To our donors, stakeholders and friends,

It takes a community to heal a child. At SickKids Foundation, we have the privilege of working closely with our community of committed volunteers, generous donors and our dedicated colleagues at The Hospital for Sick Children. Together, we work to continue to break new ground to improve children’s health.

The children who must rely on the care of SickKids serve as our motivation. They inspire us with their courage and touch us with their stories. Most of all, they rely on the unfailing generosity of our community. Through this year’s annual report, you will meet some of these inspirational individuals who have directly contributed to or benefitted from our work.

This past year has been full of achievement. Despite the continuing challenges of the economy, the Foundation made a $52.5 million investment in children’s health, including $47.9 million which we granted to support care, learning and research at SickKids and $2.7 million which was granted through our National Grants program in support of child health initiatives from coast to coast.

Thanks to the outstanding stewardship of our Investment Committee, the Foundation realized a 41.6 per cent increase in the value of our endowment funds, reaching an all time high of $584.8 million as of March 31, 2010. The Foundation’s investment performance has placed it among the best performing Foundation endowments in North America. It has allowed us to sustain our annual payout rate of 4.5 per cent.

We are pleased to report that the Foundation reduced its cost per dollar raised by 20 per cent. We also continued our commitment to transparency and accountability through our public disclosure of our regulatory filings with the Canada Revenue Agency and Internal Revenue Service. Our full financial statements can be found at www.sickkidsfoundation.com.

One of the key highlights of the year was the work of the Hospital and Foundation to secure $200 million in debt financing for a new $400-million Research & Learning Tower. The Foundation has committed to support interest costs and principal repayment of the debt over the next 40 years. We have also launched an ambitious $200-million fundraising campaign to secure the public’s support for the Tower, which brings together more than 2,000 scientists and staff working for the Research Institute to enhance their capacity to find ground-breaking, new discoveries in child health. A high-calibre campaign cabinet, led by SickKids Foundation Board Member and President & CEO of TD Canada Trust, Tim Hockey, is now hard at work on the campaign trail.

These achievements are a credit to the strong partnership between The Hospital for Sick Children and SickKids Foundation, the outstanding governance provided by the Foundation’s Board, the commitment and professionalism of the Foundation’s staff, and to the extraordinary generosity of more than 300,000 donors and supporters who believe in our vision: Healthier Children. A Better World.™ Our heartfelt thanks and appreciation to all.

Yours sincerely,

Patsy Anderson    Ted Garrard
Chair     President & CEO

SickKids Foundation Annual Report 2009-10
SickKids is a testament to what can be accomplished when a community comes together with a shared purpose, and no shared purpose can possibly be greater than improving the health of our children.

**to give:**
SickKids Foundation was established in 1972. For more than 38 years, we have invested our community’s donations into outstanding patient care, groundbreaking research and medical education at The Hospital for Sick Children.

**impact of your support:**
Your support helps fund priorities established each year by the Hospital and Foundation including clinical and capital projects such as the much-needed revitalization of the Emergency Department and Operating Suites. It also provides funding for endowed chair positions, medical equipment and patient programs. None of these projects would be funded without support from donors like you.

When you give to SickKids Foundation you become an integral partner in creating a healthier future for children. Your gift contributes to the care our children receive. You fund programs to make children better, support research to find cures so no child has to suffer, and maintain the world-class facilities where all this happens.

For the fiscal year ending March 31, 2010, SickKids Foundation invested a total of $52.5 million in children’s health care and of that granted $47.9 million directly to The Hospital for Sick Children. Thanks to the community’s generosity, this is one of the largest charitable investments in paediatric health care and one of the largest charitable contributions to a hospital anywhere in Canada.

**national support:**
In addition to the support of The Hospital for Sick Children, SickKids Foundation is the only hospital foundation with a mandate to build Canada’s capacity and knowledge to meet future challenges in child health. Through our national initiatives, SickKids Foundation invested $2.7 million across Canada this year. This included grants to researchers at the critical early stage of their careers, grants for paediatric research in areas where there are gaps in knowledge and grants for operating support to leading national paediatric organizations and networks.

**international support:**
Through our international program HealthyKids International, SickKids Foundation makes investments worldwide to support solutions to better children’s health in countries that need it most.

HealthyKids International provides critical funding for international initiatives at SickKids including, viable health-care solutions in underserved communities worldwide to ensure children in those communities have a chance at healthy and productive lives. These programs span from a fellowship training program to in-country capacity building and a mobile teaching and surgical team.

The art of bridging research, learning and care has been a longstanding tradition at SickKids that sets it apart from other child health centres. That distinction, coupled with a Foundation that believes improving the health and well-being of children is one of the most powerful ways to improve society, positions SickKids as a world leader.

**to care:**
The Hospital for Sick Children provides the full spectrum of child health services from infants to youth up to the age of 18. More than 40 per cent of its patients come from outside of the Greater Toronto Area for care not offered anywhere else in the province or, in some cases, the country.

The philosophy of family-centred care is woven into every interaction that takes place at SickKids. The health-care providers and patient families act as partners, working together to meet the needs of each child.

Community support helps staff at SickKids to go above and beyond by funding vital tools, equipment and technology.

**to learn:**
Learning is ingrained into all practices at SickKids. It encompasses formal training of the next generation of health-care professionals, continuous learning and point-of-care learning.

At SickKids, learning takes place everywhere – from nursing and medicine, to chaplaincy and biomedical engineering. Most importantly, it provides the critical link between new knowledge and its application in the care of children.

Philanthropy provides funding for educational grants and the purchase of equipment for learning purposes.

**to discover:**
The SickKids Research Institute is an international centre for excellence and innovation. It is the largest child health research institute in Canada and a magnet for top researchers and experts in child health from all over the world.

At the Institute, scientists look for causes of diseases affecting children, how the diseases progress and how to treat and prevent them in the future. Every day, important medical discoveries are helping to improve child health and save lives.

Donations provide the groundwork for major discoveries. Funding during the infancy of research provides seed money to get innovative research projects off the ground.
SickKids Foundation is embarking on a campaign to raise $200 million in the next three years to build a new Research & Learning Tower.

Rising 21 storeys above ground level on the corner of Bay and Elm streets, the new Tower will serve as a hub where researchers and learners can congregate and share ideas across disciplines, borders and generations to transform the current state of child health.

More than just bricks and mortar, the Tower will stand as a testament to the past, present and future scientific achievements of SickKids. The new 750,000 square foot facility will accommodate the most specialized research and learning needs. Seven areas of research will be reflected in neighbourhoods of science, connected through staircases and shared spaces to encourage cross-collaboration.

Award-winning architects, Diamond and Schmitt Architects Inc. with HDR Inc., designed a space in which high-tech facilities and equipment will support research discoveries. Open areas and gathering spots, including meeting rooms, a 250-seat auditorium and tele-education rooms, will enhance collaboration.

The design has incorporated innovative solutions for reduced energy and resource consumption to reinforce SickKids as a leader in sustainable and healthy living. The Research & Learning Tower has been designed to attain LEED® Gold Certification, the second highest level of the rigorous qualifications developed by the Canadian and U.S. Green Building Council.

Upon its completion in 2013, the Research & Learning Tower will be a beacon in Toronto’s Discovery District and a magnet for the world’s best and brightest child health experts.

Together, we will build this Tower from the ground up. Together, we will propel child health research into the future.

**quick facts**

**DESCRIPTION:**
- A state-of-the-art research facility where scientists and staff can congregate to transform the current state of child health

**LOCATION:**
- Northwest corner of Bay and Elm streets in Toronto’s Discovery District

**SPACE:**
- 750,000 square feet
- 21 storeys + three levels of parking

**FEATURES:**
- Research neighbourhoods connected by stairways and atrium spaces
- Dry and wet laboratory spaces within the neighbourhoods
- 250-seat auditorium
- Tele-educational facilities
- Pathways connecting the Tower to SickKids McMaster and Atrium buildings
- Designed to attain LEED® Gold Certification

**DESIGN:**
- Diamond and Schmitt Architects Inc. with HDR Inc.

**COST:**
- $400 million

**FUNDING:**
- Canada Foundation for Innovation
- The Research & Learning Tower Campaign
- Long-term borrowing

**OPENING:**
- Groundbreaking May 2010
- Opening 2013

Together, we will build this Tower from the ground up. Together, we will propel child health research into the future.
Nine years ago, I lost my only daughter to a rare genetic disorder that no doctor in Canada could diagnose. It’s important for me to do everything I can to ensure other Canadian families don’t have to go through what my family did – having to leave our own country to look for a diagnosis and treatment. Today, I am chairing the campaign to raise $200 million to build a new Research & Learning Tower. I feel fortunate to have the opportunity to support one of the most important capital projects in the history of SickKids.

Tim Hockey – President & CEO, TD Canada Trust

Today, through research, we want to ensure all parents can receive a diagnosis. Most of all, we want to find cures.

With construction underway on a $400-million, 21-storey, 750,000 square-foot Research & Learning Tower, transformative discoveries and outcomes are closer than ever. This building will bring together 2,000 researchers and staff of the SickKids Research Institute under one roof. SickKids is on the cusp of transforming children’s health as we know it.

Mary Jo Haddad – President & CEO, The Hospital for Sick Children
Browsing through channels on her TV, the story of a young teenage girl living with cystic fibrosis caught Ruth Donaldson’s eye.

Being a parent and grandmother, the story brought back the memory of her eldest sister, who died much too soon from the same illness at age 47.

When the show prompted Ruth to become a SickKids donor, she didn’t hesitate. She and her husband George became Miracle Club members, providing monthly gifts to the Hospital that long ago treated her sister.

To look at four-year-old Sierra you’d never guess she suffers from a chronic disease with no known cure. Cystic fibrosis affects the lungs and digestive systems making it tough to breathe.

Scientists at SickKids discovered the CF gene in 1989, triggering a series of research that dramatically extended the lifespan of a CF patient. Monthly gifts largely support research and education at SickKids to propel discoveries that lead to treatments and ultimately cures.

While Sierra will always rely on a number of medications and daily physiotherapy to combat the symptoms of her illness, she and her parents have an invaluable team at SickKids to help them navigate the difficult process of managing CF.
If you are going to hold a golf tournament, why not hold it for SickKids? That’s what Larry and Peter chose to do 22 years ago and today, the event is still going strong having raised close to $1-million for the Hospital.

While Larry or Peter’s children have never needed to rely on the expertise of SickKids, they see the Hospital as a safety net. Recently their donation was directed to the Arthur and Sonia Labatt Brain Tumour Research Centre. Their gift helps fund research at the earliest, most critical stage.

We are happy to support the centre because we know it’s one of the best in the world.

Dr. Michael Taylor – Neurosurgeon at SickKids and scientist in the Developmental & Stem Cell Biology program

Michael Taylor’s lab at SickKids studies the genetics of paediatric brain tumours, the greatest cause of cancer-related death in children. He and his team recently discovered that a specific type of children’s brain cancer, medulloblastoma, has four different subtypes. This discovery has lead to further research into treating this cancer, specifically targeting the subtypes with different treatments.

According to Michael, his research would not have been possible without the timely assistance of SickKids Foundation and the financial support of its donors, like Larry and Peter.

An investment from the Foundation allowed me to go out and find more money for cancer research.
Providing support for children living with cancer is one of the key mandates of Sears’ philanthropic efforts. The Sears Cancer Clinic opened at SickKids in January 2010, thanks to the hard work and generosity of Sears Canada associates in more than 2,000 communities across Canada who work year round to raise awareness and funds for childhood cancer.

Sears raises a lot of money for research and treatment for kids’ cancer. When we saw the outdated and cramped state of the former outpatient clinic, it was easy for us to commit to supporting a comfortable, state-of-the-art facility for the children and their families.

"Maya was diagnosed in March 2010 with neuroblastoma, a rare childhood cancer. She can spend entire days waiting for tests, treatments and check-ups. This is a difficult task for any child let alone an active four year old who is very weary of needles and doctors.

The Sears Cancer Clinic provides a space that is comfortable, private, and fun, a much-needed distraction for patients and families going through one of the most difficult times in their life. For Maya, there are numerous visits to the Sears Cancer Clinic ahead, including more chemotherapy and lots of pokes and needles from her doctors."
Children’s health knows no boundaries. Separated by the Pacific Ocean and 11,000 kilometres, India and Canada may seem worlds apart but the Indo-Canada Chamber of Commerce (ICCC), partnered with SickKids, is closing the gap. Together, they are strengthening the relationship between the two countries by addressing child health-care needs.

The ICCC saw the potential in a SickKids international program committed to bringing medical professionals from India to Canada to train at SickKids. The ICCC made an investment in the Fellowship program, which sends Indian fellows back home after their training to share their newly learned skills with children and communities across India.

Asha Luthra — Former president of the Indo-Canadian Chamber of Commerce

Ashwin Mallipatna — Head of the Retinoblastoma team at Naryana Nethralaya Hospital, Bangalore, India

Ashwin Mallipatna travelled to SickKids as part of the fellowship program to learn new, sophisticated techniques to treat retinoblastoma, an eye cancer. He returned to Bangalore, India, to practice ophthalmology at Naryana Nethralaya Hospital and share his new found knowledge with his colleagues, peers and medical students and to treat countless children.

Since returning home, I have been appointed the head of the retinoblastoma team at my hospital. I am applying the training I received at SickKids to develop a centre that has a similar calibre of academics and research. Thanks to SickKids, I am improving the child eye care situation in India.

“...to learn...”
Ida and Philip Bloom were always known to be charitable by nature. When their nephew and financial advisor, Stephen Altbaum, suggested they make a bequest to SickKids through their will, it was an easy decision to make. The Bloom’s gift to SickKids was their way of supporting families who rely on the life-saving care of the Hospital every day. Funds generated from Ida and Philip’s estate supports research. They had the foresight to include SickKids in their estate plans and now Stephen and his family can feel proud in knowing that they have left a lasting legacy through a gift to SickKids research.

Sixteen-year-old Alexandra was diagnosed with malignant fibrous histiocytoma (bone cancer) in 2006. Today she works at the SickKids Research Institute as a summer student studying the very cancer she was treated for. Her ultimate goal is to work in the Research & Learning Tower someday, the same area within SickKids that Ida and Philip Bloom’s donation has supported. My wish is that research will add to the number of children who can happily say, I beat cancer.
**financial highlights** for the year ended March 31, 2010

<table>
<thead>
<tr>
<th>Source of Revenue</th>
<th>Gross Fundraising Program Revenue &amp; Net Lottery Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazilian Ball</td>
<td>4.8%</td>
</tr>
<tr>
<td>Lottery</td>
<td>1.7%</td>
</tr>
<tr>
<td>Community Involvement</td>
<td>14.7%</td>
</tr>
<tr>
<td>Individual Giving</td>
<td>31.6%</td>
</tr>
<tr>
<td>Corporate Partnerships</td>
<td>18.6%</td>
</tr>
<tr>
<td>Annual Giving</td>
<td>28.6%</td>
</tr>
</tbody>
</table>

**Investments in Child Health**

<table>
<thead>
<tr>
<th>Total Grants &amp; Charitable Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Grants</td>
</tr>
<tr>
<td>Specific Projects &amp; Endowments</td>
</tr>
<tr>
<td>Equipment &amp; Facilities</td>
</tr>
<tr>
<td>Research &amp; Learning</td>
</tr>
<tr>
<td>Global Child Health</td>
</tr>
</tbody>
</table>

**Total Assets** $670.2 million

**Gross Fundraising Program Revenue & Net Lottery Revenue** $87.9 million

**Total Grants & Charitable Activity** $52.5 million

**Fundraising & Administrative Expenses** $27.7 million

**Total Endowments** $584.8 million

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**10-Year Total Assets (in millions)**

**Fundraising Revenues (in millions)**

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To view a complete version of the audited financial statements, please visit: www.sickkidsfoundation.com

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**report on investments** for the year ended March 31, 2010

The endowment funds of SickKids Foundation provide an important base of funding for children’s health research, education and care at The Hospital for Sick Children. For the year ending March 31, 2010, the Foundation saw a 41.6 per cent increase in the value of its endowment fund to an all-time high of $584.8 million.

During the fiscal year ended March 31, 2010, $7.4 million of fundraising revenue was endowed, $95.5 million was recorded in investment earnings, $38.6 million transferred into the fund in accordance with Board Policy, and a surplus of $31 million in general surplus was transferred to the board endowed funds.

**Investment Management**

The SickKids Foundation Board of Directors manages the Managed Investment Fund (MIF), with assistance from the Board’s Investment Committee. All investment funds named or otherwise are invested into the MIF. The Investment Committee, who exercises care, skill, diligence and judgment, is tasked with monitoring the performance of the Investment Managers.

**Investment Managers**

- Century Managers
- Dalton Investments L.L.C.
- Guardian Capital LP
- Guggenheim Investment Management
- Holowesko Partners Ltd.
- MacKenzie Cundill Investments
- Phillips, Hagan & North Investment Managers Inc.
- Sionna Investment Managers
- Sprucegrove Investment Management Inc.
- Tweedy Browne Company L.L.C.

**Investment Philosophy**

The investment philosophy selected by the Foundation’s Investment Committee and approved by the Board is a long-term, value-oriented approach.

The objective of the MIF is to attain an average annual real total return (net of Investment Managers fees, after Consumer Price index) of at least five per cent over a five-year period and also to be in the top quartile of the RBC Dexia survey.

**Investment Returns**

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualized rate of return</td>
<td>36.7%</td>
<td>7.35%</td>
<td>8.71%</td>
<td>8.79%</td>
</tr>
<tr>
<td>Benchmark*</td>
<td>20.83%</td>
<td>(0.67)%</td>
<td>4.13%</td>
<td>4.94%</td>
</tr>
<tr>
<td>Percentile ranking*</td>
<td>Top 1%</td>
<td>Top 1%</td>
<td>Top 1%</td>
<td>Top 5%</td>
</tr>
</tbody>
</table>

*versus the RBC Dexia Endowment and Foundation plans universe

**Investment Asset Mix**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fixed Income</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bonds</td>
<td>Short-Term</td>
</tr>
<tr>
<td>2009 Allocation</td>
<td>15%</td>
<td>24%</td>
</tr>
<tr>
<td>2010 Allocation</td>
<td>17%</td>
<td>19%</td>
</tr>
</tbody>
</table>
receive: to lead, to build, to remember, to cope, to play, to discover, to transform, to distract, to invest, to learn, to plan, to mature

to receive