



**THE PIERRE ELLIOTT TRUDEAU FOUNDATION
BUSINESS PLAN 2014-2015**

Prepared for Industry Canada

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1. BACKGROUND

The Pierre Elliott Trudeau Foundation is an independent and non-partisan charity established in 2001 as a living memorial to the former Prime Minister by his family, friends, and colleagues. By granting doctoral scholarships, awarding fellowships, appointing mentors, and holding public events, the Foundation encourages critical reflection and action in four areas important to Canadians: human rights and dignity, responsible citizenship, Canada's role in the world, and people and their natural environment.

In 2002, the Government of Canada endowed the Foundation with \$125 million—the Advanced Research in the Humanities and Human Sciences Fund—with the unanimous support of the House of Commons. In addition, the Foundation benefits from private sector donations for specific initiatives.

The Foundation is governed by a diverse and distinguished Board of up to 18 directors, including two seats for directors appointed by the Minister of Industry and two representatives of the family of the late Pierre Trudeau. The Board and its committees oversee the \$150 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 2014–2015.

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 for scholars, fellows, and mentors, and a Public Interaction Program for 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

The Mentorship Program forges intellectual and personal bonds between renowned Canadians with extensive experience in public life and talented doctoral students. Up to ten mentors are appointed each year. The mentors are drawn from an array of professional backgrounds, including business, public service, law, arts, journalism, and community organizations. The mentors' achievements in their own particular field give them wide national and international networks, from which the scholars can benefit.

Trudeau scholarships

Up to fifteen scholarships are awarded each year to support doctoral candidates pursuing research within the four priority domains of the Foundation. Trudeau scholars are accomplished individuals who are actively engaged in their fields and who have strong leadership potential. They are encouraged to work with Trudeau mentors and fellows. Interaction with the Trudeau Foundation community, non-academic spheres, and the general public is an essential aspect of the Scholarship Program.

Trudeau fellowships

Up to five outstanding public intellectuals are appointed as Trudeau fellows each year in recognition of their scholarly achievements and their commitment to policy engagement. The Foundation's support enables fellows to make extraordinary contributions in their field through leading-edge research and creative work. As the Fellowship Program grows, it builds a network of scholars working from a variety of perspectives to address critical 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 Foundation 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 practically minded mentors the chance to bring their expertise together to make knowledge exchange a reality. PIP comes to life through varied formats, including an annual conference, workshops and colloquia, and publications. In addition, members of the Trudeau Foundation community are encouraged to organize PIP events and to collaborate with other institutions to promote understanding of major issues that affect Canadians and global society.

3. ACHIEVEMENTS IN 2013-2014

Delivering results

The Foundation successfully delivered on all commitments made in its business plan for 2013-2014. The Foundation notably:

- ✓ **Appointed nine 2014 mentors**— offering \$315,000 for twenty-four months to nine highly accomplished Canadians from diverse backgrounds who have been paired with 2012 Trudeau scholars to help the scholars connect with policy networks. Nineteen mentors are currently enrolled in the mentoring program. In 2013-2014, the Foundation invested more than \$185,000 in the Mentorship Program.
- ✓ **Selected fourteen new 2014 Trudeau scholars**— a \$2.52 million commitment over up to four years to support a group of fourteen outstanding Canadian PhD students studying in Canada and abroad and foreign PhD students studying in Canada. All are actively engaged in their fields and expected to become leading national and international figures. The Foundation currently funds 61 scholars. In 2013-2014, the Foundation invested more than \$1.6 million in the Scholarship Program.
- ✓ **Appointed three 2014 Trudeau fellows**— an investment of \$675,000 over three years in three outstanding Canadian intellectuals who have set themselves apart through their research achievements, their creativity, and their public commitment. The 2014 fellowship appointments will be announced publicly in the fall of 2014. The Foundation currently supports 11 fellows. In 2013-2014, the Foundation invested more than \$680,000 in the Fellowship Program.
- ✓ **Held nine major public interaction events and supported twelve other events** organized by Trudeau Foundation community members or external partners. In 2013-2014, the Foundation invested more than \$1.4 million in the Public Interaction Program.

Events hosted by the Foundation:

- Announcement of the 2013 Trudeau fellows, Montréal, QC, 16 October 2013 (110 participants). Partner: Université de Montréal
- Trudeau Lecture by Maria Campbell, 2012 visiting fellow (University of Ottawa), “Picking Up The Pieces: Seeking Out The Roots Of Violence Against Indigenous Women,” Charlottetown, PEI, 8 October 2013 (75 participants). Partner: University of Prince Edward Island
- International seminar, “Systemic, Psychological, and Legal Issues in Imprisonment,” Lyon, France, 26-27 November 2013 (125 participants). Partner: Centre Jacques Cartier
- Tenth Annual Trudeau Conference, “Democracy in the 21st Century,” Montréal, QC, 21-23 November 2013 (300 participants). Partners: BMO Financial Group, Suncor Energy, Air Canada, Caisse de dépôt et placement du Québec, Concordia University, McGill University, Université de Montréal, and Université du Québec à Montréal

- Trudeau Lecture by Janine Marchessault, 2012 fellow (York University), “Going Public: Art, Urbanism, and Civic Engagement in the 21st Century,” Vancouver, BC, 21 January 2014 (120 participants). Partner: Emily Carr University of Art + Design
- Trudeau Mentor-Scholar Retreat, Québec, QC, 4-6 February 2014 (70 participants)
- Trudeau Lecture by Jennifer Welsh, 2006 fellow (European University Institute/University of Oxford), “The Individualization of War: Protection, Liability, and Accountability,” London, ON, 25 March 2014 (75 participants). Partner: Western University
- Trudeau Summer Institute, “Truth(s), Aboriginal Peoples, and Public Policy,” Osoyoos, BC, 12-16 May 2014 (120 participants)
- Trudeau Lecture by Catherine Dauvergne, 2012 fellow (University of British Columbia), “The End of Settler Societies and the New Politics of Immigration,” St. Catharines, ON, 28 May 2014 (120 participants). Partners: Brock University, Federation for the Humanities and Social Sciences

Events supported by the Foundation:

- Art exhibit, “*Land\Slide Possible Futures*,” Markham, ON, 21 September-14 October 2013, curated by Trudeau Fellow Janine Marchessault (400 participants). Partners: York University, Canada Council for the Arts, Ontario Cultural Attractions Fund, Scotiabank, and others
- Trudeau Scholars’ Workshop, “Affecting Women’s Writing in Canada & Quebec Today,” Montréal, QC, 15-17 November 2013 (36 participants). Partners: Université de Montréal, Canadian Literature Centre of the University of Alberta
- Trudeau Scholars’ Workshop, “Being Social: Social Media’s Potential to Transform Society,” Montréal, QC, 19 November 2013 (over 50 participants). Partner: Université du Québec à Montréal
- Trudeau Scholars’ Workshop: “Democratic Deficits? Equality and Representation in Canadian Politics,” Montréal, QC, 20 November 2013 (80 participants). Partners: McGill University, Institute of Parliamentary and Political Law, Centre for the Study of Democratic Citizenship, Equal Voice, SSHRC connections grant
- Trudeau Scholars’ Workshop: “Women Claiming Rights: Local Action, International Advocacy,” Montréal, QC, 19 November 2013 (20 participants). Partner: Concordia University
- Trudeau Scholars’ Workshop: “Canadians in Their Natural Environment: From Experiences and Values to Actions and Outcomes,” Montréal, QC, 19 November 2013 (50 participants). Partner: Université du Québec à Montréal
- Trudeau Scholars’ Workshop: “Academics and Activism: A Workshop on Protest and Political Change,” Montréal, QC, 20 November 2013 (20 participants). Partner: Bibliothèque et Archives nationales du Québec

- Book launch of publications written by members of the Trudeau Foundation community, Montréal, QC, 20 November 2013 (100 participants). Partners: Bibliothèque et Archives nationales du Québec, COOP UQAM, Université du Québec à Trois-Rivières, and seven publishing houses
 - Trudeau Scholars' Workshop: "Canada's Role in Promoting Health, Development and Human Rights around the World," Québec, QC, 4 February 2014 (20 participants)
 - Big Thinking lecture by Joseph Heath, 2012 fellow (University of Toronto), "Reason Over Passion: Art, Urbanism, and Civic Engagement in the 21st Century," Ottawa, ON, 11 February 2014 (120 participants). Partner: Federation for the Humanities and Social Sciences
 - Trudeau Scholars' Workshop: "Working Group on Canada's Role in International Development," Osoyoos, BC, 12 May 2014 (25 participants)
 - Trudeau Scholars' Workshop: "Social Repair From Violence: Perspectives from Canada and Abroad," Osoyoos, BC, 12 May 2014 (25 participants)
- ✓ Marked the tenth anniversary of the Foundation's programs with a week of **workshops, seminars, master classes, and conferences** to showcase the richness of its network
 - ✓ **Submitted to Industry Canada the second five-year independent review** of the Foundation's four programs, along with the Foundation's response to the review
 - ✓ **Sustained our knowledge dissemination efforts**, notably by editing and publishing the fifth volume of *The Trudeau Foundation Papers*
 - ✓ Implemented a new nomination and selection process for the Trudeau fellowship competition in order to **increase the fellows' intellectual engagement** with the Trudeau Foundation and the public
 - ✓ Collaborated with the Trudeau Foundation Society to sustain and **nurture a network of former mentors, scholars, and fellows**
 - ✓ Sustained discussions with Canadian universities to pilot-test **co-sponsored doctoral scholarships**
 - ✓ **Relocated the Foundation's offices** to a functional space in a B-class building
 - ✓ Implemented the **bridging plan to support the Foundation's operations** in the long term
 - ✓ Obtained its Certificate of **Continuance to the *Canada Not-for-Profit Corporations Act***
 - ✓ **Created a new Director of Communications position** to continue to enhance the public profile and visibility of the Foundation and the important work of its awardees
 - ✓ **Hired a new President and CEO**, former Deputy Minister of Foreign Affairs, Mr. Morris Rosenberg, to lead the Foundation in this next phase of existence

Contributing to solving public issues

Since its creation, the Foundation has disbursed \$44 million through its programs. Direct transfers to individuals currently account for \$30 million. The Foundation has granted 171 doctoral scholarships, attracting and retaining the brightest minds in Canada and around the world; encouraged 97 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 recognized the research or creative work of 53 fellows, to tap some of the world's top researchers, thinkers, and creators. 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— \$14 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. Over the years, the Annual Trudeau Foundation Conference has become a highlight in the intellectual life of the country, attracting an audience well beyond the close network of the Foundation. The Foundation intends to continue to make its Conference even more accessible to the public, including the business world, policy makers, NGOs, and academia.

All awards granted by the Foundation follow an independent external review process. The Foundation's website (www.trudeaufoundation.ca) details our rigorous nomination and selection processes. 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 to close to \$150 million (as of 31 May 2014), our investment portfolios are healthy, and the Foundation has invested considerable effort to establish partnerships with the business world to support our current and future initiatives.

4. THE YEAR AHEAD: GENERATING A NEW MOMENTUM

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.

— Sussex Circle Inc.¹

Evidence shows that the Foundation is delivering results through its three granting programs. Since 2003, the Foundation has been attracting the very best doctoral scholars in the social sciences and humanities studying in Canada and abroad, selecting outstanding intellectuals who set themselves apart through their research achievements, creativity, and social commitment, and recruiting mentors with a nationwide reputation based on their extraordinary achievements in their own particular field.

Our work plan is based on two objectives necessary in order for the Foundation to evolve: (1) the Foundation supports the best thinkers with the ultimate goal of fostering a more robust public discussion of issues in its four theme areas; and (2) the Foundation's outreach activities could better achieve that outreach goal. Indeed, the Sussex Circle's Review (2013) stated "the Foundation...has not had a significant profile in public debates, or in the definition of issues with which Canadians are concerned."²

It was expected that it would take time for the Foundation awardees' contribution to the country's intellectual life to be felt, but two objectives of the 2010-2015 Strategic Plan that were designed to enhance its influence require attention now, namely (1) sustaining a productive affiliation among members of the Trudeau community, and (2) functioning as an incubator and disseminator of innovative ideas.

Regarding the first objective, while it is difficult to engineer social networks, such networks can be encouraged to develop organically by facilitating and creating opportunities for shared productive effort and mutual support. The Trudeau Foundation Society of past scholars, fellows, and mentors is beginning to take shape, and it is likely to form the kernel of the emerging Trudeau network. In the future, as the community builds, efforts to facilitate and sustain the network will become increasingly prominent in Foundation activities, and the workings of the network will provide the Foundation with the greatest opportunity to build its profile as an influential organization in Canadian public life.

Regarding the second objective, the delivery and publication of the first annual series of Trudeau Lectures in 2009 was a milestone in the Foundation's development as a source of ideas and the connection point between innovative research and policy outcomes. The Annual Trudeau Foundation Conference must also be seen in this light. These were the first tentative steps in the development of the Foundation's role as a source of bold, innovative, influential conversations for social, political, and cultural policy leaders. As the Trudeau network builds and as developmental

¹ James Mitchell, Rick Smith, and Andrée Delagrave. *A Review of the Pierre Elliott Trudeau Foundation*. 28 June 2013. Sussex Circle Inc., Ottawa, p. 38.

² *Ibid.*, p. 7.

momentum drives the Foundation into new program areas, opportunities for the incubation and dissemination of ideas will increase.

There is virtually unanimous agreement that the Foundation can and should have a greater impact by focusing its efforts more on key challenges facing Canadian society. This is what we will strive to achieve in the years to come. With that goal in mind, we lay out here a few principles that will guide our activities in 2014-2015.

Adjustments to our programs

Starting with the 2014 cohort, the Trudeau Fellowship Program includes a focus on **increasing the fellow's engagement in the Foundation's curriculum**, meaning that new fellows will have more exchanges with Trudeau Foundation community members, notably during events hosted by the Foundation, but also through a Trudeau Foundation project and a residency requirement that is part of all Trudeau fellowship applications. This will ensure that the Foundation's activities benefit from fellows' intellectual leadership.

Recent discussions at the Board of Directors identified four possible means to achieve more policy impact in the short term, by **reallocating resources within the Public Interaction Program** without increasing our costs, namely: repackaging the Trudeau Lecture series to have more outreach potential, and replacing the *Trudeau Foundation Papers* by a varied use of media to disseminate the fellows' ideas (videos, op-eds, etc.); combining the Mentor-Scholar Retreat with the Summer Institute; giving more focus to the Foundation's annual series of events, supported by a strategic communications plan; implementing Trudeau Foundation Network Projects — projects engaging current and past Scholars, Fellows and Mentors in substantive shared endeavours focusing on the innovative application of new ideas for policy purposes — to engage a range of Trudeau Foundation community members in a process of enquiry on a theme, leading to policy recommendations addressed to relevant decision-makers at the municipal, provincial, or national level.

Ensuring financial sustainability

In the current historic low-interest rate environment, the Foundation is making every effort to protect the fund while using its revenues to support its four core programs. To that effect, management makes prudent and diligent use of the Foundation's resources and is **tightly managing its program and administrative expenses** to mitigate the effects of lower returns on the Foundation's investment portfolios.

In the spring of 2013, the Board of Directors adopted a **bridging plan to ensure the Foundation's perpetual sustainability**. The long-term bridging plan sets current expenditure levels at a rate of \$6.5 million and outlines two major areas for long-term improvement: fundraising and working toward a perpetual open investment mandate. These strategies, explained in Section 7: Financial Issues, began to be implemented in 2013-2014.

As per the aforementioned bridging plan, the Foundation is committed to **implementing a fundraising culture** among all its constituencies. Inspired by leaders in the philanthropic sector,

this year the Foundation will test a concerted call for donations among its program beneficiaries and friends. This fundraising effort, in combination with the successful partnerships that we have been establishing with the private sector in support of our public interaction events over the last decade, will pave the way to a more structured and systematic fundraising campaign.

Supportive administrative structure

Since 2003, the Foundation has been processing all stages of its three award programs by hand. Although there have been some efforts to move towards digital processes, the time is ripe to **implement an integrated electronic solution** that would allow us to perform several functions electronically: send out the call for nominations, receive the applications and letters of reference, assess the files internally and externally through a review grid, notify candidates, and disburse the funds virtually. This infrastructure will help us address the needs of our constituents, streamline our processes, and realize savings – in time, if not in money – which could be re-allocated to the Foundation’s programs and activities. To make an informed decision about this shift and to learn from the experience of other charities, the Foundation hired a consulting firm in early 2014 to look at the options. The implementation strategy and training requirements are currently under development so that solution will be functional during 2014–2015.

Strong leadership

First, the Board of Directors has invested significant time and effort over the past months to conduct a nationwide executive search for the next leader of the Foundation. The **hiring of new President and Chief Executive Officer Morris Rosenberg** will bring new vision and impetus to the Foundation by focusing our organization’s energy on outstanding projects and by aligning our resources and infrastructure with strategic objectives to achieve visible impact in the Canadian landscape. The Board found in Mr. Rosenberg a well-respected individual with an irreproachable track record and the potential to take the Foundation to the next step of its development. Mr. Rosenberg will take up his new role in September 2014, succeeding Pierre-Gerlier Forest, who held the position from November 2006 to September 2013, and Tim Brodhead, who has been assuming the role in the interim.

Governance renewal

The Foundation has been fortunate to benefit from strong supporters from the start. Indeed, many of the founding directors and members are still serving, but a few have expressed the desire to leave their seat to make room for new ideas. The Foundation’s Nominating Committee is actively working on a **renewal plan for the Board of Directors and Members** so that the Foundation’s governance reflect its intergenerational and interdisciplinary mandate spanning academia, the public sector, the business world, the arts, and NGOs, and also reflects Canada’s regional and cultural diversity.

Expected outcomes

- Trudeau mentorships

The Trudeau Mentorship Program continues to be a unique 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 policy-makers. The mentors' attendance at Foundation events means that scholars can benefit from the experience of all the mentors, even those who are paired with other scholars. By means of their advice, networks, and experience, the mentors of the 2013 cohort have found a number of creative ways to be useful to their assigned scholar and to other Trudeau scholars, and their contributions have brought new depth to the discussions that take place at Foundation events. The members of the 2014 cohort first met their scholars in February 2014 and are already adding value to the Trudeau Foundation community.

In the 2014 call for nominations, the Foundation considered a total of 141 nominations, of which 95 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 two Trudeau mentors and four Trudeau scholars from various backgrounds (public service, journalism, academia, communications) and two members of management. Table 1 provides a list of current Trudeau mentors and demonstrates that the group represents a unique and diverse pool of experience, connection, and intellectual resources. The mentors appointed in 2014 are shown in bold type.

The Foundation will name nine Trudeau mentors in 2014-2015 and will match them to the 2013 cohort of Trudeau scholars.

- Trudeau Scholarships

The Foundation currently supports 61 scholars (as of 30 June 2014). 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 2014 Trudeau scholarship competition attracted 263 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 2003-2014 Trudeau scholars based on both the Foundation's themes and the priorities identified in the 2007 Science and Technology Policy.

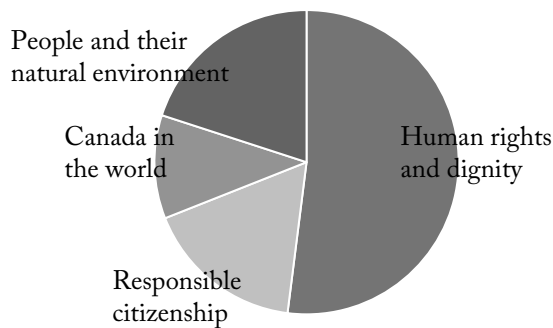
Table 1
Active Trudeau Mentors, 2013–2014

<i>Mentor</i>	<i>Year</i>	<i>Background</i>
Françoise Bertrand	2013	President and CEO, Quebec Federation of Boards of Trade
Denise Bombardier	2014	Journalist, writer, social critic
Susan Cartwright	2013	Former Senior Advisor to the Privy Council Office; Former Assistant Deputy Minister; Commissioner, Public Service Commission of Canada
Louise Charron	2014	Retired Justice of the Supreme Court of Canada
Leonard Edwards	2013	Former Deputy Minister and Ambassador, Canada
Michael Fortier	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.
Pierre Marc Johnson	2014	Former Premier of Quebec, physician, lawyer
Avrim Lazar	2014	Former President and CEO, Forest Products Association of Canada; former Assistant Deputy Minister, Canada
Clarence Louie	2014	Chief of the Nk'Mip Band in Osoyoos, BC; CEO, Osoyoos Indian Band Development Corporation
Wade MacLauchlan	2013	President Emeritus, University of Prince Edward Island
Sandy Martin	2013	Vice President (Commercial), Suncor Energy
Jessica McDonald	2013	Former Deputy Minister to the Premier, British Columbia
Marie-Lucie Morin	2014	Former executive Director for Canada, Ireland and the Caribbean at the World Bank
Madeleine Redfern	2013	Former Mayor, Iqaluit; Executive Director, Qikiqtani Truth Commission
David Schindler	2014	Killam Memorial Professor of Ecology, University of Alberta; Founding Director of the Experimental Lakes Area
Mary Simon	2014	Past President, Inuit Tapiriit Kanatami
Rosemary Thompson	2013	Director of Communications and Public Affairs, National Arts Centre; former reporter and correspondent, CTV and CBC
Glenda Yeates	2014	Former Deputy Minister, Canada and Saskatchewan

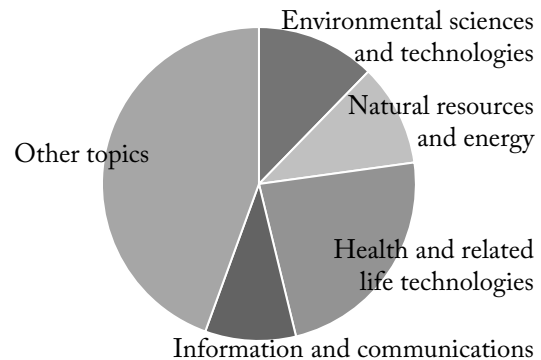
Graph 1 shows the distribution of the work of the 171 Trudeau scholars with reference to the Foundation’s four priority themes. As they are trying to tackle complex and multifaceted societal issues, most of their thesis projects are tied to more than one category. The most explored topic is human rights and dignity (52%), followed by people and their natural environment (20%), responsible citizenship (17%), and Canada in the world (11%).

Graph 2 reveals that more than one out of every two Trudeau scholars (56%) have been doing research directly related to one of the four priority areas outlined in the 2007 Science and Technology Policy. Overall, 23% of the projects have been related to health and related life sciences and technologies, 12% of the scholars have focused on questions related to environmental sciences and technologies, 11% have examined natural resources and energy, and 9% have explored matters of information and communication technologies.

Graph 1
Foundation themes and Trudeau scholars
2003-2014



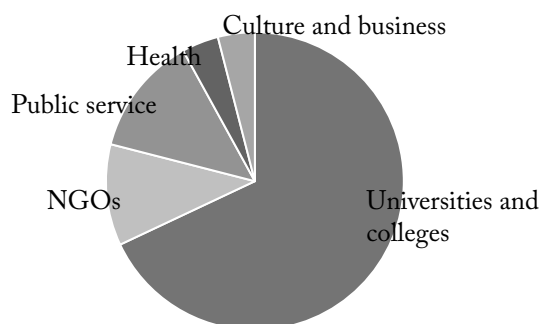
Graph 2
S & T Policy themes and Trudeau scholars
2003-2014



At least ten Trudeau scholars are expected to complete their doctoral degrees in 2014-2015, bringing the total to a hundred 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 field³). As intended, most of the former Trudeau scholars stay in Canada after they complete their PhD, opting mostly for career paths in higher education (68%), followed by the public service (13%), the NGOs (11%), the health sector (4%), and the cultural and business worlds (4%) (see Graph 3).

³ 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>

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 2015.

- Trudeau fellowships

One of the goals of the Fellowship Program is to promote commitment to public engagement and 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 providing members of the Trudeau Foundation community—including Trudeau scholars and the practitioners whom the Foundation engages as mentors—and the public with access to some of the country’s most outstanding and ground-breaking academics. With the adjustments to the program implemented in 2014, the Foundation aims to further increase the fellows’ commitment to work with Trudeau Foundation community members and to enhance their public engagement during the tenure of the fellowship.

Since its inception, the Foundation has named 53 Trudeau fellows in eight provinces and two countries. We have received hundreds of nominations from dozens of institutions. Twenty-three Canadian universities have hosted or are presently hosting a Trudeau fellow. The disciplines in which the fellows specialize range from political science and international relations to public policy, law, history, literature, sustainable development, sociology, philosophy, public administration, international affairs, 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 highlighted lectures took place in 2013–2014.

Table 2
Topics addressed by Trudeau fellows in their Trudeau Lecture

<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
Maria Campbell	University of Prince Edward Island	2013	Picking Up The Pieces: Seeking Out The Roots Of Violence Against Indigenous Women
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
Catherine Dauvergne	Brock University	2014	The End of Settler Societies and the New Politics of Immigration
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?'
Macartan Humphreys	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?
Janine Marchessault	Emily Carr University of Art + Design	2014	Going Public: Art, Urbanism, and Civic Engagement in the 21st Century

<i>Fellow</i>	<i>Host university</i>	<i>Year</i>	<i>Topic</i>
John McGarry	Dalhousie University	2013	An Academic and Conflict Resolution: Northern Ireland and Other Hard Cases
Haideh Moghissi	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
Ronald Rudin	University of Manitoba	2013	The Case for Public Knowledge
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
Daniel Weinstock	University of Victoria	2013	So, Are You Still a Philosopher?
Jennifer Welsh	Western University	2014	The Individualization of War: Protection, Liability, and Accountability

At its meeting of April 2013, the Board of Directors approved changes to the selection process and the execution of the Fellowship Program. Accordingly, the 2014 fellowship candidates were evaluated not only on their reputation, their record of public engagement, and the innovative quality of their work, but also on their proposal for a project that engages the Trudeau Foundation community. In addition, the fellowship candidates were asked to agree, if appointed, to fulfil a residency requirement, whereby they would contribute the equivalent of one day a week for one academic semester to the Foundation’s intellectual leadership.

The 2014 fellow selection cycle thus consisted of a four-step process in which the Foundation, aided by a five-member independent external selection committee, evaluated 40 nominations in several stages before naming three regular fellows who conformed to the Foundation’s new requirements. The new cohort contributes new areas of expertise to the Foundation’s roster. The 2014 fellows— whose names will be publicly announced on 18 September 2014— are Myriam Denov, expert in international refugee rights at McGill University; Evan Fraser, a food security expert at the University of Guelph; and Jason Edward Lewis, an innovative digital media specialist at Concordia University and the instigator of community development projects with Aboriginal youth.

The Foundation will continue to apply the new engagement and residency policy to the 2014 cohort and to cohorts thereafter, and will monitor and evaluate the policy's execution.

The Foundation intends to appoint three new Trudeau fellows in 2015 and will consider the desirability of including a visiting Trudeau fellow.

- Public interaction events

The Foundation's Public Interaction Program consists of a series of dynamic events that bring members of the Trudeau Foundation community together on their own or with specialists and members of the general public in venues across the country and abroad. In 2013-2014, the Foundation held one international event: a two-day seminar on imprisonment in Lyon, France, in November 2013, in the context of the Foundation's yearly partnership with the Centre Jacques Cartier.

The largest event organized by the Foundation is the Annual Trudeau Foundation Conference. In 2014, the eleventh edition will take place in Toronto, Ontario. This will be the ideal venue for a pan-Canadian conversation on innovation in the face of climate change.

This year, a decision has been taken to incorporate the Mentor-Scholar Retreat with the Summer Institute. In May 2015, the Foundation's mentors and scholars will meet in New Brunswick or Saskatchewan for their annual retreat immediately prior to the 2014 annual Summer Institute. The new mentors will have the opportunity to spend time with their scholars and with other mentors and scholars from previous cohorts. This meeting will be followed by the yearly Summer Institute, which will include scholars, mentors, and fellows, as well as experts invited to join the group in order to discuss the institute's theme.

In 2014-2015, the Foundation plans to modify its Trudeau Lecture series. The Foundation will continue to bring certain fellows to universities around the country so that the campus and local community can hear the fellows' reflections on their trajectory and their contribution to Canada's social landscape. In addition, the Foundation will look for opportunities to hold events in non-university venues. It will also deepen its association with the *Big Thinking* lecture series hosted by the Federation for the Humanities and Social Sciences, holding one Trudeau Lecture at the 2015 Congress at the University of Ottawa and a second lecture on Parliament Hill.

The Foundation will continue to support members of the Trudeau Foundation 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 has augmented its efforts in this regard, including through its support for the activities of the Trudeau Foundation

Society. The Foundation will explore other options, such as the Trudeau Foundation Network Projects mentioned above.

*In 2014–2015, the Foundation will organize and hold three to five Trudeau Lectures, three annual events, and one seminar in the context of the annual *Entretiens Jacques Cartier*. It will also support a number of scholars' workshops and other initiatives organized by members of the Trudeau Foundation community.*

Production cycle

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. In the coming year, the implementation of electronic solutions mentioned in section 4 above will make the selection process and administration of the awards even more seamless.

5. BUDGET IMPLICATIONS

Program costs

Overall budget framework for programs

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

Mentorships are active for two years. 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 valid 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, covering the cost of tuition and reasonable living expenses. An additional \$20,000 per year 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 2014–2015

<i>Date</i>	<i>Activity</i>
September 2014	End of interim and arrival of new President and Chief Executive Officer
September 2014	Nomination deadline: 2015 mentorships
September 2014	Call for nominations: 2015 fellowships
September 2014	Submission of info source chapter on ATIP* to Treasury Board Secretariat
18 September 2014	Public announcement: 2014 fellows
30 September 2014	Trudeau Lecture (Université du Québec à Trois-Rivières)
1 October 2014	Call for applications: 2015 scholarships
6-7 October 2014	International seminar with the Entretiens Jacques Cartier
October 2014	Selection process: 2015 mentors
October 2014	Annual external financial audit
15 November 2014	Nomination deadline: regular 2015 fellowships
20 November 2014	Board meeting and annual meeting of the members
20-22 November 2014	Annual Trudeau Conference
December 2014	Nomination deadline: 2015 scholarships
December 2014	Submission of 2013-2014 Annual Report to the Minister of Industry
January-February 2015	Selection process: 2015 fellows
Winter 2015	Trudeau Lecture on Parliament Hill
February 2015	Public announcement: 2015 mentors
February-March 2015	Selection process: 2015 scholars
25 April 2015	Board meeting
May 2015	Public announcement: 2015 scholars
May 2015	Trudeau Mentor-Scholar Retreat
May 2015	Trudeau Summer Institute
May 2015	Submission of statistics on ATIP* to Treasury Board Secretariat
May 2015	Submission of 2014-2015 Annual Report on ATIP* to Parliament
May/June 2015	Trudeau Lecture (Ottawa, ON)
June 2015	Submission of 2015-2016 Business Plan to the Minister
July 2015	Call for nominations: 2016 mentorships
August 2015	Financial year-end

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

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 annual travel and research allowance. Dissemination extensions, also granted for up to 12 months, provide the scholar with a networking and dissemination 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 can be drawn on for four years. As has been the case since the nomination of the 2010 fellows, each newly named fellow receives a \$50,000 prize. Of the remaining funds, \$150,000 (\$170,000 in 2014) 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 \$25,000 (\$5,000 in 2014) of the fellowship is retained by the Foundation to cover the cost of the fellow's travel to and participation in Foundation events.

For accounting purposes, commencing with the 2013 budget, the full award net of the reserve—\$220,000 per fellow (\$220,000 in 2014)—is reflected under the Fellowship Program. The remaining \$25,000 (\$5,000 in 2014) is recorded in the specific event budget in the Public Interaction 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 (\$20,000 per scholar) and 18-20 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 2014-2015

- Mentorships

The Mentorship Program budget reflects the costs of nine new mentors starting in January 2015. Two groups of mentors will be active in fiscal 2014-2015.⁴

⁴ The nine mentors who started in January 2014 will be funded in 2014 and 2015, and the 2015 mentors will be funded in 2015 and 2016.

- 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.⁵

- 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 three fellows to be appointed in 2015.⁶

- Public Interaction Program

The Public Interaction Program's budget supports the use of annual travel, networking, and research allowance funds by fellows, mentors, and scholars. As different cohorts of fellows, scholars, and mentors are participating alongside each other in any given year, the costs can be expected to be steady.

In addition, the PIP activities continue to develop, with an ever-increasing participation rate from the Trudeau Foundation 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.

The slight decrease in the 2014-2015 PIP budget is a result of a review of the public interaction events programming. Consequently, international events have been postponed, the Mentor-Scholar Retreat has been combined with the Summer Institute, and part of the retreat budget (\$17,000) has been reallocated to the communications budget to increase public interaction.

Operating costs

Overall budget framework and budgeted costs for 2014-2015

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 2014-2015 projects expenditures of 1.27% (2013 audited: 1.28%) of net assets for operating costs, which includes the cost of investment management, all administrative expenses,

⁵ The scholarships are expensed in a lump sum each year in order to comply with accounting standards. In fact, however, five cohorts will receive funding at some time during fiscal 2015. In addition to the fourteen 2015 scholars, scholars from the 2011 cohort will be receiving the last of their fourth-year funding at the beginning of fiscal 2015, as the 2012 cohort receives their third-year instalments, the 2013 cohort scholars their second-year instalments, and the 2014 cohort their first-year instalments.

⁶ 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 2015, being at various stages of their respective awards: the 2012 fellows receiving funding from 2012-2015; the 2013 fellows from 2013-2016; the 2014 fellows from 2014-2017. The 2015 fellows will receive their funding from fiscal 2015 through fiscal 2018.

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*.

The 2014-2015 budget reflects the Foundation's decision to establish a full-time Director of Communications position. In addition to the duties previously carried on by the part-time Communications Officer, the Director of Communications will have the responsibility to develop a public outreach and visibility strategy for the Foundation, in particular to increase our fundraising capacity. Including this new position, to maintain a stable, reasonable infrastructure for fiscal 2014-2015, the Foundation will keep its payroll at eight full-time positions. The part-time position has been abolished in 2013-2014. The Foundation will continue to rely on contract workers for specific mandates. As per the guidelines of the Canada Revenue Agency for registered charities and 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. The budgeted investment counsel fees have been reduced for 2014-2015, reflecting the Board's decision to consolidate its investment portfolios with a single portfolio manager, thus reducing the fees by approximately \$90,000 per annum.

Here are the highlights of the operation costs budgeted for 2014-2015:

- Despite the addition of a new position and related budget dedicated to corporate communications, overall operation expenses have been reduced by management for 2014-2015 through budget cuts.
- The use of external professional resources is reflected in the administrative and program implementation costs, in both the latest 2014 estimate and the 2014-2015 budget.
- Despite the recommendations made in the five-year evaluation concerning the fundraising campaign, strategic expenses related to fundraising included in the 2014-2015 administrative budget were reduced to \$10,000 in light of the resources available.
- The Foundation has been subject to the *Access to Information Act* and the *Privacy Act* (ATIP) since April 2007. The Foundation recognizes its legal requirements under ATIP, 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 2014-2015 budget includes \$5,000 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* this year, but the Foundation understands that it will need to meet the specific requirements when they are communicated to the Foundation.

- A sum of \$25,000 has been set aside in the 2014-2015 budget under administration and program implementation to develop a strategic communications plan.

6. INVESTMENT PERFORMANCE

Strict adherence to best practices in investment strategy and close management of operating expenses did not suffice to mitigate the heavy pressure of the historically low interest rates over the last few years. The book value of the endowment fund was \$146.2 million on 31 May 2014, in comparison to \$148.3 million on 31 May 2013. Also, on 31 May 2014, the market value was \$149.9 million in comparison to \$151.6 million on the same date in 2013.

In total, the rate of return on the three portfolios for the 12-month period ending 31 May 2014 was 2.82%, up from 1.42% in May 2013. As *Table 4* below shows, the rate of return since the creation of the fund has been 4.95%, compared to a reference index of 5.20%. During the 12-month period ending 31 May 2014, the sum of \$6.25 million was transferred from the investment portfolios to the current account to cover the Foundation's administrative and program expenses. During the same period, \$176,380 in donations was transferred in the private donations fund. According to the projections of our portfolio managers, the annual rate of return on investments for the year ending 31 August 2014 should be around 1.28% and the market value of the portfolios should be around \$146.1 million on 31 August 2014.

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 the spring of 2014 to assess investment alternatives available to the Foundation based on our current guidelines. Based on its counsel's advice, the Foundation green-lighted the portfolio managers' proposal to include mortgage-backed securities guaranteed by the Canada Mortgage and Housing Corporation, in the hopes of generating higher investment income. These securities fall within our current investment policy guidelines.

Given the current context and the limited options in terms of investment, the Foundation also chose to simplify its portfolio management, and thus reduce investment counsel fees, by consolidating its two main portfolios with a single portfolio manager, namely BMO, which has performed best over the years. The decision will be implemented in the summer of 2014.

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 in 2013 and its proactive approach under the circumstances.

Table 4

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

Market value, 31 May 2014

	BMO Rate of return	RBC/PHN Rate of return	Combined Rate of return
Rate of Return , inception to 31 May 2014	5,09%	4,69%	4,95%
vs	vs	vs	vs
Benchmark	5,18%	5,24%	5,20%
DEX MT (50%), ST (50%) bond govt / bond			
One-year Rate of Return to 31 May 2014	2,72%	3,01%	2,82%
vs	vs	vs	vs
Benchmark	2,65%	3,07%	2,79%
DEX MT (50%), ST (50%) bond govt / bond			
Total funds invested , inception to 31 May 2014	\$ 94 553 920	\$ 31 936 913	\$ 126 490 833
Investment Counsel fees , inception to 31 May 2014	\$ 2 496 727	\$ 1 737 331	\$ 4 234 058
Transferred to operating , inception to 31 May 2014	\$ 53 664 871	\$ 707 687	\$ 54 372 558
Total cash withdrawn , inception to 31 May 2014	\$ 56 161 598	\$ 2 445 018	\$ 58 606 616
Market value - 31 May 2014	\$ 98 838 681	\$ 51 089 026	\$ 149 927 707
Market value - 31 May 2013	\$ 101 993 933	\$ 49 637 460	\$ 151 631 393
	66%	34%	100%
Benchmarks:			
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 2014. Insufficient rates of return, combined with the quasi-certitude that interests will not increase significantly for the next few years, led the Board of Directors to adopt, in 2013, 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. Consideration of engaging the Government of Canada on the feasibility of altering the funding 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.

In 2014, the Board of Directors stayed the course and reiterated its support for this strategy to 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 2013-2014, the Foundation was obliged, for the fourth year in a row, to reduce the number of fellows, this time from four to three, and the number of scholarships will be kept at fourteen for a second consecutive year, 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.

- Again this year, 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 2014, the Foundation maintained good communications with its portfolio managers to analyze 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 on the hiring of a Director of 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

	2015 ¹ budgeted	2014 ¹ latest estimate	2013 audited	2012 audited	2011 audited	2010 audited	2009 audited	2008 audited
Assets								
Current Assets								
Cash			1 179 711	494 362	458 810	406 342	373 116	1 886 055
Short-term investments			826 445	4 218 076	5 303 084	1 738 502	788 062	938 442
Investments in fixed-income securities (note 2)			147 122 213	150 250 589	148 812 289	151 764 446	148 530 815	142 517 954
Interest receivable			1 212 965	1 481 050	1 585 623	1 634 735	1 683 313	1 938 699
Other receivable			281 736	132 586	97 654	103 917	97 403	163 407
			150 623 070	156 576 663	156 257 460	155 647 942	151 472 709	147 444 557
Capital Assets, gross								
Capital Assets, accrued depreciation			1 104 245	585 529	577 443	566 852	561 413	547 553
Capital Assets, net			536 919	502 802	466 412	428 840	389 786	349 207
Deferred website development costs, gross								
Deferred website development costs, accrued amortization			86 072	81 021	42 232	200 683	179 396	171 413
Deferred website development costs, net			69 778	50 843	26 496	183 831	174 074	171 413
			16 294	30 178	15 736	16 852	5 322	0
			151 206 690	156 689 568	156 384 227	155 802 806	151 649 658	147 642 903
Liabilities								
Current Liabilities								
Accounts payable and accrued liabilities			1 129 995	643 605	728 418	307 634	456 822	279 250
Deferred revenue			-	-	0	0	0	46 153
Current portion of fellowship prizes payable			779 749	721 491	818 774	890 022	597 514	608 279
Current portion of scholarship prizes payable (note 3)			1 374 125	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	100 000	95 000
			3 383 869	3 108 748	3 290 574	2 984 546	2 491 734	1 966 868
Long-term liabilities								
Fellowship prizes payable			187 650	227 057	214 468	300 886	402 105	466 810
Scholarships payable			2 222 781	2 015 854	1 963 459	1 881 470	2 011 263	1 917 560
			2 410 431	2 242 911	2 177 927	2 182 356	2 413 368	2 384 370
Total Liabilities			5 794 300	5 351 659	5 468 501	5 166 902	4 905 102	4 351 238
Net Assets								
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	125 000 000
Net assets invested in capital assets	783 716	863 789	568 151	83 552	111 031	138 012	171 627	198 346
Reserve against inflation (note 4)	17 704 386	18 750 000	18 750 000	18 750 000	16 875 000	15 000 000	13 125 000	11 250 000
Foundation's Private Donations Fund (note 5)	1 392 157	1 026 495	867 312	637 654	556 047	557 058	380 109	339 805
Unrestricted net assets	0	0	0	1 033 568	1 033 568	9 940 834	8 067 820	6 503 514
Unrestricted Contingency Fund (note 6)	0	324 659	226 927	5 833 135	7 340 080	-	-	-
	144 880 259	145 964 923	145 412 390	151 337 909	150 915 726	150 635 904	146 744 556	143 291 665
			151 206 690	156 689 568	156 384 227	155 802 806	151 649 658	147 642 903

Note 1.

Years 2014 and 2015 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, and 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 subsequent have been increased from \$105,000 to \$120,000 per scholar.

Note 4.

As per Board Resolution, an annual amount of \$1,875,000 has been internally restricted to create a reserve against inflation if the excess of revenues over expenses allows it. 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. No funds have been allocated to the Reserve since 2013.

Note 5.

Fundraising expenses are covered from the Private Donations Fund, rather than from Unrestricted Net Assets.

Note 6.

In 2011, the Board 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 funds to reduce the excess of expenses over revenue.

Statement of Revenues & Expenses

for the year ended 31 August

	2015 budget	2014 latest estimate	2013 audited	2012 audited	2011 audited	2010 audited	2009 audited	2008 audited
Revenues								
Interest income (note 2)	4 191 159	4 637 995	5 116 942	5 629 787	5 872 013	6 180 852	6 593 614	6 816 482
Gain on disposal of fixed income securities (note 2)			-873 606	-254 946	-896 738	-98 619	212 250	805 015
Unrealized gain on marketable securities			-4 496 243	1 319 984	1 299 422	4 065 486	2 322 724	3 640 079
Donations and other revenues	600 000	155 000	253 992	62 884	67 254	-	51 902	1 600
Total Revenues	4 791 159	4 792 995	1 085	6 757 709	6 341 951	10 147 719	9 180 490	11 263 176
Expenses								
Program Costs (note 3)								
Fellowship program (note 4)	681 000	681 802	880 785	930 079	944 147	1 082 416	662 303	773 175
Mentorship program	192 000	185 214	197 666	218 223	213 653	212 178	211 681	184 268
Scholarship program (note 5)	1 687 900	1 689 900	1 471 188	1 758 662	1 677 065	1 795 070	1 863 618	1 897 656
Public interaction program (note 6)	1 409 250	1 469 168	1 433 227	1 589 655	1 505 926	1 345 215	1 326 635	1 292 059
sub-total, Programs:	3 970 150	4 026 084	3 982 866	4 496 619	4 340 791	4 434 879	4 064 237	4 147 158
Operating Costs								
Investment counsel fees (note 7)	268 750	313 950	346 208	333 621	295 890	379 988	380 265	361 074
Program Delivery costs (note 8)	1 263 165	1 182 988	1 064 794	951 314	694 975	671 797	675 028	618 167
Administrative costs (notes 9 and 9)	368 758	458 060	532 736	549 992	728 482	766 984	598 343	629 992
Accountability & Transparency under ATIP (note 10)	5 000	5 000	-	3 982	1 991	2 723	9 726	45 522
sub-total, Operating Costs:	1 905 673	1 959 998	1 943 738	1 838 909	1 721 338	1 821 492	1 663 362	1 654 755
Total expenses, GAAP basis:	5 875 823	5 986 082	5 926 604	6 335 528	6 062 129	6 256 371	5 727 599	5 801 913
Excess of Revenues over Expenses (excess of expenses over revenues):	-1 084 664	-1 193 087	-5 925 519	422 182	279 822	3 891 348	3 452 891	5 461 263

Note 1.

Years 2014 and 2015 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 Fair Value accounting standards in fiscal year 2008, investment income now includes unrealized gains & losses in lieu of bond premium amortization, and 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. 2014 latest estimate and 2015 budgets reflect 3 new fellows, 14 scholars and 9 Mentors, plus ancillary selection, nomination, and recognition costs.

Note 4.

Fellowship program increase from 2009 to 2010 results from changes to the administration and payment schedule of the program. From 2010 to 2012, the full fellowship award of \$225,000 per fellow is reflected under the Fellowship Program whereas before the ATA portion was presented under PIP. Since 2013, a portion of the fellowship (2013: \$2,500; LE2014: \$5,000; 2015 budget: \$25,000) is retained by the Foundation to cover for the fellows' PIP expenses not covered by the fellowship portion administered by the host university (see Section 5, page 19 for more details).

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 with fiscal year 2008, fourth-year extensions will be allowed to the extent that savings were realized in prior years within the cohort in question. Beginning with the 2009 cohort, the value of the scholarship increased from \$105,000 to \$120,000 for the duration of the term.

Note 6.

PIP decrease from 2010 to 2011 results from 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. The budgeted investment counsel fees have been reduced for Budget 2015 reflect a Board decision to consolidate its investment portfolios with a single portfolio manager, thus reducing the fees.

Note 8.

Starting in 2012, increase in program delivery costs can be explained by a better distribution of administrative expenditure related to programs. Administrative costs are for their part lower for the same period.

Note 9.

In the 2015 budget, fundraising costs totalling \$10,000 (LE2014: \$10,000), which are covered by the Private Donations Fund, are included in the Administrative costs.

Note 10.

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

Operating Expenses restriction, as per Funding Agreement

	2015 budget	2014 LE	2013 audited	2012 audited	2011 audited	2010 audited	2009 audited	2008 audited
Total Operating Costs, as per pro-forma f/s	1 905 673	1 959 998	1 943 738	1 838 910	1 721 338	1 821 492	1 663 362	1 654 755
less: fundraising costs paid from Private Donations	10 000	10 000	16 242	58 774	70 714	2 900	0	18 266
Total Operating Costs paid from "Humanities... Fund"	1 895 673	1 949 998	1 927 496	1 780 136	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	150 700 255	150 359 679	150 078 846	146 364 447	142 951 860
Operating Expenses as a % of Fund Value	1,268%	1,297%	1,279%	1,184%	1,100%	1,243%	1,164%	1,181%