

## **New Hampshire Charitable Foundation Quarterly Investment Results**

It is important to evaluate the following performance information with these facts in mind:

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As of December 31, 2018

	4Q 2018	Trailing 1 Year	Final 3Q18 Trailing 1 Year	Trailing 3 Years	Trailing 5 years	Trailing 15 years	Since Inception
<b>NHCF Portfolio Total Assets*</b>	<b>-7.2</b>	<b>-4.1</b>	<b>7.0</b>	<b>5.6</b>	<b>3.8</b>	<b>6.2</b>	<b>7.0</b>
<b>NHCF Portfolio Total Assets (Est. 4Q18 PI)</b>	<b>-9.7</b>	<b>-6.6</b>	<b>-</b>	<b>4.7</b>	<b>3.3</b>	<b>6.1</b>	<b>6.9</b>
Policy Benchmark	-6.7	-3.0	8.7	6.8	4.4	6.0	7.2
70% MSCI ACWI / 30% BBG Barclays Agg	-8.5	-6.5	6.5	5.4	3.9	5.7	6.4
<i>C A Preliminary Endowment Median</i>	<i>-8.1</i>	<i>-5.1</i>	<i>6.6</i>	<i>5.5</i>	<i>3.7</i>	<i>5.8</i>	<i>7.8</i>
MSCI All Country World Index (Net)	-12.8	-9.4	9.8	6.6	4.3	6.2	6.5
S&P 500 Index	-13.5	-4.4	17.9	9.3	8.5	7.8	9.4
MSCI EAFE Index (Net)	-12.5	-13.8	2.7	2.9	0.5	4.7	4.4
MSCI Emerging Markets Index (Net)	-7.5	-14.6	-0.8	9.3	1.6	7.9	5.3
BBG Barclays Aggregate Bond Index	1.6	0.0	-1.2	2.1	2.5	3.9	5.4
S&P GSCI	-22.9	-13.8	22.9	0.5	-14.5	-4.7	-0.2

Note: NHCF's Performance assumes 0% return for Private Investments from September 30, 2018 – December 31, 2018. Private Investments represent an estimated 19.7% of the NHCF portfolio net asset value. 4Q Private Investment performance is estimated using the return for the MSCI All Country World Index (-12.8%). Additional institutions have reported returns to C|A since the preliminary performance report was generated, causing the "C|A Preliminary Endowment Median" returns to differ from the values included in the preliminary performance report.

## Portfolio Observations

The portfolio generated a return of -7.2% in the fourth quarter (assuming a 0% return for private investments). U.S. equities were the primary driver of underperformance followed by international developed equities. The emerging market equity portfolio outperformed its benchmark, and the region meaningfully outperformed developed market equities despite a risk-off environment and strengthening U.S. dollar. The marketable alternatives portfolio was down -3.3%, but outperformed its benchmark by +130 basis points. The fixed income portfolio generated a positive return for the quarter. Asset allocation detracted from performance given the portfolio's underweight to fixed income and overweight to developed equities relative to targets.

## Recent Market Performance

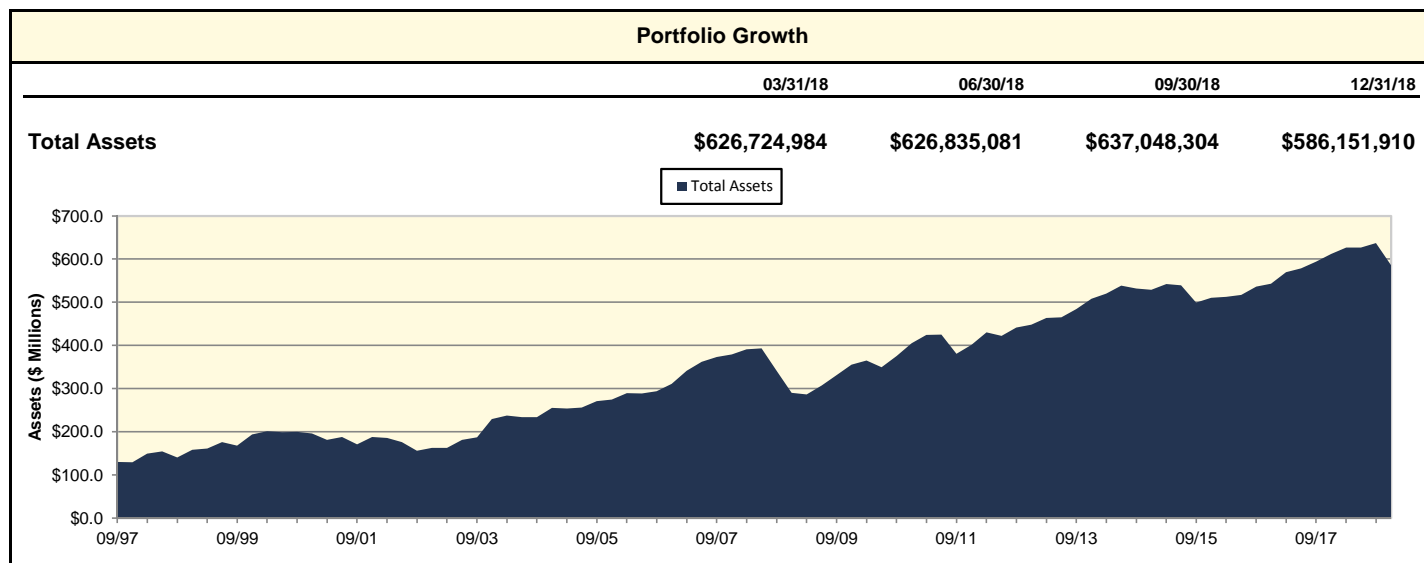
4Q market performance experienced increased volatility as tightening financial conditions, lower global growth expectations, and political tensions raised concerns amongst investors. All S&P 500 sectors, besides utilities (+1.4%), had negative performance in 4Q with energy (-23.8%), information technology (-17.3%), and industrials (-17.3%) declining the most. Emerging markets equities declined in 4Q but significantly outperformed developed markets due to less demanding valuations. Energy MLPs and natural resources equities experienced weak performance as crude oil prices closed roughly 40% lower than early-October highs due to oversupply and a slowing global economy. US bonds protected in the fourth quarter as yields plunged after an early-quarter spike.

## Discussion Items

- ◆ Asset Allocation Review
- ◆ Hedge Funds Recommendation
- ◆ Private Investments
- ◆ Liquidity Guidelines
- ◆ Investment Policy Statement Compliance

**New Hampshire Charitable Foundation - Long-Term Pool**

**Portfolio Review** (net of fees) as of December 31, 2018



**Performance as of 12/31/18**

Composite (Inception Date)	Qtr To Date 09/30/18 - 12/31/18	Cumulative Trailing 1 Year	Annualized Trailing 3 Years	Annualized Trailing 5 Years
Total Assets (06/30/94)	-7.2	-4.1	5.6	3.8
70% MSCI ACWI (N)/30% BBG Barc Agg Index (06/30/94)	-8.5	-6.5	5.4	3.9
NHCF Policy Benchmark (06/30/94) <sup>(1)</sup>	-6.7	-3.0	6.8	4.4
Dynamic Benchmark (06/30/94) <sup>(1)</sup>	-7.4	-4.1	7.1	4.7

**Performance as of 09/30/18 - Revised**

Composite (Inception Date)	Qtr To Date 06/30/18 - 09/30/18	Cumulative Trailing 1 Year	Annualized Trailing 3 Years	Annualized Trailing 5 Years
Total Assets (06/30/94)	1.7	7.0	9.0	6.4
70% MSCI ACWI (N)/30% BBG Barc Agg Index (06/30/94)	3.0	6.5	9.7	6.8
NHCF Policy Benchmark (06/30/94) <sup>(1)</sup>	3.2	8.7	10.2	6.9
Dynamic Benchmark (06/30/94) <sup>(1)</sup>	3.1	8.5	11.1	7.6

(1) See Endnotes exhibit for benchmark composition.

**New Hampshire Charitable Foundation - Long-Term Pool**  
**Investment Returns by Composite** (net of fees) as of December 31, 2018

Composite (Inception Date)	Assets \$ mil	Total Return (%)				
		Qtr to Date 09/30/18- 12/31/18	Cumulative Trailing 1 Year	Annualized Trailing 3 Years	Annualized Trailing 5 Years	Annualized Since Inception
<b>Total U.S. Equity (06/30/96)</b>	<b>103.1</b>	<b>-15.0</b>	<b>-6.2</b>	<b>7.8</b>	<b>6.8</b>	<b>7.6</b>
Russell 3000® Index (06/30/96)		-14.3	-5.2	9.0	7.9	8.1
Value Added		-0.7	-1.0	-1.2	-1.1	-0.5
<b>Total Developed ex U.S. Equity (01/01/95)</b>	<b>99.9</b>	<b>-12.3</b>	<b>-13.1</b>	<b>4.3</b>	<b>2.2</b>	<b>5.7</b>
MSCI EAFE Index (N) (12/31/94)		-12.5	-13.8	2.9	0.5	4.5
Value Added		0.3	0.7	1.5	1.7	1.2
<b>Total Emerging Markets Equity (02/01/04)</b>	<b>54.9</b>	<b>-6.3</b>	<b>-13.7</b>	<b>7.9</b>	<b>1.5</b>	<b>8.8</b>
MSCI Emerging Markets Index (N) (02/01/04)		-7.5	-14.6	9.3	1.6	7.7
Value Added		1.1	0.8	-1.4	-0.1	1.1
<b>Total Marketable Equity (01/01/95)</b>	<b>257.9</b>	<b>-12.4</b>	<b>-10.3</b>	<b>6.5</b>	<b>4.2</b>	<b>7.0</b>
Marketable Equity Benchmark (12/31/94) <sup>(1)</sup>		-12.0	-10.0	7.1	4.3	7.4
Value Added		-0.4	-0.3	-0.6	-0.1	-0.4
<b>Total Private Investments (02/14/01)<sup>(2)</sup></b>	<b>115.5</b>	<b>---</b>	<b>10.9</b>	<b>10.0</b>	<b>10.2</b>	<b>10.0</b>
<b>Total Marketable Alternatives (09/30/03)</b>	<b>117.7</b>	<b>-3.3</b>	<b>-0.8</b>	<b>3.1</b>	<b>1.9</b>	<b>5.6</b>
HFRI Fund of Funds Diversified Index (09/30/03)		-4.7	-3.4	1.2	1.4	3.0
Value Added		1.3	2.6	1.9	0.5	2.7
<b>Total Real Assets/Inflation Hedging (06/30/94)</b>	<b>11.9</b>	<b>-23.7</b>	<b>-25.7</b>	<b>-1.1</b>	<b>-9.2</b>	<b>4.8</b>
Real Assets/Inflation Hedging Benchmark (06/30/94) <sup>(1)</sup>		-16.5	-11.1	3.5	-3.3	6.2
Value Added		-7.2	-14.7	-4.6	-5.8	-1.4
<b>Total Equity (06/30/94)</b>	<b>502.9</b>	<b>-8.1</b>	<b>-4.5</b>	<b>6.1</b>	<b>4.1</b>	<b>7.1</b>
Custom Equity Benchmark (06/30/94) <sup>(1)</sup>		-7.8	-3.4	7.4	4.5	7.4
Value Added		-0.3	-1.1	-1.3	-0.4	-0.3
<b>Total Fixed Income (06/01/95)</b>	<b>41.7</b>	<b>0.9</b>	<b>-1.3</b>	<b>2.4</b>	<b>1.8</b>	<b>5.8</b>
Fixed Income Benchmark (05/31/95) <sup>(1)</sup>		1.6	0.0	2.1	2.6	5.1
Value Added		-0.7	-1.3	0.4	-0.8	0.7
<b>Total Cash and Cash Equivalents (04/30/02)</b>	<b>41.5</b>	<b>0.2</b>	<b>1.1</b>	<b>0.9</b>	<b>0.5</b>	<b>1.6</b>

Note: Since Inception returns are cumulative for composites with less than one full year of performance history.

(1) See Endnotes exhibit for benchmark composition.

(2) Market values and performance are as of 09/30/18. All funds are adjusted for subsequent capital calls and distributions through 12/31/18.

**New Hampshire Charitable Foundation - Long-Term Pool**  
**Investment Returns by Composite** (net of fees) as of December 31, 2018

Composite (Inception Date)	Assets \$ mil	Total Return (%)				
		Qtr to Date 09/30/18- 12/31/18	Cumulative Trailing 1 Year	Annualized Trailing 3 Years	Annualized Trailing 5 Years	Annualized Since Inception
<b>Total Assets ex Private Investments (06/30/94)</b>	<b>470.7</b>	<b>-8.8</b>	<b>-7.1</b>	<b>4.6</b>	<b>2.5</b>	<b>6.7</b>
70% MSCI ACWI (N)/30% BBG Barc Agg Index (06/30/94)		-8.5	-6.5	5.4	3.9	6.4
Value Added		-0.2	-0.6	-0.8	-1.4	0.2
NHCF Policy Benchmark ex PI (06/30/94) <sup>(1)</sup>		-8.3	-6.6	4.6	2.7	6.6
Value Added		-0.4	-0.6	0.0	-0.2	0.0
Dynamic Benchmark ex PI (06/30/94) <sup>(1)</sup>		-9.4	-7.7	5.2	2.8	6.5
Value Added		0.6	0.6	-0.6	-0.3	0.2
<b>Total Assets (06/30/94)</b>	<b>586.2</b>	<b>-7.2</b>	<b>-4.1</b>	<b>5.6</b>	<b>3.8</b>	<b>7.0</b>
70% MSCI ACWI (N)/30% BBG Barc Agg Index (06/30/94)		-8.5	-6.5	5.4	3.9	6.4
Value Added		1.3	2.4	0.2	-0.1	0.5
NHCF Policy Benchmark (06/30/94) <sup>(1)</sup>		-6.7	-3.0	6.8	4.4	7.2
Value Added		-0.5	-1.1	-1.2	-0.6	-0.2
Dynamic Benchmark (06/30/94) <sup>(1)</sup>		-7.4	-4.1	7.1	4.7	7.1
Value Added		0.2	0.0	-1.5	-0.9	-0.1
CA Preliminary Endowment Median		-8.1	-5.1	5.5	3.7	7.8
Universe Size		87	87	87	87	31
<b>Total Assets Net of Fees (12/31/16)<sup>(3)</sup></b>	<b>586.2</b>	<b>-7.2</b>	<b>-4.1</b>	<b>---</b>	<b>---</b>	<b>4.6</b>

Note: Since Inception returns are cumulative for composites with less than one full year of performance history.

(1) See Endnotes exhibit for benchmark composition.

(3) The Total Assets Net of Fees performance accounts for Cambridge Associates fees as well as custodian fees.

### **NHCF Policy Benchmark (Continued)**

4/1/2016	6/30/2018	19.0%	Russell 3000
		14.0%	MSCI EAFE (N)
		8.0%	MSCI EM (N)
		24.0%	HFRI Fund of Funds Diversified Index
		5.6%	Marketable Real Assets Benchmark
		2.4%	Private Real Assets Benchmark
		15.0%	S&P 500 + 3%
		12.0%	BBG Barclays Agg
7/1/2018	11/30/2018	18.0%	Russell 3000
		16.0%	MSCI EAFE (N)
		11.0%	MSCI EM (N)
		20.0%	HFRI Fund of Funds Diversified Index
		3.0%	Real Assets/Inflation Hedging Benchmark
		20.0%	S&P 500 + 3%
		12.0%	BBG Barclays Agg
12/1/2018	Present	18.0%	Russell 3000
		16.0%	MSCI EAFE (N)
		11.0%	MSCI EM (N)
		20.0%	HFRI Fund of Funds Diversified Index
		3.0%	Real Assets/Inflation Hedging Benchmark
		20.0%	MSCI ACWI
		12.0%	BBG Barclays Agg

### **NHCF Policy Benchmark ex PI**

Benchmark excludes the Private Investments allocations. The remaining allocations are normalized to sum to 100%.

### **Dynamic Benchmark**

Benchmark reflects the market value weighted average of each manager's benchmark.

### **Dynamic Benchmark ex PI**

Benchmark excludes the Private Investment managers from the Dynamic Benchmark.

### **Real Assets/Inflation Hedging Benchmark**

<u>Start</u>	<u>End</u>		
7/1/1994	12/31/2003	100%	FTSE® EPRA/NAREIT Developed Real Estate Index
1/1/2004	6/30/2014	60%	MSCI World Natural Resources Index (N)
		25%	Wilshire US Real Estate Securities Index
		15%	S&P Global Timber & Forestry
7/1/2014	11/30/2018	33%	MSCI World Natural Resources Index (N)
		33%	Wilshire US Real Estate Securities Index
		33%	S&P GSCI
12/1/2018	Present	50%	MSCI World Natural Resources Index (N)
		50%	FTSE NAREIT All Equity REITS Index

### **Marketable Equity Benchmark**

Benchmark includes the U.S. Equity, Developed ex U.S. Equity, and Emerging Markets Equity allocations of the NHCF Policy Benchmark and are normalized to sum to 100%.

### **Custom Equity Benchmark**

Benchmark excludes the Fixed Income allocations of the NHCF Policy Benchmark and are normalized to sum to 100%.

### **Fixed Income Benchmark**

Benchmark includes Fixed Income allocations of the NHCF Policy Benchmark and are normalized to sum to 100%.



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