



**Draft for Committee Review and Approval**

**REPORT OF THE FINANCE COMMITTEE ON INVESTMENTS  
October 25, 2018**

The Finance Committee on Investments met at 11:30 a.m. on October 25, 2018 at Plymouth State University in Plymouth, NH. Present were Committee members: Morgan Rutman (Chair), Amy Begg, Ted Dey, Ken Moulton, and Catherine Provencher; Trustee Small, President Birx and Rhonda Hensley representing the Governor.

Also in attendance: Kate Dumas from Prime Buchholz; and additional USNH staff members. Participating by phone was Hunter Sommerville and John Wuestling from Greenspring Global Partners.

**I. APPROVE MINUTES**

On motion of Trustee Dey and duly seconded, The Committee voted to approve the minutes of the June 21, 2018 meeting.

**II. Items for Committee discussion and possible action**

A. Endowment and Operating Cash Portfolio Review for period ending September 30, 2018.

Ms. Dumas reviewed performance results as of September 30, 2018 noting a return 2.6% for the fiscal year to date. She shared market highlights noting the volatility in the month of October and discussed performance by sector pointing out over and under-performing managers. Ms. Dumas said the market value of the endowment at the end of September is \$537 million but pointed out that because of the October decline in the market, that amount is more like \$522 million as of today.

Ms. Dumas said that the portfolio is very close to policy targets and has matched or outperformed the actual and policy index. She said the portfolio has been constructed to consistently outperform the index without the volatility. She said about 45% of the portfolio is liquid on a daily basis.

Ms. Dumas provided background on the winddown of the Highfields investment and indicated that the first return of cash will be early in 2019 and will be about \$12 million. She reviewed Prime Buchholz's recommendation for investing those funds. After discussion, the Committee opted to wait until the January 17, 2019 meeting and the annual review of asset allocation to make a decision on how those funds will be invested.

At 12:05 p.m. Vice Chancellor Provencher made the following motion to enter into nonpublic session and it was seconded by Trustee Moulton and approved unanimously by roll call vote. In addition to trustees, system staff, and Ms. Dumas attended the non-public session. Representatives from Greenspring Associates joined the non-public session by phone for their presentation on the firm and discussion of an upcoming fund opportunity.

MOVED, that the USNH Board of Trustees Finance Committee for Investment go into nonpublic session for the purposes of discussing the proprietary, confidential, commercial, and financial information of a private third party that is exempt from disclosure under RSA 91-A:5, IV.

**Return to Public Session**

Upon a motion to exit nonpublic session, made by Trustee Dey, duly seconded, and approved, Chairman Rutman reconvened the public meeting at 12:55 p.m. and announced that the Committee received a report from Greenspring Associates on their firm and then proceeded to review two potential private equity opportunities with Prime Buchholz. The following actions were taken:

**VOTED**, that the Investment Committee approve private equity commitments as recommended by Prime Buchholz to include:

- 1) A commitment of \$5 million in Greenspring Global Partners IX, LP
- 2) A commitment of \$5 million in Sun Capital Partners VII, LP.

{The Committee unanimously approved the motion}

**III. OTHER BUSINESS**

- A. Next scheduled meeting date is January 17, 2019 and will include a review of current asset allocation and discussion on the role of Flexible Capital in the portfolio.
- B. The Committee adjourned at 1:00 p.m.