

**NOTE:** These minutes were approved and executed at the October 23, 2020 Independent Investment Committee meeting.

**Independent Investment Committee Meeting  
September 18, 2020**

**Public Minutes**

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

*Committee Members (by video conference):* Maureen Kelliher, *Chair*; Christine Clinton; Daniel LaPlante; Tim Lesko; and Keith Quinton. Mike McMahon; *absent*.

*Staff (by video conference):* George Lagos, *Executive Director*; Tim Crutchfield, *Deputy Director and Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Greg Richard, *Senior Investment Officer*; Shana Bilech, *Junior Investment Officer*; and Ashley Lloyd, *Junior Investment Officer*.

*NEPC (by video conference):* Kevin Leonard, *Partner and Head of Public Fund Practice Group*; and Sean Gill, *Partner and Director of Private Markets Research*.

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

On a motion by Mr. Lesko, seconded by Mr. Quinton, the Committee unanimously approved the public minutes of the August 21, 2020 Investment Committee meeting, as presented, by roll call vote.

Mr. Johansen reviewed investment returns through recent periods and referred to the NEPC Marketable Investments performance flash report for periods ending August 31, 2020. He discussed the returns of various managers and asset classes over multiple time-periods. Mr. Johansen also provided an update on asset allocation and liquidity, with particular focus on funding requirements for pension and benefit payments over the next 30 to 90 days.

Mr. Johansen reviewed the Work Plan and updated the Committee on several initiatives. He discussed the non-U.S. Equity search underway. Staff will bring two finalists to present to the Committee at a future meeting. Mr. Johansen then discussed the Draft Institutional Proxy Voting Survey.

On a motion by Mr. LaPlante, seconded by Ms. Clinton, the Committee unanimously voted to recommend the issuance of the Institutional Proxy Voting Survey, as presented, to the Board of Trustees, by roll call vote.

On a motion by Mr. Lesko, seconded by Mr. Quinton, the Committee unanimously voted to renew the Investment Management Agreement with Wellington Management through October 31, 2022, by roll call vote.

On a motion by Mr. Quinton, seconded by Mr. LaPlante, the Committee unanimously voted to renew the Investment Management Agreement with Boston Trust Walden through October 31, 2022, by roll call vote.

On a motion by Mr. Quinton, seconded by Mr. LaPlante, the Committee unanimously voted to renew the Investment Management Agreement with Segall Bryant & Hamill through October 31, 2022, by roll call vote.

Mr. Sean Gill, Partner; of NEPC introduced Thoma Bravo and provided an overview of the NHRS's investments in previous Thoma Bravo funds. He discussed NEPC's conviction in Thoma Bravo and Thoma Bravo Fund XIV ("Fund XIV").

Ms. Jennifer James, Managing Director, Investor Relations and Marketing; and Mr. Orlando Bravo, Founder and Managing Partner; of Thoma Bravo provided a brief introduction of themselves and their firm. They referred to the "Thoma Bravo Fund XIV, L.P. Presentation to New Hampshire Retirement System" dated September 18, 2020. A discussion with the Committee followed.

Ms. James opened with an overview of the software industry in which the firm invests and discussed their conviction in the space. Ms. James and Mr. Bravo then provided a thorough overview of the firm, its investment process, and its organizational structure. Mr. Bravo provided an overview of the firm's portfolio construction process. Ms. James discussed the fund terms and the investments to date in Fund XIV. She highlighted the strong performance of the NHRS's investments in Thoma Bravo Fund XII and Fund XIII. She closed with a discussion on the opportunity to invest in Fund XIV.

The Committee discussed the presentation made by Thoma Bravo and the opportunity to invest in Fund XIV. On a motion by Ms. Clinton, seconded by Mr. Quinton, the Committee unanimously voted to commit up to \$75 million to Thoma Bravo Fund XIV, subject to contract and legal review, by roll call vote.

Mr. Angel G. Haddad, Senior Vice President; Ms. Millie Viqueira, Executive Vice President and Head of Fund Sponsor Consulting; Mr. Pete Keliuotis, Executive Vice President and Head of Alternatives Consulting; and Ms.

Sweta Vaidya, Senior Vice President and Consultant, Capital Markets Research; of Callan provided an overview of their firm and its investment consulting capabilities. They referred to the “New Hampshire Retirement System” presentation dated September 18, 2020. A discussion with the Committee followed.

Mr. Haddad and Ms. Viqueira opened with a thorough overview of the firm, its consulting strategy and client service model. Ms. Vaidya then provided an overview of Callan’s strategic planning process, discussing the work of the capital markets research group. Mr. Haddad and Mr. Keliuotis described Callan’s General and Alternatives Investment Consulting expertise. Ms. Viqueira discussed the firm’s process for researching new investment opportunities, as well as monitoring and reporting on current investment holdings. In response to questions from the Committee, the Callan team discussed their views on active and passive management. They also shared their process for recommending manager terminations. Ms. Viquiera and Mr. Haddad closed by reviewing Callan’s strengths as an organization. They highlighted their desire to work with the NHRS.

Mr. Kevin Leonard, Partner; Mr. Sean Gill, Partner; Mr. Timothy McCusker, Chief Investment Officer; and Ms. Sarah Samuels, Director of Marketable Securities; of NEPC provided an overview of their firm and its investment consulting capabilities. Mr. Leonard acknowledged that NEPC has served as the System’s general investment consultant since January 1, 2009. They referred to the “Investment Consulting Presentation” dated September 18, 2020. A discussion with the Committee followed.

Mr. Leonard opened with a thorough overview of the firm, its consulting strategy and client service model. He discussed the firm’s growth since the beginning of the NHRS partnership. Mr. McCusker then provided an overview of NEPC’s investment philosophy and asset allocation approach. Ms. Samuels and Mr. Gill described NEPC’s approach to researching and recommending public and private market investments, highlighting their expertise in both areas. They also discussed the firm’s process for monitoring and reporting on current investment holdings, as well as recommending manager terminations. Mr. Leonard closed by reviewing NEPC’s strengths as an organization. He highlighted their desire to continue to work with the NHRS.

On a motion by Mr. Quinton, seconded by Mr. Lesko, the Committee unanimously voted to convene into non-public session under RSA 91-A:3, II(c) for the purpose of discussing a matter which, if discussed in public, would likely affect adversely the reputation of a person other than a member of the public body, by roll call vote.

The Committee discussed the investment consulting finalist presentations made by Callan and NEPC.

On a motion by Ms. Clinton, seconded by Mr. Quinton, the Committee unanimously voted to conclude the non-public session, by roll call vote.

Ms. Kelliher entertained a motion to recommend that the Board of Trustees retain Callan to serve as NHRS' General Investment Consultant for a term of five years, with the ability to extend the contract for three one-year periods, commencing January 1, 2021, subject to contract and legal review.

Ms. Clinton made the motion and Mr. Quinton seconded the motion.

The vote on the motion was conducted by roll call.

Roll call vote:

Aye: Ms. Kelliher, Ms. Clinton, Mr. LaPlante, and Mr. Quinton.

Nay: Mr. Lesko.

Motion carried.

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

The meeting adjourned at 12:10 p.m.