



# 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 September 30, 2020 the annual return of the LTC Fund was 7.17%. 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 September 30, 2020**

**12 Month Returns**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Return</b>	7.42%	5.80%	8.43%	6.69%	9.25%
<b>Benchmark</b>	6.46%	6.21%	8.04%	6.56%	9.26%

**Annualized Returns**

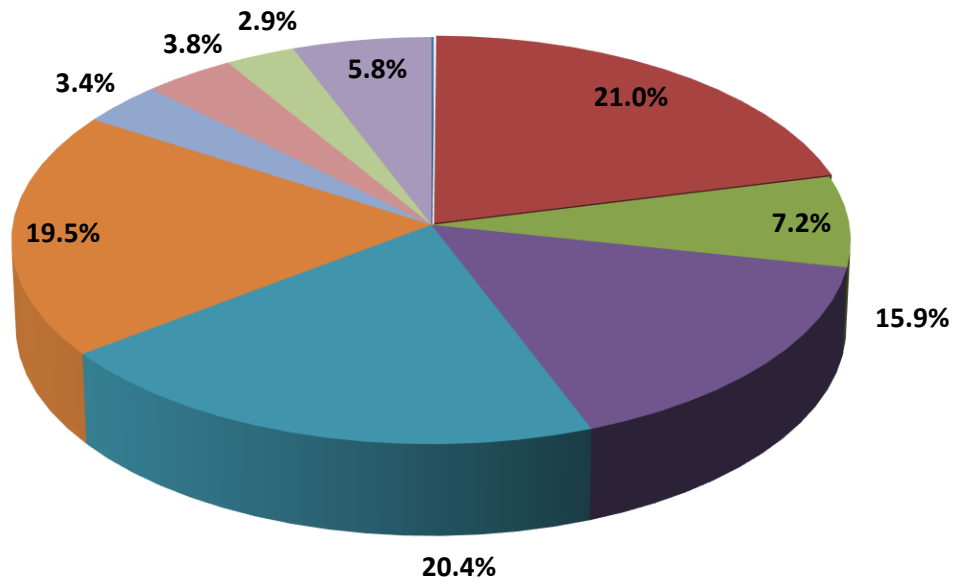
	<u>1 yr</u>	<u>2 yr</u>	<u>3 yr</u>	<u>4 yr</u>	<u>5 yr</u>	<u>10 yr</u>
<b>Return</b>	7.42%	6.61%	7.21%	7.08%	7.51%	7.74%
<b>Benchmark</b>	6.46%	6.34%	6.90%	6.82%	7.30%	7.66%

**The Jewish Foundation of Manitoba  
Asset Allocation  
As at September 30, 2020**

		<b>Actual</b>	<b>Policy</b>
Cash & Cash Equivalents	\$ 131,855	0.1%	0.0%
Fixed Income <sup>1</sup>	28,866,483	21.0%	17.5%
Global Fixed Income	9,956,944	7.2%	7.5%
Canadian Equity	21,874,477	15.9%	16.0%
U.S. Equity	28,006,704	20.4%	20.0%
International Equity	26,858,175	19.5%	20.0%
Real Estate	4,680,257	3.4%	4.0%
Infrastructure	5,219,761	3.8%	4.0%
Commercial Mortgage	4,005,401	2.9%	5.0%
Global Small Cap	7,938,835	5.8%	6.0%
<b>Total Invested Portfolio</b>	<b>\$ 137,538,892</b>	<b>100.0%</b>	<b>100.0%</b>

**Note 1:** Fixed income includes a board-mandated policy to invest 2.2% of the total portfolio in State of Israel bonds. At September 30, 2020, the value of State of Israel bonds held in the portfolio was \$1,466,780 or 1.1% of the total portfolio.

## Asset Mix at September 30, 2020



- |                           |                        |
|---------------------------|------------------------|
| ■ Cash & Cash Equivalents | ■ Fixed Income1        |
| ■ Global Fixed Income     | ■ Canadian Equity      |
| ■ U.S. Equity             | ■ International Equity |
| ■ Real Estate             | ■ Infrastructure       |
| ■ Commercial Mortgage     | ■ Global Small Cap     |

<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	17.5%	20% - 40%	3.3%
Commercial Mortgages	5.0%	0% - 10%	4.4%
Global Fixed Income	7.5%	0% - 15%	4.0%
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>	<b>100.0%</b>		
		<b>Long Term Expected Return</b>	<b>5.4%</b>
		<b>Expected Annual Volatility</b>	<b>10.2%</b>

\* Based on Mercer's capital market expectations as at September 2020

**Jewish Foundation of Manitoba  
Investment Committee**

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