JCF Pre-Set Portfolios

**CONSERVATIVE**

Short-Term Yield

Yield similar to inflation, some growth, with limited capital growth

**MODERATE**

Balance Growth & Protection

Possibility of loss, with moderate long-term growth

**AGGRESSIVE**

Long-Term Growth

Possibility of loss, with long-term growth potential

**ESG**

Long-Term Impact

Possibility of loss, with long-term growth and ESG focus

Performance Update, Through September 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Calendar QTD</th>
<th>Calendar YTD</th>
<th>Past 3 Years (annualized)</th>
<th>Past 5 Years (annualized)</th>
<th>Past 7 Years (annualized)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>1.1%</td>
<td>8.4%</td>
<td>2.7%</td>
<td>2.7%</td>
<td>--</td>
</tr>
<tr>
<td>Policy Benchmark*</td>
<td>1.0%</td>
<td>8.2%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Moderate</td>
<td>0.8%</td>
<td>12.2%</td>
<td>6.5%</td>
<td>5.3%</td>
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</tr>
<tr>
<td>Policy Benchmark*</td>
<td>0.7%</td>
<td>12.1%</td>
<td>6.7%</td>
<td>5.3%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Aggressive</td>
<td>0.3%</td>
<td>14.5%</td>
<td>7.1%</td>
<td>5.7%</td>
<td>--</td>
</tr>
<tr>
<td>Policy Benchmark*</td>
<td>0.2%</td>
<td>14.6%</td>
<td>7.4%</td>
<td>5.8%</td>
<td>7.3%</td>
</tr>
<tr>
<td>ESG</td>
<td>1.4%</td>
<td>13.0%</td>
<td>7.5%</td>
<td>6.5%</td>
<td>--</td>
</tr>
<tr>
<td>Policy Benchmark*</td>
<td>1.4%</td>
<td>15.8%</td>
<td>9.3%</td>
<td>7.5%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

* 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:** up +1.1% in the quarter, slightly ahead of its Policy Benchmark. The Conservative portfolio outperformed most other portfolios due to a higher fixed income allocation, consistent with its lower risk mandate, in a period when fixed income (bond) markets led performance due to a reduction in rates.

- **Moderate:** up +0.8% in the quarter, slightly ahead of its Policy Benchmark. The portfolio’s allocation to core fixed income and U.S. large cap equities were beneficial in the quarter, while the allocation to U.S. small cap equities and international equities hurt absolute performance.

- **Aggressive:** up +0.3% in the quarter, slightly ahead of its Policy Benchmark. The portfolio’s higher allocation to equities, notably international equities, led to underperformance relative to other portfolios.

- **ESG:** up +1.4% in the quarter, performing in line with its Policy Benchmark. Neuberger Berman’s equity strategy and TIAA CREF’s bond strategy outperformed their respective benchmarks, while international equity manager Domini was a drag on performance.
Market Backdrop in the Past Quarter through September 30, 2019

**Economy**: Financial conditions eased during the quarter as interest rates fell. The Fed cut rates by 0.25% at each of its July and September meetings, citing concerns over slowing global growth and below-target inflation.

**Stocks**: Global equities were flat during the quarter as easier monetary policy generally offset trade and growth concerns. U.S. markets outperformed, as the S&P 500 returned 1.7% in Q3. International developed stocks declined -1.1% during the quarter as a stronger dollar weighed on returns. Emerging market equities declined -4.2% in Q3, lagging developed markets by nearly five percentage points.

**Bonds**: Fixed income markets performed well in the quarter. Interest rates declined in August as renewed trade tensions and weaker growth drove investors to price more monetary easing.

**Real Assets**: Commodities posted a negative return in the quarter. Energy performed poorly, as crude oil prices sold off. REITS and infrastructure outperformed the broader market as rates fell.

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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