



Women's Musical Club of Toronto Foundation

Annual Report 2019-2020

Chair's Report

This year has been a year of both consolidation and change for the Women's Musical Club of Toronto Foundation. After making a fairly major change of approach last year, to simplify the Foundation's mandate to two objectives – to safeguard the assets of the endowment fund and to support the WMCT – this year became an opportunity to firm up that change. Additional change came with the COVID-19 pandemic disrupting normal operations toward the end of the fiscal year.

After giving the annual donor appeal letter and organization over to the WMCT and turning scholarship management back to them as well, a number of Foundation directors worked in tandem with the WMCT to get the donor letter ready and mailed and managed the call-back program. It was very much a joint effort and brought the two organizations closer together in jointly working to achieve common goals.

The Foundation's main work focused on overseeing the way Burgundy Asset Management manages the endowment fund and protecting the capital. The co-chair of the Finance & Investment Committee, together with the chair of the Foundation, had a number of meetings with the Foundation's client manager at Burgundy Asset Management, a process that became even more important when the pandemic triggered major investment losses. The more detailed review of the Foundation's fund management will continue into the 2020-2021 fiscal year.

The Foundation continued to have regular liaison with the WMCT to ensure it has sufficient funds to run its concert series and operations and to give out scholarships. The Foundation provided the funding that allowed the WMCT to fund scholarships totalling \$25,000 in the spring of 2020.

Christine McNerney submitted her resignation and left the board in December 2019 after close to six years with the Foundation, five of them on the board. Anne-Marie Applin is also stepping down from the board in September after ten years and will be joining the Foundation's honorary advisers. We thank them both for their dedication and efforts on behalf of the Foundation. In June the Foundation recruited and added three new members to the board: Barry Critchley, Janne Farias, and Marjan Pouran.

The board decided to make a change to the term of directors, changing from a two- to a three-year term. As a result, the following directors have agreed to stand for a three-year term: Sudhir Gandhi, Adair Hope, and Joan Sinclair. They will join Eva Innes, Sonita Horvitch and Sylvia Sarkus, whose current terms expire in 2021. The Women's Musical Club of Toronto will appoint one director to the Foundation board, bringing the total number of Foundation directors to ten.

John Caldwell, who worked with the founding directors on the establishment of the Foundation when he was treasurer of the Women's Musical Club of Toronto, and who was a Foundation director in the early years of the organization, stepped down as an honorary adviser this year. Michael Koerner, also a past director and long-time member of the Investment Committee, retired as an honorary adviser after the fiscal year ended. I thank them both for their long-time service to the Foundation.

The Foundation was saddened by the deaths, in 2019, of both Emmy and Walter Homburger, who both played prominent roles in the Foundation in past years. Emmy was a member of the *Legacy Circle* and Walter an honorary adviser.

My thanks go to all the directors, honorary advisers, members, and volunteers who have worked diligently to support the activities of the Foundation and ensure that it remains a healthy and vibrant organization.

A special thanks must be added for Susan Corrigan, who resumed her role as the Foundation's arts administrator at the beginning of the fiscal year and has worked to keep us organized and on track in her very capable fashion.

Eva Innes, Chair

Investment Report

The WMCT Foundation's investment portfolio is managed by Burgundy Asset Management Ltd.

At March 31, 2020, the Foundation's balance at Burgundy was \$1,199,751.

Of this amount, \$1,189,721 was invested in the Burgundy Balanced Foundation Fund (99.2% of assets), a fund of funds, and \$10,030.05 (0.8%) in the Burgundy Money Market Fund. Money was transferred from the balanced fund to the money market fund in February 2020 to give the Foundation some flexibility.

Asset allocation is an important determinant of investment performance.

As at March 31, 2020, the combined funds at Burgundy had 6% in cash and cash equivalents, 30% in fixed-income, 21% in Canadian equities, 22% in US equities, 12% in European equities, 7% in Asian equities, and 2% in emerging markets. In summary, 6% in cash, 30% in fixed-income, and 64% in stocks.

The performance of the Burgundy Balanced Foundation Fund was disappointing in the fiscal year to March 31, 2020. The fund lost 9.9% after fees and 9% before fees. As such, it underperformed Burgundy's performance yardstick or benchmark for this fund, which declined by 2.3% over the period. This benchmark is a combination of the leading market indexes that are, in turn, benchmarks for the underlying funds in the Burgundy Balanced Foundation Fund.

The fiscal year to March 31, 2019 was, by contrast, one of positive returns for the balanced fund. During this period, it gained 5.9% after fees and 7% before fees versus its benchmark's 7.4%.

The poor performance of the Burgundy Balanced Foundation Fund in the fiscal year to March 31, 2020 is due to a steep decline in the fund for the first three months of 2020.

During this first quarter of 2020, the fund declined by 14.2% after fees and 14% before fees versus a 9% decline in the fund's benchmark.

This negative performance in the first quarter of 2020 is in the context of a steep drop in stock markets around the world, as a fallout from the Covid-19 pandemic. It was a time of extreme uncertainty in global financial markets, before governments and central bankers around the world stepped in to both stabilize financial markets and introduce aggressive fiscal measures, including government handouts and tax relief, to help stave off a severe recession.

The global equity market responded positively to this public sector rescue initiative and began its strong rally towards the end of March. The Burgundy Balanced Foundation Fund rebounded along with this rally. But the outlook for stocks remains murky, given that there are a number of unknowns re the future path of Covid-19 and the health of the global economy. Thus, the Foundation's investment committee will continue to monitor the Foundation's portfolio and the state of financial markets very closely.

Treasurer's Report

The Foundation's assets decreased to \$1,200,440 as at March 31, 2020, which, compared to a year earlier, were \$1,346,539. The financial markets became volatile in the first quarter of 2020 because of the uncertainty of how the COVID-19 pandemic would impact both the domestic and world economies. As a result, Foundation's investment portfolio experienced a decline of roughly \$130,000 (see Investment Report) which is approximately 10%. As well, during the year \$37,000 was transferred from the Burgundy Asset Management investment account to the Foundation's bank account for cashflow and to support Women's Musical Club of Toronto programmes, as listed in the report from the Foundation's chair (on page one).

Since the fall fundraising campaign moved to the WMCT, donations were just \$4,892, approximately half of which was intended for the WMCT (and transferred to the WMCT).

The operating expenses were below budget due to prudent management and careful monitoring by the Finance & Investment Committee. As well, the WMCT was able to transfer \$33,000 to the Foundation early in the Foundation's fiscal year, due to a surplus in the WMCT's 2019 fiscal and as per the WMCT's surplus retention policy.

In the 2019-2020 fiscal year \$8,667 was accrued for the WMCT's 12th Career Development Award. This support is accrued over a three-year period and the funds will next be disbursed in 2021.

The structure of the Foundation changed this year and has been streamlined. There are fewer board members and the number of committees have decreased in order to efficiently support the remaining activities that the Foundation supports. A number of activities were transferred to the WMCT, including the aforementioned fall fundraising campaign.

My thanks go to the current members of the Finance & Investment Committee for their continued guidance and dedication: committee co-chair Sonita Horvitch, Raj Arora, Eva Innes, and Janet Murray.

I look forward to welcoming Barry Critchley and Janne Farias, who have recently joined the Foundation board and will be joining the committee for fiscal 2020-2021.

Sylvia Sarkus, Treasurer

WMCT Foundation - Results to March 31, 2020 (Audited)

<i>Statement of Financial Position</i>	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash	3,446	18,959
Harmonized Sales Tax Recoverable	1,082	1,081
Investments	<u>1,195,912</u>	<u>1,326,499</u>
	<u>1,200,440</u>	<u>1,346,539</u>
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	2,338	7,454
NET ASSETS		
Externally Restricted	0	13,750
Internally Restricted	17,334	8,000
Unrestricted	<u>1,180,768</u>	<u>1,317,335</u>
	<u>1,198,102</u>	<u>1,339,085</u>
	<u>1,200,440</u>	<u>1,346,539</u>
 <i>Statement of Operations</i>	 <u>2020</u>	 <u>2019</u>
REVENUE		
Investment Income	34,707	32,445
Contribution from Women's Musical Club of Toronto	33,000	0
Realized Capital Gains	30,295	34,007
Donations Received	<u>4,892</u>	<u>21,004</u>
	<u>102,894</u>	<u>87,456</u>
EXPENSES		
Donation to Women's Musical Club of Toronto	36,653	7,500
Administration and Management	26,565	33,139
Awards and Scholarships	<u>0</u>	<u>30,000</u>
	<u>63,218</u>	<u>70,639</u>
Excess (deficiency) of Revenue over Expenses	39,676	16,817
OTHER INCOME (EXPENSES)		
Unrealized capital gains (losses)	<u>-180,659</u>	<u>24,612</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>-140,983</u>	<u>41,429</u>

Friends of the Foundation Donors 2019-2020

Jennifer Ackland
Rajeev Arora
Jennifer & Sandy Browne
Susan Corrigan
Elinor Fillion
Leila Fiouzi
Sudhir Gandhi
Adair Hope
IBM Canada Ltd, Corporate Citizenship
Matching Grants Programme
Eva Innes
Diane Martello
Christine McNerney
James & Sandra Pitblado
Mary VanderVennen

Legacy Circle Members

Hanna Feuerriegel
Barbara Gory
Peter A. Goulding
& Frank (Barry) White
Betty Gray
Dianne Henderson
Isabel Jackson
Esther McNeil
Julia Smith
Mary VanderVennen
Marianne Weil
Nora R. Wilson

BOARD OF DIRECTORS 2019-2020

Eva Innes, Chair
Sylvia Sarkus, Secretary-Treasurer
Anne-Marie H. Applin
Barry Critchley
Janne Farias
Sudhir Gandhi

Adair Hope
Sonita Horvitch
Kathleen McMorro
Marjan Pouran
Joan Sinclair

HONORARY ADVISERS

Esther McNeil, Founding President
Richard J. Balfour
Barbara N. Gory, FCPA, FCA
Betty Gray
Michael M. Koerner, C.M.
William A. Lambert

Arts Administrator: Susan Corrigan

MEMBERS 2019-2020

Raj Arora
Jennifer Browne
Marilyn Genovese Browne
Catherine Buck
Danuta Buczynski
Bartley Bull
Leila Fiouzi
Peter A. Goulding
Julia Grant
Kathy Halliday

Dianne Henderson
Isabel Jackson
Susan Johnston
David Medhurst
Jerrri Merritt Jones
Helena Likwornik
Diane Martello
Christine McNerney
Janet Murray

Annette Sanger
Julia Smith
Ina van Berkel
Mary VanderVennen
Debra Voorheis
Marianne Weil
Beth Weintrop
Frank (Barry) White
Nora R. Wilson

