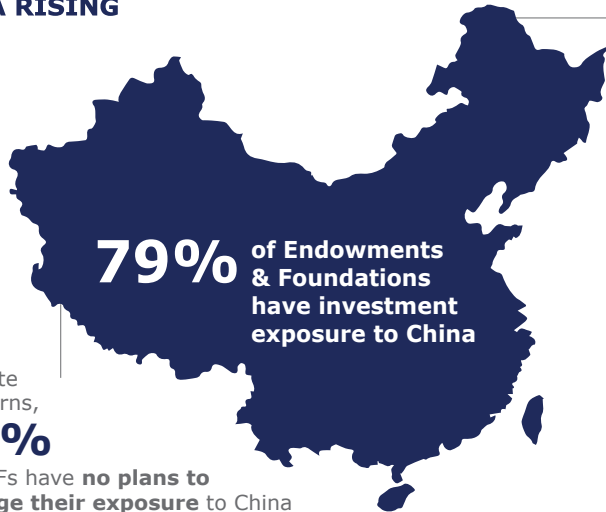




# OPTIMISM PERSISTS DESPITE HEIGHTENED VOLATILITY

BASED ON NEPC'S 2019 Q3 ENDOWMENT & FOUNDATION SURVEY

## CHINA RISING



Despite concerns, **80%** of E&Fs have **no plans to change their exposure** to China

Concerns about China exposure include:



**27%** U.S. - CHINA TRADE TENSION



**22%** CORPORATE GOVERNANCE ISSUES AND WEAK INVESTOR PROTECTIONS



**19%** DECLINING ECONOMIC GROWTH



**18%** GROWING DEBT LEVELS IN THE COUNTRY

## LITTLE RECESSION CONCERN

Only **14%** of respondents believe a recession is likely within the next 2 years



**74%** believe the U.S. economy is in late cycle & can still deliver sizable short-term returns

## PERSPECTIVES ON HEDGE FUNDS TODAY

### Exposure trends

**▼ 37%**

HAVE DECREASED THEIR EXPOSURE IN THE LAST YEAR

**▼ 21%**

PLAN TO DECREASE EXPOSURE WITHIN THE NEXT YEAR

**▶ 86%**

WILL MAINTAIN SOME LEVEL OF EXPOSURE

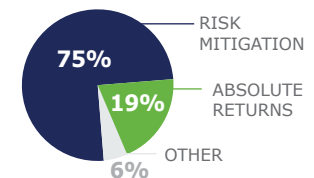
### Greatest pain points

**25%** HIGH FEES

**18%** LIQUIDITY

**18%** TRANSPARENCY

### Why do E&Fs invest in hedge funds?



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