



Investment Adviser Brochure
Form ADV Part 2A
Disclosure Statement for Clients of
And Investors in Funds Managed by
Commonfund Asset Management Company, Inc.

September 15, 2017

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This brochure provides information about the qualifications and business practices of Commonfund Asset Management Company, Inc. ("Commonfund Asset Management"). If you have any questions about the contents of this brochure, please contact our Investor Services Department at 203-563-5000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Any statements contained in this brochure concerning the registration of Commonfund Asset Management (or any of its affiliates) with the SEC, or its status (or that of any of its affiliates) as a registered investment adviser, do not imply a certain level of skill or training.

Additional information about Commonfund Asset Management is available on the SEC's website at www.adviserinfo.sec.gov.

ADV Item 2 — Material Changes

This Investment Adviser Brochure was updated on September 28, 2016. With the exception of the items below, there have been no material changes since the last updating amendment dated September 28, 2016.

Effective July 27, 2017, Dana Moreau, Chief Risk Officer, was appointed to the Investment Committee of Commonfund Asset Management.

Effective October 7, 2016, Sharad Samy, General Counsel, serves in the capacity of Chief Compliance Officer of Commonfund Asset Management.

Even though a concerted effort is made to keep investors informed of notable changes to Commonfund Asset Management's business throughout the year, clients and investors are encouraged to review this update, much like all of Commonfund Asset Management's reports and communications, in its entirety.

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ADV Item 4 — Commonfund Asset Management’s Investment Advisory Business

Introduction

Commonfund Asset Management houses the marketable investments, hedge investments, real assets investments and investment outsourcing services and investment staffs of both Commonfund Asset Management and its indirect parent company, The Common Fund for Nonprofit Organization (“TCF” and, together with its other affiliates, “Commonfund”).

As described further in this brochure, Commonfund Asset Management advises both commingled investment funds (“Funds”) designed for institutional investors, as well as institutions that wish to outsource all or a portion of the management of their investment assets to Commonfund Asset Management through an advisory agreement (“Outsourcing Clients”). Commonfund Asset Management acts as investment manager, sub-advisor, pool operator and/or managing member to these Funds and Outsourcing Clients (collectively “Clients”). Commonfund Asset Management primarily executes its investment strategies on a discretionary basis through unaffiliated asset management firms (and, in some cases, managers affiliated or otherwise associated with Commonfund Asset Management) selected and monitored by it. We call these sub-advisers “Managers” and describe these advisory services as “manager-of-manager” services (such programs are also sometimes called “fund-of-funds” in the financial industry). However, Commonfund Asset Management also has the authority and ability to manage certain assets directly, including domestic equities, U.S. government securities, swaps, currency forwards, equity index futures, fixed income futures, commodities futures and options. See also Item 5, *Fees and Compensation*, and Item 8, *Methods of Analysis, Investment Strategies and Risk of Loss*.

Some of Commonfund’s investment programs are managed or sub-advised by an affiliate of Commonfund Asset Management; specifically, private capital programs and certain private natural resources and distressed strategies are managed or sub-advised by Commonfund Capital, Inc. (“Commonfund Capital”), a SEC-registered adviser. Commonfund Capital has issued a brochure similar to this one. Investment funds managed by Commonfund Capital will be referred to as “Affiliate Funds” in this brochure.

Mark J. Anson, Chief Investment Officer and President of Commonfund Asset Management and a member of Commonfund Asset Management’s Investment Committee, also serves on Commonfund Capital’s Investment Committee and as Chair of the Board of Directors of Commonfund Capital. Timothy T. Yates, Jr., Head of Strategic Solutions, serves as a Managing Director of Commonfund Capital.

Commonfund Asset Management is registered with the SEC as an investment adviser (SEC File No. 801-56548).

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made. Any such offer or solicitation of securities of a Fund will be made only by means of a confidential private placement memorandum or similar principal disclosure document.

History and Ownership of Commonfund Asset Management

Commonfund Asset Management is part of Commonfund, a group of companies owned by TCF. TCF is a tax-exempt membership corporation that provides investment services and funds to certain eligible educational and educational support organizations. TCF was organized in 1969 pursuant to a Special Act of the New York State Legislature and commenced operations on July 1, 1971. Initial funding for TCF was provided by a grant from The Ford Foundation.

In part to enable Commonfund to work with a broader universe of clients than those educational institutions eligible for direct membership in TCF, Commonfund Asset Management was organized in 1999 and was incorporated under the laws of the State of Delaware. Commonfund Asset Management is 100 percent owned by TCF (through an intermediate holding company).

Assets under Management

As of June 30, 2017, Commonfund Asset Management manages approximately \$13,586,862,876 of assets on a discretionary basis, and approximately \$1,266,753,705 on a non-discretionary basis.

ADV Item 5 — Fees and Compensation

Fund Fee Arrangements

Commonfund Asset Management charges investors in its Funds fees that include a fixed percentage of assets under management (management fees) and, in some cases, additional performance-based fees. It is important to understand that Commonfund Asset Management's fees do not include fees and expenses charged by underlying Managers engaged by Commonfund Asset Management to manage assets of a Fund; these are charged directly to the Funds in question.

Commonfund Asset Management also allocates certain clients' assets to certain Affiliate Funds, from which the affiliate receives management and/or performance-based compensation.

As described below, in general Commonfund Asset Management follows a practice of charging fees based upon a single fee schedule for a given asset class. This practice works as follows: an investor's total investments in Funds falling into a given asset class are aggregated for purposes of computing the level of annual management fee payable to Commonfund Asset Management for such investments. The fee is computed using the applicable fee schedule, with breakpoints for different levels of total investment. Because the aggregate investment in a given asset class will normally be different for each investor, these fees are charged outside the Funds, and investors are invoiced for them monthly by Commonfund Asset Management. Certain investors may negotiate fee arrangements that differ from the fee schedules set forth below. In general, Fund investors pay fees in arrears.

In addition to the fees described below, certain equity Funds and fixed income Funds follow a multi-strategy investment strategy. These Funds are referred to as "Multi-Strategy Funds" and are subject to a potential additional fee described below.

Commonfund Asset Management generally aggregates an investor's interests with investments in certain other Funds managed by Commonfund Asset Management for purposes of calculating the

management fee. Commonfund Asset Management follows a general policy of crediting against the management fee the amount of any management fees charged by Commonfund Asset Management or Commonfund Capital, as the case may be, on assets invested by a Fund in other Funds or on assets invested in Affiliate Funds.

Exceptions to this policy will be made in the case of assets being managed directly by Commonfund Asset Management, and investments by a Fund in the hedge strategies program managed by Commonfund Asset Management or the distressed strategies program managed by Commonfund Capital. In those cases, investors will pay both the management fee payable to Commonfund Asset Management and the management or performance-based fees charged by Commonfund Asset Management to the underlying fund. Commonfund Asset Management reserves the right to make additional exceptions to this policy on advance notice to the pertinent investors.

Commonfund Asset Management has the right to increase the management fee upon 60 days' prior written notice without investor consent.

Where Commonfund Asset Management's services are terminated, any prepaid and unearned fees will be promptly refunded and any earned and unpaid fees will be due and payable.

In addition to management and/or performance-based fees, the Funds (and, indirectly, Fund investors) bear costs and expenses related to the Funds' investment programs. Please see "*Other Fees and Expenses*" below.

1. Equity Funds

Commonfund Asset Management's fee scale for its equity Funds (both domestic and international) ranges from 40 basis points to 7 basis points, as follows:

Fee Breakpoints	Basis Points (Fees)	Asset Level	Average Basis Points (Fee)
First \$5 million	40	\$5 million	40
Next \$5 million	30	\$10 million	35
Next \$15 million	20	\$25 million	26
Next \$15 million	10	\$40 million	20
Excess above \$40 million	7		

2. Fixed Income Funds

For its fixed income Funds, Commonfund Asset Management's fee scale ranges from 30 basis points to 5 basis points, as follows:

Fee Breakpoints	Basis Points (Fees)	Asset Level	Average Basis Points (Fee)
First \$5 million	30	\$5 million	30
Next \$5 million	20	\$10 million	25
Next \$15 million	10	\$25 million	16
Next \$15 million	7	\$40 million	13
Excess above \$40 million	5		

For its low duration and contingent asset strategies and the Intermediate Term Fund, Commonfund Asset Management's fee scale ranges from 15 basis point to 10 basis points, as follows:

Fee Breakpoints	Basis Points (Fees)
First \$25 million	15
Excess above \$25 million	10

3. Distressed Strategies Funds

Commonfund Asset Management's distressed strategies investment programs charge a management fee of 50-55 basis points annually of each investor's committed capital or called capital, depending on the particular program.

Commonfund Asset Management also charges a performance-based fee of 3-5 percent of each investor's net performance with respect to the distressed strategies funds, but only if the investor has already received or earned a 5 percent internal rate of return on its investment.

4. Global Multi-Asset Strategies Funds

Commonfund Asset Management's global multi-asset strategies charge a management fee of 40 basis points annually. No performance fees are charged directly in this program; however, the Funds' investments in certain hedge Funds managed by Commonfund Asset Management are subject to performance fees of 5 percent of net profits earned in excess of a high water mark.

5. Hedge Strategies Funds

Commonfund Asset Management's management fee scale for its hedge strategies Funds ranges from 50 basis points to 5 basis points.

The following table describes the hedge strategies Funds schedule (for management fees only) with applicable breakpoints:

Fee Breakpoints	Basis Points (Fees)	Asset Level	Average Basis Points (Fee)
First \$50 million	50	\$50 million	50
Next \$50 million	45	\$100 million	47.5
Next \$50 million	40	\$150 million	45
Next \$50 million	35	\$200 million	42.5
Next \$50 million	30	\$250 million	40
Next \$50 million	25	\$300 million	37.5
Next \$50 million	20	\$350 million	35
Next \$50 million	15	\$400 million	32.5
Next \$50 million	10	\$450 million	30
Thereafter	5	---	---

In addition to the annual management fee described in the table with respect to certain investments in certain hedge strategy Funds, Commonfund Asset Management receives an annual performance-based fee of 5 percent of net realized and unrealized appreciation, in some cases in excess of a high water mark.

6. Real Estate Funds

Commonfund Asset Management's fee for Commonfund Strategic Solutions Core Real Estate Fund, LLC is 25 basis points annually of the net asset value of each investor's interest in the Fund.

In addition to the fees for Commonfund Strategic Solutions Core Real Estate Fund, LLC described above, Commonfund Asset Management acts as sub-advisor to two real estate programs managed and organized by Townsend Holdings LLC. For the Commonfund Strategic Solutions Real Estate Opportunity Fund 2011, L.P., Commonfund Asset Management earns 10 basis points annually of commitments during the investment period and 10 basis points of the Fund's total invested capital after the investment period. For the Commonfund Strategic Solutions Real Estate Opportunity Fund 2014, L.P., Commonfund Asset Management earns the following: (i) during the investment period, the greater of 10 basis points annually of commitments and \$100,000 annually; and (ii) after the investment period, the greater of 10 basis points of that Fund's total invested capital annually and \$100,000 annually.

Fee Arrangements for Outsourcing Clients

Advisory services are provided to Outsourcing Clients through advisory agreements or custom separate account arrangements (each such separate account arrangement a "Separate Account").

In addition to any management and/or performance-based fees charged, Outsourcing Clients generally bear certain costs and expenses related to such Outsourcing Client's investment program. Please see "*Other Fees and Expenses*" below.

Strategic Solutions Fee Arrangements

Commonfund Asset Management refers to its advisory service to Outsourcing Clients through advisory agreements or certain Separate Accounts as "Strategic Solutions". In general, the Strategic Solutions service is designed for institutions that, through that service, wish to outsource the management of all or a substantial portion of their investment assets through an advisory agreement (or other structure intended to achieve comparable objectives) and to have Commonfund Asset Management serve in effect as the institution's investment office. Although Commonfund Asset Management reserves the right to waive this minimum, the minimum size of a Strategic Solutions mandate is currently \$50 million.

When providing its Strategic Solutions service, and based upon agreements reached with Strategic Solutions Clients, Commonfund Asset Management normally places all or a substantial portion of the assets provided to it by Strategic Solutions Clients in Funds managed by Commonfund Asset Management Funds or Affiliate Funds (which are collectively referred to herein as "Commonfund Group Funds"). As investors in those Commonfund Group Funds, certain legacy Strategic Solutions Clients (*i.e.*, Clients who joined the Strategic Solutions program between 2001 and 2013 and who have not renegotiated the terms of their respective advisory agreements) are generally

charged the fees applicable to the pertinent Commonfund Group Funds (as well as the fees of underlying Managers), but are not generally charged any overall management fees for the Strategic Solutions service. With respect to new Strategic Solutions Clients (*i.e.*, Clients who joined the Strategic Solutions program in 2014 or later), however, Commonfund Asset Management is charging a single advisory fee equal to a fixed percentage of the quarterly net asset value of such Strategic Solutions Client's managed assets, but is not charging the fees applicable to the Commonfund Group Funds, subject to certain exceptions.

Certain Strategic Solutions Clients may be charged additional fees depending upon whether or not Commonfund Asset Management (a) has discretion over the associated assets, (b) has selected the relevant manager(s) and/or (c) has called or allocated associated capital. Additional fee information is available upon request.

Description of Services	Associated Fee
Performance reporting regarding assets managed or advised by firms not initially selected by Commonfund Asset Management and over which the client has not given Commonfund Asset Management investment discretion	0.05 percent (5 basis points)
Discretionary oversight management regarding assets maintained with a third-party firm not initially selected by Commonfund Asset Management, or selected by Commonfund Asset Management, upon agreement	Single advisory fee or Commonfund Asset Management fee schedule for asset class most closely applicable to portfolio
Oversight of assets invested in index funds offered by State Street Bank (or another index fund provider selected by Commonfund Asset Management)	Single advisory fee or Commonfund Asset Management fee schedule for asset class most closely applicable to index fund in question. Oversight fees may apply to assets allocated and committed to one or more index funds pending future capital calls

Commonfund Asset Management, in its sole discretion, may waive or alter such fees.

Separate Account Fee Arrangements

Commonfund Asset Management does not have a standardized fee schedule for Separate Accounts. Commonfund Asset Management generally receives an annual management fee in a range of 25 up to 65 basis points of the Separate Account's assets under management, depending on the size, strategy and asset class of the Separate Account, payable monthly, quarterly or semi-annually in arrears. Commonfund Asset Management may receive performance-based compensation of generally up to 5 percent of net profits, realized and unrealized. The performance-based fees are generally payable or allocated annually but may also be payable or allocable semi-annually, quarterly or monthly in arrears. The incentive or performance based fees may be subject to a high water mark or, in some cases, a hurdle rate, which is typically based upon a specified interest rate. Commonfund Asset Management's fees and compensation may be shared with affiliates of Commonfund Asset Management.

Please see “*Performance-Based Fees*” ADV Item 6 for further details regarding Commonfund Asset Management’s performance-based fee arrangements.

Other Fees and Expenses

The Funds generally bear their own operating and certain other expenses and fees, including, but not limited to, audit expenses, custody fees, brokerage fees, administrative fees, research expenses (including, but not limited to, expenses incurred in connection with the review and negotiation of the terms of an investment in a portfolio fund or the sub-advisory agreement with a Manager), regulatory filing fees and extraordinary indemnification, legal and other non-recurring expenses. See the offering documents for the relevant Fund(s) for further information regarding applicable expenses.

Expenses incurred in respect of Outsourcing Clients, whether through advisory agreement arrangements, Separate Account arrangements or other arrangements, are generally passed through to the respective Outsourcing Clients.

See also Item 12, *Brokerage Practices*.

ADV Item 6 — Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

Certain Commonfund Group Funds, Separate Accounts and Strategic Solutions advisory portfolios can charge performance-based fees ranging from 5 to 10 percent of net Fund, Separate Account or portfolio performance, subject in some cases to high watermark provisions.

Many Managers utilized by Commonfund Asset Management or its affiliates charge performance-based fees that may range as high as 30 percent of net profits annually, or higher. Manager performance-based fees are paid directly by Commonfund Group Funds or the pertinent Outsourcing Client, and thus are borne by investors in such Commonfund Group Funds or by such Outsourcing Clients.

While Commonfund Asset Management believes that performance-based fees can align the interests of an investment manager with those of its clients, investors should also be aware that such fees may incentivize Commonfund Asset Management or its Managers to increase risk in their portfolios.

Potential Conflicts of Interest

Commonfund Asset Management provides investment advice to a variety of Clients, including Funds in different asset classes and with different objectives, as well as institutions with differing objectives and risk tolerances. Commonfund Asset Management’s affiliates also manage investment assets for a variety of clients. In managing portfolios for Commonfund Group Funds and other clients, sometimes side-by-side, Commonfund Asset Management and its affiliates may face potential conflicts of interest. The principal of these are discussed below.

Performance-Based Fees

As noted in the preceding section, Commonfund Asset Management and its affiliates earn performance-based fees with respect to certain Commonfund Group Funds and client accounts, but not others. In addition to the possibility that these fees might create an incentive to increase investment risks, there is also the potential that Commonfund Asset Management could favor accounts that earn performance-based fees over those that do not (or accounts that earn higher performance-based fees than others). Commonfund Asset Management believes that compensation and other arrangements are designed to mitigate such potential conflicts and place sufficient weight on the performance of all accounts that such favoritism is not likely to occur. Additionally, Commonfund Asset Management's and Commonfund's allocation policies (discussed in the following section) are designed to mitigate potential conflicts of interest that may arise from the side-by-side management of client accounts that charge performance-based fees and those that do not.

Allocation of Opportunities

Circumstances may arise in which a security, a Manager, or a commingled fund controlled by a Manager has limited capacity such that more than one client advised by Commonfund Asset Management or an affiliate competes for available allocations to that security, Manager or fund. In these circumstances, Commonfund Asset Management will allocate investment opportunities among its Clients in a manner that it determines, in its discretion, to be fair and equitable.

Typically, subject to all other relevant factors, including those listed below, Commonfund Asset Management will prioritize allocation of such investment opportunities to those Commonfund Asset Management-advised Clients that have an existing investment in the applicable security, Manager or fund, and then allocate any excess to the other Clients which it advises. In determining how to allocate investment opportunities, Commonfund Asset Management will take all relevant factors into account, including the following:

- whether, when the opportunity is to invest in a fund operated by an external Manager, the investing Fund or other Client is one of a series of similar Funds or other Clients that have previously invested in predecessor funds offered by the same Manager;
- the inception dates of the advised Funds or other Clients;
- the relative amounts of total capital in such Funds or other Clients;
- the commitments and disclosures made to investors in such advised Funds or other Clients;
- the investment programs and any investment guidelines of such advised Funds or other Client;
- the risk profiles of the advised Funds or other Clients; and
- any other factors that Commonfund Asset Management believes in good faith will result in a fair allocation.

The allocation determination will be made pursuant to Commonfund Asset Management's Procedures Regarding Allocation of Investment Opportunities. In addition, the allocation of opportunities between Commonfund Asset Management's Clients and clients of its affiliated advisers will be made pursuant to Commonfund's Procedures Regarding Allocation of Limited Investment Opportunities Between Affiliates. With respect to Commonfund Asset Management's

direct management activities, allocations will be made pursuant to Commonfund Asset Management's Direct Management Trading Policies and Procedures. In determining how to allocate investment opportunities, Commonfund Asset Management and its affiliates will take all relevant factors into account, including the following:

- whether, when the opportunity is to invest in a fund operated by an external Manager, the investing Fund or client is one of a series of similar Funds or clients that have previously invested in predecessor funds offered by the same Manager;
- the inception dates of the advised Funds or clients;
- the relative amounts of total capital in such Funds or clients;
- the commitments and disclosures made to investors in such advised Funds or clients;
- the investment programs and any investment guidelines of such advised Funds or client;
- the risk profiles of the advised Funds or clients; and
- any other factors that Commonfund Asset Management and its affiliates believe in good faith will result in a fair allocation.

In making such determinations, neither Commonfund Asset Management nor its affiliates will give priority to their own business interests or convenience, or those of their respective employees.

Cross-Trades

Commonfund Asset Management may from time to time cause investments to be transferred from one client to another (whether between Commonfund Group Funds or client accounts), where it believes that such a transaction serves the investment programs of each client. Such transactions (sometimes called "cross transactions" in the financial industry) may include trades between Commonfund Group Funds or accounts advised by Commonfund Asset Management or its affiliates. Cross transactions create the possibility that, based on the subsequent performance of the assets in question, one of Commonfund Asset Management's Clients could be said to have benefitted at the expense of another client. Commonfund Asset Management's practice is not to permit a cross-transaction unless it has confidence in the current valuation of the assets to be transferred, based on objective criteria. In that manner, it seeks to ensure that, at the time of the trade, both parties are receiving appropriate value. Commonfund Asset Management will only consider engaging in a cross transaction to the extent such transaction is not prohibited by law, and will, if required or deemed appropriate, make appropriate disclosures and receive appropriate consents in connection with such cross transaction.

Commonfund Asset Management generally will not allow transactions between client accounts where it or any of its affiliates has a significant proprietary ownership or other economic interest in one (or both) of such accounts (so-called "principal transactions"). If, however, Commonfund Asset Management determines such a transaction is in the best interests of a Fund or one of its Clients, it may enter into such a transaction provided that it has satisfied the Advisers Act requirements with respect to the transaction, including the relevant disclosure requirements and the requirement to obtain the informed consent of such Fund or Client, as applicable.

Valuation

The management fee payable to Commonfund Asset Management is based upon the net asset value of each Client, and the performance-based fee is based upon net realized and unrealized

appreciation. Therefore, Commonfund Asset Management may receive compensation which is dependent on the value of investments in a Client's portfolio, including the unrealized and realized appreciation in such investments. A Client's performance returns are also dependent on the value of investments in a Client's portfolio. The valuation of investments, particularly investments that are not actively traded, are traded in non-U.S. markets, are traded over-the-counter or are hard to value, may be subject to the discretion of Commonfund Asset Management, whose determination is final and conclusive. As a result, conflicts could arise in connection with the role of Commonfund Asset Management in valuing a Client's investments, and its receipt of the management fee and the performance-based fee as well as its presentation of a Client's performance returns. In order to mitigate such conflicts of interest, investments are valued by Commonfund Asset Management at fair value in accordance with Commonfund Asset Management's Valuation Policy which sets forth the methodology and hierarchy used for valuing the investments in a Client's portfolio, as applicable, and the terms of each Fund's offering documents or the terms of the related investment advisory agreement. The Valuation Policy dictates the use of independent market quotations from approved third party providers to the extent possible, and establishes a process for determining fair value in the event that a price cannot be obtained through the standard pricing services. Pursuant to the Valuation Policy, Commonfund Asset Management has adopted controls and procedures, including the establishment of a Valuation Committee that oversees the valuation process.

Further, the clients' Administrator and Auditor provide an independent review of the pricing of investments in the clients' portfolios, to the extent practicable.

ADV Item 7 — Types of Commonfund Asset Management Clients

As noted in the Introduction, Commonfund Asset Management advises both Funds that it manages, and institutions that are Outsourcing Clients. The institutions that invest in its Funds or that are its Outsourcing Clients are primarily nonprofit organizations (including educational institutions, foundations, operating charities, nonprofit healthcare organizations and their affiliated pension plans). Commonfund Asset Management will also manage assets for pension plans (both public and corporate), sovereign entities, family offices and other types of institutions. Commonfund Asset Management also reserves the right to permit certain associated individuals to invest in its programs. Interest in the Funds, to the extent they constitute securities, are not registered under the Securities Act, and may or may not be continuously offered.

Redemption rights with respect to each Fund are set forth in the confidential private placement memorandum or similar principal disclosure document for the Fund. Termination rights with respect to the Outsourcing Client are set forth in the advisory service agreement for the Outsourcing Client.

The "Endowment Funds" managed by Commonfund Asset Management for its parent, TCF, impose special eligibility requirements due to the nature of TCF's tax exempt status. These Funds are open solely to member institutions of TCF, which must be the types of educational organizations described in Section 501(f) of the Internal Revenue Code of 1986, as amended. These include nonprofit educational institutions (with physical campuses and regularly enrolled faculty) and certain foundations supporting state or public universities. Prospective members of TCF must complete applications detailing their eligibility, and agree to abide by the rules of

membership established by TCF, before they may invest in the Endowment Funds. Minimum investment in the Endowment Funds is \$50,000. The Endowment Funds (including their investment programs and risks), as well as TCF's membership eligibility requirements and membership rules, are described in detail in TCF's disclosure pamphlet, *Information For Members*.

Each of the other Funds offered by Commonfund Asset Management is offered through private placement, and eligibility to invest is subject to certain requirements imposed by the federal securities laws. The majority of these private Funds require that investors own more than \$25 million in investments, or otherwise are considered "qualified purchasers" for purposes of the Investment Company Act of 1940 and associated regulations. Certain Funds, which limit the number of investors to 100 or fewer, only require that investors be (a) "accredited investors" under the federal securities laws, a definition that in most cases requires an institutional investor to have a net worth of at least \$5 million, and (b) "qualified clients" under the Advisers Act. The eligibility requirements of each of Commonfund Asset Management's private Funds are described in detail in the offering and subscription materials for that Fund. In addition to these eligibility requirements, Commonfund Asset Management also generally requires, in the case of its private Funds, a minimum investment of \$1 million, although it reserves the right to waive that minimum.

As previously described, Commonfund Asset Management also provides investment advisory services to institutional investors under the Strategic Solutions program or pursuant to separate account mandates. The minimum accounts for these Outsourcing Client programs are generally as follows:

Strategic Solutions -- \$50 million

Custom Separate Account -- \$100 million

Commonfund Asset Management reserves the right to waive minimum account requirements.

ADV Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Introduction

Commonfund Asset Management offers advisory services both to Funds managed and operated by it (which are open to investment by institutional investors generally) and to Outsourcing Clients (*i.e.*, institutional investors wishing to outsource the management of all or a substantial portion of their investment portfolios through an advisory agreement or other structure intended to achieve comparable objectives).

Advising Funds

In connection with its advising the Funds, Commonfund Asset Management generally executes its investment strategies through one or more Managers. Commonfund Asset Management favors a dynamic and active approach with respect to oversight of its Funds, which includes the selection of Managers, rigorous research, portfolio construction and ongoing risk analysis and extensive

due diligence. Arrangements with Managers may take the form of separate account relationships, or of investments by the Funds into commingled funds managed and operated by Managers.

Commonfund Asset Management itself can also manage certain investments in underlying securities held by the Funds, subject to internal guidelines. These directly managed assets could include long-only positions in domestic equities, high grade fixed income instruments and overlay strategies involving derivative positions. Risks relating to these types of holdings are described in more detail below.

In connection with its management of the Funds, Commonfund Asset Management's investment professionals engage in extensive analysis at multiple levels, including selection of the investment strategies and asset class and sector allocations made by the Funds; selection and oversight of Managers used by the Funds, including engagement and termination of Managers and periodic reweighting of allocations to them; analysis of underlying investments held by Managers, in order to understand the Managers' strategies and to assess their performance and skill levels, as well as to understand Fund exposures that run across different Managers; and, in the case of investments directly managed by Commonfund Asset Management, securities selection and continuous monitoring of such securities. Commonfund Asset Management maintains a number of systems, both commercially available as well as proprietary, that assist its professionals in making the many qualitative and quantitative assessments required by the foregoing analysis.

Commonfund Asset Management's investment team conducts rigorous research on Managers, including extensive due diligence of their investment process, results and future potential, and performs ongoing disciplined oversight and monitoring of Managers.

In general, Commonfund Asset Management's investment approach favors active over passive management. Commonfund Asset Management believes that institutional investors should seek to identify and manage both their exposures to broad market movements ("beta") and sources of potential outperformance of broad markets created by active manager skill ("alpha"). Commonfund Asset Management refers to this approach as "active alpha and managed beta."

Advising Outsourcing Clients

The Strategic Solutions service is provided by Commonfund Asset Management to portfolios with a net asset value of at least \$50 million (although Commonfund Asset Management reserves the right to accept smaller accounts). Strategic Solutions accounts are normally reviewed on at least a monthly basis to determine whether any rebalancing amongst asset classes is appropriate, consistent with an investment policy that has been agreed upon with each client. The Strategic Solutions team provides its clients with comprehensive quarterly reporting and normally confers with its clients on at least an annual basis. The precise terms of the relationship are documented through an investment management agreement or other relevant documentation executed between Commonfund Asset Management and the respective Strategic Solutions Client.

Commonfund Asset Management may also construct a customized separate account for an institutional client that focuses on one or more asset classes but does not constitute all or even the majority of the client's investment assets; generally, Commonfund Asset Management will require such accounts to have \$100 million in net assets or greater. Commonfund Asset Management reserves the right to waive this separate account minimum size in particular cases.

In this brochure, Commonfund Asset Management will refer to advisory services for Outsourcing Clients as “outsourcing services”, and related accounts as “outsourcing portfolios”.

Through its outsourcing services, Commonfund Asset Management acts as its Outsourcing Clients’ investment office to provide oversight and management of the portfolios entrusted to it, consistent with the investment objectives and risk tolerances that have been established in consultation with each Outsourcing Client, as well as spending and other institutional policies that affect such portfolios. In managing the outsourcing portfolios, Commonfund Asset Management principally executes its investment strategies through selection and oversight of Managers, normally by allocation to Funds (whose assets are then managed by the underlying Managers) but also in select cases by allocation to commingled investment funds operated by third-party asset management firms. In addition to placing assets in Funds managed by it, Commonfund Asset Management also places assets in Affiliate Funds (including, *e.g.*, the private capital programs advised by Commonfund Capital).

As in the case of its Funds, Commonfund Asset Management applies a bias towards active management to its outsourcing portfolios, with the view that long-term institutional investors should pursue “alpha,” or additional return above broad-market returns, through the taking of carefully selected and diversified equity, liquidity and active management risks.

Investment Strategies

Below is a brief summary of the major investment strategies used by Commonfund Asset Management. The fundamental objective of each investment strategy is to achieve attractive long-term risk-adjusted returns; of course, there can be no assurance that this goal will be achieved. Within a Fund or an outsourcing portfolio of an Outsourcing Client that is pursuing multiple strategies, each strategy functions within the context of such Fund’s or Outsourcing Client’s overall portfolio, as the case may be, and complements other strategies to achieve the investment goals of the Fund or the Outsourcing Client, as the case may be.

The confidential private placement memorandum or other similar principal disclosure document relating to each Fund (together with any supplements, subscription agreements or other related materials, the “offering documents”) includes detailed additional information of the investment program, operations and potential risks of that Fund, and should be carefully reviewed by each investor. For a summary description of the principal risks relating to the investment strategies employed by Commonfund Asset Management, please see the section of this brochure entitled *Material, Significant or Unusual Risks Relating to Investment Strategies* below. For a more detailed description of these and other applicable risks, please see the appropriate section (typically entitled “*Certain Risk Factors*”) in the respective confidential private placement memorandum of each Fund. In addition, in the case of each investment made by an outsourcing portfolio in an Affiliate Fund or a fund operated by a Manager, a detailed description of the investment program, operations and potential risks of that fund is provided in the offering documents of such fund, which will be made available to the Outsourcing Client by Commonfund Asset Management. Prospective and current investors should review this Form ADV and any applicable offering documents with care.

Investing in securities involves risk of loss that a Client should be prepared to bear. The possibility of total or partial loss of capital exists, and a prospective investor should not subscribe unless it can readily bear the consequences of loss.

Depending on the investment mandate of its Client and other pertinent considerations, Commonfund Asset Management engages in some or all of the following investment strategies.

Global Multi-Asset Portfolio Strategy

The global multi-asset investment strategy seeks to deliver a diversified investment solution primarily for long-term non-profit investors by allocating assets across a broad spectrum of asset classes. Generally, assets are invested in a diversified portfolio of common stocks and other equity securities of U.S. and foreign companies as well as fixed income investments, real assets and diversifying strategies. Managers in this strategy employ active and passive strategies and are unconstrained by geography, strategy and market capitalization.

Equity Strategies

The equity strategy focuses on active asset allocation across a broad spectrum of equity categories and the careful selection of Managers within these categories. Using a multi-manager approach, the equity strategies allocate assets to Managers (or in the case of an outsourcing portfolio, Funds or Managers). The equity strategies can generally be divided into the following categories:

International Equity

The international equity strategy focuses primarily on investments in common stocks and other equity securities of foreign companies, including issuers located in emerging markets. The international equity strategy can utilize currency hedging, security hedging or other hedging strategies. The international equity strategy can also utilize derivative transactions, including swaps, short sales, forward contracts or options, and overlay hedging activities, to manage client exposure to various risks.

Global Equity

The global equity strategy focuses primarily on a diversified portfolio of common stocks and equity-linked securities of companies in the global public equity markets. The strategy employs active and passive equity strategies and is unconstrained by geography, strategy and market capitalization. The strategy can also invest in hedge funds that seek opportunities in domestic and foreign markets for equity type returns with low correlation to the equity markets.

Emerging Markets

The emerging markets equity strategy focuses primarily on investing in common stocks and other equity securities of companies located in the developing countries of the world. This strategy generally has exposure to companies in the Morgan Stanley Capital International Emerging Market Free Index, although it can also invest in companies located in less-developed “frontier” markets.

Core Equity

The core equity strategy focuses on investing primarily in a diversified portfolio of common stocks, and securities convertible into common stocks, of established U.S. companies. Generally, the issuers of such stocks or convertible securities have market capitalizations in the range of the companies in the S&P 500 Index. Commonfund Asset Management focuses on adding value through stock selection, rather than sector or style variance.

Multi-Strategy

The multi-strategy equity strategy focuses on allocating assets across a wide spectrum of equity strategies, including investing in a portfolio of common stocks, and securities convertible into common stocks, of U.S. companies. A multi-strategy equity allocation to the U.S. equity market includes exposure to companies in the S&P 500 index as well as companies not included in the index. Diversification is achieved by investing in common stocks and other equity securities of foreign companies in both developed and emerging markets, as well as in equity-oriented hedge funds and other hedge strategies (see “*Hedge Strategies*” below).

Small Cap

The small cap strategy focuses on investing primarily in the equity securities of smaller U.S. companies. Generally, these companies have market capitalizations in the range of the companies in the Russell 2000 Index. Within this strategy, Commonfund Asset Management hires Managers whose approaches to stock selection are complementary and are designed to add long-term value over the benchmark index.

All Cap

The all cap strategy focuses on investing primarily in a portfolio of common stocks and securities convertible into common stocks of U.S. companies. Generally, these companies have market capitalizations in the range of companies in the Russell 3000 Index. Commonfund Asset Management, when utilizing an all cap investment strategy, may invest in equity securities of foreign companies.

Equity Index

The equity index investment strategy tracks the performance of the S & P 500 Index and seeks to replicate its performance while simultaneously reducing transaction costs through the avoidance of odd lot purchases.

Fixed Income Strategies

The fixed income strategies employ an active and dynamic investment style that seeks to combine various skilled Managers and qualitative and quantitative fixed income strategies to produce a portfolio with a desired risk/return characteristic. Varied and complementary strategies, styles and techniques are taken into account during the Manager selection process. The fixed income strategies can generally be divided into the following categories:

High Quality Bond

The high quality bond strategy focuses on investments in investment-grade fixed income securities in an attempt to outperform the broad U.S. bond market. Investment grade securities are those rated in one of the four highest categories by a nationally recognized rating agency.

Global Bond

The global bond strategy seeks to invest in sovereign bonds and other fixed income securities worldwide in an attempt to outperform the broad worldwide bond market. This strategy allocates assets using various disciplines to select investments from a universe that includes securities issued by U.S. and foreign governments, their agencies and instrumentalities, U.S. and foreign corporations and asset-backed and mortgage-backed securities, as well as hedge strategies (see “*Hedge Strategies*” below). Managers in this strategy are permitted (but not required) to use forward foreign currency contracts and currency futures contracts and options to manage foreign currency exposure.

Multi-Strategy

The fixed income multi-strategy investment strategy generally focuses on investments in a broad spectrum of fixed income sectors. Generally, assets are invested in dollar-denominated investment grade bonds and other fixed income securities in an attempt to outperform the U.S. bond market. Diversification is achieved by allocating assets to other fixed income securities and strategies, including but not limited to global bonds, inflation indexed bonds, high-yield bonds, emerging markets debt and opportunistic fixed income strategies, as well as allocations to alternative fixed income strategies such as distressed strategies and fixed income-oriented hedge strategies (see “*Hedge Strategies*” and “*Distressed Strategy*” below).

Intermediate Term Fund

The Intermediate Term Fund strategy focuses primarily on producing a total return in excess of its benchmark, the BofA Merrill Lynch 1-3 Year Treasury Index, but attaches greater emphasis to its goal of generating a higher current yield than short-term money market investments in a manner that mitigates the chances of negative total return over any 12-month period. Generally, assets are invested in a diversified portfolio of marketable securities of the types eligible for investments by a multi-strategy investment strategy (including global bonds and inflation indexed bonds), with an average effective duration of approximately three years or less. It is the policy of this strategy that at least 50 percent of the net assets of a portfolio will be invested in securities issued or guaranteed by the U.S. government, federal agencies or U.S. government sponsored corporations, or in securities that are rated AAA or its equivalent by at least one of the nationally recognized rating agencies.

The Intermediate Term Fund is offered only as an Endowment Fund that limits investment to educational institutions that are members of TCF. See Item 7, *Types of Commonfund Asset Management Clients* earlier in this brochure.

Distressed Strategy

The distressed strategy focuses on turnaround and distressed investing by pursuing trading and financing strategies both in the U.S. and globally. This generally involves the purchase or sale of credit obligations of companies that are experiencing some type of financial reorganization. Several strategies are employed under the distressed strategy umbrella, including obtaining blocker positions in the senior layers of a company's capital structure to influence the restructuring process, taking advantage of major shifts in public distressed markets or providing financing to distressed companies.

The availability of distressed investing is a function of supply and demand, with greater opportunities existing when the supply of troubled credits is high and investor demand is low. The strategy strives to take advantage of market dislocation and supply/demand imbalances in different regions of the world and at different points in the cycle to produce a portfolio with a desired risk/return characteristic.

Investment management of certain existing distressed debt Funds (which generally are closed to new investment) formerly managed by Commonfund Asset Management has been transferred to Commonfund Capital, through a sub-advisory arrangement.

Hedge Strategies

The hedge strategies focus on allocating assets across a broad spectrum of investment strategies including equities, fixed income, commodities, interest rates and currencies. Hedge strategies vary widely in terms of investment approach, instruments used and sensitivity to one of two broad strategy groups: (i) discretionary strategies and (ii) relative value strategies. Portfolios of Funds that invest across these strategies are created using a discretionary or relative value approach or a combination thereof. The objective of a portfolio employing a hedge strategy is to generate attractive, risk-adjusted returns with low correlation to broad markets over a full market cycle.

Discretionary strategies are generally market directional (*i.e.*, the Managers take a position on the expected future market valuations of the instruments traded). These Managers incur market risk, also known as beta, to earn return incremental to the market return, known as alpha, for investors. Discretionary strategies include hedged equity (often referred to as long-short equity in the financial industry), as well as global macro investments.

Hedged equity strategies invest in equity securities, or derivatives thereof, long and short, with the expectation that current market prices do not reflect intrinsic value. Managers employing these strategies tend to utilize long under-valued positions and use short selling to profit from expected declines in stock prices.

Global macro strategies invest globally across multiple markets, asset classes and time frames on the basis of macro-economic and political events and expectations. Managers employing global macro strategies seek to exploit macro-economic and political shifts or trends using either discretionary or systematic investment methods.

Relative value strategies encompass those strategies that have low net market exposure, an event

or arbitrage orientation and returns derived primarily from alpha earned by the Manager. Relative value strategies include equity market neutral, event-driven and fixed income arbitrage strategies.

A portfolio employing an equity market neutral strategy seeks to profit from price movements in stocks in isolation from moves in the overall equity market. These strategies often involve offsetting exposures long and short, resulting in a net exposure that is neutral to the market's direction (beta), or to a sector, style, market capitalization size and/or other factors.

Event driven strategies generate returns based on the expected outcome of business events such as mergers, bankruptcies, financial restructurings or reorganizations. A Manager employing an event driven strategy capitalizes on the uncertainty surrounding the resolution of the event by being paid a risk premium and or a return for providing liquidity to the capital markets that enable the completion of the event.

Fixed income arbitrage incorporates a number of strategies involving fixed income securities, including developed market government debt, agency debt, corporate debt, municipal debt, mortgage-backed securities, sovereign emerging market debt and related derivatives. Fixed income arbitrage generally seeks to profit from mispriced credit, volatility or liquidity premiums.

Real Estate Strategies

The real estate investment strategies seek to provide market exposure to real property assets by investing with a sophisticated and select group of Managers who specialize in real estate investment. The principal strategies employed are as follows:

Core Real Estate

The core real estate strategy focuses on investing client assets with multiple Managers in a diversified portfolio of stabilized, income producing assets primarily from the four major property types (office, industrial, apartment and retail) that are located in larger regional markets and have high occupancy levels, stable tenants, staggered lease expirations and competitive market rents. The objective of the core real estate strategy is to provide a net rate of return to investors in excess of the NCREIF Fund Index, with low correlation to the equity, fixed income and other alternative asset classes.

Opportunistic Real Estate

The opportunistic real estate strategy seeks Managers that Commonfund Asset Management believes can generate superior risk-adjusted returns and long-term growth, with relatively low correlation to the public equity markets, through an investment strategy focusing on "Non-Core" real estate investments. This alpha driven strategy is generally not limited by diversification constraints, portfolio allocation projections, or investment vehicle type. The strategy seeks superior real-asset or real-asset related transactions and invests with Managers that purchase real property and related securities located anywhere in the world, but with a focus on U.S. transactions.

Principal Risks of Investing

The risks involved for any particular Fund or other Client will depend on the investment strategy and the type of investments held by such Fund or other Client. The following are descriptions of various principal risk factors related to the significant investment strategies and methods of analysis employed by Commonfund Asset Management, as described above. **It is important to note that not all risks are described herein.** Prospective Fund investors should carefully read the section entitled “*Certain Risk Factors*” in the respective confidential private placement memorandum of each Fund in which they may invest, or, in the case of Outsourcing Clients, each Fund, Affiliate Fund, Manager fund or other investment or account in which they may invest.

The investment strategies described herein involve a substantial degree of risk, and Funds or Outsourcing Clients may lose all or a substantial portion of the value of their investments.

The following discussion of risk factors generally will not distinguish between investment managers that are affiliates of Commonfund Asset Management, internal portfolio managers or Managers; they will collectively be referred to as “investment managers”.

Likewise, the following discussion of risk factors generally will not distinguish between Funds or Clients that are managed by Commonfund Asset Management, funds of its affiliate or funds or accounts of Managers; they will collectively be referred to as “funds”.

However, where the context requires (because, for example, the risk factor being discussed relates only to the management by Commonfund Asset Management or its affiliate of a Commonfund Group Fund), Commonfund Asset Management may refer to particular sub-groups of investment managers.

General Risks

Investment and Trading Risks in General

Investing is generally speculative and involves a high degree of risk, including the potential loss of the entire amount invested by a client. Investment managers may invest in and trade securities and other instruments using strategies and investment techniques which are highly complex and are influenced by economic and other events which affect particular issuers, including governments. Numerous factors affecting the performance of investment strategies, such as inflation, interest rates, equity and commodities prices and long term economic trends, are outside the control of investment managers and can adversely influence the value of investments.

General Economic and Market Conditions

The success of a client’s investments will be affected by general economic and market conditions in the United States or other countries in which investment managers may invest. General economic and market conditions include interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including tax laws, securities laws, bankruptcy laws or accounting standards), trade barriers, currency exchange controls and national and international political circumstances or events. Any of the foregoing conditions could have a material adverse effect on investment strategies. As well, predictions about general economic and market

conditions are uncertain and the impact of such factors will be larger or smaller depending on the types of securities which a client account owns and the markets in which they trade.

The Availability of Investment Opportunities

An investment manager's identification of investment opportunities involves a high degree of uncertainty and is based on a subjective decision-making process. Thus, there can be no assurance that investment managers will be able to identify suitable investment opportunities and, even when an opportunity is identified, there is a risk that the opportunity will not achieve targeted rates of return. The possibility of partial or total loss of capital exists with respect to any fund or investment, and prospective investors should not subscribe for interests in any fund or make any other investment unless they can readily bear the consequences of a loss.

Limited Diversification

An investment in a fund may not be a diversified investment. Although Commonfund Asset Management allocates assets to multiple underlying funds, there can be no assurance that diversification will be achieved. A fund generally may invest a large percentage of its assets in securities issued by or representing a particular issuer, industry or type of security, investment strategy or type of risk exposure without any limitation imposed by investment managers. Any such concentrations would magnify the effect of the realization of risks associated with such investments, and such realizations could depend disproportionately on the performance of a small number of issuers. Such concentration could increase the risk associated with such investments, including the risk of significant loss of capital.

Lack of Operating History/Past Performance

A fund could be recently formed and not have an operating history based on which its performance can be evaluated. Further, an investment manager might not have a previous track record or operating history. Similarly, the past performance of a fund is not indicative of future results and no assurance can be made that profits will be realized or that losses will not occur.

Limited Liquidity

An investment in a fund can result in limited liquidity since participating shares are likely not freely transferable, and could in fact be subject to substantial restrictions. Clients should recognize that it is difficult to value illiquid investments and valuation involves subjective judgment and consideration of complex factors. Further, a fund might not be able to dispose of investments in underlying portfolio funds at the time that it makes the decision to do so or when it is most advantageous for the fund because of limited withdrawal rights, which could result in significant loss of capital.

Limited Regulatory Oversight

The funds in which clients invest are likely not to be registered as investment companies and in these cases clients will not be provided the protections associated with the Investment Company Act. Further, certain investment managers may not be registered under the Advisers Act. As a result, clients will not be provided various protections (which, among other things, may include

limitations on leverage or limitations on transactions between an investment company and its affiliate) offered to more highly regulated/registered funds.

Risks Relating to the Fund-of-Funds or Multi-Manager Structure

The following are certain risks related to Commonfund Asset Management's use of a "fund-of-funds" or "multi-manager" investment strategy, whereby assets are invested with third-party investment advisers or single- or multi-manager funds operated by third-party asset management companies.

Dependence on Investment Managers

Commonfund Asset Management invests assets principally through the Managers which it selects, and the success of a particular portfolio depends upon the ability of Commonfund Asset Management and those Managers to develop and implement investment strategies that achieve investment objectives determined for those strategies. Subjective decisions made by Commonfund Asset Management and/or Managers could cause a Fund or other Client to incur losses or to miss profit opportunities on which it would otherwise have capitalized. Investors also generally do not have the right or power to participate in the management of any Fund.

Multiple Levels of Fees

Funds utilize a so-called "fund-of-funds" or "multi-manager" investment strategy, pursuant to which assets are generally invested with Managers. Investment management fees, which typically include both a fixed percentage of assets under management and a performance or incentive fee or allocation based on the performance of underlying investments, are sometimes charged to the Fund by both Commonfund Asset Management and each Manager utilized. As a result, clients might bear multiple investment management fees, which include performance fees or incentive fees, which in the aggregate will exceed the fees which would typically be incurred by an investment with a single Manager. Further, such compensation arrangements could create an incentive to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect.

Investment Managers Invest Independently

Managers typically invest independently of one another and may at times hold economically offsetting positions. As a result, at any particular time, one Manager may be purchasing securities of an issuer whose securities are being sold by another Manager. Consequently, a particular fund would indirectly incur transaction costs without accomplishing any net investment result. In addition, such a fund's portfolio turnover rate may be higher as a result. Higher portfolio turnover will result in higher transaction costs, and investors subject to tax may be required to recognize more taxable gains than if the fund were managed to limit its portfolio turnover. Furthermore, it is possible that from time to time various Managers selected by Commonfund Asset Management may be competing with each other for the same positions in one or more markets. Similarly, while the use of multiple Managers may create the appearance of a well-diversified portfolio, independent investment decisions of various investment managers may result in an increase, rather than decrease, in the aggregate risk associated with a fund's portfolio.

Material Risks Associated with Equity Investment Strategies

Investments in equity securities are subject to market risks that could cause their prices to fluctuate over time. The value of equity securities could be more volatile over time than other types of financial instruments. Fluctuations in the value of equity securities will not necessarily affect cash income derived from these securities but could affect the fund's net asset value. Set forth below is a description of additional risks associated with investing in funds employing an equity strategy.

Derivatives

Derivatives are instruments which derive their value from an underlying security, financial asset or an index. One category of derivatives includes instruments such as futures contracts, forward contracts, options and swaps. These derivative instruments are used to establish market positions without transacting in the securities by which their value is measured, and often are used to adjust the risk characteristics of a portfolio of securities investments. A second category of derivatives includes securities that carry rights to other securities, such as, for example, a security convertible into some other security.

The risks associated with investing in derivatives are greater than investing in the underlying assets or securities. The primary risk of derivatives is that changes in the market value of securities held, and of derivatives relating to those securities, might not correlate perfectly. In addition, the market to sell a derivative could be illiquid, which could result in difficulty closing a particular position. Certain derivatives also magnify the extent of losses incurred due to changes in market value of the securities to which they relate. Some derivative instruments, such as those traded over the counter, are also subject to counterparty credit risk, as described below.

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of futures contracts, forward contracts and other derivative contracts in which a fund utilizing derivatives invest are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate-related futures and options. Such intervention often is intended directly to influence prices and, together with other factors, could cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Counterparty Credit Risk

A fund can be exposed to counterparty credit risk to the extent it uses over-the-counter derivatives (such as forward contracts and swap contracts), repurchase agreements or other over-the-counter transactions. A fund can be exposed to credit risk with regard to the parties with whom it trades and also bear the risk of settlement default. If the counterparty defaults, the fund will have contractual remedies, but there is no assurance that the counterparty will be able to meet its contractual obligations or that, in the event of default, the fund will succeed in enforcing them. The fund, therefore, assumes the risk that it is unable to obtain payments owed to it under over-

the-counter derivatives contracts or that those payments are delayed or made only after the fund has incurred the costs of litigation.

Hedging Transactions

The use of hedging techniques can involve a variety of derivative transactions, including transactions in forward foreign currency exchange contracts, currency and interest rate swaps, options and short sales. While these transactions can reduce the risks associated with particular investments, the transactions themselves entail risks that are different than the other investment strategies employed by a fund. Thus, while a hedging strategy can be overall beneficial to the performance of a particular fund, the use of hedging instruments, unanticipated changes in interest rates, securities prices or currency exchange rates could also result in a poorer overall performance for the fund than if it had not entered into any hedging transactions. If there is an imperfect correlation between a hedging instrument position and a portfolio position that is intended to be protected, the desired protection may not be obtained, and result in greater risk of loss.

Short Selling

In a short sale, the short seller will borrow a security and sell it into the market in anticipation that the market price will decrease in the future, so that the seller can buy back the security at a lower price to return it to the lender and realize a profit. Short selling is associated with a number of risks, including the obligation to replace the security borrowed and payment of a fee to borrow the security, which would increase the cost of the security. The potential loss associated with short selling is unlimited if the price of the security continues to increase.

Leverage

The use of leverage for investment purposes creates opportunities for greater total return but at the same time involves greater risk. The use of leverage will increase the volatility of investments, and can substantially increase the adverse impact to which investments are subject. As well, in addition to the changes in the value of securities purchased with borrowed funds, the amount of borrowings and the level of interest rates on those borrowings could have a marked effect on investment performance and, under particular circumstances, could cause a total loss of capital.

Small Capitalization Companies

The securities of small capitalization and recently organized companies tend to be more volatile in price and more difficult to value than those of larger capitalized, more established companies. Such companies have limited product lines, distribution channels, financial and managerial resources and can face more intense competition than larger companies. The securities of such companies are also generally less liquid.

Risk Arbitrage

Risk arbitrage is an extremely competitive investment strategy, and competition amongst various firms employing such a strategy tends to narrow the spread between the price at which a security is purchased and the price received upon consummation of the transaction. Given that an arbitrage investment strategy seeks to profit from changes in the price of securities in extraordinary

corporate transactions, the difference between the price paid by an investment manager for securities of a company involved in an announced extraordinary transaction and the anticipated value to be received for such securities upon the consummation of such a transaction will generally be very small. If the proposed transaction appears likely not to be consummated, or is delayed, the market price of the securities will decline sharply.

Material Risks Relating to Fixed Income Instruments and Investment Strategies

The two main risks related to fixed income instruments and strategies are interest rate risk and credit risk. Typically, during periods of falling interest rates, the value of fixed income securities rises. Conversely, during periods of rising interest rates, the value of such securities declines. Generally all fixed income securities are subject to credit risk, which varies depending on issuers' ability to pay the interest and principal on their outstanding obligations.

A fund's fixed income investments are also subject to pre-payment risk. Pre-payment risk occurs when an issuer repays the principal on an obligation earlier than expected. This pre-payment can adversely impact the investment objective of a fund. As with other investment strategies, the market for the fixed income securities in which an investment manager invests could be illiquid, which impacts the ability to sell these securities when it is most advantageous for a fund.

Asset-Backed Securities

Asset-backed securities are structured securities that are backed by another asset. The structure of an asset-backed security typically is highly complex and involves a high degree of leverage, and therefore these types of securities generally pose a higher degree of risk than other types of fixed income securities. Asset-backed securities are inherently more volatile than many other types of fixed income assets. This volatility derives in part from the difficulty in pricing these securities. Asset-backed securities are also associated with pre-payment risk.

Mortgage-Backed securities

Mortgage-backed securities are a type of asset-backed security that are secured by a mortgage or collection of mortgages. The general risks associated with asset-backed securities also apply to mortgage-backed securities, including pre-payment risk. Like fixed income securities in general, mortgage-backed securities are subject to market risk and will generally decline in price when interest rates rise.

Investment Grade Securities

Investment-grade fixed income securities are sensitive to economic changes, and their prices may fluctuate even if the issuer's capacity to repay its obligations remains unchanged.

Special Risks of Certain Markets

Currency Risk

The fluctuation of exchange rates between the U.S. dollar and foreign currencies can adversely affect all types of investment strategies. Currency risk is a significant concern in foreign

investments because changes in exchange rates can nullify any gains produced by foreign currency investments.

U.S. Government Securities and Foreign Government Securities

U.S. government securities are subject to varying degrees of credit risk. The prices of investments in U.S. government securities are subject to market risk, and their market values fluctuate in response to changes in interest rate and other market forces. For example, a client's investment in U.S. government securities can fall during times of rising interest rates and, conversely, may rise during times of falling interest rates. Yields on U.S. government securities tend to be lower than those of corporate securities of comparable maturities.

Similar to U.S. government securities, foreign government securities have different kinds of government support and, therefore, are subject to varying degrees of credit risk as a result of financial or political instability in foreign countries and the possible inability of an investment manager to enforce its rights against the foreign government issuer. As with other fixed income securities, sovereign issuers can be unwilling or unable to make timely principal or interest payments. Like U.S. government securities and other fixed income securities, foreign government securities are subject to market risk. Also, similar to U.S. government securities, yields on foreign government securities tend to be lower than those of corporate securities of comparable maturities.

Non-U.S. Investments

Investing in the securities of companies (and, from time to time, governments) of non-U.S. countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including possible adverse political and economic developments, possible seizure or nationalization of foreign deposits and possible adoption of governmental restrictions that might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. As well, inflation and fluctuations in inflation rates could have a negative impact on the securities of certain non-U.S. companies.

Emerging Market Investments

The risks of non-U.S. investments described above apply to an even greater extent to investments in emerging markets. The securities markets of emerging countries are generally smaller, less developed, less liquid and more volatile than the securities markets of the U.S. and developed foreign markets. Disclosure and regulatory standards in many respects are less stringent than in the U.S. and developed foreign markets. There is also a lower level of monitoring and regulation of securities markets in emerging market countries, and the activities of investors in such markets and enforcement of existing regulations has been extremely limited.

Material Risks Relating to Distressed Strategies

Investing in the securities of distressed companies is highly risky. The market price of such securities is subject to extreme volatility, and such securities are more reliant on market timing than other types of securities. A distressed investment strategy focuses on the purchase or sale

of credit obligations of companies in a weak financial condition, experiencing poor financial or operating results or that are involved in bankruptcy or reorganization proceedings. Thus, these companies might not show any returns for a lengthy time period or ever. Investments in these types of companies can involve substantial financial risks, including total loss.

A fund employing a distressed strategy can invest in below-investment grade fixed income securities, such as commercial paper and high yielding debt securities. These securities face ongoing uncertainty and exposure to adverse business, financial or economic conditions which could lead to an issuer's inability to meet timely interest and principal payments. As well, below-investment grade fixed income securities reflect individual corporate events to a greater extent than do higher rated securities. Companies issuing these securities are also highly leveraged, and any economic downturn could adversely impact the ability of the issuer of such securities to repay principal and pay interest and thereby increase the risk of default for such securities.

Risks Associated with Bankruptcy Cases

The securities of a particular fund employing a distressed strategy can be issued by companies that have filed for bankruptcy, or that file for bankruptcy after the securities are acquired. Bankruptcy proceedings are adversarial and there are many unanticipated events that can occur. There is no guarantee that a bankruptcy court will approve actions which may be favorable to a fund. Further, there is a possibility that the fund's claims could be subordinated to the claims of other claimants.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in reorganization for purposes of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that a fund's influence with respect to a class of securities can be lost by the increase in the number and amounts of claims of the class.

In many instances, the duration of a bankruptcy case can only be roughly estimated, and bankruptcy cases often last for long periods of time. This can have an adverse impact on a company's business, and if a company is forced to dispose of assets, the value realized on the disposition of assets might be less than if the assets were disposed of outside of the bankruptcy context.

A fund employing a distressed strategy can purchase creditors' claims after the commencement of bankruptcy proceedings. Therefore, it is possible that a bankruptcy court would refuse to allow such acquired claims to be voted in connection with a plan of reorganization where it determines that such claims have been acquired for an improper purpose.

Distressed Investments in Non-U.S. Markets

In addition, distressed investments in non-U.S. markets are associated with additional risks. Such risks include, among other things, trade balances and imbalances and related economic policies, and unfavorable currency exchange rate fluctuations which could have substantial impact on non-U.S. dollar denominated debt securities. There is also generally less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain foreign companies might not be subject to accounting, auditing and financial reporting standards and requirements. Lower quality information and reduced transparency could

make it more difficult to select and manage investments in non-U.S. markets, and many securities traded on these markets are less liquid and their prices more volatile than securities of comparable United States companies.

Investments in distressed companies outside the U.S. could involve additional risks; the bankruptcy laws of such countries are likely to differ and the process of liquidation may be uncertain or under-developed. Overall, it may be difficult to enforce creditor's rights in a foreign jurisdiction as compared to the U.S. Although most European and many Asian legal systems recognize basic commercial relationships and rights, some lack the extensive body of law and practice normally encountered in developed market environments. Similarly, laws and regulations in emerging markets can change quickly and unpredictably and attempts at judicial enforcement of judgments, laws or regulations can be associated with significant delays. In some cases, foreign courts can give preferential treatment to domestic claimants over foreign claimants, including U.S. claimants.

Risk of Litigation

Investments in securities and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case can involve substantial litigation. The risk of litigation becomes greater where investment managers exercise control over a company's direction. The expense of defending against claims by third parties would thus be borne at least partially by the fund.

Material Risks Relating to a Commodities Investment Strategy

Commodity prices are highly volatile, and thus such investments can quickly become risky. Commodities futures are influenced by changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary and exchange control programs of governments; U.S. and foreign political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations; and changes in the marketplace. The low margin deposits required in commodities trading means that a small movement in the market price of a currency interest may result in a large profit or loss.

A fund employing a commodities strategy gains exposure to commodities through investing in derivative instruments, such as swaps, options, futures and forward contracts. The returns on swaps vary directly with advances or declines in the commodities markets as reflected in commodities indices. A fund can also buy and sell options and trade futures and forward contracts relating to commodities. The value of derivative instruments vary with changes in the referenced commodity values. These instruments can be highly volatile and the risks associated with advances or declines are amplified to the extent such instruments are used to obtain market exposures in excess of assets invested.

The risk of investing in commodities is also intensified in the case of foreign markets and issuers. Foreign markets could be less stable, smaller, less liquid, less regulated and have higher trading costs than U.S. markets. As well, adverse changes in investment and exchange control regulations might adversely affect commodities traded on foreign markets.

Investment managers' allocation of assets and their judgments about the markets, the economy, commodities and/or companies might not anticipate actual market movements, economic conditions or commodity and/or company performance, and may increase any losses.

Material Risks Related to Hedge Investment Strategies

Funds utilizing a hedge strategy have broad flexibility in their investment mandates and can utilize a variety of investment strategies, including equities, fixed income, commodities, currencies and interest rates. Investments can be long or short, employ leverage, have limited liquidity and can be made outside the U.S. Additionally, such funds can also use derivative or synthetic instruments either to express directional market views or to offset risks of other investments in their portfolios. Hedge strategies are often highly complex; this complexity increases the difficulty of obtaining full transparency for underlying exposures, assessing risk and valuing positions, which in turn can lead to increased market volatility. Additionally, there can be no assurance that hedging transactions, if any are undertaken, would fully protect a client against such risks.

Material Risks Associated with Real Estate Investment Strategies

Real Estate Market Investments

A real estate market investment strategy is significantly affected by the performance of the real estate markets. Real property investments are subject to varying degrees of risk. Property values can fall due to increasing vacancies or declining rents resulting from economic, legal, regulatory, zoning or technological developments. The price of real estate company shares can also drop because of the failure of borrowers to pay their loans and poor management. Many real estate companies utilize leverage, which increases investment risk and could adversely affect a company's operations and market value in periods of rising interest rates, as well as risks normally associated with debt financing. The yields available from investments in real estate depend on the amount of income and capital appreciation generated by the related properties. Income and real estate values can also be adversely affected by such factors as applicable laws, interest rate levels and the availability of financing. If the properties do not generate sufficient income to meet operating expenses, including, where applicable, debt service, ground lease payments, tenant improvements, third-party leasing commissions and other capital expenditures, the income and ability of the real estate company to make payments of any interest and principal on its debt securities will be adversely affected. In addition, real property can be subject to the quality of credit extended to and defaults by borrowers and tenants. The performance of the economy in each of the regions in which the real estate owned by a real estate company is located affects occupancy, market rental rates and expenses and, consequently, has an impact on the income from such properties and their underlying values. In addition, real estate investments are relatively illiquid and, therefore, the ability of real estate companies to vary their portfolios promptly in response to changes in economic or other conditions is limited.

Real property investments are also subject to risks which are specific to the investment sector or type of property in which the real estate companies are investing. For example, retail and office properties can be affected by a downturn in the businesses operated by their tenants, obsolescence and non-competitiveness. In contrast, hotel properties are affected by the demand in travelers

and tourism and tend to be more sensitive to adverse economic conditions and competition than many other commercial properties.

Complex Investment Strategies

An investment manager utilizing a real estate investment strategy can use proprietary investment strategies that are highly complex and differ from other more traditional types of investment strategies. The strategies employed by investment managers investing primarily in real estate markets can involve significantly more risks and higher transaction costs than more traditional investment methods.

Insurance Issues

Certain real estate companies carry comprehensive liability, fire, flood, earthquake, extended coverage and rental loss insurance with various policy specifications, limits and deductibles. Still, should any type of uninsured loss occur, the real estate company could lose its investment in, and anticipated profits and cash flows from, a number of properties, which, as a result, would adversely affect a fund's investment performance.

Environmental Issues

A real estate company's ownership (direct or indirect), operation, management and development of real properties that contain hazardous or toxic substances can expose the company to liability under applicable law for removal or remediation costs, as well as certain other costs, including governmental fines and liabilities for injuries to persons and property. The existence of any such material environmental liability could have a material adverse effect on the results of operations and cash flow of any such real estate company and could adversely affect a fund's investment performance.

Competition

Competition among REIT-related investors is significant, and a fund utilizing a real estate investment strategy will compete with other investment advisory and securities firms, private investment firms, risk arbitrage funds and institutional investors, many of which will have greater financial resources than the fund. While a firm's size does not necessarily determine its ability to manage various risks, it does influence the ability of it to absorb losses and to take greater investments risks.

Possible Lack of Suitable Investments

Due to the nature of real estate securities, which might not be sold by new issuers because of the fluctuating nature of securities market and interest rates, an investment manager of a fund employing a real estate investment strategy might not be able to invest fully all of the capital of the fund. This could adversely affect overall return of the fund.

Material Risks Related to Outsourcing Services

Portfolio Objectives May Not Be Met

There can be no assurance that Outsourcing Clients will meet their investment goals, either in the short or long term.

All investments involve the risk of loss of principal, income or both. Each investment strategy employed within an outsourcing portfolio is subject to the risks discussed in the portion of this Form ADV relating to such strategy and in the relevant offering documents of each pertinent fund.

Institutional investors responsible for portfolios with a perpetual duration face a difficult challenge if they seek to permit periodic spending from the portfolio while maintaining or increasing the ultimate purchasing power of the portfolio (which has been described as preserving “intergenerational equity”). Historical data suggests that portfolios with a traditional mix of U.S. equity and fixed income exposure have not generally maintained intergenerational equity since the 1960s (except for brief periods of time) when adjusted for inflation and for an annual spending rate of 5 percent. The impact of investment management fees and other portfolio costs make this goal even more difficult to attain.

Commonfund Asset Management employs its Commonfund Allocation Model, or “CAM,” as well as other analytic tools, to assist Outsourcing Clients in thinking about the risks that their fundamental investment objectives may not be met. Detailed disclosure concerning the methodology employed by the CAM (or such other tools), as well as the limitations of such tools, is provided to each Client who receives their output. Clients should review this disclosure with care. While they can provide a useful framework for analysis, such tools cannot predict future investment results, and assumptions built into such models (which are generally based on historical behavior of different categories of investments) could prove to be inaccurate.

Asset Allocation Risks

Commonfund Asset Management’s recommendations with respect to allocations to asset classes, or adjustments to those allocations, are formulated to take into account a client’s investment objectives and policies, as well as its risk tolerances. However, all such recommendations are based to varying degrees on Commonfund Asset Management’s view as to future characteristics of the asset class in question, which may prove to be incorrect. These might relate to performance, but might also relate to correlation to other asset classes, the liquidity offered by investments in such asset classes, the volatility exhibited by such investments and other characteristics.

Investments May Become Correlated

Commonfund Asset Management will normally seek to diversify an Outsourcing Client’s investment portfolio, both among and within allocations to different asset classes. One of the potential benefits of such diversification is exposure to investments that are not highly correlated to one another. Correlation is a statistical measure of the degree to which the prices or values of different investments move together. Measurement of correlation is by necessity backward-looking, in that it reflects only historical behavior of the investments being measured. It should be understood that investments that have exhibited low correlation in the past might become more

highly correlated, particularly during major market dislocations. For example, during the financial crisis that unfolded globally in 2008, many investments thought not to be highly correlated fell in tandem. During such periods, diversification did not provide anticipated protection against market losses.

Investments in Funds Present Certain Potential Conflicts

As specified in the investment management agreements governing many outsourcing portfolios (and in particular the Strategic Solutions portfolios), and in the investment guidelines agreed to with the Outsourcing Clients that own those portfolios, all or a significant portion of those portfolios may be expected to be invested in Commonfund Group Funds. Certain Commonfund Group Funds may permit investment only by Outsourcing Clients; in these cases, the conflicts discussed below will be attenuated, if not absent.

Investment in Commonfund Group Funds by outsourcing portfolios can present one or more of the following potential conflicts of interest:

1. Fees Charged by Commonfund Group Funds. Commonfund Asset Management, either directly, or indirectly through its affiliation with other entities within Commonfund, has a business interest in the fee revenue generated by each of the Commonfund Group Funds. These fees are borne by, and are fully disclosed to, Outsourcing Clients that are placed in Commonfund Group Funds.
2. Outsourcing Clients Can Account for a Significant Percentage of the Assets of a Commonfund Group Fund. In certain cases, assets from Outsourcing Clients might constitute a significant portion of the total assets invested in a Commonfund Group Fund. In such cases, the ability of Commonfund Asset Management to effect a redemption from a Commonfund Group Fund of all or a large percentage of the assets of its Outsourcing Clients might be restricted or delayed, given that the fund might not be able to raise the necessary liquidity in a manner that does not cause losses or negatively impacts other investors remaining in the fund.
3. Commonfund Group Funds Can Underperform. Of course, a given Commonfund Group Fund might not perform as well for a given time period as might investment options offered by unaffiliated Managers.

Portfolio Level Liquidity Risks

Although portfolios of Outsourcing Clients will generally be well diversified, it is possible that in certain investment environments those portfolios as a whole will not be able to meet cash distribution requirements expected by such clients, in particular those of long-term endowment or similar pools with pre-established spending formulae. For example, during the financial crisis of 2008 and 2009, many hedge funds and other alternative asset investment vehicles restricted redemptions. Many institutional investors with significant allocations to, for example, alternative assets found themselves unable to meet the distribution requirements of their spending formulae without selling other investments on disadvantageous terms. In such an environment, Outsourcing Clients could experience similar difficulties.

Certain Risks Associated with Underlying Manager Funds

Commonfund Asset Management might invest the assets of its Outsourcing Clients in funds managed by third-party Managers. The various risk factors associated with these underlying funds are described further in their respective offering documents.

ADV Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a Client's or prospective client's evaluation of Commonfund Asset Management's advisory business or the integrity of Commonfund Asset Management's management.

ADV Item 10 – Other Financial Industry Activities and Affiliations

Relationships with Related Persons

Commonfund Capital is 100 percent owned by TCF (through an intermediate holding company, which is also 100 percent owned by TCF). Please see the Introduction to ADV Item 4, *Commonfund Asset Management's Investment Advisory Business*, earlier in this Brochure for a general description of TCF.

Another subsidiary of TCF that is affiliated with Commonfund Asset Management is Commonfund Securities, Inc. ("CSI"), which is registered with the SEC as a broker-dealer and is a member of FINRA.

CSI provides placement services and client service to Commonfund Asset Management and other Commonfund affiliates. It does not maintain brokerage accounts or engage in trading activities. Neither Commonfund Asset Management nor any of its other affiliates charge current or prospective investors or funds managed by them directly for placement services provided by CSI. Registered representatives of CSI are compensated in part on the basis of net new assets they generate for the Commonfund organization, although none of these incentives are based on assets raised for any individual fund or investment program, and these incentives are paired with others based on factors including client retention.

Our Affiliated Adviser

As previously discussed, Commonfund Asset Management is affiliated through common control and ownership with Commonfund Capital, an SEC-registered investment adviser.

Commonfund Capital, like Commonfund Asset Management, is 100 percent owned by TCF (through an intermediate holding company, which is also 100 percent owned by TCF).

Commonfund Asset Management has advised, and does advise, that certain of its Outsourcing Clients invest assets in one or more Affiliate Funds managed by Commonfund Capital. Commonfund Capital has produced its own Investment Adviser Brochure, which will be provided to all investors in programs it manages. Mark J. Anson, Chief Investment Officer and President of Commonfund Asset Management and a member of Commonfund Asset Management's

Investment Committee, serves as a member of the Investment Committee and as Chair of the Board of Directors of Commonfund Capital. Timothy T. Yates, Jr., Head of Strategic Solutions, serves as a Managing Director of Commonfund Capital.

One or more affiliates of Commonfund Asset Management serve as the general partners or managing members (or the equivalent) of certain of the Funds advised by Commonfund Asset Management. Any persons acting on behalf of such affiliate are subject to the supervision and control of Commonfund Asset Management in connection with any investment advisory activities. In accordance with SEC guidance, each such affiliate will be registered with the SEC as an investment adviser in reliance on the Form ADV filed by Commonfund Asset Management.

Other Registrations

Commonfund Asset Management maintains the following registrations, and its and other Commonfund personnel maintain related registrations, as applicable:

- Commodity Pool Operator (National Futures Association)
- Commodity Trading Advisor (National Futures Association)
- Portfolio Manager, Foreign Adviser (Ontario Securities Commission)

ADV Item 11 — Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Commonfund Asset Management has adopted a Code of Ethics (the “Code of Ethics”) that summarizes Commonfund Asset Management’s business ethical standards and is designed to monitor and prevent potential conflicts of interest. The Code of Ethics also requires that all employees promptly report suspected violations of the Code of Ethics or any applicable law or regulation and that they certify their compliance with the Code of Ethics on a periodic basis. Various policies have been implemented based on the principles contained in the Code of Ethics, several of which are described in this section. For instance:

The Insider Trading and Personal Securities Transactions Policy (the “Trading Policy”) adopted by Commonfund Asset Management is designed to prevent the misuse of material, non-public information by Commonfund Asset Management, its principals and other employees and their affiliates. The Trading Policy also requires all employees to seek pre-approval from Commonfund’s Compliance Department before engaging in personal securities transactions, subject to certain exceptions. In addition, employees are required under the Trading Policy to provide to the Compliance Department initial and annual holdings reports, as well as post-trade reporting and trade confirmations.

The Conflicts of Interest Policy adopted by Commonfund Asset Management requires disclosure by all employees of other activities or interests that may present actual or potential conflicts of interest, including gifts, travel and entertainment, outside business activities and service on corporate boards of directors.

A copy of the Code of Ethics will be furnished upon request. Investors may request to review a copy of the Code of Ethics by contacting Commonfund Asset Management at the address or

telephone number listed on the cover page of this Brochure. More information about the conflicts of interest associated with Commonfund Asset Management's asset management activities can be found in Item 6.

ADV Item 12 — Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions; Soft-Dollar Practices

Commonfund Asset Management's objective in all trading associated with its direct management activities is to seek to obtain "best execution." Commonfund Asset Management believes that best execution principally entails seeking the best terms reasonably available given the circumstances of a trade. Terms are a combination of explicit costs (commissions) and implicit costs (market impact, trading delay and opportunity cost). Accordingly, Commonfund Asset Management considers that in addition to commission levels, best execution entails such factors as reliability and accuracy of execution, speed of execution, counterparty risk and knowledge of market conditions.

Commonfund Asset Management can place portfolio transactions for its clients with brokers that Commonfund Asset Management believes can satisfy its obligation to seek best execution even in cases in which those brokers do not charge the lowest available commissions. In certain cases, these brokers provide Commonfund Asset Management with research services. Such research may be provided in various different formats, including computer-generated or electronically transmitted data, written reports and telephone contacts and personal meetings with securities analysts, and can relate to securities issuers (including commingled funds) or market, economic or investment developments and trends. In selecting brokers, Commonfund Asset Management endeavors to attach lowest priority to embedded research. In making its best execution determinations, Commonfund Asset Management will not take into consideration research services to the extent that they provide economic benefits or cost reductions only to it or its affiliate. However, Commonfund Asset Management will not be in a position to assure that each of its clients will benefit from research services at a level that is commensurate to brokerage costs from any such brokers that are borne by it. Commonfund Asset Management will not knowingly enter arrangements whereby brokers pay third-party costs (including third-party research costs) that would otherwise be payable by Commonfund Asset Management.

Commonfund Asset Management will only accept research services of the type described in this subsection directly from brokers. Commonfund Asset Management will endeavor to insure that any research arrangement with a broker complies not only with the above policies, but with the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Brokerage Practices: Manager-of-Manager Activities

As previously explained (see the Introduction to Item 4, *Commonfund Asset Management's Investment Advisory Business*), Commonfund Asset Management engages principally in "manager-of-manager" advisory activities, as well as certain direct management advisory activities.

With respect to its manager-of-manager activities, Commonfund Asset Management delegates to its sub-advisers the discretion to select brokers on behalf of the portfolios managed by such sub-

advisers. Commonfund Asset Management retains the right to direct sub-advisers not to use particular brokers. Commonfund Asset Management reviews the policies of its sub-advisers with respect to brokerage and best execution prior to engaging them, and periodically during their retention. Commonfund Asset Management also employs analytical tools to review the quality of execution obtained in its Funds and by its Clients.

Trade Allocation

When Commonfund Asset Management engages in direct management trading of instruments, and a trade is entered on behalf of more than one Client, if the transaction, in the aggregate, fails to fill the trading instructions, the trade will, to the maximum extent practicable, be allocated pro-rata based on the respective capital of each Client account participating in the trade.

Should pro-rata allocation not be practicable (because, for example, certain securities may not be purchased or sold in amounts that permit pro-rata division), Commonfund Asset Management will employ rotational allocation or other means that do not result in more favorable treatment of any client than is experienced by any other client.

Please see Item 6, *Allocation of Opportunities* for further discussion of Commonfund Asset Management's policies regarding allocation of trades and investment opportunities.

Trade Aggregation

Where it will permit the execution of transactions in a more timely and efficient manner, or reduce the overall commission charges to clients, it is Commonfund Asset Management's policy to aggregate or block transactions on behalf of Clients, provided that no Client is favored over another. Typically, in these instances, a Client will receive an average share price, and transaction costs will be allocated pro-rata based on the share allotment.

Trade Error Policy

In the event that Commonfund Asset Management experiences an error with respect to trades made on behalf of a Client, Commonfund Asset Management will correct such error in accordance with its policies and procedures. If Commonfund Asset Management, in its sole discretion determines that a Client should be reimbursed as a result of a trade error caused by Commonfund Asset Management, interest will generally not be paid on such losses.

ADV Item 13 — Review of Accounts

Commonfund Asset Management is responsible for the review of each Client's account and overseeing the investment process associated with the strategies employed by such Client account. Responsibility for each Client account's review is assigned to the investment team primarily responsible for the management of such Client account. Each such investment team comprises a senior Commonfund Asset Management investment professional who supervises the team's activities, including the review of Client accounts.

Periodic Review

All accounts are reviewed by the respective investment teams on a regular basis and no less than monthly. The triggering factors that are considered during a review include adherence to Commonfund Asset Management's (as well as the pertinent Managers') investment policies and guidelines; performance relative to comparable funds; absolute performance; adherence to investment goals; diversification and other risk management criteria; risk tolerance; time horizon; and asset class performance.

Investors in Funds and Outsourcing Clients generally receive monthly account statements depicting net assets and performance and quarterly reports, including commentary on investment performance. Fund investors (including Outsourcing Clients invested in Funds) also receive annual reports that generally include audited financial statements.

Client Reports

Commonfund Asset Management provides written reports on a periodic basis in accordance with the applicable offering documents or other written agreements with its Clients. Such reports generally provide, typically on an annual basis, audited information with respect to portfolio holdings, performance and transactions. Additionally, Clients generally receive, typically on a quarterly basis, written unaudited account performance reports.

ADV Item 14 — Client Referrals and Other Compensation

Commonfund Asset Management does not compensate any unaffiliated entity for client referrals. It has arrangements with CSI, its affiliated broker-dealer, to solicit interest in Commonfund Asset Management's advisory services. Commonfund Asset Management compensates CSI for its placement activities by means of a consolidated, firm-wide revenue sharing arrangement. CSI's compensation for its placement activities will not be borne, directly or indirectly, by any Fund or investor therein.

From time to time, Clients invest short term cash in money market mutual funds organized by independent, third-party investment managers and funds. In such circumstances, CSI receives placement fees of five basis points from such funds or managers of amounts so placed.

See also Item 12 - *Brokerage Practices*.

ADV Item 15 — Custody

Commonfund Asset Management is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year (180 days in the event of a Fund that is a fund of funds).

ADV Item 16 — Investment Discretion

Investment Discretion

In the case of certain Outsourcing Clients, Commonfund Asset Management from time to time exercises investment discretion to determine the securities bought or sold, or the Funds to be invested in and the amounts of such investments, as determined by the advisory agreements with each such Outsourcing Client. Commonfund Asset Management will agree in such an advisory contract that it will employ reasonable efforts to comply with investment restrictions or guidelines established by such Client and agreed to by Commonfund Asset Management. Commonfund Asset Management can also manage such accounts on a non-discretionary basis, meaning that although it will make recommendations to Clients with respect to investment transactions, it will not execute them without prior written approval by the Client.

In the case of Funds, Commonfund Asset Management possesses investment discretion, both with respect to investments with Managers and with respect to investments managed directly by Commonfund Asset Management. Particular Funds are subject to investment guidelines, which are described in the offering documents relating to that Fund, and the Endowment Funds offered by Commonfund for its member educational organizations (which are advised by Commonfund Asset Management) are subject to the restrictions and rules described in Commonfund's disclosure pamphlet, *Information For Members*.

Both in the case of Separate Accounts and Funds, Commonfund Asset Management will generally provide investment discretion to Managers hired by it. In the case of a separate account established with a Manager, investment discretion will normally be subject to investment guidelines and restrictions established in the advisory agreement with that Manager. In the case of investments in commingled investment funds offered by Managers, a Manager's investment discretion can be broad, and any guidelines or restrictions that apply to such Manager will be established for the Manager's fund as a whole, and not by Commonfund Asset Management on behalf of its Clients as individual investors in that fund.

Claims on Behalf of Clients

Commonfund Asset Management's discretionary investment authority does not normally give it power of attorney to commence legal proceedings on behalf of Separate Accounts (although it may do so on behalf of the Funds). It is not Commonfund Asset Management's practice to initiate lawsuits on behalf of individual Clients.

Commonfund Asset Management does have the discretion to participate in class action claims, claims for bankruptcy proceeds and similar types of claims relating to investment assets held by Funds or its institutional Clients. Commonfund Asset Management will employ its reasonable best efforts to process these claims, or cause its investment managers to do so, to the extent it has been notified of the relevant proceedings or is otherwise aware of their existence.

If a payment is received by a Fund that is no longer in operation, the proceeds will be allocated on a pro rata basis to affiliated Funds, if applicable, that had an ownership interest ("Crossfund

Investment”) in the closed Fund. If no such Crossfund Investment existed, the proceeds are maintained in an account by Commonfund Asset Management and are used to offset any costs associated with the liquidation of the Fund. If the remaining accumulated amount is deemed to be material, the proceeds will generally be allocated on a pro rata basis to the Fund’s shareholders as of the Fund’s termination date. Depending on the particular circumstances of the payment, including the materiality of the proceeds and availability of information related to the applicable period of a class action, if applicable alternate shareholder allocations may be used. Such allocation determinations are made by the Chief Financial Officer and Chief Risk Officer, in conjunction with senior members of the operations and legal teams.

ADV Item 17 — Voting Client Securities

General Proxy Voting Policy

Where it has the responsibility to vote proxies on securities managed by it (discussed further below), Commonfund Asset Management’s general policy is to vote proxies so as to maximize its Clients’ long-term gains and to take reasonable steps to assure that conflicts of interest, actual or potential, relating to proxy voting are resolved in the best interest of its Clients. Commonfund Asset Management maintains a record of proxy votes cast on behalf of the Funds and will provide a copy of its Proxy Voting Policy to investors upon request. An investor can obtain information on how Commonfund Asset Management voted proxies for the applicable Fund by contacting the investor’s Commonfund Relationship Officer.

When exercising its voting authority over client securities, Commonfund Asset Management considers all relevant information, evaluates other issues that could have an impact on the value of the pertinent security and votes with a view toward maximizing its clients’ overall long-term gains. Commonfund Asset Management votes all proxies in a prudent manner, considering the prevailing circumstances at such time and in a manner consistent with the Proxy Voting Policies and procedures and Commonfund Asset Management’s fiduciary duties to its Clients. In some instances, such as in the event of a conflict of interest, Commonfund Asset Management could determine that it is in the Client’s best interest for Commonfund Asset Management to “abstain” from voting or not to vote at all, and will do so accordingly.

Policies Applicable to Funds

Unless otherwise provided in any Fund’s governing documents, Commonfund Asset Management has the authority and discretion to vote any securities held directly by the Funds on matters relating to the issuers of such securities, whether by proxy or otherwise (such voting being referred to as “proxy voting”). However, a preponderance of the Funds’ assets are invested with Managers. In the case of assets invested through separate accounts with Managers, Commonfund Asset Management has generally delegated its authority and discretion to vote proxies to the Managers of those accounts, consistent with its general policy of seeking to maximize investors’ long-term value. In the case of Fund assets that are invested in underlying funds operated by Managers, Commonfund Asset Management generally does not possess any right to vote securities that are owned within the investment portfolios of such underlying funds (that right generally belonging instead to the Manager). Instead, the Fund owns interests in the Manager funds themselves, and only possesses such voting rights as are provided to shareholders of or investors in those Manager

funds. In the event that an underlying Manager fund asks its investors to vote on a matter relating to the governance of that fund, Commonfund Asset Management would have the discretion and authority to vote that proxy.

Policies Applicable to Outsourcing Clients

As a general matter, Commonfund Asset Management's responsibilities with respect to Outsourcing Clients do not include the selection of individual portfolio securities, except those issued by commingled investment funds. Commonfund Asset Management does not assume responsibility for voting proxies, or for supervising the voting of proxies, associated with securities other than those selected with its advice. Accordingly, the only proxies received by or for Outsourcing Clients for which Commonfund Asset Management may be responsible are those issued by Commonfund Group Funds or investment funds operated by Managers.

Upon receipt of a proxy from a Manager fund, Commonfund Asset Management will cause its investment personnel responsible for the investment in the fund to study the proxy and to confer with counsel, if appropriate, and then to vote the proxy in accordance with the principles described in the foregoing paragraph.

Conflicts of Interest

Prior to exercising its voting authority, Commonfund Asset Management, in consultation with the Proxy Control Officer, reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of Commonfund Asset Management, its owners, its employees or its related persons with persons having an interest in the outcome of the vote. If a material conflict exists, Commonfund Asset Management takes steps to ensure that its voting decision is based on the best interests of the client. Commonfund Asset Management can, in its discretion, (A) disclose the conflict of interest to the Client and defer to the Client's voting recommendation; (B) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (C) take such other action in good faith (in consultation with Commonfund Asset Management's Chief Compliance Officer, General Counsel or advisory committee that has been constituted by Commonfund) which would serve the best interest of the client. Depending on the particular circumstances involved, the appropriate resolution of a conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts are similar (or even identical).

ADV Item 18 — Financial Information

Commonfund Asset Management does not require the advance payment of fees by any Client, and so is not obligated to provide certain financial information discussed in Item 18 of Part 2A of Form ADV.

Audited consolidated financial statements for TCF and its subsidiaries (including Commonfund Asset Management) are made available to all Commonfund investors and clients each year, via a password-protected portion of Commonfund's website (www.commonfund.org). If your institution needs to obtain a password, please contact your Commonfund Relationship Officer.

Commonfund Asset Management is not presently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients.

ADV Item 19 — Requirements for State-Registered Advisers

Item 19 is not applicable to Commonfund Asset Management.