



THE INVESTMENT FUND FOR FOUNDATIONS
Pursuing investment excellence

To: TIFF Members and Friends
From: Richard J. Flannery
Chief Executive Officer, TIFF Advisory Services, Inc. (TAS)
Date: February 1, 2010
Re: Pursuing Investment Excellence (*cont.*)

As Promised. On December 8, 2009, TAS distributed two notes reporting on David Salem's intention to relinquish by year-end 2010 certain duties he's customarily performed on TAS's behalf. We pledged then to furnish periodic updates as we worked through our long-planned transition. Even though completion of the transition remains some months away, with 2010 now well underway, we thought this would be a good time to circulate a very brief progress report.

Progress. We expected our December 8 notes to generate discussion and questions, and they did. We don't yet have definitive answers to all your questions — and we can't claim confidently that every one of the over 730 endowed charities that TAS serves appreciates fully how determined we are to ensure that all programs offered under the TIFF banner remain well staffed during and following our transition. We can, however, say with certainty that we have made meaningful progress in our transition process and that endowed charities have entrusted about \$120 million (net) in fresh capital to us since December 8. Our internal transition discussions are advancing nicely, as are parallel conversations with numerous investment pros who've already expressed interest in joining our team and with several experts we're consulting on compensation, staffing, organization design and related issues. Our best guess is that this process will take us a few more months to complete, and we are targeting mid-year for implementation of our transition. In the meantime, David remains fully engaged as our chief investment officer; our team of experienced investment pros continues to invest your money with care and skill; and our dedicated board members continue to supervise our investment efforts and our transition work in their customarily rigorous fashion. We're especially gratified that even as we go about our transition, several charities have recently decided to avail themselves of our relatively new comprehensive endowment service.

Unending Quest. Fortunately, we have the economic and organizational capacity to attract and retain whatever talent we ultimately deem optimal as our unending quest for investment excellence unfolds. While renewing my December 8 pledge to keep you apprised of material developments on staffing and related matters, I'll also renew my invitation to discuss at a mutually convenient time any aspect of the foregoing; my direct dial is 610.684.8100 and my e-mail is rflannery@tiff.org. You should also feel free to contact David (617.758.2100, dsalem@tiff.org) or any of the investment pros at TIFF with whom you customarily interact. Thanks, as always, for your ongoing support.