

## LONG-TERM ENDOWMENT PORTFOLIO OVERVIEW

The Long-Term Endowment Portfolio is designed to achieve a total return equal to or greater than the Foundation's spending needs plus inflation. The portfolio is invested in a diversified set of asset classes, including an allocation of 30% to illiquid assets (private equity, real estate, and privately held real assets). The portfolio is structured for long-term grant making, and donors in this portfolio can withdraw funds based on the current spending policy limits only. The Santa Barbara Foundation seeks to incorporate ESG criteria in our investment analysis and decision-making processes, particularly emphasizing profitable investments on a risk-adjusted basis with positive social and environmental impacts aligned with the priorities and values of the Foundation. For more information, please visit our [Responsible Investing](#) page.

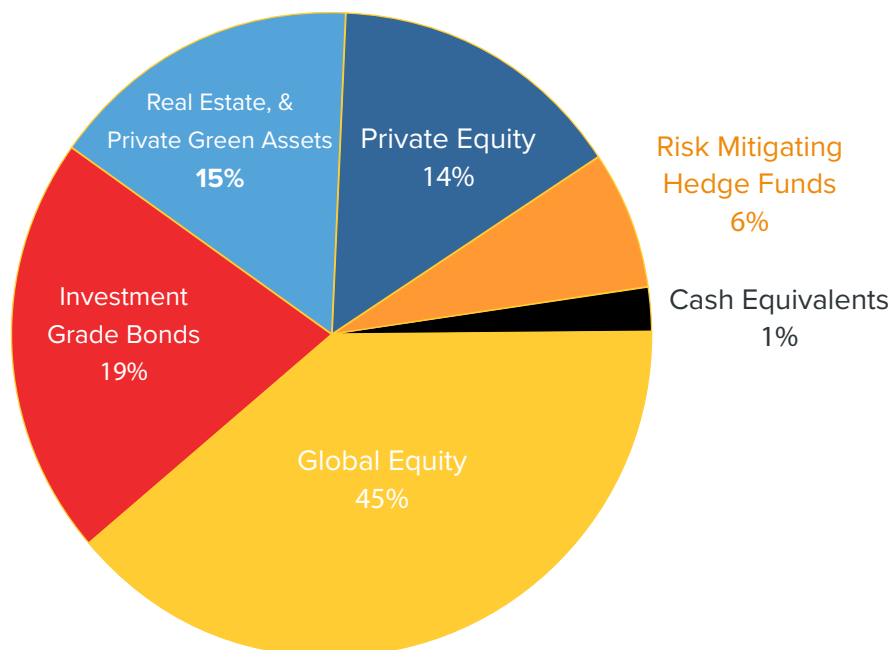
**Investment Advisor:** Meketa Investment Group  
**Total Invested Assets:** \$191.7 MM as of March 31, 2024

**Portfolio Expectations:**  
 Expected Return (20-year) 7.03%  
 \*Standard Deviation 13.31%  
 \*\*Sharpe Ratio 0.45

## LONG-TERM ENDOWMENT STRATEGIC ALLOCATION

<u>Growth</u>	<u>3/31/2024</u>	<u>Long-Term Target Policy</u>
Global Equity	45%	50%
Private Equity	14%	10%
<u>Inflation Hedges</u>		
Real Estate, & Private Green Assets	15%	17%
<u>Risk Mitigating</u>		
Investment Grade Bonds	19%	15%
Risk Mitigating Hedge Funds	6%	6%
<u>Cash Equivalents</u>		
Cash	1%	2%

**As of 3/31/2024**



## PORTFOLIO PERFORMANCE

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	<b>QTD</b>	<b>Last 12 Months</b>	<b>3 Years</b>	<b>5 Years</b>	<b>ITD June 2002</b>
<b>Long-Term Endowment Pool</b>	4.1%	11.6%	5.7%	7.5%	7.1%
<b>SBF Endowment - Policy Benchmark</b>	3.8%	11.7%	5.6%	7.3%	7.3%

Policy Benchmark is composed of 44.7% MSCI ACWI / 11.5% Custom Private Equity Benchmark / 5% NCREIF ODCE / 3% FTSE EPRA/NAREIT Developed Liquid Index USD TR / 2.8% CPI Seasonally Adjusted+3% (1q Lagged) / 0.9% Farmland / 0.5% Opportunistic Green Strategies / 1.6% CPI Seasonally Adjusted + 4% (1q Lagged) / 22% Bloomberg US Aggregate TR / 6% RMS Custom Benchmark / 2% 91 Day T-Bills

The Policy Benchmark performance is derived by multiplying the long-term policy target for each asset class by the index return for each asset class. The Policy Benchmark index return does not include fees. The Performance for the Long-Term Endowment Portfolio is net of all investment related fees (investment management, consulting, and custodian fees). The aggregate fees for the Long-Term Endowment as of 3/31/24 is 1.05%. The Long-Term Endowment is on a multi-year process of building out its private market portfolio. Therefore, the allocation to certain asset classes will deviate from policy targets, which may cause deviations in performance from the Policy Benchmark.

\*Standard Deviation: A statistic that tells how tightly a set of numbers are clustered around the mean. It is used to help evaluate the volatility or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in a series differ from the arithmetic mean of the series. For example, if a security has an expected average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time or 68% of the time, one would expect to receive an annual rate of return between 5% and 15%.

\*\*Sharpe Ratio: A measure of portfolio efficiency and a commonly used measure of risk-adjusted return. The sharpe ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the sharpe ratio, the better the fund's historical risk-adjusted performance.