

December 4, 2020

Mrs. Sharon Bradwell
1312 Rousseau Pl
Burlington, ON L7P 3N2

Dear Mrs. Bradwell:

I am pleased to report on your endowment at SickKids Foundation, and enclose the 2019-20 SickKids Foundation Endowment Report and your annual financial statement.

Now more than ever, we value the generosity of our donor community, and the people like you who've invested in the future of SickKids with endowment funding—gifts that sustain us through good times as well as periods of uncertainty by offering hope and resilience in perpetuity.

In reviewing your financial statement for the Sian Bradwell Endowment Fund for Children with Cancer, you will see that funds were not granted in the 2019-20 fiscal year. Your endowment funding is important to SickKids, but was not granted last year due to a timing delay in processing. The funds are currently earmarked for this fiscal year (2020-2021) to purchase an infant scale including mobile cart for the 8D oncology wing. We look forward to reporting back on the future impact of your gift.

You will also see that the value of your endowment is below the amount you originally contributed to the fund and I want to take this opportunity to explain.

First, for the year ending March 31, 2020, the endowment fund lost 13.4 per cent due to a drop in financial markets. The COVID-19 pandemic caused major economic volatility—markets reacted dramatically and the height of the sell-off occurred in the last two weeks of March as many countries went into lockdown. Unfortunately, this sell-off coincided with our financial year end—the point in the year when we provide you with a snapshot your endowment's status.

Importantly, the investment losses we sustained in March were largely unrealized losses, and the performance has turned around quickly. As of August 2020 our fund was up 12.5 per cent.



Our investment philosophy remains focused on long-term value and performance since inception. By these measures our endowment continues to perform among the top 1 per cent across Canada, with a compounded annualized rate of return of 9 per cent.

Every year, your endowment continues to pay out 6 per cent to support SickKids. Despite economic volatility, your generous gift continues to benefit the hospital. So while in financial terms the payout reduces the value of your endowment, this is anticipated and serves a purpose: driving progress at the hospital, making real impact. And future payouts will enable impact in the years to come.

We take seriously our commitment to see your endowment grow over the long-term, maintaining its ability to have impact at the Hospital. In combination with the continued strong leadership and commitment of the Investment Committee, the Foundation is actively looking at options to support the recovery in value of your fund. We will be in touch with you once we have finished our assessment and have a plan of action for your fund.

Thank you for your enduring support of SickKids. I hope this explanation helps to put the losses you will see on your endowment financial statement in context and reassures you that your endowment is in good hands. If you have any questions about your endowment fund, please do not hesitate to contact Anne-Marie Newton at 416-702-9418 or anne-marie.newton@sickkidsfoundation.com.

Thank you for your enduring support of SickKids to pursue our vision of Healthier Children. A Better World.

Sincerely,

A handwritten signature in blue ink that reads "Ted Garrard".

Ted Garrard, C.M.
Chief Executive Officer

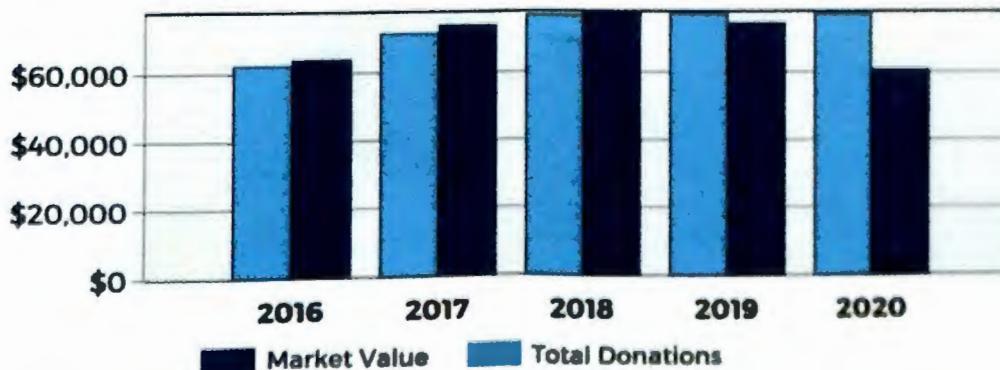
Fund activity between April 1, 2019 and March 31, 2020

	Endowment Fund	Available to be spent
Opening Balance (April 1, 2019)	\$74,640	\$5,483
Donations made in year	-	-
Investment income (loss)	(9,426)	-
Transfers to Foundation's general fund ¹	(1,080)	-
Made available for Hospital spending ²	(3,240)	3,240
Actual Hospital spending	-	-
Reinvestment of unused funds ³	-	-
Ending Balance, end of year (March 31, 2020)	\$60,894	\$8,724

Cumulative fund activity (since inception)

	Endowment Fund	Available to be spent
Lifetime donations	77,638	-
Investment income (loss)	8,418	-
Transfers to Foundation's general fund ¹	(9,922)	-
Made available for Hospital spending ²	(18,023)	18,023
Actual Hospital spending	-	(6,516)
Reinvestment of unused funds ³	2,783	(2,783)
Ending Balance, end of year (March 31, 2020)	\$60,894	\$8,724

5-Year Endowment Performance



* For definitions and more detail, please see back of page

Endowment Fund Activity Report

This Endowment Fund Activity Report provides details on the value of the endowment capital and spending from the endowment's income. All endowments are invested in the Foundation's Managed Investment Fund⁴, which is a unitized pool. Each individual endowment is a distinct fund within the unitized pool and holds units of the Managed Investment Fund, similar to a mutual fund. This allows multiple endowments to invest in the same pool of assets and benefit from diversification. It is our objective that the rate of growth in the capital value of endowment funds matches or exceeds the rate of inflation over time.

Notes

¹**Transfers to Foundation's general fund:** Transfers made to the General Fund support the highest priority needs of SickKids Foundation, including capital, equipment, research and education as well as Foundation operations. This amount is calculated monthly as a percentage of all new donations made to the Endowment Fund (10% FY19/20) and a percentage of the historical market value (Currently 1.5% multiplied by the average of the current and previous two fiscal years' unit values multiplied by the number of units in the Fund).

²**Made available for Hospital spending:** Annually, this amount is made available to the Hospital. This amount supports the purpose specified by the donor(s). The amount is calculated on a monthly basis. (Currently 4.5% multiplied by the average of the current and previous two fiscal years' unit values multiplied by the number of units in the Fund).

³**Reinvestment of unused funds:** In limited circumstances, monies made available for spending are reinvested in the capital of the Endowment Fund. Reasons for reinvestment include endowments not yet fully funded and where there is no immediate need by the Hospital.

⁴**Managed Investment Fund:** This fund is an actively managed, pooled investment fund utilizing multiple investment managers with different investment strategies. Pooling funds takes advantage of diversification, economies of scale, lower transaction costs and better risk management.

"Foundation" is The Hospital For Sick Children Foundation.

"Hospital" is The Hospital For Sick Children.