

MAKING A Statement

May 2014

Dear JCF Fund Holders,

Enclosed please find the quarterly statement for your Fund at the Jewish Community Foundation (JCF). Please note that the quarterly statement reflects contribution and distribution activity and investment performance from January 1, 2014, through March 31, 2014.

There was a fair amount of market shift in the first quarter of 2014, much of it tied to the unusually cold weather in the U.S. and political unrest in Ukraine. In January, risk assets experienced a host of difficulties and equity markets exhibited sharp declines. Yet despite heightened risk aversion among investors, corporate debt — both investment grade and high yield — delivered positive returns for the month. This was a notable achievement in light of the market absorbing heavy issuance during 2013.

In February, U.S. equities rose 4.6% and international stocks gained 3.7% in local terms. Stocks rallied and the S&P 500 Index closed the month at new record highs; the Index was up 4.6% for the month and 1.0% year-to-date. In addition, February showed the best monthly performance for the U.S. stock market since October 2013. Many factors contributed to this, including moderating fears regarding emerging markets, fourth quarter earnings results that were broadly favorable relative to expectations, and merger and acquisitions activity which contributed to market gains (notably the acquisition of Time Warner Cable by Comcast for

\$45 billion in stock and Facebook's \$19 billion purchase of WhatsApp).

In March, many equity and credit markets delivered moderate gains despite heightened geopolitical tensions in Crimea and uncertain timing for future Federal Reserve policy. In a reversal from prior months, several emerging markets currencies rallied relative to the U.S. dollar, helping emerging markets equities rise 3.1%, significantly outpacing the 0.5% gain achieved by the Russell 3000 Index. However, flat to positive results for U.S. and global equity indices masked a meaningful disparity in the relative performance of domestic growth and value stocks during the month.

Also in March the Federal Open Market Committee (FOMC) announced that, beginning in April, the Fed would purchase \$25 billion in agency mortgage-backed securities per month (down from \$30 billion) and \$30 billion in longer-term U.S. Treasuries (down from \$35 billion). This decision and the accompanying statement from the FOMC, which indicated the Fed would not raise the federal funds rate for a "considerable" time once the tapering process is complete, appeared to be largely in line with market expectations. Yet subsequent clarification from Fed Chair Janet Yellen caused some readjustments in equity markets and the fixed income markets expectations.

Here at JCF, total assets remained virtually unchanged at \$387 million on March 31, 2014, the same as on December 31, 2013. For the quarter ending March 31, 2014, the Equity Pool gained 1.4% while its benchmark also rose 1.4%. The Fixed Pool ended the

quarter up 0.7% while its benchmark was up 0.4%. The JCF Managed Pool gained 1.7% while its blended benchmark was up 1%.

In March, JCF was delighted to welcome over 150 professionals and lay leaders from area synagogues and other Jewish agencies to kick off Create a Jewish Legacy. Agencies accepted into this prestigious program will receive training and be eligible for matching dollars toward their planned giving development efforts.

Additional information on the performance and composition of the JCF investment pools is on pages two and three of this newsletter. Please contact JCF with any questions. Jessica Mehlman, Interim Executive Director, can be reached directly at (973) 929-3003 or jmehlman@jfedgmw.org, and Howard Rabner, Federation COO/CFO, can be reached at (973) 929-3020 or hrabner@jfedgmw.org.

Regards,



Scott Krieger
President

Jessica B. Mehlman
Interim Executive
Director



Jewish Community
OF GREATER
FOUNDATION METROWEST NJ

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PORTFOLIO

MANAGED POOL

OBJECTIVE: The Managed Pool attempts to provide a return that is superior to a balanced stock and bond portfolio at a lower volatility over an entire market cycle.

Asset Allocation

Investment	% of Pool
Public Equities	
<i>Domestic Equities</i>	
Brown Advisory	6.8
DSM Capital Partners	6.6
Hotchkis & Wiley	6.3
Sound Shore	9.2
Van Berkom	4.6
Total Domestic Equities	33.5
<i>International Equities</i>	
Dodge & Cox International	9.1
Fidelity Diversified International	6.5
Mondrian Focused Emerging Markets	3.0
Parametric Emerging Markets	2.3
Total International Equities	20.9
Total Public Equities	54.4
Private Equities	
Bain Capital Fund X	1.1
Bain Europe Fund III	0.8
Commonfund Private Equity VI	0.9
Commonfund Private Equity VII	1.3
Commonfund International VI	1.8
FLAG Private Equity II	0.7
Goldman Sachs Vintage Fund V OS	1.2
Goldman Sachs Vintage Fund VI OS	0.1
Total Private Equities	7.9
Total Equities	62.3
Inflation Hedging	
<i>Natural Resources</i>	
Commonfund Natural Resources VII	0.7
Commonfund Natural Resources VIII	1.2
FLAG Energy Resources III	0.1
Total Natural Resources	2.0
<i>Real Estate</i>	
Beacon Capital Strategic Partners VI	0.5
Blackstone Real Estate Partners V	0.7
Blackstone Real Estate Partners VI	1.7
Blackstone Real Estate Partners VII	0.9
Blackstone Retail Principal Partners	0.3
Cabot Industrial Value IV	0.1
GEM Realty Fund V	0.1
Sterling American Property V	0.4
Total Real Estate	4.7
Total Inflation Hedging	6.7

For information on the style of equity investments in the Managed Pool, please see the Equity Pool asset allocation.

MANAGED POOL (continued)

Flexible Capital	
Anchorage Partners Offshore	2.2
Blackstone Partners Offshore	6.9
Davidson Kempner Partners Offshore	2.0
Greenlight Masters Offshore Partners	2.1
Total Flexible Capital	13.2
Fixed	
Colchester Global Investors	1.7
Eaton Vance Loan Fund	5.5
Fiduciary Trust	8.1
State of Israel Bonds	0.3
Total Fixed	15.6
Cash	
Wilmington Govt MM	2.2
Total Cash	2.2
Total Investments	100.0

EQUITY POOL

OBJECTIVE: The Equity Pool attempts to provide a return that is superior to a blend of the S&P 500 and the MSCI EAFE over a market cycle.

Asset Allocation

Investment	% of Pool	Style
Domestic Equity Managers		
Brown Advisory	12.4	LCG
DSM Capital Partners	10.2	LCG
Hotchkis & Wiley	11.5	LCV
Sound Shore	16.6	LCV
Van Berkom	8.3	SCC
Total Domestic Equity Managers	59.0	
International Equity Funds		
Dodge & Cox International	16.2	LCV
Fidelity Diversified International	12.8	LCB
Mondrian Focused Emerging Markets	6.9	EMC
Parametric Emerging Markets	5.1	EMV
Total International Equity Managers	41.0	
Total Investments	100.0	

Equity Pool Style Legend

ACV=All Cap Value	LCB=Large Cap Blend
LCV=Large Cap Value	LCG=Large Cap Growth
MCG=Mid Cap Growth	SCC=Small Cap Core
EMC=Emerging Mkts Core	EMV=Emerging Mkts Value

All information is up-to-date as of
March 31, 2014

Past performance is not indicative of future results.

FIXED INCOME POOL

OBJECTIVE: The Fixed Income Pool invests in short to intermediate term securities and attempts to provide a return that is superior to the Merrill Lynch 1-5 Year Government/Corporate Index over market cycle.

Asset Allocation

Investment	% of Pool
Fixed Income Funds	
Colchester Global Investors	12.4
Fiduciary Trust	55.7
State of Israel Bonds	3.0
Total Fixed Income Funds	71.1
Specialty Funds	
Blackstone Partners Offshore	13.4
Eaton Vance Loan Fund	9.1
Fidelity Floating Rate High Income	1.3
Total Specialty Funds	23.8
Cash	
Wilmington Govt MM	4.8
Merrill Lynch MM	0.3
Total Cash	5.1
Total Investments	100.0

CHARACTERISTICS (5-YEAR HISTORY) (April 1, 2009 – March 31, 2014)

Historical Performance – JCF Investment Pools				
Pool	Annualized Return	Cumulative Return	% Positive Quarters	% Negative Quarters
Equity	19.0%	138.8	80	20
Fixed	4.8%	26.3	90	10
Managed	12.2%	78.1	85	15
Historical Performance – JCF Investment Pool Benchmarks				
Benchmark	Annualized Return	Cumulative Return	% Positive Quarters	% Negative Quarters
Equity	18.7%	136.0	85	15
Fixed	3.0%	15.8	90	10
Managed	12.5%	80.0	85	15

HISTORICAL PERFORMANCE Period Ending: March 31, 2014

EQUITY	3 Month	YTD	1 Year	3 Year	5 Year
Pool	1.4%	1.4%	21.3%	10.2%	19.0%
Benchmark	1.4%	1.4%	20.2%	11.8%	18.7%
FIXED	3 Month	YTD	1 Year	3 Year	5 Year
Pool	0.7%	0.7%	1.5%	2.0%	4.8%
Benchmark	0.4%	0.4%	0.5%	2.0%	3.0%
MANAGED	3 Month	YTD	1 Year	3 Year	5 Year
Pool	1.7%	1.7%	15.1%	8.0%	12.2%
Benchmark	1.0%	1.0%	12.0%	8.0%	12.5%

Past performance is not indicative of future results.

MONEY MARKET POOL

OBJECTIVE: The Money Market Pool invests only in short-term fixed-income securities and seeks to preserve capital.

Asset Allocation

Investment	% of Pool
Wilmington U.S. Govt MM	100.0

Equity: Blend of 60% of the S&P 500 Index + 40% of the MSCI EAFE Index as of April 1, 2013

Fixed: Bank of America/Merrill Lynch 1-5 Year U.S. Corporate & Government Bond Index

Managed: 60% of the Equity Pool benchmark + 40% of the Fixed Pool benchmark

THE JEWISH COMMUNITY FOUNDATION OF GREATER METROWEST NJ

The mission of the Jewish Community Foundation of Greater MetroWest NJ (JCF) is to service the charitable aims and interests of JCF donors by gathering, investing and disbursing charitable funds on their behalf, and encouraging allocation of these monies to enhance and assure the continuity of charitable institutions designated by the donor and approved by the Foundation Board. While JCF offers special encouragement for planned giving and the use of endowments for Federation and its beneficiary agencies, it also welcomes the opportunity to be of service to recognized charities of every kind: religious, educational and secular in content, and regional, national and international in scope. Established in 1949, JCF is one of the largest foundations in the Jewish federation system, with \$387 million in assets (as of 3/31/14) and more than \$100 million in future commitments.



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It's Not Your Father's Seder...

By Eileen R. Heltzer, *Development Officer*

When I first learned of the Schechner Family Seder — held with the Blanks, Blumenhaus, Breens, Darivoffs, and Rothenbergs for 25 years — I was intrigued. Do they really have a new theme each year?

“We try to have fun with it,” says Paul Schechner. “The theme’s not announced until we hide the afikoman, which of course is after the kiddush, karpas, the first few sections. The service stays the same, but there’s always a new way for the kids to determine the ‘pot’ they’ll all split in exchange for the afikoman. I like that they are working together. When the kids were younger, of course the games were simple, like tossing broccoli into a pot or rolling a bowling ball-sized matzo ball. But now that they are old enough to drive, not to mention fully participate in the service, it’s something like mini-golf in the basement (the Masters Seder), or Dance Revolution (Saturday Night Seder).”

The best part? Everyone looks forward to it. Amy Schechner said, “It’s always approximately 35 people, sometimes more when the kids bring home friends. It’s very important to me that they know their friends are always welcome.”

In much the same way, the Jewish Community Foundation of Greater MetroWest NJ (JCF) strives to be a foundation where everyone is welcome and traditions are embraced. So just like the Schechner’s seder is a complete seder (“We follow the Haggadah through singing *Chad Gad Ya*”), JCF provides all the donor services you’d expect from the largest community foundation in NJ. Founded in 1949, JCF offers Charitable Gift Annuities at ACGA* rates, houses supporting foundations worth more than \$100 million, and manages hundreds of Donor Advised Funds for philanthropists in our community. Yet JCF is also very forward-thinking. For example,

- Through the funding from the **Ness Fund**, local organizations are transforming Israel’s Negev region into vibrant, stable communities that are welcoming to businesses, families, and young adults.
- **Iris Teen Tzedakah** is growing the next generation of philanthropists by giving teens practical experience

evaluating organizational proposals and making funding decisions for our community. This is just one of the innovative programs of the Herb and Milly Iris Youth and Family Philanthropy Endowment Fund at JCF.

- JCF’s **Greater MetroWest Day School Campaign** was the first endowment campaign for Jewish day schools in the country. The program was so successful it was the model for “Generations,” a national program sponsored by the AVI CHAI Foundation, the Partnership for Excellence in Jewish Education, and local communities to begin and sustain endowment campaigns at Jewish day schools in Baltimore, Boston, New York, and Los Angeles (so far).
- JCF was the first to establish an endowment for **Birthright Israel**, which effectively guarantees space for young adults (ages 18-26) from Greater MetroWest on this free, 10-day trip to Israel. The trip is often life-changing, as it was for Jordan Kestenbaum, who says, “It’s been just over a month since I returned to the U.S., and I am already absolutely dying to get back to Israel. In 10 days Birthright took me from being relatively indifferent towards my Jewish identity to being ready to move to Jaffa.”

These programs — and many more — are transforming JCF into more than “just” the planned giving and endowment department at Federation. JCF professionals will meet with your family to develop your philanthropic goals and manage philanthropic investments to benefit our community. We may not have the flair of the Schechner seder, but JCF is proud to take a fresh approach to tradition, engage the next generation, and add joy wherever possible.

We may not be re-writing the theme song from Gilligan’s Island, but we’re sure glad someone is. Thank you to the Schechner families and treasured friends for sharing your seder traditions with us. If you have fun at YOUR family’s seder, we want to hear about it! Send ideas to eheltzer@jfedgmv.org.

*American Council on Gift Annuities www.acga.org