

JFM Investment Performance Quarterly

December 31, 2013



JEWISH FOUNDATION – OF MANITOBA –

Since 1964, the Foundation's mission has been to encourage and facilitate the creation and growth of its 3,600+ endowment funds to enable the community to realize its potential. To meet this objective, the Foundation must maintain effective stewardship over all assets entrusted to it. The primary objective of the Foundation's investment activities is to obtain a total return (yield + capital appreciation) sufficient to provide a dependable source of income for distribution and to preserve in real dollars (i.e., after taking inflation into account) the Foundation's capital and therefore ongoing distributions in perpetuity.

The current Distribution Policy is to distribute 3.5% of the average market value (3-year rolling average) of the endowment funds (calculated quarterly). Averaging is utilized to smooth out the volatility in financial markets. Therefore during years of rising markets, the average market value will be less than the current market value. Conversely, during years of falling markets the average market value will be greater than the current market value. Gifts to endowment funds are invested and pooled in the Foundation's *Long Term Capital Fund* (LTC Fund). Pooling provides opportunity for economies of scale with respect to investment management fees, increased diversification across the portfolio, and mitigation of risk. The Board of Directors is responsible for determining Investment and Distribution Policies. The Investment Committee provides advice to the Board in conjunction with the Foundation's investment advisor, Mercer Global Investments Canada Ltd.

For the year ended December 31, 2013, the annual return of the LTC Fund was 13.83%. Annual returns vary with the financial markets. As the performance charts below indicate, it is important to evaluate annual returns over the long term:

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The Jewish Foundation of Manitoba Investment Performance For the 5 years ended December 31, 2013

Calendar Year Returns

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Return	13.83%	9.11%	-1.55%	9.57%	16.27%
Benchmark	13.96%	7.83%	0.61%	9.78%	15.25%

Annualized Returns

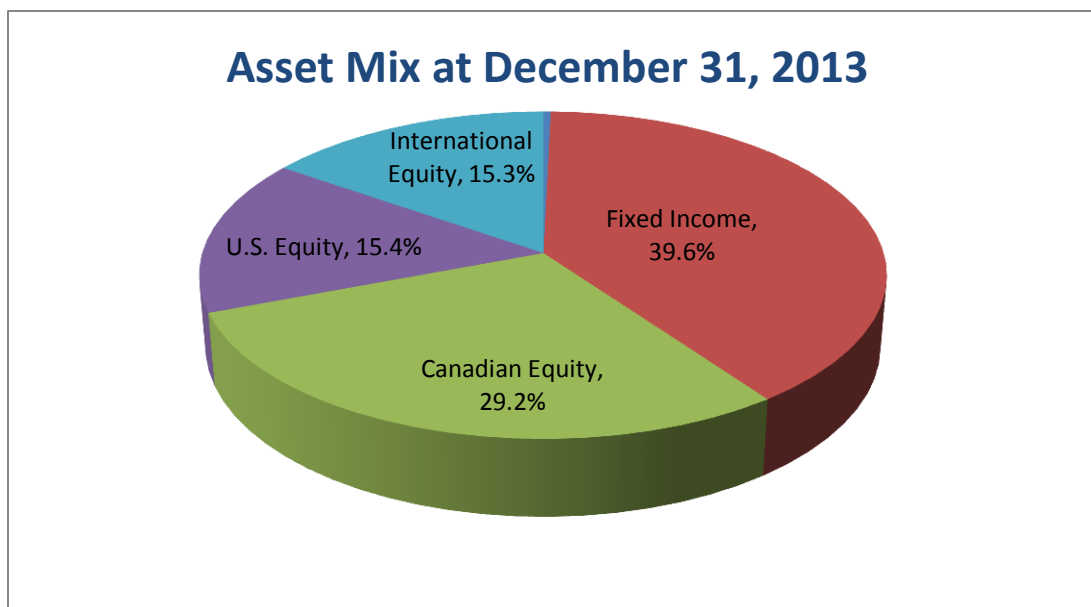
	<u>1 yr</u>	<u>2 yr</u>	<u>3 yr</u>	<u>4 yr</u>	<u>5 yr</u>
Return	13.83%	11.45%	6.94%	7.59%	9.27%
Benchmark	13.96%	10.85%	7.33%	7.93%	9.36%

The Jewish Foundation of Manitoba Asset Allocation As at December 31, 2013

		Actual	Policy
Cash & Cash Equivalents	\$ 330,249	0.4%	0.0%
Fixed Income	33,515,315	39.6%	40.0%
Canadian Equity	24,709,420	29.2%	30.0%
U.S. Equity	13,059,490	15.4%	15.0%
International Equity	12,967,861	15.3%	15.0%
Total Invested Portfolio	<u>\$ 84,582,335</u>	<u>100.0%</u>	<u>100.0%</u>

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THE Jewish Foundation of Manitoba Investment Policy Target Asset Mix

Asset Classes	Benchmark Allocation	Permissible Ranges	Expected Market Return (including income yield)
Cash & Cash Equivalents	0.0%	0% – 10%	2.5%
Fixed Income ¹	40.0%	30% – 50%	5.5%
Canadian Equities ²	30.0%	20% – 40%	8.5%
Global Equities ²	30.0%	20% – 40%	8.5%
Total Portfolio	100.0%		7.2%
	Expected Market Standard Deviation		9.0%

¹ Fixed Income, including cash, should not comprise less than 40% of the portfolio.

² Equities should not comprise more than 60% of the portfolio.

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Jewish Foundation of Manitoba Investment Committee

Howard Morry - Chair
Michael Averbach, CA
Dan Blankstein
James Cohen
Sheldon Earn
Celia (Ceci) Gorlick, QC
Aaron Margolis, CFA
Jeff Norton, CFA
Syd Thompson
Larry Vickar
Michelle Weinberg
Joseph J. Wilder, QC
Anita Wortzman
Val Wowryk, CFA

If you have questions or require further information, please contact:

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