



# **TIFF INVESTMENT MANAGEMENT** **ANNUAL SUSTAINABILITY REPORT**

**As of Year-End 2021**

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**PURSUING INVESTMENT EXCELLENCE *on behalf of* ENDOWED NONPROFITS**



## LETTER FROM TIFF'S CEO

As ever, the investment world and the world at large continue to evolve. Environmental, social & governance (ESG) factors and diversity, equity & inclusion (DEI) are increasingly influential in the minds of investors, regulators, consumers and governments, and rightfully so. Sustainable investment assets now represent over \$35 trillion or a third of global assets under management.<sup>1</sup> Approximately 88% of global greenhouse gas emissions are covered by “net zero” targets, or goals set by governments and corporations to reduce their net emissions to zero over the next few decades.<sup>2</sup> Racial equity unfortunately remains a goal and not a reality in many areas of our global economy, including in the investment industry where recent studies reveal that only 1.4% of assets under management are managed by diverse-owned firms.<sup>3</sup> All of this presents risk to investment portfolios and the opportunity to do well while doing good.

We at TIFF, as stewards of intergenerational capital, believe in the business case for integrating ESG<sup>4</sup> and DEI into our investment processes and firm culture. An increasing number of robust studies evidence the value in diverse thinking for decision making and achieving better outcomes.<sup>5</sup> Additionally, as the UN World Commission on Environment and Development stated in *Our Common Future* many years ago, a statement that remains true: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their needs.”<sup>6</sup> Capital markets have a critical role in this development; and true progress depends upon *multi-stakeholder value creation*: the preservation and growth of human, social, environmental and financial capitals. Companies that best understand this and that solve large environmental and social problems have the potential to be the leading businesses of the future and in some cases already are. We have been tracking this evolution for a number of years and adapting our investment processes and strategies to not only account for ESG and DEI risks but also to capture opportunities and better align our members’ capital with their missions and values. We have also strengthened our firm culture through various ESG and DEI initiatives, which we describe in this report.

TIFF remains committed to sustainability, and we continued to make strides in 2021. We believe our efforts will lead to better investment outcomes, better alignment with our members, better access to talent, and a better society. The world is evolving, and we are evolving with it. Much work is left to do in addressing environmental and social risks and opportunities, and TIFF remains determined to do our part on behalf of our members, communities and staff.

Sincerely,

C. Kane Brenan

<sup>1</sup> Global Sustainable Investment Review 2020

<sup>2</sup> Oxford Net Zero

<sup>3</sup> Knight Foundation Diversity of Asset Managers Research Series

<sup>4</sup> Sinha, Datta, Ziolo (2019). Effective Investments On Capital Markets. *Inclusion of ESG in Investments and Value Addition: A Meta-Analysis of the Relationship*. SpringerLink

<sup>5</sup> McKinsey (2020). Diversity Wins: How Inclusion Matters

<sup>6</sup> United Nations (1987). Report of the World Commission on Environment and Development: Our Common Future

# REPORT SUMMARY

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In this report we share the various ways in which TIFF incorporates ESG and DEI into our investment processes and firm culture, activity that we refer to, collectively, as our sustainability efforts. We provide detail on where we've been and where we're going on this sustainability journey that we are taking with our members. We start at ten thousand feet and drill down.

Page 3 provides TIFF's sustainability framework, followed by highlights of our 2021 ESG and DEI activities on page 4.

We then define sustainable investing and the numerous sub-strategies so that we are all speaking the same language (a language still new and in flux!) on page 5.

On pages 6 through 8 we lay out TIFF's sustainability principles—why sustainability matters to us—the ESG process that we have applied across investments for over five years, and the sustainability resources we bring to bear.

Pages 9 through 12 list what we accomplished in 2021 (humbly; we remain in the early stages of this journey) in ESG and DEI. We then dive deeply on pages 13 through 18 into our DEI efforts, a key focus for senior management and our Board.

Pages 19 and 20 provide an overview of our dedicated Sustainability Strategies and our Custom Impact Private Investments (CIPI) offering. We conclude the body of the report with disclosure on TIFF's firm carbon footprint on page 21.

In the appendix, you'll find an overview of TIFF.

We hope and expect this report to raise as many questions as it provides answers, and we welcome debate as we continue down the path to a more sustainable and equitable future.

# TIFF SUSTAINABILITY FRAMEWORK (ESG AND DEI)

## INVESTMENTS

ESG/DEI ANALYSIS  
APPLIED TO  
ALL TIFF  
INVESTMENTS

DEDICATED  
SUSTAINABLE  
INVESTMENT  
STRATEGIES

CUSTOM IMPACT  
PRIVATE  
INVESTMENTS

CUSTOM  
PASSIVE  
INVESTMENTS

## INTERNAL

COMMUNITY  
INVOLVEMENT

WORKPLACE  
DIVERSITY

PARTNER  
DIVERSITY

ENVIRONMENTAL  
FOOTPRINT

**BETTER OUTCOMES**  
**BETTER ALIGNMENT WITH MEMBERS**  
**BETTER ACCESS TO TALENT**  
**BETTER SOCIETY**

# 2021 TIFF ESG AND DEI HIGHLIGHTS

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*TIFF CEO joined  
CEO Action  
for  
Diversity & Inclusion*

*Invested in  
several new  
sustainable  
investment managers*

*Established  
Custom Impact  
Private Investments  
(CIPI) offering*

*Conducted a fresh  
round of ESG and  
DEI engagement  
with our managers*

*Conducted detailed  
DEI analysis for our  
senior leadership  
and Board*

*Established two  
DEI Committees  
(investments,  
internal initiatives)*

*Added a new  
member to the  
TIFF Sustainable  
Investments team*

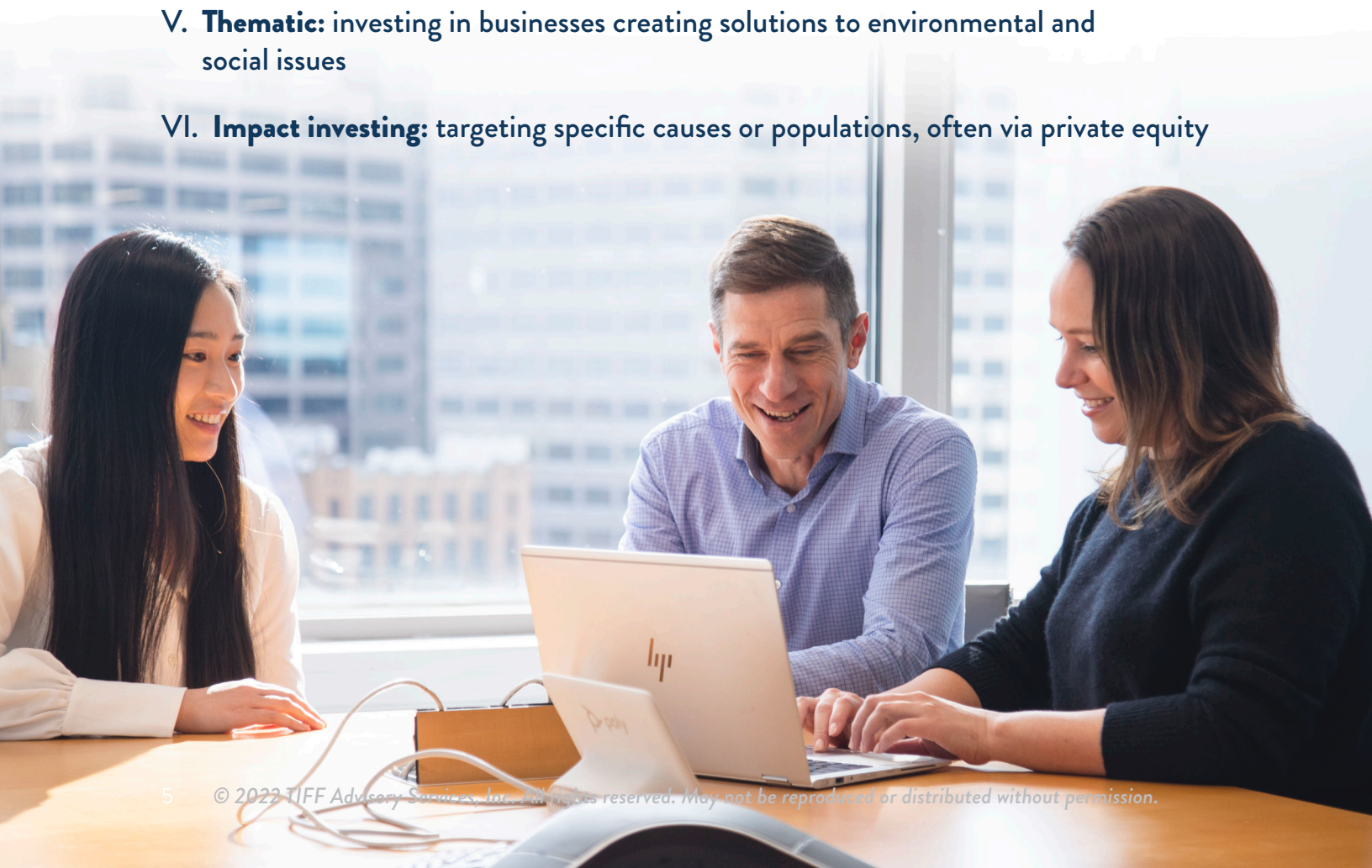
*Continued to  
give back to our  
communities through  
volunteer efforts*



# SUSTAINABLE INVESTING DEFINED

TIFF uses “sustainable investing” as an umbrella term for the various ways that ESG and DEI analyses are incorporated into investment strategies across our industry. The below are common ways these approaches are described. TIFF incorporates ESG integration across all investments and employs additional strategies for TIFF’s dedicated sustainable and impact investment offerings.

- I. **Negative screening:** excluding industries or companies from an investment universe
- II. **Positive screening:** investing only in highly-ranked companies based on measures of ESG and/or DEI performance
- III. **ESG integration:** taking a holistic approach where ESG analysis is one influential component of investment research
- IV. **Shareholder engagement:** engaging with company management teams and boards to promote sustainable practices
- V. **Thematic:** investing in businesses creating solutions to environmental and social issues
- VI. **Impact investing:** targeting specific causes or populations, often via private equity



# TIFF SUSTAINABLE INVESTMENT PRINCIPLES

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TIFF believes that incorporating financially material environmental, social & governance (ESG) and diversity, equity & inclusion (DEI) factors into investment analyses has the potential to reduce risk and improve returns.

We believe that:

- Corporations are inextricably linked to the human and environmental systems in which they are embedded through their physical footprints, supply chains, labor practices, community relations, products and services
- No investment analysis is complete without incorporation of material ESG and DEI factors
- Companies that drive value for all stakeholders (employees, communities, customers, shareholders and the environment) have the potential to generate above average returns; those that don't risk losing their license to operate
- As a long-term investor and steward of multi-generational capital, TIFF has a duty to analyze ESG and DEI risks and opportunities based on an assessment of financial materiality, to limit the negative impact of our investments, and to maximize positive impact while attempting to meet the risk and return goals of our members

**In short, we believe that corporate value is dependent upon multi-stakeholder value creation.**

# TIFF ESG/DEI INTEGRATION PROCESS

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TIFF has incorporated ESG analysis into all investment decisions across asset classes since 2017. Our formal DEI work took hold in 2020 and is detailed later in this report. Our process is based on financial materiality: we focus on those industry- and company-specific ESG and DEI factors that influence corporate value. TIFF uses a combination of methods in our process.

- **Manager engagement:** As the most critical component of the process, there are several layers. Prior to approval of any investment and as part of our regular monitoring process during the life of an investment, we hold calls with managers to understand their ESG philosophies, processes and dedicated resources. We go deeper and ask questions about specific portfolio companies to better understand our risks and opportunities and to verify that managers are conducting meaningful ESG analyses. We share resources with managers and have helped managers create ESG processes. We conduct an annual DEI survey in which we ask managers for demographic information on their staffs and a series of qualitative questions about managers' DEI practices. We then discuss ESG and DEI in follow-up meetings and calls.
- **ESG factor measurement and ranking:** We use third-party service providers to measure our public equity investments on a number of E, S and G criteria. We also use a proprietary internal framework to rank managers across asset classes on their ESG processes.
- **Study sustainability themes:** We conduct primary research on sustainability-driven industry themes and trends, such as the energy transition, water, healthcare, sustainable agriculture and racial equity, among others. This includes analysis of emerging technologies, business models and regulations.
- **Stakeholder engagement:** Our staff are involved in various ESG and DEI working groups, helping to develop industry best practices.
- **TIFF ESG Committee (ESGC):** TIFF's ESGC consists of staff members from various departments at TIFF. The ESGC is responsible for ensuring that TIFF is adhering to our ESG/DEI investment processes and improving the sustainability profile of TIFF as a firm.
- **ESG in investment memos:** Every investment memo presented to our Investment Committee and Board includes an ESG section summarizing the ESG analysis conducted on the manager being considered for investment.



# TIFF SUSTAINABLE INVESTMENT RESOURCES AND AFFILIATIONS

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TIFF is committed to pursuing and helping develop best practices in sustainable investing. We are aligned with leading sustainable investment organizations. All investment professionals at TIFF are trained to conduct ESG and DEI analyses. In addition, we have staff dedicated to managing sustainable and impact investments.

TIFF CIO **Jay Willoughby, CFA**, serves on the board of the **Value Reporting Foundation**, soon to be part of the **International Sustainability Standards Board**, which is developing global standards for public company reporting of financially material ESG information.



TIFF is a **United Nations Principles for Responsible Investment** signatory. The mission of the PRI is to understand the investment implications of ESG factors and support the incorporation of these factors into investment decisions. The aggregate AUM of PRI signatories is over \$121 trillion.<sup>7</sup>



TIFF is a member of the **Intentional Endowments Network**, whose mission is to help endowed institutions mobilize capital to create a more just and sustainable world.



Three of TIFF's Board members hail from institutions leading in sustainable investing: **Bola Olusanya**, CIO of **The Nature Conservancy**; **Mai-Anh Tran**, CFO of the **Ford Foundation**; and **Jennifer Deger**, Director of Finance and Global Controller at the **Bill & Melinda Gates Foundation**.

TIFF's head of sustainable investments **Chris Matteini** holds an MBA in Sustainability from Antioch University and has earned the Fundamentals of Sustainability Accounting (FSA) credential.

TIFF sustainable investments analyst **Julia Zhan** also holds the FSA.

<sup>7</sup> PRI website: [www.unpri.org](http://www.unpri.org).

# 2021 TIFF SUSTAINABILITY ACTIVITY DETAIL

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TIFF is proud of what we accomplished in 2021 related to both our investment processes and our internal sustainability (ESG and DEI) initiatives. There is still much work left for the investment industry and for TIFF specifically as we advance on this journey, but we continue to push forward. Here are some highlights from the year.

## Investments

### Staff

- Hired Julia Zhan, sustainable investments analyst. Julia has over a decade of experience consulting to corporations, banks and asset managers on mergers & acquisitions, restructurings, decarbonization projects and other ESG initiatives

### Managers

- Added the following new managers to the TIFF platform:
  - A foremost global expert on the energy transition and cleantech investing
  - Global compliance market carbon credit specialists
  - A custom passive manager with the ability to create custom public equity index exposure using negative and positive sustainability screens
  - An investment grade green and impact bond manager
- Increased our pipeline of diverse managers and conducted in-depth DEI analysis for TIFF senior management and our Board (for more detail, please see the Manager Diversity, Equity & Inclusion Project section below)
- Consistent with our historical process, TIFF engaged with managers on ESG and DEI, including conducting TIFF's annual DEI manager survey

### TIFF Investment Strategies

- With the addition of green and impact bonds, TIFF's Sustainability Strategies are having positive impact across all three asset classes: equities (active and passive), diversifiers and fixed income. We believe this is one of the few, if not the only, such commingled solution on the market
- Established TIFF's Custom Impact Private Investments (CIPI) offering (for more detail, please see the TIFF CIPI section below)

# 2021 TIFF SUSTAINABILITY ACTIVITY DETAIL *(continued)*

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## Committees

- Established the TIFF Diversity Committee tasked with maintaining best DEI practices for TIFF as a firm
- Established the TIFF Investment Diversity Committee tasked with incorporating best DEI practices into our investment processes

## Partnerships and Affiliations

- Partnered with CapShift, an impact investment consultant, research and idea sourcing engine
- Participated in multiple industry working groups focused on DEI and net zero, including with the Intentional Endowments Network and Institutional Allocators for Diversity, Equity & Inclusion
- Submitted our UN Principles for Responsible Investment (PRI) questionnaire



# 2021 TIFF SUSTAINABILITY

## ACTIVITY DETAIL *(continued)*

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### Internal

#### TIFF Leadership

- TIFF CEO Kane Brennan joined CEO Action for Diversity & Inclusion
- Added the following members to TIFF's Board: Bola Olusanya, CIO of The Nature Conservancy; Mai-Anh Tran, CFO of the Ford Foundation (Mai-Anh joined late 2020); and Jennifer Deger, Director of Finance and Global Controller at the Bill & Melinda Gates Foundation (Jennifer joined early 2022)
- TIFF COO Rob Zion continued to serve on the board of the Philadelphia Financial Scholars, a nonprofit dedicated to improving financial literacy and providing investment training to high school students and their families; TIFF staff served as volunteers, and TIFF also made a financial contribution

#### Staff Development and Growth<sup>8</sup>

- The TIFF DEI Committee established approximate staff diversity parameters, with a goal of roughly reflecting society at large across multiple metrics by 2025. We are well ahead of schedule in meeting these parameters. Over the past couple of years, we have taken the following actions:
  - Across 2020 and 2021, made 19 full-time hires, including 13 women and 7 members of historically underrepresented groups (HUGs)
  - 49% of TIFF's total staff and 48% in management roles are women
  - 16% of TIFF's total staff and 10% in management roles are members of historically underrepresented groups
  - All 7 of TIFF's 2021 interns were women and/or members of historically underrepresented groups
- One study found that women represent 41.8% of employees and 25.4% of senior leaders in the asset management industry, while minorities represented 30.5% of employees and 16.3% of senior leaders<sup>9</sup>

<sup>8</sup> Employee stats based on employee responses to DEI surveys

<sup>9</sup> Investment Company Institute/McLagan U.S. Asset Management Diversity and Inclusion Survey, November 2020

# 2021 TIFF SUSTAINABILITY

## ACTIVITY DETAIL *(continued)*

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- Developed relationships with the Women in Investment Network, 100 Women in Finance, Chief, Toigo, Jopwell and others
- Conducted staff DEI surveys, resulting in several new initiatives, including the development of TIFF affinity groups
- All staff participated in unconscious bias training conducted by an external consultant

### **TIFF Community Engagement**

- Conducted staff volunteering survey to generate new ideas for supporting our communities
- Continued TIFF's Days of Caring volunteer program

### **TIFF Environmental Initiatives**

- Created TIFF Environmental Subcommittee within our ESG Committee to focus on reducing TIFF's environmental footprint
- Measured TIFF's firm carbon footprint, and researched various ways to reduce and offset it (this work is ongoing)
- Researched various ways to reduce and offset our firm's carbon footprint, including purchasing carbon offsets from the compliance and voluntary markets, and investing in carbon removal projects (this work is ongoing)
- TIFF's Boston office is in a LEED Gold certified building, and TIFF's Radnor office park buys 100% of its electricity from renewable energy sources
- Both offices use motion-sensor LED lighting, both offer robust recycling programs, including for e-waste, lightbulbs and batteries, and offer secure bike racks and charging stations for electric cars
- Employees can use pre-tax dollars to purchase public transportation passes
- We have drastically reduced the use of paper in our communications



# TIFF DIVERSITY, EQUITY & INCLUSION (DEI)

## STATEMENT OF PURPOSE

### *An Opportunity to Thrive*

We passionately believe in doing good for the greater good. It's the reason TIFF was founded. And we believe that all individuals deserve the opportunity to be part of an inclusive environment where they can thrive.

TIFF strives to promote a diverse, equitable, and inclusive culture that has a lasting impact on our staff, as well as our business partners and members. Through our unique differences, knowledge and experiences, each TIFF staffer makes significant contributions to our firm's culture and, ultimately, our success.

- We believe that having diverse employees with varied backgrounds leads to better debate and decisions and thus better results for TIFF and our members
- We work to continually enhance our DEI culture through training, mentoring, and affinity groups
- We are building a workforce that reflects the diverse makeup of our clients, non-profits, our communities, and the world
- We engage with our investment managers to understand how they are approaching diversity, equity & inclusion within their organizations and as they make investments, and measure their DEI progress through an annual survey

# TIFF DIVERSITY, EQUITY & INCLUSION (DEI) *(continued)*

## COMMUNITY INVOLVEMENT

TIFF has a culture of service and gives back to the community through three main segments: Financial Support, TIFF-sponsored “Days of Caring,” and Independent Employee Volunteerism.

Financial Support	Days of Caring	Volunteerism
<p><b>Matching Gifts Program:</b> During the last 6 years, TIFF has contributed \$3.7M to 350+ nonprofit organizations, based on employee and Board donations, in areas such as animal rights &amp; welfare, arts &amp; culture, education, environment, health &amp; human services, human rights, social justice &amp; gender equality, international/humanitarian aid, and religion.</p> <p><b>Philadelphia Financial Scholars:</b> TIFF is a founding member of the nonprofit organization, Philadelphia Financial Scholars, and has made a financial commitment to help Philadelphia high school students and their families achieve financial empowerment.</p>	<p>TIFF’s <b>Days of Caring</b> program provides employees with 16 service opportunity hours. This includes TIFF-sponsored service with organizations such as:</p> <ul style="list-style-type: none"> <li>• Cradles to Crayons</li> <li>• Children’s Hospital of Philadelphia</li> <li>• Ronald McDonald House</li> <li>• The Joy of Sox</li> <li>• Boston Health Care for the Homeless</li> <li>• Philabundance, MANNA, Greater Boston Food Bank, and Chester County Food Bank</li> <li>• Operation Gratitude</li> </ul>	<p>TIFF employee volunteerism is an integral part of our community involvement. Over the years, our employees have volunteered with numerous organizations such as:</p> <ul style="list-style-type: none"> <li>• Girls Who Invest</li> <li>• City Year Boston</li> <li>• New England Center and Home for Veterans</li> <li>• Domestic Violence Center of Chester Couny</li> <li>• Trustees of Reservations</li> <li>• Philadelphia Financial Scholars (Board membership and employee volunteer opportunities)</li> </ul>

## WORKFORCE DIVERSITY

TIFF’s recruiting process seeks to identify a diverse pool of qualified candidates. We leverage our relationships and partnerships with diversity-focused organizations and partnerships such as WIN (Women in Investing), 100 Women in Finance, Chief, Toigo, Jopwell and others. TIFF has defined aspirational goals for diverse hiring throughout the organization, particularly in management, leadership, and investment roles.

# TIFF DIVERSITY, EQUITY & INCLUSION (DEI) *(continued)*

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## INTERNSHIP PROGRAM

### *Early career opportunities*

TIFF's internship program seeks to provide early career opportunities to individuals who come from historically marginalized communities. We use a multi-pronged approach to identify a diverse pool of qualified undergraduate interns, casting a wide net to include recruiting from, among others:

- Historically Black Colleges and Universities (HBCUs)
- Diversity programs and University of Chicago's John W. Rogers, Jr. Internship Program in Finance
- Drexel University's Co-op Program
- Wall St. Bound

We typically hire summer interns for positions in Private Investments, Marketable Equities, Accounting & Finance, Operations, Outreach and Member Services. Our goal is to hire a diverse group across both racial and gender identifications. These internships offer practical, hands-on opportunities to learn about our industry and provide valuable work skills to help interns compete at the next level of experience. We ultimately hope that the intern program will provide us early access to young talent that we consider for full-time positions in the future.

## PARTNER DIVERSITY

We believe that working with our business partners on DEI initiatives will help expand our objective to ensure that DEI considerations are embedded within both our organization and those with whom we do business. To promote DEI through our procurement of goods and services, TIFF surveys vendors on an ongoing basis and seeks to maintain strong business relationships with those that share our members' and our commitment to DEI.

# PROJECT IN FOCUS: MANAGER DIVERSITY, EQUITY & INCLUSION

TIFF has continued to engage with managers on DEI best practices, and we have seen diversity improve across our manager roster and manager pipeline over the years. At the direction of TIFF senior management and our Board, we conducted analyses in 2021 and early 2022 on manager diversity.

We sent our second annual TIFF Manager DEI Survey to all of TIFF's active managers across asset classes<sup>10</sup> in December 2021. The survey asked for demographic data on managers' staffs and also asked qualitative questions about managers' DEI processes and initiatives. We received responses from 96% of managers; 88% provided demographic data. This was a similar response rate to our inaugural survey sent a year prior.

**Diversity among TIFF managers increased across various organizational levels and roles from 2020 to 2021.** The below tables show simple averages of the percentages of women and members of historically underrepresented groups (HUGs) employed by our managers, as of year-end 2020 and 2021, based on responses to our survey. The increase reflects recent efforts in our industry to increase diversity. We at TIFF believe we have played a role in nudging our managers in the right direction.

% of Women	2020	2021
% of # of Equity Owners	9%	8%
Ownership Stake	5%	8%
% of Board Members	14%	23%
% of Senior Management	18%	19%
% of Investment Professionals	15%	17%
% of Non-Investment Professionals	56%	57%
% of Total Employees	31%	31%

*TIFF managers, simple average of percentage of women, based on managers' responses to our DEI survey*

<sup>10</sup> We excluded private investments in "fundless sponsors," because these teams are generally very small with limited resources.

# PROJECT IN FOCUS: MANAGER DIVERSITY, EQUITY & INCLUSION *(continued)*

% of HUGs	2020	2021
% of # of Equity Owners	29%	31%
Ownership Stake	26%	36%
% of Board Members	34%	44%
% of Senior Management	29%	28%
% of Investment Professionals	35%	39%
% of Non-Investment Professionals	33%	34%
% of Total Employees	34%	35%

*TIFF managers, simple average of percentage of HUGs, based on managers' responses to our DEI survey*

The above reflects the raw demographic stats from the managers. We also calculated the percentage of “diverse managers” on TIFF’s rosters using the following definition of diverse manager, which is consistent with many we have seen in the industry: 1) 33% of owners or senior people (C-suite or PMs/CIOs), or 2) the CEO or CIO are women or members of HUGs, or 3) the investment strategy targets businesses owned, managed by or benefiting women or HUGs. Based on that definition, our managers were 42% diverse at year-end 2020 and 48% at year-end 2021.

Using a 51% ownership threshold, another commonly used definition of diverse managers, our managers were 18% diverse at year-end 2020 and 21% at year-end 2021.

Year-over-year increases are due to managers hiring more for diversity. As seen below, TIFF’s hiring of diverse manages has increased in recent years but not from 2020 to 2021.



# PROJECT IN FOCUS: MANAGER DIVERSITY, EQUITY & INCLUSION *(continued)*

## Improving diversity in TIFF's manager pipeline and new managers hired

Using the 33% definition, based on meeting records with over 700 unique managers from Jan 1, 2019 to Dec 31, 2021, our pipeline over that period consisted of 39% diverse managers, 61% non-diverse.<sup>11</sup>

We also looked at the diversity of managers we've hired over the last six years using the 33% and 51% thresholds. Hiring of diverse managers has trended up in both cases.

Managers Who Pass the 33% Rule	2016	2017	2018	2019	2020	2021
Women	3	2	3	2	4	3
HUGS	7	2	5	4	6	6
Total	26	16	15	16	17	18
Diverse as % of total	38%	25%	53%	38%	59%	50%

*Managers Who Pass the 33% Rule, by year of hiring, based on current staff*

Managers Who Pass the 51% Rule	2016	2017	2018	2019	2020	2021
Women	1	1	2	1	3	2
HUGS	5	1	2	3	5	4
Total	26	16	15	16	17	18
Diverse as % of total	23%	13%	27%	25%	47%	33%

*Managers Who Pass the 51% Rule, by year of hiring, based on current staff*

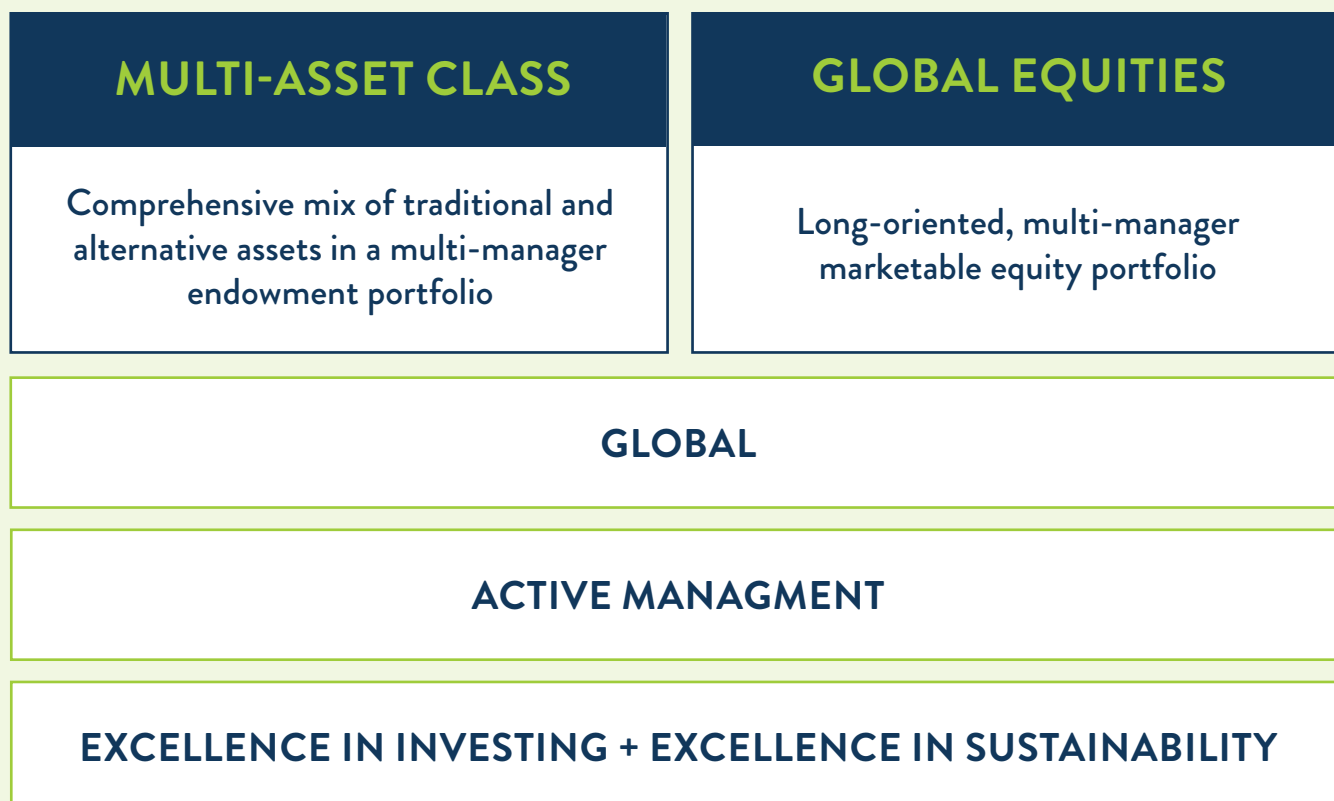
<sup>11</sup> Results are based on roughly half of the manager meetings we conducted over the time period; we believe these managers are representative of the overall mix. We have had to backfill diversity data for the vast majority of these managers, and that process is ongoing.

# TIFF SUSTAINABILITY STRATEGIES

In July 2020, TIFF launched our Sustainability Strategies. The dual mandate of these strategies is to generate long-term returns in excess of CPI + 5% while maximizing positive environmental and social impact. These strategies invest primarily in two types of managers on a global basis: 1) specialist managers investing in businesses creating solutions to environmental and social problems across various sustainability themes, including the energy transition, resource efficiency, water and healthcare; and 2) managers with industry-leading ESG processes that engage with corporates on ESG issues with the goal of generating positive impact. Our offering includes a comprehensive endowment-style vehicle investing across public equities, diversifying strategies (primarily hedge funds) and fixed income. The global equity strategy is also available standalone.

For investors in the TIFF Sustainability Strategies, we provide a detailed ESG transparency report as an addendum to this report. Below, we provide some basic information on our approach.

## TIFF Sustainability Strategies:



# TIFF CUSTOM IMPACT PRIVATE INVESTMENTS

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TIFF's Custom Impact Private Investments (CIPI) offering is designed to make targeted investments that align with our members' specific missions and values. TIFF has partnered with CapShift, a leading impact investment research and consulting firm, to bolster our network, sourcing and due diligence efforts. TIFF provides targeted exposure to impact themes (e.g., education, climate change, racial equity and many others) and specific regions, even cities. The Global Impact Investing Network (GIIN) defines impact investments as "investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return." Relative to public markets, the private markets offer greater breadth of opportunity for mission-aligned investments.

Through TIFF's CIPI offering, we work in collaboration with our members to create positive change through capital allocation and active engagement with investment managers, leveraging our 30+ year history and the expertise of our investment team and member strategy group. Our framework for evaluating impact investments draws upon concepts from leading impact investment industry groups, including GIIN, the Impact Management Project (IMP), the IFC Operating Principles for Impact Management, and CapShift.

In building and sizing impact investments, we apply a holistic approach that considers the exposures and risk and return objectives of a member's overall investment portfolio. At a high level, our process for allocating to impact investments is as follows:

- Develop a deep understanding of our members' missions, values, risk and return tolerances, and impact investment priorities
- Match impact and financial return priorities with investable themes and/or target regions
- Select aligned managers across desired asset classes
- Determine most relevant impact key performance indicators (KPIs) and develop a reporting framework
- Continuously monitor and report on alignment with and achievement of goals and objectives

# TIFF CARBON FOOTPRINT

The TIFF offices are highly energy efficient, and we've made continuous efforts to further reduce the firm's environmental footprint, led by our Environmental Subcommittee. One important recent initiative was to measure the carbon emissions of our built environment, commuting and work travel. One goal in measuring emissions is to find ways to reduce and offset our footprint. In 2021, we explored various approaches, including purchasing renewable energy certificates and carbon offsets, and investing in carbon sequestration projects. There will be more to follow on this work in 2022. Below we provide data on our carbon footprint. The significant decline in our footprint is due to reduced travel caused by COVID. We expect emissions to increase as travel picks back up. Emissions are measured in metric tons of CO2 equivalent.

	2019	2020	2021
Number of employees	61	61	64
Scope 1 emissions (from creation of products and services) <sup>12</sup>	#N/A	#N/A	#N/A
Scope 2 emissions (from purchased electricity)	109	26	25
Scope 3 emissions (from business travel) <sup>13</sup>	681	170	169
Total Scope 1, 2 & 3 emissions	790	196	193
Scope 1, 2 & 3 emissions per person	13	3	3

<sup>12</sup> TIFF had no direct exposure

<sup>13</sup> Includes air, car, rail, and hotels

# APPENDIX

## ABOUT TIFF

TIFF is a mission-driven, nonprofit organization dedicated to delivering investment solutions to foundations, endowments, and other charitable institutions.

Since its inception in 1991, TIFF has served the nonprofit community by providing experienced manager selection and access, risk-sensitive asset allocation, and integrated member service to institutions with long-term investment horizons.

## TIFF’S UNIQUE STORY

PURSUIT OF INVESTMENT EXCELLENCE	A MISSION-DRIVEN ORGANIZATION	WORLD-CLASS BOARD OF DIRECTORS
<ul style="list-style-type: none"><li>• Unique mission and distinguished client roster attract superior managers</li><li>• Reputation earned from 30 years of evaluating and monitoring managers</li><li>• Team structure modeled on major endowment and foundation offices</li></ul>	<ul style="list-style-type: none"><li>• Our long-term goals are aligned with those of our members</li><li>• We are not distracted by common short-term commercial profitability goals</li><li>• We serve close to 500 nonprofit members across the country</li></ul>	<ul style="list-style-type: none"><li>• World-class, independent Board</li><li>• Majority of Board members manage major endowments and foundations and volunteer their time to TIFF</li><li>• Committed to TIFF’s mission of service</li></ul>

## TIFF’S MISSION STATEMENT

TIFF seeks to be the best OCIO to the nonprofit community by:

- Assisting endowments and foundations in constructing custom investment solutions that support expenditures while preserving long-term purchasing power
- Delivering strong and transparent investment returns that exceed client-specific benchmarks
- Providing investment-related services and broader support services to nonprofits to help them fulfill their organization’s mission
- Aligning our culture with that of the nonprofit community and broadening our impact on society



# APPENDIX *(continued)*

## TIFF'S CURRENT BOARD MEMBERS

TIFF's Board members are closely integrated, play a central role in overseeing business and investment management, and are responsible for succession planning.



**Mark Baumgartner**  
CIO  
Carnegie Corporation of New York



**Kathryn Koch**  
Co-head, Fundamental Equity Business  
Goldman Sachs



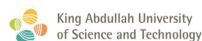
**Deborah D. Boedicker**  
Business Strategy and  
OCIO Consultant



**William McCalpin**  
Former Managing Partner  
Athena Capital Advisors, LLC



**Kane Brenan**  
Chief Executive Officer  
TIFF Advisory Services



**Gumersindo Oliveros**  
CIO and CEO  
KAUST Investment  
Management Company



**Craig Carnaroli**  
Senior Executive Vice President  
University of Pennsylvania



**Bola Olusanya**  
CIO  
The Nature Conservancy



**Jennifer Deger**  
Director, Finance  
Bill & Melinda Gates Foundation



**Mai-Anh Tran**  
CFO  
Ford Foundation



**Robert Durden**  
CEO and CIO  
University of Virginia Investment  
Management Company



**Neal Triplett**  
CEO and President  
DUMAC, LLC



**Peter Holland**  
Former CEO  
Columbia University Investment  
Management Company



**Jay Willoughby**  
CIO  
TIFF Advisory Services

As of 1/1/2022. Members listed above serve on the board of TIFF Advisory Services, a taxable Delaware non-stock corporation and regulated investment advisor that administers certain investment vehicles bearing the TIFF name, or on the board of TIFF's regulated mutual fund.

# APPENDIX *(continued)*

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## DISCLOSURES

### General Disclosures

The materials are being provided on a confidential basis for discussion purposes only and constitute neither an offer to sell nor a solicitation of an offer to buy securities. Offerings of the securities are only made by delivery of the prospectus or confidential offering materials of the relevant fund or pool, which describe certain risks related to an investment in the securities and which qualify in their entirety the information set forth herein. Statements made herein may be materially different from those in the prospectus or confidential offering materials of a fund or pool.

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The enclosed materials may contain forward-looking statements relating to future events or the future performance of funds or pools sponsored by TIFF or its affiliates or their respective underlying investments. 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.

Certain of the factual statements made in the enclosed materials are based upon information from various sources, including management of underlying funds in which one or more of the funds or pools have invested. While such information is believed to be reliable, we have not independently verified any of such information.

Except where otherwise indicated, all of the information provided herein is based on matters as they exist as of the date of preparation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date hereof.

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