

Stewarding and Supporting a Better World with Better Charities

2017 Stakeholder Report

QUBE
FOUNDATION

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
John Parkins	Trustee
Tim Edlund	Trustee

Trust Management Qube Investment Management Inc.

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

Contact Mark Ringrose - (780)463-2688 x 103

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.



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LETTER TO STAKEHOLDERS

Dear Friends,

Thank you for your continued support and service in the governance of the Qube Charitable Foundation. On behalf of Qube Investment Management Inc., we very much appreciate you. Following is a summary of Foundation activities in 2017:

Charitable Status with CRA

The Qube Foundation made a significant step forward with successful registration under the Public Foundation status. CRA acknowledged and registered us as a public foundation as of January 2018, therefore we will file one last information return as a private foundation this year. You can 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 exceed – other offerings in the philanthropic space, we have made important steps in defining our operational processes. We have formalized 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. Please see examples of these attached.

Website Upgrades 2017

We finished our website in 2017 and are satisfied with its communication at this time.

LETTER TO STAKEHOLDERS

Funds Management

Our two donor-advised 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 13.9% 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 7.8% return for 2017. The asset allocation was invested 100% in Franklin Templeton Global Balanced Fund. As of December 31, 2017 the fund had an asset allocation of 63.73% global equity, 20.91% fixed income and 15.36% cash. Statements for both the funds for the year ended Dec 31, 2017 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 described above.

Planning for 2018

Ian Quigley was able to meet with Peter Chapman in Vancouver last month and received some advice and guidance. Ian plans to meet in Edmonton with both Tim Edlund and John Parkins in the first quarter to complete a process of feedback and vision sharing.

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;
- A spring client, accountant, charity networking event at Qube Edmonton;
- Light networking to see if other Donor-Advised foundations have interest in acquisition by Qube;

LETTER TO STAKEHOLDERS

- 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 2018, 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 2018, we aim to have made a difference; to have connected with more worthy causes than in all previous years combined.

I will be in touch shortly to start planning a review meeting between the trustees. As always, your expertise is invaluable, and we are thankful for your guidance.



Mark Ringrose
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 2018

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

Ian Quigley is the CEO and 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.

Tim Edlund is the founder and CEO of Softworks Group Inc., an Edmonton based software firm that develops custom applications for healthcare providers and self-regulated professions.

Peter Chapman is the 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.

Dr. John Parkins is a professor of Environmental Sociology at the University of Alberta. His professional areas of interest include: the social context of resource development, environmental politics, and the sociology of food and agriculture.

OBJECTIVES AND ACTIVITIES 2017/2018

In 2018 we aim to outline specific, measurable goals and activities that will help us get the word out. 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 our processes. Some questions relating to the operations of the Foundation include accounting for operational and administrative expenses.

DONATIONS AND GRANTING ACTIVITIES 2017

Donations

Since its establishment in 2015, the Qube Charitable Foundation has received more than \$1.2 million in donations from various sources.

Granting Activities

The Wendy Cassady Memorial Fund and the Quigley Family Fund have together disbursed more than \$250,000 in grants to various charitable organizations over the past three years.

COMMUNITIES WE HAVE SUPPORTED

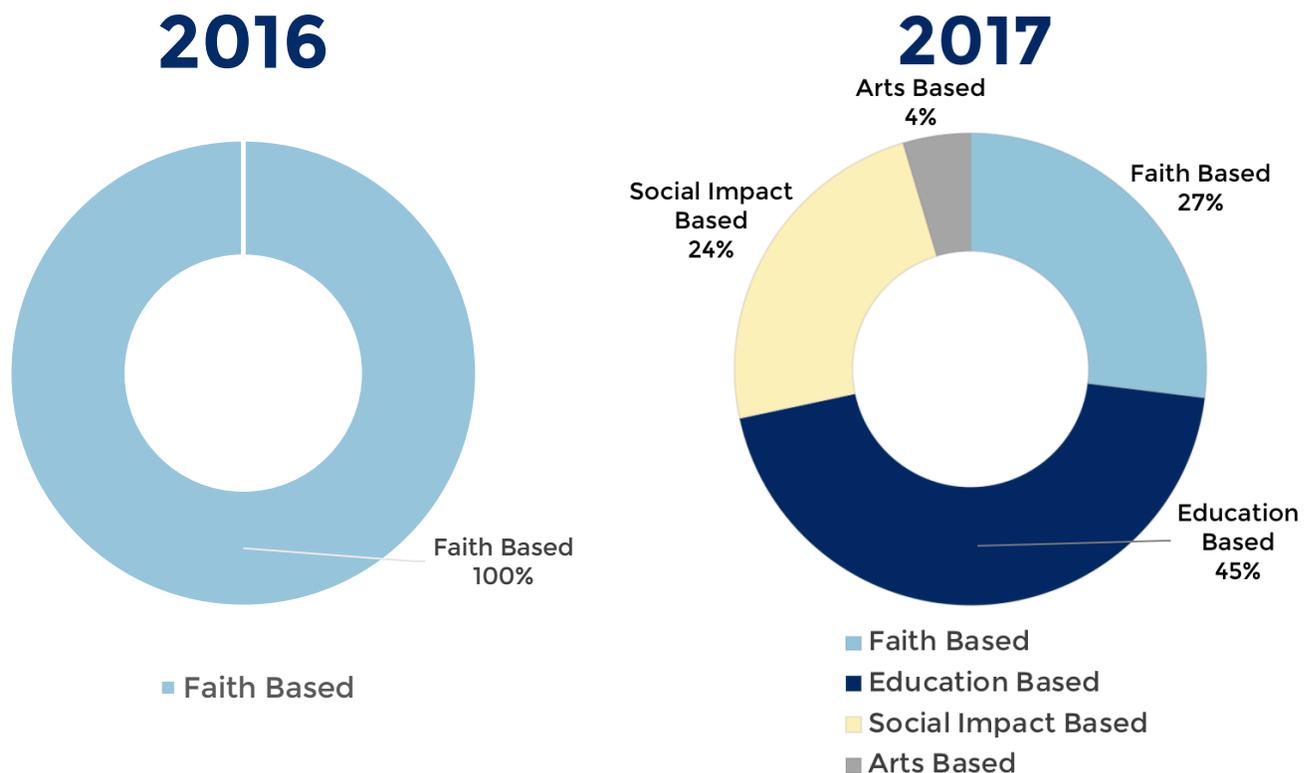
The Qube Charitable Foundation currently provides grants to charitable organizations representing many varied causes; all of which can typically be grouped into the following four categories:

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.

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

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



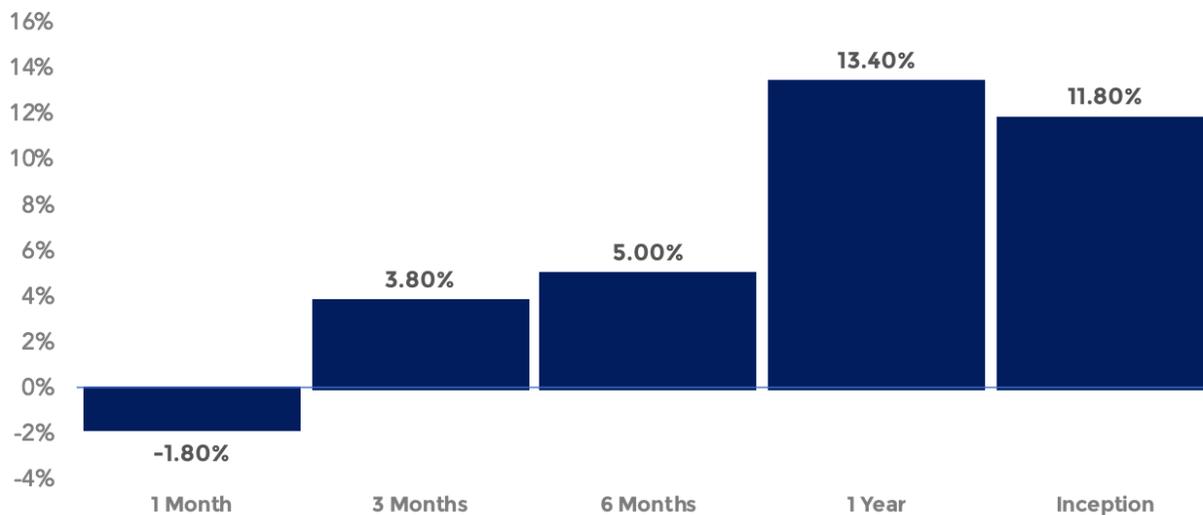
FINANCIAL REVIEW

For the year ended December 31, 2017 the foundation, as a whole, has received donations and grants totalling \$394,588. Additionally, in 2017, the foundation provided \$184,000 in grants to deserving causes.

The management of The Qube Charitable Foundation assets are entrusted to Qube Investment Management Inc. Aggregate returns for the whole foundation for the year were 13.40%. The Qube Foundation paid a gross fee amount of \$5,804.27 over the course of the year.

The Fair Market Value of the composite foundation as at December 31, 2017 was \$1,045,170.35. 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 \$998,493.19 and \$47,677.16 respectively.

Qube Charitable Foundation - Aggregate Returns December 31, 2018



2017 DONATIONS AND GRANTS – The Quigley Family Fund

The Quigley Family Fund

Grants Disbursed in 2017:

Young Life of Canada	\$18,500
Steele Heights Baptist Church	\$20,000
First Presbyterian Church	\$20,000
UNHCR Canada, UN Refugee Agency	\$10,000
Canadian Centre for Policy Alternatives	\$10,000
<u>Norquest College Foundation</u>	<u>\$10,000</u>

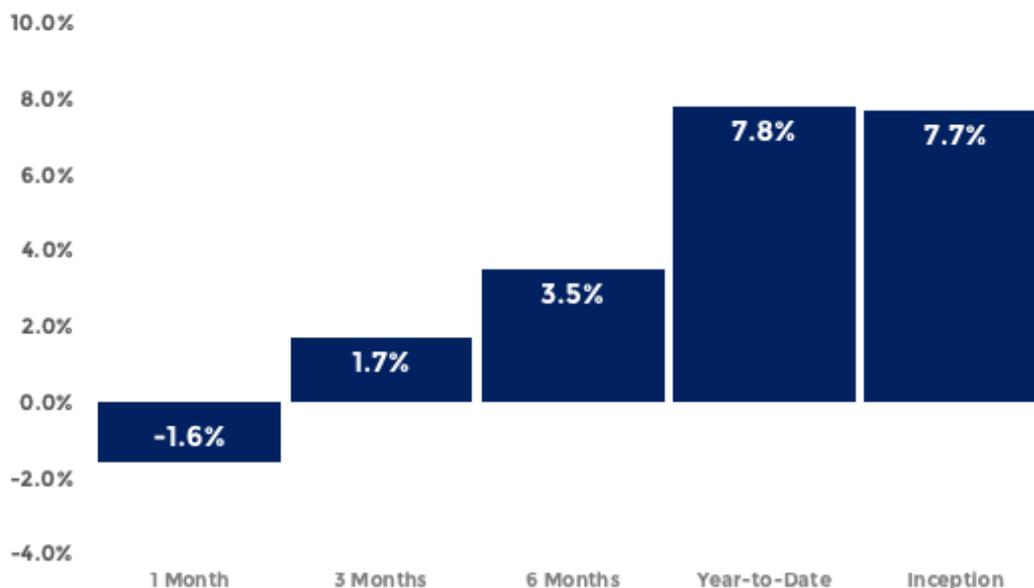
TOTAL \$88,500

Donations Received in 2017:

Ian and Stacey Quigley \$90,000

TOTAL \$90,000

Qube Foundation - Quigley Family Fund Returns
Year Ended December 31, 2017



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

The Wendy Cassady Memorial Fund

Grants Disbursed in 2017:

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>

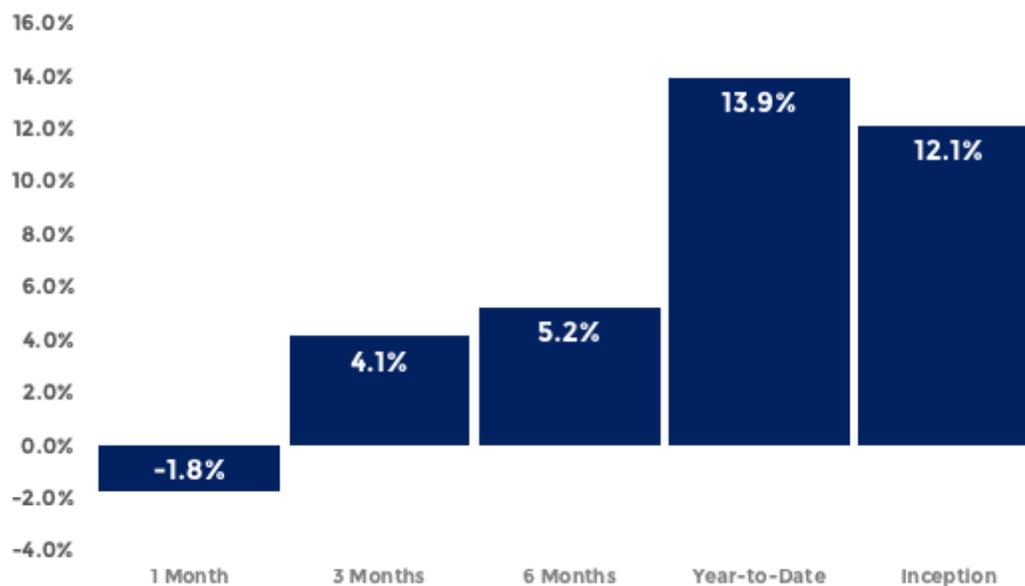
TOTAL \$95,000

Donations Received in 2017:

Wendy Cassady	\$254,588
<u>Noel Cassady</u>	<u>\$50,000</u>

TOTAL \$304,588

Qube Foundation - Wendy Cassady Fund Returns
Year Ended December 31, 2017



PROXY VOTING 2017

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.

Records of all voting activity and reasoning behind the voting is kept and archived. Moving forward, a further in-depth analysis of the proxy voting activities will be included in this report. Detailed proxy voting reports are available to all stakeholders on request.

*For more information on proxy voting, or to request full proxy voting reports, please contact Mark Ringrose at (780)463-2688 x 103 or by email at Mark@qubeinvest.ca.

FINANCIAL STATEMENTS - 2017

Statement of Operations and Changes in Net Assets

(Unaudited)

Year end Dec 31, 2017	2017	2016	2015
Revenues			
Donations - Quigley Family Fund	\$ 90,000	\$ 62,000	\$ 65,000
Donations - Wendy Cassady Fund	\$ 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 Sale of Investments	\$ 12,098	\$ 621	
Dividend Income	\$ 10,718	\$ 1,491	
Interest Income	\$ 6,748	\$ (1,257)	\$ -
Fed Payment	\$ -	\$ 5	\$ -
	<u>\$ 424,151</u>	<u>\$ 769,688</u>	<u>\$ 65,000</u>
Expenses			
Administration Expenses	\$ -	\$ 51	\$ -
Grants to Qualified Charities - QFF	\$ 89,000	\$ 45,000	\$ 37,000
Grants to Qualified Charities - WCF	\$ 95,000	\$ -	\$ -
Film Project	\$ -	\$ 18,696	
Banking Fees	\$ 45	\$ 71	
	<u>\$ 184,045</u>	<u>\$ 63,818</u>	<u>37,000</u>
Excess of Revenues over Expenditures	<u>\$ 240,106</u>	<u>\$ 705,870</u>	<u>\$ 28,000</u>
Surplus, Beginning of Period	\$ 733,870	\$ 28,000	\$ -
Excess of Revenues over Expenditures	240,106	705,870	28,000
Surplus, End of Period	<u>\$ 973,976</u>	<u>\$ 733,870</u>	<u>\$ 28,000</u>

Statement of Financial Position

(Unaudited)

As at December 31, 2017	2017		2016		2015
Assets					
Quigley Family Fund	\$	124,225	\$	81,679	\$ 28,000
Wendy Cassady Fund	\$	929,751		692,191	-
Fees Receivable	\$	615			
	\$	1,054,591	\$	773,870	\$ 28,000
Liabilities					
Grants Payable	\$	80,000	\$	40,000	-
	\$	80,000	\$	40,000	
Net Assets					
Unappropriated	\$	974,591	\$	733,870	\$ 28,000

QUBE FOUNDATION

The Qube Charitable Foundation
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