THE INVESTMENT FUND FOR FOUNDATIONS

pursuing investment excellence on behalf of endowed non-profits

From the office of Laurence H. Lebowitz, President and Chief Investment Officer
TIFF Advisory Services, Inc. (TAS)

January 2015

Dear TIFF Members and Friends,

Following my normal protocol, I will first share my thoughts on performance and portfolio positioning. Then, I will provide an investment team update where I review our team's approach for managing TIFF Multi-Asset Fund (MAF), report on a staff departure, and provide an update on some recent hires.

For more information on the fund's positioning, please refer to MAF's quarterly report. (Also, a reminder: we prepare two CIO reports because of MAF's status as a regulated mutual fund. This letter is for organizations invested in MAF. A companion letter examines TIFF's other primary investment vehicles.)

MAF Performance and Positioning

We are disappointed with MAF's 2014 calendar year net return of 1.00%. The primary causes of that weak performance relative to the benchmarks we seek to outperform were a lack of duration in MAF's fixed income portfolio (in a year when the 30-year Treasury was up almost 30%) and a global bias in our equity portfolio (in a year in which the S&P 500 was up nearly 14%, significantly outpacing most non-US equity indices). Compounding those factors, most of our active managers had mediocre-to-weak years. As you know, active management generally struggled during calendar year 2014. Clearly, in 2014 taken alone, a 70/30 "all US" passive approach was the place to be.

Please see the exhibits on the following page for MAF's performance history.

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Performance Summary Through December 31, 2014 (%)

	Total Return		Annualized Total Return				
	2014 CY		1 Yr	5 Yrs	10 Yrs	15 Yrs	Since Incep.
MAF	1.00		1.00	7.87	7.48	7.02	8.14
Constructed Index [1]	1.68		1.68	6.40	5.78	5.28	7.39
65/35 Mix [2]	4.81		4.81	7.85	5.99	4.49	6.97
CPI + 5%	5.79		5.79	6.77	7.22	7.35	7.35

Notes. MAF inception is 3/31/1995. *MAF's returns reflect the deduction of fees and expenses comprising the fund's annualized expense ratio but do not reflect the deduction of entry and exit fees paid to the fund. MAF's 2013 annualized expense ratio is 1.97%.* The ratio has been restated here and in the prospectus to show an estimate of what the fund's expenses would have been in 2013 had certain money manager and acquired fund changes that occurred during or after 2013 been in effect for all of 2013.

[1] **Performance of the Constructed Index (CI) generated after June 30, 2009, is reduced by 20 basis points per annum, prorated monthly.** This reduction reflects an estimate of the costs of investing in the CI's segments through index funds or other instruments and is designed to facilitate a comparison of passive investment strategies to active portfolio management. (One cannot invest directly in an index, and unmanaged indices do not incur fees and expenses.) **The reported performance of the CI would increase in the absence of a 20 basis point reduction.** Please see the table "Constructed Index Over Time – Segment Weights" in the MAF Quarterly Report for the composition of and historical changes in the CI. Historical performance reported for the CI is not adjusted when the composition of the CI changes. Therefore, past performance reflects the allocations, segment weights, and segment benchmarks that were in place at the time the performance was generated.

[2] 65% MSCI All Country World Index, 35% Barclays US Aggregate Bond Index.

Impact of Entry and Exit Fees (%) / MAF Annualized Total Return for Periods Ending December 31, 2014

	1 Yr	5 Yrs	10 Yrs	15 Yrs	Since Inception 3/31/95
Before Entry/Exit Fees	1.00	7.87	7.48	7.02	8.14
After Entry/Exit Fees	0.01	7.66	7.37	6.95	8.08

Notes. *Returns "Before Entry/Exit Fees" do not reflect deduction of the 0.50% entry and exit fees levied on member purchases and redemptions; returns "After Entry/Exit Fees" do, assuming a single purchase at the start of the reporting period and a single redemption at its end, with no intra-period member transactions. The fees are paid to the fund rather than to TAS or any other vendors employed by the fund. All returns reflect the deduction of fees and expenses comprising the fund's annualized expense ratio. MAF does not charge a sales load.*

Performance data quoted represent past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Total return assumes reinvestment of dividends. For performance data for the most recent month-end and additional performance information, please visit www.tiff.org. While the fund is no-load, management fees and other expenses apply. Please refer to the prospectus for further details.

To be sure, a more aggressive posture toward equities, particularly US equities, would have produced a better record during the strong bull market that started in March 2009 and has dominated the post-financial crisis period. But we believe the overall positioning we employed during that unusual period in capital markets was prudent for non-profits in general, since our goal is to position the portfolio to participate meaningfully in upward moves while also protecting capital in difficult periods. To this end, we want to note that MAF has, since its inception in 1995, produced good risk-adjusted returns for non-profits despite occasional weak years. The fund has delivered its intended annual distributions, has generally performed well in up and down markets, and has done so while remaining conscious of downside risk.

We do see some clear mistakes we made in 2014 (e.g., our significant position in Treasury Inflation-Protected Securities Breakevens – or hedged TIPS – reflected inflation concerns that proved to be unwarranted) and we have already started to address them. For example, we recently cut MAF's TIPS Breakeven position roughly in half. And we boosted both developed market and emerging market equity exposure through an allocation that we believe offers the potential for both attractive expected returns and protection from many forms of unanticipated inflation. Our investment team continues to spend its time on careful, thoughtful analysis of what the best positioning is for MAF going forward. Our boards are similarly engaged and are spending meaningful time with us, providing feedback and guidance. We will be dedicating a full board meeting to investment strategy later on this quarter, and we expect to provide you with a further update by early Q3 if not sooner.

Investment Team Update

I want to share with you that John Thorndike will shortly be moving on from TIFF after 10 years with the firm. He is evaluating other opportunities and his plans are not yet finalized as of this writing. We expect he will be leaving us in February. John has done great work for TIFF, and particularly for MAF, during his time with us. He has been a wonderful colleague to all of us and will be missed. We wish John the very best in his future endeavors.

I thought it might be helpful to review the investment team approach to managing MAF. Trevor Graham, John Thorndike, and I have been the three co-portfolio managers for MAF, and our senior investment team (which also includes Stephen Vicinelli) has worked together on investment decisions, including manager selection, asset allocation and portfolio monitoring processes. Going forward, Trevor and I will continue on as co-portfolio managers for MAF, and will continue to consult with Stephen. One of my top priorities since becoming CIO has been to ensure that our senior team works collaboratively on all our investments; I firmly believe that cross-asset class teamwork is in the best interest of our members. As a senior investment team, we have been and will continue to be involved in all aspects of vehicle oversight.

Our team is broad and deep, with ample capacity to fulfill all the needs of our portfolios. Meanwhile, we continue to add skilled investment staffers, and in 2014 we added two new professionals. I wrote in my last letter about the addition of Chris Matteini to our team. Since then, we have hired Daniel Greenberg from Crow Holdings Capital Partners. Daniel's full bio is on our website. Both he and Chris are focusing on evaluating external managers and providing portfolio analysis. We're delighted to have Daniel at TIFF. Additionally, we are ably supported by a capable group of Associates and Analysts on our broader investment team. A few weeks ago, we added an Analyst, Tim McDonnell, and four more Analysts have been hired and will start work in coming months.

Investment Team staffing, training, and development represent some of my most important duties as CIO, and I will be sure that this area continues to receive my full attention in 2015. This year, we expect to make one or more senior investment team hires. We have no urgent need to fill boxes on org charts and won't rush to do so. I know that it is much more important to be patient and deliberate when hiring.

Closing Thoughts
We are dedicated to pursuing the kind of investment excellence our member organizations deserve – work that has a reasonable chance of producing consistent outperformance. The past year has been a humbling one. No one likes to experience a year like 2014 (especially me). In TIFF's history, years of weak performance have been the exception and not the rule. I remain convinced that the performance objectives of our investment vehicles are achievable over the long term. We are redoubling our efforts to make it so. We understand that your trust must be earned.

So, I acknowledge a tough 2014, a meaningful 2015 staff transition, and a significant amount of work underway. We will cover all of this in more detail during our MAF conference call on January 28th.

Stepping back, I remain confident that our vehicles and our investment team are able to deliver against their long-term objectives. TIFF is a terrific, deep, strong organization, with 65 individuals of the highest quality, all focused on you, our members, and your missions. We look forward to pursuing investment excellence on behalf of endowed non-profits for many years to come.

Yours sincerely,

Laurence H. Lebowitz
President and Chief Investment Officer
TIFF Advisory Services, Inc.

Mutual fund investing involves risk. Principal loss is possible.

Foreside Fund Services, LLC, distributor

Important Disclosures

This document should not be regarded as an offer to sell or as a solicitation of any offer to buy any products mentioned herein. Offerings of products mentioned herein are only made by delivery of the confidential offering memorandum or prospectus and subscription material related to such products. Nothing herein should be construed as offering literature or a prospectus.

This document may contain "forward-looking statements." Forward-looking statements are based on assumptions that TIFF Advisory Services, Inc. (TAS) believes to be reasonable but are not guarantees of results. Actual results may differ materially from TAS's expectations. Readers should not rely unduly on forward-looking statements. TAS expressly disclaims any obligation to update any information herein to reflect actual results or changes in expectations.

Opinions expressed herein are those of TAS and are not a recommendation to buy or sell any securities.

***MAF may use leverage; invests in illiquid securities, non-US securities, small capitalization stocks, derivatives, below investment grade bonds, and real-estate related investments; and engages in short-selling. Non-US securities may entail political, economic, and currency risks different from those of US securities and may be issued by entities adhering to different accounting standards than those governing US issuers. Small capitalization stocks may entail different risks than larger capitalization stocks, including potentially lesser degrees of liquidity. The fund or certain of its money managers invest routinely and, at times, significantly in derivatives, certain of which are deemed by the SEC to be highly speculative. Short selling of securities may increase the potential for loss if a manager has difficulty covering a short position. Leverage may accelerate the velocity and magnitude of potential losses. Not more than 20% of the fund's assets may be invested in debt obligations rated below investment grade (i.e., having a rating lower than BBB by Standard & Poor's or Baa by Moody's) or unrated but deemed to be of similar quality. Bonds rated below investment grade are commonly referred to as "junk bonds." Investors should be aware of the risks involved with investing in REITs and real estate securities, such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments. As a multi-manager fund, the fund may experience higher transaction costs than a fund managed by a single manager and the fund may not be able to combine money managers such that their styles are complementary*.**

Investors should consider the investment objectives, risks, and charges and expenses of a fund carefully before investing. The summary prospectus and full prospectus contain this and other information about the fund. The prospectuses may be obtained by contacting TIFF at 610-684-8200 or by visiting TIFF's website at www.tiff.org. Please read the prospectus carefully before investing.

Glossary and Index Descriptions

Basis Point is one one-hundredth of a percent, or 0.01%.

Barclays US Aggregate Bond Index covers the investment-grade, US dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities, and commercial mortgage-backed securities.

Constructed Index. TAS, MAF's investment advisor, believes that MAF's primary benchmark, the Consumer Price Index (CPI) plus 5% per annum, is an appropriate long-term performance benchmark for MAF but may not be meaningful over shorter time periods, especially those in which markets are highly volatile (e.g., calendar year 2008). Accordingly, at MAF's inception on March 31, 1995, TAS staff, in consultation with the boards of directors of TAS and TIFF Investment Program (TIP), created the Constructed Index (CI) as a further means of assessing MAF's performance. TAS believes that the CI is a relevant performance benchmark for both short- and long-term periods. The CI (a/k/a policy portfolio) is a blended index composed of asset segments, weighted according to policy norms, with each asset segment assigned a passive market index that TAS believes is an appropriate benchmark for such segment. The TAS and TIP boards view 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. Moreover, the CI is intended to help such organizations better assess MAF's performance by providing a comparison of the active strategies pursued by TAS and underlying managers versus the returns of passive market indices. In TAS's view, the CI also helps convey to MAF investors a sense of the general asset segment risks to which their capital might be subject. TAS has changed the composition of the CI over time, including changes to the CI's policy norms (or weights), asset segments, and benchmarks. TAS's ongoing review of the CI may cause TAS to make additional changes to any or all of its components in the future. TAS may change the CI for various reasons, including but not limited to the emergence of a new asset segment, the alteration of the fundamental characteristics of an existing asset segment, or significant changes in market prices of one or more asset segments that impact TAS's expectations for long-term returns and risks associated with such segments. Such changes are made only after careful study and consultation with the TAS and TIP boards. CI weights are rebalanced by TAS at each quarter-end (at month-end, prior to July 1, 2009), and the actual segment weights in MAF tend to vary over time.

Consumer Price Index + 5% per annum. The Consumer Price Index-All Urban Consumers (CPI-U) is a widely recognized measure of US inflation, representing changes in the prices paid by consumers for a representative basket of goods and services. CPI + 5% per annum was selected as the primary benchmark for MAF because, in the opinion of TIP's directors, it reflects the two-fold objectives of maintaining an endowment's purchasing power (i.e., keeping pace with inflation) while complying with the 5% payout requirement to which most TIFF members are subject.

Duration is a measure of the sensitivity of the price of a debt security or portfolio of debt securities to a change in interest rates. The higher the duration, the more sensitive a debt security is to interest rate changes.

MSCI All Country World Index is a free-float adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. Unlike certain other broad-based indices, the number of stocks included in the MSCI All Country World Index is not fixed and may vary to enable the index to continue to reflect the primary home markets of the constituent countries. MSCI All Country World Index returns include reinvested dividends, gross of foreign withholding taxes thru December 31, 2000 and net of foreign withholding tax thereafter.

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