

## NHRS DASHBOARD: FY 2021 Second Quarter

For the period October 1, 2020 to December 31, 2020  
Prepared for the Office of Gov. Christopher T. Sununu – February 2021

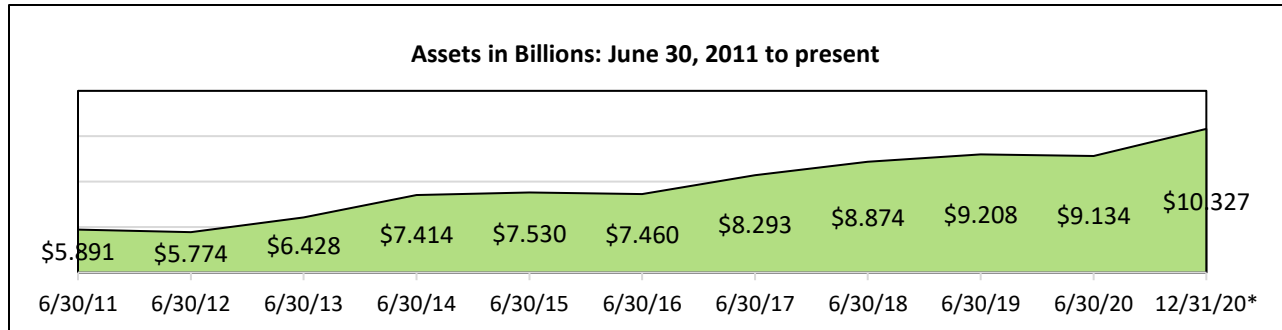
### QUARTERLY HIGHLIGHTS

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

- NHRS realized a 1.1% return on investments in the fiscal year ended June 30, 2020. The three-year, five-year, 10-year, 20-year, and 25-year returns for the periods ended June 30, 2020, were 5.2%, 5.9%, 8.7%, 5.4%, and 7.5%, respectively. All returns are net of fees. The retirement system's assumed rate of investment return is 6.75%.
- Over the past several months, NHRS has conducted outreach efforts with public employer associations and groups, as well as labor organizations and individual employers, to communicate information with respect to the FY 15-19 experience study and resulting FY 22-23 employer contribution rate increases.
- Following an RFP process initiated in May, Trustees unanimously voted at the October Board meeting to accept the recommendation of the Independent Investment Committee and select Callan to replace NEPC as the NHRS investment consultant effective January 1, 2021.
- Trustees in November unanimously voted to select incumbent GRS as the retirement system's actuary for a three-year term, with the eligibility for two, one-year extensions. An RFP for actuarial services was issued in August with five nationally recognized actuarial firms submitting proposals.
- As part of its ongoing efforts to improve customer service, NHRS launched a contact center in December to more efficiently address inquiries from members and benefit recipients. Every effort will be made to assist the caller during the initial call, resulting in more immediate service.

### TRUST FUND

<b>2nd Quarter FY 2020: \$9.557 billion</b>	<b>2nd Quarter FY 2021: \$10.327 billion*</b>
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\* Unaudited

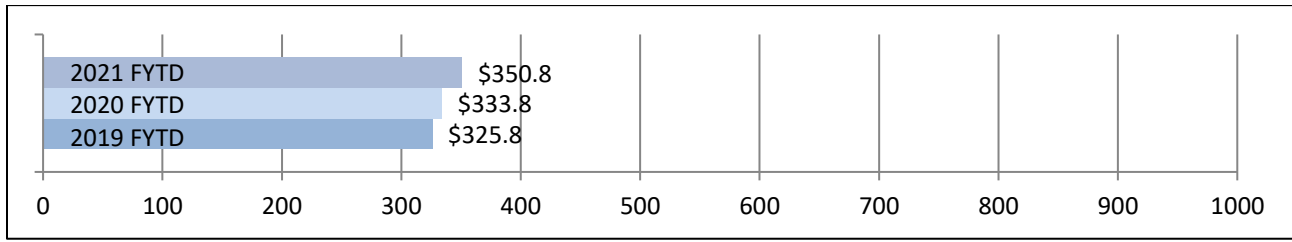
### INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 12/31/20*	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	14.5%	1.1%	5.2%	5.9%	8.7%
Peer comparison (percentile)	N/A	81 <sup>st</sup>	66 <sup>th</sup>	49 <sup>th</sup>	26 <sup>th</sup>

Assumed Rate of Return: 6.75%; \* Annualized; valuation of real estate and alternative investments lagged three months..

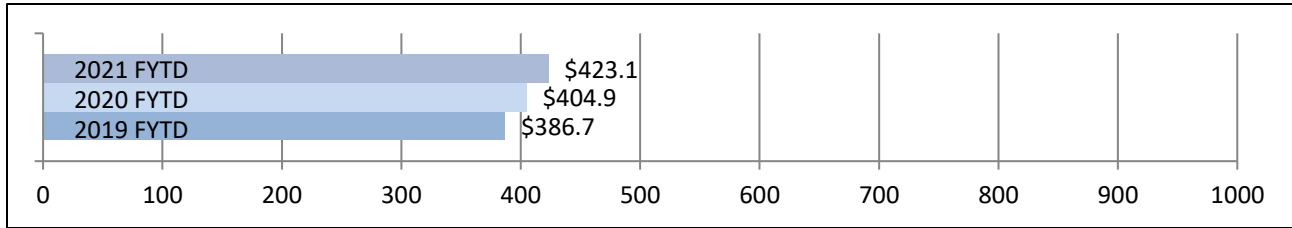
**Note:** In investment parlance, the lower the percentile regarding peer comparison, the better the performance relative to peers. For instance, NHRS' 10-year performance in the 26<sup>th</sup> percentile means the retirement system outperformed 74% of peer public plans over that period.

**CONTRIBUTIONS (in millions through 12/31\*)**



\* 12/31/20 data is unaudited

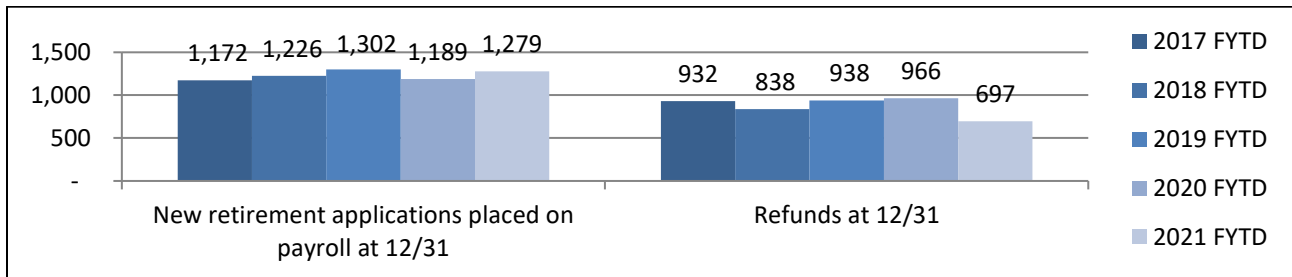
**BENEFITS PAID (in millions through 12/31\*)**



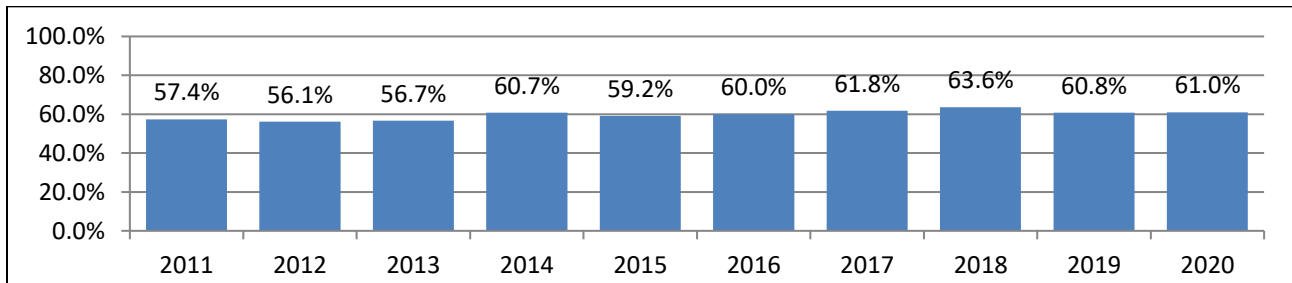
\* 12/31/20 data is unaudited

**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, and 2020*

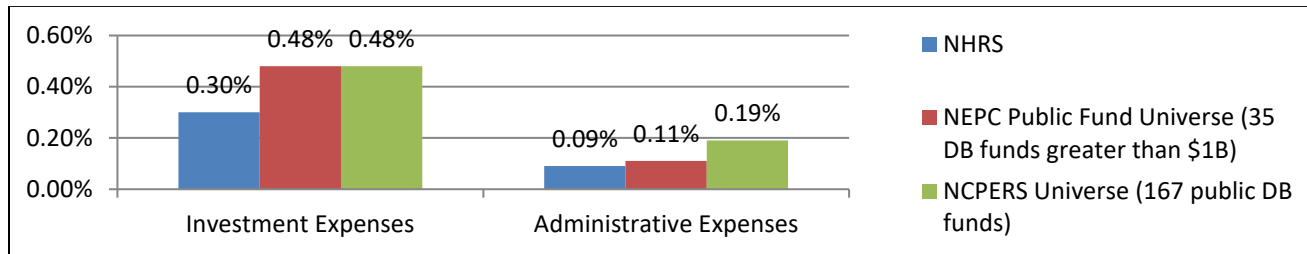
## NET POSITION AND ADMINISTRATIVE EXPENSES

FYTD Net Position (\$s in billions)	FY 2021 Preliminary December 2020	FY 2020 December 2019	FY 2019 December 2018	FY 2018 December 2017
Current Fiscal Year-To-Date				
Net Position Change	\$1.193	\$0.349	(\$0.485)	\$0.496
Prior Year Beginning Balance	\$9.134	\$9.208	\$8.874	\$8.293
<b>Net Position Balance</b>	<b>\$10.327</b>	<b>\$9.557</b>	<b>\$8.389</b>	<b>\$8.789</b>

FYTD 2021 Budget vs. Actual Non-Investment Administrative Expenses Through December 31, 2020				
	Budget	FYTD Budget	Actual	Difference
<b>Administrative Expenses</b>				
Internal (Statutory Admin. Budget)	\$ 9,451,560	\$ 4,763,281	\$ 3,889,517	\$ 873,764
External (Actuary, Legal, Audit)	\$ 1,121,600	\$ 560,800	\$ 562,300	\$ (1,500)
<b>Total</b>	<b>\$ 10,573,160</b>	<b>\$ 5,324,081</b>	<b>\$ 4,451,817</b>	<b>\$ 872,264</b>

## EXPENSES AS A PERCENTAGE OF ASSETS



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