

HEPATITIS C
CLASS ACTION SETTLEMENT
1986-1990

YEAR 23

REPORT OF THE JOINT COMMITTEE
FOR THE PERIOD ENDING DECEMBER 31, 2022

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January 1, 1986 to July 1, 1990

HEPATITIS C CLASS ACTION SETTLEMENT

YEAR 23

ANNUAL REPORT OF THE JOINT COMMITTEE

FOR THE PERIOD ENDING DECEMBER 31, 2022

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Annual Report – YEAR 23 (2022)

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-third year of operations on December 31, 2022.
2. In 2022, the Administrator received 44 new claims¹ under the Transfused HCV Plan and the Hemophiliac HCV Plan (collectively, the “**Regular Benefit Plans**”) as follows:
 - 3 Primarily Infected Transfused Claims
 - 37 Family Member Transfused Claims
 - 4 Family Member Hemophiliac Claims
3. In 2022, the Administrator approved 1 new claim under the Recent HCV Diagnosis court-approved protocol exception to the First Claim Deadline of June 30, 2010 (“**First Claim Deadline**”) and 7 new claims under the other court-approved protocol exception to the First Claim Deadline.
4. In 2022, 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 \$1,097,268,510.
5. In 2022, the Administrator paid about \$3.1 million in Special Distribution Benefits, bringing the total benefits paid under the Special Distribution Benefits since inception to about \$104,214,070. As of December 31, 2022, approximately \$4.68 million in special distribution and other payments have been reissued or issued 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.

In 2022, the Settlement paid approximately:

\$24.9 million under the Regular Benefit Plans

\$3.1 million in Special Distribution Benefits

\$2.0 million under the Late Claims Benefit Plan

¹ In 2021, 116 new claims under the Regular Benefit Plans were received. In 2020, 53 new claims were received.

² In 2021, about \$24.9 million was paid out for claims under the Regular Benefit Plans. In 2020, about \$25.2 million was paid.

6. In 2022, the Administrator received 43 new late claim requests under the HCV Late Claims Benefit Plan. Referees approved 17 requests³ and denied 0 requests⁴ to submit a late claim. The Administrator approved 16 late claims⁵ including the following:⁶

- 3 Primarily Infected Transfused Claims
- 0 Primarily Infected Hemophiliac Claims
- 0 Secondarily Infected Hemophiliac Claims
- 9 Family Member Transfused Claims
- 2 Family Member Hemophiliac Claims

About \$2.0 million in Late Claims Benefits was paid in 2022,⁷ bringing the total benefits paid under the HCV Late Claims Benefit Plan since inception to about \$16,063,216.

7. In summary, the Administrator paid about \$29.9 million to claimants in 2022⁸ under all Plans.

8. Since the settlement's inception in 1999, the Administrator has paid about \$1.22 billion⁹ to claimants in response to about 15,142 approved claims.

*Since inception, about
\$1.22 billion in benefits
has been paid to 15,142
approved claims.*

9. Financial Statements of the Trust Fund attached at **Schedule A** indicate that the Trustee held assets of about \$985.4 million and the unpaid liability of the provincial and territorial governments was about \$71.2 million (including interest), so there was a total of about \$1.057 billion available to satisfy class members' claims as at December 31, 2022.

10. In 2022, there was a 7.67% negative return on the invested assets held by the Trustee, which was a substantial decrease over the prior year.¹⁰ This decrease was mainly due to

³ In 2021, 42 requests were approved. In 2020, 29 requests were approved.

⁴ In 2021, 5 requests were denied. In 2020, one request was denied.

⁵ In 2021, 35 late claims were approved. In 2020, 45 late claims were approved.

⁶ There were also two approved late claims made by the estate of deceased primarily infected class members.

⁷ In 2021, about \$8.6 million was paid out in Late Claims Benefits. 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.

⁸ In 2021, the Administrator paid out about \$38.1 million in total in benefits under all Plans compared to about \$32.0 million paid out in 2020.

⁹ This amount includes payments of about \$21.4 million to HIV secondarily infected claimants under EAP2.

¹⁰ In 2021, the overall return on invested assets was 4.71%. In 2020, the overall return on invested assets was 5.73%.

the 7.98% negative return on the Government of Canada real return bonds, which comprise most of the invested assets of the Trust. The invested assets decreased by about \$108.4 million or 9.97% net of payments out.¹¹

11. The expenses incurred to administer the settlement in 2022 totalled approximately \$3.4 million for all service providers. This represents a decrease of about 3.7% over last year.¹²

OVERVIEW

12. This is the twenty-third 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 2022, the Joint Committee was comprised of David Loukidelis, K.C., Michel Savonitto, Harvey T. Strosberg, K.C., and Kathryn Podrebarac.¹³
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.¹⁴ 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.

¹¹ In 2021, the invested assets increased by about 1.4% net of payments out. In 2020, the invested assets increased by about 2.8% net of payments out.

¹² In 2021, the administration expenses totaled approximately \$3.5 million. In 2020, the administration expenses totaled approximately \$4.3 million.

¹³ Mr. Loukidelis was appointed by Order 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.

¹⁴ The three notional accounts of the Trust Fund were established by the Courts in December 2017.

2022 EXPENSES

16. The budgeting process for 2022 commenced in late 2021. Annual budget approval orders were obtained from the Courts in January 2022, except for a few specific budgets that were approved by the Courts on applications filed separately by the Joint Committee.
17. The actual 2022 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.

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 2022 were \$2,079,210 plus taxes, which was \$415,790 under their approved budgets.
19. The following chart summarizes the budget versus actual expenses for 2022 for the service providers supervised by the Joint Committee for Regular Benefit Plans work plus taxes.

Service Provider	2022 Budget	2022 Actual	Variance from Budget	Note
Epiq				
Administration of the Regular Benefit Plans and EAP2 Activity Level Adjustment	Fixed fee of \$13,100 and \$522,400 As incurred, subject to a +/- 10% variance	\$535,500 (\$25,751) ¹⁵		See paras. 36-37, 40 and Schedules B and C
Disbursements	At cost	\$833		
Third Party Expenses	As incurred	-	-	
Appeal Expenses	As incurred	-	-	
Special Projects				
Fees	\$100,000	\$31,805	(\$68,195)	
Disbursements	At cost	\$2,443	-	

¹⁵ This activity level adjustment took the form of a credit on EPIQ's January 2023 invoice for the administration of the Regular Benefit Plans.

Service Provider	2022 Budget	2022 Actual	Variance from Budget	Note
Deloitte				
Audit, financial statements (exclusive of travel expenses)	\$123,000 ¹⁶	\$144,400	\$21,400 ¹⁸	See paras. 31-32 and Schedule A
Special Projects	\$25,000 ¹⁷	\$0	(\$25,000)	
RBC ITS				
Trustee & Custodian Services	\$125,000	\$28,889	(\$96,111)	See para. 42
CONCENTRA				
Trustee & Custodian Services	\$136,500 ¹⁹	\$130,745	(\$5,755)	See para. 45 and Schedule D

¹⁶ The Courts approved a global budget of not more than \$123,000 as follows: \$103,000 for completing the audit and preparing financial statements for all three accounts of the Trust [to be allocated \$87,000 Regular Benefits, \$10,500 Special Distribution Benefits, \$5,500 Late Claims Benefits]; \$15,000 for the transition to the new Trustee and \$5,000 for the accounting work to be performed until the new Trustee takes over this duty.

¹⁷ The Courts approved a global budget of \$25,000 for Special Projects which was not expended.

¹⁸ This overage was incurred in relation to Deloitte's investigations of errors and issues with the recording of investment transactions by CIBC Mellon, the Trustee and Custodian's subcustodian.

¹⁹ In March 2022, Concentra was appointed by the Courts as Trustee and Custodian effective April 1st, 2022, replacing RBC ITS. This eight-month budget was approved by the Courts for 2022.

Service Provider	2022 Budget	2022 Actual	Variance from Budget	Note
TDAM Investment Services	\$375,000	\$377,798	\$2,798	See paras. 46-50 and Schedules E and F
Eckler Actuarial Services & Investment Review	\$75,000	\$46,737	(\$28,263)	See paras. 61-62 and Schedules G and H
Special Projects	\$50,000	\$35,523	(\$14,477)	
PricewaterhouseCoopers LLP Income Loss annual computer programming update	\$10,000	\$8,925	(\$1,075)	See para. 52
Paula Frederick/ Cohen Hamilton Steger Inc. Specialized Income Loss analysis	\$40,000	-	(\$40,000)	See para. 54
Joint Committee Regular administration and supervision work				See para. 67 and Schedules I and J
Fees	\$900,000	\$764,639	(\$135,361)	
Disbursements	\$75,000	\$45,082	(\$29,918)	

20. The following service providers, who are not supervised by the Joint Committee, also provided services in 2022 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	2022 Actual	Note
Fund Counsel		
Fees	\$70,643	See para. 78 and Schedule K
Disbursements	\$359	
Arbitrators and Referees		
Fees	\$5,058	See para. 81 and Schedule L
Disbursements	\$200	
Court Monitor		
Fees	\$11,790	See para. 84
Disbursements	\$1,000	

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 2022, the total fees of the service providers supervised by the Joint Committee for work relating to the financial sufficiency²⁰ were \$404,851 which was \$350,149 under budget.

Service Provider	2022 Budget	2022 Actual	Variance from Budget	Note
Eckler				
Fees for preparation work for 2022 Financial Sufficiency Review - Phase 1	\$25,000	\$12,580	(\$12,420)	See paras. 63-64
Fees for 2019 Financial Sufficiency Review – Phase 2 work performed in 2022 and 2023	\$55,000 ²¹	\$43,162	(\$11,838)	
MMWG				
Fees & Disbursements	\$210,000	\$70,893	(\$139,107)	See para. 56

²⁰ This included work regarding the financial sufficiency review triggered on December 31, 2019 (the “**2019 Financial Sufficiency Review - Phase 2**”) and preparation work for the next financial sufficiency review triggered on December 31, 2022 (the “**2022 Financial Sufficiency Review - Phase 1**”).

²¹ This budget was approved retroactively as part of the 2023 budgets approval process.

Service Provider	2022 Budget	2022 Actual	Variance from Budget	Note
Joint Committee				
Fees for 2019 Financial Sufficiency Review – Phase 2 and for preparation work for the 2022 Financial Sufficiency Review– Phase 1	\$450,000 ²²	\$278,216	(\$171,784)	See paras. 68-70 and Schedules I and J
Disbursements	\$15,000	\$2,643	(\$12,357)	

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 2022, the total fees of the service providers supervised by the Joint Committee for work relating to Special Distribution Benefits were \$109,748, which was \$13,122 under budget.

Service Provider	2022 Budget	2022 Actual	Variance from Budget	Note
Deloitte				
Fees	\$17,000	\$17,000		See para. 31
Epiq				
Prospective Payments – fixed fee	\$5,000 ²³	\$5,000	-	See para. 38 and Schedule C
Retroactive Payments – activity based fee schedule	Per fee schedule ²⁴	\$13,370	-	
Disbursements	-	-	-	
Joint Committee				
Fees	\$75,000	\$70,674	(\$4,326)	See para.71 and Schedules I and J
Disbursements		\$244	(\$4,756)	

²² For 2022, the Joint Committee had a \$25,000 budget for preparation work of 2022 Financial Sufficiency - Phase 1 and a \$425,000 budget was approved retroactively as part of the 2023 budgets approval process for the remaining work done in 2022 and 2023 regarding the 2019 Financial Sufficiency – Phase 2 since the unused balance of \$35,642 from the interim budget approved in December 2021/January 2022 for the 2019 Financial Sufficiency Review – Phase 2 was insufficient due to unexpected additional work.

²³ The Administrator charges a flat fee of \$5,000 per year to administer Special Distribution Benefits payments on a *prospective* or go forward basis.

²⁴ 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.

Service Provider	2022 Budget	2022 Actual	Variance from Budget	Note
	\$5,000			
Eckler				
Fees	\$12,500	\$3,704	(\$8,796)	See para. 65

D. Late Claims Benefits Work

25. In December 2017, the Courts approved an HCV Late Claims Benefit Plan.
26. In 2022, 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 2022, the total fees of the service providers supervised by the Joint Committee for work relating to Late Claims Benefits were \$115,178 which was \$95,904 under budget.

Service Provider	2022 Budget	2022 Actual	Variance from Budget	Note
Deloitte				
Fees	\$11,000	\$11,000	-	See para. 31
Epiq				
Fees – fixed fee	\$5,000 ²⁵	\$5,000	-	See para. 39 and Schedule C
Fees – activity based fee	Per fee schedule	\$82,582	-	
Disbursements		\$7,053	-	
Joint Committee				
Fees	\$100,000	\$13,278	(\$86,722)	See para. 72 and Schedules I and J
Disbursements	\$10,000	-	(\$10,000)	
Eckler				
Fees	\$12,500	\$3,318	(9,182)	See para. 65

²⁵ The Administrator’s fees and disbursements for services under the HCV Late Claims Benefit Plan include a fixed annual fee of \$5,000 for 2022 in addition to the activity-based fee for which the schedule was approved by the Courts in the appointment/budget orders and reviewed from time to time.

28. The following service providers, who are not supervised by the Joint Committee, also provided services in 2022 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	2022 Actual	Note
Fund Counsel		
Fees	\$108,168	See paras. 77-78 and Schedule K
Disbursements	\$3,110	
Arbitrators and Referees		
Fees	\$34,828	See para. 81 and Schedule L
Disbursements	\$729	

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, 2022.
31. The Courts approved a 2022 budget for Deloitte for the audit and for preparation of the financial reports not to exceed \$123,000 plus travel expenses and taxes as follows: \$103,000 for completing the audit and preparing financial statements for all three accounts of the Trust [to be allocated \$87,000 Regular Benefits, \$10,500 Special Distribution Benefits, \$5,500 Late Claims Benefits]; \$15,000 for the transition to the new Trustee and Custodian and \$5,000 for the accounting work to be performed until the new Trustee takes over this duty. The total amount invoiced by Deloitte for these services exclusive of taxes was \$144,400. The overage of \$21,400 was incurred in relation to Deloitte’s investigations of errors and issues with the recording of investment transactions by CIBC Mellon, the Trustee and Custodian’s subcustodian. Concentra agreed to pay for these charges.

32. The Courts also approved a special projects budget of \$25,000 plus taxes for Deloitte, which was not expended.
33. Deloitte's fees were paid on approval of the Joint Committee pursuant to the 2022 budget approval orders up to the approved budget.

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. The Courts continued its appointment and approved administration budgets for 2022 and 2023.
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 2022. It reflects payments to Epiq in accordance with its budget of \$535,500 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. As Epiq's cumulative activity level in 2022 was lower than the 10% per annum permitted variance, this resulted in a fee adjustment of \$25,751, which was applied as a credit to reduce the fees payable to Epiq in respect of its services in January 2023. Epiq incurred disbursements of \$833 under the Regular Benefit Plans.
38. Epiq's 2022 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/budget orders. Epiq's fees for administering these benefits in 2022 totalled \$18,370 plus taxes, comprised of the \$5,000 flat fee for prospective benefits and \$13,370 in fees for the administration of retroactive payments. 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 its appointment/budget orders. Epiq's fees in 2022 were \$87,582 plus taxes, comprised of a \$5,000 flat fee and \$82,582 of activity-based fees and it incurred expenses of \$7,053

plus taxes. These amounts were paid on approval of the Joint Committee pursuant to the appointment/budget approval orders.

40. A special projects budget of \$100,000 was also approved for the Administrator for 2022. Epiq's fees for special projects in 2022 were \$34,247 and \$2,443 for disbursements plus taxes, which were paid on approval of the Joint Committee pursuant to the 2022 budget approved by the Courts for Epiq. These costs were incurred in connection with the locator project, which locates "missing" claimants who are owed payments, but 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. As discussed below, a successor Trustee and Custodian was appointed effective April 2022.
42. The Courts approved a budget for RBC for 2022 of \$125,000 plus taxes. The actual fees charged by RBC in 2022 prior to its replacement were \$28,889 plus taxes, which were paid pursuant to the 2022 budget approval orders.

CONCENTRA TRUST

43. In March 2022, the Courts appointed Concentra Trust as successor Trustee and Custodian to RBC effective April 1, 2022, and approved Concentra Trust's appointment of CIBC Mellon Global Securities Services Company ("**CIBC Mellon**") to act as its subcustodian.
44. Attached as **Schedule D** is Concentra Trust's Information Brief for the Hepatitis C Trust Fund for 2022.
45. The Courts approved a budget of \$136,500 plus taxes for Trustee and Custodian services for the nine month period from April to December 2022. The actual amount charged for these services was \$130,745 plus taxes. It was paid on approval of the Joint Committee pursuant to the budget approval orders.

TD ASSET MANAGEMENT INC.

46. TD Asset Management Inc. (“**TDAM**”) was appointed Investment Manager of the Trust Fund pursuant to the Orders of the Courts.
47. Attached as **Schedule E** is the Confirmation that TDAM has complied with the court-approved Investment Guidelines.
48. 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 2022 of \$375,000 plus taxes.
49. TDAM’s actual fees based on the Fee Schedule and the value of the assets under management were \$377,798 plus taxes. As these fees are in accordance with TDAM’s court-approved Fee Schedule, this small overage was paid in the ordinary course as a result of the Courts’ subsequent approval of this change to how investment management fees are paid and accounted for as part of the annual report process.
50. Attached as **Schedule F** is the Portfolio Review of the Trust Fund assets.

PRICEWATERHOUSECOOPERS LLP

51. 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.
52. The budget approved by the Courts for PricewaterhouseCoopers LLP for 2022 was \$10,000 plus taxes. The actual amount charged to the Trust Fund by PricewaterhouseCoopers LLP was \$8,925 plus taxes. It was paid on approval of the Joint Committee pursuant to the 2022 budget approval orders.

COHEN HAMILTON STEGER & CO. INC. – Paula Frederick

53. 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.

54. The budget approved for Ms. Frederick’s services in 2022 was \$40,000. No fees were incurred in 2022.

MEDICAL MODELLING WORKING GROUP

55. The Medical Modelling Working Group (“MMWG”) has performed medical modelling work for each of the triennial sufficiency reviews. Dr. Beate Sander and Dr. Yeva Sahakyan have led this group of experts since the retirement of Dr Krahn.
56. The budget approved for the MMWG’s services for the 2022 Financial Sufficiency Review – Phase 1 was \$210,000 in fees and disbursements, plus taxes. Only a portion of the MMWG’s work was completed in 2022, with the balance, including delivery of its medical modelling report, completed in 2023. The MMWG’s actual fees incurred in 2022 were \$70,893 plus taxes which were paid on approval of the Joint Committee pursuant to the budget approval order/judgment. The balance of its budget was carried into 2023.

ECKLER LTD.

57. 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.
58. 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.
59. Attached as **Schedule G** is the Report of Eckler regarding its activities during 2022.
60. Attached as **Schedule H** is an Investment Summary provided by Eckler.
61. The Courts approved an annual budget for Eckler’s actuarial and investment review services of \$75,000 plus disbursements and taxes for 2022. Eckler’s actual charges for these services were \$46,737 plus taxes, which were paid on approval of the Joint Committee pursuant to the 2022 budget approval orders.
62. The Courts also approved a special projects budget of \$50,000. Eckler’s actual charges were \$35,523 plus taxes. These fees were incurred for monitoring the performance of the low volatility equities fund and providing advice and recommendations to the Joint Committee regarding a replacement low volatility fund and input regarding the amendments to the Trust’s Investment Guidelines and creation of the new Terms of Appointment for a replacement Investment Manager.

63. For 2022, the Courts approved a financial sufficiency budget for Eckler of \$25,000 in fees for the preparation work of the 2022 Financial Sufficiency Review – Phase 1 and Eckler incurred \$12,580 in fees for this work.
64. Eckler’s financial sufficiency work performed in 2022 also included work with regards to the 2019 Financial Sufficiency Review – Phase 2, including finalizing its 2019 Allocation Report. At the request of the Joint Committee, Eckler also prepared a supplemental report which extrapolated the 2019 Phase 1 results to June 30th 2022, calculated the reduced amount of excess capital available for allocation, and costed modifications to the Joint Committee’s proposed allocations necessitated by the reduced excess capital. The total fees incurred by Eckler for the 2019 Financial Sufficiency Review - Phase 2 work performed in 2022 amounted to \$43,162. As part of the 2023 budget approval orders, the Courts approved a retroactive budget of \$55,000 for completing the 2019 Financial Sufficiency – Phase 2 work in 2022 and to be performed in 2023. Eckler’s fees of \$43,162 incurred in 2022 were paid accordingly.
65. Eckler’s 2022 budgets for Special Distribution Benefits and Late Claims Benefit Plan were both set at \$12,500 plus taxes. Eckler’s actual total fees incurred were \$3,704 plus taxes for Special Distribution Benefits and \$3,318 for Late Claims Benefit Plan, which were paid on approval of the Joint Committee pursuant to the 2022 budget approval orders.

JOINT COMMITTEE

66. A Summary Report of the work of the Joint Committee in 2022 is set out in **Schedule I**. As described below, the Joint Committee receives separate budgets for each category of work performed.
67. The 2022 budget for the Joint Committee for administration and supervision services work relating to the Regular Benefit Plans was \$900,000 for fees and \$75,000 for disbursements, exclusive of taxes. The Joint Committee’s actual fees in 2022 for this work were \$764,639 plus taxes, and its actual disbursements were \$45,082 plus taxes.
68. Concerning financial sufficiency, a \$425,000 budget was approved retroactively by the Courts as part of the 2023 budgets approval process for work performed in 2022 and to be performed in 2023 regarding the 2019 Financial Sufficiency Review – Phase 2.
69. The work performed by the Joint Committee in 2022 involved preparing and filing supporting material for the restatement of the Phase 1 - 2019 Financial Sufficiency Review orders, working with the actuaries to prepare and file amended allocation motions/applications with supporting material including an extrapolation of the Phase 1

results to June 30th 2022 and modifications to the recommended 2019 special distribution allocations due to reduced 2019 excess capital available. The Joint Committee's actual fees for the 2019 Financial Sufficiency Review work incurred in 2022 were \$253,566 plus taxes, and its actual disbursements were \$2,643 plus taxes.

70. The Courts also approved a budget of \$25,000 in fees for preparation work to be performed with regards to the 2022 Financial Sufficiency Review triggered at December 31, 2022. The Joint Committee's actual fees incurred for this work were \$24,650 plus taxes.
71. The Joint Committee's 2022 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 \$70,674 plus taxes and \$244 plus taxes, respectively.
72. The Joint Committee's 2022 budget for the HCV Late Claims Benefit Plan was \$100,000 plus taxes and \$10,000 plus taxes in disbursements. Its actual fees were \$13,278 plus taxes and no disbursement.
73. 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

74. 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.
75. Attached as **Schedule K** is the Report of Fund Counsel on their activities and their fees incurred in 2022.

76. In 2022, the following appeals were dealt with in each jurisdiction under the Regular Benefit Plans:

2022 Appeal Status Report – Regular Benefit Plans	ON ²⁶	BC	QUE	Total
Appeals received	2	0	0	2
Appeals completed	4	0	0	4
Appeals withdrawn	1	0	0	1
Denials rescinded	0	0	0	0
Appeals mediated	0	1	0	1
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

77. In 2022, the following appeals were dealt with in each jurisdiction under the HCV Late Claims Benefit Plan:

2022 Appeal Status Report – Late Claims Benefit Plan	ON ²⁷	BC	QC	Total
Appeals Received	4	0	2	6
Appeals Completed (decisions rendered)	4	1	1	6
Appeals Withdrawn	1	0	0	1
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	1	8	13

78. In 2022, the fees and disbursements charged by Fund Counsel were:

- (a) \$70,643 in fees and \$359 in disbursements, all exclusive of taxes, for services relating to the Regular Benefit Plans; and
- (b) \$108,168 in fees and \$3,112 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.

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

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

REFEREES AND ARBITRATORS

79. Referees and Arbitrators were appointed for each jurisdiction by Court orders.
80. A Summary Report of the work of the Referees and Arbitrators, as well as the fees incurred for 2022, is set out in **Schedule L**.
81. In 2022, the fees and disbursements charged for Arbitrators and Referees were:
- (a) \$5,058 in fees and \$200 in disbursements, all exclusive of taxes, for services relating to the Regular Benefit Plans; and
 - (b) \$34,828 in fees and \$1,016 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.

82. Appeals under the Regular Benefit Plans have decreased in recent years, including in 2022. The number of appeals under the HCV Late Claims Benefit Plan has increased and is expected to stay the same or increase over the next few years.

THE MONITOR

83. 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.
84. In 2022, the fees of the Monitor were \$11,790, and the disbursements were \$1,000, all exclusive of taxes.

CANADIAN BLOOD SERVICES

85. 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.
86. 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 2022, and CBS has not invoiced for any expenses that were incurred. The Joint Committee anticipates that the volume of traceback requests will decrease as the claims made under the Late Claims Benefit Plan decrease.

HÉMA-QUÉBEC

87. Héma-Québec provides the tracebacks required under the Plans in Quebec. No budget was sought for Héma-Québec for 2022 as it agreed to finance the cost and seek reimbursement at year-end if the costs incurred were significantly higher than anticipated.
88. The Joint Committee anticipates that the volume of traceback requests will decrease along with claims made under the Late Claims Benefit Plan.

2023 BUDGETS

89. The chart that follows compares the approved budgets for service providers in 2023 to their 2022 budgets.

	2022 Budget	2023 Budget
EPIQ		
General administration of the Regular Benefit Plans and EAP2		
Fixed fee	\$13,100	\$25,600
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)	\$522,400	\$511,300
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	\$5,000	\$10,000
Activity-based fee schedule	Per fee schedule	Per fee schedule
Deloitte		
Audit and financial statements (exclusive of travel expenses)	Not to exceed \$123,000 (including interim audit & notional accounts reporting)	Not to exceed \$114,000
Special Projects	\$25,000	\$25,000


	2022 Budget	2023 Budget
RBC /CONCENTRA TRUST RBC Trustee Services	\$125,000 annual until the effective date of transition	n/a
Concentra Trust	\$136,500 (for Q2-Q3-Q4)	\$182,000
TDAM Investment Services	\$375,000	\$360,000
Eckler General actuarial services and investment review work, not related to sufficiency (exclusive of disbursements)	\$75,000	\$87,500
Special Projects	\$50,000	\$62,500
Special Distribution Benefits	\$12,500	\$12,500
HCV Late Claims Benefit Plan	\$12,500	\$12,500
2019 Financial Sufficiency Review – Phase 2	\$55,000	Unused 2022 budget
2022 Financial Sufficiency Review – Phase 1	\$25,000	\$797,000
MMWG Updated medical model and medical modelling report for 2022 Financial Sufficiency Review	\$210,000	Unused 2022 budget
PWC Income Loss-annual computer programming update	\$10,000	\$10,000
Paula Frederick / Cohen Hamilton Steger Specialized Income Loss analysis	\$40,000	\$40,000

	2022 Budget	2023 Budget
Joint Committee		
Regular administration and supervision	\$900,000 fees and \$75,000 disbursements	\$900,000 fees and \$75,000 disbursements
Special Distribution Benefits	\$75,000 fees and \$5,000 disbursements	\$100,000 fees and \$5,000 disbursements
HCV Late Claims Benefit Plan	\$100,000 fees and \$10,000 disbursements	\$75,000 fees and \$5,000 disbursements
2019 Financial Sufficiency Review – Phase 2	\$425,000 fees and \$15,000 disbursements	Unused 2022 budget
2022 Financial Sufficiency Review – Phase 1	\$25,000	\$500,000 and \$10,000 disbursements

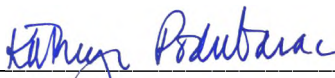
Dated this 28th day of August, 2023


Michel Savonitto (Aug 28, 2023 11:33 EDT)


Michel Savonitto
 Savonitto & Ass. Inc.


David Loukidelis (Aug 29, 2023 14:55 PDT)

David Loukidelis, K.C.
 CFM Lawyers LLP



Kathryn Podrebarac
 Podrebarac Barristers Professional Corporation


H. Rumble Peterson for (Aug 28, 2023 15:55 EDT)

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

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

December 31, 2022
31 décembre 2022

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, 2022, 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, 2022, 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.

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 2022, 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 2022, 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.

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.

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.

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.

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.

- 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.
- 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.
- 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.
- 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.

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 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

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

Chartered Professional Accountants
Licensed Public Accountants
May 19, 2023

Comptables professionnels agréés
Experts-comptables autorisés
19 mai 2023

The 1986 - 1990 Hepatitis C Fund

Statement of financial position

As at December 31, 2022

(In thousands of dollars)

Fonds Hépatite C 1986 - 1990

État de la situation financière

au 31 décembre 2022

(en milliers de dollars)

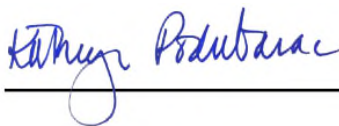
	2022	2021	
	\$	\$	
Assets			Actif
Current assets			Actif à court terme
Cash	3,535	3,114	Encaisse
Contributions receivable	2,359	2,482	Apports à recevoir
	5,894	5,596	
Investments (Note 3)	979,554	1,087,978	Placements (note 3)
	985,448	1,093,574	
Liabilities			Passif
Current liabilities			Passif à court terme
Accounts payable and accrued liabilities	4,424	4,124	Créditeurs et charges à payer
Accrued claims in process of payment	8,416	8,757	Demandes accumulées en cours de paiement
	12,840	12,881	
Funding held for future expenses (Note 4)			Financement pour charges futures (note 4)
Regular	847,129	938,891	Régulier
Late claims benefits	58,427	65,814	Réclamations tardives
Special distribution benefits	67,052	75,988	Indemnités de distribution spéciale
	985,448	1,093,574	

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 Fund

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



Heather Rumble Peterson
Heather Rumble Peterson (May 31, 2023 10:21 EDT)



on behalf of Michael Savonitto (May 31, 2023 10:24 EDT)

David Loukidelis
David Loukidelis (May 31, 2023 08:40 PDT)

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

Year ended December 31, 2022

(In thousands of dollars)

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

de l'exercice clos le 31 décembre 2022

(en milliers de dollars)

	2022	2021	
	\$	\$	
Expenses			Dépenses
Claims (Note 5)	29,560	38,202	Demandes (note 5)
Operating (Note 6)	3,400	3,531	Frais d'exploitation (note 6)
	32,960	41,733	
Revenue	32,960	41,733	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, 2022

(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)

	2022 \$	2021 \$	
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 loss (gains) on investments	437	(25,930)	Gains réalisés sur placements
Change in unrealized gains and losses on investments	107,771	5,566	Variation des gains et pertes non réalisés sur placements
	108,208	(20,364)	
Changes in non-cash operating working capital items			Variation nette des éléments hors caisse du fonds de roulement d'exploitation
Contributions receivable	123	134	Apports à recevoir
Accounts payable and accrued liabilities	300	(1,332)	Créditeurs et charges à payer
Accrued claims in process of payment	(341)	82	Demandes accumulées en cours de paiement
Funding held for future expenses	(108,085)	14,864	Financement pour charges futures
	205	(6,616)	
Investing activities			Activités d'investissement
Purchase of investments	(143,308)	(270,949)	Acquisition de placements
Proceeds on sale of investments	143,524	276,613	Produits de la vente de placements
	216	5,664	
Net cash outflow	421	(952)	Augmentation de l'encaisse
Cash, beginning of year	3,114	4,066	Encaisse au début
Cash, end of year	3,535	3,114	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, 2022

(Tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2022

(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, 2022, the provinces and territories prepaid contributions total \$10,900 (\$11,100 in 2021). 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, 2022, those obligations including interest are estimated to be \$71,228,000 (\$77,480,000 in 2021).

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 2022, les apports des provinces et territoires versés à l'avance totalisent 10 900 \$ (11 100 \$ en 2021). 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 2022, ces obligations, intérêts compris, sont estimées à 71 228 000 \$ (77 480 000 \$ en 2021).

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, 2022

(Tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2022

(montants dans les tableaux en milliers de dollars)

2. Significant accounting policies

Basis of presentation

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

Financial instruments

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

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

Transaction costs

Transaction costs are expensed as incurred.

Liabilities and funding for future payments

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

Revenue recognition

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

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

2. Principales méthodes comptables

Méthode de présentation

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

Instruments financiers

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

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

Coûts de transaction

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

Obligations et financement pour paiements futurs

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

Constatation des revenus

Le Fonds comptabilise les apports selon la méthode du report. Les revenus sont comptabilisés à mesure que les charges sont engagées, et une tranche de ces charges est attribuée aux gouvernements, comme le prévoit l'entente. Lorsque les apports sont versés au Fonds avant que les charges ne soient engagées et réparties, les apports et le revenu de placement en 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.

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2022

(Tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2022

(montants dans les tableaux en milliers de dollars)

2. Significant accounting policies (continued)

Revenue recognition (continued)

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

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

Claims

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

Operating expenses

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

Use of estimates

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

Foreign currency

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

2. Principales méthodes comptables (suite)

Constatation des revenus (suite)

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

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

Demandes

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

Frais d'exploitation

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

Utilisation d'estimations

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

Devises étrangères

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

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2022

(Tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2022

(montants dans les tableaux en milliers de dollars)

3. Investments

Investments are summarized as follows:

	Fair value Juste valeur \$	2022 Cost Coût \$
Investment earnings receivable and cash	4,549	4,549
Fixed income		
Government of Canada	720,084	671,470
Fixed income pooled funds	114,287	114,406
	834,371	785,876
Equities - Pooled Funds		
Canadian	—	—
International	140,634	135,362
	140,634	135,362
	979,554	925,787

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 :

	Fair value Juste valeur \$	2021 Cost Coût \$	
Investment earnings receivable and cash	2,015	2,015	Revenus de placement à recevoir et encaisse
Fixed income			Titres à revenu fixe
Government of Canada	660,253	516,343	Gouvernement du Canada
Fixed income pooled funds	61,972	54,660	Fonds communs à revenu fixe
	722,225	571,003	
Equities - Pooled Funds			Actions - Fonds communs
Canadian	217,774	218,060	Canadiens
International	145,964	135,362	International
	363,738	353,422	
	1,087,978	926,440	

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.

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2022

(Tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2022

(montants dans les tableaux en milliers de dollars)

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, 2022, the average duration of the bonds and debentures in the portfolio, weighted on fair value, was 10.74 years (10.89 years in 2021).

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 2022, la durée moyenne des obligations et des débetures du portefeuille, pondérée selon la juste valeur, était de 10,74 ans (10,89 ans en 2021).

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 :

	2022		2021		
	Fair value		Fair value		
	Juste valeur		Juste valeur		
	\$	%	\$	%	
Investment earnings receivable and cash	4,549	—	2,015	—	Revenus de placement à recevoir et encaisse
Fixed income					Titres à revenu fixe
Government of Canada	720,084	74	660,253	61	Gouvernement du Canada
Fixed income pooled funds	114,287	12	61,972	6	Fonds communs à revenu fixe
	834,371	86	722,225	67	
Equities - Pooled Funds					Actions - Fonds communs
Canadian	—	—	217,774	20	Canadiens
International	140,634	14	145,964	13	International
	140,634	14	363,738	33	
	979,554	100	1,087,978	100	

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2022

(Tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2022

(montants dans les tableaux en milliers de dollars)

4. Funding held for future expenses

4. Financement pour charges futures

	Regular Fund	Late claims benefits	Special distribution benefits	2022 Total	
	Régulier	Réclamations tardives	Indemnités de distribution spéciale	2022 Total	
	\$	\$	\$	\$	
Balance, beginning of year	938,891	65,814	75,988	1,080,693	Solde au début
Changes during the year					Variations au cours de l'exercice
Investment earnings	(71,862)	(5,171)	(5,556)	(82,589)	Revenus de placement
Amounts recognized as revenue	(19,900)	(2,216)	(3,380)	(25,496)	Montants constatés comme revenus
Balance, end of year	<u>847,129</u>	<u>58,427</u>	<u>67,052</u>	<u>972,608</u>	Solde à la fin

	Regular Fund	Late claims benefits	Special distribution benefits	2021 Total	
	Régulier	Réclamations tardives	Indemnités de distribution spéciale	2021 Total	
	\$	\$	\$	\$	
Balance, beginning of year	916,620	71,740	77,469	1,065,829	Solde au début
Reallocation of excess capital					Réallocation du surplus en capital
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	<u>938,891</u>	<u>65,814</u>	<u>75,988</u>	<u>1,080,693</u>	Solde à la fin

The 1986 - 1990 Hepatitis C Fund

Notes to the financial statements

December 31, 2022

(Tabular amounts in thousands of dollars)

Fonds Hépatite C 1986 - 1990

Notes complémentaires

31 décembre 2022

(montants dans les tableaux en milliers de dollars)

5. Claims

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

5. Demandes

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

	Regular Fund	Late claims benefits	Special distribution benefits	
	Régulier	Réclamations tardives	Indemnités de distribution spéciale	2022 Total
	\$	\$	\$	\$
Approved by the Administrator of the Fund Disbursed	24,858	1,961	3,082	29,901
Net change in accrued claims in process of payment	(454)	(65)	178	(341)
	24,404	1,896	3,260	29,560

Demandes approuvées par l'Administrateur du Fonds
Décaissement
Variation nette des demandes accumulées en cours de paiement

	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
Net change in accrued claims in process of payment	(39)	53	68	82
	24,946	8,617	4,639	38,202

Demandes approuvées par l'Administrateur du Fonds
Décaissement
Variation nette des demandes accumulées en cours de paiement

6. Operating expenses

6. Frais d'exploitation

	Regular	Late claims benefits	Special distribution benefits	2022 Total	
	Régulier	Réclamations Tardives	Indemnités de distribution spéciale		
	\$	\$	\$	\$	
Administrator	611	99	28	738	Administrateur
Legal (claims' appeal costs, Fund counsel)	181	184	—	365	Frais juridiques (frais de demandes en appel, avocats du Fonds)
Joint committee - Administration	915	15	77	1,007	Comité mixte - Administration
Joint committee - Sufficiency review	318	—	—	318	Comité mixte - Réévaluation de la suffisance
Investment management	427	—	—	427	Gestion des placements
Audit and related services	110	19	11	140	Honoraires d'audit et de services connexes
Custodial trustee	165	—	—	165	Frais de garde
Actuarial - General	145	3	4	152	Honoraires d'actuariat
Actuarial - Sufficiency review	—	—	—	—	Honoraires d'actuariat - Réévaluation de la suffisance
Medical and other consulting	88	—	—	88	Frais médicaux et autres frais de consultation
	2,960	320	120	3,400	

	Regular	Late claims benefits	Special distribution benefits	2021 Total	
	Régulier	Réclamations Tardives	Indemnités de distribution spéciale		
	\$	\$	\$	\$	
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
	2,911	425	195	3,531	

**1986-1990 Hepatitis C Claims Centre
Annual Report for the Period Ending December 31, 2022**

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 23

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 the 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, 2022

Funds disbursed – HCV Regular Benefit Account	\$1,097,268,510.14
Funds disbursed – HCV Special Distribution Benefit Account	\$104,214,069.56
Claims received	18,228
Claims approved	14,919
Claims denied	3,197
Claims in progress	112
Appeals	512
Decisions Rendered	365
Mediated/Withdrawn/Rescinded/Archived	141
Traceback requests initiated	5,065

HCV Late Claims Benefit Plan - Key Statistics as of December 31, 2022

Funds disbursed – HCV Late Claims Benefit Plan Account	\$16,063,215.67
Claims received	481
Claims approved	223
Claims denied	103
Claims in progress	155
Appeals	26
Decisions Rendered	10
Mediated/Withdrawn/Rescinded/Archived	4
Traceback requests initiated	156

SCHEDULE C

Administrator's 2022 Hepatitis C 8690 Reconciliation

Balance owing as of December 31, 2021		\$ 175,679.62
A. Regular Benefit Plan		
Budgeted Fees	\$ 535,499.88	
HST	\$ 69,614.98	\$ 605,114.86
Activity Adjustment	\$ (25,750.58)	
HST	\$ (3,347.58)	\$ (29,098.16)
Disbursements	\$ 832.92	
HST	\$ 108.30	\$ 941.22
Third Party Expenses	\$ -	
HST	\$ -	\$ -
Appeals Costs	\$ -	
HST	\$ -	\$ -
Regular Benefit Plan Total 2022 Fees and Disbursements		\$ 576,957.92
B. Special Distribution Benefits (SDB)		
Fees	\$ 18,370.00	
HST	\$ 2,388.11	\$ 20,758.11
Disbursements	\$ -	
HST	\$ -	\$ -
SDB Total 2022 Fees and Disbursements		\$ 20,758.11
C. Late Claims Benefit Plan (LCBP)		
Fixed Fee	\$ 5,000.00	
Activity Level Fees	\$ 75,529.50	
HST	\$ 10,468.84	\$ 90,998.34
Disbursements	\$ 7,052.64	
HST	\$ 916.84	\$ 7,969.48
LCBP Total 2022 Fees and Disbursements		\$ 98,967.82
D. Special Projects		
Fees	\$ 31,804.50	
HST	\$ 4,134.60	\$ 35,939.10
Disbursements	\$ 2,442.71	
HST	\$ 317.55	\$ 2,760.27
Special Projects Total 2022 Fees and Disbursements		\$ 38,699.37
2022 Total		\$ 735,383.22
Payments made in 2022		
Towards Budget Year 2021	\$ 175,679.62	
Towards Budget Year 2022	\$ 653,154.66	
Total Payments made in 2022		\$ 828,834.28
Balance to be Debited Against Hep C Fund (as of December 31, 2020)		\$ 82,228.56
Balance outstanding as of the date of this report		NIL

**Concentra Trust
Trustee and
Custodian
Hepatitis C Fund**

Section 1 | About the Trustee and Custodian

About Concentra Trust

Concentra Trust is Canada's seventh largest bank-owned trust company and has more than 70 years of experience and expertise serving corporate entities, credit unions and individuals. It offers a full suite of trust services focused on specialized needs including Indigenous trusts, corporate trusts, high net worth personal trusts, and registered plan trustee solutions. As a federally regulated trust company, Concentra Trust complies with federal anti-money laundering, risk, legal, and compliance programs. Concentra Trust is a subsidiary of Concentra Bank, which was acquired in November 2022 by Equitable Bank.

About Equitable Bank

EQB Inc. trades on the Toronto Stock Exchange (TSX: EQB and EQB.PR.C) and serves more than 370,000 people across Canada through its wholly owned subsidiary Equitable Bank, Canada's Challenger Bank™. Equitable Bank's wholly owned subsidiary Concentra Bank supports credit unions across Canada, which collectively serve more than 5 million members. Equitable Bank has more than \$100 billion in combined assets under management and administration, with a clear mandate to drive change in Canadian banking to enrich people's lives. Founded more than 50 years ago, Canada's Challenger Bank™ provides diversified personal and commercial banking and through its EQ Bank platform (eqbank.ca) it has been named the top Schedule I Bank in Canada on the Forbes World's Best Banks 2022 and 2021 lists. Please visit equitablebank.ca for details.

About our Custodian | CIBC Mellon, CIBC Mellon Trust Company and CIBC Mellon Global Securities Services Company

CIBC Mellon is a licensed user of the CIBC trademark and certain BNY Mellon trademarks and is the corporate brand of CIBC Mellon Global Securities Services Company and CIBC Mellon Trust Company.

CIBC Mellon provides a secure facility for the safekeeping of stocks, bonds, notes and other securities—in both physical and book-based environments. Assets are held securely and recorded accurately on CIBC's custody platform. CIBC performs an annual depository risk assessment along with regular reconciliation of physical vault and depository positions.

CIBC Mellon has a direct, electronic interface with the Canadian Depository for Securities (CDS), which allows automated affirmation and settlement confirmation. This results in a seamless exchange of data between platforms and the depositories and provides maximum control over the securities settlement process.

Section 2 | Responsibilities of the Trustee and Custodian

Concentra Trust was appointed as Trustee and Custodian of the Hepatitis C Trust Fund by the Superior Courts of British Columbia, Ontario and Quebec effective April 1, 2022. The Hepatitis C Trust Fund is administered and managed by a team of Senior Trust Administrators, Senior Trust Advisors and Trust Directors.

Contributions to the Trust Fund

Concentra Trust receives monthly contributions from the provincial and territorial governments. On confirmation of deposit, the funds are transferred to the custody account of the fund held with CIBC Mellon and are invested by the Investment Manager in accordance with the investment mandate.

Plan disbursements

All plan disbursements are processed in a timely manner in accordance with the terms of our appointment and/or court order. Invoices are received by Concentra Trust and Concentra Trust instructs CIBC to make payments directly from the custody account to the service providers.

Maintenance of records

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

Quarterly notional reports: Concentra Trust maintains notional accounts for each of the provincial and territorial governments. These accounts are based on 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 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. This reporting includes a breakdown of the three notional accounts, Regular Benefits, Special Distributions, and Late-Claims.

Responsibilities of the Sub-Custodian

Concentra Trust's appointment of CIBC Mellon Global Securities Services Company ("CIBC Mellon") as Sub-Custodian of the Hepatitis C Trust Fund was approved by the Superior Courts of British Columbia, Ontario and Quebec effective April 1, 2022.

Custody and safekeeping of securities

Concentra Trust holds in trust the cash and securities of the Trust Fund through its custodian CIBC Mellon. The assets of the Trust Fund are administered in accordance with the directions of the Joint Committee or the investment manager appointed by the courts. CIBC Mellon ensures the safe custody of the assets and each day it reconciles the securities positions in its books using the services of the Canadian Depository for Securities Limited (CDS).

Processing of investment transactions

CIBC Mellon as custodian of the investments, completes all securities investment transactions based on authorized instructions received from the investment manager.

Collection of income

CIBC Mellon will pay income contractually for dividends and interest if the entitlement payment is for an eligible contractual Income market. CIBC Mellon pays maturities on an actual basis (once payment from the issuer has been received).

Maintenance of records

CIBC Mellon 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.

Summary of Trust Fund Activity

The following is a summary of Hepatitis C Trust Fund Activity for the 12 months ended December 31, 2022, the Trust Fund's 23rd year of operation.

January 1 – December 31, 2022

RBC I&TS - Trustee/Custodian (Jan - March 31, 2022)

Concentra Trust Trustee/Custodian (April 1 - December 31, 2022)

Payments to the Trust Fund

Contributions from Provincial and Territorial governments	\$7,585,124.77
Earnings (including investment income and realized capital gains and losses)	\$18,944,621.76

Payments from the Trust Fund

Disbursements to the administrator for claimants	\$29,899,878.47
Disbursements to service providers for fees and expenses (including Concentra Trust trustee and custodial fees)	\$3,446,237.81
Total	\$33,346,116.28

April 1 - December 31, 2022 - Concentra Trust Trustee/Custodian

Payments to the Trust Fund

Contributions from Provincial and Territorial governments	\$4,398,451.72
Earnings (including investment income and realized capital gains and losses)	\$15,294,132.16

Payments from the Trust Fund

Disbursements to the administrator for claimants	\$16,899,890.99
Disbursements to service providers for fees and expenses (including Concentra Trust trustee and custodial fees)	\$2,074,052.29
Total	\$18,973,943.28

Closing Market Value of the Trust Fund

At December 31, 2022	\$980,652,310.46
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Trustee and Custodial Fees

Budget Approved by the courts - Concentra Trust & CIBC Mellon (sub-custodian)	\$135,500.00
Actual charge to the Trust Fund (2022)	\$101,701.72
Fees for Nov/Dec (taken January 2023)	\$29,042.80
Total Fees applied against 2022 Budget	\$130,744.52

Fees by type (For 2022)

Trustee Fees (Concentra Trust)	\$105,000.03
Taxes (GST/HST)	\$5,249.97
Total	\$110,250.00
Sub-Custodian (CIBC Mellon)	\$25,744.49
Taxes (GST/HST)	\$1,285.97
Total	\$27,030.46

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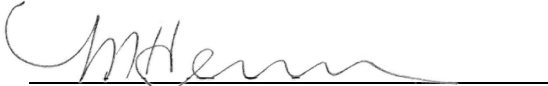
1986-1990 Hepatitis C Settlement Trust Fund

Annual Certificate of Compliance

For the year ending: December 31, 2022

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

Compliance verified by:



Michelle Hegeman, CFA
Vice President & Director
Portfolio Management

Date: January 12, 2023

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



2022 Year-end Review

1986 - 1990 Hepatitis C Settlement Trust Fund

March 21, 2023

Anne Giroux, CFA, SIPC
Vice President & Director

Michelle Hegeman, CFA
Vice President & Director



Investment Mandate



1986 - 1990 Hepatitis C Settlement Trust Fund

Investment 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	\$47,227,790
	Segregated Real Return Bonds (buy-and-hold)	N/A	Feb 29-00	\$736,138,248
Long Term	TD <i>Emerald</i> Canadian Bond Index Fund	FTSE Canada Universe Bond Index	Feb 29-00	\$53,128,404
	TD <i>Emerald</i> Low Volatility All World Equity PFT	MSCI All Country World Index ND (C\$)	Oct 25-18	\$130,066,498
Total				\$966,561,025

Note: PFT = Pooled Fund Trust. Numbers may not add due to rounding. As of Dec 31, 2022.

Performance



1986 - 1990 Hepatitis C Settlement Trust Fund

Returns as of Dec 31, 2022	Account Performance			Hep C Target
	1 Yr	4 Yrs	Account Inception ¹	
TD <i>Emerald</i> Canadian Short Term Investment Fund	1.78%	1.33%	1.37%	N/A
FTSE Canada 91 Day T-Bill Index	1.81%	1.12%	1.16%	
Difference	-0.03%	0.21%	0.21%	
Segregated Real Return Bonds (buy-and-hold)	-7.98%	2.35%	5.64%	N/A

Returns as of Dec 31, 2022	Account Performance			Hep C Target Tracking Error (%)	
	1 Yr	4 Yrs	Account Inception ¹	1 Yr	4 Yrs
TD <i>Emerald</i> Canadian Bond Index Fund	-11.69%	-0.13%	4.30%	± 0.20	± 0.10
FTSE Canada Universe Bond Index	-11.69%	-0.01%	4.38%		
Difference	0.00%	-0.12%	-0.08%		

Returns as of Dec 31, 2022	Account Performance			Volatility	Down Market Capture	Sharpe Ratio	Beta
	1 Yr	4 Yrs	Account Inception ¹				
TD <i>Emerald</i> Low Volatility All World Equity PFT	-0.58%	4.39%	4.61%	10.67%	61.67%	0.31	0.59
MSCI All Country World Index ND (C\$)	-12.43%	9.02%	8.39%	13.71%	100.00%	0.58	1.00
Difference	11.85%	-4.63%	-3.78%	-	-	-	-

Hep C Targets over 4 Years	1 Yr	4 Yrs	70% of Index or Lower	80% of Index or Lower	Greater than Index	70% or Lower
Total Return²	-7.67%	2.35%				

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 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 Global Investment Solutions, 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, 2022.

Performance



1986 - 1990 Hepatitis C Settlement Trust Fund

Returns as of Dec 31, 2022	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	0.97%	1.78%	1.78%	1.02%	1.08%	1.33%	-	-	1.37%
FTSE Canada 91 Day T-Bill Index		1.00%	1.81%	1.81%	0.99%	0.95%	1.12%	-	-	1.16%
Difference		-0.03%	-0.03%	-0.03%	0.03%	0.14%	0.21%	-	-	0.21%
TD <i>Emerald</i> Canadian Bond Index Fund	Feb 29-00	0.07%	-11.69%	-11.69%	-7.28%	-2.31%	-0.13%	0.17%	1.54%	4.30%
FTSE Canada Universe Bond Index		0.10%	-11.69%	-11.69%	-7.22%	-2.20%	-0.01%	0.27%	1.63%	4.38%
Difference		-0.03%	0.00%	0.00%	-0.06%	-0.11%	-0.12%	-0.10%	-0.09%	-0.08%
Segregated Real Return Bonds	Feb 29-00	2.47%	-7.98%	-7.98%	-2.66%	1.09%	2.35%	1.76%	2.09%	5.64%
TD <i>Emerald</i> Low Volatility All World Equity PFT	Oct 25-18	8.37%	-0.58%	-0.58%	8.08%	1.18%	4.39%	-	-	4.61%
MSCI All Country World Index ND (C\$)		8.24%	-12.43%	-12.43%	1.45%	5.53%	9.03%	-	-	8.39%
Difference		0.13%	11.85%	11.85%	6.63%	-4.35%	-4.63%	-	-	3.78%

Note: Returns are net of expenses; numbers may not add due to rounding

Source: TD Global Investment Solutions, FTSE Global Debt Capital Markets Inc., MSCI Inc.

Universe Bond Market Update



Sector	Weight (%)	Quarter Return (%)	1 Year Return (%)
Federal	37.32	-0.12	-9.34
Provincial	34.34	-0.31	-15.05
Municipal	2.05	-0.12	-13.54
All Corporates ¹	26.29	1.00	-9.87
Corporate BBB	10.93	1.22	-9.79
FTSE Canada Universe Bond Index		0.10	-11.69

3-Month Commentary

- The **FTSE Canada Universe Bond Index (the “Index”)** increased 0.10% over the fourth quarter of 2022. Within the Index, government bonds declined 0.21%, underperforming the corporate sector, which advanced 1.00%.
- Among corporate issuers, Communication and Energy sector bonds posted the largest increases, while Infrastructure bonds delivered the weakest return. BBB-rated bonds posted the largest increase, rising 1.22%, followed by A-rated bonds, which increased 0.84%. AAA/AA-rated bonds posted the lowest return, rising 0.79%. Provincial bonds posted the largest decline in the government sector, falling 0.31%. Over the quarter, investment-grade credit spreads narrowed 12 basis points (“bps”) from 1.80% to 1.68%.
- Short-term bonds outperformed mid- and long-term bonds. The FTSE Canada Short Term Bond Index increased 0.67%, while the FTSE Canada Mid Term Bond Index rose 0.34%. The FTSE Canada Bond Index declined 1.01%.
- Over the quarter, the Index’s yield increased 13 bps to 4.28%. Government bond yields increased 14 bps to 3.92%, while corporate bond yields rose seven bps to 5.27%.

¹ Including BBB Corporates.

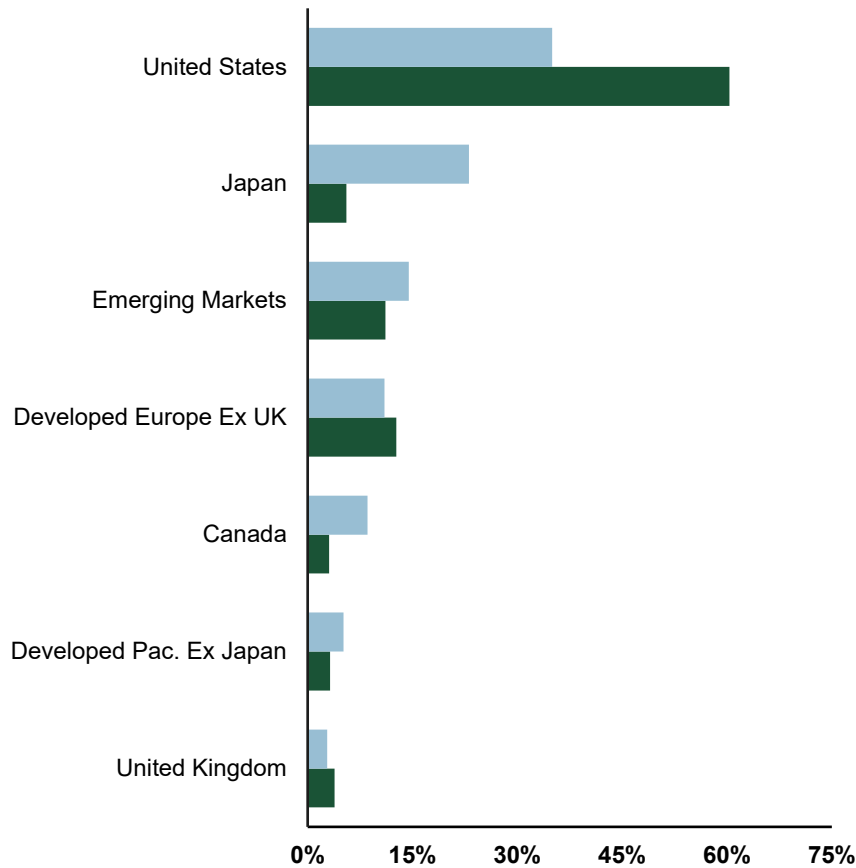
Source: TD Global Investment Solutions, FTSE Global Debt Capital Markets Inc. As of Dec 31, 2022.

Fund Composition

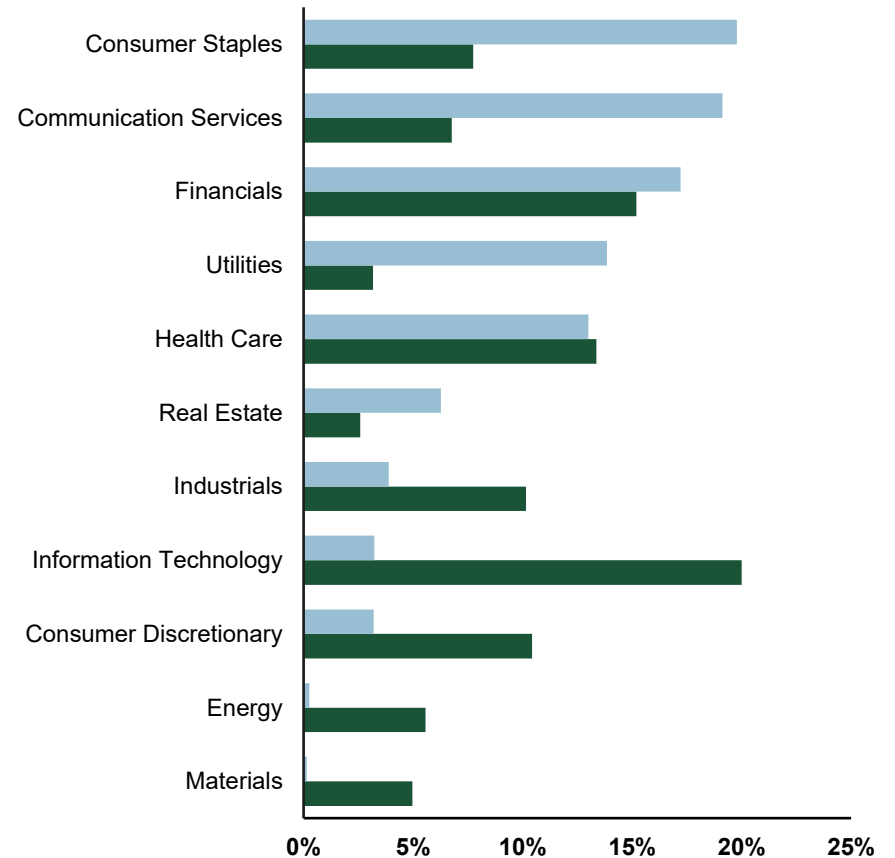
TD Emerald Low Volatility All World Equity PFT



Region Weights



Sector Weights



■ TD Emerald Low Volatility All World Equity PFT
 ■ MSCI All Country World Index ND (C\$)

Source: TDGIS, MSCI Inc. As of Dec 31, 2022.

All Country World Equity Market Update



Region	Weight (%)	Quarter Return (%)	1 Year Return (%)
United States	60.37	5.49	-14.02
Developed Europe Ex UK	12.69	18.10	-12.14
Emerging Markets	11.08	8.20	-14.50
Japan	5.56	11.65	-10.59
United Kingdom	3.87	15.35	2.08
Developed Pac. Ex Japan	3.26	14.13	0.77
Canada	3.06	5.93	-6.54
MSCI AC World Index ND (C\$)¹		8.24	-12.43

3-Month Commentary

- Global equities, as measured by the **MSCI AC World Index ND (C\$)**, rose 8.24% over the fourth quarter of 2022. Sentiment toward risk assets heightened as global central banks signalled their intentions to slow interest-rate increases as inflation eases. The move might also minimize the potential negative impact on global economic activity. Still, overall economic activity was relatively weak over the quarter, particularly in the U.S., China and European Union.
- U.S. equities rose over the fourth quarter of 2022, with 9 of 11 sectors posting positive returns. U.S. equities gained momentum during the quarter in response to indications by the U.S. Federal Reserve Board (“Fed”) that it intends to begin slowing the pace of its interest-rate increases. Energy, Industrials and Materials were the strongest-performing sectors, while the Consumer Discretionary, Communication Services and Real Estate sectors were the weakest.
- Emerging market equities rose 8.20% over the fourth quarter of 2022. Signs that global central banks will soon begin slowing the pace of interest-rate increases lifted sentiment toward emerging markets companies’ growth potential.
- European equities posted a relatively strong return over the quarter, primarily due to signs of easing inflationary pressures, which could lead the European Central Bank (“ECB”) to reduce the size of its interest-rate increases. European economic growth slowed to 0.3% in the third quarter of 2022 as tighter financial conditions weighed on European consumers and businesses. Geopolitical tensions in Ukraine continue to weigh on Europe’s business activity. Over its final two meetings of 2022, the ECB raised its key interest rate from 1.25% to 2.50% to bring inflation back down to its 2% target. U.K. equities advanced over the quarter, benefiting from some new policy stability demonstrated by the U.K. government. In its ongoing effort to bring down multi-decades of high inflation, the Bank of England (“BoE”) raised its policy interest rate by a total of 125 bps to 3.5% over the quarter.
- Japanese equities advanced on hopes easing restrictions might help boost economic activity. Chinese equities finished higher over the quarter after economic growth in the third quarter rose faster than expected while the government eased some of its COVID-19 Pandemic policies.

¹ From MSCI Inc. Note: Performance numbers in C\$ terms. Total returns net of withholding taxes. Source: TD Global Investment Solutions, Factset. As of Dec 31, 2022.



Appendix



Performance

TD Emerald Pooled Funds



Returns as of Dec 31, 2022	Inception Date	AUM (in billion)	Annualized								Since Inception
			3 mths	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	10 Yrs	
TD Emerald Canadian Short Term Investment Fund	Jul 4-91	\$2.48	0.97%	1.78%	1.78%	1.02%	1.08%	1.33%	1.44%	1.25%	3.31%
FTSE Canada 91 Day T-Bill Index			1.00%	1.82%	1.82%	0.99%	0.95%	1.12%	1.17%	0.95%	2.91%
Difference			-0.03%	-0.03%	-0.03%	0.03%	0.14%	0.21%	0.26%	0.30%	0.41%
TD Emerald Canadian Bond Index Fund	Aug 7-91	\$3.28	0.07%	-11.69%	-11.69%	-7.28%	-2.31%	-0.13%	0.17%	1.54%	5.83%
FTSE Canada Universe Bond Index			0.10%	-11.69%	-11.69%	-7.22%	-2.20%	-0.01%	0.27%	1.63%	5.89%
Difference			-0.03%	0.00%	0.00%	-0.06%	-0.11%	-0.12%	-0.10%	-0.09%	-0.05%
TD Emerald Low Volatility All World Equity PFT	May 9-11	\$1.77	8.37%	-0.58%	-0.58%	8.08%	1.18%	4.39%	3.81%	9.92%	9.79%
MSCI All Country World Index ND (C\$)			8.24%	-12.43%	-12.43%	1.45%	5.54%	9.03%	6.89%	11.36%	10.09%
Difference			0.13%	11.85%	11.85%	6.63%	-4.35%	-4.63%	-3.08%	-1.43%	-0.30%

Note: Returns are net of expenses; numbers may not add due to rounding

Source: TD Global Investment Solutions, FTSE Global Debt Capital Markets Inc., MSCI Inc.

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REPORT OF ECKLER LTD. ACTIVITIES

The firm of Eckler Ltd. was engaged to provide the Trust with continuing actuarial advice during the period from January to December 2022. 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 the custodian's asset statements; checking the 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 2023; various discussions with counsel; and other miscellaneous items.



SCHEDULE H

ECKLER

HEPATITIS C SETTLEMENT TRUST FUND

Investment Summary
as at December 31, 2022

March 23, 2023

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 2022, either passively or on an indexed basis. It is proposed that the equity portfolio will be transitioned to MFS in the first quarter of 2023 to invest in their low volatility strategy.
- Concentra Trust became the custodian for the investible assets effective April 1, 2022.
- Our analysis is based on statements provided by both Concentra Trust (RBC ITS for the first 3 months) and TD Asset Management.
- In particular:
 - All dollar amounts, including asset values and cashflows, are taken from Concentra Trust or RBC ITS accounts
 - Returns are derived from the TD quarterly statements. We have reviewed these for reasonableness but have not independently verified the returns in full.
- 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-22			Dec-21		
						Value	Asset Alloc	Fund Alloc	Value	Asset Alloc	Fund Alloc
Long term	Real Return Bonds	Passive	70.0%	80.0%	84.0%	669,245	71.9%		661,505	63.8%	
	Universe Bonds	Index	4.0%	6.0%	8.0%	53,124	5.7%		61,972	6.0%	
	World Equity	Low Volatility	8.0%	14.0%	20.0%	141,038	15.1%		145,964	14.1%	
	Cash		0.0%	0.0%	10.0%	67,913	7.3%		167,399	16.1%	
				100.0%		931,319	100.0%	88.3%	1,036,840	100.0%	88.8%
Short Term	Short Term Investment Fund	Index				47,227			51,127		
	Cash					2,107			11		
						49,334		4.7%	51,138		4.4%
Total Invested Assets *						980,652		93.0%	1,087,978		93.2%
Provinces/Territories' Notional Assets (net of prepayments, including outstanding payments)						73,592		7.0%	79,960		6.8%
Total Assets						1,054,244		100.0%	1,167,938		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-22	Dec-21
Long Term Fund	95.0%	95.3%
Short Term Fund	5.0%	4.7%
Total Invested Assets	100.0%	100.0%

Comments on Asset Summary

As of December 31, 2022:

- Weighting for real return bonds is currently 8.1% below their benchmark of 80% of the Long Term Fund
 - An increase from the significant underweight from December 31, 2021 (16.2% below benchmark)
 - The increase for real return bonds resulted from the reinvestment of about half the proceeds from maturing of the December 2021 real return bond
 - Maximum allocation to cash was increased from 4% to 10% to manage the redemption proceeds from the 2021 RRB and to allow TDAM to better manage the duration of the RRB allocation
- As a result of the above, both real return bonds and cash are within the investment policy limits.
- Weighting for universe bonds is 5.7%, 0.3% lower than their benchmark of 6%
 - Weighting decreased from December 31, 2021 of 6.0%
- Equities are above their benchmark by 1.1%
 - At December 31, 2021 they were 0.1% above their benchmark of 14.0%.
- Provinces/Territories' ("PT") Notional Assets are net of prepayments by Yukon
 - See further detail on page 9
- As a percentage of the Invested Assets, the Long Term Fund has decreased from 95.3% to 95.0%, while the Short Term Fund has increased from 4.7% to 5.0% 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, 2021		828,809	208,031	51,138	1,087,978	79,960	1,167,938
Investment income (realized and unrealized)		(74,933)	(7,524)	892	(81,565)	1,216	(80,349)
Inflow:	Recoveries from Provinces	-	-	7,585	7,585	(7,585)	-
	Additional Prepayments	-	-	-	-	-	-
Outflow:	Benefit Payments	-	-	(29,900)	(29,900)	-	(29,900)
	Expenses	-	-	(3,446)	(3,446)	-	(3,446)
Transfers between funds		(17,044)	(6,021)	23,065	-	-	-
Closing, at December 31, 2022		736,832 ²	194,486 ²	49,334	980,652	73,592	1,054,244

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 Concentra Trust and 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 decreased since December 31, 2021 by \$107.3m
 - As a result of negative investment returns, benefit payments and expenses
- The Provinces/Territories' Notional Assets have decreased by \$6.4m
 - 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 decreased by \$113.7m
- 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 \$23.1m
 - \$17.1m from real return bond coupons in June and December 2022
 - \$6.0m from other long term funds - spread over the whole year of 2022

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

	Gross Province/ Territories' Notional Assets	Add Payable Nova Scotia	Less Yukon Prepayments	Net Provinces/ Territories' Notional Assets
Initial, at December 31, 2021	79,972		(11)	79,960
Interest credits	1,216			1,216
Additional prepayments	-			-
3/11 th share of benefits/expenses	(7,591)	6		(7,585)
Closing, at December 31, 2022	73,597	6	(11)	73,592

Totals may appear not to add due to rounding.

Investment Returns

Fund	Portfolio	Fiscal Year Ending				Quarterly Returns Fiscal Dec 2022			
		Dec-19	Dec-20	Dec-21	Dec-22	Mar-22	Jun-22	Sep-22	Dec-22
Long Term	Real Return Bonds	6.3%	8.8%	3.6%	-9.2%	-5.5%	-6.5%	0.5%	2.3%
	Universe Bonds	6.7%	8.5%	-2.7%	-11.7%	-7.0%	-5.7%	0.5%	0.1%
	Low Volatility World Equity	14.6%	-11.3%	17.5%	-0.6%	-0.6%	-4.6%	-3.3%	8.4%
	Total	7.4%	5.9%	4.9%	-8.0%	-4.9%	-6.3%	0.4%	2.9%
Short Term	Short Term Bonds/Investment Fund	2.1%	1.2%	0.3%	1.8%	0.0%	0.2%	0.6%	1.0%
Total Invested Assets		7.3%	5.7%	4.7%	-7.5%	-4.7%	-6.0%	0.4%	2.8%
Notional PT Assets		1.7%	0.5%	0.1%	1.7%	0.0%	0.2%	0.5%	0.9%
Total Assets		6.8%	5.3%	4.4%	-6.9%	-4.4%	-5.6%	0.4%	2.7%

- The 2019, 2020, 2021 and 2022 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, although they have been crossed checked with the custodian valuations.
- 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.
- 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 -6.9% for the 2022 calendar year is the result of -7.5% for invested assets and 1.7% for notional PT assets
- Universe Bonds produced a negative return of -11.7% in 2022, reflecting a reduction in value as yields rose strongly in the first half of the year.
- RRB's returned -9.2%, also affected by the increase in yields but benefiting to some degree from the inflation protection of RRBs.
- The 2022 return for the low volatility world equity is -0.6%. In 2022 the low vol strategy provided significant protection relative to the full market. By comparison the MSCI All Country World Index returned -12.4% in 2022. This mandate will be transitioned from TDAM to MFS early in 2023.
- The 2022 return for the money market pooled fund is 1.8%
- The Provinces/Territories' Notional Assets increase with interest at the 3-month T-bill rate; in 2022, these rates were higher than the returns on the invested assets

Tracking Error

		Fiscal Year Ending				4 years to Dec 2022	Target Tracking Error	
		Dec-19	Dec-20	Dec-21	Dec-22		1 year	4 years
Universe Bonds	Actual	6.7%	8.5%	-2.7%	-11.7%	-0.1%		
	Index	6.9%	8.7%	-2.5%	-11.7%	0.0%		
	t/e	-0.2%	-0.2%	-0.2%	0.0%	-0.1%	0.20%	0.10%

- Universe Bonds met their tracking error target over both one and four years for 2022

Risk metrics for Low Volatility Equity Portfolio

Metric	Fund	Index	Ratio of Fund to Index	Performance Objective	Comment
Standard Deviation	10.7%	13.7%	0.78	<0.7	Worse than objective
Down Market Capture	62%	100%	0.62	<0.8	Met objective
Sharp Ratio	0.31	0.58	0.53	>1	Poor risk-adjusted performance
Beta	0.60	1.0	0.60	<0.7	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, 2022

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, 2021	945,522	74,513	67,943	1,087,978	79,960	1,167,938
Investment Income	(70,916)	(5,544)	(5,105)	(81,565)	1,216	(80,349)
Inflow: Recoveries from PT	7,585	-	-	7,585	(7,585)	
Additional prepayments	-	-	-	-	-	
Outflow: Benefit Payments	(24,857)	(3,081)	(1,961)	(29,900)	-	(29,900)
Expenses	(2,988)	(183)	(275)	(3,446)	-	(3,446)
Closing, at December 31, 2022	854,345	65,705	60,602	980,652	73,592	1,054,244
Gross investment return	-7.5%	-7.5%	-7.5%	-7.5%	1.7%	-6.9%

Totals may appear not to add due to rounding.

ECKLER

SUMMARY OF JOINT COMMITTEE WORK DURING THE TWENTY-THIRD YEAR OF OPERATIONS (2022)

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 2022, approximately \$29.9 million² was paid to claimants as follows:
 - \$24.9 million under the Regular Benefit Plans
 - \$3.1 million in Special Distribution Benefits
 - \$2.0 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 \$1.22 billion in response to 15,142 claims.

3. Operating expenses of administration and all service providers in 2022 were approximately \$3.4 million, which was a decrease of about 3.7% over the previous year.
4. In 2022, there was a negative 7.67% return on the total invested assets. The invested assets decreased by about \$108.4 million (net of payments out).
5. As at December 31, 2022, the Trust Fund held assets of approximately \$985.4 million. The unpaid liability of the provincial and territorial governments was approximately \$71.2 million (including interest). This unpaid liability combined with the Trust Fund's assets totals approximately \$1.057 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.
7. As at December 31, 2022:
 - The Trust Fund held assets of about \$985.4 million
 - The obligation of the provinces and territories that fund on a pay-as-you-go basis was estimated to be about \$71.2 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.

*As at December 31, 2022, there was **\$1.057 billion** available to satisfy class members' claims*

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 2022, approximately \$24.9 million in claims were paid under the Regular Benefit Plans, which is equivalent to what was paid out in the previous year.³
11. Approximately \$3.1 million in Special Distribution Benefits were paid in 2022, which is 32.6% less than the previous year.⁴ In 2022, the Locator project was expanded to permit the Administrator to locate missing claimants using health insurance number and updated contact information from the provincial health insurance program databases. This project is ongoing and to date, it permitted the Administrator to reissue/issue approximately \$4.68 million in benefit payments to class members and executors successfully located.
12. Approximately \$2.0 million in Late Claims Benefits were paid in 2022, which is substantially less than the previous year⁵ which included payment of the 25% holdback plus interest, 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 \$3.4 million in administration and service provider expenses was paid in 2022, which is a decrease of about 3.7% from the previous year.⁶

³ In 2021, approximately \$24.9 million was paid. In 2020, approximately \$25.2 million was paid.

⁴ In 2021, approximately \$4.6 million was paid. In 2020, approximately \$3.1 million was paid.

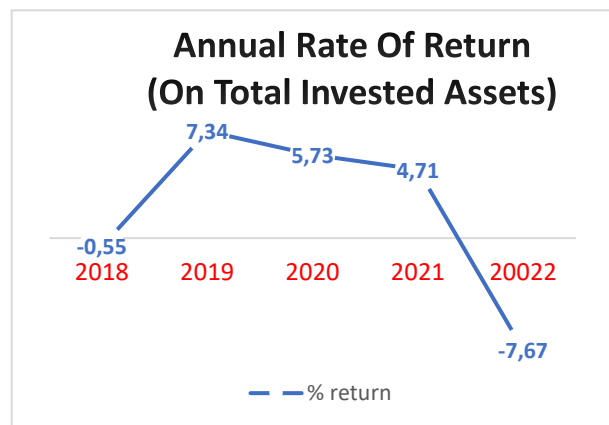
⁵ In 2021, approximately \$8.1 million was paid. In 2020, approximately \$3.7 million was paid. In 2019, approximately \$1.8 million was paid, which was the first year in which payments were made.

⁶ In 2021, the operating expenses were approximately \$3.5 million. In 2020, the operating expenses were approximately \$4.3 million.

Portfolio Oversight

14. In 2022, the invested portion of the Trust Fund closed at about \$985.4 million, which was down by approximately \$108.4 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 negative 7.67% return on the total invested assets in 2022, which was a substantial decrease over the prior year.⁷



17. Most of the assets (about \$736.1 million) are invested in Government of Canada RRBs, which produced a return of negative 7.98% in 2022. This was a substantial decrease over the previous year.⁸ The return on these bonds since inception is 5.64%.

18. The short term investment fund (comprising about \$47.2 million) produced a return of 1.78%, which was an increase over the prior year.⁹ The return on this fund since inception is 1.37%.

19. The “other” invested assets include a bond fund and equities.

- The return on the Canadian bond fund (comprising about \$53.1 million) was negative 11.69%, which was a substantial decrease over the previous year.¹⁰ The return on Canadian bonds since inception is 4.30%.
- The return on the low volatility all world equity fund (comprising about \$130.1 million) was negative 0.58%, which was a substantial decrease from the previous

⁷ In 2021, the overall return on invested assets was 4.71%. In 2020, the overall return on invested assets was 5.73%.

⁸ In 2021, the return on RRBs was 2.98%. In 2020, the return on RRBs was 9.04%.

⁹ In 2021, the return on the short term investment fund was 0.25%. In 2020, the return on short term investment fund was 1.22%.

¹⁰ In 2021, the return on Canadian bonds was negative 2.66%. In 2020, the return on Canadian bonds was 8.45%. In 2019, the return on Canadian bonds was 6.72%.

year.¹¹ The return on this fund since inception is 4.61%. After closely monitoring the performance of this fund over a few years in consultation with the Investment Consultant, Eckler Ltd., the Joint Committee filed applications at the end of 2022 recommending that these funds be invested in an alternative low volatility equity fund with a new investment manager. The Courts approved those applications in 2023.

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 2022

21. In addition to the ongoing close monitoring of the administration of the different Plans and service providers, including monthly meetings with the Administrator, the Joint Committee also performed a significant amount of work on the following matters in 2022:
 - Supervising the necessary investment adjustments pursuant to the Courts approval of the Investment Guidelines modifications to realign the asset duration with the liability duration as assessed at December 31, 2019.
 - Finalizing the due diligence and the revised terms of appointment for the replacement of RBC by Concentra Trust as trustee and custodian and coordinating and overseeing the transition and communication among all involved service providers, closely monitoring the reporting and the implementation of payment instructions by Concentra Trust, including reviewing the conclusion of the interim audit of its first 9-month of operation performed by Deloitte.
 - Preparing the 2019 Financial Sufficiency Review – Phase 2 including discussions with the actuaries to elaborate the initial allocation recommendations, discussions with counsel for Canada regarding their position on the Joint Committee’s application for allocation, further discussion with the actuaries regarding the impact of the recent turmoil of the financial markets on the Fund’s investments and available 2019 excess capital, obtaining a supplemental actuarial report confirming this impact, further discussions with counsel for Canada with regards to a step by step approach to update the conclusions of the Phase 1

¹¹ In 2021, the return on the low volatility all world equity portfolio was 17.51% 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%.

sufficiency and to modify the initial allocation recommendations to accommodate the reduced amount of 2019 excess capital available for allocation.

- With the assistance of the Investment consultant and securities legal expert, continuing discussions with the potential additional investment manager for the low volatility portfolio and drafting new terms of appointment for the investment manager and revisions to the Investment Guidelines.
- Coordinating with the Administrator the preparation and transmission of the dataset to the Medical Model Working Group (MMWG) and obtaining the MMWG updated medical model for the 2022 financial sufficiency review.
- Coordinating the expansion of the Locator project involving the collaboration of the different provincial and territorial governments to communicate updated contact information for the “missing claimants” from their health insurance database, including attending a hearing before the Superior Court of Quebec which ordered the RAMQ to do so.
- Drafting applications and supporting affidavits seeking:
 - Approval of modifications to the Investment Guidelines allowing the creation of a larger cash position in the long term fund and addressing the mismatch between asset duration and liability duration.
 - Appointment of an additional investment manager for the low volatility portfolio as per revised and updated Terms of Appointment for the Investment Managers and the approval of the necessary modifications to the Investment Guidelines.
 - Permission to use the multijurisdictional style of cause for the filing of the 2019 Financial Sufficiency – Phase 2.
 - Restatement of the conclusions regarding the 2019 Financial Sufficiency – Phase 1 review and allocation of a large portion of the 2019 excess capital to the benefit of the approved class members and their family members.
 - Approval of a budget for the MMWG to proceed to the update of the medical model for the 2022 Financial Sufficiency – Phase 1.
 - An order to force the RAMQ to communicate to the Administrator updated contact information contained in the health insurance database for the purpose of locating “missing claimants”.

- Negotiating the terms of the draft orders for the above-noted applications with the federal, provincial and territorial governments.
- Attending the annual meeting with the auditors and key service providers to review the 2021 financial year.
- Preparing the 2021 Annual Report and the applications and material for its approval.
- Obtaining the 2023 budget proposals from the service providers it supervises and preparing the applications and supporting material for approval of the 2023 annual budgets.
- Reviewing and updating the information displayed on the hepc8690.ca and the hepcclassaction.ca websites by posting regular notices and the proceedings and supporting material with regards to the 2019 Financial Sufficiency – Phase 2.
- 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.

SCHEDULE J
YEAR 23 JC FEES

**Joint Committee Fees and Disbursements Incurred in the Period from
January 1, 2022 to December 31, 2022**

Regular Benefit Plan

	BC	QUEBEC	ONTARIO (T)	ONTARIO (H)	TOTAL
FEES	\$125,443.75	\$183,384.50	\$200,131.00	\$255,680.00	\$764,639.25
DISB.	\$36,532.46	\$6,258.47	\$1,681.41	\$610.14	\$45,082.48
GST	\$8,074.83	\$9,482.15	\$0.00	\$0.00	\$17,556.98
PST	\$9,523.58	\$18,916.88	\$0.00	\$0.00	\$28,440.46
HST	\$0.00	\$0.00	\$26,235.62	\$33,317.72	\$59,553.34
TOTAL	\$179,574.62	\$218,042.00	\$228,048.03	\$289,607.86	\$915,272.51

Financial Sufficiency

	BC	QUEBEC	ONTARIO (T)	ONTARIO (H)	TOTAL
FEES	\$25,159.50	\$41,380.00	\$142,656.00	\$69,020.00	\$278,215.50
DISB.	\$550.21	\$0.00	\$1,973.29	\$119.68	\$2,643.18
GST	\$1,277.49	\$2,069.01	\$0.00	\$0.00	\$3,346.50
PST	\$1,772.55	\$4,127.65	\$0.00	\$0.00	\$5,900.20
HST	\$0.00	\$0.00	\$15,276.86	\$8,988.14	\$24,265.00
TOTAL	\$28,759.75	\$47,576.66	\$159,906.15	\$78,127.82	\$314,370.38

Special Distribution Benefits

	BC	QUEBEC	ONTARIO (T)	ONTARIO (H)	TOTAL
FEES	\$10,595.00	\$35,429.00	\$15,980.00	\$8,670.00	\$70,674.00
DISB.	\$243.65	\$0.00	\$0.00	\$0.00	\$243.65
GST	\$537.94	\$1,771.46	\$0.00	\$0.00	\$2,309.40
PST	\$742.13	\$3,534.04	\$0.00	\$0.00	\$4,276.17
HST	\$0.00	\$0.00	\$1,571.05	\$1,127.10	\$2,698.15
TOTAL	\$12,118.72	\$40,734.50	\$17,551.05	\$9,797.10	\$80,201.37

Late claim

	BC	QUEBEC	ONTARIO (T)	ONTARIO (H)	TOTAL
FEES	\$466.50	\$5,586.00	\$3,740.00	\$3,485.00	\$13,277.50
DISB.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GST	\$23.33	\$279.30	\$0.00	\$0.00	\$302.63
PST	\$32.66	\$557.20	\$0.00	\$0.00	\$589.86
HST	\$0.00	\$0.00	\$442.00	\$453.05	\$895.05
TOTAL	\$522.49	\$6,422.50	\$4,182.00	\$3,938.05	\$15,065.04

**REPORT OF FUND COUNSEL
(FOR 2022 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, 2022 to December 31, 2022**, 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, 2022	342
Number of appeals received from January 1, 2022 to December 31, 2022	2
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2022	252
Number of completed appeals (decisions rendered) from January 1, 2022 to December 31, 2022	4
Number of total withdrawals from the beginning to December 31, 2022	50
Number of withdrawals from January 1, 2022 to December 31, 2022	1
Number of total rescissions of denial from the beginning to December 31, 2022	22
Number of rescissions of denial from January 1, 2022 to December 31, 2022	0
Number of total Mediated Appeals from the beginning to December 1, 2022	7
Number of Mediated appeals from January 1, 2022 to December 31, 2022	0
Number of Archived Appeals	6
Number of total requests for judicial confirmation from the beginning to December 31, 2022	56
Number of requests for judicial confirmation from January 1, 2022 to December 31, 2022	0
Number of total judicial decisions from the beginning to December 31, 2022	50
Number of judicial decisions from January 1, 2022 to December 31, 2022	0
Number of Appeals Justice Perell sent back to Referee up to December 31, 2022	4

Number of Appeals that have been sent back that are concluded	3
Number of Appeals sent back by Justice Perell that have been withdrawn by claimant up to December 31, 2022	1
Total Number of pending Appeals as of December 31, 2022	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, 2022	14
Number of appeals received from January 1, 2022 to December 31, 2022	4
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2022	7
Number of completed appeals (decisions rendered) from January 1, 2022 to December 31, 2022	4
Number of total withdrawals from the beginning to December 31, 2022	3
Number of withdrawals from January 1, 2022 to December 31, 2022	1
Number of total rescissions of denial from the beginning to December 31, 2022	0
Number of rescissions of denial from January 1, 2022 to December 31, 2022	0
Number of total Mediated Appeals from beginning to December 1, 2022	0
Number of Mediated appeals from January 1, 2022 to December 31, 2022	0
Number of Archived Appeals	0
Number of total requests for judicial confirmation from the beginning to December 31, 2022	1
Number of requests for judicial confirmation from January 1, 2022 to December 31, 2022	1
Number of total judicial decisions from the beginning to December 31, 2022	0
Number of judicial decisions from January 1, 2022 to December 31, 2022	0
Number of Appeals Justice Perell sent back to Referee up to December 31, 2022	0

Number of Appeals that have been sent back that are concluded	0
Number of Appeals sent back by Justice Perell that have been withdrawn by claimant up to December 31, 2022	0
Total Number of pending Appeals as of December 31, 2022	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 **\$56,870.00** plus GST/HST. Ontario Fund Counsel incurred disbursements in the amount of **\$261.73**. The total amount of taxes incurred was **\$7,427.13**. No expert witness expenses were incurred. With taxes, the total amount of fees and disbursements incurred is **\$64,668.86**.

Ontario Fund Counsel incurred fees, with respect to Late Claims, in the amount of **\$68,685.00** plus GST/HST. Ontario Fund Counsel incurred disbursements in the amount of **\$17.19**. The total amount of taxes incurred was **\$8,931.29**. No expert witness expenses were incurred. With taxes, the total amount of fees incurred is **\$77,633.48**.

(b) **Quebec Fund Counsel**

Particulars of the appeals are as follows:

Regular Claims

Number of total appeals received from the beginning to December 31, 2022	63
Number of appeals received from January 1, 2022 to December 31, 2022	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2022	62
Number of completed appeals (decisions rendered) from January 1, 2022 to December 31, 2022	0
Number of total withdrawals from the beginning to December 31, 2022	20
Number of withdrawals from January 1, 2022 to December 31, 2022	0
Number of total mediated appeals from the beginning to December 31, 2022	2
Number of mediated appeals from January 1, 2022 to December 31, 2022	0

Number of total rescissions of denial from the beginning to December 31, 2022	10
Number of rescissions of denial from January 1, 2022 to December 31, 2022	0
Number of total requests for Judicial confirmation from the beginning to December 31, 2022	22
Number of requests for Judicial confirmation from January 1, 2022 to December 31, 2022	0
Number of total Judicial decisions from the beginning to December 31, 2022	20
Number of requests for Judicial confirmation withdrawn by claimant to December 31, 2022	1
Number of judicial decisions from January 1, 2022 to December 31, 2022	0
Total Number of pending Appeals as of December 31, 2022	1

Late Claims

Number of total appeals received from the beginning to December 31, 2022	9
Number of appeals received from January 1, 2022 to December 31, 2022	2
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2022	1
Number of completed appeals (decisions rendered) from January 1, 2022 to December 31, 2022	1
Number of total withdrawals from the beginning to December 31, 2022	0
Number of withdrawals from January 1, 2022 to December 31, 2022	0
Number of total rescissions from the beginning to December 31, 2022	0
Number of rescissions from January 1, 2022 to December 31, 2022	0
Number of total mediated appeals from the beginning to December 31, 2022	0
Number of mediated appeals from January 1, 2022 to December 31, 2022	0
Number of Archived Appeals	0
Number of Archived Appeals from January 1, 2022 to December 31, 2022	0

Number of pending appeals as of December 31, 2022	0
Number of total request for judicial confirmation from the beginning to December 31, 2022	0
Number of requests for judicial confirmation from January 1, 2022 to December 31, 2022	0
Number of total judicial decisions from the beginning to December 31, 2022	0
Number of judicial decisions from January 1, 2022 to December 31, 2022	0
Total number of pending appeals as of December 31, 2022	8

9. Quebec Fund Counsel incurred fees, with respect to Regular Plans (Transfused and Hemophiliac), in the amount of **\$8,800.00** plus tax. Quebec Fund Counsel incurred disbursements in the amount of **\$72.30** plus tax. The total amount of taxes incurred on fees and expenses is **\$1,153.40**. 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 **\$10,025.70**.

Quebec Fund Counsel incurred fees, with respect to Late Claims, in the amount of **\$11,900.00** plus tax. Quebec Fund Counsel incurred disbursements in the amount of **\$314.50**. The total amount of taxes incurred on fees is **\$1,587.89**. 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 **\$13,082.39**.

(c) **British Columbia**

Particulars of the appeals are as follows:

Regular Claims

Number of total appeals received from the beginning to December 31, 2022	74
Number of appeals received from January 1, 2022 to December 31, 2022	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2022	50
Number of completed appeals (decisions rendered) from January 1, 2022 to December 31, 2022	0
Number of total withdrawals from the beginning to December 31, 2022	17
Number of withdrawals from January 1, 2022 to December 31, 2022	0

Number of total rescissions from the beginning to December 31, 2022	0
Number of rescissions from January 1, 2022 to December 31, 2022	0
Number of total mediated appeals from the beginning to December 31, 2022	0
Number of mediated appeals from January 1, 2022 to December 31, 2022	1
Number of Archived Appeals	6
Number of Archived Appeals from January 1, 2022 to December 31, 2022	0
Number of pending appeals as of December 31, 2022	0
Number of total request for judicial confirmation from the beginning to December 31, 2022	20
Number of requests for judicial confirmation from January 1, 2022 to December 31, 2022	0
Number of total judicial decisions from the beginning to December 31, 2022	19
Number of judicial decisions from January 1, 2022 to December 31, 2022	0
Total number of pending appeals as of December 31, 2022	0

Late Claims

Number of total appeals received from the beginning to December 31, 2022	2
Number of appeals received from January 1, 2022 to December 31, 2022	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2022	0
Number of completed appeals (decisions rendered) from January 1, 2022 to December 31, 2022	1
Number of total withdrawals from the beginning to December 31, 2022	2
Number of withdrawals from January 1, 2022 to December 31, 2022	0
Number of total rescissions from the beginning to December 31, 2022	0
Number of rescissions from January 1, 2022 to December 31, 2022	0

Number of total mediated appeals from the beginning to December 31, 2022	0
Number of mediated appeals from January 1, 2022 to December 31, 2022	0
Number of Archived Appeals	0
Number of Archived Appeals from January 1, 2022 to December 31, 2022	0
Number of pending appeals as of December 31, 2022	1
Number of total request for judicial confirmation from the beginning to December 31, 2022	0
Number of requests for judicial confirmation from January 1, 2022 to December 31, 2022	0
Number of total judicial decisions from the beginning to December 31, 2022	0
Number of judicial decisions from January 1, 2022 to December 31, 2022	0
Total number of pending appeals as of December 31, 2022	0

10. B.C. Fund Counsel incurred fees with respect to Regular Plans (Transfused and Hemophiliac) in the amount of **\$4,972.50** plus tax. B.C. Fund Counsel incurred disbursements in the amount of **\$24.87** plus tax. The total amount of taxes incurred on fees and expenses is **\$597.95** (GST was paid in the amount of **\$249.87** and PST in the amount of **\$348.08**). 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 **\$5,595.32**.

B.C. Fund Counsel incurred fees with respect to Late Claims in the amount of **\$27,582.50** plus tax. B.C. Fund Counsel incurred disbursements in the amount of **\$2,778.64**. The total amount of taxes incurred on fees is **\$3,448.85** (GST was paid in the amount of **\$1,518.07** and PST in the amount of **\$1,930.78**). 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 **\$33,810.00**.

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 2022

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 9 active Court appointed Arbitrator/Referees: one in each of Alberta, Saskatchewan, Manitoba, Nova Scotia, Quebec, and British Columbia, and 3 in Ontario.

Appeal Activity

4. The number of new appeals assigned to Arbitrators and Referees remained extremely low in 2022.

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. Late Claim requests continue to be submitted and reviewed by the relevant arbitrator.

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*:	\$0	\$0	\$5,057.50
Disbursements:	\$0	\$0	\$200.08
Taxes:	\$0	\$ 0	\$758.63
TOTALS	\$ 0	\$0	\$6016.21

*This represents fees and disbursements paid in 2022, however, it may include amounts incurred for work performed in previous years.

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

8. Referee fees and disbursements in 2022 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*:	\$21,225.00	\$7,862.50	\$5,740
Disbursements:	\$606.74	\$121.84	\$0
HST:	\$1152.25	\$1,037.96	\$287
TOTALS:	\$22,983.99	\$9,022.30	\$6027

*This represents fees and disbursements paid in 2022, however, it may include amounts incurred for work performed in previous years.

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. There are, however, several outstanding matters that have been recently completed or will be completed in the coming year. The estimated fees for 2023 are \$15,000.
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. The estimated fees for 2023 are \$50,000.