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SPOTLIGHT ON THE LONGO'S FAMILY CHARITABLE FOUNDATION

Angela Bhutani (AB): Thank you for joining us. I'm Angela Bhutani. I'm an Investment Counsellor with Burgundy's Private Client Group, and I'm also involved in our new philanthropy initiative. As Investment Counsellors, we appreciate how important philanthropy is for our clients. Some families we work with have only recently begun to think about developing a philanthropic strategy. Many have years of experience and have developed long-term vehicles, such as private foundations and donor-advised funds. No matter the amount of experience, though, we commonly hear that families are looking for ways to increase their impact, and, also importantly, better engage their family members in the process. Charitable giving has also been important in Burgundy's history and DNA.

In addition to supporting the causes that our clients and our people care about, many of us at the firm also give our time and financial resources to charitable organizations, so we know how important it is. As Investment Counsellors, we want to provide more information going forward on this important subject and connect our clients with external resources, whether it's legal expertise or philanthropic counselling. But one way that we think we can add a tremendous amount of value is in sharing the experiences of the families in our network.

And so beginning with today's session, we want to launch a series of family spotlights across the country, sharing best practices and showcasing families who give well and perhaps, over time, creating a community of like-minded philanthropists who are open to sharing their experience and knowledge for other families who can benefit. Today's spotlight features the Longo family. Many of you may recognize the name for the successful grocery business in South-western Ontario, which now includes 36 locations, and their longstanding delivery channel: Grocery Gateway. I recently had the great pleasure of speaking with three members of the family on their shared experience in the family foundation. Now, our conversation wasn't about the granting or the priority areas of the foundation. Rather, our focus was on the many benefits that the foundation has provided the broader family, including a greater awareness of their family values and the deepening of the relationships across generations

We understand this won't necessarily be a template for all other families. Every family is unique in terms of its size, and relationships, and access to resources, but we do hope that there may be some ideas from this story or inspiration for each of you. I was joined by Rosanne Longo, who is the chair of the Longo Family Charitable Foundation and also a spokesperson for Longo. She is a second-generation member of the business family. Now she calls herself a G2. You'll hear that term often throughout our conversation. There are two G3s, or third generation family members. Sabrina Favaro, who pursued a career in health care, and Thomas Longo, who joined the family business. Both are currently trustees at large for the foundation and were introduced about five years ago.

Rosanne, I'd like to start with you. Would you mind describing the family today? Who started the Longo's business? How many members are there today in the family, and how many of those members work in the business?

Rosanne Longo (RL): Thanks, Angela. Our business was started in 1956 by three brothers: Tommy, Joe, and Gus Longo. Gus Longo is my father and Tommy Longo is Thomas and Sabrina's grandfather, and 65 years later we are three generations into the business. But beyond that, we have a united, we call it family assembly that composes of... There are 11 G2s altogether, and they all work in the business, and a couple of spouses. We have 24 full-time family members

between the G1s, G2s and G3s working in the business, and we are a family assembly of 47 and growing at this point. So that's how we've evolved to the 65 years and plan to expand that beyond our 65 years as we continue to grow.

AB: And so your intentions in launching the foundation... beyond building on that historical legacy and carrying it forward, what other things did you mean to do as a family?

RL: Well, through the foundation, I guess the objective was as the business is going to grow and as our family's going to grow, what will our legacy be? How can we give back in a more meaningful and impactful way to our communities? Giving back through the business is always going to be a part of the business. And you give back to the communities based on what their needs are at the time, or it might be through sponsorships, but through having the foundation, and having a board of trustees, and having the family's input, we were able to give back in ways that just were meaningful, impactful, that got the family involved and understood the value of philanthropy. And it was a way to also give back and show our gratitude for what we were able to grow up with.

AB: So in those early days, did you feel any pain points at all as the foundation was up and running? You were initially the Chair and you still are the Chair today. What sort of challenges did you face?

RL: The challenges are just running a foundation. There are a lot of legal and tax implications that you just have to become aware of. And it's learning as you grow, I'd say. We continue to learn and evolve the foundation based on the size of our family, and as our family grows and more generations enter the business. Back in the early days, I said that maybe starting the foundation was a bit ahead of our time in the early days. It was because a lot of the G2s were just in the prime of their career, starting their careers, having young families. So it was a matter of balancing the work part of it and the philanthropic part of it. And as we grew, I'd say the pain point was becoming less about a cheque-writing foundation and more involved in giving back and giving back can include time, talent, and money.

So that might involve sitting on a board yourself, getting involved in other charitable initiatives somehow – just by getting involved. It could be sitting on a committee for a gala

and also just going on those tours and building those relationships with our charitable partners.

AB: Sabrina, were each of you given an opportunity to voice what areas you wished the foundation to focus on?

Sabrina Favaro (SF): That was actually done as an activity during one of our family assemblies, and we had some poster paper up on the walls so we could all write down something that we felt that we wanted to include in our charitable giving. And then from there we narrowed it down, and we also had the opportunity to, at that point, volunteer if there was anything that we wanted to be participating in a bit more closely.

RL: Yeah, Angela, when we sat back and decided in 2015 – as more G3s were coming into the business and our family was expanding – that was the good time to sit back and do that values exercise to make sure that we were all aligned and on the same page with our giving. And it was a great exercise. We came up with the four focus areas that we... buckets, we call them, and it went beyond what we were already doing. We were heavily invested in health care, which was great, but our vision and our goals were so broad. It was very hard to say no to ones that might not have been as much of a fit.

And so that other bucket, when we came back down to those basically three or four strategic areas that the family all align to, if there were some areas that a family member cared about, but it didn't make it to the priority list of the foundation, we offered a family matching program – where if the family member put in some of their own money, put up their own money towards a cause that they truly believed in, then the foundation would match that up to \$10,000.

And that just created more engagement, and it showed everybody that even if what you value didn't make it to the top priorities of the foundation, it's still important to be involved in that and to give, and we would match that. That was a matching program.

AB: So this was not an overnight process. I imagine this review took some time.

Thomas Longo (TL): Correct, yeah. It was definitely a journey and started in about 2015, 2016, where, with the help of a

facilitator, Gwen Harvey from Bridgewater, we sat down as a family assembly and were able to look at what the foundation supported in the past. So primarily being, as Rosanne mentioned, healthcare and women and children initiatives and charities. We were able to sit down and say, "Okay, what's important to the family today?" as we evolved with more G3 participation and were able to align on the four buckets as mentioned. And the foundation meets quarterly, so we took that information and were able to fine tune it and provide it back to the larger group for additional feedback. And that's what led to our strategic vision today in terms of what areas we participate in. And then, again, as mentioned, we did carve out a small percentage for other buckets. And that really came into play this year with the pandemic, especially in some of the hospitals in the GTA that had matching programs that we felt strongly that the business and the foundation should participate in.

So we were able to do that this past year as well. So, definitely a great exercise in terms of sitting down as a foundation and as a larger group in the assembly to have these strategic areas. But it definitely didn't happen overnight.

AB: And have you seen in fact, a greater uptake across the family members? Thomas, have you – and in terms of participation and the giving and events?

TL: I'd say overall in the last five years or so, the participation in the foundation has improved, and it really stemmed from the strategic exercise that we took part in.

AB: Yeah, you were able to provide your input and in the values and priorities, and so there was a stronger affiliation or sense of accountability as well, so it's very good to see. Sabrina, I'd like to talk to you about whatever you've learned through your involvement and being involved in the foundation. So, you work in the healthcare field. You work closely with long-term care facilities. What do you think you brought to this role as a trustee at large?

SF: I think that in my experience, working in long-term care, and I had also worked briefly in children's services, I'm coming from the perspective of a service provider. And having a deeper understanding of how the nonprofit organizations operate and their needs and challenges helped me when coming into my role in the foundation. But I also

have learned a lot from being part of the foundation, especially from Rosanne, taking part in conversations with other nonprofit organizations that are not in my expertise. So, for example, areas like mental health. I've been in quite a few conversations with CAMH or individuals that are talking about the mental health sector at large. So being able to see Rosanne and how she's coming from the lens of the foundation and the questions that she asks has been very beneficial for me to better prepare myself when entering into those conversations.

It's definitely been helpful for me to use Rosanne as a mentor throughout my time in the foundation. And I've also taken it, my role in the foundation, as an opportunity to learn more about finances and how the nonprofit organizations report their financial year-end reporting and things like that. So I did take a course online to learn more about how the nonprofit organizations report those sorts of things so that when we do receive a proposal, when I'm looking at those financials, I can actually have a conversation and understand those concepts at a more deeper level.

AB: That's excellent. And, Thomas, I'll ask you the same question. What do you think you brought to the role and what did you learn from it?

TL: It was almost the inverse of Sabrina. My background is in finance and formal training in the finance world as a CPA. I was almost too focused on the financials of some of our charity partners. And as we were assessing proposals and very interested in: "what's the admin rate?"; "how did the expenses look?"; "how much of the donation that we're giving is going directly to the charity need?" And with, again, with Rosanne's guidance, it was a great lesson for me in terms of learning the strategic side to say, "You know what? Not everything can be measured. And especially when it comes to impact that these charities have." So really taking a step back to see how involved the founders are and we have some criteria that I listed out to help us make those decisions.

So it was great for me to just take a step back and look at things as a larger picture. And I've carried that on into also the working environment, having, again, the finance background, but now being able to take more of a strategic lens

when it comes to some decision-making. So it's definitely great to be part of the foundation these last five, six years or so formerly.

AB: You know what I heard in both of those answers? I think I heard a big thank you to Rosanne and the other trustees for the leadership and mentorship that you've provided with many, many years of experience. I'm sure that this has been a learning curve for you as well, Rosanne, but really rewarding I think when you can pass along a lot of that learning to the next generation.

RL: Yeah, Angela, I think what's important to recognize is that it is a two-way street. There was, with the G3s coming in, more recent education/university grads, and they're coming in with a different lens. So it was about learning from each other, yeah. We had the experience, and the foundation's been run a certain way all these years, but that doesn't mean that that's the way it has to continue to be. We're always looking to grow and evolve and what the G3s were bringing in was helping us look at it from a different angle and with fresh ideas.

AB: Are you looking towards, yet, the next generation as well - in bringing on a culture of philanthropy to the G4s?

RL: Oh, absolutely. I think with each generation, we learned from the previous generation. It's just something you grew up with. So the G3s grew up alongside of us. We brought our own kids to different events, packing our Neighbor-In-Need bags at our warehouse a couple of times a year. The little G4s are being pushed around in strollers and being brought out to things like Road Hockey to Conquer Cancer and our golf tournament. So, I mean, as babies, they're not going to understand, but when they're toddlers and when they're five, six, seven years old, they're going to get a sense that there is something out there beyond our family, beyond themselves, and that it's great to help others where you can.

AB: Thanks to each of you.

SF: Thank you.

TL: Thank you.

Q&A

RL: Thanks for having us, Angela.

AB: We've now come to the part of today's session that the family was looking forward to the most, and that is answering your questions. We received the first question, Rosanne. The first one is: Do you have any staff, and when do you decide this might be necessary?

RL: That's a great question. Currently, we don't have any external staff outside of family members and the trustees – and we work with our accountants, and we've worked with outside advisors through our investment committee. So the family members that make up the trustees and the trustees at large, they're part of the investment committee and any other committees that we have: golf tournament committee, things that are run through the foundation. But a question that's sitting on our work plan is: When is the best time? I ask the question all the time at some of our women in foundations meetings – like, is it a certain size of assets, is a certain family size? At what point do you decide that you're going to bring in some staff members with a different level of expertise, or do they have to be a member of staff that are paid, or can you just put somebody on your board, invite somebody to sit on your board with a different lens and different level of expertise?

AB: Another is: How often does the family reevaluate your buckets or priority areas? Is it on a set schedule, or is it more organic a process?

RL: I'd say at this point it's probably more of an organic process. We just made that strategic plan and updated it in 2016. So I guess we are five years in. We've tried to develop a work plan that we look at quarterly and yearly. And one of those items on that work plan is to review our strategic focus areas and make sure that we're all still aligned, that they all still make sense as we go along. So we're probably coming due for that. And, again, it's an evolution, it's a work in progress, but having that work plan and tabling some items as well as items that you definitely look at quarterly and yearly, but tabling items to look at in the future. Like the question about bringing on staff. Those are all items that go into our work

plan too to look at.

AB: How do you measure the impact of your gifts?

RL: Does anybody want to–

AB: Thomas?

TL: It's still tough. It's definitely not one size fits all. I'll just say... just meeting with our charity partners, you know how much of an impact you make – seeing how thankful they are and seeing it live. We're lucky. We're a large family. We're able to go out to a lot of these charities and see it firsthand. For me, that's how you measure it is to see them, the people that are actually receiving, whether it be the service, or where the donations are. Or if it's a donation to a hospital, seeing that area in use. For me, that's how you measure, just seeing and feeling it.

AB: Sabrina, would your answer be any different within the realm of health care?

SF: It would be very similar. We have had some meetings where people from these organizations actually spoke to us and told us their stories. So when you hear about the impact that the organization that they get their resources through has on them, that changes their whole life. It's so incredible to hear. Something else for me is that since I work in the health industry, hearing other people talking about Longo's when they don't know that I am part of the Longo family is incredible to hear – about how much they appreciate our charitable givings to them specifically, and how much it improves their delivery service of care. I would say that's really impactful for me to see that impact firsthand and hear it from someone firsthand.

AB: What are three, or however many you can think of, attributes you'd suggest are required for a successful family foundation? If there are three of you, I can potentially ask each of you for a contribution here.

RL: I'd say for the first one it's a passion, a passion for the cause. Most definitely because at the end of the day, we try to be, I think I mentioned it earlier, less about cheque writing. But when you can get involved on all the levels with providing monetary funding, of course, when you can provide your time, for donor events or sitting on the board, anything like

that, getting involved, you really see the impact of an organization. But if you don't have that passion for the cause, then it really is just about cheque writing and funding the cause. And there's absolutely nothing wrong with that as well. But when you combine that time, talent, and funding, it just becomes more holistic. And it is very rewarding at the end of the day.

AB: A passion.

RL: That was the only one guys, so if you come up with the other two.

TL: I'd say, communication as well. I know it's a given, but just having strong communication in the foundation and having a strong leader – like, we're lucky with Ro as our Chair on the foundation, but just keeping everyone organized: *this is what's coming up; this is how much money we have in the budget; this is how much we're over budget*, and so on. So, yeah, having that constant communication. It just keeps the foundation top of mind for everyone to get involved.

SF: Yeah. I would agree with Thomas and with that, I would also say collaboration. So really listening to one another and hearing everyone's perspective, I think is really important.

AB: Those are good answers. Here's another one, more so on relationships with your funding partners: When you start to donate to a charity, does your support usually continue for many years? How is support for an individual charity man-

aged over time?

RL: That's a really good question.

AB: It is.

RL: Like the business that we're in and the grocery business, it's a people business and it's about building relationships. And when you do build those relationships with the charities, you get to know the people who run them, which can demonstrate the impact that they have. And you see if they're passionate about the business they're in, if they go to bat for the families that they serve. If there's a lot of turnover in an organization and you see people just hopping from one organization to another... I really like to see that longevity and that dedication to an organization.

AB: Well on that...

RL: Like somebody said at the beginning, sorry, go ahead.

AB: No, no, no.

RL: I think like somebody said at the beginning: There's no one size fits all. You take those learnings, and every foundation is different, and every family has their different needs at the time, based on the size of the family and the size of their foundation. So, you take those learnings and maybe apply the best practices to how they will suit your foundation. ■

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