

NHRS DASHBOARD: FY 2023 Second Quarter

For the period October 1, 2022, to December 31, 2022
Prepared for the Office of Gov. Christopher T. Sununu – April 2023

QUARTERLY HIGHLIGHTS

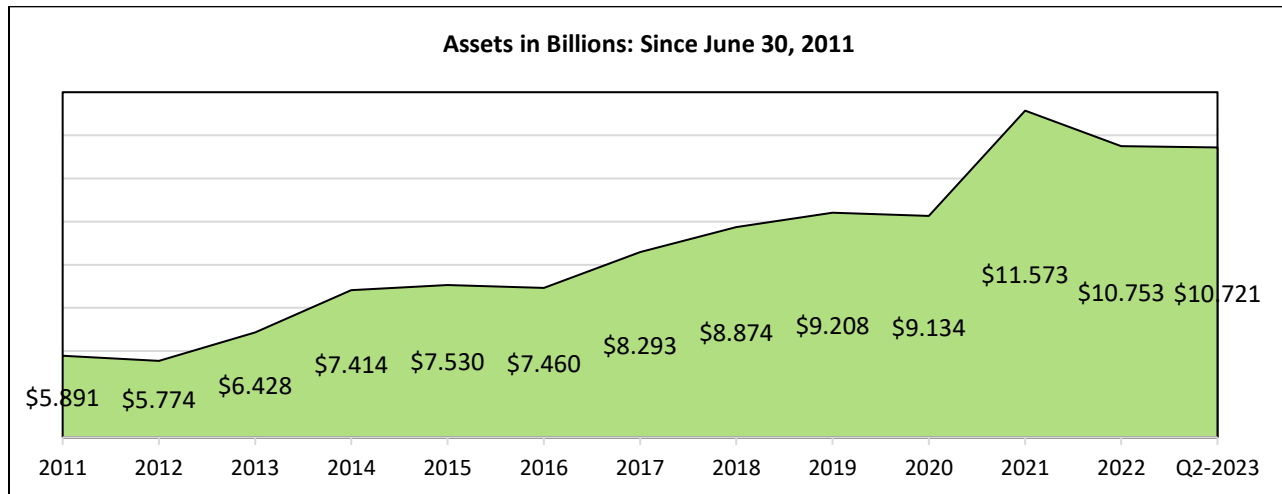
Here is a summary of NHRS activities during the quarter ending December 31, 2022:

- For the Fiscal Year (FY) that ended June 30, 2022, NHRS realized a negative 6.1% net of fees return on investments, due to the ongoing volatility of the global financial markets related to higher inflation, rising interest rates due to central bank activity, and increasing geopolitical risk due to the war between Russia and Ukraine. On a longer-term basis, the three-year, five-year, and ten-year net of fees returns for the periods ended June 30, 2022, were 7.1%, 7.2%, and 8.5%, respectively. The 25-year net of fee return as of June 30, 2022, is 6.9%, beating the retirement system’s assumed rate of return target of 6.75%.
- The FY 2022 NHRS funded ratio – the actuarial value of assets divided by the projected value of future benefits – is 65.6%, up from 64.2% in FY 2021. The trust fund stood at approximately \$10.75 billion as of June 30, 2022.
- Twenty LSRs related to the retirement system have been introduced, 16 in the House and four in the Senate.
- NHRS was recognized by the Government Finance Officers Association for excellence in financial reporting for its 2021 Annual Comprehensive Financial Report (ACFR).

TRUST FUND

2nd Quarter FY 2021: \$12.013 billion

2nd Quarter FY 2022: \$10.721*



* Unaudited

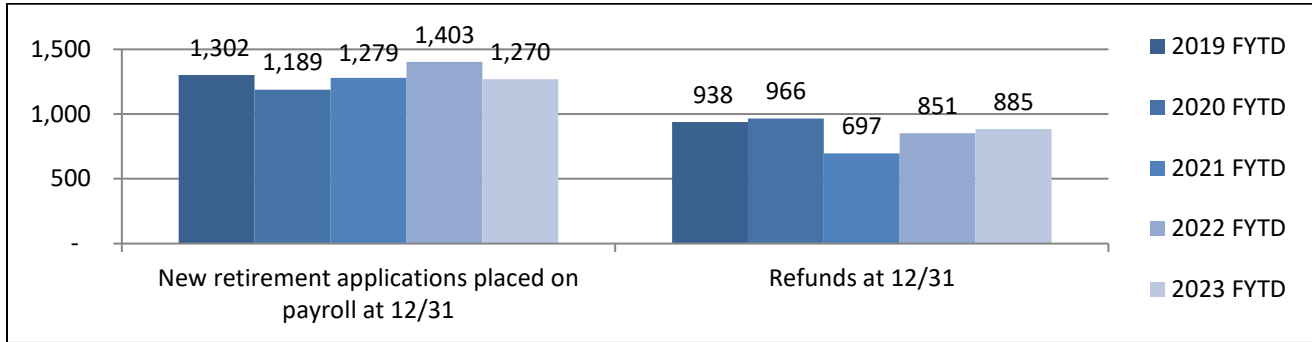
INVESTMENT PERFORMANCE

Net-of-fees returns	FYTD – 12/31/22*	1 yr. at 6/30/22	3 yr. at 6/30/22	5 yr. at 6/30/22	10 yr. at 6/30/22
Total Fund Composite	1.5%	-6.1%	7.1%	7.2%	8.5%
Peer comparison (percentile)	NA	34th	35th	36th	18th

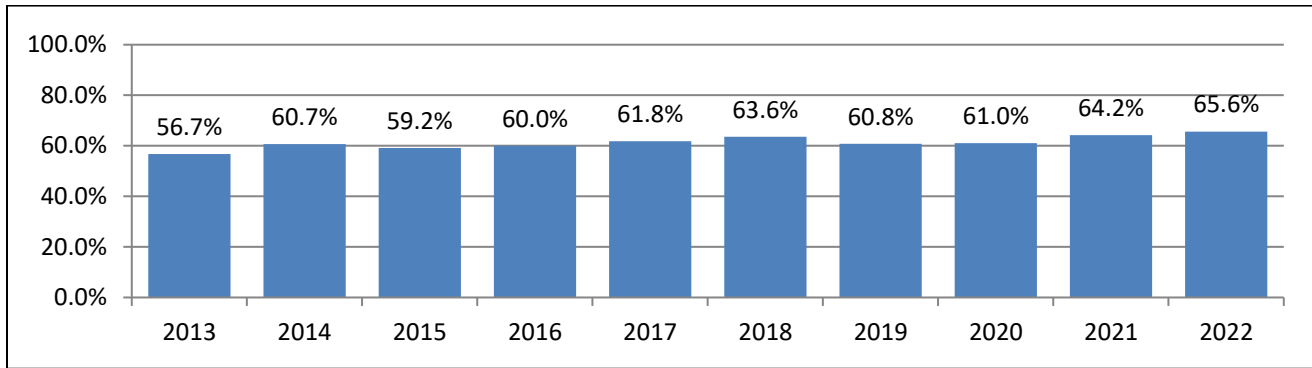
Assumed Rate of Return: 6.75%; * Annualized; valuation of real estate and alternative investments lagged three months.

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 18th percentile means the retirement system outperformed 82% of peer public plans over that period.

RETIREMENTS AND REFUNDS

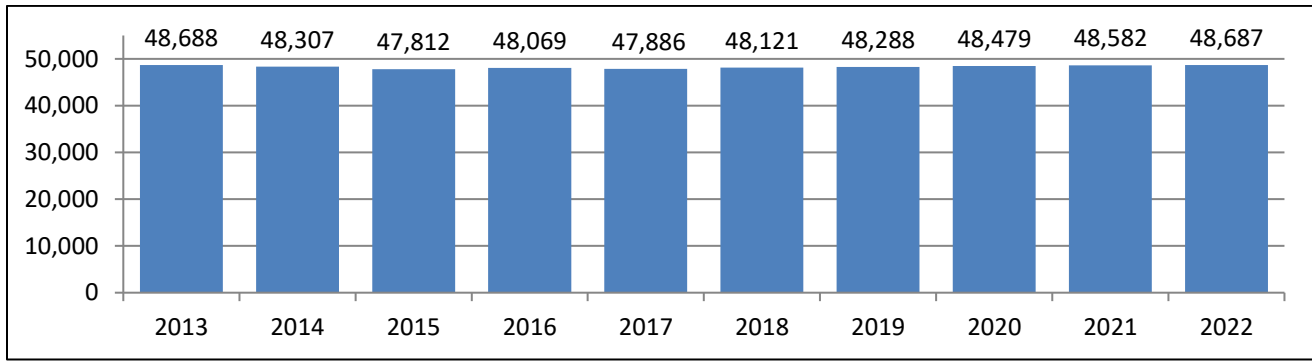


ACTUARIAL FUNDED RATIO

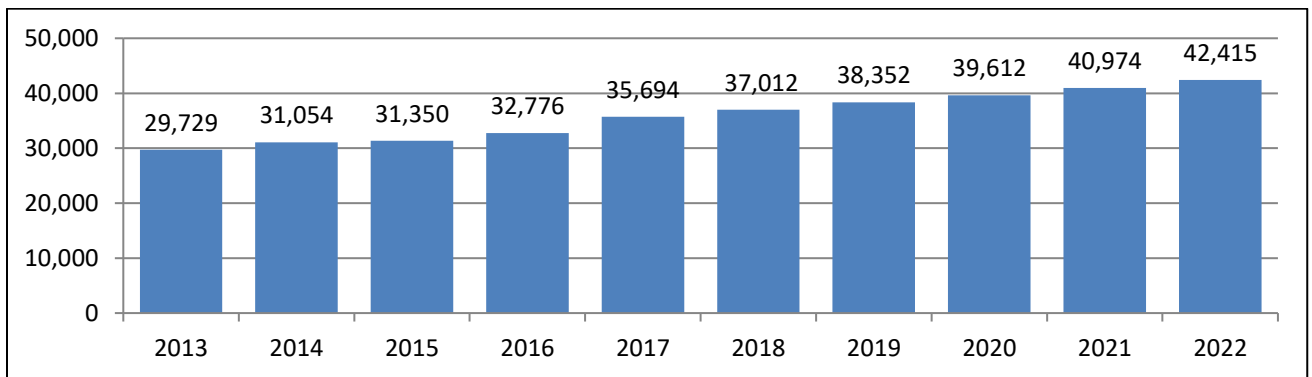


Funded ratio impacted by reductions to assumed rate of return and revised actuarial assumptions effective in 2015 and 2019

ACTIVE MEMBERS



RETIREES & BENEFICIARIES



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

NET POSITION AND ADMINISTRATIVE EXPENSES

FYTD Net Position (\$s in billions)	FY 2023	FY 2022	FY 2021	FY 2020
Current Fiscal Year-To-Date	December 2022	December 2021	December 2020	December 2019
Net Position Change	(\$1.292)	\$0.439	\$1.193	\$0.349
Prior Year Beginning Balance	\$12.013	\$11.574	\$9.134	\$9.208
Net Position Balance *	\$10.721	\$12.013	\$10.327	\$9.557
FYTD 2023 Budget vs. Actual				
Non-Investment Administrative Expenses				
Through December 31, 2022				
	Total Budget	FYTD Budget	Actual	Difference
Administrative Expenses				
Internal (Statutory Admin. Budget)	\$ 10,111,942	\$ 5,385,178	\$ 4,388,497	\$ 996,681
External (Actuary, Legal, Audit)	\$ 1,170,750	\$ 585,375	\$ 543,711	\$ 41,664
Total	\$ 11,282,692	\$ 5,970,553	\$ 4,932,208	\$ 1,038,345

* FY 2023 net position balance unavailable; market value of assets shown