

Harbor Branch Oceanographic Institute Foundation, Inc: Total Portfolio Attribution 4th Quarter 2015

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Summary

- The attached total portfolio attribution reviews the current portfolio as of December 31, 2015 looking back on the 4th quarter
- The portfolio is overweight Large Cap Equity and Alternatives
- The portfolio is underweight Small Cap Equity, International Equity, Short Term Fixed Income, Cash* and MLPs
- For the quarter, positive asset allocation offset negative manager selection for a slightly positive active return
 - The three largest contributors/detractors to active return were:
 - Large Cap Equity – Overweight to Index
 - Short Term Fixed Income – Manager Selection (outperformance)
 - International Equity – Manager Selection (underperformance)

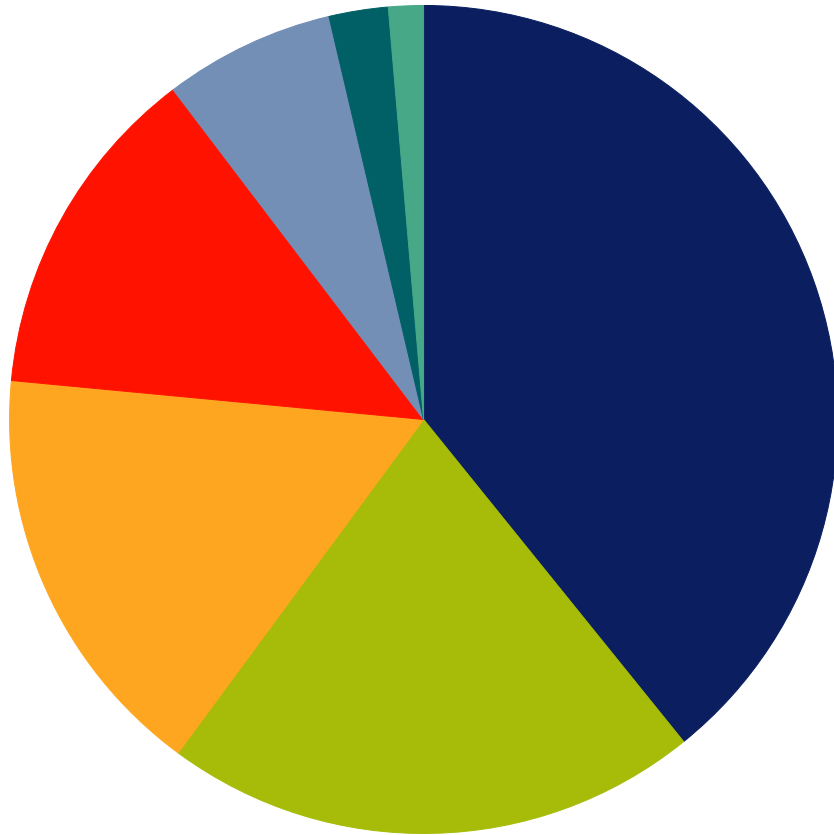
** All of PIMCO Short Term is allocated to Short Term Fixed Income in the attribution software leading to an underweight in Cash*

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Portfolio Weights

Portfolio Date: 12/31/2015

Portfolio: Harbor Branch

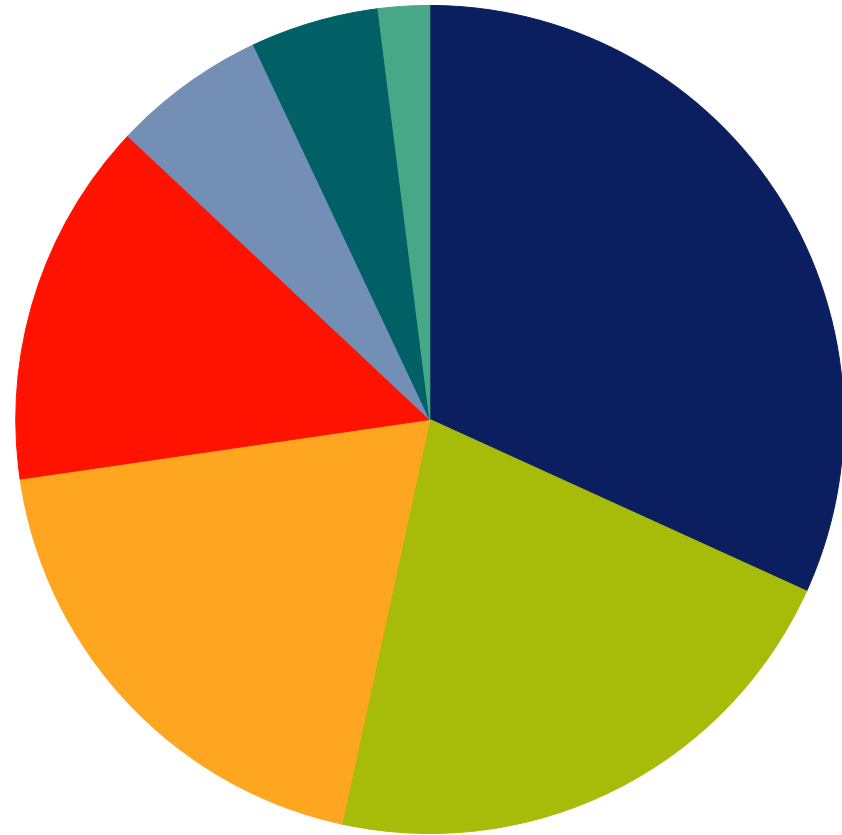


	%
• Large Cap Equity	39.2
• Short Term Fixed Income	20.9
• International Equity	16.4
• Small Cap Equity	13.2
• Alternatives	6.7
• Cash	2.3
• MLP	1.4
Total	100.0

Policy Weights

Portfolio Date: 12/31/2015

Portfolio: Harbor Branch



	%
• Large Cap Equity	31.8
• Short Term Fixed Income	21.6
• International Equity	19.3
• Small Cap Equity	14.3
• Alternatives	6.0
• Cash	5.0
• MLP	2.0
Total	100.0

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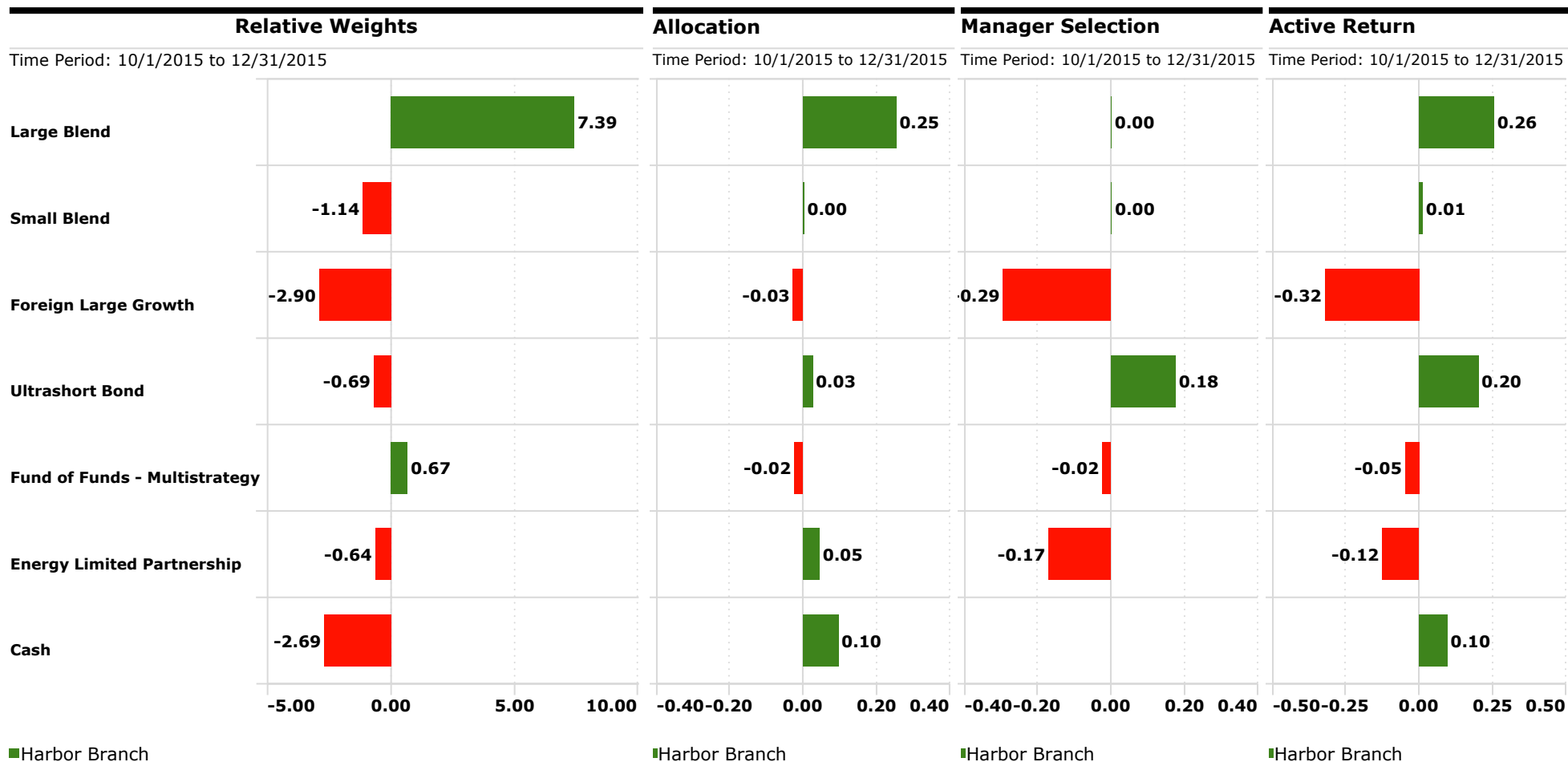
Attribution

Time Period: 10/1/2015 to 12/31/2015

Portfolio: Harbor Branch

	Actual Weights	Policy Weights	Portfolio Gross Return	Policy Gross Return	Portfolio Net Return	Policy Net Return	Allocation Effect	Selection Effect	Active Return
Large Blend	39.19	31.80	7.06	7.04	7.05	7.04	0.25	0.00	0.26
Small Blend	13.16	14.30	3.68	3.48	3.63	3.48	0.00	0.00	0.01
Foreign Large Growth	16.40	19.30	3.10	4.71	2.95	4.71	-0.03	-0.29	-0.32
Ultrashort Bond	20.91	21.60	0.98	0.01	0.87	0.01	0.03	0.18	0.20
Fund of Funds - Multistrategy	6.67	6.00	0.21	0.21	-0.15	0.21	-0.02	-0.02	-0.05
Energy Limited Partnership	1.36	2.00	-14.70	-2.76	-14.95	-2.76	0.05	-0.17	-0.12
Cash	2.31	5.00	0.01	0.01	0.01	0.01	0.10	0.00	0.10
Total	100.00	100.00	3.78	3.61	3.69	3.61	0.37	-0.31	0.07
Fee					-0.03	0.00			
Net Return					3.66	3.61			

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Top 3 Asset Class Contributors

	Weights	Portfolio Net Return	Relative Net Return	Active Return
Large Blend	39.19	7.05	0.00	0.26
Ultrashort Bond	20.91	0.87	0.85	0.20
Cash	2.31	0.01	0.00	0.10

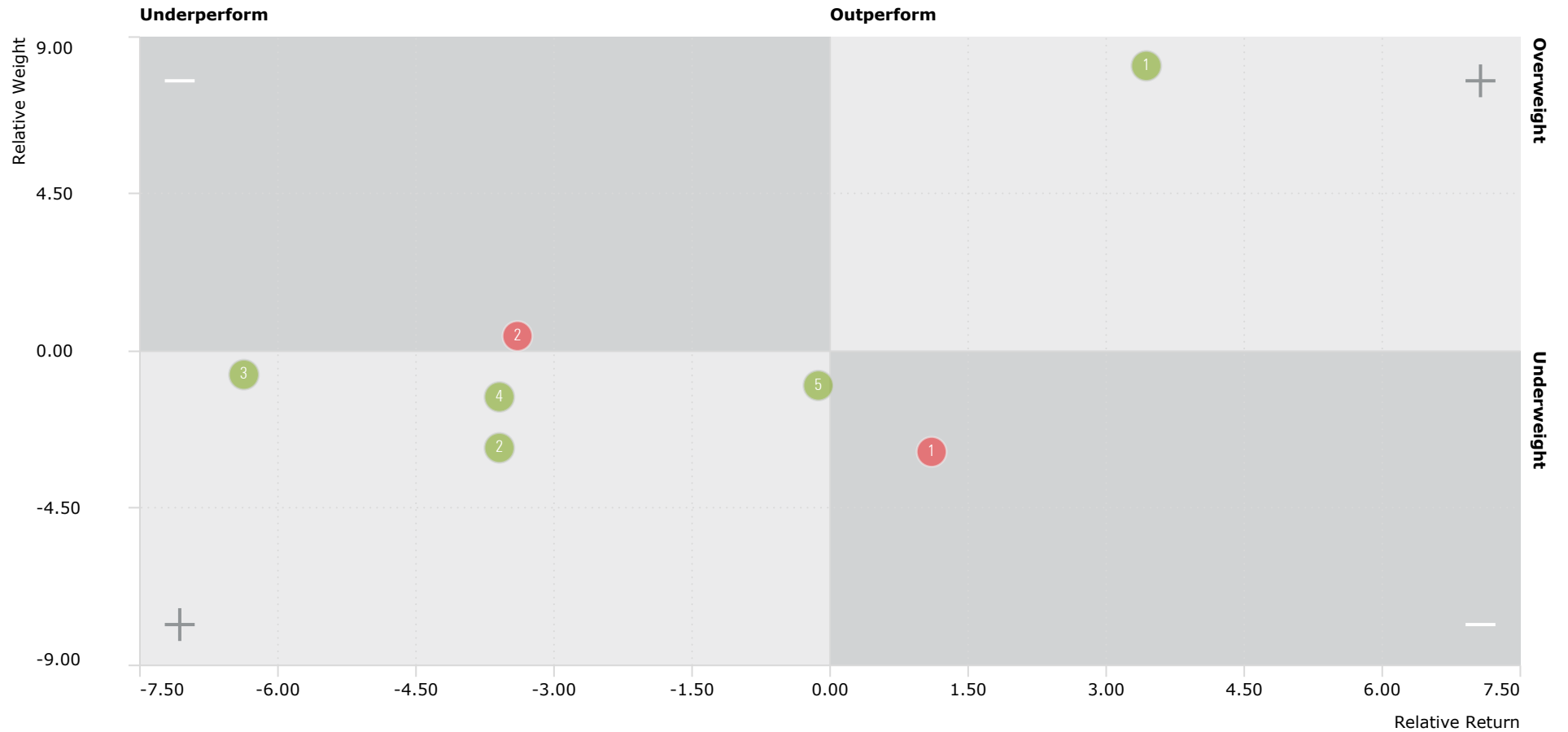
Top 3 Asset Class Detractors

	Weights	Portfolio Net Return	Relative Net Return	Active Return
Foreign Large Growth	16.40	2.95	-1.76	-0.32
Energy Limited Partnership	1.36	-14.95	-12.19	-0.12
Fund of Funds - Multistrategy	6.67	-0.15	-0.36	-0.05

Allocation Effects

Time Period: 10/1/2015 to 12/31/2015

Portfolio: Harbor Branch



Best Weighting				Worst Weighting					
	Weight +/-	Return +/-	Effect		Weight +/-	Return +/-	Effect		
1	Large Blend	8.18	3.44	0.25	1	Foreign Large Growth	-2.88	1.10	-0.03
2	Cash	-2.77	-3.59	0.10	2	Fund of Funds - Multistrategy	0.44	-3.40	-0.02
3	Energy Limited Partnership	-0.67	-6.37	0.05					
4	Ultrashort Bond	-1.31	-3.59	0.03					
5	Small Blend	-0.98	-0.13	0.00					

GLOSSARY

Actual Weights – The weight of asset class in the portfolio

Policy Weights – The target weight of asset class as stated in the CPA report and/or Investment Policy statement

Gross vs. Net Return– The Total Portfolio Attribution software defaults to the Prospectus Net Expense Ratio for mutual funds or ETFs. Expenses for alternative investments and consulting fees are also added.

Relative Weights – The difference between the actual and policy weights

Relative Net Return –The difference between the return achieved by managers in this asset class versus the return achieved by the policy benchmark in the same asset class

Allocation Effect – The allocation effect measures the ability to effectively allocate their portfolio's assets to various asset classes. The allocation effect determines whether the overweighting or underweighting of segments relative to a policy target contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is overweight in an asset class that outperforms the benchmark and underweighted in an asset class that underperforms the benchmark. Negative allocation occurs when the portfolio is overweight in an asset class that underperforms the benchmark and underweighted in an asset class that outperforms the benchmark.

Manager Selection Effect – The selection effect measures ability to select managers within a given asset class relative to a benchmark. The weight of the asset class in the portfolio determines the size of the effect—the larger the asset class, the larger the effect is, positive or negative.

Active Return – The active return is the sum of the allocation and selection effects. It is also the difference between the total portfolio return and the total policy return. You can use the active return to determine the amount the investment manager has added to a portfolio's return. If the active return is positive, the investment manager has contributed positively to the portfolio's return. If the active return is negative, the investment manager has not contributed positively to the portfolio's return.