

## NHRS DASHBOARD: FY 2021 Third Quarter

For the period January 1, 2021 to March 31, 2021

Prepared for the Office of Gov. Christopher T. Sununu - May 2021

### QUARTERLY HIGHLIGHTS

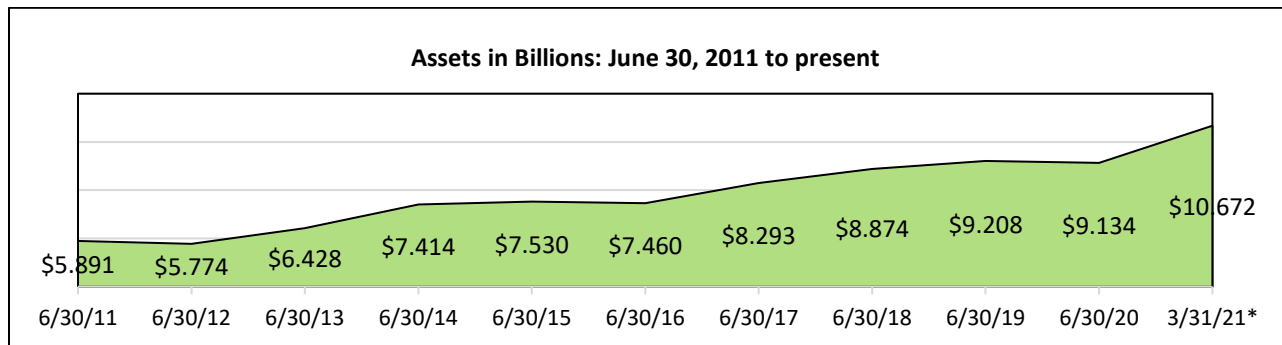
Here is a summary of NHRS activities during the quarter ending March 31, 2021:

- The Board voted unanimously in February to hire Jan Goodwin as Executive Director, effective April 1, 2021. Goodwin is joining NHRS after leading the New Mexico Educational Retirement Board (NMERB) since 2008. She replaced George Lagos, who retired March 1.
- The Board unanimously voted in January to accept the June 30, 2020, GASB 68 and 75 Report. The report, which details the proportionate share of unfunded pension and OPEB (medical subsidy) liabilities for participating employers, is used by employers to prepare financial statements in accordance with Governmental Accounting Standards Board requirements.
- The retirement system has remained fully operational throughout the quarter despite disruptions related to the coronavirus (COVID-19) pandemic. We have developed a flexible, responsible plan to safely re-open our office for member appointments with new safety protocols in place that adhere to state and federal public health guidelines.
- The multi-year upgrade of the NHRS pension database ("PGV3") that began in January 2019 is now 37% percent complete.
- Ken Merrifield, NH Commissioner of Labor, was appointed to the Board in March as the state's employer representative.

### TRUST FUND

3rd Quarter FY 2020: \$8.365 billion

3rd Quarter FY 2021: \$10.672 billion\*



\* Unaudited

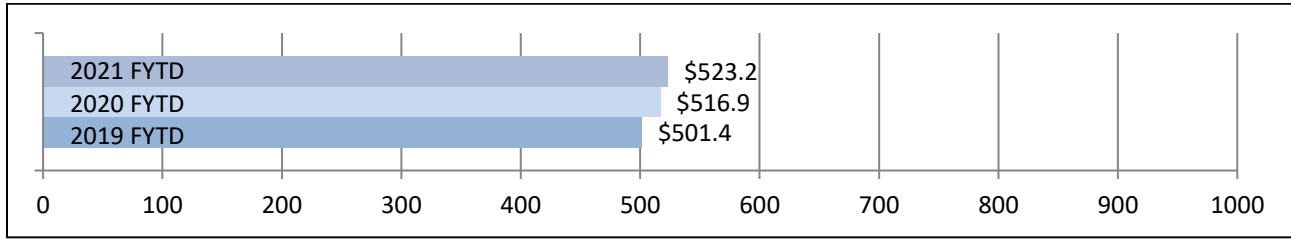
### INVESTMENT PERFORMANCE

| Net-of-fees returns          | FYTD – 3/31/21* | 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         | 19.0%           | 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..

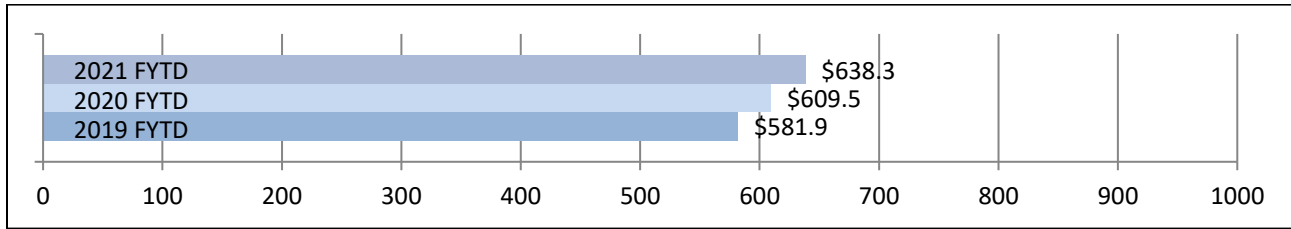
**Note:** In investment parlance, the lower the percentile regarding peer comparison, the better the performance relative to peers. For instance, NHRS' 10-year performance in the 26<sup>th</sup> percentile means the retirement system outperformed 74% of peer public plans over that period.

**CONTRIBUTIONS (in millions through 3/31\*)**



\* 3/31/21 data is unaudited

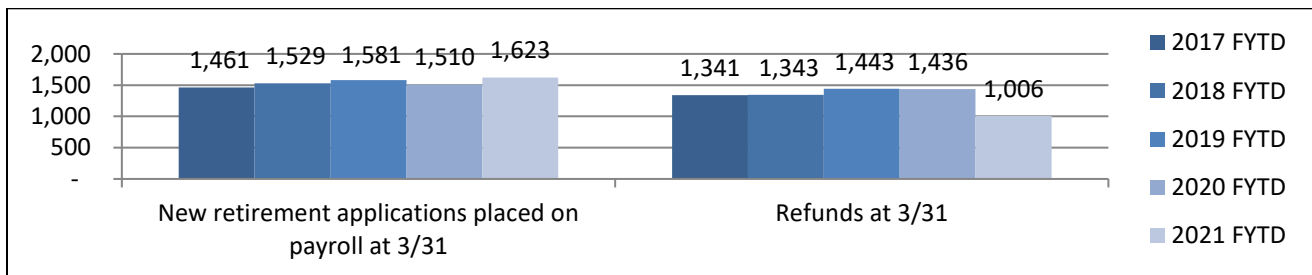
**BENEFITS PAID (in millions through 3/31\*)**



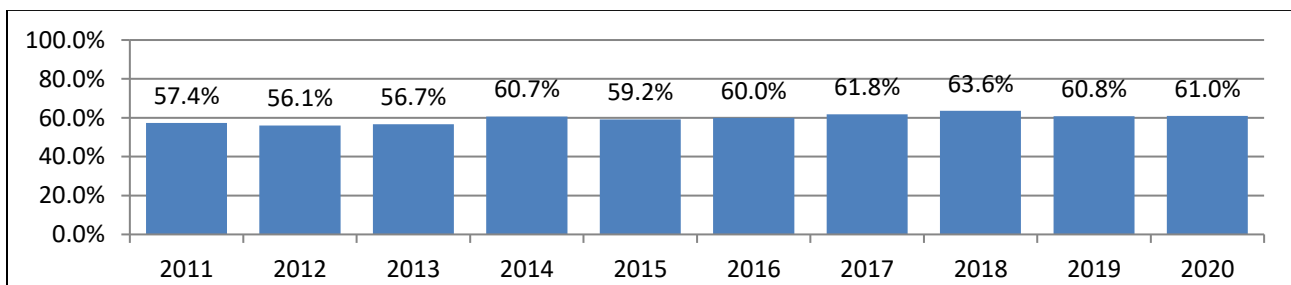
\* 3/31/21 data is unaudited

**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

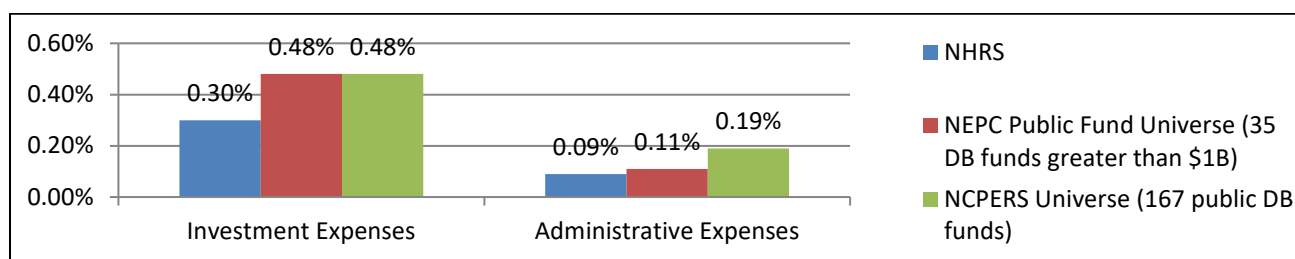
| FYTD Net Position (\$s in billions) | FY 2021         | FY 2020        | FY 2019        | FY 2018        |
|-------------------------------------|-----------------|----------------|----------------|----------------|
| Current Fiscal Year-To-Date         | March 2021      | March 2020     | March 2019     | March 2018     |
| Net Position Change                 | \$1.538         | (\$0.843)      | \$0.017        | \$0.452        |
| Prior Year Beginning Balance        | \$9.134         | \$9.208        | \$8.874        | \$8.293        |
| <b>Net Position Balance</b>         | <b>\$10.672</b> | <b>\$8.365</b> | <b>\$8.891</b> | <b>\$8.745</b> |

### FYTD 2021 Budget vs. Actual

#### Non-Investment Administrative Expenses Through March 31, 2021

|                                    | Budget               | FYTD Budget         | Actual              | Difference          |
|------------------------------------|----------------------|---------------------|---------------------|---------------------|
| <b>Administrative Expenses</b>     |                      |                     |                     |                     |
| Internal (Statutory Admin. Budget) | \$ 9,451,560         | \$ 6,993,117        | \$ 5,918,598        | \$ 1,074,519        |
| External (Actuary, Legal, Audit)   | \$ 1,121,600         | \$ 841,200          | \$ 892,647          | \$ (51,447)         |
| <b>Total</b>                       | <b>\$ 10,573,160</b> | <b>\$ 7,834,317</b> | <b>\$ 6,811,245</b> | <b>\$ 1,023,072</b> |

## EXPENSES AS A PERCENTAGE OF ASSETS



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