Quarterly Investments Update: September 30, 2022

JCF Pre-Set Portfolios

**CONSERVATIVE**

- **Short-Term Yield**
  - Yield similar to inflation, some growth, with limited capital growth

- **Balance Growth & Protection**
  - Possibility of loss, with moderate long-term growth

**MODERATE**

- **Long-Term Growth**
  - Possibility of loss, with long-term growth potential

**AGGRESSIVE**

- **Long-Term Impact**
  - Possibility of loss, with long-term growth and ESG focus

### Performance Update, Through September 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>Calendar QTD</th>
<th>Past 1 Year</th>
<th>Past 3 Years (annualized)</th>
<th>Past 5 Years (annualized)</th>
<th>Past 7 Years (annualized)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conservative</strong></td>
<td>-2.9%</td>
<td>-11.1%</td>
<td>0.2%</td>
<td>1.5%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Policy Benchmark*</td>
<td>-2.9%</td>
<td>-10.8%</td>
<td>0.1%</td>
<td>1.2%</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Moderate</strong></td>
<td>-5.3%</td>
<td>-15.9%</td>
<td>1.3%</td>
<td>2.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Policy Benchmark*</td>
<td>-5.2%</td>
<td>-15.7%</td>
<td>1.3%</td>
<td>2.8%</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>Aggressive</strong></td>
<td>-6.8%</td>
<td>-18.8%</td>
<td>2.6%</td>
<td>3.4%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Policy Benchmark*</td>
<td>-6.5%</td>
<td>-18.2%</td>
<td>2.6%</td>
<td>3.5%</td>
<td>5.6%</td>
</tr>
<tr>
<td><strong>ESG</strong></td>
<td>-6.3%</td>
<td>-19.0%</td>
<td>1.4%</td>
<td>2.9%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Policy Benchmark*</td>
<td>-5.6%</td>
<td>-16.7%</td>
<td>3.3%</td>
<td>4.9%</td>
<td>6.9%</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**: down -2.9% in the quarter, performing in line with its Policy Benchmark. The Conservative portfolio outpaced the other portfolios, consistent with its lower risk mandate as global markets continued their downtrend in the third quarter.

- **Moderate**: down -5.3% in the quarter, slightly underperforming its Policy Benchmark. The portfolio’s allocation to floating rate bank loans was beneficial in the quarter.

- **Aggressive**: down -6.8% in the quarter, slightly underperforming its Policy Benchmark. The portfolio’s allocation to equities, notably international developed equity, was a drag on performance in the quarter.

- **ESG**: down -6.3% in the quarter, underperforming its Policy Benchmark. The portfolio’s underperformance relative to the Policy Benchmark was driven by U.S. large cap equity manager Parnassus, but over the long-term Parnassus has outperformed its benchmark.
Market Backdrop in the Past Quarter through September 30, 2022

**Economy:** Global markets continued their downtrend in the third quarter. The growth outlook continues to weaken as persistent inflation drives most central banks to maintain their hawkish stances. Consensus growth forecasts continue to move lower, particularly for 2023. Manufacturing PMIs barely remain in expansionary territory for the US and Japan, with most other regions having fallen to contractionary levels during Q3.

**Stocks:** Global equities posted another quarter of declines in Q3, with the MSCI ACWI index falling 6.8% during the quarter. Year-to-date, the index has declined 25.6%. The S&P 500 fell 4.9% during the quarter, and is now down 23.9% year-to-date. International developed stocks declined 9.4% in Q3, leaving their year-to-date decline at 23.9%. Emerging market equities fell 11.6% in Q3 and 27.2% year-to-date. Asian emerging markets were the worst performing region during the quarter.

**Bonds:** The Bloomberg Aggregate declined 4.8% during the quarter. Treasuries declined 4.3%, but outperformed corporate bonds, which declined 5.1%. The yield curve shifted higher and flattened, with 3-month yields rising 161 bps, while 30-year yields rose by 65 bps.

**Real Assets:** REITs fell roughly 11% during Q3, faring worse than broader equity markets. Infrastructure stocks declined 9% during the quarter, but they have outperformed broader markets year-to-date. Commodities and natural resource stocks posted modest declines, but returns remain positive year-to-date.

**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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