

Investments: Non-Endowment

Quarter Ending March 31, 2026



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.

Q1 Update

The Long-Term Portfolio had a 0.0% net return for the quarter, outperforming its benchmark by 0.3%. Like the Endowment, the Long-Term Portfolio benefitted from its diverse allocation. The most additive allocations were those in international equities, real assets, and hedge funds which absorbed the negative performance of U.S. public equities. Performance over the last year was stronger as evidenced by the portfolio's 16.6% net return and outpacing the benchmark by 0.6%. The main drivers of performance over that period were allocations to international equities and real assets.

The Medium-Term Portfolio had a -0.1% net return for the quarter, matching its benchmark. Though the portfolio only has a 25% allocation to equities, the negative effects of U.S. public equities still posed as an obstacle. The portfolio is 70% allocated to fixed income; however, fixed income returns for the quarter were flat thus providing less insulation to those equity effects. Over the trailing 1-year period the portfolio's fixed income allocation was more additive, resulting in the portfolio generating a 9.7% net return against the benchmark's 9.2% return.

The Intermediate-Term Portfolio had a 0.1% net return for the quarter, outperforming its benchmark by 0.1%. Being solely allocated to fixed income, the portfolio was able to capture upside performance from a modest, but positive, fixed income market. The same theme is seen in the 1-year performance results where the portfolio produced a 5.2% net return, outpacing its benchmark by 0.9%.

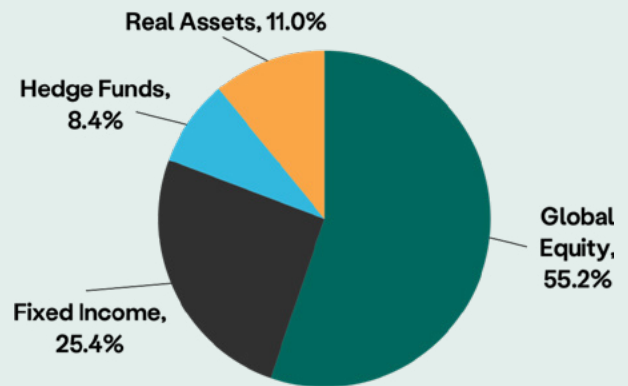
The Short-Term Portfolio had a 0.9% net return for the quarter, outperforming its benchmark by 0.1%. The portfolio continues to benefit from an elevated interest rate environment. Performance will be impacted on the future rate decisions by the Federal Reserve. The correlation to the Federal Reserve's interest rate policy is more evident in the 1-year performance figure of a 4.0% net return.

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.

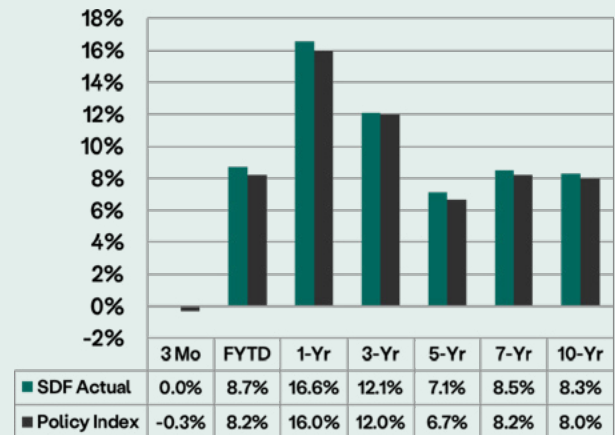
Asset Allocation

\$111.6 million as of March 31, 2026



Total Returns*

As of March 31, 2026



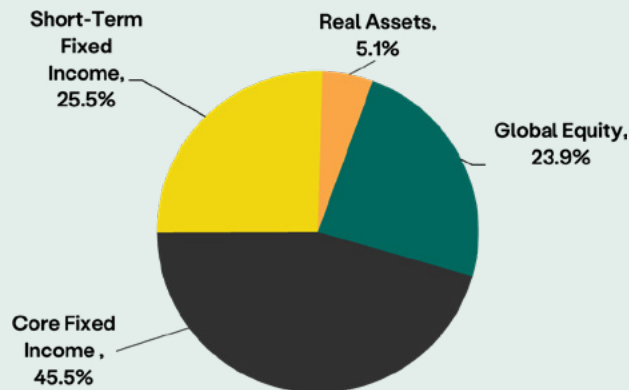
*The Foundation's Policy Index for Long Term Pool is 50% MSCI ACWI IMI (net), 20% BBgBarc US Universal Bond Index, 20% HFRI FOF Index, 10% Custom Real Assets Index. Fixed Income Index: 100% BBgBarc US Universal Bond Index.

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.

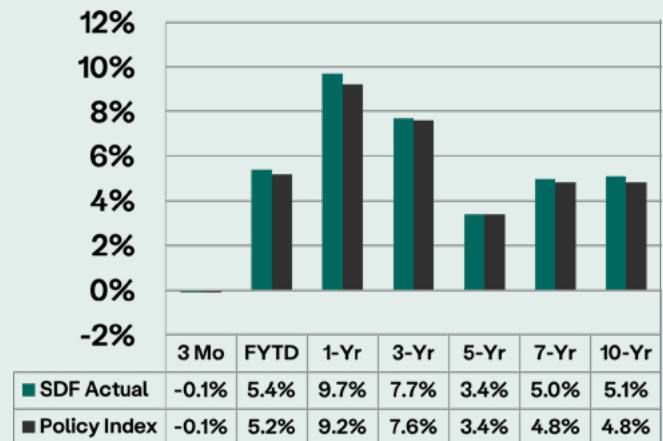
Asset Allocation

\$113.2 million as of March 31, 2026



Total Returns*

As of March 31, 2026



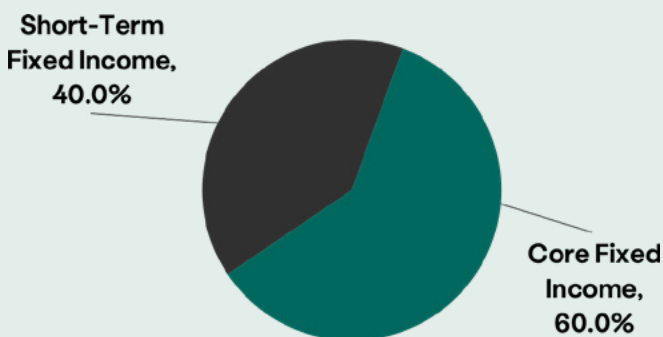
*The Foundation's Policy Index for Medium Term Portfolio is 30% MSCI ACWI IMI (net), 45% BBgBarc US Universal Bond Index, 20% BofA ML 1-3 Yr Treasury, 5% 91-Day T-Bills.

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.

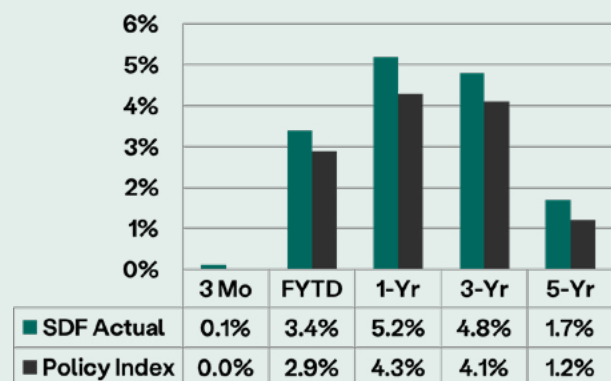
Asset Allocation

\$11.4 million as of March 31, 2026



Total Returns*

As of March 31, 2026



*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

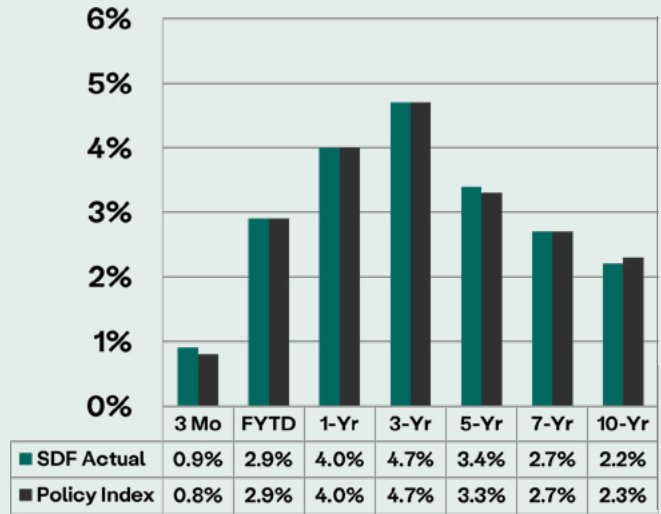
Asset Allocation

\$72.2 million as of March 31, 2026



Total Returns

As of March 31, 2026



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.