

JEWISH COMMUNITY INVESTMENT FUND

for the quarter ending June 30, 2018

CHAIRMAN'S REPORT

The Jewish Community Investment Fund (JCIF) was positive for the quarter, up 1.1% enough to outperform an indexed portfolio of 75% equities and 25% fixed income. The reason? Our outstanding U.S. equity managers outperformed their indices, and this made up for poor performance from our emerging markets managers. We have also continued to diversify into investments that do not correlate with the equity markets and these will continue to help us in any market condition.

This quarter is a lesson in the benefits of diversification and tactical asset allocation. During this seemingly never-ending bull market, a simple indexed portfolio of 75% equities and 25% fixed income (75/25 portfolio) often outperformed many well diversified portfolios. But, in times where the equity markets are not all positive and fixed income indexes are down or flat, diversification can help protect a portfolio. For example, the JCIF's hedge fund and real asset sectors both added to the positive performance of the JCIF. And, so did the fixed income portfolio.

Several years ago, confronted with historically low interest rates and the need to preserve capital, the IMC shifted its fixed income policy to be short duration. This move designed to protect the portfolio so that there would be cash available for investors to use has had a positive affect on the JCIF. This past quarter, the JCIF's fixed income portfolio was up while the index was down. The range is not huge, but over the past year the Barclay Aggregate Bond Index (our benchmark) has been down 0.4% while the JCIF was up 1%. These small differences add up. And, it is an example of why our consistent oversight is necessary.

To aid in our work, we have for years relied on Cambridge Associates as our investment consultant. As you know we have been going through a review of our consulting services. I am pleased to announce that the new investment consultant for the JCIF will be Fund Evaluation Group (FEG). While we have enjoyed and benefited from our relationship with Cambridge, after reviewing what services are available and the needs of the IMC, it was decided to go in a new direction. We thank Cambridge for its service and look forward to seeing where the JCIF can go next with FEG and our new consulting team.

As always, thank you for your support.

Ira Malis
Chair, IMC

WHAT IS THE JCIF?

The Jewish Community Investment Fund (JCIF) is a Maryland business trust. The Associated Jewish Charities of Baltimore (AJC) serves as the sole trustee. Prior to 2013, the program was part of the AJC and called the CIF. When the board of the AJC voted to create the JCIF, it was done to separate the endowment assets from other assets (e.g. real estate) of the AJC. For more information, contact Michael Dye at mdye@associated.org.

INVESTMENT TEAM

The JCIF is managed by the Investment Management Committee consisting of 25 volunteer leaders with extensive investment experience. Led by Ira Malis and aided by an executive committee and four sub-committees, the Committee is responsible for manager review and oversight. Day-to-day operations are handled by the professional staff of The Associated and aided by investment advisor, Fund Evaluation Group, and custodian, Wilmington Trust. The JCIF is audited annually by RSM US LLC.

JEWISH COMMUNITY INVESTMENT FUND

FUND VALUE \$641,412,907

AS OF JUNE 30, 2018

PERFORMANCE

	QTR	1-year	3-year	5-year	10-year
JCIF	1.1%	8.5%	5.7%	6.8%	6.1%
Benchmark	1.1%	7.9%	5.2%	6.0%	4.1%
75/25*	0.5%	8.3%	7.1%	8.1%	6.0%

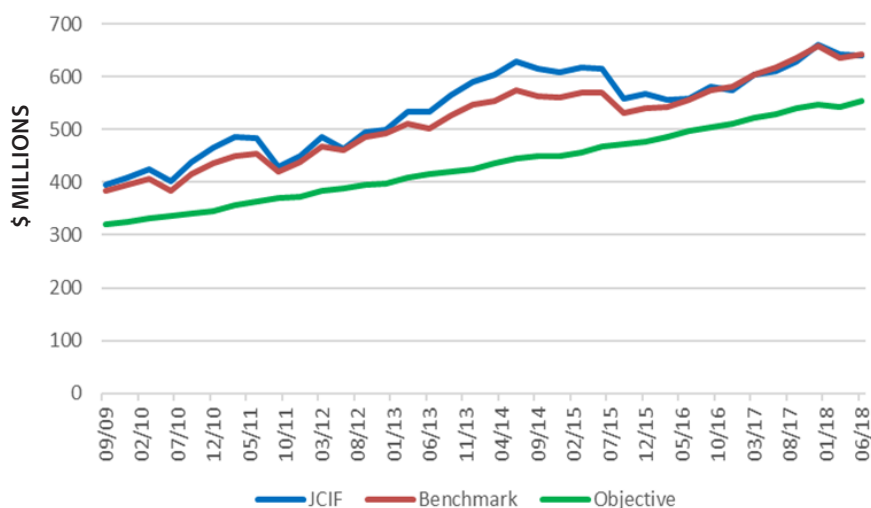
* 75% MSCI ACWI and 25% Barclays Aggregate Bond Index

PERFORMANCE BY SECTOR

	Asset Value #	% of JCIF	QTR	1-year	3-year	5-year	10-year
Domestic	150.9	23.5%	3.2%	16.1%	12.1%	14.2%	11.5%
Global	81.0	12.6%	4.5%	16.2%	8.1%	10.4%	11.3%
International	78.8	12.3%	-2.2%	9.9%	8.3%	9.2%	5.4%
Emerging Markets	50.9	7.9%	-10.2%	2.1%	4.9%	4.0%	
Lower Volatility	60.6	9.5%	3.5%	2.1%	1.2%	3.2%	5.4%
Fixed Income & Cash	76.1	11.9%	0.1%	1.0%	1.7%	1.9%	3.5%
Marketable Alternatives	77.8	12.1%	2.2%	7.0%	2.5%	4.0%	3.8%
Private Capital	35.6	5.5%		3.9%	8.3%	8.8%	6.5%
Real Assets	29.7	4.6%	9.0%	10.1%	-2.1%	-4.0%	-4.9%

in \$ Millions

PERFORMANCE OVER TIME



FOR MORE INFORMATION

Michael Dye, VP - Investments

410-369-9213

mdye@associated.org

101 W. Mount Royal Ave.

Baltimore, MD 21201