

NEW HAMPSHIRE RETIREMENT SYSTEM

BOARD MEETING

Tuesday, May 9, 2023

Agenda

Videoconference 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 April 11, 2023		
	(Action Expected)		
10:40 a.m.	3. Standing Committee Reports		
	• Audit	(N/A)	M. Mezzapelle
	o FY 24 Audit Plan		
	• Governance	(P. 9)	D. Roy
	• Investments	(P. 10)	M. Kelliher
	o IIC Monthly Report		
	o Callan Monthly Review (3/31/23)		R. Leveque
	• Legislative	(P. 21)	K. Merrifield
	• Benefits	(P. 26)	G. Martins
	• PPCC	(P. 27)	S. Hannan
11:15 a.m.			
	4. Operating Reports		
	• Executive	(P. 28)	J. Goodwin
	o FY 24 Strategic Plan		
	o Draft FY 24 Trust Fund Budget		
	o Contracts		
	• Finance	(P. 56)	M. Mullen
	• Human Resources	(P. 66)	R. Cain
	• Legal	(P. 68)	T. Crutchfield
	• PIO	(P. 71)	M. Karlon
	• IT	(P. 75)	J. Laferriere
	• Investments	(P. 78)	R. Leveque
	• Member Services	(P. 81)	N. Miller
11:45 a.m.	5. Consent Agenda	(P. 84)	T. Lesko

(Action Expected)

11:50 a.m.	6.	Trustee Travel	(P. 85)	T. Lesko
11:55 a.m.	7.	Action Items – April 11, 2023	(P. 86)	J. Goodwin
12:00 p.m.	8.	Board Checkpoint Discussion	(P. 87)	T. Lesko
12:05 p.m.	9.	Adjournment		T. Lesko
	10.	Informational Materials	(P. 88)	

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

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

<https://www.nhrs.org/meetings-events/event/2023/05/09/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 – April 11, 2023

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

Board of Trustees

April 11, 2023

DRAFT Public Minutes

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

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

Absent: *Trustee Andrew Martineau.*

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

Guests: *Jack Blonski, LRS Senior Project Manager; and Shawn Farris, LRS Senior Manager.*

Chair Tim Lesko called the April 11, 2023, regular meeting of the NHRS Board of Trustees to order at 10:00 a.m., and after establishing a quorum, Chair Lesko called for a vote to approve the minutes of the March 14, 2023, Board meeting. On a motion by Trustee Hannan, seconded by Trustee Roy, the Board voted to approve the meeting minutes, with Trustee Jon Frederick abstaining.

Trustee Mezzapelle began her report of the Audit Committee, which met earlier this morning, stating the Committee heard internal audit updates, and noted the outstanding audits on the internal audit tracker, adding that several items have been put on hold while parallel processing for Pension Gold Version 3 (PGV3) takes priority. She mentioned the Audit Plan, noting the commencement of work on the FY 23 GASB Census Data Audit. The Committee reviewed the updated data risk management information and items for the FY 24 Audit Plan, which the Committee will vote on at its May meeting. In closing, Trustee Mezzapelle reported the Committee heard from Finance Director Marie Mullen regarding the FY 22 opportunities letter from Plante Moran and that the recommended changes would be implemented by the fiscal year end.

Trustee Roy reported on the Governance Committee, noting it met on March 6 and reviewed proposed staff revisions to the Voluntary Compliance Program (VCP) Policy regarding the required minimum distributions resulting from the recently passed federal legislation, SECURE 2.0. He noted the System's external legal counsel, Groom Law Group, also reviewed the revisions to the Policy. The Committee voted unanimously to recommend to the full Board that it adopt the proposed revisions. On a motion by Trustee Maloney, seconded by Trustee Roy, the Board voted unanimously to accept the recommendation of the Governance Committee to approve the revisions to the VCP Policy, as presented.

Trustee Kelliher gave her report on the March 14, 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 January 31, 2023, review. He gave updates on holdings within the NHRS portfolio, rebalancing, liquidity, and the Russian holdings, as well as the status of Silicon Valley Bank (SVB) and Signature Bank, which NHRS holds minimal exposure to, and staff continues to monitor the situation and will report to the Committee as needed. Trustee Kelliher reported that the Committee discussed and voted unanimously to recommend revisions to the NHRS Proxy Voting Policy to the Board of Trustees.

She stated the Committee unanimously voted to extend the contract with Manulife for a five-year term through February 2028. Manulife, who manages \$200 million in a fixed income strategy for the System, gave a presentation at the Committee's March meeting as part of its contract renewal. Also at the March meeting, the Committee heard two other presentations, one from BlackRock on geopolitical risks, and the other from Morgan Stanley on global macroeconomics and its view on asset allocations. A Trustee inquiry on rising interest rates led to a brief discussion on the System's fixed income allocation and rebalancing plan.

Trustee Kelliher then turned to Mr. Leveque, who reported on the NHRS performance as of February 28, 2023, noting the Total Fund return for the month was -1.57%, down one basis point from the policy benchmark of -1.56%. NHRS's FY 23 total fund performance fiscal year-to-date (FYTD) outperformed the policy benchmark by 146 basis points, with positive returns for 3-, 5-, and 10-year periods. He noted the long-term performance of the last 12 months, with the System outperforming the benchmark by 360 basis points. He gave an update on the rebalancing, anticipating it will be completed in April 2023. Mr. Leveque closed his report with a review of the NHRS during the fourth quarter 2022, noting positive performance of the five-year attribution analysis versus policy benchmark for the total plan. On a motion by Trustee Quigley, seconded by Trustee Provost, the Board voted unanimously to approve the recommendation of the IIC to approve the revisions to the Proxy Voting Policy, as presented.

Trustee Merrifield began the report of the Legislative Committee, which met April 4, noting the Committee heard a presentation on legislative activity from Director of Communications and Legislative Affairs Marty Karlon. Trustee Merrifield gave a synopsis of three bills that will be included as part of House Bill (HB) 2, the budget trailer bill. They are HB 50, a one-time appropriation of \$50 million toward the System's unfunded liability in FY 23; HB 436, the adjustment of benefits for Group II, Tier B members; and HB 571, a one-time payment to retired Group II members or their beneficiaries who have been retired for more than 10 years. He then turned to Mr.

Karlon, who provided an update on the most recent legislative action, including the System's legislative cleanup bill, HB 193, which the House ED & A Committee voted to recommend as ought to pass (OTP), with the Senate to vote on the bill this week. Mr. Karlon then gave an explanation on HB 1587, a bill passed last year that modified the average final compensation for certain Group II members and required the Board of Trustees to certify the actuarial costs associated with the modification. He referenced his memo and a letter from GRS, the System's actuary, as presented in the Board materials. Trustee Mezzapelle, State Treasurer, clarified that there was nothing noted by law that would require her to recuse herself from voting on the matter and on a motion by Trustee Merrifield, seconded by Trustee Hannan, the Board voted unanimously to certify the amount of \$42.9 million, as determined by GRS per HB 1587, in order for the Director of Finance to initiate a request for reimbursement, as presented.

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

Trustee Hannan reported on the PPCC, which met on March 22 and April 10. At the March meeting, the Committee reviewed the Executive Director evaluation process and heard staffing updates on open positions from Director of Human Resources Rosamond Cain and the status of temporary staff who are assisting with the PGV3 project. During its April meeting, the PPCC voted on the March meeting minutes and then entered non-public. At approximately 10:24 a.m., Trustee Hannan requested the Board enter non-public session. Chair Lesko asked for a motion that the Board enter non-public session, under RSA 91-A:3 II(c) to discuss matters that would likely adversely affect the reputation of a person other than a member of this public body. On a motion by Trustee Maloney, seconded by Trustee Martins, the Board voted unanimously by roll call vote to go into non-public session. On a motion by Trustee Mezzapelle, seconded by Trustee Kelliher, the Board voted unanimously on a roll call vote to conclude the non-public session at approximately 10:32 a.m. No action was taken during the non-public session.

Chair Lesko opened the return of the public session by welcoming NHRS's IT Project Manager Tracy Knight and the lead Pension Gold Version 3 (PGV3) representatives from Levi, Ray & Shoup (LRS), the software vendor for Pension Gold, to present on Parallel Processing. Parallel Processing, which involves staff entering data into the current system and the new system simultaneously, begins in October. Executive Director Goodwin introduced Jack Blonski, LRS Senior Project Manager; and Shawn Farris, Senior Manager, Implementations, who each spoke briefly of their history of working at LRS and with NHRS on PGV3. Mr. Farris provided an explanation of Pension Gold (PG), the software NHRS uses daily to manage important tasks such as calculating member benefits, service purchase credits, benefit payroll, and facilitating employer reporting. NHRS has been using PGV2 for about 20 years. He noted that since January 2019, LRS and NHRS have been working together to design and test various deliverables of PGV3 to help improve and streamline the System's daily operations. Ms. Knight then presented an overview of the project and what improvements NHRS will see in PGV3, including enhanced security and self-service capabilities for members, ease of processes, and better workflow for staff. Mr. Blonski provided the key components necessary to execute parallel processing, as well as the posed risks and how to mitigate them. Ms. Knight closed the presentation with the expectations after NHRS goes live with PGV3 in December and noted the 12-month warranty period on the PGV3 software and the continued support available from LRS.

Chair Lesko thanked Ms. Knight and the LRS representatives for an informative presentation and with no further discussion, turned to Ms. Goodwin to begin the Operating Reports. Ms. Goodwin opened her Executive operating report with the KPMs, which came in at 97.59% for the month, with two failed KPMs agencywide, and mentioned the 12-month rolling average, which ranks well above the 95% benchmark. She gave the latest update on the PGV3 project, noting it is 76% complete, with Deliverable 6 (D6) (Year-End Processes, Auditing, and Security) at 95% complete. She stated D7 (Member Direct-MyAccount) is 11% complete; meetings are underway on the design review for this deliverable; and staff continues to work on the final, identified workflow. Ms. Goodwin reported on the progress of the employer XML test files, noting that staff is reviewing them to ensure they work in the new system. She mentioned ongoing meetings with LRS in preparation for parallel processing and identified HB 436, which could potentially delay parallel processing, if passed.

She informed Trustees of a five-year contract she approved in accordance with the Procurement Policy to lease four copiers at \$5,802 per year. She gave an update on the Contact Center, which continues to achieve its monthly goal of answering phone calls within 2 minutes, and less than a 5% abandon rate. Ms. Goodwin affirmed the positive responses she receives from her monthly calls to members, employers, and retirees. She then gave an overview of two sole-source contracts, one from Investments for up to two additional Bloomberg terminals and one from IT for a new generator. On a motion by Trustee Hannan, seconded by Trustee Roy, the Board voted unanimously to approve the procurement of goods and services as presented in the Board materials, subject to contract and legal review, as presented Ms. Goodwin closed her report with her action plan, noting four of her five items are in process as planned, with the fifth item on hold due to competing interests with PGV3.

Following her report, a brief discussion ensued on the breadth and depth of the PGV3 project, as well as consideration of the 12-month warranty after its implementation.

Director of Member Services Nancy Miller updated the Board on her department, noting its continued work on PGV3 and preparations for parallel processing. She informed the Board that the vacant position in Member Services was filled this week. She reported that the adjusted payments for those retirees whose taxes were under-withheld in January will be made in April's payroll. Ms. Miller noted her department met all 21 of its KPMs in March. Lastly, she mentioned she has a team in place to manage the increased volume associated with July retirement filings and noted her updated action plan.

A Trustee inquiry on filing for retirement led to a robust discussion of the topic, including the availability of information to members about when and how to file, and the options and requirements for disability retirement.

Director of Finance Marie Mullen gave her Finance report, noting her department's achievement of meeting 10 of the 15 KPMs in March, adding that three of the 15 KPMs were not applicable. Of the two missed KPMs, one had to do with banking reconciliation and was missed because Finance was training a new staff member on the process, and the second was relative to employer account reconciliation and was missed because Finance had not received payment from two employers for timely completion. She commented on cash flows for February 2023 and FYTD, which were each in the expected range and mentioned receipt of State reimbursement from the general fund of \$10,792,000.00 in March for the legislation passed last year for the one-time \$500 COLA payment. She reported the 2023 FYTD spending is below budget, noting several categories that are overbudget because they relate

to quarterly and annual expenses, and expects those areas to resolve by fiscal year end. Ms. Mullen reviewed the PGV3 budget, noting spending is below budget FYTD and overall. In closing, she reported everything is on track or completed on her action plan, aside from a couple of items that are on hold and another item that is not applicable.

Ms. Cain opened her report with the work her department is doing with the new payroll vendor, ADP, in time for the May 5 “go-live” date. She mentioned that the System reached out to a new consultant to obtain a quote for assisting NHRS with the job evaluation process and anticipates having a proposal for the Board next month. Ms. Cain commented that NHRS used to work with the Hay Group and implemented its review and redesign method about 20 years ago. The System seeks to update and streamline assessing positions with appropriate salaries into the wage schedule.

Deputy Director and Chief Legal Counsel Tim Crutchfield began his Legal report with a status update on the ongoing lawsuit filed by five Department of Corrections’ employees who believed they should have been reclassified from Group I to Group II approximately 20 years ago. The System awaits a hearing date on the matter. Mr. Crutchfield reported that Legal met seven of its eight KPMs this month, noting the one missed KPM, relative to the average number of employer audits performed over a rolling 12-month period, has been put on hold because of competing priorities with PGV3. He commented on the annual reporting of retirees and their hours worked, noting there are 25 employers who have not yet filed their reports and NHRS will send out penalty letters next week. Lastly, he gave an overview of upcoming plans and projects, and noted four of the seven items on his action plan have been completed, and the other three items are progressing.

Mr. Karlson gave his report on PIO, commenting on the work his team has been doing on monthly employer reporting relative to PGV3, planning and scheduling at least 23 training events for employers, as well as planning events for insurance and retiree reporting after parallel processing commences. His department is also monitoring legislation that could impede the PGV3 project and parallel processing and making plans, should legislation pass, to update relevant member and employer materials. Lastly, he reported PIO met its KPMs for the month.

John Laferriere, Director of IT, presented his operating report, beginning with cyber security awareness and the monthly phishing tests, noting there were no staff failures in March. He provided an update on system management, including the ability to perform remote and on-premises patching, as well as IT’s review of the Password Policy and meeting NIST 800 63-B, the government standard, which increases password security and lessens the need to frequently change passwords. Mr. Laferriere provided the status of the cloud-based phone system project, noting IT is reviewing two vendors for that service. He remarked on the generator replacement approval, noting IT would initiate that project soon, and added that he expects installation of the new copiers would occur by month end. He mentioned that IT deployed secured wireless access points for corporate Wi-Fi availability. In closing, he reported IT met all eight of its KPMs; gave an overview of upcoming projects; stated customer satisfaction was at 100%; and noted his action plan is on schedule.

Mr. Leveque gave a brief operating report on Investments, noting his department met six of the 10 KPMs and four were not applicable this month. He then provided an agenda overview of the April IIC meeting, which will occur after today’s Board meeting.

Chair Lesko next presented the Consent Agenda and Trustee Martins requested to discuss Item 9 on the Agenda. On a motion by Trustee Martins, seconded by Trustee

Hannan, the Board voted unanimously on a roll call vote to enter non-public session, under RSA 91-A:3 II(c), to discuss matters that would likely adversely affect the reputation of a person other than a member of this public body. On a motion by Trustee Martins, seconded by Trustee Maloney, the Board voted unanimously on a roll call vote to conclude the non-public session. No action was taken in non-public session.

Upon returning to public session, on a motion by Trustee Roy, seconded by Trustee Hannan, the Board voted to approve the Consent Agenda, as presented, with Trustee Merrifield abstaining on Item 2, and Trustee Quigley abstaining on Item 4.

There were no travel reports or requests.

Ms. Goodwin provided an update on Action Items from the March 14, 2023, Board meeting, noting four items will be completed by the end of today's meeting, and gave an update on two outstanding items: Item 2 in which one employer has not certified its contributions to NHRS regarding HB 1221, and Item 6, the legislative appropriation of call firefighter benefits, which is in process.

During the Board checkpoint, Chair Lesko yielded to Ms. Goodwin who referred to the Conference Resource List in the Board materials and encouraged Trustees to attend upcoming training events designed for both new and experienced Trustees.

With no further business to discuss, on a motion by Trustee Maloney, seconded by Trustee Roy, the Board voted unanimously to adjourn the meeting at 12:10 p.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
May 9, 2023

Total Plan Performance as of March 31, 2023



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

Net of Fees Returns for Periods Ended March 31, 2023								
Composite	Total Fund Weighting As of 3/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.75%	0.75%	9.75%	5.82%	-7.73%	19.28%	9.13%	10.80%
Domestic Equity Benchmark(1)		2.67%	9.75%	7.18%	-8.58%	17.07%	10.32%	11.82%
Excess Return		-1.93%	0.00%	-1.36%	0.85%	2.21%	-1.19%	-1.03%
Total Non US Equity	18.00%	3.52%	14.46%	9.31%	-0.76%	12.20%	2.44%	4.31%
Non US Equity Benchmark(2)		2.44%	10.03%	6.87%	-5.07%	11.80%	2.47%	4.17%
Excess Return		1.08%	4.43%	2.45%	4.31%	0.40%	-0.03%	0.14%
Total Fixed Income	18.79%	2.21%	1.82%	3.21%	-4.74%	0.80%	1.37%	1.99%
Bloomberg Capital Universe Bond Index		2.35%	0.55%	2.93%	-4.61%	-2.02%	1.05%	1.62%
Excess Return		-0.14%	1.27%	0.28%	-0.13%	2.83%	0.32%	0.37%
Total Cash	0.93%	0.40%	2.59%	1.15%	2.74%	1.02%	1.48%	0.94%
3-Month Treasury Bill		0.43%	2.40%	1.07%	2.50%	0.89%	1.41%	0.87%
Excess Return		-0.03%	0.20%	0.07%	0.24%	0.13%	0.08%	0.07%
Total Real Estate (Q4)*	12.29%	-3.31%	-2.27%	-3.27%	8.22%	13.31%	11.20%	12.00%
Real Estate Benchmark(3)		-1.75%	-0.55%	-5.17%	6.55%	8.97%	7.72%	9.11%
Excess Return		-1.56%	-1.72%	1.90%	1.67%	4.35%	3.48%	2.89%
Total Private Equity (Q4)*	14.21%	1.34%	-0.75%	1.32%	-0.15%	17.80%	14.68%	12.76%
Private Equity Benchmark(4)		-5.54%	-12.58%	7.71%	-15.79%	10.90%	12.75%	16.39%
Excess Return		6.88%	11.83%	-6.39%	15.64%	6.90%	1.93%	-3.63%
Total Private Debt (Q4)*	5.04%	1.31%	2.66%	1.29%	6.08%	6.46%	5.56%	7.38%
Private Debt Benchmark(5)		0.04%	-2.81%	4.22%	-2.99%	1.08%	2.58%	7.72%
Excess Return		1.27%	5.47%	-2.93%	9.07%	5.37%	2.98%	-0.34%
Total Fund Composite	100.00%	1.10%	5.35%	3.78%	-2.20%	11.93%	6.83%	7.67%
Total Fund Benchmark(6)		1.15%	3.93%	4.77%	-5.26%	9.36%	6.47%	7.65%
Excess Return		-0.06%	1.42%	-1.00%	3.06%	2.57%	0.36%	0.02%

(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 NF-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.

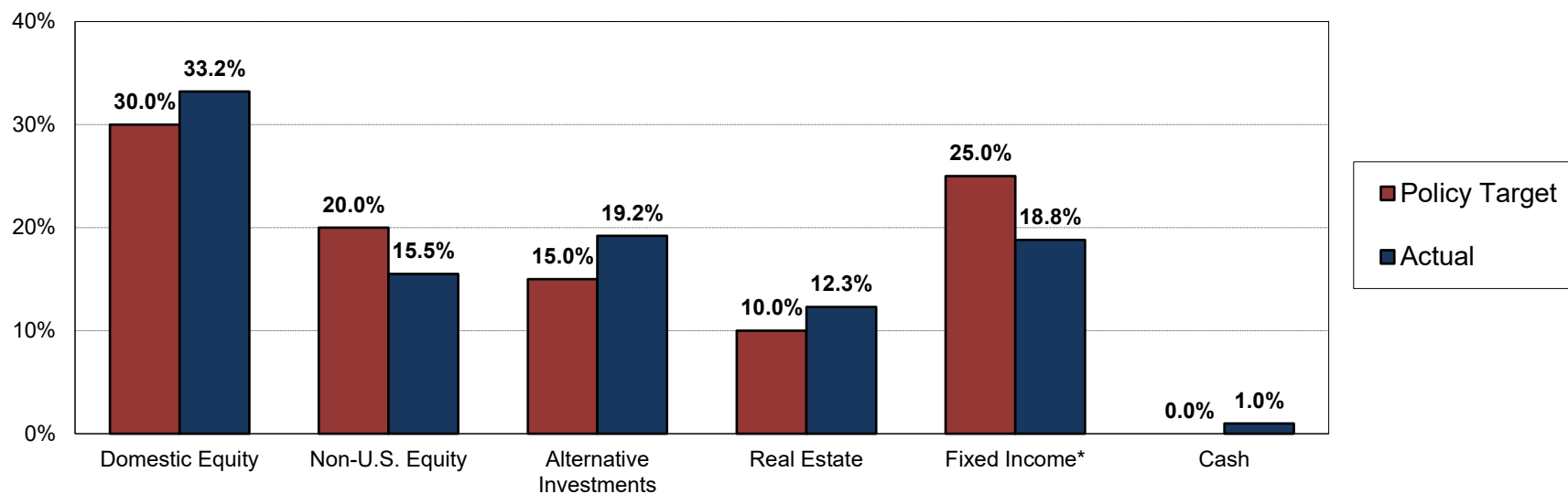
(5) The Private Debt Benchmark is (50% S&P LSTA Leveraged Loan 100 ldx + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.

(6) Current Month Target = 30.0% Russell 3000 Index, 25.0% Bloomberg Universal, 20.0% MSCI ACWI ex-US, 10.0% NCREIF NF-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 3/31/23, the Total Fund has returned 6.52% versus the Total Fund Custom Benchmark return of 6.58%.

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

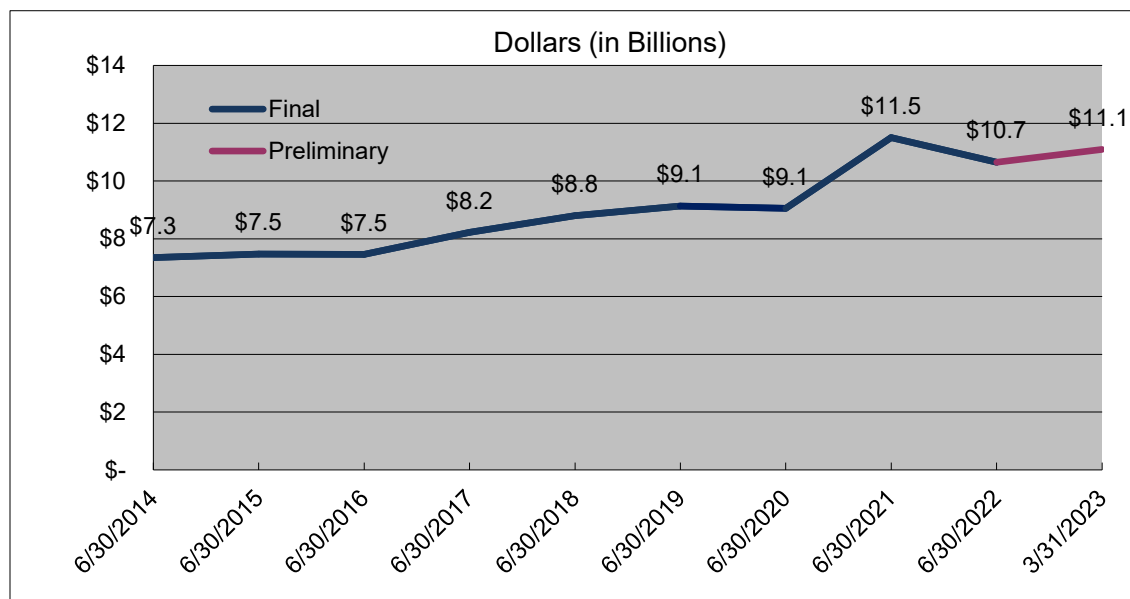
Asset Class Targets vs. Actual Allocation as of March 31, 2023 (Preliminary)



Asset Class	Policy Target	Actual	Range
Domestic Equity	30.0%	33.2%	20 - 40%
Non-U.S. Equity	20.0%	15.5%	15 - 25%
Alternative Investments	15.0%	19.2%	5 - 25%
Real Estate	10.0%	12.3%	5 - 20%
Fixed Income*	25.0%	18.8%	20 - 30%
Cash	0.0%	1.0%	NA
	100.0%	100.0%	

Source: NHRS

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
March 31,2023	\$11.1



Callan

March 31, 2023



New Hampshire Retirement System

**Investment Measurement Service
Monthly Review**

Asset Class Excess Returns

March 31, 2023

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

Net of Fees Returns for Periods Ended March 31, 2023								
Composite	Total Fund Weighting As of 3/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.75%	0.75%	9.75%	5.82%	-7.73%	19.28%	9.13%	10.80%
Domestic Equity Benchmark(1)		2.67%	9.75%	7.18%	-8.58%	17.07%	10.32%	11.82%
Excess Return		-1.93%	0.00%	-1.36%	0.85%	2.21%	-1.19%	-1.03%
Total Non US Equity	18.00%	3.52%	14.46%	9.31%	-0.76%	12.20%	2.44%	4.31%
Non US Equity Benchmark(2)		2.44%	10.03%	6.87%	-5.07%	11.80%	2.47%	4.17%
Excess Return		1.08%	4.43%	2.45%	4.31%	0.40%	-0.03%	0.14%
Total Fixed Income	18.79%	2.21%	1.82%	3.21%	-4.74%	0.80%	1.37%	1.99%
Bloomberg Capital Universe Bond Index		2.35%	0.55%	2.93%	-4.61%	-2.02%	1.05%	1.62%
Excess Return		-0.14%	1.27%	0.28%	-0.13%	2.83%	0.32%	0.37%
Total Cash	0.93%	0.40%	2.59%	1.15%	2.74%	1.02%	1.48%	0.94%
3-Month Treasury Bill		0.43%	2.40%	1.07%	2.50%	0.89%	1.41%	0.87%
Excess Return		-0.03%	0.20%	0.07%	0.24%	0.13%	0.08%	0.07%
Total Real Estate (Q4)*	12.29%	-3.31%	-2.27%	-3.27%	8.22%	13.31%	11.20%	12.00%
Real Estate Benchmark(3)		-1.75%	-0.55%	-5.17%	6.55%	8.97%	7.72%	9.11%
Excess Return		-1.56%	-1.72%	1.90%	1.67%	4.35%	3.48%	2.89%
Total Private Equity (Q4)*	14.21%	1.34%	-0.75%	1.32%	-0.15%	17.80%	14.68%	12.76%
Private Equity Benchmark(4)		-5.54%	-12.58%	7.71%	-15.79%	10.90%	12.75%	16.39%
Excess Return		6.88%	11.83%	-6.39%	15.64%	6.90%	1.93%	-3.63%
Total Private Debt (Q4)*	5.04%	1.31%	2.66%	1.29%	6.08%	6.46%	5.56%	7.38%
Private Debt Benchmark(5)		0.04%	-2.81%	4.22%	-2.99%	1.08%	2.58%	7.72%
Excess Return		1.27%	5.47%	-2.93%	9.07%	5.37%	2.98%	-0.34%
Total Fund Composite	100.00%	1.10%	5.35%	3.78%	-2.20%	11.93%	6.83%	7.67%
Total Fund Benchmark(6)		1.15%	3.93%	4.77%	-5.26%	9.36%	6.47%	7.65%
Excess Return		-0.06%	1.42%	-1.00%	3.06%	2.57%	0.36%	0.02%

(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 3/31/23, the Total Fund has returned 6.52% versus the Total Fund Custom Benchmark return of 6.58%.

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

Domestic Equity Excess Returns

March 31, 2023

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

Net of Fees Returns for Periods Ended March 31, 2023								
Composite	Total Fund Weighting As of 3/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	30.75%	0.75%	9.75%	5.82%	-7.73%	19.28%	9.13%	10.80%
Domestic Equity Benchmark(1)		2.67%	9.75%	7.18%	-8.58%	17.07%	10.32%	11.82%
Excess Return		-1.93%	0.00%	-1.36%	0.85%	2.21%	-1.19%	-1.03%
Large Cap Domestic Equity	18.16%	3.63%	9.91%	7.43%	-7.78%	18.24%	9.89%	11.34%
S&P 500 Index		3.67%	9.98%	7.50%	-7.73%	18.60%	11.19%	12.24%
Excess Return		-0.04%	-0.07%	-0.06%	-0.05%	-0.37%	-1.29%	-0.90%
BlackRock S&P 500	18.16%	3.63%	9.91%	7.43%	-7.78%	18.54%	11.15%	12.22%
S&P 500 Index		3.67%	9.98%	7.50%	-7.73%	18.60%	11.19%	12.24%
Excess Return		-0.04%	-0.07%	-0.06%	-0.05%	-0.06%	-0.04%	-0.03%
Smid Cap Domestic Equity	5.45%	-3.65%	7.39%	3.18%	-9.17%	20.87%	6.33%	9.14%
Russell 2500 Index		-3.75%	7.94%	3.39%	-10.39%	19.42%	6.65%	9.07%
Excess Return		0.10%	-0.55%	-0.21%	1.22%	1.45%	-0.31%	0.07%
AllianceBernstein	3.37%	-3.79%	8.83%	4.33%	-11.64%	19.69%	6.85%	9.72%
Russell 2500 Index		-3.75%	7.94%	3.39%	-10.39%	19.42%	6.65%	9.07%
Excess Return		-0.04%	0.89%	0.94%	-1.25%	0.27%	0.20%	0.65%
TSW	2.07%	-3.42%	5.13%	1.37%	-4.85%	22.90%	5.51%	8.19%
TSW Blended Benchmark (2)		-5.13%	5.75%	1.40%	-10.53%	21.80%	6.38%	8.93%
Excess Return		1.71%	-0.62%	-0.03%	5.68%	1.10%	-0.87%	-0.74%
Small Cap Domestic Equity	7.14%	-2.75%	11.22%	3.88%	-6.48%	21.46%	9.38%	10.55%
Russell 2000 Index		-4.78%	6.75%	2.74%	-11.61%	17.51%	4.71%	8.04%
Excess Return		2.03%	4.47%	1.15%	5.13%	3.95%	4.67%	2.52%
Boston Trust	1.95%	-2.53%	11.12%	3.59%	-0.69%	22.11%	10.99%	10.49%
Russell 2000 Index		-4.78%	6.75%	2.74%	-11.61%	17.51%	4.71%	8.04%
Excess Return		2.24%	4.37%	0.85%	10.92%	4.60%	6.29%	2.45%
Segall Bryant & Hamill	1.98%	-2.24%	13.52%	2.80%	-4.45%	21.22%	10.06%	10.13%
Russell 2000 Index		-4.78%	6.75%	2.74%	-11.61%	17.51%	4.71%	8.04%
Excess Return		2.54%	6.77%	0.06%	7.15%	3.71%	5.35%	2.09%
Wellington	3.21%	-3.20%	9.90%	4.75%	-10.82%	21.23%	8.12%	10.85%
Russell 2000 Index		-4.78%	6.75%	2.74%	-11.61%	17.51%	4.71%	8.04%
Excess Return		1.58%	3.15%	2.01%	0.79%	3.72%	3.41%	2.82%

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

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

Non-US Equity Excess Returns

March 31, 2023

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

Net of Fees Returns for Periods Ended March 31, 2023								
Composite	Total Fund Weighting As of 3/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	18.00%	3.52%	14.46%	9.31%	-0.76%	12.20%	2.44%	4.31%
Non US Equity Benchmark (1)		2.44%	10.03%	6.87%	-5.07%	11.80%	2.47%	4.17%
Excess Return		1.08%	4.43%	2.45%	4.31%	0.40%	-0.03%	0.14%
Core Non US Equity	10.94%	2.87%	17.38%	10.19%	2.43%	13.60%	2.72%	4.02%
Core Non US Benchmark (2)		2.44%	10.03%	6.87%	-5.07%	11.80%	2.47%	4.17%
Excess Return		0.43%	7.35%	3.32%	7.50%	1.80%	0.25%	-0.15%
Aristotle	1.41%	2.60%	12.48%	7.50%	-5.34%	-	-	-
MSCI EAFE		2.48%	15.36%	8.47%	-1.38%	-	-	-
Excess Return		0.12%	-2.89%	-0.97%	-3.96%	-	-	-
Artisan Partners	3.15%	2.80%	16.34%	8.82%	0.20%	9.51%	3.68%	-
MSCI EAFE		2.48%	15.36%	8.47%	-1.38%	12.99%	3.52%	-
Excess Return		0.32%	0.97%	0.36%	1.58%	-3.47%	0.16%	-
BlackRock SuperFund	1.57%	2.55%	-	-	-	-	-	-
MSCI ACWI Ex-US		2.44%	-	-	-	-	-	-
Excess Return		0.11%	-	-	-	-	-	-
Causeway Capital	3.46%	3.16%	24.26%	14.56%	11.73%	21.53%	4.97%	-
MSCI EAFE		2.48%	15.36%	8.47%	-1.38%	12.99%	3.52%	-
Excess Return		0.68%	8.90%	6.10%	13.10%	8.55%	1.44%	-
Lazard	1.35%	2.96%	11.36%	7.90%	-2.91%	-	-	-
MSCI EAFE		2.48%	15.36%	8.47%	-1.38%	-	-	-
Excess Return		0.48%	-4.01%	-0.56%	-1.53%	-	-	-
Emerging Markets	1.51%	3.03%	3.09%	3.84%	-6.57%	5.35%	-3.41%	0.64%
MSCI EM		3.03%	0.84%	3.96%	-10.70%	7.83%	-0.91%	2.00%
Excess Return		0.00%	2.24%	-0.11%	4.14%	-2.48%	-2.50%	-1.36%
Wellington Emerging Markets	1.44%	3.20%	3.12%	2.18%	-5.76%	6.58%	-3.15%	1.80%
MSCI EM		3.03%	0.84%	3.96%	-10.70%	7.83%	-0.91%	2.00%
Excess Return		0.18%	2.28%	-1.78%	4.95%	-1.25%	-2.24%	-0.20%
Non US Small Cap	1.11%	0.92%	13.19%	6.50%	-7.82%	8.32%	-5.17%	0.82%
MSCI EAFE Small Cap		-0.21%	9.54%	4.92%	-9.83%	12.07%	0.87%	5.86%
Excess Return		1.12%	3.65%	1.59%	2.01%	-3.75%	-6.04%	-5.04%
Wellington Int'l Small Cap Research	1.11%	0.92%	13.19%	6.50%	-7.82%	-	-	-
MSCI EAFE Small Cap		-0.21%	9.54%	4.92%	-9.83%	-	-	-
Excess Return		1.12%	3.65%	1.59%	2.01%	-	-	-
Global Equity	4.44%	6.04%	15.97%	10.86%	-2.31%	15.13%	9.96%	10.46%
MSCI ACWI net		3.08%	9.75%	7.31%	-7.44%	15.36%	6.93%	8.06%
Excess Return		2.96%	6.22%	3.55%	5.13%	-0.23%	3.03%	2.40%
Walter Scott Global Equity	4.44%	6.04%	15.97%	10.86%	-2.31%	15.13%	9.96%	10.46%
Walter Scott Blended Benchmark (3)		3.08%	9.75%	7.31%	-7.44%	15.36%	6.93%	8.06%
Excess Return		2.96%	6.22%	3.55%	5.13%	-0.23%	3.03%	2.40%

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

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

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

Fixed Income Excess Returns

March 31, 2023

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

Net of Fees Returns for Periods Ended March 31, 2023								
Composite	Total Fund Weighting As of 3/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Fixed Income	18.79%	2.21%	1.82%	3.21%	-4.74%	0.80%	1.37%	1.99%
<i>Fixed Income Benchmark (1)</i>		2.35%	0.55%	2.93%	-4.61%	-2.02%	1.05%	1.62%
<i>Excess Return</i>		-0.14%	1.27%	0.28%	-0.13%	2.83%	0.32%	0.37%
BlackRock SIO Bond Fund	2.26%	0.65%	1.51%	1.59%	-1.75%	2.79%	-	-
<i>BlackRock Custom Benchmark (2)</i>		0.40%	2.62%	1.13%	2.79%	1.10%	-	-
<i>Excess Return</i>		0.25%	-1.11%	0.46%	-4.55%	1.70%	-	-
Brandywine Asset Mgmt	2.07%	4.53%	1.56%	3.90%	-10.49%	1.59%	-1.41%	0.88%
<i>Brandywine Custom Benchmark (3)</i>		3.87%	-0.71%	3.58%	-9.61%	-5.33%	-2.38%	-0.63%
<i>Excess Return</i>		0.66%	2.27%	0.32%	-0.88%	6.92%	0.96%	1.51%
FIAM (Fidelity) Tactical Bond	3.26%	1.38%	3.27%	3.29%	-4.11%	2.82%	-	-
<i>Bloomberg Aggregate</i>		2.54%	-0.09%	2.96%	-4.78%	-2.77%	-	-
<i>Excess Return</i>		-1.16%	3.36%	0.33%	0.67%	5.59%	-	-
Income Research & Management	6.90%	2.44%	0.36%	3.52%	-4.88%	-2.11%	1.53%	1.84%
<i>Bloomberg Gov/Credit</i>		2.82%	0.23%	3.17%	-4.81%	-2.63%	1.16%	1.50%
<i>Excess Return</i>		-0.38%	0.12%	0.35%	-0.07%	0.52%	0.37%	0.35%
Loomis Sayles	2.44%	1.90%	3.01%	3.06%	-4.01%	3.29%	3.00%	3.26%
<i>Loomis Sayles Custom Benchmark (4)</i>		2.03%	2.44%	3.18%	-4.21%	0.23%	1.78%	2.37%
<i>Excess Return</i>		-0.12%	0.58%	-0.12%	0.21%	3.06%	1.22%	0.89%
Manulife Strategic Fixed Income	1.86%	2.61%	4.00%	3.35%	-2.93%	1.99%	1.79%	-
<i>Bloomberg Multiverse</i>		3.08%	0.58%	3.02%	-7.90%	-3.06%	-1.24%	-
<i>Excess Return</i>		-0.47%	3.42%	0.33%	4.97%	5.06%	3.02%	-
Total Cash	0.93%	0.40%	2.59%	1.15%	2.74%	1.02%	1.48%	0.94%
<i>3-month Treasury Bill</i>		0.43%	2.40%	1.07%	2.50%	0.89%	1.41%	0.87%
<i>Excess Return</i>		-0.03%	0.20%	0.07%	0.24%	0.13%	0.08%	0.07%
Total Marketable Assets	68.46%	1.86%	8.48%	5.89%	-4.96%	11.15%	5.01%	6.54%
<i>Total Marketable Index (5)</i>		2.50%	6.94%	5.68%	-6.02%	9.30%	5.40%	6.75%
<i>Excess Return</i>		-0.64%	1.53%	0.21%	1.06%	1.84%	-0.39%	-0.21%

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

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

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

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

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

Alternatives Excess Returns

March 31, 2023

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

Net of Fees Returns for Periods Ended March 31, 2023								
Composite	Total Fund Weighting As of 3/31/2023	Last Month	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q4)* (5)	12.29%	-3.31%	-2.27%	-3.27%	8.22%	13.31%	11.20%	12.00%
<i>Real Estate Benchmark (1)</i>		-1.75%	-0.55%	-5.17%	6.55%	8.97%	7.72%	9.11%
<i>Excess Return</i>		-1.56%	-1.72%	1.90%	1.67%	4.35%	3.48%	2.89%
Strategic Core Real Estate (Q4)*	8.16%	-4.42%	-2.90%	-4.46%	10.26%	12.20%	10.48%	11.03%
<i>Real Estate Benchmark (1)</i>		-1.75%	-0.55%	-5.17%	6.55%	8.97%	7.72%	9.11%
<i>Excess Return</i>		-2.67%	-2.35%	0.71%	3.71%	3.23%	2.76%	1.92%
Tactical Non-Core Real Estate (Q4)*	4.14%	-1.02%	-0.98%	-0.80%	4.66%	15.14%	12.50%	13.70%
<i>Real Estate Benchmark (1)</i>		-1.75%	-0.55%	-5.17%	6.55%	8.97%	7.72%	9.11%
<i>Excess Return</i>		0.74%	-0.43%	4.36%	-1.88%	6.18%	4.79%	4.59%
Total Alternative Assets (Q4)*	19.25%	1.33%	0.11%	1.32%	1.38%	14.27%	11.43%	9.86%
<i>Alternative Assets Benchmark (2)</i>		-3.70%	-9.34%	6.60%	-11.63%	7.53%	9.11%	12.22%
<i>Excess Return</i>		5.04%	9.45%	-5.29%	13.02%	6.74%	2.32%	-2.37%
Total Private Equity (Q4)*	14.21%	1.34%	-0.75%	1.32%	-0.15%	17.80%	14.68%	12.76%
<i>Private Equity Benchmark (3)</i>		-5.54%	-12.58%	7.71%	-15.79%	10.90%	12.75%	16.39%
<i>Excess Return</i>		6.88%	11.83%	-6.39%	15.64%	6.90%	1.93%	-3.63%
Total Private Debt (Q4)*	5.04%	1.31%	2.66%	1.29%	6.08%	6.46%	5.56%	7.38%
<i>Private Debt Benchmark (4)</i>		0.04%	-2.81%	4.22%	-2.99%	1.08%	2.58%	7.72%
<i>Excess Return</i>		1.27%	5.47%	-2.93%	9.07%	5.37%	2.98%	-0.34%

(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 March 31, 2023, with the distribution as of February 28, 2023. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	March 31, 2023				February 28, 2023	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Domestic Equity	\$3,410,669,514	30.75%	\$0	\$26,031,707	\$3,384,637,807	30.83%
Large Cap Domestic Equity	\$2,014,491,204	18.16%	\$0	\$70,583,455	\$1,943,907,750	17.70%
Blackrock S&P 500	2,014,491,204	18.16%	0	70,583,455	1,943,907,750	17.70%
SMid Cap Domestic Equity	\$604,448,989	5.45%	\$0	\$(22,614,281)	\$627,063,270	5.71%
AllianceBernstein	374,283,089	3.37%	0	(14,577,049)	388,860,138	3.54%
TSW	230,165,900	2.07%	0	(8,037,232)	238,203,133	2.17%
Small Cap Domestic Equity	\$791,729,321	7.14%	\$0	\$(21,937,467)	\$813,666,787	7.41%
Boston Trust	216,607,894	1.95%	0	(5,543,684)	222,151,578	2.02%
Segall Bryant & Hamill	219,531,507	1.98%	0	(4,876,381)	224,407,888	2.04%
Wellington	355,589,919	3.21%	0	(11,517,402)	367,107,322	3.34%
Total Non US Equity	\$1,996,213,516	18.00%	\$0	\$68,846,865	\$1,927,366,651	17.55%
Core Non US Equity (1)	\$1,213,394,015	10.94%	\$0	\$34,339,543	\$1,179,054,471	10.74%
Aristotle	155,874,029	1.41%	0	4,003,209	151,870,820	1.38%
Artisan Partners	349,273,109	3.15%	0	9,700,294	339,572,816	3.09%
BlackRock Superfund	173,989,670	1.57%	0	4,331,250	169,658,420	1.55%
Causeway Capital	384,021,864	3.46%	0	11,927,595	372,094,269	3.39%
Lazard	149,518,808	1.35%	0	4,360,650	145,158,157	1.32%
Emerging Markets	\$167,952,586	1.51%	\$0	\$5,073,529	\$162,879,057	1.48%
Neuberger Berman	8,688,422	0.08%	0	17	8,688,405	0.08%
Wellington Emerging Markets	159,264,164	1.44%	0	5,073,512	154,190,652	1.40%
Non US Small Cap	\$122,853,196	1.11%	\$0	\$1,190,218	\$121,662,978	1.11%
Wellington Int'l Small Cap Research	122,853,196	1.11%	0	1,190,218	121,662,978	1.11%
Global Equity	\$492,013,720	4.44%	\$0	\$28,243,574	\$463,770,146	4.22%
Walter Scott Global Equity	492,013,720	4.44%	0	28,243,574	463,770,146	4.22%
Total Fixed Income	\$2,084,180,435	18.79%	\$0	\$45,469,357	\$2,038,711,079	18.57%
BlackRock SIO Bond Fund	250,856,836	2.26%	0	1,717,786	249,139,051	2.27%
Brandywine Asset Mgmt	230,078,474	2.07%	0	10,028,881	220,049,592	2.00%
FIAM (Fidelity) Tactical Bond	361,373,690	3.26%	0	5,012,118	356,361,572	3.25%
Income Research & Management	764,955,790	6.90%	0	18,305,333	746,650,456	6.80%
Loomis Sayles	270,857,111	2.44%	0	5,126,053	265,731,058	2.42%
Manulife Strategic Fixed Income	206,058,535	1.86%	0	5,279,186	200,779,349	1.83%
Total Cash	\$102,690,710	0.93%	\$(4,139,677)	\$420,806	\$106,409,581	0.97%
Total Marketable Assets	\$7,593,754,176	68.46%	\$(4,139,677)	\$140,768,735	\$7,457,125,118	67.92%
Total Real Estate	\$1,363,803,705	12.29%	\$2,584,194	\$(46,064,864)	\$1,407,284,375	12.82%
Strategic Core Real Estate	904,716,954	8.16%	(3,547,456)	(41,402,764)	949,667,174	8.65%
Tactical Non-Core Real Estate	459,086,749	4.14%	6,131,650	(4,662,101)	457,617,201	4.17%
Total Alternative Assets	\$2,135,435,236	19.25%	\$(10,803,998)	\$31,156,435	\$2,115,082,799	19.26%
Private Equity	1,575,995,712	14.21%	(1,278,575)	21,619,680	1,555,654,606	14.17%
Private Debt	559,439,524	5.04%	(9,525,424)	9,536,755	559,428,193	5.10%
Total Fund Composite	\$11,092,993,117	100.0%	\$(12,662,562)	\$126,163,387	\$10,979,492,292	100.0%

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

(1) Includes \$716,535 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

LEGISLATIVE COMMITTEE

2023 Legislative Schedule

SENATE

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, 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.



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

2023 Legislative Tracker

Updated: April 26, 2023

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

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
2023 NHRS-RELATED BILLS			
HB 2	This is the budget trailer bill. The provisions of the following NHRS-related bills listed below have been added to this bill: HB 50, HB 436, and HB 571.		4/6/23: Referred to Senate Finance Committee.
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	4/13/23: Senate, on a voice vote, accepted committee recommendation of ought to pass (OTP). *
HB 50	This bill provides a one-time, \$50 million appropriation toward the retirement system's unfunded pension liability in fiscal year 2023.	Rep. Michael Edgar	The provisions of the bill were added to HB 2 (See above).
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	4/13/23: Senate, on a voice vote, accepted committee recommendation of ought to pass (OTP). *
HB 250	This bill modifies the amount of the retirement annuity payable upon the accidental death of a member to 100 percent of average final compensation at the member's death with a maximum benefit of \$85,000.	Rep. Ben Baroody	4/19/23: Senate ED&A Committee held public hearing. *
HB 278	This bill ratifies a provision of RSA 100-A regarding annual employer reporting of hours worked and compensation paid to retired members working part-time that was inadvertently repealed.	Rep. Carol McGuire	4/13/23: Senate, on a voice vote, accepted committee recommendation of ought to pass (OTP). *
HB 339	This bill provides that no funds from NHRS or the state public employee deferred compensation plan shall be invested with any company that is boycotting Israel.	Rep. James Splaine	3/23/23: House, on a voice vote, tabled the bill. No further action is expected in the 2023 session.
HB 436	This bill, over a 10-year period, adjusts the application of the minimum age, minimum years of service, average final compensation, and annuity multipliers for Group II members in service prior to July 1, 2011, and not vested prior to January 1, 2012.	Rep. Kevin Pratt	The provisions of the bill were added to HB 2 (See above).

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 449	This bill increases the service retirement and disability retirement annuity multiplier for the first 20 years of service of Group II retirement system members under the transition provisions adopted in 2011.	Rep. Jeff Goley	2/8/23: House ED&A Committee voted, 20-0, to retain the bill in committee. No further action is expected in the 2023 session.
HB 457	This bill requires NHRS to report on a quarterly basis to the office of legislative budget assistant regarding compliance with the duty to make all investment decisions solely in the interest of the participants and beneficiaries.	Rep. JD Bernardy	4/5/23: Senate ED&A Committee voted, 4-1, to recommend ought to pass (OTP). The bill will be voted on at a future Senate session. *
HB 461	As amended, this bill creates a committee to study the elimination by political subdivision employers of retirement system-eligible positions.	Rep. Steve Pearson	4/19/23: Senate ED&A Committee voted to recommend ought to pass (OTP) with amendment (am-1436s). The bill will be voted on at a future Senate session. *
HB 525	This bill adjusts the application of the transition provisions for Group II service retirement adopted in 2011 to be applicable as of January 1, 2014, rather than January 1, 2012.	Rep. Kevin Pratt	2/22/23: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 555	As amended, this bill requires the transfer of 25 percent of any future state biennial surpluses to the reduction in the retirement system's unfunded accrued liability.	Rep. Tony Lekas	4/19/23: Senate Finance Committee voted to recommend ought to pass (OTP) with amendment (am-1433s). The bill will be voted on at a future Senate session. *
HB 559	This bill establishes a defined contribution retirement plan for new state employees who begin service on or after July 1, 2024, and who would previously have been enrolled in Group I. All new state employees on and after July 1, 2024, will be required to participate in a defined contribution plan administered by the state Deferred Compensation Commission and would not be members of NHRS.	Rep. Dan McGuire	3/10/23: House ED&A Committee voted, 20-0, to retain the bill in committee. No further action is expected in the 2023 session.
HB 571	This bill authorizes a one-time payment to a retired Group II member or beneficiary. Group II members (or their beneficiaries) retired 10 to 19 years as of July 1, 2023, are eligible for a payment ranging from \$1,100-\$2,900 depending on the number of years retired; Group II members (or their beneficiaries) retired 20 or more years as of July 1, 2023, are eligible for a payment of \$3,000. Group II members with a benefit of \$100,000 or more are ineligible for the one-time payment.	Rep. Ben Baroody	The provisions of the bill were added to HB 2. (See above)
HB 579	This bill eliminates the transition provision adopted in 2011 for Group II members who began service before July 1, 2011, but were not yet vested as of January 1, 2012.	Rep. Doug Trottier	2/22/23: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 639	This bill establishes procedures for the legalization, regulation, and taxation of cannabis; and the licensing and regulation of cannabis establishments. Note: This bill dedicates a portion of state revenue generated through the sale of cannabis toward paying down the retirement system's unfunded actuarial accrued liability.	Rep. Jason Osborne	4/20/23: Senate Judiciary Committee held public hearing.
SB 57	This bill links the recalculation of a Group I retiree's NHRS benefit to his or her full retirement age under the federal Social Security system.	Sen. Lou Sen. D'Allesandro	3/9/23: Passed by the Senate, then tabled on a voice vote.
SB 114	This bill provides that the state shall pay 7.5% of local employer retirement contributions for Group I Teachers and Group II Police and Fire members.	Sen. Cindy Rosenwald	2/9/23: Passed by the Senate, then tabled on a voice vote.
SB 134	The bill establishes a retirement system benefit for Group II members who retire due to a violent act injury.	Sen. Regina Birdsell	2/22/23: Senate, on a voice vote, accepted committee recommendation to re-refer bill committee. No further action is expected in the 2023 session.
SB 205	This bill grants a 1.5% cost-of-living adjustment (COLA) on the first \$50,000 of the pension benefit to retirees who retired on or before July 1, 2018, or any beneficiary of such retiree who is receiving a pension benefit. The COLA would take effect on the retired member's first anniversary date occurring on or after July 1, 2024.	Sen. Lou Sen. D'Allesandro	3/23/23: Passed by the Senate, then tabled on a voice vote.
<p>* – Bill has passed the House and is currently in the Senate</p> <p>Committee Key: ED&A = Executive Departments & Administration;</p> <p>Location Key: LOB = Legislative Office Building; SH = State House.</p>			

BENEFITS

Oral Presentation Only

PERSONNEL PERFORMANCE & COMPENSATION COMMITTEE*Oral Presentation Only*



To: Board of Trustees
 From: Jan Goodwin, Executive Director
 Date: April 28, 2023
 Re: Executive Director Operating Report
 Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- COVID-19 Update: Maintaining status quo. NHRS staff will be present in the Granite State room beginning with the May Board meeting.

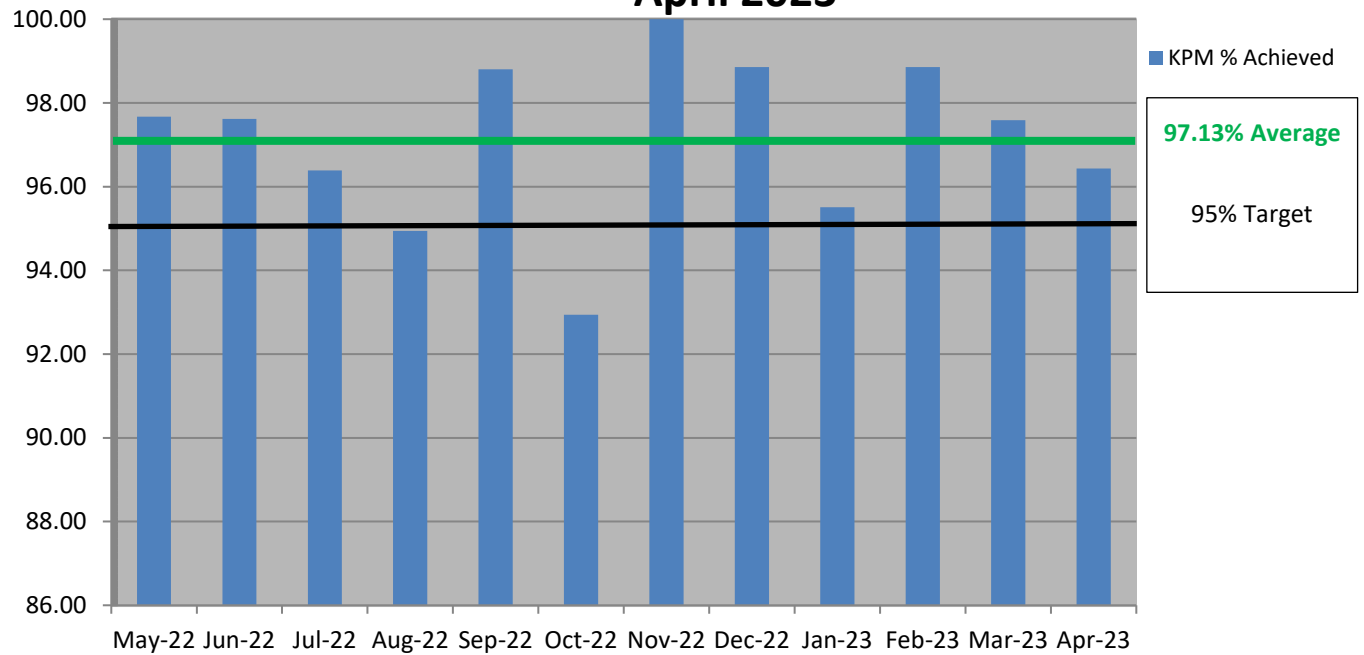
Current Month Highlights

- This month's KPM score was 96.47%. See 12-month rolling average chart, attached.
- PGV3: is 77% completed, D6 (Year End Processes, Auditing, and Security) is at 99% and D7 (Member Direct – My Account) is at 19%. Meetings with LRS are being held to review D7 (Member Direct – My Account) design documents. Staff are working with LRS to create standard operating procedures for several Key Business Processes.
- All three of the ED's KPMs were met this month.
- Internal Auditor Heather Hoffacker facilitated a test of NHRS' Business Continuity Plan on April 21. The purpose of the test is to ensure that the procedures included in the plan are effective and will be sufficient in the event of a business continuity event.

Upcoming Plans & Projects

- The NHRS legislative team continues to evaluate numerous legislative proposals for the 2023 session.
- Staff continues to prepare for parallel processing for PGV3, which is slated to begin in October 2023. The biggest risk to not starting on time is HB 436, which is now part of HB 2, and would require significant reprogramming to both our current PG system and PGV3. This legislation has been added to the House's budget bill. 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.

KPM Rolling 12-Month Average April 2023



PGV3 Status as of April 27, 2023

Project Schedule and Completion					
Task	Scheduled Start Date	Scheduled Finish Date	Baseline Finish Date	Actual Finish Date	Percent Complete
NHRS Version 3	1/2/2019	12/2/2024	12/27/2023		77%
Phase 1 - Project Initiating	1/2/2019	1/25/2019	1/25/2019	1/25/2019	100%
Phase 2 - Project Planning	1/2/2019	2/14/2019	2/14/2019	2/14/2019	100%
Phase 3 - Project Monitoring and Controlling	1/2/2019	7/9/2024	12/22/2022		79%
Phase 4 - Project Executing	1/2/2019	11/30/2023	12/22/2022		82%
Infrastructure	2/14/2019	8/7/2023	9/9/2022		69%
Data Conversion	1/2/2019	11/30/2023	12/22/2022		88%
Requirements Analysis	1/9/2019	7/12/2019	7/12/2019	7/12/2019	100%
D1 - Member Basics and Service Purchases	6/6/2019	12/20/2019	12/11/2019	12/20/2019	100%
D2 - Employer Reporting	10/31/2019	11/10/2020	9/11/2020	11/10/2020	100%
D3 - Benefit Calculations	2/26/2020	9/28/2022	4/23/2021	9/28/2022	100%
D4 - Benefit Maintenance and Insurance	7/9/2021	7/25/2022	8/27/2021	7/25/2022	100%
D5 - Benefit Payroll	2/11/2022	2/15/2023	12/17/2021	2/15/2023	100%
D6 - Year End Processes, Auditing and Security	6/13/2022	5/11/2023	5/11/2022		99%
D7 - MemberDirect	12/13/2022	8/25/2023	10/13/2022		19%
Parallel Processing (2 Months)	10/3/2023	11/30/2023	12/22/2022		0%
Phase 5 - Closing	12/1/2023	12/2/2024	12/27/2023		0%
Warranty Support (12 months)	12/1/2023	12/2/2024	12/27/2023		0%

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

	ACHIEVED			COMMENTS
	YES	NO	N/A	
Overall Score	X			We achieved a 96.43% success ratio. We failed on three (3) KPMs.
Executive				
1. Distribute weekly email updates to all Trustees on or before the end of business on Friday of every week.	X			
2. Distribute weekly email updates to all staff on or before the end of business on Monday of every week.	X			
3. Maintain expenditures at or less than Trust Fund Budget.	X			
IT				
1. All vital servers maintain an uptime of 99% or higher.	X			
2. All PensionGold requests are prioritized within thirty-one (31) calendar days.	X			
3. All TrackIT (help desk) requests are followed up with a conversation (phone/email) within four (4) business days.	X			
4. Maintain help desk survey scores above satisfactory marks of 95% or higher.	X			
5. All US-CERT email security advisories are placed into the help desk system to be addressed within two (2) business days.	X			
6. Respond to all phone calls within one (1) business day.	X			
7. Answer 95% of My Account hunt group (X3508) calls within sixty (60) seconds.	X			
8. Maintain expenditures at or less than IT budget as reported by Finance in the most recent manager's report (1-month lag).	X			
Finance				
1. Prepare the NHRS Annual Comprehensive Financial Report (ACFR): unaudited by October 31, and the audited CAFR by December 31, in accordance with generally accepted accounting principles.			X	
2. Reconcile operating bank account within two (2) business days of receipt of bank statements.		X		The KMP was not completed within two days because we are training a new individual on the process.
3. Produce and distribute monthly actual-to plan-budget reports within ten (10) business days from the end of the prior month.	X			

	ACHIEVED			COMMENTS
	YES	NO	N/A	
4. Produce the monthly financial statements (FS) for the Board of Trustees meeting at least three (3) business days prior to the scheduled Board mailing.	X			
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			March 2023 Cash receipts were keyed for all payments we had back-up for within the 10 business days.
6. Issue all NHRS annuitant pension payments timely and accurately.	X			
7. File annual payroll tax return (form 945) for the annuity payroll by January 31.			X	
8. Provide fiscal impact statements on retirement-related legislative bills within deadlines set by the Legislative Budget Assistant (LBA).	X			
9. Reconcile all employer accounts sufficiently to allow for interest posting for the reporting month within ninety (90) days of the end of the reporting month.		X		March 2023 contributions due 4/15/2023 counting back 90 days would be Dec 2022 contributions due 1/15/2023. Interest has only been posted thru October 2022; however, we are waiting on one (1) employer to pay their voucher payments to post Nov 2022 interest.
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	
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			

	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	Reported annually. As of Jun. 30, 2022, 25yr: +688 vs +675 bps = +13 bps excess.
3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median measured quarterly .			X	Reported quarterly. As of Dec. 31, 2022, 3yr: +633 vs +522 bps : peer rank 22pct, 5yr: +653 vs 589 bps : peer rank 25pct
4. Complete the IIC's Private Debt & Private Equity Strategic Plan for the calendar year.			X	Reported annually in January for CY 2022.
5. Manage cash flow and make funds available for the payment of monthly retirement benefits, expenses and capital calls on or before the last business day of the month.	X			
6. Manage continuously the asset allocation within approved ranges and rebalance as appropriate.	X			
7. Maintain trading cost at or below median of applicable peer universe.	X			
8. Ensure all proxies are voted consistent with the Board approved Proxy Policy.	X			
9. Distribute complete and accurate Investment Committee materials to all members of the Investment Committee on the Friday before the regularly scheduled monthly Investment Committee meeting.	X			
10. Maintain internal expenditures at or less than Investment Budget as reported by Finance in the most recent manager's report (1-month lag).	X			
Legal				
1. Assure no instances of statutory or regulatory non-compliance.	X			
2. Provide disability recommendations to the Board within sixty (60) 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)				

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

	ACHIEVED			COMMENTS
	YES	NO	N/A	
purposes.				
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		Process to hire an investment operations analyst took 61 days.
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				

	ACHIEVED			COMMENTS
	YES	NO	N/A	
1. Schedule a minimum of thirty (30) member/constituent education sessions in Concord and statewide each year.	X			
2. Achieve ninety-five percent (95%) rating of members attending a live education session that the session was “completely/moderately” easy to understand.	X			
3. Meet all deadlines in editorial calendar.	X			
4. Monitor media coverage of NHRS and provide articles to Board, IIC and Staff within two (2) business days.	X			
5. Post updated legislative summaries on www.nhrs.org by the end of business every Friday throughout the legislative session.	X			
6. Prepare and deliver Quarterly Report to the General Court by January 1, April 1, July 1 and October 1.	X			
7. Maintain expenditures at or less than PIO Budget as reported by Finance in the most recent manager’s report (1-month lag).	X			
Internal Audit				
1. Prepare a Risk Assessment and Fiscal Year Audit Plan for the approval of the Audit Committee annually.	X			
2. Execute and present an assurance audit to the Audit Committee every quarter.			X	In process, due by June.
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 initiated, due date not set.
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 0:23:45.

Contact Center April 2023

Phone Calls

	Total	Percentage
Calls addressed by CCRs	2808	97.64%
Calls forwarded to SMEs	59	2.05%
Calls forwarded to SME Manager	9	0.31%
Total	2,876	100.00%

Post Call Surveys

	Total
Total Calls Handled	2,876
Surveys Completed	81
% of Total Calls Completion Rate	2.82%

Walk Ins

	Total
Number of Walk-Ins	299
Total Walk In Time (hours)	52.88
Average Walk In time (minutes)	352

Emails

	Total	Percentage
Emails addressed by CCRs	542	55.31%
Emails forwarded to SMEs	438	44.69%
Total	980	100.00%

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

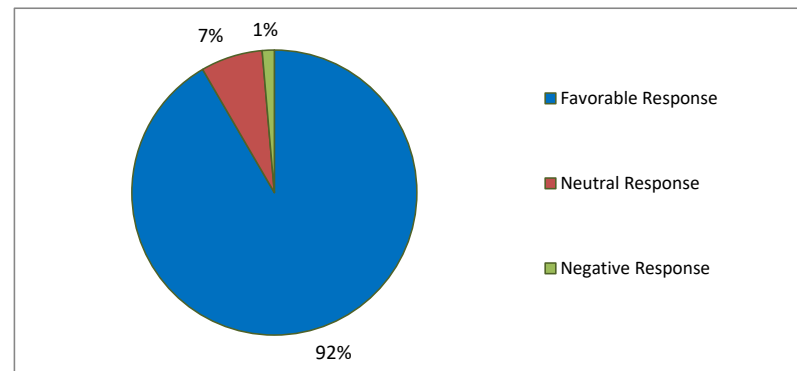
Queue Name	Calls Presented	Calls Handled	Percentage	Calls Abandoned	Percentage	Average Queue Time	Average Speed of Answer	Average Time to Abandon	Average Handle Time
Member	892	883	98.99%	9	1.01%	0:26:00	0:26:00	1:13:00	5:42:00
Reception	981	958	97.66%	23	2.34%	0:23:00	0:23:00	0:41:00	4:54:00
Retiree	863	848	98.26%	15	1.74%	0:26:00	0:25:00	1:04:00	4:14:00
1099	189	187	98.94%	2	1.06%	0:20:00	0:20:00	0:33:00	3:41:00
Totals	2925	2876	98.32%	49	1.68%	0:23:45	0:23:30	0:52:45	4:37:45

Average

**NHRS Board Monthly Reporting Package
Process Improvement
April 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							
April	30	20	19	1	0	9	1
March	50	22	18	4	0	22	6
February	30	12	11	1	0	13	5
January	40	18	15	2	1	18	4
2022							
January - December	520	291	265	21	5	174	55
2021							
January - December	130	73	64	8	1	42	15
2020							
January - December	100	50	47	2	1	37	13
2019							
January - December	500	228	216	7	5	150	122
2018							
January - December	490	227	217	8	2	183	80
2017							
January - December	460	214	204	8	2	168	78
2016							
January - December	520	258	230	25	3	189	73
2015							
January - December	510	273	242	28	3	152	85
2014							
October - December	87	36	28	8	0	30	21
	3467	1722	1576	123	23	1187	558



Division: Executive

Date: April 27, 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 five-year project scheduled for completion in 2024. Project modifications have added 6 months to the original completion date.
3. Identify areas for improved efficiencies across the organization, including assessing and improving employee engagement.	JG/All	6/30/23	In process.
4. Enhance member, beneficiary, and employer education: identify/review industry best practices for education and engagement; adjust existing education programming, as needed.	JG/MK	3/31/23	On hold due to PGV3.
5. Implement agreed-upon elements of Vision for NHRS.	JG/All	6/30/23	In process.



To: NHRS Trustees
 From: Jan Goodwin, Executive Director
 Date: April 28, 2023
 Re: FY 2024 Strategic Plan
 Item: Action: ☐ Discussion: ☒ Informational: ☐

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

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

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

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

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

Included with this memorandum is the NHRS Mission Statement, a working draft of the PAA document, and a preliminary draft of the FY '24 Strategic Plan for review at the May Board meeting with the expectation that it will be submitted to the Board in June for approval.

FY 2024 NHRS THREE-YEAR STRATEGIC PLAN – PRIORITIES

**April 25, 2023 - Draft
JULY 2023 – JUNE 2026**

2023-2024 (FY 24)

- Continue to enhance IT security.
- Complete project plan milestones for LRS Pension Gold (PGV3) project.
- Develop and implement a comprehensive communication and education program for employers with respect to PGV3 implementation.
- Develop and document succession plan at all levels, with particular focus on senior positions.
- Continue to enhance member interface to include newer employees/members in the NHRS system.
- Build on the outstanding communication with all internal and external stakeholders, including the state legislature.
- Complete actuarial experience study based on the four-year period ending June 30, 2023.
- Develop a comprehensive 5-year strategic plan for the Investments department

2024-2025 (FY 25)

- Review and adjust the three-year strategic plan as appropriate.
- Evaluate potential enhancements to PGV3.
- Complete implementation of (non-PGV3 reliant) data security enhancement recommendations
- Certify FY26-27 employer contribution rates.
- Complete actuarial audit of experience study.
- Update the NHRS Investment Manual and Policy & Procedures.

2025-2026 (FY 26)

- Evaluate progress on all objectives and initiatives over prior 24 months to determine what has been achieved and what still needs to be addressed.

NOTES

- Plan does not address day-to-day issues such as managing implications of legislative action or litigation outcomes, which may be material, but are entirely unpredictable. Also, see KPMs for performance measures.
- FY 25 and FY 26 will be reviewed and adjusted depending on results of FY 24.

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

<ul style="list-style-type: none">• Inter-Departmental Communication and Cooperation• Middle Management Effectiveness• Employer payment by ACH/Quickpay		<p>NOTES: Bold type – Relate to items added or moved for FY 2024</p> <p>NOTES: Bold type – Relate to items added or moved for FY 2024</p>
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POTENTIAL STRATEGIC OBJECTIVES – DRAFT FY 2024

Assess effectiveness and productivity of Employer Audit operations.

Increase communication from ETeam to MTeam to staff.

Conduct succession planning at management level.

Identify opportunities to eliminate paper documents and processes.

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

Continue implementation of PGV3 on schedule and within budget.

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

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

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

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

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

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

Continue to improve disclosure of investment fees.

Evaluate ways to reduce investment fees.

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

Implement software tool to streamline ACFR reporting.

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

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

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

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



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

NHRS Mission, Vision & Values

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

MISSION

To provide secure retirement benefits and superior service.

VISION

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

VALUES

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

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

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

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

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

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

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



To: NHRS Trustees
 From: Jan Goodwin, Executive
 Director Date: May 1, 2023
 Re: FY 24 Preliminary Trust Fund Budget
 Item: Action: ___ Discussion: X Informational: ___

Overview

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

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

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

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

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

Commentary

Methodology

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

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

Results

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

Investment Expenses/External

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

Investment Expenses/Internal

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

Non-Investment Expenses/Non-Statutory

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

Statutory Administrative Expenses

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

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

NHRS Budget Process Timeline

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

New Hampshire Retirement System

FINAL

FY 2024 Trust Fund Budget

Presentation to the Board of Trustees

May 2023

New Hampshire Retirement System												
PRELIMINARY												
NEW HAMPSHIRE RETIREMENT SYSTEM												
TRUST FUND BUDGET ANALYSIS												
FY 2024 Trust Fund Budget												
FOR FISCAL YEARS 2022, 2023 AND 2024												
			FY 2022		FY 2023			FY 2024		Variance		
						PROJECTED		PROPOSED		FY 24 Proposed vs		
June 2023			ACTUAL		BUDGET	ACTUAL		BUDGET		FY 23 Projected Actual		
										\$s	%	
1	Investment Expense/Internal:	Ref										
2	Administrative Expenses											
3	Salaries & Benefits	3	\$657,088	\$895,000	\$785,000		\$1,032,000		\$247,000	15.3%		
4	Current Expenses/Supplies/Education	4	13,984	28,000	30,000		57,200		27,200	104.3%		
5	Subscriptions	5	4,805	5,300	6,000		5,320		(680)	0.4%		
6	License Fee-Bloomberg	6	48,280	54,000	57,000		202,575		145,575	275.1%		
7	Organization Dues	7	11,529	18,500	14,000		18,075		4,075	-2.3%		
8	Travel	8	2,355	25,000	2,500		24,500		22,000	-2.0%		
9	Total Investment Expense/Internal	9	\$738,041	\$1,025,800	\$894,500		\$1,339,670		\$445,170	49.8%		
10	Investment Expense/External:											
11	Management Fees											
12	Marketable Investments	13	\$28,283,800	\$30,280,000	\$25,240,000		\$27,440,000		\$2,200,000	-9.4%		
13	Real Estate	17	2,840,977	3,400,000	3,404,000		3,700,000		296,000	8.8%		
14	Subtotal Management Fees	22	31,124,777	33,680,000	28,644,000		31,140,000		2,496,000	8.7%		
15	Investment Administrative Expenses											
16	Custody Fees	25	604,730	625,000	600,000		705,000		105,000	12.8%		
17	General Investment Consultant Fees	27	487,500	700,000	650,000		700,000		50,000	0.0%		
18	Legal	28	357,114	500,000	285,000		500,000		215,000	0.0%		
19	Other Fees	29	55,973	61,000	53,459		61,000		7,541	0.0%		
20	Subtotal Investment Adm. Expenses	34	1,505,317	1,886,000	1,588,459		1,966,000		377,541	23.8%		
21	Total Investment Expense/External	36	\$32,630,094	\$35,566,000	\$30,232,459		\$33,106,000		\$2,873,541	9.5%		
22	Non-Investment Expense/Non-Statutory:											
23	Professional Fees & Other											
24	Actuarial Fees	39	\$200,965	\$230,000	\$190,000		\$286,000		\$96,000	24.3%		
25	Legal Fees	45	123,042	225,000	125,000		200,000		75,000	-11.1%		
26	Audit Fees	46	224,250	259,500	259,500		254,000		(5,500)	-2.1%		
27	Other Consulting Fees	50	271,431	264,125	175,000		100,000		(75,000)	-62.1%		
28	Insurance	52	179,607	201,750	197,690		220,450		22,760	9.3%		
29	Local Custodian	58	105,757	125,000	128,000		134,000		6,000	7.2%		
30	Total Non-Investment Expense/Non-Statutory	61	\$1,105,052	\$1,305,375	\$1,075,190		\$1,194,450		\$119,260	11.1%		
31	¹ Trust Fund (not including Statutory Budget)	62	\$34,473,187	\$37,897,175	\$32,202,149		\$35,640,120		\$3,437,971	10.7%		
32	¹ Trust Fund Less Invest. Management Fees		\$3,348,410	\$4,217,175	\$3,558,149		\$4,500,120		\$941,971	26.5%		
	¹ This schedule does not include Statutory budgeted items											

	NEW HAMPSHIRE RETIREMENT SYSTEM				
	TRUST FUND BUDGET DETAIL ANALYSIS				
	(Does not include the NHRS Statutory Budget)				
	FISCAL YEARS 2022 - 2024				
FY 2024 Trust Fund Budget					
		FY 2022	FY 2023	FY 2023	FY 2024
				PROJECTED	PROPOSED
		ACTUAL	BUDGET	ACTUAL	BUDGET
June 2023					
1	Investment Expense/Internal:				
2	Administrative Expenses				
3	Salaries & Benefits	\$657,088	\$895,000	\$785,000	\$1,032,000
4	Current Expenses/Supplies/Education	13,984	28,000	30,000	57,200
5	Subscriptions	4,805	5,300	6,000	5,320
6	License Fee-Bloomberg	48,280	54,000	57,000	202,575
7	Organization Dues	11,529	18,500	14,000	18,075
8	Travel	2,355	25,000	2,500	24,500
9	Total Investment Expense/Internal	\$738,041	\$1,025,800	\$894,500	\$1,339,670
10					
11	Investment Expense/External:				
12	Management Fees				
13	Marketable Investments	\$28,283,800	\$30,280,000	\$25,240,000	\$27,440,000
14	Domestic Equity	8,356,218	11,931,000	9,868,000	10,720,000
15	Non-US Equity	11,503,726	11,789,000	9,612,000	10,360,000
16	Fixed Income	8,423,856	6,560,000	5,760,000	6,360,000
17	Real Estate	2,840,977	3,400,000	3,404,000	3,700,000
18	Townsend	2,840,977	3,400,000	3,404,000	3,700,000
22	Subtotal Management Fees	31,124,777	33,680,000	28,644,000	31,140,000
23					
24	Investment Administrative Expenses				
25	Custody Fees	604,730	625,000	600,000	705,000
26	Master Custodian	604,730	625,000	600,000	705,000
27	General Investment Consultant Fees	487,500	700,000	650,000	700,000
28	Legal	357,114	500,000	285,000	500,000
29	Other Fees	55,973	61,000	53,459	61,000
30	Trading Cost Analysis	13,256	12,000	11,025	12,000
31	Proxy Voting Service	26,958	30,000	26,675	30,000
32	ISS Class Action	12,000	15,000	12,000	15,000
33	Other Fees-Foreign Tax Agent Fees	3,759	4,000	3,759	4,000
34	Subtotal Investment Adm. Expenses	1,505,317	1,886,000	1,588,459	1,966,000
35					
36	Total Investment Expense/External	\$32,630,094	\$35,566,000	\$30,232,459	\$33,106,000
		FY 2022	FY 2023	FY 2023	FY 2024
				PROJECTED	PROPOSED
		ACTUAL	BUDGET	ACTUAL	BUDGET
37	Non-Investment Expense/Non-Statutory:				
38	Professional Fees & Other				
39	Actuarial Fees	\$200,965	\$230,000	\$190,000	\$286,000
40	Valuation & CAFR	89,879	100,000	93,600	103,000
41	Legislative-Related & Other	61,086	80,000	40,000	80,000
42	Experience Study	0	0	0	53,000
43	Decennial Commission	0	0	0	0
44	GASB-Work	50,000	50,000	56,400	50,000
45	Legal Fees	123,042	225,000	125,000	200,000
46	Audit Fees	224,250	259,500	259,500	254,000
47	CAFR and GASB Audits	224,250	259,500	259,500	254,000
48	GASB-Implementation & Census Audits				
49	Actuarial Audit				
50	Other Consulting Fees	271,431	264,125	175,000	100,000
51	Consulting Fees/Temporary Projects	271,431	264,125	175,000	100,000
52	Insurance	179,607	201,750	197,690	220,450
53	Fiduciary	144,162	160,000	148,487	165,000
54	Business Owner/Automotive	6,459	7,150	5,969	7,500
55	Crime	2,353	2,600	2,763	2,850
56	Public Office Bond \$100 for Exec. Dir.	100	150	100	100
57	Cyber Insurance	26,533	31,850	40,371	45,000
58	Local Custodian	105,757	125,000	128,000	134,000
59	Local Custodian Banking Services	105,757	105,000	112,000	116,000
60	Local Custodian Payroll Services		20,000	16,000	18,000
61	Total Non-Investment Expense/Non-Statutory	\$1,105,052	\$1,305,375	\$1,075,190	\$1,194,450
62	¹ Subtotal Trust Fund	\$34,473,187	\$37,897,175	\$32,202,149	\$35,640,120
	¹ Does not include Statutory budgeted items or depreciation				

	NEW HAMPSHIRE RETIREMENT SYSTEM				
	TRUST FUND BUDGET DETAIL ANALYSIS				
	STATUTORY ADMINISTRATIVE BUDGET				
	FISCAL YEAR 2022 - 2024				
FY 2024 Trust Fund Budget					
		FY 2022	FY 2023	FY 2023	FY 2024
				PROJECTED	
		ACTUAL	BUDGET	ACTUAL	BUDGET
June 2023					
1	Statutory Administrative Budget				
2	All non PGv3	\$8,866,131	\$10,111,942	\$9,476,000	\$10,619,842
3					
4					
5					
6					
7					
8					
9					
10					
11	<i>PGV3 Upgrade Project</i>	1,383,441	2,046,280	2,515,000	2,383,600
12	Total Statutory Administrative Expense	\$10,249,572	\$12,158,222	\$11,991,000	\$13,003,442

CONTRACTS PLACEHOLDER*Oral Presentation Only*



To: Board of Trustees
 From: Marie A. Mullen, Director of Finance
 Date: April 27, 2023
 Re: Finance Operating Report
 Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Status Update on PGV3 Finance deliverables:
 - Review of design documents, change requests, and requirements for Deliverable 7.
 - Completed Finance and Employer Reporting parallel calendar and activities documentation.
 - Documentation of PGV3 key business processes and internal training will take place in May and June to prepare for parallel.
 - We continue to communicate with Employers on the need to submit test files for the Pension Gold upgrade. We have received 129 to date, up 11 from last month. Reminders were sent to 51 employers with over 150 members this week. We have developed an escalation plan as we near parallel to ensure that all employers are able to submit files when PGV3 goes into parallel.
 - We continue to work with SAU 42/City of Nashua to clear file errors and data set issues.

Current Month Highlights

- Finance completed 10 of their 15 KPMs for the month. Three KPMs did not have deliverables for the month and two were not met. The KPM related to bank reconciliation was not within two days because we are training a new individual on the process and the KPM related to employer account reconciliation to post interest, was not met because we have not received payment from one employer.
- Cash flows for March and the fiscal year to date were within the expected range. In April, we received reimbursement from the State of NH General Fund for the \$42.9 million, certified at the April Board meeting, which was authorized in the fiscal year 2022 legislative session for HB 1587.
- FY 23 spending through the first nine months of the fiscal year is below budget.
- PGV3 project spending inception to date is below budget and FY23 is below the overall annual budget.

Upcoming Plans & Projects

- PGV3
- Fiscal year 2023 Audit kick-off meeting with Plante Moran is scheduled for May 12.

NHRS Board Monthly Reporting Package

Finance

May 9, 2023

CASH FLOW-Contributions & Benefits

Cash Basis (\$s in Millions)

Contributions	March 2023	FY 2023 YTD	March 2022	FY 2022 YTD
Employers	\$ 48.606	\$ 467.977	\$ 49.357	\$ 453.398
RSA from State of NH	\$ 10.792	\$ 10.792	\$ -	\$ -
Members	\$ 18.707	\$ 183.187	\$ 19.234	\$ 181.557
Subtotal	\$ 78.105	\$ 661.956	\$ 68.591	\$ 634.955
Benefits				
Annuity & OPEB	\$ 89.597	\$ 757.751	\$ 80.546	\$ 713.470
Refunds & All Other	\$ 5.265	\$ 33.078	\$ 2.704	\$ 27.852
Subtotal	\$ 94.862	\$ 790.829	\$ 83.250	\$ 741.322
Total Cash Flow Gain/(Shortfall)	\$ (16.757)	\$ (128.873)	\$ (14.659)	\$ (106.367)

FY 2023 BUDGET vs. ACTUAL

Investments & Non-Investment Administrative Expenses

July 1, 2022 through March 31, 2023

	<u>Total Budget</u>	<u>FYTD Budget</u>	<u>Actual</u>	<u>Difference</u>
Investment				
Administrative Expenses				
Internal	\$ 1,025,800	\$ 786,562	\$ 669,716	\$ 116,846
External (Manager & Custodial)	\$ 35,566,000	\$ 26,674,500	\$ 20,004,400	\$ 6,670,100
Subtotal	\$ 36,591,800	\$ 27,461,062	\$ 20,674,116	\$ 6,786,946
Non-Investment				
Administrative Expenses				
Internal (Statutory Administrative)	\$ 10,111,942	\$ 7,767,310	\$ 7,191,883	\$ 575,427
Pension Gold Version 3	\$ 2,180,905	\$ 1,635,679	\$ 1,966,900	\$ (331,221)
External (Actuary, Legal, Audit)	\$ 1,170,750	\$ 878,063	\$ 899,840	\$ (21,777)
Subtotal	\$ 13,463,597	\$ 10,281,052	\$ 10,058,623	\$ 222,429
Total Administrative Expense	\$ 50,055,397	\$ 37,742,114	\$ 30,732,739	\$ 7,009,375

		New Hampshire Retirement System				
		Investment & Non-Investment Administrative Expenses				
		Budget vs. Actual				
		July 1, 2022 Through March 31, 2023				
		FY 2023				
		TOTAL	FYTD	FYTD	Difference	Variance Explanations
		Budget	Budget	Actual		
1	Investment Administrative Expenses					
2	Internal Investment Expenses					
3	Salaries & Benefits	\$ 895,000	\$ 688,462	\$ 593,524	\$ 94,938	Timing of education expenses paid. Will balance by end of year.
4	Current Expenses/Supplies/Education	28,000	21,000	\$ 23,801	(2,801)	
5	Subscriptions	5,300	3,975	\$ 3,890	85	
6	License Fee-Bloomberg	54,000	40,500	\$ 37,058	3,442	
7	Organizational Dues	18,500	13,875	\$ 9,869	4,006	
8	Travel	25,000	18,750	\$ 1,574	17,176	
9	Subtotal Internal Investment	1,025,800	786,562	669,716	116,846	
10	External Investment Expenses					
11	Management Fees					
12	Marketable Investments	30,280,000	22,710,000	17,423,758	5,286,242	
13	Real Estate	3,400,000	2,550,000	1,688,421	861,579	
14	Subtotal Management Fees	33,680,000	25,260,000	19,112,179	6,147,821	
15	Investment Administrative Expenses					
16	Custody Fees					
17	Master-BNY Mellon	625,000	468,750	295,202	173,548	
18	General Investment Consultant Fees	700,000	525,000	487,500	37,500	
19	Legal-Investment	500,000	375,000	77,486	297,514	
20	Other Fees	61,000	45,750	32,033	13,717	
21	Subtotal Invest. Administrative Expenses	1,886,000	1,414,500	892,221	522,279	
22	Subtotal External Investment	35,566,000	26,674,500	20,004,400	6,670,100	
23						
24	Total Investment Internal & External	\$ 36,591,800	\$ 27,461,062	\$ 20,674,116	\$ 6,786,946	
	Line 12 - Investment Management Fees: FYTD Budgeted in this report at 9 months.					
	Line 13 - Investment Management Fees: FYTD Budgeted in this report at 9 months.					
	Line 17 - Custody Fees, Master BNY Mellon: FYTD Budgeted in this report at 9 months.					
	Line 18 - General Investment Consultant Fees: FYTD Budgeted in this report at 9 months.					
25	Non-Investment Administrative Expenses					
26	Internal Non-Investment Expenses					
27	Salaries & Benefits	\$ 7,584,366	\$ 5,834,128	\$ 5,434,466	\$ 399,662	
28	Current Expenses	200,985	150,739	126,013	24,726	
29	Rents & Leases	465,000	386,250	324,975	61,275	
30	Equipment	24,700	18,525	33,434	(14,909)	Unanticipated equipment needs. Transfer from available prior year balance forward will be utilized to cover needs.
31	Technology-Software & Hardware	883,000	662,250	723,097	(60,847)	Timing of annual software license payment. Will balance by end of year.
32	Payroll & Other Services	50,500	37,875	65,851	(27,976)	Increased Retiree Search services required. Transfer from available prior year balance forward will be utilized to cover needs.
33	Independent Med. Examiners/Consultants	234,000	175,500	127,704	47,796	
34	Retiree Health Insurance	177,900	133,425	89,189	44,236	
35	Other	491,491	368,618	267,154	101,464	
36	Subtotal Internal Non-Invest. Adm	10,111,942	7,767,310	7,191,883	575,427	
37						
38	Pension Gold Version 3 Upgrade	2,180,905	1,635,679	1,966,900	(331,221)	Timing of payment for D6 compared to monthly budget allocation.
39						
40	External Non-Investment Expenses					
41	Actuarial Fees	\$ 230,000	172,500	\$ 182,395	\$ (9,895)	Additional expenses related to Legislative requests. To be reimbursed by the State.
42	Legal Fees	225,000	168,750	93,400	75,350	
43	Audit Fees	259,500	194,625	249,629	(55,004)	Expenses frontloaded in first half of year. Will balance by end of year.
44	Other Consulting Fees	129,500	97,125	93,907	3,218	
45	Insurance Expense	201,750	151,313	197,690	(46,377)	Timing of annual fiduciary insurance payment. Will balance by end of year.
46	Local Custodian	125,000	93,750	82,819	10,931	
47	Depreciation Expense	-	-	-	-	
48	Subtotal External Non-Invest. Adm	1,170,750	878,063	899,840	(21,777)	
49						
50	Total Non-Invest. Internal & External	\$ 13,463,597	\$ 10,281,052	\$ 10,058,623	\$ 222,429	
51						
52	Total Administrative Expense	\$ 50,055,397	\$ 37,742,114	\$ 30,732,739	\$ 7,009,375	

FY 2021 PENALTY STATISTICS BY TYPE**Assessed, Paid, Waived & Pending Penalties****Fiscal Year 2021 as of 4/27/2023**

Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	336	\$ 470,702	199	\$ 387,497	59	\$ 11,601	78	\$ 71,604
Payment Penalty	167	\$ 114,943	66	\$ 68,034	40	\$ 7,968	61	\$ 38,941
Total	503	\$ 585,645	265	\$ 455,531	99	\$ 19,569	139	\$ 110,545

FY 2022 PENALTY STATISTICS BY TYPE**Assessed, Paid, Waived & Pending Penalties****Fiscal Year 2022 as of 4/27/2023**

Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	269	\$ 346,708	158	\$ 259,506	34	\$ 13,285	77	\$ 73,917
Payment Penalty	172	\$ 118,442	69	\$ 51,212	42	\$ 14,569	61	\$ 52,661
Total	441	\$ 465,150	227	\$ 310,718	76	\$ 27,854	138	\$ 126,578

FY 2023 PENALTY STATISTICS BY TYPE**Assessed, Paid, Waived & Pending Penalties****July 1, 2022 through April 27, 2023**

Penalty Type	Assessed		Waived		Paid		Pending	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Reporting Penalty	286	\$ 466,552	80	\$ 182,578	12	\$ 5,902	194	\$ 278,072
Payment Penalty	107	\$ 94,845	20	\$ 16,372	2	\$ 16	85	\$ 78,457
Total	393	\$ 561,397	100	\$ 198,950	14	\$ 5,918	279	\$ 356,529

		New Hampshire Retirement System								As of March 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	\$ -	\$ -	\$ 1,451,919	\$ -	\$ -	\$ -	\$ -	\$ 69,712	\$ -	\$ 1,521,631
35	2023 Variance	\$ -	\$ 170,035	\$ (246,699)	\$ -	\$ -	\$ -	\$ -	\$ (21,212)	\$ -	\$ (97,876)
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	\$ 5,242,279	\$ 25,717	\$ -	\$ -	\$ -	\$ 443,921	\$ 6,776	\$ 7,078,972
51	TOTAL Variance	\$ -	\$ 559,880	\$ 2,012,896	\$ 24,283	\$ 50,000	\$ 115,000	\$ 2,280	\$ 46,955	\$ 13,224	\$ 2,824,518
52	TOTAL Comments										
53											
54	Assumptions:										
55		No costs associated with PGV2 are included in this analysis									
56		PGV3 Support Costs are at the Standard rate (as opposed to premium)									
57		Implementation Costs detailed in each year's Adjusted Budget match the payment schedule in the LRS contract, and total the not-to-exceed amount									
58		The Adjusted Budget for Internal Costs reflects the amounts included in the FY22/23 statutory administrative budget.									
59		There are no costs for hardware that may be necessary at COLO included above									
60		Consulting costs in total are set at the not-to-exceed amount set in the contract with LRWL									
61		In FY24, additional staffing costs are increased 5% over FY23									

Division: Finance

Date: May 1, 2023

Approved: March 16, 2023

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Perform tasks associated with PGV3 implementation, as per contractual implementation schedule.	JT/MM/Finance Team/PGV3 Steering Committee	6/30/23	The Finance Team has been participating in various system design reviews, testing, employer file conversion and outreach.
2. Receive unmodified audit opinion for FY 22 audit.	MM/Finance Team	12/31/22	Completed.
3. Assure all statutory and other financial reporting deadlines and requirements are met, including the ACFR, benefit payroll, 1099s, FY 24 NHRS Trust Fund budget.	MM/Finance Team	6/30/23	Ongoing. Completed Statutory 24/25 Admin Budget, ACFR, GASB 68/75, and 1099s.
4. Deploy "New Staff Member" packet to address turnover of staff from participating employers responsible for NHRS reporting.	MM/JT/PIO	12/31/22	On hold.
5. Work to convert any employers still paying by paper check after the elimination of lockbox services, whether it be through NHRS <i>QuickPay</i> or ACH payment through their own banking partner.	MM/JT/MK	09/30/2023	ACH will be reviewed with the employers still sending checks before "go-live" for PGV3.
6. Issue RFP and select next vendor for the processing of NHRS 1099 forms.	MM	6/30/23	Removed. RFP not needed. Using local vendor and will get quotes for FY 23 1099 process.
7. Meet the deadlines in FY 23 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 March.
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	On hold.
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.



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

NHRS DASHBOARD: FY 2023 Second Quarter

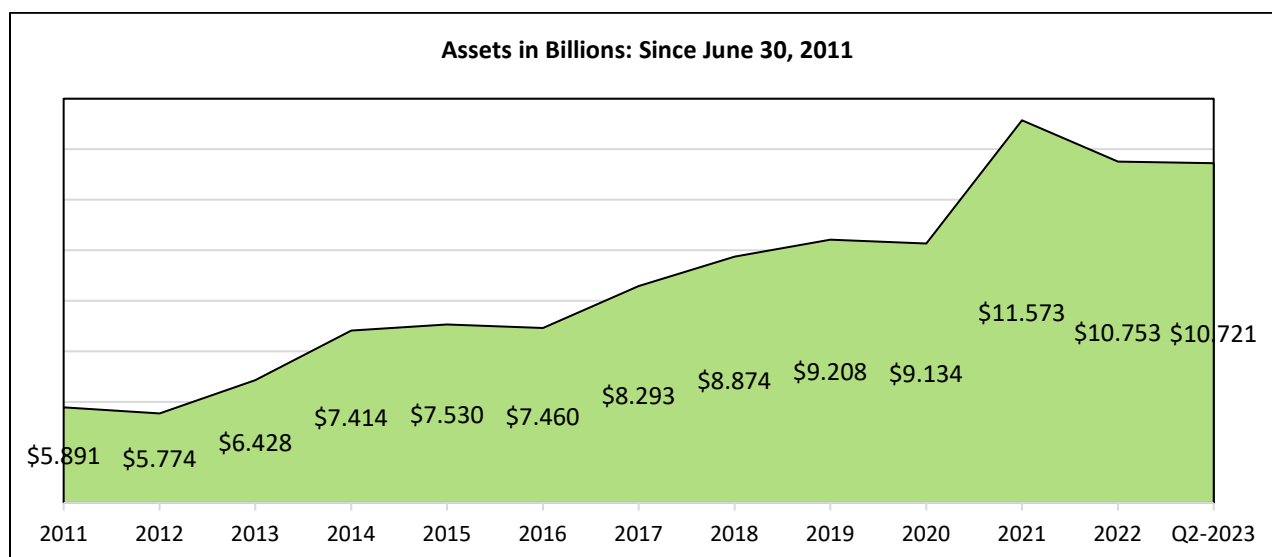
For the period October 1, 2022, to December 31, 2022

Updated: April 2023

TRUST FUND

2nd Quarter FY 2022: \$12.013 billion

2nd Quarter FY 2023: \$11.720*



* Unaudited

INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 12/31/22*	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	1.5%	-6.1%	7.1%	7.2%	8.5%
Peer comparison (percentile)	NA	34th	35th	36th	18th

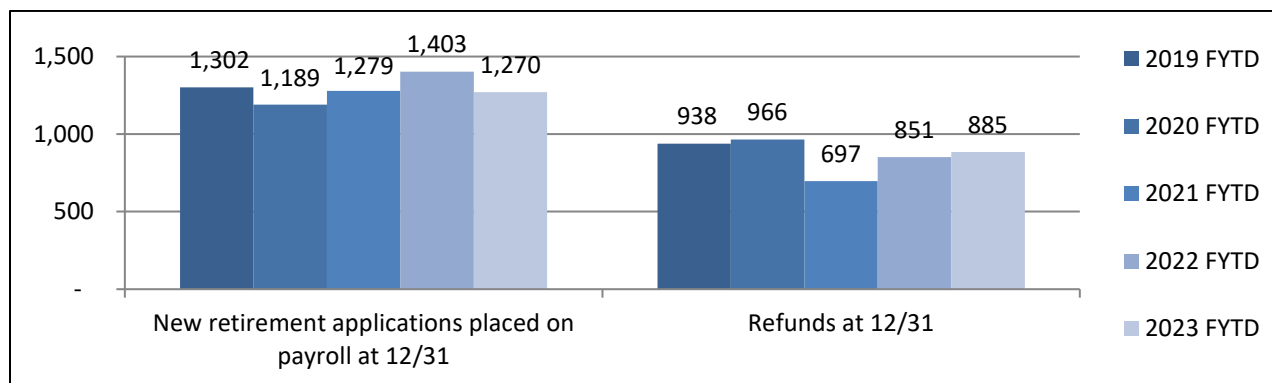
Assumed Rate of Return: 6.75%; * Annualized; valuation of real estate and alternative investments lagged three months

KEY PERFORMANCE MEASURES

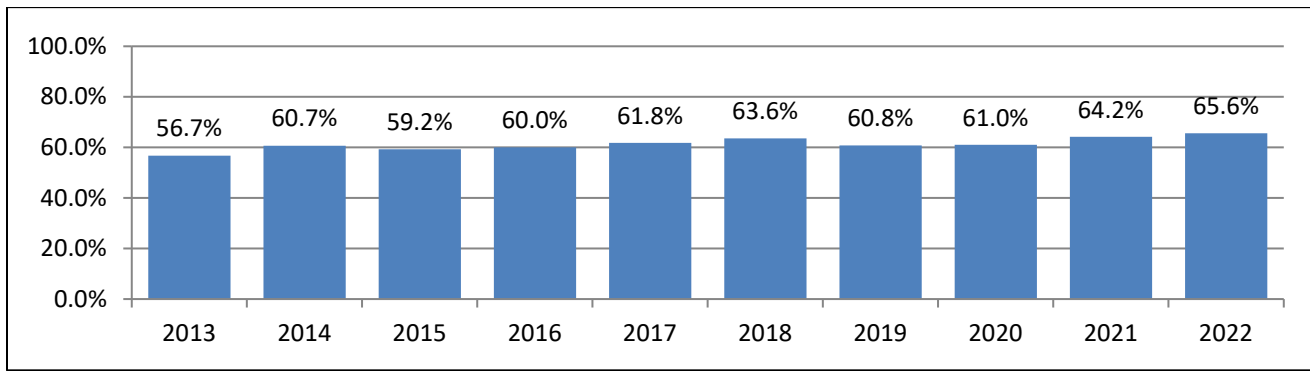
Oct. 2022: 98.80%	Nov. 2022: 94.94%	Dec. 2022: 92.94%	12-month rolling average: 96.63%
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Target: 95%

RETIREMENTS AND REFUNDS

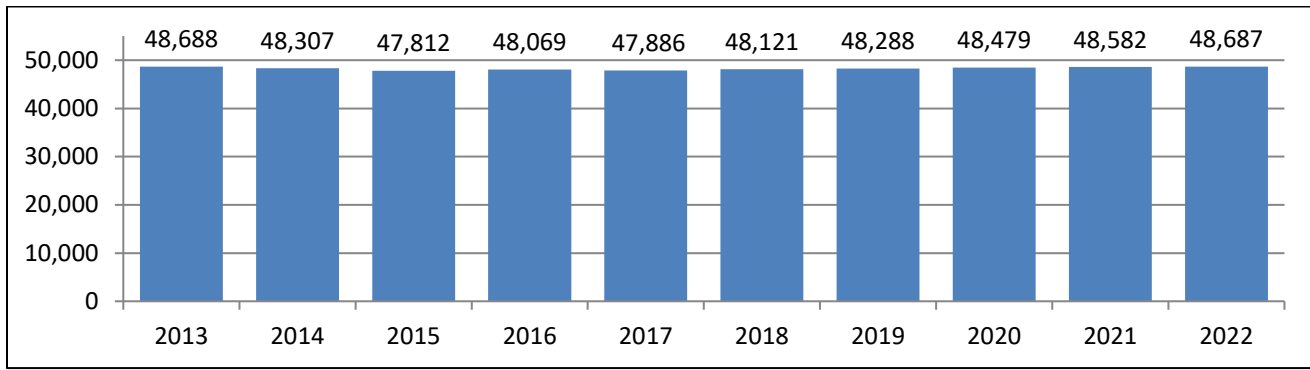


ACTUARIAL FUNDED RATIO

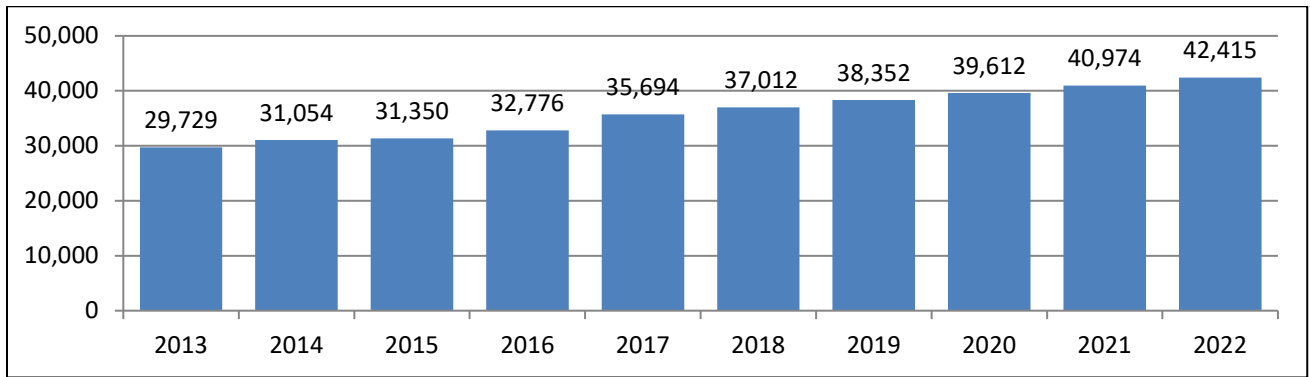


Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions effective in 2015 and 2019

ACTIVE MEMBERS



RETIREES & BENEFICIARIES





To: Board of Trustees
From: Rosamond Cain, Director of Human Resources
Date: May 9, 2023
Re: HR Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- NHRS currently has three staff openings, Systems Security Administrator, Communications Specialist, and an Imaging Specialist. We have hired the Investment Operations Analyst and an Imaging Specialist. Both start on Monday May 15.
- We expect to have staff payroll live with ADP on Friday, May 5.

Current Month Highlights

- HR met three out of four KPMs last month. The recruitment KPM was missed as we were not able to hire the Investment Operations Analyst within the stated 45 business days.
- We are waiting for a quote from Korn Ferry to review our position assessment process and tools.
- The nonunion compensation plan for FY 2024 will be presented to the PPCC before the June Board meeting.

Upcoming Plans & Projects

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

Division: Human Resources (HR)

Date: May 1, 2023

Approved: July 1, 2022

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Plan, schedule, and present two trainings for our staff annual training plan.	RC/ED/ET/MT	6/30/23	All staff training will be on hold until PGV3 parallel has been completed.
2. Maintain a management development program for middle managers and staff identified as possible managers.	RC/ED/ET/MT	6/30/23	Program has been documented and guidelines for identifying staff have been documented. As of 04/01/2022 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	Complete.
9. HR Mgr. to identify, enroll in, and complete a professional development program.	RFC/ED	9/30/22	Complete.



To: Board of Trustees

From: Tim Crutchfield, Deputy Director and Chief Legal Counsel

Date: April 27, 2023

Re: Legal Team Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Earlier this month, we received an order from Coos County Superior Court granting the NHRS and State of New Hampshire's Motions to Dismiss the petition brought 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. We are waiting to see if the Petitioners request reconsideration of the Court's order or appeal to the NH Supreme Court.

Current Month Highlights

- Over the past 12 months, the Employer Audit Team has completed 36 standard and 22 GASB audits. There are 10 standard audits in process, covering approximately 639 members. Staff is finalizing revisions to the employer audit procedures to make them more effective and efficient.
- Seven of the eight Legal KPMs this month were achieved. The other KPM is on hold due to competing staff priorities with PGV3.
- 449 Gainful Occupation reports were mailed in early March. 232 have been returned and 212 of those have been processed.
- 14 employers have yet to file their retiree working-after-retirement reports that were due on February 15. Penalty letters were sent April 18.
- In advance of the June sentencing hearing in federal court in the embezzlement case of a former Barnstead School District bookkeeper that appears to have involved misreporting of monthly NHRS contributions from the District, NHRS filed a Victim Impact Statement. While we wait for the District's forensic audit to assist us in identifying the scope of the crime, the Statement noted that the potential harm to members could be an underreporting of service credit if no employer contributions were received in a given month.
- Atty. Cavanaugh provided Groom Law with data regarding the aggregate medical subsidy amounts paid to the State on behalf of its retirees in response to a request from the IRS as part of our Private Letter Ruling (PLR) request, stemming from the mechanics of the medical subsidy provisions passed as part of HB2 in 2021.

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

Disability Appeals

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

Division: Legal/Compliance

Date: April 27, 2023

Approved: June 2, 2022

FY 2023 Action Plan Summary

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



To: Board of Trustees

From: Marty Karlon

Date: April 26, 2023

Re: Communications/Legislative Affairs Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

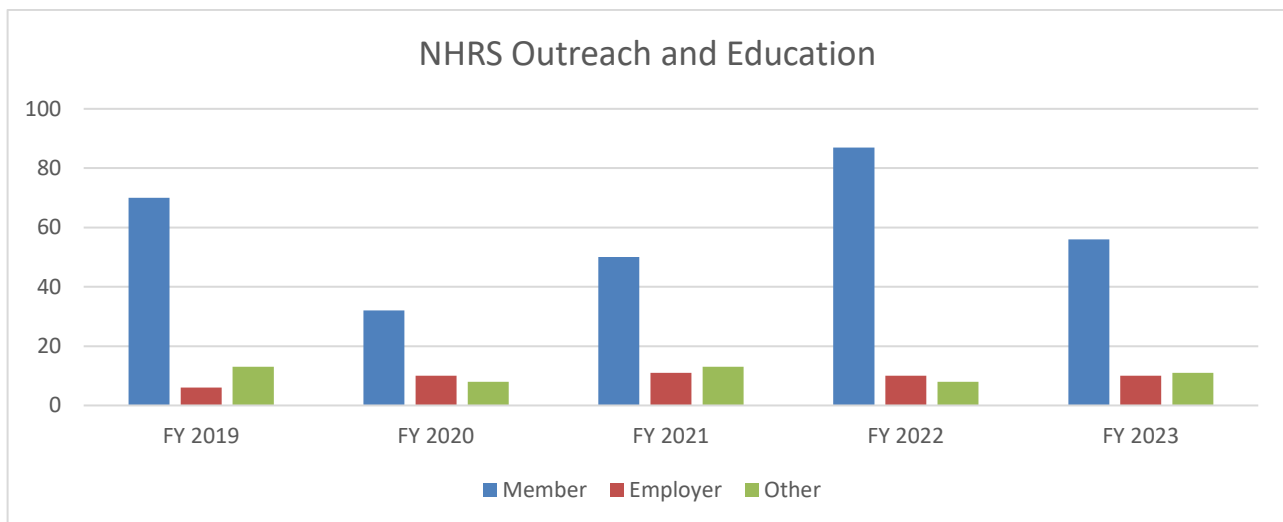
- Monitoring bills related to NHRS introduced in 2023 legislative session; as of April, six bills have been killed or retained in committee, five have been tabled, and nine remain active, including House Bill 2, the budget trailer bill, which contains four separate sections related to the retirement system.

Current Month Highlights

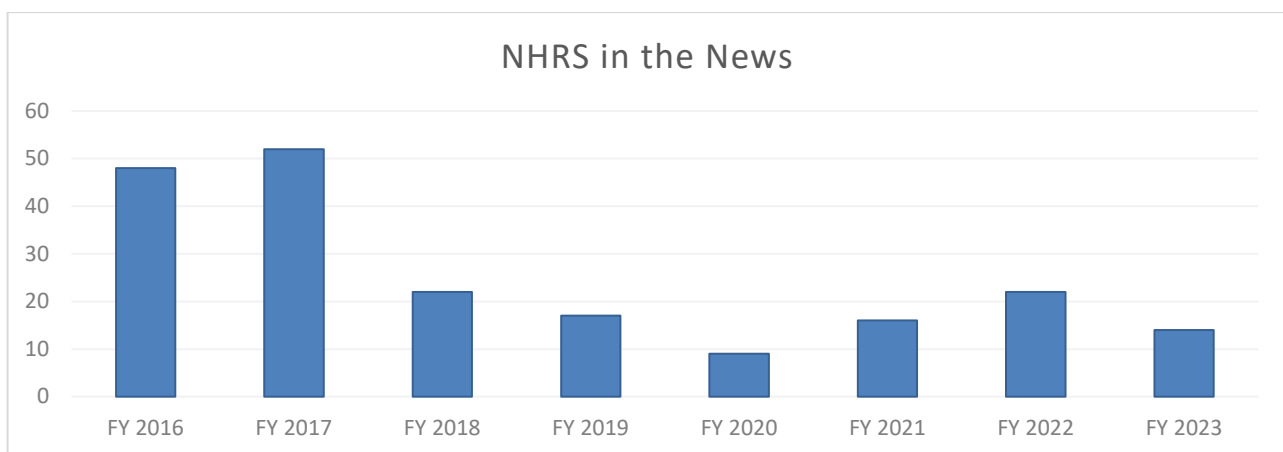
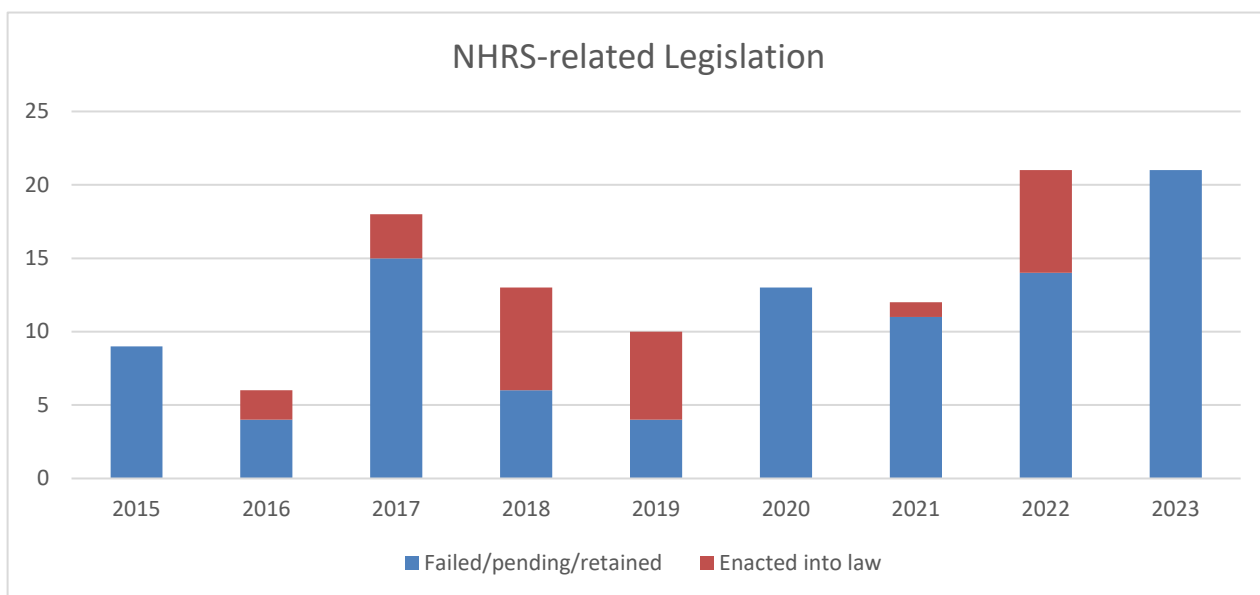
- Finalized PGV3 employer training dates for summer/fall.
- Hosted or participated in eight member education events, one employer education event and two constituent group presentations.
- All seven of PIO KPMs were met this month.

Upcoming Plans & Projects

- Actively recruiting for open Communications Specialist position.
- Scheduled to host or participate in four member education events and one employer education event in May.



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



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

Division: Communications

Date: April 27, 2023

Approved: June 2022 (Revised: February 2023)

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. In collaboration with the Finance team and PGV3 Project Manager, create PGV3 employer training and communication plans and hit all FY 23 deliverable dates on time. *	MK / C. Minervini	6/30/23	Ongoing. Developed 2023 employer training schedule. <i>Note: The project runs into FY 24 and will roll over into next year's action plan.</i>
2. Maintain ongoing internal and external communications for overall PGV3 project. *	MK	6/30/23	<i>Note: The project runs into FY 24 and will roll over into next year's action plan.</i>
3. Maintain positive and constructive working relationship with the NH Legislature. *	MK	6/30/23	Ongoing. NHRS technical correction legislation adopted by House on 2/22/23 and by Senate on 4/13/23.
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 PGV3 Project			
6. Develop and release member surveys assessing knowledge and comfort level with NHRS benefits and preferences for additional	MK / PIO staff	1/31/23	On hold.

education efforts. *			
7. Continue to enhance member interface to include younger employees/members in the NHRS system. *	MK / PIO staff	5/31/23	On hold.
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: May 11, 2023

Re: Information Technology Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Cybersecurity Awareness – All staff passed the March phishing test, and IT did not need to implement additional training.
- Security – Security scans identified a medium-level impact event on the email portal, which was remediated within 48 hours of discovery and resulted in no compromise to NHRS.
- Staff – The NHRS security officer has decided to leave the organization. Staff and service providers are fulfilling his current duties, and a permanent solution is being explored.

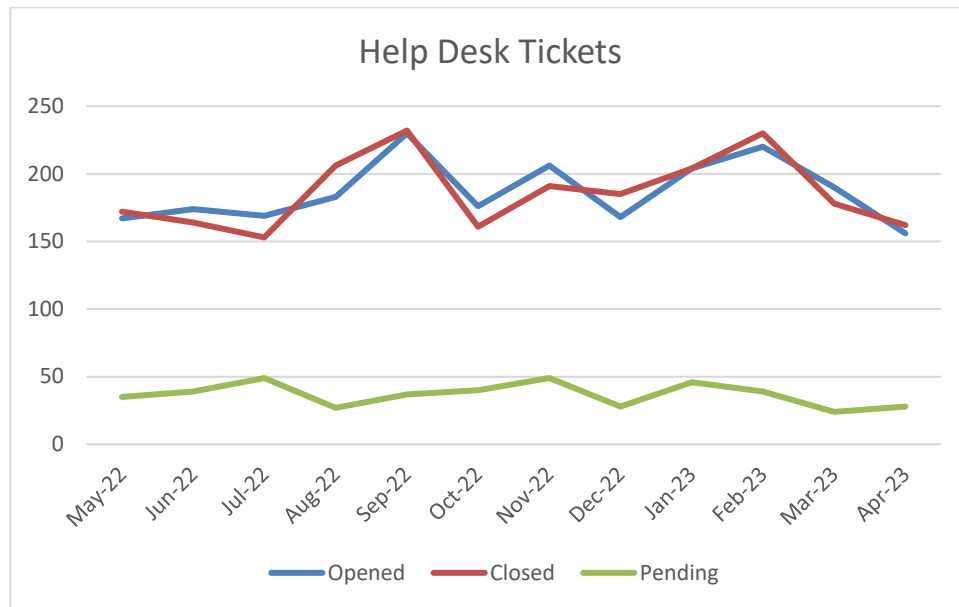
Current Month Highlights

- IT Customer Satisfaction Score – 100%.
- IT met all eight of its KPMs.
- Installed and tested the temporary power generator to protect the NHRS data center.
- Complete contract with Consolidated Communication to provide fault-tolerant internet connectivity.
- Established a cloud presence to begin proof-of-concept deployment testing in the Microsoft Cloud.
- Completed the migration and retirement of existing backup server to a new production backup solution, reducing the licensing requirement and optimizing the backup process.

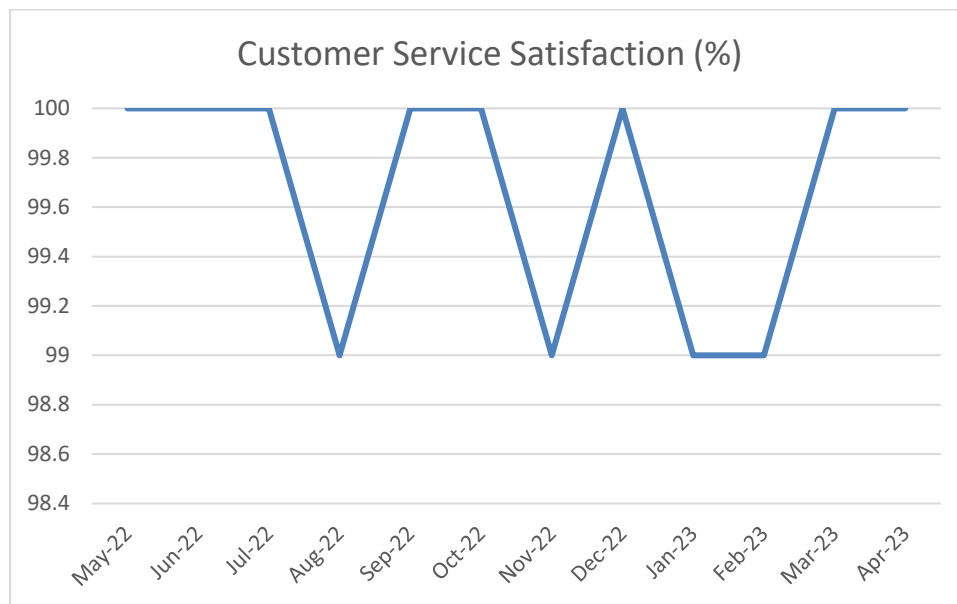
Upcoming Plans & Projects

- Provide a permanent solution to the departure of the security officer.
- Deployment and installation of four new copiers into the organization.
- Installation of fault-tolerant internet connection.
- Install a proof-of-concept for the on-site videoconferencing system in a small conference room.
- Finalize the decision regarding vendor selection for the cloud-based PBX phone system.

NHRS Helpdesk Ticket Information by Month



NHRS Customer Satisfaction Scores by Month



Division: Information Technology

Date: April 11, 2023

Approved: February 15, 2023

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Migrate the existing Secureworks solution to a MDR (Managed Detection and Response).	FC	04/30/2023	Completed 01/31/2023.
2. Upgrade and install the new SAN (Storage Area Network).	FC, JO	10/31/2022	Completed 12/29/2022.
3. Perform and complete yearly staff permissions review.	FC	09/30/2022	Completed 8/31/2022.
4. Execute third-party vulnerability and penetration test.	JL, JB	06/30/2023	Ongoing.
5. Upgrade the Zix encryption to the latest version.	JL, JO	06/30/2023	Completed 04/08/2023.
6. Perform tasks associated with PensionGold Version 3 (PGV3) implementation, as per contractual implementation schedule.	JL, TK, AS	06/30/2023	Ongoing.
7. Deploy Office 365 hybrid environment; 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	Ongoing.
9. Upgrade the existing network bandwidth from 500MB to 1000MB.	FC	08/31/2022	Completed 7/1/2022.
10. Identify, enroll, and complete a professional development program.	JB	06/30/2023	Secureworks Security Trends webinar.
11. Replace the existing emergency generator.	JL, CM	06/30/2023	Ongoing.
12. Install fault-tolerant internet connection.	JL, JO	06/30/2023	Ongoing.
13. Install corporate wireless access points throughout building.	JL, CM	06/30/2023	Ongoing.



To: Board of Trustees
 From: Raynald Leveque, Chief Investment Officer
 Date: May 9, 2023
 Re: Investments Operating Report
 Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- April 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 heard a presentation from global equity manager Walter Scott in conjunction with the contract renewal process.
 - The Committee heard a presentation from emerging markets equity manager Wellington EMLE in conjunction with the contract extension process.

Current Month Highlights

- Preliminary Performance:

As of 3/31/23	1-MO	FYTD	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net</u> Return	+1.10%	+5.35%	-2.20%	+11.93%	+6.83%	+7.67%
Policy Benchmark Return	+1.15%	+3.93%	-5.26%	+9.36%	+6.47%	+7.65%
Excess Returns (basis points)	-5	+142	+306	+257	+36	+2

Source: Callan

- KPM Performance for April 2023:
 - Seven reported KPMs were achieved; three are not applicable to this month's reporting.

Upcoming Plans & Projects

- May Committee Meeting:
 - The Committee will consider two GP fund commitments to the Private Equity portfolio: American Industrial Partners (AIP) Fund VIII and Apollo Investment Fund X. Representatives from both AIP and Apollo will present to the Committee on their respective mandates.
 - The Committee will hear presentations from fixed income managers Brandywine and Loomis Sayles in conjunction with the contract renewal process.

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 March 31 st	\$ 417,754
Total:	\$ 17,226,698

Source: BNY Mellon, ISS, NHRS, Northern Trust

Division: Investments

Date: May 2, 2023

Approved: October 3, 2022

FY 2023 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Assure compliance with all relevant statutory and regulatory requirements.	CIO/IIC/BOT	06/30/23	No exceptions have been identified.
2. Complete Private Debt/Equity Work Plan for Calendar Year (CY) 2023.	CIO/IIC	12/31/23	(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 CY 2023.	CIO/IIC	12/31/23	(DONE) IIC approved Fiscal Year (FY) 2023 Real Estate Work Plan on December 10, 2022. Implementation will occur in 2023.
4. Maintain investment expenses within budget.	CIO/IIC	06/30/23	Investment expenses are within budget.
5. Implement rebalancing as necessary to address deviations from policy targets.	CIO/IIC/BOT	03/31/23	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	07/31/23	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	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.



To: Board of Trustees

From: Nancy J. Miller

Date: May 1, 2023

Re: Member Services Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

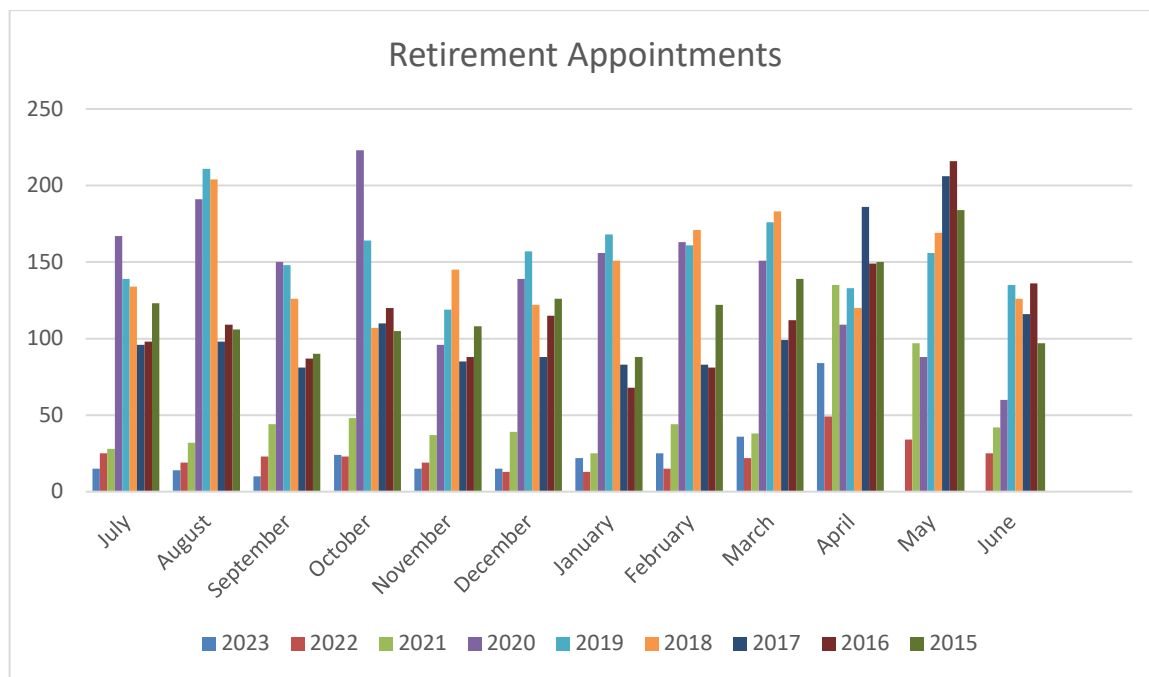
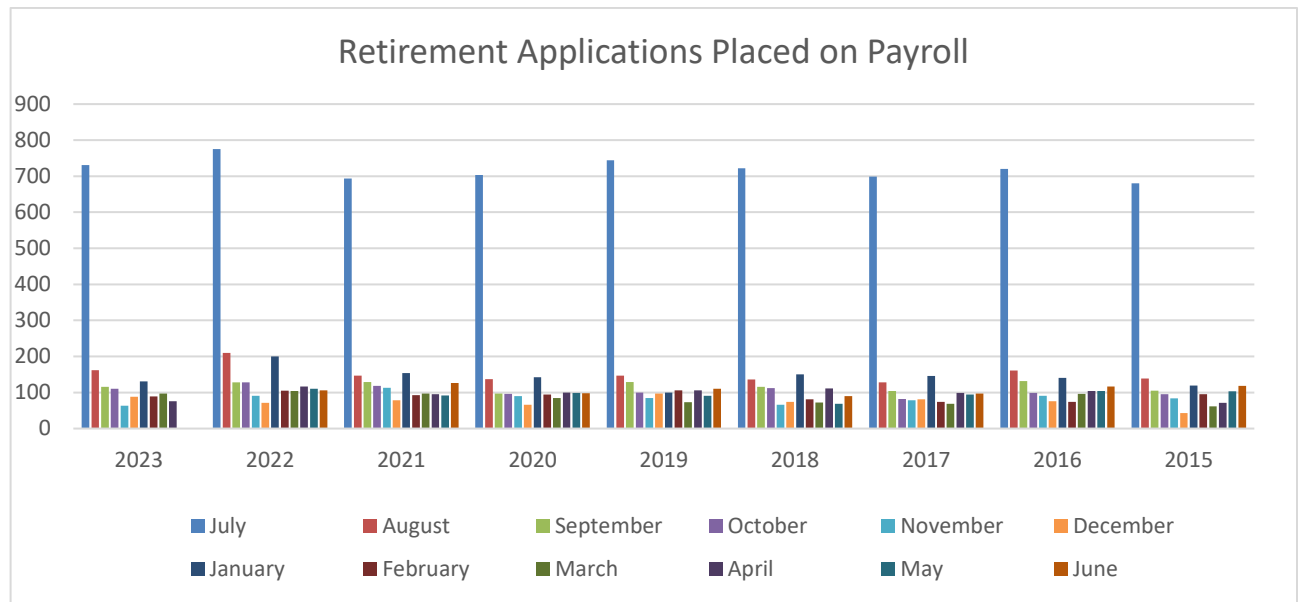
- PGV3 D7 work continues with significant involvement regarding Member Direct and its multiple functionalities.
- Parallel preparation work continues with NHRS teams and the LRS auxiliary team.

Current Month Highlights

- The Tax Deduction corrections were carried out in the April retiree payroll.
- Key Business Process work began with LRS, with a focus on Insurance Reporting and new employer reporting Standard Operating Procedures.
- The Member Benefits Team continues to manage the increased July retirement applications.
- Member Services achieved all 21 of its KPMs this month.

Upcoming Plans & Projects

- Numerous parallel-preparation meetings and Q2 activities roll-out will continue in May.
- July filing will continue to be the second area of focus for Member Services in the upcoming month.



Division: Member Services

Date: May 1, 2023
Approved: June 6, 2022**FY 2023 Action Plan Summary**

ACTION	PM	DATE	STATUS/COMMENTS
1. Adhere to and complete PGV3 project plan milestones relative to all Member Services functions.	NM/MS/IT/ LRS	6/30/23	In process.
2. Develop and implement an Employer Term Form tracking, and penalty issuance process, with monthly reporting capabilities.	Member Benefits/Legal/ PIO	8/30/22	Completed.
3. Create new member correspondences, internal workflows, accountabilities, and documented procedures relative to all 2022 legislative changes with impact to Member Services and benefit calculation functions.	MS/PIO/Legal/ Contact Center/ LRS	Dates to be added as legislation passed/implementation plans completed. HB1497 HB1587 HB 363 HB1535	Completed.
4. Implement new and adjusted procedures for Retiree Death Case processing to reduce open (outstanding recoupment matters and non-responder) cases by 50%.	MS Retirement Benefits/LexisNexis /Recoupment Committee	8/1/22- New procedures 9/30/22 -Monthly tracking reports 6/23 - Reduction of open cases by 50%	In process - Portions of this initiative on hold , pending completion of PGV3 parallel and implementation.
5. Identify and coordinate attendance of a training in which all of Member Services management team attend together as part of continuing education.	MS Managers/HR/ Vendor	6/30/23	On hold due to upcoming PGV3 parallel/implementation schedule.

**New Hampshire Retirement System
Board Meeting**

**Consent Agenda
Tuesday, May 9, 2023**

Disability Application Recommendations

1. K.B. Grant accidental disability retirement (ADR) to this group II member who worked for the State of New Hampshire and has 21 years and 7 months of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties due to a medical condition.
2. R.D. Grant ordinary disability retirement (ODR) to this group II member who worked for a political subdivision and has 19 years and 2 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
3. D.G. Grant ordinary disability retirement (ODR) to this group I member who worked for the State of New Hampshire and has 35 years and 5 months of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties due to a medical condition.
4. C.J. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 26 years and 5 months of creditable service, based on medical evidence that supports his claim for permanent incapacity from his work duties due to a medical condition.
5. T.K. Grant accidental disability retirement (ADR) to this group I member who worked for a political subdivision and has 21 years and 5 months of creditable service, based on medical evidence that supports her claim for permanent incapacity from her work duties due to a medical condition.
6. D.M. Grant accidental disability retirement (ADR) to this group II member who worked for a political subdivision and has 12 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.

Trustee Travel

No Travel Requests Submitted



NHRS

New Hampshire Retirement System

To: NHRS Board of Trustees

From: Jan Goodwin, Executive Director

Date: April 28, 2023

Re: April 11, 2023 - Action Items

Item: Action: ☐ Discussion: ☐ Informational: ☒

-
- | | |
|---|-------|
| 1. Provide certified 7.5% state contributions for the remaining employer. to the State Treasurer.
Action: In process. | MM |
| 2. Update the approved Voluntary Compliance Program Policy revisions.
Action: Completed. | MC |
| 3. Update the approved Proxy Voting Policy revisions.
Action: Completed. | RL |
| 4. Initiate a request for reimbursement for HB 1587.
Action: Completed. | MM |
| 5. Finalize contracts for the Bloomberg terminals and generator.
Action: Completed. | RL/JL |
| 6. Review warranty provisions in PGV3 contract.
Action: Completed. | TC/MC |
| 7. Schedule Benefits Committee meeting to review benefit education processes.
Action: In process. | TC |
| 8. Implement Board decisions on the Consent Agenda.
Action: Completed. | DC |
| 9. Obtain legislative appropriation for funding call firefighter benefits.
Action: Funding included in current HB2 budget proposal. | MK/MM |

BOARD CHECKPOINT DISCUSSION

CY 2023 BOARD ACTION CALENDAR

JANUARY

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

FEBRUARY

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

MARCH

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

APRIL

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

MAY

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

JUNE

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

JULY

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

AUGUST

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

SEPTEMBER

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

OCTOBER

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

NOVEMBER

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

DECEMBER

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

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

New Hampshire Retirement System Board of Trustees
As of 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 March 17, 2023**

Sponsor	Program	Description
(NCPERS) National Conference on Public Employee Retirement Systems www.ncpers.org	<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.
(NASRA) National Assn. of State Retirement Administrators www.nasra.org	<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.
(CII) Council of Institutional Investors www.cii.org	<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.

<p>(IFEBCP) Int'l Foundation of Employee Benefit Plans www.ifebp.org</p>	<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* July 24-27, 2023 Chicago, IL</p> <p>Pensions Part I* September 30-October 1, 2023 Boston, MA</p> <p><i>*(Completion of Part I <u>and</u> Part II, along with a take-home exam, are required to earn a CAPPP in pensions.)</i></p>	<ul style="list-style-type: none"> ▪ Ideal for 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, governance, legal, legislative, & regulatory developments. ▪ Gain comprehensive knowledge of public employee plan management and learn targeted information to aid in policy-making decisions.
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(NCTR) National Council on Teacher Retirement www.nctr.org	<p>NCTR Trustee Workshop July 16-19, 2023 (Registration opens in April) Williamsburg, VA</p> <p>NCTR's 101st Annual Conference October 7-11, 2023 (Registration opens in June) La Jolla, CA</p>	<ul style="list-style-type: none"> ▪ Ideal for public pension board Trustees, new and experienced. ▪ Ideal for all pension system staff, members, and key stakeholders. ▪ Agenda TBD.

NHRS Abbreviations and Acronyms

BENEFITS

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

BUSINESS OPERATIONS/VENDORS

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

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

GENERAL

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

IT

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

LEGISLATIVE

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

OTHER

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

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