2025 Report on Investment Results

October 1, 2024 to September 30, 2025

Prudent Stewardship

In pursuit of its overall mission, The Winnipeg Foundation (The Foundation) has defined one of its strategies as follows:

"Stewardship – Achieving maximum returns consistent with prudent investment practices to support grantmaking activities and administration of The Foundation, ensuring that the legacy created by the donor is respected in perpetuity by protecting the purchasing power of those funds over the long term."

Policy Direction

The Board of The Foundation is responsible for determining investment and spending policies. The Investment Committee provides advice to the Board. It is assisted by The Foundation's Asset Management Consultant (Mercer (Canada) Limited).

Operation of the Fund

The Foundation currently holds approximately 5,097 funds, created since 1921. For purposes of investment, funds are pooled into The Foundation's Consolidated Trust Fund (CTF). This allows for diversification of the total portfolio to lower risk and improve performance. It also minimizes investment management and other related costs.

All funds collectively earn a rate of return. Annually, each fund is reduced by its allocation for granting plus its administration fees and actual investment management costs. The Fee Policy permits fees to be charged annually 0.50% for administrative plus actual investment related costs which were 0.40% in 2025. On average, total annual fees have been 0.90%.

Annual Spending

The ultimate purpose of an endowment is to grant to the community. The long-term objective of The Foundation's Policy is to spend 4.5% of the average market value of each endowment. The average market value is calculated over the prior 12 quarters. In setting the Spending Policy, The Winnipeg Foundation also considers the regulatory requirements in the environment, in particular the Disbursement Quota set by the Canada Revenue Agency (CRA). For further detail, please see page 5.

Responsible Investing

Responsible and sustainable investment is integral to The Foundation's core values and purpose – For Good. Forever. Responsible and sustainable investing captures environmental, social and governance considerations and other systemic risks through approaches such as effective stewardship, integration for resilience, and capital allocation across sustainability themes. Integrating ESG factors, stewardship, and sustainability themes into the Foundation's investment strategy is important to generate higher and more consistent returns.

1350-One Lombard Place | Winnipeg, MB R3B 0X3 THE WINNIPEG FOUNDATION Your Community Foundation For Good. Forever. 204.944.9474 | 1.877.974.3631 | wpgfdn.org

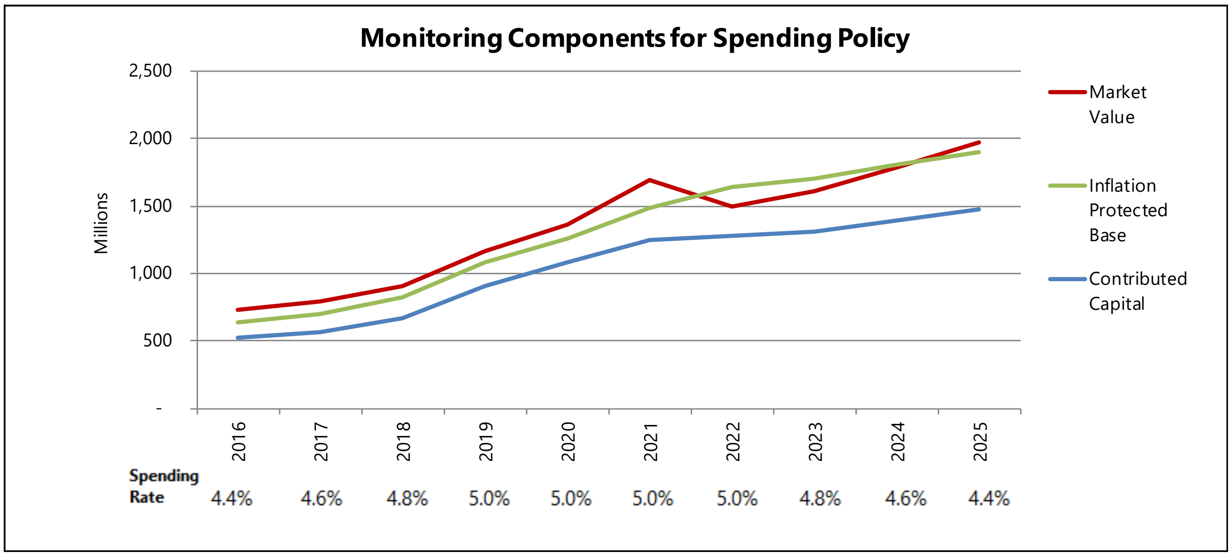
Spending Policy

The purpose of The Foundation's Spending Policy is to provide a dependable and predictable flow of grants. The Spending Policy, along with The Foundation's Investment Policies, takes a long-term view and reacts gradually to the volatility in the markets. Based on current predictions, the long-term target spending rate is 4.5%. In 2025, the Spending Rate was 4.4% for all funds, except Agency Funds, which had a rate of 5.0%. For the fiscal year 2026, the Spending Rate will be set at 4.2% for all funds and 4.8% for Agency Funds.

Protecting Purchasing Power

Another important consideration is the need to protect purchasing power. The target is 90% inflation protection at a 4.5% spending rate. However, spending rates will vary year to year between 3.5% and 5.5%. Each fund has its own story but, overall, the policy aim is to balance inflation protection and annual spending. For 2026, inflation protection is set at 84% for all funds except for Agency Funds which will have inflation protection set at 96%.

Implication of the Spending Policy and the Current Economic Environment

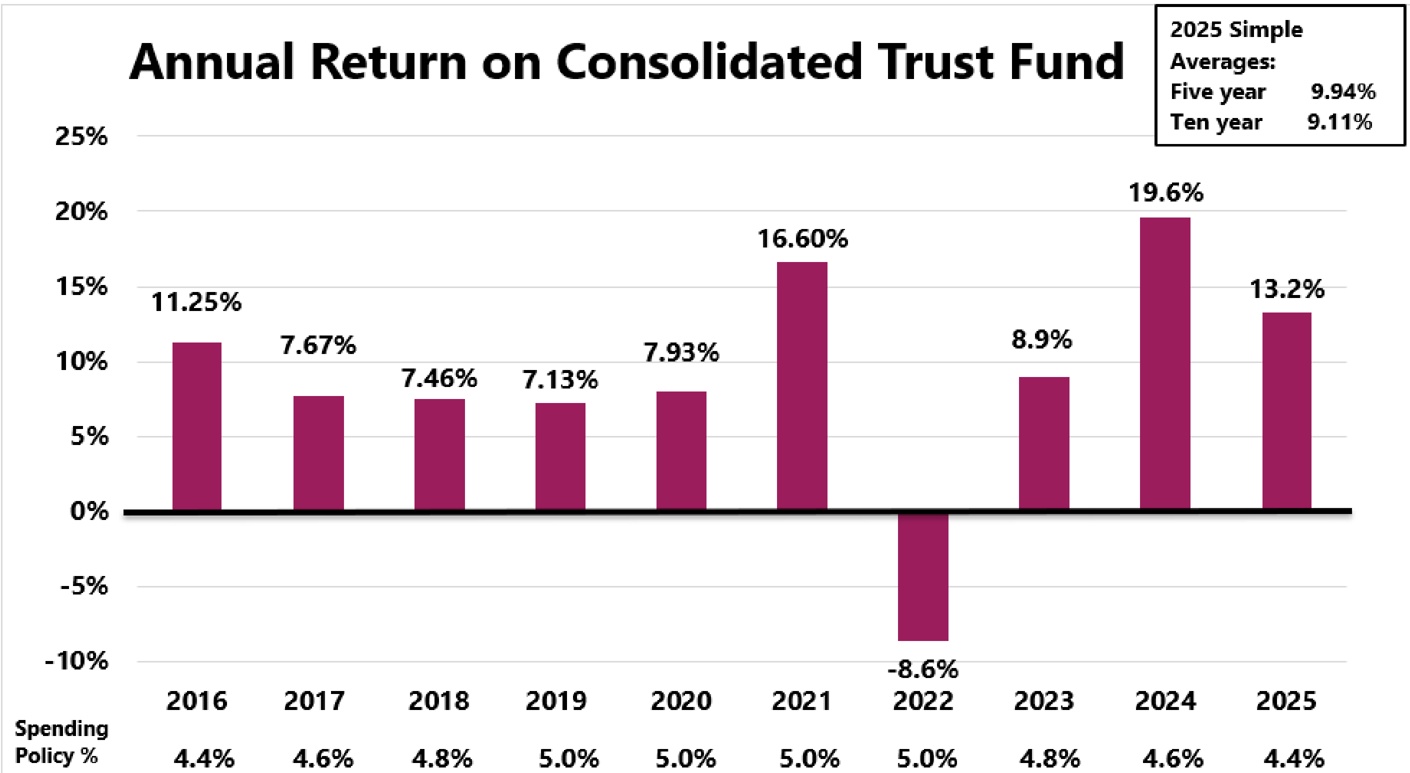


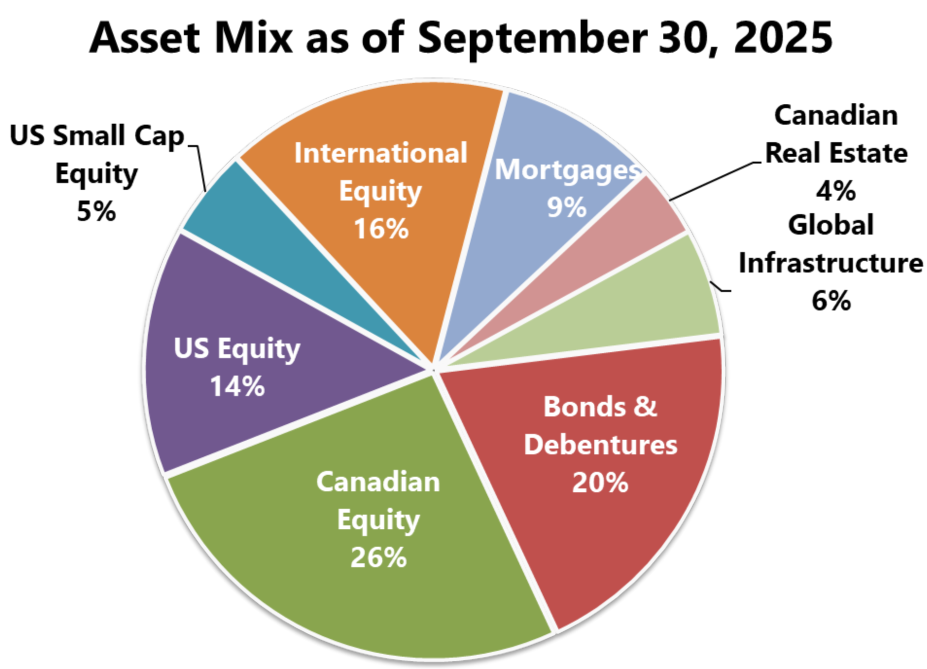
The above chart depicts how the Board monitors long term trends (based on 1979 as the base year) to balance annual spending on one hand and capital protection on the other. Annually, a model to estimate future spending is updated to anticipate future trends.

Performance Over the Long Term

In 2025, the annual rate of return for the Consolidated Trust Fund, net of investment related fees, was 13.2%. The rate of return presented is calculated independently by Mercer (Canada) Limited. This stated return is the return for the entirety of the Consolidated Trust Fund investment pool net of fees. The performance of individual funds within the Consolidated Trust Fund may vary based on the cash flows of each such individual fund in any given year. Annual returns vary with the investment climate. As the chart above clearly demonstrates, it is essential to evaluate annual returns within the long-term context.

(Please note The Foundation's year end is September 30.)


Annual Return on Consolidated Trust Fund
2025 Simple Averages:
Five year 9.94%
Ten year 9.11%
25%
20%
15%
10%
5%
0%
-5%
-10%
11.25%
7.67%
7.46%
7.13%
7.93%
16.60%
-8.6%
8.9%
19.6%
13.2%
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Spending Policy %
4.4%
4.6%
4.8%
5.0%
5.0%
5.0%
5.0%
4.8%
4.6%
4.4%


Asset Mix as of September 30, 2025
US Small Cap Equity 5%
International Equity 16%
Mortgages 9%
Canadian Real Estate 4%
Global Infrastructure 6%
US Equity 14%
Bonds & Debentures 20%
Canadian Equity 26%

The Foundation’s Investment Managers

Arrowstreet Capital: Manager of one third of the international equity portfolio in a pooled fund, applying a systematic investment process.

Baillie Gifford Overseas Limited: Manager of the two thirds of the international equity portfolio on a segregated basis. The portfolio contains all countries (excluding United States) and will permit +/- 15 MSCI ACWI excluding US index to a maximum limit 35% in emerging markets.

Beutel, Goodman & Company Limited: Manager of one half of the US equity portfolio on a segregated basis. The portfolio consists of large cap stocks with a value tilt.

Canada Life: Manager of the Canadian real estate portfolio in a pooled fund, which has geographical diversified Canadian commercial real estate and other permissible investments.

Connor, Clark & Lunn Investment Management Limited: Manager of one half of the Canadian equity portfolio in their pooled institutional Canadian equity fund.

Dimensional Fund Advisors: Manager of US value small cap portfolio. The investment is in a pooled fund.

IFM Global Infrastructure (Canada) LP: Manager of the global infrastructure portfolio in a pooled fund, which has geographic and economic sector diversified global infrastructure assets.

PH&N Institutional: Manager of one third of the bond portfolio within their Canadian corporate bond pooled trust fund.

TD Asset Management: Manager of two thirds of the bond portfolio, one half of the US equity and one half of the Canadian equity portfolios in a passive pooled structure, and the mortgage portfolio in a pooled fund which has geographical diversified Canadian commercial real estate mortgages and other permissible investments.

Spending Policy

It is the long-term objective of The Winnipeg Foundation to make available for annual grant making activities an amount of 4.5% of the average of the three preceding years' market value of each fund in the Consolidated Trust Fund (CTF). The average market value is calculated on the basis of 12 quarters. In setting the Spending Policy, The Winnipeg Foundation also needs to consider the regulatory requirements in the environment, in particular the Disbursement Quota set by the Canada Revenue Agency (CRA).

The Winnipeg Foundation may annually recoup a portion of its operating expenses as set out in The Winnipeg Foundation's Fee Policy as amended from time to time and that amount shall be determined by The Board of Directors of The Winnipeg Foundation, taking into account, the actual annual costs incurred in operating The Winnipeg Foundation.

The Winnipeg Foundation uses 1979 as a base year to calculate an inflation adjustment for each successive year's capital contributions to the CTF. Thus, in addition to knowing contributed capital, The Winnipeg Foundation monitors an inflation protected target which essentially is required to protect the purchasing power of the original gifts. The difference between the inflation protected target and the actual market value is monitored and if this excess deteriorates or improves on an average three-year basis, the spending policy calculation will be adjusted upward or downward in accordance with the following:

Three-year average excess of Market Value above Inflation Protected Target (in %)	**Amount available for annual grant making**	**Inflation Protected Target**
15.0% or more	5.5% average market value	105%
14.0% - 14.9%	5.4% average market value	104%
13.0% - 13.9%	5.3% average market value	103%
12.0% - 12.9%	5.2% average market value	102%
11.0% - 11.9%	5.1% average market value	101%
10% - 10.9%	5.0% average market value	100%
9.0% - 9.9%	4.9% average market value	98%
8.0% - 8.9%	4.8% average market value	96%
7.0% - 7.9%	4.7% average market value	94%
6.0% - 6.9%	4.6% average market value	92%
5.0% - 5.9%	4.5% average market value	90%
4.0% - 4.9%	4.4% average market value	88%
3.0% - 3.9%	4.3% average market value	86%
2.0% - 2.9%	4.2% average market value	84%
1.0% - 1.9%	4.1% average market value	82%
0.0% - 0.9%	4.0% average market value	80%
(1.0%) - (0.1%)	3.9% average market value	80%
(2.0%) - (1.1%)	3.8% average market value	80%
(3.0%) - (2.1%)	3.7% average market value	80%
(4.0%) - (3.1%)	3.6% average market value	80%
Equal to or less than (4.1%)	3.5% average market value	80%

Any adjustment to grant making will not be greater than 0.2% in any given year, and any adjustment to the inflation protected target will not be greater than 4.0% in any given year.

The spending rate for each fiscal year will be determined based on data from the 36 months which end in the June prior to the beginning of such fiscal year and will be approved in September. The Board has the discretion to use the stipulated CRA Disbursement Quota as an alternative to the Spending Policy calculation described above for certain fund types.

When any document cites the Spending Policy of The Winnipeg Foundation, it is referring to the above formula.

The spending policy of The Winnipeg Foundation may be amended from time to time.

Approved: September 27, 2023