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

<table>
<thead>
<tr>
<th>1st Quarter FY 2019: $8.975 billion</th>
<th>1st Quarter FY 2020: $9.157 billion*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets in Billions: June 30, 2010 to present</td>
<td></td>
</tr>
<tr>
<td>6/30/10</td>
<td>6/30/11</td>
</tr>
</tbody>
</table>

INVESTMENT PERFORMANCE

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

* Unaudited

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*)

<table>
<thead>
<tr>
<th></th>
<th>2020 FYTD</th>
<th>2019 FYTD</th>
<th>2018 FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$153.3</td>
<td>$148.9</td>
<td>$143.4</td>
</tr>
</tbody>
</table>

* 9/30/19 data is unaudited

BENEFITS PAID (in millions through 9/30*)

<table>
<thead>
<tr>
<th></th>
<th>2020 FYTD</th>
<th>2019 FYTD</th>
<th>2018 FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$221.6</td>
<td>$216.8</td>
<td>$202.2</td>
</tr>
</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th></th>
<th>2016 FYTD</th>
<th>2017 FYTD</th>
<th>2018 FYTD</th>
<th>2019 FYTD</th>
<th>2020 FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>1,013</td>
<td>931</td>
<td>974</td>
<td>1,020</td>
<td>937</td>
</tr>
<tr>
<td>Refunds</td>
<td>500</td>
<td>480</td>
<td>464</td>
<td>498</td>
<td>508</td>
</tr>
</tbody>
</table>

ACTUARIAL FUNDED RATIO

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

NHRS Quarterly Dashboard for Governor’s Office – FY 2020 – Q1
### NET POSITION AND ADMINISTRATIVE EXPENSES

<table>
<thead>
<tr>
<th>FYTD Net Position ($s in billions)</th>
<th>FY 2020 Preliminary</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Fiscal Year-To-Date</td>
<td>September 2019</td>
<td>September 2018</td>
<td>September 2017</td>
<td>September 2016</td>
</tr>
<tr>
<td>Net Position Change</td>
<td>($0.051)</td>
<td>$0.101</td>
<td>$0.237</td>
<td>$0.156</td>
</tr>
<tr>
<td>Prior Year Beginning Balance</td>
<td>$9.208</td>
<td>$8.874</td>
<td>$8.293</td>
<td>$7.461</td>
</tr>
</tbody>
</table>

### FYTD 2019 Budget vs. Actual

#### Non-Investment Administrative Expenses

Through September 30, 2019

<table>
<thead>
<tr>
<th>Administrative Expenses</th>
<th>Budget</th>
<th>FYTD Budget</th>
<th>Actual</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal (Statutory Administrative)</td>
<td>$9,297,522</td>
<td>$2,230,117</td>
<td>$1,794,409</td>
<td>$435,708</td>
</tr>
<tr>
<td>External (Actuary, Legal, Audit)</td>
<td>$940,288</td>
<td>$235,072</td>
<td>$232,608</td>
<td>$2,464</td>
</tr>
<tr>
<td>Total</td>
<td>$10,237,810</td>
<td>$2,465,189</td>
<td>$2,027,017</td>
<td>$438,172</td>
</tr>
</tbody>
</table>

### EXPENSES AS A PERCENTAGE OF ASSETS

- **NHRS**
- **NEPC Public Fund Universe (35 DB funds greater than $1B)**
- **NCPERS Universe (167 public DB funds)**

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