New Hampshire Retirement System (NHRS)
Investment Committee Meeting

(Certain portions of the meeting may be held in a Non-Public Session)

Agenda
Tuesday, October 10, 2023

12:30 pm Call to Order

12:30 pm Approve Minutes **[Page 2 of 219]**
- September 12, 2023 Public Meeting Minutes *(Action Expected)*

12:35 pm Comments from the Chief Investment Officer **[Page 4 of 219]**
- Portfolio: Performance & Manager Update(s)
- Holdings Update
- Work Plan *(Action Expected)*
- Proposed 2024 Investment Committee Meeting Schedule

12:45 pm Callan Capital Markets Assumptions Presentation **[Page 15 of 219]**

1:45 pm SVP Presentation (Private Credit) **[Page 90 of 219]** *(Action Expected)*

2:30 pm Wellington Presentation (Public Non-U.S. Equity) **[Page 174 of 219]**

3:15 pm Draft Transmittal Letter – Comprehensive Annual Investment Report **[Page 200 of 219]**

3:30 pm Adjournment

Informational Materials **[Separate Supplemental Binder]**
- Callan Preliminary Monthly Review – August 2023
- Asset Allocation Update
- Private Debt & Equity Summary

Next Meeting: Tuesday, November 14, 2023

NOTE: The draft of these minutes from the September 12, 2023, Independent Investment Committee meeting is subject to approval and execution at a subsequent meeting.

Independent Investment Committee Meeting
September 12, 2023
DRAFT Public Minutes

New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301

Committee Members:

- Maureen Kelliher, CFA, *Chair*
- Brian Bickford, CFA, CFP®, *Member*
- Christine Clinton, CFA, *Member*
- Mike McMahon*, Non-Voting Member*
- Paul Provost, CFP ®, *Member*

Staff:

- Jan Goodwin, *Executive Director*
- Raynald Leveque, *Chief Investment Officer*
- Gregory Richard, CFA, *Senior Investment Officer*
- Shana Biletch, CFP ®, *Investment Officer*
- Tim Crutchfield, *Deputy Director and Chief Legal Counsel (by video conference)*
- Heather Hoffacker, *Internal Auditor (by video conference)*
- John Laferriere*, Director of IT (by video conference)*

Guests:

- Angel Haddad, *Senior Vice President, Callan LLC (by video conference)*
- Pete Keliuotis, CFA, *Executive Vice President, Callan LLC (by video conference)*
- Britt Murdoch, *Vice President, Callan LLC*

Chair Kelliher called the meeting to order at 12:30 PM.

On a motion by Mr. Provost, seconded by Ms. Clinton, the Independent Investment Committee (Committee) unanimously approved the public minutes of the August 8, 2023, Committee meeting as presented.

Mr. Leveque reviewed investment returns through recent periods and referred to the Callan Monthly Review for periods ending July 31, 2023. He shared an update on holdings within the NHRS portfolio. He confirmed that all allocations are in line with their approved ranges. Mr. Leveque updated the Committee on liquidity, Russian holdings, and the Work Plan. Staff is updating the NHRS Strategic Asset Allocation and will present their recommendations before calendar year-end. Staff anticipates conducting a Request for Proposal (RFP) for an analytical system to assist with their Total Plan Analysis in early 2024.

Next, Mr. Leveque revisited the Committee's August vote to commit $50 million to the Ares Management (Ares) Pathfinder Fund II. Due to additional capacity from the manager, he presented Staff's recommendation to increase the System's total commitment size to $75 million.

On a motion by Mr. Bickford, seconded by Ms. Clinton, the Committee unanimously voted to commit an additional $25 million to the Ares Pathfinder Fund II, subject to contract and legal review.

Next, the Committee discussed Income Research and Management's (IR+M's) September presentation and a potential contract renewal.

On a motion by Mr. Provost, seconded by Mr. Bickford, the Committee unanimously voted to renew the Investment Management Agreement with IR+M for a five-year term through October 31, 2028.

Mr. Murdoch then referenced the "New Hampshire Retirement System – Public Market Evaluation" presentation dated September 12, 2023.

Mr. Murdoch discussed the Investment Committee's major accomplishments during the 2023 fiscal year-ended June 30, 2023. He and Mr. Haddad shared the impact of broad market performance on NHRS portfolio returns. Mr. Murdoch also reviewed the System's asset allocation and noted the System's rebalancing of the public fixed income and non-U.S. equity allocations in May to return them to their approved ranges. The Committee will revisit asset class positioning following the completion of the Fund's Strategic Asset Allocation.

On a motion by Ms. Clinton, seconded by Mr. Provost, the Committee unanimously voted to adjourn the meeting.

The meeting adjourned at 1:14 PM.

NHRS
New Hampshire Retirement System

To: Investment Committee

From: Raynald Leveque, Chief Investment Officer

Date: October 10, 2023

Re: **Work Plan / Recap of September Investment Committee Meeting**

Item: Action: ☒ Discussion: ☐ Informational: ☐

The attached six-month Work Plan summarizes the high-level tasks and projects being addressed by the Investment Committee and Staff.

A recap of the September Investment Committee meeting is as follows:

- 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 revisited the August meeting vote to commit $50 million to the Ares Management (Ares) Pathfinder Fund II, due to additional capacity from the manager. The committee unanimously voted to commit an additional $25 million to Pathfinder Fund II subject to contract and legal review.
- The Committee unanimously voted to approve a five-year contract renewal for Income Research + Management.
- Callan presented a fiscal year review of the NHRS Marketable Investments Portfolio.

NHRS
New Hampshire Retirement System

To: Investment Committee

From: Raynald Leveque, Chief Investment Officer

Date: October 10, 2023

Re: **Six-Month Investment Work Plan**

Item: Action: ☒ Discussion: ☐ Informational: ☐

As time progresses, the Work Plan will be updated to reflect tasks and initiatives associated with the current and subsequent quarter. Items completed over the fiscal year will also be included.

Presentations are displayed using the following format:
IC meeting date – Pertinent details

Updates from the prior month are highlighted in **bold**.

2nd Quarter FY 2024: October – December 2023

Investment Program

- October - 2024 Investment Committee meeting schedule
- November - Annual Review of Investment Manual
- **November - FY 2023 Comprehensive Annual Investment Report**
- **November – NHRS Strategic Asset Allocation Review**
- **December – NHRS Investment Strategic Plan**

Marketable Investments

- Schedule presentations of current investment managers
  October - Wellington, Non-U.S. Equity Contract Renewal
- Monitor marketable assets portfolio

Alternative Investments

- Continue implementation of the 2023 Private Debt & Equity Investment Plan

Real Estate

- Continue implementation of the 2023 Real Estate Investment Plan
  December - Townsend Contract Renewal

Vendors

- **December – Abel Noser, Trading Cost Analysis Contract Renewal**

3rd Quarter FY 2024: January – March 2024

Investment Program

- Educational session on total plan asset classes
- Discuss macroeconomic investment themes that may impact the portfolio

Marketable Investments

- Schedule presentations of current investment managers
- Monitor marketable assets portfolio

Alternative Investments

- January – Callan, Semi-Annual Review of Private Debt & Private Equity Investment Plan
    - Approve 2024 Pacing Plan for Private Debt & Private Equity

Real Estate

- January - Townsend, Semi-Annual Review of the Real Estate Investment Plan
    - Approve 2024 Pacing Plan for Real Estate

Vendors

- No action

Completed Items – Fiscal Year 2024

1st Quarter FY 2024: July – September 2023

Investment Program

- Discuss macroeconomic investment themes that may impact the portfolio
  July – J.P. Morgan and BlackRock presented

Marketable Investments

- Schedule presentations of current investment managers
  August – IR+M, Fixed Income contract renewal
- Monitor and execute structure of marketable assets portfolio
  September - Callan, Marketable Investments fiscal year portfolio review

Alternative Investments

- Continue implementation of 2023 Private Debt & Equity Strategic Plan
  August – Ares, Pathfinder II, Private Debt, unanimous approval of $50 million commitment
  September – Ares, Pathfinder II, additional commitment of $25 million

Real Estate

- Continue implementation of 2023 Real Estate Investment Plan

To: Investment Committee

From: Raynald Leveque, Chief Investment Officer

Date: October 10, 2023

Re: **Summary of Quarterly Public Market Manager Discussions: Q2 2023**

Item: Action: ☐ Discussion: ☐ Informational: ☒

Portfolio review calls or meetings are held with active NHRS public market investment managers on a quarterly basis. Managers are asked to provide firm-level updates; a review of portfolio performance; an update on portfolio positioning; an overview of their ESG practices; and their market outlook, as applicable.

Portfolio review discussions for the quarter-ended June 30, 2023 were held during the quarter-ended September 30, 2023 with the following managers:

Domestic Equity:
- AB (SMid Cap)
- Boston Trust Walden Company (Small Cap)
- Segall Bryant & Hamill (Small Cap)
- Thompson, Siegel & Walmsley (SMid Cap)
- Wellington (Small Cap)

Non-U.S. Equity:
- Aristotle (Core)
- Artisan (Core)
- Causeway Capital Management (Core)
- Lazard (Core)
- Walter Scott (Global)
- Wellington (Emerging Markets)
- Wellington (International Small Cap)

Fixed Income:
- BlackRock SIO (Unconstrained)
- Brandywine (Global)
- Fidelity (Multisector)
- IR+M (Core)
- Manulife Asset Management (Multisector)

Quarterly portfolio reviews will be conducted with the active public market managers in subsequent quarters, and results will be summarized for the Committee. During a quarter in which a manager presents to the Committee, that presentation will substitute for the quarterly staff review discussion. While reviews are conducted on a quarterly basis, a manager is judged on their ability to add value over full market cycles.

To: Independent Investment Committee

From: Raynald Leveque, Chief Investment Officer

Date: October 10, 2023

Re: **Proposed 2024 Investment Committee Meeting Schedule**

Item: Action: ☒ Discussion: ☐ Informational: ☐

Recommendation

NHRS staff recommends that the Investment Committee consider a meeting schedule in 2024 on a less-than-monthly basis, aligned with the recent approval of the Board of Trustees meeting frequency. Investment Committee meetings require significant time for members to prepare for, travel to, and attend. The NHRS Investment Team spends much time each month preparing, coordinating, and running each meeting.

The following proposed meeting frequency for consideration is a minimum of eight meetings per year. Should NHRS Staff require additional meetings for investment action, those meetings can be scheduled on an ad-hoc basis.

Additionally, the proposed meeting dates below are on the second Tuesday of the month per our usual schedule. However, the Committee can recommend adjusting these dates to a day later in the month to allow for more timely performance reporting.

Proposed Schedule for 2024 (no meetings scheduled for March, May, July and September)

January 9, 2024

February 13, 2024

April 9, 2024

June 11, 2024

August 13, 2024

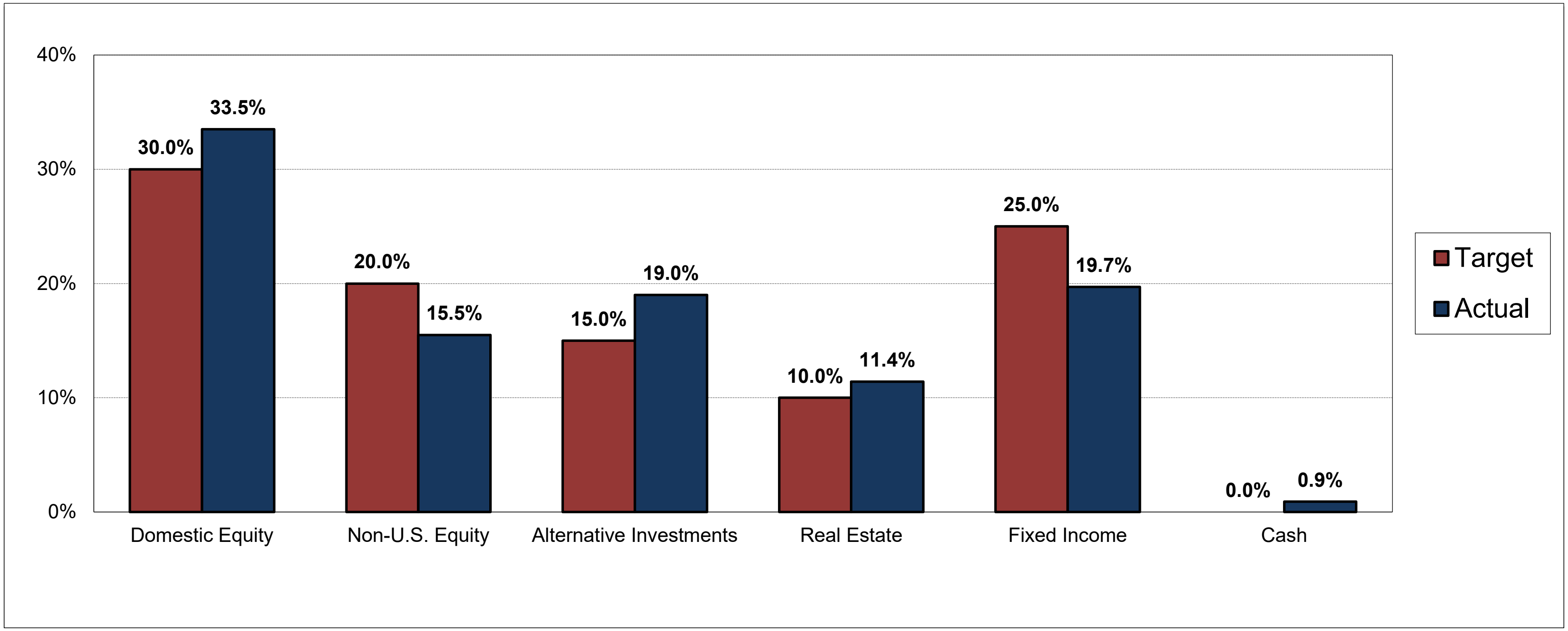
October 8, 2024

November 12, 2024

December 10, 2024

Current Status

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



Source: NHRS

Asset Class Allocations Relative to Policy Targets and Ranges

As of August 31, 2023 (preliminary)

Asset Class	Range	Allocation Target	Allocation Actual	Allocation Variance	Objective	Comments
Domestic Equity	20 - 40%	30.0%	33.5%	3.5%	**Monitor**	No immediate action needed.
Non-U.S. Equity	15 - 25%	20.0%	15.5%	-4.5%	**Monitor**	Below target allocation but within approved allocation range. Continue to Monitor.
Alternative Investments (AI)[1]	5 - 25%	15.0%	19.0%	4.0%	**Monitor**	No immediate action needed.
Real Estate (RE)[1]	5 - 20%	10.0%	11.3%	1.3%	**Monitor**	Redemption from select open-end funds in process
Fixed Income	20 - 30%	25.0%	19.7%	-5.3%	**Monitor**	Below target allocation but within approved allocation range when cash is included. Continue to Monitor.
Cash	NA	0.0%	1.0%	1.0%	**No Action**	Minimal cash balance to provide liquidity, as needed, for annuities, capital calls, and other plan needs.
		100.0%	100.0%	0.0%		

[1] *As reported on the August 31, 2023 (preliminary) Monthly Review*

Source: NHRS

The table below details the rates of return for the fund's asset classes over various time periods ended August 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 August 31, 2023									
Composite	**Total Fund Weighting As of 8/31/2023**	**Last Month**	**Last 3 Months**	**FYTD**	**CYTD**	**LTM**	**3-YR**	**5-YR**	**10-YR**
Total Domestic Equity	**30.86%**	**-2.13%**	**8.78%**	**1.52%**	**14.77%**	**12.85%**	**10.80%**	**8.64%**	**11.05%**
Domestic Equity Benchmark(1)		*-1.93%*	*8.52%*	*1.59%*	*18.01%*	*14.76%*	*8.98%*	*10.19%*	*12.32%*
Excess Return		*-0.20%*	*0.26%*	*-0.07%*	*-3.24%*	*-1.91%*	*1.82%*	*-1.54%*	*-1.27%*
Total Non US Equity	**18.16%**	**-2.62%**	**4.95%**	**-0.18%**	**13.46%**	**18.60%**	**4.52%**	**3.80%**	**4.80%**
Non US Equity Benchmark(2)		*-4.52%*	*3.82%*	*-0.63%*	*8.78%*	*11.89%*	*3.99%*	*3.33%*	*4.38%*
Excess Return		*1.89%*	*1.13%*	*0.46%*	*4.68%*	*6.71%*	*0.54%*	*0.47%*	*0.42%*
Total Fixed Income	**19.69%**	**-0.93%**	**-0.24%**	**-0.47%**	**2.34%**	**0.59%**	**-2.53%**	**1.46%**	**2.27%**
Bloomberg Capital Universe Bond Index		*-0.60%*	*-0.66%*	*-0.50%*	*1.81%*	*-0.39%*	*-3.96%*	*0.74%*	*1.77%*
Excess Return		*-0.33%*	*0.42%*	*0.04%*	*0.53%*	*0.98%*	*1.44%*	*0.72%*	*0.50%*
Total Cash	**0.94%**	**0.45%**	**1.32%**	**0.90%**	**3.30%**	**4.46%**	**1.64%**	**1.74%**	**1.15%**
3-Month Treasury Bill		*0.45%*	*1.31%*	*0.85%*	*3.13%*	*4.25%*	*1.55%*	*1.65%*	*1.07%*
Excess Return		*0.00%*	*0.01%*	*0.04%*	*0.18%*	*0.20%*	*0.09%*	*0.09%*	*0.08%*
Total Real Estate (Q1)*	**11.36%**	**-0.13%**	**-2.87%**	**-0.34%**	**-6.47%**	**-5.32%**	**12.21%**	**9.44%**	**11.03%**
Real Estate Benchmark(3)		*-0.97%*	*-3.05%*	*-1.93%*	*-10.14%*	*-8.52%*	*7.18%*	*5.89%*	*8.02%*
Excess Return		*0.84%*	*0.18%*	*1.59%*	*3.67%*	*3.20%*	*5.03%*	*3.55%*	*3.01%*
Total Private Equity (Q1)*	**14.14%**	**-0.01%**	**1.45%**	**0.13%**	**2.53%**	**0.34%**	**18.59%**	**13.11%**	**12.20%**
Private Equity Benchmark(4)		*0.55%*	*4.61%*	*1.77%*	*17.97%*	*4.62%*	*15.41%*	*14.07%*	*15.56%*
Excess Return		*-0.56%*	*-3.17%*	*-1.64%*	*-15.44%*	*-4.29%*	*3.18%*	*-0.96%*	*-3.35%*
Total Private Debt (Q1)*	**4.86%**	**-0.01%**	**1.21%**	**0.00%**	**2.75%**	**4.14%**	**8.19%**	**5.20%**	**6.62%**
Private Debt Benchmark(5)		*-0.62%*	*1.12%*	*0.54%*	*8.49%*	*4.05%*	*3.76%*	*3.03%*	*6.40%*
Excess Return		*0.61%*	*0.10%*	*-0.55%*	*-5.74%*	*0.09%*	*4.43%*	*2.17%*	*0.21%*
Total Fund Composite	**100.00%**	**-1.34%**	**3.33%**	**0.33%**	**6.72%**	**6.54%**	**7.69%**	**6.65%**	**7.74%**
Total Fund Benchmark(6)		*-1.71%*	*3.37%*	*0.26%*	*8.66%*	*6.77%*	*5.28%*	*6.51%*	*7.78%*
Excess Return		*0.37%*	*-0.03%*	*0.07%*	*-1.94%*	*-0.22%*	*2.41%*	*0.14%*	*-0.04%*

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

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

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

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

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

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

(7) For the trailing 25 year period ended 8/31/23, the Total Fund has returned 6.53% versus the Total Fund Custom Benchmark return of 6.99%.

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

FYTD *Fiscal Year to Date*
CYTD *Calendar Year to Date*
LTM *Last Twelve Months*

Angel G. Haddad is a Senior Vice President in Callan's New Jersey Consulting office. He joined Callan in June 2012. Angel works with a variety of clients, including corporate and public retirement plans, endowments, foundations, and operating funds. Angel also supports the needs of a large national pension system in South America. His client responsibilities include strategic planning, plan implementation, investment monitoring and coordination of special client projects. Angel is a member of Callan's Inclusion and Client Policy Review Committees. He is a shareholder of the firm.

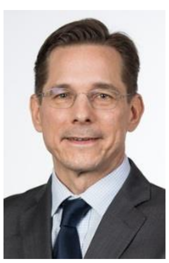
Prior to joining Callan, Angel worked at Fischer, Francis, Trees & Watts, Inc., a specialty fixed income global investment management firm, as a Relationship Manager focusing on Central Bank and Official Institution clients. Prior to this, Angel was a Principal with Mercer Investment Consulting, Inc., where he spent 11 years working with corporate defined benefit and defined contribution plans, nonprofits in the US, the Caribbean, and a large sovereign wealth fund in South America.

Angel earned a BBA and MBA from the City University of New York - Baruch College, the Zicklin School of Business.

Britton M. Murdoch is a vice president in Callan's New Jersey consulting office. He works with a variety of fund sponsors, including corporate, public, endowment, and foundation clients. His responsibilities include strategic planning, implementation, investment manager evaluation and monitoring, education, business development, and other special projects. Britt is the co-leader of Callan's Public Defined Contribution Team and a member of Callan's Defined Contribution Committee. He is also a shareholder of the firm.

Prior to joining Callan in 2014, Britt worked as an associate at J.P. Morgan Private Bank, where he was responsible for managing and developing private client relationships. In this role, he provided daily support to clients, performed annual reviews, and managed new client prospecting and integration. Britt began his career as a financial adviser and held the Financial Industry Regulatory Authority (FINRA) Series 6, 7, and 63 licenses.

Britt earned a BS in business administration from the University of Delaware, where he was the captain of the men's golf team.



Pete Keliuotis, CFA, is an executive vice president and the head of Callan's Alternatives Consulting group, which includes the private equity, private credit, and hedge fund consulting teams. In addition to leading these teams, he performs research and advises clients' alternatives investment portfolios. Pete is a member of Callan's Alternatives Review, Client Policy Review, Management, and Editorial committees.

Previously, he was a senior managing director of Cliffwater LLC and a senior member of their portfolio advisory team, specializing in alternative investing for institutional clients. Prior to Cliffwater, Pete was a managing director and the CEO of Strategic Investment Solutions, where he led the general and private markets consulting teams and advised several large institutional investors. Previous experience includes Mercer Investment Consulting, where he was a principal and senior consultant, Hotchkis and Wiley in Los Angeles, and Northern Trust Company in Chicago.

Pete earned a BS in economics from the University of Illinois at Urbana-Champaign, his MBA in analytic finance from the University of Chicago Booth School of Business, and he is a holder of the right to use the Chartered Financial Analyst® designation.

Catherine Beard, CFA, is a senior vice president in Callan's Alternatives Consulting group. She joined Callan in 2019, focusing on private credit and diversifying strategies where her role includes manager research, due diligence, client servicing, strategic planning, and portfolio monitoring. Catherine is a member of Callan's Alternatives Review Committee and Operational Due Diligence Review Committee.

Prior to joining Callan, Catherine was a principal and director of research at Blueprint Capital, a women- and diverse-owned asset management firm. She was also a senior manager of the private credit portfolio at the UAW Retiree Medical Benefits Trust, the alternative credit sector head at Mercer Investment Consulting, and a buy-side credit analyst on the Northern Trust High Yield team and UBS O'Connor's multi-strategy hedge fund.

Catherine earned an MBA from the Kelley Graduate School of Business, an Advanced French Degree from the L'University Catholique De L'Ouest, and a BA in political science from the University of Kentucky. She is also a holder of the right to use the Chartered Financial Analyst® designation.

Jay V. Kloepfer is an executive vice president and the director of Capital Markets Research group, helping clients with their strategic planning, conducting asset allocation and asset/liability studies, developing optimal investment manager structures, evaluating defined contribution plan investment lineups, and providing custom research on a variety of investment topics. He is a member of the Callan Institute Advisory Committee and is a shareholder of the firm.

Jay is the author of the Callan Periodic Table of Investment Returns, which he created in 1999. Prior to joining Callan, he was a senior economist and the Western Regional Manager for Standard & Poor's DRI.

Jay earned an MA in economics from Stanford and a BS with honors in economics from the University of Oregon.

NHRS
New Hampshire Retirement System

To: Independent Investment Committee

From: Raynald Leveque, Chief Investment Officer

Date: October 10, 2023

Re: **Recommendation: Strategic Value Partners Capital Solutions II**

Item: Action: ☒ Discussion: ☐ Informational: ☐

Recommendation

Based on the strategic fit within the New Hampshire Retirement System (NHRS), as well as the due diligence conducted by the NHRS Investment Team and the Callan Private Markets Team, the Chief Investment Officer recommends the Independent Investment Committee (IIC) approve a **commitment up to $50 million to Strategic Value Partners Capital Solutions II (CS II).**

Their investment platform includes private debt and restructuring, trading and event-driven as well as control strategies.

The recommended fund commitment will increase NHRS's exposure to a premier credit General Partner (GP) with experience in stressed and distressed investing. This allocation will diversify the plan's private credit allocation, currently comprised of about two-thirds in senior direct lending investments.

The Investment Staff's diligence process included an on-site meeting with key decision makers of the SVP team, a review of documentation from SVP, and consultation with a reference client invested in the SVP Capital Solutions II and SVP Special Situations V strategies. Key factors assessed in the due diligence process included the strength of the firm, SVP's investment philosophy, and management of CS II, its fit within the NHRS portfolio, as well as the performance history of prior vintages of the Capital Solutions strategies. Investment Staff also collaborated with our Investment Consultant, Callan to assess their independent diligence of SVP and CS II.

Callan's report is attached and supports Staff's recommendation to commit up to $50 million to Capital Solutions II. This memorandum provides a high-level overview of the private credit fund opportunity. The term sheet summary and additional details can be found in Callan's due diligence report (Exhibit A: Summary of Key Terms).

General Partner

SVP was founded in 2001 by Victor Khosla, who serves as the firm's Chief Investment Officer (CIO). Khosla's background prior to SVP includes a focus on credit and distressed assets at Citibank and Merrill Lynch. SVP is entirely employee-owned, with Mr. Khosla as the controlling equity owner, who has diluted his position over time to increase the diversity of the firm ownership.

The firm employs 170 professionals in total, with an investment team of 81 members. SVP is headquartered in Greenwich, Connecticut, and has offices in London and Tokyo.

The Special Situations funds invest in private credit as well as take influence and majority equity control positions in companies. The Restructuring fund invests in liquid, event-driven opportunities. The Capital Solutions funds invest in the opportunity-set of the two previously described strategies as well as mezzanine debt and rescue capital. The firm invests predominantly in the U.S. and Europe. While the firm has invested approximately 60 – 75% of Capital Solutions assets in corporate sectors, the fund has maintained exposure to niche sectors, including Real Estate, Aviation, and Infrastructure.

SVP Investment Team

Key investment professionals include Kevin Lydon, Global Head of Sourcing, David Greenberg, Head of the U.S. Deal team, and John Brantl and Hermann-Josef (HJ) Woltery, Co-Heads of the European Deal team. These members work closely with Mr. Khosla and have been at SVP for an average of 15 years. The firm has grown its investment team by approximately 50% since the Capital Solutions I commingled fund closed in 2020. SVP anticipates continuing to grow the investment team.

SVP is unique in that it has an in-house sourcing team comprised of 12 professionals and an in-house operational staff of 15 professionals. This approach enables the firm to source about half of its deals directly and take influence and control of select investment opportunities. SVP feels that by transacting directly with the sellers of debt, they're able to purchase larger investment allocations at more attractive prices. By nature, these investments tend to be unknown by the broad investment community.

In addition to the firm's investment staff, SVP works closely with its Advisory Council to leverage its network within the Financial industry as well as its experience in securing attractive deals. SVP believes that its Advisory Council is a key component of its success. SVP states that Mr. Khosla doesn't have plans to depart in the near term. Although he is heavily involved in the firm as its CIO, SVP is well-staffed by a deep bench of investment professionals. The average age of senior management is fairly young at age 46, protecting against key person risk.

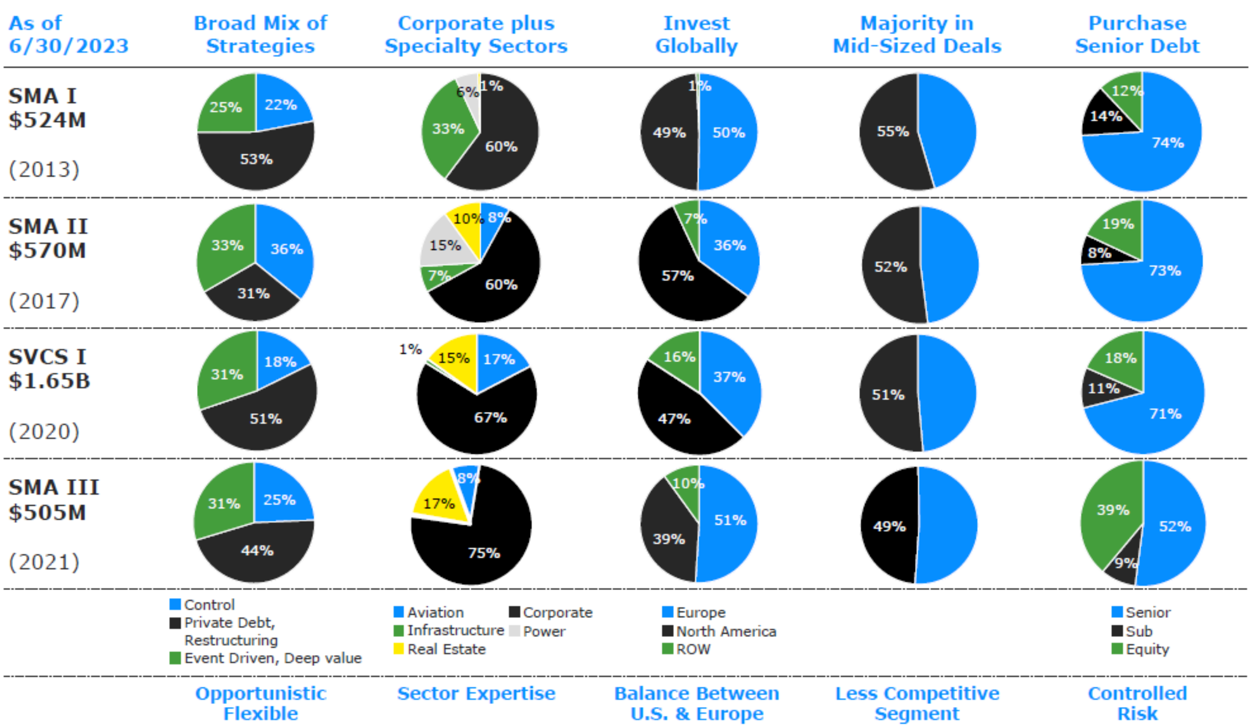
Investment Strategy

The CS II fund invests in a broad range of strategies across SVP's investment platform. These include event-driven strategies, private debt, restructuring and special situations, as well as control and significant influence of private equity.

Source: SVP

The strategy takes an evergreen approach by investing throughout the credit cycle. The team draws on its broad investment mandate to shift where it deploys funds. For instance, the team transacts in event-driven investments during market downturns and allocates to private debt and control equity positions during rising markets. This approach has led to the strong historical performance of the Capital Solutions predecessor funds.

As demonstrated in the chart below, the firm diversifies its investments across strategies, complements its corporate exposure with niche sectors, and invests across North America and Europe as well as in opportunities overlooked by larger investment firms. The firm manages risk by purchasing the majority of its investments in mid-sized, senior debt. The team maintains a high allocation to senior debt throughout the life of the investment.



Unless otherwise indicated, all data on this page is as of June 30, 2023. Fund size represents committed capital. Charts calculated as a percent of Invested Capital as of June 30, 2023. Classifications are based on the judgment of management. Mid-sized defined as deals with EV below $2 billion face value and consequently EV below $1.5 billion at market prices.

Source: SVP

Fund level leverage is employed with recourse and typically limited to 25% of aggregate commitments excluding the use of a subscription facility. The strategy uses leverage at the investment level.

Prior SVP mandates include three separate accounts close to $500 million each in assets, as well as a commingled fund with nearly $1.7 billion in commitments. The size of the CS II strategy relative to prior vintages demonstrates the strength of the firm and its successful performance track record.

Investment Process

SVP sources fund deals from a wide network that includes commercial banks, asset managers, direct interactions with corporations as well as the firm's Advisory Council. The team's strong relationships with important industry counterparties and levels of industry experience among key professionals are important in identifying attractive investments. Additionally, the team benefits from its presence in the United States and Europe.

The CS II underwriting process involves bottom-up fundamental analysis of companies and the industries and sectors in which they operate. This work is supplemented by conversations with the team's network and the use of specialty consultants.

The SVP investment team meets daily and weekly to discuss their investment pipeline and market activity. Investment memos are produced for investments under consideration. A consensus is usually reached by Mr. Khosla as CIO, the head of the geographic region under consideration, and relevant members of the deal, sourcing, and operating teams. Mr. Khosla has the final decision-making authority.

Deals with investment sizes over $50 million must be approved by the firm's Investment Council, comprised of senior Investment team members.

Investment allocations are typically made over a period of time. The investment team continues to cover investments made throughout the life of the investment. Exit strategies vary by the liquidity of the strategy and the level of influence SVP assumes in the company.

Track Record & Performance

NHRS Investment Staff and Callan reviewed the performance of the prior funds. The Capital Solutions mandates date back to 2013 and include separate accounts launched in 2013 and 2017, a commingled fund launched in 2020 and a separate account in 2021. Apart from the newer SMA III that has invested since 2021, the SVP mandates and Capital Solutions strategies have generated strong performance with significant multiples of invested capital (TVPI).

SVP Capital Solutions Track Record

Capital Solutions*
$5.9 billion AUM

- ✓ Broadest charter – everything the firm does in Restructuring & Special Situations Funds
- ✓ In addition, Specialty Sectors like Mezzanine and Structured Equity

	Committed Capital	Net IRR[c]	Net Multiple
SMA I[d] (2013)	$524M	13.6%	1.9x
SMA II[d] (2017)	$570M	12.1%	1.8x
SVCS I (2020)	$1.65B	10.0%	1.3x
SMA III[d] (2021)	$505M	4.4%	1.1x
Total**		**11.9%**	**1.5x**

Source: SVP

NHRS Strategic Allocation

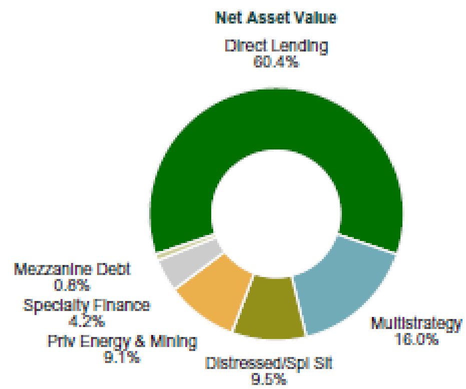
The SVP Capital Solutions II strategy will be part of the overall Private Credit allocation of the NHRS total plan, housed within the multi-strategy sub-strategy defined in the NHRS Investment Manual, containing both distressed and special situation strategies in addition to corporate, private debt strategies. The strategic allocation to Private Credit is 5% of the total fund.

Within the Private Credit allocation, the most significant exposure is the Direct Lending strategy, representing 60% of the overall exposure as of March 31, 2023. The multi-strategy allocation represented 16% of the private credit exposure at this time. A $50 million allocation to SVP Capital Solutions II would represent approximately 25% of commitments to multi-strategy investments.

Performance by Strategy
Total Private Credit
Period Ended March 31, 2023

The following tables illustrate current performance by Strategy type as of March 31, 2023 in USD millions.

Portfolio Performance by Strategy Type	Capital Commitments	Capital Contributions	Unfunded Commitments	Distributions	Net Asset Value	DPI	TVPI	TVPI Quartile	Net IRR	Net IRR Quartile
Direct Lending	$789	$886	$223	$724	$342	0.82x	1.20x	3rd	8.33%	3rd
Multistrategy	$150	$136	$25	$77	$91	0.57x	1.24x	3rd	7.59%	3rd
Distressed/Spl Sit	$190	$202	$12	$133	$54	0.66x	0.92x	4th	(1.36%)	4th
Priv Energy & Mining	$100	$113	$11	$93	$51	0.82x	1.28x	3rd	9.04%	2nd
Specialty Finance	$50	$23	$27	$2	$24	0.08x	1.13x	1st	17.26%	1st
Mezzanine Debt	$20	$20	$0	$20	$5	1.01x	1.24x	3rd	5.66%	3rd
Total Private Credit	**$1,299**	**$1,380**	**$299**	**$1,049**	**$567**	**0.76x**	**1.17x**	**3rd**	**5.31%**	**4th**



Source: Callan

The recommended commitment to SVP Capital Solutions II would diversify the System's Direct Lending exposure within the Private Credit allocation. It would offer an opportunity to partner with one of the leading private credit managers in the Alternatives space. In addition to diversifying our existing exposure to Direct Lending, an investment in CS II would complement our portfolio and advance our allocation goals while increasing our exposure to a leading General Partner.

Strengths & Rationale

SVP has many strengths that make them an ideal GP to partner with for our Private Credit asset class. Of them, Staff noted the following key points:

Diversified exposure to existing NHRS Private Credit allocation

The strategy will complement NHRS's private credit allocation, which is comprised of 60% senior direct lending exposure. SVP's approach also complements existing stressed and special situations allocations to Avenue, Tennenbaum and Gramercy in addition to CarVal multi-strategy investments in the portfolio today (see page 23 of the Callan Due Diligence report for manager peer and performance analysis).

Experienced Manager

The firm has invested in distressed debt, credit, and private equity since 2001. Their investment staff is experienced, and the growth in their team to 81 investment professionals today reflects the team's success. They are differentiated in their approach to sourcing deals in-house to take advantage of unique opportunities often overlooked by the broad investment community. Additionally, the team's presence in the U.S. and Europe benefits their focus on the two regions.

Proven Track Record

NHRS Staff believes that SVP has a disciplined investment approach and the required resources to continue to generate strong performance.

Risks & Mitigants

Key Person Risk

While Victor Khosla does not have plans to leave SVP, a potential departure could challenge the continued success of the Capital Solutions strategies, given his role as CIO and controlling equity owner.

This risk is mitigated by a strong team of 81 investment professionals and leadership by Kevin Lydon, David Greenberg, John Brantl and Hermann-Josef Woltery, as well as provisions in place for a key person event.

Challenging Market Environment for Distressed Investments

The Capital Solutions II strategy is poised to benefit from an environment where default rates and distressed and event-driven opportunities increase. That said, a continued period of low default rates could impact SVP's ability to generate alpha.

This risk is mitigated by SVP's track record of generating strong performance during stable markets as well as during stressed market environments such as COVID-19. SVP's evergreen approach allows them to steadily invest across market cycles and deploy capital into different strategies depending on the environment.

<u>Credit Risk Inherent in Distressed and Special Situations Investments</u>
Investments in distressed and special situations strategies pose increased credit risk within a diversified asset class.

Additionally, Staff believes that a commitment size of $50 million to the SVP CS II strategy represents its reward-to-risk ratio with a modest allocation relative to comparable peer funds in the portfolio. The strategy presents diversification benefits to the System's core senior direct lending exposure accretive to the overall Private Credit allocation.

Callan

October 10, 2023

2023 Long-Term Capital Markets Assumptions

New Hampshire Retirement System

Angel G. Haddad
Fund Sponsor Consulting

Britton M. Murdoch
Fund Sponsor Consulting

Jay Kloepfer
Capital Market Research

Callan Long-Term Capital Market Assumptions

Guiding objectives and process

Underlying beliefs guide the development of the projections:

- An initial bias toward long-run averages
- A conservative bias
- An awareness of risk premiums
- A presumption that markets are ultimately clear and rational

Reflect our beliefs that long-term equilibrium relationships between the capital markets and lasting trends in global economic growth are key drivers to setting capital market expectations

Long-term compensated risk premiums represent “beta”—exposure to each broad market, whether traditional or “exotic,” with limited dependence on successful realization of alpha

The projection process is built around several key building blocks:

- Advanced modeling at the individual asset class level (e.g., a detailed bond model, an equity model)
- A path for interest rates and inflation
- A cohesive economic outlook
- A framework that encompasses Callan beliefs about the long-term operation and efficiencies of the capital markets

2023 vs. 2022 Risk and Returns Assumptions

Summary of Callan's Long-Term Capital Markets Assumptions (2023–2032)

Asset Class	Index	Projected Return 1-Year Arithmetic	Projected Return 10-Year Geometric*	Real	Projected Risk Standard Deviation	2022–2031 1-Year Arithmetic	2022–2031 10-Year Geometric*	2022–2031 Standard Deviation	vs. 2022 Geometric* Delta	vs. 2022 Std Dev Delta
Equities										
Broad U.S. Equity	Russell 3000	8.75%	7.35%	4.85%	18.05%	8.00%	6.60%	17.95%	0.75%	0.10%
Large Cap U.S. Equity	S&P 500	8.60%	7.25%	4.75%	17.75%	7.85%	6.50%	17.70%	0.75%	0.05%
Smid Cap U.S. Equity	Russell 2500	9.60%	7.45%	4.95%	22.15%	8.75%	6.70%	21.30%	0.75%	0.85%
Global ex-U.S. Equity	MSCI ACWI ex USA	9.45%	7.45%	4.95%	21.25%	8.70%	6.80%	20.70%	0.65%	0.55%
Developed ex-U.S. Equity	MSCI World ex USA	9.00%	7.25%	4.75%	20.15%	8.25%	6.50%	19.90%	0.75%	0.25%
Emerging Market Equity	MSCI Emerging Markets	10.45%	7.45%	4.95%	25.70%	9.80%	6.90%	25.15%	0.55%	0.55%
Fixed Income										
Short Duration Gov/Credit	Bloomberg 1-3 Year Gov/Credit	3.75%	3.80%	1.30%	2.30%	1.50%	1.50%	2.00%	2.30%	0.30%
Core U.S. Fixed	Bloomberg Aggregate	4.25%	4.25%	1.75%	4.10%	1.80%	1.75%	3.75%	2.50%	0.35%
Long Government	Bloomberg Long Gov	4.55%	3.70%	1.20%	13.50%	1.85%	1.10%	12.50%	2.60%	1.00%
Long Credit	Bloomberg Long Credit	5.75%	5.20%	2.70%	11.75%	2.60%	2.10%	10.50%	3.10%	1.25%
Long Government/Credit	Bloomberg Long Gov/Credit	5.25%	4.75%	2.25%	11.35%	2.30%	1.80%	10.40%	2.95%	0.95%
TIPS	Bloomberg TIPS	4.10%	4.00%	1.50%	5.30%	1.35%	1.25%	5.05%	2.75%	0.25%
High Yield	Bloomberg High Yield	6.75%	6.25%	3.75%	11.75%	4.40%	3.90%	10.75%	2.35%	1.00%
Global ex-U.S. Fixed	Bloomberg Global Agg ex US	2.70%	2.25%	-0.25%	9.80%	1.20%	0.80%	9.20%	1.45%	0.60%
Emerging Market Sov Debt	EMBI Global Diversified	6.25%	5.85%	3.35%	10.65%	4.00%	3.60%	9.50%	2.25%	1.15%
Alternatives										
Core Real Estate	NCREIF ODCE	6.60%	5.75%	3.25%	14.20%	6.60%	5.75%	14.20%	0.00%	0.00%
Private Infrastructure	MSCI Gl Infra/FTSE Dev Core 50/50	7.15%	6.15%	3.65%	15.45%	7.10%	6.10%	15.45%	0.05%	0.00%
Private Equity	Cambridge Private Equity	11.95%	8.50%	6.00%	27.60%	11.45%	8.00%	27.60%	0.50%	0.00%
Private Credit	N/A	8.00%	7.00%	4.50%	15.50%	6.40%	5.50%	14.60%	1.50%	0.90%
Hedge Funds	Callan Hedge FOF Database	5.80%	5.55%	3.05%	8.45%	4.35%	4.10%	8.20%	1.45%	0.25%
Commodities	Bloomberg Commodity	5.05%	3.50%	1.00%	18.00%	4.05%	2.50%	18.00%	1.00%	0.00%
Cash Equivalents	90-Day T-Bill	2.75%	2.75%	0.25%	0.90%	1.20%	1.20%	0.90%	1.55%	0.00%
Inflation	CPI-U		2.50%		1.60%		2.25%	1.60%	0.25%	0.00%

* Geometric returns are derived from arithmetic returns and the associated risk (standard deviation).

Source: Callan

Asset Allocation - By Purpose

Goal-Based Investing

Growth

Equities
- Global equity
- Private equity
- Alternative beta
- Opportunistic real estate

Credit Sensitive
- High yield
- Emerging debt
- Bank loans
- Long credit
- Private debt

Risk Mitigation

Income Producing
- Short duration
- US fixed income
- Non-US fixed income

Rising Rate Protection
- Cash equivalents
- Short duration
- Floating rate securities

Flight to Quality
- Long Treasury

Real Assets

Short/Intermediate Hedge
- Inflation-linked debt
- Commodities

Growth-Oriented
- REITs
- MLPs
- Natural resource equities
- Core real estate
- Value-add real estate
- Infrastructure
- Timber
- Agriculture

Diversifying Assets

- Hedge funds
- Multi-asset class
- Liquid alternatives

Asset class considerations:

Fees (hedge funds, private equity, private real estate); **Illiquidity** (private markets, private real estate, hedge funds, timber/farmland); **Lack of Transparency** (private equity, hedge funds); **Susceptible to Prolonged Underperformance** (commodities, emerging markets equity); **High Volatility** (emerging markets equity, unhedged non-US bonds, private equity, commodities); **Implementation Risk** (private markets, hedge funds); **Complexity** (hedge funds, private equity, commodities)

2023–2032 Callan Capital Markets Assumptions Correlations

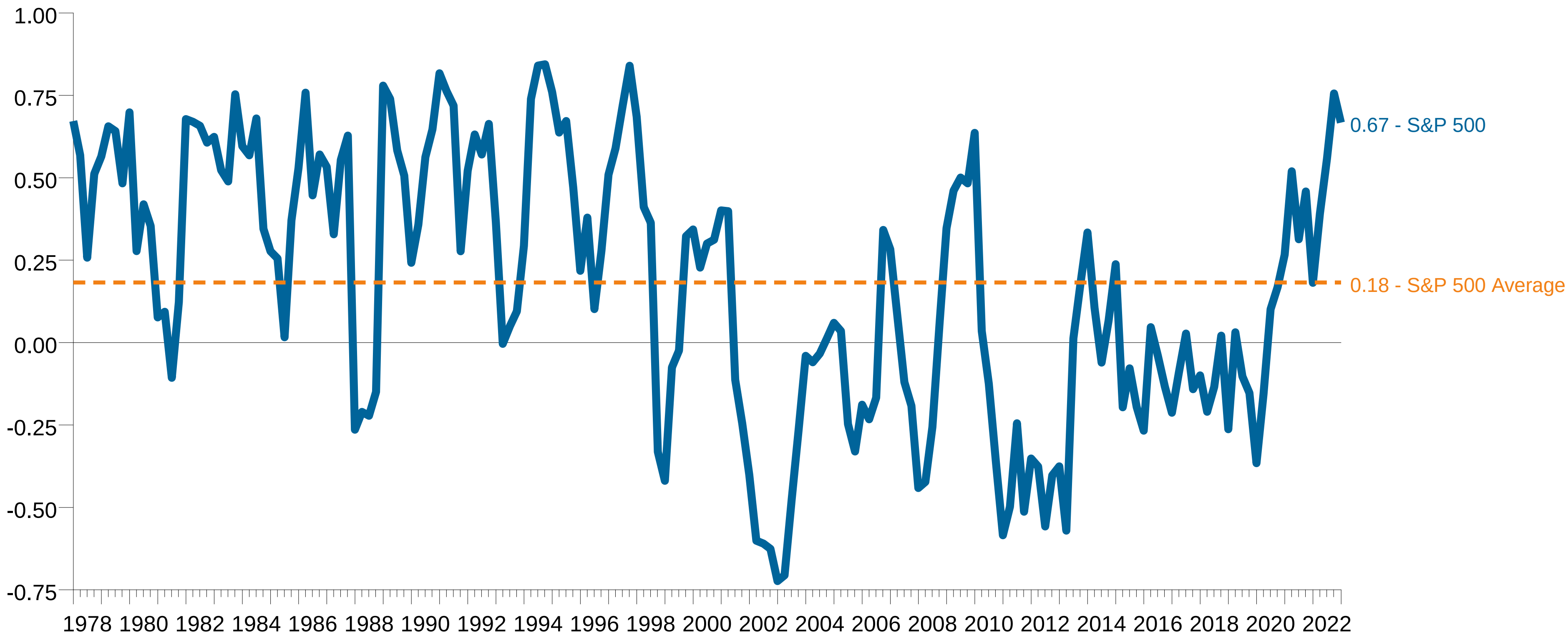
	Large Cap	Smid Cap	Dev	Em Mkts	Short Dur	Core Fixed	Long Gov	Long Credit	TIPS	High Yield	Global ex-US Fixed	EM	Core Real Estate	Private Infra	Private Equity	Private Credit	Hedge Funds	Comm	Cash Equiv	Inflation
Large Cap U.S. Equity	1.00																			
Smid Cap U.S. Equity	0.88	1.00																		
Dev ex-U.S. Equity	0.73	0.79	1.00																	
Em Market Equity	0.79	0.83	0.89	1.00																
Short Dur Gov/Credit	0.05	0.01	0.04	-0.01	1.00															
Core U.S. Fixed	0.02	-0.02	0.00	-0.04	0.80	1.00														
Long Government	-0.05	-0.06	-0.03	-0.06	0.67	0.83	1.00													
Long Credit	0.45	0.40	0.40	0.40	0.64	0.80	0.65	1.00												
TIPS	-0.07	-0.08	-0.09	-0.11	0.56	0.70	0.50	0.52	1.00											
High Yield	0.75	0.74	0.73	0.75	0.10	0.09	0.00	0.45	0.02	1.00										
Global ex-U.S. Fixed	0.10	0.07	0.13	0.12	0.50	0.60	0.50	0.55	0.45	0.18	1.00									
EM Sovereign Debt	0.65	0.65	0.65	0.69	0.16	0.19	0.10	0.47	0.08	0.62	0.21	1.00								
Core Real Estate	0.44	0.42	0.42	0.41	0.16	0.14	0.05	0.30	0.09	0.31	0.16	0.29	1.00							
Private Infrastructure	0.48	0.47	0.46	0.46	0.14	0.15	0.10	0.33	0.08	0.34	0.18	0.32	0.76	1.00						
Private Equity	0.79	0.77	0.76	0.75	-0.01	-0.09	-0.13	0.30	-0.11	0.61	0.08	0.51	0.55	0.60	1.00					
Private Credit	0.69	0.68	0.65	0.68	0.11	0.00	-0.05	0.33	-0.12	0.63	0.12	0.50	0.25	0.27	0.67	1.00				
Hedge Funds	0.67	0.63	0.63	0.63	0.23	0.29	0.20	0.55	0.20	0.60	0.25	0.54	0.28	0.30	0.48	0.51	1.00			
Commodities	0.20	0.20	0.20	0.20	-0.05	-0.04	-0.10	0.05	0.00	0.20	0.10	0.15	0.18	0.15	0.20	0.17	0.23	1.00		
Cash Equivalents	-0.06	-0.08	-0.10	-0.10	0.30	0.15	0.12	0.00	0.12	-0.09	0.05	-0.06	0.00	-0.04	0.00	-0.04	-0.04	-0.02	1.00	
Inflation	-0.02	0.02	0.00	0.03	-0.21	-0.23	-0.30	-0.20	0.25	0.00	-0.15	-0.04	0.20	0.10	0.06	-0.05	0.05	0.35	0.05	1.00

Source: Callan

Did Diversification Fail in 2022?

Stocks and bonds down together in each of the first three quarters of 2022; up together in 4Q22

Rolling 1 Year Correlation of S&P 500 to Bloomberg Aggregate for 45 Years Ended 12/31/22



Are we seeing a return to a regime of higher correlation between stocks and bonds, potentially lessening the diversification benefit of bonds to stocks?

Sources: Bloomberg, Callan, S&P Dow Jones Indices

Callan

Equity

Equity Forecasts

Building blocks

Index	Current Dividend Yield*	Forecast Dividend Yield	Net Buyback Yield	Inflation	Real Earnings Growth**	Valuation Adjustment	Total Geometric Return
S&P 500	1.77%	2.00%	0.50%	2.50%	2.25%	0.00%	7.25%
Russell 2500	1.61%	1.75%	0.00%	2.50%	3.20%	0.00%	7.45%
Russell 3000	1.72%	1.95%	0.45%	2.50%	2.45%	0.00%	7.35%
MSCI World ex USA	3.21%	3.75%	0.00%	1.75%	1.75%	0.00%	7.25%
MSCI Emerging Markets	3.27%	3.55%	-2.90%	3.00%	3.80%	0.00%	7.45%
Aggregate							4.25%
Cash							2.75%

Index	Forecast ERP Cash	Historical ERP Cash^	Delta ERP Cash	Forecast ERP Bonds	Historical ERP Bonds^^	Delta ERP Aggregate
S&P 500	4.50%	7.56%	-3.06%	3.00%	4.95%	-1.95%
Russell 2500	4.70%	7.22%	-2.52%	3.20%	4.61%	-1.41%

* Index yields as of Dec. 31, 2022

** S&P 500 real earnings growth is forecast real GDP growth. R 2500 real earnings growth is 100 bps spread over S&P 500. Developed and emerging markets earnings growth in line with their respective GDP assumptions.

^ Return relative to 90-day T-bills for 40 years ended Dec. 31, 2022

^^ Return relative to the Bloomberg Aggregate for 40 years ended Dec. 31, 2022

Source: Callan

Callan

Fixed Income

10-Year Expected Returns

	Income Return	+	Capital Gain/Loss	+	Credit Default	+	Roll Return	=	2023 Expected Return	Prelim 2023 Expected Return	Change vs 2023 Prelim	2022 Expected Return	Change vs 2022
Cash	**2.75%**		**0.00%**		**0.00%**		**0.00%**		**2.75%**	**2.40%**	**0.35%**	**1.20%**	**1.55%**
1-3 Year G/C	**3.45%**		**0.20%**		**-0.10%**		**0.25%**		**3.80%**	**3.20%**	**0.60%**	**1.50%**	**2.30%**
1-3 Year Government	3.15%		0.20%		0.00%		0.25%		3.60%	3.10%			
1-3 Year Credit	3.85%		0.10%		-0.20%		0.25%		4.00%	3.40%			
Intermediate Gov/Credit	**3.95%**		**0.00%**		**-0.10%**		**0.25%**		**4.10%**	**3.60%**	**0.50%**	**1.70%**	**2.40%**
Intermediate Gov	3.65%		0.10%		0.00%		0.25%		4.00%	3.40%			
Intermediate Credit	4.50%		-0.10%		-0.40%		0.25%		4.25%	3.90%			
Aggregate	**4.30%**		**-0.20%**		**-0.10%**		**0.25%**		**4.25%**	**3.90%**	**0.35%**	**1.75%**	**2.50%**
Government	3.80%		-0.10%		0.00%		0.25%		3.95%	3.60%			
Securitized	4.00%		0.00%		0.00%		0.25%		4.25%	3.90%			
Credit	5.25%		-0.40%		-0.40%		0.25%		4.70%	4.10%			
Long Duration Gov/Credit	**6.15%**		**-1.70%**		**-0.30%**		**0.60%**		**4.75%**	**4.00%**	**0.75%**	**1.80%**	**2.95%**
Long Government	4.90%		-1.80%		0.00%		0.60%		3.70%	3.30%			
Long Credit	6.50%		-1.50%		-0.40%		0.60%		5.20%	4.50%			
TIPS	**3.95%**		**-0.20%**		**0.00%**		**0.25%**		**4.00%**	**3.25%**	**0.75%**	**1.25%**	**2.75%**
Non-US Fixed (unhedged)	**2.40%**		**-0.20%**		**-0.20%**		**0.25%**		**2.25%**	**2.00%**	**0.25%**	**0.80%**	**1.45%**
High Yield	8.00%		0.20%		-2.20%		0.25%		6.25%	6.00%	0.25%	3.90%	2.35%
Emerging Market Debt	7.40%		0.20%		-2.00%		0.25%		5.85%	5.80%	0.05%	3.60%	2.25%
Bank Loans	7.40%		0.30%		-1.60%		0.00%		6.10%	6.10%	0.00%	4.60%	1.50%

Source: Callan

Alternatives

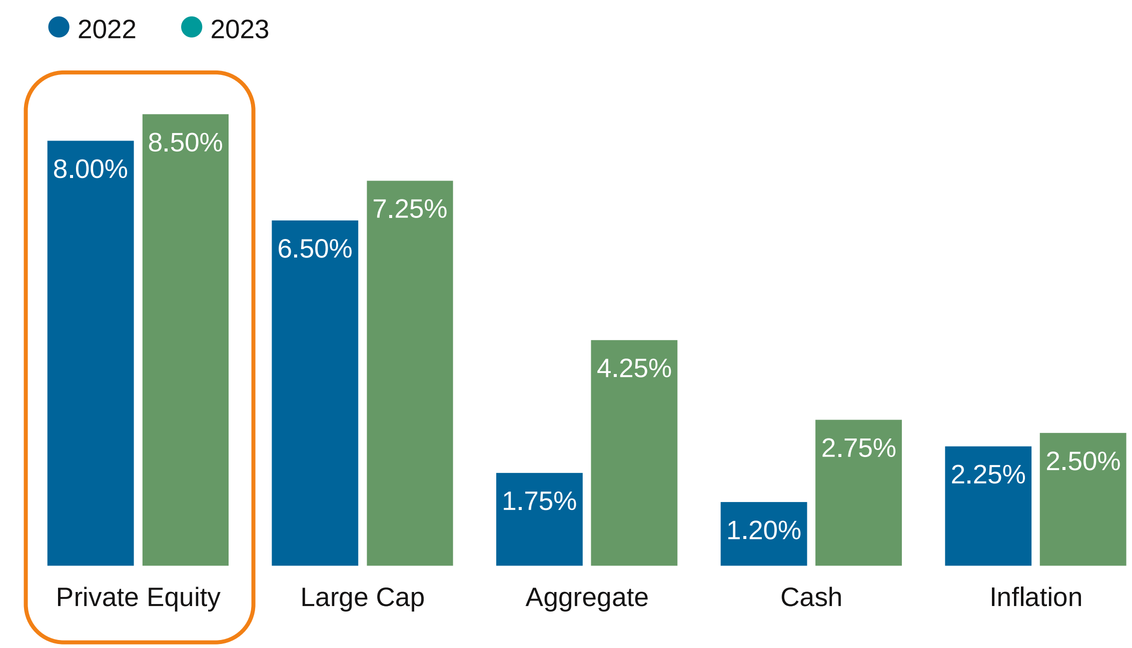
Private Equity

Background

- The private equity market in aggregate is driven by many of the same economic factors as public equity markets. However, we expect private equity to experience some write-downs that have not yet been reflected in performance.
- Consequently, the private equity performance expectations did not rise as much as public equity expectations.
- We see tremendous disparity between the best- and worst-performing private equity managers.
- The ability to select skillful managers could result in realized returns significantly greater than projected here.

2023 private equity return projection: 8.50% (up 50 bps)

Return Projections



Source: Callan

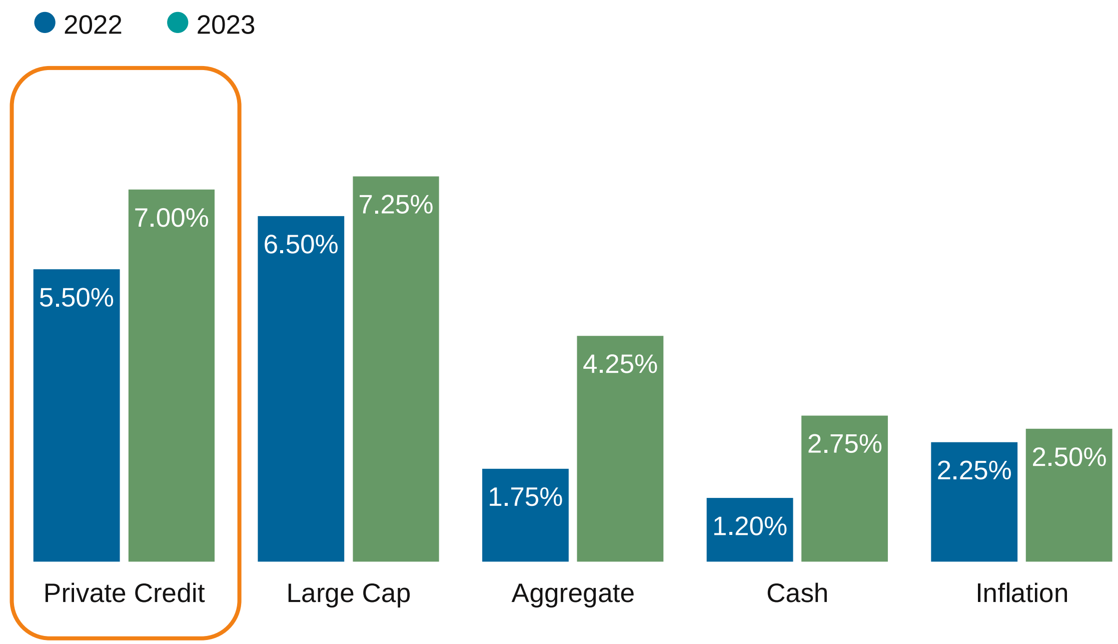
Private Credit

Background

- Return projection is anchored on middle market direct lending where yields have risen along with public fixed income yields.
- While banks are no longer major investors in this market, there is strong appetite from institutional and retail investors.
- A portfolio with more distressed and specialty finance exposure would have a higher return though with a lower current yield and higher volatility and higher correlation to public and private equity.

2023 private credit return projection: 7.0% (up 150 bps)

Return Projections



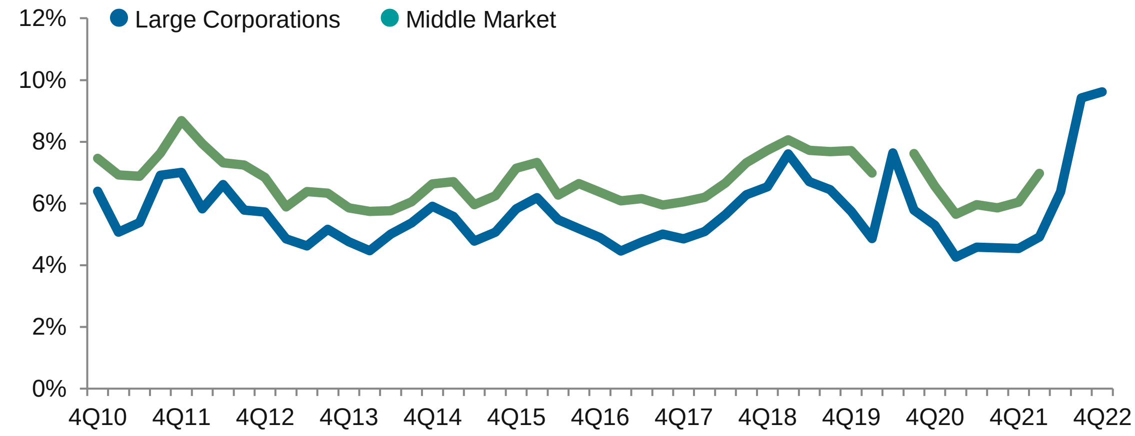
Source: Callan

Private Credit

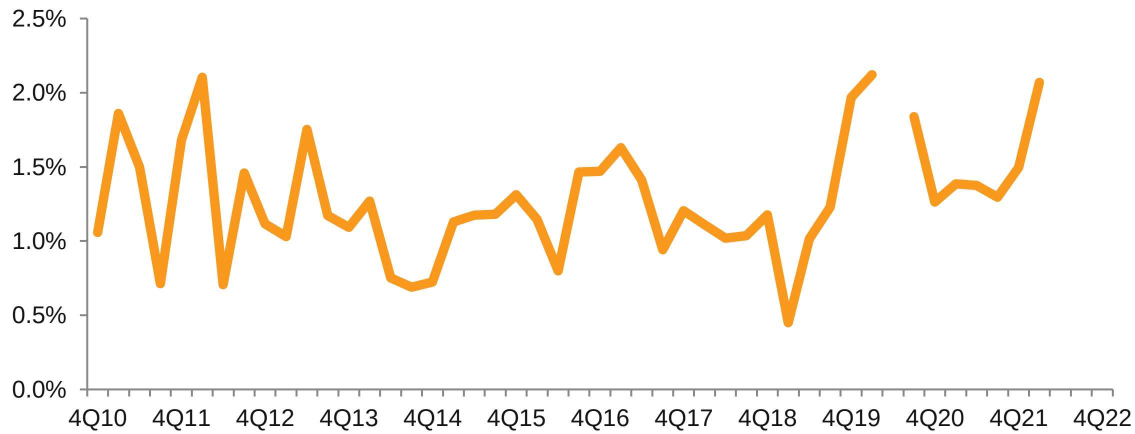
- Return calculations assume 5.25% cost of leverage and 1% unlevered loss ratio
- Corresponds to 7% compound return

Unlevered Yield	9.25%
Leverage	0.85x
Levered Yield	12.65%
Management Fee and OpEx	1.7%
Incentive Rate	15%
Hurdle	4%
Incentive Fee	1%
Total Fees and Expenses	2.7%
Loss Ratio	1.85%
Net Arithmetic	8%

Loan Yields



Middle Market Premium



Source: Refinitiv LPC. All-in yield (LIBOR + Spread + OID) assuming 3-year takeout
Note: 2Q20, 2Q22, and 3Q22 not shown due to lack of data points to calculate a MM institutional all-in yield statistic.

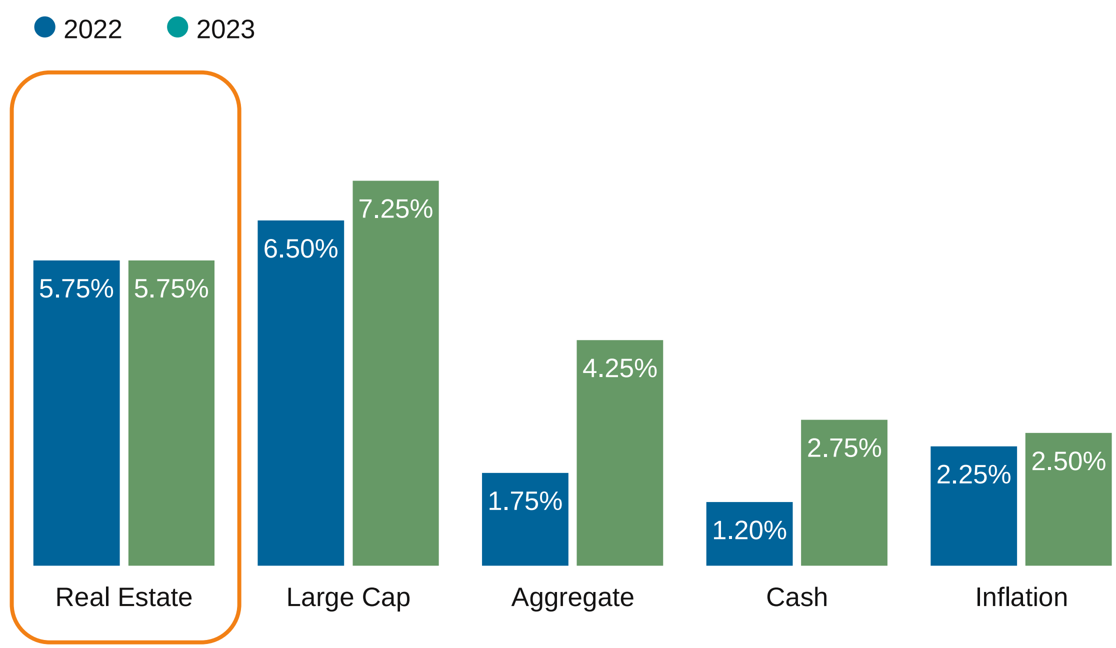
Core Real Estate

Background

- Real estate has characteristics of equity (ownership and appreciation) and bonds (income from rents). While both public equities and public fixed income saw meaningful increases in projected returns, we believe real estate valuations already reflect much of the potential forward-looking gains, as core real estate logged record appreciation in 2021 and 2022.
- No change to the outlook for real estate returns compared to last year.

2023 real estate return projection: 5.75% (unchanged)

Return Projections

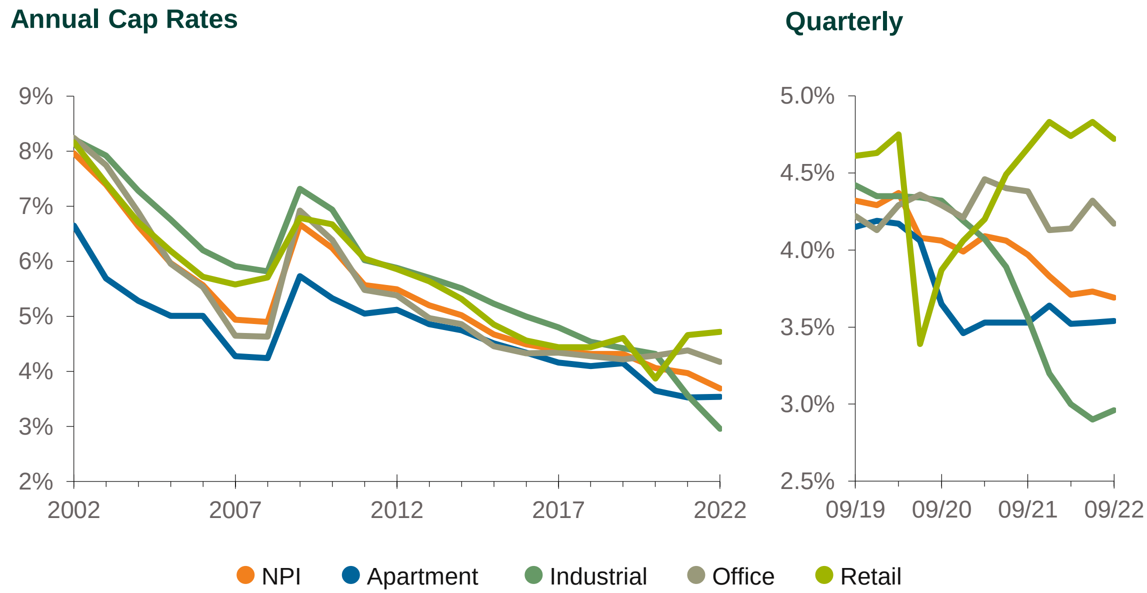


Source: Callan

Core Real Estate

- 5.75% core real estate compound return (net of fees)
- Return calculations assume 4.7% cost of leverage and 0.4x debt-to-equity (30% loan-to-value)

Income Return (unlevered property)	5.1%
Appreciation (unlevered property)	0.7%
Total Return (before leverage)	5.8%



Callan Return Assumptions (unlevered property returns)

	Office	Retail	Industrial	Apartments	Other	NPI Index
Income	4.9%	5.7%	4.8%	5.0%	5.9%	5.1%
Appreciation	-0.1%	0.1%	1.4%	0.9%	0.9%	0.7%
Total Return	4.8%	5.7%	6.2%	5.9%	6.8%	5.8%

Source: NCREIF Property Index (NPI) cap rates correspond to unlevered property valuations

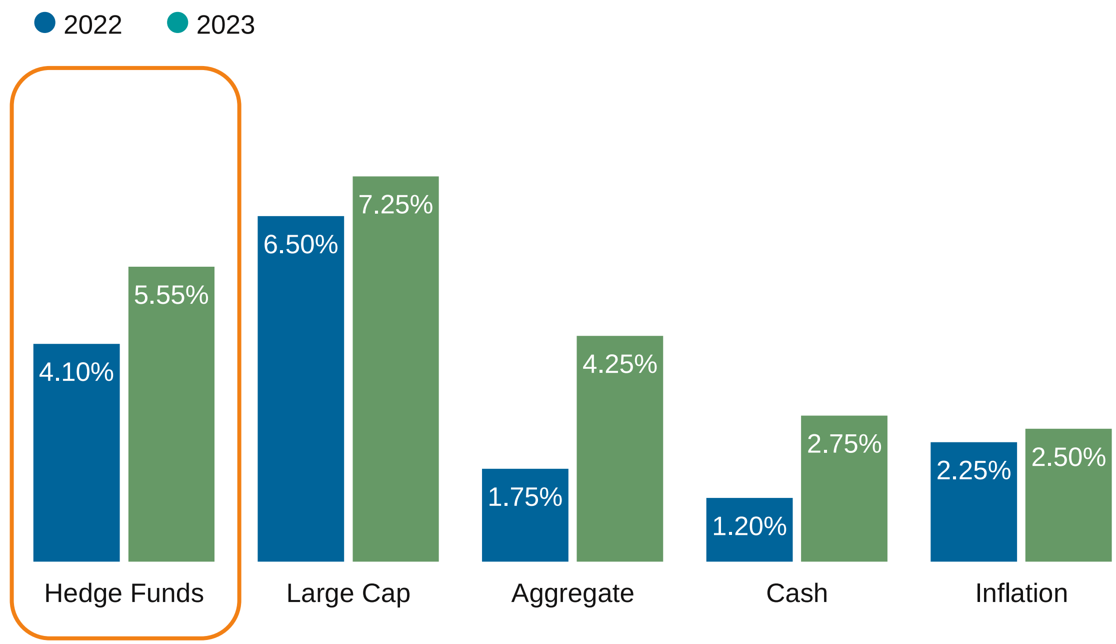
Hedge Funds

Background

- Hedge funds can be evaluated in a multi-factor context using the following relationship:
- Expected Return = Cash + Equity Beta x (Equity-Cash) + Exotic Beta + Net Alpha
- Callan's 10-year cash forecast is 2.75%.
- Diversified hedge fund portfolios have historically exhibited equity beta relative to the S&P 500 of about 0.4.
- Combined with our equity risk premium forecast, this results in an excess return from equity beta of 1.8%.
- Return from hedge fund exotic beta and illiquidity premia is forecast to be 0.5% to 1.0%, to arrive at an overall expected return of 5.55%.

2023 hedge fund return projection: 5.55% (up 145 bps)

Return Projections



Source: Callan

Customized NHRS Capital Market Projections – 10-Year Time Horizon

NHRS Asset Allocation Model 2023-2032

			PROJECTED RETURN		PROJECTED RISK
Asset Class	**Target Weight**	**08/31/2023**	**Single-Period Arithmetic Return**	**10-Year Geometric Return**	**Annualized Standard Deviation**
Public Equity	**50.0%**	**49.0%**			
Broad US Equity (1)	30.0%	30.9%	8.75%	7.35%	18.05%
Global Ex-US Equity (2)	20.0%	18.2%	9.45%	7.45%	21.25%
Private Market Equity	**20.0%**	**25.5%**			
Real Estate Equity	10.0%	11.4%	6.60%	5.75%	14.20%
Private Equity	10.0%	14.1%	11.95%	8.00%	27.60%
Private Debt	**5.0%**	**4.9%**			
Private Debt	5.0%	4.9%	8.00%	7.00%	15.50%
Fixed Income	**25.0%**	**19.7%**			
Core U.S. Fixed Income (3)	25.0%	19.7%	4.25%	4.25%	4.10%
Cash Equivalents	**0.0%**	**0.9%**			
Cash Equivalents	0.0%	0.9%	2.75%	2.75%	0.90%
Inflation				2.50%	1.60%
Total Fund	**100.0%**	**100.0%**			
Single-Period Arithmetic Return	**7.85%**	**8.12%**			
10-Year Geometric Return	**7.25%**	**7.40%**			
Annualized Standard Deviation	**13.05%**	**13.93%**			

(1) Broad US equity = 85% large cap, 15% mid and small cap

(2) Global ex-US equity = 70% developed markets, 30% emerging markets

(3) NHRS fixed income benchmarked to the BarclaysUniversal; modeled as 96% Barclays Aggregate, 4% high yield

Current target projected return of 7.25% compounded over 10 years, at a risk (standard deviation) of 13.05%

Source: Callan LLC

Customized NHRS Capital Market Projections – 30-Year Time Horizon

NHRS Asset Allocation Model 2023-2052

			PROJECTED RETURN		PROJECTED RISK
Asset Class	**Target Weight**	**08/31/2023**	**Single-Period Arithmetic Return**	**30-Year Geometric Return**	**Annualized Standard Deviation**
Public Equity	**50.0%**	**49.0%**			
Broad US Equity (1)	30.0%	30.9%	9.30%	7.90%	18.05%
Global Ex-US Equity (2)	20.0%	18.2%	10.15%	8.15%	21.25%
Private Market Equity	**20.0%**	**25.5%**			
Real Estate Equity	10.0%	11.4%	7.35%	6.50%	14.20%
Private Equity	10.0%	14.1%	12.60%	9.15%	27.60%
Private Debt	**5.0%**	**4.9%**			
Private Debt	5.0%	4.9%	8.50%	7.55%	15.50%
Fixed Income	**25.0%**	**19.7%**			
Core U.S. Fixed Income (3)	25.0%	19.7%	4.65%	4.65%	4.10%
Cash Equivalents	**0.0%**	**0.9%**			
Cash Equivalents	0.0%	0.9%	2.85%	2.85%	0.90%
Inflation				2.50%	1.60%
Total Fund	**100.0%**	**100.0%**			
Single-Period Arithmetic Return	**8.40%**	**8.70%**			
30-Year Geometric Return	**7.80%**	**8.00%**			
Annualized Standard Deviation	**13.05%**	**13.93%**			

(1) Broad US equity = 85% large cap, 15% mid and small cap

(2) Global ex-US equity = 70% developed markets, 30% emerging markets

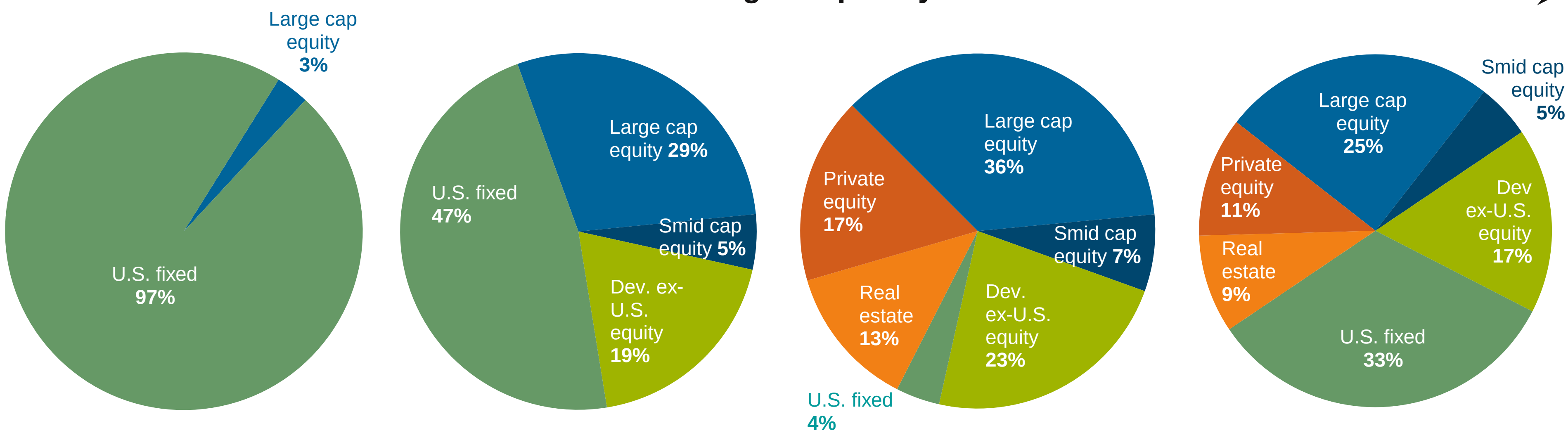
(3) NHRS fixed income benchmarked to the BarclaysUniversal; modeled as 96% Barclays Aggregate, 4% high yield

Current target projected return of 7.80% compounded over 30 years, at a risk (standard deviation) of 13.05%

Source: Callan LLC

7% Expected Returns Over Past 30 Years

Increasing Complexity



1993	2008	2022	2023
Return: 7.0%	**Return: 7.0%**	**Return: 7.0%**	**Return: 7.0%**
Risk: 6.2%	**Risk: 9.4%**	**Risk: 16.8%**	**Risk: 11.8%**

Increasing Risk

In 1993, our return expectation for broad U.S. fixed income was 6.85%.

Just 3% in return-seeking assets was required to earn a 7% projected return.

15 years later, an investor would have needed over half of the portfolio in public equities to achieve a 7% projected return.

In 2022 an investor was required to include 96% in return-seeking assets (including 30% in private market investments) to earn a 7% projected return at almost 3x the volatility compared to 1993.

Today's 7% expected return portfolio is much more reasonable than it was just a year ago, with a third in fixed income and a correspondingly lower level of risk.

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Callan

October 16, 2023

New Hampshire Retirement System (NHRS)

Strategic Value Partners
Capital Solutions Fund II –

REDACTED VERSION

Table of Contents

Overview of Offering

Fund Summary

Fund Name	**Master:** Strategic Value Capital Solutions Master Fund II, L.P. **Onshore:** Strategic Value Capital Solutions Fund II, L.P. **Cayman Feeder:** Strategic Value Capital Solutions Feeder Fund II, L.P. **Lux Feeder:** Strategic Value Capital Solutions Lux Feeder Fund II SCSp
Partnership Domicile	**Master:** Strategic Value Capital Solutions Master Fund II, L.P. (Cayman Islands) **Onshore:** Strategic Value Capital Solutions Fund II, L.P. (Cayman Islands) **Cayman Feeder:** Strategic Value Capital Solutions Feeder Fund II, L.P. (Cayman Islands) **Lux Feeder:** Strategic Value Capital Solutions Lux Feeder Fund II SCSp (Luxembourg)
Fund Counsel	Primary Fund Counsel: Ropes & Gray LLP Offshore Cayman Legal: Mourant Ozannes Offshore Luxembourg Legal: LOYENS & LOEFF
Auditor	PricewaterhouseCoopers LLC
Reporting Currency	USD

Strategy Summary

Strategy Description	Broad credit mandate targeting investments across the spectrum of SVP's capabilities in private credit and adjacent asset classes, encompassing: • Event-driven, deep value opportunities • Private debt, restructuring and special situations—including mezzanine debt, rescue financings and structured equity • Control and significant influence private equity
Geography (% by region)	Global; the Fund expects to invest the majority of its total assets in North America and Europe, with opportunistic exposure elsewhere.
Sector/Industry Focus	Most of the Capital Solutions II investments are expected to be in corporate debt, reflecting the Firm's roots. The capital deployed by the Capital Solutions II is expected to include investment in built out specialty sectors, including Aviation, Real Estate, Power & Renewables and Infrastructure.
Seniority (% senior secured; % subordinated, % equity)	Assuming consistency with our prior Capital Solution Funds, expect close to 90% of initial investments to be in debt, with the vast majority to be in senior debt.
Target Returns	13-15% net unlevered IRR and 1.75x net multiple
Leverage	Given the strategy, and piecemeal acquisition process, as well as extensive recycling, we do not expect fund-level leverage to be a significant part of the Fund's strategy.

	The Fund intends to employ financial leverage through investment-level financing where practicable. The Fund will also employ leverage by borrowing money with recourse to its respective assets by, for example, obtaining a fund-level credit facility, or through prime brokerage arrangements and ISDA arrangements. Such a credit facility may, in part, be secured by a pledge of the Partners' unfunded Commitments. The Fund may also guarantee loans or other extensions of credit to entities or with respect to other assets in which the Fund has invested, including special purpose acquisition vehicles owned by the Fund or in connection with other funds and accounts managed by the Investment Manager or its affiliates (and such entities, including the Fund, may cross collateralize each other's obligations). Unless consented to by Limited Partners representing a majority of total Commitments, the General Partner will not incur indebtedness, which is recourse to the Fund, the aggregate principal amount of which is in excess of 25% of the aggregate Commitments (the "Indebtedness Limit"). The Indebtedness Limit shall be subject to certain carve-outs described in more detail in the Partnership Agreement, including, without limitation, in connection with follow-on investments under certain circumstances.
Subscription Line ($mm, provider, tenor)	**Credit Facility Provider:** SMBC **Term Length:** 1 Year **Limit ($):** $200 million
Target Fund Size /Hard Cap	$3.75 billion
Target Fundraise Timing	First Close was 3/2/2023. Additional closes are expected to be on a monthly basis. Final close is expected to be Q1 2024.
GP Commit	$75 million minimum

General Partner Summary

Firm/Headquarters	Strategic Value Partners, LLC – Greenwich
General Partner	SVP Capital Solutions GP II Ltd., SVP Capital Solutions Feeder Fund II GP Ltd. and SVP Capital Solutions GP Administrator II LLC, SVP Capital Solutions Lux Fund II GP S.à r.l.
Firm Ownership	Mr. Victor Khosla is the controlling equity owner today; he has diluted his position over the years to expand the breadth of firm ownership. A select group of senior investment professionals share in the Firm's economics with a broader group of employees sharing in the incentive proceeds of the SVP funds.
Firm/Team Leadership	Victor Khosla leads SVP and has invested in distressed companies for more than 33 years in North America, Asia, and Europe, where he was one of the pioneers in the mid-1990s. Mr. Khosla works closely with Kevin Lydon, global head of Sourcing; David Geenberg, who oversees the U.S. deal team; and John Brantl and HJ Woltery, co-heads of the European deal team. These four senior investment team members that work alongside Mr. Khosla have a long history of working together, with an average tenure of more than 15 years at SVP and 25 years of distressed, turnaround, investment, and other relevant

	experience. They have managed proprietary trading desks at investment banks, led numerous investments and spearheaded operational turnarounds. In addition, Sujan Patel is head of Real Estate and Brian Himot joined as head of Structured Capital to strengthen and build out our resources in mezzanine and structured equity investing. Mr. Khosla plus these six individuals are complemented by a team of 84 investment professionals, including deal and operating professionals.
Registered w/ US SEC	Yes (SEC #: 801-72080)
Regulatory/Legal (any audits; outstanding litigation)	As a matter of policy, the Firm does not comment on personal, criminal, administrative or civil matters involving the Firm, its relying advisors, its principals, or employees that are not final and in the public record. However, the Firm and its relying advisers, and to the best of the Firm's knowledge, the Firm's principals and employees, are not currently the subject of any criminal, administrative or material civil proceeding related to the Firm's business. There is no final matter in the public record concerning the Firm, any of its relying advisors, or any principal of the Firm involving criminal, administrative or civil proceedings. As of the date hereof, SVP and its relying advisers have only been subject to litigation that we view as routine employment matters. In addition, in the context of their investment activities, SVP and its funds are, from time to time, subject to litigation that we consider to be "ordinary course", including among other matters adversary proceedings in bankruptcy and enforcement of rights of the fund whether or not investment related. With respect to past audits, the SEC conducted what the Firm believes was a routine examination of the Firm that commenced on April 10, 2018, and concluded May 29, 2018. The SEC exit letter required no further action. A copy of the Exit Letter may be reviewed onsite. To date, neither SVP nor any of its relying advisers has had a routine inspection conducted by the English FCA.

Fees	
Fund Term (invest and harvest)	Investment Period: 4 years from final close and extendable by six months (at General Partner's option) Harvest Period: 4 years from end of Investment Period Extension Period: 2 one-year extensions (at General Partner's option)
Recycling (terms)	Ability to reinvest proceeds received by the Fund during the Commitment Period and recall such proceeds distributed to the Partners for reinvestment during the Commitment Period or for any other proper Fund purpose.
Extension	**Investment Period:** 1 six-month extension (at General Partner's option) **Harvest Period:** 2 one-year extensions (at General Partner's option)

Management Fee (include tiered pricing)	[redacted]
Carry/Waterfall Summary/Catch-up	[redacted] [redacted] [redacted] [redacted]
Expense ratio/cap	[redacted] [redacted]
Fee Waivers / Offsets	[redacted] (ii) of any fees or other compensation (including, for example, expense reimbursement) paid by the Fund to placement agents (other than regulatory placement agents) in connection with the offering of Interests in the Fund, (iii) equal to such Limited Partner's pro rata share of the offset in respect of any management fee, performance fee, performance allocation or similar charge by any Pooled Vehicle or collateralized debt obligation or collateralized loan obligations (collectively, "CDOs") managed by the Investment Manager or its affiliates (and received by the Investment Manager or its affiliates) with respect to the Fund's investment in any such Pooled Vehicle or CDO managed by the Investment Manager or any of its affiliates; and (iv) equal to such Limited Partner's pro rata share based on participation in such Investment of 100% of amounts characterized as Transaction Fees (as defined below) actually received, net of all applicable transaction taxes paid or payable thereon (including, without limitation, any value added tax) and foreign income taxes paid or payable thereon for which no credit against U.S. income taxes is available. If the Fund is to be terminated and the amount of the reduction of the Management Fee described herein has not been fully affected, the Investment Manager shall use funds available to the Investment Manager, if any, to make up to the Limited Partners the amount of such shortfall. "Transaction Fees" means the Fund's allocable portion of transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees, directors fees, commitment fees paid in respect of investments of the Fund, backstop fees and other similar fees actually received by Affiliated Parties or their respective employees in connection with the consummation, holding or disposition of investments or the termination of any unconsummated investments, in each case, by the Fund, which may be reduced by unreimbursed expenses incurred or paid by the Affiliated Parties or any of their respective employees in

	connection with unconsummated investments; provided, however, that "Transaction Fees" shall not include any amounts approved by the Advisory Committee, received pursuant to the provision of Service Activities (as defined below) or real estate asset servicing activities or other investment servicing activities and operational services and support (including but not limited to airplane servicing) or paid, directly or indirectly, to a member of the Advisory Council.

Executive Summary

Callan was engaged by NHRS to provide an investment review for a [redacted] to Strategic Value Partners' (SVP) Capital Solutions II (Fund, Strategy, or CS II). This will be a new investment within the NHRS private credit portfolio and is expected to provide return enhancement and diversification by increasing exposure to US and European stressed and distressed investment opportunities.

Established in 2001 by Victor Khosla, SVP manages a diversified private credit investment platform, specializing in credit, distressed debt, and private equity. As of March 31, 2023, the firm managed $17.8 billion in assets under management (AUM), inclusive of the first close of the SVP Capital Solutions II at [redacted]. SVP has a 183-person workforce, including 84 investment professionals, with offices in Greenwich, CT, London, and Tokyo. This depth enables SVP to execute complex transactions across various disciplines, including trading, lending, and control-oriented restructurings.

The SVP Capital Solutions strategy invests broadly across SVP's capabilities, focusing on liquid, event-driven opportunities focusing on influence and majority equity control special situations. The firm employs an adaptive investment strategy that pivots according to market conditions. In a downturn, the strategy leans into deep value, more trading, and event-driven deals, while shifting to private debt and control-oriented deals in more stable markets. This flexibility results in an "evergreen approach" style, seeking to generate a more favorable risk-adjusted return profile over multiple market cycles.

Approximately [redacted] of the portfolio is dedicated to private debt and restructuring, [redacted] to control, and [redacted] to event-driven opportunities. In terms of geographic diversification, the firm has a significant presence in both North America and Europe, comprising [redacted] and [redacted] of fund purchases over the last decade, respectively. Sector-wise, the portfolio has a [redacted] allocation to Corporate Credit, with the remaining distributed among Aviation ([redacted]), Real Estate ([redacted]), Power Generation ([redacted]), and Infrastructure. Furthermore, the firm owns platform companies in niche sectors such as Aviation (Deucalion), Retail Real Estate (WPG), and Power & Renewables (Genon). The initial pool of capital for the Capital Solutions strategy was $1.1 billion in separate accounts launched in 2013 with the first standalone commingled fund launched in 2020[redacted]

As part of its diligence process, Callan has reviewed documentation (fund-related, financials, investment, operational, and the draft term sheet) from a variety of sources believed to be reliable but which Callan has not independently verified, and held virtual meetings and calls with members of the investment team, investor relations team, operations team, and references to better assess the nature of the investment, the investment process, performance, reporting and valuation guidelines, and any material litigation/regulatory oversight. The key risks and their mitigants have been discussed through both oral and written communications with NHRS staff. If further issues are identified, Callan suggests that their materiality be assessed to determine whether legal counsel should advise NHRS as to whether these or any other such issues could be addressed as part of making an investment in the Fund.

Recommendation

[redacted] The opportunity set for this strategy is particularly robust amidst the current economic backdrop. Callan has conducted a due diligence review of SVP and the Capital Solutions strategy as described in the Report and has concluded that the Firm's organizational and team stability, depth, and experience; approach to catalyst-driven investing; and strong historical track record support our recommendation. We are comfortable that the considerations laid out in this report are appropriately mitigated. Further, Callan has conducted operational due diligence (ODD) on SVP's operations, comprised of an evaluation of its compliance, accounting, and valuation teams as described in the Report under Operations, Legal and Compliance. No material weaknesses were identified in Callan's ODD process. We have further conducted a diverse sample of reference calls. The strength of our findings from this ODD and reference work further supports our investment recommendation.

Summary of Key Findings

Merits

- **Strong Performance –** [redacted] The three mature vehicles the strategy has raised rank in the first or second quartile on a net IRR basis relative to the Refinitiv/Cambridge Opportunistic Credit benchmark.

- **All-Weather Approach –** The Capital Solutions Strategy is designed to outperform through a cycle with flexible capital deployed in event driven and value investments in a down cycle, and more private equity and private credit investments in a more favorable economy.

- **Proven European Capabilities –** SVP has a strong foothold in European distressed, having entered the market in 2004. The European team is deep and seasoned and oversees approximately [redacted] to [redacted] of overall SVP investments, thus providing geographic diversification.

- **Workout Experience –** SVP has a strong distressed DNA with a large portion of the team having distressed investing and restructuring experience through cycles. Prior to founding SVP, Victor Khosla headed Merrill Lynch's distressed business.

- **Experienced Team –** SVP's business has been led by Victor Khosla since 2001. He is supported by over 84 investment professionals. Senior investment professionals have largely "grown up" at the firm and have deep experience in distressed and opportunistic investing.

- **Differentiated Deal Flow –** Over the last decade, in a rather benign corporate distressed cycle, the SVP team made a concerted effort to build investment capabilities away from traditional U.S. corporate distressed and diversify into infrastructure and European investing. This strategic shift has been successful in driving SVP's strong track record through the cycle.

- **Robust Pipeline -** As of May 2023, SVP's investment pipeline comprises approximately $250 billion of debt opportunities, including over 110 target deals. This represents a significant increase, being three times larger compared to the start of the calendar year 2022. Such an expansion in the pipeline signifies both an increase in market opportunity and the firm's capacity to scale its investment activities. The growth in the pipeline could potentially provide diversification benefits, given the number of target deals, as well as offer opportunities for selective, high-conviction investments.

Considerations

- **Asset Growth –** SVP has seen its AUM grow significantly over the last several years with AUM increasing from $7.8 billion in 2020 to $17.8 billion in 2023. It is important that SVP build up its investment team and infrastructure to meet the needs of this expanded asset base.

  Mitigants

  - The Fund has a deep team of senior leaders in origination and underwriting, which Callan believes can manage the investment activities of the Fund.
  - SVP has been actively hiring investment and back/middle office resources to manage the Firm's growth.

    - The Firm is aligned with the Fund's success through carried interest, GP commitment, and employee commitments to the Fund.

- **Strategy Expansion –** SVP has been further diversifying its investment capabilities into new areas such as aviation, mezzanine, and structured equity where it has not historically held internal expertise.

  Mitigants

    - SVP has been building expertise in new areas by either purchasing or entering strategic partnerships with operating firms in niche areas such as aviation.
    - The team is seasoned and experienced in appropriately valuing companies and negotiating structural protections to mitigate downside risk across multiple industry sectors through cycles.

- **Inflationary environment with rising interest rates –** The global macroeconomic backdrop is one of inflation and rising interest rates which could have a negative impact on credit investments, particularly those with fixed-rate exposure. In this environment, there is a risk that investors could experience higher portfolio volatility and losses.

  Mitigants

    - SVP has a seasoned investment team, many of whom have invested together through cycles since the Firm's 2001 founding.
    - The DNA of the firm is in distressed investing which is countercyclical. The firm benefits from deep restructuring resources and experience.

[redacted] **Credit risk and loss of principal –** SVP invests in securities that have underlying credit risks in their businesses. Ultimately, an increase in credit risk through the potential deterioration in a borrower's fundamental business and financial strength can lead to credit impairments. [redacted]

  Mitigants

    - SVP takes a very disciplined, bottom-up approach to its initial underwriting of portfolio investments. The team has deep work-out and restructuring experience and has a strong track record of maximizing value should a credit fall short of expectations.

- **Competition –** Callan has seen increased competition in the broad private credit space since banks exited the market after the GFC.

  Mitigants

    - SVP's long tenure in the space combined with its focus on investing in areas with less competition position it relatively well in the market. Further, SVP invests across diversified strategies in the US and Europe which generally do not compete with particularly competitive private credit sub-strategies such as sponsor-backed direct lending.

- **Industry consolidation in private credit –** The private credit industry has seen significant industry consolidation over the past five years, with several standalone private credit firms (e.g., Angelo Gordon, CarVal, Benefit Street, OHA, Owl Rock) being partially or wholly acquired by larger asset managers seeking more diversified and predictable revenue and higher profit margins. This may put a premium on scale and reach to compete for deals in some areas of private credit.

Mitigants

- SVP's strong team and attractive market position may make it an attractive acquisition candidate but, if acquired, we would expect SVP to continue to operate the business and investment activity independently from an acquiror. This is a model that has worked well for several large alternative credit platforms that have been acquired over the past few years.

Performance Overview

The SVP Capital Solutions strategy has generated gross IRRs between [redacted] across mature vehicles raised since 2013. The third SMA vehicle raised in 2021 is currently producing a [redacted]; however, the fund is immature, and performance is still developing. [redacted] Callan notes that the Event Driven allocation to the strategy (~30% allocation) appears to underperform private debt and control strategies but, when adjusted for recycling is a strong performer.

Callan reviewed "investment level" and "fund level" TVPI metrics for the Capital Solutions strategy. The difference between the two metrics is primarily due to timing. The "investment level" calculations are based on timing when the investments are made and realized inside the fund, and includes all contributions and distributions made to/from portfolio investments. At the investment level, the fund will recycle [redacted] of capital during the investment period by directly reinvesting investment proceeds, which is captured in the "investment level" net TVPI return. "Fund level" net TVPI represents contributions and distributions experienced by LPs and negates the effect of recycling in the reported multiple. Since distributions during the investment period are being reinvested, not distributed to LPs and recalled at a later date, the "fund level" net TVPIs reported are notably higher because the total LP contributions driving the net multiple are considerably less than the amount actually being invested. In Callan's opinion, TVPI comparisons among private credit strategies are not particularly meaningful since the rate at which each strategy will recycle capital varies, which distorts TVPI comparisons, and as a result Callan places more emphasis on net IRR comparisons. When considering both net TVPI metrics reported by SVP, Callan generally views the TVPI results to be in line with the expected risk/return profile of the Capital Solutions strategy.

As of June 30, 2023	**SMA I**	**SMA II**	**SMA III***	**SVCS I**
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

As of June 30, 2023	**SMA I**	**SMA II**	**SMA III***	**SVCS I**
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

$ Millions

Quartile ranking against the Refinitiv/Cambridge 06/30/2023 Credit Opportunities preliminary benchmark

Gross IRRs and TVPI for investment level returns do not account for the recycling of capital of 2 to 3 times through the fund investment period.

** SMA III still immature with returns expected to be back-end loaded given distressed exposure.*

"N/M" = not meaningful; funds still in their investment periods

Organization and Team

Founded in 2001 by Victor Khosla, SVP is a global alternative credit firm with $17.8 billion in AUM across three strategies: Restructuring Fund ($1.3 billion), Special Situations ($12.3 billion) and Capital Solutions ($4.5 billion). Headquartered in Greenwich, CT with offices in London and Tokyo, SVP employs a 183-person team of which 84 are investment professionals. Khosla serves as CIO of the Firm while other key senior investment professionals include Kevin Lydon, the head of Sourcing and David Geenberg and John Brantl, senior investment leaders in the US and EU. The organization began as a corporate distressed asset manager and, over the years, has built out further expertise in specialty sectors including aviation, real estate, power & renewables, and infrastructure. The firm currently owns three platform companies in Aviation (Deucalion), Retail Real Estate (WPG) and Power & Renewables (Genon). Over the last five years approximately [redacted] of SVP portfolios have been invested in European assets.

The investment team has seen substantial growth, doubling from 41 members in January 2020 to 84 as of May 2023. The team is organized around a "three pillars" model, which has been a distinctive and pivotal factor in the firm’s success. Led by Chief Investment Officer Victor Khosla, the team is categorized into three primary functional areas: Sourcing, Operational Management, and Risk Management, with 12, 16, and 4 professionals respectively. Noteworthy team members in these pillars include David Geenberg, John Brantl, Brian Himot, and HJ Woltery in Sourcing; Kevin Lydon, Sujan Patel, Alvaro Fabian, and Paul Marchand in Operational Management; and Jon Kinderlerer in Risk Management.

An additional layer of expertise is provided by an Advisory Council consisting of 14 individuals. This council spans both U.S. and European markets, incorporating experts like Douglas Antonacci and José Barreiro, among others. The Advisory Council serves as an additional resource for the investment team, offering a wide range of perspectives and insights into market conditions, strategy, and risk assessment.

Within the team, there are 12 Portfolio Chairs, each responsible for a different sector or thematic focus areas. Names such as Martin Ness for Dolphin, Andy Pearson Douro for Stephen Schaefer, Doug Gilstrap for GenOn, and Chris Pappas for IPC Group signify the depth of expertise across different investment categories. These Portfolio Chairs provide a dedicated layer of scrutiny and strategy execution in the sectors they oversee, from GenOn in Power & Renewables to Klöckner Pentaplast in other specialty areas.

The structure of the investment team lends itself to an integrated approach to investment management, pulling together sourcing capabilities, operational oversight, and risk control. This multidisciplinary configuration provides the firm with the ability to scout, evaluate, and manage complex investments, while at the same time mitigating risks through informed decision-making. Given this structure and the demonstrated growth in the team's size, it can be inferred that the firm places high importance on human capital and domain expertise in driving its investment strategy.

The Strategy invests in a combination of liquid deals, smaller private deals, larger restructurings and PE control deals. This is supplemented by specialty sectors, including aviation, mezzanine and structured equity. The Strategy is designed to be all weather through investing opportunistically, leaning into event driven and deep value deals in a downturn and then shifting to private debt and PE control in a rebound.

Investment Team

Victor Khosla is at the helm of SVP, bringing over 33 years of experience in distressed investing across North America, Asia, and Europe. He collaborates closely with four key senior team members: Kevin Lydon (Global Head of Sourcing), David Geenberg (U.S. deal team overseer), and John Brantl and HJ Woltery (Co-heads of the European deal team). This core team, with an average tenure of 15 years at SVP and 25 years of relevant experience, has managed proprietary trading desks, led investments, and executed operational turnarounds. Additional specialized roles include Sujan Patel as Head of Real Estate and Brian Himot as Head of Structured Capital. This leadership group is supported by a broader team of 84 investment professionals, including both deal and operating experts.

The breakdown of SVP's investment team consists of the following:

SVP Investment Team (as of 6/30/2023)

	# of Investment Professionals	Average years of experience in industry	Average years of experience at SVP
By Level:			
Portfolio Managers	1	33	22.3
Managing Directors	20	19	7.7
Directors	15	15	3.4
Vice President	15	9	3.3

SVP Finance, Legal and Operations Team (as of 6/30/2023)

	# of Operations Professionals	Average years of experience in industry	Average years of experience at SVP
By Level:			
Finance (Director and Above)*	5		12.2
Finance (VP and Below)*	14		4.6
Technology	16		4.5
Legal & Compliance	8		3.4
Investor Relations (Director and Above)	15		5.1
Investor Relations (VP and Below)	4		4.9

Team Evolution

The firm has grown over the last five years with [redacted] net new employees. Growth has been in the mid-to-junior ranks. SVP has also invested in some new senior talent including Brian Himot who came over from a competitor to head the structured solutions sleeve of the strategy.

The table below shows joiners and leavers at SVP over the past five years ending 6/30/23:

By Role

Joiners	#	Leavers	#
Investment	[redacted]	Investment	[redacted]
Operating Professionals (Investment Team)	[redacted]	Operating Professionals (Investment Team)	[redacted]
Legal & Compliance	[redacted]	Legal & Compliance	[redacted]
Investor Relations	[redacted]	Investor Relations	[redacted]
Administration[2]	[redacted]	Administration[2]	[redacted]
Technology	[redacted]	Technology	[redacted]
Human Resources	[redacted]	Human Resources	[redacted]
Finance[1]	[redacted]	Finance[1]	[redacted]
Total	[redacted]	**Total**	[redacted]

[redacted]

Joiners	[redacted]	Leavers	[redacted]
Founders & CEO	[redacted]	Founders & CEO	[redacted]
Managing Director (Investment Team)	[redacted]	Managing Director (Investment Team)	[redacted]
Director (Investment Team)	[redacted]	Director (Investment Team)	[redacted]
Vice President (Investment Team)	[redacted]	Vice President (Investment Team)	[redacted]
Associates & Analysts (Investment Team)	[redacted]	Associates & Analysts (Investment Team)	[redacted]
CFO	[redacted]	CFO	[redacted]
Finance (Director and Above)[1]	[redacted]	Finance (Director and Above)[1]	[redacted]
Finance (VP and Below)[1]	[redacted]	Finance (VP and Below)[1]	[redacted]
Technology	[redacted]	Technology	[redacted]
Legal & Compliance	[redacted]	Legal & Compliance	[redacted]
Investor Relations	[redacted]	Investor Relations	[redacted]
Human Resources	[redacted]	Human Resources	[redacted]

Operating Professionals (Investment Team)	[redacted]	Operating Professionals (Investment Team)	[redacted]
Administration[2]	[redacted]	Administration[2]	[redacted]
Total	[redacted]	**Total**	[redacted]
**Please note the above table reflects current titles, not the title at time of hire.			
	By Year		
Joiners	**#**	**Leavers**	**#**
2018	[redacted]	2018	[redacted]
2019	[redacted]	2019	[redacted]
2020	[redacted]	2020	[redacted]
2021	[redacted]	2021	[redacted]
2022	[redacted]	2022	[redacted]
2023 YTD (as of June 30, 2023)	[redacted]	2023 YTD (as of June 30, 2023)	[redacted]
Total	[redacted]	**Total**	[redacted]

SVP works to create a stable but dynamic team. SVP generally likes to promote from within and will make changes when appropriate to optimize the team. Since 2018 at the investment team VP level and above SVP has had a [redacted] average turnover rate. Additional turnover rate details by level are as follows:

[redacted]

Investment Strategy

The SVP Capital Solutions strategy invests broadly across SVP's capabilities, focusing on liquid, event-driven opportunities focusing on influence and majority equity control special situations. The firm employs an adaptive investment strategy that pivots according to market conditions. In a downturn, the strategy leans into deep value, more trading, and event-driven deals, while shifting to private debt and control-oriented deals in more stable markets. This flexibility results in an "evergreen approach" style, seeking to generate a more favorable risk-adjusted return profile over multiple market cycles.

Capital Solutions II seeks to adapt its investment focus depending on market conditions, leaning into event-driven, deep-value deals during downturns and shifting to monetizing these investments as markets recover. The fund's capital will be deployed into various asset classes like private debt, restructurings, rescue, and mezzanine financing, with a long-term objective of gaining significant influence or control in private equity opportunities. The fund is backed by an integrated platform with expertise in financial restructuring, capital markets, and operational involvement, specialized in sectors like Aviation, Real Estate, Power & Renewables, and Infrastructure, positioning it to effectively capitalize on evolving opportunities.

SVP's Capital Solutions strategy generally focuses on industries and companies that are recession-resistant or backed by hard assets. Despite this, the fund acknowledges that difficult economic conditions can adversely impact the performance of historical investments. However, such challenging economic climates also create significant opportunities for new investments under the Capital Solutions strategy. By predominantly investing at the top of the capital structure, SVP believes that Capital Solutions II is better insulated from economic and business risks compared to typical equity investors.

Attribution by Strategy Type, as of 6/30/2023

The Capital Solutions strategy invests across three major themes – Private Debt/Restructuring (51%), Event Driven/Deep Value (31%) and, Control Investing (18%)

	SVP CS I	
	% Invested	Gross IRR
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

Attribution by Industry, as of 6/30/2023

Over time, the SVP team has built significant industry expertise with a particular emphasis on non-cyclical, more recession resistant sectors as highlighted below:

	SVP CS I	
	% Invested	Gross IRR
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

Geographic Focus

It is expected about half of the CS II portfolio will be invested in Europe, leveraging SVP's deep experience in the region which spans over two decades. The Fund will opportunistically invest outside of the U.S. and Europe from time-to-time.

Attribution by Geography, as of 6/30/2023

	SVP CS I	
	% Invested	Gross IRR
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

Investment and Portfolio Management Process

The SVP investment process is iterative and inclusive. The entire investment team meets daily to go over the deal pipeline and current underwritings. These meetings serve as SVP's Investment Committee where the Firm's investment decisions are made with consensus input. Decision-making is made with the input of the 14-member Investment Council while strategy head Victor Khosla has final decision-making responsibility.

Sourcing

SVP benefits from a seasoned investment team with deep relationships from which it drives a robust investment pipeline. SVP has a dedicated sourcing team led by Kevin Lydon. Lydon manages the Firm's trading desk and many of the broker-dealer relationships, which helps maximize deal flow and idea generation. Dedicated traders staff the US and European trading desks. The members of the investment team are also active in sourcing ideas through their relationships developed across their industry focus as well as their other areas of expertise such as restructurings and real estate. Key sources of deals include other investment funds, legal and financial restructuring advisors, broker-dealers, consultants, and long-term relationships with companies.

Due Diligence Process

The SVP due diligence process is disciplined and highly process driven. The investment team constantly reviews opportunities across sectors and capital structure, including high-yield bonds, leveraged loans, structured credit, real assets, real estate, and government-issued securities. Senior analysts tend to have industry expertise while more junior investment team members are generalists. The team is focused on fundamental credit research combined with structuring transactions with a strong eye on meeting return hurdles while minimizing the downside. ESG considerations are integrated into each underwriting. Specific areas of SVP's diligence process take into consideration the following:

— **Size of Company –** SVP focuses on middle market companies with below $1.5 billion in enterprise value and $250 million to $500 million in debt. SVP particularly likes to invest in off-the-run sectors with large-sized capital structures where there is often an attractive risk-return proposition.

— **Entry Price –** SVP exhibits strong discipline on entry price and meeting target return hurdles which have enabled the team to generate a consistent track record in line with its communicated return profile.

— **Event on the Horizon –** When underwriting a deal, the investment professionals take into consideration a potential value-driving event which may include debt maturities, covenant breaches, financial defaults, broken processes, and restructurings.

— **Driving the Catalyst through Leadership –** The team is focused on taking a leadership role and active management when driving investment value. Roles may include leading a restructuring, and chairing a creditors' committee, among others.

— **Leveraging the SVP Reputation –** Diligence will also leverage SVP's strengths such as industry expertise, restructuring experience, and geographic and asset class knowledge.

In taking into consideration the above, detailed due diligence is performed on each potential investment with a strong emphasis on valuation and assessment of value-enhancing strategies. Key components of this analysis include financial statement and collateral analysis; qualitative corporate analysis, liquidation scenario analysis, documentation review, understanding of legal rights in a potential process, and the evaluation of key stakeholders in a process.

Monitoring & Exits

The investment team is responsible for the continued monitoring of portfolio holdings. During SVP's daily investment meetings, investments will be reviewed for any change in credit fundamentals or financial strength. Further, Kevin Lydon's trading team will monitor market pricing moves for portfolio and pipeline names which may highlight potential opportunities. The team will opportunistically trade around positions daily but, generally, positions are built on investment conviction and are held to a particular value-driving catalyst plays out. Exits and realizations in the portfolio may include cash proceeds from a restructuring or recapitalization, the sale of an asset, or the conversion of debt to equity and eventual sale of post-reorganization equity.

Portfolio Construction

Capital Solutions II plans to adopt an evergreen strategy focused on private credit and adjacent asset classes, aiming to invest through different phases of the credit cycle. The fund intends to allocate capital opportunistically across various areas, leveraging the firm's expertise in corporate and specialty sectors. Geographic diversification will be maintained by balancing investments between the U.S., Europe, and other markets, with a focus on less competitive segments. [redacted]

Capital Solutions II will manage investment sizes based on a number of factors such as expected return, downside risk, and market availability for specific credits. Investments are typically made through incremental purchases over time, allowing for flexibility in adjusting target investment sizes in response to changing circumstances. [redacted]

Risk Management

SVP integrates risk management across all organizational levels, including investment approach, strategy, and the Fund itself. SVP primarily targets senior debt instruments, constituting around 70% of the portfolio, with these securities often backed by tangible assets or other collateral. The focus on senior debt, which sits at the top of the capital structure, allows SVP negotiating leverage and downside protection. SVP also engages in rescue and mezzanine financings through the issuance of senior securities with priority status. [redacted]

Post-investment, SVP maintains active involvement, particularly in event-driven investments where it holds significant positions. This often includes joining ad hoc creditor committees and using restructuring expertise to influence outcomes. When SVP gains significant influence or control post-restructuring, the focus shifts to operational improvements and risk profile reduction, leveraging extensive turnaround experience. Continuous monitoring of company performance against key financial metrics, risk factors, and change programs is standard practice.

Comparable Firms/Strategies

The fund comparables reviewed in the evaluation of SVP Capital Partners Fund VI are firms/funds that Callan has met with and that have strategies similar to the SVP strategy. All of the following strategies invest opportunistically across stressed and distressed opportunities.

Fund	Status	Fund Size/ Target	Team Structure	Team Background	Strategy	Fund Term	Expected Hold Periods	Expected Returns	Performance
SVP Capital Solutions Fund II	Fundraising	$3.75b	Dedicated team	Firm founded by Victor Khosla who has previous experience at Merrill Lynch and Citibank	Strategy invests in a combination of liquid deals, smaller private deals, larger restructurings and PE control deals. This is supplemented by investments in specialty sectors, including aviation, mezzanine and structured equity.	8 years	3-6 years	13 -15% net	[redacted]
Anchorage Illiquid Opportunities	Closed	$736m	Dedicated team	Leadership came from Goldman Sachs, JP Morgan, and Greywolf	Focuses on distressed debt, illiquid claims, structured credit, and other opportunistic financings across developed markets. Invests in smaller, off-the-run, and complex investments.	9 years	3-6 years	8-12% net	[redacted]
CarVal Value Investors Credit Value Fund	Closed	$3.6b	Dedicated team	Leadership came from Morgan Stanley, Goldman Sachs, and PwC	Strategy capitalizes on distress and dislocations in vintage liquidations, whole loan portfolios, leveraged credit, corporate restructurings, and structured credit, primarily in developed markets.	6 years	2-3 years	15-20% net	[redacted]
Fortress Credit Opportunities Fund	Closed	$3.0b	Dedicated team	Leadership came from Goldman Sachs, American Commercial Capital LLC, Fir Tree Partners, and Wells Fargo & Co.	Broad mandate with flexibility to invest across credit spectrum including: lending, corporate debt & securities, portfolios & orphaned assets, real estate, and structured finance.	9 years	2-3 years	15-20% net	[redacted]

Kennedy Lewis Capital Partners Fund	Closed	$3.0b	Dedicated team	Firm founded and led by David Chene and Darren Richman who came from CarVal and Blackstone, respectively.	Strategy invests opportunistically across opportunistic credit with a focus on non-sponsor, middle market, senior secured opportunities. The strategy maintains flexibility to move across the capital structure and in public markets during periods of market volatility.	6 years	1-5 years	12-14% net	[redacted]
Monarch Capital Partners VI	Fundraising	$3.5b	Dedicated team	Leadership came from Lazard and J.P. Morgan	Event-driven approach that seeks opportunities with near-term catalysts that allow the firm to implement an active strategy to drive value creation. Invests in corporate, real estate, government debt, structured credit, and special situations over the full cycle.	7 years	1-3 years	20% net	[redacted]
Oak Hill Tactical Investment Fund	Closed	$2.5b	Dedicated team	Leadership came from Prudential Capital, DLJ, USBancorp Libra, and Oak Hill Capital Partners	Flexible, industry-driven approach aiming to capture dislocated opportunities in stressed/distressed, private credit, real asset, and structured credit markets. Expertise customizing complex financial situations up and down the capital structure across geographies.	9 years	1-4 years	12-15% net	[redacted]
Oaktree Opportunities Fund	Closed	$15.9b	Dedicated team	Leadership came from TCW, McKinsey & Co., and Morgan Stanley	Invests in debt of financially distressed companies or assets. Seeks to get paid off at par plus accrued, or obtain ownership or significant influence after restructuring.	10 years	2-5 years	15-20% net	[redacted]
Varde Fund XIII	Closed	$2.5b	Dedicated team	Leadership came from Cargill Financial, Deutsche Bank, Deephaven, and Goldman Sachs	Global strategy seeking to build a local presence to unlock value in complex opportunities in liquid traded credit special situations, real estate, and financial services.	7 years	2-5 years	10-15% net	[redacted]

**NHRS invested funds*

Fee Comparison

Fund	Fees
SVP Capital Solutions Fund II	[redacted]
Anchorage Illiquid Opportunities VII	[redacted]
CVI Credit Value Fund V***	[redacted]
Fortress Credit Opportunities Fund V Expansion	[redacted]
Kennedy Lewis Capital Partners Fund III**	[redacted]
Monarch Capital Partners VI	[redacted]
Oak Hill Tactical Investment Fund	[redacted]
Oaktree Opportunities Fund XI	[redacted]
Varde Investment Partners, L.P.	[redacted]

Source: Preqin and GP provided data

**1.575% management fee for investors participating in first close*

***Represents share class A*

****NHRS invested funds*

Operations, Legal and Compliance

Accounting/Finance	
Chief Financial Officer:	Lewis Schwartz
Overview of the accounting and finance team	The SVP accounting Team is led by Lewis Schwartz (CFO) who manages a team comprised of 15 individuals who are responsible for valuation and fund reporting as of June 30, 2023. SVP's Director of Tax is responsible for tax-planning and preparation of tax documents.
Fund Administrator:	International Fund Services (Ireland) Ltd, a State Street Company ("IFS", "State Street")
Custodian/Bank:	State Street Bank & Trust
Fund Auditor:	PricewaterhouseCoopers LLC
Overview of cash movements	Regarding controls, cash wire activity is tracked via a payment management system, GTreasury. Each wire is subject to a three-step procedure, whereby an individual may act in only one capacity during the wire execution process. The three-step procedure includes a unique set of individuals who can (i) prepare, (ii) review and (iii) approve the activity. Dual approvals are required for all cash disbursements, with a limited number of senior level individuals that can authorize fund transfers to external parties. Any cash movement in excess of $5 million requires a call back from the administrator. Any cash movement in excess of $10 million requires two calls back from the administrator. There are also a limited number of individuals authorized for call backs. Complete lists of authorized individuals are maintained by the Firm and are available upon request. For calls and distributions State Street will reconcile the amounts to be called or distributed by the investor with SVP. Once the capital call notice has been distributed, the fund administrator will track the receipt of each capital call and communicate daily on the status of the funds received/outstanding with SVP. For capital distributions, State Street will send a notice to each investor communicating the amounts to be paid and the wire instructions that are on file. After distributions have been made, the administrator will send reporting to SVP confirming the amounts paid.

Valuation Policy/Process

Does the Firm have a Valuation Policy?	Yes
Overview of the valuation process	On a monthly basis, the Fund's administrator, State Street independently gathers valuation information using vendor pricing (e.g., IDC, Markit Partners, Bloomberg) and broker quotes and ensures compliance with the principles of the pricing policy. Before finalizing valuation each month, State Street will reconcile all month end prices with the SVP accounting team. For positions not able to be priced as described above, on a quarterly basis, SVP will fair value the investment and document its conclusion in writing. Values will largely be derived by models, appraisals, market transactions or another approach deemed applicable. Additionally, SVP utilizes independent third-party valuation agents to conduct a valuation analysis of all fair valued investments. Further, on a monthly basis, a third-party valuation agent will provide a valuation substantiation report for positions with a single broker quote. The results of these reports will be reconciled to the final prices used by State Street. SVP has a pricing and valuation committee to review and approve the valuation of investments. The pricing committee's responsibility is for investments with observable pricing data including market data, pricing, vendor, and broker/dealer quotations. The valuation committee's responsibility is for investments with unobservable or limited observable pricing data. Pricing sources include, but are not limited to, Markit, IDC, Bloomberg, Super Derivatives, and various broker-dealers. The Firm does maintain a Valuation Committee. On a quarterly basis, the Valuation Committee will review the values for all fair valued positions held by all funds and accounts managed by SVP. The results will be documented in its meeting minutes, and a valuation memo packet is created for internal use.
Valuation Committee	Yes Committee Members: Edward Kelly, MD, COO HJ Woltery, MD, Co-Head European Investment Team Lewis Schwartz, MD, CFO Gabe Brecher, MD, GC & CCO (Observer)
Frequency of valuations	Choose an item.
Are valuations audited annually?	Yes
Is a third-party valuation firm ever used?	Yes
Are valuations in accordance with U.S. GAAP and ASC 820?	Yes

LP Reporting

Quarterly/annual reporting package	☒ Capital account statements ☒ Quarterly unaudited fund financial statements ☒ Annual audited fund financial statements ☒ Quarterly LP letters/updates ☒ Other Please specify: Annual Tax Reporting (i.e. K-1, PFIC)
Are the ILPA reporting templates utilized?	Yes

Legal/Compliance

Is the Firm a Registered Investment Advisor or an Exempt Reporting Advisor?	Registered Investment Advisor
Chief Compliance Officer	Gabe Brecher, GC & CCO
External compliance consultant	SVP uses a variety of third-party compliance providers, from time to time, including, ACA (in New York and London), to assist in the development, evaluation and implementation of its compliance policies. The Firm also retains several top law firms, which SVP's legal and compliance department consult with on compliance-related matters, including but not limited to Schulte Roth & Zabel LLP, Akin Gump Strauss Hauer & Feld LLP, Ropes & Gray LLP, Proskauer Rose LLP, and Richard Kibbe Orbe LLP. The Firm also deployed ComplySci to assist with monitoring personal investment activity.
Compliance Manual	Yes
Code of Ethics	Yes
Legal Counsel	Primary Fund Counsel: Rope & Gray LLP Offshore Cayman Fund Counsel: Mourant Ozannes
Is the Firm or any key professional subject to any current material litigation proceedings?	As a matter of policy, the Firm does not comment on personal, criminal, administrative or civil matters involving the Firm, its relying advisors, its principals, or employees that are not final and in the public record. However, the Firm and its relying advisers, and to the best of the Firm's knowledge, the Firm's principals, and employees, are not currently the subject of any criminal, administrative or material civil proceeding related to the Firm's business. There is no final matter in the public record concerning the Firm, any of its relying advisors, or any principal of the Firm involving criminal, administrative or civil proceedings. As of the date hereof, SVP and its relying advisers have only been subject to litigation that they view as routine employment matters. In addition, in the context of their investment activities, SVP and its Funds are, from time to time, subject to litigation that they consider to be "ordinary course", including among other matters

	adversary proceedings in bankruptcy and enforcement of rights of the fund whether or not investment related.

Allocation of Investment Opportunities

Does the Firm have an Allocation Policy?	Yes
Overview of investment allocation across funds/products	SVP believes that there is a distinct competitive advantage to managing both open-end and closed-end programs. In particular, it makes SVP a more interesting counterparty to potential sellers of distressed debt as they are interested in a wide range of opportunities from positions in liquid opportunities through to influence and control investments. They have put in place allocation policies and procedures to address the allocation of investment opportunities between the two strategies. Below is a basic overview of the allocation policy, however, this summary is short-form and is qualified in its entirety by the full Firm Allocation Policy which is available upon request and may be modified without notice. • Capital Solutions Funds have a broad mandate to invest across the gamut of opportunities pursued by the Restructuring Fund ("SVRF") and Special Situations Funds, investing pari passu with both SVRF and the Special Situations Funds. • Capital Solutions II will have first priority on investments constituting rescue financing, mezzanine and structured equity. • For opportunities that fit the strategies of the each of the Firm's three core strategies (e.g. mid-market restructurings), investments are generally allocated pro-rata between SVRF, the Capital Solutions Funds and the Special Situations Funds subject to certain considerations, including those mentioned below. • SVRF's investment strategy includes event-driven and trading opportunities alongside investments in middle-market and large-cap restructurings. Middle-market restructurings where a company's enterprise value is less than $500 million are allocated based on liquidity and not typically included in the SVRF Core Series portfolio composition. SVRF Enhanced Credit Series generally receives an allocation of investments considered to be less liquid, such as investments in issuers with an enterprise value of less than $500 million or pursuant to certain other considerations. SVRF and Capital Solutions generally invest pari passu and have priority over the Special Situations Funds with respect to any investment that is expected to be held for less than 12 months. • As the Special Situations Funds are focused on mid-market deals where SVP can exercise influence, SVSS and Capital Solutions generally invest pari passu and

	have priority over SVRF on: investments where SVP has the intention to acquire 33% or more of the equity or debt of a company/issuer; further investments in a company where SVP Funds collectively own 20% or more of such issuer; and investments where SVP Funds intend to have influence on the governing body, management, or policies of an issuer or influence over the issuer's insolvency process by owning a 33% or more position in a controlling debt or equity class.
If the Firm has a debt product, can it invest alongside the equity product(s)?	SVP does not currently manage a sole equity focused product or fund. SVP's funds can invest in both debt and equity and do invest alongside each other in accordance with the Firm's Allocation policy.
Approval process for cross-fund investments	The Capital Solutions Funds have not engaged in cross trades in the past, and to the extent SVP Funds enters a cross trade with a related party, it would comply with applicable law and seek the consent of the applicable parties.
Overview of the allocation of co-investments	The General Partner may in its discretion make available co-investment opportunities to strategic and other investors, lenders and one or more Limited Partners. Notwithstanding anything to the contrary in this Agreement, the General Partner and its Affiliates may (or may not) (i) charge or otherwise receive a carried interest, management fees and other fees and costs from any co-investors (including at lower rates than what is being charged to Limited Partners) and may make an investment, or otherwise participate, in any co-investment entity to facilitate, among other things, receipt of such carried interest, management fees and/or other fees, allocations and costs or (ii) collect any other fees in connection with actual or contemplated investments that are the subject of such co-investment arrangements and the Limited Partners shall not receive the benefit of any such amounts. There are several characteristics of the Fund's investment strategy, which make co-investing challenging. In more liquid, event driven investments, co-investment is not applicable. Influence and control investments are generally built over time and so post-deal-syndication is usually not possible (e.g. the top 20 investments in SVCS I took an average of 21 transactions over 10 months to build). Furthermore, bank loans typically "trade by appointment" and the ability and opportunity to perform due diligence can be fairly short. As detailed in the PPM, this is one of the key reasons for SVP's thematic approach. It enables them to spend a significant amount of time on the sector and potential opportunities before committing capital, so they can act relatively quickly when the opportunity arises. As a result, they have found very few Limited Partners who are able to co-invest alongside the funds. The model they have found to be most successful for these few Limited

Partners is where they have a designated pool of capital committed and set aside that they can quickly put to work on behalf of that client. For those limited partners unable to establish such a dedicated pool of capital, they ask them to complete a Co-Investment Questionnaire outlining a number of factors including diligence requirements, speed of execution, potential desired size, etc. Allocation of co-investments is at the Firm's sole discretion and is covered by SVP's Allocation Policy.

While the Fund does not currently have any dedicated co-investment vehicles, as discussed above, the Firm has formed designated pools of capital that can co-invest alongside various SVP Funds, including the Fund. These pools of capital have access to over-allocation opportunities.

See SVP's response to Callan ESG template in Exhibit G.

The following are the SVP's DEI statistics as of 6/30/23:

	Total	% Female	% African American	% Hispanic
Firm	175	[redacted]	[redacted]	[redacted]
Investment	81	[redacted]	[redacted]	[redacted]
Non-Investment	94	[redacted]	[redacted]	[redacted]

Exhibit A: Summary of Key Terms

See below for a summary of key terms for the proposed investment structure:

Draft Term Sheet Summary	
Fund Name	[redacted]
Fund Structure	[redacted]
Target Fund Size	[redacted]
Investment Period/Term	[redacted]
Management Fee	[redacted]
Tiered Pricing	[redacted]
Carry/Waterfall/Catch-up	[redacted]
Extensions	[redacted]
Fee Offset	[redacted]
GP Commitment	[redacted]
Other Key Terms (please Specify)	[redacted]

Exhibit B: Manager Peer and Performance Analysis

Manager Peer Group

The following table provides an opportunistic credit peer group developed by Callan and employing returns derived from Pitchbook, Preqin, and GP-provided data. The table is sorted by net IRR and grouped by vintage years starting in 2012 — the first vintage year of the SVP Capital Solutions fund series.

The peer group includes broader multi-strategy and opportunistic credit strategies that pursue strategies that are similar to the SVP Capital Solutions Fund, as well as others that may pursue more idiosyncratic investments along with stressed or distressed transactions across a variety of sectors and geographies. These include strategies that pursue both liquid/trading-oriented opportunities as well as more illiquid control or influence opportunities.

SVP Fund Peer Comparable Analysis

Gray shaded funds represent NHRS distressed funds

Fund Name	Vintage Year	Fund Size	Net TVPI	Net IRR	IRR Ranking	As of Date
Siguler Guff Distressed IV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Tennenbaum Opportunities VI	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Avenue Special Situations VI	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2011 Vintage Year	[redacted]	[redacted]				
	[redacted]	[redacted]				
SVP SMA I	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
CarVal Credit Value Fund II	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Anchorage Illiquid Opportunities IV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Oaktree Opportunities Fund IX	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Varde Fund XI	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Gramercy Distressed Opportunity Fund II	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2013 Vintage Year	[redacted]	[redacted]				
	[redacted]	[redacted]				
SVP Special Situations III	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
GoldenTree Distressed Debt Fund II	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Monarch Capital Partners III	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Sixth Street TAO Global	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2014 Vintage Year	[redacted]	[redacted]				
	[redacted]	[redacted]				
Anchorage Illiquid Opportunities V	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Oaktree Opportunities Fund X	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Fortress Credit Opportunities Fund IV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
CarVal Credit Value Fund III	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Gramercy Distressed Opportunity Fund III	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2015 Vintage Year	[redacted]	[redacted]				
	[redacted]	[redacted]				
Crestline Opportunity Fund III	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Varde Fund XII	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2016 Vintage Year	[redacted]	[redacted]				
	[redacted]	[redacted]				
SVP Special Situations IV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Anchorage Illiquid Opportunities VI	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Kennedy Lewis Capital Partners Fund I	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SVP SMA II	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Monarch Capital Partners IV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2017 Vintage Year	[redacted]	[redacted]				
	[redacted]	[redacted]				
GoldenTree Distressed Debt Fund III	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Oaktree Opportunities Fund Xb	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Fortress Credit Opportunities Fund V	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Crestline Opportunity Fund III Europe	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Varde Fund XIII	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
CarVal Credit Value Fund IV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2018 Vintage Year	[redacted]	[redacted]				
	[redacted]	[redacted]				
Anchorage Illiquid Opportunities VII	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Crestline Opportunity Fund IV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2019 Vintage Year	[redacted]	[redacted]				
	[redacted]	[redacted]				
Oaktree Opportunities Fund XI	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SVP Special Situations V	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Kennedy Lewis Capital Partners Fund II	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Monarch Capital Partners V	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SVP Capital Solutions I	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Fortress Credit Opportunities Fund V Expansion	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Varde Dislocation Fund	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
CarVal Credit Value Fund V	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2020 Vintage Year	[redacted]	[redacted]				
	[redacted]	[redacted]				
GoldenTree Distressed Debt Fund IV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Kennedy Lewis Capital Partners Fund III	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SVP SMA III	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2021 Vintage Year	Credit Opps	25th Percentile – 17.6%; 50th Percentile – 12.7%; 75th Percentile – 8.0%				
	Private Credit	25th Percentile – 17.8%; 50th Percentile – 11.6%; 75th Percentile – 6.8%				

Source: Preqin, Pitchbook, Refinitiv & GP provided data. Quartile Rankings against the Refinitiv/Cambridge Credit Opportunities preliminary database and Refinitiv/Cambridge Private Credit preliminary database, as of 6/30/23.

"N/M" = not meaningful; funds still in their investment periods

Historical Performance
Net Returns

Peer Group Benchmarking

The SVP Capital Solutions Fund Series has been investing in stressed and distressed credit investments since 2013. The firm has significant experience investing across robust and benign market cycles through the fund series. The strategy can invest across various credit market segments which include corporates, structured credit, real estate, and special situations.

[redacted]

This comparison includes two benchmarks: the Refinitiv/Cambridge Credit Opportunities database and Refinitiv/Cambridge Private Credit database. The Credit Opportunities database includes non-control strategies focusing on corporate and specialty finance distressed and stressed securities. The Private Credit database is broader and includes strategies across the private credit universe.

						IRR Benchmark		TVPI Benchmark	
Fund	**VY**	**Fund Size ($m)**	**Net IRR**	**Net TVPI**	**Peer Count**	**Upper**	**Median**	**Upper**	**Median**
SMA I	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SMA II	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Capital Solutions Fund I	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SMA III*	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Quartile Rankings against the Refinitiv/Cambridge Credit Opportunities preliminary database.

Benchmark Quartile Key:	1st	2nd	3rd	4th

**SMA III still immature – performance to be back-end loaded given distressed exposure*

Fund	**VY**	**Fund Size ($m)**	**Net IRR**	**Net TVPI**	**Peer Count**	**Upper**	**Median**	**Upper**	**Median**
SMA I	2013	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SMA II	2017	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Capital Solutions Fund I	2020	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SMA III*	2021	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Quartile Rankings against the Refinitiv/Cambridge Private Credit preliminary database.

Benchmark Quartile Key:	1st	2nd	3rd	4th

**SMA III still immature – performance to be back-end loaded given distressed exposure*

Public Market Equivalent

Seen in the following table, Callan also created a Public Market Equivalent (PME) analysis employing a Long-Nickels methodology for the SVP Capital Solution investments versus S&P/LSTA Leveraged Loan Index and the Merrill High Yield. The PME calculates the investors' returns if the funds' contributions and distributions were used to purchase the two index proxies rather than the funds. Separately, we also included a PME analysis of the S&P/LSTA Leveraged Loan Index and the Merrill High Yield Index with an added premium of 200 bps to account for the illiquidity and complexity premiums of the investments the team will focus on.

The analysis reflects significant outperformance over the public indices since inception (2013). The magnitude of outperformance indicates the sourcing of unique investments that may offer a differentiated return profile than that of the broader liquid credit markets.

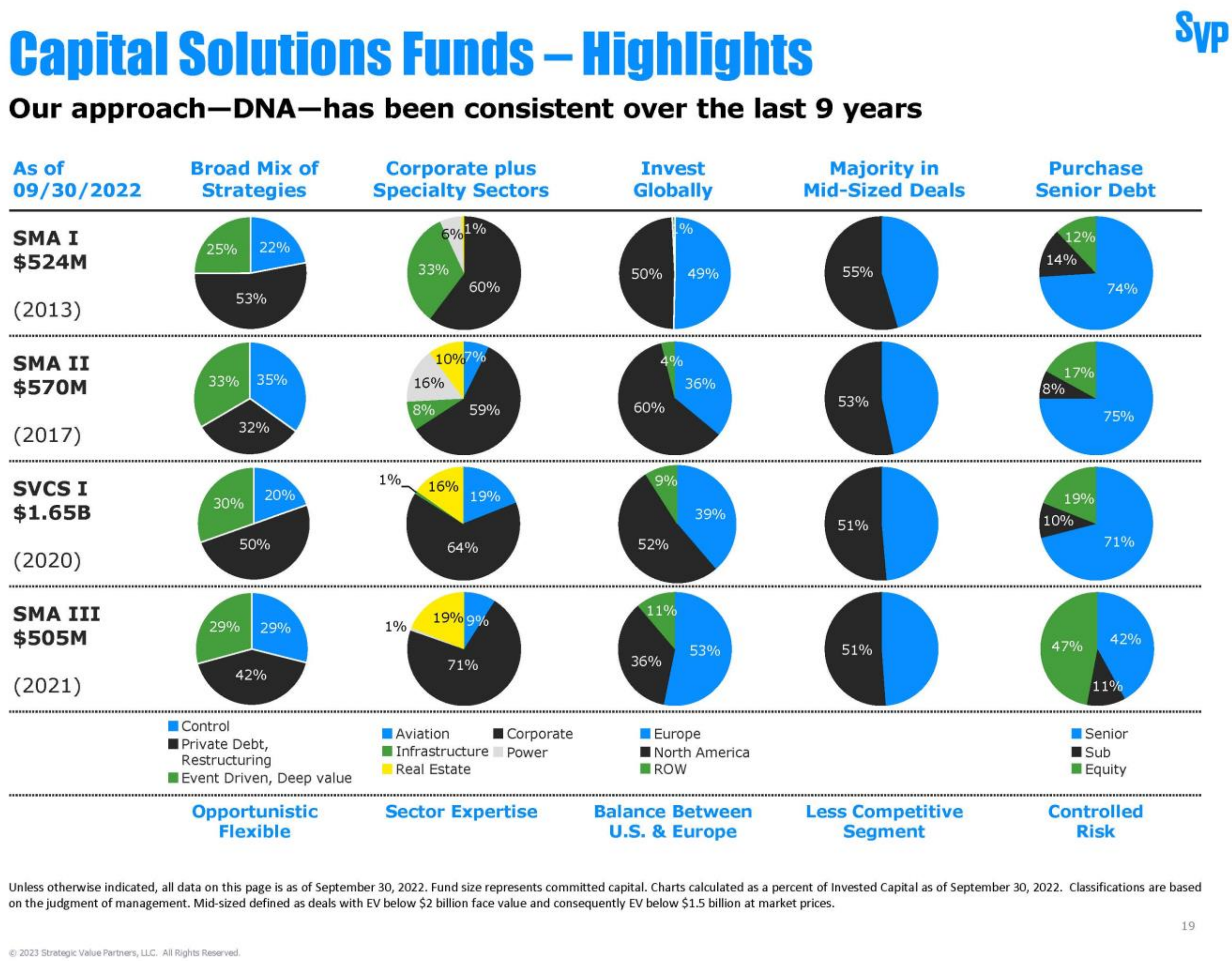
SVP PME Analysis, as of 06/30/2023

Fund	Fund Net IRR	S&P/LSTA LL PME	Merrill High Yield Index PME	S&P/LSTA LL + 2.00% PME	Merrill High Yield Index + 2.00% PME
SMA I	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SMA II	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Capital Solutions Fund I	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SMA III*	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

**SMA III still immature – performance to be back-end loaded given distressed exposure*

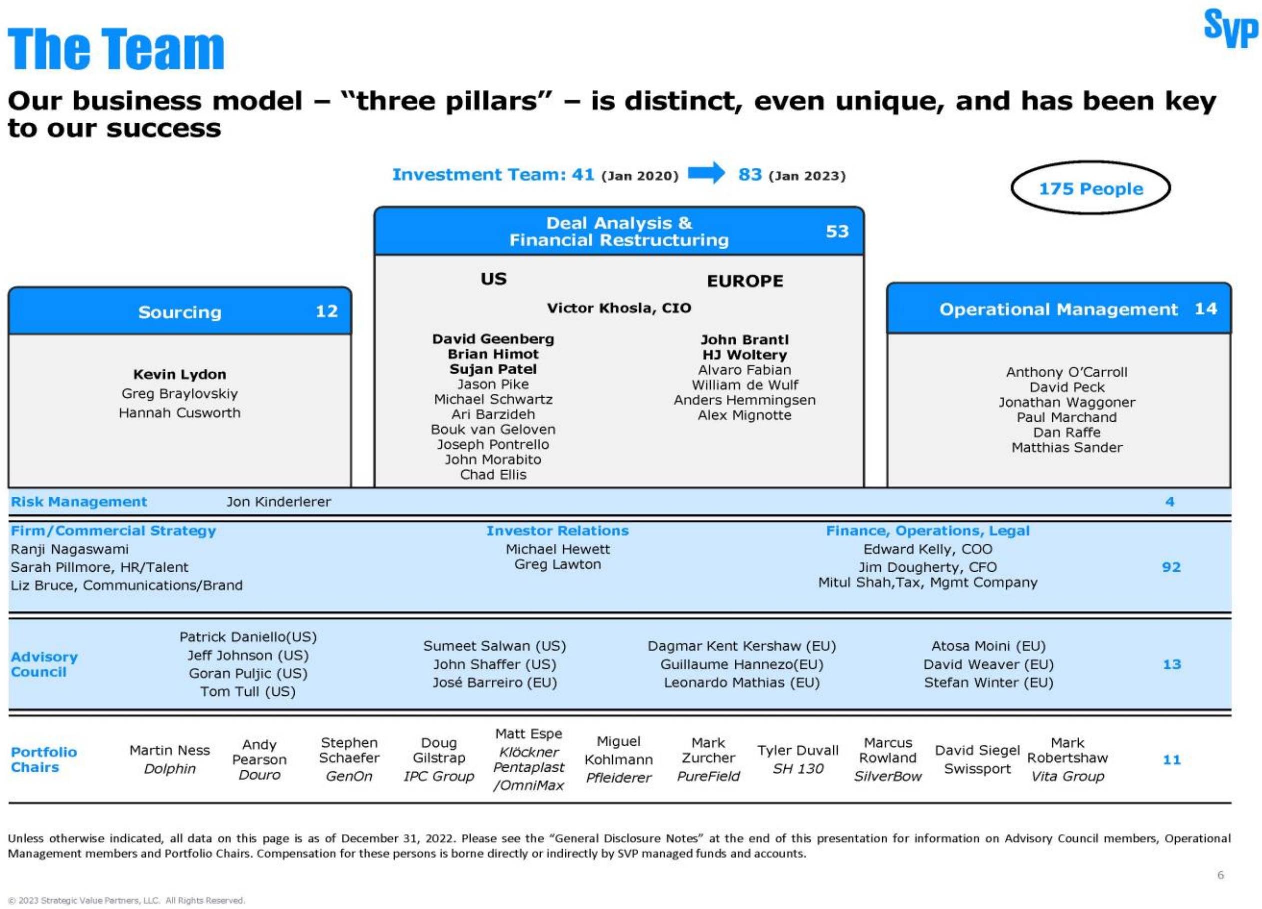
Exhibit D: Fund II Portfolio Construction

The portfolio construction of SVP's prior funds is outlined below. The fund is expected to have a similar construction to prior funds with a focus on diversification and a global focus.



Source: SVP

Exhibit E: SVP Organizational Structure



Source: SVP

Exhibit F: Senior Professional Biographies

See below for biographies of SVP's senior professionals:

Name: Victor Khosla Title: Founder & CIO	Mr. Khosla is Founder and Chief Investment Officer of Strategic Value Partners, LLC (SVP). Mr. Khosla has a 33-year track record in distressed and private equity investments. Mr. Khosla started his career at Citibank (1989-1993) and subsequently built and managed one of the top distressed proprietary trading businesses at Merrill Lynch (1993-1998). At the time of his departure from Merrill Lynch, Mr. Khosla had investment authority for $2 billion in corporate and real estate investments and headed a team of 40 analysts and traders based in New York, Tokyo, London, and Hong Kong. After leaving Merrill Lynch, Mr. Khosla served as President of Cerberus Capital (1998-1999) and ran MooreSVP (1999-2002), a JV with Moore Capital, which focused on investing in Japanese distressed debt. Mr. Khosla graduated with a first class Bachelors of Commerce (Honors) degree from Delhi University, an MA in Economics from Vanderbilt University, as well as an MBA from the University of Chicago. He is a member of the Management Council at the University of Chicago Booth School of Business and is on the board of Pratham USA, one of the largest non-governmental education organizations in India.
Name: David Geenberg Title: Co-Head of North American investment team	Mr. Geenberg oversees the North American investment team, with responsibility across the firm's investment, restructuring, and operational functions based in Greenwich, CT. Since joining Strategic Value Partners in 2009, Mr. Geenberg has led investment efforts over a range of industries including infrastructure, energy, power generation, and industrials. In that capacity, Mr. Geenberg has overseen the firm's control deals in North America, including GenOn, OmniMax, PureField, and SH-130. Previously, Mr. Geenberg worked at Goldman, Sachs & Co., most recently in its infrastructure private equity business, and, prior to that, in the investment bank's natural resources group. Mr. Geenberg received a BA in Economics from Dartmouth College in 2005. Mr. Geenberg is on the Boards of Directors of OmniMax International, GenOn Holdings, Purefield Ingredients, and SilverBow Resources, and previously served on the Boards of Bicent Power, Penn Virginia Corporation, Chaparral Energy, and White Energy.
Name: John Brantl Title: Co-head of European investment team	Mr. Brantl is Co-Head of the European investment team. He joined Strategic Value Partners in 2006 and has been based in London since 2012. Prior to joining Strategic Value Partners, Mr. Brantl worked in investment banking in Goldman, Sachs & Co.'s Financial Institutions Group. Mr. Brantl received an AB in Economics from Princeton University in 2005. Mr. Brantl serves on the Boards of Directors of Klöckner Pentaplast, Pfleiderer Group, and Deucalion Aviation Limited.
Name: HJ Woltery Title: Co-head of European investment team	Mr. Woltery is Co-Head of the European investment team, having joined Strategic Value Partners at the opening of the European office in 2004. From 1985 to 2004, Mr. Woltery worked at Deutsche Bank in various roles, his last one being a Senior Research Analyst and Head of Research, Germany, in the London Distressed Products Group, where he was responsible for covering European credits across a variety of industries and jurisdictions. Mr. Woltery received a Bachelor Professional (Bankfachwirt) of Frankfurt School of Finance & Management (formerly: Bankakademie) in 1991 and an MBA from Hult Ashridge Business School in 2001. Mr. Woltery serves on the Boards of Directors of Swissport International.
Name: Kevin Lydon Title: Global head of sourcing	Mr. Lydon is Global Head of Sourcing for the Firm. From 2005 to 2007, Mr. Lydon was a Managing Director and Co-Head of European and Asian Special Situations in London at Credit Suisse. From 1997 to 2005, Mr. Lydon was at Merrill Lynch, most recently serving as a Managing Director and Co-Head of European Leveraged Finance Trading in London, and previously in New York, where he managed a book of distressed loans. Prior to that, Mr. Lydon worked as an Analyst at Fitch Investment Services in New York from 1993 to 1997.

	Mr. Lydon received a BA in Economics from Washington and Lee University in 1992 and an MBA in Finance from New York University in 2000.
Name: Brian Himot Title: Head of Structured Capital	Mr. Himot is Head of Structured Capital for the Firm. Prior to joining Strategic Value Partners, Mr. Himot served as Partner and Portfolio Manager at Beach Point Capital Management where he jointly led the private credit and distressed debt business. Mr. Himot has over 15 years of industry experience having previously served as Vice President in the New Product Development group at Banc of America Securities and as an associate at the law firm of O'Melveny & Myers focusing on corporate tax in Los Angeles and New York where he advised on multi-billion-dollar complex M&A transactions. Mr. Himot graduated from the University of Southern California with a bachelor's degree in political science in 2000, from Harvard Law School with a J.D. in 2003 and from the Wharton School of the University of Pennsylvania with an MBA concentrating in finance in 2010.
Name: Sujan Patel Title: Head of Real Estate	Mr. Patel is Head of Real Estate for the Firm. Prior to joining Strategic Value Partners, Mr. Patel served as Managing Director and Co-Head of U.S. Investment Management at Colony Capital Inc., which resulted from Colony's purchase of NorthStar Asset Management and NorthStar Realty Finance in January 2017. From 2007 to 2017, Mr. Patel worked at the NorthStar companies, most recently serving as a Managing Director and Co-Head of Investments, where he led over $25 billion in investments across office, hospitality, multi-family, manufactured housing, logistics, retail and other real estate sectors. Earlier, Mr. Patel was the Vice President of Acquisitions at Thayer Lodging Group, now part of Brookfield, and he started his career as an Investment Banking Analyst at Morgan Stanley. Mr. Patel received a BA in Engineering Science and Economics from Dartmouth College.

Source: SVP

Exhibit G: Environmental, Social, and Governance (ESG) Questionnaire

The following is SVP's response to Callan's ESG questionnaire.

Diversity, Equity & Inclusion

Does the firm have a policy or initiative regarding diverse hiring practices?	Yes, SVP's search firm agreements include commitments to diverse hiring. The Firm also works with the boys and girls club of America to sponsor students through college education and offer internship experiences. While this doesn't directly lead to recruitment it develops long-term relationships and contributes to the wider talent pool.
Diverse-, Women-, or Disabled-Owned (DWDO) Ownership > 50%	Yes
DWDO Ownership Type	Diverse (Ethnicity)

Environmental, Social & Governance

Does the firm maintain a firm-wide ESG, SRI, sustainability, and/or responsible investment policy?	Yes
Is the firm a signatory to UNPRI or other responsible investment bodies or standards?	Yes, the Firm is a signatory/member to UNPRI and SASB Alliance.
Does the firm employ full-time dedicated ESG professionals?	Yes, the Firm currently has one dedicated ESG professional.
Who is responsible for the administering the ESG policy?	The ESG Steering Committee meets quarterly to review execution of the ESG policy and oversee reporting. The ESG Policy is reviewed annually, and amendments are recommended, as needed. SVP is continually working to enhance how they incorporate ESG across the firm's investment process and regularly revisit and update their ESG policy.
Does the Firm have an ESG committee?	Yes
To what degree are ESG considerations a focus of the investment strategy?	Incorporating ESG standards across their investments, especially their control portfolio companies, as well as SVP's business practices is aligned with the firm's culture, investment value creation approach and the following core beliefs: • ESG risks are financial risks. • ESG factors can positively impact financial value creation, as well as limit downside outcomes. • They recognize that the firm and their portfolio investments can play a constructive role to mitigate environmental and social challenges. ESG policies and progress on incorporating ESG factors in the Firm's investment process receive the highest level of attention. The Firm's ESG Steering Committee comprises senior investment and business leaders and is responsible for incorporating ESG factors across the investment process:

	• SVP incorporates ESG considerations across their investment screening, due diligence, and ownership for control investments. ESG sensitivity is reviewed within the context of each specific investment. • ESG Sensitive Business Guidelines, Controversies Review and Company Disclosure Review steer the Firm's ESG screen. • ESG due diligence includes an Assessment of Investment Specific ESG factors and a Thematic Assessment of the impact of broader ESG themes on total enterprise value. • SVP most directly monitor and promote ESG considerations where they have control or significant influence.
What methods does the strategy use to achieve ESG/Impact considerations?	For substantially all of SVP's control investments, they will attempt to leverage their seat at the table to drive the ESG agenda. SVP's operating partner team will seek to drive engagement on ESG issues with their portfolio companies. Some examples of potential engagements include establishing necessary committees, hiring dedicated ESG resources, establishing the value creation plan, integrating ESG deliverables into executive incentives and integrating ESG reporting into standardized management reporting cadence. For example, the bonus incentive program for Pfleiderer's management team incorporates ESG-related KPIs. For examples of dedicated ESG resources see response below. An individual company's ESG strategy may be incorporated into the Value Creation Program ("VCP") and the 3/ 5-year operating plan, which may include ESG KPIs. Key initiatives and strategies may be prioritized through the 100-day plan (and thereafter) from the investment thesis and in turn inform the VCP in an iterative manner. For Pfleiderer for example, their ESG KPI, recycled wood mix, is part of the improvement in raw materials mix initiative built into the VCP. ESG also has interdependencies with many other key initiatives, such as assessment and recruiting, innovation and HR polices. Progress on ESG KPIs for control investments is reviewed quarterly through the ESG KPI reporting.
Does the strategy define track ESG or impact KPIs for investments?	SVP requests quarterly reporting from substantially all of their control portfolio investments of the following "Tier 1" ESG KPIs: Energy consumption and intensity, scope 1 and 2 GHG emissions, waste recycled, LTIR, ethnic and gender diversity.
Does the strategy provide reporting to investors that highlights ESG metrics of investments?	SVP reports on ESG progress and implementation at the firm's LPAC and/or Annual General Meeting. This includes reporting on the ESG due diligence process as well as reporting on progress at the portfolio companies.

Important Information and Disclosures

This investment evaluation of the candidate sponsor and the candidate investment vehicle(s) was compiled by Callan at the request of NHRS, exclusively for use by NHRS.

This investment evaluation and the information contained herein is confidential and proprietary information of Callan and should not be used other than by NHRS for its intended purpose or disseminated to any other person without Callan's permission.

This investment evaluation gives consideration to the investment requirements and guidelines provided to Callan by NHRS, and should not be relied upon by any person other than NHRS or used in whole or in part for any purpose other than considering an investment in the candidate vehicle(s). Information contained herein has been compiled by Callan and is based on information provided by various sources believed to be reliable but which Callan has not necessarily verified the accuracy or completeness of or updated. Information considered by Callan, includes information provided by the investment sponsor and information that is publicly available, as well as information developed by Callan from other sources, which may not be current as of the date of this investment evaluation. Callan does not make any representation or warranty, express or implied as to the accuracy or completeness of the information contained in this investment evaluation. Callan undertakes no obligation to update this investment evaluation except as specifically requested by NHRS.

This investment evaluation is for informational purposes only and should not be construed as legal or tax advice. NHRS is urged to consult with legal and tax advisers before investing in the candidate investment vehicle(s) or any other investment vehicle.

A potential investor in the candidate investment vehicle(s) should undertake an independent review of the sponsor's private placement memorandum, related offering documents and due diligence questionnaire, which describe, among other important information, the sponsor's background, experience and track record, investment strategy, investment risk factors, compensation program, and investor rights and obligations. Callan makes no representation or warranty, express or implied, as to the accuracy or completeness of the sponsor's offering materials. It is incumbent upon NHRS to make an independent determination of the suitability and consequences of an investment in the candidate investment vehicle(s).

The appropriateness of the candidate investment vehicle(s) discussed in this investment evaluation is based on Callan's understanding of NHRS's portfolio as of the date this investment evaluation is originally issued.

Opinions expressed in the investment evaluation are based on Callan's standard evaluation procedures which are designed to provide objective comments based upon information provided to Callan. Such opinions may be amended, supplemented or restated, based on changes in WSIB's investment objectives or investment portfolio, the macroeconomic environment, legal/regulatory/political climate, the organization or team of the candidate general partner(s) or candidate investment vehicle(s) or other identified or unidentified factors.

Callan undertakes no obligation to update any opinion expressed in this investment summary except as specifically requested by NHRS. Nothing contained in this investment evaluation should be relied upon as a promise or representation as to past or future performance of the candidate investment vehicle(s) or other entity. Past performance is no guarantee of future results.

Unless Callan has been specifically engaged to do so, Callan has not conducted due diligence of the operations of the candidate or investment vehicle(s), as may be typically performed in an operational due diligence evaluation assignment.

The issues considered and risks highlighted in this investment evaluation may not be comprehensive and other undisclosed or heretofore unknown risks may exist that may be deemed material to WSIB regarding the candidate sponsor and candidate investment vehicle(s).

The investment evaluation and any related due diligence questionnaire completed by the candidate sponsor may contain highly confidential information that is covered by a non-disclosure or other related agreement with the candidate sponsor which must be respected by NHRS and its representatives. NRS agrees to adhere to the conditions of any confidentiality or non-disclosure agreement provided with the investment evaluation.

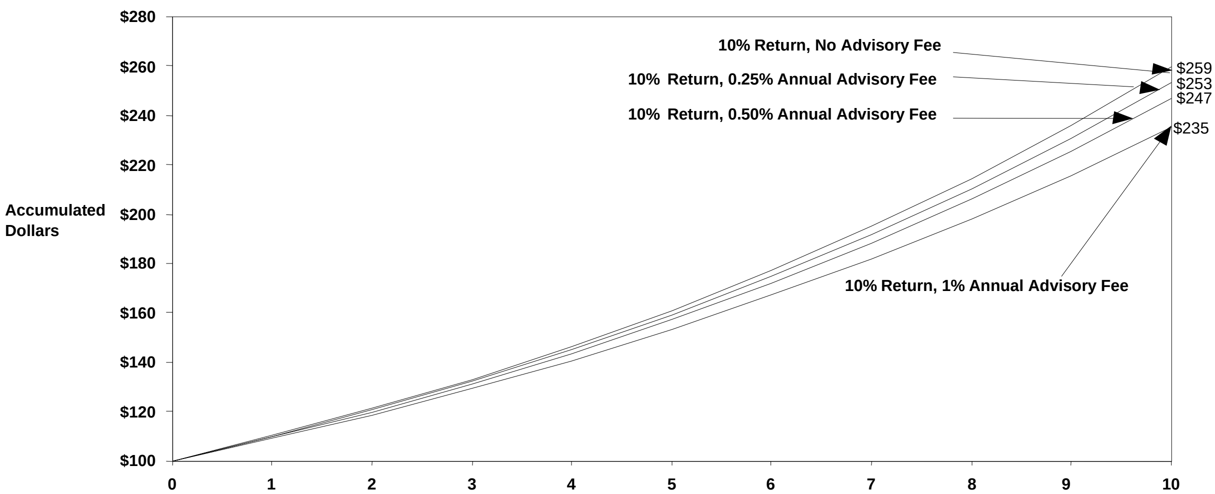
Disclosures

The preceding report has been prepared for the exclusive use of the client. Unless otherwise noted, performance returns contained in this report do not reflect the deduction of investment advisory fees. The returns in this report will be reduced by the advisory fees and any other expenses incurred in the management of an investment account. The investment advisory fees applicable to the advisors listed in this report are described in Part II of each advisor's form ADV.

The following graphical and tabular example illustrates the cumulative effect of investment advisory fees on a $100 investment growing at 10% over ten years. Fees are assumed to be paid monthly.

In addition to asset-based investment advisory fees, some strategies may include performance-based fees ("carry") that may further lower the returns realized by investors. These performance-based fees can be substantial, are most prevalent in "Alternative" strategies like hedge funds and many types of private markets, but can occur elsewhere. The effect of performance-based fees are dependent on investment outcomes and are not included in the example below.

The Cumulative Effect of Advisory Fees



Accumulated Dollars at End of Years

	1	2	3	4	5	6	7	8	9	10
No Fee	110.0	121.0	133.1	146.4	161.1	177.2	194.9	214.4	235.8	259.4
25 Basis Points	109.7	120.4	132.1	145.0	159.1	174.5	191.5	210.1	230.6	253.0
50 Basis Points	109.5	119.8	131.1	143.5	157.1	172.0	188.2	206.0	225.5	246.8
100 Basis Points	108.9	118.6	129.2	140.7	153.3	166.9	181.8	198.0	215.6	234.9

10% Annual Return Compounded Monthly, Annual Fees Paid Monthly.

As indicated below, one or more of the candidates listed in this report may, itself, be a client of Callan as of the date of the most recent quarter end. These clients pay Callan for educational, software, database and/or reporting products and services. Given the complex corporate and organizational ownership structures of investment management firms and/or trust/custody or securities lending firms, the parent and affiliate firm relationships are not listed here.

The client list below may include names of parent companies who allow their affiliates to use some of the services included in their client contract (e.g., educational services including published research and attendance at conferences and workshops). Affiliates will not be listed if they don't separately contract with Callan. Parent company ownership of the firms included in this report and any relationship with Callan can be provided at your request. Because Callan's clients list of investment managers changes periodically, the above information may not reflect recent changes. Clients are welcome to request a complete list of Callan's investment manager clients at any time.

As a matter of policy, Callan follows strict procedures so that investment manager client relationships do not affect the outcome or process by which Callan's searches or evaluations are conducted.

[redacted]	[redacted]	[redacted]
[redacted]		

**Based upon Callan manager clients as of the most recent quarter end.*

Carter Weil, Managing Director. Mr. Weil focuses on developing investor relationships in North America. Prior to SVP, Mr. Weil was a Managing Principal and Global Head of Business Development and Client Relations at Halcyon Capital Management where he was responsible for the marketing efforts of all of Halcyon's offerings. Before Halcyon, Mr. Weil was a Managing Director at Silver Creek Capital where he led the firm's strategy and business-development efforts in North America focusing primarily on hedge funds, direct lending and non-performing loans. Prior to joining Silver Creek Capital, Mr. Weil led the Americas Institutional Outsourced CIO business for Russell Investments. He received his BA in English from the University of Colorado in 1991 and is a Chartered Alternative Investment Analyst.

David Geenberg, Managing Director. Mr. Geenberg oversees the North American investment team, with responsibility across the Firm's investment, restructuring, and operational functions, and is based in Greenwich, CT. Since joining SVP in 2009, Mr. Geenberg has led investment efforts over a range of industries including infrastructure, energy, power & renewables, and industrials. In that capacity, Mr. Geenberg has overseen many of the Firm's control deals in North America, including GenOn, OmniMax, PureField, and SH-130. Previously, Mr. Geenberg worked at Goldman, Sachs & Co., most recently in its infrastructure private equity business, and, prior to that, in the investment bank's natural resources group. Mr. Geenberg received a BA in Economics from Dartmouth College in 2005. Mr. Geenberg is on the Boards of Directors of OmniMax International, IPC Parent Holdings, GenOn Holdings, Purefield Ingredients, SH 130 Holdings and SilverBow Resources, and previously served on the Boards of Bicent Power, Penn Virginia Corporation, Chaparral Energy, and White Energy.

Capital Solutions Fund II

Presentation Prepared for

State of New Hampshire Retirement System

October 2023

STRATEGIC VALUE PARTNERS, LLC

General Disclaimers

This presentation is not an offer to sell or a solicitation of an offer to buy any interest in any fund or account managed by Strategic Value Partners, LLC or its affiliates (“SVP”). Any such offer may only be made by a Confidential Private Placement Memorandum, which contains summary information relating to, among other things, the numerous risks and conflicts of interest involved in such investment, including the illiquidity of such investment and the risk of a total loss of the amount invested. Any reference to “We” or “Our” throughout the presentation refers to SVP.

For endnote and source references, please refer to the end of this presentation. Please also see “General Disclosure Notes” for a complete understanding of this presentation. Please see important disclosures on gross and net calculations and performance reporting at the end of this presentation. Projected financial information and other forward looking statements do not, nor are they intended to, constitute a promise of actual results.

Please also refer to the section titled "Material Risks" at the end of this presentation for an overview of the key material risks and limitations related to an investment in the Strategic Value Capital Solutions Fund II (“Capital Solutions II”, “SVCS II” or the “Fund”).

The performance information herein is presented in a manner not consistent with the Global Investment Performance Standards ("GIPS"). However, other certain prospective investors in the Fund will receive performance information that is GIPS-compliant. Presenting performance information in accordance with GIPS results in lower performance than is generally provided to you. Additional information regarding GIPS performance is available upon request.

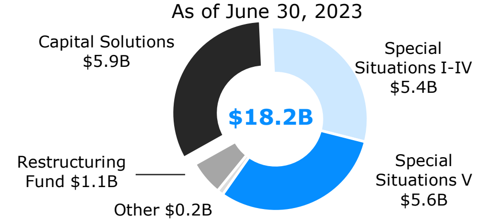
The Firm

Global private credit firm, with strengths in credit, distressed debt and private equity

Market Leader in Private Credit

- Founded in 2001 by Victor Khosla
- $18.2 billion in AUM at the end of Q2 2023.
- Full skillset, from trading, lending and restructuring to private equity control

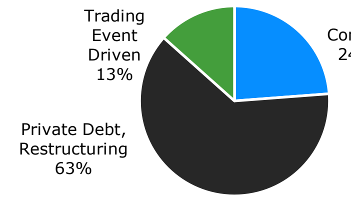
Firm AUM
As of June 30, 2023



Global Expertise

- 183-person team with 83 investment professionals; offices in Greenwich, CT, London and Tokyo
- Europe – place of special strength
  - Early entrant in 2004; typically 35-50% portfolio & investment team
  - Consistently ranked Best Distressed Loan Investor (2014-2019, 2021) by GlobalCapital (formerly Euroweek)

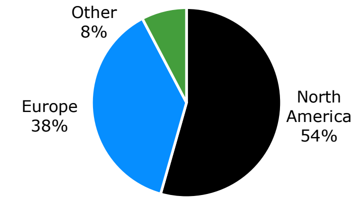
Strategy Breakout[a]
SVP Funds Purchases – Last 10 Years*



Broad Focus: Corporate and Specialty Sectors

- Started in Corporate 20+ years ago; built-out skills in specialty sectors, including Aviation, Real Estate, Power & Renewables and Infrastructure
- Today, own platform companies in Aviation (Deucalion), Real Estate-Retail (WPG) and Power & Renewables (Genon)

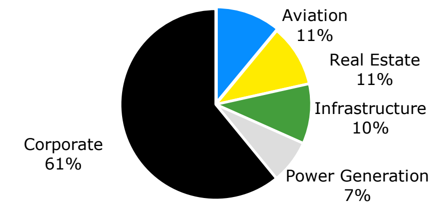
Geographic Breakout
SVP Funds Purchases – Last 10 Years*



Opportunistic, Flexible Strategy

- Pivot deployment across strategies as investment opportunity shifts; lean into deep value, more trading and event driven deals in a downturn, then shift to private debt and PE control
- Result: “evergreen approach” vs. “boom & bust” investment style

Sector Breakout[a]
SVP Funds Purchases – Last 10 Years*



*Geographic, sector and strategy exposure based on total invested capital across SVP funds from April 1, 2013 through June 30, 2023.
Please see “Endnotes and Sources” for important information related to this slide and the “General Disclosure Notes” at the end of this presentation for information on calculations and determinations included herein.

The Team

Svp

Our business model – "three pillars" – is distinct, even unique, and has been key to our success

Investment Team: 41 (Jan 2020) → **83** (June 2023)

183 People

Sourcing 12

Kevin Lydon
Greg Braylovskiy

Deal Analysis & Financial Restructuring 52

US

EUROPE

Victor Khosla, CIO

US:
David Geenberg
Brian Himot
Sujan Patel
Jason Pike
Michael Schwartz
Ari Barzideh
Bouk van Geloven
Joseph Pontrello
John Morabito
Chad Ellis

EUROPE:
John Brantl
HJ Woltery
Alvaro Fabian
William de Wulf
Anders Hemmingsen
Alex Mignotte

Operational Management 15

Paul Marchand
Dave Richards
Sergei Spiridonov
Jonathan Waggoner
Dan Raffe
Matthias Sander

Risk Management Jon Kinderlerer — 4

Firm/Commercial Strategy, Legal
Ranji Nagaswami
Sarah Pillmore, HR/Talent
Gabe Brecher, GC and CCO

Investor Relations
Michael Hewett
Greg Lawton

Operations, Finance
Edward Kelly, COO
Lewis Schwartz, CFO
Mitul Shah, Tax, Mgmt Company
Rodney Lavard, CTO

100

Advisory Council — 13

José Barreiro (EU)
Patrick Daniello(US)
Stephen Gordon (US)
Guillaume Hannezo(EU)
Jeff Johnson (US)
Dagmar Kent Kershaw (EU)
Leonardo Mathias (EU)
Atosa Moini (EU)
Saul Nathan (EU)
Goran Puljic (US)
Tom Tull (US)
David Weaver (EU)
Stefan Winter (EU)

Portfolio Chairs — 12

Martin Ness	*Dolphin*
Andy Pearson	*Douro*
Stephen Schaefer	*GenOn*
Doug Gilstrap	*IPC Group*
Chris Pappas	*Klöckner Pentaplast*
Dave Swift	*OmniMax*
Miguel Kohlmann	*Pfleiderer*
Mark Zurcher	*PureField*
Tyler Duvall	*SH 130*
Marcus Rowland	*SilverBow*
David Siegel	Swissport
	Vita Group

Unless otherwise indicated, all data on this page is as of June 30, 2023. Please see the "General Disclosure Notes" at the end of this presentation for information on Advisory Council members, Operational Management members and Portfolio Chairs. Compensation for these persons is borne directly or indirectly by SVP managed funds and accounts.

The Funds

SVP has $18.0B AUM across three core strategies, two closed end strategies and the restructuring strategy – with strong industry leading track records[a]

Closed-End Funds

As of June 30, 2023

Special Situations Funds*

$11.0 billion AUM

- ✓ Private Debt
- ✓ Influence Stakes
- ✓ Private Equity Control

	Committed Capital	Net IRR[c]	Net Multiple
Fund I (2008)	$346M	15.1%	1.9x
Fund II (2010)	$918M	13.0%	1.9x
Fund III (2013)	$1.31B $1.56B[b]	14.2%	2.3x
Fund IV (2017)	$2.50B $2.85B[b]	15.4%	1.6x
Fund V (2021)	$5.09B	12.4%	1.2x
Total**		**14.1%**	**1.6x**

Capital Solutions*

$5.9 billion AUM

- ✓ Broadest charter – everything the firm does in Restructuring & Special Situations Funds
- ✓ In addition, Specialty Sectors like Mezzanine and Structured Equity

	Committed Capital	Net IRR[c]	Net Multiple
SMA I[d] (2013)	$524M	13.6%	1.9x
SMA II[d] (2017)	$570M	12.1%	1.8x
SVCS I (2020)	$1.65B	10.0%	1.3x
SMA III[d] (2021)	$505M	4.4%	1.1x
Total**		**11.9%**	**1.5x**

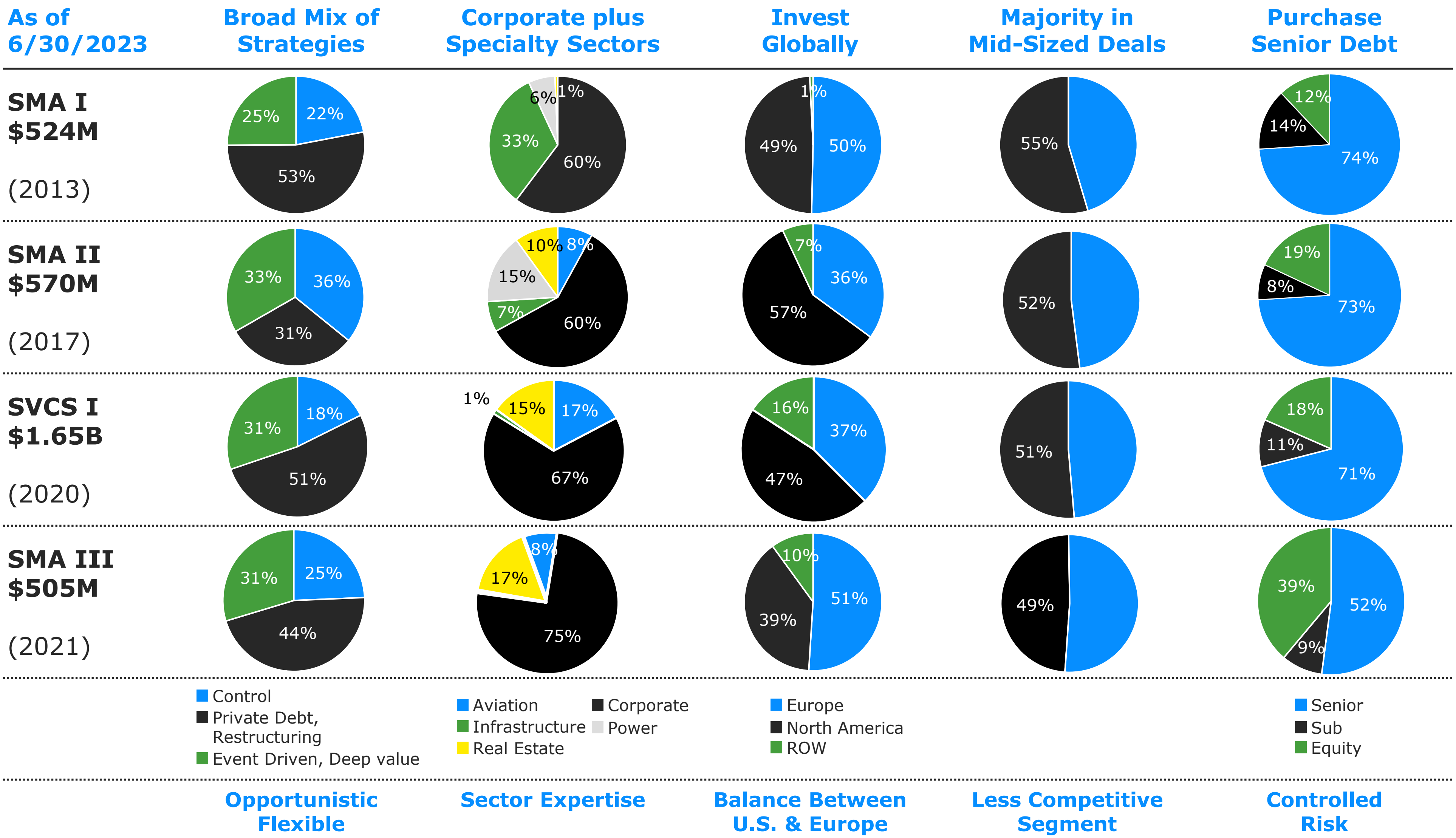
The mature funds[e] (shaded above) are ranked, as of March 31, 2023, in the top quartile in Cambridge Associates Distressed Rankings for Special Situation Funds[f] and Private Credit Rankings for Capital Solution Funds[g], for their respective vintages. The newer funds have rankings ranging between the first and fourth quartiles, and we believe that they are still establishing their rankings[f,g] (Cambridge Associates research shows most funds take six years to settle into their ranking). Additional fund - level rankings are available in the endnotes to this presentation.

*Other periods available upon request. Please see "Endnotes and Sources" for important information. Past performance is not necessarily indicative of future results. Investment-by-investment SVSS track records available upon request.

**Past performance is not necessarily indicative of future results. Performance information reflects the combined performance of Special Situations and Capital Solutions funds, as applicable, and is therefore deemed to be hypothetical. This hypothetical performance was not made in the context of a single fund as part of a single investment program with coordinated investment objectives, guidelines and restrictions. Accordingly, it should not be assumed that the investments made by the Fund will have the same characteristics or returns as presented above. Risks and limitations of hypothetical performance are available upon request. Please see important disclosures on gross and net calculations and performance reporting at the end of this presentation.

Capital Solutions Funds – Highlights

Our approach—DNA—has been consistent over the last 10 years



Unless otherwise indicated, all data on this page is as of June 30, 2023. Fund size represents committed capital. Charts calculated as a percent of Invested Capital as of June 30, 2023. Classifications are based on the judgment of management. Mid-sized defined as deals with EV below $2 billion face value and consequently EV below $1.5 billion at market prices.

SVP View: Tough Times Ahead

Markets have been holding their breath, waiting for the proverbial ball to drop. At same time, as we look forward, circumstances are different than past cycles

?

Shallow Recession

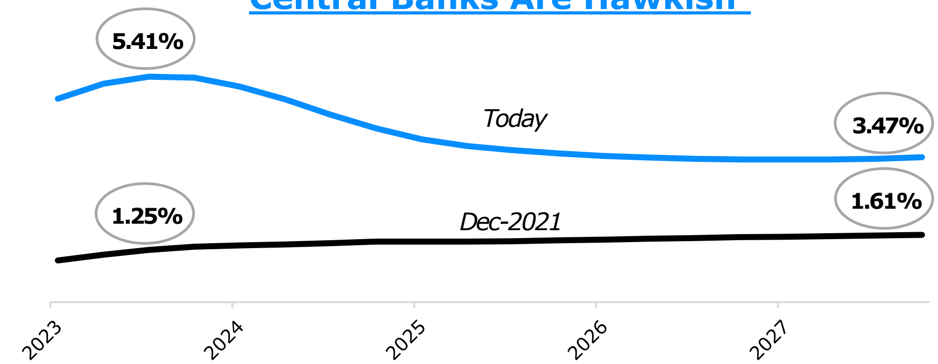
Deep Recession

Soft Landing

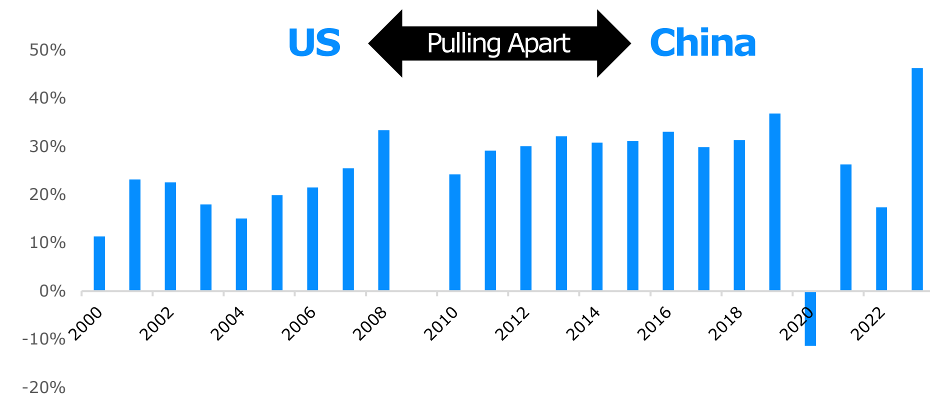
No Landing

Interest Rates (Fed Funds)

Central Banks Are Hawkish[a]

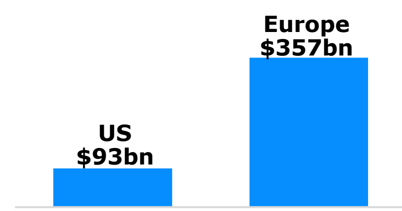


China % of Global Growth[b]

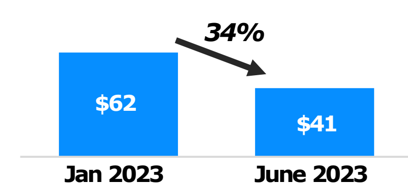


Early Distress Signals

Europe – NPLs Starting from Bad Place[c]



US Regional Bank – Fragility (Regional Bank Stock ETF)[d]

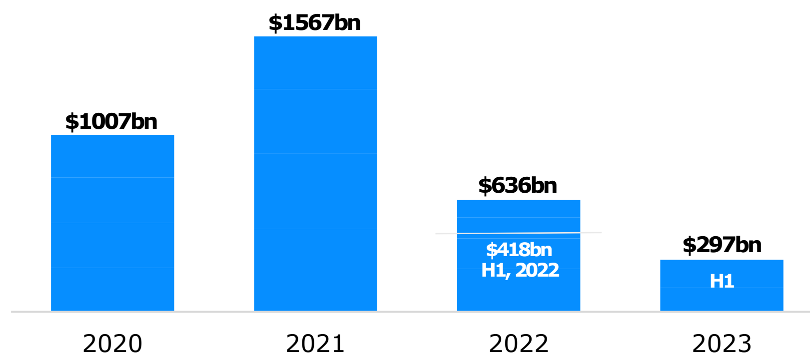


Please see "Endnotes and Sources" for important information related to this slide and the "General Disclosure Notes" at the end of this document for information on calculations and determinations included herein.

SVP View: Slow Motion Decline

The recession is coming at us slowly – it is a year since Fed started raising rates –and it has been a slow grind down. Underneath the surface, it is already much tougher than it looks

HY primary issuance has dropped off[e]

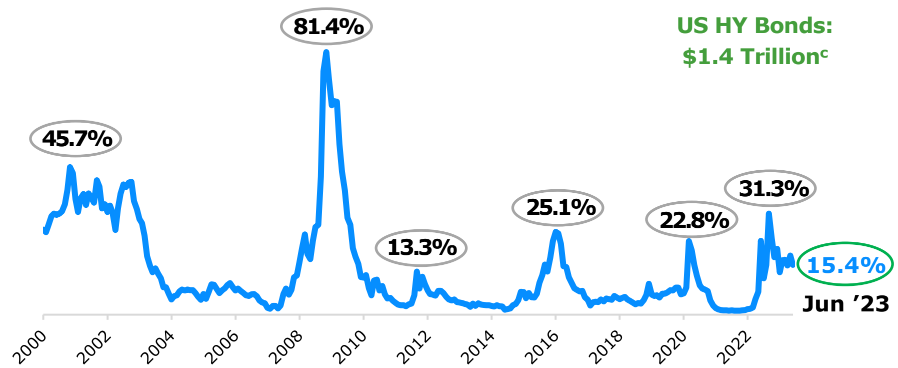


HY spreads wider than suggested by headlines

High Yield Spreads[a]

HY bonds seen steep fall in prices

HY Bonds Trading < 80¢ of Face[c]



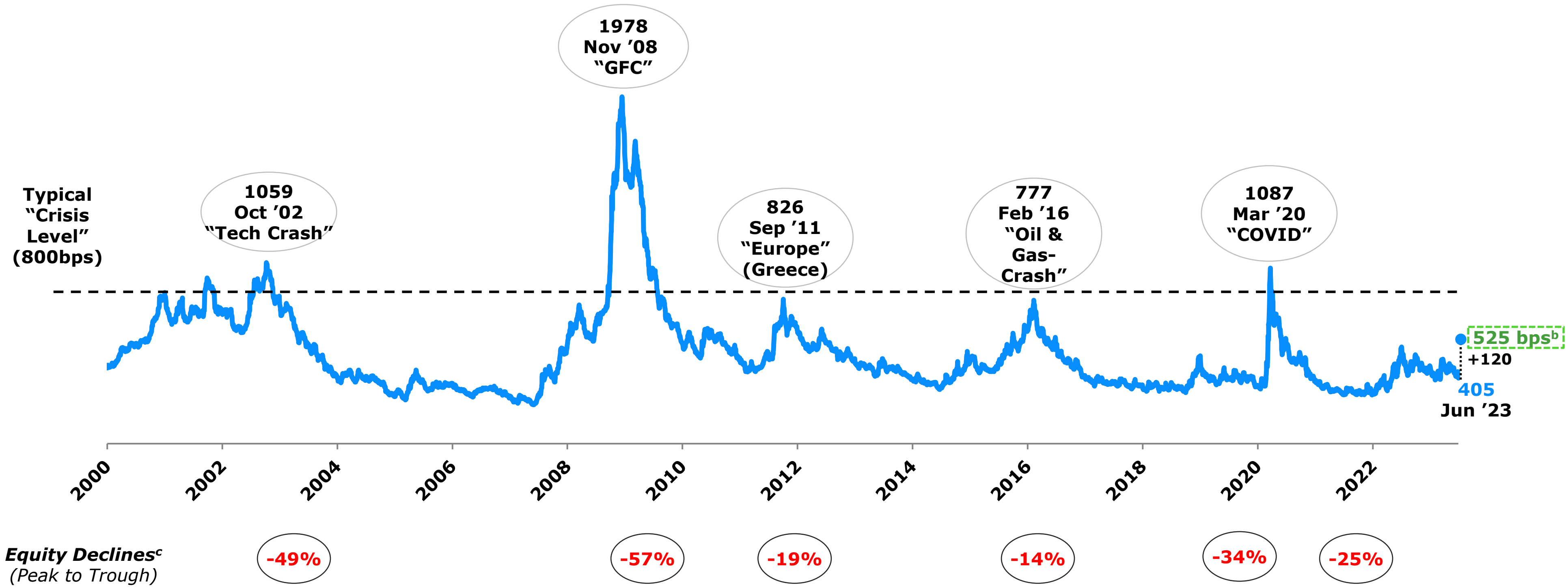
HY higher quality today – more BB, more secured[d]

Please see "Endnotes and Sources" for important information related to this slide and the "General Disclosure Notes" at the end of this document for information on calculations and determinations included herein.

Market Opportunity

Our View: We have had 5 cycles so far in this century – this would be the sixth. We believe it is different – grinding down and grinding up – and 3-5 years long. We expect it to be the biggest one since GFC 2008

High Yield Spreads[a]



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Our Pipeline

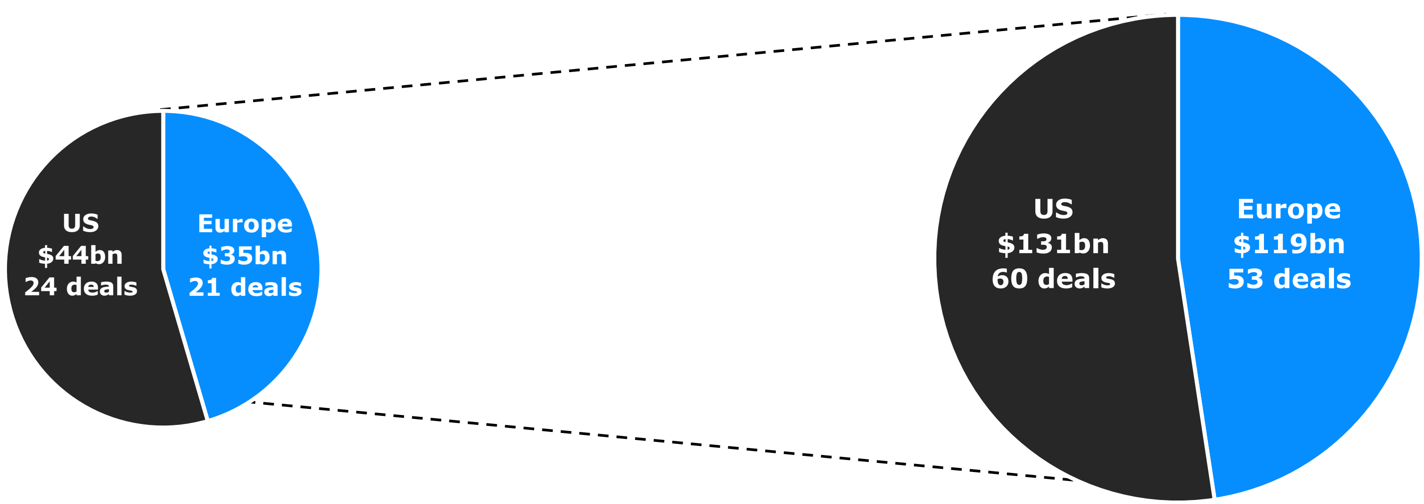
SVP

Today’s pipeline includes approximately $250B of debt, with over 110 target deals and 3x larger than start of 2022[a]

	"Normal" Year[b]	April-December 2022	January-April 2023
Capital Deployment	*$4-6 billion* **($350-$500 million per month)**	**<$175 million per month**	**>$275 million per month**

January 2022 | **May 2023**

SVP Pipeline[a]



Approximately $79 billion | **Approximately $250 billion**

There is no guarantee that SVP or any SVP fund will pursue or consummate any of the opportunities in the target pipeline. Please see “Endnotes and Sources” for important information related to this slide and the “General Disclosure Notes” at the end of this document for information on calculations and determinations included herein.

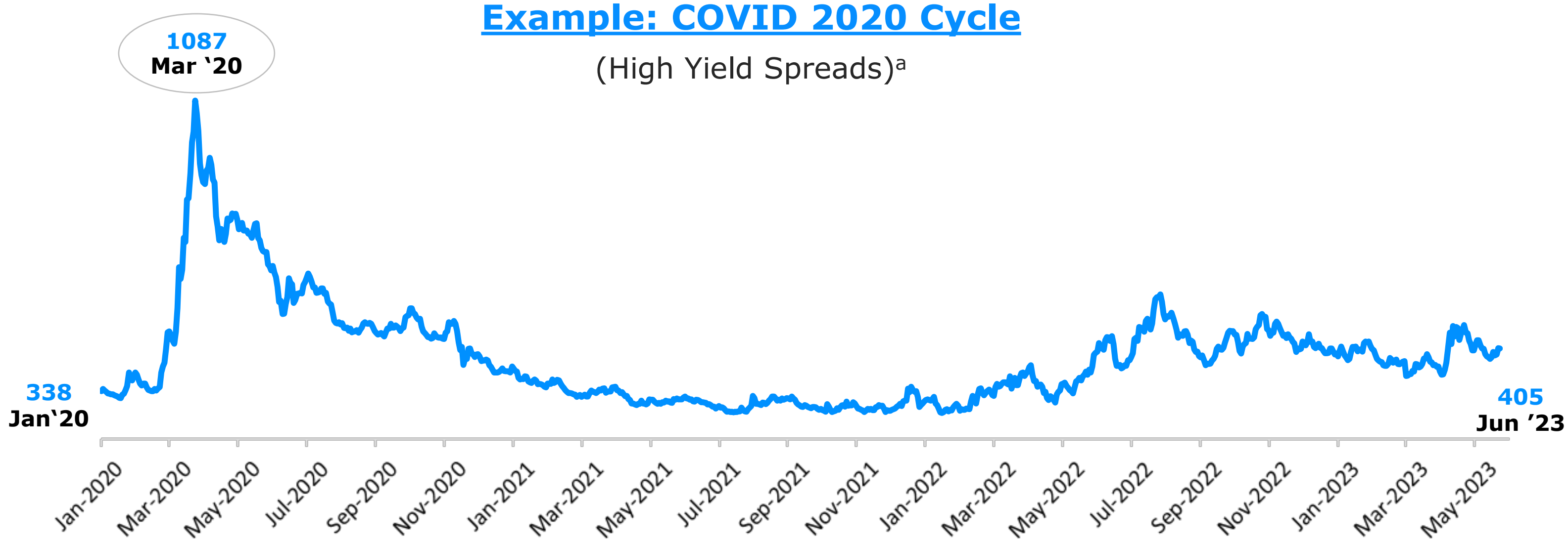
The Playbook

The 5 recent cycles are different – different catalysts – but they do rhyme

The initial opportunity in the public markets – then it morphs into the main course – Private Debt, Rescue Financings, Debt-Equity Restructurings and PE Control

Example: COVID 2020 Cycle

(High Yield Spreads)[a]



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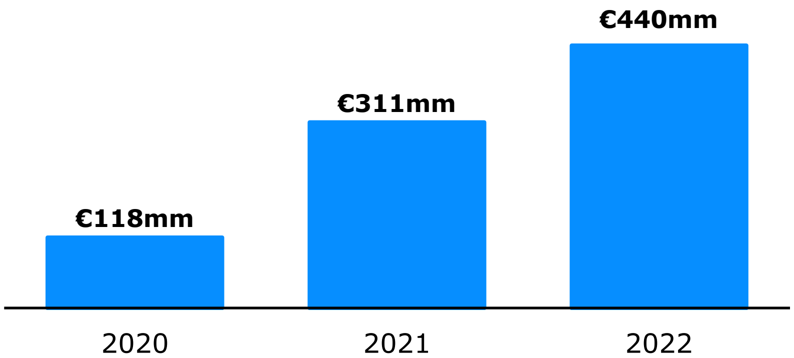
Playing Offense: Where Are Opportunities?

Early days – but we are starting to deploy some capital

Private Debt/Restructuring

Marelli:
Global auto parts manufacturer

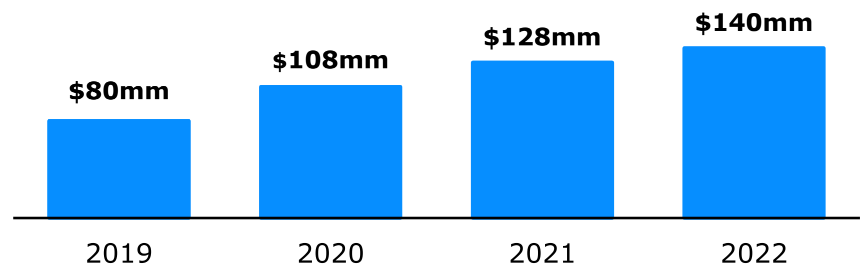


EBITDA[a]

- **Attractive create at 42.5¢[b] <=> 40% LTV (at new equity injection) / 23% YTM[c]**
- **Own $1,036m of JPY and $164m of EUR loans face**
- **Credit benefits from PE sponsor's equity support**
- **Sponsor VCP underway focused on (i) headcount reduction, and (ii) disposal of non-core BUs**

Control

Associated Materials:
Building materials company



EBITDA

- **Purchase Price of $950mm TEV**
- **SVP create at 6.8x EBITDA**
- **Significant discount to comps[d]**
- **8% EBITDA margin vs. 18%+ for peers**
- **Finalized SLB transaction for $172mm of gross proceeds**

Case studies presented reflect a selection of positions held by SVCS I as of June 30, 2023 and are not necessarily representative of all SVP investments or of investments to be made by SVCS II. These investments were selected by SVP to illustrate certain types of investments made in the past, not as indications of the profit potential of an investment on any SVP fund. These transaction summaries are not necessarily representative or indicative of SVP's overall investment approach in the past or in the future. Past performance is not necessarily indicative of future results. Performance information reflects the combined performance of all SVP funds and accounts and is therefore hypothetical. Risks and limitations of hypothetical performance are available upon request. Please "General Disclosure Notes" at the end of this presentation for information on calculations and determinations included herein. Please also refer to refer to the detailed investment performance of SMA I, SMA II, SMA III and SVCS I starting on page 39 of this presentation, and fund level performance of the SVP Funds on page 7 of this presentation.

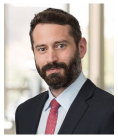
Senior Investment Team

Victor Khosla
Founder & CIO

Mr. Khosla established Strategic Value Partners in 2001 and has built it into one of the top global private credit firms. He has led the firm's transformation from its roots in distressed investing to one with strengths in private debt, event driven trading, special situations and private equity. He was one of the first distressed investors to establish an European presence, opening the London office in 2004, and was able to capitalize on the changes in last decade with Europe accounting for a third to half the portfolio. Over time, he broadened the firm from its roots in corporate debt so today it includes substantial and very attractive investments in select specialty sectors including infrastructure, aviation, real estate and power & renewables. Over his career, Mr. Khosla built and managed one of the top distressed proprietary trading businesses at Merrill Lynch, served as President of Cerberus Capital and ran MooreSVP, a JV with Moore Capital. Mr. Khosla graduated with a first class Bachelors of Commerce (Honors) degree from Delhi University, an MA in Economics from Vanderbilt University, as well as an MBA from the University of Chicago. Mr. Khosla is a frequent speaker on the capital markets and private credit investing, a member of the Management Council at the University of Chicago Booth School of Business and is on the board of Pratham USA, one of the largest non-governmental education organizations in India.

Kevin Lydon
Managing Director

Mr. Lydon is Global Head of Sourcing for the Firm. Mr. Lyon is also a member of SVP's Investment Council. From 2005 to 2007, Mr. Lydon was a Managing Director and Co-Head of European and Asian Special Situations in London at Credit Suisse. From 1997 to 2005, Mr. Lydon was at Merrill Lynch, most recently serving as a Managing Director and Co-Head of European Leveraged Finance Trading in London, and previously in New York, where he managed a book of distressed loans. Prior to that, Mr. Lydon worked as an Analyst at Fitch Investment Services in New York from 1993 to 1997. Mr. Lydon received a BA in Economics from Washington and Lee University in 1992 and an MBA in Finance from New York University in 2000.



David Geenberg
Managing Director

Mr. Geenberg oversees the North American investment team, with responsibility across the firm's investment, restructuring, and operational functions based in Greenwich, CT. Mr. Geenberg is also a member of SVP's Investment Council. Since joining SVP in 2009, Mr. Geenberg has led investment efforts over a range of industries including infrastructure, energy, power & renewables, and industrials. In that capacity, Mr. Geenberg has overseen the firm's control deals in North America, including GenOn, OmniMax, PureField, and SH-130. Previously, Mr. Geenberg worked at Goldman, Sachs & Co., most recently in its infrastructure private equity business, and, prior to that, in the investment bank's natural resources group. Mr. Geenberg received a BA in Economics summa cum laude from Dartmouth College in 2005. Mr. Geenberg is on the Boards of Directors of OmniMax International, IPC Parent Holdings, GenOn Holdings, Purefield Ingredients, SH 130 Holdings and SilverBow Resources, and previously served on the Boards of Bicent Power, Penn Virginia Corporation, Chaparral Energy, and White Energy.

John Brantl
Managing Director

Mr. Brantl is Co-Head of the European investment team. Mr. Brantl is also a member of SVP's Investment Council. He joined SVP in 2006 and has been based in London since 2012. Prior to joining SVP, Mr. Brantl worked in investment banking in Goldman, Sachs & Co.'s Financial Institutions Group. Mr. Brantl received an AB in Economics from Princeton University in 2005. Mr. Brantl serves on the Boards of Directors of Klöckner Pentaplast, Pfleiderer Group and Deucalion Aviation Limited.

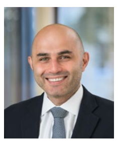
HJ Woltery
Managing Director

Mr. Woltery is Co-Head of the European investment team having joined SVP at the opening of the European office in 2004. Mr. Woltery is also a member of SVP's Investment Council. From 1985 to 2004, Mr. Woltery worked at Deutsche Bank, with his last role being a Senior Research Analyst and Head of Research, Germany, in the London Distressed Products Group, where he was responsible for covering European credits across a variety of industries and jurisdictions. Mr. Woltery received a Diploma in Banking from the Bank Academy in Aachen/Coburg in 1991 and an MBA from the Ashridge Management College in 2001. Mr. Woltery serves on the Board of Directors of Swissport International.

Senior Investment Team

Brian Himot
Managing Director

Mr. Himot is Head of Structured Capital for the Firm. Mr. Himot is also a member of SVP's Investment Council. Prior to joining SVP, Mr. Himot served as Partner and Portfolio Manager at Beach Point Capital Management where he jointly led the private credit and distressed debt business. Mr. Himot has over 15 years of industry experience having previously served as Vice President in the New Product Development group at Banc of America Securities and as an associate at the law firm of O'Melveny & Myers focusing on corporate tax in Los Angeles and New York where he advised on multi-billion-dollar complex M&A transactions. Mr. Himot graduated from the University of Southern California with a bachelor's degree in political science in 2000, from Harvard Law School with a J.D. in 2003 and from the Wharton School of the University of Pennsylvania with an MBA concentrating in finance in 2010.



Greg Braylovskiy
Managing Director

Mr. Braylovskiy is a senior trader and member of the sourcing team with responsibility for long positions in the U.S. and short positions globally. Mr. Braylovskiy is also a member of SVP's Investment Council. From 2003 to 2006, Mr. Braylovskiy worked as an Analyst at FridsonVision, a prominent provider of independent research on high yield and distressed markets. Mr. Braylovskiy received a BBA in Finance from Pace University in 2000 and an MBA in Finance and Statistics from New York University in 2003.

Sujan Patel
Managing Director

Mr. Patel is Head of Real Estate for the Firm. Mr. Patel is also a member of SVP's Investment Council. Prior to joining SVP, Mr. Patel served as Managing Director and Co-Head of U.S. Investment Management at Colony Capital Inc., which resulted from Colony's purchase of NorthStar Asset Management and NorthStar Realty Finance in January 2017. From 2007 to 2017, Mr. Patel worked at the NorthStar companies, most recently serving as a Managing Director and Co-Head of Investments, where he led over $25 billion in investments across office, hospitality, multi-family, manufactured housing, logistics, retail and other real estate sectors. Earlier, Mr. Patel was the Vice President of Acquisitions at Thayer Lodging Group, now part of Brookfield, and he started his career as an Investment Banking Analyst at Morgan Stanley. Mr. Patel received a BA in Engineering Science and Economics from Dartmouth College. Mr. Patel serves on the Board of Directors of Washington Prime Group.

Material Risks of an Investment in Strategic Value Capital Solutions Fund II

An investment in the Fund involves a high degree of risk, including the risk of a partial or total loss of capital, should be deemed a speculative investment and is not intended as a complete investment program. It is intended for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Fund. No guarantee or representation is made that the Fund will achieve its investment objectives, that its strategies will be successful or that investors will receive a return of their capital (including any contributions in kind or in cash). The following discusses certain risks and actual and potential conflicts of interest. However, it is not intended to serve as an exhaustive list or a comprehensive description, and other risks and conflicts not discussed below including new ones or ones not considered material as of the date of this presentation may arise in connection with the management and operation of the Fund. For a more comprehensive list of risk factors, please refer to the Fund's Confidential Private Placement Memorandum.

No Assurance of Investment Returns. All of the Fund's investments risk the loss of capital. There can be no assurance that the Fund's investment program will be successful or that investments purchased by the Fund will increase in value. An investor in the Fund could lose its entire investment. As a result, each prospective investor should carefully consider whether it can afford to bear the risks of investing in the Fund. All investors in the Fund should consult their own legal, tax and financial advisors prior to investing in the Fund. There can be no assurance that investments will yield comparable results to those described in materials provided to prospective investors. Such rates of return were achieved in the past under different economic and industry environments. Accordingly, there can be no assurance that these or comparable returns (or even positive returns) will be achieved by investments individually or in the aggregate or that there will be any return of capital. The Fund is likely to make investments relying upon analysis or projections developed by SVP or a portfolio company concerning such portfolio company's future performance and cash flow. Analysis and projections are inherently uncertain and subject to factors beyond the control of SVP and the portfolio company in question. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of unforeseen events could impair the ability of a portfolio company or any fund investment to realize projected values and/or cash flow.

Long-Term Nature of Investment. An investment in the Fund requires a long-term commitment, with no certainty of any return or profit on such investment.

Dependence on Personnel. The Fund's performance is largely dependent on the talents and efforts of certain highly skilled individuals. Competition in the financial services, private capital and alternative asset management industries for qualified investment professionals is intense. SVP's ability to effectively manage the Fund's portfolio depends on the ability of SVP to attract new employees and to retain and motivate existing employees. Although personnel of SVP will commit a significant amount of their business efforts to SVP, personnel of SVP are generally not required to devote any specified portion of their business time to the Fund's affairs. Although SVP believes that the success of the Fund is not dependent upon any one investment professional associated with SVP , if the Fund were to lose the services of one or more of SVP's key individuals, the consequences to the Fund could be negative, including, among other things, adversely affecting the Fund's ability to (i) source and execute transactions on terms favorable to the Fund or (ii) operate, develop or exit investments.

Illiquidity; Transfers and Withdrawals. Interests in the Fund have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction, and, therefore, cannot be transferred or sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration under the Securities Act or other securities laws will ever be effected. There is no public market for interests in the Fund and one is not expected to develop. An investor will not be permitted to assign, sell, exchange or transfer its interest to a third party without the prior written consent of the general partner, which consent may be withheld in the sole discretion of the general partner. Investors will not have the right to withdraw from the Fund.

Capital Call Defaults. Capital calls will be issued from time to time at the discretion of SVP, based upon its assessment of the needs and opportunities of the Fund. To satisfy such capital calls, investors with outstanding unfunded commitments may need to maintain a substantial portion of their commitment in assets that can be readily converted to cash. Except as specifically set forth in the applicable Fund's operating agreement, such investors' obligation to satisfy capital calls will be unconditional. The Fund's operating agreement provides for significant negative consequences to an investor in the event such investors defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund and other remedies set forth in the operating agreement, a defaulting investor may be assessed an immediate reduction of the ratio of (i) the aggregate capital contributions of such investor to (ii) the aggregate of all capital contributions of all investors, without duplication and forego any gains arising after its default that relate to any investment in which such investor made a capital contribution prior to such default. The defaulting investor will also remain liable to pay its pro rata share of the management fee.

Nature of Investments. Subject to the restrictions set forth in the Fund's operating agreement, SVP will have broad discretion in making investments for the Fund. Investments will generally consist of debt, equity securities and loans and other instruments and assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that SVP will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of its investments. In addition, the value of the Fund's portfolio (especially fixed income securities) may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Fund's investment objectives will be achieved, or the Fund will be able to generate any return for investors. Past performance is no guarantee of future results.

Endnotes & Sources

SVP – The Firm

a. Determinations of investment classification, sector and strategy involve the judgment of management.

SVP – The Funds

a. The performance information of the SMA I, SMA II, SMA III and Special Situations Funds ("Other Funds"), reflect various investment portfolios with investment periods, objectives, policies and strategies, allocation and exclusion criteria, and fees and expenses that are expected to differ, in some cases materially, from Capital Solutions II. They are presented here because they are reflective of SVP's overall investment approach and because Capital Solutions II is expected to invest across all of SVP's investment strategies; accordingly we have determined that such performance information may be relevant to your investment decision. Nonetheless, the investment performance of CS II is not intended to, and is unlikely to replicate the track record of the Other Funds, whether on an individual, strategy, or total aggregate basis (and may be materially different). Past performance is no guarantee of future success. Please see "General Disclosure Notes" at the end of this presentation for additional information regarding differences between various SVP funds. Further, the Net IRR and Multiples presented herein for all SVP funds are calculated on the basis of the average fees charged to the relevant funds, including those charged to investors and affiliates of SVP that pay no or reduced management fees and carried interest. Accordingly, the performance presented herein does not reflect the performance that any individual investor actually achieved. Moreover, the fees/carry rates presented herein vary from fund to fund, and do not reflect the standard fees that are expected to be charged to CS II. Accordingly, the Net IRRs and Multiples presented herein may be lower were they subject to the same fee structure as CS II.

b. Includes capacity for fund of one.

c. The performance information presented herein for SMA I, SMA II, SMA III, SVCS I, SVSS III, SVSS IV and SVSS V includes the impact of fund-level credit facilities that may be drawn upon to fund portions of certain investments in advance of calling committed capital, which has the effect of augmenting internal rates of return relative to the return that would otherwise have been presented had drawdowns from partners been initially used to acquire the investment. Because IRRs are capital-weighted calculations, investments that have been held for a shorter duration of time will be more significantly impacted by near-term cash flows. In other words, the use of fund-level credit facilities increases IRRs by decreasing the time an investor's money is drawn by the fund.

d. SMA I-III are custom portfolios managed by SVP, each with a different investment period, investment policy, and its own set of allocation and exclusion criteria, custom fees and, for SMAs I and II, a separate hedging program. SMA I-III did not necessarily invest pro rata with the Special Situations Funds and/or the Restructuring Fund. Past performance is not a guarantee of future results. Net returns are calculated based on SMA I-III 's fees and carried interest, which are generally lower than the fees/carried interest charged that are expected to be incurred to most investors in Capital Solutions II. Accordingly, net returns for SMA I-III would be lower were they subject to the same fee structure as Capital Solutions II. Please see "General Disclosure Notes" at the end of this presentation for additional information regarding differences between various SVP funds.

e. While both SMA II and Fund IV had first closings in 2017, we believe that SVSS IV is not a "mature fund" because nearly half of SVSS IV capital was raised in 2018. While SMA II had its only closing at the beginning of 2017.

f. As of March 2023, Cambridge Associates LLC. For the Distressed Securities Benchmark, SVSS I is in the second quartile for the 2008 vintage based on net IRR and the top quartile based on net multiple. SVSS II is in the top quartile for the 2010 vintage based on net IRR and net multiple. SVSS III is in the top quartile for the 2013 vintage based on net IRR and net multiple. SVSS IV is in the second quartile for the 2017 vintage based on net IRR and net multiple. SVSS V is in the third quartile for the 2021 vintage based on net IRR and net multiple. Cambridge Associates LLC Distressed Securities Benchmark is only available through March 2023 due to the reporting time frame of private investment fund managers. The number of reporting funds per applicable vintage for the Cambridge Associates' Distressed Securities Benchmark are as follows: (i) 28 funds for 2008 vintage; (ii) 23 funds for 2010 vintage; (iii) 24 funds for 2013 vintage; (iv) 27 funds for 2017 vintage; and (v) 15 funds for 2021 vintage.

g. As of March 2023, Cambridge Associates LLC. For the Private Credit Benchmark, SMA I is in the top quartile for the 2013 vintage based on net IRR and net multiple. SMA II is in the second quartile for the 2017 vintage based on net IRR and the top quartile based on net multiple. SVCS I is in the second quartile for the 2020 vintage based on net IRR and the first quartile based on net multiple. SMA III is in the fourth quartile for the 2021 vintage based on net IRR and net multiple. Cambridge Associates LLC Private Credit Benchmark is only available through March 2023 due to the reporting time frame of private investments fund managers. The number of reporting funds per applicable vintage for the Cambridge Associates' Private Credit Benchmark are as follows: (i) 38 funds for 2013 vintage; (ii) 32 funds for 2017 vintage; (iii) 34 funds for 2020 vintage; and (iv) 25 funds for the 2021 vintage. SVP has determined that the Private Credit Benchmark is the relevant benchmark for the Capital Solutions Funds because of its broad investment mandate to invest across the entirety of the capital structure. Private Credit includes funds, with broad credit mandates, subordinated capital funds and senior capital funds (some of which typically have lower IRRs and multiples, and have differing levels of leverage and reinvestment) and therefore a comparison to Capital Solutions strategies may be inherently misleading.

Endnotes & Sources

SVP View: Tough Times Ahead

a. Blue and black lines represent the Fed Funds futures curve as of July 28, 2023 and December 31, 2021.
b. Source: Piper, using World Bank and IMF data as of December 31, 2022.
c. Charts show household and corporate NPLs on bank balance sheets in US and Europe respectively as of March 31, 2023. Source for US NPLs is New York Fed. Source for Europe NPLs is European Banking Authority.
d. Source: Bloomberg; reflects the change in price for Regional Bank ETF (KRE) between January 31, 2023 to June 30, 2023.

SVP View: Slow Motion Decline

a. Source: BAML. Chart represents BAML US High Yield spread to US Treasuries from January 2020 through June 30, 2023.
b. Based on SVP estimates of expected loss given default that account for the impact of (a) the ratings mix of the constituents of the ICE BOFA US High Yield Index; (b) Moody's estimated default probabilities and recovery rates; (c) the secured/unsecured debt split in the ICE BOFA US High Yield Index and (d) the prevailing absolute level of bond prices at a given OAS level. SVP estimates are compared against average levels of the aforementioned categories over the period between October 31, 2002 through June 30, 2023, do not reflect the actual level of credit spreads as of June 30, 2023, and are presented for illustrative purposes only. The factors used to calculate these estimates has been selected by SVP in its judgement, and do not reflect all factors that may impact the level of high yield spreads, including, but not limited to, investor flows or other technical factors. Were factors and/or sources of estimated default probabilities and recovery rates selected by another party, the information presented herein may be materially different. Past performance is not necessarily indicative of future results. Additional information regarding the calculations presented herein is available upon request.
c. Refers to the % of total par value in the ICE BofA US High Yield Index that is trading under 80₵ from January 1, 2000 to June 30, 2023. Amount of US HY Bonds represents aggregate face value of debt for this Index as of June 30, 2023.
d. Based on SVP's analysis of the ICE BofA US High Yield Index.
e. Source: Pitchbook – LCD Comps. Chart represents total leveraged finance issuance across levered loans and high yield bonds in Europe and U.S. (both in USD).

Market Opportunity

a. Source: BAML. Chart represents BAML US High Yield spread to US Treasuries from January 2020 through June 30, 2023.
b. Based on SVP estimates of expected loss given default that account for the impact of (a) the ratings mix of the constituents of the ICE BOFA US High Yield Index; (b) Moody's estimated default probabilities and recovery rates; (c) the secured/unsecured debt split in the ICE BOFA US High Yield Index and (d) the prevailing absolute level of bond prices at a given OAS level. SVP estimates are compared against average levels of the aforementioned categories over the period between October 31, 2002 through June 30, 2023, do not reflect the actual level of credit spreads as of June 30, 2023, and are presented for illustrative purposes only. The factors used to calculate these estimates has been selected by SVP in its judgement, and do not reflect all factors that may impact the level of high yield spreads, including, but not limited to, investor flows or other technical factors. Were factors and/or sources of estimated default probabilities and recovery rates selected by another party, the information presented herein may be materially different. Past performance is not necessarily indicative of future results. Additional information regarding the calculations presented herein is available upon request.
c. Bloomberg. Peak to trough drawdown % changes for S&P 500 Index based on daily close prices.

Our Pipeline

a. Determinations of investment classification, sector and strategy involve the judgment of management and are as of April 30, 2023.
b. Invested Capital between 2020 and 2022.

The Playbook

a. Source: BAML. Chart represents BAML US High Yield spread to US Treasuries from January 2020 through June 30, 2023.

Endnotes & Sources

SVP

Playing Offense: Where are Opportunities?

a. EBITDA shown above is PF for acquisitions and includes: Reported EBITDA, plus trailing earnings for acquired businesses; non-cash equity compensation; and acquisition-related expenses.

b. SVP invested in Marelli's restructured debt at approximately 42.5 cents, resulting in a creation value of approximately 1.7x 2024's estimated EBITDA. SVP creation value totals €1.8b based on a price of 42.5c of €4.1b of senior loans plus €0.6b super senior debt and is net of cash and cash burn. **Projected financial information and other forward looking statements do not, nor are they intended to, constitute a promise of future results, and should not be relied upon.** EBITDA projections are based on numerous assumptions made by Marelli management. These assumptions are subjective, and the facts underlying such assumptions are subject to multiple interpretations and revisions based on general business, economic, market and financial conditions and other matters. These assumptions regarding future events are difficult, if not impossible to predict, and many are beyond Marelli management's control. Accordingly, there can be no assurance that the assumptions made in preparing these projections will prove accurate. It is expected that there will be differences between actual and projected results, and actual results may be materially greater or less than those contained in the financial models prepared by Marelli management. **Past performance is not necessarily indicative of future returns.** This information could be deemed to constitute hypothetical projected performance. Additional information regarding risks and limitations of this potentially hypothetical information is available upon request.

c. Calculation is based on average amount of SVP Funds invested capital in the company's EUR denominated debt and JPY denominated debt. Yield to maturity is a common metric used to assess debt instruments, and its calculations assumes full repayment of interest and principal at maturity, of which there is no guarantee and which are not necessarily projecting in this instance. **Projected financial information and other forward looking statements do not, nor are they intended to, constitute a promise of future results, and should not be relied upon.** Several factors, many of which are beyond the control of SVP, may impact the price of the debt, the solvency of the issuer, and the payment of future interest payments, including general economic conditions, financial-market conditions, and issuer specific events. SVP Funds are under no obligation to hold the debt to maturity and may sell or otherwise realize their position at any time.

d. M&A comp set includes: Spectrum Brands – HHI Division; IPS; Springs Window Fashions; DBCI; Henry; Boral N.A.; Visual Comfort; Cornerstone Building Brands; U.S. Concrete; Lehigh Hanson – West Region; Nortek; Cabinetworks; Stonepoint Materials; Forterra; Hillman; ECO Windows; Firestone Building Products; Janus; Beacon Interior Products; Hunter Douglas; Dimora Brands; American Bath Group; BMC; Associated Materials; Kaycan; CHI Overhead Door; Barrette; and Trussway. Data provided by S&P CapitalIQ as of September 30th, 2022. Selection criteria is subjective, has been made by SVP in its judgement, and may not be reflective of all comparable companies. Were M&A comps selected by another party, the information presented here may be materially different.

e. Relevant peers include ADS, AMWD, AWI, ROCK, JELD, DOOR, MAS, MHK, OC, PGTI, AZEK, FBHS, POOL, SHW, LCII, PATK, TREX, BECN, BLDR, CNM, GMS, IBP, MSM, SITE, BLD, and WSO. Selection criteria is subjective, has been made by SVP in its judgement, and may not be reflective of all comparable companies.

General Disclosure Notes

SVP

Indices and benchmarks:

Various indices are referenced because they are well recognized measures, which relate to the investment strategy of the Fund, but do not reflect the actual portfolio, fees and expenses, credit risk, volatility or investment strategy of investment funds and accounts managed by SVP. SVP sources index data from third parties, and we can therefore make no guarantee as to their accuracy. Unless otherwise specified, we seek to cite the latest index data available, and we may therefore cite updated or revised index data in future materials without notice. Calculations are performed by eVestment Analytics and are based on the monthly returns for each index.

a. **"S&P 500"** represents the total return of the S&P 500 Index and is a market capitalization weighted index of 500 large capitalization companies in major industries. This index is referenced because it serves as a representation of the US equity markets. Source: eVestment Analytics.

b. **"ML US High Yield" or "US HY"** represents the Bank of America Merrill Lynch US High Yield Index, which is comprised of below investment grade USD denominated corporate bonds that are publicly issued in the US domestic markets. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest. This index is referenced because it serves as a representation of the US High Yield market. Source: Bloomberg.

c. **"Credit Suisse Distressed Index"** represents the Credit Suisse Event Driven Distressed Hedge Fund Index, an asset weighted index of single-manager hedge funds in this strategy, as defined by Credit Suisse Hedge Index LLC, and measures the aggregate performance of event driven funds that focus on distressed situations. These funds typically invest across the capital structure of companies subject to financial or operational distress or bankruptcy proceedings. It is a subset of the Credit Suisse Hedge Fund Index, which tracks a universe of approximately 9,000 funds and consists of funds with a minimum of $50 million in assets under management, a 12-month track record, and audited financial statements. The index endeavors to represent at least 85% of AUM in each universe strategy within the index universe. Funds are reselected on a quarterly basis as necessary. The index is calculated and rebalanced on a monthly basis, and reflects performance net of all hedge fund component performance fees and expenses. It is referenced because it is comprised of hedge funds with a distressed/restructuring strategy, which relates to the investment strategy of SVRF. To the extent the index is unavailable at the time of this letter, we have relied upon estimates from Bloomberg. Source: Bloomberg

d. **"Cambridge Associates Distressed Securities Benchmark"** represents the Cambridge Associates LLC Distressed Securities Benchmark. "Distressed" refers to funds that purchase debt securities whose borrowers are undergoing financial or operational distress. Securities purchased in this space often have a market price substantially below par value. **"Cambridge Associates Private Credit Benchmark"** represents the Cambridge Associates LLC Private Credit Benchmark, which includes general funds that provide liquidity in primary or secondary debt markets (mandates can be narrow or broader), distressed corporate credit funds that purchase debt securities whose borrowers are undergoing financial or operational distress, capital preservation funds that originate mezzanine, junior or other subordinated debt instruments with the intent of generating the majority of returns through a fixed coupon payment, capital appreciation funds that originate mezzanine, junior or other subordinated debt instruments or preferred equity instruments with the intent of generating the majority of returns through appreciation of equity holdings or fees, levered funds that originate or participate in par senior secured (including "unitranche") loans, primarily to middle market companies, and unlevered funds that who originate or participate in par senior secured (including "unitranche") loans, primarily to middle market companies. Cambridge Associates LLC Benchmarks are only available on a delayed basis due to the reporting time frame of private investments fund managers. Cambridge Associates LLC Benchmarks are only available on a delayed basis due to the reporting time frame of private investments fund managers. Cambridge Associates maintains performance data used to derive benchmarks for private equity funds of similar vintages, although strategies within such vintages may vary significantly. The Cambridge Associates Benchmarks typically lag SVP's data by one to two quarters. As used in the Cambridge Associates Benchmarks, "Vintage Year" is defined as the legal inception date as noted in a fund's financial statements. "First Quartile" means, the upper quartile calculated by Net IRR or Net Multiple to limited partners necessary to be in the top 25% of performance of the funds included in a particular Vintage Year. Cambridge Associates notes that its research shows most funds take at least six years to settle into their final quartile ranking, and previous to this settling they typically rank in 2-3 other quartiles, and therefore fund or benchmark performance metrics from more recent vintage years may be less meaningful. Data provided by Cambridge Associates is provided "as is" and at no cost.

The indices and benchmark presented are for illustrative purposes only to show general trends in the market for the relevant periods shown. The returns do not represent the actual returns of any particular investor. Most of the investments were illiquid, private investments, which SVP valued internally in accordance with its valuation policies and were not necessarily comparable to liquid investment reflected in the indices. The comparison between SVP's performance in the indices is not intended to imply that an account's portfolio is benchmarked to an index either in composition or level of risk. The indices are unmanaged, have no expenses and reflect the reinvestment of dividends and distributions. A variety of factors may cause an index to be an inaccurate benchmark for any particular account and the indices do not necessarily reflect the actual investment strategy of a fund-of-one. It should not be assumed that correlations to indices based on historical returns would persist in the future.

General Disclosure Notes

SVP

Calculations:

SVP has used a consistent methodology, detailed in the notes following, for the purposes of all calculations in this presentation. The net asset value of all funds are audited as of December 31 each year, except for the current year. All other calculations are unaudited and are as of June 30, 2023 unless otherwise indicated, and are subject to change.

Realized value is based on the sum of distributions, interest income and cash proceeds from dispositions of such investments. The values of unrealized investments are estimated as of the month indicated in this presentation, are inherently uncertain and subject to change. There is no guarantee that such value will be ultimately realized by an investment or that such value reflects the actual value of the investment. The actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and timing and manner of disposition, all of which may differ from the assumptions and circumstances on which the valuations used in the performance data contained herein are based. As a result, the ultimate realized returns on these unrealized investments may vary materially from the amounts indicated herein.

Net fund-level performance is calculated net of fees, other client expenses and performance or incentive allocations, based on contributions, distributions and ending unrealized value.

In considering the performance information contained herein, prospective investors should bear in mind that past or projected performance is not necessarily indicative of future results, and there can be no assurance that SVP will achieve comparable results. Each investment is subject to its own unique risks and the financial performance of the investments will vary from investment to investment and those variances may be material. An investment or investment strategy is impacted by numerous factors, including market and economic conditions, which are out of the control of SVP and which may result in a loss to investors.

I. Performance Information:

All calculations are as of June 30, 2023 unless otherwise indicated.

References to the performance of SVSS I (or Fund I) are composite calculations based on the aggregate performance of Strategic Value Special Situations Master Fund, L.P. and its feeder entities. References to the performance of SVSS II (or Fund II) are composite calculations based on the aggregate performance of Strategic Value Special Situations Master Fund II, L.P. and its feeder entities. References to the performance of SVSS III (or Fund III) are composite calculations based on the aggregate performance of Strategic Value Special Situations Master Fund III, L.P. and its feeder entities. References to the performance of SVSS IV (or Fund IV) are composite calculations based on the aggregate performance of Strategic Value Special Situations Master Fund IV, L.P. and its feeder entities. References to the performance of SVSS V (or Fund V) are composite calculations based on the aggregate performance of Strategic Value Special Situations Master Fund V, L.P. and its feeder entities. References to the performance of the SVCS I are composite calculations based on the aggregate performance of Strategic Value Capital Solutions Master Fund, L.P. and its feeder entities.

Investment-level performance that is not identified herein as hypothetical performance is illustrated on a gross basis only because management fees, fund-level expenses and carried interest/incentive allocation are calculated at the fund-level, and not on an investment-by-investment basis. Accordingly, showing net investment-level performance requires the use of assumptions related to the calculation and allocation of fund-level expenses, management fees and carried interest/incentive allocation to individual investments that are not necessarily reflective of actual fees and expenses attributable and allocated by any individual investment. However, were such performance shown on a "net" basis, it would generally result in lower, in some cases materially lower, performance results than the gross figures presented herein.

Net fund-level performance and net investment-level performance, where shown, reflects management fees, incentive allocations, carried interest or other performance compensation and expenses that generally reduces returns realized by investors. Note that any net performance information is presented based on the management fees and carried interest/incentive allocation, charged to all of the applicable fund's investors, including those SVP-related persons that pay no or reduced management fees or carried interest/incentive allocation, as well as other investors that receive various carry, incentive and/or fee discounts. Accordingly, the performance presented herein for funds other than CS II does not reflect the performance that any individual investor actually achieved and instead reflects the aggregate performance achieved by all fund investors, including those subject to better economic terms. Moreover, the fees/carry rates presented herein vary from fund to fund, and do not reflect the standard fees that are expected to be charged to CS II investors. Accordingly, the Net IRRs and Multiples and other performance information presented herein is likely to be lower were it subject to the same fee structure being charged by CS II ,and were all investors charged the highest fee rate in the applicable fund.

Net investment-level performance that is identified as or otherwise is deemed to constitute hypothetical or extracted performance (as defined under Rule 206(4)-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act")) is calculated, on a fund by fund basis, using the following key assumptions: (x) with respect to fees and expenses, gross investment level performance for each investment is reduced by such investment's (1) pro rata portion of total monthly fund management fees and (2) pro rata portion of other monthly fund expenses, in each case allocated to such investment based on the two-month average market value of such investment compared to the two-month average market value for all other fund investments during such measurement period and (y) with respect to carried interest in SVP's closed-ended funds, gross investment level performance for each investment is reduced by such investment's pro rata portion of total carried interest accrued by a fund as of the relevant measurement date, which may decrease or increase (in the case of an investment that has a negative impact on total fund Net Profits and Losses Before Carry) the ultimate net investment-level performance, depending on whether the investment had a positive or negative impact on the calculation of Net Profit and Loss Before Carry.

General Disclosure Notes

I. Performance Information (cont'd)

The pro rata portion of total carried interest of a fund is allocated to such investment based on the ratio of Net Profits and Losses Before Carry for the investment to Net Profits and Losses Before Carry for all fund investments. "Net Profits and Losses Before Carry" is calculated by taking the Total Value of each fund investment, subtracting Invested Capital for each fund investment, and reducing the resulting number by fees and expenses (including management fees) allocated to the applicable investment as described in clause (x) above. Because this calculation results in an implied rate for a fund as a whole, this calculation is run, on each measurement date, with respect to all Investments of a closed-ended fund, including investments that have been realized (fully or partially), which will have the effect of changing net investment-level performance for an investment even after the investment has been realized. We believe that this effective carry calculation, which affects historical investments, is appropriate given the European waterfall used in our closed-ended funds. For purposes of clause (x) above, (1) two-month average market value refers to the average of the market value of the calendar month-end as of the applicable measurement date and the market value as of the immediately preceding calendar month-end and (2) any investments with a negative market value (e.g., certain short positions), if applicable, have been converted to a corresponding positive market value. In addition, in calculating net investment-level performance that includes the performance of SVP's open-ended fund, any incentive allocation charged by the open-ended fund is treated as a fund expense for purposes of the calculations above, which fund expense accrues on an annual basis.

While SVP has made assumptions that we believe are reasonable, the assumptions used do not produce calculations that reflect the fees and expenses that are in fact allocated to specific investments, but are instead designed to simplify and remove judgement from the calculation and allocation of fund-level expenses and fees to individual investments.

For example, while a particular fund-level expense, such as the costs of a special purpose vehicle, may relate solely to one or more individual investments, the assumptions used by us in calculating net investment-level performance require us to allocate the costs of such expense across all fund investments based on the two-month average market value of each fund investment, as described in more detail above.

Further, the assumptions used to allocate carried interest to individual investments, while reducing net investment-level performance for investments that had positive performance for the applicable measurement period, and generally for the fund as a whole, could result in higher net investment-level performance for investments that had negative performance for the applicable measurement period.

Because the selection of assumptions used to calculate net investment-level performance are inherently subjective, another reasonable person may have selected a different calculation methodology and that, if utilized, could produce materially different results than those presented herein.

The hypothetical aggregated performance presented herein was not made in the context of a single fund as part of a single investment program with coordinated investment objectives, guidelines and restrictions. Rather, other SVP funds have different investment periods, objectives, investment policies and strategies, and their own set of allocation and exclusion criteria and separate fees arrangements that are expected to differ, in some cases materially, from Capital Solutions II. For example, SMA I-III are custom portfolios managed by SVP, each with a different investment period and investment policy and its own set of allocation and exclusion criteria, custom fees and, for SMAs I and II, a separate hedging program. Net returns presented herein for SMA I-III are calculated based on SMA I-III's fees and carried interest, which are generally lower than the fees/carried interest charged that are expected to be incurred to most investors in Capital Solutions II. Further, the Special Situations Funds have a narrower investment mandate and different investment objectives and guidelines than the Capital Solutions Funds, as described in more detail in the Firm's allocation policy. In addition, hypothetical performance may include the performance of SVP's open-ended fund, which has a different fee and incentive allocation structure, has different liquidity and risk management profiles than SVP's closed-ended funds, and engages in a broader hedging program. Finally, the management fee basis for Capital Solutions II is different from the management fee basis for the Prior Funds, which may result in Capital Solutions II investors paying higher overall fees, depending on a variety of factors such as timing of capital calls and distributions, investment pace, use of leverage and use of cash on hand. Accordingly, net returns for the other SVP funds could be expected to be lower were they subject to the same fee structure as Capital Solutions II. It should not be assumed that the investments made by the Fund will have the same characteristics or returns as those presented herein. Past performance is not indicative of future results, and the performance of the Fund may vary materially from the performance presented herein.

Various other performance metrics, including net profits, and net loss ratio, among others, may also be presented on a net-basis, using the assumptions set forth above to allocate various fund-level performance and management fees and expenses to individual investments.

Hypothetical performance includes projected performance calculations, as well as calculations showing performance across multiple SVP funds and accounts.

"DVPI" is calculated at the investment level by dividing Realized Proceeds by Invested Capital. "Net DVPI" applies the expense and fee allocation methodology for investment-level performance described above, but assumes that (i) where an investment is fully realized, all fees, expenses and carried interest are allocated to the realized proceeds portion of the applicable investment, (ii) where an investment is fully unrealized, all fees, expenses and carried interest are allocated to the unrealized value portion of the applicable investment, and (iii) where an investment is partially realized, all fees and expenses are allocated to the realized proceeds portion of the applicable investment but carried interest is allocated to both realized proceeds and unrealized value portions of the investment, reducing both portions by the implied rate charged to the investment

General Disclosure Notes

I. Performance Information (cont'd)

"Gross Investment-Level Cash Flows" are based on the trade date of the applicable consummated investments net of investment-level leverage, if applicable, with unrealized positions assumed to have been sold at their estimated fair values as of the applicable date. Gross Investment-Level Cash Flows are net of taxes paid by the Fund, capitalized expenses allocated to investments and hedge gains and/or losses. Gross Investment-Level Cash Flows are gross of management fees, incentive allocations and non-investment specific expenses. Amounts that management considers to be temporary fundings, if applicable, are excluded from the calculation of Gross Investment-Level Cash Flows.

"Gross Fund-Level Cash Flows" are calculated based on investor cash flows and the value of investor capital accounts before management fees and incentive allocations, and before taxes borne, or to be borne, by investors. These are used to calculate the compound annualized return (i.e., the implied discount rate) of a fund. Gross Fund-Level Cash Flows take into account fund-level expenses (such as interest expenses relating to the fund's credit facility, if applicable) in addition to those expenses already included at the investment level. Gross Fund-Level Cash Flows include amounts attributable to the fund's general partner, its affiliated entities and other similar persons ("GP Related Persons") that generally pay no or reduced management fees and carried interest. "IRRs," "Losses" and "Profits" are based on the Gross Investment-Level Cash Flows, Gross Fund-Level Cash Flows, Net Fund-Level Cash Flows as applicable and the timing thereof. IRRs represent an average of returns for all investors (other than the GP Related Persons) and do not necessarily reflect the actual return of any particular investor, and therefore IRRs presented may be materially higher than actual IRRs for investors with no discounts on economic terms. Fund Level IRRs are calculated based on the date that capital contributions are due from investors and based on the date when distributions are due to investors.

"Invested Capital" is the sum of Gross Investment-Level Cash Flows from the fund associated with such investments (whether funded through investor capital contributions, borrowing under the fund's credit facility or amounts from recycled proceeds), excluding amounts funded for foreign currency hedges, amounts management considers to be temporary fundings, if applicable.

"Market Value" is the fair value of the investments still held as of the applicable date and does not include gains/losses on foreign exchange rate hedging and interest income on unrealized investments.

"Multiples of Investments" ("MOI") at the investment level is calculated by dividing Total Value by Invested Capital. Gross fund level MOI is calculated by taking the value of the fund's capital accounts (which reflect fund-level expenses) adding back distributions, management fees and incentive allocations divided by inception-to-date called capital, but does not reflect taxes borne, or to be borne, by investors. MOIs include amounts attributable to GP Related Persons who generally pay no or reduced management fees and Carried interest. MOIs represent an average of returns for all investors (other than GP Related Persons) and do not necessarily reflect the actual return of any particular investor, and therefore MOIs presented may be materially higher than actual MOIs for investors with no discounts on economic terms. Net fund-level MOI is net of management fees and incentive allocations to the fund's capital accounts, but do not reflect taxes borne, or to be borne, by investors.

"Net Fund-Level Cash Flows" are based on Gross Fund-Level Cash Flows but are net of management fees and incentive allocations, but do not reflect taxes borne, or to be borne, by investors.

"Realized proceeds" includes actual cash flows received and amounts held in escrow or similar arrangements that we anticipate will be received.

"Total Value" is the sum of both Realized Proceeds and Unrealized Value.

"Unrealized Value" is the fair value of the investments still held as of the applicable date.

II. Firm Information:

Information for assets under management is as of June 30, 2023. Total firm-wide assets under management include amounts in certain liquidating vehicles, except where otherwise indicated. For private equity funds and managed accounts, AUM is based on NAV + uncalled commitments during the investment period (i.e., for SVSS V, SVCS I and other funds/accounts, as applicable) and is based on NAV during the harvest period (i.e., for SVGO I/I-A, SVSS I, SVSS II, SVSS III, SVISS IV and other funds/accounts, as applicable).

Reference to the Best Distressed Debt Investor Award refers to the award for Best Distressed Debt Investor presented to Strategic Value Partners, LLC by GlobalCapital (formerly EuroWeek). GlobalCapital published its most recent award for Best Distressed Investor (2022) as of February 22, 2023 See https://www.globalcapital.com/. For a record of previous years, please contact Investor Relations at investorrelations@svpglobal.com for a copy of the published rankings for 2014 through 2019 and 2021 through 2022.

Employee headcount is as of June 30, 2023. Operating professionals and advisory council expenses (including salary and incentive compensation) are charged to the SVP Funds. Operating professionals are employees of SVP. Advisory council members are consultants of the Fund and are not full-time members of the SVP team. Portfolio chairmen are chairmen of their respective boards and are compensated by their respective portfolio companies, which is an indirect expense of the Fund. Portfolio chairmen generally do not perform services directly for or on behalf of SVP, are not employees of SVP, are not compensated by SVP or its clients and have no ongoing relationship with SVP. While portfolio chairmen are personnel and relationships that SVP deems valuable, portfolio chairmen generally owe duties only to their portfolio companies and typically do not owe any duties to SVP or its clients. Prior to, and following, their term as a portfolio chairman, these persons generally did not have and most likely will not have a relationship with SVP or its clients. Portfolio chairmen are paid by their respective portfolio company, and therefore are an indirect expense of the Fund.

Important Disclosures

DISCLOSURES/DISCLAIMERS:

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   Past performance is not necessarily indicative of future performance. Future returns may be higher or lower than the results portrayed in this presentation. The performance information included in this presentation relates to the past performance of certain of the Funds. The investment strategy, goals, credit risk and investment horizons of the Funds going forward may differ from the past, and there can be no assurance that similar results will be achieved.
   Investments described herein have been selected to demonstrate investment strategies, techniques and modes of analysis utilized by SVP and should not be considered illustrative or typical of the investments in funds or accounts managed by SVP. It should not be assumed that the investments purchased by funds and accounts managed by SVP in the future will have similar results as the investments discussed in this presentation.

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   This presentation includes various forward-looking statements with respect to the fund. The words "anticipates," "projects," "intends," "estimates," "expects," "believes," "plans," "may," "will," "should," "could," and other similar expressions are intended to identify such forward-looking statements. Forward-looking statements are necessarily speculative, speak only as of the date made, and are subject to numerous assumptions, risks and uncertainties, all of which may change over time. The following factors, among others, could cause actual results to differ materially and adversely from those projected by means of such forward-looking statements: operational factors relating to the performance of the fund, market conditions, and general economic conditions. Any statements made that are not historical facts should be considered to be forward-looking statements.

5. **Comparison to Third Party Indices:** Various third party indices and benchmarks are referenced because they are well recognized measures, which relate to the investment strategy of the Fund, but do not reflect the actual portfolio, fees and expenses, credit risk, volatility or investment strategy of investment funds and accounts managed by SVP. SVP sources index data from third parties, and we can therefore make no guarantee as to their accuracy. Unless otherwise specified, we seek to cite the latest index data available, and we may therefore cite updated or revised index data in future materials without notice. Calculations are performed by eVestment Analytics and are based on the monthly returns for SVRF and each index.
   "S&P 500" represents the total return of the S&P 500 Index and is a market capitalization weighted index of 500 large capitalization companies in major industries. This index is referenced because it serves as a representation of the US equity markets.
   "ML Global HY" represents the Bank of America Merrill Lynch US High Yield Index, which is comprised of below investment grade USD denominated corporate bonds that are publicly issued in the US domestic markets. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest. This index is referenced because it serves as a representation of the US High Yield market.
   "Credit Suisse Distressed Index" represents the Credit Suisse Event Driven Distressed Hedge Fund Index, an asset weighted index of single-manager hedge funds in this strategy, as defined by Credit Suisse Hedge Index LLC, and measures the aggregate performance of event driven funds that focus on distressed situations. These funds typically invest across the capital structure of companies subject to financial or operational distress or bankruptcy proceedings. It is a subset of the Credit Suisse Hedge Fund Index, which tracks a universe of approximately 9,000 funds and consists of funds with a minimum of $50 million in assets under management, a 12-month track record, and audited financial statements. The index endeavors to represent at least 85% of AUM in each universe strategy within the index universe. Funds are reselected on a quarterly basis as necessary. The index is calculated and rebalanced on a monthly basis, and reflects performance net of all hedge fund component performance fees and expenses. It is referenced because it is comprised of hedge funds with a distressed/restructuring strategy, which relates to the investment strategy of SVRF. To the extent the index is unavailable at the time of this letter, we have relied upon estimates from Bloomberg. Source: Bloomberg.
   The indices and benchmark presented are for illustrative purposes only to show general trends in the market for the relevant periods shown. The returns do not represent the actual returns of any particular investor. Most of the investments were illiquid, private investments, which SVP valued internally in accordance with its valuation policies and were not necessarily comparable to liquid investment reflected in the indices. The comparison between SVP's performance in the indices is not intended to imply that an account's portfolio is benchmarked to an index either in composition or level of risk. The indices are unmanaged, have no expenses and reflect the reinvestment of dividends and distributions. A variety of factors may cause an index to be an inaccurate benchmark for any particular account and the indices do not necessarily reflect the actual investment strategy of a fund-of-one. It should not be assumed that correlations to indices based on historical returns would persist in the future.

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Important Disclosures

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DISCLOSURES/DISCLAIMERS:

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   The communication of this presentation to any investor EEA is not intended to be nor shall it be deemed to constitute marketing of the Fund for the purposes of AIFMD as implemented into the local law/regulation of the relevant Member State.
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October 10, 2023

New Hampshire Retirement System

Wellington Management
Non-US Small Cap Equity
Performance Extracts from Callan

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of August 31, 2023, with the distribution as of July 31, 2023. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	August 31, 2023				July 31, 2023	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Domestic Equity	**$3,512,811,675**	**30.86%**	**$0**	**$(75,722,114)**	**$3,588,533,790**	**31.03%**
Large Cap Domestic Equity	**$2,032,499,181**	**17.85%**	**$0**	**$(32,660,115)**	**$2,065,159,295**	**17.86%**
Blackrock S&P 500	2,032,499,181	17.85%	0	(32,660,115)	2,065,159,295	17.86%
SMid Cap Domestic Equity	**$645,754,640**	**5.67%**	**$0**	**$(18,578,299)**	**$664,332,940**	**5.75%**
AllianceBernstein	398,730,393	3.50%	0	(11,384,685)	410,115,078	3.55%
TSW	247,024,247	2.17%	0	(7,193,614)	254,217,861	2.20%
Small Cap Domestic Equity	**$834,557,855**	**7.33%**	**$0**	**$(24,483,700)**	**$859,041,555**	**7.43%**
Boston Trust	221,582,786	1.95%	0	(6,667,019)	228,249,805	1.97%
Segall Bryant & Hamill	229,553,991	2.02%	0	(4,809,691)	234,363,682	2.03%
Wellington	383,421,078	3.37%	0	(13,006,991)	396,428,068	3.43%
Total Non US Equity	**$2,066,842,850**	**18.16%**	**$0**	**$(54,677,073)**	**$2,121,519,923**	**18.35%**
Core Non US Equity (1)	**$1,259,635,234**	**11.06%**	**$0**	**$(31,494,253)**	**$1,291,129,487**	**11.17%**
Aristotle	162,757,606	1.43%	0	(6,205,152)	168,962,758	1.46%
Artisan Partners	357,406,918	3.14%	0	(3,670,652)	361,077,570	3.12%
BlackRock Superfund	177,385,958	1.56%	0	(8,383,201)	185,769,160	1.61%
Causeway Capital	408,171,850	3.59%	0	(8,472,451)	416,644,302	3.60%
Lazard	153,227,362	1.35%	0	(4,751,931)	157,979,293	1.37%
Emerging Markets	**$163,269,528**	**1.43%**	**$0**	**$(9,826,849)**	**$173,096,377**	**1.50%**
Wellington Emerging Markets	163,269,528	1.43%	0	(9,826,849)	173,096,377	1.50%
Non US Small Cap	**$125,302,102**	**1.10%**	**$0**	**$(5,296,655)**	**$130,598,756**	**1.13%**
Wellington Int'l Small Cap Research	125,302,102	1.10%	0	(5,296,655)	130,598,756	1.13%
Global Equity	**$518,635,986**	**4.56%**	**$0**	**$(8,059,316)**	**$526,695,302**	**4.55%**
Walter Scott Global Equity	518,635,986	4.56%	0	(8,059,316)	526,695,302	4.55%
Total Fixed Income	**$2,241,732,406**	**19.69%**	**$0**	**$(20,583,652)**	**$2,262,316,057**	**19.56%**
BlackRock SIO Bond Fund	254,180,043	2.23%	0	(672,720)	254,852,762	2.20%
Brandywine Asset Mgmt	223,301,523	1.96%	0	(9,932,062)	233,233,585	2.02%
FIAM (Fidelity) Tactical Bond	359,368,843	3.16%	0	(2,506,059)	361,874,902	3.13%
Income Research & Management	755,669,416	6.64%	0	(3,686,831)	759,356,247	6.57%
Loomis Sayles	271,279,430	2.38%	0	(975,261)	272,254,691	2.35%
Manulife Strategic Fixed Income	205,888,239	1.81%	0	(1,702,963)	207,591,202	1.80%
Mellon US Agg Bond Index	172,044,913	1.51%	0	(1,107,757)	173,152,669	1.50%
Total Cash	**$107,027,317**	**0.94%**	**$(5,750,028)**	**$508,541**	**$112,268,804**	**0.97%**
Total Marketable Assets	**$7,928,414,248**	**69.64%**	**$(5,750,028)**	**$(150,474,297)**	**$8,084,638,574**	**69.92%**
Total Real Estate	**$1,293,055,504**	**11.36%**	**$(1,168,524)**	**$(1,155,142)**	**$1,295,379,170**	**11.20%**
Strategic Core Real Estate	824,641,144	7.24%	(2,462,132)	1,292	827,101,984	7.15%
Tactical Non-Core Real Estate	468,414,361	4.11%	1,293,608	(1,156,434)	468,277,186	4.05%
Total Alternative Assets	**$2,162,638,326**	**19.00%**	**$(20,554,703)**	**$(244,598)**	**$2,183,437,628**	**18.88%**
Private Equity	1,609,820,993	14.14%	(8,415,658)	(198,718)	1,618,435,368	14.00%
Private Debt	552,817,333	4.86%	(12,139,045)	(45,881)	565,002,259	4.89%
Total Fund Composite	**$11,384,108,079**	**100.0%**	**$(27,471,963)**	**$(151,875,330)**	**$11,563,455,372**	**100.0%**

-Alternatives market values reflect current custodian valuations, which may not be up to date.
(1) Includes $685,539 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

The table below details the rates of return for the fund's investment managers over various time periods ended August 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 August 31, 2023							
Composite	Total Fund Weighting As of 8/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	**18.16%**	**-2.62%**	**4.95%**	**-0.18%**	**13.46%**	**18.60%**	**4.52%**	**3.80%**	**4.80%**
Non US Equity Benchmark (1)		*-4.52%*	*3.82%*	*-0.63%*	*8.78%*	*11.89%*	*3.99%*	*3.33%*	*4.38%*
Excess Return		*1.89%*	*1.13%*	*0.46%*	*4.68%*	*6.71%*	*0.54%*	*0.47%*	*0.42%*
Core Non US Equity	**11.06%**	**-2.48%**	**4.80%**	**0.08%**	**14.17%**	**22.80%**	**6.30%**	**3.89%**	**4.29%**
Core Non US Benchmark (2)		*-4.52%*	*3.82%*	*-0.63%*	*8.78%*	*11.89%*	*3.99%*	*3.33%*	*4.38%*
Excess Return		*2.04%*	*0.98%*	*0.71%*	*5.39%*	*10.91%*	*2.31%*	*0.56%*	*-0.09%*
Aristotle	**1.43%**	**-3.71%**	**3.95%**	**-0.62%**	**12.04%**	**15.84%**	**-**	**-**	**-**
MSCI EAFE		*-3.83%*	*3.80%*	*-0.72%*	*10.87%*	*17.92%*	-	-	-
Excess Return		*0.12%*	*0.15%*	*0.09%*	*1.17%*	*-2.08%*	-	-	-
Artisan Partners	**3.14%**	**-1.07%**	**5.36%**	**0.59%**	**11.06%**	**19.02%**	**1.02%**	**3.96%**	**-**
MSCI EAFE		*-3.83%*	*3.80%*	*-0.72%*	*10.87%*	*17.92%*	*6.05%*	*4.14%*	-
Excess Return		*2.76%*	*1.56%*	*1.31%*	*0.20%*	*1.10%*	*-5.03%*	*-0.18%*	-
BlackRock SuperFund	**1.56%**	**-4.51%**	**3.87%**	**-0.65%**	**-**	**-**	**-**	**-**	**-**
MSCI ACWI Ex-US		*-4.52%*	*3.82%*	*-0.63%*	-	-	-	-	-
Excess Return		*0.00%*	*0.04%*	*-0.01%*	-	-	-	-	-
Causeway Capital	**3.59%**	**-2.08%**	**5.87%**	**0.90%**	**21.50%**	**35.54%**	**14.31%**	**6.55%**	**-**
MSCI EAFE		*-3.83%*	*3.80%*	*-0.72%*	*10.87%*	*17.92%*	*6.05%*	*4.14%*	-
Excess Return		*1.75%*	*2.07%*	*1.62%*	*10.64%*	*17.62%*	*8.26%*	*2.41%*	-
Lazard	**1.35%**	**-3.05%**	**2.77%**	**-1.66%**	**10.35%**	**14.63%**	**-**	**-**	**-**
MSCI EAFE		*-3.83%*	*3.80%*	*-0.72%*	*10.87%*	*17.92%*	-	-	-
Excess Return		*0.78%*	*-1.03%*	*-0.94%*	*-0.52%*	*-3.30%*	-	-	-
Emerging Markets	**1.43%**	**-5.76%**	**6.31%**	**0.19%**	**6.62%**	**5.00%**	**-3.63%**	**-0.25%**	**2.11%**
MSCI EM		*-6.16%*	*3.47%*	*-0.32%*	*4.55%*	*1.25%*	*-1.39%*	*0.98%*	*2.99%*
Excess Return		*0.40%*	*2.85%*	*0.50%*	*2.06%*	*3.75%*	*-2.24%*	*-1.23%*	*-0.88%*
Wellington Emerging Markets	**1.43%**	**-5.76%**	**5.75%**	**0.19%**	**4.31%**	**4.58%**	**-3.70%**	**-0.06%**	**3.47%**
MSCI EM		*-6.16%*	*3.47%*	*-0.32%*	*4.55%*	*1.25%*	*-1.39%*	*0.98%*	*2.99%*
Excess Return		*0.40%*	*2.28%*	*0.50%*	*-0.24%*	*3.33%*	*-2.32%*	*-1.05%*	*0.48%*
Non US Small Cap	**1.10%**	**-4.12%**	**4.12%**	**0.26%**	**8.36%**	**13.84%**	**0.75%**	**-3.52%**	**0.50%**
MSCI EAFE Small Cap		*-3.33%*	*3.88%*	*0.96%*	*6.54%*	*9.18%*	*2.39%*	*1.53%*	*5.67%*
Excess Return		*-0.79%*	*0.24%*	*-0.69%*	*1.82%*	*4.67%*	*-1.64%*	*-5.05%*	*-5.17%*
Wellington Int'l Small Cap Research	**1.10%**	**-4.12%**	**4.12%**	**0.26%**	**8.36%**	**13.84%**	**-**	**-**	**-**
MSCI EAFE Small Cap		*-3.33%*	*3.88%*	*0.96%*	*6.54%*	*9.18%*	-	-	-
Excess Return		*-0.79%*	*0.24%*	*-0.69%*	*1.82%*	*4.67%*	-	-	-
Global Equity	**4.56%**	**-1.57%**	**5.09%**	**-1.00%**	**16.60%**	**19.82%**	**7.78%**	**9.24%**	**10.73%**
MSCI ACWI net		*-2.79%*	*6.61%*	*0.76%*	*14.80%*	*13.95%*	*7.23%*	*7.46%*	*8.56%*
Excess Return		*1.22%*	*-1.52%*	*-1.77%*	*1.80%*	*5.87%*	*0.55%*	*1.78%*	*2.17%*
Walter Scott Global Equity	**4.56%**	**-1.57%**	**5.09%**	**-1.00%**	**16.60%**	**19.82%**	**7.78%**	**9.24%**	**10.73%**
Walter Scott Blended Benchmark (3)		*-2.79%*	*6.61%*	*0.76%*	*14.80%*	*13.95%*	*7.23%*	*7.46%*	*8.56%*
Excess Return		*1.22%*	*-1.52%*	*-1.77%*	*1.80%*	*5.87%*	*0.55%*	*1.78%*	*2.17%*

(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.

FYTD *Fiscal Year to Date*
CYTD *Calendar Year to Date*
LTM *Last Twelve Months*

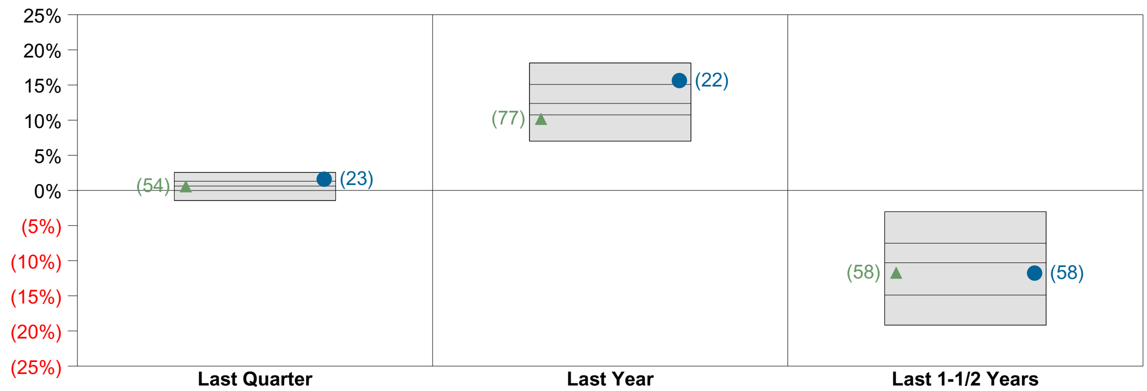
Wellington Int’l Small Cap Research
Period Ended June 30, 2023

Investment Philosophy

Wellington employs an industry-focused, bottom-up approach to managing equity portfolios. The research portfolio is the reflection of Wellington’s global industry analysts expertise. The team seeks to add value through in-depth fundamental research and understanding of their industries. The portfolio is diversified and constructed in a way to ensure stock selection drives performance. NHRS inception in the fund is November 2021.

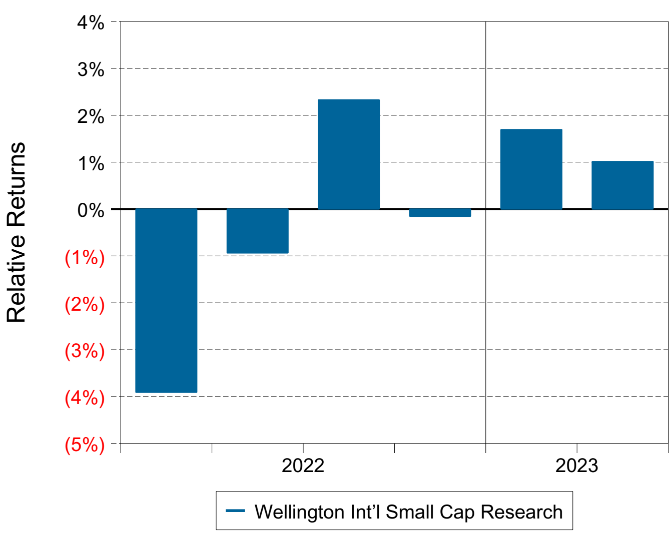
Quarterly Asset Growth	
Beginning Market Value	$122,853,196
Net New Investment	$0
Investment Gains/(Losses)	$1,963,782
Ending Market Value	$124,816,978

Performance vs Callan Intl Small Cap (Gross)

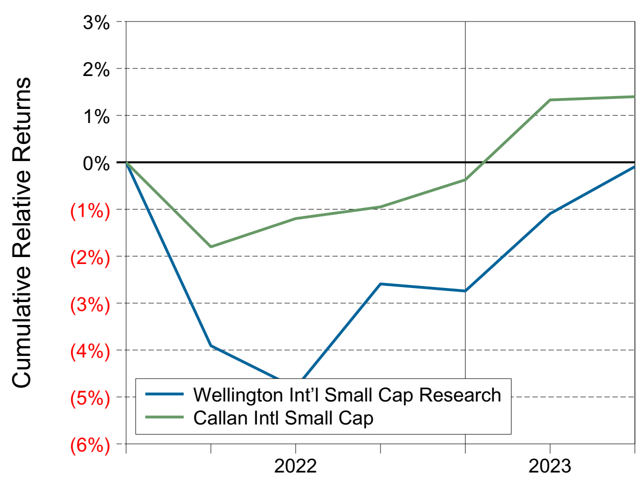


	Last Quarter	Last Year	Last 1-1/2 Years
10th Percentile	2.57	18.14	(3.03)
25th Percentile	1.31	15.08	(7.51)
Median	0.62	12.38	(10.30)
75th Percentile	(0.01)	10.75	(14.89)
90th Percentile	(1.44)	7.01	(19.17)
Wellington Int’l Small Cap Research ●	1.60	15.63	(11.77)
MSCI EAFE Small Cap ▲	0.58	10.18	(11.71)

Relative Return vs MSCI EAFE Small Cap



Cumulative Returns vs MSCI EAFE Small Cap

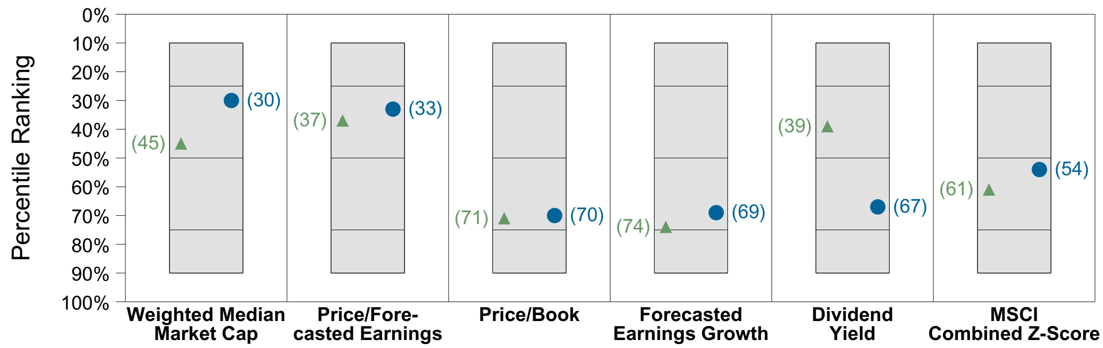


Wellington Int'l Small Cap Research
Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

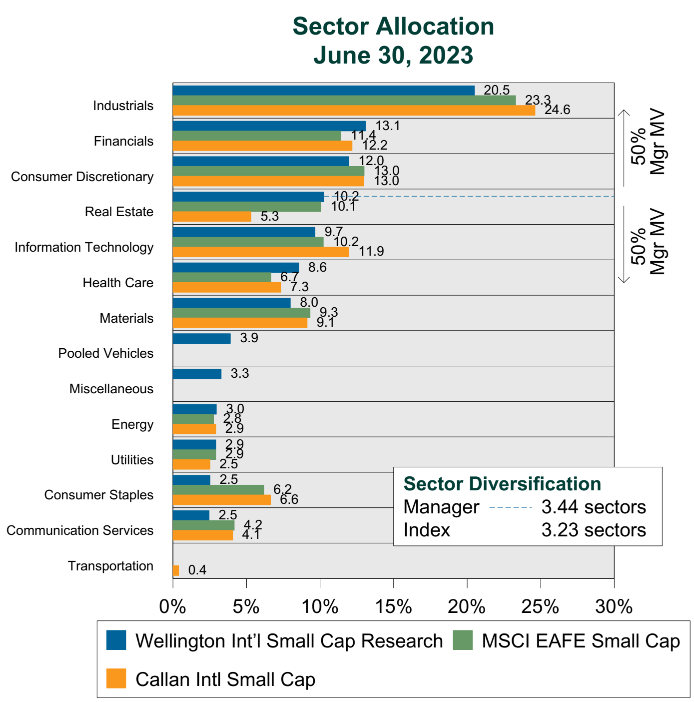
Portfolio Characteristics Percentile Rankings
Rankings Against Callan International Small Cap
as of June 30, 2023

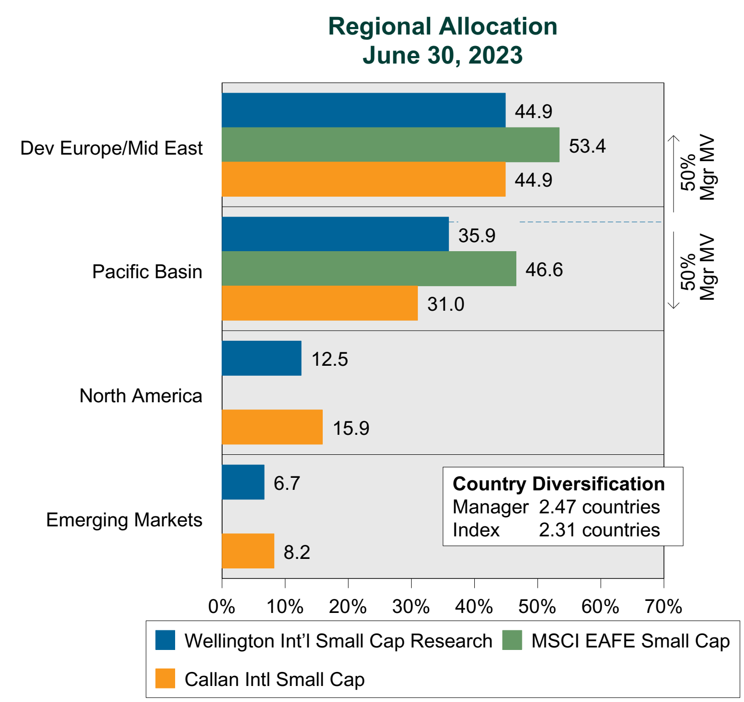


	Weighted Median Market Cap	Price/Fore-casted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	3.90	17.10	2.62	19.33	4.41	0.77
25th Percentile	3.10	14.67	2.07	15.77	3.41	0.51
Median	2.05	12.43	1.56	13.38	2.75	0.11
75th Percentile	1.41	9.24	1.23	10.63	2.03	(0.15)
90th Percentile	1.23	8.04	0.90	7.46	1.35	(0.75)
Wellington Int'l Small Cap Research ●	2.92	13.88	1.29	11.27	2.34	0.07
MSCI EAFE Small Cap ▲	2.34	13.06	1.28	10.69	2.98	(0.01)

Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.

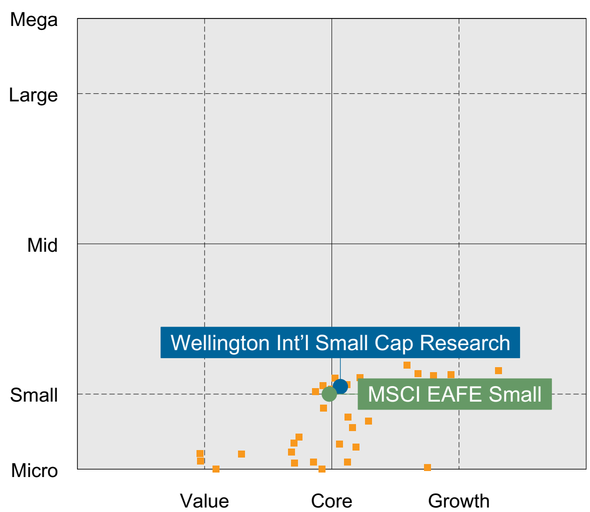




Current Holdings Based Style Analysis
Wellington Int'l Small Cap Research
As of June 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

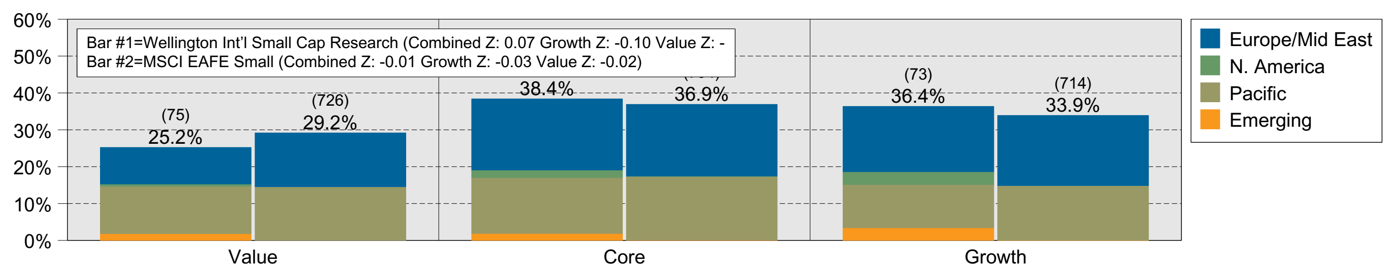
Style Map vs Callan Intl Small Cap
Holdings as of June 30, 2023



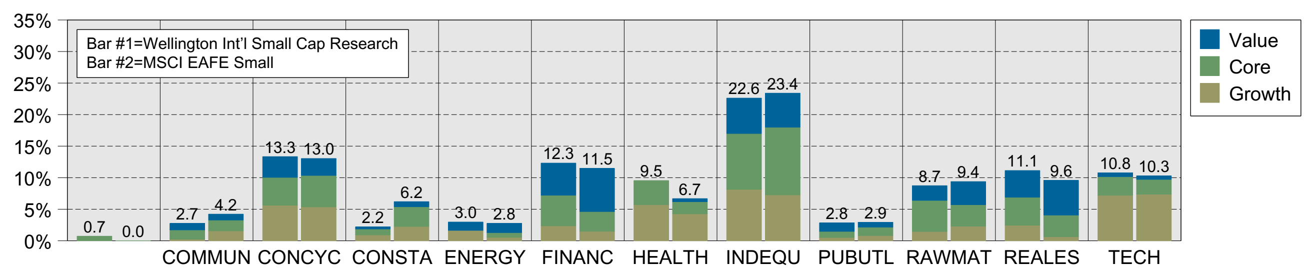
Style Exposure Matrix
Holdings as of June 30, 2023

	Value	Core	Growth	Total
Europe/ Mid East	9.9% (26) 14.6% (332)	19.3% (36) 19.5% (384)	17.7% (28) 19.0% (336)	**47.0% (90)** **53.1% (1052)**
N. America	0.6% (2) 0.0% (0)	2.0% (6) 0.1% (6)	3.4% (6) 0.0% (1)	**6.1% (14)** **0.1% (7)**
Pacific	12.8% (40) 14.6% (394)	15.2% (43) 17.2% (403)	11.8% (32) 14.8% (376)	**39.8% (115)** **46.6% (1173)**
Emerging	1.8% (7) 0.0% (0)	1.9% (6) 0.1% (1)	3.4% (7) 0.0% (1)	**7.1% (20)** **0.1% (2)**
Total	**25.2% (75)** **29.2% (726)**	**38.4% (91)** **36.9% (794)**	**36.4% (73)** **33.9% (714)**	**100.0% (239)** **100.0% (2234)**

Combined Z-Score Style Distribution
Holdings as of June 30, 2023



Sector Weights Distribution
Holdings as of June 30, 2023



Biography

Mary L. Pryshlak, CFA
Senior Managing Director, Partner, and Head of Investment Research

Mary is the head of Investment Research, an investment group comprised of our core fundamental investment research teams spanning equity; credit; macro; technical; sustainable; and environmental, social, and corporate governance (ESG). In this role, she oversees the department and focuses on ensuring that we attract, retain, and motivate world-class securities analysts and investment talent; provide them with the resources, support, and ongoing feedback needed to excel; and undertake our work with a fiduciary mind-set and collaborative spirit in order to make informed investment decisions on behalf of our clients.

Mary leads a management team responsible for more than 100 professionals who directly manage client assets, conduct in-depth research, and provide investment recommendations for portfolio managers and analysts across the firm. She is a member of Wellington's Compensation Committee, Equity Review Group, Hedge Fund Review Group, and Investment Platform Governance Committee and also serves on the New Partner Advisory Committee.

Prior to being named head of Investment Research, Mary was the director of Global Industry Research and previously spent 13 years as a global industry analyst covering property & casualty insurance stocks. Prior to joining the firm in 2004, she was an equity analyst covering financial services at The Boston Company (2001 – 2003). Before that, she worked as an analyst at State Street Global Advisors (1995 – 2001) and held positions at Aeltus Investment Management Company (1994) and Spears Benzak Saloman and Farrell (1993 – 1994).

Mary received her BA in economics and French from Rutgers College (1993). She also holds the Chartered Financial Analyst designation and is a member of the Association of Insurance and Financial Analysts (AIFA), the CFA Institute, and the CFA Society Boston.

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Biography

David DiSilva
Assistant Vice President and Investment Director

As an investment director in Investment Product & Fund Strategies, David works closely with equity investors to help ensure the integrity of their investment approaches. This includes meeting regularly with the investment teams and overseeing portfolio positioning, performance, and risk exposures, as well as developing new products and client solutions and managing business issues such as capacity, fees, and guidelines. He also participates in meetings with clients, prospects, and consultants to communicate investment philosophy, strategy, positioning, and performance.

Prior to his current role, David served as an investment reporting analyst in Wellington Management's Client Services Group. He joined the firm in 2012.

David earned a BS in business management from Providence College (2012), and an MBA from Babson College (Cum Laude, 2022).

Biography

L. Jason Law, CFA
Managing Director and Relationship Manager

As a relationship manager within Wellington Management's Americas Institutional Group, Jason acts as a conduit for clients to ensure that the full range of resources and services of the firm are brought to bear on their behalf. He partners with the staffs and investment committees of financial intermediaries, public and corporate pension funds, endowments, and foundations, serving as an extension of the client's own staff to work on issues of investment strategy and policy, governance, performance, and risk.

Jason joined Wellington Management in 2006 after beginning his career as an attorney.

Jason earned an AB, cum laude, from Harvard University (1995), and a JD, summa cum laude, from Boston University School of Law (1999). He holds the Chartered Financial Analyst designation and is a member of the CFA Institute and the CFA Society of Boston.

WELLINGTON MANAGEMENT®

International Small Cap Research Equity

10 October 2023

New Hampshire Retirement System

Wellington Management Company LLP

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Agenda

Section One	Wellington Management Company LLP
Section Two	International Small Cap Research Equity

WELLINGTON
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Wellington Management today

A trusted advisor and strategic partner to clients worldwide

BY THE NUMBERS

Business

USD 1,201 billion of client assets under management

2,506 clients

62 countries in which clients are based

People and portfolios

973 investment professionals

16 years of experience, on average

199 partners all active at the firm

Heritage: key dates

1928	Wellington Fund – the first US balanced fund
1979	Establishment of our private partnership
1994	Our first long – short strategy
2014	Our first dedicated private equity strategy
2015	Global Impact: Our first diversified impact investing strategy in public equities

As of 30 June 2023

OWNERSHIP MODEL

Long-term perspective of a private partnership structure

Attract and retain investment talent

Independent: No public shareholders, no outside capital

Interests aligned with clients

BUSINESS MODEL

Singular focus on investment management

Diversification by asset class, geography, and client type

Research for client benefit only

Commitment to bringing the right resources to each client

INVESTMENT MODEL

Comprehensive capabilities

Rigorous proprietary research

Career analysts

Global resources

Empowered portfolio teams

CULTURE

Open, collaborative

Performance driven

Professional/collegial

High standards, ethics, and integrity

Global diversity and inclusion

CURRENT LEADERSHIP INITIATIVES

Our strategy is to grow with our clients in institutional and wealth channels by delivering excellent results in research-driven active strategies

To execute on this strategy we will

- Perpetuate a magnetic culture that attracts, retains, and motivates the best talent around the globe
- Deliver excellent investment outcomes
- Be a top partner of choice for clients
- Innovate and drive growth in strategies that continue to diversify our business
- Leverage technology to drive insights, alpha, and scale

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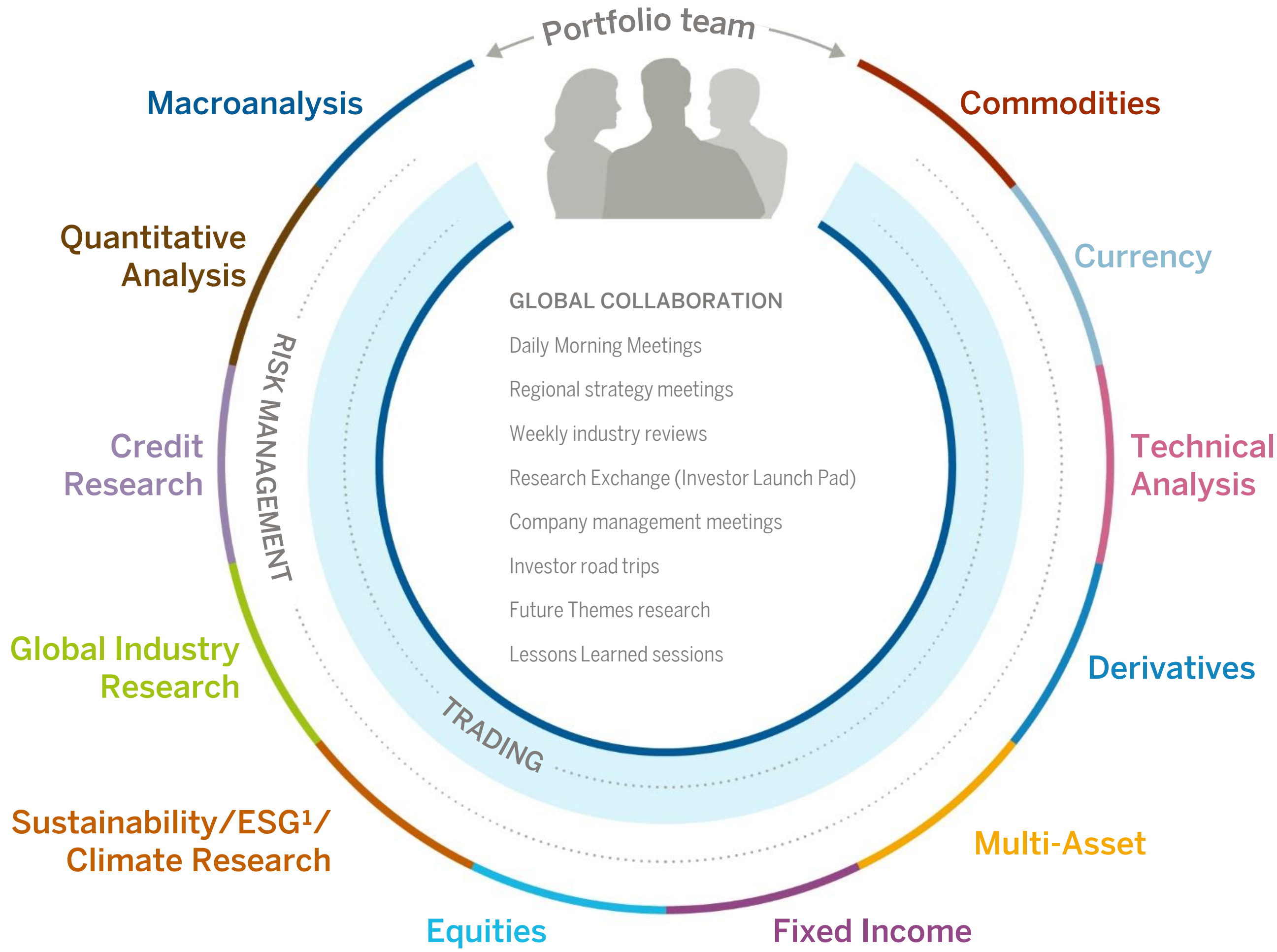
WELLINGTON MANAGEMENT®

Investors draw on our marketplace of ideas to build portfolios

We believe the best investment thinking is forged by the free exchange of ideas among a broadly diverse group of professionals



[1]Environmental, social, and corporate governance

Depth, experience, and continuity create interpretation advantage

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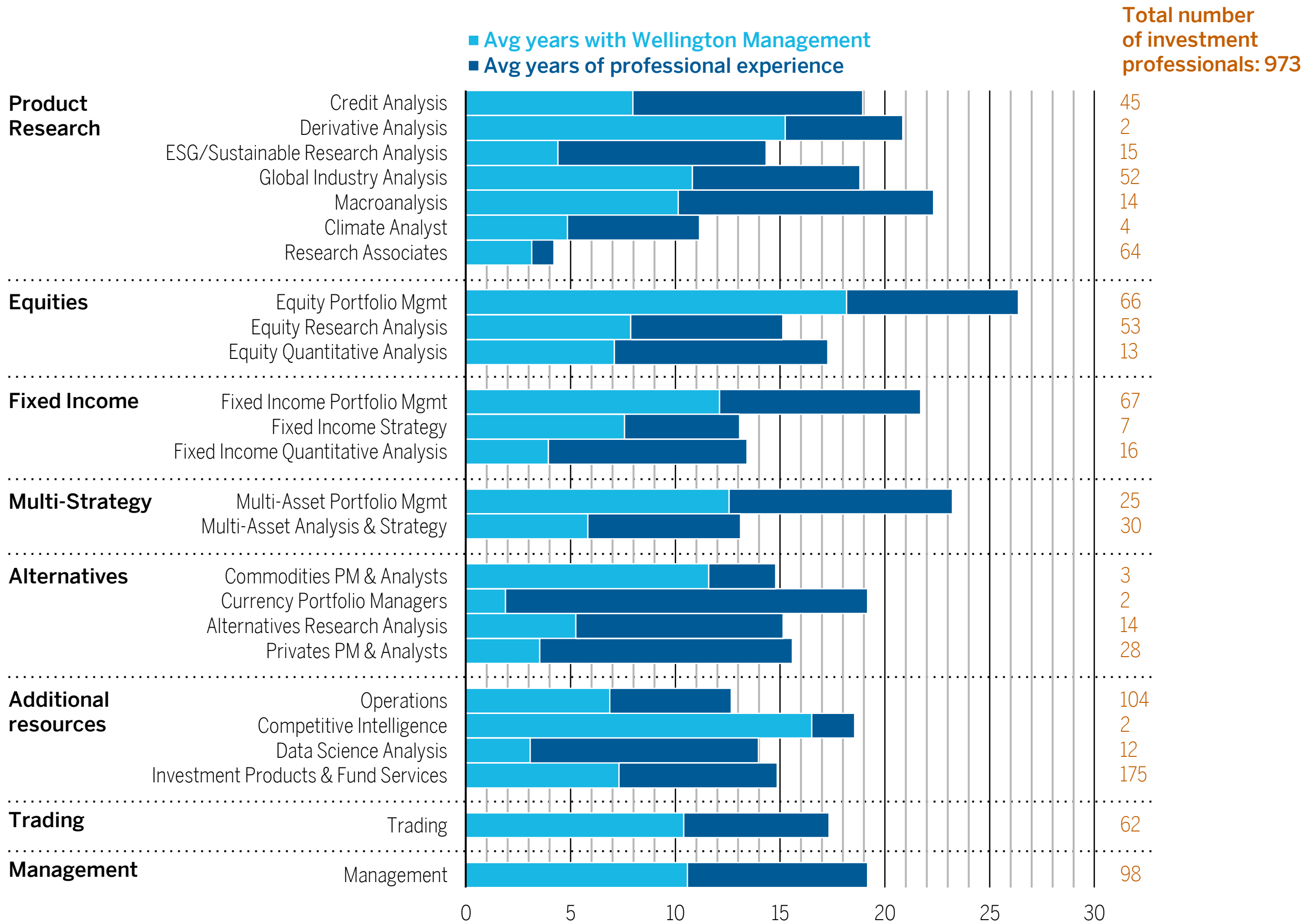
Investors draw on rigorous, proprietary research

We conduct research through fundamental; environmental, social, and corporate governance (ESG); quantitative; macro; and technical lenses



As of 30 June 2023

Wellington Management

Evolution of analyst-managed portfolios
Over 30 years of experience

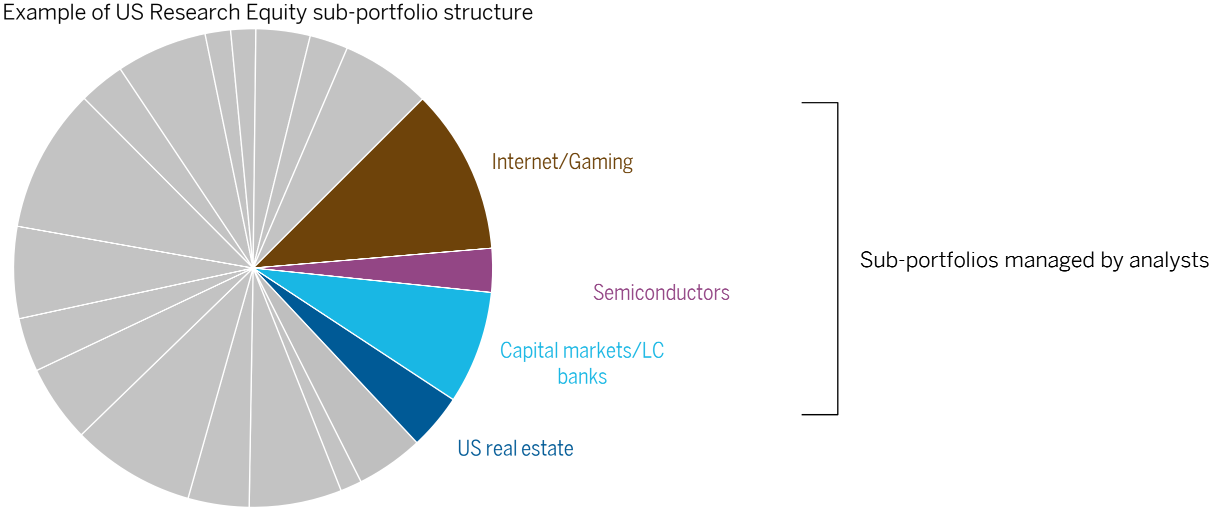
Our research team has experience managing approaches for clients in different regions, market cap segments and long/short structures. Extension strategies provide our team more flexibility to implement more of their insights and tools to better manage risk.

1984	1st Sector Approaches (Energy and health care)
1990	1st Diversified Research Approach (US Research Equity)
1991	1st Small Cap Approach (Small Cap 2000)
1993	1st International Research Equity Approach
1994	1st Long/Short Equity Sector Approach
1996	Global Research Equity
2010	Emerging Markets Research Equity
2013	International Small Cap Research Equity
2016	1st Long/Short Diversified Research Approach (US Research Equity Extended)
2018	International Research Equity Extended & Global Research Equity Extended

Analyst-Managed Diversified Research Approaches Portfolio Construction

Industry neutral capital allocation and analyst managed sub-portfolios designed to emphasize idiosyncratic risk

Example of US Research Equity sub-portfolio structure



For illustrative purposes only. Grey shaded areas represent various other analyst-managed sub-portfolios.

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Wellington Management
Role of a Global Industry Analyst

Global Industry Analyst

- Fundamental investors with deep industry expertise
- 52 analysts covering approximately 4,100 stocks globally
- Coverage typically all-cap; mix of global and regional
- Implement ideas in client portfolios
- Average experience of 18 years

Industry and stock specific research

- Conduct deep industry and stock specific research
- Each analyst has developed a distinct process and philosophy for stock selection that is designed for his or her industry and investment style

Implementation of insights in client portfolios

- Over 30 year history of analyst managed portfolios
- Multi-analyst managed portfolios puts investment discretion in the hands of the analysts and provides diversification by style

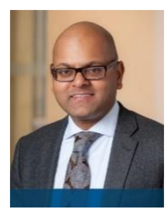
Deep resources and collaboration

- Equity portfolio management teams provide different perspectives to our analysis
- Deep macro, credit, technical, quantitative, ESG, and trading teams contribute to a robust research process

As of 30 June 2023 | The individuals shown to the right are members of Wellington Management's Global Industry Research group. For a full list of investment professionals who will manage subportfolios in the approach, please see "Investment Team" slide. A decision to invest should take account of all the characteristics and objectives described in the offering documents.

Jennifer Berg
Capital markets & large cap banks

Yash Patodia
Asia internet/ Software



Amit Desai
Retail/ Cons staples

Juanjuan Niska
Global utilities/ Telecom

Devashish Chopra
Asia/EM banks

Rebecca Sykes
Pharmaceuticals

John Averill
Tech hardware & storage

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Meet our Global Industry Analyst Team

Experience and specialized knowledge yield stock-picking skill

Consumer

		Years exp
Retail/Staples	Amit Desai	26
European consumer	Wayne Drayton	16
Dining	Josh Goldman	16
Asia Pac consumer	▶ Katsu Iwai	26
Food/beverages	Jason Nacca	11
Euro retail	▶ Prachi Shah	12
US Retail & e-commerce	Tina Sun	10

Energy/Utilities

		Years exp
Global oil/Gas	▶ George Burshteyn	21
Infrastructure	Tim Casaletto	12
Utilities/Big oil	▶ Tom Levering	28
Midstream energy & svcs	Liam McIntyre	9
Global utilities/Telecom	Juanjuan Niska	18

Health care

		Years exp
Health care	Ann Gallo	33
Health care svcs	David Khtikian	22
Equip/Life sci tech	▶ Fayyaz Mujtaba	11
Biopharma	Luca Pancratov	10
Biopharma	▶ Mark Sevecka	13
Biopharma	Ronak Shah	20
Biotech	▶ Wen Shi	15
EM health care	Sue Su	9
Pharmaceuticals	Rebecca Sykes	17

Industrials/Materials

		Years exp
Metals & mining	▶ Andrew Byrne	20
Electrical/Indus prod	▶ Catherine Gunn	17
Chemicals/Refining	▶ Robert Hayes	26
Resi/Comm construction	Nathan Kieffer	19
Transportation/E&C	▶ William Ogrodnick	20
Autos/Auto parts	▶ Saul Rubin	28
Aerospace/Defense	Claude Staehly	32

Technology/Comm svcs

		Years exp
Tech hardware	John Averill	35
Semiconductors	▶ Eunhak Bae	27
Internet	Brian Barbetta	16
Software	Alex Bayman	7
Internet	Tom DeLong	15
Business svcs	▶ Bruce Glazer	30
US hardware	Jeremy Hartman	22
Media/Telecom	▶ Halsey Morris	19
Cloud technology	Lily Orlin	8
Asia internet/Software	▶ Yash Patodia	15
Fintech	Matthew Ross	14
Asia technology	Terence Tow	17
Software	Jeff Wantman	23

Finance

		Years exp
Small cap banks	Jon Ashe	29
Capital markets/LC banks	Jennifer Berg	26
Asia Pac banks	Devashish Chopra	28
US banks	Alan Gu	15
Non-US insurance	Angela Gu	12
APAC/EM div financials	▶ Olivia Hurley	7
Growth financials	Ben Krause	7
European banks	▶ Thibault Nardin	14
APAC non-bank financials	▶ Robert Wydenbach	25

Property

		Years exp
US real estate	Sara Ogiony Carpi	26
Asia Pac real estate	▶ Lihui Chen	15
Europe real estate	▶ Xiaobo Ma	13
Global real estate	Bradford Stoesser	21

▶ Global Industry Analysts managing subportfolios within International Small Cap Research Equity as of 30 June 2023

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Oversight of investment team and portfolio integrity

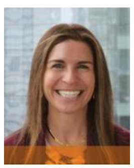
Portfolio Accountability and Analyst Oversight

Mary Pryshlak, CFA
Head of Investment Research

Analyst Oversight

Vanessa Barrett
Director of Investments, EMEA

Gardiner Holland
Director of Investments, Americas



Leslie Eisen
Director of Investments, Americas

Jawan Parker
Director of Investments, Asia

52 Global Industry Analysts

19 years professional experience[1]

Portfolio Implementation and Risk Management

Jonathan White, CFA
Director
Research Portfolios

Global Portfolio Implementation Team

Independent Portfolio Oversight

David DiSilva
Investment Director

Investment Product and Strategy Team

[1]Average years of professional experience | As of 30 June 2023

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International Small Cap Research Equity
Objective and approach

Objective
Seeks to consistently outperform the benchmark over 3 – 5 year periods

Stock selection by experienced team of industry experts

Feature	Why it matters
Team approach	Deep coverage across a broad universe
Career industry specialists	Experience and focus can yield differentiated insights
Approach varies by analyst/industry	Clearer picture of potential upside
Integrated ESG thinking	Regular company interaction can help detect material issues

Portfolio construction designed to emphasize stock selection insights

Feature	Why it matters
Concentrated subportfolios	"Best ideas" from each analyst; flexibility to adjust conviction
Industry weights close to benchmark	Stock selection drives performance
Diversification by industry and style	Multiple sources of alpha can reduce volatility and preserve long-term return potential

The characteristics presented are sought during the portfolio management process. Actual experience may not reflect all of these characteristics, or may be outside of stated ranges.

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International Small Cap Research Equity
Philosophy – Greater opportunity among stocks than sector

Philosophy

We believe

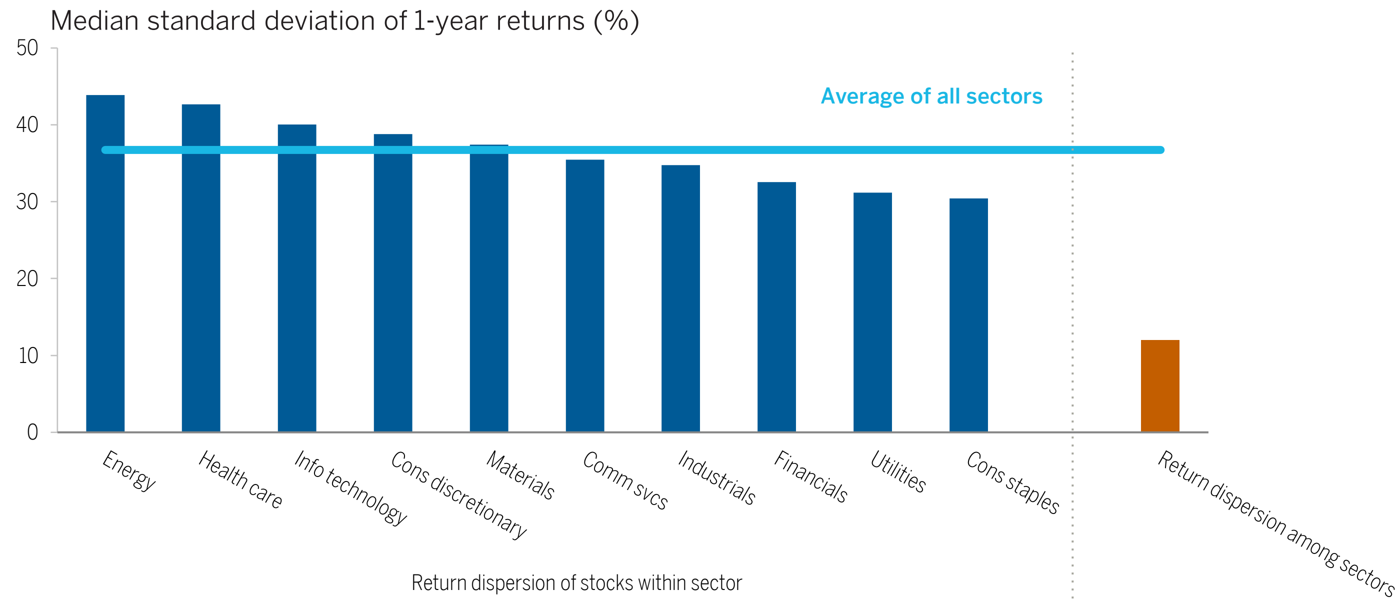
Fundamentals of companies in the same industry can vary widely over time; stock prices follow

Dedicated bottom-up research can anticipate fundamental change and identify pricing anomalies

We can beat the market by exploiting intra-industry dispersion

One size does not fit all

Diversification is the only "free lunch"



Sources: FactSet, MSCI | Data shown is for the MSCI EAFE Small Cap Index (the strategy's benchmark index). | 1 January 2000 to 31 December 2022. Each blue bar represents the median rolling 1-year standard deviation of stock returns within the respective sector. The orange bar represents the median rolling 1-year standard deviation of returns among the sectors. | The graph is updated annually.

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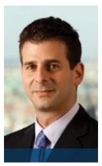
Diversity of investment styles is a key to consistent performance

ELECTRICALS/CAPITAL GOODS
Catherine Gunn
What I believe…
- …Investing in cyclicals is NOT about timing the cycle, it is about buying high quality companies at attractive prices

What I look for…
- …Companies that can beat long-term expectations at a valuation that provides relative margin of safety
- …Differentiation between the quality of businesses and their cyclical and secular outlook



BUSINESS SERVICES
Bruce Glazer
What I believe…
- …FCF growth over a cycle is more important than short-term EPS
- …High quality businesses with strong management teams and good capital allocation

What I look for
- …Companies where consensus expects linear change and I expect step change

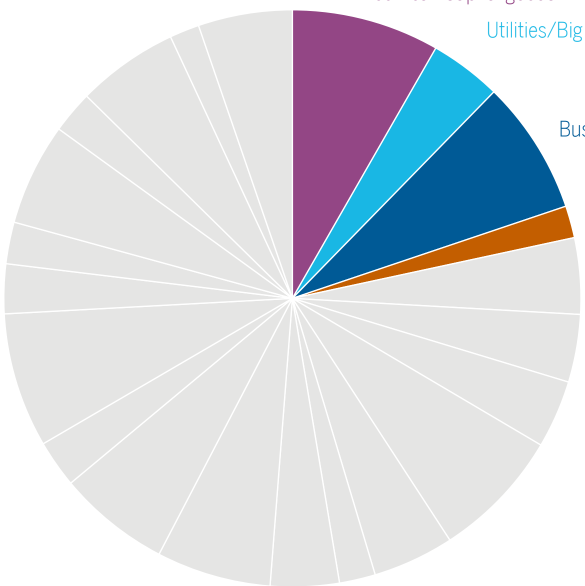
21 Global Industry Analysts

Size corresponds to industry weight in benchmark

High conviction subportfolios

Diversified alpha sources (i.e., individualized style

Rebalanced quarterly to maintain industry and style diversification



UTILITIES/BIG OIL
Tom Levering
What I believe…
- …The market overpays for high expected growth, underpays for stable growth

What I look for…
- …Sustainable returns from stable businesses

ASIA INTERNET & SOFTWARE
Yash Patodia
What I believe…
- …Market's short-term focus leads to an under-appreciation of the size of addressable markets and new opportunities
- …Competitive dynamics are a critical determinant of industry profits

What I look for…
- …Companies with structural advantages making investments that allow them to benefit from long term opportunities

As of 30 June 2023 | Diversification does not ensure a profit or guarantee against loss

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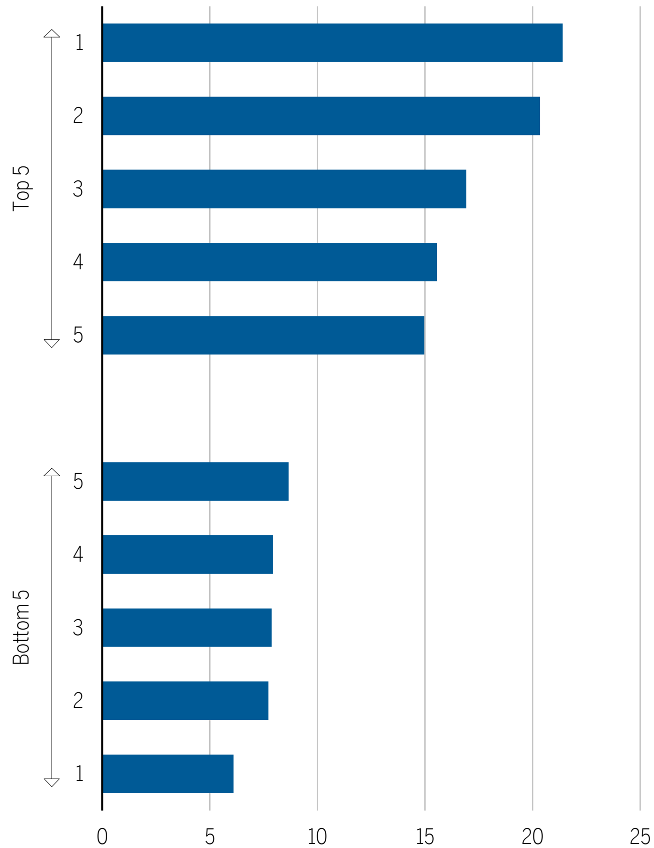
International Small Cap Research Equity

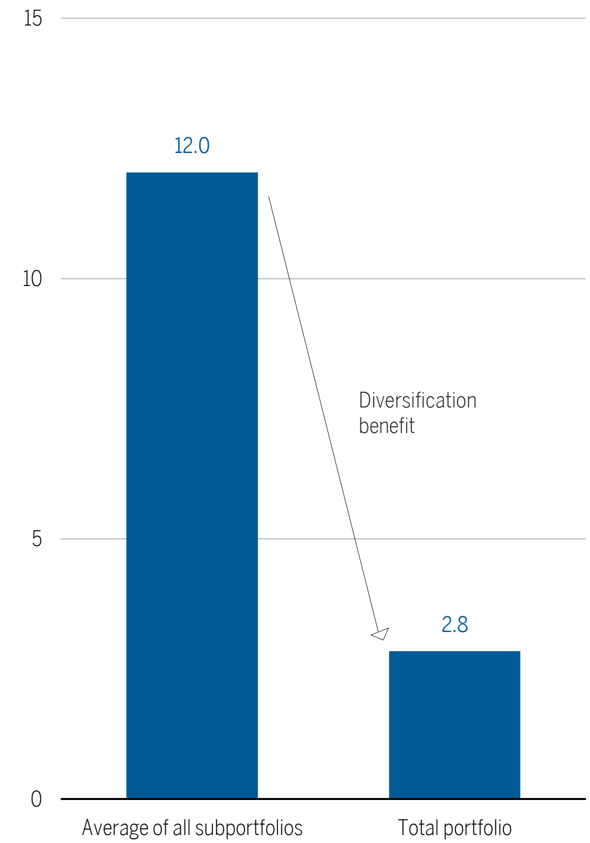
Blends investor flexibility with benefits of diversification

Representative account

Projected tracking error by subportfolio (%)



Projected tracking error (%)



As of 30 June 2023 | Sources: FactSet, Barra Global Total Market Model For Long-Term Investors (GEMLTL) | The data shown is of a representative account, is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. Please refer to the Important Disclosures page for additional information.

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WTC-CTF Intl Small Cap Research Equity
Investment returns

	As of 31 August 2023 (%, USD)		
	3 mos	1 yr	SI
WTC-CTF Intl Small Cap Research Equity (gross)	**4.2**	**14.6**	**-11.5**
MSCI EAFE Small Cap	3.9	9.7	-9.9
Active return (gross vs benchmark)	0.3	4.9	-1.6
MSCI EAFE Small USD NET	3.9	9.2	-10.3
Active return (gross vs benchmark)	0.4	5.4	-1.2

	YTD	2022	2021*
WTC-CTF Intl Small Cap Research Equity (gross)	**8.8**	**-23.5**	**-3.4**
MSCI EAFE Small Cap	6.9	-21.0	-1.7
Active return (gross vs benchmark)	1.9	-2.5	-1.7
MSCI EAFE Small USD NET	6.5	-21.4	-1.7
Active return (gross vs benchmark)	2.3	-2.2	-1.7

*Partial calendar year (16 November 2021 to 31 December) | Inception date: 16 November 2021. The inception date represents the client's investment in the fund. | Portfolio returns are reported net of operating expenses and gross of investment management fee. | Sums may not total due to rounding. | Performance returns for periods one year or less are not annualized. | **PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS. AN INVESTMENT CAN LOSE VALUE.** If the last business day of the month is not a business day for the Fund, performance is calculated using the last available NAV. This may result in a performance differential between the fund and the index.

International Small Cap Research Equity
Investment returns

As of 30 June 2023 (%, USD)	3 mos	1 yr	3 yrs	5 yrs	10 yrs
International Small Cap Research Equity Composite (net)	1.5	15.2	7.1	2.8	7.5
International Small Cap Research Equity Composite (gross)	1.8	16.3	8.1	3.8	8.6
MSCI EAFE Small Cap	0.8	10.7	6.2	1.7	6.6

	YTD	2022	2021	2020	2019	2018
International Small Cap Research Equity Composite (net)	7.7	-23.4	12.2	18.3	28.6	-19.7
International Small Cap Research Equity Composite (gross)	8.2	-22.7	13.3	19.4	29.8	-18.9
MSCI EAFE Small Cap	5.9	-21.0	10.5	12.7	25.5	-17.6

	2017	2016	2015	2014	2013*
International Small Cap Research Equity Composite (net)	32.8	0.9	11.7	-1.2	23.6
International Small Cap Research Equity Composite (gross)	34.1	1.9	12.8	-0.2	24.2
MSCI EAFE Small Cap	33.5	2.6	9.9	-4.6	22.4

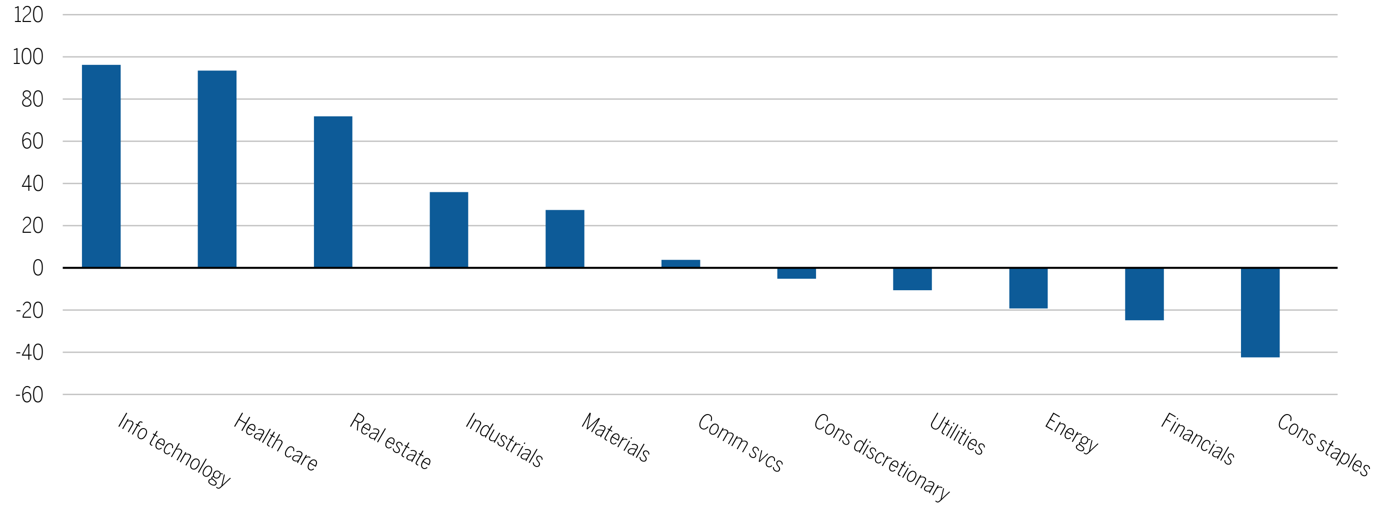
*Partial calendar year (30 June 2013 to 31 December) | The inception date of the International Small Cap Research Equity Composite is 30 June 2013. | Performance returns for periods one year or less are not annualized. | **PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS. AN INVESTMENT CAN LOSE VALUE.** Net performance results are based on the highest published US advisory fee for this product, include reinvestment of dividends and other earnings, and are net of advisory fees, commissions, and other direct expenses, but before custody charges, withholding taxes, and other indirect expenses. Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends and other earnings. Composite returns have the potential to be adjusted until reviewed and finalized 30 days following each calendar quarter end period. This information complements the GIPS® Composite Report included at the end of the materials. Please refer to the Important Disclosures page for additional information.

WTC-CTF Intl Small Cap Research Equity

Performance review (USD): Year to date as of 31 August 2023

Portfolio: 8.8%; Benchmark: 6.9%

Sector attribution
Contribution to active return (gross, bps)



Contributors within top performing sectors

Sector	Company
Info technology	BE Semiconductor, Nuvei
Health care	Stevanato Group, Abcam

Detractors within bottom performing sectors

Sector	Company
Cons staples	Calbee, Toyo Suisan Kaisha
Financials	Nuvei, Beazley

Benchmark used in the calculation of attribution data: MSCI EAFE Small Cap. | **PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS. AN INVESTMENT CAN LOSE VALUE.** | The companies shown represent the largest contributors and detractors within the top and bottom sectors (based upon total relative contribution), respectively.

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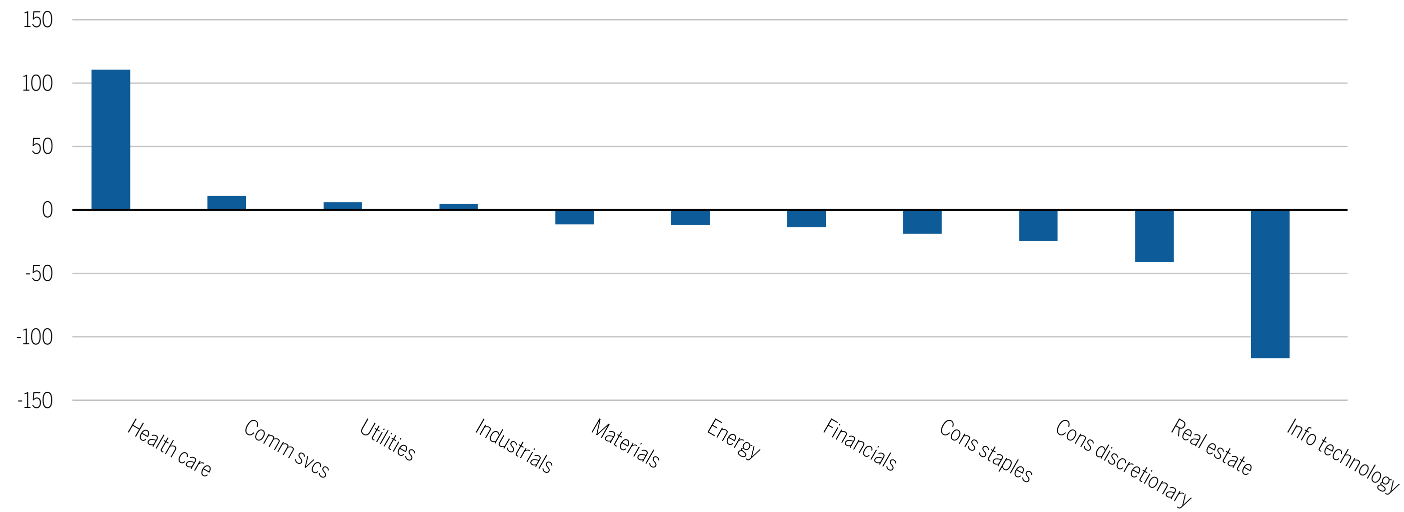
WTC-CTF Intl Small Cap Research Equity

Performance review (USD): Since inception as of 31 August 2023

Portfolio: -11.5%; Benchmark: -9.9%

Sector attribution
Contribution to active return (gross, bps)



Contributors within top performing sectors

Sector	Company
Health care	Verona Pharma, Stevanato Group
Comm svcs	TIM Brasil, Hellenic Telecom

Detractors within bottom performing sectors

Sector	Company
Info technology	Lightspeed Commerce-, Netcompany Group A/S
Real estate	SRE Holdings, Melisron

Benchmark used in the calculation of attribution data: MSCI EAFE Small Cap. | Inception date: 16 November 2021 | Results shown for periods greater than one year are annualized. | **PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS. AN INVESTMENT CAN LOSE VALUE.** | The companies shown represent the largest contributors and detractors within the top and bottom sectors (based upon total relative contribution), respectively.

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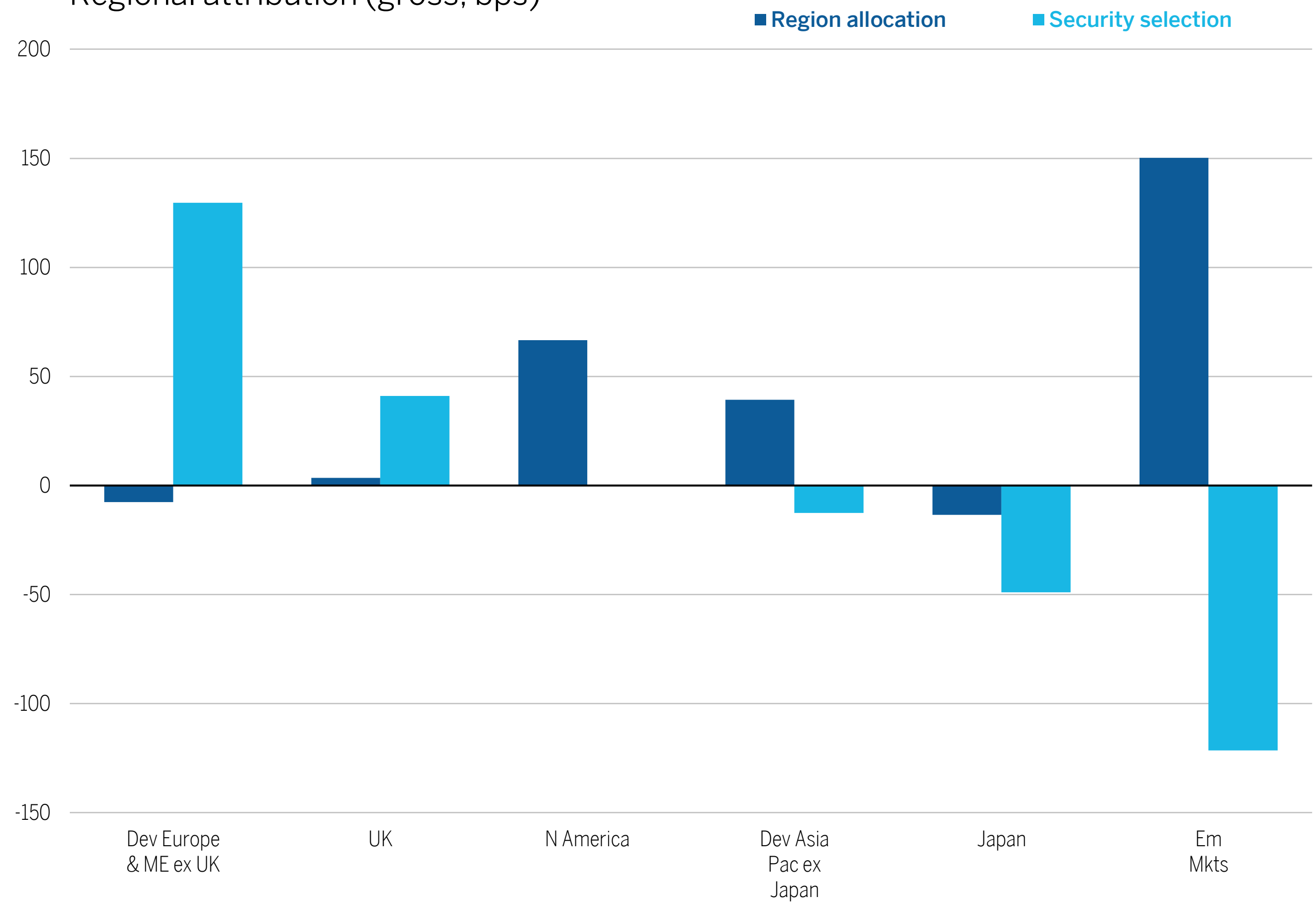
WTC-CTF Intl Small Cap Research Equity

Performance review (USD): Year to date as of 31 August 2023

Portfolio: 8.8%; Benchmark: 6.9%

Regional attribution (gross, bps)



Benchmark used in the calculation of attribution data: MSCI EAFE Small Cap. | **PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS. AN INVESTMENT CAN LOSE VALUE.**

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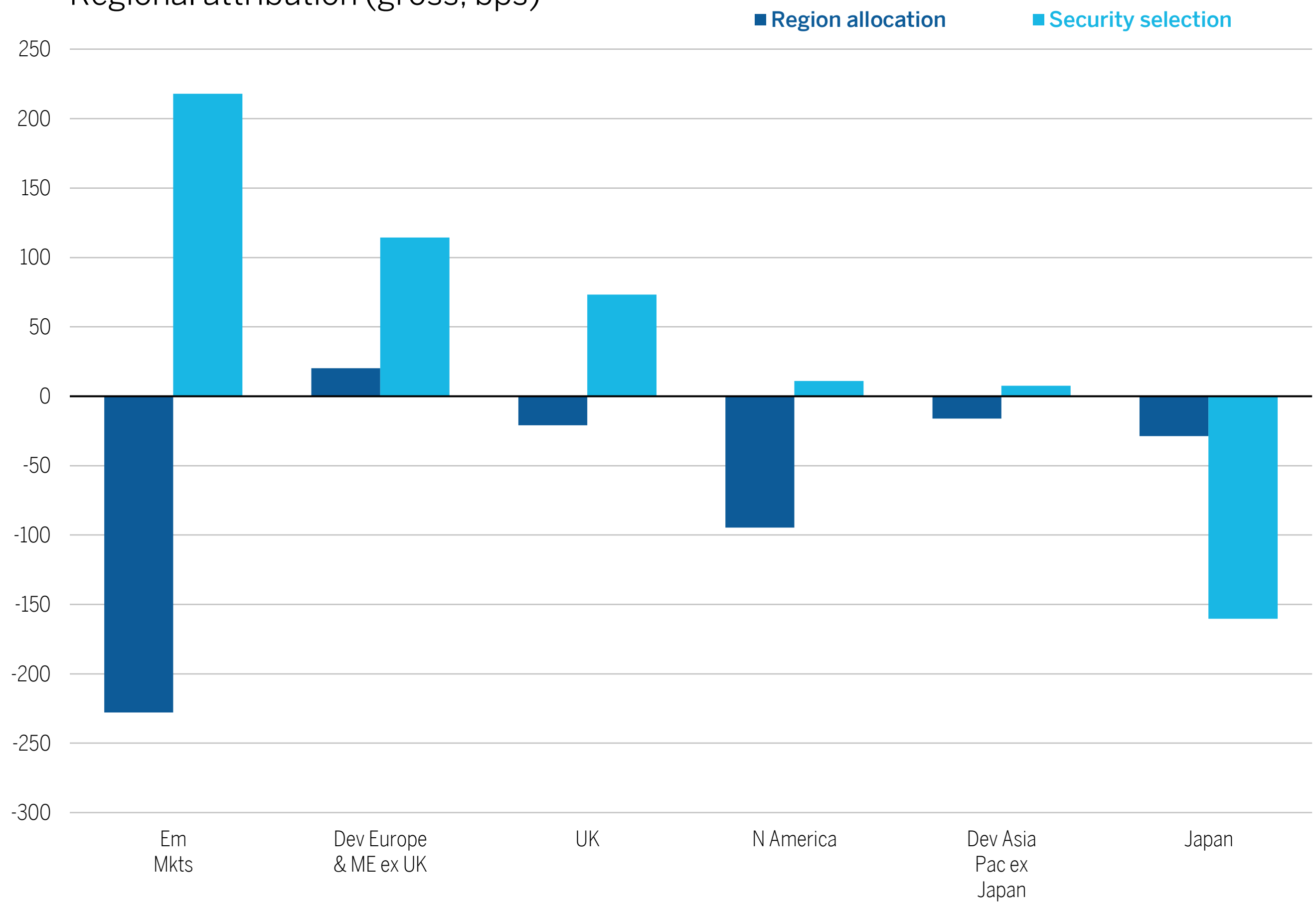
WTC-CTF Intl Small Cap Research Equity

Performance review (USD): Since inception as of 31 August 2023

Portfolio: -11.5%; Benchmark: -9.9%

Regional attribution (gross, bps)



Benchmark used in the calculation of attribution data: MSCI EAFE Small Cap. | Inception date: 16 November 2021 | Results shown for periods greater than one year are annualized. | **PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS. AN INVESTMENT CAN LOSE VALUE.**

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WTC-CTF Intl Small Cap Research Equity

Top ten active positions

As of 31 August 2023

Company	Industry Group	Market	% of equities	% of benchmark	Active position (%)
Beazley	Insurance	UK	1.7	0.2	1.5
Colliers Internation	RE mgmt & dev	Canada	1.5	0.0	1.5
Toyo Suisan Kaisha	Food, beverage & tobacco	Japan	1.6	0.1	1.4
Rotork	Capital goods	UK	1.5	0.1	1.3
IMI	Capital goods	UK	1.5	0.2	1.3
Marui Group	Financial services	Japan	1.4	0.1	1.2
Hikari Tsushin	Capital goods	Japan	1.2	0.0	1.2
Wix.com	Software & svcs	Israel	1.2	0.0	1.2
Sabre Insurance Grou	Insurance	UK	1.1	0.0	1.1
Shimamura	Cons discr distrib & retail	Japan	1.2	0.1	1.1
Total			**13.6**	**0.9**	

Number of equity names: 254

Benchmark: MSCI EAFE Small Cap | Sums may not total due to rounding.

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WTC-CTF Intl Small Cap Research Equity
Portfolio characteristics

As of 31 August 2023

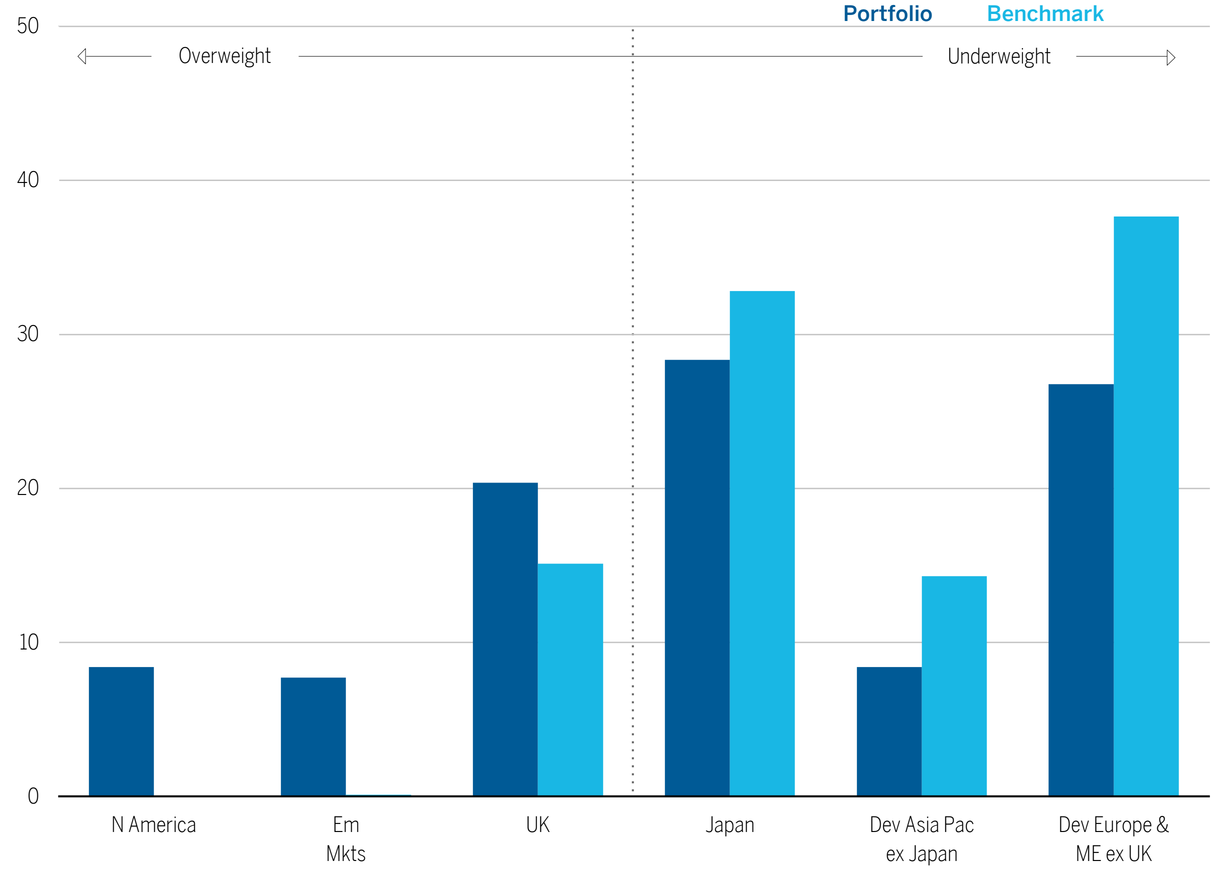
	Portfolio	Benchmark
Size		
Asset-weighted market cap (USD, bil)	3.5	2.8
Over USD 5 bil (%)	22	12
USD 2 – 5 bil (%)	51	48
USD 1 – 2 bil (%)	16	25
USD 500 mil – 1 bil (%)	8	13
Under USD 500 mil (%)	4	3
Financial metrics		
Projected EPS growth (5-yr, %)	14.5	13.0
Projected P/E (x)	12.3	12.4
Price/book (x)	1.4	1.3
Yield (%)	2.8	3.0
Risk (holdings based)		
Active share – equity (%)	86	
Number of equity names	254	2,251
Asset turnover (1-yr, %)	84	
Risk (returns based)		
Historical tracking risk (3-yr, USD, %)	3.78	
Historical beta (3-yr, USD)	1.04	

Benchmark: MSCI EAFE Small Cap | Historical returns based risk characteristics are calculated versus the benchmark(s) used for performance comparison purposes, which may be different than the benchmark(s) displayed on this page. Please see the investment returns page for additional information. | Sums may not total due to rounding. | If access products are held by the portfolio they may not be included in the calculation of characteristic data. Access products are instruments used to gain access to equity markets not otherwise available and may include (but are not limited to) instruments such as warrants, total return swaps, p-notes, or zero strike options. | Please refer to the Important Disclosures page for additional information.

WTC-CTF Intl Small Cap Research Equity

Region weights

% of equity as of 31 August 2023



Benchmark: MSCI EAFE Small Cap. | The market/region data includes ETF holdings which are classified based upon their market of domicile and may not reflect classifications of underlying holdings. ETFs may be held for a variety of reasons, including but not limited to providing exposure to a specific market or to equitize cash.

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International Small Cap Research Equity

Important disclosures

Additional performance information

PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS. There can be no assurance nor should it be assumed that future investment performance of any strategy will conform to any performance examples set forth in this material or that the portfolio's underlying investments will be able to avoid losses. The investment results and any portfolio compositions set forth in this material are provided for illustrative purposes only and may not be indicative of the future investment results or future portfolio composition. The composition, size of, and risks associated with an investment in the strategy may differ substantially from the examples set forth in this material. An investment can lose value.

Impact of fees

Illustration of impact of fees: If USD100,000 was invested and experienced a 10% annual return compounded monthly for ten years, its ending value, without giving effect to the deduction of advisory fees, would be USD270,704 with an annualized compounded return of 10.47%. If an advisory fee of 0.95% of average net assets per year were deducted monthly for the ten-year period, the annualized compounded return would be 9.43% and the ending USD value would be USD246,355. Information regarding the firm's advisory fees is available upon request.

Selection of representative account

The current representative account became effective on 1 April 1994 because it was the only account at the time of selection. For data shown prior to the current representative account effective date, data of the representative account(s) deemed appropriate for the time period was used. Further information regarding former representative accounts can be provided upon request. Each client account is individually managed; individual holdings will vary for each account and there is no guarantee that a particular account will have the same characteristics as described. Actual results may vary for each client due to specific client guidelines, holdings, and other factors. In limited circumstances, the designated representative account may have changed over time, for reasons including, but not limited to, account termination, imposition of significant investment restrictions, or material asset size fluctuations.

Access products

If access products are held by the portfolio they may not be included in the calculation of characteristic data. Access products are instruments used to gain access to equity markets not otherwise available and may include (but are not limited to) instruments such as warrants, total return swaps, p-notes, or zero strike options.

Global Industry Classification Standard (GICS) changes

S&P Dow Jones Indices and MSCI have broadened and renamed the Telecommunication Services Sector as Communication Services to include companies that facilitate communication and offer related content and information through various media. These changes to Global Industry Classification Standard (GICS) are effective as of 1 October 2018 in the data shown. The new sector name applies retroactively and therefore Communication Services will replace Telecommunications Services for all periods. Wellington Management data reflects changes in line with the official GICS update; however, MSCI and S&P have elected to update their official index structures with different timing. Therefore, index data shown may differ from data obtained directly from the index vendors.

Additional disclosures

Securities indices are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly into an index.

Benchmark definitions

MSCI EAFE Small Cap: The Index is a free float-adjusted market capitalization index that captures the small cap representation across Developed Markets countries around the world, excluding the US and Canada.

MSCI EAFE Small USD NET: The index is an equity index which captures small cap representation across Developed Markets countries around the world, excluding the US and Canada. The returns are being reported on a net basis.

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Important Notice

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NHRS
New Hampshire Retirement System

December 12, 2023

The Honorable Christopher Sununu, Governor
The Honorable Jeb Bradley, President of the Senate
The Honorable Sherman Packard, Speaker of the House of Representatives

Annual Report for Fiscal Year 2023

The Independent Investment Committee (Investment Committee) of the New Hampshire Retirement System (NHRS, System) is pleased to present the Comprehensive Annual Investment Report for the Fiscal Year ended June 30, 2023, in accordance with the provisions of the Revised Statutes Annotated (RSA) 100-A:15, VII of the State of New Hampshire.

Asset Allocation & Summary of Results

Total assets at the end of Fiscal Year 2023 were $11.4 billion, reflecting a $0.7 billion increase compared to $10.7 billion the prior year. The System's investment portfolio is prudently managed for the long-term in order to generate adequate returns to support benefit payments promised to members. To achieve that goal, investments are broadly diversified across the following asset classes: domestic (U.S.) and non-U.S. stocks, bonds, real estate, and alternative investments.

The target allocation and range for each asset class shown below was adopted by the Board of Trustees on May 14, 2019, based on a recommendation of the Investment Committee.

Asset Class	Target Allocation	Allocation Range	Actual Allocation at June 30, 2023*
U.S. Equity	30%	20 - 40%	33.0%
Non-U.S. Equity	20%	15 - 25%	15.6%
Fixed Income	25%	20 – 30%	19.8%
Real Estate	10%	5 – 20%	11.5%
Alternative Investments	15%	5 – 25%	19.2%

* U.S. Equity and Non-U.S. Equity have been adjusted to reflect a global equity portfolio which may opportunistically invest in each of these asset classes. Fixed Income includes cash. Refer to Appendix C for additional detail.

As illustrated in the table, as of June 30, 2023 all asset classes were within the allocation ranges.

The NHRS return was 8.0% net of fees for the Fiscal Year ended June 30, 2023 compared to the benchmark return of 7.5%. The five-year annualized net of fees return was 7.0% compared to the benchmark return of 7.0%. The ten-year annualized net of fees return was 7.9% compared to the benchmark return of 8.0%. Note that these benchmarks do not include any management fees which would be incurred if NHRS invested in the underlying indices. Compared to our peers, NHRS ranked in the top 36% and 23% for the five and ten-year trailing periods, respectively. These rankings are based on the Callan Public Fund Large Defined Benefit Gross Universe.

Over the long-term, the 25-year annualized net of fees return was 6.5%. The System's actuarial assumed rate of return is 6.75%.

Please refer to Appendix A for a detailed review of investment performance as well as market commentary.

<u>The Investment Committee</u>

The Investment Committee is responsible for investing in accordance with policies established by the NHRS Board of Trustees (Board), and making recommendations to the Board regarding asset allocation, investment consultants, and other investment policy matters. In addition, the Investment Committee is responsible for selecting investment managers, agents, and custodial banks; and reviewing performance.

The Investment Committee meets monthly and is comprised of six members: three independent voting members and an active non-voting member of the retirement system appointed by the Governor and Executive Council; and two voting members of the Board of Trustees appointed by the Chair of the Board. All members are required by statute to have significant experience in institutional investing or finance. As of June 30, 2023, the independent member was Christine Clinton, CFA; and the active member was Michael McMahon.

The two Board members serving on the Investment Committee were Maureen Kelliher, CFA (Chair); and Paul Provost, CFP ®. Brian Bickford was appointed to the Investment Committee as an independent voting member in June 2023 and began serving in July 2023. One vacancy remains for an independent voting member. Brief biographies and photographs of the Investment Committee members as of June 30, 2023 follow this report.

The Committee would like recognize a prior Committee member, Tim Lesko, for his contributions and dedicated service. Mr. Lesko served on the Committee over 5 years between January 2018 and December 2022. Mr. Lesko continues his service to the New Hampshire Retirement System as Chair of its Board of Trustees.

Investment Manual

The NHRS Investment Manual provides governance and oversight of the pension fund assets and is presented in Appendix C of this report. Highlights are listed below:

- The Investment Policy and Accountability Matrix provide a description of the roles and responsibilities of the Board, the Investment Committee, NHRS Staff, and the System's service providers;
- The Proxy Voting Policy and Securities Lending Policy provide specific guidance on these individual topics;
- The program's benchmarks and asset allocation policy are detailed along with discussions of risk management, liquidity, rebalancing and portfolio monitoring controls;
- Various considerations related to the oversight of investments are described, including the selection of service providers and use of active or passive strategies; and
- Asset class guidelines detail portfolio construction, permissible and prohibited investment vehicles, as well as concentration limits

The Board sets the assumed rate of return based on the recommendations of the System's actuary, NHRS Staff, the Investment Committee, and analysis provided by the investment consultant and other industry experts. A written opinion letter on this subject is included in this report as Appendix B.

Governance, Benchmarks and Measurement of Outcomes

The management and administration of the pension trust is a complex effort involving multiple stakeholders with distinct roles and responsibilities as described in the Investment Manual and in statute. At each regular meeting of the Board or Investment Committee, status reports are provided regarding the outcomes of various investment initiatives. Additionally, performance is reviewed versus benchmarks at the manager-level, asset class-level, and portfolio-level on a monthly and quarterly basis, as appropriate, and over various time-periods since the inception of a particular investment mandate or strategy to continually evaluate the portfolio.

NHRS continuously monitors the investment fees paid to managers and discloses alternative investment fees on an aggregate basis each quarter in compliance with the New Hampshire House Bill (HB) 173 passed in 2021. NHRS has a procedure to monitor Environmental, Social, and Governance factors for all marketable managers.

Administrative Comments

The Investment Committee meets at the System's offices monthly. Notice is provided regarding the time, agenda and location of these meetings pursuant to RSA 91-A:2, II. The Investment Committee promotes transparency regarding the investment program through these public meetings, investment materials and reports. Meeting minutes are posted on the NHRS website. Certain investment matters may require discussion in non-public session in accordance with statute. On a regular basis, the Investment Committee receives presentations from investment managers currently retained by NHRS as well as from prospective managers.

Raynald D. Leveque was the System's Chief Investment Officer for the Fiscal Year ending June 30, 2023. In this capacity, Mr. Leveque served as the primary staff liaison on investment matters. In addition, he directed all aspects of the System's investment program including the development of recommendations regarding the System's overall investment strategy and asset allocation; oversight of external portfolio managers; and promoting productive relationships with investment consultants and service providers. A biography of Mr. Leveque follows this report.

Each fiscal year, NHRS produces an Annual Comprehensive Financial Report (ACFR), which details the operation and financial condition of the retirement system. This report also includes a financial section which outlines the funded status and unfunded actuarial accrued liability, in addition to other actuarial statistics. ACFR reports are available on the System's website, www.nhrs.org.

Overview of Significant Investment Committee Initiatives during the 2023 Fiscal Year:

- Reviewed capital market expectations and asset allocation in conjunction with an asset/liability study underway
- Hired passive non-U.S. equity and fixed income managers for rebalancing and asset allocation decisions
    - Completed rebalance of the non-U.S. equity and fixed income portfolios by allocating to the passive managers
- Reviewed the long-term performance of all current marketable investment managers against their respective benchmarks and renewed their contracts, where appropriate
    - Updated public market manager contract terms from two years to five years going forward
- Approved NHRS Investment Staff's (Staff's) proposal for a Staff-driven investment manager recommendation process
- Reviewed and renewed, where appropriate, service provider/other contracts:
    - Renewed the custodial bank agreement with BNY Mellon for an additional two-year period and incorporated a private markets transparency service offered through BNY Mellon
- Approved a revised proxy voting policy which was subsequently approved by the NHRS Board of Trustees
- Reviewed and discussed the structure of the public markets portfolio
- Continued the expansion of the alternative investments program; new commitments of $130 million in aggregate were made to three private equity investment strategies.

- Performed a comprehensive review of all private debt and equity commitments made since the program's restart in 2009 and adopted an annual private debt and equity strategic plan
- Adopted an annual real estate investment plan

The Investment Committee is dedicated to achieving the best long-term investment results possible within acceptable levels of risk and consistent with prudent policies and practices.

Respectfully submitted,

Maureen Kelliher, Chair	Jan Goodwin, Executive Director
Christine Clinton	Raynald Leveque, Chief Investment Officer
Paul Provost	
Michael McMahon	

Maureen Kelliher has more than four decades of investment management experience. She has served as co-chief and chief investment officer for trust and investment management firms as well as money desk manager for several banks. She holds the Chartered Financial Analyst® (CFA®) designation and is a member of the CFA Institute. She lives in Dover.

Christine Clinton has been working in the investment management industry for more than two decades after cofounding Bluestone Wealth Management LLC. Prior to Bluestone, she worked as a Corporate Controller for several high-tech start-ups in the communications, finance and biotech industries in the Boston area. Christine is a CPA as well as a CFA® charterholder. She is a member of the CFA Institute and Boston Securities Analysts Society. She lives in Dublin.

Paul Provost is a 30-year veteran of the wealth management and trust business, he has led the wealth management businesses for local community banks in New Hampshire since 2002. He is the president of New Hampshire Trust Company (NHTrust), a subsidiary of New Hampshire Mutual Bancorp headquartered in Concord. Paul earned a bachelor's degree from the University of Vermont and a master's degree in Administrative Management from Saint Michael's College. He is a Certified Financial Planner. He also serves on the boards of the New Hampshire Higher Education Loan Corporation and the Concord Hospital Trust. He previously served as a board chair for the NH Charitable Foundation, Capital Region, and the Central New Hampshire Boys & Girls Club. He lives in Concord.

Mike McMahon has been a member of Hampton Fire Rescue for over 25 years, rising to the rank of Chief. During this time, he has served in a variety of financial and investment roles. He has spent nearly two decades in credit union leadership and is currently a director at Service Credit Union. Mike was a member of the 2017 Decennial Retirement Commission and serves in many other community leadership roles.

Raynald Leveque is the Chief Investment Officer for the New Hampshire Retirement System. Before joining New Hampshire in 2022, Raynald was the Deputy Chief Investment Officer for the State of Connecticut's $41 billion Retirement Plans and Trust Funds. Prior to the State of Connecticut, Raynald held leadership roles in strategic asset allocation, risk management and quantitative portfolio management at the $254 billion New York State Common Retirement Fund, and Invesco (formerly OppenheimerFunds). Raynald earned his master's degree in finance from Fordham University and a bachelor's degree in computer engineering from the Rochester Institute of Technology.

Callan

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www.callan.com

September 26, 2023

Board of Trustees
Investment Committee
Executive Director
The New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301-8507

Dear NHRS Fiduciaries:

Callan LLC (Callan) is pleased to provide an overview of the New Hampshire Retirement System (NHRS) investment program for the fiscal year ended June 30, 2023. Fiscal year 2023 was a very strong performing, yet volatile year for the capital markets due to a variety of factors. Recessionary fears were prevalent as the yield curve remained inverted throughout the majority of the fiscal year and inflation reached levels not seen since the early 1980's. The Federal Reserve hiked interest rates relatively aggressively in an effort to contain inflationary pressures. Investors continue to monitor the potential unintended consequences of the Fed's current Monetary Policy, including its impact on the real economy and the possibility of a recession. The regional banking crisis that took place during the third quarter of the fiscal year (March 2023) serves as an example of some of the unintended consequences of the current policy. In addition, geopolitical events, such as China's decision to move away from "zero-COVID" policies, the ongoing war in Ukraine, and the U.S. debt ceiling, for example, contributed to volatility in the capital markets. Despite these events, U.S. GDP rose during each quarter of the fiscal year and the labor market remained robust with unemployment at a generational low. Furthermore, inflation dropped significantly during the second half of the fiscal year, ending at nearly 3%, due mostly to having better balance between supply and demand dynamics in the current environment, falling food and energy prices, and the incremental impact of the Fed's Monetary Policy. The capital markets, particularly broad global equities, were resilient over the fiscal year rising by double digits. Bond indices produced mixed results, while commodities and other alternatives asset classes fared relatively poorly. With the positive momentum experienced in the capital markets, the overall portfolio (the "Fund") performed well, benefitting from active manager performance in small cap, non-US equity, alternative assets, and fixed income. From a strategic asset allocation standpoint, an underweight to fixed income contributed to performance.

NHRS follows an investment strategy designed to meet its funding requirements over the long-term. Assets are allocated efficiently to ensure that beneficiaries will receive the benefits they were promised. The Fund is managed on a total return basis, while recognizing the importance of capital preservation and prudent risk management. Additionally, the Independent Investment Committee administers the Fund in accordance with sound fiduciary standards and industry best practices. The Fund's strategic asset allocation and related objectives, parameters and specific delegation of responsibilities are explicitly defined in the Investment Policy Statement. The Independent Investment Committee (IIC) manages the investment program pursuant to the investment policy, develops asset class guidelines, monitors and evaluates performance, and makes decisions regarding the retention or termination of asset managers. The investment manual includes all investment policies and asset class guidelines and may be obtained from the NHRS website at www.nhrs.org. The following pages report on the performance and attributes of the investment program for fiscal year 2023.

Market Review for the Year Ended June 30, 2023

The market volatility experienced over the fiscal year reflected fluctuations in risk sentiment amid an array of systemic risk factors, including yields, inflation, China's "zero-COVID" policies, the U.S. debt ceiling, the implications of the war between Russia and Ukraine, as well as other issues impacting the global markets. Risk assets performed poorly over the first quarter of the fiscal year, but rebounded strongly during the final three quarters. U.S. GDP readings were positive throughout the fiscal year, rising 3.2%, 2.6%, 2.0% and 2.4% over the first, second, third, and fourth quarters, respectively. Strong GDP growth results were driven by a robust labor market as well as a significant decline in inflationary pressures. Price reductions have been broad-based in the U.S., but primarily driven by the food and energy sectors. U.S. equities outperformed developed non-U.S. equities over the fiscal year. The S&P 500 Index rose 19.6% over the fiscal year while the MSCI EAFE Index rose 18.8%. Emerging markets equities, as measured by the MSCI Emerging Markets Index, returned 1.8%, underperforming both U.S. and non-U.S. developed markets equities. Within emerging markets, China detracted the most as concerns surrounding China's real estate sector and poor economic data impacted investor sentiment. Fixed income markets were challenged, as inflation drove the 10-year U.S. Treasury yield over 4% for the first time since 2011. The Bloomberg U.S. Aggregate Bond Index returned -0.9% over the fiscal year.

NHRS Investment Portfolio Review

For the fiscal year ended June 30, 2023, the NHRS Total Fund returned 8.0%, net of investment management fees (or "net"), and outperformed the Total Fund Benchmark return of 7.5%. The Fund posted a return of 8.6%, gross of investment management fees (or "gross"), ranking in the 44th percentile relative to peers in Callan's Large Defined Benefit Public Fund Universe, which consisted of 85 constituents as of June 30, 2023. The Fund's success over the fiscal year was primarily attributable to strong relative performance from the non-U.S. equity, alternative assets (private equity and private debt), fixed income, and small cap components of the portfolio. An underweight to fixed income also contributed to results. For the trailing three-year period, the Fund returned 9.5% (net), ranking in the 26th percentile of its peers (peer group rankings are measured gross of investment management fees). For the trailing five-year period, the Fund returned 7.0% (net), ranking near the top third of the peer group (36th percentile). For the trailing ten-year period, the Fund returned 7.9% (net), ranking in the 23rd percentile of its peers, and for the trailing twenty-five year period, the Fund returned 6.5% (net), below the current assumed rate of return of 6.75% but ranked in the 39th percentile of its peers.

During fiscal year 2023, the IIC engaged in the following activities:

- **Asset Allocation:** Reevaluated the Fund's strategic asset allocation, with an emphasis on understanding the impact of increasing exposure to alternatives given liquidity concerns;
- **Rebalancing:** NHRS Staff worked with the IIC to rebalance the portfolio, with an emphasis on the Fund's fixed income and non-U.S. positions to bring the allocations back within acceptable IPS parameters;
- **Structural modifications:** NHRS Staff introduced two passive exposures (BlackRock Superfund – Non-U.S. Equity and Mellon U.S. Aggregate Bond Index – Fixed Income) and terminated one of the emerging markets active managers due to performance concerns – Neuberger Berman;
- **Alternative Assets Portfolio Pacing and Implementation:** Continued to implement the approved allocations within the Alternative Assets portfolio.

Callan LLC provides NHRS with strategic planning, implementation, performance monitoring services, and on-going research and education on a variety of relevant topics for institutional investors. The investment performance analysis produced by Callan has been developed using performance evaluation methodologies that are consistent with industry best practices. The performance results presented in this letter are calculated using a time-weighted returns and are reported both net of investment management fees, as well as gross of fees.

Sincerely,

Angel Haddad
Senior Vice President

Britton M. Murdoch
Vice President

Investment Performance Review – Fiscal Year 2023

Overview

For the fiscal year ended June 30, 2023, the NHRS Total Fund returned 8.0%, net of investment management fees (or “net”), and outperformed the Total Fund Benchmark return of 7.5%. The Fund posted a return of 8.6%, gross of investment management fees (or “gross”), ranking in the 44th percentile relative to peers in Callan’s Large Defined Benefit Public Fund Universe, which consisted of 85 constituents as of June 30, 2023. The Fund’s success over the fiscal year was primarily attributable to strong relative performance from the non-U.S. equity, alternative assets (private equity and private debt), fixed income, and small cap components of the portfolio. An underweight to fixed income also contributed to results.

U.S. Equity Markets

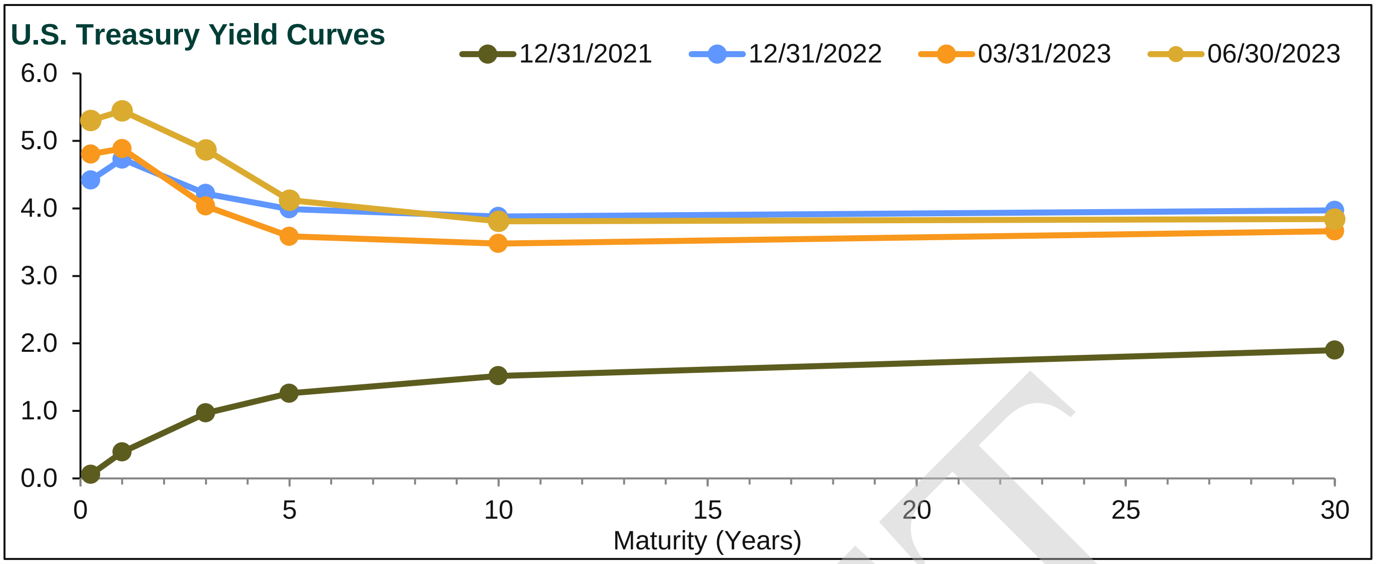
U.S. stocks registered a return of 19.6% over the fiscal year, as measured by the S&P 500 Index. The annualized return over the past 10 years was 12.9%. Most of the sectors represented in the index produced positive returns over the fiscal year, led by the Information Technology, Industrials, and Consumer Discretionary sectors. Real Estate and Utilities were the only sectors to produce negative returns over the fiscal year. Growth stocks outperformed value stocks over the period, with value slightly in favor over the first half of the fiscal year and growth stocks heavily in favor over the second half. Small cap stocks produced strong absolute returns but underperformed large cap stocks over the period, returning 12.3%, as measured by the Russell 2000 Index.

Non-U.S. Equities

Developed non-U.S. equities and emerging market equities produced positive returns during the fiscal year. The strong U.S. dollar began to depreciate versus other currencies starting in September 2022, contributing to strong non-U.S. equity performance. For the fiscal year, developed non-U.S. equities significantly outperformed emerging markets. China posted particularly weak returns over the fiscal year, -16.8% as measured by the MSCI China Index, due to multiple challenges including deteriorating exports, a high youth unemployment rate, a distressed property market, and languishing domestic demand. For the one-year period ended June 30, 2023, developed non-U.S. equity markets, as measured by the MSCI EAFE Index, posted a return of 18.8% and emerging markets, as measured by MSCI Emerging Markets Index, posted a return of 1.8%.

Fixed Income

The fiscal year began with heightened inflation levels near 9%, spurring the Fed to raise interest rates at near historic levels and contributing to systematic issues such as regional banking failures in the U.S. The rising rate environment proved challenging for fixed income investing over the fiscal year with the Bloomberg Aggregate declining 0.9%. However, negative returns were limited to higher quality U.S. securities with high yield and global bond indices producing positive performance. The 10-year U.S. Treasury yield remained at high levels relative to recent history during fiscal year 2023, beginning at 3.01% as of June 30, 2022, and ending at 3.81% as of June 30, 2023. The yield curve remained inverted throughout the vast majority of the fiscal year signaling potential recession.



Real Estate and Alternative Investments

The real estate market returned -10.5% for the fiscal year, as measured by the NCREIF ODCE Index, with depreciation of 13% and income returns of 2.5%. During the fiscal year, ODCE redemption queues steadily increased and transaction volume steadily decreased each quarter. Real estate valuations are reflective of higher interest rates, which have put upward pressure on capitalization rate and discount rate assumptions. Income returns remained positive throughout each quarter of the fiscal year across all sectors. Underperformance was broadly spread across region and property types. The Office sector performed the worst, depreciating close to 20% while Hotels were the only sector to produce positive performance over the fiscal year.

Alternative investments posted negative returns for the fiscal year. After experiencing severe declines in public equity performance during fiscal year 2022, private equity investors were bracing for and experienced a more challenging return environment compared to the public markets. Over the fiscal year, tech-heavy venture capital and growth equity strategies declined more than buyouts and other corporate finance strategies. Fundraising over the first half of 2023 was behind levels reached during the first half of 2022 by approximately 62% in venture capital and 26% in buyouts.

NHRS Asset Class Highlights

NHRS Asset Class	FY 2023 Return (Net of Fees)
Total Fund	**7.98%**
Total Fund Custom Index	*7.50%*
Total Domestic Equity	**17.25%**
US Equity Index	*18.95%*
Total Non-US Equity	**19.01%**
Non-US Equity Index	*12.72%*
Total Fixed Income	**1.43%**
Fixed Income Benchmark	*-0.04%*
Total Real Estate	**-5.19%**
Real Estate Benchmark	*-3.91%*
Total Alternatives	**1.27%**
Alternative Assets Benchmark	*-3.69%*

The NHRS Total Domestic Equity portfolio, comprised of both passive and actively managed portfolios, returned 17.3% (net), underperforming the strategic benchmark (Russell 3000 Index) by 170 basis points over fiscal year 2023. The Domestic Equity portfolio's passive large cap exposure had a 19.4% return compared to 12.9% for the small/mid-cap composite and 15.2% for the small cap composite. The small/mid-cap composite outperformed its Russell 2500 benchmark and the small cap composite underperformed its Russell 2000 benchmark.

The NHRS Total Non-U.S. Equity portfolio, which is comprised of both passive and actively managed portfolios with exposures to both developed and emerging markets, returned 19.0% (net). The Non-U.S. Equity portfolio outperformed its benchmark by 629 basis points during the fiscal year as all active core non-US equity, emerging market equities, and non-US small cap equity managers outperformed their respective benchmarks.

The NHRS Total Fixed Income portfolio is comprised of passive and broadly diversified actively managed portfolios, including domestic and international exposures. This aggregate portfolio had a 1.4% return (net), outperforming the Total Fixed Income Index return by 147 basis points. An overweight to lower quality and higher yielding issues relative to the Bloomberg Universal Index had a positive impact on relative performance. Exposure to non-U.S. issues also impacted relative performance, as non-U.S. bonds outperformed their U.S. counterparts over the fiscal year.

The NHRS Real Estate portfolio returned -5.2% (net), underperforming its benchmark return of -3.9%. Underperformance was driven by the Core Real Estate allocation within the portfolio; however, the Non-Core portfolio contributed to relative results.

Lastly, for fiscal year 2023, the Alternative Investments portfolio generated a return of 1.3% (net) while its benchmark returned -3.7%. Outperformance was driven by both the private equity and private debt allocations within the portfolio.

Investment Market Update (by asset type)

Index Summary (6/30/23)	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Equity Indices				
S&P 500 Index	19.6%	14.6%	12.3%	12.9%
Russell 1000 Index	19.4%	14.1%	11.9%	12.6%
Russell 1000 Growth Index	27.1%	13.7%	15.1%	15.7%
Russell 1000 Value Index	11.5%	14.3%	8.1%	9.2%
Russell 2000 Index	12.3%	10.8%	4.2%	8.3%
Russell 2000 Growth Index	18.5%	6.1%	4.2%	8.8%
Russell 2000 Value Index	6.0%	15.4%	3.5%	7.3%
Russell 2500 Index	13.6%	12.3%	6.6%	9.4%
Russell 3000 Index	19.0%	13.9%	11.4%	12.3%
MSCI ACWI Index	16.5%	11.0%	8.1%	8.8%
MSCI ACWI ex US Index	12.7%	7.2%	3.5%	4.8%
MSCI EAFE Index	18.8%	8.9%	4.4%	5.4%
MSCI EAFE Growth Index	20.2%	6.3%	5.4%	6.4%
MSCI EAFE Value Index	17.4%	11.3%	2.9%	4.2%
MSCI Europe Index	21.8%	10.7%	5.2%	5.7%
MSCI Japan Index	18.1%	5.7%	3.1%	5.2%
MSCI Pacific ex JPN Index	5.9%	6.5%	2.7%	4.3%
MSCI EM Index	1.8%	2.3%	0.9%	3.0%
Fixed Income Indices				
Bloomberg Aggregate Index	-0.9%	-4.0%	0.8%	1.5%
Bloomberg Gov't/Credit Index	-0.7%	-4.1%	1.0%	1.7%
Bloomberg TIPS Index	-1.4%	-0.1%	2.5%	2.1%
Bloomberg High Yield Corporate Index	9.1%	3.1%	3.4%	4.4%
S&P LSTA Leveraged Loan 100 Index	11.8%	5.4%	4.0%	3.7%
Bloomberg Global Aggregate Index	-1.3%	-5.0%	-1.1%	0.2%
Bloomberg High Yield Muni Index	2.9%	1.8%	2.8%	4.2%
JPM EMBI Global Diversified Index	7.4%	-3.1%	0.6%	2.8%
JPM GBI-EM Global Diversified Index	11.4%	-1.4%	0.3%	-0.6%
Other Indices				
Bloomberg Commodity Price Index	-13.3%	16.0%	3.0%	-2.0%
S&P GSCI Index	-14.2%	25.1%	2.8%	-3.5%
Alerian MLP Index	30.5%	30.7%	6.2%	0.9%
FTSE NAREIT Composite Index	-4.3%	6.2%	4.4%	6.6%
NCREIF NFI-ODCE Equal Weight Net Index	-10.5%	7.6%	6.1%	8.1%

Investment Market Update (sorted by best to worst 1-year performance)

Index Summary (6/30/23)	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Alerian MLP Index	30.5%	30.7%	6.2%	0.9%
Russell 1000 Growth Index	27.1%	13.7%	15.1%	15.7%
MSCI Europe Index	21.8%	10.7%	5.2%	5.7%
MSCI EAFE Growth Index	20.2%	6.3%	5.4%	6.4%
S&P 500 Index	19.6%	14.6%	12.3%	12.9%
Russell 1000 Index	19.4%	14.1%	11.9%	12.6%
Russell 3000 Index	19.0%	13.9%	11.4%	12.3%
MSCI EAFE Index	18.8%	8.9%	4.4%	5.4%
Russell 2000 Growth Index	18.5%	6.1%	4.2%	8.8%
MSCI Japan Index	18.1%	5.7%	3.1%	5.2%
MSCI EAFE Value Index	17.4%	11.3%	2.9%	4.2%
MSCI ACWI Index	16.5%	11.0%	8.1%	8.8%
Russell 2500 Index	13.6%	12.3%	6.6%	9.4%
MSCI ACWI ex US Index	12.7%	7.2%	3.5%	4.8%
Russell 2000 Index	12.3%	10.8%	4.2%	8.3%
S&P LSTA Leveraged Loan 100 Index	11.8%	5.4%	4.0%	3.7%
Russell 1000 Value Index	11.5%	14.3%	8.1%	9.2%
JPM GBI-EM Global Diversified Index	11.4%	-1.4%	0.3%	-0.6%
Bloomberg High Yield Corporate Index	9.1%	3.1%	3.4%	4.4%
JPM EMBI Global Diversified Index	7.4%	-3.1%	0.6%	2.8%
Russell 2000 Value Index	6.0%	15.4%	3.5%	7.3%
MSCI Pacific ex JPN Index	5.9%	6.5%	2.7%	4.3%
Bloomberg High Yield Muni Index	2.9%	1.8%	2.8%	4.2%
MSCI EM Index	1.8%	2.3%	0.9%	3.0%
Bloomberg Gov't/Credit Index	-0.7%	-4.1%	1.0%	1.7%
Bloomberg Aggregate Index	-0.9%	-4.0%	0.8%	1.5%
Bloomberg Global Aggregate Index	-1.3%	-5.0%	-1.1%	0.2%
Bloomberg TIPS Index	-1.4%	-0.1%	2.5%	2.1%
FTSE NAREIT Composite Index	-4.3%	6.2%	4.4%	6.6%
NCREIF NFI-ODCE Equal Weight Net Index	-10.5%	7.6%	6.1%	8.1%
Bloomberg Commodity Price Index	-13.3%	16.0%	3.0%	-2.0%
S&P GSCI Index	-14.2%	25.1%	2.8%	-3.5%

S&P 500 Sectors (sorted by best to worst 1-year performance)

Sector	Benchmark Weight (%) as of 6/30/23	Benchmark Return (%) as of 6/30/23
Information Technology	28.3%	40.3%
Industrials	8.5%	25.2%
Consumer Discretionary	10.7%	24.7%
Energy	4.1%	18.8%
Communication Services	8.4%	17.3%
Materials	2.5%	15.1%
Financial	12.4%	9.5%
Consumer Staples	6.7%	6.6%
Health Care	13.4%	5.4%
Utilities	2.6%	-3.7%
Real Estate	2.5%	-4.1%

Note: Figures may not add up to exactly 100% due to rounding.

Summary

Consistent with Callan's most recent asset allocation study, we believe that the Fund's current asset allocation target is appropriate to meet its long-term return objectives. However, as part of its on-going monitoring process, NHRS Staff is evaluating opportunities to diversify away from equity beta risk in an effort to enhance risk-adjusted returns going forward. To this end, NHRS Staff is reevaluating the Fund's strategic asset allocation for the Board's review. The overall manager structure of the portfolio is stable. Overall, the Fund exhibits competitive performance relative to objectives over the long-term.

September 29, 2023

Board of Trustees
New Hampshire Retirement System
54 Regional Drive
Concord, New Hampshire 03301

Re: Reasonableness of the Assumed Rate of Return

Dear Board Members:

The purpose of this letter is to provide our actuarial opinion regarding the reasonableness of the assumed rate of return for the New Hampshire Retirement System and to address any differences between the assumed rate of return and the expected rate of return under the System's investment policy statement as required under New Hampshire statute.

Background:

The requirement under New Hampshire statute is as follows:

RSA 100-A:15 VII.

(c) An annual investment policy statement which shall incorporate the following:

(1) A clear statement of investment objectives including the adoption of a reasonable and sound expected rate of return the retirement system is attempting to earn. The expected rate of return utilized for the statement of investment objectives shall bear some reasonable relationship to the assumed rate of return set by the trustees for the biennial actuarial calculation. *The retirement system's actuaries shall issue a written opinion in regard to the reasonableness of the assumed rate of return that shall address any difference between the assumed rate of return and the expected rate of return.*

We understand the current asset allocation targets and ranges, adopted by the Board of Trustees in September 2012, are based on asset liability modeling and asset allocation recommendations from investment consultants. The Independent Investment Committee reviewed, in March of this year, the results of asset/liability and asset allocation studies and confirmed the asset allocation targets and ranges remain appropriate. Based on the 2023 capital market assumptions, Callan has indicated the following expectations for NHRS' current asset allocation:

- During the next 10-year period:
  - The expected rate of return is 7.25% per year;
  - The standard deviation is 13.05% per year; and
  - The implicit price inflation rate is 2.50% per year.

- During the next 30-year period:
  - The expected rate of return is 7.80% per year;
  - The standard deviation is 13.05% per year; and
  - The implicit price inflation rate is 2.50% per year.

In determining the assumed rate of return for the actuarial valuation, we abide by Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations, as adopted by the Actuarial Standards Board.

Under ASOP No. 27, we determine a reasonable assumption for each economic assumption. The reasonable assumption must be appropriate for the purpose of the measurement, reflect the actuary's professional judgement, take into account relevant historical and current demographic data, reflect the actuary's estimate of future experience or the estimates inherent in the market data and have no significant bias. For the investment return assumption, our analysis is based on forward-looking measures of expected investment return outcomes for the asset classes in the System's current investment policy.

For purposes of this analysis, we have analyzed the System's investment policy with the capital market assumptions from twelve nationally recognized investment firms and the 2023 GRS Capital Market Assumption Modeler (CMAM). The capital market assumptions in the 2023 CMAM are from the following investment firms (in alphabetical order): Aon Hewitt, Blackrock, BNY Mellon, Callan, Cambridge, JPMorgan, Meketa, Mercer, NEPC, RVK, Verus, and Wilshire. Eleven of these firms provide capital market expectations for a 10-year horizon, seven of them provide expectations for longer horizons of 20-30 years. Capital market expectations can vary significantly from year to year and often are contrarian. The financial markets at the end of 2022 were not particularly strong resulting in higher expectations in 2023 than in prior years. To adjust for year-to-year fluctuations, we also compare results to the three-year average of GRS CMAMs.

Our analysis is based on the GRS 2023 CMAM. The purpose of the CMAM is to assess the reasonability of the assumed rate of return for use in the actuarial valuations for the plan. In our professional judgment, the CMAM has the capability to provide results that are consistent with this purpose. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training, and Processes Team who developed and maintain the model.

Actuarial Opinion:

For the June 30, 2023 valuation, the actuarial assumed rate of return is made up of a price inflation assumption of 2.00% and a real rate of return assumption of 4.75% for a total of 6.75% per year, net of investment expenses. This assumption was adopted by the Board to be effective in the June 30, 2019 valuation based on the 2015-2019 Experience Study.

Based on our independent analysis using NHRS' target asset allocation and the 2023 CMAM, the median rate of return is 6.60% over a 10-year horizon. As discussed, this year's expectations are higher than prior years. The three-year average median over a 10-year horizon is 5.67%.

Over the longer horizon of 20-30 years, the median rate of return is 6.78%. The 3-year average median over the longer horizon is 6.46%. The current NHRS net investment rate assumption of 6.75% is reasonable when compared to our 2023 CMAM medians of 6.60% - 6.78% and Callan's 7.25% - 7.80% current estimates for the expected rate of return.

It should be noted that due to the methods utilized by the GRS CMAM, differences in the underlying inflation assumption between the actuarial valuation (2.0%) and Callan's (2.50%) result in expected returns that may not be directly comparable. For example, if Callan's inflation assumption of 2.50% was used in our analysis, the expected returns discussed above based on the 2023 GRS CMAM would be approximately 0.50% higher.

Differences between the expected rate of return in the System's Investment Policy and the actuarial assumed rate of return are attributable in part to the different objectives of the measurement. Key differences are:

- The Investment Policy focuses on asset allocation decisions and establishes benchmarks for manager performance. The assumed rate of return is a long-term assumption for funding policy.
- The Investment Horizon of 10 years in the Investment Policy is based on a shorter time frame than used to determine the assumed rate of return which can be 20-30 years or longer. When focusing on the 20- 30-year time horizon, the policy and the actuarial assumption produce similar expected returns.

Given the purpose and use of the different assumptions, different results are not uncommon. Under the current actuarial standard of practice, the current assumed rate of return for valuation purposes is reasonable and, therefore, meets the requirements of those standards.

Governmental Accounting Standards Board (GASB) Statement No. 67:

The statutory funding requirements of RSA 100-A:16 and the NHRS' Actuarial Funding Policy call for the NHRS pension unfunded actuarial accrued liability as of June 30, 2017 to be amortized through 2039. Each subsequent change in liability as calculated in odd-numbered years shall be separately amortized over a fixed period of no longer than 20 years. Based on this, the GASB discount rate will be equal to the assumed rate of investment return of 6.75%.

Jeffrey T. Tebeau, Heidi G. Barry, and Casey T. Ahlbrandt-Rains are independent of the plan sponsor, are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Jeffrey T. Tebeau, FSA, EA, FCA, MAAA

Heidi G. Barry, ASA, FCA, MAAA

Casey T. Ahlbrandt-Rains, ASA, MAAA

JTT/HGB/CTA:dj

Callan

August 31, 2023

New Hampshire Retirement System

Investment Measurement Service Monthly Review

The table below details the rates of return for the fund's asset classes over various time periods ended August 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 August 31, 2023									
Composite	**Total Fund Weighting As of 8/31/2023**	**Last Month**	**Last 3 Months**	**FYTD**	**CYTD**	**LTM**	**3-YR**	**5-YR**	**10-YR**
Total Domestic Equity	**30.86%**	**-2.13%**	**8.78%**	**1.52%**	**14.77%**	**12.85%**	**10.80%**	**8.64%**	**11.05%**
Domestic Equity Benchmark(1)		*-1.93%*	*8.52%*	*1.59%*	*18.01%*	*14.76%*	*8.98%*	*10.19%*	*12.32%*
Excess Return		*-0.20%*	*0.26%*	*-0.07%*	*-3.24%*	*-1.91%*	*1.82%*	*-1.54%*	*-1.27%*
Total Non US Equity	**18.16%**	**-2.62%**	**4.95%**	**-0.18%**	**13.46%**	**18.60%**	**4.52%**	**3.80%**	**4.80%**
Non US Equity Benchmark(2)		*-4.52%*	*3.82%*	*-0.63%*	*8.78%*	*11.89%*	*3.99%*	*3.33%*	*4.38%*
Excess Return		*1.89%*	*1.13%*	*0.46%*	*4.68%*	*6.71%*	*0.54%*	*0.47%*	*0.42%*
Total Fixed Income	**19.69%**	**-0.93%**	**-0.24%**	**-0.47%**	**2.34%**	**0.59%**	**-2.53%**	**1.46%**	**2.27%**
Bloomberg Capital Universe Bond Index		*-0.60%*	*-0.66%*	*-0.50%*	*1.81%*	*-0.39%*	*-3.96%*	*0.74%*	*1.77%*
Excess Return		*-0.33%*	*0.42%*	*0.04%*	*0.53%*	*0.98%*	*1.44%*	*0.72%*	*0.50%*
Total Cash	**0.94%**	**0.45%**	**1.32%**	**0.90%**	**3.30%**	**4.46%**	**1.64%**	**1.74%**	**1.15%**
3-Month Treasury Bill		*0.45%*	*1.31%*	*0.85%*	*3.13%*	*4.25%*	*1.55%*	*1.65%*	*1.07%*
Excess Return		*0.00%*	*0.01%*	*0.04%*	*0.18%*	*0.20%*	*0.09%*	*0.09%*	*0.08%*
Total Real Estate (Q1)*	**11.36%**	**-0.13%**	**-2.87%**	**-0.34%**	**-6.47%**	**-5.32%**	**12.21%**	**9.44%**	**11.03%**
Real Estate Benchmark(3)		*-0.97%*	*-3.05%*	*-1.93%*	*-10.14%*	*-8.52%*	*7.18%*	*5.89%*	*8.02%*
Excess Return		*0.84%*	*0.18%*	*1.59%*	*3.67%*	*3.20%*	*5.03%*	*3.55%*	*3.01%*
Total Private Equity (Q1)*	**14.14%**	**-0.01%**	**1.45%**	**0.13%**	**2.53%**	**0.34%**	**18.59%**	**13.11%**	**12.20%**
Private Equity Benchmark(4)		*0.55%*	*4.61%*	*1.77%*	*17.97%*	*4.62%*	*15.41%*	*14.07%*	*15.56%*
Excess Return		*-0.56%*	*-3.17%*	*-1.64%*	*-15.44%*	*-4.29%*	*3.18%*	*-0.96%*	*-3.35%*
Total Private Debt (Q1)*	**4.86%**	**-0.01%**	**1.21%**	**0.00%**	**2.75%**	**4.14%**	**8.19%**	**5.20%**	**6.62%**
Private Debt Benchmark(5)		*-0.62%*	*1.12%*	*0.54%*	*8.49%*	*4.05%*	*3.76%*	*3.03%*	*6.40%*
Excess Return		*0.61%*	*0.10%*	*-0.55%*	*-5.74%*	*0.09%*	*4.43%*	*2.17%*	*0.21%*
Total Fund Composite	**100.00%**	**-1.34%**	**3.33%**	**0.33%**	**6.72%**	**6.54%**	**7.69%**	**6.65%**	**7.74%**
Total Fund Benchmark(6)		*-1.71%*	*3.37%*	*0.26%*	*8.66%*	*6.77%*	*5.28%*	*6.51%*	*7.78%*
Excess Return		*0.37%*	*-0.03%*	*0.07%*	*-1.94%*	*-0.22%*	*2.41%*	*0.14%*	*-0.04%*

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

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

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

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

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

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

(7) For the trailing 25 year period ended 8/31/23, the Total Fund has returned 6.53% versus the Total Fund Custom Benchmark return of 6.99%.

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

FYTD *Fiscal Year to Date*
CYTD *Calendar Year to Date*
LTM *Last Twelve Months*

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

Composite	Total Fund Weighting As of 8/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
		Net of Fees Returns for Periods Ended August 31, 2023							
Total Domestic Equity	**30.86%**	**-2.13%**	**8.78%**	**1.52%**	**14.77%**	**12.85%**	**10.80%**	**8.64%**	**11.05%**
Domestic Equity Benchmark(1)		*-1.93%*	*8.52%*	*1.59%*	*18.01%*	*14.76%*	*8.98%*	*10.19%*	*12.32%*
Excess Return		*-0.20%*	*0.26%*	*-0.07%*	*-3.24%*	*-1.91%*	*1.82%*	*-1.54%*	*-1.27%*
Large Cap Domestic Equity	**17.85%**	**-1.58%**	**8.28%**	**1.58%**	**18.56%**	**15.78%**	**10.44%**	**10.12%**	**11.86%**
S&P 500 Index		*-1.59%*	*8.28%*	*1.57%*	*18.73%*	*15.94%*	*10.52%*	*11.12%*	*12.81%*
Excess Return		*0.01%*	*0.00%*	*0.01%*	*-0.17%*	*-0.17%*	*-0.08%*	*-1.01%*	*-0.95%*
BlackRock S&P 500	**17.85%**	**-1.58%**	**8.28%**	**1.58%**	**18.56%**	**15.78%**	**10.44%**	**11.06%**	**12.77%**
S&P 500 Index		*-1.59%*	*8.28%*	*1.57%*	*18.73%*	*15.94%*	*10.52%*	*11.12%*	*12.81%*
Excess Return		*0.01%*	*0.00%*	*0.01%*	*-0.17%*	*-0.17%*	*-0.08%*	*-0.06%*	*-0.03%*
Smid Cap Domestic Equity	**5.67%**	**-2.84%**	**9.72%**	**1.42%**	**9.98%**	**7.17%**	**11.42%**	**5.40%**	**8.90%**
Russell 2500 Index		*-3.93%*	*9.44%*	*0.85%*	*9.72%*	*6.64%*	*9.52%*	*5.43%*	*9.13%*
Excess Return		*1.08%*	*0.28%*	*0.57%*	*0.27%*	*0.53%*	*1.90%*	*-0.03%*	*-0.23%*
AllianceBernstein	**3.50%**	**-2.82%**	**10.18%**	**1.13%**	**10.90%**	**7.42%**	**9.29%**	**5.54%**	**9.59%**
Russell 2500 Index		*-3.93%*	*9.44%*	*0.85%*	*9.72%*	*6.64%*	*9.52%*	*5.43%*	*9.13%*
Excess Return		*1.11%*	*0.74%*	*0.28%*	*1.18%*	*0.78%*	*-0.23%*	*0.11%*	*0.46%*
TSW	**2.17%**	**-2.88%**	**8.99%**	**1.88%**	**8.54%**	**6.78%**	**15.25%**	**5.24%**	**7.87%**
TSW Blended Benchmark (2)		*-3.85%*	*10.83%*	*1.79%*	*7.72%*	*5.74%*	*13.91%*	*5.19%*	*9.00%*
Excess Return		*0.97%*	*-1.84%*	*0.10%*	*0.82%*	*1.04%*	*1.33%*	*0.06%*	*-1.14%*
Small Cap Domestic Equity	**7.33%**	**-2.91%**	**9.28%**	**1.45%**	**9.20%**	**9.97%**	**11.89%**	**7.67%**	**10.33%**
Russell 2000 Index		*-5.00%*	*9.00%*	*0.81%*	*8.96%*	*4.65%*	*8.12%*	*3.14%*	*7.96%*
Excess Return		*2.10%*	*0.27%*	*0.65%*	*0.24%*	*5.32%*	*3.77%*	*4.53%*	*2.37%*
Boston Trust	**1.95%**	**-2.96%**	**8.26%**	**1.29%**	**5.76%**	**9.30%**	**14.57%**	**8.36%**	**10.11%**
Russell 2000 Index		*-5.00%*	*9.00%*	*0.81%*	*8.96%*	*4.65%*	*8.12%*	*3.14%*	*7.96%*
Excess Return		*2.04%*	*-0.74%*	*0.49%*	*-3.19%*	*4.65%*	*6.45%*	*5.22%*	*2.15%*
Segall Bryant & Hamill	**2.02%**	**-2.12%**	**9.84%**	**1.55%**	**7.13%**	**11.02%**	**11.71%**	**8.07%**	**9.71%**
Russell 2000 Index		*-5.00%*	*9.00%*	*0.81%*	*8.96%*	*4.65%*	*8.12%*	*3.14%*	*7.96%*
Excess Return		*2.88%*	*0.83%*	*0.75%*	*-1.83%*	*6.37%*	*3.59%*	*4.93%*	*1.75%*
Wellington	**3.37%**	**-3.34%**	**9.53%**	**1.49%**	**12.61%**	**9.74%**	**10.55%**	**7.07%**	**10.86%**
Russell 2000 Index		*-5.00%*	*9.00%*	*0.81%*	*8.96%*	*4.65%*	*8.12%*	*3.14%*	*7.96%*
Excess Return		*1.66%*	*0.53%*	*0.68%*	*3.65%*	*5.09%*	*2.43%*	*3.93%*	*2.90%*

(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.

FYTD *Fiscal Year to Date*
CYTD *Calendar Year to Date*
LTM *Last Twelve Months*

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

Composite	Total Fund Weighting As of 8/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
	Net of Fees Returns for Periods Ended August 31, 2023								
Total Non US Equity	**18.16%**	**-2.62%**	**4.95%**	**-0.18%**	**13.46%**	**18.60%**	**4.52%**	**3.80%**	**4.80%**
Non US Equity Benchmark (1)		*-4.52%*	*3.82%*	*-0.63%*	*8.78%*	*11.89%*	*3.99%*	*3.33%*	*4.38%*
Excess Return		*1.89%*	*1.13%*	*0.46%*	*4.68%*	*6.71%*	*0.54%*	*0.47%*	*0.42%*
Core Non US Equity	**11.06%**	**-2.48%**	**4.80%**	**0.08%**	**14.17%**	**22.80%**	**6.30%**	**3.89%**	**4.29%**
Core Non US Benchmark (2)		*-4.52%*	*3.82%*	*-0.63%*	*8.78%*	*11.89%*	*3.99%*	*3.33%*	*4.38%*
Excess Return		*2.04%*	*0.98%*	*0.71%*	*5.39%*	*10.91%*	*2.31%*	*0.56%*	*-0.09%*
Aristotle	**1.43%**	**-3.71%**	**3.95%**	**-0.62%**	**12.04%**	**15.84%**	**-**	**-**	**-**
MSCI EAFE		*-3.83%*	*3.80%*	*-0.72%*	*10.87%*	*17.92%*	-	-	-
Excess Return		*0.12%*	*0.15%*	*0.09%*	*1.17%*	*-2.08%*	-	-	-
Artisan Partners	**3.14%**	**-1.07%**	**5.36%**	**0.59%**	**11.06%**	**19.02%**	**1.02%**	**3.96%**	**-**
MSCI EAFE		*-3.83%*	*3.80%*	*-0.72%*	*10.87%*	*17.92%*	*6.05%*	*4.14%*	-
Excess Return		*2.76%*	*1.56%*	*1.31%*	*0.20%*	*1.10%*	*-5.03%*	*-0.18%*	-
BlackRock SuperFund	**1.56%**	**-4.51%**	**3.87%**	**-0.65%**	**-**	**-**	**-**	**-**	**-**
MSCI ACWI Ex-US		*-4.52%*	*3.82%*	*-0.63%*	-	-	-	-	-
Excess Return		*0.00%*	*0.04%*	*-0.01%*	-	-	-	-	-
Causeway Capital	**3.59%**	**-2.08%**	**5.87%**	**0.90%**	**21.50%**	**35.54%**	**14.31%**	**6.55%**	**-**
MSCI EAFE		*-3.83%*	*3.80%*	*-0.72%*	*10.87%*	*17.92%*	*6.05%*	*4.14%*	-
Excess Return		*1.75%*	*2.07%*	*1.62%*	*10.64%*	*17.62%*	*8.26%*	*2.41%*	-
Lazard	**1.35%**	**-3.05%**	**2.77%**	**-1.66%**	**10.35%**	**14.63%**	**-**	**-**	**-**
MSCI EAFE		*-3.83%*	*3.80%*	*-0.72%*	*10.87%*	*17.92%*	-	-	-
Excess Return		*0.78%*	*-1.03%*	*-0.94%*	*-0.52%*	*-3.30%*	-	-	-
Emerging Markets	**1.43%**	**-5.76%**	**6.31%**	**0.19%**	**6.62%**	**5.00%**	**-3.63%**	**-0.25%**	**2.11%**
MSCI EM		*-6.16%*	*3.47%*	*-0.32%*	*4.55%*	*1.25%*	*-1.39%*	*0.98%*	*2.99%*
Excess Return		*0.40%*	*2.85%*	*0.50%*	*2.06%*	*3.75%*	*-2.24%*	*-1.23%*	*-0.88%*
Wellington Emerging Markets	**1.43%**	**-5.76%**	**5.75%**	**0.19%**	**4.31%**	**4.58%**	**-3.70%**	**-0.06%**	**3.47%**
MSCI EM		*-6.16%*	*3.47%*	*-0.32%*	*4.55%*	*1.25%*	*-1.39%*	*0.98%*	*2.99%*
Excess Return		*0.40%*	*2.28%*	*0.50%*	*-0.24%*	*3.33%*	*-2.32%*	*-1.05%*	*0.48%*
Non US Small Cap	**1.10%**	**-4.12%**	**4.12%**	**0.26%**	**8.36%**	**13.84%**	**0.75%**	**-3.52%**	**0.50%**
MSCI EAFE Small Cap		*-3.33%*	*3.88%*	*0.96%*	*6.54%*	*9.18%*	*2.39%*	*1.53%*	*5.67%*
Excess Return		*-0.79%*	*0.24%*	*-0.69%*	*1.82%*	*4.67%*	*-1.64%*	*-5.05%*	*-5.17%*
Wellington Int'l Small Cap Research	**1.10%**	**-4.12%**	**4.12%**	**0.26%**	**8.36%**	**13.84%**	**-**	**-**	**-**
MSCI EAFE Small Cap		*-3.33%*	*3.88%*	*0.96%*	*6.54%*	*9.18%*	-	-	-
Excess Return		*-0.79%*	*0.24%*	*-0.69%*	*1.82%*	*4.67%*	-	-	-
Global Equity	**4.56%**	**-1.57%**	**5.09%**	**-1.00%**	**16.60%**	**19.82%**	**7.78%**	**9.24%**	**10.73%**
MSCI ACWI net		*-2.79%*	*6.61%*	*0.76%*	*14.80%*	*13.95%*	*7.23%*	*7.46%*	*8.56%*
Excess Return		*1.22%*	*-1.52%*	*-1.77%*	*1.80%*	*5.87%*	*0.55%*	*1.78%*	*2.17%*
Walter Scott Global Equity	**4.56%**	**-1.57%**	**5.09%**	**-1.00%**	**16.60%**	**19.82%**	**7.78%**	**9.24%**	**10.73%**
Walter Scott Blended Benchmark (3)		*-2.79%*	*6.61%*	*0.76%*	*14.80%*	*13.95%*	*7.23%*	*7.46%*	*8.56%*
Excess Return		*1.22%*	*-1.52%*	*-1.77%*	*1.80%*	*5.87%*	*0.55%*	*1.78%*	*2.17%*

(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.

FYTD *Fiscal Year to Date*
CYTD *Calendar Year to Date*
LTM *Last Twelve Months*

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

Composite	Total Fund Weighting As of 8/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
		Net of Fees Returns for Periods Ended August 31, 2023							
Total Fixed Income	**19.69%**	**-0.93%**	**-0.24%**	**-0.47%**	**2.34%**	**0.59%**	**-2.53%**	**1.46%**	**2.27%**
Fixed Income Benchmark (1)		*-0.60%*	*-0.66%*	*-0.50%*	*1.81%*	*-0.39%*	*-3.96%*	*0.74%*	*1.77%*
Excess Return		*-0.33%*	*0.42%*	*0.04%*	*0.53%*	*0.98%*	*1.44%*	*0.72%*	*0.50%*
BlackRock SIO Bond Fund	**2.23%**	**-0.30%**	**1.06%**	**0.73%**	**2.73%**	**1.71%**	**0.81%**	**-**	**-**
BlackRock Custom Benchmark (2)		*0.46%*	*1.33%*	*0.90%*	*3.34%*	*4.50%*	*1.74%*	*-*	*-*
Excess Return		*-0.76%*	*-0.27%*	*-0.17%*	*-0.61%*	*-2.79%*	*-0.93%*	*-*	*-*
Brandywine Asset Mgmt	**1.96%**	**-4.29%**	**-1.23%**	**-2.47%**	**0.71%**	**0.33%**	**-4.45%**	**-0.34%**	**1.11%**
Brandywine Custom Benchmark (3)		*-1.39%*	*-1.07%*	*-1.14%*	*0.66%*	*-0.85%*	*-7.82%*	*-2.15%*	*-0.68%*
Excess Return		*-2.90%*	*-0.16%*	*-1.33%*	*0.05%*	*1.17%*	*3.37%*	*1.81%*	*1.80%*
FIAM (Fidelity) Tactical Bond	**3.16%**	**-0.72%**	**-0.08%**	**-0.54%**	**2.58%**	**0.73%**	**-0.98%**	**-**	**-**
Bloomberg Aggregate		*-0.64%*	*-1.06%*	*-0.71%*	*1.37%*	*-1.19%*	*-4.41%*	*-*	*-*
Excess Return		*-0.08%*	*0.98%*	*0.17%*	*1.21%*	*1.93%*	*3.43%*	*-*	*-*
Income Research & Management	**6.64%**	**-0.50%**	**-0.76%**	**-0.56%**	**2.19%**	**-0.56%**	**-4.32%**	**1.17%**	**2.02%**
Bloomberg Gov/Credit		*-0.59%*	*-0.98%*	*-0.67%*	*1.53%*	*-0.87%*	*-4.58%*	*0.75%*	*1.63%*
Excess Return		*0.09%*	*0.22%*	*0.11%*	*0.66%*	*0.30%*	*0.26%*	*0.42%*	*0.39%*
Loomis Sayles	**2.38%**	**-0.39%**	**0.75%**	**0.42%**	**3.08%**	**1.79%**	**-0.79%**	**2.83%**	**3.51%**
Loomis Sayles Custom Benchmark (4)		*-0.32%*	*0.47%*	*0.12%*	*3.36%*	*1.69%*	*-2.24%*	*1.55%*	*2.57%*
Excess Return		*-0.07%*	*0.28%*	*0.30%*	*-0.28%*	*0.10%*	*1.45%*	*1.28%*	*0.94%*
Manulife Strategic Fixed Income	**1.81%**	**-0.84%**	**0.34%**	**-0.21%**	**3.14%**	**2.34%**	**-1.22%**	**1.96%**	**-**
Bloomberg Multiverse		*-1.36%*	*-0.49%*	*-0.61%*	*0.97%*	*0.30%*	*-5.85%*	*-1.05%*	*-*
Excess Return		*0.51%*	*0.84%*	*0.40%*	*2.17%*	*2.05%*	*4.62%*	*3.01%*	*-*
Mellon US Agg Bond Index	**1.51%**	**-0.64%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bloomberg Aggregate Bond Index		*-0.64%*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Excess Return		*0.00%*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Total Cash	**0.94%**	**0.45%**	**1.32%**	**0.90%**	**3.30%**	**4.46%**	**1.64%**	**1.74%**	**1.15%**
3-month Treasury Bill		*0.45%*	*1.31%*	*0.85%*	*3.13%*	*4.25%*	*1.55%*	*1.65%*	*1.07%*
Excess Return		*0.00%*	*0.01%*	*0.04%*	*0.18%*	*0.20%*	*0.09%*	*0.09%*	*0.08%*
Total Marketable Assets	**69.64%**	**-1.89%**	**4.98%**	**0.50%**	**10.51%**	**10.35%**	**5.05%**	**5.24%**	**6.81%**
Total Marketable Index (5)		*-2.18%*	*4.21%*	*0.32%*	*10.04%*	*9.05%*	*3.46%*	*5.48%*	*6.99%*
Excess Return		*0.29%*	*0.78%*	*0.18%*	*0.47%*	*1.30%*	*1.60%*	*-0.24%*	*-0.18%*

(1) The Fixed Income Benchmark is the Bloomberg Universal Bond Index as of 7/1/2007.
(2) The BlackRock Custom Benchmark is 3 Month SOFR compounded in arrears as of 1/1/2022.
(3) The Brandywine Blended Benchmark is the FTSE WGBI Ex-China Index as of 11/1/2021.
(4) The Loomis Sayles Custom Benchmark is 65% Bloomberg Aggregate and 35% Bloomberg High Yield.
(5) Marketable Assets Index is 40% Russell 3000, 26.7% MSCI ACWI ex US, and 33.3% Bloomberg Universal as of 7/1/2021.

FYTD *Fiscal Year to Date*
CYTD *Calendar Year to Date*
LTM *Last Twelve Months*

The table below details the rates of return for the fund's investment managers over various time periods ended August 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 August 31, 2023								
Composite	Total Fund Weighting As of 8/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q1)* (5)	**11.36%**	**-0.13%**	**-2.87%**	**-0.34%**	**-6.47%**	**-5.32%**	**12.21%**	**9.44%**	**11.03%**
Real Estate Benchmark (1)		*-0.97%*	*-3.05%*	*-1.93%*	*-10.14%*	*-8.52%*	*7.18%*	*5.89%*	*8.02%*
Excess Return		*0.84%*	*0.18%*	*1.59%*	*3.67%*	*3.20%*	*5.03%*	*3.55%*	*3.01%*
Strategic Core Real Estate (Q1)*	**7.24%**	**-0.06%**	**-4.78%**	**-0.44%**	**-9.53%**	**-7.98%**	**10.28%**	**8.23%**	**9.77%**
Real Estate Benchmark (1)		*-0.97%*	*-3.05%*	*-1.93%*	*-10.14%*	*-8.52%*	*7.18%*	*5.89%*	*8.02%*
Excess Return		*0.91%*	*-1.73%*	*1.49%*	*0.61%*	*0.53%*	*3.10%*	*2.34%*	*1.75%*
Tactical Non-Core Real Estate (Q1)*	**4.11%**	**-0.25%**	**0.78%**	**-0.16%**	**-0.30%**	**-0.02%**	**15.65%**	**11.67%**	**13.20%**
Real Estate Benchmark (1)		*-0.97%*	*-3.05%*	*-1.93%*	*-10.14%*	*-8.52%*	*7.18%*	*5.89%*	*8.02%*
Excess Return		*0.72%*	*3.82%*	*1.77%*	*9.84%*	*8.49%*	*8.46%*	*5.78%*	*5.17%*
Total Alternative Assets (Q1)*	**19.00%**	**-0.01%**	**1.39%**	**0.09%**	**2.59%**	**1.30%**	**15.40%**	**10.56%**	**9.50%**
Alternative Assets Benchmark (2)		*0.16%*	*3.45%*	*1.36%*	*14.79%*	*4.53%*	*11.58%*	*10.13%*	*11.46%*
Excess Return		*-0.17%*	*-2.06%*	*-1.27%*	*-12.21%*	*-3.23%*	*3.82%*	*0.43%*	*-1.96%*
Total Private Equity (Q1)*	**14.14%**	**-0.01%**	**1.45%**	**0.13%**	**2.53%**	**0.34%**	**18.59%**	**13.11%**	**12.20%**
Private Equity Benchmark (3)		*0.55%*	*4.61%*	*1.77%*	*17.97%*	*4.62%*	*15.41%*	*14.07%*	*15.56%*
Excess Return		*-0.56%*	*-3.17%*	*-1.64%*	*-15.44%*	*-4.29%*	*3.18%*	*-0.96%*	*-3.35%*
Total Private Debt (Q1)*	**4.86%**	**-0.01%**	**1.21%**	**0.00%**	**2.75%**	**4.14%**	**8.19%**	**5.20%**	**6.62%**
Private Debt Benchmark (4)		*-0.62%*	*1.12%*	*0.54%*	*8.49%*	*4.05%*	*3.76%*	*3.03%*	*6.40%*
Excess Return		*0.61%*	*0.10%*	*-0.55%*	*-5.74%*	*0.09%*	*4.43%*	*2.17%*	*0.21%*

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

(2) The Alternative Assets Benchmark is 66.7% Russell 3000 Index + 2% lagged 1 quarter and 33.3% ((50% S&P LSTA Leveraged Loan 100 Index + 50% Bloomberg High Yield Index) + 1%) lagged 1 quarter as of 7/1/2022.

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

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

(5) Total Real Estate returns includes Townsend discretionary fee as of 7/1/2022.

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

FYTD *Fiscal Year to Date*
CYTD *Calendar Year to Date*
LTM *Last Twelve Months*

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of August 31, 2023, with the distribution as of July 31, 2023. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	August 31, 2023				July 31, 2023	
	Market Value	**Weight**	**Net New Inv.**	**Inv. Return**	**Market Value**	**Weight**
Total Domestic Equity	**$3,512,811,675**	**30.86%**	**$0**	**$(75,722,114)**	**$3,588,533,790**	**31.03%**
Large Cap Domestic Equity	**$2,032,499,181**	**17.85%**	**$0**	**$(32,660,115)**	**$2,065,159,295**	**17.86%**
Blackrock S&P 500	2,032,499,181	17.85%	0	(32,660,115)	2,065,159,295	17.86%
SMid Cap Domestic Equity	**$645,754,640**	**5.67%**	**$0**	**$(18,578,299)**	**$664,332,940**	**5.75%**
AllianceBernstein	398,730,393	3.50%	0	(11,384,685)	410,115,078	3.55%
TSW	247,024,247	2.17%	0	(7,193,614)	254,217,861	2.20%
Small Cap Domestic Equity	**$834,557,855**	**7.33%**	**$0**	**$(24,483,700)**	**$859,041,555**	**7.43%**
Boston Trust	221,582,786	1.95%	0	(6,667,019)	228,249,805	1.97%
Segall Bryant & Hamill	229,553,991	2.02%	0	(4,809,691)	234,363,682	2.03%
Wellington	383,421,078	3.37%	0	(13,006,991)	396,428,068	3.43%
Total Non US Equity	**$2,066,842,850**	**18.16%**	**$0**	**$(54,677,073)**	**$2,121,519,923**	**18.35%**
Core Non US Equity (1)	**$1,259,635,234**	**11.06%**	**$0**	**$(31,494,253)**	**$1,291,129,487**	**11.17%**
Aristotle	162,757,606	1.43%	0	(6,205,152)	168,962,758	1.46%
Artisan Partners	357,406,918	3.14%	0	(3,670,652)	361,077,570	3.12%
BlackRock Superfund	177,385,958	1.56%	0	(8,383,201)	185,769,160	1.61%
Causeway Capital	408,171,850	3.59%	0	(8,472,451)	416,644,302	3.60%
Lazard	153,227,362	1.35%	0	(4,751,931)	157,979,293	1.37%
Emerging Markets	**$163,269,528**	**1.43%**	**$0**	**$(9,826,849)**	**$173,096,377**	**1.50%**
Wellington Emerging Markets	163,269,528	1.43%	0	(9,826,849)	173,096,377	1.50%
Non US Small Cap	**$125,302,102**	**1.10%**	**$0**	**$(5,296,655)**	**$130,598,756**	**1.13%**
Wellington Int'l Small Cap Research	125,302,102	1.10%	0	(5,296,655)	130,598,756	1.13%
Global Equity	**$518,635,986**	**4.56%**	**$0**	**$(8,059,316)**	**$526,695,302**	**4.55%**
Walter Scott Global Equity	518,635,986	4.56%	0	(8,059,316)	526,695,302	4.55%
Total Fixed Income	**$2,241,732,406**	**19.69%**	**$0**	**$(20,583,652)**	**$2,262,316,057**	**19.56%**
BlackRock SIO Bond Fund	254,180,043	2.23%	0	(672,720)	254,852,762	2.20%
Brandywine Asset Mgmt	223,301,523	1.96%	0	(9,932,062)	233,233,585	2.02%
FIAM (Fidelity) Tactical Bond	359,368,843	3.16%	0	(2,506,059)	361,874,902	3.13%
Income Research & Management	755,669,416	6.64%	0	(3,686,831)	759,356,247	6.57%
Loomis Sayles	271,279,430	2.38%	0	(975,261)	272,254,691	2.35%
Manulife Strategic Fixed Income	205,888,239	1.81%	0	(1,702,963)	207,591,202	1.80%
Mellon US Agg Bond Index	172,044,913	1.51%	0	(1,107,757)	173,152,669	1.50%
Total Cash	**$107,027,317**	**0.94%**	**$(5,750,028)**	**$508,541**	**$112,268,804**	**0.97%**
Total Marketable Assets	**$7,928,414,248**	**69.64%**	**$(5,750,028)**	**$(150,474,297)**	**$8,084,638,574**	**69.92%**
Total Real Estate	**$1,293,055,504**	**11.36%**	**$(1,168,524)**	**$(1,155,142)**	**$1,295,379,170**	**11.20%**
Strategic Core Real Estate	824,641,144	7.24%	(2,462,132)	1,292	827,101,984	7.15%
Tactical Non-Core Real Estate	468,414,361	4.11%	1,293,608	(1,156,434)	468,277,186	4.05%
Total Alternative Assets	**$2,162,638,326**	**19.00%**	**$(20,554,703)**	**$(244,598)**	**$2,183,437,628**	**18.88%**
Private Equity	1,609,820,993	14.14%	(8,415,658)	(198,718)	1,618,435,368	14.00%
Private Debt	552,817,333	4.86%	(12,139,045)	(45,881)	565,002,259	4.89%
Total Fund Composite	**$11,384,108,079**	**100.0%**	**$(27,471,963)**	**$(151,875,330)**	**$11,563,455,372**	**100.0%**

-Alternatives market values reflect current custodian valuations, which may not be up to date.
(1) Includes $685,539 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

NHRS Asset Allocation Update

NHRS Investment Team

Independent Investment Committee Meeting

October 10, 2023

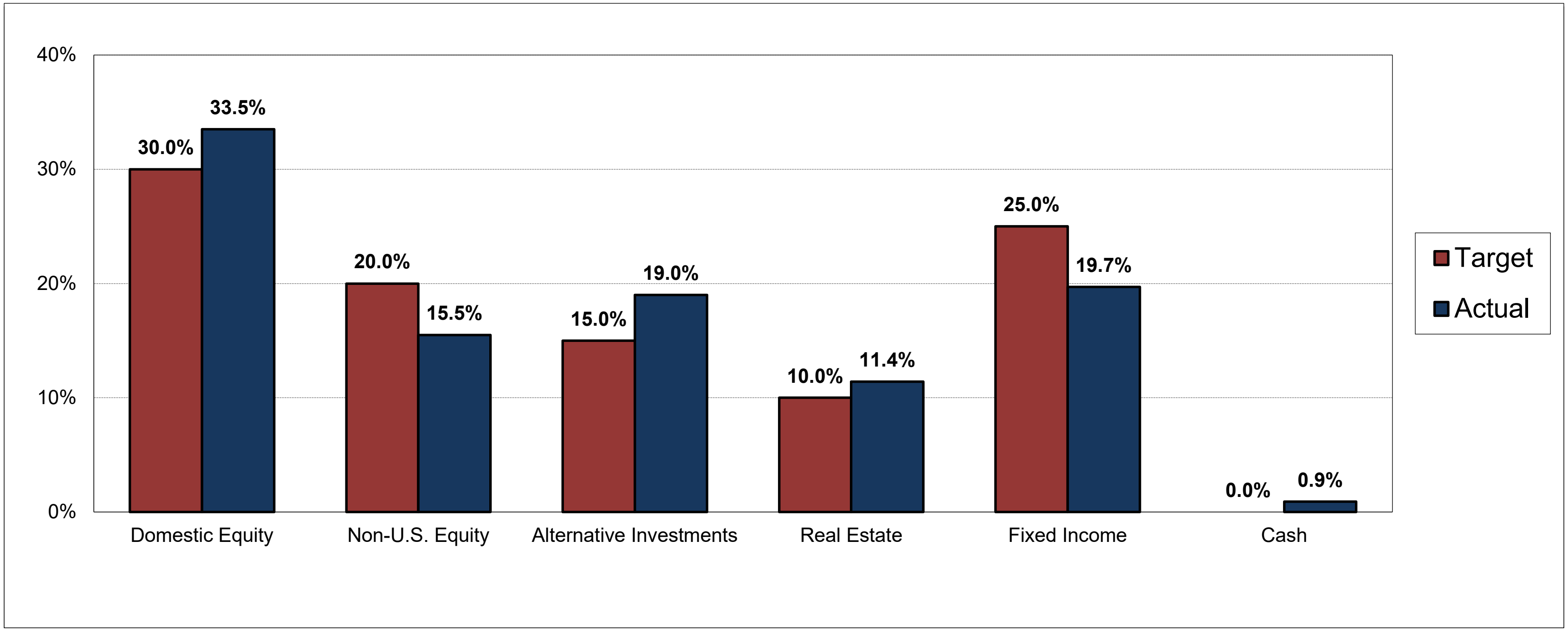
Summary

- At August 31, 2023 the preliminary Total Fund value was approximately $11.4 billion.
- New Asset Allocation Targets and Ranges were approved by the Board of Trustees on September 11, 2012 (Targets) and May 14, 2019 (Ranges), respectively.
- Allocations are managed within approved allocation ranges. All asset classes are continually monitored and Staff takes action to prudently rebalance as a range limit is approached.
- Current status of Targets vs. Actual is illustrated on page 2.
- All asset classes are within approved allocation ranges* (page 3) as of August 31st, 2023.

  **Fixed Income is below the target allocation but within the approved allocation range when cash is added.*
- Total Fund allocation is above and below the target of 70% Equity-like and 30% Fixed Income investments, respectively as of August 31st (page 4).

Current Status

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



Source: NHRS

Asset Class Allocations Relative to Policy Targets and Ranges

As of August 31, 2023 (preliminary)

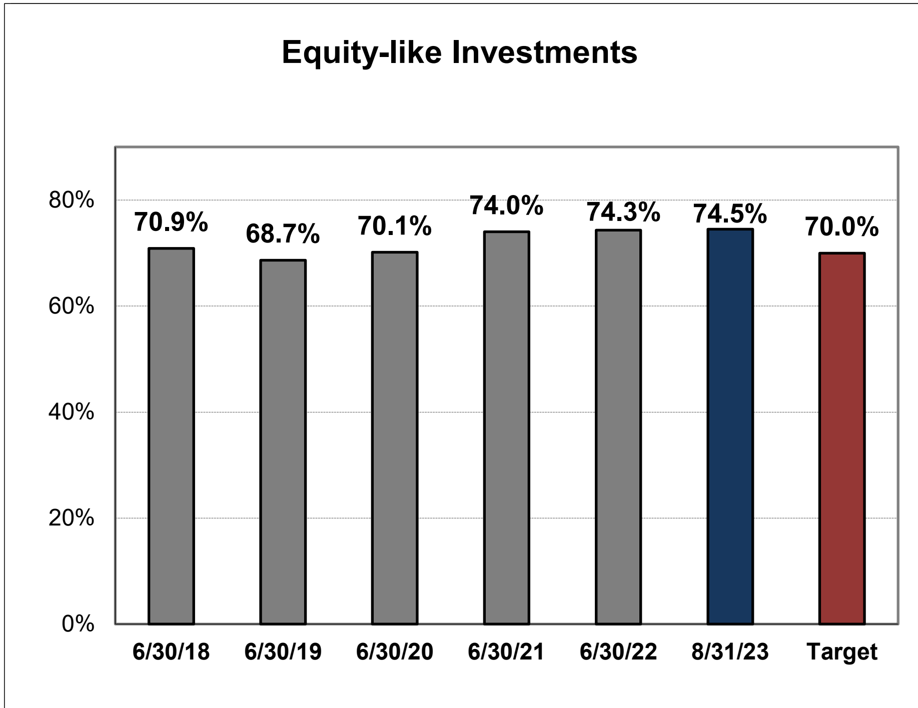
Asset Class	Range	Allocation Target	Actual	Variance	Objective	Comments
Domestic Equity	20 - 40%	30.0%	33.5%	3.5%	**Monitor**	No immediate action needed.
Non-U.S. Equity	15 - 25%	20.0%	15.5%	-4.5%	**Monitor**	Below target allocation but within approved allocation range. Continue to Monitor.
Alternative Investments (AI)[1]	5 - 25%	15.0%	19.0%	4.0%	**Monitor**	No immediate action needed.
Real Estate (RE)[1]	5 - 20%	10.0%	11.3%	1.3%	**Monitor**	Redemption from select open-end funds in process
Fixed Income	20 - 30%	25.0%	19.7%	-5.3%	**Monitor**	Below target allocation but within approved allocation range when cash is included. Continue to Monitor.
Cash	NA	0.0%	1.0%	1.0%	**No Action**	Minimal cash balance to provide liquidity, as needed, for annuities, capital calls, and other plan needs.
		100.0%	100.0%	0.0%		

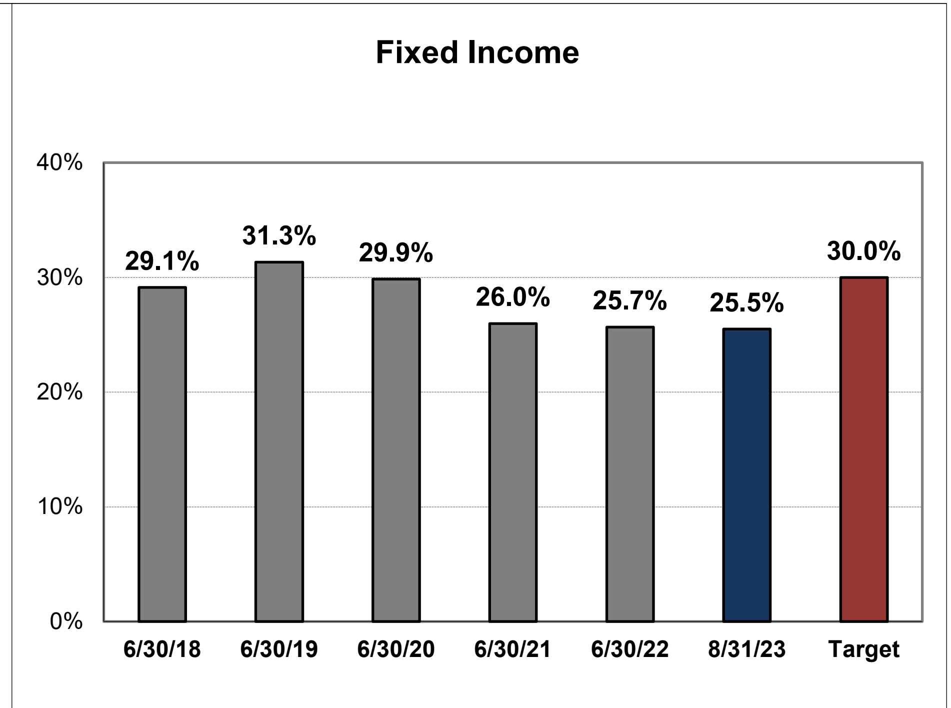
[1] *As reported on the August 31, 2023 (preliminary) Monthly Review*

Source: NHRS

Total Fund Allocation from 6/30/18 through 8/31/23 (Preliminary)

- The Total Fund allocation is above and below the target of 70% Equity-like and 30% Fixed Income investments, respectively.





Source: NHRS

Private Debt & Equity Summary: As of September 30, 2023

IIC Approval	Investment Name		Amount		Strategy
June 2009	Lexington Capital Partners VII	$	20,000,000		Secondaries
March 2011	Siguler Guff Distressed Opportunities IV *	$	20,000,000		Distressed
April 2011	Avenue Special Situations Fund VI	$	20,000,000		Distressed
April 2011	Lexington Capital Partners VII	$	20,000,000		Secondaries
May 2011	Industry Ventures Fund VI *	$	20,000,000		Secondaries
August 2011	RFE Investment Partners VIII *	$	20,000,000		Buyout
August 2011	Tennenbaum Opportunities Fund VI	$	20,000,000		Distressed
September 2011	Edgewater Growth Capital Partners Fund III *	$	20,000,000		Buyout
November 2011	SL Capital European Smaller Funds I *	$	20,000,000	**	Buyout
July 2012	Ironwood Mezzanine Fund III *	$	20,000,000		Mezzanine
July 2012	Coller International Partners VI	$	20,000,000		Secondaries
December 2012	Paul Capital Partners X *	$	12,500,000		Secondaries
February 2013	HarbourVest Dover Street VIII *	$	50,000,000		Secondaries
May 2013	Gramercy Distressed Opportunity Fund II *	$	50,000,000		Distressed
July 2013	Monroe Capital Senior Secured Direct Loan Fund *	$	50,000,000		Direct Lending
September 2013	**Industry Ventures Fund VII ***	**$**	**20,000,000**		**Secondaries**
September 2013	Industry Ventures Partnership Holdings Fund III *	$	20,000,000		Venture Capital
October 2013	Pine Brook Capital Partners II	$	50,000,000		Growth
February 2014	CCMP Capital Investors III	$	50,000,000		Buyout
February 2014	Carlyle Group *	$	150,000,000		Growth
March 2014	Crescent Direct Lending Levered Fund *	$	50,000,000		Direct Lending
April 2014	**Lexington Capital Partners VIII ***	**$**	**50,000,000**		**Secondaries**
August 2014	Alcentra European Direct Lending Fund	$	50,000,000		Direct Lending
August 2014	HarbourVest HIPEP VII *	$	50,000,000		Buyout
September 2014	Top Tier Venture Velocity Fund *	$	20,000,000		Secondaries
October 2014	BlackRock Private Opportunities Fund - 2014 Series	$	150,000,000		Co-Investments
November 2014	NGP Natural Resources XI *	$	75,000,000		Energy
January 2015	Comvest Capital III *	$	40,000,000		Direct Lending
January 2015	CarVal Investors Credit Value Fund III *	$	50,000,000		Multisector
April 2015	**Coller International Partners VII**	**$**	**50,000,000**		**Secondaries**
August 2015	**Gramercy Distressed Opportunity Fund III ***	**$**	**50,000,000**		**Distressed**
August 2015	**Monroe Capital Private Credit Fund II ***	**$**	**50,000,000**		**Direct Lending**
August 2015	BlueBay Direct Lending Fund II *	$	50,000,000	**	Direct Lending
September 2015	**Industry Ventures Partnership Holdings Fund IV ***	**$**	**20,000,000**		**Venture Capital**
September 2015	Warburg Pincus XII	$	64,000,000	***	Growth
November 2015	**HarbourVest Dover Street IX ***	**$**	**50,000,000**		**Secondaries**
November 2015	Kayne Anderson Energy Fund VII *	$	50,000,000		Energy
February 2016	**Alcentra European Direct Lending Fund II ***	**$**	**50,000,000**		**Direct Lending**
February 2016	Riverstone Credit Partners *	$	50,000,000		Energy
March 2016	Thoma Bravo Fund XII	$	46,000,000	***	Buyout
October 2016	**Comvest Capital IV ***	**$**	**50,000,000**		**Direct Lending**
December 2016	**HarbourVest HIPEP VIII ***	**$**	**50,000,000**		**Buyout**
January 2017	Actis Energy 4	$	50,000,000		Energy
February 2017	**Edgewater Growth Capital Partners Fund IV ***	**$**	**50,000,000**		**Buyout**
February 2017	**Top Tier Venture Velocity Fund 2 ***	**$**	**25,000,000**		**Secondaries**
April 2017	Apollo Investment Fund IX	$	40,000,000	***	Buyout
June 2017	**Crescent Direct Lending Levered Fund II ***	**$**	**50,000,000**		**Direct Lending**
September 2017	**Carlyle Asia V ***	**$**	**50,000,000**		**Growth**
September 2017	**CarVal Investors Credit Value Fund IV ***	**$**	**50,000,000**		**Multisector**
October 2017	**BlackRock Private Opportunities Fund - 2018 Series**	**$**	**150,000,000**		**Co-Investments**
November 2017	**Riverstone Credit Partners II ***	**$**	**50,000,000**		**Energy**
February 2018	**Industry Ventures Partnership Holdings Fund V ***	**$**	**25,000,000**		**Venture Capital**
March 2018	**BlueBay Direct Lending Fund III ***	**$**	**50,000,000**		**Direct Lending**
April 2018	**Monroe Capital Private Credit Fund III ***	**$**	**50,000,000**		**Direct Lending**
September 2018	**Alcentra European Direct Lending Fund III ***	**$**	**50,000,000**		**Direct Lending**
September 2018	**Thoma Bravo Fund XIII**	**$**	**50,000,000**		**Buyout**
September 2018	**Warburg Pincus Global Growth**	**$**	**50,000,000**		**Growth**
April 2019	**HarbourVest Dover Street X ***	**$**	**50,000,000**		**Secondaries**
April 2019	**Top Tier Venture Velocity Fund 3 ***	**$**	**25,000,000**		**Secondaries**

Private Debt & Equity Summary: As of September 30, 2023

IIC Approval	Investment Name	Amount		Strategy
March 2020	**Coller International Partners VIII**	**$ 75,000,000**		**Secondaries**
March 2020	**HarbourVest HIPEP IX ***	**$ 75,000,000**		**Buyout**
April 2020	**Comvest Capital V ***	**$ 50,000,000**		**Direct Lending**
September 2020	**Thoma Bravo Fund XIV**	**$ 50,000,000**	***	**Buyout**
October 2020	**CarVal Investors Credit Value Fund V ***	**$ 50,000,000**		**Multisector**
October 2020	**Industry Ventures Fund IX ***	**$ 50,000,000**		**Secondaries**
November 2020	**BlackRock Private Opportunities Fund - 2021 Series**	**$ 150,000,000**		**Co-Investments**
December 2020	**Monroe Capital Private Credit Fund IV ***	**$ 50,000,000**		**Direct Lending**
February 2021	**Crescent Direct Lending Levered Fund III ***	**$ 50,000,000**		**Direct Lending**
June 2021	**Industry Ventures Partnership Holdings Fund VI ***	**$ 25,000,000**		**Venture Capital**
September 2021	**Top Tier Venture Velocity Fund 4 ***	**$ 25,000,000**		**Secondaries**
November 2021	Atalaya Special Opportunities Fund VIII	$ 50,000,000		Specialty Finance
February 2022	Clearlake Capital Partners VII	$ 50,000,000		Buyout
February 2022	**Thoma Bravo Fund XV**	**$ 50,000,000**		**Buyout**
March 2022	**Comvest Capital VI ***	**$ 50,000,000**		**Direct Lending**
March 2022	**Warburg Pincus 14**	**$ 50,000,000**		**Growth**
May 2022	**HarbourVest Dover Street XI ***	**$ 50,000,000**		**Secondaries**
May 2023	American Industrial Partners VIII	**$ 50,000,000**		Buyout
May 2023	**Apollo X**	**$ 40,000,000**		**Buyout**
May 2023	**Apollo X Co-Investment**	**$ 40,000,000**		**Buyout**
Aug / Sept 2023	Ares Pathfinder II	**$ 75,000,000**		Specialty Finance
		$ 3,857,500,000		

Red indicates Private Equity ($2,512.5m or 66% of commitments)
Green indicates Private Debt ($1,320.0m or 34% of commitments)

Investments that are bolded and shaded represent re-ups

* Advisory Board Member (includes observer seats)
** Commitment made in Euros
*** Amount reduced due to oversubscription