

gairdner

LES PRIX CANADA GAIRDNER AWARDS

2012
Annual
Report

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History of the Gairdner Foundation

The Gairdner Foundation was created by James A. Gairdner to recognize and reward the achievements of medical researchers whose work “contributes significantly to improving the quality of human life”. The Foundation is a Canadian organization that has never lost sight of its primary mission – the recognition of scientists it deemed to have made the most important breakthrough discoveries in biomedical science. Its’ recipients are responsible for the discovery of the structure of DNA, the eradication of smallpox, CT scans, MRI machines, the human genome, the cure for ulcers, and the vaccine against HPV to name a few.

Since the first awards were granted in 1959, the Canada Gairdner Awards have become Canada's foremost international award- and one of the most prestigious awards in medical science. Our track record of consistent high quality adjudication and selection by the independent adjudication committees have resulted in global recognition and esteem.

The Gairdner was incorporated in December 1957 as a charitable corporation under the laws of the Province of Ontario, Canada. Its funds originally derived from the personal gifts of the founder and members of his family. This inspired and farsighted decision and the faithful stewardship by those who carried on the activities of the Foundation have ensured that the awards continue to inspire the very best health research and have contributed to strengthening Canada’s scientific research capacity and international reputation.

In 2008, the Federal government provided a \$20 million endowment to the Foundation to ensure that the Awards continue to grow in international stature, and a new Canada Gairdner Global Health Award was established. At this time, the name of the Awards was changed to the Canada Gairdner Awards.

Mission

- To reward and inspire the highest standards of international excellence by recognizing and rewarding those who have achieved the most important breakthrough discoveries in the field of health research
- To bring to the attention of Canadian scientists and the public, the most important global scientific developments in the field of health research
- To inspire young Canadian scientists to aspire to the highest levels of scientific excellence and encourage the next generation's interest in health science research
- To foster the improved communication of ideas among scientists and to facilitate linkages between leading international scientists and Canadian scientists/research institutions
- To enhance Canada's stature in the global health research community

Vision

- The Canada Gairdner Awards are internationally recognized as pre-eminent awards for the most significant international scientific achievements in health research.
- The Canada Gairdner Awards and programs provide inspiration to Canadian researchers, including the next generation, to achieve scientific excellence.
- The Canada Gairdner Awards are a source of national pride and contribute to the understanding of the value of medical research to our nation and its future.

Goals

Our core mandate is to select the annual Canada Gairdner International Awardees. Over the past 53 years, the Foundation has gained a superb international reputation for recognizing and rewarding early the work of the world's leading scientists.

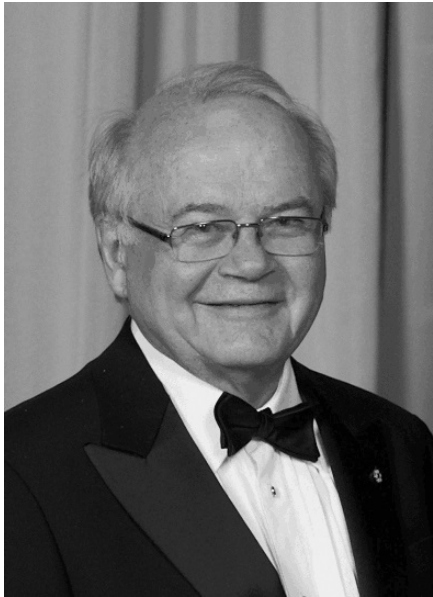
Biomedical research is fundamentally an international endeavour. The international stature of the awards conveys to the rest of the world that scientific research is both recognized and respected in Canada. Gairdner recognizes, encourages and celebrates basic and clinical research and in so doing helps to foster a culture of research and innovation.

The Foundation plays an important role in scientific life in Canada through its unique annual National Program. This ambitious program makes past and present recipients available to audiences in academic centres across Canada during 10 days in October through faculty and graduate student lectures, high school lectures and public forums. It contributes to scientific literacy and increases appreciation of the important role that biomedical research plays in our country.

Our aim is not only to enhance Canada's stature in the international scientific community, but to facilitate linkages between leading international scientists and Canadian research institutions and to inspire young Canadians to aspire to the highest levels of scientific excellence.



Message from the Chair



Gairdner undertook a number of new initiatives in 2012 while maintaining the annual National Program in October at 21 universities and the high school outreach program at 16 of these sites. Over 3,200 high school students heard lectures from current and past Canada Gairdner recipients, while about 4,000 faculty and trainees attended the Gairdner lectures. In addition, we held two major international symposia. *Meeting the Challenge of Emerging, Acute and Persistent Viral Diseases* was held at the University of Alberta on May 31-June 1 in partnership with the Li Ka Shing Institute of Virology. *Genomics: The Power and the Promise* was presented in partnership with Genome Canada on the 10th anniversary of the first Gairdner Genome Symposium. The two day event took place on November 27-28 in Ottawa. These symposia continue to elevate the profile of Gairdner both nationally and internationally.

Building on the success of 2011, Gairdner once again hosted events at Canadian embassies to celebrate Canada Gairdner International Award winners in their home countries. Successful events were hosted in London, Boston, and New York to highlight the impact and importance of the awards as a tremendous success story for both Canada and Gairdner. A very successful event was also held at the University of Alberta to celebrate Dr. Lorne Babiuk's Canada Gairdner Wightman Award.

A major undertaking in 2012 was the re-branding of Gairdner with the goal of raising the organization's profile and creating a positive climate for fundraising. As part of this exercise, a new and more interactive website was launched in late June.

Gairdner has managed to maintain its small staff in spite of the growing number and complexity of its programs. The staff works very hard to raise funds and coordinate the multiple activities of the organization. It is critically important to have support from our Board as we work with our donors and volunteers, both private and public, to ensure a strong future for the Canada Gairdner Awards.

Gairdner has become a symbol of scientific excellence in Canada and internationally, but it requires ongoing support if we are to maintain the remarkable success. We depend on the Board to help our management team maintain our esteemed reputation into the future. I am particularly grateful to John Dirks and his truly outstanding leadership and representation of Gairdner in Canada and at international receptions held at Canadian Embassies.

D. Lorne Tyrrell

D. Lorne Tyrrell, OC, AOE, MD/PhD, FRCP, FRSC
Chair, Gairdner Board of Directors

Message from the President & Scientific Director



The 2012 Canada Gairdner Awards completed a very successful year in terms of our nominations, our awards, and our events. Gairdner continues to play an important role in scientific life in Canada through its programs at 21 universities from St. John's to Vancouver. Unique among the world's major prizes, the extensive National Program provides major benefits in building leading edge research in Canada.

We held receptions in New York, Boston and London (UK) that served to engage our winners more deeply and create a sense of excitement at their home institutions.

We were very pleased to receive a 5 year grant from the federal government to enhance our adjudication processes, increase our international profile and stabilize our national programs.

I am grateful to the scientists who give so generously of their time to serve on our adjudication committees. Their commitment to excellence is the foundation of the reputation of the Canada Gairdner Awards. We also appreciate very much the 21 universities whose volunteer commitment makes the National Program a success. It goes without saying that without our sponsors and supporters we would not be able to carry out the 50 or so events that bring science to interested audiences across Canada each year. Thank you.

Finally I am grateful to our tireless Chair, Lorne Tyrrell and to all the Gairdner Directors for their support and commitment.

A handwritten signature in black ink that reads "John Dirks". The signature is stylized and cursive.

John Dirks CM, MD
President and Scientific Director
The Gairdner Foundation

2012 Year in Review



Jeffrey C. Hall, PhD, Emeritus Professor of Biology, Brandeis University, Waltham, MA
"For his pioneering discoveries concerning the biological clock responsible for circadian rhythms"



Michael Rosbash, PhD, Peter Gruber Professor of Neuroscience, Brandeis University, Waltham, MA and Investigator, Howard Hughes Medical Institute
"For his pioneering discoveries concerning the biological clock responsible for circadian rhythms"



Michael W. Young, PhD, Richard and Jeanne Fisher Professor, VP Academic Affairs, Head, Laboratory of Genetics, The Rockefeller University, New York, NY
"For his pioneering discoveries concerning the biological clock responsible for circadian rhythms"



Jeffrey V. Ravetch, MD, PhD, Theresa and Eugene Lang Professor, and Head, Leonard Wagner Laboratory of Molecular Genetics and Immunology, The Rockefeller University, New York, NY
"For his seminal work on identifying the Fc receptors of antibodies, which play a key role in the immune response, and for establishing their critical role in autoimmune diseases and cancer"



Thomas M. Jessell, PhD, Howard Hughes Medical Institute, Kavli Institute for Brain Science, Columbia University Medical Center, New York
"For research in defining the genetic and molecular pathways leading to the complex development of the spinal cord, with implications for therapeutic applications"



Brian M. Greenwood, MD, London School of Hygiene and Tropical Medicine, London, UK
"For contributions to significantly reducing mortality in children due to meningitis and acute respiratory infection, and for contributions to malaria prevention"



Lorne A. Babiuk OC, SOM, PhD, DSc, FRSC Vice-President (Research), University of Alberta, Edmonton, AB
"For his extraordinary national and international leadership in vaccine development and research on human and veterinary infectious disease control"

Special Symposia

During 2012 Gairdner partnered on two special symposia.

Edmonton

Meeting the Challenge of Emerging, Acute and Persistent Viral Diseases Attendance- 250

Li Ka Shing Institute of Virology and Gairdner Foundation held a 2 day symposium on May 31/Jun 1 at the University of Alberta. The symposium focused on the viral pathogenesis, immune responses and the potential of novel antivirals, and vaccines both prophylactic and therapeutic on these viruses.

Speakers included Drs. Eric Cohen, Don Ganem, Atul Humar, Luis Schang, Karen Mossman, Kevin Coombs, Tanya Watts, Daniel Lamarre, Lorne Tyrrell, Stephen Shafran, Heinz Feldmann, Adolfo Garcia-Sastre, Robert Webster, Mark Wainberg, Charles Rice, Michael Houghton, Matthias Götte, John Bell, Stephen Russell and Chris Richardson.

A public lecture, *Using Viruses to Fight Cancer* was also held on the evening of May 31, featuring Dr. Patrick Lee.

Attendance - 250

Ottawa

Genomics: The Power and the Promise Attendance- 350

Presented in partnership with Genome Canada on the 10th anniversary of the first Gairdner Genome Symposium, this two day event took place on November 27-28 in Ottawa. The first day focussed on health genomics and the second day on agriculture and aquaculture. Featuring keynote speaker Gairdner Laureate Eric Lander, a world leader in the field of genomics, the symposium attracted 350 registrants. It also included a poster session for young Canadian scientists that resulted in over 240 submissions.

Speakers on the first day included Eric Lander (MIT), Steve Scherer (University of Toronto), Tom Hudson (OICR), Philip Sharp (MIT), Michael Hayden (University of British Columbia and Teva Inc), Peter Jones (University of Southern California), Svante Paabo (University of Leipzig) and Bartha Maria Knoppers (McGill University).

Speakers on the second day included Stephen Mayfield (University of California), Elizabeth Edwards (University of Toronto), Curtis Suttle (UBC), Peter Langridge (University of Adelaide, Australia), Michel Georges (University de Liege, Belgium), William Davidson (Simon Fraser University), Klaus Ammann (University of Bern).

This symposium was widely considered to be one of the most successful ever held by Gairdner and both the attendance and the poster program exceeded expectations.

Eric Lander presented a breakfast talk for 20 Deputy Ministers, which was attended by the Clerk of the Privy Council, Wayne Wouters. Several speakers had an opportunity to meet privately with The Governor General of Canada as well.

National Program

The annual National Program once again took place at 21 universities in 2012, including nine in Ontario, four in Quebec, three in the Maritimes, and five in the West.

The program began in Sherbrooke, Quebec, where Dr. Victor Ambros (2008 Canada Gairdner Laureate, University of Massachusetts) spoke at the annual RIBO Club meeting on September 25.

Other Gairdner lectures included the following:

- Lakehead University, February 16, 2012
Dr. Robert Hegele, Western University
- Dalhousie University
Dr. Brian M. Greenwood, London School of Hygiene & Tropical Medicine, 2012 Canada Gairdner Global Health Award
Dr. Thomas Jessell, Columbia University, 2012 Canada Gairdner Award
- Memorial University
Dr. Brian M. Greenwood, 2012 Canada Gairdner Global Health Award
- University of Prince Edward Island, University of Saskatchewan and University of Guelph
Dr. Lorne A. Babiuk, University of Alberta, 2012 Canada Gairdner Wightman Award
- Université Laval and Queen's University
Dr. Richard Losick, Harvard University, 2009 Canada Gairdner Award
- University of Ottawa
Dr. Brian M. Greenwood, 2012 Canada Gairdner Global Health Award
Dr. Richard Losick, 2009 Canada Gairdner Award
- Université de Montréal and McGill University
Dr. Thomas Jessell, Columbia University, 2012 Canada Gairdner Award
- University of British Columbia
Dr. William Kaelin Jr., Howard Hughes Medical Institute, 2010 Canada Gairdner Award
Dr. Jeffrey V. Ravetch, Rockefeller University, 2012 Canada Gairdner Award
- Western University and University of Waterloo
Dr. Michael Rosbash, Brandeis University, 2012 Canada Gairdner Award

- University of Alberta
Dr. Howard Cedar, Hebrew University of Jerusalem, 2011 Canada Gairdner Award
Dr. Lorne A. Babiuk, 2012 Canada Gairdner Wightman Award
Dr. Michael W. Young, Rockefeller University, 2012 Canada Gairdner Award
- University of Calgary
Dr. Michael W. Young, 2012 Canada Gairdner Award
Dr. Lorne A. Babiuk, 2012 Canada Gairdner Wightman Award
- University of Toronto, Mississauga
Dr. Jeffrey C. Hall, Brandeis University, 2012 Canada Gairdner Award
- McMaster University and York University
Dr. Jeffrey V. Ravetch, 2012 Canada Gairdner Award
- University of Manitoba
Dr. Howard Cedar, 2011 Canada Gairdner Award

Student Outreach Program

The Student Outreach Program in 2012 included 16 schools . In total, 120 high schools and 3,225 students participated.

The program was held at: York, Toronto, Carleton, Montréal, McGill, Sherbrooke, Queen's, Waterloo, Western, Lakehead, Memorial, Manitoba, Saskatchewan, Alberta, Calgary and UBC.

The biggest programs were in Toronto, with 425 students and Alberta with 380 students. Memorial had their largest program ever, with 120 students bused in from around the province.



Many recipients express real pleasure at being given the opportunity to speak to a younger audience. 2012 Canada Gairdner Laureate Michael Young wrote:

My entire week in Canada was filled with extraordinary scientific interactions. The high school lecture series has no parallels, and I cannot recall a time when I witnessed so much youthful interest and enthusiasm for science as I saw in Edmonton and Toronto.

Toronto Program

The 2012 events culminated in Toronto with three days of lectures and symposia, October 25-27.

- *Saving Children's Lives Worldwide* Attendance - 250
This full day symposium featured speakers Drs. Brian Greenwood (2012 Canada Gairdner Global Health Award), Zulfiqar Bhutta (Aga Khan University) Stanley Zlotkin (SickKids Hospital), Orin Levine (Bill & Melinda Gates Foundation) Anthony Costello (University College London) and Gary Darmstadt (Bill & Melinda Gates Foundation)
- *Minds That Matter* 2012 Canada Gairdner recipients' lectures Attendance- 500
The seven award recipients each spoke about their work during a full day series of lectures.
- *New Insights into the Brain* Attendance- 300
This full day symposium featured Drs. Eric Kandel (Columbia University) Marc Tessier-Levine (Rockefeller University), David Julius (University of California San Francisco), Allison Doupe (University of California San Francisco) Thomas Sudhof (Stanford University), Peter Hegemann (Humboldt University) and Geoffrey Hinton (University of Toronto).

All the speakers took part in an afternoon roundtable chaired by Dr. Thomas Jessell (2012 Canada Gairdner Award) and Dr. Alain Beaudet (President, CIHR).



Report on 2012 Objectives

1. Maintain the Highest Standards Selecting Recipients of the Awards

- Four scientists were appointed to the Medical Advisory Board in 2012:
Dr. Hans Clevers, Professor of Molecular Genetics, Hubrecht Institute, Netherlands
Dr. Michael Strong, Dean of Medicine, Western University
Dr. Jack W. Szostak, Department of Genetics, Harvard Medical School, Cambridge, MS
Dr. Shinya Yamanaka, Institute for Frontier Medical Sciences, Kyoto University, Japan
- Five researchers joined the Medical Review Panel:
Dr. John Aitchison, Director of Integrative Biology, Institute for Systems Biology, Seattle
Dr. Paul Kubes, Director, Snyder Institute of Infection and Inflammation, University of Calgary
Dr. Andras Nagy, Samuel Lunenfeld Research Institute, Mt. Sinai Hospital, Toronto
Dr. Adrian Owen, Brain and Mind Institute, Western University, London
Raymund J. Wellinger, Director, Dept. of Microbiology & Infectious Diseases, Université de Sherbrooke
- One new member was added to Canada Global Health Advisory Committee:
Dr. Peter Piot, London School of Hygiene and Tropical Medicine, London, UK
- One new member added to Canada Gairdner Wightman Committee:
Dr. Lorne Babiuk, Vice-President Research, University of Alberta, Edmonton

2. Inspire Canadian Scientists to Seek Excellence

- The annual awards dinner at the Royal Ontario Museum was attended by 520 leaders of government, academe, business and pharma. The keynote address was given by His Excellency, David Jacobson, US. Ambassador to Canada, and the Canada Gairdner Global Health Award was presented by Hon. Leona Aglukkaq, Canada's Minister of Health.
- Graduate and post-doctoral students met with Canada Gairdner recipients at a number of small gatherings held specifically for them.

3. Foster Collaboration between Canadian and International Scientists

- Gairdner continues to bring scientists from abroad to meet with researchers and trainees in Canada through lectures, small group discussions, grand rounds, and social interactions.
- Two special symposia were held, on viral diseases and genomics, in Calgary and Ottawa respectively.
- Brandeis University and Columbia University both purchased a table at the dinner.

4. Enhance and encourage a culture of science in Canada

- The student Outreach Program took place at 16 universities with the participation of 120 high school and 3,225 students across Canada. At Lakehead, 300 students travelled, some up to 4 hours by bus to take part.
- The National Program once again took place at 21 Universities across Canada.
- Selected events were webcast, including the Toronto talks made available on the University of Toronto and the Gairdner websites.
- The Science Media Centre held a webinar on genomics to familiarize journalists with the latest advances.
- As part of the genomics symposium, a media breakfast was attended by 20 Federal Deputy Ministers and government leaders. Eric Lander spoke about the importance of genetic research.

The Year Ahead: Objectives for 2013

Gairdner continues to bring the science agenda to the forefront in Canada. We remain committed to the excellence which has resulted in our reputation as a leading international prize. In the past decade, science and technology in general, and the life sciences in particular, have been identified as critical to achieving success in the global economy.

1. Maintain the Highest Standards Selecting Recipients of the International, Wightman and Global Health Awards

- Proactively seek new nominations worldwide, identifying areas where the impact of significant research breakthroughs is emerging.
- Five new members will join the Medical Advisory Board:
Howard Cedar, (Canada Gairdner 2011), Hebrew University of Jerusalem
Jeffrey Friedman, (Canada Gairdner 2005), Rockefeller University
Jules Hoffman, (Canada Gairdner 2011), University of Strasbourg, France
Patrick Maxwell, Regius Professor Physic, University of Cambridge, UK
Sam Weiss, (Canada Gairdner 2008), Director Hodgkiss Brain Institute, Calgary

- Two scientists will join the Medical Review Panel:
David Andrews, Ph.D., Sunnybrook Research Institute
Molly Shoichet, Ph.D., Institute of Biomedical Engineering, University of Toronto
 - Additional funding from the Federal government will be utilized to bring members of the Wightman Advisory Committee and the Global Health Committee together to select the recipients by secret ballot.
 - New funding will be used to improve the administration of the nominations and to introduce electronic voting at the adjudication meetings.
 - More international members to be added to the Medical Advisory Board.
2. Inspire Canadian Scientists to Seek Excellence by raising the profile of the awards
- Through the Canada Gairdner International Awards, profile Canada in the media and in academic centres throughout the world as a place where the importance of science is recognized
 - Continue to build the public profile of the Gairdner Foundation through advertising and media coverage:
 - ▶ Maintain *Globe & Mail* as our national media sponsor
 - ▶ Videotape/podcast major talks for website distribution
 - ▶ Increase international exposure through March announcement ads in *CMAJ*, *Science and Nature* as well as local outlets in various parts of Canada. Encourage media coverage abroad through press releases and background packages on announcement day
 - ▶ Continue to encourage coverage of 2013 recipients at their own academic institutions in Canada and abroad
 - ▶ Hold receptions at Canadian Embassies/ Consulates in the home country of all 2013 recipients
3. Enhance and encourage a culture of science in Canada
- Maintain National Program of University Lectures at 21 institutions across Canada
 - Maintain Student Outreach Program in at least 16 academic institutions across Canada
 - Create French language website
 - Consider initiating a series of public lectures by Gairdner laureates at MaRS
 - Hold a webinar on Hepatitis C aimed at physicians and health care workers in Ontario
 - Special symposium will take place in Calgary on Chronic Inflammation in November 2013
 - Symposium on COPD will take place in Vancouver in December 2013, featuring Canada Gairdner Wightman Award recipient Dr. James Hogg
 - As part of the October Toronto program , 2 Symposium will be held:
 - “Sexually Transmitted Disease & HIV, The Future”
 - “Protein Structure & Function in Health & Disease”

The Gairdner Foundation Values Their 2012 Sponsors

Canada

Ontario

Government
of Alberta

CIHR IRSC
Canadian Institutes of Health Research
Instituts de recherche en santé du Canada

Gold Circle

BMO Financial Group
University of Toronto
Merck Canada Inc.

Silver Circle

Amgen Canada Inc.
Harry Rosen Inc.
RBC Foundation
University Health Network
SickKids Hospital
CAMH Campbell Family Mental Health Research Institute

Bronze Circle

Burroughs Wellcome Fund
Kinnear Foundation
Public Health Ontario
GE Healthcare
Global Health Research Initiative

Media Sponsor

The Globe and Mail

Governance

The Gairdner Foundation is governed by a 16 member Board of Directors, including 2 ex-officio members. The Board is comprised of individuals who bring their expertise from the academic, private and public sectors. Board members are nominated and appointed for an annual term. Directors are not compensated for their regular Board and Committee duties.

The Board is responsible for overseeing the management of the organization, and through its committees, conducts detailed examinations of issues and opportunities. The Directors provide strategic insight and leadership, as well as effective governance for the Foundation and work diligently to maintain and extend the capacity of the Foundation to achieve its purpose and goal.

The Board meets a minimum of twice each year. Directors of the Board take their role seriously and to the best of their ability, strive to be active participants in all Board and Committee meetings. During 2012, the Board met 3 times.

Board of Directors 2012

Dr. D. Lorne Tyrrell

Board Chair

Director, Li Ka Shing Institute of Virology,
Edmonton

Ann McCaig

Chancellor Emeritus, University of Calgary

The Honourable Kevin Lynch, PC

Board Vice-Chair

Vice-Chair, BMO Financial Group, Toronto

Jacques Menard

Chairman, BMO Nesbitt Burns and President,
BMO Financial Group, Montreal

Dr. John Dirks (ex-officio)

President/ Scientific Director, Toronto

Eric Newell

Chancellor Emeritus, University of Alberta,
Edmonton

Jacques Bougie

Corporate Director, Montreal

Joseph Rotman

Chairman and CEO, Roy-L Capital
Corporation, Toronto

Bren Gairdner

Secretary-Treasurer, Calgary, Alberta

Dr. Calvin Stiller

Emeritus Professor, University of Western
Ontario, Board Chair OICR, London, Ontario

Gary Goldberg

President, Gadango Inc., Toronto

Melissa Todd

Waterloo

Edward Kisling

President, Victoria Management Strategies Inc.,
Victoria

Lynne Upton

Victoria

Brandt C. Louie

Chairman and CEO, H.Y. Louie Co. Limited,
Chairman of the Board, London Drugs Limited
Vancouver

John Upton

RBC Dominion Securities Investment Advisor

Committees

The Board has in place a number of standing committees which help the Board discharge its duties.

Executive and Compensation Committee

Lorne Tyrrell, Chair
Joseph Rotman
Lynne Upton
Kevin Lynch

Audit Committee- meets 3-4 times per year

Jacques Bougie, Chair
Bren Gairdner
Gary Goldberg
Eric Newell

Investment Committee- meets 4 times per year

Brandt Louie, Chair
Cal Stiller
John Upton
Eric Newell
Jacques Menard

Governance and Nominating Committee- meets minimum of 1 time per year

Lorne Tyrrell, Chair
Joseph Rotman
Lynne Upton
Ann McCaig

Fund Development/Corporate Outreach Committee

Ann McCaig, Chair
Cal Stiller
Gary Goldberg

Financial Highlights

The Gairdner Foundation maintains proper financial controls and sound management practices to ensure the best use of its public and private funds. Our external auditors issued an unqualified audit opinion about the Gairdner Foundation financial statements which appear at the end of this report.

In 2008, a funding agreement was executed between CIHR and the Gairdner Foundation outlining the terms of a \$20 Million grant received from Canadian Institutes of Health Research. Proceeds from the grant were used to establish an endowment to support and enhance the Awards, and to ensure that the Canada Gairdner Awards continue to grow in stature on the international stage.

In 2008, the Foundation also received \$2 million from the Alberta government for the purpose of expanding the Gairdner Outreach Program in Alberta.

These funds have been invested together with the original family endowment under the guidance of the Investment Committee, and in accordance with the terms of these agreements and prudent governance.

The investment policy adopted by the Board has been designed with the principal objective being preservation of capital over the long-term.

Planning and Monitoring Investments

The Foundation has a duty to ensure responsible stewardship of funds. The Investment Committee oversees the management and investment of the Gairdner Foundation funds in compliance with our funding agreements. The Foundation's funds have been invested with 3 major objectives:

- Preservation of capital
- Income to meet the administrative costs and award objectives of the Foundation
- Growth in the 'capital' value of the Portfolio's assets in real (inflation-adjusted) terms

In reviewing the Foundation's investment objectives, risk tolerance, income requirements and liquidity needs, a revised long term target asset allocation of 50% fixed income, 40% equity and 10% alternative strategies was approved by the Board in January 2012.

The investment strategy and policy are reviewed annually and the portfolio is reviewed on a quarterly basis. In 2012, due to the ongoing low interest rate environment, the committee reviewed ways to improve the cash flow yield without significantly impacting

the risk profile or volatility of the portfolio. Subsequent to the review, one manager was replaced and the fixed income portion of another manager was moved to a new fixed income specialist.

The market value of the investment portfolio increased from \$26 million at the end of 2011 to \$27.4 million at the end of 2012. Returns for 2012 were \$1.7 million representing ROI of 7.3% (net of fees) vs. the benchmark of 7.8% (before fees) for a similar weighted portfolio. ROI since inception has been \$4.4 million, representing an annualized rate of return of 3.98% net of fees, compared to the benchmark of 4.3% gross of fees.

Results of Operations

Income for the year totaled \$2.7 million, made up of \$1.1 million from non-governmental sources and table sales (41% compared to 46% in 2011), \$1.3 million from government (48% compared to 58% in 2011), and \$0.3 million from investment income (11% compared to -4% in 2011). Every year the Foundation seeks sponsors from both the public and private sector.

In absolute dollars, income from government and the private sector were down from 2011 as fundraising has become increasingly difficult in the past 3 years. Government and Private sector support was reduced by \$.2 million. Income from investments increased by \$.4 million, due to significant realized gains on the portfolio.

Expenses were \$2.2 million for the year, down by \$.1 million from 2011. Travel expenses accounted for part of the reduction as 2012 awardees were primarily from North America. The balance was due to a Mental Health symposium in 2011 that was not repeated in 2012.

Compliance Audit

In 2012, the Foundation completed a compliance audit as required under the agreement with CIHR.

The Audit objective was to demonstrate the Gairdner Foundation's compliance with the terms of the Agreement between the Foundation and CIHR dated March 28, 2008. This audit covered the period from the date of the grant to the fiscal year ended December 31, 2011.

Ernst & Young was engaged to perform and report on Specified Procedures designed to assist CIHR in their assessment of the Foundation's compliance with the Funding

Agreement. In reviewing the agreement, the Foundation identified 32 sections of the agreement for compliance testing and verification.

E&Y was able to attest to full compliance for 21 sections, and another 5 sections partially compliant with minor variances and explanations. The Foundation identified 6 sections where E&Y was not able to carry out Specified Procedures. The Foundation provided attestation to compliance for these 6 sections. CIHR accepted and approved the Report.

Independent Evaluation

In 2013, the Foundation will complete an independent evaluation as required under the terms of the agreement with CIHR.

Medical Review Panel 2012

Philip Marsden, Co-Chair

Keenan Chair in Medical Research
Professor of Medicine, Renal Division, University of
Toronto, St. Michaels Hospital

Richard Rachubinski, Co-Chair

Chair, Department of Cell Biology
University of Alberta

John Aitchison

Senior VP and Director of Integrative Biology
Biomedical Research Institute, Seattle

Samuel Aparicio

Nan & Lorraine Robertson Chair
UBC/BC Cancer Agency

Cheryl Arrowsmith

Senior Scientist, Ontario Cancer Institute
Professor, Department of Medical Biophysics &
Banting & Best Department of Research, University
of Toronto

Mick Bhatia

Stem Cell and Cancer Research Institute
Michael G. DeGroot School of Medicine,
McMaster University

Stephen M. Collins

Associate Dean, Research
Faculty of Health Sciences, McMaster University

Jacques Corbeil

Director Quebec Centre for Genomics
Canada Research Chair in Medical Genomics
Université Laval

Volker Gerdtz

Associate Director, Research, Program Manager &
Scientist, Vaccine and Infectious Disease,
University of Saskatchewan

Mark Glover

Professor of Biochemistry,
University of Alberta

Robert Hegele

Jacob J. Wolfe Distinguished Medical
Research Chair, Canada Research Chair in
Human Genetics,
University of Western Ontario

Philip Hieter

Director, Michael Smith Laboratories,
Professor Medical Genetics,
University of British Columbia

Jean-Pierre Julien

Canada Research Chair in Mechanisms of
Neurodegeneration, CRCHUQ, Université
de Laval

Paul Kubes

Professor and Director, Snyder Institute of
Infection & Inflammation, University of
Calgary

David Lillicrap

Department of Pathology & Molecular
Medicine
Queen's University

Jonathan Lytton

Health Research Innovation Center,
University of Calgary

J. (Quim) Madrenas

Professor and Chairman, Department of
Microbiology & Immunology
McGill University

Jean S. Marshall

Professor and Head Microbiology &
Immunology
Dalhousie University

Medical Review Panel 2012 (con't)

Heidi McBride

Associate Professor, Department of Neurology and Neurosurgery, Montreal Neurological Institute McGill University

Steve Scherer

Director, Center for Applied Genomics, Hospital for Sick Children and Director, McLaughlin Centre for Molecular Medicine, University of Toronto

Ravi Menon

Canada Research Chair in Functional & Molecular Imaging, Deputy Scientific Director, Robarts Research Institute, University of Western Ontario

Rafik-Pierre Sékaly

Scientific Director, Vaccine & Gene Therapy Institute, Florida

Andras Nagy

Senior Investigator Mount Sinai Hospital, Samuel Lunenfeld Research Institute, Toronto

Holger Shunemann

Chair, Michael Gent Professor in Healthcare Research, Department of Clinical Epidemiology & Biostatistics, McMaster University

Pamela Ohashi

Senior Scientist, Ontario Cancer Institute, Princess Margaret Hospital, Toronto

Raymund J. Wellinger

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President and Scientific Director

Sheila Robinson

Vice President External Relations

Penny Balberman

Finance Director

Nora Cox

Office Manager

Sarah Devonshire

Administrative Assistant

Compensation

Directors

Directors are not compensated for regular Board and Committee duties. They may, however, be compensated for any reasonable out-of-pocket expenses incurred while performing their duties or attending Foundation meetings.

Senior Officers

For the fiscal year ending December 31, 2012, compensation for senior officers was in the following salary range:

Dr. John Dirks

President and Scientific Director

\$217,000-\$267,000

Sheila Robinson

Vice President External Relations

\$105,000-\$110,000

Auditors Report