



Stewarding and Supporting a Better World with Better Charities

2018 Stakeholder Report



The Qube Charitable Foundation is a registered public foundation based in Western Canada. Established in 2015 the Qube Charitable Foundation looks to make philanthropy simple, effective and impactful.

THE QUBE CHARITABLE FOUNDATION

FOUNDATION INFORMATION

Trustees

Ian Quigley	Chair and Founding Trustee
Peter Chapman	Trustee
Kristine Wray	Trustee

Trust Management Qube Investment Management Inc.

Principal Address #300, 9414 91 Street, Edmonton, AB T6C 3P4

Contact Michael Baker (780) 463-2688 ext. 99

Website www.qubefoundation.ca

Fiscal Year End December 31

Registration Number 813791167 RR0001

We focus on ensuring that the charities we support have developed and deployed efficient solutions to identified societal problems. We are looking to not just be a source of funds, but also a partner towards real social change.

CONTENTS OF THIS REPORT

LETTER TO OUR VALUED TRUSTEES

OUR PHILOSOPHY

OUR BOARD OF TRUSTEES

OBJECTIVES AND ACTIVITIES

DONATIONS AND GRANTING ACTIVITIES

COMMUNITIES SUPPORTED

FINANCIAL REVIEW

PROXY VOTING

FINANCIAL STATEMENTS

A LETTER TO OUR VALUED STAKEHOLDERS & TRUSTEES

Dear Stakeholders & Trustees,

Thank you for your continued support and service in the governance to the Qube Charitable Foundation. On behalf of Qube Investment Management Inc., we very much appreciate you. Following is a summary of Foundation activities in 2018:

Charitable Status with CRA

The Qube Foundation is registered under the Public Foundation status. The CRA acknowledged and registered us as a public foundation as of January 2018, this is the first year we will file as a public foundation. You may see our status on the CRA website by going to: www.cra-arc.gc.ca, or googling “CRA charity lookup”.

Operational Development

In accordance with established goals to bring our offerings in line with – and even exceeding – other offerings in the philanthropic space, we have made important steps in defining our operational processes. We have enacted processes such as the “Grant Recommendation Form” which allows a donor to recommend donations as they wish from their donor-advised fund. We have also implemented a uniform “Letter to Grant Recipients” which presents the required information to the grantor as to whom and how the recipient may recognize the donor, the amount of the grant and how the funds are expected to be used. This year we completed a Granting Portfolio which scores charities and outlines two charitable focuses ‘People’ and Planet’ Please see examples of these attached.

Funds Management

Our two funds are managed as independent accounts, each with an asset allocation that is defined by discussions with the donor at the time of fund inception.

The Wendy Cassady Memorial fund posted a net-return of -0.3% last year invested in Qube Investment Management's Kaleo Full Model. The asset allocation for the Wendy Cassady Memorial Fund is 80% equities 20% fixed income.

The Quigley Family Fund posted a net-return of -2.6% return for 2018. The asset allocation was invested 100% in Franklin Templeton Global Balanced Fund. As of December 31, 2018 the fund had an asset allocation of 64.36% global equity, 19.49% fixed income and 16.15% cash. Statements for both the funds for the year ended Dec 31, 2018 have been attached to this report.

All funds are disbursed through the foundation bank account at the Royal Bank of Canada. A cheque is sent via Canada Post with an accompanying "Grant Recipient Letter", as previously mentioned.

Planning for 2019

We are now in a process to make goals for the year ahead. Our new trustee team had a teleconference call in December to discuss "impact investing" and other 2019 possibilities.

Ideas from the meeting with Peter include:

- Attendance at the Philanthropic Foundations of Canada (PFC) meeting or events;
- Attendance at the Community Foundations of Canada meetings or events;
- Light networking to see if other Donor-Advised foundations had interest in acquisition by Qube;
- Generation of a discussion paper/brochure that explains the focus, mandate and competitive position of the Qube Charitable Foundation;
- Continuation of scalable and defined operational and marketing processes.

We believe that our offering is fast becoming one of the most compelling platforms for establishing a donor-advised fund in Western Canada. Customizing the program, integrating wealth management planning, competing on fees, offering a socially responsible investment mandate and holding up excellent long-term returns are the foundational elements that are core to our differentiation. Adding to that, skilled trustees who are interested in assisting with development of a philanthropic plan, including discovery of eligible recipients, and the question becomes not *if* the Qube Foundation is the best option, but rather *how* do we get the message out to the right people?

In 2019, with your help, we desire to become more focused in our marketing and promotional strategies while executing and administering with efficiency and confidence. Target demographics should be identified and engaged. At the end of 2019, we wish to have made a strong difference; to have connected more hope and love to worthy causes than in all previous years combined.



Michael Baker, MBA
Qube Charitable Foundation



OUR PHILOSOPHY: HIGH IMPACT PHILANTHROPY

We commit to differentiating ourselves from the rest of the Canadian philanthropic landscape by emphasizing three unique qualities:

Simplicity: The establishment of a donor advised fund should not be difficult. With all regulatory and administrative processes completed by QIM, we will coordinate a seamless transition between that first moment that donors decide to create a legacy and the moment that their donations are put to work bettering the world around us.

A donor's program is all inclusive with all fees and overhead paid by the investment manager (Qube Investment Management Inc.) as per a management agreement with the trustees of the foundation. This means that 100% of client donations go towards charitable grants. (The investment management fees of trust funds are competitive, and the donor can participate in the construction of the investment program at the time their fund is established).

Accountability: Grants should support well-run charities that can be expected to succeed in their mission and have a definable per-dollar impact. On occasion, a charitable donation is not used as it was intended by the receiving institution. Our research can help donors to identify charities that will have an effective positive impact on the cause that each individual donor is passionate about.

After helping develop a grant program with an associated Deed of Gift, the foundation then assists the client in annual management of that program. Goals and objectives can change, so must the grant program!

Wealth Planning: There are tax incentives intended for Canadians who donate money to charitable causes. We work closely with donors to ensure that these significant tax advantages are efficiently integrated with their current financial plans and longer-term legacy planning.

OUR BOARD OF TRUSTEES 2019

We are extremely fortunate to have the guidance and counsel of our three talented trustees, each bringing their own unique attributes to help guide the Qube Charitable Foundation.

Ian Quigley is the CEO and Lead Portfolio Manager of Qube Investment Management. He is also the founding trustee of the Qube Charitable Foundation. Ian believes in the power of industry to shape social causes and looks to make a positive impact through the ethical exchange of capital.

Peter Chapman is the recently retired Executive Director of the Shareholder Association for Research and Education (SHARE). Peter has more than 25 years of experience working in the field of responsible investment, including corporate engagement, education and public policy.

Kristine Wray is a PhD Student in Environmental Sociology and a SSHRC Doctoral Fellow at the University of Alberta. Her PhD studies are focused on Tracking Change - The Role of Local and Traditional Knowledge in Watershed Governance, a research initiative led by the University of Alberta Department of Resource Economics and Environmental Sociology.

OBJECTIVES AND ACTIVITIES 2019

In 2019 we are looking to define and outline specific, measurable goals and activities that will help us get the word out to the world. Why should individuals trust Qube Charitable Foundation with their philanthropic monies? How do we most effectively connect with our target demographic? What is our marketing strategy?

Operationally, we will continue to refine processes and efficiencies. Some questions relating to the operations of the Foundation include accounting for operational and administrative expenses.

DONATIONS AND GRANTING ACTIVITIES 2018

Donations

Since its establishment in 2015, the Qube Charitable Foundation has received more than \$1.3 million in donations from various sources.

Granting Activities

The Wendy Cassady Memorial Fund and the Quigley Family Fund have together disbursed more than \$350,000 in grants to various charitable organizations over the past four years.

COMMUNITIES WE HAVE SUPPORTED

The Qube Charitable Foundation currently provides grants to charitable organizations representing many varied causes; all of which can typically be grouped into the following four categories:

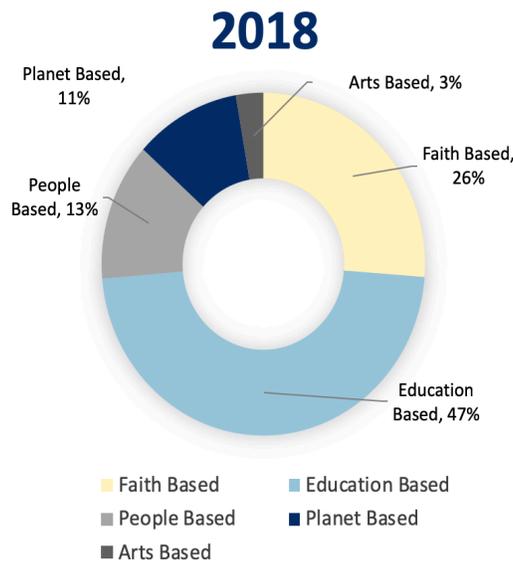
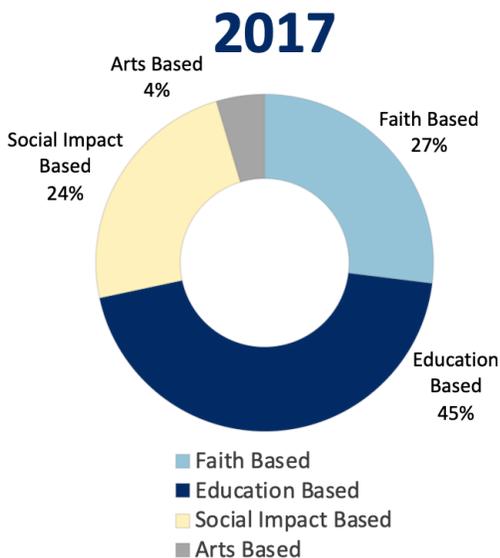
Faith Based: Beneficiaries are focused on spirituality and supporting religious principles that promote a more peaceful and supportive society.

Education Based: Beneficiaries support individual growth and the pursuit of higher education through their granting activities in this area.

People Based: Beneficiaries support causes that aim to better society for everyone, including high-risk populations.

Planet Based: Beneficiaries support causes that aim to better the planet for everyone, including animals and land.

Arts Based: Beneficiaries support artistic pursuits in the areas of Music, Fine Arts and Literature.



FINANCIAL REVIEW

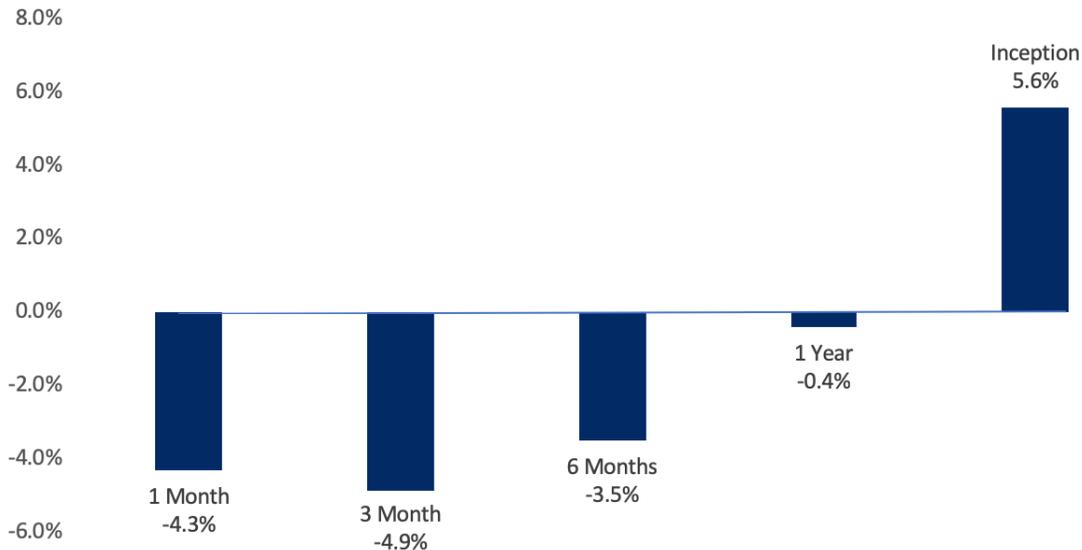
For the year ended December 31, 2018 the foundation, as a whole, has received donations and grants totalling \$152,285. Additionally, in 2018, the foundation provided \$165,000 in grants to deserving causes.

The management of The Qube Charitable Foundation assets are entrusted to Qube Investment Management. Aggregate returns for the whole foundation for the year were -0.4%. The Qube Foundation paid a gross fee amount of \$14,377 over the course of the year.

The Fair Market Value of the composite foundation as at December 31, 2018 was \$1,098,904.90. This can be further broken down to the fair market value of the Wendy Cassady Memorial Fund and The Quigley Family Fund with values of \$951,287.31 and \$146,425.96 respectively.

2018 DONATIONS AND GRANTS – The Quigley Family Fund

Qube Charitable Foundation - Aggregate Returns December 31, 2018



The Quigley Family Fund

Grants Disbursed in 2018:

First Presbyterian Church	\$35,000
Nature Conservancy Canada	\$3,500
World Wildlife Fund Canada	\$3,500
Alberta Wilderness Society	\$3,500
Clean Air Partnership	\$3,500
Ecojustice	\$3,500
Save the Children Canada	\$3,500
Habitat for Humanity Edmonton	\$3,500
Discovery House	\$3,500
Inspire	\$3,500
Edmonton Food Bank	\$3,500

TOTAL **\$70,000**

Donations Received in 2018:

<u>Ian and Stacey Quigley</u>	<u>\$100,000</u>
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TOTAL **\$100,000**

YEAR-TO-DATE DONATIONS AND GRANTS – The Wendy Cassady Memorial Fund

The Wendy Cassady Memorial Fund

Grants Disbursed in 2018:

Star of the North	\$8,250
E4C	\$4,000
Edmonton Public Library	\$4,500
University of Alberta	\$8,250
<u>The Chester Ronning Centre</u>	<u>\$70,000</u>

TOTAL **\$95,000**

Donations Received in 2018:

<u>Noel Cassady</u>	<u>\$50,000</u>
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TOTAL **\$50,000**

PROXY VOTING 2018

Qube Investment Management, as part of their portfolio management services, vote on behalf of the shareholders at meetings of the firms they invest in. This allows for a democratic shareholder engagement process and allows Qube to further the social impact of their investment dealings.

Below is a summary of the companies and “For” or “Against” votes related to the proposals put forth at shareholder meetings. Full reports are available to trustees at their request.

Qube Investment Management - Proxy Voting 2018					
Company	For	Against	Total	For %	Against %
3M	9	7	16	56%	44%
Accenture	13	7	20	65%	35%
Alimentation ouché-Tard	8	4	12	67%	33%
Bank of Nova Scotia	11	6	17	65%	35%
Barrick Gold	8	9	17	47%	53%
Becton Dickinson	7	9	16	44%	56%
BlackBerry	6	4	10	60%	40%
Canadian National Railway	7	7	14	50%	50%
Facebook	11	4	15	73%	27%
General Electric	14	5	19	74%	26%
General Motors	13	5	18	72%	28%
Monster Beverage	3	10	13	23%	77%
National Bank	13	2	15	87%	13%
Nike	3	3	6	50%	50%
PepsiCo	21	11	32	66%	34%
Saputo	7	5	12	58%	42%
Telus	11	4	15	73%	27%
United Parcel Service	12	6	18	67%	33%
Vereit	7	3	10	70%	30%
Walt Disney	7	8	15	47%	53%
Western Digital	5	8	13	38%	62%

For the calendar year ended December 31, 2018 The Qube Charitable Foundation, c/o Qube Investment Management, voted 61% in favour of proposals put forward to vote, while they voted 39% against proposals put forward to a vote. It should be noted that the above percentages only account for those proxies which were voted for or against. Votes that were abstained from are not included in this table.

*For more information on proxy voting, or to request full proxy voting reports, please contact Michael Baker at (780) 463-2688 x 99 or by email at michael@qubeinvest.ca.

FINANCIAL STATEMENTS

(Unaudited - See Notice to Reader)

Statement of Financial Position

As at December 31, 2018	2018	2017	2016	2015
Assets				
Quigley Family Fund	\$ 146,519	\$ 127,700	\$ 81,679	\$ 28,000
Wendy Cassady Fund	\$ 952,479	\$ 999,751	692,191	-
Donation Receivable	\$ 1,670			
	<u>\$ 1,100,668</u>	<u>\$ 1,127,451</u>	<u>\$ 773,870</u>	<u>\$ 28,000</u>
Liabilities				
Payables and Accruals	\$ 70,000	\$ 80,000	\$ 40,000	-
	<u>\$ 70,000</u>	<u>\$ 80,000</u>	<u>\$ 40,000</u>	
Net Assets				
Unappropriated	<u>\$ 1,030,668</u>	<u>\$ 1,047,451</u>	<u>\$ 733,870</u>	<u>\$ 28,000</u>

Statements of Operations and Changes in Net Assets

(Unaudited - See Notice to Reader)

Year end Dec 31, 2018	2018	2017	2016	2015
Revenues				
Donations - Quigley Family Fund*	\$ 102,285	\$ 90,000	\$ 62,000	\$ 65,000
Donations - Wendy Cassady Fund	\$ 50,000	\$ 304,588	\$ 692,199	\$ -
Donations - Other Registered Charities			\$ 4,050	
Government of Canada Grant	\$ -		\$ 8,059	
Government of Alberta Grant	\$ -		\$ 2,520	
Gain (loss) on Investments*	\$ (8,954)	\$ 91,196	\$ 621	
Dividend Income	\$ 15,829	\$ 13,455	\$ 1,491	
Interest Income	\$ 3,979	\$ 4,106	\$ (1,257)	\$ -
Fed Payment	\$ -	\$ -	\$ 5	\$ -
	<u>\$ 163,138</u>	<u>\$ 503,345</u>	<u>\$ 769,688</u>	<u>\$ 65,000</u>
Expenses				
Administration Expenses	\$ 14,377	\$ 5,208	\$ 51	\$ -
Donations to Qualified Donees - QFF	\$ 70,000	\$ 82,000	\$ 45,000	\$ 37,000
Donations to Qualified Donees - WCF	\$ 95,000	\$ 102,500	\$ -	\$ -
Film Project	\$ -		\$ 18,696	
PFC Membership	\$ 500			
Banking Fees	\$ 45	\$ 56	\$ 71	
	<u>\$ 179,922</u>	<u>\$ 189,764</u>	<u>\$ 63,818</u>	<u>\$ 37,000</u>
Excess of Revenues over Expenditures	<u>\$ (16,784)</u>	<u>\$ 313,581</u>	<u>\$ 705,870</u>	<u>\$ 28,000</u>
Surplus, Beginning of Period	\$ 1,047,451	\$ 733,870	\$ 28,000	\$ -
Excess of Revenues over Expenditures	<u>\$ (16,784)</u>	<u>\$ 313,581</u>	<u>\$ 705,870</u>	<u>\$ 28,000</u>
Surplus, End of Period	<u>\$ 1,030,668</u>	<u>\$ 1,047,451</u>	<u>\$ 733,870</u>	<u>\$ 28,000</u>

*"Gain (loss) on investments" represents the change in market value of the investment account, subtracted by the Dividend and Interest Income received.

*"Donations - Quigley Family Fund" includes donations from QIM. Amount is calculated based on the average Market Value of the investment portfolio for the year multiplied by a percentage based on the QIM agreement.

Donations from QIM

	2018
Market Value Previous Year	\$ 1,127,427.74
Market Value Current Year	\$ 1,098,904.90
Average Market Value	\$ 1,113,166.32
% Donation	0.15%
Donation Receivable from QIM	\$ 1,669.75

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