

**NOTE:** These minutes were approved and executed at the August 21, 2020 Independent Investment Committee meeting.

**Independent Investment Committee Meeting  
July 24, 2020**

**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; Michael McMahon; and Keith Quinton.

*Staff (by video conference):* George Lagos, *Executive Director*; Larry Johansen, *Director of Investments*; Greg Richard, *Senior Investment Officer*; Shana Bilech, *Junior Investment Officer*; and Ashley Lloyd, *Junior Investment Officer*.

*NEPC (by video conference):* Kevin Leonard, *Partner and Senior Consultant*; and Sean Gill, *Partner and Director of Private Markets Research*.

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

On a motion by Mr. LaPlante, seconded by Mr. Lesko, the Committee unanimously approved the public minutes of the June 19, 2020 Investment Committee meeting, as presented, by roll call vote.

Mr. Johansen reviewed preliminary investment returns through recent periods and referred to the NEPC Preliminary Total Fund performance flash report for periods ending June 30, 2020. He emphasized that this report is preliminary and that the final version will be available once all private market investment performance is available in late September or early October. He discussed the returns of various managers and asset classes over multiple time-periods. Mr. Johansen 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 reviewed the Work Plan with the Committee, noting that the Plan has been updated to include the second quarter of Fiscal Year 2021. He provided a preliminary update on the proposals received for investment consultant services. He noted that Staff will present semi-finalists to the Committee in September. Proxy Voting firms will submit proposals for the Committee to review at its October meeting. NEPC will present a review of

the NHRS Private Debt and Equity investments at the Committee's December meeting. Townsend will also conduct a semi-annual review of the Fiscal Year 2021 Investment Plan at the Committee's December meeting. 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. Quinton, seconded by Ms. Clinton, the Committee unanimously approved the Work Plan for the second quarter of Fiscal Year 2021, as presented, by roll call vote.

Mr. Kevin Leonard, Partner and Senior Consultant; of NEPC referred to the "Active Management Views – Equities" presentation dated June 2020. He discussed NEPC's views on active and passive management with a focus on large cap domestic equity. A discussion with the Committee followed. The Committee revisited the performance of the LSV Asset Management U.S. large cap equity and non-U.S. equity portfolios. Mr. Johansen shared LSV's recent Update to the Investment Committee.

On a motion by Mr. Quinton, seconded by Mr. Lesko, the Committee unanimously voted to terminate the System's investment in the U.S. large cap equity portfolio managed by LSV Asset Management and transition the assets to the BlackRock S&P 500 portfolio, by roll call vote. The Committee agreed to discuss a replacement for the non-U.S. equity mandate managed by LSV upon Staff and NEPC's recommendations at a subsequent meeting.

Mr. Leonard introduced Ms. Kristine Pelletier, Partner; of NEPC. Ms. Pelletier then referred to the "ESG Overview" presentation dated July 2020. She introduced the ESG landscape and shared trends and challenges for those evaluating ESG investments. Ms. Pelletier also shared NEPC's approach to evaluating ESG investments. A discussion with the Committee followed. Ms. Pelletier agreed with the Committee's approach to ask Managers to report regularly on their ESG activities.

Ms. Elizabeth Smith, Senior Managing Director of Public Funds; and Mr. Eric Winograd, Senior Economist of Fixed Income; of AB provided a brief introduction of themselves and their firm. They referred to the "Economic Outlook" presentation dated July 24, 2020. A discussion with the Committee followed.

Mr. Winograd opened with an overview of the key macroeconomic issues in the current environment and the ways in which they have changed over the past three months. He discussed the firm's views relating to global interest rates, debt and the U.S. Presidential election. He closed by reviewing factors that will influence global macroeconomic growth in the near-term.

Ms. Zaneta Koplewicz, Managing Director; Ms. Jennifer Chruszcz, Vice President; and Mr. Jeff Shen, Managing Director; of BlackRock provided a brief introduction of themselves and their firm. They referred to the

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“Discussion on China” presentation dated July 2020. A discussion with the Committee followed.

Mr. Shen opened with an overview of the Chinese equities market and its access points. He then discussed opportunities and risks with investing in Chinese equities. He closed by reviewing the potential for Alpha inherent in Chinese equities and discussed considerations for investors.

Mr. Quinton departed at 11:10 am.

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

The meeting adjourned at 11:45 a.m.