,872
Pension Gold Version 3	\$ 2,180,905	\$ 1,272,195	\$ 1,258,927	\$ 13,268
External (Actuary, Legal, Audit)	\$ 1,170,750	\$ 682,939	\$ 593,710	\$ 89,229
Subtotal	\$ 13,463,597	\$ 8,134,354	\$ 7,157,985	\$ 976,369
Total Administrative Expense	\$ 50,055,397	\$ 29,508,255	\$ 21,070,421	\$ 8,437,834

			New Hampshire Retirement System			
			Investment & Non-Investment Administrative Expenses			
			Budget vs. Actual			
			July 1, 2022 Through January 31, 2023			
			FY 2023			
			TOTAL	FYTD	FYTD	
			Budget	Budget	Actual	Difference
						Variance Explanations
1	Investment Administrative Expenses					
2	Internal Investment Expenses					
3	Salaries & Benefits	\$ 895,000	\$ 550,769	\$ 455,777	\$ 94,992	
4	Current Expenses/Supplies/Education	28,000	16,333	\$ 18,163	(1,830)	Tuition expense paid beginning of semester. Will balance by end of year.
5	Subscriptions	5,300	3,092	\$ 2,942	150	
6	License Fee-Bloomberg	54,000	31,500	\$ 24,057	7,443	
7	Organizational Dues	18,500	10,792	\$ 9,869	923	
8	Travel	25,000	14,583	\$ 1,263	13,320	
9	Subtotal Internal Investment	1,025,800	627,069	512,071	114,998	
10	External Investment Expenses					
11	Management Fees					
12	Marketable Investments	30,280,000	17,663,333	11,735,497	5,927,836	
13	Real Estate	3,400,000	1,983,333	793,561	1,189,772	
14	Subtotal Management Fees	33,680,000	19,646,666	12,529,058	7,117,608	
15	Investment Administrative Expenses					
16	Custody Fees					
17	Master-BNY Mellon	625,000	364,583	286,469	78,114	
18	General Investment Consultant Fees	700,000	408,333	487,500	(79,167)	Timing of quarterly fees paid compared to monthly budget.
19	Legal-Investment	500,000	291,667	77,486	214,181	
20	Other Fees	61,000	35,583	19,852	15,731	
21	Subtotal Invest. Administrative Expenses	1,886,000	1,100,166	871,307	228,859	
22	Subtotal External Investment	35,566,000	20,746,832	13,400,365	7,346,467	
23				(13,464,500)		
24	Total Investment Internal & External	\$ 36,591,800	\$ 21,373,901	\$ 13,912,436	\$ 7,461,465	
	Line 12 - Investment Management Fees: FYTD Budgeted in this report at 7 months.					
	Line 13 - Investment Management Fees: FYTD Budgeted in this report at 7 months.					
	Line 17 - Custody Fees, Master BNY Mellon: FYTD Budgeted in this report at 7 months.					
	Line 18 - General Investment Consultant Fees: FYTD Budgeted in this report at 7 months.					
25	Non-Investment Administrative Expenses					
26	Internal Non-Investment Expenses					
27	Salaries & Benefits	\$ 7,584,366	\$ 4,667,302	\$ 3,991,271	\$ 676,031	
28	Current Expenses	200,985	117,241	97,621	19,620	
29	Rents & Leases	465,000	308,750	258,586	50,164	
30	Equipment	24,700	14,408	30,709	(16,301)	Unanticipated equipment needs. Transfer from available prior year balance forward will be utilized to cover needs.
31	Technology-Software & Hardware	883,000	515,083	531,848	(16,765)	Timing of annual software license payment. Will balance by end of year.
32	Payroll & Other Services	50,500	29,458	37,199	(7,741)	Increased Retiree Search services required. Budget will be managed to accommodate increase.
33	Independent Med. Examiners/Consultants	234,000	136,500	107,229	29,271	
34	Retiree Health Insurance	177,900	103,775	63,636	40,139	
35	Other	491,491	286,703	187,249	99,454	
36	Subtotal Internal Non-Invest. Adm	10,111,942	6,179,220	5,305,348	873,872	
37						
38	Pension Gold Version 3 Upgrade	2,180,905	1,272,195	1,258,927	13,268	
39						
40	External Non-Investment Expenses					
41	Actuarial Fees	\$ 230,000	134,167	\$ 133,396	\$ 771	
42	Legal Fees	225,000	131,250	65,063	66,187	
43	Audit Fees	259,500	151,375	219,000	(67,625)	Expenses frontloaded in first half of year. Will balance by end of year.
44	Other Consulting Fees	129,500	75,542	63,013	12,529	
45	Insurance Expense	201,750	117,688	49,103	68,585	
46	Local Custodian	125,000	72,917	64,135	8,782	
47	Depreciation Expense	-	-	-	-	
48	Subtotal External Non-Invest. Adm	1,170,750	682,939	593,710	89,229	
49						
50	Total Non-Invest. Internal & External	\$ 13,463,597	\$ 8,134,354	\$ 7,157,985	\$ 976,369	
51						
52	Total Administrative Expense	\$ 50,055,397	\$ 29,508,255	\$ 21,070,421	\$ 8,437,834	

FY 2021 PENALTY STATISTICS BY TYPE**Assessed, Paid, Waived & Pending Penalties****Fiscal Year 2021 as of 1/31/2023**

Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	332	\$ 468,991	200	\$ 388,505	51	\$ 7,611	81	\$ 72,875
Payment Penalty	163	\$ 113,463	65	\$ 66,857	34	\$ 7,511	64	\$ 39,095
Total	495	\$ 582,454	265	\$ 455,362	85	\$ 15,122	145	\$ 111,970

FY 2022 PENALTY STATISTICS BY TYPE**Assessed, Paid, Waived & Pending Penalties****Fiscal Year 2022 as of 1/31/2023**

Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	269	\$ 346,708	158	\$ 259,506	34	\$ 13,285	77	\$ 73,917
Payment Penalty	172	\$ 118,442	70	\$ 51,212	41	\$ 14,569	61	\$ 52,661
Total	441	\$ 465,150	228	\$ 310,718	75	\$ 27,854	138	\$ 126,578

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

Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	228	\$ 399,642	81	\$ 184,168	11	\$ 4,452	136	\$ 211,022
Payment Penalty	84	\$ 90,246	20	\$ 16,471	2	\$ 16	62	\$ 73,759
Total	312	\$ 489,888	101	\$ 200,639	13	\$ 4,468	198	\$ 284,781

		New Hampshire Retirement System							As of January 31, 2023		
		Pension Gold Version 3 Upgrade									
		Total Project Lifecycle									
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		EXTERNAL COSTS									
		PG V3 Perpetual License	PG V3 Support Costs	Implementation Costs	Hardware Costs		Software Costs		Other Costs		Subtotal External Costs
					Test environment	Production environment	Commodity Software Costs	Software Licenses	Consulting Costs	Legal Costs	
1	2019 Budget	\$ 850,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 20,000	\$ 970,175
2	2019 Actual	\$ 850,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,700	\$ 6,776	\$ 919,651
3	2019 Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,300	\$ 13,224	\$ 50,524
4	2019 Comments										
5											
6											
7	2020 Budget	\$ -	\$ 170,035	\$ 2,012,751	\$ 50,000	\$ -	\$ 10,000	\$ 2,280	\$ 114,125	\$ -	\$ 2,359,191
8	2020 BUD Update			\$ (543,726)							\$ (543,726)
9	2020 Adj Budget	\$ -	\$ 170,035	\$ 1,469,025	\$ 50,000	\$ -	\$ 10,000	\$ 2,280	\$ 114,125	\$ -	\$ 1,815,465
10	2020 Actual	\$ -	\$ 170,035	\$ 1,462,054	\$ 25,717	\$ -	\$ -	\$ -	\$ 84,838	\$ -	\$ 1,742,644
11	2020 Variance	\$ -	\$ -	\$ 6,971	\$ 24,283	\$ -	\$ 10,000	\$ 2,280	\$ 29,288	\$ -	\$ 72,822
12	2020 Comments										
13											
14											
15	2021 Budget	\$ -	\$ 170,035	\$ 2,012,751	\$ -	\$ -	\$ -	\$ -	\$ 114,125	\$ -	\$ 2,296,911
16	2021 BUD Update			\$ (782,531)							\$ (782,531)
17	2021 Adj Budget	\$ -	\$ 170,035	\$ 1,230,220	\$ -	\$ -	\$ -	\$ -	\$ 114,125	\$ -	\$ 1,514,380
18	2021 Actual	\$ -	\$ 170,035	\$ 1,531,294	\$ -	\$ -	\$ -	\$ -	\$ 63,045	\$ -	\$ 1,764,374
19	2021 Variance	\$ -	\$ -	\$ (301,074)	\$ -	\$ -	\$ -	\$ -	\$ 51,080	\$ -	\$ (249,994)
20	2021 Comments										
21											
22											
23	2022 Budget	\$ -	\$ 170,035	\$ 1,070,699	\$ -	\$ 50,000	\$ 105,000	\$ -	\$ 114,125	\$ -	\$ 1,509,859
24	2022 BUD Update			\$ 662,132							\$ 662,132
25	2022 Adj Budget	\$ -	\$ 170,035	\$ 1,732,830	\$ -	\$ 50,000	\$ 105,000	\$ -	\$ 114,125	\$ -	\$ 2,171,990
26	2022 Actual	\$ -	\$ 170,035	\$ 797,012	\$ -	\$ -	\$ -	\$ -	\$ 163,626	\$ -	\$ 1,130,673
27	2022 Variance	\$ -	\$ -	\$ 935,818	\$ -	\$ 50,000	\$ 105,000	\$ -	\$ (49,501)	\$ -	\$ 1,041,317
28	2022 Comments										
29											
30											
31	2023 Budget	\$ -	\$ 170,035	\$ 1,070,699	\$ -	\$ -	\$ -	\$ -	\$ 48,500	\$ -	\$ 1,289,234
32	2023 BUD Update			\$ 134,522							\$ 134,522
33	2023 Adj Budget	\$ -	\$ 170,035	\$ 1,205,220	\$ -	\$ -	\$ -	\$ -	\$ 48,500	\$ -	\$ 1,423,755
34	2023 Actual	\$ -	\$ -	\$ 874,176	\$ -	\$ -	\$ -	\$ -	\$ 58,987	\$ -	\$ 933,163
35	2023 Variance	\$ -	\$ 170,035	\$ 331,044	\$ -	\$ -	\$ -	\$ -	\$ (10,487)	\$ -	\$ 490,592
36	2023 Comments										
37											
38											
39	2024 Budget	\$ -	\$ 389,845	\$ 1,088,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,478,121
40	2024 BUD Update			\$ 529,604							\$ 529,604
41	2024 Adj Budget	\$ -	\$ 389,845	\$ 1,617,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,007,725
42	2024 Actual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	2024 Variance	\$ -	\$ 389,845	\$ 1,617,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,007,725
44	2024 Comments										
45											
46											
47	TOTAL Budget	\$ 850,175	\$ 1,069,985	\$ 7,255,175	\$ 50,000	\$ 50,000	\$ 115,000	\$ 2,280	\$ 490,875	\$ 20,000	\$ 9,903,490
48	TOTAL BUD Update	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	TOTAL Adj Budget	\$ 850,175	\$ 1,069,985	\$ 7,255,175	\$ 50,000	\$ 50,000	\$ 115,000	\$ 2,280	\$ 490,875	\$ 20,000	\$ 9,903,490
50	TOTAL Actual	\$ 850,175	\$ 510,105	\$ 4,664,536	\$ 25,717	\$ -	\$ -	\$ -	\$ 433,196	\$ 6,776	\$ 6,490,504
51	TOTAL Variance	\$ -	\$ 559,880	\$ 2,590,639	\$ 24,283	\$ 50,000	\$ 115,000	\$ 2,280	\$ 57,680	\$ 13,224	\$ 3,412,986
52	TOTAL Comments										
53											
54	Assumptions:										
55		No costs associated with PGV2 are included in this analysis									
56		PGV3 Support Costs are at the Standard rate (as opposed to premium)									
57		Implementation Costs detailed in each year's Adjusted Budget match the payment schedule in the LRS contract, and total the not-to-exceed amount									
58		The Adjusted Budget for Internal Costs reflects the amounts included in the FY22/23 statutory administrative budget.									
59		There are no costs for hardware that may be necessary at COLO included above									
60		Consulting costs in total are set at the not-to-exceed amount set in the contract with LRWL									
61		In FY24, additional staffing costs are increased 5% over FY23									

		New Hampshire Retirement System						As of January 31, 2023	
		Pension Gold Version 3 Upgrade							
		Total Project Lifecycle							
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		INTERNAL COSTS							TOTAL PROJECT
		Additional Staffing Costs with benefits	Overtime	Current Expenses	Desktop PC's	Desks/Office Furniture	Travel	Subtotal Internal Costs	
1	2019 Budget	\$ 177,145	\$ -	\$ 40,858	\$ 2,644	\$ 2,363	\$ -	\$ 223,010	\$ 1,193,185
2	2019 Actual	\$ 155,718	\$ 3,115	\$ 1,442	\$ 2,644	\$ 2,363	\$ -	\$ 165,282	\$ 1,084,933
3	2019 Variance	\$ 21,427	\$ (3,115)	\$ 39,416	\$ -	\$ -	\$ -	\$ 57,728	\$ 108,252
4	2019 Comments								
5									
6									
7	2020 Budget	\$ 525,220	\$ 20,000	\$ 9,000	\$ 11,100	\$ 20,000	\$ 2,250	\$ 587,570	\$ 2,946,761
8	2020 BUD Update							\$ -	\$ (543,726)
9	2020 Adj Budget	\$ 525,220	\$ 20,000	\$ 9,000	\$ 11,100	\$ 20,000	\$ 2,250	\$ 587,570	\$ 2,403,035
10	2020 Actual	\$ 368,213	\$ 883	\$ 2,334	\$ -	\$ -	\$ -	\$ 371,430	\$ 2,114,074
11	2020 Variance	\$ 157,007	\$ 19,117	\$ 6,666	\$ 11,100	\$ 20,000	\$ 2,250	\$ 216,140	\$ 288,962
12	2020 Comments								
13									
14									
15	2021 Budget	\$ 624,041	\$ 20,000	\$ 9,000			\$ 2,250	\$ 655,291	\$ 2,952,202
16	2021 BUD Update							\$ -	\$ (782,531)
17	2021 Adj Budget	\$ 624,041	\$ 20,000	\$ 9,000	\$ -	\$ -	\$ 2,250	\$ 655,291	\$ 2,169,671
18	2021 Actual	\$ 374,098	\$ 12,842	\$ 1,009	\$ -	\$ -	\$ -	\$ 387,949	\$ 2,152,323
19	2021 Variance	\$ 249,943	\$ 7,158	\$ 7,991	\$ -	\$ -	\$ 2,250	\$ 267,342	\$ 17,348
20	2021 Comments								
21									
22									
23	2022 Budget	\$ 655,243	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 685,243	\$ 2,195,102
24	2022 BUD Update	\$ (55,316)					\$ 2,250	\$ (53,066)	\$ 609,066
25	2022 Adj Budget	\$ 599,927	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 2,250	\$ 632,177	\$ 2,804,167
26	2022 Actual	\$ 413,963	\$ 1,760	\$ 672	\$ -	\$ -	\$ -	\$ 416,395	\$ 1,547,068
27	2022 Variance	\$ 185,964	\$ 18,240	\$ 9,328	\$ -	\$ -	\$ 2,250	\$ 215,782	\$ 1,257,099
28	2022 Comments								
29									
30									
31	2023 Budget	\$ 688,005	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 718,005	\$ 2,007,239
32	2023 BUD Update	\$ (65,909)					\$ 2,250	\$ (63,659)	\$ 70,863
33	2023 Adj Budget	\$ 622,096	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 2,250	\$ 654,346	\$ 2,078,101
34	2023 Actual	\$ 324,785	\$ 247	\$ 732	\$ -	\$ -	\$ -	\$ 325,764	\$ 1,258,927
35	2023 Variance	\$ 297,311	\$ 19,753	\$ 9,268	\$ -	\$ -	\$ 2,250	\$ 328,582	\$ 819,174
36	2023 Comments								
37									
38									
39	2024 Budget	\$ 722,405	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 727,405	\$ 2,205,526
40	2024 BUD Update	\$ (69,204)						\$ (69,204)	\$ 460,400
41	2024 Adj Budget	\$ 653,201	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 658,201	\$ 2,665,926
42	2024 Actual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	2024 Variance	\$ 653,201	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 658,201	\$ 2,665,926
44	2024 Comments								
45									
46									
47	TOTAL Budget	\$ 3,392,059	\$ 80,000	\$ 83,858	\$ 13,744	\$ 22,363	\$ 4,500	\$ 3,596,524	\$ 13,500,014
48	TOTAL BUD Update	\$ (190,429)	\$ -	\$ -	\$ -	\$ -	\$ 4,500	\$ (185,929)	\$ (185,929)
49	TOTAL Adj Budget	\$ 3,201,630	\$ 80,000	\$ 83,858	\$ 13,744	\$ 22,363	\$ 9,000	\$ 3,410,595	\$ 13,314,085
50	TOTAL Actual	\$ 1,636,777	\$ 18,847	\$ 6,189	\$ 2,644	\$ 2,363	\$ -	\$ 1,666,820	\$ 8,157,324
51	TOTAL Variance	\$ 1,564,853	\$ 61,153	\$ 77,669	\$ 11,100	\$ 20,000	\$ 9,000	\$ 1,743,775	\$ 5,156,761
52	TOTAL Comments								
53									
54	Assumptions:								
55		No costs associated with PGV2 are included in this analysis							
56		PGV3 Support Costs are at the Standard rate (as opposed to premium)							
57		Implementation Costs detailed in each year's Adjusted Budget match the payment schedule in the LRS contract, and total the not-to-exceed amount							
58		The Adjusted Budget for Internal Costs reflects the amounts included in the FY22/23 statutory administrative budget.							
59		There are no costs for hardware that may be necessary at COLO included above							
60		Consulting costs in total are set at the not-to-exceed amount set in the contract with LRWL							
61		In FY24, additional staffing costs are increased 5% over FY23							

FY 2023 Action Plan Summary

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

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

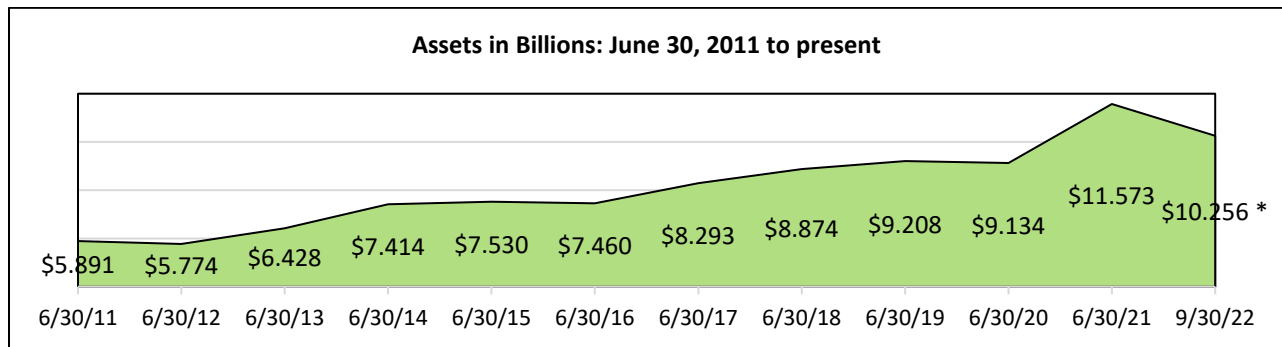
NHRS DASHBOARD: FY 2023 First Quarter

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

Updated: January 2023

TRUST FUND

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



* Unaudited

INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 9/30/22*	1 yr. at 6/30/22	3 yr. at 6/30/22	5 yr. at 6/30/22	10 yr. at 6/30/22
Total Fund Composite	-3.4%	-6.1%	7.1%	7.2%	8.5%
Peer comparison (percentile)	NA	34th	35th	36th	18th

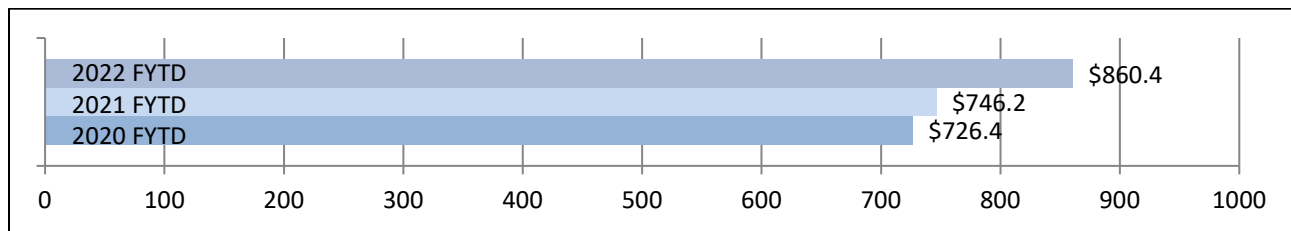
Assumed Rate of Return: 6.75%; * Annualized; valuation of real estate and alternative investments lagged three months

KEY PERFORMANCE MEASURES

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

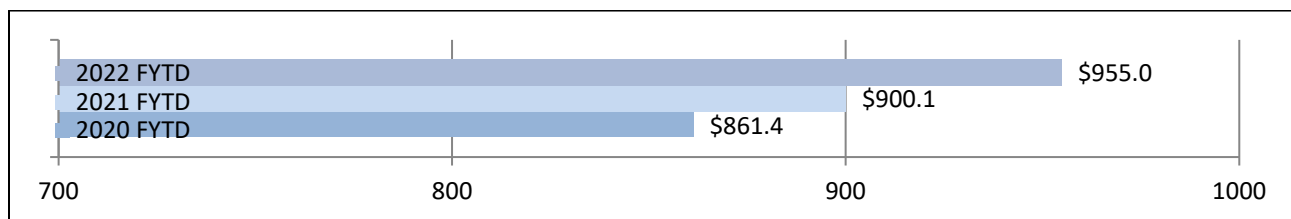
Target: 95%

CONTRIBUTIONS (in millions through 6/30*)



* 9/30 data is unavailable

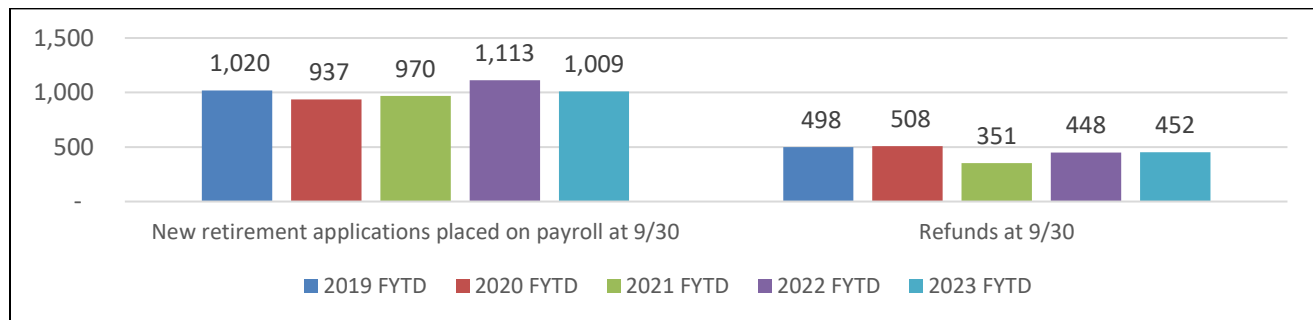
BENEFITS PAID (in millions through 6/30*)



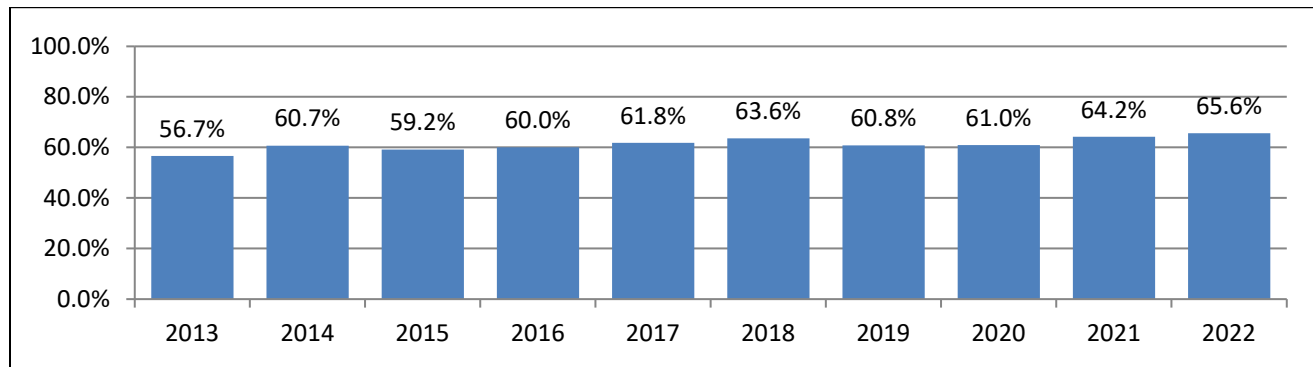
* 9/30 data is unavailable

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

RETIREMENTS AND REFUNDS

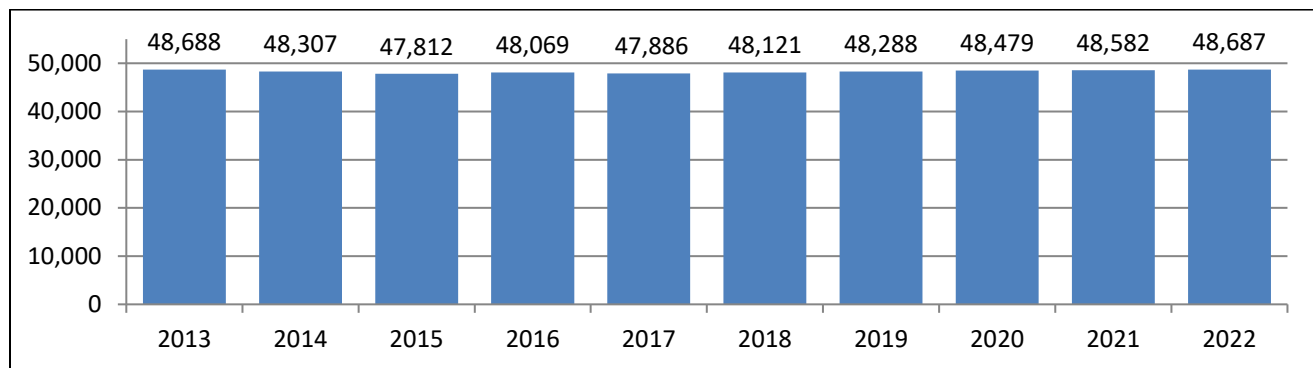


ACTUARIAL FUNDED RATIO

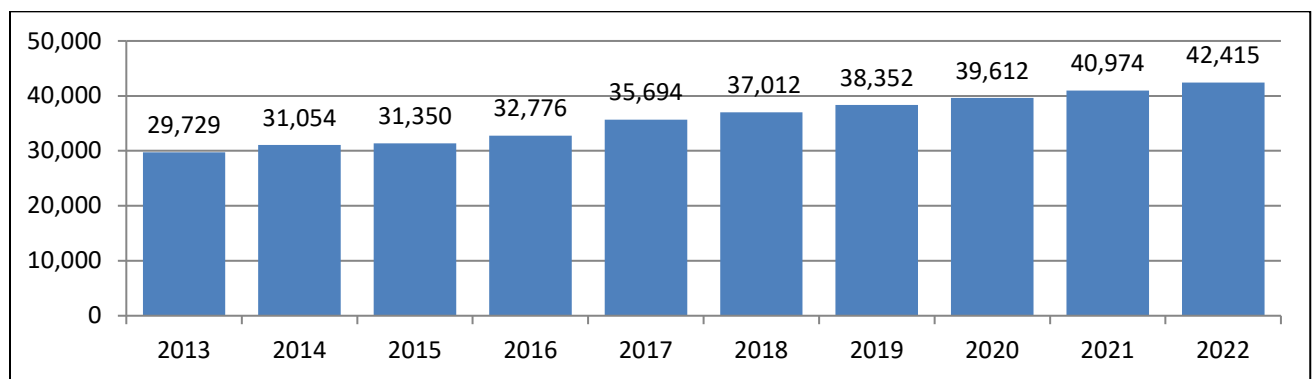


Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions effective in 2015 and 2019

ACTIVE MEMBERS



RETIREEES & BENEFICIARIES





NHRS

New Hampshire Retirement System

To: Board of Trustees

From: Rosamond Cain, Director of Human Resources

Date: March 14, 2023

Re: HR Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- NHRS currently has three staff openings, Retirement Generalist, Investment Operations Analyst, and an Imaging Specialist.
- Both the IT Director, John Laferriere and the Controller, Jennifer Gordon, have joined NRHS. We currently have temp staff in both the Finance Department and Member Services assisting with daily tasks so staff can focus on PGV3.

Current Month Highlights

- HR met all four HR KPMs last month.
- HR is working with ADP on transitioning staff payroll.

Upcoming Plans & Projects

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

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

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 02/01/2022, five staff members and three managers are currently participating.
3. Complete data remediation in accordance with DRAPP.	RC/FC	6/30/23	Ongoing.
4. Assist in monitoring and maintaining PGV3 Staffing levels to keep the project on time and budget.	RC/ET/MT	6/30/23	Ongoing.
5. Monitor and maintain staffing levels for the NHRS Contact Center.	RC/ED/NC/DH	6/30/23	Ongoing.
6. Continue to assess pandemic threat levels and adapt office protocol appropriately.	RC/ED/ET/MT	6/30/23	Ongoing.
7. Ensure compliance with all federal, state, and CBA rules and regulations	RC/JG/Legal	6/30/23	Ongoing.
8. HR Tech. to identify and enroll in a professional development program	JG/RFC	9/30/22	Program identified and enrolled in.
9. HR Mgr. to identify, enroll in, and complete a professional development program.	RFC/ED	9/30/22	Program identified and enrolled in.

To: Board of Trustees

From: Tim Crutchfield

Date: March 2, 2023

Re: Legal Team Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Legal staff issued its initial round of administrative penalty letters to employers who are delinquent in making audit corrections. Additional employers are being identified for the next round of letters.
- Last month, NHRS, through external counsel, filed a Motion to Dismiss in Coos County Superior Court in response to a petition by five Department of Corrections employees who claimed that both NHRS and the NH Department of Personnel erred in not reclassifying their positions from Group I to Group II until January 2020 when authorized by legislation passed in 2019. The Department of Personnel filed a similar Motion to Dismiss through the Attorney General's Office.

Current Month Highlights

- Over the past 12 months, the Employer Audit Team has completed 41 standard and 22 GASB audits. There are eight standard audits in process, covering approximately 621 members.
- Seven of the eight Legal KPMs this month were achieved. The missed KPM was regarding the failure to achieve a rolling average of two employer audits per experienced auditor per month over the prior 12-month period due to competing priorities with PGV3 testing. Actual performance was .25 below the benchmark.
- By February 15, all employers were to provide CY 2022 information regarding NHRS retirees on their payroll, including hours worked and compensation paid. As of March 1, 110 employers had not yet reported. Follow-up emails were sent on February 28. Atty. Cavanaugh will review the information to confirm compliance with the limit on retiree work hours.

Upcoming Plans & Projects

- The CY 2023 Gainful Occupation notices will be mailed by March 15.

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
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
May '22	7	1	1	7
April '22	7	0	0	7
Mar. '22	9	1	3	7
Totals		12	13	

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
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
May '22	0	1	0	1
April '22	0	0	0	0
Mar. '22	0	0	0	0
Totals		1	0	

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

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Review 100-A and propose recommended technical changes.	TC/MK	9/30/22	In process. Board approved recommended technical changes at its 8/9/22 meeting. The House voted Ought to Pass on 2/14/23.
2. Conduct and document annual review of NHRS legal and governance policies, procedures, and manuals to assure best practices.	TC	12/31/22	Completed. The annual Governance Manual revisions were approved at the January Board meeting.
3. Update the annual compliance calendar to ensure statutory compliance in all organizational areas.	TC	12/31/22	Completed.
4. Ensure annual compliance with the Voluntary Correction Program Policy.	TC	3/31/23	To be completed by 3/31/23.
5. Assure legal compliance with all legislative proposals adopted and effective in 2022.	TC	6/30/23	Completed.
6. Review NHRS website for legal compliance with updates as needed.	TC/MK	6/30/23	Ongoing.
7. Identify, enroll, and complete a professional development program.	TC	6/30/23	To be completed by 6/30/23.



NHRS

New Hampshire Retirement System

To: Board of Trustees

From: Marty Karlon

Date: March 1, 2023

Re: Communications/Legislative Affairs Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Monitoring bills related to NHRS introduced in 2023 legislative session; as of March 1, 16 bills remained active and five have been killed or retained in committee.

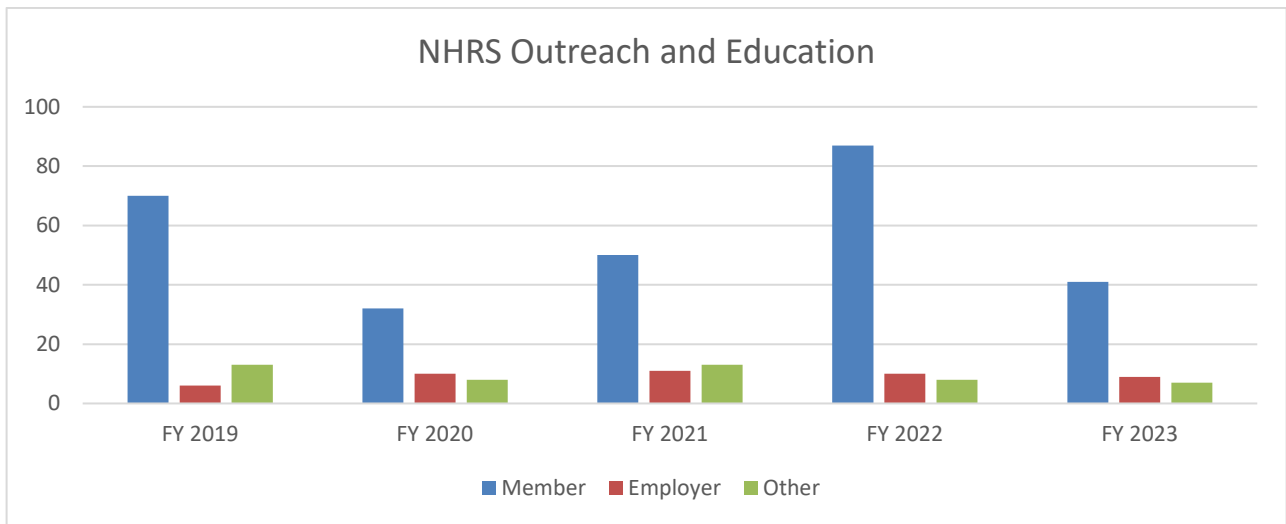
Current Month Highlights

- Hosted three “NHRS 101” overview presentations in February and early March.
- Hosted or participated in six, member education events and one employer education event.
- Scheduled additional Group I education sessions during February school vacation week (2/27-3/3).
- All seven of PIO KPMs were met this month.

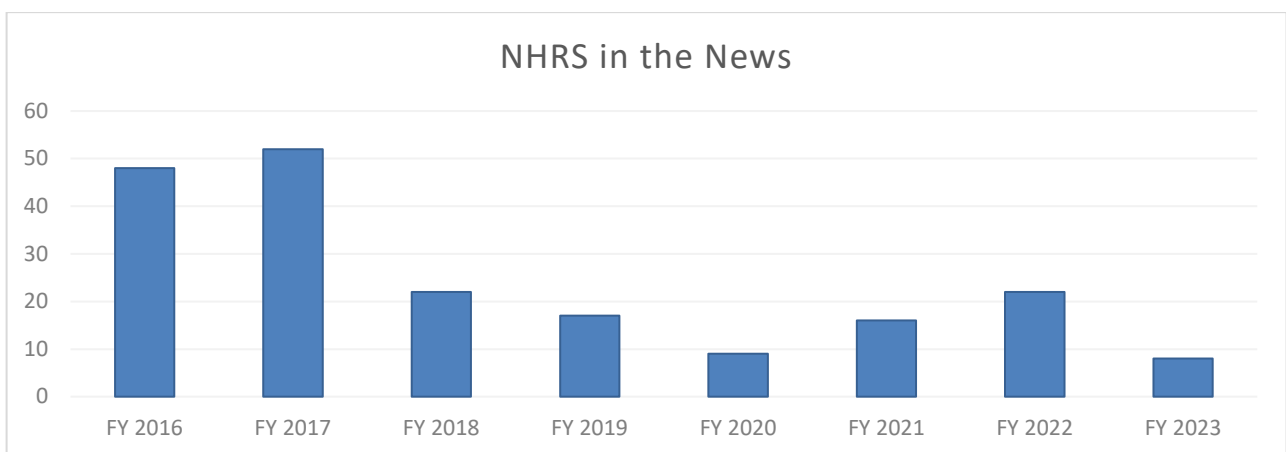
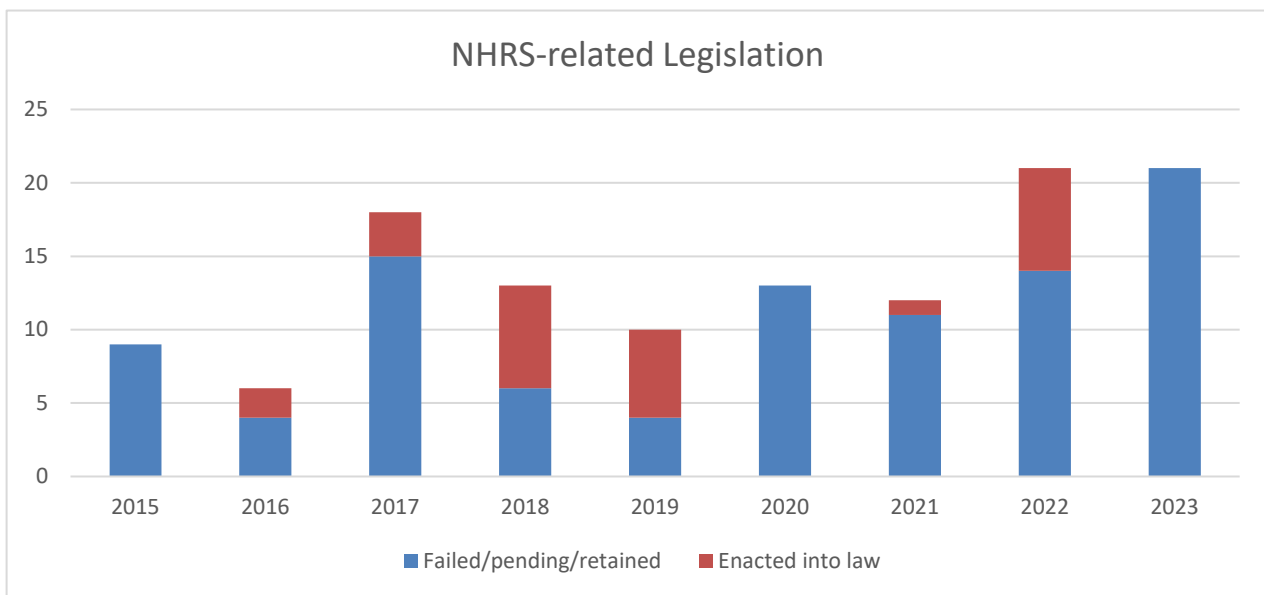
Upcoming Plans & Projects

- Scheduled to host or participate in seven, member education events in February.
- Scheduled to give “NHRS: Past, Present, and Future” presentation at State Employees Association event.
- Finalize PGV3 employer training schedule for summer/fall.

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



“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.

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

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. In collaboration with the Finance team and PGMV3 Project Manager, create PGMV3 employer training and communication plans and hit all FY 23 deliverable dates on time. *	MK / C. Minervini	6/30/23	Ongoing. Developed 2023 employer training schedule. <i>Note: The project runs into FY 24 and will roll over into next year's action plan.</i>
2. Maintain ongoing internal and external communications for overall PGMV3 project. *	MK	6/30/23	<i>Note: The project runs into FY 24 and will roll over into next year's action plan.</i>
3. Maintain positive and constructive working relationship with the NH Legislature. *	MK	6/30/23	Ongoing. NHRS technical correction legislation adopted by House on 2/22/23.
4. Grow calendar year-over-year audience for social media channels by 10-15%.	MK / PIO staff	6/30/23	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 PGMV3 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: March 16, 2023

Re: Information Technology Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Cybersecurity Awareness Updates – There were two (2.5%) failures on the phishing test in February. Additional training was provided for those who failed.
- Completed the February penetration test, resulting in 2 critical, 5 high, and 1 medium findings. All findings have been remediated or accepted.
- SecureWorks Platform Upgrade – Improves detection and response; there were no service interruptions.
- Office 365 – Email upgrade to cloud completed. Entire NHRS organization has been migrated to Office 365; all premise hardware will be decommissioned by end of month.
- The Dell Storage Upgrade – Installation and configuration completed. New storage is now in production.
- Microsoft Teams Migration – Currently testing the product for an office-wide migration.
- Generator Replacement – Bringing in a temporary generator to mitigate risk and obtaining quotes for a generator replacement.
- PensionGold V3 Technology – Currently investigating Cloud-based alternatives for production and test environments.
- Copiers – Received pricing for new copiers, reviewing lease vs buy options.

Current Month Highlights

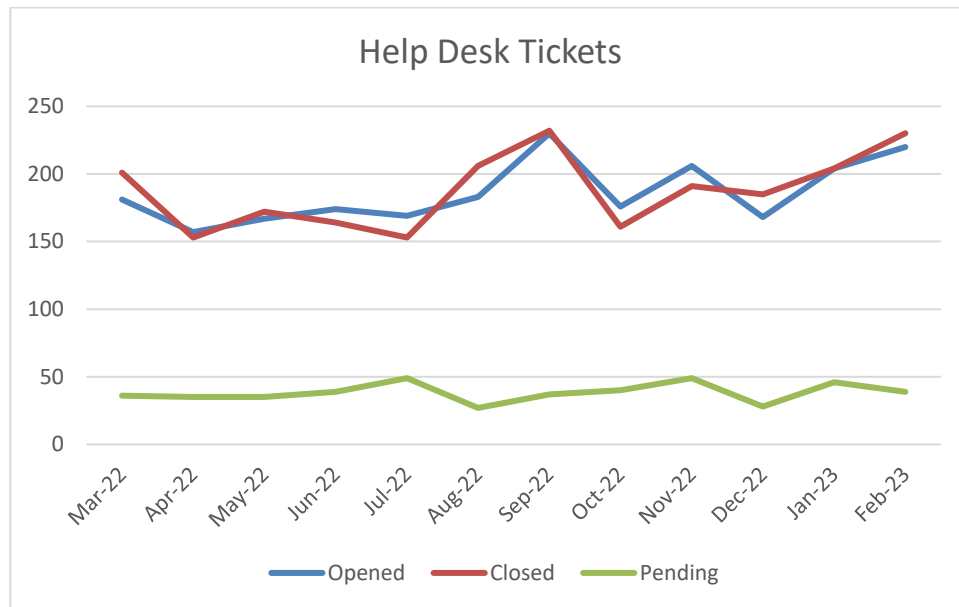
- IT Customer Satisfaction Score – 99%
- KPMs – IT met all 8 of its KPMs.

Upcoming Plans & Projects

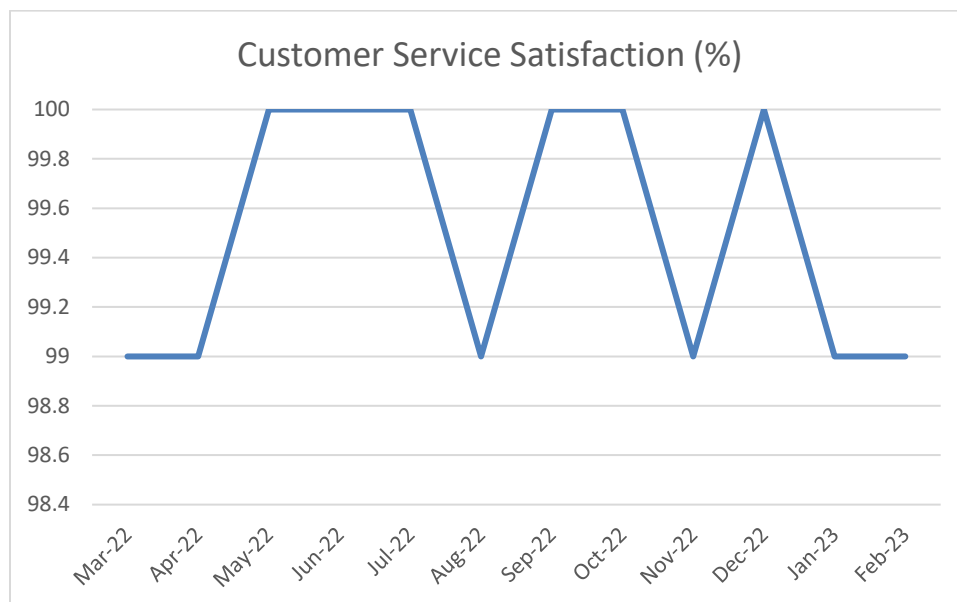
- Deploy secure wireless access points.
- Install fault-tolerant internet connection.
- Investigate Cloud-based options for existing PBX phone system.
- Review current Disaster Recovery environment and provide alternatives.

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

NHRS Helpdesk Ticket Information by Month



NHRS Customer Satisfaction Scores by Month



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

FY 2023 Action Plan Summary

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

8. Upgrade network switches for server infrastructure.	JL, JO	06/30/2023	Started.
9. Upgrade the existing network bandwidth from 500MB to 1000MB.	FC	08/31/2022	Completed 7/1/2022.
10. Identify, enroll, and complete a professional development program.	JB	06/30/2023	Secureworks Security Trends webinar.
11. Replace existing emergency generator	JL, CM	06/30/2023	Started
12. Install fault tolerant Internet connection	JL, JO	06/30/2023	Started
13. Install corporate Wireless access points throughout building	JL, CM	06/30/2023	Started

**New Hampshire Retirement System
Board Meeting**

**Consent Agenda
Tuesday, March 14, 2023**

Disability Application Recommendations

1. M.A. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 20 years and 7 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
2. D.D. Grant ordinary disability retirement (ODR) to this group I member who worked for a political subdivision and has 22 years and 4 months of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties due to a medical condition.
3. P.D. Grant ordinary disability retirement (ODR) to this group I member who worked for the State of New Hampshire and has 17 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.
4. B.M. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 4 years and 7 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.

Administrative Recommendations

5. Burns, R., et al. Recommend that the Board of Trustees uphold the Notices of Contribution and Earnable Compensation Adjustment issued by NHRS Staff; deny and grant the Petitions for Contribution and Earnable Compensation Adjustment filed by the Petitioners consistent with the recommendation.
6. Perry, D. Recommend that the Board of Trustees waive the 2023 gainful occupation offset for excess earnings in 2021.

Trustee Travel

No Travel Requests Submitted



To: NHRS Board of Trustees
From: Jan Goodwin, Executive Director
Date: February 28, 2023
Re: February 14, 2023 - Action Items
Item: Action: ☐ Discussion: ☐ Informational: ☒

1. Provide the FY22 GASB 68/75 reports to the Board in March. MM
Action: On the March agenda.
2. Provide certified 7.5% state contributions for the remaining employers to the State Treasurer. MM
Action: In process; two employers still to be certified as of 2/2.
3. Finalize the Segal contract extension. JG
Action: On hold pending review of additional LRS resources.
4. Provide NASRA presentation to NHRS website. MK
Action: Completed.
5. Implement Board decisions on the Consent Agenda. DC
Action: Completed.
6. Seek legislative appropriation for funding call firefighter benefits. MK/MM
Action: In progress.

BOARD CHECKPOINT DISCUSSION

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

January 10, 2023, to March 14, 2023

At the January 10, 2023, regular monthly meeting of the NHRS Board of Trustees, the Board received an update on the PGV3 project from Executive Director Jan Goodwin; she noted NHRS and LRS, the Pension Gold (PGV3) software provider, are working together on an orientation plan for parallel processing, which is set to begin in October.

The Board voted unanimously to accept the recommendation of the Governance Committee to renew the annual fiduciary insurance coverage with Hudson Insurance Company.

At the February 14, 2023, regular monthly meeting, the Board received a presentation from NASRA Research Director Keith Brainard, who provided an overview of the retirement landscape, beginning with a comparative analysis of public versus private sector retirement benefits in the United States. He proceeded to give a comprehensive overview of the variation of funding levels in public pensions, public pension revenue resources, assumptions, and statistics, and lastly, an explanation of amortization policies and periods.

The Board thanked Trustee Chris Coates (county employer member) for his time on the Board, which began in 2018. Trustee Coates stepped down because of time constraints related to his position as Cheshire County administrator and numerous boards and commissions he serves on.

At the March 14, 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 administration system upgrade project (PGV3), which will replace the current 19-year-old system (PGV2) NHRS is currently using. The project is XX% 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>



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 – April 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 March 31, 2023:

- Twenty-one LSRs related to the retirement system were introduced, XX of which remain active in the House or Senate.
- Following an RFP process, the Audit Committee of the Board voted unanimously in February to contract with incumbent auditor Plante Moran for an additional five years of external audit services.
- The multi-year upgrade of the NHRS pension database (“PGV3”), which began in January 2019, is now XX% complete.
- *Pending - Board action expected on GASB reports at March meeting.*

In addition to this cover letter, the report contains:

- An executive summary of NHRS Board and staff activity from January through March.
- The minutes of the following Board meetings: January 10, 2023; February 14, 2023; March 14, 2023 (draft).
- Investment information on Total Fund through December 31, 2022, which is the most recent data available.
- Monthly investment information through February 28, 2023, which is the most recent data available.
- 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

CY 2023 BOARD ACTION CALENDAR

JANUARY

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

FEBRUARY

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

MARCH

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

APRIL

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

MAY

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

JUNE

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

JULY

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

AUGUST

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

SEPTEMBER

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

OCTOBER

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

NOVEMBER

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

DECEMBER

Date	Board Action Items	Requirement	Responsible Party
12/12/23	Audited ACFR to Audit Committee	RSA 100-A:15, VI(a)	External Auditor

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

New Hampshire Retirement System Board of Trustees
As of February 17, 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

Maureen Kelliher, Dover
June 18, 2014, to July 13, 2022
Non-member Trustee

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

Robert Maloney, Holderness
July 27, 2018, to July 13, 2021
Non-member Trustee

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

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

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

Monica Mezzapelle, Concord
January 6, 2021, to January 3, 2023
State Treasurer

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

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

Donald M. Roy, Jr., North Hampton
July 13, 2011, to July 13, 2022
NH School Boards Association

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

Committee	Audit	Benefits	Governance	Legislative	PPCC	Investment
Staff Liaison	Heather Hoffacker	Timothy Crutchfield/ Nancy Miller	Timothy Crutchfield	Marty Karlon	Rosamond Cain	Raynald Leveque
VACANT						
Frederick, Jon			X	X		
Hannan, Sue				X	X-Ch	
Kelliher, Maureen	X					X-Ch
Lesko, Tim	X				X	
Maloney, Robert			X		X	
Martineau, Andrew		X		X		
Martins, Germano	X	X-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	3/5	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 February 21, 2023**

Sponsor	Program	Description
<p>(NCPERS) National Conference on Public Employee Retirement Systems www.ncpers.org</p>	<p>2023 Annual Conference & Exhibits (ACE) May 21-24, 2023 New Orleans, LA</p> <p>NCPERS Accredited Fiduciary (NAF) & Trustee Educational Seminar (TEDS)* May 20-21, 2023 (Runs concurrently with ACE) Modules 1 & 2, 3 & 4</p>	<ul style="list-style-type: none"> ▪ Sharpen skills to advocate for public pension members to policymakers. ▪ Hear from lawmakers, House Ways & Means Committee, Senate Finance Committee and Treasury Department. ▪ Good for all Trustees, administrators, state and local officials, staff, financial and union officers, and public pension plan members. ▪ New Trustees session occurs immediately before conference. ▪ For Trustees with at least five-years of experience. Trustee Education Seminar (TEDS)* is a pre-requisite. ▪ Earn continuing education credits. ▪ Strengthen knowledge of pensions and governance.
<p>(NASRA) National Assn. of State Retirement Administrators www.nasra.org</p>	<p>2023 Annual Conference August 5-9, 2023 Broomfield, CO</p>	<ul style="list-style-type: none"> ▪ Hear from leaders in the retirement field on a variety of subjects including investment management, world events relative to the pension industry, economy, and trends.
<p>(CII) Council of Institutional Investors www.cii.org</p>	<p>2023 Fall Conference September 11-13, 2023 Long Beach, CA</p>	<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.
Callan www.callan.com	2023 Callan National Conference April 2-4, 2023 Scottsdale, AZ	<ul style="list-style-type: none"> ▪ Topics include Best Practices for Evaluating Managed Accounts; Opportunities in Private Assets; and Callan's Search for the Holy Grail: The Keys to Identifying Total Plan Costs; and Market Intel Live!
(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> <p>Advanced Trustees & Administrators Institute June 19-20, 2023 San Diego, CA</p> <p>Certificate of Achievement in Public Plan Policy (CAPPP) Pensions Part I & II*</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. ▪ Agenda TBA. ▪ Ideal for Trustees and Plan administrators who've served less than two years and seek to network and learn about the latest industry trends, legal and regulatory changes, and best practices on how to address current challenges. ▪ Agenda TBA. ▪ For all-level Trustees. ▪ Pension-related topics include actuarial principles, fiduciary responsibility,

	<p>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>	<p>governance, legal, legislative, & regulatory developments.</p> <ul style="list-style-type: none"> ▪ Gain comprehensive knowledge of public employee plan management and learn targeted information to aid in policy-making decisions.
<p>(NCTR) National Council on Teacher Retirement www.nctr.org</p>	<p>NCTR's 101st Annual Conference October 7-11, 2023 (Registration opens in June) La Jolla, CA</p>	<ul style="list-style-type: none"> ▪ Ideal for all pension system staff, members, and key stakeholders. ▪ Agenda TBD.

NHRS Abbreviations and Acronyms

BENEFITS

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

BUSINESS OPERATIONS/VENDORS

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

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

GENERAL

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

IT

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

LEGISLATIVE

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

OTHER

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

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