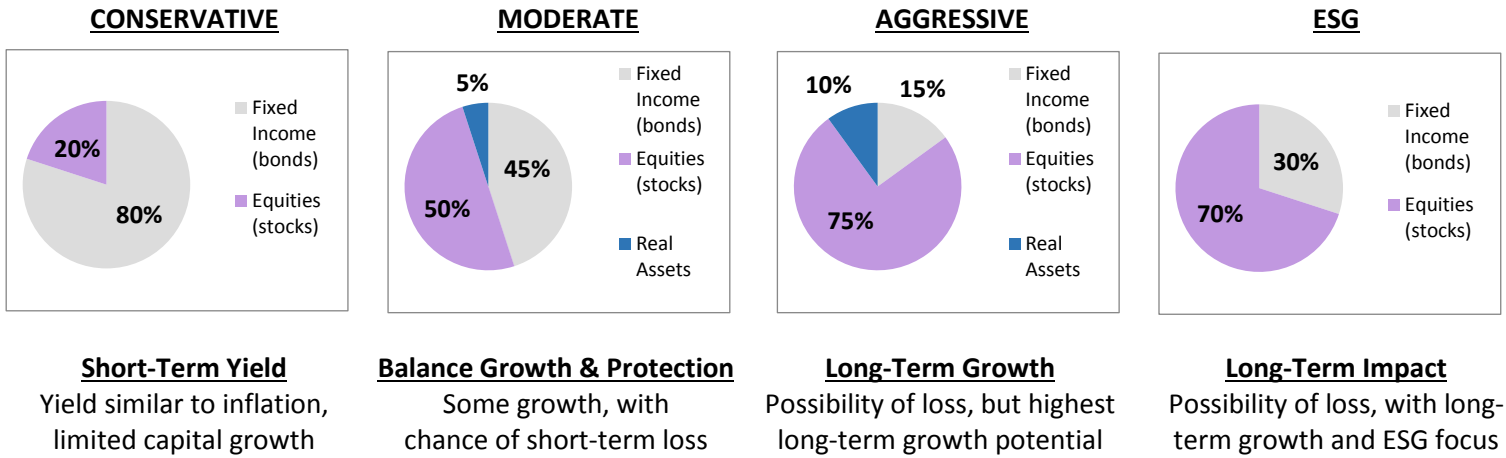




Quarterly Investments Update: September 30, 2018

JCF Pre-Set Portfolios



Performance Update, Through September 30, 2018

	Calendar QTD	Calendar YTD	Past 3 Years (annualized)	Past 5 Years (annualized)	Past 7 Years (annualized)
Conservative	0.7%	0.6%	1.8%	2.0%	--
<i>Policy Benchmark*</i>	0.6%	0.2%	1.7%	1.5%	1.6%
Moderate	2.2%	2.2%	8.0%	6.1%	--
<i>Policy Benchmark*</i>	2.3%	2.5%	8.0%	5.8%	7.7%
Aggressive	2.8%	2.8%	9.8%	7.0%	--
<i>Policy Benchmark*</i>	2.9%	3.3%	9.7%	6.8%	9.3%
ESG	2.6%	3.8%	9.9%	8.1%	--
<i>Policy Benchmark*</i>	4.3%	4.8%	11.1%	8.8%	11.0%

* Policy Benchmarks reflect market benchmarks weighted according to each Pre-Set Portfolio's strategic asset allocation. All performance is shown net (after deduction) of investment management fees. Performance data shown represents past performance and is no guarantee of future results.

- **Conservative:** gained **0.7% in the quarter**, slightly ahead of its Policy Benchmark during the quarter. The higher allocation to bonds resulted in more muted results relative to the more aggressive portfolios.
- **Moderate:** gained **2.2% in the quarter**, narrowly trailing its Policy Benchmark. Global growth remained above trend, albeit at a slower pace, supporting equities (stocks), but a flattening yield curve led to a virtually flat return for bond markets.
- **Aggressive:** gained **2.8% in the quarter**, slightly behind its Policy Benchmark. The higher allocation to domestic equities (stocks) boosted absolute results, as equity markets continued their strong performance during the third quarter.
- **ESG:** gained **2.6% in the quarter**, falling short of its Policy Benchmark for the quarter. Neuberger Berman Socially Responsive Fund's underperformance vs. the *S&P 500 Index* was the largest detractor of relative performance. The Fund was hurt by an underweight to the Information Technology sector amid a continued growth led market.



Market Backdrop in the Past Quarter through September 30, 2018

Economy: Global economic growth, though slowing, continued expanding at an above-trend pace providing support for risk assets. Risks around trade policies served to restrain markets, however.

Stocks: The U.S. equity market experienced the strongest performance during the third quarter. International developed markets were marginally positive while emerging market equities continued to be challenged during the third quarter.

Bonds: For the seventh consecutive quarter, the U.S. yield curve flattened, with rates ending the quarter near or at year-to-date highs. Strong fundamentals and slight tail risk reductions led to spread tightening across most sectors, with the exception of emerging markets where country specific problems and trade risks were an issue.

Real Assets: While energy prices rose (+4.4% QTD), commodities overall declined, as trade uncertainty hurt agricultural and industrial metals prices. Higher energy prices benefited income instruments like MLPs, which climbed +7.0% during the quarter.

Appendix

Asset Class Definitions:

- **Equities** are stock investments in companies around the world: U.S. and non-U.S. JCF uses a wide variety of vehicles and structures, including mutual funds, commingled funds, and limited partnerships.
- **Fixed Income** are bond investments primarily in the U.S., but also outside the U.S. JCF uses a wide variety of vehicles and structures to gain exposure to fixed income markets, including separate accounts, mutual funds, commingled funds and limited partnerships. There are a wide variety of fixed income securities used, including U.S. Treasury and Agency bonds, other sovereign nation bonds, corporate bonds, mortgage-backed securities, and asset-backed securities.
- **Money Market** includes cash, money market securities, and short-term U.S. Treasury bonds.

Questions?

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