



REPORT OF THE INVESTMENTS AND CAPITAL PLANNING COMMITTEE
Meeting
June 26, 2025

The Investment and Capital Planning Committee met at 10:45 a.m. on June 26, 2025, at Plymouth State University in Plymouth, NH.

Committee members participating at the meeting location: Mike Pilot, Wayne Semprini, George Hansel, Joel Nkounkou, Brain McCabe and Karen Benincasa; Committee members participating via video conference: Kevin Knarr; Other trustees participating at the meeting location for some or all of meeting: Kass Ardinger, Shawn Jasper, Jamie Burnett, Cathy Green, Ethan Dupuis, MJ Condon, Mackenzie Murphy, David Westover, Pat Griffin, Maureen Beauregard, and PSU President Don Birx, KSC President Melinda Treadwell, UNH President Elizabeth Chilton and Chancellor Catherine Provencher.

Staff: present at meeting location, (PSU) Tracy Claybaugh, (KSC) Nathalie Houder; (UNH) Aaron Howell, Marion McCord, Bill Janelle, and Ken Weston (via video conference), (USNH), Chad Pimental, Tia Miller, and Lorna Jacobsen (scribe).

Ryan O'Quinn and Nicholai Hill from Prime Buchholz were in attendance for the investment portfolio review and review of investment guidelines.

Other staff and guests attended in person and by video conference.

Call to Order

Chairman Knarr called the meeting to order at 10:45 am noting a quorum sufficient to conduct business.

APPROVAL OF CONSENT AGENDA (Moved and duly seconded)

VOTED, that the consent agenda of the June 26, 2025, meeting be approved.

{The Committee voted unanimously to approve this motion}

Items on the Consent Agenda:

Approve minutes of the Committee's meeting of March 20, 2025

End of Consent Agenda

UPDATE FROM PRIME BUCHHOLZ

Mr. O'Quinn commented on the market environment, providing information on inflation, interest rates, and employment. He said the weakening US dollar served to improve international stock returns. He reviewed the portfolio performance results for the period ending May 31, 2025. He said the market value of the portfolio was \$647 million, and the portfolio had a return for the fiscal year to date of 8%, Calendar year 3.2%, and over the trailing year 9.3%. As of the meeting date, the endowment reached an all-time high of \$655 million, and return was 9.4%. He indicated that USNH's performance is in the first quartile when compared with peers. Vice Chancellor Benincasa said that a 7% return was used in the budget.

In response to a question, Mr. O'Quinn reviewed the liquidity of the portfolio noting that liquidity is very good and allows USNH to be nimble and take advantage of opportunities. He said 36.7% is daily liquidity, 9.7 % monthly, 26.8% quarterly, 6.7% semi-annually, 2.3% annually and 17.8% is illiquid.

Mr. O'Quinn said that USNH currently has a large percentage in US public equities and there are additional US equities in the Flexible Capital allocation and the Global Equity allocation.

Mr. Hill recapped several changes to the portfolio since the last meeting including On May 1st, established a new \$10M position with Silver Point Capital Offshore, funded with \$6M Varde redemption proceeds \$2M Vanguard TIPS, \$1M BlackRock Event Driven, and \$1M Neuberger L/S. He said they trimmed \$5M from the Baird Aggregate Bond and purchased \$6M Schwab 500 Index and trimmed \$7M in public equities to raise funds for the quarterly endowment draw. He said a full redemption of Generation Global Equity effective 6/30/2025 was submitted and a \$10M redemption of Adage effective 9/30/2025. A \$10 million investment in the Global Equity Fund Cantillon is planned for the Fall.

The Committee briefly discussed investment in Private Equity and Vice Chancellor Benincasa said there is no recommendation to lift the temporary pause on new investments in illiquid assets established at the March meeting at this point. A recommendation will be considered at the October meeting after the updated 5 year plan and vision is reviewed at the September retreat and future cash needs are estimated.

Mr. Hill reviewed the short-term investment pool, noting the total fund (excluding other cash accounts) was \$155 million at the end of May and had a return of 5% for the fiscal year to date. He said Prime has been reducing investment in T. Rowe Price because of the credit spread. He said the blended yield on the portfolio was 4.5%. Vice Chancellor Benincasa said in the Assumptions and Parameters approved by the Financial Affairs Committee for FY26, a return of 3% was approved in October 2024 with the understanding we would re-evaluate the return assumption before the budget was recommended in June 2025. After discussion with Prime Buchholz, the expected rate was increased to 3.5% based on current projections for FY26.

Follow-up from March 20, 2025, Meeting

Investment Guidelines

Vice Chancellor Benincasa said that at the March meeting the Committee approved a motion to temporarily suspend any further investment in Private Equity or other illiquid investments until an updated financial plan is developed based on the future vision. BOT will discuss this over the next two days, and we expect to have more information on projected cash needs and cash positions for the Sept Retreat. FY26 budget on a recurring basis is +9M cash flow and strategic investments/one-time items are \$42M so total cash outflow for FY26 based on the budget proposed is an outflow of \$33M. She mentioned two other areas for potential review and revision: the required target of days of cash on hand, and guidance on the amount of operating cash that should be invested long term in the endowment in addition to evaluating the asset allocation

Capital Approval Policy for Streamlining Life Safety, Health, Environmental Projects

Vice Chancellor Benincasa said that at the March meeting, the Committee discussed the two-step project approval policy which requires a first look and approval at a second meeting. Trustees expressed the need to address deferred maintenance in a timely manner and Chairman Knarr requested a recommendation on how best to move forward with approvals on life safety and critical deferred maintenance projects to ensure they are approved and completed as quickly as possible. She said that given the financial challenges at this time, we do not recommend a change in policy. However, it is expected that campuses will submit urgent needs to the Exec Com which generally meets monthly or request off-cycle meetings if needed to approve any urgent need of the institutions that require BOT approval. FINEC will provide a recommendation in the future for this area; however, for now suggest we wait on any policy changes.

The Committee paused for a lunch break at 11:30 AM and reconvened at 1:00 PM

Capital Projects – Session 2

Approval of UNH Paul Creative Arts Center (PCAC) Life Safety System Renovations

VOTED, on recommendation of the UNH President, that the Investment and Capital Planning Committee, approve a budget not to exceed \$7.3 million dollars for the installation of a fire suppression system, the replacement of the fire alarm system and the theater lighting system, and life safety upgrades to the theater catwalk with the source of funds intended to be UNH funds included in the multi-year capital plan.

{This motion was unanimously approved by the Committee}

Executive Vice President Howell said that BOT Policy requires that all UNH projects valued at \$5 million or greater are approved by the Investment and Capital Planning Committee and projects over \$10 million are approved by the full Board. He said this project was presented at the March Committee meeting for a first look.

Associate Vice President for Facilities William Janelle said the UNH PCAC was built in 1960 and houses the performing arts, arts, and music instruction spaces. He said the building includes the 667 seat Johnson Theater.

Vice President Howell described the current conditions of the building which necessitate the renovations including replacement of the 30-year-old fire alarm system. He said the building has been operating under a Life Safety Plan agreement with the State Fire Marshal Office (SFMO) which allows for temporary assembly use. The agreement is approved annually based upon the University's plan to upgrade both the fire suppression and fire detection systems supporting the building. Failure to renovate the deficiencies could jeopardize continued operations of the building.

Mr. Janelle said that in addition to the fire safety issues, the project includes house lighting main controller and audience light fixture replacements in the Johnson Theater and Life safety upgrades to existing catwalk in Johnson Theater. He said the budget is \$7.3 million which is more than what was estimated at the First Look in March but is based on the full design.

Trustee Jasper commented that he spoke to the State Fire Marshall and was told that the State is willing to work with UNH for a few years on the renovation plan if UNH wanted to consider phasing the project.

Chairman Knarr expressed his support for the project and for being careful to adhere to life safety requirements. Trustee Condon added her support for the project noting that it would allow for faster evacuation of people with mobility issues.

Update on Innovation District at UNH

Vice President Howell provided an update on the Edge UNH Innovation District providing background on the project concept. He said a consultant was engaged to assess the opportunity and market demand and said a business plan was completed with a recommendation to move forward with the EDGE.

Vice President Howell described the process UNH has undertaken to evaluate the project which included a Request for Information (RFI) with 13 proposals received, a Request for Proposals (RFP) with 6 proposals received and the establishment of a selection committee with broad representation from the community. He said the evaluation process resulted in two finalists and a unanimous recommendation to partner with Ryan Companies. He reported that a draft MOU has been developed, and the goal is to have an agreement with Ryan Companies by July 15. An update will be provided at the Board meeting in September.

In response to questions, Vice President Howell said they are currently discussing governance and refining vision. It is possible a 501-c-3 organization will be established to operate the project. He noted that there is no financial commitment in the MOU. He discussed the ROI and other UNH representatives added comments on the advantages of the project to UNH and students.

President Chilton explained that the MOU will include a date for a “Go/No Go” decision and UNH could decide not to move ahead with the project.

Trustee Ardinger requested that the governance model for the project be brought to the Governance Committee for review and approval.

Chairman Knarr said the project would be a great addition to the campus and community and that the potential financial implications would need to be fully evaluated. He also said the Executive Committee would appoint a member to work with UNH on the project. Trustee Pilot added that the project is transformational and may put UNH on a different footing in the long term.

INFORMATIONAL ITEMS

Chairman Knarr called the Committee's attention to the items in the Informational Items section of the materials. He noted that no action is required on these items.

USNH Capital Projects Updates

Update on Morse Hall

OTHER BUSINESS

Next meeting date is October 23, 2025

The Committee adjourned at 1:35 p.m.