

NOTE: These minutes were approved and executed at the May 20, 2022 Independent Investment Committee meeting.

**Independent Investment Committee Meeting
April 22, 2022**

Public Minutes

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

Committee Members: Maureen Kelliher, *Chair*; Christine Clinton; Scott Hammond; Daniel LaPlante; Tim Lesko (*by video conference*); and Mike McMahan (*by video conference*).

NHRS Trustees (by video conference): Mr. Germano Martins.

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

Callan (by video conference): Angel Haddad, *Senior Vice President*; Britton Murdoch, *Vice President*; Andrew Maday, *Senior Vice President*; and James Van Heuit, *Senior Vice President*.

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

On a motion by Mr. LaPlante, seconded by Ms. Clinton, the Committee unanimously approved the public minutes of the March 18, 2022 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, 2022. He discussed the returns of various managers and asset classes over multiple periods. Mr. Johansen provided an update on asset allocation and liquidity. He discussed the Committee's direction to sell out of Russian assets in the NHRS portfolio, noting that three Russian assets with a nominal value remain within the portfolio, which cannot be traded at this time. Staff continues to monitor the positions and will update the Committee accordingly.

Mr. Johansen reviewed the Work Plan and updated the Committee on several initiatives, including upcoming meetings. He noted that the Work Plan for the first quarter of Fiscal Year 2023 was added for the Committee's consideration and approval, clarifying that the Work Plan remains flexible and subject to change as the Committee deems appropriate.

Mr. Hammond joined the meeting at 9:04 a.m.

On a motion by Ms. Clinton, seconded by Mr. Lesko, the Committee unanimously approved the Work Plan for the first quarter of Fiscal Year 2023, as presented, by roll call vote.

The Committee discussed the presentation made by non-U.S. equity manager Neuberger Berman at the March Committee meeting. They discussed Neuberger Berman's historical performance, cost, and portfolio management oversight and governance. The Committee will revisit the decision to extend the contract at the May Committee meeting.

Mr. Mark Yockey, Managing Director and Portfolio Manager; and Mr. Jamie Sandison, Managing Director of Institutional Sales and Client Services; of Artisan Partners ("Artisan") provided a brief introduction of themselves and their firm. They referred to the "New Hampshire Retirement System" presentation and a discussion with the Committee followed.

Mr. Yockey and Mr. Sandison provided an overview of the firm's investment philosophy and process and the firm's relationship with NHRS. They reviewed the firm's various risk management processes and performance over various periods. Mr. Yockey discussed the firm's global macroeconomic outlook and the impact the global economy will have on portfolio positioning and performance. In response to questions from the Committee, Mr. Yockey discussed regional weights within the portfolio.

Ms. Sarah Ketterer, Chief Executive Officer and Fundamental Portfolio Manager; and Mr. Taylor Alan-Lee, Relationship Manager; of Causeway Capital Management ("Causeway") provided a brief introduction of themselves, their firm, and an overview of their firm's investment relationship with the NHRS. They referred to the "New Hampshire Retirement System" presentation dated April 22, 2022 and a discussion with the Committee followed.

Mr. Alan-Lee provided a detailed overview of Causeway's investment philosophy and process. Ms. Ketterer highlighted the division of research on a global sector basis, with Senior Portfolio Managers, Senior Research Analysts and Research Analysts working together in clusters. She reviewed the firm's various risk-management processes, noting that the composition of the portfolio can vary significantly from that of the

benchmark due to the firm's bottom-up stock selection process. She reviewed characteristics of the value-tilt portfolio and discussed performance attribution over various periods. She provided Causeway's macroeconomic outlook and discussed performance and positioning.

Mr. James Van Heuit, Senior Vice President and Consultant in the Capital Markets Research Group; and Mr. Angel Haddad, Senior Vice President; of Callan referred to the "Portfolio Structure Considerations" presentation. A discussion with the Committee followed.

Mr. Haddad noted Callan's presentation focuses on the structure and tracking error of the portfolio versus its benchmarks. The presentation was created to assist the Committee in determining where they are comfortable allocating the portfolio's risk budget. Mr. Van Heuit reviewed the structure of the U.S. and non-U.S. equity portfolios. He discussed the impact the presented conceptual changes would have on the portfolio. Mr. Van Heuit discussed his conviction in active management within the non-U.S. equity asset class.

Mr. Lesko and Ms. Goodwin departed the meeting at 11:53 a.m.

Mr. Andrew Maday, Senior Vice President; of Callan referred to the "Private Markets Benchmark Analysis" presentation. A discussion with the Committee followed.

Mr. Maday discussed the various alternative investment benchmark methodologies and the pros and cons of each. He provided Callan's recommendations and the Committee agreed to discuss further at the May Committee meeting.

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

The meeting adjourned at 12:09 p.m.