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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.
We are pleased to share with you our inaugural Corporate Responsibility Report. Since our founding in 1971, Commonfund has pursued a singular mission – to enhance the financial resources of our clients by delivering exceptional performance, service and insight. Beyond our focus on investment excellence, we have also shared our clients’ dedication to addressing the social, economic and environmental challenges of our time. This focus has been a part of our culture since our founding, as you can see in the “Look Back to Look Forward” feature on page 20, which includes an excerpt from our 1973 Annual Report detailing our efforts in responsible investing at that time. We are happy to report that our commitment to corporate responsibility is as robust as ever and remains fundamental to how we govern the organization.

In this first report, we will provide a view into the work being done across all aspects of our business to further incorporate responsible and sustainable practices. It is often said that “What gets measured, gets managed.” To that end, this report establishes a set of baseline measures that we will strive to improve upon going forward. We believe that this open and transparent approach will foster a sense of shared responsibility, informing how we partner with clients, collaborate internally and make investment decisions.

There are two primary ways in which we incorporate responsible practices into our organization. First, as part of our culture, it is ingrained in the professionals that execute our important mandate. Commonfund’s greatest competitive advantage is our people. We continue to make strides to foster a more diverse and inclusive workplace where employees are respected, motivated and excited to build fulfilling careers. The belief that diversity – in all its forms – contributes to more rigorous debate and decision making processes, leading to better outcomes, has driven Commonfund to redouble our efforts for improvement in this area. Our respect for our employees, our clients, communities and our planet drives broader considerations like the efficiency of our physical plant, employment practices and benefits, and how we engage at a local level.

Second, we embrace responsible practices in our investment processes and portfolios. We believe that considering the role of sustainability in portfolios is simply good governance and an innate part of the proper stewardship of long-term capital. We are cognizant of the challenges with respect to sustainable investing. Notably, challenges in data collection, consistency and measurement. Yet, we remain committed to a three-part sustainability investment process:

- **Integration into Investment Process** – as signatories to the Principles for Responsible Investment, among the many factors we consider in evaluating risk and return are environmental, social and governance implications (ESG), and we continuously evaluate our managers’ approaches as well.

- **Alignment with Mission** – we understand that each institution with whom we work has a unique mission. We work closely with each client to craft a portfolio that aligns their investments with their mission.

- **Impact to Accelerate Change** – for institutions that want to use their portfolio to accelerate change in their community we design a plan to incorporate that requirement into the portfolio.

We are proud to lead an organization that has corporate responsibility and sustainability at the core of everything we do. Great institutions continually seek to learn and improve. We are committed to strengthening our culture and embedding responsible practices more deeply into the firm. We are also committed to sharing our progress with you.
KEY FACTS

June 30, 2018

$25.3 BILLION IN ASSETS UNDER MANAGEMENT

46 YEARS OF OPERATION

5 GLOBAL OFFICES

1,354 INSTITUTIONAL CLIENTS

159 EMPLOYEES

A 2017 PRI SCORE1

## ASSETS UNDER MANAGEMENT
June 30, 2018

### BY SOLUTIONS
- Outsourced CIO: 53%
- Multi-strategy: 11%
- Private capital: 36%

### BY INSTITUTION SIZE
- <$100 mm: 28%
- $100 mm - $1 bn: 53%
- >$1 bn: 19%

### BY TYPE
- Healthcare/Pensions/Other: 13%
- Foundations: 34%
- Endowments: 53%

See Important Notes | Outsourced Chief Investment Officer (Outsourced CIO)

## A MISSION ALIGNED WITH CLIENTS

OUR MISSION: TO ENHANCE THE FINANCIAL RESOURCES OF OUR CLIENTS BY DELIVERING EXCEPTIONAL PERFORMANCE, SERVICE AND INSIGHT

<table>
<thead>
<tr>
<th>PERFORMANCE</th>
<th>SERVICE</th>
<th>INSIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>RANKED AS TOP TEN MOST-TRUSTED INVESTMENT MANAGER TWO YEARS IN A ROW</td>
<td>#1 RANKED FOR RELATIONSHIP MANAGEMENT AND SUPPORT</td>
<td>#1 RANKED FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AND IMPACT INVESTING</td>
</tr>
</tbody>
</table>

See Important Notes | Survey Rankings
RESPONSIBLE INVESTING

FIRST AND FOREMOST, COMMONFUND IS AN ASSET MANAGEMENT FIRM. OUR 62-PERSON INVESTMENT TEAM INTEGRATES ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS INTO EACH STEP OF OUR PROCESS – FROM MANAGER SOURCING TO PORTFOLIO CONSTRUCTION.
CORE TO OUR MISSION

In February 2013, Commonfund became a signatory to the United Nations’ Principles for Responsible Investment (PRI). In doing so, Commonfund affirmed its corporate commitment to the importance of Environmental, Social and Governance (ESG) investment issues. As a mission-based investor, Commonfund provides thought leadership for institutions that are considering the integration of ESG standards into their investment programs.

Long before the PRI milestone, however, Commonfund addressed the social issues that were important to our clients. For example, Commonfund responded to institutions’ concerns over apartheid by launching South Africa Free Funds in the 1980s. In the years since then we have worked with numerous investors to advise, develop and implement portfolio solutions that align with the priorities of each organization. We use a three-part framework to integrate sustainability and stewardship into our investment process:

THREE-PART SUSTAINABILITY FRAMEWORK

In its current investment guidelines, Commonfund does not exclude particular industries, geographic regions or strategies based on responsible investing factors; rather we take these factors into consideration as part of our fundamental investment analysis where they have the potential to impact the value of portfolios. We ask that each of our managers also consider these factors as part of their investment process and we include questions to that effect in our annual due diligence questionnaires. The table below provides the number and percentage of managers that consider ESG in their investment process and/or are signatories to the PRI.

<table>
<thead>
<tr>
<th></th>
<th>Equities</th>
<th>Fixed Income</th>
<th>Diversifying</th>
<th>Real Assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firms</td>
<td>25</td>
<td>13</td>
<td>27</td>
<td>4</td>
<td>69</td>
</tr>
<tr>
<td>Number that consider ESG</td>
<td>14</td>
<td>9</td>
<td>3</td>
<td>4</td>
<td>30</td>
</tr>
<tr>
<td>in their investment process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of PRI signatories</td>
<td>11</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>Percent that consider ESG</td>
<td>56%</td>
<td>69%</td>
<td>11%</td>
<td>100%</td>
<td>43%</td>
</tr>
<tr>
<td>in their investment process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of PRI signatories</td>
<td>44%</td>
<td>46%</td>
<td>11%</td>
<td>75%</td>
<td>33%</td>
</tr>
</tbody>
</table>

The numbers represent investment managers that have a subadvisory agreement with Commonfund Asset Management Company (COMANCO) as of March 2018.
Commonfund recognizes that context matters and that the risks and opportunities posed by ESG, SRI (socially responsible investing) and impact investing factors can vary greatly depending on geography, industry and asset class. Within our Strategic Solutions Outsourced CIO program, Commonfund works closely with many investors to help them develop a roadmap to reflect their values and missions in their investment strategies.

**ROADMAP FOR DEVELOPING A CUSTOM ESG PORTFOLIO SOLUTION**

**ESG INTEGRATION**

The Commonfund portfolio construction process includes the consideration of ESG factors as part of our standard investment analysis across all asset classes. The process has three parts:

**Monitor**

As a part of our manager due diligence, ESG considerations are reviewed alongside more traditional indicators such as team, strategy, performance and terms of investment. As part of Commonfund’s due diligence process we ask potential managers a series of questions about whether and how they integrate analysis of financially material ESG factors into their investment process. These questions are included in Commonfund’s Due Diligence Questionnaire, which managers complete prior to initial hire and then update annually or, in private capital programs, when a re-investment decision is being made. We also ask about these issues during on-site visits to our managers and regular calls throughout the year.

**Measure**

We have conducted periodic and targeted reviews of our portfolios to assess their exposure to ESG factors and are in the process of refining our approach to this aggregate portfolio analysis. Where relevant, Commonfund may use research provided by third-party research specialists to analyze the risks and opportunities that ESG factors may pose for our portfolios.

**Manage**

Identifying and valuing the impact of ESG factors on performance and risk is particularly difficult. In partnership with our managers, Commonfund is undertaking original research to evaluate the impact of ESG factors on investment portfolios and to determine the most effective methods to address these issues. In addition to the manager
due diligence process described above, once a manager has been approved for investment, Commonfund may negotiate provisions with the manager addressing whether and how ESG factors will be reflected in the construction of the portfolio; reporting on the impact of ESG factors within the portfolio; proxy voting; and any targets relating to ESG integration.

**FOCUS ON INNOVATION: IDENTIFYING AN “E” FACTOR**

Over the past year the Commonfund investment teams have undertaken research to identify and isolate a new factor associated with the environmental sustainability of a stock (or a portfolio of stocks). There are two important reasons to pursue this objective: 1) while company disclosures and reporting on sustainability metrics are improving, they remain wildly inconsistent today and so do the ratings of data providers as a result; and, 2) isolating the factor provides the ability to identify and evaluate managers who pursue sustainability strategies as well as potentially develop a methodology for screening portfolios.

An example of the problem with data inconsistency can be seen in the chart below showing the environmental ratings of a group of 812 stocks from two leading providers of ESG ratings. The scatter plot clearly shows that each provider is assigning very different ratings to each company. Further, in some cases the providers are simultaneously rating the same company among the best 30 percent and the worst 30 percent.

**ENVIRONMENTAL RANKINGS VARY WIDELY | U.S. COMPANY SCORES FROM TWO PROVIDERS**

![Scatter plot showing environmental ratings from two providers for 812 stocks from the Russell 1000.](chart)

Source: Third-party providers and Commonfund. Universe of 812 stocks from the Russell 1000 which both providers rank.

Commonfund applied machine learning and other quantitative techniques to identify the “E” Factor using return series exclusively, thereby avoiding the problem of relying on inconsistent reporting and subjective interpretation. Once the factor was identified, validation and testing indicated that it could accurately identify and categorize relatively “green” stocks and managers with more than 98 percent accuracy.

These early results are promising, and, we will continue our research on this important initiative while sharing the results and their implications with our investors.
GOVERNANCE
THE BOARD OF TRUSTEES

AS A PRIVATE NONPROFIT ORGANIZATION, WE ARE
GOVERNED BY A BOARD OF TRUSTEES, WHOSE MEMBERS ARE
ELECTED BY OUR MEMBER INSTITUTIONS AT OUR ANNUAL
MEETING. THE BOARD HAS FIDUCIARY RESPONSIBILITY WITH
RESPECT TO OUR INVESTMENT PROGRAMS AND IS RESPON-
SIBLE FOR OVERSIGHT OF ALL ASPECTS OF THE BUSINESS AND
OPERATIONS OF COMMONFUND1.

1 The Commonfund for Nonprofit Organizations, along with its subsidiaries.
The Board, capped by Commonfund’s By-laws at a maximum of 18 members, is currently comprised of nine Trustees (including Commonfund’s President, who is an ex officio member of the Board). Trustees are elected to serve three-year terms after which they are reviewed by the Governance Committee of the Board to assess whether they will be recommended to the Board and the membership for re-election.

**INDEPENDENCE**

At the most fundamental level, the Board of Trustees maintains independence with respect to Commonfund’s senior management in that the Trustees are elected by member institutions. The sole exception is that the President is an ex officio member of the Board. It has historically been the case that no member of Commonfund’s management (other than the President) has served as a Trustee while so employed.

It is also the Board’s policy that no member of management serves on any of its Committees, other than the President in his or her role as a member of the Executive Committee. In addition, other than in exceptional circumstances, no Trustee may serve on the Governance Committee for more than four consecutive years. The Governance Committee establishes standards of independence that prevent Trustees from serving on the Audit and Risk Management Committee if they have any material relationship with Commonfund; the Executive Committee establishes such standards for the Governance Committee.

**AUDIT AND FINANCIAL MATTERS**

The Audit and Risk Management Committee of the Board of Trustees is charged with oversight of financial reporting and audits thereon, including nomination of the organization’s independent accountants. The Committee is charged with reviewing Commonfund’s selection of auditors periodically, normally once every seven years.

All members of the Audit and Risk Management Committee must be independent. In addition, it is the Board’s policy that the Audit and Risk Management Committee include members with the requisite financial and accounting expertise. The Audit and Risk Management Committee meets regularly with Commonfund’s independent accountants, including in executive session without the presence of management.

**NOMINATION MATTERS**

Nominations of candidates to be elected as members of the Board of Trustees are made by the Board’s Governance Committee. Members of the Governance Committee are independent of management and other than in exceptional circumstances, no Trustee may serve on the Governance Committee for more than four consecutive years.

The Governance Committee is also responsible for selecting the membership of the Board’s Executive and Audit and Risk Management Committees, and in determining the independence criteria that apply to such selections. The membership of the Governance Committee is selected by the Executive Committee.

The Board’s Audit and Risk Management Committee is charged with nominating the organization’s independent accountants, a choice that must be ratified by Commonfund’s members at its annual meeting.
COMMITMENT TO RESPONSIBLE INVESTING

RECOGNIZED TWO YEARS IN A ROW FOR ESG AND IMPACT INVESTING LEADERSHIP, COMMONFUND IS COMMITTED TO BEING A THOUGHT LEADER IN THIS AREA SINCE OUR FOUNDING.¹

¹ See Important Notes | Survey Rankings
Commonfund and the Commonfund Institute are recognized leaders on topics that span ESG, governance, fiduciary responsibility and sustainability. We strive to share our expertise and foster ongoing dialogue in the investment and nonprofit communities through regular publishing of our research and convening events that focus on these topics. Below is a selection of these activities over the past three years.

**THOUGHT LEADERSHIP**

- Sample Investment Policy Statement Rider for Responsible Investing
- Common Concerns about Responsible Investing
- Investment Management Principle 1: Objectives
- Bridging the Gap: Carbon and Fiduciary Responsibility
- Integration of ESG Factors in Practical Steps
- The Fiduciary Case for Carbon Exposure Management Now
- Does Your Investment Policy Statement Account for Risk?
- Investing in Diversity
- Fiduciary Duty and Environmental Responsibility: Crafting a Low Carbon Response
- NACUBO-Commonfund Study of Endowments Study of Responsible Investing
- Commonfund Study of Responsible Investing: Foundations Survey
- Viewpoint: Increased Responsibility

**CONFERENCES AND EVENTS**

- Socially Responsible Investing Post-Conference Workshop
- PRI 10th Anniversary Conference and Dinner Panel debate; “Is Responsible Investment Ready to Impact the Real World?”
- Webinar hosted by Intentional Endowments Network on Carbon and Investment Implications for Fiduciaries
- The Commonfund Low Carbon Portfolio Solution
- Can ESG Factors Add Alpha?
- Impact Investing: Aligning Money with Mission
- Carbon and Investment Implications for Fiduciaries
- Investing in Energy Transitions
- Evolving Challenges in Nonprofit Governance
- Next Gen Energy Investing: Understanding the Investment Landscape
- Environmental Policy by the Bard Center, “National Carbon Pricing Webinar”
- Women’s Networking Luncheons held in Washington, DC and Philadelphia, PA
- Jointly sponsored “Diversity and Emerging Managers” event with Robert Toigo Foundation
PARTNERSHIPS AND ORGANIZATIONS

Commonfund participates in, is a member of, or has committed to various initiatives and principles that address business and sustainability matters that we believe are important. These relationships extend the reach of our influence and allow us to collaborate with other leading firms that embrace the same ideals. Examples include:

From left to right: Jason Casey, Keith McCants, Caroline Greer and Audley Mackel before the 2018 TOIGO Gala in New York City.
MANAGER PROFILE

COMMONFUND IS PROUD TO WORK WITH DOZENS OF ASSET MANAGERS AROUND THE WORLD. EACH BRINGS A UNIQUE SET OF SKILLS AND INVESTMENT STRATEGIES TO THE PORTFOLIOS THAT WE CONSTRUCT FOR OUR INVESTORS.

GARCIA HAMILTON & ASSOCIATES, L.P.

Garcia Hamilton & Associates is an asset management firm with over $10 billion in high-quality, domestic fixed income assets under management. The firm is 100 percent employee-owned and is certified as a Minority-owned Business Enterprise firm. Garcia Hamilton has been named a fixed income manager of the year by Institutional Investor for three years running. In addition to their track-record as investors, Garcia Hamilton & Associates is actively committed to serving its community. The company’s managing partner, Gilbert Garcia, sets a great example for the company in his ample involvement within the greater Houston area. The firm’s philanthropic attitude is reflected in their work and remains a core value of the company.

Commonfund has a long history of partnering with diverse managers and it is an important component of our investment programs today as we scour the globe in search of the best investment talent. Garcia Hamilton is just one example of our commitment to diverse and emerging managers. Another example is our proprietary database of diverse managers, in which we track over 500 managers across all major asset classes. While all of these managers can be considered for inclusion in our portfolios, we never compromise on the criteria that we use to evaluate managers or the due diligence standards that we require when considering an investment with a manager, diverse or otherwise. We believe this institutional quality process is critical to our fiduciary duty.

COMMONFUND MINORITY MANAGER DATABASE

<table>
<thead>
<tr>
<th></th>
<th>Equity</th>
<th>Fixed Income</th>
<th>Diversifying</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Minority Managers</td>
<td>337</td>
<td>39</td>
<td>54</td>
<td>65</td>
<td>505</td>
</tr>
<tr>
<td>Number of Minority Manager Investments</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>11</td>
<td>18</td>
</tr>
</tbody>
</table>

As of May 15, 2018 the database includes: Women, African American, Latino, Asian, Native American, Veterans and People with Disabilities. The number of managers in the Commonfund database may change at any time. The estimated size of the manager universe may not represent the actual universe of managers available. There is no assurance of the accuracy of these numbers. Includes committed capital to private investments.
COMMONFUND @ WORK

AT COMMONFUND, EMPLOYEES ARE OUR GREATEST ASSET. WE STRIVE TO ATTRACT TALENT FROM THE BROADEST POOL TO FOSTER INNOVATIVE THINKING AND UNIQUE POINTS OF VIEW.
DIVERSITY AND INCLUSION

We believe that creating a diverse and inclusive environment is critical to our success, and we are deeply committed to hiring and retaining employees from different backgrounds, experiences and locations. Beyond diversity, inclusion creates opportunities for all individuals to contribute and work together to achieve success as a team.

In addition to diversity among our employees, we are also committed to identifying and working with emerging and diverse investment managers in the portfolios that we oversee.

Like our clients, Commonfund has been a mission-based organization since our founding. We believe our mission is enhanced by our diverse workforce, clients and managers which, in turn, help our clients achieve their missions.

Over the past three years, our effort to increase diversity among our employees has shown encouraging progress. Women represent 42 percent of our employees, and notably, 31 percent of managing directors. Global consulting firm Oliver Wyman recently published research finding that women made up about 16 percent of executive committees at financial services firms globally. Further, they forecasted that at current rates of growth it will take until 2048 to reach 20 percent female executive committee representation. Today, we are proud to report that 25 percent of the Commonfund Operating Committee are women. In addition, our Board of Trustees is comprised of 33 percent minorities and women. Over the last three years, we have made gains in the diversity of employees as seen in the table below. Everyone at Commonfund is committed to making continued strides in this area and we believe that our focused recruiting efforts and our new office location in New York City will help to accelerate our progress.

Commonfund Employees | Gender and Ethnicity

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>58%</td>
<td>59%</td>
<td>+1%</td>
</tr>
<tr>
<td>Females</td>
<td>42%</td>
<td>41%</td>
<td>-1%</td>
</tr>
<tr>
<td>White</td>
<td>86%</td>
<td>79%</td>
<td>-7%</td>
</tr>
<tr>
<td>Asian</td>
<td>8%</td>
<td>8%</td>
<td>-</td>
</tr>
<tr>
<td>Black</td>
<td>4%</td>
<td>7%</td>
<td>+3%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>2%</td>
<td>6%</td>
<td>+4%</td>
</tr>
</tbody>
</table>

1 Source: Oliver Wyman, “Women In Financial Services 2016”
HEALTH, WELLNESS AND PLANNING FOR THE FUTURE

Commonfund understands the importance of work/life balance and the benefits of supporting our employees’ health and well-being. To that end, Commonfund offers a number of benefits and programs at our corporate headquarters, including:

- **FREE ON-SITE GYM FACILITY**
- **ON-SITE CHILDCARE**
- **ON-SITE CAFETERIA SERVING HEALTHY AND NUTRITIOUS MEALS**
- **ANNUAL ON-SITE FLU SHOTS**

Through its cafeteria, Commonfund supports local agriculture with the “Field Goods” program. This program delivers non-GMO and mostly organic produce from local farms to the workplace to encourage healthy eating and support of local farmers.

PROFESSIONAL DEVELOPMENT

Commonfund believes that the continued success of the organization will largely depend on our ability to attract, retain and attend to the professional growth needs of a staff of the highest possible quality. Commonfund supports a variety of professional development initiatives, e.g., skill-based training and coaching to enhance current performance, investment and supervisory seminars, and professional certifications and degree programs (both undergraduate and post graduate). Commonfund views career development as a shared responsibility between the Company and the employee.

CONTINUING EDUCATION

Commonfund encourages its staff to continue their education where such programs or course work are directly related to their job function, are likely to enhance job performance, and/or are likely to prepare them for future job assignments with greater responsibilities. Approved degree programs include classes for the completion of one’s undergraduate degree from an accredited college or university or the completion of class work to obtain a master’s degree.

PROFESSIONAL WORKSHOPS AND/OR SEMINARS

Commonfund encourages employees to attend workshops and/or seminars where appropriate to enhance professional growth. We hold regular internal training, known as Commonfund University, to educate our staff on relevant market, investment and research topics.
PROFESSIONAL DESIGNATIONS/CERTIFICATIONS

Commonfund supports furthering the education, proficiency and knowledge of its staff. Where a professional designation is desirable or required for a particular position, Commonfund will provide 100 percent reimbursement for registration, exam fees, and required course materials.

<table>
<thead>
<tr>
<th>Title</th>
<th>Professional Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chartered Financial Analyst</td>
<td>CFA</td>
</tr>
<tr>
<td>Certified Public Accountant</td>
<td>CPA</td>
</tr>
<tr>
<td>Certified Regulatory Compliance Professional</td>
<td>CRCP</td>
</tr>
<tr>
<td>Chartered Alternative Investment Analyst</td>
<td>CAIA</td>
</tr>
<tr>
<td>Financial Risk Manager</td>
<td>FRM</td>
</tr>
<tr>
<td>Certified Investment Management Analyst</td>
<td>CIMA</td>
</tr>
<tr>
<td>Certificate in Quantitative Finance</td>
<td>CQF</td>
</tr>
<tr>
<td>Chartered Investment Manager</td>
<td>CIM</td>
</tr>
</tbody>
</table>

ASSOCIATE RECRUITMENT AND DEVELOPMENT

Commonfund is committed to developing and nurturing employee advancement through appropriate training and mentoring. Commonfund offers entrance-level investment professionals rotational programs with opportunities to work side-by-side with senior investment team members.

COMMONFUND OFFERS TWO ROTATIONAL ANALYST PROGRAMS:

1. A three-year investment management analyst program within our Strategic Solutions Group, Commonfund’s OCIO business.

2. A two-year rotational associate program within our Commonfund Capital Group, Commonfund’s private equity business.

Both programs provide highly visible opportunities for candidates to work collaboratively with sales and service, investment and operations teams. Analysts experience all aspects of the investment process, including conducting due diligence, performing quarterly analysis and reporting, meeting with managers and assisting with client inquiries.

INTERNSHIP OPPORTUNITIES

Commonfund offers a 10-week Summer Intern program for students majoring in business, economics or finance and with a record of high academic achievement.

This opportunity provides exposure to the investment and financial world of asset management and an opportunity to work alongside professionals with a range of experiences supporting client-related requests across various teams at Commonfund.
MAKING A DIFFERENCE

AS A NONPROFIT ORGANIZATION, MISSION IS IN OUR DNA. WE STRIVE TO MAKE A DIFFERENCE EVERY DAY BY SERVING OUR CLIENTS AND OUR COMMUNITIES.
PHILANTHROPY AND COMMUNITY ENGAGEMENT

As a mission-based organization, Commonfund regularly engages in philanthropy and service activities that give back to the communities where we work and live and also support our clients.

In 2017, hurricanes Harvey, Irma and Maria brought terrible devastation to Texas, Florida and the Caribbean – but also brought out the best in humanity. Those impacted, including many Commonfund clients, faced tremendous challenges, and we wanted to do what we could to support the people and institutions with whom we work in those regions. We know their work – as nonprofit and public sector entities – is critical to the recovery and the resilience of their communities.

Commonfund instituted a program whereby it matched employee donations to the relief effort with $2 for every $1 donated by an employee. The matching gift donation was made to the One America Appeal – a joint appeal launched by all five living former American Presidents to encourage their fellow citizens to support recovery efforts.

Through this effort Commonfund and its employees raised over $26,000 for relief efforts.

Commonfund employees are committed to service in many areas of their life as demonstrated by their service on the boards and governance entities of educational institutions, nonprofits and civic organizations in their communities. Their willingness to volunteer their time and expertise to these organizations mirrors the dedication of our clients to the institutions they serve.

Commonfund employees serve on 99 nonprofit boards and governance entities in their communities.
LOOKING BACK TO LOOK FORWARD

Since its beginning, Commonfund has been an advocate for responsible investing and transparency. In fact, a portion of our Fiscal Year 1973 Annual Report was dedicated to the topic, as seen in the excerpt from that report below:

Investor Responsibility

During the past year The Common Fund joined with several leading universities and foundations in the establishment of the Investor Responsibility Research Center (IRRC). Three Trustees of the Common Fund are presently serving on the board of this organization. The purpose of the IRRC is to provide an objective analysis of the facts and issues involved in stockholder proposals relating to the social responsibilities of corporations. These proposals typically involve such matters as war-related activities, equal employment opportunity, employee health and safety, ecology, political activities, etc.

...Based in large measure on the Center’s excellent output, The Common Fund’s Trustees were able to focus clearly on the issues posed by the stock-holders in certain companies in which the Fund held an equity position.

In voting its proxies, The Common Fund supported most proposals requiring corporations to disclose segregated political funds. Similarly, the Fund voted in favor of proposals directing corporations to affirm their political non-partisanship by refraining from exercising political persuasion on employees. Proposals calling for full disclosure of activities in the Republic of South Africa and the implication of offshore drilling to the people of Angola we also supported...
FOCUS ON SUSTAINABLE OPERATIONS

As investors and PRI signatories, we analyze and incorporate ESG considerations in all of our investment activities, so it is appropriate that we hold ourselves to similar standards. This year, we are conducting our first sustainability audit to understand the impact of our operations and physical plant on the environment, the results of which will be shared in a future report. In the meantime, we have tracked and analyzed our energy usage at our Wilton, CT headquarters over the past three years. Total electricity usage has declined by 7.4 percent, as displayed in the chart and table below. At the conclusion of the more in-depth energy audit we expect that energy saving initiatives will foster additional reductions in the future.

ELECTRICITY USAGE

Megawatt hours (Mwh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1859</td>
</tr>
<tr>
<td>2016</td>
<td>1740</td>
</tr>
<tr>
<td>2017</td>
<td>1721</td>
</tr>
</tbody>
</table>

1Baseline measurement
Energy usage figures are for the Wilton, CT headquarters location, the only office building in which Commonfund is the owner and primary tenant.

Sustainability is on the agenda every day at Commonfund. We continuously look for opportunities to reduce our impact on the environment, and encourage our employees and partners to contribute to these efforts. For example, we recently worked with the food service provider for our headquarters office on a number of initiatives to reduce the use of plastics and cardboard containers. This is just one example of a small step in our journey to a greener future.
INDUSTRY LEADERSHIP

“WE BELIEVE OUR 46-YEAR HISTORY OF FOCUSING ON NONPROFIT AND PUBLIC SECTOR INVESTORS ENABLES US TO HAVE A UNIQUE RELATIONSHIP WITH THESE INSTITUTIONS, AND IT IS EXTREMELY GRATIFYING TO SEE THAT THEY APPRECIATE AND RECOGNIZE OUR COMMITMENT TO THEM.”

— COMMONFUND CEO
DELIVERING ON INVESTOR PRIORITIES

We are proud that Institutional Investors consistently rank Commonfund as a leading asset manager on the core brand attributes that matter most to them.¹ In 2017 and 2018 the firm was ranked among the top 10 most trusted institutional asset managers for nonprofits according to findings from the US Institutional Investor Brandscape®, a Cogent Reports™ study released by Market Strategies International. Commonfund also achieved #1 rankings in two additional categories of particular importance to institutional investors; “exceptional relationship management, service and support” and “being known for Environmental, Social and Governance (ESG) or Impact Investing”. In addition, Commonfund was rated in the top 10 in five other categories by respondents. The survey included 55 of the largest U.S. asset managers, Commonfund being the smallest by assets under management, making the results particularly notable.

COMMONFUND IS RANKED AMONG THE TOP 10 ASSET MANAGERS:

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Being a Company I Trust”</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>“Environmental, Social and Governance (ESG) and Impact Investing”</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>“Exceptional relationship management, service and support”</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>“Strong, effective alignment”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Distinguished investment philosophies”</td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>“Best-in-class risk management practices”</td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>“Superior thought leadership”</td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>“Experienced investment teams”</td>
<td></td>
<td>✅</td>
</tr>
</tbody>
</table>

COMMONFUND INSTITUTE

RESEARCH AND EDUCATION

As the focal point for Commonfund’s educational and professional development activities, Commonfund Institute provides seminars for trustees and other leaders of nonprofit organizations to introduce them to ESG factors. The Institute also publishes white papers about ESG best practices and supports research efforts around ESG factors by participating in industry initiatives. One Institute initiative has built on the NACUBO-Commonfund Study of Endowments (NCSE). A section on responsible investing practices was included in the questionnaire to which colleges and universities respond in the Study for fiscal 2010 and refined annually in subsequent years. For fiscal 2014, the Institute followed up the full Study with what is believed to be the most comprehensive survey to date of responsible investing policies and practices among the higher education community. Two hundred U.S. institutions participated in the Study, which provided an initial benchmark of responsible investing practices and policies.

¹ See Important Notes | Survey Rankings
IMPORTANT NOTES

In this report we refer to the Common Fund for Nonprofit Organizations (our parent company) and one or more of its affiliates, including Commonfund Holdings, Inc., Commonfund Asset Management Company, Inc., Commonfund Capital, Inc., and Commonfund Securities, Inc., collectively as “Commonfund” or “the firm”, “we” or “our”, as the context requires.

Market Commentary

Any opinions, assumptions, assessments, statements or the like (collectively, “Statements”) regarding future events or which are forward-looking, including regarding portfolio characteristics and limits, constitute only subjective views, beliefs, outlooks, estimations or intentions of an Investment Manager, should not be relied on, are subject to change due to a variety of factors, including fluctuating market conditions and economic factors, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond an Investment Manager’s or an Investment Product’s control. Future evidence and actual results (including actual composition and investment characteristics of an Investment Product’s portfolio) could differ materially from those set forth in, contemplated by, or underlying these Statements, which are subject to change without notice. There can be no assurance and no representation is given that these Statements are now, or will prove to be accurate, or complete in any way. The Investment Manager undertakes no responsibility or obligation to revise or update such Statements. Statements expressed herein may not be shared by all personnel of Commonfund.

Outsourced Chief Investment Officer (OCIO)

There is no legal or regulatory term defining “OCIO” or “outsourced chief investment officer” services, and the meaning of such term varies from one individual to another. Accordingly, such services have been defined for purposes hereof to mean the management of (i) an institution’s long-term or operating reserves (“Reserves”) pursuant to an investment management agreement executed between a registered investment advisor and such institution (or, in certain limited circumstances, through a fund or separate account structure intended to achieve comparable objectives) and (ii) all or substantially all of an institution’s Reserves, with advice related thereto being provided to such institution by a registered broker-dealer and which advice is solely incidental to the conduct of such broker-dealer’s business or to its brokerage services.

Survey Rankings

The Commonfund rankings cited are from Market Strategies International. Cogent Reports™. US Institutional Investor Brandscape: February 2018 and are based on respondents’ answers to questions in which they were asked to rank 55 asset managers on various brand attributes. The results were reported by Cogent based on four groups of respondents: Pension <$500M, Pension $500M+, Non-Profit <$500M, Non-Profit $500+. The survey was fielded online October 13, 2017 to November 28, 2017 and 371 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. MMD supplied Cogent with a list of contacts at pensions and non-profits with a minimum of $100 million in investable assets. 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 data were weighted to be representative of the distribution of institutions by asset size and category according to the most recent MMD data. The data have a margin of error of +5.0% at the 95% confidence level.