

**NOTE:** These minutes were approved and executed at the October 22, 2021 Independent Investment Committee meeting.

**Independent Investment Committee Meeting  
September 24, 2021**

**Public Minutes**

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

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

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

*Callan (by video conference):* Angel Haddad, *Senior Vice President*; Britton Murdoch, *Vice President*; Pete Keliuotis, *Executive Vice President and Head of Alternatives Consulting*; Gary Robertson, *Senior Vice President, Private Equity*; and Andrew Maday, *Senior Vice President, Private Equity*.

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

On a motion by Mr. LaPlante, seconded by Ms. Clinton, the Committee unanimously approved the public minutes of the July 23, 2021 Investment Committee meeting, as amended.

Mr. Johansen reviewed investment returns through recent periods and referred to the Callan Monthly Review for periods ending August 31, 2021. 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. He noted that the Fixed Income allocation is currently below its target allocation and proposed transferring approximately \$55 million from the NHRS Cash Account to Fixed Income manager IR+M to bring the Fixed Income allocation back within range. Staff will work with IR+M to implement the transaction.

Mr. Johansen reviewed the Work Plan and updated the Committee on several initiatives. He discussed the core non-U.S. small cap equity

manager search underway. Staff will bring two finalists to present to the Committee at the October meeting.

Mr. Johansen referenced the draft Independent Investment Committee Quarterly Report to the Board, noting that net and gross investment fees have been added to the report in an effort to provide transparency on all of the fees and expenses paid by NHRS to the extent permitted by its contracts with investment managers.

Mr. Pete Keliuotis, Executive Vice President and Head of Alternatives Consulting; of Callan provided an overview of Top Tier and discussed NHRS's investments in previous Top Tier funds. He discussed Callan's conviction in Top Tier and Venture Velocity Fund 4 ("VVF4").

Ms. Jessica Archibald, Managing Director; Mr. Garth Timoll, Sr., Managing Director; and Mr. Sean Engel, Managing Director; of Top Tier provided a brief introduction of themselves, their firm, and its private equity fund, VVF4. They referred to the "New Hampshire Retirement System" presentation dated September 24, 2021. A lengthy discussion with the Committee followed.

Ms. Archibald provided a thorough overview of Top Tier, its organizational structure and its investment process. Mr. Timoll and Mr. Engel highlighted the strong performance of NHRS's existing investments in Top Tier Venture Velocity Fund ("VVF"), Top Tier Venture Velocity Fund 2 ("VVF2") and Top Tier Venture Velocity Fund 3 ("VVF3"). He added that NHRS's investment in VVF4 would constitute a re-up. Mr. Timoll discussed the opportunity to invest in VVF4 and noted the Fund's similarities and differences as compared to VVF, VVF2 and VVF3. He discussed the VVF4's key terms. He closed with an overview of the team's ability to access high growth companies and the favorable opportunities available within the secondaries and co-investments market.

Mr. Gary Robertson, Senior Vice President; of Callan discussed Callan's conviction in VVF4. The fund's attractive, competitive returns, combined with the firm's continuity of leadership and niche strategy make it a good fit for the NHRS portfolio.

On a motion by Mr. LaPlante, seconded by Ms. Clinton, the Committee unanimously voted to commit \$25 million to VVF4 subject to contract and legal review. Mr. Johansen confirmed that NHRS has been offered a seat on the Advisory Board.

Mr. Jamie Gordon, Senior Client Portfolio Manager; and Mr. Jim Gubitosi, Co-Chief Investment Officer; of IR+M provided a brief introduction of themselves and their firm. They referred to the "New Hampshire

Retirement System” presentation dated September 24, 2021. A lengthy discussion with the Committee followed.

Mr. Gordon provided a thorough overview of IR+M, its organizational structure and its investment process. He highlighted IR+M’s long-standing relationship with NHRS, dating back to September 1987. He also reviewed the firm’s focus on investing in investment-grade markets. Mr. Gubitosi reviewed the performance track record of the strategy. He highlighted its net outperformance relative to the benchmark over the one, three, five-year, ten-year and since-inception periods as of August 31, 2021. He attributed the investment team’s security selection to their ability to deliver strong, consistent performance. He closed by discussing the firm’s market outlook and their approach to ESG investing.

Mr. Angel Haddad, Senior Vice President; Britton Murdoch, Vice President; of Callan provided an overview of the System’s asset allocation and historical performance returns of the marketable assets of the NHRS portfolio at June 30, 2021, referring to the “New Hampshire Retirement System – Public Market Evaluation” presentation dated September 2021. A lengthy discussion with the Committee followed.

Mr. Haddad provided a review of the Investment Committee’s major accomplishments during the 2021 fiscal year. He then discussed investment performance and reviewed the NHRS Marketable Investments portfolio. He shared Callan’s observations on the System’s asset allocation and portfolio structure, investment performance and developments including the international small cap core equity search underway. Mr. Murdoch discussed performance by asset class and shared Callan’s recommendations. Mr. Haddad noted Callan’s conviction in the current asset allocation and portfolio structure. He suggested that the Committee and Staff look for opportunities to rebalance the portfolio if the broad allocations fall outside of the permissible policy ranges.

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

The meeting adjourned at 10:52 a.m.