

Dear New Participant,

Welcome! Congratulations on becoming eligible to enroll in the JRB 403(b) Retirement Plan. The Plan provides you with the opportunity to save for a financially secure retirement.

We're pleased to send you this Enrollment Packet which includes the *JRB Participant Guide*. The Guide describes the benefits the JRB Plan offers you, including the many tax advantages, as well as the investments that are available under the Plan. Also enclosed is a description of the JRB Insurance Program, which is included as an additional benefit to you at no extra cost.

At the JRB, we are committed to providing financial guidance and education that can help you make sound and appropriate financial decisions. You'll find informative articles on saving and investing for retirement in The Learning Center on our website, **www.jrbcj.org**.

To Get Started

To open your JRB account, please complete the following form included in this packet:

- JRB Enrollment Form

Please send your completed Enrollment Forms to us at:

Joint Retirement Board
One Penn Plaza, Suite 1515
New York, NY 10119

You also can fax it to us at 212-947-1676. (Please do NOT scan and email the forms.) Upon request, we can send you over an encrypted secured email to safely respond to – request this at support@jrbcj.org.

We'll be in touch once we've received your enrollment form. If you have any questions, be sure to call us toll free at 888-JRB-FREE (572-3733).

We look forward to your participating in the JRB Plan and partnering together to help you achieve financial security in retirement.

Sincerely,

The Joint Retirement Board for Conservative Judaism

Elina D. Babadzhanova AIF®, Chief Executive Officer

Rabbi Michael B. Greenbaum (JTSA), Chair Rabbi Tracee Rosen (RA), 1st Vice-Chair Mr. Robert Greenwald (USCJ) 2nd Vice-Chair
Stanley M. Hochhauser, CPA (USCJ), Secretary Rabbi Melinda Zalma (JTSA), Treasurer
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Rabbi Jay Kornsgold (RA), Ms. Clare Peeters (JTS) Rabbi Paul F. Resnick (RA) Mr. Andy Schaer (USCJ) Mitchell J. Smilowitz, CPA., CEO Emeritus (JRB)

JRB Enrollment Form

Please complete this application by adding any missing information, completing the Beneficiary Designations, choosing your initial Account Options, and signing and dating the application.

Return this form in the envelope provided or to : **Joint Retirement Board, One Penn Plaza, Suite 1515, New York, NY 10119.**

I. Participant Information

Name: _____				
Title	First Name	M. I.	Last Name	
Address: _____				
City: _____		State: _____	Zip: _____	S.S. #: _____
Telephone: _____		Cell Phone: _____		Date of Birth: _____
Affiliation: <input type="checkbox"/> CA <input type="checkbox"/> JEA <input type="checkbox"/> NAASE <input type="checkbox"/> RA <input type="checkbox"/> None				Spouse's Name: _____
e-mail: _____				Spouse's Birth Date: _____
Mother's Maiden Name: _____			JTS/Ziegler Graduation Date: _____	

II. Employment Information

Job Title: _____	Work Phone: _____
Employer Name: _____	Work Fax: _____
Address: _____	Hire Date: _____
City, State, Zip: _____	

III. Beneficiary Designations

Please print the names of your beneficiaries and provide their relationship to you, their dates of birth and phone numbers. Make sure you indicate percentages for each beneficiary and that beneficiary types each total 100%.

Your primary beneficiary(ies) will receive your plan assets upon your death. Your contingent beneficiary(ies) will receive your plan assets if your primary beneficiary predeceases you, passes away at the same time as you or disclaims the inheritance.

Spousal Consent: _____ (Required for married accountholders when spouse is not the Primary Beneficiary)
 Signature of Spouse

Primary Beneficiary(ies) ☐ equal shares, *per stirpes*

Name	Relationship	Date of Birth	Phone Number	%
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Contingent Beneficiary(ies) ☐ equal shares, *per stirpes*

Name	Relationship	Date of Birth	Phone Number	%
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Please complete and sign the other side

IV. Account Options

Please designate the choices in which your money should be deposited. You can change this new money allocation at any time. You can also transfer balances within your Joint Retirement Board account freely without expense.

Please select one option below.

Option 1 Please select One of the Target Date Maturity Funds

- | | |
|--|--|
| <input type="checkbox"/> Fidelity Freedom Income Commingled Pool D | <input type="checkbox"/> Fidelity Freedom 2040 Commingled Pool D |
| <input type="checkbox"/> Fidelity Freedom 2010 Commingled Pool D | <input type="checkbox"/> Fidelity Freedom 2045 Commingled Pool D |
| <input type="checkbox"/> Fidelity Freedom 2015 Commingled Pool D | <input type="checkbox"/> Fidelity Freedom 2050 Commingled Pool D |
| <input type="checkbox"/> Fidelity Freedom 2020 Commingled Pool D | <input type="checkbox"/> Fidelity Freedom 2055 Commingled Pool D |
| <input type="checkbox"/> Fidelity Freedom 2025 Commingled Pool D | <input type="checkbox"/> Fidelity Freedom 2060 Commingled Pool D |
| <input type="checkbox"/> Fidelity Freedom 2030 Commingled Pool D | <input type="checkbox"/> Fidelity Freedom 2065 Commingled Pool D |
| <input type="checkbox"/> Fidelity Freedom 2035 Commingled Pool D | |

OR

Option 2 Please deposit my new money according to the following percentages. Percentages must total 100% and be in whole numbers.

Managed Funds	<u>Stable Value</u>		<u>Large-Cap Blend - Equity Funds</u>	
	Stable Value Interest Fund	_____ %	T. Rowe Price Structured Research Tr-C	_____ %
	<u>Bond Funds</u>		<u>Large-Cap Growth - Equity Funds</u>	
	Vanguard Inflation-Protected Secs I	_____ %	Fidelity Contrafund K6	_____ %
	Goldman Sachs US Mortgages R6	_____ %	<u>Mid-Cap Value - Equity Fund</u>	
	Fidelity Adv Strategic Income Z	_____ %	T. Rowe Price Mid-Cap Value I	_____ %
	<u>Hybrid (Stocks and Bonds)</u>		<u>Mid-Cap Blend - Equity Fund</u>	
	Fidelity Puritan K6	_____ %	Fidelity Low-Priced Stock Commingled PI A	_____ %
	<u>Large-Cap Value - Equity Fund</u>		<u>Small-Cap Blend - Equity Fund</u>	
	JP Morgan Equity Income R6	_____ %	Loomis Sayles Small Cap Value N	_____ %
	<u>Social Awareness Fund (Large-Cap Blend)</u>		<u>International - Equity Fund</u>	
	Parnassus Core Equity Fund Inst	_____ %	American Funds EUPAC R6	_____ %
Index Array	<u>Bond Fund Index</u>		<u>Mid and Small Cap Equity Index</u>	
	Vanguard Total Bond Market Index I	_____ %	Fidelity Extended Market Index	_____ %
	<u>Large-Cap Equity Index</u>		<u>International Index</u>	
	Fidelity 500 Index	_____ %	Vanguard Total Int'l Stock Index I	_____ %

V. Authorization

I understand that the balance in my JRB account currently will be subject to an annual administrative fee of 0.28%.

The balance in your account is for your exclusive benefit and is shielded from creditors. Pursuant to the plan, if you do not receive the benefit to which you believe you are entitled, you may file a claim with the JRB. If your claim is denied you have a right to appeal. If your appeal is denied, you may continue to pursue your claim through arbitration. Arbitration is the exclusive means for contesting the JRB's decision on review. No legal action may be brought in any court, and the arbitrator's decision is final and binding on all parties. The arbitrator's decision may be enforced in any court of competent jurisdiction. Further, by participating in the plan, you agree to waive your right to commence, be a party to, recover from, and/or be an actual or putative member or representative of any class, collective, or representative action arising out of or relating to any claim, dispute, or controversy arising out of or relating to the plan. By signing below, you acknowledge that you understand and agree to the claims review process described above including that you agree not to pursue any legal action in court in regard to your claim and not to be part of any class, collective, or representative action against the JRB.

Applicant's Signature _____

Date _____

Fidelity Freedom® Funds help take the guesswork out of investing

Not sure how to invest for retirement? Fidelity Freedom® Funds can help make it simple. They address key investing principles for you—so you don't need to be an expert to invest for your future. Choose a Freedom Fund and get the potential benefits of:

Simplicity

Simply choose the Freedom Fund with the name that most closely matches the year in which you expect to retire—for example, the Fidelity Freedom® 2040 Fund if you plan to retire in or around 2040.

Diversification

Each fund invests in a different proportion of stocks, bonds, and short-term investments across multiple asset classes and investment styles.

Ongoing management






A team of Fidelity professionals makes ongoing decisions and adjustments to each fund's mix of investments, so you don't have to wonder when to reallocate or rebalance.

A lifetime investment strategy

Because Freedom Funds become increasingly conservative as they approach their target date and beyond, you can stay with the same fund throughout your working career and long into retirement.

Choosing your Freedom Fund

To determine the Freedom Fund that may be right for you, simply find the year in which you expect to retire in the table below. We've shown five hypothetical examples to illustrate the fund choices some investors might make.

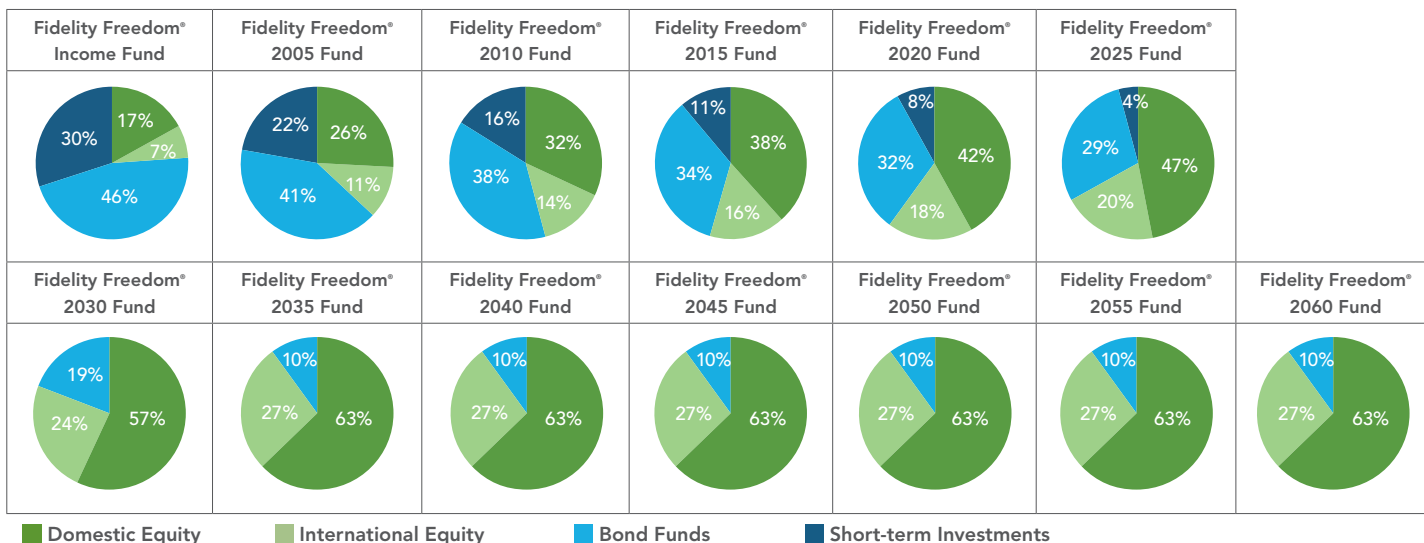
IN RETIREMENT			CLOSER TO RETIREMENT					FURTHER FROM RETIREMENT				
<div>ROGER, RETIRED IN 2004</div> 			<div>CYNTHIA, EXPECTS TO RETIRE IN 2020</div> 		<div>LARRY, EXPECTS TO RETIRE IN 2030</div> 		<div>ALYSON, EXPECTS TO RETIRE IN 2045</div> 		<div>STEVE, EXPECTS TO RETIRE IN 2055</div> 			
YEAR OF RETIREMENT												
Before 2003	2003– 2007	2008– 2012	2013– 2017	2018– 2022	2023– 2027	2028– 2032	2033– 2037	2038– 2042	2043– 2047	2048– 2052	2053– 2057	2058– 2062
FREEDOM FUND												
Income Fund	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050	2055	2060

Understanding how the Freedom Funds work

Each Freedom Fund allocates its mix of investments—stocks, bonds, and short-term investments—based on how far it is from its target retirement date. Generally, the longer the time horizon to retirement, the greater the allocation to equities (stocks). Funds with a target date further on the horizon—such as the Freedom 2040 Fund—are focused on growth and invest in higher amounts of equity mutual funds because of the potential for higher investment returns.

Conversely, funds with a shorter time frame to retirement are more conservative, helping to increase stability as an investor approaches and moves into retirement. For example, the Freedom 2020 Fund invests in higher amounts of short-term and bond funds than the Freedom 2040 Fund.

How each Freedom Fund allocates its mix of investments



The percentages represent anticipated target asset allocation at 1/1/16. Target asset allocations may appear equal due to rounding. Allocation percentages may not add up to 100% due to rounding and/or cash balances. The adviser may use an active asset allocation strategy to increase or decrease neutral asset class exposures by up to 10 percentage points for equity funds (includes domestic and international equity funds), bond funds, and short-term funds to reflect the adviser's market outlook, which is primarily focused on the intermediate term. The asset allocations are referred to as "neutral" because they do not reflect any decisions made by the adviser to overweight or underweight an asset class.

The adviser may also make active asset allocations within other asset classes (including commodities, high-yield debt, floating-rate debt, real-estate debt, inflation-protected debt, and emerging-markets debt) from 0% to 10% individually but no more than 25% in aggregate within those other asset classes. Such asset classes are not reflected in the neutral allocations. This strategy may not be successful in adding value, may increase losses to the fund and/or cause the fund to have a risk profile different than that portrayed above from time to time.

Get started today

Freedom Funds can help make it easy for you to get and stay on track to reach your future financial goals. For more details, or to begin investing, log on to NetBenefits® or call your plan's toll-free number and speak with a representative.

Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money. Diversification and asset allocation do not ensure a profit or guarantee against loss.

Fidelity Freedom Funds are designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65 and plan to gradually withdraw the value of their account in the fund over time. Except for the Fidelity Freedom Income Fund, the funds' asset allocation strategy becomes increasingly conservative as the funds approach the target date and beyond. Ultimately, the funds are expected to merge with the Fidelity Freedom Income Fund. The investment risk of each Fidelity Freedom Fund changes over time as the fund's asset allocation changes. These risks are subject to the asset allocation decisions of the investment adviser. Pursuant to the adviser's ability to use an active asset allocation strategy for the Freedom Funds, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked, and foreign securities. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the target dates.

JRB Complimentary Insurance Program

The Joint Retirement Board for Conservative Judaism offers **complimentary disability insurance, pension continuation insurance** (in the event of a disability) and **life insurance** to all eligible plan participants. These benefits are designed to supplement – not replace – the other insurance coverage you already have. The Mutual of Omaha Insurance Company underwrites these policies on behalf of the JRB and there is **NO CHARGE** to you to be covered by these benefits so long as you remain eligible.

Eligibility

You are automatically enrolled in the JRB Complimentary Insurance Program once you contribute at least \$1,200 in a calendar year (coverage begins the following year on January 1st). You must continue to contribute at least \$1,200 each year to remain in the program. Contributions from your employer as well as your voluntary salary contributions count towards the \$1,200. Participants lose coverage if they do not contribute the requisite amount each year, if they are no longer eligible to participate in the JRB, or if they close their JRB account. Non-U.S. citizens living outside the U.S. are not eligible.

Life Insurance

The JRB Complimentary Insurance Program includes life insurance protection. The policy pays a death benefit of up to \$30,000 to the designated beneficiary of your JRB retirement account. The death benefit is reduced to: \$19,500 at age 65; \$15,000 at age 70; and \$3,000 at age 75. Your beneficiary receives an additional payment in the event of accidental death or dismemberment.

Disability Insurance

JRB disability insurance protects you if you become disabled and are unable to work for an extended period of time. (Please refer to the policy for the definition of a disability.) JRB disability insurance provides a benefit equal to 60% of your monthly salary up to a maximum monthly benefit of \$1,000 (\$12,000 annually). Payments begin after 180 days of disability. For participants who incur a disability at age 61 or younger, benefits are paid until you reach full retirement age for Social Security benefits. For participants who become disabled at age 62 or older, the benefit period varies depending on when the disability occurs.

Pension Continuation Insurance

If you incur a disability, not only do you lose income, you cannot contribute to a retirement account, jeopardizing your financial future. The JRB's Complimentary Insurance Program covers this situation. Once you qualify for JRB disability insurance, you qualify for Pension Continuation Insurance coverage. The Pension Continuation Insurance continues making contributions to your JRB retirement account equal to the lesser of 15% of your monthly salary or \$1,250 per month (\$15,000 annually). The benefit period is the same as the disability insurance coverage.

The JRB proudly offers this Complimentary Insurance Program to our plan participants. While these coverages do not replace your existing insurance policies, the JRB's disability, pension continuation and life insurance coverage add valuable protection for you and your family should the unexpected – and unthinkable – happen. To find out more about the Program, please call the JRB Office at (888) JRB-FREE (572-3733) or email us.



Strength and Dignity

The **Joint Retirement Board**
for Conservative Judaism

JRB PARTICIPANT GUIDE

*Guiding the Way to a
Financially Secure Retirement*

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The Joint Retirement Board administers a 403(b) retirement savings plan for the clergy, professional, and administrative staff of congregations and affiliated organizations of Conservative Judaism.

Our mission is to ensure that the Plan helps you prepare for a financially secure retirement. We are committed to providing you with sound investment choices, education, and timely information that can help you make smart financial decisions and maximize your retirement savings.

Founded in 1945, the JRB is a not-for-profit, 501(c)(3) organization that administers a 403(b) Plan for the benefit of its members, who have dedicated their professional lives to the Conservative Movement.

As a Plan participant, you receive a number of key benefits, such as pre-tax contributions and tax-deferred account earnings. We also offer the option to contribute on a Roth basis. In addition, since the JRB 403(b) has been designated a “church” plan, members of the clergy are eligible for a tax free parsonage allowance in retirement, an additional benefit that can increase the value of your retirement savings account.

The JRB is dedicated to ensuring the quality of the investments made available to you under the Plan and offers a range of

investment choices to fit your financial situation and comfort level with risk. We provide monthly reports showing how the JRB investments have performed and you can review your own account online at any time.

It is important to remember that your plan account is self-directed, which means that it's your responsibility to make investment decisions, either on your own or in consultation with a financial professional. The JRB provides investment guidance and education and is always available to answer questions and help you understand your investment options.

This Guide is intended to provide an overview of the Plan and its key benefits. You'll find highlights of the Plan benefits, descriptions of the investment choices we offer, and guidance on selecting investments that are suited to your financial situation. If you would like to receive a copy of the complete JRB Plan Document, please contact us directly.

Our Board of Trustees, Chief Executive Officer, and staff are dedicated to ensuring that the Plan works in your best interest, and always look forward to hearing from you.

We welcome you as a Plan member and are here to help guide the way to a financially secure retirement.

SERVICES WE PROVIDE

- Select and monitor Plan investments
- Educate participants about investing and planning for retirement
- Conduct one-on-one sessions to review financial and retirement strategies
- Deliver educational presentations at denominational conferences
- Provide personal responses to participant inquiries

HOW TO CONTACT US

You can reach us toll free at 888-JRB-FREE (888-572-3733), or at staff@jrbcj.org. Be sure to check our website, www.jrbcj.org, for important Plan information and updates.

As a participant in the Plan, you are entitled to a range of benefits designed to help you save for a secure retirement. The key benefits are:

1. Pre-Tax Contributions (except for Roth)

Contributions can be made to the Plan on a pre-tax basis, which lowers your taxable income. You can learn more on our website, www.jrbcj.org, by clicking on Contributions.

2. Tax-Deferred Earnings Accumulation

Your account has the added potential to grow faster than savings made outside the Plan because your earnings are not subject to current income tax.

3. Quality Investment Choices

JRB carefully selects and monitors each of the Plan's investment offerings to ensure that they meet the investment objectives of participants. These offerings include mutual funds, collective investment trusts (CITs), a stable value account, and State of Israel Bonds. You can learn more about your choices in the Plan Investments section of this Guide, and also on the JRB website, www.jrbcj.org, by clicking on Investments.

4. Changing Investments Is Simple

You may change the mix of account holdings at virtually any time at no charge. This is important because you may periodically adjust your investment mix to reflect changes in your personal financial situation. However, it's important to remember that you are investing for the long term and that making too many changes can be costly and make it more difficult to achieve your goals.

5. Low Plan Fees

As a not-for-profit organization JRB imposes a nominal annual fee of 28 basis points (less than 1/3 of 1%) to cover the cost of administering the Plan. This is substantially lower than the fees charged by the retail investment market.

6. Clergy Housing Allowance in Retirement

Withdrawals made by retired clergy are tax-free when used towards a housing allowance.

7. 24/7 Account Access

You have immediate access to your JRB account at all times through the website, www.jrbcj.org. You also can call us at our toll-free number 888-JRB-FREE (888-572-3733) during business hours.

8. Insurance Protection

Participants contributing at least \$1,200 to their Plan account in a calendar year are automatically enrolled in a disability insurance program, a pension continuation insurance program and a life insurance program at no cost to the participant.

9. Account Protection

The assets in your account belong to you, are for the exclusive benefit of you or your designated beneficiaries, and are shielded from creditors. In addition, your account information is strictly confidential and only you can access it. JRB will not discuss your account with anyone else unless we have your written permission to do so.

10. Flexible Distribution Options

The Plan offers a number of ways to take withdrawals from your account at retirement. Generally, you can start withdrawing from your account when you are 59½. You can take distributions monthly, quarterly, or annually, or on a schedule that meets your individual financial needs. Income tax is due on the withdrawal amounts (excluding parsonage) from any tax-deferred savings. Savings on Roth basis will be tax-free in retirement (subject to 5-year rule).

11. Portability

If you move from one eligible employer to another, you can take your JRB account with you. If you stop making deposits to your account—for example, because of a career change—you can still keep your account with us.

12. Borrowing from Your Account

You can take a loan from your account for personal financial reasons. To learn more about loans, please visit the JRB website, www.jrbcj.org, and click on Distributions, then Loans, or call our staff at

888-JRB-FREE (888-572-3733).

As a member of the JRB Plan, you have a choice of carefully selected, high-quality investment options that can help to provide you with a financially secure retirement. These investments include actively managed stock and bond mutual funds and collective investment trusts (CITs), index (passively managed) funds, a stable value fund, State of Israel Bonds, and target date funds.

This variety of investments, all provided by prominent companies, including Fidelity, Vanguard, and T. Rowe Price, makes it easy to diversify your portfolio since you can choose from different asset classes and fund families. It also means that you can choose investments to meet your style of investing and comfort level with investment risk.

SELECTING HIGH QUALITY INVESTMENTS

While your investment choices remain relatively constant, JRB continually monitors these investments to ensure that they are delivering the best options to Plan participants. From time to time, we may remove a mutual fund or add a new one. When this happens, we send you a notification of the change and provide ample time to reallocate your funds across available investment offerings.

You can find a list of current investments on our website, www.jrbcj.org, by clicking on **Investments**.

CHANGING YOUR INVESTMENTS

The choices you make on your JRB Enrollment Form are not fixed, and you can change them at any time. You may want to shift money from one fund to another, or specify that new contributions be applied to one or more specific funds. You can make this change by completing a Fund Transfer Form or a Change of Contribution Form, which you can download from our website, www.jrbcj.org, by clicking on Forms. You can also complete these transactions online by accessing your account.

LOW COST INVESTMENTS

High investment costs can significantly reduce your investment return. The funds offered under your JRB Plan are low cost: when you purchase them through the Plan, you do not pay any commission, or load, even if these same funds carry a load in the retail markets. The less you pay in fees, the more that goes to the bottom line of your return. You can learn more about the costs of investing and investment return on our website, www.jrbcj.org, by clicking on The Learning Center.

The JRB has carefully selected a range of high-quality investments from which you can choose to best meet your individual investing preferences, your financial situation, and your time horizon.

TARGET DATE FUNDS

Target date funds are designed to build and then preserve investment assets by gradually reallocating fund holdings to change the focus from an emphasis on growth to an emphasis on providing income. As an investor in a target date fund, you don't have to worry about reallocating the assets as you near retirement: The fund does that for you.

The investment companies that sponsor target date funds offer several funds with different end points or target dates, such as 2020, 2030, and 2040. Investors typically choose the fund whose target date is the closest to the date they plan to retire.

A target date fund automatically reallocates your portfolio as you approach retirement and provides the diversification you would otherwise get by investing in several different types of funds. As a result, you may not want to invest in other funds once you've selected the appropriate target date fund.

STOCK FUNDS

As their name suggests, stock funds invest in the stocks of different companies, depending on the fund's objective. For example, the fund may concentrate on long-term growth (companies that are expected to grow more than their peers), value (usually companies whose shares are selling at a price less than they seem to be worth), or income (companies that normally pay dividends).

Funds may focus on companies of a particular size, based on market capitalization, or market cap, which is figured by multiplying a company's price per share by the number of outstanding shares. For example, large-cap funds concentrate on the stocks of well-established companies that have a market cap of greater than \$5 billion, while mid-cap stocks have market caps valued at between \$1.5 billion and \$5 billion. Small-cap funds invest primarily in stocks with market caps of less than \$1.5 billion. These amounts can change as stock prices fluctuate.

A large-cap value fund selects large-cap stocks that are undervalued and have the potential to rebound. A mid-cap growth fund invests primarily in mid-cap stocks with substantial potential for growth. A small-cap blend balances investments in small-cap value and small-cap growth companies.

Other funds concentrate on companies that are based overseas, or companies that emphasize certain social, economic, or environmental principles.

Some stock funds pose greater risk to principal than others. So it's important to consult each fund's prospectus to understand the fund's objectives, review its risk profile, and check its performance over the last few years, even though earlier performance is no guarantee of how well it will do in the future.

BOND FUNDS

A bond fund purchases bonds from a number of different companies or government agencies. In general, the objective of bond funds is to provide income to their shareholders. The bonds in the fund’s portfolio may be short or long term, corporate or government, or some combination of these. The ratings of the bonds the fund holds may also vary.

Like equity funds, bond funds vary in the types of bonds they purchase for their portfolio. For example, a short term bond fund invests primarily in securities that mature within short periods of time. Inflation-adjusted bond funds invest in inflation-linked bonds designed to help investors keep pace with increases in consumer prices. Other bond funds may concentrate on high-quality bonds or on bonds that generate higher levels of income.

While bond funds in general are less volatile than stock funds, different bond funds pose different degrees of risk. You should check the prospectus of a bond fund you are considering to determine the level and type of risk exposure the fund may have.

INDEX FUNDS

An index fund owns the stocks, bonds, or other securities that make up a particular index. Some indexes track broad markets, such as the S&P 500 or the Russell 2000, while others concentrate on specific market sectors or groups of securities, such as intermediate bonds, large-cap equities, or certain non-U.S. companies.

Index funds are sometimes called passive since they replicate the index they track and are not actively managed, as many mutual funds are. Before investing in an index fund, you should know what index the fund is tracking and how closely it tracks that index. You can find that information in the fund’s prospectus.

BALANCED FUND (HYBRID FUND)

A balanced fund invests in both stocks and bonds. The type and proportion of stocks and bonds varies, depending on the fund’s objective. In general, balanced funds seek a blend of income and growth.

SOCIALLY RESPONSIBLE FUND

A socially responsible fund typically invests in companies that meet its criteria for corporate governance, employee benefits, stakeholder relations, products, environmental impact, or customer and supply chain relationships. These types of funds may avoid investing in companies that derive significant revenue from alcohol, tobacco, weapons, nuclear power, or gambling.

STABLE VALUE FUND

A stable value fund seeks to preserve principal while generating interest income. This type of fund is generally available only to employer-sponsored retirement plans, like the JRB Plan. While a stable value fund protects against a loss of principal, it also limits your potential for a significant return on your investment.

STATE OF ISRAEL BONDS

As a Plan participant, you can purchase State of Israel Bonds through your JRB account. Bonds are offered twice a year, in the spring and fall.

When you purchase State of Israel Bonds through your JRB account, you will generally earn a higher rate of interest than you would if you bought these bonds on your own. When purchased through the JRB, you are not buying an individual bond but a portion of a larger bond which pays a higher interest rate.

Purchasing State of Israel Bonds through the JRB is a convenient way to honor a fund drive pledge.

To find out more about these bonds, please call us at 888-JRB-FREE (888-572-3733) or contact us at staff@jrbcj.org.

The prospectus is an essential source of information about any fund you are considering as an investment. It describes the fund’s objective, its investment style, the level of risk it poses, current holdings, and expense ratio.

The prospectus also shows the fund’s performance over different periods, such as one, three, five, and ten years, and how that performance compares to the performance of its appropriate benchmark.

Remember, however, that a fund’s past performance does not guarantee how it will perform in the future.

You can view a prospectus of any of these funds on the JRB website, www.jrbcj.org.

UNDERSTANDING INVESTMENT RISK

All investments carry some level of risk. The risk may be that you don't get the return that you anticipated, that you get no return at all, or that you lose your principal.

Risk has a positive side as well—the potential to provide higher investment returns that increase your account value and, eventually, your retirement income.

There is a tradeoff between risk and return: The greater the risk an investment poses, the greater the potential for a higher return, but also for potentially larger losses.

Keep in mind that investing in mutual funds tends to be less risky than holding individual stocks and bonds because mutual funds spread the risk by investing in pools of these securities. However, investing in mutual funds does not guarantee a positive return or protect against losses in a falling market.

You can learn more about investment risk at our website, www.jrbcj.org, by clicking on **The Learning Center**.

YOUR COMFORT WITH INVESTMENT RISK

While investing aggressively poses certain risks, so does investing too conservatively. If your investment returns do not keep ahead of inflation, you face the very real risk of running out of money in retirement or not living as comfortably as you had planned.

The illustration on the opposite page shows the relative inflation risk and investment risk posed by funds that hold different types of investments. In selecting specific funds for your JRB account, it's important to consider these type of risks in balancing your portfolio and investing for the long term.

INFLATION RISK vs. INVESTMENT RISK



Two types of risks that investors face are inflation risk and investment risk. The more conservatively you invest, typically in fixed income products, the greater the risk that your return will not keep pace with inflation. The more aggressively you invest, particularly in certain types of equities, the greater the risk of losing some or even all of your principal.

INVESTORS ARE CATEGORIZED BY THE LEVEL OF RISK THEY ARE WILLING TO TAKE:

Conservative investors want to preserve their principal and are willing to accept lower returns in exchange for lower investment risk. Typically, conservative investors select low-risk investments, such as short-term bond funds, high-grade bond funds, and stable value funds.

Moderately conservative investors want to preserve their principal but are willing to take some risk for the potential of a higher return. They might focus on large-cap value and growth funds, index funds, hybrid funds, and bond funds that invest in high-quality bonds or government-backed securities.

Moderately aggressive investors are willing to take reasonable risk in the anticipation of achieving higher returns. Their portfolio may favor stock funds, including small-and medium-cap growth and value funds, an international fund, and perhaps in bond funds that invest in high-yield (lower quality) bonds with the potential for higher returns.

Aggressive investors actively seek potentially high returns, despite the high degree of risk posed by the investments they choose. They are likely to invest a significant portion of their portfolio in equities, particularly in small-cap growth funds, and they may seek the potentially higher returns of high-yield bond funds.

CHOOSING AN ASSET ALLOCATION FOR YOUR JRB ACCOUNT

While you can choose any of the investments available through the JRB Plan for your account, you'll probably want to consider a number of factors, including your current financial situation, the time until you anticipate retiring, and your comfort level with risk. For example, the more comfortable you are with risk, the more you might emphasize equities in your account portfolio. If you are

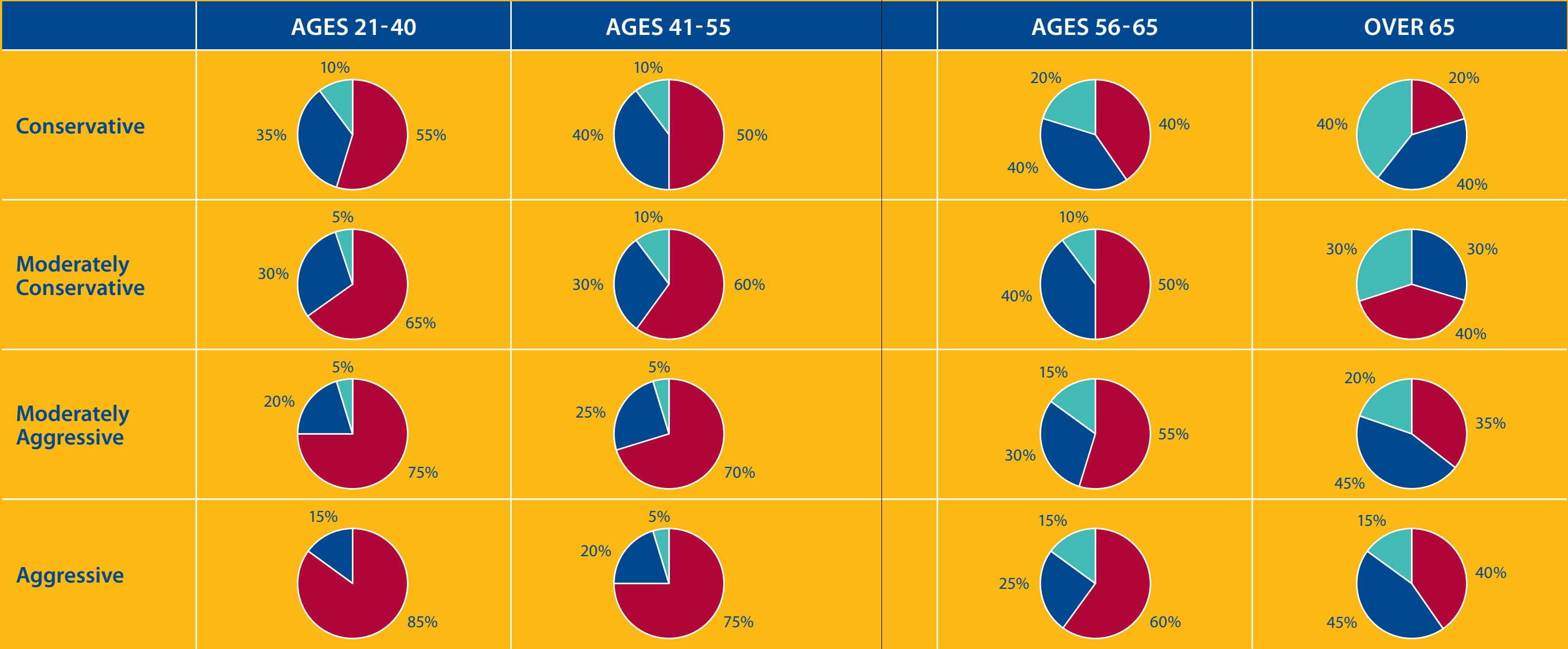
more conservative, you are likely to be more comfortable with a stable value fund, bond funds, or a balanced fund of stocks and bonds. The further you are from using your JRB account assets for retirement income, the more you may be able to tolerate stock market volatility in the expectation of possibly higher returns. If there are dips or even significant downturns in the market, you can anticipate

that your portfolio will have ample time to regain its value. Conversely, the closer you are to drawing on your account assets for retirement income, the more conservative you might be with your asset allocation. That way, if there is a market downturn, your account value will be less impacted than if it contained more volatile securities. If you plan to actively monitor and manage your JRB account, either alone or in consultation with a financial professional,

you can plan to reallocate your portfolio toward a more conservative mix as your life situation changes. For a less hands-on approach, you might consider a target date fund that will reallocate its holdings to be appropriate for your anticipated retirement date. History has shown that the allocation of your assets is the largest single determinant of investment success and is far more important to the end result than the specific funds you choose for each asset category.

MODEL ASSET ALLOCATION PORTFOLIOS

The chart below shows sample portfolios with different asset allocations that vary by type of investor and the investor's age. These sample allocations are not meant to be specific recommendations or investment advice. Rather, they are intended to give you a point of reference when determining an allocation that is right for your situation.



COMPARING PERFORMANCE OF DIFFERENT ASSET CLASSES

Each asset class carries a certain level of risk. For example, equities tend to have a higher level risk than bonds because their prices are more volatile.

The higher the risk level for a particular asset class, the greater the potential for a higher return, but also the potential for loss. Historically, though, stocks as an asset class have outperformed bonds, and bonds as a group have outperformed cash equivalent investments, such as Treasury Bills and Certificates of Deposit.

To learn more about the performance of different asset classes, visit our website, www.jrbcj.org, and click on The Learning Center.

Also check the monthly Fund Performance Report, which shows how investments in the JRB Plan have performed on an annualized basis over the past 12 months, as well as the preceding 3, 5, and 10 years.

PORTFOLIO DIVERSIFICATION

Another way to mitigate investment risk is by diversifying your portfolio. To diversify, you select different types of investments within an asset class. So, for example, instead of investing only in large-cap stock funds that invest in U.S. companies, you might also invest in small- and medium-cap funds, or funds that

focus on international companies. That way, if one sector of the market drops, you may be able to offset those declines by gains in other sectors. Of course, there's no guarantee, and all sectors may lose value in a general market downturn.

DIVERSIFIED PORTFOLIO

The following chart illustrates a sample diversified portfolio. You should diversify your own portfolio to reflect your age, financial situation, style of investing, and level of investment risk you are comfortable assuming.

