

NHRS DASHBOARD: FY 2018 Third Quarter

For the period January 1, 2018, to March 31, 2018

Prepared for the Office of Gov. Christopher T. Sununu – May 2018

QUARTERLY HIGHLIGHTS

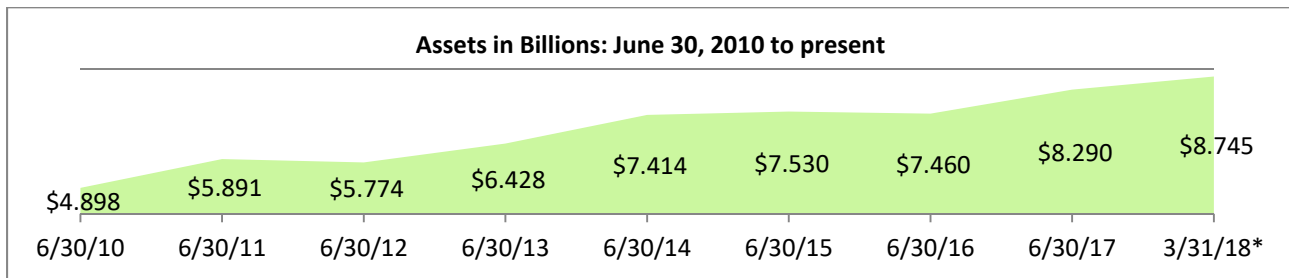
Here is a summary of NHRS activities during the quarter ending March 31, 2018:

- The Board in February voted to support House Bill 1823, a recommendation of the Decennial Commission that would create layered amortization periods of no more than 20 years for any actuarial gains or losses incurred in future bienniums after June 30, 2017. The bill was adopted by the House and Senate and has been sent to the Governor.
- Following an RFP, the Audit Committee of the Board of Trustees in February chose Plante Moran, the 13th largest audit firm in the country, as the retirement system's new external auditor, replacing KPMG. The contract with Plante Moran is for three years, with two, one-year renewal options at the discretion of NHRS.
- The Board unanimously voted in January to accept the June 30, 2017, GASB 68 Report. The report, which details the proportionate share of unfunded liabilities for participating employers, will be used by participating employers to prepare financial statements in accordance with Governmental Accounting Standards Board requirements.
- Staff has begun the process of readopting a number of its expiring administrative rules through the JLCAR process.
- Scott Myers, the city manager of Laconia, joined the Board of Trustees in January as the municipal employer member.
- Timothy Lesko of Hopkinton joined the Board in January as a public member. He was subsequently appointed as a Trustee member on the retirement system's Independent Investment Committee (IIC) by NHRS Board Chair Richard Gustafson.
- Christine Clinton of Dublin joined the IIC in January as a public member.

TRUST FUND

3rd Quarter FY 2017: \$7.984 billion*

3rd Quarter FY 2018: \$8.745 billion*



* Unaudited

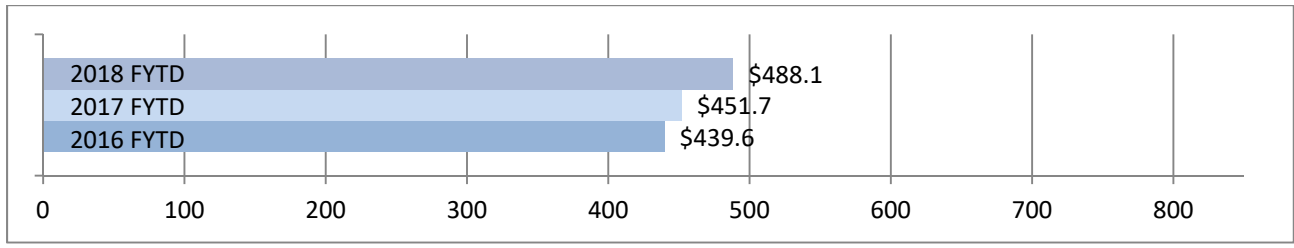
INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD - 3/31/18	1 yr. at 6/30/17	3 yr. at 6/30/17	5 yr. at 6/30/17	10 yr. at 6/30/17
Total Fund Composite	7.1%	13.5%	5.8%	9.8%	5.7%
Peer comparison (percentile)	N/A	18th	10th	6th	16th

Assumed Rate of Return: 7.25%

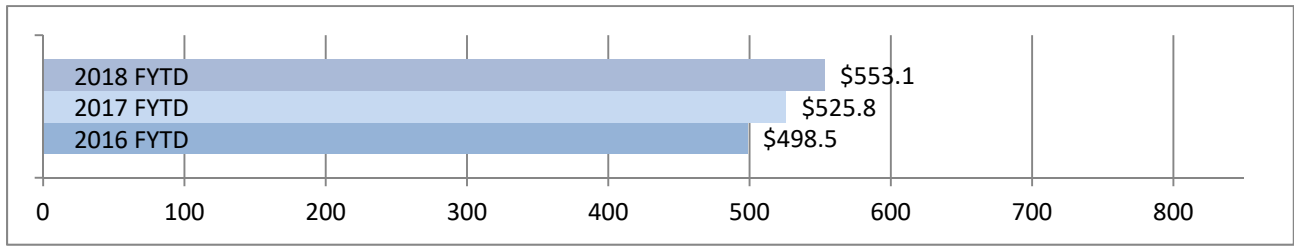
Note: In investment parlance, the lower the percentile, the better the performance relative to peers. For instance, NHRS' five-year performance in the 6th percentile means the retirement system outperformed 94% of peer public plans over that period.

CONTRIBUTIONS (in millions through 3/31*)



* 3/31/18 data is unaudited

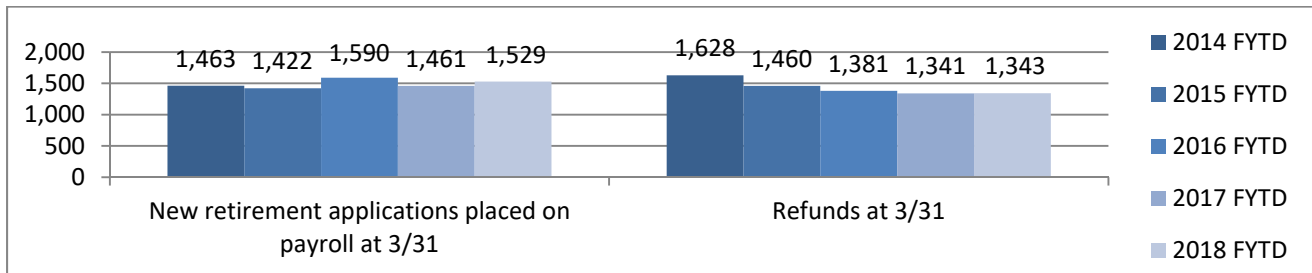
PENSION BENEFITS PAID (in millions through 3/31*)



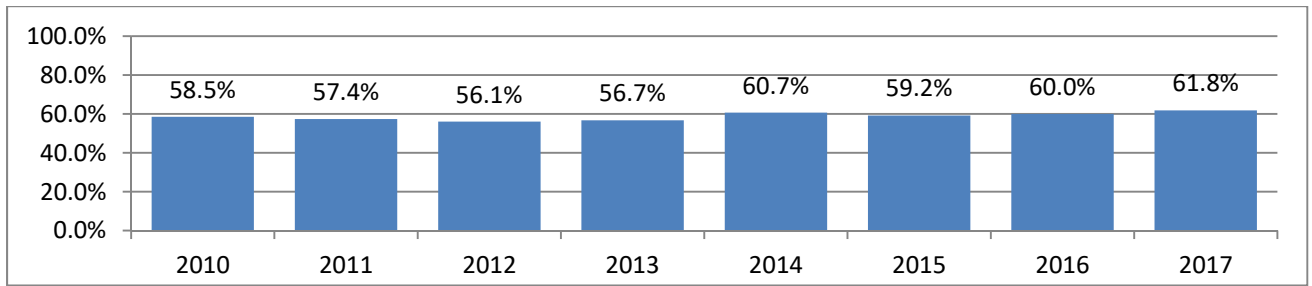
* 3/31/18 data is unaudited

Note: Benefits are paid from member and employer contributions and investment income. Historically, investment income has accounted for the majority of trust fund assets.

RETIREMENTS AND REFUNDS



ACTUARIAL FUNDED RATIO AT 6/30



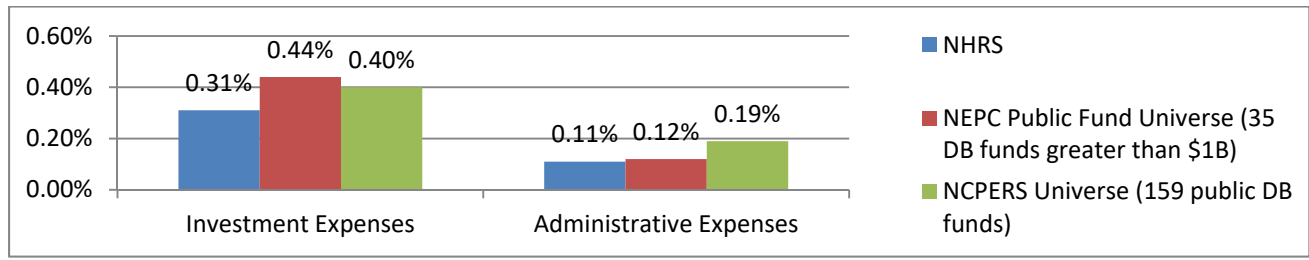
Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions in 2011, 2016

NET POSITION AND ADMINISTRATIVE EXPENSES

FYTD Net Position (\$s in billions)	FY 2018	FY 2017	FY 2016	FY 2015
Current Fiscal Year-To-Date	March 2018	March 2017	March 2016	March 2015
Net Position Change	\$0.452	\$0.523	(\$0.232)	\$0.061
Prior Year Beginning Balance	\$8.293	\$7.461	\$7.530	\$7.414
Net Position Balance	\$8.745	\$7.984	\$7.298	\$7.475

FYTD 2018 Budget vs. Actual				
Non-Investment Administrative Expenses				
July 1, 2017 through March 31, 2018				
	Total Budget	FYTD Budget	Actual	Difference
Administrative Expenses				
Internal (Statutory Admin. Budget)	\$ 8,495,473	\$ 6,488,781	\$ 5,600,469	\$ 888,312
External (Actuary, Legal, Audit)	\$ 974,100	\$ 730,575	\$ 657,221	\$ 73,354
Total	\$ 9,469,573	\$ 7,219,356	\$ 6,257,690	\$ 961,666

EXPENSES AS A PERCENTAGE OF ASSETS



Most recent data available (NCPERS - FY 2017; NEPC - FY 2016)