

NOTE: These minutes were approved and executed at the November 8, 2022, Independent Investment Committee meeting.

**Independent Investment Committee Meeting
October 11, 2022**

Public Minutes

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

Committee Members:

- Maureen Kelliher, *Chair*
- Christine Clinton, *Member*
- Daniel LaPlante, *Member*
- Tim Lesko, *Member*
- Mike McMahon, *Non-Voting Member*

Staff:

- Jan Goodwin, *Executive Director (by video conference)*
- Raynald Leveque, *Chief Investment Officer*
- Gregory Richard, *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*
- Britton Murdoch, *Vice President, Callan LLC (by video conference)*
- Pete Keliuotis, *Executive Vice President and Head of Alternatives Consulting, Callan LLC*
- Keri Hepburn, *Senior Vice President, Aristotle Capital Management*
- Aylon Ben-Shlomo, *Client Portfolio Manager, Aristotle Capital Management*
- Jennifer Chruszcz, *Director, BlackRock*
- Rick Rieder, *Managing Director & CIO of Global Fixed Income, BlackRock*
- Christian Sabbagh, *Vice President, BlackRock*

Chair Kelliher called the meeting to order at 12:00 PM.

On a motion by Mr. LaPlante, seconded by Mr. Lesko, the Committee unanimously approved the public minutes of the September 13, 2022 Independent Investment Committee meeting as presented.

Mr. Leveque reviewed investment returns through recent periods and referred to the Callan Monthly Review for periods ending August 31, 2022. He noted that the final performance as of June 30, 2022 will be available shortly. He also provided an update on cash and liquidity. Mr. Leveque then updated the Committee on the Russian assets in the NHRS portfolio. Staff continues to monitor the positions and will update the Committee accordingly.

Mr. Leveque discussed the Work Plan and noted that he would review the current plan and recommend potential changes as he gets settled at NHRS.

Mr. Leveque referenced the “Proposed 2023 Investment Committee Meeting Schedule” memo dated October 11, 2022, and requested feedback from the members at the November Independent Investment Committee (“IIC”) meeting.

Mr. Leveque referred to the “Commission Sharing Agreements” presentation. Mr. Leveque commented that this is a good report, and Staff would explore the ability to evaluate foreign exchange costs in addition to commissions.

Next, the IIC heard from representatives at Aristotle Capital Management (“Aristotle”).

Ms. Hepburn provided an overview of Aristotle and the firm’s relationship with the NHRS. Mr. Ben-Shlomo discussed Aristotle’s investment team and their investment philosophy and process. He reviewed performance attribution for the International Equity strategy and its composite over short and long-term periods. Mr. Ben-Shlomo closed with a discussion of the strategy’s current positioning and the team’s investment outlook.

Following Aristotle, the IIC heard from representatives at BlackRock.

Ms. Chruszcz provided an overview of BlackRock and the firm’s relationship with the NHRS. Mr. Rieder then discussed BlackRock’s global macroeconomic views and fixed-income outlook. Mr. Sabbagh discussed the Strategic Income Opportunities mandate and its investment philosophy and process. He reviewed performance attribution over short and long-term periods. He closed with a discussion of the strategy’s current positioning.

Mr. Leveque referenced the “Draft NHRS Transmittal Letter”; “Draft Callan Letter”; and “Draft GRS Letter” for the Fiscal Year 2022 Comprehensive Annual Investment Report (“CAIR”). He asked the Committee to review each letter and provide any comments or feedback before the November meeting. At that time, the Committee will vote to approve the full CAIR for recommendation to the Board of Trustees at the December Board of Trustees meeting.

Chair Kelliher noted that the Board of Trustees had questions at their October meeting regarding investments’ asset class allocations relative to their policy targets and ranges. Mr. Haddad commented to the Committee that Callan presented an Asset Liability study in 2021 and 2022. The IIC found that asset allocations were appropriate at those times.

Mr. Haddad noted that Callan is examining potential manager changes and will discuss those recommendations with the CIO and investment team for future action.

Mr. Leveque noted that he and the Independent Investment Committee would continue to work with the Board of Trustees to discuss market volatility and its impact on asset class allocations relative to their policy targets and ranges.

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

The meeting adjourned at 1:35 PM.