

**NOTE:** These minutes were approved and executed at the May 31, 2019 Independent Investment Committee meeting.

**Independent Investment Committee Meeting  
April 26, 2019**

**Public Minutes**

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

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

*Staff:* George Lagos, *Executive Director*; Larry Johansen, *Director of Investments*; Gerard Murphy, *Director of Finance*; Greg Richard, *Senior Investment Officer*; and Ashley Lloyd, *Junior Investment Officer*.

*NEPC:* Kevin Leonard, *Partner and Senior Consultant*; and Sean Gill, *Partner*.

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

On a motion by Ms. Clinton, seconded by Mr. LaPlante, the Committee unanimously approved the public minutes of the March 22, 2019 Investment Committee meeting, as presented.

Mr. Johansen reviewed the Work Plan and updated the Committee on several initiatives. He provided an update on the liquidation status of the GAM Fund and added that GAM still plans to return 100 cents on the dollar for liquidated assets. He noted that the Work Plan for the first quarter of Fiscal Year 2020 has been added for the Committee's consideration and approval, clarifying that the Work Plan remains flexible and subject to change as the Committee deems appropriate. On a motion by Mr. Lesko, seconded by Ms. Clinton, the Committee unanimously approved the Work Plan for the first quarter of Fiscal Year 2020, as presented.

Mr. Johansen referenced the "Revised Proxy Voting Policy" memo dated April 26, 2019 and the updated version of the NHRS Proxy Voting Policy presented for the Committee's consideration. The Committee discussed the proposed changes. On a motion by Mr. LaPlante, seconded by Mr. Quinton, the Committee unanimously agreed to approve the revised Proxy Voting Policy, as presented, for recommendation to the Board of Trustees.

The Committee discussed the presentation made by non-U.S. equity manager Walter Scott at the March Committee meeting. On a motion by Mr. Quinton, seconded by Mr. LaPlante, the Committee unanimously agreed to renew the Investment Management Agreement with Walter Scott through May 31, 2021.

Mr. L. Jason Law, Managing Director and Relationship Manager; and Mr. Graham S. Proud, Vice President and Investment Director; of Wellington Management provided a brief introduction of themselves and their firm. They referred to the “Emerging Markets Local Equity” presentation dated April 26, 2019. A lengthy discussion with the Committee followed.

Mr. Proud provided a thorough overview of the Emerging Markets Local Equity (“EMLE”) strategy’s differentiated investment philosophy and process and detailed the unique organizational structure of the investment team and the ways in which it adds value. He reviewed portfolio performance over various periods. Mr. Proud discussed drivers of performance since the firm’s last presentation to the Committee and highlighted specific names within the portfolio which added value over the period. He provided the team’s thoughts on the Emerging Markets space and noted the sectors in which they expect to find the most value. He reviewed the current structure of the portfolio, noting that the firm has been finding several favorable investment opportunities in India and China. Responding to questions from the Committee, Mr. Proud closed with a review of the firm’s sell process and noted drivers that may trigger a sale of a portfolio holding.

Ms. Jessica Archibald, Managing Director; and Mr. Garth Timoll, Sr., Managing Director; of Top Tier Capital Partners (“Top Tier”) presented a brief introduction of themselves and an overview of their firm and its private equity fund, Top Tier Venture Velocity Fund 3 (“VVF3”). They referred to the “New Hampshire Retirement System Independent Investment Committee” presentation dated April 2019. A lengthy discussion with the Committee followed.

Ms. Archibald provided a thorough overview of the secondaries and co-investments venture capital market in which the firm invests and discussed the organizational structure of the firm. Mr. Timoll highlighted the strong performance of NHRS’s existing investments in Top Tier Venture Velocity Fund (“VVF”) and Top Tier Venture Velocity Fund 2 (“VVF2”), adding that NHRS’s investment in VVF3 would constitute a re-up. Responding to questions from the Committee, he reviewed scenarios in which a position in a company may be sold on the secondaries market and identified the ways in which those distressed sales could present as an attractive purchase opportunity for Top Tier. Mr. Timoll discussed the opportunity to invest in VVF3 and noted the Fund’s similarities and differences as compared to VVF and VVF2. He closed with an overview of

the team's ability to access high growth companies and the favorable opportunities available within the secondaries and co-investments market.

Mr. John Morris, Managing Director; Mr. Michael Pugatch, Managing Director; and Mr. W. Fran Peters, Principal, Investor Relations; of HarbourVest Partners presented a brief introduction of themselves and an overview of their firm and its private equity fund, HarbourVest Dover Street X ("Dover X"). They referred to the "New Hampshire Retirement System" presentation dated April 2019. A lengthy discussion with the Committee followed.

Mr. Morris opened with an overview of the firm, its investment process, and its organizational structure, discussing the tools which allow the firm to globally source favorable investment opportunities. Mr. Peters reviewed NHRS's four existing Fund commitments with HarbourVest, noting all are performing favorably. Mr. Pugatch offered an overview of the firm's secondary program by reviewing current market opportunities, adding that growth within the secondary market is expected to continue to increase. He highlighted the attractive risk profile of the space, adding that secondary investments tend to perform favorably across all economic cycles. Mr. Pugatch discussed HarbourVest's differentiated investment approach of focusing on less efficient sectors of the market, adding that the broad and deep expertise of the investment team provides a favorable advantage when sourcing opportunities. He discussed the differentiated nature of HarbourVest as a market leader in sourcing complex secondary transactions, noting that the firm's participation in the complex market space does not mean that the firm takes on additional risk. He reviewed performance of NHRS's existing investments in the firm's previous global secondaries funds, Dover Street VIII and Dover Street IX, noting that he expects favorable performance to continue for Dover Street X. Mr. Peters closed with a discussion on the opportunity to invest in Dover Street X.

The Committee discussed the presentation made by Top Tier and the opportunity to invest in VVF3. On a motion by Mr. LaPlante, seconded by Mr. Lesko, the Committee unanimously voted to commit \$25 million to VVF3, subject to contract and legal review. Mr. Johansen confirmed that NHRS has been offered a seat on the Advisory Board.

The Committee discussed the presentation made by HarbourVest and the opportunity to invest in Dover X. On a motion by Mr. Lesko, seconded by Ms. Clinton, the Committee unanimously voted to commit \$50 million to Dover X, subject to contract and legal review. Mr. Johansen confirmed that NHRS has been offered a seat on the Advisory Board.

Mr. Johansen referenced the "NHRS Asset Class Guidelines" document and discussed proposed changes to the guidelines with the Committee. The Committee offered their proposed changes and agreed to vote on the

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revised Asset Class Guidelines at the following Independent Investment Committee meeting.

Mr. Johansen referenced the “NHRS Investment Policy” document and discussed proposed changes to the Investment Policy with the Committee. On a motion by Mr. Lesko, seconded by Ms. Clinton, the Committee unanimously voted to approve the revised Investment Policy, as amended by the Committee, for recommendation to the Board of Trustees.

On a motion by Mr. LaPlante, seconded by Mr. Quinton, the meeting adjourned at 11:56 a.m.