New Hampshire Electric Cooperative, Inc.

Minutes of the Meeting of the Funds Management Committee

Teams Meeting

May 27, 2026, at 10:00 a.m.

Committee Members Present: Peter Laufenberg (Chair), Bill Darcy

Committee Members Excused: Pat Barbour

Other Board Members Present: Robert MacLeod, Jerry Stringham

NHEC Employees Present: Michael Jennings, Kristen Taylor, Christine Parent (Recording)

Others Present: NA

Meeting Called to Order

Chair Laufenberg called the meeting to order at 10:00 a.m.

Agenda Review

There were no suggested changes to the agenda.

Homestead Asset Allocation Questionnaire and Discussion

Chair Laufenberg previously asked Mr. Jennings if the questionnaire was required, and it is not required, so it does not need to be completed.

Chair Laufenberg shared his suggestions based on what the investment policy says, titled Investments for NHEC. Chair Laufenberg ruled out the money market and the two funds that had one or two stars in the Morning Star ratings. We should only put money in funds that are three stars or better. The goal is to have average risk score of 50.

Summary of the Updated Options:

- Option 1: Most conservative (highest allocation to low-risk bonds).
- Option 2: Balanced middle ground.
- Option 3: Highest equity exposure while still hitting the target risk of 50.

Discussion:

Mr. Darcy stated that he prefers the highest weight of equity that Chair Laufenberg deems appropriate. He added that the appreciation in the equities versus the fixed income securities has been consistently better over the last 30-40 years.

Mr. Jennings stated that he agrees with Mr. Darcy, and that this should be looked at with a growth mindset.

Mr. Darcy added this is not a case where we intend to draw on it in the next year or two and it should grow as the stock market grows.

Mr. MacLeod agreed that Option 3 is the way to go.

Mr. Stringham stated he is a little more in the center and asked how much money will be invested. Mr. Darcy replied $2.3 million will be invested, and that there is no intent to draw upon it unless there is a catastrophic event with the budget or there is a major storm.

Chair Laufenberg agreed Option 3 is the best, and it is within the investment range.

> Upon motion from Chair Laufenberg, seconded by Mr. Darcy, it was
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> **VOTED** that the committee approves Option 3, the highest equity exposure, while still hitting the target risk of 50.
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> Vote was unanimous.

Ms. Taylor stated we do not need to fill out the questionnaire, and she can revise the form that the initial investment mix was chosen with for both accounts (Storm Reserve and Retiree Medical Benefits) or ask if another form needs to be completed to change the allocation mix.

Mr. Darcy asked if there are any transaction fees if we make changes or transfers. Chair Laufenberg replied there are no transaction fees (no front end, back end, or advisor fees). Chair Laufenberg stated each mutual fund has a fee built into it, which is about 50 basis points and far less than the advisor fee we were previously paying.

Mr. Darcy stated that he spoke to Ms. Barbour prior to the meeting, and she also agrees with Chair Laufenberg's recommendation.

<u>Action Items:</u>

Ms. Taylor will revise the Homestead investment form to reflect Option 3 for both accounts.

Adjournment

Upon motion from Chair Laufenberg, seconded by Mr. Darcy, the meeting was adjourned at 10:11am.