



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 – April 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 March 31, 2024:

- Fourteen bills related to the retirement system were introduced in 2024, five of which remain active in the House or Senate. In addition, two of seven retained 2023 bills remain active.
- The Board unanimously voted in February to oppose on fiduciary grounds three bills related to the management of NHRS investments. All three bills have been killed.
- Maureen Kelliher of Dover was appointed by the Governor in January to chair the NHRS Board of Trustees. A public member of the Board since January 2014 and formerly the Board's vice chair, she replaced Tim Lesko, who resigned when he moved out of state.
- Christine Clinton of Dublin was elected chair of the NHRS Independent Investment Committee (IIC) in February. A public member of the IIC since January 2018, she replaced Trustee Kelliher as IIC chair.
- The Board unanimously voted in February to accept the June 30, 2023, GASB Statements 68 and 75 Reports. The reports, which detail the proportionate share of unfunded pension and OPEB (medical subsidy) liabilities for participating employers, will be used by employers to prepare financial statements in accordance with Governmental Accounting Standards Board requirements.

In addition to this cover letter, the report contains:

- The draft minutes of the February 13, 2024, Board meeting.
- Investment information on Total Fund through December 31, 2023, which is the most recent data available.
- Monthly investment information through February 29, 2024, which is the most recent data available.
- Quarterly Investment Compliance Notice to the Legislative Budget Assistant.
- A tracker of NHRS-related legislation as of March 27, 2024.

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

Respectfully,

Jan Goodwin
Executive Director

cc: Office of Governor Christopher Sununu

NHRS Board of Trustees

DRAFT Minutes – February 13, 2024

Note: These **draft** minutes from the February 13, 2024, Public Session are subject for approval at a subsequent Board of Trustees meeting.

Board of Trustees

February 13, 2024

DRAFT Public Minutes

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

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

* Participating remotely. Because some Trustees were participating remotely, all votes were by roll call.

Staff: *Jan Goodwin, Executive Director; Timothy Crutchfield, Deputy Director and Chief Legal Counsel; Rosamond Cain, Director of Human Resources; Marty Karlon, Director of Communications & Legislative Affairs; John Laferriere, Director of IT; Raynald Leveque, Chief Investment Officer; Nancy Miller, Director of Member Services; 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.*

Guest: *Dan Doonan, NIRS Executive Director.*

Chair Maureen Kelliher called the February 13, 2024, regular meeting of the NHRS Board of Trustees to order at 10:00 a.m.

A quorum was established and Chair Kelliher called for a vote to approve the minutes of the December 12, 2023, Board meeting. On a motion by Trustee Henry, seconded by Trustee Mezzapelle, the Board voted unanimously to approve the meeting minutes, with Trustee Maloney not present.

Trustee Mezzapelle provided the Audit Committee report, noting the Committee met this morning prior to the Board meeting. She stated the Committee heard internal audit updates and management resumed responding to all outstanding audit committee findings, following a postponement due to work on PensionGold Version 3 (PGV3) implementation. Many findings have been addressed and all outstanding items on the Audit Tracker continue to make progress. She reported that an audit of Form ADV and other regulatory disclosures required to be submitted to NHRS were audited with no audit findings. A test of the Business Continuity Plan will be conducted in March. An update on the status of the data security assessment was provided, finding that all issues have been addressed and improvements will continue to be implemented in PGV3. In closing, Trustee Mezzapelle noted that Finance

presented the results of the GASB 68 & 75 audits, which are reports on the schedule of employer allocations of pension amounts by each employer's proportionate share. The external auditors issued unmodified opinions for both reports, which the Committee voted unanimously to recommend the Board accept. On a motion by Trustee Henry, seconded by Trustee Roy, the Board voted unanimously to accept the recommendation of the Audit Committee to accept the June 30, 2023, GASB 68 & 75 Statement Reports as presented. Trustee Maloney was not present for the vote but arrived shortly thereafter.

Trustee Roy provided the report of the Governance Committee, which met on January 9, 2024, with four members participating, and discussed the annual Governance Manual review, and the System's annual fiduciary insurance renewal. He provided a review of the insurance renewal process, concluding that the Committee voted unanimously to renew its current coverage with the incumbent carrier, Hudson Insurance, with the same conditions and at the same premium as last year. The Committee also discussed the annual review of the Governance Manual updates, which the Committee voted unanimously to recommend to the Board. On a motion by Trustee Mezzapelle, seconded by Trustee Henry, the Board voted unanimously to accept the recommendation of the Governance Committee to approve the annual revisions to the Governance Manual, as presented.

Trustee Kelliher gave her report on the January 9, 2024, Independent Investment Committee (IIC, Committee) meeting. The Committee heard from Chief Investment Officer Raynald Leveque, who provided an update on investment returns through recent time-periods, referring to Callan's November 30, 2023, review. He reported on holdings within the NHRS portfolio, and confirmed all asset allocations were in their approved ranges. Mr. Leveque next updated the Committee on total fund liquidity, the System's Russian holdings, and the Work Plan. The Committee unanimously voted to accept the Work Plan. The Committee heard a presentation from Callan regarding the System's Private Market Portfolio. They discussed performance over various periods, and the portfolio's current positioning. Representatives from Townsend, the System's real estate manager, then discussed the program's progress, including the portfolio's adherence to guideline guidance and the goals established at the beginning of calendar year (CY) 23.

Trustee Kelliher turned to Mr. Leveque who reported on the NHRS performance as of December 31, 2023. Mr. Leveque remarked on the long-term performance of the Total Fund for 3, 5, and 10 years, noting it continues to do well relative to the policy benchmark. He provided a calendar year-to-date overview of the System's portfolio performance, highlighting the positive returns in fixed income, real estate, private debt, and private equity. The Plan is currently at \$11.8 billion. A brief discussion ensued on portfolio allocation's impact on meeting targets for reported returns. Regarding the FY 23 proxy voting summary report, Mr. Leveque commented that NHRS had 14,833 proposals and the System aligned with its voting policy 100%, without issues, according to ISS (Institutional Shareholder Services), NHRS's third-party proxy voting service provider. Mr. Leveque mentioned in closing that the System has begun posting its proxy voting summary on the NHRS website under the Investments section, providing increased transparency to stakeholders and beneficiaries.

Trustee Merrifield reported on the Legislative Committee, which met on January 26, 2024, with all members participating virtually. The Committee heard from the Director of Communications and Legislative Affairs Marty Karlon, who gave a high level summary of 2024 legislation, noting those bills relative to the System, including three Environmental, Social and Governance (ESG) bills requiring the Board's direct attention. He provided an overview of House Bill (HB) 1267, HB 1421 and Senate Bill (SB) 520. Following a review of the three bills and a brief discussion of staff's recommendation that the Board take a position

on these proposals, the Committee voted unanimously to recommend to the full Board that a formal opposition be taken to the forementioned bills, regardless of the bills' current status in the Legislature, as they could interfere with the System's fiduciary to act solely in the best interest of the membership at all times.

On a motion by Trustee Henry, seconded by Trustee Quigley, the Board voted to accept the recommendation of the Legislative Committee to formally oppose any bill that could interfere with the Board's fiduciary duty to make all decisions solely in the interests of its members and beneficiaries, as represented in the draft letter in today's materials. The motion passed 11-0, with Trustee Mezzapelle abstaining. Trustee Merrifield then turned the floor over to Marty Karlon who presented a brief overview of the other System-related LSRs and their status in the House and Senate. A robust discussion then ensued over the implications of the bills and possible effects on the System.

Trustee Martins delivered an update of the Benefits Committee, noting it met twice since the December 2023 Board meeting, on January 10, 2024, and February 6, 2024. At its January meeting, the Committee reviewed and approved six disability applications on the Consent Agenda. The Committee also heard from legal staff on a proposed draft RFP for Independent Medical Evaluations (IME) services due to a chronic shortage of individual physicians available to perform IMEs. The Committee voted to meet on the first Tuesday of every month for the remainder of CY 2024. At its February meeting, the Committee reviewed and approved six more disability applications. Staff then provided an update on the proposed RFP and the need for an internal group to discuss its potential impact on certain staff duties. The Committee is scheduled to meet next month on March 5, 2024.

Trustee Hannan gave the PPCC report, which met on February 2, 2024, noting the Committee heard a staffing update from Rosamond Cain, Director of Human Resources (HR), and that HR is currently interviewing for a financial analyst and an employer reporting specialist. The NHRS Employee Handbook has been updated, and the PPCC voted to recommend the Board approve the updated version. On a motion by Trustee Mezzapelle, seconded by Trustee Roy, the Board voted unanimously to accept the recommendation of the PPCC to approve the proposed revisions to the Employee Handbook. Trustee Hannan also reported that the NHRS has completed the 2023 succession planning process and the PPCC has reviewed and approved the succession plans. Lastly, she noted that the Executive Director Annual Evaluation will be completed electronically later this month. The PPCC will then meet the week of March 18 to review the results of the evaluation and lead a non-public discussion at the April 9 Board meeting.

On a motion by Trustee Henry, seconded by Trustee Mezzapelle, the Board voted unanimously to enter into a non-public session.

On a motion by Trustee Henry, seconded by Trustee Quigley, the Board voted unanimously to conclude the non-public session. No action was taken in the non-public session.

Chair Kelliher turned to Ms. Goodwin who welcomed today's guest presenter, Dan Doonan, the Executive Director of the National Institute on Retirement Security (NIRS). Mr. Doonan provided an update of recent public retirement trends, issues, and legislation around the country, and where NHRS fits in the national landscape. There was discussion at the end of the presentation about retention trends on a national scale when states change their vesting periods from ten years to five.

The Executive Director Jan Goodwin began her operating report by reporting the Key

Performance Measures (KPMs) monthly scores for December and January, both of which were 100%. She noted many KPMs were suspended for these months because of staff's focus on PGV3. She proceeded to provide an update on PGV3, noting the project is 89% completed and is now in the third month of the 12-month warranty period. Ms. Goodwin reviewed the 12-month KPM rolling average, which is 98%, above the 95% benchmark. She reviewed the increased volume of calls through the System's Contact Center and mitigating action taken. She then reported that all of the Executive Director (ED) KPMs were achieved in December and January and provided an update on her monthly calls to members, employers, and retirees, commenting on the continued positive feedback she receives. Ms. Goodwin then provided an update on the contracts she has approved since June, three of which have been approved since the last Board meeting. Ms. Goodwin then discussed the Executive Team's (ETeam) work to develop the rolling three-year strategic plan for FY 25. She noted that this annual exercise has become more pro forma than substantive over the past three years. As a result, the ETeam has initiated an overview of the process and is soliciting quotes from consulting firms to assist in developing a new process in advance of the June Board meeting, when the three-year plan will come before the Board for action.

Mr. Karlon provided his report on Legislative Affairs and communications, noting his department's work on educational materials and seminars. Due to the transition to PGV3, the communications team has been heavily involved in the development of employer training materials and programs. This trend is continuing into the year with the introduction of the new version of MyAccount. Mr. Karlon concluded by stating the importance of the System's reputation through the rollouts of these new products and highlighted the need to remain vigilant, stay in front of potential issues, and be responsive to stakeholders to maintain a good reputation.

Mr. Laferriere presented the IT operating report, noting that IT conducted its monthly phishing tests and subsequently bolstered education as part of cybersecurity awareness. He reported that IT has met its eight KPMs and introduced 166 changes into the production environment over the last two months, 112 of which were PGV3 changes. Mr. Laferriere concluded by providing updates on ongoing projects including the rollout of new laptops, the movement of production backups into the cloud, and the implementation of a new document management system.

Mr. Leveque provided his operating report, noting Chair Kelliher's earlier report on the January IIC meeting and his earlier report on the plan's performance highlights for December. Eight of the ten KPMs were met, the remaining two were not applicable.

Director of Member Services Nancy Miller updated the Board on the latest activity in her department. This included successfully navigating the System's first two months of retiree benefit payroll processing solely in 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. She closed with a summary of upcoming plans and projects and noted the progress on action plan items continues to move forward.

Director of Finance Marie Mullen gave her Finance report, beginning with status updates on Finance PGV3 deliverables. Finance has moved to production in PGV3 and continues to monitor the system, identify enhancements, and work through identified issues. The department's attention continues to be on working with employers to ensure their reporting is submitted and posted, focusing on the employers that are delinquent. Ms. Mullen noted that, similar to other departments, some of Finance's monthly KPMs in December and

January were suspended, and others were without deliverables due to the PGV3 implementation. She shared a major achievement for January: issuing over 45,000 1099-Rs for retirees in the new system. She concluded her report with upcoming plans and projects and progress on action items.

Ms. Cain opened her Human Resources report with updates on recruiting and current projects, including drafting the NHRS Employee Engagement Survey and producing the 2023 W-2s and 1094-C/1095-C forms through ADP, the NHRS payroll provider. The department met all four KPMs for the last two months. Upcoming projects will include updating training manuals and position descriptions to reflect changes due to PGV3. She concluded by reporting that all action plan items are either completed or in process.

Mr. Crutchfield opened his Legal report thanking Trustees for the timely submission of their annual Statements of Financial Interests forms, which NHRS provided to the Secretary of State's Office prior to the January 19 statutory deadline. He reported that the Employer Auditors are winding down their assistance to the Finance Team. 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 suspended due to the Employer Auditors assisting the Finance Team as noted above. Mr. Crutchfield concluded his report with upcoming plans and projects and progress on action items.

Chair Kelliher next presented the Consent Agenda which included a request to purchase prior service credit and a gainful occupation recommendation to not reduce a retiree's 2024 pension as agreed to by staff. On a motion by Trustee Roy, seconded by Trustee Mezzapelle, the Board voted unanimously to approve the Consent Agenda, as presented.

There were no travel reports or requests.

Ms. Goodwin provided an update on Action Items from the December 12, 2023, Board meeting, commenting that four of the five items are expected to be completed by the end of today's meeting and the fifth regarding Change Requests under the LSR contracts is part of a broader review of that contract.

During the Board checkpoint, Chair Kelliher announced that she will be reviewing Committee appointments over the next month in light of openings resulting from Tim Lesko's resignation.

With no further business to discuss, on a motion by Trustee Henry, seconded by Trustee Mezzapelle, the Board voted unanimously to adjourn the meeting at 12:08 p.m.

Respectfully submitted,

Mariel Holdrege,
Executive Assistant

December 31, 2023

New Hampshire Retirement System



Quarterly Investment Highlights

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2023. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended December 31, 2023							
	Market Value \$(Dollars)	Ending Weight	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Net of Fees							
Domestic Equity	\$3,734,991,813	31.73%	11.70%	7.84%	21.93%	8.13%	13.84%
US Equity Benchmark	-	-	12.07%	8.43%	25.96%	8.59%	14.79%
Non US Equity	\$2,182,655,605	18.54%	10.21%	5.23%	19.60%	2.16%	7.49%
Non US Equity Benchmark	-	-	9.75%	5.61%	15.62%	1.55%	7.08%
Fixed Income	\$2,346,687,743	19.94%	7.16%	4.10%	7.03%	(2.16%)	2.43%
Fixed Income Benchmark	-	-	6.83%	3.76%	6.17%	(2.97%)	1.44%
Cash	\$46,342,766	0.39%	1.40%	2.76%	5.21%	2.26%	1.97%
3-month Treasury Bill	-	-	1.37%	2.70%	5.01%	2.15%	1.88%
Real Estate **	\$1,242,239,728	10.55%	(1.74%)	(1.91%)	(9.94%)	10.54%	8.31%
Real Estate Benchmark **	-	-	(2.10%)	(4.92%)	(12.88%)	6.19%	4.72%
Alternative Assets **	\$2,217,599,162	18.84%	1.44%	1.42%	6.31%	14.48%	10.83%
Alternatives Benchmark **	-	-	(1.12%)	5.59%	19.58%	9.86%	10.03%
Total Fund	\$11,770,516,817	100.00%	6.88%	4.26%	11.11%	6.18%	8.91%
Total Fund Benchmark*	-	-	6.93%	5.11%	13.92%	4.60%	8.65%

* Current Total Fund Benchmark = 30.0% Russell 3000 Index, 25.0% Blmbg:Universal, 20.0% MSCI ACWI ex US, 10.0% NCREIF NFI-ODCE Val Wt Nt lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Blmbg HY Corp lagged 3 months +1.0% and 2.5% S&P/LSTA Lev Loan 100 lagged 3 months+1.0%.

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

Important Disclosures

Information contained in this document may include confidential, trade secret and/or proprietary information of Callan and the client. It is incumbent upon the user to maintain such information in strict confidence. Neither this document nor any specific information contained herein is to be used other than by the intended recipient for its intended purpose.

The content of this document is particular to the client and should not be relied upon by any other individual or entity. There can be no assurance that the performance of any account or investment will be comparable to the performance information presented in this document.

Certain information herein has been compiled by Callan from a variety of sources believed to be reliable but for which Callan has not necessarily verified for accuracy or completeness. Information contained herein may not be current. Callan has no obligation to bring current the information contained herein.

Callan's performance measurement service reports returns for a portfolio and compares them against relevant benchmarks and peer groups, as appropriate; such service may also report on historical portfolio holdings, comparing them to holdings of relevant benchmarks and peer groups, as appropriate ("portfolio holdings analysis"). To the extent that Callan's performance measurement service includes portfolio holdings analysis, Callan relies entirely on holdings data provided by third parties including custodian banks, record keepers and investment managers. Callan reports the performance and holdings data as received and does not attempt to audit or verify the holdings data. Callan is not responsible for the accuracy or completeness of the performance or holdings data received from third parties and such data may not have been verified for accuracy or completeness. Callan does not perform forward-looking risk analysis or guideline compliance analysis based on the performance or portfolio holdings data.

In no event should performance measurement service provided by Callan be used in the calculation, deliberation, policy determination, or any other action of the client as it pertains to determining contribution or funding amounts, timing or activity, benefit payments or distribution amounts, timing or activity, or performance-based fee amounts, timing or activity.

The content of this document may consist of statements of opinion, which are made as of the date they are expressed and are not statements of fact. The opinions expressed herein may change based upon changes in economic, market, financial and political conditions and other factors. Callan has no obligation to bring current the opinions expressed herein.

The information contained herein may include forward-looking statements regarding future results. The forward-looking statements herein: (i) are best estimations consistent with the information available as of the date hereof and (ii) involve known and unknown risks and uncertainties. Actual results may vary, perhaps materially, from the future results projected in this document. Undue reliance should not be placed on forward-looking statements.

Callan is not responsible for reviewing the risks of individual securities or the compliance/non-compliance of individual security holdings with a client's investment policy guidelines.

This document should not be construed as legal or tax advice on any matter. You should consult with legal and tax advisers before applying any of this information to your particular situation.

Reference to, or inclusion in this document of, any product, service or entity should not necessarily be construed as recommendation, approval, or endorsement or such product, service or entity by Callan. This document is provided in connection with Callan's consulting services and should not be viewed as an advertisement of Callan, or of the strategies or products discussed or referenced herein.

The issues considered and risks highlighted herein are not comprehensive and other risks may exist that the user of this document may deem material regarding the enclosed information. Please see any applicable full performance report or annual communication for other important disclosures.

Unless Callan has been specifically engaged to do so, Callan does not conduct background checks or in-depth due diligence of the operations of any investment manager search candidate or investment vehicle, as may be typically performed in an operational due diligence evaluation assignment and in no event does Callan conduct due diligence beyond what is described in its report to the client.

Any decision made on the basis of this document is sole responsibility of the client, as the intended recipient, and it is incumbent upon the client to make an independent determination of the suitability and consequences of such a decision.

Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results.

Total Plan Performance as of February 29, 2024



The table below details the rates of return for the fund's asset classes over various time periods ended February 29, 2024. 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 February 29, 2024									
Composite	Total Fund Weighting As of 2/29/2024	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	32.82%	5.24%	12.15%	13.44%	5.19%	22.07%	8.27%	12.09%	10.70%
<i>Domestic Equity Benchmark(1)</i>		5.41%	12.23%	15.56%	6.58%	28.60%	10.29%	13.76%	12.12%
<i>Excess Return</i>		-0.17%	-0.08%	-2.12%	-1.39%	-6.53%	-2.02%	-1.67%	-1.42%
Total Non US Equity	18.76%	2.70%	8.00%	8.22%	2.85%	16.49%	2.63%	6.01%	4.61%
<i>Non US Equity Benchmark(2)</i>		2.53%	6.61%	7.21%	1.51%	12.51%	1.32%	5.44%	3.96%
<i>Excess Return</i>		0.17%	1.38%	1.01%	1.33%	3.98%	1.32%	0.57%	0.65%
Total Fixed Income	19.34%	-1.07%	2.61%	2.66%	-1.38%	4.53%	-2.05%	1.75%	2.15%
<i>Bloomberg Capital Universe Bond Index</i>		-1.20%	2.30%	2.27%	-1.44%	4.06%	-2.81%	0.85%	1.72%
<i>Excess Return</i>		0.13%	0.30%	0.39%	0.05%	0.47%	0.76%	0.90%	0.42%
Total Cash	0.34%	0.42%	1.35%	3.67%	0.88%	5.35%	2.54%	2.06%	1.42%
<i>3-Month Treasury Bill</i>		0.41%	1.31%	3.56%	0.84%	5.22%	2.43%	1.97%	1.33%
<i>Excess Return</i>		0.01%	0.04%	0.11%	0.04%	0.13%	0.11%	0.09%	0.09%
Total Real Estate (Q3)*	10.21%	-0.07%	-1.99%	-2.17%	-0.27%	-10.22%	10.45%	8.26%	10.17%
<i>Real Estate Benchmark(3)</i>		-1.69%	-4.04%	-8.12%	-3.36%	-12.78%	4.73%	3.80%	6.74%
<i>Excess Return</i>		1.63%	2.05%	5.95%	3.09%	2.56%	5.72%	4.46%	3.43%
Total Private Equity (Q3)*	13.74%	-0.01%	1.31%	1.30%	-0.03%	6.65%	17.10%	13.28%	12.23%
<i>Private Equity Benchmark(4)</i>		9.39%	1.94%	13.03%	6.73%	14.91%	12.02%	15.44%	15.19%
<i>Excess Return</i>		-9.40%	-0.64%	-11.73%	-6.76%	-8.26%	5.08%	-2.16%	-2.96%
Total Private Debt (Q3)*	4.79%	0.00%	1.68%	1.67%	-0.01%	5.32%	8.30%	5.40%	6.53%
<i>Private Debt Benchmark(5)</i>		2.94%	2.32%	7.39%	2.43%	11.23%	4.12%	4.24%	5.66%
<i>Excess Return</i>		-2.94%	-0.64%	-5.72%	-2.44%	-5.91%	4.18%	1.16%	0.87%
Total Fund Composite	100.00%	1.95%	5.79%	6.21%	1.87%	10.26%	6.35%	8.08%	7.32%
<i>Total Fund Benchmark(6)</i>		2.75%	5.47%	7.61%	2.37%	12.60%	4.89%	7.98%	7.41%
<i>Excess Return</i>		-0.80%	0.32%	-1.40%	-0.50%	-2.34%	1.46%	0.10%	-0.09%

(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 ldx + 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 2/29/24, the Total Fund has returned 6.60% versus the Total Fund Custom Benchmark return of 6.60%. *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



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

April 1, 2024

TO: Michael W. Kane, Legislative Budget Assistant

CC: Governor Christopher, T. Sununu
Rep. Carol McGuire, Chairman, House Executive Departments and Administration
Sen. Howard Pearl, Chairman, Senate Executive Departments and Administration

FROM: New Hampshire Retirement System Board of Trustees and Independent Investment Committee
(Prepared by Jan Goodwin, NHRS Executive Director, and Raynald Leveque, NHRS Chief Investment Officer)

RE: Quarterly Compliance Notice

Dear Mr. Kane:

Pursuant to RSA 100-A:15, VIII(a), we are writing to confirm that New Hampshire Retirement System 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.

NHRS pursues an investment strategy designed to achieve its long-term funding requirements. The goal is to meet or exceed the retirement system's assumed rate of return over the long term, while at the same time managing the risk, return, and liquidity of the portfolio.

Respectfully,

Jan Goodwin
Executive Director

Raynald Leveque
Chief Investment Officer



2024 Legislative Tracker

March 29, 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/>

Note: Bills that have been killed or for which no further action is expected in the current legislative session are shaded in gray

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	2/22/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
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	2/8/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
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	3/28/24: House, on a voice vote, voted ought to pass (OTP).
HB 1299	This bill makes community college fire educators eligible for Group II membership.	Rep. Douglas Trottier	2/15/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1307	This bill makes a one-time supplemental allowance of \$500 to accidental disability benefit recipients whose annual benefit is less than \$50,000. 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	3/19/24: House Finance Committee voted, 25-0, to recommend ought to pass (OTP). The bill will be acted on at a future House session.
HB 1421	This bill requires the NHRS Board of Trustees to contract for two investment consulting firms and review their performance.	Rep. Stephen Pearson	2/15/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
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	2/8/24: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1451	This bill provides that mandatory overtime shall be reported as part of the full base rate of compensation.	Rep. Carol McGuire	3/20/24: Senate ED&A Committee held public hearing.

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 for members who retire under service or disability retirement. The bill includes a \$55.9 million appropriation toward the cost of this change.	Rep. Peter Leishman	3/19/24: House Finance Committee voted, 23-2, to recommend ought to pass (OTP) as amended (am-1134h). The bill will be acted on at a future House session.
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	2/15/24: House, on a voice vote, accepted committee recommendation of refer to interim study. No further action expected in 2024.
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	2/15/24: House, on a voice vote, accepted committee recommendation of refer to interim study. No further action expected in 2024.
SB 309	This bill changes the vesting period for retirement system benefits from 10 years to 5 years.	Sen. Donna Soucy	3/21/24: Senate, on voice vote, accepted committee recommendation of ought to pass (OTP). The bill was then referred to the Senate Finance Committee.
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	3/21/24: Senate, on voice vote, accepted committee recommendation of refer to interim study.
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	2/21/24: Senate, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
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	3/12/24: Senate Finance Committee held public hearing.
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. No further action expected in 2024.
HB 571	This bill authorizes a one-time payment to a retired Group II member or beneficiary.	Rep. Ben Barody	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	2/15/24: Re-referred to Senate Finance Committee.