



**TIFF**  
INVESTMENT MANAGEMENT

## Index Descriptions

**TIFF Constructed Index (CI)**, created by TIFF Investment Management (TIFF) is a blended index comprised of three broad investment categories, weighted according to policy norms, with each category assigned a benchmark selected by TIFF. TIFF views the CI, in general, as an appropriate long-term asset mix for non-profit organizations that seek to maintain the inflation-adjusted value of their assets while distributing 5% of these assets annually. The CI is also intended to help such organizations better assess performance by providing a comparison of the active strategies pursued by TIFF and external managers versus the returns of relevant benchmarks. In TIFF's view, the CI also helps convey to investors a general sense of the overall investment risks to which their capital might be subject (although the CI is only one of several tools that TIFF staff uses internally to assess investment risks). TIFF believes that the CI is a relevant performance benchmark for both short- and long-term periods.

The CI is currently used with respect to multiple TIFF investment vehicles. Despite the common use of the CI among those vehicles, the actual implementation of the vehicles' respective investment programs may differ and the differences may be significant.

TIFF has changed the composition of the CI over time, including the most recent change (effective October 1, 2015) from a CI comprised of various asset segments to a CI comprised of three broad investment categories. In the past, TIFF has changed the CI's policy norms (or weights), asset segments, and segment benchmarks. TIFF's ongoing review of the CI may cause TIFF to make additional changes in the future. Such changes are made only after careful study and consultation with the TIFF board.

The current CI, which took effect October 1, 2015, is comprised of the following investment categories, weights, and benchmarks:

<b>Category</b>	<b>Weight</b>	<b>Benchmark</b>
Equity-Oriented Assets	65%	MSCI All Country World Index
Diversifying Strategies (Hedge Funds and Other)	20%	HFRI Fund of Funds Composite Index
Fixed Income (Including Cash)	15%	2/3 Bloomberg Barclays US Intermediate Treasury Index and 1/3 BofA Merrill Lynch US 6-Month Treasury Bill Index

TIFF assigns each manager account, underlying acquired fund, or direct investment selected by TIFF (each such manager account, underlying acquired fund, and direct investment is referred to as a "holding") to one of the three CI categories. To select an appropriate category, TIFF considers such characteristics as the holding's stated investment mandate and expected investment strategy as well as an assessment of the holding's risk characteristics. The assignment process may not reflect, or look through to, the entirety of the individual securities or investments comprising each holding. For example, an account pursuing a global equity mandate will be categorized as an "Equity-Oriented Asset" if its primary investment strategy is to invest in equity securities, even if it also holds a certain amount of uninvested cash, fixed income securities, or other investments that are not commonly thought of as equity securities. Holdings in the "Diversifying Strategies" category include those that display significant diversifying characteristics to either or both of the "Equity-Oriented Assets" and the "Fixed Income" categories. TIFF expects that most holdings in privately offered investment funds commonly known as hedge funds will be categorized as "Diversifying Strategies." However, certain hedge fund holdings may be categorized as "Equity-Oriented Assets" or "Fixed Income" if they do not display significant diversifying characteristics but rather display significant equity or fixed income characteristics. As a result of this method of

categorizing holdings, the exposures and weights reported within each CI category should be thought of as investment mandate weights and not “look-through” asset class weights. Look-through asset class weights may differ, at times significantly, from the investment mandate weights reported.

CI weights are rebalanced by TIFF at each month-end; those from July 1, 2009, through December 31, 2015, reflected quarter-end rebalancing. The historical performance of the CI is not the performance of any TIFF investment vehicle and is not necessarily indicative of how that vehicle would have performed in the past or will perform in the future. As of January 1, 2021, the Diversifying Strategies segment benchmark was changed from the Merrill Lynch Factor Model to the HFRI Fund of Funds Composite Index.

**65/35 Mix**, calculated by TIFF, consists of 65% MSCI All Country World Index and 35% Bloomberg Barclays US Aggregate Bond Index. Weights are rebalanced by TIFF at each month-end; those from July 1, 2009, through December 31, 2015, reflected quarter-end rebalancing.

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

**Bloomberg Barclays US Intermediate Treasury Index** tracks Treasuries of 1- to 10-year maturities.

**BofA Merrill Lynch US 6-Month Treasury Bill Index** tracks the current 6-month US Treasury bill.

**HFRI Fund of Funds Composite Index.** HFRI Fund of Funds is an equal-weighted index reporting returns (net of all fees) of participating hedge funds of funds. A fund of funds may allocate its assets to numerous managers within a single strategy, or to numerous managers in multiple strategies.

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

**One cannot invest directly in an index, and unmanaged indices do not incur fees and expenses.**