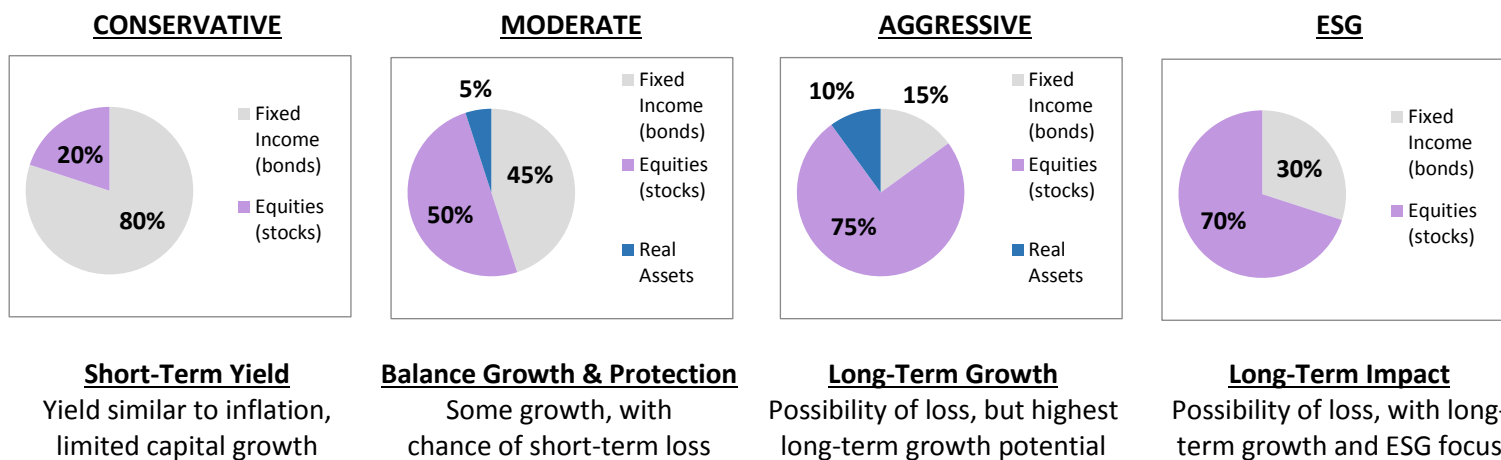


Quarterly Investments Update: December 31, 2018

JCF Pre-Set Portfolios



Performance Update, Through December 31, 2018

	Calendar QTD	Calendar YTD	Past 3 Years (annualized)	Past 5 Years (annualized)	Past 7 Years (annualized)
Conservative	-1.8%	-1.2%	1.2%	1.6%	--
<i>Policy Benchmark*</i>	-2.4%	-2.2%	1.1%	1.0%	1.1%
Moderate	-7.0%	-4.9%	4.7%	3.7%	--
<i>Policy Benchmark*</i>	-6.7%	-4.3%	4.7%	3.5%	5.9%
Aggressive	-10.6%	-8.1%	4.7%	3.6%	--
<i>Policy Benchmark*</i>	-10.4%	-7.5%	4.6%	3.4%	6.7%
ESG	-9.0%	-5.6%	5.3%	4.9%	--
<i>Policy Benchmark*</i>	-8.9%	-4.5%	6.2%	5.5%	8.5%

* 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:** down **-1.8% in the quarter**, ahead of its Policy Benchmark during the quarter. The higher allocation to bonds resulted in outperformance relative to the more aggressive portfolios.
- **Moderate:** down **-7.0% in the quarter**, narrowly trailing its Policy Benchmark. The portfolio's allocation to core and international fixed income were beneficial in the quarter, while the equity allocation, notably domestic equities, was a drag on performance.
- **Aggressive:** down **-10.6% in the quarter**, slightly behind its Policy Benchmark. The higher allocation to domestic equities (stocks) lead to underperformance, as equity markets tumbled in the fourth quarter.
- **ESG:** down **-9.0% in the quarter**, narrowly trailing its Policy Benchmark. Domini Impact International Equity detracted from relative performance in the quarter, hurt by stock selection in the United Kingdom.



Market Backdrop in the Past Quarter through December 31, 2018

Economy: Against a backdrop of slowing but positive fundamentals, uncertainty rose in the quarter as investors contemplated the possible future directions of monetary policy, trade policy, and government spending.

Stocks: Global equity markets tumbled during the quarter, catalyzed by the rising uncertainty and increased risk aversion. U.S. equities, which entered the quarter in positive territory for the year, bore the brunt of the downturn. After leading markets downward in the previous two quarters, emerging market equities performed better than developed markets, helping globally-diversified portfolios.

Bonds: In December, risk aversion spurred a flight to quality, flattening the U.S. yield curve for the eighth consecutive quarter. The Federal Reserve raised rates another 0.25% in the quarter, setting the Fed Funds Rate target range at 2.25-2.50%.

Real Assets: Commodity prices fell -9% in the quarter, as excess supply concerns weighed on oil, in particular. Positive trade talks between the U.S. and China provided support to agricultural commodities, which posted positive performance after two negative quarters.

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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