

NHRS DASHBOARD: FY 2024 Second Quarter

For the period October 1, 2023, to December 31, 2023

Prepared for the Office of Gov. Christopher T. Sununu - March 2024

QUARTERLY HIGHLIGHTS

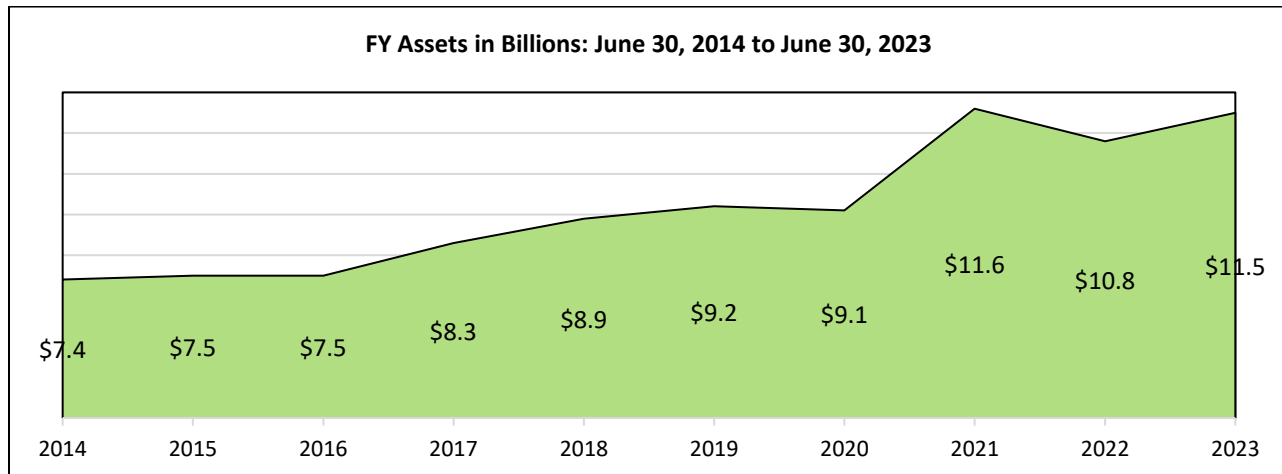
Here is a summary of NHRS activities during the quarter ending December 31, 2023:

- 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 that 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.

TRUST FUND

2nd Quarter FY 2023: \$11.7 billion

2nd Quarter FY 2024: \$11.8 billion*



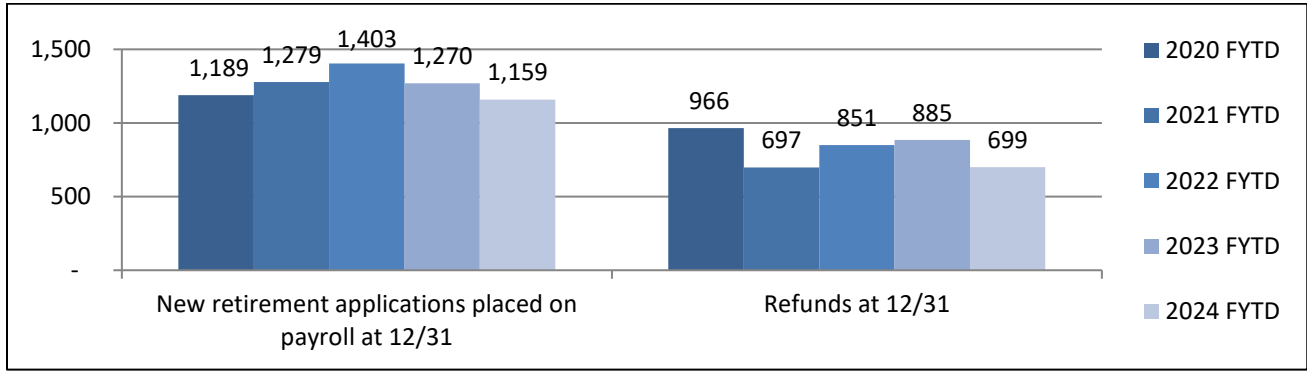
INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 12/31/23*	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	4.3%	8.2%	9.6%	7.1%	7.9%
Peer comparison (percentile)	NA	33rd	22nd	30th	17th

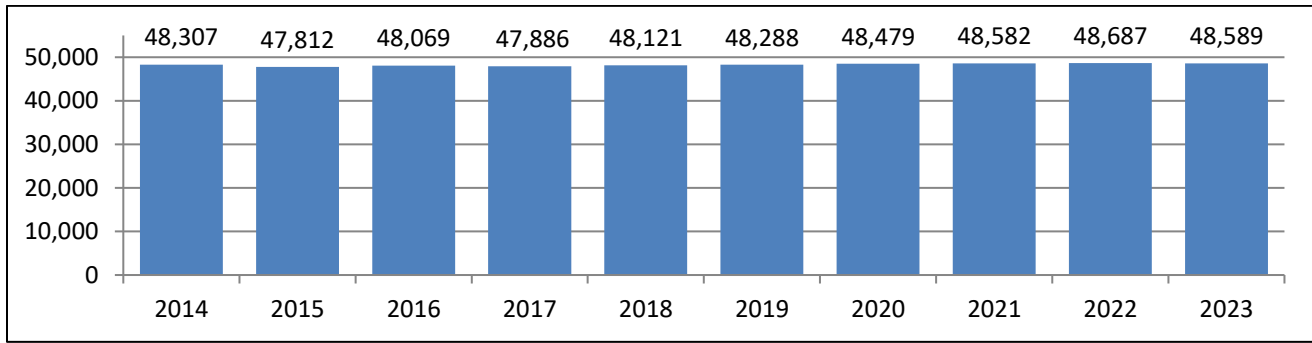
Assumed Rate of Return: 6.75%; * Annualized; valuation of real estate and alternative investments lagged three months.

Note: In investment parlance, the lower the percentile regarding peer comparison, the better the performance relative to peers. For instance, NHRS’ 10-year performance in the 17th percentile means the retirement system outperformed 83% of peer public plans over that period.

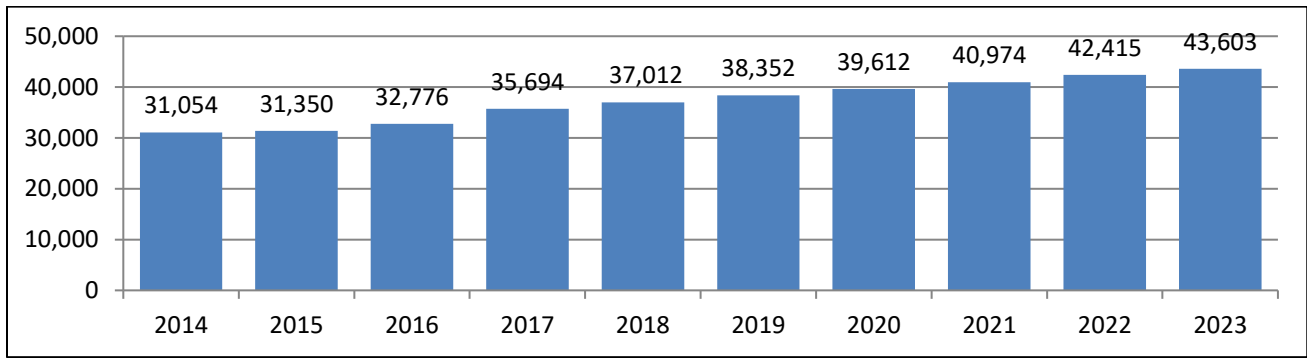
RETIREMENTS AND REFUNDS



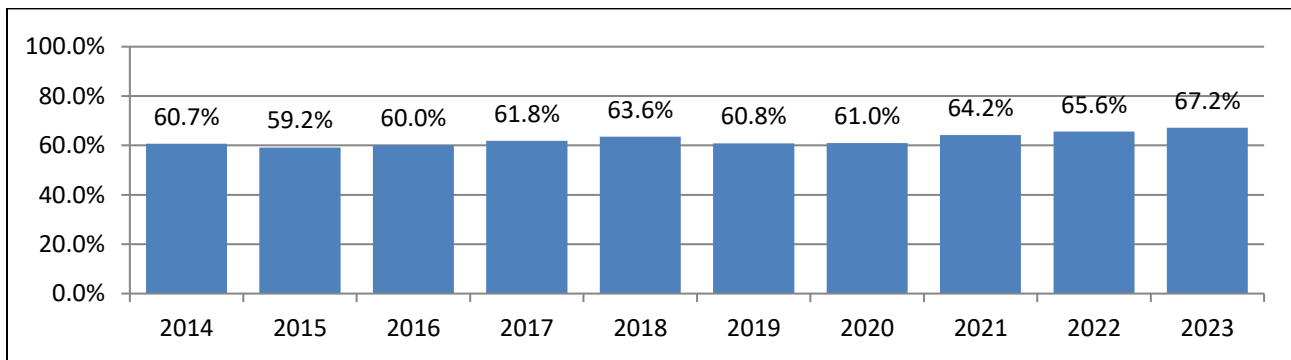
ACTIVE MEMBERS



RETIREES & BENEFICIARIES



ACTUARIAL FUNDED RATIO



Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions in 2016 and 2020.

NET POSITION AND ADMINISTRATIVE EXPENSES

FYTD Net Position (\$s in billions)	FY 2024	FY 2023	FY 2022	FY 2021
Current Fiscal Year-To-Date	December 2023	December 2022	December 2021	December 2020
Net Position Change	\$0.261	(\$0.032)	\$0.366	\$1.125
Prior Year Beginning Balance	\$11.510	\$10.753	\$11.574	\$9.134
Net Position Balance *	\$11.771	\$10.721	\$11.940	\$10.259

FYTD 2024 Budget vs. Actual				
Non-Investment Administrative Expenses				
Through December 31, 2023				
	Total Budget	FYTD Budget	Actual	Difference
Administrative Expenses				
Internal (Statutory Admin. Budget)	\$ 10,899,259	\$ 5,347,422	\$ 5,145,233	\$ 481,606
External (Actuary, Legal, Audit)	\$ 1,194,450	\$ 597,225	\$ 424,609	\$ 172,616
Total	\$ 12,093,709	\$ 5,944,647	\$ 5,569,842	\$ 654,222

* FY 2024.3 net position balance unavailable; market value of assets shown
FY 24 Internal budget includes FY 23 balance forward of \$279,417