

Agenda

10:00 a.m.	1. Ascertain Quorum and Call to Order		M. Kelliher
10:05 a.m.	2. Approval of Minutes	(Tab 1)	M. Kelliher
	o December 12, 2023 (Action Expected)		
10:10 a.m.	3. Standing Committee Reports		
	• Audit	(Tab 2)	M. Mezzapelle
	o FY23 GASB 68 & 75 (Action Expected)		
	• Governance	(Tab 3)	D. Roy
	o Fiduciary Insurance Report		
	o Governance Manual Revisions (Action Expected)		
	• Investments	(Tab 4)	M. Kelliher
	o IIC Monthly Report		
	o Callan Monthly Review (Dec. 31, 2023)		R. Leveque
	o 2023 Proxy Voting Summary		R. Leveque
	• Legislative	(Tab 5)	K. Merrifield
	o 2024 Legislation (Action Expected)		
	• Benefits	(Tab 6)	G. Martins
	o Consent Agenda Report		
	• PPCC	(Tab 7)	S. Hannan
	o NHRS Handbook (Action Expected)		
	o ED Performance Evaluation (Non-public Expected)		
10:40 a.m.	4. Public Pension Overview	(Tab 8)	Dan Doonan NIRS

11:20 a.m. **5. Operating Reports**

- Executive (Tab 9) J. Goodwin
 - Strategic Plan
- PIO (Tab 10) M. Karlon
- IT (Tab 11) J. Laferriere
- Investments (Tab 12) R. Leveque
- Member Services (Tab 13) N. Miller
- Finance (Tab 14) M. Mullen
- Human Resources (Tab 15) R. Cain
- Legal (Tab 16) T. Crutchfield

11:55 a.m. **6. Consent Agenda** (Tab 17) M. Kelliher
(Action Expected)

12:00 p.m. **7. Trustee Travel** (Tab 18) M. Kelliher

12:05 p.m. **8. Action Items – December 12, 2023** (Tab 19) J. Goodwin

12:10 p.m. **9. Board Checkpoint Discussion** (Tab 20) M. Kelliher

12:15 p.m. **10. Adjournment** M. Kelliher

11. Informational Materials (Tab 21)

Draft Quarterly Report to the General Court
 Draft Executive Summary of Board Actions
 2024 Board Action Calendar
 Committee Membership
 Trustee Confidential Contact Information
 Trustee Appointments and Terms
 NHRS Conference Resource List
 NHRS Acronyms

Remote access information will be provided in advance of the meeting at:

<https://www.nhrs.org/meetings-events/event/2024/02/13/default-calendar/board-of-trustees-meeting>

The following email will be monitored throughout the meeting by someone who can assist with and alert the Board to any technical issues:

publicrelations@nhrs.org (or call 603-410-3682)

NHRS Board of Trustees

DRAFT Minutes – December 12, 2023

Note: These **draft** minutes from the December 12, 2023 Public Session are subject to approval at a subsequent Board of Trustees meeting.

**Board of Trustees
December 12, 2023**

DRAFT Public Minutes

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

Participating: *Tim Lesko, Chair; Trustees Jon Frederick, Sue Hannan, Jason Henry, Maureen Kelliher, Robert Maloney, Andrew Martineau, Germano Martins, Ken Merrifield, Monica Mezzapelle, Paul Provost, Joshua Quigley, and Don Roy.*

Staff: *Jan Goodwin, Executive Director; Timothy Crutchfield, Deputy Director and Chief Legal Counsel; Rosamond Cain, Director of Human Resources; Marty Karlson, Director of Communications & Legislative Affairs; John Laferriere, Director of IT; Raynald Leveque, Chief Investment Officer; Marie Mullen, Director of Finance; Mark Cavanaugh, Associate Counsel and Compliance Officer; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Deanna Higgins, Contact Center Supervisor; Greg Richard, Senior Investment Officer; Diana Crichton, Hearings Examiner; Jonathan Diaz, Investment Officer; Jesse Pasierb, Investment Operations Analyst; Mariel Holdredge, Executive Assistant; Christine McKenney, Communications Specialist.*

Guests: *Angel Haddad, Senior Vice President, Callan; Jay Kloepper, Executive Vice President, Callan.*

Chair Lesko called the December 12, 2023, regular meeting of the NHRS Board of Trustees to order at 10:30 a.m. and after establishing a quorum, he called for a vote to approve the November 14, 2023, Board meeting minutes. On a motion by Trustee Jason Henry, seconded by Trustee Sue Hannan, the Board voted unanimously to approve the meeting minutes.

Trustee Mezzapelle provided the Audit Committee report, noting the Committee met this morning prior to the Board meeting, during which the Committee heard a presentation from the system's external auditor, Plante Moran, on the results of the Fiscal Year (FY) 2023 audit. She noted there were no significant issues and that Plante Moran planned to issue an unmodified opinion letter on December 15, 2023. She reported that the Committee approved and accepted the Annual Comprehensive Financial Report (ACFR) for FY 23. Trustee Mezzapelle turned the floor over to Director of Finance, Marie Mullen, who gave the Board a high-level overview of the ACFR, providing details and pointing out specific areas of interest in the ACFR. On a motion by Trustee Hannan, seconded by Trustee Maloney, the Board voted unanimously to conditionally accept the recommendation of the Audit Committee to approve and accept the ACFR for FY 23, contingent upon receipt of Plante Moran's audit opinion.

Trustee Mezzapelle reviewed the results of the annual ethics survey report. This year's responses revealed no concerns, and the percentage of responses were in line with expectations. On a motion by Trustee Roy, seconded by Trustee Henry, the Board voted unanimously to accept the recommendation of the Audit Committee to approve the FY 23 ethics survey scorecard. Trustee Mezzapelle closed the Audit Committee report with the results of the audit of the process NHRS follows in regard to right-to-know requests.

Trustee Roy provided the report of the Governance Committee, which had not met since the Board's November meeting, but would meet next month to review and act upon the renewal of NHRS's fiduciary insurance coverage, as delegated by the Board last month.

Trustee Kelliher gave her report on the November Independent Investment Committee (IIC, Committee) meeting, noting Chief Investment Officer Raynald Leveque gave an update on investment returns through recent time periods, referring to Callan's recent monthly reviews. He proceeded to report on cash flows, liquidity, and the status of illiquid Russian assets. The Committee voted unanimously to approve the 2024 IIC meeting schedule. The Committee also voted unanimously to approve the Investment Management Agreement with Wellington Management for a five-year term. Mr. Leveque presented the 2023 NHRS Strategic Asset Allocation (SAA) review dated November 2023. He then discussed the goals of the SAA review, which was conducted over nine months by NHRS staff in conjunction with Callan, the retirement system's investment consultant. He outlined and presented the evaluation of three potential policy portfolios: A, B, and C, for the NHRS long-term policy portfolio and presented his recommendation, Portfolio B. He discussed potential staffing changes to accommodate the recommendation and mentioned staff is finalizing the strategic plan for investments, to be presented in 2024. The Committee then heard from representatives of Callan on the three potential portfolios and recommendations. The Committee then voted unanimously to recommend the development and eventual implementation of portfolio B to the Board of Trustees. Lastly, the IIC reviewed the FY 23 Comprehensive Annual Investment Report (CAIR), which it conditionally voted to approve, subject to the addition of materials from the ACFR.

Trustee Kelliher then turned the floor over to Mr. Leveque who reported on the investment performance as of October 31, 2023.

Next, Mr. Leveque then discussed the memorandum from the IIC, Investment Team, and Callan (fund's investment consultant) to the Board recommending a new strategic asset allocation policy for the NHRS. Mr. Leveque reviewed the proposed changes to the current long-term policy portfolio, reducing public equities from the current 50% to 40%, with a corresponding 10% increase in alternative investments (Private Credit and a new asset class, Infrastructure) from the current 15% to 25%. Mr. Leveque discussed the several months of work led internally by the NHRS Investment Team, with support on the analytical tools, data, and optimizations from Callan.

The proposed policy portfolio is expected to generate a similar return to our current asset allocation but with a lower expected risk (volatility) or standard deviation. The new asset allocation will have a five-year horizon to be implemented at the start of the next fiscal year on June 30, 2024. Mr. Leveque and the Investment Team will next develop an implementation plan for the IIC that will outline the pacing of investments, specifications of the Infrastructure asset class, benchmarking, and other portfolio construction considerations. A robust discussion ensued on the proposal by the Board.

On a motion by Trustee Provost, seconded by Trustee Roy, the Board voted unanimously to accept the recommendation of the IIC to adopt the proposed strategic asset allocation policy targets.

Chair Lesko called for a motion to approve the CAIR, and on a motion by Trustee Hannan, seconded by Trustee Frederick, the Board voted unanimously to accept the recommendation of the IIC to approve and accept the CAIR for Fiscal Year 2023.

Trustee Merrifield then gave the Legislative Committee report, stating it had not met since the November Board meeting but plans to meet next month.

Trustee Martins presented the report of the Benefits Committee, stating that it had not met since the November Board meeting, but will meet next month to review that month's Consent Agenda items per the Board's delegation in November.

Trustee Hannan gave the PPCC report, stating it had not met since the November Board meeting but plans to meet in the next couple of weeks.

Chair Lesko turned to Executive Director Jan Goodwin for her operating report. Ms. Goodwin commenced by introducing the new NHRS Executive Assistant Mariel Holdredge, and commended Christine McKenney, who served for many years as Board liaison and transitions to her new position as an NHRS Communications Specialist.

The Executive Director then reported the monthly Key Performance Measures (KPMs) monthly score was 98.5%, noting there were two KPMs missed, both due to the same issue regarding a refund. She proceeded to provide an update on Pension Gold Version 3 (PGV3), noting the project is 89% completed and is now NHRS's official system of record. Ms. Goodwin added that as part of going live with PGV3, NHRS will be transitioning from the PGV2 version of MyAccount to the PGV3 version this month. Ms. Goodwin went on to report that the Executive Team is in the preliminary stages of assessing space options for NHRS in advance of the expiration of NHRS's five-year lease in March 2026. Next, Ms. Goodwin reviewed the 12-month KPM average, which is 97.84%, above the 95% benchmark. She then reported that all three of the Executive Director KPMs were achieved this month and provided an update on her monthly calls to members, employers, and retirees, commenting on the continued positive feedback she receives.

She apprised the Trustees of a contract addendum for Board consideration, recapping the expected vs. actual trajectory of PGV3 expenses regarding Change Requests (CRs). CRs are any changes that impact the cost and/or schedule from the original timeline and/or service and have been an expected and budgeted expense throughout the upgrade. In accordance with the Procurement Policy, she requested that staff be authorized to amend the PGV3 contract regarding CRs with funds that have already been budgeted to reflect a "not-to-exceed" amount. On a motion by Trustee Martins, seconded by Trustee Hannan, the Board voted unanimously to approve the procurement of services as presented in the Board materials, subject to contract and legal review.

Deputy Director and Chief Legal Counsel Tim Crutchfield opened his Legal report by updating the Board that Legal achieved six of its KPMs last month. One was missed due to a late refund and the other KPM is on hold due to the PGV3 conversion. He then reported on upcoming plans and projects, as well as a summary of Legal's action plan. In closing, Mr. Crutchfield reminded the Board that he will be sending out the annual request for the Trustees to complete the Statement of Financial Interests as required by statute.

Director of Communications and Legislative Affairs Marty Karlon provided his report on Legislative Affairs and PIO, giving an overview of upcoming projects, including the soft launch of the new My Account portal. A discussion ensued regarding the specifics of information available to retirees on My Account and inquiries about proposed 2024 bills.

Director of Information Technology (IT) John Laferriere opened his operating report with an update on cybersecurity awareness, noting an uptick of phishing attacks in general and the vigilance of IT staff to protect the retirement system. The Managed Security Service Provider (MSSP) is fully onboarded with NHRS and identified no new security issues in November. IT achieved 99% customer service satisfaction and met all its KPMs. Mr. Laferriere provided a status update on several projects and an overview of upcoming plans. In closing, he referred to his action plan, which is on schedule.

Mr. Leveque gave his report on Investments, noting his team achieved six of the 10 KPMs, with the remaining four not applicable last month. Mr. Leveque proceeded to give an overview of the agenda for the IIC meeting, which immediately follows today's Board meeting. He closed out his report with an overview and update on his action plan.

Rosamond Cain, Director of Human Resources (HR), presented her operating report, noting the filling of the Executive Assistant and Investment Officer roles and the ongoing recruitment of an Employer Reporting Specialist. She provided an overview of monthly highlights and developments, including HR's use of ADP to produce 1095-C forms, previously produced manually. Ms. Cain closed by reporting upcoming plans and projects, mentioning the return of leadership coaching for middle managers, and two upcoming all-staff training sessions scheduled for spring of 2024.

Chair Lesko presented the Consent Agenda. On a motion by Trustee Quigley, seconded by Trustee Roy, the Board voted unanimously to approve the Consent Agenda, as presented.

There were no travel reports or requests.

Ms. Goodwin gave the status of the Action Items from the November Board meeting, noting everything had already been completed or will be by the end of today's meeting.

During the Board Checkpoint Discussion, Chair Lesko presented the need to conduct a Board self-assessment as a best practice in 2024.

With no further business to discuss, on a motion by Trustee Maloney, seconded by Trustee Martins, the Board voted unanimously to adjourn the meeting at 11:59 a.m.

Respectfully submitted,

Mariel Holdredge
Executive Assistant

AUDIT COMMITTEE



To: Board of Trustees & Audit Committee
From: Marie Mullen, Director of Finance
Date: February 7, 2024
Re: GASB 68 & 75 Reports as of June 30, 2023
Item: Action: ☒ Discussion: ☐ Informational: ☐

The Governmental Accounting Standards Board (GASB) Statement 68 Plan Report (Schedule of Employer Allocations and Schedule of Pension Amounts by Employer) and GASB Statement 75 Plan Report (Schedule of Employer Allocations and Schedule of Other Post-Employment Benefits ((OPEB)) Amounts by Employer) of the New Hampshire Retirement System as of June 30, 2023, were prepared using employer reporting schedules developed by the consulting actuaries, Gabriel Roeder Smith & Company. In accordance with these two GASB pronouncements, these reports allocate the proportionate share of the total Pension and OPEB liabilities amongst all NHRS participating employers based on their contributions submitted.

Plante Moran, the system's external auditor, has completed its audits and issued an unmodified opinion. The final versions of the reports will be forwarded under a separate e-mail. Staff is recommending that the Audit Committee approve and accept the June 30, 2023 GASB Statements 68 and 75 Reports and to recommend to the full Board their acceptance and release, and that the Board of Trustees act according to the Audit Committee's recommendation.

Our Mission: To provide secure retirement benefits and superior service.

GOVERNANCE COMMITTEE



To: NHRS Governance Committee

From: Tim Crutchfield, Deputy Director and Chief Legal Counsel

Date: January 4, 2023

Re: Fiduciary Insurance Renewal

Item: Action: X Discussion: Informational:

Introduction

The NHRS fiduciary insurance coverage expires January 15, 2024 and the renewal of coverage by the Governance Committee, as a result of the Board's recent delegation, is anticipated at the Committee's January meeting.

Background

Fiduciary liability coverage has been provided on an annual basis since at least 1999. In January 2016, the System renewed its annual policy through Hudson Insurance for \$20 million in coverage with a \$100,000.00 deductible at an annual premium of \$123,000.00. This premium represented a significant savings for the same level of coverage from the 2014 premium of more than \$172,000.00 and from 2015 of nearly \$148,000.00. Over the next six years, premiums continued to decrease while maintaining the same coverage. Our 2021 premium was \$123,000.00. However, given the significant national rise in fiduciary claims over the past few years, even though NHRS has not filed a claim for over at least ten years, in 2023 our premium increased 17% from \$123,000.00 to \$144,162.00 with our incumbent carrier, Hudson Insurance Company. Last year it increased 3% to \$148,487.00.

Last month our broker at Cross Insurance informed us that she was able to secure the same coverage with Hudson with the same premium as last year, \$148,487.00. Hudson also guaranteed this same coverage and premium for 2025, provided we have no claims in the interim.

Given the advantageous terms, and the fact that alternative bids in the past have provided lesser or similar coverage at significantly higher rates, competitive bids were not sought this year on the advice of the broker.

Recommendation

Based on this information, staff respectfully requests that the Committee vote to renew the fiduciary insurance policy with Hudson Insurance Company under the terms described above.



Insurance Proposal

New Hampshire Retirement System

54 Regional Drive
Concord, NH 03301

PRESENTED BY:

Cross Insurance Agency

1100 Elm Street
Manchester, NH 03101

www.crossagency.com

ACCOUNT EXECUTIVE: Robin Kittle, LPCS, CLCS
TELEPHONE NUMBER: 800-969-3218 603-669-3218
FAX NUMBER: 603-645-4331
EMAIL ADDRESS: robin.kittle@crossagency.com
DATE OF PROPOSAL: December 18, 2023

This is a coverage summary, not a legal contract. This proposal is provided to facilitate your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations, and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage. In suggesting policy limits, terms, and conditions, we are depending on complete and accurate data provided by you and this proposal may not contain all insurance coverage that you may need. If there are areas that need to be evaluated prior to binding coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, please inform us so proper coverage can be secured. We assume no response means no changes.

Please note this quotation as offered by the insurance company must be accepted by the effective date of coverage, otherwise it will be subject to renegotiation and may result in higher costs.

Policy Information

Policy #	Term	Writing Co
SFD31210461-08	01/15/2024 - 01/15/2025	Hudson Ins Co

Fiduciary Liability

Limits of Liability:

(a) Aggregate Limit of Liability: the maximum aggregate limit of liability for all Loss under this policy, including Claim Expenses	\$20,000,000
(b) Trustee Claim Expenses (Non-Fiduciary Defense) Sublimit: the aggregate limit of liability for all Claim Expenses in connection with Claims solely alleging Wrongful Acts as defined in Section II. Definitions R.(3.) of the policy (included within and not in addition to the maximum aggregate limit of liability)	\$2,000,000
(c) Voluntary Compliance Program Expenditures Sublimit: the aggregate limit of liability for all Voluntary Compliance Program Expenditures (included within and not in addition to the maximum aggregate limit of liability)	\$250,000
(d) ERISA 502(c) Civil Penalties Sublimit: the aggregate limit of liability for all Loss in the form of civil fines or any excise tax imposed pursuant to Section 502(c) of ERISA or the Pension Protection Act of 2006 (included within and not in addition to the maximum aggregate limit of liability)	Not Applicable
(e) HIPAA and HITECH Fines and Penalties Sublimit: the aggregate limit of liability for all Loss in the form of civil fines and penalties imposed pursuant to HIPAA and HITECH (included within and not in addition to the maximum aggregate limit of liability)	\$1,500,000
(f) PPACA Fines and Penalties Sublimit: the aggregate limit of liability for all Loss in the form of civil fines and penalties imposed pursuant to PPACA (included within and not in addition to the maximum aggregate limit of liability)	\$250,000
(g) Section 4975 Penalties Sublimit: the aggregate limit of liability for all Loss in the form of excise taxes imposed pursuant to Section 4975 of the Internal Revenue Code (included within and not in addition to the maximum aggregate limit of liability)	\$250,000
(h) ERISA Section 502(a)(3) Relief Sublimit: the aggregate limit of liability for all Loss in the form of equitable relief imposed pursuant to Section 502(a)(3) of ERISA (included within and not in addition to the maximum aggregate limit of liability)	Not Applicable
(i) Benefit Overpayment Sublimit: the aggregate limit of liability for all benefit overpayments as defined in Section II. Definitions H.(5.) of the policy (included within and not in addition to the maximum aggregate limit of liability)	Not Applicable
(j) Cyber Essentials Sublimit: the aggregate limit of liability Content Restoration Expenditures and Crisis Notification Expenditures as defined in Section II. Definitions E. and G. of the policy (included within and not in addition to the maximum aggregate limit of liability)	Not Applicable

Retention:

\$100,000 each Claim

Pending or Prior Proceeding Date:

01/15/2004



Higher limits may be available upon request.
Refer to policy forms for additional terms, conditions, and endorsements.

Premium Summary

COVERAGE	EXPIRING PREMIUM	RENEWAL PREMIUM
Fiduciary Liability	\$148,487	\$148,487

Payment Plan:

Carrier	Line of Coverage	Payment Schedule
Hudson Insurance Co	Fiduciary	Full Pay



Higher limits may be available upon request.
Refer to policy forms for additional terms, conditions, and endorsements.



To: Board of Trustees
From: Mark F. Cavanaugh, Associate Counsel and Compliance Officer
Date: February 2, 2024
Re: Annual Governance Manual Revisions
Item: Action: ☒ Discussion: ☐ Informational: ☐

Each year, the NHRS Board is asked to approve and adopt a revised Governance Manual for the calendar year. A copy of the proposed revisions for 2024 will be made available by a separate link due to its size.

The revisions recommended by staff this year consist of the following:

1. Removal of effective dates from the Table of Contents.
2. Removal of the effective dates from the section headings except for items that are separately voted on by the Board (i.e., policies, committee charters, strategic plan). All other items are deemed to be effective each year when the Board adopts the Governance Manual.
3. Revisions to the Committee Charters previously voted on individually by the Board in 2023.
4. Revisions to the Procurement and Fraud Policies previously voted on by the Board in 2023.
5. Revisions to the Board Protocol to reflect the new bi-monthly meeting schedule.
6. Annual updates to the information in the Appendices and Exhibits.

At its January 9, 2024 meeting, the Governance Committee voted unanimously to recommend to the full Board that the revised 2024 Governance Manual be approved.

Independent Investment Committee's Monthly Report to the Board

NHRS Investment Team
Board of Trustees Meeting
February 13, 2024

Total Plan Performance as of December 31, 2023

The table below details the rates of return for the fund's asset classes over various time periods ended December 31, 2023. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended December 31, 2023									
Composite	Total Fund Weighting As of 12/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	31.73%	6.62%	11.70%	7.84%	21.93%	21.93%	8.13%	13.84%	10.26%
Domestic Equity Benchmark(1)		5.30%	12.07%	8.43%	25.96%	25.96%	8.59%	14.79%	11.57%
Excess Return		1.32%	-0.37%	-0.58%	-4.03%	-4.03%	-0.46%	-0.95%	-1.30%
Total Non US Equity	18.54%	5.01%	10.21%	5.23%	19.60%	19.60%	2.16%	7.49%	4.21%
Non US Equity Benchmark(2)		5.02%	9.75%	5.61%	15.62%	15.62%	1.55%	7.08%	3.83%
Excess Return		-0.01%	0.45%	-0.39%	3.99%	3.99%	0.62%	0.41%	0.38%
Total Fixed Income	19.94%	4.05%	7.16%	4.10%	7.03%	7.03%	-2.16%	2.43%	2.52%
Bloomberg Capital Universe Bond Index		3.79%	6.83%	3.76%	6.17%	6.17%	-2.97%	1.44%	2.08%
Excess Return		0.25%	0.33%	0.34%	0.86%	0.86%	0.80%	0.99%	0.45%
Total Cash	0.39%	0.47%	1.40%	2.76%	5.21%	5.21%	2.26%	1.97%	1.33%
3-Month Treasury Bill		0.47%	1.37%	2.70%	5.01%	5.01%	2.15%	1.88%	1.25%
Excess Return		0.00%	0.03%	0.06%	0.20%	0.20%	0.11%	0.09%	0.08%
Total Real Estate (Q3)*	10.55%	-1.73%	-1.74%	-1.91%	-9.94%	-9.94%	10.54%	8.31%	10.21%
Real Estate Benchmark(3)		-0.71%	-2.10%	-4.92%	-12.88%	-12.88%	6.19%	4.72%	7.30%
Excess Return		-1.02%	0.36%	3.01%	2.95%	2.95%	4.35%	3.59%	2.91%
Total Private Equity (Q3)*	14.07%	1.34%	1.35%	1.33%	6.67%	6.67%	17.09%	13.28%	12.24%
Private Equity Benchmark(4)		-4.48%	-2.66%	5.90%	22.76%	22.76%	12.61%	12.97%	15.39%
Excess Return		5.82%	4.02%	-4.57%	-16.10%	-16.10%	4.48%	0.31%	-3.16%
Total Private Debt (Q3)*	4.77%	1.69%	1.71%	1.68%	5.31%	5.31%	8.29%	5.40%	6.53%
Private Debt Benchmark(5)		-0.10%	2.02%	4.85%	13.14%	13.14%	4.07%	3.47%	6.28%
Excess Return		1.79%	-0.31%	-3.17%	-7.83%	-7.83%	4.22%	1.93%	0.25%
Total Fund Composite	100.00%	3.84%	6.88%	4.26%	11.11%	11.11%	6.18%	8.91%	7.20%
Total Fund Benchmark(6)		3.02%	6.93%	5.11%	13.92%	13.92%	4.60%	8.65%	7.34%
Excess Return		0.82%	-0.05%	-0.85%	-2.81%	-2.81%	1.59%	0.26%	-0.13%

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

(2) 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.

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

(4) The Private Equity Benchmark is the Russell 3000 Index + 2% lagged 1 quarter as of 7/1/2022.

(5) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 Idx + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.

(6) Current Month Target = 30.0% Russell 3000 Index, 25.0% Bloomberg Universal, 20.0% MSCI ACWI ex-US, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

(7) For the trailing 25 year period ended 12/31/23, the Total Fund has returned 6.52% versus the Total Fund Custom Benchmark return of 6.52%.

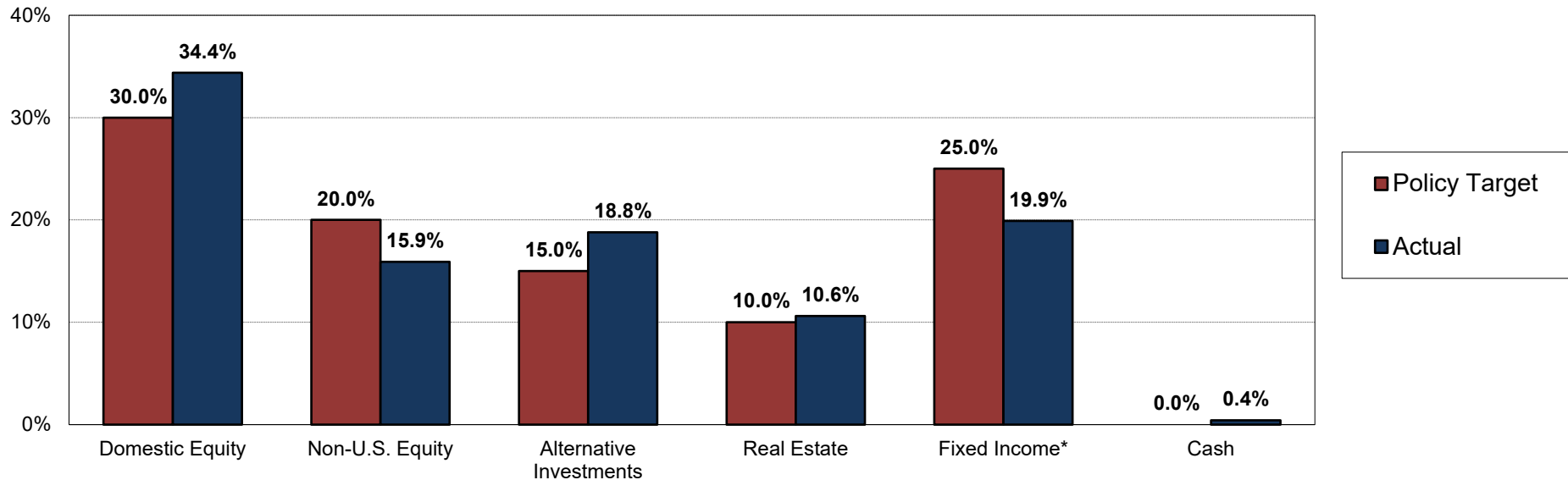
*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

FYTD Fiscal Year to Date

CYTD Calendar Year to Date

LTM Last Twelve Months

Asset Class Targets vs. Actual Allocation as of December 31, 2023 (Preliminary)

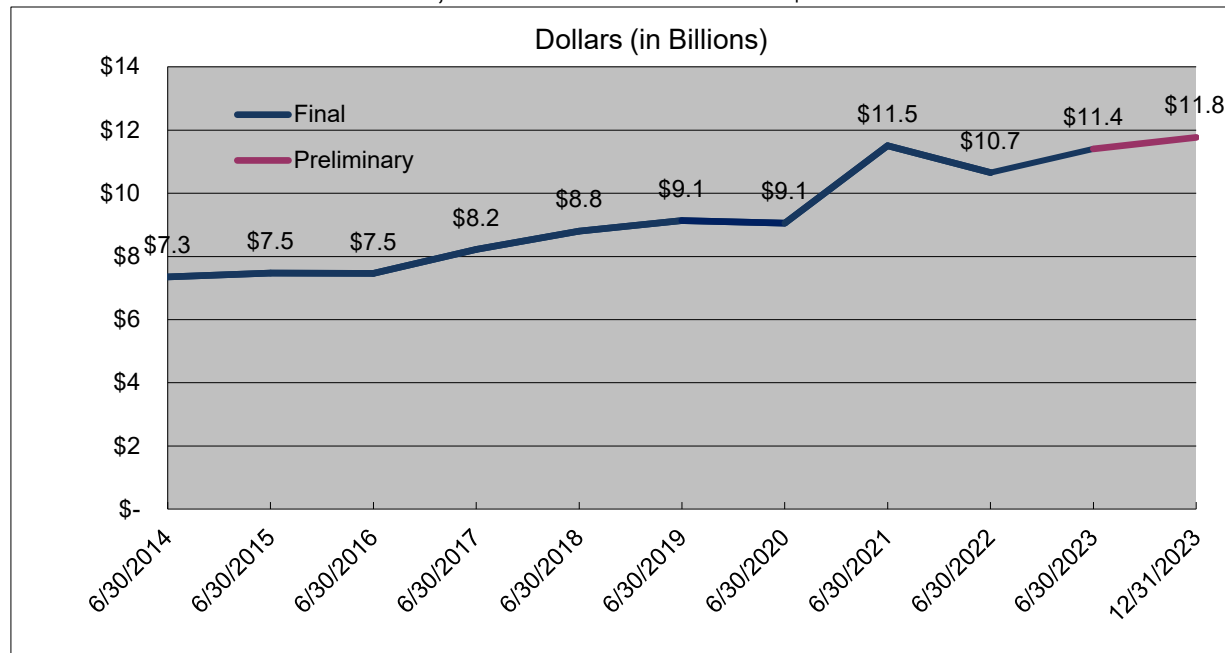


Asset Class	Policy Target*	Actual	Range
Domestic Equity	30.0%	34.4%	20 - 40%
Non-U.S. Equity	20.0%	15.9%	15 - 25%
Alternative Investments	15.0%	18.8%	5 - 25%
Real Estate	10.0%	10.6%	5 - 20%
Fixed Income*	25.0%	19.9%	20 - 30%
Cash	0.0%	0.4%	NA
	100.0%	100.0%	

**The new Target Asset Allocation approved by the Board in December 2023 will be effective beginning in the new fiscal year (7/1/24)*

*Fixed income is within range when cash is included

Fiscal Year	Dollars (in Billions)
June 30,2014	\$7.3
June 30,2015	\$7.5
June 30,2016	\$7.5
June 30,2017	\$8.2
June 30,2018	\$8.8
June 30,2019	\$9.1
June 30,2020	\$9.1
June 30,2021	\$11.5
June 30,2022	\$10.7
June 30,2023	\$11.4
December 31,2023	\$11.8



Market Environment

As of December 31, 2023

Index	Last Month	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell 3000	5.30	12.07	25.96	8.54	15.16	11.48
S&P 500	4.54	11.69	26.29	10.00	15.69	12.03
Russell 2000	12.22	14.03	16.93	2.22	9.97	7.16
MSCI ACWI ex USA	5.02	9.75	15.62	1.55	7.08	3.83
MSCI Emerging Markets	3.91	7.86	9.83	(5.08)	3.69	2.66
Bloomberg Aggregate	3.83	6.82	5.53	(3.31)	1.10	1.81
NCREIF NFI-ODCE	(0.71)	(2.10)	(10.07)	5.06	3.97	6.65
Bloomberg Commodity Price	(3.10)	(5.91)	(12.55)	8.12	5.16	(2.40)

Both equities and bonds closed out the year with strong positive performance. Softening inflation data released in the previous month helped boost markets as it supported investors' beliefs that the rate hiking cycle was over. The mid-December FOMC meeting further confirmed these beliefs as the Fed presented a shift in monetary policy from "higher for longer" to sooner-than-expected rate cuts. Developed markets outperformed emerging. Value and growth stocks both had strong performance in December. Spreads tightened and high yield outperformed corporate bonds as fears regarding funding eased.

Real, annualized U.S. GDP grew 4.9% in 3Q23, according to the third estimate. This change represents a 0.3 percentage point decrease from the second estimate. The decrease in GDP reflects a downward revision to consumer spending. This was partially offset by a downward revision to imports (which is subtracted from the GDP estimate).

The U.S. economy added 216,000 new jobs in December. Sectors experiencing employment growth included health care, government, social assistance, and construction, while transportation and warehousing employment decreased. The seasonally adjusted unemployment rate remained unchanged at 3.7%. The labor force participation rate decreased from 62.8% to 62.5%.

Year-over-year headline Consumer Price Index (CPI) growth increased 3.4% in December, a 0.3 percentage point change from the November increase of 3.1%. Price levels increased 0.3% month-over-month, after a 0.1% increase in November. The shelter, energy, and food indices all rose. Core CPI, which excludes food and energy prices, was up 3.9% year-over-year, compared to 4.0% in November. The core monthly change was 0.3% in December, the same increase as November.

*Due to a lag in the reporting of NCREIF NFI-ODCE Index returns, the monthly return shown is deduced from the most recent quarterly return.

U.S. Equity Overview

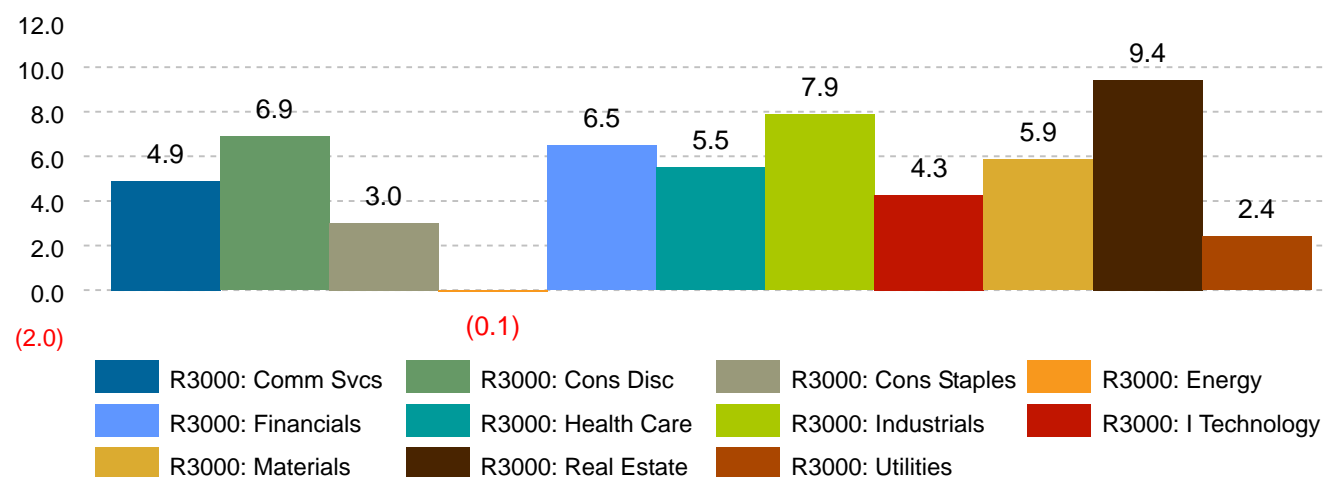
As of December 31, 2023

Index	Last Month	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell 3000	5.30	12.07	25.96	8.54	15.16	11.48
Russell 1000	4.94	11.96	26.53	8.97	15.52	11.80
Russell 1000 Growth	4.43	14.16	42.68	8.86	19.50	14.86
Russell 1000 Value	5.54	9.50	11.46	8.86	10.91	8.40
Russell Midcap	7.73	12.82	17.23	5.92	12.68	9.42
Russell 2000	12.22	14.03	16.93	2.22	9.97	7.16
Russell 2000 Growth	11.97	12.75	18.66	(3.50)	9.22	7.16
Russell 2000 Value	12.45	15.26	14.65	7.94	10.00	6.76

U.S. equities were up 5.3% in December (Russell 3000 Index). Strong market performance was driven by a change in interest rate expectations for 2024, as the Federal Reserve maintained a dovish tone during its December meeting. The revised dot plot showed three rate cut expectations for 2024, instead of two. Furthermore, Jerome Powell did not push back on the topic of rate cuts at the FOMC press conference, boosting investor expectations and overall markets. Small cap stocks outperformed large in December (Russell 2000 Index: +12.2% vs. Russell 1000 Index: +4.9%). Within the large cap space, value stocks outperformed growth (Russell 1000 Value Index: +5.5% vs. Russell 1000 Growth Index: +4.4%). Within the small cap space, growth and value stocks had similar performance (Russell 2000 Growth Index: +12.0% vs. Russell 2000 Value Index: +12.5%).

Ten of the 11 sectors that comprise the Russell 3000 Index posted positive performance in December. Real Estate posted the highest returns (+9.4%), followed by Industrials (+7.9%), Consumer Discretionary (+6.9%), and Financials (+6.5%). Similar to November, Energy (-0.1%) was the only negative performer in December given falling oil prices.

Russell 3000 Index 1 Month Sector Returns



Global ex-U.S. Equity Overview

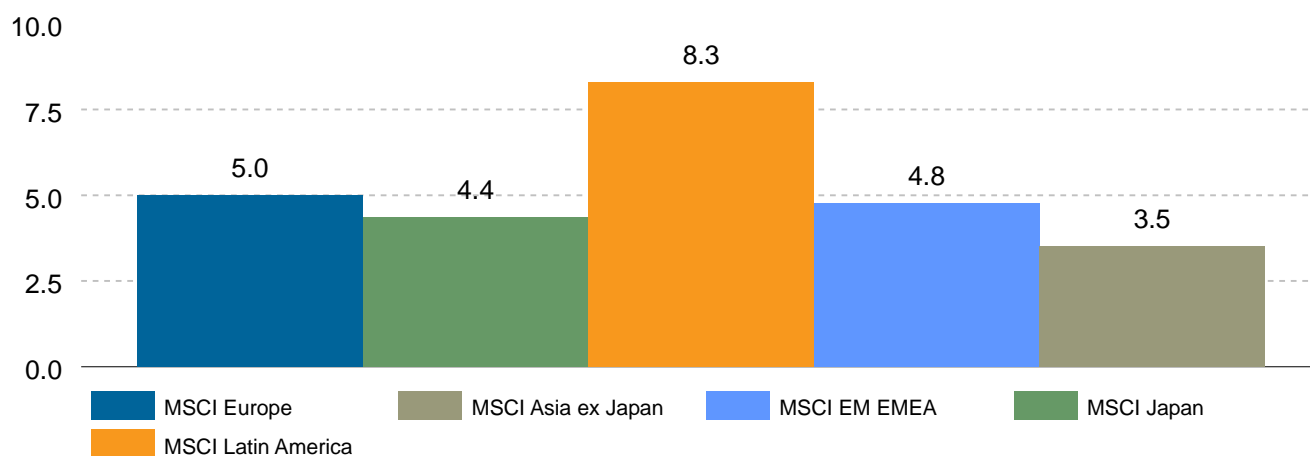
As of December 31, 2023

Index	Last Month	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI ACWI ex USA	5.02	9.75	15.62	1.55	7.08	3.83
MSCI World	4.91	11.42	23.79	7.27	12.80	8.60
MSCI World Hedged	4.24	10.14	24.30	9.37	13.93	10.09
MSCI Emerging Markets	3.91	7.86	9.83	(5.08)	3.69	2.66
MSCI ACWI ex USA Small Cap	6.35	10.12	15.66	1.49	7.89	4.88

Global ex-U.S. equities had positive performance in December. The MSCI ACWI ex-USA Index increased 5.0%. Global ex-U.S. small cap equities (MSCI ACWI ex USA Small Cap) rose 6.0%, outperforming large cap equities (MSCI ACWI ex USA Large Cap), which rose 3.0%. Growth and value both posted positive returns (MSCI ACWI ex-USA Growth Index: +4.8% vs. MSCI ACWI ex-USA Value Index: +5.3%). Euro zone performance was strong due to easing inflation data prompting expectations that interest rate hikes may be over. In the U.K., performance lagged given strong currency performance and high exposure to energy within markets. Yen appreciation negatively impacted Japanese equities' performance in December, losing some of the gains seen last month, but still ending the year in positive territory.

Emerging markets rose 3.9% in December (MSCI Emerging Markets Index), slightly underperforming developed markets. Poland was a top performer. Taiwan and South Korea also had positive performance as their technology-dominated markets were supported by the enthusiasm surrounding artificial intelligence seen throughout 2023. Brazil's disinflation and reduction in policy rates helped produce positive returns. Turkey was one of the worst-performing markets as inflation rose over 60% in December. China's continued weak market performance dragged on emerging market returns as concerns surrounding real estate and the resiliency of its economy remained prevalent. Among emerging market indices, Latin American markets were the strongest performer (MSCI Latin America: +8.3%). European emerging markets (MSCI EM EMEA) grew 4.8%, and MSCI Asia ex Japan returned 3.5%.

MSCI Regional 1 Month Returns

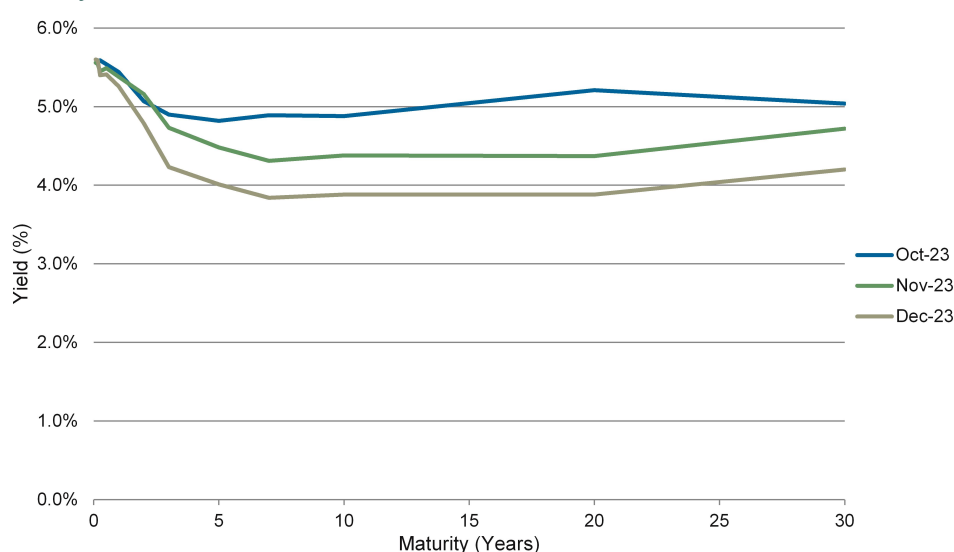


Fixed Income Overview

As of December 31, 2023

Index	Last Month	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Bloomberg Aggregate	3.83	6.82	5.53	(3.31)	1.10	1.81
Bloomberg Long Gov/Credit	7.90	13.24	7.13	(8.68)	1.12	3.22
Bloomberg Treasury	3.36	5.66	4.05	(3.82)	0.53	1.27
Bloomberg Credit	4.19	8.15	8.18	(3.21)	2.45	2.83
Bloomberg Mortgage	4.31	7.48	5.05	(2.86)	0.25	1.38
Bloomberg TIPS	2.69	4.71	3.90	(1.00)	3.15	2.42
Bloomberg Corp High Yield	3.73	7.16	13.44	1.98	5.37	4.60
Credit Suisse Leveraged Loans	1.61	2.85	13.04	5.64	5.56	4.44
90-day T-bill	0.47	1.37	5.01	2.15	1.88	1.25

Treasury Yield Curve



Bonds maintained positive performance in December, as rates continued to fall. Cooling inflation, rates held at their current level (5.25% - 5.50%), and new expectations for rate cuts contributed to the bond market's gains. Fixed income assets with longer maturities outperformed intermediate and short-term assets in December.

Investment grade issuance finished at \$24 billion in December, compared to \$98 billion in November. Investment grade spreads tightened by 5 bps from 104 bps to 99 bps. High yield issuers priced \$13 billion this month, a decrease compared to \$19 billion in November. High yield spreads narrowed by 47 bps from 370 bps to 323 bps, and yields posted their lowest level since June 2022, dropping 84 bps to 7.59%. The 90-day T-bill fell 5 bps to 5.40%, the 2-year fell 50 bps to 4.23%, the 10-year fell 49 bps to 3.88%, and the 30-year fell 51 bps to 4.03%. The 2-10 Year Treasury Yield curve inversion decreased by 1 bp, ending the year at -35 bps (down from -69 bps to start the year).

The Bloomberg US Aggregate Bond Index gained 3.8%, bringing year-to-date performance to +5.5%. In December, the Bloomberg Credit Index rose 4.2% and the Bloomberg High Yield Corporate Index increased 3.7%. Long bonds (Bloomberg Long Gov/Credit Index) increased 7.9% this month. TIPS (Bloomberg US TIPS Index: +2.7%) underperformed nominal Treasuries (Bloomberg Treasury Index: +3.4%). The 10-year breakeven inflation rate decreased from 2.32% to 2.16%.

Callan

December 31, 2023



New Hampshire Retirement System

Investment Measurement Service Monthly Review

The table below details the rates of return for the fund's asset classes over various time periods ended December 31, 2023. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended December 31, 2023									
Composite	Total Fund Weighting As of 12/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	31.73%	6.62%	11.70%	7.84%	21.93%	21.93%	8.13%	13.84%	10.26%
Domestic Equity Benchmark(1)		5.30%	12.07%	8.43%	25.96%	25.96%	8.59%	14.79%	11.57%
Excess Return		1.32%	-0.37%	-0.58%	-4.03%	-4.03%	-0.46%	-0.95%	-1.30%
Total Non US Equity	18.54%	5.01%	10.21%	5.23%	19.60%	19.60%	2.16%	7.49%	4.21%
Non US Equity Benchmark(2)		5.02%	9.75%	5.61%	15.62%	15.62%	1.55%	7.08%	3.83%
Excess Return		-0.01%	0.45%	-0.39%	3.99%	3.99%	0.62%	0.41%	0.38%
Total Fixed Income	19.94%	4.05%	7.16%	4.10%	7.03%	7.03%	-2.16%	2.43%	2.52%
Bloomberg Capital Universe Bond Index		3.79%	6.83%	3.76%	6.17%	6.17%	-2.97%	1.44%	2.08%
Excess Return		0.25%	0.33%	0.34%	0.86%	0.86%	0.80%	0.99%	0.45%
Total Cash	0.39%	0.47%	1.40%	2.76%	5.21%	5.21%	2.26%	1.97%	1.33%
3-Month Treasury Bill		0.47%	1.37%	2.70%	5.01%	5.01%	2.15%	1.88%	1.25%
Excess Return		0.00%	0.03%	0.06%	0.20%	0.20%	0.11%	0.09%	0.08%
Total Real Estate (Q3)*	10.55%	-1.73%	-1.74%	-1.91%	-9.94%	-9.94%	10.54%	8.31%	10.21%
Real Estate Benchmark(3)		-0.71%	-2.10%	-4.92%	-12.88%	-12.88%	6.19%	4.72%	7.30%
Excess Return		-1.02%	0.36%	3.01%	2.95%	2.95%	4.35%	3.59%	2.91%
Total Private Equity (Q3)*	14.07%	1.34%	1.35%	1.33%	6.67%	6.67%	17.09%	13.28%	12.24%
Private Equity Benchmark(4)		-4.48%	-2.66%	5.90%	22.76%	22.76%	12.61%	12.97%	15.39%
Excess Return		5.82%	4.02%	-4.57%	-16.10%	-16.10%	4.48%	0.31%	-3.16%
Total Private Debt (Q3)*	4.77%	1.69%	1.71%	1.68%	5.31%	5.31%	8.29%	5.40%	6.53%
Private Debt Benchmark(5)		-0.10%	2.02%	4.85%	13.14%	13.14%	4.07%	3.47%	6.28%
Excess Return		1.79%	-0.31%	-3.17%	-7.83%	-7.83%	4.22%	1.93%	0.25%
Total Fund Composite	100.00%	3.84%	6.88%	4.26%	11.11%	11.11%	6.18%	8.91%	7.20%
Total Fund Benchmark(6)		3.02%	6.93%	5.11%	13.92%	13.92%	4.60%	8.65%	7.34%
Excess Return		0.82%	-0.05%	-0.85%	-2.81%	-2.81%	1.59%	0.26%	-0.13%

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

(2) 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.

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

(4) The Private Equity Benchmark is the Russell 3000 Index + 2% lagged 1 quarter as of 7/1/2022.

(5) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 Idx + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.

(6) Current Month Target = 30.0% Russell 3000 Index, 25.0% Bloomberg Universal, 20.0% MSCI ACWI ex-US, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

(7) For the trailing 25 year period ended 12/31/23, the Total Fund has returned 6.52% versus the Total Fund Custom Benchmark return of 6.52%.

*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2023. Negative manager excess returns are shown in **red**, positive excess returns in **green**. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended December 31, 2023									
Composite	Total Fund Weighting As of 12/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	31.73%	6.62%	11.70%	7.84%	21.93%	21.93%	8.13%	13.84%	10.26%
<i>Domestic Equity Benchmark(1)</i>		5.30%	12.07%	8.43%	25.96%	25.96%	8.59%	14.79%	11.57%
<i>Excess Return</i>		1.32%	-0.37%	-0.58%	-4.03%	-4.03%	-0.46%	-0.95%	-1.30%
Large Cap Domestic Equity	18.37%	4.54%	11.69%	8.04%	26.10%	26.10%	9.92%	14.71%	11.11%
<i>S&P 500 Index</i>		4.54%	11.69%	8.04%	26.29%	26.29%	10.00%	15.69%	12.03%
<i>Excess Return</i>		0.00%	-0.01%	0.00%	-0.19%	-0.19%	-0.08%	-0.97%	-0.92%
BlackRock S&P 500	18.37%	4.54%	11.69%	8.04%	26.10%	26.10%	9.92%	15.63%	12.00%
<i>S&P 500 Index</i>		4.54%	11.69%	8.04%	26.29%	26.29%	10.00%	15.69%	12.03%
<i>Excess Return</i>		0.00%	-0.01%	0.00%	-0.19%	-0.19%	-0.08%	-0.06%	-0.04%
Smid Cap Domestic Equity	5.79%	9.23%	11.16%	6.75%	15.77%	15.77%	5.66%	11.46%	7.99%
<i>Russell 2500 Index</i>		10.72%	13.35%	7.93%	17.42%	17.42%	4.24%	11.67%	8.36%
<i>Excess Return</i>		-1.49%	-2.20%	-1.18%	-1.65%	-1.65%	1.42%	-0.21%	-0.37%
AllianceBernstein	3.62%	9.93%	13.82%	7.75%	18.16%	18.16%	4.07%	12.16%	8.82%
<i>Russell 2500 Index</i>		10.72%	13.35%	7.93%	17.42%	17.42%	4.24%	11.67%	8.36%
<i>Excess Return</i>		-0.79%	0.47%	-0.18%	0.73%	0.73%	-0.17%	0.49%	0.46%
TSW	2.17%	8.08%	6.98%	5.13%	12.00%	12.00%	8.55%	10.35%	6.75%
<i>TSW Blended Benchmark (2)</i>		10.49%	13.76%	9.59%	15.98%	15.98%	8.81%	11.55%	8.30%
<i>Excess Return</i>		-2.42%	-6.78%	-4.46%	-3.98%	-3.98%	-0.25%	-1.20%	-1.55%
Small Cap Domestic Equity	7.58%	9.92%	12.14%	8.21%	16.47%	16.47%	5.74%	13.64%	9.47%
<i>Russell 2000 Index</i>		12.22%	14.03%	8.18%	16.93%	16.93%	2.22%	9.97%	7.16%
<i>Excess Return</i>		-2.30%	-1.89%	0.03%	-0.46%	-0.46%	3.52%	3.67%	2.32%
Boston Trust	1.97%	8.60%	10.41%	5.97%	10.65%	10.65%	9.25%	13.44%	9.11%
<i>Russell 2000 Index</i>		12.22%	14.03%	8.18%	16.93%	16.93%	2.22%	9.97%	7.16%
<i>Excess Return</i>		-3.62%	-3.62%	-2.21%	-6.28%	-6.28%	7.02%	3.46%	1.95%
Segall Bryant & Hamill	2.09%	9.03%	11.93%	8.67%	14.64%	14.64%	7.24%	14.12%	9.00%
<i>Russell 2000 Index</i>		12.22%	14.03%	8.18%	16.93%	16.93%	2.22%	9.97%	7.16%
<i>Excess Return</i>		-3.19%	-2.10%	0.49%	-2.29%	-2.29%	5.01%	4.15%	1.85%
Wellington	3.51%	11.21%	13.27%	9.23%	21.21%	21.21%	3.15%	13.47%	9.99%
<i>Russell 2000 Index</i>		12.22%	14.03%	8.18%	16.93%	16.93%	2.22%	9.97%	7.16%
<i>Excess Return</i>		-1.01%	-0.76%	1.05%	4.28%	4.28%	0.92%	3.50%	2.83%

(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.

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2023. Negative manager excess returns are shown in **red**, positive excess returns in **green**. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended December 31, 2023									
Composite	Total Fund Weighting As of 12/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Non US Equity	18.54%	5.01%	10.21%	5.23%	19.60%	19.60%	2.16%	7.49%	4.21%
Non US Equity Benchmark (1)		5.02%	9.75%	5.61%	15.62%	15.62%	1.55%	7.08%	3.83%
Excess Return		-0.01%	0.45%	-0.39%	3.99%	3.99%	0.62%	0.41%	0.38%
Core Non US Equity	11.30%	4.77%	9.84%	5.50%	20.35%	20.35%	4.00%	7.80%	3.63%
Core Non US Benchmark (2)		5.02%	9.75%	5.61%	15.62%	15.62%	1.55%	7.08%	3.83%
Excess Return		-0.25%	0.08%	-0.12%	4.74%	4.74%	2.46%	0.72%	-0.20%
Aristotle	1.47%	5.18%	10.19%	5.28%	18.69%	18.69%	0.95%	-	-
MSCI EAFE		5.31%	10.42%	5.88%	18.24%	18.24%	4.02%	-	-
Excess Return		-0.14%	-0.23%	-0.61%	0.45%	0.45%	-3.07%	-	-
Artisan Partners	3.17%	4.10%	9.46%	4.94%	15.87%	15.87%	0.95%	7.44%	-
MSCI EAFE		5.31%	10.42%	5.88%	18.24%	18.24%	4.02%	8.16%	-
Excess Return		-1.22%	-0.96%	-0.94%	-2.37%	-2.37%	-3.07%	-0.72%	-
BlackRock SuperFund	1.60%	4.91%	9.61%	5.50%	-	-	-	-	-
MSCI ACWI Ex-US		5.02%	9.75%	5.61%	-	-	-	-	-
Excess Return		-0.11%	-0.14%	-0.11%	-	-	-	-	-
Causeway Capital	3.65%	4.88%	9.48%	6.15%	27.83%	27.83%	9.14%	10.82%	-
MSCI EAFE		5.31%	10.42%	5.88%	18.24%	18.24%	4.02%	8.16%	-
Excess Return		-0.43%	-0.94%	0.27%	9.59%	9.59%	5.12%	2.66%	-
Lazard	1.40%	5.45%	11.58%	5.32%	18.18%	18.18%	1.82%	-	-
MSCI EAFE		5.31%	10.42%	5.88%	18.24%	18.24%	4.02%	-	-
Excess Return		0.14%	1.16%	-0.56%	-0.06%	-0.06%	-2.20%	-	-
Emerging Markets	1.43%	3.49%	6.50%	2.69%	9.28%	9.28%	-6.98%	1.84%	1.60%
MSCI EM		3.91%	7.86%	4.71%	9.83%	9.83%	-5.08%	3.69%	2.66%
Excess Return		-0.42%	-1.37%	-2.02%	-0.55%	-0.55%	-1.91%	-1.84%	-1.07%
Wellington Emerging Markets	1.43%	3.49%	6.50%	2.69%	6.91%	6.91%	-7.19%	2.00%	2.57%
MSCI EM		3.91%	7.86%	4.71%	9.83%	9.83%	-5.08%	3.69%	2.66%
Excess Return		-0.42%	-1.37%	-2.02%	-2.91%	-2.91%	-2.11%	-1.69%	-0.09%
Non US Small Cap	1.15%	7.78%	12.67%	7.73%	16.42%	16.42%	-1.20%	1.75%	-0.10%
MSCI EAFE Small Cap		7.28%	11.14%	7.24%	13.16%	13.16%	-0.69%	6.58%	4.80%
Excess Return		0.50%	1.53%	0.49%	3.26%	3.26%	-0.51%	-4.82%	-4.90%
Wellington Int'l Small Cap Research	1.15%	7.78%	12.67%	7.73%	16.42%	16.42%	-	-	-
MSCI EAFE Small Cap		7.28%	11.14%	7.24%	13.16%	13.16%	-	-	-
Excess Return		0.50%	1.53%	0.49%	3.26%	3.26%	-	-	-
Global Equity	4.67%	5.41%	11.71%	4.77%	23.40%	23.40%	5.67%	12.98%	10.07%
MSCI ACWI net		4.80%	11.03%	7.26%	22.20%	22.20%	5.75%	11.72%	7.93%
Excess Return		0.60%	0.67%	-2.49%	1.20%	1.20%	-0.08%	1.26%	2.15%
Walter Scott Global Equity	4.67%	5.41%	11.71%	4.77%	23.40%	23.40%	5.67%	12.98%	10.07%
Walter Scott Blended Benchmark (3)		4.80%	11.03%	7.26%	22.20%	22.20%	5.75%	11.72%	7.93%
Excess Return		0.60%	0.67%	-2.49%	1.20%	1.20%	-0.08%	1.26%	2.15%

(1) 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.

(2) 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.

(3) 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.

Fixed Income Excess Returns

December 31, 2023

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2023. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended December 31, 2023									
Composite	Total Fund Weighting As of 12/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Fixed Income	19.94%	4.05%	7.16%	4.10%	7.03%	7.03%	-2.16%	2.43%	2.52%
<i>Fixed Income Benchmark (1)</i>		3.79%	6.83%	3.76%	6.17%	6.17%	-2.97%	1.44%	2.08%
<i>Excess Return</i>		0.25%	0.33%	0.34%	0.86%	0.86%	0.80%	0.99%	0.45%
BlackRock SIO Bond Fund	2.26%	2.98%	5.53%	5.36%	7.45%	7.45%	1.28%	3.54%	-
<i>BlackRock Custom Benchmark (2)</i>		0.43%	1.35%	2.70%	5.18%	5.18%	2.31%	2.01%	-
<i>Excess Return</i>		2.55%	4.19%	2.66%	2.27%	2.27%	-1.04%	1.53%	-
Brandywine Asset Mgmt	2.03%	7.17%	12.59%	4.33%	7.73%	7.73%	-4.92%	1.09%	1.54%
<i>Brandywine Custom Benchmark (3)</i>		4.40%	8.36%	3.48%	5.36%	5.36%	-7.19%	-1.39%	-0.32%
<i>Excess Return</i>		2.77%	4.24%	0.86%	2.37%	2.37%	2.27%	2.49%	1.86%
FIAM (Fidelity) Tactical Bond	3.19%	4.14%	7.14%	3.79%	7.04%	7.04%	-0.85%	-	-
<i>Bloomberg Aggregate</i>		3.83%	6.82%	3.37%	5.53%	5.53%	-3.31%	-	-
<i>Excess Return</i>		0.32%	0.33%	0.42%	1.51%	1.51%	2.46%	-	-
Income Research & Management	6.68%	3.71%	6.49%	3.38%	6.23%	6.23%	-3.46%	1.79%	2.31%
<i>Bloomberg Gov/Credit</i>		3.68%	6.63%	3.44%	5.72%	5.72%	-3.53%	1.41%	1.97%
<i>Excess Return</i>		0.03%	-0.14%	-0.06%	0.51%	0.51%	0.07%	0.38%	0.34%
Loomis Sayles	2.43%	3.96%	7.04%	5.69%	8.50%	8.50%	-0.63%	4.18%	3.66%
<i>Loomis Sayles Custom Benchmark (4)</i>		3.79%	6.94%	4.85%	8.25%	8.25%	-1.46%	2.65%	2.83%
<i>Excess Return</i>		0.17%	0.10%	0.84%	0.25%	0.25%	0.83%	1.53%	0.83%
Manulife Strategic Fixed Income	1.83%	3.33%	6.42%	4.06%	7.56%	7.56%	-0.96%	3.03%	-
<i>Bloomberg Multiverse</i>		4.15%	8.13%	4.38%	6.05%	6.05%	-5.26%	-0.13%	-
<i>Excess Return</i>		-0.82%	-1.70%	-0.32%	1.52%	1.52%	4.30%	3.16%	-
Mellon US Agg Bond Index	1.52%	3.83%	6.83%	3.37%	-	-	-	-	-
<i>Bloomberg Aggregate Bond Index</i>		3.83%	6.82%	3.37%	-	-	-	-	-
<i>Excess Return</i>		0.01%	0.01%	0.00%	-	-	-	-	-
Total Cash	0.39%	0.47%	1.40%	2.76%	5.21%	5.21%	2.26%	1.97%	1.33%
<i>3-month Treasury Bill</i>		0.47%	1.37%	2.70%	5.01%	5.01%	2.15%	1.88%	1.25%
<i>Excess Return</i>		0.00%	0.03%	0.06%	0.20%	0.20%	0.11%	0.09%	0.08%
Total Marketable Assets	70.61%	5.41%	9.89%	6.05%	16.61%	16.61%	3.51%	8.48%	6.34%
<i>Total Marketable Index (5)</i>		4.73%	9.72%	6.17%	16.46%	16.46%	2.97%	8.47%	6.59%
<i>Excess Return</i>		0.68%	0.18%	-0.12%	0.16%	0.16%	0.53%	0.01%	-0.25%

(1) The Fixed Income Benchmark is the Bloomberg 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 Index is 40% Russell 3000, 26.7% MSCI ACWI ex US, and 33.3% Bloomberg Universal as of 7/1/2021.

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2023. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

Net of Fees Returns for Periods Ended December 31, 2023									
Composite	Total Fund Weighting As of 12/31/2023	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Real Estate (Q3)* (5)	10.55%	-1.73%	-1.74%	-1.91%	-9.94%	-9.94%	10.54%	8.31%	10.21%
Real Estate Benchmark (1)		-0.71%	-2.10%	-4.92%	-12.88%	-12.88%	6.19%	4.72%	7.30%
Excess Return		-1.02%	0.36%	3.01%	2.95%	2.95%	4.35%	3.59%	2.91%
Strategic Core Real Estate (Q3)*	6.55%	-1.54%	-1.65%	-1.74%	-13.99%	-13.99%	8.40%	6.69%	8.81%
Real Estate Benchmark (1)		-0.71%	-2.10%	-4.92%	-12.88%	-12.88%	6.19%	4.72%	7.30%
Excess Return		-0.83%	0.45%	3.18%	-1.11%	-1.11%	2.21%	1.96%	1.51%
Tactical Non-Core Real Estate (Q3)*	4.00%	-2.04%	-1.89%	-2.20%	-1.79%	-1.79%	14.35%	11.28%	12.67%
Real Estate Benchmark (1)		-0.71%	-2.10%	-4.92%	-12.88%	-12.88%	6.19%	4.72%	7.30%
Excess Return		-1.33%	0.21%	2.73%	11.10%	11.10%	8.15%	6.56%	5.38%
Total Alternative Assets (Q3)*	18.84%	1.43%	1.44%	1.42%	6.31%	6.31%	14.48%	10.83%	9.42%
Alternative Assets Benchmark (2)		-3.04%	-1.12%	5.59%	19.58%	19.58%	9.86%	10.03%	11.32%
Excess Return		4.47%	2.56%	-4.17%	-13.27%	-13.27%	4.62%	0.80%	-1.90%
Total Private Equity (Q3)*	14.07%	1.34%	1.35%	1.33%	6.67%	6.67%	17.09%	13.28%	12.24%
Private Equity Benchmark (3)		-4.48%	-2.66%	5.90%	22.76%	22.76%	12.61%	12.97%	15.39%
Excess Return		5.82%	4.02%	-4.57%	-16.10%	-16.10%	4.48%	0.31%	-3.16%
Total Private Debt (Q3)*	4.77%	1.69%	1.71%	1.68%	5.31%	5.31%	8.29%	5.40%	6.53%
Private Debt Benchmark (4)		-0.10%	2.02%	4.85%	13.14%	13.14%	4.07%	3.47%	6.28%
Excess Return		1.79%	-0.31%	-3.17%	-7.83%	-7.83%	4.22%	1.93%	0.25%

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

(2) The Alternative Assets Benchmark is 66.7% Russell 3000 Index + 2% lagged 1 quarter and 33.3% ((50% S&P LSTA Leveraged Loan 100 Index + 50% Bloomberg High Yield Index) + 1%) lagged 1 quarter as of 7/1/2022.

(3) The Private Equity Benchmark is the Russell 3000 Index + 2% lagged 1 quarter as of 7/1/2022.

(4) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 Index / 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.

(5) Total Real Estate returns includes Townsend discretionary fee as of 7/1/2022.

*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2023, with the distribution as of November 30, 2023. 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

	December 31, 2023				November 30, 2023	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Domestic Equity	\$3,734,991,813	31.73%	\$0	\$232,655,972	\$3,502,335,842	30.81%
Large Cap Domestic Equity	\$2,161,866,634	18.37%	\$0	\$93,921,179	\$2,067,945,455	18.19%
Blackrock S&P 500	2,161,866,634	18.37%	0	93,921,179	2,067,945,455	18.19%
SMid Cap Domestic Equity	\$680,984,900	5.79%	\$0	\$57,818,136	\$623,166,764	5.48%
AllianceBernstein	425,590,996	3.62%	0	38,613,221	386,977,775	3.40%
TSW	255,393,904	2.17%	0	19,204,915	236,188,989	2.08%
Small Cap Domestic Equity	\$892,140,279	7.58%	\$0	\$80,916,657	\$811,223,623	7.14%
Boston Trust	232,180,382	1.97%	0	18,472,256	213,708,126	1.88%
Segall Bryant & Hamill	246,291,763	2.09%	0	20,540,389	225,751,374	1.99%
Wellington	413,668,134	3.51%	0	41,904,012	371,764,123	3.27%
Total Non US Equity	\$2,182,655,605	18.54%	\$0	\$105,078,389	\$2,077,577,216	18.28%
Core Non US Equity (1)	\$1,329,966,023	11.30%	\$0	\$61,036,251	\$1,268,929,772	11.16%
Aristotle	172,677,350	1.47%	0	8,559,838	164,117,512	1.44%
Artisan Partners	373,664,128	3.17%	0	14,895,191	358,768,937	3.16%
BlackRock Superfund	188,391,200	1.60%	0	8,831,168	179,560,032	1.58%
Causeway Capital	430,172,433	3.65%	0	20,191,255	409,981,179	3.61%
Lazard	164,377,378	1.40%	0	8,564,426	155,812,952	1.37%
Emerging Markets	\$167,904,443	1.43%	\$0	\$5,790,798	\$162,113,645	1.43%
Wellington Emerging Markets	167,904,443	1.43%	0	5,790,798	162,113,645	1.43%
Non US Small Cap	\$134,953,584	1.15%	\$0	\$9,821,264	\$125,132,320	1.10%
Wellington Int'l Small Cap Research	134,953,584	1.15%	0	9,821,264	125,132,320	1.10%
Global Equity	\$549,831,555	4.67%	\$0	\$28,430,076	\$521,401,479	4.59%
Walter Scott Global Equity	549,831,555	4.67%	0	28,430,076	521,401,479	4.59%
Total Fixed Income	\$2,346,687,743	19.94%	\$0	\$91,741,652	\$2,254,946,091	19.84%
BlackRock SIO Bond Fund	266,277,704	2.26%	0	7,821,674	258,456,031	2.27%
Brandywine Asset Mgmt	239,132,976	2.03%	0	16,055,170	223,077,805	1.96%
FIAM (Fidelity) Tactical Bond	375,407,619	3.19%	0	15,036,353	360,371,266	3.17%
Income Research & Management	785,987,790	6.68%	0	28,257,945	757,729,845	6.67%
Loomis Sayles	285,847,793	2.43%	0	10,970,761	274,877,031	2.42%
Manulife Strategic Fixed Income	214,913,943	1.83%	0	6,982,149	207,931,794	1.83%
Mellon US Agg Bond Index	179,119,918	1.52%	0	6,617,600	172,502,318	1.52%
Total Cash	\$46,342,766	0.39%	\$(21,945,096)	\$313,966	\$67,973,895	0.60%
Total Marketable Assets	\$8,310,677,927	70.61%	\$(21,945,096)	\$429,789,979	\$7,902,833,044	69.52%
Total Real Estate	\$1,242,239,728	10.55%	\$278,366	\$(21,378,660)	\$1,263,340,022	11.11%
Strategic Core Real Estate	771,525,310	6.55%	(2,630,345)	(11,598,535)	785,754,190	6.91%
Tactical Non-Core Real Estate	470,714,417	4.00%	2,908,711	(9,780,125)	477,585,831	4.20%
Total Alternative Assets	\$2,217,599,162	18.84%	\$(21,534,499)	\$37,232,682	\$2,201,900,979	19.37%
Private Equity	1,655,749,890	14.07%	(18,938,185)	25,830,460	1,648,857,615	14.50%
Private Debt	561,849,272	4.77%	(2,596,314)	11,402,222	553,043,364	4.86%
Total Fund Composite	\$11,770,516,817	100.0%	\$(44,180,144)	\$446,622,916	\$11,368,074,046	100.0%

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

(1) Includes \$683,533 in legacy assets that are not actively managed and in liquidation following the termination of Fisher Investments.

New Hampshire Retirement System Target History

30-Jun-2022 - 31-Dec-2023		
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 xUS (Net)	20.00%
Other Alternatives	Russell 3000 Index+2.00%	10.00%
Other Alternatives	Bloomberg HY Corporate+1.00%	2.50%
Other Alternatives	Morningstar LSTA Leveraged Loan 100+1.00%	2.50%
		100.00%
30-Jun-2021 - 30-Jun-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 xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+3.00%	10.00%
Other Alternatives	Morningstar 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 xUS (Net)	20.00%
Other Alternatives	S&P 500 Index+3.00%	10.00%
Other Alternatives	Morningstar 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 xUS (Net)	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 xUS (Net)	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 xUS (Net)	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 xUS (Net)	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 xUS (Net)	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 xUS (Net)	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 xUS (Net)	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 xUS (Net)	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 xUS (Net)	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 xUS (Net)	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 xUS (Net)	20.00%
Other Alternatives	Alternative Asset Benchmark	2.60%
		100.00%

Alternatives Benchmark represents from 7/1/2022 to present: 66.7% Russell 3000 Idx + 2% (1 qtr lag) and 33.3% ((50% S&P LSTA Leveraged Loan 100 Idx + 50% Bloomberg HY Idx) + 1%) (1 qtr lag).

From 7/1/2019 to 7/1/2022: 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-2012 - 31-Dec-2012			31-Dec-2010 - 31-Mar-2011		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	43.90%	Eq	Russell 3000 Index	43.00%
Domestic Fixed	Bloomberg Universal	25.00%	Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	8.70%	Real Estate	NCREIF Property Index+0.50%	5.20%
Intl Equity	MSCI ACWI xUS (Net)	20.00%	Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.40%	Other Alternatives	Alternative Asset Benchmark	1.80%
		100.00%	Global Equity		
			Broad	MSCI ACWI (Net)	5.00%
					100.00%
30-Jun-2012 - 30-Sep-2012			30-Sep-2010 - 31-Dec-2010		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	43.50%	Eq	Russell 3000 Index	42.80%
Domestic Fixed	Bloomberg Universal	25.00%	Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	9.00%	Real Estate	NCREIF Property Index+0.50%	5.40%
Intl Equity	MSCI ACWI xUS (Net)	20.00%	Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.50%	Other Alternatives	Alternative Asset Benchmark	1.80%
		100.00%	Global Equity		
			Broad	MSCI ACWI (Net)	5.00%
					100.00%
31-Mar-2012 - 30-Jun-2012			30-Jun-2010 - 30-Sep-2010		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	40.10%	Eq	Russell 3000 Index	42.90%
Domestic Fixed	Bloomberg Universal	30.00%	Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	7.60%	Real Estate	NCREIF Property Index+0.50%	5.00%
Intl Equity	MSCI ACWI xUS (Net)	20.00%	Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.30%	Other Alternatives	Alternative Asset Benchmark	2.10%
		100.00%	Global Equity		
			Broad	MSCI ACWI (Net)	5.00%
					100.00%
31-Dec-2011 - 31-Mar-2012			31-Dec-2009 - 30-Jun-2010		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	39.70%	Eq	Russell 3000 Index	43.30%
Domestic Fixed	Bloomberg Universal	30.00%	Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	8.00%	Real Estate	NCREIF Property Index+0.50%	4.70%
Intl Equity	MSCI ACWI xUS (Net)	20.00%	Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.30%	Other Alternatives	Alternative Asset Benchmark	2.00%
		100.00%	Global Equity		
			Broad	MSCI ACWI (Net)	5.00%
					100.00%
30-Sep-2011 - 31-Dec-2011			30-Sep-2009 - 31-Dec-2009		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	40.20%	Eq	Russell 3000 Index	42.30%
Domestic Fixed	Bloomberg Universal	30.00%	Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	7.40%	Real Estate	NCREIF Property Index+0.50%	5.50%
Intl Equity	MSCI ACWI xUS (Net)	20.00%	Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.40%	Other Alternatives	Alternative Asset Benchmark	2.20%
		100.00%	Global Equity		
			Broad	MSCI ACWI (Net)	5.00%
					100.00%
30-Jun-2011 - 30-Sep-2011			30-Jun-2009 - 30-Sep-2009		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	42.50%	Eq	Russell 3000 Index	41.50%
Domestic Fixed	Bloomberg Universal	30.00%	Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.40%	Real Estate	NCREIF Property Index+0.50%	6.20%
Intl Equity	MSCI ACWI xUS (Net)	20.00%	Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	2.10%	Other Alternatives	Alternative Asset Benchmark	2.30%
		100.00%	Global Equity		
			Broad	MSCI ACWI (Net)	5.00%
					100.00%
31-Mar-2011 - 30-Jun-2011					
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	43.00%	Eq	Russell 3000 Index	41.50%
Domestic Fixed	Bloomberg Universal	30.00%	Domestic Fixed	Bloomberg Universal	30.00%
Real Estate	NCREIF Property Index+0.50%	5.30%	Real Estate	NCREIF Property Index+0.50%	6.20%
Intl Equity	MSCI ACWI xUS (Net)	15.00%	Intl Equity	MSCI ACWI xUS (Net)	15.00%
Other Alternatives	Alternative Asset Benchmark	1.70%	Other Alternatives	Alternative Asset Benchmark	2.30%
Global Equity			Global Equity		
Broad	MSCI ACWI (Net)	5.00%	Broad	MSCI ACWI (Net)	5.00%
		100.00%			100.00%

Alternatives Benchmark represents from 7/1/2022 to present: 66.7% Russell 3000 Idx + 2% (1 qtr lag) and 33.3% ((50% S&P LSTA Leveraged Loan 100 Idx + 50% Bloomberg HY Idx) + 1%) (1 qtr lag).

From 7/1/2019 to 7/1/2022: 66.7% S&P 500 +3% (1 qtr lag) + 33.3% S&P LSTA Leveraged 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 Leveraged 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 Leveraged 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-2009 - 30-Jun-2009			30-Jun-2003 - 30-Nov-2006		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	38.00%	Eq	Russell 3000 Index	47.00%
Domestic Fixed	Bloomberg Universal	30.00%	Domestic Fixed	Bloomberg Universal	18.00%
Real Estate	NCREIF Property Index+0.50%	9.30%	Real Estate	NCREIF Property Index	10.00%
Intl Equity	MSCI ACWI xUS (Net)	15.00%	Intl Equity	MSCI ACWI xUS (Net)	12.00%
Other Alternatives	Alternative Asset Benchmark	2.70%	Other Alternatives	Consumer Price Index (W) + 5%	10.00%
Global Equity			Global Fixed-Inc	Brandywine Blended Benchmark	3.00%
Broad	MSCI ACWI (Net)	5.00%			100.00%
		100.00%			
31-Dec-2008 - 31-Mar-2009			31-Oct-1997 - 30-Jun-2003		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	37.20%	Eq	S&P 500 Index	50.00%
Domestic Fixed	Bloomberg Universal	30.00%	Domestic Fixed	Bloomberg Universal	18.00%
Real Estate	NCREIF Property Index+0.50%	9.70%	Real Estate	NCREIF Property Index	10.00%
Intl Equity	MSCI ACWI xUS (Net)	15.00%	Intl Equity	MSCI EAFE (Net)	9.00%
Other Alternatives	Alternative Asset Benchmark	3.10%	Other Alternatives	Consumer Price Index (W) + 5%	10.00%
Global Equity			Global Fixed-Inc	Brandywine Blended Benchmark	3.00%
Broad	MSCI ACWI (Net)	5.00%			100.00%
		100.00%			
30-Sep-2008 - 31-Dec-2008			31-Mar-1990 - 31-Oct-1997		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	38.90%	Eq	S&P 500 Index	50.00%
Domestic Fixed	Bloomberg Universal	30.00%	Domestic Fixed	Bloomberg Universal	18.00%
Real Estate	NCREIF Property Index	8.20%	Real Estate	NCREIF Property Index	10.00%
Intl Equity	MSCI ACWI xUS (Net)	15.00%	Intl Equity	MSCI EAFE (Net)	9.00%
Other Alternatives	Consumer Price Index (W) + 5%	2.90%	Other Alternatives	Consumer Price Index (W) + 5%	10.00%
Global Equity			Global Fixed-Inc	JPM GBI Global Unhedged USD	3.00%
Broad	MSCI ACWI (Net)	5.00%			100.00%
		100.00%			
30-Jun-2008 - 30-Sep-2008			30-Jun-1975 - 31-Mar-1990		
Domestic Broad			Domestic Broad		
Eq	Russell 3000 Index	40.00%	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	7.30%	Intl Equity	MSCI EAFE (Net)	9.00%
Intl Equity	MSCI ACWI xUS (Net)	15.00%	Other Alternatives	Consumer Price Index (W) + 5%	10.00%
Other Alternatives	Consumer Price Index (W) + 5%	2.70%	Global Fixed-Inc	JPM GBI Global Unhedged USD	3.00%
Global Equity					82.00%
Broad	MSCI ACWI (Net)	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 xUS (Net)	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 xUS (Net)	16.00%			
Other Alternatives	Consumer Price Index (W) + 5%	5.00%			
Global Fixed-Inc	Brandywine Blended Benchmark	4.00%			
		100.00%			

Alternatives Benchmark represents from 7/1/2022 to present: 66.7% Russell 3000 Idx + 2% (1 qtr lag) and 33.3% ((50% S&P LSTA Leveraged Loan 100 Idx + 50% Bloomberg HY Idx) + 1%) (1 qtr lag).

From 7/1/2019 to 7/1/2022: 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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Past performance is no guarantee of future results.



To: Investment Committee and Board of Trustees
 From: Raynald Leveque, Chief Investment Officer
 Date: January 09, 2024
 Re: 2023 Proxy Voting Summary
 Item: Action: ☐ Discussion: ☐ Informational: ☒

Shareholder responsibility is fundamental to good corporate governance, which requires an appropriate balance between the rights of shareholders and the need for management and the board to direct a corporation's affairs with a long-term perspective. The System's shareholder voting rights must be managed with the same care as any of its other assets. Therefore, the Board has adopted a formal Proxy Voting Policy reflecting three objectives: to protect the System's rights; to promote responsible corporate policies and activities; and, to enhance long-term value.

The Proxy Voting Policy under which voting was conducted during calendar year 2023 was adopted by the Board on May 14, 2019. The Policy will be reviewed with Institutional Shareholder Services ("ISS"), the System's proxy voting agent, in early 2024 to ensure that it reflects current industry practices and any changes necessary due to new legislation. Should changes to the Policy be recommended by ISS, a revised Policy will be presented to the Investment Committee for recommendation to the Board.

For the 2023 calendar year, a total of 14,233 proposals were voted, representing 1,239 meetings for the companies owned in the System's investment portfolio. Among other things, the proxies focused on the election of board directors, auditor ratification and executive compensation. System policies generally support management if the position is reasonable, is not detrimental to the long-term economic prospects of the company, and does not tend to diminish the rights of shareholders.

Nearly 100% of votes cast during 2023 were compliant with the System's Proxy Voting Policy. One vote out of 14,233 was classified as "against" the System's Proxy Voting policy as a result of an administrative issue, which did not have any impact on the ultimate vote outcome.

A summary of 2023 proxy voting is provided below.

Summary of 2023 Proxy Voting:

	For	Against	Abstain/Withhold	Total
Management Proposals	12,313	1,358	509	14,180
Shareholder Proposals	175	71	359	605
Total	12,488 (84%)	1,429 (9%)	868 (6%)	15,513*

* Does not include 728 "Say on Pay Frequency" votes, as these are not voted on a *For* or *Against* basis, but are voted for either *One*-, *Two*-, or *Three*-Year terms.

LEGISLATIVE COMMITTEE



New Hampshire Retirement System
54 Regional Drive, Concord, NH 03301
Phone: (603) 410-3500 - Fax: (603) 410-3501
Website: www.nhrs.org - Email: info@nhrs.org

2024 Legislative Tracker

February 2, 2024

Legislation introduced in the 2024 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
2024 NHRS-RELATED BILLS			
HB 1211	This bill temporarily increases the number of hours a retired employee can work in a calendar year from 1,352 to 1,872. After 10 years, the number of hours would revert to 1,352.	Rep. Mark Proulx	House ED&A Committee executive session scheduled for 2/7/24 at 10:30 a.m. in LOB 306-308.
HB 1267	This bill prohibits the investment of funds of the state treasury, executive branch agencies, and the state retirement system in investments which consider environmental, social, and governance (ESG) criteria.	Rep. Mike Belcher	1/30/24: House ED&A Committee voted, 13-0, to recommend the bill as inexpedient to legislate (ITL). The bill will be voted on at a future House session.
HB 1279	This bill provides that the state shall pay 7.5% of local employer retirement contributions for Group I Teachers and Group II Police and Fire members.	Rep. Michael Edgar	1/29/24: House Finance Committee held public hearing.
HB 1299	This bill makes community college fire educators eligible for Group II membership.	Rep. Douglas Trottier	House ED&A Committee executive session scheduled for 2/7/24 at 10:30 a.m. in LOB 306-308.
HB 1307	This bill makes a one-time supplemental allowance of \$500 to accidental disability benefit recipients whose annual benefit is less than \$40,000. The bill also provides for future supplemental allowances and cost-of-living adjustments for accidental disability beneficiaries to be granted without regard to years of creditable service.	Rep. Hope Damon	House ED&A Committee executive session scheduled for 2/7/24 at 10:30 a.m. in LOB 306-308.
HB 1421	This bill requires the NHRS Board of Trustees to contract for two investment consulting firms and review their performance.	Rep. Stephen Pearson	House ED&A Committee executive session scheduled for 2/7/24 at 10:30 a.m. in LOB 306-308.
HB 1435	This bill provides that if a retirement system retiree returns to being a member of the system, the portion of the retiree's allowance which is paid to a former spouse under a qualified domestic relations order will continue.	Rep. Barbara Comtois	1/30/24: House ED&A Committee voted, 11-0, to recommend the bill as inexpedient to legislate (ITL). The bill will be voted on at a future House session.
HB 1451	This bill provides that mandatory overtime shall be reported as part of the full base rate of compensation.	Rep. Carol McGuire	1/30/24: House ED&A Committee voted, 12-0, to recommend the bill as ought to pass (OTP). The bill will be voted on at a future House session.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 1647	This bill increases the multiplier for Group II Tier B and C members (and future hires) to 2.5% for all years worked in excess of 10 years. The bill includes a \$55.9 million appropriation toward the cost of this change.	Rep. Peter Leishman	House ED&A Committee executive session scheduled for 2/7/24 at 10:30 a.m. in LOB 306-308.
HB 1653	This bill modifies the definition of earnable compensation for Group II members hired prior to July 1, 2011, and who did not attain vested status prior to January 1, 2012.	Rep. Kevin Pratt	House ED&A Committee executive session scheduled for 2/7/24 at 10:30 a.m. in LOB 306-308.
HB 1673	This bill redefines average final compensation for Group II members hired prior to July 1, 2011, and who did not attain vested status prior to January 1, 2012.	Rep. Kevin Pratt	House ED&A Committee executive session scheduled for 2/7/24 at 10:30 a.m. in LOB 306-308.
SB 309	This bill changes the vesting period for retirement system benefits from 10 years to 5 years.	Sen. Donna Soucy	1/31/24: Senate ED&A Committee held public hearing.
SB 368	This bill links the recalculation of a Group I retiree's NHRS benefit to his or her full retirement age under the federal Social Security system for members who retired prior to July 1, 2023, and who have not attained age 65 prior to July 1, 2024.	Sen. Donovan Fenton	1/31/24: Senate ED&A Committee held public hearing.
SB 520	This bill requires state and local public retirement systems to discharge its duties solely in the financial interest of the participants and beneficiaries.	Sen. Bill Gannon	1/31/24: Senate ED&A Committee held public hearing.
Committee Key: ED&A = Executive Departments & Administration; Location Key: LOB = Legislative Office Building; SH = State House.			

RETAINED/RE-REFERRED 2023 BILLS			
HB 183	This bill allows retired Group II Fire members to be employed by the state fire academy and not have those employment hours count against the annual limit on part-time hours.	Rep. Dan Wolf	1/3/24: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 250	This bill modifies the amount of the retirement annuity payable upon the accidental death of a member to 100 percent of average final compensation at the member's death with a maximum benefit of \$85,000.	Rep. Ben Baroody	1/3/24: Senate, on voice vote, accepted committee recommendation of refer to interim study. The bill is dead.
HB 436	This bill, as amended, provides a one-time, \$50 million appropriation toward the retirement system's unfunded pension liability in fiscal year 2023.	Rep. Kevin Pratt	1/3/24: House, on voice vote, voted to pass the bill as amended (am-2458h). The bill will go to the Senate.
HB 449	This bill increases the service retirement and disability retirement annuity multiplier for the first 20 years of service of Group II retirement system members under the transition provisions adopted in 2011.	Rep. Jeff Goley	1/3/24: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 559	This bill establishes a defined contribution retirement plan for new state employees who begin service on or after July 1, 2024, and who would previously have been enrolled in Group I. All new state employees on and after July 1, 2024, will be required to participate in a defined contribution plan administered by the state Deferred Compensation Commission and would not be members of NHRS.	Rep. Dan McGuire	1/3/24: House voted 201-174 to accept a motion of indefinite postponement. The bill can only be taken up by a two-thirds vote.

HB 571	This bill authorizes a one-time payment to a retired Group II member or beneficiary.	Rep. Ben Baroody	1/3/24: House, on voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
SB 134	The bill establishes a new retirement system disability benefit for Group II members who retire as a result of a purposeful, violent attack by means of a deadly weapon.	Sen. Regina Birdsell	1/3/24: Senate, on voice vote, voted to pass the bill as amended (am-2476s). The bill was referred to the Senate Finance Committee.

OTHER BILLS OF INTEREST

HB 1633	This bill establishes procedures for the legalization, regulation, and taxation of cannabis; and the licensing and regulation of cannabis establishments. Note: This bill dedicates a portion of state revenue generated by the sale of cannabis toward paying down the retirement system's unfunded actuarial accrued liability.	Rep. Erica Layon	1/17/24: House Commerce Committee held public hearing.
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2024 SENATE SCHEDULE

Thursday, March 28, 2024 – Deadline for Policy Committees to act on all Senate bills with a fiscal impact, except bills exempted pursuant to Senate Rule 4-5.

Thursday, April 11, 2024 – CROSSOVER – Deadline to act on all Senate bills.

Thursday, May 9, 2024 – Deadline for Policy Committees to act on all House bills with a fiscal impact, except bills exempted pursuant to Senate Rule 4-5.

Thursday, May 23, 2024 – Deadline to act on all House bills.

Thursday, May 30, 2024 – Deadline to form Committees of Conference.

Thursday, June 6, 2024 – Deadline to sign Committee of Conference Reports. (4:00 p.m.)

Thursday, June 13, 2024 – Deadline to act on Committee of Conference Reports.

2024 HOUSE SCHEDULE

Thursday, February 15, 2024 – Last day to report House Bills going to a second committee

Thursday, February 22, 2024 – Last day to act on House Bills going to a second committee

Thursday, March 21, 2024 – Last day to report House Bills not in a second committee

Thursday, March 28, 2024 – Last day to act on House Bills not in a second committee

Thursday, April 4, 2024 – Last day to report all House Bills

Thursday, April 11, 2024 – CROSSOVER – Last day to act on all House Bills

Thursday, April 25, 2024 – Last day to report Senate Bills going to a second committee

Thursday, May 2, 2024 – Last day to act on Senate Bills going to a second committee

Thursday, May 16, 2024 – Last day to report all Senate Bills

Thursday, May 23, 2024 – Last day to act on all Senate Bills

Thursday, May 30, 2024 – Last day to form committees of conference

Thursday, June 6, 2024 – Last day to sign committee of conference reports (4:00 p.m.)

Thursday, June 13, 2024 – Last day to act on committee of conference reports

Tuesday, September 3, 2024 – First day for incumbents running for re-election to file LSRs with complete information

Friday, September 13, 2024 – Last day prior to the General Election for incumbents running for re-election to file LSRs with complete information

Friday, October 25, 2024 – Last day to file 2024 Interim Study reports

Wednesday, November 6, 2024 – First day for all Representatives to file LSRs with complete information

Friday, November 22, 2024 – Last day to file LSRs with complete information (4:00 p.m.) Ten-day signoff begins

Thursday, January 2, 2025 – Last day to sign-off on all LSRs (12:00 p.m.)

Friday, January 24, 2025 – Last day to introduce House Bills; Last day to amend House Rules by majority vote



New Hampshire Retirement System
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The Board of Trustees of the New Hampshire Retirement System (NHRS, the retirement system) voted Feb. 13, 2024, to oppose the following legislation on fiduciary and/or plan qualification grounds.

- X
- X
- X

As a general principle the retirement system has long expressed concern about any legislation that would mandate or prohibit specific investment actions, potentially limiting – or running counter to – our fiduciary duty to act solely in the best interest of our membership at all times.

Under the existing state constitutional and statutory provisions governing NHRS, as well as general trust law under the Internal Revenue Code, fiduciaries must follow the duty of loyalty at all times. Pursuant to RSA 100-A:15, I-a(a)(1), this duty requires NHRS fiduciaries, including its Board of Trustees and members of its Independent Investment Committee, to make all decisions “[s]olely in the interest of the participants and beneficiaries.”

Further, Part I, Article 36-a of the NH Constitution requires that:

“All of the assets and proceeds, and income there from, of the New Hampshire retirement system ... and of any and all other retirement systems for public officers and employees operated by the state or by any of its political subdivisions, and of any successor system, and all contributions and payments made to any such system to provide for retirement and related benefits ... shall be held, invested or disbursed as in trust for the exclusive purpose of providing for such benefits and shall not be encumbered for, or diverted to, any other purposes.”

In lay terms, the goal has always been – and continues to be – to make prudent, long-term investments that provide the best chance of meeting or exceeding our assumed rate of return, while balancing risk and liquidity. Environmental, Social, and Governance (ESG) or any other non-pecuniary factor is never considered as an end unto itself but is one of many factors viewed in regard to its potential impact on our ability to obtain the highest return for New Hampshire’s active and retired public employees and their beneficiaries.

Following the passage of HB 457 in 2023, NHRS has submitted quarterly statements to the office of Legislative Budget Assistant stating that it is in compliance with its duty to make all investment decisions solely in the interest of its participants and beneficiaries and does not have investments in any funds that may have mixed, rather than sole, interest investment motivations.

This is not a new position. In 1987, legislation was considered to mandate that the retirement system divest from companies that did business in Northern Ireland and failed to take substantial action regarding the “McBride Principles,” which dealt with hiring practices regarding under-represented religious groups in Northern Ireland. At the time, external legal counsel warned NHRS that legislation

adding non-fiduciary factors to the use of retirement funds would mean that these funds would be no longer used for “the exclusive purpose” of providing benefits but would also be used for the divergent collateral purpose of effecting social or political change.

In summary, we believe this legislation could only serve to limit our ability as fiduciaries to act solely in the best interest of our membership and maintain our status as a qualified pension trust, which is already clearly defined in existing law.

We respectfully request that the General Court vote inexpedient to legislate on these proposals.

– *Adopted by a x-x vote of the NHRs Board of Trustees
February 13, 2024*

DRAFT

BENEFITS COMMITTEE

PERSONNEL PERFORMANCE & COMPENSATION COMMITTEE



NHRS

New Hampshire Retirement System

To: Board of Trustees

From: Rosamond Cain, Director of Human Resources

Date: February 6, 2024

Re: NHRS Employee Handbook

Item: Action: ☒ Discussion: ☐ Informational: ☐

Below is a summary of proposed revisions to the NHRS Employee Handbook.

The most significant revisions include moving the Weapons Policy and the Remote Work Policy into the Handbook. There were minor changes to the Driving Policy and the Public Wi-Fi Information.

The PPCC reviewed the revisions at its February 2, 2024, meeting and now respectfully recommends that the Board of Trustees approve these revisions as submitted.

The entire Handbook is available at your request.



NIRS Outlook: Public Plan Trends

New Hampshire Retirement System Board Meeting

Dan Doonan

NIRS Executive Director

February 13, 2024

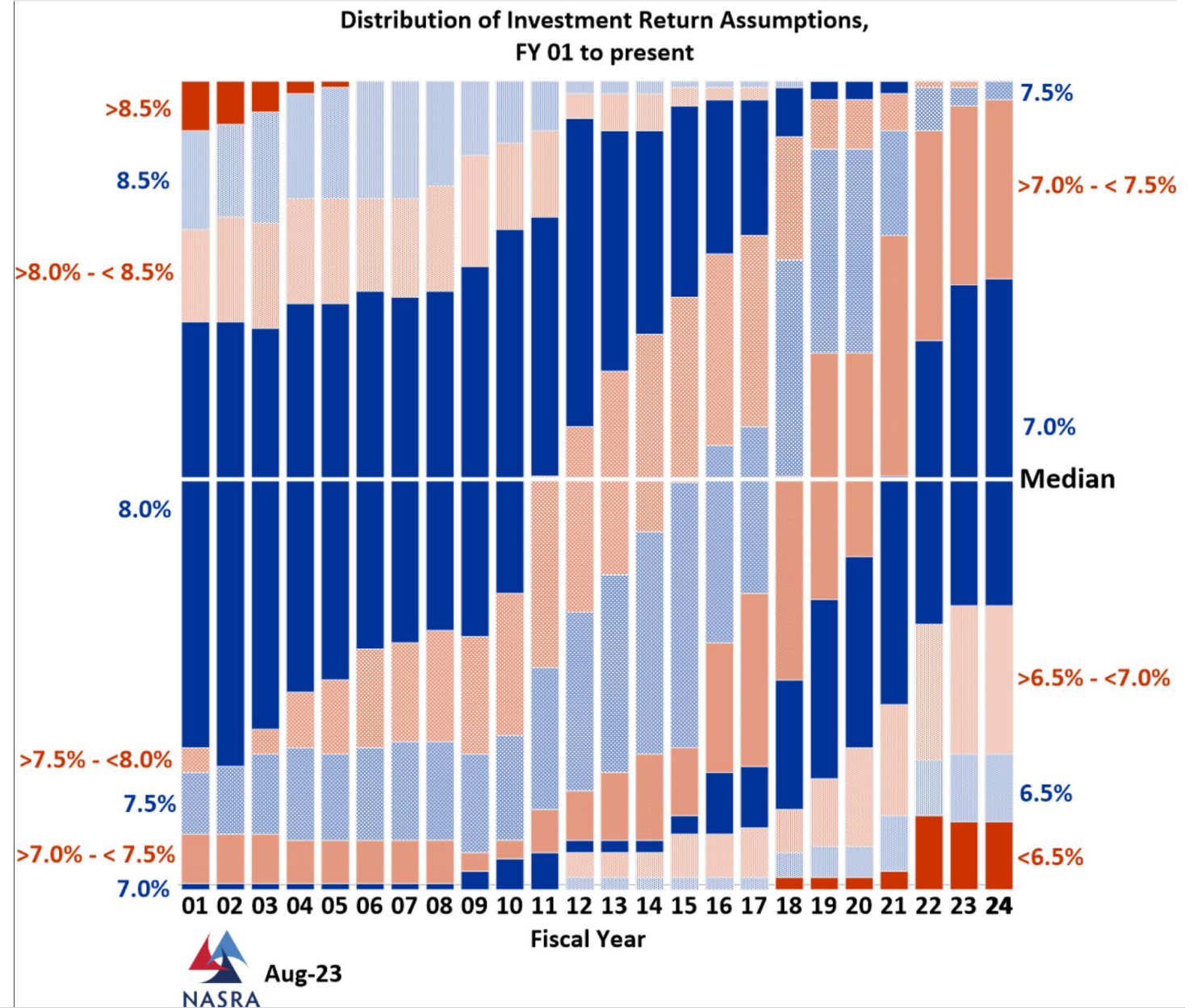


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Public Plan Outlook has Improved

Median Plan Discount Rate: Down 100 Basis Points

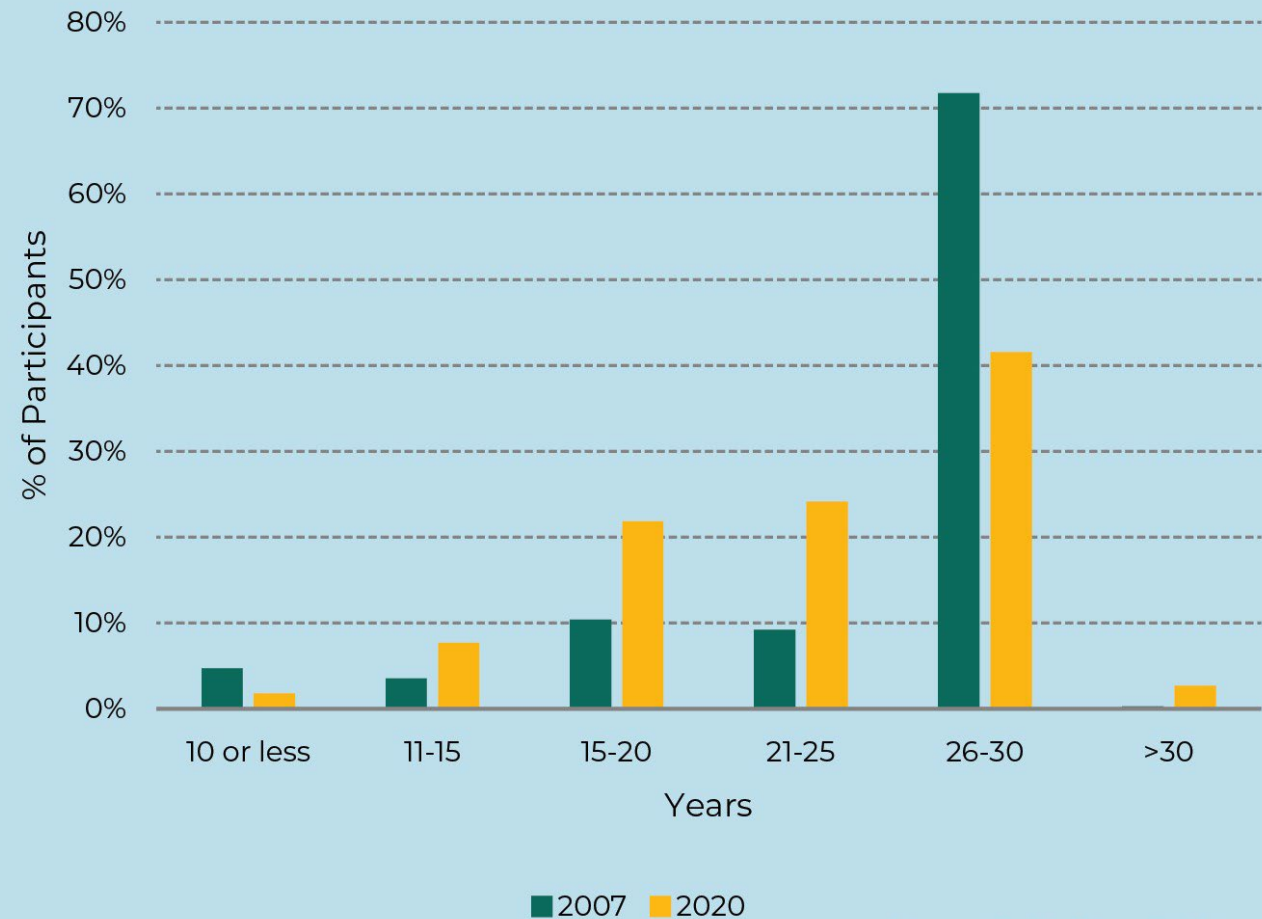


Markets Normalizing: Assumed Returns and Fixed Income Yields Narrowing Again



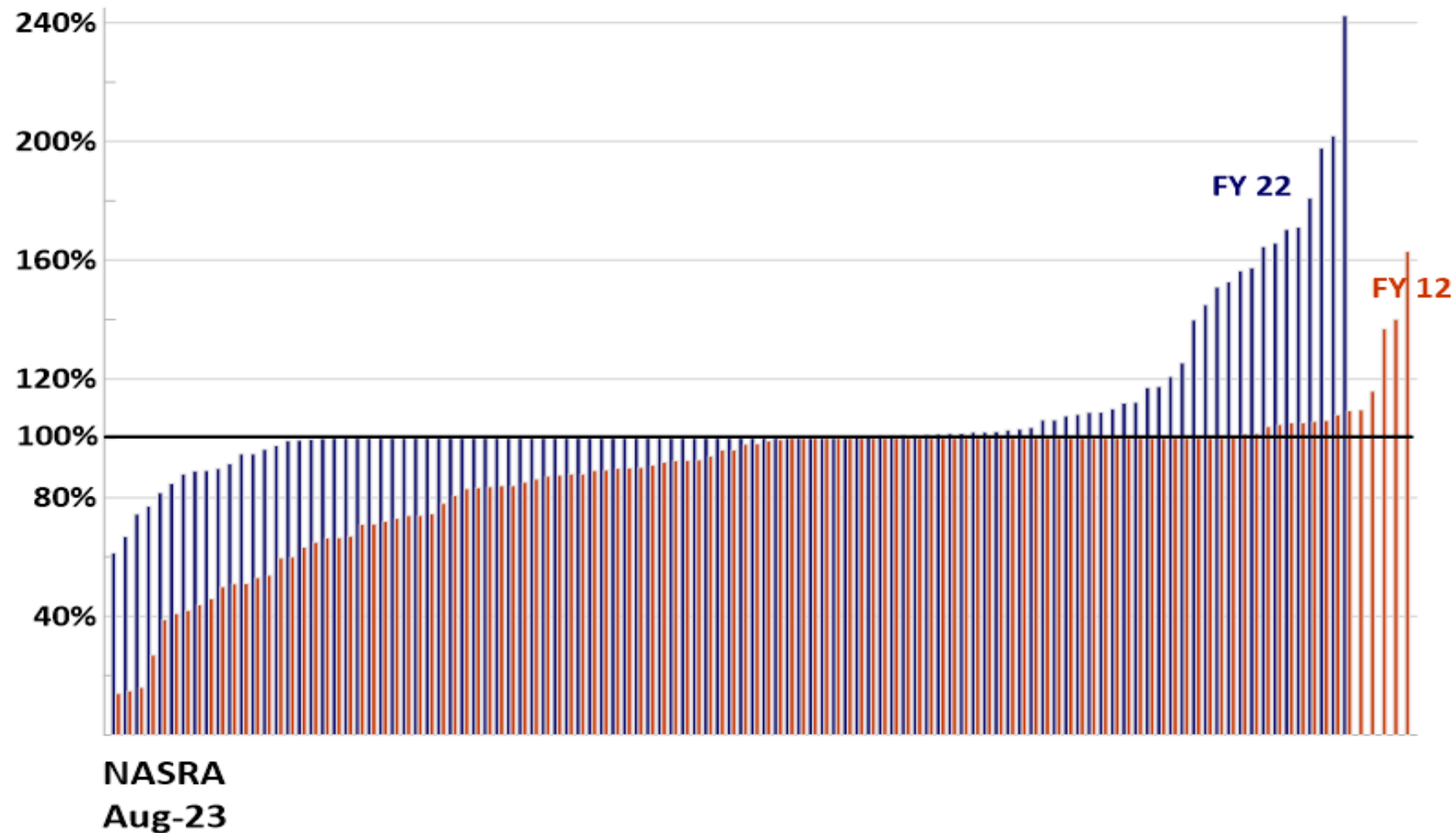
Public Plans Have Tightened Amortization Periods in Recent Years

Figure 14: Remaining Amortization Periods of Public Plans in 2007 and 2020: Share of Participants



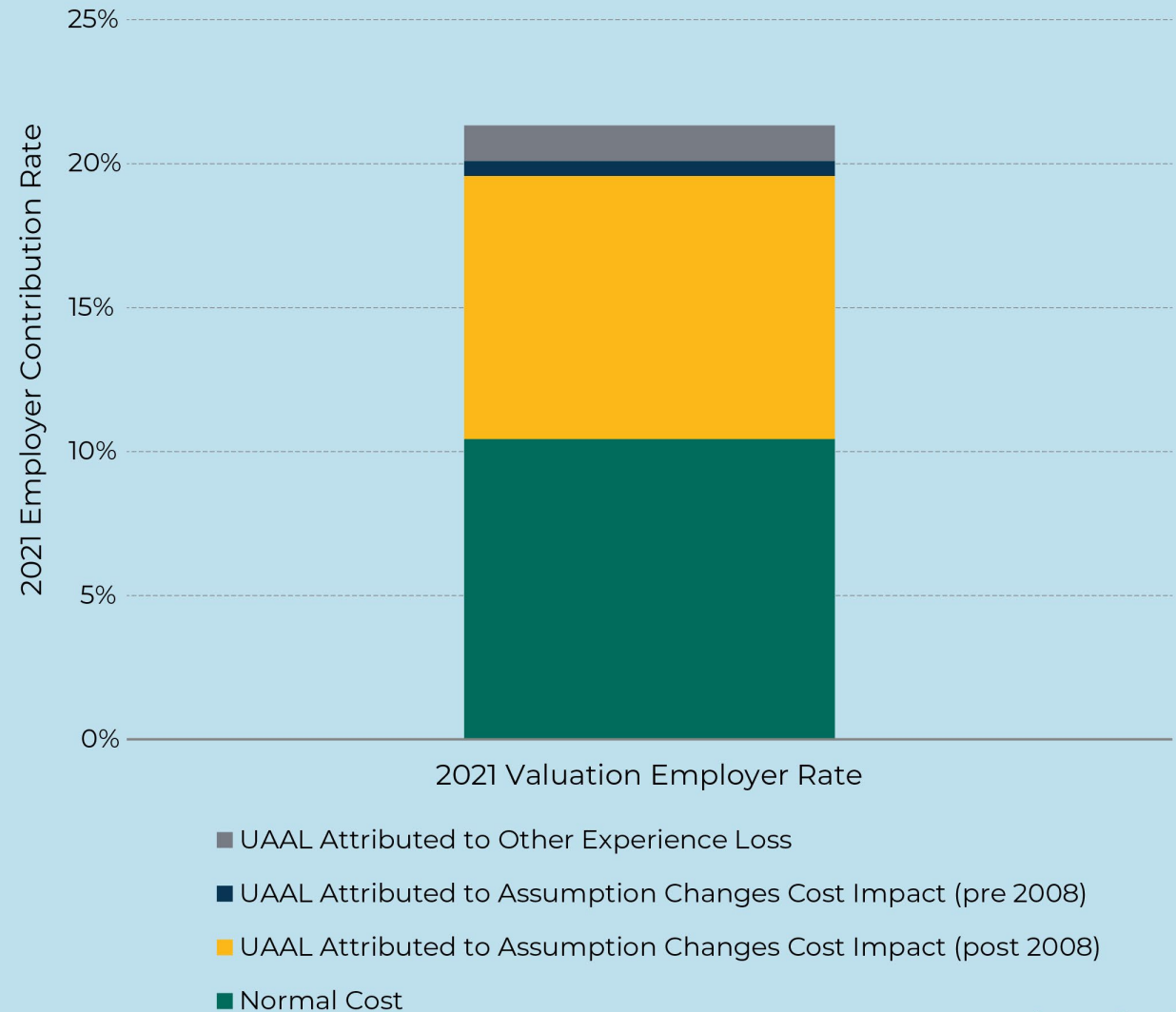
Source: Public Plans Database

Comparison of Percentage ARC/ADC Received, FY 12 vs. FY 22



Post-2008 Assumption Changes Account for Significant Portion of Employer Costs – Plan B

Figure 12: 2021 Valuation Employer Rate Breakdown - Plan B



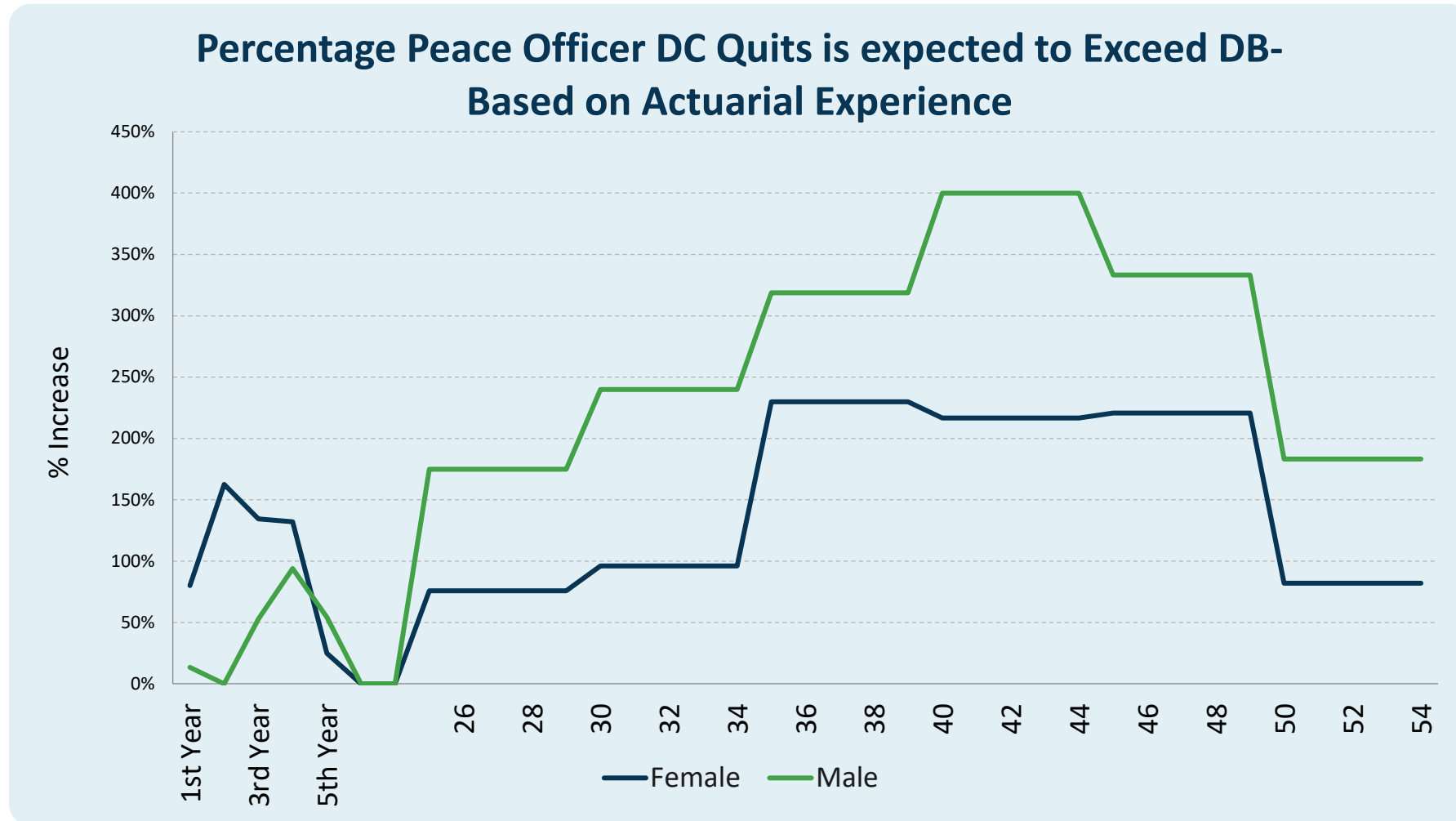
Source: Segal

Worker Retention Challenges Driving More Conversations Today

Background on Alaska's Closed Plans

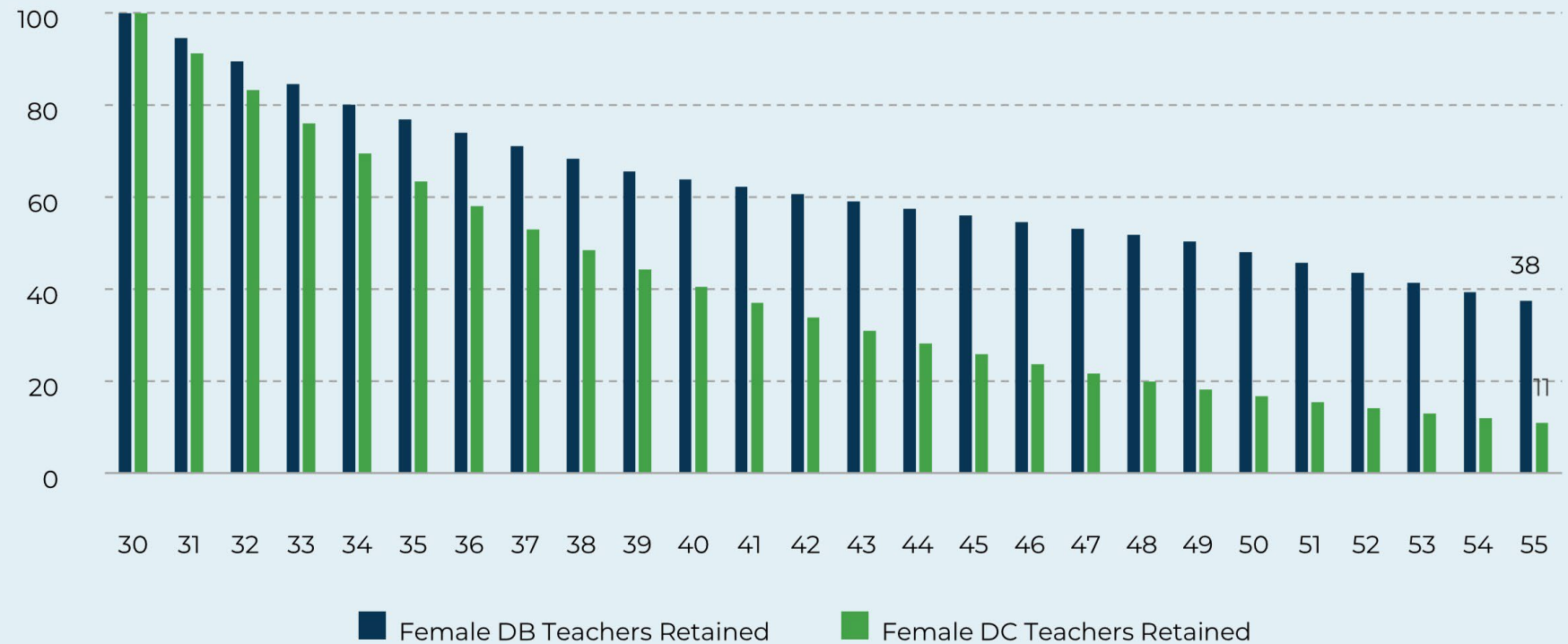
- What are the challenges today?
- Why is NIRS involved?
- What are in-state groups looking to accomplish with a return to DB?
 - All DB advocates concerned about recruitment and retention
 - \$40,000 bonuses
 - Most groups also concerned about benefit adequacy
 - Teachers have DC, no Social Security

Alaska: Peace Officer DC Turnover Much Higher



Female Alaskan Teachers: How the Seemingly Small Difference Adds Up

Figure 3: Retention of Female Teachers (TRS): DB & DC Plans Based on Ultimate Termination Rates



Termination: Select Rates – TRS DCR

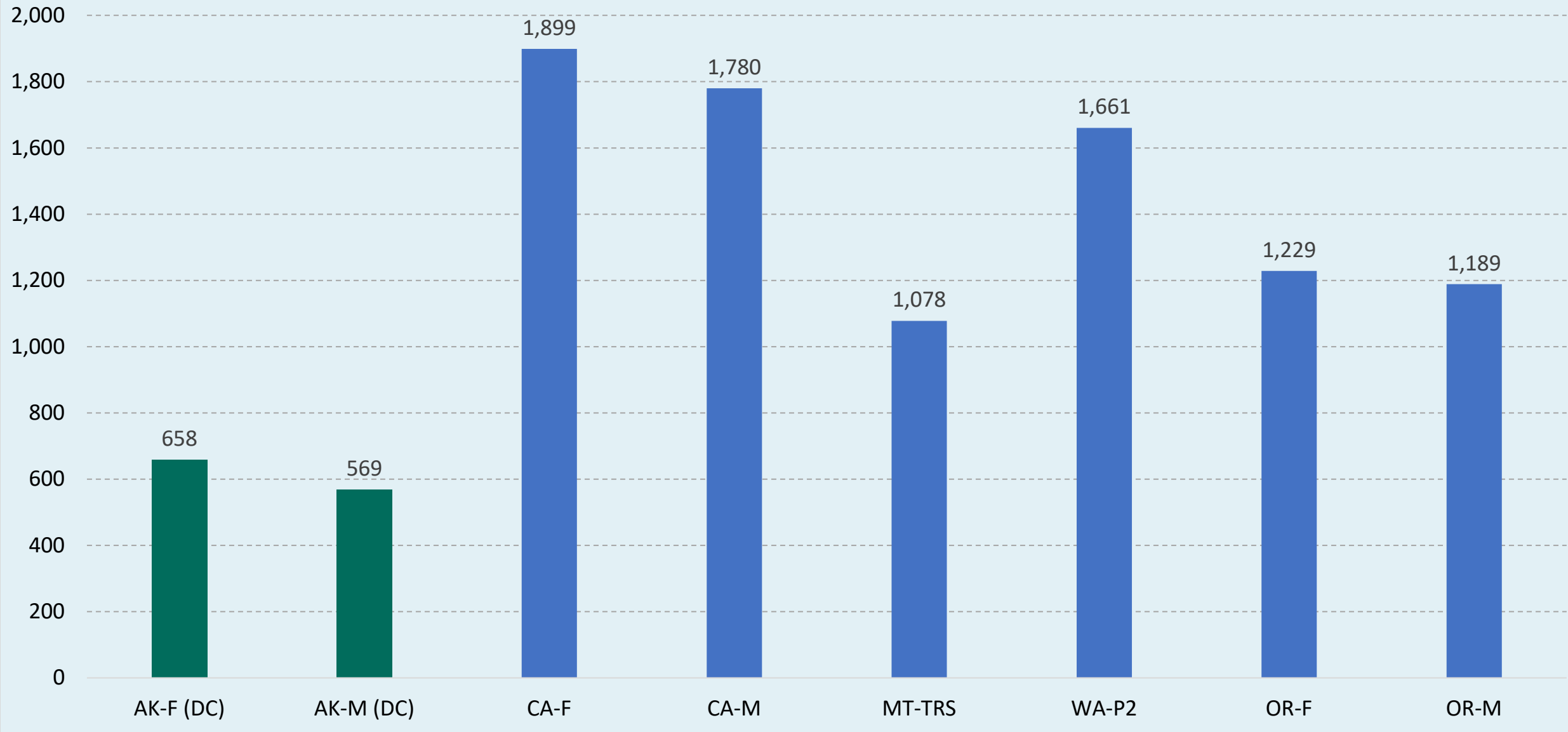
Years of Service	Current		Proposed (Adopted)	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
<1	20.70%	21.80%	28.00%	31.00%
1	19.55%	18.70%	28.00%	21.00%
2	16.10%	15.40%	19.00%	18.00%
3	13.80%	13.20%	17.00%	13.00%
4	11.50%	11.00%	13.00%	13.00%
5	7.32%	8.05%	13.00%	10.00%

https://drb.alaska.gov/docs/valuations/ActuarialExperienceStudy_2022.pdf

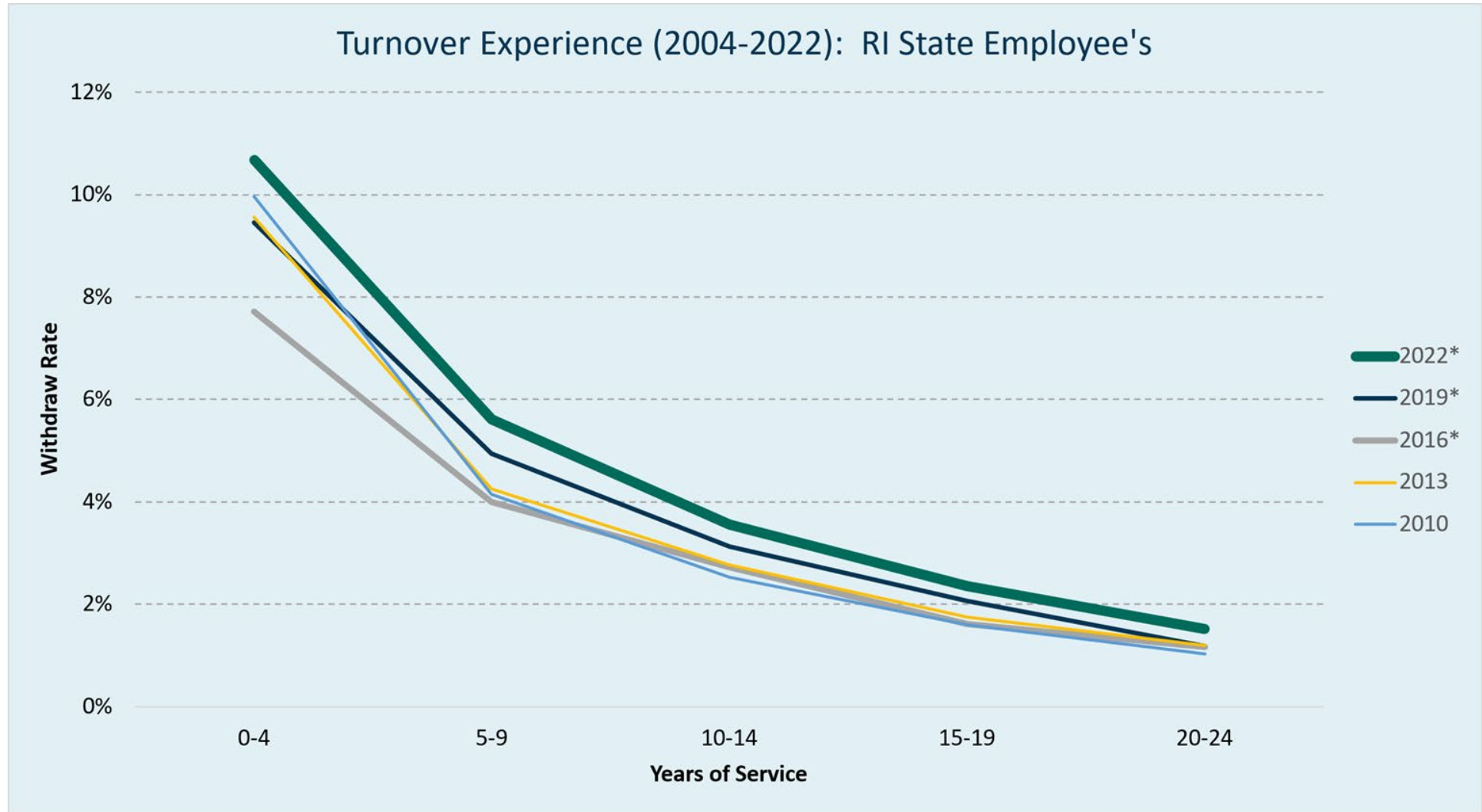
Projected Service in Alaska: DB Vs DC Plans (Per 100 workers, Ultimate Rates)

	Teacher Female	Teacher Male	Safety Male	Safety Female	General EE's Male	General EE's Female
DB Plan	1,792	1,914	2,048	1,636	1,377	1,352
DC Plan	<u>1,093</u>	<u>935</u>	<u>1,225</u>	<u>942</u>	<u>902</u>	<u>895</u>
Number of Extra Years of Service	699	979	823	694	475	457
% More Years of Service	64%	104%	67%	74%	52%	51%

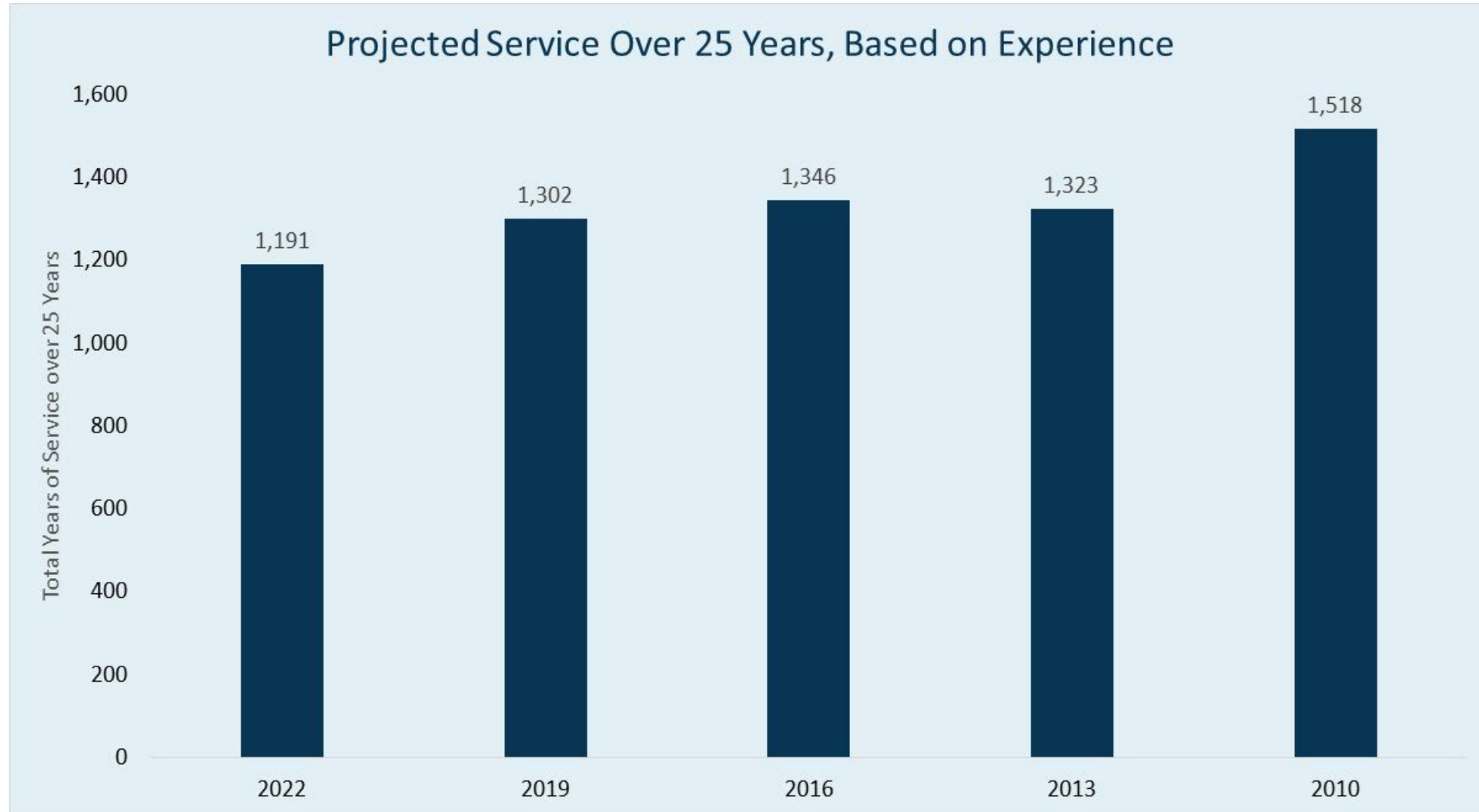
Cumulative Years Taught: 100 newly hired, 25-year Old Teachers Over 30 Years
(Select and Ultimate Periods)



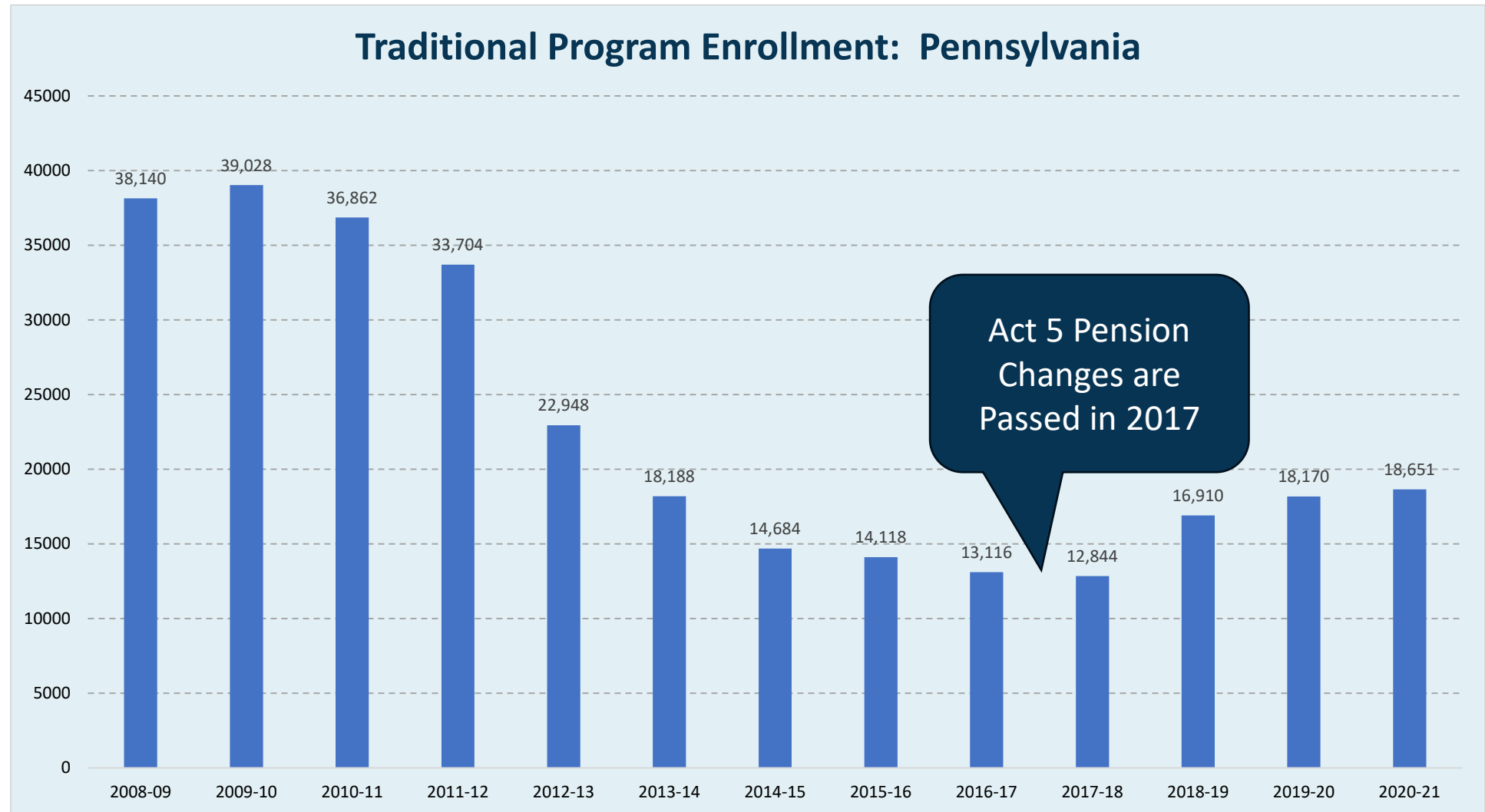
ERSRI State Employees: Turnover Increasing



ERSRI State Employees: Less Service



Pennsylvania Teacher Pipeline



Arizona PSPRS: Different Story & Different Outcome

Many Proposals to Expand Access or Roll-Back Cuts

Labor Shortage: Pension Conversations Mostly Turning Back to Retention

Labor Shortage: Pension Conversations Mostly Turning Back to Retention

Labor Shortage: Pension Conversations Mostly Turning Back to Retention

Labor Shortage: Pension Conversations Mostly Turning Back to Retention

Labor Shortage: Pension Conversations Mostly Turning Back to Retention

Questions





To: Board of Trustees
From: Jan Goodwin, Executive Director
Date: January 31, 2024
Re: Executive Director Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- COVID-19 Update: Maintaining status quo. Each week the ETeam reviews staff attendance due to illness to determine when to reopen for walk-ins.

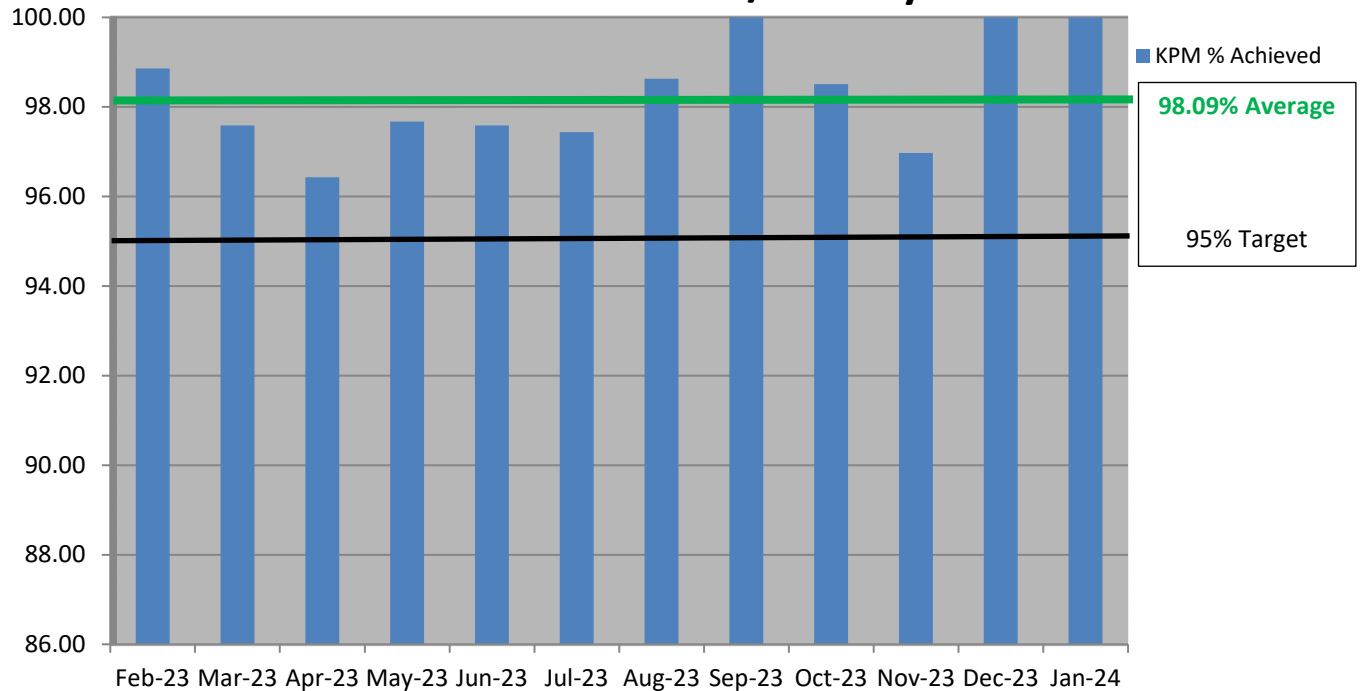
Current Month Highlights

- The KPM scores for December and January were both 100%. See 12-month rolling average chart, attached.
- PGV3: is 89% completed. We have completed the second month of our twelve-month warranty period. LRS completed its final on-site visit the first week of December. We continue to meet regularly with LRS to resolve bugs and set priorities for future enhancements.
- Finance has developed a new model to support employers who are having difficulties with the new PGV3 reporting requirements and more quickly resolve the employer issues. Delays in employer reporting affect our ability to run estimates, develop preliminary benefit calculations and process refunds on a timely basis. The Contact Center representatives have been trained to assist employers calling with reporting issues.
- 14 of the ED's KPMs were achieved for December and January (two were N/A).
- The ETeam has begun working on the annual Three-Year Strategic Plan.

Upcoming Plans & Projects

- The NHRS legislative team will be implementing enacted legislation (\$500 benefit for eligible retirees and modification of the age 65 benefit reduction) from the 2023 session.
- We will continue to work on the rollout of the enhanced MyAccount, making changes to improve the user experience.
- We will continue to monitor, and provide testimony when needed, for the 2024 legislative session.

KPM Rolling 12-Month Average December 2023/January 2024



PGV3 Status as of February 1, 2024

Project Schedule and Completion					
Task	Scheduled Start Date	Scheduled Finish Date	Baseline Finish Date	Actual Finish Date	Percent Complete
NHRS Version 3	1/2/2019	12/3/2024	12/27/2023		89%
Phase 1 - Project Initiating	1/2/2019	1/25/2019	1/25/2019	1/25/2019	100%
Phase 2 - Project Planning	1/2/2019	2/14/2019	2/14/2019	2/14/2019	100%
Phase 3 - Project Monitoring and Controlling	1/2/2019	12/14/2023	12/22/2022	12/14/2023	100%
Phase 4 - Project Executing	1/2/2019	12/1/2023	12/22/2022	12/1/2023	100%
Infrastructure	2/14/2019	8/10/2023	9/9/2022	8/10/2023	100%
Data Conversion	5/22/2019	12/1/2023	12/22/2022	12/1/2023	100%
Requirements Analysis	1/9/2019	7/12/2019	7/12/2019	7/12/2019	100%
D1 - Member Basics and Service Purchases	6/6/2019	12/20/2019	12/11/2019	12/20/2019	100%
D2 - Employer Reporting	10/31/2019	11/10/2020	9/11/2020	11/10/2020	100%
D3 - Benefit Calculations	2/26/2020	9/28/2022	4/23/2021	9/28/2022	100%
D4 - Benefit Maintenance and Insurance	7/9/2021	7/25/2022	8/27/2021	7/25/2022	100%
D5 - Benefit Payroll	2/11/2022	7/26/2023	12/17/2021	7/26/2023	100%
D6 - Year End Processes, Auditing and Security	6/13/2022	5/11/2023	5/11/2022	5/11/2023	100%
D7 - MemberDirect	12/13/2022	10/26/2023	10/13/2022	10/26/2023	100%
Parallel Processing (2 Months)	10/9/2023	12/1/2023	12/22/2022	12/1/2023	100%
Phase 5 - Closing	9/13/2023	12/3/2024	12/27/2023		11%
Warranty Support (12 months)	12/5/2023	12/3/2024	1/0/1900		0%

KPM Report

“No” answers must include a comment, whereas “Yes” answers can include a comment, but a comment is not required. N/A should be used only in cases where reporting is not required, i.e., task is quarterly (comment must so indicate).

	DECEMBER 2023			JANUARY 2024			
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	COMMENTS
Overall Score	X			X			We achieved a 100% success ratio for both December and January.
Executive							
1. Distribute weekly email updates to all Trustees on or before the end of business on Friday of every week.	X			X			
2. Distribute weekly email updates to all staff on or before the end of business on Monday of every week.	X			X			
3. Prepare and distribute monthly Board materials electronically by the Thursday before the Tuesday meeting.	X					X	
4. Post Board and committee meeting notices according to 91-A:2.	X			X			
5. Prepare minutes of Board and Board Committee meetings according to the timeliness guidelines in 91-A:2 and 91-A:3, with draft minutes for internal review ready by close-of-business on the Friday following the Board meeting.	X					X	Meetings are bi-monthly.
6. Prepare draft MTeam meeting minutes and forward to Executive Director for review within five (5) business days of meeting; to managers for review within seven (7) business days of meeting; and post final meeting minutes to the common drive within eight (8) business days of the meeting.	X			X			
7. Maintain expenditures at or less than Trust Fund Budget.	X			X			
8. Maintain expenditures at or less than Board of Trustees Budget as reported by Finance in the	X			X			

KPM Report

	DECEMBER 2023			JANUARY 2024			
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	COMMENTS
most recent manager's report (1-month lag).							
IT							
1. All vital servers maintain an uptime of 99% or higher.	X			X			
2. All PensionGold requests are prioritized within thirty-one (31) calendar days.	X			X			
3. All TrackIT (help desk) requests are followed up with a conversation (phone/email) within four (4) business days.	X			X			
4. Maintain help desk survey scores above satisfactory marks of 95% or higher.	X			X			
5. All US-CERT email security advisories are placed into the help desk system to be addressed within two (2) business days.	X			X			
6. Respond to all phone calls within one (1) business day.	X			X			
7. Answer 95% of My Account hunt group (X3508) calls within sixty (60) seconds.	X			X			
8. Maintain expenditures at or less than IT budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			
Finance							
1. Prepare the NHRS Annual Comprehensive Financial Report (ACFR): unaudited by October 31, and the audited ACFR by December 31, in accordance with generally accepted accounting principles.	X					X	Not due until December.
2. Reconcile operating bank account within 60 days of the end of the month.			X			X	Suspended due to PGV3 implementation.
3. Produce and distribute monthly actual-to-plan-budget reports within ten (10) business days from the end of the prior month.			X			X	Suspended due to PGV3 implementation.

KPM Report

	DECEMBER 2023			JANUARY 2024			
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	COMMENTS
4. Produce the monthly financial statements (FS) for the Board of Trustees meeting at least three (3) business days prior to the scheduled Board mailing.			X			X	Suspended due to PGV3 implementation.
5. Post all cash receipts for a month, for which we have received the associated voucher, into the pension benefit system (PensionGold) within ten (10) business days after the close of the month.			X			X	Suspended due to PGV3 implementation.
6. Issue all NHRS annuitant pension payments timely and accurately.	X			X			
7. File annual payroll tax return (form 945) for the annuity payroll by January 31.			X	X			
8. Reconcile all employer accounts sufficiently to allow for interest posting for the reporting month within ninety (90) days of the end of the reporting month, for which we have received all payments and back-up from employers.			X			X	Suspended due to PGV3 implementation.
9. Process all confirmed post-retirement electronic direct deposit change requests received by the date that the pre-note wizard is run in PensionGold and direct funds accordingly in the same month.	X			X			
10. Deposit all payments received at NHRS offices, with appropriate supporting documents, into local custodial bank within three (3) business days of receipt, with any payments secured on any intervening days.	X			X			
11. Annually for the preceding tax year, post electronic 1099-R forms to MyAccount by January 24 and mail hard copy 1099-R forms by January 31 of the subsequent year.			X	X			
12. Maintain expenditures at or less than Finance Budget as reported in the most recent manager's report (1-month lag).	X			X			

KPM Report

	DECEMBER 2023			JANUARY 2024			
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	COMMENTS
Investment							
1. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable Total Fund Benchmark measured quarterly .			X	X			
2. Generate investment returns for the long-term (25 years) Total Fund Performance greater than the applicable Actuarial Assumed Rate of Return (6.75%) measured each June 30 .			X			X	Reported June 30 th .
3. Generate investment returns for three (3) and five (5) Year Total Fund Performance greater than the applicable peer universe median measured quarterly .			X	X			
4. Complete the IIC's Private Debt & Private Equity Strategic Plan for the calendar year.			X			X	Reported annually in February for CY 2024.
5. Manage cash flow and make funds available for the payment of monthly retirement benefits, expenses and capital calls on or before the last business day of the month.	X			X			
6. Manage continuously the asset allocation within approved ranges and rebalance as appropriate.	X			X			
7. Maintain trading cost at or below median of applicable peer universe.	X			X			
8. Ensure all proxies are voted consistent with the Board approved Proxy Policy.	X			X			
9. Distribute complete and accurate Investment Committee materials to all members of the Investment Committee on the Friday before the regularly scheduled monthly Investment Committee meeting.	X			X			
10. Maintain internal expenditures at or less than	X			X			

KPM Report

	DECEMBER 2023			JANUARY 2024			
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	COMMENTS
Investment Budget as reported by Finance in the most recent manager's report (1-month lag).							
Legal							
1. Assure no instances of statutory or regulatory non-compliance.	X			X			
2. Provide disability recommendations to the Board within sixty (60) calendar days of receipt in the Legal Dept.	X			X			
3. Commence an adjudicative proceeding within sixty (60) calendar days of receipt of administrative appeal.	X			X			
4. Present a recommended decision to the Board within seventy-five (75) calendar days after the close of the record in an appeal.	X			X			
5. Perform employer compliance field audits; a rolling average of 2 audits per experienced auditor per month over the prior 12-month period.			X			X	Suspended due to PGV3 implementation.
6. Present one (1) employer education session per quarter.	X			X			
7. Answer 95% of Employer Audit/Compliance hunt group (X3681) calls within sixty (60) seconds.	X			X			
8. Maintain expenditures at or less than Legal Budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			
Member Services							
1. Calculate all preliminary retirement benefits within thirty (30) calendar days of member-requested date of retirement.	X			X			
2. Calculate 100% of final retirement benefits (EXCLUDING JULY applications) within seven (7) months of member requested date of retirement provided that all statutorily required			X			X	Suspended due to PGV3 implementation

KPM Report

	DECEMBER 2023			JANUARY 2024			
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	COMMENTS
documentation has been received and all wages have been reported.							
3. Calculate 100% of July final retirements within eight (8) months of member requested date of retirement provided that all statutorily required documentation has been received and all wages have been reported.			X			X	Suspended due to PGV3 implementation.
4. Schedule member meetings with Benefit Specialists within ten (10) business days of request.	X			X			
5. Issue all member retirement benefit estimates within thirty (30) business days of receipt of request.			X			X	Suspended due to PGV3 implementation.
6. Enter member enrollment form data into Pension Gold (PG) within fifteen (15) business days of receipt.	X			X			
7. Process member refund requests within ninety (90) calendar days of receipt of written request.	X			X			
8. Process service purchases within fifteen (15) business days of request receipt.			X			X	Suspended due to PGV3 implementation.
9. Process additional contribution calculations within ninety (90) calendar days of receipt.	X			X			
10. Process all non-employer audit correction related employer contribution refunds within sixty (60) business days of receipt.			X			X	Suspended due to PGV3 implementation.
11. Post all interest to member accounts within the month that Finance authorized the activity.	X			X			
12. Adhere to payroll "close" schedule for benefit setup balancing purposes.	X			X			
13. Process all pension changes within thirty (30) calendar days of receipt/notification.	X			X			
14. Process retiree death benefit refund payments within sixty (60) calendar days following receipt of all required paperwork.			X			X	Suspended due to PGV3 implementation.
15. Establish survivorship benefit setup for payment	X			X			

KPM Report

	DECEMBER 2023			JANUARY 2024			
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	COMMENTS
within sixty (60) calendar days following receipt of all required death documentation and pension recoveries.							
16. Submit new recoupment cases to Recoupment Committee by next committee meeting following discovery.	X			X			
17. Initiate Recoupment/Benefits Committee recoupment decisions within seven (7) business days of decision.	X			X			
18. Review and balance updates submitted by employers and TPAs to PG for insurance rate changes received by the first business day of each month within four (4) business days.	X			X			
19. Complete monthly insurance non-rate changes by processing all authorizations received by the date the annuity payroll is posted with zero carryovers.	X			X			
20. Render QDRO qualification determinations within federal time limit guidelines.	X			X			
21. Maintain expenditures at or less than Member Services Budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			
Human Resources							
1. Ensure compliance with all Federal, State and CBA rules and regulations as measured by no notices of violation.	X			X			
2. Respond to all payroll errors within one (1) business day and correct all payroll errors within one pay cycle.	X			X			
3. Reduce recruitment time for open staff positions to no more than forty-five (45) business days and open management/executive positions to no more than ninety (90) business days.	X			X			
4. Maintain expenditures at or less than HR Budget as reported by Finance in the most recent	X			X			

KPM Report

	DECEMBER 2023			JANUARY 2024			
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	COMMENTS
manager's report (1-month lag).							
PIO							
1. Schedule a minimum of thirty (30) online or in-person member/constituent education sessions each year.	X			X			
2. Achieve ninety-five percent (95%) rating from members attending an-education session that the session was "completely/moderately" easy to understand.	X			X			
3. Meet all deadlines in editorial calendar.	X			X			
4. Monitor media coverage of NHRS and provide articles to Board, IIC and Staff within two (2) business days.	X			X			
5. Post updated legislative summaries on www.nhrs.org by the end of business every Friday throughout the legislative session.			X	X			
6. Prepare and deliver Quarterly Report to the General Court by January 1, April 1, July 1 and October 1.	X			X			
7. Maintain expenditures at or less than PIO Budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			
Internal Audit							
1. Prepare a Risk Assessment and Fiscal Year Audit Plan for the approval of the Audit Committee annually.			X			X	Not during this month.
2. Execute and present an assurance audit to the Audit Committee every quarter.	X					X	No meeting in January.
3. On behalf of the external auditors, administer the GASB census data audits and provide the completed audits to the external auditors by the			X			X	Starts in March.

KPM Report

	DECEMBER 2023			JANUARY 2024			
	ACHIEVED			ACHIEVED			
	YES	NO	N/A	YES	NO	N/A	COMMENTS
established due date.							
4. Prepare the updated NHRS Audit Issues Tracking Report for the Audit Committee and Board of Trustees at least three (3) business days prior to the scheduled Board/Committee mailing.	X			X			
5. Distribute complete and accurate meeting materials to all members of the Audit Committee at least three (3) business days prior to the scheduled Audit Committee meetings.	X					X	No meeting in January.
6. Prepare draft Audit Committee Meeting minutes for review within three (3) business day of the meeting.	X					X	No meeting in January.
7. Maintain expenditures at or less than Internal Audit Budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			
Contact Center							
1. Respond to all incoming emails within 24 business hours.	X			X			
2. Maintain an average speed of answer within two (2) minutes.						X	Suspended due to PGV3 implementation.
3. Maintain a 95% call satisfaction rating for callers' experience with the Contact Center Representative (CCR).						X	Suspended due to PGV3 implementation.
Administrative							
1. Assure that formal complaints are responded to within five (5) business days.			X	X			One complaint was received in January. An oral response was provided on day 5 with a written response mailed on day 6.
2. Maintain expenditures at or less than Administration Budget as reported by Finance in the most recent manager's report (1-month lag).	X			X			

Contact Center December 2023

Phone Calls

	Total	Percentage
Calls addressed by CCRs	2559	95.74%
Calls forwarded to SMEs	109	4.08%
Calls forwarded to SME Manager	5	0.19%
Total	2,673	100.00%

Post Call Surveys

	Total
Total Calls Handled	2,673
Surveys Completed	109
% of Total Calls Completion Rate	4.08%

Walk Ins

	Total
Number of Walk-Ins	178
Total Walk In Time (hours)	24.56
Average Walk In time (minutes)	10.53

Emails

	Total	Percentage
Emails addressed by CCRs	447	47.91%
Emails forwarded to SMEs	486	52.09%
Total	933	100.00%

Goal: Answer calls within 2 minutes with 5% abandon rate.

Queue Name	Calls Presented	Calls Handled	Percentage	Calls Abandoned	Percentage	Average Queue Time	Average Speed of Answer	Average Time to Abandon	Average Handle Time	
Employer	198	188	94.95%	10	5.05%	1:28:00	1:23:00	2:25:00	3:53:00	
Member	899	873	97.11%	26	2.89%	0:47:00	0:42:00	3:17:00	5:30:00	
Reception	627	566	90.27%	33	5.26%	0:42:00	0:37:00	1:22:00	4:28:00	
Retiree	1066	1046	98.12%	20	1.88%	0:56:00	0:55:00	1:54:00	5:22:00	
Totals	2790	2673		89	3.19%	0:58:15	0:54:15	2:14:30	4:48:15	Average

Contact Center January 2024

Phone Calls

	Total	Percentage
Calls addressed by CCRs	4545	97.78%
Calls forwarded to SMEs	96	2.07%
Calls forwarded to SME Manager	7	0.15%
Total Calls Handled	4,648	100.00%

Post Call Surveys

	Total
Total Calls Addressed by CCRs	4,545
Surveys Completed	240
% of Total Calls Completion Rate	5.28%

Walk Ins

	Total
Number of Walk-Ins	
Total Walk In Time (hours)	
Average Walk In time (minutes)	0

Emails

	Total	Percentage
Emails addressed by CCRs	1,067	60.73%
Emails forwarded to SMEs	690	39.27%
Total	1,757	100.00%

Goal: Answer calls within 2 minutes with 5% abandon rate.

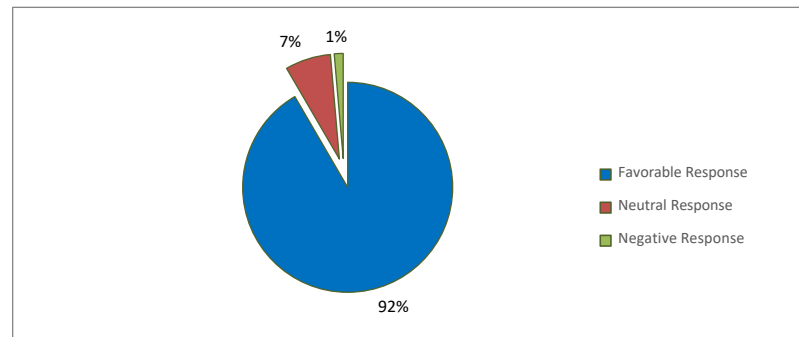
Queue Name	Calls Presented	Calls Handled	Percentage	Calls Abandoned	Percentage	Average Queue Time	Average Speed of Answer	Average Time to Abandon	Average Handle Time
Employer	314	263	83.76%	51	16.24%	3:04:00	2:50:00	4:16:00	3:40:00
My Account	249	224	89.96%	25	10.04%	4:15:00	4:17:00	3:56:00	12:24:00
Member	1482	1348	90.96%	134	9.04%	3:21:00	3:30:00	3:29:00	6:09:00
Reception	1108	792	71.48%	286	25.81%	3:03:00	2:45:00	4:01:00	5:33:00
Retiree	2129	1940	91.12%	189	8.88%	3:50:00	3:54:00	3:01:00	6:02:00
1099	110	81	73.64%	29	26.36%	5:52:00	6:35:00	3:50:00	3:23:00
Totals	5392	4648		714	13.24%	3:54:10	3:58:30	3:45:30	6:11:50

Average

NHRS Board Monthly Reporting Package
Process Improvement
December 2023/January 2024

Executive Director Telephone Survey Results

	Number of Names on Call List	Number of Connections Made	Favorable Response (1)	Neutral Response (2)	Negative Response (3)	Left VM No Call Back (4)	Bad Phone Number/Not in Service/No VM (5)
2024							
January	30	16	15	1	0	11	3
2023							
December	40	18	16	2	0	19	3
November	50	24	24	0	0	24	2
October	40	19	17	0	2	14	7
September	40	21	19	1	1	18	1
August	50	20	20	0	0	22	8
July	40	17	16	0	1	15	8
June	40	23	21	1	1	15	2
May	50	29	23	6	0	19	2
April	40	23	22	1	0	16	1
March	50	22	18	4	0	22	6
February	40	17	15	2	0	17	6
January	40	18	15	2	1	18	4
2022							
January - December	520	291	265	21	5	174	55
2021							
January - December	130	73	64	8	1	42	15
2020							
January - December	100	50	47	2	1	37	13
2019							
January - December	500	228	216	7	5	150	122
2018							
January - December	490	227	217	8	2	183	80
2017							
January - December	460	214	204	8	2	168	78
2016							
January - December	520	258	230	25	3	189	73
2015							
January - December	510	273	242	28	3	152	85
2014							
October - December	87	36	28	8	0	30	21
	3837	1901	1739	134	28	1344	592



Quarterly Satisfaction Survey
FY2024 Q2

October November December

Telephone Surveys

Calls Made	40	50	40	130
Responses	19	24	18	61
				46.92%

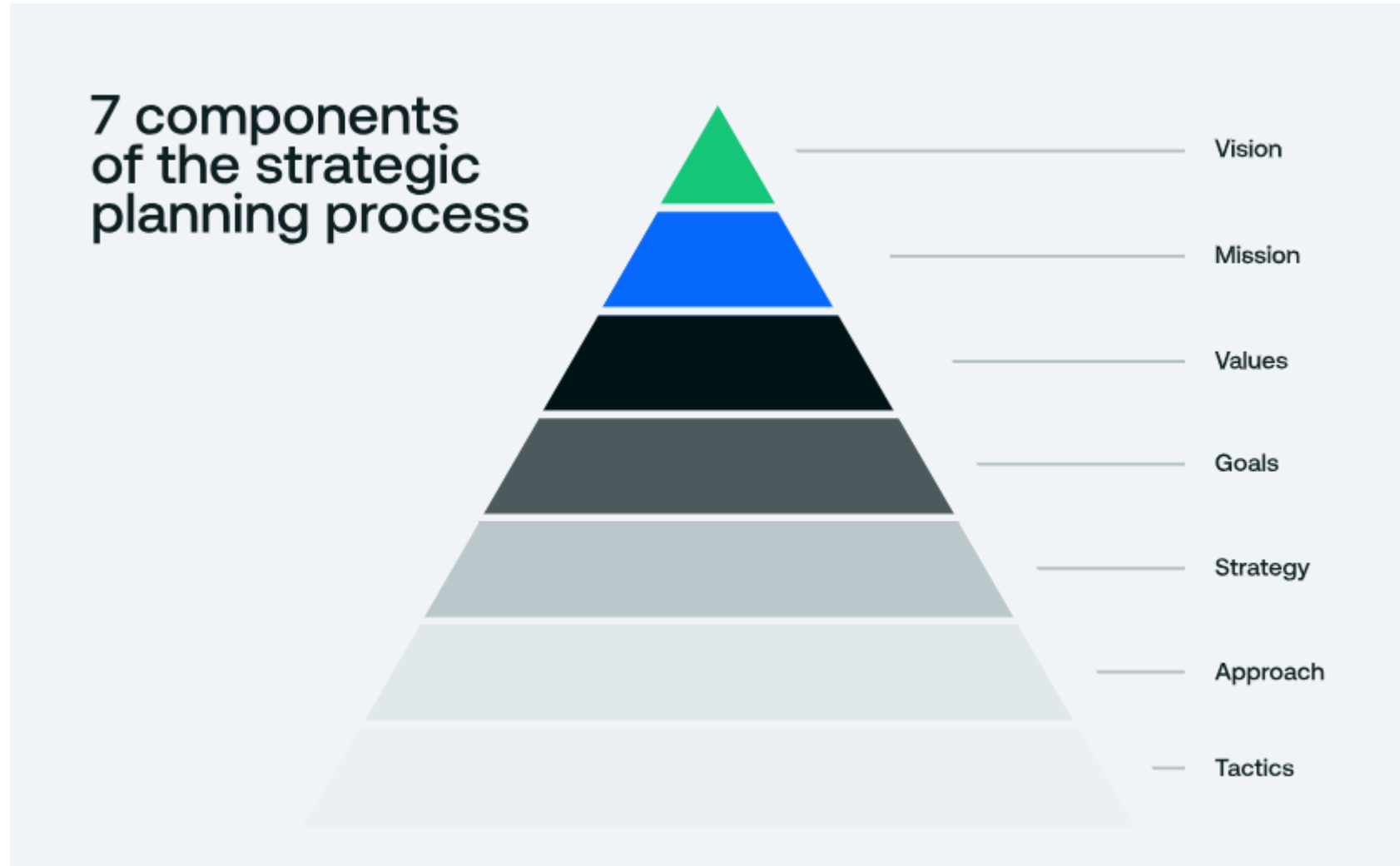
#4. Overall, how happy are you with the service you received from our staff?

Positive	17	24	16	57	93.44%
Neutral	0	0	2	2	3.28%
Negative	2	0	0	2	3.28%
	19	24	18	61	100.00%

ED Contracts Approved FY to Date

Vendor Name	Date Approved per Contract Transmittal	Annual Cost	Comments
Blue Mantis - Interim Security	7/5/2023	\$ 5,022.00	Cybersecurity consulting.
Houde Consulting	7/10/2023	\$ 5,970.00	Finance assistance.
PACE Cooling	8/30/2023	\$ 14,200.00	Cooling equipment for server room.
SilverTech	9/19/2023	\$ 8,000.00	Website maintenance.
MCN IME	9/19/2023	\$ 4,950.00	IME for R. B. disability appeal.
CPM	11/30/2023	\$ 24,000.00	Facilities maintenance.
PIF	12/14/2023	\$ 36,253.00	Document management.
Blue Mantis - Barracuda	1/2/2024	\$ 44,055.00	Cybersecurity protection services.
NH Print and Mail	1/31/2024	\$ 24,332.00	Printing and mailing of 1099-R forms.
		<u>\$ 166,782.00</u>	

Proposed Process for Strategic Planning



NHRS Mission, Vision, and Values

The New Hampshire Retirement System plays an important role in the long-term economic well-being of the state's public employees, teachers, police officers, and firefighters. NHRS strives to meet this responsibility through a commitment to our mission, vision, and values.

OUR MISSION

To provide secure retirement benefits and superior service.

OUR VISION

NHRS will fulfill our role as fiduciary of the trust and deliver retirement benefits to our members and beneficiaries through a commitment to value, innovation and excellence.

OUR VALUES

Security – Providing promised benefits and guarding the confidentiality of personal information.

Excellence – Striving to exceed expectations through innovation, accountability, and teamwork.

Respect – By recognizing the uniqueness and importance of our stakeholders, our co-workers, and ourselves, we foster collaboration and cooperation.

Value – Committing to be a trusted and effective fiduciary by always acting in the best interest of our membership.

Integrity – Acting in an ethical, honest, and professional manner in all our interactions.

Communication – Providing responsive, accurate, and timely information to our stakeholders.

Empathy – Being aware of the feelings of others and how our actions affect them enables us to be responsive to the needs of all we encounter.

Proposed Next Steps

- ETeam to identify and engage with a consultant to develop strategic plan for FYs 2026-2028.
- Identify ambitious, yet realistic, goals for NHRS to achieve.
- Propose these goals to Board of Trustees at June 2024 BOT meeting.
- Develop next biennium (FYs 2026-2027) budget to support these goals.
- Present next biennium budget at August BOT meeting.

Division: Executive

Date: January 31, 2024

Approved: July 1, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Complete implementation of data security assessment recommendations and continue to enhance IT security.	JG/JL	6/30/24	Note: While most of the recommendations have been implemented, there are a few that are ongoing as part of the PGV3 implementation project.
2. Complete project plan milestones for LRS Pension Gold (PGV3) project.	JG/TK	6/30/24	This is a five-year project scheduled for completion in FY 24. Project modifications have added six months to the original completion date.
3. Identify areas for improved efficiencies across the organization, including assessing and improving employee engagement.	JG/All	6/30/24	
4. Enhance member, beneficiary, and employer education: identify/review industry best practices for education and engagement; adjust existing education programming, as needed.	JG/MK	6/30/24	
5. Implement agreed-upon elements of Vision for NHRS.	JG/All	6/30/24	



To: Board of Trustees

From: Marty Karlon

Date: January 31, 2023

Re: Communications/Legislative Affairs Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

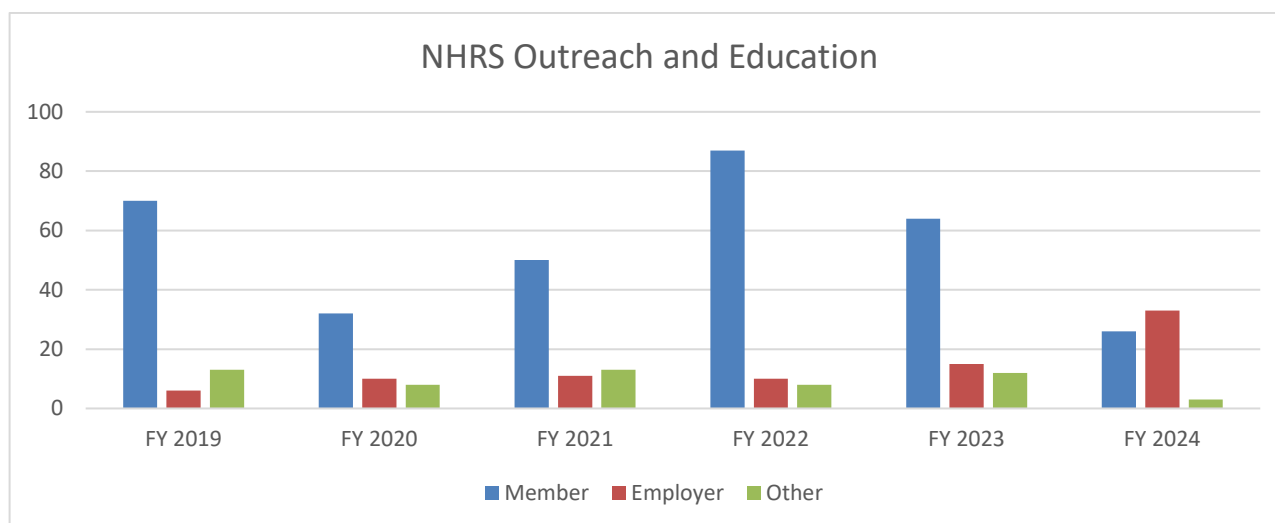
- The 2024 legislative session is under way. House and Senate policy committees have held public hearings on all NHRS-related proposals.
- The communications team has been working closely with multiple business units to develop short- and long-term messaging for employers, members, and retirees related to the transition to PensionGold Version 3.

Current Highlights

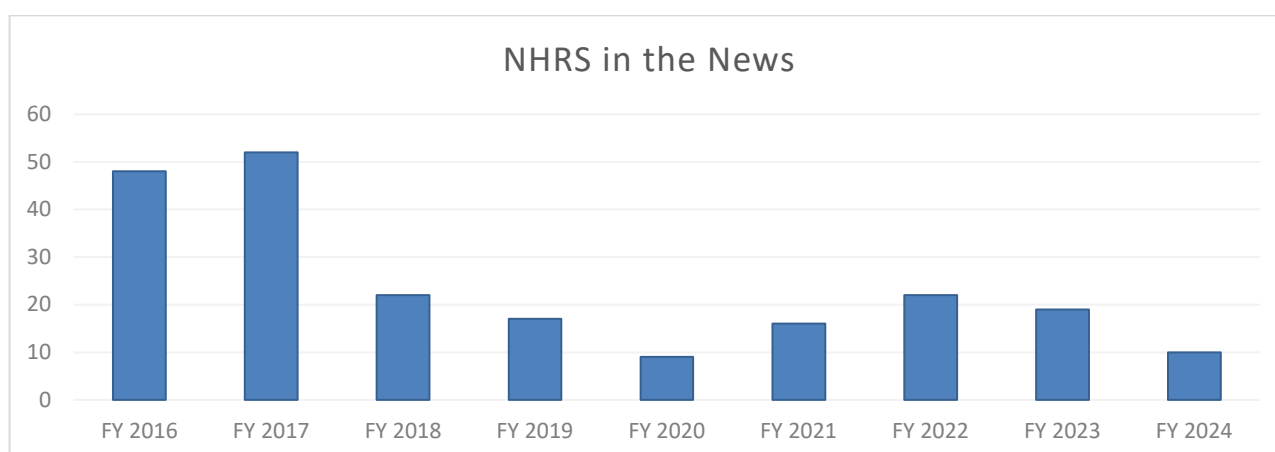
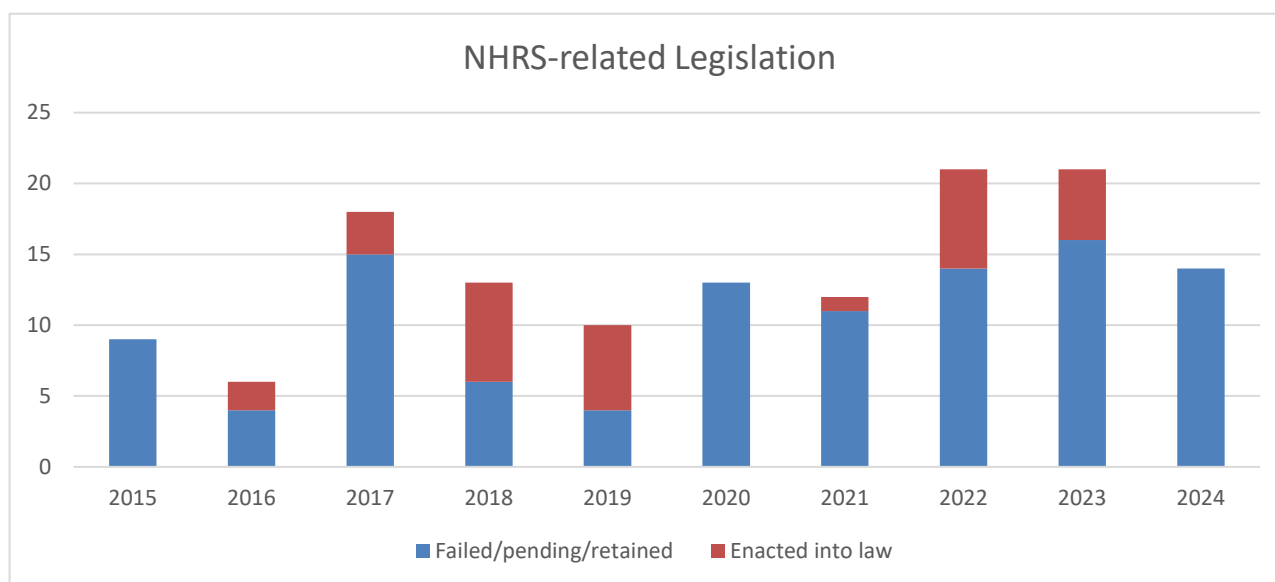
- Hosted five employer webinars on 2024 retiree reporting in January and posted written instructions.
- Hosted or participated in seven member education events, four employer education events and one constituent event in December/January.
- Scheduled 30 member education events for 2024.
- Presented at NCPERS Communications Summit in January on building trust in a defined benefit plan.
- PIO met six of seven KPMs in December; one was not applicable. In January, PIO met all seven of its KPMs.

Upcoming Plans & Projects

- Hosting or participating in 15 member education events in February/March.
- Kicking off *My Account 2.0* promotional campaign once launch issues have been addressed.



“Other” events include presentations to member, employer, and retiree organizations.



News articles and commentary in NH and national media outlets in which NHRS is the primary subject.

Division: Communications

Date: January 29, 2024

Approved: June 22, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. In collaboration with the Finance team and PGV3 Project Manager, implement PGV3 employer training and communication plans. *	MK / PIO staff / Finance	1/31/24	Completed.
2. Maintain ongoing internal and external communications for overall PGV3 project. *	MK	3/31/24	In progress.
3. Develop and implement campaign to encourage members and retirees to sign up for <i>My Account 2.0</i> . *	MK / PIO staff	6/30/24	On hold pending resolution of launch-related technical issues.
4. Coordinate NHRS interactions with and prepare materials for statutory commission to study retirement benefits and retention of employees scheduled to meet in the summer of 2023.	MK	11/30/23	Completed.
5. Maintain positive and constructive working relationship with the NH Legislature. *	MK	6/30/24	In progress.
6. Grow calendar year-over-year audience for social media channels by 10-15%.	MK / PIO staff	6/30/24	In progress.
7. Develop member surveys assessing knowledge and comfort level with NHRS benefits and preferences for additional education efforts.	MK / PIO staff	6/30/24	Note: Survey will be released in FY 25.
8. Update printed and recorded	MK / PIO	12/31/23	Completed.

member/retiree/employer presentations impacted by recent legislation.	staff		
9. Identify, enroll, and complete a professional development opportunity.	MK	6/30/24	Completed. Attended and presented at NCPERS Communications Summit in January 2024.

* - Aligns with initiatives listed on NHRS Three-Year Strategic Plan.



To: Board of Trustees

From: John Laferriere, Director of Information Technology

Date: February 2, 2024

Re: Information Technology Operating Report

Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Cybersecurity Awareness – Completed phishing tests for all NHRS users.
- The security group identified no new security issues in December and January.
- Implemented scheduled server updates to ensure production systems are patched on a regular basis.

Current Month Highlights

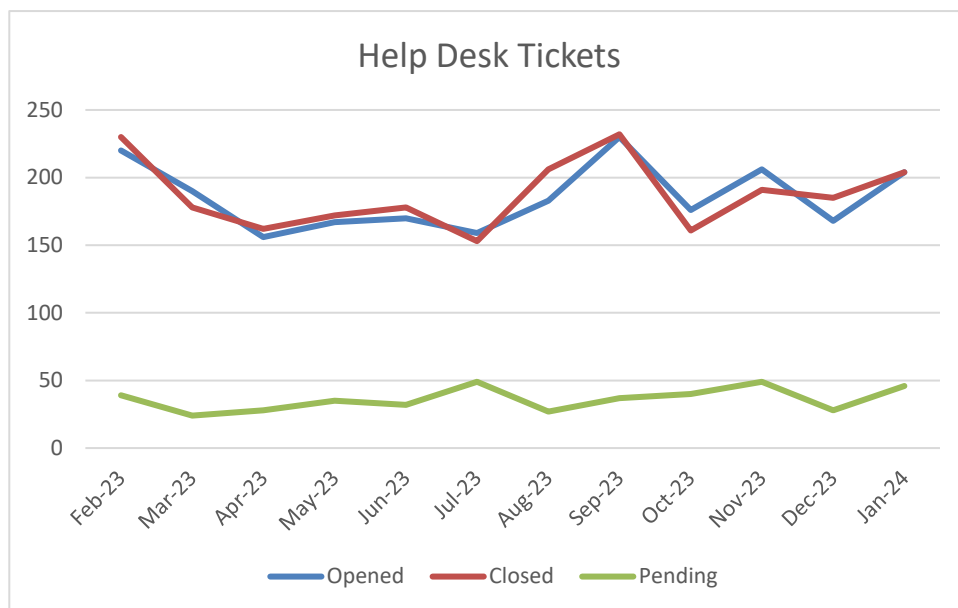
- IT Customer Satisfaction Score – 100% and 99% over the last two months.
- IT met all eight of its KPMs.
- 166 change requests were approved and deployed into the production environment, of which 112 were PGV3 changes.
- Deployed Dell laptops to Information Technology, Call Center, and executive management team.
- All production backups have been moved to the cloud.
- Multi-Factor Authentication (MFA) is being deployed on all new laptops.
- Network management tool deployed to proactively identify infrastructure issues and reduce infrastructure outages.
- Migrated all printers and conference room systems to the new network.
- First phase of the document management project has started.
- The new VPN is in production.

Upcoming Plans & Projects

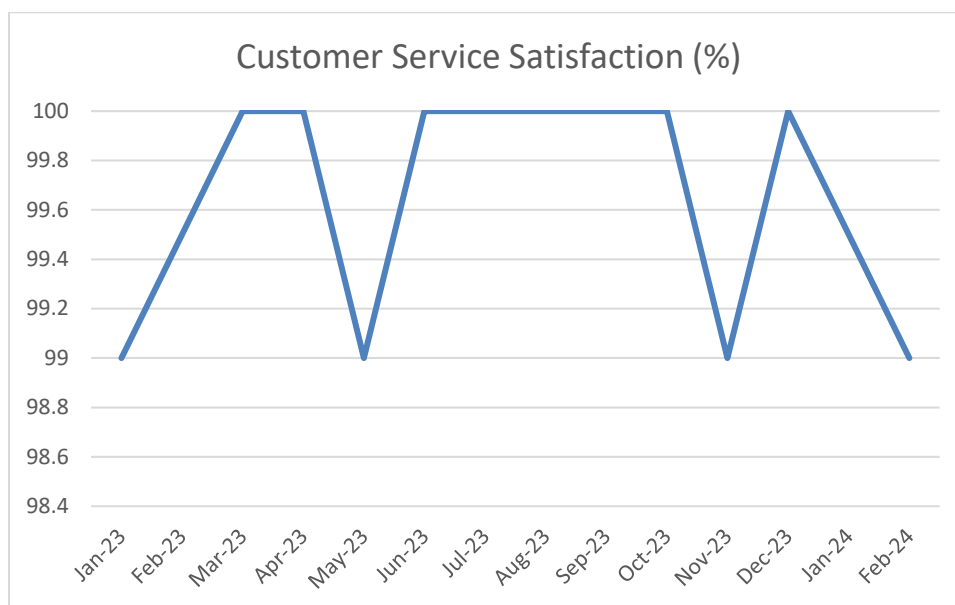
- Complete deployment of new website monitoring and attack prevention system. (\$20K savings)
- Deploy new phone system.
- Complete the deployment of the laptops.
- Complete conference room equipment upgrade.
- Shutdown the colocation backup center.
- Complete business continuity planning testing.

Our Mission: To provide secure retirement benefits and superior service.

NHRS Helpdesk Ticket Information by Month



NHRS Customer Satisfaction Scores by Month



Our Mission: To provide secure retirement benefits and superior service.

Division: Information Technology

Date: February 02, 2024

Approved: July 5, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Outsource security management to third-party provider.	JL	10/30/2023	Completed.
2. Upgrade networking infrastructure.	JL, JO	12/30/2023	Completed.
3. Perform and complete yearly staff permissions review.	JL	09/30/2023	Started.
4. Upgrade firewall hardware.	JL, JO	09/30/2023	Completed.
5. Replace desktops and laptops with new laptops.	JL, JV	06/30/2024	Ongoing. Deployment started for IT, call center and executive team.
6. Perform tasks associated with Pension Gold Version 3 (PGV3) implementation, as per contractual implementation schedule.	JL, TK, AS, JO	06/30/2024	Ongoing.
7. Move 80% of the production applications to the cloud.	JL, JO	06/30/2024	Ongoing. Backoffice systems and backups have moved to the cloud.
8. Move physical data center to new location.	JL, JO	11/30/2023	Completed.
9. Replace existing phone system with a cloud-based phone system.	JL	06/30/2024	Ongoing. Cutover to new phone system scheduled for mid-March.
10. Identify, enroll, and complete a professional development program.	JO	02/28/2024	Ongoing.
11. Replace the existing emergency generator.	JL, CM	08/30/2023	Completed.
12. Install fault-tolerant internet connection.	JL, JO	08/30/2023	Completed.
13. Identify and install an enterprise document management system.	JL	06/30/2024	Ongoing. Installation started. Phase I expected to complete in March.
14. Develop a secure Enterprise transmissions platform for all file transfers.	JO	06/30/2024	Completed.



To: Board of Trustees
From: Raynald Leveque, Chief Investment Officer
Date: January 31, 2024
Re: Investments Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- December Investment Committee (Committee) Meeting Recap:
 - Staff presented an update on the monthly performance of the public market asset classes of the NHRS, rebalancing, holdings, and the Work Plan.
 - The Committee unanimously approved contract renewals with Abel Noser (trading cost analysis) and Townsend (real estate advisory), each for two-year terms through December 31, 2025.
 - The Committee heard a presentation from private credit manager Sixth Street and unanimously voted to commit \$75 million to Sixth Street TAO Global, subject to contract and legal review.
- January Investment Committee (Committee) Meeting Recap:
 - Staff presented an update on the monthly performance of the public market asset classes of the NHRS, rebalancing, holdings, and the Work Plan.
 - The Committee was presented with a private market portfolio review by representatives of Callan, which included a discussion on performance, positioning, and renewal opportunities.
 - The Investment Committee received a semiannual real estate portfolio review from representatives of The Townsend Group (Townsend). They presented portfolio performance, allocation, and the implementation plan to align NHRS' real estate assets with the policy target allocation over the next two years.

Our Mission: To provide secure retirement benefits and superior service.

Previous Months Highlights

- Preliminary Performance for November 2023:

As of 11/30/2023	1 Month	Fiscal Year to Date	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net</u> Return	+5.02%	-0.40%	+4.91%	+6.27%	+7.44%	+6.96%
Policy Benchmark Return	+5.52%	+2.03%	+7.24%	+4.25%	+7.34%	+7.17%
Net Return Minus Benchmark (in basis points)	-50	-163	-232	+202	+10	-20

Source: Callan, NHRS

- KPM Performance for December 2023:
 - Six reported KPMs were achieved; Four are not applicable to December month reporting.
- Preliminary Performance for December 2023:

As of 12/31/2023	1 Month	Fiscal Year to Date	1-YR	3-YR	5-YR	10-YR
NHRS Total Fund <u>Net</u> Return	+3.84%	+4.26%	+11.11%	+6.18%	+8.91%	+7.20%
Policy Benchmark Return	+3.02%	+5.11%	+13.92%	+4.60%	+8.65%	+7.34%
Net Return Minus Benchmark (in basis points)	+82	-85	-281	+159	+26	-13

Source: Callan, NHRS

- KPM Performance for January 2023:
 - Eight reported KPMs were achieved; two are not applicable to January month reporting.

Upcoming Plans & Projects

- February Committee Meeting:
 - Staff will present an update on the monthly performance of the public market asset classes of the NHRS, holdings, and the Work Plan.
 - The Committee will consider a GP fund commitment to the private equity portfolio: H.I.G. Advantage Buyout Fund II. Representatives from H.I.G. will present to the Committee their mandate.
 - The Committee will receive the Calendar Year 2024 Alternative Investment Pacing Plan presentation from Callan.
 - The Committee will receive a Trading Cost Analysis presentation from Abel Noser.

Our Mission: To provide secure retirement benefits and superior service.

Securities Litigation Summary

Staff regularly monitors and participates in class action securities litigation to recover NHRS funds lost through investments in public securities. NHRS engages with our custodian bank to participate in standard US class action litigation (the current custodian is BNY Mellon). NHRS hired ISS in 2018 to provide litigation research and claims filing solutions for non-standard US class action and international securities litigation. The table below reports the annual historical recoveries for the NHRS.

Calendar Year	Amount
2005	\$ 624,261
2006	\$ 1,373,631
2007	\$ 2,410,390
2008	\$ 1,980,702
2009	\$ 1,972,216
2010	\$ 1,374,754
2011	\$ 550,324
2012	\$ 835,766
2013	\$ 310,321
2014	\$ 803,621
2015	\$ 627,131
2016	\$ 670,404
2017	\$ 1,280,969
2018	\$ 279,783
2019	\$ 675,406
2020	\$ 289,418
2021	\$ 483,889
2022	\$ 265,959
2023 through December 31	\$ 754,938
Total:	\$ 17,563,882

Source: BNY Mellon, ISS, NHRS, Northern Trust

Our Mission: To provide secure retirement benefits and superior service.

Division: Investments

Date: January 31, 2024

Approved: July 5, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Assure compliance with all relevant statutory and regulatory requirements.	CIO/IIC/BOT	06/30/24	No exceptions have been identified.
2. Complete Private Debt/Equity Work Plan for Calendar Year (CY) 2024.	CIO/IIC	02/31/24	Updated date of completion due to the Strategic Asset Allocation update.
3. Complete Real Estate Work Plan for CY 2024.	CIO/IIC	12/31/23	Completed in January 2024.
4. Maintain investment expenses within budget.	CIO/IIC	06/30/24	Investment expenses are within budget.
5. Implement rebalancing as necessary to address deviations from policy targets.	CIO/IIC/BOT	06/30/24	
9. Complete a review of the Strategic Asset Allocation and, if necessary, recommend an update to the Strategic Asset Allocation policy.	CIO/IIC/BOT	12/31/23	Completed in December 2023.
7. Identify, enroll, and complete a professional development program for the Investment team.	CIO	12/31/23	Completed in September 2023.
8. Conduct an internal review of the NHRS total plan portfolio.	CIO/IIC	03/31/24	On hold – Staff is deciding on pursuing either a build or buy solution for NHRS total plan data.
9. Complete a 5-yr Strategic Plan for the Investments division at NHRS for approval with the IIC and the BoT.	CIO/IIC/BOT	6/30/24	Updated date of completion.



To: Board of Trustees
 From: Nancy J. Miller
 Date: February 1, 2024
 Re: Member Services Operating Report
 Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Member Services navigated NHRS' first two months of retiree benefit payroll processing in our new PGV3 system.
- Managing issues that are found within the processing steps of PGV3 remains our top priority as we work closely with the NHRS System Administration team and LRS to identify, troubleshoot, report, and then test problem incident report (PIR) resolutions.
- Member Services works in multiple reoccurring weekly meetings to manage matters NHRS faces across the PGV3 platform: PGV3 Steering Committee, PGV3 NHRS roadmap and NHRS/LRS roadmap discussions along with weekly department meetings with LRS.

Current Months Highlights

- Member Services successfully established new retirement benefits for 189 members in December and January: our first two months working solely in PGV3.
- In December the Retiree Benefits team, in conjunction with PIO, carried out Insurance reporting training for our employers and third party administrators (TPAs). We continue to fine-tune some reports and functionality in this area, focusing primarily on work with HealthTrust and State DAS.
- Significant review and adjustment work was carried out by Member Benefits as we worked with NHRS Finance and LRS to prepare for the creation of 1099-Rs out of PGV3.
- Member Services has adjusted some of its KPMs to reflect the areas of expected delay in processing due to system issues and employer reporting challenges.

Upcoming Plans & Projects

- Significant training and testing efforts will be focused on the two areas of legislative change that NHRS must handle in the upcoming few months. One project area being the issuance of temporary supplemental allowance (TSA) payments using PGV3 and the even larger initiative of carrying out the "post 65 reduction corrections" that involve retroactive payment adjustments (V2) as well as the establishment of the fully functional calculations for future.
- Member Services will also be assisting in reviewing new processes regarding Employer Audit correction submissions from employers (will now be submitted via automated employer batch reporting).

NHRS New Retirement Applicants Placed on Payroll

	2024	2023	2022	2021	2020	2019
June		105	106	126	98	110
May		88	110	92	99	91
April		76	117	95	100	106
March		97	104	97	85	73
February		89	105	93	94	106
January	125	131	200	154	142	100
December	64	88	71	78	66	97
November	90	66	91	113	90	85
October	103	110	128	118	96	100
September	143	116	128	129	97	129
August	180	162	210	147	137	147
July	579	731	775	694	703	744
Total	1,284	1,856	2,145	2,063	1,888	1,799

NHRS Retirement Appointment Total by Month for Fiscal Year

	2024	2023	2022	2021	2020	2019
June		55	25	42	60	116
May		115	34	34	129	215
April		84	49	135	166	198
March		36	22	38	186	117
February		25	15	44	75	100
January	29	22	13	25	60	95
December	49	15	13	39	65	104
November	54	15	19	37	96	104
October	32	24	23	48	96	107
September	33	10	23	44	61	95
August	46	14	19	32	76	101
July	38	15	25	28	68	107
Total	281	430	280	546	1,138	1,459

Division: Member Services

Date: February 1, 2024

Approved: July 3, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Adhere to and complete PGV3 project plan milestones relative to all Member Services functions.	NM/MS/IT/ LRS	12/30/24	In progress.
2. Develop and implement PGV3 Employer Term Form audit process to confirm accuracy of employer reported data relative to benefit finalization. Target date will equal the formal elimination of Manual (paper) forms in the NHRS Benefit process.	Member Benefits/Finance/ LRS	7/30/24	
3. Create new member correspondences, internal workflows, accountabilities, and documented procedures relative to all 2023 legislative changes with impact to Member Services and benefit calculation functions. HB2 section 459-461.	MS/PIO/Legal/ Contact Center/ LRS	3/30/24 – TSA Post 65 Change – TBD based on LRS system changes	In progress.
4. Implement new and adjusted procedures for Retiree Death Case processing to realign NHRS collection procedures to include finance and legal.	MS Retirement Benefits/LexisNexis /Legal/Finance	6/30/24	
5. Identify and schedule MS Manager team training program.	MS Managers/HR/ Vendor	6/30/24	



To: Board of Trustees
 From: Marie A. Mullen, Director of Finance
 Date: February 1, 2024
 Re: Finance Operating Report
 Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- Status Update on PGV3 Finance deliverables:
 - Finance has moved to production in PGV3 and is continuing to monitor the system, identify enhancements and work through issues identified.
 - Our focus has been working with employers to ensure their reporting is submitted and posted, focusing on the employers that are delinquent.
 - Employer Reporting and PIO conducted training sessions for employers on annual retiree reporting in the new system.

Current Month Highlights – December and January

- The audit of the GASB 68 and 75 employer proportionate share reports are complete with unmodified opinions.
- Finance completed 5 of their 12 KPMs for December and 6 of their 12 for January. For December, two KPMs did not have deliverables for the month and 5 were suspended due to the PGV3 implementation. For January, one KPM did not have a deliverable for the month and 5 were suspended due to the PGV3 implementation.
- Over 45,000 1099-Rs were mailed to individuals in January and the annual 945 tax reporting was completed.
- FY24 cash flow through October 2023 was in line with anticipated cash flow.
- FY 24 spending through the first six months of the fiscal year is below budget.
- PGV3 project spending inception to date is below budget and FY24 is below the overall annual budget.

Upcoming Plans & Projects

- Annual employer Retiree Reporting of wages and hours by February 15.
- Restructuring of Finance Department.
- Begin work on identified internal and external audit improvements.
- Fiscal year 2025 Trust Fund Budget.
- Fiscal years 2026-2027 Administrative Operating Budget.
- Experience Study and Employer Rates for fiscal years 2026-2027.
- Continued improvements and enhancements to PGV3.

Our Mission: To provide secure retirement benefits and superior service.

Division: Finance

Date: 2/1/2024

Approved: 6/14/2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Perform tasks associated with PGV3 implementation, as per contractual implementation schedule.	MM/JT/JG/Finance Team/PGV3 Steering Committee	11/30/2023	Complete.
2. Work to convert any employers still paying by paper check to NHRS <i>QuickPay</i> or ACH payment through their own banking partner.	MM/JT/MK	06/30/2024	On hold. Focus is on employers that did not provide files during parallel.
3. Meet the implementation schedule associated with the PGV3 employer reporting rollout.	JT/MM/PIO	11/30/2023	Ongoing. Focus is on employers that did not provide files during parallel.
4. Manage & monitor expenditures to stay within the NHRS Trust Fund and statutory administrative budgets.	MM/JG/ E-Team	06/30/2024	Ongoing.
5. Strategic review of financial software and configuration to identify requirements to automate processes, improve reporting, and streamline financial analysis.	MM/JG	06/30/2024	
6. Enroll in and attend the CAPPP (Certificate of Achievement in Public Plan Policy) through IFEBP (International Foundation of Employee Benefit Plans).	MM	06/30/2024	



New Hampshire Retirement System
54 Regional Drive, Concord, NH 03301
Phone: (603) 410-3500 - Fax: (603) 410-3501
Website: www.nhrs.org - Email: info@nhrs.org

NHRS DASHBOARD: FY 2024 First Quarter

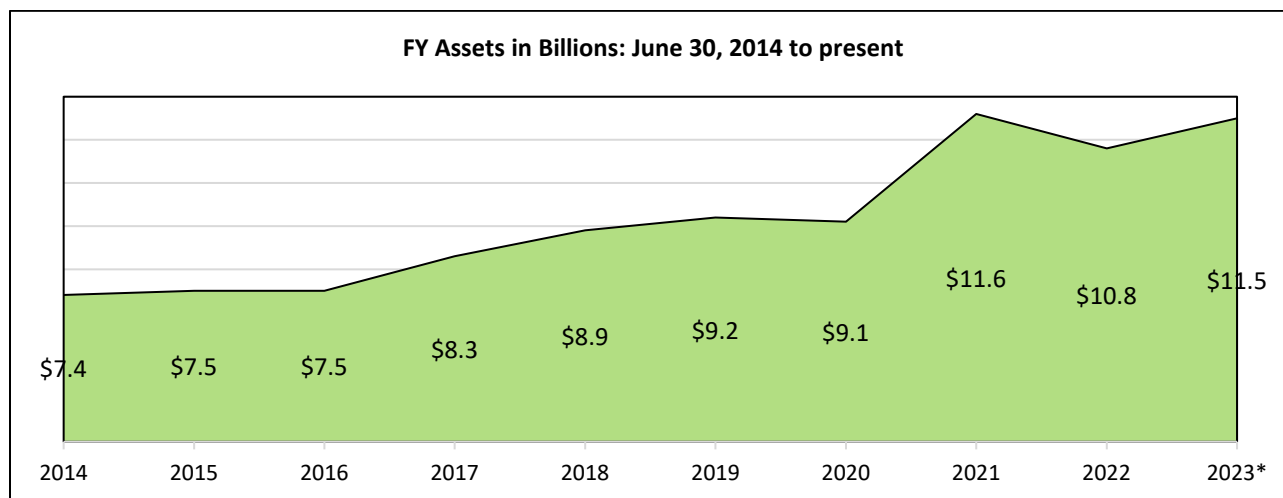
For the period July 1, 2023, to September 30, 2023

Updated: November 2023

TRUST FUND

1st Quarter FY 2023: \$10.3 billion

1st Quarter FY 2024: \$11.1 billion*



* Unaudited

INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 9/30/23*	1 yr. at 6/30/23	3 yr. at 6/30/23	5 yr. at 6/30/23	10 yr. at 6/30/23
Total Fund Composite	-2.5%	8.2%	9.6%	7.1%	7.9%
Peer comparison (percentile)	NA	33rd	22nd	30th	17th

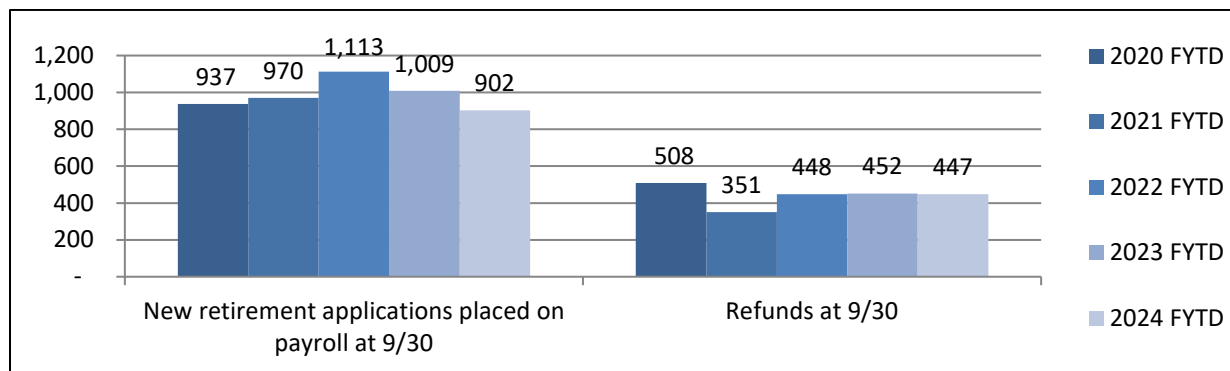
Assumed Rate of Return: 6.75%; * Annualized; valuation of real estate and alternative investments lagged three months.

KEY PERFORMANCE MEASURES

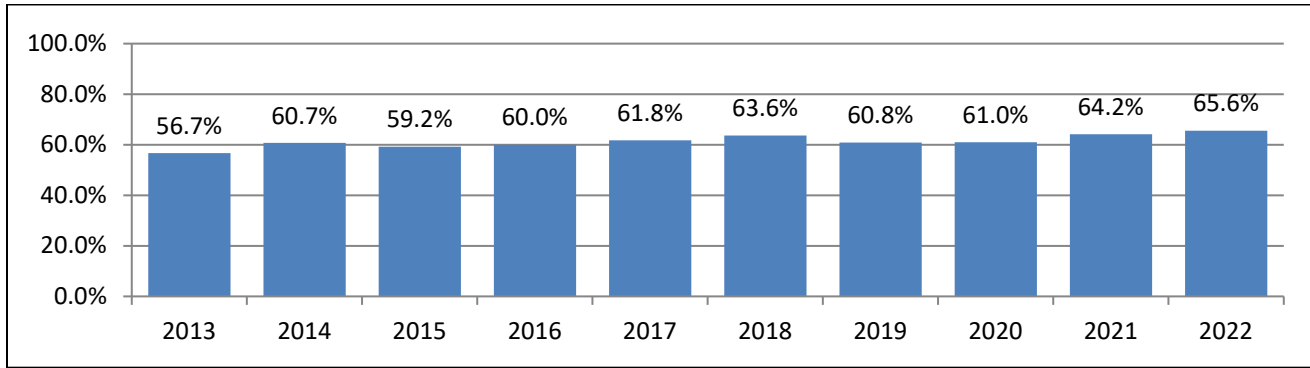
July 2023: 96.4%	August 2023: 94.9%	Sept. 2023: 98.8%	12-month rolling average: 96.6%
------------------	--------------------	-------------------	---------------------------------

Target: 95%

RETIREMENTS AND REFUNDS

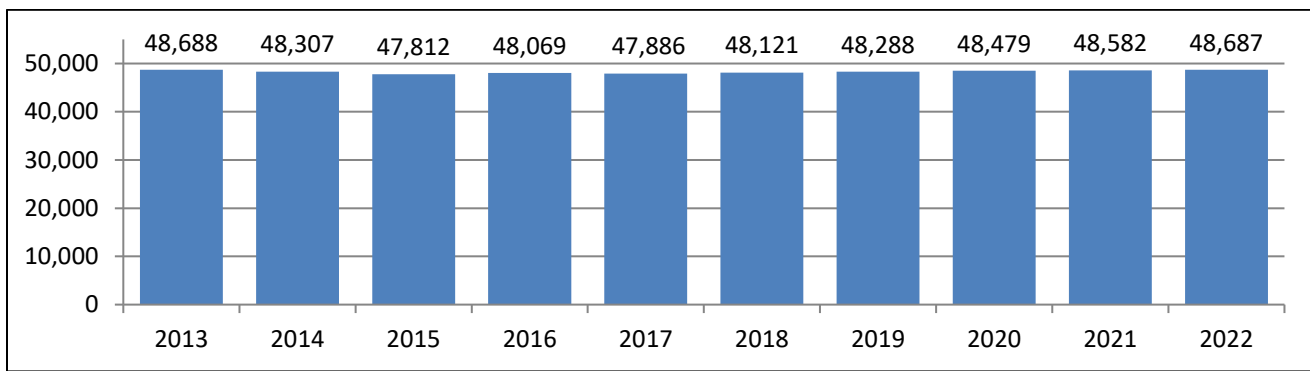


ACTUARIAL FUNDED RATIO

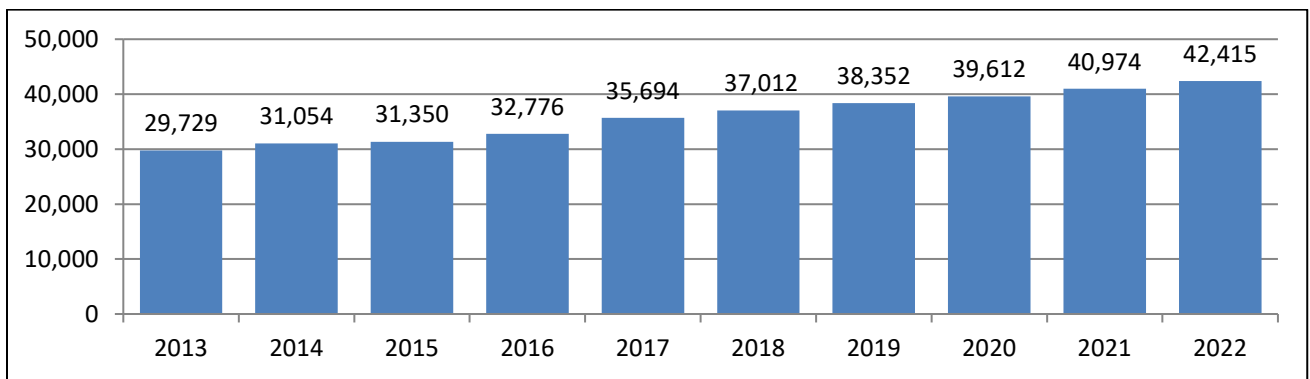


Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions effective in 2015 and 2019

ACTIVE MEMBERS



RETIREEES & BENEFICIARIES



Finance

February 13, 2024

CASH FLOW-Contributions & Benefits

Cash Basis (\$s in Millions)

Contributions	Oct-23	FY 2023 YTD	Oct-22	FY 2022 YTD
Employers	\$ 53.528	\$ 205.932	\$ 64.285	\$ 211.725
RSA from State of NH	\$ -	\$ 7.140	\$ -	\$ -
Members	\$ 22.503	\$ 83.376	\$ 25.244	\$ 83.109
Subtotal	\$ 76.031	\$ 296.448	\$ 89.529	\$ 294.834
Benefits				
Annuity & OPEB	\$ 85.602	\$ 341.709	\$ 93.697	\$ 341.295
Refunds & All Other	\$ 2.810	\$ 15.431	\$ 4.595	\$ 16.426
Subtotal	\$ 88.412	\$ 357.140	\$ 98.292	\$ 357.721
Total Cash Flow Gain/(Shortfall)	\$ (12.381)	\$ (60.692)	\$ (8.763)	\$ (62.887)

FY 2024 BUDGET vs. ACTUAL

Investments & Non-Investment Administrative Expenses

July 1, 2023 through December 31, 2023

	Total Budget	FY23 Balance Forward and Transfers	FYTD Budget	Actual	Difference
Investment					
Administrative Expenses					
Internal	\$ 1,339,670	\$ -	\$ 669,836	\$ 485,896	\$ 183,940
External (Manager & Custodial)	\$ 33,106,000	\$ -	\$ 16,553,000	\$ 13,862,551	\$ 2,690,449
Subtotal	\$ 34,445,670	\$ -	\$ 17,222,836	\$ 14,348,447	\$ 2,874,389
Non-Investment					
Administrative Expenses					
Internal (Statutory Administrative)	\$ 10,619,842	\$ 279,417	\$ 5,347,422	\$ 5,145,233	\$ 481,606
Pension Gold Version 3	\$ 2,383,600	\$ 955,621	\$ 1,191,800	\$ 2,406,884	\$ (259,463)
External (Actuary, Legal, Audit)	\$ 1,194,450	\$ -	\$ 597,225	\$ 424,609	\$ 172,616
Subtotal	\$ 14,197,892	\$ 1,235,038	\$ 7,136,447	\$ 7,976,726	\$ 394,759
Total Administrative Expense	\$ 48,643,562	\$ 1,235,038	\$ 24,359,283	\$ 22,325,173	\$ 3,269,148

				New Hampshire Retirement System Investment & Non-Investment Administrative Expenses			
				Budget vs. Actual			
				July 1, 2023 Through December 31, 2023			
				FY 2024			

		New Hampshire Retirement System						As of December 31, 2023	
		Pension Gold Version 3 Upgrade							
		Total Project Lifecycle							
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		INTERNAL COSTS							TOTAL PROJECT
		Additional Staffing Costs with benefits	Overtime	Current Expenses	Desktop PC's	Desks/Office Furniture	Travel	Subtotal Internal Costs	
1	2019 Budget	\$ 177,145	\$ -	\$ 40,858	\$ 2,644	\$ 2,363	\$ -	\$ 223,010	\$ 1,193,185
2	2019 Actual	\$ 155,718	\$ 3,115	\$ 1,442	\$ 2,644	\$ 2,363	\$ -	\$ 165,282	\$ 1,084,933
3	2019 Variance	\$ 21,427	\$ (3,115)	\$ 39,416	\$ -	\$ -	\$ -	\$ 57,728	\$ 108,252
4	2019 Comments								
5									
6									
7	2020 Budget	\$ 525,220	\$ 20,000	\$ 9,000	\$ 11,100	\$ 20,000	\$ 2,250	\$ 587,570	\$ 2,946,761
8	2020 BUD Update							\$ -	\$ (543,726)
9	2020 Adj Budget	\$ 525,220	\$ 20,000	\$ 9,000	\$ 11,100	\$ 20,000	\$ 2,250	\$ 587,570	\$ 2,403,035
10	2020 Actual	\$ 368,213	\$ 883	\$ 2,334	\$ -	\$ -	\$ -	\$ 371,430	\$ 2,114,074
11	2020 Variance	\$ 157,007	\$ 19,117	\$ 6,666	\$ 11,100	\$ 20,000	\$ 2,250	\$ 216,140	\$ 288,962
12	2020 Comments								
13									
14									
15	2021 Budget	\$ 624,041	\$ 20,000	\$ 9,000			\$ 2,250	\$ 655,291	\$ 2,952,202
16	2021 BUD Update							\$ -	\$ (782,531)
17	2021 Adj Budget	\$ 624,041	\$ 20,000	\$ 9,000	\$ -	\$ -	\$ 2,250	\$ 655,291	\$ 2,169,671
18	2021 Actual	\$ 374,098	\$ 12,842	\$ 1,009	\$ -	\$ -	\$ -	\$ 387,949	\$ 2,152,323
19	2021 Variance	\$ 249,943	\$ 7,158	\$ 7,991	\$ -	\$ -	\$ 2,250	\$ 267,342	\$ 17,348
20	2021 Comments								
21									
22									
23	2022 Budget	\$ 655,243	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 685,243	\$ 2,195,102
24	2022 BUD Update	\$ (55,316)					\$ 2,250	\$ (53,066)	\$ 46,414
25	2022 Adj Budget	\$ 599,927	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 2,250	\$ 632,177	\$ 2,241,515
26	2022 Actual	\$ 413,963	\$ 1,760	\$ 672	\$ -	\$ -	\$ -	\$ 416,395	\$ 1,547,068
27	2022 Variance	\$ 185,964	\$ 18,240	\$ 9,328	\$ -	\$ -	\$ 2,250	\$ 215,782	\$ 694,447
28	2022 Comments								
29									
30									
31	2023 Budget	\$ 688,005	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 718,005	\$ 2,007,239
32	2023 BUD Update	\$ (65,909)					\$ 2,250	\$ (63,659)	\$ 633,515
33	2023 Adj Budget	\$ 622,096	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 2,250	\$ 654,346	\$ 2,640,753
34	2023 Actual	\$ 504,240	\$ 263	\$ 741	\$ -	\$ -	\$ -	\$ 505,244	\$ 2,081,955
35	2023 Variance	\$ 117,856	\$ 19,737	\$ 9,259	\$ -	\$ -	\$ 2,250	\$ 149,102	\$ 558,798
36	2023 Comments								
37									
38									
39	2024 Budget	\$ 722,405	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 727,405	\$ 1,815,681
40	2024 BUD Update	\$ (129,805)	\$ 20,000	\$ 5,000			\$ 11,000	\$ (93,805)	\$ 1,523,540
41	2024 Adj Budget	\$ 592,600	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 11,000	\$ 633,600	\$ 3,339,221
42	2024 Actual	\$ 445,132	\$ 1,615	\$ 5,116	\$ -	\$ 89	\$ 1,867	\$ 453,819	\$ 2,406,884
43	2024 Variance	\$ 147,468	\$ 18,385	\$ 4,884	\$ -	\$ (89)	\$ 9,133	\$ 179,781	\$ 932,337
44	2024 Comments								
45									
46									
47	TOTAL Budget	\$ 3,392,059	\$ 80,000	\$ 83,858	\$ 13,744	\$ 22,363	\$ 4,500	\$ 3,596,524	\$ 13,110,169
48	TOTAL BUD Update	\$ (251,030)	\$ 20,000	\$ 5,000	\$ -	\$ -	\$ 15,500	\$ (210,530)	\$ 877,211
49	TOTAL Adj Budget	\$ 3,141,029	\$ 100,000	\$ 88,858	\$ 13,744	\$ 22,363	\$ 20,000	\$ 3,385,994	\$ 13,987,380
50	TOTAL Actual	\$ 2,261,364	\$ 20,478	\$ 11,315	\$ 2,644	\$ 2,452	\$ 1,867	\$ 2,300,119	\$ 11,387,237
51	TOTAL Variance	\$ 879,665	\$ 79,522	\$ 77,543	\$ 11,100	\$ 19,911	\$ 18,133	\$ 1,085,875	\$ 2,600,143
52	TOTAL Comments								
53									
54	Assumptions:								
55		No costs associated with PGV2 are included in this analysis							
56		PGV3 Support Costs are at the Standard rate (as opposed to premium)							
57		Implementation Costs detailed in each year's Adjusted Budget match the payment schedule in the LRS contract, and total the not-to-exceed amount							
58		The Adjusted Budget for Internal Costs reflects the amounts included in the FY22/23 statutory administrative budget.							
59		There are no costs for hardware that may be necessary at COLO included above							
60		Consulting costs in total are set at the not-to-exceed amount set in the contract with LRWL							
61		In FY24, additional staffing costs are increased 5% over FY23							



To: Board of Trustees
From: Rosamond Cain, Director of Human Resources
Date: February 1, 2024
Re: HR Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- NHRS is currently recruiting for two staff openings, Employer Reporting Specialist, and a Finance Analyst (FKA Finance Generalist).
- ADP produced the 2023 W-2s and 1094-C/1095-C forms, making life easier on HR.
- HR produced the 2023 Total Compensation Statements (sample attached).
- HR and the Management team reviewed and updated the NHRS Handbook. The PPCC will recommend the Board accept the changes.
- Our first all staff training since the pandemic is scheduled for the middle of April.

Current Highlights

- HR met all four KPMs for the past two months.
- The 2023 Succession planning that was postponed has been completed.
- HR is building the NHRS Employee Engagement Survey. The survey will be delivered electronically through ADP.
- Manager leadership coaching will resume in February for five of our middle managers.

Upcoming Plans & Projects

- All training manuals will need to be updated to reflect processing in PGV3. This project is expected to begin in January 2025.
- All position descriptions will need to be updated to reflect changes due to PGV3. This project is expected to begin in FY 25.
- The NHRS compensation program needs to be reviewed and updated. Time frame will be determined.

Our Mission: To provide secure retirement benefits and superior service.

Division: Human Resources (HR)

Date: February 1, 2024

Approved: July 1, 2023

FY 2024 Action Plan Summary

ACTION	PM	DATE	STATUS/COMMENTS
1. Plan, schedule, and present two trainings for our staff annual training plan.	RC/ED/ET/MT	6/30/2024	In process. First training scheduled for April 15 th and 17 th .
2. Maintain a management development program for middle managers and staff identified as possible managers.	RC/ED/ET/MT	6/30/2024	In process. Currently, have seven staff members pursuing a degree and we are working with five managers on their leadership development plans.
3. Create, implement, and maintain electronic onboarding utilizing the ADP software.	RC/Janet G.	6/30/2024	Complete- November 2023
4. Assist in monitoring and maintaining PGV3 staffing levels to keep the project on time and budget.	RC/ET/MT	6/30/2024	Continuing.
5. Monitor and maintain staffing levels for the NHRS Contact Center.	RC/ED/NC/DH	6/30/2024	Continuing.
6. Create, implement, and maintain electronic performance appraisals utilizing the ADP software.	RC/MT	6/30/2024	This project has started as of 9/15/2023
7. Ensure compliance with all federal, state and CBA rules and regulations.	RC/Janet G./ Legal	6/30/2024	Continuing.
8. HR Tech. to identify and enroll in a professional development program.	Janet G./RC	12/31/2023	Complete December 2023
9. HR Mgr. to identify, enroll in, and complete a professional development program.	RC/ED	12/31/2023	Complete December 2023



For Year Ending December 31, 2023
Your Total Compensation Report

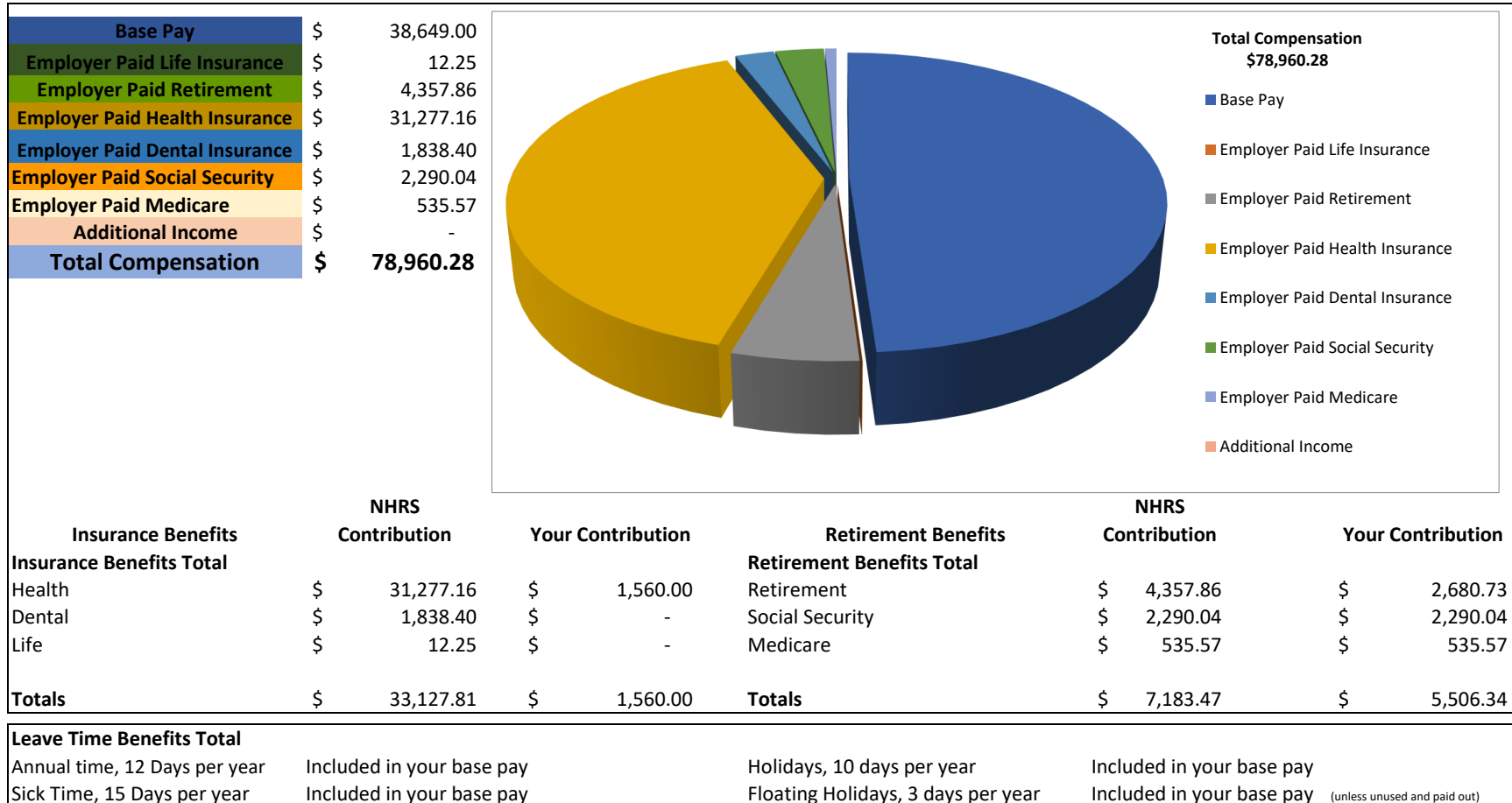
This is your personalized compensation statement which shows you the total value of the pay and benefits which you received from NHRS in 2023. It is sometimes easy to forget that our total compensation goes beyond what we see in our take home pay. We hope that this information provides you with a more complete picture of how we value your contribution to the organization. Your dedication and continued commitment to achieving our Mission of providing secure retirement benefits and superior service is sincerely appreciated, particularly in light of the unique challenges we all continued to face throughout 2023.

Sample Employee

Thank you for your one year of service to NHRS and its members, retirees and beneficiaries.

Date of Hire: Sample

Jan Goodwin, Executive Director



* Additional Income may or may not include FYB, FH and/or comp time payouts, stipend or longevity, ER paid Ret. normal cost is 2.58%. Totals may vary due to rounding.



To: Board of Trustees
From: Tim Crutchfield, Deputy Director and Chief Legal Counsel
Date: January 31, 2024
Re: Legal Team Operating Report
Item: Action: ☐ Discussion: ☐ Informational: ☒

Significant Developments and Priority Issues

- The 2024 Statement of Financial Interests forms for all Trustees and IIC members were provided to the Secretary of State's Office prior to the 1/19/24 deadline. Thank you to all of you for providing me your forms in a timely manner.
- The Employer Auditors are winding down their assistance to the Finance Team by reaching out to employers regarding the new reporting functions as part of the PGV3 transition.

Current Highlights

- Over the past 12 months, the Employer Audit Team has completed 18 standard and 23 GASB audits. There are eight standard audits in process.
- Legal achieved seven of its eight KPMs in each of the last two months. The one missed was due to the Employer Auditors assisting the Finance Team as noted above.
- 445 Gainful Occupation reports were mailed in early March. 436 have been returned and 433 of those have been processed.
- The annual revisions to the Governance Manual will be presented to the Board this month.

Upcoming Plans and Projects

- Legal and IT staff are expected to "go-live" next month with a new product to streamline the contract administration process initially, and then expand to other functional areas.
- The Legal team is drafting an RFP for IME services to present to the Benefits Committee and then the full Board in the first half of this year.

Our Mission: To provide secure retirement benefits and superior service.

Administrative Appeals

Prior 12 months	Total Cases on Appeal at start of the month	New Appeals	Closed Appeals	Total Cases on Appeal end of the month
Jan. '24	9	1	1	9
Dec. '23	9	1	1	9
Nov. '23	8	2	1	9
Oct. '23	6	2	0	8
Sept. '23	5	1	0	6
Aug. '23	6	1	2	5
July '23	6	1	1	6
June '23	6	0	0	6
May '23	7	0	1	6
April '23	7	0	0	7
Mar. '23	8	1	2	7
Feb. '23	10	1	3	8
Totals		11	12	

Disability Appeals

Prior 12 months	Total Cases on Appeal at start of the month	New Appeals	Closed Appeals	Total Cases on Appeal end of the month
Jan. '24	2	0	0	2
Dec. '23	2	0	0	2
Nov. '23	2	0	0	2
Oct. '23	2	0	0	2
Sept. '23	2	0	0	2
Aug. '23	2	0	0	2
July '23	2	0	0	2
June '23	2	0	0	2
May '23	2	0	0	2
April '23	2	0	0	2
Mar. '23	1	1	0	2
Feb. '23	1	0	0	1
Totals		1	0	

Our Mission: To provide secure retirement benefits and superior service.

Division: Legal/Compliance

Date: January 31, 2024
Approved: June 13, 2023**FY 2024 Action Plan Summary**

ACTION	PM	DATE	STATUS/COMMENTS
1. Assist in the PGV3 implementation.	TC	12/31/23	In process.
2. Conduct and document annual review of NHRS legal and governance policies, procedures, and manuals to assure best practices.	TC/MC	12/31/23	In process; Governance Manual annual revisions to the Board 2/13/24.
3. Update the annual compliance calendar to ensure statutory compliance in all organizational areas.	TC	12/31/23	Completed.
4. Ensure annual compliance with the Voluntary Correction Program Policy.	TC	3/31/24	Scheduled for early 2024.
5. Assure legal compliance with all legislative proposals adopted and effective in 2023.	TC	6/30/24	In process.
6. Review NHRS website for legal compliance with updates as needed.	TC/MK	6/30/24	In process.
7. Identify, enroll, and complete a professional development program.	TC	6/30/24	

**New Hampshire Retirement System
Board Meeting**

**Consent Agenda
Tuesday, February 13, 2024**

Modification Request

1. S. Harms – Town of Hampstead

Administrative Recommendation

2. S. Stokes Recommend that the Board of Trustees waive the Petitioner's 2024 gainful occupation offset for excess earnings in 2022.

Trustee Travel

No Travel Requests Submitted



NHRS

New Hampshire Retirement System

To: Board of Trustees
 From: Jan Goodwin, Executive Director
 Date: January 31, 2024
 Re: December 12, 2023 - Action Items
 Item: Action: ☐ Discussion: ☐ Informational: ☒

- | | |
|---|----|
| 1. Obtain the unmodified opinion letter from Plante Moran.
Action: Completed. | MM |
| 2. Distribute ACFR and CAIR per statute.
Action: Completed. | MK |
| 3. Present the annual Governance Manual revisions to the Board in February.
Action: On the February agenda. | MC |
| 4. Finalize the PGV3 addendum re: Change Requests.
Action: Held in abeyance pending review of additional contract provisions. | TC |
| 5. Implement Board decisions on the Consent Agenda.
Action: Completed. | DC |

Our Mission: To provide secure retirement benefits and superior service.

BOARD CHECKPOINT DISCUSSION



New Hampshire Retirement System
54 Regional Drive, Concord, NH 03301
Phone: (603) 410-3500 - Fax: (603) 410-3501
Website: www.nhrs.org - Email: info@nhrs.org

TO: Senator Howard Pearl, 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 – January 1, 2024

Dear Senator Pearl 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 December 31, 2023:

- For the Fiscal Year (FY) that ended June 30, 2023, NHRS realized an 8.2% return on investments. The three-year, five-year, 10-year, and 25-year returns for the periods ended June 30, 2023, were 9.6%, 7.1%, 7.9%, and 6.5%, respectively. All returns are net of fees. The retirement system's assumed rate of investment return is 6.75%.
- The FY 2023 NHRS funded ratio – the actuarial value of assets divided by the projected value of future benefits – is 67.2%, up from 65.6% in FY 2022. The retirement system's unaudited net position held in trust was \$11.51 billion, an increase of approximately \$750 million from the prior fiscal year, which stood at \$10.75 billion.
- The Board voted unanimously in December to accept the recommendation of the Independent Investment Committee (IIC) to modify the fund's asset allocation, reducing the allocation to global equities from 50% to 40%, increasing the allocation to private credit by 5%, allocating 5% to private infrastructure, a new asset category for NHRS which is expected to reduce volatility and provide steady cash flows. The change was made after months of review and due diligence by NHRS investment staff, our external investment consultant, and the IIC. These allocation changes will be phased in, as appropriate, over a multi-year timeframe beginning July 1, 2024.
- The upgrade of the NHRS pension administration system ("PGV3"), which began in January 2019, reached a major milestone this quarter with the transition to the new system in late November.
- Fourteen LSRs related to the retirement system have been introduced, 11 in the House and three in the Senate.
- Trustees in December voted to accept the Annual Comprehensive Financial Report (ACFR) and Comprehensive Annual Investment Report (CAIR) for the fiscal year ended June 30, 2023.
- NHRS was recognized by the Government Finance Officers Association for excellence in financial reporting for its 2022 ACFR.

In addition to this cover letter, the report contains:

- An executive summary of NHRS Board and staff activity from October through December.
- The minutes of the following Board meetings: October 12, 2023; November 14, 2023; December 12, 2023 (draft).
- Final FY 2023 investment performance information.
- Investment information on Total Fund performance through September 30, 2023, which is the most recent quarterly data available.

- Monthly investment information through October 31, 2023, which is the most recent data available.
- The asset allocation recommendation provided to the Board in December.
- Quarterly Investment Compliance Notice to the Legislative Budget Assistant.
- A list of 2024 bills related to the retirement system.

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

Respectfully,

A handwritten signature in blue ink, appearing to read "J Goodwin".

Jan Goodwin
Executive Director

cc: Office of Governor Christopher Sununu

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

October 10, 2023, to December 12, 2023

At the October 10, 2023, regular monthly meeting of the NHRS Board of Trustees, the Board was briefed on the start of parallel processing on October 9, a major milestone in the retirement system's multi-year pension administration system upgrade project (PGV3), which is replacing the current decades-old system (PGV2).

Executive Director Jan Goodwin explained that prior to parallel, NHRS was operating in a 10-day blackout period – which prevented staff from using PGV2 or PGV3, and blocked employers from using the Data Reporting System (DRS) to report to NHRS – while LRS converted 378 million records from PGV2 into PGV3.

Representatives from Callan, the retirement system's investment consultant, presented their long-term capital market assumptions to the Board. This presentation was part of an assessment of NHRS's strategic asset allocation review, which will be presented to the Board at a future meeting.

The Board received an update from NHRS legal staff on the Private Letter Ruling (PLR) request to the IRS pertaining to 2021 legislation regarding the medical subsidy payment process. The IRS declined to make a ruling on the matter after months of inquiries and NHRS providing requested information. As a result, there will be no change to the current order of the medical subsidy payment process without further legislation. NHRS will notify the state that there was no ruling.

Deputy Director and Chief Legal Counsel Tim Crutchfield discussed the possible delegation of the Consent Agenda for approved disability applications to the Benefits Committee to accommodate the Board's new bi-monthly meeting schedule starting in 2024. He conveyed that the legal department had reviewed the statute and consulted with Groom Law, the NHRS outside fiduciary and tax counsel, on what actions are permissible for the Board relative to delegating duties to subcommittees. Groom Law confirmed that the Board has the authority to delegate pursuant to its general powers of administration under RSA 100-A:14.

At the November 14, 2023, regular monthly meeting, the Board received final investment performance data as of June 30, 2023. The total fund net return for Fiscal Year (FY) 2023 was 8.2%. The three-year, five-year, 10-year, and 25-year returns for the periods ended June 30, 2023, were 9.6%, 7.1%, 7.9%, and 6.5%, respectively. All returns are net of fees. The retirement system's assumed rate of investment return is 6.75%.

Representatives from GRS, the retirement system's consulting actuary, presented a comprehensive overview of GRS, its actuarial process specific to the NHRS benefit plan, and a new reporting requirement under the Actuarial Standards of Practice which will be included in the next actuarial valuation.

Attorney David Levine of Groom Law Group presented an overview of Trustees' fiduciary duties. Attorney Levine explained the retirement system's legal requirements, the fiduciary framework, and discussed current events.

The Board voted to accept the recommendation of the Governance Committee to approve the revisions to the Benefits Committee Charter authorizing the delegation of initial disability applications to the Benefits Committee, as presented.

At the December 12, 2023, regular monthly meeting the Board voted unanimously to accept the recommendation of the Audit Committee to approve and accept the Annual Comprehensive Financial Report for FY 23, pending receipt of the unmodified opinion letter from independent auditor Plante Moran.

The Board also voted unanimously to approve and accept the Comprehensive Annual Investment Report for FY 23 as prepared and approved by the Independent Investment Committee.

The Board voted unanimously to accept the recommendation of the Independent Investment Committee (IIC) to modify the fund's asset allocation, reducing the allocation to global equities from 50% to 40%, increasing the allocation to private credit by 5%, allocating 5% to private infrastructure, a new asset category for NHRS which is expected to reduce volatility and provide steady cash flows. The change was made after months of review and due diligence by NHRS investment staff, our external investment consultant, and the IIC. These allocation changes will be phased in, as appropriate, over a multi-year timeframe beginning July 1, 2024.

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>

CY 2024 BOARD ACTION CALENDAR

DECEMBER 2023

Date	Board Action Item	Requirement	Responsible Party
12/12/23	Approve 2023 Annual Comprehensive Financial Report (ACFR)	RSA 100-A:15, VI	Trustees & Audit Committee
12/12/23	Recommend Update to the Strategic Asset Allocation	RSA 100-A:15, VII(c)(2)	IIC & Investments
12/12/23	Statement of Financial Interests due 3 rd Friday in January	RSA 15-A	Trustees & IIC Members
12/12/23	Annual Ethics Survey Results	Ret. 401	Legal

JANUARY 2024 – No Meeting

FEBRUARY

Date	Board Action Item	Requirement	Responsible Party
2/13/24	Board and Audit Committee approval of FY23 GASB 68/75 Reports	Best Practice	Board of Trustees
2/13/24	Annual Governance Manual revisions	Best Practice	Board of Trustees
2/13/24	Presentation of Capital Markets Assumptions	Best Practice	Investments
2/13/24	Quarterly IIC Report (Incl Inv. Fees and Sole Interest Statement)	RSA 100-A:15, II-a(c)	IIC
2/13/24	Trustee Education	Best Practice	ED
2/13/24	BCP Testing Report	Best Practice	ED
2/13/24	Initiate Review of Strategic Plan - PAA	Best Practice	Board of Trustees
2/13/24	Confirm quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns and Sole Interest Statement were submitted.	RSA 100-A:14, VII-a & RSA 100-A:15, II-a(c) & VIII(b)	ED

MARCH – No Meeting

APRIL

Date	Board Action Item	Requirement	Responsible Party
4/1/24	Confirm quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns and Sole Interest Statement were submitted.	RSA 100-A:14, VII-a & RSA 100-A:15, II-a(c) & VIII(b)	ED
4/9/24	Approve the Strategic Plan	Best Practice	Board of Trustees

MAY – No Meeting**JUNE**

Date	Board Action Item	Requirement	Responsible Party
6/11/24	Review and Approve annual Trust Fund Budget (non-statutory portion)	Best Practice	Board of Trustees
6/11/23	Review and Approve Experience Study and Actuarial Assumptions	RSA 100-A:14, X	Board of Trustees
6/11/24	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c)	IIC

JULY – No Meeting**AUGUST**

Date	Board Action Items	Requirement	Responsible Party
8/13/24	Annual IIC Real Estate update to the Board	Best Practice	IIC
8/13/23	Review and Approve Biennial Administrative Budget	RSA 100-A:14, XIII	Board of Trustees
8/13/24	Review and Approve Actuarial Valuation and Rate Certification	RSA 100-A:14, X	Board of Trustees
8/13/24	Office of Foreign Asset Control (OFAC) Compliance Report	Best Practice	Board of Trustees
8/13/24	Working After Retirement Report	Best Practice	Board of Trustees
8/13/24	Confirm quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns and Sole Interest Statement were submitted.	RSA 100-A:14, VII-a & RSA 100-A:15, II-a(c) & VIII(b)	ED

SEPTEMBER – No Meeting**OCTOBER**

Date	Board Action Items	Requirement	Responsible Party
10/1/24	Confirm quarterly report to chairpersons of House & Senate ED&A Committees describing recent Board actions including any changes to actuarial assumptions and investment returns and Sole Interest Statement were submitted.	RSA 100-A:14, VII-a & RSA 100-A:15, II-a(c) & VIII(b)	ED
10/8/24	Gainful Occupation Report	RSA 100-A:6, III(b)	Board of Trustees
10/8/24	Review charters for Board Committees	Governance Manual	Appropriate Board Committee
10/8/24	Annual Board Fiduciary Education	Best Practice	Board of Trustees
10/8/23	Annual Independent Medical Examiner (IME) Review	IME Policy	Board of Trustees
10/8/24	Set Board of Trustees meeting schedule for next calendar year	Governance Manual	Board of Trustees
10/8/24	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC
10/8/24	Call Firefighter Report	Best Practice	Board of Trustees

NOVEMBER – No Meeting**DECEMBER**

Date	Board Action Items	Requirement	Responsible Party
12/10/24	Audited ACFR to Audit Committee and Board for approval	RSA 100-A:15, VI(a)	External Auditor
12/10/24	Audit Committee recommends that the Board approve the audited ACFR	RSA 100-A:15, VI(a)	Board of Trustees
12/10/24	RSA 15-A Statement of Financial Interests Reminder – due 3 rd Fri. in Jan	RSA 15-A	Board of Trustees
12/10/24	The IIC recommends that the Board approve the CAIR	RSA 100-A:15, VII	Board of Trustees
12/10/24	Present annual ethics survey results	Ret. 401	Legal
12/10/24	Quarterly IIC Report (Incl Inv. Fees)	RSA 100-A:15, II-a(c) & VIII(b)	IIC
12/31/24	Deadline for issuing member statements for fiscal year ending 6/30/24	RSA 100-A:14, XI	Board of Trustees
12/31/24	ACFR and CAIR delivered per statute	RSA 100-A:15, VI(c)	PIO

**NHRS Board of Trustees
Committee Membership List
as of February 2024**

Committee	Audit	Benefits	Governance	Legislative	PPCC	Investment
Staff Liaison	Heather Hoffacker	Timothy Crutchfield/ Nancy Miller	Timothy Crutchfield	Marty Karlon	Rosamond Cain	Raynald Leveque
Frederick, Jon		X	X	X		
Hannan, Sue				X	X-Ch	
Henry, Jason	X	X				
Kelliher, Maureen	X					X-Ch
VACANT						
Maloney, Robert			X		X	
Martineau, Andrew		X		X		
Martins, Germano	X	X-Ch				
Merrifield, Ken				X-Ch	X	
Mezzapelle, Monica	X-Ch		X			
Provost, Paul			X			X
Quigley, Joshua				X	X	
Roy, Donald		X	X-Ch			
TOTAL MEMBERS	4/5	5/5	5/5	5/5	4/5	2/6*

*Per RSA 100-A:14-b,I, the Independent Investment Committee shall consist of not more than 6 members, and up to 2 of whom shall be Trustees.

**New Hampshire Retirement System Board of Trustees
As of January 1, 2024**

Jon Frederick, Jaffrey
September 21, 2022, to September 5, 2025
NH Municipal Association

Sue Ellen Hannan, Derry
July 27, 2018, to July 1, 2021
NH Education Association

Jason M. Henry, Brentwood
May 17, 2023, to July 13, 2025
Association of Counties

Maureen Kelliher, Dover
June 18, 2014, to July 13, 2025
Non-member Trustee

Robert Maloney, Holderness
July 27, 2018, to July 13, 2024
Non-member Trustee

Andrew Martineau, Bow
December 18, 2020, to July 1, 2024
NH State Permanent Firemen's Association

Germano Martins, Hooksett
August 18, 2021, to July 1, 2024
State Employees' Association

Kenneth Merrifield, Franklin
March 24, 2021, to July 13, 2025
NH State Employer

Monica Mezzapelle, Concord
January 6, 2021, to January 7, 2025
State Treasurer

Paul Provost, Concord
November 2, 2022, to November 2, 2025
Non-member Trustee

Joshua Quigley, Bedford
October 19, 2022, to July 1, 2024
NH Police Association

Donald M. Roy, Jr., North Hampton
July 13, 2011, to July 13, 2025
NH School Boards Association

Vacant - Non-member Trustee

**Educational Seminars for Board Members,
as of February 6, 2024**

Sponsor	Program	Description
(IFEBP) Int'l Foundation of Employee Benefit Plans www.ifebp.org	Certificate of Achievement in Public Plan Policy (CAPPP) Pensions Part I and II* July 30 – August 2, 2024 Boston, MA <i>*(Completion of Part I and Part II, along with a take-home exam, are required to earn a CAPPP in pensions.)</i>	<ul style="list-style-type: none"> ▪ For all-level Trustees. ▪ Pension-related topics include actuarial principles, fiduciary responsibility, governance, legal, legislative, & regulatory developments. ▪ Gain comprehensive knowledge of public employee plan management and learn targeted information to aid in policy- making decisions.
(NASRA) National Association of State Retirement Administrators www.nasra.org	NASRA Winter Meeting February 24-26, 2024 Washington, DC	<ul style="list-style-type: none"> ▪ Primarily for Executive Directors, but some Trustees attend. ▪ Discussions and presentations in the round and an overview of federal legislative and regulatory affairs.
(CII) Council of Institutional Investors www.cii.org	CII Spring Conference & 40th Anniversary Celebration March 4-6, 2024 Washington, DC	<ul style="list-style-type: none"> ▪ Agenda TBD.
(NCPERS) National Conference on Public Employee Retirement Systems www.ncpers.org	2024 NCPERS Accredited Fiduciary (NAF) & Trustee Educational Seminar (TEDS)* May 18-19, 2024 Seattle, WA <i>*(Runs concurrently with the Annual Conference & Exhibition (ACE), and registration opens in January)</i> Modules 1 & 2, 3 & 4 <i>**Trustees who wish to earn their NCPERS Accredited Fiduciary (NAF) accreditation take TEDS first.</i>	<ul style="list-style-type: none"> ▪ For Trustees with at least five years of experience. Trustee Education Seminar (TEDS) is a pre-requisite. ▪ Earn continuing education credits. ▪ Strengthen knowledge of pensions and governance. ▪ Topics include investing principles, understanding actuarial science, board policies and fundamental concepts.

Sponsor	Program	Description
<p>(NCPERS)</p> <p>National Conference on Public Employee Retirement Systems www.ncpers.org</p>	<p>2024 Annual Conference & Exhibition (ACE) May 19-22, 2024 Seattle, WA</p>	<ul style="list-style-type: none"> ▪ Good for new and experienced Trustees, administrators, public pension plan members, staff, local officials, and financial and union officers. ▪ The new Trustees session occurs immediately before the conference.
<p>(NCTR)</p> <p>National Council on Teacher Retirement www.nctr.org</p>	<p>NCTR's 24th Annual Trustee Workshop July 21-24, 2024 Berkeley, CA</p>	<ul style="list-style-type: none"> ▪ Good for new and experienced Trustees. ▪ Workshop sessions.

NHRS Abbreviations and Acronyms

BENEFITS

ADR	= Accidental Disability Retirement (job-related)
AFC	= Average Final Compensation
COB	= Compensation over base pay
COLAs	= Cost of Living Adjustments
EDD	= Electronic Direct Deposit
ESDP	= Extra or Special Duty Pay
GI/GII	= Group I (Employee, Teacher) / Group II (Police, Fire)
GO	= Gainful Occupation
IME	= Independent Medical Examiner/Examination
ODR	= Ordinary Disability Retirement (non-job-related)
QDRO	= Qualified Domestic Relations Order
Tier A	= Members vested prior to 1/1/12
Tier B	= Members in service prior to 7/1/11 but not vested prior to 1/1/12
Tier C	= Members hired on or after 7/1/11
TPS	= Treating Physician's Statement
TSA	= Temporary Supplemental Allowance (a one-time retiree payment)

BUSINESS OPERATIONS/VENDORS

APs	= Action Plans
DRAPP	= Data Risk Assessment Project Plan
GRS	= Gabriel, Roeder, Smith & Co (NHRS actuary)
KPMs	= Key Performance Measures
LRS	= Levi, Ray and Shoup, Inc. (PensionGold vendor)

PM	= Plante Moran (NHRS external auditor)
PPM	= Policy and Procedure Manager (database software system for NHRS policies/procedures)
PIP	= Process Improvement Program

GENERAL

ACFR	= Annual Comprehensive Financial Report
AU	= Audit
BOT	= Board of Trustees
CAIR	= Comprehensive Annual Investment Report
EE	= Employee
ER	= Employer
FA	= Facilities
HB 2	= House Bill 2 (2011 version, which made major changes to NHRS benefits)
IIC	= Independent Investment Committee
JLMC	= Joint Loss Management Committee (a.k.a. Safety Committee)
MS	= Member Services
NHRS	= New Hampshire Retirement System
OPEB	= Other Post-Employment Benefits (i.e. Medical Subsidy)
PIO	= Public Information Office(r)
PPCC	= Personnel, Performance and Compensation Committee
P. Sub (or “subs”)	= Political Subdivision (i.e. any NHRS employer other than the state)
RTK	= Right to Know request
SAU	= School Administrative Unit
SD	= School District
UAAL	= Unfunded Actuarial Accrued Liability

IT

CO-LO	= Co-location site for backup servers
DRS	= NHRS Data Reporting System (employer portal)
PG	= Pension Gold (current pension application from LRS)
PGV3	= Pension Gold Version 3 project

LEGISLATIVE

ED&A	= House (or Senate) Executive Departments and Administration Committee
HB	= House Bill
ITL	= Inexpedient to Legislate
JLCAR	= Joint Legislative Committee on Administrative Rules
LOB	= Legislative Office Building
LSR	= Legislative Services Request (a request to draft a bill)
OTP	= Ought to Pass
SB	= Senate Bill
SH	= State House
VV	= Voice Vote

OTHER

BCCRR	= Boston College Center for Retirement Research
COB	= Close of Business
EOB	= End of Business
GASB	= Governmental Accounting Standards Board
G&C	= Governor & Executive Council
JRP	= Judicial Retirement Plan (not affiliated with NHRS)

NASRA	= National Association of State Retirement Administrators
NCPERS	= National Council on Public Employee Retirement Systems
NCTR	= National Council on Teachers Retirement
NIRS	= National Institute for Retirement Security