

HEPATITIS C
CLASS ACTION SETTLEMENT
1986-1990

YEAR 21

REPORT OF THE JOINT COMMITTEE
FOR THE PERIOD ENDING DECEMBER 31, 2020

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January 1, 1986 to July 1, 1990

HEPATITIS C CLASS ACTION SETTLEMENT

YEAR 21

ANNUAL REPORT OF THE JOINT COMMITTEE

FOR THE PERIOD ENDING DECEMBER 31, 2020

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Annual Report – YEAR 21 (2020)

January 1, 1986 – July 1, 1990 Hepatitis C Class Action Settlement

EXECUTIVE SUMMARY

1. The 1986-1990 Hepatitis C Settlement (the “**Settlement**”) completed its twenty-first year of operations on December 31, 2020.
2. In 2020, the Administrator received 53 new claims¹ under the Transfused HCV Plan and the Hemophiliac HCV Plan (collectively, the “**Regular Benefit Plans**”) as follows:
 - 14 Primarily Infected Transfused Claims
 - 21 Family Member Transfused Claims
 - 18 Family Member Hemophiliac Claims
3. In 2020, the Administrator did not approve any new claims under the Recent HCV Diagnosis court-approved protocol exception to the First Claim Deadline of June 30, 2010 (“**First Claim Deadline**”) or the other court-approved protocol exception to the First Claim Deadline.
4. In 2020, the Administrator paid about \$25.2 million in claims under the Regular Benefit Plans.²
5. In 2020, the Administrator paid about \$3.1 million in Special Distribution Benefits.³ While progress has been made over the past three years, significant amounts of the approved retroactive Special Distribution Benefits remain to be paid due to

In 2020, the Settlement paid approximately:

\$25.2 million under the Regular Benefit Plans

\$3.1 million in Special Distribution Benefits

\$3.7 million under the Late Claims Benefit Plan

¹ In 2019, 134 new claims were received. In 2018, 157 new claims were received.

² In 2019, about \$32.2 million in claims was paid. In 2018, about \$39.8 million was paid.

³ The Courts issued orders/judgments in February 2017 and December 2017 allocating about \$152.8 million in 2013 excess capital of the 1986-1990 Hepatitis C Trust Fund (the “**Trust Fund**”) in favour of class members to fund certain special distribution benefits (the “**Special Distribution Benefits**”).³ In 2019, about \$5.3 million was paid in Special Distribution Benefits. In 2018, about \$5.2 million was paid.

difficulty locating certain claimants, executors, or successors. In January 2021, the Courts granted the Joint Committee's applications to permit the Administrator to locate missing claimants using social insurance numbers on file. This resulted in the Administrator obtaining 1,900 updated addresses. It is likely that the Administrator will continue to have difficulty locating missing claimants even with the updated addresses. The Joint Committee is exploring additional avenues to obtain updated contact information where no social insurance number is on file, so that claimants or their estates receive the benefits that have been awarded to them.

6. In 2020, the Administrator received 34 new late claim requests under the HCV Late Claims Benefit Plan.⁴ Referees approved 29 requests and denied one request to submit a late claim. The Administrator approved 45 late claims as follows:

- 9 Primarily Infected Transfused Claims
- 1 Primarily Infected Hemophiliac Claim
- 28 Family Member Transfused Claims
- 7 Family Member Hemophiliac Claims

About \$3.7 million in Late Claims Benefits was paid in 2020.⁵

7. In summary, the Administrator paid about \$32.0 million to claimants in 2020.⁶

⁴ In December 2017, the Courts approved an HCV Late Claims Benefit Plan for class members who did not make a claim before the First Claim Deadline and who do not fall within the existing court-approved protocols that provide exceptions to First Claim Deadline. The Courts issued orders/judgments in February 2017 and December 2017 allocating about \$39.9 million in 2013 excess capital of the Trust Fund to the Late Claims Benefit Plan. Before a claimant is permitted to file a claim under this plan, they must submit a request to a referee, who determines whether they are eligible to submit a late claim to the Administrator.

⁵ In 2019, the Administrator paid out about \$1.8 million. That was the first year Late Claims Benefits were paid.

⁶ In 2019, the Administrator paid out about \$40.0 million, including approximately \$5.3 million in Special Distribution Benefits and \$1.8 million in Late Claims Benefits. In 2018, the Administrator paid out approximately \$45.1 million, including \$5.2 million in Special Distribution Benefits.

8. Since the settlement's inception in 1999, the Administrator has paid about \$1.158 billion ⁷ to claimants in response to about 14,965 approved claims.
9. Financial Statements of the Trust Fund attached at **Schedule A** indicate that the Trustee held assets of about \$1.080 billion, the unpaid liability of the provincial and territorial governments was about \$85.0 million (including interest), so there was a total of about \$1.165 billion available to satisfy class members' claims as at December 31, 2020.
10. In 2020, there was a 5.73% return on the invested assets held by the Trustee, which was a decrease over the prior year.⁸ The return was mainly due to the return on the Government of Canada real return bonds that comprise most of the invested assets. The invested assets increased by about \$30.0 million or 2.8% net of payments out.⁹
11. The expenses incurred to administer the settlement in 2020 totalled approximately \$4.3 million for all service providers. This was an increase of about 50.0% over the previous year,¹⁰ due mainly to the additional work required for the triennial financial sufficiency review triggered on December 31, 2019.

*Since inception, about
\$1.158 billion in
benefits has been paid
to 14,965 approved
claims.*

⁷ This amount includes payments of about \$21.4 million to HIV secondarily infected claimants under EAP2.

⁸ In 2019, the overall return on invested assets was 7.34%. In 2018, the overall return was negative 0.55%.

⁹ In 2019, the invested assets increased by about 4.0% net of payments out. In 2018, the invested assets decreased by about 4.1% net of payments out.

¹⁰ In 2019, the administration expenses totalled approximately \$2.9 million. In 2018, the administration expenses totalled approximately \$4.2 million.

OVERVIEW

12. This is the twenty-first 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 its administration.
13. In 2020, the Joint Committee was comprised of Deborah Armour, Q.C., Michel Savonitto, Harvey T. Strosberg, Q.C., and Kathryn Podrebarac.¹¹
14. There are three notional accounts of the Trust Fund: The Regular HCV Benefits Account, the Special Distribution Benefits Account and the HCV Late Claims Benefits Account.¹² The work performed and expenses incurred by service providers are categorized and charged to the applicable account. The provincial and territorial governments do not contribute to claims or expenses paid from the Special Distribution Benefits Account or the HCV Late Claims Benefit Account.
15. Following the 2019 Financial Sufficiency Review, the Courts ordered the reallocation of about \$23 million in excess capital from the Special Distribution Benefits Account to the HCV Late Claims Benefit Account effective January 1, 2020 to ensure that it was financially sufficient. This reallocation also permitted the 25% holdback to be removed and the withheld amounts to be paid with interest to approved late claimants in 2021.
16. Following this reallocation of excess capital, all accounts of the Trust Fund are financially sufficient, and the Courts declared that there is excess capital of \$197.6 million to \$203.6 million. The Joint Committee will make recommendations to the Courts seeking to distribute this excess capital to class members. The precise recommendations and timing of these court applications have not yet been determined. The other parties have not yet advised whether they will bring applications seeking all or part of the excess capital.
17. The activities of the service providers to the settlement under each of the three categories are discussed under the appropriate headings below and in their attached reports. Their fees and disbursements are reconciled to their court-approved budgets, where applicable.

¹¹ Ms. Armour was appointed by Orders of the Supreme Court of British Columbia. Mr. Savonitto was appointed by the Order of the Superior Court of Quebec and has been assisted throughout by Martine Trudeau. Mr. Strosberg was appointed by Order of the Superior Court of Justice for Ontario and has been assisted throughout by Heather Rumble Peterson. Ms. Podrebarac was appointed by Orders of each of the Courts.

¹² The three notional accounts of the Trust Fund were established by the Courts in December 2017.

2020 EXPENSES

18. The budgeting process for 2020 commenced in late 2019. Annual budget approval orders were obtained from the Courts in January 2020.
19. The actual 2020 fees and disbursements of each service provider for each category of work are set out below. All amounts are rounded to the nearest dollar. A detailed review of the activities and expenses of each service provider is found in the next section, beginning on page 11.

A. Regular Benefit Plans Work

20. The total fees and disbursements of the service providers supervised by the Joint Committee for work relating to the Regular Benefit Plans in 2020 were \$2,120,233 plus taxes, which was \$35,223 over their approved budgets.
21. The following chart summarizes the budget versus actual expenses for 2020 for the service providers supervised by the Joint Committee for Regular Benefit Plans work plus taxes.

Service Provider	2020 Budget	2020 Actual	Variance from Budget	Note
Epiq				
Administration of the Regular Benefit Plans and EAP2	\$515,000	\$515,000	0	See paras 36-39 and Schedules B and C
Activity Level Adjustment	As incurred, subject to a +/- 10% variance	(55,690)	(55,690)	
Third Party Expenses	As incurred	0	-	
Appeal Expenses	As incurred	0	-	
Special Projects	\$50,000	\$39,420	(\$10,580)	

Service Provider	2020 Budget	2020 Actual	Variance from Budget	Note
Deloitte Audit, financial statements (exclusive of travel expenses)	not to exceed \$105,000 ¹³	\$85,000 ¹⁴	- ¹⁵	See paras. 31-34 and Schedule A
Special Projects	\$15,000	-	(\$15,000)	
RBC Trustee Services	\$125,000	\$103,976	(\$21,024)	See paras. 43-45 and Schedule D
TDAM Investment Services	\$395,000	\$353,825	(\$41,175)	See paras. 46-48 and Schedules E and F
Eckler Actuarial Services & Investment Review	\$50,000	\$51,436	\$1,436	See paras. 60-61 and Schedules G and H
Special Projects	\$25,000	\$47,429	\$22,429	
PricewaterhouseCoopers LLP Income Loss annual computer programming update	\$10,000	\$8,734	(\$1,266)	See paras. 50-51
Paula Frederick/ Cohen Hamilton Steger Inc. Specialized Income Loss analysis	\$40,000	0	(\$40,000)	See paras. 52-53
Joint Committee Regular administration and supervision work				See paras. 66 and Schedules I and J
Fees	\$700,000	\$917,869	\$217,869	
Disbursements	\$75,000	\$53,234	(\$21,766)	

¹³ The Courts approved a global budget of not more than \$105,000 for completing the audit and preparing financial statements for all three accounts of the Trust.

¹⁴ This is the amount attributable to Deloitte's work in respect of the Regular Benefits work only. As noted in the charts that follow, additional fees were incurred in respect of the other two categories of work.

¹⁵ We have not noted the variance from Deloitte's global budget here. The amounts attributable to the two other categories of work are shown in the charts that follow. Deloitte's fees for all audit and financial statements work in 2020 were on budget, totalling \$105,000.

22. The following service providers, who are not supervised by the Joint Committee, also provided services in 2020 relating to the Regular Benefit Plans. They were paid the following amounts (exclusive of taxes) pursuant to applicable orders or the tariff approved by the Courts.

Service Provider	2020 Actual	Note
Fund Counsel		
Fees	\$55,841	See paras 71-73, 75 and Schedule K
Disbursements	\$642	
Arbitrators and Referees		
Fees	\$11,050	See paras. 76-78 and Schedule L
Disbursements	\$8	
Court Monitor		
Fees	\$2,448	See paras. 80-81
Disbursements	\$260	

B. Financial Sufficiency Work

23. Section 10.01(1)(i) of the Settlement Agreement requires the financial sufficiency of the Trust Fund to be assessed every three years.
24. In 2020, the total fees and expenses of the service providers supervised by the Joint Committee for work relating to the financial sufficiency review triggered on December 31, 2019 (the “**2019 Financial Sufficiency Review**”) were \$1,124,669 which was \$208,490 under budget.

Service Provider	2020 Budget	2020 Actual	Variance from Budget	Note
Eckler Phase 1 work Fees Disbursements	\$715,490 ¹⁶ \$20,000	\$619,488 \$833	(\$96,002) (\$19,167)	See para. 62
Joint Committee Fees Disbursements	\$500,000 \$35,000	\$457,873 \$5,768	(\$42,127) (\$29,232)	See para. 67 and Schedules I and J
MMWG Updated medical model and medical modelling report for 2019 Financial Sufficiency Review	\$62,669 ¹⁷	\$40,707	(\$21,962)	See para. 54-55

C. Special Distribution Benefits Work

25. The Courts approved budgets for the following service providers in connection with Special Distribution Benefits.¹⁸ Their actual fees and disbursements (exclusive of taxes) are indicated below.
26. In 2020, the total fees and expenses of the service providers supervised by the Joint Committee for work relating to Special Distribution Benefits were \$122,156, which was \$15,643 over budget.

¹⁶ Eckler's Financial Sufficiency budget for completion of Phase 1 of the 2019 Financial Sufficiency Review was \$727,00 plus taxes. Its unused budget from 2019 was carried forward into 2020, when the vast majority of its work was performed.

¹⁷ The MMWG's budget for its work relating to the 2019 Financial Sufficiency Review was \$212,000, plus taxes. Most of its work was completed in 2019 at a cost of \$149,331, plus taxes. Its remaining budget of \$62,669 was carried forward into 2020 for the completion of its work.

¹⁸ The Courts issued orders/a judgment directing payment of certain Special Distribution Benefits to class members from excess capital of the Trust Fund in February 2017. In December 2017, two additional special distribution benefits were approved by the Courts.

Service Provider	Budget 2020	Actual 2020	Variance from Budget	Note
Deloitte				See para. 31-33
Fees	– ¹⁹	\$13,500	-	
Epiq				See para. 40 and Schedule C
Fees for Prospective Payments	\$5,000 ²⁰	\$5,000	-	
Fees for Retroactive Payments	– ²¹	\$7,790	-	
Disbursements	-	\$223	-	
Joint Committee				See para. 68 and Schedules I and J
Fees	\$50,000	\$94,237	\$44,237	
Disbursements	\$5,000	\$592	(\$4,408)	
Eckler				See para. 63
Fees	\$25,000	\$814	(\$24,186)	

D. Late Claims Benefits Work

27. In December 2017, the Courts approved a Late Claims Benefit Plan prepared by the Joint Committee in consultation with the federal, provincial and territorial governments, as well as a comprehensive notice plan to inform class members about the Late Claims Benefit Plan. The notice plan included an active national television, public relations and social media campaign at the beginning of 2018 in Phase 1. A more passive two-year post-campaign notice program in Phase 2 was also approved, with a budget of \$37,000 (plus taxes) per year. Phase 2 began in October 2018 and concluded on September 30, 2020.

¹⁹ See note 13 above.

²⁰ The Administrator charges a flat fee of \$5,000 per year to administer Special Distribution Benefits payments on a *go forward* basis.

²¹ The Administrator's fees for making *retroactive* Special Distribution Benefits payments are based on a fee schedule approved by the Courts in the appointment orders.

The goal of the passive campaign was to drive visits to the HCV Late Claims Notice websites for more information. The campaign was comprised of Google Ads (Search Engine Marketing and Display Banners) and Facebook Ads. The paid media campaign generated a total of 27,000 visits to the English website and 11,800 visits to the French website in its second year.

28. In 2020, the Courts approved budgets for the following service providers in connection with Late Claims Benefits. Their actual fees and disbursements (exclusive of taxes) are indicated below. Service providers who had a budget were under budget.
29. In 2020, the total fees and expenses of the service providers supervised by the Joint Committee for work relating to Late Claims Benefits were \$201,270, which was \$133,827 under budget.

Service Provider	2020 Budget	2020 Actual	Variance from Budget	Note
Deloitte Fees	– ²²	\$6,500	-	See para. 31-33
Epiq Fees	– ²³	\$127,503 ²⁴	-	See para. 41
Disbursements	-	\$5,977	-	
Joint Committee Fees	\$175,000	\$40,540	(\$134,460)	See para. 69 and Schedules I and J
Disbursements	\$25,000	\$121	(\$24,879)	
Eckler Fees	\$25,000	\$20,629	(\$4,371)	See para 64

²² See note 13 above.

²³ The Administrator's fees and disbursements for services under the Late Claims Benefit Plan are based on a fee schedule approved by the Courts in the appointment orders.

²⁴ This amount is Epiq's actual fees for work completed in 2020. Due to an audit error, fees totalling \$29,883 for 2020 were not included in the 2020 financial statements. They will be captured in the 2021 financial statements.

30. The following service providers, who are not supervised by the Joint Committee, also provided services in 2020 relating to appeals filed under the Late Claims Benefit Plan. They were paid the following amounts (exclusive of taxes) pursuant to applicable orders or the tariff approved by the Courts.

Service Provider	2020 Actual	Note
Fund Counsel		
Fees	\$46,899	See paras 74-75 and Schedule K
Disbursements	\$2,725	
Arbitrators and Referees		
Fees	\$21,314	See paras. 77-78 and Schedule L
Disbursements	\$1,319	

SERVICE PROVIDERS - DETAILED REVIEW

DELOITTE LLP

31. Deloitte LLP (“**Deloitte**”) was appointed auditor of the Trust Fund pursuant to orders of the Courts.
32. 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 for the year ended December 31, 2020.
33. The Courts approved a 2020 budget for Deloitte for the audit and for preparation of the financial reports not to exceed \$105,000 plus travel expenses and taxes. The total amount invoiced by Deloitte for these services exclusive of taxes was \$105,000, comprised of \$85,000 for the Regular Benefits work, \$13,500 for the additional work, planning and financial reporting relating to Special Distribution Benefits, and \$6,500 for the additional work associated with the Late Claims Benefits.
34. The Courts also approved a special projects budget of \$15,000 plus taxes for Deloitte, which was not expended in 2020.

35. Deloitte's fees were paid on approval of the Joint Committee pursuant to the 2020 budget approval orders.

EPIQ CLASS ACTION SERVICES CANADA INC.

36. Epiq Class Action Services Canada Inc. ("**Epiq**") was appointed Administrator by orders of the Courts for a two-year term commencing January 1, 2019. In their approval orders, the Courts also approved budgets for the two-year term, which included 2020.
37. The Report of the Administrator is attached as **Schedule B**.
38. Epiq's budget for services performed in connection with the Regular Benefit Plans provides for a flat administration fee subject to adjustment if 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 fees.
39. **Schedule C** is the Payment Reconciliation for Epiq for 2020. It reflects payments to Epiq in accordance with its budget of \$515,000 relating to the administration of the Regular Benefit Plans, which were paid on approval of the Joint Committee pursuant to the appointment approval orders. Due to reduced activity levels in 2020 that exceeded the 10% per annum variance allowance, Epiq's fee was subject to a \$55,690 year-end reduction, which was applied in 2021. Epiq did not incur third party expenditures or appeal expenses under the Regular Plans.
40. Epiq's 2020 budget for administering Special Distribution Benefits on a go-forward basis was a flat fee of \$5,000. Its fees for making retroactive Special Distribution Benefits payments are based on a fee schedule approved in the appointment orders. Epiq's fees for administering these benefits in 2020 totalled \$12,790 plus taxes, comprised of the \$5,000 flat fee for prospective benefits and \$7,790 in fees and \$223 in postage expenses for retroactive benefits. These amounts were paid on approval of the Joint Committee pursuant to the appointment approval orders.
41. Epiq's fee schedule for administering Late Claim Benefits was approved by the Courts in the appointment orders. Epiq's fees in 2020 were \$127,503 plus taxes, and it incurred expenses of \$5,977 plus taxes for expert medical advice, translation and postage. These amounts were paid on approval of the Joint Committee pursuant to the appointment

approval orders. In their orders approving the renewal of Epiq's appointment for the 2021 calendar year, the Courts accepted the Joint Committee's recommendation and approved additional payments to Epiq for past work performed in connection with administering Late Claims Benefits. These payments were made in 2021 and will be accounted for in next year's audit and annual report.

42. A special projects budget of \$50,000 was also approved for the Administrator for 2020. Epiq's fees for special projects in 2020 were \$39,420 plus taxes, which were paid on approval of the Joint Committee pursuant to the 2020 budget approval orders. These fees were incurred in connection with the locator project, which seeks to locate claimants owed payments whose contact information on file is outdated.

RBC INVESTOR SERVICES TRUST

43. In 2005, RBC Investor Services Trust, operating as RBC Investor & Treasury 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.
44. Attached as **Schedule D** is a Report from RBC of its Custodial Trustee activities in the year ended December 31, 2020.
45. The Courts approved a budget for RBC for 2020 of \$125,000 plus taxes. The actual fees charged by RBC for 2020 were \$103,976 plus taxes, which were paid pursuant to the 2020 budget approval orders.²⁵

TD ASSET MANAGEMENT INC.

46. TD Asset Management Inc. ("**TDAM**") was appointed Investment Manager of the Trust Fund pursuant to the Orders of the Courts.
47. Attached as **Schedule E** is the Confirmation that TDAM has complied with the court-approved Investment Guidelines.

²⁵ The amount of RBC's Trustee and Custodial Fees in its Information Briefing at Schedule D is slightly different as it is not based solely on the 2020 calendar year.

48. The Courts approved a budget for TDAM for 2020 of \$395,000 plus taxes. The total fees charged by TDAM in 2020 were \$353,825 plus taxes. TDAM was paid pursuant to the 2020 budget approval orders.
49. Attached as **Schedule F** is the Portfolio Review of the Trust Fund assets.

PRICEWATERHOUSECOOPERS LLP

50. 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 respect to both types of software.
51. The budget approved by the Courts for PricewaterhouseCoopers LLP for 2020 was \$10,000 plus taxes. The actual amount charged to the Trust Fund by PricewaterhouseCoopers LLP was \$8,734 plus taxes. It was paid on approval of the Joint Committee pursuant to the 2020 budget approval orders.

COHEN HAMILTON STEGER & CO. INC. – Paula Frederick

52. Cohen Hamilton Steger & Co. 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.
53. The budget approved for Ms. Frederick's services in 2020 was \$40,000. No fees were incurred in 2020.

MEDICAL MODELLING WORKING GROUP

54. Dr. Murray Krahn and the Medical Modelling Working Group ("**MMWG**") have performed medical modelling work for each of the triennial financial sufficiency reviews.
55. The budget approved for the MMWG's services for the 2019 Financial Sufficiency Review was \$212,000 plus taxes. The bulk of MMWG's work was completed in 2019 at the cost of \$149,331, plus taxes. MMWG's remaining budget of \$62,669 was carried forward into 2020. MMWG's fees in 2020 for completing its work, including delivery of its medical modelling report, were \$40,707 plus taxes, which were paid on approval of the Joint Committee pursuant to the 2019 budget approval orders.

ECKLER LTD.

56. Eckler Ltd. (“**Eckler**”) was retained initially by Class Counsel and subsequently by the Joint Committee to provide actuarial and investment consulting advice in respect of the Trust Fund.
57. Eckler has also provided an annual investment review and advice to the Joint Committee in respect of investments on an as-needed basis since the resignation of the Investment Consultants in 2005.
58. Attached as **Schedule G** is the Report of Eckler regarding its activities during 2020.
59. Attached as **Schedule H** is an Investment Summary provided by Eckler.
60. The Courts approved an annual budget for Eckler’s actuarial and investment review services of \$50,000 plus disbursements and taxes for 2020. Eckler’s actual charges for these services were \$51,436 plus taxes. The overage was related to extra work updating its annual investment review. The Joint Committee recommends approval and payment of this overage.
61. The Courts also approved a special projects budget of \$25,000. Eckler’s actual charges were \$47,429 plus taxes. The overage related to a comprehensive review of competitive low volatility equities funds undertaken at the Joint Committee’s request in response to TDAM’s suddenly underperforming low volatility equities fund, as well as providing advice and recommendations to the Joint Committee regarding a replacement fund and changes to the Investment Guidelines required as a result. The Joint Committee recommends approval and payment of this overage.
62. The Courts approved a financial sufficiency budget for Eckler of \$727,000 for fees plus \$20,000 for disbursements, exclusive of taxes, for Phase 1 of the 2019 Financial Sufficiency Review. Only a small portion of this budget was used in 2019, with the balance of \$715,490 carried forward into 2020. Eckler’s actual accounts for financial sufficiency work in 2020 up to and including delivery of its actuarial report were \$619,488 plus taxes for fees and \$833 plus taxes for disbursements. These accounts were paid on approval of the Joint Committee pursuant to the 2019 budget approval orders.
63. Eckler’s 2020 budget for Special Distribution Benefits was \$25,000 plus taxes. Its actual fees were \$814 plus taxes, which were paid on approval of the Joint Committee pursuant to the 2020 budget approval orders.

64. Eckler's 2020 Budget for the Late Claims Benefit Plan was \$25,000 plus taxes. Its actual fees were \$20,629 plus taxes, which were paid on approval of the Joint Committee pursuant to the 2020 budget approval orders.

JOINT COMMITTEE

65. A Summary Report of the work of the Joint Committee in 2020 is set out in **Schedule I**. As described below, the Joint Committee receives separate budgets for each category of work performed.
66. The 2020 budget for the Joint Committee for administration and supervision services work relating to the Regular Benefit Plans was \$700,000 for fees and \$75,000 for disbursements, exclusive of taxes. The Joint Committee's actual fees in 2020 for this work were \$917,869 plus taxes, and its actual disbursements were \$53,234 plus taxes, which reflects the need to address a series of unprecedented challenges in 2020. There are several reasons for the overage, including an investigation of the ransomware attack on Epiq, which required cybersecurity and privacy experts to be retained, oversight of Epiq to ensure the security and integrity of class member data and that business continuity plans were in place and followed, monitoring the settlement administration following Epiq's transition to a work-from-home model in response to public health directives, investigating COVID-19 related issues and delays impacting the settlement, monitoring and taking steps to address the Trust's underperforming equities portfolio, including seeking expert advice on a suitable replacement fund, and enhanced oversight of the Administrator due to ongoing performance-related issues.
67. Concerning financial sufficiency, the Courts approved a 2019 financial sufficiency budget for the Joint Committee of \$500,000 plus taxes and disbursements of \$35,000 plus taxes. The work involved preparing and planning for the 2019 Financial Sufficiency Review, including interacting with and coordinating the Administrator, medical modelling team and actuaries. The Joint Committee's actual fees for financial sufficiency for 2020 were \$457,873 plus taxes, and its actual disbursements were \$5,768 plus taxes.
68. The Joint Committee's 2020 budget for Special Distribution Benefits was \$50,000 plus taxes for fees and \$5,000 plus taxes for disbursements. Its actual fees and disbursements were \$94,237 plus taxes and \$592 plus taxes, respectively. The overage was related to the added complexity of the locator project and negotiations to resolve the first phase of the project through unopposed orders/judgments.

69. The Joint Committee's 2020 budget for the HCV Late Claims Benefit Plan was \$175,000 plus taxes and \$25,000 plus taxes in disbursements. Its actual fees were \$40,540 plus taxes and \$121 plus taxes in disbursements.
70. All accounts of the Joint Committee are submitted to the Courts or, in the case of British Columbia, the Attorney General for Canada before being paid. A detailed summary by jurisdiction of all fees and disbursements incurred by the Joint Committee is set out in **Schedule J**.

FUND COUNSEL

71. John Callaghan and Belinda Bain were appointed as Fund Counsel in the Ontario Class Actions by Orders 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. Gordon Kehler was appointed Fund Counsel in the BC. Class Actions by Order of the Supreme Court of British Columbia.
72. Attached as **Schedule K** is the Report of Fund Counsel on their activities and their fees incurred in 2020.
73. In 2020, the following appeals were dealt with in each jurisdiction under the Regular Benefit Plans:

2020 Appeal Status Report – Regular Benefit Plans	ON ²⁶	BC	QUE	Total
Appeals received	2	0	0	2
Appeals completed	0	0	0	0
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)	11	2	1	14

²⁶ Ontario covers all provinces and territories other than Quebec and British Columbia.

74. In 2020, the following appeals were dealt with in each jurisdiction under the Late Claims Benefit Plan:

2020 Appeal Status Report – Late Claims Benefit Plan	ON ²⁷	BC	QC	Total
Appeals Received	7	1	2	10
Appeals Completed	4	0	0	4
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)	3	1	2	6

75. In 2020, the fees and disbursements charged by Fund Counsel fees were:
- (a) \$55,841 in fees and \$642 in disbursements, all exclusive of taxes, for services relating to the Regular Benefit Plans
 - (b) \$46,899 in fees and \$2,725 in disbursements, exclusive of taxes, for services relating to the Late Claims Benefit Plan.

All accounts for Fund Counsel were submitted to the appropriate Court for approval before payment.

REFEREES AND ARBITRATORS

76. Referees and Arbitrators were appointed for each jurisdiction by Court orders.
77. A Summary Report of the work of the Referees and Arbitrators, as well as the fees incurred for 2020, is set out in **Schedule L**.
78. In 2020, the fees and disbursements charged for Arbitrators and Referees were:

²⁷ Ontario covers all provinces and territories other than Quebec and British Columbia

- (a) \$11,050 in fees and \$8 in disbursements, all exclusive of taxes, for services relating to the Regular Benefit Plans; and
- (b) \$ 21,314 in fees and \$1,319 in disbursements, all exclusive of taxes, for services relating to the Late Claims Benefit Plan.

Accounts for the Arbitrators and Referees are paid based upon the tariff set by the Courts.

79. While appeals under the Regular Benefit Plans have decreased in recent years, including in 2020, it is anticipated that appeals will continue to increase under the Late Claims Benefit Plan in future years as more claims are filed and processed under this plan.

THE MONITOR

80. Luisa Ritacca of Stockwoods was appointed as Monitor by order of the Ontario Superior Court and by order of the Supreme Court of British Columbia.
81. In 2020, the fees of the Monitor were \$2,448, and the disbursements were \$260, all exclusive of taxes.

CANADIAN BLOOD SERVICES

82. 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.
83. 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 2020, and CBS has not invoiced for any expenses that were incurred. The Joint Committee anticipates that the volume of traceback requests will increase in 2021 due to claims made under the Late Claims Benefit Plan, so CBS may request reimbursement of costs for these services.

HÉMA-QUÉBEC

84. Héma-Québec provides the tracebacks required under the Plans in Quebec. No budget was sought for Héma-Québec for 2020 as it advised that due to the limited number of traceback requests expected, it would finance the cost and seek reimbursement at year-end if the costs incurred were significantly higher than anticipated.

85. Héma-Québec has advised that it may seek reimbursement for the services provided in 2020. The Joint Committee anticipates that the volume of traceback requests will continue to increase due to claims made under the Late Claims Benefit Plan in 2021, so Héma-Québec may request reimbursement of costs for these services.

2021 BUDGETS

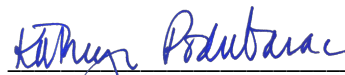
86. The chart that follows compares the approved budgets for service providers in 2021 to their 2020 budgets.

	2020 Budget	2021 Budget
EPIQ		
General administration of the Regular Benefit Plans and EAP2 (subject to adjustment for appeal and third-party expenses and increase or decrease of certain measurable activities by more than 10% per annum)	\$515,000	\$566,500
HCV Special Distribution Benefits Administration	\$5,000 for prospective payments Retroactive payments in accordance with a fee schedule	\$5,000 for prospective payments Retroactive payments in accordance with a fee schedule
Special Projects	\$50,000	\$100,000
HCV Late Claims Benefit Plan	In accordance with a fee schedule	In accordance with a fee schedule + \$30,000
Deloitte		
Audit and financial statements (exclusive of travel expenses)	not to exceed \$105,000	not to exceed \$105,000
Additional Interim Audit	N/A	N/A
Special Projects	\$25,000	\$25,000
RBC		
Trustee Services	\$125,000	\$125,000
TDAM		
Investment Services	\$395,000	\$360,000

	2020 Budget	2021 Budget
Eckler		
General actuarial services and investment review work, not related to sufficiency (exclusive of disbursements)	\$50,000	\$75,000
Special Projects	\$25,000	\$50,000
Special Distribution Benefits	\$25,000	\$12,500
HCV Late Claims Benefit Plan	\$25,000	\$12,500
2019 Sufficiency Review – (Phase 1)	Unused portion of \$727,000 fees and \$20,000 disbursements for the 2019 Financial Sufficiency Review	Unused balance of \$96,002 fees and \$20,000 disbursements for Phase 1 of the 2019 Financial Sufficiency Review
MMWG		
Updated medical model and medical modelling report for 2019 Financial Sufficiency Review	Unused portion of \$212,000	N/A
PWC		
Income Loss-annual computer programming update	\$10,000	\$10,000
Paula Frederick / Cohen Hamilton Steger		
Specialized Income Loss analysis	\$40,000	\$40,000

	2020 Budget	2021 Budget
Joint Committee		
Regular administration and supervision work	\$700,000 fees and \$75,000 disbursements	\$800,000 fees and \$75,000 disbursements
Special Distribution Benefits	\$50,000 fees and \$5,000 disbursements	\$75,000 fees and \$5,000 disbursements
HCV Late Claims Benefit Plan	\$175,000 fees and \$25,000 disbursements	\$150,000 fees and \$25,000 disbursements
Financial sufficiency review work	\$500,000 fees and \$35,000 disbursement	\$50,000 fees for interim Phase 1 Assessment Work

Dated this 22nd day of June, 2021



Kathryn Podrebarac
Podrebarac Barristers Professional Corporation



for Deborah Armour, Q.C.
Camp Fiorante Matthews Mogerman



for Michel Savonitto
Savonitto & Ass. Inc.



for Harvey T. Strosberg, Q.C.
Strosberg Sasso Sutts LLP

Financial statements of
États financiers du
The 1986 - 1990 Hepatitis C Fund
Fonds Hépatite C 1986 - 1990

December 31, 2020
31 décembre 2020

Independent Auditor's Report	1-3	Rapport de l'auditeur indépendant
Statement of financial position	4	État de la situation financière
Statement of operations	5	État des résultats
Statement of cash flows	6	État des flux de trésorerie
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Independent Auditor's Report

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

Opinion

We have audited the financial statements of the 1986-1990 Hepatitis Fund (the "Fund"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and of cash flows for the year then ended, and a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards 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.

Rapport de l'auditeur indépendant

Au comité mixte du
Fonds Hépatite C 1986 - 1990

Opinion

Nous avons effectué l'audit des états financiers du Fonds Hépatite C 1986 - 1990 (le « Fonds »), qui comprennent l'état de la situation financière au 31 décembre 2020, 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 (collectivement les « états financiers »).

À notre avis, les états financiers ci-joints donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière du Fonds au 31 décembre 2020, ainsi que des résultats de ses activités et de ses flux de trésorerie pour l'exercice clos à cette date, conformément aux Normes comptables canadiennes pour les organismes sans but lucratif.

Fondement de l'opinion

Nous avons effectué notre audit conformément aux normes d'audit généralement reconnues (NAGR) du Canada. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités de l'auditeur à l'égard de l'audit des états financiers » du présent rapport. Nous sommes indépendants du Fonds conformément aux règles de déontologie qui s'appliquent à l'audit des états financiers au Canada et nous nous sommes acquittés des autres responsabilités déontologiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Responsabilité de la direction et des responsables de la gouvernance à l'égard des états financiers

La direction est responsable de la préparation et de la présentation fidèle des 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Lors de la préparation des états financiers, c'est à la direction qu'il incombe d'évaluer la capacité du Fonds à poursuivre son exploitation, de communiquer, le cas échéant, les questions relatives à la continuité de l'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si la direction a l'intention de liquider le Fonds ou de cesser son activité ou si aucune autre solution réaliste ne s'offre à elle.

Il incombe aux responsables de la gouvernance de surveiller le processus d'information financière du Fonds.

Responsabilités de l'auditeur à l'égard de l'audit des états financiers

Nos objectifs sont d'obtenir l'assurance raisonnable que les états financiers pris dans leur ensemble sont exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, et de délivrer un rapport de l'auditeur contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux NAGR du Canada permettra toujours de détecter toute anomalie significative qui pourrait exister. Les anomalies peuvent résulter de fraudes ou d'erreurs et elles sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, individuellement ou collectivement, elles puissent influencer sur les décisions économiques que les utilisateurs des états financiers prennent en se fondant sur ceux-ci.

Dans le cadre d'un audit réalisé conformément aux NAGR du Canada, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique tout au long de cet audit. En outre :

- Nous identifions et évaluons les risques que les états financiers comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, concevons et mettons en œuvre des procédures d'audit en réponse à ces risques, et réunissons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative résultant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne.
- Nous acquérons une compréhension des éléments du contrôle interne pertinents pour l'audit 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 du Fonds.
- Nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, de même que des informations y afférentes fournies par cette dernière.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

March 24, 2021

- Nous tirons une conclusion quant au caractère approprié de l'utilisation par la direction du principe comptable de continuité d'exploitation et, selon les éléments probants obtenus, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité du Fonds à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les états financiers au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants obtenus jusqu'à la date de notre rapport. Des événements ou situations futurs pourraient par ailleurs amener le Fonds à cesser son exploitation.
- Nous évaluons la présentation d'ensemble, la structure et le contenu des états financiers, y compris les informations fournies dans les notes, et apprécions si les états financiers représentent les opérations et événements sous-jacents d'une manière propre à donner une image fidèle.

Nous communiquons aux responsables de la gouvernance notamment l'étendue et le calendrier prévus des travaux d'audit et nos constatations importantes, y compris toute déficience importante du contrôle interne que nous aurions relevée au cours de notre audit.

Deloitte S.E.N.C.R.L./s.r.l.

Comptables professionnels agréés
Experts-comptables autorisés

Le 24 mars 2021

The 1986 - 1990 Hepatitis C Fund**Statement of financial position**

As at December 31, 2020

(in thousands of dollars)

Fonds Hépatite C 1986 - 1990**État de la situation financière**

au 31 décembre 2020

(en milliers de dollars)

	2020 \$	2019 \$	
Assets			Actif
Current assets			Actif à court terme
Cash	4,066	4,832	Encaisse
Contributions receivable	2,616	2,243	Apports à recevoir
	6,682	7,075	
Investments (Note 3)	1,073,278	1,042,747	Placements (note 3)
	1,079,960	1,049,822	
Liabilities			Passif
Current liabilities			Passif à court terme
Accounts payable and accrued liabilities	5,456	5,679	Créditeurs et charges à payer
Accrued claims in process of payment	8,675	8,383	Demandes accumulées en cours de paiement
	14,131	14,062	
Funding held for future expenses (Note 4)			Financement pour charges futures (note 4)
Regular	916,620	887,810	Régulier
Late claims benefits	71,740	48,436	Réclamations tardives
Special distribution benefits	77,469	99,514	Indemnités de distribution spéciale
	1,079,960	1,049,822	

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

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





Michel Savonitto (Apr 12, 2021 17:29 EDT)



Heather Rumble Peterson for Harvey T. Strosberg (Apr 15, 2021 11:06 EDT)



The 1986 - 1990 Hepatitis C Fund**Statement of operations**

Year ended December 31, 2020

(in thousands of dollars)

Fonds Hépatite C 1986 - 1990**Etat des résultats**

de l'exercice clos le 31 décembre 2020

(en milliers de dollars)

	2020	2019	
	\$	\$	
Expenses			Dépenses
Claims (Note 5)	32,292	40,048	Demandes (note 5)
Operating (Note 6)	4,275	2,852	Frais d'exploitation (note 6)
	36,567	42,900	
Revenue	36,567	42,900	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, 2020
(in thousands of dollars)

Fonds Hépatite C 1986 - 1990**État des flux de trésorerie**

de l'exercice clos le 31 décembre 2020
(en milliers de dollars)

	2020 \$	2019 \$	
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	28	(67,144)	Gains réalisés sur placements
Change in unrealized gains and losses on investments	(28,030)	25,715	Variation des gains et pertes non réalisés sur placements
	(28,002)	(41,429)	
Changes in non-cash operating working capital items			Variation nette des éléments hors caisse du fonds de roulement d'exploitation
Contributions receivable	(373)	(205)	Apports à recevoir
Accounts payable and accrued liabilities	(223)	(209)	Créditeurs et charges à payer
Accrued claims in process of payment	292	757	Demandes accumulées en cours de paiement
Funding held for future expenses	30,069	39,629	Financement pour charges futures
	1,763	(1,457)	
Investing activities			Activités d'investissement
Purchase of investments	(62,708)	(472,000)	Acquisition de placements
Proceeds on sale of investments	60,179	473,561	Produits de la vente de placements
	(2,529)	1,561	
Net cash inflow	(766)	104	Augmentation de l'encaisse
Cash, beginning of year	4,832	4,728	Encaisse au début
Cash, end of year	4,066	4,832	Encaisse à la fin

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2020

(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2020

(montants dans les tableaux en milliers de dollars)

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, 2020, the provinces and territories prepaid contributions total \$10,700 (\$11,000 in 2019). 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, 2020, those obligations including interest are estimated to be \$84,994,000 (\$92,551,000 in 2019).

In 2017, from the excess capital, the Courts approved funding for Late Claims Benefits and Special Distribution Benefits. The provinces and territories do not contribute towards these new benefits.

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*.

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 2020, les apports des provinces et territoires versés à l'avance totalisent 10 700 \$ (11 000 \$ en 2019). 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 2020, ces obligations, intérêts compris, sont estimées à 84 994 000 \$ (92 551 000 \$ en 2019).

En 2017, les Tribunaux ont approuvé l'allocation de capital excédentaire pour les réclamations tardives et pour les indemnités de distribution spéciale. Les provinces et les territoires ne contribuent pas à ces nouveaux avantages.

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

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

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2020

(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2020

(montants dans les tableaux en milliers de dollars)

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:

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.

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 :

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 décaissant 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.

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2020

(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2020

(montants dans les tableaux en milliers de dollars)

2. Significant accounting policies (continued)

Revenue recognition (continued)

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

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 payment 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)

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

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 de paiement 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, 2020

(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2020

(montants dans les tableaux en milliers de dollars)

3. Investments

Investments are summarized as follows:

3. Placements

Les placements se résument ainsi :

	Fair value Juste valeur \$	2020 Cost Coût \$	Fair value Juste valeur \$	2019 Cost Coût \$	
Investment earnings receivable and cash	2,471	2,471	2,483	2,483	Revenus de placement à recevoir et encaisse
Fixed income					Titres à revenu fixe
Government of Canada	818,070	654,703	772,114	654,703	Gouvernement du Canada
Fixed income pooled funds	65,402	54,660	61,988	54,660	Fonds communs à revenu fixe
	883,472	709,363	834,102	709,363	
Equities - Pooled Funds					Actions - Fonds communs
Canadian	58,906	58,979	56,417	56,466	Canadiens
International	128,429	135,361	149,745	135,361	Internationaux
	187,335	194,340	206,162	191,827	
	1,073,278	906,174	1,042,747	903,673	

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.

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.

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, 2020

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Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2020

(montants dans les tableaux en milliers de dollars)

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. There is no foreign currency risk as the investment are all Canadian.

Interest rate risk

The fixed income portfolio's sensitivity to a change in market rates is represented by the duration of the portfolio. As at December 31, 2020, the average duration of the bonds and debentures in the portfolio, weighted on fair value, was 7.87 years (8.11 years in 2019).

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

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. Il n'y a pas de risque de change puisque les placements sont tous en dollar canadien.

Risque des taux d'intérêt

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 2020, la durée moyenne des obligations et des débentures du portefeuille, pondérée selon la juste valeur, était de 7,87 ans (8,11 ans en 2019).

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 :

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

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31 décembre 2020

(montants dans les tableaux en milliers de dollars)

3. Investments (continued)

Concentration risk (continued)

3. Placements (suite)

Risque de concentration (suite)

	2020 Fair value Juste valeur		2019 Fair value Juste valeur		
	\$	%	\$	%	
Investment earnings receivable and cash	2,471	—	2,483	—	Revenus de placement à recevoir et encaisse
Fixed income					Titres à revenu fixe
Government of Canada	818,070	76	772,114	74	Gouvernement du Canada
Fixed income pooled funds	65,402	6	61,988	6	Fonds communs à revenu fixe
	883,472	82	834,102	80	
Equities - Pooled Funds					Actions - Fonds communs
Canadian	187,335	18	206,162	20	Canadiens
	1,073,278	100	1,042,747	100	

4. Funding held for future expenses

4. Financement pour charges futures

	Regular Fund	Late claims benefits	Special distribution benefits		
	Régulier	Réclamations de tardives	Indemnités de distribution spéciale	2020 Total	
	\$	\$	\$	\$	
Balance, beginning of year	887,810	48,436	99,514	1,035,760	Solde au début
Reallocation of excess capital	—	22,981	(22,981)	—	Réallocation du surplus en capital
Investment earnings	50,258	4,107	4,226	58,591	Revenus de placement
Amounts recognized as revenue	(21,448)	(3,784)	(3,290)	(28,522)	Montants constatés comme revenus
Balance, end of year	916,620	71,740	77,469	1,065,829	Solde à la fin

The 1986 - 1990 Hepatitis C Fund**Notes to the financial statements**

December 31, 2020

(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990**Notes complémentaires**

31 décembre 2020

(montants dans les tableaux en milliers de dollars)

**4. Funding held for future expenses
(continued)**

The Courts ordered that effective January 1, 2020 that \$22,981,000 be reallocated from the Special distribution benefits to the Late claims benefits.

**4. Financement pour charges futures
(suite)**

Les cours ont ordonné en date du 1^{er} janvier 2020 qu'un montant de 22 981 000 \$ soit réalloué des Indemnités de distribution spéciale en faveur des Réclamations tardives.

	Regular Fund	Late claims benefits	Special distribution benefits		
	Régulier	Réclamations tardives	Indemnités de distribution spéciale	2019 Total	
	\$	\$	\$	\$	
Balance, beginning of year	851,519	47,389	97,223	996,131	Solde au début
Changes during the year					Variations au cours de l'exercice
Investment earnings	62,104	3,638	7,105	72,847	Revenus de placement
Amounts recognized as revenue	(25,813)	(2,591)	(4,814)	(33,218)	Montants constatés comme revenus
Balance, end of year	887,810	48,436	99,514	1,035,760	Solde à la fin

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

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(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2020

(montants dans les tableaux en milliers de dollars)

5. Claims

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

5. Demandes

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

	Regular	Late claims benefits	Special distribution benefits	
	Régulier	Réclamations tardives	Indemnités de distribution spéciale	2020 Total
	\$	\$	\$	\$
Approved by the Administrator of the Fund				
Disbursed	25,234	3,713	3,053	32,000
Net change in accrued claims in process of payment	489	(297)	100	292
	25,723	3,416	3,153	32,292

	Regular	Late claims benefits	Special distribution benefits	
	Régulier	Réclamations tardives	Indemnités de distribution spéciale	2019 Total
	\$	\$	\$	\$
Approved by the Administrator of the Fund				
Disbursed	32,213	1,824	5,254	39,291
Net change in accrued claims in process of payment	897	365	(505)	757
	33,110	2,189	4,749	40,048

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

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(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2020

(montants dans les tableaux en milliers de dollars)

6. Operating expenses

6. Frais d'exploitation

	Regular	Late claims benefits	Special distribution benefits	2020 Total	
	Régulier	Réclamations Tardives	Indemnités de distribution spéciale		
	\$	\$	\$	\$	
Administrator	515	117	15	647	Administrateur
Advertising	—	36	—	36	Publicité
Legal (claims' appeal costs, Fund counsel)	89	129	—	218	Frais juridiques (frais de demandes en appel, avocats du Fonds)
Joint committee - Administration	1,250	56	107	1,413	Comité mixte - Administration
Joint committee - Sufficiency review	539	—	—	539	Comité mixte - Réévaluation de la suffisance
Investment management	355	—	—	355	Gestion des placements
Audit and related services	96	8	14	118	Honoraires d'audit et de services connexes
Custodial trustee	117	—	—	117	Frais de garde
Actuarial - General	103	22	1	126	Honoraires d'actuariat
Actuarial - Sufficiency review	652	—	—	652	Honoraires d'actuariat - Réévaluation de la suffisance
Medical and other consulting	54	—	—	54	Frais médicaux et autres frais de consultation
	3,770	368	137	4,275	

	Regular	Late claims benefits	Special distribution benefits	2019 Total	
	Régulier	Réclamations Tardives	Indemnités de distribution spéciale		
	\$	\$	\$	\$	
Administrator	630	124	7	761	Administrateur
Advertising	—	37	—	37	Publicité
Legal (claims' appeal costs, Fund counsel)	77	65	—	142	Frais juridiques (frais de demandes en appel, avocats du Fonds)
Joint committee - Administration	599	159	23	781	Comité mixte - Administration
Joint committee - Sufficiency review	87	—	—	87	Comité mixte - Réévaluation de la suffisance
Investment and management	513	—	—	513	Gestion des placements
Audit and related services	110	10	17	137	Honoraires d'audit et de services connexes
Custodial trustee	117	—	—	117	Frais de garde
Actuarial - General	64	7	18	89	Honoraires d'actuariat
Actuarial - Sufficiency review	15	—	—	15	Honoraires d'actuariat - Réévaluation de la suffisance
Medical and other consulting	173	—	—	173	Frais médicaux et autres frais de consultation
	2,385	402	65	2,852	

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2020

(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2020

(montants dans les tableaux en milliers de dollars)

7. Subsequent event

In 2021, the Courts ordered \$22,981,000 of the previously allocated excess capital be re-allocated from the Special Distribution Benefits to the Late Claims Benefits effective January 1, 2020. This change has been reflected in the December 31, 2020 financial as disclosed in note 4.

In addition, the Courts ordered the 25% holdback on benefit payments for Late Claims Benefits to be paid out with interest. These payments will be recorded as a claims expense in the period in which this claim payment approval process has been completed.

7. Événement subséquent

En 2021, les cours ont ordonné que 22 981 000 \$ du capital excédentaire précédemment alloué soient réaffectés des Indemnités de distribution spéciale aux Réclamations tardives à compter du 1^{er} janvier 2020. Ce changement a été reflété dans les états financiers du 31 décembre 2020 tel qu'indiqué à la note 4.

De plus, les cours ont ordonné que la retenue de 25% sur le paiement des prestations pour les Réclamations tardives soit versé avec intérêts. Ces paiements seront constatés à titre de charges dans la période au cours de laquelle le processus d'approbation de paiement des demandes a été mené à terme.

**1986-1990 Hepatitis C Claims Centre
Annual Report for the Period Ending December 31, 2020**

Appointment

Epiq Class Action Services Canada Inc. has been administering the 1986-1990 Hepatitis C Class Action Settlement since our appointment by the Courts January 1, 2019.

Activities of Year 21

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 an interim audit and the year-end audit process.
3. Continued to work with the Joint Committee to implement the decisions of the courts to allocate excess capital to Class Members in the form of Special Distributions.
4. Undertook special project to identify and locate claimants with outstanding Special Distribution benefits.
5. Met with Joint Committee in March; provided and discuss updated claim statistics.
6. Continued to work in collaboration with Canadian Blood Services, Héma-Québec, provincial hepatitis c programs, and medical experts.
7. Updated the www.hepc8690.ca as needed.
8. Prepared files for Fund Counsel, Referees, and Arbitrators and attended appeal hearings as required.

Hepatitis C 1986-1990 - Key Statistics as of December 31, 2020

Funds disbursed – HCV Regular Benefit Account	\$1,055,164,065.94
Funds disbursed – HCV Special Distribution Benefit Account	\$97,444,316.93
Claims received	18,086
Claims approved	14,792
Claims denied	3,192
Claims in progress	102
Appeals	489
Decisions Rendered	355
Mediated/Withdrawn/Rescinded/Archived	123
Traceback requests initiated	5,071

HCV Late Claims Benefit Plan - Key Statistics as of December 31, 2020

Funds disbursed – HCV Late Claims Benefit Plan Account	\$5,605,484.05
Claims received	405
Claims approved	173
Claims denied	55
Claims in progress	177
Appeals	10
Decisions Rendered	4
Mediated/Withdrawn/Rescinded/Archived	0
Traceback requests initiated	132

Administrator's 2020 Hepatitis C 8690 Reconciliation		
Balance owing as of December 31, 2019		\$ 231,211.12
A. Regular Benefit Plan		
Budgeted Fees	\$ 515,000.04	
HST	\$ 66,950.04	\$ 581,950.08
Activity Adjustment	\$ (55,690.50)	
HST	\$ (7,239.76)	
Third Party Expenses	\$ -	
HST	\$ -	
Appeals Costs	\$ -	
HST	\$ -	\$ (62,930.26)
Regular Benefit Plan Total 2020 Fees and Disbursements		\$ 519,019.82
B. Special Distribution Benefits (SDB)		
Fees	\$ 12,790.00	
HST	\$ 1,662.70	\$ 14,452.70
Disbursements	\$ 223.25	
HST	\$ 29.02	\$ 252.27
SDB Total 2020 Fees and Disbursements		\$ 14,704.97
C. Late Claims Benefit Plan (LCBP)		
Fees	\$ 88,857.50	
Budgeted Fees	\$ 30,000.00	
Stage 1 Fees	\$ 8,645.00	
HST	\$ 16,575.33	\$ 144,077.83
Disbursements	\$ 5,977.49	
HST	\$ 777.07	\$ 6,754.56
LCBP Total 2020 Fees and Disbursements		\$ 150,832.40
D. Special Projects		
Fees	\$ 34,128.75	
HST	\$ 4,436.74	\$ 38,565.49
Disbursements	\$ 5,241.86	
HST	\$ 681.44	\$ 5,923.30
Special Projects Total 2020 Fees and Disbursements		\$ 44,488.79
2020 Total		\$ 729,045.98
Payments made in 2020		
Towards Budget Year 2019	\$ 231,211.12	
Towards Budget Year 2020	\$ 373,238.11	
Total Payments made in 2020		\$ 604,449.23
Balance to be Debited Against Hep C Fund (as of December 31, 2020)		\$ 355,807.87
Balance outstanding as of the date of this report		NIL

RBC Investor & Treasury Services Trustee and Custodian Hepatitis C Fund

Information Brief for the twelve-month
period ending December 31, 2020

Strictly Private and Confidential



Investor &
Treasury Services

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About the Trustee and Custodian

RBC Investor & Treasury Services (RBC I&TS) is a specialist provider of asset services, custody, payments and treasury and market services for financial and other institutional investors worldwide. We deliver services which safeguard client assets, underpinned by client-centric digital solutions which continue to be enhanced and evolved in line with our clients' changing needs.

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

TOP
10 BANK
GLOBALLY¹



OPERATIONS
IN **36** Countries



CAD **4.5** trillion
in assets under
administration (AUA)²

CANADA'S
LARGEST
BANK¹

ONE OF NORTH AMERICA'S
leading diversified
financial services
COMPANIES

Award winning
ASSET SERVICING
AND TRANSFER
AGENCY SERVICES³

¹ RBC quarterly results, based on market capitalization as at October 30, 2020

² RBC quarterly results released as at October 31, 2020

³ R&M Investor Services Survey, 2020; Global Finance, 2020; Global Investor ISF, Investment Excellence Awards, 2020

Responsibilities of the Trustee and Custodian

RBC Investor & Treasury Services (RBC I&TS) was appointed Trustee and Custodian of the Hepatitis C Trust Fund by the Superior Courts of British Columbia, Ontario and Quebec on June 15, 1999. A service team comprising administration and operations managers is responsible for the day-to-day activities of the Hepatitis C Trust Fund, providing a range of specialized services.

Custody and safekeeping of securities

RBC I&TS holds in trust the cash and securities of the Trust Fund. The assets of the Trust Fund are administered by RBC I&TS strictly in accordance with the directions of the Joint Committee or the investment manager appointed by the courts. RBC I&TS 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

RBC I&TS completes all securities investment transactions based on authorized instructions received from the investment manager.

Collection of income

RBC I&TS 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 RBC I&TS actually receives the funds. RBC I&TS tracks stock dividends and splits, bond maturities and redemptions. For cash balances held in the fund, interest is automatically credited. Interest is calculated daily and paid to accounts on the last business day of the month.

Contributions

RBC I&TS receives all contributions flowing into the Trust Fund and 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

RBC I&TS 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 financial picture of the Trust Fund including cash reconciliation, investment activity, receipts and disbursements for the reporting period. The 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:** RBC I&TS 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 indicates 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 Trust Fund.

Summary of Trust Fund Activity

The following is a summary of Hepatitis C Trust Fund activity for the 12 months ended December 31, 2020, the Trust Fund's 21st year of operation.

Payments to the Trust Fund

Contributions from provincial and territorial governments	\$7,684,560.04
Earnings (including investment income, realized and unrealized capital gains and losses)	\$30,502,588.76

Payments from the Trust Fund

Disbursements to the administrator for claimants	\$31,999,169.77
Disbursements to service providers for fees and expenses (including RBC I&TS' trustee and custodial fees)	\$3,686,919.65
Total	\$35,686,089.42

Closing Market Value of the Trust Fund

At December 31, 2020	\$1,073,277,615.29
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Trustee and Custodial Fees

Budget approved by the courts	\$125,000.00
Actual charge to the Trust Fund	\$103,259.76
Fees by year	
For 2019	\$19,512.44
For 2020	\$84,209.82
Taxes (GST/HST)	\$13,483.88
Total	\$117,206.14
Fees by type	
Custody of assets under administration	\$64,648.94
Transaction fees	\$4,673.28
Plan/reporting/accounting charges	\$30,900.00
Special reports	\$3,500.04
Taxes (GST/HST)	\$13,483.88
Total	\$117,206.14

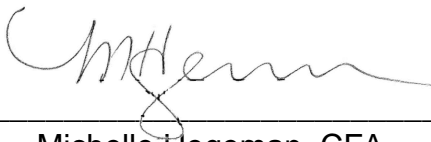
1986-1990 Hepatitis C Settlement Trust Fund

Annual Certificate of Compliance

For the year ending: December 31, 2020

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 'MHegeman', written over a horizontal line.

Michelle Hegeman, CFA
Vice President & Director
Portfolio Management

Date: January 15, 2021

December 31, 2020

2020 Year-End Review:

1986 - 1990 Hepatitis C Settlement Trust Fund

Anne Giroux, CFA
Vice President & Director

Michelle Hegeman, CFA
Vice President & Director



Investment mandate

1986 - 1990 Hepatitis C Settlement Trust Fund



As of December 31, 2020

Mandate	TDAM Fund	Benchmark	Inception Date	Market Value
Short Term	TD <i>Emerald</i> Canadian Short Term Investment Fund	FTSE Canada 91 Day T-Bill Index	October 26, 2018	\$58,906,137
Long Term	Segregated Real Return Bonds (buy-and-hold)	N/A	February 29, 2000	\$820,530,092
	TD <i>Emerald</i> Canadian Bond Index Fund	FTSE Canada Universe Bond Index	February 29, 2000	\$65,402,203
	TD <i>Emerald</i> Low Volatility All World Equity PFT	MSCI All Country World Index ND (C\$)	October 25, 2018	\$124,218,839
Total				\$1,069,057,271

PFT: Pooled Fund Trust

Account Performance



1986 - 1990 Hepatitis C Settlement Trust Fund

As of December 31, 2020

Mandate	Account Performance			Hep C Target
	1 yr	4 yrs	Account Inception ¹	
TD <i>Emerald</i> Canadian Short Term Investment Fund	1.22%	-	1.70%	N/A
FTSE Canada 91 Day T-Bill Index	0.86%	-	1.31%	
Difference	0.36%	-	0.39%	
Segregated Real Return Bonds (buy-and-hold)	9.04%	3.72%	6.47%	N/A

Mandate	Account Performance			Hep C Target Tracking Error (%)	
	1 yr	4 yrs	Account Inception ¹	1 Year	4 Year
TD <i>Emerald</i> Canadian Bond Index Fund	8.45%	4.71%	5.49%	± 0.20	± 0.10
FTSE Canada Universe Bond Index	8.68%	4.82%	5.57%		
Difference	-0.23%	-0.11%	-0.08%		

Mandate	Account Performance			Volatility ²	Down Market Capture ²	Sharpe Ratio ²	Beta ²
	1 yr	4 yrs	Account Inception ¹				
TD <i>Emerald</i> Low Volatility All World Equity PFT	-11.32%	-	1.53%	-	-	-	-
MSCI All Country World Index ND (C\$)	14.22%	-	15.16%	-	-	-	-
Difference	-25.54%	-	-13.63%	-	-	-	-
Hep C Targets over 4 Years				70% of index or lower	80% of index or lower	greater than index	70% or lower
Total Return³	5.73%	3.68%					

¹ Client inception date for Segregated RRBs & Canadian Bond Index Fund are: February 29, 2000. Client inception date for Short Term Investment Fund is Oct 26, 2018. Client inception date for Low Volatility All World Equity PFT is Oct 25, 2018. ² To be provided when 4 year data history is available. ³ Corresponds to 1 & 4 Years Total Performance of all of the accounts together. Source: TDAM, Investment Guidelines for the 1986-1990 Hepatitis C Settlement Trust Fund (Revised 2018). Returns for periods over one year are annualized.

Mandates performance

1986 - 1990 Hepatitis C Settlement Trust Fund



As of December 31, 2020

Funds	1 yr	3 yrs	4 yrs	5 yrs	10 yrs	Since Inception
Segregated Real Return Bonds	9.04%	4.81%	3.72%	3.74%	4.37%	6.47%
TD <i>Emerald</i> Canadian Short Term Investment Fund	1.22%	-	-	-	-	1.70%
FTSE Canada 91 Day T-Bill Index	0.86%	-	-	-	-	1.31%
Difference	0.36%	-	-	-	-	0.39%
TD <i>Emerald</i> Canadian Bond Index Fund	8.45%	5.47%	4.71%	4.06%	4.40%	5.49%
FTSE Canada Universe Bond Index	8.68%	5.60%	4.82%	4.18%	4.49%	5.57%
Difference	-0.23%	-0.13%	-0.11%	-0.12%	-0.09%	-0.08%
TD <i>Emerald</i> Low Volatility All World Equity PFT	-11.32%	-	-	-	-	1.53%
MSCI All Country World Index ND (C\$).	14.22%	-	-	-	-	15.16%
Difference	-25.54%	-	-	-	-	-13.63%

Client inception date for Segregated RRBs & Canadian Bond Index Fund are: February 29, 2000.

Client inception date for Short Term Investment Fund is Oct 26, 2018.

Client inception date for TD *Emerald* Low Volatility All World Equity PFT is Oct. 25, 2018.

Source: TDAM, FTSE Global Debt Capital Markets Inc

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

Universe Bond Market Update



As of December 31, 2020

Sector	Weight (%)	Quarter Return (%)	1 Year Return (%)
Federal	33.91	-0.25	7.28
Provincial	37.45	0.60	9.86
Municipal	2.08	0.74	10.13
All Corporates ¹	26.56	1.80	8.74
Corporate BBB	11.86	2.11	9.36
FTSE Canada Universe Bond Index		0.63	8.68

3-Month Commentary

- The **FTSE Canada Universe Bond Index (the "Index")** rose 0.63% over the fourth quarter of 2020. Within the Index, the corporate sector rose 1.80%, outperforming government bonds, which returned 0.21%.
- Among corporate issues, Energy and Real Estate sector bonds were the strongest performers, while Securitization bonds trailed the group. BBB-rated bonds led the group, rising 2.11%, followed by A-rated bonds, which gained 1.85%. AAA/AA-rated bonds were the weakest performers, rising 0.82%. Municipal bonds posted the strongest returns in the government sector, rising 0.74%. Investment-grade credit spreads narrowed by 23 basis points ("bps") from 1.42% to 1.19% over the period.
- Long-term bonds outperformed mid- and short-term bonds. The FTSE Canada Long Term Bond Index returned 0.82%, while the FTSE Canada Mid Term Bond Index gained 0.62%. The FTSE Canada Short Term Bond Index trailed the group, rising 0.47%.
- Over the period, the yield of the Index declined by 5 bps to 1.20%. Government-related bond yields rose 1 bp to 1.02%, while corporate bond yields fell 19 bps to 1.71%.

¹ Including BBB Corporates. Sources: TDAM, FTSE Global Debt Capital Markets Inc.

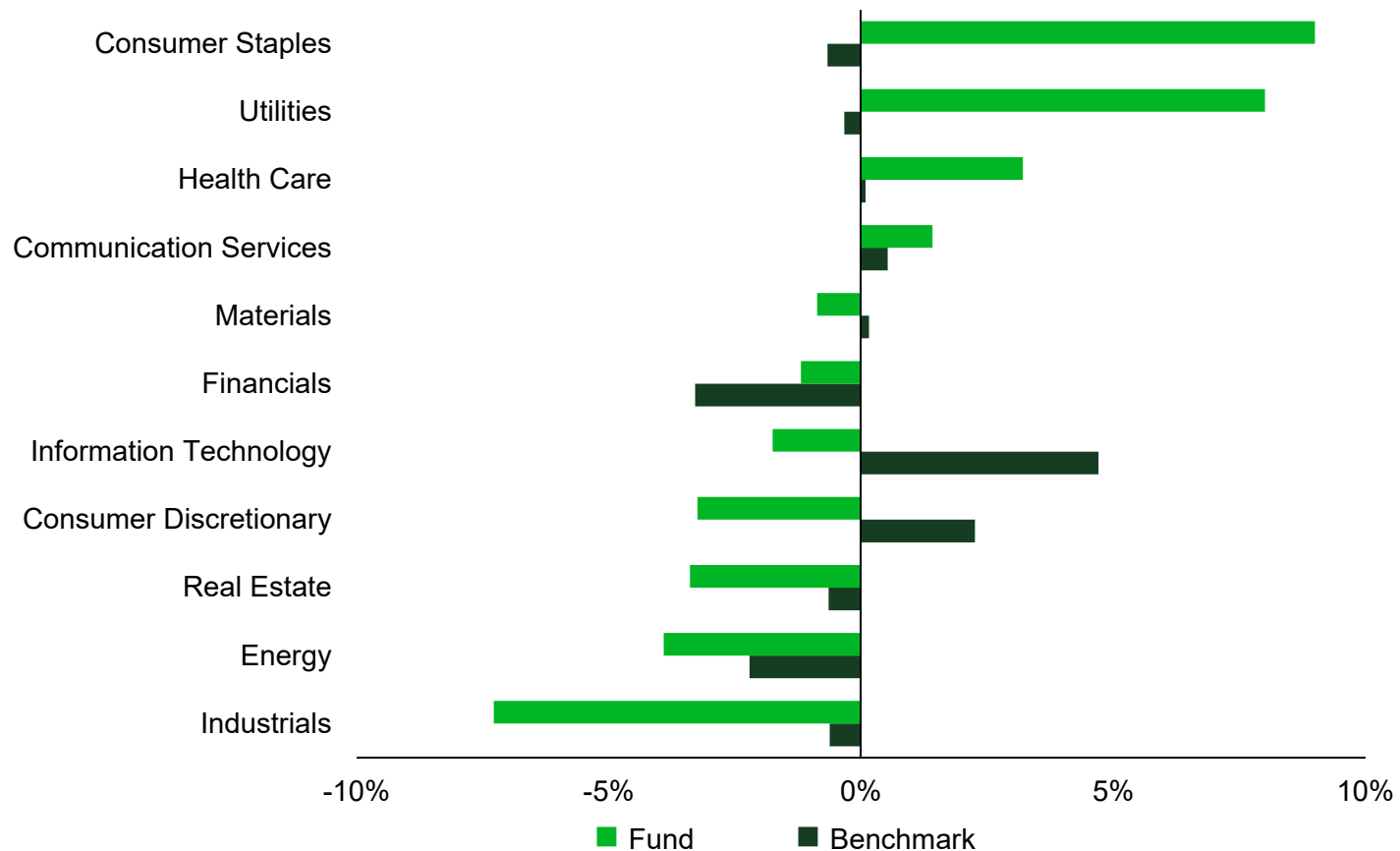
Fund Repositioning

Adapting to Changing Market Conditions



From December 31, 2019 to December 31, 2020

TD *Emerald* Low Volatility All World Equity PFT



Benchmark: MSCI All Country World Index ND (C\$).

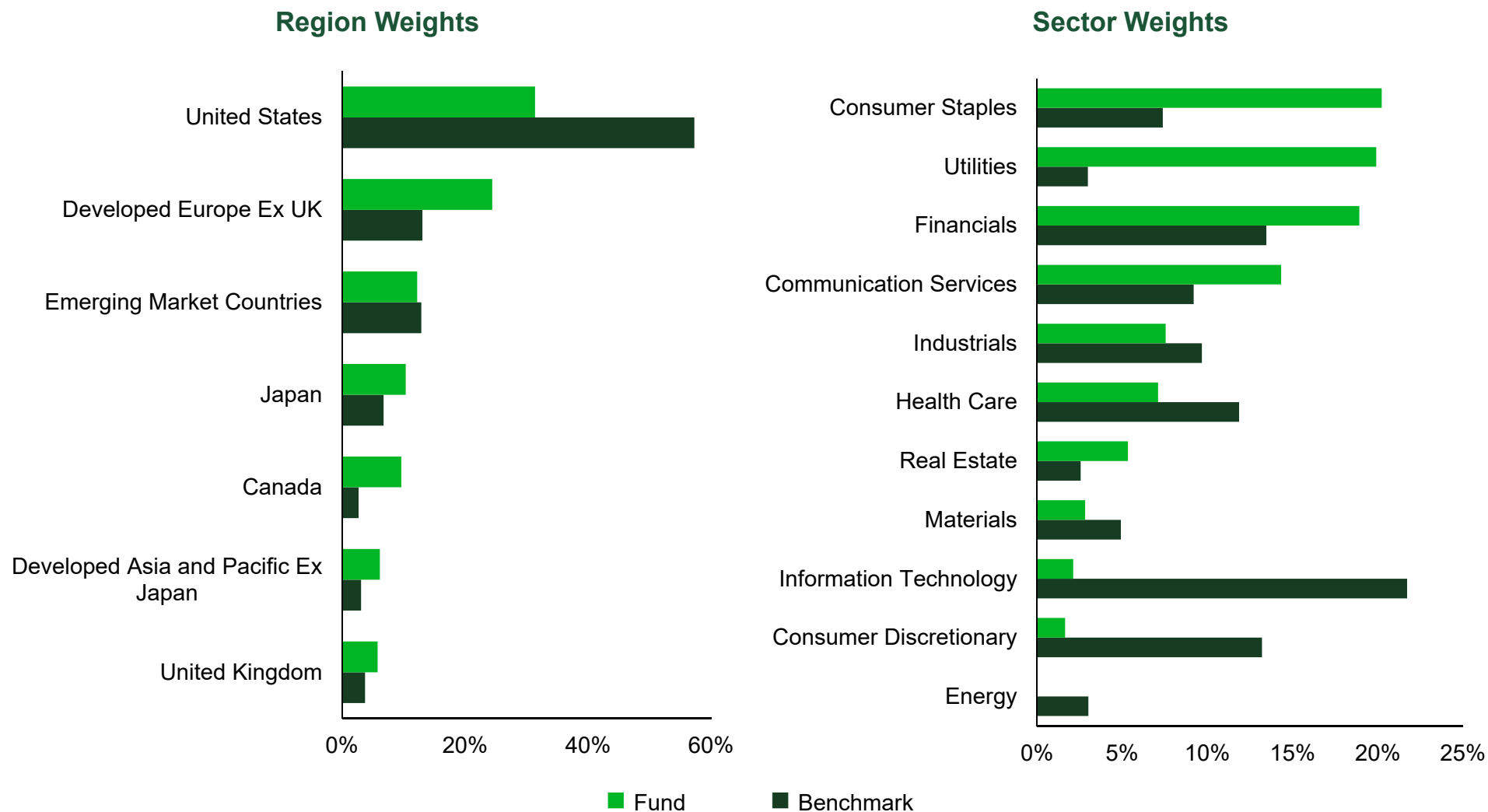
Source: TDAM, MSCI Inc.

Fund Composition



TD *Emerald* Low Volatility All World Equity PFT

As of December 31, 2020

















Benchmark: MSCI All Country World Index ND (C\$).

Source: TDAM, MSCI Inc.

All Country World Equity Market Update



As of December 31, 2020

Region	Weight (%)	Quarter Return (%)		1 Year Return (%)	
United States	58.87		7.79		18.57
Emerging Markets	13.58		14.20		16.28
Developed Europe Ex UK	13.44		9.97		9.16
Japan	6.95		9.93		12.48
United Kingdom	3.86		11.54	-12.04 	
Developed Pac. Ex Japan	3.23		14.53		4.69
MSCI ACWI ex-Canada Net TR (C\$) ¹			9.40		14.55

3-Month Commentary

- Global equities, as measured by the MSCI ACWI (ex-Canada) Total Return Index (C\$), posted relatively strong gains, returning 9.40% over the fourth quarter of 2020. This was partly in response to optimism about a global economic recovery stemming from the approval and distribution of COVID-19 vaccines. U.S. equities, as measured by the S&P 500 Total Return Index, increased in response to improving economic activity and the introduction of a new fiscal stimulus package from the U.S. government. The U.S. Federal Reserve Board ("Fed") held the target range for its federal funds rate steady at 0.00%-0.25% over the quarter.
- European equities advanced over the fourth quarter. The European Central Bank ("ECB") held its central interest rate steady and expanded its Pandemic Emergency Purchase Program to help support the European economy. Equities in the U.K. rose over the quarter and were buoyed by a trade agreement between the U.K. and European Union. Prime Minister Boris Johnson's post-Brexit trade deal ended a multi-year saga that had gripped British politics and divided the country, and which had caused economic grief amid the pandemic. The Bank of England ("BoE") kept its key interest rate unchanged at 0.10% over the quarter.
- Although Japanese equities rose over the quarter, economic conditions in Japan were relatively muted in response to weak consumer spending and manufacturing activity.
- Chinese equities advanced over the quarter as global economic conditions improved. China's gross domestic product expanded 4.9% year-over-year in the third quarter of 2020. Contributing to China's stronger economy was a rise in consumer spending, along with robust manufacturing activity.
- Latin American equities increased in value over the fourth quarter and benefited from expectations that the global economy will strengthen in 2021, which should bolster trade and business activity in Latin American countries. Oil prices moved higher over the quarter, partly in response to expectations of renewed global demand, which positively impacted oil-exporting nations. Brazilian equities posted strong gains over the quarter as economic conditions improved, particularly in that country's manufacturing sector.

¹ From MSCI Inc. Note: Performance numbers in C\$ terms. Total returns net of withholding taxes. Sources: TDAM, Factset.

Appendix



Performance

TD *Emerald* Pooled Funds



As of December 31, 2020

TD <i>Emerald</i> Funds	3 mths	1 yr	3 yrs	5 yrs	10 yrs	Since Inception	Fund Inception Date	AUM (billion)
TD <i>Emerald</i> Canadian Short Term Investment Fund	0.09%	1.22%	1.72%	1.42%	1.29%	3.47%	July 4, 1991	\$2.6
FTSE Canada 91 Day T-Bill Index	0.03%	0.86%	1.30%	0.99%	0.95%	3.04%		
Difference	0.06%	0.35%	0.42%	0.43%	0.34%	0.43%		
TD <i>Emerald</i> Canadian Bond Index Fund	0.57%	8.45%	5.47%	4.06%	4.40%	6.79%	August 7, 1991	\$4.3
FTSE Canada Universe Bond Index	0.63%	8.68%	5.61%	4.19%	4.49%	6.84%		
Difference	-0.06%	-0.23%	-0.13%	-0.13%	-0.09%	-0.05%		
TD <i>Emerald</i> Low Volatility All World Equity	1.57%	-11.32%	1.06%	4.47%	N/A	10.14%	May 9, 2011	\$2.8
MSCI All Country World Index ND (C\$)	9.38%	14.22%	10.67%	10.33%	N/A	11.97%		
Difference	-7.81%	-25.54%	-9.62%	-5.86%	N/A	-1.83%		

Sources: TDAM, FTSE Global Debt Capital Markets Inc., TSX Group Inc., Standard & Poor's, MSCI.

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

Disclosure/Disclaimer



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Management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and prospectus, which contain detailed investment information, before investing. The indicated rates of return are the historical annual compounded total returns for the period indicated including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated. Mutual fund strategies and current holdings are subject to change.

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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 2020. During this fiscal year Eckler completed the assessment of financial sufficiency of the Trust as at December 31, 2019. Eckler also assisted in the administration of the Special Distribution Benefits payments and Late Claims Benefit Plan, and provided advice on managing the long term fund's equity investments. Eckler provided continuing assistance to the Joint Committee on a number of issues including: review of TDAM asset reports; review of RBC asset statements; checking RBC 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 2021; various discussions with counsel; and other miscellaneous items.



ECKLER

HEPATITIS C SETTLEMENT TRUST FUND

Investment Summary
as at December 31, 2020

March 5, 2021

Overview

- Total assets consist of two main components:
 - An Investible Trust Fund, split into two portfolios
 - Long Term Fund investing in real return bonds, equities and other bonds
 - Short Term Fund investing in short term investment fund
 - A Notional Fund, consisting of amounts owed by the provincial and territorial governments
- Investible assets were managed by TD Asset Management throughout 2020, either passively or on an indexed basis. The equity portfolio will be transitioned to BlackRock in 2021.
- RBC Dexia are the custodian for 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.

Overview continued...

- In 2017, the Courts approved a number of special distribution benefits and a late claims protocol to be funded out of the Excess Capital established as at December 31, 2013.
- As a result, the trust fund was divided into three notional accounts:
 - Regular Benefits Account
 - Special Distribution Benefits Account
 - Late Claims Benefit Account
- Each account shares proportionately in the invested assets of the trust.
- The investment income arising from the total invested assets is allocated monthly.

Asset Summary (\$,000's)

Fund	Portfolio	Strategy	Bench mark	Dec-20			Dec-19		
				Value	Asset Alloc	Fund Alloc	Value	Asset Alloc	Fund Alloc
Long term	Real Return Bonds	Passive	80.0%	819,981	80.8%		806,095	79.2%	
	Universe Bonds	Index	6.0%	65,402	6.4%		61,988	6.1%	
	World Equity	Low Volatility	14.0%	128,429	12.7%		149,744	14.7%	
	Cash		0.0%	549	0.1%		573	0.1%	
			100.0%	1,014,361	100.0%	87.4%	1,018,400	100.0%	89.5%
Short Term	Short Term Investment Fund	Index		58,906			24,335		
	Cash			11			12		
				58,917		5.1%	24,347		2.1%
Total Invested Assets *				1,073,278		92.5%	1,042,747		91.7%
Provinces/Territories' Notional Assets (net of prepayments, including outstanding payments)				87,610		7.5%	94,796		8.3%
Total Assets				1,160,888		100.0%	1,137,543		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-20	Dec-19
Long Term Fund	94.5%	97.7%
Short Term Fund	5.5%	2.3%
Total Invested Assets	100.0%	100.0%

Comments on Asset Summary

As of December 31, 2020:

- Weighting for real return bonds is currently 0.8% above their benchmark of 80% of the Long Term Fund
 - An increase from the underweight from December 31, 2019 (0.8% below benchmark)
- Weighting for universe bonds is 6.4%, 0.4% above their benchmark of 6%
 - Weighting increased from December 31, 2019 of 6.1%
- Equities are below their benchmark by 1.3%
 - At December 31, 2019 they were 0.7% above their benchmark of 14%. This change largely reflects the underperformance of TDAM in 2020
- Provinces/Territories' ("PT") Notional Assets are net of prepayments by Yukon
 - See further detail on page 9
- As a percentage of the Invested Assets, the Long Term Fund has decreased from 97.7% to 94.5%, while the Short Term Fund has increased from 2.3% to 5.5% during the fiscal year

Asset Development (\$,000's)

		Invested Assets ¹				Provinces/ Territories' Notional Assets ¹	Total Assets
		Real Return Bond Fund	Other Long Term Funds	Short Term Fund	Total Invested Assets		
Initial, at December 31, 2019		806,667	211,733	24,347	1,042,747	94,796	1,137,543
Investment income (realized and unrealized)		69,466	(11,205)	271	58,532	498	59,031
Inflow:	Recoveries from Provinces	-	-	7,685	7,685	(7,685)	-
	Additional Prepayments	-	-	-	-	-	-
Outflow:	Benefit Payments	-	-	(31,999)	(31,999)	-	(31,999)
	Expenses	-	-	(3,687)	(3,687)	-	(3,687)
Transfers between funds		(55,603)	(6,697)	62,300	-	-	-
Closing, at December 31, 2020		820,530 ²	193,831 ²	58,917	1,073,278	87,610	1,160,888

1. Invested Assets include PT prepayments; PT Notional Assets are net of prepayments and include outstanding payments
2. These figures differ slightly from those on page 5 because of allocation of cash balances

Note: Values are based on RBC Dexia statements, and totals may not add due to rounding

Comments on Asset Development

- Total invested assets (i.e. excluding Provinces/Territories' Notional Assets) have increased since December 31, 2019 by \$30.5m
 - As a result of the positive investment returns, partially offset by the “federal” 8/11ths share of the Regular Benefit Account payments, the total Special Distribution Benefit Account payouts, the Late Claims Benefit Account payouts
- The Provinces/Territories' Notional Assets have decreased by \$7.2m
 - As a result of their 3/11ths share of the Regular Benefit Account payout exceeding interest credits at T-bill rates
- Total assets (i.e. including Provinces/Territories' Notional Assets) have increased by \$23.3m
- 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 \$62.3m
 - \$55.6m from real return bonds - spread over February to December 2020
 - \$6.7m from other long term funds - spread over the whole year of 2020

Provinces / Territories' Notional Assets (\$,000's)

	Gross Province/ Territories' Notional Assets	Less Yukon Prepayments	Net Provinces/ Territories' Notional Assets
Initial, at December 31, 2019	94,808	12	94,796
Interest credits	498	-	498
Additional prepayments	-	-	-
3/11 th share of benefits/expenses	(7,685)	-	(7,685)
Closing, at December 31, 2020	87,622	12	87,610

Totals may appear not to add due to rounding.

Investment Returns

Fund	Portfolio	Fiscal Year Ending				Quarterly Returns Fiscal Dec 2020			
		Dec-17	Dec-18	Dec-19	Dec-20	Mar-20	Jun-20	Sep-20	Dec-20
Long Term	Real Return Bonds	0.5%	-0.6%	6.3%	8.8%	0.1%	3.8%	3.4%	1.3%
	Universe Bonds	2.5%	1.4%	6.7%	8.5%	1.8%	5.6%	0.4%	0.6%
	Canadian Equity	9.1%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	US Equity	13.4%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	EAFE Equity	16.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Low Volatility World Equity	n/a	n/a	14.6%	-11.3%	-16.2%	1.4%	2.8%	1.6%
	Total	2.4%	-0.6%	7.4%	5.9%	-2.2%	3.6%	3.1%	1.3%
Short Term	Short Term Bonds/Investment Fund	0.3%	1.1%	2.1%	1.2%	0.6%	0.4%	0.1%	0.1%
Total Invested Assets		2.4%	-0.6%	7.3%	5.7%	-2.1%	3.6%	3.0%	1.2%
Notional PT Assets		0.7%	1.2%	1.7%	0.5%	0.4%	0.0%	0.1%	0.0%
Total Assets		2.3%	-0.4%	6.8%	5.3%	-1.9%	3.3%	2.8%	1.1%

1. The 2017, 2018, 2019 and 2020 annual and quarterly returns for the component portfolios are as reported by TD Asset Management in their 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 5.3% for the 2020 calendar year is the result of 5.7% for invested assets and 0.5% for notional PT assets
- Universe Bonds produced a positive return of 8.5% in 2020.
- The 2020 return for the low volatility world equity is -11.3%. This mandate is currently being transitioned from TDAM to BlackRock.
- The 2020 return for the money market pooled fund is 1.2%
- The Provinces/Territories' Notional Assets increase with interest at the 3-month T-bill rate; in 2020, these rates were lower than the returns on the invested assets

Tracking Error

		Fiscal Year Ending				4 years to Dec 2020	Target Tracking Error	
		Dec-17	Dec-18	Dec-19	Dec-20		1 year	4 years
Universe Bonds	Actual	2.5%	1.4%	6.7%	8.5%	4.7%		
	Index	2.5%	1.4%	6.9%	8.7%	4.8%		
	t/e	0.0%	0.0%	-0.2%	-0.2%	-0.1%	0.20%	0.10%

- Universe Bonds met their tracking error target over both one and four years for 2020

Risk metrics for Low Volatility Equity Portfolio

Metric	Fund	Index	Ratio of Fund to Index	Performance Objective	Comment
Standard Deviation	9.6%	11.9%	0.81	<0.7	Worse than objective
Down Market Capture	80%	100%	0.80	<0.8	Barely met objective
Sharp Ratio	0.25	0.91	0.27	>1	Poor risk-adjusted performance
Beta	0.7	1.0	0.70	<0.7	Barely met objective

- Performance objectives for the Low Volatility Equity Portfolio are measured over a 4 year period
- Figures shown above are for the 4 year period ending December 31, 2020
- The Fund invested in the Low Volatility Equity Portfolio effective October 25, 2018 so was not invested for the full 4 year period

Benefit Accounts

	Regular Benefit Account	Special Distribution Benefit Account	Late Claims Benefit Account	Total Invested Assets	Provinces/ Territories Notional Assets	Total Assets
Initial, at December 31, 2019	893,846	97,940	50,961	1,042,747	94,796	1,137,543
Investment Income	50,240	5,494	2,798	58,532	498	59,031
Inflow: Recoveries from PT	7,685	-	-	7,685	(7,685)	-
Additional prepayments	-	-	-	-	-	-
Outflow: Benefit Payments	(25,234)	(3,052)	(3,713)	(31,999)	-	(31,999)
Expenses	(3,131)	(168)	(388)	(3,687)	-	(3,687)
Closing, at December 31, 2020	923,405	100,215	49,658	1,073,278	87,610	1,160,888
Gross investment return	5.7%	5.7%	5.7%	5.7%	0.5%	5.3%

Totals may appear not to add due to rounding.

ECKLER

SUMMARY OF JOINT COMMITTEE WORK DURING THE TWENTY-FIRST YEAR OF OPERATIONS (2020)

Executive Summary

1. The Joint Committee has a mandate to:
 - implement the 1986-1990 Hepatitis C Settlement Agreement (the “**Settlement Agreement**”) and the following Plans:
 - the Transfused HCV Plan and the Hemophiliac HCV Plan (the “**Regular Benefits Plans**”)
 - the HCV Late Claims Benefit Plan (“**Late Claims Benefit Plan**” and, together with the Regular Benefits Plans, the “**Plans**”)
 - supervise the ongoing administration of claims under the Plans, as well as the assistance program for HIV Secondarily Infected Individuals that is included in the Settlement Agreement
 - supervise the administration and payment of Special Distribution Benefits
 - oversee the performance of the investment portfolio of the Hepatitis C 1986-1990 Trust Fund (the “**Trust Fund**”)
 - oversee certain services providers,¹ including making recommendations to the Courts regarding their appointment, negotiating their budgets, obtaining budget approval orders, and instructing, receiving and assessing their advice and reports
 - undertake the triennial fund sufficiency review regarding the Plans.
2. The numbers in this report have been rounded. Totals may not add up due to this rounding.

¹ These responsibilities apply to the following service providers: the administrator, the trustee, the investment managers and advisors, the auditors, the Joint Committee’s actuaries and physicians who assist in medical modelling.

3. In 2020, approximately \$32.0 million was paid to claimants as follows:

- \$25.2 million under the Regular Benefits Plans
- \$3.1 million in Special Distribution Benefits
- \$3.7 million under the Late Claims Benefit Plan

The total amount paid for claims over the life of the settlement now totals approximately \$1.158 billion in response to 14,965 claims.

4. Operating expenses of administration and all service providers in 2020 were approximately \$4.3 million, which was an increase of about 50% over the previous year due mainly to the additional work required for the triennial financial sufficiency review triggered on December 31, 2019.
5. In 2020, there was a 5.73% return on the total invested assets. The invested assets increased by about \$30.5 million (net of payments out).
6. As at December 31, 2020, the Trust Fund held assets of approximately \$1.080 billion. The unpaid liability of the provincial and territorial governments was approximately \$85.0 million (including interest). This unpaid liability combined with the Trust Fund's assets totals approximately \$1.165 billion available to satisfy the claims of class members.

The Trust Fund

7. The governments' maximum obligation to the Trust Fund established as at January 10, 2000 was \$1.203 billion, shared between the Government of Canada (72.7273%) and the governments of the provinces and territories (27.2727%). The Government of Canada contributed its obligation at the outset. The provincial and territorial governments contribute their respective obligations mostly on a "pay-as-you-go" basis, with interest at the 3-month Treasury Bill rate.

8. As at December 31, 2020:

- The Trust Fund held assets of about \$1.080 billion
- The obligation of the provinces and territories that fund on a pay-as-you-go basis was estimated to be about \$85.0 million.

*As at December 31, 2020, there was **\$1.165 billion** available to satisfy class members' claims*

9. In December 2017, the Courts established three accounts of the Trust Fund:

- the Regular HCV Benefits Account
- the Special Distribution Benefits Account
- the HCV Late Claims Benefit Account.

The work performed and expenses incurred by service providers are categorized and charged to the applicable account. The provincial and territorial governments do not contribute to claims or expenses paid from the Special Distribution Benefits Account or the HCV Late Claims Benefit Account.

10. The funding, investment earnings, claims paid, and expenses relating to each of the Trust Fund's three accounts are reported in notes 4 - 6 of the Audited Financial Statements at Schedule A of the Annual Report.
11. Notes 4 and 7 to the Financial Statements also reflect a reallocation of excess capital effective January 1, 2020, which the Courts ordered following the 2019 Financial Sufficiency Review. Specifically, about \$23 million was reallocated from the Special Distribution Benefits Account to the HCV Late Claims Benefit Account to ensure that it was financially sufficient to meet the projected claims and expenses required for the Late Claims Benefit Plan. This reallocation also permits the 25% holdback to be removed and the withheld amounts to be paid with interest to approved late claimants in 2021, as ordered by the Courts.

12. Following this reallocation of excess capital, all accounts of the Trust Fund are financially sufficient, and the Courts have declared that there is a surplus of \$197.6 million to \$203.6 million. The Joint Committee will make recommendations to the Courts seeking to distribute this surplus to class members. The precise recommendations and timing of these court applications have not yet been determined. The other parties have not yet advised whether they will bring applications seeking all or part of the surplus.

Payments to Claimants

13. In 2020, approximately \$25.2 million in claims were paid under the Regular Benefits Plans, which is about 21.7% less than what was paid out in the previous year.²
14. Approximately \$3.1 million in Special Distribution Benefits were paid in 2020, which is about 41.9% less than the previous year.³ The Joint Committee oversaw steps taken by the Administrator to attempt to contact approximately 1,400 class members for whom new contact information had been found. Approximately 400 claimants responded enabling the Administrator to issue 300 cheques totaling approximately \$1.7 million in Special Distribution Benefits. The Joint Committee is exploring additional avenues to obtain updated contact information where no social insurance number is on file.
15. Approximately \$3.7 million in Late Claims Benefits were paid in 2020, which is about 103.6% more than the previous year.⁴ This does not include payment of the 25% holdback plus interest, which will be paid to claimants in 2021.

Operating Expenses

16. A total of approximately \$4.3 million in administration and service provider expenses were paid in 2020, which is an increase of about 50% from the previous year,⁵ due mainly

² In 2019, approximately \$32.2 million was paid. In 2018, approximately \$39.8 million was paid.

³ In 2019, approximately \$5.3 million was paid. In 2018, approximately \$5.2 million was paid.

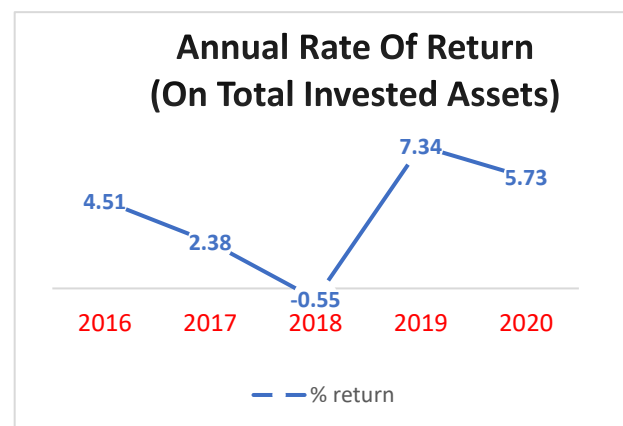
⁴ In 2019, approximately \$1.8 million was paid, which was the first year in which payments were made.

⁵ In 2019, the operating expenses were approximately \$2.9 million. In 2018, the operating expenses were about \$4.2 million.

to the additional work required for the triennial financial sufficiency review triggered on December 31, 2019.

Portfolio Oversight

17. In 2020, the invested portion of the Trust Fund closed at about \$1.073 billion, which was up by approximately \$30.5 million from the previous year (net of payments out).
18. 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 a short term investment fund and in a low volatility equities fund.
19. Overall, there was a 5.73% return on the total invested assets in 2020, which was a decrease over the prior year.⁶
20. Most of the assets (about \$820.5 million) are invested in Government of Canada Real Return Bonds, which produced a return of 9.04% in 2020. This was an increase over the previous year.⁷ The return on these bonds since inception is 6.47%.
21. The short term investment fund (comprising about \$58.9 million) was introduced in October 2018 as part of the changes to the investment guidelines. In 2020, it produced a return of 1.22%, which was a decrease over the prior year.⁸ The return on this fund since inception is 1.7%.
22. The “other” invested assets include a bond fund and equities.



⁶ In 2019, the overall return on invested assets was 7.34%. In 2018, the overall return on invested assets was negative 0.55%.

⁷ In 2019, the return on real return bonds was 6.22%. In 2018, the return on real return bonds was negative 0.58%.

⁸ In 2019, the return on short term investment fund was 2.09%. In 2018, the return on the short term investment fund was 0.40% from October 26, 2018 to the end of the year. The 2018 return on the short term bonds that this fund replaced was 0.74% up until October 26, 2018.

- The return on the Canadian bond fund (comprising about \$65.4 million) was 8.45%, which was an increase over the previous year.⁹ The return on Canadian bonds since inception is 5.49%.
 - The low volatility all world equity fund (comprising about \$124.2 million) was introduced in October 2018 as part of the changes to the investment guidelines. The return on this fund was negative 11.32%, which was a substantial decrease over the previous year.¹⁰ The return on this fund since inception is 1.53%. In consultation with the Investment Consultant, Eckler Ltd., the Joint Committee intends to recommend to the Courts that these funds be invested in a better performing low volatility equities fund.
23. The Canadian bond fund met the one-year and four-year tracking ranges set in the investment guidelines for the Trust Fund.

Summary of Joint Committee Work in 2020

24. Several unexpected events generated extra work for members of the Joint Committee in 2020 in addition to the ongoing close monitoring of the administration of the different Plans and service providers. These events, and the Joint Committee's work relating to them, included the following:
- **Ransomware attack on EPIQ GLOBAL's network system** – working with the Administrator to ensure that the claims administration processes resumed as quickly as possible and that payments to class members could be issued in a timely manner; assessing the extent and impact of this cyberattack on claimants' data hosted on Epiq's servers and on the CLASS administration system with the assistance of a cybersecurity expert retained by the Joint Committee; requesting additional information from Epiq after conferring with the cybersecurity expert; reviewing Epiq's responses, reviewing safeguard measures and contemplated improvements as part of a post-mortem assessment of this event with Epiq; obtaining advice from a privacy law expert retained by the Joint Committee;

⁹ In 2019, the return on Canadian bonds was 6.72%. In 2018, the return on Canadian bonds was 1.39%.

¹⁰ In 2019, the return on the low volatility all world equity portfolio was 14.64%. In 2018, the return on the low volatility all world equity portfolio was 1.68% from October 25, 2018 until the end of the year. The 2018 overall return on the portfolio's equities from the beginning of the year up until October 25, 2018 was negative 1.1%.

reporting to the Courts on several occasions with regards to the evolution of the situation during and after the attack and the steps taken by the Joint Committee and its expert to ensure that claimants data was not accessed and that adequate safeguards are in place to keep claimants' data secure.

- **COVID-19 pandemic** - discussing and verifying with Epiq's project manager the impact of public health recommendations to ensure claims administration continuity despite the obligation to work from home applicable to Epiq and other service providers' employees.
- **Underperformance of the current low volatility equities fund** – regular monitoring following negative returns; discussing the unsatisfactory performance with the Investment Manager (TDAM) to better understand the past results and future strategy; retaining the Investment Consultant (Eckler Ltd.) to assess market conditions, identifying competitive equity investments and reporting on their respective performance and fees; reviewing Eckler Ltd's assessment and recommendations; and interviewing the proposed investment management firm for the equities portfolio.
- **Ongoing performance issues with the Administrator** – extensive written communications with Epiq recording its failure to meet the requirements of its Terms of Appointment, identifying specific deficiencies and outlining expected redress; holding several conference calls with Epiq's project manager and upper management to address various ongoing concerns causing delays in the performance of high priority tasks such as: ramping up the administration of the Late Claims Benefit Plan, assisting and responding to claimants' requests expediently; delivery of data extracts for the 2019 Financial Sufficiency Review and answering questions about this data in a timely manner; and the deferral of other projects started under the previous administration. As a result of the Administrator's performance issues, the Joint Committee recommended, and the Courts approved, the continuation of Epiq's appointment for one year, until the end of 2021.

25. The Joint Committee also worked on the following in 2020:

- preparing, launching and closing a Request for Proposal sent to selected proponents identified by a Trust expert as qualified organizations to potentially act as Trustee and Custodian in replacement of RBC who has informed the Joint Committee of its desire to be relieved of its current appointment.
- coordinating with the Medical Model Working Group, the actuaries and the Administrator the work required for the 2019 Financial Sufficiency Review and

reviewing and discussing their reports; preparing the detailed report of the Joint Committee and the evidence of the medical expert.

- drafting applications and supporting affidavits seeking:
 - an extension of the filing deadline of the 2019 Financial Sufficiency application and supporting documentation from June to November 30th, 2020.
 - approval of a protocol for implementing the Special Distribution Benefit approved by the Courts pertaining to the payment of loss of services compensation to an alive dependent who is permanently disabled.
 - directions and orders to facilitate the location of missing class members.
 - the triennial declaration of the Fund's sufficiency as at December 31, 2019; a declaration of the amount of the Excess Capital in the Trust Fund; a declaration of the financial status of the three accounts of the Trust Fund; an order reallocating excess capital from the Special Distribution Benefits Account to the HCV Late Claims Benefit Account as of January 1, 2020 to ensure all accounts of the Trust Fund are financially sufficient, and orders removing the holdback from Late Claims Benefit payments and requiring all amounts heldback to be paid to affected claimants with interest.
- negotiating the terms of the draft orders for the above-noted applications with the federal, provincial and territorial governments.
- preparing the applications and material for court approval of the 2019 Annual Report and Financial Statements.
- attending "virtually" the annual meeting with the auditors and key service providers to review the 2019 financial year.
- identifying potential conflict of interest and independence issues of Deloitte and working with Deloitte to put appropriate risk mitigation steps in place.
- negotiating with Epiq regarding its budget proposal for 2021 and preparing the application and supporting material for the renewal of its appointment and approval of its 2021 annual budgets.

- obtaining the 2021 budget proposals from the service providers it supervises and preparing the applications and supporting material for approval of the 2021 annual budgets.
- upon receipt of the Investment Manager's notice, coordinating the rebalancing of the Short Term Fund with the Trustee and Investment Consultant.
- updating the hepc8690.ca website content to ensure its coherent co-existence with the Late claims campaign website.
- responding to numerous telephone and email communication from class members and family class members.
- providing directions regarding various policy issues raised by the Administrator for the Joint Committee.

Late Claims Notice Campaign

26. In November 2017, the Courts approved a two-phase notice campaign for the Late Claims Benefit Plan, an active notice phase with a budget of \$987,400 (plus applicable taxes) and a more passive post-campaign notice program for two years budgeted at \$37,000 (plus applicable taxes) per year.
27. The post-campaign notice program on social media launched in October 2018 and concluded on September 30, 2020. The goal of the passive campaign was to drive visits to the HCV Late Claims Notice websites for more information. The campaign was comprised of Google Ads (Search Engine Marketing and Display Banners) and Facebook Ads.
28. In December 2020, the Joint Committee received a report on the second and final year of the post-campaign notice program from the advertising agency. Outstanding reach was again achieved on the digital platforms. The paid media campaign generated a total of 27,000 visits to the English Notice website and 11,800 visits to the French Notice website in its second year.

29. In 2020, the Administrator received 34 new late claim requests under the HCV Late Claims Benefit Plan.¹¹ Referees approved 29 requests and denied one request to submit a late claim. The Administrator approved 45 late claims as follows:

- 9 Primarily Infected Transfused Claims
- 1 Primarily Infected Hemophiliac Claim
- 28 Family Member Transfused Claims
- 7 Family Member Hemophiliac Claims.

¹¹ In December 2017, the Courts approved an HCV Late Claims Benefit Plan for class members who did not make a claim before the First Claim Deadline and who do not fall within the existing court-approved protocols that provide exceptions to First Claim Deadline. The Courts issued orders/judgments in February 2017 and December 2017 allocating about \$39.9 million in 2013 excess capital of the Trust Fund to the Late Claims Benefit Plan. Following the 2019 Financial Sufficiency Review, in January 2021, the Courts ordered the reallocation of about \$23 million in excess capital from the Special Distribution Benefits to the HCV Late Claims Benefit Account effective January 1, 2020 to ensure that the HCV Late Claims Benefit Account was financially sufficient. This reallocation also permitted the 25% holdback to be removed and the withheld amounts to be paid with interest to approved late claimants in 2021.

YEAR 19 JC FEES**Joint Committee Fees and Disbursements Incurred in the Period from
January 1, 2020 to December 31, 2020****Regular Benefit Plans**

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$278,445.75	\$165,343.50	\$241,715.00	\$232,364.75	\$917,869.00
DISB.	\$11,032.38	\$1,616.90	\$39,850.39	\$734.46	\$53,234.13
GST	\$14,457.91	\$8,348.02	\$0.00	\$0.00	\$22,805.93
PST	\$19,571.50	\$16,654.29	\$0.00	\$0.00	\$36,225.79
HST	\$0.00	\$0.00	\$36,603.97	\$30,303.21	\$66,907.18
TOTAL	\$323,507.54	\$191,962.71	\$318,169.36	\$263,402.42	\$1,097,042.03

Financial Sufficiency

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$37,417.75	\$22,140.00	\$43,427.50	\$354,887.50	\$457,872.75
DISB.	\$778.74	\$0.00	\$3,482.50	\$1,507.08	\$5,768.32
GST	\$1,901.83	\$1,107.01	\$0.00	\$0.00	\$3,008.84
PST	\$2,647.42	\$2,208.46	\$0.00	\$0.00	\$4,855.88
HST	\$0.00	\$0.00	\$6,098.43	\$46,331.29	\$52,429.72
TOTAL	\$42,745.74	\$25,455.47	\$53,008.43	\$402,725.87	\$523,935.51

Special Distribution Benefits

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$44,740.00	\$21,221.75	\$5,872.50	\$22,402.50	\$94,236.75
DISB.	\$539.00	\$0.00	\$0.00	\$53.25	\$592.25
GST	\$2,251.96	\$1,061.09	\$0.00	\$0.00	\$3,313.05
PST	\$3,139.30	\$2,116.87	\$0.00	\$0.00	\$5,256.17
HST	\$0.00	\$0.00	\$763.49	\$2,919.24	\$3,682.73
TOTAL	\$50,670.26	\$24,399.71	\$6,635.99	\$25,374.99	\$107,080.95

Late Claims Benefit Plan

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$3,281.00	\$14,194.25	\$7,902.50	\$15,162.50	\$40,450.25
DISB.	\$0.00	\$0.00	\$0.00	\$120.50	\$120.50
GST	\$164.05	\$709.62	\$0.00	\$0.00	\$873.67
PST	\$229.67	\$1,180.04	\$0.00	\$0.00	\$1,409.71
HST	\$0.00	\$0.00	\$1,027.36	\$1,986.76	\$3,014.12
TOTAL	\$3,674.72	\$16,083.91	\$8,929.86	\$17,269.76	\$45,958.25

TOTAL FEES AND DISBURSEMENTS

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$363,884.50	\$222,899.50	\$298,917.50	\$624,817.25	\$1,510,518.75
DISB.	\$12,350.12	\$1,616.90	\$43,332.89	\$2,415.29	\$59,715.20
GST	\$18,775.75	\$11,225.74	\$0.00	\$0.00	\$30,001.49
PST	\$25,587.89	\$22,159.66	\$0.00	\$0.00	\$47,747.55
HST	\$0.00	\$0.00	\$44,493.25	\$81,540.50	\$126,033.75
TOTAL	\$420,598.26	\$257,901.80	\$386,743.64	\$708,773.04	\$1,774,016.74

**REPORT OF FUND COUNSEL
(FOR 2020 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, 2020 to December 31, 2020**, 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.

Number of total appeals received from the beginning to Dec 31, 2020	336
Number of appeals received from January 1, 2020 to December 31, 2020	2
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2020	243
Number of completed appeals (decisions rendered) from January 1, 2020 to December 31, 2020	2
Number of total withdrawals from the beginning to December 31, 2020	49
Number of withdrawals from January 1, 2020 to December 31, 2020	0
Number of total rescissions of denial from the beginning to December 31, 2020	22
Number of rescissions of denial from January 1, 2020 to December 31, 2020	0
Number of total Mediated Appeals from January 1, 2020 to December 1, 2020	7
Number of Mediated appeals from January 1, 2020 to December 31, 2020	1
Number of Archived Appeals	0
Number of pending Appeals as of December 31, 2020	12
Number of total requests for judicial confirmation from the beginning to December 31, 2020	56
Number of requests for judicial confirmation from January 1, 2020 to December 31, 2020	0
Number of total judicial decisions from the beginning to December 31, 2020	50
Number of judicial decisions from January 1, 2020 to December 31, 2020	0
Number of Appeals Justice Perell sent back to Referee up to December 31, 2020	4

Number of Appeals that have been sent back that are concluded	3
Number of Appeals sent back by Justice Perell that have been withdrawn by claimant up to December 31, 2020	1
Total Number of pending Appeals as of December 31, 2020	10

***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.*

8. Ontario Fund Counsel incurred fees, with respect to Regular Plans (Transfused and Hemophiliac), in the amount of **\$38,322.50** plus GST/HST. Ontario Fund Counsel incurred disbursements in the amount of **\$491.24** plus GST/HST. No expert witness expenses were incurred. With taxes, the total amount of fees and disbursements incurred is **\$43,846.40**.

Ontario Fund Counsel incurred fees, with respect to Late Claims, in the amount of **\$29,975.50** plus GST/HST. Ontario Fund Counsel incurred disbursements in the amount of **\$300.00**. The total amount of taxes incurred was **\$3,935.82**. No expert witness expenses were incurred. With taxes, the total amount of fees incurred is **\$34,211.32**.

(b) Quebec Fund Counsel

Particulars of the appeals are as follows:

Number of total appeals received from the beginning to December 31, 2020	80
Number of appeals received from January 1, 2020 to December 31, 2020	0
Number of total completed appeals (decisions rendered) from the beginning to	63
Number of completed appeals (decisions rendered) from January 1, 2020 to	0
Number of total withdrawals from the beginning to December 31, 2020	10
Number of withdrawals from January 1, 2020 to December 31, 2020	0
Number of total mediated appeals from the beginning to December 31, 2020	0
Number of mediated appeals from January 1, 2020 to December 31, 2020	0

Number of total rescissions of denial from the beginning to December 31, 2020	5
Number of rescissions of denial from January 1, 2020 to December 31, 2020	0
Number of pending appeals as of December 31, 2020	1
Number of total requests for Judicial confirmation from the beginning to December 31, 2020	22
Number of requests for Judicial confirmation from January 1, 2020 to December 31, 2020	0
Number of total Judicial decisions from the beginning to December 31, 2020	20
Number of requests for Judicial confirmation withdrawn by claimant to December 31, 2020	1
Number of judicial decisions from January 1, 2020 to December 31, 2020	0

9. Quebec Fund Counsel incurred fees, with respect to Regular Plans (Transfused and Hemophiliac), in the amount of **\$9,996.00** plus tax. Quebec Fund Counsel incurred disbursements in the amount of **\$100.03** plus tax. The total amount of taxes incurred on fees and expenses is **\$1,305.61**. As per Quebec Fund Counsel, disbursements related to general expenditure and bailiff fees. With taxes, the total amount of fees and disbursements incurred in Quebec is **\$11,401.64**.

Quebec Fund Counsel incurred fees, with respect to Late Claims, in the amount of **\$561.00** plus tax. Quebec Fund Counsel incurred disbursements in the amount of **\$0.50**. The total amount of taxes incurred on fees is **\$75.07**. As per Quebec Fund Counsel, disbursements related to general expenditure and bailiff fees. With taxes, the total amount of fees and disbursements incurred in Quebec is **\$636.57**.

(c) **British Columbia**

Particulars of the appeals are as follows:

Number of total appeals received from the beginning to December 31, 2020	75
Number of appeals received from January 1, 2020 to December 31, 2020	0
Number of total completed appeals (dec rendered) from the beginning to	50
Number of completed appeals (dec rendered) from January 1, 2020 to	0
Number of total withdrawals from the beginning to December 31, 2020	17
Number of withdrawals from January 1, 2020 to December 31, 2020	0

Number of total rescissions from the beginning to December 31, 2020	0
Number of rescissions from January 1, 2020 to December 31, 2020	0
Number of total mediated appeals from the beginning to December 31, 2020	0
Number of mediated appeals from January 1, 2020 to December 31, 2020	0
Number of Archived Appeals	4
Number of Archived Appeals from January 1, 2020 to December 31, 2020	0
Number of pending appeals as of December 31, 2020	3
Number of total request for judicial confirmation from the beginning to December 31, 2020	20
Number of requests for judicial confirmation from January 1, 2020 to December 31, 2020	0
Number of total judicial decisions from the beginning to December 31, 2020	19
Number of judicial decisions from January 1, 2020 to December 31, 2020	0

10. B.C. Fund Counsel incurred fees with respect to Regular Plans (Transfused and Hemophiliac) in the amount of **\$7,522.50** plus tax. B.C. Fund Counsel incurred disbursements in the amount of **\$50.62** plus tax. The total amount of taxes incurred on fees and expenses is **\$905.24** (GST was paid in the amount of \$378.66 and PST in the amount of \$526.58). 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 **\$8,478.36**.

B.C. Fund Counsel incurred fees with respect to Late Claims in the amount of **\$16,362.50** plus tax. B.C. Fund Counsel incurred disbursements in the amount of **\$2,424.94**. The total amount of taxes incurred on fees is **\$2,084.75** (GST was paid in the amount of \$939.37 and PST in the amount of \$1,145.38). There were no costs incurred with respect to expert fees or travel expenses. With taxes, the total amount of fees incurred in B.C. is **\$20,872.19**.

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 endeavor 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.

- 11. Fund Counsel anticipates that the time required to handle appeals during this fiscal year will likely be at or above last year. The late claims appeals may increase over last year which would increase the time required. The time required will also depend upon the number of appeals which raise complicated medical and other issues including the need for expert evidence.

2020 Annual Report of the Arbitrators/Referees

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 12 active Court appointed Arbitrator/Referees: one in each of Alberta, Saskatchewan, Manitoba, Nova Scotia, Quebec and 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 under the 1986-90 Hepatitis C Benefit Plan remained extremely low in 2020.

Late Claim Benefit Plan

5. The HCV Late Claim Benefit Plan was launched in January 2018 and allows individuals who missed the first claims deadline to request approval to file a late claim. The Courts approved guidelines for approval, directing that requests should be allowed where the claimant did not have timely notice of the first claim deadline, failed to meet the deadline for reasons beyond their control or where they provide another reasonable explanation for their delay. Two arbitrators were assigned to review the late claim requests and provide written reasons for allowing or denying them, one in Quebec and one in Ontario.
6. In 2020, 7 Late Claim requests were submitted for review in Quebec and 27 throughout the rest of Canada. 3 requests for review of the Administrator's decision under the Late Claim Benefit Plan were received in Quebec and 6 in the rest of Canada.

Financial Activity to December 31, 2020

7. The fees and expenses incurred by Arbitrators and Referees under the 1986-90 Hepatitis C Benefit Plans were as follows:

	<u>British Columbia</u>	<u>Quebec</u>	<u>Ontario</u> <u>(and all other provinces)</u>
Fees:	\$5,652.00	\$3,315.00	\$2,082.50
Disbursements:	\$0	\$8.12	\$0
Taxes:	\$282.62	\$432.01	\$104.12
TOTALS:	\$ 5,935.12	\$3,755.13	\$2,186.62

In the past fiscal year, one appeal was approved for payment in excess of the tariff rate.

8. Referee fees and disbursements in 2020 for the administration of the HCV Late Claim Benefit Plan were as follows:

	<u>British Columbia</u>	<u>Quebec</u>	<u>Ontario</u> <u>(and all other provinces)</u>
Fees:	\$10,455.00	\$4,292.50	\$6,566.50
Disbursements:	\$1,313.25	\$5.75	\$0
Taxes:	\$ 522.75	\$558.77	\$853.65
TOTALS:	\$12,291.00	\$4,857.02	\$7,420.15

Proposed Budget

9. As in previous years, the number and complexity of appeals will determine the fiscal needs of Appeal administration. Very few cases have been forwarded for review under the 1986-90 Hepatitis C Benefit Plan over the past few years. I anticipate that the budget for 2021 can be safely set at the amount actually incurred in 2020.
10. The volume of requests to file a Late Claim continues to taper off. To date, the large number of requests that were previously approved have not generated a comparable number of appeals of the ultimate decision made by the Administrator. The potential increase in the volume of appeals should be considered, however, in setting future budgets, as should the anticipated complexity of hearing these matters due to the considerable passage of time.
11. In light of the projected increase in volume and complexity of requests for review following implementation of the Late Claim Benefit Plan, I recommend that the budget be set at \$35,000 for 2021, or roughly 40% higher than the amount incurred in 2020.