SANTA BARBARA FOUNDATION

SNAPSHOT VIEW - JUNE 30, 2018

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

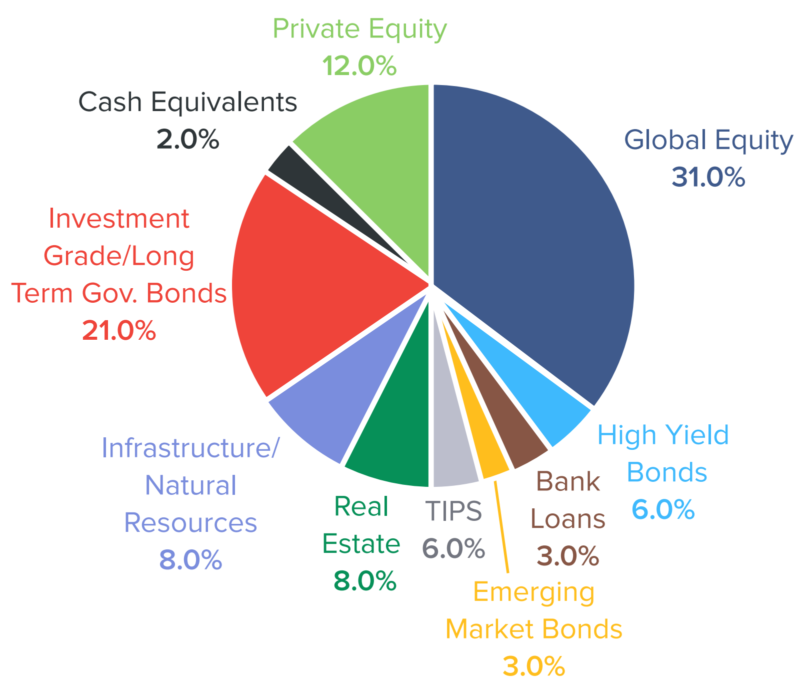
Total Invested Assets: $163.00 MM as of June 30, 2018

Portfolio Expectations:

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

LONG-TERM ENDOWMENT STRATEGIC ALLOCATION

Growth	Percent
Global Equity	31.0%
Private Equity	12.0%
Income	
High Yield Bonds	6.0%
Bank Loans	3.0%
Emerging Market Bonds	3.0%
Inflation Hedges	
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	Last 12 Months	3 Years	5 Years	ITD Dec. 2002
Long-Term Endowment Pool	0.4%	5.1%	4.3%	5.6%	7.0%
SBF Endowment - Strategic Benchmark	0.8%	6.8%	5.7%	6.7%	7.5%

Policy Benchmark is composed of 31% MSCI ACWI / 12% Cambridge Associates Fund of Funds Composite 1-Quarter Lag / 6% BBgBarc US High Yield 2% Issuer Cap TR / 3% Credit Suisse Leveraged Loans / 3% EMD Custom Benchmark / 6% BBgBarc US TIPS TR / 8% NCREIF ODCE / 4% CPI Seasonally Adjusted + 4% (1q Lagged) / 4% CPI Seasonally Adjusted+3% (1q Lagged) / 17% BBgBarc US Aggregate TR / 4% BBgBarc US Treasury Long TR / 2% 91 Day T-Bills

*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.

Updated: August 2018