

HOUSTON JEWISH COMMUNITY FOUNDATION

JUNE 2019

Market Value	Investment Pool	QTD	YTD	1 Year	3 Years	5 Years	Since Inception*
\$87,186,922	HJCF Index Growth Composite**	3.23%	12.45%	6.79%	8.07%	3.92%	8.07%
	<i>Index Growth Benchmark</i>	3.60%	12.99%	7.38%	8.41%	5.36%	8.41%
\$33,614,532	HJCF Growth Composite**	3.41%	13.47%	5.23%	N/A	N/A	8.08%
	<i>Growth Benchmark</i>	2.88%	12.57%	6.01%	N/A	N/A	8.20%
\$1,566,058	HJCF Aggressive Growth Composite**	3.40%	14.92%	4.60%	N/A	N/A	9.22%
	<i>Aggressive Growth Benchmark</i>	2.80%	14.34%	5.26%	N/A	N/A	9.30%
\$14,191	HJCF Low Volatility Composite**	1.02%	5.36%	2.38%	N/A	N/A	2.85%
	<i>Low Volatility Benchmark</i>	2.16%	7.00%	3.49%	N/A	N/A	4.45%
\$6,289,201	HJCF Cash Management Composite**	0.55%	1.07%	N/A	N/A	N/A	1.76%
	<i>Cash Management Benchmark</i>	0.71%	1.38%	N/A	N/A	N/A	2.14%

KEY OBSERVATIONS (UPDATED QUARTERLY)

- Global markets finished the quarter on a high note, as a sharp rally in June largely offset steep declines in May and left most asset classes with positive returns for the quarter. Global equities (MSCI ACWI) gained more than +6% in June, boosted by dovish statements by the Federal Reserve and the European Central Bank and a de-escalation of trade tensions between the U.S. and China following the G-20 summit.
- **Fixed Income** – with broad expectations that central banks will keep monetary policy accommodative, global bond yields fell markedly which resulted in notable gains for bonds. The Barclays U.S. Aggregate Bond Index gained +3.1% for the second quarter. The Barclays U.S. Corporate High Yield Index rose +2.5%, while the Barclays U.S. TIPS Index rose +2.9%. Non-U.S. fixed income also posted gains, with the Barclays Global Aggregate ex-U.S. indices up +2.7% (hedged) and +3.4% (unhedged). With the U.S. dollar weakening in June and little near-term threat of a rate increase by the Federal Reserve, emerging market currencies benefited rallying +5.6% for the quarter.
- **Equities** – U.S. equities rallied 7% in June on optimism for a rate cut by the Fed and temporarily improving U.S.-China trade relations; the S&P 500 Index (U.S. Large Cap) finished the quarter near an all-time high, with a gain of 4.3%. Small Cap stocks lagged their Large Cap peers, with the Russell 2000 Index up +2.1% for the quarter. International developed equities (MSCI EAFE) posted a +3.7% gain. Emerging markets suffered a volatile quarter due to ongoing trade tensions, with the MSCI Emerging Markets Index registering a modest gain of +0.6%.
- **Real Assets** – U.S. REITs (NAREIT Equity REITs) gained +1.2% for the quarter. MLPs gained nearly 3% in June, which brought the Alerian MLP Index into breakeven territory for the quarter (+0.1%). Commodities were down for the quarter (-1.2%).

KEY OVER/UNDER WEIGHTS

- Consistent, natural rebalancing thanks to cash flows has kept the portfolios well in-line with strategic target allocations.

PORTFOLIO CHANGES (2Q REVIEW)

- Federated Government Obligations Fund was implemented as the cash sweep option for all pools (ex. Cash Management).

*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