



Women's Musical Club of Toronto Foundation

Annual Report 2020-2021

Chair's Report

Each year has a different rhythm and flow and the second half of 2020 and the first half of 2021 flowed virtually, thanks to the impact of COVID. All the business of the Foundation was conducted via Zoom and other forms of video conferencing.

The major project of the year was undertaken by the Investment section of the Finance & Investment Committee, ably headed by Sonita Horvitch. A sub-committee of Sonita Horvitch, Barry Critchley, Sylvia Sarkus, and I undertook a detailed review of the role and results generated by Burgundy Asset Management Ltd, which manages the Foundation's money. It seemed a timely task since Burgundy has been managing the Foundation's money for close to a decade.

Over the period of several months, we defined criteria for evaluation and researched other potential money managers. We developed a short list of four possible managers and interviewed three of them, after eliminating one as unsuitable once we got more details about the firm. We also spent time in conversation with Burgundy, through the Foundation's account manager, Lauren Landau.

After much discussion and a critical evaluation of all the factors, we concluded that the Foundation will retain the services of Burgundy for a variety of reasons: it is unique in having a specialized Foundations "fund of funds," allowing the Foundation to maintain its funds in one investment vehicle and not having to make investing decisions throughout the year; Burgundy's value investing strategy seems to pay off in the long term and recent results have been encouraging; its managers maintain exceptionally good lines of communication with the Foundation and are open to suggestions and dialogue. We came away feeling very satisfied with Burgundy's approach and results.

The Foundation continued to have regular liaison with the Women's Musical Club of Toronto to ensure it had sufficient funds to run the organization and give out scholarships. The Foundation provided the funding that allowed the WMCT to give out scholarships totalling \$25,000 in the spring of 2021. The Foundation also provided \$26,000 for the granting of the 2021 Career Development Award.

On a very sad note, recently retired board member Anne-Marie Applin passed away in November. We sent notes of condolence to her daughters.

And at the end of March, Sonita Horvitch tendered her resignation from the board, after close to two years of work. The board thanked her both for her dedication and efforts on behalf of the Foundation.

After taking on the chair's role unexpectedly in April 2019 upon Deb Voorheis' resignation, I am stepping down in September and handing over the role of chair to director Janne Farias. I will remain a director for one additional year, until September 2022.

Sylvia Sarkus, whose current term expires in 2021, has agreed to stand for an additional three-year term as director. The Women's Musical Club of Toronto will appoint one director to the Foundation board, bringing the total number of Foundation directors to nine. The Foundation is actively recruiting for some additional directors and hopes to appoint at least one more by the time of the Annual Members' Meeting.

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 very special thanks must be added for Susan Corrigan, who, as the Foundation's arts administrator for the past year, has yet again worked to keep the board organized and on track in her most capable fashion.

Eva Innes, Chair

Investment Report

The WMCT Foundation's assets are managed by a professional, independently-owned institutional money manager, Burgundy Asset Management Ltd., through a dedicated foundation fund. The Foundation has two accounts with Burgundy: a money market fund (which essentially serves as a bank account) (0.6%) and a balanced fund (99.4%). The manager is one of the very few which offers such a foundation fund.

The balanced fund is split about 70/30 between equities and fixed income. In all there are five different equity categories: Canadian, U.S., European, Asian, and Emerging Markets. The balanced fund is not concentrated: in all it owns about 100 different securities with the top 10 holdings accounting for 15.6% of the assets. Alphabet and Microsoft (both with a 2% weight) are the two largest individual holdings. Brookfield Asset Management and Canadian National Rail are the two largest Canadian holdings.

Burgundy, which operates with a value style, makes all the asset allocation decisions and has the ability to make fairly substantial changes, subject to holding certain minimums, between the asset classes of bonds, Canadian and foreign equities.

On March 31, 2021, or the end of fiscal 2020-2021, the Foundation had \$1.465 million of assets. One year earlier, at April 1 2020, the assets were almost \$1.2 million. That relatively low level of assets at that time reflected the COVID-19 sell-off in equity markets resulting from the panic and uncertain outlook for national economies and financial markets. Since then, governments and central banks around the world have supplied considerable financial resources to support both consumers and business. And that strategy has been a success. In the first quarter of calendar 2021, the foundation withdrew \$51,000 for scholarships and awards.

For the 12 months ended March 31, 2021, the balanced foundation fund posted a return of 28.2%. (The 2020-2021 gain stands in contrast to the almost 10% loss in the previous fiscal year.) That gain is based largely on strong equity markets, particularly in North America, but also on the effects of sector rotation, the regular market practice where investors move between sectors to position themselves for the next upswing. It so happens that the sectors favored by the managers – industrials, financials, and consumer staples – were among the strong performers in the second half of fiscal 2020-2021.

Additionally, for the 12 months ended, March 31, 2021, the manager comfortably beat the benchmark by 440 points, or 4.40%. (The benchmark is a composite of three equity indexes and one bond index. The benchmark was last changed in 2007.) Such an occurrence is rare as over the past three, five, and seven years, the actual return has been below the benchmark; however, over the 10 years to March 31, 2021, the manager has outperformed the benchmark.

In going about their work, the members of the Investment Committee and the board of directors are constantly vigilant of their fundamental objective: the need to preserve the capital of the WMCT Foundation.

Barry Critchley, Investments Chair

Treasurer's Report

As reported in the Investment report, the Foundation's assets increased to \$1,468,471, as at March 31, 2021, due to strong financial markets in the first quarter of 2021. Since the fall fund raising campaign has moved to the Women's Musical Club of Toronto, donations in fiscal 2021 were just \$7,120. Of this amount \$1,300 was intended for and contributed to the WMCT.

The Foundation made a total contribution to the Women's Musical Club of Toronto in the amount of \$52,300 in 2020-2021, which included \$25,000 in support of the WMCT's scholarships at the Faculty of Music, University of Toronto, and The Glenn Gould School of The Royal Conservatory of Music.

Additionally, support in the amount of \$26,000 for WMCT's 12th Career Development Award was paid out this year, with the award of \$25,000 going to Michael Bridge, accordion, and \$1,000 towards jurying expenses. The CDA is a project of the Women's Musical Club of Toronto in partnership with CBC Radio Music and Société Radio-Canada/ICI Musique and is funded by the WMCT Foundation.

The operating expenses were below budget due to prudent management. The Foundation's accounts were audited by Stephanie Chung of Pennylegion Chung LLP, which specializes in providing audit services to small and medium sized not-for-profit organizations in the Toronto area.

My thanks go to the members of the Finance & Investment Committee for their continued guidance and dedication: Raj Arora, Barry Critchley, Janne Farias, Eva Innes (ex officio), and Janet Murray (WMCT treasurer).

Sylvia Sarkus, Treasurer

WOMEN'S MUSICAL CLUB OF TORONTO FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	2021	2020
ASSETS		
Current assets		
Cash	\$ 4,752	\$ 3,446
Guaranteed investment certificate	1,003	-
HST rebate recoverable	<u>489</u>	<u>1,082</u>
	6,244	4,528
Long-term assets		
Investments	<u>1,462,227</u>	<u>1,195,912</u>
	<u>\$ 1,468,471</u>	<u>\$ 1,200,440</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	<u>\$ 3,377</u>	<u>\$ 2,338</u>
Net assets		
Internally restricted	26,000	17,334
Unrestricted	<u>1,439,094</u>	<u>1,180,768</u>
	<u>1,465,094</u>	<u>1,198,102</u>
	<u>\$ 1,468,471</u>	<u>\$ 1,200,440</u>

WOMEN'S MUSICAL CLUB OF TORONTO FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUE		
Realized gains	\$ 36,005	\$ 30,295
Interest and dividends	30,869	34,707
Donations	7,102	4,892
Contributions from Women's Musical Club of Toronto	<u>-</u>	<u>33,000</u>
	<u>73,976</u>	<u>102,894</u>
EXPENSES		
Donation to Women's Musical Club of Toronto	26,300	36,653
Career Development Award	26,000	-
Office and general	<u>20,132</u>	<u>26,565</u>
	<u>72,432</u>	<u>63,218</u>
Excess of revenue over expenses for the year before change in unrealized gains	1,544	39,676
Change in unrealized gains	<u>265,448</u>	<u>(180,659)</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	266,992	(140,983)
Net assets, beginning of year	<u>1,198,102</u>	<u>1,339,085</u>
NET ASSETS, END OF YEAR	<u>\$ 1,465,094</u>	<u>\$ 1,198,102</u>

Jennifer & Sandy Browne
Carol Cormier
Janne Farias
Leila Fiouzi
William A. Lambert
Esther McNeil
Marjan Pouran

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

BOARD OF DIRECTORS 2020-2021

Eva Innes, Chair
Sylvia Sarkus, Vice Chair,
Secretary-Treasurer
Barry Critchley
Janne Farias
Sudhir Gandhi

Adair Hope
Sonita Horvitch
Kathleen McMorrow
Marjan Pouran
Joan Sinclair

HONORARY ADVISERS

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

Arts Administrator: Susan Corrigan

MEMBERS 2020-2021

Raj Arora
Leila Fiouzi
Peter A. Goulding
Dianne Henderson
Isabel Jackson

David Medhurst
Diane Martello
Janet Murray
Julia Smith

Mary VanderVennen
Marianne Weil
Frank (Barry) White
Nora R. Wilson

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