Santa Barbara Foundation
Snapshot View – December 31, 2017

SANTA BARBARA FOUNDATION

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.

Investment Advisor: Meketa Investment Group

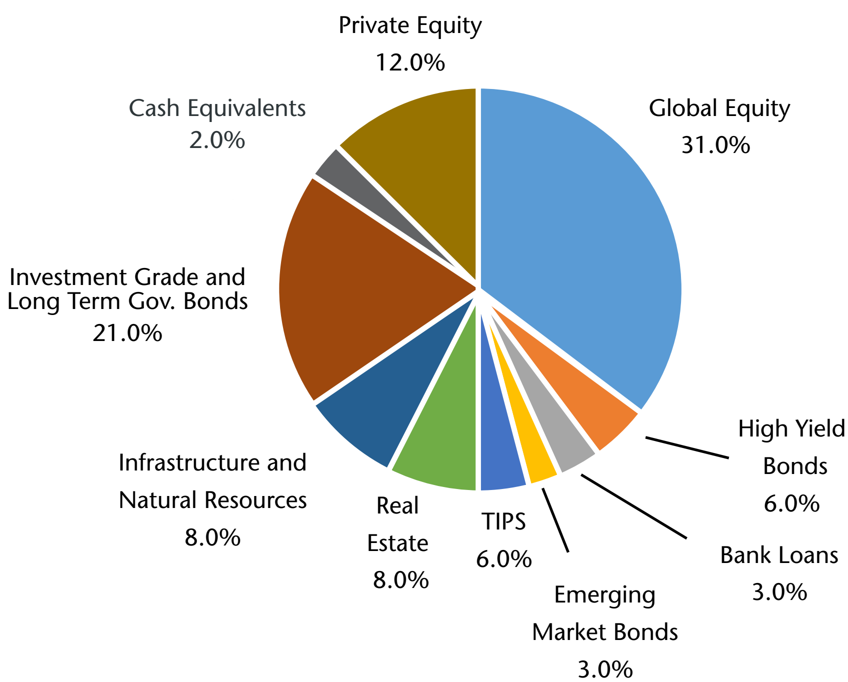
Total Invested Assets: $166.56 MM as of December 31, 2017

Portfolio Expectations:

Expected Return (20-year)	7.00%
*Standard Deviation	11.30%
**Sharpe Ratio	0.37%

LONG-TERM ENDOWMENT STRATEGIC ALLOCATION

	Percent
Growth	
Global Equity	31.0%
Private Equity	12.0%
Income	
High Yield Bonds	6.0%
Bank Loans	3.0%
Emerging Market Bonds	3.0%
Inflation Hedge	
TIPS	6.0%
Real Estate	8.0%
Infrastructure/ Natural Resources	8.0%
Risk Mitigating	
Investment Grade/Long Term Government Bonds	21.0%
Cash Equivalents	
Cash	2.0%



PORTFOLIO PERFORMANCE

	QTD	YTD	Last 12 Months	3 Years	5 Years	ITD June 2002
Long-Term Endowment Pool	2.7%	11.4%	11.4%	4.8%	6.2%	7.3%
SBF Endowment - Strategic Benchmark	2.8%	12.4%	12.4%	5.9%	7.3%	7.7%

Policy Benchmark is composed of 34.5% Barclays Capital US Aggregate, 6.9% Barclays US High Yield, 2.3% Dow Jones Global Ex-US REIT, 2.3% Dow Jones US REIT, 12.7% MSCI EAFE, 2.3% MSCI EM, 30.9% Russell 3000, 5.8%HFRI FOF Diversified TR, 2.3% US 91 Day T-Bills. Data prior to February 2017 was provided by prior consultant.

ITD- Inception to Date

***Standard Deviation-is 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 indicate 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.**

Updated: January 2018