2nd Quarter 2025 CIO Commentary

Executive Summary

- Q2 saw significant market volatility, including an 18.9% S&P 500 drop over 49 days—comparable only to COVID-19, the Lehman collapse, and the 1929 Crash—though markets have since rebounded as investors price in more optimism than media and expert commentary suggests.
- The U.S. fiscal outlook is deteriorating, with the "One Big Beautiful Bill" projected to increase the federal deficit by $2.7 trillion over the next decade, and a sustainable path will require multi-pronged, gradual deficit reduction over many years.
- Foreign investors are beginning to question U.S. exceptionalism due to expensive markets and a strong (but weakening) dollar.
- Despite negative headlines, economic fundamentals remain solid: Q2 GDP is forecast at 3.4%, job creation continues at 120k/month, inflation has eased to 2.4%, and wage growth exceeds inflation—suggesting resilience and room for cautious optimism.
- Tariffs remain a risk with Trump's planned July 9 actions, but TIFF anticipates they will be diluted and resolved by year-end.
- Proposed endowment tax changes (raising the rate to 8%) could force institutions to seek greater liquidity and rebalance portfolios, creating short-term buying opportunities and increased access to top-tier private equity and hedge fund managers.
- TIFF's portfolio remains close to its strategic allocation (65% equities / 20% hedge funds / 15% fixed income), with neutral regional and sector exposures and a strong focus on manager alpha to drive returns.

It's Not Over Yet

We have been expecting above-average volatility, and we got it this quarter. DOGE appears to have ended with very little actual budget impact and Trump's proposal for next year's budget has done nothing to help the deficit trajectory. The Congressional Budget Office (CBO) estimates that if enacted, this would add $2.7 trillion to the federal deficit over the next 10 years. Most other reputable forecasts are somewhat higher than this estimate, but when the

baseline is $21.1 trillion, the increments seem less significant. The US remains on an unsustainable path unless meaningful steps are taken to address rising debt and persistent deficits. We have been numbed from the exorbitant levels since the Great Financial Crisis. The largest ever annual deficit before 2008 was -$413 billion (a huge number itself!) with a median deficit of ~-$200 billion. The smallest annual deficit since 2008 was -$438 billion, with a median of ~-$1.1 trillion (2024 is estimated at -$1.9 trillion). That represents 6.5% of estimated GDP—in a decent economy! But comparing the deficit to the overall GDP mixes an "income statement" loss (deficit) to a related, but merely referential, total economic number (GDP). A fairer comparison is to compare the deficit to the actual revenue of the government of roughly $5.0 trillion in 2024. On that basis, the US is spending roughly 40% more per year than it receives in receipts.

The Congressional Budget Office Estimates a $2.7 Trillion Deficit Impact by the One Big Beautiful Bill Act, as Passed by the House of Representatives on May 22, 2025[1]

By Fiscal Year, Billions of Dollars	2025–2034
Direct Spending (Outlays)	–774
Revenues	–3,546
Increase or Decrease (–) in the Deficit	2,773

We need to take action to try to get off this path, potentially soon. Time is running out. Getting out of this will be like shortening a 3-legged stool. You can't cut one leg off, or the stool tips over. The only way to do it is to shorten one leg by two inches, another by two inches, and finally, the third by two inches. You repeat this process as many times as needed to achieve the desired height. It will likely take a decade or more for our country to return to something that can be sustained for future generations.

Success for the US economy will look something like 3% GDP growth, a budget deficit of 3% of GDP (so that as a percent of GDP, the debt quits growing—similar to how each of us can handle more debt as our income and assets grow). Throughout this, we need to keep productivity high, which means inflation must also remain under control. This is a tall task, for sure, but one we must attempt to tackle. The sooner the better; the later, the more painful. Markets can move quickly and violently to impose discipline, as observed in 2022 in the United Kingdom.

The big question, then, becomes whether the proposed budget, if passed, will enable us to achieve this target. We don't know. Will it break the proverbial stool? Can we stay on track

and not give up along the way if it (or something else) can get us there over some number of years? This is the challenge of our times. Whether it's this or some other plan, we need to become unified in our goal of improving our financial situation. If we don't, the capital markets will, and possibly in a much less comfortable way.

The continuing deficit is one of several reasons that the markets today are asking if US exceptionalism is over. Other concerns include expensive US capital markets relative to other countries and a potentially overvalued dollar. Believers are speculating that this means the US is, therefore, a less attractive investment destination for foreigners, who may be starting the process of bringing some of their capital back home. If true, this could be a long, slow process that pushes the US share of global stock markets (65%) down toward something closer to our share of global GDP (25%). It won't happen all at once, and it won't likely push our share of markets that low, but directionally, it would mean that other markets will mostly outperform ours for years to come. If the USD also loses global purchasing power, then Americans planning a European vacation will need to save a little more than they do today. As believers in the US and our economy, we remain adherents to Warren Buffett's suggestion to "Never bet against America." As global investors, we also have an ever-changing benchmark and will therefore not get too far out of step with whichever path proves correct in the coming years.

US Dollar Index Against a Basket of Currencies Has Shown Strength Since the Great Financial Crisis but Has Recently Dipped[2]



What Next

As for things more near to hand, the last quarter was the most volatile in a while. From its February 19 high to its April 8 low, the S&P 500 sold off 18.9%. According to Perplexity.ai, this has only happened in fewer days three times—during COVID-19, the Lehman collapse that punctuated the GFC, and the 1929 Crash that started the Great Depression. Not the sort of company one wants to keep. This may be why most TV news commentators, economists, and market prognosticators all sound so negative. Every night, we hear that a recession is coming along with higher inflation.

Why, during this time, are equity markets doing so much better? As we've said before, the stock market is a forward-looking, discounting machine. It dispassionately takes account of what is happening in the economy, politics, geopolitics, and other relevant areas, and estimates how that will ultimately impact the forward earnings of companies whose stock is traded on the exchanges. Investors are looking forward and seeing a brighter future than the prognosticators. We, too, are more optimistic.

Despite all the naysayers, the economy continues to hold up, at least so far. Real quarterly GDP growth was -0.5% in Q1 this year, primarily due to US businesses purchasing much more from abroad than they exported (likely looking to get ahead of tariffs), thus contributing -4.8% to Q1 GDP. Happily, the latest Atlanta Fed Q2 GDP forecast (based on data through June 18) is for 3.4% growth. US GDP forecasts for the year 2025 range mostly between 1.4% and 1.9%. Similarly, the number of jobs created this year continues to surprise to the upside, averaging 120k per month. This is just enough to keep the unemployment rate roughly stable around the 4.25% level. And finally, CPI inflation recently came in just 2.4% higher than last year, down from 2.9% at year-end. Meanwhile, year-over-year personal income growth through April 2025 is 2.94%. We are trying to stick to reading the numbers and not listening to more qualitative assessments. So far, at least, our read is that the economy and job creation continue to be solid, and the markets agree.

Lastly, regarding the Middle East war, our take on direct US involvement is balanced. As we write, the direct hit on Iranian nuclear facilities appears to have been successful at minimizing (still no IAEA confirmation) their potential nuclear threat for quite a while. This would be good (US stocks rose 2% in the two days after the strikes). World leaders are nearly unanimous that Iran should honor the treaty it signed and not become a nuclear power. This could portend a very positive future for the Middle East if it leads to Iran becoming a peaceful country, working to improve its citizens' lives as most other countries in the region seem to be doing. In the short run, however, we don't know if Iran or its proxies have cyber capabilities, sleeper cells, ballistic missiles, or anything else up their sleeves that could be used in a scorched-earth effort to remain in power. The next few months will be very important for the entire region. The good news seems to be that Russia and China are not

coming to Iran's aid (nor is anyone else), suggesting this could be the start of a brighter future for Iran and the entire Middle East.

Looking Ahead

Following his 90-day pause on "reciprocal tariffs," Trump plans to enact specific new tariffs on 57 countries starting on July 9. If the administration's use of current statutes is declared illegal, it will likely try other legal approaches to pursue the administration's goal of imposing tariffs (note: we'd generally prefer not to have tariffs—as we consider tariffs to be taxes, and taxes slow the economy). For this reason, we aren't yet out of the tariff woods. We are, however, starting to see that tariffs are very unlikely to remain anywhere near the levels Trump announced on "Liberation Day." This is good. While July 9 may bring short-term market volatility and is unlikely to mark the end of the story, we remain confident that tariff negotiations will conclude by year-end. We also believe that in the second half of this year, Congress will pass a budget (the "One Big Beautiful Bill") that keeps taxes low and will begin to reduce regulation. Both of these will be welcomed by markets in our opinion. As the uncertainty and, hopefully, the volatility subside, we expect to see more investors becoming optimistic about the future and stock prices working their way somewhat higher. Longer-term, AI will accelerate growth and improve the efficiency of almost everything. Self-driving cars (try a Waymo in San Francisco and you'll love it) could become common this year, and in another few years, humanoid robots will break onto the scene. We may not all like these advancements, but businesses that embrace them will become more productive and profitable than those that don't. This could improve GDP growth and help us get our deficit under control. We keep looking for hopeful ideas on this front, and for now, this seems to be our best remaining hope.

On the fixed-income side, our views on the deficit picture probably gave you a good idea that we still prefer hedge funds. Hedge funds should continue to perform better as a group than the Bloomberg Fixed Income Aggregate, and they provide much better alpha opportunities than fixed income. Our duration remains just short of 5 years vs. our benchmark at approximately 6 years. We would love to trim duration if yields on the 10-year Treasury get to 4.25% or below. Conversely, if yields get to 4.75% or so, we expect to add duration. We continue to anticipate the 10-year will trade in a 4.25% to 5% yield range this year. We will likely buy at the higher yields and sell at the lower yields. Interest rates will be impacted by the US budget and deficit progress (or lack thereof), as well as inflation changes—whether higher (as most expect) or lower (as a few expect). Nevertheless, there is better value in fixed income today than in many years.

Meanwhile our hedge fund portfolios continue to do well for us, and we like our manager roster. The proposals to raise the tax rate that "wealthy endowments" pay (to as high as 8%) could create opportunities for TIFF. While the opportunity is smaller now than it would have

been at the originally proposed 21% rate, affected endowments may still look to reduce their tax burden. This could lead them to (1) move away from high-turnover hedge funds or (2) sell private investments now to avoid future gains taxes and create liquidity for rebalancing their private book.

Our eyes are wide open for opportunities to upgrade already strong manager rosters across all our portfolios.

For now, we remain very near our strategic asset allocation targets of 65% global equities/20% hedge funds/15% fixed income. We are also quite neutral relative to geographic and stock market sector weights, relying heavily on manager alpha to drive positive relative performance. Fingers crossed; this strategy has been beneficial so far this year, and today, we don't see a compelling opportunity that would cause us to change from this positioning.

Where's the Big Opportunity of the Future?

A number of people have started asking if the current chaos is creating opportunities that we believe could prove helpful in coming years. We mentioned some possibilities above when discussing how the proposed endowment tax changes could create access to new managers. Below, we will address the question in greater detail. TIFF will have our own favorite approach to tackling this potential opportunity, but our goal here is to outline which asset class/assets could generate better-than-average returns over the next 3-7 years. Let's dig in.

Over the long run, different assets provide generally different returns. Money markets, for example, usually provide the lowest returns with the least risk and lowest volatility of annual return. Next up are bonds, where returns are usually a bit higher than money markets but they can be more volatile and you can lose money from time to time. Hedge funds are riskier and, in our opinion, higher returning investments. Public equities typically provide even higher returns, while private generally equity offers the highest return, but also carries the most risk. One of the features that makes private equity riskier than public equity is its lack of liquidity. When events conspire against the capital markets and you want to step aside, it's only possible if your holdings are liquid. You might be able to sell your illiquid private equity holdings, but usually only at a steep discount.

This is why we own some illiquid private investments, but we try to limit our ownership to 1/3 or so of a portfolio. We like the higher expected returns but understand and incorporate the higher risk that comes with illiquidity. Others are willing to take much higher illiquid exposure than this and that could be presenting an opportunity today.

The Proposed One Big Beautiful Bill (OB3) Endowment Tax

The OB3 proposal introduces a progressive, tiered tax schedule on private higher education endowments (up to 8% from current 1.4%). We've written an overview of the latest Senate draft tax proposal [here] for the details. The proposal represents a substantial change in higher education taxation that, when coupled with possible modifications in other higher education governmental funding and student eligibility, could impact private markets in both the short and long terms.

In the short term, impacted investors may look to increase liquidity and rebalance portfolios. In the long term, impacted institutions may look to (1) increase their expected returns to offset the tax drag and/or (2) look to defer any potential tax liability by seeking long-hold assets.

We anticipate two possible short-term outcomes from these:

1. Increased use of secondary markets as institutions:
    - Rebalance portfolios in light of the tax
    - Manage the increased financial burden on endowment
    - Create potentially interesting buying opportunities on the other end of those transactions
2. Availability of capacity at some previously closed PE (and HF) managers as impacted endowments augment liquidity to new higher levels reflecting the new higher annual draw.

If this happens, we will try to add attractive managers to our roster, which we already like a lot.

Over the longer term, we expect affected endowments will find the right level of illiquidity for the new endowment environment. They will likely attempt to stay toward the higher end of target illiquidity levels by:

1. Tilting asset allocation toward return-enhancing alternatives like private equity
2. Preferring longer-hold assets aligning with private equity's time horizon
3. Minimizing annual taxes by overweighting those that generate long-term gains taxed at lower rates, rather than consistent taxable short-term gains

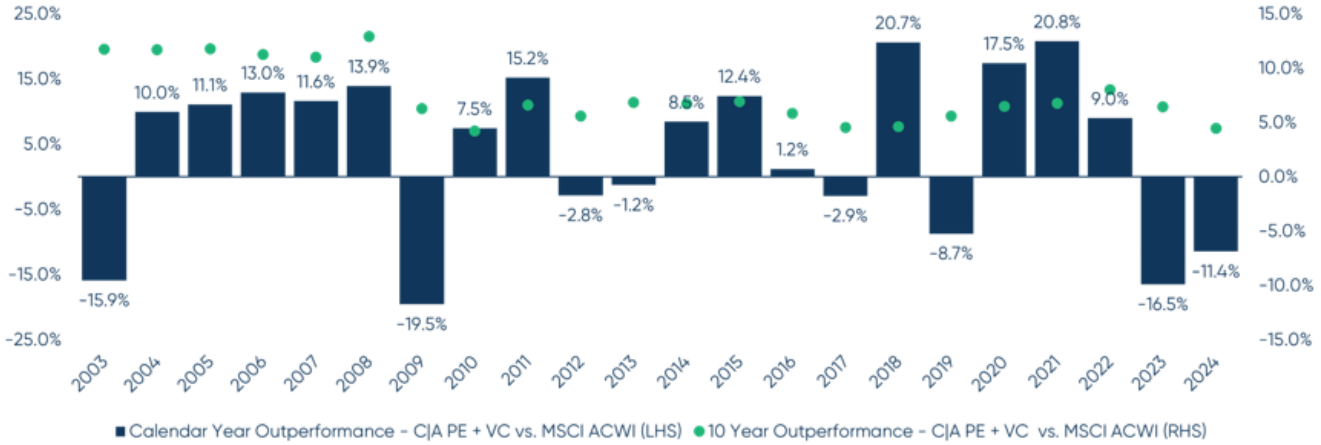
In addition to the long-term role private equity will play in E&F's, the "democratization" of PE is very likely to bring retail investors into this market as new buyers. New products that allow for smaller investors to invest in illiquid assets are emerging both in the US and Europe as regulations and structures increase the range of potential investors in this space. Over time,

some estimates are that up to half of illiquid demand will come from this new source. We tend to believe that retail capital will flow to larger PE firms with more fundraising resources, which could further compress returns in larger cap PE strategies. However, this should provide a boost to smaller PE managers, who will eventually sell their portfolio companies into this market and be able to capture greater levels of multiple expansion at exit.

Our main conclusion here is that traditional PE investors may right size now, but they likely won't abandon the consistently highest-returning asset class. Meanwhile, new investors who are gaining access could become a big source of demand in the future that will benefit returns in some parts of the private markets. In our view, private equity still benefits from some structural advantages, such as the ability to align interests, add value to portfolio companies, think more long-term than many public companies, get term leverage, and choose when to be fully invested. Private equity is thus likely to remain the best performing asset class in the future.

We started by highlighting that PE generates the highest and riskiest return stream. Below is the other factor that causes us to believe that now may be a better-than-average time to invest in PE. The chart below shows the annual PE return (blue bar) and the rolling 10-year performance vs. public equities (green dots). You can see both the excellent long-term performance and the uniquely poor last two years—the worst back-to-back returns in the last 22 years. In previous episodes of poor performance, subsequent years were recovery years. So far, that hasn't happened this time.

1 Year and 10 Year Excess Return of Cambridge Associate PE & VC Index vs. MSCI ACWI[3]



We are not forecasting a monster year, but we do expect that the inherent advantages of PE noted above should continue to prove valuable to returns.

There are many nuances that our private markets team incorporates into their efforts to

exploit opportunities that we've mentioned. However, we want to go on record suggesting that we believe today is as good a time as we've seen to consider increasing PE exposure if it fits your plan. In our opinion, we may look back on this period in 5-7 years as an unusually good opportunity. We also note that despite our views, timing PE is notoriously difficult due to the impossibility of knowing the investing environment for the next 4-5 years and the exit environment for the subsequent 5 years or so.

As always, we greatly appreciate the opportunity to manage your capital and help you achieve your organization's goals. We are here to assist in any way possible, so please feel free to reach out to us with any questions or needs.

Your TIFF Investment Team

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These materials may contain forward-looking statements relating to future events. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," or "continue," the negative of such terms or other comparable terminology. Although TIFF believes the expectations reflected in the forward-looking statements are reasonable, future results cannot be guaranteed.

Footnotes

1. CBO.
2. Bloomberg. Based on DXY, which is a measure of the international value of the U.S. dollar relative to a basket of six major world currencies: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona, and Swiss franc.
3. C|A PE&VC Index, Bloomberg. C|A PE&VC Index utilized IRR while MSCI ACWI is shown in time weighted returns.
   Notes. Represents TIFF's view of the current market environment as of the date appearing in this material only. CY 2024 C|A PE + VC is estimated at 6%. Past performance does not guarantee future results.

TIFF Investment Management

July 7, 2025

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This is why we own some illiquid private investments, but we try to limit our ownership to 1/3 or so of a portfolio. We like the higher expected returns but understand and incorporate the higher risk that comes with illiquidity. Others are willing to take much higher illiquid exposure than this and that could be presenting an opportunity today.

The Proposed One Big Beautiful Bill (OB3) Endowment Tax

The OB3 proposal introduces a progressive, tiered tax schedule on private higher education endowments (up to 8% from current 1.4%). We've written an overview of the latest Senate draft tax proposal [here] for the details. The proposal represents a substantial change in higher education taxation that, when coupled with possible modifications in other higher education governmental funding and student eligibility, could impact private markets in both the short and long terms.

In the short term, impacted investors may look to increase liquidity and rebalance portfolios. In the long term, impacted institutions may look to (1) increase their expected returns to offset the tax drag and/or (2) look to defer any potential tax liability by seeking long-hold assets.

We anticipate two possible short-term outcomes from these:

1. Increased use of secondary markets as institutions:
    - Rebalance portfolios in light of the tax
    - Manage the increased financial burden on endowment
    - Create potentially interesting buying opportunities on the other end of those transactions
2. Availability of capacity at some previously closed PE (and HF) managers as impacted endowments augment liquidity to new higher levels reflecting the new higher annual draw.

If this happens, we will try to add attractive managers to our roster, which we already like a lot.

Over the longer term, we expect affected endowments will find the right level of illiquidity for

the new endowment environment. They will likely attempt to stay toward the higher end of target illiquidity levels by:

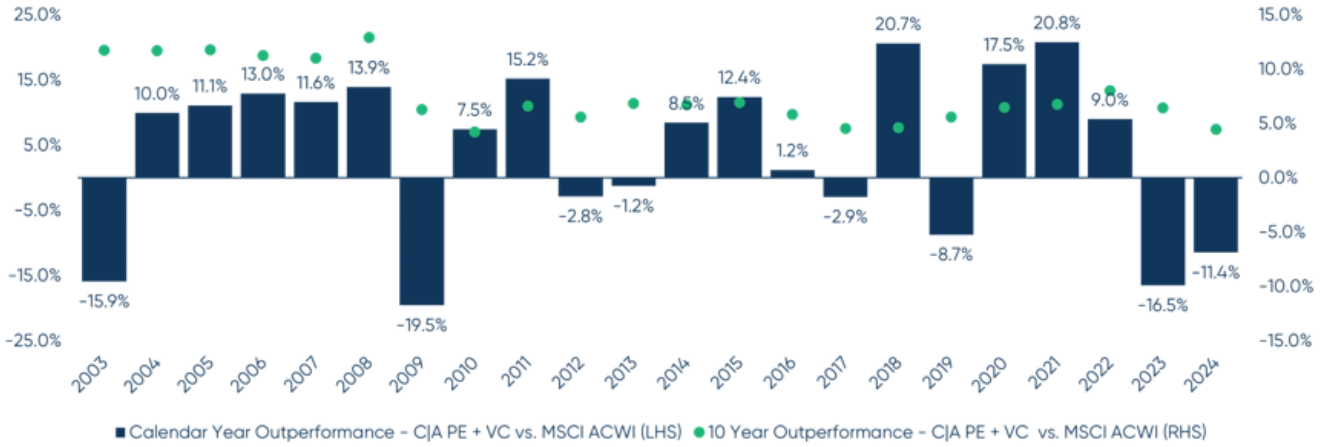
1. Tilting asset allocation toward return-enhancing alternatives like private equity
2. Preferring longer-hold assets aligning with private equity's time horizon
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In addition to the long-term role private equity will play in E&F's, the "democratization" of PE is very likely to bring retail investors into this market as new buyers. New products that allow for smaller investors to invest in illiquid assets are emerging both in the US and Europe as regulations and structures increase the range of potential investors in this space. Over time, some estimates are that up to half of illiquid demand will come from this new source. We tend to believe that retail capital will flow to larger PE firms with more fundraising resources, which could further compress returns in larger cap PE strategies. However, this should provide a boost to smaller PE managers, who will eventually sell their portfolio companies into this market and be able to capture greater levels of multiple expansion at exit.

Our main conclusion here is that traditional PE investors may right size now, but they likely won't abandon the consistently highest-returning asset class. Meanwhile, new investors who are gaining access could become a big source of demand in the future that will benefit returns in some parts of the private markets. In our view, private equity still benefits from some structural advantages, such as the ability to align interests, add value to portfolio companies, think more long-term than many public companies, get term leverage, and choose when to be fully invested. Private equity is thus likely to remain the best performing asset class in the future.

We started by highlighting that PE generates the highest and riskiest return stream. Below is the other factor that causes us to believe that now may be a better-than-average time to invest in PE. The chart below shows the annual PE return (blue bar) and the rolling 10-year performance vs. public equities (green dots). You can see both the excellent long-term performance and the uniquely poor last two years—the worst back-to-back returns in the last 22 years. In previous episodes of poor performance, subsequent years were recovery years. So far, that hasn't happened this time.

1 Year and 10 Year Excess Return of Cambridge Associate PE & VC Index vs. MSCI ACWI[3]



We are not forecasting a monster year, but we do expect that the inherent advantages of PE noted above should continue to prove valuable to returns.

There are many nuances that our private markets team incorporates into their efforts to exploit opportunities that we've mentioned. However, we want to go on record suggesting that we believe today is as good a time as we've seen to consider increasing PE exposure if it fits your plan. In our opinion, we may look back on this period in 5-7 years as an unusually good opportunity. We also note that despite our views, timing PE is notoriously difficult due to the impossibility of knowing the investing environment for the next 4-5 years and the exit environment for the subsequent 5 years or so.

As always, we greatly appreciate the opportunity to manage your capital and help you achieve your organization's goals. We are here to assist in any way possible, so please feel free to reach out to us with any questions or needs.

Your TIFF Investment Team

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Footnotes

1. CBO.
2. Bloomberg. Based on DXY, which is a measure of the international value of the U.S. dollar relative to a basket of six major world currencies: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona, and Swiss franc.
3. C|A PE&VC Index, Bloomberg. C|A PE&VC Index utilized IRR while MSCI ACWI is shown in time weighted returns.
   Notes. Represents TIFF's view of the current market environment as of the date appearing in this material only. CY 2024 C|A PE + VC is estimated at 6%. Past performance does not guarantee future results.

TIFF Investment Management



July 7, 2025

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2nd Quarter 2025 CIO Commentary

Executive Summary

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than media and expert commentary suggests.
- The U.S. fiscal outlook is deteriorating, with the “One Big Beautiful Bill” projected to increase the federal deficit by $2.7 trillion over the next decade, and a sustainable path will require multi-pronged, gradual deficit reduction over many years.
- Foreign investors are beginning to question U.S. exceptionalism due to expensive markets and a strong (but weakening) dollar.
- Despite negative headlines, economic fundamentals remain solid: Q2 GDP is forecast at 3.4%, job creation continues at 120k/month, inflation has eased to 2.4%, and wage growth exceeds inflation—suggesting resilience and room for cautious optimism.
- Tariffs remain a risk with Trump’s planned July 9 actions, but TIFF anticipates they will be diluted and resolved by year-end.
- Proposed endowment tax changes (raising the rate to 8%) could force institutions to seek greater liquidity and rebalance portfolios, creating short-term buying opportunities and increased access to top-tier private equity and hedge fund managers.
- TIFF’s portfolio remains close to its strategic allocation (65% equities / 20% hedge funds / 15% fixed income), with neutral regional and sector exposures and a strong focus on manager alpha to drive returns.

It’s Not Over Yet

We have been expecting above-average volatility, and we got it this quarter. DOGE appears to have ended with very little actual budget impact and Trump’s proposal for next year’s budget has done nothing to help the deficit trajectory. The Congressional Budget Office (CBO) estimates that if enacted, this would add $2.7 trillion to the federal deficit over the next 10 years. Most other reputable forecasts are somewhat higher than this estimate, but when the baseline is $21.1 trillion, the increments seem less significant. The US remains on an unsustainable path unless meaningful steps are taken to address rising debt and persistent deficits. We have been numbed from the exorbitant levels since the Great Financial Crisis. The largest ever annual deficit before 2008 was -$413 billion (a huge number itself!) with a median deficit of ~-$200 billion. The smallest annual deficit since 2008 was -$438 billion, with a median of ~-$1.1 trillion (2024 is estimated at -$1.9 trillion). That represents 6.5% of estimated GDP—in a decent economy! But comparing the deficit to the overall GDP mixes an “income statement” loss (deficit) to a related, but merely referential, total economic number (GDP). A fairer comparison is to compare the deficit to the actual revenue of the government of roughly $5.0 trillion in 2024. On that basis, the US is spending roughly 40% more per year than it receives in receipts.

The Congressional Budget Office Estimates a $2.7 Trillion Deficit Impact by the One Big Beautiful Bill Act, as Passed by the House of Representatives on May 22, 2025[1]

By Fiscal Year, Billions of Dollars	2025–2034
Direct Spending (Outlays)	–774
Revenues	–3,546
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We need to take action to try to get off this path, potentially soon. Time is running out. Getting out of this will be like shortening a 3-legged stool. You can't cut one leg off, or the stool tips over. The only way to do it is to shorten one leg by two inches, another by two inches, and finally, the third by two inches. You repeat this process as many times as needed to achieve the desired height. It will likely take a decade or more for our country to return to something that can be sustained for future generations.

Success for the US economy will look something like 3% GDP growth, a budget deficit of 3% of GDP (so that as a percent of GDP, the debt quits growing—similar to how each of us can handle more debt as our income and assets grow). Throughout this, we need to keep productivity high, which means inflation must also remain under control. This is a tall task, for sure, but one we must attempt to tackle. The sooner the better; the later, the more painful. Markets can move quickly and violently to impose discipline, as observed in 2022 in the United Kingdom.

The big question, then, becomes whether the proposed budget, if passed, will enable us to achieve this target. We don't know. Will it break the proverbial stool? Can we stay on track and not give up along the way if it (or something else) can get us there over some number of years? This is the challenge of our times. Whether it's this or some other plan, we need to become unified in our goal of improving our financial situation. If we don't, the capital markets will, and possibly in a much less comfortable way.

The continuing deficit is one of several reasons that the markets today are asking if US exceptionalism is over. Other concerns include expensive US capital markets relative to other countries and a potentially overvalued dollar. Believers are speculating that this means the US is, therefore, a less attractive investment destination for foreigners, who may be starting the process of bringing some of their capital back home. If true, this could be a long, slow process that pushes the US share of global stock markets (65%) down toward something closer to our share of global GDP (25%). It won't happen all at once, and it won't likely push

our share of markets that low, but directionally, it would mean that other markets will mostly outperform ours for years to come. If the USD also loses global purchasing power, then Americans planning a European vacation will need to save a little more than they do today. As believers in the US and our economy, we remain adherents to Warren Buffett's suggestion to "Never bet against America." As global investors, we also have an ever-changing benchmark and will therefore not get too far out of step with whichever path proves correct in the coming years.

US Dollar Index Against a Basket of Currencies Has Shown Strength Since the Great Financial Crisis but Has Recently Dipped[2]



What Next

As for things more near to hand, the last quarter was the most volatile in a while. From its February 19 high to its April 8 low, the S&P 500 sold off 18.9%. According to Perplexity.ai, this has only happened in fewer days three times—during COVID-19, the Lehman collapse that punctuated the GFC, and the 1929 Crash that started the Great Depression. Not the sort of company one wants to keep. This may be why most TV news commentators, economists, and market prognosticators all sound so negative. Every night, we hear that a recession is coming along with higher inflation.

Why, during this time, are equity markets doing so much better? As we've said before, the stock market is a forward-looking, discounting machine. It dispassionately takes account of what is happening in the economy, politics, geopolitics, and other relevant areas, and estimates how that will ultimately impact the forward earnings of companies whose stock is

traded on the exchanges. Investors are looking forward and seeing a brighter future than the prognosticators. We, too, are more optimistic.

Despite all the naysayers, the economy continues to hold up, at least so far. Real quarterly GDP growth was -0.5% in Q1 this year, primarily due to US businesses purchasing much more from abroad than they exported (likely looking to get ahead of tariffs), thus contributing -4.8% to Q1 GDP. Happily, the latest Atlanta Fed Q2 GDP forecast (based on data through June 18) is for 3.4% growth. US GDP forecasts for the year 2025 range mostly between 1.4% and 1.9%. Similarly, the number of jobs created this year continues to surprise to the upside, averaging 120k per month. This is just enough to keep the unemployment rate roughly stable around the 4.25% level. And finally, CPI inflation recently came in just 2.4% higher than last year, down from 2.9% at year-end. Meanwhile, year-over-year personal income growth through April 2025 is 2.94%. We are trying to stick to reading the numbers and not listening to more qualitative assessments. So far, at least, our read is that the economy and job creation continue to be solid, and the markets agree.

Lastly, regarding the Middle East war, our take on direct US involvement is balanced. As we write, the direct hit on Iranian nuclear facilities appears to have been successful at minimizing (still no IAEA confirmation) their potential nuclear threat for quite a while. This would be good (US stocks rose 2% in the two days after the strikes). World leaders are nearly unanimous that Iran should honor the treaty it signed and not become a nuclear power. This could portend a very positive future for the Middle East if it leads to Iran becoming a peaceful country, working to improve its citizens' lives as most other countries in the region seem to be doing. In the short run, however, we don't know if Iran or its proxies have cyber capabilities, sleeper cells, ballistic missiles, or anything else up their sleeves that could be used in a scorched-earth effort to remain in power. The next few months will be very important for the entire region. The good news seems to be that Russia and China are not coming to Iran's aid (nor is anyone else), suggesting this could be the start of a brighter future for Iran and the entire Middle East.

Looking Ahead

Following his 90-day pause on "reciprocal tariffs," Trump plans to enact specific new tariffs on 57 countries starting on July 9. If the administration's use of current statutes is declared illegal, it will likely try other legal approaches to pursue the administration's goal of imposing tariffs (note: we'd generally prefer not to have tariffs—as we consider tariffs to be taxes, and taxes slow the economy). For this reason, we aren't yet out of the tariff woods. We are, however, starting to see that tariffs are very unlikely to remain anywhere near the levels Trump announced on "Liberation Day." This is good. While July 9 may bring short-term market volatility and is unlikely to mark the end of the story, we remain confident that tariff negotiations will conclude by year-end. We also believe that in the second half of this year,

Congress will pass a budget (the “One Big Beautiful Bill”) that keeps taxes low and will begin to reduce regulation. Both of these will be welcomed by markets in our opinion. As the uncertainty and, hopefully, the volatility subside, we expect to see more investors becoming optimistic about the future and stock prices working their way somewhat higher. Longer-term, AI will accelerate growth and improve the efficiency of almost everything. Self-driving cars (try a Waymo in San Francisco and you’ll love it) could become common this year, and in another few years, humanoid robots will break onto the scene. We may not all like these advancements, but businesses that embrace them will become more productive and profitable than those that don’t. This could improve GDP growth and help us get our deficit under control. We keep looking for hopeful ideas on this front, and for now, this seems to be our best remaining hope.

On the fixed-income side, our views on the deficit picture probably gave you a good idea that we still prefer hedge funds. Hedge funds should continue to perform better as a group than the Bloomberg Fixed Income Aggregate, and they provide much better alpha opportunities than fixed income. Our duration remains just short of 5 years vs. our benchmark at approximately 6 years. We would love to trim duration if yields on the 10-year Treasury get to 4.25% or below. Conversely, if yields get to 4.75% or so, we expect to add duration. We continue to anticipate the 10-year will trade in a 4.25% to 5% yield range this year. We will likely buy at the higher yields and sell at the lower yields. Interest rates will be impacted by the US budget and deficit progress (or lack thereof), as well as inflation changes—whether higher (as most expect) or lower (as a few expect). Nevertheless, there is better value in fixed income today than in many years.

Meanwhile our hedge fund portfolios continue to do well for us, and we like our manager roster. The proposals to raise the tax rate that “wealthy endowments” pay (to as high as 8%) could create opportunities for TIFF. While the opportunity is smaller now than it would have been at the originally proposed 21% rate, affected endowments may still look to reduce their tax burden. This could lead them to (1) move away from high-turnover hedge funds or (2) sell private investments now to avoid future gains taxes and create liquidity for rebalancing their private book.

Our eyes are wide open for opportunities to upgrade already strong manager rosters across all our portfolios.

For now, we remain very near our strategic asset allocation targets of 65% global equities/20% hedge funds/15% fixed income. We are also quite neutral relative to geographic and stock market sector weights, relying heavily on manager alpha to drive positive relative performance. Fingers crossed; this strategy has been beneficial so far this year, and today, we don’t see a compelling opportunity that would cause us to change from this positioning.

Where’s the Big Opportunity of the Future?

A number of people have started asking if the current chaos is creating opportunities that we believe could prove helpful in coming years. We mentioned some possibilities above when discussing how the proposed endowment tax changes could create access to new managers. Below, we will address the question in greater detail. TIFF will have our own favorite approach to tackling this potential opportunity, but our goal here is to outline which asset class/assets could generate better-than-average returns over the next 3-7 years. Let’s dig in.

Over the long run, different assets provide generally different returns. Money markets, for example, usually provide the lowest returns with the least risk and lowest volatility of annual return. Next up are bonds, where returns are usually a bit higher than money markets but they can be more volatile and you can lose money from time to time. Hedge funds are riskier and, in our opinion, higher returning investments. Public equities typically provide even higher returns, while private generally equity offers the highest return, but also carries the most risk. One of the features that makes private equity riskier than public equity is its lack of liquidity. When events conspire against the capital markets and you want to step aside, it’s only possible if your holdings are liquid. You might be able to sell your illiquid private equity holdings, but usually only at a steep discount.

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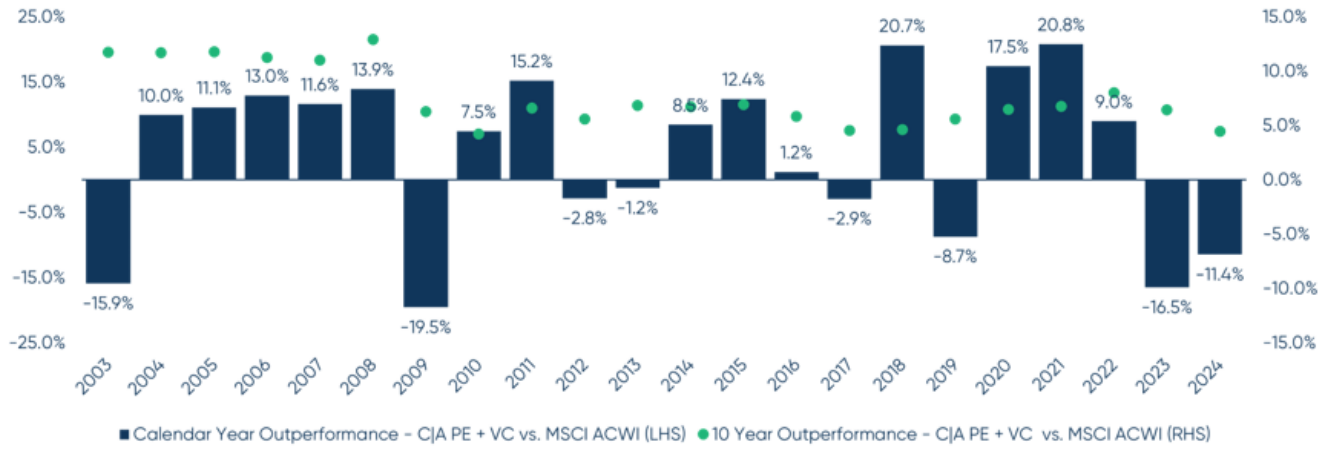
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What Next

As for things more near to hand, the last quarter was the most volatile in a while. From its February 19 high to its April 8 low, the S&P 500 sold off 18.9%. According to Perplexity.ai, this has only happened in fewer days three times—during COVID-19, the Lehman collapse that punctuated the GFC, and the 1929 Crash that started the Great Depression. Not the sort of

company one wants to keep. This may be why most TV news commentators, economists, and market prognosticators all sound so negative. Every night, we hear that a recession is coming along with higher inflation.

Why, during this time, are equity markets doing so much better? As we've said before, the stock market is a forward-looking, discounting machine. It dispassionately takes account of what is happening in the economy, politics, geopolitics, and other relevant areas, and estimates how that will ultimately impact the forward earnings of companies whose stock is traded on the exchanges. Investors are looking forward and seeing a brighter future than the prognosticators. We, too, are more optimistic.

Despite all the naysayers, the economy continues to hold up, at least so far. Real quarterly GDP growth was -0.5% in Q1 this year, primarily due to US businesses purchasing much more from abroad than they exported (likely looking to get ahead of tariffs), thus contributing -4.8% to Q1 GDP. Happily, the latest Atlanta Fed Q2 GDP forecast (based on data through June 18) is for 3.4% growth. US GDP forecasts for the year 2025 range mostly between 1.4% and 1.9%. Similarly, the number of jobs created this year continues to surprise to the upside, averaging 120k per month. This is just enough to keep the unemployment rate roughly stable around the 4.25% level. And finally, CPI inflation recently came in just 2.4% higher than last year, down from 2.9% at year-end. Meanwhile, year-over-year personal income growth through April 2025 is 2.94%. We are trying to stick to reading the numbers and not listening to more qualitative assessments. So far, at least, our read is that the economy and job creation continue to be solid, and the markets agree.

Lastly, regarding the Middle East war, our take on direct US involvement is balanced. As we write, the direct hit on Iranian nuclear facilities appears to have been successful at minimizing (still no IAEA confirmation) their potential nuclear threat for quite a while. This would be good (US stocks rose 2% in the two days after the strikes). World leaders are nearly unanimous that Iran should honor the treaty it signed and not become a nuclear power. This could portend a very positive future for the Middle East if it leads to Iran becoming a peaceful country, working to improve its citizens' lives as most other countries in the region seem to be doing. In the short run, however, we don't know if Iran or its proxies have cyber capabilities, sleeper cells, ballistic missiles, or anything else up their sleeves that could be used in a scorched-earth effort to remain in power. The next few months will be very important for the entire region. The good news seems to be that Russia and China are not coming to Iran's aid (nor is anyone else), suggesting this could be the start of a brighter future for Iran and the entire Middle East.

Looking Ahead

Following his 90-day pause on “reciprocal tariffs,” Trump plans to enact specific new tariffs on 57 countries starting on July 9. If the administration’s use of current statutes is declared illegal, it will likely try other legal approaches to pursue the administration’s goal of imposing tariffs (note: we’d generally prefer not to have tariffs—as we consider tariffs to be taxes, and taxes slow the economy). For this reason, we aren’t yet out of the tariff woods. We are, however, starting to see that tariffs are very unlikely to remain anywhere near the levels Trump announced on “Liberation Day.” This is good. While July 9 may bring short-term market volatility and is unlikely to mark the end of the story, we remain confident that tariff negotiations will conclude by year-end. We also believe that in the second half of this year, Congress will pass a budget (the “One Big Beautiful Bill”) that keeps taxes low and will begin to reduce regulation. Both of these will be welcomed by markets in our opinion. As the uncertainty and, hopefully, the volatility subside, we expect to see more investors becoming optimistic about the future and stock prices working their way somewhat higher. Longer-term, AI will accelerate growth and improve the efficiency of almost everything. Self-driving cars (try a Waymo in San Francisco and you’ll love it) could become common this year, and in another few years, humanoid robots will break onto the scene. We may not all like these advancements, but businesses that embrace them will become more productive and profitable than those that don’t. This could improve GDP growth and help us get our deficit under control. We keep looking for hopeful ideas on this front, and for now, this seems to be our best remaining hope.

On the fixed-income side, our views on the deficit picture probably gave you a good idea that we still prefer hedge funds. Hedge funds should continue to perform better as a group than the Bloomberg Fixed Income Aggregate, and they provide much better alpha opportunities than fixed income. Our duration remains just short of 5 years vs. our benchmark at approximately 6 years. We would love to trim duration if yields on the 10-year Treasury get to 4.25% or below. Conversely, if yields get to 4.75% or so, we expect to add duration. We continue to anticipate the 10-year will trade in a 4.25% to 5% yield range this year. We will likely buy at the higher yields and sell at the lower yields. Interest rates will be impacted by the US budget and deficit progress (or lack thereof), as well as inflation changes—whether higher (as most expect) or lower (as a few expect). Nevertheless, there is better value in fixed income today than in many years.

Meanwhile our hedge fund portfolios continue to do well for us, and we like our manager roster. The proposals to raise the tax rate that “wealthy endowments” pay (to as high as 8%) could create opportunities for TIFF. While the opportunity is smaller now than it would have been at the originally proposed 21% rate, affected endowments may still look to reduce their tax burden. This could lead them to (1) move away from high-turnover hedge funds or (2) sell private investments now to avoid future gains taxes and create liquidity for rebalancing their

private book.

Our eyes are wide open for opportunities to upgrade already strong manager rosters across all our portfolios.

For now, we remain very near our strategic asset allocation targets of 65% global equities/20% hedge funds/15% fixed income. We are also quite neutral relative to geographic and stock market sector weights, relying heavily on manager alpha to drive positive relative performance. Fingers crossed; this strategy has been beneficial so far this year, and today, we don't see a compelling opportunity that would cause us to change from this positioning.

Where's the Big Opportunity of the Future?

A number of people have started asking if the current chaos is creating opportunities that we believe could prove helpful in coming years. We mentioned some possibilities above when discussing how the proposed endowment tax changes could create access to new managers. Below, we will address the question in greater detail. TIFF will have our own favorite approach to tackling this potential opportunity, but our goal here is to outline which asset class/assets could generate better-than-average returns over the next 3-7 years. Let's dig in.

Over the long run, different assets provide generally different returns. Money markets, for example, usually provide the lowest returns with the least risk and lowest volatility of annual return. Next up are bonds, where returns are usually a bit higher than money markets but they can be more volatile and you can lose money from time to time. Hedge funds are riskier and, in our opinion, higher returning investments. Public equities typically provide even higher returns, while private generally equity offers the highest return, but also carries the most risk. One of the features that makes private equity riskier than public equity is its lack of liquidity. When events conspire against the capital markets and you want to step aside, it's only possible if your holdings are liquid. You might be able to sell your illiquid private equity holdings, but usually only at a steep discount.

This is why we own some illiquid private investments, but we try to limit our ownership to 1/3 or so of a portfolio. We like the higher expected returns but understand and incorporate the higher risk that comes with illiquidity. Others are willing to take much higher illiquid exposure than this and that could be presenting an opportunity today.

The Proposed One Big Beautiful Bill (OB3) Endowment Tax

The OB3 proposal introduces a progressive, tiered tax schedule on private higher education endowments (up to 8% from current 1.4%). We've written an overview of the latest Senate

draft tax proposal [here] for the details. The proposal represents a substantial change in higher education taxation that, when coupled with possible modifications in other higher education governmental funding and student eligibility, could impact private markets in both the short and long terms.

In the short term, impacted investors may look to increase liquidity and rebalance portfolios. In the long term, impacted institutions may look to (1) increase their expected returns to offset the tax drag and/or (2) look to defer any potential tax liability by seeking long-hold assets.

We anticipate two possible short-term outcomes from these:

1. Increased use of secondary markets as institutions:
    - Rebalance portfolios in light of the tax
    - Manage the increased financial burden on endowment
    - Create potentially interesting buying opportunities on the other end of those transactions
2. Availability of capacity at some previously closed PE (and HF) managers as impacted endowments augment liquidity to new higher levels reflecting the new higher annual draw.

If this happens, we will try to add attractive managers to our roster, which we already like a lot.

Over the longer term, we expect affected endowments will find the right level of illiquidity for the new endowment environment. They will likely attempt to stay toward the higher end of target illiquidity levels by:

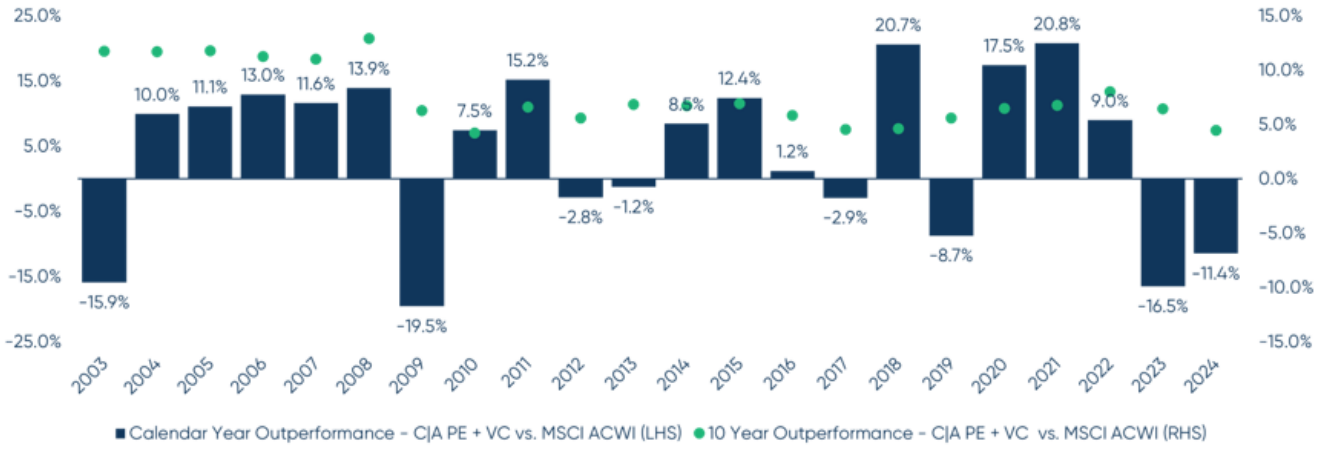
1. Tilting asset allocation toward return-enhancing alternatives like private equity
2. Preferring longer-hold assets aligning with private equity's time horizon
3. Minimizing annual taxes by overweighting those that generate long-term gains taxed at lower rates, rather than consistent taxable short-term gains

In addition to the long-term role private equity will play in E&F's, the "democratization" of PE is very likely to bring retail investors into this market as new buyers. New products that allow for smaller investors to invest in illiquid assets are emerging both in the US and Europe as regulations and structures increase the range of potential investors in this space. Over time, some estimates are that up to half of illiquid demand will come from this new source. We tend to believe that retail capital will flow to larger PE firms with more fundraising resources, which could further compress returns in larger cap PE strategies. However, this should provide a boost to smaller PE managers, who will eventually sell their portfolio companies into this market and be able to capture greater levels of multiple expansion at exit.

Our main conclusion here is that traditional PE investors may right size now, but they likely won't abandon the consistently highest-returning asset class. Meanwhile, new investors who are gaining access could become a big source of demand in the future that will benefit returns in some parts of the private markets. In our view, private equity still benefits from some structural advantages, such as the ability to align interests, add value to portfolio companies, think more long-term than many public companies, get term leverage, and choose when to be fully invested. Private equity is thus likely to remain the best performing asset class in the future.

We started by highlighting that PE generates the highest and riskiest return stream. Below is the other factor that causes us to believe that now may be a better-than-average time to invest in PE. The chart below shows the annual PE return (blue bar) and the rolling 10-year performance vs. public equities (green dots). You can see both the excellent long-term performance and the uniquely poor last two years—the worst back-to-back returns in the last 22 years. In previous episodes of poor performance, subsequent years were recovery years. So far, that hasn't happened this time.

1 Year and 10 Year Excess Return of Cambridge Associate PE & VC Index vs. MSCI ACWI[3]



We are not forecasting a monster year, but we do expect that the inherent advantages of PE noted above should continue to prove valuable to returns.

There are many nuances that our private markets team incorporates into their efforts to exploit opportunities that we've mentioned. However, we want to go on record suggesting that we believe today is as good a time as we've seen to consider increasing PE exposure if it fits your plan. In our opinion, we may look back on this period in 5-7 years as an unusually good opportunity. We also note that despite our views, timing PE is notoriously difficult due to the impossibility of knowing the investing environment for the next 4-5 years and the exit

environment for the subsequent 5 years or so.

As always, we greatly appreciate the opportunity to manage your capital and help you achieve your organization's goals. We are here to assist in any way possible, so please feel free to reach out to us with any questions or needs.

Your TIFF Investment Team

These materials are being provided for informational purposes only and constitute neither an offer to sell nor a solicitation of an offer to buy securities. These materials also do not constitute an offer or advertisement of TIFF's investment advisory services or investment, legal or tax advice. Opinions expressed herein are those of TIFF and are not a recommendation to buy or sell any securities.

These materials may contain forward-looking statements relating to future events. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," or "continue," the negative of such terms or other comparable terminology. Although TIFF believes the expectations reflected in the forward-looking statements are reasonable, future results cannot be guaranteed.

Footnotes

1. CBO.
2. Bloomberg. Based on DXY, which is a measure of the international value of the U.S. dollar relative to a basket of six major world currencies: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona, and Swiss franc.
3. C|A PE&VC Index, Bloomberg. C|A PE&VC Index utilized IRR while MSCI ACWI is shown in time weighted returns.
   Notes. Represents TIFF's view of the current market environment as of the date appearing in this material only. CY 2024 C|A PE + VC is estimated at 6%. Past performance does not guarantee future results.

July 7, 2025

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2nd Quarter 2025 CIO Commentary

Executive Summary

- Q2 saw significant market volatility, including an 18.9% S&P 500 drop over 49 days—comparable only to COVID-19, the Lehman collapse, and the 1929 Crash—though markets have since rebounded as investors price in more optimism than media and expert commentary suggests.
- The U.S. fiscal outlook is deteriorating, with the “One Big Beautiful Bill” projected to increase the federal deficit by $2.7 trillion over the next decade, and a sustainable path will require multi-pronged, gradual deficit reduction over many years.
- Foreign investors are beginning to question U.S. exceptionalism due to expensive markets and a strong (but weakening) dollar.
- Despite negative headlines, economic fundamentals remain solid: Q2 GDP is forecast at 3.4%, job creation continues at 120k/month, inflation has eased to 2.4%, and wage growth exceeds inflation—suggesting resilience and room for cautious optimism.
- Tariffs remain a risk with Trump’s planned July 9 actions, but TIFF anticipates they will be diluted and resolved by year-end.
- Proposed endowment tax changes (raising the rate to 8%) could force institutions to seek greater liquidity and rebalance portfolios, creating short-term buying opportunities and increased access to top-tier private equity and hedge fund managers.
- TIFF’s portfolio remains close to its strategic allocation (65% equities / 20% hedge funds / 15% fixed income), with neutral regional and sector exposures and a strong focus on manager alpha to drive returns.

It’s Not Over Yet

We have been expecting above-average volatility, and we got it this quarter. DOGE appears to have ended with very little actual budget impact and Trump’s proposal for next year’s budget has done nothing to help the deficit trajectory. The Congressional Budget Office (CBO) estimates that if enacted, this would add $2.7 trillion to the federal deficit over the next 10 years. Most other reputable forecasts are somewhat higher than this estimate, but when the baseline is $21.1 trillion, the increments seem less significant. The US remains on an unsustainable path unless meaningful steps are taken to address rising debt and persistent deficits. We have been numbed from the exorbitant levels since the Great Financial Crisis. The largest ever annual deficit before 2008 was -$413 billion (a huge number itself!) with a median deficit of ~-$200 billion. The smallest annual deficit since 2008 was -$438 billion, with a median of ~-$1.1 trillion (2024 is estimated at -$1.9 trillion). That represents 6.5% of estimated GDP—in a decent economy! But comparing the deficit to the overall GDP mixes an “income statement” loss (deficit) to a related, but merely referential, total economic number (GDP). A fairer comparison is to compare the deficit to the actual revenue of the government of roughly $5.0 trillion in 2024. On that basis, the US is spending roughly 40% more per year than it receives in receipts.

The Congressional Budget Office Estimates a $2.7 Trillion Deficit Impact by the One Big Beautiful Bill Act, as Passed by the House of Representatives on May 22, 2025[1]

By Fiscal Year, Billions of Dollars	2025–2034
Direct Spending (Outlays)	–774
Revenues	–3,546
Increase or Decrease (–) in the Deficit	2,773

We need to take action to try to get off this path, potentially soon. Time is running out. Getting out of this will be like shortening a 3-legged stool. You can’t cut one leg off, or the stool tips over. The only way to do it is to shorten one leg by two inches, another by two inches, and finally, the third by two inches. You repeat this process as many times as needed to achieve the desired height. It will likely take a decade or more for our country to return to something that can be sustained for future generations.

Success for the US economy will look something like 3% GDP growth, a budget deficit of 3% of GDP (so that as a percent of GDP, the debt quits growing—similar to how each of us can

handle more debt as our income and assets grow). Throughout this, we need to keep productivity high, which means inflation must also remain under control. This is a tall task, for sure, but one we must attempt to tackle. The sooner the better; the later, the more painful. Markets can move quickly and violently to impose discipline, as observed in 2022 in the United Kingdom.

The big question, then, becomes whether the proposed budget, if passed, will enable us to achieve this target. We don't know. Will it break the proverbial stool? Can we stay on track and not give up along the way if it (or something else) can get us there over some number of years? This is the challenge of our times. Whether it's this or some other plan, we need to become unified in our goal of improving our financial situation. If we don't, the capital markets will, and possibly in a much less comfortable way.

The continuing deficit is one of several reasons that the markets today are asking if US exceptionalism is over. Other concerns include expensive US capital markets relative to other countries and a potentially overvalued dollar. Believers are speculating that this means the US is, therefore, a less attractive investment destination for foreigners, who may be starting the process of bringing some of their capital back home. If true, this could be a long, slow process that pushes the US share of global stock markets (65%) down toward something closer to our share of global GDP (25%). It won't happen all at once, and it won't likely push our share of markets that low, but directionally, it would mean that other markets will mostly outperform ours for years to come. If the USD also loses global purchasing power, then Americans planning a European vacation will need to save a little more than they do today. As believers in the US and our economy, we remain adherents to Warren Buffett's suggestion to "Never bet against America." As global investors, we also have an ever-changing benchmark and will therefore not get too far out of step with whichever path proves correct in the coming years.

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As for things more near to hand, the last quarter was the most volatile in a while. From its February 19 high to its April 8 low, the S&P 500 sold off 18.9%. According to Perplexity.ai, this has only happened in fewer days three times—during COVID-19, the Lehman collapse that punctuated the GFC, and the 1929 Crash that started the Great Depression. Not the sort of company one wants to keep. This may be why most TV news commentators, economists, and market prognosticators all sound so negative. Every night, we hear that a recession is coming along with higher inflation.

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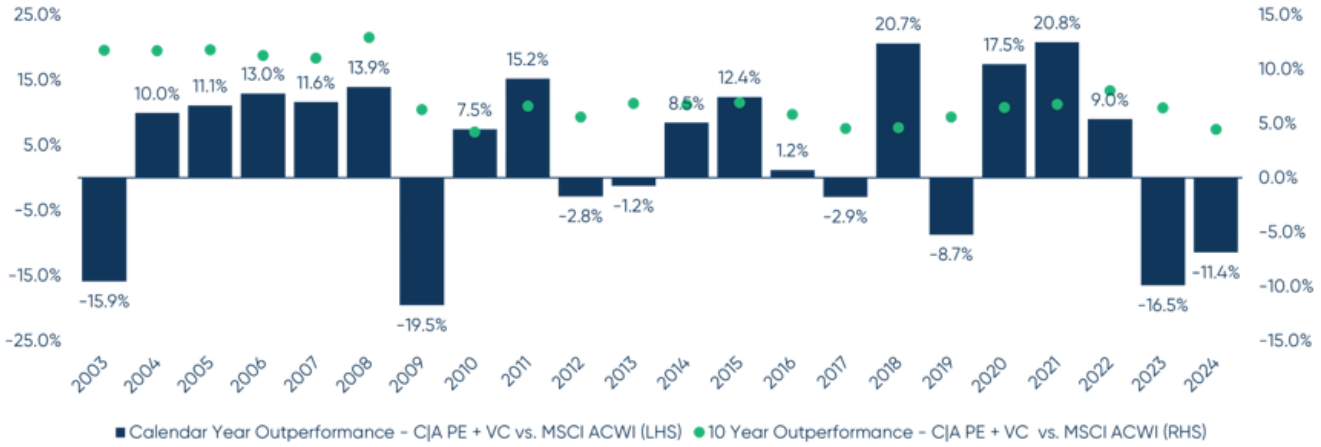
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Your TIFF Investment Team

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Footnotes

1. CBO.
2. Bloomberg. Based on DXY, which is a measure of the international value of the U.S. dollar relative to a basket of six major world currencies: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona, and Swiss franc.
3. C|A PE&VC Index, Bloomberg. C|A PE&VC Index utilized IRR while MSCI ACWI is shown in time weighted returns.
   Notes. Represents TIFF's view of the current market environment as of the date appearing in this material only. CY 2024 C|A PE + VC is estimated at 6%. Past performance does not guarantee future results.

TIFF Investment Management



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