Investments: Non-Endowment

Quarter Ending June 30, 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.

Q2 Update

The Long-Term Portfolio returned 8.7% for the quarter, trailing its benchmark by 0.4%, and finished the fiscal year with an 18.2% net return, outperforming its benchmark by 0.2%. Performance varied among the underlying investment managers, as some strategies struggled to keep pace with the market's rapid recovery. However, U.S. public equities and emerging market equities delivered strong returns during both the quarter and the full fiscal year and were the primary contributors to overall portfolio performance.

The Medium-Term Portfolio delivered a 4.2% net return for the quarter, outperforming its benchmark by 0.1%, and a 9.8% net return for the fiscal year, ahead of its benchmark by 0.3%. With approximately 25% of the portfolio invested in equities, the portfolio participated in the second-quarter market rebound, while its larger fixed income allocation provided a more stable source of return. The combination of positive equity performance and contributions from fixed income supported results over both the quarter and the full fiscal year.

The Intermediate-Term Portfolio returned 0.8% for the quarter, outperforming its benchmark by 0.1%. Fixed income markets produced modest gains during the period as longer-term interest rates moved slightly higher. For the fiscal year, the portfolio delivered a 4.3% net return, outperforming its benchmark by 0.6%. Relative performance over the year was supported by manager selection, while the portfolio's all-fixed-income allocation continued to benefit from elevated interest rates.

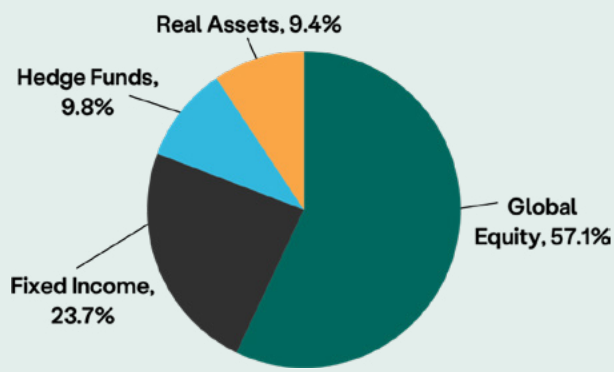
The Short-Term Portfolio returned 0.9% for the quarter and 3.8% for the full fiscal year, performing in line with its benchmark over both periods. The portfolio continued to benefit from elevated short-term interest rates and remained less sensitive to movements in longer-term yields. Going forward, performance will continue to be influenced primarily by the direction of short-term interest rates and Federal Reserve policy.

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.

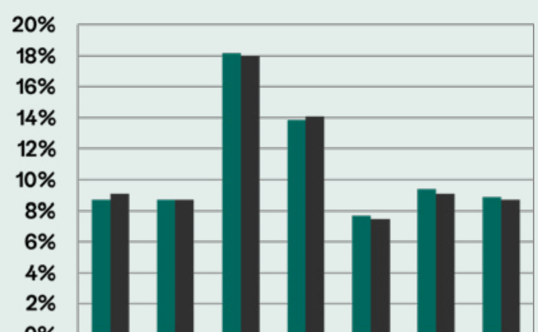
Asset Allocation

$129.9 million as of June 30, 2026



Total Returns*

As of June 30, 2026



	3 Mo	YTD	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr
SDF Actual	8.7%	8.7%	18.2%	13.9%	7.7%	9.4%	8.9%
Policy Index	9.1%	8.7%	18.0%	14.1%	7.5%	9.1%	8.7%

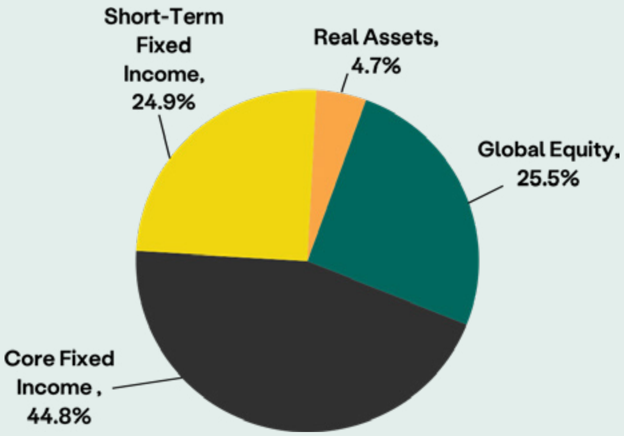
**The Foundation's Policy Index for Long Term Pool is 50% MSCI ACWI IMI (net), 20% BBgBarc US Universal Bond Index, 20% HFRI FOF Index, 10% Custom Real Assets Index. Fixed Income Index: 100% BBgBarc US Universal Bond Index.*

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.

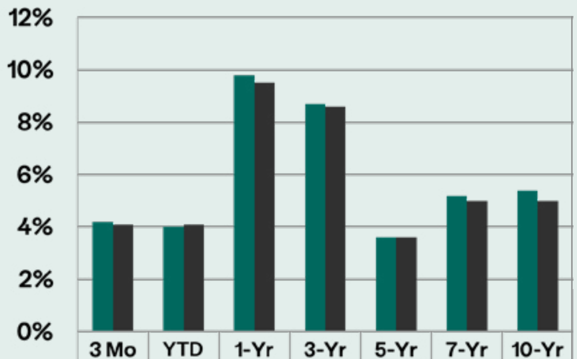
Asset Allocation

$106.2 million as of June 30, 2026



Total Returns*

As of June 30, 2026



	3 Mo	YTD	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr
SDF Actual	4.2%	4.0%	9.8%	8.7%	3.6%	5.2%	5.4%
Policy Index	4.1%	4.1%	9.5%	8.6%	3.6%	5.0%	5.0%

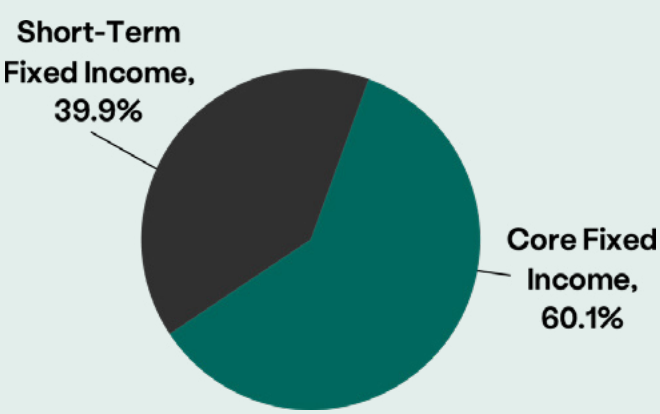
**The Foundation's Policy Index for Medium Term Portfolio is 30% MSCI ACWI IMI (net), 45% BBgBarc US Universal Bond Index, 20% BofA ML 1-3 Yr Treasury, 5% 91-Day T-Bills.*

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.

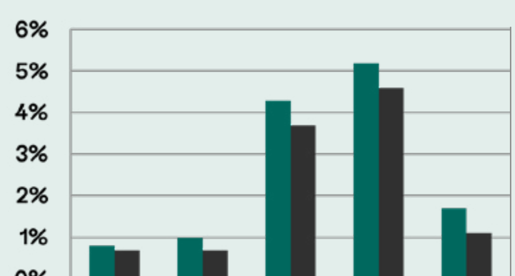
Asset Allocation

$10.8 million as of June 30, 2026



Total Returns*

As of June 30, 2026



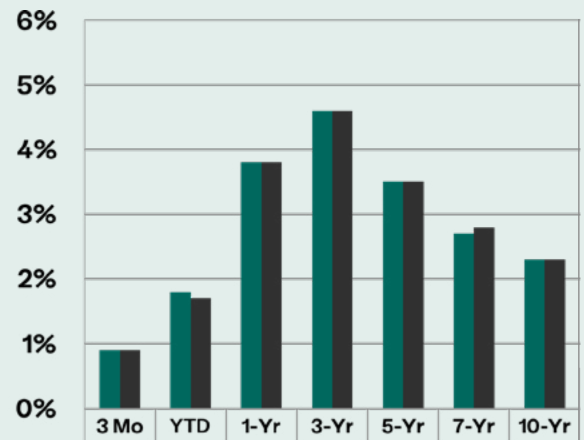
	3 Mo	YTD	1-Yr	3-Yr	5-Yr
SDF Actual	0.8%	1.0%	4.3%	5.2%	1.7%
Policy Index	0.7%	0.7%	3.7%	4.6%	1.1%

**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
$78.4 million as of June 30, 2026

Total Returns
As of June 30, 2026



	3 Mo	YTD	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr
SDF Actual	0.9%	1.8%	3.8%	4.6%	3.5%	2.7%	2.3%
Policy Index	0.9%	1.7%	3.8%	4.6%	3.5%	2.8%	2.3%

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

Liza Crisafi, Chair
Retired Chief Investment Officer

Ana Gomez Chapman, Vice Chair
Founder & CEO,
Muzo Capital Partners

Marty Cassell, CFA
Principal, Chief Executive & Investment Officer, Chandler Asset Management

Leandro A. Festino, CFA, CAIA
Managing Principal/Consultant, Meketa

Kevin Hamilton, CFA
Business Consultant & Advisor, Investment Management

Amanda Montgomery
Managing Director, Sycamore Tree Capital Partners

Mark A. Stuart, CFRE
President & CEO,
San Diego Foundation

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.