

UNH Foundation Endowment Report

Fiscal Year 2016

JULY 1, 2015—JUNE 30, 2016



CELEBRATE 150

The Campaign for UNH

unh.edu/150



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 particular emphasis on building the endowment, for the benefit of the University of New Hampshire. Since 1989, with the establishment of the UNH Foundation, newly created endowments in support of UNH scholarships, programs, faculty chairs and other activities are included in the foundation endowment pool. The foundation and UNH thank all of those alumni, parents, friends, corporations, private and public foundations and volunteer-support organizations for their generous gifts. Endowment growth is due not only to this generosity, but also to the careful stewardship of the funds provided by the UNH Foundation Board Asset Allocation Committee.

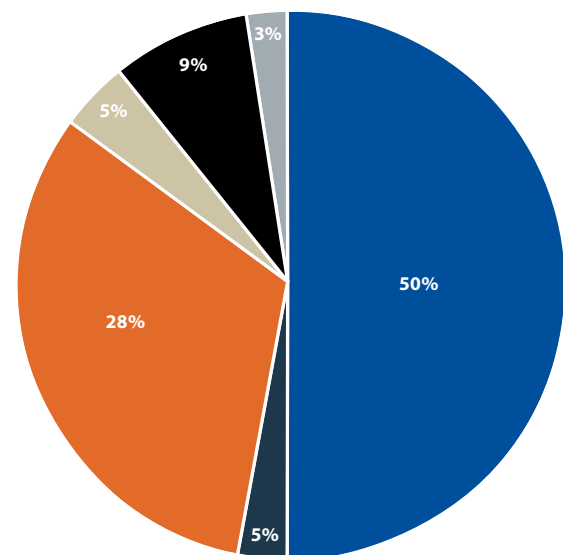
Fiscal Year Highlights

At June 30, 2016, the UNH endowment totaled \$328 million, which includes the UNH Foundation endowment pool of \$184.6 million and the University of New Hampshire portion of the University System of New Hampshire endowment pool of \$143.4 million. The UNH investment pools of the USNH and UNH Foundation endowments experienced a combined loss of 2.6 percent in fiscal year 2016. The UNH endowment provided \$13.4 million to support UNH students, faculty and programs, an increase of \$1.9 million or 16.6 percent over the previous fiscal year.

UNH Foundation Portfolio Composition

Asset Class Overview

The one-, five- and 10-year annualized returns, net of fees, for the foundation pool are -3.2%, 5.5% and 5.6%, respectively. These return experiences track near national medians for endowments and foundations.

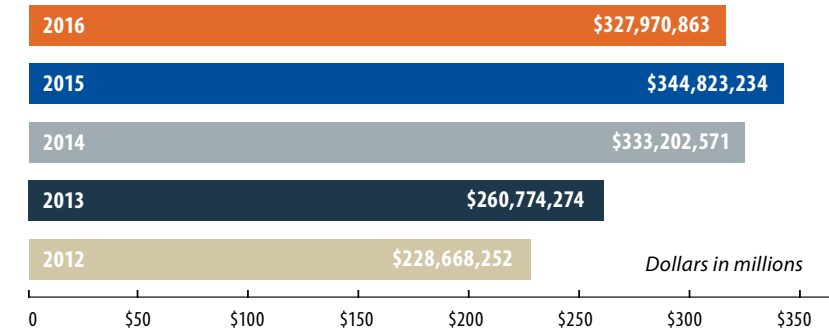


Global Public Equity	50%	Active and low-cost passive strategies covering the respective domestic, international and emerging capital markets spectrum.
Flexible Capital	28%	Direct-niche hedge fund managers coupled with top-tier fund-of-funds.
Private Equity	3%	Long-term partnerships in non-publicly traded companies spanning multiple managers and strategies.
Inflation Hedging	9%	Real estate, commodity futures (e.g. food, metals), energy/natural resource equities and Treasury Inflation Protected Securities (TIPS), both public and private.
Deflation Hedging	5%	Fixed-income funds, primarily via intermediate maturity U.S. Treasury securities.
Liquid Capital	5%	Cash held in 100% U.S. Treasury money market funds.

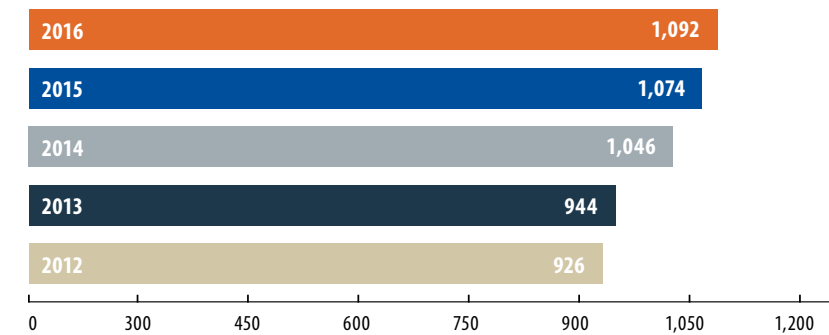
Snapshot of Endowment Funds, Trends and Purposes

New donations and net market growth have expanded UNH's endowment pool. Annual distributions and investment returns impact the market value of the pool. At the end of fiscal year 2016, the UNH endowment pool included 1,092 unique funds, an increase of nearly 18 percent since 2012. These funds support many purposes, as shown below:

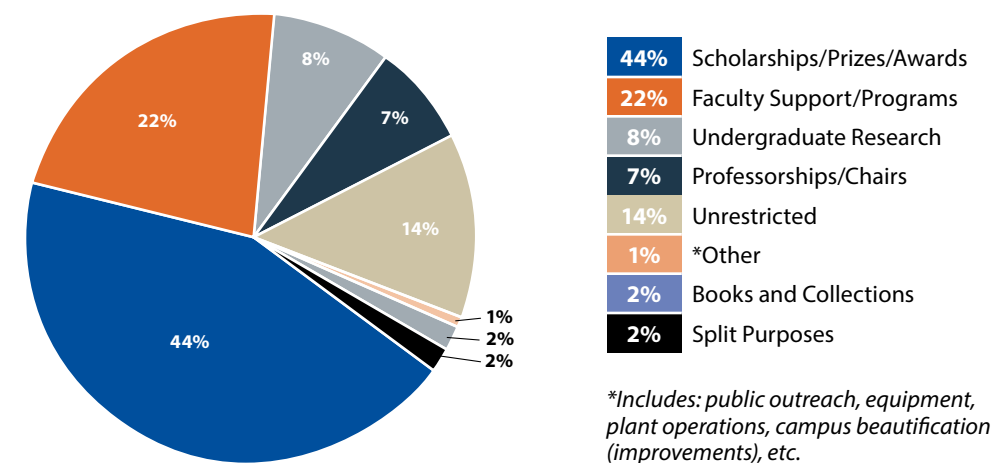
Five-Year Endowment Market Value, UNHF and USNH



Combined Number of Endowment Funds, UNHF and USNH



Endowment by Purpose, UNHF and USNH



Gifts to an endowed fund are invested in the foundation's pooled endowment portfolio, with a percentage (currently 4.25 percent of the 12-quarter moving average) of the fund's market value supporting a specific university purpose as directed by the donor(s). A 1 percent administrative fee is assessed annually on each fund. Remaining income is reinvested into the endowment, ensuring that the value of the investment grows forever.

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 Asset Allocation 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 similar investment philosophy and operational approach to investment selection and monitoring. The System Board's Finance Committee on Investments oversees its investment pool, which is comprised of funds from UNH, Keene State College, Plymouth State University, Granite State College and other USNH assets.

Careful management of both the UNH Foundation endowment and the USNH endowment assets through the evaluation of risk, reward and liquidity in the various asset classes is undertaken with the long-term goal of producing returns. This preserves and enhances the real-dollar principal of the funds over time, while providing a dependable source of funding for scholarships, programs and operations each year.



Contact Information

Deborah Dutton

President

UNH Foundation, Inc.

debbie.dutton@unh.edu

(603) 862-1627

Erik E. Gross

Treasurer

UNH Foundation, Inc.

erik.gross@unh.edu

(603) 862-1584

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.