University of New Hampshire

UNIVERSITY OF NEW HAMPSHIRE ENDOWMENT REPORT

FISCAL YEAR 2022 | JULY 1, 2021 TO JUNE 30, 2022

During fiscal year 2022, the aggregate investment portfolios that support UNH generated one-year investment returns of -8.4%, net of fees. This is in contrast with the positive gains of fiscal year 2021, when we enjoyed significant aggregate performance of 28.9%. Beginning in January 2022, global financial markets endured steep declines from challenges including, but certainly not limited to, high inflation, rapidly rising interest rates and the war in Ukraine.

Volatility and many other market forces are important considerations when managing a long-term endowment. To mitigate the impact of falling markets our portfolios are purposefully diversified across asset classes, industries, and geographies with careful consideration of risk and return. They are managed by seasoned external investment managers and are overseen by talented industry professionals on our investment committees and at our investment consultant.

Notwithstanding challenging market dynamics, distributions from our pools hit a record high of $19.2 million during FY22 due to investment performance over time and to continued donor contributions to UNH endowment funds. These distributions supply critical and consistent funding for scholarship assistance, research, endowed professorships, athletics and an array of programmatic initiatives.

We are sincerely grateful for your contributions that build UNH's financial strength and enable the University to thrive. We remain committed to effective oversight with an aim to protect and enhance the value of UNH's endowment, ensuring that your generous donations will have a lasting and meaningful impact.

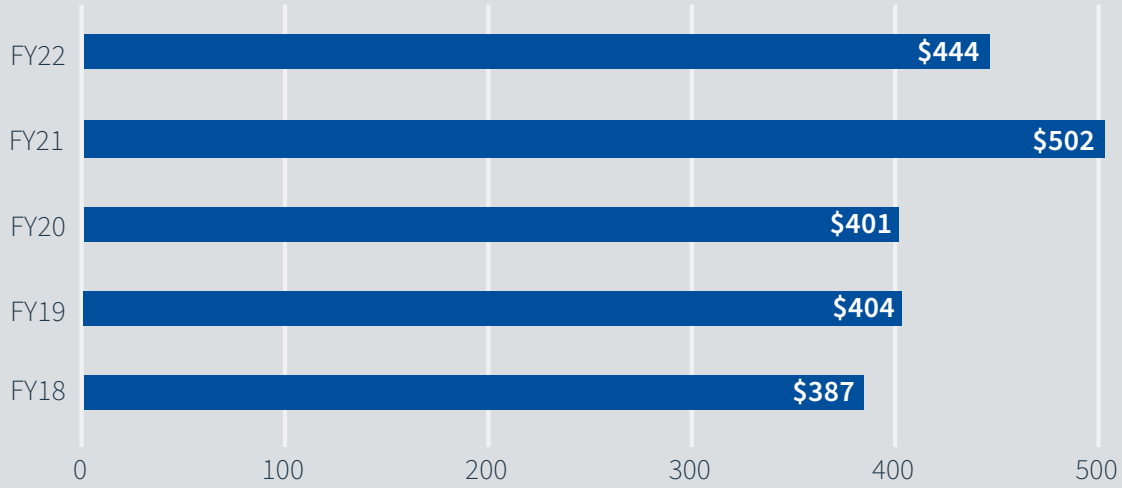
Thank you for your support!

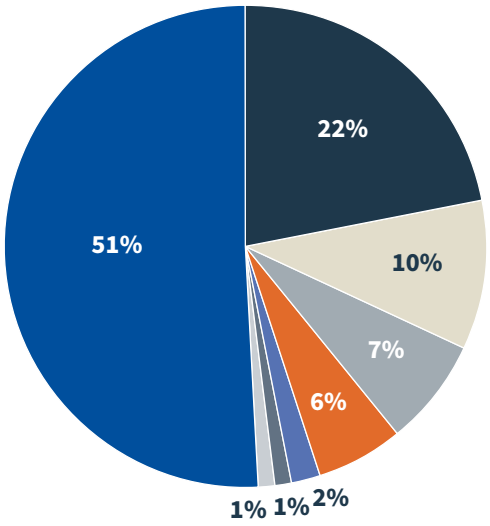
Greg Jansen '81
Chair, UNH Foundation Investment Committee

Fiscal Year Highlights

As of June 30, 2022, the University of New Hampshire endowment totaled $444.2 million, including the UNH Foundation endowment pool of $265.7 million and the UNH portion of the University System of New Hampshire endowment pool of $178.5 million. The UNH investment pools of the USNH and UNH Foundation endowments experienced combined market losses of 8.4% in fiscal year 2022. UNH funds have a 10-year annualized market gain of 7.5%. UNH endowed funds generated $19.2 million to support UNH students, faculty and programs, a 10.8% increase over fiscal year 2021.

UNH ENDOWMENT 5-YEAR MARKET VALUE TREND ($ MILLIONS)





Since 2018, new gifts and net market gains have grown UNH's endowment pools by 14.8%, while distributing an average of $16.6 million per year. At the end of fiscal year 2022, the UNH endowment pool included 1,246 unique funds, a 6.4% increase from 2018.

- Scholarships/Awards
- Faculty Support/Programs
- Unrestricted
- Undergraduate Research
- Professorships/Chairs
- Books and Collections
- Split Purposes
- Other*

*Other includes public outreach, equipment, plant operations, campus beautification (improvements), etc.

Investment Strategies

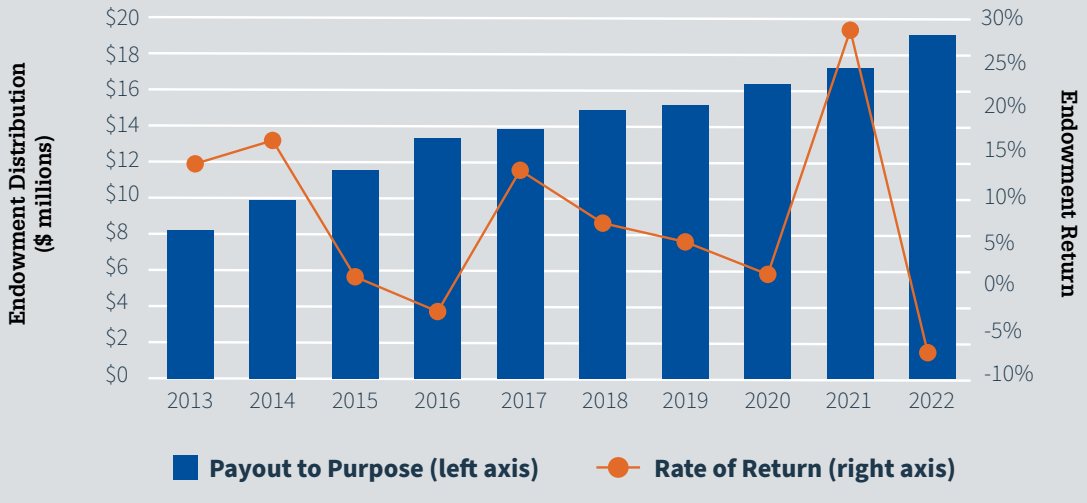
New gifts received for endowed funds created in 1989 and prior are invested in the USNH pool, while funds received after 1989 are invested at the foundation. The USNH and foundation pools are similar in strategy and allocation, with a modest overlap in fund managers. As of June 30, 2022, the foundation's ESG pool sustainable investments were recombined with the main pool, and both pools are now more effectively managed as one pool. The foundation's commitment to incorporating sustainable investment principles is now a fully integrated component of the investment decision-making process at the foundation. The table below presents some key characteristics of these investment pools as of the end of fiscal year 2022. Variations in fund manager results and asset class allocations contribute to the differences in pool performance.

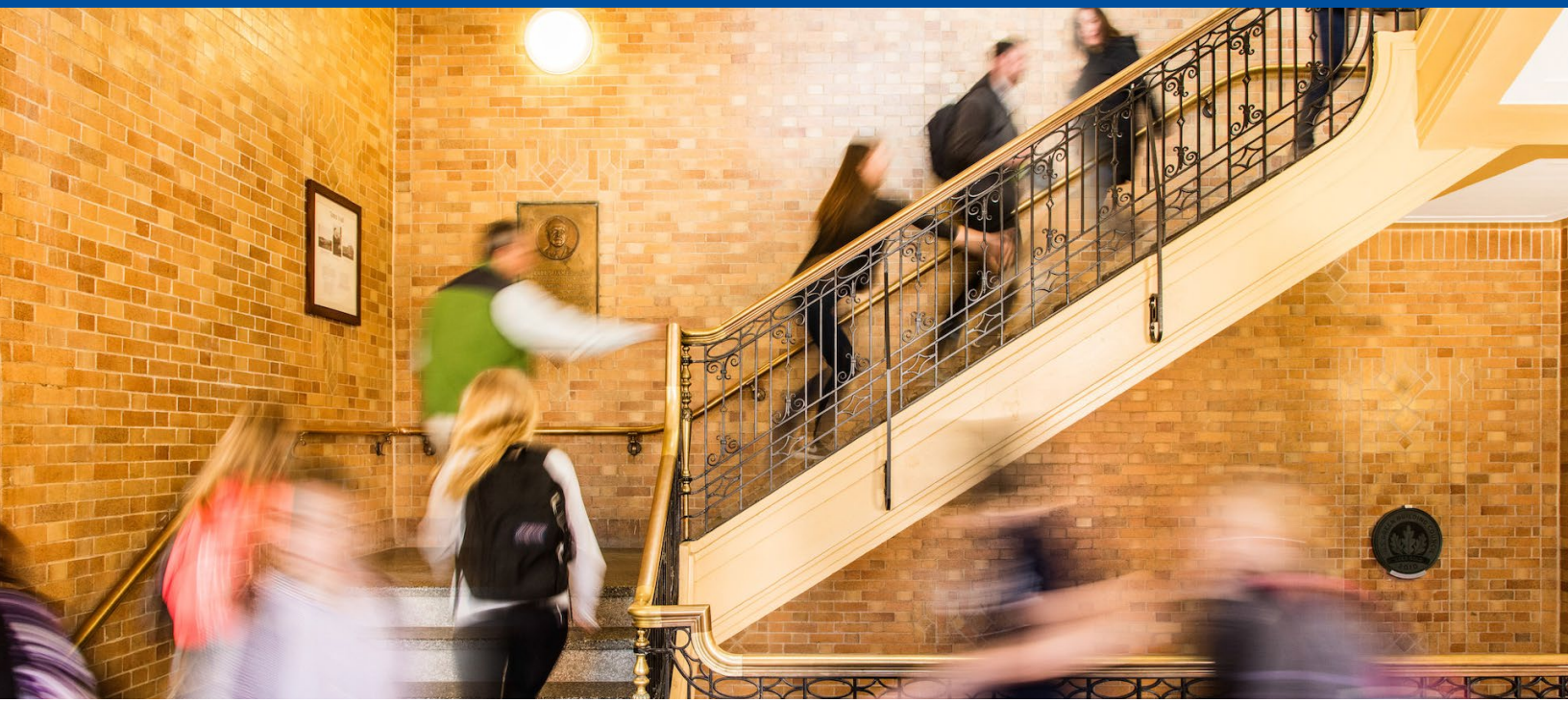
	Balance at 06/30/22 ($ millions)	Number of Endowed Funds	RETURNS 1-year	5-year	10-year
UNHF Pool	265.7	756	-9.30%	6.20%	7.60%
USNH Pool	178.5	490	-7.00%	6.80%	7.30%
Combined	**444.2**	**1,246**	**-8.40%**	**6.40%**	**7.50%**

Payout Distributions

An endowed fund is established to fund a donor-designated purpose in perpetuity. At UNH, more than one thousand of these purposes are funded annually at the approval of the foundation board and the System board, respectively. To ensure stability in these "payouts to purpose" over time, the quarterly market returns of the prior three years are averaged to generate a per unit payout factor which is applied equally to each endowed fund's pro rata share of the pool. The table below contrasts UNH's smoothly growing payouts with the market volatility experienced by UNH endowed funds over the last ten years.

UNH ENDOWMENT RETURNS AND DISTRIBUTION – 2013 TO 2022

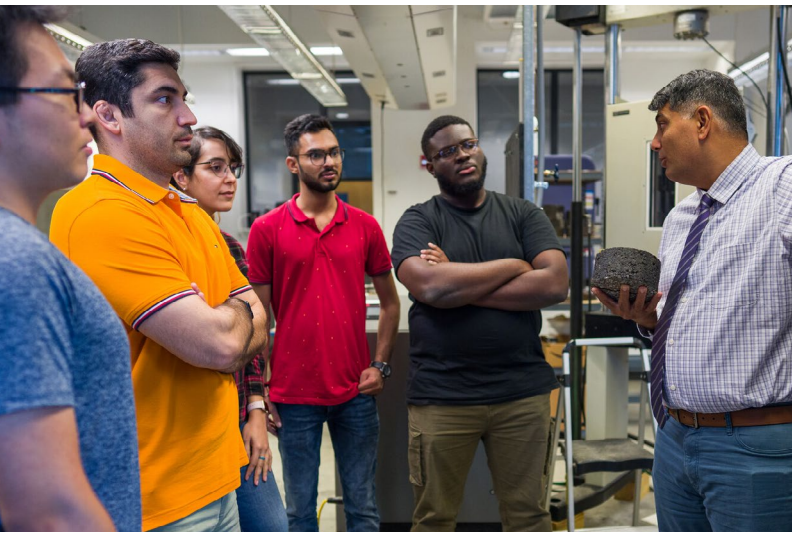




UNH Foundation Portfolio Composition

ASSET CLASS OVERVIEW (AS OF JUNE 30, 2022)

ASSET CLASS	UNHF	USNH	DEFINITION
Global Public Equity	48%	42%	Active and low-cost passive strategies covering the respective domestic, international, and emerging capital markets spectrum.
Private Equity	12%	18%	Long-term partnerships in non-publicly traded companies spanning multiple managers and strategies.
Flexible Capital	18%	25%	Direct-niche hedge fund managers coupled with top-tier fund-of-funds.
Fixed Income	9%	8%	Fixed income funds, via U.S. Treasury Securities, high quality corporate and municipal bonds, and NH-based CDFI (community development) loan funds (UNHF only).
Real Assets	10%	5%	Public and private investments in real estate and commodities (e.g. food, energy, natural resources), and TIPS (Treasury Inflation Protected Securities).
Liquid Capital	3%	2%	Cash held in 100% U.S. Treasury money market funds.
	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 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 endowed funds in support of UNH scholarships, programs, faculty chairs, and other activities are included in the foundation endowment pool.

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 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. The System Board's Finance Committee on Investments oversees its investment pool, which is composed of funds from UNH, Keene State College, Plymouth State University, Granite State College and other USNH assets.

University of New Hampshire

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/endowment-info**.