

PURSuing TOMORROW'S GOALS THROUGH BETTER INVESTMENT MANAGEMENT TODAY



The investment decisions you make today will impact the ability of your nonprofit organization to fulfill its mission tomorrow.

That's why investment committees and senior financial staff members strive to make the best decisions possible. As an investment management organization devoted entirely to serving the nonprofit sector, Commonfund works to support these efforts. In Commonfund Strategic Solutions[®], we offer nonprofit institutions our best accumulated thinking and investment management experience. Strategic Solutions is a custom, comprehensive portfolio management service encompassing policy review and counsel, investment management, monitoring and reporting, and rebalancing. Ultimately, Strategic Solutions is designed to:

- Help trustees fulfill their fiduciary roles and responsibilities
- Give them added time to focus on strategic policy issues
- Bring leading edge thinking and practice to more nonprofits
- Extend and enhance staff capabilities and institutional resources
- Allocate these resources effectively and efficiently



YOU KNOW WHERE YOU WANT TO GO. OUR JOB IS HELPING YOU GET THERE

Nonprofits—including educational institutions, foundations, healthcare organizations and others—depend on their endowments and investable funds to pursue their vision of the future and fulfill their mission over the long term. The ability to generate growth to support operations, programs, grants and other essential activities is the connection between today's reality and tomorrow's vision.

The ultimate responsibility for financing the future falls to trustees and investment committee members, supported by financial or investment staff members. These key decision-makers seek risk-adjusted returns that protect and grow the value of the corpus after inflation and spending. In the process, they must not only address institutional objectives, but also guide their organization's investment portfolio through a complex, challenging and ever-changing investment environment. Many nonprofit investment decision-makers confront three management challenges in particular:

- Emphasizing practice over policy: Having very full agendas, investment committees risk devoting too much time to details at the expense of important policy issues, such as asset allocation and spending policy.
- Overcoming limited resources: Staff support, time, knowledge and experience may be in short supply and thus limit trustees' ability to fulfill their fiduciary responsibilities to the fullest.
- Avoiding reputation risk: As donors are more active than ever before—both in making and monitoring their gifts—any perception of suboptimal asset management may jeopardize future gift flows.

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Effectively addressing these challenges is a high priority because failing to do so extracts a painfully high price. Reliable studies have consistently shown significant differences in long-term performance among nonprofit investors. These differences can be magnified over time and, possibly, even limit an organization's ability to fulfill its mission. Thus, many nonprofits stand to benefit from an ability to implement the best practices of leading nonprofit investors—in other words, to make best practices their own practices.

That is the principle behind Commonfund Strategic Solutions. This comprehensive investment management solution brings to nonprofit organizations of all types and sizes¹ the thinking, planning and implementation practiced by the most sophisticated nonprofit investors.

At Commonfund, our mission is to enhance the financial resources of nonprofit institutions and help them improve their investment management practices. You have a vision for the future of your institution. We developed Commonfund Strategic Solutions to help you make it a reality.

¹The Strategic Solutions program is available to institutions with assets of \$25 million or more.

STRATEGIC SOLUTIONS EMPOWERS YOU TO TAKE CONTROL, FROM POLICY TO PRACTICE

The concept behind Commonfund Strategic Solutions is comprehensive investment management, from meshing your long-term investment objectives with your overarching mission to the ongoing details of oversight, monitoring and reporting—as well as all the thinking, planning and decision-making in between.

Starting with a comprehensive review of your objectives and situation, Strategic Solutions builds a solid foundation integrating investment policy, asset allocation, spending rate and rebalancing, as well as cash management and debt management. It offers the resources and tools needed to implement a broadly diversified, actively managed investment program, including thorough due diligence, ongoing monitoring and timely reporting.

A dedicated Commonfund Strategic Solutions team works with you to design, tailor and implement an investment program that meets your specific needs. In addition, you'll have access to the full depth and breadth of Commonfund's resources. Our Strategic Solutions group coordinates Commonfund's capabilities and overlays oversight specific to each portfolio. Transferring daily management, administration and reporting to Commonfund is the key to strengthening trustees' fiduciary role. In this way, investment committee members and other trustees have more time to focus on critical long-term objectives and strategic policy issues.

From the investment perspective, Strategic Solutions seeks to provide a level of performance, oversight, risk management and cost effectiveness that investors generally cannot replicate by structuring portfolios themselves. Our philosophy is rooted in the belief that active management adds value over passive approaches on a portfolio basis over market cycles. We believe in staying nimble so as to recognize, even anticipate, those periods when portfolios will be best positioned to benefit from aggressive management, as well as those cycles when more defensive approaches will add value.

We strongly believe that all clients deserve the benefit of Commonfund's best thinking within each asset class. Commonfund's responsibility is to select the best subadvisers to execute portfolio strategies for each of our funds. The sole objective of these investment programs is to generate the best risk-adjusted return within the mandate of the fund. Commonfund and its subsidiaries offer a wide range of investment programs spanning most asset classes and strategies, and are thus able to ensure that investment portfolios are well diversified.

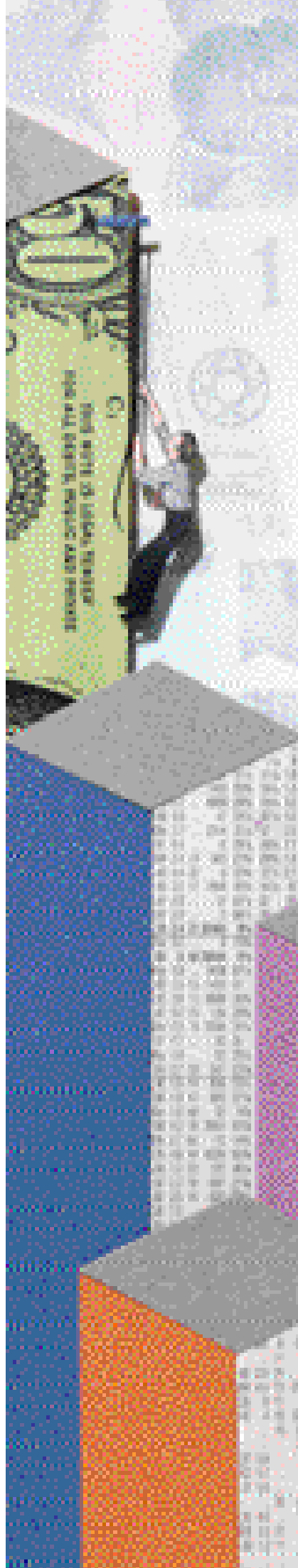
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STRATEGIC SOLUTIONS ADDS VALUE THROUGH UNIQUE PLANNING AND MANAGEMENT TOOLS

Investment policy-setting and decision-making are inherently forward-looking as organizations project portfolio risks and returns in an uncertain world. At the same time, investors consistently compare themselves to others—both to learn and to assess their own performance. Strategic Solutions offers proprietary approaches to both.

Allocation Planning Model

The Commonfund Allocation Planning Model™ (APM) is a proprietary financial forecasting tool that can help investors understand the expected outcomes and potential risks of an investment strategy and spending policy, as well as the interrelationships of the underlying asset classes comprising that investment strategy. The APM utilizes Monte Carlo simulations to project a series of possible investment environments, allowing one to observe the impact of policy changes and the probability of achieving long-term objectives. APM simulation results can be used for a variety of purposes. These include projecting the consequences of spending plans or capital campaigns; studying the possible outcomes of alternate asset allocation strategies, including dynamic investment strategies; and analyzing alternative scenarios based on different input assumptions. The model also allows the user to evaluate left tail (downside) risks.



Commonfund Benchmarks Study®

Each year, the Commonfund Institute conducts an extensive, proprietary survey of the investment, operating and governance policies and practices of the nonprofit community. Three separate annual Commonfund Benchmarks Studies are dedicated to education, foundations and healthcare. The studies capture, tabulate and analyze quantitative and qualitative data from hundreds of participating nonprofit entities, with much of the information coming from in-depth interviews with trustees and senior investment staff members.

The custom benchmarking feature of the studies is particularly useful to Strategic Solutions clients. Custom benchmarks allow you to define your own peer group of nonprofit institutions and obtain an analysis of Commonfund Benchmarks Study findings benchmarked specifically to that group. You can also use study data to compare your organization against institutions that are investment leaders among educational institutions, foundations and healthcare organizations, or against institutions of comparable size to your own.

Both the Allocation Planning Model and the Commonfund Benchmarks Study are powerful tools that can provide highly valuable insights for trustees and senior financial staff members. They exemplify leading edge initiatives that Commonfund has consistently brought to the nonprofit community, as well as the unique policy planning and decision-support capabilities that are available to Strategic Solutions clients.

OUR FOCUS IS EXCLUSIVELY ON MANAGING INVESTMENTS FOR NONPROFIT INSTITUTIONS

Strategic Solutions has been created by Commonfund, the world's largest nonprofit investment manager. Since our founding in 1971, we have focused exclusively on investment management for nonprofit institutions.

Over the years, Commonfund has worked intimately with thousands of nonprofits — from universities with mega-endowments to colleges, foundations and healthcare entities with small and mid-sized investment funds. These clients have benefited from our leading edge thinking on a wide range of policies, practices and strategies. In turn, these partnerships have given us a level of sensitivity and insight that is unsurpassed when it comes to understanding nonprofits' wants and needs, strengths and weaknesses, accomplishments and shortcomings. Strategic Solutions is a reflection of this three decades-plus of hands-on experience over many years, including many instances in which we functioned as a direct extension of clients' investment committees and investment offices.

Over the years, Commonfund has worked closely with thousands of nonprofits — from universities with mega-endowments to colleges, foundations and healthcare entities with small and mid-sized investment funds.

Today, Commonfund serves more than 1,500 nonprofit institutions. We manage funds for more than 70 of the nation's largest 100 educational endowments, as well as many of the country's largest foundations and healthcare organizations.² At the same time, a significant percentage of our clients have asset bases that begin at \$25 million. Our staff of nearly 200 includes experts in a wide range of asset classes, from fixed income to venture capital to marketable alternatives; we maintain leading-edge systems for reporting, oversight and risk management; and, we advocate a strong client service culture.

Our parent company is a nonprofit membership organization governed by an 11-member Board of Trustees, of whom 10 are outside trustees. The board is led by an independent, non-executive chair.

The Commonfund Institute is the focal point for our educational and professional development programs, research and publications, and communications — all aimed at promoting best practices among nonprofit organizations, investment staff and trustees.

Consider a closer look at Commonfund Strategic Solutions

Like the nonprofit organizations we serve, Commonfund is a mission-based organization — in essence, making support for your mission our mission. It is in that spirit that we created Strategic Solutions. Please contact Commonfund for additional information.

²Of course, performance cannot be guaranteed, and past performance may not be indicative of future results.

Strategic Solutions is an investment advisory service of Commonfund Asset Management Company, Inc., a wholly-owned subsidiary of Commonfund. Form ADV is available upon request.

Returns on investment funds will fluctuate, and investors could lose money on their investments in any Commonfund Group fund, just as they could with other investments.

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Certain Commonfund Group funds impose various eligibility requirements. For more information generally, see www.commonfund.org. Securities are distributed by Commonfund Securities, Inc.



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