



The Investment Fund for Foundations

Subject: Update on Investment Team Composition, Structure, and Processes
From: Larry Lebowitz, CIO, and Dick Flannery, CEO
Date: June 20, 2012

Dear TIFF Members and Friends,

We write to update you on our continuing efforts to create a better integrated and more effective TIFF investment team and to inform you of several significant new arrivals, and a sad departure.

When Larry joined TIFF as our Chief Investment Officer nearly two years ago, we embarked on a thorough reassessment of our investment team's structure and processes. Although this reassessment is ongoing, we have already instituted changes that will enhance the team's ability to steward your capital wisely. These include the addition of several talented professionals and continued geographic consolidation of the investment team.

One of the primary goals of our new structure is to eliminate the compartmentalization of our various vehicles' investment teams, and to transition to an investment committee-based structure. We have been operating under this construct for the past year and are very pleased with the results. By having a single, integrated investment team, we believe we allow broadly diverse points of view and skills to be brought to bear on portfolio decision making. Without sacrificing individual accountability, greater interdisciplinary work has flourished – to good effect, in our view.

Another goal of the new structure – responsive to the longstanding advice of the distinguished and experienced board members who oversee TIFF – is to consolidate more of our investment decision making in a single geographic location, specifically Cambridge, Massachusetts. Consistent with this objective, Larry and his family relocated from Dallas to Cambridge earlier this year, and we expect all our future U.S. investment team hiring will be into our Cambridge office. While technology certainly enhances communication, we see no substitute for face-to-face encounters, scheduled and serendipitous, when rigorously assessing investment options.

Since Larry's arrival, we have steadily built out the investment team's analytic, research, and decision-making capabilities, adding several new staff members whose backgrounds are highlighted in the appended list. We have also recently hired three junior analysts to the team, which today is broader and deeper than at any time in TIFF's history.

We are also pleased to announce that Trevor Graham has joined TIFF as a Managing Director in Cambridge. Trevor comes to us from New York-Presbyterian Hospital, where he was Managing Director in the Office of Investments. At New York-Presbyterian, he had day-to-day responsibility for approximately \$1 billion in hedge fund, real asset, and other investments across a total capital base of over \$3 billion. Previously, he served as an Investment Officer at the Museum of Modern Art. He is a Phi Beta Kappa economics graduate of Vanderbilt and holds a Yale MBA. Trevor will report directly to Larry and will focus on hedge fund managers, risk management, and portfolio construction in our absolute return and core endowment programs. In these roles, Trevor will partner with John Thorndike, who has worked extensively in these areas during his eight years at TIFF.

While these structural and personnel changes have bolstered our capabilities and stimulated new ideas, we also report, sadly, that we are losing our long-time investment colleague, Nina Scherago. After several months of discussion with us about roles, responsibilities, and geography in our new investment team structure, Nina has decided to pursue other opportunities. Many of you know that Nina began her association with TIFF some 16 years ago as a board member and agreed in 1998 to join TIFF as an investment professional focusing on our absolute return program. No one has better embodied a commitment to TIFF's mission than Nina. She has been an important contributor to TIFF's success and a valued colleague. We will miss her.

As Seth Alexander, chair of the TIFF Advisory Services Board and President of MIT Investment Management Company, explained, "It is always regrettable when someone of Nina's stature leaves an organization. She has been an extraordinary contributor to TIFF for many years. However, I have great confidence in TIFF's investment team and am delighted that Larry and Dick have now organized and staffed it consistent with our Board's vision for TIFF's long-term investment success."

As part of our transition to a more fully integrated team, the two Absolute Return Pools will now be directly managed day-to-day by a three-person subset of the investment committee, including John and Trevor, and led by Larry. John, Trevor, and Larry collectively bring a wealth of hedge fund investing experience to the Pools. The entire investment team will work to build upon the Pools' long-term investment record. Importantly, we intend no changes to the Pools' investment objectives, risk tolerances, or general principles of operation for the foreseeable future.

The process of integrating and optimizing TIFF's investment efforts will continue. In the future, you can expect further additions to the team and further advances in our systems and processes. And of course we will continue to provide you with reports on our progress. In the meantime, feel free to contact us if you have any questions. During our periodic update conference calls over the next few months, we will be happy to go into more detail about any of this information as desired.

We are deeply grateful for the trust you've placed in us and remain singularly focused on delivering investment excellence to endowed charities.

Faithfully,

Larry and Dick

Members of the TIFF Investment Team

(* Hired since the arrival of CIO Larry Lebowitz)

* **Martin Breu** will join TIFF in July 2012 as a research analyst. He holds a BS degree in economics from Middlebury College.

* **Elizabeth Clegg** will join TIFF in July 2012 as a research analyst. She holds a BA degree in government and legal studies from Bowdoin College.

Mona ElNaggar joined TIFF in 2007 and serves as a Managing Director. Based in London, she selects and monitors TIFF's portfolio of private equity and private real estate managers in Europe and many emerging markets. Prior to joining TIFF, Ms. ElNaggar worked in the Merger and Acquisitions, Corporate Finance, and Securitization divisions of Morgan Stanley, primarily in Europe. She holds a BA in economics from the University of Chicago and an MBA from Stanford University's Graduate School of Business.

Dick Flannery joined TIFF in 2003 and serves as Chief Executive Officer, with overall responsibility for all of the organization's activities. Prior to joining TIFF, Mr. Flannery spent 14 years at Delaware Investments, where he was Executive Vice President, supervising multiple departments and playing a key role in the firm's transition from a domestic to a global investment management firm. He holds a BS *summa cum laude* in sociology from Saint Joseph's University and a JD from Harvard Law School. Mr. Flannery serves on the board of Mercy Investment Services Inc., a non-profit investment firm serving the Sisters of Mercy, and on the board of The Nelson Foundation.

Lodge Gillespie joined TIFF in 1998 and serves as a Managing Director. He selects and monitors external investment managers for TIFF's private investments program, focusing on realty and resources managers. He was previously employed by a unit of Standard & Poor's. Mr. Gillespie holds a BA in history from Colgate University, holds an MA in history from the University of Virginia, and is a CFA charterholder.

* **Trevor Graham** joined TIFF in 2012 and serves as a Managing Director, focusing primarily on hedge fund managers, risk management, and portfolio construction in the absolute return and core endowment solutions programs. Before joining TIFF, Mr. Graham was Managing Director in the Office of Investments at New York-Presbyterian Hospital and an Investment Officer at The Museum of Modern Art in New York. He is a Phi Beta Kappa graduate of Vanderbilt University, where he earned a BA in economics. He also holds an MBA from the Yale School of Management.

Larry Lebowitz joined TIFF in 2010 and serves as President and Chief Investment Officer, presiding over the full range of TIFF's investment activities and programs. Prior to joining TIFF, Mr. Lebowitz spent 17 years at HBK Capital Management in a series of portfolio management roles and ultimately as Chairman of the firm. He holds an AB degree in computer science from Harvard College and an MBA from Harvard Business School. Mr. Lebowitz has served as a trustee and investment committee member of numerous nonprofits, most recently those focusing on medicine, the arts, and education.

John Merrill joined TIFF in 2005 and serves as a Managing Director. He focuses on asset allocation, the selection and monitoring of external managers, and outreach. In addition, Mr. Merrill has primary responsibility for the TIFF Keystone Program. Previously, he was a Vice President in the Private Client Services division of Credit Suisse First Boston. Mr. Merrill holds a BA in history from Hamilton College and an MBA from the Yale School of Management.

* **Joe Miller** joined TIFF in 2011. He performs investment research and selects and monitors external investment managers, focusing on TIFF's core endowment solution offerings. Previously, Mr. Miller was

a Vice President and senior analyst with BNY Mellon Asset Management. He holds a BS in finance from Boston College, holds a master's degree in finance from the London Business School, and is a CFA charterholder.

* **Brendon Parry** joined TIFF in 2011. He performs investment research and selects and monitors external investment managers, focusing on TIFF's private investments program. Prior to joining TIFF, Mr. Parry spent two years as a Senior Associate at Providence Equity Partners and worked for three years in the consulting group at Cambridge Associates. Mr. Parry holds an AB in economics from Brown University, holds an MBA from Harvard Business School, and is a CFA charterholder. He serves on the Belmont Day School Investment Committee.

* **Kate Powell** joined TIFF in 2011. She is a research analyst focusing on TIFF's absolute return program. Prior to joining TIFF, she was a researcher at the Council on Foreign Relations. Ms. Powell is a Phi Beta Kappa graduate of Stanford University, where she received her BA in history.

Tamara Scharlat joined TIFF in 2004. She performs investment research, manager monitoring, and analysis for TIFF's absolute return program. Previously, Ms. Scharlat worked at Freddie Mac and the Federal Agricultural Mortgage Corporation. She holds a BS in accounting from George Mason University and an MBA from the Darden School of Business at the University of Virginia. She is a certified public accountant and CFA charterholder.

* **Magnus Sigurdsson** joined TIFF in 2011. He performs quantitative and fundamental analysis related to asset allocation and manager evaluation, primarily for the firm's core endowment solution offerings. Previously, he was an analyst for Premium Finance Group in Shanghai and for Iceland's Islandsbanki. Mr. Sigurdsson holds a BS in economics from the University of Iceland and a master's degree in finance from the Massachusetts Institute of Technology.

John Thorndike joined TIFF in 2004 and serves as a Managing Director and Deputy Chief Investment Officer, overseeing the firm's core endowment solution offerings. He selects and monitors external investment managers in both separate account and hedge fund formats. He also is responsible for internally managed investments for all TIFF vehicles, including passive exposures, rebalancing, hedging, and other derivatives transactions. Before joining TIFF, Mr. Thorndike was an analyst in the investment office of Bowdoin College. He is a Phi Beta Kappa graduate of Bowdoin, where he earned an AB degree *summa cum laude* in physics, and currently serves as a Bowdoin College trustee.

* **Jessica Toal** will join TIFF in July 2012 and will perform a range of analytical and trading duties related to internally managed investments for all TIFF vehicles. Previously, she was employed by JPMorgan Hedge Fund Services and Arrowstreet Capital LP. She holds a BS degree in applied economics and management from Cornell University.

* **Conrad Trimbath** joined TIFF in 2011. He is a research analyst focusing on TIFF's private investments program. Mr. Trimbath is a Phi Beta Kappa graduate of Middlebury College, where he received his BA *summa cum laude* in political science.

Stephen Vicinelli joined TIFF in 2003 and serves as a Managing Director and Deputy Chief Investment Officer, overseeing all aspects of TIFF's private investments program, including the selection and monitoring of underlying investment funds and secondary interests. Prior to joining TIFF, he spent 10 years at Morgan Stanley in the firm's Mergers and Acquisitions, Corporate Finance, and Realty divisions, primarily in Europe. Mr. Vicinelli holds a BA in history from Dartmouth College and an MBA from Columbia Business School. He serves on the Investment Committee of The Hotchkiss School.

* **Tianshu Wang** will join TIFF in July 2012 as a research analyst. She holds a BS degree in applied mathematics and economics from Brown University.