



Annual Analysis of Foundation  
Investment Pool Returns: 2013

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CAMBRIDGE ASSOCIATES LLC

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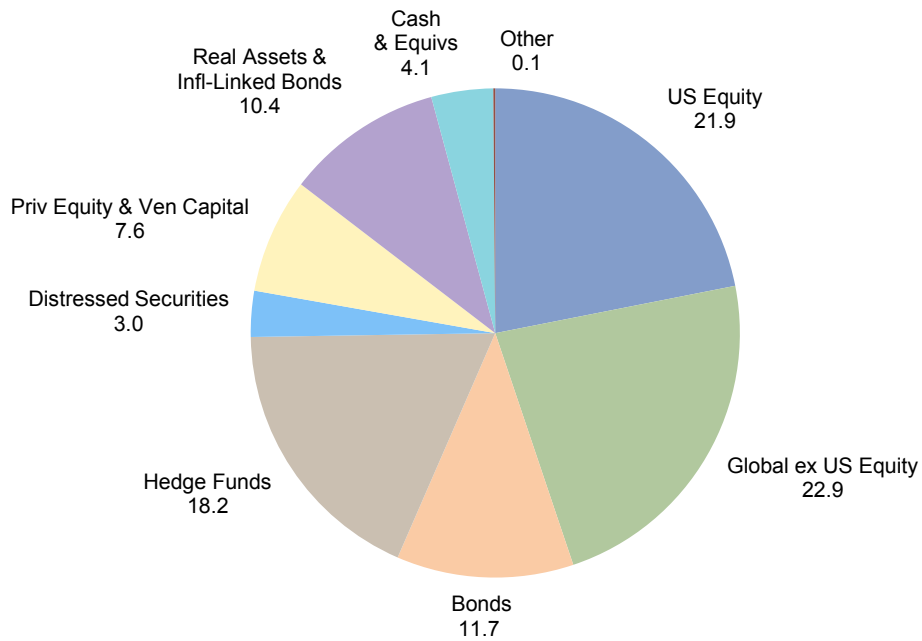
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- ◆ The 118 participants in this study have long-term investment portfolio assets ranging from \$8.3 million to \$40.6 billion. Participants include 83 private non-operating foundations, 17 public charity organizations, 14 community foundations, and four private operating foundations.
- ◆ The mean nominal return earned by respondents for the year ended December 31, 2013, was 14.7%. When the universe is divided into three broad asset size groups, those with assets greater than \$1 billion had an average 2013 return of 15.8%, those with assets ranging from \$300 million to \$1 billion had an average 2013 return of 15.1%, and those with assets under \$300 million, 14.1%.
- ◆ Per the consumer price index, inflation was 1.5% in 2013. Adjusting nominal returns to reflect inflation, the average real return for participants falls to 13.0% in 2013. After both inflation and spending are deducted, the average real return after spending was a robust 7.4%.
- ◆ Participants that posted a one-year return in the top-performing quartile entered the year with the highest average US equity allocation (25.6%), almost 5 percentage points greater than the mean of 20.8%. In contrast, the average beginning US equity allocation was 16.8% for those in the bottom-performing quartile.
- ◆ Over the ten-year period, the average nominal return of respondents (7.2%) was on par with a pair of simple portfolio benchmarks—one containing a global benchmark (7.2%) for the equity component and the other containing a US benchmark (7.3%) for the equity component.
- ◆ As of December 31, 2013, the average real return after spending for respondents was 4.0% for the trailing five-year period, and 0.3% for the trailing ten-year period.
- ◆ Risk-adjusted performance, as measured by the Sharpe ratio, averaged 1.11 for the trailing five-year period, the highest ratio since 2007. Higher returns, a lower average risk-free rate, and lower volatility (as measured by the standard deviation of quarterly returns) all contributed to the recent increase in this ratio.
- ◆ Over the year, the average allocation to US equities, global ex US equities, and hedge funds increased, while allocations to US bonds, private equity, and real assets decreased.
- ◆ The average allocation to US equities and global ex US equities was 21.9% and 22.9%, respectively. For global ex US equities, the average allocation to developed markets was 15.8% and the average allocation to emerging markets was 7.1%.
- ◆ The average allocation to hedge funds was 18.2% and the average allocation to private equity and venture capital was 7.6%. Distressed securities, which can be invested through both hedge fund and private equity-type vehicles, accounted for an average of 3.0% of the total asset allocation.
- ◆ The proportion of institutions that increased their target to long-only equities (14%) and hedge funds (15%) in 2013 was greater than the proportion that decreased their target (10% and 8%, respectively). Within long-only equities, institutions were more likely to increase policy targets to emerging markets than other geographic regions.

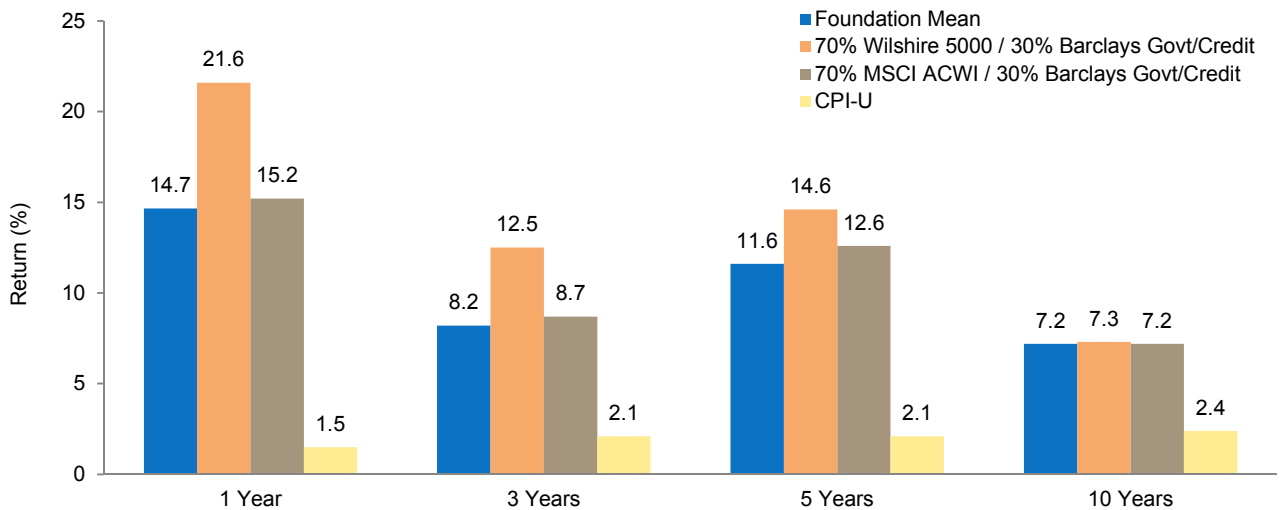
- ◆ For the 50 private non-operating foundations that provided data in 2013, payout rates averaged 5.3%. When looking at a constant universe of foundations that provided data from 2004 to 2013, payout rates were 12 bps below those reported in 2012, and 70 bps below the peak rates reported in 2009.
- ◆ The nine community foundations that provided data for 2013 reported an average payout rate of 6.2%, a slight increase over last year's rate of 6.1%. Only three private operating foundations provided their payout rate for 2013, averaging 4.5%.
- ◆ For both private non-operating and community foundations, grants are the single largest component of annual payout, making up an average of 79% and 84% of the total payout distribution, respectively.
- ◆ Nineteen private non-operating foundations in this study indicated the use of a market value-based smoothing rule, which dictates spending a percentage of a moving average of market values, to help contain year-to-year spending. A target spending rate of 5.0% was used by half of these foundations, with an additional 44% using a target rate above 5.0%. Smoothing periods ranged from three to five years, with over 25% of respondents using a time interval of 12 quarters.
- ◆ On average, participants in this report have 47 external investment managers. Foundations with assets over \$1 billion employed an average of 108 external investment managers while those with assets under \$300 million employed an average of 26 managers.
- ◆ Of the foundations that provided data on their manager implementation, 36% (40 of 110) used active managers for all of their US equity exposure, while 5% (five of 110) used index funds solely. The proportion was higher for global ex US equity allocations, where developed markets and emerging markets allocations were achieved solely through active managers for 73% and 55% of respondents, respectively.
- ◆ For bonds, a majority of respondents used only active managers for their total allocation to US markets (56%), global ex US developed markets (87%), and emerging markets (95%).
- ◆ For those foundations that provided data on their hedge funds implementation, 45% (47 of 105) used single manager funds only, while 20 foundations used funds-of-funds only. The remaining 38 foundations used a combination of single manager funds and funds-of-funds, with an average of 58% allocated to single manager funds and 42% allocated to funds-of-funds.
- ◆ For non-venture private equity and venture capital implementation, the percentage of participants that used single manager funds only was 46% and 39%, respectively. Fund-of-funds were used solely by 34% and 30% of participants, for the non-venture private equity and venture capital allocation, respectively. ■

**Exhibit 1**  
**Investment Portfolio Mean Asset Allocation and Total Return**  
 As of December 31, 2013 • Percent (%)

**Mean Asset Allocation (n = 118)**



**Foundation and Relevant Benchmarks Nominal Returns (n = 118)**



Sources: Foundation data as reported to Cambridge Associates LLC. Index data provided by Barclays, MSCI Inc., Thomson Reuters Datastream, US Department of Labor - Bureau of Labor Statistics, and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

Note: Number of participants providing returns over the one-, three-, five-, and ten-year time periods were 118, 117, 115, and 96, respectively.

### Historical Asset Allocation

Foundations have made significant shifts in their asset allocations over the last decade. In general, allocations to US equities and bonds decreased substantially while allocations to global ex US equities, hedge funds, private investments, and real assets increased. The greatest extent of these changes occurred in the years leading up to the 2008–09 financial crisis. Changes in portfolio allocations were more modest over the second half of the decade (Exhibit 4).

**Trends.** Exhibit 5 shows the asset allocation of foundations in 2003, 2008, and 2013. Foundations are divided into three broad asset size groups: those with assets under \$300 million, from \$300 million to \$1 billion, and over \$1 billion. Over the full ten-year period, US equity allocations declined the most, dropping by at least 17 percentage points (ppts) for all three peer groups. The largest increase in allocations was to hedge funds for both smaller (10.4 ppts) and mid-sized (11.8 ppts) foundations. Larger foundations reported their greatest increase to private equity and venture capital (9.5 ppts).

Allocations to real assets and inflation-linked bonds increased for all three peer groups over the ten-year period. Yet since 2008, small and mid-sized foundations show only a minor increase in allocations to this category (0.1 ppt and 0.4 ppt, respectively), while larger foundations show a decrease (1.5 ppts).

### Asset Allocation in 2013

Smaller foundations continue to maintain higher allocations to US equities and global ex US equities, in part because smaller asset sizes may preclude a meaningful degree of diversification into alternative assets (particularly private investments). The average allocation

to private equity and venture capital is highest among foundations with assets over \$1 billion, while the average allocation to hedge funds is highest for mid-sized foundations (Exhibit 3).

### Market Movements or Cash Flow Decisions?

Exhibit 6 uses benchmarks as proxy returns to extrapolate an asset allocation based on a buy and hold strategy over the past year. While the assumed asset allocation based on market-induced changes is merely an estimate, comparing this to the actual mean asset allocation of the foundation universe on December 31, 2013, lends some insight into which asset classes were most affected by cash flow decisions and which were primarily affected by market movements.

The largest change in the average allocation of assets from December 31, 2012, to December 31, 2013, was the 1.8 ppt decrease in US bonds. Based on this simplified cash flow analysis, the decrease was largely attributable to market movements. The largest increase of any asset class was the 1.5 ppt increase in global ex US equity (developed markets), with the increase appearing equally attributable to cash flow decisions and market movements.

Foundations transferred an estimated 2.3 ppts out of US equity over the year, the highest estimated outflow of cash from any asset class. However, because of the outperformance of US equities in 2013, the average allocation increased by 1.1 ppts. The largest cash inflows were to emerging markets equities (1.2 ppts).

### Target Asset Allocation

While long-term asset allocation trends clearly show how investment policies have evolved over time, one-year changes in actual allocations can be influenced by factors such as asset returns and rebalancing flows. Using shorter-term data can be misleading in deter-



mining whether foundations are altering their long-term asset allocation policies. An analysis of target asset allocations is more suitable for such an evaluation.

Over 93% of survey participants (110 of 118) provided target asset allocation data. Foundations construct their target asset allocation mix under different frameworks. Of the 110 foundations that provided target asset allocation data, 85% reported data using the traditional asset allocation–centered structure. The remaining foundations reported data on a role-in-portfolio basis or some other framework. Under the role-in-portfolio framework,<sup>1</sup> foundations set targets to broad categories based on the roles they expect certain investments to play in the portfolio (e.g., growth, deflation-hedging, diversification).

**Changes in Policy.** Our trend analysis on this topic focuses on foundations that reported under the traditional asset allocation–centered framework. Less than half (35%) of these foundations made a change to their policy

targets in 2013. Larger foundations were most likely to make changes to their policy targets (42%), followed by smaller foundations (35%) and midsized foundations (26%).

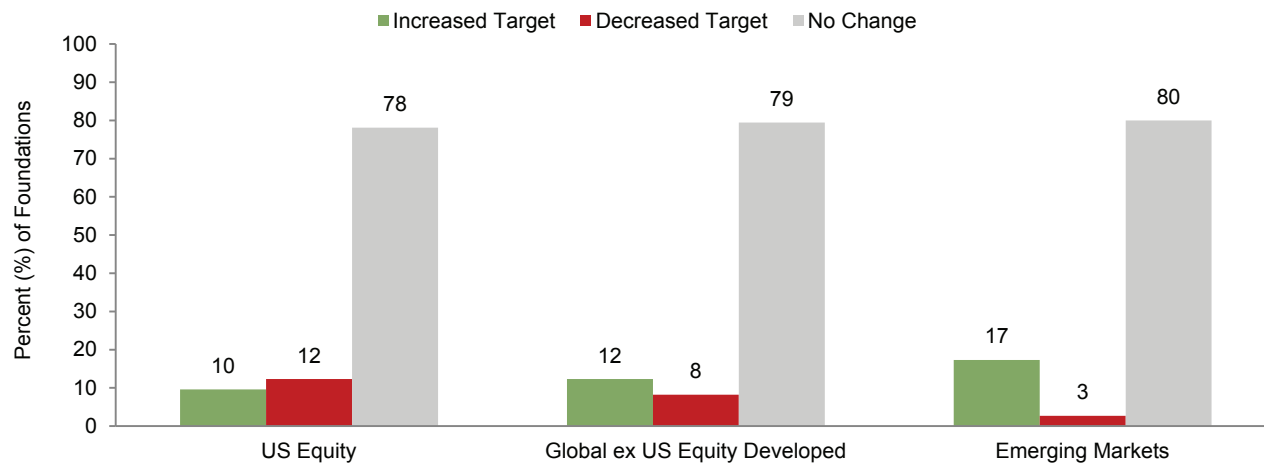
While actual asset allocations to long-only equities trended lower for much of the last decade, Exhibit 8 shows that the proportion of foundations that increased their target (14%) to these assets in 2013 was larger than the proportion that decreased their target (10%). As shown below, foundations were more likely to increase their policy target to emerging markets than other geographic regions.

Among the other broad asset allocation categories, 16% of respondents lowered their policy target to bonds and cash in 2013 while just 4% reported an increase. Similarly, 15% of respondents decreased their target to real assets while just 5% reported an increase. Foundations were more likely to increase their target to hedge funds (15%) than decrease it (8%). Likewise, for private equity and venture capital, 11% of respondents increased their target, while only 3% indicated a decrease.

<sup>1</sup> See our report *From Asset Allocation to Risk Allocation: The Risk Allocation Framework*.

### Changes in Traditional Equity Policy Targets by Geographic Region

As of December 31, 2013



Source: Foundation data as reported to Cambridge Associates LLC.

### Private Investment Programs and Portfolio Liquidity

As the 2008–09 financial crisis demonstrated, consideration of the variables that affect portfolio liquidity is imperative for foundations. For the private non-operating foundations that make up the majority of this study, mandatory annual spending distributions usually represent the biggest liquidity need of the portfolio. However, as many investors have achieved diversified portfolios with significant allocations to alternative assets, a host of other liquidity factors have risen in importance to foundations.

**Uncalled Capital Commitments and the Global Overhang.** One issue that investors should be mindful of is the global capital overhang in the private equity industry. The capital overhang represents unexpired, uncalled capital commitments and is essentially the industry's dry powder. In our May 2014 research note *The Global Overhang (According to Goldilocks): Too Much, Too Little, or Just Right?*, we commented on this global overhang and the implications and issues that investors should consider. With capital appearing to be deployed at a slower pace than historically, the overhang is larger than expected. Too much overhang and the pressure to put capital to work before it expires could amplify competition and place upward pressure on transaction values, impacting returns.

Of the 91 foundations in this study that have private investment programs, 83 reported the amount of uncalled capital they had committed to private investments. These 83 foundations had, in aggregate, \$14.3 billion in uncalled capital committed to private investment funds as of December 31, 2013. Predictably, foundations with larger asset sizes, which have traditionally had higher allocations to private investments, tend to have a higher ratio of uncalled capital commitments to the total

long-term investment portfolio (LTIP) market value (Exhibit 12). For foundations with asset sizes greater than \$1 billion, uncalled capital commitments represented an average of 10.5% of their total LTIP value (ranging from 1.9% to 18.3%, excluding outliers). For foundations with asset sizes under \$300 million, uncalled capital commitments represented an average of 5.5% of their total investment pool value (ranging from 0.5% to 13.0%, excluding outliers).

Larger foundations also tend to have a higher ratio of uncalled capital commitments to the LTIP's total liquid assets, which exclude hedge funds and private investments (Exhibit 12). For foundations with asset sizes greater than \$1 billion, uncalled capital commitments represented an average of 22.2% of their total liquid assets (ranging from 2.6% to 48.9%, excluding outliers). For foundations with asset sizes under \$300 million, uncalled capital commitments represented an average of 9.0% of their liquid assets (ranging from 0.6% to 22.0%, excluding outliers).

Investors would be wise to note exactly where their uncalled capital commitments exist, as overhang amounts will vary by geography, strategy, and fund size. While the total industry overhang value appears large, localized overhang amounts are much more relevant for investors, and may be the cause for more or less concern, depending on the geography or strategy.

**Private Investment Program Cash Flow.** When the steep decline of equity markets began in 2008, private investment fund distributions dried up and most private investment programs ceased to be self-funding (i.e., capital calls could no longer be met solely by private fund distributions). Over the past two years, however, this trend has reversed. The fourth quarter of 2013 was the eighth

consecutive quarter in which distributions outnumbered contributions for both private equity and venture capital funds. In 2013 alone, Cambridge Associates Private Equity Index reported the highest level of annual distributions in the 28-year history of the index. This impact was felt by investors, as 60% of foundations in this study reported that private investment programs were cash flow positive in 2013, a welcome increase over the results of 2011, when only 33% of foundations indicated their programs were cash flow positive. Foundations with assets over \$1 billion, which generally have more mature private investment programs, were more likely to be cash flow positive (83%, or 20 of 24) than foundations with smaller asset sizes (Exhibit 13).

**Estimated Liquidity Requirements.** Exhibit 14 shows the estimated annual liquidity requirements for foundations as a percentage of their total liquid assets. In addition to an annual spending payout of 5% of the total LTIP, this estimated liquidity requirement also assumes that one-third of unfunded private investment capital commitments will be called over an annual period. Given these assumptions, the average annual liquidity requirement equals 12.9% of liquid assets for foundations with private investments. For larger foundations, the ratio (17.2%) greatly outweighs that of smaller foundations (10.8%). The second page of Exhibit 14 further breaks out this ratio by showing the estimated annual liquidity requirement by component. On average, the annual spending payout represents 7.8% of liquid assets for smaller foundations and 9.8% for larger foundations. The difference can be attributed to the disparity in the asset allocation to liquid assets, which averages 66.5% of the total long-term investment portfolio for smaller foundations and 54.5% for larger foundations.

The estimated average annual liquidity requirement for private investment capital commitments is 3.0% of liquid assets for smaller foundations and 7.4% for larger foundations. In addition to asset allocation differences, the variance of this component can also be attributed to the higher ratio of uncalled capital commitments that larger foundations tend to have. Foundations can use a variety of sources to fund capital calls, including private investment fund distributions, cash reserves, and proceeds from sales of other investment assets.

### Mission-Related Investing

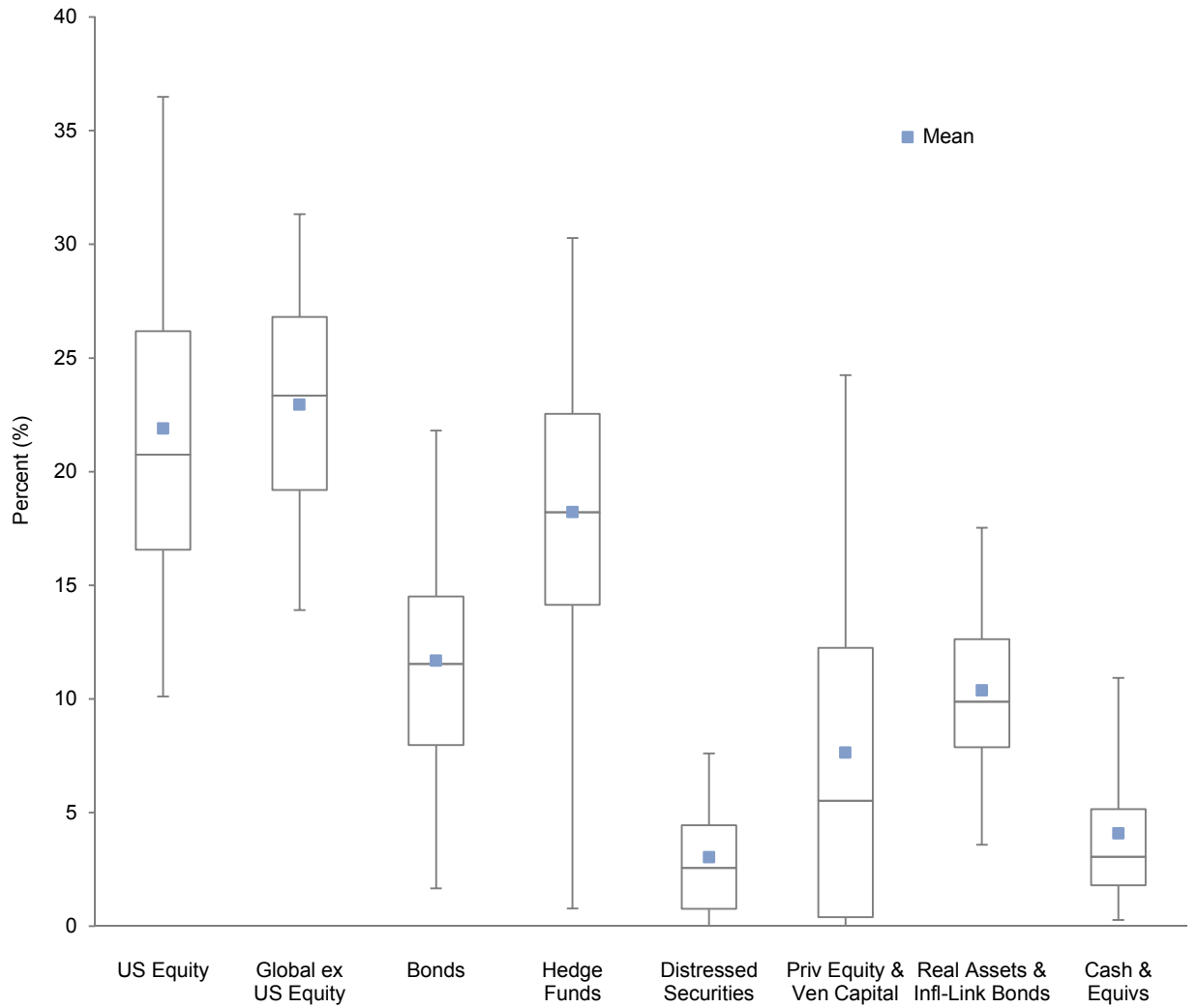
Mission-related investing (MRI) generally refers to the incorporation of environmental and social considerations into the investment decision-making process. This can refer to a variety of strategies and approaches, including, but not limited to: environmental, social and governance (ESG) investing, impact investing, and socially responsible investing (SRI) to name a few.

Of the 75 participants in this study that provided data, 16 (21%) indicated that mission-related or socially responsible investing issues were factored into investment decisions for a part of the long-term investment portfolio. While all respondents cited social motivations as the main rationale for engaging in this practice, a third of respondents are also motivated by performance, incorporating MRI factors in an effort to enhance returns.

Public equity funds were the investment vehicles most commonly used to achieve MRI objectives, as all respondents that provided data on portfolio construction indicated their use. Exclusionary screening (or negative screening), where funds avoid investments in specific companies or sectors (e.g., tobacco, gaming, alcohol), was implemented by the majority of respondents (Exhibit 15). ■

**Exhibit 2**  
**Asset Allocation Percentiles**  
 As of December 31, 2013

**Distribution by Asset Class: Asset Allocation (n = 118)**



	US Equity	Global ex US Equity	Bonds	Hedge Funds	Distressed Securities	Priv Equity & Ven Capital	Real Assets & Infi-Link Bonds	Cash & Equivs
5th Percentile	36.5	31.3	21.8	30.3	7.6	24.2	17.5	10.9
25th Percentile	26.2	26.8	14.5	22.5	4.4	12.2	12.6	5.2
Median	20.7	23.4	11.5	18.2	2.6	5.5	9.9	3.1
75th Percentile	16.6	19.2	8.0	14.1	0.8	0.4	7.9	1.8
95th Percentile	10.1	13.9	1.7	0.8	0.0	0.0	3.6	0.3
Mean	21.9	22.9	11.7	18.2	3.0	7.6	10.4	4.1

Source: Foundation data as reported to Cambridge Associates LLC.

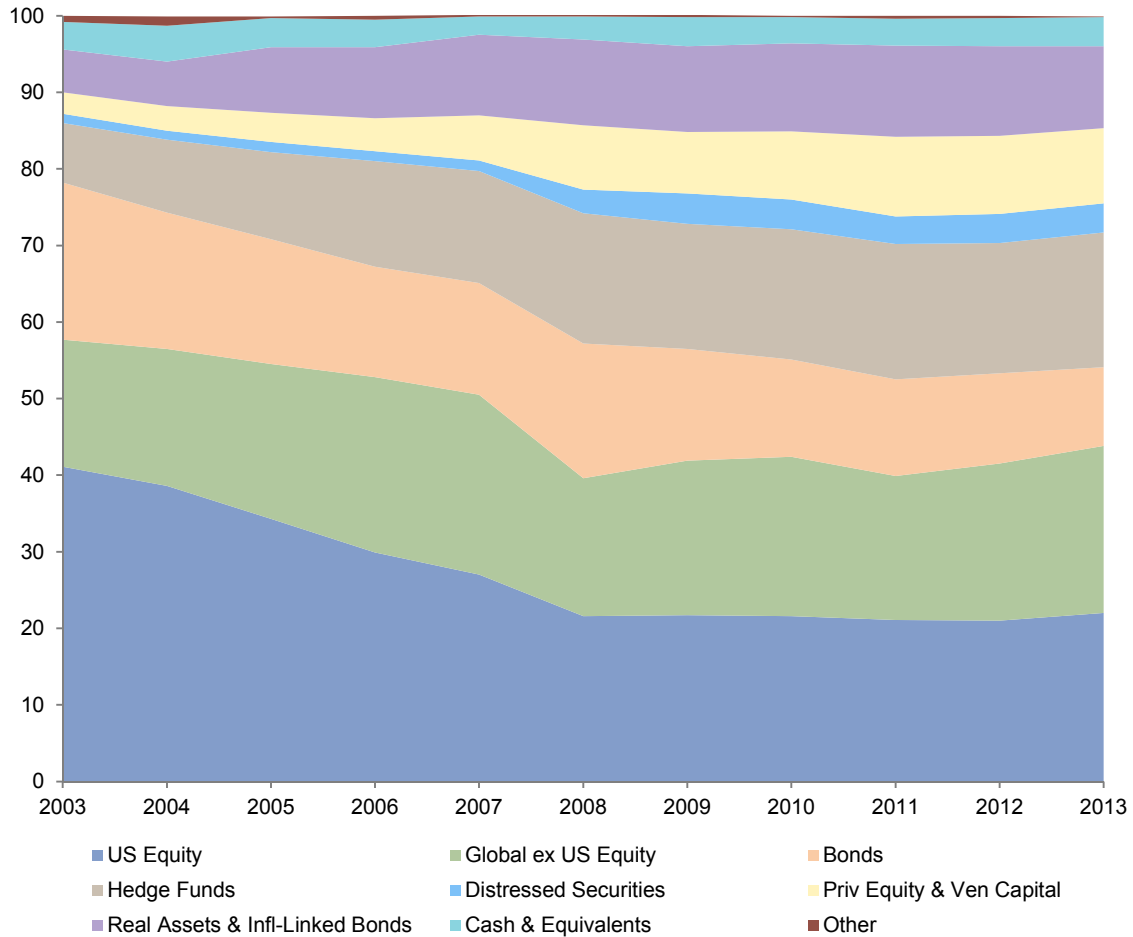
**Exhibit 3**  
**Summary Asset Allocation by Asset Size**

As of December 31, 2013 • Percent (%)

	Under \$300 mm (n=68)		From \$300 mm to \$1 bn (n=23)		Over \$1 bn (n=27)	
	Mean	Median	Mean	Median	Mean	Median
<b>US Equity</b>	<b>23.0</b>	<b>22.9</b>	<b>20.2</b>	<b>20.1</b>	<b>20.6</b>	<b>16.8</b>
<b>Global ex US Equity</b>	<b>24.5</b>	<b>24.8</b>	<b>22.8</b>	<b>23.5</b>	<b>19.1</b>	<b>18.8</b>
Developed Markets	17.8	17.6	15.1	15.5	11.6	9.5
Emerging Markets	6.8	7.0	7.7	7.8	7.5	7.5
<b>Bonds</b>	<b>13.5</b>	<b>13.3</b>	<b>11.0</b>	<b>10.6</b>	<b>7.6</b>	<b>8.8</b>
US Bonds	10.5	9.9	9.0	7.6	5.8	6.5
Global ex US Bonds (Developed)	1.3	0.3	0.6	0.0	0.7	0.0
Global ex US Bonds (Emerging)	1.0	0.7	0.7	0.0	0.3	0.0
High-Yield Bonds	0.7	0.0	0.7	0.0	0.8	0.0
<b>Hedge Funds</b>	<b>18.1</b>	<b>18.0</b>	<b>19.8</b>	<b>19.1</b>	<b>17.2</b>	<b>18.8</b>
Long/Short Hedge Funds	9.4	8.9	9.0	7.8	7.0	8.0
Absolute Return (ex Distressed)	8.7	8.2	10.8	10.4	10.2	10.4
<b>Distressed Securities</b>	<b>2.4</b>	<b>1.8</b>	<b>3.8</b>	<b>4.3</b>	<b>4.0</b>	<b>3.1</b>
Hedge Fund Structure	1.6	1.3	1.7	2.0	2.3	1.4
Private Equity Structure	0.8	0.0	2.1	1.8	1.7	1.1
<b>Private Equity &amp; Venture Capital</b>	<b>4.5</b>	<b>1.8</b>	<b>8.5</b>	<b>6.4</b>	<b>14.7</b>	<b>14.8</b>
Venture Capital	1.6	0.1	4.0	2.4	6.1	5.9
Non-Venture Private Equity	1.5	0.0	3.7	2.9	8.0	8.3
Other Private Investments	1.4	0.0	0.8	0.2	0.7	0.0
<b>Real Assets &amp; Infl-Linked Bonds</b>	<b>9.6</b>	<b>9.0</b>	<b>10.2</b>	<b>10.4</b>	<b>12.4</b>	<b>12.3</b>
Private Real Estate	1.2	0.0	2.2	1.8	5.3	5.2
Public Real Estate	0.4	0.0	0.9	0.0	0.4	0.0
Commodities	1.6	1.2	1.3	1.2	1.2	0.0
Inflation-Linked Bonds	0.6	0.0	0.5	0.0	0.8	0.0
Private Oil & Gas/Natural Resources	1.1	0.0	1.7	1.8	3.6	3.2
Timber	0.1	0.0	0.2	0.0	0.3	0.0
Public Energy/Natural Resources	4.6	4.8	3.4	2.7	0.8	0.0
<b>Cash &amp; Equivalents</b>	<b>4.2</b>	<b>3.4</b>	<b>3.6</b>	<b>2.8</b>	<b>4.2</b>	<b>3.0</b>
<b>Other</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 4**  
**Historical Mean Asset Allocation Trends**  
 Years Ended December 31 • Percent (%)



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
US Equity	41.1	38.6	34.3	29.9	27.0	21.6	21.7	21.6	21.1	21.0	22.0
Global ex US Equity	16.6	17.9	20.2	22.9	23.5	18.0	20.2	20.8	18.8	20.5	21.8
<i>Developed Markets</i>	13.4	14.3	15.4	17.5	17.2	13.8	14.1	13.9	12.5	13.2	14.7
<i>Emerging Markets</i>	3.3	3.6	4.8	5.4	6.3	4.2	6.0	7.0	6.3	7.3	7.2
Bonds	20.5	17.8	16.3	14.4	14.6	17.6	14.6	12.7	12.6	11.8	10.3
Hedge Funds	7.8	9.5	11.4	13.8	14.6	17.0	16.3	17.0	17.7	17.0	17.6
Distressed Securities	1.2	1.2	1.3	1.3	1.4	3.1	4.0	3.9	3.6	3.8	3.8
Priv Equity & Ven Capital	2.8	3.2	3.8	4.3	5.9	8.4	8.0	8.9	10.4	10.2	9.8
Real Assets & Inflation-Linked Bonds	5.6	5.8	8.6	9.3	10.5	11.2	11.2	11.5	11.9	11.7	10.7
Cash & Equivalents	3.6	4.7	3.8	3.6	2.4	3.0	3.8	3.4	3.5	3.7	3.8
Other	0.8	1.2	0.2	0.5	0.2	0.2	0.3	0.2	0.4	0.3	0.1

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Constant universe represents 53 foundations that provided asset allocation data for each year from 2003 to 2013.

**Exhibit 5**  
**Trends in Asset Allocation by Asset Size**  
 Equal-Weighted Means as of December 31 • Percent (%)

	Under \$300 mm (n=21)					From \$300 mm to \$1 bn (n=11)					Over \$1 bn (n=21)				
	2003	2008	2013	Change (ppt)		2003	2008	2013	Change (ppt)		2003	2008	2013	Change (ppt)	
				2008-13	2003-13				2008-13	2003-13				2008-13	2003-13
US Equity	42.6	22.6	23.4	0.8	-19.2	43.6	23.6	22.2	-1.4	-21.4	38.3	19.5	20.6	1.1	-17.7
Global ex US Equity Total	16.6	19.8	23.7	3.9	7.1	17.9	19.2	25.0	5.8	7.1	15.9	15.5	18.3	2.8	2.4
<i>Developed Markets</i>	13.7	16.4	17.2	0.8	3.5	15.1	15.2	17.1	1.9	2.0	12.1	10.6	10.8	0.2	-1.3
<i>Emerging Markets</i>	2.9	3.5	6.5	3.0	3.6	2.7	4.1	7.8	3.7	5.1	3.8	5.0	7.5	2.5	3.7
Bonds	22.1	21.8	12.8	-9.0	-9.3	19.3	19.9	10.5	-9.4	-8.8	19.6	12.2	7.6	-4.6	-12.0
Hedge Funds	6.7	15.0	17.1	2.1	10.4	8.2	17.0	20.0	3.0	11.8	8.6	19.0	17.0	-2.0	8.4
Distressed Securities	0.7	1.8	3.2	1.4	2.5	1.2	3.3	3.5	0.2	2.3	1.6	4.3	4.6	0.3	3.0
Private Equity & Venture Capital	1.5	6.1	7.1	1.0	5.6	1.2	4.8	6.3	1.5	5.1	4.9	12.6	14.4	1.8	9.5
Real Assets & Infl-Linked Bonds	5.1	8.9	9.0	0.1	3.9	5.4	9.8	10.2	0.4	4.8	6.3	14.1	12.6	-1.5	6.3
Cash & Equivalents	4.0	3.8	3.8	0.0	-0.2	3.4	2.5	2.4	-0.1	-1.0	3.3	2.5	4.6	2.1	1.3
Other	0.7	0.2	0.0	-0.2	-0.7	0.0	0.0	0.0	0.0	0.0	1.3	0.3	0.3	0.0	-1.0

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Asset sizes are based on December 31, 2013 data.

**Exhibit 6****Change in Investment Pool Asset Allocation**

December 31, 2012 Versus December 31, 2013 • Percent (%)

	Mean Allocation as of 12/31/12	Asset Class Return for 12/31/12–12/31/13	Imputed Allocation (From Market- Induced Change)	Mean Allocation as of 12/31/13	Change From Cash Flow Decisions	Change Attributable to Performance
<b>Traditional Equity</b>						
US Equity	20.8	33.1	24.2	21.9	-2.3	3.4
Global ex US Equity (Developed)	14.3	21.0	15.2	15.8	0.7	0.8
Global ex US Equity (Emerging)	6.9	-2.3	5.9	7.1	1.2	-1.0
<b>Bonds</b>						
US Bonds	10.9	-2.4	9.3	9.1	-0.2	-1.6
Global ex US Bonds (Developed)	1.5	-4.6	1.2	1.0	-0.2	-0.2
Global ex US Bonds (Emerging)	0.6	-6.6	0.5	0.8	0.3	-0.1
High-Yield Bonds	0.7	7.2	0.6	0.7	0.1	0.0
<b>Hedge Funds</b>	18.0	11.7	17.6	18.2	0.6	-0.4
<b>Distressed Securities</b>	3.1	15.1	3.2	3.0	-0.1	0.0
<b>Private Equity &amp; Venture Capital</b>						
Venture Capital	3.0	26.5	3.3	3.1	-0.2	0.3
Non-Venture Private Equity	3.7	18.4	3.8	3.4	-0.4	0.1
Other Private Investments	1.1	14.1	1.1	1.1	0.0	0.0
<b>Real Assets &amp; Infl-Linked Bonds</b>						
Private Real Estate	2.5	14.8	2.5	2.3	-0.2	0.0
Public Real Estate	0.6	2.3	0.6	0.5	0.0	-0.1
Commodities	1.9	-9.5	1.5	1.5	-0.1	-0.4
Inflation-Linked Bonds	1.0	-8.6	0.8	0.6	-0.2	-0.2
Private Oil & Gas/Natural Resources	1.8	8.2	1.7	1.8	0.1	-0.1
Timber	0.2	9.7	0.2	0.2	0.0	0.0
Public Energy/Natural Resources	3.1	10.5	3.0	3.5	0.5	-0.1
<b>Cash &amp; Equivalents</b>	3.8	0.1	3.3	4.1	0.8	-0.5

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: This universe represents the 118 foundations that provided asset allocation data in 2012 and 2013. See Notes on the Data for a list of benchmarks used in this analysis. Due to the lack of a comparable index, analysis excludes "other assets" (0.1% and 0.3% of the total portfolio as of December 31, 2012, and December 31, 2013, respectively).



**Exhibit 7**  
**Detailed Asset Allocation by Foundation**

As of December 31, 2013 • Percent (%)

Code	Traditional Equity			Bonds				Hedge Funds		Distressed Securities	
	US	Global ex US		US	Global ex US		HY	Long/ Short	Abs Ret (ex Distr)	HF Structure	Priv Eq Structure
		Dev Mkt	Emg Mkt		Dev Mkt	Emg Mkt					
1	25.3	19.0	7.2	15.6	5.4	1.9	0.9	3.6	13.9	4.0	0.0
2	29.8	18.6	2.4	10.0	0.0	0.0	2.8	18.4	8.9	4.0	0.0
3	11.4	10.6	10.8	2.4	0.0	0.0	1.7	0.0	15.1	1.7	5.9
4	25.6	17.6	9.1	12.8	3.7	0.9	0.0	9.4	6.0	2.6	0.0
5	39.8	19.1	6.6	23.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	15.5	16.8	6.7	12.5	2.8	0.2	0.0	9.9	12.6	3.0	1.4
7	25.1	15.4	8.7	7.4	0.0	0.5	0.0	14.9	12.8	1.2	0.6
8	8.6	8.2	7.2	0.0	0.7	0.6	0.2	37.5	17.8	0.0	0.0
9	33.5	13.7	5.8	9.4	0.0	0.0	0.0	8.0	6.9	4.9	0.0
10	17.9	15.6	5.0	9.3	0.2	0.0	1.4	8.4	17.5	0.0	0.0
11	22.0	19.4	9.4	8.8	2.4	0.6	0.0	13.2	10.5	0.0	0.0
12	23.7	17.5	7.9	10.2	0.1	0.4	2.8	6.3	11.6	2.4	1.3
13	10.5	8.6	7.6	7.1	0.3	0.0	0.0	7.9	17.5	0.0	2.0
14	21.7	26.7	5.8	16.8	0.0	1.1	0.0	11.5	6.4	1.6	0.0
15	34.4	6.8	7.7	6.4	0.0	0.0	0.0	6.1	10.4	2.1	1.4
16	31.2	20.2	8.4	3.0	4.8	0.9	0.0	11.0	9.3	2.4	0.0
17	16.9	16.7	4.4	16.4	0.0	1.7	0.0	17.6	10.8	2.0	0.0
18	17.8	19.2	5.7	13.3	0.0	0.4	0.0	1.1	11.5	0.0	0.0
19	23.5	10.8	7.9	2.2	0.0	0.0	0.0	8.5	8.8	2.0	0.0
20	22.9	18.9	6.0	14.6	4.5	0.8	0.0	7.9	5.6	2.0	0.6
21	16.1	14.3	10.6	9.7	0.0	0.9	0.0	9.4	14.8	3.6	2.3
22	17.0	9.4	12.9	10.3	0.0	0.0	0.0	11.2	8.8	0.0	0.0
23	15.3	10.1	8.0	7.6	0.0	0.0	0.0	6.0	17.4	0.0	6.5
24	18.4	16.8	6.8	5.4	1.7	1.0	4.0	9.5	10.2	0.0	0.0
25	22.8	20.8	7.3	10.0	4.9	3.7	0.9	12.8	7.8	0.0	0.0
26	21.2	32.0	6.8	8.7	2.9	1.7	0.0	8.4	7.2	0.0	0.0
27	12.2	11.3	9.8	10.3	0.0	0.0	0.0	7.5	15.4	0.3	0.2
28	31.0	8.8	8.8	10.9	0.0	0.0	0.0	2.2	6.3	0.0	6.6
29	9.5	6.3	2.0	12.9	0.0	0.0	1.4	4.7	10.3	0.0	1.9
30	20.8	17.5	4.9	13.9	0.0	0.5	0.0	12.6	6.9	0.0	0.0
31	16.7	13.5	7.6	4.1	3.3	0.8	0.0	9.4	9.4	1.4	3.2
32	17.9	8.1	6.0	6.5	3.1	0.0	4.2	12.0	13.8	8.3	1.1
33	18.6	18.4	8.9	8.2	0.0	0.0	0.0	16.9	15.6	0.0	0.0
34	18.3	9.5	9.3	2.8	1.2	0.0	0.0	8.6	1.9	4.9	0.0
35	20.7	19.1	9.4	8.5	3.5	0.8	2.0	8.8	10.7	2.3	0.0
36	20.4	17.4	11.5	10.9	0.4	2.1	0.2	7.3	6.8	2.8	0.4
37	14.3	17.0	7.5	12.1	2.3	3.8	0.0	6.5	9.3	0.0	0.0
38	10.0	15.5	7.0	0.0	0.0	1.2	0.0	12.0	15.6	2.3	1.1
39	13.4	10.9	7.6	10.6	0.0	0.0	0.0	10.0	13.4	2.0	2.2
40	25.9	18.2	7.4	7.6	0.0	0.0	0.0	6.2	10.4	1.6	1.5
High	66.4	34.0	12.9	31.8	6.6	4.5	8.3	37.5	26.1	10.2	7.6
Mean	21.9	15.8	7.1	9.1	1.0	0.8	0.7	8.8	9.4	1.8	1.2
Median	20.7	15.8	7.2	9.0	0.0	0.4	0.0	8.4	9.0	1.5	0.1
Low	8.0	0.4	0.0	-3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*n* = 118

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 7 (continued)**  
**Detailed Asset Allocation by Foundation**

As of December 31, 2013 • Percent (%)

Code	Priv Equity & Venture Cap			Real Assets & Inflation-Linked Bonds								Cash & Equiv	Other
	Non-Ven Priv Eq	Ven Cap	Other Priv Inv	Real Estate			Infl-Link Bonds	Private O&G/NR	Public Timber	Public Engy/NR			
				Private	Public	Comm							
1	0.0	0.0	0.9	0.9	0.0	0.3	0.2	0.0	0.0	0.0	0.9	0.0	
2	1.4	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	1.7	0.0	
3	9.5	7.9	0.0	8.9	0.0	1.1	0.0	10.3	0.0	0.0	2.8	0.0	
4	0.0	0.0	0.0	0.0	0.0	7.7	0.0	0.0	1.8	0.0	2.8	0.0	
5	2.0	0.9	0.3	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.6	6.8	
6	2.1	2.3	2.4	1.6	0.0	2.7	1.2	2.3	0.0	2.3	1.7	0.0	
7	2.0	1.2	0.9	0.1	0.0	0.9	0.9	0.6	0.0	4.8	2.0	0.0	
8	0.0	0.0	3.3	0.0	0.0	0.0	0.0	0.7	0.0	5.6	9.7	0.0	
9	5.3	0.0	0.0	2.2	2.1	0.0	1.8	0.0	0.0	0.0	6.3	0.0	
10	11.3	2.8	0.0	6.2	0.0	0.0	0.0	3.1	0.6	0.0	0.7	0.0	
11	0.0	0.0	0.0	0.0	0.0	0.9	0.9	0.0	0.0	5.6	6.3	0.0	
12	1.0	0.4	0.0	0.0	0.0	1.6	0.4	1.2	0.0	5.4	5.7	0.0	
13	13.4	11.4	0.0	4.9	0.0	0.0	0.2	5.3	0.0	0.0	3.5	0.0	
14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.9	1.3	0.0	
15	5.0	4.9	1.1	2.9	1.3	0.9	0.0	2.8	0.2	0.3	2.4	2.7	
16	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.9	2.9	0.0	
17	0.0	0.0	0.0	0.0	0.0	0.9	0.9	0.0	0.0	8.6	3.1	0.0	
18	1.9	1.6	3.6	2.1	0.0	0.9	0.7	2.6	0.0	5.2	12.2	0.0	
19	5.7	2.0	0.0	1.7	5.3	1.2	0.0	1.8	0.0	5.2	9.9	3.5	
20	0.0	0.0	0.0	0.0	1.9	2.3	2.4	0.0	0.0	3.4	6.2	0.0	
21	1.8	3.8	0.1	0.0	0.0	0.6	0.5	1.5	0.0	6.6	3.4	0.0	
22	6.1	3.2	0.0	5.8	1.6	4.4	0.0	3.1	0.5	0.0	5.6	0.0	
23	1.7	1.9	4.2	7.1	0.0	0.0	0.0	2.3	0.0	0.0	11.9	0.0	
24	0.6	0.2	12.8	0.0	0.0	1.9	0.9	0.7	0.0	5.0	4.1	0.0	
25	0.2	0.0	0.0	0.0	0.0	1.9	1.7	0.0	0.0	5.0	0.4	0.0	
26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.1	6.0	0.0	
27	8.3	11.2	0.0	1.5	0.0	7.5	1.4	0.0	0.0	0.0	3.2	0.0	
28	3.2	7.9	0.5	4.2	0.9	1.4	0.0	0.0	0.0	5.5	2.0	0.0	
29	18.3	17.9	0.3	4.1	0.0	0.4	0.1	3.2	1.2	0.4	5.1	0.0	
30	0.0	5.3	0.0	0.0	0.0	1.3	0.0	0.0	0.0	8.4	7.9	0.0	
31	1.4	3.3	6.5	5.2	0.0	0.0	0.0	9.2	1.9	0.4	2.8	0.0	
32	9.2	3.9	0.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.0	
33	0.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0	5.8	3.6	0.0	
34	8.1	12.3	0.0	7.2	0.0	6.1	0.0	8.9	1.0	0.0	0.0	0.0	
35	0.4	0.7	0.0	0.0	0.0	0.0	0.0	0.6	0.0	9.0	3.4	0.0	
36	2.9	3.6	0.0	2.7	1.8	2.6	0.0	4.2	0.3	0.0	1.9	0.0	
37	3.6	6.5	2.5	0.5	1.2	0.0	0.0	5.0	0.0	6.1	1.8	0.0	
38	1.4	0.5	0.2	5.5	0.0	0.5	0.0	2.2	0.0	5.8	19.1	0.0	
39	10.4	3.7	0.7	3.6	1.4	0.0	0.0	3.9	1.3	3.4	1.5	0.0	
40	3.7	4.8	0.2	3.9	0.0	1.3	0.0	3.3	0.6	2.1	1.4	0.0	
High	18.3	18.1	12.8	11.8	5.3	10.0	7.3	10.3	2.9	15.1	24.8	6.8	
Mean	3.4	3.1	1.1	2.3	0.5	1.5	0.6	1.8	0.2	3.5	4.1	0.1	
Median	1.9	1.6	0.0	1.4	0.0	1.0	0.0	0.7	0.0	3.5	3.1	0.0	
Low	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.6	

*n* = 118

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 7 (continued)**  
**Detailed Asset Allocation by Foundation**

As of December 31, 2013 • Percent (%)

Code	Traditional Equity			Bonds				Hedge Funds		Distressed Securities	
	US	Global ex US		US	Global ex US		HY	Long/ Short	Abs Ret (ex Distr)	HF Structure	Priv Eq Structure
		Dev Mkt	Emg Mkt		Dev Mkt	Emg Mkt					
41	25.0	9.8	7.1	7.3	2.6	0.0	0.0	15.6	16.5	2.0	0.0
42	13.1	13.7	7.2	5.8	0.0	0.0	1.6	6.7	18.6	3.1	2.3
43	27.4	25.6	2.5	0.0	0.0	0.0	0.0	8.1	8.1	0.0	3.1
44	20.2	17.9	7.4	11.7	1.9	0.7	0.0	8.9	5.7	1.3	1.4
45	16.5	16.1	7.8	7.0	0.6	1.6	0.0	15.8	14.3	0.0	2.6
46	26.2	19.3	11.7	14.9	0.2	0.7	1.7	6.2	5.2	0.2	0.5
47	18.1	8.6	4.9	3.4	0.0	0.0	2.6	15.3	5.8	7.4	0.0
48	9.7	9.4	5.6	9.1	0.3	0.7	0.0	12.6	14.9	1.2	5.0
49	21.9	15.5	9.2	7.8	3.9	3.9	3.0	12.5	6.9	0.0	0.0
50	34.6	20.1	5.2	14.4	0.0	1.1	0.0	7.6	5.4	1.9	0.0
51	29.4	34.0	0.0	13.4	0.0	0.0	0.0	9.9	8.1	0.0	0.0
52	13.8	8.3	4.0	11.1	0.0	0.5	0.0	2.0	17.8	3.5	2.5
53	31.3	23.6	5.4	13.3	0.0	0.0	0.0	3.3	5.5	1.0	0.8
54	27.2	15.5	6.0	9.9	1.6	1.6	0.0	8.7	5.7	2.4	0.6
55	16.2	19.4	7.5	2.9	1.0	2.6	3.3	7.2	13.7	2.4	1.3
56	17.5	10.0	8.2	6.4	0.7	1.2	0.0	15.0	5.8	3.2	0.0
57	18.1	17.5	6.9	3.9	0.0	3.5	0.0	7.5	11.3	3.2	0.0
58	20.0	16.7	11.4	7.4	0.0	0.0	0.0	13.5	11.9	0.0	0.0
59	23.0	14.2	6.5	6.1	1.1	0.6	3.2	16.4	5.0	0.0	3.7
60	24.9	15.8	3.9	19.5	2.0	0.7	0.0	12.4	9.1	3.0	0.0
61	37.5	19.5	7.2	5.2	6.6	0.0	0.0	6.1	6.8	0.0	0.0
62	20.8	8.2	12.8	9.3	0.0	0.0	0.0	5.9	19.8	2.6	0.0
63	10.0	13.2	9.1	0.0	0.0	0.0	0.0	18.4	12.8	4.8	2.4
64	10.4	16.2	10.0	0.0	0.0	0.0	0.0	8.0	6.0	2.1	1.7
65	15.9	9.8	5.4	8.7	0.5	4.5	0.0	7.3	8.4	10.2	2.4
66	23.1	14.5	6.2	9.0	0.9	2.6	0.0	17.0	5.5	0.0	6.0
67	29.5	15.1	7.1	5.0	0.0	0.0	0.0	5.8	12.4	3.3	1.0
68	15.9	15.8	9.2	5.7	0.5	0.9	0.0	14.3	10.6	1.6	3.3
69	26.4	26.1	4.7	21.9	0.0	0.0	0.0	5.2	3.7	1.3	0.0
70	19.9	12.9	2.7	2.0	0.0	0.0	1.8	2.6	10.1	1.0	0.0
71	26.2	23.8	3.1	12.4	2.0	1.5	2.2	14.2	5.7	2.1	0.0
72	36.3	18.1	12.2	4.6	2.7	2.2	0.8	0.0	0.9	0.0	0.0
73	17.8	15.7	0.0	0.0	0.0	0.0	0.0	13.2	16.7	0.0	0.0
74	20.4	7.8	10.1	6.4	0.2	2.7	0.0	8.7	9.6	4.9	0.0
75	24.3	8.7	5.2	0.2	0.0	1.5	0.0	13.7	26.1	0.2	0.4
76	28.0	26.0	4.6	21.3	0.0	0.0	0.0	5.1	3.6	1.3	0.0
77	10.1	14.2	6.9	5.7	0.0	0.0	0.0	0.0	10.2	0.0	7.6
78	12.5	11.1	8.0	13.0	0.0	0.0	0.0	6.5	6.7	0.0	5.1
79	21.2	20.4	6.4	12.0	1.4	1.4	2.8	6.6	15.2	1.8	0.0
80	29.1	25.9	7.2	10.1	4.9	3.7	5.7	0.5	3.9	0.0	0.0
High	66.4	34.0	12.9	31.8	6.6	4.5	8.3	37.5	26.1	10.2	7.6
Mean	21.9	15.8	7.1	9.1	1.0	0.8	0.7	8.8	9.4	1.8	1.2
Median	20.7	15.8	7.2	9.0	0.0	0.4	0.0	8.4	9.0	1.5	0.1
Low	8.0	0.4	0.0	-3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*n* = 118

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 7 (continued)**  
**Detailed Asset Allocation by Foundation**  
 As of December 31, 2013 • Percent (%)

Code	Priv Equity & Venture Cap			Real Assets & Inflation-Linked Bonds								Cash & Equiv	Other
	Non-Ven	Ven	Other	Real Estate		Comm	Infl-Link Bonds	Private		Public			
	Priv Eq	Cap	Priv Inv	Private	Public			O&G/NR	Timber		Engy/NR		
41	5.1	0.8	0.0	0.0	0.0	2.8	0.0	0.0	0.0	3.5	2.1	0.0	
42	4.7	4.5	1.0	2.6	0.0	1.1	0.0	4.5	0.0	6.8	2.8	0.0	
43	10.5	8.5	0.0	1.6	0.0	0.0	0.0	3.2	0.0	0.0	2.2	-0.6	
44	3.8	3.0	5.0	2.3	0.0	0.5	0.5	3.1	0.0	2.7	2.1	0.0	
45	1.4	6.3	0.6	1.1	0.0	0.0	0.0	3.1	0.3	4.2	0.4	0.0	
46	2.1	0.5	0.4	2.2	0.0	3.0	0.1	0.2	0.0	3.1	1.3	0.0	
47	11.2	4.8	2.9	6.1	0.0	0.0	1.2	4.2	0.0	1.8	1.9	0.0	
48	3.4	3.1	5.5	3.6	0.0	3.0	0.0	2.1	2.9	0.0	7.8	0.0	
49	0.0	0.0	0.0	0.0	1.4	2.4	1.3	0.0	0.0	6.7	3.6	0.0	
50	0.0	0.0	0.0	0.0	0.0	0.1	1.3	0.0	0.0	4.8	3.4	0.0	
51	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	0.0	
52	18.3	7.4	0.0	1.9	0.0	1.3	0.0	2.3	0.0	1.6	3.6	0.0	
53	0.0	0.0	0.0	0.0	3.6	3.5	2.3	0.0	0.0	4.6	1.8	0.0	
54	5.0	2.4	0.0	2.0	0.0	0.0	0.0	1.4	0.0	6.3	3.7	0.0	
55	3.3	1.8	0.2	1.2	2.2	0.9	0.8	1.7	0.0	6.4	4.0	0.0	
56	5.9	4.5	5.5	1.2	0.0	3.8	0.0	0.1	0.0	5.5	5.6	0.0	
57	4.5	7.8	0.0	2.2	1.2	0.0	0.0	6.0	0.0	3.6	3.0	0.0	
58	2.9	1.3	0.1	7.7	0.0	0.0	0.0	0.6	0.0	2.7	3.8	0.0	
59	0.6	1.7	0.7	1.3	0.0	2.3	0.0	0.0	0.0	5.4	8.4	0.0	
60	0.0	0.0	0.0	0.0	0.0	1.8	1.7	0.0	0.0	4.9	0.3	0.0	
61	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7	6.4	0.0	
62	4.9	1.9	0.0	5.2	0.0	0.2	0.0	4.8	0.0	0.0	3.6	0.0	
63	3.9	3.9	3.6	2.9	0.0	0.0	0.0	2.3	0.0	2.9	10.0	0.0	
64	9.7	11.3	0.0	11.8	0.0	0.0	0.0	0.5	0.0	0.0	12.4	0.0	
65	0.0	0.0	3.1	2.0	0.0	2.6	1.1	4.7	0.6	3.5	9.4	0.0	
66	2.0	0.4	2.7	0.0	0.0	3.1	0.0	0.0	0.0	5.7	1.2	0.0	
67	0.2	4.6	0.0	1.8	0.9	0.5	1.4	2.8	0.0	0.5	8.1	0.0	
68	2.9	2.4	0.8	2.3	0.0	1.6	0.0	2.4	0.0	4.6	5.2	0.0	
69	0.0	0.0	0.4	0.0	3.7	0.0	0.0	0.0	0.0	6.7	0.0	0.0	
70	11.4	3.8	5.0	4.2	1.8	0.9	6.2	3.0	0.0	0.0	10.8	0.0	
71	0.0	0.0	0.0	0.0	0.6	1.8	1.8	0.0	0.0	2.2	0.2	0.0	
72	0.0	0.0	0.0	0.0	1.4	6.3	1.7	0.0	0.0	8.1	4.5	0.0	
73	0.0	0.0	2.4	2.7	0.0	10.0	0.0	1.9	0.0	3.1	16.4	0.0	
74	1.9	8.9	0.0	7.5	1.6	1.2	1.1	0.8	0.0	5.1	1.1	0.0	
75	0.2	2.3	3.6	0.0	0.0	2.1	1.7	1.7	0.0	4.1	4.1	0.0	
76	0.0	0.0	0.4	0.0	3.6	0.0	0.0	0.0	0.0	6.2	0.0	0.0	
77	11.2	6.0	0.0	10.3	0.0	4.7	2.7	7.2	0.9	0.0	2.0	0.0	
78	9.9	18.1	0.0	3.0	0.0	1.0	0.0	0.0	0.0	1.7	3.5	0.0	
79	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	7.4	3.0	0.0	
80	0.2	0.0	0.0	0.2	0.0	1.8	1.7	0.0	0.0	4.8	0.4	0.0	
High	18.3	18.1	12.8	11.8	5.3	10.0	7.3	10.3	2.9	15.1	24.8	6.8	
Mean	3.4	3.1	1.1	2.3	0.5	1.5	0.6	1.8	0.2	3.5	4.1	0.1	
Median	1.9	1.6	0.0	1.4	0.0	1.0	0.0	0.7	0.0	3.5	3.1	0.0	
Low	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.6	

*n* = 118

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 7 (continued)**  
**Detailed Asset Allocation by Foundation**  
 As of December 31, 2013 • Percent (%)

Code	Traditional Equity			Bonds				Hedge Funds		Distressed Securities	
	US	Global ex US		US	Global ex US		HY	Long/ Short	Abs Ret (ex Distr)	HF Structure	Priv Eq Structure
		Dev Mkt	Emg Mkt		Dev Mkt	Emg Mkt					
81	30.3	16.9	7.1	13.3	0.0	0.0	0.0	8.9	7.1	1.5	0.0
82	17.1	14.3	8.9	7.4	0.0	0.0	0.0	10.3	8.8	2.0	4.2
83	12.7	9.5	5.7	11.0	0.2	0.2	0.0	10.0	7.1	7.8	4.1
84	10.7	7.4	9.2	6.5	0.0	0.0	0.0	11.6	7.9	0.0	2.1
85	24.9	15.1	7.9	9.3	1.7	0.7	0.0	9.6	9.6	2.5	2.7
86	26.1	23.7	9.0	14.0	0.0	0.0	0.0	5.9	5.6	0.0	0.0
87	20.3	18.6	6.8	12.1	1.8	2.3	0.7	8.3	5.9	2.2	0.0
88	19.7	15.4	4.1	11.8	0.1	1.0	0.2	11.3	8.0	3.0	0.0
89	34.4	19.4	9.0	8.0	0.0	0.0	8.3	4.1	8.2	1.6	0.0
90	27.3	16.5	7.3	6.5	0.0	0.0	3.3	10.1	6.7	2.6	1.8
91	24.2	16.8	5.5	12.7	3.5	0.0	0.0	4.0	13.5	1.0	0.0
92	25.6	23.3	7.8	18.6	0.3	0.1	0.0	8.9	5.0	1.3	0.0
93	13.3	8.2	6.8	0.3	1.3	2.3	2.8	3.2	13.4	1.4	0.9
94	13.1	16.7	11.1	18.7	0.0	3.1	0.0	10.9	7.4	6.3	4.4
95	21.8	23.3	6.6	10.8	1.9	1.4	0.0	7.8	6.5	2.2	3.1
96	19.0	9.4	5.2	20.9	0.0	0.0	0.0	14.9	7.1	0.0	0.0
97	20.5	15.5	6.9	9.3	0.0	0.7	0.0	6.2	13.9	0.0	2.2
98	66.4	7.6	4.4	6.3	0.0	0.9	1.6	0.0	0.0	0.0	0.1
99	38.5	23.9	5.8	13.9	0.6	0.0	0.0	0.0	0.0	0.0	0.0
100	13.9	12.2	4.1	9.3	0.0	0.0	0.0	10.9	15.7	2.5	0.0
101	16.8	9.4	11.1	10.0	0.0	0.0	0.0	8.3	10.6	0.8	1.3
102	13.7	0.4	12.3	2.2	0.0	0.3	0.0	6.0	16.8	0.4	7.3
103	17.0	15.2	7.1	5.2	0.0	2.7	0.0	12.6	11.5	2.5	3.5
104	23.1	18.5	7.7	12.6	0.0	0.5	0.0	7.9	9.6	2.5	1.9
105	23.9	27.0	8.3	10.3	1.7	1.7	3.0	5.6	4.3	1.4	0.0
106	43.5	17.3	8.3	-3.8	2.8	0.2	3.5	0.0	0.0	0.0	0.0
107	15.8	7.8	5.8	3.4	4.0	1.9	0.0	14.9	18.2	0.0	0.9
108	17.0	19.4	9.0	8.9	0.2	1.4	0.3	6.6	4.7	0.6	3.1
109	20.2	11.9	3.1	7.9	0.0	0.0	0.0	0.0	0.0	9.7	3.4
110	20.1	17.2	7.9	7.5	2.0	0.5	3.1	11.3	10.0	2.6	1.1
111	22.3	18.6	8.3	12.5	0.0	0.0	0.0	13.8	8.6	3.6	0.0
112	27.2	15.8	6.0	6.6	1.5	0.3	0.0	6.5	9.8	3.9	1.0
113	30.2	19.2	3.1	31.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
114	29.5	15.7	8.0	9.0	0.5	0.3	5.5	4.1	12.5	2.3	2.3
115	38.8	24.3	3.7	8.3	4.9	0.0	0.0	0.0	1.6	0.0	0.0
116	8.0	14.5	7.0	8.4	1.6	1.2	0.0	19.3	9.2	1.9	0.9
117	23.1	19.2	5.2	8.1	4.2	0.0	0.0	9.5	5.8	1.7	0.0
118	27.0	15.5	9.9	9.7	1.8	1.9	3.8	5.6	6.7	0.0	0.7
High	66.4	34.0	12.9	31.8	6.6	4.5	8.3	37.5	26.1	10.2	7.6
Mean	21.9	15.8	7.1	9.1	1.0	0.8	0.7	8.8	9.4	1.8	1.2
Median	20.7	15.8	7.2	9.0	0.0	0.4	0.0	8.4	9.0	1.5	0.1
Low	8.0	0.4	0.0	-3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*n* = 118

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 7 (continued)**  
**Detailed Asset Allocation by Foundation**

As of December 31, 2013 • Percent (%)

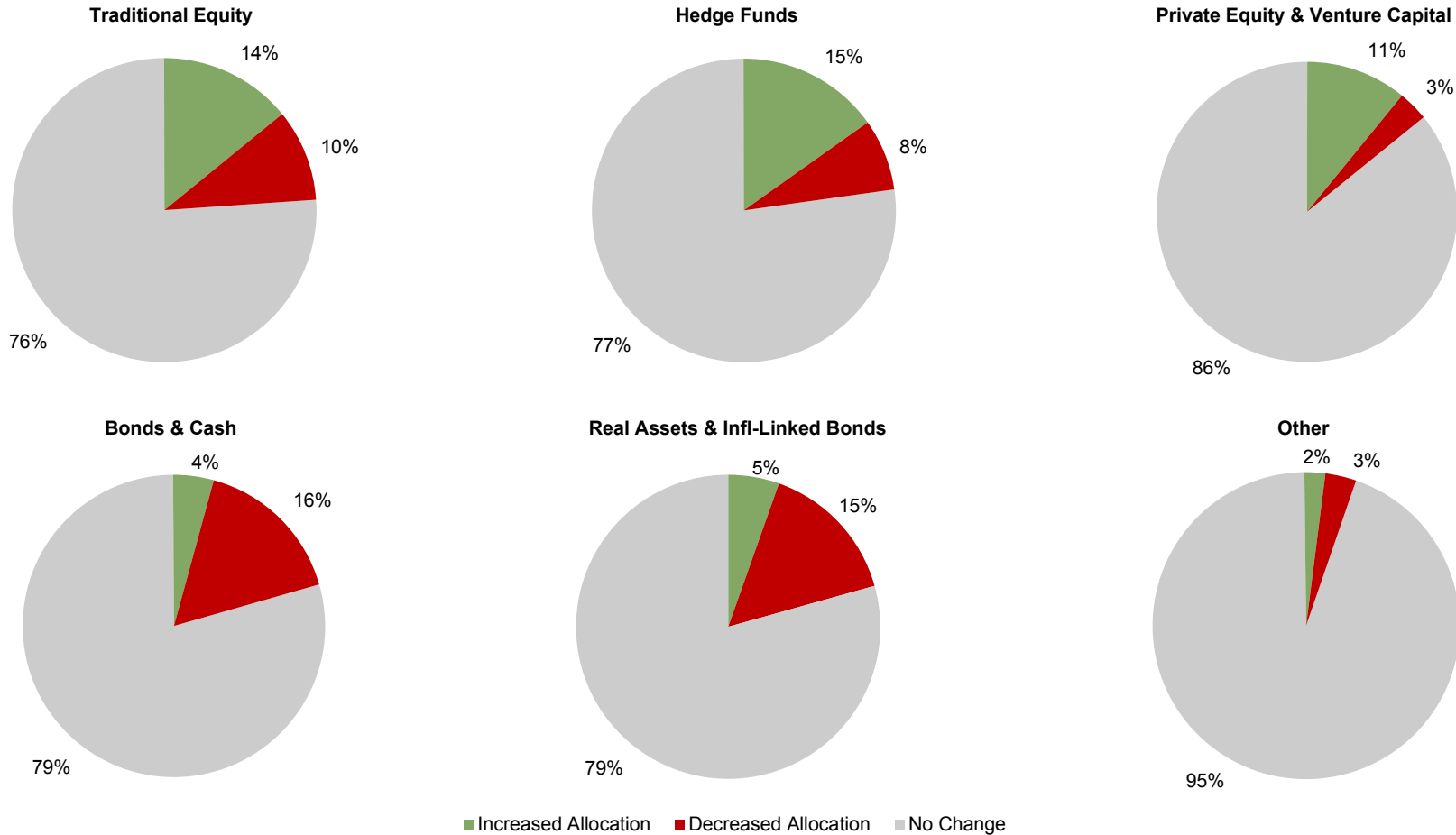
Code	Priv Equity & Venture Cap			Real Assets & Inflation-Linked Bonds								Cash & Equiv	Other
	Non-Ven Priv Eq	Ven Cap	Other Priv Inv	Real Estate		Comm	Infl-Link Bonds	Private		Public Engy/NR			
				Private	Public			O&G/NR	Timber				
81	0.0	0.0	0.0	0.0	3.9	0.0	0.0	0.0	0.0	4.7	6.3	0.0	
82	9.2	5.2	0.0	4.3	0.7	0.9	0.5	2.2	0.1	2.4	1.3	0.0	
83	8.4	6.4	0.0	2.1	1.9	1.8	1.0	3.0	0.0	4.2	3.0	0.0	
84	9.7	15.2	0.0	8.5	0.0	0.0	0.0	5.0	0.2	0.0	5.8	0.0	
85	0.0	0.0	0.0	0.0	0.0	1.9	1.8	0.0	0.0	5.1	7.3	0.0	
86	2.0	0.2	0.0	5.9	4.1	0.0	0.0	0.0	0.0	1.8	1.7	0.0	
87	0.2	0.5	1.2	10.7	0.0	0.1	0.0	0.0	0.0	5.6	2.8	0.0	
88	2.5	7.0	1.1	2.4	1.9	1.1	1.0	4.2	0.0	4.5	0.0	0.0	
89	0.0	0.0	0.0	0.0	0.0	1.2	1.1	0.0	0.0	3.1	1.5	0.0	
90	0.0	0.0	3.6	0.0	4.2	1.9	1.6	0.0	0.0	4.5	1.9	0.0	
91	0.0	0.1	6.1	0.0	0.0	3.3	0.0	0.0	0.0	4.3	5.0	0.0	
92	0.0	0.0	0.0	0.0	0.0	3.5	0.8	0.0	0.0	4.4	0.3	0.0	
93	10.8	5.9	9.4	10.2	0.0	0.0	1.8	6.4	0.0	0.0	1.4	0.0	
94	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.4	2.0	0.0	
95	2.2	0.9	1.3	0.4	0.0	1.5	1.4	1.4	0.0	3.9	1.8	0.0	
96	0.0	7.9	0.0	0.0	0.0	3.5	0.0	0.0	0.0	4.2	7.9	0.0	
97	3.4	2.6	2.6	3.2	0.9	1.7	1.8	2.3	0.0	3.8	2.6	0.0	
98	2.1	1.7	0.1	1.7	0.3	0.6	0.4	0.5	0.0	1.8	0.7	2.9	
99	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	15.1	2.0	0.0	
100	6.3	8.0	0.0	8.3	0.0	1.2	0.0	1.7	0.0	0.9	5.1	0.0	
101	7.8	7.8	1.0	4.9	0.0	0.0	0.0	4.0	1.4	1.9	3.0	0.0	
102	17.0	7.1	0.0	5.5	0.0	0.0	0.0	5.9	0.0	1.3	3.6	0.0	
103	3.0	4.0	2.4	0.8	0.0	1.9	0.0	3.8	2.6	2.1	2.1	0.0	
104	0.0	1.2	0.3	0.8	1.8	1.1	1.1	3.0	0.0	3.0	3.2	0.0	
105	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	7.7	4.9	0.0	
106	1.7	0.0	0.1	0.0	0.0	0.0	1.1	0.0	0.5	0.0	24.8	0.0	
107	6.2	5.2	1.8	4.3	0.0	2.2	2.0	1.7	0.8	0.0	3.1	0.0	
108	6.9	5.7	4.6	4.1	0.0	0.1	0.1	3.6	0.0	1.1	2.5	0.0	
109	7.5	11.2	1.7	5.5	0.0	0.0	7.3	5.7	0.0	0.0	4.9	0.0	
110	1.1	0.9	1.6	0.6	0.0	2.9	1.8	0.2	0.0	2.7	4.9	0.2	
111	0.0	0.0	0.0	0.0	0.0	1.3	1.3	0.0	0.0	8.3	1.3	0.0	
112	0.6	3.1	3.9	0.4	0.0	3.3	0.0	5.0	0.0	2.1	3.1	0.0	
113	0.0	0.0	0.0	0.0	0.0	3.8	0.0	0.0	0.0	11.6	0.3	0.0	
114	0.0	0.0	0.0	0.0	0.0	1.4	1.2	0.5	0.0	3.4	4.0	0.0	
115	0.0	0.0	0.0	9.6	0.0	1.9	0.0	4.6	0.0	0.0	2.3	0.0	
116	3.5	5.6	0.4	1.8	0.0	0.0	0.0	1.2	0.0	7.5	7.9	0.0	
117	5.6	0.3	6.6	0.8	0.0	3.0	0.0	0.0	0.0	3.7	3.3	0.0	
118	2.9	0.0	0.0	2.4	2.6	2.8	0.8	1.1	0.0	1.9	2.9	0.0	
High	18.3	18.1	12.8	11.8	5.3	10.0	7.3	10.3	2.9	15.1	24.8	6.8	
Mean	3.4	3.1	1.1	2.3	0.5	1.5	0.6	1.8	0.2	3.5	4.1	0.1	
Median	1.9	1.6	0.0	1.4	0.0	1.0	0.0	0.7	0.0	3.5	3.1	0.0	
Low	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.6	

*n* = 118

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 8**  
**Changes in Target Asset Allocation**

December 31, 2012, to December 31, 2013 • Percentage of Foundations Increasing, Decreasing, or Making No Changes



Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Exhibit represents data for 92 foundations that provided target asset allocation data for 2012 and 2013. Real assets includes targets to both public and private assets. Other includes target allocations to distressed securities, opportunistic investing, tactical asset allocation, and other special situations.

**Exhibit 9****Changes in Target Asset Allocation by Asset Size**

December 31, 2012, to December 31, 2013 • Percentage of Foundations Making Changes to Targets

	Under \$300 mm (n=54)				From \$300 mm to \$1 bn (n=19)				Over \$1 bn (n=19)			
	Mean Target AA (%)		% Foundations Making Changes to Targets		Mean Target AA (%)		% Foundations Making Changes to Targets		Mean Target AA (%)		% Foundations Making Changes to Targets	
	2012	2013	Increased	Decreased	2012	2013	Increased	Decreased	2012	2013	Increased	Decreased
Traditional Equity Total	45.9	46.5	17%	9%	41.4	41.3	5%	5%	37.1	37.0	16%	16%
<i>US Equity</i>	21.9	22.2	9%	11%	19.7	19.1	7%	13%	18.5	18.5	18%	18%
<i>Global ex US Developed</i>	12.4	12.5	11%	11%	12.7	12.9	7%	0%	8.4	8.7	25%	8%
<i>Emerging Markets</i>	5.1	5.5	19%	4%	7.0	7.3	19%	0%	7.3	7.4	8%	0%
Hedge Funds	18.1	18.3	17%	7%	17.8	18.1	11%	0%	19.4	19.1	16%	16%
Private Equity & Venture Capital	4.9	5.5	11%	2%	10.5	11.0	5%	0%	13.7	14.3	16%	11%
Bonds & Cash	19.0	18.4	4%	17%	16.4	16.0	5%	16%	11.4	11.1	5%	16%
Real Assets & Infl-Linked Bonds	11.8	11.1	4%	17%	12.9	12.7	5%	11%	14.8	14.8	11%	16%
Other	0.3	0.2	0%	2%	1.0	0.8	0%	5%	3.5	3.8	11%	5%

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Asset sizes are as of December 31, 2013. Geographic breakouts within the traditional equity category were not provided by all respondents. Therefore, the sum of mean targets to US equity, global ex US developed, and emerging markets will not equal the traditional equity total. Real assets category includes targets to both public and private assets. Other category includes target allocations to distressed securities, opportunistic investing, tactical asset allocation, and other special situations.



**Exhibit 10****Target Asset Allocation by Foundation: Asset Allocation Framework**

As of December 31, 2013 • Percent (%)

Code	Traditional Equity				Hedge Funds	Priv Equity & Ven Cap	Bonds & Cash	Real Assets & Infl-Link Bonds	Other
	Total	US	Global ex US						
			Dev Mkts	Emg Mkts					
1	—	—	—	—	—	—	—	—	
2	50.0	30.0	20.0	—	25.0	0.0	25.0	0.0	
3	33.0	—	—	—	20.0	20.0	10.0	17.0	
4	50.0	21.0	15.0	9.0	19.1	0.0	20.8	10.1	
5	58.0	35.0	18.0	5.0	0.0	12.0	30.0	0.0	
6	36.0	16.0	13.0	7.0	24.0	10.0	15.0	15.0	
7	43.0	20.0	14.0	9.0	25.0	10.0	12.0	10.0	
8	25.0	7.5	7.5	10.0	55.0	0.0	10.0	10.0	
9	50.0	28.0	14.0	8.0	20.0	5.0	20.0	5.0	
10	37.0	—	—	—	25.0	15.0	15.0	8.0	
11	48.0	20.0	18.0	10.0	25.0	0.0	17.0	10.0	
12	45.0	23.0	15.0	7.0	20.0	10.0	15.0	10.0	
13	—	—	—	—	—	—	—	—	
14	55.0	27.5	—	—	20.0	0.0	20.0	5.0	
15	29.0	—	7.5	7.5	20.0	11.0	9.4	10.5	
16	50.0	—	—	—	23.0	8.0	15.0	4.0	
17	37.0	—	—	—	25.0	0.0	28.0	10.0	
18	40.0	20.0	—	—	20.0	10.0	15.0	15.0	
19	—	—	—	—	—	—	—	—	
20	46.0	—	—	—	15.0	1.0	28.0	10.0	
21	40.0	18.0	14.0	8.0	20.0	15.0	15.0	10.0	
22	39.0	14.0	8.0	12.0	22.0	10.0	14.0	15.0	
23	—	—	—	—	—	—	—	—	
24	43.0	19.0	17.0	7.0	20.0	15.0	12.0	10.0	
25	60.0	—	—	—	5.0	5.0	20.0	10.0	
26	55.0	30.0	20.0	5.0	15.0	0.0	25.0	5.0	
27	—	—	—	—	—	—	—	—	
28	35.0	15.0	15.0	5.0	12.0	15.0	15.0	18.0	
29	30.0	18.0	—	—	10.0	30.0	20.0	10.0	
30	41.0	20.0	16.0	5.0	20.0	0.0	20.0	15.0	
31	38.0	16.0	15.0	7.0	20.0	10.0	17.0	15.0	
32	—	—	—	—	—	—	—	—	
33	35.0	14.0	10.0	7.0	30.0	10.0	15.0	10.0	
34	—	—	—	—	—	—	—	—	
35	48.0	20.0	18.0	10.0	20.0	0.0	20.0	12.0	

**All Foundations**

High	76.9	—	—	—	55.0	30.0	30.0	29.6	20.1
Mean	43.5	—	—	—	18.3	8.5	16.5	12.2	1.0
Median	43.0	—	—	—	20.0	10.0	15.0	11.0	0.0
Low	21.0	—	—	—	0.0	0.0	5.0	0.0	0.0

n = 94

**Foundations with Policy Target to Category**

Mean	43.5	20.9	15.0	8.0	20.0	11.6	16.5	12.6	9.6
n	94	75	61	61	86	69	94	91	10

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Real assets category includes targets to both public and private assets. Other category includes target allocations to distressed securities, opportunistic investing, tactical asset allocation, and other special situations.

## Exhibit 10 (continued)

## Target Asset Allocation by Foundation: Asset Allocation Framework

As of December 31, 2013 • Percent (%)

Code	Traditional Equity				Hedge Funds	Priv Equity & Ven Cap	Bonds & Cash	Real Assets & Infl-Link Bonds	Other
	Total	US	Global ex US						
			Dev Mkts	Emg Mkts					
36	46.0	16.0	16.0	11.0	17.0	5.0	15.0	17.0	0.0
37	34.0	—	—	—	15.0	12.0	25.0	14.0	0.0
38	—	—	—	—	—	—	—	—	—
39	33.0	11.5	7.0	6.5	25.0	15.0	12.0	15.0	0.0
40	49.5	24.3	—	—	17.4	11.7	9.2	12.2	0.0
41	45.0	—	—	8.0	25.0	5.0	15.0	10.0	0.0
42	37.0	19.0	11.0	7.0	20.0	13.0	15.0	15.0	0.0
43	57.0	—	—	—	9.0	15.0	5.0	5.0	9.0
44	42.0	15.0	13.0	8.0	18.0	10.0	20.0	10.0	0.0
45	40.0	19.0	13.0	8.0	21.0	13.0	14.0	12.0	0.0
46	—	—	—	—	—	—	—	—	—
47	—	—	—	—	—	—	—	—	—
48	34.0	—	—	—	20.0	14.0	16.0	16.0	0.0
49	45.0	21.0	15.0	9.0	20.0	0.0	20.0	15.0	0.0
50	—	—	—	—	—	—	—	—	—
51	60.0	30.0	—	—	25.0	0.0	15.0	0.0	0.0
52	—	—	—	—	—	—	—	—	—
53	55.0	27.5	—	—	10.0	0.0	20.0	15.0	0.0
54	45.0	25.0	—	—	15.0	10.0	20.0	10.0	0.0
55	40.0	—	—	—	20.0	10.0	15.0	15.0	0.0
56	35.0	15.0	—	—	25.0	10.0	16.0	14.0	0.0
57	45.0	14.0	14.0	7.0	19.0	7.0	15.0	14.0	0.0
58	—	—	—	—	—	—	—	—	—
59	38.0	18.0	—	—	22.0	10.0	15.0	10.0	5.0
60	40.0	20.0	—	—	25.0	0.0	25.0	10.0	0.0
61	—	—	—	—	—	—	—	—	—
62	35.0	—	—	—	27.0	10.0	11.0	17.0	0.0
63	—	—	—	—	—	—	—	—	—
64	31.0	9.0	9.0	13.0	26.0	18.0	10.0	15.0	0.0
65	—	—	—	—	—	—	—	—	—
66	45.0	—	—	—	20.0	10.0	15.0	10.0	0.0
67	—	—	—	—	—	—	—	—	—
68	39.0	13.0	13.0	13.0	25.0	10.0	11.5	14.5	0.0
69	54.0	25.0	24.0	5.0	10.0	1.0	25.0	10.0	0.0
70	45.0	22.5	—	—	20.0	15.0	10.0	10.0	0.0

**All Foundations**

High	76.9	—	—	—	55.0	30.0	30.0	29.6	20.1
Mean	43.5	—	—	—	18.3	8.5	16.5	12.2	1.0
Median	43.0	—	—	—	20.0	10.0	15.0	11.0	0.0
Low	21.0	—	—	—	0.0	0.0	5.0	0.0	0.0

n = 94

**Foundations with Policy Target to Category**

Mean	43.5	20.9	15.0	8.0	20.0	11.6	16.5	12.6	9.6
n	94	75	61	61	86	69	94	91	10

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Real assets category includes targets to both public and private assets. Other category includes target allocations to distressed securities, opportunistic investing, tactical asset allocation, and other special situations.

## Exhibit 10 (continued)

## Target Asset Allocation by Foundation: Asset Allocation Framework

As of December 31, 2013 • Percent (%)

Code	Traditional Equity				Hedge Funds	Priv Equity & Ven Cap	Bonds & Cash	Real Assets & Infl-Link Bonds	Other
	Total	US	Global ex US						
			Dev Mkts	Emg Mkts					
71	48.0	24.0	—	—	22.0	0.0	18.0	12.0	0.0
72	60.0	—	—	10.0	0.0	0.0	15.0	25.0	0.0
73	49.0	23.0	17.0	9.0	9.0	6.0	14.0	22.0	0.0
74	37.0	15.0	10.0	12.0	20.0	13.0	15.0	15.0	0.0
75	30.0	15.0	7.5	7.5	30.0	15.0	15.0	10.0	0.0
76	54.0	25.0	24.0	5.0	10.0	1.0	25.0	10.0	0.0
77	26.5	8.8	8.8	9.0	0.0	17.2	11.0	29.6	15.7
78	30.0	—	—	—	13.0	20.0	16.0	16.0	5.0
79	45.0	—	—	—	25.0	0.0	20.0	10.0	0.0
80	45.0	—	—	—	5.0	15.0	25.0	10.0	0.0
81	54.0	28.0	16.0	10.0	18.0	0.0	18.0	10.0	0.0
82	35.0	10.0	15.0	10.0	20.0	15.0	12.0	13.0	5.0
83	—	—	—	—	—	—	—	—	—
84	31.0	10.0	10.0	11.0	24.0	19.0	9.5	16.5	0.0
85	45.0	22.0	15.0	8.0	25.0	0.0	20.0	10.0	0.0
86	75.0	40.0	25.0	10.0	0.0	0.0	15.0	10.0	0.0
87	45.0	20.0	18.0	7.0	15.0	3.0	20.0	17.0	0.0
88	40.0	20.0	—	—	20.0	10.0	12.0	18.0	0.0
89	57.5	28.5	19.0	10.0	15.0	0.0	20.0	7.5	0.0
90	43.0	21.0	14.0	8.0	18.0	7.0	17.0	15.0	0.0
91	45.0	21.0	16.0	8.0	20.0	5.0	20.0	10.0	0.0
92	57.0	25.0	24.0	8.0	17.0	0.0	15.0	11.0	0.0
93	32.0	16.0	—	—	18.0	20.0	8.0	22.0	0.0
94	—	—	—	—	—	—	—	—	—
95	45.0	20.0	20.0	5.0	17.5	17.5	15.0	5.0	0.0
96	—	—	—	—	—	—	—	—	—
97	40.0	16.0	16.0	8.0	20.0	10.0	15.0	15.0	0.0
98	76.9	65.5	6.1	5.3	0.0	3.2	11.2	8.7	0.0
99	69.0	36.0	27.0	6.0	0.0	0.0	20.0	11.0	0.0
100	30.0	12.5	12.5	5.0	30.0	15.0	10.0	15.0	0.0
101	39.0	20.0	13.0	6.0	20.0	10.0	16.0	15.0	0.0
102	21.0	—	—	—	25.0	24.0	7.0	15.0	8.0
103	35.0	15.0	12.0	8.0	22.0	10.0	18.0	15.0	0.0
104	37.0	15.0	15.0	7.0	18.0	10.0	20.0	15.0	0.0
105	58.0	24.0	26.0	8.0	12.0	0.0	20.0	10.0	0.0

**All Foundations**

High	76.9	—	—	—	55.0	30.0	30.0	29.6	20.1
Mean	43.5	—	—	—	18.3	8.5	16.5	12.2	1.0
Median	43.0	—	—	—	20.0	10.0	15.0	11.0	0.0
Low	21.0	—	—	—	0.0	0.0	5.0	0.0	0.0

n = 94

**Foundations with Policy Target to Category**

Mean	43.5	20.9	15.0	8.0	20.0	11.6	16.5	12.6	9.6
n	94	75	61	61	86	69	94	91	10

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Real assets category includes targets to both public and private assets. Other category includes target allocations to distressed securities, opportunistic investing, tactical asset allocation, and other special situations.

## Exhibit 10 (continued)

## Target Asset Allocation by Foundation: Asset Allocation Framework

As of December 31, 2013 • Percent (%)

Code	Traditional Equity				Hedge Funds	Priv Equity & Ven Cap	Bonds & Cash	Real Assets & Infl-Link Bonds	Other
	Total	US	Global ex US						
			Dev Mkts	Emg Mkts					
106	—	—	—	—	—	—	—	—	
107	33.0	15.0	10.0	8.0	31.0	14.0	8.0	14.0	0.0
108	46.0	18.0	19.0	9.0	15.0	13.0	16.0	10.0	0.0
109	29.0	13.0	12.0	4.0	0.0	20.0	9.0	23.0	19.0
110	—	—	—	—	—	—	—	—	—
111	46.0	20.5	17.0	8.5	25.0	0.0	18.0	11.0	0.0
112	46.0	23.0	16.0	7.0	20.0	10.0	11.0	13.0	0.0
113	62.0	44.5	17.5	—	0.0	0.0	30.0	8.0	0.0
114	—	—	—	—	—	—	—	—	—
115	—	—	—	—	—	—	—	—	—
116	40.0	19.0	14.0	7.0	20.0	10.0	15.0	15.0	0.0
117	40.0	20.0	—	—	15.0	10.0	25.0	10.0	0.0
118	43.0	22.0	12.0	9.0	12.0	12.0	19.0	14.0	0.0

**All Foundations**

High	76.9	—	—	—	55.0	30.0	30.0	29.6	20.1
Mean	43.5	—	—	—	18.3	8.5	16.5	12.2	1.0
Median	43.0	—	—	—	20.0	10.0	15.0	11.0	0.0
Low	21.0	—	—	—	0.0	0.0	5.0	0.0	0.0
<i>n</i>	94								

**Foundations with Policy Target to Category**

Mean	43.5	20.9	15.0	8.0	20.0	11.6	16.5	12.6	9.6
<i>n</i>	94	75	61	61	86	69	94	91	10

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Real assets category includes targets to both public and private assets. Other category includes target allocations to distressed securities, opportunistic investing, tactical asset allocation, and other special situations.

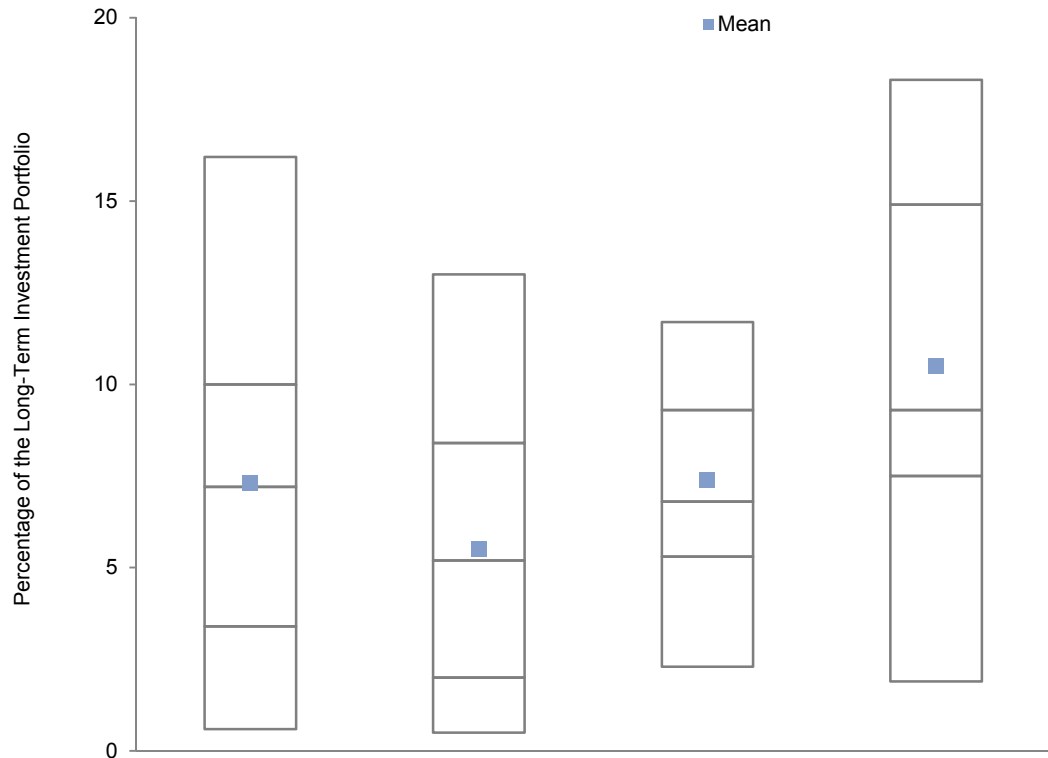
**Exhibit 11**  
**Target Asset Allocation by Foundation: Other Frameworks**  
 As of December 31, 2013 • Percent (%)

Code	Category Name	Policy Target (%)	Code	Category Name	Policy Target (%)
1	US Equity	23.0	50	US Equity	32.0
	Global ex US Equity	23.0		Global ex US Developed Equity	17.5
	Alternative Assets	32.0		Emerging Markets Equity	5.0
	Fixed Income	20.0		Diversifiers	17.5
	Cash & Equivalents	2.0		US Bonds	18.0
				Real Assets	10.0
13	Traditional Equity	32.0	58	Growth Engines	60.0
	Diversified Strategies	24.5		Diversifiers	15.0
	Private Equity & Venture Capital	23.0		Defl-Hedges/Liquidity Reserve	13.0
	Real Assets & Infl-Link Bonds	12.5		Inflation Hedges	12.0
	Fixed Income and Cash	8.0			
23	US Equity	15.0	63	Global Public Equities	45.0
	Global ex US Developed Equity	10.0		Marketable Alternatives	30.0
	Emerging Markets Equity	9.0		Alternative Assets	15.0
	Multi-Strategy Opportunistic	22.0		Short Term Inv/Fixed Income	10.0
	Private Equity	10.0	65	Global Equity	35.0
	Real Estate	7.0		Diversifiers	30.0
	Other Real Assets	7.0		Private Equity	5.0
	Fixed Income/Cash	20.0		Bonds	15.0
				Inflation Hedging	15.0
32	Equity (Public and Private)	55.0	67	US Equity and VC/PE	35.0
	Hedge Funds	30.0		Global ex US Equity	20.0
	Bonds & Cash	15.0		Marketable Alternatives	20.0
34	Equity	49.0		US Bonds & Cash	15.0
	Credit	13.0		Real Estate	5.0
	Commodity	13.0		Natural Resources	5.0
	Real Estate	11.0	110	Capital Appreciateion	60.0
	Inflation	9.0		Diversifying Strategies	15.0
	Rates	5.0		Deflation Hedging	15.0
38	Growth	65.0		Inflation Sensitive	10.0
	Diversifiers	15.0	114	Growth Drivers	55.0
	Inflation Sensitive	9.0		Diversifiers	15.0
	Deflation Sensitive	9.0		Deflation Hedging	20.0
	Gold	2.0		Inflation Sensitive	10.0
46	Global Equity	49.0	115	Equities	60.0
	Diversifying Assets	16.0		Hedge Funds	4.0
	Private Equity	9.0		Bonds & Cash	22.0
	Fixed Income	14.0		Inflation Sensitive	14.0
	Real Assets	12.0			
47	Global Equity	35.0			
	Diversifying Assets	30.0			
	High Risk/Return	17.0			
	Bonds	18.0			

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 12**  
**Uncalled Capital Committed to Private Investment Funds**  
 As of December 31, 2013 • Percent (%)

**Uncalled Capital Commitments as a Percentage of the Total LTIP**



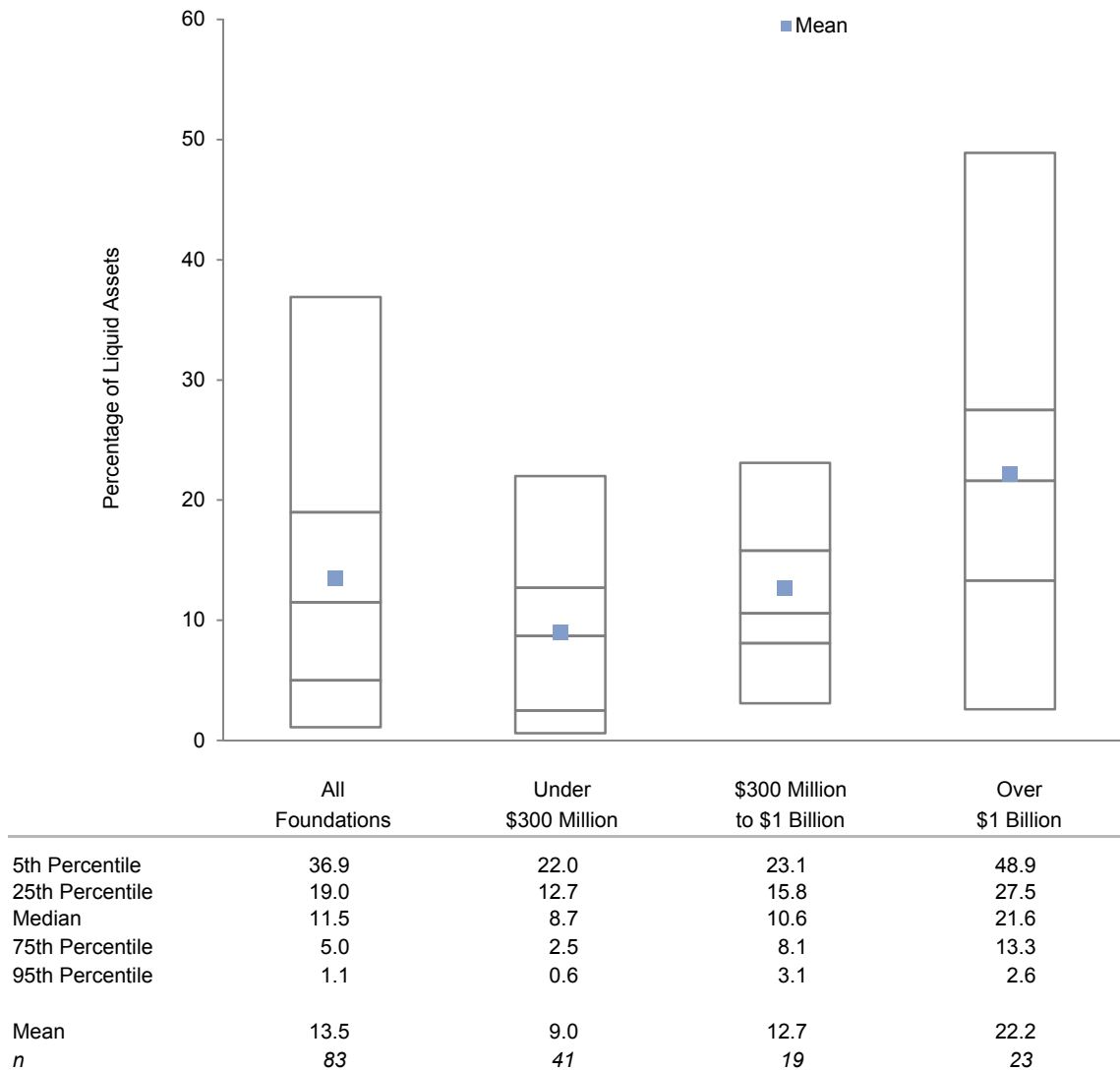
	All Foundations	Under \$300 Million	\$300 Million to \$1 Billion	Over \$1 Billion
5th Percentile	16.2	13.0	11.7	18.3
25th Percentile	10.0	8.4	9.3	14.9
Median	7.2	5.2	6.8	9.3
75th Percentile	3.4	2.0	5.3	7.5
95th Percentile	0.6	0.5	2.3	1.9
Mean	7.3	5.5	7.4	10.5
<i>n</i>	83	41	19	23

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Uncalled capital is the amount committed, but not yet paid in, to private investment funds as of December 31, 2013. Private investments include non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, private real estate, and timber.

**Exhibit 12 (continued)**  
**Uncalled Capital Committed to Private Investment Funds**  
 As of December 31, 2013 • Percent (%)

**Uncalled Capital Commitments as a Percentage of the LTIP's Liquid Assets**

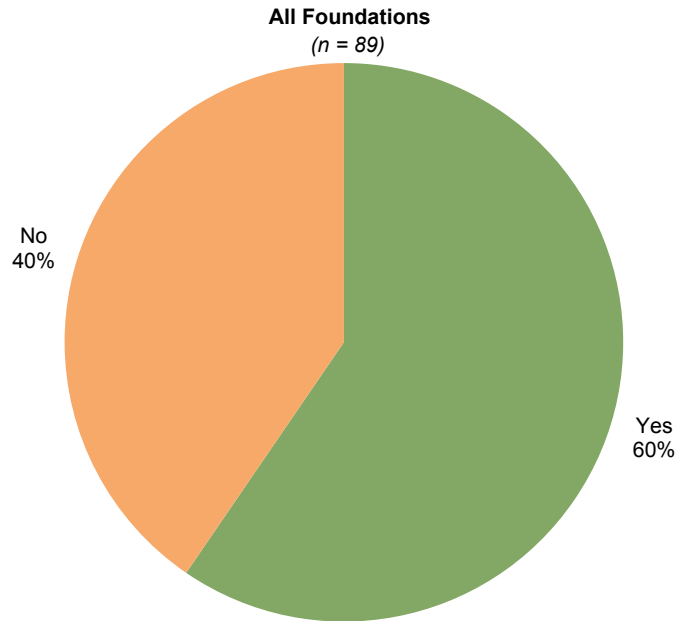


Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Uncalled capital is the amount committed, but not yet paid in, to private investment funds as of December 31, 2013. Liquid assets consist of all LTIP assets excluding hedge funds and private investments. Private investments include non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, private real estate, and timber.

**Exhibit 13**  
**Private Investment Program Cash Flow**  
 Calendar Year 2013

**Was Your Private Investment Program Cash Flow Positive in Calendar Year 2013?**



**By Asset Size**

	Yes	No
Under \$300 Million	52% (n = 24)	48% (n = 22)
\$300 Million to \$1 Billion	47% (n = 9)	53% (n = 10)
Over \$1 Billion	83% (n = 20)	17% (n = 4)

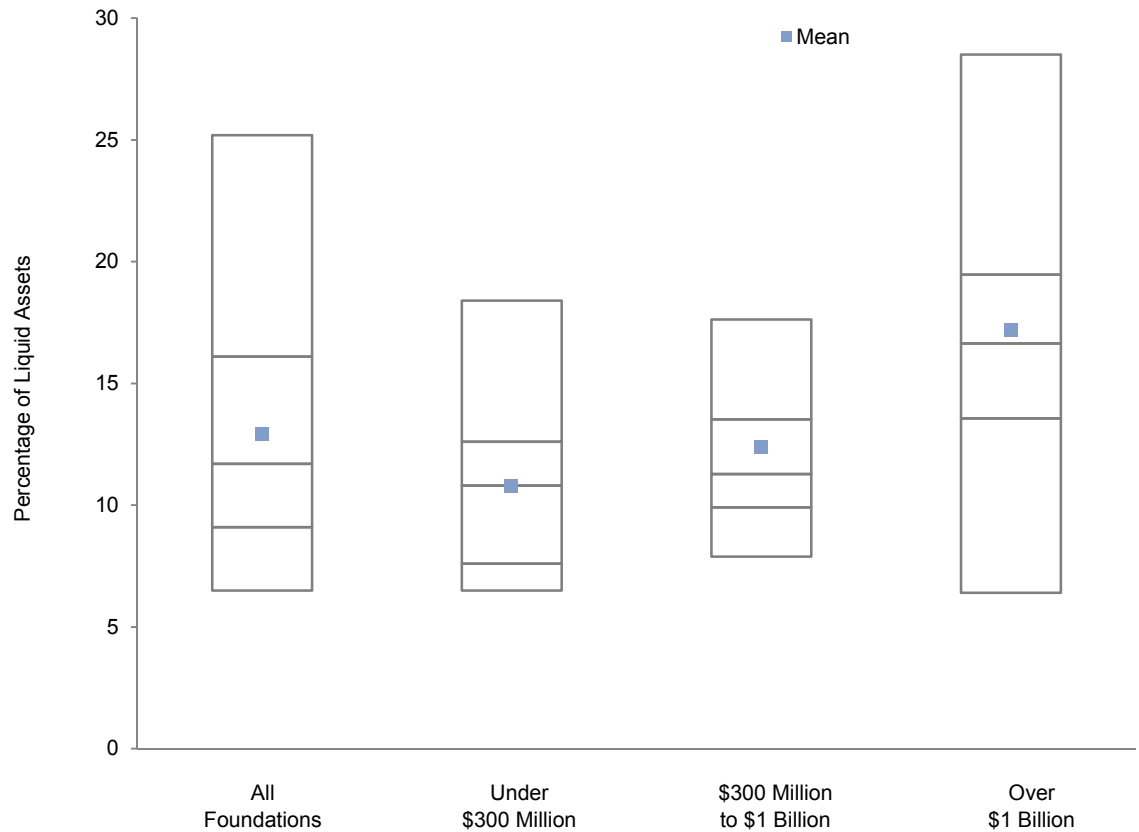
Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Private investment fund programs were considered cash flow positive if fund distributions were higher than paid in capital calls in calendar year 2013. Private investments include non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, private real estate, and timber.



**Exhibit 14**  
**Estimated Annual Liquidity Requirements**  
 As of December 31, 2013 • Percent (%)

**Estimated Annual Liquidity Requirements as a Percentage of Liquid Assets**



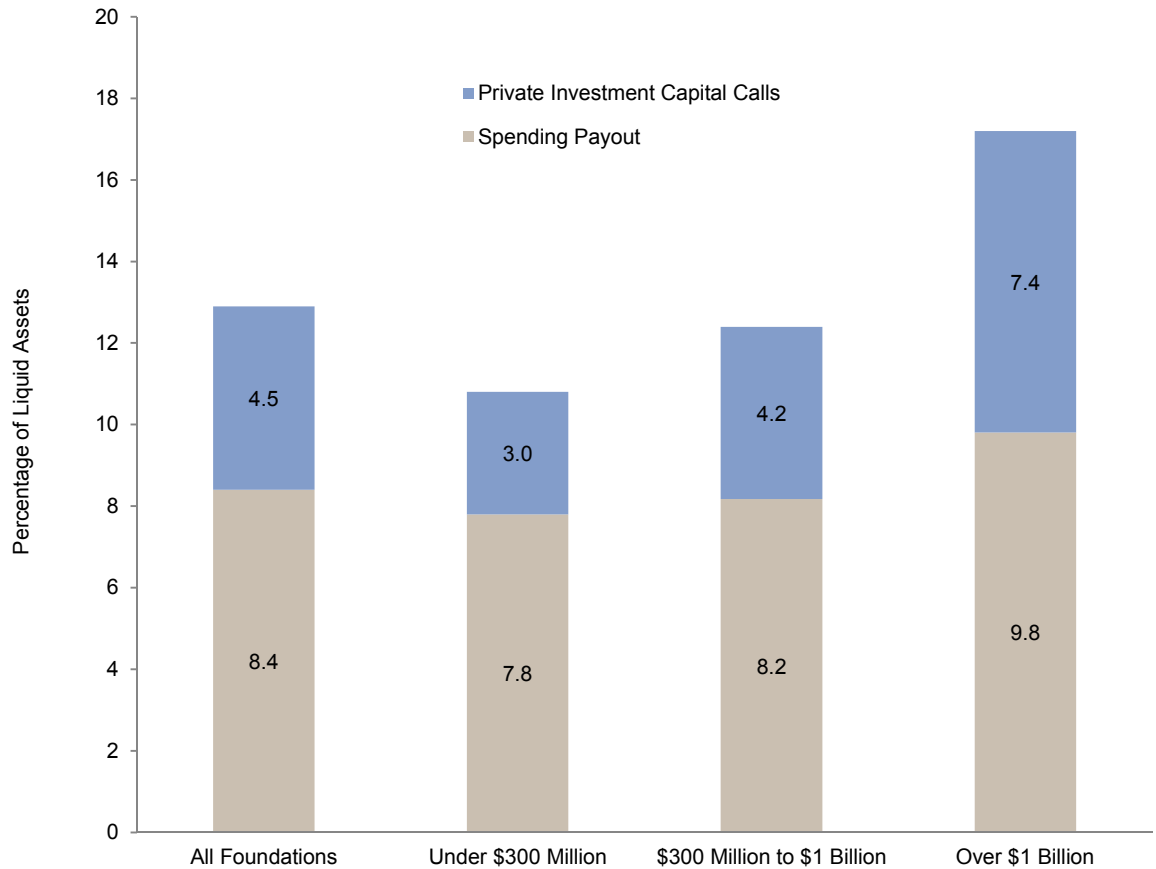
Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Estimated annual liquidity requirements consist of a spending payout amount and an amount forecasted for unfunded private investment commitments. Private investments include non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, private real estate, and timber. Assumptions in analysis:

- Annual spending payout is assumed to be 5% of the total investment pool for each foundation.
- One-third of unfunded private investment commitments will be called over the annual period for each foundation.
- Liquid assets consist of all investment pool assets excluding hedge funds and private investments, as of December 31, 2013.

**Exhibit 14 (continued)**  
**Estimated Annual Liquidity Requirements**  
 As of December 31, 2013 • Percent (%)

**Average Annual Liquidity Requirement as a Percentage of Liquid Assets**



**Liquid Assets as a Percentage of the Total Investment Pool**

	All Foundations	Under \$300 Million	\$300 Million to \$1 Billion	Over \$1 Billion
Mean	62.4	66.5	63.2	54.5
<i>n</i>	83	41	19	23

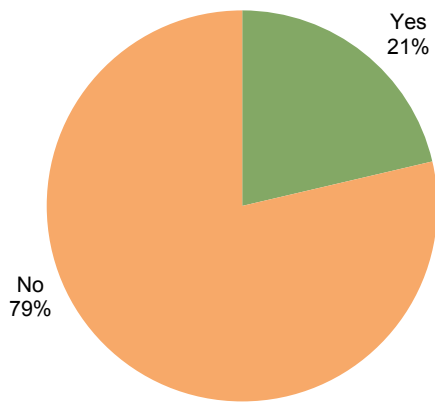
Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Estimated annual liquidity requirements consist of a spending payout amount and an amount forecasted for unfunded private investment commitments. Private investments include non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, private real estate, and timber. Assumptions in analysis:

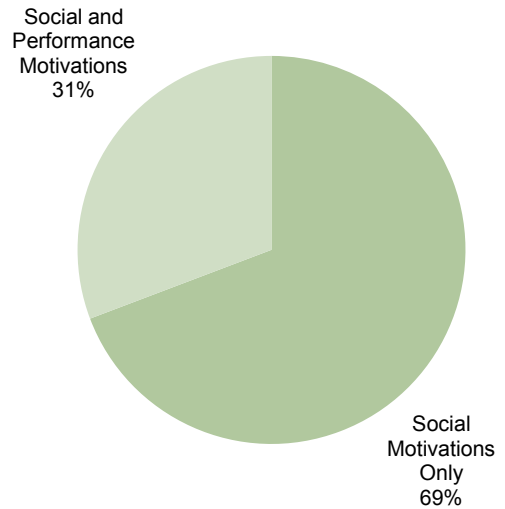
- Annual spending payout is assumed to be 5% of the total investment pool for each foundation.
- One-third of unfunded private investment commitments will be called over the annual period for each foundation.
- Liquid assets consist of all investment pool assets excluding hedge funds and private investments, as of December 31, 2013.

**Exhibit 15**  
**Mission-Related and Socially Responsible Investing**  
 As of December 31, 2013

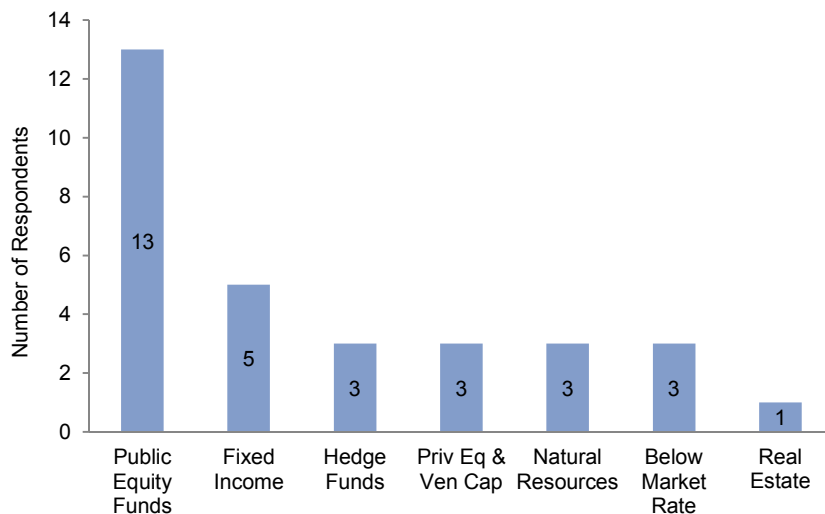
**Factored into Investment Decisions? (n = 75)**



**If Yes, Rationale/Reasons for Investing (n = 13)**



**Types of Investments and Examples**



**Negative Screening (n = 12)**

- Tobacco (n = 5)
- Timber (n = 2)
- Environment (n = 1)
- Firearms (n = 1)
- Gambling (n = 1)
- Mining (n = 1)
- Undisclosed (n = 1)

**Program-Related and Mission-Related Investments (n = 4)**

- Community Bonds (n = 1)
- Local Job Creation Investments (n = 1)
- Low Interest Loans (n = 1)
- Minority-Owned Companies (n = 1)
- Sustainability (n = 1)
- Undisclosed Positive Screening (n = 1)

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Of the 16 foundations that reported they were engaged in socially responsible investing, 13 provided data on their rationale/reasons for investing and the types of investments. Respondents were able to choose multiple investment types.

## Performance in 2013

The mean nominal total return earned by respondents for the year ended December 31, 2013, was 14.7% (Exhibit 16). When the universe is broken out into three broad asset size groups (Exhibit 18), foundations with assets over \$1 billion reported the highest average performance (15.8%). Foundations with assets between \$300 million and \$1 billion reported an average return of 15.1%, followed by foundations with assets less than \$300 million (14.1%).

Inflation as measured by the Consumer Price Index was 1.5% in calendar year 2013. When nominal returns are adjusted to reflect inflation, the mean real return for respondents falls to 13.0% (Exhibit 16). After both inflation and spending are deducted, the mean real return after spending was a robust 7.4%.

### Analysis of Top and Bottom Performers.

While many factors can contribute to investor returns, the importance of an asset allocation mix and its contribution to performance cannot be understated. In 2013, some asset allocation

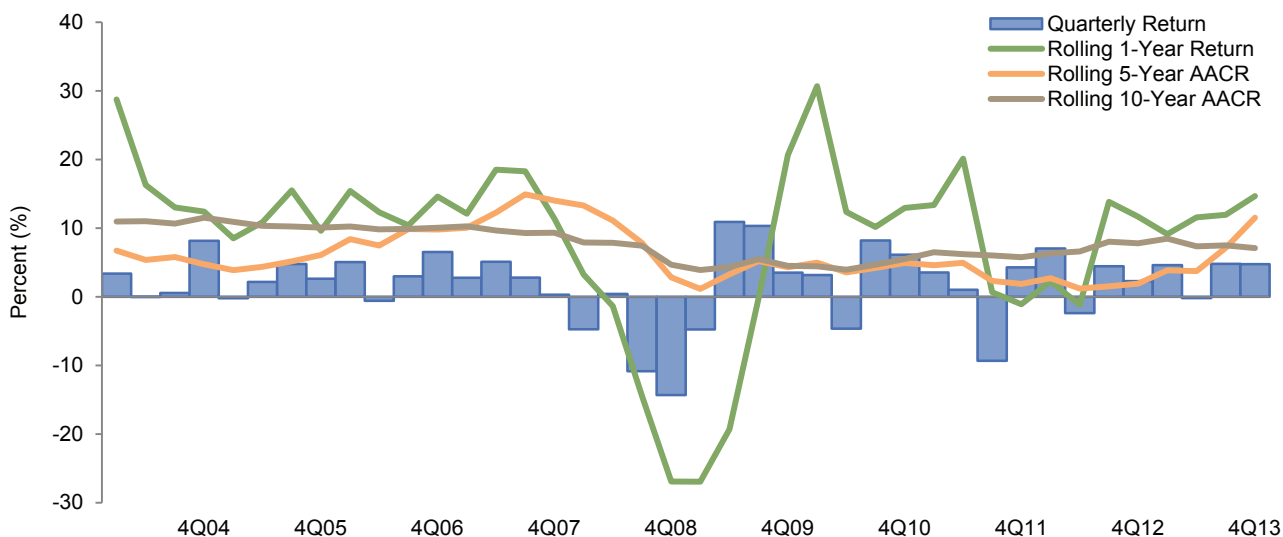
trends stand out among the top and bottom performers, the most significant of these being portfolio allocations to US equities and bonds.

*US Equity.* Since the stock market bottom on March 9, 2009, US equities have been among the top-performing investments in the world. In 2013, US equities (as represented by the Wilshire 5000) returned 33.1%, the highest return of the representative asset class benchmarks. As Exhibit 19 shows, foundations that posted a trailing one-year return in the top quartile entered the year with the highest average US equity allocation (25.6%). In contrast, the average beginning allocation to US equities for foundations in the bottom quartile was 16.8%.

*Bonds.* In 2013, bonds were one of the few asset classes to report negative returns (Barclays Aggregate Bond Index: -2.0%). Foundations in the top-performing quartile had the lowest beginning average allocation to bonds (12.2%), while those in the bottom-performing quartile had the highest beginning allocation (16.6%).

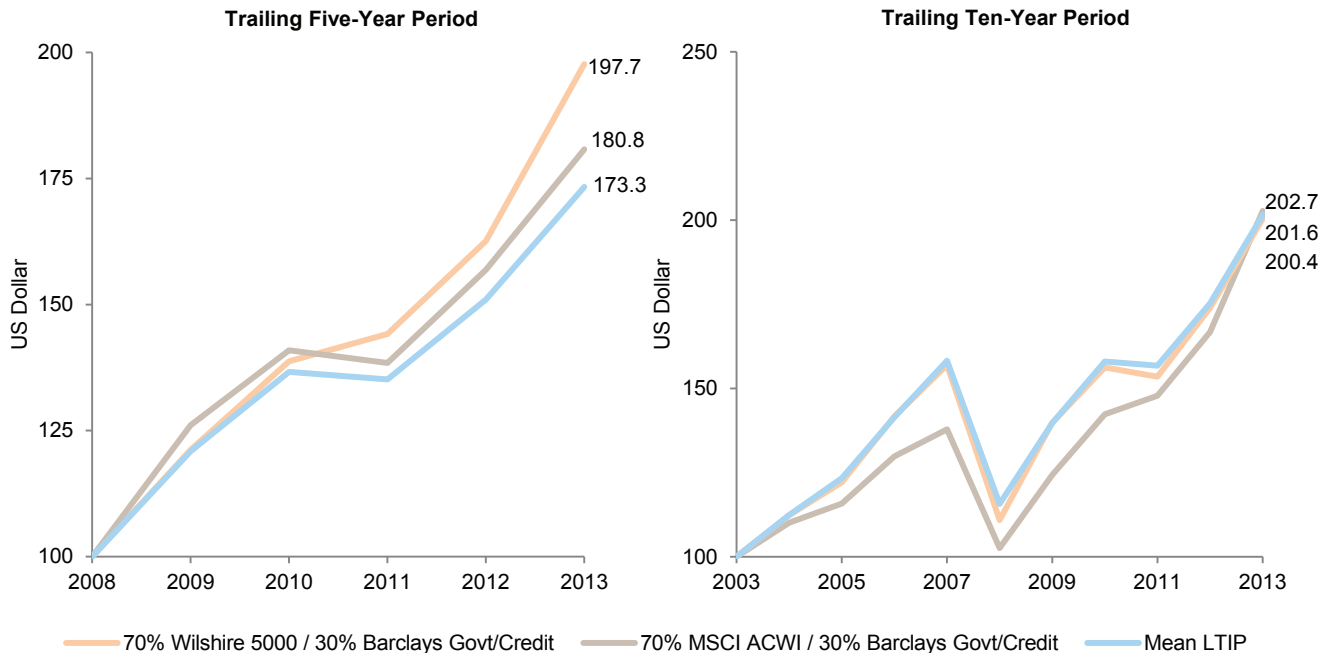
### Historical Performance

As of December 31, 2013



Source: Foundation data as reported to Cambridge Associates LLC.

## Nominal Cumulative Growth Over the Trailing Five- and Ten-Year Periods



Sources: Foundation data as reported to Cambridge Associates LLC. Index data are provided by Barclays, MSCI Inc., and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

Notes: Analysis displays the cumulative growth of the average LTIP based on an initial \$100 investment at the beginning of the period. The change in value over time is due solely to investment performance and does not include the impact of additions and withdrawals. Includes 115 foundations in the five-year graph and 96 foundations in the ten-year graph.

### 2013 Returns in Context

Despite the inclusion of the biggest stock market decline since the 1930s, the mean average annual compound return (AACR) of the long-term investment portfolio (LTIP) was 7.2% for the ten-year period ended December 31, 2013 (Exhibit 16). The average ten-year return was on par with a pair of simple 70/30 portfolio benchmarks—one containing a global benchmark for the equity component (7.2%) and another containing a US benchmark for the equity component (7.3%).<sup>1</sup> In the graphs above, the nominal cumulative growth effect of an initial \$100 dollar investment in the average LTIP

versus the simple 70/30 benchmarks is displayed over the trailing five- and ten-year periods.

Over a shorter period, foundations have not fared as well in relation to the 70/30 portfolio benchmarks. The average five-year LTIP return was 11.6%, about 1 ppt lower than the 70/30 portfolio containing a global equity benchmark (12.6%).<sup>2</sup> Because of the outperformance of the US public stock market over the same period,

<sup>2</sup> By 2009, foundations of all asset sizes had reached a level of diversification in which the long-only equity portion of the portfolio was split nearly evenly between US and global ex US markets (Exhibit 4). For foundations that have achieved global diversification across the equity-oriented investments in the portfolio, the 70/30 benchmark that uses the MSCI ACWI as the equity component is a more appropriate benchmark for this five-year period.

<sup>1</sup> The global equity benchmark is the MSCI All Country World Index (ACWI) and the US equity benchmark is the Wilshire 5000 Index.

### A Note on Performance Results

When comparing investment performance for 2013, readers should be aware of the differing reporting methodologies foundations follow in providing performance of the private investment portion of their portfolio. Reporting methodologies differ across foundations in part because of the lack of consistency in the different reporting systems used by foundations as well as other circumstances that are unique to each foundation. In Exhibit 25, foundations and their one-year performance results are grouped according to their private investment reporting methodology.

In 2013, 73% of foundations reported their private investment performance on a current basis, meaning the return represents the period January 1, 2013, to December 31, 2013 (Exhibit 24). The second most-frequently used methodology was the lagged basis (20%). Under this methodology, the private investment portion of the 2013 investment pool return represents performance for the period October 1, 2012, to September 30, 2013.

When assessing the impact of the lagged basis methodology on 2013 performance, it is important to consider private investment returns for both fourth quarter 2012 and fourth quarter 2013. With the lagged basis methodology, performance for the former period will be included in the one-year return calculation while performance for the latter period will be excluded. As the table shows, the Cambridge Associates' private investment index returns for fourth quarter 2013 were stronger than returns for fourth quarter 2012. For

foundations with significant allocations to private investments, using the lagged basis methodology instead of the current basis methodology will result in a lower 2013 return.

### Cambridge Associates Private Investment Index Returns

As of December 31, 2013

	One Quarter End-to-End Pooled Return	
	Q4 2012	Q4 2013
US Private Equity	3.5	6.7
US Venture Capital	1.2	11.9
Global ex US PE and VC	4.4	6.8
Distressed Securities	4.4	5.1
Real Estate	3.6	5.9
Natural Resources	4.0	3.7

Source: Cambridge Associates LLC.

Nearly all of the 118 participating foundations provided performance on a net-of-fees basis (98% or 116 foundations), our preferred method of reporting. All 116 foundations provided a breakdown of fee types deducted (Exhibit 23). The vast majority of respondents (88%) deduct only asset- and performance-based management fees while another 9% also deduct custody expenses. The remaining foundations deduct the aforementioned fee types, as well as a variety of investment office oversight expenses.

the average LTIP return significantly lagged the 70/30 portfolio containing a US equity benchmark (14.6%).

While some foundations employ a capital spend-down approach, funding strategic initiatives through above-average spending amounts, the vast majority of foundations are established with the intention of lasting into perpetuity. Therefore, the degree of inflation and the annual spending distribution from the portfolio are important factors for foundations to consider. A long-term annual real return after

spending above 0% is necessary to preserve the purchasing power of the portfolio. As of December 31, 2013, the average real return after spending for respondents was positive for both the trailing five-year (4.0%) and ten-year (0.3%) periods.

### Risk-Adjusted Performance

Investors spend much time and effort analyzing the returns of their portfolios. Measuring risk is just as important, however, as investors should only take risks for which they are compensated and should recognize whether any incremental

return they have earned is simply the result of their having taken more risk.

Risk-adjusted performance, as measured by the Sharpe ratio,<sup>3</sup> averaged 1.11 for the trailing five-year period, the highest ratio since 2007. Higher returns, a lower average risk-free rate, and lower volatility (as measured by the standard deviation of quarterly returns) all contributed to the recent increase in this ratio. Also of significance, returns for 2008, a year in which foundations returned an average of -27.0%, dropped out of the trailing five-year time period.

Over the ten-year period, the average Sharpe ratio for foundations is 0.55, higher than both of the simple 70/30 portfolio benchmarks (Exhibit 28).

### Policy Portfolio Benchmarks

Of the 106 respondents that provided a policy portfolio benchmark, 101 (95%) use a detailed, asset class-specific benchmark to evaluate the performance of the total portfolio (Exhibit 30). Exhibits 31 and 32 summarize the most frequently used benchmarks in policy portfolios by asset class/strategy.

The most commonly cited benchmark used to evaluate the US equity portion of the portfolio was the Russell 3000® Index, followed by the Wilshire 5000 Index. Global ex US equity was most often measured by a blend of the MSCI EAFE and MSCI Emerging Markets indexes, followed by the MSCI All Country World ex US Index. Some foundations prefer to measure their long-only equities against a global index

instead of benchmarking the domestic and international equities separately. For these foundations, the MSCI All Country World Index is the most frequently used benchmark.

The most frequently used bond benchmark was the Barclays Aggregate Bond Index, though many foundations use unique index combinations to better reflect their underlying bond exposure.<sup>4</sup> This was also the case with the portion of the portfolio invested in inflation-sensitive/real assets. While the most common benchmark used is the CPI-U plus a premium (e.g., CPI-U + 5%), the majority of foundations use a unique combination of indices to evaluate their exposure to these assets.

For hedge funds, the most common benchmarks were the HFRI Fund of Funds Composite Index and HFRI Fund of Funds Diversified Index. Private equity and venture capital were most often measured against the Cambridge Associates LLC Private Equity and Venture Capital indexes. ■

<sup>3</sup> The Sharpe ratio is the most common approach to measuring risk-adjusted performance. It shows how much return above the risk-free rate (T-bills) the investor has earned per unit of risk (defined as the standard deviation of returns). The higher the Sharpe ratio, the more the investor has been compensated for each unit of risk taken.

<sup>4</sup> For more information, see our report *Reconsidering Bond Benchmarks*.

**Exhibit 16**  
**Summary of Investment Portfolio Returns**  
 Years Ended December 31, 2013 • Percent (%)

**Nominal Total Returns**

	Average Annual Compound Nominal Return			
	1 Year	3 Years	5 Years	10 Years
<b>Responding Foundations</b>				
High	26.0	18.6	18.2	10.3
Low	5.4	3.1	4.9	3.6
Mean	14.7	8.2	11.6	7.2
Median	14.6	8.1	11.6	7.1
<i>n</i>	118	117	115	96
Mean After Spending	9.0	3.0	6.2	2.7
<i>n</i>	72	54	43	28
<b>Benchmarks</b>				
70% Wilshire 5000 / 30% Barclays Govt/Credit	21.6	12.5	14.6	7.3
70% MSCI ACWI / 30% Barclays Govt/Credit	15.2	8.7	12.6	7.2
Wilshire 5000	33.1	16.0	18.6	8.0
S&P 500	32.4	16.2	17.9	7.4
MSCI ACWI ex US	15.8	5.6	13.3	8.0
Barclays Govt/Credit	-2.4	3.6	4.4	4.5
CPI-U	1.5	2.1	2.1	2.4

**Real Total Returns**

	Average Annual Compound Real Return			
	1 Year	3 Years	5 Years	10 Years
<b>Responding Foundations</b>				
High	24.1	16.2	15.8	7.7
Low	3.9	1.0	2.7	1.2
Mean	13.0	6.0	9.3	4.7
Median	12.9	5.9	9.3	4.7
<i>n</i>	118	117	115	96
Mean After Spending	7.4	0.9	4.0	0.3
<i>n</i>	72	54	43	28
<b>Benchmarks</b>				
70% Wilshire 5000 / 30% Barclays Govt/Credit	19.8	10.2	12.3	4.8
70% MSCI ACWI / 30% Barclays Govt/Credit	13.5	6.5	10.3	4.7
Wilshire 5000	31.1	13.6	16.2	5.5
S&P 500	30.4	13.8	15.5	4.9
MSCI ACWI ex US	14.1	3.5	11.0	5.5
Barclays Govt/Credit	-3.8	1.5	2.3	2.1

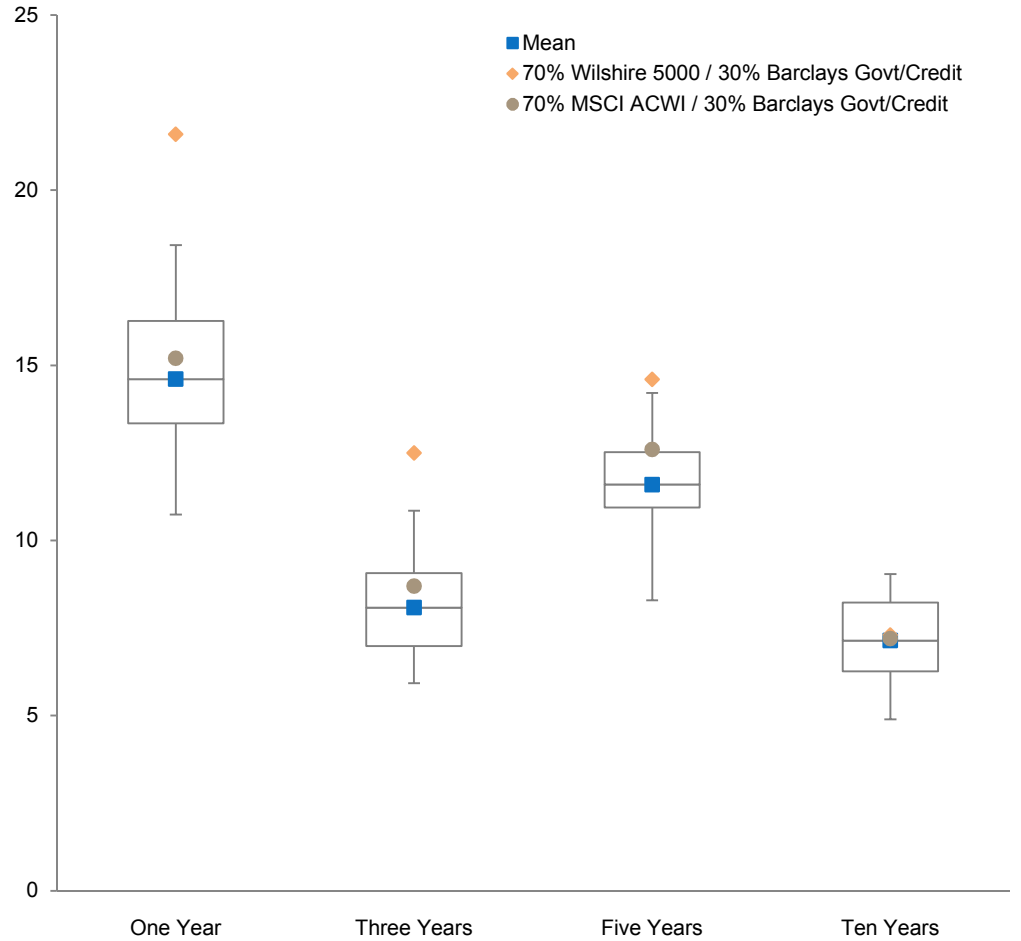
Sources: Foundation data as reported to Cambridge Associates LLC. Index data provided by Barclays, MSCI Inc., Standard & Poor's, Thomson Reuters Datastream, US Department of Labor - Bureau of Labor Statistics, and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

Note: Real returns are adjusted for inflation as measured by the Consumer Price Index.



**Exhibit 17**  
**Nominal Return Percentiles**

Periods Ended December 31, 2013 • Percent (%)



	One Year	Three Years	Five Years	Ten Years
5th Percentile	18.4	10.9	14.2	9.0
25th Percentile	16.3	9.1	12.5	8.2
Median	14.6	8.1	11.6	7.1
75th Percentile	13.3	7.0	10.9	6.3
95th Percentile	10.7	5.9	8.3	4.9
Mean	14.7	8.2	11.6	7.2
<i>n</i>	118	117	115	96
Wilshire 5000/Barclays Govt/Credit <sup>1</sup>	21.6	12.5	14.6	7.3
MSCI ACWI/Barclays Govt/Credit <sup>2</sup>	15.2	8.7	12.6	7.2

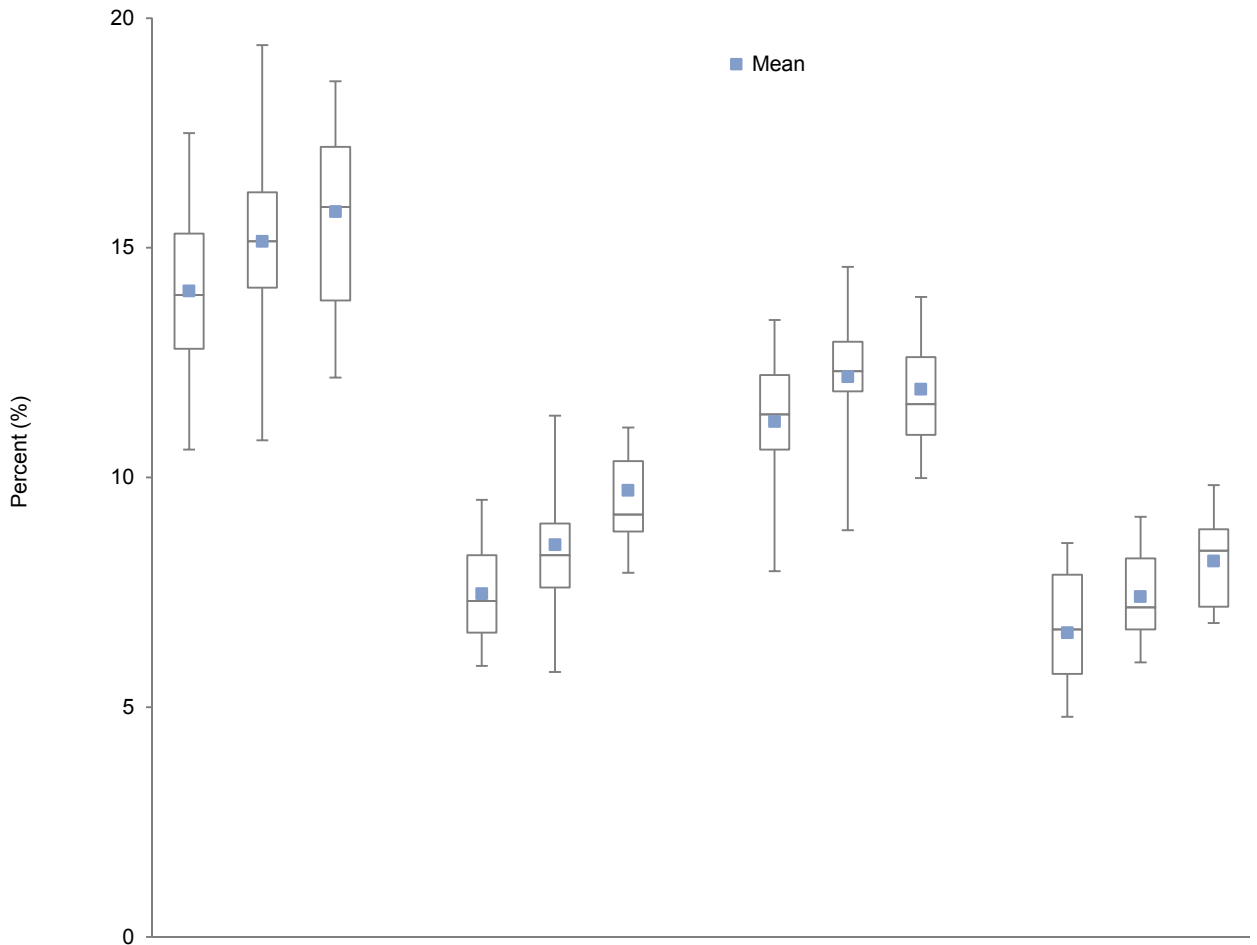
Sources: Foundation data as reported to Cambridge Associates LLC. Index data provided by Barclays, MSCI Inc., Thomson Reuters Datastream, US Department of Labor - Bureau of Labor Statistics, and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

Notes: Three-, five-, and ten-year returns are annualized. The 70/30 simple portfolio benchmarks are calculated assuming rebalancing occurs on the final day of each quarter.

<sup>1</sup> 70% Wilshire 5000 / 30% Barclays Government/Credit Bond Index.

<sup>2</sup> 70% MSCI ACWI / 30% Barclays Government/Credit Bond Index.

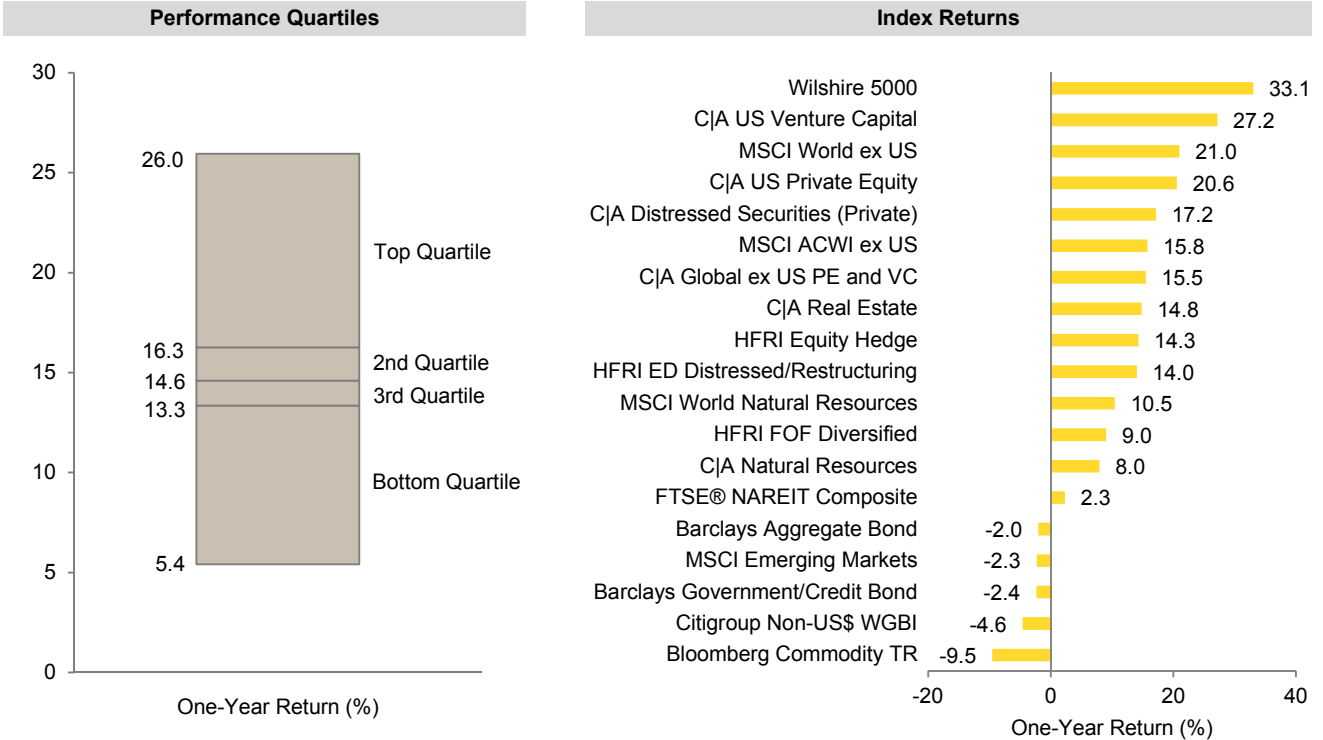
**Exhibit 18**  
**Nominal Return Percentiles by Asset Size**  
 Years Ended December 31, 2013 • Percent (%)



	1 Year			3 Years			5 Years			10 Years		
	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn
5th Percentile	17.5	19.4	18.6	9.5	11.3	11.1	13.4	14.6	13.9	8.6	9.1	9.8
25th Percentile	15.3	16.2	17.2	8.3	9.0	10.4	12.2	13.0	12.6	7.9	8.2	8.9
Median	14.0	15.1	15.9	7.3	8.3	9.2	11.4	12.3	11.6	6.7	7.2	8.4
75th Percentile	12.8	14.1	13.9	6.6	7.6	8.8	10.6	11.9	10.9	5.7	6.7	7.2
95th Percentile	10.6	10.8	12.2	5.9	5.8	7.9	8.0	8.8	10.0	4.8	6.0	6.8
Mean	14.1	15.1	15.8	7.5	8.5	9.7	11.2	12.2	11.9	6.6	7.4	8.2
n	68	23	27	67	23	27	66	22	27	51	21	24

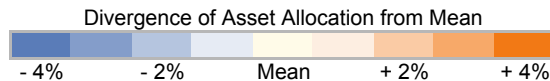
Source: Foundation data as reported to Cambridge Associates LLC.  
 Note: Three-, five-, and ten-year returns are annualized.

**Exhibit 19**  
**Performance Attribution: Analysis of Top and Bottom Performers**  
 As of December 31, 2013



**Average Asset Allocation by Quartile (%) as of December 31, 2012**

Quartile	US Equity	Global ex US Equity	Bonds	Hedge Funds	Distressed Securities	Priv Equity & Ven Cap	Real Assets & Infr-Linked Bonds	Cash	Other
Top Quartile	25.6	22.0	12.2	15.9	2.7	8.7	8.9	3.4	0.7
2nd Quartile	21.3	21.9	13.1	19.2	3.0	7.2	10.7	3.4	0.3
3rd Quartile	19.5	21.7	12.9	17.8	3.6	7.7	12.1	4.3	0.4
Bottom Quartile	16.8	19.5	16.6	19.0	3.1	7.8	12.9	4.3	0.0
Fdn Universe	20.8	21.3	13.7	18.0	3.1	7.8	11.1	3.8	0.3



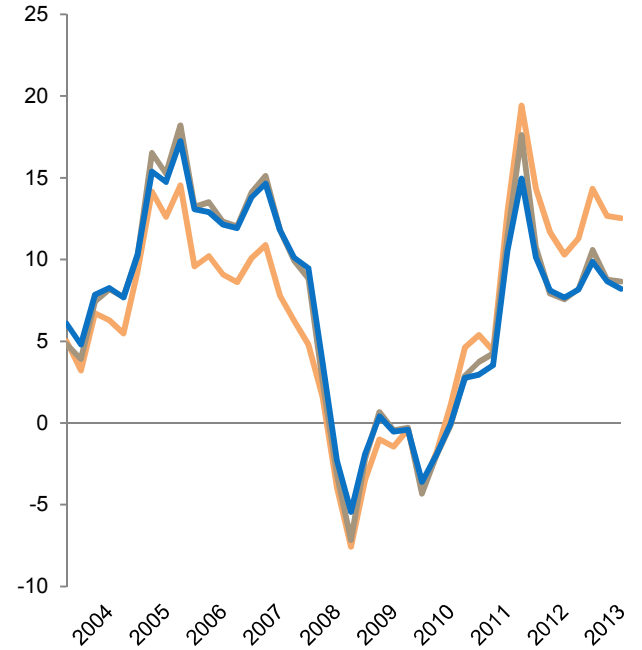
Sources: Foundation data as reported to Cambridge Associates LLC. Index data are provided by Barclays, Bloomberg L.P., Citigroup Global Markets, FTSE International Limited, Hedge Fund Research, Inc., MSCI Inc., the National Association of Real Estate Investment Trusts, and Wilshire Associates, Inc. MSCI data provided “as is” without any express or implied warranties.  
 Note: Foundation universe performance quartiles are based on the trailing one-year return as of December 31, 2013.

**Exhibit 20**  
**Nominal Returns Over Time**  
 As of December 31, 2013 • Percent (%)

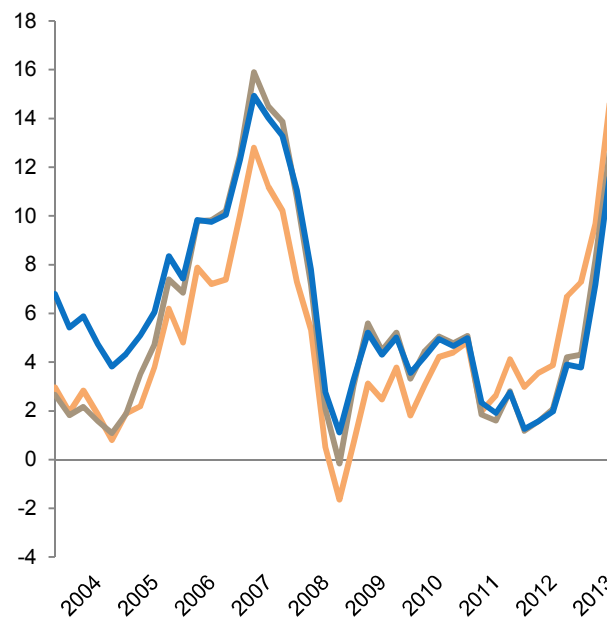
**Rolling One-Year AACR (Second Qtr 2003 – Fourth Qtr 2013)**



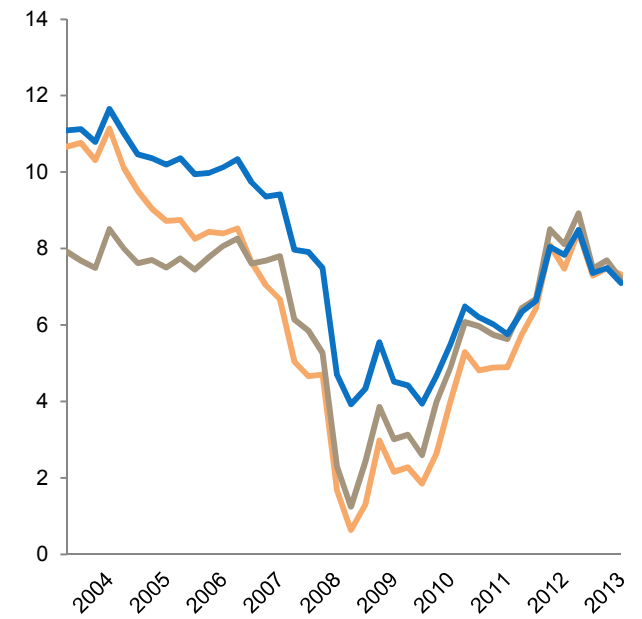
**Rolling Three-Year AACR (Second Qtr 2001 – Fourth Qtr 2013)**



**Rolling Five-Year AACR (Second Qtr 1999 – Fourth Qtr 2013)**



**Rolling Ten-Year AACR (Second Qtr 1994 – Fourth Qtr 2013)**



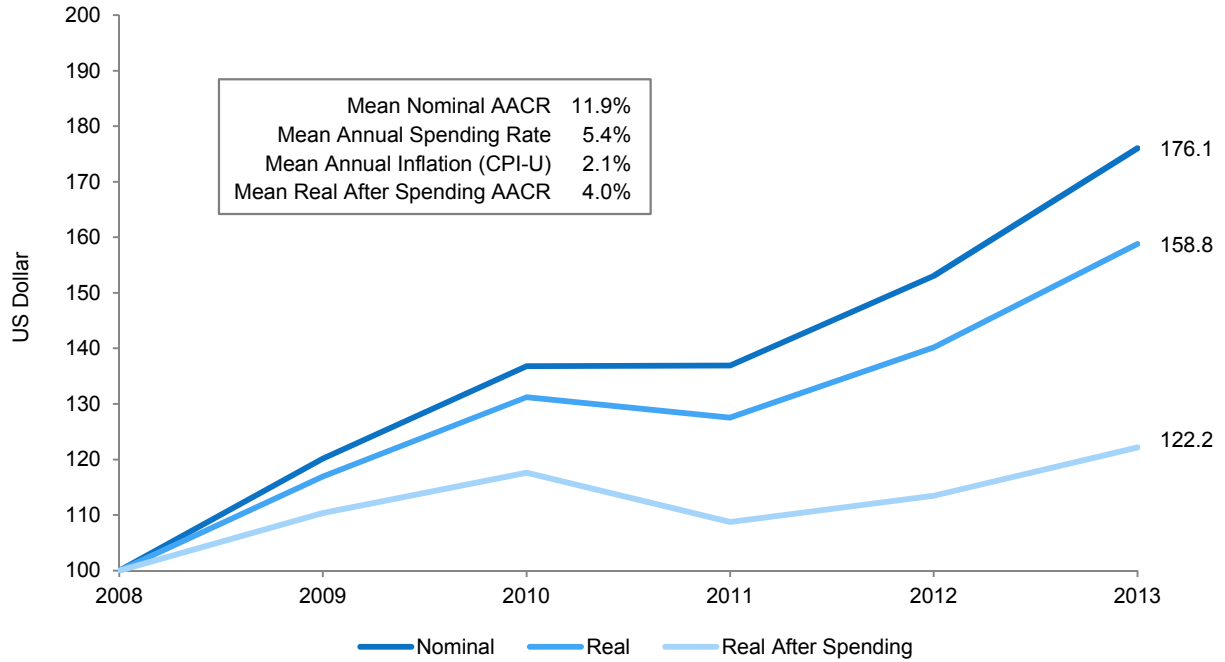
— 70% Wilshire 5000 / 30% Barclays Govt/Credit — 70% MSCI ACWI / 30% Barclays Govt/Credit — Foundation Mean

Sources: Includes foundations that provided quarterly returns for the corresponding time periods. Index data are provided by Barclays, MSCI Inc., and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

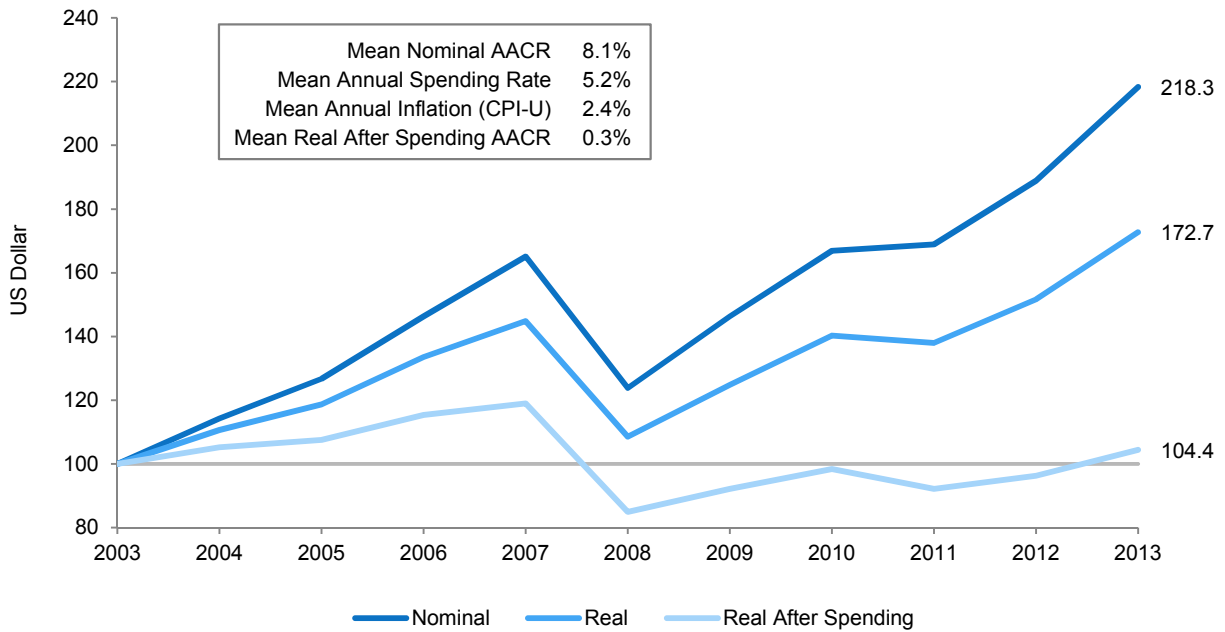
Note: The 70/30 simple portfolio benchmarks are calculated assuming rebalancing occurs on the final day of each quarter.

**Exhibit 21**  
**Cumulative Dollar Growth After Inflation and Spending**  
 Years Ended December 31

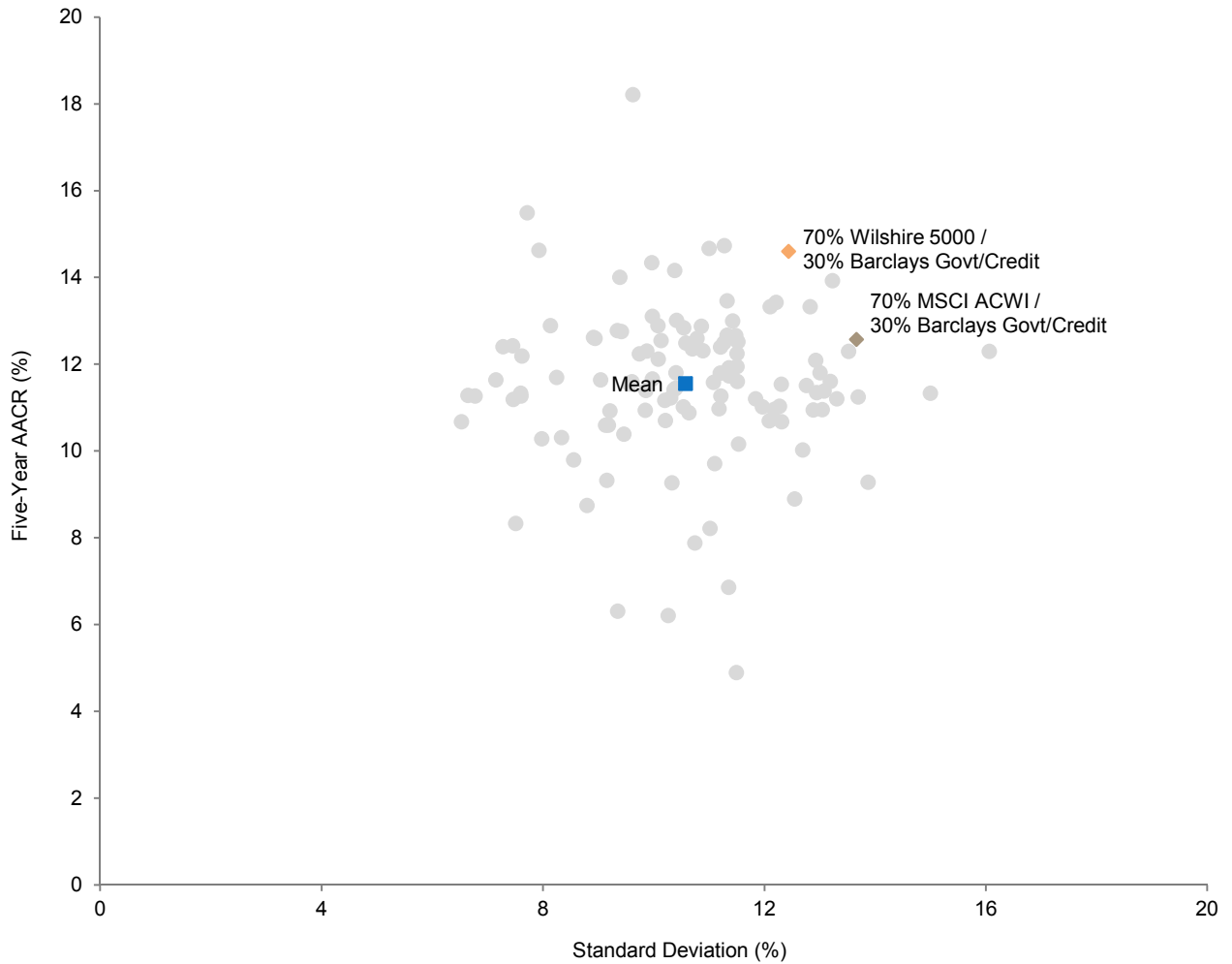
**Five-Year Growth: Base Year 2008 = 100 (n = 43)**



**Ten-Year Growth: Base Year = 2003 (n = 28)**



**Exhibit 22**  
**Standard Deviation and Sharpe Ratio**  
 Five Years Ended December 31, 2013

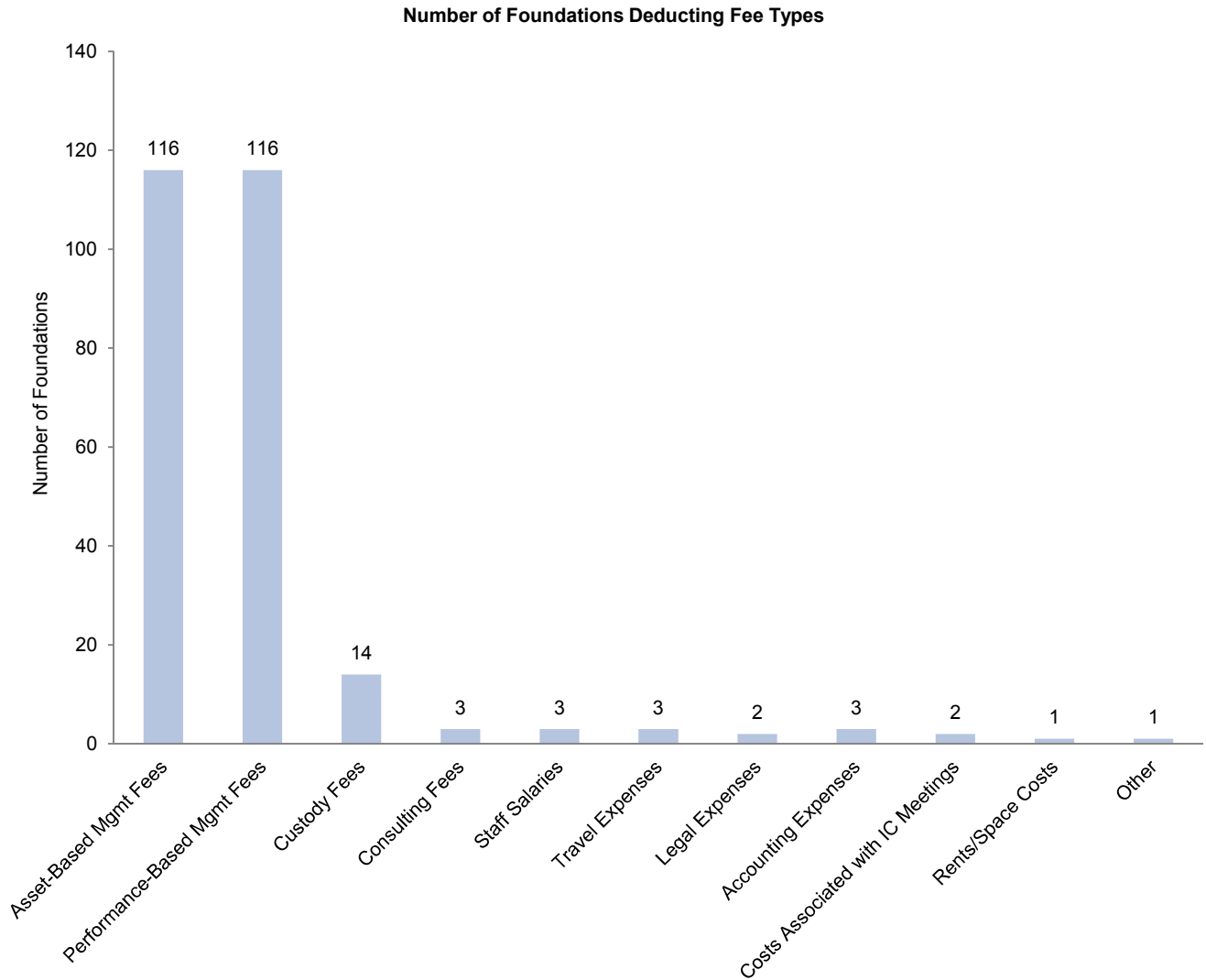


	AACR (%)	Standard Deviation (%)	Sharpe Ratio
5th Percentile	14.2	13.3	1.48
25th Percentile	12.5	11.5	1.20
75th Percentile	10.9	9.4	0.99
95th Percentile	8.3	7.5	0.84
Mean	11.6	10.6	1.11
Median	11.6	10.6	1.07
<i>n = 114</i>			
70% Wilshire 5000 / 30% Barclays Govt/Credit	14.6	12.4	1.16
70% MSCI ACWI / 30% Barclays Govt/Credit	12.6	13.7	0.93

Sources: Foundation data as reported to Cambridge Associates LLC. Index data are provided by Barclays, BofA Merrill Lynch, MSCI Inc., and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

Note: The 70/30 simple portfolio benchmarks are calculated assuming rebalancing occurs on the final day of each quarter.

**Exhibit 23**  
**Calculation of Net Returns**  
 As of December 31, 2013



**Combination of Fees Deducted**

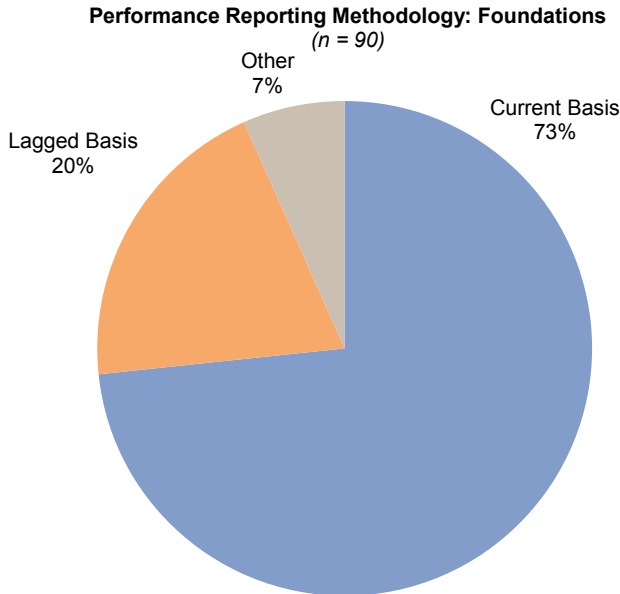
Asset-Based Mgmt Fees	Perf-Based Mgmt Fees	Custody Fees	Consulting Fees	Staff Salaries	Travel Expenses	Legal Expenses	Accounting Expenses	Costs Assoc with IC Meetings	Rents/Space Costs	Other	Number of Institutions	%
x	x										102	87.9
x	x	x									11	9.5
x	x	x	x	x	x		x			x	1	0.9
x	x	x	x	x	x	x	x	x	x		1	0.9
x	x	x	x	x	x	x	x	x			1	0.9

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 24**

**Performance Reporting Methodologies**

As of December 31, 2013 • Methods Commonly Used to Account for Performance of Private Investments



**By Asset Size**

	Current Basis	Lagged Basis	Other
Under \$300 Million	91% (n = 39)	2% (n = 1)	7% (n = 3)
\$300 Million to \$1 Billion	76% (n = 16)	14% (n = 3)	10% (n = 2)
Over \$1 Billion	42% (n = 11)	54% (n = 14)	4% (n = 1)

**Current Basis**

Total investment pool return for 2013 includes marketable asset and private investment performance for January 1, 2013, to December 31, 2013. Of the 66 foundations using this methodology, 65 used confirmed private investment valuations while one used estimated valuations.

Marketable Assets			
1Q13	2Q13	3Q13	4Q13
Private Investments			

**Flat Basis**

Total investment pool return for 2013 includes marketable asset performance for January 1, 2013, to December 31, 2013, and private investment performance for January 1, 2013, to September 30, 2013. Private investment portion of the investment pool is represented by a flat return (0%) for October 1, 2013, to December 31, 2013.

Marketable Assets			
1Q13	2Q13	3Q13	4Q13
Private Investments			0% Return

**Lagged Basis**

Total investment pool return for 2013 includes marketable asset performance for January 1, 2013, to December 31, 2013, and private investment performance for October 1, 2012, to September 30, 2013.

Marketable Assets				
4Q12	1Q13	2Q13	3Q13	4Q13
Private Investments				

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: The five foundations in the Other category used a mixture of current, flat, and lagged methodologies in their 2013 private investment performance. Private investments include total allocation to non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, timber, private real estate, and other private investments. Twenty-eight foundations have no significant private investment allocations (<1% of their total investment portfolios) and are excluded from this exhibit.



**Exhibit 25**  
**Total Return by Foundation**

One Year Ended December 31, 2013 • Percent (%)

Code	Private Investment Allocation	Nominal	Real	Nominal After Spending	Real After Spending
<i>Current Basis with Confirmed Valuations</i>					
1	1.8	15.3	13.6	9.0	7.4
2	<sup>^</sup> 1.4	16.6	14.9	10.1	8.5
4	1.8	11.0	9.3	6.8	5.2
5	4.0	16.6	14.9	10.0	8.4
6	12.1	14.7	13.0	9.4	7.8
7	5.4	14.2	12.5	7.2	5.6
8	4.0	16.2	14.5	—	—
12	3.8	14.8	13.1	—	—
13	36.9	18.0	16.3	12.9	11.2
18	11.7	13.3	11.7	—	—
21	9.5	14.0	12.3	8.1	6.5
23	23.7	16.8	15.1	12.3	10.7
24	14.2	15.2	13.5	7.9	6.4
27	21.1	16.3	14.6	—	—
28	22.3	19.5	17.8	13.0	11.3
29	46.9	18.4	16.7	—	—
30	5.3	12.9	11.2	6.8	5.3
31	30.7	14.3	12.6	10.1	8.5
35	1.7	11.5	9.9	5.4	3.9
36	14.0	15.0	13.3	9.1	7.5
37	18.1	12.7	11.0	7.3	5.7
38	10.9	12.5	10.9	8.9	7.3
39	25.8	14.4	12.7	—	—
40	18.0	16.1	14.4	—	—
41	5.8	17.2	15.4	7.9	6.3
42	19.4	14.1	12.4	8.6	7.0
44	18.7	14.7	13.0	9.0	7.4
45	15.6	15.5	13.8	—	—
46	5.9	13.4	11.7	—	—
48	25.7	14.3	12.6	—	—
<b>All Foundations</b>					
High	46.9	26.0	24.1	23.5	21.7
Low	0.0	5.4	3.9	1.1	-0.4
Mean	13.2	14.7	13.0	9.0	7.4
Median	11.0	14.6	12.9	8.7	7.1
<i>n</i>	118	118	118	72	72

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Please see Exhibit 24, Performance Reporting Methodologies, for more information on these reporting methodologies. Private investment allocation includes total allocation to non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, timber, private real estate, and other private investments. Real returns are adjusted for inflation as measured by the Consumer Price Index. After-spending returns use the effective spending rates in the calculation. Effective spending rates are 2013 spending as a percentage of beginning (January 1, 2013) market value.

<sup>^</sup> Private investment performance is reported on a current basis with estimated valuations.

**Exhibit 25 (continued)****Total Return by Foundation**

One Year Ended December 31, 2013 • Percent (%)

Code	Private Investment Allocation	Nominal	Real	Nominal After Spending	Real After Spending
<i>Current Basis with Confirmed Valuations (continued)</i>					
52	32.3	12.9	11.2	—	—
54	11.3	14.6	12.9	9.8	8.2
55	9.5	13.4	11.8	—	—
56	17.2	12.3	10.6	—	—
57	20.4	12.8	11.2	6.9	5.3
58	12.6	13.6	11.9	8.2	6.6
59	8.0	13.9	12.3	—	—
62	16.8	17.4	15.7	11.3	9.6
63	18.9	14.4	12.7	8.8	7.2
65	12.8	11.8	10.1	6.1	4.5
66	11.2	12.7	11.1	6.9	5.3
68	14.1	15.1	13.4	10.1	8.4
70	27.5	14.0	12.3	7.0	5.5
73	7.0	5.4	3.9	—	—
75	8.2	15.3	13.6	—	—
77	43.3	10.8	9.1	6.1	4.5
84	40.8	17.2	15.4	11.4	9.8
85	2.7	12.5	10.9	—	—
86	8.1	19.9	18.1	14.1	12.4
87	12.7	13.7	12.0	—	—
90	5.5	15.5	13.8	—	—
94	4.4	12.6	10.9	—	—
95	9.3	14.7	13.0	—	—
96	7.9	6.8	5.2	1.1	-0.4
97	16.3	13.9	12.2	—	—
98	6.2	26.0	24.1	23.5	21.7
101	28.2	15.9	14.2	9.7	8.0
103	20.1	14.7	13.0	8.8	7.2
104	7.3	13.5	11.9	8.1	6.5
106 *	2.3	17.2	15.5	—	—
<b>All Foundations</b>					
High	46.9	26.0	24.1	23.5	21.7
Low	0.0	5.4	3.9	1.1	-0.4
Mean	13.2	14.7	13.0	9.0	7.4
Median	11.0	14.6	12.9	8.7	7.1
<i>n</i>	118	118	118	72	72

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Please see Exhibit 24, Performance Reporting Methodologies, for more information on these reporting methodologies. Private investment allocation includes total allocation to non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, timber, private real estate, and other private investments. Real returns are adjusted for inflation as measured by the Consumer Price Index. After-spending returns use the effective spending rates in the calculation. Effective spending rates are 2013 spending as a percentage of beginning (January 1, 2013) market value.

\* Reports gross returns, i.e., before deduction of investment manager fees.

**Exhibit 25 (continued)****Total Return by Foundation**

One Year Ended December 31, 2013 • Percent (%)

Code	Private Investment Allocation	Nominal	Real	Nominal After Spending	Real After Spending
<i>Current Basis with Confirmed Valuations (continued)</i>					
107	20.9	15.4	13.7	10.4	8.7
108	27.9	16.7	15.0	8.5	6.9
110	5.5	13.3	11.6	7.0	5.4
112	14.0	17.3	15.6	—	—
114	2.7	16.8	15.1	11.4	9.7
116	13.5	14.6	12.9	—	—
<i>Lagged Basis</i>					
3	42.4	13.2	11.5	7.8	6.2
9	7.5	16.9	15.2	12.9	11.2
10	23.9	15.5	13.8	9.4	7.8
15	18.3	18.8	17.0	10.8	9.2
19	11.2	15.4	13.7	—	—
22	18.7	12.1	10.5	6.9	5.3
32	17.2	14.5	12.8	8.7	7.1
34	37.6	17.1	15.4	11.5	9.9
43	26.8	18.3	16.6	11.0	9.4
47	29.1	15.3	13.6	9.7	8.0
74	19.1	12.4	10.8	7.5	5.9
82	25.2	14.2	12.5	8.6	7.0
83	23.9	13.2	11.5	—	—
93	43.7	14.0	12.3	7.8	6.2
100	24.3	17.3	15.6	11.2	9.5
102	42.8	12.3	10.6	7.0	5.4
109	34.9	13.7	12.0	9.8	8.2
118	7.1	13.4	11.7	7.7	6.1
<i>All Foundations</i>					
High	46.9	26.0	24.1	23.5	21.7
Low	0.0	5.4	3.9	1.1	-0.4
Mean	13.2	14.7	13.0	9.0	7.4
Median	11.0	14.6	12.9	8.7	7.1
<i>n</i>	118	118	118	72	72

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Please see Exhibit 24, Performance Reporting Methodologies, for more information on these reporting methodologies. Private investment allocation includes total allocation to non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, timber, private real estate, and other private investments. Real returns are adjusted for inflation as measured by the Consumer Price Index. After-spending returns use the effective spending rates in the calculation. Effective spending rates are 2013 spending as a percentage of beginning (January 1, 2013) market value.

**Exhibit 25 (continued)****Total Return by Foundation**

One Year Ended December 31, 2013 • Percent (%)

Code	Private Investment Allocation	Nominal	Real	Nominal After Spending	Real After Spending
<i>Other (Mixture of Current Basis, Flat, and Lagged Methodologies)</i>					
64	35.0	15.9	14.2	10.5	8.8
67	10.5	15.4	13.7	7.7	6.1
78	36.2	8.6	7.0	—	—
88	17.1	14.6	12.9	—	—
91	6.2	17.4	15.7	—	—
117	13.2	13.4	11.7	—	—
<i>Private Investment Allocation Less Than 1.0%</i>					
11	0.0	13.2	11.6	8.5	6.9
14	0.0	17.4	15.7	—	—
16	0.0	17.5	15.8	11.6	10.0
17	0.0	10.5	8.9	—	—
20	0.6	12.1	10.4	—	—
25	0.2	13.4	11.7	7.5	5.9
26	0.0	17.1	15.4	—	—
33	0.0	14.3	12.6	7.6	6.0
49	0.0	11.6	9.9	5.8	4.2
50	0.0	15.7	14.0	—	—
51	0.0	18.7	17.0	—	—
53	0.8	14.4	12.7	7.7	6.1
60	0.0	11.6	10.0	—	—
61 *	0.8	18.3	16.6	—	—
69	0.4	15.3	13.5	—	—
71	0.0	14.0	12.3	—	—
72	0.0	10.4	8.8	4.1	2.6
76	0.4	15.2	13.5	—	—
<b>All Foundations</b>					
High	46.9	26.0	24.1	23.5	21.7
Low	0.0	5.4	3.9	1.1	-0.4
Mean	13.2	14.7	13.0	9.0	7.4
Median	11.0	14.6	12.9	8.7	7.1
<i>n</i>	118	118	118	72	72

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Please see Exhibit 24, Performance Reporting Methodologies, for more information on these reporting methodologies. Private investment allocation includes total allocation to non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, timber, private real estate, and other private investments. Real returns are adjusted for inflation as measured by the Consumer Price Index. After-spending returns use the effective spending rates in the calculation. Effective spending rates are 2013 spending as a percentage of beginning (January 1, 2013) market value.

\* Reports gross returns, i.e., before deduction of investment manager fees.

**Exhibit 25 (continued)****Total Return by Foundation**

One Year Ended December 31, 2013 • Percent (%)

Code	Private Investment Allocation	Nominal	Real	Nominal After Spending	Real After Spending
<i>Private Investment Allocation Less Than 1.0% (continued)</i>					
79	0.0	16.3	14.6	—	—
80	0.4	13.8	12.1	10.8	9.2
81	0.0	15.6	13.9	9.4	7.8
89	0.0	17.5	15.8	—	—
92	0.0	13.5	11.8	4.6	3.1
99	0.0	18.5	16.7	—	—
105	0.0	15.3	13.6	10.1	8.5
111	0.0	13.8	12.1	—	—
113	0.0	8.4	6.8	2.5	1.0
115 <sup>^^</sup>	14.3	16.1	14.3	14.6	12.9

## All Foundations

High	46.9	26.0	24.1	23.5	21.7
Low	0.0	5.4	3.9	1.1	-0.4
Mean	13.2	14.7	13.0	9.0	7.4
Median	11.0	14.6	12.9	8.7	7.1
<i>n</i>	118	118	118	72	72

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Please see Exhibit 24, Performance Reporting Methodologies, for more information on these reporting methodologies. Private investment allocation includes total allocation to non-venture private equity, venture capital, distressed securities (private equity structure), private oil & gas/natural resources, timber, private real estate, and other private investments. Real returns are adjusted for inflation as measured by the Consumer Price Index. After-spending returns use the effective spending rates in the calculation. Effective spending rates are 2013 spending as a percentage of beginning (January 1, 2013) market value.

<sup>^^</sup> Performance for private investments is not reported.

**Exhibit 26****Nominal and Real Total Return by Foundation**

Average Annual Compound Returns for Periods Ended December 31, 2013 • Percent (%)

Code	1 Year		3 Years		5 Years		10 Years	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
1	15.3	13.6	8.9	6.7	12.7	10.4	7.8	5.3
2	16.6	14.9	7.0	4.8	11.5	9.3	8.2	5.7
3	13.2	11.5	9.4	7.2	9.3	7.0	9.6	7.0
4	11.0	9.3	5.9	3.7	10.7	8.4	6.0	3.6
5	16.6	14.9	9.0	6.8	10.9	8.7	6.3	3.8
6	14.7	13.0	8.3	6.1	12.2	10.0	6.9	4.4
7	14.2	12.5	6.6	4.5	—	—	—	—
8	16.2	14.5	7.0	4.8	11.4	9.1	7.2	4.7
9	16.9	15.2	8.8	6.6	13.4	11.1	7.1	4.7
10	15.5	13.8	8.6	6.4	10.9	8.7	6.5	4.1
11	13.2	11.6	5.9	3.8	8.3	6.1	5.0	2.6
12	14.8	13.1	8.3	6.1	12.6	10.3	—	—
13	18.0	16.3	10.2	7.9	13.3	11.0	9.0	6.5
14	17.4	15.7	8.9	6.7	12.9	10.6	7.3	4.8
15	18.8	17.0	9.7	7.4	12.4	10.1	6.8	4.3
16	17.5	15.8	7.9	5.7	12.1	9.8	6.7	4.2
17	10.5	8.9	5.7	3.5	6.2	4.0	3.6	1.2
18	13.3	11.7	6.2	4.1	10.2	7.9	7.2	4.7
19	15.4	13.7	7.7	5.5	11.7	9.5	7.9	5.4
20	12.1	10.4	6.3	4.1	11.0	8.7	6.5	4.0
21	14.0	12.3	7.5	5.3	12.1	9.8	7.8	5.3
22	12.1	10.5	8.2	6.0	12.3	10.1	7.0	4.5
23	16.8	15.1	8.5	6.3	12.5	10.2	6.7	4.2
24	15.2	13.5	7.9	5.7	11.6	9.4	—	—
25	13.4	11.7	6.7	4.5	12.2	9.9	—	—
26	17.1	15.4	10.2	7.9	13.5	11.1	—	—
27	16.3	14.6	9.2	7.0	11.6	9.3	7.5	5.0
28	19.5	17.8	11.4	9.1	13.9	11.6	9.1	6.6
29	18.4	16.7	13.8	11.4	14.7	12.4	10.3	7.7
30	12.9	11.2	7.3	5.1	11.2	9.0	—	—
31	14.3	12.6	8.0	5.8	10.6	8.3	5.9	3.4
32	14.5	12.8	9.0	6.8	10.7	8.4	8.6	6.1
33	14.3	12.6	6.6	4.4	13.0	10.7	—	—
34	17.1	15.4	11.2	8.9	11.6	9.3	8.9	6.4
35	11.5	9.9	5.0	2.9	8.2	6.0	4.9	2.5
36	15.0	13.3	7.5	5.4	12.2	9.9	7.1	4.6
37	12.7	11.0	7.5	5.3	11.3	9.0	8.0	5.5
38	12.5	10.9	7.1	4.9	9.8	7.6	5.9	3.5
39	14.4	12.7	9.1	6.9	12.5	10.2	8.6	6.1
40	16.1	14.4	8.9	6.7	12.3	10.0	6.7	4.2
Mean	14.7	13.0	8.2	6.0	11.6	9.3	7.2	4.7
Median	14.6	12.9	8.1	5.9	11.6	9.3	7.1	4.7
<i>n</i>	118	118	117	117	115	115	96	96

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Real returns are adjusted for inflation as measured by the Consumer Price Index.

## Exhibit 26 (continued)

**Nominal and Real Total Return by Foundation**

Average Annual Compound Returns for Periods Ended December 31, 2013 • Percent (%)

Code	1 Year		3 Years		5 Years		10 Years	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
41	17.2	15.4	9.4	7.2	14.6	12.3	8.6	6.1
42	14.1	12.4	8.9	6.7	12.4	10.1	8.7	6.2
43	18.3	16.6	8.8	6.6	11.2	8.9	6.9	4.4
44	14.7	13.0	7.3	5.1	11.1	8.9	6.7	4.2
45	15.5	13.8	8.1	5.9	11.0	8.7	7.5	5.0
46	13.4	11.7	7.4	5.2	11.3	9.1	5.9	3.4
47	15.3	13.6	10.8	8.6	11.6	9.4	8.9	6.3
48	14.3	12.6	7.2	5.0	10.3	8.0	6.2	3.7
49	11.6	9.9	6.1	3.9	10.3	8.1	4.8	2.4
50	15.7	14.0	8.7	6.5	12.6	10.3	6.7	4.2
51	18.7	17.0	9.4	7.2	11.4	9.1	—	—
52	12.9	11.2	9.4	7.2	11.0	8.7	8.0	5.5
53	14.4	12.7	8.3	6.1	13.1	10.8	7.0	4.5
54	14.6	12.9	8.1	5.9	11.9	9.6	—	—
55	13.4	11.8	6.9	4.8	11.3	9.0	7.1	4.6
56	12.3	10.6	7.1	4.9	11.3	9.0	6.7	4.2
57	12.8	11.2	6.9	4.8	11.6	9.3	8.1	5.6
58	13.6	11.9	8.1	5.9	11.2	9.0	5.4	2.9
59	13.9	12.3	6.7	4.6	9.3	7.0	—	—
60	11.6	10.0	6.5	4.4	6.9	4.7	4.1	1.6
61	* 18.3	16.6	11.0	8.7	14.3	12.0	8.7	6.2
62	17.4	15.7	9.2	6.9	14.2	11.8	—	—
63	14.4	12.7	6.3	4.1	11.2	8.9	8.7	6.1
64	15.9	14.2	10.4	8.2	12.7	10.4	10.2	7.6
65	11.8	10.1	6.9	4.8	11.3	9.1	8.7	6.1
66	12.7	11.1	6.6	4.5	11.8	9.5	5.1	2.6
67	15.4	13.7	9.1	6.9	12.8	10.5	8.2	5.7
68	15.1	13.4	7.8	5.6	12.7	10.4	6.0	3.5
69	15.3	13.5	8.1	5.9	11.3	9.0	5.8	3.3
70	14.0	12.3	8.6	6.4	11.5	9.2	8.0	5.5
71	14.0	12.3	7.4	5.2	10.6	8.3	5.2	2.8
72	10.4	8.8	5.9	3.8	11.8	9.5	—	—
73	5.4	3.9	3.1	1.0	7.9	5.7	5.2	2.8
74	12.4	10.8	6.5	4.3	11.0	8.8	4.7	2.3
75	15.3	13.6	7.8	5.6	12.5	10.2	6.7	4.3
76	15.2	13.5	8.4	6.2	11.0	8.7	5.4	3.0
77	10.8	9.1	8.5	6.3	10.9	8.6	8.8	6.3
78	8.6	7.0	5.6	3.5	8.7	6.5	—	—
79	16.3	14.6	7.6	5.4	11.8	9.5	6.7	4.2
80	13.8	12.1	—	—	—	—	—	—
Mean	14.7	13.0	8.2	6.0	11.6	9.3	7.2	4.7
Median	14.6	12.9	8.1	5.9	11.6	9.3	7.1	4.7
n	118	118	117	117	115	115	96	96

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Real returns are adjusted for inflation as measured by the Consumer Price Index.

\* Reports gross returns, i.e., before deduction of investment manager fees.

## Exhibit 26 (continued)

**Nominal and Real Total Return by Foundation**

Average Annual Compound Returns for Periods Ended December 31, 2013 • Percent (%)

Code	1 Year		3 Years		5 Years		10 Years	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
81	15.6	13.9	9.0	6.8	15.5	13.1	7.5	5.0
82	14.2	12.5	6.8	4.6	10.9	8.7	7.0	4.5
83	13.2	11.5	7.8	5.6	10.9	8.7	7.2	4.7
84	17.2	15.4	10.3	8.1	12.9	10.6	9.0	6.4
85	12.5	10.9	6.3	4.1	11.4	9.1	—	—
86	19.9	18.1	10.9	8.6	14.0	11.7	8.6	6.1
87	13.7	12.0	7.3	5.1	10.4	8.1	—	—
88	14.6	12.9	7.6	5.5	11.5	9.3	7.0	4.6
89	17.5	15.8	10.5	8.2	14.7	12.3	8.5	6.0
90	15.5	13.8	7.6	5.4	13.0	10.7	7.8	5.3
91	17.4	15.7	9.3	7.1	12.5	10.2	8.0	5.5
92	13.5	11.8	6.5	4.4	12.6	10.3	5.8	3.4
93	14.0	12.3	9.8	7.5	10.7	8.4	—	—
94	12.6	10.9	7.5	5.3	8.9	6.7	6.1	3.6
95	14.7	13.0	7.8	5.6	12.3	10.0	6.2	3.8
96	6.8	5.2	4.0	1.9	6.3	4.1	—	—
97	13.9	12.2	7.8	5.7	12.3	10.0	6.7	4.3
98	26.0	24.1	18.6	16.2	18.2	15.8	9.9	7.3
99	18.5	16.7	8.6	6.4	13.3	11.0	7.1	4.7
100	17.3	15.6	10.6	8.3	11.3	9.1	8.2	5.7
101	15.9	14.2	9.1	6.9	11.6	9.3	8.5	6.0
102	12.3	10.6	9.1	6.9	9.7	7.5	7.7	5.2
103	14.7	13.0	8.4	6.2	12.3	10.0	7.2	4.7
104	13.5	11.9	7.1	4.9	11.9	9.7	5.0	2.5
105	15.3	13.6	6.8	4.6	11.7	9.4	—	—
106 *	17.2	15.5	9.7	7.5	12.8	10.5	8.3	5.8
107	15.4	13.7	8.6	6.4	11.9	9.6	7.3	4.9
108	16.7	15.0	9.0	6.8	12.2	10.0	8.1	5.6
109	13.7	12.0	10.7	8.5	10.7	8.4	8.6	6.1
110	13.3	11.6	8.4	6.2	—	—	—	—
111	13.8	12.1	6.7	4.5	10.0	7.8	6.6	4.1
112	17.3	15.6	9.5	7.3	12.9	10.6	8.3	5.8
113	8.4	6.8	6.2	4.0	4.9	2.7	—	—
114	16.8	15.1	8.2	6.0	11.4	9.1	5.7	3.2
115	16.1	14.3	10.4	8.1	11.2	8.9	—	—
116	14.6	12.9	7.2	5.0	11.7	9.4	8.2	5.7
117	13.4	11.7	7.6	5.4	9.3	7.1	4.5	2.1
118	13.4	11.7	10.8	8.6	13.6	11.3	7.0	4.5
Mean	14.7	13.0	8.2	6.0	11.6	9.3	7.2	4.7
Median	14.6	12.9	8.1	5.9	11.6	9.3	7.1	4.7
n	118	118	117	117	115	115	96	96

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Real returns are adjusted for inflation as measured by the Consumer Price Index.

\* Reports gross returns, i.e., before deduction of investment manager fees.



**Exhibit 27****Nominal and Real Total Return After Spending by Foundation**

Average Annual Compound Returns for Periods Ended December 31, 2013 • Percent (%)

Code	1 Year		3 Years		5 Years		10 Years	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
1	9.0	7.4	2.6	0.5	6.2	4.0	2.0	-0.3
2	10.1	8.5	1.2	-0.8	5.4	3.3	2.6	0.2
3	7.8	6.2	4.0	1.9	3.7	1.6	4.1	1.7
4	6.8	5.2	—	—	—	—	—	—
5	10.0	8.4	4.0	1.9	—	—	—	—
6	9.4	7.8	3.3	1.2	7.1	4.9	—	—
7	7.2	5.6	0.2	-1.9	—	—	—	—
8	—	—	—	—	—	—	—	—
9	12.9	11.2	4.8	2.7	9.0	6.8	3.0	0.6
10	9.4	7.8	3.2	1.1	5.3	3.2	1.0	-1.4
11	8.5	6.9	—	—	—	—	—	—
12	—	—	—	—	—	—	—	—
13	12.9	11.2	5.1	3.0	7.9	5.7	3.7	1.2
14	—	—	—	—	—	—	—	—
15	10.8	9.2	2.0	-0.1	4.2	2.1	-0.9	-3.2
16	11.6	10.0	—	—	—	—	—	—
17	—	—	—	—	—	—	—	—
18	—	—	—	—	—	—	—	—
19	—	—	—	—	—	—	—	—
20	—	—	—	—	—	—	—	—
21	8.1	6.5	1.6	-0.5	5.8	3.7	—	—
22	6.9	5.3	3.0	0.9	6.7	4.5	1.7	-0.6
23	12.3	10.7	4.5	2.4	8.1	5.9	—	—
24	7.9	6.4	—	—	—	—	—	—
25	7.5	5.9	1.7	-0.4	6.5	4.4	—	—
26	—	—	—	—	—	—	—	—
27	—	—	—	—	—	—	—	—
28	13.0	11.3	—	—	—	—	—	—
29	—	—	—	—	—	—	—	—
30	6.8	5.3	1.2	-0.9	—	—	—	—
31	10.1	8.5	—	—	—	—	—	—
32	8.7	7.1	3.6	1.5	5.5	3.3	—	—
33	7.6	6.0	1.0	-1.1	—	—	—	—
34	11.5	9.9	6.0	3.9	6.4	4.2	3.6	1.2
35	5.4	3.9	-0.8	-2.8	—	—	—	—
36	9.1	7.5	2.3	0.2	6.7	4.5	1.9	-0.5
37	7.3	5.7	2.6	0.5	6.0	3.8	3.0	0.6
38	8.9	7.3	—	—	—	—	—	—
39	—	—	—	—	—	—	—	—
40	—	—	—	—	—	—	—	—
Mean	9.0	7.4	3.0	0.9	6.2	4.0	2.7	0.3
Median	8.7	7.1	2.8	0.7	6.0	3.8	3.0	0.6
n	72	72	54	54	43	43	28	28

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Real returns are adjusted for inflation as measured by the Consumer Price Index.

## Exhibit 27 (continued)

**Nominal and Real Total Return After Spending by Foundation**

Average Annual Compound Returns for Periods Ended December 31, 2013 • Percent (%)

Code	1 Year		3 Years		5 Years		10 Years	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
41	7.9	6.3	1.4	-0.6	—	—	—	—
42	8.6	7.0	3.6	1.5	—	—	—	—
43	11.0	9.4	—	—	—	—	—	—
44	9.0	7.4	1.8	-0.2	—	—	—	—
45	—	—	—	—	—	—	—	—
46	—	—	—	—	—	—	—	—
47	9.7	8.0	4.9	2.7	5.4	3.2	3.5	1.1
48	—	—	—	—	—	—	—	—
49	5.8	4.2	0.6	-1.4	—	—	—	—
50	—	—	—	—	—	—	—	—
51	—	—	—	—	—	—	—	—
52	—	—	—	—	—	—	—	—
53	7.7	6.1	2.4	0.3	6.8	4.6	—	—
54	9.8	8.2	3.7	1.6	6.7	4.6	—	—
55	—	—	—	—	—	—	—	—
56	—	—	—	—	—	—	—	—
57	6.9	5.3	1.6	-0.4	6.0	3.8	2.8	0.4
58	8.2	6.6	2.9	0.8	—	—	—	—
59	—	—	—	—	—	—	—	—
60	—	—	—	—	—	—	—	—
61	*	—	—	—	—	—	—	—
62	11.3	9.6	3.4	1.3	—	—	—	—
63	8.8	7.2	1.3	-0.8	6.2	4.1	—	—
64	10.5	8.8	4.9	2.8	7.0	4.9	5.1	2.7
65	6.1	4.5	1.7	-0.4	5.8	3.6	—	—
66	6.9	5.3	1.4	-0.7	6.3	4.1	-0.1	-2.4
67	7.7	6.1	1.4	-0.6	4.4	2.3	0.3	-2.0
68	10.1	8.4	—	—	—	—	—	—
69	—	—	—	—	—	—	—	—
70	7.0	5.5	2.1	0.0	4.5	2.4	1.5	-0.8
71	—	—	—	—	—	—	—	—
72	4.1	2.6	0.1	-2.0	5.8	3.6	—	—
73	—	—	—	—	—	—	—	—
74	7.5	5.9	—	—	—	—	—	—
75	—	—	—	—	—	—	—	—
76	—	—	—	—	—	—	—	—
77	6.1	4.5	3.7	1.6	5.4	3.3	3.7	1.3
78	—	—	—	—	—	—	—	—
79	—	—	—	—	—	—	—	—
80	10.8	9.2	—	—	—	—	—	—
Mean	9.0	7.4	3.0	0.9	6.2	4.0	2.7	0.3
Median	8.7	7.1	2.8	0.7	6.0	3.8	3.0	0.6
n	72	72	54	54	43	43	28	28

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Real returns are adjusted for inflation as measured by the Consumer Price Index.

\* Reports gross returns, i.e., before deduction of investment manager fees.

## Exhibit 27 (continued)

**Nominal and Real Total Return After Spending by Foundation**

Average Annual Compound Returns for Periods Ended December 31, 2013 • Percent (%)

Code	1 Year		3 Years		5 Years		10 Years	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
81	9.4	7.8	3.4	1.3	9.8	7.5	—	—
82	8.6	7.0	1.5	-0.6	5.5	3.3	1.8	-0.6
83	—	—	—	—	—	—	—	—
84	11.4	9.8	5.0	2.9	7.2	5.0	3.5	1.1
85	—	—	—	—	—	—	—	—
86	14.1	12.4	5.7	3.6	8.6	6.4	3.8	1.4
87	—	—	—	—	—	—	—	—
88	—	—	—	—	—	—	—	—
89	—	—	—	—	—	—	—	—
90	—	—	—	—	—	—	—	—
91	—	—	—	—	—	—	—	—
92	4.6	3.1	-1.0	-3.0	4.6	2.5	—	—
93	7.8	6.2	4.1	2.0	4.7	2.5	—	—
94	—	—	—	—	—	—	—	—
95	—	—	—	—	—	—	—	—
96	1.1	-0.4	—	—	—	—	—	—
97	—	—	—	—	—	—	—	—
98	23.5	21.7	16.2	13.9	15.6	13.2	7.2	4.7
99	—	—	—	—	—	—	—	—
100	11.2	9.5	5.3	3.2	6.1	4.0	3.1	0.7
101	9.7	8.0	3.4	1.3	5.9	3.7	2.9	0.5
102	7.0	5.4	3.9	1.8	4.3	2.1	2.5	0.1
103	8.8	7.2	1.7	-0.4	5.6	3.5	—	—
104	8.1	6.5	—	—	—	—	—	—
105	10.1	8.5	—	—	—	—	—	—
106 *	—	—	—	—	—	—	—	—
107	10.4	8.7	4.0	1.9	6.8	4.6	3.1	0.7
108	8.5	6.9	1.9	-0.2	4.9	2.7	1.8	-0.5
109	9.8	8.2	5.6	3.5	5.3	3.1	3.6	1.2
110	7.0	5.4	—	—	—	—	—	—
111	—	—	—	—	—	—	—	—
112	—	—	—	—	—	—	—	—
113	2.5	1.0	0.3	-1.8	-0.8	-2.8	—	—
114	11.4	9.7	—	—	—	—	—	—
115	14.6	12.9	—	—	—	—	—	—
116	—	—	—	—	—	—	—	—
117	—	—	—	—	—	—	—	—
118	7.7	6.1	—	—	—	—	—	—
Mean	9.0	7.4	3.0	0.9	6.2	4.0	2.7	0.3
Median	8.7	7.1	2.8	0.7	6.0	3.8	3.0	0.6
n	72	72	54	54	43	43	28	28

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Real returns are adjusted for inflation as measured by the Consumer Price Index.

\* Reports gross returns, i.e., before deduction of investment manager fees.

**Exhibit 28****Nominal Total Return, Standard Deviation, and Sharpe Ratio by Foundation**

Years Ended December 31, 2013

Code	5 Years (n=114)			10 Years (n=95)		
	AACR (%)	Standard Dev (%)	Sharpe Ratio	AACR (%)	Standard Dev (%)	Sharpe Ratio
1	12.7	10.8	1.16	7.8	9.9	0.65
2	11.5	9.0	1.25	8.2	10.0	0.68
3	9.3	7.6	1.20	9.6	8.2	0.97
4	10.7	11.3	0.95	6.0	10.8	0.45
5	10.9	10.3	1.06	6.3	10.3	0.48
6	12.2	10.4	1.16	6.9	10.6	0.53
7	—	—	—	—	—	—
8	11.4	10.4	1.10	7.2	11.0	0.55
9	13.4	11.4	1.17	7.1	11.8	0.51
10	10.9	10.3	1.06	6.5	11.0	0.48
11	8.3	10.4	0.82	5.0	10.1	0.37
12	12.6	11.2	1.12	—	—	—
13	13.3	8.8	1.47	9.0	10.3	0.74
14	12.9	13.1	0.99	7.3	12.1	0.50
15	12.4	9.5	1.29	6.8	10.3	0.54
16	12.1	12.1	1.00	6.7	11.9	0.47
17	6.2	9.4	0.68	3.6	10.3	0.23
18	10.2	10.0	1.02	7.2	10.7	0.55
19	11.7	11.5	1.02	7.9	12.8	0.53
20	11.0	11.8	0.94	6.5	11.4	0.46
21	12.1	11.3	1.07	7.8	11.6	0.57
22	12.3	9.4	1.28	7.0	10.6	0.54
23	12.5	9.6	1.28	6.7	9.9	0.54
24	11.6	13.9	0.86	—	—	—
25	12.2	13.2	0.93	—	—	—
26	13.5	12.1	1.11	—	—	—
27	11.6	10.1	1.14	7.5	10.2	0.60
28	13.9	11.5	1.19	9.1	12.1	0.66
29	14.7	7.1	1.97	10.3	9.0	0.97
30	11.2	10.6	1.05	—	—	—
31	10.6	10.0	1.06	5.9	10.2	0.45
32	10.7	7.3	1.43	8.6	8.1	0.87
33	13.0	13.3	0.99	—	—	—
34	11.6	7.6	1.49	8.9	9.9	0.75
35	8.2	10.6	0.79	4.9	11.5	0.33
5th Percentile	14.2	13.3	1.48	9.0	13.0	0.80
25th Percentile	12.5	11.5	1.20	8.2	11.7	0.65
75th Percentile	10.9	9.4	0.99	6.3	10.2	0.46
95th Percentile	8.3	7.5	0.84	4.9	8.6	0.32
Mean	11.6	10.6	1.11	7.2	11.0	0.55
Median	11.6	10.6	1.07	7.1	11.0	0.54
70% Wilshire 5000 / 30% Barclays Govt/Credit	14.6	12.4	1.16	7.3	11.5	0.53
70% MSCI ACWI / 30% Barclays Govt/Credit	12.6	13.7	0.93	7.2	12.7	0.48

Source: Foundation data as reported to Cambridge Associates LLC. Index data provided by Barclays, MSCI Inc., Thomson Reuters Datastream, and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

**Exhibit 28 (continued)**  
**Nominal Total Return, Standard Deviation, and Sharpe Ratio by Foundation**  
 Years Ended December 31, 2013

Code	5 Years (n=114)			10 Years (n=95)		
	AACR (%)	Standard Dev (%)	Sharpe Ratio	AACR (%)	Standard Dev (%)	Sharpe Ratio
36	12.2	12.3	1.00	7.1	11.6	0.51
37	11.3	10.2	1.10	8.0	10.5	0.63
38	9.8	7.9	1.21	5.9	7.6	0.58
39	12.5	9.4	1.30	8.6	10.7	0.68
40	12.3	11.0	1.11	6.7	11.7	0.47
41	14.6	13.2	1.10	8.6	13.0	0.58
42	12.4	9.3	1.30	8.7	10.4	0.71
43	11.2	10.9	1.03	6.9	11.5	0.50
44	11.1	10.5	1.06	6.7	11.3	0.49
45	11.0	9.6	1.14	7.5	10.4	0.59
46	11.3	12.9	0.89	5.9	12.7	0.38
47	11.6	8.2	1.38	8.9	9.3	0.79
48	10.3	9.6	1.06	6.2	10.6	0.47
49	10.3	13.5	0.79	4.8	12.7	0.31
50	12.6	11.3	1.11	6.7	11.7	0.48
51	11.4	10.5	1.08	—	—	—
52	11.0	6.6	1.61	8.0	8.6	0.76
53	13.1	12.8	1.03	7.0	12.2	0.48
54	11.9	11.4	1.05	—	—	—
55	11.3	11.4	0.99	7.1	11.6	0.51
56	11.3	10.1	1.11	6.7	10.7	0.51
57	11.6	11.5	1.01	8.1	11.7	0.59
58	11.2	11.1	1.01	5.4	12.3	0.36
59	9.3	11.1	0.85	—	—	—
60	6.9	7.7	0.89	4.1	9.1	0.30
61 *	14.3	12.0	1.18	8.7	10.9	0.68
62	14.2	11.4	1.23	—	—	—
63	11.2	10.4	1.07	8.7	11.3	0.65
64	12.7	8.1	1.52	10.2	10.1	0.86
65	11.3	9.2	1.21	8.7	10.3	0.70
66	11.8	11.2	1.05	5.1	12.4	0.33
67	12.8	11.5	1.11	8.2	11.4	0.61
68	12.7	12.8	0.99	6.0	13.0	0.39
69	11.3	12.2	0.93	5.8	11.4	0.41
70	11.5	9.7	1.17	8.0	9.6	0.68
5th Percentile	14.2	13.3	1.48	9.0	13.0	0.80
25th Percentile	12.5	11.5	1.20	8.2	11.7	0.65
75th Percentile	10.9	9.4	0.99	6.3	10.2	0.46
95th Percentile	8.3	7.5	0.84	4.9	8.6	0.32
Mean	11.6	10.6	1.11	7.2	11.0	0.55
Median	11.6	10.6	1.07	7.1	11.0	0.54
70% Wilshire 5000 / 30% Barclays Govt/Credit	14.6	12.4	1.16	7.3	11.5	0.53
70% MSCI ACWI / 30% Barclays Govt/Credit	12.6	13.7	0.93	7.2	12.7	0.48

Source: Foundation data as reported to Cambridge Associates LLC. Index data provided by Barclays, MSCI Inc., Thomson Reuters Datastream, and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

\* Reports gross returns, i.e., before deduction of investment manager fees.

**Exhibit 28 (continued)**  
**Nominal Total Return, Standard Deviation, and Sharpe Ratio by Foundation**  
 Years Ended December 31, 2013

Code	5 Years (n=114)			10 Years (n=95)		
	AACR (%)	Standard Dev (%)	Sharpe Ratio	AACR (%)	Standard Dev (%)	Sharpe Ratio
71	10.6	11.2	0.95	5.2	11.6	0.35
72	11.8	12.3	0.97	—	—	—
73	7.9	10.0	0.80	5.2	11.3	0.36
74	11.0	10.7	1.03	4.7	11.6	0.32
75	12.5	9.8	1.25	6.7	9.9	0.54
76	11.0	11.5	0.96	5.4	10.8	0.39
77	10.9	7.5	1.42	8.8	10.3	0.72
78	8.7	7.5	1.16	—	—	—
79	11.8	11.5	1.03	6.7	11.3	0.49
80	—	—	—	—	—	—
81	15.5	16.1	0.98	7.5	15.2	0.45
82	10.9	10.2	1.07	7.0	11.4	0.51
83	10.9	8.9	1.20	7.2	10.5	0.56
84	12.9	6.8	1.83	9.0	9.5	0.79
85	11.4	13.0	0.89	—	—	—
86	14.0	12.9	1.08	8.6	12.5	0.59
87	10.4	10.1	1.02	—	—	—
88	11.5	10.9	1.06	7.0	11.5	0.51
89	14.7	12.7	1.15	8.5	12.5	0.59
90	13.0	12.9	1.01	7.8	13.0	0.52
91	12.5	11.2	1.11	8.0	12.3	0.56
92	12.6	13.0	0.98	5.8	12.5	0.38
93	10.7	9.9	1.08	—	—	—
94	8.9	8.0	1.10	6.1	8.2	0.56
95	12.3	12.5	0.99	6.2	11.7	0.44
96	6.3	6.5	0.96	—	—	—
97	12.3	11.3	1.08	6.7	11.5	0.48
98	18.2	8.6	2.02	9.9	10.5	0.80
99	13.3	15.0	0.91	7.1	14.5	0.44
100	11.3	9.1	1.22	8.2	9.3	0.72
101	11.6	8.9	1.28	8.5	9.9	0.71
102	9.7	7.6	1.25	7.7	8.5	0.72
103	12.3	9.9	1.24	7.2	11.6	0.52
104	11.9	12.2	0.99	5.0	13.1	0.31
105	11.7	13.7	0.87	—	—	—
5th Percentile	14.2	13.3	1.48	9.0	13.0	0.80
25th Percentile	12.5	11.5	1.20	8.2	11.7	0.65
75th Percentile	10.9	9.4	0.99	6.3	10.2	0.46
95th Percentile	8.3	7.5	0.84	4.9	8.6	0.32
Mean	11.6	10.6	1.11	7.2	11.0	0.55
Median	11.6	10.6	1.07	7.1	11.0	0.54
70% Wilshire 5000 / 30% Barclays Govt/Credit	14.6	12.4	1.16	7.3	11.5	0.53
70% MSCI ACWI / 30% Barclays Govt/Credit	12.6	13.7	0.93	7.2	12.7	0.48

Source: Foundation data as reported to Cambridge Associates LLC. Index data provided by Barclays, MSCI Inc., Thomson Reuters Datastream, and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

## Exhibit 28 (continued)

**Nominal Total Return, Standard Deviation, and Sharpe Ratio by Foundation**

Years Ended December 31, 2013

Code	5 Years (n=114)			10 Years (n=95)		
	AACR (%)	Standard Dev (%)	Sharpe Ratio	AACR (%)	Standard Dev (%)	Sharpe Ratio
106 *	12.8	10.7	1.17	8.3	9.6	0.71
107	11.9	9.2	1.27	7.3	10.1	0.60
108	12.2	10.4	1.17	8.1	10.5	0.64
109	10.7	7.5	1.39	8.6	9.6	0.75
110	—	—	—	—	—	—
111	10.0	11.5	0.88	6.6	11.6	0.47
112	12.9	11.0	1.16	8.3	11.4	0.62
113	4.9	8.3	0.60	—	—	—
114	11.4	12.3	0.94	5.7	11.4	0.40
115	11.2	9.2	1.20	—	—	—
116	11.7	11.4	1.03	8.2	12.3	0.57
117	9.3	10.3	0.91	4.5	10.3	0.32
118	—	—	—	—	—	—

5th Percentile	14.2	13.3	1.48	9.0	13.0	0.80
25th Percentile	12.5	11.5	1.20	8.2	11.7	0.65
75th Percentile	10.9	9.4	0.99	6.3	10.2	0.46
95th Percentile	8.3	7.5	0.84	4.9	8.6	0.32
Mean	11.6	10.6	1.11	7.2	11.0	0.55
Median	11.6	10.6	1.07	7.1	11.0	0.54
70% Wilshire 5000 / 30% Barclays Govt/Credit	14.6	12.4	1.16	7.3	11.5	0.53
70% MSCI ACWI / 30% Barclays Govt/Credit	12.6	13.7	0.93	7.2	12.7	0.48

Source: Foundation data as reported to Cambridge Associates LLC. Index data provided by Barclays, MSCI Inc., Thomson Reuters Datastream, and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties.

\* Reports gross returns, i.e., before deduction of investment manager fees.

**Exhibit 29**  
**Calculation of Net Returns by Foundation**  
 As of December 31, 2013

Code	Asset- Based Mgmt Fees	Performance- Based Mgmt Fees	Custody Fees	Consulting Fees	Staff Salaries	Travel Expenses	Legal Expenses	Accounting Expenses	Costs Associated with IC Meetings	Rents/ Space Costs	Other
1	x	x									
2	x	x									
3	x	x									
4	x	x									
5	x	x									
6	x	x									
7	x	x									
8	x	x									
9	x	x									
10	x	x	x								
11	x	x									
12	x	x									
13	x	x									
14	x	x									
15	x	x	x								
16	x	x									
17	x	x									
18	x	x									
19	x	x									
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28	x	x									
29	x	x									
30	x	x									
31	x	x									
32	x	x									
33	x	x									
34	x	x									
35	x	x									
36	x	x									
37	x	x									
38	x	x									
39	x	x									
40	x	x									
41	x	x									
42	x	x									
43	x	x	x								
44	x	x									
45	x	x									

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Two foundations (coded as 61 and 106) report returns gross of fees and are not included.



**Exhibit 29 (continued)**  
**Calculation of Net Returns by Foundation**  
 As of December 31, 2013

Code	Asset-Based Mgmt Fees	Performance-Based Mgmt Fees	Custody Fees	Consulting Fees	Staff Salaries	Travel Expenses	Legal Expenses	Accounting Expenses	Costs Associated with IC Meetings	Rents/Space Costs	Other
46	x	x									
47	x	x	x	x	x	x		x			x
48	x	x									
49	x	x									
50	x	x									
51	x	x									
52	x	x									
53	x	x									
54	x	x									
55	x	x									
56	x	x									
57	x	x									
58	x	x									
59	x	x									
60	x	x									
62	x	x	x								
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64	x	x	x								
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67	x	x									
68	x	x									
69	x	x									
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75	x	x									
76	x	x									
77	x	x	x								
78	x	x									
79	x	x									
80	x	x									
81	x	x									
82	x	x	x	x	x	x	x	x	x	x	
83	x	x	x								
84	x	x	x								
85	x	x									
86	x	x									
87	x	x									
88	x	x									
89	x	x									
90	x	x									

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Two foundations (coded as 61 and 106) report returns gross of fees and are not included.

**Exhibit 29 (continued)**  
**Calculation of Net Returns by Foundation**  
As of December 31, 2013

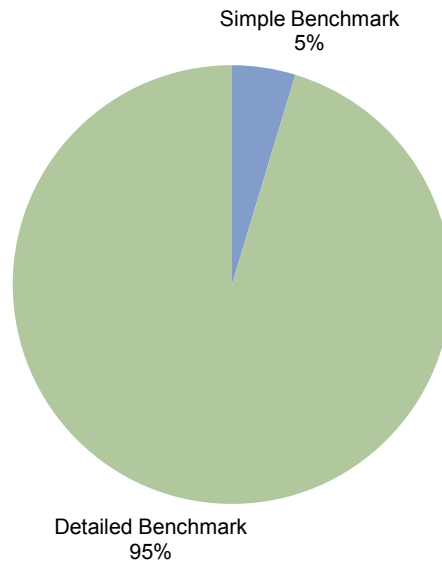
Code	Asset- Based Mgmt Fees	Performance- Based Mgmt Fees	Custody Fees	Consulting Fees	Staff Salaries	Travel Expenses	Legal Expenses	Accounting Expenses	Costs Associated with IC Meetings	Rents/ Space Costs	Other
91	x	x									
92	x	x									
93	x	x									
94	x	x									
95	x	x									
96	x	x									
97	x	x									
98	x	x									
99	x	x									
100	x	x									
101	x	x									
102	x	x	x								
103	x	x									
104	x	x									
105	x	x									
107	x	x									
108	x	x									
109	x	x	x	x	x	x	x	x	x		
110	x	x									
111	x	x									
112	x	x									
113	x	x									
114	x	x									
115	x	x	x								
116	x	x									
117	x	x									
118	x	x	x								

Source: Foundation data as reported to Cambridge Associates LLC.

Note: Two foundations (coded as 61 and 106) report returns gross of fees and are not included.

**Exhibit 30**  
**Policy Portfolio Benchmarking**  
 As of December 31, 2013

**Proportion of Foundations Using Simple Policy Portfolio Benchmarks Versus Detailed Benchmarks (n = 106)**



**Breakdown by Investment Pool Size**

	Simple Benchmark	Detailed Benchmark
Under \$300 Million	6% (n = 4)	94% (n = 62)
\$300 Million to \$1 Billion	5% (n = 1)	95% (n = 18)
Over \$1 Billion	0% (n = 0)	100% (n = 21)

**Description of Policy Portfolio Benchmark Types**

**Simple Benchmark:** The use of broad market indexes to benchmark the performance of the total portfolio. Typically, an equity/fixed income blend is used (e.g., 80% MSCI ACWI / 20% Barclays Aggregate Bond Index), with the equity weighting used as a rough approximation of the portfolio's allocation to equities and equity-like investments.

**Detailed Benchmark:** The use of asset class-specific benchmarks, with weights typically reflective of policy portfolio targets, to benchmark the performance of the total portfolio.

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 31**  
**Frequently Used Components of Simple Policy Portfolio Benchmarks**  
 As of December 31, 2013

Strategy	Benchmark Description	Number of Foundations
Simple Benchmark <i>n</i> = 5	Combination: MSCI World and Barclays Aggregate Bond	1
	Combination: Russell 3000® and Barclays Aggregate Bond	1
	Combination: S&P 500 and Barclays Aggregate Bond	1
	Combination: S&P 500 and Barclays Govt/Credit Bond	1
	Combination: S&P 500 (with a portion carried at 0% for the current quarter), MSCI ACWI ex US, and Barclays Aggregate Bond	1

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 32**  
**Frequently Used Components of Detailed Policy Portfolio Benchmarks**

As of December 31, 2013

Asset Class/ Strategy	Benchmark Description	Number of Foundations
Global Equity <i>n</i> = 33	MSCI ACWI	22
	MSCI World	6
	Combination: MSCI World and MSCI Emerging Markets	4
	Combination: MSCI ACWI and MSCI Emerging Markets	1
US Equity <i>n</i> = 71	Russell 3000®	33
	Wilshire 5000	15
	S&P 500	11
	MSCI US Broad Market	3
	Combination: S&P 500 and Russell 2000®	3
	Combination: Russell 1000 Value® and Russell 3000®	1
	Combination: Russell 1000® and Russell 2000®	1
	Combination: S&P 500, Russell 2000 Value®, and Russell 2500 Growth®	1
	Combination: S&P 500, Russell 2000®, and Russell Midcap®	1
	Combination: S&P 500 and Russell 3000®	1
	Russell 1000®	1
Global ex US Equity <i>n</i> = 75	Combination: MSCI EAFE and MSCI Emerging Markets	44
	MSCI All Country World ex US	16
	Combination: MSCI ACWI ex US and MSCI Emerging Markets	4
	MSCI EAFE	3
	MSCI ACWI	3
	Combination: MSCI ACWI ex US and FTSE® All-World Emerging	2
	Combination: MSCI World ex US and MSCI Emerging	1
	Combination: MSCI World and MSCI All Country World ex US	1
Bonds <i>n</i> = 96	Barclays Aggregate Bond	27
	Combination: Barclays Aggregate and Citigroup WGBI	10
	Barclays Government/Credit Bond	8
	Barclays Intermediate-Term Treasury	4
	Combination: Barclays Aggregate and Barclays 5-10 Year Treasury Bond	3
	Barclays 5-10 Year Treasury Bond	2
	Barclays US Treasury Bond	2
	Citigroup World Government Bond	2
	Combination: Barclays 5-10 Year Treasury and Citigroup WGBI	2
	Combination: Barclays Aggregate and Barclays Int-Term Treasury Bond	2
	Combination: Barclays Aggregate and J.P. Morgan Global Government Bond	2
	Combination: Barclays Govt/Credit and Citigroup WGBI	2
	Combination: Barclays CMBS Investment Grade, Barclays US Aggregate Total Treasury, Barclays US Corporate High-Yield, Barclays US Corporate Investment Grade, and Barclays US Treasury Inflation Notes Total Return	1
	Combination: Barclays Aggregate, Barclays Long-Term US Treasury, Citigroup WGBI, J.P. Morgan ELMI, and J.P. Morgan EMBI Global Diversified	1
	Combination: 91-Day Treasury Bills, Barclays Govt/Credit, Barclays US TIPS, and Citigroup WGBI ex US and Japan	1
	Combination: BofA ML Convertible, BofA ML US HY Master II, Barclays Aggregate, and OIBAX-International Bond	1
Combination: Barclays Ultra Long Treasury Bond Futures + 91-Day Treasury Bills, and 1/3 Investment Grade, 1/3 High Yield, and 1/3 Emerging Markets 5-Year CDX spreads	1	

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 32 (continued)**  
**Frequently Used Components of Detailed Policy Portfolio Benchmarks**  
As of December 31, 2013

Asset Class/ Strategy	Benchmark Description	Number of Foundations
Bonds (continued) <i>n</i> = 96	Combination: Barclays 1-3 Year Treasury Bond, Barclays Aggregate, and Citigroup WGBI	1
	Combination: Barclays 5-10 Year Treasury Bond, Barclays Aggregate, and Citigroup WGBI	1
	Combination: Barclays Int-Term Treasury, Barclays Int-Term Treasury + 1%, and Barclays TIPS	1
	Combination: Barclays Aggregate, Barclays Int-Term Govt, and Citigroup WGBI	1
	Combination: Barclays Int-Term Treasury, Citigroup WGBI, and J.P. Morgan ELMI Plus	1
	Combination: Barclays Aggregate, Barclays Int-Term Govt, and J.P. Morgan ELMI Plus	1
	Combination: Barclays Aggregate, Barclays Government, and Citigroup WGBI	1
	Combination: Barclays 3+ Year Treasury and Citigroup WGBI	1
	Combination: Barclays 7-10 Year Treasury and Citigroup WGBI	1
	Combination: Barclays Aggregate and Barclays Global Aggregate Bond	1
	Combination: Barclays Aggregate and J.P. Morgan ELMI Plus	1
	Combination: Barclays Government and Barclays High-Yield Composite Bond	1
	Combination: Barclays Govt/Credit and Barclays US 1-5 Year Credit	1
	Combination: Barclays Govt/Credit and 91-Day Treasury Bills	1
	Combination: Barclays Govt/Credit and LIBOR 3-month USD + 3%	1
	Combination: Barclays Int-Term Treasury and Citigroup WGBI	1
	Combination: Barclays US Treasury and Citigroup WGBI	1
	Actual bond performance used in total portfolio policy benchmark	1
	Barclays 3-7 Year Treasury Bond	1
	Barclays 5+ Year Treasury Bond	1
	Barclays 5-10 Year Govt/Credit Bond	1
	Barclays Aggregate Float Adjusted	1
	Barclays Aggregate Intermediate Bond	1
	Barclays Intermediate-Term Govt/Credit Bond	1
	Barclays Long-Term Govt/Credit Bond	1
	Hedge Funds <i>n</i> = 90	HFRI Fund of Funds Composite
HFRI Fund of Funds Diversified		29
91-Day Treasury Bills + prespecified percentage <i>T-Bills</i> + 5% ( <i>n</i> = 6) <i>T-Bills</i> + 4% ( <i>n</i> = 2)		8
Combination: Barclays Aggregate Bond and MSCI World		4
Combination: HFRI Equity Hedge and HFRI Event-Driven		2
Credit Suisse Hedge Fund Index		2
Combination: 91-Day Treasury Bills + 2.7% and Russell 3000®		1
Combination: 91-Day Treasury Bills + 4% and S&P 500		1
Combination: HFRI Equity Hedge and HFRI Fund of Funds		1
Combination: HFRI Event-Driven and HFRI RV Multi-Strategy		1
Combination: HFRI Fund of Funds Conservative and HFRI Fund of Funds Diversified		1
Combination: MSCI ACWI and 91-Day Treasury Bills + 4%		1
Combination: MSCI ACWI (0.4 Beta Adjusted) and MSCI ACWI (0.6 Beta Adjusted)		1
Combination: MSCI World and 91-Day Treasury Bills + 4%		1
Combination: S&P 500 and LIBOR + 3%		1
Cambridge Associates Hedge Fund of Fund Manager Median		1
HFRI Fund of Funds Composite + 1%		1
HFRI Fund of Funds Diversified + 2%		1
HFRI Systematic Diversified CTA		1

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 32 (continued)**  
**Frequently Used Components of Detailed Policy Portfolio Benchmarks**  
As of December 31, 2013

Asset Class/ Strategy	Benchmark Description	Number of Foundations
Private Investments <i>n</i> = 58	Cambridge Associates LLC Private Equity® and/or Venture Capital®	29
	Russell 3000® + prespecified percentage	8
	<i>Russell 3000® + 3% (n = 6)</i>	
	<i>Russell 3000® + 4% (n = 1)</i>	
	<i>Russell 3000® + 5% (n = 1)</i>	
	S&P 500 + prespecified percentage	7
	<i>S&amp;P 500 + 5% (n = 3)</i>	
	<i>S&amp;P 500 + 2% (n = 2)</i>	
	<i>S&amp;P 500 + 3% (n = 1)</i>	
	<i>S&amp;P 500 + 4% (n = 1)</i>	
	Actual private investment performance used in total portfolio policy benchmark	5
MSCI ACWI + 3%	4	
Russell 3000®	3	
Combination: 91-Day Treasury Bills and Russell 3000® + 3%	1	
Russell 2500® + 4%	1	
Inflation-Hedging/ Real Assets <i>n</i> = 97	Consumer Price (CPI-U) + prespecified percentage	8
	<i>CPI-U + 5% (n = 7)</i>	
	<i>CPI-U + 3% (n = 1)</i>	
	Wellington Diversified Inflation Hedges Benchmark	5
	Bloomberg Commodity Total Return	3
	MSCI World Natural Resources	3
	S&P NA Natural Resources Sector	3
	Combination: Barclays US TIPS, Cambridge Associates Private Natural Resources and Private Real Estate, Bloomberg Commodity Total Return, FTSE® EPRA/NAREIT Developed Real Estate, and MSCI World Natural Resources	2
	Combination: Barclays US TIPS, MSCI World Natural Resources, S&P GSCI™, and Wilshire US REIT	2
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, Bloomberg Commodity Total Return, FTSE® EPRA/NAREIT Developed Real Estate, and MSCI World Natural Resources	2
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, Bloomberg Commodity Total Return, and MSCI Global Natural Resources	2
	Combination: CPI-U + 5% and Bloomberg Commodity Total Return	2
	Combination: Bloomberg Commodity Total Return and NCREIF Property	2
	Combination: MSCI US REIT and S&P NA Natural Resources Sector	2
	Combination: Barclays US TIPS, FTSE® EPRA/NAREIT Developed Real Estate, S&P GSCI™ MSCI All Country World IMI Gold & Precious Metals, MSCI Energy, MSCI Metals & Mining, Paper & Forest Products, and S&P GSCI™ Precious Metals Total Return	1
	Combination: Bloomberg Commodity Total Return, FTSE® EPRA, NAREIT Developed Real Estate, NYSE Arca Gold Miners, S&P MLP, S&P NA Natural Resources, and Wellington SRA Custom Benchmark indexes, and actual private real assets performance	1
	Combination: Barclays US TIPS, CSFB Leveraged Loan, Bloomberg Commodity, DJ Brookfield Global Infrastructure, FTSE® EPRA/NAREIT Developed Real Estate, S&P NA Natural Resources, and Tortoise MLP indexes	1
	Combination: Barclays US TIPS, Bloomberg Select Commodity, Dow Jones US Select REIT, and S&P Large/Mid-Cap Natural Resources indexes, Gold Bullion Spot Price, and SSGA Blended Benchmark	1
Combination: Alerian MLP, MSCI ACW Energy, NYSE Arca Natural Gas, S&P MLP, and S&P NA Natural Resources	1	

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 32 (continued)**  
**Frequently Used Components of Detailed Policy Portfolio Benchmarks**  
As of December 31, 2013

Asset Class/ Strategy	Benchmark Description	Number of Foundations
Inflation-Hedging/ Real Assets (cont) <i>n</i> = 97	Combination: Barclays US TIPS, FTSE® EPRA/NAREIT Global Real Estate, Gold Bullion, MSCI World Resources, and S&P GSCI™	1
	Combination: CPI-U + 5%, Bloomberg Commodity, FTSE® EPRA/NAREIT Composite, MSCI World Energy, and NCREIF Property	1
	Combination: Barclays Global Inflation-Linked Bond, Bloomberg Commodity Total Return, NCREIF Timberland, and Cambridge Associates Private Real Estate	1
	Combination: Barclays US TIPS, Cambridge Associates Private Natural Resources and Private Real Estate, Goldman Sachs Commodity, and NAREIT Equity REIT	1
	Combination: Bridgewater Associates Custom IL Bond, Cambridge Associates Private Natural Resources and Private Real Estate, Timber, and Bloomberg ex Energy Total Return	1
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, S&P MLP, and Wellington Real Asset indexes, and Gold Bullion Spot Price	1
	Combination: Barclays US TIPS, Bloomberg Commodity Total Return, DJ-Wilshire 5000 Energy, and FTSE® EPRA/NAREIT Equity	1
	Combination: Barclays US TIPS, Bloomberg Commodity Total Return, MSCI World Natural Resources, and Wilshire US REIT	1
	Combination: Barclays US TIPS, Equal Sector Weighted S&P GSCI™ Commodities, MSCI Energy, and MSCI Metals and Mining	1
	Combination: Barclays US TIPS, FTSE® EPRA/NAREIT Global Real Estate, S&P GSCI™, and MSCI World Natural Resources	1
	Combination: Bloomberg Commodity Total Return, FTSE® EPRA, MSCI All Country World Energy, and FTSE® EPRA/NAREIT Global Real Estate	1
	Combination: MSCI World Natural Resources, S&P Global Timber and Forestry, S&P GSCI™, and Wilshire US Real Estate Securities	1
	Combination: Barclays US TIPS, Bloomberg Commodity Total Return, and Cambridge Associates Private Natural Resources and Private Real Estate	1
	Combination: Barclays US TIPS, Bloomberg Commodity Total Return, and MSCI World Natural Resources	1
	Combination: Barclays US TIPS, Bloomberg Commodity Total Return, and S&P NA Natural Resources	1
	Combination: Barclays World Government Inflation-Linked Bond, Lipper Global Natural Resources, and S&P NA Natural Resources Sector	1
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, DJ US Real Estate, and S&P Global Natural Resources	1
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, S&P GSCI™, and FTSE® EPRA/NAREIT Equity	1
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, NCRIEF Property, and NCREIF Timberland	1
	Combination: Bloomberg Commodity Total Return, FTSE® EPRA/NAREIT, and MSCI World Energy	1
	Combination: Bloomberg Commodity Total Return, DJ Global ex US Select Real Estate Securities, and NCREIF Property	1
	Combination: Bloomberg Commodity Total Return, FTSE® EPRA/NAREIT All Equity REITs, and MSCI World Energy	1
	Combination: Bloomberg Commodity Total Return, FTSE® EPRA/NAREIT Developed Real Estate, and MSCI World Natural Resources	1
	Combination: Bloomberg Commodity Total Return, FTSE® EPRA/NAREIT Equity, and Wilshire 5000 Energy	1
	Combination: Bloomberg Commodity Total Return and S&P NA Natural Resources Sector indexes, and Gold Bullion Spot Price	1

Source: Foundation data as reported to Cambridge Associates LLC.



**Exhibit 32 (continued)**  
**Frequently Used Components of Detailed Policy Portfolio Benchmarks**  
As of December 31, 2013

Asset Class/ Strategy	Benchmark Description	Number of Foundations
Inflation-Hedging/ Real Assets (cont) <i>n = 97</i>	Combination: Bloomberg Commodity Total Return, MSCI World Natural Resources, and Wellington Diversified Inflation Hedges	1
	Combination: FTSE® EPRA/NAREIT, NCREIF Property, and Wilshire 5000	1
	Combination: FTSE® EPRA/NAREIT All Equity REITs and Wilshire 5000 Energy indexes, and actual private investment performance	1
	Combination: Gold Bullion Spot Price, MSCI ACW Energy, and Vanguard S&P Custom Metals Benchmark	1
	Combination: S&P GSCI™, MSCI World Natural Resources, and Wilshire US REIT	1
	Combination: S&P GSCI™, S&P MLP, and Wellington SRA Custom Benchmark	1
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, and Barclays US TIPS	1
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, and Citigroup Inflation-Linked Sector	1
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, and Bloomberg Commodity Total Return	1
	Combination: Cambridge Associates Private Natural Resources and Private Real Estate, and REIT Blended Benchmark	1
	Combination: Cambridge Associates Real Estate and Wellington Diversified Inflation Hedges Benchmark	1
	Combination: CPI-U + 4% and NCREIF Property	1
	Combination: CPI-U + 5% and Cambridge Associates Private Real Estate	1
	Combination: Bloomberg Commodity Total Return and MSCI World Natural Resources	1
	Combination: Bloomberg Commodity Total Return and NCREIF Property	1
	Combination: Bloomberg Commodity Total Return and S&P Natural Resources	1
	Combination: FTSE® EPRA/NAREIT All REITs Total Return and S&P GSCI™ Total Return	1
	Combination: Gold Bullion Spot Price and MSCI World Natural Resources	1
	Combination: Gold Bullion Spot Price and Wellington Diversified Inflation Hedges	1
	Combination: Lipper Global Natural Resources and S&P GSCI™	1
	Combination: Lipper Global Natural Resources Index and Wellington Diversified Inflation Hedges	1
	Combination: MSCI World Natural Resources and NCREIF Property	1
	Combination: FTSE® EPRA/NAREIT Developed and NCREIF Property	1
	Combination: FTSE® EPRA/NAREIT Developed and S&P NA Natural Resources	1
	Combination: NCREIF Property and S&P 500 Energy	1
	Combination: S&P Goldman Sachs Equal Weight and S&P NA Natural Resources	1
	Combination: S&P MLP and S&P NA Natural Resources	1
Combination: S&P MLP Index and Wellington SRA Custom Benchmark	1	
CPI-U	1	
FTSE® EPRA/NAREIT Equity REITs	1	
NCREIF Property	1	

Source: Foundation data as reported to Cambridge Associates LLC.

## Spending Requirements

While all foundations are charitable organizations, specific characteristics and objectives help to distinguish foundations into three broad classification types.

Private foundations, which generally receive funding from a single donor, are defined by the IRS as one of two types: operating or non-operating. While both must meet an annual spending requirement, each is subject to different conditions that determine the minimum spending amount.

**Private Non-Operating Foundations.** Private non-operating foundations, which make up the majority of participants in this study, are required to spend 5% of their asset value every year. They function primarily as grant-making organizations, providing funding and support to other charitable organizations.

**Private Operating Foundations.** In contrast, private operating foundations are established not with the intention to fund grants to outside organizations, but to provide funding and support to the foundation's own programs and activities. Bound by an annual spending requirement, private operating foundations are subject to specific guidelines that determine their minimum amount.

**Community Foundations.** Community foundations are a type of public charity, deriving funds from many donors rather than a single source. They mainly function as grant-making organizations, funding charitable support in the immediate region or locality where they are located. Community foundations are not subject to a minimum spending requirement.

## Payout Rates

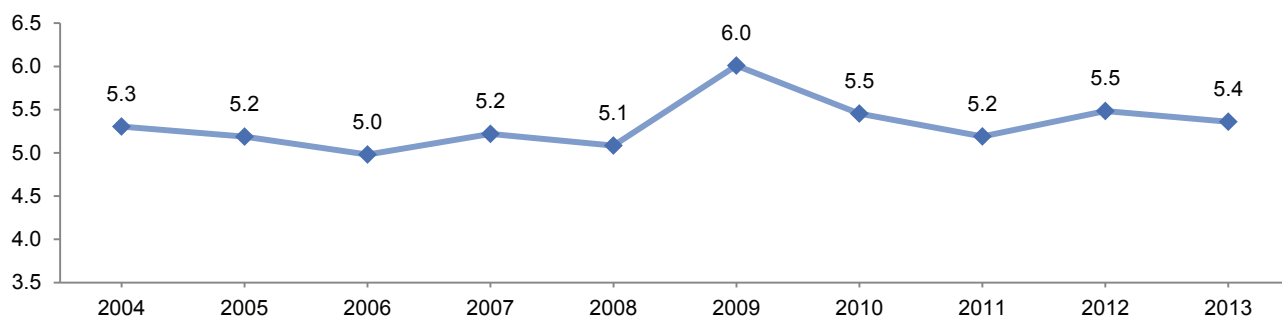
Annual spending distributions are withdrawn from investment assets to fund grants, program-related investments, loans, and administrative expenses related to charitable purposes. The payout rate in this study is calculated as the annual spending distribution as a percentage of the beginning market value of the long-term investment portfolio.

For the 50 private non-operating foundations that provided data in 2013, payout rates averaged 5.3%. As shown in the graph below, when looking at a constant universe of foundations that provided data from 2004 to 2013, payout rates at 5.4% were 12 bps below those reported in 2012, and 70 bps below the peak rates reported in 2009.

The nine community foundations that provided data for 2013 reported an average payout rate of 6.2%, a slight increase over last year's rate of 6.1%.

### Mean Annual Payout Rate

2004–13



Source: Foundation data as reported to Cambridge Associates LLC.

Note: Data represent the average of 23 private non-operating foundations that provided payout rates for each year from 2004 to 2013.

Only three private operating foundations provided their payout rate for 2013, averaging 4.5%.

**Components of Payout.** Exhibit 34 takes a detailed look at the different components that comprise a foundation’s annual payout distribution. For both private non-operating and community foundations, grants are the single largest component of annual payout, making up an average of 79% and 84% of the total payout distribution, respectively. Administrative expenses were the next largest component, consisting of 12% and 8% of the annual payout distribution for private non-operating and community foundations, respectively. For the three private operating foundations in this study that provided data, the largest component of payout was program-related expenses, averaging 49% of the annual payout distribution. For these foundations, grants comprised an average of 20% of annual payout.

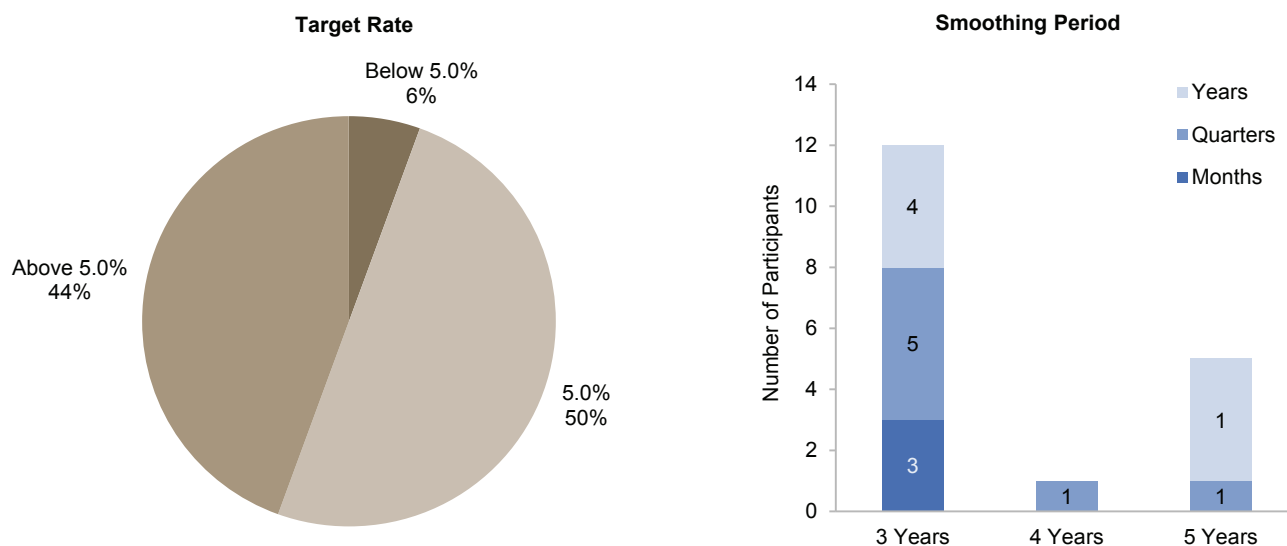
### Payout Objectives

Of the 54 private non-operating foundations that provided information about their payout objective, 23 foundations (43%) indicated that their objective in 2013 was to pay out a maximum of the legal requirement. An additional 14 foundations (26%) reported an objective of paying out slightly more than the legal requirement, seven foundations (13%) had an objective shaped mainly by program goals, and four foundations (7%) had a payout objective shaped mainly by investment performance.

Of the nine community foundations in this study that provided a payout objective for 2013, eight (89%) indicated that their objective was shaped mainly by investment performance. The remaining community foundation stated that payout was shaped mainly by program goals.

### Characteristics of Market Value–Based Smoothing Rules

December 31, 2013



Source: Foundation data as reported to Cambridge Associates LLC.

Note: Data represent 19 private non-operating foundations that indicated the use of a market value–based smoothing rule.

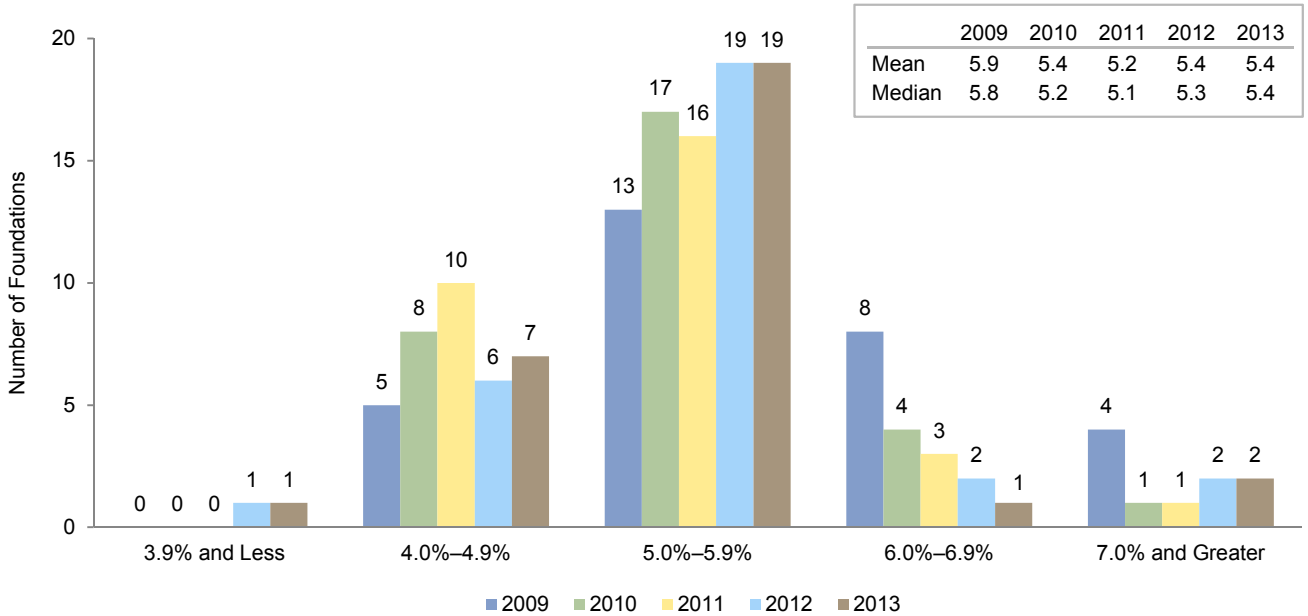
The three private operating foundations that provided their payout objective stated that it was to pay out slightly more than the legal requirement.

**Smoothing Rule.** In an effort to avoid fluctuations in their annual spending budget, some foundations will employ a smoothing rule, spending a targeted percentage of a moving-average of market values. This helps to bring a level of stability to annual spending distributions, allowing foundations to better forecast future expenditures without the risk of compromising the long-term viability of the portfolio. The use of carryover credits and payments assists foundations in avoiding penalties in years where underspending may occur.

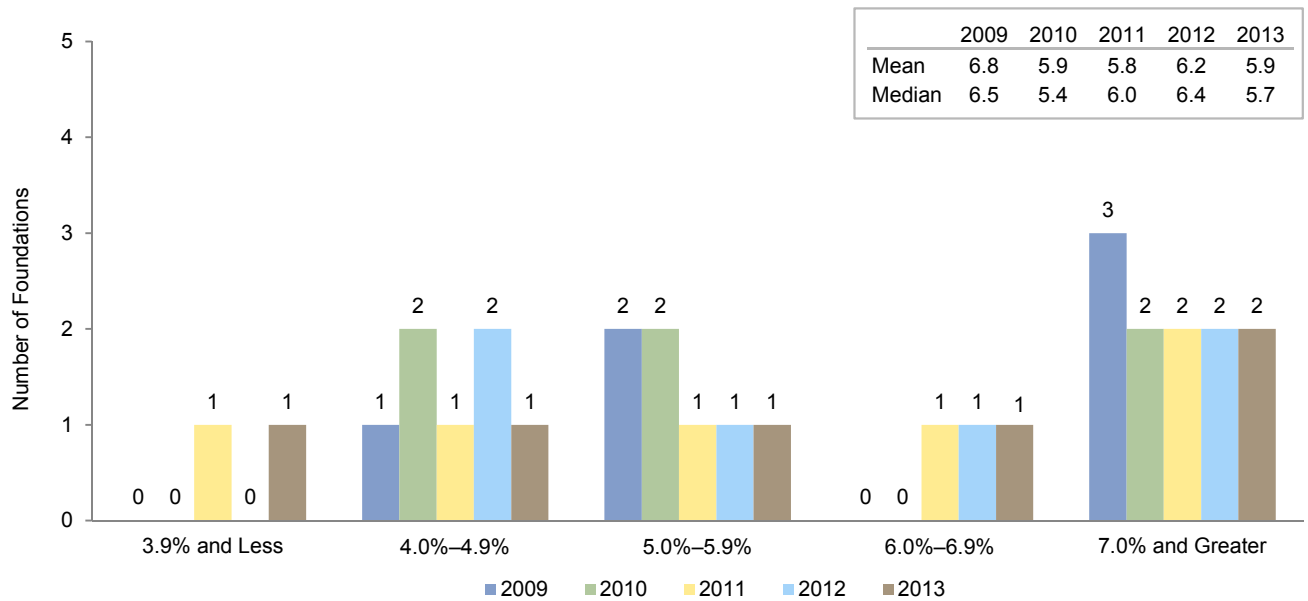
Nineteen private non-operating foundations in this study indicated the use of a market value-based smoothing rule to help contain year-to-year spending. As the chart on the previous page shows, a target spending rate of 5.0% was used by half of these foundations, with an additional 44% using a target rate above 5.0%. Smoothing periods ranged from three to five years, with over 25% of respondents using a time interval of 12 quarters. ■

**Exhibit 33**  
**Trends in Annual Payout Rates**  
 Years Ended December 31 • Percent (%)

**Private Non-Operating Foundations (n = 30)**



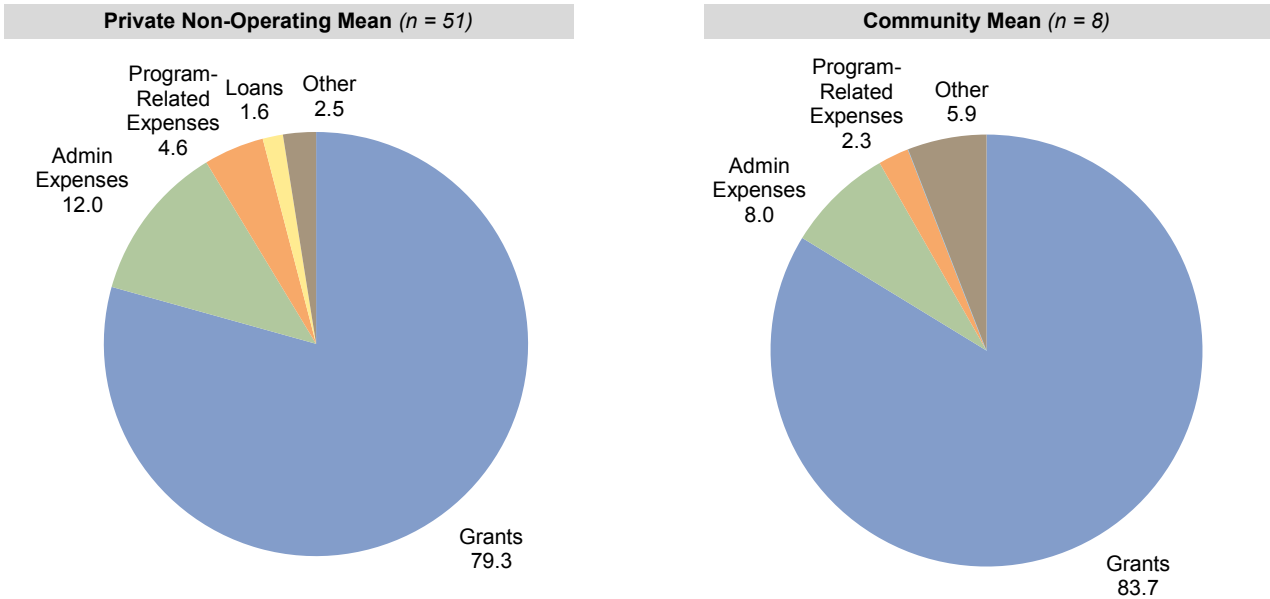
**Community Foundations (n = 6)**



Source: Foundation data as reported to Cambridge Associates LLC.

Notes: The payout rate is reported as the spending distribution for the year, as a percentage of the beginning long-term investment portfolio market value. Graph includes only foundations that provided data for the past five years.

**Exhibit 34**  
**Components of Payout Distribution for Foundation Types**  
 2013 • Percent (%) of Total Payout



**Components of Annual Payout Distribution for 2013 Stated as a Percentage of Total Payout**

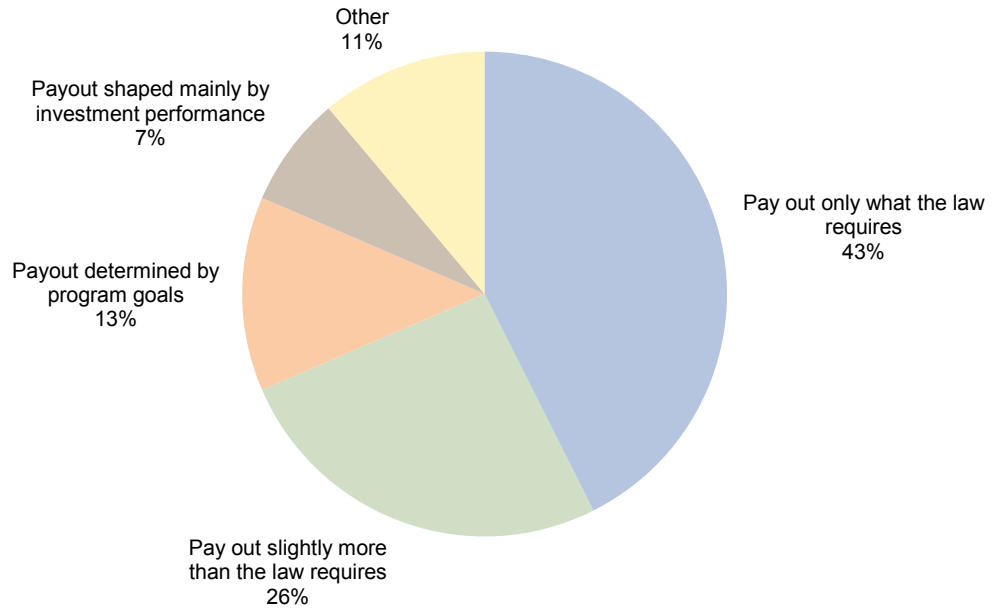
	Grants	Admin Expenses	Program-Related Expenses	Loans	Other
<b>Private Non-Operating</b>					
Mean	79.3	12.0	4.6	1.6	2.5
Median	84.1	11.2	0.0	0.0	0.0
<i>n = 51</i>					
<b>Community</b>					
Mean	83.7	8.0	2.3	0.0	5.9
Median	84.3	6.3	2.1	0.0	0.0
<i>n = 8</i>					

Source: Foundation data as reported to Cambridge Associates LLC.

Note: For the three private operating foundations that provided details on their payout distribution, program-related expenses represented the largest component of payout.

**Exhibit 35**  
**Payout Policy Objectives**  
 2013

**Private Non-Operating Foundations (n = 54)**



	Pay out only what the law requires	Pay out slightly more than the law requires	Payout determined by program goals	Payout shaped mainly by investment performance	Other
Under \$300 Million	58% (n = 15)	15% (n = 4)	8% (n = 2)	12% (n = 3)	8% (n = 2)
\$300 Million to \$1 Billion	20% (n = 2)	40% (n = 4)	30% (n = 3)	—	10% (n = 1)
Over \$1 Billion	33% (n = 6)	33% (n = 6)	11% (n = 2)	6% (n = 1)	17% (n = 1)

Source: Foundation data as reported to Cambridge Associates LLC.

It is impossible to make generalizations about the appropriate number of external managers and investment vehicles a foundation should employ for each asset class without evaluating the specific objectives of the foundation, the assets they have dedicated to each asset class, the resources they have available to monitor their investments, and the mandates of the individual managers hired. Nonetheless, it is instructive to observe the number of investment managers and vehicles employed by foundations in aggregate and by investment portfolio asset size.

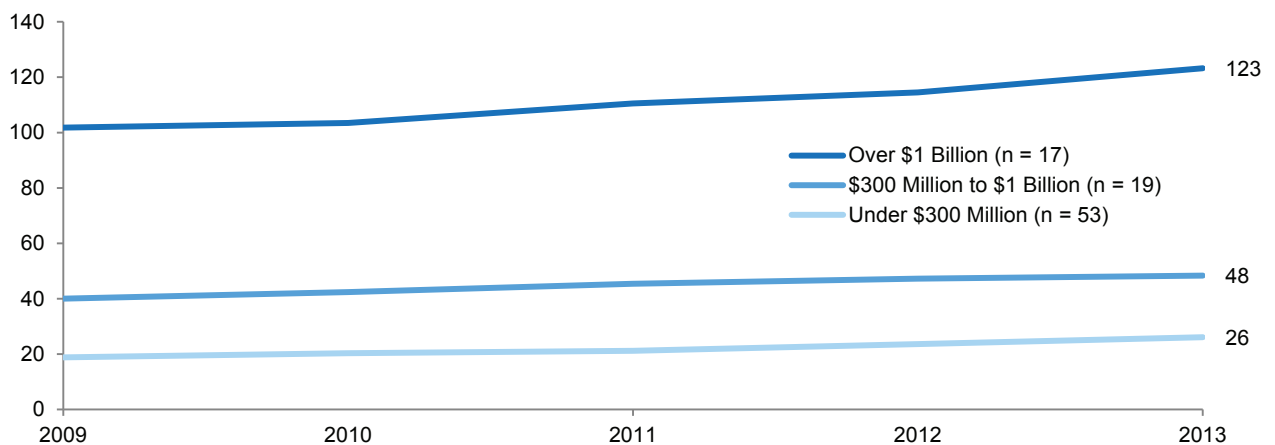
On average, foundations in this report have 47 external investment managers and 74 external investment vehicles (Exhibits 36 and 37). Excluding outliers making up the top and bottom 5% of foundations, the range of managers employed varied from nine to 127 and the range of vehicles employed varied from 11 to 234. Foundations with assets over \$1 billion employed an average of 108 external investment managers (ranging from 30 to 229, excluding outliers) and an average of 193 external investment vehicles (ranging from 48

to 476, excluding outliers). Foundations with assets under \$300 million employed an average of 26 external investment managers (ranging from seven to 51, excluding outliers) and an average of 35 investment vehicles (ranging from ten to 86 excluding outliers). As the graph below shows, the total number of managers employed has steadily increased over the last five years for foundations of all asset sizes.

### Portfolio Implementation

For some asset classes, such as US equities, global ex US equities, and bonds, most managers tend to take measured bets away from asset class benchmarks, maintaining a highly diversified portfolio. There are notable exceptions to this generalization, as some equity managers hold concentrated portfolios with a limited number of holdings or holdings in a limited number of economic sectors or geographical regions. Portfolios with concentrated managers require a greater number of managers to achieve a higher degree of diversification than portfolios that include more diversified managers or index funds. Foundations often employ a strategy of hiring

**Trend in the Total Number of External Managers**  
2009–13



Source: Foundation data as reported to Cambridge Associates LLC.

Note: Analysis displays the total number of external managers for a constant universe of foundations that provided data from 2009 to 2013.



a combination of diversified and concentrated managers in a core/satellite manager structure, such that the core exposure to equities or bonds is achieved through an index fund, and diversification is achieved through hiring of concentrated managers that take significant bets away from the index.<sup>1</sup> Some foundations use internal investment staff to implement all or a portion of their traditional equity and bond allocation through their own trading of assets, derivatives, or both.

Of the foundations that provided data on their portfolio implementation, only 36% (40 of 110) used active managers for all of their US equity allocation. The proportion was higher for global ex US equity allocations, where developed markets and emerging markets allocations were achieved solely through active managers for 73% and 55% of respondents, respectively. For bonds, a majority of respondents used only active managers for their total allocation to US markets (56%), global ex US developed markets (87%), and emerging markets (95%). The second page of Exhibit 41 displays data by asset size, including the mean allocation of assets for foundations that use a combination of strategies to implement their traditional equity and bond allocations.

Managers in other asset classes, such as hedge funds and private investments, have a much higher degree of manager-specific risk than do most US equity or bond managers, requiring a higher number of managers to achieve appropriate diversification. However, this diversification could be achieved by hiring a fund-of-funds manager that hires many managers to create a diversified portfolio. Additionally, managers that have multiple

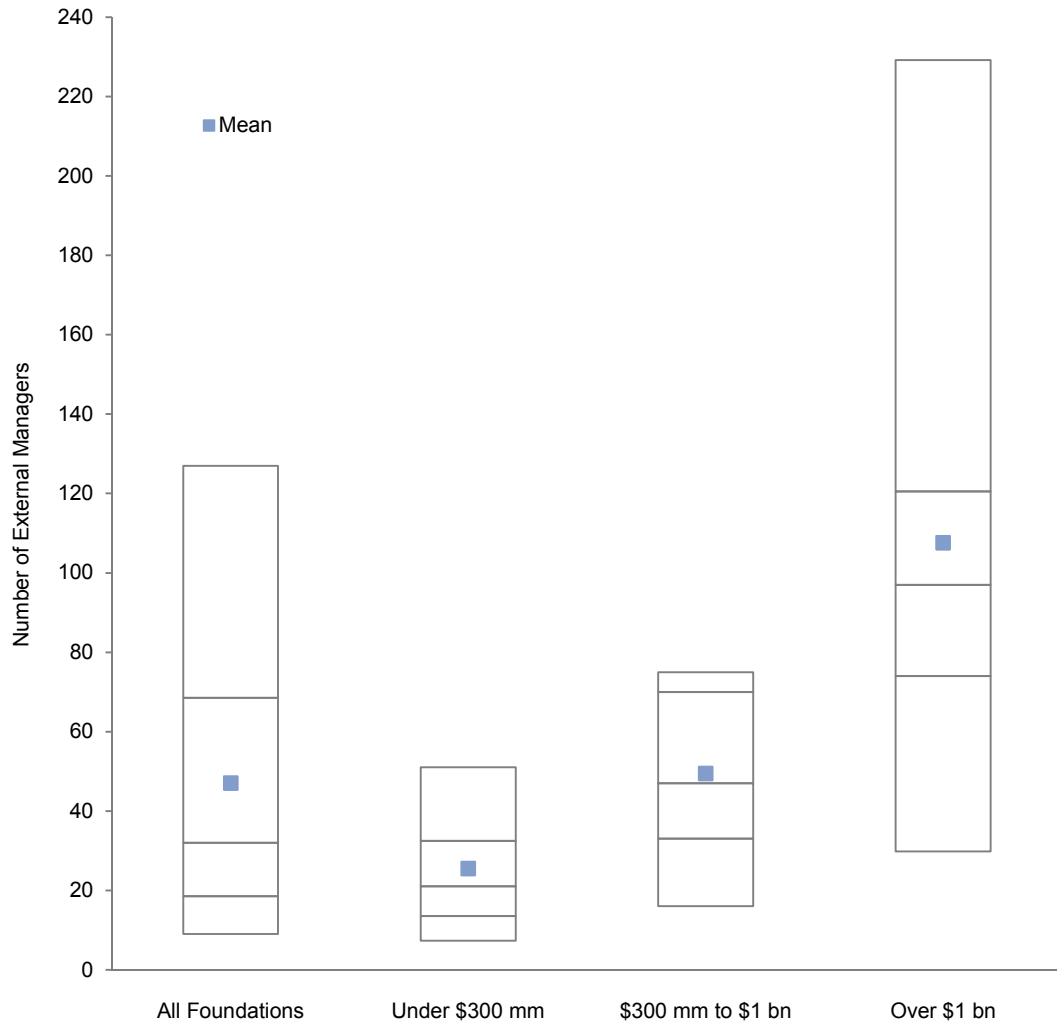
mandates, commonly found in the hedge fund manager universe, often have less manager-specific risk, as they serve as an internal fund-of-funds captive to that manager. Inclusion of this type of a hedge fund manager in a portfolio would reduce the number of managers typically required to achieve a diversified portfolio.

The range of the number of managers hired for alternative asset strategies varies significantly, even when narrowing the universe down into different asset sizes. As shown in Exhibits 38 and 39, smaller foundations employed between one and 12 long/short hedge fund managers, one and ten absolute return managers, one and seven non-venture private equity managers, and one and seven venture capital managers. Larger foundations employed between five and 18 long/short hedge fund managers, three and 21 absolute return managers, seven and 62 non-venture private equity managers, and six and 32 venture capital managers. The low number of managers for smaller foundations is likely attributable in part to the fact that many smaller foundations have relatively new alternatives programs and are in the process of identifying and funding new managers.

Smaller foundations are also more likely to allocate a greater proportion of their alternative assets to funds-of-funds, which may provide sufficient diversification. As shown in Exhibit 42, 29% of smaller foundations relied solely on funds-of-funds for their hedge fund program. Conversely, 86% of large foundations used only single manager funds for their hedge fund allocation. Similar results can be found with management of private investments, where smaller foundations are more likely to rely solely on funds-of-funds. Exhibit 43 displays private investment implementation data by asset size and incorporates the use of direct investments in private investment allocations. ■

<sup>1</sup> See our 2014 report *Hallmarks of Active Equity Managers* for a more detailed discussion of manager implementation.

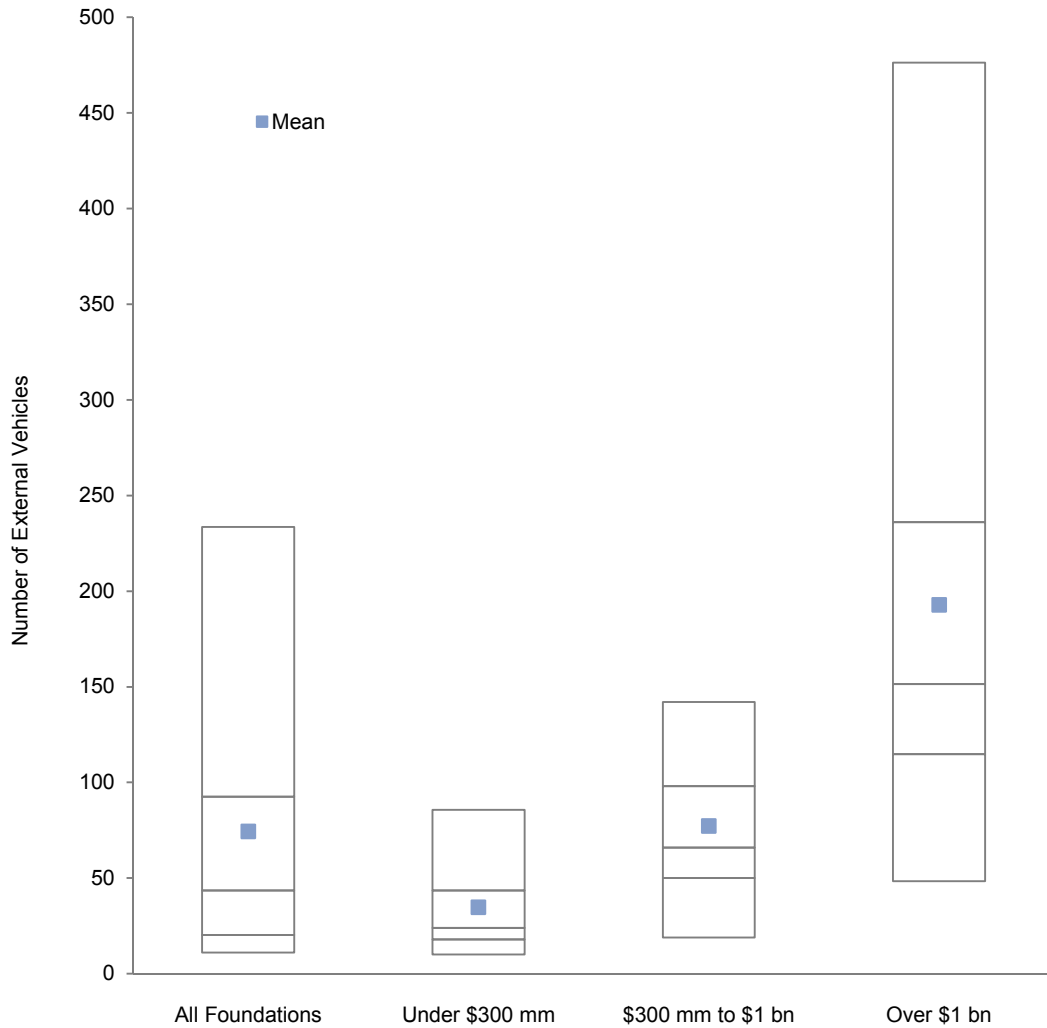
**Exhibit 36**  
**Number of External Managers**  
 As of December 31, 2013



	Total Managers			
5th Percentile	127	51	75	229
25th Percentile	69	33	70	121
Median	32	21	47	97
75th Percentile	19	14	33	74
95th Percentile	9	7	16	30
Mean	47	26	49	108
<i>n</i>	111	67	21	23

Source: Foundation data as reported to Cambridge Associates LLC.  
 Note: Funds-of-funds are counted as one separate investment manager.

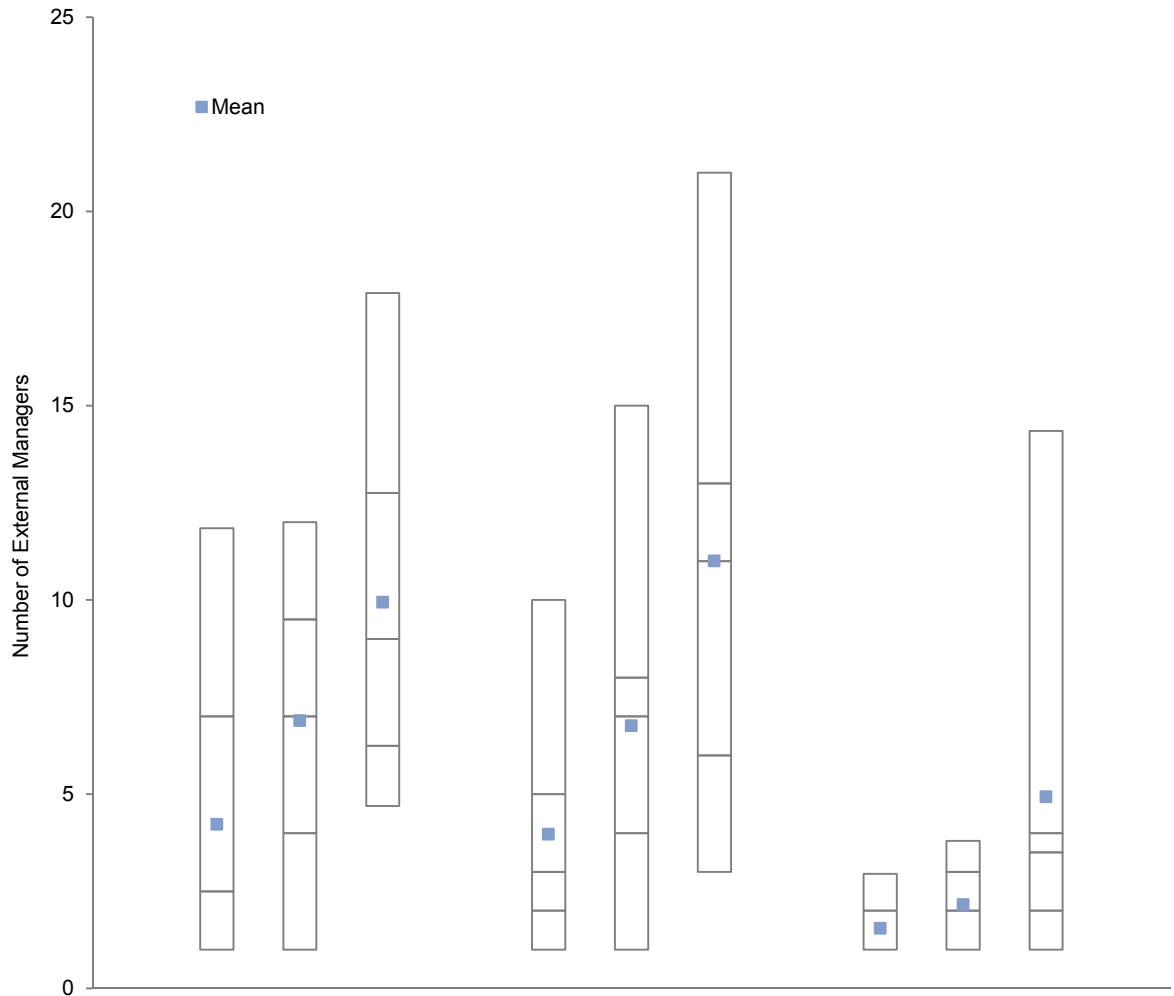
**Exhibit 37**  
**Number of Externally Managed Investment Vehicles**  
 As of December 31, 2013



	Total Vehicles			
5th Percentile	234	86	142	476
25th Percentile	93	44	98	236
Median	44	24	66	152
75th Percentile	20	18	50	115
95th Percentile	11	10	19	48
Mean	74	35	77	193
<i>n</i>	110	67	21	22

Source: Foundation data as reported to Cambridge Associates LLC.  
 Note: Funds-of-funds are counted as one separate investment vehicle.

**Exhibit 38**  
**Number of External Managers for Hedge Funds**  
 As of December 31, 2013

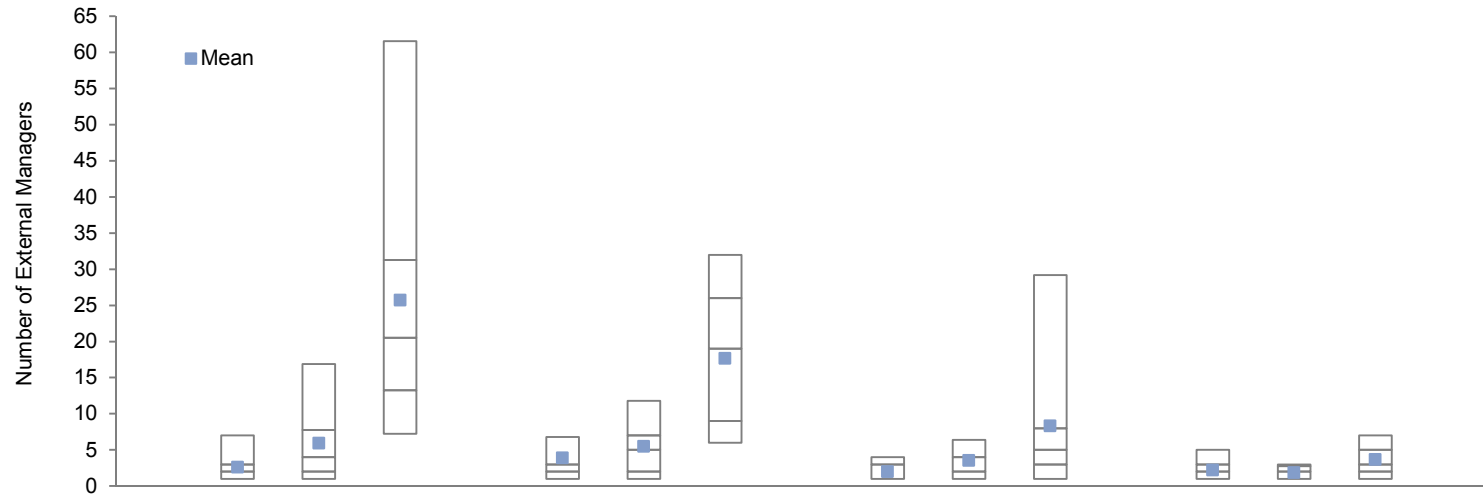


	Long/Short Hedge Funds			Absolute Return (ex Distressed Securities)			Distressed Securities - Hedge Fund Structure		
	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn
5th Percentile	12	12	18	10	15	21	3	4	14
25th Percentile	7	10	13	5	8	13	2	3	4
Median	3	7	9	3	7	11	1	2	4
75th Percentile	1	4	6	2	4	6	1	1	2
95th Percentile	1	1	5	1	1	3	1	1	1
Mean	4	7	10	4	7	11	2	2	5
<i>n</i>	44	19	18	63	21	21	22	13	14

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Funds-of-funds are counted as one manager. Only those foundations with an allocation to the specific asset class have been included.

**Exhibit 39**  
**Number of External Managers for Private Investments**  
 As of December 31, 2013



	Non-Venture Private Equity			Venture Capital			Distressed Securities - Private Equity Structure			Other Private Investments		
	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn	Under \$300 mm	\$300 mm to \$1 bn	Over \$1 bn
5th Percentile	7	17	62	7	12	32	4	6	29	5	3	7
25th Percentile	3	8	31	3	7	26	3	4	8	3	3	5
Median	2	4	21	2	5	19	1	4	5	2	2	3
75th Percentile	1	2	13	1	2	9	1	2	3	1	1	2
95th Percentile	1	1	7	1	1	6	1	1	1	1	1	1
Mean	3	6	26	4	5	18	2	4	8	2	2	4
<i>n</i>	34	18	22	33	17	21	27	17	13	32	14	9

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: Funds-of-funds are counted as one manager. Other private investments represent allocations to multi-strategy private investment fund-of-funds and secondary private market investments. Only those foundations with an allocation to the specific asset class have been included.

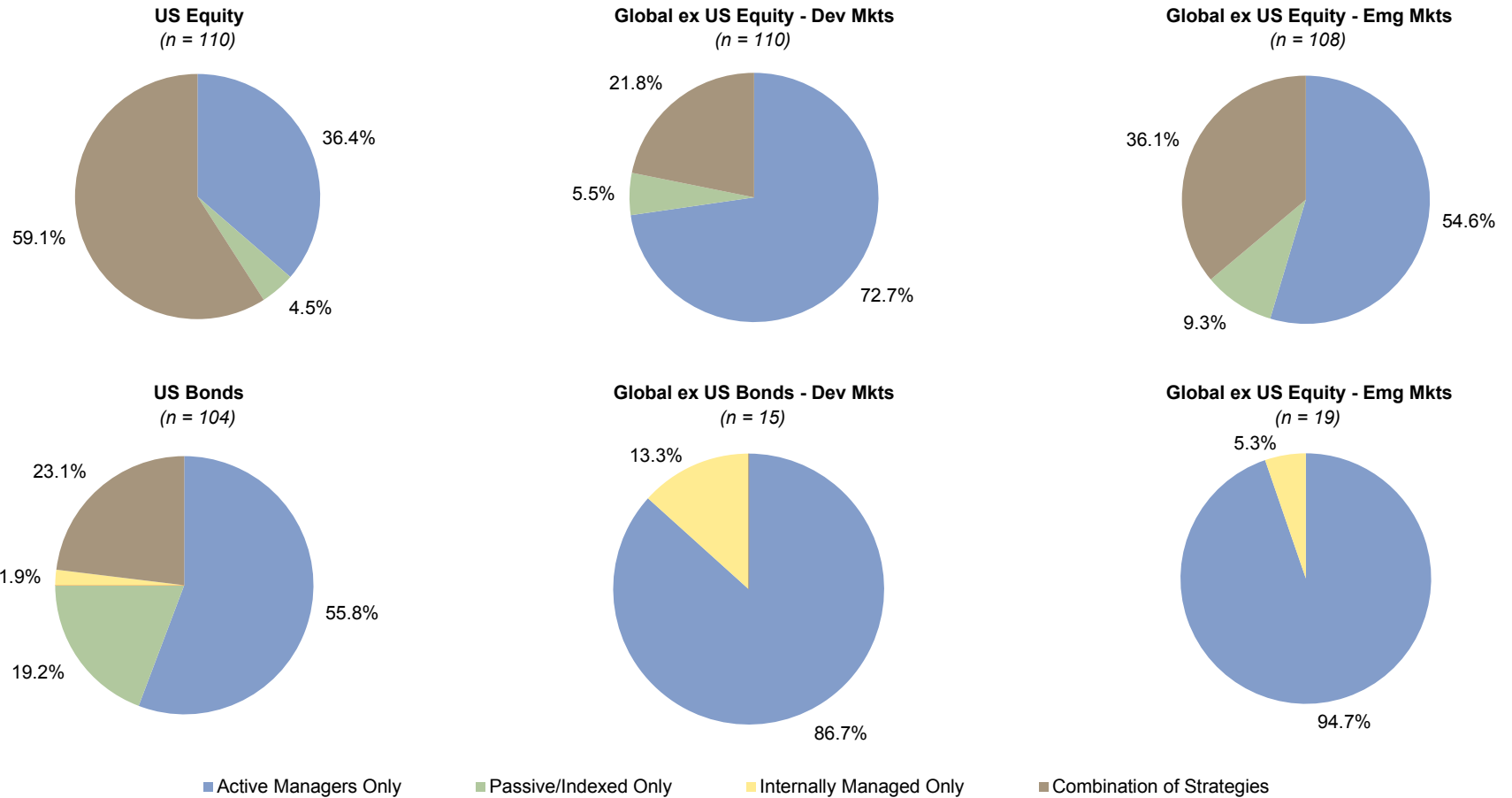
**Exhibit 40**  
**Externally Managed Investment Pool Holdings by Strategy**  
As of December 31, 2013

Strategy	Under \$300 Million			\$300 Million to \$1 Billion			Over \$1 Billion		
	Average Number of			Average Number of			Average Number of		
	Managers	Vehicles	<i>n</i>	Managers	Vehicles	<i>n</i>	Managers	Vehicles	<i>n</i>
<b>Traditional Equity</b>									
Global Equity	1	1	28	2	2	10	3	3	9
US Equity	3	4	66	4	4	21	6	6	22
Global ex US Equity - Developed	2	2	66	3	3	21	5	5	22
Global ex US Equity - Emerging	2	2	64	3	3	21	5	6	21
<b>Traditional Bonds</b>									
Global Bonds	1	1	37	1	1	8	1	1	3
US Bonds	2	2	63	2	2	21	2	3	16
Global ex US Bonds - Developed	1	1	3	1	1	3	1	1	6
Global ex US Bonds - Emerging	1	1	10	1	1	3	1	1	6
High-Yield Bonds	1	1	12	2	2	6	2	3	6
<b>Hedge Funds</b>									
Long/Short Hedge Funds	4	4	44	7	7	19	10	10	17
Absolute Return (ex Distressed Securities)	4	4	63	7	7	21	11	12	20
<b>Distressed Securities</b>									
Distressed (Hedge Fund Structure)	2	2	22	2	2	13	5	7	13
Distressed (Private Equity Structure)	2	3	27	4	7	17	8	16	12
<b>Private Investments</b>									
Non-Venture Private Equity	3	5	34	6	14	18	25	50	21
Venture Capital	4	6	33	5	12	17	17	41	20
Other Private Investments	2	4	32	2	3	14	4	9	8
<b>Real Assets &amp; Inflation-Linked Bonds</b>									
Private Real Estate	3	5	29	4	9	16	16	30	20
Public Real Estate	1	1	10	1	1	6	1	1	6
Commodities	1	1	22	1	1	11	2	3	10
Inflation-Linked Bonds (TIPS)	1	1	3	1	1	4	1	1	4
Private Oil and Gas/Natural Resources	2	4	30	4	8	15	10	23	17
Timber	2	3	4	2	2	5	2	3	10
Public Energy/Natural Resources	1	1	50	2	2	16	3	4	8
Diversified (Multi-Strategy) Real Assets	1	1	27	1	1	12	1	2	5
<b>Cash (Dedicated Cash Managers Only)</b>	1	2	54	1	2	17	1	1	19
<b>Tactical Asset Allocation</b>	1	1	11	1	1	1	1	1	2
<b>Other</b>	—	—	0	—	—	0	1	1	1

Source: Foundation data as reported to Cambridge Associates LLC.

Notes: *n* indicates the number of foundations that are included in the average number of managers and average number of vehicles. Only those foundations with an allocation to the specific asset class are included in each category. As a result, the sum of the individual asset classes will not equal the overall average of managers and vehicles. Please reference Exhibits 36 and 37 for that information.

**Exhibit 41**  
**Portfolio Implementation: Traditional Equities and Bonds**  
 As of December 31, 2013



Source: Foundation data as reported to Cambridge Associates LLC.

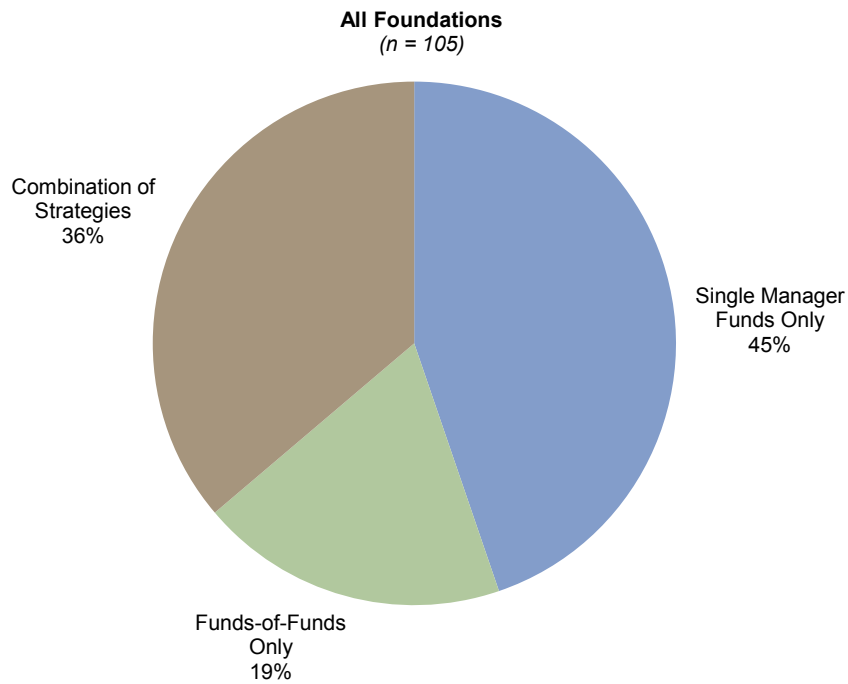
Notes: *n* represents the number of foundations that provided the portfolio implementation for each asset class. All 21 respondents that provided their high-yield bond portfolio implementation use active managers only.

**Exhibit 41 (continued)**  
**Portfolio Implementation: Traditional Equities and Bonds**  
As of December 31, 2013

	Percentage (%) of Respondents					Mean Allocation of Assets for Respondents Using Combination of Strategies			
	Active Managers Only	Passive/ Indexed Only	Derivatives Only	Internally Managed Only	Combination of Strategies	Active Managers	Passive/ Indexed	Derivatives	Internally Managed
<b>US Equity</b>									
Under \$300 Million ( <i>n</i> = 66)	42.4%	7.6%	0.0%	0.0%	50.0%	54.2%	45.4%	0.3%	0.0%
\$300 Million to \$1 Billion ( <i>n</i> = 21)	38.1%	0.0%	0.0%	0.0%	61.9%	69.3%	23.1%	0.0%	7.6%
Over \$1 Billion ( <i>n</i> = 23)	17.4%	0.0%	0.0%	0.0%	82.6%	61.3%	10.9%	5.9%	21.9%
<b>Global ex US Equity - Dev Mkts</b>									
Under \$300 Million ( <i>n</i> = 66)	81.8%	7.6%	0.0%	0.0%	10.6%	74.6%	25.4%	0.0%	0.0%
\$300 Million to \$1 Billion ( <i>n</i> = 21)	81.0%	4.8%	0.0%	0.0%	14.3%	70.3%	25.6%	0.1%	4.0%
Over \$1 Billion ( <i>n</i> = 23)	39.1%	0.0%	0.0%	0.0%	60.9%	73.3%	12.7%	8.0%	6.0%
<b>Global ex US Equity - Emg Mkts</b>									
Under \$300 Million ( <i>n</i> = 64)	59.4%	12.5%	0.0%	0.0%	28.1%	64.7%	35.3%	0.0%	0.0%
\$300 Million to \$1 Billion ( <i>n</i> = 21)	57.1%	4.8%	0.0%	0.0%	38.1%	74.6%	22.7%	0.0%	2.6%
Over \$1 Billion ( <i>n</i> = 23)	39.1%	4.3%	0.0%	0.0%	56.5%	62.5%	22.7%	11.4%	3.4%
<b>US Bonds</b>									
Under \$300 Million ( <i>n</i> = 63)	60.3%	25.4%	0.0%	0.0%	14.3%	54.5%	45.5%	0.0%	0.0%
\$300 Million to \$1 Billion ( <i>n</i> = 21)	52.4%	14.3%	0.0%	0.0%	33.3%	59.4%	31.2%	0.9%	8.6%
Over \$1 Billion ( <i>n</i> = 20)	45.0%	5.0%	0.0%	10.0%	40.0%	50.5%	31.6%	6.3%	11.7%



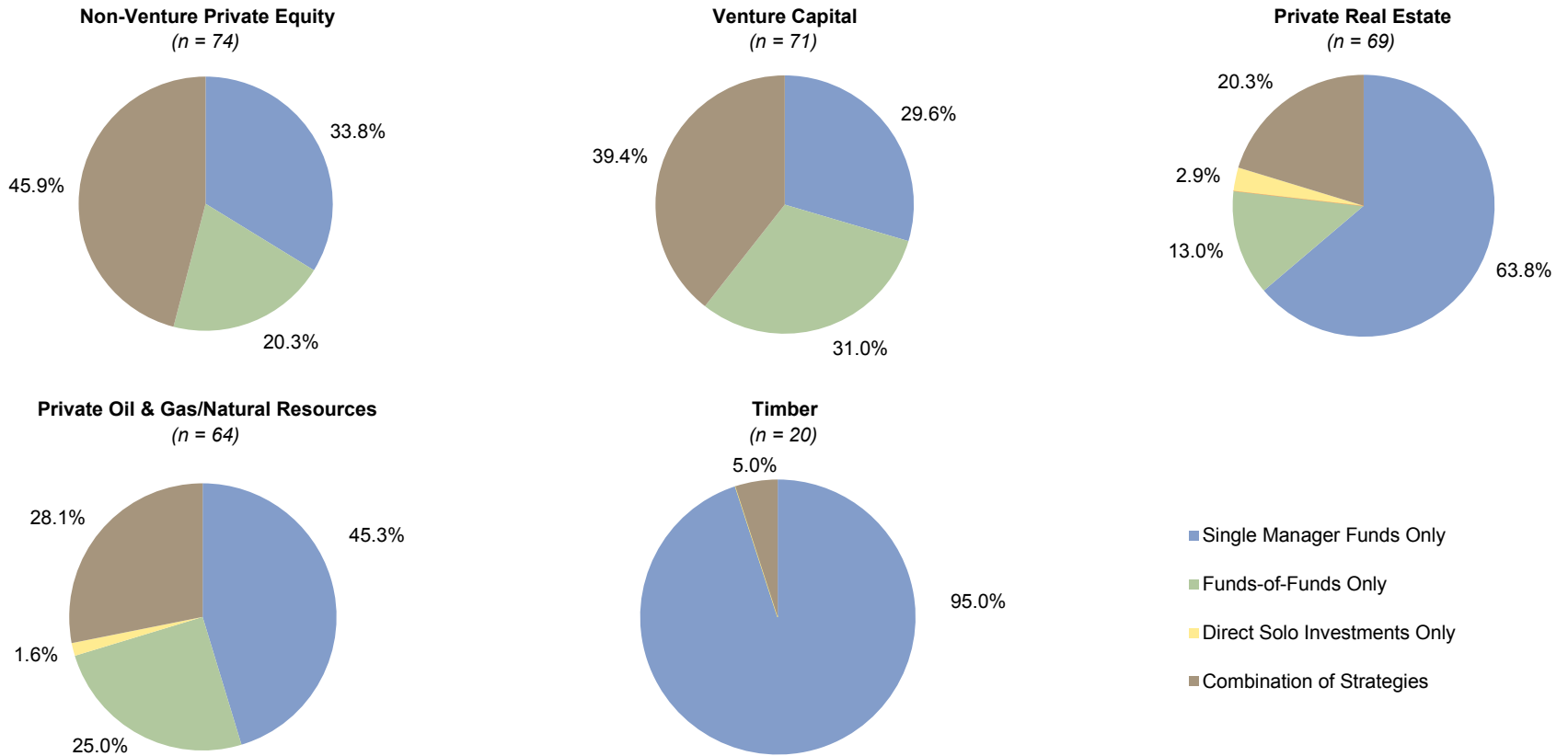
**Exhibit 42**  
**Portfolio Implementation: Hedge Funds**  
 As of December 31, 2013



	Percentage (%) of Respondents			Mean Allocation of Assets for Respondents Using Combination of Strategies	
	Single Manager Funds Only	Funds-of-Funds Only	Combination of Strategies	Single Manager Funds	Funds-of-Funds
Under \$300 Million (n = 63)	23.8%	28.6%	47.6%	54.7%	45.4%
\$300 Million to \$1 Billion (n = 21)	66.7%	9.5%	23.8%	59.4%	40.6%
Over \$1 Billion (n = 21)	85.7%	0.0%	14.3%	94.2%	5.8%

Source: Foundation data as reported to Cambridge Associates LLC.

**Exhibit 43**  
**Portfolio Implementation: Private Investments**  
 As of December 31, 2013



Source: Foundation data as reported to Cambridge Associates LLC.

Notes: *n* represents the number of foundations that provided the portfolio implementation for each asset class. Solo investments are direct investments made into a company in which the institutional investor originates and invests in a transaction, which is not associated with a manager in the investor's portfolio.

**Exhibit 43 (continued)**  
**Portfolio Implementation: Private Investments**  
 As of December 31, 2013

	Percentage (%) of Respondents					Mean Allocation of Assets for Respondents Using Combination of Strategies			
	Fund Commitments		Direct Investments			Single Manager Funds	Funds-of- Funds	Direct Co- Investments	Direct Solo Investments
	Single Manager Funds Only	Funds-of- Funds Only	Direct Co- Investments Only	Direct Solo Investments Only	Combination of Strategies				
<b>Non-Venture Private Equity</b>									
Under \$300 Million ( <i>n</i> = 34)	23.5%	35.3%	0.0%	0.0%	41.2%	51.4%	48.6%	0.0%	0.0%
\$300 Million to \$1 Billion ( <i>n</i> = 18)	38.9%	16.7%	0.0%	0.0%	44.4%	60.9%	36.1%	0.4%	2.6%
Over \$1 Billion ( <i>n</i> = 22)	45.5%	0.0%	0.0%	0.0%	54.5%	80.1%	17.5%	2.4%	0.0%
<b>Venture Capital</b>									
Under \$300 Million ( <i>n</i> = 33)	12.1%	57.6%	0.0%	0.0%	30.3%	32.1%	67.5%	0.0%	0.3%
\$300 Million to \$1 Billion ( <i>n</i> = 17)	35.3%	17.6%	0.0%	0.0%	47.1%	34.3%	65.7%	0.0%	0.0%
Over \$1 Billion ( <i>n</i> = 21)	52.4%	0.0%	0.0%	0.0%	47.6%	79.3%	19.3%	1.4%	0.0%
<b>Private Real Estate</b>									
Under \$300 Million ( <i>n</i> = 30)	50.0%	23.3%	0.0%	0.0%	26.7%	38.3%	61.8%	0.0%	0.0%
\$300 Million to \$1 Billion ( <i>n</i> = 16)	81.3%	12.5%	0.0%	0.0%	6.3%	40.0%	0.0%	0.0%	60.0%
Over \$1 Billion ( <i>n</i> = 23)	69.6%	0.0%	0.0%	8.7%	21.7%	94.7%	1.0%	4.3%	0.0%

Notes: Co-investments are direct investments made into a company alongside a general partner that originates the transaction. Solo investments are direct investments made into a company in which the institutional investor originates and invests in a transaction, which is not associated with a manager in the investor's portfolio.

**Exhibit 43 (continued)**  
**Portfolio Implementation: Private Investments**  
As of December 31, 2013

	Percentage (%) of Respondents					Mean Allocation of Assets for Respondents Using Combination of Strategies			
	Fund Commitments		Direct Investments			Single Manager Funds	Funds-of- Funds	Direct Co- Investments	Direct Solo Investments
	Single Manager Funds Only	Funds-of- Funds Only	Direct Co- Investments Only	Direct Solo Investments Only	Combination of Strategies				
<b>Private Oil &amp; Gas/Natural Resources</b>									
Under \$300 Million ( <i>n</i> = 29)	24.1%	51.7%	0.0%	0.0%	24.1%	47.7%	52.3%	0.0%	0.0%
\$300 Million to \$1 Billion ( <i>n</i> = 15)	66.7%	6.7%	0.0%	0.0%	26.7%	48.3%	51.7%	0.0%	0.0%
Over \$1 Billion ( <i>n</i> = 20)	60.0%	0.0%	0.0%	5.0%	35.0%	78.3%	17.6%	4.1%	0.0%
<b>Timber</b>									
Under \$300 Million ( <i>n</i> = 4)	100.0%	0.0%	0.0%	0.0%	0.0%	—	—	—	—
\$300 Million to \$1 Billion ( <i>n</i> = 5)	100.0%	0.0%	0.0%	0.0%	0.0%	—	—	—	—
Over \$1 Billion ( <i>n</i> = 11)	90.9%	0.0%	0.0%	0.0%	9.1%	95.0%	5.0%	0.0%	0.0%

Notes: Co-investments are direct investments made into a company alongside a general partner that originates the transaction. Solo investments are direct investments made into a company in which the institutional investor originates and invests in a transaction, which is not associated with a manager in the investor's portfolio.

## Data Collection

The 118 participants in this study are clients of Cambridge Associates that completed an online survey covering investment-related and financial topics. Data provided by participants was subjected to thorough quality-control measures in an effort to maintain data integrity throughout this analysis.

The majority of participants are private foundations, 83 of which are classified as non-operating foundations and four classified as operating foundations. Of the remaining participants, 14 are community foundations, with an additional 17 most appropriately classified as public charity organizations.

### Foundation Type by Asset Size

	Number of Participants			Asset Size (\$000)	
	Under \$300mm	\$300mm to \$1bn	Over \$1bn	Mean	Median
Private Non-Operating	48	13	22	1,733,449	253,114
Private Operating	3	1	—	252,426	177,158
Community	7	5	2	463,089	314,063
Other Public Charity	10	4	3	2,018,655	186,532

## Calculations and Results

The notation of *n* throughout this study denotes the number of participants included in each analysis. Total asset allocation figures may not sum to 100% due to rounding.

**Asset Allocation Categories.** The broad asset allocation categories in this study include the following asset classes: bonds include US bonds, global ex US bonds, and high-yield bonds; hedge funds include long/short hedge funds and absolute return hedge funds (ex distressed securities); private equity and venture capital also includes multi-strategy private investment funds-of-funds; and real

assets and inflation-linked bonds include public and private real estate, commodities, inflation-linked bonds, private oil & gas/natural resources, timber, and public energy/natural resources. Details on specific asset classes can be found in the glossary.

**Benchmarks.** Throughout the report, the 70/30 simple portfolio benchmarks are calculated assuming rebalancing occurs on the final day of each quarter.

In Exhibit 6, asset class returns are represented by the following benchmark indexes: US equity, Wilshire 5000; global ex US equity (developed markets), MSCI World ex US; global ex US equity (emerging markets), MSCI Emerging Markets; US bonds, Barclays Government/Credit Bond Index; global ex US bonds (developed markets), Citigroup Non-US Dollar World Government Bond Index; global ex US bonds (emerging markets), J.P. Morgan Emerging Markets Bond Index Global; high-yield bonds, Citigroup High-Yield Market Index; hedge funds, 50% HFRI Equity Hedge (Total)/50% HFRI Diversified FOF; distressed securities, 67% HFRI Event Driven Distressed/Restructuring/33% Cambridge Associates LLC Distressed Private Index; venture capital, Cambridge Associates LLC Global Venture Capital Index; non-venture private equity, Cambridge Associates LLC Global Private Equity Index; other private investments, Cambridge Associates LLC Fund of Funds and Secondary Funds Index; private real estate, Cambridge Associates LLC Real Estate Index; public real estate, FTSE® NAREIT Index; commodities, Bloomberg Commodity Total Return Index; inflation-linked bonds, Barclays US TIPS Index; private oil & gas/natural resources, Cambridge Associates LLC Energy Upstream & Royalties and Private Equity Energy Index; timber, NCREIF Timberland

Index; public energy/natural resources, MSCI World Natural Resources Index; and cash & equivalents, BofA Merrill Lynch 91-Day Treasury Bill Index.

**Real Rate of Return.** The real, or inflation-adjusted, rate of return for a given investment is calculated by dividing the nominal total return by the appropriate deflator for the same time period. Throughout the report, the deflation measure used for this purpose is the Consumer Price Index. Note that simply subtracting the deflator from the nominal total return does not result in an accurate computation of real total return. The formula is:

$$\frac{1 + \text{Nominal Total Return}}{1 + \text{Deflator}} - 1 = \text{Real Total Return}$$

**Return After Spending.** The rate of return after spending for a given investment is calculated by dividing the total return by the spending rate for the time period. The spending rate is the dollar amount of spending for a calendar year as a percentage of the beginning market value of assets. Note that simply subtracting the spending rate from the total return does not result in an accurate computation of total return after spending. The formula is:

$$\frac{1 + \text{Total Return}}{1 + \text{Spending Rate}} - 1 = \text{Total Return After Spending}$$

**Sharpe Ratio.** The Sharpe ratio is defined as the excess return, or the return over the risk-free rate, on a portfolio divided by the total volatility as measured by the standard deviation of the portfolio. The most common approach to measuring risk-adjusted performance is by the Sharpe ratio, which shows how much return above the risk-free rate (T-bills) the investor has earned per unit of risk (defined as standard deviation of returns). The higher the Sharpe ratio, the more the investor has been compen-

sated for each unit of risk taken. The ratio is a measure of reward relative to total volatility. The formula is:

$$\frac{R_p - R_f}{S_p} = \text{Sharpe Ratio}$$

Where:

- ◆  $R_p$  is the arithmetic average of composite quarterly returns,
- ◆  $R_f$  is the arithmetic average of T-bill (risk-free) quarterly returns, and
- ◆  $S_p$  is the quarterly standard deviation of composite quarterly returns.

### Data Sources

Index data are provided by Barclays, Bloomberg L.P., BofA Merrill Lynch, Cambridge Associates, Citigroup Global Markets, FTSE International Limited, Hedge Fund Research, Inc., J.P. Morgan Securities, Inc., MSCI Inc., the National Association of Real Estate Investment Trusts, the National Council of Real Estate Investment Fiduciaries, Standard & Poor's, Thomson Reuters Datastream, US Department of Labor - Bureau of Labor Statistics, and Wilshire Associates, Inc. MSCI data provided "as is" without any express or implied warranties. ■

**Absolute Return:** The use of different strategies (e.g., global macro, market neutral, open mandate) to produce a positive return regardless of the direction and fluctuation of capital markets. Common techniques include using arbitrage, derivatives, futures, leverage, options, short selling, and unconventional assets.

**Bonds (Fixed Income):** Includes long-term promissory notes that cannot be exchanged for other assets, government bonds, preferred stocks, structured debt, and derivatives where bonds are the underlying assets. Generally earn interest paid semiannually and are repaid at the principal (par) value. Does not include mortgage real estate.

**Cash & Equivalents:** Highly liquid, virtually risk-free assets with maturities of less than one year (e.g., certificates of deposit, commercial paper, nonconvertible bonds, and Treasury bills).

**Co-Investments:** A direct investment made into a company alongside a general partner that originates the transaction.

**Commodities:** Diversified baskets of fully collateralized, long-only, commodity futures contracts. Includes funds whose value is based on the spot price of a commodity.

**Community Foundation:** Public charity, deriving funds from many donors rather than a single source. Mainly function as grant-making organizations, funding charitable support in the immediate region or locality where they are located. Not subjected to a minimum spending requirement.

**Convertible Securities:** Bonds or preferred stock that can be exchanged for equities according to terms established by the issuer. Classified as equity.

**Developed Markets:** Markets within countries that have an established economic infrastructure.

**Distressed Securities:** Securities of companies that are currently in default, bankruptcy, financial distress, or a turnaround situation.

**Emerging Markets:** Typically includes countries that have an underdeveloped or developing infrastructure with significant potential for economic growth and increased capital markets participation by foreign investors. These countries generally possess some of the following characteristics: per capita GNP less than \$9,000, recent economic liberalization, debt ratings below investment grade, recent liberalization of the political system, and non-membership in the OECD.

**Emerging Markets Debt:** Debt instruments of emerging markets countries and issuers, including US\$-denominated and local currency bonds.

**Emerging Markets Equity:** Equity securities of emerging markets countries; considered emerging even if the equity market is fully functional and well regulated.

**Equities:** Ownership positions in companies that can be traded in public markets. Often produce current income, which is paid in the form of quarterly dividends. The holders' claims are subordinate to the claims of preferred stock-holders and bondholders. Includes convertible bonds if they are held as an opportunistic means of eventually acquiring a company's stock. Also includes futures, options, rights, and warrants where the underlying assets are equities.

**High-Yield Bonds:** Bonds regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay

principal in accordance with the terms of the obligation. Typically, these bonds have a credit rating of BB or lower and pay higher yields because they are more risky than investment-grade bonds. Also includes collateralized bond obligations (CBOs).

**Inflation-Linked Bonds:** Fixed coupon bonds that earn interest paid semi-annually on inflation-adjusted principal.

**Long/Short Hedge Funds:** Portfolios with long positions in undervalued companies and short positions in overvalued companies, to capture the disparity in prospective returns, while maintaining a low level of overall market risk.

**Long-Term Investment Portfolio:** The group of assets that an institution deems best represents its investment policies and endowment asset allocation and returns. These assets should be subject to frequent market valuation and may include operating funds. Pooled income funds and charitable remainder trusts should be excluded if the investment strategy varies from the institution's asset allocation policy. Assets that cannot be fairly valued such as artwork, copyrights, and patents should also be excluded.

**Non-Venture Private Equity:** Through negotiation or tender offer, a takeover of a majority percentage of a company's equity with the purpose of acquiring its assets and operations. Includes leveraged buyouts (LBOs).

**Other Assets:** Should only include assets that cannot be classified as one or more of the other asset classes.

**Other Private Investments:** Includes funds that are invested across multiple private investments and cannot be allocated to a single asset class. Includes multi-strategy fund-of-funds and secondary market private investments.

**Payout Rate:** The payout rate in this study is calculated as the annual spending distribution as a percentage of the beginning market value of the long-term investment portfolio.

**Private Investments:** Investments that are not traded in the public market including, but not limited to, leveraged buyouts, venture capital, private real estate, private distressed securities, and private energy and natural resources.

**Private Non-Operating Foundation:** Tax-exempt charitable organization that primarily makes grants to other charitable organizations, rather than operating its own programs. Typically funded from one source, usually an individual, family, or business, with ongoing revenue derived from foundation investments.

**Private Oil & Gas/Natural Resources:** Funds created to invest in the exploration or development of energy-related reserves and natural resources.

**Private Operating Foundation:** Tax-exempt charitable organization that makes its required expenditures by sponsoring and managing its own programs, rather than making grants to other charitable organizations.

**Private Real Estate:** Includes ownership positions in land and buildings as well as private operating companies. May also include equity-like investments in mortgages or land leases that include substantial participation in revenues and capital appreciation. Does not include equity mortgages such as collateralized mortgage obligations (CMOs), mortgage-backed securities, publicly traded REITs, or other public real estate.

**Public Energy/Natural Resources:** Includes marketable energy funds and natural resources.



**Public Real Estate:** Includes REITs and other public real estate equity such as umbrella partnership REITs (UPREITs), and other public operating companies (REOCs).

**Single Manager Fund:** A fund in which the fund manager makes the investment decisions for the assets/securities/companies held within the fund.

**Standard Deviation:** The standard deviation of a portfolio's return is used as a measure of its total risk (measured by variability of returns). It is a measure of the extent to which returns vary from their average. The larger the standard deviation, the wider the range of likely returns and the greater the risk implicit in the portfolio.

**Timber:** Funds created to invest in timber-related business. Usually limited partnerships.

**Total Return:** The sum of income earned and appreciation, both realized and unrealized, for a specified period of time. Preferred method of calculation is GIPS compliant, using time-weighted cash flows. If unit accounting is used, the return for a period is calculated by taking the difference between the ending and beginning unit values, plus unit income earned, then dividing this amount by the beginning unit value.

**Traditional Assets:** Include US equities, non-US equities (including emerging markets), US investment-grade bonds, non-dollar bonds, high-yield bonds, emerging markets debt, and all cash and cash equivalents.

**Venture Capital:** Investments in private securities of new companies or companies considered to be in the early stages of growth; these investments may have high risk and the potential for high return. ■

Albany Foundation  
 Associated Jewish Community Fed. of Baltimore  
 Atherton Family Foundation  
 Baltimore Community Foundation  
 Claude Worthington Benedum Foundation  
 Marion and Henry Bloch Family Foundation  
 The Herb Block Foundation  
 California Community Foundation  
 The California Endowment  
 James & Abigail Campbell Family Foundation  
 Carnegie Corporation of New York  
 The Annie E. Casey Foundation  
 Central Indiana Community Foundation, Inc.  
 The Clarence T.C. Ching Foundation  
 Connecticut Health Foundation, Inc.  
 Cystic Fibrosis Foundation  
 The Dana Foundation  
 The Duke Endowment  
 Duluth-Superior Area Community Foundation  
 The Episcopal Church Foundation  
 The Erie Community Foundation  
 Richard M. Fairbanks Foundation, Inc.  
 Sherman Fairchild Foundation  
 Fetzer Institute  
 The Field Foundation of Illinois Inc.  
 The Flinn Foundation  
 The Ford Family Foundation  
 The Ford Foundation  
 France-Merrick Foundation  
 Franklin Southampton Charities  
 Bill and Melinda Gates Foundation Trust  
 The Gerber Foundation  
 Gidwitz Memorial Foundation  
 The Florence Gould Foundation  
 William Caspar Graustein Memorial Fund  
 The Heinz Endowments  
 Clarence E. Heller Charitable Foundation  
 The F.B. Heron Foundation  
 Milton Hershey School Trust  
 The William and Flora Hewlett Foundation  
 The Highland Street Foundation  
 Conrad N. Hilton Foundation  
 The H & R Block Foundation  
 Howard Hughes Medical Institute  
 The Hyams Foundation  
 Inasmuch Foundation and Ethics and Excellence in  
 Journalism Foundation  
 Jewish Federation of Cleveland  
 The Robert Wood Johnson Foundation  
 Johnson Scholarship Foundation  
 The Fletcher Jones Foundation  
 The Shimon Ben Joseph Foundation  
 Kansas Health Foundation  
 Ewing Marion Kauffman Foundation  
 Kleberg Foundation  
 John S. and James L. Knight Foundation  
 The Kresge Foundation  
 Forrest C. & Frances H. Lattner Foundation  
 Leaves of Grass Foundation  
 Lockhart Vaughan Foundation  
 Lutheran Community Foundation  
 John and Catherine MacArthur Foundation  
 Josiah Macy Jr. Foundation  
 Maine Community Foundation  
 Mathile Family Foundation  
 McGregor Fund  
 The Andrew W. Mellon Foundation  
 Eugene and Agnes E. Meyer Foundation  
 Meyer Memorial Trust  
 The Gordon & Betty Moore Foundation  
 Moorings Capital LLC  
 Charles Stewart Mott Foundation  
 The Mt. Cuba Center Inc.  
 NPR Foundation  
 New Hampshire Charitable Foundation  
 New York Community Trust  
 New York State Health Foundation  
 The Oregon Community Foundation  
 Osprey Cove Foundation  
 The David and Lucile Packard Foundation  
 The Papal Foundation  
 Ralph M. Parsons Foundation  
 Virginia G. Piper Charitable Trust  
 The Pittsburgh Foundation  
 Presbyterian Church (USA) Foundation  
 Nina Mason Pulliam Charitable Trust  
 The Queen Lili'uokalani Trust  
 The REACH Healthcare Foundation  
 Regenstrief Foundation  
 Winthrop Rockefeller Charitable Trust  
 The Rockefeller Foundation  
 The Rose Hills Foundation  
 Saint Francis Foundation  
 Raymond & Gertrude Saltzman Foundation  
 The Scherman Foundation Inc.  
 Caroline & Sigmund Schott Fund  
 The Sealy & Smith Foundation  
 The Sheltering Arms Foundation  
 Norton Simon Art Foundation  
 The Norton Simon Foundation

The Skoll Foundation  
Alfred P. Sloan Foundation  
Southern Poverty Law Center  
Square One Foundation  
The Steelcase Foundation  
W. Clement & Jessie Stone Foundation  
The Aaron & Lillie Straus Foundation, Inc.  
Sunflower Foundation Health Care for Kansans  
Surdna Foundation Inc.  
TDC Foundation  
Texas Biomedical Research Institute  
The Tinker Foundation  
United Methodist Health Ministry Fund  
The Wallace Foundation  
The Robert A. Welch Foundation  
Wenner-Gren Foundation  
WGBH Educational Foundation  
Woman's Hospital Foundation  
Zellerbach Family Foundation