



# 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 2020 Distribution Rate is 4.0%. The Distribution Rate is multiplied by the average market value (3-year rolling average) of the endowment funds (calculated quarterly) to determine quarterly distribution income. 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 recommendations to the Board in conjunction with the Foundation's investment advisor, Mercer Global Investments Canada Ltd.

For the 12 months ended March 31, 2020 the annual return of the LTC Fund was -2.79%. 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 March 31, 2020**

**12 Month Returns**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Return</b>	-2.79%	5.95%	6.38%	11.86%	-1.16%
<b>Benchmark</b>	-3.49%	6.33%	5.70%	12.28%	-1.44%

**Annualized Returns**

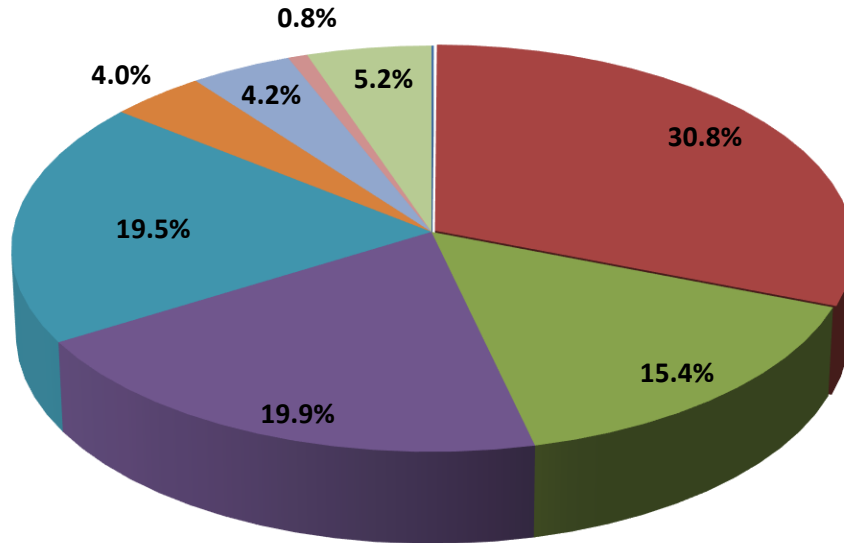
	<u>1 yr</u>	<u>2 yr</u>	<u>3 yr</u>	<u>4 yr</u>	<u>5 yr</u>	<u>10 yr</u>
<b>Return</b>	-2.79%	1.48%	3.09%	5.22%	3.91%	6.77%
<b>Benchmark</b>	-3.49%	1.30%	2.75%	5.05%	3.72%	6.77%

**The Jewish Foundation of Manitoba  
Asset Allocation  
As at March 31, 2020**

		<b>Actual</b>	<b>Policy</b>
Cash & Cash Equivalents	\$ 112,822	0.1%	0.0%
Fixed Income <sup>1</sup>	37,911,324	30.8%	25.0%
Canadian Equity	18,984,707	15.4%	16.0%
U.S. Equity	24,461,834	19.9%	20.0%
International Equity	24,023,621	19.5%	20.0%
Real Estate	4,897,241	4.0%	4.0%
Infrastructure	5,225,357	4.2%	4.0%
Commercial Mortgage	1,005,401	0.8%	5.0%
Global Small Cap	6,396,078	5.2%	6.0%
Total Invested Portfolio	<u>\$ 123,018,385</u>	<u>100.0%</u>	<u>100.0%</u>

**Note 1:** Fixed income includes a board-mandated policy to invest 2.2% of the total portfolio in State of Israel bonds. At March 31, 2020, the value of State of Israel bonds held in the portfolio was \$2,771,562 or 2.3% of the total portfolio.

## Asset Mix at March 31, 2020



■ Cash & Cash Equivalents

■ Canadian Equity

■ International Equity

■ Infrastructure

■ Global Small Cap

■ Fixed Income1

■ U.S. Equity

■ Real Estate

■ Commercial Mortgage

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

<b>Asset Classes</b>	<b>Benchmark Allocation</b>	<b>Permissible Ranges</b>	<b>Long Term Return Expectations*</b>
Cash & Cash Equivalents	0.0%	0% - 10%	0.0%
Universe Bonds	30.0%	20% - 40%	3.3%
Commercial Mortgages	0.0%	0% - 10%	4.4%
Private Debt	0.0%	0% - 10%	7.0%
Canadian Equities	16.0%	11% - 25%	6.6%
U.S. Equities	20.0%	15% - 25%	6.6%
International Equities	20.0%	15% - 25%	6.6%
Global Small Cap	6.0%	2% - 10%	7.2%
Real Estate	4.0%	2% - 8%	5.8%
Infrastructure	4.0%	2% - 8%	6.4%
<b>Total Portfolio</b>	100.0%		
		<b>Long Term Expected Return</b>	<b>6.1%</b>
		<b>Expected Annual Volatility</b>	<b>10.0%</b>

\* Based on Mercer's capital market expectations as at May 2019

**Jewish Foundation of Manitoba  
Investment Committee**

Jeff Norton, CFA	Chair	Leo Berenshteyn, CFA
Tom Ball, CFA		Bruce Caplan
Dan Blankstein		Stan Casar
Steven Kohn		Uri Kraut
Richard Leipsic		Russell Olivson, CFA
Brett Tessler, CFA		