

HEPATITIS C
CLASS ACTION SETTLEMENT
1986-1990

YEAR 22

REPORT OF THE JOINT COMMITTEE
FOR THE PERIOD ENDING DECEMBER 31, 2021

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January 1, 1986 to July 1, 1990

HEPATITIS C CLASS ACTION SETTLEMENT

YEAR 22

ANNUAL REPORT OF THE JOINT COMMITTEE

FOR THE PERIOD ENDING DECEMBER 31, 2021

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Annual Report – YEAR 22 (2021)

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-second year of operations on December 31, 2021.
2. In 2021, the Administrator received 116 new claims¹ under the Transfused HCV Plan and the Hemophiliac HCV Plan (collectively, the “**Regular Benefit Plans**”) as follows:
 - 3 Primarily Infected Transfused Claims
 - 67 Family Member Transfused Claims
 - 46 Family Member Hemophiliac Claims
3. In 2021, the Administrator approved 10 new claims under the Recent HCV Diagnosis court-approved protocol exception to the First Claim Deadline of June 30, 2010 (“**First Claim Deadline**”) and 4 new claims under the other court-approved protocol exception to the First Claim Deadline.
4. In 2021, the Administrator paid about \$24.9 million in claims under the Regular Benefit Plans,² bringing the total benefits paid under the Regular Benefit Plans since inception to about \$1,080,109,859.
5. In 2021, the Administrator paid about \$4.6 million in Special Distribution Benefits,³ bringing the total

In 2021, the Settlement paid approximately:

***\$24.9 million** under the Regular Benefit Plans*

***\$4.6 million** in Special Distribution Benefits*

***\$8.6 million** under the Late Claims Benefit Plan*

¹ In 2020, 53 new claims to the Regular Benefit Plans were received. In 2019, 134 new claims were received.

² In 2020, about \$25.2 million was paid out for claims under the Regular Benefit Plans. In 2019, about \$32.2 million was paid.

³ The Courts issued orders/judgments in August 2016, February 2017 and December 2017 allocating about \$152.6 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**”), not including the HCV

benefits paid under the Special Distribution Benefits since inception to about \$102,082,182. Approximately \$1.75 million in Special Distribution Benefit payments have been reissued to “missing” claimants, executors and successors who have been located as a result of the various initiatives proposed by the Joint Committee and approved by the Courts.

6. In 2021, the Administrator received 18 new late claim requests under the HCV Late Claims Benefit Plan.⁴ Referees approved 42 requests⁵ and denied 5 requests⁶ to submit a late claim. The Administrator approved 35 late claims⁷ including the following⁸:

- 9 Primarily Infected Transfused Claims
- 3 Primarily Infected Hemophiliac Claim
- 1 Secondarily Infected Hemophiliac Claim
- 19 Family Member Transfused Claims
- 3 Family Member Hemophiliac Claims

About \$8.6 million in Late Claims Benefits was paid in 2021⁹, bringing the total benefits paid under the HCV Late Claims Benefit Plan since inception to about \$14,223,299.

Late Claims Benefit Plan that was also funded at that time as discussed separately in the following footnote. In 2020, about \$3.1 million was paid out in Special Distribution Benefits. In 2019, about \$5.3 million was paid.

⁴ In August 2016 and December 2017, the Courts issued orders/judgments allocating about \$39.9 million in 2013 excess capital for an HCV Late Claims Benefit Plan to be created 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 the First Claim Deadline. In 2017, the Courts issued orders/judgments approving the HCV Late Claims Benefit Plan. Before a claimant is permitted to file a claim under this plan, they must submit a request to submit a late claim to a referee, who determines whether they are eligible to submit a claim to the Administrator. In 2020, 32 new late claim requests were received.

⁵ In 2020, 29 requests were approved.

⁶ In 2020, one request was denied.

⁷ In 2020, 45 late claims were approved.

⁸ There was also one approved late claim made by the estate of a deceased primarily infected class member.

⁹ In 2020, about \$3.7 million was paid out in Late Claims Benefits. In 2019, the first year Late Claims Benefits were paid, the Administrator paid out about \$1.8 million.

7. In summary, the Administrator paid about \$38.1 million to claimants in 2021¹⁰ under all Plans.
8. Since the settlement's inception in 1999, the Administrator has paid about \$1.20 billion¹¹ to claimants in response to about 15,104 approved claims.
9. Financial Statements of the Trust Fund attached at **Schedule A** indicate that the Trustee held assets of about \$1.094 billion, the unpaid liability of the provincial and territorial governments was about \$77.5 million (including interest), so there was a total of about \$1.171 billion available to satisfy class members' claims as at December 31, 2021.
10. In 2021, there was a 4.71% return on the invested assets held by the Trustee, which was a decrease over the prior year.¹² The return was mainly due to the return on the Government of Canada real return bonds ("RRBs") that comprise most of the invested assets and the strong performance of the low volatility equity fund. The invested assets increased by about \$14.7 million or 1.4% net of payments out.¹³
11. The expenses incurred to administer the settlement in 2021 totalled approximately \$3.5 million for all service providers. This represents a decrease of about 17.4% over last year.¹⁴

*Since inception, about
\$1.20 billion in benefits
has been paid to 15,104
approved claims.*

¹⁰ In 2020, the Administrator paid out about \$32.0 million in total in benefits under all Plans compared to about \$40.0 million paid out in 2019.

¹¹ This amount includes payments of about \$21.4 million to HIV secondarily infected claimants under EAP2.

¹² In 2020, the overall return on invested assets was 5.73%. In 2019, the overall return on invested assets was 7.34%.

¹³ In 2020, the invested assets increased by about 2.8% net of payments out. In 2019, the invested assets increased by about 4.0% net of payments out.

¹⁴ In 2020, the administration expenses totaled approximately \$4.3 million. In 2019, the administration expenses totaled approximately \$2.9 million.

OVERVIEW

12. This is the twenty-second 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 2021, the Joint Committee was comprised of Deborah Armour, Q.C., Michel Savonitto, Harvey T. Strosberg, Q.C., and Kathryn Podrebarac.¹⁵
14. There are three notional accounts of the Trust Fund: The HCV Regular Benefit Account, the HCV Special Distribution Benefit Account and the HCV Late Claims Benefit Account.¹⁶ 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 HCV Special Distribution Benefit Account or the HCV Late Claims Benefit Account.
15. The activities of the service providers to the settlement under the three categories – Regular Benefits, Special Distribution Benefits and Late Claims Benefits - 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.

2021 EXPENSES

16. The budgeting process for 2021 commenced in late 2020. Annual budget approval orders were obtained from the Courts in January 2021, except for a few specific budgets that were approved by the Courts on applications filed separately by the Joint Committee.
17. The actual 2021 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 10.

¹⁵ 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.

¹⁶ The three notional accounts of the Trust Fund were established by the Courts in December 2017.

A. Regular Benefit Plans Work

18. The total fees of the service providers supervised by the Joint Committee for work relating to the Regular Benefit Plans in 2021 were \$2,198,082 plus taxes, which was \$37,608 under their approved budgets.
19. The following chart summarizes the budget versus actual expenses for 2021 for the service providers supervised by the Joint Committee for Regular Benefit Plans work plus taxes.

Service Provider	2021 Budget	2021 Actual	Variance from Budget	Note
Epiq				
Administration of the Regular Benefit Plans and EAP2 Activity Level Adjustment	\$566,500	\$566,500	-	See paras 36-37, 40 and Schedules B and C
Third Party Expenses	As incurred, subject to a +/- 10% variance	-	-	
Appeal Expenses	As incurred	\$1,046	-	
Special Projects	As incurred	-	-	
Fees Disbursements	\$100,000 At cost	\$38,441 \$8,632	(\$61,559) -	
Deloitte				
Audit, financial statements (exclusive of travel expenses)	\$105,000 ¹⁷	\$85,000	-	See paras. 31-32 and Schedule A
Special Projects	\$25,000 ¹⁸	\$7,000 ¹⁹	_ ²⁰	
RBC				
Trustee Services	\$125,000	\$108,376	(\$16,624)	See para. 43 and Schedule D

¹⁷ 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 to be allocated \$85,000 Regular Benefits, \$13,500 Special Distribution Benefits, \$6,500 Late Claims Benefits.

¹⁸ The Courts approved a global budget of \$25,000 for Special Projects.

¹⁹ This is the amount of fees incurred for Special Projects attributable to the Regular Benefits only. The amounts incurred for the two other categories of work are shown in the charts that follow.

²⁰ We have not noted the variance from Deloitte's global Special Projects budget here. The amounts attributable to the two other categories of work are shown in the charts that follow. Deloitte's fees for Special Projects for all three categories of work were under budget, totalling \$15,000.

Service Provider	2021 Budget	2021 Actual	Variance from Budget	Note
TDAM				
Investment Services	\$360,000	\$363,691	\$3,691	See paras. 46-48 and Schedules E and F
RRB portfolio rebalancing	2 bp	\$12,851	-	
Eckler				
Actuarial Services & Investment Review	\$75,000	\$34,830	(\$40,170)	See paras. 58-59 and Schedules G and H
Special Projects	\$50,000	\$54,339	\$4,339	
PricewaterhouseCoopers LLP				
Income Loss annual computer programming update	\$10,000	\$8,999	(\$1,001)	See para. 51
Paula Frederick/ Cohen Hamilton Steger Inc.				
Specialized Income Loss analysis	\$40,000	-	(\$40,000)	See para. 53
Joint Committee				
Regular administration and supervision work				See para. 63 and Schedules I and J
Fees	\$800,000	\$918,055	\$118,055	
Disbursements	\$75,000	\$14,970	(\$60,030)	

20. The following service providers, who are not supervised by the Joint Committee, also provided services in 2021 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	2021 Actual	Note
Fund Counsel		
Fees	\$99,510	See para. 72 and Schedule K
Disbursements	\$568	
Arbitrators and Referees		
Fees	\$20,528	See para. 75 and Schedule L
Disbursements	\$43	
Court Monitor		
Fees	\$2,087	See para. 78
Disbursements	\$818	

B. Financial Sufficiency Work

21. Section 10.01(1)(i) of the Settlement Agreement requires the financial sufficiency of the Trust Fund to be assessed every three years.
22. In 2021, the total fees 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 \$308,962 which was \$18,018 under budget.

Service Provider	2021 Budget	2021 Actual	Variance from Budget	Note
Eckler				
Phase 1 Fees	\$76,980 ²¹	\$94,606	\$17,626	See para. 60
Disbursements	\$19,167	-	(\$19,167)	
Joint Committee				
Phase 1 and interim Phase 2 Fees	\$250,000 ²²	\$214,356	(\$35,645)	See para. 64 and Schedules I and J
Disbursements	\$35,000	\$3,141	(\$31,859)	

²¹ 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 2020 was carried over for 2021.

²² The Joint Committee’s 2021 interim budget for the 2019 Financial Sufficiency Review work includes \$50,000 for Phase 1 and \$200,000 for Phase 2.

C. Special Distribution Benefits Work

23. The Courts approved budgets for the following service providers in connection with Special Distribution Benefits. Their actual fees and disbursements (exclusive of taxes) are indicated below.
24. In 2021, the total fees of the service providers supervised by the Joint Committee for work relating to Special Distribution Benefits were \$117,472, which was \$21,252 under budget.

Service Provider	Budget 2021	Actual 2021	Variance from Budget	Note
Deloitte				
Fees	\$13,500	\$13,500	-	See para. 31
Special projects	_23	\$500	_24	
Epiq				
Prospective Payments – fixed fee	\$5,000 ²⁵	\$5,000	-	See para. 38 and
Retroactive Payments – activity based fee schedule	Per fee schedule ²⁶	\$32,224	-	Schedule C
Disbursements	-	-	-	
Joint Committee				
Fees	\$75,000	\$66,248	(\$8,752)	See para. 65 and
Disbursements	\$5,000	\$40	(\$4,960)	Schedules I and J
Eckler				
Fees	\$12,500	-	(\$12,500)	See para. 61

²³ See note 18 above.

²⁴ See note 20 above.

²⁵ The Administrator charges a flat fee of \$5,000 per year to administer Special Distribution Benefits payments on a prospective or *go forward* basis.

²⁶ The Administrator's fees for making *retroactive* Special Distribution Benefits payments are based on a fee schedule approved by the Courts in the Epiq appointment/budget orders.

D. Late Claims Benefits Work

25. In December 2017, the Courts approved an HCV Late Claims Benefit Plan prepared by the Joint Committee in consultation with the federal, provincial and territorial governments for class members and family members whose justification for missing the First Claims Deadline is accepted by the Referee.
26. In 2021, 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.
27. In 2021, the total fees of the service providers supervised by the Joint Committee for work relating to Late Claims Benefits were \$209,296 which was \$84,637 under budget.

Service Provider	2021 Budget	2021 Actual	Variance from Budget	Note
Deloitte				
Fees	\$6,500	\$6,500	-	See para. 32
Special Projects	_ ²⁷	\$7,500	_ ²⁸	
Epiq				
Fees – fixed fee	\$30,000 ²⁹	\$30,000	-	See para. 39 and
Fees – activity based fee	Per fee schedule	\$87,432	-	Schedule C
Disbursements		\$1,598	-	
Joint Committee				
Fees	\$150,000	\$75,846	(\$74,155)	See para. 66 and
Disbursements	\$25,000	-	(\$25,000)	Schedules I and J
Eckler				
Fees	\$12,500	\$2,018	(\$10,482)	See para. 61

²⁷ See note 18.

²⁸ See note 20 above.

²⁹ The Administrator's fees and disbursements for services under the HCV Late Claims Benefit Plan include a fixed annual fee of \$30,000 for 2021 in addition to the activity-based fee for which the schedule was approved by the Courts in the appointment orders and reviewed from time to time.

28. The following service providers, who are not supervised by the Joint Committee, also provided services in 2021 relating to appeals filed under the HCV 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	2021 Actual	Note
Fund Counsel		
Fees	\$51,918	See para. 72 and Schedule K
Disbursements	\$192	
Arbitrators and Referees		
Fees	\$53,041	See para. 75 and Schedule L
Disbursements	-	

SERVICE PROVIDERS - DETAILED REVIEW

DELOITTE LLP

29. Deloitte LLP (“**Deloitte**”) was appointed auditor of the Trust Fund pursuant to orders of the Courts.
30. 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, 2021.
31. The Courts approved a 2021 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.
32. The Courts also approved a special projects budget of \$25,000 plus taxes for Deloitte, which was partially expended to perform the review of standard operating procedures as

documented by the Administrator. The total amount invoiced by Deloitte for this work exclusive of taxes was \$15,000.

33. Deloitte's fees were paid on approval of the Joint Committee pursuant to the 2021 budget approval orders.

EPIQ CLASS ACTION SERVICES CANADA INC.

34. Epiq Class Action Services Canada Inc. ("**Epiq**") was appointed Administrator by orders of the Courts for a two-year term commencing January 1, 2019. Its court appointment was renewed for a one-year term starting January 1, 2021 and administration budgets were approved for 2021.
35. The Report of the Administrator is attached as **Schedule B**.
36. 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.
37. **Schedule C** is the Payment Reconciliation for Epiq for 2021. It reflects payments to Epiq in accordance with its budget of \$566,500 relating to the administration of the Regular Benefit Plans, which were paid on approval of the Joint Committee pursuant to the appointment and budget approval orders. The cumulative activity level in 2021 was within the 10% per annum variance allowance resulting in no year-end adjustment. Epiq incurred disbursements of \$1,046 under the Regular Benefit Plans in connection with translation.
38. Epiq's 2021 budget for administering Special Distribution Benefits on a prospective or 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 its appointment orders. Epiq's fees for administering these benefits in 2021 totalled \$37,224 plus taxes, comprised of the \$5,000 flat fee for prospective benefits and \$32,224 in fees. These amounts were paid on approval of the Joint Committee pursuant to the appointment and budget approval orders.
39. Epiq's fee schedule for administering Late Claim Benefits was approved by the Courts in the appointment orders. Epiq's fees in 2021 were \$117,432 plus taxes, comprised of a

\$30,000 flat fee and \$87,432 of activity-based fees and it incurred expenses of \$1,598 plus taxes for translation and postage. These amounts were paid on approval of the Joint Committee pursuant to the appointment and budget 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 totalling \$104,560 exclusive of taxes. These payments were made in 2021.

40. A special projects budget of \$100,000 was also approved for the Administrator for 2021. Epiq’s fees for special projects in 2021 were \$38,441 and \$8,632 for disbursements plus taxes, which were paid on approval of the Joint Committee pursuant to the 2021 budget approval orders. These costs 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

41. 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.
42. Attached as **Schedule D** is a Report from RBC of its Custodial Trustee activities in the year ended December 31, 2021.
43. The Courts approved a budget for RBC for 2021 of \$125,000 plus taxes. The actual fees charged by RBC for 2021 were \$108,376 plus taxes, which were paid pursuant to the 2021 budget approval orders.

TD ASSET MANAGEMENT INC.

44. TD Asset Management Inc. (“**TDAM**”) was appointed Investment Manager of the Trust Fund pursuant to the Orders of the Courts.
45. Attached as **Schedule E** is the Confirmation that TDAM has complied with the court-approved Investment Guidelines, except during the restructuring period discussed below.
46. TDAM’s fees for investment services are governed by the court-approved Fee Schedule at Appendix 1 to the Investment Guidelines. The fees depend on the value of the various

investment portfolios from time to time. The Courts approved an estimated budget for TDAM for 2021 of \$360,000 plus taxes.

47. TDAM's actual fees based on the Fee Schedule and the value of the portfolio were \$363,691 plus taxes. In error, RBC paid TDAM's fees in full, including the budget overage. As these fees are in accordance with TDAM's court-approved Fee Schedule, the Joint Committee recommends approval of this fee overage.
48. Following the 2019 Financial Sufficiency Review, in May 2021, the Courts approved Eckler's recommendation to rebalance the real return bond portfolio ("**RRB portfolio**") to align it with the Trust's projected liabilities and approved a fee of 2 basis point per annum on the total value of the RRB portfolio for the duration of the restructuring period. The fees charged by TDAM in 2021 for this restructuring work were \$12,851 plus taxes. These fees were paid pursuant to the restructuring 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 2021 was \$10,000 plus taxes. The actual amount charged to the Trust Fund by PricewaterhouseCoopers LLP was \$8,999 plus taxes. It was paid on approval of the Joint Committee pursuant to the 2021 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 2021 was \$40,000. No fees were incurred in 2021.

ECKLER LTD.

54. 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.
55. 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.
56. Attached as **Schedule G** is the Report of Eckler regarding its activities during 2021.
57. Attached as **Schedule H** is an Investment Summary provided by Eckler.
58. The Courts approved an annual budget for Eckler’s actuarial and investment review services of \$75,000 plus disbursements and taxes for 2021. Eckler’s actual charges for these services were \$34,830 plus taxes, which were paid on approval of the Joint Committee pursuant to the 2021 budget approval orders.
59. The Courts also approved a special projects budget of \$50,000. Eckler’s actual charges were \$54,339 plus taxes. The overage related to close monitoring of the low volatility component of the invested assets in addition to on-going discussions, advice and recommendations to the Joint Committee regarding a possible replacement fund, a successor Trustee and amendments to the Investment Guidelines. The Joint Committee recommends approval and payment of this overage.
60. 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. A large portion of this budget was used in 2019-2020, with the remaining balance of \$76,980 for fees and \$19,167 for disbursements carried forward into 2021. No budget was sought for Eckler’s Phase 2 allocation work as it was thought the remaining Phase 1 budget would be sufficient. Eckler’s actual accounts for Phase 1 and Phase 2 - 2019 Financial Sufficiency Review work performed in 2021 were \$94,606 plus taxes for fees and \$0 for disbursements. The overage in fees was related to Phase 2 work requested by the Joint Committee in preparation of its recommendations to allocate the 2019 excess capital as at December 31, 2019 (2019 Financial Sufficiency Review - Phase 2). The Joint Committee recommends approval and payment of this overage.
61. Eckler’s 2021 budgets for Special Distribution Benefits and Late Claims Benefit Plan were both set at \$12,500 plus taxes. Eckler’s actual total fees were \$2,018 plus taxes, which

were paid on approval of the Joint Committee pursuant to the 2021 budget approval orders.

JOINT COMMITTEE

62. A Summary Report of the work of the Joint Committee in 2021 is set out in **Schedule I**. As described below, the Joint Committee receives separate budgets for each category of work performed.
63. The 2021 budget for the Joint Committee for administration and supervision services work relating to the Regular Benefit Plans was \$800,000 for fees and \$75,000 for disbursements, exclusive of taxes. The Joint Committee's actual fees in 2021 for this work were \$918,055 plus taxes, and its actual disbursements were \$14,970 plus taxes. The overage is mainly due to greater than expected work associated with the appointment of a new Trustee, and revisions to the Investment Guidelines and terms of appointment for a second investment manager as recommended by the Investment Consultant.
64. Concerning financial sufficiency, the Courts approved a 2019 Financial Sufficiency Review – Phase 1 interim budget for the Joint Committee of \$50,000 in fees plus taxes and a subsequent 2019 Financial Sufficiency Review - Phase 2 interim budget of \$200,000 in fees and \$35,000 in disbursements plus taxes. The work performed involved both finalizing the Phase 1 - 2019 Financial Sufficiency Review orders with counsel for the federal, provincial and territorial governments and preparing the Phase 2 recommendations for the allocation of the excess capital with the assistance of the actuaries. The Joint Committee's actual fees for the 2019 Financial Sufficiency Review work incurred in 2021 were \$214,356 plus taxes, and its actual disbursements were \$3,141 plus taxes.
65. The Joint Committee's 2021 budget for Special Distribution Benefits was \$75,000 plus taxes for fees and \$5,000 plus taxes for disbursements. Its actual fees and disbursements were \$66,248 plus taxes and \$40 plus taxes, respectively.
66. The Joint Committee's 2021 budget for the HCV Late Claims Benefit Plan was \$150,000 plus taxes and \$25,000 plus taxes in disbursements. Its actual fees were \$75,846 plus taxes and there were no disbursements.
67. 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

68. 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 the Quebec Class Actions by Order of the Quebec Superior Court. Gordon Kehler was appointed Fund Counsel in the British Columbia Class Actions by Order of the Supreme Court of British Columbia.
69. Attached as **Schedule K** is the Report of Fund Counsel on their activities and their fees incurred in 2021.
70. In 2021, the following appeals were dealt with in each jurisdiction under the Regular Benefit Plans:

2021 Appeal Status Report – Regular Benefit Plans	ON ³⁰	BC	QUE	Total
Appeals received	3	0	0	3
Appeals completed	5	0	0	5
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)	5	0	1	6

71. In 2021, the following appeals were dealt with in each jurisdiction under the HCV Late Claims Benefit Plan:

2021 Appeal Status Report – Late Claims Benefit Plan	ON ³¹	BC	QC	Total
Appeals Received	5	1	4	10
Appeals Completed (decisions rendered)	3	1	0	7

³⁰ Ontario covers all provinces and territories other than Quebec and British Columbia.

³¹ Ontario covers all provinces and territories other than Quebec and British Columbia

Appeals Withdrawn	0	0	0	0
Denials Rescinded	0	0	0	0
Appeals Mediated	0	0	0	0
Requests for Judicial Confirmation	1	0	0	1
Judicial Decisions	0	0	0	0
Appeals Pending (including judicial reviews, scheduled hearing and appeals sent back to Referees)	4	0	5	9

72. In 2021, the fees and disbursements charged by Fund Counsel were:

- (a) \$99,510 in fees and \$568 in disbursements, all exclusive of taxes, for services relating to the Regular Benefit Plans; and
- (b) \$51,918 in fees and \$192 in disbursements, exclusive of taxes, for services relating to the HCV Late Claims Benefit Plan.

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

REFEREES AND ARBITRATORS

73. Referees and Arbitrators were appointed for each jurisdiction by Court orders.

74. A Summary Report of the work of the Referees and Arbitrators, as well as the fees incurred for 2021, is set out in **Schedule L**.

75. In 2021, the fees and disbursements charged for Arbitrators and Referees were:

- (a) \$20,528 in fees and \$43 in disbursements, all exclusive of taxes, for services relating to the Regular Benefit Plans; and
- (b) \$53,041 in fees and no disbursements, all exclusive of taxes, for services relating to the HCV Late Claims Benefit Plan.

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

76. Appeals under the Regular Benefit Plans have decreased in recent years, including in 2021. It is anticipated that the number of appeals under the HCV Late Claims Benefit Plan will begin to decrease as the initial influx of claims have been processed under this plan.

THE MONITOR

77. 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.
78. In 2021, the fees of the Monitor were \$2,087, and the disbursements were \$818, all exclusive of taxes.

CANADIAN BLOOD SERVICES

79. 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.
80. 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 2021, and CBS has not invoiced for any expenses that were incurred. The Joint Committee anticipates that the volume of traceback requests will decrease in 2022 as the claims made under the Late Claims Benefit Plan decrease.

HÉMA-QUÉBEC

81. Héma-Québec provides the tracebacks required under the Plans in Quebec. No budget was sought for Héma-Québec for 2021 as it agreed to finance the cost and seek reimbursement at year-end if the costs incurred were significantly higher than anticipated.
82. The Joint Committee anticipates that the volume of traceback requests will decrease along with claims made under the Late Claims Benefit Plan.

2022 BUDGETS

83. The chart that follows compares the approved budgets for service providers in 2022 to their 2021 budgets.

	2021 Budget	2022 Budget
EPIQ		
General administration of the Regular Benefit Plans and EAP2		
Fixed fee	-	\$13,100
Activity-based claims processing fees (subject to adjustment for appeal and third-party expenses and increase or decrease of certain measurable activities by more than 10% per annum)	\$566,500	\$522,400
HCV Special Distribution Benefits administration		
Prospective payments – fixed fee	\$5,000	\$5,000
Retroactive payments - activity-based fee schedule	Per fee schedule	Per fee schedule
Special Projects	Up to \$100,000	Up to \$100,000
HCV Late Claims Benefit Plan administration		
Fixed fee	\$30,000	\$5,000
Activity-based fee schedule	Per fee schedule	Per fee schedule
Deloitte		
Audit and financial statements (exclusive of travel expenses)	not to exceed \$105,000	Not to exceed \$123,000 (including interim audit & notional accounts reporting)
Special Projects	\$25,000	\$25,000
RBC /CONCENTRA TRUST		
RBC Trustee Services	\$125,000	\$125,000 annual until the effective date of transition
Concentra Trust		\$136,500 (for Q2-Q3-Q4)
TDAM		
Investment Services	\$360,000	\$375,000

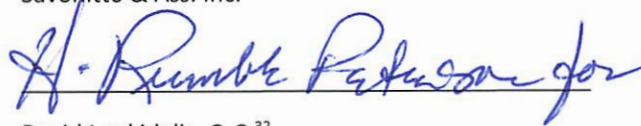
	2021 Budget	2022 Budget
Eckler		
General actuarial services and investment review work, not related to sufficiency (exclusive of disbursements)	\$75,000	\$75,000
Special Projects	\$50,000	\$50,000
Special Distribution Benefits	\$12,500	\$12,500
HCV Late Claims Benefit Plan	\$12,500	\$12,500
2019 Financial Sufficiency Review – (Phase 1)	Unused balance of \$76,980 fees and \$19,167 disbursements from Phase 1 budget	Budget to complete Phase 2 will be sought once the position of the parties is known
2022 Financial Sufficiency Review (Preparation work)	-	\$25,000
MMWG		
Updated medical model and medical modelling report for 2022 Financial Sufficiency Review	-	\$210,000
PWC		
Income Loss-annual computer programming update	\$10,000	\$10,000
Paula Frederick / Cohen Hamilton Steger		
Specialized Income Loss analysis	\$40,000	\$40,000

	2021 Budget	2022 Budget
Joint Committee		
Regular administration and supervision	\$800,000 fees and \$75,000 disbursements	\$900,000 fees and \$75,000 disbursements
Special Distribution Benefits	\$75,000 fees and \$5,000 disbursements	\$75,000 fees and \$5,000 disbursements
HCV Late Claims Benefit Plan	\$150,000 fees and \$25,000 disbursements	\$100,000 fees and \$10,000 disbursements
2019 Financial Sufficiency Review	\$50,000 fees for Phase 1 \$200,000 fees for interim Phase 2	Budget to complete Phase 2 will be sought once the position of the parties is known
2022 Financial Sufficiency Review (Preparation work)	-	\$25,000

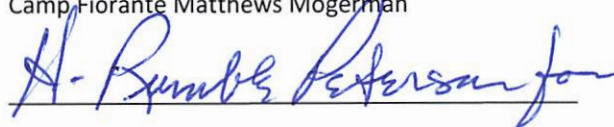
Dated this 19th day of July, 2022



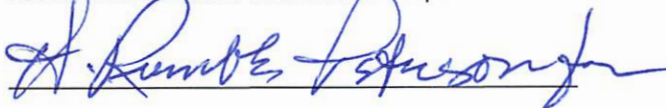
Michel Savonitto
Savonitto & Ass. Inc.



David Loukidelis, Q.C.³²
Camp Fiorante Matthews Mogergerman



Kathryn Podrebarac
Podrebarac Barristers Professional Corporation



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

³² While Deborah Armour, Q.C. has reviewed the report, it is signed by David Loukidelis, Q.C., the current appointed Joint Committee Member for British Columbia.

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

December 31, 2021
31 décembre 2021

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
Notes to the financial statements	7-14	Notes complémentaires

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, 2021, 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, 2021, 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 2021, 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 2021, 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.

- 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 LLP

Chartered Professional Accountants
Licensed Public Accountants
March 25, 2022

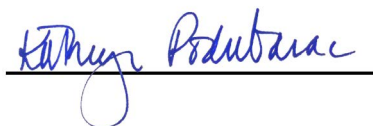
Comptables professionnels agréés
Experts-comptables autorisés
le 25 mars 2022

The 1986 - 1990 Hepatitis C Fund**Statement of financial position**As at December 31, 2021
(in thousands of dollars)**Fonds Hépatite C 1986 - 1990****État de la situation financière**au 31 décembre 2021
(en milliers de dollars)

	2021	2020	
	\$	\$	
Assets			Actif
Current assets			Actif à court terme
Cash	3,114	4,066	Encaisse
Contributions receivable	2,482	2,616	Apports à recevoir
	5,596	6,682	
Investments (Note 3)	1,087,978	1,073,278	Placements (note 3)
	1,093,574	1,079,960	
Liabilities			Passif
Current liabilities			Passif à court terme
Accounts payable and accrued liabilities	4,124	5,456	Créditeurs et charges à payer
Accrued claims in process of payment	8,757	8,675	Demandes accumulées en cours de paiement
	12,881	14,131	
Funding held for future expenses (Note 4)			Financement pour charges futures (note 4)
Regular	938,891	916,620	Régulier
Late claims benefits	65,814	71,740	Réclamations tardives
Special distribution benefits	75,988	77,469	Indemnités de distribution spéciale
	1,093,574	1,079,960	

The accompanying notes are an integral part of the financial statements.

Les notes complémentaires font partie intégrante des états financiers.

Approved by the Joint Committee of
The 1986 - 1990 Hepatitis C FundAu nom du Comité mixte du Fonds
Hépatite C 1986 - 1990


Heather Rumble Peterson for Harvey Strosberg
Heather Rumble Peterson for Harvey Strosberg (Mar 25, 2022 12:42 EDT)

Deborah Armour QC

Savonitto & Ass. inc.

Savonitto & Ass. inc. (Mar 25, 2022 13:46 EDT)

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

Year ended December 31, 2021

(in thousands of dollars)

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

de l'exercice clos le 31 décembre 2021

(en milliers de dollars)

	2021	2020	
	\$	\$	
Expenses			Dépenses
Claims (Note 5)	38,202	32,292	Demandes (note 5)
Operating (Note 6)	3,531	4,275	Frais d'exploitation (note 6)
	41,733	36,567	
Revenue	41,733	36,567	Revenus
Excess of revenue over expenses	—	—	Excédent des revenus sur les dépenses

The accompanying notes are an integral part of the financial statements.

Les notes complémentaires font partie intégrante des états financiers.

The 1986 - 1990 Hepatitis C Fund**Statement of cash flows**

Year ended December 31, 2021

(in thousands of dollars)

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

de l'exercice clos le 31 décembre 2021

(en milliers de dollars)

	2021 \$	2020 \$	
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	(25,930)	28	Gains réalisés sur placements
Change in unrealized gains and losses on investments	5,566	(28,030)	Variation des gains et pertes non réalisés sur placements
	(20,364)	(28,002)	
Changes in non-cash operating working capital items			Variation nette des éléments hors caisse du fonds de roulement d'exploitation
Contributions receivable	134	(373)	Apports à recevoir
Accounts payable and accrued liabilities	(1,332)	(223)	Créditeurs et charges à payer
Accrued claims in process of payment	82	292	Demandes accumulées en cours de paiement
Funding held for future expenses	14,864	30,069	Financement pour charges futures
	(6,616)	1,763	
Investing activities			Activités d'investissement
Purchase of investments	(270,949)	(62,708)	Acquisition de placements
Proceeds on sale of investments	276,613	60,179	Produits de la vente de placements
	5,664	(2,529)	
Net cash outflow	(952)	(766)	Augmentation de l'encaisse
Cash, beginning of year	4,066	4,832	Encaisse au début
Cash, end of year	3,114	4,066	Encaisse à la fin

The accompanying notes are an integral part of the financial statements.

Les notes complémentaires font partie intégrante des états financiers.

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2021

(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2021

(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, 2021, the provinces and territories prepaid contributions total \$11,100 (\$10,700 in 2020). 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, 2021, those obligations including interest are estimated to be \$77,480,000 (\$84,994,000 in 2020).

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 2021, les apports des provinces et territoires versés à l'avance totalisent 11 100 \$ (10 700 \$ en 2020). 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 2021, ces obligations, intérêts compris, sont estimées à 77 480 000 \$ (84 994 000 \$ en 2020).

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, 2021

(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990
Notes complémentaires

31 décembre 2021

(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.

Constataion des revenus

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

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

**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.

3. Investments

Investments are summarized as follows:

	Fair value Juste valeur	2021 Cost Coût	Fair value Juste valeur	2020 Cost Coût	
	\$	\$	\$	\$	
Investment earnings receivable and cash	2,015	2,015	2,471	2,471	Revenus de placement à recevoir et encaisse
Fixed income					Titres à revenu fixe
Government of Canada	660,253	516,343	818,070	654,703	Gouvernement du Canada
Fixed income pooled funds	61,972	54,660	65,402	54,660	Fonds communs à revenu fixe
	722,225	571,003	883,472	709,363	
Equities - Pooled Funds					Actions - Fonds communs
Canadian	217,774	218,060	58,906	58,979	Canadiens
International	145,964	135,362	128,429	135,361	Internationaux
	363,738	353,422	187,335	194,340	
	1,087,978	926,440	1,073,278	906,174	

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.

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.

3. Placements

Les placements se résument ainsi :

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.

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.

3. Investments (continued)

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, 2021, the average duration of the bonds and debentures in the portfolio, weighted on fair value, was 10.89 years (7.87 years in 2020).

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 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 2021, la durée moyenne des obligations et des débetures du portefeuille, pondérée selon la juste valeur, était de 10,89 ans (7,87 ans en 2020).

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 :

	2021 Fair value Juste valeur		2020 Fair value Juste valeur		
	\$	%	\$	%	
Investment earnings receivable and cash	2,015		2,471	—	Revenus de placement à recevoir et encaisse
Fixed income					Titres à revenue fixe
Government of Canada	660,253	61	818,070	76	Gouvernement du Canada
Fixed income pooled funds	61,972	6	65,402	6	Fonds communs à revenu fixe
	722,225	67	883,472	82	
Equities - Pooled Funds					Actions - Fonds communs
Canadian	217,774	20	187,335	18	Canadiens
International	145,964	13	—	—	International
	1,087,978	100	1,073,278	100	

4. Funding held for future expenses

4. Financement pour charges futures

	Regular Fund	Late claims benefits	Special distribution benefits	2021 Total	
	Régulier	Réclamations tardives	Indemnités de distribution spéciale		
	\$	\$	\$	\$	
Balance, beginning of year	916,620	71,740	77,469	1,065,829	Solde au début
Changes during the year					Variations au cours de l'exercice
Investment earnings	42,531	3,116	3,352	48,999	Revenus de placement
Amounts recognized as revenue	(20,260)	(9,042)	(4,833)	(34,135)	Montants constatés comme revenus
Balance, end of year	938,891	65,814	75,988	1,080,693	Solde à la fin

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2021

(tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2021

(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.

	Regular Fund	Late claims benefits	Special distribution benefits		
	Régulier	Réclamations 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

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.

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 Fund	Late claims benefits	Special distribution benefits		
	Régulier	Réclamations tardives	Indemnités de distribution spéciale	2021 Total	
	\$	\$	\$	\$	
Approved by the Administrator of the Fund Disbursed	24,985	8,564	4,571	38,120	Demandes approuvées par l'Administrateur du Fonds Décaissement
Net change in accrued claims in process of payment	(39)	53	68	82	Variation nette des demandes acculées en cours de paiement
	24,946	8,617	4,639	38,202	

5. Claims (continued)

5. Demandes (suite)

	Regular Fund	Late claims benefits	Special distribution benefits	2020 Total	
	Régulier	Réclamations tardives	Indemnités de distribution spéciale	Total	
	\$	\$	\$	\$	
Approved by the Administrator of the Fund					Demandes approuvées par l'Administrateur du Fonds
Disbursed	25,234	3,713	3,053	32,000	Décaissement
Net change in accrued claims in process of payment	489	(297)	100	292	Variation nette des demandes accrues en cours de paiement
	<u>25,723</u>	<u>3,416</u>	<u>3,153</u>	<u>32,292</u>	

6. Operating expenses

6. Frais d'exploitation

	Regular	Late claims benefits	Special distribution benefits	2021 Total	
	Régulier	Réclamations Tardives	Indemnités de distribution spéciale	Total	
	\$	\$	\$	\$	
Administrator	573	253	114	940	Administrateur
Legal (claims' appeal costs, Fund counsel)	212	25	—	237	Frais juridiques (frais de demandes en appel, avocats du Fonds)
Joint committee - Administration	1,027	129	65	1,221	Comité mixte - Administration
Joint committee - Sufficiency review	246	—	—	246	Comité mixte - Réévaluation de la suffisance
Investment management	425	—	—	425	Gestion des placements
Audit and related services	104	16	16	136	Honoraires d'audit et de services connexes
Custodial trustee	122	—	—	122	Frais de garde
Actuarial - General	94	2	—	96	Honoraires d'actuariat
Actuarial - Sufficiency review	99	—	—	99	Honoraires d'actuariat - Réévaluation de la suffisance
Medical and other consulting	9	—	—	9	Frais médicaux et autres frais de consultation
	<u>2,911</u>	<u>425</u>	<u>195</u>	<u>3,531</u>	

6. Operating expenses (continued)

6. Frais d'exploitation (suite)

	Regular	Late claims benefits	Special distribution benefits	2020 Total	
	Régulier	Réclamations Tardives	Indemnités de distribution spéciale	Total	
	\$	\$	\$	\$	
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
	<u>3,770</u>	<u>368</u>	<u>137</u>	<u>4,275</u>	

SCHEDULE B

1986-1990 Hepatitis C Claims Centre Annual Report for the Period Ending December 31, 2021

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 22

1. Complied with all Administrator duties as outlined in Article Five of the Settlement Agreement.
2. Worked in collaboration with the auditors from Deloitte to complete the year-end audit process.
3. 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. Continued work on the Locator Project (Special Project) to identify and locate claimants with outstanding Special Distribution benefits.
5. Met with Joint Committee in March; provided and discussed 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, 2021

Funds disbursed – HCV Regular Benefit Account	\$1,080,109,858.84
Funds disbursed – HCV Special Distribution Benefit Account	\$102,082,181.55
Claims received	18,197
Claims approved	14,897
Claims denied	3,195
Claims in progress	105
Appeals	495
Decisions Rendered	363
Mediated/Withdrawn/Rescinded/Archived	126
Traceback requests initiated	5,073

HCV Late Claims Benefit Plan - Key Statistics as of December 31, 2021

Funds disbursed – HCV Late Claims Benefit Plan Account	\$14,223,298.95
Claims received	463
Claims approved	208
Claims denied	89
Claims in progress	166
Appeals	18
Decisions Rendered	8
Mediated/Withdrawn/Rescinded/Archived	1
Traceback requests initiated	147

SCHEDULE C

Administrator's 2021 Hepatitis C 8690 Reconciliation

Balance owing as of December 31, 2020		<u>\$ 45,631.10</u>
A. Regular Benefit Plan		
Budgeted Fees	\$ 566,499.96	
HST	<u>\$ 73,644.99</u>	\$ 640,144.95
Disbursements	\$ 1,046.20	
HST	<u>\$ 136.01</u>	\$ 1,182.21
Regular Benefit Plan Total 2021 Fees and Disbursements		<u>\$ 641,327.16</u>
B. Special Distribution Benefits (SDB)		
Fees	\$ 37,223.55	
HST	<u>\$ 4,866.06</u>	\$ 42,089.61
SDB Total 2021 Fees and Disbursements		<u>\$ 42,089.61</u>
C. Late Claims Benefit Plan (LCBP)		
Fixed Fee	\$ 30,000.00	
Activity Level Fees	\$ 87,432.00	
HST	<u>\$ 15,266.16</u>	\$ 132,698.16
Disbursements	\$ 1,597.80	
HST	<u>\$ 207.71</u>	\$ 1,805.51
LCBP Total 2021 Fees and Disbursements		<u>\$ 134,503.68</u>
D. Special Projects		
Fees	\$ 38,441.33	
HST	<u>\$ 4,997.37</u>	\$ 43,438.70
Disbursements	\$ 8,632.26	
HST	<u>\$ 1,122.19</u>	\$ 9,754.45
Special Projects Total 2021 Fees and Disbursements		<u>\$ 53,193.16</u>
2021 Total		<u>\$ 871,113.61</u>
Payments made in 2021		
Towards Budget Year 2020	\$ 45,631.10	
Towards Budget Year 2021	<u>\$ 695,433.99</u>	
Total Payments made in 2021		<u>\$ 741,065.09</u>
Balance to be Debited Against Hep C Fund (as of December 31, 2021)		<u>\$ 175,679.62</u>

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, 2021

Strictly Private and Confidential



Investor &
Treasury Services

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About the Trustee and Custodian

RBC Investor & Treasury Services (RBC I&TS) provides asset and payment services to corporate investors and financial institutions globally. We remain focused on safeguarding client assets as we leverage data and technology solutions to deliver meaningful insights, simplify our clients' operations and support their growth.

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 finance).

TOP
10 BANK
GLOBALLY¹

OPERATIONS
IN **29** Countries

CAD **4.6** trillion
in assets under
administration (AUA)²

CANADA'S
LARGEST
BANK¹

OVER **120** years
of history in providing
investor and treasury
services

Award winning
ASSET SERVICING, CUSTODY,
TRADE FINANCE, FUND
ADMINISTRATION AND
TRANSFER AGENCY SERVICES³

¹ Bloomberg, based on market capitalization as at January, 2022

² RBC quarterly results as at October 31, 2021

³ R&M Investor Services Survey, 2021; Global Investor ISF–Global Custody Survey, 2021; Global Finance, 2021; Global Custodian–ETF Administration Survey, 2021; Global Investor ISF- Investment Excellence Awards, 2021

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, 2021, the Trust Fund's 22nd year of operation.

Payments to the Trust Fund

Contributions from provincial and territorial governments	\$7,731,596.70
Earnings (including investment income, realized and unrealized capital gains and losses)	\$54,549,926.38

Payments from the Trust Fund

Disbursements to the administrator for claimants	\$38,119,633.61
Disbursements to service providers for fees and expenses (including RBC I&TS' trustee and custodial fees)	\$3,896,564.94
Total	\$42,016,198.55

Closing Market Value of the Trust Fund

At December 31, 2021	\$1,087,977,947.70
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Trustee and Custodial Fees

Budget approved by the courts	\$125,000.00
Actual charge to the Trust Fund	\$104,455.40
Fees by year	
For 2020	\$19,766.18
For 2021	\$84,689.22
Taxes (GST/HST)	\$13,579.21
Total	\$118,034.61
Fees by type	
Custody of assets under administration	\$65,181.16
Transaction fees	\$4,874.20
Plan/reporting/accounting charges	\$30,900.00
Special reports	\$3,500.04
Taxes (GST/HST)	\$13,579.21
Total	\$118,034.61

1986-1990 Hepatitis C Settlement Trust Fund

Annual Certificate of Compliance

For the year ending: December 31, 2021

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

The mandate is currently under a transition and we are managing to the letter of direction dated November 30, 2021. The mandate may not be in compliance during the transition period.

Compliance verified by:



Michelle Hegeman, CFA
Vice President & Director
Portfolio Management

Date: January 17, 2022

Should you have any questions regarding the document, please contact your Relationship Manager.

TDAM Institutional Client Services
1-888-834-6339
inst.info@tdam.com

TD Asset Management

SCHEDULE F

1986 - 1990 Hepatitis C Settlement Trust Fund

2021 Year-End Review

March 25, 2022

Anne Giroux, CFA
Vice President & Director

Michelle Hegeman, CFA
Vice President & Director



Investment Mandate

1986 - 1990 Hepatitis C Settlement Trust Fund



Mandate	Fund	Benchmark	Inception Date	Market Value
Short Term	TD <i>Emerald</i> Canadian Short Term Investment Fund	FTSE Canada 91 Day T-Bill Index	Oct 26-18	\$51,126,992
	Segregated Real Return Bonds (buy-and-hold)	N/A	Feb 29-00	\$828,819,601
Long Term	TD <i>Emerald</i> Canadian Bond Index Fund	FTSE Canada Universe Bond Index	Feb 29-00	\$61,971,686
	TD <i>Emerald</i> Low Volatility All World Equity PFT	MSCI All Country World Index ND (C\$)	Oct 25-18	\$141,453,921
Total				\$1,083,372,200

Note: PFT = Pooled Fund Trust. Numbers may not add due to rounding. As of Dec 31, 2021.

Account Performance

1986 - 1990 Hepatitis C Settlement Trust Fund



Returns as of Dec 31, 2021	Account Performance			Hep C Target			
	1 yr	4 yrs	Account Inception ¹				
TD Emerald Canadian Short Term Investment Fund	0.25%	-	1.24%	N/A			
FTSE Canada 91 Day T-Bill Index	0.17%	-	0.95%				
Difference	0.08%	-	0.29%				
Segregated Real Return Bonds (buy-and-hold)	2.98%	4.35%	6.31%	N/A			
Returns as of Dec 31, 2021	Account Performance			Hep C Target Tracking Error (%)			
	1 yr	4 yrs	Account Inception ¹	1 yr	4 yrs		
TD Emerald Canadian Bond Index Fund	-2.66%	3.38%	5.10%	±0.20	±0.10		
FTSE Canada Universe Bond Index	-2.54%	3.51%	5.18%				
Difference	-0.12%	-0.13%	-0.08%				
Returns as of Dec 31, 2021	Account Performance			Volatility ²	Down Market Capture ²	Sharpe Ratio ²	Beta ²
	1 yr	4 yrs	Account Inception ¹				
TD Emerald Low Volatility All World Equity PFT	17.51%	-	6.29%	-	-	-	-
MSCI All Country World Index ND (C\$)	17.53%	-	15.90%	-	-	-	-
Difference	-0.02%	-	-9.61%	70% of index or lower	-	-	-
Hep C Targets over 4 Years	1 yr	4 yrs		80% of index or lower	Greater than index	70% or lower	
Total Return³	4.71%	4.26%					

¹ Client inception date for Segregated Real Return Bonds (RRBs) & Canadian Bond Index Fund are: Feb 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. Note: Returns for periods over one year are annualized; net of expenses; number may not add due to rounding. Source: TD Asset Management, Investment Guidelines for the 1986-1990 Hepatitis C Settlement Trust Fund (Revised 2018), FTSE Global Debt Capital Markets Inc., MSCI Inc. As of Dec 31, 2021.

Performance



1986 - 1990 Hepatitis C Settlement Trust Fund

Returns as of Dec 31, 2021	Inception Date	Annualized										Since Inception
		3 mths	YTD	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	10 yrs			
TD <i>Emerald</i> Canadian Short Term Investment Fund	Oct 26-18	0.05%	0.25%	0.25%	0.74%	1.18%	-	-	-	-	-	1.24%
FTSE Canada 91 Day T-Bill Index		0.05%	0.17%	0.17%	0.52%	0.89%	-	-	-	-	-	0.95%
Difference		0.00%	0.08%	0.08%	0.22%	0.29%	-	-	-	-	-	0.29%
TD <i>Emerald</i> Canadian Bond Index Fund	Feb 29-00	1.48%	-2.66%	-2.66%	2.74%	4.05%	3.38%	3.19%	3.16%	3.16%	3.16%	5.10%
FTSE Canada Universe Bond Index		1.47%	-2.54%	-2.54%	2.92%	4.22%	3.51%	3.31%	3.27%	3.27%	3.27%	5.18%
Difference		0.01%	-0.12%	-0.12%	-0.18%	-0.17%	-0.13%	-0.12%	-0.11%	-0.11%	-0.11%	-0.08%
Segregated Real Return Bonds	Feb 29-00	2.91%	2.98%	2.98%	5.95%	6.04%	4.35%	3.57%	3.21%	3.21%	3.21%	6.31%
TD <i>Emerald</i> Low Volatility All World Equity PFT	Oct 25-18	7.56%	17.51%	17.51%	2.07%	6.10%	-	-	-	-	-	6.29%
MSCI All Country World Index ND (C\$)		6.36%	17.53%	17.53%	15.84%	17.27%	-	-	-	-	-	15.90%
Difference		1.20%	0.02%	0.02%	-13.77%	-11.17%	-	-	-	-	-	-9.61%

Note: Returns are net of expenses; numbers may not add due to rounding
Source: TD Asset Management, FTSE Global Debt Capital Markets Inc., MSCI Inc.

Universe Bond Market Update



Sector	Weight (%)	Quarter Return (%)	1 Year Return (%)
Federal	33.98	0.76	-2.62
Provincial	37.39	2.40	-3.28
Municipal	2.21	1.64	-2.93
All Corporates ¹	26.42	1.08	-1.34
Corporate BBB	11.91	1.02	-0.79
FTSE Canada Universe Bond Index		1.47	-2.54

3-Month Commentary

- The **FTSE Canada Universe Bond Index (the “Index”)** rose 1.47% over the fourth quarter of 2021. Within the Index, government bonds rose 1.62%, outperforming the corporate sector, which advanced 1.08%.
- Among corporate issuers, Infrastructure and Energy sector bonds posted the largest increases, while Securitization bonds posted the largest decline. A-rated bonds posted the most significant increase, up 1.42%, followed by BBB-rated bonds, which gained 1.02%. AAA/AA-rated bonds trailed the group, falling 0.23%. Provincial bonds posted the largest increase in the government sector, rising 2.40%. Investment-grade credit spreads widened three basis points (“bps”), from 1.16% to 1.19%, over the quarter.

- Long-term bonds outperformed mid- and short-term bonds. The FTSE Canada Long Term Bond Index gained 4.76%, while the FTSE Canada Mid Term Bond Index rose 0.33%. The FTSE Canada Short Term Bond Index trailed the group, falling 0.49%.

- Over the quarter, the yield of the Index increased 11 bps to 1.92%. Government bond yields increased 10 bps to 1.73%, while corporate bond yields rose 16 bps to 2.45%.

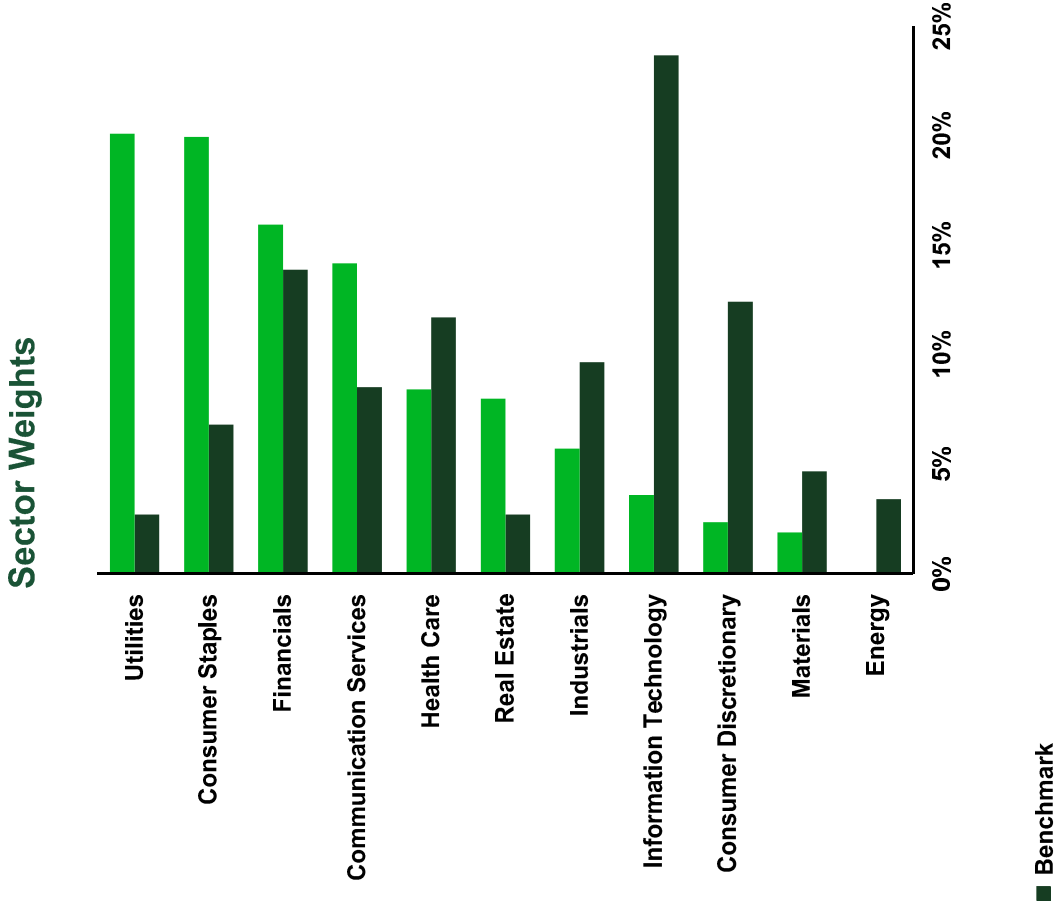
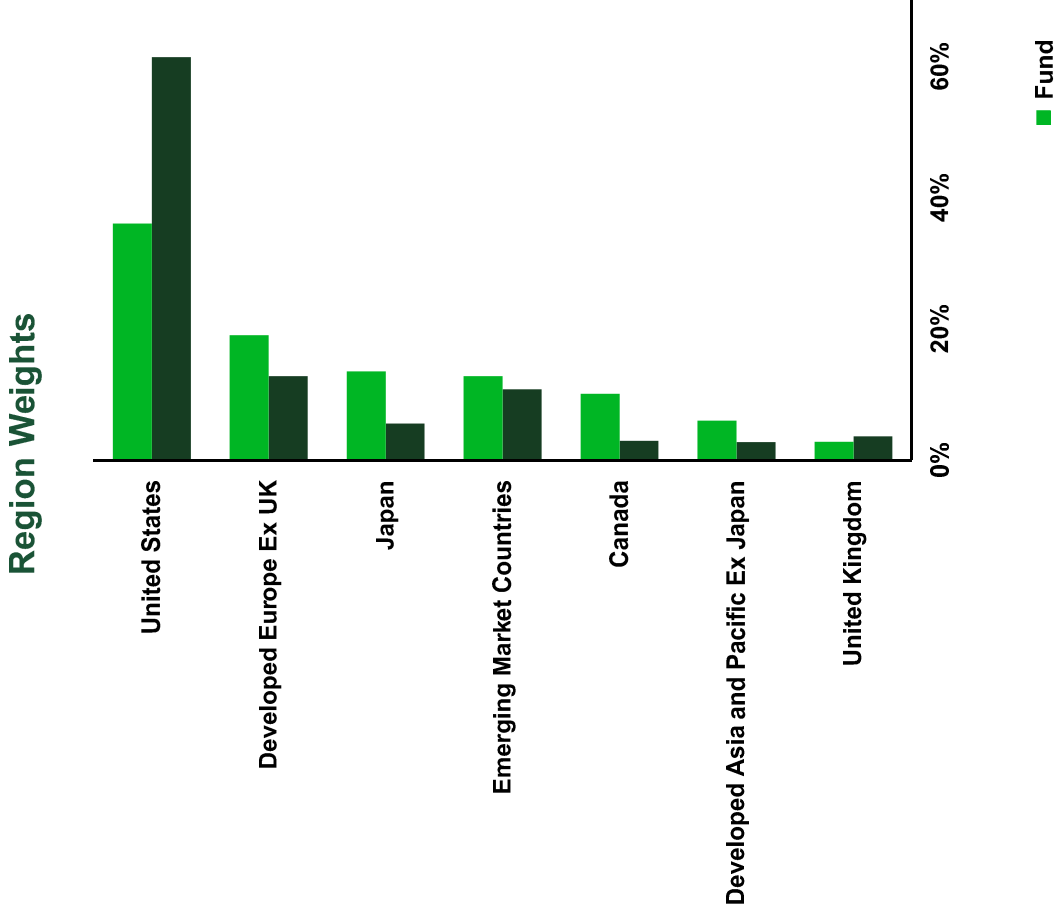
¹Including BBB Corporates.

Source: TD Asset Management, FTSE Global Debt Capital Markets Inc. As of Dec 31, 2021.

Fund Composition



TD Emerald Low Volatility All World Equity PFT



Benchmark: MSCI All Country World Index ND (C\$).
 Source: TD Asset Management, MSCI Inc. As of Dec 31, 2021.

All Country World Equity Market Update



Region	Weight (%)	Quarter Return (%)	1 Year Return (%)
United States	61.31	9.65	25.38
Developed Europe Ex UK	12.74	5.38	14.67
Emerging Markets	10.97	-1.41	-1.46
Japan	5.54	-4.24	0.84
United Kingdom	3.60	5.31	17.49
Canada	2.90	6.87	24.91
Developed Pac. Ex Japan	2.87	-1.30	
MSCI AC World Index ND (C\$) ¹		6.36	17.53

3-Month Commentary

- Global equities, as measured by the **MSCI AC World Index** advanced by 6.36% over the fourth quarter of 2021. Ongoing support from global central banks combined with expectations of a strong global economic recovery helped push global equities higher.
- U.S. equities, as measured by the S&P 500 Total Return Index, increased 10.7% (C\$) in response to improving economic conditions and ongoing accommodative support from the U.S. Federal Reserve Board ("Fed"). The Fed held the target range for its federal funds rate steady at 0.00%-0.25% over the quarter, while beginning to reduce its bond purchases. Fed officials are largely expecting three interest rate increases in 2022.
- Emerging markets equities fell over the fourth quarter of 2021. Slower economic activity, particularly in response to ongoing supply chain issues, along with the potential threat of the new Omicron variant on the global economic recovery, weighed on emerging markets equities over the quarter. Chinese equities rose over the quarter but Latin American equities declined. Brazil was negatively impacted by a drop in trade activity along with inclement weather, which affected its agricultural sector.

- European equities moved higher over the quarter. The European economy expanded over the third quarter of 2021. The manufacturing and services sectors both slowed during the quarter in response to inflationary pressures and global supply chain challenges, but still expanded at a relatively strong pace. The European Central Bank ("ECB") kept its central interest rate unchanged at 0.00%. U.K. equities were up over the quarter in response to improving economic conditions. The Bank of England ("BoE") raised its central interest rate to 0.25%, from 0.10%, in response to concerns over elevated inflation. Japanese equities declined over the quarter, as Japan's economy struggled amid global supply chain challenges.

¹ From MSCI Inc.

Note: Performance numbers in C\$ terms. Total returns net of withholding taxes. Source: TD Asset Management, FactSet. As of Dec 31, 2021.

Appendix



Performance

TD Emerald Pooled Funds



Returns as of Dec 31, 2021	Inception Date	AUM (in billion)	3 mths	YTD	Annualized							Since Inception
					1 yr	2 yrs	3 yrs	4 yrs	5 yrs	10 yrs		
TD Emerald Canadian Short Term Investment Fund	Jul 4-91	\$2.27	0.05%	0.26%	0.74%	1.19%	1.35%	1.28%	1.19%	3.36%		
FTSE Canada 91 Day T-Bill Index			0.05%	0.17%	0.52%	0.89%	1.01%	0.92%	0.87%	2.94%		
Difference			0.00%	0.09%	0.22%	0.29%	0.34%	0.36%	0.32%	0.42%		
TD Emerald Canadian Bond Index Fund	Aug 7-91	\$3.95	1.48%	-2.65%	2.75%	4.05%	3.38%	3.20%	3.16%	6.47%		
FTSE Canada Universe Bond Index			1.47%	-2.54%	2.92%	4.22%	3.51%	3.31%	3.27%	6.52%		
Difference			0.00%	-0.12%	-0.17%	-0.17%	-0.13%	-0.12%	-0.11%	-0.05%		
TD Emerald Low Volatility All World Equity PFT	May 9-11	\$2.73	7.56%	17.51%	2.08%	6.10%	4.94%	6.15%	11.07%	10.81%		
MSCI All Country World Index ND (C\$)			6.36%	17.53%	15.86%	17.29%	12.35%	13.04%	14.29%	12.48%		
Difference			1.19%	-0.02%	-13.78%	-11.18%	-7.41%	-6.88%	-3.22%	-1.67%		

Note: Returns are net of expenses; numbers may not add due to rounding.
Source: TD Asset Management, FTSE Global Debt Capital Markets Inc., MSCI Inc.

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Sharpe Measure is a ratio of returns generated by the fund, over and above the risk-free rate of return and the total risk associated with it and can change monthly. A high and positive ratio shows superior performance and a low and negative ratio is an indication of unfavourable performance.

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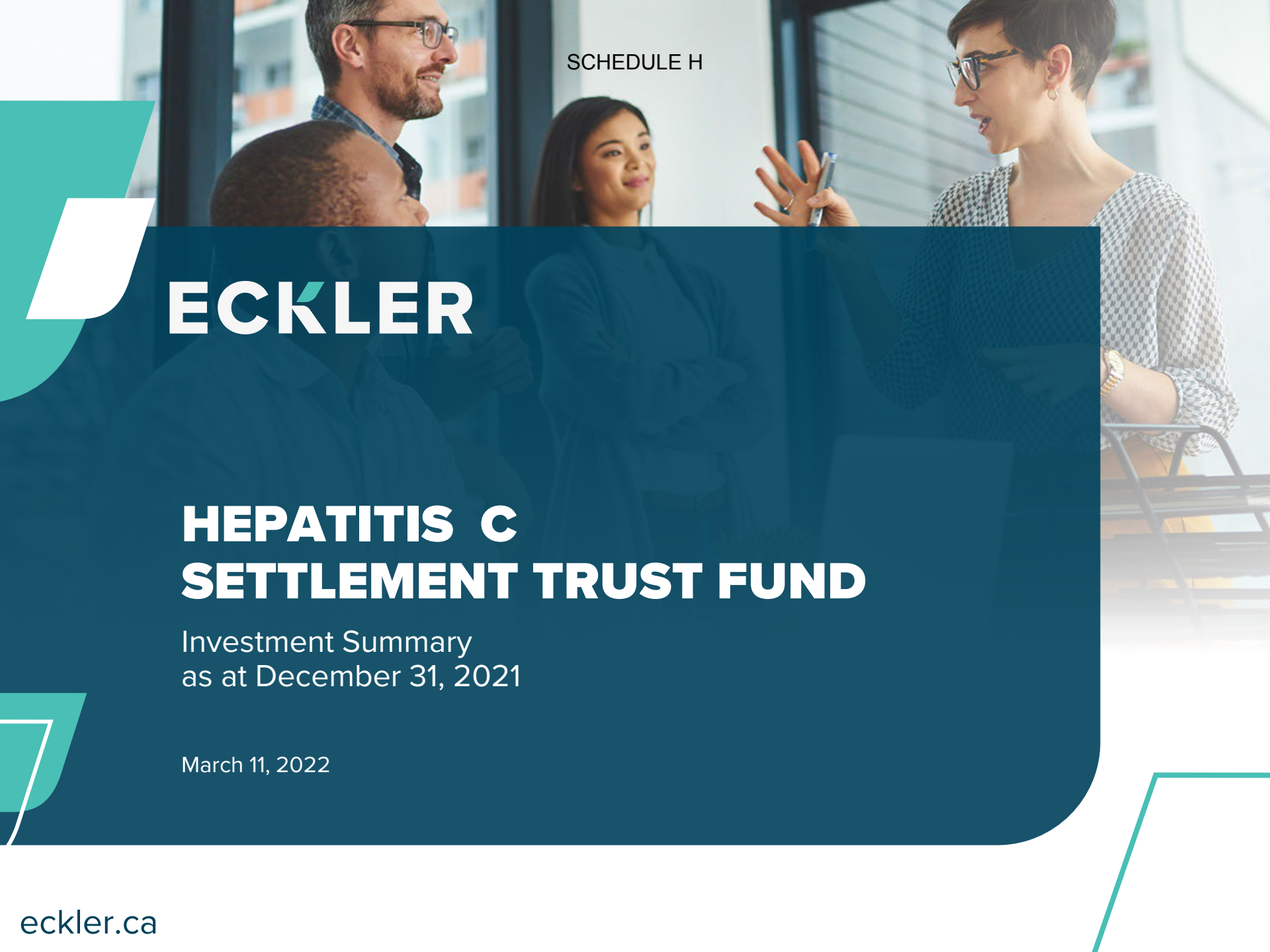
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SCHEDULE G

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 2021. During this fiscal year Eckler assisted with costing potential allocation benefits based on the excess capital identified at 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 and real return bond 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 2022; various discussions with counsel; and other miscellaneous items.



SCHEDULE H



ECKLER

HEPATITIS C SETTLEMENT TRUST FUND

Investment Summary
as at December 31, 2021

March 11, 2022

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 2021, either passively or on an indexed basis. It is proposed that the equity portfolio transitioned to MFS in 2022 to invest in their low volatility strategy.
- RBC ITS 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	Minimum	Bench mark	Maximum	Dec-21			Dec-20		
						Value	Asset Alloc	Fund Alloc	Value	Asset Alloc	Fund Alloc
Long term	Real Return Bonds	Passive	76.0%	80.0%	84.0%	661,505	63.8%		819,981	80.8%	
	Universe Bonds	Index	4.0%	6.0%	8.0%	61,972	6.0%		65,402	6.4%	
	World Equity	Low Volatility	8.0%	14.0%	20.0%	145,964	14.1%		128,429	12.7%	
	Cash		0.0%	0.0%	4.0%	167,399	16.1%		549	0.1%	
				100.0%		1,036,840	100.0%	88.8%	1,014,361	100.0%	87.4%
Short Term	Short Term Investment Fund	Index				51,127			58,906		
	Cash					11			11		
						51,138		4.4%	58,917		5.1%
Total Invested Assets *						1,087,978		93.2%	1,073,278		92.5%
Provinces/Territories' Notional Assets (net of prepayments, including outstanding payments)						79,960		6.8%	87,610		7.5%
Total Assets						1,167,938		100.0%	1,160,888		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-21	Dec-20
Long Term Fund	95.3%	94.5%
Short Term Fund	4.7%	5.5%
Total Invested Assets	100.0%	100.0%

Comments on Asset Summary

As of December 31, 2021:

- Weighting for real return bonds is currently 16.2% below their benchmark of 80% of the Long Term Fund
 - A significant decrease from the overweight from December 31, 2020 (0.8% above benchmark)
 - The reduction for real return bonds resulted from the maturing of the December 2021 real return bond, with the proceeds of around \$167 million being temporarily invested in the Pooled Money Market Fund.
- As a result of the above, the cash position was at 16.1%, above the maximum limit of 4%. This position is expected to be corrected in March when half the proceeds will be reinvested in longer dated bonds and the cash limit will be increased to allow greater flexibility for duration management and benefit payments.
- Weighting for universe bonds is 6.0%, the same as their benchmark of 6%
 - Weighting decreased from December 31, 2020 of 6.4%
- Equities are above their benchmark by 0.1%
 - At December 31, 2020 they were 1.3% below their benchmark of 14%.
- 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 increased from 94.5% to 95.3%, while the Short Term Fund has decreased from 5.5% to 4.7% 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, 2020		820,530	193,831	58,917	1,073,278	87,610	1,160,888
Investment income (realized and unrealized)		28,862	19,991	132	48,985	82	49,067
Inflow:	Recoveries from Provinces	-	-	7,732	7,732	(7,732)	-
	Additional Prepayments	-	-	-	-	-	-
Outflow:	Benefit Payments	-	-	(38,120)	(38,120)	-	(38,120)
	Expenses	-	-	(3,897)	(3,897)	-	(3,897)
Transfers between funds		(20,583)	(5,791)	26,374	-	-	-
Closing, at December 31, 2021		828,809 ²	208,031 ²	51,138	1,087,978	79,960	1,167,938

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 4 because of allocation of cash balances

Note: Values are based on RBC ITS 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, 2020 by \$14.7m
 - As a result of the positive investment returns, partially offset by 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 \$7.7m
 - 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 \$7.0m
- 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 \$26.4m
 - \$20.6m from real return bond coupons in June and December 2021
 - \$5.8m from other long term funds - spread over the whole year of 2021

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

	Gross Province/ Territories' Notional Assets	Less Yukon Prepayments	Net Provinces/ Territories' Notional Assets
Initial, at December 31, 2020	87,622	12	87,610
Interest credits	82	-	82
Additional prepayments	-	-	-
3/11 th share of benefits/expenses	(7,732)	-	(7,732)
Closing, at December 31, 2021	79,972	11	79,960

Totals may appear not to add due to rounding.

Investment Returns

Fund	Portfolio	Fiscal Year Ending				Quarterly Returns Fiscal Dec 2021			
		Dec-18	Dec-19	Dec-20	Dec-21	Mar-21	Jun-21	Sep-21	Dec-21
Long Term	Real Return Bonds	-0.6%	6.3%	8.8%	3.6%	-2.6%	2.4%	0.3%	3.6%
	Universe Bonds	1.4%	6.7%	8.5%	-2.7%	-5.1%	1.6%	-0.5%	1.5%
	Low Volatility World Equity	n/a	14.6%	-11.3%	17.5%	2.1%	3.6%	3.4%	7.6%
	Total	-0.6%	7.4%	5.9%	4.9%	-2.2%	2.5%	0.7%	3.9%
Short Term	Short Term Bonds/Investment Fund	1.1%	2.1%	1.2%	0.3%	0.1%	0.1%	0.1%	0.1%
Total Invested Assets		-0.6%	7.3%	5.7%	4.7%	-2.1%	2.4%	0.7%	3.7%
Notional PT Assets		1.2%	1.7%	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Assets		-0.4%	6.8%	5.3%	4.4%	-1.9%	2.2%	0.6%	3.5%

1. The 2018, 2019, 2020 and 2021 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 4.4% for the 2021 calendar year is the result of 4.7% for invested assets and 0.1% for notional PT assets
- Universe Bonds produced a negative return of -2.7% in 2021.
- The 2021 return for the low volatility world equity is 17.5%. It is proposed that this mandate be transitioned from TDAM to MFS.
- The 2021 return for the money market pooled fund is 0.3%
- The Provinces/Territories' Notional Assets increase with interest at the 3-month T-bill rate; in 2021, these rates were lower than the returns on the invested assets

Tracking Error

		Fiscal Year Ending				4 years to Dec 2021	Target Tracking Error	
		Dec-18	Dec-19	Dec-20	Dec-21		1 year	4 years
Universe Bonds	Actual	1.4%	6.7%	8.5%	-2.7%	3.4%		
	Index	1.4%	6.9%	8.7%	-2.5%	3.5%		
	t/e	0.0%	-0.2%	-0.2%	-0.2%	-0.1%	0.20%	0.10%

- Universe Bonds met their tracking error target over both one and four years for 2021

Risk metrics for Low Volatility Equity Portfolio

Metric	Fund	Index	Ratio of Fund to Index	Performance Objective	Comment
Standard Deviation	10.1%	11.9%	0.85	<0.7	Worse than objective
Down Market Capture	79%	100%	0.79	<0.8	Barely met objective
Sharp Ratio	0.31	0.77	0.40	>1	Poor risk-adjusted performance
Beta	0.68	1.0	0.68	<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, 2021
- 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, 2020	923,405	75,933	73,940	1,073,278	87,610	1,160,888
Investment Income	42,525	3,343	3,117	48,985	82	49,067
Inflow: Recoveries from PT	7,732	-	-	7,732	(7,732)	-
Additional prepayments	-	-	-	-	-	-
Outflow: Benefit Payments	(24,985)	(4,570)	(8,564)	(38,120)	-	(38,120)
Expenses	(3,155)	(193)	(548)	(3,897)	-	(3,897)
Closing, at December 31, 2021	945,522	74,513	67,943	1,087,978	79,960	1,167,938
Gross investment return	4.7%	4.7%	4.7%	4.7%	0.1%	4.4%

The initial assets at December 31, 2020 were restated to reflect the reallocation of excess capital from Special Distribution Benefit Account to the Late Claims Benefit Account at January 1, 2020 as ordered by the Courts. Totals may appear not to add due to rounding.

ECKLER

SUMMARY OF JOINT COMMITTEE WORK DURING THE TWENTY-SECOND YEAR OF OPERATIONS (2021)

Executive Summary

1. The Joint Committee has a mandate to:
 - implement the Settlement Agreement including the following Plans:
 - the Regular Benefits Plans
 - the HCV Late Claims Benefit Plan
 - supervise the ongoing administration of claims under the Plans, as well as the EAP2 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 Trust Fund
 - oversee certain services providers,¹ including making recommendations to the Courts regarding their appointment, negotiating their budgets, obtaining budget approval orders, reviewing and approving their invoices for payment, and instructing, receiving and assessing their advice and reports
 - undertake the triennial fund sufficiency review of the Plans.
2. In 2021, approximately \$38.1 million² was paid to claimants as follows:
 - \$24.9 million under the Regular Benefit Plans
 - \$4.6 million in Special Distribution Benefits
 - \$8.6 million under the HCV Late Claims Benefit Plan

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.

² The numbers in this report have been rounded. Totals may not add up due to this rounding.

The total amount paid for claims over the life of the settlement now totals approximately \$1.20 billion in response to 15,104 claims.

3. Operating expenses of administration and all service providers in 2021 were approximately \$3.5 million, which was a decrease of about 17.4% over the previous year, primarily because the bulk of the Phase 1 2019 Financial Sufficiency Review work was completed in the prior year.
4. In 2021, there was a 4.71% return on the total invested assets. The invested assets increased by about \$14.7 million (net of payments out).
5. As at December 31, 2021, the Trust Fund held assets of approximately \$1.094 billion. The unpaid liability of the provincial and territorial governments was approximately \$77.5 million (including interest). This unpaid liability combined with the Trust Fund's assets totals approximately \$1.171 billion available to satisfy the claims of class members.

The Trust Fund

6. 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.

*As at December 31, 2021, there was **\$1.171 billion** available to satisfy class members' claims*

7. As at December 31, 2021:
 - The Trust Fund held assets of about \$1.094 billion
 - The obligation of the provinces and territories that fund on a pay-as-you-go basis was estimated to be about \$77.5 million.
8. In December 2017, the Courts established three notional accounts of the Trust Fund:
 - the HCV Regular Benefit Account
 - the HCV Special Distribution Benefit 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 HCV Special Distribution Benefit Account or the HCV Late Claims Benefit Account.

9. The funding, investment earnings, claims paid, and expenses relating to each of the Trust Fund's three accounts are reported in notes 3 - 6 of the Audited Financial Statements at Schedule A of the Annual Report.

Payments to Claimants

10. In 2021, approximately \$24.9 million in claims were paid under the Regular Benefit Plans, which is about 0.9% less than what was paid out in the previous year.³
11. Approximately \$4.6 million in Special Distribution Benefits were paid in 2021, which is 49.7% more than the previous year.⁴ 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 new or updated addresses, which permitted the Administrator to reissue approximately \$1.75 million in Special Distribution Benefits payments to class members and executors successfully located.
12. Approximately \$8.6 million in Late Claims Benefits were paid in 2021, which is about 130.6% more than the previous year.⁵ This amount includes payment of the 25% holdback plus interest, which was paid pursuant to orders/judgments of the Courts following the Courts' reallocation of 2019 excess capital to the HCV Late Claims Benefit Account to ensure that it is financially sufficient.

Operating Expenses

13. A total of approximately \$3.5 million in administration and service provider expenses was paid in 2021, which is a decrease of about 17.4% from the previous year.⁶

³ In 2020, approximately \$25.2 million was paid. In 2019, approximately \$32.2 million was paid.

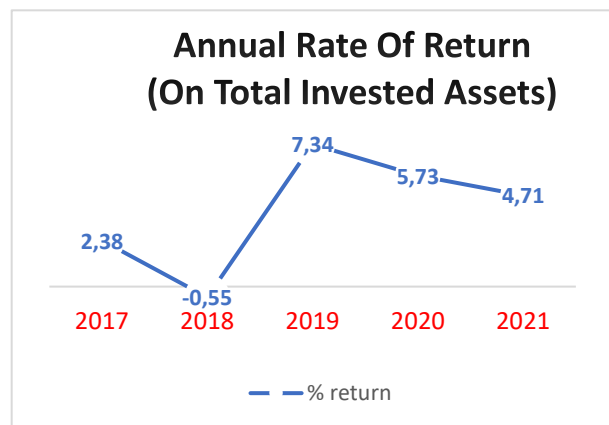
⁴ In 2020, approximately \$3.1 million was paid. In 2019, approximately \$5.3 million was paid.

⁵ In 2020, approximately \$3.7 million was paid. In 2019, approximately \$1.8 million was paid, which was the first year in which payments were made.

⁶ In 2020, the operating expenses were approximately \$4.3 million. In 2019, the operating expenses were approximately \$2.9 million.

Portfolio Oversight

14. In 2021, the invested portion of the Trust Fund closed at about \$1.087 billion, which was up by approximately \$14.7 million from the previous year (net of payments out).
15. The investment portfolio is largely in fixed income instruments, with the greatest portion of the fixed income instruments being in RRBs. A small portion is held in a short term investment fund and in a low volatility equities fund.
16. Overall, there was a 4.71% return on the total invested assets in 2021, which was a decrease over the prior year.⁷
17. Most of the assets (about \$828.8 million) are invested in Government of Canada RRBs, which produced a return of 2.98% in 2021. This was a substantial decrease over the previous year.⁸ The return on these bonds since inception is 6.31%.
18. The short term investment fund (comprising about \$51.1 million) was introduced in October 2018 as part of the changes to the Investment Guidelines. In 2021, it produced a return of 0.25%, which was a decrease over the prior year.⁹ The return on this fund since inception is 1.24%.
19. The “other” invested assets include a bond fund and equities.
 - The return on the Canadian bond fund (comprising about \$62.0 million) was a negative 2.66%, which was a substantial decrease over the previous year.¹⁰ The return on Canadian bonds since inception is 5.1%.
 - The low volatility all world equity fund (comprising about \$141.5 million) was introduced in October 2018 as part of the changes to the Investment Guidelines. The return on this fund was 17.51%, which was a substantial increase over the



⁷ In 2020, the overall return on invested assets was 5.73%. In 2019, the overall return on invested assets was 7.34%.

⁸ In 2020, the return on RRBs was 9.04%. In 2019, the return on RRBs was 6.22%.

⁹ In 2020, the return on short term investment fund was 1.22%. In 2019, the return on short term investment fund was 2.09%.

¹⁰ In 2020, the return on Canadian bonds was 8.45%. In 2019, the return on Canadian bonds was 6.72%.

previous year.¹¹ The return on this fund since inception is 6.29%. In consultation with the Investment Consultant, Eckler Ltd., the Joint Committee is closely monitoring the performance of this fund, working on a possible alternative and may recommend to the Courts that these funds be invested in an alternative low volatility equities fund.

20. 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 2021

21. In addition to the ongoing close monitoring of the administration of the different Plans and service providers, the Joint Committee also performed a significant amount of work on the following in 2021:

- Discussing, negotiating and preparing revised terms of appointment for a replacement trustee and custodian, consulting subject matter experts and the Trust's auditors, reviewing system control audits of the proposed trustee and subcustodian, conducting financial and reference checks, coordinating and overseeing transition planning and communication among service providers.
- Finalizing Phase 1 of the 2019 Financial Sufficiency Review including negotiating the 2019 financial sufficiency orders.
- Initiating discussions with the actuaries and the Administrator to gather information and evidence regarding possible allocations of the 2019 excess capital, including costing and administration, and finalizing the Joint Committee's recommendations.
- Drafting applications and supporting affidavits seeking:
 - Approval of a COVID-19 protocol suspending temporarily the 6-month deadline stated at paragraph 5(b) of the Traceback Protocol and providing a possible remedy to claimants who could not act in a timely manner due to the pandemic.

¹¹ In 2020, the return on the low volatility all world equity portfolio was negative 11.32%. In 2019, the return on the low volatility all world equity portfolio was 14.64%.

- A reset of the target duration of the RRB portfolio and authorization to proceed with a restructuring of the RRB portfolio as recommended by the Investment Consultant and Investment Manager, including budget approval to proceed accordingly.
- Directions and orders to facilitate the location of missing class members by means of searches including social insurance numbers.
- Approval of an interim budget to proceed to the preparation of the Phase 2 2019 Financial Sufficiency Review allocation motions/applications and develop supporting evidence.
- Negotiating the terms of the draft orders for the above-noted applications with the federal, provincial and territorial governments.
- Negotiating with Epiq regarding the renewal of its appointment for a two-year period and its proposed budgets for 2022-2023 and preparing the applications and material for their approval.
- Negotiating the terms of draft orders to search public health databases of Ontario and British-Columbia to locate “missing” class members and executors.
- Attending the annual meeting with the auditors and key service providers to review the 2020 financial year.
- Preparing the 2020 Annual Report and the applications and material for its approval.
- Obtaining the 2022 budget proposals from the service providers it supervises and preparing the applications and supporting material for approval of the 2022 annual budgets.
- Coordinating the restructuring of the RRB portfolio with the Investment Manager and the Investment Consultant and providing letter of instructions.
- Reviewing the hepc8690.ca website content with a view to updating and improving it.
- Responding to telephone and email communications from class members and family members.
- Providing directions regarding various policy issues raised by the Administrator for the Joint Committee.

22. A few of the unexpected events which occurred in 2020 continued to generate extra work for members of the Joint Committee in 2021. These events, and the Joint Committee's work relating to them, included the following:

- Ransomware attack on Epiq Global's network system – requesting additional information from Epiq after conferring with the Joint Committee's cybersecurity expert; reviewing Epiq's responses, reviewing safeguard measures and contemplated improvements as part of a post-mortem assessment of this 2020 event with Epiq.
- COVID-19 pandemic - discussing and verifying with CBS and Héma-Québec the impact the pandemic on the performance of the tracebacks within the required timeframe and preparing a new protocol to address the timing issue for the tracebacks service providers and to provide a remedy for claimants who could not act in a timely manner due to the Covid-19 pandemic.
- Performance of the current low volatility equities fund – regular monitoring following the 2020 negative returns; discussing with the Investment Consultant (Eckler) to assess market conditions, identifying competitive equity investments, approaching and negotiating with a second proposed investment management firm for the equities portfolio.

SCHEDULE J

YEAR 22 JC FEES

**Joint Committee Fees and Disbursements Incurred in the Period from
January 1, 2021 to December 31, 2021**

Regular Benefit Plans

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$167,171.25	\$199,565.00	\$275,520.00	\$275,799.00	\$918,055.25
DISB.	\$2,610.59	\$2,066.85	\$9,352.04	\$941.01	\$14,970.49
GST	\$8,465.12	\$10,081.60	\$0.00	\$0.00	\$18,546.72
PST	\$11,804.27	\$20,112.79	\$0.00	\$0.00	\$31,917.06
HST	\$0.00	\$0.00	\$37,033.38	\$35,976.20	\$73,009.58
TOTAL	\$190,051.23	\$231,826.24	\$321,905.42	\$312,716.21	\$1,056,499.10

Financial Sufficiency

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$19,918.50	\$26,292.11	\$49,480.00	\$118,665.00	\$214,355.61
DISB.	\$3,081.54	\$0.00	\$0.00	\$59.50	\$3,141.04
GST	\$1,146.02	\$1,314.60	\$0.00	\$0.00	\$2,460.62
PST	\$1,404.18	\$2,622.62	\$0.00	\$0.00	\$4,026.80
HST	\$0.00	\$0.00	\$6,432.40	\$15,434.18	\$21,866.58
TOTAL	\$25,550.24	\$30,229.33	\$55,912.40	\$134,158.68	\$245,850.65

Special Distribution Benefits

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$10,987.50	\$14,140.25	\$19,120.00	\$22,000.00	\$66,247.75
DISB.	\$39.75	\$0.00	\$0.00	\$0.00	\$39.75
GST	\$551.37	\$707.02	\$0.00	\$0.00	\$1,258.39
PST	\$383.13	\$1,410.49	\$0.00	\$0.00	\$1,793.62
HST	\$0.00	\$0.00	\$2,485.60	\$2,860.00	\$5,345.60
TOTAL	\$11,961.75	\$16,257.76	\$21,605.60	\$24,860.00	\$74,685.11

Late Claims Plan

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$3,739.50	\$14,106.00	\$14,480.00	\$43,520.00	\$75,845.50
DISB.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GST	\$186.99	\$705.30	\$0.00	\$0.00	\$892.29
PST	\$261.78	\$1,407.07	\$0.00	\$0.00	\$1,668.85
HST	\$0.00	\$0.00	\$1,882.40	\$5,657.60	\$7,540.00
TOTAL	\$4,188.27	\$16,218.37	\$16,362.40	\$49,177.60	\$85,946.64

TOTAL FEES AND DISBURSEMENTS

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$201,816.75	\$254,103.36	\$358,600.00	\$459,984.00	\$1,274,504.11
DISB.	\$5,731.88	\$2,066.85	\$9,352.04	\$1,000.51	\$18,151.28
GST	\$10,349.50	\$12,808.52	\$0.00	\$0.00	\$23,158.02
PST	\$13,853.36	\$25,552.97	\$0.00	\$0.00	\$39,406.33
HST	\$0.00	\$0.00	\$47,833.78	\$59,927.98	\$107,761.76
TOTAL	\$231,751.49	\$294,531.70	\$415,785.82	\$520,912.49	\$1,462,981.50

SCHEDULE K

REPORT OF FUND COUNSEL (FOR 2021 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, 2021 to December 31, 2021**, 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.

Regular Claims

Number of total appeals received from the beginning to Dec 31, 2021	339
Number of appeals received from January 1, 2021 to December 31, 2021	3
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2021	248
Number of completed appeals (decisions rendered) from January 1, 2021 to December 31, 2021	5
Number of total withdrawals from the beginning to December 31, 2021	49
Number of withdrawals from January 1, 2021 to December 31, 2021	0
Number of total rescissions of denial from the beginning to December 31, 2021	22
Number of rescissions of denial from January 1, 2021 to December 31, 2021	0
Number of total Mediated Appeals from January 1, 2021 to December 1, 2021	8
Number of Mediated appeals from January 1, 2021 to December 31, 2021	0
Number of Archived Appeals	6
Number of pending Appeals as of December 31, 2021	5
Number of total requests for judicial confirmation from the beginning to December 31, 2021	56
Number of requests for judicial confirmation from January 1, 2021 to December 31, 2021	0
Number of total judicial decisions from the beginning to December 31, 2021	50
Number of judicial decisions from January 1, 2021 to December 31, 2021	0
Number of Appeals the superior court sent back to Referee up to December 31, 2021	4

Number of Appeals that have been sent back that are concluded	3
Number of Appeals sent back by the superior court that have been withdrawn by claimant up to December 31, 2021	1
Total Number of pending Appeals as of December 31, 2021	5

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.

Late Claims

Number of total appeals received from the beginning to Dec 31, 2021	10
Number of appeals received from January 1, 2021 to December 31, 2021	5
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2021	6
Number of completed appeals (decisions rendered) from January 1, 2021 to December 31, 2021	3
Number of total withdrawals from the beginning to December 31, 2021	1
Number of withdrawals from January 1, 2021 to December 31, 2021	0
Number of total rescissions of denial from the beginning to December 31, 2021	0
Number of rescissions of denial from January 1, 2021 to December 31, 2021	0
Number of total Mediated Appeals from January 1, 2021 to December 1, 2021	0
Number of Mediated appeals from January 1, 2021 to December 31, 2021	0
Number of Archived Appeals	0
Number of pending Appeals as of December 31, 2021	4
Number of total requests for judicial confirmation from the beginning to December 31, 2021	1
Number of requests for judicial confirmation from January 1, 2021 to December 31, 2021	1
Number of total judicial decisions from the beginning to December 31, 2021	0
Number of judicial decisions from January 1, 2021 to December 31, 2021	0

Number of Appeals the superior court sent back to Referee up to December 31, 2021	0
Number of Appeals that have been sent back that are concluded	0
Number of Appeals sent back by the superior court that have been withdrawn by claimant up to December 31, 2021	0
Total Number of pending Appeals as of December 31, 2021	4

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 **\$81,889.50** plus GST/HST. Ontario Fund Counsel incurred disbursements in the amount of **\$503.36** plus GST/HST. No expert witness expenses were incurred. With taxes, the total amount of fees and disbursements incurred is **\$93,103.93**.

Ontario Fund Counsel incurred fees, with respect to Late Claims, in the amount of **\$46,977.50** plus GST/HST. Ontario Fund Counsel incurred disbursements in the amount of **\$79.37**. The total amount of taxes incurred was **\$6,117.40**. No expert witness expenses were incurred. With taxes, the total amount of fees incurred is **\$53,174.27**.

(b) **Quebec Fund Counsel**

Particulars of the appeals are as follows:

Regular Claims

Number of total appeals received from the beginning to December 31, 2021	80
Number of appeals received from January 1, 2021 to December 31, 2021	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2021	63
Number of completed appeals (decisions rendered) from January 1, 2021 to December 31, 2020	0
Number of total withdrawals from the beginning to December 31, 2021	10
Number of withdrawals from January 1, 2021 to December 31, 2021	0
Number of total mediated appeals from the beginning to December 31, 2021	0

Number of mediated appeals from January 1, 2021 to December 31, 2021	0
Number of total rescissions of denial from the beginning to December 31, 2021	5
Number of rescissions of denial from January 1, 2021 to December 31, 2021	0
Number of pending appeals as of December 31, 2021	1
Number of total requests for Judicial confirmation from the beginning to December 31, 2021	22
Number of requests for Judicial confirmation from January 1, 2021 to December 31, 2021	0
Number of total Judicial decisions from the beginning to December 31, 2021	20
Number of requests for Judicial confirmation withdrawn by claimant to December 31, 2021	1
Number of judicial decisions from January 1, 2021 to December 31, 2021	0
Total Number of pending Appeals as of December 31, 2021	1

Late Claims

Number of total appeals received from the beginning to December 31, 2021	5
Number of appeals received from January 1, 2021 to December 31, 2021	4
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2020	0
Number of completed appeals (decisions rendered) from January 1, 2021 to December 31, 2020	0
Number of total withdrawals from the beginning to December 31, 2021	0
Number of withdrawals from January 1, 2021 to December 31, 2021	0
Number of total rescissions from the beginning to December 31, 2021	0
Number of rescissions from January 1, 2021 to December 31, 2021	0
Number of total mediated appeals from the beginning to December 31, 2021	0
Number of mediated appeals from January 1, 2021 to December 31, 2021	0

Number of Archived Appeals	0
Number of Archived Appeals from January 1, 2021 to December 31, 2021	0
Number of pending appeals as of December 31, 2021	0
Number of total request for judicial confirmation from the beginning to December 31, 2020	0
Number of requests for judicial confirmation from January 1, 2021 to December 31, 2021	0
Number of total judicial decisions from the beginning to December 31, 2021	0
Number of judicial decisions from January 1, 2021 to December 31, 2021	0
Total number of pending appeals as of December 31, 2021	5

9. Quebec Fund Counsel incurred fees, with respect to Regular Plans (Transfused and Hemophiliac), in the amount of **\$10,735.00** plus tax. Quebec Fund Counsel incurred disbursements in the amount of **\$36.45** plus tax. The total amount of taxes incurred on fees and expenses is **\$1,400.29**. 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 **\$12,171.74**.

Quebec Fund Counsel incurred fees, with respect to Late Claims, in the amount of **\$468.00** plus tax. Quebec Fund Counsel incurred disbursements in the amount of **\$0**. The total amount of taxes incurred on fees is **\$60.84**. 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 **\$528.84**.

(c) **British Columbia**

Particulars of the appeals are as follows:

Regular Claims

Number of total appeals received from the beginning to December 31, 2021	75
Number of appeals received from January 1, 2021 to December 31, 2021	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2020	50
Number of completed appeals (decisions rendered) from January 1, 2021 to December 31, 2020	0

Number of total withdrawals from the beginning to December 31, 2021	17
Number of withdrawals from January 1, 2021 to December 31, 2021	0
Number of total rescissions from the beginning to December 31, 2021	0
Number of rescissions from January 1, 2021 to December 31, 2021	0
Number of total mediated appeals from the beginning to December 31, 2021	0
Number of mediated appeals from January 1, 2021 to December 31, 2021	0
Number of Archived Appeals	4
Number of Archived Appeals from January 1, 2021 to December 31, 2021	0
Number of pending appeals as of December 31, 2021	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, 2021 to December 31, 2021	0
Number of total judicial decisions from the beginning to December 31, 2021	19
Number of judicial decisions from January 1, 2021 to December 31, 2021	0
Total number of pending appeals as of December 31, 2021	0

Late Claims

Number of total appeals received from the beginning to December 31, 2021	3
Number of appeals received from January 1, 2021 to December 31, 2021	1
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2020	0
Number of completed appeals (decisions rendered) from January 1, 2021 to December 31, 2020	1
Number of total withdrawals from the beginning to December 31, 2021	2
Number of withdrawals from January 1, 2021 to December 31, 2021	0

Number of total rescissions from the beginning to December 31, 2021	0
Number of rescissions from January 1, 2021 to December 31, 2021	0
Number of total mediated appeals from the beginning to December 31, 2021	0
Number of mediated appeals from January 1, 2021 to December 31, 2021	0
Number of Archived Appeals	0
Number of Archived Appeals from January 1, 2021 to December 31, 2021	0
Number of pending appeals as of December 31, 2021	1
Number of total request for judicial confirmation from the beginning to December 31, 2020	0
Number of requests for judicial confirmation from January 1, 2021 to December 31, 2021	0
Number of total judicial decisions from the beginning to December 31, 2021	0
Number of judicial decisions from January 1, 2021 to December 31, 2021	0
Total number of pending appeals as of December 31, 2021	0

10. B.C. Fund Counsel incurred fees with respect to Regular Plans (Transfused and Hemophiliac) in the amount of **\$6,885.00** plus tax. B.C. Fund Counsel incurred disbursements in the amount of **\$27.69** plus tax. The total amount of taxes incurred on fees and expenses is **\$827.60** (GST was paid in the amount of \$345.64 and PST in the amount of \$481.96). 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 **\$7,740.29**.

B.C. Fund Counsel incurred fees with respect to Late Claims in the amount of **\$4,472.70** plus tax. B.C. Fund Counsel incurred disbursements in the amount of **\$112.65**. The total amount of taxes incurred on fees is **\$541.14** (GST was paid in the amount of \$228.76 and PST in the amount of \$312.38). 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 **\$5,116.29**.

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.

Annual Report 2021

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 11 active Court appointed Arbitrator/Referees: one in each of Alberta, Saskatchewan, Manitoba, Nova Scotia, Quebec, and British Columbia, and 5 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 new appeals assigned to Arbitrators and Referees remained extremely low in 2021: 1 heard in Quebec (decision rendered in 2022), 2 in British Columbia and 1 in Ontario.

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 a request 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.
6. 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. 11 Late Claim requests were submitted for review in Quebec and 25 throughout the rest of Canada in 2021. There were three requests to review the Administrator's decision under the Late Claim Benefit Plan: 2 in Ontario and 1 in British Columbia.

Financial Activity to December 31, 2021

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 (includes all remaining provinces)</u>
Fees*:	\$8,032.50	\$0	\$12,495.00
Disbursements:	\$0	\$0	\$42.71
Taxes:	\$401.63	\$ 0	\$1,624.35
TOTALS	\$ 8,434.13	\$0	\$ 14,162.06

*This represents fees and disbursements paid in 2021, however, it may include amounts incurred for work performed in 2020.

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

8. Referee fees and disbursements in 2021 for administration of the HCV Late Claim Benefit Plan were as follows:

	<u>British Columbia</u>	<u>Quebec</u>	<u>Ontario (includes all remaining provinces)</u>
Fees*:	\$4,973.00	\$14,025.00	\$34,042.5
Disbursements:	\$0	\$0	\$0
HST:	\$249.00	\$1,823.25	\$4,102.52
TOTALS:	\$5,222.00	\$15,848.25	\$38,145.02

*This represents fees and disbursements paid in 2021, however, it may include amounts incurred for work performed in 2020.

Proposed Budget

9. As in previous years, the number and complexity of appeals will determine the fiscal needs of appeal administration. There continues to be a marked decrease in cases forwarded for review under the Regular Benefit Plan and I anticipate that the budget for 2022 can be safely set at the amount actually incurred in 2021.
10. The volume of requests to file Late Claims have similarly tapered off. However, many of the underlying facts giving rise to these claims occurred roughly 35 years ago, adding to the complexity of hearing these matters. This was reflected in the fees charged for the appeals conducted under the Late Claim Benefit Plan and should be considered in setting the budget. I nonetheless anticipate that the budget can be set at the same amount as was incurred in 2021.