



New Hampshire Retirement System
54 Regional Drive, Concord, NH 03301
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Website: www.nhrs.org - Email: info@nhrs.org

TO: Senator Sharon Carson, Chair, Senate Executive Departments & Administration Committee
Representative Carol McGuire, Chair, House Executive Departments & Administration Committee

FROM: New Hampshire Retirement System Board of Trustees
(Prepared by Jan Goodwin, Executive Director)

RE: Quarterly Report to the General Court – April 1, 2022

Dear Senator Carson and Representative McGuire:

Pursuant to RSA 100-A:14, VII-a, the Board of Trustees of the New Hampshire Retirement System (NHRS, the retirement system) is submitting this quarterly report to the General Court.

Here is a summary of NHRS activities during the quarter ending March 31, 2022:

- The Independent Investment Committee (IIC) unanimously voted on March 18, 2022, to direct its external account managers to sell the Russian assets held in the NHRS portfolio as soon as practical and prudent. The motion also directed external account managers to not purchase any Russian assets until the IIC has specifically granted such permission. Additional information on these assets is included with this report.
- The Board unanimously voted in February to accept the June 30, 2021, GASB Statements 68 and 75 Reports. The reports, which detail the proportionate share of unfunded pension and OPEB (medical subsidy) liabilities for participating employers, will be used by employers to prepare financial statements in accordance with Governmental Accounting Standards Board requirements.
- The multi-year upgrade of the NHRS pension database (“PGV3”), which began in January 2019, is now 53% percent complete.

In addition to this cover letter, the report contains:

- An executive summary of NHRS Board and staff activity from January through March.
- The minutes of the following Board meetings: January 11, 2022; February 8, 2022; March 8, 2022 (draft).
- Investment information on Total Fund through December 31, 2021, which is the most recent data available.
- Monthly investment information through February 28, 2022, which is the most recent data available.
- NHRS Statement on Russian Holdings.
- A tracker of NHRS-related legislation.

If you have any questions or would like additional information, please do not hesitate to contact me.

Respectfully,

Jan Goodwin
Executive Director

cc: Office of Governor Christopher Sununu

**Executive Summary of
New Hampshire Retirement System (NHRS)
Board of Trustees Meetings**

January 11, 2022, to March 8, 2022

At the January 11, 2022, regular monthly meeting of the NHRS Board of Trustees, the Board discussed House Bill 1257, which requires NHRS to sell, redeem, divest, or withdraw from investments in securities of companies that have direct holdings in active business operations located in China.

Trustee Maureen Kelliher, who also serves as chair of the Independent Investment Committee (IIC), reported that the IIC voted in December to recommend that NHRS oppose this bill because it conflicts with New Hampshire constitutional and statutory requirements, as well as general trust law, all of which require that the NHRS fiduciaries act solely for the exclusive benefit of its members and beneficiaries. Following Trustee Kelliher's remarks, the Board engaged in a discussion on HB 1257 and then unanimously voted to accept the recommendation of the Independent Investment Committee that the Board oppose House Bill 1257, as presented, with Trustee Mezzapelle abstaining. *(Note: the House killed HB 1257 on March 12.)*

At the February 8, 2022, regular monthly meeting, the Board voted unanimously to accept the recommendation of the Audit Committee to approve the June 30, 2021, GASB Statements 68 and 75 Reports, subject to receipt of an unmodified audit opinion letter from Plante Moran.

The Board heard a presentation from staff on the disability retirement process.

The Board voted unanimously to approve the request of the Executive Director that the Board select EFL, a national executive search firm, to assist in the Director of Investments hiring process.

At the March 8, 2022, regular monthly meeting, Trustee Kelliher updated the Board on the retirement system's limited investments in Russia. She reported that at the next IIC meeting, scheduled for March 18, the Committee would consider a vote to sell these holdings as soon as practical and prudent.

The Board began the FY 2023 strategic planning process.

Throughout the quarter, the Board received regular monthly updates on the status of the retirement system's multi-year pension administration system

upgrade project (PGV3), which will replace the current 18-year-old system (PGV2) NHRS is currently using. The project is 53 percent completed.

Additional details regarding actions and discussions of the NHRS Board of Trustees may be found in the archive of meeting minutes posted on www.nhrs.org. The direct link to this page is:
<https://www.nhrs.org/about-nhrs/board-of-trustees/meeting-minutes>

NHRS Board of Trustees

Minutes – January 11, 2022

Note: These minutes from the January 11, 2022 Public Session were executed and approved at the February 8, 2022 Board of Trustees' meeting.

**Board of Trustees
January 11, 2022**

Public Minutes

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

Participating: *Trustees Tim Lesko, Chair; Scott Christensen, Christopher Coates*, Sue Hannan, Bill Hart, Maureen Kelliher, Robert Maloney, Andrew Martineau, Germano Martins, Ken Merrifield*, Monica Mezzapelle, Scott Myers, and Donald Roy*.*

**These Trustees participated remotely because of meeting conflicts, as permitted under RSA 91-A:2. As a result, all votes were by roll call.*

Staff: Jan Goodwin, Executive Director; Tim Crutchfield, Deputy Director and Chief Legal Counsel; Larry Johansen, Director of Investments; Gerard Murphy, Director of Finance; Frank Clough, Director of Information Technology; Nancy Miller, Director of Member Services; Marty Karlon, Director of Communications & Legislative Affairs; Rosamond Cain, Director of Human Resources; Diana Crichton, Esq., Hearings Examiner; Mark Cavanaugh, Associate Counsel and Compliance Officer; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Tracy Knight, Project Manager; Ann Stetson, Senior IT Business Analyst; David Hill, IT Support Specialist; and Christine Rice, Administrative Assistant.

Chair Lesko called the January 11, 2022 regular meeting of the NHRS Board of Trustees to order at 10:00 a.m.

A quorum was established and the Chair called for a vote to approve the public minutes of the December 14, 2021 Board meeting. On a motion by Trustee Maloney, seconded by Trustee Hart, the Board voted to approve the minutes, as presented.

Chair Lesko opened the floor for Committee reports, starting with Trustee Mezzapelle, who presented the Audit Committee report. She noted the Committee met this morning prior to the Board meeting, and gave a status update on internal audit activities, as well as items on the Internal Audit Tracker.

Trustee Mezzapelle then referred to the Audit Plan, reporting that the Death Audit was in process, the audit for Cash Management and Cash Flow Projections had recently begun, and that she expected the reports to be available to the Committee next month.

She continued her report with an update on the Policy and Procedure Assignment Audit, explaining that staff are working on updating procedures. In closing, Trustee Mezzapelle stated the Committee had also received an update from Finance, sharing that Finance had received the draft fiscal year GASB 68 and 75 reports from GRS and submitted them to Plante Moran for auditing, and that the reports would come before the Audit Committee and the Board at their meetings next month. Lastly, she noted that Plante Moran provided the FY21 Opportunities Letter, which lists recommendations to improve operations and internal controls, and that Finance is reviewing the letter and preparing responses and would present it to the Audit Committee at its meeting next month.

Following Trustee Mezzapelle, Trustee Roy gave the report of the Governance Committee, which had met on January 4, 2022, in part to review the annual revisions to the Governance Manual. He said that after a brief discussion, the Committee voted unanimously to recommend to the Board that it approve the annual updates to the Manual, including the new term use for “Annual Comprehensive Financial Report,” or “ACFR,” throughout the Manual in accordance with the recent policy change.

Trustee Roy then reported that the Committee next reviewed the renewal of the fiduciary insurance policy. The Committee heard from Deputy Director and Chief Legal Counsel Tim Crutchfield on the proposal from the incumbent carrier, Hudson Insurance, who had increased the premium for the first time in seven years. Mr. Crutchfield explained that the carrier said it was due to the national rise in fiduciary claims in the past two years, as NHRS has not filed any claims during that time. The Committee then voted unanimously to recommend to the full Board that it approve this year’s renewal of the fiduciary policy with Hudson Insurance.

On a motion by Trustee Hart, seconded by Trustee Hannan, the Board voted to accept the recommendation of the Governance Committee that the Board approve the revised Governance Manual, as presented.

At this time, Trustee Christensen joined the Board meeting.

On a motion by Trustee Martins, seconded by Trustee Maloney, the Board voted unanimously to approve the recommendation of the Governance Committee to renew the annual fiduciary insurance coverage with Hudson Insurance Company, as presented today.

Next, Trustee Kelliher gave the report of the Independent Investment Committee (IIC, Committee), which met on December 17, 2021, noting Director of Investments Larry Johansen updated the Committee on investment returns through recent time-periods, as well as on the Work Plan. Trustee Kelliher next reported that the IIC reviewed House Bill (HB) 1257, which proposes requiring NHRS to divest from direct investments in companies in China. She indicated she would come back to this topic at the end of her report. She then noted that the IIC agreed to approve the renewal of a two-year contract with Abel Noser Solutions, the System’s trading cost analysis provider. Next, she mentioned the presentation that the Committee heard from NHRS’ real estate investment manager, The Townsend Group (Townsend), who took over the management of the System’s real estate portfolio in 2009. Trustee Kelliher stated that Townsend representatives gave the IIC a panorama of its performance since its inception, noting that the portfolio had created over \$757 million in value, representing a 12.0% net return and 1.5 X equity multiple. The Committee then voted unanimously to renew the real estate agreement with Townsend through December 31, 2023.

Trustee Kelliher next reported that the Committee had heard a presentation from the NHRS investment consultant, Callan, who referred to the “Annual Alternatives Portfolio Review” and provided a thorough picture of the System’s private equity and private debt assets portfolio, as of June 30, 2021. The Committee then voted unanimously to approve the private debt and private equity strategic plan for calendar year 2022.

Trustee Kelliher then turned the Board’s attention to House Bill 1257, noting the IIC’s opposition to the proposed legislation. She stated that the Committee believes it directly conflicts with the constitutional and statutory requirements of the System, as well as general trust law, under the Internal Revenue Code, all of which require that the NHRS fiduciaries act solely for the exclusive benefit of its members and beneficiaries at all times, pursuant to RSA 100-A, and Part I, Article 36 of the New Hampshire Constitution. At its December meeting, the Committee voted unanimously to recommend to the Board that it oppose HB 1257. Following Trustee Kelliher’s statement from the Committee, the Board engaged in a discussion on HB 1257.

On a motion by Trustee Hart, seconded by Trustee Martins, the Board voted to accept the recommendation of the Independent Investment Committee that the Board oppose House Bill 1257, as presented, with Trustee Mezzapelle abstaining.

Trustee Kelliher then turned to Mr. Johansen, who updated the Board on the total fund performance through November 30, 2021, stating that NHRS is at 12.1% at three years, 10.8% at five years, and 10% at 10 years. Next, he reported that asset allocations were close to target and well within range, with assets, Fiscal Year to Date, at \$11.5 billion.

He then provided a high-level review of Callan’s and the Committee’s summary of the private debt and private equity portfolio as of June 30, 2021, as well as the commitment pace for 2022. He noted the Internal Rate of Return (IRR) had increased significantly since 2019, at 12.1% as of June 30, 2021, up from 9.4% as of December 31, 2019, and 9.8% as of December 31, 2020. The program became cash flow positive in 2021 for the first time since the re-start of the program in 2011. The NHRS alternatives portfolio accounts for 19.4% of assets, and the IIC will work toward achieving the 15% target, without missing any vintage years. The IIC plans to commit \$250 million to private equity and \$200 million to private debt during Calendar Year 2022. The IIC will revisit the pacing schedule in June and make any required mid-year course corrections. In December 2022, he noted the IIC would set the 2023 commitment pace. Following his overview, there were several inquiries from Trustees before he concluded his report with an outline of the IIC’s January meeting agenda.

Next, Trustee Myers provided the Legislative Committee update, noting that the Committee met after the December 14, 2021 Board meeting to review the 2022 Legislative Service Requests (LSRs), and the 2021 retained bills, and mentioned that all of the 2022 LSRs had now become bills. He updated the Board on Legislative activity, reporting that there are nine House and Senate public hearings this week. Trustee Myers proceeded to highlight NHRS-related bills, providing a summary of SB 363, HB 1079, HB 1257, HB 1535, and HB 1590. Several Trustees inquired on particular bills and their potential impact on NHRS, which Trustee Myers and Marty Karlon, Director of Communications and Legislative Affairs, addressed.

Following the Legislative Committee report, Trustee Coates gave a brief report of the Benefits Committee, which met on January 5, 2022, and went into non-public session under RSA 91-A to discuss two pending Gainful Occupation cases with counsel.

Trustee Hart then gave the PPCC report, noting the Committee had met January 4, 2022. The Committee heard from Director of Human Resources Rosamond Cain on succession planning and the status on staff recruiting. The Committee then discussed Mr. Johansen's upcoming retirement as of September 1, 2022, recommending that NHRS engage a search firm to assist with finding his replacement. Trustee Hart next reported that the Committee also reviewed the process for the annual evaluation of the Executive Director, which he said the PPCC expects to begin in February.

Next, Chair Lesko turned the floor to Mr. Karlon who gave a presentation on the legislative process, providing an overview of the key terms, important dates for legislative sessions, the life cycle of bills, the statutory budget process, which occurs every other year, and NHRS' role in working with the Legislature. He explained that NHRS does not take a position on legislation unless there are fiduciary or IRS issues with a proposal, but does provide data and impartial analysis on all bills that would affect NHRS. Lastly, he provided a reference list of tools and resources for Trustees to refer to current and past legislation. A brief question-and-answer session followed the presentation.

With no further discussion, Chair Lesko opened the floor to Executive Director Jan Goodwin to begin the operating reports. Ms. Goodwin updated the Board on the COVID-19 Transition Plan, noting that the System has permitted up to 50% of its staff to return safely to the office, under the advisement of its consulting firm, Fusion Cell. She then turned the Board's attention to the KPMs, which came in at 98.8% this month, above the 95% benchmark. She then commented on the progress of PGV3, noting it has reached 50% completion, and that NHRS had successfully transitioned since Project Manager Cecile Merrill's retirement in December.

Next, Ms. Goodwin reported on the competitive bid on the Death Audit Services, and announced the retention of LexisNexis, with an annual cost of \$6,750, which is less than the threshold of \$25,000 needed of Board approval. She then mentioned the continued success of the Contact Center, achieving all of its KPMs and noting its 100% customer satisfaction rating last month, concurrent with celebrating its one-year anniversary. In conclusion, she reported on her Action Plan, noting that everything is in process satisfactorily.

Next, Mr. Karlon gave his operating report, noting PIO's preparation for the legislative session, and the scheduling of its annual member and employer events. He reported PIO achieved all of its KPMs, and that it is on track with its Action Plan.

Following PIO's report, Director of Member Services Nancy Miller provided the Board with an update on moving to the new death audit vendor, noting Member Services would be transitioning to LexisNexis, as Ms. Goodwin mentioned. She then provided an update on recruiting in Member Services. Ms. Miller made the Board aware of the full transition of the JRP to its new third-party administrator, noting that NHRS had transferred the necessary data to them, and that the new administrator would handle the January payroll. She mentioned NHRS would be involved with the 2021 JRP Audit.

Ms. Miller then reported that Member Services achieved all of its KPMs. She provided the Board with a summary of upcoming projects, including staff creating design documents for PGV3's Deliverable 4, and she mentioned about the continued progress on audit corrections, which should align with a Member Services Action Plan item.

Next, Director of Finance Gerard Murphy provided his Finance report, starting with the net position, as of November 30, 2021, of \$11.55 billion, representing a \$20 million decrease in the first five months of Fiscal Year (FY) 2022, and noted that cash flows were as expected, and that spending was below budget. He then explained that his department missed one KPM that had to do with banking reconciliation, which Finance was unable to meet because of a vacant position. He also mentioned that NHRS had recently filled this position. He reported that the candidate began after the holidays and that training is underway. Mr. Murphy noted that his Action Plan is progressing, and that Finance has been working on the Employer Roll-Out of the PGM3 project, meeting with payroll providers to review details on the schedule for the process of accepting and validating XML files. He reported that staff are working on the Employer Profile Project to ensure NHRS has current information on file for its employers prior to the implementation of PGM3. Lastly, he mentioned that Finance is in the process of preparing to issue 1099-Rs to NHRS beneficiaries. He noted that the 1099-R mailing would occur by the end of January.

Ms. Cain followed with her Human Resources operating report, providing an update to the Board on recruiting, noting there are currently five vacant positions, with two in Member Services, two in IT, and one in Finance. She reported that HR had begun transferring data to the new payroll vendor. She said she anticipates a “go live” date of April 1, 2022. Ms. Cain concluded her report with the announcement that NHRS had instituted the new CDC protocols on isolation and quarantine, noting staff would have to isolate or quarantine for five days depending on COVID-19 test results.

Next, Director of IT Frank Clough presented his report, providing an update on the monthly Security Awareness Training. He then provided a review of the email incident that occurred in late November 2021, confirming that the issue has been resolved and that IT continues to work with one of its third-party vendors to ensure continued oversight.

Mr. Clough then gave status updates on the firewall audit and the penetration-testing audit, noting they were completed and that staff are reviewing the findings. He informed the Board of several projects that are underway, including new software features for better management of iPads that the Trustees use. Lastly, he spoke about staffing, noting the position left open this past week by the departure of a network administrator, and that training continues for the recently hired Information Systems Security Officer (ISSO).

Following Mr. Clough, Deputy Director and Chief Legal Counsel Crutchfield presented his report and informed the Board that this week PIO had sent out the annual notice to retirees and employers regarding the annual limits on hours worked. He also noted that participating employers who hire NHRS retirees to work part-time have to report annually to NHRS of the hours worked and any compensation paid for the past calendar year, by February 15.

He then thanked the Trustees for their timely responses on the annual Statements of Financial Interests due later this month. Next, Mr. Crutchfield gave an overview of upcoming plans, and commended Attorney Diana Crichton for her management of pending appeals. He noted that Legal met all of its KPMs in December. Mr. Crutchfield then updated the Board on NHRS’s engagement with Groom Law Group on a provision in HB 2, regarding the application of the medical subsidy for state retirees, and the System’s related concerns surrounding compliance with the Internal Revenue Code. Lastly, he mentioned that collective bargaining negotiations were to begin this week for the current agreement, which expires on June 30, 2022. A Trustee inquired about which CBA group it involves, and Mr. Crutchfield explained that less than half of NHRS staff belong to the union and that the

agreement duration is for three years.

Finally, Mr. Johansen gave his report on Investments, noting it had met seven KPMs, explaining that three KPMs were not applicable for the month. He announced that there would be three presentations on inflation at next Friday's IIC meeting. He invited any Trustee who would like to attend remotely to contact him for the meeting materials. In closing, he informed the Board that the items in his Action Plan were ahead of schedule or in process.

Chair Lesko next presented the Consent Agenda, and on a motion by Trustee Myers, seconded by Trustee Hart, the Board voted to accept the Consent Agenda, with Trustee Merrifield abstaining on Item 4.

There were no travel reports.

Next, Ms. Goodwin provided an update on Action Items from the December 14, 2021 meeting, noting all items would be complete at the close of today's Board meeting.

Chair Lesko opened the Checkpoint discussion and congratulated Mr. Johansen on his pending retirement. He then commended NHRS on its hard work on the KPMs.

With no further business to discuss, on a motion by Trustee Hart, seconded by Trustee Christensen, the Board voted unanimously to adjourn the meeting at 11:21 a.m.

Respectfully submitted,

Christine Rice,

Administrative Assistant

NHRS Board of Trustees

Minutes – February 8, 2022

Note: These minutes from the February 8, 2022 Public Session were executed and approved at the March 8, 2022 Board of Trustees' meeting.

**Board of Trustees
February 8, 2022**

Public Minutes

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

Participating: *Trustees Tim Lesko, Chair; Scott Christensen, Christopher Coates*, Sue Hannan*, Bill Hart, Maureen Kelliher, Robert Maloney, Andrew Martineau, Germano Martins, Ken Merrifield, Monica Mezzapelle, and Scott Myers.* Absent: *Don Roy.*

**These Trustees participated remotely because of meeting conflicts and weather conditions, as permitted under RSA 91-A:2. As a result, all votes were by roll call.*

Staff: *Jan Goodwin, Executive Director; Tim Crutchfield, Deputy Director and Chief Legal Counsel; Larry Johansen, Director of Investments; Gerard Murphy, Director of Finance; Frank Clough, Director of Information Technology; Nancy Miller, Director of Member Services; Marty Karlon, Director of Communications & Legislative Affairs; Rosamond Cain, Director of Human Resources; Diana Crichton, Esq., Hearings Examiner; Mark Cavanaugh, Associate Counsel and Compliance Officer; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Tracy Knight, Project Manager; Ann Stetson, Senior IT Business Analyst; David Hill, IT Support Specialist; and Christine Rice, Administrative Assistant.*

Chair Lesko called the February 8, 2022 regular meeting of the NHRS Board of Trustees to order at 10:00 a.m.

A quorum was established and the Chair called for a vote to approve the public minutes of the January 11, 2022 Board meeting. On a motion by Trustee Martins, seconded by Trustee Maloney, the Board voted unanimously to approve the minutes, as amended.

Chair Lesko commenced the meeting with the Committee reports, turning the floor to Trustee Mezzapelle for her report on the Audit Committee, which met prior to today's Board meeting. She gave an update on internal audit activities, including the recommendation for updated processes during death audits, and conducting a review of the services provided by Lexis Nexis, the new death audit provider. Trustee Mezzapelle noted this would become an additional item on the current Audit Plan. Next, she provided the status of several items on the Internal Audit Tracker.

Trustee Mezzapelle then noted that the Committee heard updates from Finance on the

FY21 GASB 68 & 75 Audit Reports, stating that Plante Moran audited the reports and that the Committee expects an unmodified opinion letter from the auditor. During its meeting, the Committee voted to recommend to the full Board to approve the two reports. She then turned to Director of Finance Gerard Murphy, who gave an overview of GASB 68 & 75, explaining that these reports allocate to participating employers their respective pension and other post-employment benefits (OPEB) liabilities.

On a motion by Trustee Kelliher, seconded by Trustee Hart, the Board voted unanimously to approve the recommendation of the Audit Committee to accept the June 30, 2021 GASB 68 & 75 Reports, as presented, subject to receipt of an unmodified opinion letter from Plante Moran.

Trustee Mezzapelle lastly noted that Mr. Murphy had presented the Committee with the draft FY21 Opportunities Letter from Plante Moran, which outlined recommendations for review. She noted the Audit Committee would receive progress updates regularly.

On behalf of Trustee Roy, Deputy Director and Chief Legal Counsel Tim Crutchfield gave the Governance Committee report, noting it had not met since the January Board meeting, but expects to meet in March for the annual Voluntary Compliance Program Policy review.

Next, Trustee Kelliher gave the report of the Independent Investment Committee (IIC), which met on January 21, 2022, and noted that Director of Investments Larry Johansen updated the IIC on investment returns through recent time-periods, as well as asset allocations and liquidity. He then presented a review of the Work Plan for the fourth quarter of FY22, which the Committee voted to approve.

Trustee Kelliher next gave a synopsis of the presentations on inflation and the impact of rising costs on the System's assets from three investment firms: AllianceBernstein, Neuberger Berman, and BlackRock. She mentioned that the Committee also heard and discussed a presentation from Callan, who gave a detailed account of the Total Fund Performance versus the Benchmarks. Lastly, she commented that in light of Mr. Johansen's scheduled retirement, Executive Director Jan Goodwin talked about future, potential models for the NHRS's Investment Division, and because of the broad scope of the topic, the Committee voted to hold a special public meeting on February 11, 2022.

Trustee Kelliher then turned to Mr. Johansen, who updated the Board on the Total Fund Performance through December 31, 2021, stating that NHRS is up 4.6% Fiscal Year to Date (YTD), 14.8% at three years, 11.3% at five years, and 10.3% at 10 years. Next, he reported that asset allocations were close to target and well within range, with assets, as of December 31st, at \$11.9 billion. He then referenced the System's Proxy Voting Policy, explaining that NHRS's proxy voting agent, Institutional Shareholder Services (ISS), performs an annual review of the Proxy Voting Policy and it did not have any recommended changes to the Policy. He reported that 100% of votes cast during 2021 were in compliance. Lastly, he concluded his report with an outline of the IIC's February regular meeting agenda.

Next, Trustee Myers provided the Legislative Committee update, noting that the Committee had not met since its meeting last month, and then proceeded to update the Board on Legislative activity. He reported on the status of several bills that could be impactful on NHRS as listed in the Legislative Tracker. Trustee Myers then turned to Marty Karlon, Director of Communications and Legislative Affairs, who provided an update on a pending

COLA bill, House Bill 1535, noting that a committee vote on this and possibly other bills is expected today. He then provided further explanation of the wording of the COLA bill and noted that the deadline for committees to act on bills in time for the February 16th and 17th House session is by Thursday of this week. In closing, Trustee Myers brought the Trustees' attention to the 2022 deadlines for the House and Senate in the Board Meeting materials.

Trustee Coates then gave a brief report of the Benefits Committee, which had not met since the last Board meeting.

Next, Trustee Hart gave the PPCC report, noting that the PPCC met last week and reviewed the process of the annual Executive Director Evaluation and explained that Trustees would receive evaluation forms by the end of February to fill out and return to Director of Human Resources Rosamond Cain by March 11th. He informed them that this evaluation process is the initial step in helping to identify objectives for defining the organizational Strategic Plan for FY 2023. Trustee Hart then noted the Committee reviewed and discussed four different proposals from executive search firms in relation to filling the Director of Investments position with Mr. Johansen's upcoming retirement, and chose one to recommend to the Board. Lastly, he noted the Committee went over potential models for the Investment Department, and reminded the Board of the IIC special meeting slated for Friday.

Chair Lesko then turned to Mr. Crutchfield who introduced attorneys Diana Crichton, NHRS Hearings Examiner, and Mark Cavanaugh, Associate Counsel and Compliance Officer, who collaboratively brought to the Board a slide presentation on the Disability Retirement Process. Ms. Crichton began by describing the two different types of disability retirements: Ordinary Disability Retirement (ODR), and Accidental Disability Retirement (ADR). She then gave an overview of the legal standards, covered statistics in relation to the number of disability applications that NHRS receives, the percentage of members applying who are awarded disability retirement, as well as the overall process and timelines associated with disability retirement. Ms. Crichton then turned the presentation over to Mr. Cavanaugh, who explained the compensation portion of ODR and ADR benefits. In closing, he described Gainful Occupation, which limits the total income that disabled retirees who are receiving a benefit can earn, as well as the re-examination process.

Next, Chair Lesko opened the floor to Ms. Goodwin, who gave her operating report. She reported on the KPMs, which came in at 95.29% this month, slightly above the 95% benchmark. She noted there were four missed KPMs, two in Finance, and two in Member Services. Ms. Goodwin indicated that one of the Finance KPMs was relative to employers not providing information in a timely manner, and commented on the proposed legislation that would impose penalties on such untimely employers. She then gave a PGV3 status report, noting the project is 51% complete, and announced that since the project is at the halfway point, a presentation would come before the Board next month, on the financial portion of PGV3 and the expectations for the duration of the project.

Ms. Goodwin next invited the Trustees to notify her if they would like to attend the special IIC meeting on Friday, and she would provide a link to attend virtually.

She noted that the Contact Center continues to achieve its goal of answering calls within two minutes, with a 5% abandon rate. She informed the Board that she had begun making member, retiree, and employer telephone calls again, something the previous

Executive Director had done, but had stopped at the beginning of the pandemic. She mentioned her pleasure to make these calls to receive feedback on the System and its customer service. She presented the quarterly Member Satisfaction Report, noting the positive responses. Lastly, she announced that her action plan is in process.

She then informed the Board of the request to hire EFL, an executive search firm to help recruit a replacement for a Director of Investments, with Mr. Johansen's impending retirement effective September 1, 2022.

On a motion by Trustee Myers, seconded by Trustee Martins, the Board voted unanimously to approve the request of the Executive Director that the Board select EFL to assist in the Director of Investments search. Trustee Maloney reminded the Board that NHRS had used EFL in its search for an Executive Director, and subsequently led to hiring Ms. Goodwin. He reported the PPCC found EFL to be efficient and decided to recommend the firm again.

Next, Member Services Director Nancy Miller presented her report, noting staff's extensive work in PGV3, particularly with D4 designs as they move into user acceptance training and testing. She announced the continued quest to fill two vacancies in Member Accounts, with second and third interviews underway. She then reported that work had begun with the new death audit provider, Lexis Nexis, but noted its delay with the PG file-upload and that Member Services expects Lexis Nexis will have the upload ready this month. Additionally, she mentioned that Lexis Nexis would now also handle nation-wide obituary searches, which NHRS staff used to do manually and only local to New England.

She mentioned the successful transition of the Judicial Retirement Plan to its new provider. Ms. Miller next reported that Member Services achieved 18 of its 20 monthly KPMs, explaining that the two missed KPMs, the first pertaining to July 21st benefit finalizations, and the second to estimates, were both attributable to staff leave-of-absence times. She noted the second missed KPM was also due to new employees handling record reviews, necessary for the estimate process.

Director of Finance Gerard Murphy opened his Finance report, noting the December 31, 2021 net position of \$12.01 billion, an increase of \$440 million in the first six months of FY22. He reported that cash flows for December 2021 were as expected and total spending through the first six months of FY22 was below budget. He stated that all of the main budget categories have positive variances for the first six months of FY22.

He then explained that his department missed two of its 12 applicable KPMs this month, one having to do with banking reconciliation, which his department was unable to meet because of a vacant position that Finance recently filled in January. He added that Finance would be on track to meet that KPM next month. The other missed KPM had to do with employer reconciliation and that was due to outstanding employer documentation. He mentioned by escalating the request for information to help expedite employer responses, Finance anticipates it would meet that KPM next month. In closing, he updated the Board on the progression of the employer reporting rollout project for PGV3, and the employer profile project.

Next Ms. Cain began her Human Resources report with a staffing update to the Board. She then reported on the NHRS COVID transition plan and the weekly updates to staff, noting that NHRS has up to 50% of staff in the office, and that currently 89% of all staff has been vaccinated, and 17% have had the booster. Lastly, Ms. Cain reported that, since

September, there have been no COVID cases attributable to in-office transmission.

Next, Director of IT Frank Clough presented his report, providing an update on the monthly Security Awareness Training for staff, noting there were no failures in January. He then reported on the status of the Firewall Audit, of which there were no findings. He then gave an update on the Vulnerability and Penetration Audit, which resulted in 14 findings, 10 of which IT has addressed, and is working on completing the remaining four. Mr. Clough then informed the Board that the candidate who filled the Network Administrator position would begin work on February 28th. He noted that recruiting is under way for the Information Systems Security Officer (ISSO) position that recently became vacant. Lastly, he announced that IT achieved all of its KPMs and 100% customer satisfaction.

Mr. Crutchfield presented his Legal report, noting the 445 annual Gainful Occupation requests have been mailed and 425 have been processed. Next, he informed the Board that updates to the 19 Statutory Interpretive Memoranda, which staff and external stakeholders use, is underway. He noted the February 15th deadline for employers to report the compensation and hours worked for any part-time NHRS retirees. He also apprised the Board on the status in the matter of the HB2 provision regarding the medical subsidy process for state retirees. In closing, Mr. Crutchfield noted that his action plan is in progress.

Next, Mr. Johansen gave his report on Investments, noting all projects are in process or ahead of schedule.

Mr. Karlon then presented his operating report, providing an update on legislative activity, and the work of his team, focusing on preparing PGV3 employer educational materials with Finance, and scheduling and promoting events. He mentioned a high response rate to upcoming webinars scheduled during February school vacation week. He expects with such interest, staff would offer these webinars again during April vacation.

Chair Lesko next presented the Consent Agenda, and on a motion by Trustee Hart, seconded by Trustee Mezzapelle, the Board voted unanimously to approve the Consent Agenda.

There were no travel reports.

Next, Ms. Goodwin provided an update on Action Items from the January 11, 2022 meeting, noting all items would be complete at the close of today's Board meeting.

Chair Lesko opened the Checkpoint discussion, applauding the Board for its engagement.

With no further business to discuss, on a motion by Trustee Hart, seconded by Trustee Maloney, the Board voted unanimously to adjourn the meeting at 11:39 a.m.

Respectfully submitted,

Christine Rice,
Administrative Assistant

NHRS Board of Trustees

DRAFT Minutes – March 8, 2022

Note: These draft minutes from the March 8, 2022 Public Session are subject to approval at a subsequent Board of Trustees' meeting.

**Board of Trustees
March 8, 2022**

DRAFT Public Minutes

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

Participating: *Trustees Tim Lesko*, Chair; Scott Christensen, Christopher Coates*, Sue Hannan, Bill Hart, Maureen Kelliher, Robert Maloney, Andrew Martineau, Germano Martins, Ken Merrifield, Monica Mezzapelle, Scott Myers, and Don Roy*.*

**These Trustees participated remotely because of meeting conflicts, as permitted under RSA 91-A:2. As a result, all votes were by roll call.*

Staff: *Jan Goodwin, Executive Director; Tim Crutchfield, Deputy Director and Chief Legal Counsel; Larry Johansen, Director of Investments; Gerard Murphy, Director of Finance; Frank Clough, Director of Information Technology; Marty Karlon, Director of Communications & Legislative Affairs; Rosamond Cain, Director of Human Resources; Diana Crichton, Esq., Hearings Examiner; Mark Cavanaugh, Associate Counsel and Compliance Officer; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Deanna Higgins, Contact Center Supervisor; Tracy Knight, Project Manager; Matthew Dahl, IT Support Specialist; Chris Murphy, IT System Administrator, and Christine Rice, Administrative Assistant.*

Chair Lesko called the March 8, 2022 regular meeting of the NHRS Board of Trustees to order at 10:00 a.m.

A quorum was established and Chair Lesko called for a vote to approve the public minutes of the February 8, 2022 Board meeting. On a motion by Trustee Myers, seconded by Trustee Maloney, the Board voted unanimously to approve the minutes.

Chair Lesko opened the meeting with the Committee reports, turning the floor to Trustee Mezzapelle for her report on the Audit Committee, which met prior to today's Board meeting. She gave an update on internal audit activities and the Audit Plan, including the status of several items on the Internal Audit Tracker. Trustee Mezzapelle reported that the Committee received an update regarding the Actuarial Calendar, noting that discussions are under way to consider the timing of when the June 30, 2021 Actuarial Valuation Report is issued, and when the Board certifies the employer contribution rates for Fiscal Years 2024 and 2025.

Next, Trustee Roy gave the Governance Committee report, noting that it did not meet last month, but that it would meet immediately following today's Board meeting.

Trustee Kelliher opened her report of the Independent Investment Committee (IIC), by updating the Board on NHRS's three Russian holdings, two equity ADRs and a sovereign bond. The bond has been sanctioned by OFAC and cannot be traded, and the market for these ADRs is essentially closed. She noted the total value of the three securities was \$15.6 million at purchase, and the current value represents less than three one-hundredths of 1% of the portfolio's current value of \$11.5 billion. She reported that at the next ICC meeting, scheduled for March 18, the Committee would consider a vote to sell these securities as soon as practical and prudent. She noted the IIC would also consider a vote to instruct the System's investment managers to refrain from investing in Russian securities until the Committee reverses the prohibition. She then reported on the IIC, which met in an emergency meeting via video-conferencing on February 25th, because of inclement weather and the timing of certain investments. During the meeting, Director of Investments Larry Johansen updated the Committee on investment returns through recent time-periods, asset allocations, liquidity, as well as the Work Plan.

Trustee Kelliher reported on the presentations that the Committee heard, including one from Thoma Bravo on its Fund XV, of which the IIC considered and voted unanimously, to commit \$50 million to, subject to contract and legal review. She mentioned that the System previously has invested in Thoma Bravo's Funds XII, XIII, and XIV. The Committee also heard from Abel Noser, who reviewed the System's trading cost analysis through December 31, 2021. The Committee next heard from Clearlake Capital Group on its direct lending fund. Following the presentation and discussion, the Committee voted unanimously to commit \$50 million to the Clearlake Capital Group Fund VII. Lastly, Callan presented its 2022 Capital Markets Assumptions by asset class over the next 10 years, and the 2022 Long-Term Capital Assumptions for NHRS.

She then turned to Mr. Johansen, who updated the Board on the Total Fund Performance through January 31, 2022, stating that NHRS is marginally up Fiscal Year to Date (YTD), 11.9% at three years, 10.3% at five years, and 9.5% at 10 years. Next, he reported that asset allocations were within range and close to target. Mr. Johansen mentioned that cash is higher than usual because of the volatility in the marketplace, and that NHRS has an ample amount to cover through the summer months and meet all capital calls. He concluded his report with an outline of the IIC's March regular meeting agenda.

Trustee Myers provided the Legislative Committee update, noting that the Committee had not met since its meeting last month, and then proceeded to update the Board on Legislative activity. He reported on the status of several bills, starting with House Bill (HB) 1079 and HB 1549, both relative to working after retirement for a System employer, which the House ED&A Committee recommended as Inexpedient to Legislate (ITL); both bills will now advance to the full House for a vote. He continued his report, noting the bills that are with the House Finance Committee, Division I, including HB 1417 regarding the state paying 7.5% of local employer contributions for Group I teachers, and Group II police and fire members; and HB 1535, the cost-of-living adjustment (COLA) bill. Lastly, he noted that the full House meets Thursday and is expected to vote ITL on HB 1257, which required NHRS to divest in China. Trustee Myers then turned to Marty Karlon, Director of Communications and Legislative Affairs, who provided a commentary on the financial impact of some of the bills this year that prompted further discussion.

Trustee Coates then gave a brief report of the Benefits Committee, which had not met since the last Board meeting.

Next, Trustee Hart gave the PPCC report, noting that the PPCC met on February 24 and heard a staffing update from Director of Human Resources Rosamond Cain. He then mentioned the recently hired executive search firm EFL and its initial outreach to stakeholders as part of the search for a new Director of Investments to ensure finding a qualified candidate for Mr. Johansen, who will retire on September 1. Trustee Hart then reported on the Committee's discussion about the Executive Director's annual evaluation, explaining its decision to use a different model this year because it is Executive Director Goodwin's first year with NHRS and with the challenges of the COVID-19 pandemic and the Board having to hold mostly remote meetings. The Committee will perform a 360-evaluation. Each Trustee, the Executive Director's direct reports, and the PGV3 Project Manager will be asked to complete a detailed survey. Board review is expected at the April 13 Board meeting.

Chair Lesko then called for a temporary adjournment to discuss collective bargaining. On a motion by Trustee Hannan, seconded by Trustee Hart, the Board voted to temporarily adjourn the meeting for the purpose of discussing collective bargaining strategy or negotiations under RSA 91-A:2, I(a) at approximately 10:30.

The Board re-entered its regular meeting at 10:43 a.m., at which time Ms. Goodwin introduced Pension Gold Version 3 (PGV3) Project Manager Tracy Knight, who, along with Director of Finance Gerard Murphy, provided an update on the PGV3 software upgrade, with Mr. Murphy focusing on the employer reporting and financial pieces of it. Ms. Knight described what each of the Deliverables entail, and discussed design document testing, and the System's ongoing collaboration with LRS. Lastly, she explained about the different change requests and highlighted several before turning the presentation over to Mr. Murphy. He began his portion of the presentation by discussing the Employer Reporting Rollout Project, noting NHRS has engaged with an Employer Working Group and top payroll providers as part of the transition to PGV3, with continual communication and ongoing development of materials and processes for testing of new reporting files and new system functionality. He proceeded to outline the Budget vs. Actual for the project, explaining the internal and external expenses and the revised budget, project to date. A brief question-and-answer session followed.

Next, Chair Lesko opened the floor for operating reports, starting with Ms. Goodwin, who began her Executive Report with a COVID update, noting that NHRS is no longer requiring masks for those in the office who have been vaccinated. She added that NHRS increased staff occupancy to 75% in the building. She then discussed the KPMs, noting after analyzing the KPMs over the past 16 months, she determined that the majority of those missed are because of being short-handed, having new staff, or the lack of timeliness on the part of employers who are responsible for submitting information. Ms. Goodwin explained how NHRS would remedy these impacted KPMs by staff issues, and mentioned the proposed legislation that the System is endorsing that would impose a penalty on employers for not submitting information on time. Since some of the KPMs are not in the System's control, she stated that she and the rest of the Executive Team (E-Team) would review the KPMs.

She then gave an update on upcoming plans and projects, including the timing of receiving the annual valuation, and the proposed contribution rates from GRS this year,

noting it would receive the proposed rates in June and NHRS would certify them in July. Ms. Goodwin reported on the progress of PGV3, which is 52% complete, and mentioned that LRS is on site this week to provide training for User Acceptance Testing for Deliverable 4, Phase I. She informed the Board that a presentation took place on the progress of the project during an All Staff meeting last week.

Next, she noted that the Contact Center missed one of its goals this month of achieving answering calls within two minutes, with a 5% abandon rate, and mentioned it was because of the high call volume in February and that a Contact Center Representative has been out on an extended leave of absence. She reported that she continues to receive positive feedback from her calls to members, retirees, and employers on NHRS's customer service. In closing, she announced that her action plan is progressing.

She then discussed the Strategic Plan, which is prepared every year and covers three years, and requested any Trustees' feedback via email. She referred to the E-Team's feedback on her Strategic Plan in the Board meeting materials, and noted that the information on the ED evaluation would be incorporated and an updated Strategic Plan would be available at the Board meeting following the ED evaluation.

Following Ms. Goodwin, Mr. Murphy gave his Finance report, noting the January 31, 2022 net position of \$11.6 billion, an increase of \$26 million in the first seven months of FY22. He reported that cash flows were as expected and total spending through the first six months of FY22 was below budget. He stated that all of the main budget categories presently have positive variances, and Finance has begun creating the FY 23 Trust Fund Budget request, with a preliminary budget expected for the Board meeting in May, and Board action in June. He then explained that his department missed one of its 15 applicable KPMs this month, which had to do with employer reconciliation. Finance missed the KPM again because it is still awaiting information from a small number of employers, and noted the Employer Reporting Manager is working on obtaining that information and expects to meet the KPM next month. Lastly, he reported that his action plan is in progress.

Ms. Cain presented her Human Resources report, by beginning with the one missed KPM relative to filling positions within 45 days, and explained the inability to meet that goal because of remote scheduling challenges with candidates. She mentioned she had four open positions prior to the Board meeting, but a fifth one opened today and that recruiting efforts continue to fill those positions. She then reported on the NHRS COVID transition plan and reiterated the change in the mask policy, and noted she received a few complaints from unvaccinated staff with having to wear their masks. Ms. Cain spoke to that, noting the E-Team would revisit the mask policy in the next couple of weeks.

Next, Director of IT Frank Clough presented his report, providing an update on the monthly Security Awareness Training for staff, noting that IT did not perform one for this month but rather provided staff with the annual Cyber Security Culture survey, to measure staff's concerns regarding cyber security. He then reported on the status of the Vulnerability and Penetration Audit, which IT is working to complete one last issue. Mr. Clough mentioned one of the problems arising from the audit had to do with staff-created passwords and that IT plans to strengthen its process of securing passwords, by prohibiting staff from using dictionary words, which lead to the testers' accessibility. He then provided a staffing update, informing the Board that the new Network Administrator began a couple of weeks ago, and that IT is still recruiting for an Information Systems Security employee. He then announced that IT failed one of its KPMs, which involved a server crash because Dell support failed to upgrade the hardware correctly, and that staff worked 30 hours to get the System back

online the next morning, to help lessen the impact. In closing, he reported that IT achieved 99% customer satisfaction, and his action plan is in progress.

Deputy Director and Chief Legal Counsel Tim Crutchfield presented his Legal report, beginning with an update on the Lafasciano appeal regarding whether the Petitioner could remove his former spouse as beneficiary of his annuity. Mr. Crutchfield noted the Supreme Court has provided the briefing schedule for the case, and Attorney Peter Foley, who has represented NHRS in administrative appeals for over 30 years, will be drafting the brief, which is due at the end of this month. He then discussed a provision passed last summer under HB2 regarding the medical subsidy changes and the payments by NHRS on behalf of eligible state retirees, and that NHRS is seeking a ruling from the IRS on whether the provision affecting the payment of the subsidy would potentially violate the IRS qualification rules. He apprised the Board on the status of the pre-submission letter that the System submitted to the IRS, commenting that the IRS in turn has requested an interpretation of the new law and NHRS has solicited the Attorney General's office to provide the interpretation. Finally, he updated the Board on the progress of the annual reporting requirement from employers for retiree work hours and compensation by February 15, and noted that 80 had not yet reported as of March 4. In closing, he noted that his action plan is in progress, as expected.

Next, Mr. Johansen gave his report on Investments, noting that it achieved seven of seven of applicable KPMs, and that all projects are in process or ahead of schedule.

Mr. Karlson then presented his operating report, providing an update on the member education presentations, noting an increase from last year, and has since added more programs. He mentioned PIO has received multiple requests from employers for presentations, and noted a rise in the Group II sessions. He commented on the addition of the application webinars, noting their growth in popularity after their launch last fall, and mentioned the positive survey results from the presentations. Lastly, he discussed his action plan, noting its progress, adding that PIO posted the Past, Present, and Future presentation online.

Next, on behalf of Member Services Director Nancy Miller, Ms. Goodwin presented her operating report, noting that many staff will be in training this week with LRS for the User Acceptance Testing for Phase 1 of Deliverable 4. She discussed staffing, noting there are two positions open in Member Services, with an offer extended to a candidate for one of the positions. She reported on the status of work with LexisNexis on death audits, noting Member Services would have a data file report to them later this week. Member Services missed two KPMs in February, the first, benefit finalizations, because of the higher volume of July '21 finalizations against other months and the staff vacancies and the second, on benefit estimates, which fell below target because of training new staff in Member Accounts, which plays a role in the process of generating estimates. In closing, she noted that Ms. Miller is making progress on everything in her action plan.

Chair Lesko next presented the Consent Agenda, and on a motion by Trustee Roy, seconded by Trustee Martins, the Board voted to approve the Consent Agenda, with Trustee Myers abstaining on Item 2, M.G.

There were no travel reports.

Next, Ms. Goodwin provided an update on Action Items from the February 8, 2022 meeting, noting all items would be complete at the close of today's Board meeting.

Chair Lesko opened the Checkpoint discussion, noting his appreciation of the focus on the KPMs and the explanations of where the shortfalls were, and he encouraged the idea to review KPMs to measure what we can control. He then reminded everyone of the Governance Committee meeting scheduled to take place shortly after the adjournment of today's Board meeting.

Prior to adjournment, Trustee Maloney suggested a presentation for next month on the retirement annuity options. Chair Lesko agreed that it would be an educational opportunity for the Board to learn what the System offers its constituents.

With no further business to discuss, on a motion by Trustee Hart, seconded by Trustee Myers, the Board voted unanimously to adjourn the meeting at 11:42 a.m.

Respectfully submitted,

Christine Rice,
Administrative Assistant

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2021. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended December 31, 2021							
	Market Value \$(Dollars)	Ending Weight	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Net of Fees							
Domestic Equity	\$3,898,875,784	32.66%	9.07%	9.10%	26.02%	23.98%	16.06%
US Equity Benchmark	-	-	9.28%	9.17%	25.82%	25.12%	17.94%
Non US Equity	\$2,199,944,904	18.43%	2.42%	0.66%	8.78%	13.55%	10.36%
Non US Equity Benchmark	-	-	1.82%	(1.22%)	7.82%	13.18%	9.61%
Fixed Income	\$2,287,296,585	19.16%	0.03%	(0.25%)	(0.55%)	6.19%	4.63%
Fixed Income Benchmark	-	-	(0.03%)	0.05%	(1.10%)	5.15%	3.84%
Cash	\$183,331,205	1.54%	0.00%	0.00%	0.06%	1.03%	1.22%
3-month Treasury Bill	-	-	0.01%	0.02%	0.05%	0.99%	1.14%
Real Estate **	\$1,166,826,632	9.77%	8.34%	8.18%	24.18%	11.08%	10.40%
Real Estate Benchmark **	-	-	6.41%	10.33%	13.64%	6.13%	6.56%
Alternative Assets **	\$2,203,220,452	18.45%	4.65%	4.62%	37.25%	15.22%	13.53%
Alternatives Benchmark **	-	-	1.27%	7.82%	24.04%	14.70%	13.21%
Total Fund	\$11,939,495,561	100.00%	4.99%	4.58%	18.16%	14.79%	11.34%
Total Fund Benchmark*	-	-	4.00%	4.76%	13.73%	14.59%	11.19%

* Current Total Fund Benchmark = 30.0% Russell 3000 Index, 25.0% Blmbg:Universal, 20.0% MSCI ACWI ex US, 10.0% NCREIF NFI-ODCE Val Wt Nt lagged 3 months, 10.0% S&P 500 Index lagged 3 months+3.0% and 5.0% S&P:LSTA Lev Loan 100 lagged 3 months.

** Performance for the Total Real Estate and Total Alternative Assets composites and their respective benchmarks are lagged one quarter.

February 28, 2022



New Hampshire Retirement System

**Investment Measurement Service
Monthly Review**

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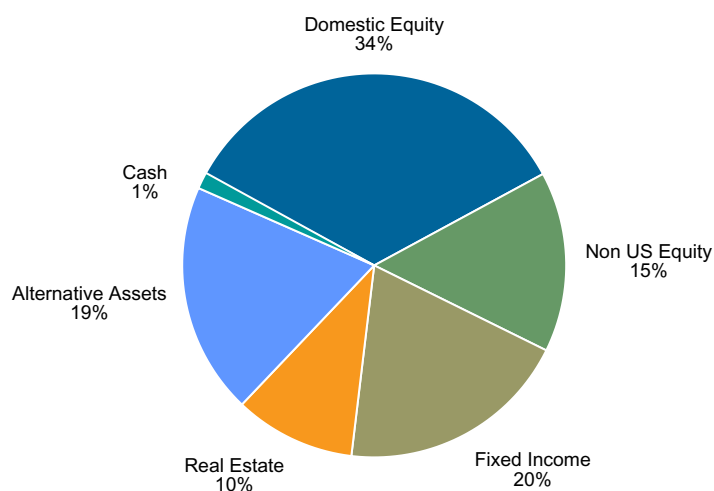
Table of Contents
New Hampshire Retirement System
February 28, 2022

Actual vs.Target Asset Allocation	1
Investment Manager Asset Allocation	2
Investment Manager Returns	3

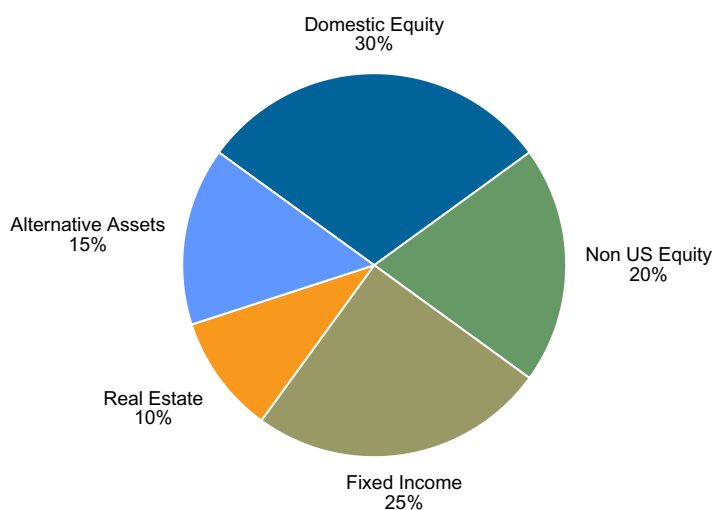
Actual vs Target Asset Allocation As of February 28, 2022

The first chart below shows the Fund's asset allocation as of February 28, 2022. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$Millions Actual	Weight Actual	Target	Percent Difference	\$Millions Difference
Domestic Equity	3,876	34.2%	30.0%	4.2%	472
Non US Equity	1,726	15.2%	20.0%	(4.8%)	(543)
Fixed Income	2,219	19.6%	25.0%	(5.4%)	(618)
Real Estate	1,157	10.2%	10.0%	0.2%	23
Alternative Assets	2,212	19.5%	15.0%	4.5%	510
Cash	156	1.4%	0.0%	1.4%	156
Total	11,346	100.0%	100.0%		

* Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net, 10% S&P 500 + 3% (1 qtr lag), and 5% S&P LSTA Leveraged Loan 100 (1 qtr lag). Please refer to the back of this report for additional details regarding the Total Fund's Benchmark history.

** The United States equity portion of the Walter Scott Global Equity fund is allocated to the Domestic Equity composite.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of February 28, 2022, with the distribution as of January 31, 2022. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	February 28, 2022		Net New Inv.	Inv. Return	January 31, 2022	
	Market Value	Weight			Market Value	Weight
Total Domestic Equity	\$3,600,972,519	31.74%	\$0	\$(48,226,959)	\$3,649,199,478	31.65%
Large Cap Domestic Equity	\$2,101,081,010	18.52%	\$0	\$(64,796,228)	\$2,165,877,238	18.78%
Blackrock S&P 500	2,101,081,010	18.52%	0	(64,796,228)	2,165,877,238	18.78%
SMid Cap Domestic Equity	\$661,168,164	5.83%	\$0	\$(2,133,509)	\$663,301,673	5.75%
AllianceBernstein	426,014,468	3.75%	0	(2,202,670)	428,217,138	3.71%
TSW	235,153,696	2.07%	0	69,161	235,084,535	2.04%
Small Cap Domestic Equity	\$838,723,345	7.39%	\$0	\$18,702,778	\$820,020,566	7.11%
Boston Trust	214,482,880	1.89%	0	2,347,218	212,135,663	1.84%
Segall Bryant & Hamill	229,746,088	2.02%	0	6,060,597	223,685,490	1.94%
Wellington	394,494,377	3.48%	0	10,294,963	384,199,414	3.33%
Total Non US Equity	\$2,001,149,428	17.64%	\$0	\$(93,741,740)	\$2,094,891,167	18.17%
Core Non US Equity	\$1,014,690,820	8.94%	\$0	\$(43,868,259)	\$1,058,559,079	9.18%
Aristotle	163,043,745	1.44%	0	(5,384,978)	168,428,724	1.46%
Artisan Partners	345,771,959	3.05%	0	(24,042,795)	369,814,755	3.21%
Causeway Capital	349,770,712	3.08%	0	(11,578,428)	361,349,139	3.13%
Fisher Investments	792,908	0.01%	0	1,868	791,039	0.01%
Lazard	155,311,497	1.37%	0	(2,863,925)	158,175,422	1.37%
Emerging Markets	\$363,963,188	3.21%	\$0	\$(29,805,215)	\$393,768,404	3.41%
Neuberger Berman	190,120,067	1.68%	0	(16,380,651)	206,500,718	1.79%
Wellington Emerging Markets	173,843,121	1.53%	0	(13,424,564)	187,267,685	1.62%
Non US Small Cap	\$132,984,284	1.17%	\$0	\$(4,867,200)	\$137,851,484	1.20%
Wellington Int'l Small Cap Research	132,984,284	1.17%	0	(4,867,200)	137,851,484	1.20%
Global Equity	\$489,511,135	4.31%	\$0	\$(15,201,066)	\$504,712,201	4.38%
Walter Scott Global Equity	489,511,135	4.31%	0	(15,201,066)	504,712,201	4.38%
Total Fixed Income	\$2,218,977,451	19.56%	\$0	\$(26,496,659)	\$2,245,474,109	19.47%
BlackRock SIO Bond Fund	256,172,485	2.26%	0	(2,781,125)	258,953,610	2.25%
Brandywine Asset Mgmt	256,949,265	2.26%	0	(2,773,993)	259,723,258	2.25%
FIAM (Fidelity) Tactical Bond	380,670,343	3.36%	0	(4,761,512)	385,431,855	3.34%
Income Research & Management	826,241,376	7.28%	0	(10,461,570)	836,702,946	7.26%
Loomis Sayles	285,392,409	2.52%	0	(3,674,904)	289,067,313	2.51%
Manulife Strategic Fixed Income	213,551,572	1.88%	0	(2,043,556)	215,595,128	1.87%
Total Cash	\$156,179,296	1.38%	\$(12,648,674)	\$1,250	\$168,826,720	1.46%
Total Marketable Assets	\$7,977,278,693	70.31%	\$(12,648,674)	\$(168,464,107)	\$8,158,391,474	70.75%
Total Real Estate	\$1,157,383,869	10.20%	\$(13,346,177)	\$131,613	\$1,170,598,433	10.15%
Strategic Core Real Estate	745,903,294	6.57%	(11,605)	(0)	745,914,899	6.47%
Tactical Non-Core Real Estate	411,480,575	3.63%	(13,334,572)	131,613	424,683,535	3.68%
Total Alternative Assets	\$2,211,572,470	19.49%	\$8,936,181	\$38,379	\$2,202,597,911	19.10%
Private Equity	1,671,884,433	14.74%	5,214,268	25,917	1,666,644,248	14.45%
Private Debt	539,688,037	4.76%	3,721,912	12,462	535,953,662	4.65%
Total Fund Composite	\$11,346,235,032	100.0%	\$(17,058,670)	\$(168,294,116)	\$11,531,587,818	100.0%

-Alternatives market values reflect current custodian valuations, which may not be up to date.

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended February 28, 2022. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended February 28, 2022

	Last Month	Fiscal YTD	Last 36 Months	Last 60 Months	Last 120 Months
Net of Fees					
Total Domestic Equity	(1.34%)	0.72%	15.68%	13.17%	13.35%
Domestic Equity Benchmark (1)	(2.52%)	0.16%	17.25%	14.59%	14.36%
Secondary Domestic Equity Bmk (6)	(1.36%)	(1.85%)	15.76%	13.36%	13.52%
Large Cap Domestic Equity	(2.99%)	2.75%	16.56%	13.73%	13.78%
S&P 500 Index	(2.99%)	2.72%	18.24%	15.17%	14.59%
Blackrock S&P 500	(2.99%)	2.75%	18.20%	15.14%	14.57%
SMid Cap Domestic Equity	(0.36%)	(2.77%)	13.20%	10.89%	12.27%
Russell 2500 Index	1.13%	(6.33%)	12.88%	11.21%	12.15%
AllianceBernstein	(0.56%)	(4.74%)	14.94%	13.63%	13.01%
TSW	(0.01%)	1.01%	10.31%	6.76%	10.87%
TSW Blended Benchmark (2)	1.63%	0.48%	12.27%	10.85%	11.97%
Small Cap Domestic Equity	2.23%	(1.41%)	15.54%	13.57%	12.99%
Russell 2000 Index	1.07%	(10.77%)	10.50%	9.50%	11.18%
Boston Trust	1.07%	4.10%	14.83%	12.83%	11.95%
Segall Bryant & Hamill	2.65%	1.70%	16.15%	14.40%	12.31%
Wellington	2.62%	(5.80%)	15.57%	13.57%	14.36%
Total Non US Equity	(4.52%)	(8.52%)	6.47%	7.14%	5.23%
Non US Equity Benchmark (3)	(1.98%)	(6.75%)	7.67%	7.27%	5.39%
Core Non US Equity	(4.19%)	(6.24%)	5.89%	6.54%	4.37%
Core Non US Benchmark (4)	(1.98%)	(6.75%)	7.67%	7.27%	5.39%
Aristotle	(3.23%)	(5.03%)	-	-	-
Artisan Partners	(6.55%)	(9.74%)	6.84%	8.39%	-
Causeway Capital	(3.24%)	(2.37%)	6.94%	6.75%	-
Lazard	(1.85%)	(7.77%)	-	-	-
MSCI EAFE	(1.77%)	(4.43%)	7.78%	7.16%	6.15%
Emerging Markets	(7.64%)	(18.68%)	2.37%	3.95%	2.47%
MSCI EM	(2.99%)	(13.67%)	6.04%	7.00%	3.25%
Neuberger Berman	(8.00%)	(18.39%)	2.10%	4.40%	-
Wellington Emerging Markets	(7.24%)	(18.99%)	2.66%	5.10%	4.20%
Non US Small Cap	(3.53%)	(15.46%)	(0.09%)	0.26%	3.21%
Wellington Int'l Small Cap Research	(3.53%)	-	-	-	-
MSCI EAFE Small Cap	(1.27%)	(7.61%)	8.58%	7.85%	8.32%
Global Equity	(3.05%)	(2.79%)	13.86%	14.51%	11.99%
MSCI ACWI net	(2.58%)	(2.22%)	13.41%	11.44%	9.83%
Walter Scott Global Equity	(3.05%)	(2.79%)	13.86%	14.51%	11.99%
Walter Scott Blended Benchmark (5)	(2.58%)	(2.22%)	13.41%	11.44%	9.83%
MSCI ACWI Growth	(3.60%)	(6.42%)	17.82%	15.33%	11.98%

(1) The Domestic Equity Benchmark is the Russell 3000 index as of 7/1/2021.

(2) TSW Blended Benchmark is the Russell 2500 Value Index as of 7/1/2019. Prior to 7/1/2019 it was the Russell 2500.

(3) The Non US Equity Index is the MSCI ACWI ex US Index as of 7/1/2003. Prior to 7/1/2003 it was the MSCI EAFE Index.

(4) The Core Non US Equity Index is the MSCI ACWI ex US as of 7/1/2007. Prior to 7/1/2007 it was the MSCI EAFE Index.

(5) The Walter Scott Blended Benchmark is the MSCI ACWI Index as 5/1/2008. Prior to 5/1/2008 it was the MSCI EAFE Index.

(6) Secondary Domestic Equity Bmk consists of 60% S&P 500, 20% Russell 2500, and 20% Russell 2000.

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended February 28, 2022. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended February 28, 2022

	Last Month	Fiscal YTD	Last 36 Months	Last 60 Months	Last 120 Months
Net of Fees					
Total Fixed Income	(1.20%)	(3.27%)	4.42%	3.59%	3.40%
Fixed Income Benchmark (1)	(1.36%)	(3.48%)	3.39%	2.86%	2.80%
Bloomberg Aggregate	(1.12%)	(3.18%)	3.30%	2.71%	2.47%
BlackRock SIO Bond Fund	(1.11%)	(1.88%)	3.91%	-	-
BlackRock Custom Benchmark (2)	0.00%	0.07%	0.94%	-	-
Brandywine Asset Mgmt	(1.09%)	(5.90%)	3.67%	3.40%	2.80%
Brandywine Custom Benchmark (3)	(1.07%)	(5.43%)	1.49%	2.00%	0.63%
FIAM (Fidelity) Tactical Bond	(1.26%)	(1.70%)	5.52%	-	-
Bloomberg Aggregate	(1.12%)	(3.18%)	3.30%	2.71%	2.47%
Income Research & Management	(1.26%)	(3.51%)	4.42%	3.46%	3.26%
Bloomberg Gov/Credit	(1.17%)	(3.37%)	3.84%	3.02%	2.66%
Loomis Sayles	(1.30%)	(3.41%)	5.97%	4.79%	4.81%
Loomis Sayles Custom Benchmark (4)	(1.08%)	(2.83%)	4.09%	3.53%	3.69%
Manulife Strategic Fixed Income	(0.97%)	(3.20%)	4.08%	3.13%	-
Bloomberg Multiverse	(1.23%)	(4.80%)	2.17%	2.42%	1.44%
Total Cash	0.00%	0.01%	0.90%	1.19%	0.68%
3-month Treasury Bill	0.01%	0.03%	0.87%	1.13%	0.63%
Total Marketable Assets	(2.09%)	(2.79%)	9.73%	8.58%	8.32%
Total Marketable Index (5)	(1.99%)	(2.82%)	10.28%	8.91%	8.58%
Total Real Estate	0.01%	8.12%	11.06%	10.37%	11.56%
Real Estate Benchmark (6)	2.49%	15.89%	7.52%	7.34%	9.40%
Strategic Core Real Estate	(0.01%)	7.42%	8.47%	8.76%	10.11%
Tactical Non-Core Real Estate	0.03%	9.38%	15.83%	13.33%	14.22%
Total Alternative Assets	0.00%	4.70%	15.26%	13.51%	10.42%
Alternative Assets Benchmark (7)	(0.45%)	12.46%	16.89%	13.84%	15.17%
Total Private Equity	0.00%	5.25%	19.91%	18.59%	13.56%
Private Equity Benchmark (8)	(0.43%)	18.03%	24.13%	21.41%	20.38%
Total Private Debt	0.00%	3.08%	5.03%	6.10%	7.88%
Private Debt Benchmark (9)	(0.49%)	1.64%	4.20%	3.97%	10.26%
Total Fund Composite	(1.48%)	(0.40%)	10.82%	9.60%	9.01%
Total Fund Benchmark *	(1.31%)	1.23%	11.26%	9.69%	9.34%

* Current Month Target = 30.0% Russell 3000 Index, 25.0% Blmbg Universal, 20.0% MSCI ACWI ex US, 10.0% NCREIF NFI-ODCE Val Wt Nt lagged 3 months, 10.0% S&P 500 Index lagged 3 months+3.0% and 5.0% S&P/LSTA Lev Loan 100 lagged 3 months.

For the trailing 25 year period ended 2/28/22, the Total Fund has returned 7.54% versus the Total Fund Custom Benchmark return of 7.78%.

(1) The Fixed Income Benchmark is the Bloomberg Capital Universal Bond Index as of 7/1/2007.

(2) The BlackRock Custom Benchmark is 3 Month SOFR compounded in arrears as of 1/1/2022.

(3) The Brandywine Blended Benchmark is the FTSE WGBI Ex-China Index as of 11/1/2021.

(4) The Loomis Sayles Custom Benchmark is 65% Bloomberg Aggregate and 35% Bloomberg High Yield.

(5) Marketable Assets Idx is 40% Rus3000, 26.7% MSCI ACWI ex US, and 33.3% Bloomberg Universal as of 7/1/2021

(6) The Real Estate Benchmark is the NCREIF NFI-ODCE Value Weight Net Index lagged 1 quarter as of 7/1/2015.

(7) The Alternative Assets Benchmark is 66.7% S&P 500 Index + 3% lagged 1 quarter and 33.3% S&P LSTA Leveraged Loan 100 Index lagged 1 quarter as of 7/1/2019.

(8) The Private Equity Benchmark is the S&P 500 Index + 3% lagged 1 quarter as of 7/1/2015.

(9) The Private Debt Benchmark is the S&P LSTA Leveraged Loan 100 Index lagged 1 quarter as of 7/1/2015.

New Hampshire Retirement System Target History

30-Jun-2021 - 28-Feb-2022		
Domestic Broad		
Eq	Russell 3000 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+3.00%	10.00%
Other Alternatives	S&P/LSTA Leveraged Loan 100	5.00%
		100.00%
30-Sep-2020 - 30-Jun-2021		
Domestic Broad		
Eq	S&P 500 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+3.00%	10.00%
Other Alternatives	S&P/LSTA Leveraged Loan 100	5.00%
		100.00%
30-Jun-2015 - 30-Sep-2020		
Domestic Broad		
Eq	S&P 500 Index	30.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF NFI-ODCE Value Weight Net	10.00%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	Alternative Asset Benchmark	15.00%
		100.00%
31-Mar-2015 - 30-Jun-2015		
Domestic Broad		
Eq	Russell 3000 Index	37.30%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.70%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+5.00%	9.00%
		100.00%
31-Dec-2014 - 31-Mar-2015		
Domestic Broad		
Eq	Russell 3000 Index	37.70%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.80%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+5.00%	8.50%
		100.00%
30-Sep-2014 - 31-Dec-2014		
Domestic Broad		
Eq	Russell 3000 Index	39.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+5.00%	7.40%
		100.00%
30-Jun-2014 - 30-Sep-2014		
Domestic Broad		
Eq	Russell 3000 Index	39.60%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.90%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+5.00%	6.50%
		100.00%
31-Mar-2014 - 30-Jun-2014		
Domestic Broad		
Eq	Russell 3000 Index	42.20%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+5.00%	4.20%
		100.00%
31-Dec-2013 - 31-Mar-2014		
Domestic Broad		
Eq	Russell 3000 Index	41.80%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	9.10%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+5.00%	4.10%
		100.00%
30-Sep-2013 - 31-Dec-2013		
Domestic Broad		
Eq	Russell 3000 Index	42.90%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+5.00%	3.50%
		100.00%
30-Jun-2013 - 30-Sep-2013		
Domestic Broad		
Eq	Russell 3000 Index	42.50%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	9.00%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	S&P 500 Index+5.00%	3.50%
		100.00%
31-Mar-2013 - 30-Jun-2013		
Domestic Broad		
Eq	Russell 3000 Index	43.00%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.60%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	Alternative Asset Benchmark	3.40%
		100.00%
31-Dec-2012 - 31-Mar-2013		
Domestic Broad		
Eq	Russell 3000 Index	43.60%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.80%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.60%
		100.00%
30-Sep-2012 - 31-Dec-2012		
Domestic Broad		
Eq	Russell 3000 Index	43.90%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	8.70%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.40%
		100.00%
30-Jun-2012 - 30-Sep-2012		
Domestic Broad		
Eq	Russell 3000 Index	43.50%
Domestic Fixed	Bloomberg Universal	25.00%
Real Estate	NCREIF Property Index+0.50%	9.00%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.50%
		100.00%

-Alternatives Benchmark represents from 7/1/2019 to present: 66.7% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag). From 7/1/2016 to 7/1/2019: 33.3% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag) + 33.3% of Cash (6-mo USD LIBOR) + 5%. From 7/1/2015 to 7/1/2016: 33.3% S&P 500 +3% (1qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Idx(1 qtr lag) + 33.3% of Cash (1 month USD LIBID) +5%. From 7/1/2013 to 7/1/2015: S&P 500 plus 5% (1 qtr lag). From 7/1/2011 to 7/1/2013: Qtr ending weight of Private Equity x S&P 500 plus 5% + Qtr ending weight Absolute Return x CPI + 5%. Prior to 7/1/2011: CPI + 5%.

New Hampshire Retirement System Target History

31-Mar-2012 - 30-Jun-2012		
Domestic Broad		
Eq	Russell 3000 Index	40.10%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	7.60%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.30%
		100.00%

31-Dec-2011 - 31-Mar-2012		
Domestic Broad		
Eq	Russell 3000 Index	39.70%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	8.00%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.30%
		100.00%

30-Sep-2011 - 31-Dec-2011		
Domestic Broad		
Eq	Russell 3000 Index	40.20%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	7.40%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.40%
		100.00%

30-Jun-2011 - 30-Sep-2011		
Domestic Broad		
Eq	Russell 3000 Index	42.50%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.40%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.10%
		100.00%

31-Mar-2011 - 30-Jun-2011		
Domestic Broad		
Eq	Russell 3000 Index	43.00%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.30%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%
Other Alternatives	Alternative Asset Benchmark	1.70%
Global Equity		
Broad	MSCI ACWI Index (USD Net Div)	5.00%
		100.00%

31-Dec-2010 - 31-Mar-2011		
Domestic Broad		
Eq	Russell 3000 Index	43.00%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.20%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%
Other Alternatives	Alternative Asset Benchmark	1.80%
Global Equity		
Broad	MSCI ACWI Index (USD Net Div)	5.00%
		100.00%

30-Sep-2010 - 31-Dec-2010		
Domestic Broad		
Eq	Russell 3000 Index	42.80%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.40%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%
Other Alternatives	Alternative Asset Benchmark	1.80%
Global Equity		
Broad	MSCI ACWI Index (USD Net Div)	5.00%
		100.00%

30-Jun-2010 - 30-Sep-2010		
Domestic Broad		
Eq	Russell 3000 Index	42.90%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.00%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.10%
Global Equity		
Broad	MSCI ACWI Index (USD Net Div)	5.00%
		100.00%

31-Dec-2009 - 30-Jun-2010		
Domestic Broad		
Eq	Russell 3000 Index	43.30%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	4.70%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.00%
Global Equity		
Broad	MSCI ACWI Index (USD Net Div)	5.00%
		100.00%

30-Sep-2009 - 31-Dec-2009		
Domestic Broad		
Eq	Russell 3000 Index	42.30%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.50%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.20%
Global Equity		
Broad	MSCI ACWI Index (USD Net Div)	5.00%
		100.00%

30-Jun-2009 - 30-Sep-2009		
Domestic Broad		
Eq	Russell 3000 Index	41.50%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	6.20%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.30%
Global Equity		
Broad	MSCI ACWI Index (USD Net Div)	5.00%
		100.00%

31-Mar-2009 - 30-Jun-2009		
Domestic Broad		
Eq	Russell 3000 Index	38.00%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	9.30%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.70%
Global Equity		
Broad	MSCI ACWI Index (USD Net Div)	5.00%
		100.00%

31-Dec-2008 - 31-Mar-2009		
Domestic Broad		
Eq	Russell 3000 Index	37.20%
Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	9.70%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%
Other Alternatives	Alternative Asset Benchmark	3.10%
Global Equity		
Broad	MSCI ACWI Index (USD Net Div)	5.00%
		100.00%

-Alternatives Benchmark represents from 7/1/2019 to present: 66.7% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag). From 7/1/2016 to 7/1/2019: 33.3% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag) + 33.3% of Cash (6-mo USD LIBOR) + 5%. From 7/1/2015 to 7/1/2016: 33.3% S&P 500 +3% (1qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Idx(1 qtr lag) + 33.3% of Cash (1 month USD LIBID) +5%. From 7/1/2013 to 7/1/2015: S&P 500 plus 5% (1 qtr lag). From 7/1/2011 to 7/1/2013: Qtr ending weight of Private Equity x S&P 500 plus 5% + Qtr ending weight Absolute Return x CPI + 5%. Prior to 7/1/2011: CPI + 5%.

New Hampshire Retirement System Target History

30-Sep-2008 - 31-Dec-2008			30-Jun-1975 - 31-Mar-1990		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	38.90%	Eq	S&P 500 Index	50.00%
Domestic Fixed	Bloomberg Universal	30.00%	Real Estate	NCREIF Property Index	10.00%
Real Estate	NCREIF Property Index	8.20%	Intl Equity	MSCI EAFE Index (USD Net Div)	9.00%
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%	Other Alternatives	Consumer Price Index (W) + 5%	10.00%
Other Alternatives	Consumer Price Index (W) + 5%	2.90%	Global Fixed-Inc	JPM GBI Global Unhedged USD	3.00%
Global Equity					82.00%
Broad	MSCI ACWI Index (USD Net Div)	5.00%			
		100.00%			
30-Jun-2008 - 30-Sep-2008					
Domestic Broad					
Eq	Russell 3000 Index	40.00%			
Domestic Fixed	Bloomberg Universal	30.00%			
Real Estate	NCREIF Property Index	7.30%			
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	15.00%			
Other Alternatives	Consumer Price Index (W) + 5%	2.70%			
Global Equity					
Broad	MSCI ACWI Index (USD Net Div)	5.00%			
		100.00%			
30-Jun-2007 - 30-Jun-2008					
Domestic Broad					
Eq	Russell 3000 Index	44.00%			
Domestic Fixed	Bloomberg Universal	30.00%			
Real Estate	NCREIF Property Index	5.00%			
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	16.00%			
Other Alternatives	Consumer Price Index (W) + 5%	5.00%			
		100.00%			
30-Nov-2006 - 30-Jun-2007					
Domestic Broad					
Eq	Russell 3000 Index	44.00%			
Domestic Fixed	Bloomberg Universal	26.00%			
Real Estate	NCREIF Property Index	5.00%			
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	16.00%			
Other Alternatives	Consumer Price Index (W) + 5%	5.00%			
Global Fixed-Inc	Brandywine Blended Benchmark	4.00%			
		100.00%			
30-Jun-2003 - 30-Nov-2006					
Domestic Broad					
Eq	Russell 3000 Index	47.00%			
Domestic Fixed	Bloomberg Universal	18.00%			
Real Estate	NCREIF Property Index	10.00%			
Intl Equity	MSCI ACWI ex US Index (USD Net Div)	12.00%			
Other Alternatives	Consumer Price Index (W) + 5%	10.00%			
Global Fixed-Inc	Brandywine Blended Benchmark	3.00%			
		100.00%			
31-Oct-1997 - 30-Jun-2003					
Domestic Broad					
Eq	S&P 500 Index	50.00%			
Domestic Fixed	Bloomberg Universal	18.00%			
Real Estate	NCREIF Property Index	10.00%			
Intl Equity	MSCI EAFE Index (USD Net Div)	9.00%			
Other Alternatives	Consumer Price Index (W) + 5%	10.00%			
Global Fixed-Inc	Brandywine Blended Benchmark	3.00%			
		100.00%			
31-Mar-1990 - 31-Oct-1997					
Domestic Broad					
Eq	S&P 500 Index	50.00%			
Domestic Fixed	Bloomberg Universal	18.00%			
Real Estate	NCREIF Property Index	10.00%			
Intl Equity	MSCI EAFE Index (USD Net Div)	9.00%			
Other Alternatives	Consumer Price Index (W) + 5%	10.00%			
Global Fixed-Inc	JPM GBI Global Unhedged USD	3.00%			
		100.00%			

-Alternatives Benchmark represents from 7/1/2019 to present: 66.7% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag). From 7/1/2016 to 7/1/2019: 33.3% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Index (1 qtr lag) + 33.3% of Cash (6-mo USD LIBOR) + 5%. From 7/1/2015 to 7/1/2016: 33.3% S&P 500 +3% (1qtr lag) + 33.3% S&P LSTA Leverage Loan 100 Idx(1 qtr lag) + 33.3% of Cash (1 month USD LIBID) +5%. From 7/1/2013 to 7/1/2015: S&P 500 plus 5% (1 qtr lag). From 7/1/2011 to 7/1/2013: Qtr ending weight of Private Equity x S&P 500 plus 5% + Qtr ending weight Absolute Return x CPI + 5%. Prior to 7/1/2011: CPI + 5%.



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NHRS Statement on Russian Holdings

CONCORD, NH – The Independent Investment Committee (IIC) of the New Hampshire Retirement System (NHRS, the retirement system) unanimously voted today to direct its external separate-account managers to sell the Russian assets held in the NHRS portfolio as soon as practical and prudent.

The motion also directed external separate-account managers to not purchase any Russian assets until the IIC has specifically granted such permission.

NHRS has three investments in Russian assets. As of March 1, the combined value of these investments was just under \$4 million, or 0.00035 percent of a total portfolio of nearly \$11.5 billion.

The specific investments are:

- The Artisan Partners portfolio (foreign stocks) contains Sberbank and Norilsk Nickel held as American Depositary Receipts (ADRs) valued as of February 28, 2022, at approximately \$450,000 and \$3.0 million, respectively. ADRs are a US bank-issued certificate representing shares in a foreign company for trade on American stock exchanges. There is currently no market for these ADRs.
- The Brandywine Global Investment Management portfolio (foreign bonds) contains a Russian bond. It is a Russian Sovereign bond with a fair market value of approximately \$400,000 as of March 1, 2022. The U.S. Office of Foreign Assets Control (OFAC) has issued sanctions against Russia and as a result NHRS cannot sell or trade this bond.

About NHRS

NHRS provides retirement, disability, and death benefits to its eligible members and their beneficiaries. The State of New Hampshire and more than 460 local government employers participate in NHRS for their employees, teachers, firefighters, and police officers. NHRS has approximately 48,500 active members and 41,000 benefit recipients. NHRS administers a defined benefit plan qualified as a tax-exempt entity under sections 401(a) and 501(a) of the Internal Revenue Code.

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2022 Legislative Tracker

March 30, 2022

Legislation introduced in the 2022 session that would impact the New Hampshire Retirement System (NHRS, the retirement system) is listed below. For details on a particular bill, visit the State of New Hampshire General Court website at: <http://gencourt.state.nh.us/>

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
2022 NHRS-RELATED BILLS			
HB 1079	This bill increases the annual number of hours a retiree may work for a retirement system employer to 1,664 and eliminates the initial 28-day restriction on such part-time employment after retiring.	Rep. Douglas Trotter	3/15/22: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1257	This bill requires the NHRS Independent Investment Committee to sell, redeem, divest, or withdraw from investments in securities of companies that have direct holdings in active business operations located in China.	Rep. Gary Hopper	3/10/22: House voted, 312-25, to accept committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1318	This bill establishes an employer penalty for noncompliance with certain data reporting requirements necessary for the administration of the retirement system.	Rep. Dianne Schuett	3/23/22: Senate ED&A Committee voted to recommend ought to pass (OTP) with amendment (am-1214s), 5-0. The recommendation will be voted on by the Senate on March 31.
HB 1417	This bill provides that the state shall pay 7.5 percent of local employer contributions for Group I teachers and Group II police and fire members.	Rep. Renny Cushing	3/23/22: House Finance Committee voted, 11-10, to recommend inexpedient to legislate (ITL). The recommendation will be voted on by the House on March 31.
HB 1497	This bill allows a member of the retirement system to elect a survivorship optional allowance upon joining the retirement system. The election will not be effective until the member attains eligibility for service retirement. An active member may modify the election at any point in his or her career. As amended, the bill incorporates the language in HB 1557 changing the time frame of the post-retirement grace period to change a survivor benefit optional retirement allowance.	Rep. Tom Lanzara	3/23/22: Senate ED&A Committee voted to recommend ought to pass (OTP), 5-0. The recommendation will be voted on by the Senate on March 31.
HB 1535	As amended, this bill grants a one-time \$500 payment to retirees and beneficiaries retired prior to July 1, 2017, who have an annual pension benefit of \$30,000 or less.	Rep. Troy Merner	3/23/22: House Finance Committee voted to recommend ought to pass (OTP) with amendment (am-1151h), 18-3. The recommendation will be voted on by the House on March 31.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 1549	This bill allows retired Group II police members to work special duty law enforcement details and not have the special duty hours count against the annual limit on part-time hours.	Rep. Tracy Emerick	3/1/022: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1557	This bill changes the time frame of the post-retirement grace period to change a survivor benefit optional retirement allowance. (Note: The text of this bill was incorporated into HB 1497.)	Rep. Jeffrey Goley	2/16/22: House, on a voice vote, referred the bill to interim study. No further action is expected this session.
HB 1587	As amended, this bill modifies the calculation of compensation paid in excess of the full base rate of pay under the definition of Average Final Compensation for Group II members hired prior to July 1, 2011, and who had not attained vested status prior to January 1, 2012.	Rep. Kevin Pratt	3/23/22: House Finance Committee voted to recommend ought to pass (OTP) with amendment (am-1169h), 18-3. The recommendation will be voted on by the House on March 31.
HB 1590	This bill establishes a procedure for political subdivision members of the retirement system to vote to withdraw from participation for its Group I employees hired after the effective date of the vote.	Rep. Lex Berezny	2/16/22: House voted inexpedient to legislate (ITL), 287-57. The bill is dead.
SB 363	This bill allows certain retirement system members to purchase nonqualified service time as Group II creditable service in order to reduce certain transition provision requirements for retirement.	Sen. Lou D'Allesandro	3/29/22: Senate Finance Committee voted to recommend ought to pass (OTP) with amendment (am-1233s), 7-0. The recommendation will be voted on by the Senate on March 31.
SB 411	This bill establishes a new disability benefit for Group II members retired due to a violent injury.	Sen. Kevin Cavanaugh	3/17/22: Senate, on a voice vote, accepted committee recommendation of refer to interim study. No further action is expected this session.
SB 434	This bill links the recalculation of a Group I retiree's annuity to his or her full retirement age under the federal Social Security system.	Sen. Kevin Cavanaugh	3/22/22: Senate Finance Committee voted, 3-2, to recommend the bill be referred to interim study. The recommendation will be voted on by the Senate on March 31.
Committee Key: ED&A = Executive Departments & Administration; Location Key: LOB = Legislative Office Building; SH = State House.			

RETAINED/RE-REFERRED 2021 BILLS			
HB 536	This bill eliminates the retirement system offset for workers' compensation benefits applicable to Group I accidental death benefit annuities. Note: This bill also establishes a death benefit, funded by the state, for a municipal or state public works employee killed in the line of duty.	Rep. Kristina Schultz	3/23/22: Senate ED&A Committee voted to recommend ought to pass (OTP), 5-0. The recommendation will be voted on by the Senate on March 31.

HB 619	This bill designates police and fire dispatchers as Group II members of the retirement system.	Rep. Douglas Trottier	1/5/22: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
SB 153	This bill establishes a disability retirement benefit and a medical insurance benefit for a group II police or fire member who is violently injured in performance of duties.	Sen. Sharon Carson	1/5/22: Senate, on a voice vote, accepted committee recommendation of refer to interim study. No further action is expected this session.