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NHRS Realizes 12.9 Percent Return on Investments in Fiscal Year 2010

Final numbers for year ending June 30, 2010, show positive returns in major asset classes

CONCORD, N.H. – The New Hampshire Retirement System (NHRS, the retirement system) realized a 12.9 percent return on investments in the fiscal year ending June 30, 2010.

“All the major asset classes we invested in had positive returns for the fiscal year,” said NHRS Executive Director Dick Ingram. “This is very good news in what is still a fragile economic environment.”

In achieving a 12.9 percent return, NHRS exceeded its total fund custom benchmark return of 11.7 percent. A custom benchmark is composed of weighted indices that match an actual investment portfolio’s asset allocation and other characteristics; it is a widely accepted method to measure a portfolio’s performance.

New Hampshire’s rate of return also was slightly better than other public pension plans, most of which saw returns between 12 percent and 14 percent.

In July, NHRS reported a 13.7 percent return on marketable assets, which make up 93 percent of the retirement system’s total portfolio. At that point, returns on real estate and private equity investments – which make up the remainder of NHRS’ assets – were still being calculated.

The rate of return on real estate was 1.8 percent and the rate of return on private equity was 8.3 percent. Real estate accounts for \$245 million, or 5.1 percent, of the retirement system’s total assets; private equity investments account for \$94 million, or 1.9 percent.

At the close of the fiscal year, the retirement system’s trust fund was \$4.85 billion. As of Sept. 30, 2010, the trust fund stood at approximately \$5.2 billion.

The fiscal year 2010 results exceeded the assumed rate of return needed to meet the retirement system's long-term obligations. Since 1989, NHRS has achieved an average annual return of 8.5 percent.

Ingram continued, "What's most important for us is that we keep focused on the long term and meet our goals for investment performance, which drive the calculation of rates for our participating employers. That will allow us to keep the promises we've been entrusted with."

Further information on the retirement system's investment performance is available online at: <http://www.nhrs.org/Investments/documents/QuarterEndPerformanceReport.pdf>.

Detailed fiscal year 2010 information will be included in the retirement system's comprehensive annual financial report, due out in December.

The New Hampshire Retirement System provides retirement, disability, and death benefits to its eligible members and their beneficiaries. The State of New Hampshire and more than 450 local government employers participate in NHRS for their employees, teachers, firefighters, and police officers. NHRS has approximately 51,000 active members and 24,500 pension recipients. NHRS administers a defined benefit plan qualified as a tax-exempt entity under section 401(a) and 501(a) of the Internal Revenue Code.

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