

NHRS DASHBOARD: FY 2020 First Quarter

For the period July 1, 2019 to September 30, 2019

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

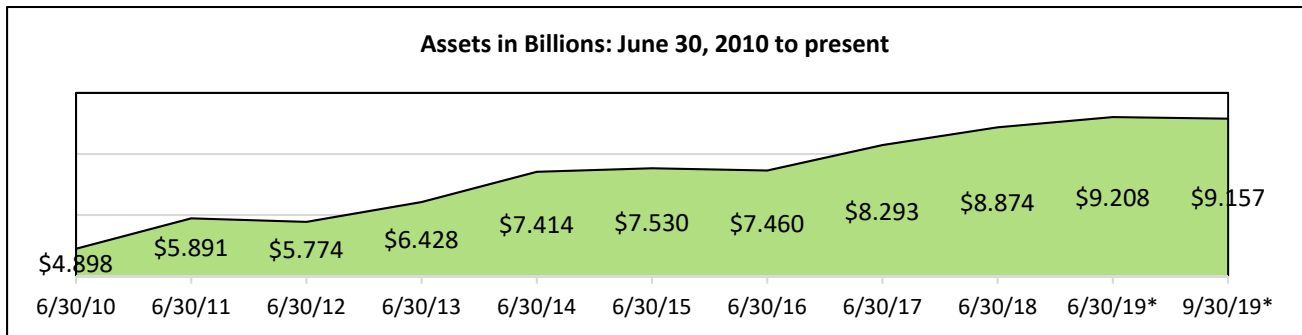
QUARTERLY HIGHLIGHTS

Here is a summary of NHRS activities during the quarter ending September 30, 2019:

- The NHRS trust fund closed the fiscal year above \$9 billion for the first time. At June 30, 2019, unaudited assets stood at \$9.208 billion, an increase of \$334 million as compared to the prior fiscal year.
- NHRS realized a 5.7% return on investments in the fiscal year ended June 30, 2019. The three-year, five-year, 10-year, 20-year, and 25-year returns for the periods ended June 30, 2019, were 9.3%, 6.4%, 9.9%, 5.9%, and 8.2%, respectively. All returns are net of fees. The retirement system's assumed rate of investment return is 7.25%.
- Six 2019 pension-related bills enacted by the Legislature have been signed into law by the Governor: House Bill 675, which modifies the cost calculation methodologies for the purchase of service credit in the retirement system for active service in the armed forces prior to NHRS membership and in cases of employer enrollment oversight, took effect July 14; Senate Bill 28, which adds an active NHRS member to the NHRS Independent Investment Committee as a non-voting committee member, took effect August 4; House Bill 116, which changes the method for determining the proper NHRS membership classification of state "correctional line personnel" as defined in RSA 100-A, took effect August 30; House Bill 468, which reclassifies annual attendance stipends or bonuses as earnable compensation and enables summer adjunct wages earned by full-time community college faculty to be included as earnable compensation, took effect September 10; House Bill 110, which requires the state to reimburse NHRS for the cost of statutorily required fiscal analysis of proposed legislation, took effect November 5; and HB 616, which grants a cost-of-living adjustment beginning in FY 2021, takes effect July 1, 2020.
- NHRS was recognized by the Government Finance Officers Association for excellence in financial reporting for its 2018 Comprehensive Annual Financial Report (CAFR) and summary CAFR.

TRUST FUND

1st Quarter FY 2019: \$8.975 billion	1st Quarter FY 2020: \$9.157 billion*
--------------------------------------	---------------------------------------



* Unaudited

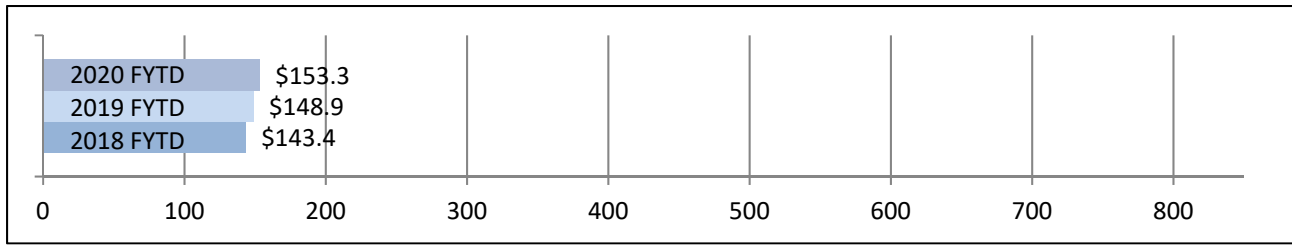
INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD - 9/30/19*	1 yr. at 6/30/19	3 yr. at 6/30/19	5 yr. at 6/30/19	10 yr. at 6/30/19
Total Fund Composite	0.2%	5.7%	9.3%	6.4%	9.9%
Peer comparison (percentile)	N/A	66th	27th	24th	11th

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

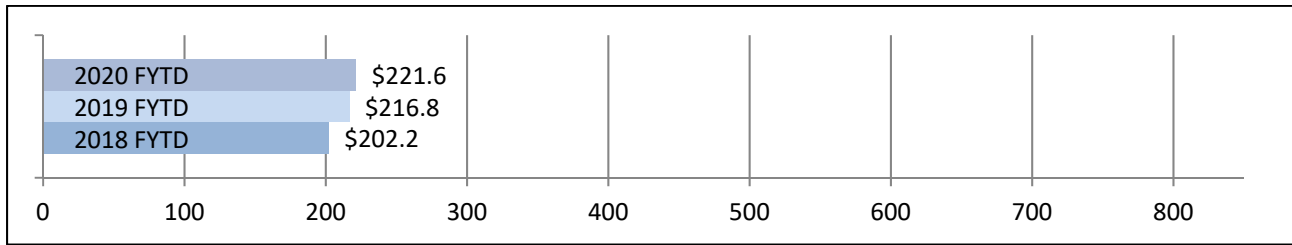
Note: In investment parlance, the lower the percentile regarding peer comparison, the better the performance relative to peers. For instance, NHRS' 10-year performance in the 11th percentile means the retirement system outperformed 89% of peer public plans over that period.

CONTRIBUTIONS (in millions through 9/30*)



* 9/30/19 data is unaudited

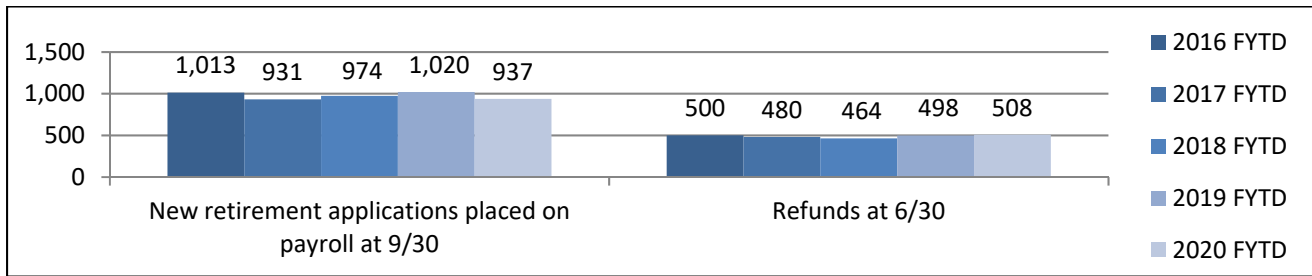
BENEFITS PAID (in millions through 9/30*)



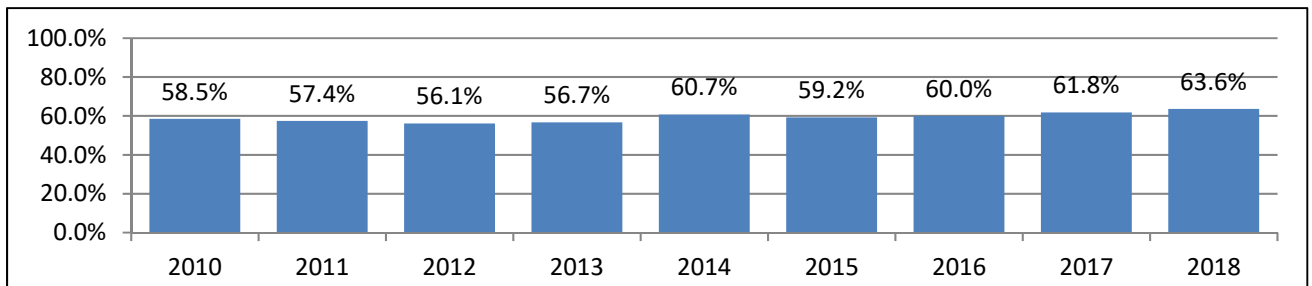
* 9/30/19 data is unaudited

Note: Benefits are paid from member and employer contributions and investment income. Historically, investment income has accounted for the majority of trust fund assets. There is a one-month lag in the reporting of member and employer contributions to NHRS, which accounts for the majority of the quarterly difference between contributions and benefits.

RETIREMENTS AND REFUNDS



ACTUARIAL FUNDED RATIO



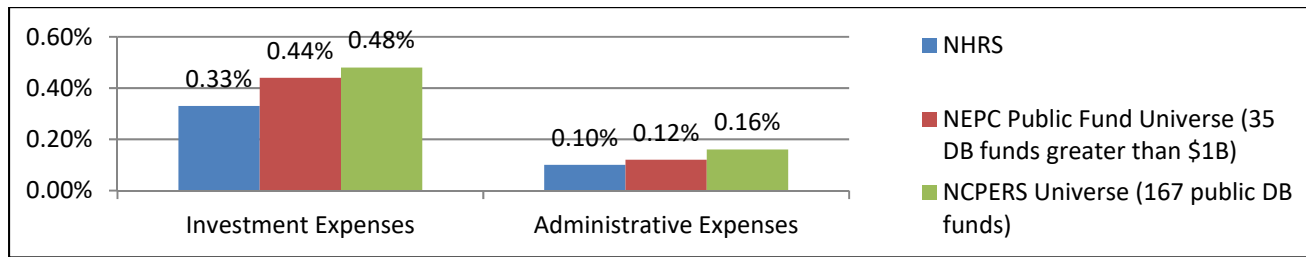
Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions in 2011, 2016

NET POSITION AND ADMINISTRATIVE EXPENSES

FYTD Net Position (\$s in billions)	FY 2020 Preliminary September 2019	FY 2019 September 2018	FY 2018 September 2017	FY 2017 September 2016
Current Fiscal Year-To-Date				
Net Position Change	(\$0.051)	\$0.101	\$0.237	\$0.156
Prior Year Beginning Balance	\$9.208	\$8.874	\$8.293	\$7.461
Net Position Balance	\$9.157	\$8.975	\$8.530	\$7.617

FYTD 2019 Budget vs. Actual Non-Investment Administrative Expenses Through September 30, 2019				
	Budget	FYTD Budget	Actual	Difference
Administrative Expenses				
Internal (Statutory Administrative)	\$ 9,297,522	\$ 2,230,117	\$ 1,794,409	\$ 435,708
External (Actuary, Legal, Audit)	\$ 940,288	\$ 235,072	\$ 232,608	\$ 2,464
Total	\$ 10,237,810	\$ 2,465,189	\$ 2,027,017	\$ 438,172

EXPENSES AS A PERCENTAGE OF ASSETS



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