

NHRS DASHBOARD: FY 2020 Third Quarter

For the period January 1, 2020 to March 31, 2020

Prepared for the Office of Gov. Christopher T. Sununu – May 2020

QUARTERLY HIGHLIGHTS

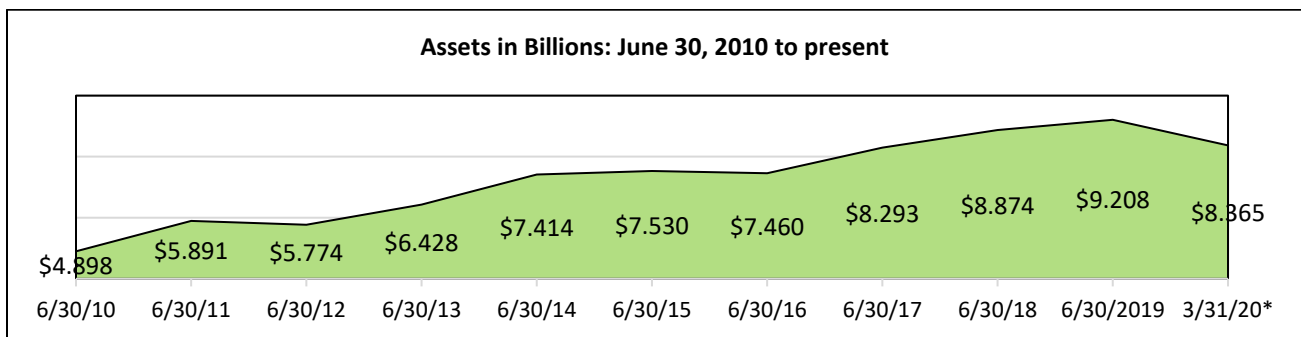
Here is a summary of NHRS activities during the quarter ending March 31, 2020:

- In regard to the short-term impacts of the coronavirus (COVID-19) pandemic on regular business activities, early emergency planning positioned the retirement system to remain operational as state and federal governments ordered social distancing measures and large-scale closures in recent weeks. The NHRS office in Concord was closed to visitors effective March 17 and we have enabled teleworking for nearly all of our staff. Scheduled member appointments with NHRS Benefits Specialists and other member, retiree, and employer interactions are being conducted by telephone, and pension benefits will continue to be paid, on-time and as usual. The retirement system continues to provide updates to members, retirees, and employers as the situation unfolds.
- In the first quarter, Trustees heard capital market presentations from investment experts in conjunction with an actuarial experience study authorized by the Board in December. Actuaries conduct experience studies on a regular basis to assess the extent to which their assumptions reflect plan experience. The Board will receive a draft experience study in the second quarter and review any recommendation from the actuary. If any adjustments to assumptions are made, they will be incorporated in the development of employer contribution rates for fiscal years 2022 and 2023, which will be certified by the Board in September. In March, the Board unanimously voted to revise the Actuarial Funding Policy to require actuarial experience studies to be conducted every four years. New Hampshire law requires the retirement system's actuary to conduct an experience study at least once every five years.
- Two new Trustees were appointed to the Board in March by the Governor and Executive Council. Scott Christensen of Portsmouth was appointed to replace long-time public member Dr. Richard Gustafson. Monica Mezzapelle was appointed Commissioner of Treasury for the remainder of former Treasurer Bill Dwyer's term. The state Treasurer is an ex officio member of the Board.

TRUST FUND

3rd Quarter FY 2019: \$8.891 billion

3rd Quarter FY 2020: \$8.365 billion*



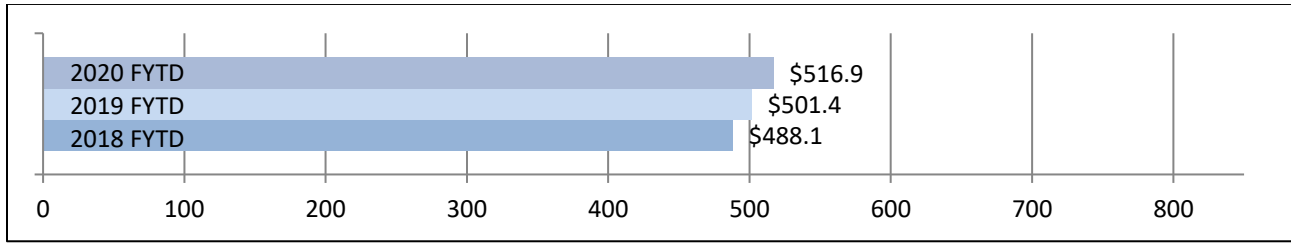
INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD - 3/31/20*	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	-7.6%	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.

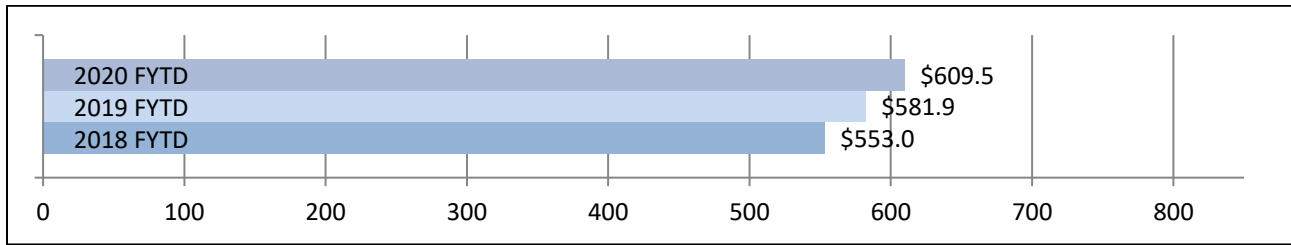
Note: In investment parlance, the lower the percentile regarding peer comparison, the better the performance relative to peers. For instance, NHRS' 10-year performance in the 11th percentile means the retirement system outperformed 89% of peer public plans over that period.

CONTRIBUTIONS (in millions through 3/31*)



* 3/31/20 data is unaudited

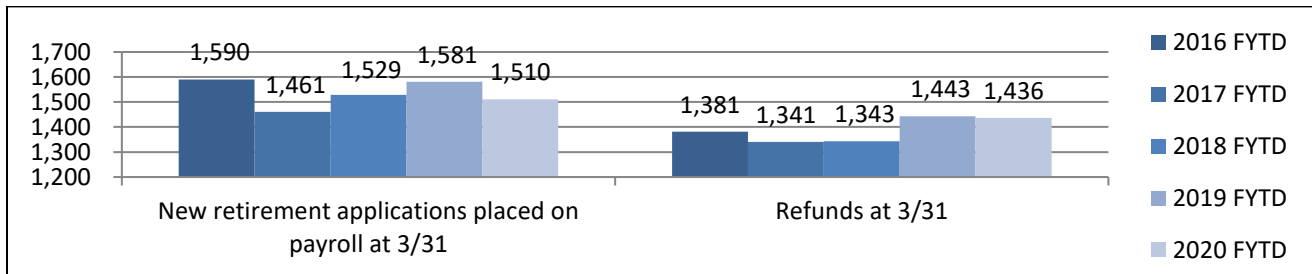
BENEFITS PAID (in millions through 3/31*)



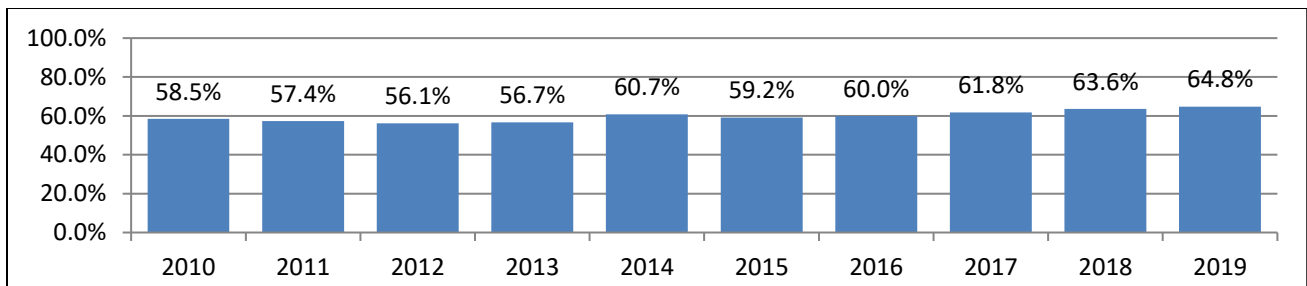
* 3/31/20 data is unaudited

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

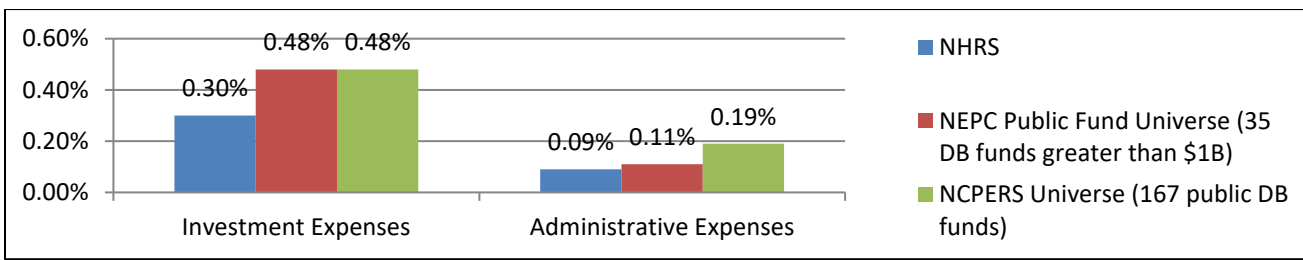


Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions in 2011, 2016

NET POSITION AND ADMINISTRATIVE EXPENSES

FYTD Net Position (\$s in billions)	FY 2020	FY 2019	FY 2018	FY 2017
Current Fiscal Year-To-Date	March 2020	March 2019	March 2018	March 2017
Net Position Change	(\$0.843)	\$0.017	\$0.452	\$0.523
Prior Year Beginning Balance	\$9.208	\$8.874	\$8.293	\$7.461
Net Position Balance	\$8.365	\$8.891	\$8.745	\$7.984
FYTD 2020 Budget vs. Actual				
Non-Investment Administrative Expenses				
Through March 31, 2020				
	Budget	FYTD Budget	Actual	Difference
Administrative Expenses				
Internal (Statutory Administrative)	\$ 9,297,522	\$ 7,134,906	\$ 6,060,141	\$ 1,074,765
External (Actuary, Legal, Audit)	\$ 940,288	\$ 705,216	\$ 698,514	\$ 6,702
Total	\$ 10,237,810	\$ 7,840,122	\$ 6,758,655	\$ 1,081,467

EXPENSES AS A PERCENTAGE OF ASSETS



Most recent data available (NCPERS - FY 2019; NEPC - FY 2019)