

Investments: Non-Endowment

Quarter Ending December 31, 2025



A non-endowment fund is impermanent. The entire balance is available for grantmaking, which provides flexibility to recommend grants of any size at any time.

Q4 Update

The Long-Term Portfolio had a 3.1% net return for the quarter, outpacing its benchmark by 0.4%. Performance for the full calendar year was very strong, producing a 16.8% net return. Performance results were supported by the portfolio's higher allocation to public equities, which were largely bolstered by strong performance in international equities. Allocations to fixed income and real assets were also additive to performance for the calendar year.

The Medium-Term Portfolio had a 2.0% net return for the quarter and an 11.3% net return for the calendar year, outpacing its benchmark by 0.2% and 0.4%, respectively. Although the portfolio has a smaller allocation to public equities, it was still able to capture another period of strong equity performance. The portfolio also benefited from meaningful performance in its fixed income allocation, which makes up a majority of the portfolio.

The Intermediate-Term Portfolio had a 1.2% net return for the quarter, matching its benchmark, and a 7.6% net return for the calendar year, outpacing its benchmark by 1.0%. Though solely allocated to fixed income, the portfolio still produced a strong return for the calendar year resulting from manager selection and a stabilizing fixed income environment with persistent, elevated interest rates.

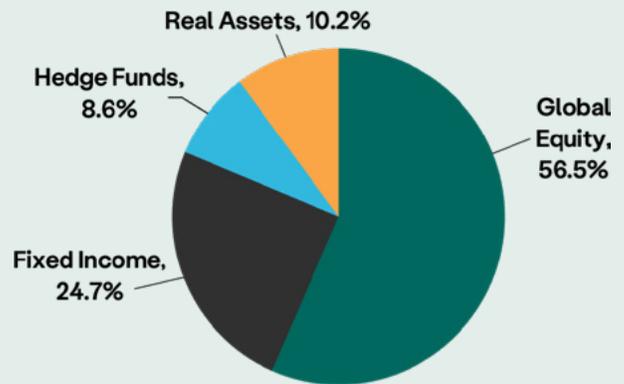
The Short-Term Portfolio had a 1.0% net return for the quarter and a 4.2% net return for the calendar year. The portfolio continued to benefit from elevated interest rates. Should the Federal Reserve continue to cut rates, returns are likely to revert within a range of the portfolio's long-term average.

Long-Term Non-Endowment Portfolio

The Long-Term Non-Endowment Portfolio maximizes capital appreciation and income to grow grantmaking beyond the initial investment. The portfolio leverages higher levels of investment risks to obtain market-like returns and is best for donors who intend to grant funds over a long period of time.

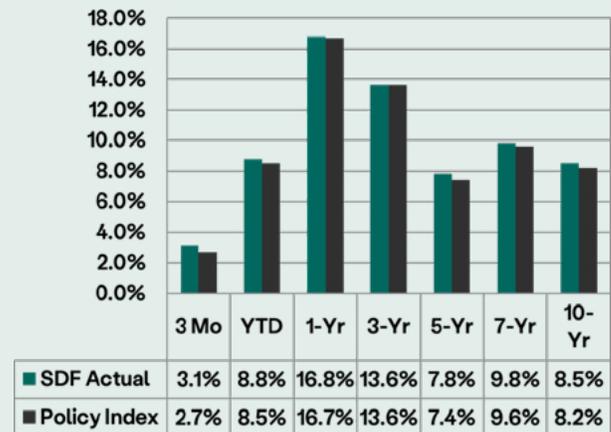
Asset Allocation

\$109.7 million as of December 31, 2025



Total Returns*

As of December 31, 2025



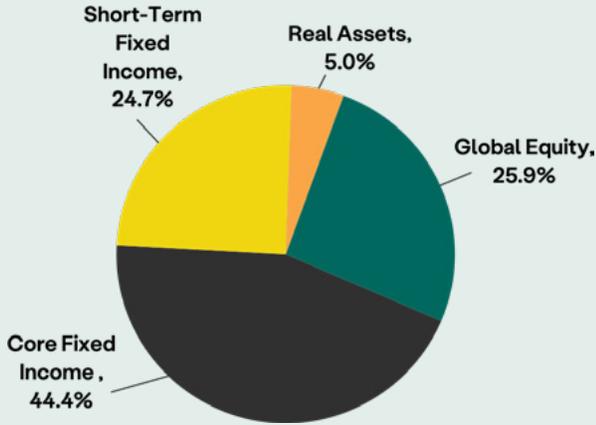
*The Foundation's Policy Index for Long Term Pool is 50% MSCI ACWI IMI (net), 20% BBgBarc US Universal Bond Index, 20% HFRI FOF Index, 10% Custom Real Assets Index. Fixed Income Index: 100% BBgBarc US Universal Bond Index.

Medium-Term Non-Endowment Portfolio

The Medium-Term Non-Endowment Portfolio incorporates opportunities for capital appreciation to enhance investment rate of return and allow for more grantmaking. This portfolio tolerates moderate levels of risk and is recommended for donors with a granting time horizon of two to five years.

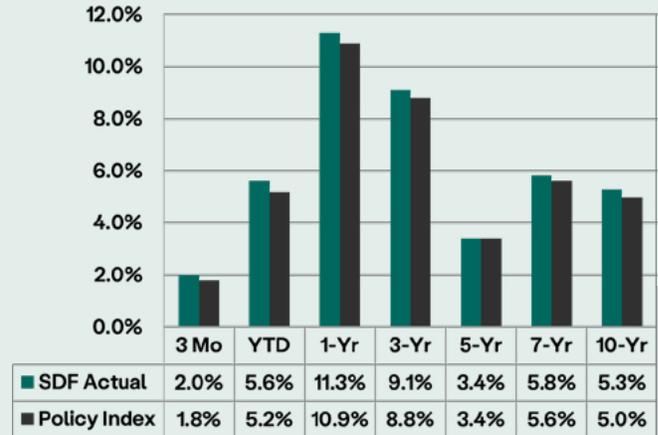
Asset Allocation

\$108.9 million as of December 31, 2025



Total Returns*

As of December 31, 2025



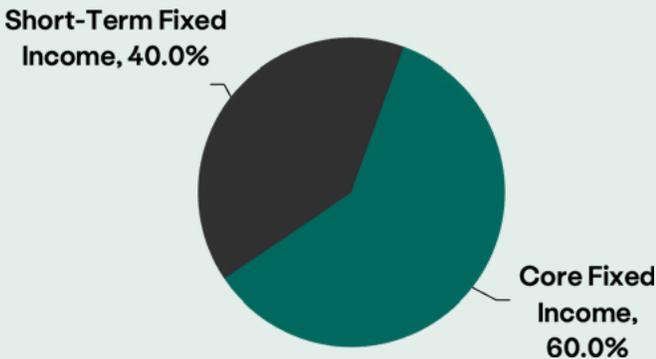
*The Foundation's Policy Index for Medium Term Portfolio is 30% MSCI ACWI IMI (net), 45% BBgBarc US Universal Bond Index, 20% BofA ML 1-3 Yr Treasury, 5% 91-Day T-Bills.

Intermediate-Term Non-Endowment Portfolio

The Intermediate-Term Non-Endowment Portfolio's goal is to give donors more opportunities to grant to their favorite nonprofits by generating a yield that can partially or fully offset San Diego Foundation fund fees by investing 100% in fixed-income funds. It carries risk, primarily in the form of interest rate risk and credit risk. Principal volatility should be expected, though the range of potential outcomes is narrower than the Medium- or Long-Term Portfolios managed by San Diego Foundation. This portfolio is recommended for donors with a granting time horizon of two years or greater.

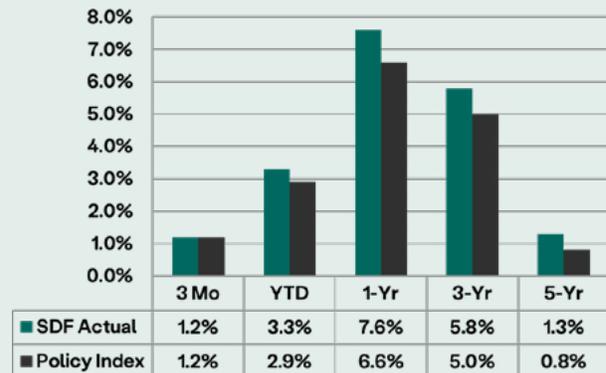
Asset Allocation

\$10.3 million as of December 31, 2025



Total Returns*

As of December 31, 2025

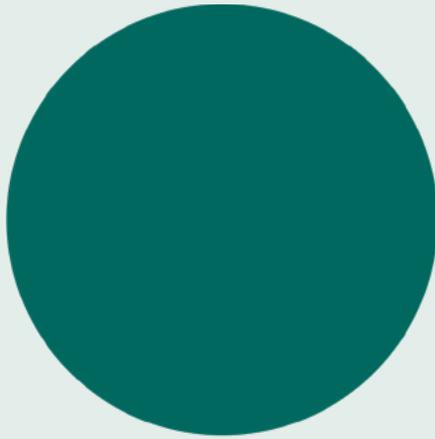


*The Foundation's Policy Index for Intermediate-Term Portfolio is 60% BBgBarc US Universal Bond Index, 40% BofA ML 1-3 yr Treasury, 0% 91 Day T-Bills.

Short-Term Non-Endowment Portfolio

Asset Allocation

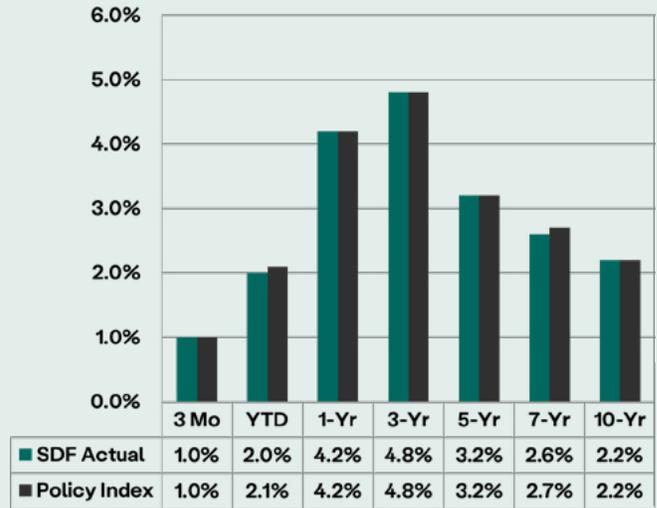
\$74.9 million as of December 31, 2025



■ US Govt & Prime Money Market Funds

Total Returns

As of December 31, 2025



For Long-, Medium- and Short-Term Portfolios:

Investment returns are presented net of money management fees, but do not include SDF fees. Custodial and reporting fees are netted against earnings reported via the fund statement. Investment performance of individual funds may vary from the total portfolio return due to the timing of contributions and grants.

Investment Committee

With over 150 years of combined global and domestic expertise, San Diego Foundation Board of Governors Investment Committee drives asset management and investment growth to meet fund objectives.

The Investment Committee is committed to:

- Protecting the corpus of SDF
- Preserving the spending power of the income from the fund
- Maintaining a diversified portfolio of assets to meet investment return objectives while keeping the level of risk commensurate with the median fund in a representative foundation and endowment universe
- Complying with applicable law



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How We Can Help

Our experienced staff understands the technical complexities of charitable giving and helps simplify the process. Contact us at (619) 814-1332 or DonorServices@sdfoundation.org.