

“Historic \$105 million grant” – *National Post*, Dec. 18, 2003

“Philanthropist of the year” – *Globe and Mail*, Dec. 27, 2003

“An outstanding act of generosity” – *Hamilton Spectator*, Dec. 18, 2003

“Biggest gift on record” – *Toronto Star*, Dec. 18, 2003



The vision
Michael G. DeGroote gift...
one year later

gift



Messages



It's now been a little more than a year since Michael DeGroot's unparalleled gift of \$105 million to support education, research and clinical service in medicine at McMaster.

Astute and creative investment of his gift will enable McMaster to provide state-of-the-art instructional, research and clinical facilities and to recruit and retain researchers and educators of the highest calibre internationally.

The opening of the new Michael G. DeGroot Centre for Learning and Discovery and the appointment of Dr. James Henry, as scientific director of the Michael G. DeGroot Institute for Pain Research and Care and professor in the departments of Psychiatry and Behavioural Neurosciences, and Anesthesia, are but two recent examples of strategic investments that will shape the future of the University.

We are grateful to Michael DeGroot, for choosing McMaster as his University and for entrusting us with the stewardship and wise investment of his gift.

The Michael G. DeGroot School of Medicine and the scientific, educational and health care benefits it offers to the world will be a permanent reminder of his generosity and his vision.

I encourage everyone in the McMaster community to read this report, to reflect on the magnitude of Michael's philanthropy, and to celebrate the current and future accomplishments made possible through his generosity.

With warmest personal regards,

Dr. Peter George
President and Vice-Chancellor,
McMaster University



Michael G. DeGroot's gift of \$105 million to the Faculty of Health Sciences' School of Medicine at McMaster University was, by far, the largest donation ever given to a Canadian institution and it is historic in its magnitude and potential impact on health care and medical students for generations to come.

In recognition, McMaster University Senate renamed the medical school the Michael G. DeGroot School of Medicine, a fitting tribute for our medical school, which is internationally recognized for its innovative approach to research and education.

It must be emphasized that part of the school's strength is directly attributable to and further enhanced by our partner schools, including the School of Nursing, the School of Rehabilitation Science, our Midwifery Education program, our undergraduate Bachelor of Health Sciences program and, of course, our graduate programs. All facets of our integrated Faculty of Health Sciences embrace a culture of innovation and collaboration as we strive for excellence in training the health care teams of the future.

This gift to the medical school is allowing McMaster to exponentially expand its role as a worldwide leader in the study and research of medicine and health care. At the one-year anniversary of the gift, it's appropriate to review what our benefactor envisioned and how we intend to achieve those goals.

There were several principles that became pivotal during initial discussions with Michael DeGroot, other members of the DeGroot family, and McMaster President Peter George.

One is that the majority of the gift (\$64 million) would be designated as an endowment that is not to be spent. Rather, it will be invested to generate interest that will be used to support endeavors in both education and research in perpetuity. That process has begun, with 95 per cent of the \$45 million received to date being invested.

The accompanying information in this report shows the flow of the gift funds over a five-year period, and the amount of interest that will be earned. If investment returns are better than anticipated, those additional funds will be designated as capital, to be drawn upon should investment returns in

future years be lower. Ultimately, one can expect the capital in the endowment to grow.

The portion of the gift designated for capital projects of \$41 million, is being directed to three priorities determined by the DeGroot family. The largest portion, \$26 million, is for completion of the Michael G. DeGroot Centre for Learning and Discovery, including \$6 million specifically for enhancements such as the striking three-storey glass atrium now under construction. It was decided that the atrium housing a winter garden would be a perfect complement for this five-storey building that represents the best of what McMaster stands for, providing state-of-the-art laboratories, classrooms and administrative offices for professors, researchers and students all involved in the study and pursuit of health care.

Another \$5 million of the capital funds have been designated for the establishment of the Michael G. DeGroot Institute for Pain Research and Care. The remaining \$10 million of capital is to be used by Hamilton Health Sciences for its planned pediatric intensive care unit.

The \$64 million endowment fund also has been designated for specific priorities. The interest generated on the investment for each priority will be expended in that specific area.

As we proceed with the extraordinary opportunities provided by the DeGroot gift, we will be acting in conjunction with the DeGroot Gift Advisory Committee, comprised of family representatives Michael H. DeGroot, Tim DeGroot and Ivan Cairns, and McMaster representatives President Peter George, Vice-President of University Advancement Roger Trull, DeGroot Gift project manager Debbie Martin, and myself. Final approval for all projects will come from this committee.

This collaborative approach will ensure that the initiatives we undertake as a result of this unprecedented act of generosity will achieve the goals articulated by the DeGroot family, and ensure the school of medicine, Faculty of Health Sciences and the University leverage the funds to create a strong foundation for innovative developments in a range of medical fields for decades to come.

Dr. John Kelton
Dean and Vice-President,
Faculty of Health Sciences

"Together, advancing health through learning and Discovery"

How the money is being spent

McMaster University has received a total of \$45 million to date from the DeGroot gift of \$105 million. All except for \$2 million of the money received to date has been earmarked towards the \$64 million endowment.

The endowment is invested so that it will be perpetual in scope and support researchers for many years to come. The interest from this endowment will be used to implement the initiatives described subsequently.

The \$2 million that was part of the overall capital allotment has been allocated to the Michael G. DeGroot Centre for Learning and Discovery, which opened last fall.

By the end of this year, the endowment funds received to date will provide \$2.64 million in interest. That money will be used to launch further efforts in each of the half dozen specific areas designated for support from the \$64 million.

Among these initiatives, plans are furthest advanced for the Michael G. DeGroot Institute for Pain Research and Care. Under the leadership of Scientific Director **Dr. James Henry** and Medical Director **Dr. Akbar Panju**, the institute is being created as a world-class facility that will encompass an array of technologies, disciplines and specialties to explore the causes and develop new treatments for different types of pain.

For the planned cancer centre, a worldwide recruitment campaign is under way to find the scientific director who will guide the development of the centre with a particular focus on the molecular determinants of cancer.

Later in the year, a similarly high-profile search will be launched to identify a leader of global renown for the new infectious diseases centre. One major focus of this initiative will be in the sphere of public health.

Each of these centres will be anchored by an endowed chair, and the funds generated by the DeGroot endowment will support that role.

Two additional endowed chairs – one in medicine and one in stroke prevention and treatment – will also be supported by the DeGroot gift.

Dr. Panju has been nominated to the Medard DeGroot Chair in Medicine named for Michael DeGroot's father.

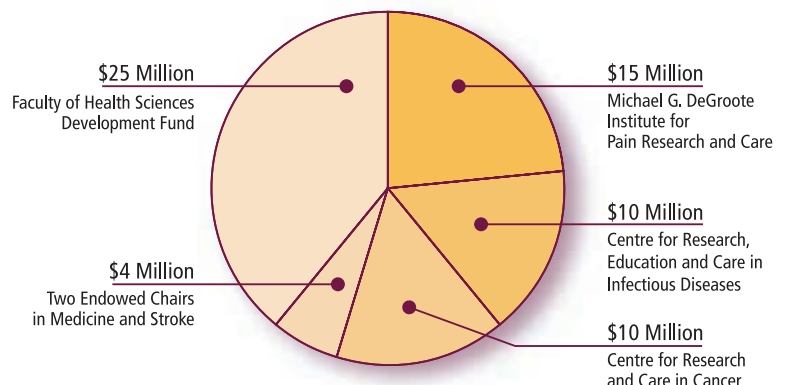
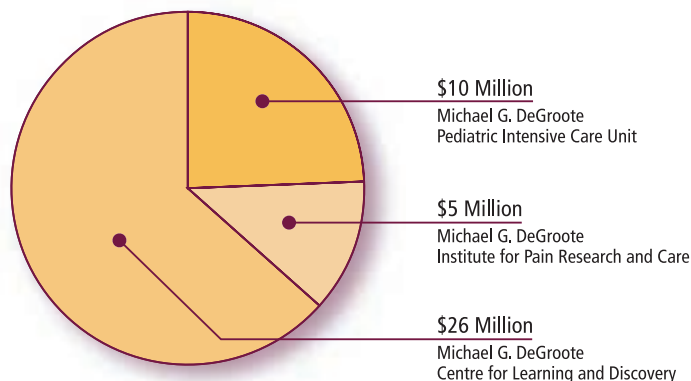
A search for the endowed chair in stroke prevention will be undertaken in the coming months.

The largest component of the DeGroot endowment, \$25 million, has been designated for the Faculty of Health Sciences Development Fund, intended to support research into medicine and health issues. It is anticipated that the terms of reference for this fund will be developed over the next six months, and presented to the DeGroot Gift Advisory Committee for approval.



\$41 Million Capital

\$64 Million Endowment



Charts

The gift from Michael DeGroot is being delivered to McMaster University over a period of five years, from 2003 to 2007. In December of 2003 when the gift was announced, \$25 million was delivered, followed by a further \$20 million last December. An additional \$20 million will be delivered at the end of this year and each of the next two years.

The money has been allocated into two main areas: a \$64 million endowment fund, supporting education, health care and medical research in perpetuity, and a \$41 million capital fund for construction and outfitting of laboratory and hospital units.

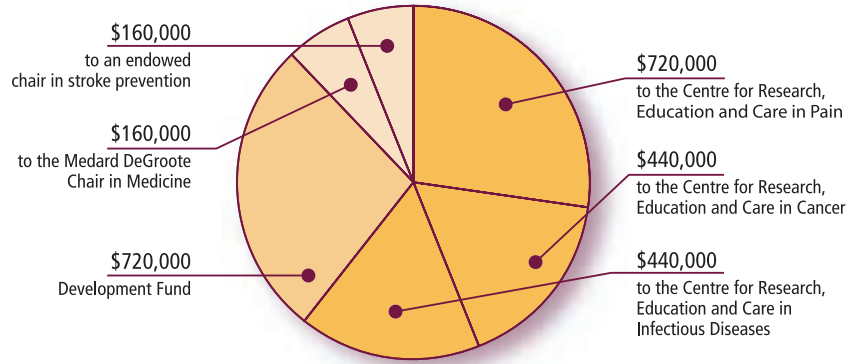
As illustrated in the charts on the preceding page, the endowment and capital amounts have each been allocated to various initiatives.

The graphs on this page illustrate the following:

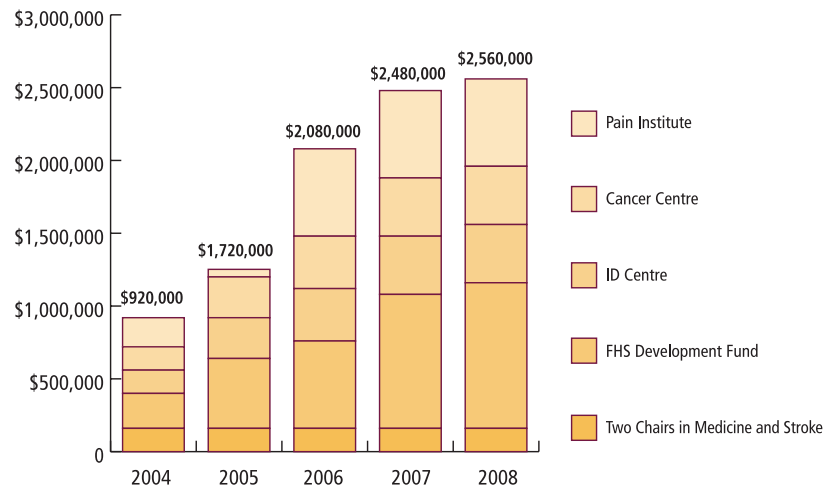
- The amount of funds coming in each year for endowments and capital, during the five-year distribution plan;
- The interest that will be earned on the endowments each year from 2004 to the end of 2008;
- How the interest accrued up to the end of 2005 (\$2.64 million) is being allocated.

The majority of the gift (\$64 million) will be designated as an endowment that is not to be spent. It will be invested to generate interest that will be used to support endeavors in both education and research in perpetuity.

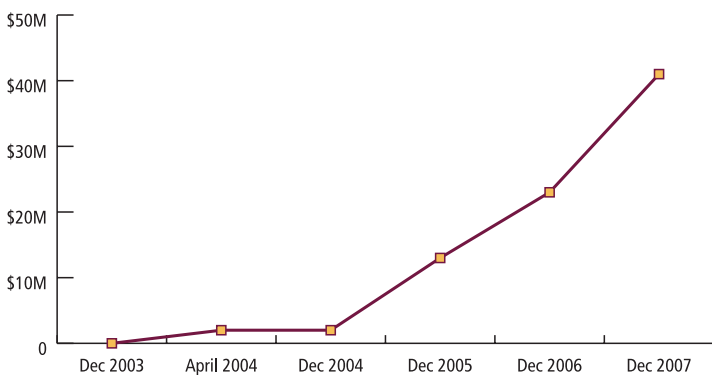
Breakdown of \$2.64 Million cumulative interest earned Dec '05



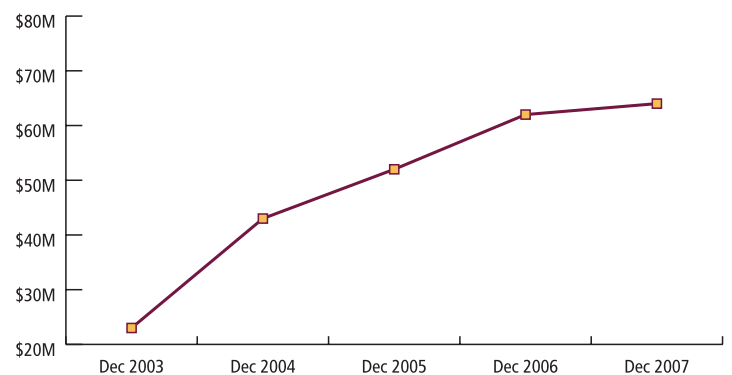
Annual Endowment Fund Interest



\$41 Million Capital



\$64 Million Endowment: Yearly Growth



Michael G. DeGroote Centre for Learning & Discovery

Very quickly, the Michael G. DeGroote Centre for Learning and Discovery has become a nucleus for McMaster University's students and professors, and particularly for the Faculty of Health Sciences and its Michael G. DeGroote School of Medicine.

The \$71-million, five-storey, 300,000-square-foot building is still in the final stages of construction, but much of the space comprised of classrooms, laboratories, offices and meeting areas has been occupied since September 2004, and plans are progressing to fill the remainder of the new building.

Construction is continuing on the stunning three-storey glass atrium which will feature a dramatic, third-floor "floating" meeting room, with completion expected by summer 2005 and a grand opening to follow in the fall. The atrium will house a winter garden, a waterfall and ponds, and will serve as a quiet place for reflection for all McMaster University students, staff and faculty, as well as for patients and their families. The DeGroote gift specifically provided funds for enhancements to the centre to make it a focal point for all of the University.

Four of the new building's five floors are now busy with people pursuing scholarship.

The first floor houses classrooms and lecture halls

seating more than 1,800 students from across McMaster's campus. This floor houses the University's largest lecture theatre for 600.

The third floor is the home for students and staff from the Faculty of Health Sciences, including the Michael G. DeGroote School of Medicine, the Midwifery Education program and the Bachelor of Health Sciences (Honours) program.

Besides classrooms and lecture halls with state-of-the-art presentation equipment, major research units are also based on the third floor. One is Allergen, a national Network of Centres of Excellence (NCE) created in November 2004 by the federal government with a \$21 million grant. Allergen is led by McMaster's Dr. Judah Denburg and will focus on allergy and asthma research.

The floor also houses the Nursing Health Services Research Unit, led by **Andrea Baumann**, associate vice-president (international health) for the Faculty of Health Sciences, as well as the headquarters for the work being conducted with a \$19-million U.S. National Institutes of Health study on West Nile virus, led by **Dr. Mark Loeb**, a McMaster associate professor and prominent infectious disease specialist.

Other tenants in the Margaret & Charles Juravinski

Education, Research & Development Centre include the Program for Education Research and Development (PERD), Continuing Health Sciences Education Program, the Program for Faculty Development, and the Learning Resources unit.

The fourth and fifth floors are occupied by a host of laboratories where researchers are conducting cutting-edge work designed to advance the knowledge and therapies available in numerous health care disciplines, including cancer and other diseases.

Some of these labs form part of the Institute for Molecular Medicine and Health (IMMH), a facility that occupies 63,000 square feet on two floors. The building's state-of-the-art laboratories mean the IMMH scientists can bring new treatments they discover to patients' bedsides more rapidly than ever before.

The director of IMMH is **Jack Gauldie**, a University Professor and also director of the Centre for Gene Therapeutics, which is part of the institute.

About 14,000 square feet of space on the fifth floor has yet to be completed, with tenders expected to be awarded in the near future. This space will be used as an incubator of biotechnology ventures, an initiative being developed by **John Capone**, associate dean, research.

Michael G. DeGroote Institute for Pain Research & Care

A world-class institute is being established at McMaster University to focus the clear, piercing light of science and medicine on an issue affecting 80 per cent of people who see a doctor – the problem of pain.

Despite the pivotal role of pain in a myriad of illnesses and disorders, its causes and the pathways to more effective therapies remain elusive. The Michael G. DeGroote Institute for Pain Research and Care is intended to become the premier, international institute studying all types of pain.

Made possible with a portion of the \$105 million gift to McMaster from Michael DeGroote, the institute will encompass an array of technologies, disciplines, and specialties to explore the causes of various types of pain, develop new strategies to prevent, diagnose and manage it, and eventually provide innovative care to patients. A key focus will be the study of treatments for central pain, sometimes known as thalamic pain.

The institute is being led by **Dr. James Henry**, Canada's foremost authority on medical pain who joined McMaster in January, and **Dr. Akbar Panju**, a professor



Dr. Henry

of medicine of the Michael G. DeGroote School of Medicine and chief of medicine for Hamilton Health Sciences. Both directors are putting together a team of scientists and clinicians who will work together to advance this important area of medicine.

Dr. Henry is a neurophysiologist who has worked throughout his career to understand underlying mechanisms of chronic pain. He brings a wealth of knowledge and experience to his role as scientific director of the pain institute and a professor in the Department of Psychiatry and Behavioural Neurosciences, as well as a professor of anesthesia. He is president of the Canadian Pain Foundation, and founding project leader of the Canadian Consortium on Pain Mechanisms, Diagnosis and Management.

Dr. Panju, the institute's medical director, has a particular interest in the mechanisms and treatment of pain. He will create and co-ordinate an international

database registry for patients suffering with thalamic and central pain. Thalamic pain is an uncommon, chronic type of pain that some people suffer after a stroke.



Dr. Panju

Dr. Panju has been a faculty member at McMaster since 1986 and his abilities as an instructor have been reflected in various teaching awards he has received over the years. In 2003, he received the national Osler Award from the Canadian Society of Internal Medicine, as an individual who exemplifies the best in medicine.

The researchers at the pain centre will be integrated with the world-class research already under way at McMaster's Faculty of Health Sciences. The Faculty possesses some of the most advanced scientific and medical facilities in North America.

Members of the institute will bring to their work the insights and approaches from a number of different disciplines and facilities at McMaster.

Michael G. DeGroot School of Medicine

The Michael G. DeGroot School of Medicine continues its pursuit of excellence as it prepares to graduate 138 new physicians in May, its largest class ever.

The students of the 2005 graduating class have had the benefit of spending their final year of undergraduate studies in the state-of-the-art facilities of the largest new building constructed on campus since the Health Sciences Centre was built more than 30 years ago.

The Michael G. DeGroot Centre for Learning and Discovery opened its doors to students last fall, giving them the much-appreciated opportunity to experience the school's innovative, problem-based curriculum in an electronically-enhanced learning environment. The graduating class is planning to honour Mr. DeGroot at the students' Oath Ceremony and in a feature yearbook tribute.

This past year has also seen much intensive work at the school, as preparations continue for the launch



of a new curriculum for the first-year students entering Canada's most innovative medical school in September.

Known as **COMPASS**, the new curriculum places greater emphasis on ensuring graduates have a solid grasp of the fundamental mechanisms that impact on health and disease. Small, problem-based learning groups will continue as the mainstay of the program, but the COMPASS curriculum will emphasize a more conceptual approach coupled with time for deliberate practice.

Together these strategies will provide students more opportunities to experience different approaches to diagnosing and treating illnesses and disorders.

Professional competencies, such as moral reasoning, ethics, communication and professionalism, will

also be emphasized, through additional tutorials.

The redesign of the undergraduate medical program is being conducted by a team of dedicated faculty, led by **Dr. Alan Neville**, assistant dean of the medical school, and **Dr. Geoff Norman**, assistant dean of the Program for Educational Research and Development.

The writing of new curriculum materials is now under way, as is the development of resources for training faculty members on the best ways to deliver the new course content. Sessions for the faculty members have already begun.

New technology, developed by **Dr. Anthony Levinson**, will play a key role in the new curriculum, as students will be able to access the entire curriculum outline through a web site.

The new curriculum will advance McMaster's international reputation as the centre for leadership and innovation in the development of physicians and researchers.

