

NHRS DASHBOARD: FY 2020 Fourth Quarter

For the period April 1, 2020 to June 30, 2020

Prepared for the Office of Gov. Christopher T. Sununu - August 2020

QUARTERLY HIGHLIGHTS

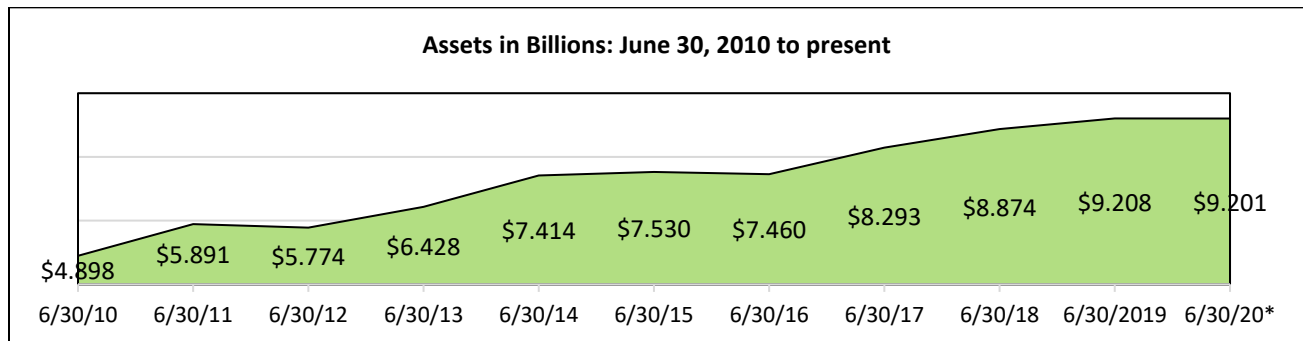
Here is a summary of NHRS activities during the quarter ending June 30, 2020:

- The Board of Trustees in June voted to adopt revised actuarial assumptions based on the results of a four-year experience study conducted by its consulting actuary. In an accompanying vote, the Board voted to reduce the retirement system's investment assumption, lowering the assumed rate of return from 7.25 percent to 6.75 percent. The new assumptions, which better reflect the retirement system's actual and anticipated experience, will be used in the actuarial valuation for the fiscal year ending June 30, 2019. By statute, this valuation will be used by the Board in September to determine employer contribution rates for fiscal years 2022 and 2023. Overall, the changes to actuarial assumptions approved this year are expected to increase 2022-23 employer contribution rates by approximately 20 percent. Current retiree pension benefits and benefit formulas for active members are unaffected.
- The retirement system has remained fully operational throughout quarter despite disruptions related to the coronavirus (COVID-19) pandemic. The NHRS office in Concord remains closed to visitors and the majority of the workforce continue to telework. Scheduled member appointments with NHRS Benefits Specialists and other member, retiree, and employer interactions are being conducted by telephone or videoconference.
- In May, the Governor named Timothy Lesko of Hopkinton as chair of the NHRS Board of Trustees. Lesko, a public member of the Board since January 2018, was chosen to replace longtime Chair Dr. Richard Gustafson, who did not seek reappointment.

TRUST FUND

4th Quarter FY 2019: \$9.208 billion

4th Quarter FY 2020: \$9.201 billion*



* Unaudited

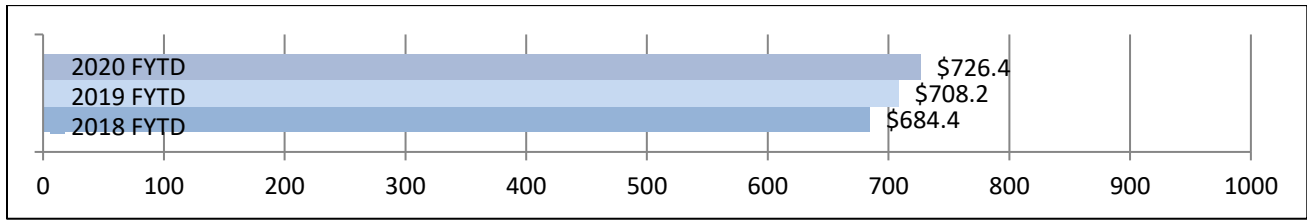
INVESTMENT PERFORMANCE

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: 6.75%; * 6/30/20 return unavailable pending valuation of real estate and alternative investments.

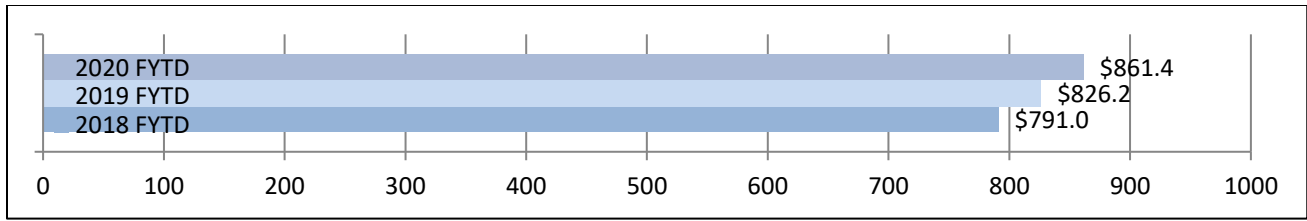
Note: In investment parlance, the lower the percentile regarding peer comparison, the better the performance relative to peers. For instance, NHRS' 10-year performance in the 11th percentile means the retirement system outperformed 89% of peer public plans over that period.

CONTRIBUTIONS (in millions through 6/30*)



* 6/30/20 data is unaudited

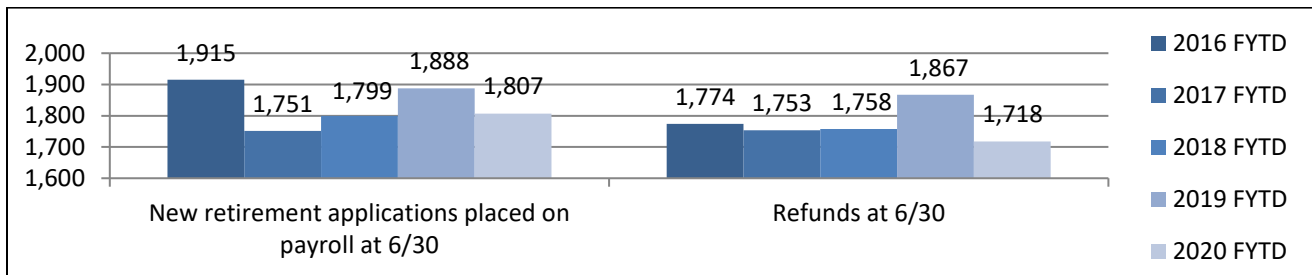
BENEFITS PAID (in millions through 6/30*)



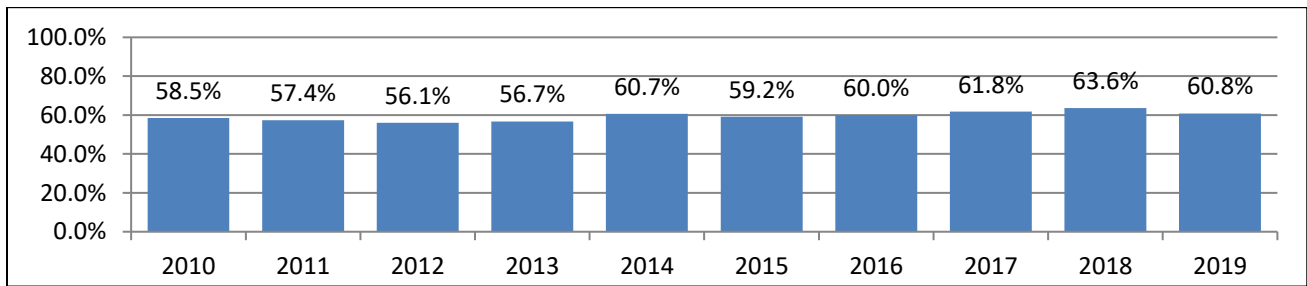
* 6/30/20 data is unaudited

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 difference between contributions and benefits.

RETIREMENTS AND REFUNDS



ACTUARIAL FUNDED RATIO



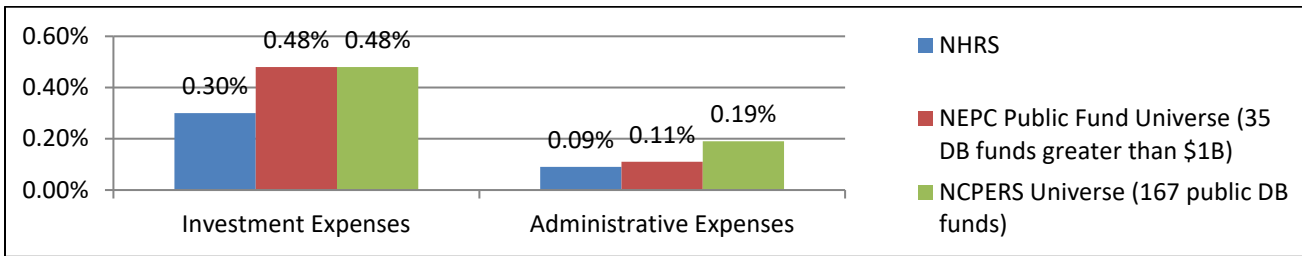
Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions in 2011, 2016 and 2020

NET POSITION AND ADMINISTRATIVE EXPENSES

FYTD Net Position (\$\$ in billions)	FY 2020	FY 2019	FY 2018	FY 2017
	Preliminary			
Current Fiscal Year-To-Date	June 2020	June 2019	June 2018	June 2017
Net Position Change	(\$0.007)	\$0.334	\$0.581	\$0.832
Prior Year Beginning Balance	\$9.208	\$8.874	\$8.293	\$7.461
Net Position Balance	\$9.201	\$9.208	\$8.874	\$8.293

FYTD 2020 Budget vs. Actual				
Non-Investment Administrative Expenses				
Through June 30, 2020				
	Budget	FYTD Budget	Actual	Difference
Administrative Expenses				
Internal (Statutory Admin. Budget)	\$ 9,297,522	\$ 9,297,522	\$ 7,919,244	\$ 1,378,278
External (Actuary, Legal, Audit)	\$ 940,288	\$ 940,288	\$ 793,804	\$ 146,484
Total	\$ 10,237,810	\$ 10,237,810	\$ 8,713,048	\$ 1,524,762

EXPENSES AS A PERCENTAGE OF ASSETS



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