

NHRS DASHBOARD: FY 2021 Fourth Quarter

For the period April 1, 2021 to June 30, 2021

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

QUARTERLY HIGHLIGHTS

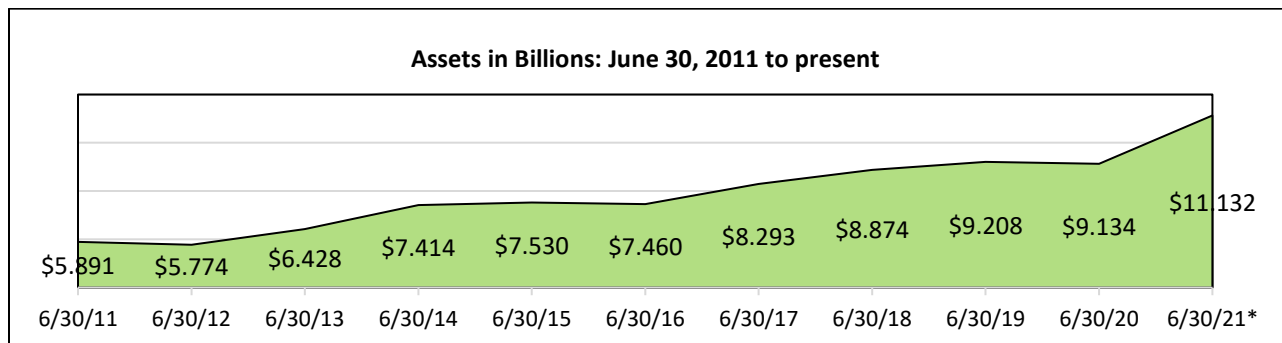
Here is a summary of NHRS activities during the quarter ending June 30, 2021:

- One bill related to RSA 100-A was signed into law in the 2021 session. House Bill 173 requires the quarterly report of the retirement system's Independent Investment Committee (IIC) to include a description of investment fees. The bill also requires IIC reports to be available on the retirement system's website. The next quarterly IIC report will be released in September.
- In response to a request from the NHRS Board of Trustees, a contingency clause was added to sections 14 and 15 of House Bill 2. These sections, which require NHRS to pay the state the full medical subsidy amount in instances where the actual cost of the total monthly premium per eligible participant is less than the full subsidy amount, will take effect following the receipt of a favorable determination from the IRS. The retirement system had raised concerns, based on the advice of fiduciary counsel, that these sections could create exposure for NHRS under Internal Revenue Service (IRS) rules, including those requiring that plan benefits be definitely determinable and administered in accordance with plan terms and that plan assets are to be used for the exclusive benefit of NHRS participants and their beneficiaries. The Board voted, 10-0, at its June meeting to oppose these sections of HB 2, as passed by the Senate. The bill was signed by the Governor on June 25.
- The NHRS office re-opened for limited member appointments and walk-ins on July 1.

TRUST FUND

4th Quarter FY 2020: \$9.134 billion

4th Quarter FY 2021: \$11.132 billion*



* Unaudited

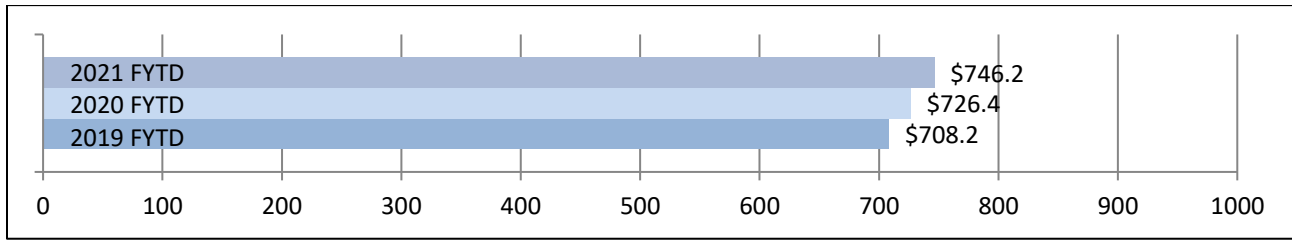
INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 6/30/21*	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	N/A	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%; * 6/30/21 return unavailable pending valuation of real estate and alternative investments.

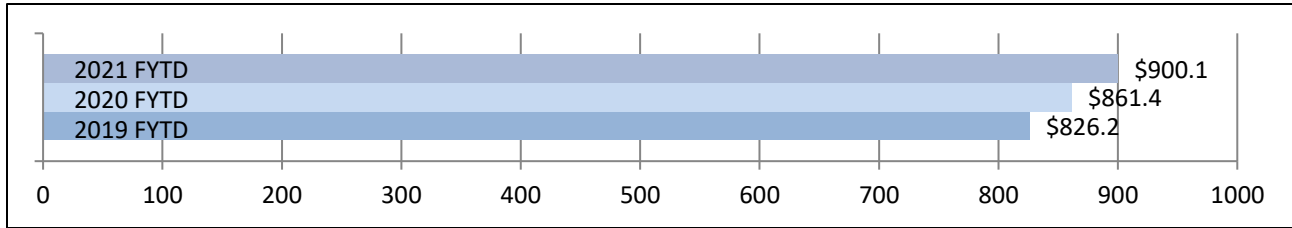
Note: In investment parlance, the lower the percentile regarding peer comparison, the better the performance relative to peers. For instance, NHRS' 10-year performance in the 26th percentile means the retirement system outperformed 74% of peer public plans over that period.

CONTRIBUTIONS (in millions through 6/30*)



* 6/30/21 data is unaudited

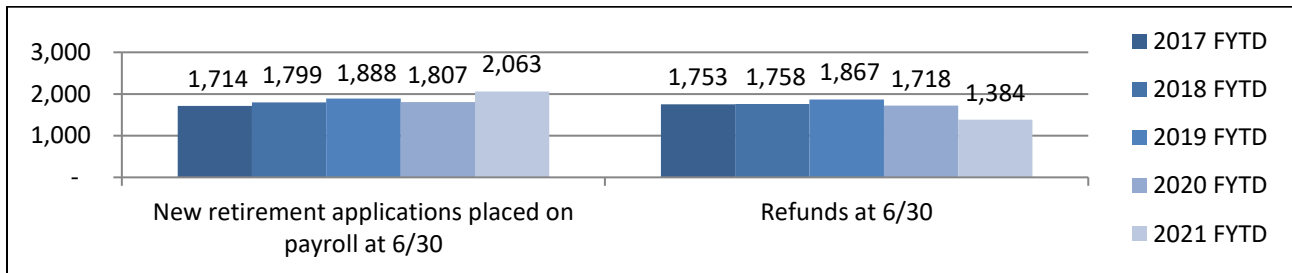
BENEFITS PAID (in millions through 6/30*)



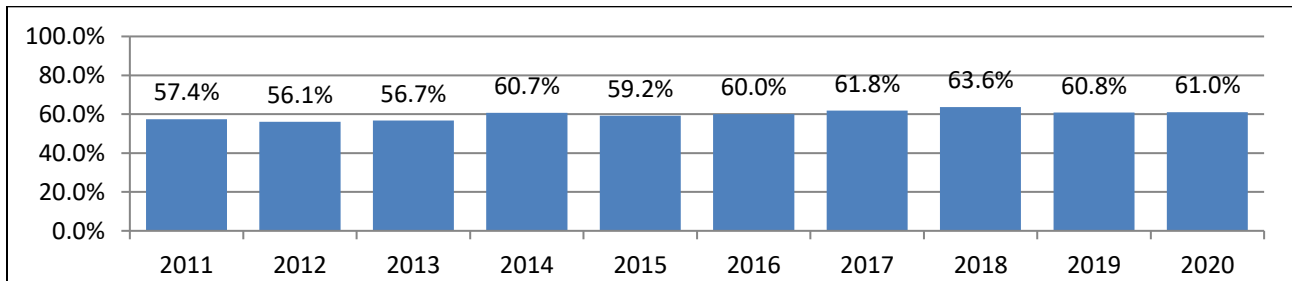
* 6/30/21 data is unaudited

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

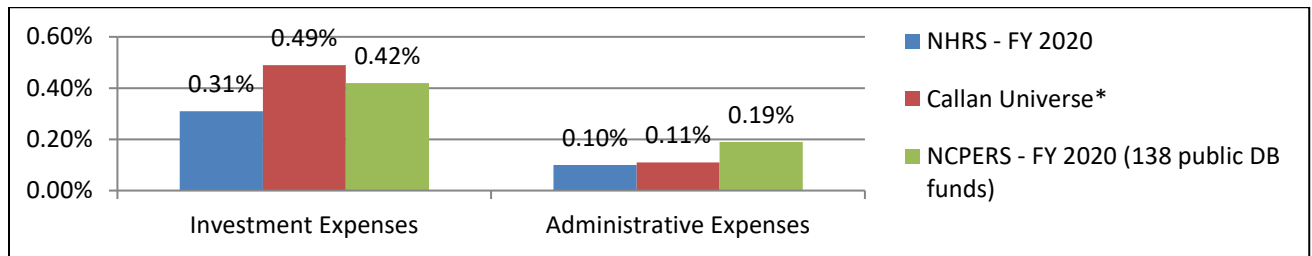
FYTD Net Position (\$s in billions)	FY 2021	FY 2020	FY 2019	FY 2018
	Prelininary			
Current Fiscal Year-To-Date	June 2021	June 2020	June 2019	June 2018
Net Position Change	\$1.998	(\$0.074)	\$0.334	\$0.581
Prior Year Beginning Balance	\$9.134	\$9.208	\$8.874	\$8.293
Net Position Balance	\$11.132	\$9.134	\$9.208	\$8.874

FYTD 2021 Budget vs. Actual

Non-Investment Administrative Expenses Through March 31, 2021

	Budget	FYTD Budget	Actual	Difference
Administrative Expenses				
Internal (Statutory Admin. Budget)	\$ 9,451,560	\$ 9,451,560	\$ 8,040,571	\$ 1,410,989
External (Actuary, Legal, Audit)	\$ 1,121,600	\$ 1,121,600	\$ 1,002,620	\$ 118,980
Total	\$ 10,573,160	\$ 10,573,160	\$ 9,043,191	\$ 1,529,969

EXPENSES AS A PERCENTAGE OF ASSETS



* FY 2020 data for investment expenses (57 public plans), 2021 survey for administrative expenses (27 clients).