

NOTE: These minutes were approved and executed at the April 22, 2022 Independent Investment Committee meeting.

**Independent Investment Committee Meeting
March 18, 2022**

Public Minutes

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

Committee Members: Maureen Kelliher, *Chair*; Christine Clinton; Scott Hammond; Daniel LaPlante; and Tim Lesko. Mike McMahon; *absent*.

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

Staff: Jan Goodwin, *Executive Director*; Larry Johansen, *Director of Investments*; 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*; Pete Keliuotis, *Executive Vice President and Head of Alternatives Consulting*; Jay Kloepfer, *Executive Vice President and Director of Capital Markets Research Group*; and Ashley Deluce, *Vice President*.

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

On a motion by Mr. Lesko, seconded by Mr. LaPlante, the Committee unanimously approved the public minutes of the February 25, 2022 Investment Committee meeting, as presented.

Mr. Johansen reviewed investment returns through recent periods and referred to the Callan Monthly Review for periods ending February 28, 2022. He discussed the returns of various managers and asset classes over multiple periods. Mr. Johansen reviewed the Work Plan and provided an update on asset allocation and liquidity.

Mr. Johansen then discussed the Systems' holdings in Russian assets. A discussion with the Committee followed.

On a motion by Mr. LaPlante, seconded by Mr. Lesko, the Committee unanimously voted to direct the external separate account managers to sell the Russian assets held in the NHRS portfolio as soon as practical and

prudent and to not purchase any Russian assets until the Independent Investment Committee has specifically granted such permission, based on the increased geo-political risk resulting from Russia's invasion of the Ukraine.

Mr. Pete Keliuotis, Executive Vice President and Head of Alternatives Consulting; of Callan provided an overview of Comvest Partners ("Comvest") and discussed NHRS's investments in Comvest Credit Partners Funds III, IV and V. He discussed Callan's conviction in Comvest Credit Partners Fund VI ("Fund VI") and noted that an investment in Fund VI would be a re-up to previous funds.

Mr. Robert O'Sullivan, Managing Partner; and Mr. Greg Reynolds, Partner and Co-Head of Direct Lending; of Comvest provided a brief introduction of themselves and their firm. They referred to the "Comvest Credit Partners: Middle Market Direct Lending" presentation dated March 18, 2022. A discussion with the Committee followed.

Mr. O'Sullivan provided an overview of Comvest and its organizational structure. Mr. Reynolds detailed Comvest's investment philosophy and process. He discussed case studies of investments in prior Comvest funds. Mr. Reynolds and Mr. O'Sullivan closed by discussing the Comvest Credit Partners track record and the Fund VI key terms.

The Committee discussed the presentation made by Comvest and the opportunity to invest in Fund VI. On a motion by Mr. Hammond, seconded by Ms. Clinton, the Committee unanimously voted to commit \$50 million to Comvest Credit Partners Fund VI (levered), subject to contract and legal review. Mr. Johansen confirmed that NHRS has a seat on the Advisory Board.

Ms. Ashley Deluce, Vice President; of Callan provided an overview of Warburg Pincus and discussed NHRS's investments in Warburg Pincus XII and Warburg Pincus Global Growth. She discussed Callan's conviction in Warburg Pincus Global Growth 14 ("Fund 14") and noted that an investment in Fund 14 would be a re-up to previous funds.

Mr. Jim Wilson, Managing Director, Fundraising; and Mr. Jim Neary, Managing Director, Co-Head of U.S. Private Equity; of Warburg Pincus provided a brief introduction of themselves and their firm. They referred to the "Warburg Pincus Global Growth 14" presentation dated March 18, 2022. A discussion with the Committee followed.

Mr. Wilson provided an overview of Warburg Pincus and its organizational structure. Mr. Neary detailed Warburg Pincus's investment philosophy and process. He discussed case studies of investments in prior Warburg

Pincus funds. Mr. Wilson and Mr. Neary closed by discussing the Warburg Pincus track record and the Fund 14 key terms.

The Committee discussed the presentation made by Warburg Pincus and the opportunity to invest in Fund 14. On a motion by Mr. Lesko, seconded by Mr. Hammond, the Committee unanimously voted to commit \$50 million to Warburg Pincus Global Growth 14, subject to contract and legal review.

Mr. Christopher Crevier, Managing Director; Ms. Amy Kraynak, Senior Vice President; and Mr. Conrad Saldhana, Managing Director; of Neuberger Berman provided a brief introduction of themselves and their firm. They referred to the “NB Emerging Markets Equity Fund L.P. Investment Review” presentation dated March 18, 2022. A discussion with the Committee followed.

Mr. Crevier and Ms. Kraynak provided an overview of Neuberger Berman and the firm’s relationship with the NHRS. Mr. Saldhana discussed Neuberger Berman’s Emerging Markets Equities team and their investment philosophy and process. He reviewed performance attribution over short and long-term periods. He shared the strategy’s current positioning and closed by discussing the team’s global macroeconomic outlook.

Mr. Keliuotis referred to the “Private Markets Performance Report Performance Data as of September 30, 2021” presentation. A discussion with the Committee followed.

Mr. Keliuotis reviewed the NHRS private markets portfolio and discussed performance over short and long-term periods. He highlighted particular funds that contributed and detracted from recent overall performance. He closed by reviewing the portfolio’s current positioning.

Mr. Jay Kloepfer, Executive Vice President and Director of Capital Markets Research Group; and Mr. Angel Haddad, Senior Vice President; of Callan referred to the “Alternative Asset Mixes” presentation. A discussion with the Committee followed.

Mr. Kloepfer and Mr. Haddad reviewed the current NHRS capital market projections over the next ten years and thirty years. They examined the potential impact of an increase in the System’s private equity and private credit allocations. They reviewed the worse-case one-year drawdowns of asset mixes funded from public equity, public equity and fixed income and from fixed income. They discussed potential annualized returns of the various mixes, noting that they expect NHRS to meet its long-term return requirements under its current target allocation. The Committee agreed to further discuss the System’s asset allocation in future meetings.

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Mr. Johansen asked the Committee to reach out to him with any suggested macroeconomic topics and speakers for the July Committee meeting.

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

The meeting adjourned at 12:07 p.m.