

2019 Commonfund Forum Welcome

Mark Anson

Chief Executive Officer and Chief Investment Officer

#commonfundforum2019
@commonfundorg



Welcome to the 21st Commonfund Forum

400+
Clients,
Colleagues and
Friends

43 States
4 Countries

\$1.3
Trillion in
Assets

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What to Expect Over Next Two Days

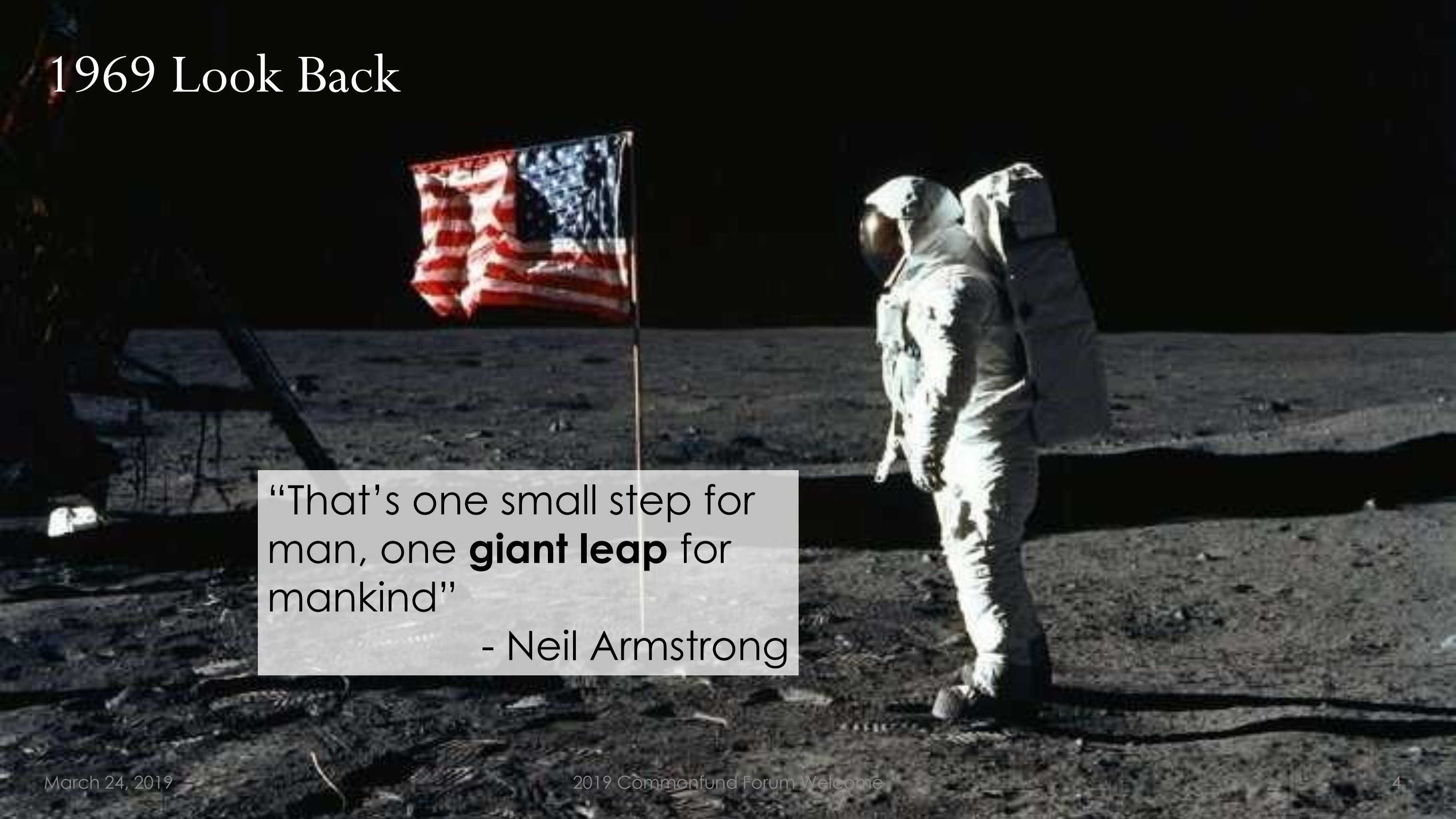
Our Agenda

20
Sessions

64
Speakers

Networking:
Good Food
Good Wine
Good Colleagues

1969 Look Back

A photograph of an astronaut in a white spacesuit walking on the moon's surface. To the left, the American flag is planted in the dark, dusty ground. The background shows the horizon of the moon under a black sky.

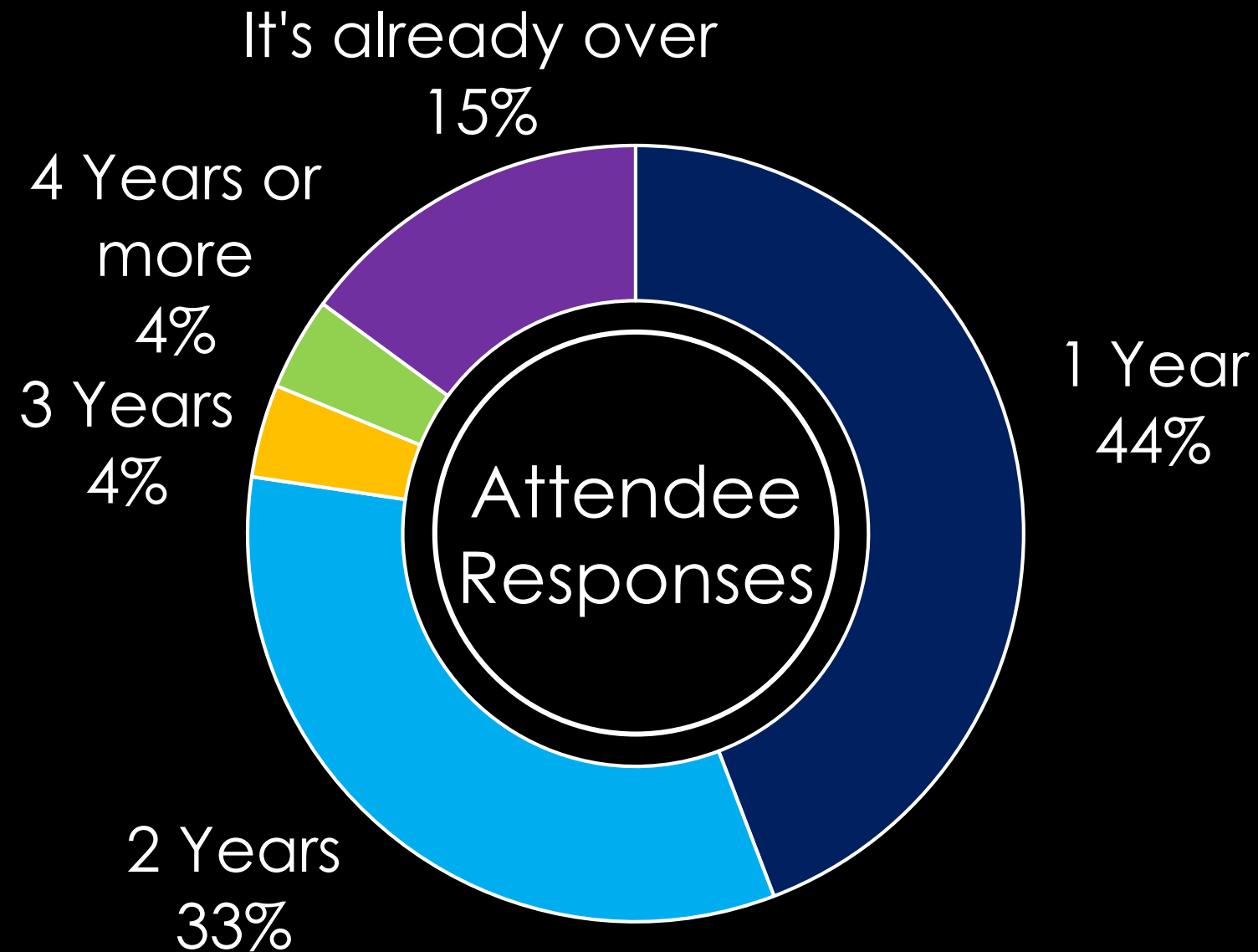
“That’s one small step for
man, one **giant leap** for
mankind”
- Neil Armstrong

1969 Look Back | A Leap Forward

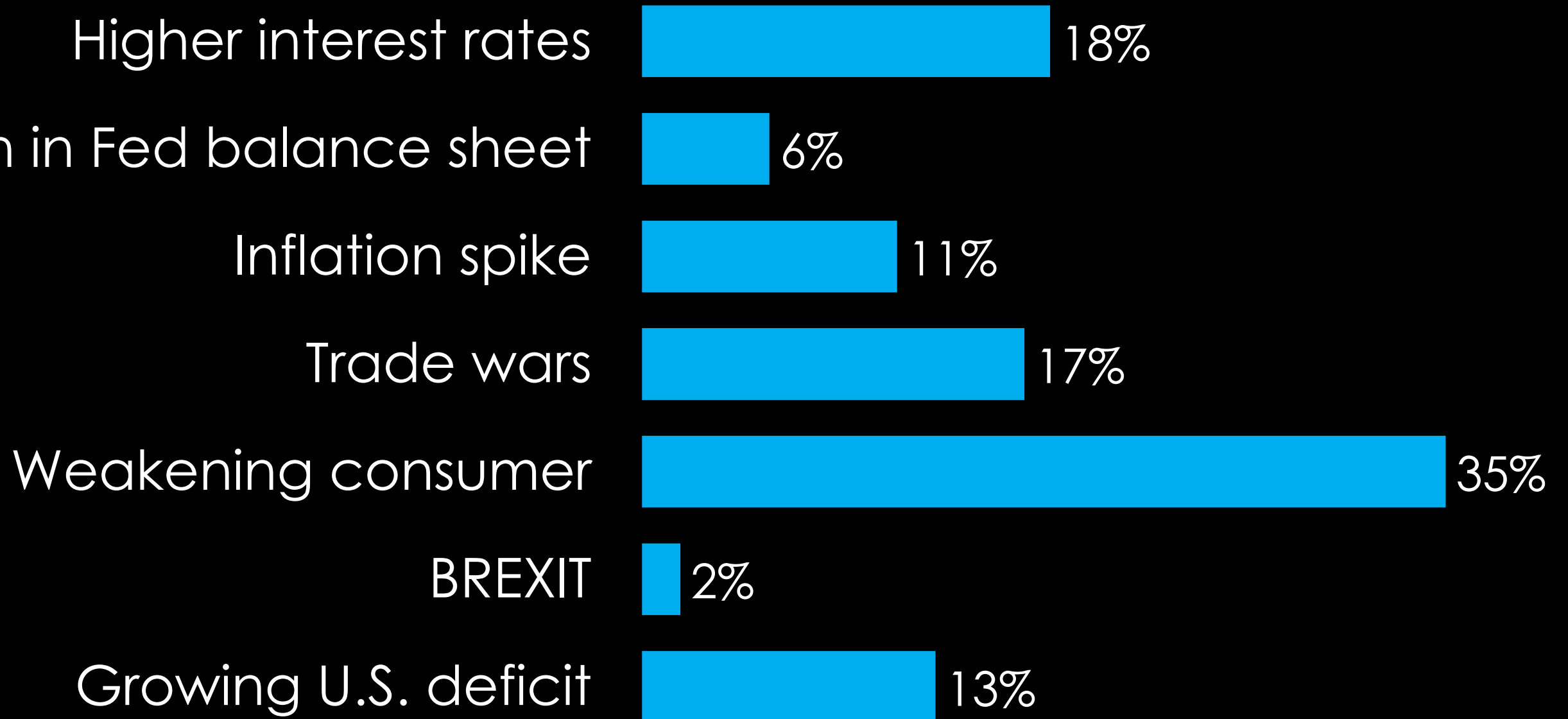
Ford Foundation Seminal Publications



How much longer will the bull market continue?

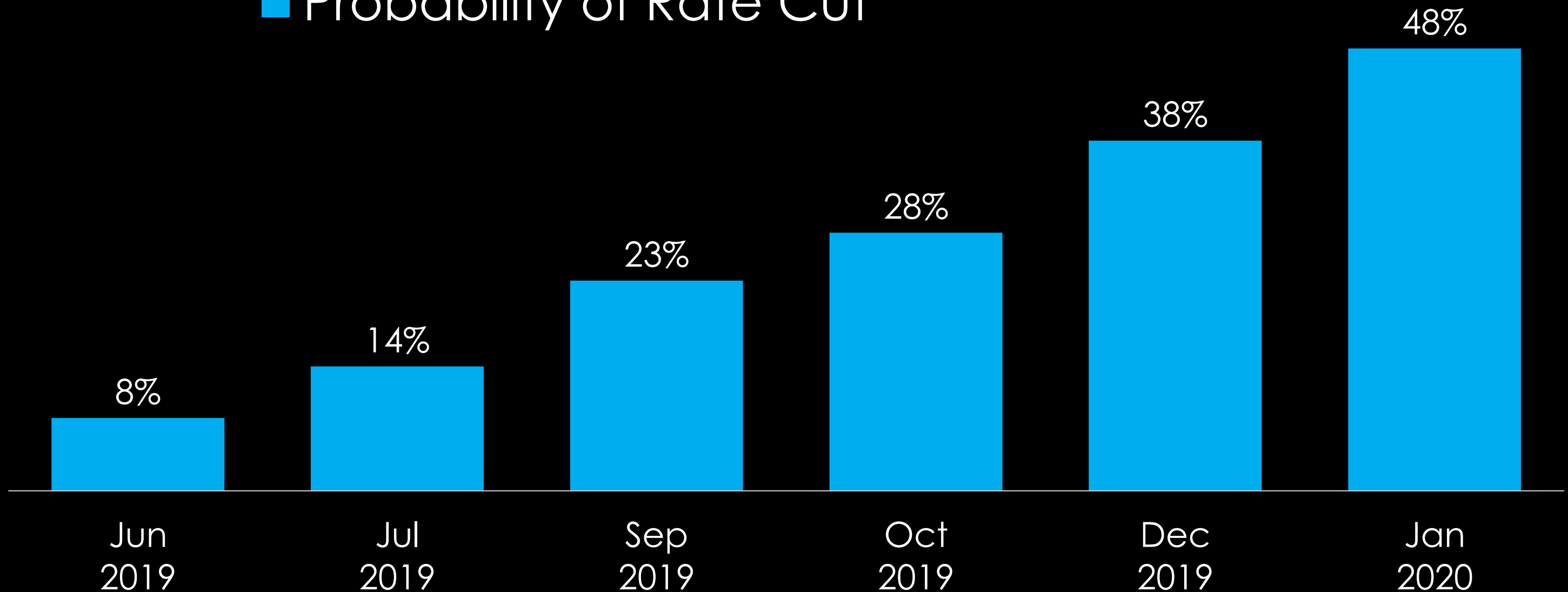


What could cause the bull market to come to an end?



Read My Lips: “No Rate Hikes for 2019”

■ Probability of Rate Cut

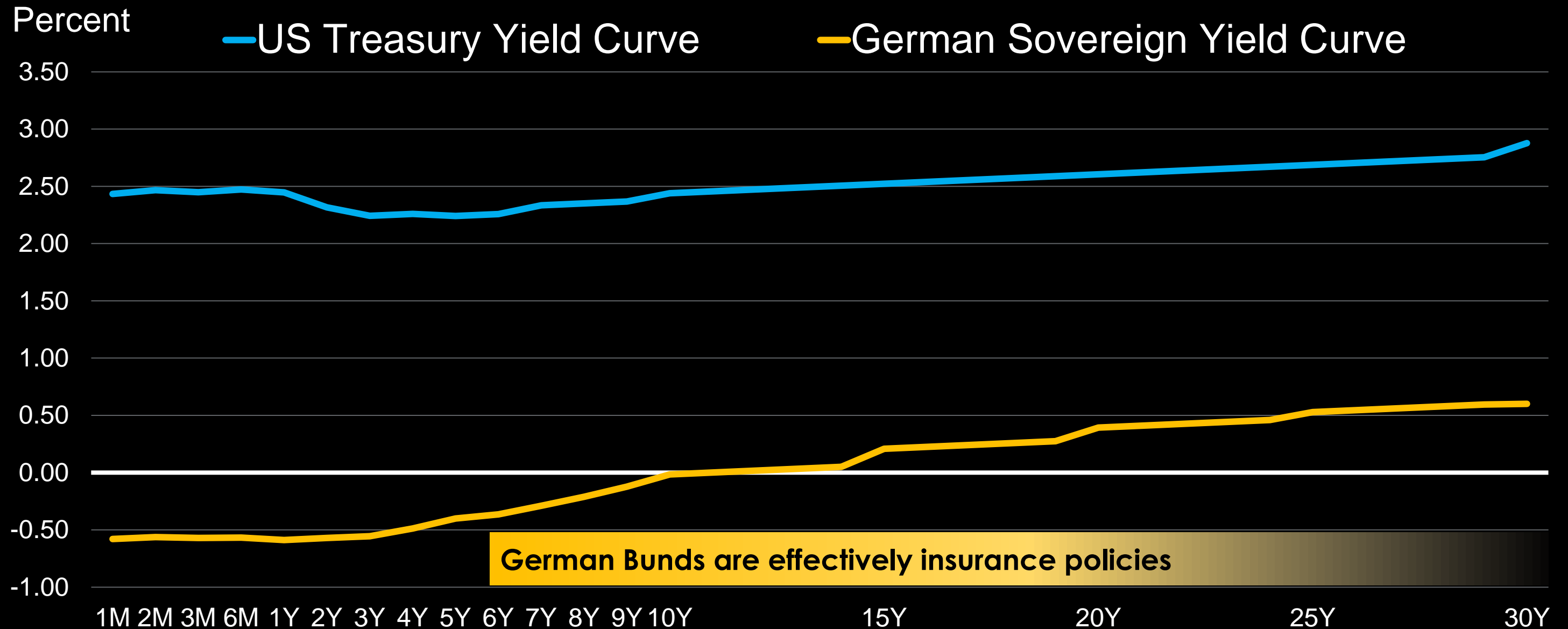


Source: Bloomberg

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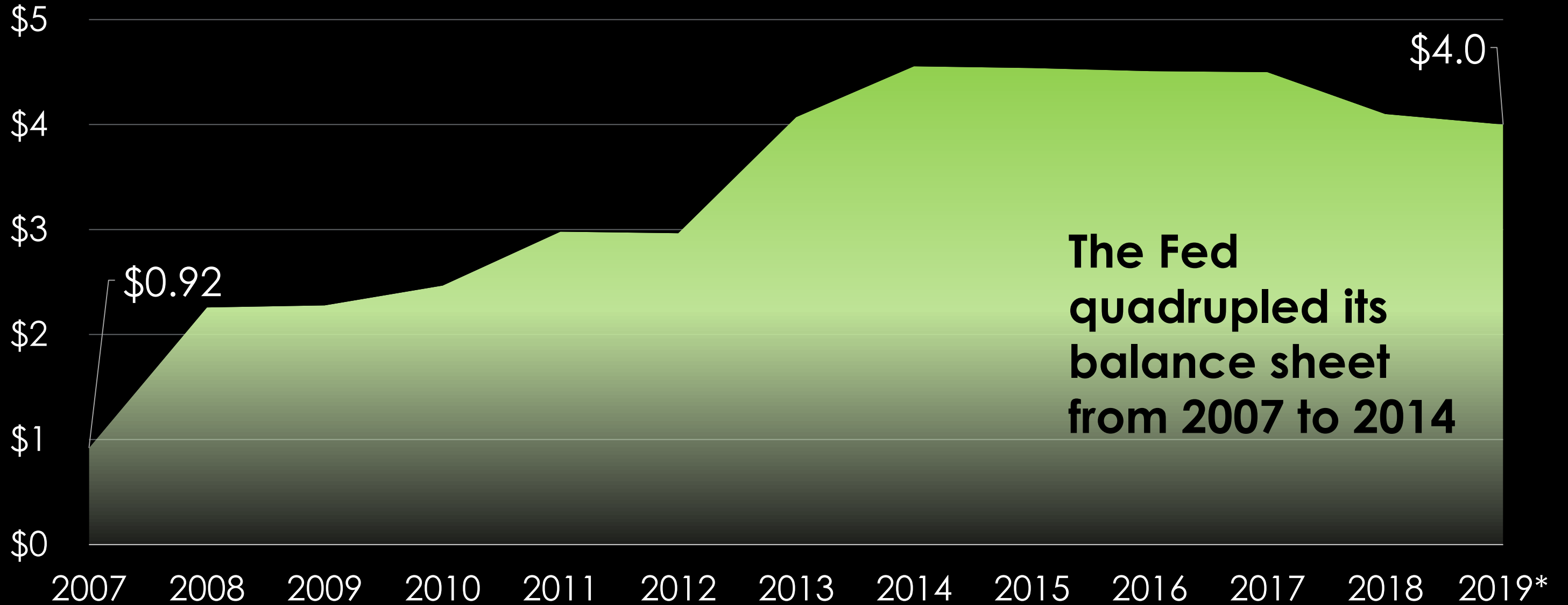
Low Rates? How About Negative Rates?



Source: Bloomberg

Quantitative Easing | The Growth of the Fed's Balance Sheet

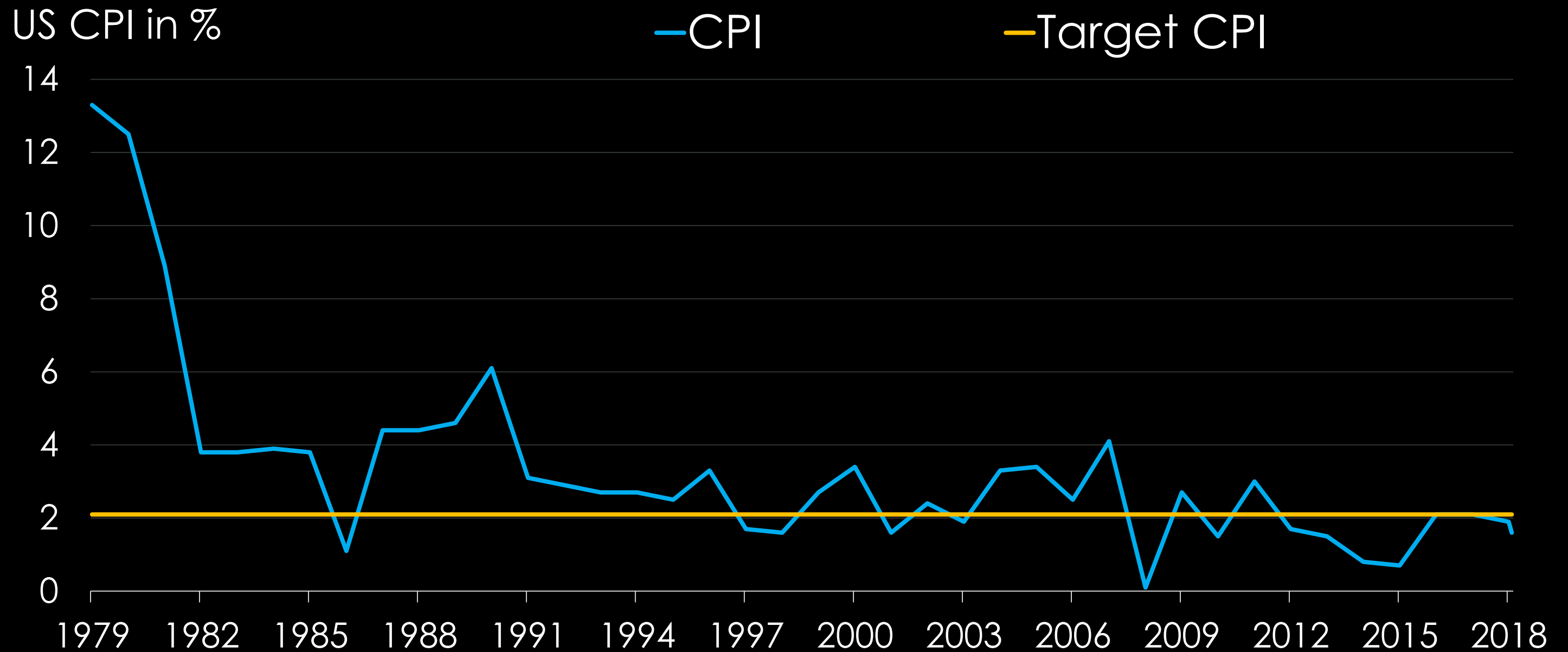
Trillions US\$



**The Fed
quadrupled its
balance sheet
from 2007 to 2014**

* As of March 2019
Source: Federal Reserve System

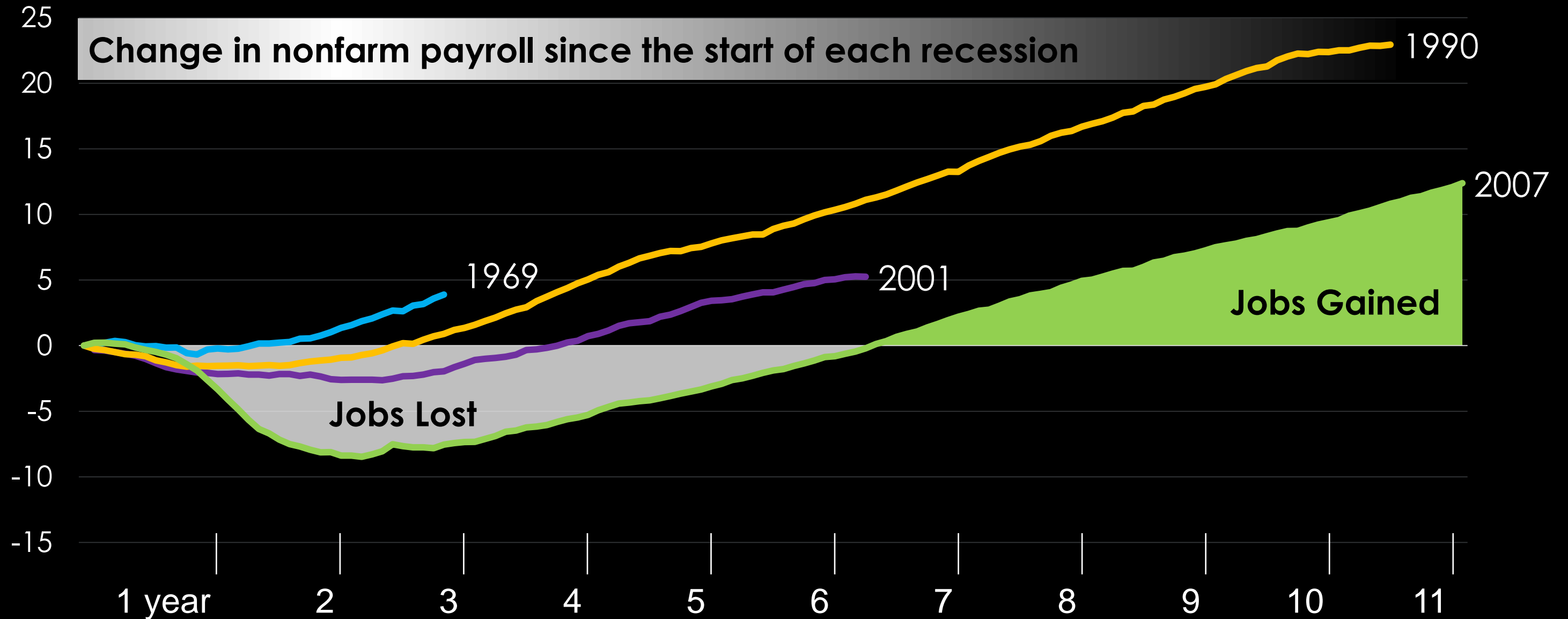
Inflation has been tame for a long time...



Source: Bloomberg

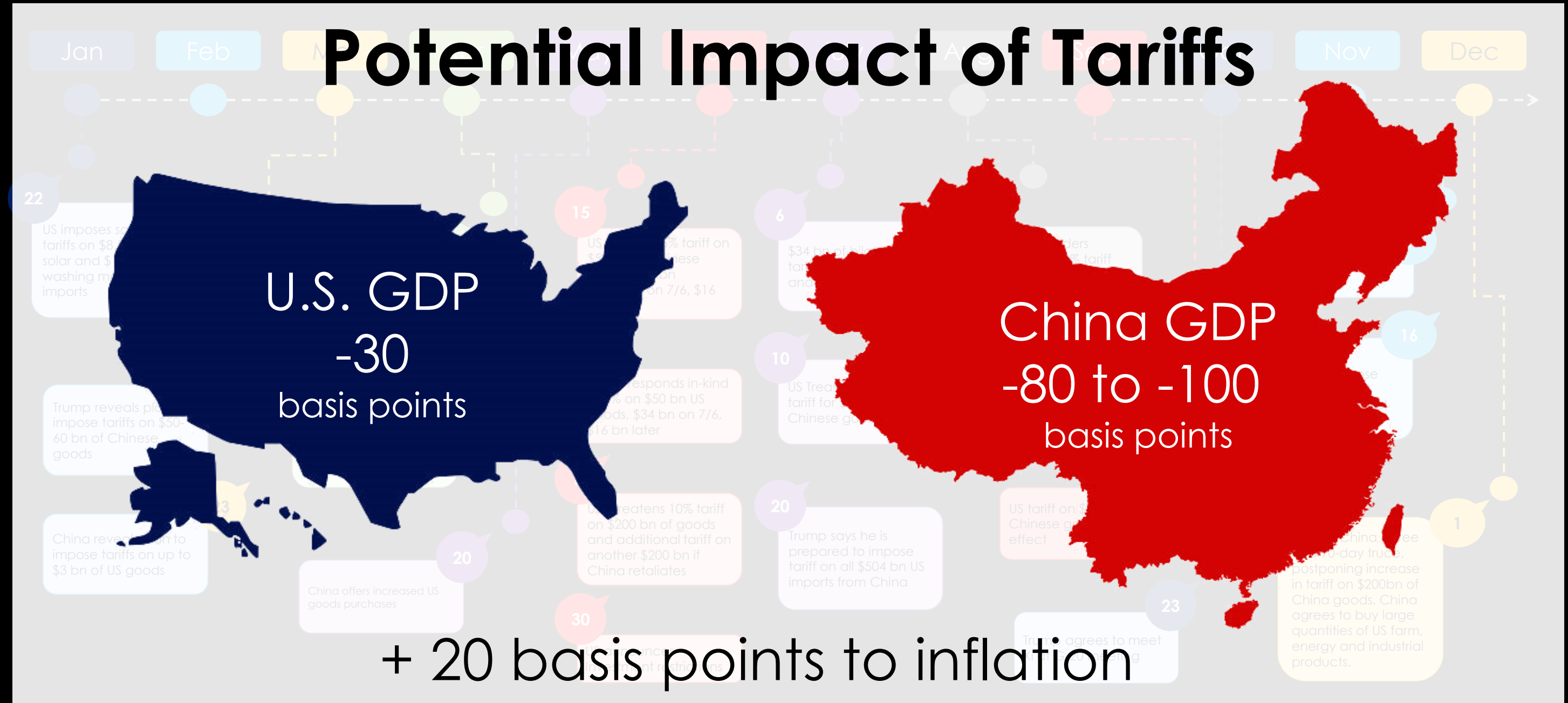
72 Months and Counting, U.S. Job Machine Keeps Cranking

Millions of Jobs

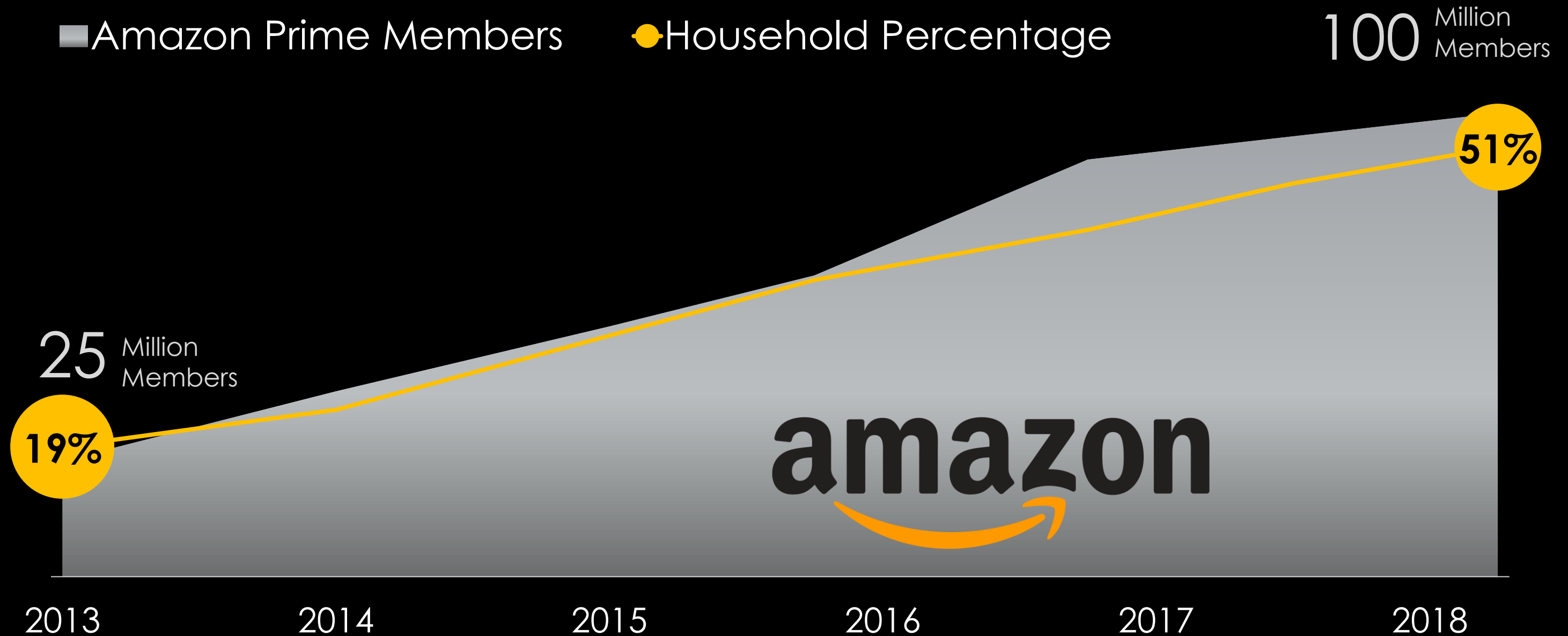


The U.S. has recovered the more than eight million jobs it shed during the downturn-and then some. Through 2018, some sectors continued to yearslong streak of job growth.
Source: NYT, January 5-6, 2019

2018 Timeline of U.S. and China Trade War Actions



Amazon | Changing the Way We Shop



Source: eMarketer, Jan 2018 and March 2019

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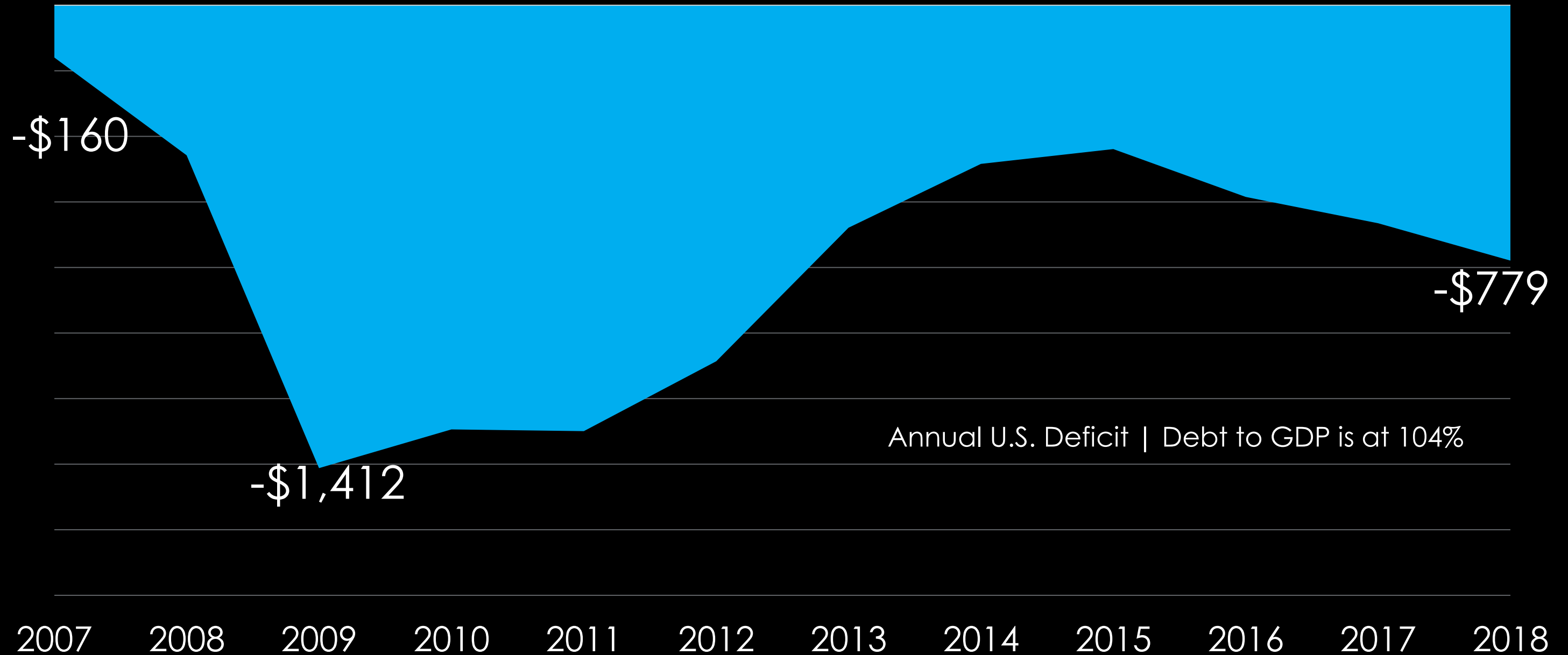
Brexit in a Nutshell

- 44% of UK exports go to The EU
- Only 6% of EU exports go the UK



Source: Minneapolis Star Tribune

Yes, Our Deficit is Growing Again—But, It's Been Worse



Source: Bloomberg

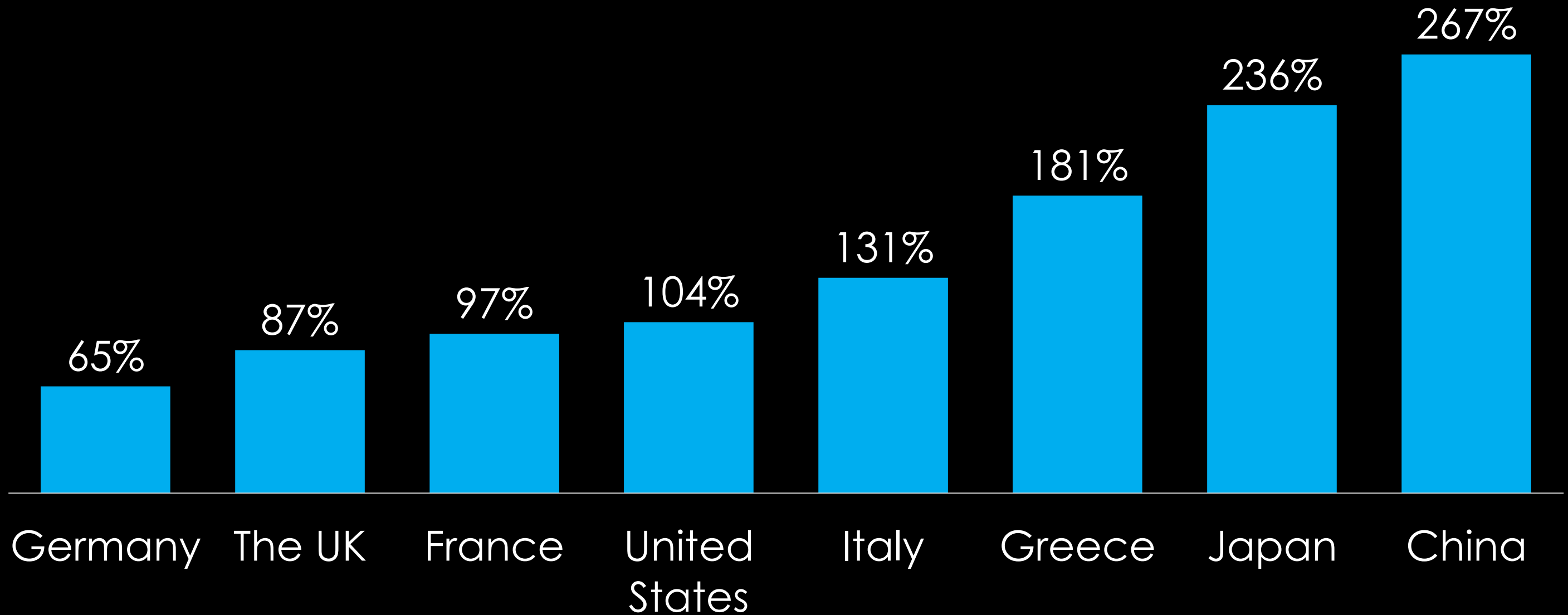
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Speaking of Deficits ... Which Country Has the Largest Debt Burden?

Debt to GDP



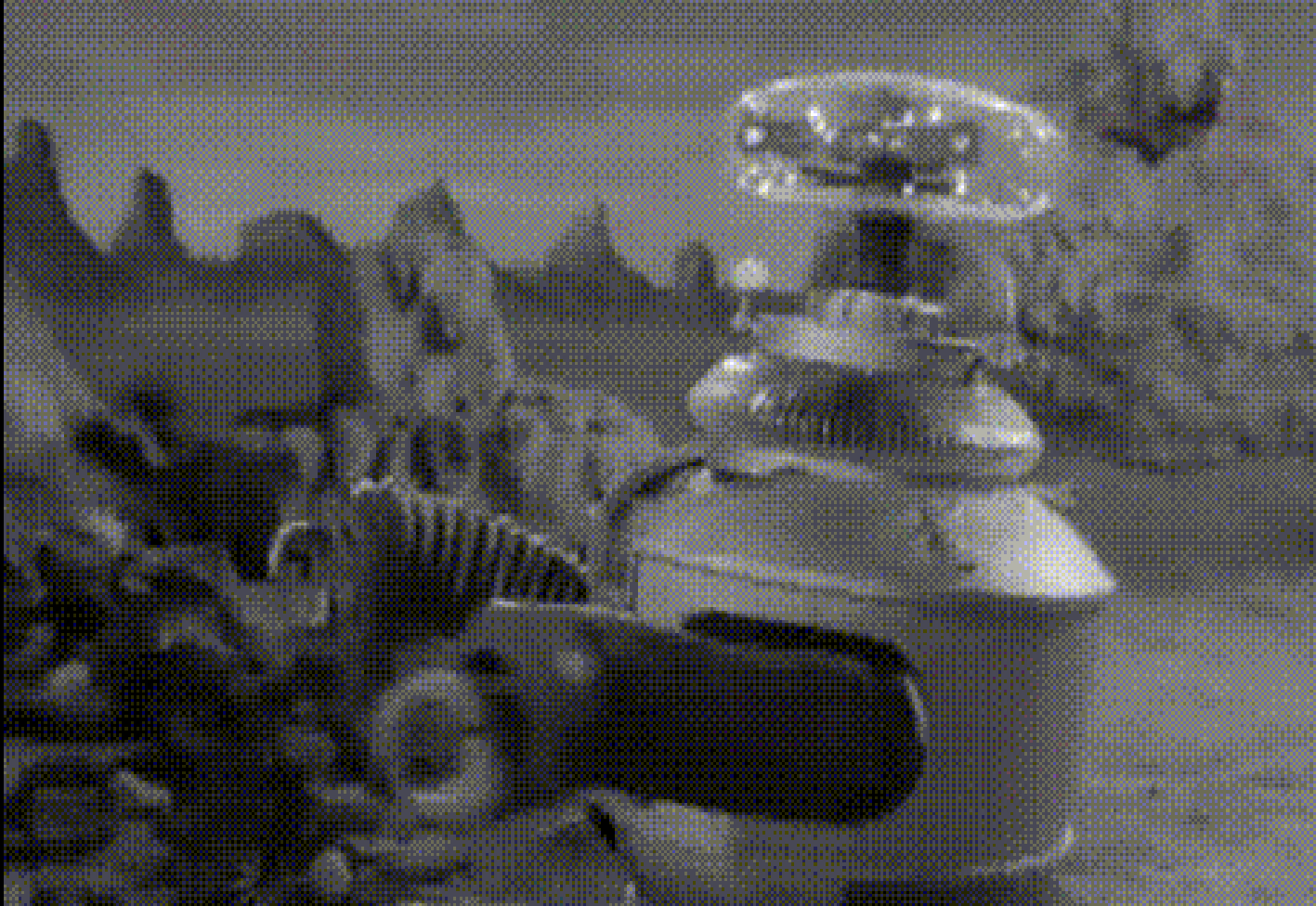
Source: Bloomberg

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What's Our View?

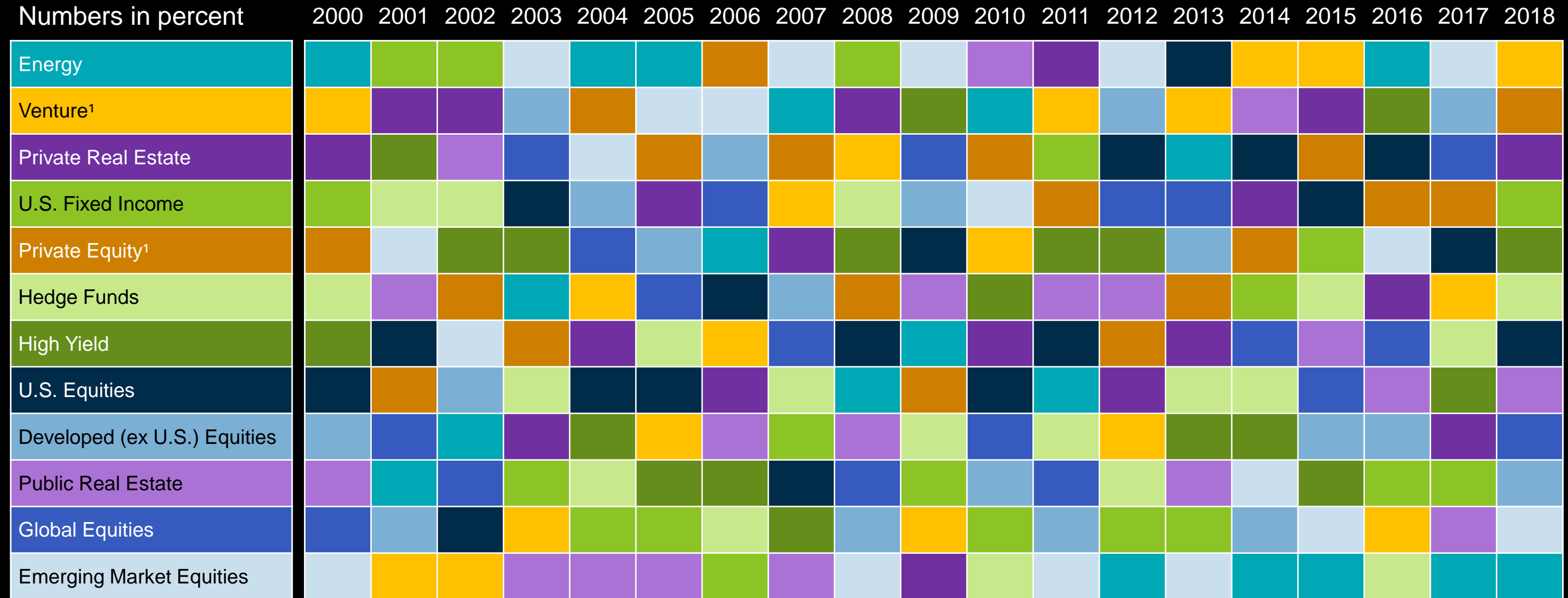


Danger ...

... economic cycles
are notoriously difficult
to predict ...

Which is Why We Rely on the Consistent Power of Diversification

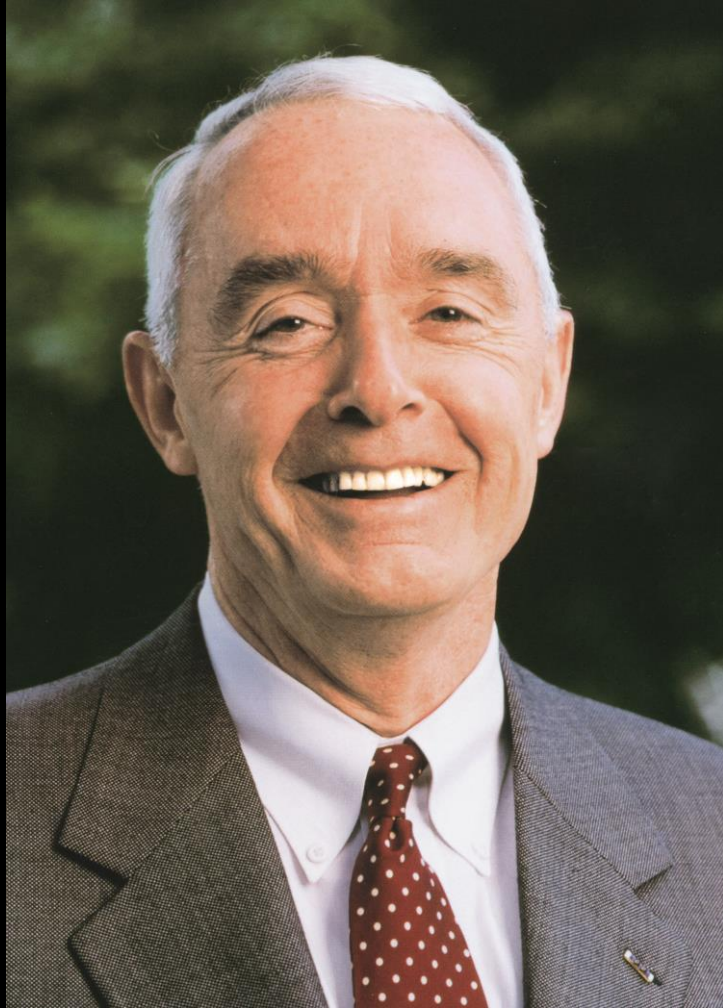
Annual returns ranked in order of performance (best to worst)



1. For calendar year 2018 performance is as of September 30. Past performance is not indicative of future results.
 U.S. Equities = S&P 500 Index; Developed (ex-U.S.) Equities = MSCI World ex U.S. Index; Emerging Market Equities = MSCI Emerging Markets Index; Global Equities = MSCI ACWI Index; Venture capital = Burgiss Venture Capital; Private Equity = Burgiss Private Equity; U.S. Fixed Income = Bloomberg Barclays US Aggregate Bond Index; High Yield = ICE BAML High Yield Index; Hedge Funds = HFRI FOF Conservative Index; Private Real Estate = NCREIF ODCE Index; Public Real Estate = NAREIT Equity REITs Index; Energy = S&P Energy Index.
 Source: Bloomberg, HFRI, NAREIT and NCREIF.

Speaking of Power and Consistency, tonight we turn to a Four Star General!

Our Keynote Speaker



General Barry McCaffrey

USA (Ret.) National Security Analyst for NBC News

- 32 years United States Army
- Four-star general
- 3 Purple Hearts
- 2 Distinguished Service Crosses
- 2 Silver Stars
- Director of the White House Office of National Drug Control Policy

Thank you for your service!

Commonfund Important Notes

MARKET COMMENTARY

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