

HEPATITIS C
CLASS ACTION SETTLEMENT
1986-1990

YEAR 16

REPORT OF THE JOINT COMMITTEE
FOR THE PERIOD ENDING DECEMBER 31, 2015

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January 1, 1986 to July 1, 1990
HEPATITIS C
CLASS ACTION SETTLEMENT

YEAR 16

REPORT OF THE JOINT COMMITTEE
FOR THE PERIOD ENDING DECEMBER 31, 2015

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January 1, 1986 – July 1, 1990
HEPATITIS C CLASS ACTION SETTLEMENT

EXECUTIVE SUMMARY

1. The 1986-1990 Hepatitis C Settlement (the “**Settlement**”) completed its sixteenth year of operations on December 31, 2015.
2. In 2015, the Administrator received 236 new claims as follows:
 - 13 Primarily Infected Transfused Claims
 - 3 Primarily Infected Hemophiliac Claims
 - 177 Family Member Transfused Claims
 - 42 Family Member Hemophiliac Claims
 - 1 Secondarily Infected Hemophiliac Claim

The Administrator did not receive any Secondarily Infected Transfused Claims. New claims increased by almost 32% over the prior year.¹ As of December 31, 2015, the Administrator had approved 48 claims under the Recent HCV Diagnosis court approved protocol exception to the First Claim Deadline of June 30, 2010 (“**First Claim Deadline**”) and 29 claims under the other court approved protocol exception to the First Claim Deadline. In addition, as of December 31, 2015, the Administrator had received 250 claims following the First Claim Deadline that do not fall within the existing court approved protocols.

3. In 2015, the Administrator approved payments to new and existing approved claimants of approximately \$52.6 million, which was about 13% more than in the previous year and about 52% more than in 2013.² Since its inception, the Administrator has paid out a total

¹ In 2014, 179 new claims were received. In 2013, 212 new claims were received.

² In 2014, it was approximately \$46.6 million. In 2013, it was approximately \$34.6 million.

of approximately \$875.8 million³ in benefits in response to approximately 14,182 approved claims.

4. Financial Statements of the 1986-1990 Hepatitis C Trust Fund (the “**Trust Fund**”) attached at **Schedule A** indicate \$1.121 billion in assets held by the Trustee and a total unpaid liability of the provincial governments of about \$133.7 million for a total available to satisfy the claims of class members of about \$1.255 billion as at December 31, 2015.
5. During 2015, there was a 2.69% return on the total invested assets held by the Trustee, which was a substantial decrease over the prior year.⁴ This was mainly due to modest returns on the Government of Canada real return bonds that comprise the vast majority of assets. The total invested assets decreased by about \$9.6 million or 0.85% net of payments out.⁵
6. Expenses for administration of the Settlement for 2015 totalled approximately \$4.3 million for all service providers, which is about a 35% increase over the previous year.⁶

OVERVIEW

7. This is the sixteenth Annual Report of the Joint Committee to the Supreme Court of British Columbia, the Superior Court of Justice for Ontario, and the Superior Court of Quebec (collectively, the “**Courts**”) on the status of the Settlement and the administration of the Hemophiliac HCV Plan and Transfused HCV Plan (collectively, the “**Plans**”).
8. In 2015, the Joint Committee was comprised of J.J. Camp, Q.C., Michel Savonitto, Harvey T. Strosberg, Q.C., and Kathryn Podrebarac. Mr. Camp was appointed by

³ This amount includes payments of about \$21.4 million to HIV secondary claimants.

⁴ In 2014, the overall return on invested assets was 13.58%. In 2013, the overall return on invested assets was -2.8%

⁵ In 2014, the invested assets increased by about 9.8% net of payments out. In 2013, the invested assets decreased by 5.2% net of payments out.

⁶ In 2014, the administration expenses totalled approximately \$3.2 million. In 2013, the administration expenses totalled approximately \$3.1 million.

Order of the Supreme Court of British Columbia. Mr. Savonitto was appointed by the Order of the Superior Court of Quebec. Mr. Strosberg was appointed by Order of the Superior Court of Justice for Ontario. Ms. Podrebarac was appointed by Orders of each of the Courts.

9. The activities of the various service providers to the Settlement are discussed under the appropriate headings below and/or in their attached reports.
10. The budgeting process for 2015 commenced in late 2014 and annual budget approval orders were obtained from the Courts in January and February 2015. Below, the actual fees and disbursements of each service provider supervised by the Joint Committee is reconciled to their approved budget.

2015 EXPENSES

11. The expenses to the Settlement for the various service providers for 2015 are set out below.
12. The total expenses of the service providers supervised by the Joint Committee for general work (not including financial sufficiency review matters) for 2015 is \$1,629,305.30 (exclusive of taxes). Service providers were generally at or under budget on general work. However, the activities adjustment provision in Crawford Class Action Services' contract was triggered by the high volume of claims activities in 2015 and RBC Investor Services Inc.'s fees were also higher than budgeted due to transactional volumes.
13. The following chart summarizes the budget versus actual expenses for 2015 for the service providers supervised by the Joint Committee for general services (exclusive of applicable taxes).

Service Provider	2015 Budget	2015 Actual	Variance from Budget	Note
Crawford Class Action Services Administration Contract	\$638,932.00	\$638,932.00	0	See paras. 35 to 38 and Tab G and H
Activity Level Adjustment	As incurred	\$56,157.78		
Third Party Expenses	As incurred	\$1,372.25		
Appeal Expenses	As incurred	\$3,522.79		
Special Projects	\$50,000.00	\$42,150.00	(\$7,850.00)	
Deloitte LLP Audit, financial statements (exclusive of travel expenses)	\$91,592.00	\$91,592.00	0	See paras. 17 to 20 and Tab A
Special Projects	\$35,000.00	0	(\$35,000.00)	
RBC Investor Services Trustee Services	\$110,000.00	\$113,741.35	\$3,741.35	See paras. 21 to 24 and Tab B
TD Asset Management Inc. Investment Services	\$220,000.00	\$212,061.83	(\$7,938.17)	See paras. 25 to 28 and Tab C and D
Eckler Ltd. Actuarial Services & Investment Review	\$50,000.00	\$25,123.00	(\$24,877.00)	See paras. 29 to 34 and Tab E and F
Special Projects	\$25,000.00	\$5,247.00	(\$19,753.00)	
PriceWaterhouseCoopers LLP Income Loss annual computer programming update	\$10,000.00	\$9,284.00	(\$716.00)	See paras. 39-40
Paula Frederick/ Cohen Hamilton Steger Inc. Specialized Income Loss analysis	\$30,000.00	\$10,091.25	(\$19,908.75)	See paras. 41-42
Joint Committee Regular administration and supervision work				See paras. 47 to 51 and Tabs I and J
Fees	\$600,000.00	\$378,090.75	(\$221,909.25)	
Disbursements	\$50,000.00	\$41,909.46	(\$8,090.54)	

14. The following other service providers provided services in 2015 and were paid the following amounts (exclusive of taxes) pursuant to applicable orders or the tariff approved by the Courts.

Service Provider	Actual 2015	Note
Fund Counsel		See paras. 52 to 57 and Tab K
Fees	\$239,143.50	
Disbursements	\$6,849.75	
Arbitrators and Referees		See paras. 58 to 60 and Tab L
Fees	\$30,442.50	
Disbursements	\$781.05	
Court Monitor		See paras. 61-62
Fees	\$12,345.00	
Disbursements	\$696.76	

15. In 2015, the following service providers performed services in connection with the financial sufficiency review triggered on December 31, 2013 (the “**2013 Financial Sufficiency Review**”). The services required to prepare for the allocation hearings in respect of the Financial Sufficiency Review exceeded the scope of what was initially contemplated and, as such, the actuals exceeded budget as detailed below:

Service Provider	Budget 2015	Actual 2015	Variance from Budget	Note
Medical Model Working Group Potential consulting to actuaries and/or providing testimony in 2015 with respect to the 2013 Financial Sufficiency Review hearing	\$50,000.00	0	(\$50,000.00)	
Eckler Ltd.				See para. 33
Fees	\$487,000.00	\$600,614.00	\$113,614.00	
Disbursements		\$1,638.00		
Joint Committee				See paras. 49 and Tabs I and J
Fees	\$750,000.00	\$1,025,671.50	\$275,671.50	
Disbursements	\$50,000.00	\$90,074.65	\$40,074.65	

16. As noted above, the total expenses for administration in 2015 totalled approximately \$4.3 million for all service providers.

DELOITTE LLP

17. Deloitte LLP (“**Deloitte**”) was appointed auditor of the Trust Fund pursuant to orders of the Courts.
18. In addition to the audit of the Trust Fund, Deloitte prepares the financial statements on behalf of the Joint Committee. Attached as **Schedule A** is a copy of the Financial Statements prepared and audited by Deloitte.
19. The Courts approved a budget for Deloitte for the audit and financial reports for 2015 of \$91,592.00 plus travel expenses and taxes. The total amount invoiced by Deloitte for these services of \$91,592.00 plus taxes and travel costs of \$1,040.55 was submitted for payment pursuant to the 2015 budget approval orders.
20. The special projects budget of \$35,000 approved for Deloitte for 2015 was not expended.

RBC INVESTOR SERVICES

21. In 2005, RBC Investor Services (“**RBC**”) was appointed successor Trustee of the Trust Fund pursuant to the orders of the Courts, on the same terms and conditions under which Royal Trust was originally appointed.
22. Attached as **Schedule B** is a Report from RBC of its Custodial Trustee activities in the year ended December 31, 2015.
23. The Courts approved a budget for RBC for 2015 of \$110,000.00. That amount was paid pursuant to the 2015 budget approval orders. The actual fees charged by RBC for 2015 were \$113,741.35.
24. RBC’s fees are derived from the amount of assets under administration, the volume of payment transactions it processes and reporting charges. The overage of \$3,741.35 was due to increased transactional volumes. The Joint Committee recommends approval of these charges.

TD ASSET MANAGEMENT INC.

25. TD Asset Management Inc. (“**TDAM**”) was appointed Investment Manager of the Trust Fund pursuant to the Orders of the Courts.
26. Attached as **Schedule C** is the Confirmation that TDAM has complied with the court approved Investment Guidelines.
27. The Courts approved a budget for TDAM for 2015 of \$220,000.00 plus taxes. The actual charge by TDAM was \$212,061.83 plus applicable taxes. That amount was paid pursuant to the 2015 budget approval orders.
28. Attached as **Schedule D** is the Portfolio Review of the Trust Fund assets.

ECKLER LTD.

29. Eckler Ltd. (“**Eckler**”) was retained initially by Class Counsel and subsequently by the Joint Committee to provide actuarial advice in respect of the Trust Fund.
30. Eckler has also provided advice to the Joint Committee in respect of investments on an as needed basis since the resignation of the Investment Consultants in 2005.
31. Attached as **Schedule E** is the Report of Eckler regarding its activities during 2015.
32. Attached as **Schedule F** is an Investment Summary provided by Eckler.
33. The Courts approved an annual budget for Eckler’s actuarial and investment review services of \$50,000.00 plus travel expenses and taxes for 2015 and a special projects budget of \$25,000.00. Eckler’s actual charges for these services in 2015 were \$25,123.00 plus taxes, which was under budget. Only \$5,247.00 of the special projects budget was expended in 2015 for work relating to the duration matching of assets and liabilities of the trust. All of these charges were paid on approval of the Joint Committee pursuant to the 2015 budget approval orders.

34. For 2015, the Courts approved a financial sufficiency budget for Eckler of \$487,000.00 plus disbursements and taxes. Eckler's actual accounts for financial sufficiency work total \$600,614.00 plus taxes for fees and disbursements of \$1,638.00. The overage was due to additional work the Joint Committee requested Eckler to perform in connection with costing various enhanced benefits that were considered by the Joint Committee in connection with the fund sufficiency allocation hearings as well as consultations held between Eckler and Canada's actuary with a view to enhancing each other's understanding and narrowing differences where appropriate. Eckler's accounts up to the approved budgeted amount were paid on approval of the Joint Committee pursuant to the 2015 budget approval orders. The Joint Committee is of the view that the budget overrun was for work that was appropriate and valuable to the financial allocation motions and the Joint Committee recommends approval of these charges.

CRAWFORD CLASS ACTION SERVICES

35. Crawford Class Action Services ("**Crawford**") was appointed Administrator by orders of the Courts in March 2000. In 2014, the Courts approved an extension of Crawford's appointment and renewal of the administration contract to the end of 2016.
36. The Report of the Administrator is attached as **Schedule G**.
37. The budget for Crawford provides for a flat administration fee subject to adjustment in the event that certain activity levels increase or decrease by more than 10% per annum, as applicable. In addition to the flat fee subject to adjustments, there is a flow-through of certain out-of-pocket expenditures incurred by the Administrator relating to appeals and expert reports. A special projects budget of \$50,000 was also approved for 2015 to cover costs associated with providing notice to class members and family class members about the financial sufficiency allocation hearings.
38. **Schedule H** is the Payment Reconciliation for Crawford for 2015. It reflects payments to Crawford in accordance with its budget as well as additional charges of \$116,619.19 comprised of an activity level adjustment of \$56,157.78 (plus taxes), third party expenditures of \$1,372.25 (plus taxes), flow-through costs for appeals of \$3,522.79 (plus

taxes), and \$42,150 (plus taxes) in connection with the notice campaign. The activity level adjustment is largely due to greater than expected/budgeted activity levels in respect of claims for uninsured medications, loss of services, cost of care and out-of-pocket expenses, as well as higher than expected call volumes following the notice campaign. The Joint Committee recommends approval of these charges.

PRICEWATERHOUSECOOPERS LLP

39. PriceWaterhouseCoopers LLP provides annual updates for tax calculations on software used to calculate income loss, software maintenance for the software used to calculate loss of income claims, and separate software used to calculate and track loss of income payment caps and holdbacks, and advice, assistance and training to the Administrator with respects to both types of software.
40. The budget approved by the Courts for PriceWaterhouseCoopers LLP for 2015 was \$10,000.00 (exclusive of taxes). The actual amount charged to the Trust Fund by PriceWaterhouseCoopers LLP was \$9,284.00 (exclusive of taxes). It was paid on approval of the Joint Committee pursuant to the 2015 budget approval orders.

COHEN HAMILTON STEGER INC.—PAULA FREDERICK

41. Cohen Hamilton Steger Inc. was retained by the Administrator to provide expert accounting services in respect of complex loss of income claims and appeals. Paula Frederick is responsible for this work.
42. The budget approved for Ms. Frederick's services in 2015 was \$30,000.00. Ms. Frederick's actual fees were \$10,091.25 (exclusive of taxes). These fees were paid on approval of the Joint Committee pursuant to the 2015 budget approval orders.

CANADIAN BLOOD SERVICES

43. The efficient and effective conduct of tracebacks is a crucial component of the administration of the Plans. Canadian Blood Services (“CBS”) provides the tracebacks required under the Plans in all provinces but Quebec.
44. In the last several years, the demand for and costs of such tracebacks has reduced significantly. A budget was not sought for CBS for traceback services for 2015 and no expenses were incurred. Similarly, the Joint Committee did not seek a budget for CBS for 2016.

HÉMA-QUÉBEC

45. Héma-Québec provides the tracebacks required under the Plans in Quebec. No budget was sought for Héma-Québec for 2015 as it advised that due to the limited number of traceback requests expected it would in the first instance finance the cost and seek reimbursement at year end if the costs incurred were significantly higher than anticipated.
46. Héma-Québec has advised that it does not seek to be reimbursed for the costs it incurred in 2015.

JOINT COMMITTEE

47. A Summary Report of the work of the Joint Committee in 2015 is set out in **Schedule I**. As described below, the Joint Committee receives a budget for general administration and supervision services work and separate budget for financial sufficiency work.
48. The budget for the Joint Committee for general administration and supervision services work for 2015 was \$600,000.00 for fees and \$50,000.00 for disbursements, exclusive of taxes. The Joint Committee’s actual fees in 2015 for this work were \$378,090.75 exclusive of taxes, which was under budget by \$221,909.25, and its actual disbursements were \$41,909.46, which was under budget by \$8,090.54.

49. Concerning financial sufficiency, for 2015, the Courts approved a financial sufficiency budget for the Joint Committee of \$750,000.00 plus taxes and disbursements of \$50,000.00 plus taxes. The Joint Committee's actual fees for financial sufficiency for 2015 were \$1,025,671.50 exclusive of taxes, which was over budget by \$275,671.50, and its actual disbursements were \$90,074.65, which was over budget by \$40,074.65. The overage was largely due to additional work undertaken by the Joint Committee in relation to class member consultation sessions held across the country, greater than expected ongoing communications with class members in connection with the allocations hearings, consideration of various proposed benefits for class members and family class members, and working with Eckler to cost these benefits and Crawford to determine the cost of administering them. The amount of fees by which the Joint Committee was over budget for financial sufficiency work was largely offset by the amount by which it was under budget for general administration and supervisory work.
50. In addition, in 2015, fees and disbursements totaling \$228,974.39 were incurred relating to the Ontario Court of Appeal and applications for leave to appeal to the Supreme Court of Canada (from the decisions of the Courts of Appeal for British Columbia and Ontario) in respect of the jurisdiction of the supervisory Courts to sit together to conduct joint hearings in connection with the Settlement.
51. All accounts were submitted to the Courts for approval before being paid. A detailed summary by jurisdiction of the fees and disbursements incurred by the Joint Committee and class counsel, as approved by the Courts, is set out in **Schedule J**.

FUND COUNSEL

52. John Callaghan and Belinda Bain were appointed as Fund Counsel in the Ontario Class Actions by Order of the Superior Court of Justice for Ontario. Mason Poplaw was appointed Fund Counsel in Quebec Class Actions by Order of the Quebec Superior Court. In 2014, Gordon Kehler was appointed Fund Counsel in the B.C. Class Actions by Order of the Supreme Court of British Columbia, replacing William Ferguson.
53. Attached as **Schedule K** is the Report of Fund Counsel on their activities and their fees incurred in 2015.
54. In 2015, the following appeals were dealt with in each jurisdiction:

2015 Appeal Status Report	ON⁷	BC	QUE	Total
Appeals received	3	0	0	3
Appeals completed	2	0	0	2
Appeals withdrawn	0	0	0	0
Denials rescinded	0	0	0	0
Appeals mediated	0	0	0	0
Requests for Judicial confirmation	0	0	0	0
Judicial decisions	0	0	0	0
Appeals pending (including appeals sent back to Referees)	18	3	0	21

55. Fund Counsel estimates that the volume of appeal work in 2016 will either remain the same or decrease slightly depending on the number of appeals raising complex issues requiring expert evidence.
56. In 2015, Fund Counsel also participated in the appeals in the Ontario Court of Appeal and the leave to appeal application to the Supreme Court of Canada pertaining to the jurisdiction of the three supervising Courts to sit together to conduct joint hearings.

⁷ Ontario covers all provinces and territories other than Quebec and British Columbia.

57. In 2015, Fund Counsel fees were \$239,143.50, an 83% increase over the previous year,⁸ and disbursements were \$6,849.75 exclusive of taxes. All accounts for Fund Counsel were submitted to the appropriate Court for approval before payment.

REFEREES AND ARBITRATORS

58. Referees and Arbitrators were appointed for each jurisdiction by Court orders. In Quebec, since the resignation of the last appointed arbitrator, a new appointment has not yet been sought due to the absence of appeals in that jurisdiction.
59. A Summary Report of the work of the Referees and Arbitrators as well as the fees incurred for 2015 is set out in **Schedule L**.
60. In 2015, the fees for Arbitrators and Referees were \$30,442.50 and the disbursements were \$781.05 exclusive of taxes. Accounts for the Arbitrators and Referees are paid based upon the tariff set by the Courts.

THE MONITOR

61. Luisa Ritacca of Stockwoods was appointed as Monitor by order of the Ontario Superior Court in 2013 and by order of the Supreme Court of British Columbia in 2014.
62. In 2015, the fees of the Monitor were \$12,345.00 exclusive of taxes and the disbursements were \$696.76 exclusive of taxes. Accounts for the Monitor are paid based on court order.

2016 BUDGETS

63. The chart on the following page compares the approved budgets for service providers in 2016 to their previous budgets:

⁸ In 2014, the total fees were \$130,843.00.

Service Provider	2015 Budget	2016 Budget	Payment Methodology
Crawford Class Action Services (subject to adjustment for appeal and third party expenses and increase or decrease of certain measurable activities by more than 10% per annum)	\$638,932.00	\$622,631.00	\$51,885.92 monthly
Special Projects	\$50,000.00	\$50,000.00	subject to approval by the JC
Deloitte LLP Audit, financial statements (exclusive of travel expenses)	\$91,592.00	\$91,592.00	\$7,632.67 monthly
Special Projects	\$35,000.00	none requested	subject to approval by the JC
RBC Investor Services Trustee Services	\$110,000.00	\$125,000.00	up to \$10,416.67 monthly
TD Asset Management Inc. Investment Services	\$220,000.00	\$215,000.00	up to \$17,916.67 monthly
Eckler Ltd. Actuarial Services and Investment Review (exclusive of disbursements)	\$50,000.00	\$50,000.00	
Special Projects	\$25,000.00	\$25,000.00	
Financial Sufficiency Review Fees	\$487,000.00	\$256,000.00	all subject to approval by the JC
Disbursements	0	\$6,000.00	
PriceWaterhouseCoopers LLP Income Loss annual computer programming update	\$10,000.00	\$10,000.00	subject to approval by the JC
Paula Frederick/Cohen Hamilton Steger Specialized Income Loss and analysis	\$30,000.00	\$30,000.00	subject to approval by the JC
Joint Committee Regular administration and supervision work			
Fees	\$600,000.00	\$600,000.00	
Disbursements	\$50,000.00	\$50,000.00	
Financial Sufficiency Review Fees	\$750,000.00	\$750,000.00	all subject to Court order
Disbursements	\$50,000.00	\$75,000.00	
Special Projects	0	\$25,000.00	

Dated: July 26, 2016 Kathryn Podrebarac
for: J.J. Camp, Q.C.
Camp Fiorante Matthews Mogerman

Dated: July 26, 2016 Kathryn Podrebarac
for: Michel Savonitto
Savonitto & Ass. Inc.

Dated: July 26, 2016 Kathryn Podrebarac
for: Harvey T. Strosberg, Q.C.
Sutts, Strosberg LLP

Dated: July 26, 2016 Kathryn Podrebarac
Kathryn Podrebarac
Podrebarac Barristers
Professional Corporation

*Proprietary, personal and financially sensitive information has been excluded from the publicly-disclosed copies of this report.

TAB A

Financial statements of
États financiers du

The 1986 - 1990 Hepatitis C Fund

Fonds Hépatite C 1986 - 1990

December 31, 2015
31 décembre 2015

The 1986 - 1990 Hepatitis C Fund

December 31, 2015

Fonds Hépatite C 1986- 1990

31 décembre 2015

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Independent Auditor's Report

To the Joint Committee of the
1986 - 1990 Hepatitis C Fund

We have audited the accompanying financial statements of the 1986 - 1990 Hepatitis C Fund (the "Fund"), which comprise the statement of financial position as at December 31, 2015, and the statements of operations and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Rapport de l'auditeur indépendant

Au comité mixte du
Fonds Hépatite C 1986 - 1990

Nous avons effectué l'audit des états financiers ci-joints du Fonds Hépatite C 1986 - 1990 (le « Fonds »), qui comprennent l'état de la situation financière au 31 décembre 2015, et les états des résultats et des flux de trésorerie de l'exercice clos à cette date, ainsi qu'un résumé des principales méthodes comptables et d'autres informations explicatives.

Responsabilité de la direction pour les états financiers

La direction est responsable de la préparation et de la présentation fidèle de ces états financiers conformément aux Normes comptables canadiennes pour les organismes sans but lucratif, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Responsabilité de l'auditeur

Notre responsabilité consiste à exprimer une opinion sur les états financiers, sur la base de nos audits. Nous avons effectué nos audits selon les normes d'audit généralement reconnues du Canada. Ces normes requièrent que nous nous conformions aux règles de déontologie et que nous planifions et réalisons l'audit de façon à obtenir l'assurance raisonnable que les états financiers ne comportent pas d'anomalies significatives.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états financiers. Le choix des procédures relève du jugement de l'auditeur, et notamment de son évaluation des risques que les états financiers comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. Dans l'évaluation de ces risques, l'auditeur prend en considération le contrôle interne de l'entité portant sur la préparation et la présentation fidèle des états financiers afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'entité. Un audit comporte également l'appréciation du caractère approprié des méthodes comptables retenues et du caractère raisonnable des estimations comptables faites par la direction, de même que l'appréciation de la présentation d'ensemble des états financiers.

Nous estimons que les éléments probants que nous avons obtenus lors de nos audits sont suffisants et appropriés pour fonder notre opinion d'audit.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP / S.E.N.C.R.L. / S.N.L.

Chartered Professional Accountants
Licensed Public Accountants

April 12, 2016

Opinion

À notre avis, ces états financiers donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière du Fonds au 31 décembre 2015, ainsi que de ses résultats d'exploitation et de ses flux de trésorerie pour l'exercice clos à cette date conformément aux Normes comptables canadiennes pour les organismes sans but lucratif.

Comptables professionnels agréés
Experts-comptables autorisés

Le 12 avril 2016

The 1986 - 1990 Hepatitis C Fund

Statement of financial position
as at December 31, 2015
(in thousands of dollars)

Fonds Hépatite C 1986 - 1990

État de la situation financière
au 31 décembre 2015
(en milliers de dollars)

	2015	2014	
	\$	\$	
Assets			Actif
Current assets			Actif à court terme
Cash	87	-	Encaisse
Investments (note 3)	1,118,693	1,128,287	Placements (note 3)
Contributions receivable	2,155	1,724	Apports à recevoir
	1,120,935	1,130,011	
Liabilities			Passif
Current liabilities			Passif à court terme
Accounts payable and accrued liabilities	1,528	764	Créditeurs et charges à payer
Accrued claims in process of payment	5,943	4,992	Demandes accumulées en cours de paiement
Funding held for future expenses (note 4)	1,113,464	1,124,255	Financement pour charges futures (note 4)
	1,120,935	1,130,011	

Approved by the Joint Committee of
The 1986 - 1990 Hepatitis C Fund

Au nom du Comité mixte du Fonds
Hépatite C 1986 - 1990

K. Podubarae

gg Camp per: K Podubarae

Harvey Strasberg per: K Podubarae

Michel Saronitto per: K Podubarae

The 1986 - 1990 Hepatitis C Fund

Statement of operations
year ended December 31, 2015
(in thousands of dollars)

Fonds Hépatite C 1986 - 1990

État des résultats
de l'exercice clos le 31 décembre 2015
(en milliers de dollars)

	2015	2014	
	\$	\$	
Expenses			Dépenses
Claims (note 5)	52,552	46,336	Demandes (note 5)
Operating (note 6)	4,293	3,172	Frais d'exploitation (note 6)
	56,845	49,508	
Revenue	56,845	49,508	Revenus
Excess of revenue over expenses	-	-	Excédent des revenus sur les dépenses

The 1986 - 1990 Hepatitis C Fund

Statement of cash flows
year ended December 31, 2015
(in thousands of dollars)

Fonds Hépatite C 1986 - 1990

État des flux de trésorerie
de l'exercice clos le 31 décembre 2015
(en milliers de dollars)

	2015	2014	
	\$	\$	
Operating activities			Activités d'exploitation
Excess of revenue over expenses	-	-	Excédent des revenus sur les dépenses
Items not affecting cash			Éléments sans incidence sur l'encaisse
Realized gains on investments	(125)	(119,396)	Gains réalisés sur placements
Change in unrealized gains and losses on investments	(7,234)	6,737	Variation des gains et pertes non réalisés sur placements
	(7,359)	(112,659)	
Changes in non-cash operating working capital items			Variation nette des éléments hors caisse du fonds de roulement d'exploitation
Contributions receivable	(431)	96	Apports à recevoir
Accounts payable and accrued liabilities	764	(425)	Créditeurs et charges à payer
Accrued claims in process of payment	951	(265)	Demandes accumulées en cours de paiement
Funding held for future expenses	(10,791)	101,632	Financement pour charges futures
	(16,866)	(11,621)	
Investing activities			Activités d'investissement
Purchase of investments	(94,964)	(397,900)	Acquisition de placements
Proceeds on sale of investments	111,917	409,521	Produits de la vente de placements
	16,953	11,621	
Net cash inflow	87	-	Augmentation de l'encaisse
Cash, beginning of year	-	-	Encaisse au début
Cash, end of year	87	-	Encaisse à la fin

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements
December 31, 2015

Fonds Hépatite C 1986 - 1990

Notes complémentaires
31 décembre 2015

1. Description of the Fund

The 1986 - 1990 Hepatitis C Fund (the "Fund") was established to hold and invest funds and administer their payment as compensation to claimants who qualify as class members, all pursuant to the terms of the January 1, 1986 - July 1, 1990 Hepatitis C Settlement Agreement (the "Agreement") made as of June 15, 1999 and the Judgments of the Supreme Court of British Columbia, Superior Court of Justice for Ontario and Superior Court of Quebec (the "Courts").

The maximum obligations to the Fund established as at January 10, 2000 were \$1.203 billion, shared between the Government of Canada (72.7273%) and the governments of the provinces and territories (27.2727%), plus interest accruing thereafter on the unpaid obligations. The Government of Canada has made contributions to the Fund, which totally satisfy its obligation to the Fund. The provincial and territorial governments are required to contribute as and when required for payment of their share of expenses. Provinces and territories may elect to prepay their contributions. As at December 31, 2015, the provinces and territories prepaid contributions total \$13,000 (2014 - \$14,000). To the extent provinces and territories do not prepay their contributions, interest is calculated on their outstanding obligations at treasury bill rates applied quarterly. As at December 31, 2015, those obligations including interest are estimated to be \$133,670,000 (2014 - \$148,247,000).

The operations of the Fund are subject to various reviews and approvals by the Courts.

The Fund is a trust that is exempt from income tax under the Income Tax Act.

2. Significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

1. Description du Fonds

Le Fonds Hépatite C 1986 - 1990 (le « Fonds ») a été constitué dans le but de conserver et d'investir des fonds et de gérer leur versement sous forme d'indemnités aux requérants admissibles comme personnes inscrites au recours collectif, conformément aux modalités de l'entente de règlement relative à l'hépatite C pour la période allant du 1^{er} janvier 1986 au 1^{er} juillet 1990 (l'« entente »), datée du 15 juin 1999, et aux décisions de la Cour suprême de la Colombie-Britannique, de la Cour supérieure de justice de l'Ontario et de la Cour supérieure du Québec (les « tribunaux »).

Au 10 janvier 2000, les obligations maximales revenant au Fonds s'élevaient à 1,203 milliards de dollars, et elles étaient partagées entre le gouvernement du Canada (72,7273 %) et les gouvernements provinciaux et territoriaux (27,2727 %), plus les intérêts cumulés par la suite sur les obligations impayées. Le gouvernement du Canada a versé des apports au Fonds, lesquels règlent entièrement son obligation envers le Fonds. Les gouvernements provinciaux et territoriaux sont tenus de verser des apports pour régler leur part des charges au moment où elles deviennent exigibles. Les provinces et les territoires peuvent choisir de verser leurs apports à l'avance. Au 31 décembre 2015, les apports des provinces et territoires versés à l'avance totalisent 13 000 \$ (14 000 \$ en 2014). Dans la mesure où ils ne versent pas d'apports à l'avance, l'intérêt est calculé trimestriellement sur les obligations impayées aux taux des bons du Trésor. Au 31 décembre 2015, ces obligations, intérêts compris, sont estimées à 133 670 000 \$ (148 247 000 \$ en 2014).

Les activités du Fonds sont assujetties à divers examens et approbations des tribunaux.

Le Fonds est une fiducie exonérée de l'impôt sur les bénéfices en vertu de la Loi de l'impôt sur le revenu.

2. Principales méthodes comptables

Méthode de présentation

Les états financiers ont été dressés conformément aux Normes comptables canadiennes pour les organismes sans but lucratif et tiennent compte des principales méthodes comptables suivantes :

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements
December 31, 2015

Fonds Hépatite C 1986 - 1990

Notes complémentaires
31 décembre 2015

2. Significant accounting policies (continued)

Financial instruments

Financial instruments include cash, contributions receivable, investments and accounts payable and accrued liabilities and claims payable.

All financial assets and liabilities are initially recognized at fair value and subsequently they are measured at amortized cost with the exception of cash and investments which are measured at fair value.

Transaction costs

Transaction costs are expensed as incurred.

Liabilities and funding for future payments

These financial statements do not present liabilities for payments to be made to class members in future years nor the related future funding requirements of provincial and territorial governments.

Revenue recognition

The Fund follows the deferral method of accounting for contributions. Revenue is recognized as expenses are incurred and shares of such expenses are allocated to governments, as set out in the Agreement. To the extent that contributions are paid to the Fund in advance of expenses being incurred and allocated, the contributions and the investment earnings thereon are deferred and recorded as funding held for future expenses. Accordingly, the funding held for future expenses includes:

- Funding contributed in payment of the Government of Canada obligation;
- Contributions prepaid by provinces and territories, if any; and
- Investment earnings for the period.

As expenses are incurred and allocated, amounts are deducted from the balance of the funding held for future expenses and are recognized as revenue.

2. Principales méthodes comptables (suite)

Instruments financiers

Les instruments financiers comprennent l'encaisse, les apports à recevoir, les placements, créiteurs et charges à payer et les demandes accumulées en cours de paiement.

Les actifs et passifs financiers sont comptabilisés initialement à la juste valeur et sont ensuite comptabilisés au coût amorti à l'exception de l'encaisse et des placements qui sont comptabilisés à la juste valeur.

Coûts de transaction

Les coûts de transaction sont comptabilisés comme dépenses lorsqu'ils sont encourus.

Obligations et financement pour paiements futurs

Ces états financiers ne présentent aucune obligation pour des paiements futurs devant être faits aux personnes inscrites aux recours collectifs, ni aucune exigence connexe future en matière de financement des gouvernements provinciaux et territoriaux.

Constatation des revenus

Le Fonds comptabilise les apports selon la méthode du report. Les revenus sont comptabilisés à mesure que les charges sont engagées, et une tranche de ces charges est attribuée aux gouvernements, comme le prévoit l'entente. Lorsque les apports sont versés au Fonds avant que les charges ne soient engagées et réparties, les apports et le revenu de placement en découlant sont reportés et constatés à titre de financement pour charges futures. Par conséquent, le financement pour charges futures comprend ce qui suit :

- Apport sous forme de paiement de l'obligation du gouvernement du Canada;
- Apports versés à l'avance par les gouvernements provinciaux et territoriaux, le cas échéant;
- Revenus de placement de la période.

À mesure que les charges sont engagées et réparties, les montants sont déduits du solde du financement pour charges futures et comptabilisés dans les revenus.

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements
December 31, 2015

Fonds Hépatite C 1986 - 1990

Notes complémentaires
31 décembre 2015

2. Significant accounting policies (continued)

Revenue recognition (continued)

Where provincial and territorial governments have not prepaid contributions and expenses are allocated to them, such amounts are requisitioned by the Fund and are recognized directly as revenue of the Fund.

Claims

A claim is recognized as an expense in the period in which the claim approval process has been completed.

Operating expenses

Operating expenses are recorded in the period in which they are incurred. Operating expenses are subject to approval by the Courts.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include the fair value of investments and the amount of accrued liabilities. Actual results could differ from these estimates.

Foreign currency

Transactions denominated in foreign currencies are translated into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. Investments and cash balances denominated in foreign currencies are translated at the rates in effect at year-end. Resulting gains or losses from changes in these rates are included in investment earnings.

2. Principales méthodes comptables (suite)

Constatation des revenus (suite)

Lorsque les apports ne sont pas versés à l'avance par les gouvernements provinciaux et territoriaux et que des charges leur sont attribuées, ces montants leur sont demandés par le Fonds puis comptabilisés directement dans les revenus.

Demandes

Les demandes sont constatées à titre de charges dans la période au cours de laquelle le processus d'approbation des demandes a été mené à terme.

Frais d'exploitation

Les frais d'exploitation sont constatés dans la période au cours de laquelle ils sont engagés. Ils sont assujettis à l'approbation des tribunaux.

Utilisation d'estimations

Dans le cadre de la préparation des états financiers, conformément aux Normes comptables canadiennes pour les organismes sans but lucratif, la direction doit établir des estimations et des hypothèses qui ont une incidence sur les montants des actifs et des passifs présentés et sur la présentation des actifs et des passifs éventuels à la date des états financiers, ainsi que sur les montants des produits d'exploitation et des charges constatés au cours de la période visée par les états financiers. Les estimations importantes comprennent la juste valeur des placements et le montant des charges à payer. Les résultats réels pourraient varier par rapport à ces estimations.

Devises étrangères

Les opérations libellées en devises étrangères sont converties en dollars canadiens aux taux de change en vigueur aux dates auxquelles les opérations sont effectuées. Les placements et l'encaisse libellés en devises sont convertis aux taux en vigueur à la fin de l'exercice. Les gains ou les pertes de change découlant de la variation de ces taux sont inclus dans le revenu de placement.

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements
December 31, 2015

Fonds Hépatite C 1986 - 1990

Notes complémentaires
31 décembre 2015

3. Investments

Investments are summarized as follows:

	2015		2014		
	Fair value Juste valeur	Cost	Fair value Juste valeur	Cost	
	\$	\$	\$	\$	
Investment earnings receivable and cash	2,142	2,142	2,267	2,267	Revenus de placement à recevoir et encaisse
Fixed income					Titres à revenu fixe
Government of Canada	870,361	686,980	876,189	695,505	Gouvernement du Canada
Corporate	21,928	21,985	28,999	28,929	Sociétés
Provinces of Canada	12,115	12,172	13,320	13,408	Provinces du Canada
Fixed income pooled funds	59,152	51,269	59,060	51,268	Fonds communs à revenu fixe
	963,556	772,406	977,568	789,110	
Equities - Pooled Funds					Actions - Fonds communs
Canadian	65,382	59,296	73,992	59,296	Canadiens
Foreign					Étrangers
U.S.	48,531	27,673	40,383	27,673	Américains
International	39,082	31,612	34,077	31,611	Internationaux
	152,995	118,581	148,452	118,580	
	1,118,693	893,129	1,128,287	909,957	

Determination of fair value

Fixed income includes debt obligations of governments and corporate bodies paying interest at rates appropriate to the market at the date of their purchase. Bonds are recorded at prices based upon published bid prices. The fixed income portfolio's sensitivity to a change in market rates is represented by the duration of the portfolio. As at December 31, 2015, the average duration of the bonds and debentures in the portfolio, weighted on fair value, was 17.8 years (2014 - 18.2 years).

Pooled fund units are valued at prices based on the market value of the underlying securities held by the pooled funds.

Détermination de la juste valeur

Les titres à revenu fixe proviennent de titres de créance de gouvernements et de sociétés qui versent des intérêts à des taux conformes à ceux du marché à la date d'achat. Les obligations sont comptabilisées à des prix offerts publiés. La sensibilité du portefeuille de titres à revenu fixe aux variations des taux d'intérêt du marché correspond à la durée du portefeuille. Au 31 décembre 2015, la durée moyenne des obligations et des débetures du portefeuille, pondérée selon la juste valeur, était de 17,8 ans (18,2 ans en 2014).

Les fonds communs sont évalués selon la valeur marchande des titres sous-jacents détenus par les fonds communs.

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements
December 31, 2015

Fonds Hépatite C 1986 - 1990

Notes complémentaires
31 décembre 2015

3. Investments (continued)

Investment risk

Investment in financial instruments renders the Fund subject to investment risks. These include the risks arising from changes in interest rates, in rates of exchange for foreign currency, and in equity markets both domestic and foreign. They also include the risks arising from the failure of a counterparty to a financial instrument to discharge an obligation when it is due.

The Fund has adopted investment policies, standards and procedures to control the amount of risk to which it is exposed. The investment practices of the Fund are designed to avoid undue risk of loss and impairment of assets and to provide a reasonable expectation of fair return given the nature of the investments. The maximum investment risk to the Fund is represented by the fair value of the investments.

a) Foreign currency risk

Foreign currency exposure arises from the Fund's holdings of non-Canadian denominated investments, as follows:

3. Placements (suite)

Risque de placement

Les placements dans des instruments financiers placent le Fonds face à des risques liés aux placements. Ceux-ci incluent les risques provenant des variations dans les taux d'intérêts, dans les taux de conversion de devises et dans le marché boursier, national et international ainsi que ceux provenant du danger éventuel qu'une des parties engagées par rapport à un instrument financier ne puisse faire face à ses obligations.

Le Fonds a adopté des politiques, des normes et des méthodes pour contrôler le niveau de risque auquel il s'expose. Les habitudes du Fonds en ce qui concerne les placements ont pour but d'éviter tout risque inutile de perte et d'insuffisance d'actif et de fournir une espérance raisonnable quant à leur juste rendement, étant donné la nature des placements. Le maximum de risque auquel s'expose le Fonds se trouve dans la juste valeur des placements.

a) Risque de change

Le risque de change découle de la possession, par le Fonds, de placements qui ne sont pas libellés en dollars canadiens, comme l'indique le tableau suivant :

	2015	2014	
	(in thousands of dollars) (en milliers de dollars)		
	\$	\$	
Equities - Pooled Funds			Actions - Fonds communs
U.S.	48,531	40,383	Américains
International	39,082	34,077	Internationaux
	87,613	74,460	

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements
December 31, 2015

Fonds Hépatite C 1986 - 1990

Notes complémentaires
31 décembre 2015

3. Investments (continued)

Investment risk (continued)

b) Concentration risk

Concentration risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. The relative proportions of the types of investments, in the portfolio are as follows:

3. Placements (suite)

Risque de placement (suite)

b) Risque de concentration

Le risque de concentration existe lorsqu'une part importante du portefeuille est investie dans des titres ayant des caractéristiques semblables ou qui sont soumis à des conditions similaires d'ordre économique, politique ou autre. Les proportions relatives des types de placements du portefeuille sont les suivantes :

	2015		2014		
	(in thousands of dollars) (en milliers de dollars)				
	Fair value Juste valeur		Fair value Juste valeur		
	\$	%	\$	%	
Investment earnings receivable and cash	2,142	-	2,267	-	Revenus de placement à recevoir et encaisse
Fixed income					Titres à revenu fixe
Government of Canada	870,361	78	876,189	78	Gouvernement du Canada
Corporate	21,928	2	28,999	3	Sociétés
Provinces of Canada	12,115	1	13,320	1	Provinces du Canada
Fixed income pooled funds	59,152	5	59,060	5	Fonds communs à revenu fixe
	963,556	86	977,568	87	
Equities - Pooled Funds					Actions - Fonds communs
Canadian	65,382	6	73,992	6	Canadiens
Foreign					Étrangers
U.S.	48,531	4	40,383	4	Américains
International	39,082	4	34,077	3	Internationaux
	152,995	14	148,452	13	
	1,118,693	100	1,128,287	100	

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements
December 31, 2015

Fonds Hépatite C 1986 - 1990

Notes complémentaires
31 décembre 2015

4. Funding held for future expenses

	2015	2014	
	(in thousands of dollars)		
	(en milliers de dollars)		
	\$	\$	
Balance, beginning of year	1,124,255	1,022,623	Solde au début
Changes during the year			Variations au cours de l'exercice
Investment earnings	30,551	137,639	Revenus de placement
Amounts recognized as revenue	(41,342)	(36,007)	Montants constatés comme revenus
Additional funding received	-	-	Financement additionnel reçu
Balance, end of year	1,113,464	1,124,255	Solde à la fin

4. Financement pour charges futures

5. Claims

Claims recognized as expenses of the Fund during the current year consist of the following:

	2015	2014	
	(in thousands of dollars)		
	(en milliers de dollars)		
	\$	\$	
Approved by the Administrator of the Fund			Demandes approuvées par l'Administrateur du Fonds
Disbursed	51,601	46,601	Décaissements
Net change in accrued claims in process of payment	951	(265)	Variation nette des demandes accumulées en cours de paiement
	52,552	46,336	

5. Demandes

Les demandes comptabilisées dans les charges du Fonds au cours de l'exercice comprennent ce qui suit :

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements
December 31, 2015

Fonds Hépatite C 1986 - 1990

Notes complémentaires
31 décembre 2015

6. Operating expenses

	2015	2014	
	(in thousands of dollars)		
	(en milliers de dollars)		
	\$	\$	
Administrator	839	842	Administrateur
Legal (claims' appeal costs, Fund counsel)	346	187	Frais juridiques (frais de demandes en appel, avocats du Fonds)
Joint committee - Administration	591	658	Comité mixte - Administration
Joint committee - Sufficiency review	1,373	363	Comité mixte - Réévaluation de la suffisance
Investment and management	240	278	Gestion des placements
Audit and related services	104	104	Honoraires d'audit et de services connexes
Custodial trustee	126	129	Frais de garde
Actuarial - General	32	30	Honoraires d'actuariat
Actuarial - Sufficiency review	632	427	Honoraires d'actuariat - Réévaluation de la suffisance
Medical and other consulting	10	154	Frais médicaux et autres frais de consultation
	4,293	3,172	

6. Frais d'exploitation

7. Subsequent event

In 2015, the Courts declared that as of December 31, 2013, assets of the Fund exceed liabilities, after taking into account an amount to protect the class members from major adverse experience or catastrophe, by an amount between \$236,341,000 and \$256,594,000 (the "Excess Assets"). The Joint Committee has filed an application seeking to have approximately \$205,000,000 of the Excess Assets allocated in favour of and distributed to class members and the balance retained in the Fund. The Government of Canada has filed an application seeking to have the Excess Assets distributed to it or retained in the Fund or limiting the amount to be distributed to class members. On March 17, 2016, a group of seven physicians, researchers and scientists filed an application seeking leave to intervene as added parties to the class actions and requesting that the Courts allocate and distribute to them approximately \$154 million in respect of a proposed national Hepatitis C virus initiative.

7. Événement postérieur

En 2015, les tribunaux ont déclaré qu'en date du 31 décembre 2013, après avoir pris en compte un montant pour protéger les membres des recours collectifs d'une expérience majeure défavorable ou d'une catastrophe, les éléments d'actifs de la fiducie excèdent les obligations financières estimées d'un montant évalué entre 236 341 000 \$ et 256 594 000 \$ (« l'actif excédentaire »). Le comité mixte a déposé une requête demandant qu'une somme d'environ 205 000 000 \$ de l'actif excédentaire soit attribuée aux membres du recours et que le solde soit conservé dans la fiducie. Le gouvernement du Canada a également déposé une requête demandant que l'actif excédentaire lui soit attribué ou qu'il soit conservé dans la fiducie ou que le montant à être attribué aux membres des recours soit limité. Le 17 mars 2016, un groupe de sept médecins, chercheurs et scientifiques ont déposé une requête pour permission d'intervenir en tant que partie aux procédures afin de demander aux tribunaux de leur attribuer un montant d'environ 154 000 000 \$ en lien avec une proposition d'initiative nationale concernant le virus de l'hépatite C.

TAB B

Information Brief

RBC Investor Services Trust Trustee and Custodian Hepatitis C Trust Fund

MARCH 2016

Prepared for:
The Joint Committee of the Hepatitis C Trust Fund

Prepared by:
Sunil Dundee, Manager, Client Service
RBC Investor & Treasury Services



**RBC Investor &
Treasury Services**

About the Trustee

RBC Investor Services Trust (RBCIS) was appointed Trustee and Custodian of the Hepatitis C Trust Fund by the Superior Courts of B.C., Ontario and Quebec on June 15, 1999.

RBCIS is part of RBC Investor & Treasury Services, a leading provider of financial services.

About RBC Investor & Treasury Services

RBC Investor & Treasury Services (RBC I&TS) is a specialist provider of asset services, custody, payments and treasury services for financial and other institutional investors worldwide. We serve clients from offices in 20 countries across North America, Europe, Asia and Australia, delivering services to safeguard client assets, maximize liquidity and manage risk in multiple jurisdictions with a focus on operational risk management. Rated by our clients as the #1 global custodian for five consecutive years⁽¹⁾, RBC I&TS has the highest credit ratings among our peers, and is trusted with nearly USD 3 trillion in client assets under administration.

RBC I&TS is a strong, stable partner with consistent credentials focused on meeting our clients' evolving needs. Clients benefit from our long-standing experience and specialized expertise:

- A worldwide network of offices across four continents, with operational centres of excellence providing service support across the globe
- Part of Royal Bank of Canada, the #1 strongest bank in the world among our global asset servicing peers⁽²⁾ and one of the largest banks globally based on market capitalisation⁽³⁾
- Leading offshore provider with centres of excellence in Luxembourg and Dublin and nearly 30 years of UCITS expertise
- Award-winning fund accounting and transfer agency services with lead market shares in Luxembourg and Canada
- Market-leading foreign exchange expertise and currency hedging solutions designed to support our clients in achieving best execution
- Top-rated securities lending and finance services focused on efficiently maximizing client returns

- Leading provider of Canadian clearing, cash management and trade finance for financial institutions
- Custody services across 87 global markets
- Fund administration services in 13 global markets
- Leading voice in industry regulation and market best practices
- More than 100 years of history in providing investor and treasury services
- Global industry recognition with top ratings for client service in industry client satisfaction surveys

Products and services

RBC I&TS' comprehensive product and service offering includes custody, fund/investment administration, shareholder services, performance measurement and compliance monitoring, distribution, transaction banking (including trade finance, insourced solutions and broker dealer services), and treasury services (including cash/liquidity management, foreign exchange services and global securities lending).

(1) Source: Global Custody Survey, Global Investor ISF, 2011 to 2015

(2) Strength determined by credit ratings; as at November 26, 2015

(3) Bloomberg as at November 26, 2015

Duties and responsibilities of the Trustee/Custodian

A service team comprising administration and operations managers is responsible for the day-to-day activities of the Trust Fund. This team is complemented by professionals with regulatory expertise, providing the Hepatitis C Trust Fund with a wide range of specialized services.

Custody and safeguarding of securities

RBCIS holds in trust the cash and securities of the Trust Fund. The assets of the Trust Fund are administered by RBCIS strictly in accordance with the directions of the Joint Committee or the investment manager appointed by the courts. RBCIS ensures the safe custody of the assets and reconciles the securities positions in its books daily using the services of the Canadian Depository for Securities Limited (CDS).

Processing of investment transactions

RBCIS completes all securities transactions (e.g., acquisitions and dispositions of assets) as per authorized instructions received from the investment manager.

Collection of income

RBCIS collects and accounts for all items of principal and income. Stock dividends and bond interest are credited to the account on the day they are payable regardless of whether RBCIS actually receives the funds. RBCIS tracks stock dividends and splits, bond maturities and redemptions. For cash balances held in the fund, interest is automatically credited. The interest is calculated daily and paid to accounts on the last business day of the month.

Contributions

RBCIS receives all contributions flowing into the Trust Fund. RBCIS credits receipts of those contributions to the appropriate accounts.

Plan disbursements

All plan disbursements are processed in a timely manner in accordance with the terms of our appointment and/or court order. Payments to service providers are made pursuant to the applicable court order.

Maintenance of records

RBCIS maintains accurate records with respect to the assets of the Trust Fund and provides timely reports to various parties including:

- **Monthly investment statements:** These statements provide the full financial picture of the Trust Fund including cash reconciliation, investment activity, receipts and disbursements for the reporting period. These reports also provide a list of assets held at a certain date including book value, market value and accrued income. Day-to-day activity is reported in chronological order.
- **Quarterly notional reports:** RBCIS maintains notional accounts for each of the provincial and territorial governments. These accounts are maintained on the basis of the sharing percentage provided by the federal government. The report records the governments' proportionate contributions, proportionate interest amount and proportionate disbursements. It also reflects when payments are due and when they are actually received.
- **Monthly financial summary:** This report summarizes, at a high level, the market value of the Trust Fund, the investment income earned, payouts to claimants and service providers, and recoveries from the provinces and territories for those payouts since the inception of the Fund.

Summary of Trust activity

Payments to the Trust Fund

During 2015, the sixteenth year of operation of the Hepatitis C Trust Fund, the Trust Fund received contributions totaling CAD 15,074,600.04 representing payments from provincial and territorial governments.

In addition, the Hepatitis C Trust Fund has earned CAD 23,300,960.08 (includes investment income and realized and unrealized capital gains and losses). The closing market value of the fund at December 31, 2015 was CAD 1,119,761,955.40.

Payments from the Trust Fund

Disbursements from the Trust Fund in 2015 totaled CAD 55,205,817.42 representing CAD 51,601,332.32 to the Administrator for the claimants and CAD 3,604,485.10 to service providers for fees and expenses (including RBCIS' trustee and custodial fees).

For the period January 1, 2015 to December 31, 2015 the courts approved a budget of CAD 110,000 for RBCIS' Trustee and Custodial fees. The actual charge to the Trust Fund in 2015 for performing various activities and services was CAD 111,547.92, representing fees for 2014 of CAD 19,050.14 and fees for 2015 of CAD 92,497.78.

The total fees of CAD 126,049.13 represent: Custody of assets under administration of CAD 65,574.43; Transaction fees of CAD 11,563.12; Plan/Reporting/Accounting charges of CAD 30,910.32; Special Reports of CAD 3,500.04; and Taxes (GST/HST) of CAD 14,501.22.

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TAB C



1986-1990 Hepatitis C Settlement Trust Fund

Annual Certificate of Compliance

For the year ending: December 31, 2015

To the best of our knowledge, we are in compliance with your investment guidelines.

Compliance verified by:

A handwritten signature in black ink, appearing to read 'Michelle Hegeman', written over a horizontal line.

Michelle Hegeman, CFA
Vice President & Director
Portfolio Management

Date: January 15, 2016

TAB D

1986 - 1990 Hepatitis C Settlement Trust Fund

Portfolio Review

March 15, 2016

Rachna de Koning, FCIA, FSA
Vice President & Director

Naoum Tabet
Vice President & Director



Agenda

- TD Asset Management Inc. (TDAM) Update
- Portfolio Review
 - Fixed Income Mandates
 - Equities Mandates
- Appendix
 - Supplemental Information

TD Asset Management Update

- Expanded our broad investment offering and enhanced our Liability Driven Investment (LDI) capabilities with launch of five new TD *Emerald* pooled funds:
 - 3 TD *Emerald* Liability Driven Provincial Bond Pool Fund Trusts (Short, Mid, Long)
 - TD *Emerald* Canadian Long Corporate Bond Pool Fund Trust
 - TD *Emerald* Canadian Long Core Plus Bond Pool Fund Trust
- Thought leadership from TDAM
 - Complementary Global Equity Investments (available upon request)
 - FYI on LDI, *Benefits & Pension Monitor*, December 2015
- Industry accolades and achievements
 - Once again, TD Asset Management Inc. was ranked #1 in AUM based on total Canadian pension assets by *Benefits Canada*¹
 - TD Bank Group named the safest North American bank²

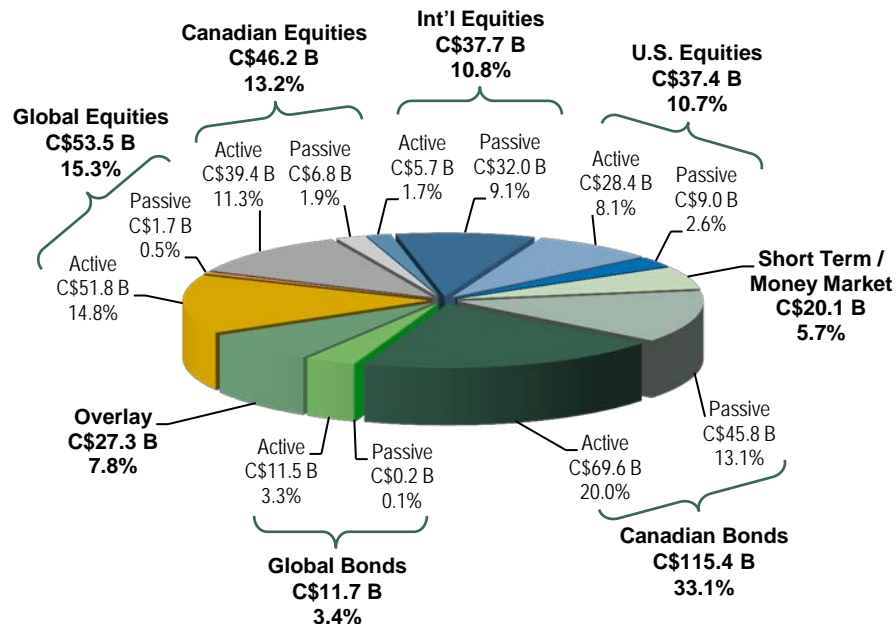
¹ "The Top 40 Money Managers" (as of June 30, 2015), Benefits Canada, November 2015.

² "The Safest Banks in North America", November 2015, Global Finance Magazine.

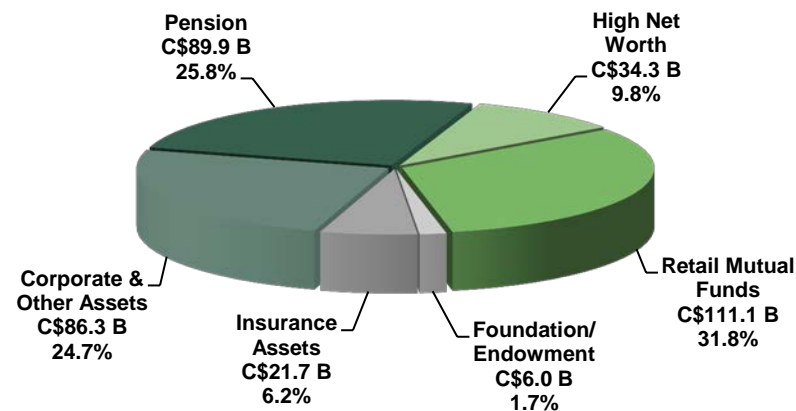
Note: As of December 31, 2015. TD Asset Management operates through TD Asset Management Inc. in Canada and through TDAM USA Inc. in the United States. Both are wholly-owned subsidiaries of The Toronto-Dominion Bank.

Asset Management at TD

By Asset Type



By Client Type

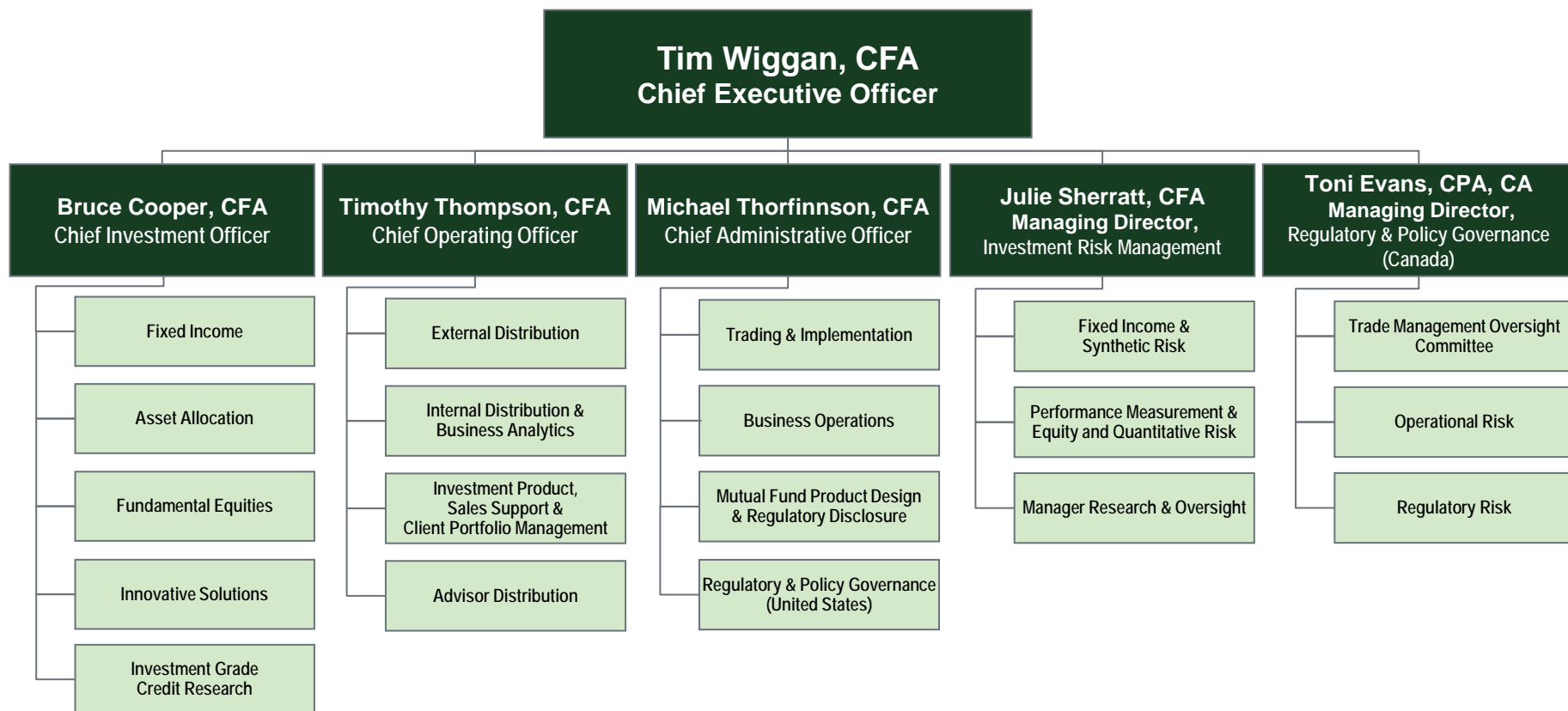


Total assets under management: C\$349.3 billion

Note: Assets under management (AUM) as at December 31, 2015 for TD Asset Management Inc., TDAM USA Inc. and Epoch Investment Partners, Inc. (Epoch). Active AUM include both active fundamental and active enhanced assets. Numbers may not add due to rounding. Overlay AUM do not include C\$10.71 B of currency hedging programs in place within TD Asset Management pooled funds accounted for in other asset classes. The TD Bank Group (TD) means The Toronto-Dominion Bank and its affiliates, who provide deposit, investment, loan, securities, trust, insurance and other products or services. TD Asset Management operates through TD Asset Management Inc. in Canada and through TDAM USA Inc. in the United States. Epoch is an affiliate of TD Asset Management. All entities listed are affiliates and are wholly-owned subsidiaries of The Toronto-Dominion Bank.

Investment Management Division

Organizational structure of TD Asset Management



TD Asset Management operates through TD Asset Management Inc. in Canada and through TDAM USA Inc. in the United States. Both are wholly-owned subsidiaries of The Toronto-Dominion Bank. In providing investment management services and advice, TD Asset Management Inc. has available to, and draws on, the personnel, resources and experience of TDAM USA Inc., its U.S. affiliate. The information provided in the organizational chart above is valid as of the date of this presentation.

1986 - 1990 Hepatitis C Settlement Trust Fund

Investment Mandates and Performance



Mandates	Performance		Hep C Tracking Target (%)		Market Value
	1 Year	4 Years	Over 1 Year	Over 4 Years	
FIXED INCOME					
Segregated Real Return Bonds (buy-and-hold)	2.08%	2.62%	N/A	N/A	\$844,501,394
Segregated Short-Term Bonds	2.63%	2.37%			
FTSE TMX Canada Short Term Overall Bond Index	2.61%	2.35%	± 0.20	± 0.10	\$63,130,538
Added Value	0.02%	0.02%			
TD <i>Emerald</i> Canadian Bond Index Fund	3.53%	3.53%			
FTSE TMX Canada Universe Bond Index	3.52%	3.62%	± 0.20	± 0.10	\$59,041,684
Difference	0.01%	-0.09%			
EQUITIES					
TD <i>Emerald</i> Canadian Equity Index Fund	-8.27%	5.20%			
Blended Benchmark ¹	-8.23%	5.19%	± 0.30	± 0.15	\$62,095,506
Difference	-0.04%	0.01%			
TD <i>Emerald</i> U.S. Market Index Fund - C\$	21.21%	24.21%			
S&P 500 Total Return Index ND (C\$)	20.83%	23.84%	± 0.30	± 0.15	\$47,552,599
Difference	0.38%	0.37%			
TD <i>Emerald</i> International Equity Index Fund	19.06%	16.81%			
MSCI EAFE Total Return Index ND (C\$)	18.95%	16.67%	± 0.60	± 0.30	\$38,021,239
Difference	0.11%	0.14%			
Total Performance	2.69%		Total Market Value² = \$1,114,342,960		

¹ S&P/TSX Equity and S&P/TSX Composite Total Return Index (C\$)

² Does not include cash assets of \$64,065

Source: TDAM, Investment Guidelines for the 1986-1990 Hepatitis C Settlement Trust Fund (Revised 2010). Data as at December 31, 2015.

Returns for periods over one year are annualized.

1986 - 1990 Hepatitis C Settlement Trust Fund

Fixed income mandates - performance as at December 31, 2015



Funds	1 Year	3 Years	4 Years	5 Years	10 Years	Since Inception
Segregated Real Return Bonds	2.08%	2.59%	2.62%	5.02%	4.66%	7.45%
Segregated Short Term Bonds	2.63%	2.48%	2.37%	2.84%	3.86%	4.65%
FTSE TMX Canada Short Term Overall Bond Index	2.61%	2.47%	2.35%	2.81%	3.87%	4.66%
Difference	0.02%	0.01%	0.02%	0.03%	-0.01%	-0.01%
TD <i>Emerald</i> Canadian Bond Index Fund	3.53%	3.56%	3.53%	4.75%	4.94%	5.95%
FTSE TMX Canada Universe Bond Index	3.52%	3.63%	3.62%	4.80%	5.03%	6.01%
Difference	0.01%	-0.07%	-0.09%	-0.05%	-0.09%	-0.06%

Accounts Inception Date: February 29, 2000

Source: TDAM, FTSE TMX Global Debt Capital Markets Inc. Data as at December 31, 2015.

Returns: Net of expenses; numbers may not add due to rounding; returns for periods over one year are annualized.

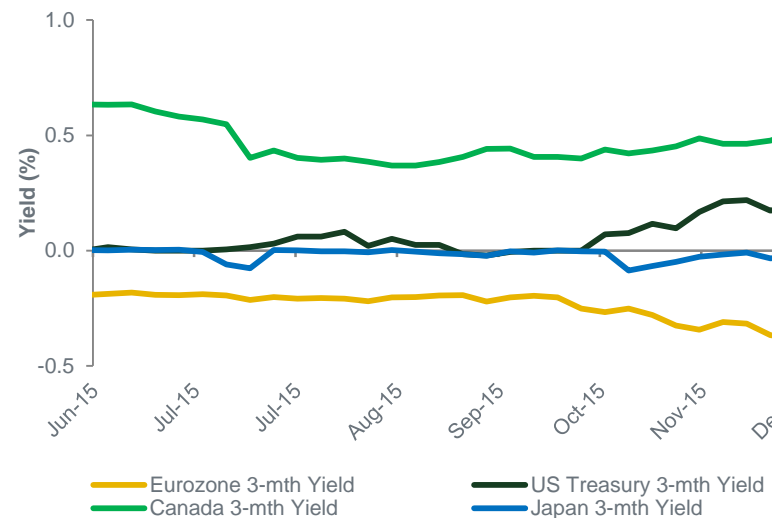
Q4 2015 Themes Looking Back

- 2015 was the slowest pace of economic growth since the financial crisis
- Emerging markets challenged:
 - Plummeting commodity prices
 - Capital outflows
 - Slowdown in China
- Third quarter Canadian economic growth rebound was short-lived
- U.S. Federal Reserve finally hiked rates for the first time in almost a decade

Oil production outpaced demand growth, Prices continued to fall



Global central bank policies diverging



Source: Bloomberg Finance L.P., International Energy Agency. Data to October 31, 2015.

Source: Bloomberg Finance L.P. Data to December 31, 2015.

Short Bond Market Update



Sector	Weight (%)	Quarter Return (%)	1 Year Return (%)
Federal	46.12	0.36	2.42
Provincial	17.99	0.60	2.88
Municipal	1.42	0.55	2.72
All Corporates ¹	34.47	0.62	2.74
<i>Corporate BBB</i>	9.87	0.55	2.91
FTSE TMX Canada Short Term Overall Bond Index		0.49	2.61

3-Month Commentary

- Short bonds generated modest positive returns over the quarter as the FTSE TMX Canada Short Term Overall Bond Index rose 0.49%. Government and corporate bonds generated positive returns, with corporate bonds leading the gains.
- Bonds were heavily influenced by speculation about if and when the U.S. Federal Reserve (the Fed) would begin to raise its key interest rate.
- Anticipation of a Fed increase led Canadian yields higher in October and November, but they declined in December in spite of the Fed's announcement that it was raising the federal funds rate. The December decline came as slow export growth, low oil prices and a somewhat fragile housing sector made it appear unlikely that the Bank of Canada will follow suit in the near term.
- Overall, short-term yields declined 3 basis points, with the average yield on the FTSE TMX Canada Short Term Overall Bond Index finishing the quarter at 1.19%.

¹ Including BBB Corporates

Source: TD Asset Management, FTSE TMX Global Debt Capital Markets Inc. As at December 31, 2015.

Universe Bond Market Update



Sector	Weight (%)	Quarter Return (%)	1 Year Return (%)
Federal	36.31	0.66	3.66
Provincial	33.64	1.60	4.14
Municipal	1.85	1.08	3.18
All Corporates ¹	28.19	0.63	2.71
<i>Corporate BBB</i>	9.95	0.39	2.51
FTSE TMX Canada Universe Bond Index		0.98	3.52

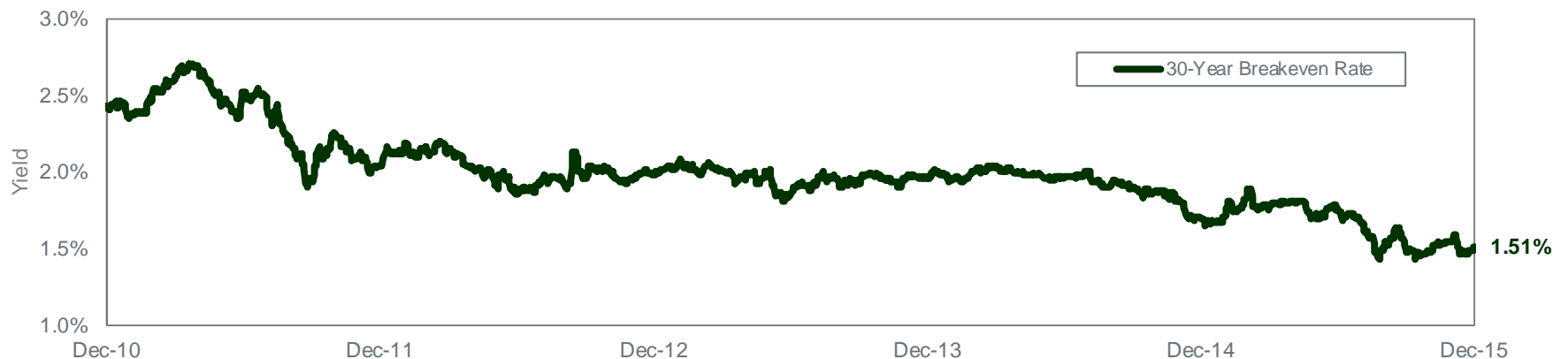
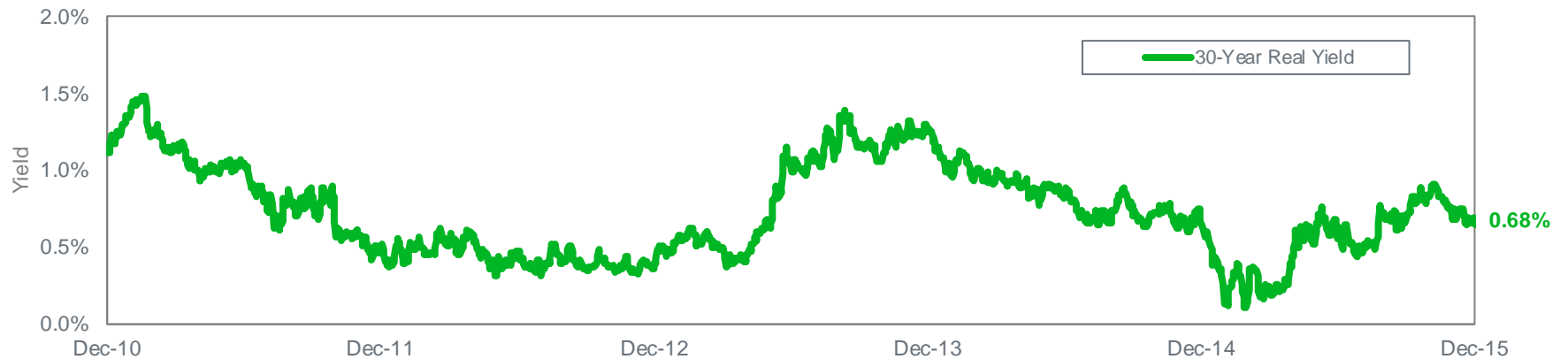
3-Month Commentary

- Canadian bonds, as represented by the FTSE TMX Canada Universe Bond Index, rose 0.98% over the quarter. Both government and corporate bonds generated positive returns, with governments outperforming their corporate counterparts.
- Bonds were heavily influenced by speculation about if and when the U.S. Federal Reserve (the Fed) would begin to raise its key interest rate.
- Anticipation of a Fed increase led Canadian yields higher in October and November, but they declined in December in spite of the Fed's announcement that it was raising the federal funds rate. The December decline came as slow export growth, low oil prices and a somewhat fragile housing sector made it appear unlikely that the Bank of Canada will follow suit in the near term.
- Overall, the average yield on the FTSE TMX Canada Universe Bond Index declined 3 basis points, finishing the quarter at 2.01%. Short-term yields declined 3 basis points to 1.19%, mid-term yields declined 4 basis points to 2.0% and long-term yields declined 5 basis points to 3.14%.

¹ Including BBB Corporates

Source: TD Asset Management, FTSE TMX Global Debt Capital Markets Inc. As at December 31, 2015.

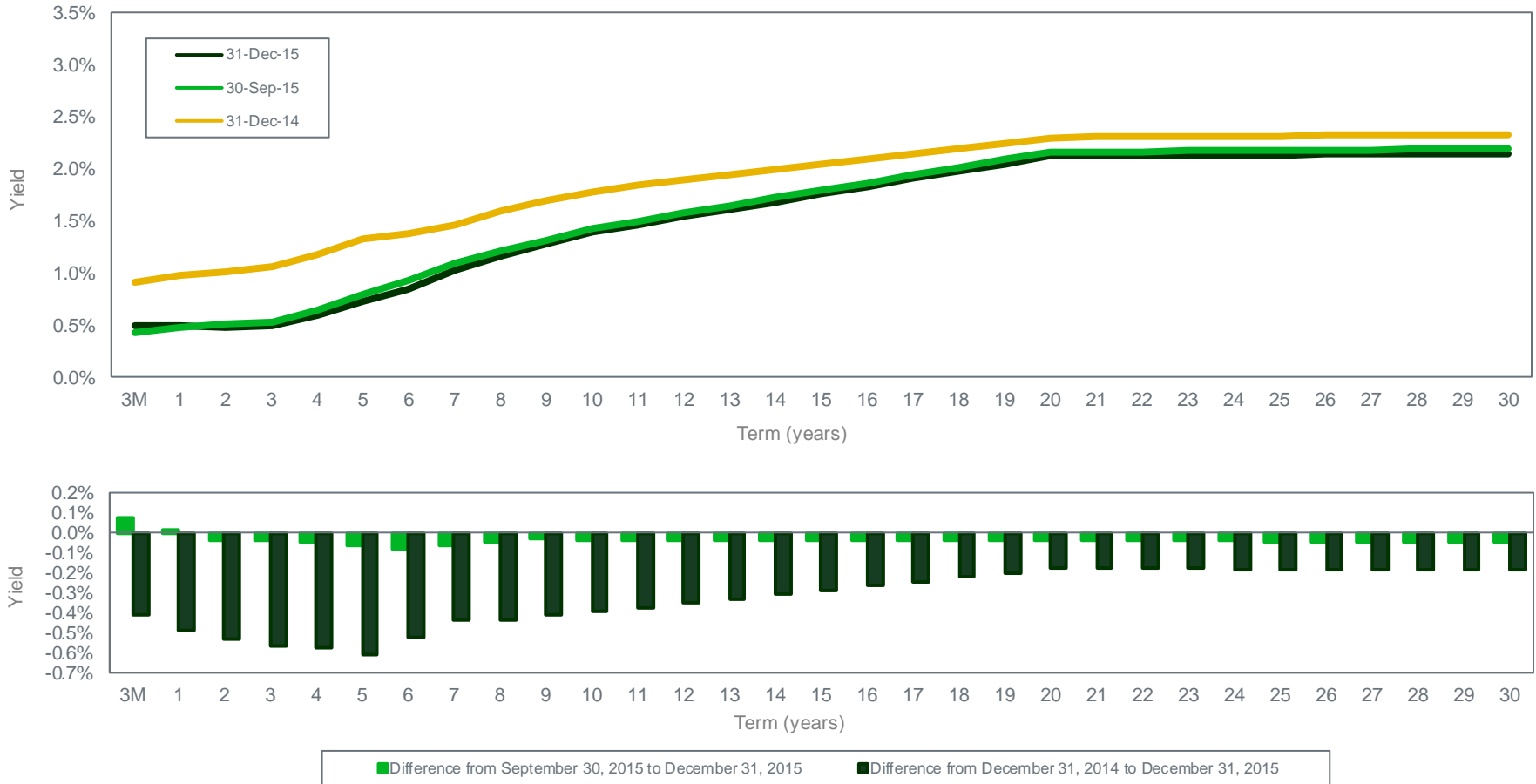
Real Return Bond (RRB) Yields



Low inflation expectations influencing RRB valuations

Source: Bloomberg Finance L.P. Data to December 31, 2015.

Canada Yield Curves

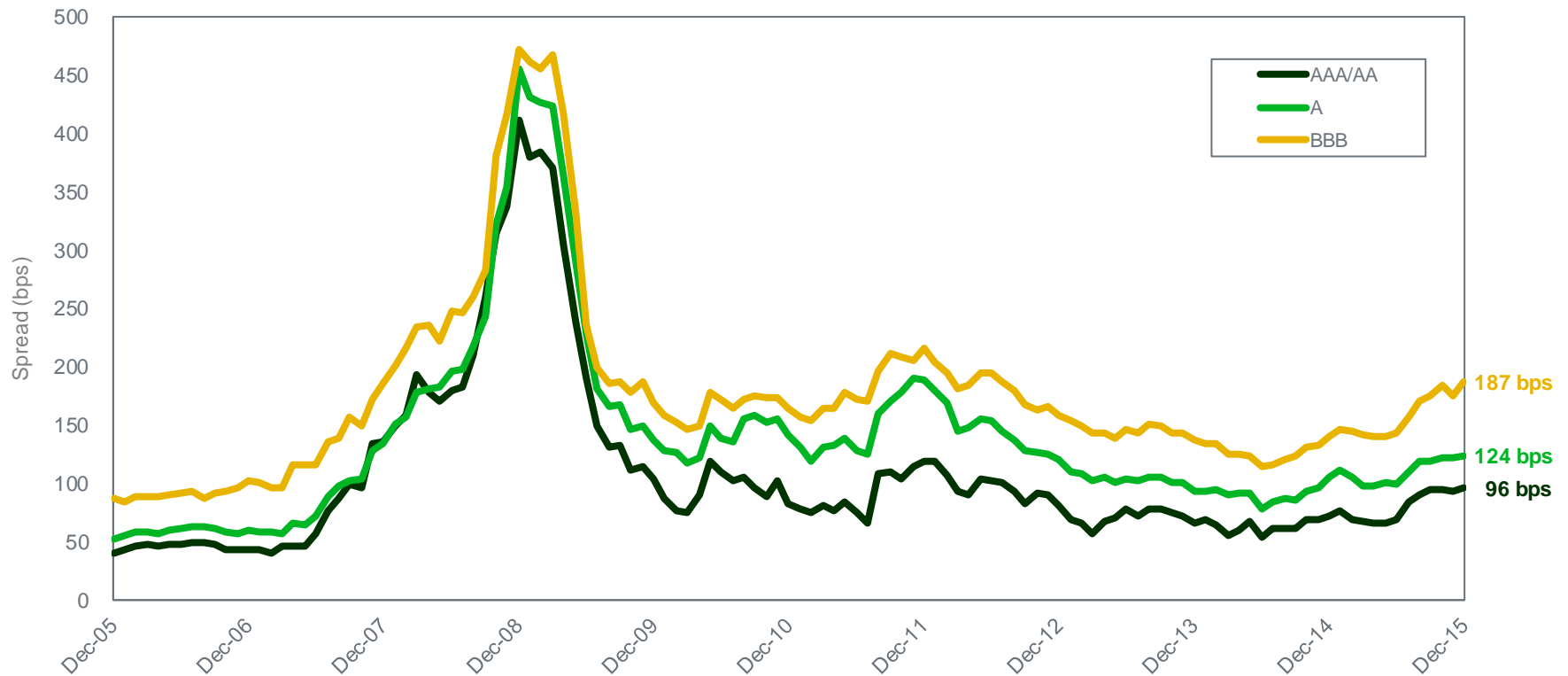


Modest downward shift in the yield curve during the last quarter

Source: Bloomberg Finance L.P.

Canadian Corporate Spread Profile

FTSE TMX Canada Mid Term Index components

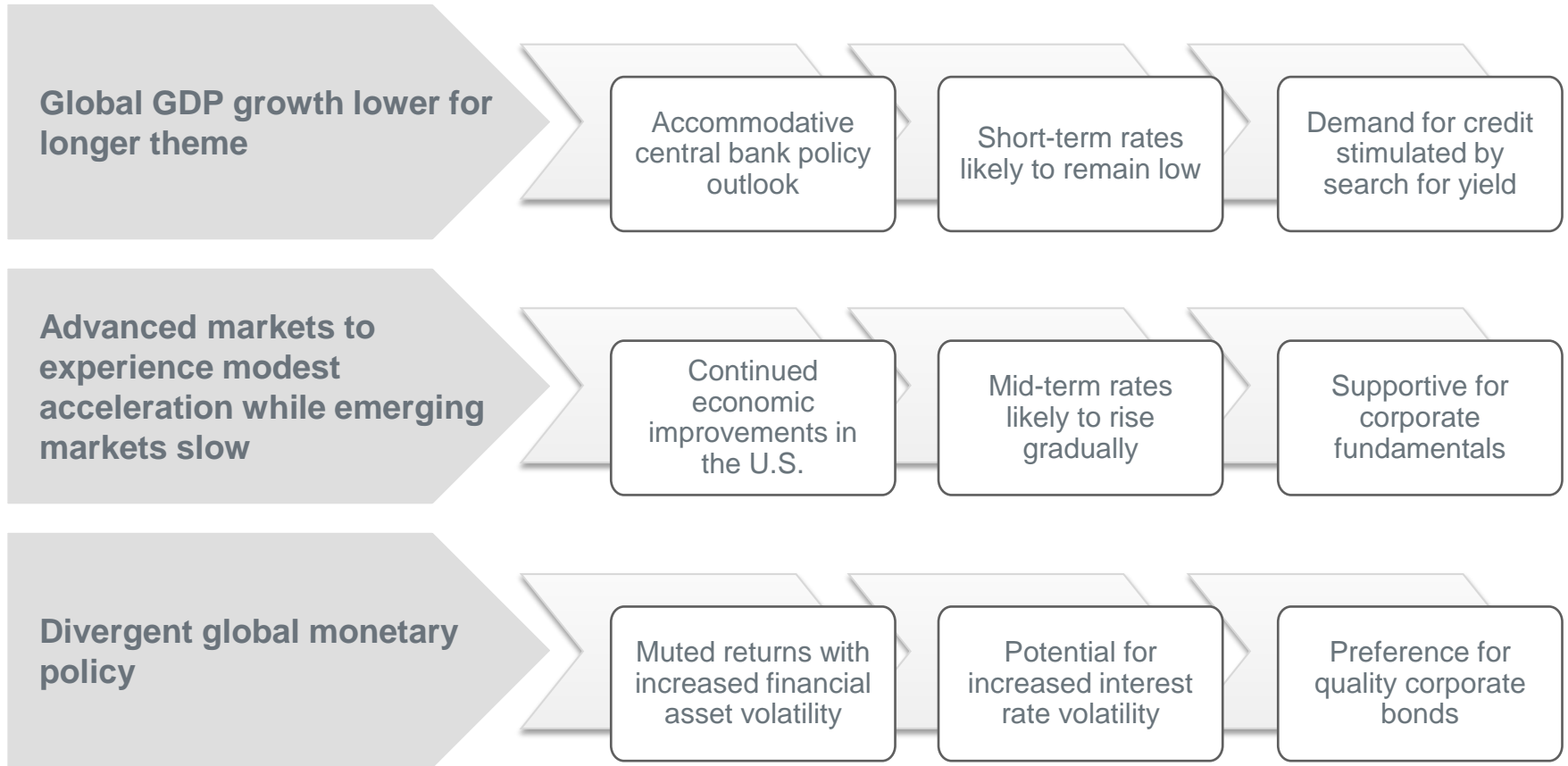


Corporate bonds continue to offer a yield advantage over government bonds

Source: Bloomberg Finance L.P. Data to December 31, 2015.

Fixed Income Investment Themes

Bond market outlook



Defensively positioned while striving to take advantage of opportunities

1986 - 1990 Hepatitis C Settlement Trust Fund

Equities mandates - performance as at December 31, 2015



TD <i>Emerald</i> Funds	1 Year	3 Years	4 Years	5 Years	10 Years	Since Inception
Canadian Equity ¹	-8.27%	4.64%	5.20%	2.07%	4.34%	4.89%
Blended Benchmark ²	-8.32%	4.62%	5.19%	2.06%	4.31%	4.73%
Difference	0.05%	0.02%	0.01%	0.01%	0.03%	0.16%
TD <i>Emerald</i> U.S. Market Index Fund - C\$	21.21%	28.21%	24.21%	19.95%	8.82%	3.91%
S&P 500 Total Return Index ND (C\$)	20.83%	27.84%	23.84%	19.59%	8.48%	3.68%
Difference	0.38%	0.37%	0.37%	0.34%	0.33%	0.23%
TD <i>Emerald</i> International Equity Index Fund	19.06%	17.47%	16.81%	10.92%	4.94%	2.34%
MSCI EAFE Total Return Index ND (C\$)	18.95%	17.34%	16.67%	10.78%	4.83%	2.32%
Difference	0.11%	0.13%	0.14%	0.14%	0.11%	0.02%

¹ Canadian Equity exposure history:

November 15, 2012 to present: TD *Emerald* Canadian Equity Index Fund;
 November 18, 2005 to November 15, 2012: TD *Emerald* Canadian Equity Market Pool Fund Trust II;
 July 8, 2003 to November 18, 2005: TD *Emerald* Canadian Market Capped Pool Fund Trust;
 February 29, 2000 to July 8, 2003: Canadian Equity Index Fund

² S&P/TSX Equity and S&P/TSX Composite Total Return Index (C\$)

Account Inception Date: February 29, 2000

Source: TDAM, TSX Group Inc., Standard & Poor's, MSCI

Returns: Net of expenses; numbers may not add due to rounding; returns for periods over one year are annualized.

Canadian Equity Market Update



Sector	Weight (%)	Quarter Return (%)	1 Year Return (%)
Financials	38.28	1.70	-1.70
Energy	18.45	-1.58	-22.87
Materials	9.50	3.77	-21.04
Industrials	8.27	-1.20	-11.06
Consumer Discretionary	6.91	-5.24	-1.51
Telecommunication Services	5.42	-1.67	3.56
Consumer Staples	4.49	0.82	12.41
Information Technology	3.21	10.49	15.64
Health Care	3.17	-36.90	-15.63
Utilities	2.30	-1.34	-3.49
S&P/TSX Composite Total Return Index		-1.40	-8.32

3-Month Commentary

- Canadian equities moved lower during the quarter, with the S&P/TSX Composite Index declining 1.4%. Six of the Index's ten sectors declined, with losses led by the Health Care, Consumer Discretionary and Telecom sectors.
- The Health Care sector declined sharply amid ongoing concern over drug pricing practices.
- Consumer Discretionary lagged primarily due to a significant decline in one of its key component companies, which reported weak Q3 results in November.
- The Telecom sector's decline came toward the end of the quarter as investors viewed mergers and acquisitions activity as a potential threat to pricing and market share for the three large incumbents.

Source: TD Asset Management, TMX Group Ltd. As at December 31, 2015.

U.S. Equity Market Update (C\$)



Sector	Weight (%)	Quarter Return (%)	1 Year Return (%)
Information Technology	20.69	13.03	26.97
Financials	16.48	9.77	18.12
Health Care	15.15	13.10	28.34
Consumer Discretionary	12.89	9.63	32.00
Consumer Staples	10.06	11.54	27.89
Industrials	10.05	11.98	17.16
Energy	6.50	3.80	-5.48
Utilities	2.99	4.74	14.09
Materials	2.76	13.66	9.67
Telecommunication Services	2.43	11.48	23.99
S&P 500 Total Return Index (C\$)¹		10.91	21.59

3-Month Commentary

- The S&P 500 Total Return Index (C\$) rose 11% over the quarter. The Index posted local currency gains, and the Canadian dollar declined against its U.S. counterpart, which enhanced returns in Canadian dollar terms. In Canadian dollar terms, all of the Index's ten sectors rose, led by Materials, Health Care and Information Technology.
- Most of the Index's gains came in October, when it staged a broad-based rally. While concerns over decelerating growth in China and the potential for tighter monetary policy in the U.S. still existed, investors appeared to believe that stocks had been oversold. Gains were aided by solid earnings reports and by the U.S. Federal Reserve's (the Fed) decision to delay raising its key rate.
- The Index also rose in November, but gains were much more modest than in October. Strong employment data increased the likelihood that the Fed would raise its key rate, which was beneficial for Financials stocks but weighed on Telecoms and Utilities.
- In December, U.S. equities declined slightly, which moderated quarterly gains. Equities moved lower in the month as Fed raised the federal funds rate for the first time since 2006 and investors considered the potential effects of the Fed's move.

¹ Source from Standard & Poor's

Source: TD Asset Management, Wilshire Atlas. As at December 31, 2015. Note: Performance numbers in C\$ terms.

International Equity Market Update

Country	Weight (%)	Quarter Return (%)	1 Year Return (%)
Japan	23.44	13.29	31.41
United Kingdom	19.39	4.37	10.86
France	9.74	5.34	19.80
Switzerland	9.41	5.72	20.46
Germany	9.10	11.59	17.66
Australia	6.84	13.93	8.00
Spain	3.18	0.97	1.17
Hong Kong	3.09	9.84	19.28
Netherlands	2.88	6.86	21.54
Sweden	2.87	6.13	13.91
Italy	2.36	1.21	22.69
Denmark	1.90	10.54	48.03
Belgium	1.43	17.74	34.44
Singapore	1.25	8.00	-1.31
Finland	0.90	13.60	22.35
Israel	0.76	12.84	32.38
Norway	0.55	3.07	1.95
Ireland	0.40	10.85	39.71
Austria	0.18	10.71	24.08
New Zealand	0.16	22.42	12.42
Portugal	0.15	7.99	20.97
MSCI EAFE Index ND (C\$) ¹		8.49	18.95

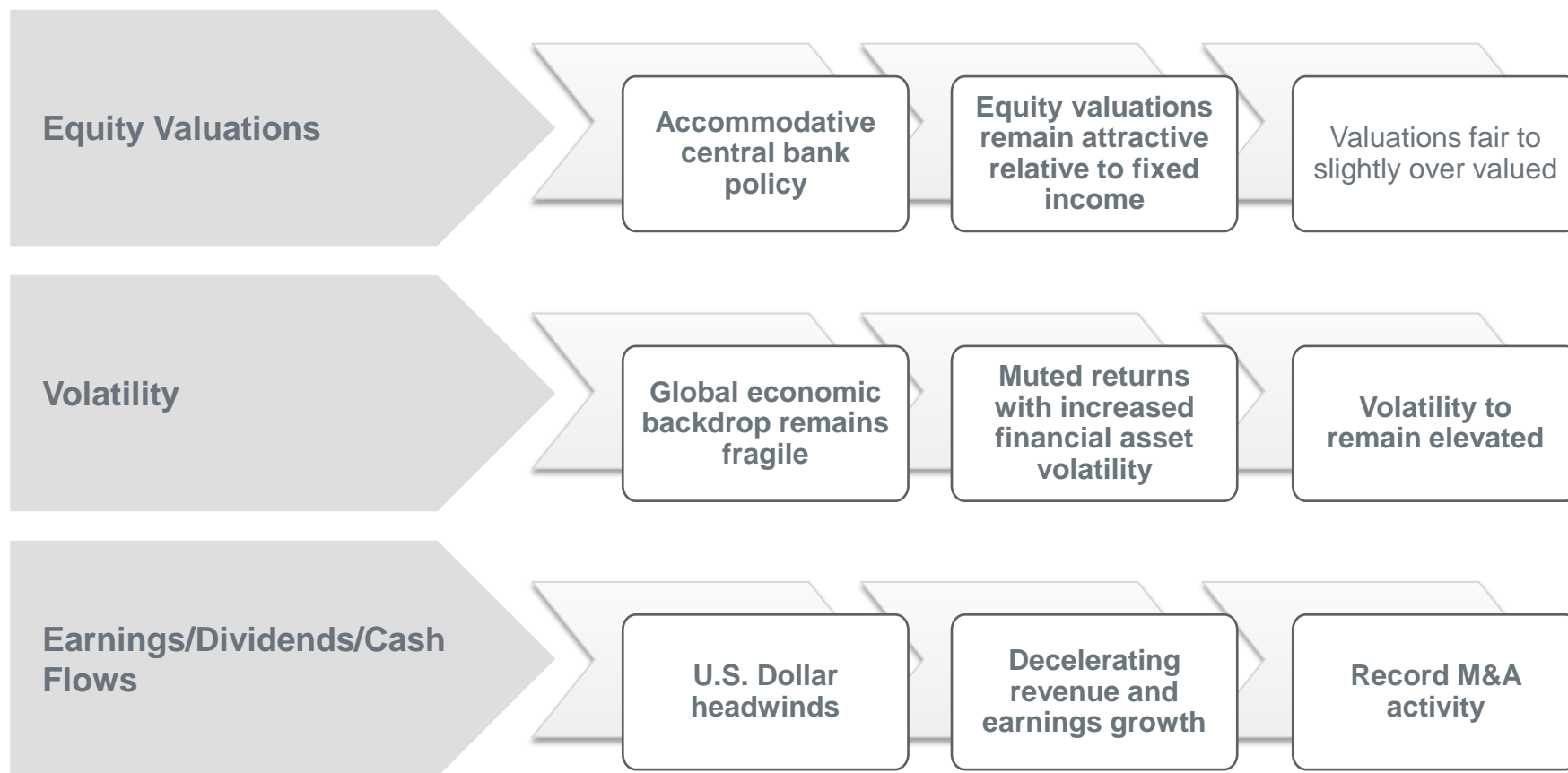
3-Month Commentary

- International equities generated gains over the quarter, with the MSCI EAFE Index rising 8% in Canadian dollar terms. The Canadian dollar declined against a number of major counterparts, which enhanced returns in Canadian dollar terms.
- Global equities started the quarter strongly as investors appeared to believe that stocks had been oversold in spite of lingering concerns over decelerating growth in China and the potential for tighter monetary policy in the U.S.
- Encouraging economic data helped to spur European equities, as did ongoing monetary support from the European Central Bank (ECB), although investors appeared disappointed when the ECB announced it would extend rather than increase its asset purchase program.
- Japanese equities were strong as corporate earnings data beat expectations, the Bank of Japan maintained its stimulus program and inflation and wage growth showed improvement.

¹ Source from MSCI Inc. Source: TD Asset Management, Wilshire Atlas. As at December 31, 2015. Note: Performance in C\$ terms. Total returns net of withholding taxes.

Equity Investment Themes

Equity market outlook



As of December 31, 2015.

Client Trends & Perspectives

Key Client Objectives

Managing the Downside	Searching for Returns	Pension De-risking Revisited
<ul style="list-style-type: none"> ▪ Minimizing downside risks in periods of high volatility and market downturns, while still participating on the upside. ▪ Growing interest in equity options and low-volatility equities to help reduce risk. 	<ul style="list-style-type: none"> ▪ Expanding opportunity set within fixed income to enhance yield and risk adjusted returns. ▪ Casting a wider net through active management of global equities. ▪ Increasing alternative investment allocations to diversify sources of return 	<ul style="list-style-type: none"> ▪ Evaluating new customized liability hedging and risk transfer solutions. ▪ Redefining de-risking goals in light of changing pension regulation: <ul style="list-style-type: none"> ▪ Buy-in annuities ▪ Longevity insurance ▪ Hibernation strategies

TDAM Progressive Solutions

<ul style="list-style-type: none"> ▪ 7 Low Volatility Equity Funds ▪ 2 Risk Managed Equity Funds (US and Global) ▪ 2 Risk Managed Multi-Asset Funds 	<ul style="list-style-type: none"> ▪ Broad Suite of Active Fixed Income and Core Plus Funds ▪ 4 U.S. & Global Equity Funds, sub-advised by Epoch Investment Partners, Inc. ▪ 2 Private Debt Funds 	<ul style="list-style-type: none"> ▪ Full Suite of LDI Fixed Income Funds ▪ 2 Bond Overlay Funds ▪ Custom Liability-Driven Mandates with Enhanced Reporting
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Finding opportunity while adapting to shifts in the investing landscape

Appendix



TD *Emerald* Canadian Bond Index Fund

Tracking variance attribution



Attribution:	3 Months	1 Year
Exclusion of BBB rated securities ¹	0.02%	0.07%
Transaction costs ²	0.00%	-0.01%
Misweightings ³	-0.01%	-0.05%
Fund expenses / securities lending ⁴	0.00%	0.00%
Total	0.01%	0.01%

Returns:	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund (C\$)	0.99%	3.53%	3.56%	4.75%	4.94%	7.36%
FTSE TMX Canada Universe Bond Index	0.98%	3.52%	3.63%	4.80%	5.03%	7.40%
Difference	0.01%	0.01%	-0.06%	-0.05%	-0.08%	-0.04%

¹ Fund owns no BBB corporates, whereas the Index does. Spread changes cause tracking variance.

² Transaction costs, due to the bid/ask spread, are negative.

³ Other tracking variance, due to deviations from Index weights, is randomly positive or negative.

⁴ These include legal, custody and audit expenses net of any securities lending revenues.

Inception date: August 7, 1991

Source: FTSE TMX Global Debt Capital Markets Inc. Data as at December 31, 2015.

Note: Returns are net of expenses. Returns for periods over one year are annualized. Numbers may not add due to rounding.

TD *Emerald* Canadian Equity Index Fund

Tracking variance attribution



Attribution:	3 Months	1 Year
Weighting deviations ¹	0.00%	0.05%
Transaction costs ²	0.00%	0.00%
Fund expenses ³	0.00%	0.00%
Other ⁴	0.00%	0.00%
Total	0.00%	0.05%

Returns:	3 Month	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund (C\$)	-1.39%	-8.27%	4.64%	2.31%	4.42%	8.19%
S&P/TSX Composite Total Return Index	-1.40%	-8.32%	4.62%	2.30%	4.38%	8.05%
Difference	0.00%	0.05%	0.01%	0.01%	0.03%	0.14%

¹ Fund weights may differ slightly from index weights, causing tracking variance.

² Commissions and bid/ask spread have negative impact.

³ These include legal, custody and audit expenses net of any securities lending revenues.

⁴ Index change implementation & trading class action settlements and corporate actions can cause tracking variance.

Inception date: July 4, 1991

Source: TMX Group Limited. Data as at December 31, 2015.

Note: Returns are net of expenses. Returns for periods over one year are annualized. Numbers may not add due to rounding.

TD *Emerald* U.S. Market Index Fund

Tracking variance attribution



Attribution:	3 Months	1 Year
Weighting deviations ¹	-0.02%	0.01%
Transaction costs ²	0.00%	0.00%
Fund expenses ³	0.00%	-0.02%
Withholding tax differential ⁴	0.10%	0.39%
Other ⁵	0.00%	0.00%
Total	0.08%	0.38%

Returns:	3 Month	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund (C\$)	10.80%	21.21%	28.21%	19.96%	8.82%	6.17%
S&P 500 Total Return Index ND (C\$)	10.72%	20.83%	27.84%	19.60%	8.49%	5.98%
Difference	0.08%	0.38%	0.37%	0.35%	0.33%	0.18%

¹ Fund weights may differ slightly from index weights, causing tracking variance.

² Commissions and bid/ask spread have negative impact.

³ These include legal, custody and audit expenses net of any securities lending revenue.

⁴ The difference between withholding tax rates assumed by S&P in its index vs. actual withholding rate applicable to the fund.

⁵ Index change implementation & trading class action settlements and corporate actions can cause tracking variance.

Inception date: August 29, 1997

Source: Standard & Poor's. Data as at December 31, 2015.

Note: Returns are net of expenses. Returns for periods over one year are annualized. Numbers may not add due to rounding.

TD *Emerald* International Equity Index Fund

Tracking variance attribution (C\$)



Attribution:	3 Months	1 Year
Weighting Deviations ¹	-0.06%	0.01%
Withholding Tax Differential ²	-0.02%	0.06%
Transaction costs ³	0.00%	0.00%
Pricing ⁴	0.00%	0.00%
Fund expenses ⁵	0.01%	0.04%
Other ⁶	0.00%	0.00%
Total	-0.07%	0.11%

Returns:	3 Month	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund (C\$)	8.42%	19.06%	17.47%	10.93%	4.94%	4.45%
MSCI EAFE Total Return Index ND (C\$)	8.49%	18.95%	17.34%	10.78%	4.83%	4.51%
Difference	-0.07%	0.11%	0.13%	0.14%	0.11%	-0.05%

¹ Fund weights may differ slightly from index weights, causing tracking variance.

² Impact of differential between withholding tax rates assumed in MSCI indices and rates applicable to the fund.

³ Commissions and bid/ask spread can have a negative impact.

⁴ Difference in pricing between the fund pricing and the benchmark.

⁵ These include legal, custody and audit expenses net of any securities lending revenues

⁶ Index change implementation & trading class action settlements and corporate actions can cause tracking variance.

Inception date: July 31, 1995

Source: MSCI Inc. Data as at December 31, 2015.

Note: Returns are net of expenses. Returns for periods over one year are annualized. Numbers may not add due to rounding.

TD *Emerald* Pooled Funds

Performance as at December 31, 2015



TD <i>Emerald</i> Funds	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	AUM as at 12/31/2015 (billion)
TD <i>Emerald</i> Canadian Bond Index Fund	0.99%	3.53%	3.56%	4.75%	4.94%	7.36%		
FTSE TMX Canada Universe Bond Index	0.98%	3.52%	3.63%	4.80%	5.03%	7.40%	Aug. 7, 1991	\$4.8
Difference	0.01%	0.01%	-0.07%	-0.05%	-0.09%	-0.04%		
TD <i>Emerald</i> Canadian Equity Index Fund	-1.39%	-8.27%	4.64%	2.31%	4.42%	8.19%		
S&P/TSX Composite Total Return Index	-1.40%	-8.32%	4.62%	2.30%	4.38%	8.05%	Jul. 4, 1991	\$4.2
Difference	0.00%	0.05%	0.02%	-0.01%	0.04%	0.14%		
TD <i>Emerald</i> U.S. Market Index Fund - C\$	10.80%	21.21%	28.21%	19.96%	8.82%	6.17%		
S&P 500 Total Return Index ND (C\$)	10.72%	20.83%	27.84%	19.60%	8.49%	5.98%	Aug. 29, 1997	\$2.0
Difference	0.08%	0.38%	0.37%	0.34%	0.33%	0.17%		
TD <i>Emerald</i> International Equity Index Fund	8.42%	19.06%	17.47%	10.93%	4.94%	4.45%		
MSCI EAFE Total Return Index ND (C\$)	8.49%	18.95%	17.34%	10.78%	4.83%	4.51%	Jul. 31, 1995	\$3.7
Difference	-0.07%	0.11%	0.13%	0.14%	0.11%	-0.06%		

Sources: TDAM, FTSE TMX Global Debt Capital Markets Inc., TSX Group Inc., Standard & Poor's, MSCI. Data as at December 31, 2015.

Returns: Net of expenses; numbers may not add due to rounding; returns for periods over one year are annualized.

1986 - 1990 Hepatitis C Settlement Trust Fund

Investment mandates



Mandates		Benchmark Index	Market Value	Performance	Hep C Tracking Target (%)	
				1 Year	Over 1 Year	Over 4 Years
Fixed Income	Segregated Real Return Bonds (buy-and-hold)	N/A	\$844,501,394	2.08	N/A	N/A
	Segregated Short-Term Bonds	FTSE TMX Canada Short Term Bond Index	\$63,130,538	2.63	± 0.20	± 0.10
	TD Emerald Canadian Bond Index Fund (no BBB-rated corporates)	FTSE TMX Canada Universe Bond Index	\$59,041,684	3.53	± 0.20	± 0.10
Equities	Canadian Equities ¹	S&P/TSX Composite Total Return Index	\$62,095,506	-8.27	± 0.30	± 0.15
	TD Emerald U.S. Market Index Fund - C\$	S&P 500 Total Return Index ND (C\$)	\$47,552,599	21.21	± 0.30	± 0.15
	TD Emerald International Equity Index Fund	MSCI EAFE Total Return Index ND (C\$)	\$38,021,239	19.06	± 0.60	± 0.30
				Total Market Value² = \$1,114,342,960		

¹ Canadian Equity exposure history:

November 15, 2012 to present: TD *Emerald* Canadian Equity Index Fund;
 November 18, 2005 to November 15, 2012: TD *Emerald* Canadian Equity Market Pool Fund Trust II;
 July 8, 2003 to November 18, 2005: TD *Emerald* Canadian Market Capped Pool Fund Trust;
 February 29, 2000 to July 8, 2003: Canadian Equity Index Fund

² Does not include cash assets of \$64,065

As at December 31, 2015

Source: TDAM, Investment Guidelines for the 1986-1990 Hepatitis C Settlement Trust Fund (Revised 2010)

Tracking within expected tolerances

Fixed Income Fund Mandates

Performance as at February 29, 2016



Funds	1 Year	3 Years	4 Years	5 Years	10 Years	Since Inception
Segregated Real Return Bonds	-8.32%	3.31%	2.72%	5.22%	4.78%	7.38%
Segregated Short Term Bonds	0.77%	2.27%	2.37%	2.83%	3.83%	4.61%
FTSE TMX Canada Short Term Bond Index	0.75%	2.25%	2.35%	2.80%	3.84%	4.61%
Difference	0.02%	0.02%	0.02%	0.03%	-0.01%	0.00%
TD <i>Emerald</i> Canadian Bond Index Fund	-0.31%	3.71%	3.68%	4.92%	5.02%	5.92%
FTSE TMX Canada Universe Bond Index	-0.33%	3.74%	3.75%	4.97%	5.10%	5.98%
Difference	0.02%	-0.03%	-0.07%	-0.05%	-0.08%	-0.06%

Accounts Inception Date: February 29, 2000

Sources: TDAM, FTSE TMX Global Debt Capital Markets Inc.

Returns: Net of expenses; numbers may not add due to rounding; returns for periods over one year are annualized. Data as at February 29, 2016.

Equities Mandates

Performance as at February 29, 2016



TD <i>Emerald</i> Funds	1 Year	3 Years	4 Years	5 Years	10 Years	Since Inception
Canadian Equities ¹	-12.87%	3.19%	3.47%	0.90%	3.86%	4.79%
Blended Benchmark ²	-12.93%	3.17%	3.45%	0.89%	3.84%	4.63%
Difference	0.06%	0.02%	0.02%	0.01%	0.02%	0.16%
U.S. Market Index Fund	1.44%	20.99%	20.23%	17.21%	7.95%	3.36%
S&P 500 Total Return Index ND (C\$)	1.12%	20.64%	19.88%	16.86%	7.62%	3.13%
Difference	0.32%	0.35%	0.35%	0.35%	0.33%	0.23%
International Equity Index Fund	-7.94%	10.16%	11.31%	7.53%	3.38%	1.56%
MSCI EAFE Total Return Index ND (C\$)	-7.99%	10.04%	11.17%	7.39%	3.27%	1.54%
Difference	0.05%	0.12%	0.14%	0.14%	0.11%	0.02%

¹ Canadian Equity exposure history:

November 15, 2012 to present: TD *Emerald* Canadian Equity Index Fund;
 November 18, 2005 to November 15, 2012: TD *Emerald* Canadian Equity Market Pool Fund Trust II;
 July 8, 2003 to November 18, 2005: TD *Emerald* Canadian Market Capped Pool Fund Trust;
 February 29, 2000 to July 8, 2003: Canadian Equity Index Fund

² S&P/TSX Equity and S&P/TSX Composite Total Return Index (C\$)

Account Inception Date: February 29, 2000

Source: TDAM, TSX Group Inc., Standard & Poor's, MSCI. Data as at February 29, 2016.

Returns: Net of expenses; numbers may not add due to rounding; returns for periods over one year are annualized.

Portfolio Management

Michelle Hegeman, CFA, Vice President & Director

25 years experience

Michelle joined TD Asset Management Inc. (TDAM) in June 2005. Her responsibilities include overseeing the passive fixed income team, managing and trading fixed income solutions. Prior to joining TDAM, Michelle spent 14 years at a bank owned asset manager as an analyst and portfolio manager working in active and passive Canadian Fixed Income. She obtained her undergraduate degree in political science and economics from the University of Western Ontario, and is a CFA charter holder. In her volunteer life, Michelle was a board member of Women in Capital Markets responsible for the Mentorship program and she's actively involved with the Junior League of Toronto.

Relationship Management

Rachna de Koning, FCIA, FSA, Vice President & Director

24 years experience

Rachna joined TD Asset Management Inc. (TDAM) in September 2010. Her primary responsibility is for the quality of our overall client service relationship. She maintains ongoing dialogue with our clients to ensure that we fully understand their current and evolving needs, and that we take a proactive approach to providing investment solutions and operational excellence. She is a core member of our Liability Driven Investment Steering Committee. In addition, her responsibilities include marketing and business development. Prior to joining TDAM, Rachna worked at a global consulting firm as a lead pension consulting actuary. In her role she assisted organizations with all aspects of the financial and risk management of their defined benefit and defined contribution pension plans. Rachna has an Honours Bachelor of Mathematics degree from the University of Waterloo. She is a fellow of the Canadian Institute of Actuaries and the Society of Actuaries, having completed her actuarial designation in the investment specialty track.

Shari Fung, Associate, Relationship Management

18 years experience

Shari joined TD Asset Management Inc. (TDAM) in March 2007 as an Associate, Relationship Management. Shari works with the Relationship Managers and Portfolio Management Team to service institutional clients and consultants. Prior to joining TDAM, Shari held the position of Associate with TD Waterhouse Private Investment Counsel Inc., discretionary investment management services. For 9 years, she served high net-worth clients, small to mid-size corporation, and assisted in providing custom-tailored investment portfolio, and tax planning. Shari has also held several supervisory and advisory roles during her 9 years tenure at TD Canada Trust.

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All products contain risk. Important information about the pooled fund trusts is contained in their offering circular, which we encourage you to read before investing. Please obtain a copy. The indicated rates of return are the historical annual compounded total returns of the funds including changes in unit value and reinvestment of all distributions. Yields, investment returns and unit values will fluctuate for all funds. All performance data represent past returns and are not necessarily indicative of future performance. Pooled Fund units are not deposits as defined by the Canada Deposit Insurance Corporation or any other government deposit insurer and are not guaranteed by The Toronto-Dominion Bank. Mutual fund strategies and current holdings are subject to change. TD Emerald Funds are managed by TD Asset Management Inc.

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TAB E

REPORT OF ECKLER LTD. ACTIVITIES

The firm of Eckler Ltd. was engaged to provide the Trust with continuing actuarial advice during the period from January to December 2015. During this fiscal year Eckler Ltd carried out extensive work in connection with the assessment of the sufficiency of the Trust as at December 31, 2013, advice on asset allocation, and proposed allocation of the 2013 sufficiency assessment Actuarially Unallocated Assets. Eckler provided continuing assistance to the Joint Committee on a number of issues including: review of TD asset reports; review of Royal Trust asset statements; checking Royal Trust quarterly interest calculations/allocations; reconciling various asset statements; reviewing/updating investment results; preparation of investment summary for the Joint Committee; updating payment amounts for the change in the Pension Index for 2016; various discussions with counsel; and other miscellaneous items.

TAB F



Hepatitis C Settlement Trust Fund

Investment Summary as at December 31, 2015

February 26, 2016

Beyond the numbers, a fractal is a striking mathematical pattern which repeats in ever smaller scales.

Overview

- Total assets consist of two main components:
 - An Investible Fund, split into two portfolios
 - Long Term Fund investing in real return bonds, equities and other bonds
 - Short Term Fund investing in short term bonds
 - A Notional Fund, consisting of amounts owed by the provincial and territorial governments
- Investible assets are managed by TD Asset Management, either passively or on an indexed basis
- RBC Dexia are the custodians of the investible assets
- Our analysis is based on statements provided by both RBC Dexia and TD Asset Management
- In particular:
 - All dollar amounts, including asset values and cashflows, are taken from RBC Dexia accounts
 - Returns are derived from the TD quarterly statements and have not been independently verified
- TD Asset Management is required to certify that it has complied with the investment guidelines specified by the trustees. We have not verified that this has taken place or that the guidelines have been complied with.

Asset Summary

(\$,000's)

Fund	Portfolio	Strategy	Benchmark	Dec-15			Dec-14		
				Value	Asset Alloc	Fund Alloc	Value	Asset Alloc	Fund Alloc
Long term	Real Return Bonds	Passive	80.0%	843,872	79.9%		841,181	80.2%	
	Universe Bonds	Index	6.0%	59,151	5.6%		59,060	5.6%	
	Canadian Equity	Index	7.0%	65,382	6.2%		73,991	7.1%	
	US Equity	Index	3.5%	48,531	4.6%		40,383	3.8%	
	EAFE Equity	Index	3.5%	39,082	3.7%		34,077	3.2%	
	Cash		0.0%	613	0.1%		613	0.1%	
			100.0%	1,056,632	100.0%	84.2%	1,049,306	100.0%	82.0%
Short Term	Short Term Bonds	Index		63,051			79,938		
	Cash			79			85		
				63,130		5.0%	80,023		6.3%
Total Invested Assets *				1,119,762		89.2%	1,129,329		88.3%
Provinces Notional Assets (net of prepayments, including outstanding payments)				135,780		10.8%	149,973		11.7%
Total Assets				1,255,541		100.0%	1,279,302		100.0%

* Total Invested Assets includes prepayments from Yukon
Totals may not add due to rounding

Asset Summary – cont'd

(\$,000's)

Split of Invested Assets between:	Dec-15	Dec-14
Long Term Fund	94.4%	92.9%
Short Term Fund	5.6%	7.1%
Total Invested Assets	100.0%	100.0%

Comments on Asset Summary

As of December 31, 2015:

- Weighting for real return bonds is currently 0.1% below their benchmark of 80% of the Long Term Fund
 - This is a decrease from December 31, 2014 (0.2% above benchmark)
- Universe bonds are 0.4% below their benchmark of 6%
 - This is same weight as at December 31, 2014 of 5.6%
- Equities are above their benchmark by 0.5%
 - At December 31, 2014 they were 0.1% above their benchmark
- Provinces/Territories' Notional Assets are net of prepayments by Yukon
 - See further detail on page 7
- As a percentage of the Invested Assets, the Long Term Fund has increased from 92.9% to 94.4%, while the Short Term Fund has decreased from 7.1% to 5.6% during the fiscal year

Asset Development

(\$,000's)

		Invested Assets ¹				Provinces' Notional Assets ¹	Total Assets
		Real Return Bond Fund	Other Long Term Funds	Short Term Fund	Total Invested Assets		
Initial, at December 31, 2014		841,731	207,576	80,023	1,129,329	149,973	1,279,302
Investment income (realized and unrealized)		17,673	10,928	1,962	30,564	881	31,445
Inflow:	Recoveries from Provinces	-	-	15,075	15,075	(15,075)	0
	Additional Prepayments	-	-	-	-	-	-
Outflow:	Benefit Payments	-	-	(51,601)	(51,601)	-	(51,601)
	Expenses	-	-	(3,604)	(3,604)	-	(3,604)
Transfers between funds		(14,982)	(6,294)	21,276	-	-	-
Closing, at December 31, 2015		844,422 ²	212,210 ²	63,130	1,119,762	135,780	1,255,541

1. Invested Assets include PT prepayments; Provinces' Notional Assets are net of prepayments and include outstanding payments
2. These figures differ slightly from those on page 3 because of allocation of cash balances
3. Based on RBC Dexia statements
4. Totals may not add due to rounding

Comments on Asset Development

- Total invested assets (i.e. excluding Provinces/Territories' Notional Assets) have decreased since December 31, 2014 by \$9.6m
 - As a result of the "federal" 8/11ths share of the total payouts exceeding the positive investment returns
- The Provinces/Territories' Notional Assets have decreased by \$14.2m
 - As a result of their 3/11ths share of the total payout exceeding interest credits at T-bill rates
- Total assets (i.e. including Provinces/Territories' Notional Assets) have decreased by \$23.8m
- Benefits are paid from the Short Term Fund
- From June 2002 onwards all recoveries from the provinces were allocated to the Short Term Fund
- TD Asset Management made net transfers from the Long Term Fund to the Short Term Fund of \$21m
 - \$15m from real return bonds in June and December 2015
 - \$6m from other long term funds - spread over the period

Provinces/Territories' Notional Assets

(\$,000's)

	Gross Province/ Territories' Notional Assets	Less Yukon Prepayments	Net Provinces/ Territories' Notional Assets
Initial, at December 31, 2014	149,987	14	149,973
Interest credits	881	-	881
Additional prepayments	-	-	-
3/11 th share of benefits/expenses	(15,075)	-	(15,075)
Closing, at December 31, 2015	135,793	13	135,780

Totals may not add due to rounding

Investment Returns

Fund	Portfolio	Fiscal Year Ending				Quarterly Returns Fiscal Dec 2015			
		Dec-12	Dec-13	Dec-14	Dec-15	Mar-15	Jun-15	Sep-15	Dec-15
Long Term	Real Return Bonds	2.7%	-8.5%	15.7%	2.1%	8.2%	-4.7%	-1.8%	0.8%
	Universe Bonds	3.4%	-1.3%	8.7%	3.5%	4.2%	-1.8%	0.2%	1.0%
	Canadian Equity	6.9%	13.0%	10.5%	-8.3%	2.6%	-1.6%	-7.8%	-1.4%
	US Equity	13.0%	40.8%	23.5%	21.2%	10.3%	-1.2%	0.4%	10.8%
	EAFE Equity	14.9%	31.1%	3.8%	19.1%	14.7%	-0.7%	-3.6%	8.4%
	Total	4.0%	-3.2%	14.6%	2.7%	7.8%	-4.1%	-2.1%	1.4%
Short Term	Short Term Bonds	2.1%	1.8%	3.1%	2.6%	1.9%	0.2%	0.0%	0.5%
Total Invested Assets		3.8%	-2.8%	13.6%	2.6%	7.4%	-3.8%	-2.0%	1.3%
Notional PT Assets		0.9%	1.0%	0.9%	0.6%	0.2%	0.1%	0.1%	0.1%
Total Assets		3.4%	-2.3%	11.9%	2.4%	6.6%	-3.4%	-1.7%	1.2%

1. The 2012, 2013, 2014 and 2015 annual and quarterly returns for the component portfolios are as reported by TD Asset Management in their quarterly investment reports. Eckler has not independently verified these.
2. Aggregated annual and quarterly returns (Total Long Term, Total Invested Assets and Total Assets) are calculated by Eckler taking into account the relative market values, cashflows and investment returns of the component portfolios.
3. Eckler returns are calculated on an approximate basis, using average cashflows; they may differ slightly from returns calculated by a performance measurement service using daily cashflows.

Comments on Investment Returns

- The overall return of positive 2.4% for the 2015 calendar year is the result of positive returns on all portfolios except Canadian equities
- US equities produced the best returns in 2015 of 21.2%, followed by the EAFE equities of 19.1%
- Canadian equities produced the worst returns in 2015 of negative 8.3%, as a result of the decline in energy prices
- The Provinces/Territories' Notional Assets increase with interest at the 3-month T-bill rate; in 2015, these rates were lower than the returns on the invested assets

Tracking Error

		Fiscal Year Ending				4 years to Dec 2015	Target Tracking Error	
		Dec-12	Dec-13	Dec-14	Dec-15		1 year	4 years
Universe Bonds	Actual	3.4%	-1.3%	8.7%	3.5%	3.53%		
	Index	3.6%	-1.2%	8.8%	3.5%	3.62%		
	t/e	-0.2%	-0.1%	-0.1%	0.0%	-0.09%	0.20%	0.10%
Canadian Equity	Actual	6.9%	13.0%	10.5%	-8.3%	5.20%		
	Index	6.9%	13.0%	10.6%	-8.3%	5.19%		
	t/e	0.0%	0.0%	-0.1%	0.0%	0.01%	0.30%	0.15%
US Equity	Actual	13.0%	40.8%	23.5%	21.2%	24.23%		
	Index	12.7%	40.4%	23.2%	20.8%	23.87%		
	t/e	0.3%	0.4%	0.3%	0.4%	0.36%	0.30%	0.15%
EAFE Equity	Actual	14.9%	31.1%	3.8%	19.1%	16.82%		
	Index	14.7%	31.0%	3.7%	19.0%	16.68%		
	t/e	0.2%	0.1%	0.1%	0.1%	0.14%	0.60%	0.30%
Short Term Bonds	Actual	2.1%	1.8%	3.1%	2.6%	2.38%		
	Index	2.0%	1.7%	3.1%	2.6%	2.35%		
	t/e	0.1%	0.1%	0.0%	0.0%	0.03%	0.20%	0.10%

Comments on Tracking Error

- US Equity had a tracking error outside the target range for both one and four years ending 2015
- All other portfolios met their tracking error target over both one and four years for 2015

TAB G

**1986-1990 Hepatitis C Claims Centre
Annual Report for the Period Ending December 31, 2015**

Appointment

Crawford and Company Canada Inc. has been administering the 1986-1990 Hepatitis C Class Action Settlement since our appointment by the Courts March 9, 2000.

Activities of Year 16

1. Complied with all Administrator duties as outlined in Article Five of the Settlement Agreement.
2. Worked in collaboration with the auditors from Deloitte to complete the year-end audit process.
3. Met with the Joint Committee in March; provided and discussed updated claim statistics.
4. Updated the list of HCV Approved Medications as new treatments became generally accepted by the medical community.
5. Provided further data and follow up information to the Joint Committee with respect to the triennial financial sufficiency review as of December 31, 2013.
6. Updated and implemented new Loss of Income, Loss of Services in the Home and Loss of Support renewal claim process.
7. Distributed notice to Class Members regarding application to the Courts regarding the Trust Fund surplus.
8. Continued to provide statistics, feedback and general claim information to the Joint Committee with regards to individuals who are seeking to submit a claim after the June 30, 2010 first claim deadline and who may meet the criteria for the proposed Late Claim Request Protocol.
9. Continued to work in collaboration with Canadian Blood Services, Héma-Québec, provincial hepatitis c programs, and medical experts.
10. Updated the www.hepc8690.ca website monthly and as needed.
11. Prepared files for Fund Counsel, Referees, and Arbitrators and attended three (3) in person hearings and two (2) by conference call.

Key Claims Evaluation Statistics as of December 31, 2015

Funds disbursed	\$875,785,071.88
Claims received	17,448
Claims approved	14,182
Claims denied	2,896
Claims in progress	370
Appeals	478
Decisions Rendered	340
Mediated/Withdrawn/Rescinded/Archived	117
Traceback requests initiated	5,005

Crawford continues to meet or exceed all service performance criteria.

TAB H

CCAS HEP C 86 - 90 Reconciliation 2015

Balance owing December 31 2014		<u>\$ 80,281.65</u>
2015 Budgeted Amounts		
HEP C		\$ 638,932.00
GST / HST		\$ 83,061.16
Total Budget Year 2015		<u>\$ 721,993.16</u>
Activity Adjustment	\$ 56,157.78	
HST 13%	\$ 7,300.51	
Third Party Expenses	\$ 1,372.25	
HST 13%	\$ 178.39	
Appeals Cost	\$ 3,522.79	
HST 13%	\$ 457.96	
Notice Project Cost re Surplus	\$ 42,150.00	
HST 13%	\$ 5,479.50	
Total Activity, Third Party, Appeals, Notice Campaign & Taxes		<u>\$ 116,619.19</u>
Payments made in 2015		
Re Budget Year 2014		\$ 80,281.65
Re Budget Year 2015		\$ 661,827.02
Total Paid in 2015		<u>\$ 742,108.67</u>
Balance owing from HEP C Settlement Fund at December 31 2015 re 2015		<u><u>\$ 176,785.32</u></u>

Note:

Dec 31, 2015 Balance

HEP C Budget	2689561-1	\$60,166.09	Paid Jan 8, 2016
Quarterly Adjustment, etc		<u>\$116,619.19</u>	

TAB I

**SUMMARY OF JOINT COMMITTEE WORK
DURING SIXTEENTH YEAR OF OPERATIONS (2015)**

OVERVIEW

1. The Joint Committee has a mandate to implement the 1986-1990 Hepatitis C Settlement Agreement and Plans, to supervise the ongoing administration of claims, to oversee the performance of the Trust Fund investment portfolio, to oversee services providers and to undertake the triennial fund sufficiency review. The maximum obligations to the Trust Fund established as at January 10, 2000 were \$1.203 billion, shared between the Government of Canada (72.7273%) and the governments of the provinces and territories (27.2727%).
2. In 2015, approximately \$52.6 million in claims were paid. Operating expenses of administration and all service providers were approximately \$4.3 million. The total amount paid for claims over the life of the settlement now totals approximately \$875.8 million.
3. In 2015, the invested assets held by the Trustee decreased by about \$9.6 million (net of payments out) and there was a 2.69% return on the total invested assets. As at December 31, 2015, the value of the Trust Fund was approximately \$1.121 billion and the unpaid liability of the provincial and territorial governments was approximately \$133.7 million, such that there was a total of approximately \$1.255 billion available to satisfy the claims of class members.
4. The most time-consuming issues for members of the Joint Committee in 2015 were:
 - (a) work in connection with the financial sufficiency review triggered at December 31, 2013, including discussions with the Joint Committee's actuaries and the federal government, consulting with the Joint Committee's medical advisors and the Administrator, class member consultation sessions held across Canada, ongoing written and telephone communications with class members and family class members, and preparing the Joint Committee's applications and supporting material in respect of the financial sufficiency allocation hearings;
 - (b) preparing the applications and material for court approval of the 2014 Annual Report and Financial Statements;
 - (c) addressing the appeals and leave to appeal arising from applications filed by Class Counsel relating to the jurisdiction of the Court to conduct hearings outside their respective provincial boundaries and a related application by the Province of Ontario; and
 - (d) preparing the applications and supporting material for approval of the 2016 Annual Budgets.

5. Other projects commenced and/or completed by the Joint Committee in 2015 were:
- (a) gathering medical information regarding newly licensed Hepatitis C drug treatments that are not insured treatments and discussing these treatments and the funding of them with the Joint Committee's medical advisors and the Administrator;
 - (b) working with Fund Counsel and the Monitor on the advancement of dormant appeals; and
 - (c) responding to various policy issues raised by the Administrator for direction from the Joint Committee.

FINANCIAL MATTERS AND BUDGETARY PROCESS

6. The Joint Committee is responsible for making recommendations to the Courts pertaining to the appointment of service providers, negotiating budgets for service providers, obtaining orders pertaining to approval of the budgets, instructing service providers and receiving and assessing advice and reports from service providers. The service providers to which this description applies include:
- (a) the administrator;
 - (b) the trustee;
 - (c) the investment managers;
 - (d) the auditors;
 - (e) the actuaries; and
 - (f) physicians who assist in medical modelling.

PORTFOLIO OVERSIGHT

7. In 2015, the invested portion of the Trust Fund closed at about \$1.119 billion, which was down by approximately \$9.6 million from the previous year. Approximately \$52.6 million in claims were paid, which was about 13% more than was paid out in the previous year.¹ The increase was largely due to payments for costly uninsured new drug treatments. Approximately \$4.3 million in administration and service provider expenses were paid, which is about a 35% increase in expenses from the previous year.² The obligation of the provinces and territories which fund on a pay-as-you go basis is estimated to be about \$133.7 million as at December 31, 2015.

¹ In 2014, approximately \$46.6 million was paid. In 2013, approximately \$34.6 million was paid.

² In 2014, the operating expenses were about \$3.2 million. In 2013, the operating expenses were approximately \$3.1 million.

8. The investment portfolio is largely in fixed income instruments, with the greatest portion of the fixed income instruments being real return bonds. A small portion is held in equities. Overall, there was a 2.69% return on the total invested assets in 2015, which was a substantial decrease over the prior year.³
9. The vast majority of the assets (approximately \$844.5 million) are invested in Government of Canada Real Return Bonds, which produced a return of 2.08% in 2015. This was a significant decrease over the previous year.⁴ The return on these bonds since inception is 7.45%.
10. The next largest asset class is short term bonds, which produced a return of 2.63% in 2015. This was a modest decrease over the previous year.⁵ The return on these bonds since inception is approximately 4.65%.
11. The “other” invested assets include bond funds and Canadian and foreign equities. The return on Canadian bonds was 3.53%, which was a moderate decrease over the previous year.⁶ The return on Canadian bonds since inception is 5.95%. The return on short term bonds was 2.63%, which was down from the previous year.⁷ The return on short term bonds since inception is 4.65%. The return on Canadian equities was -8.27%, which was down substantially from the previous year.⁸ The return on Canadian equities since inception is 4.89%. The return on US equities was 21.21%, which was a moderate decrease from the previous year.⁹ The return on US equities since inception is 3.91%. The return on international equities was 19.06%, which was a substantial improvement from the prior year.¹⁰ The return on international equities since inception is 2.34%.
12. The Trust Fund met the one year and four year tracking ranges set in the Investment Guidelines for the Trust Fund (as revised in 2010) for all portfolios except US equities, which had a tracking error outside the target range for both one year and four years ending 2015.¹¹

³ In 2014, the overall return on invested assets was 13.58%. In 2013, the overall return on invested assets was negative 2.8%.

⁴ In 2014, the return on real return bonds was 15.65%. In 2013, the return on real return bonds was negative 8.54%.

⁵ In 2014, the return on short term bonds was 3.05%. In 2013, the return on short term bonds was 1.8%.

⁶ In 2014, the return on Canadian bonds was 4.8%. In 2013, the return on Canadian bonds was negative 1.3%.

⁷ In 2014, the return on short term bonds was 3.1%. In 2013, the return on short term bonds was 1.8%.

⁸ In 2014, the return on Canadian equities was 10.5%. In 2013, the return on Canadian equities was 13.0%.

⁹ In 2014, the return on US equities was 23.5%. In 2013, the return on US equities was 40.8%.

¹⁰ In 2014, the return on international equities was 3.8%. In 2013, the return on international equities was 31.1%.

¹¹ The tracking error target for US equities is 0.30% for one year and 0.15% for four years. The actual tracking error for US equities was 0.40% for one year and 0.36% for four years ending 2015. This tracking error was reported to the Courts and addressed in early 2016.

TAB J

YEAR 16 JC FEES

**Joint Committee Fees and Disbursements Incurred in the Period from
January 1, 2015 to December 31, 2015**

GENERAL

	British Columbia	Quebec	Ontario (Hemophilic)	Ontario (Transfused)	Total
General Fees	64,955.00\$	96,231.25\$	115,055.00\$	101,849.50\$	378,090.75\$
General Disbursements	6,993.99\$	6,542.14\$	7,703.08\$	20,670.25\$	41,909.46\$
GST	3,585.45\$	5,138.24\$	n/a	n/a	8,723.69\$
PST	4,765.28\$	10,251.64\$	n/a	n/a	15,016.92\$
HST	n/a	n/a	15,958.55\$	15,927.57\$	31,886.12\$
Total	80,299.72\$	118,163.27\$	138,716.63\$	138,447.32\$	475,626.94\$

SUFFICIENCY-RELATED

	British Columbia	Quebec	Ontario (Hemophilic)	Ontario (Transfused)	Total
Sufficiency Fees	269,175.00\$	210,905.00\$	229,492.50\$	316,099.00\$	1,025,671.50\$
Sufficiency Disbursements	45,486.71\$	18,440.21\$	13,242.07\$	12,905.66\$	90,074.65\$
GST	15,700.59\$	11,467.06\$	n/a	n/a	27,167.65\$
PST	19,342.96\$	22,875.03\$	n/a	n/a	42,217.99\$
HST	n/a	n/a	31,299.25\$	42,770.60\$	74,069.85\$
Total	349,705.26\$	263,687.30\$	274,033.82\$	371,775.26\$	1,259,201.64\$

**TOTAL FEES AND DISBURSEMENTS
(GENERAL PLUS SUFFICIENCY-RELATED AND JURISDICTION ISSUES)**

	British Columbia	Quebec	Ontario (Hemophilic)	Ontario (Transfused)	Jurisdiction issues* (CFM & Pape Barristers)	Total
Total Fees	334,130.00\$	307,136.25\$	344,547.50\$	417,948.50\$	189,745.00\$	1,593,507.25\$
Total Disbursements	52,480.70\$	24,982.35\$	20,945.15\$	33,575.91\$	14,087.75\$	146,071.86\$
GST	19,286.04\$	16,605.30\$	n/a	n/a	2,474.61\$	38,365.95\$
PST	24,108.24\$	33,126.67\$	n/a	n/a	2,602.74\$	59,837.65\$
HST	n/a	n/a	47,257.80\$	58,698.17\$	20,064.29\$	126,020.26\$
Total	430,004.98\$	381,850.57\$	412,750.45\$	510,222.58\$	228,974.39\$	1,963,802.97\$

**Appeals regarding jurisdiction issues opposed by the provincial and territorial governments*

TAB K

**REPORT OF FUND COUNSEL
(FOR 2015 YEAR END)**

1. The duties and responsibilities of Fund Counsel are defined by Section 7.01 of the January 1, 1986 - July 1, 1990 Hepatitis C Settlement Agreement. These duties and responsibilities include:
 - (a) defending decisions made by the Administrator;
 - (b) defending and advancing the interests of the Trust Fund;
 - (c) receiving financial statements and actuarial and other reports relating to the financial sufficiency of the Trust Fund from time to time;if deemed necessary or desirable by Fund Counsel, making applications to courts pursuant to Section 10.01 of the Settlement Agreement.
2. John Callaghan and Belinda Bain have been appointed as Fund Counsel for the Ontario Class Actions by Order of the Ontario Superior Court of Justice. Mason Poplaw was appointed Fund Counsel for the Quebec Class Actions by Order of the Quebec Superior Court. Gordon J. Kehler was appointed Fund Counsel for the British Columbia Class Actions by Order of the British Columbia Supreme Court, replacing William A. Ferguson.
3. During the fiscal period **January 1, 2015 to December 31, 2015**, Fund Counsel were primarily involved in defending decisions made by the Administrator on appeals instituted by claimants. The appeals are conducted either as References or Arbitrations. Appeals can be conducted in writing or in person. In each case, written submissions are delivered to the claimant and the Referee/Arbitrator in advance of the appeal. When the appeal is conducted in person, Fund Counsel attends the hearing. The hearing is held where the claimant resides.
4. If the appeal is conducted by way of Reference, the Referee's decision is final and binding within 30 days of the release of the decision unless a claimant opposes confirmation within the 30 day period. If confirmation of the Referee's decision is opposed by the claimant, the Referee's decision is reviewed by the Court.
5. In addition to the appeals, Fund Counsel have also handled claims where court approval was necessary for payments involving minors or a mentally incompetent adult.
6. Fund Counsel also receive and review financial statements and other reports relating to the financial sufficiency of the Trust Fund.

7. Below is a report of the activities of each Fund Counsel in relation to the appeals conducted:

(a) **Ontario Fund Counsel**

Ontario Fund Counsel handles appeals from Claimants in Alberta, Manitoba, Ontario, Saskatchewan, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, Yukon Territory, The Northwest Territories and Nunavut. Ontario Fund Counsel is also a party to a proceeding in the Supreme Court of Canada addressing certain issues arising from the operation of the Settlement Agreement.

Number of total appeals received from the beginning to Dec 31, 2015	326
Number of appeals received from January 1, 2015 to December 31, 2015	3
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2015	228
Number of completed appeals (decisions rendered) from January 1, 2015 to December 31, 2015	2
Number of total withdrawals from the beginning to December 31, 2015	44
Number of withdrawals from January 1, 2015 to December 31, 2015	0
Number of total rescissions of denial from the beginning to December 31, 2015	22
Number of rescissions of denial from January 1, 2015 to December 31, 2015	0
Number of total Mediated Appeals from January 1, 2015 to December 1, 2015	7
Number of Mediated appeals from January 1, 2015 to December 31, 2015	0
Number of Archived Appeals	6
Number of pending Appeals as of December 31, 2015	18
Number of total requests for judicial confirmation from the beginning to December 31, 2015	54
Number of requests for judicial confirmation from January 1, 2015 to December 31, 2015	0
Number of total judicial decisions from the beginning to December 31, 2015	45

Number of judicial decisions from January 1, 2015 to December 31, 2015	2
Number of Appeals Justice Winkler sent back to Referee up to December 31, 2015	4
Number of Appeals that have been sent back that are concluded	3
Number of Appeals sent back by Justice Winkler that have been withdrawn by claimant up to December 31, 2015	1
Total Number of pending Appeals as of December 31, 2015	18

Archived – Represents appeals where the Claimant cannot be located before a decision has been rendered or the Arbitrator or Referee has agreed to an indefinite adjournment.

Ontario Fund Counsel incurred fees of **\$219,886.50** plus GST/HS. Ontario Fund Counsel incurred disbursements in the amount of **\$6,214.57** plus GST/HST, **\$1,746.08** of which related to travel expenses. The total amount of taxes incurred on fees and expenses was **\$29,393.14**. No expert witness expenses were incurred. With taxes, the total amount of fees and disbursements incurred is **\$255,494.21**.

(b) **Quebec Fund Counsel**

Particulars of the appeals are as follows:

Number of total appeals received from the beginning to December 31, 2015:	79
Number of appeals received from January 1, 2015 to December 31, 2015:	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2015:	63
Number of completed appeals (decisions rendered) from January 1, 2015 to December 31, 2015:	0
Number of total withdrawals from the beginning to December 31, 2015	10
Number of withdrawals from January 1, 2015 to December 31, 2015:	0
Number of total mediated appeals from the beginning to December 31, 2015	1
Number of mediated appeals from January 1, 2015 to December 31, 2015	0
Number of total rescissions of denial from the beginning to December 31, 2015:	5

Number of rescissions of denial from January 1, 2015 to December 31, 2015	0
Number of pending appeals as of December 31, 2015:	0
Number of total requests for Judicial confirmation from the beginning to December 31, 2015:	22
Number of requests for Judicial confirmation from January 1, 2015 to December 31, 2015	0
Number of total Judicial decisions from the beginning to December 31, 2012	20
Number of requests for Judicial confirmation withdrawn by claimant to December 31, 2015	1
Number of judicial decisions from January 1, 2015 to December 31, 2015:	1

Quebec Fund Counsel incurred fees of **\$4,702.00** plus tax. Quebec Fund Counsel incurred disbursements in the amount of **\$305.93** plus tax. The total amount of taxes incurred on fees and expenses is **\$688.46**. There were no costs incurred with respect to expert fees or travel expenses. With taxes, the total amount of fees and disbursements incurred in Quebec is **\$5,696.39**.

(c) **British Columbia**

Particulars of the appeals are as follows:

Number of total appeals received from the beginning to December 31, 2015:	73
Number of appeals received from January 1, 2015 to December 31, 2015:	0
Number of total completed appeals (dec rendered) from the beginning to December 31, 2015:	49
Number of completed appeals (dec rendered) from January 1, 2015 to December 31, 2015:	0
Number of total withdrawals from the beginning to December 31, 2015:	16
Number of withdrawals from January 1, 2015 to December 31, 2015:	0
Number of total rescissions from the beginning to December 31, 2015:	0
Number of rescissions from January 1, 2015 to December 31, 2015:	0

Number of total mediated appeals from the beginning to December 31, 2015:	1
Number of mediated appeals from January 1, 2015 to December 31, 2015:	0
Number of Archived Appeals	4
Number of Archived Appeals from January 1, 2015 to December 31, 2015	0
Number of pending appeals as of December 31, 2015:	3
Number of total request for judicial confirmation from the beginning to December 31, 2015:	19
Number of requests for judicial confirmation from January 1, 2015 to December 31, 2015:	0
Number of total judicial decisions from the beginning to December 31, 2015:	19
Number of judicial decisions from January 1, 2015 to December 31, 2015	0

B.C. Fund Counsel incurred fees in the amount of **\$14,555.00** plus tax. B.C. Fund Counsel incurred disbursements in the amount of **\$329.25** plus tax. The total amount of taxes incurred on fees and expenses is **\$1,763.08** (unable to break down as HST was paid for a portion of the year and GST/PST was paid for the remainder). There were no costs incurred with respect to expert fees or travel expenses. With taxes, the total amount of fees and disbursements incurred in B.C. is **\$16,647.33**.

Appeals that are pending generally fall into one of the following categories:

- (a) Appeals that have been requested but not yet commenced. Some Arbitrators and Referees schedule a pre-appeal conference call before a date for the appeal is set. This can result in the delay in scheduling a date for the appeal. Often, claimants require additional time to collect evidence before commencing the appeal. Fund Counsel generally consent to a reasonable period of delay for the benefit of the claimant.
- (b) Appeals that have been commenced but not yet concluded. Appeals are often adjourned to allow the claimant an opportunity to collect and provide additional evidence. Fund Counsel generally consent to these adjournments. The Referee/Arbitrator usually monitors the adjournment to ensure that the appeal resumes in a reasonable period of time.

- (c) Appeals that have been concluded and the decision from the Arbitrator or Referee is pending.

Pursuant to the Court Approved Protocol for Arbitration/References and subject to the discretion of the Referees and Arbitrators, Fund Counsel endeavour to conduct the appeals in the simplest, least expensive and most expeditious procedure. When practical and reasonable to do so, evidence from witnesses is introduced in writing or by telephone to eliminate the expense of having the witness testify in person. However, in some appeals, it is preferable to have the witness testify in person and on these occasions the expense is unavoidable.

- 8. Fund Counsel anticipates that the time required to handle appeals during this fiscal year will either remain the same or decrease slightly. This will depend upon the number of appeals which raise complicated medical and other issues and which might require expert evidence.
- 9. Fund Counsel attended before the British Columbia and Ontario Courts in respect of a motion as to the location where the supervising judge may hear motions relating to the Fund.

TAB L

Annual Report 2015

Prepared for:

The Joint Committee of the Hepatitis C 86-90 Trust Fund

Prepared by:

Reva Devins

Associate Chair, Ontario Roster of Arbitrators and Referees

Duties and Responsibilities of Arbitrators and Referees

1. Under the terms of the Court approved settlement, Arbitrators and Referees are responsible for determining all appeals brought by claimants seeking review of the decision of the Administrator. An appeal may proceed by Arbitration or Reference, either by an in person hearing or by review of the written material submitted by the parties. Arbitrators and Referees are to conduct their review using the simplest, least expensive and most expeditious procedure.
2. Upon conclusion of the appeal, the Arbitrator or Referee must release their decision within thirty days of completion of an oral hearing or within thirty days following receipt of final written submissions. Reasons for Decision are released in writing to the individual claimant and to Fund Counsel representing the Administrator. In all decisions, the Arbitrator or Referee must state the facts and conclusion without identifying the claimant; decisions are then posted on the Website.

Roster of Arbitrator/Referees

3. There are currently 13 active Court appointed Arbitrator/Referees: one in each of Alberta, Saskatchewan, Manitoba, and Nova Scotia, three in British Columbia, and 6 in Ontario, including a French speaking Arbitrator/Referee who conducts all French language appeals outside of Quebec and British Columbia.

Appeal Activity

4. The number of appeals assigned to Arbitrators and Referees remains low, but steady.

Financial Activity to December 31, 2015

5. The fees and expenses incurred by the Arbitrators and Referees are summarized below:

	<u>British Columbia</u>	<u>Quebec</u>	<u>Ontario (includes all remaining provinces)</u>
Fees:	\$13,387.50		\$17,055.00
Disbursements:	\$ 143.34		\$ 637.71
Taxes on fees:	\$ 1,693.16		\$ 2,056.23
TOTALS	\$15,224.00		\$ 19,748.94

In the past fiscal year, no cases were approved for payment in excess of the tariff rate.

Proposed Budget

6. As in previous years, the number and complexity of appeals pursued by claimants will determine the fiscal needs of Appeal administration. Consequently, absent a reliable predictor of incoming Appeals, the proposed budget for Arbitrators and Referees should be based on expenses, fees and related expenses incurred in the preceding year. We would therefore recommend that the 2016 Budget be set at an amount equal to that actually paid in 2015.