

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

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

- Cambridge Associates, LLC (CA) serves as an investment advisor to the New Hampshire Charitable Foundation (“the Foundation”); however, the Foundation’s performance results may be attributable to factors other than CA’s advice, because the Foundation may or may not solicit or follow this advice. As a result, the experience of a client that follows CA’s advice may differ materially from the performance presented.
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- The performance data provided has not been adjusted to reflect CA’s advisory fees and other investment related expenses<sup>1</sup>. The client’s return will be reduced by the amount of such fees and expenses that are described in Part II of CA’s Form ADV.

As of June 30, 2019

	2Q 2019	Trailing 1 Year	Final 1Q19 Trailing 1 Year	Trailing 3 Years	Trailing 5 years	Trailing 15 years	Since Inception
<b>NHCF Portfolio Total Assets*</b>	<b>1.7</b>	<b>2.2</b>	<b>1.3</b>	<b>7.9</b>	<b>4.3</b>	<b>6.7</b>	<b>7.2</b>
<b>NHCF Portfolio Total Assets (Est. 2Q19 PI)</b>	<b>2.4</b>	<b>2.9</b>	<b>-</b>	<b>8.2</b>	<b>4.4</b>	<b>6.8</b>	<b>7.2</b>
Policy Benchmark	2.3	5.1	4.3	9.0	5.0	6.4	7.4
70% MSCI ACWI / 30% BBG Barclays Agg	3.6	6.7	3.4	8.9	5.4	6.5	6.8
<i>C A Preliminary Endowment Median</i>	2.5	4.1	2.3	8.2	4.7	6.5	8.3
MSCI All Country World Index (Net)	3.6	5.7	2.6	11.6	6.2	7.0	7.0
S&P 500 Index	4.3	10.4	9.5	14.2	10.7	8.8	10.0
MSCI EAFE Index (Net)	3.7	1.1	-3.7	9.1	2.2	5.3	4.8
MSCI Emerging Markets Index (Net)	0.6	1.2	-7.4	10.7	2.5	8.7	5.6
BBG Barclays Aggregate Bond Index	3.1	7.9	4.5	2.3	2.9	4.3	5.5
S&P GSCI	-1.4	-11.5	-3.0	1.6	-13.3	-4.6	0.3

Note: NHCF's Performance assumes 0% return for Private Investments from April 1, 2019 – June 30, 2019. Private Investments represent an estimated 18.7% of the NHCF portfolio net asset value. 2Q Private Investment performance is estimated using the return for the MSCI All Country World Index (+3.6%). 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 +1.7% in the second quarter (assuming a 0% return for private investments). US Equities (+4.2%) drove performance, outperforming the Russell 3000 Index (+4.1%) by +10 bps. The Developed ex US equity portfolio detracted from performance (+2.6% vs. +3.7% for the MSCI EAFE Index) largely due a tilt towards value-oriented managers. Within the Fixed Income portfolio, the tilt towards cash detracted as it was a strong period for US Treasuries and credit.

## Recent Market Performance

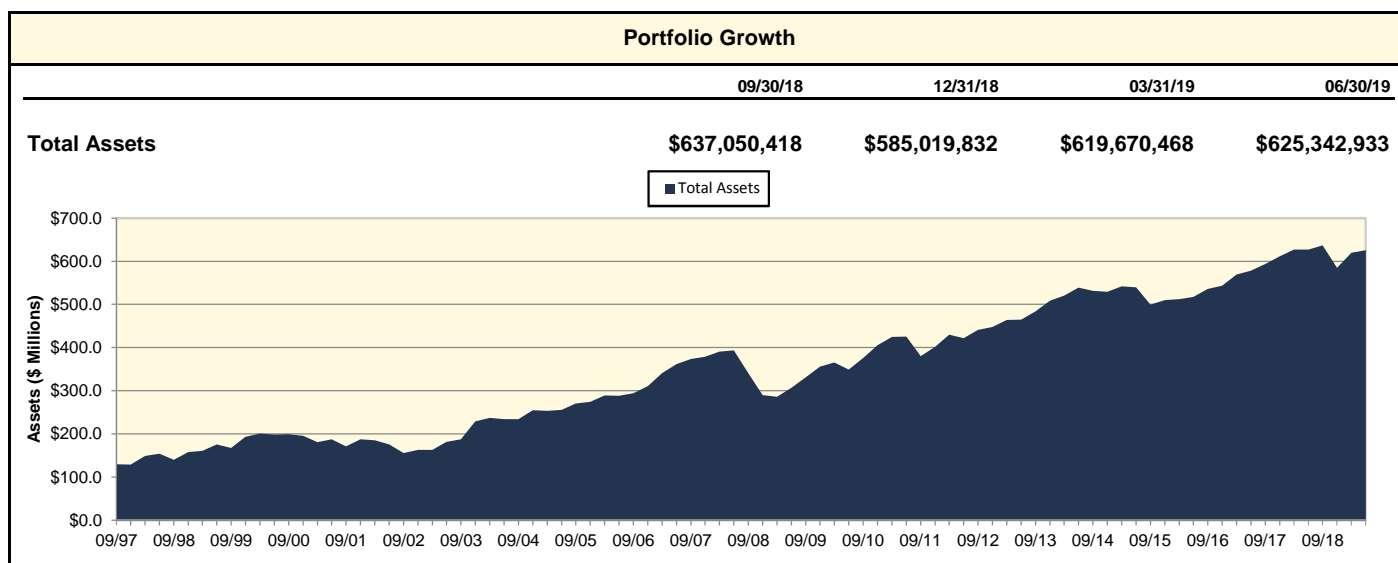
Global equities and bonds rallied in the second quarter as escalating US-China trade tensions and geopolitical uncertainty clouded the economic outlook. Developed markets equities (4.0%) advanced, led by Europe ex UK (5.8%), Pacific ex Japan (5.2%), and the United States (4.3% for the S&P 500 Index). Emerging markets equities (0.6%) trailed developed market equivalents for the second consecutive quarter, driven largely by a sell-off in Chinese shares. Real assets performance was mixed in second quarter with global natural resource equities (-0.7% for the MSCI World Natural Resources Index) underperforming broader stock indexes. Fixed income assets gained broadly as yields fell to multi-year lows on global economic growth concerns and falling inflation expectations. Treasuries (3.0%) advanced as five- and ten-year yields fell 47 and 41 basis points to 1.76% and 2.00%, respectively.

## Discussion Items

- Portfolio Performance Update
- Private Investment Review
- Hedge Fund Review
- Spending Policy Review

## New Hampshire Charitable Foundation - Long-Term Pool

### Portfolio Review (net of fees) as of June 30, 2019



**Performance as of 06/30/19**

Composite (Inception Date)	Qtr To Date 03/31/19 - 06/30/19	CYTD 12/31/18 - 06/30/19	Cumulative Trailing 1 Year	Annualized Trailing 3 Years
Total Assets (06/30/94)	1.7	8.4	2.2	7.9
70% MSCI ACWI (N)/30% BBG Barc Agg Index (06/30/94)	3.6	13.3	6.7	8.9
NHCF Policy Benchmark (06/30/94) <sup>(1)</sup>	2.3	11.8	5.1	9.0
Dynamic Benchmark (06/30/94) <sup>(1)</sup>	2.0	11.1	3.7	9.1

**Performance as of 03/31/19 - Revised**

Composite (Inception Date)	Qtr To Date 12/31/18 - 03/31/19	Cumulative Trailing 1 Year	Annualized Trailing 3 Years	Annualized Trailing 5 Years
Total Assets (06/30/94)	6.6	1.3	7.9	4.8
70% MSCI ACWI (N)/30% BBG Barc Agg Index (06/30/94)	9.4	3.4	8.1	5.5
NHCF Policy Benchmark (06/30/94) <sup>(1)</sup>	9.3	4.3	8.9	5.4
Dynamic Benchmark (06/30/94) <sup>(1)</sup>	9.0	2.8	9.1	5.7

(1) See Endnotes exhibit for benchmark composition.

**New Hampshire Charitable Foundation - Long-Term Pool**  
**Investment Returns by Composite** (net of fees) as of June 30, 2019

Composite (Inception Date)	Assets \$ mil	Total Return (%)					
		Qtr to Date 03/31/19- 06/30/19	CYTD 12/31/18- 06/30/19	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>124.3</b>	<b>4.2</b>	<b>20.2</b>	<b>8.0</b>	<b>14.7</b>	<b>9.4</b>	<b>8.3</b>
Russell 3000® Index (06/30/96)		4.1	18.7	9.0	14.0	10.2	8.7
Value Added		0.2	1.5	-0.9	0.7	-0.8	-0.4
<b>Total Developed ex U.S. Equity (01/01/95)</b>	<b>111.9</b>	<b>2.6</b>	<b>12.0</b>	<b>-1.8</b>	<b>8.2</b>	<b>3.8</b>	<b>6.1</b>
MSCI EAFE Index (N) (12/31/94)		3.7	14.0	1.1	9.1	2.2	5.0
Value Added		-1.1	-2.0	-2.9	-0.9	1.5	1.1
<b>Total Emerging Markets Equity (02/01/04)</b>	<b>65.6</b>	<b>0.1</b>	<b>6.8</b>	<b>0.9</b>	<b>8.0</b>	<b>1.5</b>	<b>8.9</b>
MSCI Emerging Markets Index (N) (02/01/04)		0.6	10.6	1.2	10.7	2.5	8.1
Value Added		-0.5	-3.8	-0.3	-2.7	-0.9	0.8
<b>Total Marketable Equity (01/01/95)</b>	<b>301.8</b>	<b>2.7</b>	<b>14.1</b>	<b>2.6</b>	<b>10.9</b>	<b>5.8</b>	<b>7.4</b>
Marketable Equity Benchmark (12/31/94) <sup>(1)</sup>		3.1	15.0	4.3	11.6	6.0	7.9
Value Added		-0.4	-0.9	-1.8	-0.8	-0.2	-0.5
<b>Total Private Investments (02/14/01)<sup>(2)</sup></b>	<b>117.0</b>	<b>---</b>	<b>3.7</b>	<b>5.7</b>	<b>10.3</b>	<b>9.1</b>	<b>9.9</b>
<b>Private Investments ex. Impact Investing Pool (02/14/01)<sup>(2)</sup></b>	<b>109.1</b>	<b>---</b>	<b>3.7</b>	<b>5.7</b>	<b>10.5</b>	<b>9.3</b>	<b>9.9</b>
<b>Impact Investing Pool (11/15/16)<sup>(2)</sup></b>	<b>8.0</b>	<b>---</b>	<b>3.0</b>	<b>6.4</b>	<b>---</b>	<b>---</b>	<b>4.7</b>
<b>Total Marketable Alternatives (09/30/03)</b>	<b>113.1</b>	<b>1.2</b>	<b>3.6</b>	<b>0.6</b>	<b>5.5</b>	<b>2.0</b>	<b>5.7</b>
HFRI Fund of Funds Diversified Index (09/30/03)		2.0	6.4	2.1	4.2	2.3	3.3
Value Added		-0.7	-2.8	-1.5	1.3	-0.2	2.4
<b>Total Real Assets/Inflation Hedging (06/30/94)</b>	<b>13.4</b>	<b>-0.6</b>	<b>12.8</b>	<b>-19.3</b>	<b>-4.0</b>	<b>-9.5</b>	<b>5.2</b>
Real Assets/Inflation Hedging Benchmark (06/30/94) <sup>(1)</sup>		0.7	16.8	-1.5	4.6	-2.5	6.8
Value Added		-1.3	-4.1	-17.7	-8.6	-7.0	-1.5
<b>Total Equity (06/30/94)</b>	<b>545.4</b>	<b>1.7</b>	<b>9.2</b>	<b>2.1</b>	<b>8.8</b>	<b>4.7</b>	<b>7.3</b>
Custom Equity Benchmark (06/30/94) <sup>(1)</sup>		2.1	13.0	4.8	9.9	5.2	7.7
Value Added		-0.4	-3.8	-2.7	-1.1	-0.5	-0.4
<b>Total Fixed Income &amp; Cash (06/01/95)</b>	<b>80.0</b>	<b>2.1</b>	<b>3.7</b>	<b>4.5</b>	<b>2.0</b>	<b>1.6</b>	<b>5.5</b>
Fixed Income & Cash Benchmark (05/31/95) <sup>(1)</sup>		3.1	6.1	7.9	2.3	3.0	5.2
Value Added		-0.9	-2.5	-3.4	-0.4	-1.3	0.3

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 03/31/19. All funds are adjusted for subsequent capital calls and distributions through 06/30/19.

**New Hampshire Charitable Foundation - Long-Term Pool**  
**Investment Returns by Composite** (net of fees) as of June 30, 2019

Composite (Inception Date)	Assets \$ mil	Total Return (%)					
		Qtr to Date	CYTD	Cumulative	Annualized	Annualized	Annualized
		03/31/19- 06/30/19	12/31/18- 06/30/19	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
<b>Total Assets ex Private Investments (06/30/94)</b>	<b>508.3</b>	<b>2.1</b>	<b>9.6</b>	<b>1.5</b>	<b>7.5</b>	<b>3.3</b>	<b>6.9</b>
70% MSCI ACWI /30% BBG Barc Agg Index (06/30/94)		3.6	13.3	6.7	8.9	5.4	6.8
Value Added		-1.4	-3.7	-5.2	-1.5	-2.0	0.1
NHCF Policy Benchmark ex PI (06/30/94) <sup>(1)</sup>		2.8	11.7	4.3	7.8	3.9	7.0
Value Added		-0.7	-2.1	-2.9	-0.4	-0.6	-0.1
Dynamic Benchmark ex PI (06/30/94) <sup>(1)</sup>		2.4	11.1	2.8	8.2	3.9	6.8
Value Added		-0.3	-1.5	-1.3	-0.7	-0.5	0.1
<b>Total Assets ex. Impact Investments (06/30/94)</b>	<b>617.4</b>	<b>1.7</b>	<b>8.5</b>	<b>2.1</b>	<b>7.9</b>	<b>4.3</b>	<b>7.2</b>
<b>Total Assets (06/30/94)</b>	<b>625.3</b>	<b>1.7</b>	<b>8.4</b>	<b>2.2</b>	<b>7.9</b>	<b>4.3</b>	<b>7.2</b>
70% MSCI ACWI /30% BBG Barc Agg Index (06/30/94)		3.6	13.3	6.7	8.9	5.4	6.8
Value Added		-1.8	-4.8	-4.5	-1.0	-1.1	0.3
NHCF Policy Benchmark (06/30/94) <sup>(1)</sup>		2.3	11.8	5.1	9.0	5.0	7.4
Value Added		-0.6	-3.4	-3.0	-1.1	-0.7	-0.3
Dynamic Benchmark (06/30/94) <sup>(1)</sup>		2.0	11.1	3.7	9.1	5.3	7.3
Value Added		-0.2	-2.7	-1.5	-1.2	-1.0	-0.1
CA Prelim Endw Median		2.6	10.7	4.5	8.6	4.9	8.4
Universe Size		42	42	42	42	41	17
<b>Total Assets Net of Fees (12/31/16)<sup>(3)</sup></b>	<b>625.3</b>	<b>1.7</b>	<b>8.4</b>	<b>2.1</b>	<b>---</b>	<b>---</b>	<b>7.0</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 & Cash Benchmark**

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



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