

# HOUSTON JEWISH COMMUNITY FOUNDATION

December 2020

Investment Pool	QTD	YTD	1 Year	3 Years	5 Years	Since Inception*
<b>HJCF Index Growth Composite**</b>	<b>9.40%</b>	<b>14.64%</b>	<b>14.64%</b>	<b>9.24%</b>	<b>9.25%</b>	<b>10.15%</b>
<i>Index Growth Benchmark</i>	9.27%	13.56%	13.56%	9.09%	9.46%	10.07%
<b>HJCF Growth Composite**</b>	<b>12.83%</b>	<b>11.03%</b>	<b>11.03%</b>	<b>6.52%</b>	<b>N/A</b>	<b>9.14%</b>
<i>Growth Benchmark</i>	11.26%	9.81%	9.81%	6.77%	N/A	8.88%
<b>HJCF Aggressive Growth Composite**</b>	<b>16.28%</b>	<b>11.33%</b>	<b>11.33%</b>	<b>6.96%</b>	<b>N/A</b>	<b>10.23%</b>
<i>Aggressive Growth Benchmark</i>	14.48%	10.85%	10.85%	7.26%	N/A	10.07%
<b>HJCF Conservative Balanced Composite**</b>	<b>4.63%</b>	<b>4.93%</b>	<b>4.93%</b>	<b>N/A</b>	<b>N/A</b>	<b>4.84%</b>
<i>Conservative Balanced Benchmark</i>	3.75%	4.56%	4.56%	N/A	N/A	4.62%
<b>HJCF Cash Management Composite**</b>	<b>0.04%</b>	<b>0.42%</b>	<b>0.42%</b>	<b>N/A</b>	<b>N/A</b>	<b>1.29%</b>
<i>Cash Management Benchmark</i>	0.02%	0.58%	0.58%	N/A	N/A	1.53%

## KEY OBSERVATIONS (UPDATED QUARTERLY)

- Global risk assets rebounded sharply in the final two months of 2020 as wide-scale vaccination efforts spurred optimism for synchronized global growth in 2021.
- Continued demand for bonds with higher yields benefitted spread sectors and more than offset higher long-dated Treasury yields. Economically sensitive stocks hit hardest by COVID-19 mitigation efforts led the rally in equities and broadened market breadth heading into 2021.
- **Fixed Income** – Long-dated U.S. Treasury yields increased modestly during the quarter but remain well below year ago levels. The quick response supported the functionality of global financial markets, staved off deflationary forces and bolstered the financial sector. The corollary is that fixed income return expectations on a go-forward basis are necessarily diminished. Entering 2021, investors must now contend with historically low return estimates from many traditional fixed income asset classes (e.g., sovereign bonds, investment-grade corporates and high yield debt).
- **Equities** – Although technology stocks were the clear winners in 2020, U.S. small cap stocks had a stellar fourth quarter which meaningfully boosted the full year return. Small cap and value-orientated equities produced substantial returns in the fourth quarter, improving market breadth heading into 2021.
- **Real Assets** – Accelerating economic growth and inflation broadly supported real assets in the quarter. Rebounds in retail, residential and healthcare sectors, which collectively represent nearly 50 percent of the FTSE NAREIT Index aided REIT returns in the quarter while an improved business activity outlook for 2021 supported oil prices.

## KEY OVER/UNDER WEIGHTS

- None

## PORTFOLIO CHANGES (4Q REVIEW)

- None - 2021 Capital Market Assumptions will be implemented in Q1 2021

\*07/01/19 Inception for Conservative Balanced, 09/01/18 Inception for Cash Management, 07/01/16 Inception for Indexed Growth & 11/01/16 Inception for all other pools.

\*\*All returns and performance metrics are net of investment consultant fees & investment manager fees and do not include HJCF administrative fees or expenses