

NOTE: These minutes were approved and executed at the March 14, 2023 Independent Investment Committee meeting.

**Independent Investment Committee Meeting
February 14, 2023
Public Minutes**

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

Committee Members:

- Maureen Kelliher, CFA, *Chair*
- Christine Clinton, CFA, *Member*
- Daniel LaPlante, 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 Bilech, *Investment Officer*
- Ashley Lloyd, *Investment Officer*
- Tim Crutchfield, *Deputy Director and Chief Legal Counsel (by video conference)*
- Heather Hoffacker, *Internal Auditor (by video conference)*

Guests:

- Angel Haddad, *Senior Vice President, Callan LLC*
- Pete Keliuotis, *Executive Vice President and Head of Alternatives Consulting, Callan LLC (by video conference)*
- Jay Kloepfer, *Executive Vice President, Callan LLC (by video conference)*
- Britton Murdoch, *Vice President, Callan LLC (by video conference)*
- Ian Leverich, *Managing Director, Abel Noser (by video conference)*
- Christopher Chapman, CFA, *Senior Portfolio Manager, Manulife (by video conference)*
- Sherri Tilley, *Client Portfolio Manager, Manulife (by video conference)*
- Mark Flinn, CFA, *Head of Institutional Relationship Management, Manulife (by video conference)*

Chair Kelliher called the meeting to order at 12:24 PM.

On a motion by Mr. Provost, seconded by Ms. Clinton, the Independent Investment Committee (Committee) unanimously approved the public minutes of the January 10, 2023 Independent Investment Committee meeting as presented.

Mr. Leveque reviewed investment returns through recent periods and referred to the Callan Monthly Review for periods ending December 31, 2022. He shared an update on holdings within the NHRS portfolio. The Non-U.S. Equity allocation is at the lower threshold of its allocation range. A Fixed Income rebalance is expected to take place over the next several months. He discussed the System's recent contribution to the BlackRock ACWI ex-U.S. Superfund following the liquidation of the System's investment in the Neuberger Berman Emerging Markets Equity fund. Mr. Leveque also provided an update on liquidity and Russian holdings.

Mr. Leveque discussed the Work Plan. The System's Investment team is conducting a total plan analysis and will present it at a future meeting.

Chair Kelliher and Mr. Leveque then referenced the "Recommendation for Five-Year Investment Manager Contract Term" memo. On a motion by Ms. Clinton, seconded by Mr. LaPlante, the Committee unanimously approved a motion to update public markets investment management contract terms from two years, with an automatic twelve-month renewal provision, to an initial contract term of five years with an automatic twelve-month extension provision. The change will take effect for new mandates and renewals going forward.

On a motion by Mr. LaPlante, seconded by Ms. Clinton, the Committee unanimously voted to extend the investment relationship with Fidelity for a five-year term through January 2028.

Next, Ms. Bilech introduced NHRS Fixed Income manager Manulife and provided the Committee with an update on their strategy and role in the portfolio. Following this, the Committee heard from representatives of Manulife.

Mr. Flinn provided an overview of Manulife and the firm's relationship with the System. Mr. Chapman discussed Manulife's investment team and their investment philosophy and process. Ms. Tilley reviewed performance attribution for the strategy over various periods and closed with a discussion of the fund's current positioning and the team's investment outlook.

Following Manulife's presentation, the Committee heard from Abel Noser.

Mr. Leverich provided an overview of the trading cost analysis services Abel Noser performs for the System. He reviewed an analysis of the one-year period ending December 31, 2022. He noted that the System's active U.S. equity managers, active non-U.S. equity managers and passive U.S. equity manager achieved favorable trading costs relative to their peer universes.

The Committee then heard from representatives of Callan.

Mr. Kloepfer referenced the "2023 Long-Term Capital Markets Assumptions" presentation. He provided an overview of Callan's objectives and process for developing its assumptions. Mr. Kloepfer reviewed Callan's Capital Market Assumptions by asset class for the next ten years and described Callan's methodology for building each asset class expected return and risk assumption in the current NHRS portfolio.

Chair Kelliher stated that it was Mr. LaPlante's final Committee meeting and presented him with a plaque commemorating his service to the Committee for the past five years.

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

The meeting adjourned at 2:44 PM.