

## NHRS DASHBOARD: FY 2019 Third Quarter

For the period January 1, 2019 to March 31, 2019

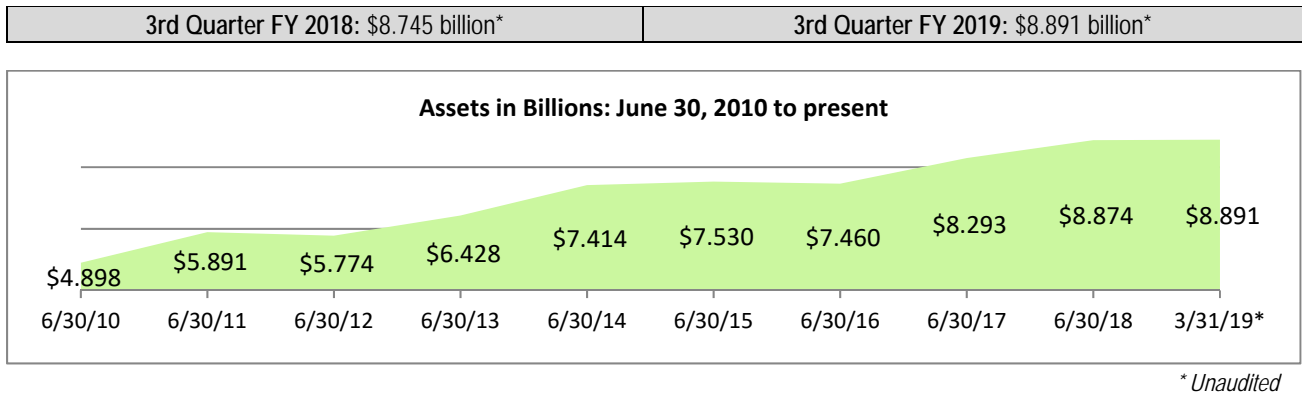
Prepared for the Office of Gov. Christopher T. Sununu – May 2019

### QUARTERLY HIGHLIGHTS

Here is a summary of NHRS activities during the quarter ending March 31, 2019:

- The Board unanimously voted in January to accept the June 30, 2018, GASB 68 and 75 Report. The report, which details 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 January, the Board unanimously voted to select Segal Consulting to perform a full scope actuarial audit of the June 30, 2017 valuation performed by GRS, the retirement system’s actuary. An actuarial audit is a valuable tool for monitoring the quality of actuarial services performed on behalf of the pension plan. An actuarial audit is considered a best practice and involves engaging the services of an outside actuary (reviewing actuary) to scrutinize the work of the plan’s consulting actuary.
- In March, the Board unanimously voted to select Groom Law Group – one of the retirement system’s current legal services providers – as outside counsel for fiduciary, tax and benefits, and legislative matters following a recent RFP for those legal services.
- The multi-year upgrade of the NHRS pension database (“PGV3”) kicked off with staff meetings in January, following by the development of project plan documents and a series of system requirements meetings with the vendor.
- The re-adoption of NHRS’ expiring administrative rules was completed in January, when the Board unanimously voted to approve the revised RET 200, 300, and 400 administrative rules approved by JLCAR in December.

### TRUST FUND



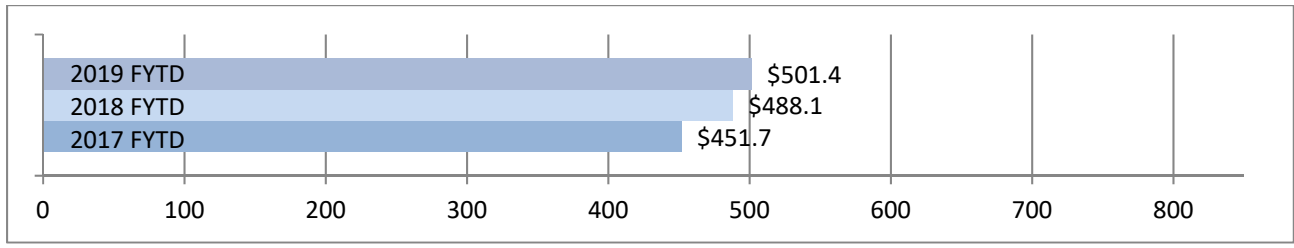
### INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD - 3/31/19*	1 yr. at 6/30/18	3 yr. at 6/30/18	5 yr. at 6/30/18	10 yr. at 6/30/18
Total Fund Composite	1.9%	8.9%	7.7%	8.7%	7.1%
Peer comparison (percentile)	N/A	20th	8th	7th	12th

Assumed Rate of Return: 7.25%; \* Annualized; valuation of real estate and alternative investments lagged three months.

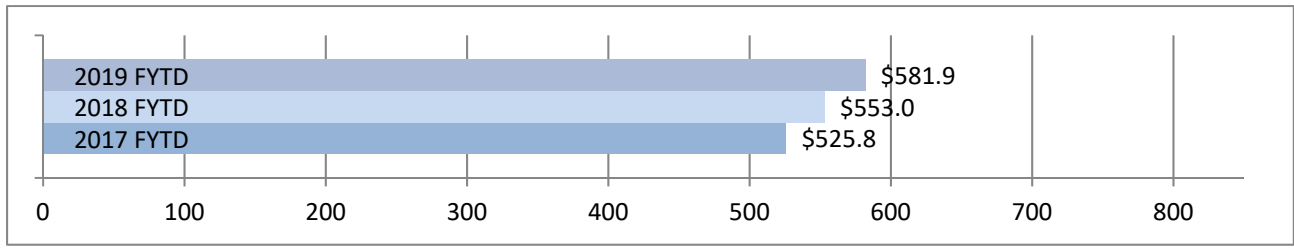
**Note:** In investment parlance, the lower the percentile regarding peer comparison, the better the performance relative to peers. For instance, NHRS’ five-year performance in the 7<sup>th</sup> percentile means the retirement system outperformed 93% of peer public plans over that period.

**CONTRIBUTIONS (in millions through 3/31\*)**



\* 3/31/19 data is unaudited

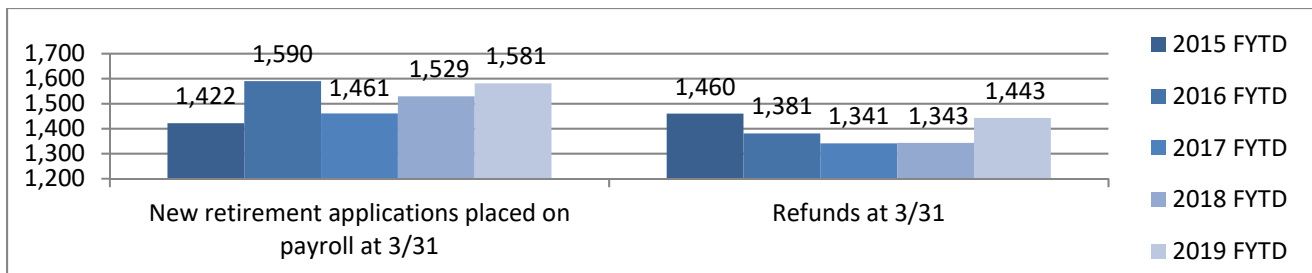
**BENEFITS PAID (in millions through 3/31\*)**



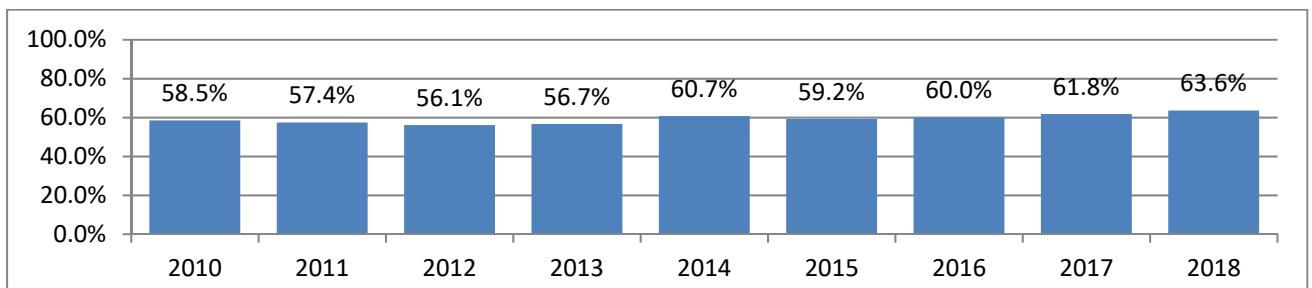
\* 3/31/19 data is unaudited

**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**

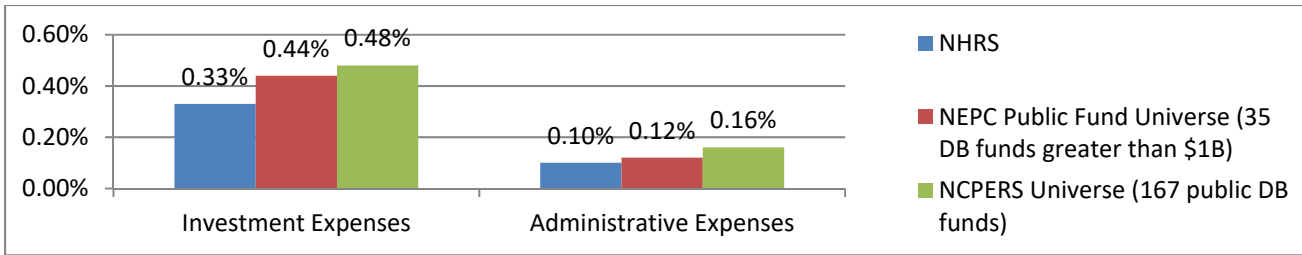


*Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions in 2011, 2016*

## NET POSITION AND ADMINISTRATIVE EXPENSES

FYTD Net Position (\$s in billions)	FY 2019	FY 2018	FY 2017	FY 2016
	Preliminary			
Current Fiscal Year-To-Date	March 2019	March 2018	March 2017	March 2016
Net Position Change	\$0.017	\$0.452	\$0.523	(\$0.232)
Prior Year Beginning Balance	\$8.874	\$8.293	\$7.461	\$7.530
<b>Net Position Balance</b>	<b>\$8.891</b>	<b>\$8.745</b>	<b>\$7.984</b>	<b>\$7.298</b>
<b>FYTD 2019 Budget vs. Actual</b>				
<b>Non-Investment Administrative Expenses</b>				
<b>July 1, 2018 through March 31, 2019</b>				
	<b>Total Budget</b>	<b>FYTD Budget</b>	<b>Actual</b>	<b>Difference</b>
<b>Administrative Expenses</b>				
Internal (Statutory Admin. Budget)	\$ 8,779,881	\$ 6,463,748	\$ 5,713,856	\$ 749,892
External (Actuary, Legal, Audit)	\$ 1,110,788	\$ 833,091	\$ 779,067	\$ 54,024
<b>Total</b>	<b>\$ 9,890,669</b>	<b>\$ 7,296,839</b>	<b>\$ 6,492,923</b>	<b>\$ 803,916</b>

## EXPENSES AS A PERCENTAGE OF ASSETS



Most recent data available (NCPERS - FY 2018; NEPC - FY 2016)