



JEWISH FOUNDATION — OF MANITOBA —

Since 1964, the Foundation's mission has been to encourage and facilitate the creation and growth of its 3600+ 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 4.0% 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 12 months ended December 31, 2017 the annual return of the LTC Fund was 9.90%. Annual returns vary with the financial markets. As the performance charts below indicate, it is important to evaluate annual returns over the longer term:

**The Jewish Foundation of Manitoba
Investment Performance
For the 5 years ended December 31, 2017**

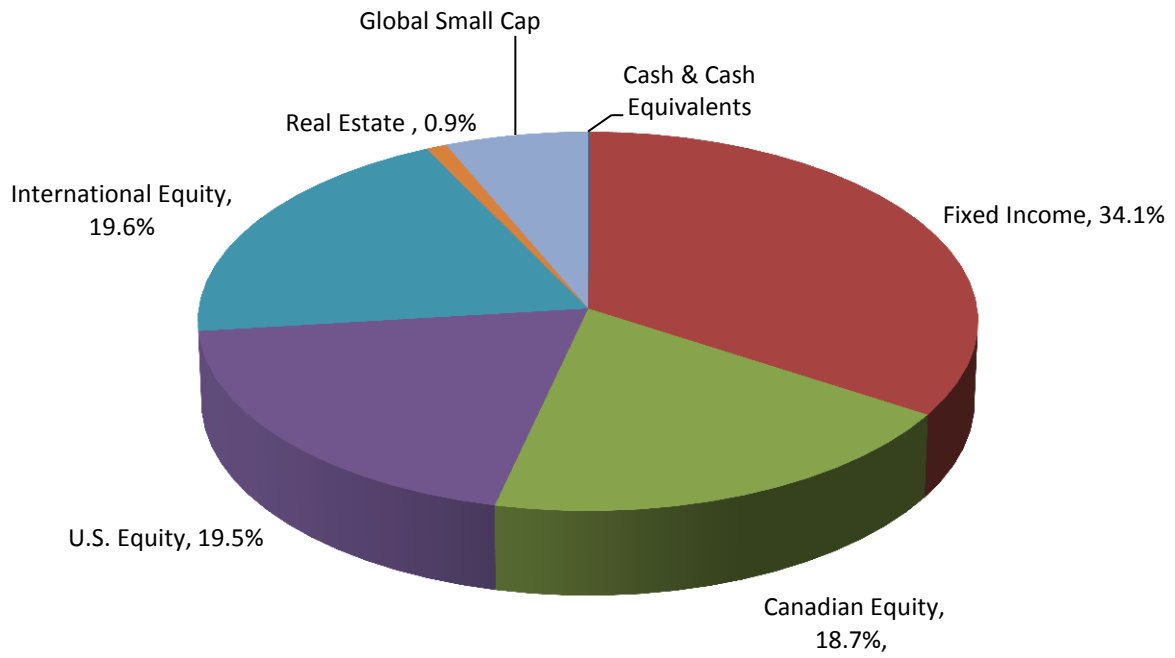
12 Month Returns

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Return	9.90%	6.00%	8.65%	10.45%	13.53%
Benchmark	9.51%	6.17%	8.39%	10.44%	13.10%

Annualized Returns

	<u>1 yr</u>	<u>2 yr</u>	<u>3 yr</u>	<u>4 yr</u>	<u>5 yr</u>
Return	9.90%	7.93%	8.17%	8.74%	9.68%
Benchmark	9.51%	7.83%	8.02%	8.62%	9.50%

Asset Mix at December 31, 2017



**THE Jewish Foundation of Manitoba
Investment Policy Target Asset Mix**

Asset Classes	Benchmark Allocation	Permissible Ranges	Long Term Return Expectations*
Cash & Cash Equivalents	0.0%	0% - 10%	2.1%
Fixed Income	32.0%	28% - 40%	3.3%
Canadian Equities	18.0%	15% - 25%	7.3%
U.S. Equities	20.0%	15% - 25%	7.3%
International Equities	20.0%	15% - 25%	7.3%
Global Small Cap	6.0%	2% - 10%	8.0%
Real Assets**	4.0%	0% - 10%	N/A
Total Portfolio	100.0%		
		Long Term Expected Return	6.5%
		Expected Annual Volatility	10.5%

* Based on Mercer's capital market expectations as at December 31, 2014

** Real Estate and/or Infrastructure

**Jewish Foundation of Manitoba
Investment Committee**

Jeff Norton, CFA (Chair)

Dan Blankstein

Steven Kohn

Richard Leipsic

Val Wowryk, CFA

Leo Berenshteyn, CFA

Bruce Caplan

Uri Kraut

Eric Winograd