

NOTE: These minutes were approved and executed at the November 14, 2023 Independent Investment Committee Meeting

**Independent Investment Committee Meeting
October 10, 2023
Public Minutes**

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

Committee Members:

- Maureen Kelliher, CFA, *Chair*
- Brian Bickford, CFA, CFP®, *Member*
- Christine Clinton, CFA, *Member*
- Mike McMahon, *Non-Voting Member*
- Paul Provost, CFP ®, *Member (absent)*

Staff:

- Jan Goodwin, *Executive Director*
- Raynald Leveque, *Chief Investment Officer*
- Gregory Richard, CFA, *Senior Investment Officer*
- Shana Bilech, CFP ®, *Investment Officer*
- Jesse Pasierb, *Investment Operations Analyst*
- Tim Crutchfield, *Deputy Director and Chief Legal Counsel (by video conference)*
- Heather Hoffacker, *Internal Auditor (by video conference)*
- John Laferriere, *Director of IT (by video conference)*

Guests:

- Angel Haddad, *Senior Vice President, Callan LLC*
- Catherine Beard, *Senior Vice President, Callan LLC*
- Pete Keliuotis, CFA, *Executive Vice President, Callan LLC*
- Britt Murdoch, *Vice President, Callan LLC (by video conference)*
- Carter Weil, *Managing Director, Strategic Value Partners*
- David Geenberg, *Managing Director, Strategic Value Partners*
- Jason Law, *Managing Director, Wellington Management*
- Mary Pryshlak, *Senior Managing Director, Wellington Management*
- David DiSilva, *Assistant Vice President, Wellington Management*

Chair Kelliher called the meeting to order at 12:34 PM.

On a motion by Ms. Clinton, seconded by Mr. Bickford, the Independent Investment Committee (Committee) unanimously approved the public minutes of the September 12, 2023, Committee meeting as presented.

Mr. Leveque reviewed investment returns through recent periods and referred to the Callan Monthly Review for periods ending August 31, 2023. He shared an update on holdings within the NHRS portfolio. He confirmed that all allocations are in line with their approved ranges. Mr. Leveque updated the Committee on liquidity, Russian holdings, and the Work Plan. Staff are updating the NHRS Strategic Asset Allocation and will present their recommendations before calendar year-end. Staff anticipates conducting a Request for Proposal (RFP) for an analytical system to assist with their Total Plan Analysis in early 2024.

On a motion by Mr. Bickford, seconded by Ms. Clinton, the Committee unanimously approved the work plan as presented.

Mr. Leveque referenced the “Proposed 2024 Investment Committee Meeting Schedule” memo dated October 10, 2023, and advised the committee of a proposed change from 12 to 8 annual meetings, in conjunction with changes to the Board of Trustees schedule.

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 Callan’s asset class forecasts. 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.

Next, Ms. Bilech and Ms. Beard provided an overview of the Strategic Value Partners (SVP) Capital Solutions Fund II private debt opportunity. They discussed the considerations and merits of investing in SVP Capital Solutions Fund II. Following this, the Committee heard from representatives of SVP.

Mr. Weil provided an overview of SVP and its organizational structure. He detailed SVP’s organization, investment strategy and process and closed by discussing Capital Solution II key merits. Mr. Geenberg discussed case studies of investments in prior SVP funds, the Capital Solutions Fund II investment thesis, and outlined past fund performance.

The Committee discussed the presentation made by SVP and the opportunity to invest in Capital Solutions Fund II. On a motion by Ms.

Clinton, seconded by Mr. Bickford, the Committee unanimously voted to commit \$50 million to Strategic Value Partners Capital Solutions Fund II, subject to contract and legal review.

Next, the IIC heard from representatives at Wellington Management (Wellington).

Mr. Law provided an overview of Wellington and the firm's relationship with the System. Mr. DiSilva discussed Wellington's investment team and their investment philosophy and process. He 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 and macroeconomic outlook. Ms. Pryshlak provided commentary on dispersion within the small cap asset class and the firm's outlook and perceived opportunities.

Mr. Leveque referenced the "Draft NHRS Transmittal Letter"; "Draft Callan Letter"; and "Draft GRS Letter" for the Fiscal Year 2023 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.

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

The meeting adjourned at 3:38 PM.