

The cover features a white background with large, bold, diagonal stripes in red and grey. The word 'gairdner' is written in a large, red, lowercase sans-serif font. Below it, the text 'LES PRIX CANADA GAIRDNER AWARDS' is written in a smaller, red, uppercase sans-serif font.

gairdner
LES PRIX CANADA GAIRDNER AWARDS

**THE 2013
GAIRDNER
FOUNDATION
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

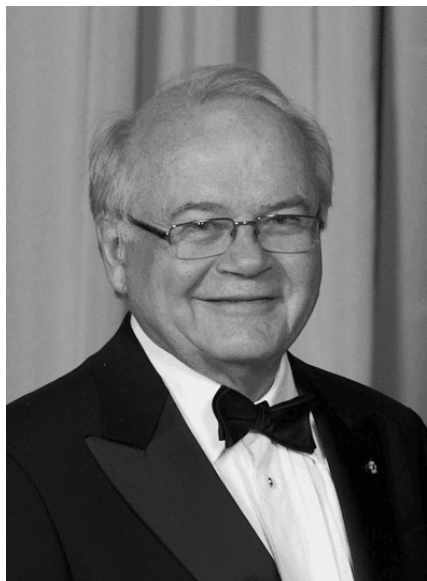
Our core mandate is to select the annual Canada Gairdner International Awardees. Over the past 53 years, the Foundation has gained a superb international reputation for recognizing and rewarding early the work of the world's leading scientists.

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



I am proud to say that Gairdner had another great year undertaking new initiatives while also maintaining the annual National Program. Gairdner's reputation continues to be one of prestige and truly representative of science excellence in Canada. Further, our footprint is growing to include more connections around the world through more nominations, receptions around the world and continued recognition of the Gairdner brand.

Our National Program continues to showcase our Canada Gairdner Award winners and their ground-breaking research while also promoting our awards nomination process. Through our High School Outreach Program our winners continue to inspire the next generation of scientists and many of our winners continue to express this as their most memorable part of their laureate tour.

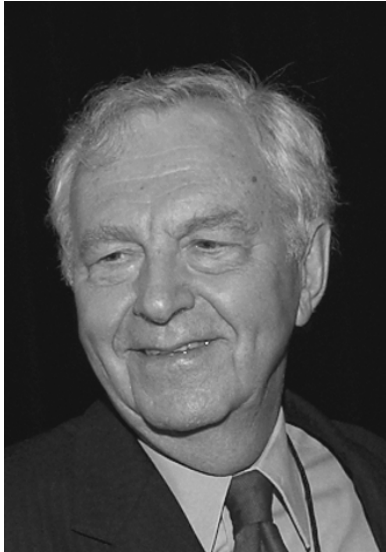
Gairdner has kept its small staff numbers in spite of an increasingly complex and diverse set of programs across the country. The hard working team coordinates the various events and ensures that funds are being brought in. Further, the support from the Board is crucial as we endeavour to expand the reach and profile of the Canada Gairdner Awards.

We depend on our Board to assist our management team in maintaining this stellar reputation for years to come. I am grateful that our Board of Directors is an outstanding group of Canadian citizens and I'm particularly grateful to John Dirks and his strategic leadership skills and impeccable representation of Gairdner around the world. I would also like to extend my sincere gratitude towards the Government of Canada for their continued support of the Gairdner Foundation.

A handwritten signature in black ink, reading "D Lorne Tyrrell". The signature is written in a cursive, flowing style.

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

MESSAGE FROM THE PRESIDENT/SCIENTIFIC DIRECTOR



The 2013 Canada Gairdner Awards had yet another successful year including top-tier nominations, an incredible awards dinner and dozens of well executed and received events. The Gairdner brand is becoming increasingly well known throughout the scientific and medical community and is expanding into the public realm. The National Program and high school outreach program were both excellent in 2013 and the feedback from attendees was positive as we continue to inspire the next generation of scientists.

The Gairdner Foundation partnered with Canadian High Commission in Britain, and the consulates in Boston, Washington, Seattle to host receptions for our winners. Another reception was also hosted at University of British Columbia. The receptions were particularly enjoyed by our winners as they celebrated with close colleagues and family. It allowed Gairdner to expand our network to new cities and countries.

I am very grateful to all of the scientists who generously donate their time to serve on our adjudication committees. Their tireless commitment to the Canada Gairdner Awards and the care with which the award selections are made provides the foundation for our prestigious reputation.

Our successful year is also due to the 22 universities whose volunteer commitment is unmatched. They set the stage for our faculty lectures at universities across Canada along with our high school outreach program that stimulates young students to pursue a career in the sciences. These events attract various faculty members from across Canada and help raise our profile throughout the medical and academic communities. Further, these events are made possible by the generosity of our sponsors and supporters who help bring our vision to life of bringing science to audiences across Canada year after year.

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

A handwritten signature in black ink, appearing to read "J. Dirks".

John Dirks CM, MD, FRCPC, FRSC
President and Scientific Director

2013 YEAR IN REVIEW

Canada Gairdner International Awards



Harvey J. Alter, MD, Senior Investigator and Chief Infectious Diseases Section and Associate Director for Research, Department of Transfusion Medicine, National Institute of Health, Bethesda, Maryland, USA

"For critical contributions to the discovery and isolation of the hepatitis C virus, which has led to the development of new diagnostic and therapeutic agents"



Daniel W. Bradley, PhD, Centre for Disease Control (retired); Consultant in ID, Atlanta, Georgia, USA

"For critical contributions to the discovery and isolation of the hepatitis C virus, which has led to the development of new diagnostic and therapeutic agents"

Michael Houghton, PhD, University of Alberta; was also selected for Hepatitis C but declined to receive the award for personal reasons.



Stephen Joseph Elledge, PhD, Department of Genetics, Harvard Medical School, Boston, USA

"For elucidation of the DNA damage response as a signaling network that controls DNA repair and genomic stability with profound implications for cancer and other diseases"



Sir Gregory Winter, CBE, FRS, Medical Research Council, Laboratory of Molecular Biology, Cambridge, UK

"For the engineering of humanized monoclonal antibodies and their widespread use in medical therapy, particularly for treatment of cancer and immune disorders"

Canada Gairdner Global Health Award



King K. Holmes, MD, PhD, Department of Global Health and Center for AIDS & STD, University of Washington, Seattle, Washington, USA

"For global scientific contributions to the field of sexually transmitted disease and their effective treatment and prevention"

Canada Gairdner Wightman Award



James C. Hogg, MD, PhD, Professor Emeritus, Pathology and Laboratory Medicine, University of British Columbia, BC, Canada

"For outstanding leadership in the understanding and treatment of chronic respiratory disease and for a visionary career as a national research builder"



Special Symposia

During 2013, the Gairdner Foundation partnered on three special symposia.

Edmonton: *Interactions between the Immune System and Pathogens*

Attendance- 210

Li Ka Shing Institute of Virology and Gairdner Foundation held a 2-day symposium on May 30-31 at the University of Alberta.

Speakers included Drs. Michele Barry, Mark Buller, Ian Crispe, Terry Dermondy, Lori Frappier, Michael Gale, Arash Grakoui, Christopher Hayes, John Hiscott, Kevin Janes, Kevin Kane, Paul Kubes, Stan Lemon, David Masopust, Julie Pfeiffer, Dana Philpott, Stefan Pukatzki, Vincent Racaniello, May Saleh, and Nagla Shoukry

A public lecture was held on May 30 featuring Grant McFadden. A poster competition was held for trainees.

Calgary: *Symposium on Chronic Inflammatory Diseases*

Attendance-250-300 each lecture

Presented in partnership with Alberta Innovates Health Solutions and the Snyder Institute for Chronic Diseases this 2-day event took place on November 14-15, 2013 in Calgary. The symposium included several components: the plenary session had a full house with people standing in the gallery, regular sessions, as well as a public lecture by Marc Feldmann, also with a full house.

Featuring a number of international leaders in the field, speakers included a number of Canadian scientists as well as researchers from Yale, NIH Stanford, Colorado and Oxford in the UK. This event included a number of events for young Canadian trainees.

Vancouver: *COPD, New Approaches toward Prevention and Cure*

Attendance -200

This event, featuring 2013 Canada Gairdner Wightman recipient James Hogg, was held on December 3-4 in Vancouver. To mark this special occasion, St. Paul's Hospital, in collaboration with UBC, Gairdner Foundation and the BC Lung Association, jointly hosted this symposium.

Speakers included researchers from Canada as well as world leaders in COPD research and innovation, Drs. Avrum Spira (Boston), Marc Decramer (Belgium), Edwin Silverman and Bartolome Celli (Harvard) and Peter Barnes (London, UK) who presented the latest "breakthroughs" in COPD that will have a lasting impact on patient care.

A public forum held on December 4, 2013 at the Sheraton Wall Centre, was very well attended and additional seating had to be added for the audience.

National Program

The Foundation carried out its National Program of University Lectures at 22 universities across Canada including 9 in Ontario, 6 in the West (with the addition of Lethbridge), 3 in Quebec and 4 in the Maritimes.

Speakers included all of the 2013 Canada Gairdner recipients as well as Adrian Bird (Gairdner 2011), Gary Ruvkun (2008), Kim Nasmyth (2007), Sam Weiss (2008), Thomas Steitz (2007) and Rod McInnes.

Gairdner lectures included:

- Lakehead University, February 14, 2013
Dr. Phil Marsden, St. Michaels Hospital, Toronto
- Dalhousie University, University Of Prince Edward Island, Memorial University
Dr. Jim Hogg, University of British Columbia, 2013 Canada Gairdner Wightman Award
- University of Saskatchewan
Dr. King Holmes, University of Seattle, 2013 Canada Gairdner Global Health Award
- University of Lethbridge
Dr. Sam Weiss, University of Calgary, 2008 Gairdner Laureate
- Western University, University of Guelph and McMaster University
Dr. Daniel Bradley, Georgia, US, 2013 Canada Gairdner International Award
- Queen's University
Dr. Jim Hogg, University of British Columbia, 2013 Canada Gairdner Wightman Award
- Université Laval
Dr. Stephen Elledge, Harvard Medical School, 2013 Canada Gairdner International Award
Dr. King Holmes, University of Seattle, 2013 Canada Gairdner Global Health Award
- University of Ottawa
Dr. Jim Hogg, University of British Columbia, 2013 Canada Gairdner Wightman Award
Dr. Phil Marsden, St. Michaels Hospital, Toronto
- Université de Montréal and McGill University
Dr. Stephen Elledge, Harvard Medical School, 2013 Canada Gairdner International Award
Dr. Gary Ruvkun, Harvard Medical School, 2008Canada Gairdner Laureate

- University of British Columbia
Dr. Kim Nasmyth, Oxford University, Oxford, UK, 2007 Gairdner Laureate
Sir Gregory Winter, Trinity College, Cambridge, UK, 2013 Canada Gairdner International Award
- University of Waterloo
Dr. Kim Nasmyth, Oxford University, Oxford, UK, 2007 Gairdner Laureate
- University of Alberta
Dr. Adrian Bird, University of Edinburgh, UK, 2011 Canada Gairdner Laureate
Dr. Thomas Steitz, Yale University, 2007 Canada Gairdner Laureate
Dr. Jim Hogg, University of British Columbia, 2013 Canada Gairdner Wightman Award
- University of Calgary
Dr. Adrian Bird, University of Edinburgh, UK, 2011 Canada Gairdner Laureate
Dr. Thomas Steitz, Yale University, 2007 Canada Gairdner Laureate
Sir Gregory Winter, Trinity College, Cambridge, UK, 2013 Canada Gairdner International Award
- York University
Dr. Stephen Elledge, Harvard Medical School, 2013 Canada Gairdner International Award
- University of Manitoba and University of Winnipeg
Dr. King Holmes, University of Seattle, 2013 Canada Gairdner Global Health Award
- University of New Brunswick
Dr. Rod McInnes, Jewish General Hospital, Montreal

Student Outreach Program

The Student Outreach Program in 2013 included 18 schools. In total, 120 high schools and 3,600 students participated.

The program was held at: York, Toronto, Carleton, Montréal, McGill, Waterloo, Western, Lakehead, Memorial, Manitoba, Saskatchewan, Edmonton, Calgary, Lethbridge, UBC, UPEI, UNB and Dalhousie. The largest programs were in Toronto, with 450 students and Edmonton with 400 students. We also visited Lethbridge for the first time.

Many recipients express real pleasure at being given the opportunity to speak to a younger audience.

2014 Canada Gairdner Laureate Harvey Alter wrote:

The Gairdner event is truly something special and I'm so humbled and appreciative of being a recipient.

King Holmes wrote:

What a wonderful 2 weeks the Foundation organized for me, I look forward to more interaction in the future especially the opportunity to visit Halifax, Charlottetown and St. John's Newfoundland in October.



Toronto Program

The 2013 events culminated in Toronto with three days of lectures and symposia, October 23-25.

- *HIV/STI's: Are we moving forward?* Attendance – 200

This full day symposium featured many esteemed speakers including Drs. King Holmes (2013 Canada Gairdner Global Health Award), Robert Brunham (University of British Columbia), David Lewis (South Africa), Sevgi Oral (Atlanta), Francis Plummer (Winnipeg), Rosanna Peeling (London School for Hygiene & Tropical Medicine), Patricia Garcia (Lima, Peru), Myron Cohen (North Carolina), Thomas Quinn (Baltimore), and James Blanchard (Winnipeg).

- *Minds That Matter* 2013 Canada Gairdner awardees' lectures Attendance- 500

The six award recipients each spoke about their work during a full day series of lectures.

- *Protein Structure and Function in Health and Disease* Attendance- 400

This full day symposium featured Sir Gregory Winter, 2013 Canada Gairdner Laureate, together with speakers, Drs. Arthur Horwich (Yale School of Medicine), Pamela Bjorkman (HHMI, California), James Wells (University of California San Francisco), Ben Neel, Chair (Ontario Cancer Institute), Andreas Pluckthun (University of Zurich), Peter Kim (Merck Research Labs) and David Baker (University of Washington), Paul Carter (Genentech, California), Ravinder Maini (Imperial College, London).

All the speakers took part in an afternoon roundtable chaired by Sir Gregory Winter (2013 Canada Gairdner Award) and Dr. Victor Dzau, Chancellor Duke University.

REPORT ON 2013 OBJECTIVES

1. Maintain the Highest Standards Selecting Recipients of the Awards

- Four scientists were appointed to the Medical Advisory Board in 2013:
Dr. Howard Cedar, Professor of Molecular Biology, Hebrew University, Jerusalem, Israel
Dr. Jeffrey Friedman, Professor, Rockefeller University, New York
Dr. Patrick Maxwell, Regius Professor of Physic, University of Cambridge, London, UK
Dr. Samuel Weiss, Professor & Director, Hotchkiss Brain Institute, University of Calgary
- Seven researchers joined the Medical Review Panel:
Dr. David Andrews, Director and Senior Scientist, Sunnybrook Research Institute, Toronto
Dr. Daniel Durocher, Senior Investigator, Samuel Lunenfeld Research Institute, Mount Sinai Hospital, Toronto
Dr. John Gordon, Professor of Medicine, University of Saskatchewan
Dr. Lea Harrington, Full Professor, Department of Medicine, University of Montreal, Montreal
Dr. Michael Salter, Head, Neurosciences & Mental Health, SickKids, Toronto
Dr. Molly Shoichet, Professor, Department of Chemistry, University of Toronto
Dr. Terry-Lynn Young, Associate Professor, Genetics, Memorial University, St John's, NL
- One new member was added to Canada Gairdner Global Health Advisory Committee:
Dr. Jeremy Farrar, Director, Wellcome Trust, Oxford, UK
- Two new members added to Canada Gairdner Wightman Committee:
Dr. Stephen Collins, Associate Dean for Research, Faculty of Health Sciences, McMaster University, Hamilton
Dr. David Eidelman, Vice Principal and Dean, Faculty of Medicine, McGill University, Montreal

2. Inspire Canadian Scientists to Seek Excellence

- The annual awards dinner at the Royal Ontario Museum was attended by 540 leaders of government, academe, business and pharma. Guest of Honour, The Honourable James Moore, Minister Industry Canada spoke, and Special Guest the Honourable Reza Moridi, Minister Research & Innovation, Ontario also addressed the group.
- 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.
- Three special symposia were held, in Calgary, Edmonton and Vancouver.
- University of Washington and Cambridge Alumni purchased a table at the dinner.

4. Enhance and encourage a culture of science in Canada

- The student Outreach Program took place at 18 universities with the participation of 120 high school and 3,600 students across Canada. At Lakehead, 230 students travelled, some up to 4 hours by bus to take part. This program is very appreciated by the outlying schools.
- The National Program took place at 22 Universities across Canada, with the addition of Lethbridge this year.
- Selected events were webcast, including the Toronto talks made available on the University of Toronto and the Gairdner websites.

THE YEAR AHEAD: OBJECTIVES FOR 2014

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:
Thomas Jessell, (Canada Gairdner 2012), Kavli Institute for Brain Science, Columbia University
Jeffrey Ravetch, (Canada Gairdner 2012), Rockefeller University
Philippe Sansonetti, Unité de Pathogénie Microbienne Moléculaire, Pasteur Institute of Paris
Arthur Horwich, (Canada Gairdner 2004), Yale School of Medicine
Randy Schekman, (Canada Gairdner 1996), Howard Hughes Medical Institute, California
- 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.

2. Inspire Canadian Scientists to Seek Excellence by raising the profile of the awards

- Through the Canada Gairdner 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

Media kits to be sent to participating universities in order to facilitate more local media coverage of the winners who are speaking across Canada
Continue to encourage coverage of 2014 winners at their own academic institutions in Canada and abroad
Hold receptions at Canadian Embassies/ Consulates in the home country of all 2014 recipients

3. Enhance and encourage a culture of science in Canada

- Maintain National Program of University Lectures at 22 institutions across Canada
- Maintain Student Outreach Program in at least 16 academic institutions across Canada
- Create French language website
- Special symposium will take place in Calgary on “The Future of Neuroscience” in October 2014
- Special symposium will take place in Edmonton “Shedding the New Light on Monoaminergic Signaling and Neuropsychiatric Disorders” in May 2014
- This year we will partner with Genome Canada to present Genomics: The Power and the Promise to be held in November in Ottawa
- As part of the October Toronto program, 2 special Symposium will be held
- Develop promotional materials such as print and online videos to attract and maintain supporters along with recruiting new high schools



THE GAIRDNER FOUNDATION VALUES THEIR 2014 SPONSORS



Gold Circle

BMO Financial Group
University of Toronto
Merck Canada Inc.

Silver Circle

Harry Rosen Inc.
RBC Foundation
University Health Network
London Drugs

Bronze Circle

Burroughs Wellcome Fund
Celgene Canada
Public Health Ontario
Ontario HIV Treatment Network
Global Health Research Initiative
Canadian Foundation for Innovation

Media Sponsor

The Globe and Mail

GOVERNANCE

The Gairdner Foundation is governed by a 14 member Board of Directors. 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 2013, the Board met 3 times. During 2013, the Foundation was continued as a federal corporation under the Canada Not-for-profit Corporations Act. We also revised the Bylaws of the Foundation.

BOARD OF DIRECTORS 2013

Dr. D. Lorne Tyrrell

Board Chair
Director, Li Ka Shing
Institute of Virology,
Edmonton

**The Honourable Kevin
Lynch, PC**

Board Vice-Chair
Vice-Chair, BMO
Financial Group, Toronto

Jacques Bougie

Corporate Director
Montreal

Bren Gairdner

Calgary, Alberta

Gary Goldberg

President, Gadango Inc.
Toronto

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

Dr. Calvin Stiller

Emeritus Professor,
University of Western
Ontario, Board Chair
OICR

Jacques Menard

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

Eric Newell

Chancellor Emeritus,
University of Alberta

Melissa Todd

Waterloo

Ann McCaig

Chancellor Emeritus,
University of Calgary

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

Kevin Lynch

Audit Committee- meets 3 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

Ann McCaig

Kevin Lynch

Fund Development 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:

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

The investment strategy and policy are reviewed annually and the portfolio is reviewed on a quarterly basis. In 2013, due to the continuing low interest rate environment, the committee recommended changes to the strategic asset mix, replacing one manager and realigning the mandate of another manager. These changes were implemented to minimize the risk profile or volatility of the portfolio.

In reviewing the Foundation's investment objectives, risk tolerance, income requirements and liquidity needs, a revised long term target asset allocation of 45% fixed income, 45% equity and 10% alternative strategies was approved by the Board in the fall of 2013.

The market value of the investment portfolio increased from \$27.4 million at the end of 2012 to \$30.0 million at the end of 2013. Returns for 2013 were \$3.3 million representing ROI of 12.3% net of fees vs. the benchmark of 13.3%, before fees for a similar weighted portfolio. ROI since inception has been

\$7.7 million, representing an annualized rate of return of 5.5% net of fees, compared to the benchmark of 5.97% gross of fees.

Results of Operations

Income for the year totaled \$3.0 million, made up of \$1.0 million from non-governmental sources and table sales (34% compared to 41% in 2012), \$1.4 million from government (45% compared to 48% in 2012), and \$0.6 million from investment income (21% compared to 11% in 2012). Every year the Foundation seeks sponsors from both the public and private sector.

In absolute dollars, income from government and the private sector were approximately the same as 2012 however, fundraising has become increasingly difficult. Income from investments increased by \$.3 million as the financial markets continued to show signs of strength, producing significant realized and unrealized gains on the portfolio.

Expenses were \$2.2 million for the year, up slightly from 2012. The National program increased by \$0.1 million. This was offset by a reduction in the cost of awards due to one winner declining the award for personal reasons.

Independent Evaluation

In 2013, the Foundation completed the independent evaluation as required under the terms of the agreement with CIHR. The findings regarding the effectiveness of various activities undertaken by the awards program indicate that the Foundation has successfully maintained the international stature and prestige of the Canada Gairdner Awards, expanded the value and range of prizes (by adding the Global Health Award and making the Wightman Award an annual prize), continued to nurture international relationships among scientists, and increased the number of universities participating in, and the audience for, the national outreach program.

An action plan was developed to address potential improvements and recommendations made in the report.

MEDICAL REVIEW PANEL 2013

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

David Andrews

Director of Biological Sciences
Sunnybrook Research Institute

Samuel Aparicio

Nan & Lorraine Robertson Chair
UBC/BC Cancer Agency

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

Daniel Durocher

Senior Investigator, Samuel Lunenfeld Research
Institute, Mount Sinai Hospital

Mark Glover

Professor of Biochemistry,
University of Alberta

John R. Gordon

Professor of Medicine, University of
Saskatchewan

Robert Hegele

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

Lea Harrington

Professor Department of Medicine, University
of Montreal and visiting Professor, Wellcome
Trust University of Edinburgh

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

Heidi McBride

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

Ravi Menon

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

Andras Nagy

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Samuel Lunenfeld Research Institute, Toronto

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Princess Margaret Hospital, Toronto

Adrian Owen

Canada Excellence Research Chair
Brain and Mind Institute, University of Western
Ontario

Morag Park

Rosalind & Morris Goodman Cancer Centre,
McGill University

Michael Salter

Program in Neurosciences & Mental Health,
Hospital for Sick Kids

Molly Shoichet

Professor of Chemical Engineering and Applied
Chemistry, Donnelly Center for Cellular and
Biomedical Research, University of Toronto

Holger Shunemann

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

Raymund J. Wellinger

Canada Research Chair, Head Department of
Microbiology & Infectious Diseases, Faculty of
Medicine, Université de Sherbrooke

David B. Williams

Professor, Department of Biochemistry
University of Toronto

Richard Wozniak

Professor, Department of Cell Biology,
University of Alberta

Terry-Lynn Young

Associate Professor Faculty of Medicine
Genetics, Memorial University

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Harvard Medical School

Sam Weiss

Professor & Director, Hotchkiss Brain Institute
Depart of Cell Biology & Anatomy
University of Calgary

Shinya Yamanaka

Director for iPS Cell Research, Institute for
Frontier Medical Sciences Kyoto University,
Japan

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Alan Bernstein

President & CEO, CIFAR

Zulfiqar Bhutta

Professor and Chair, Aga Khan University, Karachi

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Tachi Yamada

Senior Executive in Residence, Frazier Healthcare Ventures, Seattle

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Dr. John Dirks

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, 2013, compensation for senior officers was in the following salary range:

Dr. John Dirks

President and Scientific Director

\$222,000-\$282,000

AUDITORS REPORT

Financial Statements

The Gairdner Foundation

December 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of
The Gairdner Foundation

We have audited the accompanying financial statements of **The Gairdner Foundation**, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

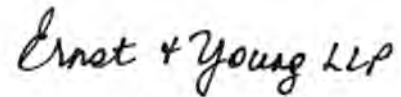
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **The Gairdner Foundation** as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Canada,
May 7, 2014.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Chartered Accountants
Licensed Public Accountants

The Gairdner Foundation

STATEMENT OF FINANCIAL POSITION

As at December 31

	2013 \$	2012 \$
ASSETS		
Current		
Cash and cash equivalents	159,783	260,270
Grants receivable	6,353	—
GST/HST receivable	65,011	60,825
Other receivables	28,231	15,987
	259,378	337,082
Investments <i>[note 3]</i>	29,976,693	27,354,614
Capital assets, net <i>[note 4]</i>	2,932	7,224
	30,239,003	27,698,920
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	432,837	508,647
Federal government funding <i>[note 5]</i>	21,710,221	20,033,953
Alberta government funding <i>[note 6]</i>	2,312,260	2,157,084
	24,022,481	22,191,037
	24,455,318	22,699,684
Commitment <i>[note 8]</i>		
Net assets		
Unrestricted	500,000	500,000
Internally restricted <i>[note 7]</i>	5,283,685	4,499,236
	5,783,685	4,999,236
	30,239,003	27,698,920

See accompanying notes

On behalf of the Board:

Director

Director

The Gairdner Foundation

STATEMENT OF OPERATIONS

Year ended December 31

	2013 \$	2012 \$
REVENUE		
Investment income <i>[note 3]</i>		
Interest and dividends	132,132	144,379
Realized gain on investments	193,899	222,581
Net change in unrealized gain on investments	287,352	(47,888)
	613,383	319,072
Federal government grant funding <i>[note 5]</i>	781,802	856,131
Alberta government grant funding <i>[note 6]</i>	109,488	91,694
Other government grants	447,971	372,000
Other contributions and sponsorships	384,784	457,141
Table sales	628,000	628,000
	2,965,428	2,724,038
EXPENSES		
National events	590,063	469,146
Advisory boards	135,276	110,811
Awards	600,000	700,000
Marketing and communications	38,737	41,656
Administrative	816,903	830,785
	2,180,979	2,152,398
Excess of revenue over expenses for the year	784,449	571,640

See accompanying notes

The Gairdner Foundation

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	2013		
	Unrestricted	Internally restricted	Total
	\$	\$	\$
	<i>[note 7]</i>		
Balance, beginning of year	500,000	4,499,236	4,999,236
Excess of revenue over expenses for the year	784,449	—	784,449
Interfund transfer <i>[note 7]</i>	(784,449)	784,449	—
Balance, end of year	500,000	5,283,685	5,783,685

	2012		
	Unrestricted	Internally restricted	Total
	\$	\$	\$
	<i>[note 7]</i>		
Balance, beginning of year	500,000	3,927,596	4,427,596
Excess of revenue over expenses for the year	571,640	—	571,640
Interfund transfer <i>[note 7]</i>	(571,640)	571,640	—
Balance, end of year	500,000	4,499,236	4,999,236

See accompanying notes

The Gairdner Foundation

STATEMENT OF CASH FLOWS

Year ended December 31

	2013 \$	2012 \$
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	784,449	571,640
Add (deduct) non-cash items		
Amortization of capital assets	5,119	2,458
Investment income	(613,383)	(319,070)
Government funding recognized as revenue	(891,290)	(947,826)
	(715,105)	(692,798)
Changes in non-cash working capital balances related to operations		
Grants receivable	(6,353)	—
GST/HST receivable	(4,186)	2,358
Other receivables	(12,244)	(5,987)
Accounts payable and accrued liabilities	(75,810)	176,790
Cash used in operating activities	(813,698)	(519,637)
INVESTING ACTIVITIES		
Purchase of capital assets	(827)	(652)
Withdrawals from investments	714,038	496,213
Cash provided by investing activities	713,211	495,561
Net decrease in cash and cash equivalents during the year	(100,487)	(24,076)
Cash and cash equivalents, beginning of year	260,270	284,346
Cash and cash equivalents, end of year	159,783	260,270

See accompanying notes

The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

1. PURPOSE OF THE ORGANIZATION

The Gairdner Foundation [the "Foundation"] provides awards to medical scientists in recognition of outstanding discoveries and contributions to medical science, and as an incentive to those who follow in their footsteps. In addition to encouraging and rewarding individuals, the Foundation presents the Gairdner Awards in order to focus public, professional and scientific attention on significant achievements in the field of health sciences.

The Foundation, was incorporated under the laws of Ontario until October 2, 2013 and is currently incorporated under the Canada Not-for-Profit Corporations Act. The Foundation is registered as a charitable organization under the Income Tax Act (Canada) [the "Act"] and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with maturities of less than 90 days at the date of purchase. Cash and cash equivalents exclude amounts that are managed for returns rather than being held for liquidity.

Financial instruments

Investments reported at fair value consist of equity instruments that are quoted in an active market as well as investments in pooled funds and any investments in fixed income securities that the Foundation designates upon purchase to be measured at fair value. Transaction costs are recognized in the statement of operations in the period during which they are incurred.

Investments in fixed income securities not designated to be measured at fair value are initially recorded at fair value net of transaction costs and are subsequently measured at amortized cost using the straight-line method, less any provision for impairment.

Other financial instruments, including accounts receivable and accounts payable, are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Capital assets

Capital assets are recorded at acquisition cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful lives.

Rates and methods of amortization are as follows:

Asset	Years	Method
Office equipment	5	straight-line
Computer equipment	3	straight-line

Revenue recognition

The Foundation follows the deferral method of accounting for contributions, which include grants and donations. Grants, bequests and other donations are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Sponsorships and related event revenues are recognized when the event takes place.

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, net of safekeeping and investment management expenses, is recorded as revenue in the statement of operations, except to the extent that it relates to restricted contributions, in which case it is added directly to those balances.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the year-end date. Non-monetary assets and liabilities are translated at the historic rate. Exchange gains and losses are included in the statement of operations except to the extent that they relate to investments, in which case they are accounted for consistent with investment income (loss).

The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Contributed goods and services

Because of the difficulty in determining fair value, contributed goods and services are not recognized in the financial statements.

3. INVESTMENTS

Investments consist of the following:

	2013		2012	
	\$	%	\$	%
Cash and cash equivalents	660,913	2.2	599,385	2.2
Bonds				
Canadian	12,757,108	42.6	13,204,941	48.3
Equities				
Canadian	5,239,821	17.4	4,335,905	15.8
US	4,333,614	14.5	1,633,372	6.0
Other international	4,520,667	15.1	5,033,173	18.4
Hedge funds	2,464,570	8.2	2,547,838	9.3
	29,976,693	100.0	27,354,614	100.0

Investments in pooled funds have been included above based on their underlying asset mix.

As at December 31, 2013, bonds have an average term to maturity of 7.5 years [2012 - 8.3 years] and a weighted average yield of 3.9% [2012 - 2.9%].

The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Investment income recorded in the statement of operations is calculated as follows:

	2013 \$	2012 \$
Interest and dividends	910,717	1,063,475
Realized gain on investments	1,054,596	1,307,613
Net change in unrealized gain on investments	1,562,872	(281,330)
Total investment income	3,528,185	2,089,758
Less safekeeping and investment management expenses	(192,068)	(215,285)
Investment income, net of safekeeping and investment management expenses	3,336,117	1,874,473
Less investment loss (income) related to:		
Federal government funding [note 5]	(2,458,070)	(1,404,238)
Alberta government funding [note 6]	(264,664)	(151,163)
Investment income recognized in revenue	613,383	319,072

4. CAPITAL ASSETS

Capital assets consist of the following:

	2013		
	Cost \$	Accumulated amortization \$	Net book value \$
Office equipment	6,569	4,494	2,075
Computer equipment	9,580	8,723	857
	16,149	13,217	2,932

	2012		
	Cost \$	Accumulated amortization \$	Net book value \$
Office equipment	9,254	5,571	3,683
Computer equipment	9,800	6,259	3,541
	19,054	11,830	7,224

The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

5. FEDERAL GOVERNMENT FUNDING

The Foundation received a \$20,000,000 grant from the federal government in 2008 for the purpose of supporting and enhancing the Gairdner International Awards Program. This grant is to be invested for the duration of the funding agreement and only the income, which includes interest, dividends and realized gains/losses, may be used to support the Foundation's activities until the funding agreement terminates. The Foundation can draw upon the capital to a maximum of \$2,000,000 over the term of the funding agreement, provided it uses best efforts to restore any capital withdrawn.

The funding agreement terminates on March 31, 2028, unless terminated earlier, or renewed in accordance with the funding agreement. Upon termination, the Foundation may use the unspent balance of the original grant as it deems appropriate.

The changes in the Government of Canada funding balance are as follows:

	2013 \$	2012 \$
Balance, beginning of year	20,033,953	19,485,846
Interest and dividends	529,505	635,412
Realized gain on investments	777,032	979,581
Net change in unrealized gain on investments	1,151,533	(210,755)
Investment income for the year	2,458,070	1,404,238
Amount recognized as revenue	(781,802)	(856,131)
Balance, end of year	21,710,221	20,033,953

As at December 31, 2013, the amount available for spending in future years is \$711,161 [2012 - \$186,426].

6. ALBERTA GOVERNMENT FUNDING

The Foundation received \$2 million from the Alberta government in 2008 for the purpose of expanding the Gairdner Outreach Program in Alberta. The funds received from the Alberta government are to be invested during the term of the funding agreement, and only the income, which includes interest, dividends and realized gains/losses, may be used to support the Alberta Gairdner Outreach Program. The Foundation can draw upon the capital to a maximum of \$250,000 over the term of the funding agreement, provided it uses best efforts to restore any capital withdrawn.

The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

The grant has an indeterminate term; however, the funding agreement is to be reviewed at least every five years. The Alberta government has the right to terminate the agreement, without cause, upon giving 90 days' notice. Upon termination, the remaining balance of the fund not previously committed for outreach activities must be repaid.

The changes in the Government of Alberta funding balance are as follows:

	2013 \$	2012 \$
Balance, beginning of year	2,157,084	2,097,615
Interest and dividends	57,013	68,400
Realized gain on investments	83,664	105,450
Net change in unrealized gain on investments	123,987	(22,687)
Investment income (loss) for the year	264,664	151,163
Amount recognized as revenue	(109,488)	(91,694)
Balance, end of year	2,312,260	2,157,084

As at December 31, 2013, the amount available for spending in future years is \$208,519 [2012 - \$177,329].

7. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are funds set aside by the Board of Directors to invest in order to earn income to help fund future operating expenses. In 2013, the Board approved an interfund transfer from unrestricted to internally restricted net assets of \$784,449 [2012 - \$571,640]. The Board of Directors may approve a transfer from internally restricted net assets, if required, to fund unanticipated deficits from fundraising shortfalls or unanticipated expenditures.

8. COMMITMENT

The Foundation is required to make future annual lease payments for its premises as follows:

	\$
2014	25,850

The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

9. FINANCIAL INSTRUMENTS

The Foundation is exposed to various financial risks through transactions in financial instruments.

Currency risk

The Foundation is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar.

Interest rate risk

The Foundation is exposed to interest rate risk with respect to its investments in fixed income investments and pooled funds that holds fixed income securities because the fair value will fluctuate due to changes in market interest rates.

Other price risk

The Foundation is exposed to other price risk through changes in market prices [other than changes arising from interest rate or currency risks] in connection with its investments in equity securities and pooled funds.