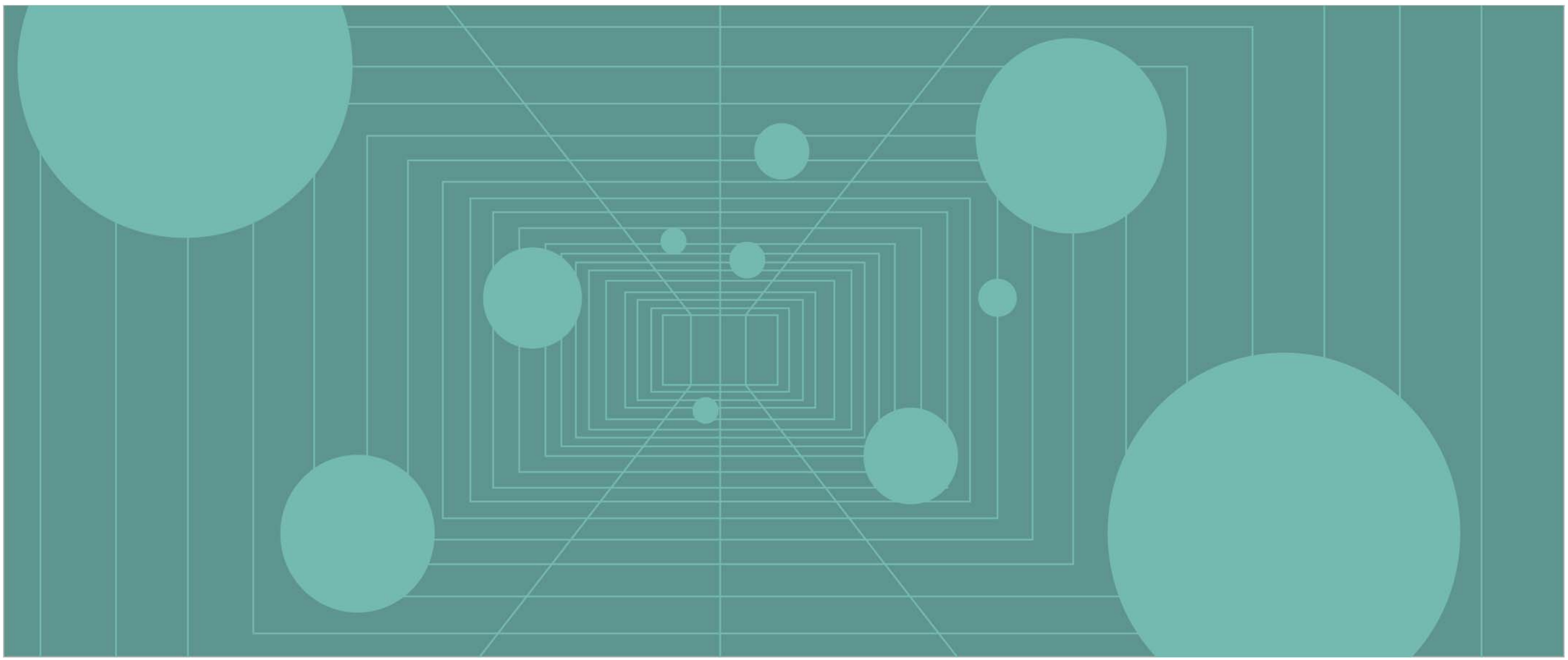
GLOBAL EX US EQUITY MANAGER PERFORMANCE

ANALYSIS OF 2019 AND PERFORMANCE SINCE 2000



CAMBRIDGE ASSOCIATES

Summary Observations

- In 2019, 63% of active global ex US managers outperformed the MSCI EAFE Index gross of fees, with the median manager outperforming by 183 basis points (bps). Since 2000, the median manager has now underperformed the index in just three calendar years.
- After adding a fee proxy of 70 bps, 58% of managers outperformed the benchmark in 2019. The majority of managers have outperformed the fee-adjusted index in more than half of the calendar years dating back to 2000, posting better performance in 12 of those 20 years.
- By style, the median growth manager in the global ex US region bested value and diverse strategies. All three strategies outperformed their respective style benchmarks for the year, although value bested its benchmark by the widest margin. Looking longer term, the median value manager has outperformed the value index in nine of the last 11 years dating back to the global financial crisis (GFC). Prior to that, value had bested growth in seven of nine years from 2000 to 2008.
- On a median basis, managers were significantly overweight the IT sector, which was far and away the best-performing sector in 2019. Conversely, managers held sizable underweight positions in two underperforming sectors: consumer staples and real estate. Energy lagged all other sectors and trailed the index by more than 14 percentage points, but managers did not significantly differentiate from the market weight.

Summary Observations (continued)

- On a median basis, managers were underweight five of the six countries to which the MSCI EAFE Index has a weight greater than 5%. The largest underweight was to Japan, which underperformed MSCI EAFE in USD terms. Global ex US equity managers tend to make numerous off-benchmark country bets. In 2019, there were six different countries in the MSCI EAFE index where at least 40% of managers had allocations: Canada, China, India, South Korea, Taiwan, and the United States. The performance of these countries in USD terms was mixed; however, the three most heavily weighted off-benchmark bets—China, Canada, and United States—all outperformed the MSCI EAFE Index.
- High dispersion in stock returns is often thought to mean more managers will outperform. In fact, the relationship is extremely weak. Rather, stock dispersion is more likely to increase the dispersion of managers' excess returns—greater stock dispersion gives managers more of an opportunity to separate from the pack, but this can be to the upside or the downside. Since the GFC, stock return dispersion has been quite low; 2019 remained near the lowest observations in the past decade.
- Persistence in manager outperformance is rare, yet global ex US managers in the top-performing initial quintile showed better-than-expected consistency, as more than half of the top-performing managers from 2010 to 2014 remained in the top quintile in the 2015–19 period. This stands in contrast to prior ten-year windows, when top performers during the initial five-year period tended to rotate to bottom quintiles in the subsequent five-year periods.

63% of managers outperformed the index in 2019

GLOBAL EX US EQUITY MANAGER ANNUAL RETURNS BY QUARTILES

2010–19 • Percent (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
5th Percentile	20.3	-4.4	25.7	32.6	1.3	7.2	8.9	38.5	-8.0	32.1
25th Percentile	14.8	-9.8	21.5	26.4	-1.8	2.8	4.3	31.1	-12.5	27.9
Median	11.5	-11.7	19.2	22.9	-4.0	0.4	1.6	27.7	-15.0	23.8
75th Percentile	8.6	-14.1	16.9	18.9	-5.8	-2.3	-0.6	25.2	-17.1	20.1
95th Percentile	5.2	-18.0	12.5	14.3	-8.8	-7.7	-4.8	21.6	-20.4	15.8
MSCI EAFE	7.8	-12.1	17.3	22.8	-4.9	-0.8	1.0	25.0	-13.8	22.0
# of Managers	*291*	*296*	*293*	*296*	*297*	*303*	*297*	*291*	*285*	*262*
% Outperforming	**80.4**	**56.1**	**68.9**	**51.0**	**63.3**	**63.7**	**55.6**	**75.9**	**38.2**	**63.0**
% Underperforming	**19.6**	**43.9**	**31.1**	**49.0**	**36.7**	**36.3**	**44.4**	**24.1**	**61.8**	**37.0**

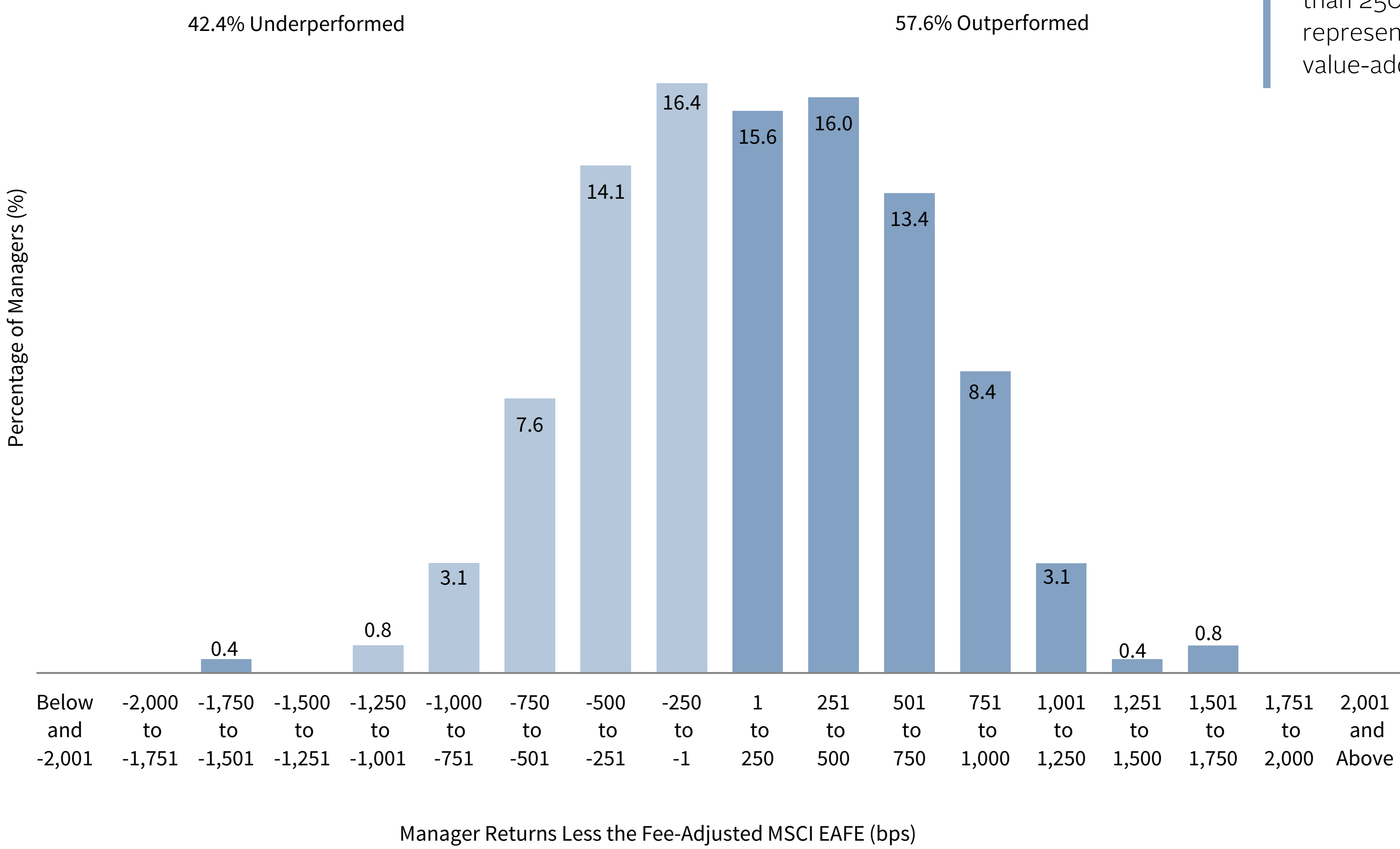
The median manager outperformed the index by 183 bps in 2019, a marked reversal from the underperformance seen in 2018.

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

Notes: Cambridge Associates LLC's (CA) manager universe statistics are derived from CA's proprietary Investment Manager Database. Managers that do not report in US dollars, exclude cash reserves from reported total returns, or have less than $50 million in product assets are excluded. Performance is generally reported gross of investment management fees. To be included in analysis of any period longer than one quarter, managers must have had performance available for the full period.

Adjusted for fees, the percentage of outperformers in 2019 was 57.6%

MANAGER RETURNS RELATIVE TO THE FEE-ADJUSTED MSCI EAFE INDEX
Calendar Year 2019 • n = 262



Of 110 managers, 42% bested the fee-adjusted index by more than 250 bps in 2019, representing significant value-add.

Sources: Cambridge Associates LLC, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
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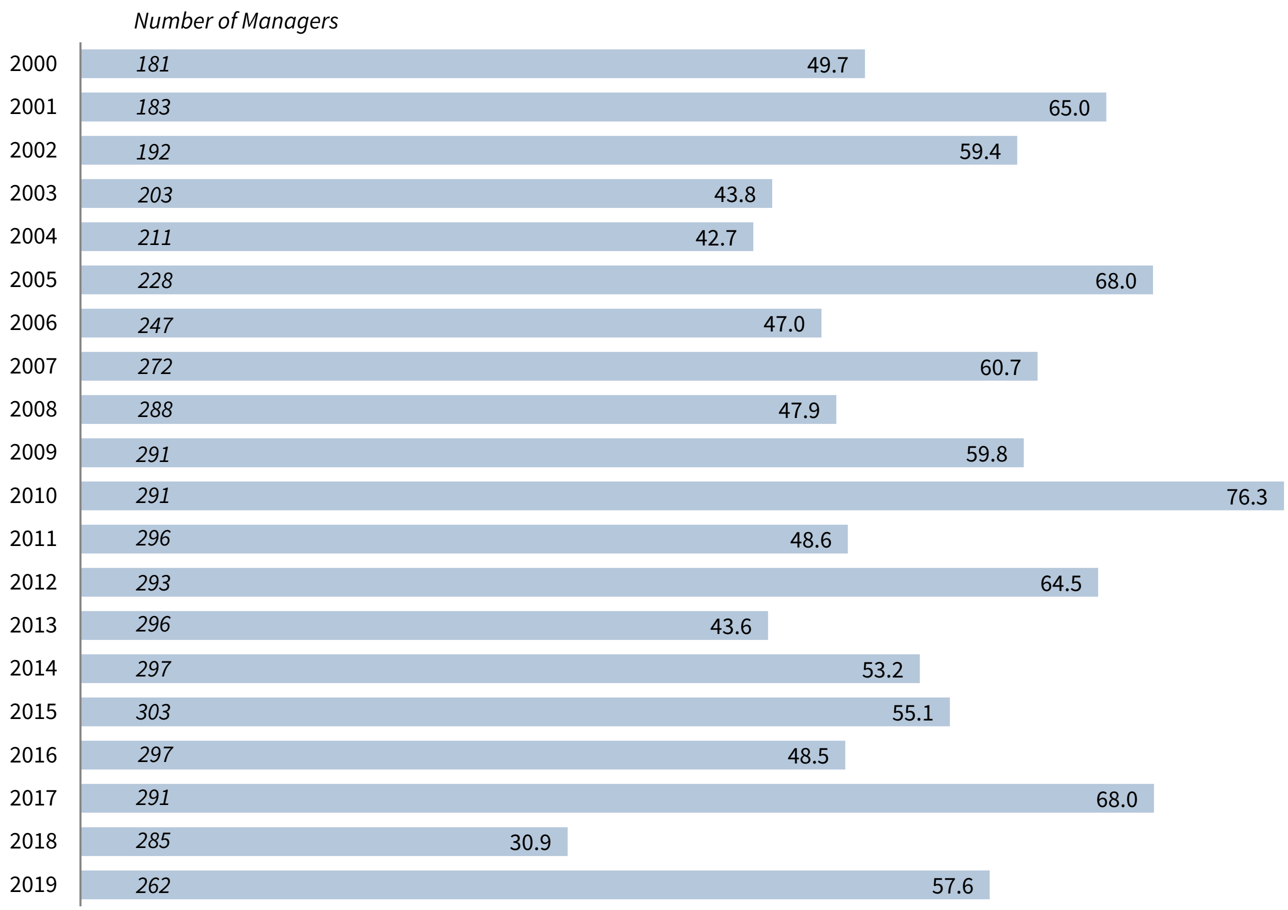
Active global ex US manager outperformance is cyclical

PERCENTAGE OF GLOBAL EX US EQUITY MANAGERS OUTPERFORMING THE FEE-ADJUSTED MSCI EAFE INDEX
2000–19 • Percent (%)



Since 2000, the majority of managers have outperformed the index slightly more than half the time, posting better performance in 11 of 20 years. Managers bounced back in 2019 after a difficult 2018, when the percentage of global ex US managers outperforming the index was at a 20-year low.

Sources: Cambridge Associates LLC, FactSet Research Systems, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
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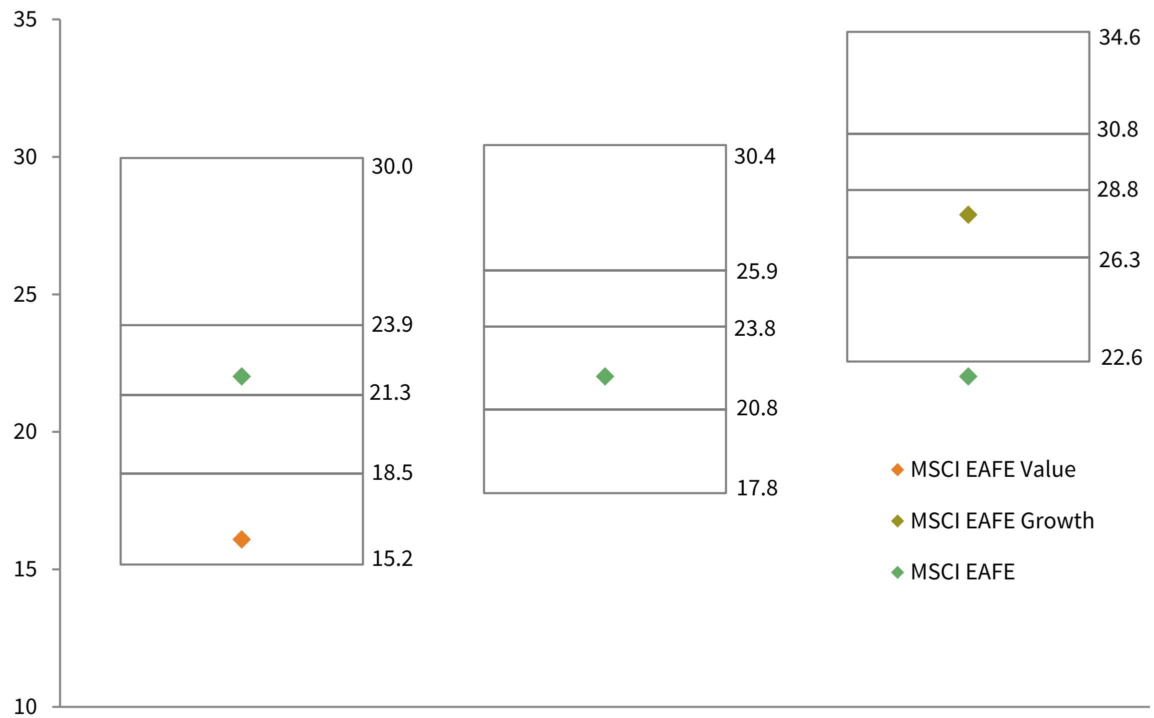
The median growth manager fared better than other styles in 2019

GLOBAL EX US EQUITY MANAGER UNIVERSE RETURN QUARTILES BY INVESTMENT PHILOSOPHY
Calendar Year 2019 • Percent (%)



	Value	Diverse	Growth
High	32.6	32.1	39.4
Manager Median	21.3	23.8	28.8
Low	7.0	16.8	16.7
Index*	16.1	22.0	27.9
Number of Managers	*88*	*46*	*66*

The growth outperformance was a continuation of the trend seen in 2018. All three strategies bested their respective benchmarks.

* Index represents: MSCI EAFE Value Index for Value; MSCI EAFE Index for Diverse; and MSCI EAFE Growth Index for Growth.
Sources: Cambridge Associates LLC, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: Cambridge Associates LLC's (CA) manager universe statistics are derived from CA's proprietary Investment Manager Database. Managers that do not report in US dollars, exclude cash reserves from reported total returns, or have less than $50 million in product assets are excluded. Performance is generally reported gross of investment management fees. Only managers with performance available for the entire period measured are included.

Investment styles go in and out of favor over time

THE CYCLICAL NATURE OF GLOBAL EX US EQUITY INVESTMENT PHILOSOPHIES

2000–19 • Percent (%)

Annual Total Returns

Year	Median Growth Mgr	*n*	Median Value Mgr	*n*	Global ex US Stocks (MSCI EAFE)
2000	-16.3	*74*	**-5.9**	*53*	-14.2
2001	-21.9	*76*	**-12.7**	*50*	-21.4
2002	-16.4	*78*	**-10.0**	*56*	-15.9
2003	34.6	*76*	**41.6**	*66*	38.6
2004	17.9	*76*	**22.7**	*73*	20.2
2005	**17.3**	*79*	14.4	*81*	13.5
2006	24.3	*80*	**28.3**	*93*	26.3
2007	**17.6**	*83*	9.9	*97*	11.2
2008	-45.0	*92*	**-41.6**	*98*	-43.4
2009	**35.8**	*87*	34.7	*101*	31.8
2010	**12.1**	*84*	10.6	*101*	7.8
2011	**-11.2**	*84*	-11.6	*103*	-12.1
2012	**19.7**	*80*	18.6	*103*	17.3
2013	20.3	*80*	**23.2**	*106*	22.8
2014	**-3.4**	*79*	-4.6	*107*	-4.9
2015	**1.3**	*83*	-0.8	*105*	-0.8
2016	-0.3	*80*	**3.4**	*100*	1.0
2017	**31.1**	*76*	26.2	*98*	25.0
2018	-14.2	*73*	-15.4	*96*	**-13.8**
2019	**28.8**	*66*	21.3	*88*	22.0

Average Annual Compound Returns: Periods Ended December 31, 2019

Trailing 15-Yr	**6.9**	*31*	5.8	*47*	4.8
Trailing 10-Yr	**7.5**	*46*	6.3	*69*	5.5
Trailing 5-Yr	**7.7**	*59*	5.8	*81*	5.7
Trailing 3-Yr	**13.2**	*64*	9.1	*85*	9.6

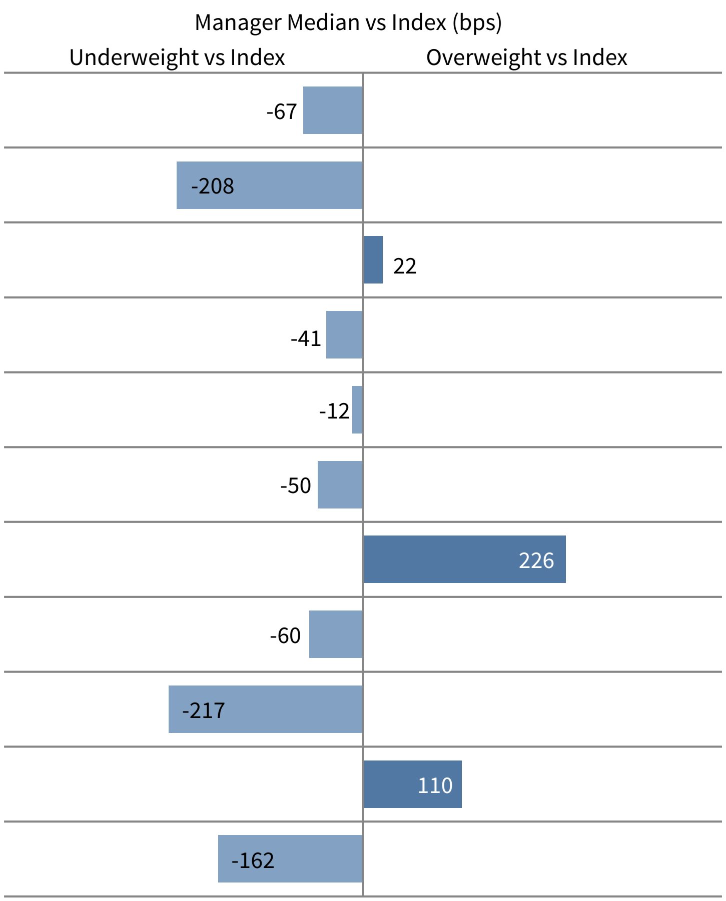
Growth has edged value over short- and long-term lookback periods, and outperformed in eight of 11 years dating back to the GFC. Styles can experience cyclical shifts; value outperformed growth in seven of nine years from 2000 to 2008.

Sources: Cambridge Associates LLC, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: The philosophy with the highest return in each period is highlighted. Cambridge Associates LLC's (CA) manager universe statistics are derived from CA's proprietary Investment Manager Database. Managers that do not report in US dollars, exclude cash reserves from reported total returns, or have less than $50 million in product assets are excluded. Performance is generally reported gross of investment management fees. To be included in analysis of any period longer than one quarter, managers must have had performance available for the full period.

Managers' different sector allocations can affect relative performance

GLOBAL EX US EQUITY MANAGERS' MEDIAN SECTOR ALLOCATIONS VERSUS INDEX WEIGHT

Percent (%) • *n=232*



	12/31/2018 Index Weight (%)	CY 2019 Index Returns	Net Allocation Effect (+/-)
Cons Disc	11.2	25.5	–
Cons Staples	11.6	19.4	+
Energy	5.9	8.2	–
Financials	19.5	18.5	+
Healthcare	11.2	31.4	–
Industrials	14.3	26.8	–
IT	6.0	38.1	+
Materials	7.4	23.4	–
Real Estate	3.7	15.4	+
Comm Svcs *	5.6	13.2	–
Utilities	3.8	20.0	+
	MSCI EAFE	22.7	

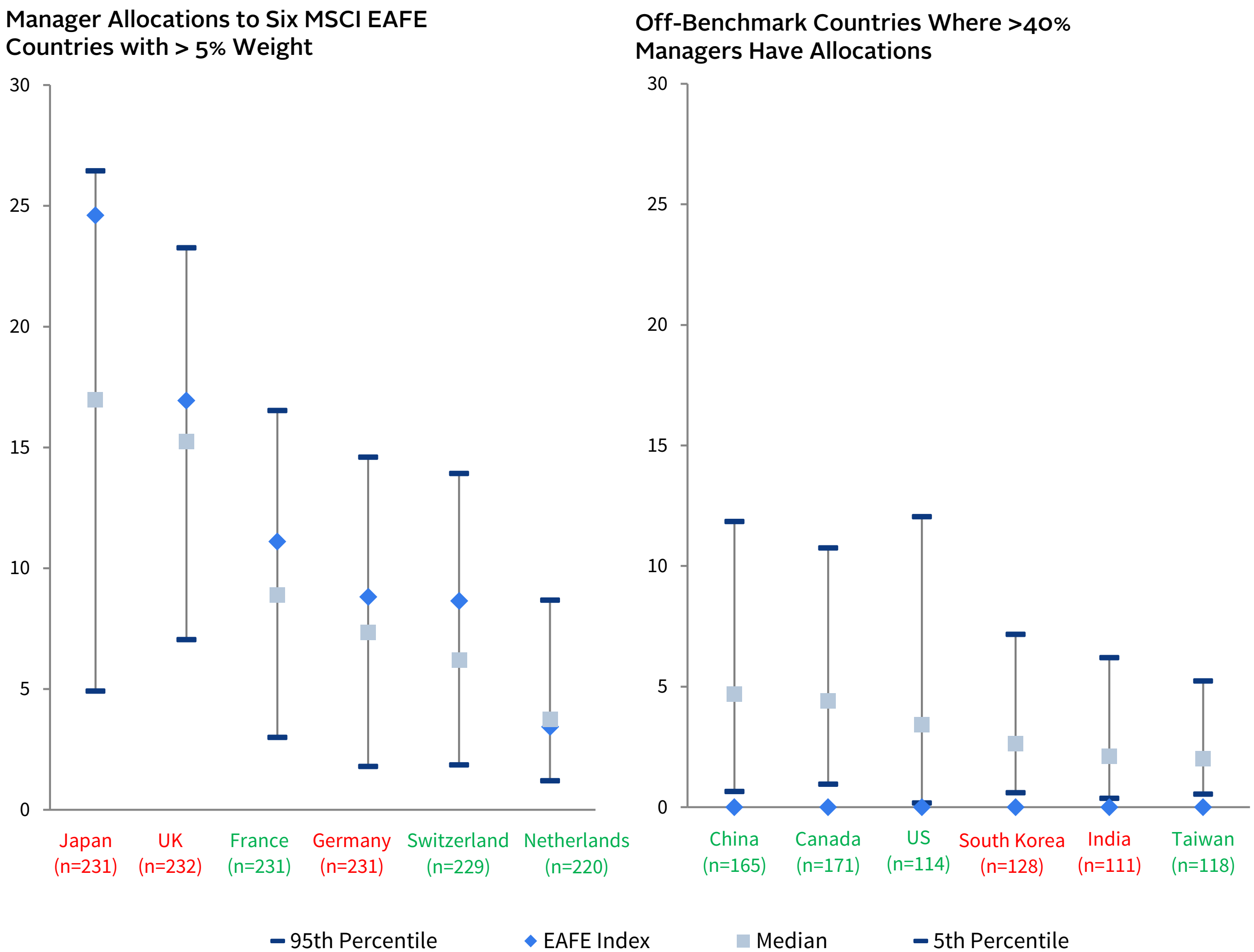
On a median basis, managers were significantly overweight the strong-performing IT sector in 2019. Managers held sizable underweight positions in the two underperforming sectors: consumer staples and real estate.

* The Telecommunication Services sector was renamed and expanded to become the Communication Services GICS sector on December 3, 2018.
Sources: Cambridge Associates LLC, Factset Research Systems, Frank Russell Company, and Thomson Reuters Datastream.
Notes: Includes data for the 232 managers that provided sector allocations as of year-end 2018. Index weights represent year-end 2018 GICS sector allocations of the MSCI EAFE Index. Cambridge Associates LLC's (CA) manager universe statistics are derived from CA's proprietary Investment Manager Database. Managers that do not report in US dollars, exclude cash reserves from reported total returns, or have less than $50 million in product assets are excluded. Performance is generally reported gross of investment management fees. Underweight and overweight positions do not sum to zero due to cash and out of index bet positions.

Off-benchmark country bets can significantly affect relative performance

GLOBAL EX US EQUITY MANAGERS' COUNTRY ALLOCATIONS VS THE MSCI EAFE INDEX

n=233



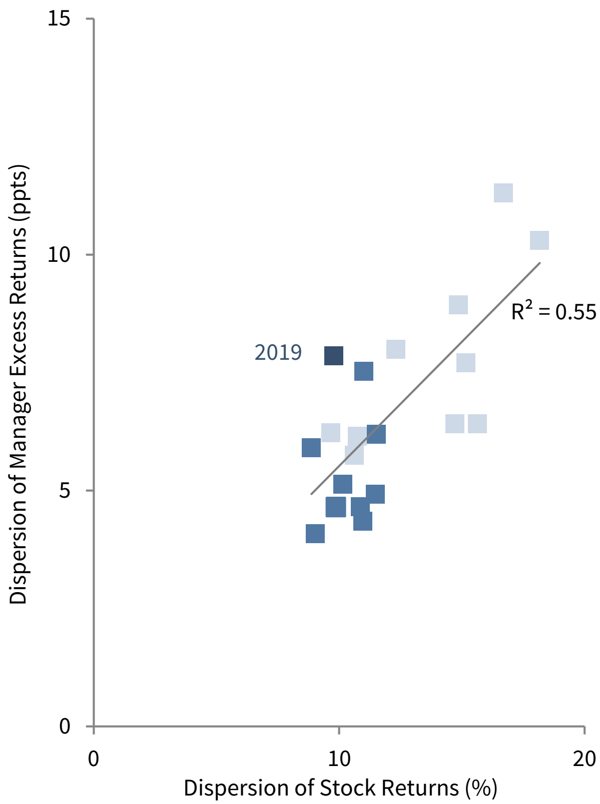
A majority of managers had allocations to six countries not in the MSCI EAFE Index; among these, the highest off-benchmark median allocation was to China, which bested the index in 2019.

Sources: Cambridge Associates LLC, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: A country name in red indicates that the country underperformed the MSCI EAFE Index in 2019, while green country names indicate outperformance. Countries are sorted by median manager allocation. Only includes data for 233 managers that provided geographic allocation as of year-end 2018. Index weights represent year-end geographic allocations of the MSCI EAFE Index. The *n* provided for each country represents the total number of products exposed to a given country as of year-end 2018, and percentile, median, and average figures are calculated only from products with exposure to the country shown. Cambridge Associates LLC's (CA) manager universe statistics are derived from CA's proprietary Investment Manager Database. Managers that do not report in US dollars, exclude cash reserves from reported total returns, or have less than $50 million in product assets are excluded.

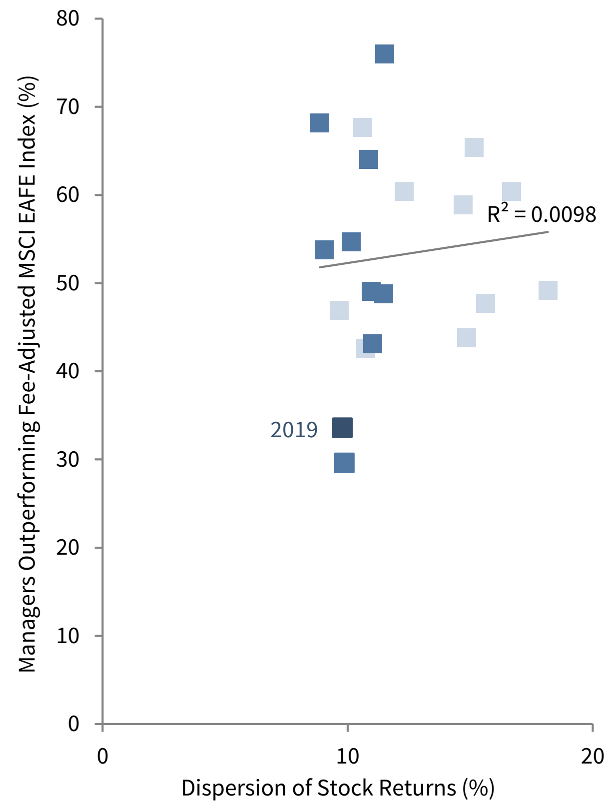
Dispersion of stock returns is correlated to dispersion of manager performance

STOCK DISPERSION DRIVES MANAGER DISPERSION BUT NOT MANAGER PERFORMANCE
2000–19

Dispersion of Stock Returns and Dispersion of Manager Performance



Dispersion of Stock Returns and Managers Outperforming



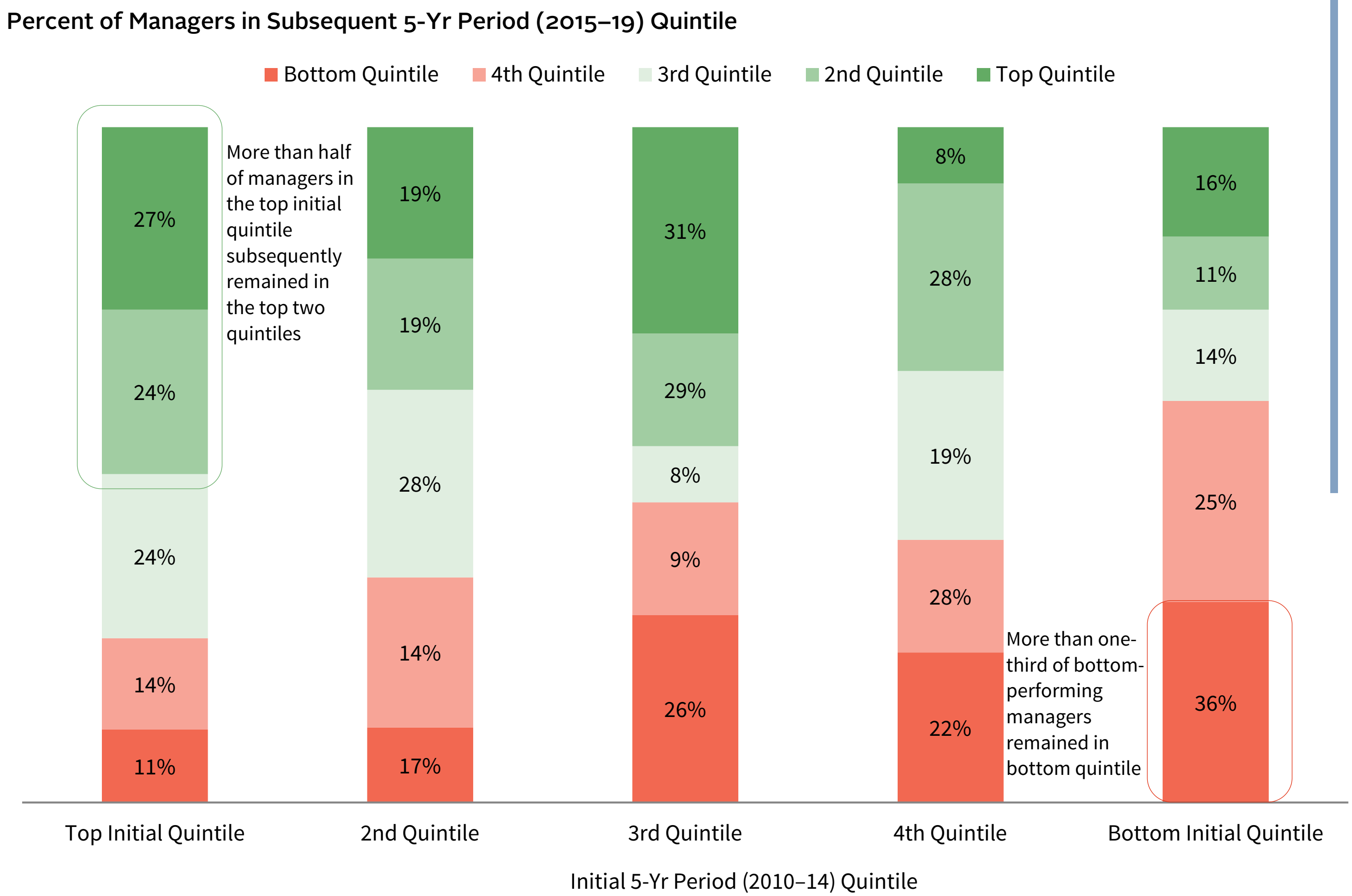
2001–10 2011–19

No relationship exists between stock dispersion and percentage of managers outperforming the index.

Sources: Cambridge Associates LLC, FactSet Research Systems, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: Dispersion of return for stocks is represented by the square root of the sum of the squared differences between returns for each constituent and the index return multiplied by the weight of the constituent in the index. Dispersion of excess returns for managers represents managers in the middle 50% of the return range for global ex US equity managers. Cambridge Associates LLC's (CA) manager universe statistics are derived from CA's proprietary Investment Manager Database. Managers that do not report in US dollars, exclude cash reserves from reported total returns, or have less than $50 million in product assets are excluded. Performance is generally reported gross of investment management fees. We have added 70 bps to the MSCI EAFE Index return as a proxy for manager fees. Number of managers included in medians varies from quarter-to-quarter. To be included in analysis of any period longer than one quarter, managers must have had performance available for the full period.

Managers typically move between top and bottom quintiles, but recently have shown consistency

ANALYSIS OF GLOBAL EX US EQUITY MANAGER RETURNS BY QUINTILE OVER FIVE-YEAR PERIODS
2010–19 • *n = 182*



Global ex US managers in the top-performing initial quintile showed rare consistency, as more than half remained in the top two quintiles during the subsequent five-year period. This stands in contrast to prior ten-year windows, when top performers during the initial five-year period tended to rotate to bottom quintiles in the subsequent five-year periods.

Source: Cambridge Associates LLC.
Notes: Cambridge Associates LLC's (CA) manager universe statistics are derived from CA's proprietary Investment Manager Database. Managers that do not report in US dollars, exclude cash reserves from reported total returns, or have less than $50 million in product assets are excluded. Performance is generally reported gross of investment management fees. Only managers with performance available for the entire period measured are included.

Contributors to this report include Sean Duffin, Lauren Musselman, Morgen Ellis, and Kristin Roesch.