Asset Transition: Working towards the final allocation

NSHE - Endowment Pool

	Target Weight *	Rebalancing Range
Growth	68%	
RIIFL Multi-Asset Core Plus Fund	58%	+/- 2%
Russell Managed Private Capital	10%	TBD
Diversifiers	12%	
Russell Managed Hedge Funds	12%	+/- 2%
Real Assets	5%	
RIIFL Private Real Estate Fund	5%	+/- 2%
Fixed Income & Cash	15%	
RIIFL Core Bond Fund	10%	+/- 2%
RIIFL Absolute Return Fixed Income	5%	+/- 2%

Asset Transition: Working towards a target
NSHE - Endowment Pool

Cash flows to Russell Investments

1/5/2017 → 1/6/2017 → 1/11/2017 → 2/8/2017 → April/May → 2018 Onward

	1/5/2017	1/6/2017	1/11/2017	2/8/2017	April/May	2018 Onward
Cash flow	•$48.37M	•$15.45M	•$3.36M	•$7.18M	•$24.0M	
Total MV:	$48.37M	$62.35M	$68.03M	$75.57M		
	Purchased MAC+ Core Bond Money Market	Purchased MAC+ Core Bond Money Market Sold Money Market	Purchased Absolute Return Sold Money Market	Purchased MAC+ Core Bond Sold Money Market	Will purchase REEF and rebalance among other strategies	Will purchase REEF and rebalance among other strategies

Implementation Timeline	1/5/2017	1/6/2017	1/11/2017	1/31/2017	2/8/2017	3/31/2017 Targets	Final Targets
Growth							
RIIFL Multi-Asset Core Plus Fund	53.2%	73.0%	73.0%	73.3%	74.5%	68.0%	58.0%
Russell Managed Private Capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%
Diversifiers							
Russell Managed Hedge Funds	0.0%	0.0%	0.0%	11.8%	10.6%	12.0%	12.0%
Real Assets							
RIIFL Private Real Estate Fund (REEF)	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%
Fixed Income & Cash							
RIIFL Core Bond Fund	7.3%	10.0%	10.0%	9.9%	10.4%	10.0%	10.0%
RIIFL Absolute Return Fixed Income	0.0%	0.0%	5.0%	4.9%	4.4%	5.0%	5.0%
Money Market	39.5%	17.0%	12.0%	0.1%	0.1%	0.0%	0.0%

Russell Investments

NSHE – Endowment Pool

Portfolio Simulations: 10-Year Capital Markets as of December 2016

	2/1/2017 Targets	3/31/2017 Targets	Final Targets
RIIFL Multi-Asset Core Plus Fund	73%	68%	58%
Russell Investments Managed Private Capital	--	--	10%
Russell Investments Managed Hedge Funds	12%	12%	12%
RIIFL Private Real Estate Fund	--	5%	5%
RIIFL Core Bond Fund	10%	10%	10%
RIIFL Absolute Return Fixed Income	5%	5%	5%
Total Annualized Return Assumption - Gross	8.0%	7.9%	8.2%
Total Annualized Return Assumption - Net	7.3%	7.2%	7.5%
Real Annualized Return Assumption - Net	5.2%	5.1%	5.4%
Total Standard Deviation Assumption	12.3%	11.9%	11.9%

Fund alpha targets are excess return and risk goals developed by Russell Investments Strategy and Research management to help measure our skill in managing managers and the general success of your funds against their stated objectives. Targets for multi-manager funds are based on targets received from underlying managers, historical data and Russell's qualitative assessment of the prospects for managers in a multi-manager portfolio and various other factors. We believe our methodology is reasonable for its purpose, but targets are not intended to predict the performance of Russell funds and we expect that actual performance will vary considerably. Fund targets may be changed by Russell Investments at any time and without notice. Additional information regarding Russell Investments' basis for fund targets is available on request.
Please note all information shown is based on Russell Investments' U.S. 10-year asset allocation input assumptions noted above and in the Russell Investments' Capital Market Assumptions (December 2016)
Expected returns employ proprietary projections of the returns of each asset class. We estimate the performance of an asset class or strategy by analyzing current economic and market conditions and historical market trends. It is likely that actual returns will vary considerably from these assumptions, even for a number of years. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve.
Net of fees returns assume $100-$150M invested in actively-managed Russell Investment funds,

NSHE – Endowment Pool

Portfolio Simulations: 20-Year Capital Markets as of December 2016

	2/1/2017 Targets	3/31/2017 Targets	Final Targets
RIIFL Multi-Asset Core Plus Fund	73%	68%	58%
Russell Investments Managed Private Capital	--	--	10%
Russell Investments Managed Hedge Funds	12%	12%	12%
RIIFL Private Real Estate Fund	--	5%	5%
RIIFL Core Bond Fund	10%	10%	10%
RIIFL Absolute Return Fixed Income	5%	5%	5%
Total Annualized Return Assumption - Gross	8.5%	8.3%	8.6%
Total Annualized Return Assumption - Net	7.8%	7.6%	7.9%
Real Annualized Return Assumption - Net	5.5%	5.3%	5.6%
Total Standard Deviation Assumption	12.6%	12.3%	12.6%

Fund alpha targets are excess return and risk goals developed by Russell Investments Strategy and Research management to help measure our skill in managing managers and the general success of your funds against their stated objectives. Targets for multi-manager funds are based on targets received from underlying managers, historical data and Russell's qualitative assessment of the prospects for managers in a multi-manager portfolio and various other factors. We believe our methodology is reasonable for its purpose, but targets are not intended to predict the performance of Russell funds and we expect that actual performance will vary considerably. Fund targets may be changed by Russell Investments at any time and without notice. Additional information regarding Russell Investments' basis for fund targets is available on request.

Please note all information shown is based on Russell Investments' U.S. 20-year asset allocation input assumptions noted above and in the Russell Investments' Capital Market Assumptions (December 2016)

Expected returns employ proprietary projections of the returns of each asset class. We estimate the performance of an asset class or strategy by analyzing current economic and market conditions and historical market trends. It is likely that actual returns will vary considerably from these assumptions, even for a number of years. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve.

Net of fees returns assume $100-$150M invested in actively-managed Russell Investment funds,

Nevada System of Higher Education

March 2, 2017

OCIO Update

CAMBRIDGE C|A ASSOCIATES

Nevada System of Higher Education
March 2, 2017
OCIO Update

Wendy Walker, CFA
Lindsay Van Voorhis, CFA
David Breiner
Maddie Ripley
Alagan Mohan

CAMBRIDGE C|A ASSOCIATES

CAMBRIDGE C | A ASSOCIATES

Contents

1. OCIO Guideline Compliance & Implementation Update

Blended Total Endowment Policy Adopted in December 2016

		Proposals by each Fund Manager		*Blended Total Assets Policy*	
		CA Capital	**Russell**	**Blended Total Assets**	
	Former Policy Targets (%)	**Proposed Long-Term Targets (%)**	**Proposed Portfolio (%)**	**Proposed Policy Targets (%)**	**Proposed Policy Ranges (%)**
Growth	**58.0%**	**62.0%**	**61.0%**	**61.5%**	50% - 70%
Public Growth	48.0%	45.0%	51.0%	48.0%	
Private Growth*	10.0%	17.0%	10.0%	13.5%	
Less: Legacy Private Growth		*-8.8%*	*-15.3%*		
Total Managed Growth		**53.2%**	**45.7%**		
Diversifiers	**14.0%**	**18.0%**	**12.0%**	**15.0%**	5% - 25%
Diversifiers with liquidity within 3 years	14.0%	13.0%	12.0%	12.5%	
Private Diversifiers*	0.0%	5.0%	0.0%	2.5%	
Less: Legacy Liquidating Sidepockets		*-1.2%*	*-2.1%*		
Total Managed Diversifiers		**16.8%**	**9.9%**		
Real Assets	**8.0%**	**10.0%**	**12.0%**	**11.0%**	5% - 20%
Public Real Assets	6.0%	2.0%	7.0%	4.5%	
Private Real Assets*	2.0%	8.0%	5.0%	6.5%	
Less: Legacy Private Real Assets		*-2.2%*	*-4.5%*		
Total Managed Real Assets		**7.8%**	**7.5%**		
Fixed Income & Cash	**20.0%**	**10.0%**	**15.0%**	**12.5%**	5% - 25%
Less: Cash reserved for Legacy Assets		*-0.5%*	*-1.1%*		
Total Managed Fixed Income		**9.5%**	**13.9%**		
TOTAL ENDOWMENT	**100.0%**	**100.0%**	**100.0%**	**100.0%**	

Note: For the purposes of gauging compliance with asset allocation policy ranges and liquidity guidelines, 50% of Legacy Assets shall be attributed to each Fund Manager's portfolio.

*Liquidity Guidelines: No new Private Investment (PI) commitments while:
(1) Total PI NAV >1.3x respective Fund Manager's PI target
(2) Total PI NAV + unfunded commitments >1.8x respective Fund Manager's PI target

C|A

Endowment Asset Allocation Is Well Within Policy Ranges

Portfolio Role	1/31/2017 Asset Allocation	Total Assets Long-Term Policy Targets	Total Assets Allowable Range
Growth	**58.3%**	**61.5%**	**50% - 70%**
Public Growth	49.3%	48.0%	
Private Growth	9.0%	13.5%	
Diversifiers	**11.5%**	**15.0%**	**5% - 25%**
Liquid Diversifiers (liquidity w/in 3 years)	11.5%	12.5%	
Private Diversifiers	0.0%	2.5%	
Real Assets	**11.0%**	**11.0%**	**5% - 20%**
Public Real Assets	6.2%	4.5%	
Private Real Assets	4.8%	6.5%	
Fixed Income & Cash	**19.2%**	**12.5%**	**5% - 25%**
Fixed Income	8.6%	12.5%	
Cash	10.6%	0.0%	

Notes: Russell Multi-Asset Core Plus Fund (MAC+) exposures estimated using 1/31/17 asset allocation provided by Russell Investments.
Totals may not sum due to rounding.

C|A

Portfolio Liquidity Is Well Within Guidelines

Endowment Portfolio Liquidity Summary – Market Values as of 1/31/2017

Managers	Pro Forma ($ mm)	Exit Terms	Dollar Liquidity: Daily	1 - 4 Weeks	Quarterly	6-15 months	Illiquid
U.S. Equity	***37.2***		***3.4***		***33.8***		
C|A U.S. Equity	37.2	Daily; quarterly	3.4		33.8		
Global Equity	***49.5***		***36.3***	***13.2***			
C|A Global Equity	13.2	Weekly; monthly		13.2			
*RIFL Multi-Asset Core+ Fund - Growth **	*36.3*	*Daily*	*36.3*				
International Developed Equity	***19.9***		***15.9***	***4.0***			
C|A International Developed Equity	19.9	Daily; monthly	15.9	4.0			
Emerging Markets Equity	***7.2***		***1.6***	***5.7***			
C|A Emerging Markets Equity	7.2	Daily; monthly	1.6	5.7			
Diversifiers	***26.6***			***2.0***	***17.1***	***6.2***	***1.3***
C|A Diversifiers	15.7	4/1/17 full redemption (Maverick); 10% audit holdback received 2Q 2018			14.1	1.6	
*Russell Hedge Funds**	*8.0*	*37.5% quarterly, with 90 days' notice (hard lock expires early 2018); 37.5% quarterly, with 60 days' notice; 25% monthly, with 30 days'*		*2.0*	*3.0*	*3.0*	
Farallon Capital Illiquid Sidepocket**	1.1	Illiquid					1.1
Forester Audit Holdback	1.6	Audit Holdback				1.6	
Och-Ziff Overseas Illiquid Sidepocket**	0.2	Illiquid					0.2
Private Growth	***20.7***	***Illiquid***					***20.7***
C|A Private Growth	0.0	Illiquid					0.0
*Russell Private Growth**	*0.0*	*Illiquid*					*0.0*
Legacy Private Growth**	20.7						20.7
Real Assets	***25.4***		***14.1***	***4.5***	***6.8***		
C|A Real Assets	10.8	Daily; monthly	6.4	4.5			
Legacy Private Real Assets**	4.3	Daily	4.3				
*RIFL Multi-Asset Core+ Fund - Real Assets**	*3.4*	*Daily*	*3.4*				
*Russell Private Real Assets Allocation**	*6.8*	*Quarterly, with 110 days' notice*			*6.8*		
Fixed Income and Credit	***19.9***		***17.8***	***2.0***			
C|A Fixed Income and Credit	9.7	Daily; monthly	7.7	2.0			
*RIFL Core Bond Fund**	*6.8*	*Daily*	*6.8*				
*RIFL Absolute Return Fixed Income Fund**	*3.4*	*Daily, with 3 days' notice*	*3.4*				
Cash and Cash Equivalents	***24.4***	***Daily***	***24.4***				
TOTAL ASSETS	**230.8**		**113.5**	**31.3**	**57.8**	**6.2**	**22.0**
PERCENT OF TOTAL ASSETS	**100%**		**49%**	**14%**	**25%**	**3%**	**10%**
Unfunded PI Commitments as % of Total Assets							***11%***
Total Illiquids + Unfunded PI Commitments							***20%***

Liquidity Guidelines: *No new commitments while:*	**Guideline Compliance?**
(1) Private Investment NAV > 1.3x respective Fund Manager's PI target	**Yes**
(2)Private Investment NAV + Unfunded Commitments > 1.8x respective Fund Manager's PI target	**Yes**

** Italicized assets are excluded from C|A mandate.*

**** Legacy assets are excluded from OCIO performance but are attributed 50/50 to each OCIO for purposes of asset allocation & guideline compliance.**

Portfolio Transition Is Proceeding According to Plan

Policy Setting and Investment Agreement (C|A & NSHE)

- Investment team drafts new Investment Policy Statement in collaboration with NSHE staff *(approved by IC on December 1)*
- Investment Management Agreement negotiated *(executed effective December*

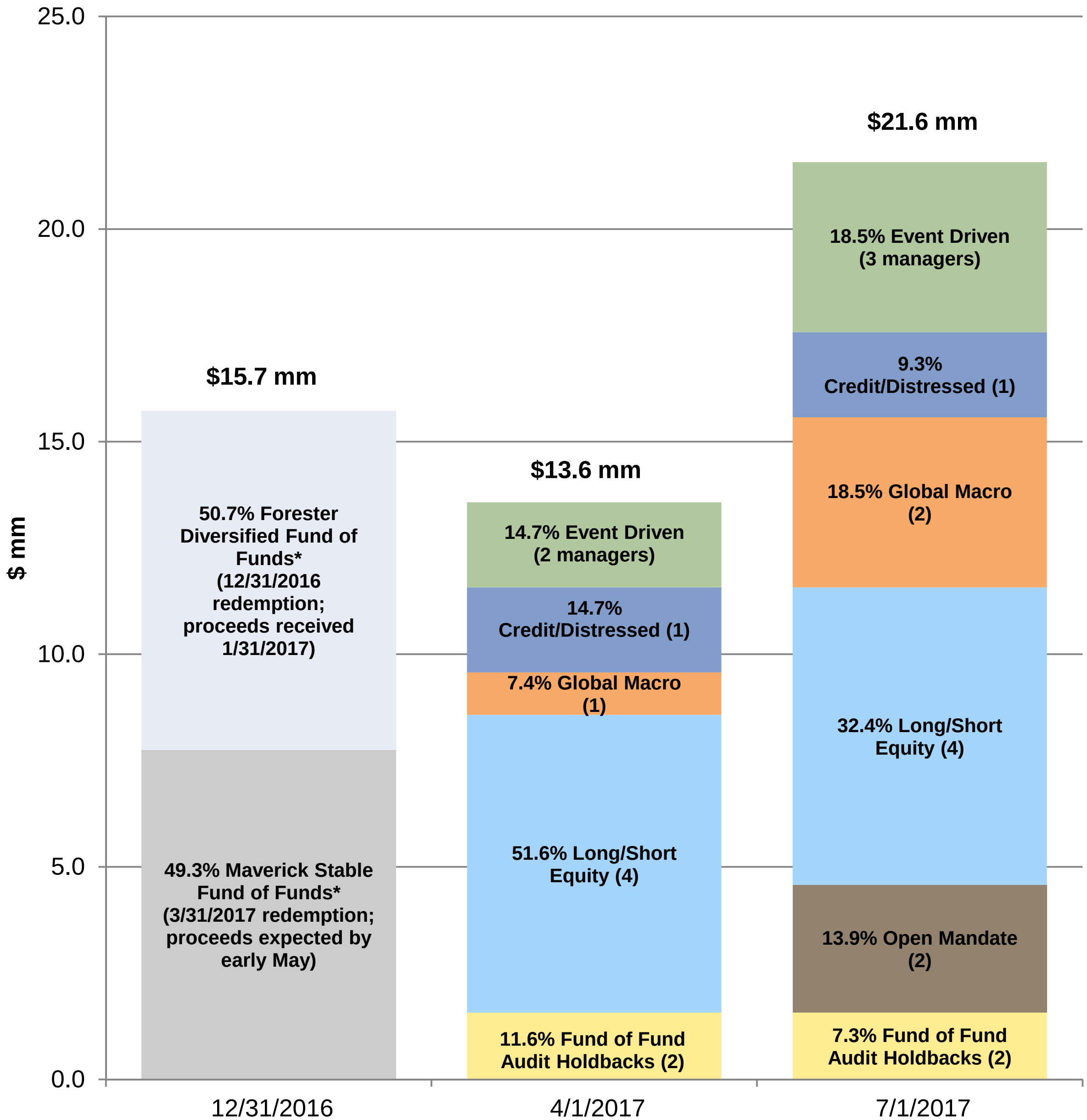
Operational Onboarding (C|A & NSHE Staff)

- C|A Operations contacts all managers to compile requirements for discretionary mandate
- *Dec. 22:* US Bank agreement completed and custody account opened
- *Late Dec./early Jan:* C|A submits redemption notices to Adage & Maverick effective March 31
- *Dec. 30: C|A executes* 50% trims from liquid managers to fund Russell mandate
- *Jan. 5:* $67.18mm cash sent to Russell Investments
- *Feb. 1:* C|A assumes Legacy Assets capital call and distribution responsibilities
- *Feb. 8:* $0.96mm cash sent to Russell Investments
- *Throughout February:* C|A transfers all mutual fund holdings to custody account at US Bank

Portfolio Management (C|A)

- *December 1:* C|A assumes OCIO responsibilities for C|A sleeve of NSHE Endowment
- C|A begins transitioning C|A sleeve toward new policy targets; new liquid managers implemented between Jan. 1 & Feb. 1
- *Feb. 3:* Forester proceeds received; redeployed between Mar. 1 & Apr. 1
- Adage/Maverick proceeds are received for redeployment by OCIOs
- *April 1:* OCIO track records formally begin
- *Ongoing:* C|A manages C|A sleeve of Endowment according to approved guidelines and provides updates to NSHE as desired
- *Ongoing:* C|A investment team monitors Legacy Assets and provides updates to NSHE as desired
- *Ongoing:* C|A reports to NSHE on guideline compliance of consolidated Endowment (C|A, Russell & Legacy Assets)
- *Ongoing:* NSHE Staff & IC communicate any changes that may impact investment policy
- *Ongoing:* IC oversees OCIO & evaluates OCIO performance

C|A Diversifiers Implementation Is On Track



Event-Driven

- Goal is to identify companies that are likely to experience a select event
  - Buying stock in acquisition targets, shorting acquirers
  - Other events: spin-offs, divestitures, reorganization, and restructuring

Credit / Distressed

- Goal is to identify credit opportunities
  - Invest long and short in bonds and structured credit products
  - Distressed debt, convertible bond arbitrage, capital structure arbitrage

Global Macro – Systematic

- Goal is to be a pure-play trend follower.
  - Invests in a portfolio of futures contracts, futures-related instruments, and equity swaps

Long/Short Equity

- Goal is to limit exposure to “beta” and add meaningful “alpha”
  - Short positions to generate returns (alpha) and reduce market risk (beta)
  - Fundamental analysis identifies attractive companies (alpha)

Open Mandate

- Flexible mandate that targets the most attractive return opportunities across capital markets and geographies.

*Represents 50% of total exposure to be redeployed in C|A OCIO Mandate.

C|A Private Investments Implementation Is on Track

As of January 31, 2017

	Current Allocation ($mm) as of January 31, 2017 [1]						Target Commitment by Strategy ($mm)			
	NAV		Unfunded		Total		Annual Targets	Annual Range	2017 Actual Commitments	Long-Term Targets
	($)	(%)	($)	(%)	($)	(%)	($)	($)	($)	(%)
Venture / Growth Capital	3.6	3.1%	2.7	2.3%	6.3	5.4%	2.0	$0 - $4	---	7.0%
Private Equity / Distressed	6.7	5.7%	5.0	4.3%	11.7	10.0%	2.5	$0 - $5	---	10.0%
Total VC & PE	**$10.4**	**8.9%**	**$7.7**	**6.6%**	**$18.0**	**15.4%**	**$4.5**	**$0 - $9**	**---**	**17.0%**
Total Private Diversifiers	**$0.0**	**0.0%**	**$0.0**	**0.0%**	**$0.0**	**0.0%**	**$1.5**	**$0 - $3**	**$2.0**	**5.0%**
Private Real Estate	0.0	0.0%	0.0	0.0%	0.0	0.0%	1.0	$0 - $3	1.0	4.0%
Private Natural Resources	2.2	1.9%	3.4	2.9%	5.6	4.8%	1.0	$0 - $3	2.0	4.0%
Total Private RE & NR	**$2.2**	**1.9%**	**$3.4**	**2.9%**	**$5.6**	**4.8%**	**$2.0**	**$0 - $6**	**$3.0**	**8.0%**
Total	**$12.5**	**10.7%**	**$11.1**	**9.5%**	**$23.6**	**20.2%**	**$8.0**	**$0 - $18**	**$5.0**	**30.0%**

[1] Current allocation based on net asset values (NAV) as of 9/30/16 and adjusted for capital calls and distributions through 1/31/17.
Asset allocation percentages incorporate C|A Managed Assets ($104.2mm), plus 50% of Legacy Private Investments ($12.5mm) as of 1/31/17, pro forma for pending Legacy Assets distributions through May 2017.

Asset Class	1999-2006 (Legacy)		2010-2014 (Legacy)		2015 (Legacy)		2017 (C|A Capital)	
	Fund	Commit Amt. ($mm)	Fund	Commit Amt. ($mm)	Fund	Commit Amt. ($mm)	Fund	Commit Amt. ($mm)
Venture / Growth Capital	Endowment Venture IV	$5.0	Commonfund VC X	$5.0				
	Endowment Venture V	$2.6	Commonfund VC XI	$5.0				
Sub-Total		**$7.6**		**$10.0**				
Private Equity / Distressed	Dover Street IV	$8.0	Dover Street VIII	$5.0	Dover Street IX	$5.0		
	Endowment Private Equity IV	$5.0	Blackstone Strategic VI	$5.0				
	Commonfund Int'l IV	$4.0						
	Commonfund PE V	$4.0						
	Drum Capital SS II	$10.0						
Sub-Total		**$31.0**		**$10.0**		**$5.0**		
Total VC & PE		**$38.6**		**$20.0**		**$5.0**		
Private Diversifiers							NEC Infrast. Credit	$2.0
Total Private Diversifiers								**$2.0**
Private Real Estate							HIG Realty III	$1.0
Sub-Total								**$1.0**
Private Natural Resources	Endowment Energy IV	$4.0	Commonfund NR IX	$5.0	Commonfund NR X	$5.0	EnCap XI	$2.0
Sub-Total		**$4.0**		**$5.0**		**$5.0**		**$2.0**
Total Private RE & NR		**$4.0**		**$5.0**		**$5.0**		**$3.0**
Total Privates		**$42.6**		**$25.0**		**$10.0**		**$5.0**

2. Appendix: Materials from December 2016 Policy Setting Meeting

C|A

Investment Philosophy

Our philosophy is based on NSHE's dual financial objectives to 1) provide a relatively stable stream of distributions to campuses and 2) preserve the real purchasing power of the corpus and distributions

- **Maximize allocation to growth assets** (typically equity-oriented)
  - Equity-oriented assets (public and private) have historically outperformed other asset classes, providing the overall portfolio a "growth engine" to meet long-term return objectives
- **Insure against the risk of ruin (hedge against deflation and inflation)** to avoid selling growth engine assets at depressed prices
  - Prolonged economic contractions (or investors' collective fear of such events) can be mitigated with an allocation to high-quality, non-callable sovereign bonds
  - An unexpected spike in inflation may be mitigated by investing in a basket of "real assets" which should appreciate in line with rising inflation
- **Mitigate volatility through diversifying investments** in strategies with lower correlations
- **Focus on the long-term**, and avoid trying to time the market
  - Consider valuation-based tactical moves in the event of dislocations
- **Rebalance to control risk** in a diversified portfolio
  - Maintain a disciplined and long-term view when hiring and firing managers

Asset Allocation: We Focus on the Role of Each Investment in Portfolio

Goal

Maximize Returns at an Appropriate Level of Risk

Role

Growth

- Equity-oriented assets are driver of portfolio growth
- PE/VC enhances returns over the long run
- Long-biased equity hedge funds mitigate volatility, and can provide attractive risk-adjusted returns

Hedge Against Catastrophic Macroeconomic Risks

Deflation

Inflation

Diversification

- Use uncorrelated strategies to enhance diversification and reduce overall portfolio volatility

Example of Asset Classes

Public Equities

Private Equity & Venture Capital

Long-Biased Equity Hedge funds

Fixed Income

(High Quality, Intermediate to Long-Term, Non Callable Bonds)

Real Assets

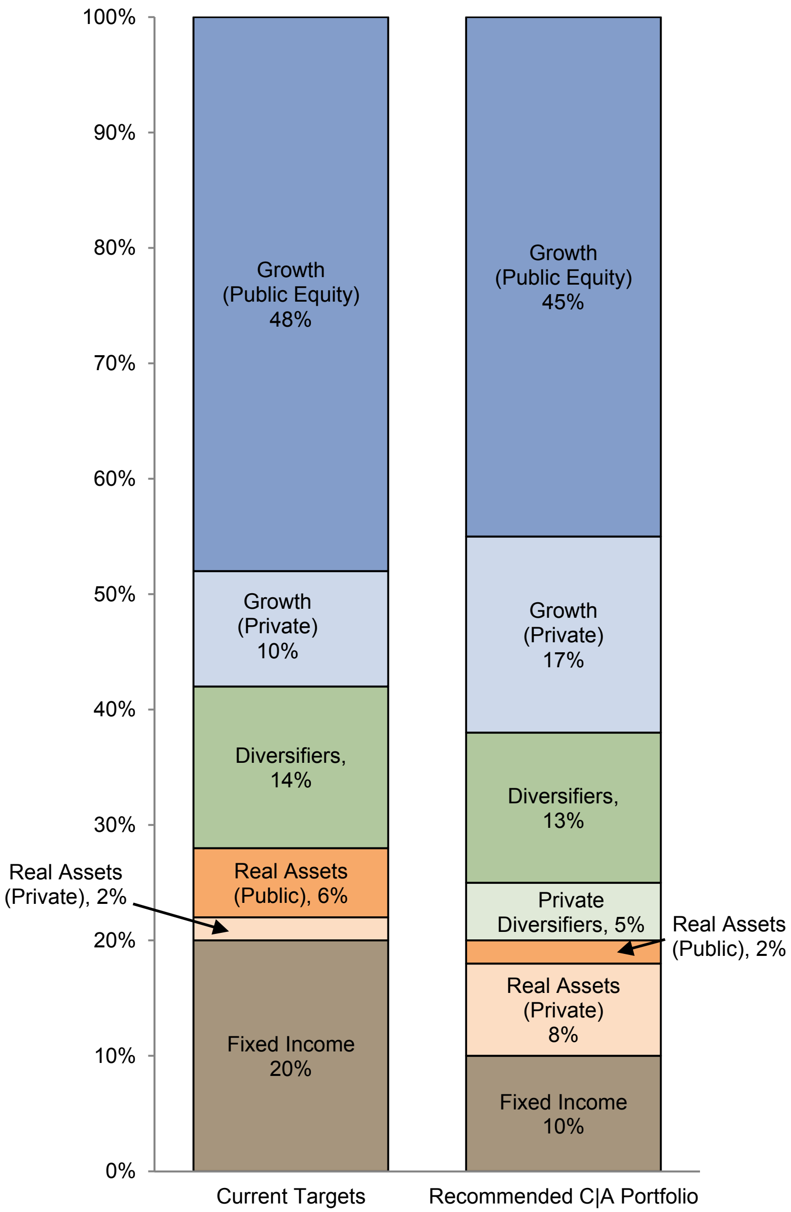
(Commodities, Real Estate, Inflation-Linked Bonds, Gold, etc.)

Diversifying Investments

(Absolute Return hedge funds, credit, liquid alternatives, global tactical allocation strategies, and other opportunistic investments)

Note: The delineation of asset classes and their roles can be blurred, with some investments serving multiple roles in the portfolio.

Proposed Long-Term Asset Allocation Policy– C|A Portfolio



Target + Role in Portfolio*

62% Growth
Drives capital appreciation that supports 4.875% effective distributions and more than offsets inflation

18% Diversification
Provides equity-like returns over a full market cycle with lower levels of volatility and lower equity correlation

10% Inflation Sensitive
Protects against risk of high unanticipated inflation. C|A emphasizes strategies with equity-like returns.

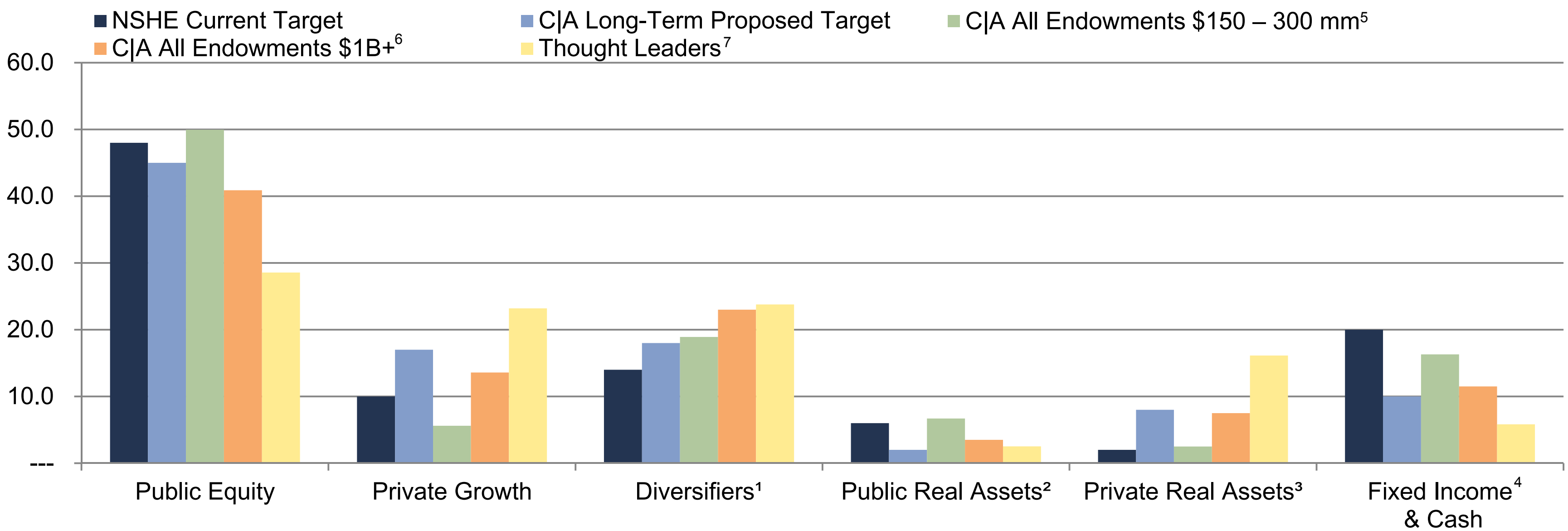
10% Deflation Sensitive
High-quality bonds protect against prolonged contraction or flight to safety and provide liquidly (Credits offer diversification)

- Long-term targets oriented around strategic roles in portfolio
- Majority of portfolio in equity-oriented Growth strategies to drive capital appreciation
- Meaningful exposure to diversifiers (e.g., marketable alternatives) and private investments
- Opportunistic approach to private investments based on compelling valuations and managers – not an exercise in 'filling buckets'
  - Target exposures to Private Growth, Private Diversifiers and Private Real Assets will be built gradually over multiple years
  - Illiquidity constraint would drive potential / maximum allocation to private investments
- Allowable ranges provide discipline around rebalancing and tactical positioning

* The delineation of asset classes and their roles can be blurred, with some investments serving multiple roles in the portfolio.

C|A

Comparative Asset Allocation – Peer Endowments



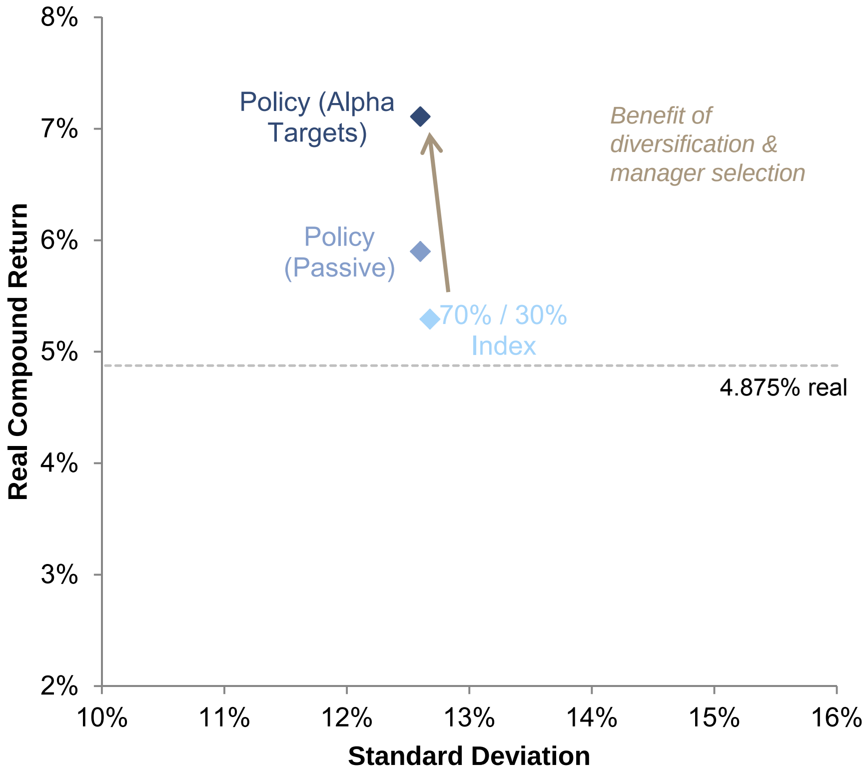
	Public Growth	Private Growth	Diversifiers[1]	Public Real Assets[2]	Private Real Assets[3]	Fixed Income & Cash[4]
NSHE Current Target	**48.0**	**10.0**	**14.0**	**6.0**	**2.0**	**20.0**
C|A Long-Term Proposed Target	**45.0**	**17.0**	**18.0**	**2.0**	**8.0**	**10.0**
C|A All Endowments $150 – 300 mm[5]	49.9	5.6	18.9	6.7	2.5	16.3
C|A All Endowments $1B+[6]	40.9	13.6	23.0	3.5	7.5	11.5
Thought Leaders[7]	28.6	23.2	23.8	2.5	16.1	5.8

[1] Diversifiers include equity hedge funds, distressed securities, arbitrage, liquidating managers, other marketable alternatives and others.
[2] Public Real Assets includes public real estate, inflation-linked bonds, commodities.
[3] Private Real Assets includes private real estate, oil & gas partnerships, timber.
[4] Fixed Income include U.S. bonds, global ex U.S. bonds, emerging markets bonds, and high-yield bonds.
[5] C|A All Endowments $150 – 300 mm universe includes 68 institutions with assets ranging between $153.5 mm and $297.1 mm. Results are preliminary as of 9/30/2016.
[6] C|A All Endowments $1B+ universe includes 30 institutions with assets ranging between $1.0B and $18.5B. Results are preliminary as of 9/30/2016.
[7] Thought Leaders reflects the mean allocation of 9 institutions: Columbia University, Darthmouth University, MIT Investment Management Company, Duke University, Yale University, University of Pennsylvania, Princeton University, Harvard Management University, and Stanford University. Data for Stanford is as of 6/30/2015. Data for all other institutions is as of 6/30/2016.

Proposed C|A Portfolio – Risk/Return Characteristics

Proposed policy offers superior returns to a simple 70/30 stock/bond portfolio with lower volatility

Long-Term **Real** Risk/Return Projections



Summary Statistics – **Real** Returns

	Proposed C|A Portfolio - Alpha Targets	Proposed C|A Portfolio	70% / 30% Index
Estimated Long-Term Real Compound Return	7.1%	5.9%	5.3%
Estimated Range of Returns (25th-75th %ile)	4.7 - 8.0%	3.7 - 7.1%	3.6 - 7.0%
Estimated Volatility (Standard Deviation)	12.6%	12.6%	12.7%
Estimated Beta to Global Equity	0.68	0.68	0.70
Long-Term Risk: Estimated Probability of Not Achieving 4.875% Real Compound Return Over 25 Years	28%	37%	43%
Short-Term Risk: Estimated Cumulative Decline, 2008 Financial Crisis	-34%* -$34mm*	-34% -$34mm	-37% -$37mm

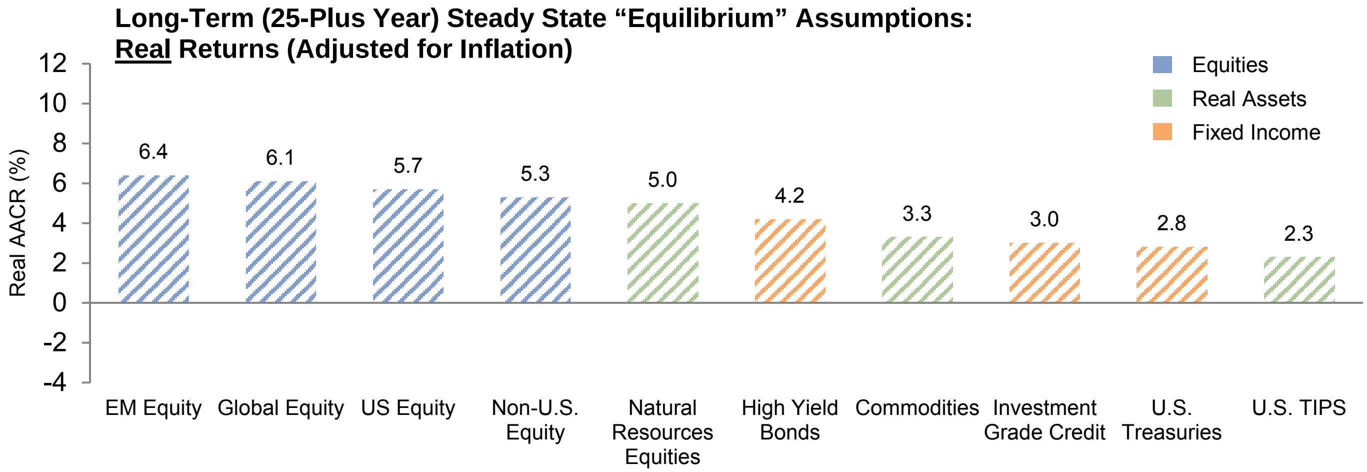
* Assumes no positive or negative alpha from active management.

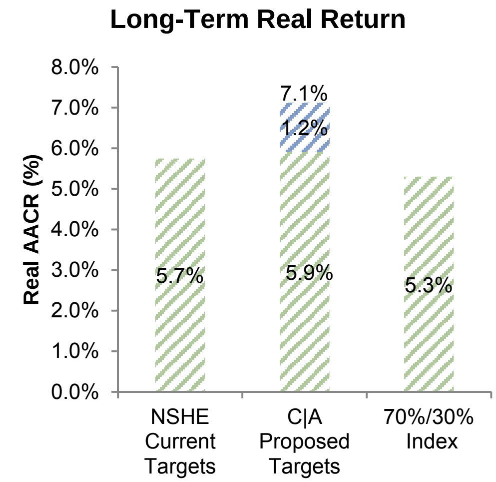
Notes: "Proposed C|A Portfolio– Alpha Targets" portfolio assumes alpha for each portfolio role over its given benchmark of: 50-150 bps from public equity, 300-500 bps from private investments, and 250-350 bps from hedge funds. Alpha is net of C|A fees. Decline statistics assume beginning market value of $100mm (C|A mandated portfolio) and use real cumulative asset class returns from November 1, 2007 to February 28, 2009.

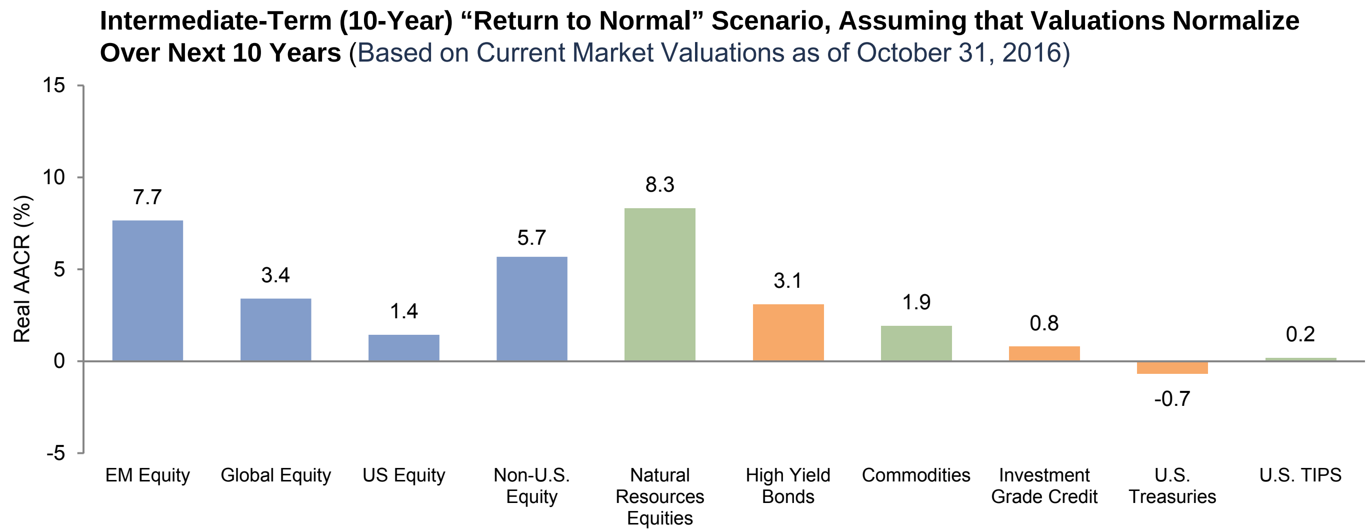
C|A

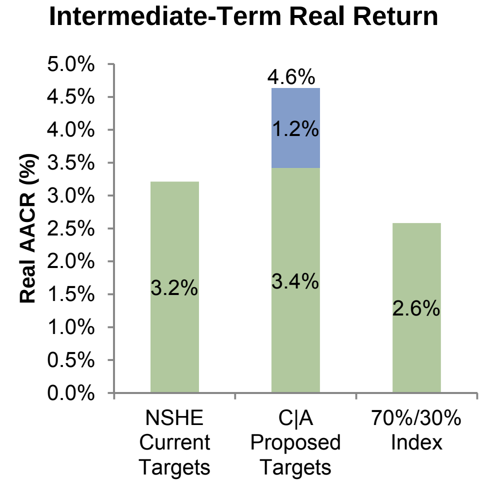
Valuations Will Challenge Intermediate-Term Market Returns: Alpha is not Optional

As Private Investment allocations are ramping up toward long-term targets, results may fall short of long-term expectations









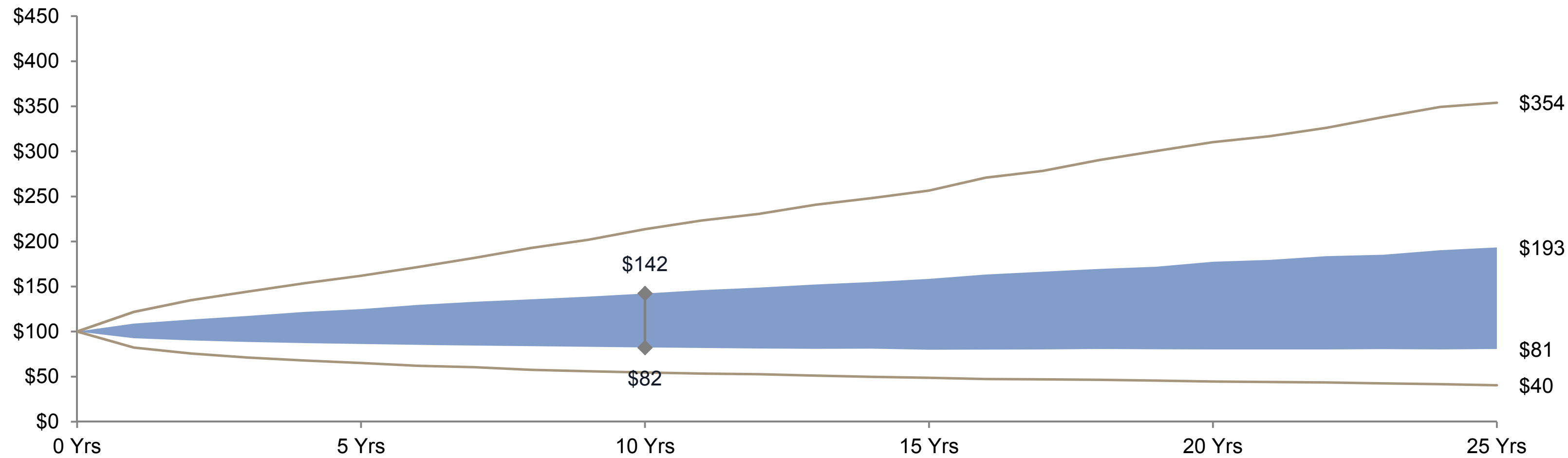
Blue bars denote targeted value added from manager selection

Key Assumptions: Inflation: 3%; Real EPS Growth: 2% for US and Dev ex US, 3% for EMs; Ending 10-Yr US Treasury Yield: 5.0%, Ending 10-Yr US TIPS yield: 2.0%

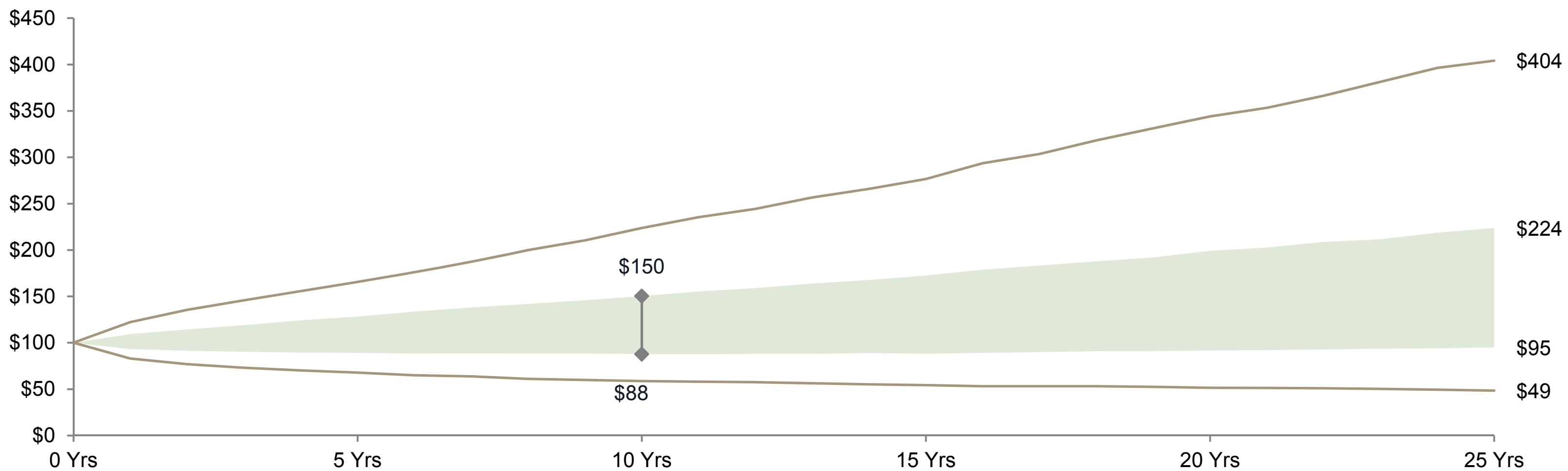
Sources: Barclays, Cambridge Associates LLC, Global Financial Data, Inc., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: Policy allocations assume alpha for each portfolio role over its given benchmark of: 100 bps from public equity, 400 bps from private investments, and 300 bps from hedge funds. Alpha is net of C|A fees.

Proposed Targets Increase the Range of Potential Upside over the Long Term

Current NSHE Targets – Real Endowment Value after Distributions



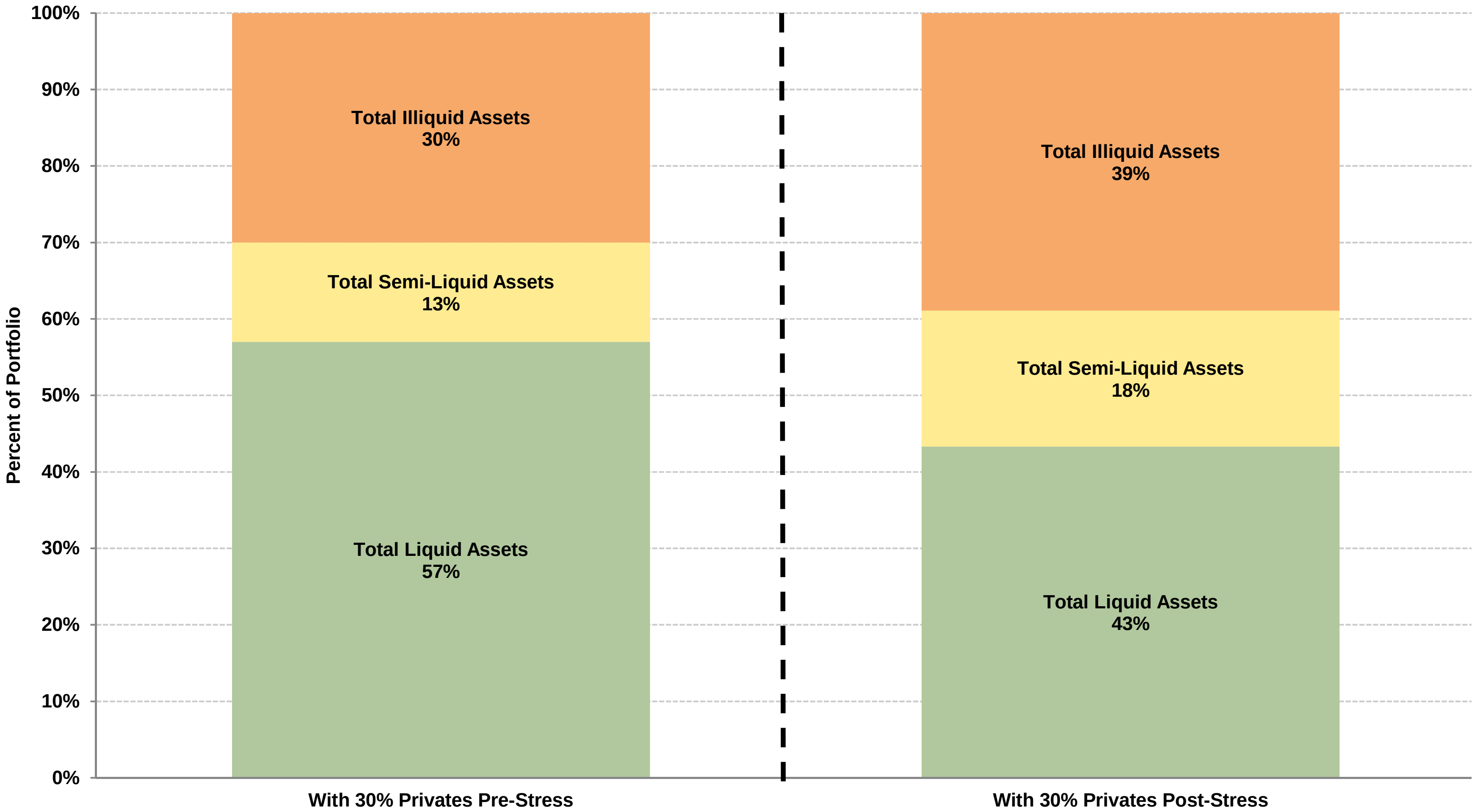
Proposed C|A Portfolio incl. Alpha Targets– Real Endowment Value after Distributions



Note: Based on Long-Term Equilibrium Assumptions. Range includes 50 percent of the distribution (25th to 75th percentile). Model employs 4.875% of the average ending portfolio market value over the trailing twenty quarters as the spending assumption.

C|A Portfolio Can Support 4.875% Payout and Maintain Liquidity Even in Market Stress

We use the Global Financial Crisis as an illustrative example of market stress, when equities fell >50%



Assumptions:

1. The stress scenario uses real cumulative asset class returns from November 1, 2007 to February 28, 2009 global financial crisis, e.g. -51.9% MSCI U.S. Index, -57.3% MSCI World ex U.S. Index, etc.
2. C|A Long-Term Policy includes "Liquid Assets": global equities (45%), public inflation sensitive strategies (2%) and deflation sensitive strategies (10%); "Semi-Liquid Assets": diversifying (13%); and "Illiquid Assets": private growth (17%). private diversifiers (5%), private real assets (8%). 4.875% annual spending is removed from liquid assets.

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Measuring Results: Proposed C|A Portfolio Benchmarks

Several benchmarks assess different measures of performance and risk

	Benchmark	Description	Question Answered	Expectation	Evaluation Period
1	**Policy Benchmark** *See next page*	Weighted blend of benchmarks for each role in portfolio category	Have manager selection and tactical asset allocation been additive relative to the strategic target policy?	Outperform with comparable volatility	Rolling 3-year periods
2	**Simple Risk-Equivalent Benchmark** 70% MSCI ACWI Index (net) / 30% Bloomberg Barclays Aggregate	Weighted blend of global equities (MSCI All Country World Index) and U.S. fixed income (Bloomberg Barclays Aggregate Bond Index)	Have asset allocation and implementation been additive relative to simple, passive alternatives; has risk profile been consistent with expectations?	Outperform with equal or less volatility	Rolling 5- to 10-year periods *(full equity market cycle)*
3	**Long-Term Objective** All-in Distribution Policy (4.875%) + Inflation (CPI-U)	Static benchmark not directly related to market performance	Is the portfolio meeting NSHE's financial objectives to support a 4.875% payout and maintain purchasing power?	Outperform	Rolling 10-year periods

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Proposed C|A Policy Benchmark & Liquidity Guidelines

Portfolio Role	C|A Portfolio Policy Target	Portfolio Role Benchmarks
Growth	62%	MSCI All Country World Index (net), adjusted for Private Investments*
Diversifiers	18%	0.3 beta-adjusted MSCI ACWI (net), adjusted for Private Investments*
Real Assets	10%	25% S&P NA Natural Resources Index/25% S&P GSCI/ 25% Alerian MLP Index/25% FTSE EPRA-NAREIT Global RE Index, adjusted for Private Investments*
Fixed Income	10%	Bloomberg Barclays Aggregate Index
CA Portfolio Benchmark	**100%**	**Weighted Average of Portfolio Role Benchmarks**

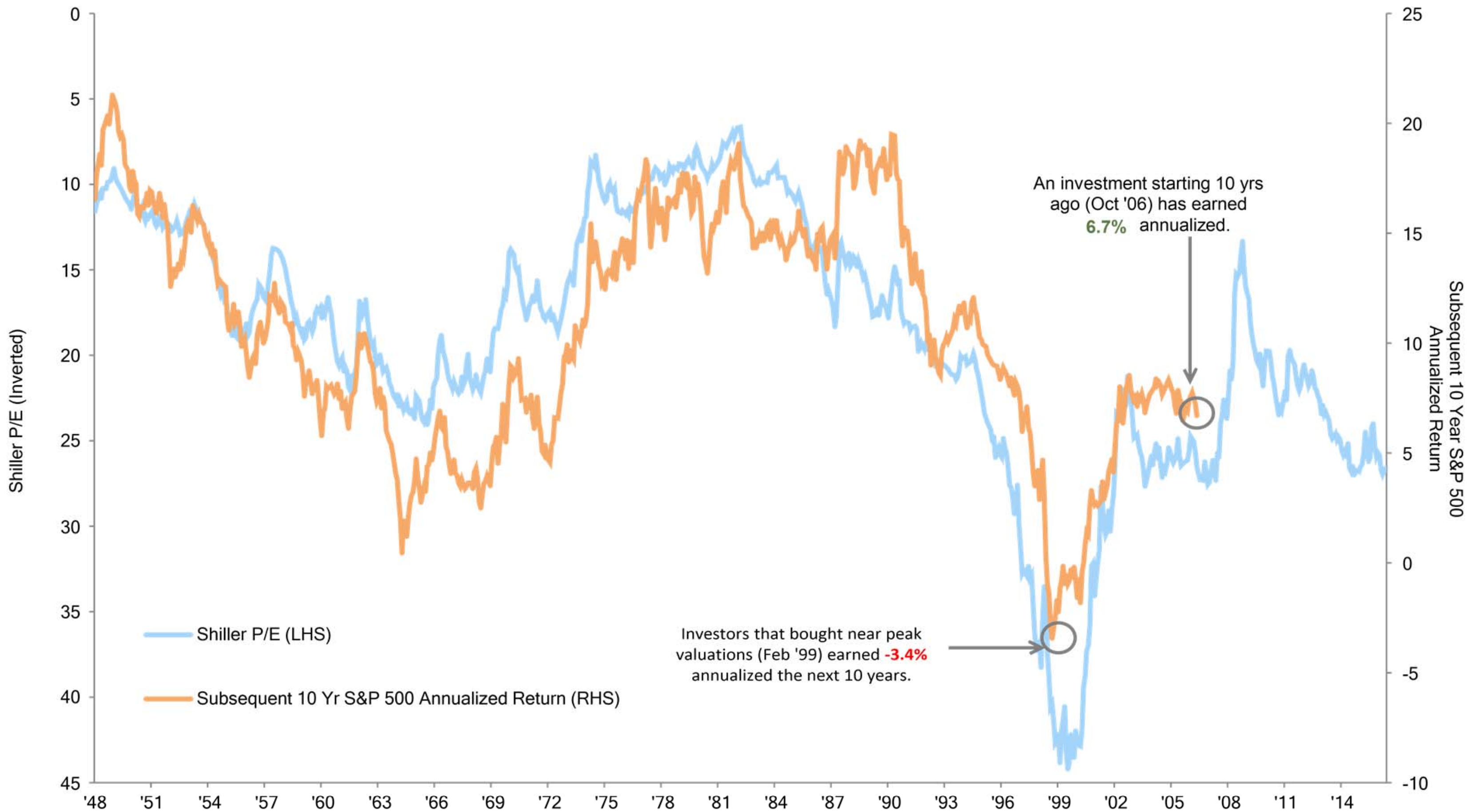
Liquidity Guidelines	Comment
No new commitments while: (1) Total Private Investment NAV > 39% of total CA Portfolio (1.3x Total PI Target) (2) Total Private Investment NAV + unfunded commitments > 54% of total CA Portfolio (1.8x Total PI Target) For the purpose of gauging compliance with these liquidity guidelines, 50% of NSHE Legacy Assets shall be attributed to the CA Portfolio.	▪ Long-term blended target exposure to Private Investments is 30% of Total Assets: 17% to Private Growth, 5% to Private Diversifiers and 8% to Private Real Assets ▪ Actual exposure will be function of conviction / opportunity set ▪ Liquidity guidelines provide 'cushion' in severe environments

* For the portion of the portfolio that is allocated to illiquid private investments, each investment will be self-benchmarked for the first 5 years of its life. This is to address the "J-curve" inherent in private investments. After each investment's fifth year of life, it will be retroactively benchmarked to the relevant public market index to reflect any value that has been added over this timeframe.

3. Supplemental Materials

The importance of alpha: Valuations suggest disappointing outlook for equity beta

Shiller (Cyclically Adjusted 10 Yr) PE vs. Subsequent S&P 10 Year Nominal Returns
June 30, 1948 – October 31, 2016



Sources: Robert J. Shiller and Standard & Poor's.
Note: Normalized real P/E ratios (Shiller P/E ratio) for the S&P 500 Index are calculated by dividing the current index value by the rolling ten-year average of inflation-adjusted earnings.
2074m

The importance of alpha today: Bonds likewise look priced to disappoint

US Aggregate Bond Index

January 1, 1976 – October 31, 2016 • Percent (%)

Sources: Barclays, Bloomberg L.P., and Thomson Reuters Datastream.

Notes: Data are monthly. The last full five-year period was November 1, 2011 to October 31, 2016. The October 31, 2016 yield-to-maturity of 2.12% on the Barclays Aggregate Bond Index implies low nominal returns at best.

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Cambridge Associates Current Valuations Summary*

February 7, 2017 (updated subsequent to December 2016 policy setting meeting)

Very Overvalued	Overvalued	Fairly Valued	Undervalued	Very Undervalued
US Small-Cap Equities	Developed ex US Small-Cap Equities	**Developed Markets Equities**	Asia ex Japan Equities	
Euro-Denominated Credits	**US Equities**	**Developed ex US Equities**	**Emerging Markets Equities**	
Core EMU Sovereign Bonds	US Growth Equities	UK Equities	EM Equities Asia	
US Venture Capital (late stage)	US Value Equities	Europe ex UK Equities	EM Equities EMEA	
US Private Equity	US High-Quality Equities	EMU Equities	*Private Metals and Mining*	
European Private Equity	UK Sterling-Denominated Credits	Japanese Equities		
	Leveraged Loans	Canadian Equities		
	US Bonds**	Australian Equities		
	US High-Yield Bonds	New Zealand Equities		
	US Corporate Bonds	EM Small-Cap Equities		
	Global Inflation-Linked Bonds	EM Equities Latin America		
	US Inflation-Linked Bonds	Chinese A-Share Equities		
	UK Gilts	Frontier Markets Equities		
	Canadian Govt Bonds	EM Debt (Local Currency)***		
	Australian Govt Bonds	EM Debt (USD Corporate)		
	US REITs	EM Debt (USD Sovereign)		
	Distressed Investing (Non-Control)	US Treasuries		
	USD vs DM Currencies	US Tax-Exempt Bonds		
	US Private Property	New Zealand Govt Bonds		
	UK Private Property	Commodities		
	Developed Asian Private Property	Natural Resources Equities		
	US Venture Capital	Energy Master Limited Partnerships		
	US Venture Capital (expan stage)	Developed Market Property Securities		
		Convertible Arbitrage		
		Event-Driven Investing		
		Emerging Markets Currencies (<)		
		Europe ex UK Private Property		
		Emerging Asian Private Property		
		Private Oil, Gas, & Other Energy		
		US Venture Capital (early stage)		
		European Venture Capital		
		Asian Private Equity		
		Latin American Private Equity		

Notes: Data on fundamental valuations do not provide forecasts of expected returns; they reflect the vulnerability of a given asset class to disappointing economic and profit developments. Therefore, valuations may not necessarily correspond to short-term or even intermediate-term returns. For example, asset classes and investment strategies can be fairly valued yet still retain a negative outlook due to deteriorating fundamentals. Asset class and investment strategy valuations do not reflect currency valuations. Bold type represents the **aggregate** of asset classes for which we show valuation ratings for underlying strategies. Italic type represents *non-marketable asset classes*. Valuations of such investments are based on our views on prospects for new commitments made today, which are informed by recent transactions, as well as consideration of near-term trends and intermediate-term expectations such as supply and demand factors, exit opportunities, and expectations of conditions that will influence risk and return over the life of a fund. Private equity includes buyouts and growth equity. (<) Indicates a recent move in the direction of more overvalued. (>) Indicates a recent move in the direction of more undervalued.

* For more detail on our views, read our monthly Asset Class Views, available on our client website.

** Reflects a broad-based US bonds allocation similar to the Bloomberg Barclays Aggregate Bond Index.

*** Currency is considered against the US dollar.

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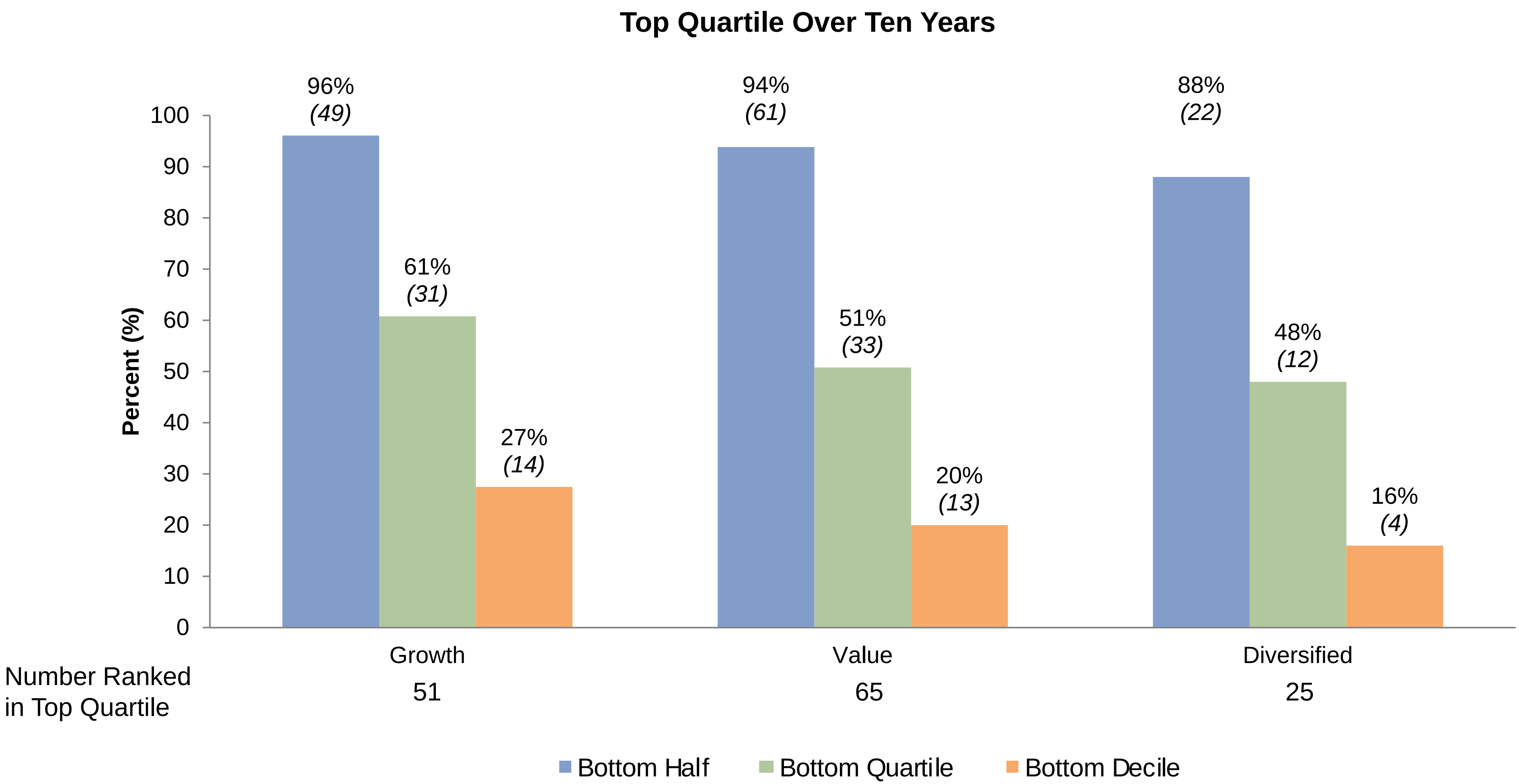
How We Evaluate Managers

Organization	*Alignment*	*Strategy*	*Performance*	*Market Environment*
Partners' financial/ operational experience	Ownership and economic distribution among firm employees	Experience investing or operating in the sector	Performance attribution, if track record available	Value drivers
Networks of senior professionals and deal sourcing capabilities	GP commitment	Sourcing advantage/ industry relationships	Applicability of the track record	Valuation
Spin-out?	Performance-based compensation	Value creation strategy	Seed investments	Competitiveness
Team cohesion	LP-friendly terms	Underwriting discipline		Economies of scale
Junior and back office support		Planned exits—in-place strategic relationships		Supply/demand dynamics

Patience is Key – Even Top Performing Managers Have Weak Stretches

Percentage (Number) of Top Managers Whose Rolling 12-Quarter Ranking Fell at Least Once into the Bottom of the Managers' Respective Distribution



Source: Cambridge Associates LLC Investment Manager Database. Data as of 9/30/2016.
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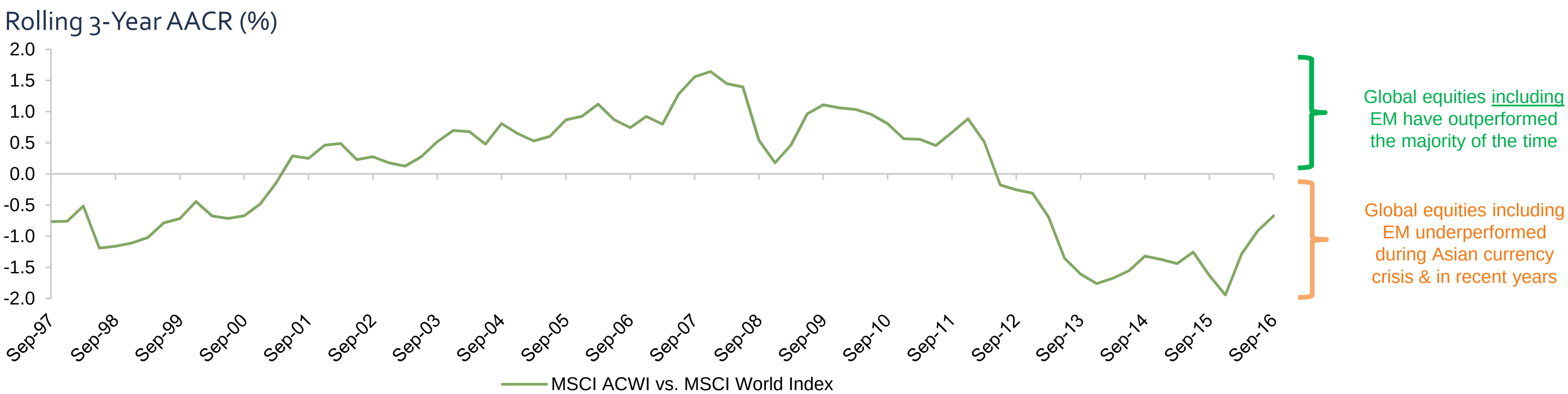
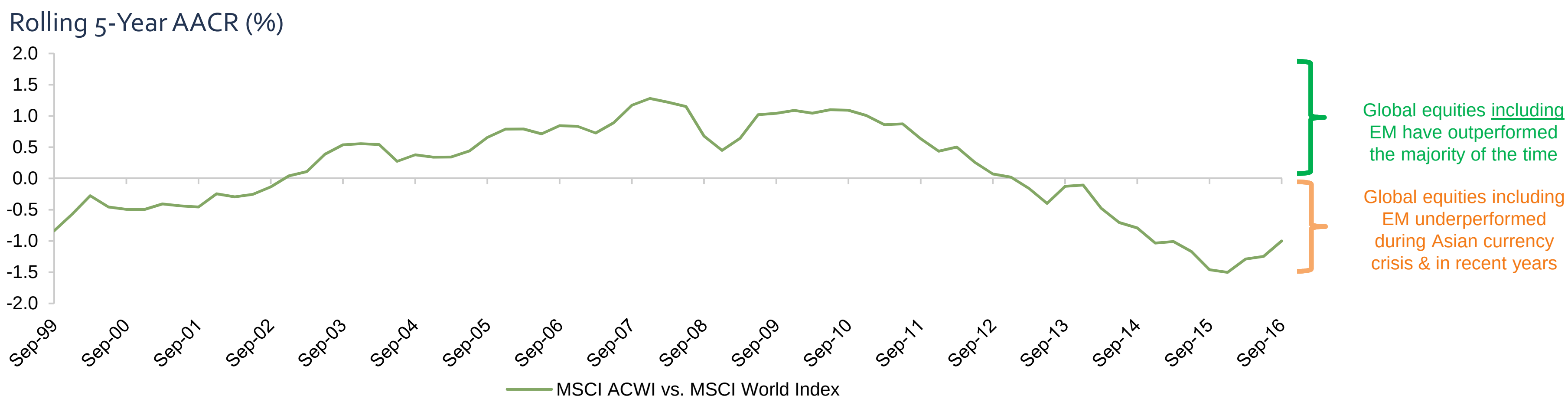
Likewise, Asset Classes Often Exhibit Cyclical Patterns of Out-/Underperformance





Outperformance: MSCI All Country World (including EM) vs. MSCI World Index (developed markets only)		
	Periods	%
Rolling 3-year periods	44/77	57.1%
Rolling 5-year periods	41/69	59.4%

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Accessing Alpha: Hedge Fund Managers

Universe of approximately **11,000** hedge fund managers*

Over **3,700** funds and more than **1,900** managers tracked in our proprietary manager database*

More than **500** proposals reviewed annually**

More than **1,500** meetings per year*

…Nearly **3,200** written comments*

109 due diligence reports*

*Compiled from calendar year 2014
**Compiled from calendar year 2013
Note: Given that we make customized recommendations to each client based on that client's individual investment goals, circumstances, and risk tolerances, investment directors may rely on their own research in making recommendations.

C|A

Accessing Alpha: Private Investment Managers

We track **19,700** partnerships

There's **2,685** open and future opportunities on our Forward Calendar

We write almost **2,440** comments…

Conduct more than **2,190** meetings…

…and review **500+** proposals a year

210 due diligence reports

All data as of December 31, 2015

Note: Given that we make customized recommendations to each client based on that client's individual investment goals, circumstances, and risk tolerances, investment directors may rely on their own research in making recommendations.

Private Investments Program Strategy

Goal: 300-500 basis points of excess return over global equity markets

Why?

- Superior historical and expected performance vs. public markets
- Access differentiated exposures outside of public markets
- Bigger "tool kit" (e.g., turnarounds, cap structure optimization, sector expertise, innovation/disruption)
- Higher expected returns in low-return environment
- CA has deep resources and relationships to identify and access top performers

How?

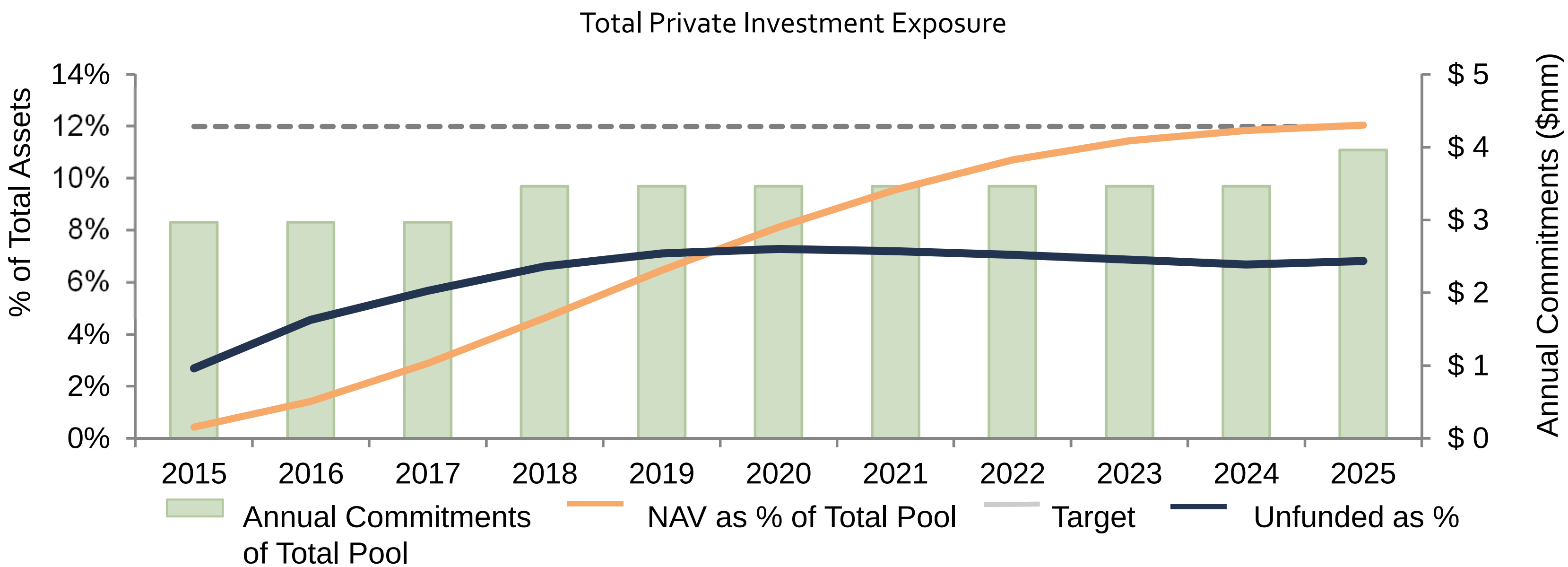
- "Best ideas portfolio": highest conviction managers in most compelling strategies
- Do not fill a bucket
- Pursue best-in-class direct managers, supplemented by secondary funds
- Focus on funds in $300-$700 million range

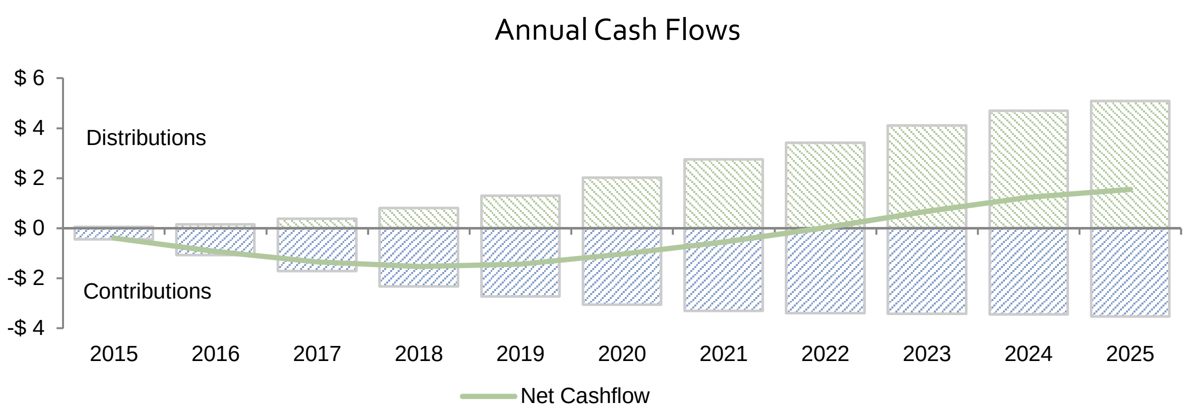
Target 30% Allocation (17% Private Growth + 5% Private Diversifiers + 8% Private Real Assets)

The information provided in these exhibits is illustrative and representative of recent commitments recommended by Cambridge Associates and does not constitute investment advice. Actual implementation of MOCA's portfolio will be influenced by our findings from a thorough enterprise review as well as availability of managers at the time of implementation.

C|A

Illustrative 17% Private Growth Target Allocation – How We Get There





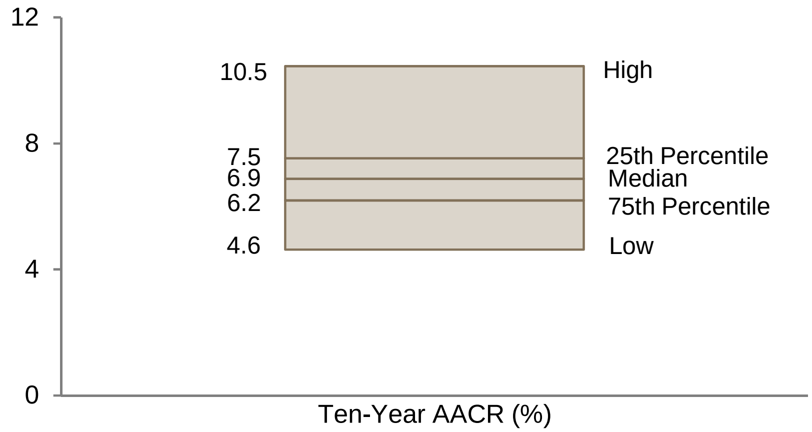
	Commitment Pace ($mm)	NAV as % of Total Assets
2015	3.0	0.4
2016	3.0	1.4
2017	3.0	2.9
2018	3.5	4.6
2019	3.5	6.5
2020	3.5	8.1
2021	3.5	9.6
2022	3.5	10.7
2023	3.5	11.5
2024	3.5	11.8
2025	4.0	12.0

The information provided in these exhibits is illustrative and representative of recent commitments recommended by Cambridge Associates and does not constitute investment advice. Actual implementation of MOCA's portfolio will be influenced by our findings from a thorough enterprise review as well as availability of managers at the time of implementation.

Top-Performing Endowments Have Had Highest Exposure to Private Investments

Trailing Ten-Year Returns and Asset Allocation of Top and Bottom Performers as of June 30, 2015

Return Distribution



Mean Asset Allocation by Performance Quartile (%): June 30, 2005, to June 30, 2015

Quartile	US Equity	DM ex US Equity	EM Equity	Bonds	Hedge Funds	PE & VC	Private RA	Public RA & ILBs	Cash	Other
Top Quartile	18.0	12.4	6.0	10.1	21.9	14.0	10.1	4.1	3.1	0.2
2nd Quartile	21.2	13.7	6.0	11.4	24.8	8.7	4.5	5.4	3.9	0.4
3rd Quartile	24.4	14.9	5.9	13.4	20.0	6.6	3.8	7.1	3.5	0.5
Bottom Quartile	26.6	16.4	5.0	19.2	16.6	4.1	1.9	6.6	3.2	0.3
US E&F Mean	22.5	14.4	5.7	13.5	20.8	8.3	5.1	5.8	3.4	0.4

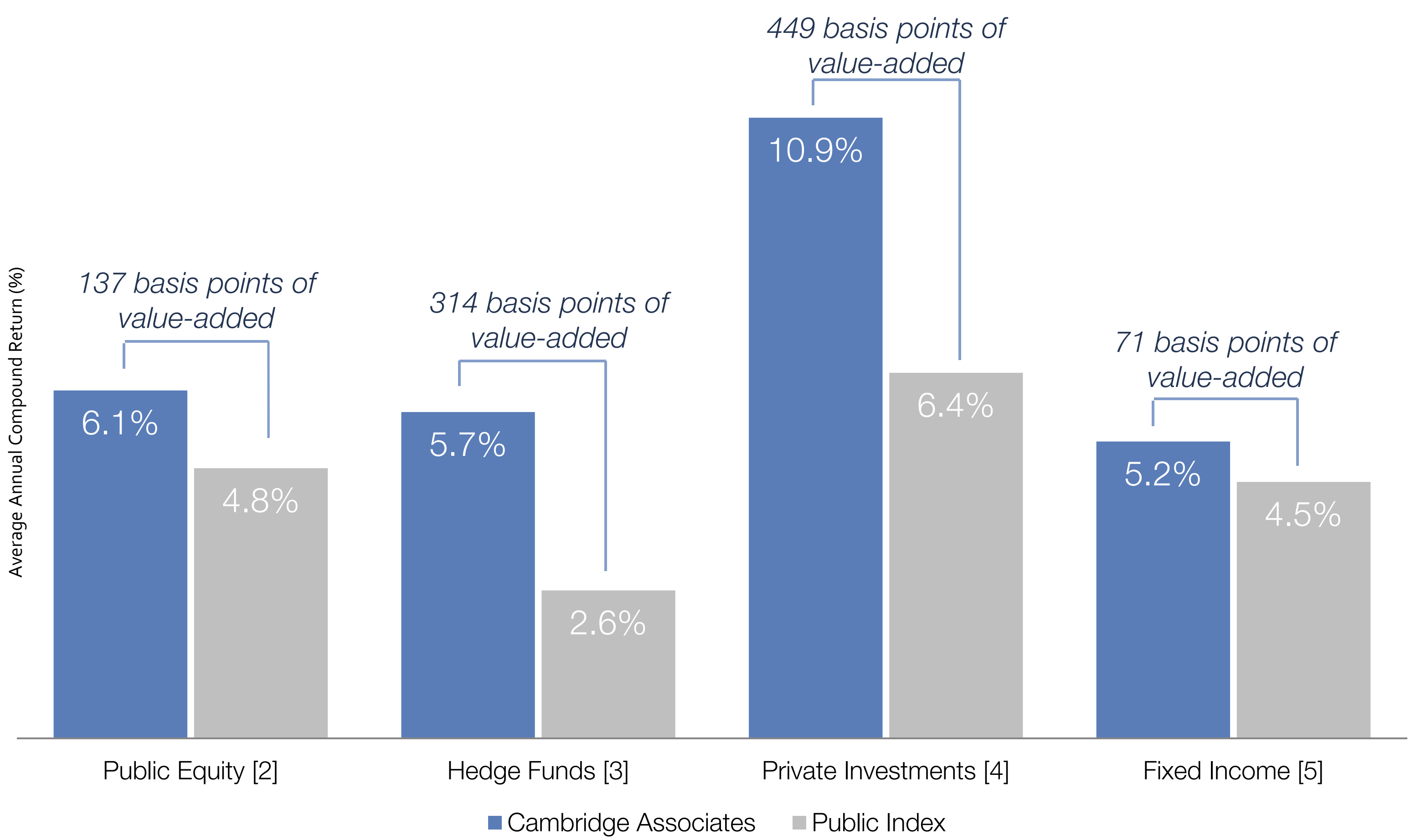
Divergence of Asset Allocation From Mean

- 4% | - 2% | Mean | + 2% | + 4%

Source: Endowment and foundation data as reported to Cambridge Associates LLC.
Notes: Performance quartiles are based on the trailing ten-year return as of June 30, 2015. Mean allocations are for the eleven June 30 periods from 2005 and 2015. Analysis includes data for 242 institutions.

Manager selection has allowed us to deliver value-added across asset classes

Value-added from manager selection: 10-year annualized returns[1]



Note: This exhibit is incomplete without the disclosures provided in Disclosures section at the end of this presentation

[1] Private Investment performance is shown as of June 30, 2015 as Private Investment performance data is reported semi-annually and on a quarterly lag. Performance data for Public Equity, Hedge Funds, and Fixed Income is reported quarterly and is shown as of December 31, 2015.

[2] Public Index: MSCI All Country World Net

[3] Public Index: Beta-adjusted MSCI All Country World comprised of 30% MSCI All Country World Index (Net) and 70% 91-Day T-Bills.

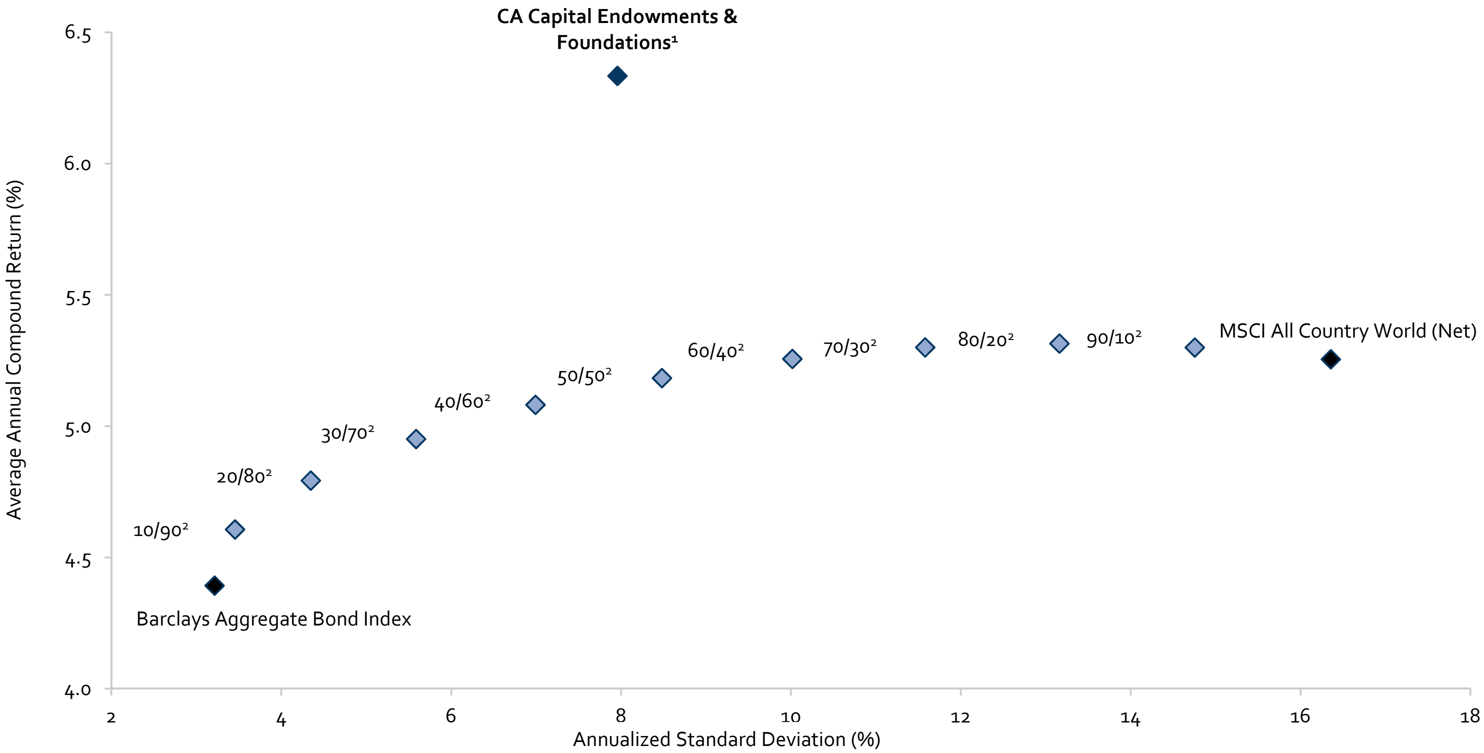
[4] Public Index: MSCI World PME. Public Market Equivalent (mPME) Analysis contains tools that enable benchmarking of any PI data set (from fund-level to entire client portfolios) against public markets, providing context on what performance would have been had the PI cash flows been subject to public returns. mPME assumes that private contributions are invested in the relevant index and that distributions are taken out in the same proportion as in the private investment. It attempts to evaluate what performance would have been had the private investment manager's return-earning skills been replaced with public returns. Proprietary CA methodology that uses cash flows in and out of the private investment portfolio to determine the timing of purchases and sales of an equity index. Performance is then compared to that of the private investment.

[5] Public Index: Barclays Aggregate Bond Index

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

C|A Capital endowments and foundations composite

Risk vs. return analysis since inception: March 1, 2006 – December 31, 2015



Note: This exhibit is incomplete without the disclosures provided at the end of this presentation.

[1] Client returns are net of the management fee paid to Cambridge Associates and fees paid to underlying investment managers. CA Discretionary E&F Composite includes 27 total portfolio discretionary endowment and foundation clients of Cambridge Associates Group as of December 31, 2015. Client returns are reported in the currency for which performance is reported. Discretionary E&F clients include nonprofit endowment and foundation institutions. At the start of the 10 year timeframe covered in this exhibit, CA had one discretionary client in the sample. Clients are added to the sample over time based on their contract start date or, when applicable, the mutually agreed date on which the client measures investment team performance. Clients are included for those periods during which they are discretionary clients. To date, two discretionary E&F clients have reduced their discretionary services. Annualized mean returns are calculated based on a monthly asset-weighted client composite mean return. Mean returns are calculated using clients' annualized average annual compound return (AACR) for each time period reflected in the exhibit. Private investment returns are only calculated on a quarterly basis. To include these returns in the monthly data, for a given quarter, the actual quarterly return is used in one of the months and a 0% return is used in the other months. As private investments report on a quarter lag, the performance for these assets are estimated for the most recent period by scaling the S&P 500 return by a 0.5 beta.

"The Cambridge Associates Group" (herein referred to as "Cambridge Associates") comprises five investment consulting affiliates that were established for the sole purpose of providing our consulting, research, and performance monitoring services in various regulatory jurisdictions around the globe: Cambridge Associates LLC, Cambridge Associates Asia Pte Ltd., Cambridge Associates Investment Consultancy (Beijing) Ltd., Cambridge Associates Limited LLC, and Cambridge Associates Limited. These entities serve our clients from our U.S., Singapore, Beijing, Sydney, and London office locations, respectively. All clients in this sample are served by Cambridge Associates LLC. Each of the affiliates has full access to all of CA's research and consulting resources.

[2]The global equity/investment grade bond blend consists of MSCI All Country World Index (Net) and Barclays Aggregate Bond Index.

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

The Nevada System of Higher Education Outsourced Investment Office

INVESTMENT TEAM

Wendy Walker
Chief Investment Officer

Lindsay Van Voorhis
Director, Portfolio Strategy & Private Investments

David Breiner
Director, Hedge Funds

Jeff Wilson
Director, Portfolio Operations

Maddie Ripley
Senior Investment Associate

Alagan Mohan
Investment Analyst

OPERATIONS TEAM

Matt Dowgert
Legal Review

Sarah Roeder
Onboarding

Kara Paluch
Portfolio Administration

Graham Landrith
Reporting Analyst

Sean Hanna
Compliance

RESEARCH PLATFORM

Global Investment Manager Research
115 Professionals

Business Risk Management
16 Professionals

Capital Markets Research
25 Professionals

C|A

The Nevada System of Higher Education Outsourced Investment Office

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Chief Investment Officer
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Focus and Experience

Wendy is a Managing Director and Chief Investment Officer in CA Capital Management, Cambridge Associates' outsourced investment office business. Wendy has nine years of investment experience and currently serves eight clients. She works with a number of museum, university, hospital and other nonprofit institutions. Wendy is also a member of the firm's Mission Related Investing group.

Prior to joining Cambridge Associates, Wendy worked on the investment teams at Imprint Capital Advisors, focusing on socially responsible and environmental-themed investment managers, and at Parnassus Investments, conducting industry and company-specific research. Before graduate school, Wendy was a securities analyst at Argus Research, where she co-managed four model portfolios and published equity research on media and business service companies. She also previously performed fiduciary and tax accounting at McLaughlin & Stern, LLP. Wendy is a former vice chair of the Sustainable Investing Committee of the New York Society of Security Analysts.

Education

- CFA Charterholder
- MBA (with Honors), Walter A. Haas School of Business, University of California at Berkeley
- BA (cum laude) in Comparative Literature with Theater Studies, Yale University

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Focus and Experience

Lindsay is a Managing Director and Director of Private Investments in CA Capital Management, Cambridge Associates' outsourced investment office business. Lindsay advises a number of universities, colleges, foundations, private clients, and pension plans in the U.S. ranging in size from $50 million to over $5 billion. He serves as both a generalist and specialist investment director focused on private investments. Lindsay serves on the firm's research committees for private equity and hard assets.

Prior to joining Cambridge Associates in 1995, Lindsay performed equity research on technology stocks at Volpe, Welty. Previously, he was the Director of Client Services and Technical Development at Securities Data Company for six years. In this role, he also managed the research effort of the firm's public and private securities offering databases.

Education

- CFA Charterholder
- MBA, Stanford Graduate School of Business
- BA in Economics (magna cum laude), Duke University

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Focus and Experience

David is a Managing Director and Director of Diversifiers in CA Capital Management, Cambridge Associates' outsourced investment office business. David works with a number of universities, foundations, and other non-profits in the U.S., ranging in size from $120 million to $900 million. He serves as both a generalist and a specialist investment director focused on hedge fund assets. David is also a regular contributor to hedge fund manager research and has co-authored a paper on manager fees.

David's background includes ten years in the equity research field, where he served institutional hedge and mutual fund clients in the U.S. and Europe. Before David joined Cambridge Associates in 2006, he served as Director of Research with Primary Global Research, LLC, a boutique provider of proprietary research services for institutional managers active in the technology sector. Prior to that, he served as a Managing Director with Bear Stearns, where he was responsible for analysis and stock recommendations in the enterprise software sector. Previously, he was a Vice President with Prudential Securities and a research associate with Robertson Stephens and Montgomery Securities.

Education

- MBA, Stanford Graduate School of Business
- BS, Stanford University

The Nevada System of Higher Education Outsourced Investment Office

Jeff Wilson
Director of Portfolio Operations
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Focus and Experience

Jeff is a Director of Portfolio Operations in CA Capital Management, Cambridge Associates' outsourced investment office business. Jeff has more than a 12 years of investment operations experience. Additionally, Jeff is involved with several internal projects and initiatives focusing on best practices, operational improvements, and client service.

Prior to joining Cambridge Associates in 2015, Jeff was a New Business Implementation Officer at State Street Global Advisors. Prior to that, he had many years experience at Brown Brothers Harriman and began his career as a Corporate Actions Analyst at State Street Global Advisors

Education

> BA, Hamilton College
> MBA, Northeastern University

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Passive portfolio risk return assumptions

We used CA's standard equilibrium asset class assumptions, which we've included on the next slide, in the following manner:

- Global Public Equities – 50% U.S., 40% Developed ex. U.S., and 10% Emerging Markets Equities (which roughly reflects the geographic weightings in the MSCI ACWI global public equity index)
- Marketable Alternatives– 30% Global Public Equities (as defined above) / 70% Cash, which approximates the 0.3 equity beta of a 'typical' diversifiers portfolio
- Private Equity / Venture Capital – Same assumption used for Global Public Equities
- Cash (standard assumption)
- U.S. Government Bonds (standard assumption)
- U.S. Core Bonds (50% U.S. Government Bonds / 50% Investment Grade Corporate Bonds)

Value-added from manager selection: public equity

Exhibit disclosures

The exhibit shows returns for the global equity allocations of CA's discretionary clients. In keeping with SEC guidelines, it is important to evaluate this information with the following facts in mind:

- The return figures are provided from the date that CA began managing each clients' portfolio and may or may not reflect investments made by clients prior to joining CA.
- The size of each client's total investment portfolio varies considerably, and each client may have different risk tolerances.
- Past performance is not necessarily a guide to future performance.
- The performance data is net of investment managers' fees but has not been adjusted to reflect CA's management fees and other expenses that a client may incur. A client's return will be reduced by the amount of such fees and expenses which are described in Part II of CA's Form ADV. The following example demonstrates the effect, using a model fee, of compounded management fees over a period of years on the value of a client's portfolio:

A hypothetical portfolio with a beginning value of $100 million, experiencing an annual return of 6.1% per annum, would grow to $180.78 million after ten years, assuming no fees were paid. Accounting for an annual fee payable in advance to CA of 30 bps (0.30%), the same portfolio earning an annual return of 6.1% would only grow to $175.43 million after ten years. The annualized returns over the ten-year time period are 6.1% (gross of CA's fees) and 5.8% (net of CA's fees). Actual fees could be higher or lower depending on services provided.

Value-added from manager selection: hedge funds

Exhibit disclosures

The exhibit shows returns for all discretionary clients who have dedicated hedge fund programs. In keeping with SEC guidelines, it is important to evaluate this information with the following facts in mind:

- The return figures are provided from the date each client joined CA and may or may not reflect investments made by clients prior to joining CA.
- The size of each client's total investment portfolio varies considerably, and each client may have different risk tolerances.
- Past performance does not guarantee future returns.
- The performance data is net of investment managers' fees but has not been adjusted to reflect CA's management fees and other expenses that a client may incur. A client's return will be reduced by the amount of such fees and expenses which are described in Part II of CA's Form ADV. The following example demonstrates the effect, using a model fee, of compounded management fees over a period of years on the value of a client's portfolio:

A hypothetical portfolio with a beginning value of $100 million, experiencing an annual return of 5.7% per annum, would grow to $174.08 million after ten years, assuming no fees were paid. Accounting for an annual management fee payable in advance to CA of 30 bps (0.30%), the same portfolio earning an annual return of 5.7% would only grow to $168.93 million after ten years. The annualized returns over the 10-year time period are 5.7% (gross of CA's fees) and 5.4% (net of CA's fees). Actual fees could be higher or lower depending on services provided.

Value-added from manager selection: private investments
Exhibit disclosures

This exhibit shows the private investment returns of Cambridge Associates' clients relative to public market equivalents. In keeping with SEC guidelines, it is important to evaluate this information with the following facts in mind:

- Because of the private nature of the investments included in this analysis, CA is unable to track and include portfolios for clients that have terminated their services with CA. The data does not include investments made by Cambridge Associates' clients prior to their becoming a client.
- The experience of individual clients of CA will differ from the returns shown in this exhibit due to the size and composition of each client's portfolio of partnerships.
- All CA client returns are net of management fees, expenses, and carried interest but do not account for CA's fees.
- The performance of CA clients may be attributable to factors other than CA's advice because CA clients may or may not follow this advice. As a result, the experience of a client that follows CA's advice may differ materially from the performance presented.
- Past performance does not guarantee future returns.
- The performance data provided by CA's clients has not been adjusted to reflect CA's fees and other expenses that a client would incur. A client's return will be reduced by the amount of such fees and expenses which are described in Part 2A of CA's Form ADV. The following example demonstrates the effect, using a model fee, of compounded advisory fees over a period of years on the value of a client's portfolio:

A hypothetical portfolio with a beginning value of $100 million, experiencing an annual return of 10.9% per annum, would grow to $281.39 million after ten years, assuming no fees were paid. Accounting for an annual fee payable in advance to CA Capital of 30 bps (0.30%), the same portfolio earning an annual return of 10.9% would only grow to $273.07 million after ten years. The annualized returns over the ten-year time period are 10.9% (gross of CA's fees) and 10.6% (net of CA's fees). Actual fees could be higher or lower depending on services provided.

Value-added from manager selection: fixed income markets

Exhibit disclosures

The exhibit shows returns for the fixed income allocations of CA's discretionary clients. In keeping with SEC guidelines, it is important to evaluate this information with the following facts in mind:

- The return figures are provided from the date that CA began managing each clients' portfolio and may or may not reflect investments made by clients prior to joining CA.
- The size of each client's total investment portfolio varies considerably, and each client may have different risk tolerances.
- Past performance is not necessarily a guide to future performance.
- The performance data is net of investment managers' fees but has not been adjusted to reflect CA's management fees and other expenses that a client may incur. A client's return will be reduced by the amount of such fees and expenses which are described in Part II of CA's Form ADV. The following example demonstrates the effect, using a model fee, of compounded management fees over a period of years on the value of a client's portfolio:

A hypothetical portfolio with a beginning value of $100 million, experiencing an annual return of 5.2% per annum, would grow to $166.02 million after ten years, assuming no fees were paid. Accounting for an annual fee payable in advance to CA of 30 bps (0.30%), the same portfolio earning an annual return of 5.2% would only grow to $161.10 million after ten years. The annualized returns over the ten-year time period are 5.2% (gross of CA's fees) and 4.9% (net of CA's fees). Actual fees could be higher or lower depending on services provided.

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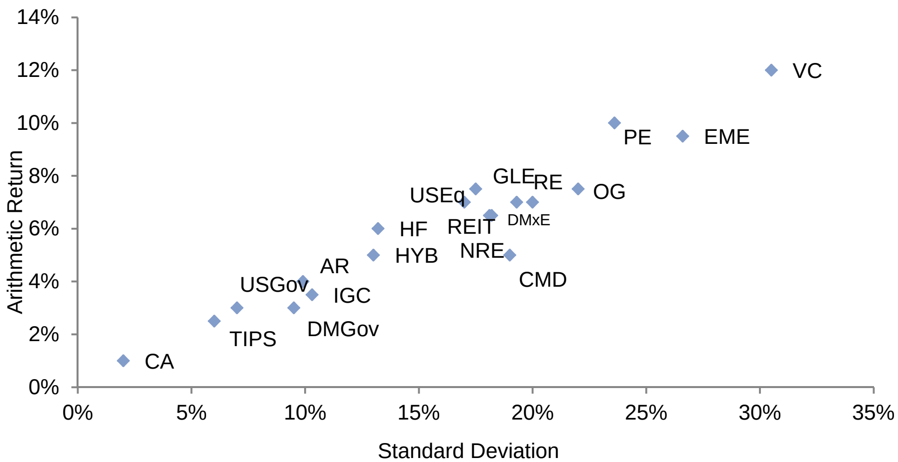
C|A's Standard Equilibrium Assumptions

	Real Arithmetic Return	Standard Deviation	***Range Contains 50% of 25-Year Periods*** [1]	*Implied Real Compound Return*
U.S. Equity	7.0	17.0	**4.8 - 9.2**	*5.7*
Developed Market ex U.S. Equity	7.0	19.3	**4.5 - 9.5**	*5.3*
Emerging Market Equity	9.5	26.6	**6.2 - 12.9**	*6.4*
Global Equity	7.5	17.5	**5.2 - 9.8**	*6.1*
Absolute Return	4.0	9.9	**2.7 - 5.3**	*3.5*
Equity Hedge Funds	6.0	13.2	**4.3 - 7.8**	*5.2*
Venture Capital	12.0	30.5	**8.3 - 15.9**	*8.1*
Private Equity	10.0	23.6	**7.0 - 13.1**	*7.6*
Commodities	5.0	19.0	**2.6 - 7.5**	*3.3*
Natural Resource Equity	6.5	18.2	**4.2 - 8.9**	*5.0*
Real Estate Securities	6.5	18.1	**4.2 - 8.9**	*5.0*
Real Estate	7.0	20.0	**4.4 - 9.6**	*5.2*
Oil & Gas	7.5	22.0	**4.7 - 10.4**	*5.3*
U.S. Government Bonds	3.0	7.0	**2.1 - 3.9**	*2.8*
U.S. TIPS	2.5	6.0	**1.7 - 3.3**	*2.3*
Developed Market Government Bonds	3.0	9.5	**1.7 - 4.3**	*2.6*
Investment Grade Credit	3.5	10.3	**2.1 - 4.9**	*3.0*
High Yield Bonds	5.0	13.0	**3.3 - 6.7**	*4.2*
Cash	1.0	2.0	**0.7 - 1.3**	*1.0*



Correlations

	USEq	DMxE	EME	GLE	AR	HF	VC	PE	CMD	NRE	REIT	RE	OG	USGov	TIPS	DMGov	IGC	HYB	CA
USEq	1.0																		
DMxE	0.7	1.0																	
EME	0.6	0.7	1.0																
GLE	0.9	0.9	0.8	1.0															
AR	0.4	0.6	0.4	0.5	1.0														
HF	0.7	0.8	0.6	0.8	0.5	1.0													
VC	0.6	0.6	0.5	0.6	0.4	0.5	1.0												
PE	0.6	0.7	0.5	0.7	0.4	0.6	0.5	1.0											
CMD	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0										
NRE	0.5	0.7	0.6	0.7	0.4	0.6	0.4	0.5	0.4	1.0									
REIT	0.7	0.7	0.6	0.8	0.5	0.7	0.5	0.6	0.1	0.6	1.0								
RE	0.4	0.5	0.3	0.5	0.3	0.4	0.3	0.3	0.0	0.4	0.6	1.0							
OG	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.5	0.5	0.2	0.2	1.0						
USGov	0.0	0.0	-0.1	0.0	0.1	0.0	0.0	0.0	-0.2	-0.1	0.1	0.0	-0.1	1.0					
TIPS	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	1.0				
DMGov	0.1	0.3	0.0	0.2	0.4	0.3	0.2	0.2	-0.2	0.1	0.3	0.2	0.1	0.7	0.3	1.0			
IGC	0.3	0.5	0.2	0.4	0.5	0.5	0.3	0.4	-0.1	0.3	0.5	0.4	0.2	0.7	0.3	0.9	1.0		
HYB	0.6	0.6	0.5	0.7	0.5	0.7	0.4	0.5	0.0	0.5	0.7	0.4	0.2	0.1	0.1	0.4	0.7	1.0	
CA	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.2	0.2	0.0	1.0