JEWISH COMMUNITY FOUNDATION OF GREATER HARTFORD

Quarterly Investment Update
As of June 30, 2023

Overview from the Foundation's Investment Consultant:

Global markets continued to rally in the 2nd quarter, again providing evidence of the random nature of short-term market fluctuations. Recent price gains continue to be concentrated in a few of the largest index positions and have pushed indices such as the S&P 500 into unusually high levels of exposure to the top 5 names. This should be of concern to investors as concentration and risk go hand and hand. A quarter ago, Crewcial Partners advised a focus on meaningful diversification, resilience and investment processes that fully account for the risks of a more complex economic climate. The conundrum today is that the surge of investor capital into the S&P 500's largest names is sensible given the amount of cash these businesses generate. At the same time, it does not account for the dangers of crowds and the broader opportunity set that is plain to see. Nevertheless, we must not forget that randomness rules the day and the most successful among us respect its power while also capitalizing on its tendency towards excess.

The willingness of investors to provide capital is at the heart of our economy. Bad businesses can survive far longer than one might expect when capital is plentiful whereas good businesses may fail when it is scarce. Our worry is that most investors have built portfolios that are highly dependent on the free money climate of 2008 to 2021. This is of concern as the probability of a very different climate seems increasingly likely.

As a result, whether one is looking at real estate, private debt, public equities, etc. it is essential to consider the implications of an extended period of capital scarcity. Unfortunately, this will require some creativity, pessimistic underwriting, and realization that the track records produced during a time of plentiful capital are unpredictable.

The Foundation's investment Pool was designed to thrive in the type of investment climate we are currently experiencing as complexity provides an advantage to patient, disciplined investors with in-depth knowledge of the fortunes of individual companies. This, plus the Foundation's diversified strategy will likely be key contributors to overcoming what might at times be fierce headwinds from markets and the world at large.

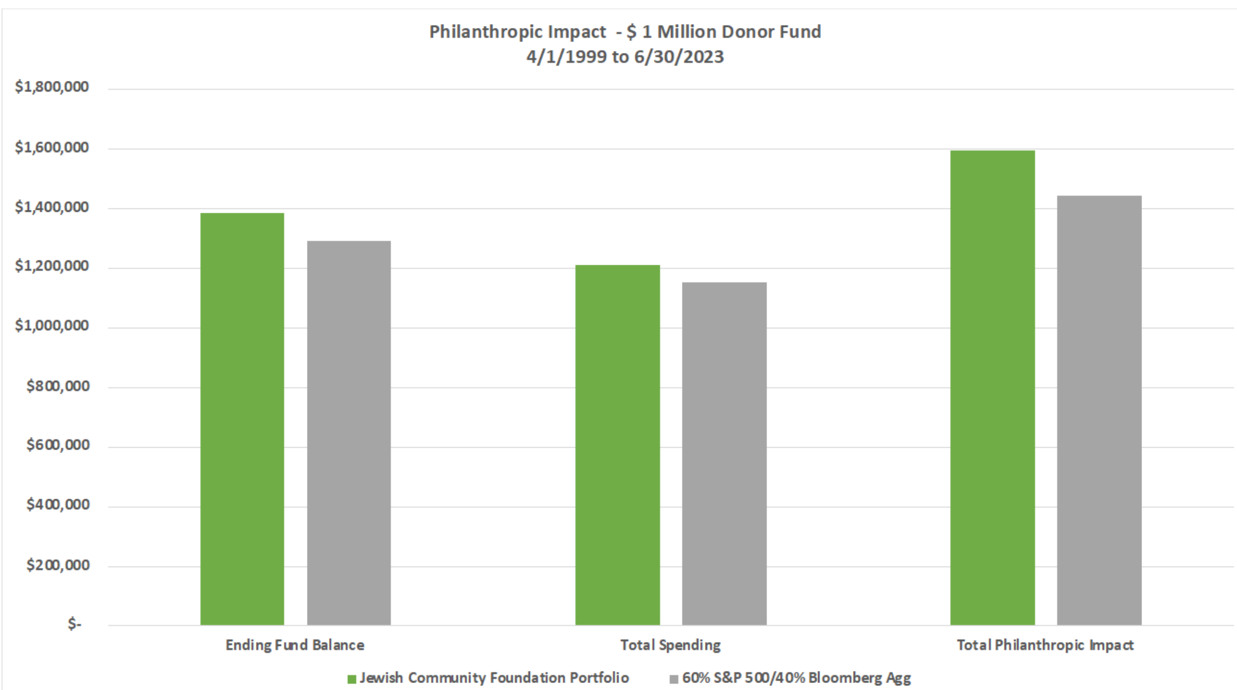
--Michael Miller, Chief Investment Officer, Crewcial Partners (JCF's Investment Consultant)

Volatility and Impact on Grantmaking

In any philanthropic portfolio, investment returns tell only part of the story. The Foundation's diversified portfolio is designed to maximize growth *and* present-day impact, e.g., spending or grantmaking. Volatility in a portfolio creates unpredictable grantmaking – and our community organizations rely on endowment dollars for their predictability. Therefore, it is our obligation to mitigate volatility through portfolio diversification.

For example, from 2009 up until 2022, the S&P 500 produced unusually strong returns for an extended period. Even when fixed income is added to provide stability, when one includes the impact of volatility on grantmaking for community disbursements, the S&P 500/fixed income option underperforms as a philanthropic option.

The graph below examines the Foundation's performance compared to 60% S&P 500/40% Bloomberg Aggregate over the last 24 years. Assume that $1 million arrives on April 1, 1999, that no new gifts are made, and that a 5 percent 20-quarter average spending policy is applied over the entire time frame. The "Total Philanthropic Impact" column is the sum of the "Total Spending" on the fund and the accumulated earnings (i.e., the increase to the original gift of $1 million). In practical terms, a $1 million gift generated $1.6 million of income; $1.2 million was distributed in grants over the years, and $.4 million was added back to the fund, resulting in an ending fund balance of $1.4 million. The graph demonstrates that the Foundation's diversified portfolio produced a higher ending fund balance and distributed more capital due to its risk and return profile compared to the 60/40 S&P 500/Bloomberg blend.

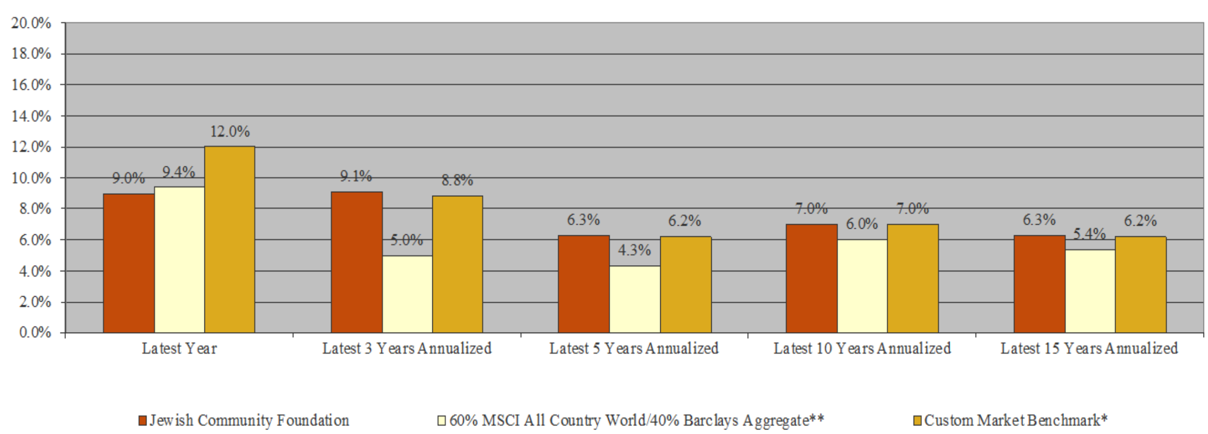


Investment Performance Objectives

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 June 30, 2023, total assets in the Pool were $ 164.4 million across 28 investment managers. The allocation among asset classes was as follows:

While the Foundation uses performance benchmarks for each asset class, it also considers weighted benchmarks for the entire portfolio as demonstrated below:



*Custom Market Benchmark reflects the portfolio's strategic asset mix over time. Currently it consists of the following indices: 9% Barclays Capital Aggregate, 26% S&P 500, 8% Russell MidCap, 8% Russell 2000. 19% MSCI EAFE, 5% MSCI Emerging Markets, 10% MSCI AC World, 4% FTSE World Government Bond Index, 5% Bloomberg Commodity Index, 3% Barclays US TIPS and 3% 90 Day T-Bills.

** MSCI All Country World Index measures the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.

Managed Portfolio Investment Performance

Periods ending June 30, 2023					Annualized		
	3 months	CYTD	FYTD	1 year	3 year	5 year	10 year
Jewish Community Foundation Total Managed Portfolio	**3.3%**	**7.9%**	**9.0%**	**9.0%**	**9.1%**	**6.3%**	**7.0%**
Overall Market Benchmark [1]	4.0%	9.5%	12.0%	12.0%	8.8%	6.3%	7.0%
Overall Market Benchmark with Cambridge PE [2]	3.1%	7.9%	10.1%	10.1%	9.1%	6.5%	7.1%
60% MSCI AC World/40% Bloomberg U.S. Aggregate [3]	3.4%	9.1%	9.4%	9.4%	5.0%	5.4%	6.0%
Standarad & Poor's 500 Composite Stock Index [4]	8.7%	16.9%	19.6%	19.6%	14.6%	12.3%	12.9%
Bloomberg U.S. Aggregate Index [5]	-0.8%	2.1%	-0.9%	-0.9%	-4.0%	0.8%	1.5%

[1] Overall Market Benchmark: This benchmark is composed of: 9% Bloomberg U.S. Aggregate; 26% Standard & Poor's 500; 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] 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.

[3] 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 US Aggregate Bond Index, a measure of primarily US dollar denominated, investment grade fixed income securities

[4] 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.

[5] 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.