Annual Report **2002**

Foundation of Greater Montreal

Rising to the Challenge

Foundation of Greater Montreal

The FGM is dedicated to the well-being of the Greater Montreal community. It establishes and manages permanent endowment funds and uses the revenue from those funds to support community projects in a wide variety of sectors, including health, social services, the arts and culture, education, and the environment.

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RISING TO THE CHALLENGE

Message from the Chairman and the President-CEO

Three years ago, business and community leaders joined forces to create the Foundation of Greater Montreal (FGM), with the goal of providing our region with a permanent community fund—a nest egg that will always be there for Montrealers. The FGM brings together people from all walks of life who care about their city and who want to improve the lives of their fellow citizens, today and in the future.

For such an ambitious project to become reality, it needed to be built on a solid financial base and to gain the confidence of all segments of the community. From its beginnings, the FGM has been supported by several important Montreal foundations with long and successful track records. Community support is now broadening. New organizations and donors joined the FGM this year and the common fund now stands at $30 million making this a very successful year. And in order to fulfill our mission of supporting the community, growing our endowment fund will continue to be a priority for the organization over the next few years.

In 2002, we dedicated all of our energy to our growth and development, and to raising awareness among philanthropists and within the financial sector of the need for a community foundation. We introduced the Foundation at numerous meetings and presentations, demonstrating our driving ambition to provide the region with an innovative way to support the community through philanthropy. And we described our effectiveness and the many advantages of joining the FGM, including economies of scale, low administrative costs, professional fund management and competitive investment returns.

We have also sought to diversify our partnerships, reaching beyond the social services sector to include health and the arts and culture—equally as important to quality of life in Greater Montreal. The many different organizations, foundations and individuals who entrusted us with their assets this year are proof of our success.

This year's achievements are due in large part to the effort and skills of our many volunteers and of our staff. On behalf of the Foundation and the community, we offer them our sincere gratitude. Above all, we thank our partners for the trust they have shown the FGM and our donors for their extraordinary generosity. Thanks to their support, the community foundation will be ready to take its next defining step and make its first grants in 2003.

Pierre Brunet
Chairman

Kathleen Weil
President and CEO

FGM Funds

A wide choice of funds for great flexibility

The Foundation of Greater Montreal gives donors great flexibility. For instance, it allows them to set up permanent endowment funds in the field of interest of their choice or for the benefit of a cause or organization that they care about. Only earnings from their fund are used to make grants; their donation continues to give, year after year. The FGM ensures that donations are managed soundly and for the permanent benefit of the community. These types of funds can take many forms.

Community Fund

Ideal for donors who want the assurance that their funds will always be used to meet pressing community needs and improve the quality of life in Greater Montreal. Donors place no restrictions on the use of the funds and entrust the FGM with the task of identifying community priorities and the charitable organizations best able to meet them.

- Michael Novak Fund

"The Foundation of Greater Montreal is extraordinary because it makes philanthropy more accessible, whatever one's means or cause. It is also a centre of expertise, where donors can create a permanent endowment without the administrative burden; I like the idea that my gift will endure without my having to worry about day-to-day management. I also like the wide range of options that the community endowment fund provides. Quality of life rests not only on the fulfillment of basic needs, but also on responding to other community priorities such as the promotion of culture and protection of the environment."
Michael Novak

Field-of-interest Funds

Allow the donors to direct their charitable giving to a general area of concern or chosen field. The FGM makes grants to the charitable organizations best able to meet needs in chosen fields.

Social services:

- Red Feather Fund
- Alex K. Paterson Fund
- Marymount Alumni Fund for children and youth

Education:

- Montrusco Bolton Fund

Designated Funds

Designated by the donors to benefit one or more charitable organizations. Donors establish funds within the FGM rather than give directly to charitable organizations to ensure that their gifts remain useful over time. If a designated organization ceases to exist, revenues from such funds are directed to an organization with a similar mission.

Donor-Advised Funds

Allow for donors' involvement in selecting charitable organizations to receive grants.

- Malouf Family Fund
- Patrick H. Irwin Fund
- Gallop Family Fund
- The J.W. McConnell Family Foundation Fund*
- Fondation Lucie et André Chagnon Fund*

"I see the Foundation of Greater Montreal as an antenna that takes the pulse of society. The FGM's responsive decision-making structure allows it to meet the community's constantly evolving needs as they arise. It has also attracted the kind of people who have gained the trust of both the community and the financial sector. I am convinced that contributing to the FGM is the best way to improve the community's quality of life."

Peter J. Malouf

"For the first three years, the revenues from the J.W. McConnell Family Foundation Fund will support the FGM's operations. Thereafter the fund will become a fund for distribution to assist registered charities. This fund was created in full confidence that the FGM will grow and fulfill our hope that it become a locus of leadership for the Montreal community in all its diversity and vitality."

Tim Brodhead, President and CEO, The J.W. McConnell Family Foundation

"It is in the best interests of the Montreal community that the Foundation of Greater Montreal become a focal point for donors who want their gifts managed soundly and allocated wisely. This is the main reason we chose to support the FGM itself initially. After that, our fund will be dedicated to the prevention of illness and poverty."

André Chagnon, président du conseil, Fondation Lucie et André Chagnon

*Funds established in January 2003

Photographe Yves Renaud

Organizational Endowment Funds

Designated funds established by charitable organizations as permanently endowed funds within the FGM to provide an additional source of annual income, which is added to sums raised annually through other means such as fund-raising campaigns.

Donors may contribute to the following funds through the FGM or by contacting the organization directly.

- Théâtre du Nouveau Monde Fund
- St. John Ambulance Fund
- West Island Palliative Care Service Fund

"The TNM, one of the largest francophone theatrical institutions in North America, has contributed to Montreal's cultural development for over fifty years. This innovative institution was the first in the arts community to entrust the FGM with a permanent endowment fund. This fund generates additional annual revenues that support the TNM's creative and development activities. Our partnership with the FGM is part of an innovative process of growth TNM has undertaken in recent years."

Lorraine Pintal, General and Artistic Director, Théâtre du Nouveau Monde

This fund was established thanks to the Canadian Arts and Heritage Sustainability Program-The Endowment Incentive Component..

"In 2003, St. John Ambulance celebrates 120 years in Canada—120 years of improving people's health, safety and quality of life. We decided to celebrate by creating an endowment fund with the Foundation of Greater Montreal. This fund will ensure our long-term survival and will help support our 3,000 first aid volunteers in Quebec. Because the fund builds on the planned donations we transfer to our fund and keeps our administration costs as low as possible, the FGM helps us in our mission to save lives."

Jawaid Khan, President, Order of Saint John Foundation

"Our organization was created to accompany people with terminal illnesses during their last days. We provide for their physical, psychological, social, and spiritual needs, in the dignity and comfort of their community. We also offer support for family members. To secure our future, we needed to think long-term. The Foundation of Greater Montreal gave us valuable advice on setting up an endowment fund that was perfectly adapted to our needs and situation. We can now encourage planned giving to build the fund's permanent capital base and better serve our patients."

Russell Williams, fundraising committee chairman; Co-Founder, West Island Palliative Care Service

Memorial Funds

Created to commemorate a person, family or important event, these funds can be established as any type of FGM endowment fund.

- Suzanne Trépanier-Côté Fund

Managed Funds

With this type of fund, a charitable organization or foundation places its fund with the FGM for long-term management. The organization retains ownership of the fund and continues to administer its revenues.

- Centraide Foundation Fund
- Montreal YMCA Foundation Fund
- Foundation of Catholic Community Services Fund
- Fondation Jean Duceppe Fund

"We were impressed with the FGM's team of professionals, including top investment counsellors. By pooling our assets with those of the FGM, we can look forward to improved results at lower costs and improve our services to the community as a result."

George Lackenbauer, President, Foundation of Catholic Community Services

"The Fondation Jean Duceppe's endowment fund ensures the long-term survival of the theatre company founded nearly thirty years ago by my father, an actor whose social and cultural commitments have left a lasting legacy in Quebec. It is natural that we would work closely with the Foundation of Greater Montreal in its mission to ensure a brighter future for an ever-evolving community."

Louise Duceppe, General Director, Compagnie Jean Duceppe

Giving to the FGM

There are many ways to give to the FGM. Donors can make **direct donations**—cash or publicly traded stocks, for example—or they can make **deferred gifts**, which often take the form of bequests or life insurance donations. This year, two people expressed their intention to create endowment funds through deferred gifts:

- Guy Tiphane
- Martin Goodwin

" My wife and I do not have any children and I have always wanted to find a way to dedicate my estate to charitable causes while ensuring that my wife and a few loved ones could benefit from my estate during their lifetime. When I read an article on the Foundation of Greater Montreal in The Gazette I found the solution. I have created a charitable remainder trust by will. The FGM will preserve my capital gift forever and ensure that the revenue will always benefit worthy charitable causes and organizations in Montreal. The concept of a community foundation is ingenuous and I am delighted Montreal now has one."

Martin Goodwin

FGM Committees

During this year of development, the FGM's committees faced a colossal amount of work. The results, however, are ample proof of the dedication, skill and support of the FGM's volunteers.

The FGM has created a **Nominating Committee**, made up of twelve representatives of the community. Its purpose is to ensure the election of Board members who are skilled and independent, and who represent the interests of the community. The Mayor of Montreal, Gérald Tremblay, has agreed to sit on this committee starting in 2003, as Chair of the Montreal Metropolitan Community.

At a time when pension funds are announcing their worst returns since 1974, an average return of –5.7 percent, the FGM investment fund recorded only a minor drop of 0.85 percent for fiscal 2002. Since its inception in July 2001, the fund's total return has been 3.49 percent. This result demonstrates the excellent work of the financial management experts selected by the FGM **Investment Committee.** The committee also recommended changing the investment policy to include alternative investments in order to take the current investment climate into account. This recommendation was adopted by the Board, and a third investment manager was selected at the end of 2002.

Through its **Fund Development Committee** the FGM reached its 2002 objective of $30 million in assets pooled into its common fund. It also received commitments for contributions from eleven large companies. Each of these first eleven "corporate partners" will contribute $10,000 per year for three years to the growth and development of the FGM.

The **Planned Giving Committee** developed a gift acceptance policy that provides donors with a completely transparent process and strict confidentiality.

The **Marketing and Communications Committee** developed the FGM's market positioning and communications tools.

Finally, the **Grants Committee** began the groundwork for 2003, when the FGM's first grants will be awarded.

Board

Board of Directors

Pierre Brunet, Chairman*
Chairman of the Board, Canadian Institute of Chartered Accountants

Sheila Goldbloom, Vice-Chairman*
Past President, Red Feather Foundation

Brian Levitt, Vice-Chairman*
Co-President, Osler, Hoskin & Hartcourt

Guy Bisaillon, Treasurer*
Chairman, Centraide Foundation

Jacques R. Gagnon, Secretary*
Vice-President Public Relations - Retired, Alcan

Irene Nattel, Past Chairman*
Managing Director, RBC Capital Markets

Tim Brodhead
President and CEO, The J.W. McConnell Family Foundation

André Chagnon
Chairman of the Board, Fondation Lucie et André Chagnon

Marcel Côté
Partner, Secor Conseil Inc.

Harry Feldman
Senior Partner, Schwartz, Levitsky, Feldman

W. John Gallop
Director, MacDougall, MacDougall & MacTier Inc.

Cynthia Lam
Former CEO, Chinese Family Services of Greater Montreal

Michel Lamontagne
Jennings Capital Inc.

Michael Murray
Vice-President - Planning and Investor Relations, Laurentian Bank

Gilles Ouimet
President and CEO, Pratt & Whitney Canada

Alex K. Paterson
Senior Partner, Borden Ladner Gervais

Gilles Émond, Honorary Member
Centraide Foundation

*Executive Committee members

Comité de placements

Guy Bisaillon, Committee Chair
Chairman, Centraide Foundation

Armand Afilalo
President, MEP Technologies Inc.

Pierre Comtois
Vice-Chairman, Optimum Asset Management Inc.

John Gallop
Director, MacDougall, MacDougall & MacTier Inc.

Harry Feldman
Senior Partner, Schwartz, Levitsky, Feldman

Michael Murray
Vice-President, Planning and Investor Relations, Laurentian Bank

Gilles Émond, Honorary Member
Centraide Foundation

Fund Development Committee

Roger Samson, Committee Chair
Corporate director

Pierre Brunet
Chairman of the Board, Canadian Institute of Chartered Accountants

Jacques Gagnon
Vice-President Public Relations - Retired, Alcan

John Gallop
Director, MacDougall, MacDougall & MacTier Inc.

Michel Lamontagne
Jennings Capital Inc.

Irene Nattel
Managing Director, RBC Capital Markets

Alex K. Paterson
Senior Partner, Borden Ladner Gervais

Planned Giving Committee

Diane Tsonos, Committee Chair
Attorney, Richter, Usher & Vineberg

Terri Allister
Consultant, Investors Group

Gaston Bouchard
Lawyer

Gilbert Lemieux
Coordinator, Planned Giving Program, Centraide of Greater Montreal

Benoît Tremblay
Director General, Montreal YMCA Foundation

Committees 10.11

Marketing and Communications Committee

Jacques Gagnon, Committee Chair
Vice-President Public Relations - Retired, Alcan

Alban Asselin
President, Communication AGA Inc.

Marcel Côté
Partner, Secor Conseil Inc.

Jonathan Goldbloom
Senior Partner, Columbia Communications

Daniel Granger
General Manager, Senior Vice-President - Technology, Edelman

Jac Joanisse
President, Joanisse Communications Marketing

Michel Lamontagne
Jennings Capital Inc.

Nominating Committee

André Bisson
Chairman of the Board, Université de Montréal

Tim Brodhead
President and CEO, The J.W. McConnell Family Foundation

Pierre Brunet
Chairman of the Board, Canadian Institute of Chartered Accountants

Gretta Chambers
Chancellor Emerita, McGill University

Marcel Côté
Partner, Secor Conseil Inc.

Michèle Thibodeau Deguire
President and Executive Director, Centraide of Greater Montreal

Guy Frechette
Chairman, Board of Trade of Metropolitan Montreal

Maurice Forget
Chairman, Arts Council of Montreal

Sheila Goldbloom
Past President, Red Feather Foundation

Frederick Lowy
Rector and Vice-Chancellor, Concordia University

Lucette Poliquin
Chair, Ordre des comptables agrées du Québec

Manon Vennat
Chairman, Spencer Stuart Montreal

The Foundation of Greater Montreal is a member of Community Foundations of Canada (CFC), the membership organization for Canada's community foundations. In 2002, CFC's 124 members collectively served 75% of Canada's population, held $1.6 billion in assets, and made community grants totaling $80 million.

As it develops, the Foundation of Greater Montreal is benefiting from the support and experience of many other CFC member foundations, the oldest of which was founded in Winnipeg in 1921.

CFC also plays a leading role in the world-wide community foundation network and has supported the development of foundations in Brazil, Mexico, central and eastern Europe, South Africa, and Australia.

Grants Committee

Cynthia Lam,
Committee Co-chair
Former CEO, Chinese Family Services of Greater Montreal

Dominique McCaughey,
Committee Co-chair
Student-at-law, Borden Ladner Gervais

Lyse Brunet
Vice-President - Social Development, Centraide of Greater Montreal

Sheila Goldbloom
Past President, Red Feather Foundation

Janis Levine
Executive Vice-President, The Henry & Berenice Kaufmann Foundation

Anne Marquis
Advisor - support services for community organizations, Regional Health and Social Services Board of Montreal

Alex K. Paterson
Senior Partner, Borden Ladner Gervais

Katharine Pearson,
Program Manager, The J.W. McConnell Family Foundation

Staff

Kathleen Weil, B.C.L., LL.B.
President and CEO, ex-officio member of board committees

Diane Bertrand
Administrative Assistant

Gaston E. Bouchard, LL.B.
Donor services and planned giving

Accounting services are provided by Centraide of Greater Montreal.

First Corporate Partners (2003)

Contribution of $30,000 each over 3 years

Alcan

Bell Canada

CGI

Hydro Québec

National Bank of Canada

Power Corporation of Canada

Pratt & Whitney Canada

RBC Financial Group

SNC-Lavalin

Société des alcools du Québec

Contribution of $10,000 over 2 years
Laurentian Bank

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Heidi Hollinger, Photographer

Alcan

Board of Trade of Metropolitan Montreal

Joanisse Communications Marketing

National Bank Financial

National Bank Trust

Richter, Usher, Vineberg

Samson Bélair/Deloitte & Touche

SITQ Immobilier

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The Jewish Community Foundation of Montreal

The J.W. McConnell Family Foundation