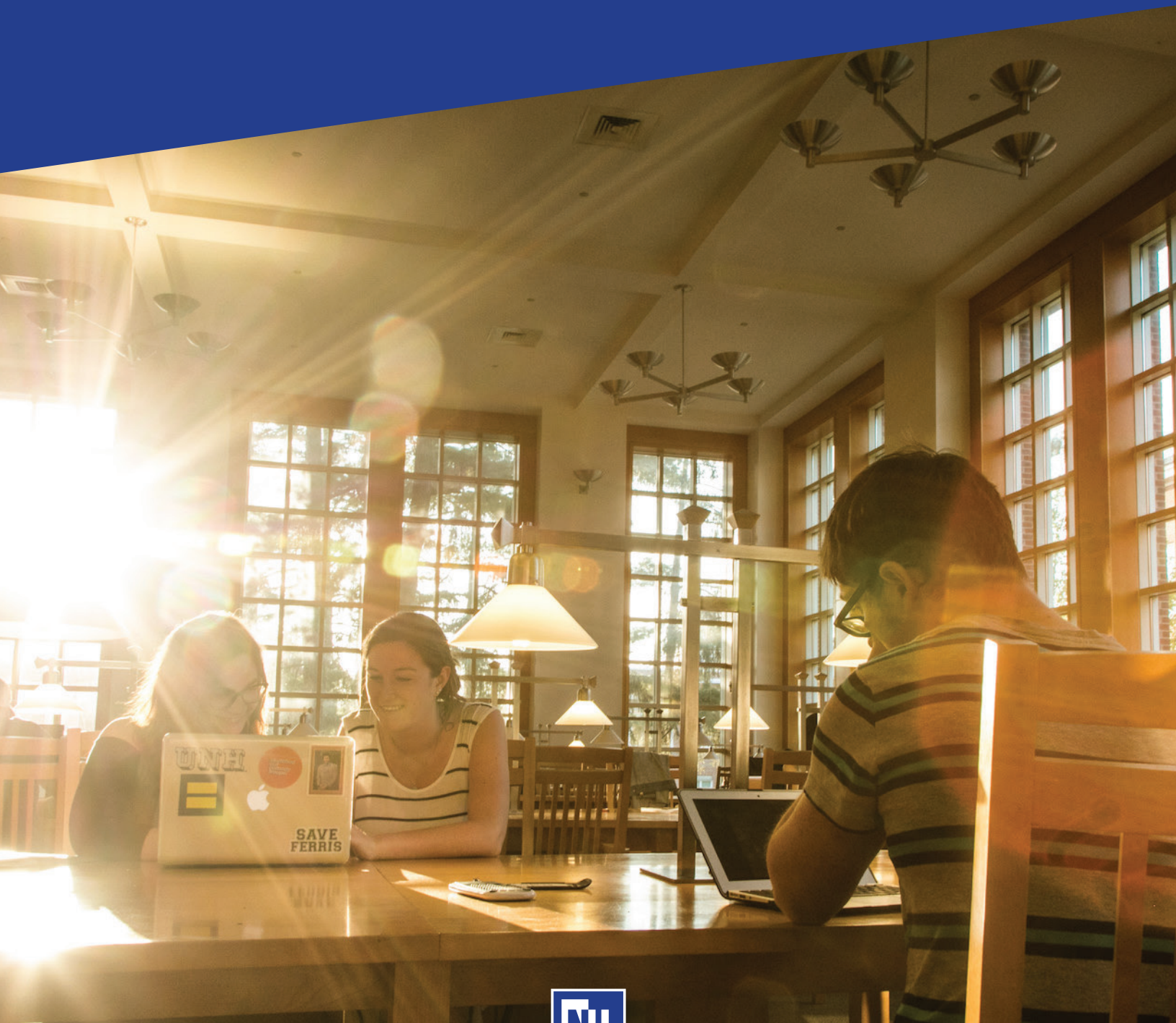


UNIVERSITY OF NEW HAMPSHIRE ENDOWMENT REPORT

**FISCAL YEAR 2020
(JULY 1, 2019 TO JUNE 30, 2020)**



University of New Hampshire

When we took on the roles of chair and vice chair of the Investment and Finance Committee for the UNH Foundation in 2017, we never expected we would be advising through a pandemic. The work this committee does with the endowment is more important now than ever before. Our committee is made up of UNH alumni and friends with many years of experience in the investment industry and we are passionately committed to UNH, just as you are.

In March, as the market turmoil caused by the COVID-19 health crisis unfolded, the committee and the foundation's consultants, Prime Buchholz, responded quickly, meeting weekly during the next two months. We made strategic adjustments to the portfolio to ensure its strong positioning for the recovery that followed. As a result, the foundation finished the fiscal year ending June 30, 2020, in positive territory, which we and our fellow committee members consider an outstanding result.

Prime Buchholz and the committee will continue to monitor the market environment very closely in these unprecedented times to preserve the value of your generous gifts to UNH. Our fiduciary charge is to ensure that the scholarship, faculty, college or program you have supported will be funded at the same or growing levels, guaranteeing a lasting and meaningful impact. We know how important these funds are to the future of UNH and are dedicated to this work in the coming year.

Thank you for your support!

Sarah Samuels '04

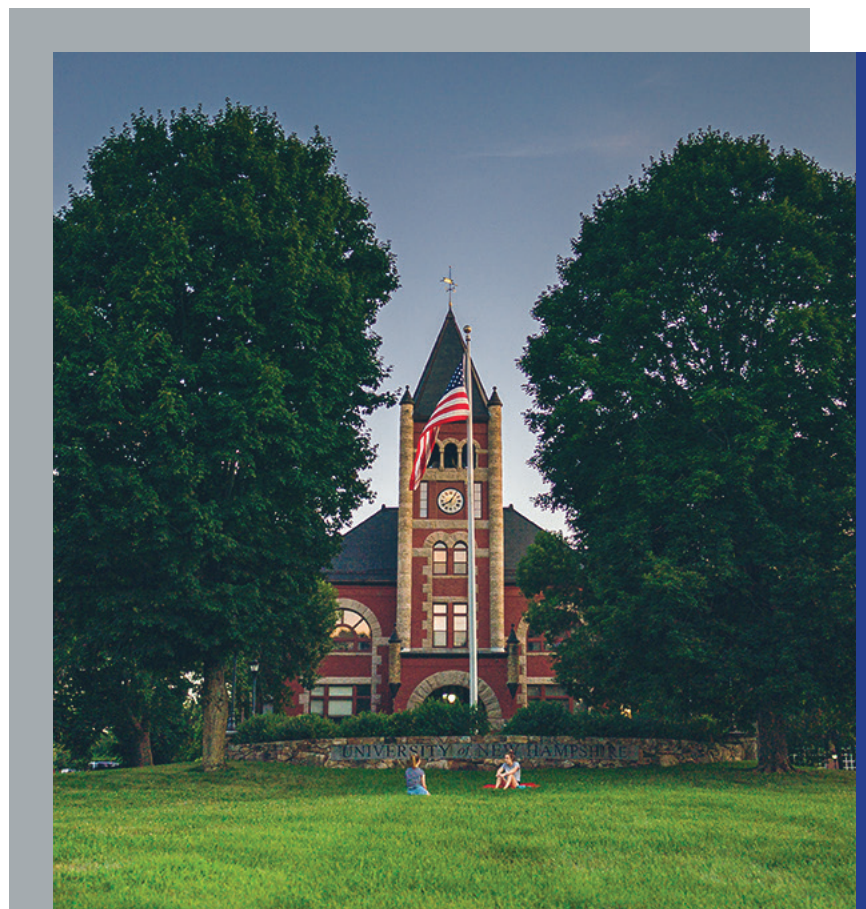
Chair (past vice chair)

Investment and Finance Committee

Ned Dane '88

Past Chair (2017-2020)

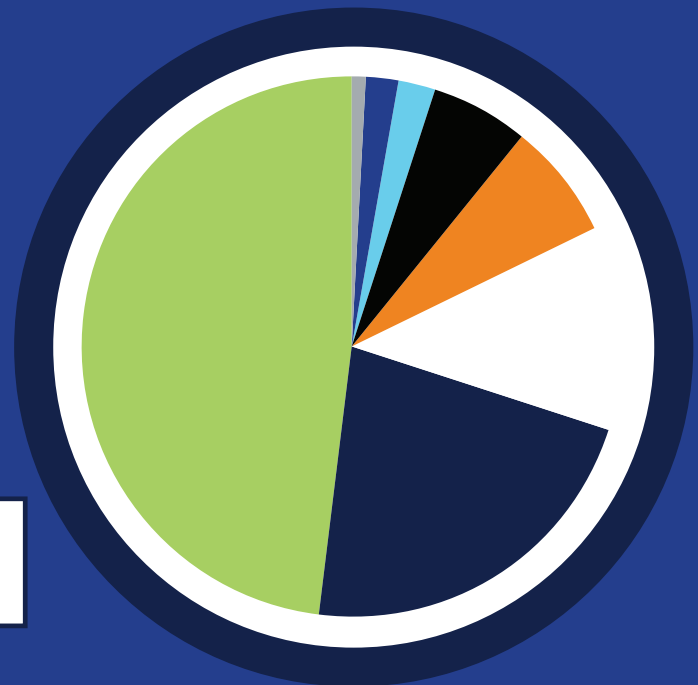
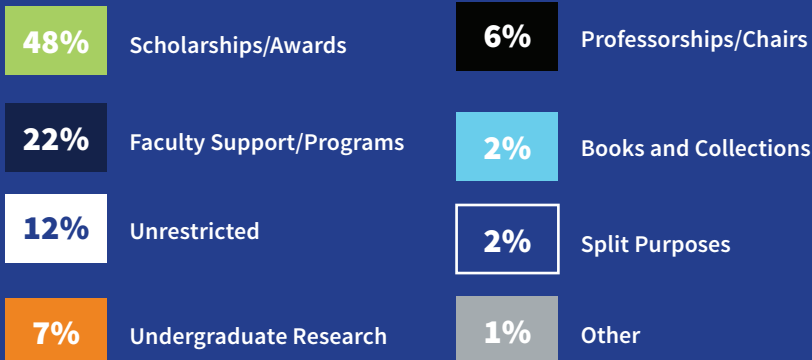
Investment and Finance Committee



FISCAL YEAR HIGHLIGHTS

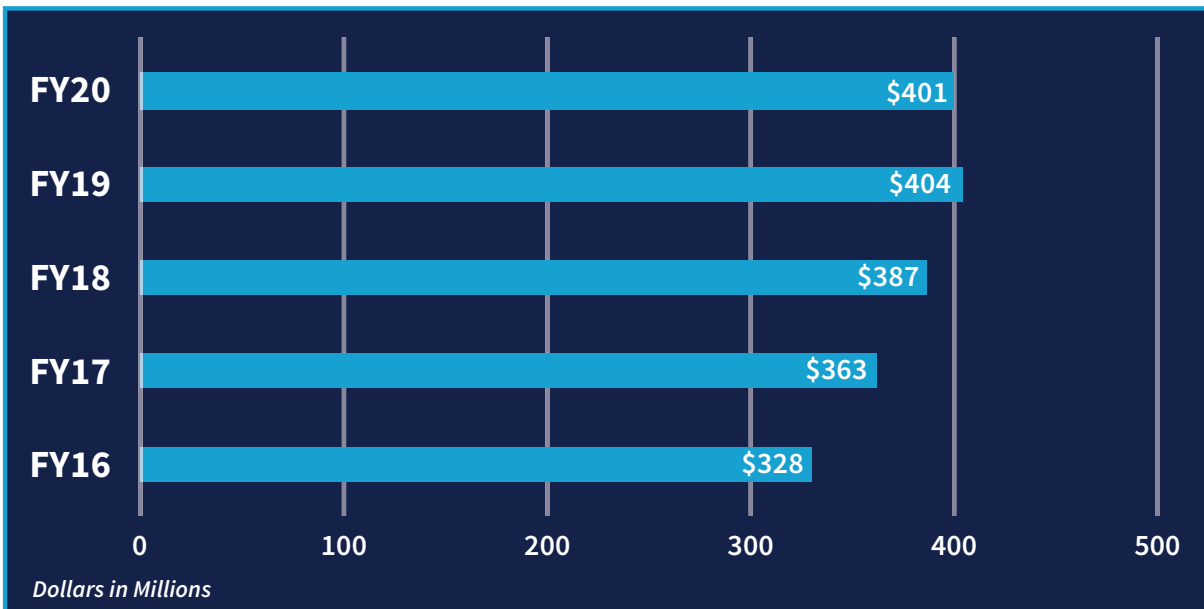
As of June 30, 2020, the UNH endowment totaled \$401.3 million, which includes the UNH Foundation endowment pool of \$235.8 million and the University of New Hampshire portion of the University System of New Hampshire endowment pool of \$165.5 million. The UNH investment pools of the USNH and UNH Foundation endowments experienced combined market gains of 1.6% in fiscal year 2020. UNH's endowed funds provided \$16.3 million to support UNH students, faculty and programs, a 7.5% increase over fiscal year 2019.

Endowment Purposes and Trends



Since 2016, new gifts and net market growth has expanded UNH's endowment pools by 22.4%. At the end of fiscal year 2020, the UNH endowment pool included 1,180 unique funds, an 8.1% increase from 2016.

5-Year Trends: Market Value (UNHF & USNH)



Investment Strategies

UNH endowed funds are invested in one of three pools. Funds received prior to 1990 are invested in the USNH pool, while funds received in 1990 or later are invested at the foundation. The USNH pool and the foundation's main pool are very similar in strategy and allocation, with a modest overlap in fund managers. In 2015, a new sustainable investing option at the foundation – the ESG* Pool – was created to provide a sustainability-oriented option to interested endowment donors. The ESG Pool now comprises 18% of foundation assets under management.

| | Balance at 6/30/20 (\$ millions) | # of endowed funds | Returns | | |
|------------------|----------------------------------|--------------------|---------|--------|---------|
| | | | 1-year | 5-year | 10-year |
| Main Pool | 195.2 | 682 | 1.1% | 4.6% | 7.5% |
| ESG Pool | 40.6 | 9 | 4.2% | 6.6% | N/A |
| USNH Pool | 165.5 | 489 | 1.5% | 5.2% | 7.1% |
| Combined | 401.3 | 1180 | 1.6% | 5.0% | 7.3% |

*ESG = Environmental, Social and Governance

PORTFOLIO COMPOSITION (as of June 30, 2020)

| ASSET CLASS | UNHF Main | UNHF ESG | USNH | Definition |
|-----------------------------|-------------|-------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Global Public Equity | 43% | 61% | 46% | Active and low-cost passive strategies covering the respective domestic, international and emerging capital markets spectrum. |
| Private Equity | 7% | 0% | 7% | Long-term partnerships in non-publicly traded companies spanning multiple managers and strategies. |
| Flexible Capital | 29% | 21% | 25% | Direct-niche hedge fund managers coupled with top-tier fund-of-funds. |
| Fixed Income | 7% | 10% | 10% | Fixed income funds, via U.S. Treasury Securities and NH-based CDFI (community development) loan funds. |
| Real Assets | 10% | 8% | 5% | Public and private investments in real estate and commodities (e.g., food, energy, natural resources) and TIPS (Treasury Inflation Protected Securities). |
| Liquid Capital | 4% | 0% | 7% | Cash held in 100% U.S. Treasury money market funds. |
| | 100% | 100% | 100% | |

UNH Foundation, Inc.

The UNH Foundation, Inc. is an independent, 501(c)(3) nonprofit entity with 170(b)(1)(a)(iv) “publicly supported” status. The foundation’s purpose is to coordinate the acquisition of private support, with a particular emphasis on building the endowment, for the benefit of the University of New Hampshire. After 1989, with the establishment of the UNH Foundation, newly created endowed funds in support of UNH scholarships, programs, faculty chairs and other activities are included in the foundation endowment pools.

INVESTMENT PHILOSOPHY

The University of New Hampshire Foundation, Inc. is committed to prudent, time-tested investment strategies and fiscal policies. Foundation funds are managed under a total return concept within New Hampshire’s Uniform Prudent Management of Institutional Funds Act (NH RSA 292-B:3). The Investment and Finance Committee of the Foundation Board of Directors is charged with overseeing the investments and measuring the returns they produce against nationally recognized standards and metrics for investment performance. The University System of New Hampshire maintains a comparable investment philosophy and operational approach to investment selection and monitoring. The System Board’s Finance Committee on Investments oversees its investment pool, consisting of funds from UNH, Keene State College, Plymouth State University, Granite State College and other USNH assets.

CONTACT INFORMATION

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A listing of UNH Foundation Board of Directors can be found at:

unh.edu/give/board-directors

More information on UNH Foundation endowment management can be found at: unh.edu/give/endowment-info

