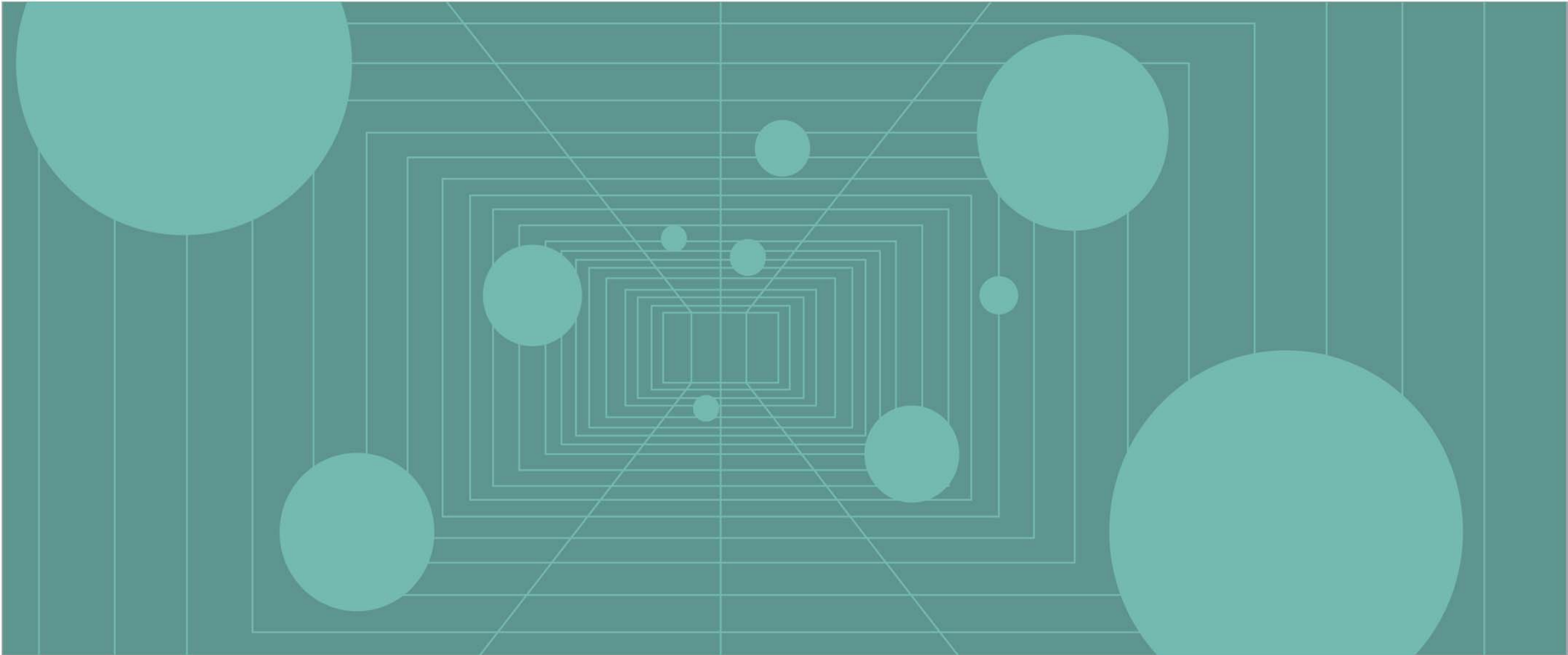


REVIEW OF MARKET PERFORMANCE

FISCAL YEAR 2018



Global equity markets and commodity-related assets led the way in FY 2018

GLOBAL ASSET CLASS PERFORMANCE: FY 2018

Total Return (%) • US Dollar



Most equity markets saw double-digit returns in FY 2018. Beyond broad equities, commodities and natural resources equities performed well, supported by increases in oil prices, accelerating global growth, and rising demand.

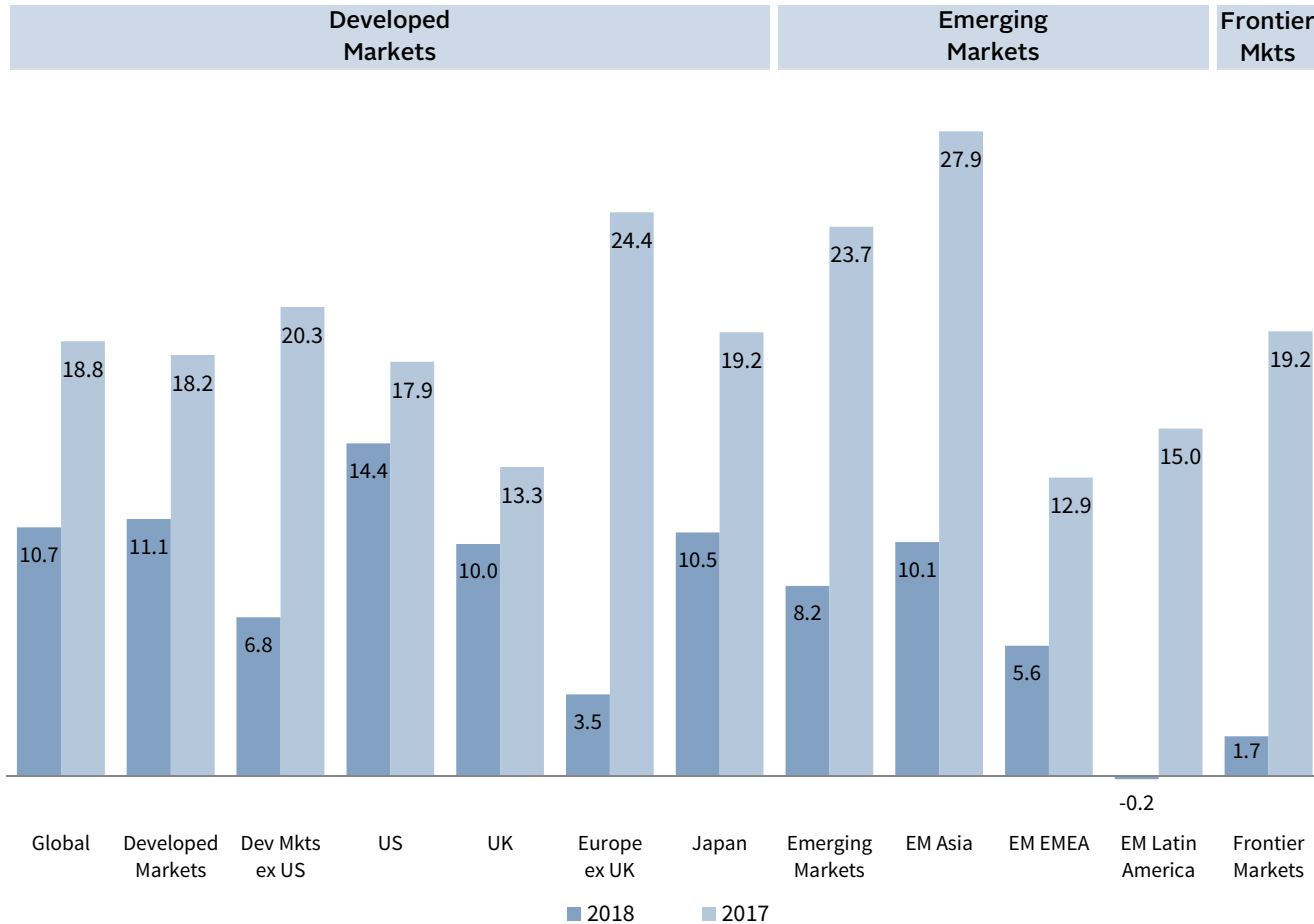
Sources: Alerian, Barclays, Bloomberg L.P., Federal Reserve, FTSE International Limited, Hedge Fund Research, Inc., Intercontinental Exchange, Inc., MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: Asset classes represented by: MSCI World Index ("World"), S&P 500 Index ("US"), MSCI UK Index ("UK"), MSCI Europe ex UK Index ("Europe ex UK"), MSCI Japan Index ("Japan"), MSCI Emerging Markets Index ("Emerging Markets"), Alerian MLP Total Return Index ("MLP"), 80% Datastream World Oil & Gas Index and 20% Datastream World Mining Index ("NRE"), FTSE® EPRA/NAREIT Global Real Estate Index ("Global RE"), Bloomberg Commodity TR Index ("Cmnty"), LBMA Gold Price ("Gold"), Datastream 10-Year US Treasury Bond Index ("10-Yr US Treasury"), FTSE® World Government Bond Index ("World Gvt"), Bloomberg Barclays US High Yield Bond Index ("US HY"), Bloomberg Barclays US Corporate Investment Grade Bond Index ("US IG Corp"), Hedge Fund Research Fund Weighted Composite Index ("Hedge Funds"), and Nominal Trade Weighted US Dollar Index: Broad ("USD"). Total return data for all MSCI indexes are net of dividend taxes. Hedge Fund Research data are preliminary for the preceding five months.

Solid FY 2018 equity results followed a stellar FY 2017

GLOBAL EQUITY PERFORMANCE: FY 2018 VS FY 2017

Total Return (%) • US Dollar



Among developed markets, the United States and Japan led the way with 14.4% and 10.5% gains, respectively, in FY 2018. Eurozone equities lagged as geopolitical tensions rose during the second half of the fiscal year. Developed markets bested emerging markets for the year, despite strong performance by heavily weighted China (which returned 21.2% in USD terms, led by a handful of technology shares).

Sources: MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

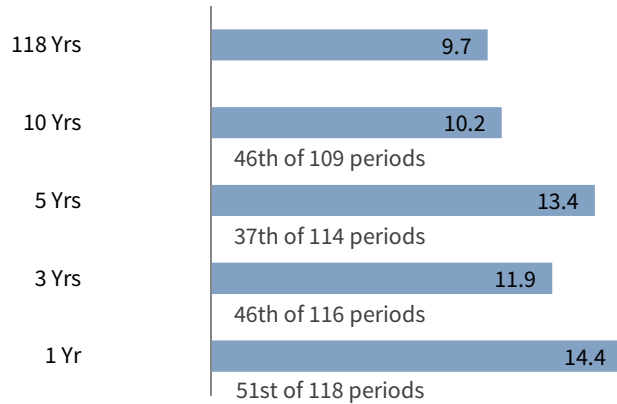
Notes: Asset classes represented by the following: MSCI All Country World Index ("Global"), MSCI World Index ("Developed Markets"), MSCI EAFE Index ("Dev Mkts ex US"), S&P 500 Index ("US"), MSCI UK Index ("UK"), MSCI Europe ex UK Index ("Europe ex UK"), MSCI Japan Index ("Japan"), MSCI Emerging Markets Index ("Emerging Markets"), MSCI Emerging Markets Asia Index ("EM Asia"), MSCI Emerging Markets Europe, the Middle East & Africa Index ("EM EMEA"), MSCI Emerging Markets Latin America Index ("EM Latin America"), and MSCI Frontier Markets Index ("Frontier Markets"). Total returns for MSCI indexes are net of dividend taxes.

Equities recorded gains in line with historical averages, while bond returns disappointed

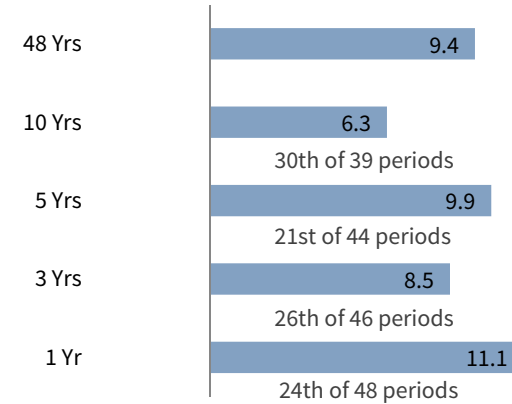
AVERAGE ANNUAL COMPOUND RETURNS FOR VARIOUS TIME PERIODS

Periods Ended June 30, 2018 • Total Return (%) • US Dollar

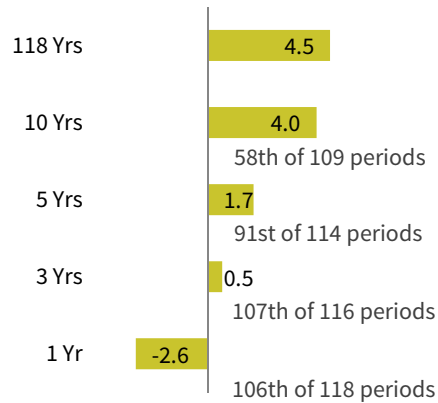
US Equities



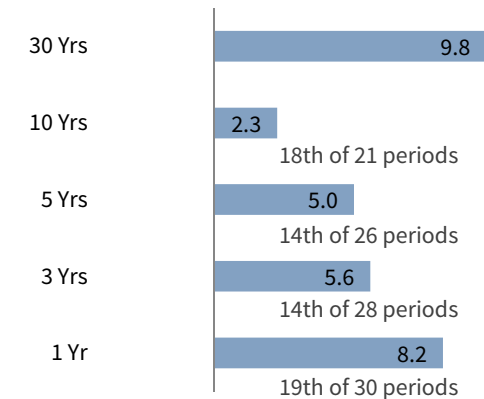
Developed Markets Equities



10-Yr US Treasury Bonds



Emerging Markets Equities



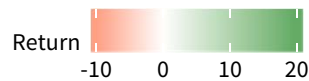
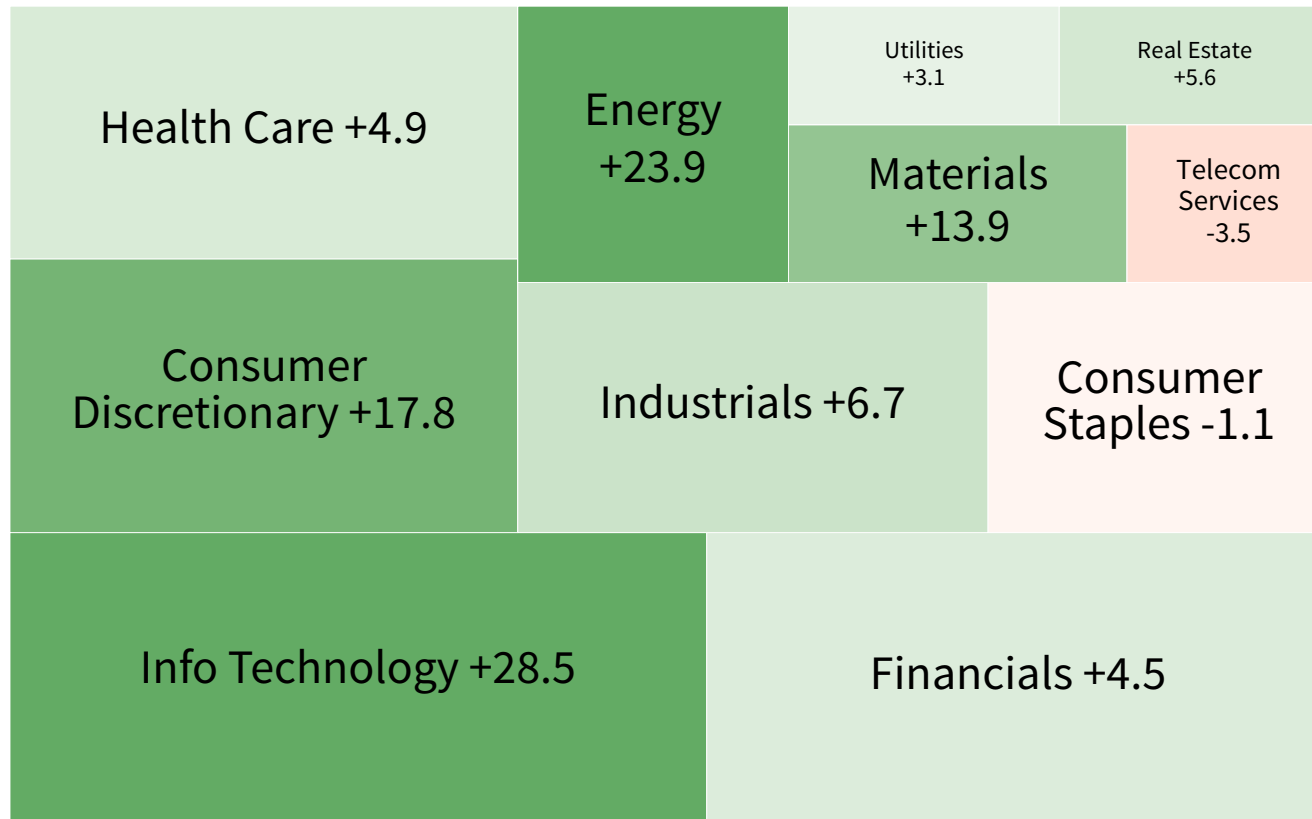
Equity performance in FY 2018 was solid and near median when compared to previous one-year fiscal periods. Ten-year US Treasuries suffered in the recent fiscal year as rising interest rates and prospects for inflation hit prices.

Sources: Global Financial Data, Inc., MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: Asset classes represented by the following indexes: S&P 500 Index ("US Equities"), MSCI World Index ("Developed Markets Equities"), Datastream 10-Year US Treasury Bond Index ("10-Year US Treasury Bonds"), MSCI Emerging Markets Index ("Emerging Markets Equities"). A ranking of first indicates the best performance among all periods. Total returns for all MSCI indexes are net of dividend taxes. Total returns for the MSCI Emerging Markets Index are gross of dividend taxes prior to fiscal year 2002. The first full fiscal year periods are 1901 for S&P 500 and 10-Year US Treasury, 1971 for MSCI World, and 1989 for MSCI Emerging Markets. Data prior to 1968 for US Equities and prior to 1981 for 10-Year US Treasury are from Global Financial Data, Inc.

Information technology and energy surged in FY 2018

DEVELOPED MARKETS SECTOR RETURNS FOR FISCAL YEAR 2018
As of June 30, 2018 • USD Terms • Total Returns



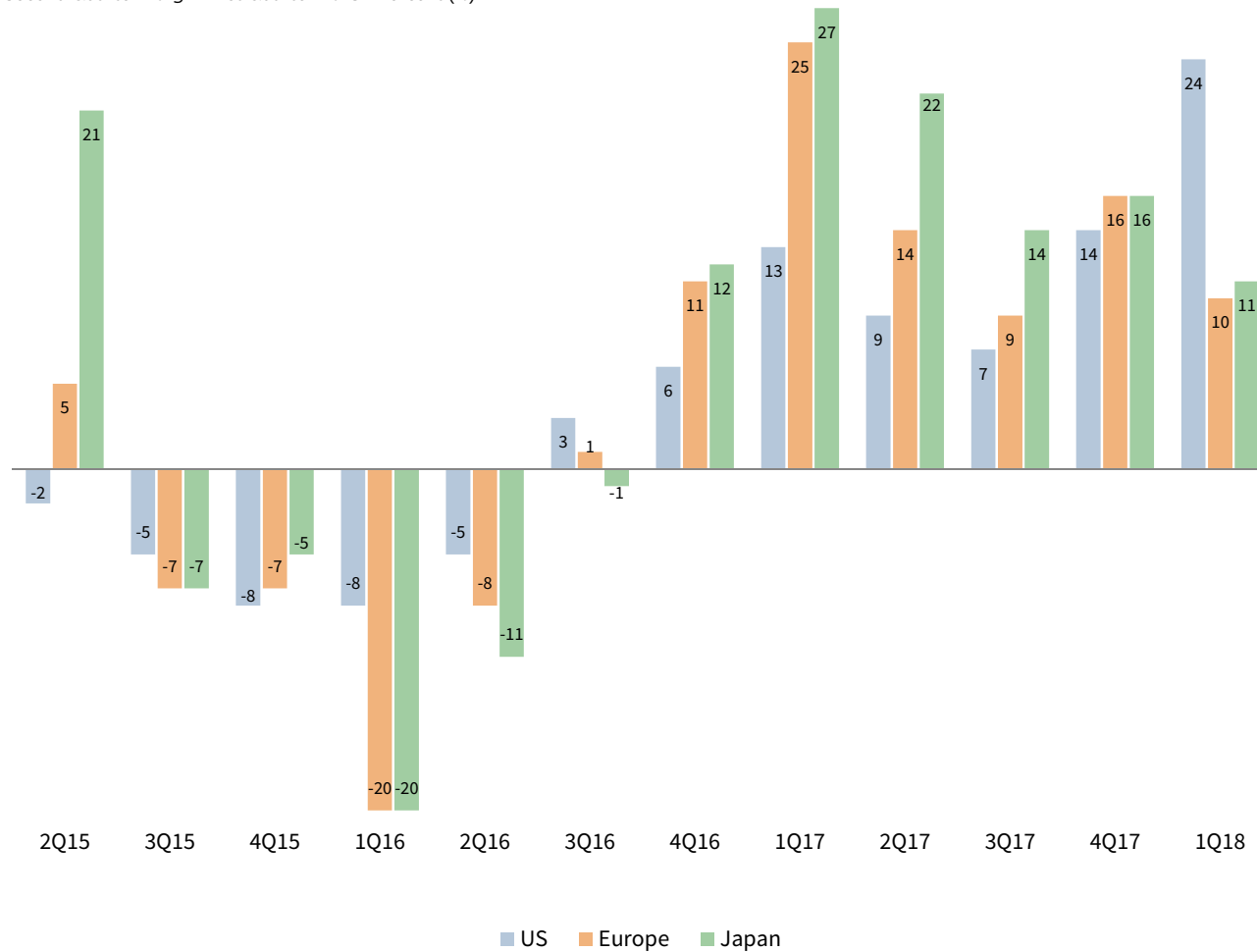
After a superb fiscal year 2017, information technology continued its run with gains of 28.5% in FY 2018. Energy stocks rallied as oil prices moved sharply higher. Defensive sectors, including telecommunication services and consumer staples, declined.

Sources: MSCI, Inc. and Thomson Reuters Datastream. MSCI Data provided "as is" without any express or implied warranties. Notes: Size of tile represents proportionate weight of sector in MSCI World Index. Data for all MSCI indexes are net of dividend taxes.

Corporate earnings growth results were strong during FY 2018

QUARTERLY YEAR-OVER-YEAR EPS GROWTH

Second Quarter 2015 – First Quarter 2018 • Percent (%)



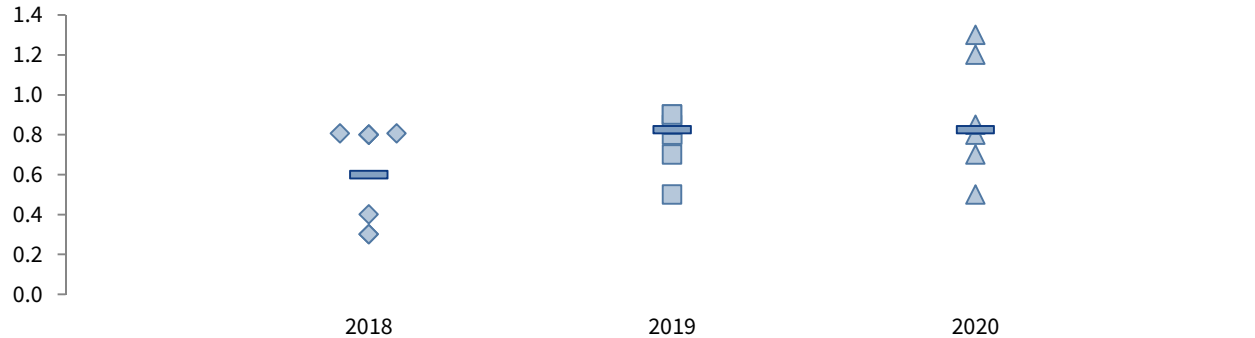
Results through the first quarter of 2018 show developed regions have enjoyed at least six straight quarters of positive year-over-year earnings growth. However, going forward, the bar for year-over-year growth surprises will be higher.

Sources: Bloomberg L.P., Japan Exchange Group, Inc., J.P. Morgan Securities, Inc., Standard & Poor's, and Stoxx Limited.
 Notes: US, Europe, and Japan are represented by S&P 500, Stoxx 600, and Topix, respectively. The Q1 2018 year-over-year EPS growth for the Topix is as of Q4 in Japan's current fiscal year.

US tax bill boosted investor optimism, but economic effects still unclear

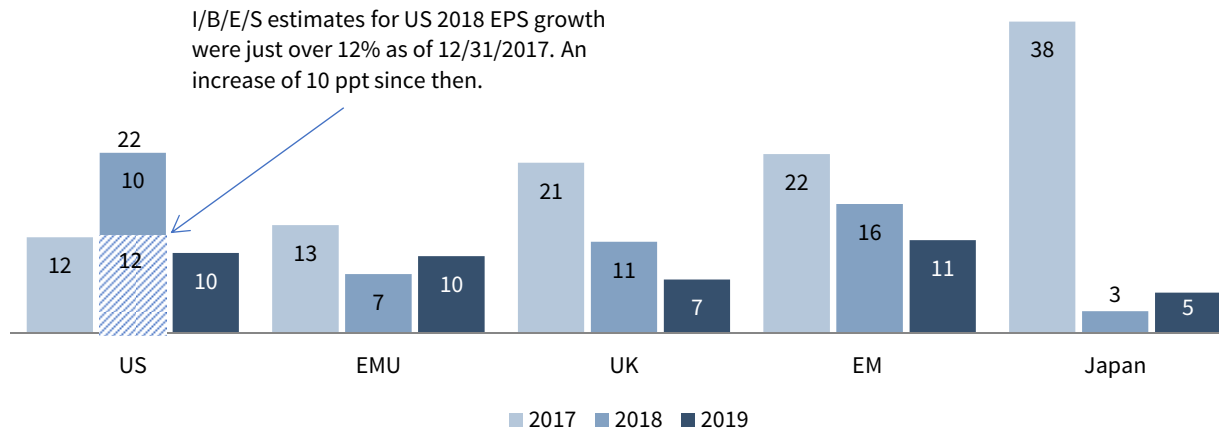
ESTIMATED IMPACT OF THE 2017 TAX LAW ON GDP

Percent (%) • Range and median of 6 different institutional estimates



EPS GROWTH ESTIMATES BY REGION

As of June 30, 2018 • Percent (%)



The median forecasted boost to GDP growth from last year's tax legislation is 0.8% annually through 2020, according to institutional estimates. Upgrades in earnings growth estimates have also likely been driven by tax cuts, as the expected calendar 2018 US earnings growth rate stood 10 percentage points above expectations as of December 31, 2017 (12%). Various sell-side analysts estimate tax cuts will boost 2018 earnings by 7-8%.

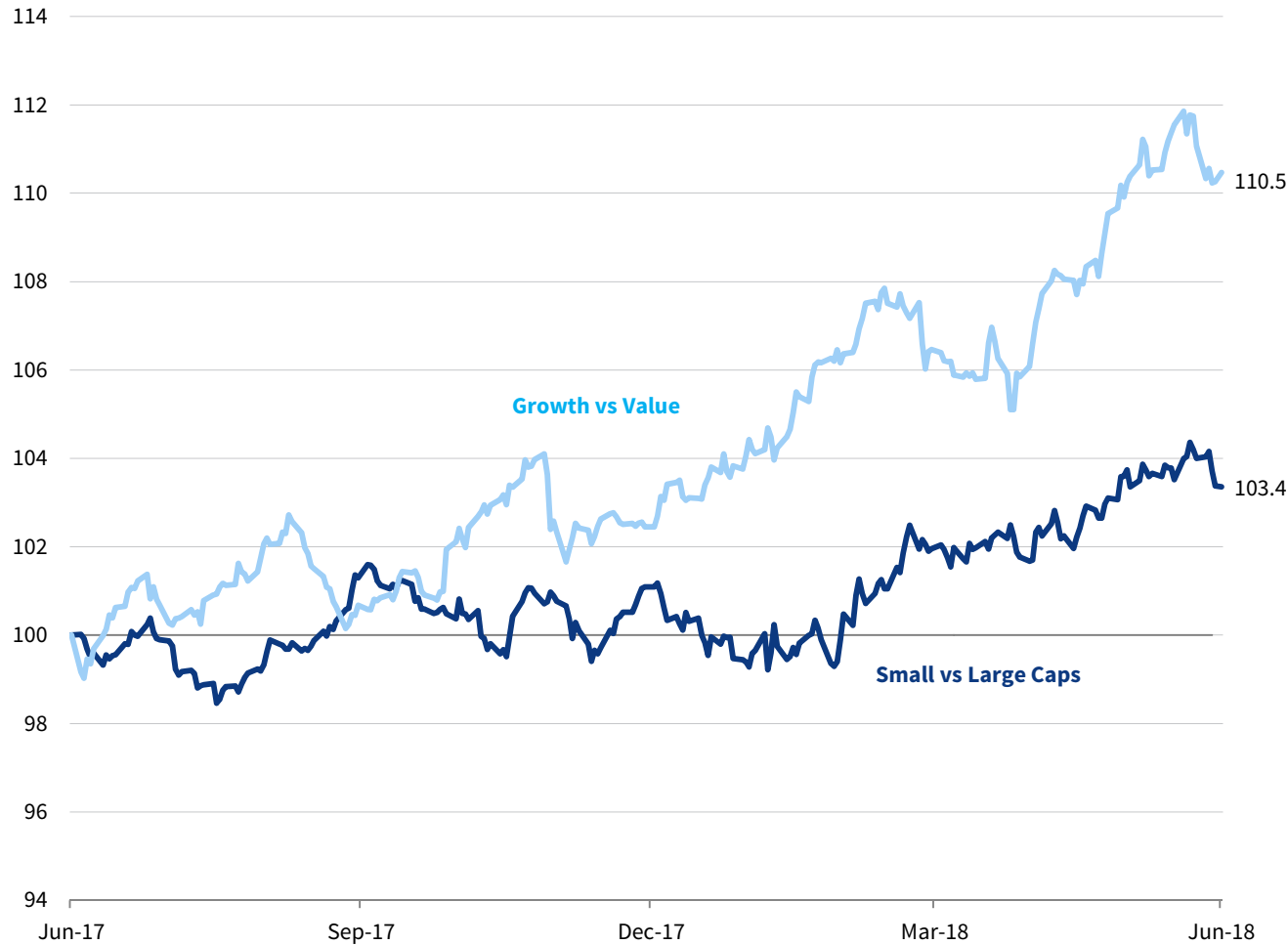
Sources: FactSet Research Systems, Federal Reserve, Goldman Sachs Global Investment Research, and I/B/E/S.

Notes: The horizontal bar in the top chart indicates the median institutional estimate for each year. The high tax-rate basket includes S&P 500 stocks with a trailing 10-year median effective tax-rate of 38% or greater. Japan's calendar year is from April 1st to March 31st of the following year.

Growth equities surged relative to value

DEVELOPED MARKETS EQUITY RELATIVE CUMULATIVE WEALTH BY SIZE AND STYLE

July 1, 2017 – June 30, 2018 • US Dollar • June 30, 2017 = 100



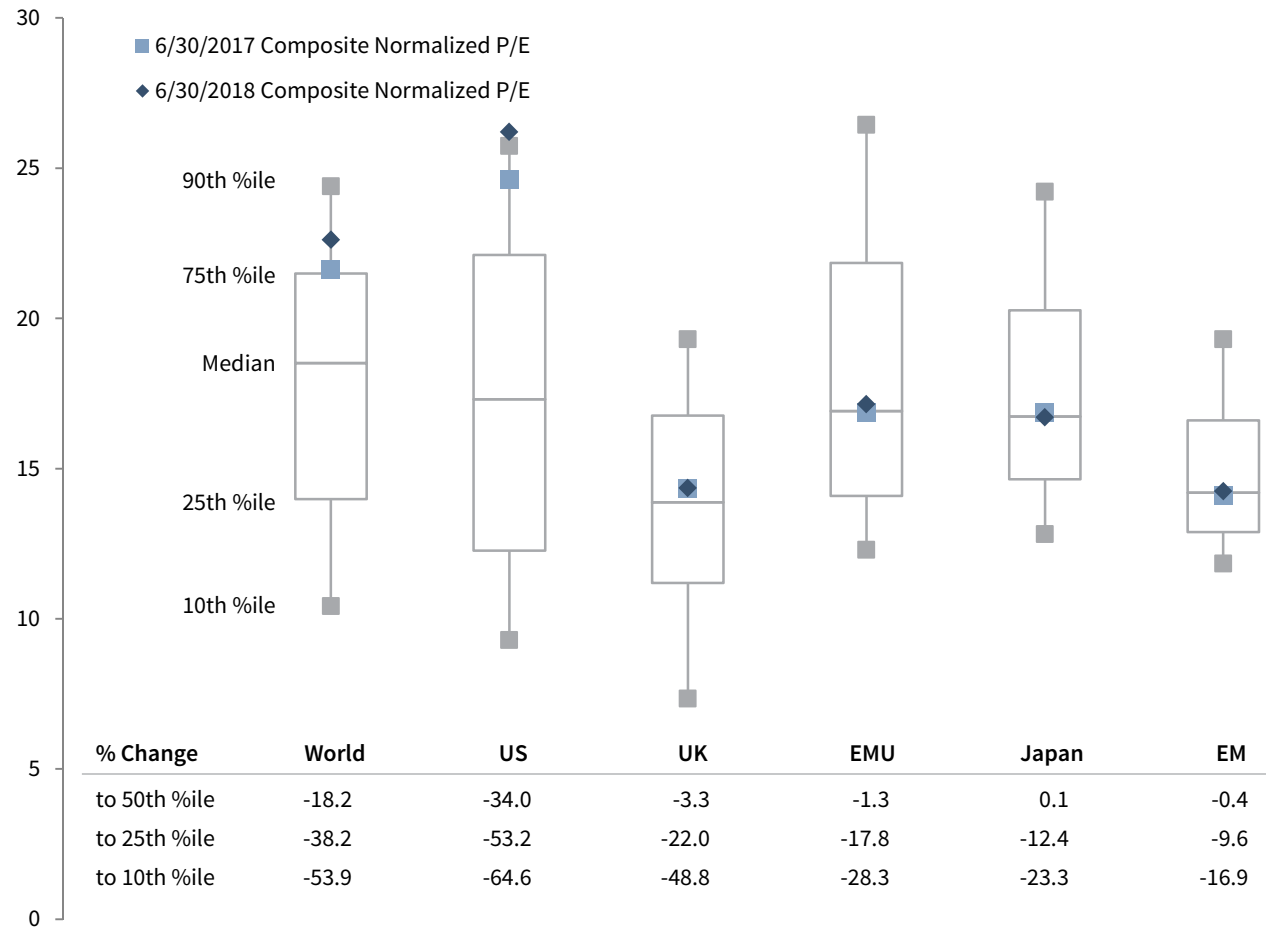
Growth equities, with heavy weights in the information technology and consumer discretionary sectors, outperformed value stocks by more than 10 percentage points during the year. Small caps, which tend to be domestically focused, lured investors amid global trade tensions in 2018 and have markedly outperformed their large-cap counterparts since February.

Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: Global equities represented by MSCI World Index net of dividend taxes. Data are daily.

Equity valuations increased across most regions in this fiscal year

COMPOSITE NORMALIZED PRICE-EARNINGS RATIOS BY REGION

As of June 30, 2018



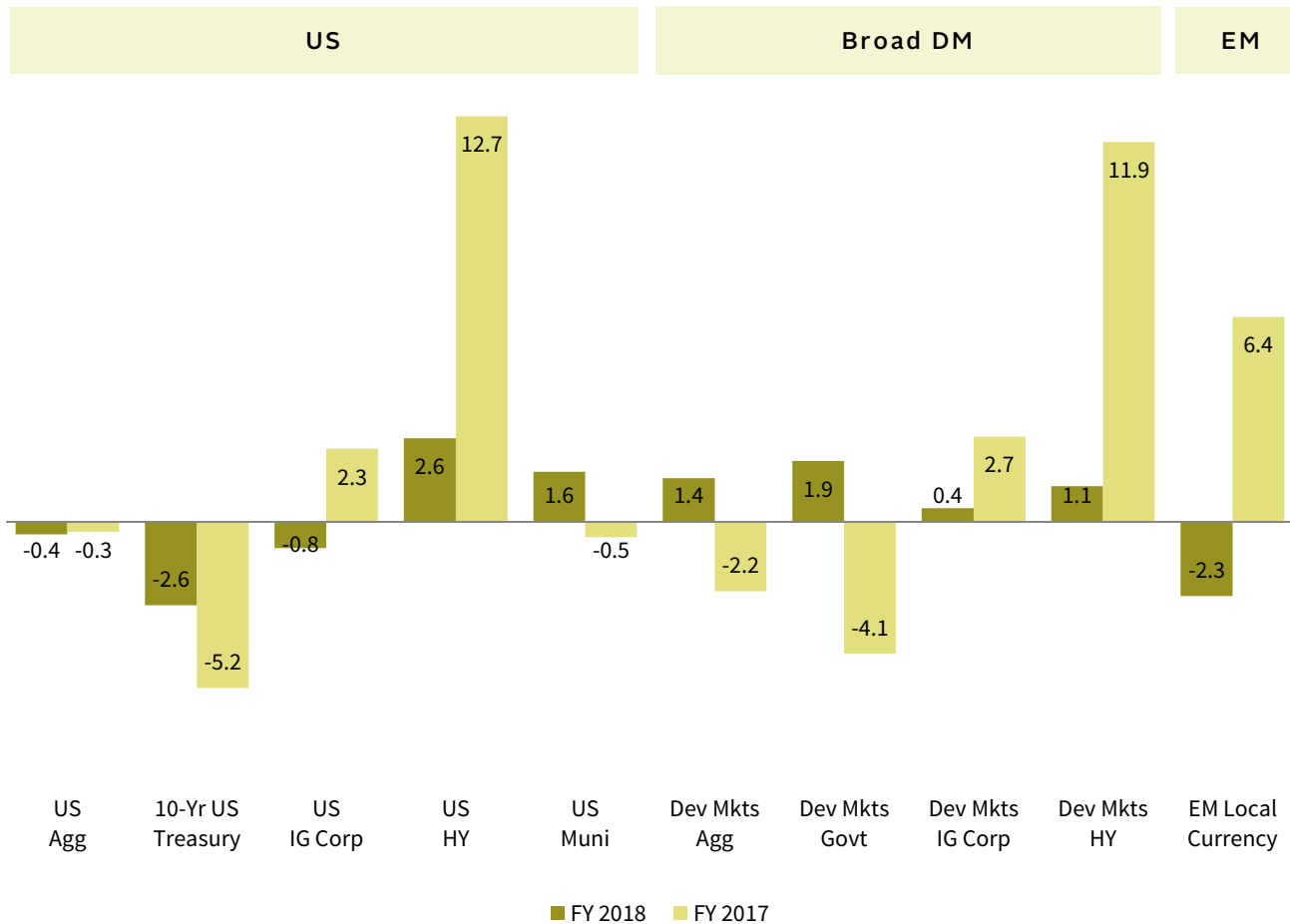
US equities remain expensive relative to other equity regions. A reversion for our composite normalized price-earnings ratio to the long-term median in the United States would imply a price decline of 34%. In contrast, valuations for developed markets (excluding the United States) and emerging markets look appealing.

Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: Composite normalized price-earnings (P/E) ratio is used for World, US, UK, and EMU. Return on equity (ROE)-adjusted P/E ratio is used for Japan and EM. The composite normalized P/E ratio is calculated by dividing the inflation-adjusted index price by the simple average of three normalized earnings metrics: ten-year average real earnings (i.e., Shiller earnings), trend-line earnings, and ROE-adjusted earnings. Observation periods begin: January 31, 1970 for World; December 31, 1969 for US and UK; April 30, 1998 for EMU; January 31, 2002 for Japan; and September 30, 1995 for EM.

Bond market performance was muted in FY 2018

GLOBAL BOND PERFORMANCE: FY 2018 VS FY 2017
Total Return (%) • US Dollar



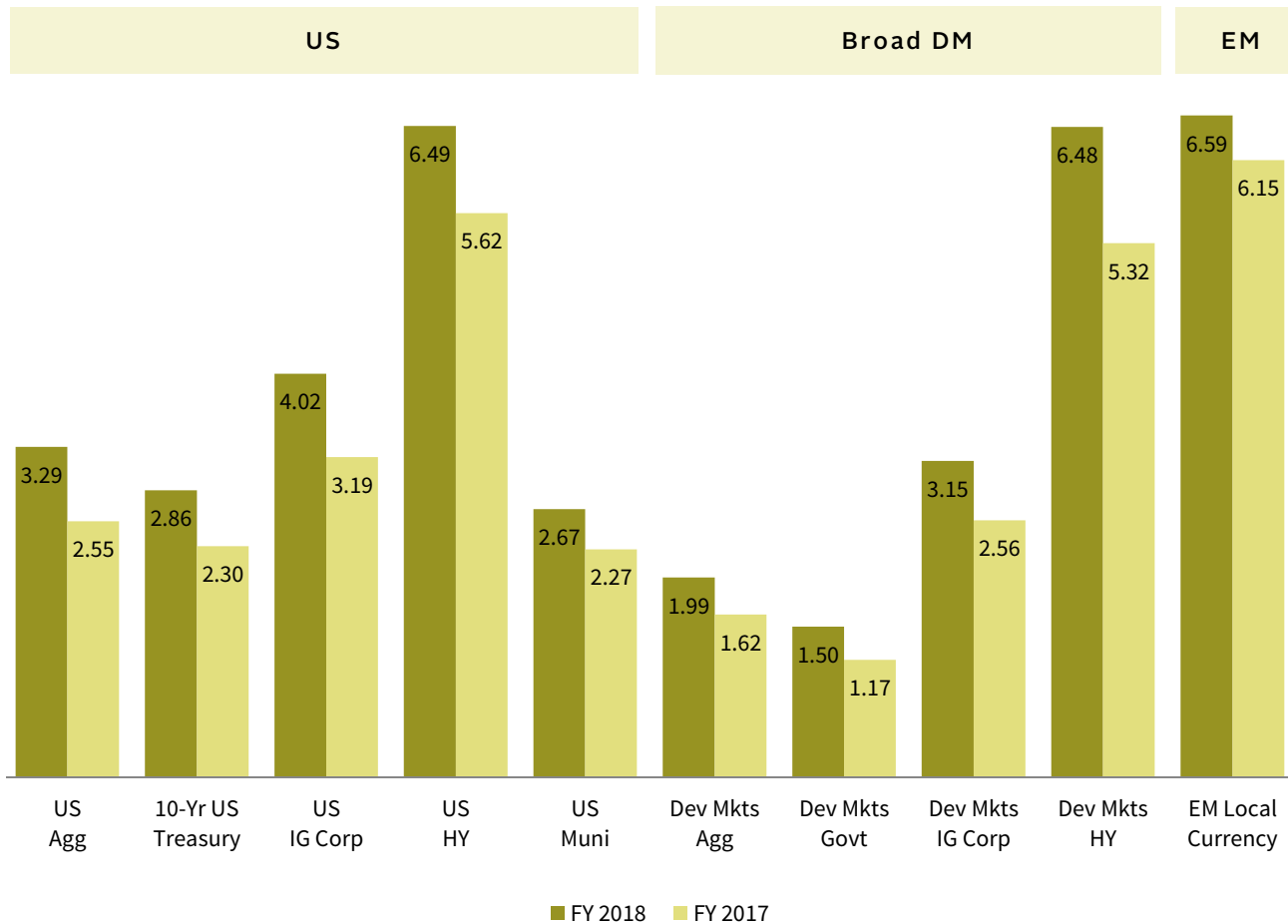
Most bond markets underperformed in FY 2018 relative to FY 2017. The rising rate environment, coupled with inflation risks and monetary tightening, limited upside in fixed income. US high-yield and developed markets government bonds led with gains of 2.6% and 1.9%, respectively.

Sources: Barclays, Bloomberg L.P., FTSE International Limited, J.P. Morgan Securities, Inc., and Thomson Reuters Datastream.

Notes: Asset classes represented by Bloomberg Barclays US Aggregate Bond Index ("US Agg"), Datastream 10-Year US Treasury Bond Index ("10-Yr US Treasury"), Bloomberg Barclays US Corporate Investment Grade Bond Index ("US IG Corp"), Bloomberg Barclays US High Yield Bond Index ("US HY"), Bloomberg Barclays US Municipal Bond Index ("US Muni"), Bloomberg Barclays Global Aggregate Bond Index ("Dev Mkts Agg"), FTSE® World Government Bond Index ("Dev Mkts Govt"), Bloomberg Barclays Global Aggregate Corporate Bond Index ("Dev Mkts IG Corp"), Bloomberg Barclays Global High Yield Bond Index ("Dev Mkts HY"), and J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index ("EM Local Currency").

Yields increased across major bond indexes

GLOBAL BOND YIELD: FY 2018 VS FY 2017
Yield (%)



Bond yields ticked higher in FY 2018 amid monetary tightening and stable economic growth. The US ten-year Treasury note yield rose to its highest level in more than four years, briefly touching 3% in April and May.

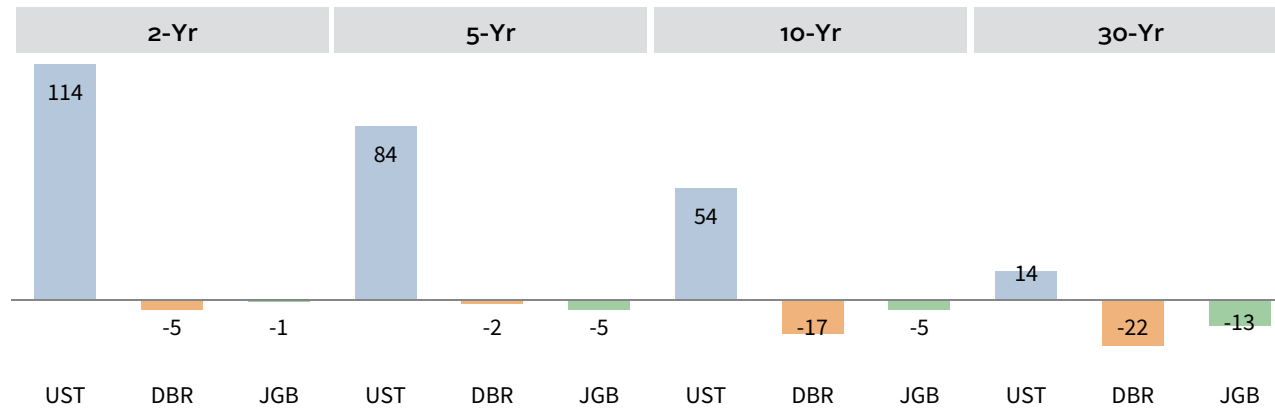
Sources: Barclays, Bloomberg L.P., FTSE International Limited, J.P. Morgan Securities, Inc., and Thomson Reuters Datastream.

Notes: Asset classes represented by Bloomberg Barclays US Aggregate Bond Index ("US Agg"), Datastream 10-Year US Treasury Bond Index ("10-Yr US Treasury"), Bloomberg Barclays US Corporate Investment Grade Bond Index ("US IG Corp"), Bloomberg Barclays US High Yield Bond Index ("US HY"), Bloomberg Barclays US Municipal Bond Index ("US Muni"), Bloomberg Barclays Global Aggregate Bond Index ("Dev Mkts Agg"), FTSE® World Government Bond Index ("Dev Mkts Govt"), Bloomberg Barclays Global Aggregate Corporate Bond Index ("Dev Mkts IG Corp"), Bloomberg Barclays Global High Yield Bond Index ("Dev Mkts HY"), and J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index ("EM Local Currency").

Short-term rates rose more than long term rates in the United States

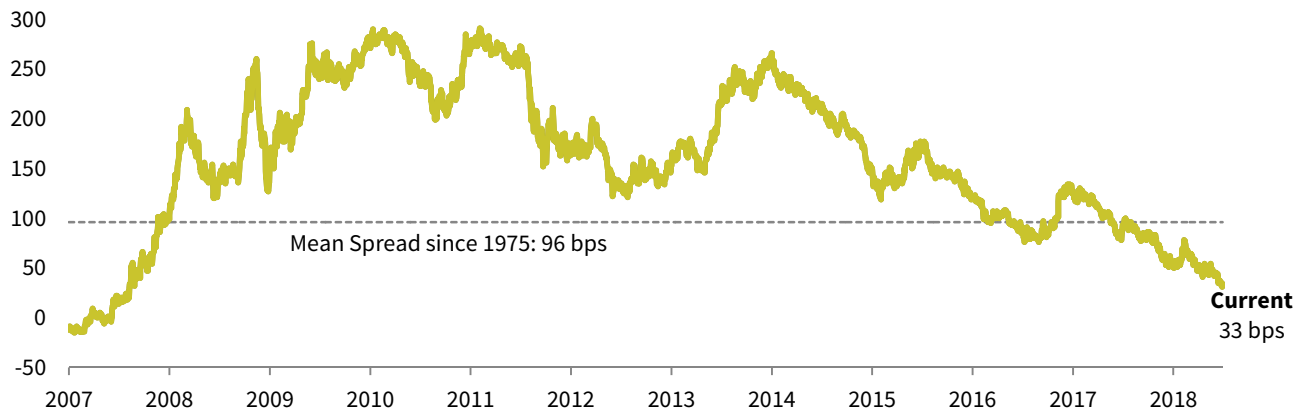
CHANGE IN YIELD VS 12 MONTHS AGO FOR VARIOUS GOVERNMENT BOND MATURITIES

As of June 30, 2018 • Basis Points (bps)



10-YR/2-YR TREASURY YIELD SPREAD

January 1, 2007 – June 30, 2018 • Basis Points (bps)



Yield curves flattened during FY 2018, prompting concerns that this could portend future economic difficulties. The US ten-year/two-year yield spread has inverted before every recession in the past 50 years. While it flattened to its lowest level in a decade, it has yet to invert. Outside of the United States, rates have remained low.

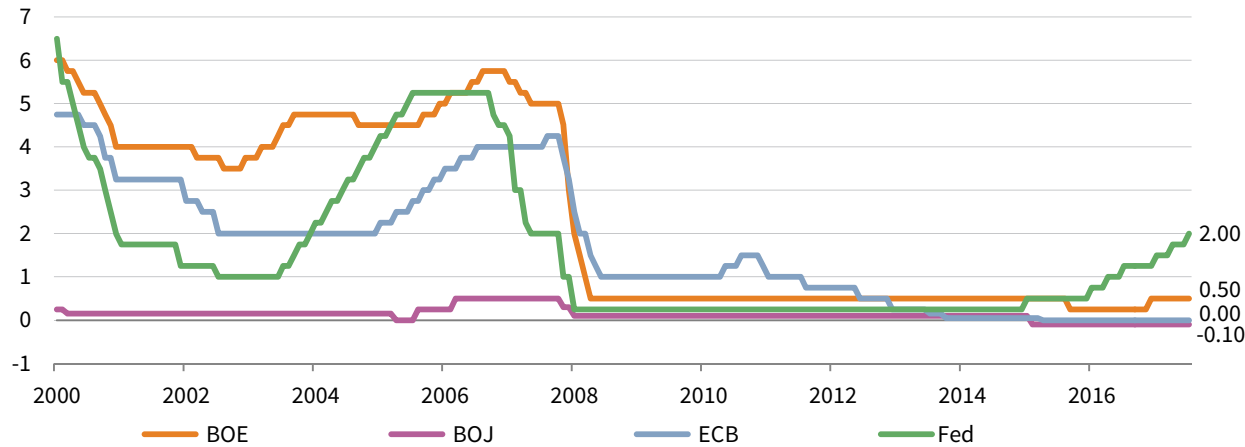
Sources: Federal Reserve and Thomson Reuters Datastream.

Notes: UST, DBR, and JGB represent the US Treasury, German Government, and Japanese Government bonds, respectively. 10-year/2-year Treasury spread data are daily.

US policy rates moved higher during FY 2018

CENTRAL BANK POLICY RATES

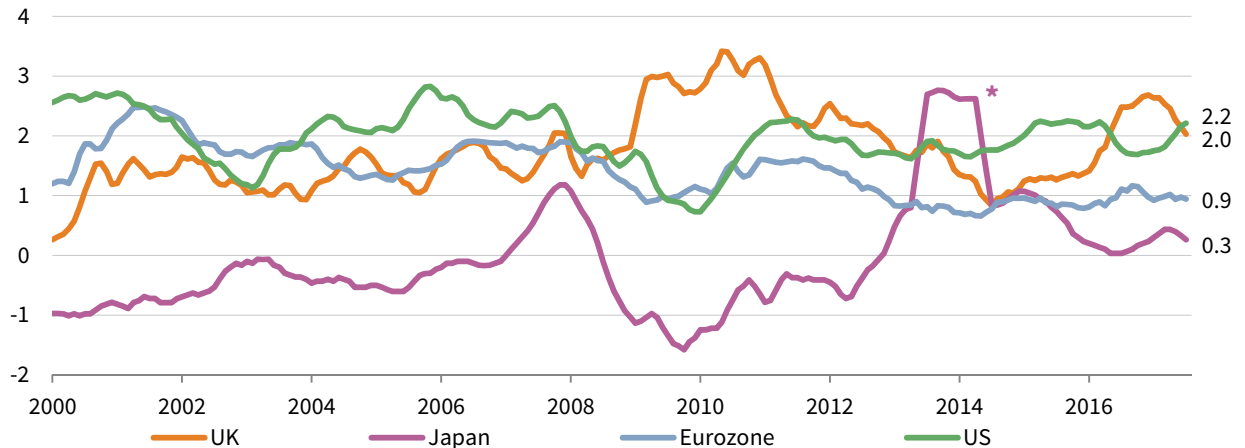
December 31, 2000 – June 30, 2018 • Percent (%)



The Fed hiked rates three times during FY 2018, with the target upper bound reaching 2.0% in June. US core inflation ticked higher through the fiscal year. The ECB did not raise rates and has signaled it may not do so until at least summer of 2019.

CORE INFLATION RATES

December 31, 2000 – June 30, 2018 • Percent (%)



Sources: FactSet Research Systems and Thomson Reuters Datastream.

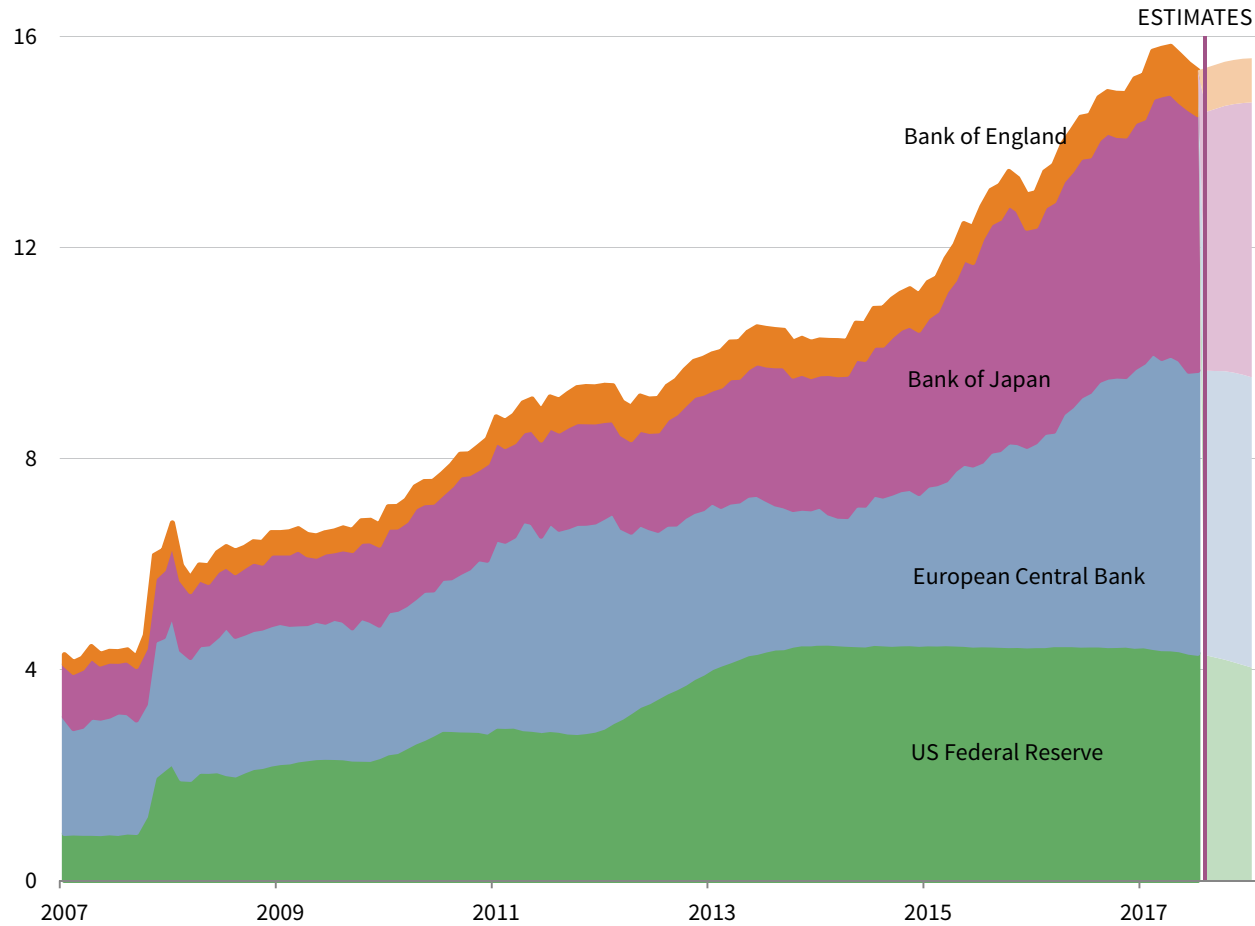
Note: Inflation data reflect rolling three-month average of year-over-year core measures.

* In April 2014, Japan's value-added tax (VAT) was increased from 5% to 8%, causing a temporary spike in inflation.

Central banks began unwinding balance sheets

CUMULATIVE BALANCE SHEET ASSETS FOR MAJOR CENTRAL BANKS

December 31, 2007 – December 31, 2018 • USD Trillions • Estimates begin after June 30, 2018



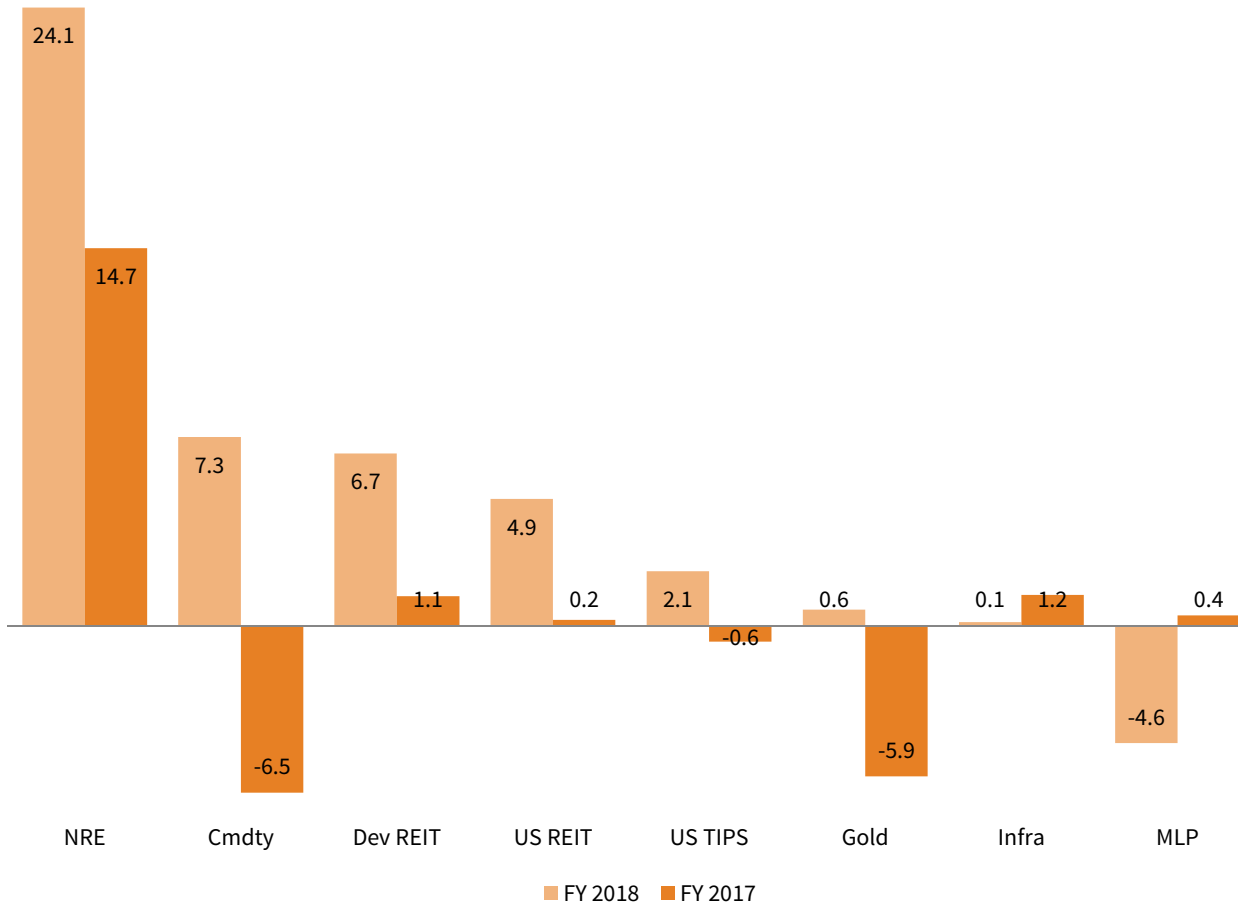
After a September announcement, the Fed began shrinking its balance sheet, while the ECB cut monthly purchases and plans to stop buying bonds by the end of 2018. This unprecedented unwind could pose headwinds for markets, including upward pressure on yields.

Sources: Bank of England, Bank of Japan, European Central Bank, Federal Reserve, and Thomson Reuters Datastream.

Notes: Data are monthly and converted into USD based on the prevailing exchange rate at each month end. Estimates are based on each bank's announcements regarding its asset purchase plan through the end of 2018 and converted to USD based on June 30, 2018 exchange rates. Beginning September 2014, the Bank of England discontinued reporting of its total balance sheet asset value, instead detailing approximately 90% of the value of total assets. Therefore, after that time we assume that reported assets total 90% of total asset value (and adjust the reported values upward accordingly).

Natural resources led the way in FY 2018

REAL ASSET AND INFLATION SENSITIVE PERFORMANCE: FY 2018 VS FY 2017
Total Return (%) • US Dollar



Within real assets and inflation sensitive, natural resources equity stocks benefitted from climbing oil prices and by tightening supply & demand dynamics with an uptick in global economic activity.

Sources: Alerian, Barclays, Bloomberg L.P., EPRA, FTSE International Limited, Intercontinental Exchange, Inc., MSCI Inc., National Association of Real Estate Investment Trusts, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: All returns are total returns, except gold, which are based on spot price returns. Asset classes represented by the following: S&P Global Natural Resources index ("NRE"), Bloomberg Commodity TR Index ("Comdty"), FTSE® EPRA/NAREIT Developed Real Estate Index ("Dev REIT"), FTSE® NAREIT All Equity REITs Index ("US REIT"), Bloomberg Barclays US TIPS Index ("US TIPS"), LBMA Gold Price ("Gold"), MSCI World Infrastructure Index ("Infra"), and Alerian MLP Total Return Index ("MLP"). Total return data for all MSCI indexes are net of dividend taxes.

Oil price rally benefited energy equities

PERFORMANCE OF SELECT ENERGY ASSETS

July 1, 2017 – June 30, 2018 • US Dollar • June 30, 2017 = 100



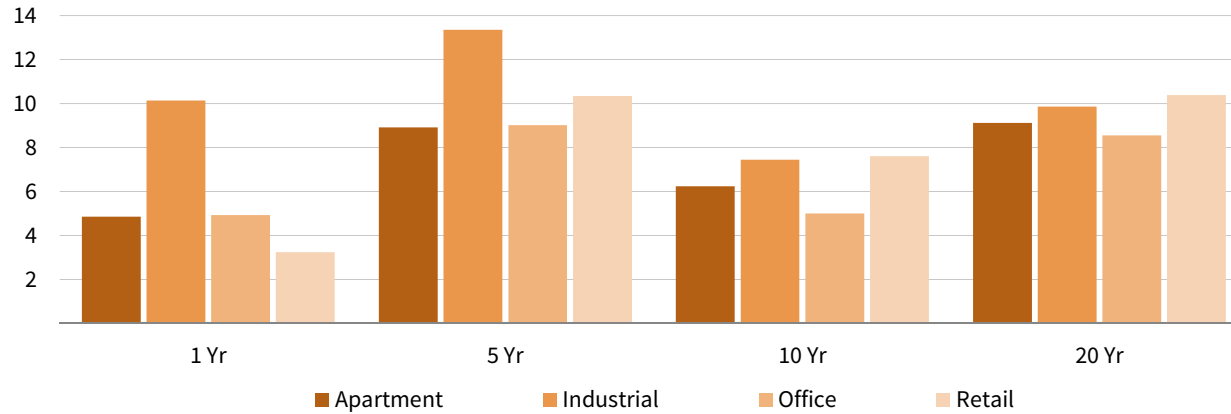
Brent crude oil prices rose to multi-year highs in FY 2018, as OPEC and non-OPEC participants agreed on supply cuts through the end of 2018. Unexpected regulatory announcements in early 2018 rattled MLPs, which ended the fiscal year with a minor loss.

Sources: Alerian, Bloomberg L.P., Intercontinental Exchange, Inc., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: MLPs, World Energy Stocks, and Brent Crude Oil Prices are represented by the Alerian MLP Total Return Index, MSCI World Energy Index, and the ICE Brent Crude Futures, respectively. Total return data for all MSCI indexes are net of dividend taxes. Data are daily.

Commercial property performance was modest with divergence across property types

RETURNS BY PROPERTY TYPE

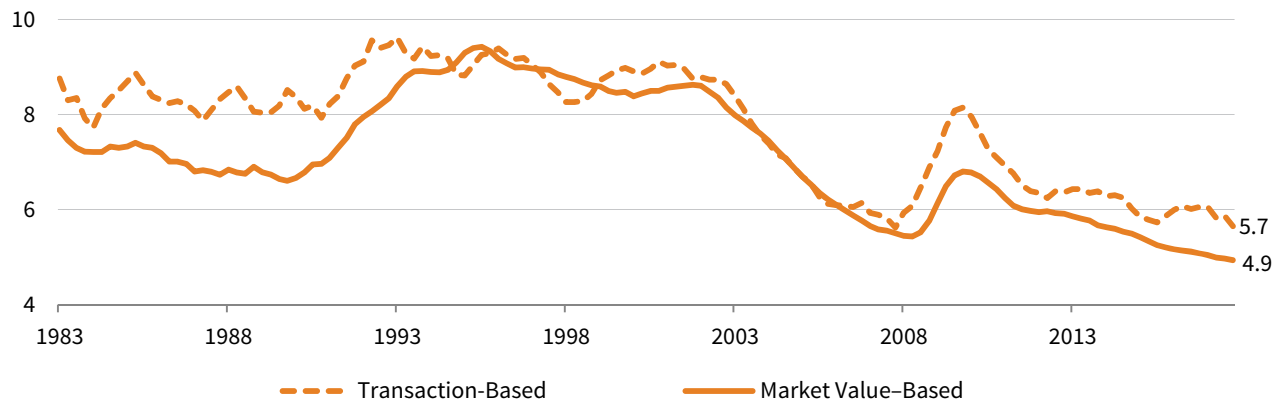
As of First Quarter 2018



Industrial properties outperformed markedly over the fiscal year. Online shopping has created a need for more warehousing space, while in contrast, retail property has suffered. Cap rates continued to decline, but rising interest rates could result in future cap-rate expansion.

ALL PROPERTY CAP RATES

Second Quarter 1983 – First Quarter 2018

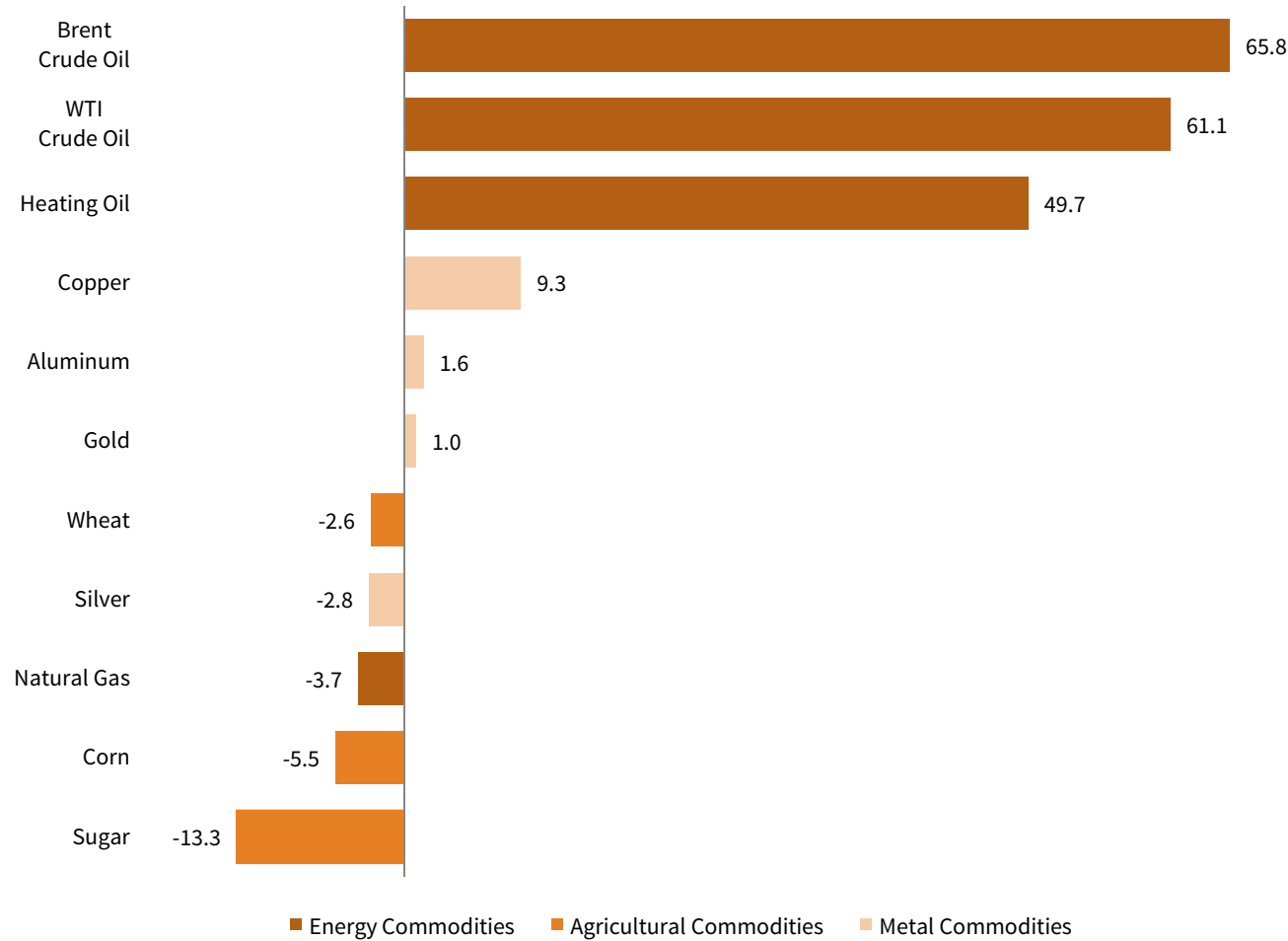


Source: National Council of Real Estate Investment Fiduciaries.
Notes: Cap-rate data represent a four-quarter moving average. All data are quarterly.

Oil prices the clear leader among commodities in FY 2018

SELECT COMMODITY SPOT PERFORMANCE: FY 2018

Percent (%) • US Dollar



The cutback in global oil output, coupled with higher oil demand, drove prices higher during the fiscal year. Industrial metals had a strong FY 2018, but it was a tale of two halves: The industrial metals sub-index returned 22% from June to December 2017, then lost 5% from December through June 2018 as trade war concerns weighed on copper. More broadly, the Bloomberg Commodity Spot Index gained 10.9%, but total returns (7.3%) were held back by poor roll and collateral returns.

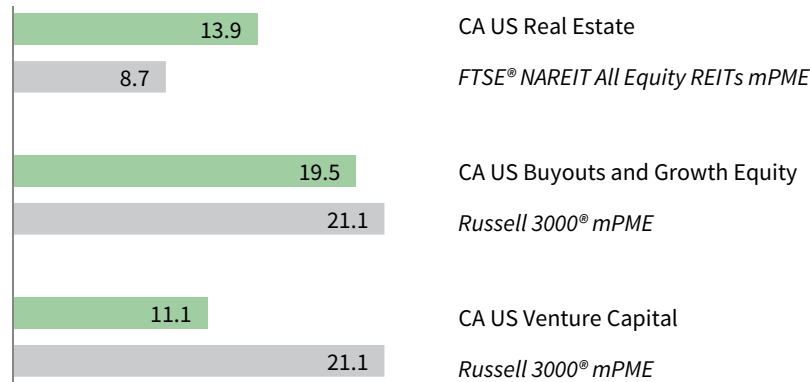
Source: Bloomberg L.P.
 Note: Spot returns reflect changes in near-month futures contracts, as reported by Bloomberg L.P.

Private investments have delivered compelling long-term performance

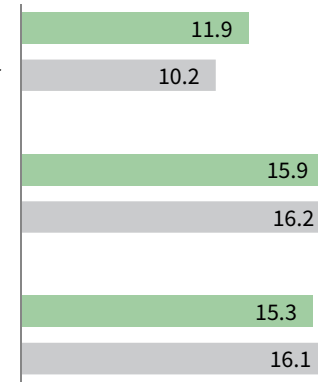
PERFORMANCE OF SELECT CAMBRIDGE ASSOCIATES PRIVATE INVESTMENT INDEXES VS PUBLIC EQUIVALENTS

As of Fourth Quarter 2017 • Percent (%)

1-Yr



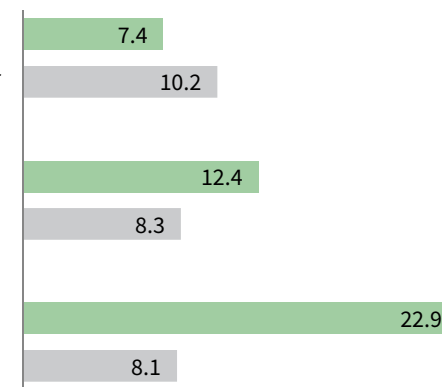
5-Yr



10-Yr



20-Yr



In the past five years, Cambridge Associates US Buyouts & Growth Equity and Venture Capital indexes have both slightly underperformed their public market equivalents. However, over the longer term (20-year periods), US Buyouts & Growth Equity and Venture Capital indexes have outperformed public market equivalents.

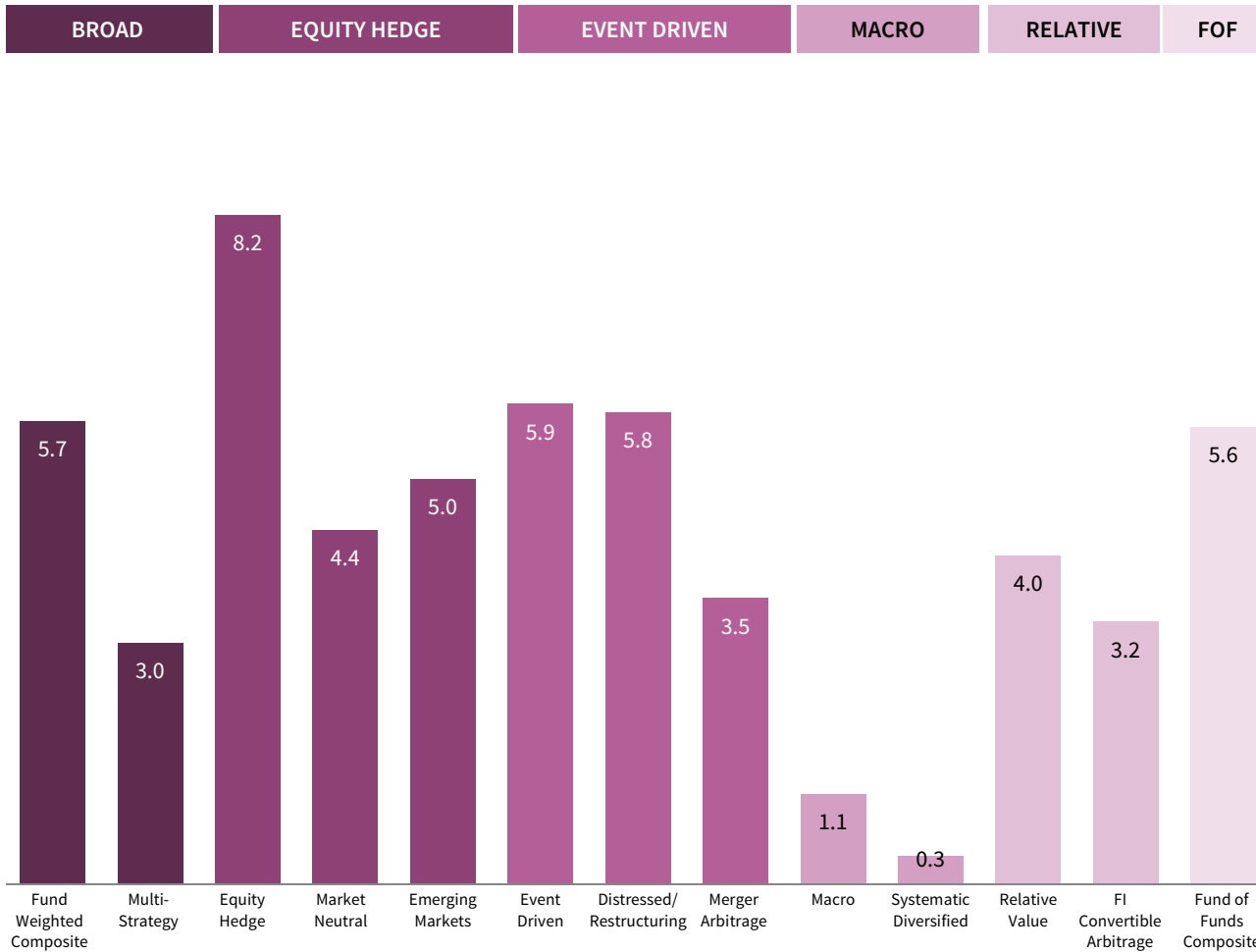
Sources: Cambridge Associates LLC, Frank Russell Company, FTSE International Limited, National Association of Real Estate Investment Trusts, and Thomson Reuters Datastream.

Notes: Private indexes are pooled horizon IRRs, net of fees, expenses, and carried interest. The CA Modified Public Market Equivalent (mPME) replicates private investment performance under public market conditions. The public index's shares are purchased and sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, and mPME net asset value is a function of mPME cash flows and public index returns.

Equity hedge fund strategies led peers in performance

HEDGE FUND PERFORMANCE (HFRI INDEXES): FY 2018

Total Return (%) • US Dollar



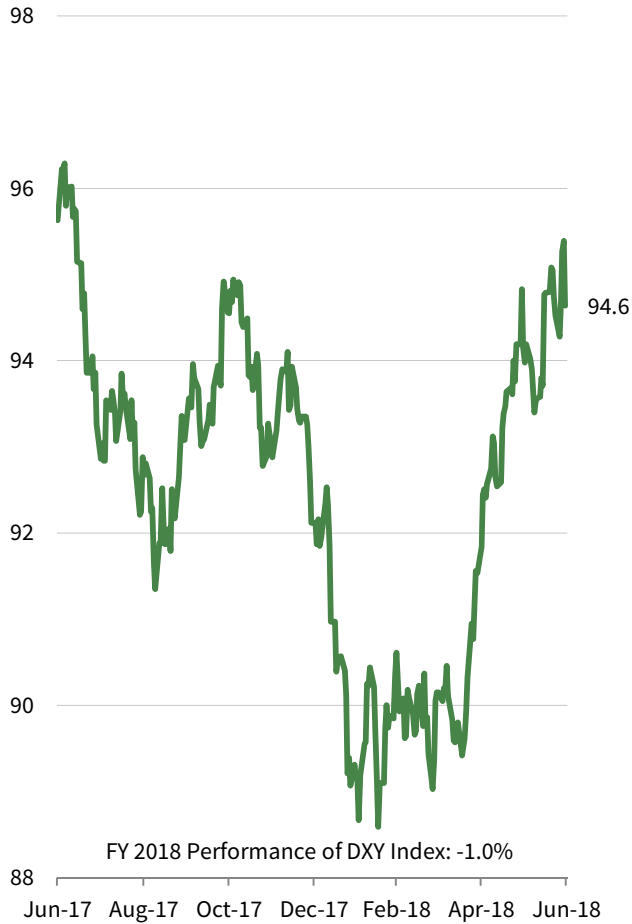
Preliminary data from Hedge Fund Research, Inc. suggest that equity hedge funds outpaced other strategies in FY 2018.

Source: Hedge Fund Research, Inc.
 Note: Hedge Fund Research data are preliminary for the preceding five months.

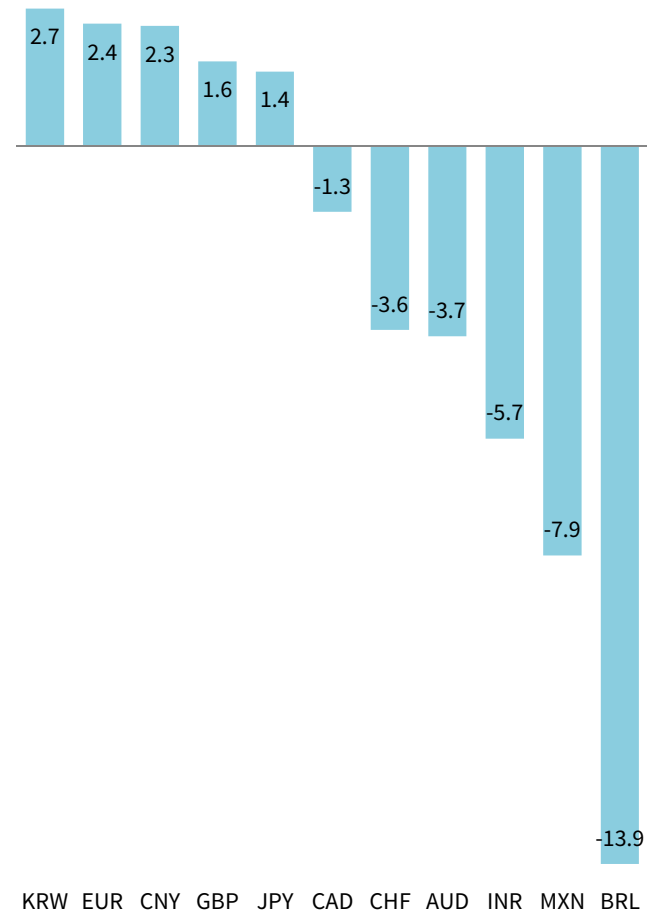
The dollar fell against most major currencies

US DOLLAR INDEX

June 30, 2017 – June 30, 2018



SELECT CURRENCY APPRECIATION VS THE US DOLLAR FY 2018



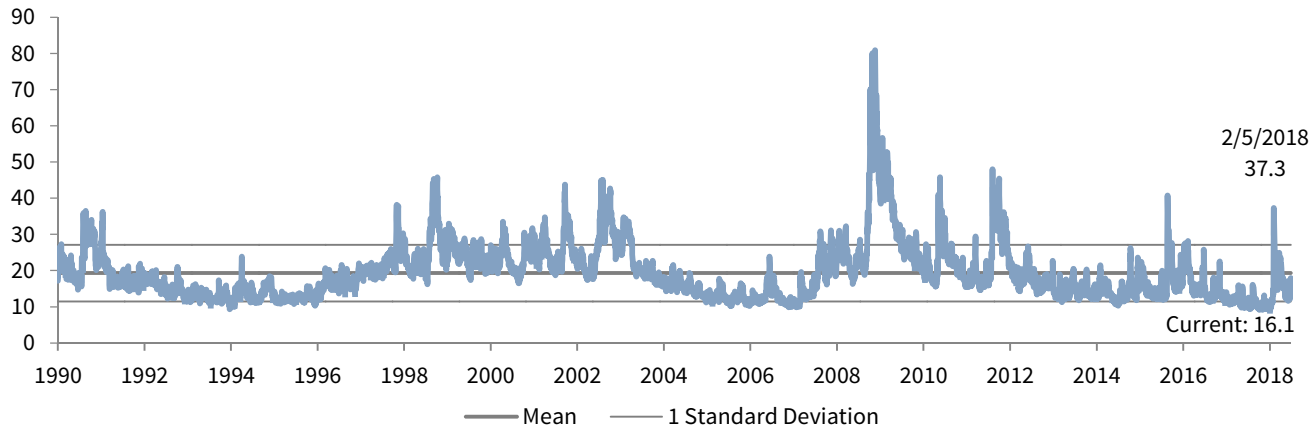
While the dollar regained strength in the first six months of 2018, it was down 1% for the full fiscal year. Most major currencies gained against the dollar, including the yen (1.4%), the pound (1.6%), and the euro (2.4%).

Sources: Intercontinental Exchange, Inc., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: The US Dollar Index (DXY) measures the value of the dollar against a weighted basket of six currencies. DXY data are daily.

Volatility returned to normal levels in 2018

HISTORICAL US IMPLIED EQUITY VOLATILITY

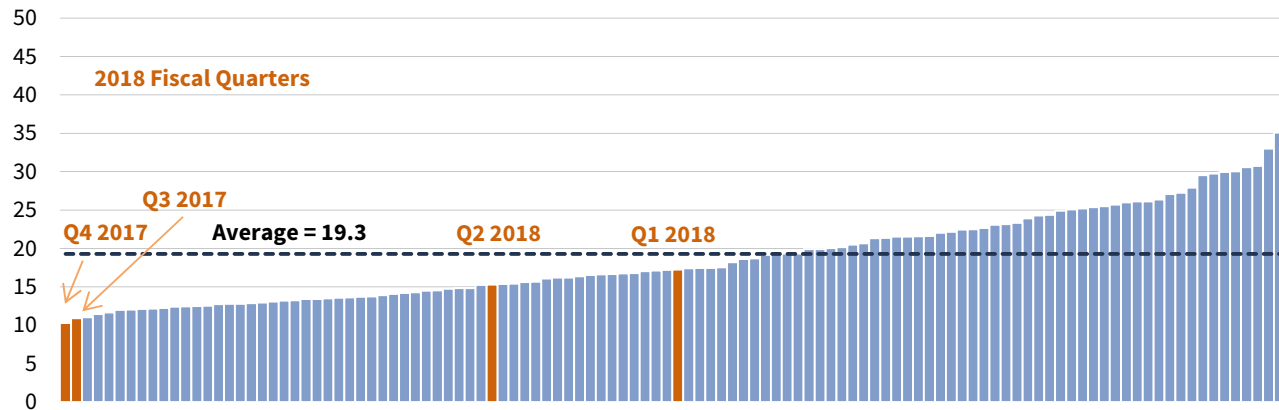
January 2, 1990 – June 30, 2018 • Index Level



The first six months of calendar year 2018 saw a return to more normal volatility after muted volatility in 2017. Several events impacted market volatility, including choppy trading in February and fears of a trade war.

QUARTERLY AVERAGE S&P 500 IMPLIED VOLATILITY SORTED IN ASCENDING ORDER

First Quarter 1990 – Second Quarter 2018



Sources: Bloomberg L.P., Chicago Board Options Exchange, Standard & Poor's, and Thomson Reuters Datastream.

Notes: The Chicago Board Options Exchange Volatility Index ("VIX") reflects a market estimate of future volatility, based on the weighted average of the implied volatility for a wide range of strikes. Top chart calculates average VIX observed for each quarter based on daily closes. Orange bars represent 3Q 2017 through 2Q 2018, respectively.



CAMBRIDGE
ASSOCIATES

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