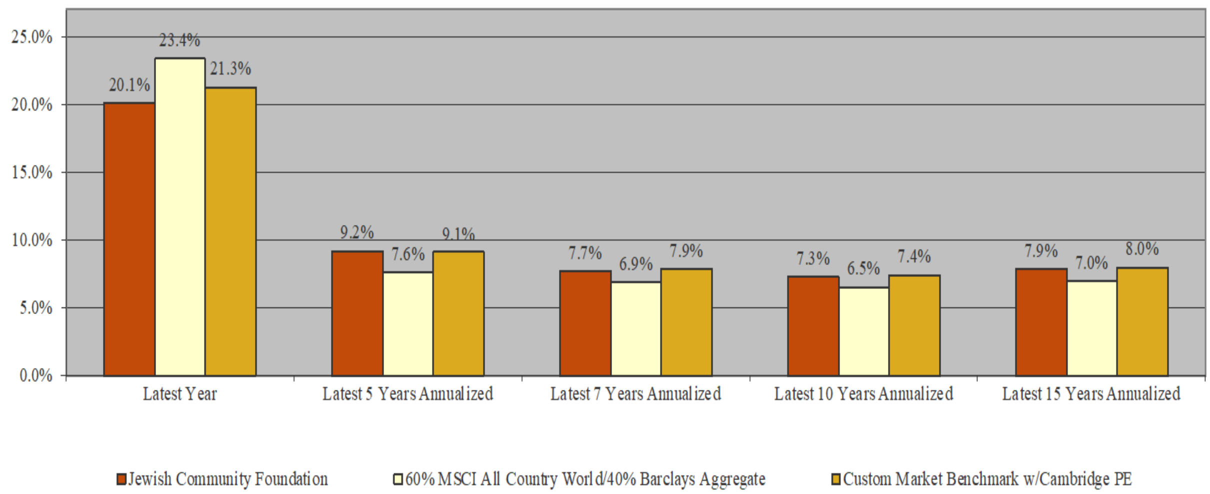
Quarterly Investment Update
As of September 30, 2024

As of September 2024, the pooled investment portfolio has generated strong absolute returns over the latest 5, 7, 10 and 15 years with outcomes that significantly exceed the 60/40 index blend that approximates the volatility of the Foundation portfolio. It has generally matched the Custom Market Benchmark due to the Pool's diversification away from the Magnificent 7. The Foundation's portfolio by virtue of its stronger diversification is less risky and our expectation is that it will again produce returns that exceed both benchmarks.

Aggregated Investment Performance



Managed Portfolio Investment Performance

Periods ended September 30, 2024					Annualized			
	3 mon	FYTD	CYTD	1 year	3 year	5 year	10 year	15 year
Jewish Community Foundation Total Managed Portfolio	**6.0%**	**6.0%**	**11.0%**	**20.1%**	**3.3%**	**9.2%**	**7.2%**	**7.9%**
Overall Market Benchmark with Cambridge PE [1]	5.8%	5.8%	11.7%	21.3%	4.6%	9.1%	7.4%	8.0%
60% MSCI AC World/40% Bloomberg U.S. Aggregate [2]	6.0%	6.0%	12.8%	23.4%	4.4%	7.6%	6.5%	7.0%
Standard & Poor's 500 Composite Stock Index [3]	5.9%	5.9%	22.1%	36.4%	11.9%	16.0%	13.4%	14.1%
Bloomberg U.S. Aggregate Index [4]	5.2%	5.2%	4.4%	11.6%	-1.4%	0.3%	1.8%	2.6%

[1] *Overall Market Benchmark with Cambridge PE:* In May 2023, the Foundation's Investment Committee added a second policy benchmark option that is identical to the original benchmark except for the use of the Cambridge Private Equity index in place of the S&P 500 for private equity. This benchmark is composed of: 9% Bloomberg U.S. Aggregate; 15% Standard & Poor's 500; 11% Cambridge all PE; 8% Russell MidCap; 8% Russell 2000; 10% Morgan Stanley Capital International (MSCI) AC World, 19% MSCI EAFE; 5% Morgan Stanley Emerging Market Equities (MSCI EME); 4% FTSE World Government Bond Index; 5% Bloomberg Commodity Index; 3% Bloomberg U.S. Treasury Inflation Protection Securities; and 3% 90-day Treasury Bills.

[2] *60% MSCI AC World/ 40% Bloomberg U.S. Aggregate Bond Index*: A benchmark comprised of 60% of the Morgan Stanley All Country World index which includes equities from the United States, developed and emerging markets from around the world. And, this benchmark is 40% invested in Bloomberg U.S. Aggregate Bond Index, a measure of primarily US dollar denominated, investment grade fixed income securities. The Foundation's equity holdings are diversified across the geographies covered by the MSCI index. The Foundation's equity holdings are diversified across the geographies covered by the MSCI index.

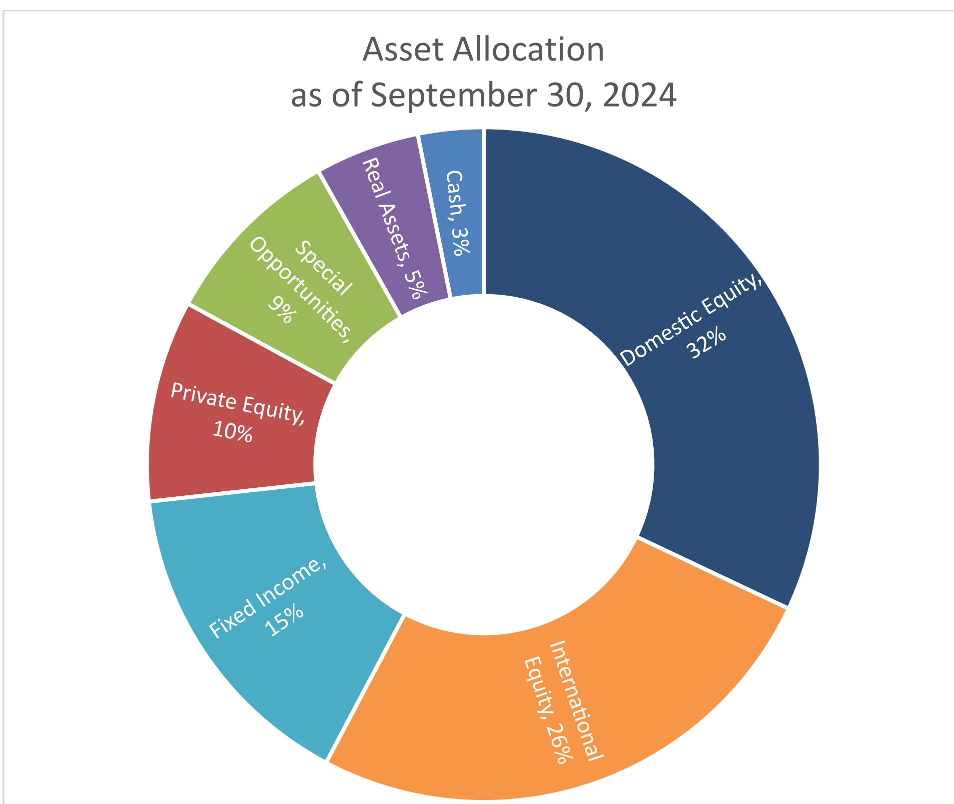
[3] *S&P 500:* A market capitalization-weighted price-only index comprised of 500 widely held common stocks listed on the New York Stock Exchange and NASDQ. It is used as a benchmark to measure the overall performance of the U.S. stock market.

[4] *Bloomberg U.S. Aggregate Index*: An unmanaged market value-weighted index comprised of U.S. investment grade, fixed rate bond market securities, including U.S. Government bonds, corporate bonds (minimum grade Baa), mortgage pass-through securities, commercial mortgage-backed securities and asset-backed securities that are publicly offered for sale in the United States. Effective November 3, 2008, the Lehman Brothers Aggregate Bond Index rebranded Barclays Capital Aggregate Bond Index. There have been no changes to the calculation or definition of the index data.

Investment Performance Objectives

The **long-term** performance objective for the Foundation's pooled investment portfolio is to earn a rate of return that is at least equal to the rate of inflation plus the spending rate. In other words, the Foundation invests its assets to maximize grantmaking to address current needs, while protecting long-term purchasing power for grantmaking in perpetuity. This is best achieved through a balanced approach that is sensitive to market opportunities and volatility over long time frames.

The total portfolio is based on a strategic asset allocation, benchmarked using suitable market indices to represent each asset class. On September 30, 2024, total assets in the Pool were approximately $179 million across 29 investment managers. The allocation among asset classes was as follows:



Overview from the Foundation's Investment Consultant:

Investment Climate – Clear and Subtle Dangers: The Choices We Face

Capital markets rose in the latest quarter, with the S&P 500 up 5.9%, the S&P 500 Equal Weight Index up 9.6%, and the MSCI EAFE and MSCI Emerging Markets indices rising 7.3% and 8.9%, respectively. Not to be left behind, the Bloomberg Aggregate Index advanced 5.2%. And if that wasn't enough, consider the twelve-month gains through September 30th.

S&P 500	+36.4%
S&P Equal Weight	+28.8%
MSCI EAFE	+25.4%
MSCI EM	+26.5%
Bloomberg Aggregate	+11.6%

Equity market returns are ultimately driven by two forces: corporate results (as it relates to generating cash/earnings for shareholders) and the attitude of market participants (which determines how much optimism or pessimism is attached to future earnings/cash generation).

Today, considerable optimism is reflected in a small number of very large U.S. businesses, which in turn has led to unusual levels of concentration within the S&P 500 and rarely seen valuation levels[1]. This observation arose in a recent discussion with a very experienced and successful investor, who noted that it was odd today to see such high valuations at a time of so much uncertainty and risk.

Such a situation has significant long-term implications for anyone responsible for deploying capital; it also illustrates the difference between clear and present versus pernicious risks, with markets having a long history of exaggerating the impact of the former while failing to fully appreciate the latter. With the caveat that we believe the most important risks (and opportunities) are frequently the ones the consensus has not considered, below is a quick summary of the items that, today, fit the two risk categories.

Clear and Present Risks

- **Geopolitics** – Half of the world's population have elected or will be electing new leaders in 2024, with the U.S. presidential election of particular significance; increasing levels of armed conflict; and trade wars (to name a few).

- **Fiscal Policy** – The U.S. budget deficit is extraordinarily large and seems to be heading to ever higher levels. This is particularly noteworthy at a time of low unemployment. Is there a limit to how much debt the U.S. government can assume? And to what extent can significant levels of borrowing crowd out other investments when capital is less plentiful? (This is arguably both a clear and present risk, as budget-deficit figures receive plenty of attention, while also being pernicious, as there has historically been little in the way of a meaningful implication from these considerations.)

[1] This statement is based on current Shiller or CAPE Ratios

Unemployment Rate At Widest Budget Deficit

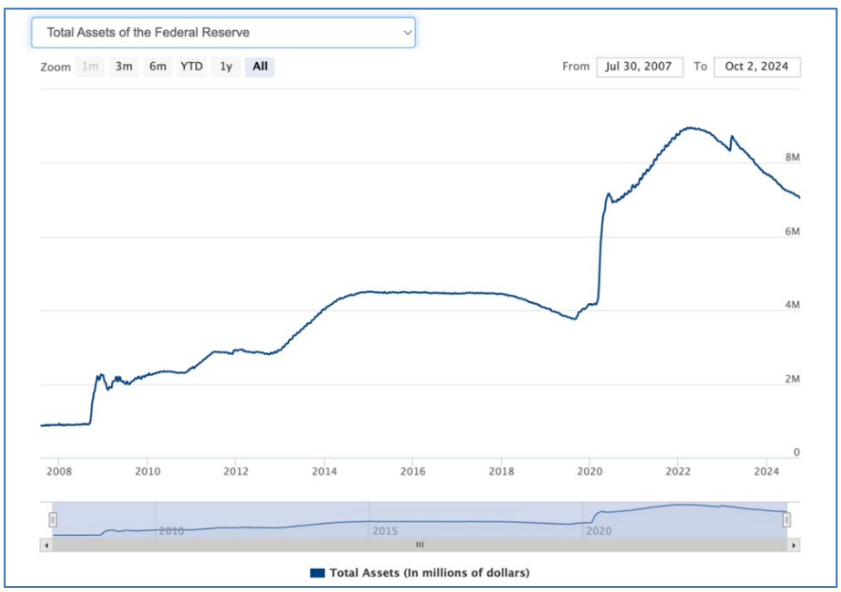
Date	Unemployment Rate (%)	Budget Deficit, % of GDP
Covid Era	14.8%	-14.0%
Global Financial Crisis	10.0%	-10.2%
1982 Recession	10.2%	-5.6%
Early 1990s Recession	7.3%	-5.1%
Mid 1970s Recession	7.9%	-4.6%
Current	**4.2%**	**-6.7%**

Source: Strategas, FactSet

Pernicious Risks

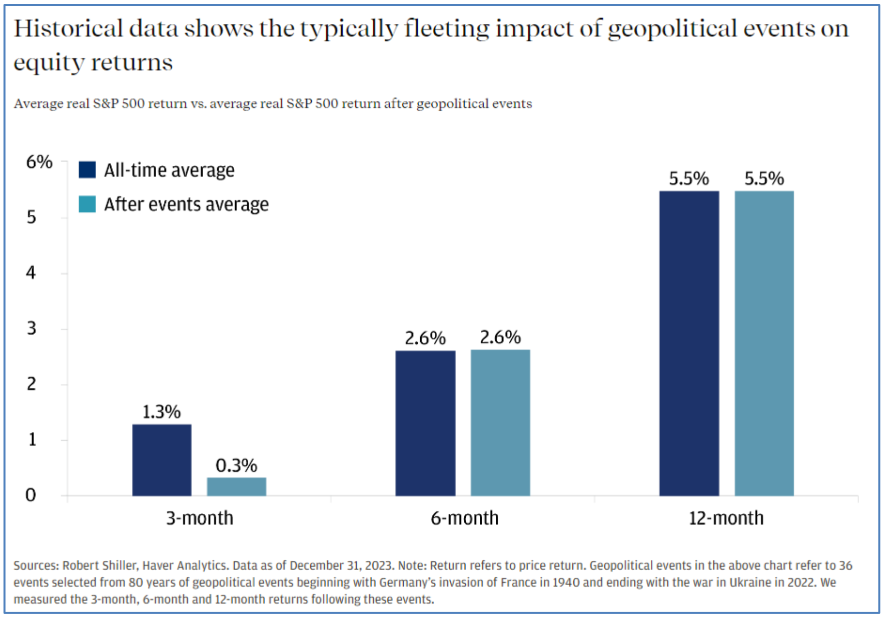
- **Inflation** – Bond markets seem to have concluded that this has been contained; history and logic suggest a strong probability this is not the case.

- **Monetary Policy** – While the U.S. Federal Reserve has begun to move short-term rates lower, it also continues to reduce the size of its balance sheet. Many investors have little in the way of relevant experience investing at a time when capital is becoming increasingly scarce.



- **Overconfidence** – The number of industry professionals we run into who are worried about major and durable price declines and willing to express that view has become very, very small, as rose-colored optimism regarding the profit potential of AI has quieted serious debate. In fact, this is a key reason why the risk of underperforming benchmarks has decisively risen above concerns related to preserving long-term purchasing power or mitigating the risk of large losses.

We understand why many would prefer to disregard these risks (and others), as each represents a major challenge with no easy answers. Stewards of long-term capital have the luxury of disregarding some of these, as their near-term impact far exceeds their long-term implications. Ironically, clear and present concerns tend to fall into this category; for example, the below analysis, provided by JP Morgan, suggests that geopolitical risks have limited to no impact on long-term returns.



Opportunities

The good news is that capital markets have a wonderful ability to persistently serve up opportunities. In fact, our earlier statement regarding high valuations primarily applies to capitalization-weighted indices that include U.S. large-cap stocks, such as the S&P 500 or MSCI ACWI, not the broader opportunity set.

Whereas we have serious concerns about how some securities are being priced in such a complex period, many corners of the market exhibit risks that are likely being exaggerated. Not surprisingly, these are the areas reflecting a combination of negative performance trends and a relatively narrow focus on present risks. This implication is threefold:

- **Availability of Inexpensive Stocks** – Despite the optimism embedded in many of the largest and most successful U.S. companies, a far larger universe of choices exists across the quality spectrum. While controversies and downside scenarios will always exist, many businesses offer high expected returns, as they generate significant levels of cash as a percentage of their enterprise value. Critically, future returns for this group are far more heavily influenced by its financial performance than on ever-changing and volatile investor sentiment.

- **Rising Market Inefficiency** – Conventional wisdom suggests a weakening opportunity set for longer-term fundamental investors amid the rise of highly sophisticated trading models. In essence, how can a human investment team compete with AI, machine learning, etc.? Yet, while fundamental investing has become more difficult, that does not mean it's obsolete; the explanation for some of the extraordinary opportunities present today can be found in the fact that the short-term direction of prices will always be interrupted by the vacillating and non-linear fortunes of particular companies. There is little evidence (nor much motivation) for short-term-oriented quantitative approaches to capture this; our view is that they actually make these shifts more rewarding for disciplined investors.

- **Diversification** – Despite the fact that this idea led to a Nobel prize, many investors apparently do not care that concentration equals risk, even though such positioning is clearly at odds with the complexities of the world. This shift away from meaningful diversification has been a source of frustration for those committed to the concept, but it has also directly contributed to the extraordinary opportunities that can be found outside the more generic or consensus-based approaches that have become so popular. Effectively, an opportunity currently exists to capitalize on the specific risk/reward qualities available while at the same time benefiting from the time-tested risk-mitigating benefits that holistic diversification offers despite recent trends.

The net result of all of this is that the Foundation has a choice to make. We can elect to conform to the prevailing market narrative—that today's concentration does not in fact correlate to higher risk given the dominance of the current leaders—or we can allow history to be our guide and look outside what is working now (or has been over the last decade). With the latter mindset, we can adopt the view that change is perhaps the only constant and remain committed to simple ideas such as staying diversified, looking for asymmetric return opportunities, and building portfolios that can achieve long-term objectives—portfolios that do not accept the idea that current trends will persist indefinitely. An exceptionally wise investor recently wrote, "We continue to believe that there's an objective truth that lies out in the world, not in our heads or in the heads of others. Long-term investing isn't a popularity contest. In the end, truth will out." In the end, the choice is clear: follow the crowd or forge a path that endures. Our advice is to choose the latter.

--Michael Miller, Chief Investment Officer, Crewcial Partners (JCF's Investment Consultant)