



Year-End Update and 2020 Investment Outlook

The Song Remains the Same

commonfund

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About Commonfund

Commonfund was founded in 1971 as an independent asset management firm with a grant from the Ford Foundation. Together with or through its affiliates, Commonfund today manages customized investment programs for endowments, foundations and public pension funds. Among the pioneers in applying the endowment model of investing to institutional portfolios, we provide extensive investment flexibility using independent investment sub-advisers for discretionary outsourcing engagements, single strategies and multi-asset solutions. Investment programs incorporate active and passive strategies in equities and fixed income, hedge funds, real assets and private capital. All securities are distributed through Commonfund Securities, Inc., a member of FINRA. For additional information about Commonfund, please visit www.commonfund.org.

A MESSAGE FROM OUR CEO, MARK ANSON



Last year I wrote about the four priorities for the Commonfund Team for 2019 and beyond:

- Client focus
- Investment stewardship
- Diversity
- Sustainability

These priorities remain in place for 2020 and they focus our time, attention, and daily resources. We are committed to these key initiatives, and they are embedded in every client meeting, every portfolio solution, and every investment we evaluate on behalf of our clients.

Client Focus

At Commonfund, we join with our clients to find portfolio solutions that meet their spending, liquidity, and budgetary needs. We are proud that we continue to rank highly against the giants of the asset management industry. Our small size allows us to be flexible to meet our client needs while the annual industry rankings demon-

strate that we compete on the same level as the largest asset management companies.

In 2019, we were gratified to achieve top-three rankings in the annual Cogent U.S. Institutional Investor Brandscape® in each of the three question categories:¹

- Which two or three asset managers is on the top of your list to learn more about over the next 6-12 months? Commonfund ranked #3.
- Which OCIO provider(s) would you recommend your institution consider over the next 12 months? Commonfund ranked #3.
- How likely would you be to recommend each private equity asset manager over the next 6-9 months? Commonfund ranked #1.

Investment Stewardship

After eleven years of economic expansion, we keep waiting for the other shoe to drop. And yet, the financial markets continue to reward us with positive returns. While we are mindful that we

are in the midst of the longest economic growth cycle since World War II, the longevity and resiliency of (particularly) the United States economy has kept market pundits guessing as to when the party will end. Our crystal ball is just as murky as those of the prognosticators seen on TV. However, it is clear that the U.S. Federal Reserve Bank does not intend to take away the punch bowl anytime soon. The three interest rate cuts in 2019 indicate that The Fed will remain accommodative to keep the U.S. economy rolling along.

Other central banks, notably the Bank of Japan and the European Central Bank, have been equally accommodating. Consequently, our assessment of the macroeconomic conditions is that the current growth cycle has potentially another two to three years to run its course. Nonetheless, we remain vigilant in monitoring our portfolios for signs of whatever bumps the business cycle throws in our direction. We speak more about this in our investment review and outlook following this letter.

¹ The Commonfund rankings cited may not be representative of any one investor's or client's experience and are not indicative of future performance. See Survey Rankings at the conclusion of this document for more information.

Diversity

Over the past two years, Commonfund has worked hard to embed diversity into every part of our organization:

- Talent development
- Asset management
- Thought leadership
- Governance

With respect to developing a more diverse workforce, Commonfund is a keen supporter of the Toigo Foundation, which grants scholarships for diverse men and women to attend the top 20 business schools in the United States. I am proud to serve on the Toigo Board to help in the mission of bringing more diversity into the top MBA programs in the country.

In addition, we support Girls Who Invest (GWI), an organization founded five years ago to encourage undergraduate women to seek careers in the asset management industry. In September one of our own GWI alumni, Rachel Clivaz, organized a reception in our New York office for over twenty undergraduate women in the GWI program. We invited distinguished female CIOs and investment leaders to speak with the young women about their experiences in the industry. Additionally, I am happy to share with you that Tim Yates, President of Commonfund Asset Management and the leader of our OCIO team, has joined the GWI Advisory Committee this year.

We also pursue diversity across the asset managers that we source for our

clients. Over the past two years, we have sourced 22 diverse managers for our client portfolios. With respect to thought leadership, our Commonfund Institute has introduced a diversity training module as part of our annual Stewardship Academy held each year at the Yale Graduate School of Management.

Last, we extend diversity to our governing Board. In December, we announced the addition of three new diverse Board members for Commonfund: Mamak Shabazi, Nicole Arnaboldi and David Thomas. Each of them brings unique skills and insights to ensure that Commonfund remains relevant and current in serving our clients' needs.

Sustainability

At Commonfund, we believe that environmental and sustainable investing is no longer an investment fad; rather it is becoming an essential part of thoughtful asset allocations for institutional investors and a source of meaningful economic value and returns.

Our investment teams focus on companies, operating platforms, and investment managers in a diversified set of sustainability sectors and environmental themes including:

- Renewables and related strategies
- Food, agriculture and water
- Resource efficiency and broader sustainability

In private markets, we believe that investors can access these investment

themes through natural resources programs combined with direct investments and secondary purchases of other limited partner interests. On the public markets side, we see opportunities in companies that have a low carbon footprint, but we also believe that any low carbon equity strategy should be benchmarked to a full, unscreened index that allows investors to maintain their same risk and return expectations for such investments.

Closing Thoughts

This will be the 22nd year of our Commonfund Forum. As always, the Commonfund Institute brings to you many high-profile and first-rate speakers so that you can hear additional points of view other than what we publish in our annual letter. We believe that it is important for our clients to collect as many data points as possible about the state of the economy, world events, asset valuations, and the financial markets. Of course, we throw in some fun and networking to make this event as enjoyable and productive as possible. We hope that you will join us in Orlando, Florida in March.

We are sincerely grateful for your trust in Commonfund. We do not take your commitment for granted; it keeps us humble and hungry every day.



Mark Anson
Chief Executive Officer and
Chief Investment Officer

2020 Investment Outlook

The Song Remains the Same

As another year draws to a close, we reflect on the last twelve months and see that once again the markets rallied, the domestic economy remained resilient, and the world continued to spin. While occasional bouts of volatility and unsettling news flow briefly rattled investors in both late spring and summer, one tune continued to play in our head... “The Song Remains the Same” by Led Zeppelin.

Following a sharp market pullback at the end of 2018, markets reversed course in the first quarter of 2019 and the S&P 500 Index returned 31 percent for the full year. Much of the credit for stabilizing the U.S. market goes to the Federal Reserve (the Fed), which reversed its tightening path to keep the economy steady as leading indicators pointed to slowing growth across the globe, and as narratives shifted on trade policy. However, although accommodative monetary policy prevented an exodus from risk assets and helped to propel the S&P to a new high, volatility increased as economic data releases were mixed. Despite a growing number of investors wary of the market rally in an uncertain economy, negative sentiment was ultimately overshadowed by optimism and a belief that any recession warning bells were simply false alarms.

The United States Retains its Market Leadership Position

The song remained the same in global equity markets with the U.S. once again outperforming both developed international and emerging markets. Although a portion of

this relative performance was driven by a strong dollar, local currency returns still failed to keep up with the S&P 500 Index. On a sector basis, information technology continued to dominate (+50 percent), followed by telecoms and financials. Technology stocks such as Apple (+89 percent), Microsoft (+58 percent), and Facebook (+57 percent) boosted index performance, reinforcing a widespread belief that even if the economy is slowing down, corporate and consumer demand for services and technology are showing no signs of abating.¹ Similar to 2018, energy stocks continued to underperform, despite OPEC production cuts and a drone attack on Saudi crude facilities, which caused oil prices to rally 35 percent for the year.¹

In global markets, despite strong absolute performance, Europe underperformed the United States due to persistent weakness in manufacturing, particularly in Germany, as well as Brexit risks. As the European Central Bank scrambled to stimulate growth and inflation, interest rates moved into negative territory. Political fragmentation across Europe reduced the ability to build either coordinated fiscal stimulus or meaningful structural reform. Both Europe and developed Asian economies ex-Japan were held back due to concerns that an ongoing trade dispute between China and the United States would leave their export-reliant economies vulnerable to the trade wars. Calendar year 2019 served as a reminder that investors should not consider the emerging markets a monolithic asset class due to the wide dispersion in country returns. For example, Greece erased all its losses

from the prior year while Argentina fell nearly 18 percent¹ following an election surprise that led investors to question the government's commitment to economic reform.

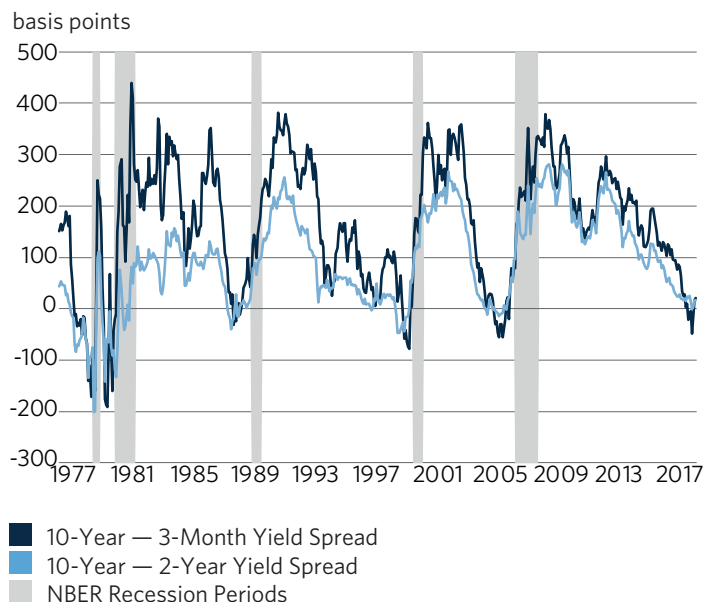
Fed Accommodation and a Steepening Yield Curve

After raising the target on the Fed Funds rate four times in 2018, the Fed reassessed the economic data and quickly reversed course, cutting three times in 2019, which brought interest rates down almost a full percentage point, from a peak of 2.45 percent to 1.54 percent.¹ Alongside its dovish stance, the Fed also increased its balance sheet from a low of \$3.8 trillion in April to over \$4 trillion at year-end.² While a portion of this was due to its quantitative easing program, the Fed also sought to increase bank reserves following a disruption in the repo market during the summer, when banks were unable to secure overnight funding, sending short-term rates above policy targets and raising concerns about the potential for future liquidity shortages.

In addition to stimulating the economy and encouraging corporate investment, investors hoped that the Fed would remedy one of the most troubling signs to emerge in 2019—an inverted yield curve. When the yield on 10-Year Treasury notes fell below the yield on three-month Treasury bills in March and again in May, it raised fears among investors because yield curve inversions are often precursors to recessions. While we acknowledge the predictive power of curve inversions, we note that today's environment is different than prior cycles. The most important difference is that in past cycles the curve inverted as the Fed raised rates to curtail inflation and tighten credit in response to an overheating economy. Today, in contrast, the rise of short-term rates occurred within an already historically low interest rate environment in both the long and short end of the curve. To us, with no additional yield compression in long-term bonds or a flight to quality, an imminent recession is unlikely. However, we continue to monitor the shape of the yield curve, as it can be a valuable gauge of future economic activity and potential for slowdown.

Figure 1

YIELD CURVE USUALLY INVERTS PRIOR TO RECESSIONS



Source: Bloomberg, National Bureau of Economic Research

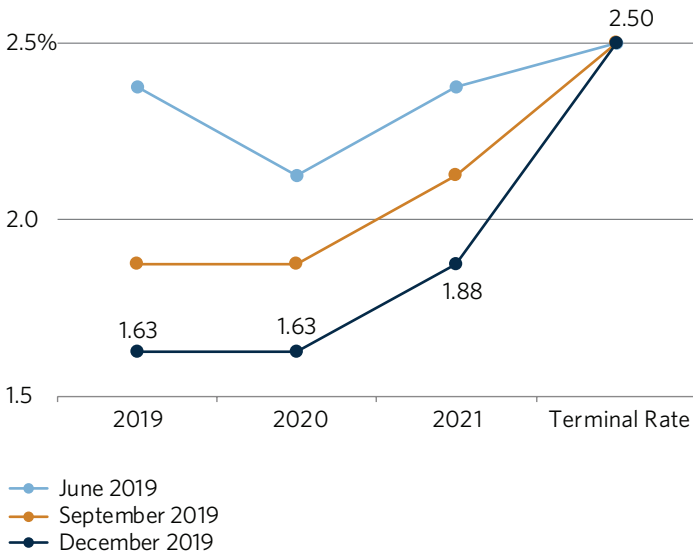
Inflation...How Long Can it Stay Low?

The inflation story continues to be positive with Headline and Core CPI running at 2.1 and 2.3 percent, respectively.¹ If one digs deeper, there are a few areas, namely healthcare and shelter, that look to be running a bit hotter. In terms of housing, the U.S. Bureau of Labor Statistics shows that home prices for 2019 rose 3 percent, which is higher than core inflation but in line with averages since 1980. Also, we note that Commonfund's Higher Education Price Index[®] (HEPI) recorded a rate of 2.5 percent, slightly above headline inflation. We understand that inflation data is difficult to measure and interpret so we are careful about drawing strong conclusions and continue to monitor the data closely. Wages, which are increasing at about 3.1 percent, are advancing at a rate below the long-term average of 3.6 percent but not yet putting real pressure on corporate earnings and margins.³ We think this dynamic allows the Fed and other central banks to be very patient and measured in their approach to setting rates. We believe it is more likely that central banks will stay on pause for longer and allow inflation to rise than that they might overreact to a few data points and become more hawkish. In fact, the Fed's own projections are telling us that they do not plan to make any changes through 2020.

Figure 2

FED FUNDS RATE PROJECTIONS

A decrease from last quarter | Numbers in percent



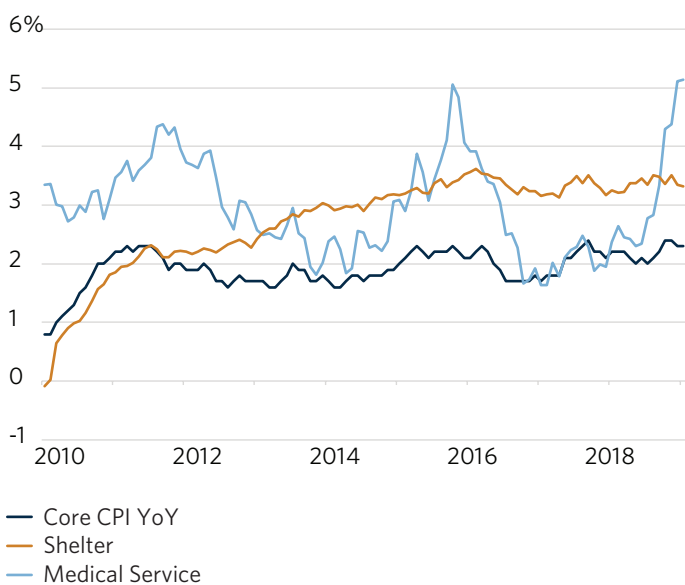
Source: Federal Reserve

Investors often ask how long inflation can stay this low. While it is possible that inflation could pick up from here, there are long-term structural reasons across the globe that should keep inflation mostly in check. The combination of aging populations and extremely high debt and deficits are significant barriers to price shocks. In addition, technology advances and efficiency gains are revolutionizing the

Figure 3

CORE YEAR-OVER-YEAR INFLATION

Numbers in percent



Source: Bloomberg

global economy, including manufacturing, food production, and consumer services. We have also seen economies move more toward services rather than manufacturing, particularly in the U.S. where services now account for 77 percent of GDP,⁴ which we believe also helps to keep inflation low—as long as wage growth remains moderate.

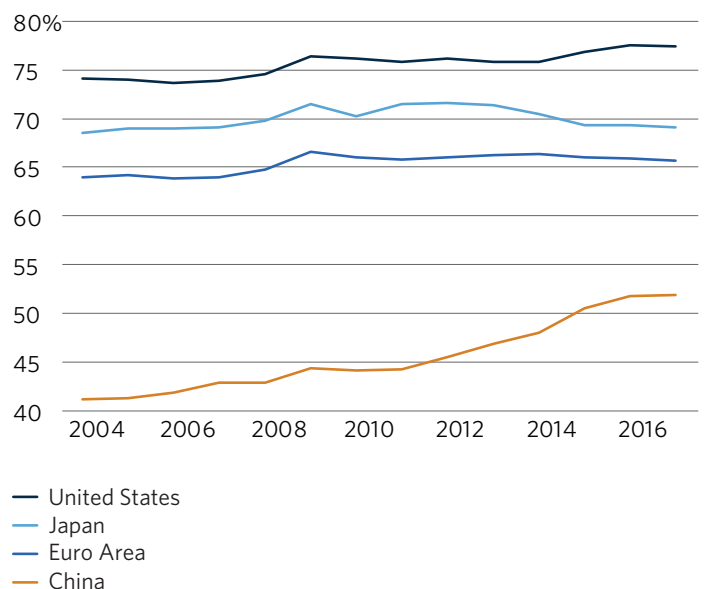
Growth

Like the song says: “Everything that’s small has to grow” and, globally, growth continues to be small to moderate. The U.S. has been a consistent stalwart of strength, due to its more service-oriented economy, defensive characteristics, and strong consumption. Moreover, we believe the slowdown in the U.S. was largely driven by the Fed rate hikes in 2018, along with political and trade uncertainties which may have held back corporate spending and investment. We acknowledge that manufacturing activity, orders data, and industrial production, have been trending down and may indicate a limited recession in manufacturing globally. There has also been an expected slowdown in earnings coming off the 2018 highs. However, we have yet to see the full impact of the recent rate cuts, and earnings appear to have troughed with analyst forecasts set to rise again in 2020.⁵

Figure 4

SERVICE PERCENT OF GDP

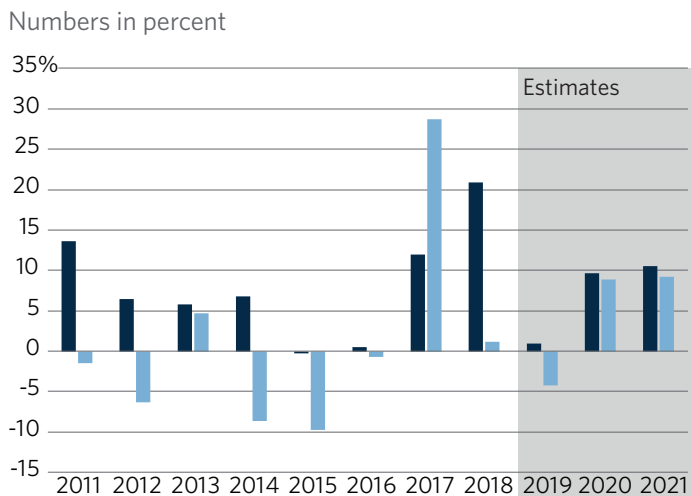
Numbers in percent



Source: The World Bank

Figure 5

ANNUAL EARNINGS GROWTH FOR U.S. AND INTERNATIONAL MARKETS



■ S&P 500 Index
■ MSCI ACWI ex-US Index

Source: Factset

On balance, economic data suggest to us that the economic expansion could continue for potentially two to three more years. Consumer confidence in the U.S. remains high, the ratio of consumer debt levels to GDP is supportive, and unemployment is at multi-decade lows. Additionally, wages across the socio-economic spectrum appear to be rising after a long period of stagnation, bringing in more of the lower and middle classes and potentially benefitting the whole economy.³

The U.S. housing picture is also showing signs of strength with homebuilder confidence at twenty-year highs and housing permits at twelve-year highs. Historically, strong housing has had a flow-through stimulating effect, leading to increases in orders and profits for corporations.

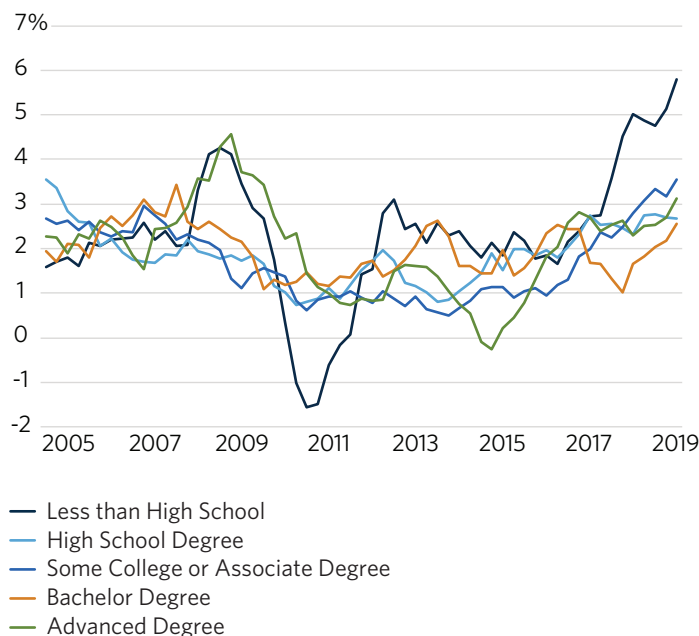
The United States and China

Given the ongoing trade dispute with the United States, it is not surprising that China was a key driver of market volatility throughout the year. However, the close of 2019 brings hope that a partial resolution to the trade dispute is in sight. In mid-December, a “Phase One” trade deal was announced although the details were not fully disclosed. It is expected to include a large increase in agricultural imports by China

Figure 6

EARNINGS GROWTH BY ATTAINED EDUCATION

Weekly two-year average year-over-year | Numbers in percent



Source: National Bureau of Labor Statistics

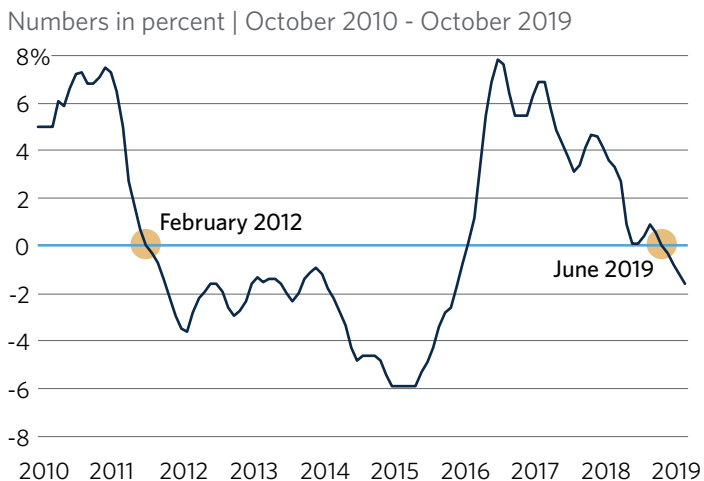
from the U.S., the cancellation of the December 15th tariffs, and a 50 percent reduction in the September tariffs imposed on China by the United States. While a positive development, the announcement of this trade agreement does not resolve many of the larger points of contention, including foreign firms’ lack of access to local Chinese markets, or allegations of intellectual property theft. Still, it is a positive sign that a middle ground may have been found between the two economic superpowers.

As we have noted in the past, trade disputes are notoriously difficult to handicap and, in the end, we don’t believe that this is the most important issue that China faces in the long term.

Beyond the impact of trade wars, China has its own domestic problems to address. China has been a key contributor to the global economy over the last two decades, but this growth has come at a cost, namely, asset bubbles due to unconstrained debt growth. China is the most indebted nation in the world—more so than even Japan or Greece. Its debt to GDP ratio stands at 276 percent,¹ far surpassing that of the next most indebted nation, Japan. While the Chinese government is taking steps to contain its debt growth, it cannot be erased overnight. In the interim China may be

Figure 7.1

**CHINA PRODUCER PRICE INDEX:
INFLATION TURNS NEGATIVE**



Source: Bloomberg, National Bureau of Statistics of China

forced to deal with bank failures if companies default on bad loans—something that has not occurred in two decades in China. In addition, China faces the problem of deflation—which inflates the value of its outstanding debt.

It is fascinating to note that while China is now the world’s second largest economy, it is still classified as an emerging market. The reason is that it remains a relatively closed economy. Until it resolves its balance sheet problems, opens its market to foreign investors, and achieves a sustained normalized growth rate, it is difficult to see how China can move from “emerging market” status to a developed market.

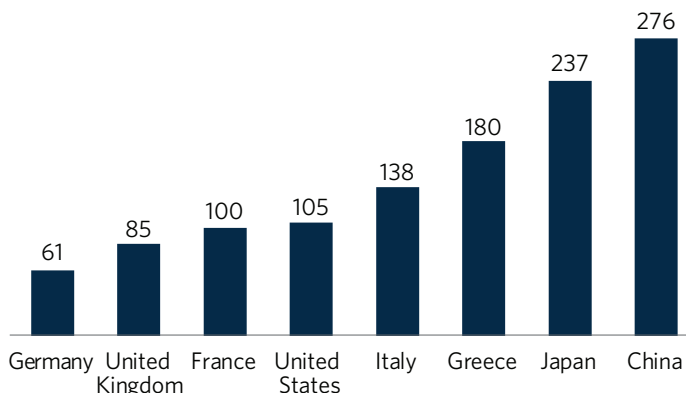
Asset Class Positioning

The Commonfund model of investing adheres to the three principles of the endowment model: an equity bias to capture global economic growth, diversification to reduce risk, and holding illiquid investments to capture the potential premium they may offer over public markets. Since each investor has unique requirements and constraints, which should be reflected in their custom portfolios, positioning should be executed relative to the investor’s specific investment policy.

Figure 7.2

CHINA HAS THE LARGEST DEBT BURDEN

Debt to GDP Ratio | Numbers in percent



Source: Bloomberg, International Monetary Fund
Data as of latest available date (6/30/2019 for Germany, United Kingdom, France, Italy and Greece; 7/31/2019 for United States; 12/31/2018 for China and Japan)

After a long period of being overweight equities, we moved to a neutral position (both versus bonds and geographically) at the end of 2018 and remained so throughout 2019. Entering 2020, we continue with a neutral stance based on our outlook as expressed in the previous sections. Following is a more detailed discussion of our current positioning in each asset class.

Equities

Our allocations to U.S. equities are focused on diversification and allocating to managers that generate investment returns in different and uncorrelated ways. Some examples include fundamental sector experts, quantitative- and technology-focused firms using alternative data sources, and strategies with systematic exposure to low beta and high-quality factors. We continue to believe that this factor balance provides significant diversification to equity portfolios and has the potential to benefit during a flight to liquidity event in the markets. More to the point, to add extra protection to client portfolios, diversification should not only be across asset classes but also *within asset classes*.

In Europe, where valuations are low, we continue to see subdued growth and the attendant challenges that come with it for companies operating there. We favor equities that have demonstrated sustainable growth with significant “moats” and are reasonably priced. Examples include select compa-

nies in the aerospace and defense, electrical equipment, and pharmaceuticals sectors.

In Japan, we believe that managers and strategies focused on shareholder activism and corporate engagement have the potential for long-term performance. The managers we support are selecting companies that trade at low valuations relative to their cash flows and enterprise value and are candidates for the improvements that can stem from active engagement.

In emerging markets, we believe that macroeconomic fundamentals are the most important driver of relative returns. We also believe that ESG (Environmental, Social and Governance) factor analysis carries an outsized importance to help address risks that have historically been endemic to many of these markets. Our preferred managers bring top-down portfolio construction based on macro expertise and are focused on companies with strong governance, fair labor practices, and the ability to understand and manage how their activities impact the environment.

Fixed Income and Credit

In core fixed income, we continue to favor mortgages, corporate bonds, and other asset-backed securities over treasuries. We are supportive of duration in line with the Bloomberg Barclays Aggregate Index as interest rates have come off their lows. We view duration as a potential hedge during flights to quality, periods of deleveraging, and periods of heightened recession risk.

Within credit allocations, we favor an underweight to high yield as we don't view corporate credit risk as attractive at current yield and debt levels—spreads are historically tight—and we find better opportunities in private markets. Also, high yield bonds are lower (subordinated) in the capital structure and yield less than privately-originated senior loans. Within private credit allocations, we prefer strategies that are focused on shorter-term corporate loans with strong covenants. We continue to see an attractive liquidity premium available to investors in private credit, particularly when gaining access through experienced managers with a demonstrated track record and proven capabilities. In structured credit, we favor mortgage backed securities in residential (RMBS) and commercial (CMBS) loans.

Lastly, emerging market debt offers attractive real yields relative to developed markets. Dollar-denominated sovereign and investment grade emerging market debt offer similar returns as high yield U.S. corporate bonds but with higher credit quality. We also see select opportunities in emerging market local debt due to positive views on currencies such as the Mexican Peso and the Brazilian Real.

Real Assets

While there exist pockets of weakness in the real estate markets, including retail, class B and C malls, and geographic locations with increased supply like New York City office and condos, this weakness is far outweighed by areas of strength, including multi-family housing, manufactured housing, industrial, and data centers. We continue to be underweight retail stores and shopping malls while we look to overweight real estate sectors tied to the demography of the U.S. economy. Real estate is our longest duration asset class and therefore, the most suitable to be tied to long-term demographic trends. We are pursuing two such trends: 1) aging baby boomers and the need for senior housing; and 2) the explosion of data creation and accumulation (Big Data) increasing the demand for data centers. Capitalization rates (the ratio of net operating income to property value), have remained disciplined relative to historically low interest rates, with spreads near their long-term average. However, there is wide dispersion depending upon geographic location and sector. Additionally, leverage levels across most of the industry remain below historical peaks, potentially reducing volatility and downside risks.

We see natural resources as one of the few spaces that offers an attractive value opportunity today. In energy, we are focused on more tactical exposure to assets with lower levels of leverage and competitive finding and development costs. More broadly, we continue to emphasize diversification across not only energy, but also mining, power and renewables, and agriculture. We see these attributes as helping to reduce exposure to volatility in commodity prices.

Hedge Funds

Our focus in hedge funds is on diversification and generating independent sources of return that do not rely on equity, credit, or interest rate risk. We look for managers that have sources of return that are uncorrelated to the excess returns from our equity and fixed income managers. Our approach al-

allows us to be strategy agnostic, which increases the degrees of freedom in our portfolio construction process. Often, this leads us to differentiated strategies with high barriers to entry, and often limited capacity for capital. We are less optimistic on strategies that have shown signs of vulnerability to crowded opportunity sets and pullbacks in liquidity, such as momentum-based and event-driven strategies. Rather, some of the strategies we favor include quality-focused equities, fixed income arbitrage strategies including those that can take advantage of structural changes in loan markets, relative value macro, and niche volatility-based strategies in equities and fixed income. We are also favoring strategies that focus on trading in shorter-term windows, including AI/machine learning-based quantitative strategies.

Private Capital

As was true last year, we remain cautious about deploying capital in certain segments of the private market; most notably larger leveraged buyouts, generalist firms, and later stage venture capital. Institutional investors around the world continue to pour money into private capital in search of higher returns, powering the trend of growing private markets and shrinking public markets. We believe this surge of capital has led to a lack of discipline that we are seeing in some valuations. We also note that this is a recurring feature of the market cycle—investors typically overpay for growth at some point, especially in a late cycle environment when expected returns to other asset classes might not be as high. With that backdrop, we remain focused on opportunities in the small- and mid-market area of private equity and early stage venture where capital is scarcer, our managers can execute their operational value-add skills, and valuations tend to be generally more favorable. We also favor private equity managers that are sector specialists instead of generalist firms. We see attractive opportunities in some of the more inefficient and shorter duration segments of the private market, particularly in co-investments, aged primaries, and secondaries. The secondary market continues its rapid growth in keeping with the overall growth of the private market. This affords more opportunities but also requires significant resources to source those opportunities, underwrite the assets, and maintain discipline in the prices we are willing to pay in order to capture the potential performance on offer. Lastly, we are encouraged by the opportunities that we are seeing today in the environmental sustainability space. We believe it is becoming an increased focus for institutional investors and a

potential source of meaningful economic value and returns.

We see natural resources as one of the few spaces that offers an attractive value opportunity today. In energy, we are focused on more tactical exposure to assets with lower levels of leverage and competitive finding and development costs. Additionally, in an environment where positive cash flow is rewarded, we favor more current yielding and later stage producing assets. Due to the lack of financing available and limited competition for capital, we believe this approach offers the potential for attractive entry pricing and also the potential to circumvent layers of fees, increasing net exposure to the underlying assets. More broadly, we continue to emphasize diversification across not only energy, but also mining, power and renewables, and agriculture. We see these attributes as helping to reduce exposure to volatility in commodity prices.

Final Thoughts

In reviewing 2019, we see that in many ways, “The Song Remains the Same.” The preponderance of data suggests to us that there is no reason to expect a downturn in the short to medium term. However, we are careful to note that market conditions can, and often do, surprise. Are we at that point yet? Our analysis suggests we are not, and in fact, the expansion could continue for a few more years. That being said, investors should never slip into complacency and need to be nimble should conditions change. In light of this, our view is to create optionality by taking deliberate steps to enhance the liquidity and diversification of client portfolios. This allows for greater flexibility for 2020 and beyond. As we begin the new year, the S&P 500 has reached new highs, and U.S. interest rates remain near historic lows. Europe appears to be stabilizing, but the data is too short-lived to indicate a trend. Trade relations have improved, but policy risk remains the most difficult to forecast. Currently our position is to remain neutral in equities and to reduce a modest overweight in hedge funds to boost liquidity. Nevertheless, we continue to believe in the long-term orientation of strategic asset allocation, especially for perpetual pools of capital that are designed to maintain intergenerational equity. While it can be tempting to tinker with portfolio allocation when there is uncertainty, we must remember that staying the course is also an active decision. And one that requires both patience and prudence.



New York, NY 10017	Tel (646) 348-9201
San Francisco, CA 94111	Tel (415) 433-8800
London, United Kingdom	Tel +44 (0) 20 7872 5504
Beijing, China	Tel +86 10 5968 0198
15 Old Danbury Road Wilton, CT 06897	Tel 888-TCF-Main Tel (203) 563-5000 www.commonfund.org

Market Commentary

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Survey Rankings

With regard to the Market Strategies International Cogent Reports™ study, US Institutional Investor Brandscape February 2019 (the "2019 Cogent Survey"), Commonfund did not pay a fee to be included in such survey. The 2019 Cogent Survey was fielded online October 12, 2018 to November 30, 2018 and 409 investors with \$100 million or more in institutional investable assets participated in the survey. Survey participants were required to play a direct role in the evaluation and selection of investments or asset managers within their organization. In determining the sampling frame for this study, Cogent indicated that it relied upon Standard & Poor's Money Market Directories (MMD) database of institutional investors. Cogent further reported that, to ensure the population for this research was representative of the universe of institutional investors, strict quotas were established by Cogent based upon a nested classification of institutional investor by category and size of assets. It also represented that a disproportionate sampling structure was incorporated to provide an acceptable level of sampling error for each of the institutional segments and to afford subgroup analysis at the larger asset size levels, including 135 respondents managing assets of \$1 billion or more. When analyzing data for the total market, Cogent further states, the data was weighted to be representative of the true distribution of institutions by asset size and category according to the most recent MMD data. Cogent also reports that the data has a margin of error of +4.85% at the 95% confidence level.

Sources

- 1 Bloomberg
- 2 U.S. Federal Reserve
- 3 National Bureau of Labor Statistics
- 4 The World Bank
- 5 Factset Data