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The Gairdner Foundation was created in 1957 by James Arthur Gairdner to recognize and reward the achievements of medical researchers whose work contributes significantly to improving the quality of human life. Since the first awards were made in 1959, the Gairdner Awards have become Canada’s foremost international award. The Canada Gairdner International Awards are one of the three most prestigious awards in medical science, along with the Swedish Nobel Prize in Medicine and the American Albert Lasker Medical Research Awards. They hold up the pinnacle of achievement as a mirror to Canadians, and in so doing, play a role in helping Canada achieve its goals of excellence.

In addition to encouraging and rewarding individuals who have made contributions in the conquest of disease and the relief of human suffering, the Foundation presents the Canada Gairdner Awards in order to focus public, professional and scientific attention on significant achievements in the field of health sciences. The Awards also foster improved communication of ideas among scientists, students and the public.

In 2009, the Gairdner Foundation will celebrate its 50th anniversary, and will inaugurate the Canada Gairdner International Awards.

The Gairdner Foundation was incorporated in December 1957 as a charitable corporation under the laws of the Province of Ontario, Canada. Its funds originally derived from the personal gifts of the Founder and members of his family. This inspired and farsighted decision and the faithful stewardship by those who carried on the activities of the Foundation have ensured that the Awards continue to inspire the very best health research and have contributed to strengthening Canada’s scientific research capacity and international reputation.

Our track record of consistently high quality adjudication and selection by the independent adjudication committees, have resulted in global recognition and esteem of the Gairdner Awards.

“\textit{The Gairdner Award is one of the world’s greatest biomedical research prizes. Where it leads, others follow, including the Nobel committees in Stockholm.}”

Paul Nurse, President of the Rockefeller University, Gairdner and Nobel Laureate

The Gairdner Foundation

Canada Gairdner 2008 Awardees. From L to R: Henry Friesen, M.D., Alan Bernstein, PhD. Harald zur Hausen, DSc., M.D., Samuel Weiss PhD., Nahum Sonenbrg, PhD., Victor Ambros, PhD., Gary Ruvkun, PhD. and John Dirks M.D.
The mission of the Gairdner Foundation is to recognize and celebrate the work of the world’s best health researchers through the Canada Gairdner International Awards, the Gairdner Wightman Award and the Canada Gairdner Global Health Award.

Inherent in our mission statement is the intent to bring to the attention of Canadian scientists and the public, the most important scientific developments globally in the field of health sciences.

Our aim is not only to enhance Canada’s stature in the international scientific community, but to facilitate linkages between leading international scientists and Canadian research institutions and to inspire young Canadians to aspire to the highest levels of scientific excellence.

**MISSION**

**VISION**

- To be Canada’s pre-eminent awards for the most significant international scientific achievements in health research

- To be identified internationally with the highest standard of research excellence in the field of health sciences

- To provide inspiration to Canadian researchers, including the next generation, to achieve world-class levels of scientific excellence

- To promote a science culture in Canada by increasing public awareness of its importance to our modern society
The goal of the Foundation is to maintain and expand the profile of the Canada Gairdner Awards program, guided by the Board, with a commitment to encouraging excellence and recognizing and rewarding those who achieve such excellence in the field of health sciences.

A unique aspect of the Gairdner Foundation is our National Program, where award recipients contribute a week of their time visiting Universities across Canada. The National Program brings the world’s top scientists to Canada and helps raise the profile of science in our country. This program provides a unique opportunity for Canadian scientists and graduate students to interact with international leaders who represent the best of scientific excellence.

“The Canada Gairdner Foundation Award is recognized as one of the world’s most prestigious awards in biomedical science.”

MESSAGE FROM THE CHAIR

It has been my privilege to serve as Chair of the Gairdner Foundation Board of Directors for the past four years. During that time there have been many changes to the Foundation: the shift from a private to a public and truly national Board; a $20 million allocation from the Federal Government to raise the value of its prizes to $100,000; a significant endowment from the Province of Alberta; the introduction of a new Canada Gairdner Global Health Award; and significant growth in its outreach programs to universities and high schools across Canada.

One thing has not changed – our commitment to recognizing and celebrating excellence in science research. Over the past 50 years, the Canada Gairdner Awards have established themselves as one of the three most important biomedical awards in the world. With a reputation for being a precursor to the Nobel Prize, they are widely respected by the biomedical research communities in Europe, Japan and North America. Over the past five years the Foundation has worked hard to use its stature to raise awareness of the importance of scientific research in Canada at the public, corporate and government levels.

The Canada Gairdner Awards are Canada’s only globally known and respected international prizes, and Gairdner is the only national organization that consistently brings the world’s best biomedical researchers to Canada to share their ideas and work with scientists across the country. In so doing, it enlarges networks and enhances Canada’s international reputation while providing a realistic and unbiased benchmark for Canada’s leading scientists. The Canada Gairdner Awards is a program that inspires Canadians to perform at world-class levels of research and innovation.

Biomedical research is international. Canada’s position in this critical global enterprise will be further strengthened during the 50th Anniversary celebrations in 2009 through the largest international celebration of science ever held in Canada. It will take place throughout the year and across the country in 18 different cities.

Gairdner has accomplished much in its first half century, but much more remains to be done. Increasing the scope and the profile of the awards and the programs will enhance the culture of science in Canada. Because Gairdner is a partnership organization, it will continue to leverage its national and international relationships to reach across provinces, universities, and health institutions to encourage and contribute to the quest for scientific discovery and innovation.

Henry Friesen, C.C., M.D., F.R.C.P.C., F.R.S.C.
Chair, The Gairdner Foundation
The past year has been a transformative one for the Gairdner Foundation, and we are particularly grateful to the Government of Canada for recognizing the value of the awards and guaranteeing their existence for future generations. In its’ February 2008 budget, the Government of Canada made a $20 million allocation to the Foundation to enable us to raise the value of the prize to $100,000, a level befitting its’ international stature, and to make the prize more competitive with other major prizes.

In 2009, the name of the awards will be changed to the Canada Gairdner International Awards. We will also inaugurate a new prize – the Canada Gairdner Global Health Award. We believe that this award, the first major prize of its’ kind, will help bring international recognition to the important role that Canada plays in the global health field and be a catalyst for creating a world platform for Canada.

Over the past year, we have focused on fostering partnerships among government, industry, universities, research facilities and the general public, as we seek ongoing support for the Foundation. The Foundation received a significant endowment from the Province of Alberta in 2008 to fund the Gairdner programs in the province in perpetuity. The Government of Ontario also provided substantial support, as did many sponsors who are enthusiastic believers in the value of the Canada Gairdner International Awards. Our goal is to match these funds from individuals and corporations.

The success of the Canada Gairdner International Awards stems from our rigorous selection process. Our adjudication process is highly respected throughout the world and has resulted in a reputation for recognizing early, the most groundbreaking research. I would like to express special gratitude to the more than 50 scientific leaders from around the world who generously volunteer their time each year in the selection process of the award recipients.

Our program is unique in the world of major prizes, as current and former awardees participate in the National Program held at 18 academic institutions across Canada, sharing their work and interacting with local scientists and students. The Gairdner Foundation works in partnership with universities, hospitals and research centers. We greatly appreciate their interest in, and support of, the program.

I would also like to extend my sincere thanks and appreciation to the staff of the Gairdner Foundation, who work diligently to make the programs successful every year.

Canada’s position in the critical enterprise of biomedical research will be further strengthened during the 50th Anniversary celebrations of 2009. Symposia will take place across the country throughout the year, bringing 50 Gairdner Laureates, including 20 who have subsequently won the Nobel Prize, to participate in a series of international symposia featuring the best international and Canadian scientists. The 50th Anniversary will culminate with a one-day event in Ottawa and three days of events and programs in Toronto. Canada’s most prestigious scientific awards dinner will take place in Toronto at the Royal Ontario Museum on October 29, 2009. Our goal is to enhance Canada’s prize even further at home and around the world.

The Gairdner Foundation appreciates the ongoing support of the Canadian Institutes of Health Research (CIHR).

Finally, as President, let me express my gratitude and appreciation to our chair, Dr. Henry Friesen, and to our Board of Directors for their ongoing support and guidance.

John H. Dirks, C.M., M.D., F.R.C.P.C., F.R.S.C.
President and Scientific Director
The Gairdner Foundation

John H. Dirks
2008 YEAR IN REVIEW

There were six outstanding recipients of the Gairdner International Awards and the Gairdner Wightman Award in 2008.

Professor Harald zur Hausen was also awarded a Nobel Prize in 2008 which gave his visit to Canada a high profile amongst scientists, students and the media.

Harald zur Hausen, D.Sc., M.D.
Professor Emeritus, recent Chair & Scientific Director
German Cancer Research Centre, Heidelberg

“for the discovery of the causative role of papilloma viruses in cancer of the cervix which led to the development of a successful HPV vaccine”

Victor Ambros Ph.D.
Professor, Department of Molecular Medicine,
University of Massachusetts Medical School

“for his discovery and characterization of micro RNA’s, important in the regulation of gene function”

Gary Ruvkun, Ph.D.
Professor of Genetics
Harvard Medical School

“for his discovery and characterization of micro RNA’s, important in the regulation of gene function”

Nahum Sonenberg, Ph.D.
Professor, Department of Biochemistry and McGill Cancer Centre, McGill University

“for his pioneering discoveries in cellular translation of genetic information”

Samuel Weiss, Ph.D.
Professor, Cell Biology & Anatomy and Pharmacology & Therapeutics, Faculty of Medicine, University of Calgary

“for his seminal discovery of adult neural stem cells in the mammalian brain and its importance in nerve cell regeneration”

Alan Bernstein, OC, Ph.D.
Gairdner Wightman Award President, Global Vaccine Enterprise, New York

“for his outstanding contribution to Canadian health research as a scientist, research institute director and as the inaugural President of the Canadian Institutes of Health Research”
1. Maintain the Highest Standards Selecting Recipients of the International and Wightman Awards

• 2008 Gairdner awardee receives Nobel prize in Physiology or Medicine in 2008 – Harald zur Hausen
• Gairdner awardee (1987) receives Nobel prize in Physiology or Medicine in 2008- Luc Montagnier
• Total of 73 Gairdner Laureates who have subsequently received a Nobel Prize
• 1994 Gairdner awardee wins 2008 Kyoto Prize- Tony Pawson

2. Inspire Canadian Scientists to Seek Excellence

• Profile Canada as a place where science is important, and recognized as such through the internationally respected Canada Gairdner Awards
• Annual awards dinner, held at the Royal Ontario Museum on Thursday, October 23, attended by 540 people. Keynote speakers were Dr. Heather Munroe-Blum, Principal and Vice-Chancellor, McGill University and Dr. Craig Mello (Gairdner 2005), University of Massachusetts Medical School. Mr. Peter van Loan, Minister of State, spoke on behalf of the Government of Canada

3. Foster Collaboration Between Canadian and International Scientists

• Continuously bring scientists from abroad to meet with scientists in Canada through lectures, small group discussions, grand rounds, and social interactions
• One-day symposium ‘Vaccines for Cancer and Infectious Diseases’, held in Toronto on Wednesday, October 22. Top Canadian and international scientists spoke to over 200 people on HPV, HIV, malaria, flu and other vaccines

Dr. Harald zur Hausen (Gairdner 2008), Professor Emeritus German Cancer Research Centre, Heidelberg, Germany
Dr. Alan Bernstein, (Gairdner Wightman 2008), Executive Director, Global HIV Vaccine Enterprise, NY

Dr. Ian Frazer, Professor/Director, Diamantina Institute for Cancer Immunology & Metabolic Medicine, Brisbane, Australia
Dr. Gregory Poland, Director, Mayo Clinic Vaccine Research Group, Rochester, MN

Dr. Eduardo Franco, Director, Division of Cancer Epidemiology, McGill University, Montreal, CA
Dr. Keith Klugman, William H. Foege Professor of Global Health, Emory University, Atlanta, GA

Dr. Peter Palese, Horace Goldsmith Professor & Chair, Dept. of Microbiology Mount Sinai School of Medicine, NY
Dr. Marcel A. Behr, Associate Professor, McGill University, Montreal, CA

Dr. Michael N. Oxman, Professor of Medicine & Pathology, University of California, San Diego, California
Dr. Nirbhay Kumar, Professor Malaria Research Institute, Johns Hopkins, Baltimore, MD
**REPORT ON 2008 OBJECTIVES**

**Minds That Matter 2008**

MacLeod Auditorium

**Awardees lectures- October 23, 2008**

*Dr. Samuel Weiss*
Adult neural stem cells: From basic science to therapeutic applications

*Dr. Victor Ambros*
Micro RNA pathways in animal development

*Dr. Gary Ruvkun*
The small RNA pathways of C. elegans

*Dr. Nahum Sonenberg*
Translational control in biology and medicine

*Dr. Harald zur Hausen*
Infections as cancer risk factors

*Dr. Alan Bernstein*
Global solutions for global challenges: Progress towards an HIV vaccine

*Dr. Ralph Steinman (Gairdner 2003)*
Dendritic cells: A vehicle for vaccine development

**Advances in Molecular Biology: Micro RNA’s, Stem Cells and Aging- October 24, 2008**

*Dr. Craig Mello (Gairdner 2005 and Nobel 2006)*
RNAi from mechanism to medicine

*Dr. Eric Olson*
MicroRNA control of heart development and disease

*Dr. George Church*
Reading and writing genomes

*Dr. Douglas Hanahan*
Micro RNA signatures of the stages in multi-step tumorigenesis

*Dr. James Thomson*
Exiting the pluripotent state, and back again

*Dr. Gordon Keller*
Directed differentiation of embryonic stem cells to functional tissues

*Dr. Cynthia Kenyon*
Genes and cells that regulate the lifespan of “C. elegans”

*Dr. Leonard Guarente*
Sirtuins, aging and diseases

4. Enhance and encourage a culture of science in Canada

- Emphasize excellence and the value of research to senior scientists, postgraduate and graduate students, medical students, high school students and the public at large.
- The National Program took place at 17 Universities across Canada:

  **University of British Columbia** (webcast to University of Victoria and University of Northern British Columbia) - Faculty and student lectures by Gary Ruvkun (Gairdner 2008) and Alan Bernstein (Wightman 2008)

  **University of Alberta** - Public lecture by Jeff Friedman (Gairdner 2006) -Faculty and high school lectures by Sam Weiss, Victor Ambros (Gairdner 2008) and Jeff Friedman (Gairdner 2005)

  **University of Calgary** -Faculty and high school lectures by Sam Weiss, Victor Ambros (Gairdner 2008) and Jeff Friedman (Gairdner 2005)

  **University of Saskatchewan** - Faculty lecture by Sam Weiss (Gairdner 2008)

  **University of Manitoba** – Faculty and Public Lectures by Jeff Friedman (Gairdner 2006)

  **University of Western Ontario** - Faculty and student lectures by Harald zur Hausen (Gairdner 2008, Nobel 2008)

  **University of Waterloo** – Inaugural student lecture by Dr. Tak Mak (Gairdner 1989) -Faculty lectures by Sydney Brenner (Gairdner 1978 and 1991/Nobel 2002) and John Bell

  **Guelph University** –Faculty lecture by Ian Frazer, Director, Diamantina Institute for Cancer, Australia Cancer Research Foundation
THE GAIRDNER FOUNDATION - ANNUAL REPORT 2008

REPORT ON 2008 OBJECTIVES

McMaster University
- Faculty lecture by Harald zur Hausen (Gairdner 2008, Nobel 2008)

York University
- Faculty and student lectures by Nahum Sonenberg (Gairdner 2008) and Alan Bernstein (Gairdner Wightman 2008)

University of Toronto
- Student lectures by Alan Bernstein, Sam Weiss and Harald zur Hausen attracted 1000 people.

University of Ottawa
- Faculty and high school lectures by Nahum Sonenberg (Gairdner 2008) and Ulrich Hartl (Gairdner 2004)

Queen’s University
- Faculty and student lectures by Gary Ruvkun (Gairdner 2008)

McGill/Université de Montréal
- Faculty lectures by Nahum Sonenberg (Gairdner 2008) and Ulrich Hartl (Gairdner 2004)

Université Laval
- Faculty lecture by Dr. Robert Roeder (Gairdner 2000)

Dalhousie University
- Faculty lecture by Dr. Emil Unanue (Gairdner 2000)

Memorial University
- Faculty lecture by Dr. Emil Unanue (Gairdner 2000)

“The outreach efforts, specifically the Foundation’s work in reaching high-school and CEGEP students, represent an important investment in the future generation of health researchers”
Dr. Alain Beaudet, President, Canadian Institutes of Health Research (CIHR)

The Gairdner high school outreach program at 11 centres across the country was the largest in our history. Almost every scientist reported that speaking to high school students was one of the highlights of their week and they were grateful for the opportunity to participate. Harald zur Hausen asked to be added to the University of Toronto program, although he had not been scheduled to speak there.

In 2008, the University lectures were held in 17 cities across the country, with 4,785 people attending. Student outreach programs took place in 11 cities, with 2,025 students attending. Public lectures were held in 3 cities with over 600 people in attendance.
THE YEAR AHEAD: OBJECTIVES FOR 2009

As the Gairdner celebrates its 50th Anniversary, the commitment to excellence, foresight and personal drive of the individuals responsible have resulted in our growth and success. The new Canada Gairdner Global Health Award and the National and Student Outreach Programs have the potential to have an even greater impact on Canada’s level of achievement in health research.

In the past decade, science and technology, and the life sciences in particular, have been identified as a critical basis for competitive success in the global economy. Canada has responded with the development of strategies to build Canada’s science capacity, to ensure the development of the next generation of leading scientists, and to enhance Canada’s profile on the world stage.

In this context, the Gairdner Foundation is uniquely positioned. It is important that Canadian science be challenged to meet the highest international standards as represented by the Canada Gairdner Awards. The opportunity for Canadian scientists, trainees and students to hear and interact with the recipients, the “superstars of medical science”, in communities across Canada is a catalyst to increase the ranks of Canadian scientists in the very top ranks. The Gairdner programs also provide the opportunity for the world’s leading scientists to become familiar with Canadian scientists and institutions, thereby enlarging networks and enhancing Canada’s international reputation.

1. Maintain the Highest Standards Selecting Recipients of the International, Wightman and Global Health Awards
   - Five Gairdner-Nobel Laureates will spend a day in Ottawa meeting with and making presentations to the Clerk of the Privy Council and the Deputy Ministers. They will be introduced to the Members of the House of Commons and there will be a reception on the Hill to Parliamentarians
   - 2009 Awards Dinner, attended by all 50 past Gairdner awardees participating in the 50th anniversary celebrations

2. Inspire Canadian Scientists to Seek Excellence
   - Profile Canada as a place where science is important and recognized as such through the internationally respected Canada Gairdner International Awards
   - In 2009, we are planning to increase the public profile of the Gairdner Foundation through advertising and better media coverage:
     - Maintain the Globe & Mail as our national media sponsor
     - Create a documentary on the 50th Anniversary
     - Increase coverage of the Gairdner recipients and events, as well as year round media exposure through coverage of the national Gairdner Symposia
     - Increase international exposure through April announcement ads in Science and Nature

3. Foster Collaboration Between Canadian and International Scientists
   - National Celebration of Science- As part of its 50th Anniversary in 2009, the Gairdner Foundation is undertaking a series of national symposia across Canada in partnership with CIHR in Vancouver, Edmonton, York, Toronto, Ottawa, Sherbrooke, Montreal and Halifax. Each symposium will feature some of the world’s best scientists participating alongside some of Canada’s best scientists, creating opportunities for interaction and collaboration.
THE YEAR AHEAD: OBJECTIVES FOR 2009

- Toronto’s 50th Anniversary Science Festival. Fifty Gairdner Laureates, including 20 Nobel Laureates, will be in Toronto Oct 28-30, 2009. This will be a unique opportunity to see, hear and meet these research stars. Anticipated activities include:
  - Gairdner/Nobel Public Forum at University of Toronto, Convocation Hall on “Personalized Genome”
  - Industry breakfast at MaRS for biotech and pharmaceutical leaders
  - A series of forums featuring past awardees discussing cutting edge research
  - A half-day forum on Science and the Media with the international science writers and editors

4. Enhance and encourage a culture of science in Canada

- As part of the 50th Science Festival, events are being held at University of Toronto and York University for approximately 800 high school students contemplating a career in health sciences. Students will have the opportunity to hear Gairdner/Nobel Laureates talk about why they became scientists and what drove them to succeed.

- National Program of University Lectures, Student Outreach and Public Lectures including:
  - University Lectures at 14 institutions across Canada
  - Student Outreach programs at 12 academic institutions across Canada
  - Public Lectures in Vancouver, Edmonton and Toronto

From L to R: Charles Sabine, Michael Hayden, M.D., PhD., Cynthia Kenyon, PhD., Muin Khoury, M.D., PhD., Harold Varmus, M.D., Gavin Stuart, M.D. and John Dirks, M.D.
GOVERNANCE

The Gairdner Foundation is governed by a 14 member Board of Directors, including 2 ex-officio members. The Board is comprised of individuals from the academic, private and public sectors.

The Board is responsible for overseeing the management of the organization, and through its committees, conducts detailed examinations of issues and opportunities. The Directors provide strategic insight and leadership, as well as effective governance for the Foundation and work diligently to maintain and extend the capacity of the Foundation to achieve its purpose and goal.

The Board has in place a number of standing committees: Executive and Nominating/Governance, Fundraising, Audit, Investment, which help the Board discharge its duties.

Financial Highlights
The Gairdner Foundation maintains proper financial controls and sound management practices to ensure the best use of its public and private funds. Our external auditors issued an unqualified audit opinion about the Gairdner Foundation financial statements which appear at the end of this report.

In 2008, the Foundation received $20M from Canadian Institutes of Health Research (CIHR) in order to consolidate its position in the interest of strengthening health research, improving the health of Canadians and to ensure that the Canada Gairdner Awards continue to grow in stature on the international stage. The addition of Canada to the Gairdner awards has greatly increased visibility and profile.

The Foundation also received $2 million from the Alberta government for the purpose of expanding the Gairdner Outreach Program in Alberta.

These funds have been invested together with the original family endowment under the guidance of the Investment Committee, and in accordance with the terms of these agreements and prudent governance.

In reviewing the Foundation’s investment objectives, risk tolerance, income requirements and liquidity needs, a long term target asset allocation of 50% fixed income and 50% equity has been approved. An interim asset allocation of 60% fixed income and 40% equity has been implemented over the short-term with the intent of achieving the target allocation over time.

Planning and Monitoring Investments
The Foundation has a duty to ensure responsible stewardship of funds. The Investment Committee oversees the management and investment of the Gairdner Foundation funds in compliance with our funding agreements. The Foundation’s funds have been invested with 3 major objectives:

- Preservation of capital;
- Income to meet the administrative costs and award objectives of the Foundation;
- Growth in the ‘capital’ value of the Portfolio’s assets in real (inflation-adjusted) terms;

The investment strategy and policy are reviewed annually and the portfolio is reviewed on a quarterly basis. No issues were identified in the 2008 reviews.
BOARD OF DIRECTORS 2008

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Winnipeg

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John H. Dirks, M.D.
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Toronto

Jacques Bougie
Corporate Director
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Faculty of Health Sciences, Queen’s University

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Chair in Molecular Genetics
Institut de recherches cliniques de Montréal

Volker Gerdts
Associate Director (Research), Vaccine and Infectious Disease University of Saskatchewan

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Scientific Director, Alberta Diabetes Institute, Dr. Charles Allard Chair in Diabetes Research

Jeremy Grimshaw
Canada Research Chair in Health Knowledge Transfer & Uptake Director, Clinical Epidemiology Program, Ottawa Health Research Institute

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Rafik-Pierre Sékaly
Professor, Université de Montréal
Scientific Director, National Immune-Monitoring Laboratory (University of Montreal)
Associate Scientific Director (Basic Sciences and Strategy), CHUM

Michael P. Walsh
Canada Research Chair in Vascular Smooth Muscle Research
University Of Calgary

Jeff Wrana
Senior Investigator, Samuel Lunenfeld Research Institute, Mount Sinai Hospital
Department of Medical Genetics, University of Toronto
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President, The Gairdner Foundation

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Director, Center for Gene Therapeutics, McMaster
University

Peter N. Lewis, Co-Chair, MRP
Vice Dean, Research & International Relations
Faculty of Medicine, University of Toronto

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Regius Professor of Medicine, John Radcliffe Hospital,
Oxford, England

Elizabeth Blackburn (Gairdner 1998)
Professor in Biology & Physiology, University of
California

Sydney Brenner (Nobel 2002, Gairdner 1978/91)
Distinguished Professor, The Salk Institute, San Diego

Howard Hughes Medical Institute,
Director of Basic Science, Fred Hutchinson Cancer
Research Center, Professor, Physiology and Biophysics,
University of Washington

John R.G. Challis
President & CEO, Michael Smith Foundation, Vancouver
BC

David Colman
Director, Montreal Neurological Institute

Peter C. Doherty (Nobel 1996, Gairdner 1986)
Laureate Professor, Department of Microbiology &
Immunology, University of Melbourne, Australia

Victor Dzau
James B. Duke Professor of Medicine and Chancellor,
Duke University

Jeffrey S. Flier
Dean of Faculty of Medicine, Harvard Medical School

Cyril Basil Frank
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Alberta Bone & Joint Health Institute, University of
Calgary

F. Ulrich Hartl (Gairdner 2004)
Director, Max Planck Institute of Biochemistry
 Martinsried, Germany

Michael Hayden
Canada Research Chair in Human Genetics & Molecular
Medicine, University of British Columbia

Investigator, Howard Hughes Medical Institute
Neurobiologist and Geneticist, Massachusetts General
Hospital

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Professor of Pediatrics and Molecular and Medical
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Distinguished Scientist, Samuel Lunenfeld Research
Institute and Professor, University of Toronto

Ronald E. Pearlman
Professor, Department of Biology
Director Core Molecular Biology Facility, York University

Janet Rossant
Chief of Research & Senior Scientist
Research Institute, Hospital for Sick Children
Toronto

Guy Armand Rouleau
Professor, Department of Medicine, Université de
Montréal

Philip A. Sharp (Nobel 1993, Gairdner 1986)
Institute Professor, David H. Koch Institute for
Integrative Cancer Research,
Massachusetts Institute of Technology

J.G.P. Sissons
Regius Professor, Physics, University of Cambridge
Head, School of Clinical Medicine, University of
Cambridge

Lap-Chee Tsui (Gairdner 1990)
Vice Chancellor, University of Hong Kong

D. Lorne Tyrrell
Professor & CIHR/GSK Chair in Virology
Department of Medical Microbiology & Immunology
University of Alberta

Michael D. Tyers
Investigator, Samuel Lunenfeld Research Institute,
Mount Sinai Hospital
Professor, Department of Medical Genetics &
Microbiology, University of Toronto
School of Biological Sciences, University of Edinburgh
The Global Health Advisory Board, composed of international experts in the field of global health, began the review of nominations in 2008. The Canada Gairdner Global Health Award will be launched in 2009.

John H. Dirks, CM, M.D. (Co-Chair)
President and Scientific Director, The Gairdner Foundation, Toronto, ON

Sir John Bell, FRS, PMedSci (Co-Chair)
Regius Professor of Medicine, University of Oxford, UK

Alan Bernstein, OC, PhD, FRSC
Executive Director, Global HIV Vaccine Enterprise, New York, NY

Haile Debas, M.D.
Executive Director, UCSF Global Health Sciences, San Francisco, CA

Professor Brian Greenwood CBE FRS
Professor of Tropical Medicine, London School of Hygiene & Tropical Medicine, UK

Prabhat Jha, M.D., PhD
Director, Centre for Global Health Research, University of Toronto, Toronto, ON

Salim S. Abdool Karim, M.D.
Pro Vice-Chancellor (Research), University of KwaZulu-Natal, Durban, SA

Jeffrey P. Koplan, M.D., MPH
Vice President for Global Health, Emory Global Health Institute, Emory University, Atlanta, GA

Ruth Levine, PhD
Vice President for Programs and Operations, Center for Global Development, Washington, DC

Allan Ronald, OC, M.D.
Professor Emeritus, Medical Microbiology, University of Manitoba, Winnipeg, MB

Peter Tugwell, M.D., MSc, FRCPC
Director, Centre for Global Health, IPH/IRSP, University of Ottawa, Ottawa, ON

Lorne Tyrrell, OC, M.D., PhD
Professor & CIHR/GSK Chair in Virology, University of Alberta, Edmonton, AB

Tachi Yamada, M.D.
President, Global Health Program, Bill and Melinda Gates Foundation, Seattle, WA

"By recognizing global leaders in medical discovery, these awards celebrate the breakthroughs that lead to tangible advancements in healthcare for patients around the world. It is an honour for GE to be part of this."

Elyse Allan, President, GE Canada
John H. Dirks, M.D.
President and Scientific Director

Sheila Robinson
Manager External Relations

Penny Balberman
Finance Manager

Nora Cox
Office Manager

Misha Shaal
Administrative Assistant

DIRECTORS
Directors are not compensated for regular Board and Committee duties. They may, however, be compensated for any reasonable out-of-pocket expenses incurred while performing their duties or attending Foundation meetings.

SENIOR OFFICER
The following individual is a Senior Officer of The Gairdner Foundation and has an employment agreement which as of December 31, 2008, fell into the following range:

John H. Dirks, M.D.
President and Scientific Director  $100,000-$200,000
AUDITORS' REPORT

To the Members of  
The Gairdner Foundation

We have audited the statement of financial position of The Gairdner Foundation as at December 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Corporations Act (Ontario), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding period.

The financial statements as at December 31, 2007 and for the one-month period then ended were audited by other auditors who expressed an opinion on those statements in their report dated May 28, 2008 with a reservation related to the completeness of revenue.

Toronto, Canada,  
February 26, 2009.

Ernst & Young LLP  
Chartered Accountants  
Licensed Public Accountants
The Gairdner Foundation

STATEMENT OF FINANCIAL POSITION

As at December 31

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>[restated –</td>
<td></td>
<td></td>
</tr>
<tr>
<td>note 9]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ASSETS**

**Current**

Cash and cash equivalents | 231,519 | 107,806 |
Grants receivable | 136,286 | —       |
Other receivables | 31,684 | 17,927  |
Prepaid expenses and deposits | 1,750 | 1,750   |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>401,239</td>
<td>127,483</td>
</tr>
</tbody>
</table>
Investments, at quoted market value [note 3] | 23,520,799 | 3,403,893 |
Capital assets, net [note 4] | 9,035 | 4,251  |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23,931,073</td>
<td>3,535,627</td>
</tr>
</tbody>
</table>

**LIABILITIES**

**Current**

Accounts payable and accrued liabilities [note 9] | 134,537 | 131,410 |
Federal government funding [note 5] | 18,999,422 | —  |
Alberta government funding [note 6] | 1,897,983 | —  |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20,897,405</td>
<td>—</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td></td>
<td>21,031,942</td>
<td>131,410</td>
</tr>
</tbody>
</table>

**Net assets**

Unrestricted [note 9] | 2,899,131 | 3,368,974 |
Unrealized appreciation of investments | — | 35,243  |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,899,131</td>
<td>3,404,217</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td></td>
<td>23,931,073</td>
<td>3,535,627</td>
</tr>
</tbody>
</table>

See accompanying notes

On behalf of the Board:

Director  Director
The Gairdner Foundation

STATEMENT OF OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31, 2008 $</th>
<th>One month period ended December 31, 2007 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td>[restated – note 9]</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>147,636</td>
<td>17,145</td>
</tr>
<tr>
<td>Realized losses on investments</td>
<td>(141,301)</td>
<td>—</td>
</tr>
<tr>
<td>Net change in unrealized losses on investments</td>
<td>(145,399)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>(139,064)</td>
<td>17,145</td>
</tr>
<tr>
<td>Government funding [note 5]</td>
<td>85,695</td>
<td>—</td>
</tr>
<tr>
<td>Other contributions and sponsorships</td>
<td>913,554</td>
<td>7,711</td>
</tr>
<tr>
<td>Table sales</td>
<td>168,400</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>1,028,585</td>
<td>24,856</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National events</td>
<td>423,797</td>
<td>38,632</td>
</tr>
<tr>
<td>Advisory boards</td>
<td>97,878</td>
<td>1,856</td>
</tr>
<tr>
<td>Awards</td>
<td>180,000</td>
<td>—</td>
</tr>
<tr>
<td>Marketing and communications</td>
<td>79,505</td>
<td>3,962</td>
</tr>
<tr>
<td>Administrative [note 9]</td>
<td>717,248</td>
<td>50,734</td>
</tr>
<tr>
<td></td>
<td>1,498,428</td>
<td>95,184</td>
</tr>
<tr>
<td><strong>Deficiency of revenue over expenses for the period</strong></td>
<td>(469,843)</td>
<td>(70,328)</td>
</tr>
</tbody>
</table>

See accompanying notes
## STATEMENT OF CHANGES IN NET ASSETS

### Year ended December 31, 2008

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Unrestricted appreciation of investments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>3,368,974</td>
<td>35,243</td>
<td>3,404,217</td>
</tr>
<tr>
<td>Deficiency of revenue over expenses</td>
<td>(469,843)</td>
<td></td>
<td>(469,843)</td>
</tr>
<tr>
<td>Net change in unrealized losses on investment</td>
<td>—</td>
<td>(35,243)</td>
<td>(35,243)</td>
</tr>
<tr>
<td><strong>Balance, end of year</strong></td>
<td><strong>2,899,131</strong></td>
<td></td>
<td><strong>2,899,131</strong></td>
</tr>
</tbody>
</table>

### One-month period ended December 31, 2007

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Unrestricted appreciation of investments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of period</td>
<td>[restated - note 9]</td>
<td>[restated - note 9]</td>
<td>[restated - note 9]</td>
</tr>
<tr>
<td>Adjustment [note 9]</td>
<td>(66,483)</td>
<td></td>
<td>(66,483)</td>
</tr>
<tr>
<td><strong>Balance, beginning of period, as restated</strong></td>
<td><strong>3,439,302</strong></td>
<td><strong>46,046</strong></td>
<td><strong>3,485,348</strong></td>
</tr>
<tr>
<td>Deficiency of revenue over expenses</td>
<td>(70,328)</td>
<td></td>
<td>(70,328)</td>
</tr>
<tr>
<td>Net change in unrealized gain on investment</td>
<td>—</td>
<td>(10,803)</td>
<td>(10,803)</td>
</tr>
<tr>
<td><strong>Balance, end of period</strong></td>
<td><strong>3,368,974</strong></td>
<td><strong>35,243</strong></td>
<td><strong>3,404,217</strong></td>
</tr>
</tbody>
</table>

*See accompanying notes*
The Gairdner Foundation

STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31, 2008</th>
<th>One-month period ended December 31, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficiency of revenue over expenses for the period</td>
<td>(469,843)</td>
<td>(70,328)</td>
</tr>
<tr>
<td>Add (deduct) non-cash items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>3,170</td>
<td>75</td>
</tr>
<tr>
<td>Investment loss (income)</td>
<td>139,064</td>
<td>(17,145)</td>
</tr>
<tr>
<td>Government funding recognized as revenue</td>
<td>(85,695)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>(413,304)</td>
<td>(87,398)</td>
</tr>
<tr>
<td>Net change in non-cash working capital balances related to operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants receivable</td>
<td>(136,286)</td>
<td>—</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(13,757)</td>
<td>59,084</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>3,127</td>
<td>19,051</td>
</tr>
<tr>
<td>Cash used in operating activities</td>
<td>(560,220)</td>
<td>(9,263)</td>
</tr>
<tr>
<td>INVESTING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(7,954)</td>
<td>—</td>
</tr>
<tr>
<td>Net transfer from (to) investment managers</td>
<td>(21,308,113)</td>
<td>94,560</td>
</tr>
<tr>
<td>Cash provided by (used in) investing activities</td>
<td>(21,316,067)</td>
<td>94,560</td>
</tr>
<tr>
<td>FINANCING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipt of government funding</td>
<td>22,000,000</td>
<td>—</td>
</tr>
<tr>
<td>Cash provided by financing activities</td>
<td>22,000,000</td>
<td>—</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents during the period</td>
<td>123,713</td>
<td>85,297</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of period</td>
<td>107,806</td>
<td>22,509</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of period</td>
<td>231,519</td>
<td>107,806</td>
</tr>
</tbody>
</table>

See accompanying notes
The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

1. PURPOSE OF THE ORGANIZATION

The Gairdner Foundation [the "Foundation"] provides awards to medical scientists in recognition of outstanding discoveries and contributions to medical science, and as an incentive to those who follow in their footsteps. In addition to encouraging and rewarding individuals, the Foundation presents the Gairdner Awards in order to focus public, professional and scientific attention on significant achievements in the field of health sciences.

The Foundation, which was incorporated under the laws of Ontario, is registered as a charitable organization under the Income Tax Act (Canada) [the "Act"] and, as such, is exempt from income taxes, and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foundation have been prepared in accordance with Canadian generally accepted accounting principles. The following summary of significant accounting policies is set forth to facilitate the understanding of these financial statements:

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with maturities of less than 90 days at the date of purchase.

Investments and investment income

Publicly traded securities are valued based on the bid price and pooled funds are valued based on reported unit values. Short-term securities are valued based on cost plus accrued income, which approximates fair value. Transactions are recorded on a settlement date basis and transaction costs are expensed as incurred.

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, net of safekeeping and investment management expenses, is recorded as revenue in the statement of operations. In the prior period, unrealized appreciation was added directly to net assets.
Capital assets

Capital assets are recorded at acquisition cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful lives.

Rates and methods of amortization are as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Rate</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment</td>
<td>20%</td>
<td>diminishing balance</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>30%</td>
<td>diminishing balance</td>
</tr>
</tbody>
</table>

Revenue recognition

The Foundation follows the deferral method of accounting for contributions, which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the period in which the related expenses are recognized. Endowment contributions are recognized as direct increases in net assets in the period in which they are received. Sponsorships are recognized when the event takes place.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the year end date. Non-monetary assets and liabilities are translated at the historic rate. Exchange gains and losses are included in investment income (loss).

Financial instruments


Contributed goods and services
The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

Because of the difficulty in determining fair value, contributed goods and services are not recognized in the financial statements.

Sculptures

The Foundation has a supply of bronze sculptures, which are given to award recipients in addition to a cash award. These sculptures were a gift from the A. A. Gairdner Estate. Due to the difficulty in determining a fair value, these sculptures have not been recognized in the financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

Changes in accounting policies

Effective January 1, 2008, the Foundation adopted the recommendations of CICA 1535: Capital Disclosures, which require the disclosure of qualitative and quantitative information that enables the users of the financial statements to evaluate the Foundation's objectives, policies and processes for managing capital. The adoption of these recommendations only required additional disclosures, which are provided in note 8.

Effective January 1, 2008, the Foundation adopted retroactively the changes to the recommendations in CICA 4400: Financial Statement Presentation for Not-For-Profit Organizations that eliminate the requirement to separately disclose the amount of net assets invested in capital assets. As a result, the prior period financial statements do not separately disclose the amount of net assets invested in capital assets.

Future changes in accounting policies

In February 2008, the Accounting Standards Board amended CICA 1000: Financial Statement Concepts to clarify that assets not meeting the definition of an asset or the recognition criteria are not permitted to be recognized on the statement of operations.

The amendments are effective for financial statements for fiscal years beginning on or after October 1, 2008. These amendments are not expected to have an impact on the financial statements.
3. INVESTMENTS

Investments consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,204,202</td>
<td>13.6</td>
</tr>
<tr>
<td>Bonds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian corporate bonds</td>
<td>13,911,758</td>
<td>59.2</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian</td>
<td>2,898,484</td>
<td>12.3</td>
</tr>
<tr>
<td>US</td>
<td>1,169,505</td>
<td>5.0</td>
</tr>
<tr>
<td>International</td>
<td>2,336,850</td>
<td>9.9</td>
</tr>
<tr>
<td></td>
<td>23,520,799</td>
<td>100.0</td>
</tr>
</tbody>
</table>

As at December 31, 2008, bonds have an average term to maturity of 6.96 years [2007-10.1 years] and an average yield of 4.05% [2007-7.05%].

As at December 31, 2007, investments were classified as available for sale. Therefore the net change in unrealized gains/losses was added directly to net assets. Investments held at December 31, 2008 were purchased during the period and designated as held for trading. Therefore the net change in unrealized gains/losses is recorded in the statement of operations.
The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

4. CAPITAL ASSETS

Capital assets consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment</td>
<td>12,133</td>
<td>7,031</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>9,086</td>
<td>5,153</td>
</tr>
<tr>
<td></td>
<td>21,219</td>
<td>12,184</td>
</tr>
</tbody>
</table>

5. FEDERAL GOVERNMENT FUNDING

The Foundation received a $20,000,000 grant from the Federal Government in 2008 for the purpose of supporting and enhancing the Gairdner International Awards Program. This grant is to be invested for the duration of the funding agreement and only the income, which includes interest, dividends and realized capital gains/losses, may be used to support the Foundations’ activities until the funding agreement terminates. The Foundation can draw upon the capital to a maximum of $2 million over the term of the funding agreement, provided it uses best efforts to restore any capital withdrawn.

The funding agreement terminates on March 31, 2028, unless terminated earlier, or renewed, in accordance with the funding agreement. Upon termination, the Foundation may use the unspent balance of the original grant as it deems appropriate.
The changes in the Government of Canada funding balance are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of period</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Contributions received</td>
<td>20,000,000</td>
<td>—</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>223,682</td>
<td>—</td>
</tr>
<tr>
<td>Realized losses</td>
<td>(63,888)</td>
<td>—</td>
</tr>
<tr>
<td>Net change in unrealized losses</td>
<td>(1,074,677)</td>
<td>—</td>
</tr>
<tr>
<td>Amount recognized as revenue</td>
<td>(85,695)</td>
<td>—</td>
</tr>
<tr>
<td>Balance, end of period</td>
<td>18,999,422</td>
<td>—</td>
</tr>
</tbody>
</table>

6. ALBERTA GOVERNMENT FUNDING

The Foundation received $2 million from the Alberta government in 2008 for the purpose of expanding the Gairdner Outreach Program in Alberta. The funds received from the Alberta government are to be invested during the term of the funding agreement, and only the income, including interest, dividends and realized capital gains/losses, may be used to support the Alberta Gairdner Outreach Program. The Foundation can draw upon the capital to a maximum of $250,000 over the term of the funding agreement, provided it uses best efforts to restore any capital withdrawn.

The grant has an indeterminate term, however the funding agreement is to be reviewed at least every five years. The Alberta government has the right to terminate the agreement without cause, upon giving 90 days notice. Upon termination, the remaining balance of the fund not previously committed for Outreach activities must be repaid.

The changes in the Government of Alberta funding balance are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of period</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Contributions received</td>
<td>2,000,000</td>
<td>—</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>11,285</td>
<td>—</td>
</tr>
<tr>
<td>Realized losses</td>
<td>(6,358)</td>
<td>—</td>
</tr>
<tr>
<td>Net change in unrealized losses</td>
<td>(106,944)</td>
<td>—</td>
</tr>
<tr>
<td>Balance, end of period</td>
<td>1,897,983</td>
<td>—</td>
</tr>
</tbody>
</table>
The Gairdner Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

7. FINANCIAL INSTRUMENTS

The Foundation is subject to market risk, foreign currency risk and interest rate price risk with respect to its investment portfolio. To manage these risks, the Foundation has established a target mix of investment types designed to achieve optimal return within reasonable risk tolerances.

8. CAPITAL MANAGEMENT

In managing capital, the organization focuses on liquid resources available for operations. The Foundation's objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at December 31, 2008, the organization has met its objective of having sufficient liquid resources to meet its current obligations.

9. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2008 financial statements.

The prior period financial statements have been restated to accrue amounts that were payable at prior period end. Unrestricted net assets as at December 1, 2007 have been decreased by and accounts payable and accrued liabilities increased by $66,483. For the one-month period ended December 31, 2007, administrative expenses and deficiency of revenue over expenses have been increased by $8,526, and accounts payable and accrued liabilities have been increased by $8,526.