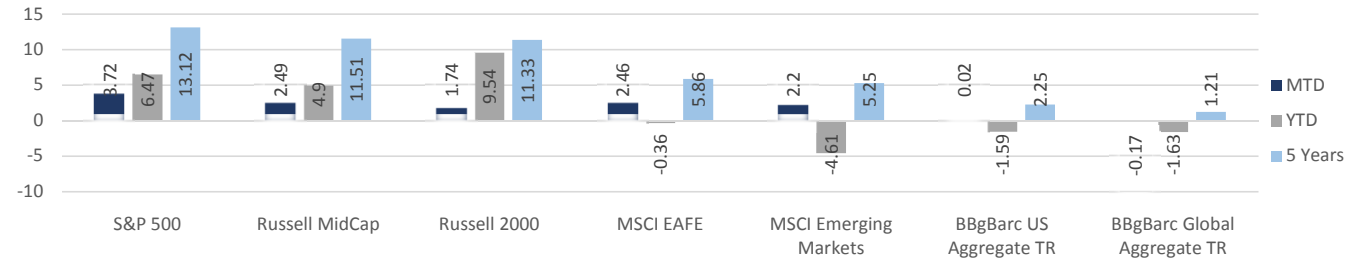


Market Highlights

- Large cap US equities extended gains in July, bringing year-to-date performance to 6.47% and performance over the last twelve months to 16.24%.
- Within the S&P 500, the best performing sector for the month was industrials, followed by health care and financials. All sectors were positive in July. Year-to-date telecommunication services, consumer staples, and materials are the only negative sectors.
- Value outperformed growth during the month across all market caps. Certain large tech stocks experienced difficult performance following 2Q earnings announcements, providing headwinds for the growth indices in July.
- International indices were up across the board in July although all non-US equity indices are still negative year-to-date, the most significant being frontier and emerging markets.
- US fixed income was positive in July, with mixed performance year-to-date. The Bloomberg/Barclays US Corporate High Yield Index is the best performing US fixed income index year-to-date at 1.25% compared to Bloomberg/Barclays US Government/Credit Index and Bloomberg/Barclays US Government/Credit Index and Bloomberg/Barclays US Aggregate Index which are down -1.83% and -1.59%, respectively, year-to-date.
- Global bonds were down in July, extending losses year-to-date and over the trailing twelve months.
- MLPs had a strong month with performance up over 6%, pulling year-to-date returns back into positive territory. However, commodities broadly struggled as the Bloomberg Commodity Index posted negative returns in July.

Source(s): Morningstar, MSCI

Index Returns (%)



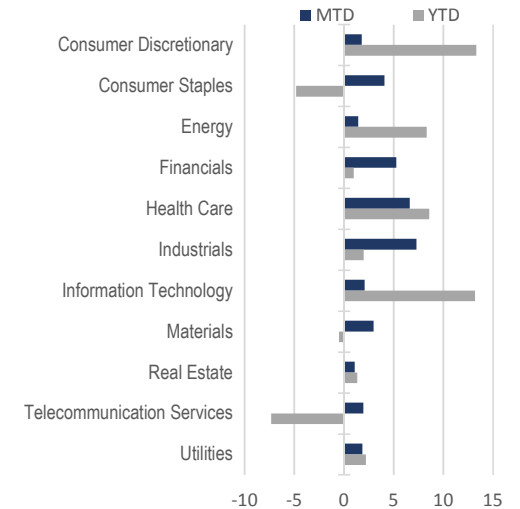
| Equity Returns (%) | MTD | YTD | 1 Yr | 3 Yr | 5 Yr |
|---------------------|------|-------|-------|-------|-------|
| S&P 500 | 3.72 | 6.47 | 16.24 | 12.52 | 13.12 |
| Russell 1000 | 3.45 | 6.40 | 16.19 | 12.20 | 12.96 |
| Russell MidCap | 2.49 | 4.90 | 13.45 | 10.21 | 11.51 |
| Russell 2000 | 1.74 | 9.54 | 18.73 | 12.04 | 11.33 |
| Russell 3000 | 3.32 | 6.64 | 16.39 | 12.18 | 12.83 |
| NASDAQ Composite TR | 2.19 | 11.77 | 22.13 | 15.70 | 17.53 |

| Fixed Income Returns (%) | MTD | YTD | 1 Yr | 3 Yr | 5 Yr |
|-----------------------------|-------|-------|-------|------|------|
| BBgBarc US Aggregate TR | 0.02 | -1.59 | -0.80 | 1.49 | 2.25 |
| BBgBarc Global Aggregate TR | -0.17 | -1.63 | -0.49 | 2.45 | 1.21 |
| BBgBarc US Credit TR | 0.72 | -2.29 | -0.66 | 2.89 | 3.37 |
| BBgBarc US Govt TR | -0.41 | -1.46 | -1.20 | 0.61 | 1.41 |
| BBgBarc US High Yield TR | 1.09 | 1.25 | 2.60 | 6.12 | 5.35 |
| BBgBarc US Municipal TR | 0.24 | -0.01 | 0.99 | 2.69 | 3.76 |
| Citi WGBI | -0.41 | -1.35 | -0.36 | 2.51 | 0.75 |

| International Equity Returns (%) | MTD | YTD | 1 Yr | 3 Yr | 5 Yr |
|----------------------------------|------|-------|------|------|------|
| MSCI ACWI ex USA | 2.39 | -1.46 | 5.94 | 6.00 | 5.59 |
| MSCI EAFE | 2.46 | -0.36 | 6.40 | 5.03 | 5.86 |
| MSCI Emerging Markets | 2.20 | -4.61 | 4.36 | 8.94 | 5.25 |

| Other Index Returns (%) | MTD | YTD | 1 Yr | 3 Yr | 5 Yr |
|------------------------------------|-------|-------|------|-------|-------|
| HFRI Fund of Funds Composite Index | 0.12 | 0.78 | 4.18 | 1.90 | 3.27 |
| Wilshire Liquid Alternative TR USD | 0.69 | -0.93 | 1.29 | 0.87 | 1.30 |
| FTSE EPRA/NAREIT Developed NR USD | 0.84 | 1.20 | 4.63 | 4.82 | 5.90 |
| Alerian MLP TR USD | 6.58 | 5.91 | 0.40 | -2.85 | -2.77 |
| Bloomberg Commodity Index TR USD | -2.13 | -2.14 | 2.73 | -1.61 | -7.06 |

S&P Sector Returns (%)



Russell Style Returns (%) - MTD

| | Value | Core | Growth |
|-------|-------|------|--------|
| Large | 3.96 | 3.45 | 2.94 |
| Mid | 2.72 | 2.49 | 2.15 |
| Small | 1.77 | 1.74 | 1.72 |

Russell Style Returns (%) - YTD

| | Value | Core | Growth |
|-------|-------|------|--------|
| Large | 2.20 | 6.40 | 10.40 |
| Mid | 2.56 | 4.90 | 7.66 |
| Small | 7.31 | 9.54 | 11.58 |

| Market Indices | MTD | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------------------|------|------|-------|--------|---------|---------|----------|
| S&P 500 | 3.72 | 3.72 | 6.47 | 16.24 | 12.52 | 13.12 | 10.67 |
| Dow Jones Industrial Average | 4.83 | 4.83 | 4.07 | 18.75 | 15.68 | 13.11 | 11.25 |
| NASDAQ Composite TR | 2.19 | 2.19 | 11.77 | 22.13 | 15.70 | 17.53 | 13.95 |
| MSCI EAFE | 2.46 | 2.46 | -0.36 | 6.40 | 5.03 | 5.86 | 3.43 |
| Russell 2000 | 1.74 | 1.74 | 9.54 | 18.73 | 12.04 | 11.33 | 10.39 |
| Dow Jones U.S. Total Stock Market | 3.34 | 3.34 | 6.70 | 16.43 | 12.17 | 12.77 | 10.74 |

| Russell Indices | MTD | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------|------|------|-------|--------|---------|---------|----------|
| Russell 1000 | 3.45 | 3.45 | 6.40 | 16.19 | 12.20 | 12.96 | 10.70 |
| Russell 1000 Growth | 2.94 | 2.94 | 10.40 | 22.84 | 14.81 | 15.83 | 12.37 |
| Russell 1000 Value | 3.96 | 3.96 | 2.20 | 9.54 | 9.51 | 10.04 | 8.95 |
| Russell MidCap | 2.49 | 2.49 | 4.90 | 13.45 | 10.21 | 11.51 | 10.79 |
| Russell MidCap Growth | 2.15 | 2.15 | 7.66 | 19.08 | 10.92 | 12.49 | 11.12 |
| Russell MidCap Value | 2.72 | 2.72 | 2.56 | 9.07 | 9.82 | 10.71 | 10.49 |
| Russell 2000 | 1.74 | 1.74 | 9.54 | 18.73 | 12.04 | 11.33 | 10.39 |
| Russell 2000 Growth | 1.72 | 1.72 | 11.58 | 22.91 | 11.08 | 12.38 | 11.17 |
| Russell 2000 Value | 1.77 | 1.77 | 7.31 | 14.37 | 12.92 | 10.19 | 9.52 |

| Sector Indices | MTD | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|------------------------------------|------|------|-------|--------|---------|---------|----------|
| S&P 500 Materials | 2.96 | 2.96 | -0.21 | 11.44 | 11.44 | 10.29 | 6.46 |
| S&P 500 Consumer Discretionary | 1.83 | 1.83 | 13.56 | 23.50 | 13.35 | 15.21 | 16.56 |
| S&P 500 Consumer Staples | 4.07 | 4.07 | -4.83 | -0.58 | 5.04 | 8.17 | 10.01 |
| S&P 500 Energy | 1.42 | 1.42 | 8.32 | 19.72 | 6.96 | 1.50 | 2.64 |
| S&P 500 Financials | 5.27 | 5.27 | 0.97 | 13.47 | 13.24 | 13.10 | 6.87 |
| S&P 500 Health Care | 6.61 | 6.61 | 8.57 | 13.31 | 6.97 | 14.16 | 13.16 |
| S&P 500 Industrials | 7.32 | 7.32 | 2.29 | 12.99 | 13.88 | 13.00 | 10.28 |
| S&P 500 Information Technology | 2.09 | 2.09 | 13.19 | 28.48 | 22.23 | 21.42 | 15.03 |
| S&P 500 Real Estate | 1.08 | 1.08 | 1.90 | 4.90 | -- | -- | -- |
| S&P 500 Telecommunication Services | 2.33 | 2.33 | -6.22 | -2.46 | 4.66 | 4.15 | 7.04 |
| S&P 500 Utilities | 1.86 | 1.86 | 2.19 | 2.83 | 10.19 | 10.06 | 7.52 |

| International Indices | MTD | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------|------|------|-------|--------|---------|---------|----------|
| MSCI EAFE | 2.46 | 2.46 | -0.36 | 6.40 | 5.03 | 5.86 | 3.43 |
| MSCI Emerging Markets | 2.20 | 2.20 | -4.61 | 4.36 | 8.94 | 5.25 | 2.87 |
| MSCI Europe | 3.33 | 3.33 | -0.01 | 5.63 | 4.29 | 5.40 | 3.00 |
| MSCI Pacific | 0.91 | 0.91 | -1.13 | 7.90 | 6.72 | 6.79 | 4.47 |
| MSCI ACWI ex USA | 2.39 | 2.39 | -1.46 | 5.94 | 6.00 | 5.59 | 3.16 |
| MSCI EAFE Small Cap | 0.65 | 0.65 | -0.68 | 9.22 | 10.02 | 10.15 | 7.38 |
| MSCI Frontier Markets | 3.67 | 3.67 | -7.60 | 3.25 | 4.41 | 4.25 | -1.88 |

| Bond Indices | MTD | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|------------------------------------|-------|-------|-------|--------|---------|---------|----------|
| Citi 3mth Treasury Bill | 0.16 | 0.16 | 0.95 | 1.41 | 0.69 | 0.43 | 0.32 |
| BBgBarc US Municipal TR | 0.24 | 0.24 | -0.01 | 0.99 | 2.69 | 3.76 | 4.41 |
| BBgBarc US Aggregate TR | 0.02 | 0.02 | -1.59 | -0.80 | 1.49 | 2.25 | 3.73 |
| BBgBarc US Govt/Credit TR | 0.08 | 0.08 | -1.83 | -0.97 | 1.61 | 2.26 | 3.78 |
| BBgBarc US Govt/Credit Int TR | 0.03 | 0.03 | -0.95 | -1.01 | 1.04 | 1.54 | 3.06 |
| BBgBarc US Corporate High Yield TR | 1.09 | 1.09 | 1.25 | 2.60 | 6.12 | 5.35 | 8.45 |
| BBgBarc Global Aggregate TR | -0.17 | -0.17 | -1.63 | -0.49 | 2.45 | 1.21 | 2.55 |
| Citi WGBI | -0.41 | -0.41 | -1.35 | -0.36 | 2.51 | 0.75 | 2.00 |

| Other Indices | MTD | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|------------------------------------|-------|-------|-------|--------|---------|---------|----------|
| HFRI FOF: Diversified Index | 0.47 | 0.47 | 1.15 | 4.75 | 1.74 | 3.21 | 1.75 |
| HFRI FOF: Conservative Index | -0.18 | -0.18 | 1.45 | 3.50 | 1.74 | 2.86 | 1.39 |
| HFRI FOF: Strategic Index | -0.13 | -0.13 | 0.25 | 4.06 | 2.31 | 3.71 | 1.89 |
| Wilshire Liquid Alternative TR USD | 0.69 | 0.69 | -0.93 | 1.29 | 0.87 | 1.30 | 1.47 |
| FTSE EPRA/NAREIT Global TR USD | 0.85 | 0.85 | 0.84 | 5.32 | 6.35 | 6.75 | 5.51 |
| Alerian MLP TR USD | 6.58 | 6.58 | 5.91 | 0.40 | -2.85 | -2.77 | 7.33 |
| Bloomberg Commodity Index TR USD | -2.13 | -2.13 | -2.14 | 2.73 | -1.61 | -7.06 | -8.09 |

Returns include dividends; 3-year, 5-year, and 10-year returns are annualized. Indices are unmanaged. You cannot invest directly into an index. Past performance is not indicative of future results.

Harbor Branch Oceanographic Institute Foundation, Inc.

Report Period Ending: July 31, 2018

Fiscal Year Ends: June

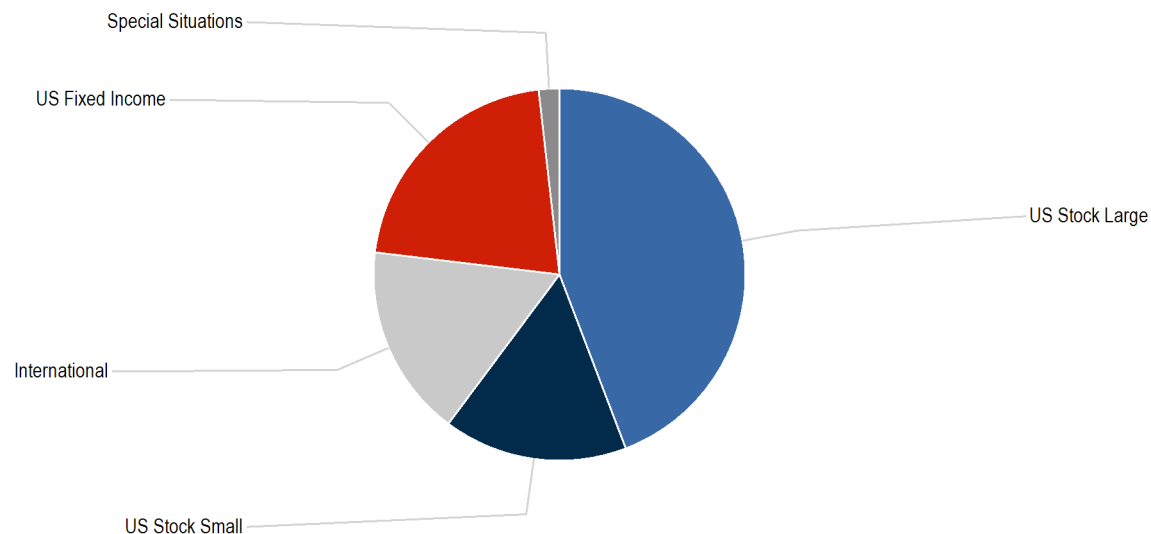
Asset Allocation Summary

| | Market Value | Current Allocation | Target Allocation Ranges* |
|---------------------------------------|---------------------|--------------------|---------------------------|
| Total Composite Balanced Index | \$76,942,323 | 100% | 100.00% |
| Equities | \$59,218,028 | 76.96% | 45-75% |
| Large Cap | | | 20-45% |
| Vanguard S&P 500 | \$34,032,028 | 44.23% | |
| | | <u>44.23%</u> | |
| Small Cap | | | 5-20% |
| Vanguard Russell 2000 | \$6,197,520 | 8.05% | |
| iShares S&P Small Cap 600 Index | \$6,117,360 | 7.95% | |
| | | <u>16.01%</u> | |
| International | | | 10-30% |
| Euro Pacific Growth | \$12,871,120 | 16.73% | |
| | | <u>16.73%</u> | |
| <i>S&P 500</i> | | | |
| <i>Russell 2000</i> | | | |
| <i>S&P 600 Small Cap</i> | | | |
| <i>MSCI EAFE</i> | | | |
| Fixed Income | \$16,355,164 | 21.26% | 15-35% |
| Long Term | | | |
| Metropolitan West Total Return | \$4,131,430 | 5.37% | |
| PIMCO Income Fund Inst'l | \$4,281,208 | 5.56% | |
| | | <u>10.93%</u> | |
| Short Term | | | |
| Pimco Short Term | \$7,940,773 | 10.32% | |
| | | <u>10.32%</u> | |
| Cash | | | 0-10% |
| Cash | \$1,753 | 0.00% | |
| | | <u>0.00%</u> | |
| <i>Barclays Aggregate</i> | | | |
| <i>Citi 3 Month T-Bill</i> | | | |
| Alternative Investments | \$1,369,131 | 1.78% | 0-15% |
| Alternatives | | | |
| Advisory Research MLP | \$1,369,131 | 1.78% | |
| <i>Alerian Index</i> | | | |

*Per HBOIF Investment Policy Statement

Total Composite

As of July 31, 2018



| | Current Balance | Current Allocation | Policy Range | Within IPS Range? |
|---|---------------------|--------------------|-----------------|-------------------|
| US Stock Large | \$34,032,028 | 44.23% | 20.00% - 45.00% | Yes |
| Vanguard Institutional Index I | \$34,032,028 | 44.23% | | |
| US Stock Small | \$12,314,880 | 16.01% | 5.00% - 20.00% | Yes |
| Vanguard Russell 2000 ETF | \$6,197,520 | 8.05% | | |
| iShares S&P SmallCap 600 Index | \$6,117,360 | 7.95% | | |
| International | \$12,871,120 | 16.73% | 10.00% - 30.00% | Yes |
| American Funds Europacific Growth F2 | \$12,871,120 | 16.73% | | |
| US Fixed Income | \$16,353,411 | 21.25% | 15.00% - 35.00% | Yes |
| Metropolitan West Total Return | \$4,131,430 | 5.37% | | |
| PIMCO Income Fund Inst'l | \$4,281,208 | 5.56% | | |
| PIMCO Short-Term Instl | \$7,940,773 | 10.32% | | |
| Special Situations | \$1,369,131 | 1.78% | 0.00% - 15.00% | Yes |
| Advisory Research MLP & Energy Income I | \$1,369,131 | 1.78% | | |
| Cash | \$1,753 | 0.00% | 0.00% - 10.00% | Yes |
| Cash | \$1,753 | 0.00% | | |
| Total | \$76,942,323 | 100.00% | | |

Harbor Branch Oceanographic Institute Foundation, Inc

Total Composite

As of July 31, 2018

Fiscal Year End: June

| | Market Value (\$) | % of Portfolio | 1 Mo (%) | Rank | QTD (%) | Rank | Fiscal YTD (%) | Rank | YTD (%) | Rank | 1 Yr (%) | Rank | 3 Yrs (%) | Rank | 5 Yrs (%) | Rank | 10 Yrs (%) | Rank | Inception (%) | Inception Date |
|---|-------------------|----------------|-------------|-----------|-------------|-----------|----------------|-----------|-------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|-------------|-----------|---------------|----------------|
| Total Composite | 76,942,323 | 100.00 | 2.51 | -- | 2.51 | -- | 2.51 | -- | 4.57 | -- | 11.54 | -- | 8.43 | -- | 8.14 | -- | 6.91 | -- | 6.49 | Dec-05 |
| Balanced Index | | | 2.55 | -- | 2.55 | -- | 2.55 | -- | 4.40 | -- | 11.18 | -- | 7.91 | -- | 7.89 | -- | 6.34 | -- | 6.08 | Dec-05 |
| CPI+5% | | | 0.41 | -- | 0.41 | -- | 0.41 | -- | 5.16 | -- | 8.08 | -- | 6.91 | -- | 6.60 | -- | 6.43 | -- | 7.07 | Dec-05 |
| Equity Composite | 59,218,028 | 76.96 | 3.13 | -- | 3.13 | -- | 3.13 | -- | 5.99 | -- | 15.01 | -- | 11.20 | -- | 11.05 | -- | 8.62 | -- | 7.35 | Dec-05 |
| Balanced Index | | | 3.18 | -- | 3.18 | -- | 3.18 | -- | 5.83 | -- | 14.84 | -- | 10.70 | -- | 11.08 | -- | 8.41 | -- | 7.52 | Dec-05 |
| US Stock Large | 34,032,028 | 44.23 | | | | | | | | | | | | | | | | | | |
| Vanguard Institutional Index I | 34,032,028 | 44.23 | 3.72 | 38 | 3.72 | 38 | 3.72 | 38 | 6.45 | 41 | 16.20 | 43 | 12.49 | 24 | 13.07 | 31 | -- | -- | 15.96 | Aug-11 |
| S&P 500 | | | 3.72 | 38 | 3.72 | 38 | 3.72 | 38 | 6.47 | 40 | 16.24 | 42 | 12.52 | 24 | 13.12 | 31 | 10.67 | 33 | 16.01 | Aug-11 |
| US Stock Small | 12,314,880 | 16.01 | | | | | | | | | | | | | | | | | | |
| Vanguard Russell 2000 ETF | 6,197,520 | 8.05 | 1.90 | 36 | 1.90 | 36 | 1.90 | 36 | 9.86 | 35 | 19.11 | 35 | 12.18 | 31 | -- | -- | -- | -- | 11.50 | Sep-14 |
| Russell 2000 | | | 1.74 | 43 | 1.74 | 43 | 1.74 | 43 | 9.54 | 38 | 18.73 | 38 | 12.04 | 33 | 11.33 | 41 | 10.39 | 56 | 11.34 | Sep-14 |
| iShares S&P SmallCap 600 Index | 6,117,360 | 7.95 | 3.24 | 4 | 3.24 | 4 | 3.24 | 4 | 12.85 | 20 | 23.22 | 19 | -- | -- | -- | -- | -- | -- | 22.49 | May-17 |
| S&P 600 SmallCap | | | 3.16 | 5 | 3.16 | 5 | 3.16 | 5 | 12.84 | 20 | 23.11 | 19 | 15.35 | 7 | 13.80 | 7 | 12.37 | 14 | 22.50 | May-17 |
| International | 12,871,120 | 16.73 | | | | | | | | | | | | | | | | | | |
| American Funds Europacific Growth F2 | 12,871,120 | 16.73 | 2.13 | 50 | 2.13 | 50 | 2.13 | 50 | 0.23 | 30 | 6.98 | 36 | 7.11 | 32 | 7.79 | 20 | 5.19 | 31 | 6.22 | Dec-05 |
| MSCI EAFE | | | 2.46 | 35 | 2.46 | 35 | 2.46 | 35 | -0.36 | 44 | 6.40 | 43 | 5.03 | 68 | 5.86 | 62 | 3.43 | 69 | 4.29 | Dec-05 |
| Fixed Income Composite | 16,355,164 | 21.26 | 0.30 | -- | 0.30 | -- | 0.30 | -- | 0.09 | -- | 1.31 | -- | 0.95 | -- | 1.25 | -- | 4.33 | -- | 4.36 | Dec-05 |
| Balanced Index | | | 0.09 | -- | 0.09 | -- | 0.09 | -- | -0.26 | -- | 0.37 | -- | 0.10 | -- | 0.53 | -- | 3.08 | -- | 3.41 | Dec-05 |
| US Fixed Income | 8,412,638 | 10.93 | | | | | | | | | | | | | | | | | | |
| Metropolitan West Total Return | 4,131,430 | 5.37 | 0.05 | 65 | 0.05 | 65 | 0.05 | 65 | -1.34 | 47 | -0.54 | 45 | -- | -- | -- | -- | -- | -- | -0.08 | May-17 |
| BBgBarc US Aggregate TR | | | 0.02 | 72 | 0.02 | 72 | 0.02 | 72 | -1.59 | 66 | -0.80 | 63 | 1.49 | 63 | 2.25 | 64 | 3.73 | 83 | -0.14 | May-17 |
| PIMCO Income Fund Inst'l | 4,281,208 | 5.56 | 0.55 | 7 | 0.55 | 7 | 0.55 | 7 | -0.16 | 6 | 2.37 | 2 | -- | -- | -- | -- | -- | -- | 3.13 | May-17 |
| BBgBarc US Aggregate TR | | | 0.02 | 72 | 0.02 | 72 | 0.02 | 72 | -1.59 | 66 | -0.80 | 63 | 1.49 | 63 | 2.25 | 64 | 3.73 | 83 | -0.14 | May-17 |
| US Fixed Income Short Term | 7,940,773 | 10.32 | | | | | | | | | | | | | | | | | | |
| PIMCO Short-Term Instl | 7,940,773 | 10.32 | 0.29 | -- | 0.29 | -- | 0.29 | -- | 1.34 | -- | 2.39 | -- | 2.12 | -- | 1.84 | -- | -- | -- | 1.70 | Aug-10 |
| Citi 3mth Treasury Bill | | | 0.16 | -- | 0.16 | -- | 0.16 | -- | 0.95 | -- | 1.41 | -- | 0.69 | -- | 0.43 | -- | 0.32 | -- | 0.30 | Aug-10 |
| Cash | 1,753 | 0.00 | | | | | | | | | | | | | | | | | | |
| Cash | 1,753 | 0.00 | | | | | | | | | | | | | | | | | | |
| Special Situations | 1,369,131 | 1.78 | 3.39 | -- | 3.39 | -- | 3.39 | -- | 2.57 | -- | 0.43 | -- | 0.87 | -- | 3.29 | -- | 2.23 | -- | 3.38 | Dec-05 |
| Balanced Index | | | 6.58 | -- | 6.58 | -- | 6.58 | -- | 5.91 | -- | 0.40 | -- | 0.12 | -- | 1.89 | -- | 0.91 | -- | 1.90 | Dec-05 |
| Advisory Research MLP & Energy Income I | 1,369,131 | 1.78 | 3.39 | -- | 3.39 | -- | 3.39 | -- | 2.57 | -- | 0.43 | -- | -- | -- | -- | -- | -- | -- | 4.10 | Nov-15 |
| Alerian MLP TR USD | | | 6.58 | -- | 6.58 | -- | 6.58 | -- | 5.91 | -- | 0.40 | -- | -2.85 | -- | -2.77 | -- | 7.33 | -- | 2.69 | Nov-15 |

- Balanced Index = Weighted Average of S&P 500 / Russell 2000 / S&P 600 SmallCap / MSCI EAFE / BBgBarc US Aggregate TR / Citi 3mth Treasury Bill / Citi 1 Month T-Bill / Alerian MLP TR USD

- CPI+5% = Consumer Price Index+0.00407 100

- Balanced Index = Weighted Average of S&P 500 / Russell 2000 / S&P 600 SmallCap / MSCI EAFE

- Balanced Index = Weighted Average of BBgBarc US Aggregate TR / Citi 3mth Treasury Bill / Citi 1 Month T-Bill

- Balanced Index = Weighted Average of Alerian MLP TR USD