



# 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.

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For the 12 months ended March 31, 2014 the annual return of the LTC Fund was 13.65%. Annual returns vary with the financial markets. As the performance charts below indicate, it is important to evaluate annual returns over the long term:

**The Jewish Foundation of Manitoba  
Investment Performance  
For the 5 years ended March 31, 2014**

**12 Month Returns**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Return</b>	13.65%	8.30%	0.27%	11.21%	20.90%
<b>Benchmark</b>	13.90%	8.26%	2.32%	10.63%	20.65%

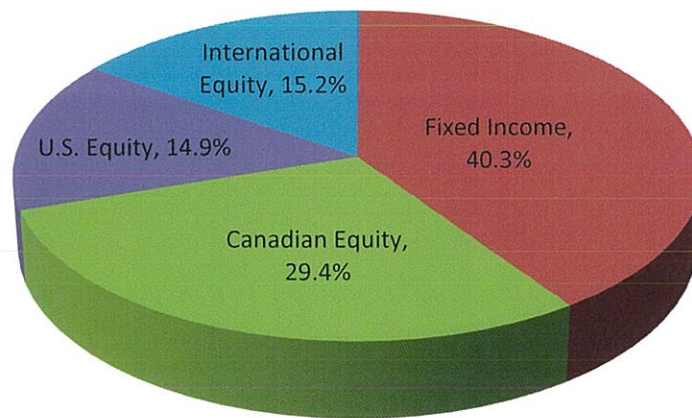
**Annualized Returns**

	<u>1 yr</u>	<u>2 yr</u>	<u>3 yr</u>	<u>4 yr</u>	<u>5 yr</u>
<b>Return</b>	13.65%	10.94%	7.26%	8.24%	10.66%
<b>Benchmark</b>	13.90%	11.05%	8.06%	8.70%	10.99%

**The Jewish Foundation of Manitoba  
Asset Allocation  
As at March 31, 2014**

		<b>Actual</b>	<b>Policy</b>
Cash & Cash Equivalents	\$ 110,421	0.1%	0.0%
Fixed Income	35,869,084	40.3%	40.0%
Canadian Equity	26,200,871	29.4%	30.0%
U.S. Equity	13,227,073	14.9%	15.0%
International Equity	13,563,539	15.2%	15.0%
Total Invested Portfolio	<b>\$ 88,970,988</b>	<b>100.0%</b>	<b>100.0%</b>

**Asset Mix at March 31, 2014**



**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 <sup>1</sup>	40.0%	30% - 50%	5.5%
Canadian Equities <sup>2</sup>	30.0%	20% - 40%	8.5%
Global Equities <sup>2</sup>	30.0%	20% - 40%	8.5%
<b>Total Portfolio</b>	100.0%		7.2%
	<b>Expected Market Standard Deviation</b>		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.

**Jewish Foundation of Manitoba  
Investment Committee**

Howard Morry - Chair  
Dan Blankstein  
Sheldon Earn  
Aaron Margolis, CFA  
Syd Thompson  
Michelle Weinberg  
Anita Wortzman

Michael Averbach, CA  
James Cohen  
Celia (Ceci) Gorlick, QC  
Jeff Norton, CFA  
Larry Vickar  
Joseph J. Wilder, QC  
Val Wowryk, CFA