

# HOUSTON JEWISH COMMUNITY FOUNDATION

FEBRUARY 2022

Investment Pool	QTD	YTD	1 Year	3 Years	5 Years	Since Inception*
<b>HJCF Index Growth Composite**</b>	<b>-5.91%</b>	<b>-5.91%</b>	<b>4.14%</b>	<b>10.52%</b>	<b>8.70%</b>	<b>8.98%</b>
<i>Index Growth Benchmark</i>	-5.65%	-5.65%	4.31%	10.09%	8.55%	8.85%
<b>HJCF Growth Composite**</b>	<b>-6.14%</b>	<b>-6.14%</b>	<b>3.75%</b>	<b>9.16%</b>	<b>7.37%</b>	<b>8.23%</b>
<i>Growth Benchmark</i>	-5.48%	-5.48%	3.72%	8.32%	7.31%	7.92%
<b>HJCF Aggressive Growth Composite**</b>	<b>-7.07%</b>	<b>-7.07%</b>	<b>4.81%</b>	<b>10.32%</b>	<b>8.41%</b>	<b>9.56%</b>
<i>Aggressive Growth Benchmark</i>	-6.16%	-6.16%	5.70%	10.01%	8.53%	9.45%
<b>HJCF Conservative Balanced Composite**</b>	<b>-2.59%</b>	<b>-2.59%</b>	<b>0.90%</b>	<b>N/A</b>	<b>N/A</b>	<b>3.17%</b>
<i>Conservative Balanced Benchmark</i>	-2.31%	-2.31%	0.88%	N/A	N/A	2.98%
<b>HJCF Cash Management Composite**</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.03%</b>	<b>0.62%</b>	<b>N/A</b>	<b>0.83%</b>
<i>Cash Management Benchmark</i>	0.01%	0.01%	0.05%	0.83%	N/A	1.03%

## KEY OBSERVATIONS (UPDATED QUARTERLY)

### Overview

- U.S. large cap equities were among the leaders this quarter as the reopening trade took a back seat and large growth outpaced value. Real estate markets continue their banner year while fixed income was relatively flat, despite increased rate volatility.
- Adaption and flexibility should prove key for investors in 2022, driven by concern for moderating return opportunities and heightened capital market volatility.
- Investors should remain attuned to a more differentiated array of central bank responses in the New Year as authorities increasingly customize policies go their particular economic circumstances.

### Fixed Income

- U.S. bonds were flat on the quarter. A hawkish Federal Reserve incited a flatter yield curve.
- Credit spreads ultimately ended the quarter tighter as investors continues to demand yield in the low-rate environment.
- Non-USD debt struggled in the period. A rising U.S. dollar coupled with Evergrande's debt default was a headwind for EM debt.

### Equities & Real Assets

- Despite a volatile quarter, U.S. and developed international equities ultimately ended the quarter higher, following a year-end rally.
- Government regulation and intervention in China continues to weight on investor enthusiasm, pushing emerging markets into negative territory for the quarter.
- REITs benefited from strong industrial, self-storage and residential performance, areas that have continues to benefit during the COVID-19 era.
- Perceptions of lower energy demand due to COVID outbreaks led to falling energy prices, which weighed on the commodity market.

## KEY OVER/UNDER WEIGHTS

- Within the equity segment of the portfolio there is a slight underweight to U.S. Equities compared to the MSCI All-Cap World Index.

## PORTFOLIO CHANGES (4Q REVIEW)

- None - 2022 Capital Market Assumptions will be implemented in Q1 2022.

\*07/01/19 Inception for Conservative Balanced, 09/01/18 Inception for Cash Management, 07/01/16 Inception for Indexed Growth & 11/01/16 Inception for all other pools.  
 \*\*All returns and performance metrics are net of investment consultant fees & investment manager fees and do not include HJCF administrative fees or expenses