

Making a Statement

The impact of tax-deduction on philanthropic giving merits a study of its own. Most American philanthropists do not say that tax deductions motivate their philanthropy, but few would argue that it impacts on the magnitude of their gifts. Israeli tax-law does provide tax-credits for philanthropic giving (not to be confused with a deduction), but few Israelis know about this. Further, in most cases, taxes are filed by the employer rather than the individual. Israel has no estate tax, meaning there is far less estate planning and private foundations do not exist.

Despite the cultural dynamics and the almost clandestine nature of what is happening, the share of Israeli philanthropic activity funded from Israeli sources is growing. In 2006, 33% of Israeli philanthropic funding stemmed from Israeli sources, by 2009 this number grew to 38%. Prof. Hillel Schmid of the Hebrew University of Jerusalem suggests that the economic tumult of 2008 accounts for some of the reduction in the foreign share of philanthropic contributions, but there has been 'a certain increase of contributions by Israelis'. (Schmid, 2011).

The ingenuity of the Start-Up Nation should never be discounted, and a number of initiatives that merit replication in the US have found favor. While we have saving programs that round up your purchases and transfer "the change" to a savings account, Israelis can do this for charity, through a program called 'Round Up'. Start-Ups are encouraged to pledge a percentage of their company to charity through an organization called Tmura. Not all of the start-ups will be successful, but the

impact of those that will is substantial enough to offer promise of huge injections of philanthropic resources. For instance, the sale of Waze generated roughly \$1,500,000 for non-profits in Israel.

What overwhelmed me the most is the way in which Israelis care for one another, without formal non-profit structures. There is a culture of caring that is both heartwarming and

highly-effective in addressing social concerns. Rami Levi, a supermarket owner, is but one example. He provides the groceries required by the surviving Fogel children, whose parents and siblings were killed in a terrorist attack. This nationally publicized example is indicative of the mutual consideration one finds in Israel.

We can gain so much from deepening our understandings of Israeli philanthropy. We might learn from innovative ventures, discover ways to put

our philanthropic resources into the most impactful projects, but most importantly, we can strengthen our bonds with our brothers and sisters in Israel. I am proud to work for an organization, The Jewish Federation of Greater Washington, which has been strategic and thoughtful about our investments in Israel and continues to change and innovate. Most importantly, I am proud to work with our dedicated donors who constantly seek opportunities for good.

Please contact me to discuss my experiences or to speak about investing philanthropically in Israel at avital.ingber@shalomdc.org. I look forward to hearing from you.

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For any questions or to make a distribution from your fund, contact Elan Burman, Director of Planned Giving, at 301-230-7211 or email elan.burman@shalomdc.org.

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Message from the President and Managing Director

Having recently commenced the New Year, The United Jewish Endowment Fund and The Jewish Federation of Greater Washington wish you a year filled with peace, joy and prosperity.

New beginnings are also a time of reflection. We are encouraged to consider the year that has been. Our reflection, however, is not just for its own sake. Rather, we reflect upon the past in order to chart our course for a better future.

As we at the United Jewish Endowment Fund reflect upon our past year, we are proud of our work on so many fronts. In 5775, our partnership with an esteemed donor, Sunflower Café and Bakery, flourished to bring meaningful employment and dignity to those with disabilities. Come visit the café in the lobby of Federation's new building. Let us know in advance and we will be happy to treat you to a cup of coffee and a delicious sweet.

We are proud to be part of an organization that continues to find new and innovative ways to better the lives of the Jewish people locally, in Israel and around the world. PJ Library® continued to bring delight to young children by giving them free Jewish books each month. Thousands of people were introduced to Federation through scrumptious experiences with the Jewish Food Experience®, now being rolled out by other Federations across the country. We have also pioneered the creation of new communities along Israel's periphery, bringing alternatives to young Israelis battling steep housing prices in the center of the country.

We hope that our accomplishments will inspire each and every one of us to achieve even greater philanthropic outcomes. May 5776 be a year in which our community sees even more of its philanthropic objectives come to fruition. We also hope that this is a year in which you allow us the privilege to help you bring your philanthropic aspirations to life.

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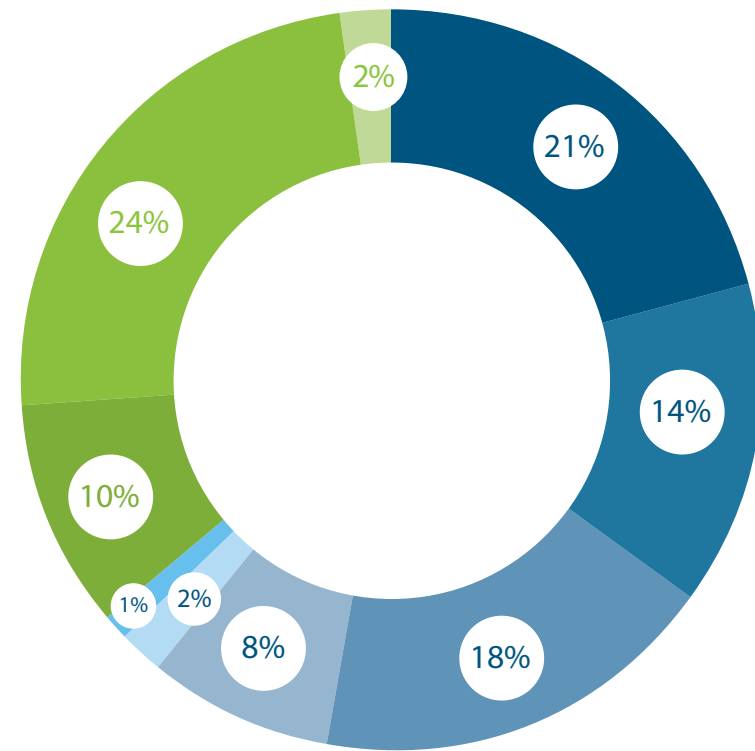
Have you considered investing in a Donor Advised Fund?

A Donor Advised Fund (DAF) allows you to donate your cash or marketable securities of \$10,000+ to establish a fund that you name. With a DAF, you can:

- Recommend grants to any qualified charity you wish to support.
- Establish a legacy in your name, or in the name of a loved one.
- Name children as advisors or successors of the fund.
- Save money, as the funds held in your account grow tax-free.
- Donate to charities or add to the fund whenever it is convenient for you.

Questions? Contact Elan Burman at 301-230-7211 or elan.burman@shalomdc.org

Portfolio Allocation June 2015



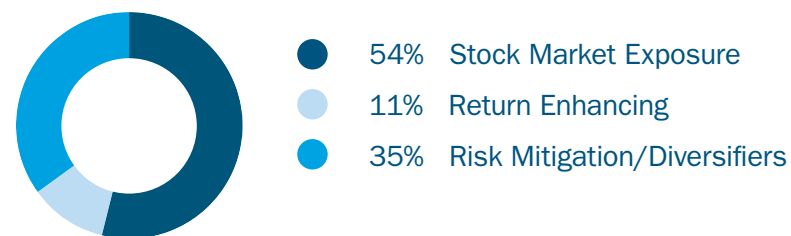
Equity 64%

- 21% Domestic Stocks
- 14% International Stocks
- 18% Long/Short and Event Driven
- 8% Private Equity
- 2% Private Real Estate
- 1% Private Natural Resources

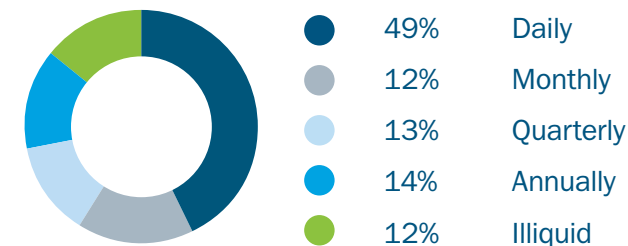
Fixed Income 36%

- 10% Credit Oriented Hedge
- 24% Fixed Income and Cash
- 2% Israel Bonds

Purpose of Investments in the Portfolio for June 2015



Liquidity June 2015



INVESTMENT PERFORMANCE THROUGH JUNE 2015

	One Month	Quarter	One Year	Three Years	Five Years	Ten Years
Entire Fund Total	-1.54%	0.74%	1.15%	8.51%	8.21%	6.51%
Policy Index	-1.50%	0.26%	1.96%	8.28%	8.47%	5.19%

Please note that these numbers include estimates and are subject to revision. Performance reports are based on the most current data available.

Israel's "Almost Secret" Philanthropic Sector By Avital Ingber

Israel is a complex land of contrasts and contradictions obvious to most tourists, even at a cursory level. But, the allure of Tel Aviv's beaches and cuisine, the history and majesty of Jerusalem or the resort culture of Eilat are often all that we see. Seldom does a visit to Israel include an immersive experience into the burgeoning philanthropic sector. Having recently celebrated my tenth anniversary as a professional with The Jewish Federation of Greater Washington, I took sabbatical leave to spend time in Israel and I experienced a fascinating journey into the dynamic new worlds of Israeli philanthropy.

Let me dispel the myth upfront: Israel has many wonderful philanthropists who generously give of their time, resources and expertise to address compelling issues. The country is filled with inspiring and entrepreneurial philanthropic activity.

Over the course of sixty meetings with stakeholders within Israel's emerging philanthropic scene, including with philanthropists, foundation professionals, non-profit organizations, attorneys and accountants, I developed a far more robust understanding of the inner workings of Israel's charitable system.



It is true that Israel's roots as a socialist society have had a marked impact on charitable enterprise. Many Israelis continue to see the government as responsible for addressing most—if not all—social issues. Government centrality is even seen in the way mega-philanthropists will seed innovative ventures, but envision the government as assuming control once the project is mature. Simultaneously, and in contradiction, there is skepticism about the government's ability to tend to all of Israel's social issues.

We speak about money in objective terms, yet we know that it is highly subjective. Likely a product of its socialist roots, many Israelis tend to eschew conversations about money, and charitable giving is done very discretely. The very term "philanthropist" is frowned upon and even those giving millions of shekels annually will shun the label. Peer-to-peer fundraising, which is the backbone of America's largess, is rare. Philanthropic discretion may be admired by some, but it mitigates the ability to organize around issues and leverage one another's work. Until recently, seldom would philanthropists partner with one another, but this is changing through efforts of entities like the Shahaf Foundation, Sheatufim and Jewish Funders Network Israel.



The partnerships that have formed are often the result of business or army relationships. The non-profit space is an amalgam of influences stemming from the army, business, government and major players like the Jewish Agency for Israel and the Jewish National Fund.

Given Israel's size, mega-philanthropists seek national opportunities rather than regional or local, as well as scalable solutions. Philanthropists tend to be issue-focused, and those prominent charitable individuals develop a reputation for cultivating exceptional expertise in a particular area, akin to what one would expect of non-profit professionals locally.