Rainfall at Wilfred Pond
Peter Sibbald Brown

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A Peter Sibbald Brown Design

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Ivey Foundation

The Ivey Foundation is a private charitable foundation located in Toronto, Canada. It was incorporated as The Richard Ivey Foundation on 31 December 1947 by the late Richard G. Ivey, Q.C., LL.D., and his son Richard M. Ivey, C.C., Q.C., LL.D. The mission of the Foundation is to improve the well-being of Canadians by focusing its resources on selected issues of significance. With a long history of supporting excellence and valuing transparency and accountability, the Foundation also embraces change as a necessary part of its evolution.

Directors & Officers

Rosamond Ivey  Chair
Suzanne Ivey Cook  Vice-Chair
Richard W. Ivey  Secretary/Treasurer
Jennifer Ivey Bannock
Bruce Lourie  President

Honorary Director

Richard M. Ivey

Staff

Bruce Lourie  President
Andrea Moffat  Vice-President
Lorne Johnson  Senior Advisor
Ashley Manson  Executive Assistant/Office Manager
Faye Cao  Bookkeeper

Program Committee

Avrim Lazar  Chair
Suzanne Ivey Cook  Vice-Chair
Jennifer Ivey Bannock
Guy Burry
Katie Sullivan
ACTIVATING THE INVESTMENT PORTFOLIO
Rosamond Ivey, Chair

In May of last year I wrote about the Ivey Foundation’s efforts to activate its investment portfolio by using all of its assets as a tool for making progress toward its mission and goals.

One year later, having studied, researched, questioned and discussed widely with experts, peers and fellow investors, we are better informed with a deeper understanding of the complexities of this still rapidly-evolving landscape.

The past year has seen advancement in the pace of two significant activities: large public pensions and endowments seeking out and incorporating ESG mandates or applying ESG filters for growing portions of their portfolios, and money managers “mainstreaming” ESG efforts in their offerings. While both of these advancements bode well for our world, it remains a muddy pond. The rush by managers to market ESG expertise invites brand “puffery,” when skillful marketing might be prioritised over investment-process skill. Additionally, with growing pension capital being directed to ESG filtering, there is the risk of diminished capital investment being directed to sectors and companies that actually contribute to meaningful sustainability solutions.

Having said that, to the extent that the best intentions are backed up by the required expertise, resource allocation and effort, the long-term impact on our civil society and environmental health will be felt.

With that optimism the Ivey Foundation’s sustainable investing portfolio continues to evolve. We began “activating” the assets more than ten years ago, taking into consideration our resources of time and expertise to improve the alignment of investments with mission and impact. Since 2015, the portfolio’s sustainable assets have grown from 7.4% of total assets to 17% by mid 2018. The portfolio includes provincial green bonds, a themed global cleantech fund, a US-based cleantech private equity fund, a direct equity position in a Canadian-based global renewable energy company, a credit facility in support of an investment platform in the clean energy distribution market and a project lending investment in a Toronto-based clean energy improvement organization.

The Ivey Foundation will continue the necessary due diligence to efficiently and effectively shift its assets along the sustainable investing continuum, and it remains engaged, optimistic and results-oriented. I look forward to sharing the steps taken as we continue the journey.
As we contemplate the 70th anniversary of the Ivey Foundation, it seems appropriate to highlight one of its core values. Collaboration has become a hallmark of the Ivey Foundation’s approach to philanthropy and having grown in importance over the past two decades, is now central to its work.

Three years ago, the Ivey Foundation launched the Economy and Environment [EE] Program which focuses on creating collaborations across a broad spectrum of expertise in innovative thought-leadership towards a sustainable economy. Integrating the economy and the environment, by reconciling the forces that promote economic prosperity with those advancing ecological protection, is fundamental to the Program.

In 2017, the need for such reconciliation could not have been clearer, or more challenging, as the divisive politics of “pipelines are the problem” and “carbon pricing is the solution” played out across the country. It is easy to fall into the trap of this simplistic black and white juxtaposition; the political and economic realities are far more complex.

As the Foundation’s Program developed, it became obvious that our aspirations far exceeded our financial and person-power capacities to operate in this complex environment. To succeed, we would need to find allies in our mission, partner with co-funders, collaborate with government agencies and leverage our convening experience. Indeed, these actions are directly reinforced in a recently-published report titled Being the Change where the authors note that “human capital can have a multiplier effect on financial capital when staff members have the time and space to partner deeply with grantees, influence the decisions of other actors, and make more efficient use of foundation resources.”

By convening experts from academia, government, industry, and NGOs we are able to generate new ideas, new analysis and different approaches to tackling highly complex issues requiring systemic change. And as the challenges and scale of investment are so immense, relative to the resources of any one organization, we sought out other foundations with similar aspirations to form a collective understanding of the need for diversity of perspective and shared learning to accelerate the transition to a sustainable economy.
More specifically the Ivey Foundation, together with a number of its partners in environmental grant making, launched the Clean Economy Fund (CEF) as a new, public charitable foundation. CEF is designed to identify, develop and support solutions-oriented initiatives that bridge the economy-environment divide. Although collaboration is not a new idea, it requires considerable effort, aided by the professional support that CEF provides. The members of CEF see value in the idea of a collective think-tank. CEF has commissioned vital research; supported the development of innovative concepts and intellectual capital; and with these, leveraged development-phase funding for several new initiatives designed to rethink Canada’s approach to a clean and sustainable economy.

Now in its third year of operation, with participation by over a dozen foundations from across Canada, and representing $60 million in annual environmental granting, the CEF, by most measures, has been a great success. It has demonstrated the power of a diversity of views, co-creation, and the spreading of risk for ground-breaking initiatives in the complex and politically charged low carbon solutions space.

Building an Effective National Champion for Energy Efficiency
Carleton University, Ottawa, $350,000 (over two years)

Rebuilding the capacity in Canada for an effective national voice in support of the economic and environmental benefits of energy efficiency as the first, and most cost-effective means of addressing future energy needs. Carleton University will house a new and broadly supported initiative that will be named the Efficiency Canada.

Research Priorities for 2017–2018
Clean Economy Fund, Toronto, $210,000

Supporting research on several emerging clean economy priorities where there is potential to advance the clean economy agenda and strengthen philanthropic collaboration. Topics included: Agricultural Innovation, Supporting Conservative Voices, Rebranding Canada as a Low Carbon Transition Economy, and Sustainable Finance.

Protecting the Boreal Forest with Stand.earth
CPAWS, STAND (formerly ForestEthics), Ottawa, $75,000

Increasing engagement of forest companies in the CBFA as a means of preserving progress gained under Ivey Foundation’s earlier Conserving Canada’s Forests Program.

Environmental Law Reform in Canada
Ecojustice, Toronto, $100,000

Supporting the federal government’s review of five of the most important pieces of environmental legislation in Canada. Specifically, to support the adoption of environmental measures as recommended by the various independent review panels.

Building on Leadership: Strengthening Nova Scotia’s Clean Economy
Ecology Action Centre, Halifax, $105,600

Expanding Nova Scotia’s commitments to a clean economy by supporting research and active public engagement across key policy issues including the development of the province’s cap and trade program, implementation of energy efficiency priorities, and the adoption of a regional greenbelt.

Securing a Federal Climate Strategy and a Clean Economy
Environmental Defence Canada, Toronto, $100,000

Engaging and supporting the federal government’s implementation of the Pan-Canadian
Framework on Clean Growth and Climate Change to ensure meaningful actions on both carbon pricing and complementary policies.

Field-Testing New National FSC Standard
FSC Canada, Montreal, $75,000
Supporting field-testing of the new FSC national standard and ensuring it sets a high but achievable benchmark.

Building IISD’s Capacity to Contribute to Canada’s Low Carbon Economy Transition
International Institute for Sustainable Development, Winnipeg, $300,000 (over two years)
Building IISD’s capacity to increase its impact in Canada through the effective implementation of Canada’s carbon pricing commitments through cooperation with provinces and states; building and advancing the work on Comprehensive Wealth in Canada; and exploring distributed green infrastructure as a regional climate solution on agricultural land in the Canadian Prairies.

Accelerating Energy Efficiency:
Removing Barriers and Advancing Policy and Market Solutions in Key Jurisdictions
Pembina Foundation, Calgary, $160,000 (over two years)
Supporting the implementation of stronger energy efficiency actions federally and in Alberta by highlighting the benefits, building a constituency to overcome barriers, and developing well-informed roadmaps for energy efficient and net-zero energy buildings.

Accelerating Canada’s Clean Energy Transition
Simon Fraser University, Clean Energy Canada, Vancouver, $300,000 (over two years)
Supporting the implementation of the Pan-Canadian Framework on Clean Growth and Climate Change with a focus on growth in clean economy jobs, transportation and renewable energy.

North American Low Carbon Convening Series
University of Ottawa, Smart Prosperity, Ottawa, $95,000
Supporting the development of an integrated Canada-U.S. strategy to build broad-based support for low carbon policies, in particular carbon pricing, among diverse voices including conservative-minded individuals. The aim is to create an enduring policy environment recognizing the reality of integrated Canada-U.S. trade, corporate activity, political influence and environmental policy. This is a planning, research and feasibility grant.
PAYMENTS ON PREVIOUS GRANT COMMITMENTS

Developing a Low Carbon Economy for Canada
Conference Board of Canada, Ottawa, $150,000 (of $300,000)

Professional Development on Price-Based Instruments (Phase 3)
McGill University, Montreal, $130,800 (of $280,800)

Canada’s Ecofiscal Commission
McGill University, Montreal, $225,000 (of $675,000)

Social Currents
Simon Fraser University, Beedie School of Business, Vancouver, $150,000 (of $300,000)

Enviro ELP 2.0 (Phase 2)
Sustainability Network, Toronto, $55,000 (of $110,000)

Renewal: Communicating Progress in Advancing Ontario’s Low Carbon Economy
Sustainability Network, Sustainability CoLab, Toronto, $75,000 (of $150,000)

SHIFT Initiative
Tides Canada, Vancouver, $50,000 (of $200,000)

STRATEGIC OPPORTUNITIES

Launching Energy Efficiency and Climate Action Education in Alberta Schools
Alberta Council for Environmental Education, Alberta, $15,000

Ecological Economics Special Issue
Alternatives Journal, Toronto, $20,000

2018 Core Membership Support
Biodiversity Funders Group, San Francisco, USA, $4,550 USD

Capital Markets Briefing in Boston
Biodiversity Funders Group, San Francisco, USA, $7,000 USD

Sustaining Member and Low Carbon Economy Support
Canadian Environmental Grantmakers’ Network, Toronto, $15,000

Impact of Carbon Management Policies on Electricity Markets in Canada
Canadian Energy Research Institute, Alberta, $20,000
Canadian Urban Sustainability Practitioners’ 2017-2019 Strategic Plan Implementation
City of Surrey, Surrey, $25,000

Scenario Analysis to Address Climate-Related Risks Roundtable
SHARE (Columbia Institute), Toronto, $17,750

Explaining Why Ontario’s Greenbelt and Growth Plan is Key to More Affordable, Mixed Use, Complete Communities
Environmental Defence Canada, Toronto, $10,000

Federal Green Bank Recommendations for the Canadian Infrastructure Bank
Evergreen, Toronto, $15,000

Sector Champions
Imagine Canada, Toronto, $5,000

Canada’s Clean Energy Economy – National Observer Series
National Observer (Institute for Sustainability, Education and Action), Salt Spring Island, $30,000

Assessment of Green Economy Initiatives in Canada
University of Toronto, Martin Prosperity Institute, Toronto, $20,000

Strathmere Group Renewal: Enhancing Federal Government Relations Capacity for Canada’s Environmental Movement
Pembina Foundation, Calgary, $15,000

Freight Thought Leader Forum: On the Road to Freight Excellence
Pembina Foundation, Calgary, $10,000

Membership 2017/2018 and Education Support Regarding Political Activities Among Charities
Philanthropic Foundations Canada, Montreal, $33,025

Supporting Implementation of the Pan-Canadian Framework
Simon Fraser University, Clean Energy Canada, Vancouver, $15,000

Circular Economy Campaign Support
University of Ottawa, Smart Prosperity Institute, Ottawa, $5,000
DIRECTOR-INITIATED

Innovation for a Green Economy: Bio-Inspired Solar Energy
Canadian Institute for Advance Research (CIFAR), Toronto, $225,000
(over three years)

PAYMENTS ON PREVIOUS GRANT COMMITMENTS

The New Grange Park
Art Gallery of Ontario, Toronto, $125,000 (of $250,000)

Last Mile Campaign
MaRS, Toronto, $100,000 (of $300,000)

The Ivey Foundation is committed to sustainable investing. In an efficient and effective manner, it makes sustainable investments that align with its mission and goals, and takes into consideration its history, values and operations.

SUMMARY OF GRANTS 1948–2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Environment &amp; Conservation</th>
<th>General/Director-Initiated</th>
<th>Total Grants Approved</th>
<th>Program Expenses</th>
<th>Grants &amp; Program Expenses Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948–2014</td>
<td>$ 30,907,792</td>
<td>$ 49,977,213</td>
<td>$ 80,885,005</td>
<td>$ 3,499,621</td>
<td>$ 83,559,623</td>
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<tr>
<td>2015</td>
<td>$ 1,960,893</td>
<td>NIL</td>
<td>$ 1,960,893</td>
<td>$ 808,762</td>
<td>$ 3,194,655</td>
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<tr>
<td>2016</td>
<td>$ 2,708,988</td>
<td>$ 560,000</td>
<td>$ 3,268,988</td>
<td>$ 730,826</td>
<td>$ 2,699,014</td>
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<tr>
<td>2017</td>
<td>$ 2,152,925</td>
<td>$ 225,000</td>
<td>$ 2,377,925</td>
<td>$ 925,496</td>
<td>$ 3,689,221</td>
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<tr>
<td></td>
<td>$ 37,790,598</td>
<td>$ 50,762,213</td>
<td>$ 88,552,811</td>
<td>$ 5,964,705</td>
<td>$ 93,142,513</td>
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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members,
Ivey Foundation

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2017, and the summary statement of operations and net assets for the year then ended, are derived from the audited financial statements of Ivey Foundation for the year ended December 31, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated May 25, 2018. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Ivey Foundation.

MANAGEMENT’S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

AUDITOR’S RESPONSIBILITY Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, “Engagements to Report on Summary Financial Statements.”

OPINION In our opinion, the summary financial statements derived from the audited financial statements of Ivey Foundation for the year ended December 31, 2017 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations.

Cowperthwaite Mehta
Chartered Accountants
Licensed Public Accountants
May 25, 2018
Toronto, Ontario

The criteria applied by management in the preparation of these summary financial statements are as follows:
a) The information in the summarized financial statements is in agreement with the related information in the complete financial statements; and
b) The summarized financial statements contain all the information necessary to avoid distorting or obscuring matters disclosed in the complete financial statements, including the notes therein.

Management determined that the statement of changes in net assets and the statement of cash flows do not provide additional useful information, and as such has not included them as part of the summary financial statements.
**IVORY FOUNDATION**

**SUMMARIZED STATEMENT OF FINANCIAL POSITION**
AS AT 31 DECEMBER  

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,933,773</td>
<td>$2,783,956</td>
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<tr>
<td>Investments</td>
<td>94,033,319</td>
<td>91,309,811</td>
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<tr>
<td>Other assets</td>
<td>506,461</td>
<td>541,969</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$98,473,553</td>
<td>$94,635,736</td>
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<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
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</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>177,298</td>
<td>194,764</td>
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<tr>
<td>Unpaid grants</td>
<td>1,375,000</td>
<td>1,760,800</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>$1,552,298</td>
<td>$1,955,564</td>
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<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>4,298,063</td>
<td>3,979,176</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>92,623,192</td>
<td>88,700,996</td>
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<tr>
<td><strong>Total Net Assets</strong></td>
<td>$98,473,553</td>
<td>$94,635,736</td>
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**SUMMARIZED STATEMENT OF OPERATIONS**
FOR THE YEARS ENDED 31 DECEMBER  

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<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized gain on sale of investments</td>
<td>$6,659,290</td>
<td>$3,477,850</td>
</tr>
<tr>
<td>Interest, dividends and other income</td>
<td>2,224,821</td>
<td>2,529,397</td>
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<tr>
<td>Change in unrealized gains (losses)</td>
<td>(954,579)</td>
<td>1,189,848</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$7,909,532</td>
<td>$7,197,095</td>
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<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment management, custodian and audit fees</td>
<td>488,842</td>
<td>434,049</td>
</tr>
<tr>
<td>Other</td>
<td>231,925</td>
<td>213,435</td>
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<tr>
<td><strong>Total Management and Administration</strong></td>
<td>720,767</td>
<td>647,484</td>
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<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td><strong>NET REVENUE BEFORE GRANTS &amp; PROGRAM EXPENSES</strong></td>
<td>$7,188,765</td>
<td>$6,549,611</td>
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<thead>
<tr>
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<th>2017</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td><strong>GRANTS &amp; PROGRAM EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>2,377,925</td>
<td>3,328,988</td>
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<tr>
<td>Program expenses</td>
<td>925,496</td>
<td>730,826</td>
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<tr>
<td><strong>Total grants and program expenses</strong></td>
<td>3,303,421</td>
<td>4,059,814</td>
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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>EXCESS OF REVENUE OVER EXPENDITURES</strong></td>
<td>$3,885,344</td>
<td>$2,489,797</td>
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