

NHRS DASHBOARD: FY 2021 First Quarter

For the period July 1, 2020 to September 30, 2020

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

QUARTERLY HIGHLIGHTS

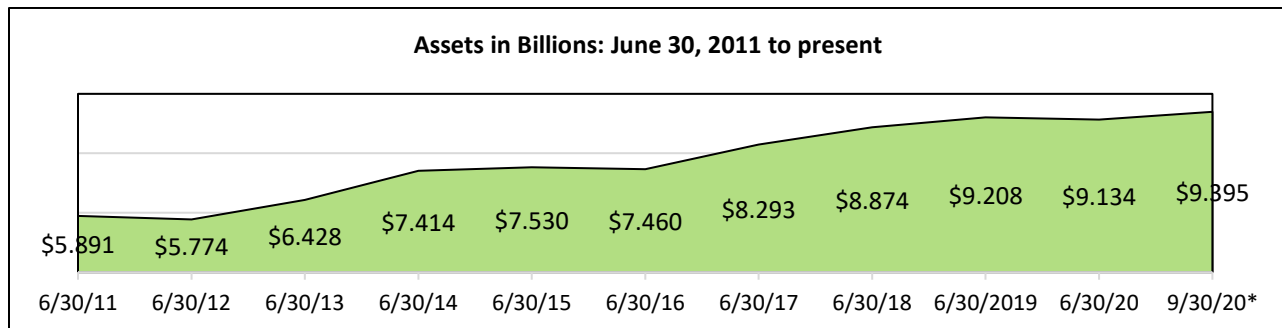
Here is a summary of NHRS activities during the quarter ending September 30, 2020:

- Trustees in September certified employer contribution rates for fiscal years 2022 and 2023 pursuant to RSA 100-A:16, III. The rates were developed by GRS, the NHRS consulting actuary, in the biennial actuarial valuation for the year ending June 30, 2019. The new rates take effect on July 1, 2021, which marks the start of the 2022 fiscal year. Overall, rates increased nearly 20 percent as compared to the most recent biennium, primarily due to adjustments to actuarial assumptions adopted by the Board of Trustees in June.
- The retirement system remained fully operational throughout the 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.
- None of the 13 retirement system-related bills introduced in 2020 were enacted into law.
- Initial implementation of the cost-of-living adjustment (COLA) approved by the Legislature in 2019 began in August. Eligible retirees and beneficiaries will receive a permanent 1.5 percent COLA between August 2020 and July 2021, depending on the month in which the retirement benefit began.

TRUST FUND

1st Quarter FY 2020: \$9.157 billion

1st Quarter FY 2021: \$9.395 billion*



* Unaudited

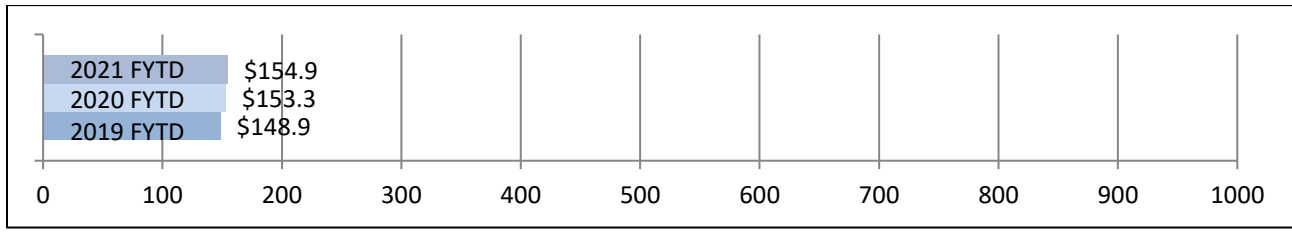
INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 9/30/20*	1 yr. at 6/30/20	3 yr. at 6/30/20	5 yr. at 6/30/20	10 yr. at 6/30/20
Total Fund Composite	3.7%	1.1%	5.2%	5.9%	8.7%
Peer comparison (percentile)	N/A	81 st	66 th	49 th	26 th

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

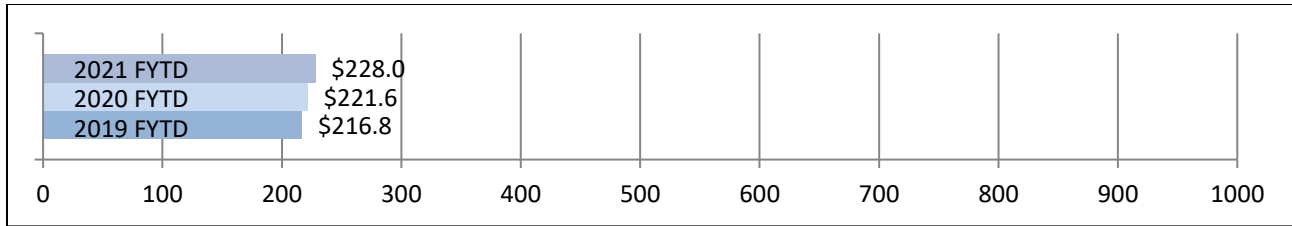
Note: In investment parlance, the lower the percentile regarding peer comparison, the better the performance relative to peers. For instance, NHRS' 10-year performance in the 26th percentile means the retirement system outperformed 74% of peer public plans over that period.

CONTRIBUTIONS (in millions through 9/30*)



* 9/30/20 data is unaudited

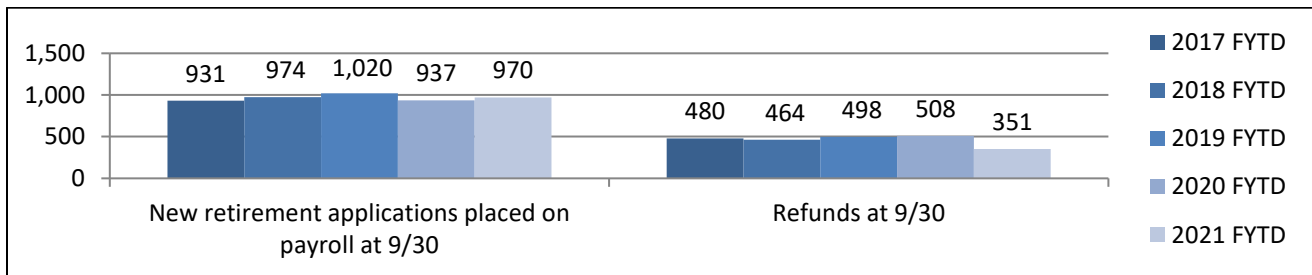
BENEFITS PAID (in millions through 9/30*)



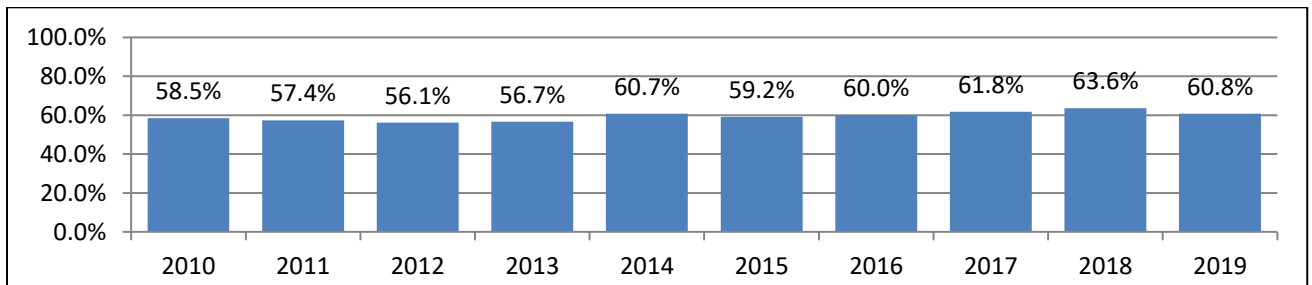
* 9/30/20 data is unaudited

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 quarterly difference between contributions and benefits.

RETIREMENTS AND REFUNDS



ACTUARIAL FUNDED RATIO



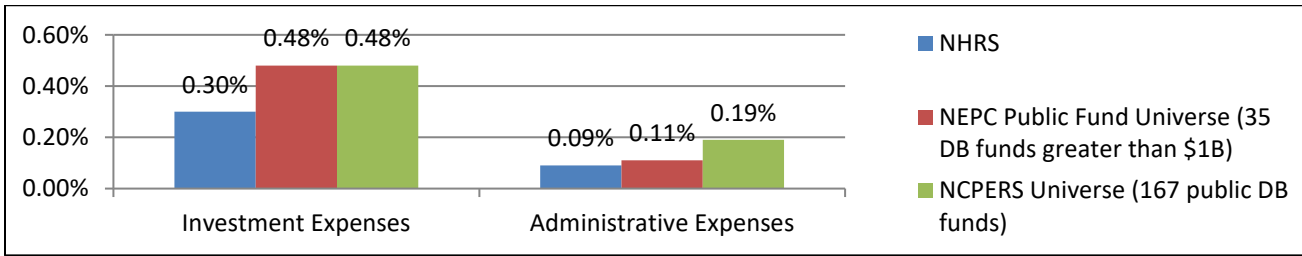
Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions in 2011, 2016, and 2020

NET POSITION AND ADMINISTRATIVE EXPENSES

FYTD Net Position (\$s in billions)	FY 2021 Preliminary September 2020	FY 2020 September 2019	FY 2019 September 2018	FY 2018 September 2017
Current Fiscal Year-To-Date				
Net Position Change	\$0.261	(\$0.051)	\$0.101	\$0.237
Prior Year Beginning Balance	\$9.134	\$9.208	\$8.874	\$8.293
Net Position Balance	\$9.395	\$9.157	\$8.975	\$8.530

FYTD 2021 Budget vs. Actual Non-Investment Administrative Expenses Through September 30, 2020				
	Budget	FYTD Budget	Actual	Difference
Administrative Expenses				
Internal (Statutory Admin. Budget)	\$ 9,451,560	\$ 2,267,336	\$ 2,028,526	\$ 238,810
External (Actuary, Legal, Audit)	\$ 1,121,600	\$ 280,400	\$ 172,718	\$ 107,682
Total	\$ 10,573,160	\$ 2,547,736	\$ 2,201,244	\$ 346,492

EXPENSES AS A PERCENTAGE OF ASSETS



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