Presenters

Fred Blackwell  
* SFF, CEO

Mark Doherty  
* SFF, Senior Director of Investments

David ibnAle  
* SFF Trustee & Managing Partner, Advance Venture Partners

Mike Miller  
* Chief Investment Officer, Crewcial Partners

Adeyemi Ajao  
* General Partner, Base10 Partners

DeShay McCluskey  
* Co-Founder & Managing Partner, AltraVue Capital
SFF Investing Spectrum

**FINANCIAL RETURNS**
- Traditional
  - Long Term & Endowment

**Sustainable & Responsible**
- Short Term
- Mission-Aligned Investments

**Impact Investing**
- Bay Area Community Impact Fund (BACIF)

**SOCIAL RETURNS**
- Grants
Diversity is Core

New managers in 2021 were diverse

Engaging diverse managers leads to increased overall performance and decreased portfolio risk.
Mission-Aligned Investments Pool

3 Years
Third Anniversary

70 Donor Advised Funds allocated

$50M From Endowment

$120M As of Dec. 31, 2021
Mission-Aligned Investments Pool

For donors who want to align investments with their values

No predatory lenders, private prisons or tobacco companies; avoid retailers of assault weapons to the general public and fossil fuel companies

Additional $493 million invested along MAI principles

Up 14.9% since inception March 2019; 2% over benchmark
Bay Area Community Impact Fund

$24M Pooled Fund

26 Loans Approved

$26.5M Approved Since Inception

$0 Lost
BACIF & People Pathway: Advancing Economic Inclusion

Firebrand Artisan Breads

• Founded in Oakland, CA

• Hires workers with barriers to employment—refugees, formerly incarcerated or homeless, and at-risk youth.

• Perpetual purpose trust ownership model

• Investments from two BACIF borrowers
Long-Term Donor Advised Pool
Returns Relative to Benchmarks

Annualized Returns - All Periods Ending 12/31/21

- SFF Returns Presented Net of Investment Management Fees
Multi-Decade Compounding is Exceptionally Important

Cumulative Returns - All Periods Ending 12/31/21

SFF Returns Presented Net of Investment Management Fees
How Was This Accomplished?

• Pursuit of straightforward strategy that relies on decisions with a high probability of long-term success

• Collaborative model - Exceptional Investment Committee and Foundation Management combined efforts with Crewcial Partners

• Utilize natural advantages of scale and duration to access atypical investments
## Strategic Asset Mix – Core and Mission-Aligned Pools

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Core Portfolio Target</th>
<th>Mission-Aligned Portfolio Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>48.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>Hedge Funds</td>
<td>22.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Private Assets</td>
<td>10.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>US Inv. Grade Fixed Income</td>
<td>15.0%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Global Fixed Income</td>
<td>5.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

- Emphasis on high return asset classes
- Broadly diversified
- Willing to accept market volatility

*Expect compelling compensation*
A Slow-Moving Crash: The Worst Risk for Philanthropic Capital

- Rising – Higher Sustained Inflation?
- Low-Interest Rates and Very Expensive Equity Index Prices
- Huge Trap Set for Those Who Ignore Price
- Market Speculation Was Frightening – Now Receding
Interest Rates & Inflation – Since 2010

10 Year Treasury Yields vs. 1 Year Change in Consumer Prices

- 10 Year Treasury Yield
- CPI - Latest 12 Months
Strategy Looking Ahead

• Overcome difficult climate with contrarian investments & avoidance of ideas where we have no edge

• Patience and long-time horizon generates larger return premiums during challenging periods.

• Capitalize on Foundation’s reputation and scale to invest opportunistically and to access top managers across a diversified asset mix
Fireside Chat

Presenters

**David ibnAle**
*SFF Trustee & Managing Partner, Advance Venture Partners*

**Adeyemi Ajao**
*General Partner, Base10 Partners*

**DeShay McCluskey**
*Co-Founder & Managing Partner, AltraVue Capital*

March 14, 2022