



**THE PIERRE ELLIOTT TRUDEAU FOUNDATION  
BUSINESS PLAN 2013-2014**

*Prepared for Industry Canada*

**June 2013**

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## 1. BACKGROUND

A Canadian institution with a national purpose, the Pierre Elliott Trudeau Foundation is an independent and non-partisan charity. It was established in 2001 as a living memorial to the former Prime Minister by his family, friends, and colleagues. In 2002, the Government of Canada endowed the Foundation with a donation of \$125 million with the unanimous support of the House of Commons. In addition, the Foundation benefits from private sector donations in support of specific initiatives.

The Pierre Elliott Trudeau Foundation funds outstanding scholars who conduct research into crucial public issues and creates opportunities for dialogue and collaboration across organizations and disciplines around four key themes: human rights, citizenship, international relations, and the environment. Since being established, the Foundation has granted hundreds of major awards to top researchers and highly accomplished individuals, in Canada and abroad.

The Foundation is governed by a diverse and highly distinguished Board of up to 18 directors, including two directors appointed by the Minister of Industry and two representatives of the family of the late Pierre Trudeau. The directors oversee the \$151 million endowment and an annual operating budget of \$6 million, and they set policies and program directions for the Foundation.

The mission statement adopted by the Board of Directors inspires the work of the Foundation and shapes its Business Plan for 2013-2014.

### *Mission statement*

*The Pierre Elliott Trudeau Foundation promotes outstanding research in the humanities and social sciences, and fosters a fruitful dialogue between scholars and policymakers in the arts community, business, government, the professions, and the voluntary sector.*

*The Foundation:*

- *encourages emerging talent by awarding Trudeau scholarships to the most talented doctoral students in Canada and abroad*
- *appoints distinguished Trudeau fellows and mentors for their knowledge and wisdom, to build an intellectual community to support the work of the scholars, and*
- *creates and maintains an international network of Trudeau fellows, scholars, and mentors*

Through a growing community, the Foundation actively encourages talented individuals to develop audacious proposals, to set and achieve ambitious goals, and to interact with and teach as many people as possible. We believe that the best ideas emerge when individuals from different generations and different disciplines focus on a problem together, when technical, scientific, and policy innovators are informed by outstanding communicators in bioethics, geography, history, or the law, and when new patterns of human behaviour are revealed and deep cultural understanding is achieved.

## **2. FOUR CORE PROGRAMS**

The Foundation is dedicated to the delivery of four core programs: three funding programs targeted towards scholars, fellows, and mentors, and a Public Interaction Program, intended to achieve knowledge acquisition, transfer, and exchange among our program beneficiaries and the public. The Foundation's annual activity cycle revolves around these four main programs.

### ***Trudeau mentorships***

Up to twelve mentors are appointed each year. The Mentorship Program is an innovative experiment that seeks to forge intellectual and personal bonds between renowned Canadians with extensive experience in public life and talented doctoral students. The mentors are drawn from an array of professional backgrounds, including business, public service, law, arts, journalism, and advocacy. They enjoy a nationwide and international reputation based on achievements in their own particular field and, most importantly, are able to introduce scholars to their networks.

### ***Trudeau scholarships***

Up to fifteen scholarships are awarded each year to support doctoral candidates pursuing research of compelling present-day concern that touches on one or more of the Foundation's four themes. Trudeau scholars are highly gifted individuals who are actively engaged in their fields and who are poised to become national and international figures. They are encouraged to work with Trudeau mentors and fellows. Interaction with the Trudeau community, non-academic spheres, and the general public is an essential aspect of the Scholarship Program.

### ***Trudeau fellowships***

Up to five fellows are chosen each year in recognition of outstanding achievement, their innovative approach to issues of public policy, and their commitment to public engagement. The Foundation provides support for the fellows to make extraordinary contributions in their field through leading-edge research and creative work. As the Fellowship Program grows, the fellows build a network of imaginative people working together from a variety of perspectives to address fundamental social and policy issues.

### ***Public Interaction Program***

The Public Interaction Program (PIP) is the centrepiece that brings the three grant-giving programs together. PIP events and travel and research allowances provide members of the Trudeau community with unique opportunities to learn and exchange research, ideas, and proposals and to share knowledge with colleagues from different disciplines and varied life and cultural backgrounds. The structure of our programs gives top researchers and fellows, upcoming PhD scholars, and practical-minded mentors the chance to bring their expertise together and make knowledge exchange and transfer a reality. PIP comes to life through four types of annual Trudeau events. In addition, members of the Trudeau community are encouraged to organize PIP events on major issues of public policy that affect Canadians and global society. We also collaborate with other institutions and organizations to advance discussions in wider fields.

### 3. ACHIEVEMENTS IN 2012-2013

#### *Delivering results*

The Foundation successfully delivered on all commitments made in its business plan for 2012-2013. The Foundation notably:

- ✓ **Appointed ten 2013 mentors**— offering \$350,000 for eighteen months to ten highly accomplished Canadians from diverse backgrounds who have been paired with 2011 Trudeau scholars to help them connect with policy networks. Twenty mentors are currently enrolled in the mentoring program.
- ✓ **Selected fourteen new 2013 Trudeau scholars**— a \$2.5 million commitment over up to four years to support a group of fourteen outstanding Canadian and foreign PhD students actively engaged in their fields and expected to become leading national and international figures. The Foundation currently funds 60 scholars.
- ✓ **Appointed four 2013 Trudeau fellows**— an investment of \$900,000 over three years in four outstanding Canadian intellectuals who have set themselves apart through their research achievements, creativity, and public commitment. The 2013 fellows will be publicly announced in the fall. The Foundation currently supports 12 fellows.
- ✓ **Held twelve major public interaction events, in addition to ten other events** organized by Trudeau community members or other external partners and sponsored by the Foundation.

Events hosted by the Foundation:

- Announcement of the 2012 Trudeau Fellows, Toronto, ON, 2 October 2012 (70 participants). Partner: University of Toronto.
- Trudeau Lecture by Haideh Moghissi, 2011 fellow (York University), “The Return of the Sacred and Politics of Cultural Differences” (and private dinner), Montréal, QC, 3 October 2012 (45 participants). Partner: Institute for Feminist Research and Studies (UQAM).
- Conference on “Dying in the Twenty-First Century,” Lyon, France, 19 November 2012 (175 participants). Partner: Entretiens Jacques Cartier.
- Ninth Annual Trudeau Conference “The Common Good: Who Decides?” Edmonton, AB, 22-24 November 2012 (300 participants). Principal partner: BMO Financial Group. Additional partners: University of Alberta, Capital Power Corp.
- Trudeau Lecture by John McGarry, 2011 fellow (Queen’s University), “An Academic and Conflict Resolution: Northern Ireland and Other Hard Cases” (and private dinner), Halifax, NS, 17 January 2013 (95 participants). Partner: Centre for Foreign Policy Studies, Dalhousie University.
- Trudeau Mentor-Scholar Retreat, Toronto, ON, 5-7 February 2013 (71 participants).
- Trudeau Lecture by Macartan Humphreys, 2011 visiting fellow (Columbia University/University of British Columbia), “When the Results Are Not What You

- Were Looking For: Experimental Research, Development Policy, and Agency Politics in the Congo,” Toronto, ON, 6 February 2013 (120 participants). Partner: Munk School of Global Affairs, University of Toronto.
- Trudeau Lecture by Ronald Rudin, 2011 fellow (Concordia University) (and private reception), “The Case for Public Knowledge,” Winnipeg, MB, 28 February 2013 (52 participants). Partner: University of Manitoba.
  - Dinner and discussion with French author, journalist, and researcher Frédéric Martel, Montreal, QC, 25 April 2013 (13 participants).
  - Trudeau Summer Institute, “Protest and Public Policy,” Morell, PE, 13-18 May 2013 (120 participants).
  - Trudeau Lecture by Daniel Weinstock, 2004 fellow (McGill University), “So, Are You Still a Philosopher?” 4 June 2013, Victoria, BC (150 participants). Partner: Federation for the Humanities and Social Sciences.
  - Launch of the Trudeau— Goodenough Partnership and Trudeau Lecture by Macartan Humphreys, 2011 visiting fellow (Columbia University/University of British Columbia), “When the Results Are Not What You Were Looking For: Experimental Research, Development Policy, and Agency Politics in the Congo,” London, UK, 10 June 2013 (40 participants). Partner: Goodenough College.

Events supported by the Foundation through the PIP:

- Conference, “Women’s Writing in Canada and Quebec Today: Alliances, Transgressions, and Betrayals,” Edmonton, AB, 12-13 October 2012. Partner: Canadian Literature Centre, University of Alberta.
- Scholars’ workshop, “Beyond Bricks and Mortar: Aboriginal Housing, Homelessness, Space, and Identity in Canada,” organized by scholars in partnership with the Faculty of Native Studies and Global Education Program, University of Alberta, and the Homeward Trust Edmonton, Edmonton, AB, 22 November 2012 (70 participants).
- Presentation of photographic work by 2011 Trudeau Scholar Lara Rosenoff-Gauvin titled “8 Years of Critical Engagement in Northern Uganda: Learning the Hard Way,” Vancouver, BC, 5 December 2012 (40 participants). Sponsor: Peace Geeks.
- Scholars’ workshop, “Criminal Law as Social Change: Intentions and Consequences,” Toronto, ON, 5 February 2013 (61 participants). Partner: Centre for Ethics, University of Toronto.
- Lecture by 2010 Trudeau Scholar Amanda Clarke, “Digital Government–Citizen Engagement: Where We’ve Got It Wrong, and How to Get It Right,” Toronto, ON, 4 February 2013 (80 participants). Sponsor: School of Public Policy & Governance, University of Toronto.
- Lecture by 2011 Trudeau Scholar Laure Waridel, “Transition Toward an Ecological and Social Economy,” Montreal, QC, 27 February 2013 (120 participants). Sponsor: David O’Brien Centre for Sustainable Enterprise, John Molson School of Business, Concordia University.

- Conference organized by 2012 Trudeau Scholar Matthew Gordner, “Competing Narratives and Competing Truths of Israeli-Palestinian Peace and Conflict,” Toronto, ON, 9 April 2013 (14 participants). Partner: University of Toronto Multi-Faith Centre.
- Summer institute organized by Trudeau Fellows John McGarry, Alain-G. Gagnon, Will Kymlicka, and others, “The Challenges of Complex Diversity: Theoretical and Empirical Perspectives from Europe and Canada,” Dublin, Ireland, 3-14 June 2013 (50 participants). Partners: Queen’s University Centre for Studies on Democracy and Diversity, Chaire de recherche en études québécoises et canadiennes (CREQC), Université du Québec à Montréal, Responding to Complex Diversity in Europe and Canada (RECODE), and University College Dublin.
- Conference organized by 2012 Mentor Bernard Richard and 2010 Scholar Aldofo Rodriguez, “Perspectives on Education of Children and Youth for Human Rights Leadership,” Moncton, NB, 18-19 July 2013. Partner: Université de Moncton.
- ✓ **Commissioned a new periodic review** of the Foundation’s four programs.
- ✓ **Sustained our knowledge dissemination efforts**, notably by editing and publishing two issues of the fourth volume of *The Trudeau Foundation Papers*.
- ✓ Completed a review process of the Fellowship Program with a view to **leveraging the engagement of Trudeau fellows and their intellectual leadership** of the Foundation.
- ✓ **Engaged a new public relations firm** to improve the public profile and visibility of the Foundation and the important work of its awardees.
- ✓ Worked with the Trudeau Foundation Society to sustain and **nurture a network of former mentors, scholars, and fellows**.
- ✓ Initiated the implementation of the recommendations included in a **feasibility study of our fundraising initiatives**.
- ✓ Identified three Canadian universities to pilot-test **co-sponsored doctoral scholarships**.
- ✓ Identified the best option for the **relocation of the Foundation’s offices**.
- ✓ Developed a **bridging plan to support the Foundation’s operations** in the long term.

### *Contributing to solving public issues*

Since its creation, the Foundation has disbursed \$40 million through its programs. Direct transfers to individuals currently account for \$28 million. The Foundation has granted 157 doctoral scholarships, attracting and retaining the brightest minds in Canada and around the world; encouraged 88 eminent Canadian public and private sector leaders to become mentors to our scholars, ensuring a balanced, common-sense approach and recognizing the practical priorities in today’s public policy; and tapped 50 of the world’s top researchers, thinkers, and creators as fellows, in order to recognize their research or creative work. Every year, each of these competitions has elicited great interest from the business community, university partners, and groups and organizations involved in public policy. The very high quality of the nominees also

demonstrates that the Foundation's programs have quickly taken their place among the most coveted awards in the country, a clear indication of the cogency of our approach.

The Foundation has also dedicated considerable financial resources— \$12 million— to fostering a community of engaged citizens. The Public Interaction Program (PIP) continues to create opportunities to disseminate the ideas and profile the work of our community members to ensure our investments deliver results. The annual Trudeau Conference on Public Policy has become a highlight in the intellectual life of the country, now attracting a wide audience.

All awards granted by the Foundation follow an independent external review process. The Foundation's website ([www.trudeaufoundation.ca](http://www.trudeaufoundation.ca)) describes our rigorous nomination and selection processes in detail. The Foundation taps into an extensive network to form its annual file review committees, whose 20 members are highly qualified individuals from many walks of life, including the public service, academia, communications and the media, and the arts, who devote many hours of their time and effort to screen, discuss, and interview the outstanding individuals we support.

Although the investment returns have been lower than expected these past years, the Foundation's finances are still sound. The original \$125 million endowment has grown over to \$156 million (as of 31 May 2013), our investment portfolios are healthy, and the Foundation has invested considerable effort to establish partnerships with corporate Canada to support our current and future initiatives.

#### **4. THE YEAR AHEAD: TOWARDS A PERENNIAL ORGANIZATION**

In its budget plan for 2013,<sup>1</sup> the Government of Canada stressed that “*while the Canadian economy continues to grow and create jobs, the challenges confronting us are significant. The global economy remains fragile as the United States, our major trading partner, continues to experience modest growth and the euro area remains in recession. At the same time, global competition from emerging market countries is intensifying. Despite Canada's strong record of job creation, too many Canadians are still looking for work.*” The underlying issues—such as the intricacies of economic recessions, intertwined global economic markets, innovation and entrepreneurial culture, and international uncertainty, which all have a direct impact on the day-to-day concerns of Canadians—illustrate the type of public questions addressed by today's social sciences and humanities.

In its preliminary report, the Sussex Circle consulting group, which was commissioned to assess the relevance and impact of the Foundation's activities, concluded that “there was virtual unanimity among interviewees that the Foundation's four programs are of benefit to Canada, for all the reasons declared by the Foundation, and that the overall program should continue.” It further added,

The Foundation is at a point of transition. [...] As the Foundation enters its second decade of program operations, it has demonstrated fidelity to the original vision of its

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<sup>1</sup> Government of Canada. (2013). Jobs, Growth and Long-Term Prosperity: Economic Action Plan 2013, p. 3. <http://www.budget.gc.ca/2013/doc/plan/budget2013-eng.pdf>



founders, a commitment to excellence and efficiency in operations, and a readiness to adapt and improve its programming wherever necessary.

The Foundation was created to build a community of scholars and creative people who are committed to a better Canada. This is perhaps the most valuable expression of the four individual programs. The challenge for the future is to sustain the quality of the programs while strengthening the synergy among them and extending the reach and raising the visibility of its contributions across Canada.<sup>2</sup>

The Foundation is conscious that social innovation is a never-ending quest. The year ahead will be focused on striving to build a perennial organization, which will be strategically managed while keeping in mind a set of issues and goals, as described below. Our approach is twofold: first, we ensure the relevance of the Foundation's programs to the research community, practitioners, and the public; and second, we deploy the best strategies to make the Fund perpetually sustainable.

### *Ten years of successful programs*

The Foundation's mission is to select and bring together the best and the brightest thinkers and practitioners from Canada and abroad to address the important challenges confronting the economy and Canadian citizens over the long term. Our support of innovation and world-class research and our partnerships with leading research institutions and like-minded NGOs are but two illustrations of the Foundation's contribution to the long-term prosperity of Canada.

Over the years, the Foundation has strived to **maintain its relevance** in Canada's human sciences and humanities landscape. It has adopted a culture of transparency and openness and has always been keen to establish partnerships with other institutions— private and public—because we believe that it is the best way to achieve grand things. It has also always been humble and quick to recognize that adjustments were required to make its programs even more essential to Canada's brain trust. This is why the Foundation improved its Trudeau Mentorship Program a few years ago, reassessed its fourth-year funding to Trudeau doctoral scholars last year, and expanded the Trudeau Public Interaction Program to make it even more inclusive of the general public and to share knowledge outside the Trudeau community. This is also why the Foundation completed a review of its Trudeau Fellowship Program this year.

The Foundation has made incremental adjustments to the Trudeau Fellowship Program. In 2011, Management and the Board of Directors reviewed the progress of the Fellowship Program and agreed that the reforms proposed by the Board in 2008 and by the review panel in 2009 had made significant headway. These successes notwithstanding, Management and the Board agreed that an important challenge remained: to **increase fellows' engagement in the Foundation's curriculum** (that is, in formative exchanges between Trudeau community members, notably during Trudeau events).

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<sup>2</sup> Mitchell, J., Smith, R., Delagrave, A. (2013, 5 April). "A Review of the Pierre Elliott Trudeau Foundation, Draft 8," pp. 37-38. Ottawa: Sussex Circle Inc.

Based on the conclusions of a working group, the Board of Directors resolved at its 26 April 2013 meeting that the Foundation would continue to offer four \$225,000 fellowships per year. It will also: (1) eliminate the confidentiality aspect of the nominations, (2) require candidates to propose a project that is in line with the Foundation's four themes and that engages the Trudeau community, (3) introduce new obligations in the memorandum of agreement, including a residency requirement, whereby regular fellows would spend an academic term (the equivalent of three months) in residence at the Foundation. During this time, they would be accessible to scholars and would participate in the intellectual development of the Foundation's events and areas of work.

The Foundation will also consider the recommendations from the final program review report, which should be tabled sometime this summer. It will **duly respond to the review**, addressing any issues raised and establishing an action plan as required.

To mark the tenth anniversary of the full deployment of the Foundation's programs, and to showcase the uniqueness and richness of the network it has been building since 2003, the Foundation is organizing **a week of events this fall in conjunction with the Tenth Annual Conference** of the Pierre Elliott Trudeau Foundation. The week of 18 November will see members of the Trudeau community—and some 200 other participants from across Canada and abroad—descending on Montreal for the Foundation's anniversary edition of its annual conference on 21 to 23 November. The conference will be preceded by five days of scholars' workshops, master classes, and a book launch. It promises to be a memorable and fruitful week.

Moreover, each year, in advance of its annual conference, the Foundation commissions a national poll in collaboration with a university partner located in the city where the conference will take place. Universities contribute their leading-edge expertise to identify issues that are worth consulting lay citizens for. In 2013, the theme of the conference will be the Foundation's four areas of work. **We will accordingly commission four surveys, one on each of these subjects, in partnership with Montreal's four universities**, each on a separate poll: McGill University on human rights and dignity, Concordia University on responsible citizenship, Université du Québec à Montréal on people in their natural environment, and Université de Montréal on Canada in the world. This original research will be publicly disclosed during the week of 18-23 November.

### ***Bridging plan***

For a few years now the Foundation has been hoping to see interest rates rise to provide a more substantial return on its investment portfolios. Unfortunately, as mentioned in the federal budget in 2013, despite a healthy economy in Canada, "almost five years after the global recession, the global economic environment remains fragile. The euro area is once again in recession and considerable risk remains over the region's ability to follow through with needed reforms. In addition, uncertainty regarding U.S. fiscal policy continues to weigh on growth prospects."<sup>3</sup> Our portfolio managers say that in light of this, there is only so much they can do.

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<sup>3</sup> Government of Canada. (2013). Jobs, Growth and Long-Term Prosperity: Economic Action Plan 2013, p. 17. <http://www.budget.gc.ca/2013/doc/plan/budget2013-eng.pdf>

In the spring of 2013, further to discussions at previous Board of Directors meetings, the Finance and Investment Committee **reviewed the Foundation's finances and future prospects compared to foundation norms and perpetual sustainability.** In particular, it (1) examined the Foundation's financial requirements on a perpetually sustainable basis; (2) assessed the maximum time the Foundation has to attain this perpetually sustainable basis and the related effects on the Foundation's finances; and (3) developed a long-term bridge plan that sets current expenditure levels at the existing \$6.5 million rate and outlines two major areas for long-term improvement: fundraising and working toward a perpetual open investment mandate. These strategies, explained in more depth in Section 7, Financial Issues, will start to be implemented this year.

### *Expected outcomes*

- Trudeau Mentorships

The Trudeau Mentorship Program continues to be a popular program that matches doctoral students in the second year of their Trudeau scholarship with seasoned practitioners renowned for their contribution to Canada's public sphere. The mentor-scholar relationship can take many forms but typically includes a mix of internet and phone communications, face-to-face meetings at Trudeau events, time together at the mentor's place of business, visits to the scholar's areas of interest, and introductions to other policymakers. The mentors' presence at Foundation events means that scholars can benefit from the experience of all the mentors, even those who are paired with other scholars. The mentors of the 2012 cohort have shown themselves to be dedicated counsellors to Trudeau scholars and participants in Trudeau events, and the 2013 cohort has made a vigorous start on their relationship with their mentees.

In the 2013 call for nominations, the Foundation considered a total of 144 nominations, of which 103 were new nominations received this year. Prior to being submitted for the approval of the Board of Directors, the mentorship candidates were screened and selected by an independent external file review committee composed of senior decision-makers, social entrepreneurs, and members of the media, business, and policy communities. Table 1 provides a list of current Trudeau mentors and demonstrates that the group indeed represents a unique and diverse pool of experience, connection, and intellectual resources.

*The Foundation will name ten Trudeau mentors in 2013-2014 and will match them to the 2012 cohort of Trudeau scholars.*

**Table 1**  
**Active Trudeau Mentors, 2012–2013**

<i>Mentor</i>	<i>Year</i>	<i>Background</i>
Elizabeth Beale	2012	President and CEO, Atlantic Provinces Economic Council
<b>Françoise Bertrand</b>	2013	President and CEO, Quebec Federation of Boards of Trade
Cindy Blackstock	2012	Executive Director, First Nations Child and Family Caring Society of Canada
Susan Cartwright	2013	Former Senior Advisor to the Privy Council Office; Former Assistant Deputy Minister; Commissioner, Public Service Commission of Canada
Philippe Couillard	2012	Strategic consultant, Groupe Secor; former Minister of Health and Social Services, Quebec (mentorship terminated on assumption of political office)
Len Crispino	2012	Former President and CEO, Ontario Chamber of Commerce
<b>Leonard Edwards</b>	2013	Former Deputy Minister and Ambassador, Canada
<b>Michael Fortier</b>	2013	Former Minister, Canada; Former Senator; Vice Chairman, RBC Capital Markets
Evaleen Jaeger Roy	2013	Former Senior Vice-President, Electronic Arts; Principal, Jaeger Roy Advisory Inc.
Paul Kariya	2012	Executive Director, Clean Energy Association of BC
Frances Lankin	2012	Commissioner, Review of Social Assistance in Ontario; former minister of various portfolios, Ontario
Daniel Lessard	2012	Former journalist and broadcaster, Radio-Canada; author
<b>Wade MacLauchlan</b>	2013	President Emeritus, University of Prince Edward Island
<b>Sandy Martin</b>	2013	Vice President (East Coast), Suncor Energy
<b>Jessica McDonald</b>	2013	Former Deputy Minister to the Premier, British Columbia; Executive Vice-President, Heenan Blaikie Consulting
<b>Madeleine Redfern</b>	2013	Former Mayor, Iqaluit; Executive Director, Qikiqtani Truth Commission
Bernard Richard	2012	Former Ombudsman and Child and Youth Advocate of New Brunswick
John Sims	2012	Former Deputy Minister of Justice and Deputy Attorney General of Canada
Chuck Strahl	2012	Former federal minister of various portfolios
<b>Rosemary Thompson</b>	2013	Director of Communications and Public Affairs, National Arts Centre; former reporter and correspondent, CTV and CBC

- Trudeau Scholarships

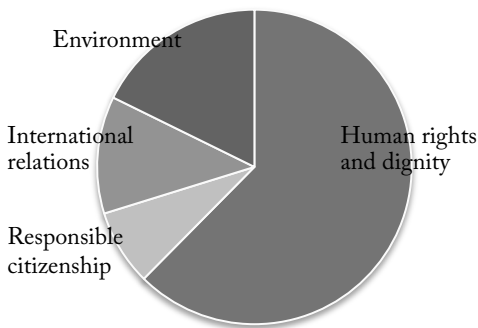
The Foundation currently supports 60 scholars (as of 30 June 2013). They come from a wide variety of disciplines and represent all regions of the country. The scholars are recruited with the expectation that they will identify and illuminate crucial emerging social issues within the four priority domains of the Foundation. The 2013 Trudeau scholarship competition attracted 241 applications from Canadian and foreign universities. Applications were reviewed by an eight-member independent external file review committee, which also conducted screening interviews before presenting the Board of Directors with a list of fourteen finalists.

Since the launch of the Science and Technology Policy in 2007, the Foundation has expressed its support for this important initiative and demonstrated its alignment with the Ministry of Industry in putting its plan in motion. The Trudeau Scholarship Program is instrumental in this effort. The following charts illustrate the relevance of the research projects conducted by the scholars who are supported by the Foundation. They also show the distribution of the 2003-2013 Trudeau Scholars based on both the Foundation’s themes and the priorities identified in the 2007 Science and Technology Policy.

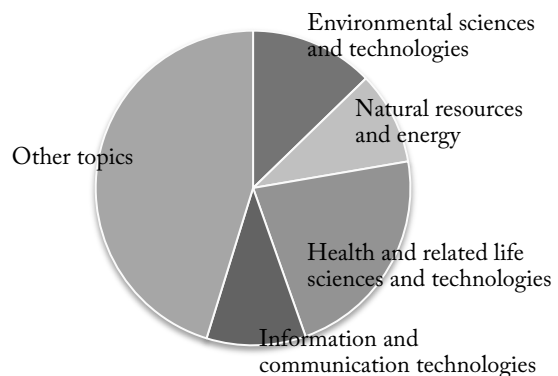
Graph 1 shows the distribution of the work of the 157 Trudeau scholars with reference to the Foundation’s four priority themes. As they are trying to tackle complex and multifaceted societal issues, most of their thesis projects are tied to more than one category. The most explored topic is human rights and dignity (56%), followed by people and their natural environment (16%), Canada in the world (11%), and responsible citizenship (7%).

Graph 2 reveals that more than one out of every two Trudeau scholars (55%) are doing research directly related to one of the four priority areas outlined in the 2007 Science and Technology Policy. Overall, 22% of the projects are related to health and related life sciences and technologies, 13% of the scholars focus on questions related to environmental sciences and technologies, 10% explore information and communication technologies, and 10% examine natural resources and energy.

**Graph 1**  
*Foundation themes and Trudeau scholars 2003-2013*



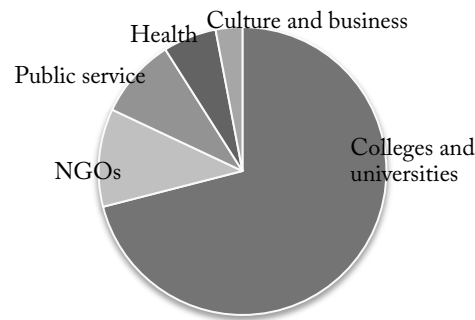
**Graph 2**  
*S & T Policy themes and Trudeau scholars 2003-2013*



At least ten Trudeau scholars are expected to complete their doctoral degrees in 2013-2014, adding to a total of 90 degrees obtained since the creation of the program. Because of the level and depth of the support provided to the students, Trudeau scholars need less time on average than other doctoral students to complete their degree (5.21 years compared to 6.67 years in the field<sup>4</sup>). As intended, most of the former Trudeau scholars stay in Canada after they complete their PhD, opting mostly for career paths in higher education (71%) and the NGOs (11%), followed by the public service (9%), the health sector (6%), and the culture and business world (3%) (see Graph 3).

**Graph 3**

*Where do the Trudeau scholars start their careers?*



The Trudeau Scholarship Program truly comes first among the Foundation’s many successes. The program has continuously attracted the very best candidates in the humanities and social sciences, from across Canada and abroad. It has rapidly imposed itself as the most prestigious doctoral award in Canada for students interested in “big” public policy issues.

*The Foundation intends to select fourteen new Trudeau scholars in 2014.*

- Trudeau Fellowships

One of the goals of the Fellowship Program is to promote excellence in research in the social sciences and humanities by rewarding and encouraging intellectual leaders in Canadian institutions whose innovative ideas inspire others and spawn new solutions to issues of public import. Another of its goals is to inform discussion on subjects that matter to Canada’s future, by giving members of the Trudeau community—including Trudeau scholars and the practitioners the Foundation engages as mentors—and the public access to some of the country’s most outstanding and ground-breaking academics.

Since its inception, the Foundation has named 50 Trudeau fellows in eight provinces and two countries. We have received hundreds of nominations from dozens of institutions. Twenty-two Canadian universities have hosted or are presently hosting a Trudeau fellow. The disciplines in

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<sup>4</sup> King, D. (2008). Doctoral Graduates in Canada: Findings from the Survey of Earned Doctorates, 2004/2005 . Culture, Tourism and the Centre for Education Statistics – Research papers. Statistics Canada Catalogue No. 81-595-M, No. 065. Retrieved from <http://www.statcan.gc.ca/bsolc/english/bsolc?catno=81-595-MIE2008065>

which the fellows specialize range from political science and international relations to food policy, law, history, literature, sustainable development, sociology, philosophy, public administration, and cinema and media studies. That said, the great majority of Trudeau fellows adopt a multidisciplinary approach to their work. Table 2 shows the titles of the Trudeau Lectures given by the fellows since 2009.

The 2013 fellow selection cycle consisted of a four-step process in which the Foundation, aided by a five-member independent external selection committee, evaluated 64 nominations in several stages before naming four regular fellows. The new cohort contributes new areas of expertise to the Foundation's roster. The 2013 fellows are Jennifer Clapp, expert in international food security and sustainable development at the University of Waterloo; Timothy Caulfield, a health law and health policy expert and award-winning author at the University of Alberta; Jean Leclair, a reference in Aboriginal law and federalism at the Faculty of Law of the Université de Montréal; and Kent Roach, one of Canada's foremost constitutional experts and the Prichard-Wilson Chair of Law and Public Policy at the University of Toronto.

At its meeting in November 2011, the Board of Directors appointed a committee to review the Fellowship Program to determine the extent to which the program is advancing the Foundation's mission. The committee analyzed the program since inception, met a focus group of fellows, and formulated recommendations for changes to the Fellowship Program. At its meeting of April 2013, the Board approved those changes. Accordingly, beginning with the 2014 cohort of fellows, fellowship candidates will be evaluated not only on their reputation, their record of public engagement, and the innovation of their work, but also on their proposal for a project that engages the Trudeau community. In addition, Trudeau fellows will henceforth be required to fulfill a "residency" requirement, whereby they contribute the equivalent of one day a week for one academic semester to the Foundation's intellectual leadership.

*The Foundation will implement the recommendations of its review of the Fellowship Program starting with the 2014 cohort.*

*The Foundation intends to appoint four new Trudeau fellows in 2014, including a Canadian visiting fellow.*

- Public Interaction Events

The Foundation's Public Interaction Program consists of a series of dynamic events that bring members of the Trudeau community together on their own or with specialists and members of the general public in venues across the country and abroad. In 2012-2013, the Foundation held two international events: a conference on dying with dignity in the twenty-first century in Lyon, France, in November 2012, and the inauguration of its partnership with Goodenough College in London, UK, in June 2013. The event in France was organized in partnership with the Centre Jacques Cartier. The event in the United Kingdom was organized in partnership with Goodenough College. According to the terms of the Foundation's agreement with Goodenough College, members of the Trudeau community may hold membership status at the college during their time in London, staying at the college's facilities and benefiting from the college's vast networks in London and beyond.

*Table 2*  
*Topics explored by Trudeau fellows in the Trudeau Lectures*

<i>Fellow</i>	<i>Host university</i>	<i>Year</i>	<i>Topic</i>
Isabella Bakker	Brock University	2011	Beyond the Strategic Silence: Towards the Global Economic Empowerment of Women
Clare Bradford	Simon Fraser University	2010	What Children's Literature Tells Us
Janine Brodie	University of Waterloo	2012	Social Literacy and Social Justice
Sujit Choudhry	University of Alberta	2012	The Globalization of the Canadian Constitution
William D. Coleman	University of Northern British Columbia	2008	Globalization in British Columbia: A Long History?
François Crépeau	University of Winnipeg	2009	Dealing with Migration: A Test for Democracies
Beverley Diamond	University of New Brunswick	2011	'Re-Thinking: Revitalization, Return, and Reconciliation in Contemporary Indigenous Expressive Culture
Alain-G. Gagnon	St. Francis Xavier University	2012	Empowerment Through Different Means: Regionalism, Nationalism and Federalism
Simon Harel	University of Regina	2011	From Migration to Homelessness: Self-Narrative and Contemporary Mobility
Eric Helleiner	Lethbridge University	2008	The Politics of Global Finance: Does Money Make the World Go 'Round'?
<b>Macartan Humphreys</b>	University of Toronto	2013	When the Results Are Not What You Were Looking For: Experimental Research, Development Policy, and Agency Politics in the Congo
Jocelyn Létourneau	McGill University	2012	History and Social Hope
Steven Loft	University of Victoria	2012	Meaning and Memory: Reflections on Contemporary Aboriginal Art in Canada
Kathleen Mahoney	Concordia University	2010	What is Justice?
<b>John McGarry</b>	Dalhousie University	2013	An Academic and Conflict Resolution: Northern Ireland and Other Hard Cases
<b>Haideh Moghissi</b>	UQAM	2013	The Return of the Sacred and Politics of Cultural Differences
Shana Poplack	Université de Moncton	2009	What Language Do We Speak?
William E. Rees	Memorial University of Newfoundland	2009	Are Humans Unsustainable by Nature?
John B. Robinson	Ryerson University	2010	On Beyond Zebra: Being Undisciplined in Support of Sustainability
<b>Ronald Rudin</b>	University of Manitoba	2013	The Case for Public Knowledge



<i>Fellow</i>	<i>Host university</i>	<i>Year</i>	<i>Topic</i>
Rosemary Sullivan	Université de Sherbrooke	2010	Confessions of a Biographer: Is Truth Stranger than Fiction?
Joseph Yvon Thériault	Carleton University	2009	Is Canada a Truly Cosmopolitan Society?
Guy Vanderhaeghe	University of New Brunswick	2010	Apprehending the Past: History Versus the Historical Novel
Jeremy Webber	Université Laval	2011	A Nationalism Neither Chauvinistic nor Closed
<b>Daniel Weinstock</b>	University of Victoria	2013	So, Are You Still a Philosopher?

The largest event organized by the Foundation is the Trudeau Annual Conference. In 2013, the conference will take place in Montreal, Quebec. This will be a special conference, as it will mark the tenth edition of the conference and the tenth anniversary of the full deployment of the Foundation's programs. To mark the occasion, the Foundation is organizing Trudeau Foundation Week: ten days of scholars' workshops, master classes, and a book launch, all leading up to the annual conference itself. The Foundation is also partnering with Montreal's four leading universities to conduct four national polls, each on one of the Foundation's four themes, the findings of which will be released in the days leading up to the conference proper.

In February 2014, the Foundation's mentors and scholars will meet in Quebec City, Quebec, for their annual retreat. They will also attend one of the Trudeau Lectures in the 2013-2014 series.

The five 2013-2014 Trudeau Lectures will feature the four 2012 fellows and a fellow from the cohort of 2006. Held in different universities each year, the lectures are opportunities for the public to hear the fellows' reflections on their trajectory and their contribution to Canada's social landscape. Four of five of this year's lectures will be held at institutions at which the Foundation has never before held an event: Emily Carr University of Art + Design, Western University, the University of Prince Edward Island, and the École nationale d'administration publique. The last lecture of this year's series will be part of the 2014 Congress of the Federation for the Humanities and Social Sciences, to take place at Brock University in late May.

The fifth volume of *The Trudeau Foundation Papers* will be published in December 2013 and will feature the lectures given by the four 2011 Trudeau fellows as well as the lecture given by a 2004 fellow. These lectures discussed making research findings accessible to a wider public, cultural relativism in the relationship between Western academics and the Islamic world, the contribution of academic research to conflict resolution in Northern Ireland, the merits of a "harm reduction" approach to policy questions in the philosophy of law, and the costs and benefits of the experimental approach in the evaluation of development aid.

The Foundation will continue to support members of the Trudeau community in the organization of public interaction events. Their proposals are numerous and varied, and the members of the community are frequently successful at securing the support of additional partners.

Finally, the Foundation remains resolved to maintain productive relationships among its current and past awardees with the objective of building an innovative network of academic exchange and public engagement and nurturing communications among Canadian and international doctoral students, eminent scholars, and mentors by various means. The Foundation is doubling its efforts in this regard, and its support for the Trudeau Foundation Society is one way of doing so. The Society was created to provide former scholars, fellows, and mentors with platforms to continue the many relationships they developed during their formal mandate with the Foundation. The next year will focus on adopting new selection procedures, electing a new executive committee composed of delegates from each region of Canada, and maintaining a strong regional presence to allow members of the Trudeau community who share a similar public space to engage with public policy issues. The Trudeau Foundation Society will also explore the possibility of using online video conferencing to help overcome the challenge of the being so geographically dispersed.

*In 2013–2014, the Foundation will organize and hold five Trudeau Lectures, three annual events, and one international seminar. It will also support a number of scholars' workshops and other initiatives organized by members of the Trudeau community.*

### *Transition to the new Canada Not-for-Profit Corporations Act*

The Foundation was established in 2001 under Part II of the *Canada Corporations Act* (corporations without share capital). The new *Canada Not-for-Profit Corporations Act* establishes a new set of rules for federally incorporated not-for-profit corporations in Canada. These new rules will replace Part II of the *Canada Corporations Act*. Every existing federally incorporated not-for-profit corporation will have to make the **transition to the *Canada Not-for-Profit Corporations Act*** by 17 October 2014. The Foundation will need to apply for a Certificate of Continuance and file articles of continuance and new by-laws. It will also need to consult with the Charities Directorate of the Canada Revenue Agency and file documents to ensure that the Foundation maintains its registered charity status.

On a recommendation of the Governance Committee, the Board of Directors requested on 26 April 2012 that the Foundation commission a law firm to look into the transition to the new act under the supervision of the Governance Committee. An action plan covering the first steps of the transition has been submitted to the committee and is currently being implemented. The Foundation's legal advisors are working on draft by-laws, taking into account the adjustments required by the new Act. At its 19 March 2013 meeting, the Governance Committee recommended that a consultation process regarding the new by-laws take place with members and directors by the fall.

### *New office space*

In advance of the end of its office space lease in May 2013, the Foundation undertook a complete assessment of the situation. Under the guidance of a legal advisor, a real estate broker, and architects, the president examined the lease renewal proposal from the current landlord and explored available options on the market. The president presented different options to the Executive Committee in October 2012 and it was agreed that the Foundation should **relocate to**

a new office space on the sixth floor of a B-class building on Sherbrooke Street West, just west of Guy. The landlord proposes reasonable terms and conditions for a 10-year lease in a larger space than the one currently occupied by the Foundation, to provide room for the implementation of the strategic plan. The new lease will start on 1 October 2013.

### *Production cycle*

The Foundation programs are running at full capacity, the Foundation is efficient and transparent, and both the Foundation management and the staff are striving to embrace best practices in the sector. The Foundation's organizational structure is lean and flexible, focused on the delivery of our four core programs, and the production cycle is intensive. Table 3 presents a simplified calendar describing the Foundation's programming milestones for the upcoming year.

## **5. BUDGET IMPLICATIONS**

### *Program costs*

#### **Overall budget framework for programs**

For budgetary purposes, the core programs of the Foundation are as follows.

**Mentorships** are tenable for eighteen months. The honorarium is \$20,000 for the duration of the term. An additional \$15,000 per term is available to cover approved travel and networking expenses associated with events and joint projects undertaken within the framework of the Foundation's programs.

For accounting purposes, the honorarium is reflected in the Mentorship Program budget, whereas the annual travel and networking allowance is part of the Public Interaction Program budget.

**Scholarships** are tenable for three years, with a possible fourth-year extension to allow the scholars to either complete their doctorate or undertake a dissemination project. The Foundation offers this extension only where there is strong evidence that the doctorate will be completed during the fourth year or on proof of an exceptional dissemination opportunity. Supervisors are requested to provide detailed reports on the students' progress. The current stipend is \$40,000 per year (\$35,000 per year for pre-2009 cohorts), covering the cost of tuition and reasonable living expenses. An additional \$20,000 per year (\$15,000 per year for pre-2009 cohorts) is available to support approved research-related travel and to cover networking expenses associated with events and joint projects undertaken within the framework of the Foundation's programs.

*Table 3*  
*Foundation production cycle for 2013-2014*

<i>Date</i>	<i>Activity</i>
September 2013	Submission of periodic review and Foundation response to Industry Canada
September 2013	Public announcement: 2013 fellows
September 2013	Nomination deadline: 2014 mentorships
September 2013	Call for nominations: 2014 fellowships
September 2013	Call for applications: 2014 scholarships
September 2013	Submission of info source chapter on ATIP* to Treasury Board Secretariat
September 2013	Foundation moves into its new office space
October 2013	Selection process: 2014 mentors
October 2013	Annual external financial audit
October 2013	Trudeau Lecture (Charlottetown, PE)
November 2013	Nomination deadline: 2014 fellowships
November 2013	Board meeting and annual meeting of the members
18-23 November 2013	Trudeau Foundation Week and Annual Trudeau Conference
December 2013	Nomination deadline: 2014 visiting fellowship (Canadian)
December 2013	Nomination deadline: 2014 scholarships
December 2013	Submission of 2012-2013 Annual Report to the Minister of Industry
January 2014	Trudeau Lecture (Vancouver, BC)
January-February 2014	Selection process: 2014 fellows
February 2014	Public announcement: 2014 mentors
February 2014	Trudeau Mentors-Scholars Retreat (Quebec City, QC)
February 2014	Trudeau Lecture (Quebec City, QC)
February-March 2014	Selection process: 2014 scholars
April 2014	Board meeting
May 2014	Public announcement: 2014 scholars
May 2014	Trudeau Summer Institute
May 2014	Submission of statistics on ATIP* to Treasury Board Secretariat
May 2014	Submission of 2013-2014 Annual Report on ATIP* to Parliament
June 2014	Trudeau Lecture (St. Catharines, ON)
June 2014	Submission of 2014-2015 Business Plan to the Minister
June 2014	Call for nominations: 2015 mentorships
August 2014	Financial year-end

\* The Foundation has been subject to the *Access to Information Act* and the *Privacy Act* since 1 April 2007.

The Trudeau Scholarship allows for the accumulation of awards each year in amounts up to the annual stipend plus \$10,000. When a scholar's total external awards in a given year exceed \$10,000, the stipend for that year is reduced by the amount in excess of \$10,000. The annual travel and research allowance (ATA) of \$20,000 is not reduced by outside scholarship income. Unused balances generated by a given cohort are available to fund the fourth-year extension for the cohort.

Where a fourth-year extension is granted for the completion of doctoral studies, the scholar receives both a stipend and an annual travel and research allowance for up to 12 months' time, based on the budget available plus the annual equivalent of \$2,000 for the ATA. Dissemination extensions, also granted for up to 12 months, provide the scholar with a networking and publishing allowance of up to \$15,000. All such stipends are subject to the award accumulation restriction and available funding.

For accounting purposes, the stipend is reflected in the Scholarship Program budget, whereas the annual travel and research allowance comes out of the Public Interaction Program budget.

**Fellowships** are valued at \$225,000 each and are tenable for three years. As of the nomination of the 2010 fellows, all newly named fellows will each receive a \$50,000 prize. Of the remainder, \$170,000 is transferred to the fellow's host university and is available throughout their three-year mandate with the possibility of transferring unspent funds to a fourth year. This arrangement facilitates accountability for an expansive range of eligible activities—including research, creative activities, knowledge dissemination, and professional development—while assuring the full and effective use of the fellowship funds. The remaining \$5,000 of the fellowship is retained by the Foundation to cover the cost of the fellow's participation in Foundation events. This administrative structure mimics the payment schedule of the visiting Trudeau fellowship, which was successfully launched in 2009 and remains an integral part of the Fellowship Program budget.

For accounting purposes, commencing with the 2010 budget, the full award—\$225,000 per fellow—is reflected under the Fellowship Program.

With the specific mandate to build “an innovative network of study and exchange,” the annual travel, research, and networking allowance component of each of the funding programs constitutes the bulk of the **Public Interaction Program (PIP)** budget. In any given year, the allowance may be drawn on by as many as 60–75 scholars (\$15,000–\$20,000 per scholar) and 20 mentors (\$15,000 per mentor).

The balance of the PIP budget consists mainly of expenses for one-time and regular annual events, the costs to maintain and update the Foundation website, and communication expenses for public engagement activities.

## Budgeted program costs for 2013-2014

- Mentorships

The Mentorship Program budget reflects the selection costs and honoraria of ten new mentors starting in January 2014. Two groups of mentors will be active in fiscal 2013-2014.<sup>5</sup>

- Scholarships

The single largest program expense is base awards to the scholars. The 2014 budget anticipates fourteen new scholars, each entitled to \$120,000 paid over a period of three to four years. Fourth-year extensions for earlier cohorts will be covered by existing reserves created by the external prizes that have been awarded to our scholars.<sup>6</sup>

- Fellowships

The Fellowship Program's budget represents the third largest budgetary envelope among the program costs, after the Scholarship Program and the Public Interaction Program, reflecting the selection costs and full award value committed to the four fellows to be appointed in 2014.<sup>7</sup>

- Public Interaction Program

The Public Interaction Program's steady growth since fiscal 2006 stems mainly from the increasing use of annual travel, networking, and research allowance funds by fellows, mentors, and scholars. As different cohorts of fellows, scholars, and mentors are now participating alongside each other in any given year, the costs can be expected to rise steadily year over year until saturation is reached.

In addition, the PIP activities continue to develop, with an ever-increasing participation rate from the Trudeau community and a wider public at the Foundation's major annual events. Venues are rotated across the country to reflect the Foundation's national mandate and presence. In light of the increasingly global nature of knowledge and our scholars' presence throughout the world, the Foundation is organizing events abroad more frequently.

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<sup>5</sup> The ten mentors who started in January 2013 will be funded in 2013 and 2014, and the 2014 mentors will be funded in 2014 and 2015.

<sup>6</sup> The scholarships are expensed in a lump sum each year in order to comply with accounting standards. In fact, however, four cohorts will receive funding at some time during fiscal 2014. In addition to the fourteen 2014 scholars, scholars from the 2010 cohort will be receiving the last of their fourth-year funding at the beginning of fiscal 2014, as the 2011 cohort receives their third-year instalments, the 2012 cohort scholars their second-year instalments, and the 2013 cohort their first-year instalments.

<sup>7</sup> These fellowships are expensed in a lump sum each year in order to comply with accounting standards. In fact, however, four groups of fellows will be receiving funding during fiscal 2014, being at various stages of their respective awards: the 2011 fellows receiving funding from 2011-2014; the 2012 fellows from 2012-2015; the 2013 fellows from 2013-2016. The 2014 fellows will receive their funding from fiscal 2014 through fiscal 2017.

## *Operating costs*

### **Overall budget framework and budgeted costs for 2013-2014**

The Foundation's financial agreement with the Government of Canada establishes an operating expense ceiling of no more than 1.50% of the total value of the endowment fund. The budget adopted for 2013-2014 projects expenditures of 1.35% (2012 audited: 1.18%) of net assets for operating costs, which includes the cost of investment management, all administrative expenses, all costs related to planning and offering the programs, and all costs arising from the Foundation's obligations under federal laws, including the *Access to Information Act* and the *Privacy Act*. Although the percentage of expenses in relation to net assets increased over last year, this is not due to an approximate \$30,000 increase in operating costs but because of a reduction in net assets of nearly \$1.2 million.

To maintain a stable, reasonable infrastructure for fiscal 2013-2014, the Foundation will keep its payroll at seven full-time positions and one part-time position. It will continue to rely on contract workers for specific mandates. Given the nature of the Foundation's activities, 83% of payroll costs is allocated to the programs and 17% to administration.

The investment management fees, which are calculated on the market value of the portfolios, are completely within the norm for fixed-income security portfolios.

- Salary adjustments and cost-of-living indexing have led to a small increase in administrative and program implementation costs in the 2013-2014 budget.
- The use of external professional resources is reflected in the administrative and program implementation costs, in both the latest 2013 estimate and the 2013-2014 budget.
- Despite the recommendations made in the five-year evaluation concerning the fundraising campaign, strategic expenses related to fundraising included in the 2013-2014 administrative budget were reduced to \$25,000 in light of the resources available.
- The increase in occupancy costs is due to an estimated 15% increase in rent related to the commercial lease for office spaces, which expires in May 2013. A lease extension from 1 June to 30 September was granted by the current lessor, on the same terms. The 2013-2014 budget included a provision for moving costs.
- The Foundation has been subject to the *Access to Information Act* and the *Privacy Act* (ATIP) since April 2007. Several measures have been put in place to comply with instructions related to the legislation and, in light of guidelines from Library and Archives Canada, additional sums will have to be invested in compliance with the *Library and Archives of Canada Act* which applies in addition to the ATIP. In terms of administering the laws, the costs may vary considerably from one year to the next, depending on the volume of requests handled. In compliance with instructions received from Industry Canada, the costs must be absorbed in the operating budget and are therefore included in the 1.50% limit mentioned earlier. The 2013-2014 budget includes \$10,000 to administer the Foundation's ATIP obligations. Due to budgetary restrictions, no money has been set aside to administer the *Library and Archives Canada Act*.

- The 2013-2014 budget includes the sum of \$20,000 for the evaluation of the Foundation's programs.
- A sum of \$25,000 has been set aside in the 2013-2014 budget under administration and program implementation to develop a strategic communications plan.
- The program implementation budget for 2013-2014 includes the sum of \$15,000 for the organization of a PIP event abroad.

## 6. INVESTMENT PERFORMANCE

Thanks to strict adherence to best practices in investment strategy and close management of operating expenses, and despite the heavy pressure of the historically low interest rates, the recent data indicate that the Foundation will have a soft landing in 2013. The book value of the endowment fund was \$148.3 million on 31 May 2013, in comparison to \$149.2 million on 31 May 2012. However, on 31 May 2013, the market value was \$151.6 million in comparison to \$156.5 million on the same date in 2012.

In total, the rate of return on the three portfolios for the 12-month period ending 31 May 2013 was 1.42%, down from 6.91% in May 2012. As *Table 4* below shows, the rate of return since the creation of the fund has been 5.13%, compared to a reference index of 5.40%. During the 12-month period ending 31 May 2013, the sum of \$5.2 million was transferred from the investment portfolios to the current account to cover the Foundation's administrative and program expenses. According to the projections of our portfolio managers, the annual rate of return on investments for the year ending 31 August 2013 should be around 1.12% and the market value of the portfolios should be around \$151.5 million on 31 August 2013.

The Foundation regularly monitors the work and transactions of our portfolio managers. It has maintained positive relations with BMO Asset Management and Phillips, Hager & North Investment Management, an institutional division of RBC. In addition to constant monitoring over the reference year, a meeting between the portfolio managers and the Finance and Investment Committee was held in February 2013 to assess investment alternatives available to the Foundation based on our current guidelines. The Foundation sought a legal opinion on the portfolio managers' proposal to include mortgage-backed securities guaranteed by the Canada Mortgage and Housing Corporation. The Foundation's legal advisors having concluded that these securities are eligible under the investment policy outlined in the financing agreement with the Government of Canada, the Foundation will allow its portfolios to hold them in the future, in the hopes of generating higher investment income.

At the same time, since there are few alternatives available to increase the return on the Foundation's assets, the Board of Directors has decided, on the recommendation of the Finance and Investment Committee, to implement a transition strategy to resolve current issues, protect the integrity of the Foundation's programs, and ensure the viability of the fund.

The next section describes the measures taken by the Foundation and its proactive approach under the circumstances.



*Table 4*

*Average annual compounded rate of return on investments (gross of fees)*

*Market value, 31 May 2013*

	<b>BMO Rate of return</b>	<b>RBC/PHN Rate of return</b>	<b>Combined Rate of return</b>
<b>Rate of Return, inception to 31 May 2013</b>	<b>5,27%</b>	<b>4,85%</b>	<b>5,13%</b>
vs	vs	vs	vs
<b>Benchmark</b>	<b>5,38%</b>	<b>5,45%</b>	<b>5,40%</b>
DEX MT (50%), ST (50%) bond govt / bond			
<b>One-year Rate of Return to 31 May 2013</b>	<b>1,08%</b>	<b>2,11%</b>	<b>1,42%</b>
vs	vs	vs	vs
<b>Benchmark</b>	<b>1,61%</b>	<b>2,47%</b>	<b>1,89%</b>
DEX MT (50%), ST (50%) bond govt / bond			
<b>Total funds invested</b>	<b>\$ 94 553 920</b>	<b>\$ 31 936 913</b>	<b>\$ 126 490 833</b>
<b>Investment Counsel fees</b>	<b>\$ 2 300 472</b>	<b>\$ 1 495 301</b>	<b>\$ 3 795 773</b>
<b>Transferred to operating</b>	<b>\$ 47 414 871</b>	<b>\$ 707 687</b>	<b>\$ 48 122 558</b>
<b>Total cash withdrawn</b>	<b>\$ 49 715 343</b>	<b>\$ 2 202 988</b>	<b>\$ 51 918 331</b>
<b>Market value - 31 May 2013</b>	<b>\$ 101 993 933</b>	<b>\$ 49 637 460</b>	<b>\$ 151 631 393</b>
<b>Market value - 31 May 2012</b>	<b>\$ 107 931 747</b>	<b>\$ 48 615 732</b>	<b>\$ 156 547 479</b>
	<b>67%</b>	<b>33%</b>	<b>100%</b>
<b>Benchmarks:</b>			
DEX MT (50%), ST (50%) ...	... bond govt index	... bond index	

## 7. FINANCIAL ISSUES

Interest rates, which have been at their lowest level since the creation of the Foundation, continued to exert considerable pressure on the Foundation's income and cash flow in 2013. Insufficient rates of return, combined with the quasi-certitude that interests will not increase significantly for the next few years, have led the Finance and Investment Committee to consider the following topics:

1. What amount should be regularly withdrawn from the endowment fund to carry out the Foundation's activities?
2. What is the relationship between the budget and the endowment fund?
3. What transition strategies would ensure the sustainability of the Foundation's finances over the next three years?

The committee members recommended that the Board of Directors adopt a transition policy spread over a period of two to four years. This policy takes the Foundation's current obligations into account and includes the following proposals:

1. Maintenance of current expenditures of about \$6.5 million per year without major cuts to the programs, subject to internal and external reviews of the value of the programs, for the next four years, until the end of 2016, with annual evaluations based on the transition plan.
2. In collaboration with the Fundraising Committee (which has already presented recommendations of this nature to the Board), development of a plan for a fundraising campaign, provided with the resources required for:
  - a) A capital endowment campaign with an objective of at least \$30 million in four years. This campaign would include two parts:
    - i) external donations
    - ii) partnerships with universities
  - b) An annual campaign with an initial objective of \$500,000 per year for four years, increasing to \$1 million after six years.
  - c) A planned giving campaign with the objective of getting as many contributors as there are people close to the Foundation and people who believe in its mission enough to include a donation in their will.
3. Study of strategies to convince the Government of Canada to change the financing agreement and give the Foundation an open investment mandate, as opposed to the restrictive fixed-term investment mandate in the current agreement. The implementation of these strategies will depend on several factors.

The Board of Directors is of the opinion that implementing this strategy will allow the Pierre Elliott Trudeau Foundation to meet its financial needs on a sustainable and **perpetual** basis.

In the meantime, despite tight control of operating and program expenses in 2012-2013, the Foundation was obliged, for the third year in a row, to reduce the number of fellows from five to four and the number of scholarships from fifteen to fourteen, in order to reduce its financial commitments for the subsequent years.

Management has also pursued efforts undertaken last year to reduce the effect of the drop in income on the Foundation's activities and programs.

- Following an in-depth analysis of the interim results last March for the preparation of the 2013 estimates and the proposed budget for 2014, decisions were made to keep certain budget items low.
- A periodic analysis of interest income was conducted to compare real interest income with budgeted income. In this regard, in fiscal 2013, the Foundation maintained good communications with its portfolio managers to analyse the return on the investment portfolios more accurately.
- A periodic monitoring process for administrative and program expenses was carried out to review incurred and projected expenses and to take proactive steps to stay on budget.

Also, while awaiting a decision from the Hiring Committee on the hiring of a director, Revenue Development, the Foundation retained the services of an external consultant whose mandate is to approach Canadian universities with the idea of developing partnerships for the new Trudeau-University scholarships and the related mentorships. The Foundation continues to create ties with different partners and donors to support its events and activities.

Overall, the Foundation's strategy for its financial issues involves three main vectors: implementation of a four-year transition policy, performance tracking of the investment portfolios, and tight control of operating and program expenses.

## Appendix A

### Financial information

#### Statement of financial position as at 31 August

	2014 <sup>1</sup> budget	2013 <sup>1</sup> latest estimate	2012 audited	2011 audited	2010 audited	2009 audited	2008 audited
<b>Assets</b>							
<b>Current assets</b>							
Cash			494 362	458 810	406 342	373 116	1 886 055
Short-term investments			4 218 076	5 303 084	1 738 502	788 062	938 442
Investments in fixed-income securities (note 2)			150 250 589	148 812 289	151 764 446	148 530 815	142 517 954
Interest receivable			1 481 050	1 585 623	1 634 735	1 683 313	1 938 699
Other receivable			132 586	97 654	103 917	97 403	163 407
			<b>156 576 663</b>	<b>156 257 460</b>	<b>155 647 942</b>	<b>151 472 709</b>	<b>147 444 557</b>
Capital assets, gross			585 529	577 443	566 852	561 413	547 553
Capital assets, accrued depreciation			502 802	466 412	428 840	389 786	349 207
<b>Capital assets, net</b>			<b>82 727</b>	<b>111 031</b>	<b>138 012</b>	<b>171 627</b>	<b>198 346</b>
Deferred website development costs, gross			81 021	42 232	200 683	179 396	171 413
Deferred website development costs, accrued amortization			50 843	26 496	183 831	174 074	171 413
<b>Deferred website development costs, net</b>			<b>30 178</b>	<b>15 736</b>	<b>16 852</b>	<b>5 322</b>	<b>0</b>
			<b>156 689 568</b>	<b>156 384 227</b>	<b>155 802 806</b>	<b>151 649 658</b>	<b>147 642 903</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Accounts payable and accrued liabilities			643 605	728 418	307 634	456 822	279 250
Deferred revenue				0	0	0	46 153
Current portion of fellowship prizes payable			721 491	818 774	890 022	597 514	608 279
Current portion of scholarship prizes payable (note 3)			1 643 652	1 643 382	1 686 890	1 337 398	938 186
Current portion of mentorships payable			100 000	100 000	100 000	100 000	95 000
			<b>3 108 748</b>	<b>3 290 574</b>	<b>2 984 546</b>	<b>2 491 734</b>	<b>1 966 868</b>
<b>Long-term liabilities</b>							
Fellowship prizes payable			227 057	214 468	300 886	402 105	466 810
Scholarships payable			2 015 854	1 963 459	1 881 470	2 011 263	1 917 560
			<b>2 242 911</b>	<b>2 177 927</b>	<b>2 182 356</b>	<b>2 413 368</b>	<b>2 384 370</b>
<b>Total Liabilities</b>			<b>5 351 659</b>	<b>5 468 501</b>	<b>5 166 902</b>	<b>4 905 102</b>	<b>4 351 238</b>
<b>Net Assets</b>							
Net assets restricted for endowment purposes	125 000 000	125 000 000	125 000 000	125 000 000	125 000 000	125 000 000	125 000 000
Net assets invested in capital assets	41 433	50 833	83 552	111 031	138 012	171 627	198 346
Reserve against inflation (note 4)	17 215 378	18 694 178	18 750 000	16 875 000	15 000 000	13 125 000	11 250 000
Foundation's private donations fund (note 5)	825 428	693 100	637 654	556 047	557 058	380 109	339 805
Unrestricted net assets	0	0	1 033 568	1 033 568	9 940 834	8 067 820	6 503 514
Unrestricted contingency fund note 6)	5 828 135	5 807 241	5 833 135	7 340 080			
	<b>148 910 374</b>	<b>150 245 352</b>	<b>151 337 909</b>	<b>150 915 726</b>	<b>150 635 904</b>	<b>146 744 556</b>	<b>143 291 665</b>
			<b>156 689 568</b>	<b>156 384 227</b>	<b>155 802 806</b>	<b>151 649 658</b>	<b>147 642 903</b>

Note 1.

Years 2013 and 2014 are subject to year-end adjustments.

Note 2.

Beginning with fiscal year 2008, fair-value accounting (mark-to-market) is in effect for investment assets; interest revenues will be measured using the effective interest method.

Note 3.

Scholarship reductions due to external awards were previously returned to the general Fund. Beginning 2008, any such savings are reserved to fund the respective cohort's fourth-year extensions. The scholarships for cohorts 2009 and later have been increased from \$105,000 to \$120,000 per scholar.

Note 4.

In 2012, the Board approved the use of the reserve to offset any excess of expenses over revenues, and that, after the exhaustion of the contingency fund.

As per Board resolution, an annual amount of \$1,875,000 has to be internally restricted in order to create a reserve against inflation if the excess of revenues over expenses allows it.

Note 5.

Fundraising expenses are covered from the Private Fund, rather than from unrestricted net assets.

Note 6.

In 2011, the Board of Directors approved the creation of the contingency fund, which can be used to balance the operating budget when interest income is lower than expected. The 2013 budget provides for the total use of the contingency fund to reduce the excess of expenses over revenue.

## Statement of Revenues & Expenses

for the year ended 31 August

	2014 budget	2013 latest estimate	2012 audited	2011 audited	2010 audited	2009 audited	2008 audited
<b>Revenues</b>							
Interest income (note 2)	5 047 498	5 188 243	5 629 787	5 872 013	6 180 852	6 593 614	6 816 482
Gain on disposal of fixed income securities (note 2)			-254 946	-896 738	-98 619	212 250	805 015
Unrealized gain on marketable securities			1 319 984	1 299 422	4 065 486	2 322 724	3 640 079
Donations and other revenues	155 000	72 427	62 884	67 254		51 902	1 600
<b>Total Revenues</b>	<b>5 202 498</b>	<b>5 260 670</b>	<b>6 757 709</b>	<b>6 341 951</b>	<b>10 147 719</b>	<b>9 180 490</b>	<b>11 263 176</b>
<b>Expenses</b>							
<b>Program Costs (note 3)</b>							
Fellowship program (note 4)	924 300	924 000	930 079	944 147	1 082 416	662 303	773 175
Mentorship program	219 300	210 000	218 223	213 653	212 178	211 681	184 268
Scholarship program (note 5)	1 693 975	1 689 700	1 758 662	1 677 065	1 795 070	1 863 618	1 897 656
Public interaction program (note 6)	1 517 750	1 511 351	1 589 655	1 505 926	1 345 215	1 326 635	1 292 059
sub-total, Program Costs:	4 355 325	4 335 051	4 496 619	4 340 791	4 434 879	4 064 237	4 147 158
<b>Operating Costs</b>							
Investment counsel fees (note 7)	352 270	342 010	333 621	295 890	379 988	380 265	361 074
Program delivery costs (note 8)	1 173 933	1 128 662	951 314	694 975	671 797	675 028	618 167
Administrative costs (notes 8 and 9)	508 348	534 337	549 992	728 482	766 984	598 343	629 992
Accountability & transparency under ATIP (note 10)	10 000	10 000	3 982	1 991	2 723	9 726	45 522
sub-total, Operating Costs:	2 044 551	2 015 009	1 838 909	1 721 338	1 821 492	1 663 362	1 654 755
<b>Total expenses, GAAP basis:</b>	<b>6 399 876</b>	<b>6 350 060</b>	<b>6 335 528</b>	<b>6 062 129</b>	<b>6 256 371</b>	<b>5 727 599</b>	<b>5 801 913</b>
<b>Excess of Revenues over Expenses (excess of expenses over revenues):</b>	<b>-1 197 378</b>	<b>-1 089 390</b>	<b>422 182</b>	<b>279 822</b>	<b>3 891 348</b>	<b>3 452 891</b>	<b>5 461 263</b>

Note 1.

Years 2013 and 2014 are subject to year-end adjustments.

Note 2.

GAAP adjustments for bond premium amortization and gains/losses on disposal of securities were recorded up until fiscal year 2007 inclusive. Since the adoption of the fair-value accounting standards in fiscal year 2008, investment income now includes unrealized gains & losses in lieu of bond premium amortization; the effective interest method of recording revenues is in effect.

Note 3.

Generally accepted accounting principles require that the full amount of an award be expensed in the year that the commitment is established. 2013 latest estimate and 2014 budgets reflect 4 Fellows under the revised agreement, 14 Scholars and 10 Mentors, plus ancillary selection, nomination, and recognition costs.

Note 4.

Fellowship program increase from 2009 to 2010 results from the change to the administration and payment schedule of the program. Started with the 2010 fiscal, the full fellow award of \$225,000 per Fellow is reflected under the Fellowship Program where before the ATA portion was presented under PIP. (See Section 5 for more information.)

Note 5.

In fiscal 2007, an adjustment was made to return savings from external award reductions to the Scholarship Program to the extent necessary to fund fourth-year extensions for affected cohorts. Effective fiscal year 2008, fourth-year extensions will be permitted to the extent that savings were realized in prior years by the cohort in question. Beginning with the 2009 cohort, the value of the Trudeau Scholarship increased from \$105,000 to \$120,000 for the duration of the term.

Note 6.

PIP decrease from 2010 to 2011 results from the Foundation efforts to contract its program expenditures combined with a shift of the Fellows' ATA from the PIP into the Fellowship Program.

Note 7.

Investment counsel fees are a percentage of the portfolio market value.

Note 8.

Starting in 2012, increase in program delivery costs stems from a better distribution of administrative expenditure related to programs. Administrative costs were also lower for the same period.

Note 9.

In the 2014 budget, the fundraising costs totalling \$25,000 (Latest Estimate 2013: \$28,922), covered by the Private Donations Fund, are included in the administrative costs.

Note 10.

The Foundation became subject to the Access to Information and Privacy Acts on 1 April 2007.

### Operating Expenses restriction, as per Funding Agreement

	2013 budget	2012 LE	2012 audited	2011 audited	2010 audited	2009 audited	2008 audited
Total Operating Costs, as per pro-forma f/s	2 044 551	2 015 009	1 838 909	1 721 338	1 821 492	1 663 362	1 654 755
less: fundraising costs paid from Private Donations	30 000	28 922	58 774	70 714	2 900	0	18 266
Total Operating Costs paid from "Humanities... Fund"	2 014 551	1 986 087	1 780 135	1 650 624	1 818 592	1 663 362	1 636 489
Humanities & Human Sciences Fund value	148 084 946	149 552 252	150 700 255	150 359 679	150 078 846	146 364 447	142 951 860
Operating Expenses as a % of Fund Value	<b>1,347%</b>	<b>1,321%</b>	<b>1,184%</b>	<b>1,100%</b>	<b>1,243%</b>	<b>1,164%</b>	<b>1,181%</b>

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