

**NOTE:** These minutes were approved and executed at the May 21, 2021 Independent Investment Committee meeting.

**Independent Investment Committee Meeting  
April 23, 2021**

**Public Minutes**

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

*Committee Members (by video conference):* Maureen Kelliher, *Chair*; Christine Clinton; Daniel LaPlante; Tim Lesko; and Mike McMahon. Keith Quinton; *absent*.

*Staff (by video conference):* Jan Goodwin, *Executive Director*; Tim Crutchfield, *Deputy Director and Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Greg Richard, *Senior Investment Officer*; Ashley Lloyd, *Investment Officer*; and Shana Bilech, *Junior Investment Officer*.

*Callan (by video conference):* Angel Haddad, *Senior Vice President*; Britton Murdoch, *Vice President*; Andy Maday; *Research Consultant*; James Van Heuit, *Senior Vice President and Consultant*; and Adam Lozinski, *Vice President and Consultant*.

Ms. Kelliher called the meeting to order at 9:00 a.m.

On a motion by Mr. Lesko, seconded by Ms. Clinton, the Committee unanimously approved the public minutes of the March 19, 2021 Investment Committee meeting, as presented, by roll call vote.

Mr. Johansen reviewed investment returns through recent periods and referred to the Callan Monthly Review for periods ending March 31, 2021. He discussed the returns of various managers and asset classes over multiple time-periods. Mr. Johansen reviewed the Work Plan and updated the Committee on several initiatives. He also provided an update on asset allocation and liquidity, with particular focus on funding requirements for pension and benefit payments over the next 30 to 90 days.

Mr. Johansen reminded the Committee that the Work Plan remains flexible and subject to change as the Committee deems appropriate. On a motion by Mr. LaPlante, seconded by Mr. Lesko, the Committee unanimously approved the Work Plan for the first quarter of fiscal year 2022, as presented, by roll call vote.

Mr. Johansen discussed the Walter Scott contract renewal.

On a motion by Mr. Lesko, seconded by Ms. Clinton, the Committee unanimously voted to renew the Investment Management Agreement with Walter Scott through May 31, 2023, by roll call vote.

Mr. Murali Srikantaiah, Senior Managing Director, Partner, and Equity Portfolio Manager; Mr. Graham Proud, Managing Director and Investment Director; and Mr. Jason Law, Managing Director and Relationship Manager; of Wellington Management (“Wellington”), presented a brief introduction of themselves and an overview of their firm. They referred to the “Emerging Markets Local Equity” presentation dated April 23, 2021. A lengthy discussion with the Committee followed.

Mr. Law opened with an overview of Wellington’s ESG practices, outlining ESG initiatives and the firm’s history of ESG-related investing. Mr. Proud provided an overview of the Emerging Markets Local Equity strategy’s differentiated investment philosophy and process and detailed the unique organizational structure of the investment team and the ways in which it adds value. He reviewed portfolio performance over various periods. Mr. Srikantaiah provided his thoughts on the Emerging Markets space and noted the sectors in which the team expects to find the most value. He reviewed the current structure of the portfolio, noting that the firm has been finding favorable investment opportunities in India and China.

Mr. Jim Van Heuit, Senior Vice President and Consultant; and Mr. Adam Lozinski, Vice President and Consultant; of Callan referred to the “Manager Structure Evaluation: Public Markets” presentation dated April 23, 2021. A lengthy discussion with the Committee followed.

Mr. Haddad noted that Callan’s presentation displays a range of alternative structures for each asset class to assist with the Committee’s portfolio structure discussion. Mr. Lozinski reviewed the fixed income portfolio, noting that Callan views the structure of the NHRS core and satellite portfolio as nimble enough to take advantage of changes in the market and low-yield environment. As such, Callan did not recommend any changes to the fixed income portfolio.

Mr. Van Heuit reviewed the equity portfolio and discussed the four main considerations when reviewing the structure of the equity portfolio. He noted the current NHRS U.S. equity portfolio has been well-diversified over the last five and ten years. He reviewed options to move to a style-neutral and capitalization-neutral U.S. equity portfolio, noting that the current U.S. equity portfolio is sufficient despite its higher tracking error. Mr. Van Heuit discussed the non-U.S. equity portfolio, adding that Callan is comfortable with the diversification of the portfolio. He reviewed various structures, including opportunities to move to a more neutral non-U.S. equity exposure. He discussed Callan’s concerns with the SBH non-U.S.

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equity mandate. He closed by reviewing the global equity allocation and opportunities to move to a more core exposure within the space.

The Committee agreed to discuss the NHRS portfolio structure in greater detail at a subsequent meeting.

On a motion by Mr. Lesko, seconded by Ms. Clinton, the Committee unanimously voted to adjourn the meeting, by roll call vote.

The meeting adjourned at 11:30 a.m.