



# Five Year Retrospective

## Annual Letter from TIFF's CEO, Kane Brennan



It feels like just yesterday that I had an important discussion with former TIFF CEO Dick Flannery about potentially joining TIFF, but in fact, I have had the privilege of being at TIFF for almost five years now. This milestone prompted me to reflect on the advancement of TIFF as a firm.

I will start with what has not changed: [our overall mission and credo](#). Our mission is to be the best outsourced chief investment officer (OCIO) and asset manager to enable our clients to achieve their organizational goals. This mission underscores and drives everything we do and the actions we take to improve outcomes or support our client's organizations. Additionally, our service ethos and internal culture outlined in the TIFF Credo have not changed since TIFF's founding in 1991.

With our main mission ever in focus, we have achieved a number of advancements. I am proud to outline them below and to thank the entire TIFF team for their efforts and accomplishments in supporting these.

- **Our People:** Nothing is possible at TIFF without the strength of our people. We believe we have never had a stronger talent set within TIFF. We have a mixture of world-class new joiners and strong "homegrown" talent promoted within. We continue to foster a culture of respect, intellectual curiosity, and collegiality across our teams.
- **Investment Program:** TIFF has been known for a long and enviable investment track record. TIFF has, what we perceive to be, structural advantages to deliver excellent investment results, including our founding focus, our team, and TIFF's distinctive Advisory Board. Consequently, we have maintained the view that "if it ain't broke, don't fix it" on the investment program. Our focus has been to support the team and what it does – picking the best managers, often with ideas from our Advisory Board, maintaining a high degree of risk management, and making the macro calls where it matters. Some recent changes do include adding Zhe Shen, Head of Diversifying Strategies, and a broadening of that program to add even more uncorrelated return streams. We also (re)added Elizabeth Egan, who worked for TIFF for 5 years before pursuing her MBA, to our private equity team. Finally, we have enhanced our manager process to ensure we are comprehensive in sourcing potential managers, and minimizing bias in our evaluation and selection of managers.
- Our clients have benefited from this consistent investment focus, helping them achieve their missions. We are very pleased with our long-term performance, with our comprehensive

strategies outperforming the 65/35 mix benchmark since inception.<sup>1</sup> We are proud of this long and consistent track record.

- **Trusted Advice:** While we have faithfully served clients for years, we have significantly increased our advice to support varying client constraints and objectives.
  - **Customized asset allocation:** TIFF has recognized clients do not all have the same needs and consequently, we have enhanced a) TIFF’s ability to analyze organizational constraints and risk sensitivities and b) TIFF’s ability to implement more customized portfolios.
  - **Increased thought leadership:** Clients often want to hear from TIFF outside of our quarterly connection points about market trends, asset class dynamics, and important governance considerations for Investment Committees and business offices. We are proud to have delivered 28 pieces of content to clients in 2024. Please let us know if there are additional topics we should cover. We would love to hear from you!
- **TIFF Conversion to an Employee-Owned Public Benefit Company:** In 2023, TIFF converted to an Employee-Owned Public Benefit Company. TIFF’s new structure strengthened its competitive position by allowing employees to invest in equity in the firm, putting TIFF on an equal footing with its industry peers. This reorganization helps TIFF to retain, attract, and further incentivize top talent and reinforces TIFF’s commitment to clients, their missions, and the broader nonprofit community by ensuring the firm’s continued ability to deliver results for its clients. Additionally, the plan gives TIFF strategic flexibility as the OCIO industry continues to consolidate. Finally, due to the unique structure of the plan, we also have been able to provide fee waivers to our clients and to have a material positive impact on the nonprofit community through increased charitable giving (please see more on page 5).
- **Deepening the Relationship with Our Advisory and Mutual Fund Board:** Our volunteer Boards remains one of our most distinctive features. We continue to attract great new board members over the last 18 months, such as Mutual Fund Board members Leena Bhutta, the CIO of the Doris Duke Foundation and Tom Lenehan, the CIO at the Wallace Foundation; and Advisory Board member Scott Wilson, the CIO at Washington University Investment Management Company. We are committed to fostering a mutually beneficial relationship and strive to make Board membership an attractive proposition. Our Boards act as a strategic thought partner, an extension of our investment team, and a resource to deepen our understanding of our client’s organizational needs. Our quarterly board meetings are quite instructive and entertaining!

## 2024 Review

The equity and other risk asset markets delivered above expectations as a “soft landing” became more likely in 2024. The Fed leaned into the narrative, starting to cut rates with a bold,

<sup>1</sup> TIFF comprehensive strategies performance represents a composite of the total returns (net of fees) of all investment vehicles within TIFF’s comprehensive endowment strategies investment mandate. Performance is as of 9/30/24 and inception date is 3/31/95. 65/35 mix is 65% MSCI All Country World Index, 35% Bloomberg US Aggregate Bond Index. **Past performance is no guarantee of future results.** Please see important additional disclosures at the end of this letter.

though not fully unexpected, 50bps cut. While shorter-duration treasuries did rally on the news, they gave back much of the gains on fears of potential future inflation and the ever-ballooning deficit. Though we saw variation in the second half of the year, including a full, if temporary, rotation between growth and value in Q3, much of the equity rally continued to be concentrated in growth and the big tech names. 2024 also represented the second year of private markets lagging strong equity markets. I urge you to read [CIO Jay Willoughby's letters](#), which speak more to our view on the markets.

For TIFF, as with all endowment-style portfolios, private markets allocations and active fundamental equities managers not concentrated in the Mag 7 weighed on our performance. However, our portfolios are designed to have multiple avenues for return generation for these moments. Both our Diversified Strategies portfolio, focused on uncorrelated return streams, and our long-only systematic equity managers<sup>2</sup> provided outperformance versus their benchmarks in the calendar year. Despite two challenging years for private equity returns, we remain convicted in this asset class and in our investment approach. We are reminded that private equity performance should not be considered over the course of one or two years but rather longer time horizons. While we are not seeing the euphoric levels of valuations like the ones we saw in 2021, we are still seeing strong opportunities and exits. With less ebullient overall private equity markets, we believe strong manager selection is more important than ever. We have found that talented managers are able to add value to their portfolio companies in varying macro environments. In addition, we believe the incoming administration will likely enact policies that may help jumpstart private equity exits in 2025.

Outside of investment performance, TIFF continued to experience decent asset momentum, onboarding several new nonprofit clients. This year has also seen TIFF explore new ways to continue offering our services to a range of clients. We have focused on expanding our private equity offering, and adding flexibility by splitting up our venture capital and lower middle market offerings into separate strategies. Combined with our direct investment strategy, we believe that clients now have the tools to build more tailored private equity programs to best suit their needs. TIFF also ventured internationally for the first time this year, making trips to both Asia and the Middle East as interest in alternatives and OCIO services in those regions continues to grow. As our clients' complexities increase, we are proud to continually add to our capabilities to help fulfill their needs. Often it is through our partnerships with our clients that we achieve the greatest results, and we are ever grateful for the opportunities that we have forged together.

### **TIFF 2024 Investment Forum: *Positioning for Prosperity***

We were proud to host nearly 120 attendees at our 2024 Investment Forum, held in Boston, MA. The theme centered on creating a foundation for clients in their journey to support their charitable

<sup>2</sup> Refers to "beta 1" long-only systematic managers held in the three TIFF investment vehicles that comprise the TIFF Composite. Excludes managers with high levels of hedging, such as equity market neutral or merger arbitrage strategies, that also employ a systematic approach.

endeavors both now and in the future. We were fortunate to welcome guests from locations near and far, ranging from local guests to participants from Hong Kong and Hawaii, as well as new and long-standing clients, some of whom have been with TIFF for over 20 years. Sessions included asset allocation views from TIFF Advisory Board Members, direct manager thoughts on AI, early-stage VC and being an emerging manager, among many others. TIFF clients were able to network, build relationships with other organizations, and share their perspective. Summaries are available on our website for those not able to attend (please see a summary of the forum [here](#)).

## Firm Updates

We continue to focus on enhancing our firm's talent to provide the best investment offerings and solutions to our clients. Interestingly, many TIFF hires this year had prior connections to TIFF or the people working here, which speaks to the power of our culture and colleagues. These important personnel updates included additions to our internal team, our investment team, and our Board. Here's the breakdown:

- There were multiple additions to bolster and strengthen the Client CIO Group and leadership team:
  - **Chris Bunzel**, Managing Director, from Partners Capital, where he covered some of their largest nonprofit clients for 12 years. Chris was formerly with Jefferies Investment Bank.
  - **Anne Duggan**, Managing Director, from Partners Capital, where she covered some of their largest nonprofit clients, alongside Chris, for 7 years. Anne was formerly with Fidelity, Credit Suisse (completing private equity manager due diligence for pensions), and Morgan Stanley Investment Bank.
  - **Mallory Dennis**, Executive Director, joined from Vanguard in April. She was previously with SEI, having focused her entire career to helping nonprofit organizations. She has been leading several of our client relationships focused on mission aligned investing.
  - **Kelly Santangelo**, Chief People Officer and member of the leadership team, joined this year from law firm Morgan, Lewis & Bockius LLP. She previously worked for PwC with our CFO Katherine Billings.
  - **John Stuntebeck**, Executive Director, joined from Aon, and is responsible for building relationships with potential OCIO clients. Interestingly, Mallory and John knew each other at SEI, where they both worked in the past.
- On the investment team:
  - We are excited to welcome back **Elizabeth Egan**, Director, on our Private Markets team. Elizabeth joins from Breakaway Ventures, where she did direct growth investing after getting her MBA at Tuck School of Business at Dartmouth.

- On our boards:
  - **Scott Wilson**, CIO at Washington University Investment Management Company, joined the Advisory Board. Scott was formerly the CIO at Grinnell College. Scott has already been instrumental in providing investment insight.
  - **Mark Baumgartner**, Chair of the Mutual Fund Board, is changing roles and joining the University of Florida Investment Corporation as CEO-CIO in January 2025.
  - Advisory Board member **Katie Koch**, President and CEO of The TCW Group, was named to the Nasdaq Board of Directors and was recognized in Barron's 100 Most Influential Women in US Finance.

### TIFF's Charitable Focus

Consistent with TIFF's history and founding, we continue our charitable impact in four ways.

1. **Competitive Fees for Clients:** As a part of our conversion to a Public Benefit Corporation, we were able to provide fee waivers to our active clients in 2024 and expect to provide similarly sized fee waivers for 2025. We expect to continue the program in the coming years and to provide fee waivers annually. The fee waivers provide additional dollars for our clients to fulfill their missions.
2. **Employee Donation Matching Program:** To help our employees support organizations in their communities, we enhanced our employee charity gift-matching program in 2024. We believe this helps align employees further to the broader mission of TIFF to support the nonprofit community.
3. **Firm-Supported Employee Volunteering:** TIFF provides every employee the opportunity to complete paid days of volunteering. In addition, TIFF often organizes volunteering opportunities for its employees.
4. **Direct Donations on Behalf of the Firm:** At the corporate level, TIFF has charitable giving focused on three key areas: education, environment, and enlisted service. We chose these areas because they align with the general goals of TIFF clients by providing equal opportunity and inter-generational fairness. In our view, education is the backbone of our society and the clearest opportunity for individuals to advance. The environment is more complicated as the pace and path to sustainable existence are debatable, but we are certain that the principles of inter-generational fairness demand that we leave our grandchildren a sustainable planet. Finally, enlisted service members provide the umbrella of our security, which allows our society to flourish. We believe that we all owe them a debt of gratitude. A sampling of the impact TIFF, its Boards, or employees provided this year includes:

**Philadelphia Financial Scholars ("PFS").** PFS' mission is to provide under-served high school students, teachers, and families with the tools needed to develop financial literacy, build greater

wealth, and achieve financial empowerment. In addition to serving on the PFS Board, TIFF launched an 'experienceship' program, which included hosting high school students from the Philadelphia area for three weeks. This initiative aims to provide these students with valuable insights into the financial services industry.

**The Nature Conservancy ("TNC").** TNC is a global environmental nonprofit working to create a world where people and nature can thrive. TIFF partners with the TNC in numerous ways, including a) benefiting from Bola Olusanya's (the TNC CIO) insights on our Advisory Board, b) participating in their "Plant a Billion Trees Initiative" to capture carbon, and c) meeting with Katharine Hayhoe (the TNC's Chief Scientist) to be apprised of the incredible initiatives the TNC is pursuing, such as helping approximately 100 million people impacted by shifting global climate patterns.

**Travis Manion Foundation ("TMF").** TMF's mission is to "Empower veterans and families of fallen heroes to develop character in future generations." One of TMF's signature programs enables military veterans to find purpose in teaching leadership, values, and civics to youth. As we learned by participating in their annual event this year, veterans often struggle substantially during and post military service. For example, twice as many military personnel have committed suicide in the last twenty years than were killed in the Vietnam War.

All our clients are doing important work which inspires us daily. We hope our clients feel the same about TIFF and the actions it takes outside of investment portfolios.

### Outlook: The Next Five Years

We thank our clients for a tremendous year. Thanks also for your confidence in TIFF and me over the last five years as we have worked to shape a bright future for TIFF. We have so much energy and enthusiasm for what is to come in the next five years. We remain focused on our core mission of generating great investment results coupled with great service for to better serve our great clients. We will continue to focus on enhancements to our core offering.

As we look ahead to 2025 and beyond, TIFF is considering several strategic initiatives, such as international expansion and various technology solutions. TIFF also is not oblivious to the large amount of consolidation and evolution occurring in our space. Continued fee and margin pressure, the need for increased technology, the need for more customization and additional services, the desire to tap into the growing alternatives demand from high-net-worth clients and other geographies, and succession planning are all factors driving mergers, acquisitions, outside investments, and partnerships.<sup>3</sup> We expect more industry consolidation to occur in the next few years. TIFF will monitor the industry closely and stay focused on partnering with likeminded investors and fiduciaries.

<sup>3</sup> In 2024, Mercer acquired Vanguard's OCIO business, Agility Partners combined with Cerity Partners, Hightower Holdings acquired a majority interest in NEPC LLC, General Atlantic made a minority investment in Partners Capital, Pathstone acquired west coast-based Hall Capital Partners and Edgehill Endowment Partners wound down.

I will close as I started my letter: recommitting to our north star of excellent investment results to support our clients' organizations. We look forward to the next five years of partnership with all of you.

Sincerely,



C. Kane Brennan  
Chief Executive Officer

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**Index Descriptions**

Bloomberg US Aggregate Bond Index tracks the broad US bond market.

MSCI All Country World Index tracks large- and mid-capitalization stocks worldwide.

*Passive indices such as those listed above do not incur fees or expenses. Moreover, one cannot invest directly in an index.*

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