# NATIONAL JEWISH FEDERATION
# INVESTMENT PROGRAM

The Jewish Federations®
OF NORTH AMERICA

THE JEWISH FEDERATIONS OF NORTH AMERICA

# National Jewish Federation Investment Program

Endowment funds are providing Federations with an ever increasing source of charitable funds and, in many Federations, amounts greater than funds raised by their Annual Campaigns. To insure the future availability and the continued growth of these funds in today's global capital markets, substantial diversification is required to reduce risk and increase returns. This is best accomplished by large fund portfolios that are capable of investing in a wide range of asset classes. Large size portfolios also provide access to managers that require large initial contributions and to managers that provide large accounts with lower expense ratios.

## Introducing the National Jewish Federation Investment Program

That is why The Jewish Federations of North America has invited a number of our large-city large Federations (the "Offering Federations") to share the advantages of their investment management experience and the size of their investment pools by offering other Federations the opportunity to directly participate in their investment portfolios.

To date, the Baltimore, Boston, Chicago, Cleveland and Miami Federations have agreed to permit other Federations to participate in their investment portfolios. Additional large city Federations are exploring the program, and we hope that the number of Offering Federations will increase.

## What are the benefits afforded by the Offering Federations?

- Menu of choices
- Measurable performance track record
- Risk reduction through diversification
- Reasonable cost
- Favorable liquidity
- Low minimum investment
- Efficient reporting

Any Federation may participate in the investment portfolio of any one or more of the Offering Federations.

## Choose from a Range of Investment Options

The Offering Federations portfolios represent a broad range of investment choices for consideration by other Federations. Participation is open to all Federations, as well as their affiliate and beneficiary agencies, regardless of size, in both the United States and Canada. An investor Federation may choose to place all or any fraction of their investments in any one of the Offering Federations' portfolios or divide its investments among two or all of the portfolios.

It is important to note that this program is fundamentally different than various products and services that Federations may currently be purchasing, or anticipate purchasing, from any number of well-qualified money managers, consultants and advisors. Unlike these service providers, the Offering Federations are not in the investment management business. They have no meaningful financial incentive to recruit investors and gather assets. They offer access to their investment platforms as a service to the Federation community.

## Portfolio Summaries

To enable you to decide on an appropriate portfolio, we have attached Portfolio Summaries prepared by each of the Offering Federations. For more detailed data, technical information and the terms of the formal agreement between your Federation and the Offering Federation governing your investment with the Offering Federation, please contact the Offering Federations directly. Contact information is included within each of the Portfolio Summaries.

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**Important Note:** The Jewish Federations of North America does not review the data furnished by the Offering Federations and takes no position regarding any risks that may be associated with participation or investment with any of them. Federations should not construe The Jewish Federations of North America as having reviewed or endorsed any of the information compiled and communicated as part of this program. Any federation considering participation or investment in the portfolio of another federation should consult with its legal and investment advisors and conduct a thorough due diligence process prior to making a decision.

# The Associated Jewish Charities of Baltimore Consolidated Investment Fund (the "CIF")

## Investment Objective/Strategy

To enhance the purchasing power by striving to attain an annual total return in excess of 5% plus inflation over the long term. The CIF is diversified among asset classes and routinely rebalanced among policy target allocations. Preserving capital and reducing volatility are preferred to high-risk, high-return strategies, even if this foregoes opportunities for gain during rising markets in order to minimize potential losses during declining markets.

## Investment Team/Fund Management Information

- Assets invested by external managers/funds
- Full-time Vice President/General Counsel manages day-to-day activities
- Investment Management Committee sets investment policy
- Six sub-committees oversee the external managers/funds
- The IMC and sub-committees membership are comprised of leaders with extensive experience in the investment industry
- Outside investment consultant advisor provides research, due diligence and manager/fund monitoring

## Annualized Returns, Asset Allocation and Fees

are updated regularly and are noted on the spreadsheet appended to this report

## Contact Information

**Michael Dye, Esq.**, *Vice President, General Counsel*
THE ASSOCIATED: Jewish Community Federation of Baltimore
101 W. Mt. Royal Avenue, Baltimore, MD 21201
**p** 410.369.9213 **f** 410.837.1342 **e** mdye@associated.org

## LIQUIDITY PROVISIONS FOR OUTSIDE INVESTORS

| | Less than $5 million | $5 million or more |
|---|---|---|
| **Liquidity** | 30 days | 90 days |
| **Distributions** | 100% in 30 days | within 90 days |

| | |
|---|---|
| **Status of Remaining Balance** | Value fixed at month end and remains invested in the CIF |
| **Full Withdrawal** | Lesser of $2,500,000 or 50% in 30 days, lesser of $5,000,000 or 50% of balance in 90 days and remainder in 12 months |

* Unless closing their account, outside investors may not withdraw more than 50% of funds in any 12-month period.

# Combined Jewish Philanthropies of Greater Boston, Inc. Jewish Community Endowment Pool, LLP (JCEP)

## Investment Objective/Strategy

To attain an average annual total return, net of investment expenses and inflation, of at least 5% over trailing five-year periods.

## Investment Team/Fund Management Information

- Assets invested by external managers/funds
- Manager of Banking and Investment Operations and Associate Vice President, Gift Planning & Investment Partnerships manage day-to-day activities and partner relations
- Investment Committee comprised of leaders active in the investment industry supported by a Chief Investment Officer, who sets investment policy and directs implementation
- Chief Investment Officer and two full-time analysts perform due dilligence, monitoring and specialized research in support of manager selection and asset allocation, utilizing an outside consultant as needed.

## Annualized Returns, Asset Allocation and Fees

are updated regularly and are noted on the spreadsheet appended to this report

## Contact Information

**Charles S. Glassenberg,** *Associate Vice President, Gift Planning*
Combined Jewish Philanthropies of Greater Boston, Inc.
126 High Street, Boston, MA 02110
**p** 617.457.8540 **f** 617.988.6262 **e** charlesg@cjp.org

## LIQUIDITY PROVISIONS FOR OUTSIDE INVESTORS

| | Routine Withdrawals Up To $1 Million | Withdrawals Over $1 MIllion |
|---|---|---|
| **Liquidity** | Monthly | Monthly |
| **Required Notice** | 30 days | 30 days |
| **Initial Payout** | 100% | Maximum possible subject to portfolio liquidity conditions |
| **Status of Remaining Balance** | Value fixed at month end and remains invested in JCEP | |
| **Full Withdrawal** | Requires 92-day notice and subject to terms of partnership agreement, typically 80% paid out at end of quarter or sooner | |

# Jewish Federation of Metropolitan Chicago JFMC Pooled Endowment Portfolio, LLC

## Investment Objective/Strategy

To meet or exceed the rate of return of the S&P 500 with 40% less volatility over long-term (5 to 10 year) time periods. Over shorter time periods, to meet or exceed the return of a benchmark comprised of 60% of the MSCI All Country World Index plus 40% of the Barclays Capital U.S. Aggregate Bond with volatility similar to that of the blended indices. To limit downside risk without sacrificing potential return through broad diversification by asset category, geography, strategy, and manager across the full global opportunity set. Allocations are governed by a policy based on a 4x4 matrix that categorizes investments according to asset category – (1) Equity; (2) Credit; (3) Tangible; and (4) Opportunistic – and liquidity structure – (1) Simple-Liquid; (2) Semi-Liquid; (3) Quasi-Liquid; and (4) Private/Illiquid.

## Investment Team/Fund Management Information

- Assets invested by external managers/funds
- Full-time Chief Investment Officer manages day-to-day activities
- Federation Investment Committee sets investment policy
- Eight-person Investment Subcommittee comprised of leaders active in the investment industry directs implementation
- Four outside advisors – chosen for their expertise/experience within specific asset classes – provide specialized research, due diligence and monitoring

## Annualized Returns, Asset Allocation and Fees

are updated regularly and are noted on the spreadsheet appended to this report

## Contact Information

**Hilleri Saunders**
*Director, Investment Operations and Investor Relations*
Jewish Federation of Metropolitan Chicago
30 South Wells, Chicago, IL 60606
**p** 312.444.2096 **f** 312.263.0328 **e** hillerisaunders@juf.org

## LIQUIDITY PROVISIONS FOR OUTSIDE INVESTORS

| | Tracking Unit (Non-Qualified) Investors | Qualified LLC Investors |
|---|---|---|
| **Liquidity** | Quarterly | Quarterly |
| **Required Notice** | 30 days | 30 days |
| **Initial Payout** | 80% at quarter end* | 50% at quarter end* |
| **Status of Remaining Balance** | Value fixed at quarter end | Remains invested in pool |
| **Remaining Payout** | 100% paid within 60 days | [1] 25% of original balance after one year<br>[2] Remaining 25% paid out in five annual installments |

* Applies only to significant withdrawals. Routine withdrawals – <10% of account balance – are paid in full at quarter end.

# Jewish Federation of Cleveland Pooled Endowment Portfolios

## Investment Objective/Strategy

To attain an average annual real (net of inflation) total return (net of all investment related fees) of 5.5% while minimizing risk relative to return (both in preservation of principal and minimizing volatility of returns) through broad diversification amongst and within asset classes. This is accomplished through the use of two pools: The Main Investment Fund (a balanced fund generally allocated 70-80% to equities and 15-30% to fixed income) and the Marketable Alternatives Program (generally 15-60% long/short hedged equities and 40-60% absolute return managers).

## Investment Team/Fund Management Information

- Assets invested by external managers/funds
- Chief Financial Officer oversees process and a full time Director of Finance manages day-to-day activities
- Investment Committee comprised of investment and business professionals sets investment policy and directs implementation
- Outside advisor provides specialized research, due diligence and monitoring

## Annualized Returns, Asset Allocation and Fees

are updated regularly and are noted on the spreadsheet appended to this report

## Contact Information

**Jewish Federation of Cleveland**
25701 Science Park Drive, Cleveland, OH 44122

**Barry Reis**, *Chief Financial Officer*
**p** 216.593.2828 **f** 216.593.2901 **e** breis@jcfcleve.org

## LIQUIDITY PROVISIONS FOR OUTSIDE INVESTORS

| Main Investment Fund | Less than $250,000 | $250,000 or more |
|---|---|---|
| **Liquidity** | Monthly | Quarterly |
| **Required Notice** | 20 days | 30 days |
| **Initial Payout** | 90%* | 80% (payment may be deferred to later of next quarter end or 45 days)* |
| **Status of Remaining Balance** | Interest paid on cash | Interest paid on cash |
| **Remaining Payout** | 100% paid within 30 days of month end | Balance paid out within 45 days of month end |

| Marketable Alternative Fund | Minimum withdrawal $25,000 |
|---|---|
| **Liquidity** (after 3-yr lock-up) | Quarterly (max twice per year) |
| **Required Notice** | 95 days prior to quarter end |
| **Initial Payout** | 80% within 2 weeks of quarter end** |
| **Status of Remaining Balance** | Value fixed at effective date of redemption |
| **Remaining Payout** | 100% paid upon receipt of funds from managers and completion of quarterly performance valuation |

* These are the general liquidity provisions; however, certain other restrictions may apply as noted in the Investment Agreement.

** Withdrawal requests, after the initial 3-year period, greater than 5% of aggregate value of the pool may be subject to further restrictions and are subject to receipt of cash from withdrawals from fund managers and the managers' audits.

**Note:** JCF Cleveland will accept minimum investments of $1,000,000, which may be split between the Main Investment Fund and Marketable Alternatives Program.

# Greater Miami Jewish Federation Pooled Endowment Portfolio

## Investment Objective/Strategy

To return a spending policy of 5% plus inflation. The portfolio is highly diversified by asset class, strategy, sector and manager in both traditional and alternative investment categories. The major asset classes are equity, fixed income, absolute return, real assets and private capital.

## Investment Team/Fund Management Information

- Assets invested by external managers/funds
- Full-time Senior Investment Officer manages day-to-day activities
- Investment Committee sets investment policy
- Investment Committee comprised of leaders active in the investment industry directs implementation
- Outside advisor provides specialized research, due diligence and monitoring

## Annualized Returns, Asset Allocation and Fees

are updated regularly and are noted on the spreadsheet appended to this report

## Contact Information

**Stephen M. Schwartz**, *Chief Financial Officer*
Greater Miami Jewish Federation
4200 Biscayne Boulevard, Miami, FL 33137
**p** 786.866.8474 **f** 305.576.4446 **e** sschwartz@gmjf.org

## LIQUIDITY PROVISIONS FOR OUTSIDE INVESTORS

| | Less than $1 million | $1 million or more |
|---|---|---|
| **Liquidity** | Monthly | Quarterly |
| **Required Notice** | 30 days | 30 days |
| **Initial Payout** | 80% at month end* | 80% at quarter end* |
| **Status of Remaining Balance** | Value fixed at month end | Either: [1] remains invested in pool; or [2] transferred to account earning current overnight repurchase rate. |
| **Remaining Payout** | 100% paid within 60 days | 100% paid within 90 days |

* Applies only to full withdrawals. Partial withdrawals of less than $5 million are paid in full at quarter-end.

**June 30, 2012**

| Annualized Total Returns | Index Benchmarks | | | | | Cleveland | | |
|---|---|---|---|---|---|---|---|---|
| | S & P 500 | 60/40 Blend* | Baltimore | Boston | Chicago | Investment Fund | Marketable Alternatives Fund | Miami |
| Quarter | -2.8% | -2.4% | -3.3% | -1.2% | -1.7% | -4.1% | -1.8% | -2.1% |
| Year to Date | 9.5% | 4.6% | 4.8% | 3.7% | 3.2% | 3.1% | 4.0% | 4.5% |
| 1-year | 5.5% | -0.5% | -1.9% | -0.6% | 0.6% | -4.2% | -2.5% | -1.2% |
| 3-year | 16.4% | 9.7% | 12.0% | 8.3% | 9.4% | 10.1% | 6.0% | 8.7% |
| 5-year | 0.2% | 1.6% | 2.1% | 3.4% | 1.0% | 0.1% | 1.3% | 0.2% |
| 10-year | 5.3% | 6.1% | 8.0% | 7.6% | 7.1% | 5.5% | 5.8% | 3.6% |
| Standard Deviation (10 Years +/- ) | 17.1% | 10.7% | 14.0% | 9.1% | 10.5% | 12.5% | 6.5% | 9.3% |

** 60/40 Stock/Bond blended rate represents a portfolio with 60% invested in MSCI ACWI and 40% invested in the Barclays Capital Aggregate Bond Index.*

| Program Data | | | | Cleveland | | |
|---|---|---|---|---|---|---|
| | Baltimore | Boston | Chicago | Investment Fund | Marketable Alternatives Fund | Miami |
| Expense Ratio of Pool | ~ 100 bps | ~ 150 bps | ~ 100 bps | ~ 93 bps | ~ 225 bps | ~ 100 bps |
| Number of Investment Managers | 28 | 73 | 85 | 15 | 21 | 40 |
| Minimum Investment | $1,000,000 | $250,000 | $1,000,000 | $1,000,000 | $200,000 | $100,000 |
| Maximum Investment | $20,000,000 | $30,000,000 | 10% of Total Pool Assets | 10% of Total Pool Assets | 10% of Total Pool Assets | 10% of Total Pool Assets |

| Asset Allocation** | | | | Cleveland | | |
|---|---|---|---|---|---|---|
| | Baltimore | Boston | Chicago | Investment Fund | Marketable Alternatives Fund | Miami |
| US Equities | 29.5% | 11.8% | 16.7% | 38.2% | 0.0% | 18.6% |
| Non-US Developed Equities | 15.8% | 11.9% | 8.7% | 19.2% | 0.0% | 12.2% |
| Emerging Market Equities | 4.6% | 6.1% | 5.6% | 9.0% | 0.0% | 5.6% |
| Absolute Return | 22.9% | 41.1% | 17.6% | 0.0% | 100.0% | 19.3% |
| Private Equity/Venture Capital | 7.6% | 2.9% | 14.8% | 0.0% | 0.0% | 4.4% |
| Real Assets | 0.0% | 5.4% | 19.4% | 7.9% | 0.0% | 5.3% |
| Commodities | 7.5% | 0.0% | 1.4% | 4.2% | 0.0% | 3.4% |
| Fixed Income | 12.1% | 3.3% | 12.7% | 16.4% | 0.0% | 30.1% |
| Cash | 0.0% | 17.5% | 3.1% | 5.2% | 0.0% | 1.1% |
| **Total** | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

***Several allocation categories may include funds managed as Hedge Funds. Absolute Return strategies may include a variety of investment types.*
*For additional details relating to the underlying strategies, please contact the offering Federation.*

| Program Size | | | | | Cleveland | | |
|---|---|---|---|---|---|---|---|
| | Total | Baltimore | Boston | Chicago | Investment Fund | Marketable Alternatives Fund | Miami |
| Total Assets Under Management | $2,459,508,263 | $463,924,380 | $733,629,164 | $674,808,234 | $341,496,010 | $103,124,374 | $142,526,101 |
| Federations Currently Investing | 33 | 5 | 14 | 6 | 4 | 2 | 2 |
| *Managed Assets* | $277,741,240 | $15,279,560 | $126,848,191 | $115,368,181 | $17,863,687 | $2,020,109 | $361,512 |
| New Commitments | 1 | | | | 1 | | |
| *Projected Assets* | | | | | | | |
| Other Particpating Organizations | 195 | 29 | 48 | 33 | 22 | 13 | 50 |
| *Managed Assets* | $613,848,236 | $110,562,777 | $200,374,900 | $177,028,596 | $90,608,227 | $18,770,826 | $16,502,910 |