



18 Asset Management ("18 AM"), an independent investment boutique managing active Canadian Equity, U.S. Passive Ethical Equity and Balanced portfolios, achieved its first full calendar year return on their U.S. Passive Ethical Equity Strategy (the "Strategy") as of December 31, 2016. For 2016, the Strategy had a return (before fees) of 11.5 percent as compared to the S&P 500 return of 11.96 percent. The Strategy's 2016 return placed it at the 37th percentile of the 177 U.S. Core Equity Managers participating in the Pavilion Advisory Group's Performance Appraisal Report.

"I am very pleased with our 2016 return. We pledged to our clients to deliver the S&P 500 total return plus or minus the return of their prohibited stocks," says Melanie Blue, CFA, CPA and 18 AM's Head of Equities. "The majority of the Strategy's 2016 return differential is explained by the return of the prohibited stocks, showing that we can deliver on our pledge with very little tracking error."

The Strategy was incepted on October 26, 2015 after 18 AM was approached by a foundation who had heard of their investment team's expertise in product customization. The foundation was actively invested in U.S. equities and were considering going passive. The goal was to provide a suitable product for the foundation while taking into account their desire for passive exposure to the S&P 500 and adhering to their ethical prohibitions.

"Right from the start, we were able to save the foundation around \$400,000 in investment management fees and custody fees," says Jeff Brown, CFA and president and CEO of 18 AM. "This was money the foundation now had without even taking performance returns into account. That amount of fee reduction would equate to seven more research grants the foundation could potentially distribute compared to the number they were able to grant the previous year. This surplus was simply due to the savings they were receiving from fees alone."

Each execution of the Strategy is tailored to a client's specific ethical prohibitions as defined by their Investment Policy Statement. Given the customization, 18 AM does not market a commingled fund. Returns for 2016 are for an execution of the Strategy with no exposure to alcohol and tobacco producers. While alcohol and tobacco are popular prohibitions, 18 AM has designed its solution to be employed against virtually any index and any prohibited securities or indices. The Strategy's composite returns are GIPS verified by a leading national firm.

18 AM's Strategy enables clients to demonstrate to its stakeholders that it lives its values through investing as well as easily implement its ethical investing policies. The Strategy further lowers the amount clients are paying in investment management fees and custody fees, and reduce the performance monitoring burden on their investment committee. In addition, clients gain greater certainty in budgeting investment returns versus active management solutions. 18 AM also offer a strong company culture that translates into exceptional client services.

"The culture at 18 AM strongly reflects our passion and conviction for what we do. We are passionate about contributing to a pensioner's ability to retire with dignity, or aid a foundation in providing financial assistance to those in need," explains Sunny Mann, Legal Counsel & Compliance for 18 AM. "At 18 AM, we have so much conviction in our team, our investment process and our values, that we are invested alongside our clients. Our culture promotes working in collaboration with team members and clients in a respectful, positive environment, towards a common goal of making the world a better place."

For more information about the company, visit 18AssetManagement.com.

About 18 Asset Management

Founded in 2010, and based in London, Canada, 18 AM is an independent investment boutique managing active Canadian equity, U.S. Passive Ethical Equity, and Balanced portfolios. The company's team brings more than 100 years of investment industry experience to its clients, which include pension plans, foundations, endowments and third party distributors. 18 AM is an Imagine Corporation.