

# JEWISH COMMUNITY INVESTMENT FUND

for the quarter ending December 31, 2017

## CHAIRMAN'S REPORT

The Jewish Community Investment Fund (JCIF) continued its positive performance ending the quarter up 3.4% and finishing up 15.3% for calendar year 2017. The upward trajectory of the markets has continued to break records. The decline recorded in February was the first significant decline since October of 2016. The JCIF has benefited from those gains and the investment committee continues to be wary of a prolonged market correction. To that end, we will continue to pursue opportunities to find investments that provide solid absolute returns without significant correlation to the stock market.

The rising interest rate environment is something the investment committee has been watching. In response, we made a small move in the fixed income portfolio, moving almost \$5M from a domestic bond manager with an intermediate duration to our ultra-short duration high-yield fund. Both managers are liquid; but the shorter duration fund (Corbyn) is a less risky fund in a rising rate environment.

The investment committee is also undertaking a review of the investment consulting services we receive. Cambridge Associates has been our consultant for many years. While the committee has been satisfied with Cambridge's service, it is important not to rest simply because we are satisfied. Last quarter the investment committee authorized a request for proposal process for our investment consultant services. The proposal has been issued and at this time, seven vendors (including Cambridge) are in the process of preparing materials for the committee to review. The process is scheduled to go on through the beginning of June. I will let you know the results of the process in the August letter.

We recently had a new team member from Cambridge join our account. I was very enthused to read his evaluation of our portfolio as he brought a fresh perspective. His initial view of our portfolio is that it consists of top-tier access constrained managers, and that he recommends no major changes to our overall investment strategy. This reinforced a factor that I believe is underappreciated in our portfolio. We, as individual investors, could not build a portfolio of this quality. Not only are the minimums very high to invest with many of the managers, but many of our managers are taking no new money. That is a tribute to the investment committees of the past that sought out the best managers to invest your funds.

Thank you for your continued 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](mailto: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 four sub-committees and they are responsible for manager review and oversight. Day-to-day operations are handled by the professional staff of The Associated and aided by investment advisor, Cambridge Associates, and custodian, Wilmington Trust. The JCIF is audited annually by RSM US LLC.

 **The Associated**  
Inspiring Jewish Community

# JEWISH COMMUNITY INVESTMENT FUND

**FUND VALUE \$660,734,523**

**AS OF DECEMBER 31, 2017**

## PERFORMANCE

	QTR	1-year	3-year	5-year	10-year
<b>JCIF</b>	3.4%	15.3%	6.1%	7.6%	5.5%
<b>Benchmark</b>	3.4%	14.3%	5.6%	6.4%	3.4%
<b>75/25*</b>	4.5%	19.0%	8.1%	9.1%	5.2%

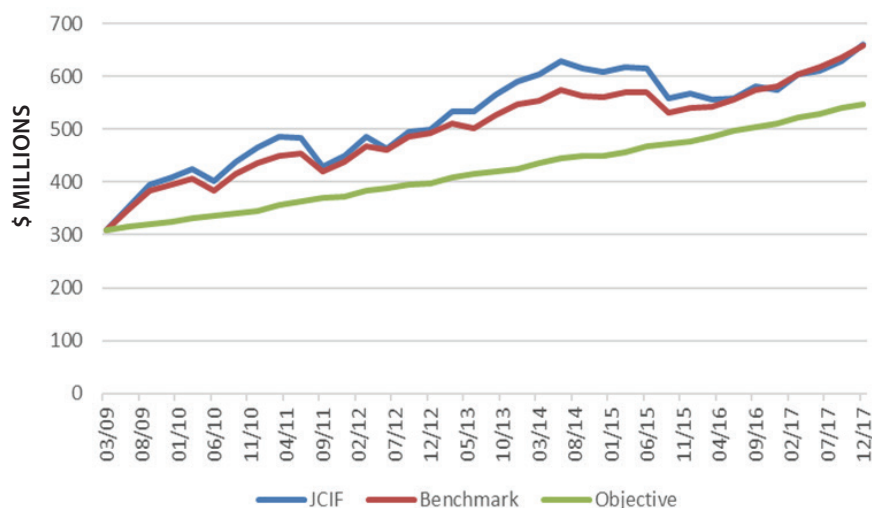
\* 75% MSCI ACWI and 25% Barclays Aggregate Bond Index

## PERFORMANCE BY SECTOR

	Asset Value #	% of JCIF	QTR	1-year	3-year	5-year	10-year
<b>Domestic</b>	145.6	22.0%	7.0%	24.5%	11.6%	16.6%	10.2%
<b>Global</b>	76.7	11.6%	3.9%	24.4%	8.1%	11.9%	10.1%
<b>International</b>	80.5	12.2%	5.3%	31.1%	11.7%	10.9%	4.3%
<b>Emerging Markets</b>	55.0	8.3%	5.3%	26.0%	7.4%	4.1%	
<b>Lower Volatility</b>	60.3	9.1%	0.2%	6.0%	1.0%	5.0%	5.1%
<b>Fixed Income &amp; Cash</b>	99.8	15.1%	0.4%	3.3%	1.8%	1.1%	3.7%
<b>Marketable Alternatives</b>	75.7	11.5%	0.5%	5.1%	2.1%	4.3%	3.0%
<b>Private Capital</b>	37.8	5.7%		7.6%	9.3%	9.0%	5.9%
<b>Real Assets</b>	29.3	4.4%	4.7%	-1.5%	-3.5%	-6.1%	-4.4%

# in \$ Millions

## PERFORMANCE OVER TIME



### FOR MORE INFORMATION

**Michael Dye, VP - Investments**

410-369-9213

[mdye@associated.org](mailto:mdye@associated.org)

101 W. Mount Royal Ave.

Baltimore, MD 21201