

HOUSTON JEWISH COMMUNITY FOUNDATION

JANUARY 2026

Investment Pool	MTD	YTD	1 Year	3 Years	5 Years	Since Inception*
HJCF Index Composite**	1.87%	1.87%	13.94%	11.70%	6.74%	8.23%
<i>Index Benchmark</i>	1.98%	1.98%	14.50%	12.34%	7.23%	8.43%
HJCF Growth Composite**	2.27%	2.27%	12.98%	11.16%	6.87%	7.80%
<i>Growth Benchmark</i>	2.52%	2.52%	15.40%	11.43%	6.59%	7.58%
HJCF Aggressive Growth Composite**	2.82%	2.82%	14.81%	13.10%	8.67%	9.28%
<i>Aggressive Growth Benchmark</i>	3.28%	3.28%	18.60%	14.03%	8.74%	9.32%
HJCF Conservative Balanced Composite**	0.98%	0.98%	7.40%	6.39%	3.83%	4.00%
<i>Conservative Balanced Benchmark</i>	1.04%	1.04%	8.34%	6.91%	3.96%	4.05%
HJCF Cash Management Composite**	0.25%	0.25%	4.09%	4.69%	3.15%	2.51%
<i>Cash Management Benchmark</i>	0.32%	0.32%	4.33%	5.02%	3.37%	2.75%

KEY OBSERVATIONS (UPDATED QUARTERLY)

Overview

- Non-U.S. equities closed out the year on a high note, outpacing domestic markets in Q4 and beating U.S. equities by the widest margin for the calendar year since 2009. A weaker U.S. dollar, more attractive valuations compared to the U.S. and a favorable corporate backdrop all helped propel non-U.S. markets ahead. The rise of AI has been considerable in recent years, and AI is poised to be an influential factor in markets in 2026. Earnings growth expectations for mid- and small-cap companies are relatively higher compared to other areas of the market, creating opportunity outside of the “Magnificent 7.” Thoughtful diversification and owning “too little” AI may be preferred over risking a severe drawdown from overexposure should AI falter. 2025 was a year of adaptation and forward momentum. From rapid advances in technology and widespread AI adoption to shifting markets and evolving Federal Reserve policy, we believe the year underscored a familiar lesson: durable outcomes come from preparation, not prediction.

Fixed Income

- Interest rates were volatile during the quarter as the Federal Reserve cut interest rates twice even as inflation remained sticky. Core bonds delivered a positive return during the period.
- The corporate bond market, particularly high yield, produced a positive return in the quarter and strong gains for the year. All-in yields remain attractive and corporate fundamentals remain supportive of the asset class.
- Favorable economic data pushed longer-dated yields higher in the quarter. Long duration bonds were flat.

Equities & Real Assets

- Favorable earnings, a Fed rate cut, and positive economic data helped support equity markets during the quarter. Large cap modestly edged out small cap as the outlook for further rate cuts in 2026 diminished.
- Non-U.S. markets outpaced domestic and developed edged out emerging. Europe experienced favorable returns as the outlook for economic growth improved and corporate earnings were favorable.
- Emerging markets rounded out a banner year with a strong quarter. AI-related strength in select semiconductor companies was among top contributors.
- Equity REITs struggled during the quarter despite strength in the broader equity market. The interest rate sensitive asset class was negatively impacted from rising long-term rates.
- Commodities were positive overall but experienced mixed underlying returns as precious metals closed out a strong year while energy-related commodities declined.

KEY OVER/UNDER WEIGHTS

- Within the equity segment of the portfolio there is a slight overweight to international equity compared to its target.

PORTFOLIO CHANGES (4Q REVIEW)

- Natural cash flows have kept the portfolios on target. 2025 Capital Market Assumptions were implemented in Q1 2025.

*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