

NOTE: These minutes were approved and executed at the October 11, 2022 Independent Investment Committee meeting.

**Independent Investment Committee Meeting
September 13, 2022**

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.

NHRS Trustees: Monica Mezzapelle.

Staff: Jan Goodwin, *Executive Director*; Larry Johansen, *Consulting Director of Investments*; Heather Hoffacker, *Internal Auditor (by video conference)*; Greg Richard, *Senior Investment Officer (by video conference)*; Shana Bilech, *Investment Officer (by video conference)*; and Ashley Lloyd, *Investment Officer (by video conference)*.

Callan: Angel Haddad, *Senior Vice President*; and Pete Keliuotis, *Executive Vice President and Head of Alternatives Consulting (by video conference)*.

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

On a motion by Ms. Clinton, seconded by Mr. LaPlante, the Committee unanimously approved the public and non-public minutes of the July 22, 2022 Investment Committee meeting, as presented.

Ms. Liz Smith, Senior Managing Director of Public Funds; Mr. Tim Strakosch, Vice President and Client Service Advisor of Public Funds; and Mr. Nelson Yu, Head of Blend Strategies; of AB presented a brief introduction of themselves and their firm. They referred to the “U.S. Small and Mid-Cap Blend” presentation dated September 13, 2022. A discussion with the Committee followed.

Mr. Strakosch and Ms. Smith opened with an overview of AB and the firm’s relationship with NHRS. Mr. Yu provided a detailed overview of AB and the Blend Strategy’s investment philosophy and process. He reviewed performance attribution and the performance track record of the U.S. small/mid (“SMid”) cap equity strategy over various periods. Mr. Yu attributed the strategy’s balance between value and growth to the firm’s ability to deliver strong, consistent performance. In response to a question from the Committee, Mr. Yu discussed the portfolio’s allocation to growth

and value names. Mr. Yu closed with a discussion of the portfolio's characteristics, current positioning, and the team's investment outlook.

Mr. Brett Hawkins, Chief Investment Officer and Portfolio Manager; and Mr. Matthew Soule, Client Portfolio Manager; of TSW presented a brief introduction of themselves and their firm. They referred to the "Account Review" presentation dated September 13, 2022. A discussion with the Committee followed.

Mr. Soule provided an overview of TSW and the firm's relationship with NHRS. He discussed the recently announced acquisition of TSW's parent company, Pental Group, by Australian fund manager Perpetual. Mr. Hawkins discussed TSW's investment team and their investment philosophy and process. He reviewed performance attribution over short and long-term periods. Mr. Hawkins closed with a discussion of the strategy's current positioning and the team's investment outlook.

Mr. Angel Haddad, Senior Vice President; of Callan provided an overview of TSW's acquisition by Perpetual. A discussion with the Committee followed.

The Committee agreed to perform a review of the NHRS portfolio to evaluate biases within various asset classes and confirm the Committee remains comfortable with the current portfolio structure.

Mr. Brian Faliero, Senior Vice President; Ms. Amy Kraynak, Senior Vice President; and Mr. Conrad Saldhana, Managing Director; of Neuberger Berman referred to the "NB Emerging Markets Equity Fund L.P. Detailed Review of Russian Positioning" presentation dated September 13, 2022. A discussion with the Committee followed.

In response to questions from the Committee, Mr. Saldhana discussed Neuberger Berman's investment process and positioning up to, and following, Russia's invasion of Ukraine.

Mr. Haddad referred to Callan's "Neuberger Berman Emerging Markets Equity Strategy Extension" memo dated August 31, 2022. A discussion with the Committee followed.

The Committee discussed performance of the Neuberger Berman portfolio over various periods and the impact of the strategy on the total portfolio. They agreed to table the decision to extend the contract at this time. The Committee will further discuss and review the structure of the portfolio before proceeding.

Mr. Haddad provided an overview of the System's asset allocation and historical performance returns of the marketable assets of the NHRS portfolio at June 30, 2022, referring to the "New Hampshire Retirement System – Public Market Evaluation" presentation dated September 13, 2022. A lengthy discussion with the Committee followed.

Mr. Haddad provided a review of the Investment Committee's major accomplishments during the 2022 fiscal year. He discussed the impact of inflation on investment performance and reviewed the NHRS Marketable Investments portfolio. He reviewed the System's asset allocation, noting the fund's Fixed Income allocation is within appropriate parameters with the inclusion of Cash. Non-U.S. Equity is below its target allocation; however, drastic action is not recommended at this time due to the current market environment. Following a discussion, the Committee agreed they are comfortable with the current positioning and will continue to monitor the Non-U.S. Equity allocation.

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

The meeting adjourned at 2:29 p.m.