## WESTERN MICHIGAN UNIVERSITY FOUNDATION

## **Investment Strategy**

set foad Policy Asset Allocation  * Strategic long-term  * Strategic long-term planning-short-term impact  * Strategic long-term planning-short-term	Asset Categories	Primary Role	Risk Premium	
set to take Policy Asset Allocation  * Strange long term long long term long term * Strange long term long long term long term * Strange long term long long term long term * Strange long term long long term long long term long long term * Strange long term long long term long long term long long term * Strange long term long long term long long term long term * Strange long term long long term long long term long long term * Strange long term long long term long term * Strange long term long long term long long term long term * Strange long term long long term long long term long term * Strange long term long long term long long term long term * Strange long term long long term long long term long term * Strange long term long long term long long term long term * Strange long term long term * Strange long term long long term * Strange long term long term long long term long long term long term long long term long term long long term long long long term long long long term long long long term long term long term long long long term long long long term long term long term long long long term long long long term long long long long long long long long	Total Portfolio	Long-Term Real Retu	ırn > Spending + Fees Asset Allocation	
set board Microsafon  * Strategic Long-team  * Long-tian-team  * Long-tian-team  * Long-tian-team  * Long-tian-team  * Long-tian-team  * Long-tian-team  * Long-			·	
* Storege (one-term				
I Taged allocation should achieve consistent growth over time and allow for management of expected misks as well as unequented vollatility in Taged allocations should achieve destructions by its, which can start expected misks as well as unequented vollatility in Taged allocations should achieve destructions by misk, whe can start expected planes a swell as unequented vollatility in Taged and the properties of a feet of public value of the properties of a feet of the properties of a feet of the properties of a feet of the properties of the proper	·		Target allocation sets an anchor: "best" portfolio if all markets are trading at equilibrium	
Fariget allocation should achieve diversification by risk factors, with each sacet category playing a different role in the portfolio (equity) than sended to generate a real result must heli which the indication (spring and the properties) of the intermediate of the investment of			· · · · · · · · · · · · · · · · · · ·	tility
Equity bias needed to generate a real return blat meets the investment objective (stroky Mranga Need Allocation (stroky Mr				,
* International External Content of the Provided External Content of Tension Content of Te				
Licknew Manage Asset Allocation  - Risk management - Risk managem			, ,	
Asset class risk in cot constant, changing primarily due to valuations, sentiment and fundamentals (hister response with in sackt actigating sectors, agengating (e.) and make aliquidint somethin sackt actigating sectors, agengating (e.) and make aliquidint somethin sackt actigating sectors, agengating (e.) and make aliquidint somethin sackt actigating sectors, agengating (e.) and make aliquidint somethin sackt actigating sectors, agengating (e.) and make aliquidint somethin sackt actigating sectors, agengating (e.) and make aliquidint something and making private capital commitments  **Strategic long-term impact**  **Understand Cash flows and liquidinty constraints when investign and making private capital commitments  **Strategic long-term impact**  **Invalidational weighted and capitalization weighted index funds for market exposure  **Long-long-tunds length under funds for measure funds length under funds for measure funds length under funds for measure funds length under funds funds funds for subject funds for funds funds length under funds for measure funds length under funds funds length under f	Actively Manage Asset Allocation		,	
* Monitor opposures within assict relapsoris fleverage, sectors, geography, et.) and make adjustments when appropriate (evelope process from the management (evelope) process from the complete (evelope) process from the complete (evelope) process from the complete (evelope) process from the feedback (e			Asset class risk is not constant, changing primarily due to valuations, sentiment and fundamentals	
- Develop a process for ink management: - Qualitative (rebalence to target allocation) as well as, - Qualitative (rebalence to target allocation) as well as, - Qualitative (rebalence to target allocation) as well as, - Qualitative (rebalence to target allocation) as well as, - Qualitative (rebalence to target allocation) as well as, - Qualitative (rebalence to target allocation) as well as, - Qualitative (rebalence to target allocation) as well as, - Qualitative (rebalence to target allocation) as well as, - Qualitative (rebalence to target allocation) as well as, - Advanced to the programment of the post and reliance to target allocation) and making produce capital commitments - Advanced to the programment of the post and reliance to considered - Advanced to the programment of the post and programment as well as a provided and capitalization weighted index funds for market exposure - Long-Jahot hedge funds for active management - Should fund for active management - Should fund for active management - Should fund fund for active fund fund fund fund fund fund fund fund				
t Ludidity Policy  * Ludidity Po				
Legislity Policy  * Strategic long-term planning, short-term impact  * Strategic long-term planning, short-term			· · ·	
Strategic Ingeterminating, short-term impact  Total Return  Strategic Ingeterminating, short-terminating in making private capital commitments  Amany investment Opportunities come with liquidity constraints, the opportunity/liquidity tradeoff must be considered  Amany investment Strategy  Weblic Equity  Strategy  Fundamental weighted and capitalization weighted index funds for market exposure  - Long-johor thecige funds for active management  - Long-johor thecige funds for active management  - Small cop bias  - Small cop b				
**Strategic long-term planning, short-term impact   funderstand cash flows and liquidity constraints when investing and making private capital commitments   funderstand cash flows and liquidity to meeting apends may impact livestment selection and returns earned   funderstand cash flows and liquidity to meeting spending needs may impact livestment selection and returns earned   funderstand cash flows and liquidity to meeting spending needs may impact livestment selection and returns earned   funderstand cash flows and liquidity to meeting spending needs may impact livestment selection and returns earned   funderstand cash flows and liquidity to meeting spending needs may impact livestment selection and returns earned   funderstand cash flows and liquidity and selection   funderstand cash flows and liquidity and selection   funderstand cash flows and liquidity and selection   funderstand cash flows and liquidity analyses underperform their benchmark   funderstand cash flows and liquidity analyses with legist your selection   funderstand cash flows and liquidity analyses with legist your selection   funderstand cash flows and liquidity analyses with legist your selection   funderstand cash flows and liquidity analyses   funderstand cash flows and liquidity ana	Set Liquidity Policy			
Section   Part	· · ·		Understand cash flows and liquidity constraints when investing and making private capital commitments	
Sobal Equity   Total Return   Equity   Sationale   Square   Squa	5 5 1 5 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2			
Signify  Septiment Strates  White Equity  White Equity  White Equity  White Equity  White Equity  Length Special strates weighted and capitalization weighted index funds for market exposure  Long-floor the degle funds for active management  Small cap bits  Small c				
### Automatest Strategy  # Fundamental weighted and capitalization weighted index funds for market exposure  # Fundamental weighted and capitalization weighted index funds for market exposure  # Fundamental weighted and capitalization weighted index funds for market exposure  # Fundamental weighted and capitalization weighted index funds for market exposure  # Fundamental weighted and capitalization weighted index funds for market exposure  # Fundamental weighted and capitalization weighted index funds for market exposure  # Fundamental weighted and capitalization weighted index funds for active management  # Fundamental weighted ship and the protection of the protectio	Clobal Equity	Total Poture		
Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental weighted and capitalization weighted index funds for market exposure  Fundamental state fundamental weighted and under state and a fundamental weighted and under state and a fundamental weighted and under state and a fundamental weighted promotes in the probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers  Fundamental states  Fundament		Total Return	• •	
- Fundamental weighted and capitalization weighted index funds for market exposure - Long/short height funds for active management - Long/short height funds for active management - Constrained management - Constrained management - Value tilt - Constrained management - Value tilt - Shani (ap bliss - Value tilt - Shani (ap bliss - Value tilt - Shani (ap bliss - Value tilt - Shani (ap bliss) - Value tilt - Value tilt (ap bliss) - Value tilt - Shani (ap bliss) - Value tilt - V			<u>kationale</u>	
Unconstrained management to provide equity market returns with less volatility analyses in Emerging Markets bias in Eme	• •		A face has distincted a social construction of social constructions of the social construction of the	
• Greater return potential segment of equity markets due to risk, economic growth and demographics • Small cap bias • Value tilt • Classic Graham and Dodd "margin of safety" investing increases return potential • Private Equity • Buyout funds for active management • Buyout funds for active management • Higher probability approach to "outperform" the market (xs. traditional long-only public equity) when investing with top tier managers • Higher probability approach to "outperform" the market (xs. traditional long-only public equity) when investing with top tier managers • Higher probability approach to "outperform" the market (xs. traditional long-only public equity) when investing with top tier managers • Higher probability approach to "outperform" the market (xs. traditional long-only public equity) when investing with top tier managers • Closed Fixed Income - High Quality/Rate Sensitive • Private real surfaces • Opportunistically use other high quality bonds (corporate, MBS, etc.) • Opportunistically use other high quality bonds (corporate, MBS, etc.) • Total Return • Active managers exclusively (includes hedge funds and distressed elbt) • Active managers exclusively (includes hedge funds and distressed elbt) • Active managers exclusively (includes hedge funds and distressed elbt) • Also provides management • Active managers exclusively (includes hedge funds and distressed elbt) • Also provides management • Active managers exclusively (includes hedge funds and distressed elbt) • Also provides management • Active management • Private tember as a low risk-return inflation hedge • Also provides management • Private timber as a low risk-return inflation hedge • Private timber as a low risk-return inflation hedge • Private timber as a low risk-return inflation hedge • Private timber as a low risk-return inflation hedge • Private timber as a low risk-return inflation hedge • Private timber as a low risk-return inflation hedge • Private timber as a low risk-return inflation hedge • Private timber as a low risk-retur		iarket exposure	· · · · · · · · · · · · · · · · · · ·	
• Greater return potential segment of equity markets due to risk, and ability to grow quicker than larger companies • Value titi • Value titi • Buyout funds for active management • Venture capital as higher risk/return equity was return to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers • Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers • Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers • Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers • Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers • Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers • Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers • Active manager of Capital short strates • Treasury bonds as "insurance" is treasuries is too expensive: introducing some credit risk or foreign bond exposure to make the surface or required in the surface of the	•			
- Classic Graham and Dodd "margin of safety" investing increases return potential "rivitate Equity  * Buyout funds for active management  * Venture capital as higher risk/return equity  * Buyout funds for active management  * Venture capital as higher risk/return equity  * Buyout funds for active management  * Venture capital as higher risk/return equity (s. traditional long-only public equity) when investing with top tier managers  * Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers  * Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers  * Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers  * Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers  * Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers  * Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers  * Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers  * In Provides of when the market (vs. traditional long-only public equity) when investing with top tier managers  * At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate  * At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate  * At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate  * At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk				
Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability approach to "outperform" the market (vs. traditional long-only public equity) when investing with top tier managers of Higher probability possibility approach to "outperform" the market (vs. traditional long-only public equity) market considers the states.  Interest Rates  **Adators**  **	·			
Buyout funds for active management Venture capital as higher risk/return equity Venture capital as higher risk/return equity Venture capital as higher risk/return equity (market exensitive Venture capital as higher risk/return equity (market exensitive) Venture capital as higher risk/return equity (market exensitive) Venture capital as higher risk/return equity (market exensitive) Venture capital exensitive (market (w. traditional long-only public equity) when investing with top tier managers elligher probability approach to "outperform" the market (x. traditional long-only public equity) when investing with top tier managers elligent probability approach to "outperform" the market (x. traditional long-only public equity) when investing with top tier managers elligent probability approach to "outperform" the market (x. traditional long-only public equity) when investing with top tier managers elligent probability approach to "outperform" the market (x. traditional long-only public equity) when investing with top tier managers elligent probability probability approach to "outperform" the market (x. traditional long-only public equity) when investing with top tier managers elligent probability probability approach to "outperform" the market (x. traditional long-only public equity) when investing with top tier managers elligent probability probability probability probability in the probability of the capital exposure in the c			Classic Granam and Dodd	
- Venture capital as higher risk/returne quity  Interest Rates  Nestment Strategy  - A coptor a capital sea higher risk returne and invest when risk-adjusted returns are attractive - A city managers exclusively (includes hedge funds and distressed debt)  - A city managers exclusively (includes hedge funds and distressed debt)  - Private energy for active management - Private energy for active management - Private energy for active management - Master Limited Partnerships (MLPs) for liquid market exposure - Master Limited Partnerships (MLPs) for liquid market exposure - Master Limited Partnerships (MLPs) for liquid market exposure - Master Limited Partnerships (MLPs) for liquid market exposure - Risk management - Risk manag	• •		tick and the state of the state	
Sclobal Fixed Income - High Quality/Rate Sensitive   Defiation Protection   Interest Rates   Pressure bonds as "insurance"   In periods of deflation or equity market declines, rates typically decline and a "flight to quality" often occurs driving up treasury bond prices   At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate   At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate   At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate   At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate   At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate   At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate   At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate   At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate   At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure credit risk provides more devil deflates and credit risk provides				
**Risinale**  **Treasury bonds as "insurance"*  **Opportunistically use other high quality bonds (corporate, MBS, etc.)*  **Opportunistically use other high quality bonds (corporate, MBS, etc.)*  **Interest cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is not expensive: introducing some coversity in factors and capital structure and invest when risk-adjusted returns are structive of "insurance" via treasuries is not expensive: introducing some coverside protection of "insurance" via treasuries is not expensive: introducing some coverside protection of "insurance" via treasuries is not expensive: introducing some coverside protection of "insurance" via treasuries is not expensive: introducing some coverside protection of "insurance" via treasuries is not expensive introducing some coverside protection of provides diversified exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets of via treasuries is not expensive introducing some coversidation of protection of provides diversified exposure to commodity prices/i		Defletien Bustantian		15
In periods of deflation or equity market declines, rates typically decline and a "flight to quality" often occurs driving up treasury bond prices on the time the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate appropriate strategy      Understand capital structure and invest when risk-adjusted returns are attractive of Active managers exclusively (includes hedge funds and distressed debt) ose-seks to avoid significant loss resulting from defaults and credit downgrades      Real Assets Inflation Protection     Nestment Strategy      Inflation Protection     Nestment Strategy      Inflation Protection     Inflation     Private energy for active management     Added diversified exposure to real estate in a liquid vehicle (but higher correlation to public equity market)     Private energy for active management     Private energy for active manage	5	Deflation Protection		
• At times the cost of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of "insurance" via treasuries is too expensive: introducing some credit risk or foreign bond exposure could be appropriate of the count o				
Credit   C				
**************************************				priate
* Understand capital structure and invest when risk-adjusted returns are attractive A Active managers exclusively (includes hedge funds and distressed debt) A Seeks to avoid significant loss resulting from defaults and credit downgrades  **Rationale** **Rationale** **Rationale** **Private real estate for active management **Private energy for active management **Private energy for active management **Private Private Partnerships (MLPs) for liquid market exposure **Master Limited Partnerships (MLPs) for liquid market exposure **Rationale** **Rationale** **Provides diversified exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient market **Rey drivers of return (biological growth, supply/demandy) have low correlation to financial markets **Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy **Diversifying Strategies **Rationale** **Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy **Diversifying Strategies **Rationale** **Allow skillful managers to take advantage of short-term mispricing across asset classes **Capture short-term opportunities **Allow skillful managers to take advantage of short-term mispricing across asset classes	Global Fixed Income - Credit/Distressed	Total Return	Credit	
• Active managers exclusively (includes hedge funds and distressed debt)  • Seeks to avoid significant loss resulting from defaults and credit downgrades  Real Assets    Inflation   Infl	Investment Strategy		Rationale	
Real Assets  Inflation Protection  Retinet Strategy Real Estate  Provides diversified exposure to real estate in a liquid vehicle (but higher correlation to public equity market)  Private real estate for active management  Private real estate for active management  Private energy for active management  Private imber as a low risk-return inflation hedge  Master Limited Partnerships (MLPs) for liquid market exposure  Risk Diversification  Risk Diversification  Provides diversified exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets  Provides diversified exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets  Provides exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets  Provides exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets  Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to financial markets  Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to financial markets  Provides exposure to mid-stream energy in a liquid vehicle, but higher co	<ul> <li>Understand capital structure and invest when risk-adjusted returns a</li> </ul>	re attractive	While credit and equity risk are correlated, credit risk provides more downside protection	
Real Estate  • Global public REITs for liquid market exposure • Provides diversified exposure to real estate in a liquid vehicle (but higher correlation to public equity market) • Added diversification and opportunity to increase return through value enhancements in an inefficient market • Added diversification and opportunity to increase return through value enhancements in an inefficient market • Private energy for active management • Private energy for active management • Private energy for active management • Private timber as a low risk-return inflation hedge • Master Limited Partnerships (MLPs) for liquid market exposure • Mester Limited Partnerships (MLPs) for liquid market exposure • Provides exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets • Key drivers of return (biological growth, supply/demand) have low correlation to financial markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity market than private energy • Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological	<ul> <li>Active managers exclusively (includes hedge funds and distressed debter for the following for the following</li></ul>	ot)	Seeks to avoid significant loss resulting from defaults and credit downgrades	
Real Estate  • Global public REITs for liquid market exposure • Provides diversified exposure to real estate in a liquid vehicle (but higher correlation to public equity market) • Added diversification and opportunity to increase return through value enhancements in an inefficient market • Added diversification and opportunity to increase return through value enhancements in an inefficient market • Private energy for active management • Private energy for active management • Private energy for active management • Private timber as a low risk-return inflation hedge • Master Limited Partnerships (MLPs) for liquid market exposure • Mester Limited Partnerships (MLPs) for liquid market exposure • Provides exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets • Key drivers of return (biological growth, supply/demand) have low correlation to financial markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity market than private energy • Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological growth, supply/demand) have low correlation to public equity markets • Key drivers of return (biological	Real Assets	Inflation Protection	Inflation	
**Clobal public REITs for liquid market exposure  • Global public REITs for liquid market exposure  • Private real estate for active management  • Private energy for active management  • Private limber as a low risk-return inflation hedge  • Master Limited Partnerships (MLPs) for liquid market exposure  • Misk Diversification  * Provides exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets  • Key drivers of return (biological growth, supply/demand) have low correlation to financial markets  • Provides diversified exposure to momodity prices/inflation with the ability for skillful managers to add value in inefficient markets  • Key drivers of return (biological growth, supply/demand) have low correlation to financial markets  • Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  * Provides diversified exposure to momodity prices/inflation with the ability for skillful managers to add value in inefficient markets  • Key drivers of return (biological growth, supply/demand) have low correlation to financial markets  • Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to financial markets  • Provides diversified exposure to mid-stream energy in a liquid vehicle (but higher correlation to financial markets  • Provides diversified exposure to diminist the energy in a liquid vehicle (but higher correlation to financial markets  • Provides exposure to mid-stream energy in a liquid vehicle (but higher correlation to financial markets  • Provides exposure to mid-stream energy in a liquid vehicle (but higher correlation to financial markets  • Provides exposure to mid-stream energy in a liquid vehicle (but higher correlation to financia				
• Global public REITs for liquid market exposure • Provides diversified exposure to real estate in a liquid vehicle (but higher correlation to public equity market) • Added diversification and opportunity to increase return through value enhancements in an inefficient market  • Private energy for active management • Private energy for active management • Private timber as a low risk-return inflation hedge • Master Limited Partnerships (MLPs) for liquid market exposure • Master Limited Partnerships (MLPs) for liquid market exposure • Provides exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets • Key drivers of return (biological growth, supply/demand) have low correlation to financial markets • Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  • Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  • Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  • Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  • Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  • Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  • Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  • Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  • Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  • Rationale  • Rationale  • Additionale  • Provides exposure to w	Real Estate			
<ul> <li>Private real estate for active management</li> <li>Added diversification and opportunity to increase return through value enhancements in an inefficient market</li> <li>Private energy for active management</li> <li>Private energy for active management</li> <li>Private timber as a low risk-return inflation hedge</li> <li>Master Limited Partnerships (MLPs) for liquid market exposure</li> <li>Provides exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets</li> <li>Key drivers of return (biological growth, supply/demand) have low correlation to financial markets</li> <li>Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides exposure to mid-stream energy in a liquid vehicle, but higher correlation to financial markets</li> <li>Provides exposure to mid-stream energy in a liquid vehicle was energy in a liquid vehicle was e</li></ul>	Global public REITs for liquid market exposure		Provides diversified exposure to real estate in a liquid vehicle (but higher correlation to public equity market)	
Private energy for active management Private energy for active management Private energy for active management Private timber as a low risk-return inflation hedge Master Limited Partnerships (MLPs) for liquid market exposure Private gies Risk Diversification Westment Strategy Absolute Return' Hedge Funds  Risk management Pickible Pickible Pickible Pickible Provides exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets Provides exposure to commodity supply/demand) have low correlation to financial markets Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  Unconstrained Active Management  Managers concerned with "absolute" performance, rather than "relative" to an index  Gives skillful managers the flexibility to use any tool available to express their views (shorting, leverage, derivatives, etc.)  Provides exposure to different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.  Allow skillful managers to take advantage of short-term mispricing across asset classes	·			
<ul> <li>Private timber as a low risk-return inflation hedge</li> <li>Master Limited Partnerships (MLPs) for liquid market exposure</li> <li>Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Management</li> <li>Rationale</li> <li>Managers concerned with "absolute" performance, rather than "relative" to an index</li> <li>Flexible</li> <li>Gives skillful managers the flexibility to use any tool available to express their views (shorting, leverage, derivatives, etc.)</li> <li>Provides exposure to different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.</li> <li>Allow skillful managers to take advantage of short-term mispricing across asset classes</li> </ul>	Natural Resources			
<ul> <li>Private timber as a low risk-return inflation hedge</li> <li>Master Limited Partnerships (MLPs) for liquid market exposure</li> <li>Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy</li> <li>Management</li> <li>Rationale</li> <li>Managers concerned with "absolute" performance, rather than "relative" to an index</li> <li>Flexible</li> <li>Gives skillful managers the flexibility to use any tool available to express their views (shorting, leverage, derivatives, etc.)</li> <li>Provides exposure to different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.</li> <li>Allow skillful managers to take advantage of short-term mispricing across asset classes</li> </ul>	Private energy for active management		Provides exposure to commodity prices/inflation with the ability for skillful managers to add value in inefficient markets	
Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy      Wisk Diversification     Nuestment Strategy Absolute Return" Hedge Funds  Rationale  Risk management  Rationale  Managers concerned with "absolute" performance, rather than "relative" to an index  Flexible  Whaternative beta"  Capture short-term opportunities  Provides diversified exposure to mid-stream energy in a liquid vehicle, but higher correlation to public equity market than private energy  Management  Managers concerned with "absolute" performance, rather than "relative" to an index  Gives skillful managers the flexibility to use any tool available to express their views (shorting, leverage, derivatives, etc.)  Provides exposure to different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.  Allow skillful managers to take advantage of short-term mispricing across asset classes	· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·	
Diversifying Strategies  Nest Diversification  Rationale  Absolute Return" Hedge Funds  Risk management  Ris				ergy
Rationale  Absolute Return" Hedge Funds  Risk management  Provides exposure to different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.  Allow skillful managers to take advantage of short-term mispricing across asset classes		Risk Diversification		
Absolute Return" Hedge Funds  Risk management  Managers concerned with "absolute" performance, rather than "relative" to an index  Gives skillful managers the flexibility to use any tool available to express their views (shorting, leverage, derivatives, etc.)  Provides exposure to different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.  Allow skillful managers to take advantage of short-term mispricing across asset classes		ok Diversification		
<ul> <li>Risk management</li> <li>Managers concerned with "absolute" performance, rather than "relative" to an index</li> <li>Flexible</li> <li>Gives skillful managers the flexibility to use any tool available to express their views (shorting, leverage, derivatives, etc.)</li> <li>"Alternative beta"</li> <li>Provides exposure to different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.</li> <li>Allow skillful managers to take advantage of short-term mispricing across asset classes</li> </ul>			- Control of the Cont	
<ul> <li>Flexible</li> <li>Gives skillful managers the flexibility to use any tool available to express their views (shorting, leverage, derivatives, etc.)</li> <li>"Alternative beta"</li> <li>Provides exposure to different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.</li> <li>Allow skillful managers to take advantage of short-term mispricing across asset classes</li> </ul>			• Managers concerned with "absolute" performance rather than "relative" to an index	
<ul> <li>"Alternative beta"</li> <li>Provides exposure to different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.</li> <li>Capture short-term opportunities</li> <li>Allow skillful managers to take advantage of short-term mispricing across asset classes</li> </ul>	•		·	
• Capture short-term opportunities  • Allow skillful managers to take advantage of short-term mispricing across asset classes				
	• "Altornative neta"		<ul> <li>Provides exposure το different risks (alternative betas) such as merger arbitrage, convertible arbitrage, etc.</li> </ul>	
• Select managers that utilize low levels of leverage  • Leverage magnifies both gains and losses. Excessive leverage can reduce managers ability to withstand market volatility			and the same of th	
	Capture short-term opportunities			