

UNH Foundation's Commitment to Sustainable Investing
endorsed by the Investment Committee - July 27, 2021

OVERVIEW

The UNH Foundation oversees two endowment investment pools, the Main pool and the ESG pool, and is advised by an investment consultant, Prime Buchholz, which provides market insights and analysis to the Foundation's investment committee, as well as proposals for changes and additions to the Foundation's fund manager line-up.

Prime Buchholz's strong commitment to the belief that incorporating ESG factors in the investing process is additive to the goal of maximizing returns directly supports the Foundation's vision to apply ESG principles across the entire portfolio of holdings.

In 2017, the Foundation established a Committee on Investor Responsibility to provide additional input to the Investment Committee on sustainable investing topics and recommendations. The CIR meets several times each year and is comprised of students, faculty, staff, alums, Foundation Board members and investment industry professionals.

ESG INTEGRATION

Integrating ESG factors into the investment decision-making process can take many forms and involve any number of these factors as deemed relevant by each fund manager in achieving its particular investment goals. The Foundation evaluates all of its fund managers on many levels, one of which is their consideration of ESG factors.

As endorsed by the Foundation's Board of Directors and reflected in its investment policy statement, the Investment Committee incorporates analysis of the environmental, social and governance characteristics of prospective and existing investment managers as a component of the manager selection and monitoring process for both Pools. The Board recognizes that reviewing such analysis can provide additional information regarding the risks that an investment manager may be subject to in achieving desired returns. The ESG Pool is comprised exclusively of fund managers which meet Prime Buchholz's and the Foundation's standards to be considered "sustainable" investments. Certain investments in the Main pool are also ESG-qualified investments.

In 2018, the Foundation signed onto the United Nations-sponsored Principles for Responsible Investment (PRI), committing to incorporate ESG factors into the investment process and to achieve the other expectations of being a PRI signatory.

IMPACT INVESTING

The Foundation also allocates a small portion of its overall investable assets to an impact investment (a CDFI) that serves a public need within the state of New Hampshire. This fixed income investment reflects the Foundation's alignment with UNH's public university mission to support the needs of the citizens of New Hampshire.

STEWARDSHIP

As the Foundation invests almost entirely in commingled funds, proxy voting opportunities are not available to the Foundation as a form of engagement with its fund managers. Nevertheless, the Foundation communicates directly with fund managers, encouraging them to increase the consideration of ESG factors in their investment process.

In addition to being a PRI signatory and reviewing opportunities for stewardship through PRI channels, the Foundation is a member of the Intentional Endowments Network, participating in a variety of sustainable investing advocacy opportunities.

REPORTING

The Investment Committee provides updates to the UNH Foundation's Board of Directors on its sustainable investing efforts in the Foundation's investment pool. Annually, a summary of the findings of its ESG sustainable investing assessment survey to portfolio managers will be shared with the Board. As a PRI signatory, the Foundation completes the PRI assessment framework annually.