

**HEPATITIS C**  
**CLASS ACTION SETTLEMENT**  
**1986-1990**

**YEAR 24**

**REPORT OF THE JOINT COMMITTEE**  
**FOR THE PERIOD ENDING DECEMBER 31, 2023**

**TAB**

**INDEX**

**1 Report of the Joint Committee – Year 24 (2023)**

**Schedules**

- A Audited Financial Statements of the 1986-1990 Hepatitis C Fund for year ending December 31, 2023
- B Annual Report of the Administrator, for the period ending December 31, 2023
- C Epiq 2023 Reconciliation
- D Concentra Trust – Information Brief
- E MFS Investment Management Canada Ltd – Annual certificate of compliance for year ended December 31, 2023
- F MFS Investment Management Canada Ltd – Low volatility equity portfolio review for year ending December 31, 2023
- G TD Asset Management Inc. – Annual Certificate of Compliance for year ended December 31, 2023
- H TD Asset Management Inc. – Portfolio Review of Trust Fund, for year ending December 31, 2023
- I Eckler Ltd. – Report of Activities
- J Eckler Ltd. – Hepatitis C Settlement Trust Fund Investment Summary as at December 31, 2023
- K Summary of the Joint Committee’s Work During Twenty-Second Year of Operations (2023)
- L Fees and Disbursements of the Joint Committee
- M Report of Fund Counsel
- N Report and Fees of Referees and Arbitrators

**January 1, 1986 to July 1, 1990**

**HEPATITIS C CLASS ACTION SETTLEMENT**

**YEAR 24**

**ANNUAL REPORT OF THE JOINT COMMITTEE**

**FOR THE PERIOD ENDING DECEMBER 31, 2023**

## TABLE OF CONTENTS

---

EXECUTIVE SUMMARY .....	1
OVERVIEW .....	3
2023 EXPENSES .....	4
A. REGULAR BENEFIT PLANS WORK .....	4
B. FINANCIAL SUFFICIENCY WORK .....	6
C. SPECIAL DISTRIBUTION BENEFITS WORK.....	7
D. LATE CLAIMS BENEFITS WORK.....	8
SERVICE PROVIDERS - DETAILED REVIEW.....	10
DELOITTE LLP .....	10
EPIQ CLASS ACTION SERVICES CANADA INC.....	10
MFS INVESTMENT MANAGEMENT .....	12
CONCENTRA TRUST .....	12
TD ASSET MANAGEMENT INC. ....	13
PRICEWATERHOUSECOOPERS LLP .....	13
COHEN HAMILTON STEGER & CO. INC. — PAULA FREDERICK .....	14
MEDICAL MODELLING WORKING GROUP .....	14
ECKLER LTD. ....	14
JOINT COMMITTEE .....	15
FUND COUNSEL.....	16
REFEREES AND ARBITRATORS .....	18
THE MONITOR .....	18
CANADIAN BLOOD SERVICES .....	18
HÉMA-QUÉBEC.....	19
2024 BUDGETS .....	19

---

## Annual Report – YEAR 24 (2023)

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-fourth year of operations on December 31, 2023.
2. In 2023, the Administrator received 109 new claims<sup>1</sup> under the Transfused HCV Plan and the Hemophiliac HCV Plan (collectively, the “**Regular Benefit Plans**”) as follows:
  - 1 Primarily Infected Transfused Claims
  - 86 Family Member Transfused Claims
  - 22 Family Member Hemophiliac Claims
3. In 2023, the Administrator did not approve any claims under the Recent HCV Diagnosis court-approved protocol exception to the First Claim Deadline of June 30, 2010 (“**First Claim Deadline**”). It approved 9 new claims under the other court-approved protocol exception to the First Claim Deadline.
4. In 2023, the Administrator paid about \$25.0 million in claims under the Regular Benefit Plans,<sup>2</sup> bringing the total benefits paid under the Regular Benefit Plans since inception to about \$1,222,229,297.
5. In 2023, the Administrator paid about \$79.7 million in Special Distribution Benefits, bringing the total benefits paid under the Special Distribution Benefits since inception to about \$183,972,815. As of December 31, 2023, approximately \$1,914,158 in special distribution and other payments have been reissued to “missing” claimants, executors and successors who have been located as a result of the various initiatives proposed by the Joint Committee and approved by the Courts.

*In 2023, the Settlement paid approximately:*

**\$25.0 million** under the Regular Benefit Plans

**\$79.7 million** in Special Distribution Benefits

**\$2.6 million** under the HCV Late Claims Benefit Plan

---

<sup>1</sup> In 2022, 44 new claims under the Regular Benefit Plans were received. In 2021, 116 new claims were received.

<sup>2</sup> In 2022, about \$24.9 million was paid out for claims under the Regular Benefit Plans. In 2021, about \$24.9 million was paid.

6. In 2023, the Administrator received 31 new late claim requests under the HCV Late Claims Benefit Plan. Referees approved 46 requests<sup>3</sup> to submit a late claim and denied 3 such requests.<sup>4</sup> The Administrator approved 16 late claims<sup>5</sup> including the following:

- 6 Primarily Infected Transfused Claims
- 9 Family Member Transfused Claims
- 1 Family Member Hemophiliac Claims

About \$2.6 million in Late Claims Benefits was paid in 2023,<sup>6</sup> 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 \$107.3 million to claimants in 2023<sup>7</sup> under all Plans, a 258.9% increase over 2022. This increase was mainly due to the payment of 2019 Special Distribution Benefits approved by the Courts in May 2023.

8. Since the Settlement's inception in 1999, the Administrator has paid about \$1.325 billion<sup>8</sup> to claimants in response to about 15,273 approved claims.

*Since inception, about  
\$1.325 billion in benefits  
has been paid to 15,273  
approved claims.*

9. Financial Statements of the Trust Fund attached at **Schedule A** indicate that the Trustee held assets of about \$927.0 million and the unpaid liability of the provincial and territorial governments was about \$68.9 million (including interest), so there was a total of about \$995.9 million available to satisfy class members' claims as at December 31, 2023.

10. In 2023, there was a 5.1% return on the invested assets held by the Trustee, which was a substantial increase over the prior year.<sup>9</sup> This increase was mainly due to a 3.49% return on the Government of Canada real return bonds, which comprise most of the invested assets of the Trust, as well as improved positive returns on all pooled funds comprising

---

<sup>3</sup> More claims were approved than received in 2023 because the former late claims referee in Quebec delayed issuing decisions on requests received in prior years. In 2022, 17 requests were approved. In 2021, 42 requests were approved.

<sup>4</sup> In 2022, no requests were denied. In 2021, 5 requests were denied.

<sup>5</sup> In 2022, 16 late claims were approved. In 2021, 35 late claims were approved.

<sup>6</sup> In 2022, about \$2.0 million was paid out in Late Claims Benefits. In 2021, about \$8.6 million was paid out in Late Claims Benefits.

<sup>7</sup> In 2022, the Administrator paid out about \$29.9 million in total in benefits under all Plans compared to about \$38.1 million paid out in 2021.

<sup>8</sup> This amount includes payments of about \$21.4 million to HIV secondarily infected claimants under EAP2.

<sup>9</sup> In 2022, the overall return on invested assets was -7.67%. In 2021, the overall return on invested assets was 4.71%.

the investment portfolio. The invested assets decreased by about \$58.8 million or 6.0% net of the significant payments out.<sup>10</sup>

11. The expenses incurred to administer the Settlement in 2023 totaled approximately \$5.7 million for all service providers after adjustments.<sup>11</sup> This represents an increase of about 67.8% over last year.<sup>12</sup> This was due largely to the costs associated with Phase 2 of the 2019 financial sufficiency review (including the surplus allocation hearing) overlapping in the same year with Phase 1 of the 2022 financial sufficiency review, as well as a significant increase in administration costs associated with processing and issuing payment of the 2019 Special Distribution Benefits approved by the Courts in May 2023 (the “**2019 SDBs**”).

## OVERVIEW

---

12. This is the twenty-fourth 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 2023, the Joint Committee was comprised of David Loukidelis, K.C., who was replaced by Richard Fyfe, K.C. in July 2023, Michel Savonitto, Harvey T. Strosberg, K.C., and Kathryn Podrebarac.<sup>13</sup>
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.<sup>14</sup> 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.

---

<sup>10</sup> In 2022, the invested assets decreased by about 9.97% net of payments out. In 2021, the invested assets increased by about 1.4% net of payments out.

<sup>11</sup> The adjustments occurred after the 2023 audit was completed. They relate to various credits owed by Epiq to the Trust Fund, as discussed in paragraphs 38 and 39.

<sup>12</sup> In 2022, the administration expenses totaled approximately \$3.4 million. In 2021, the administration expenses totaled approximately \$3.5 million.

<sup>13</sup> Mr. Loukidelis and Mr. Fyfe were 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.

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

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.

## 2023 EXPENSES

16. The budgeting process for 2023 commenced in late 2022. Annual budget approval orders were obtained from the Courts in January 2023, except for a few specific budgets that were approved by the Courts on applications filed separately by the Joint Committee.
17. The actual 2023 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 2023 were \$2,611,694 plus taxes, which was \$155,372 under their approved budgets.
19. The following chart summarizes the budget versus actual expenses for 2023 for the service providers supervised by the Joint Committee for Regular Benefit Plans work plus taxes.

Service Provider	2023 Budget	2023 Actual	Variance from Budget	Note
<b>Epiq</b>				See paras. 34-37, 40-41 and Schedules B and C
Administration of the Regular Benefit Plans and EAP2 Activity Level Adjustment	Fixed fee of \$25,600 and \$511,300 As incurred, subject to a +/- 10% variance	\$536,899 -	-	
Disbursements	At cost	\$5,743		
Third Party Expenses	As incurred	-	-	
Appeal Expenses	As incurred	-	-	
Special Projects				
Fees	\$100,000	\$455,305	\$355,305	
Disbursements	At cost	\$33,517	-	



Service Provider	2023 Budget	2023 Actual	Variance from Budget	Note
<b>Deloitte</b>				See paras. 30-33 and Schedule A
Audit, financial statements (exclusive of travel expenses)	\$96,291 <sup>15</sup>	\$96,291	-	
Special Projects	\$25,000	\$10,000	(\$15,000)	
<b>MFS Investment Management</b>				See paras. 42-46 and Schedules D and E
Investment Services	As per Schedule 1 of the Investment Guidelines	\$366,877	-	
<b>Concentra</b>				See para. 47-49 and Schedule F
Trustee & Custodian Services	\$182,000	\$173,025	(\$8,975)	
<b>TDAM</b>				See paras. 50-54 and Schedules G and H
Investment Services	\$360,000	\$156,738	(\$203,262)	
<b>Eckler</b>				See paras. 62-66 and Schedules I and J
Actuarial Services & Investment Review	\$87,500	\$92,678	\$5,178	
Special Projects	\$62,500	\$13,492	(\$49,008)	
<b>PricewaterhouseCoopers LLP</b>				See paras. 55-56
Income Loss annual computer programming update	\$10,000	\$10,000	-	
<b>Paula Frederick/ Cohen Hamilton Steger Inc.</b>				See paras. 57-58
Specialized Income Loss analysis	\$40,000	-	(\$40,000)	
<b>Joint Committee</b>				See para. 71 and Schedules K and L
Regular administration and supervision work				
Fees	\$900,000	\$700,389	(\$199,611)	
Disbursements	\$75,000	\$21,139	(\$53,861)	

20. The following service providers, who are not supervised by the Joint Committee, also provided services in 2023 relating to the Regular Benefit Plans. They were paid the

<sup>15</sup> The Courts approved a global budget of not more than \$114,000 for completing the audit and preparing financial statements for all three accounts of the Trust (\$96,291 for Regular Benefits, \$11,622 for Special Distribution Benefits and \$6,087 for Late Claims Benefits).

following amounts (exclusive of taxes) pursuant to applicable orders or the tariff approved by the Courts.

Service Provider	2023 Actual	Note
<b>Fund Counsel</b>		
Fees	\$158,643	See paras. 79, 81 and Schedule M
Disbursements	\$1,955	
<b>Arbitrators and Referees</b>		
Fees	\$22,773	See para. 84 and Schedule N
Disbursements	-	
<b>Court Monitor</b>		
Fees	\$8,610	See para. 87
Disbursements	\$1,159	

## 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 2023, the total fees of the service providers supervised by the Joint Committee for work relating to the financial sufficiency were \$1,410,475 which was \$209,254 under budget.

Service Provider	2023 Budget	2023 Actual	Variance from Budget	Note
<b>Eckler</b>				
Fees for 2022 Financial Sufficiency Review - Phase 1	\$797,000	\$621,839	(\$175,161)	See paras. 67-68
Fees for 2019 Financial Sufficiency Review – Phase 2 work performed in 2023	\$11,838 <sup>16</sup>	\$2,098	(\$9,740)	

<sup>16</sup> This was the balance of the budget approved retroactively in 2023 for work done in 2022 and to be done in 2023.

Service Provider	2023 Budget	2023 Actual	Variance from Budget	Note
<b>MMWG</b>				
Fees & Disbursements	\$139,107 <sup>17</sup>	\$106,017	(\$33,091)	See paras. 59-60
<b>Joint Committee</b>				
Fees for 2019 Financial Sufficiency Review – Phase 2	\$171,784 <sup>18</sup>	\$255,983	\$84,199	See paras. 72-73 and Schedules K and L
Disbursements	\$12,357			
Fees for the 2022 Financial Sufficiency Review–Phase 1		\$6,413	(\$5,944)	
Disbursements	\$500,000 \$10,000	\$424,538 \$5,480	(\$75,462) (\$4,520)	

### 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 2023, the total fees of the service providers supervised by the Joint Committee for work relating to Special Distribution Benefits were \$645,790 which was \$53,330 under budget.

Service Provider	2023 Budget	2023 Actual	Variance from Budget	Note
<b>Deloitte</b>				
Fees	\$11,622	\$11,622	-	See paras. 30-33

<sup>17</sup> This is the balance of the \$210,000 budget approved by the Courts for the MMWG's work to be performed in 2022 and 2023 regarding the Phase 1 - 2022 financial sufficiency review.

<sup>18</sup> This is the balance of the retroactive 2022-2023 budget for fees and disbursements to be incurred in 2023.

<b>Epiq</b>				
Prospective Payments – fixed fee	\$5,000 <sup>19</sup>	\$5,000	-	See para. 39 and Schedule C
Retroactive Payments – activity based fee schedule	Per fee schedule <sup>20</sup>	\$569,998 <sup>21</sup>	-	
Disbursements	At cost	-	-	
<b>Joint Committee</b>				
Fees	\$100,000	\$49,088	(\$50,912)	See para. 74 and Schedules K and L
Disbursements	\$5,000	-	(\$5,000)	
<b>Eckler</b>				
Fees	\$12,500	\$10,082	(\$2,419)	See para. 69

#### D. Late Claims Benefits Work

25. In December 2017, the Courts approved an HCV Late Claims Benefit Plan.
26. In 2023, 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 2023, the total fees of the service providers supervised by the Joint Committee for work relating to Late Claims Benefits were \$126,493 which was \$69,899 under budget.

Service Provider	2023 Budget	2023 Actual	Variance from Budget	Note
<b>Deloitte</b>				
Fees	\$6,087	\$6,087	-	See paras. 30-33

<sup>19</sup> The Administrator charges a flat fee of \$5,000 per year to administer Special Distribution Benefits payments on a *prospective* or go forward basis.

<sup>20</sup> 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.

<sup>21</sup> This is an adjusted amount that reflects the \$325,632.50 Epiq has agreed to repay for the Overbilled fees for the 2019 SDBs as discussed in paragraph 39.

Service Provider	2023 Budget	2023 Actual	Variance from Budget	Note
<b>Epiq</b>				
Fees – fixed fee	\$10,000 <sup>22</sup>	\$10,000	-	See para. 40 and Schedule C
Fees – activity based fee	Per fee schedule	\$92,805	-	
Disbursements		\$9,780	-	
<b>Joint Committee</b>				
Fees	\$75,000	\$14,283	(\$60,717)	See para. 75 and Schedules K and L
Disbursements	\$5,000	-	(\$5,000)	
<b>Eckler</b>				
Fees	\$12,500	\$3,318	(\$9,182)	See para. 69

28. The following service providers, who are not supervised by the Joint Committee, also provided services in 2023 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	2023 Actual	Note
<b>Fund Counsel</b>		
Fees	\$49,592	See paras. 80, 81 and Schedule M
Disbursements	\$277	
<b>Arbitrators and Referees</b>		
Fees	\$6,644	See para. 84 and Schedule N
Disbursements	-	

<sup>22</sup> The Administrator's fees and disbursements for services under the HCV Late Claims Benefit Plan include a fixed annual fee of \$10,000 for 2023 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.

## 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, 2023.
31. The Courts approved a 2023 budget for Deloitte for the audit and for preparation of the financial reports not to exceed \$114,000 plus travel expenses and taxes for completing the audit and preparing financial statements for all three accounts of the Trust to be allocated as follows: \$96,291 for the Regular Benefits, \$11,622 for the Special Distribution Benefits and \$6,087 for the Late Claims Benefits. The total amount invoiced by Deloitte for these services exclusive of taxes was \$114,000.
32. The Courts also approved a special projects budget of \$25,000 plus taxes for Deloitte, from which an amount of \$10,000 was expended and approved by the Joint Committee. This work related to additional testing conducted in connection with the large volume of 2019 SDB payments.
33. Deloitte’s fees were paid on approval of the Joint Committee pursuant to the 2023 budget approval orders.

### EPIQ CLASS ACTION SERVICES CANADA INC.

---

34. Epiq Class Action Services Canada Inc. (“**Epiq**”) was appointed Administrator by orders of the Courts for a two-year term commencing January 1, 2019. 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 2023. It reflects payments to Epiq in accordance with its budget of \$536,900 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. Epiq’s cumulative activity level in 2023 was within the 10% per annum permitted variance. Epiq incurred disbursements of \$5,743 under the Regular Benefit Plans.
38. In March 2023, the Joint Committee discovered errors in payments made by Epiq. At the Joint Committee’s request, Epiq undertook a full review and investigation of all payments made since its appointment in 2018, which uncovered additional errors. In most cases, the amounts overpaid have been subsequently recovered by deducting the overpayment from a fresh benefit payable to the claimant. In a few cases, no additional benefits are expected to be payable in the near future, so Epiq has agreed to reimburse the Fund for these over payments. As at December 31, 2023, the overpayments totaled \$185,894. This amount has subsequently been reduced to \$132,905 (the “**Overpayment Amount**”).
39. Epiq’s 2023 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 invoiced fees for administering these benefits in 2023 totalled \$900,631 plus taxes, comprised of the \$5,000 flat fee for prospective benefits and \$895,631 in fees for the administration of retroactive payments which included the payment of the vast majority of the 2019 SDBs approved by the Courts on May 30<sup>th</sup>, 2023. These amounts were paid on approval of the Joint Committee pursuant to the appointment and budget approval orders. However, the Joint Committee subsequently identified that \$325,632.50 plus taxes (the “**Overbilled fees for the 2019 SDBs**”) had been incorrectly charged, given the agreed upon methodology for invoicing fixed payment disease level retroactive benefits. Epiq has recognized its error and agreed to refund the Overbilled fees for the 2019 SDBs as reflected in Schedule C.
40. Epiq’s fee schedule for administering Late Claim Benefits was approved by the Courts in its appointment/budget orders. Epiq’s fees in 2023 were \$102,805 plus taxes, comprised of a \$10,000 flat fee and \$92,805 of activity-based fees and it incurred expenses of \$9,780 plus taxes. These amounts were paid on approval of the Joint Committee pursuant to the appointment/budget approval orders.
41. A special projects budget of \$100,000 was also approved for the Administrator for 2023. Epiq’s work relating to special projects in 2023 is detailed in Schedule C and included the following: Class database coding updates, the Locator project, which locates “missing” claimants who are owed payments, but whose contact information on file is outdated, and handling a high volume of calls and emails relating to SDBs. The volume of calls and
-

emails Epiq received relating to the Joint Committee's 2019 SDB applications, status updates, approvals and the 2019 SDB payment process greatly exceeded expectations (the "**Extra Calls**"). Epiq's fees for Extra Calls totaled \$391,248.00 plus taxes. The Joint Committee approved payment of \$35,943 plus taxes for the Extra Calls, which was the amount remaining in Epiq's special projects budget following the Joint Committee's approval of \$64,057 in fees plus taxes for the Locator and other special projects and its disbursements of \$33,517 plus taxes. The Joint Committee recommends approval of Epiq's remaining fees of \$355,305 plus taxes for Extra Calls. Epiq has agreed to offset the Overpayment Amount owed by it against the remaining fees owing to it for Extra Calls. After accounting for Epiq's required repayment of the Overbilled fees for the 2019 SDBs, Epiq owes the Trust Fund \$99,375.46, which will be applied as a credit to reduce the fees payable to Epiq in respect of its services in 2024.

## MFS INVESTMENT MANAGEMENT

---

42. In January 2023, MFS Investment Management Canada Limited ("**MFS**"), was appointed investment manager for the low volatility equity portfolio in place of TDAM, pursuant to orders of the Courts under terms of appointment approved by the Courts. The transition from TDAM to MFS occurred during the first quarter of 2023.
43. Attached as **Schedule D** is MFS's certificate of compliance for the investments under its management during 2023.
44. MFS 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 assets under management.
45. The actual fees charged by MFS in 2023 were \$366,877 plus taxes, which were paid pursuant to the court-approved Fee Schedule at Appendix 1 to the Investment Guidelines.
46. Attached as **Schedule E** is the low volatility portfolio review prepared by MFS.

## CONCENTRA TRUST

---

47. In 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.
48. Attached as **Schedule F** is Concentra Trust's Information Brief for the Hepatitis C Trust Fund for 2023.



49. The Courts approved a budget of \$182,000 plus taxes for Trustee and Custodian services for 2023. The actual amount charged for these services was \$173,025 plus taxes. It was paid on approval of the Joint Committee pursuant to the budget approval orders.

## TD ASSET MANAGEMENT INC.

---

50. TD Asset Management Inc. (“**TDAM**”) was appointed Investment Manager of the Trust Fund pursuant to the Orders of the Courts and since April 1<sup>st</sup>, it remains responsible of all the investments except for the Low volatility portfolio.
51. Attached as **Schedule G** is the Confirmation that TDAM has complied with the court-approved Investment Guidelines.
52. 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. For 2023, TDAM had provided an estimated budget of \$360,000 plus taxes.
53. TDAM’s actual fees based on the Fee Schedule and the value of the assets under management were \$156,738 plus taxes, which were paid pursuant to the court-approved Fee Schedule at Appendix 1 to the Investment Guidelines.
54. Attached as **Schedule H** is the Portfolio Review of the Trust Fund assets under TDAM’s management.

## PRICEWATERHOUSECOOPERS LLP

---

55. 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.
56. The budget approved by the Courts for PricewaterhouseCoopers LLP for 2023 was \$10,000 plus taxes. The actual amount charged to the Trust Fund by PricewaterhouseCoopers LLP was \$10,000 plus taxes. It was paid on approval of the Joint Committee pursuant to the 2023 budget approval orders.

---

## COHEN HAMILTON STEGER & CO. INC. – Paula Frederick

---

- 57. Cohen Hamilton Steger & Co. Inc. was retained in the past 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.
- 58. The budget approved for Ms. Frederick's services in 2023 was \$40,000. Her services were not required in 2023 and no fees were incurred.

---

## MEDICAL MODELLING WORKING GROUP

---

- 59. 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.
- 60. The budget approved in 2022 for the MMWG's services regarding the 2022 Financial Sufficiency Review – Phase 1 was \$210,000 in fees and disbursements, plus taxes, from which there was a balance of \$139,107 plus taxes carried over to 2023. The MMWG's actual fees incurred in 2023 were \$106,017 plus taxes which were paid on approval of the Joint Committee pursuant to the budget approval order/judgment.

---

## ECKLER LTD.

---

- 61. 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.
- 62. Eckler also provides quarterly and annual investment reviews and advice to the Joint Committee in respect of investments and on an as-needed basis.
- 63. Attached as **Schedule I** is the Report of Eckler regarding its activities during 2023.
- 64. Attached as **Schedule J** is an Investment Summary provided by Eckler.
- 65. The Courts approved an annual budget for Eckler's actuarial and investment review services of \$87,500 plus disbursements and taxes for 2023. Eckler's actual charges for these services were \$92,678 plus taxes, which were paid on approval of the Joint Committee up to the 2023 approved budget, leaving a small overage of \$5,178. This was due to the implementation of quarterly investment reporting by Eckler requested by the Joint Committee and to additional work required to reconcile differences between the

reports from TDAM and CIBC Mellon during the first two quarters of 2023. The Joint Committee recommends the approval and payment of this overage.

66. The Courts also approved a special projects budget of \$62,500. Eckler's actual charges were \$13,462 plus taxes. These fees were incurred for monitoring the transition of the low volatility equities fund from one manager to the other in the first quarter of 2023 and assessing the rebalancing needs of the different accounts in accordance with the Investment Guidelines.
67. As part of the 2023 budget approval orders, the Courts approved a retroactive budget of \$55,000 regarding the 2019 Financial Sufficiency – Phase 2 work performed by Eckler in 2022 and to be performed by it in 2023. As of January 1, 2023 this budget had a carried over balance of \$11,875 plus taxes. During 2023, Eckler incurred fees in the amount of \$2,098 for the completion of the 2019 Financial Sufficiency – Phase 2. These fees were paid on approval of the Joint Committee pursuant to the 2023 budget approval orders.
68. A budget of \$797,000 was also approved by the Courts for the assessment of the 2022 Financial Sufficiency – Phase 1. The total fees incurred by Eckler for this work performed in 2023 amounted to \$621,839 and the remaining budget was carried over to 2024.
69. Eckler's 2023 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 \$10,082 plus taxes for Special Distribution Benefits and \$6,776 for Late Claims Benefit Plan, which were paid on approval of the Joint Committee pursuant to the 2023 budget approval orders.

## JOINT COMMITTEE

---

70. A Summary Report of the work of the Joint Committee in 2023 is set out in **Schedule K**. As described below, the Joint Committee receives separate budgets for each category of work performed.
71. The 2023 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 2023 for this work were \$700,389 plus taxes, and its actual disbursements were \$21,139 plus taxes.
72. Concerning financial sufficiency, as of January 1, 2023, the balance of the \$425,000 budget approved retroactively by the Courts for the Joint Committee 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 was \$171,484. In 2023, the Joint Committee actually incurred \$255,983 in fees plus taxes, and \$6,413 in disbursements

plus taxes for the completion of the 2019 Financial Sufficiency Review – Phase 2 The \$84,199 overage relates to unexpected additional work the Joint Committee was required to undertake as a result of a downturn in the financial markets that occurred after the Joint Committee filed its initial applications seeking approval of special distribution benefits based on Excess Capital as at December 31, 2019. Among other things, the Joint Committee worked with Eckler to update the value the Excess Capital as at June 30, 2022, conducted further analysis, revised its recommendations to the Courts, and amended its allocation applications to reflect the reduced amount of Excess Capital available for allocation.

73. The 2023 budgets approval orders also included a \$500,000 budget for the Joint Committee's work related to the 2022 Financial Sufficiency Review – Phase 1. The Joint Committee's actual fees incurred for this work were \$424,538 plus taxes, and its actual disbursements were \$5,480 plus taxes.
74. The Joint Committee's 2023 budget for Special Distribution Benefits was \$100,000 plus taxes for fees and \$5,000 plus taxes for disbursements. It incurred actual fees of \$49,088 plus taxes and no disbursements.
75. The Joint Committee's 2023 budget for the HCV Late Claims Benefit Plan was \$75,000 plus taxes and \$5,000 plus taxes in disbursements. Its actual fees were \$14,283 plus taxes and no disbursement.
76. All accounts of the Joint Committee are submitted to the Courts or, in the case of British Columbia, the Attorney General for Canada for approval before being paid. A detailed summary by jurisdiction of all fees and disbursements incurred by the Joint Committee is set out in **Schedule L**.

## FUND COUNSEL

---

77. 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. Mr. Callaghan was appointed to the bench in 2023 and Belinda Bain continues in this role. Mason Poplaw was appointed Fund Counsel in the Quebec Class Actions by judgment 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.
78. Attached as **Schedule M** is the Report of Fund Counsel on their activities and their fees incurred in 2023.

79. In 2023, the following appeals were dealt with in each jurisdiction under the Regular Benefit Plans:

2023 Appeal Status Report – Regular Benefit Plans	ON <sup>23</sup>	BC	QUE	Total
Appeals received	2	0	0	2
Appeals completed	6	0	0	6
Appeals withdrawn	0	0	0	0
Denials rescinded	0	0	0	0
Appeals mediated	1	0	0	1
Requests for Judicial confirmation	0	0	0	0
Judicial decisions	0	0	1	0
Appeals pending (including appeals sent back to Referees)	5	0	0	5

80. In 2023, the following appeals were dealt with in each jurisdiction under the HCV Late Claims Benefit Plan:

2023 Appeal Status Report – Late Claims Benefit Plan	ON <sup>24</sup>	BC	QC	Total
Appeals Received	3	0	0	3
Appeals Completed (decisions rendered)	0	0	6	6
Appeals Withdrawn	0	0	0	0
Denials Rescinded	0	0	0	0
Appeals Mediated	0	0	0	0
Requests for Judicial Confirmation	1	0	0	1
Judicial Decisions	0	0	0	0
Appeals Pending (including judicial reviews, scheduled hearing and appeals sent back to Referees)	7	1	1	8

81. In 2023, the fees and disbursements charged by Fund Counsel were:

- (a) \$158,643 in fees and \$1,955 in disbursements, all exclusive of taxes, for services relating to the Regular Benefit Plans; and
- (b) \$49,592 in fees and \$277 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.

<sup>23</sup> Ontario covers all provinces and territories other than Quebec and British Columbia.

<sup>24</sup> Ontario covers all provinces and territories other than Quebec and British Columbia

---

## REFEREES AND ARBITRATORS

---

82. Referees and Arbitrators were appointed for each jurisdiction by Court orders.
83. A Summary Report of the work of the Referees and Arbitrators, as well as the fees incurred for 2023, is set out in **Schedule N**.
84. In 2023, the fees and disbursements charged for Arbitrators and Referees were:
- (a) \$22,773 in fees and no disbursements, all exclusive of taxes, for services relating to the Regular Benefit Plans; and
  - (b) \$6,644 in fees and no disbursements, all exclusive of taxes, for services relating to the HCV Late Claims Benefit Plan.

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

85. Appeals under the Regular Benefit Plans have decreased in recent years, including in 2023. The volume of Late claims requests has similarly tapered off but appeals under the HCV Late Claims Benefit Plan have proven to require more time to proceed due to the time elapsed since the date of the infection hence the higher fees incurred, and this situation is expected to stay the same or increase over the next few years.

---

## THE MONITOR

---

86. 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.
87. In 2023, the fees of the Monitor were \$8,610 plus taxes, and the disbursements were \$1,159 plus taxes.

---

## CANADIAN BLOOD SERVICES

---

88. 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.
89. 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 2023, 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

90. Héma-Québec provides the tracebacks required under the Plans in Quebec. No budget was sought for Héma-Québec for 2023 as it agreed to finance the cost and seek reimbursement at year-end if the costs incurred were significantly higher than anticipated.
91. The Joint Committee anticipates that the volume of traceback requests will decrease along with claims made under the Late Claims Benefit Plan.

## 2024 BUDGETS

92. The chart that follows compares the approved budgets for service providers in 2024 to their 2023 budgets.

	2023 Budget	2024 Budget
<b>Epiq</b>		
General administration of the Regular Benefit Plans and EAP2		
Fixed fee	\$25,600	\$13,500
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)	\$511,300	\$391,4523
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	\$10,000	\$5,000
Activity-based fee schedule	Per fee schedule	Per fee schedule
<b>Deloitte</b>		
Audit and financial statements (exclusive of travel expenses)	Not to exceed \$114,000	Not to exceed \$130,000
Special Projects	\$25,000	\$25,000

	2023 Budget	2024 Budget
<b>CONCENTRA TRUST</b> Investment Services	\$182,000	\$182,000
<b>TDAM</b> Investment Services	\$360,000	As per Schedule 1 of the Investment Guidelines (estimated at \$130,000)
<b>MFS</b> Investment Services	As per Schedule 1 of the Investment Guidelines	As per Schedule 1 of the Investment Guidelines (estimated at \$443,000)
<b>Eckler</b>  General actuarial services and investment review work, not related to sufficiency (exclusive of disbursements)  Special Projects  Special Distribution Benefits  HCV Late Claims Benefit Plan  2019 Financial Sufficiency Review – Phase 2  2022 Financial Sufficiency Review – Phase 1	  \$87,500  \$62,500  \$12,500  \$12,500  Unused 2022 budget  \$797,000	  \$100,000  \$62,500  \$17,000  \$8,000  n/a  Unused 2023 budget (\$175,161)
<b>MMWG</b>  Updated medical model and medical modelling report for 2022 Financial Sufficiency Review	  Unused 2022 budget	  n/a
<b>PWC</b>  Income Loss-annual computer programming update	  \$10,000	  Not to exceed \$16,000
<b>Paula Frederick / Cohen Hamilton Steger</b>  Specialized Income Loss analysis	  \$40,000	  \$40,000



	2023 Budget	2024 Budget
<b>Joint Committee</b>		
Regular administration and supervision	\$900,000 fees and \$75,000 disbursements	\$900,000 fees and \$75,000 disbursements
Special Distribution Benefits	\$100,000 fees and \$5,000 disbursements	\$100,000 fees and \$5,000 disbursements
HCV Late Claims Benefit Plan	\$75,000 fees and \$10,000 disbursements	\$75,000 fees and \$5,000 disbursements
2019 Financial Sufficiency Review – Phase 2	Unused budget	n/a
2022 Financial Sufficiency Review – Phase 1	\$500,000 fees and \$10,000 disbursements	Unused budget (\$75,462)

Dated this 2nd day of August, 2024

Martine Trudeau on behalf of

Martine Trudeau on behalf of (Aug 2, 2024 12:02 EDT)

Michel Savonitto  
Savonitto & Ass. Inc.

Richard Fyfe

Richard Fyfe (Aug 3, 2024 09:48 PDT)

Richard J. M. Fyfe K.C.  
CFM Lawyers LLP

Kathryn Podrebarac

Kathryn Podrebarac  
Podrebarac Barristers Professional Corporation

H. Rumble Peterson for

H. Rumble Peterson for (Aug 2, 2024 11:58 EDT)

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

## SCHEDULE A

---

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

December 31, 2023  
31 décembre 2023

---

---

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, 2023, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

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

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

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

## Rapport de l'auditeur indépendant

Au comité mixte du  
Fonds Hépatite C 1986 - 1990

### Opinion

Nous avons effectué l'audit des états financiers du Fonds Hépatite C 1986 - 1990 (le « Fonds »), qui comprennent l'état de la situation financière au 31 décembre 2023, 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 2023, ainsi que des résultats de ses activités et de ses flux de trésorerie pour l'exercice clos à cette date, conformément aux Normes comptables canadiennes pour les organismes sans but lucratif.

### Fondement de l'opinion

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

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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
March 26, 2024

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

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

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

Comptables professionnels agréés  
Experts-comptables autorisés  
Le 26 mars 2024

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

As at December 31, 2023

(In thousands of dollars)

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

au 31 décembre 2023

(en milliers de dollars)

	2023	2022	
	\$	\$	
<b>Assets</b>			<b>Actif</b>
Current assets			Actif à court terme
Cash	3,716	3,535	Encaisse
Contributions receivable	2,527	2,359	Apports à recevoir
	6,243	5,894	
Investments (Note 3)	920,743	979,554	Placements (note 3)
	926,986	985,448	
<b>Liabilities</b>			<b>Passif</b>
Current liabilities			Passif à court terme
Accounts payable and accrued liabilities	6,038	4,424	Créditeurs et charges à payer
Accrued claims in process of payment	11,404	8,416	Demandes accumulées en cours de paiement
	17,442	12,840	
Funding held for future expenses (Note 4)			Financement pour charges futures (note 4)
Regular	701,308	847,129	Régulier
Late claims benefits	57,454	58,427	Réclamations tardives
Special distribution benefits	150,782	67,052	Indemnités de distribution spéciale
	926,986	985,448	

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 for H. Strosberg*  
Heather Rumble Peterson for H. Strosberg (Mar 26, 2024 11:00 EDT)



Martine Fudeau (Mar 26, 2024 11:00 EDT)



Richard Fyfe (Mar 26, 2024 12:29 PDT)

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

Year ended December 31, 2023

(In thousands of dollars)

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

de l'exercice clos le 31 décembre 2023

(en milliers de dollars)

	<b>2023</b>	2022	
	<b>\$</b>	\$	
<b>Expenses</b>			<b>Dépenses</b>
Claims (Note 5)	<b>110,278</b>	29,560	Demandes (note 5)
Operating (Note 6)	<b>6,069</b>	3,400	Frais d'exploitation (note 6)
	<b>116,347</b>	32,960	
Revenue	<b>116,347</b>	32,960	Revenus
<b>Excess of revenue over expenses</b>	<b>—</b>	—	<b>Excédent des revenus sur les dépenses</b>

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, 2023

(In thousands of dollars)

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

de l'exercice clos le 31 décembre 2022

(en milliers de dollars)

	2023 \$	2022 \$	
<b>Operating activities</b>			<b>Activités d'exploitation</b>
Excess of revenue over expenses	—	—	Excédent des revenus sur les dépenses
Items not affecting cash			Éléments sans incidence sur l'encaisse
Realized loss on investments	2,898	437	Perte réalisés sur placements
Change in unrealized gains and losses on investments	(5,422)	107,771	Variation des gains et pertes non réalisés sur placements
	(2,524)	108,208	
Changes in non-cash operating working capital items			Variation nette des éléments hors caisse du fonds de roulement d'exploitation
Contributions receivable	(168)	123	Apports à recevoir
Accounts payable and accrued liabilities	1,614	300	Créditeurs et charges à payer
Accrued claims in process of payment	2,988	(341)	Demandes accumulées en cours de paiement
Funding held for future expenses	(63,064)	(108,085)	Financement pour charges futures
	(61,154)	205	
<b>Investing activities</b>			<b>Activités d'investissement</b>
Purchase of investments	(241,669)	(143,308)	Acquisition de placements
Proceeds on sale of investments	303,004	143,524	Produits de la vente de placements
	61,335	216	
Net change in cash	181	421	Variation de l'encaisse
Cash, beginning of year	3,535	3,114	Encaisse au début
<b>Cash, end of year</b>	<b>3,716</b>	<b>3,535</b>	<b>Encaisse à la fin</b>

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, 2023

(Tabular amounts in thousands of dollars)

## Fonds Hépatite C 1986 - 1990

### Notes complémentaires

31 décembre 2023

(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, 2023, the provinces and territories prepaid contributions total \$10,800 (\$10,900 in 2022). 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, 2023, those obligations including interest are estimated to be \$68,932,000 (\$71,228,000 in 2022).

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<sup>er</sup> janvier 1986 au 1<sup>er</sup> 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 2023, les apports des provinces et territoires versés à l'avance totalisent 10 800 \$ (10 900 \$ en 2022). 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 2023, ces obligations, intérêts compris, sont estimées à 68 932 000 \$ (71 228 000 \$ en 2022).

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, 2023

(Tabular amounts in thousands of dollars)

## Fonds Hépatite C 1986 - 1990

### Notes complémentaires

31 décembre 2023

(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;

## 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, créditeurs 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;

## **2. Significant accounting policies (continued)**

### *Revenue recognition (continued)*

- Contributions prepaid by provinces and territories, if any; and
- Investment earnings.

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.

## **2. Principales méthodes comptables (suite)**

### *Constatation des revenus (suite)*

- Apports versés à l'avance par les gouvernements provinciaux et territoriaux, le cas échéant; et
- Revenus de placement.

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.

## 2. Significant accounting policies (continued)

### 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.

## 3. Investments

Investments are summarized as follows:

	Fair value Juste valeur \$	2023 Cost Coût \$
Investment earnings receivable and cash	8,785	8,785
Fixed income Government of Canada	727,611	672,111
Fixed income pooled funds	48,739	48,639
	<b>776,350</b>	<b>720,750</b>
Equities - Pooled Funds International	135,608	132,019
	<b>920,743</b>	<b>861,554</b>

### 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.

## 2. Principales méthodes comptables (suite)

### Devises étrangères

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

## 3. Placements

Les placements se résument ainsi :

	Fair value Juste valeur \$	2022 Cost Coût \$	
	4,549	4,549	Revenus de placement à recevoir et encaisse
	720,084	671,470	Titres à revenu fixe Gouvernement du Canada
	114,287	114,406	Fonds communs à revenu fixe
	<b>834,371</b>	<b>785,876</b>	
	140,634	135,362	Actions - Fonds communs International
	<b>979,554</b>	<b>925,787</b>	

### 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.

### **3. Investments (continued)**

#### *Investment risk*

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

The Fund has adopted investment policies, standards and procedures to control the amount of risk to which it is exposed. The investment practices of the Fund are designed to avoid undue risk of loss and impairment of assets and to provide a reasonable expectation of fair return given the nature of the investments. The maximum investment risk to the Fund is represented by the fair value of the investments. There is no foreign currency risk as the investment are all Canadian.

#### *Interest rate risk*

The fixed income portfolio's sensitivity to a change in market rates is represented by the duration of the portfolio. As at December 31, 2023, the average duration of the bonds and debentures in the portfolio, weighted on fair value, was 12.03 years (10.74 years in 2022).

### **3. Placements (suite)**

#### *Risque de placement*

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

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

#### *Risque des taux d'intérêt*

La sensibilité du portefeuille de titres à revenu fixe aux variations des taux d'intérêt du marché correspond à la durée du portefeuille. Au 31 décembre 2022, la durée moyenne des obligations et des débiteures du portefeuille, pondérée selon la juste valeur, était de 12,03 ans (10,74 ans en 2022).

### 3. Investments (continued)

#### 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:

	<b>2023</b>		<b>2022</b>	
	<b>Fair value</b>		<b>Fair value</b>	
	<b>Juste valeur</b>		<b>Juste valeur</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Investment earnings receivable and cash	<b>8,785</b>	<b>1</b>	4,549	—
Fixed income				
Government of Canada	<b>727,611</b>	<b>79</b>	720,084	74
Fixed income pooled funds	<b>48,739</b>	<b>5</b>	114,287	12
	<b>776,350</b>	<b>84</b>	834,371	86
Equities - Pooled Funds				
International	<b>135,608</b>	<b>15</b>	140,634	14
	<b>920,743</b>	<b>100</b>	979,554	100

### 3. Placements (suite)

#### 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 :

Revenus de placement à recevoir et encaisse  
Titres à revenu fixe  
Gouvernement du Canada  
Fonds communs à revenu fixe  
Actions - Fonds communs  
International

### 4. Funding held for future expenses

### 4. Financement pour charges futures

	<b>Regular</b>	<b>Late claims benefits</b>	<b>Special distribution benefits</b>	
	<b>Régulier</b>	<b>Réclamations tardives</b>	<b>Indemnités de distribution spéciale</b>	<b>2023 Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>847,129</b>	<b>58,427</b>	<b>67,052</b>	<b>972,608</b>
Reallocation*:				
Excess capital	<b>(156,634)</b>	<b>(1,102)</b>	<b>157,736</b>	—
Investment earnings related to prior years	<b>(3,437)</b>	<b>(24)</b>	<b>3,461</b>	—
Investment losses related to current year up to September 30, 2023	<b>5,372</b>	<b>37</b>	<b>(5,409)</b>	—
	<b>(154,699)</b>	<b>(1,089)</b>	<b>155,788</b>	—
Investment earnings for the year	<b>30,347</b>	<b>2,951</b>	<b>11,934</b>	<b>45,232</b>
Amounts recognized as revenue	<b>(21,469)</b>	<b>(2,835)</b>	<b>(83,992)</b>	<b>(108,296)</b>
Balance, end of year	<b>701,308</b>	<b>57,454</b>	<b>150,782</b>	<b>909,544</b>

Solde au début  
Réallocation\* :  
Surplus en capital  
Revenu de placement des années précédentes  
Perte de placement de l'année courante jusqu'au 30 septembre 2023  
Revenus de placement pour l'année  
Montants constatés comme revenus  
Solde à la fin

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

	Regular	Late claims benefits	Special distribution benefits		
	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	847,129	58,427	67,052	972,608	Solde à la fin

\*During 2023, the Courts ordered that \$156,634,000 (2019 dollars) from the Regular account and \$1,102,000 from the Late claims benefits account to be transferred to the Special distribution benefits account, plus the amount of any investment income earned on those amounts from January 1, 2020 to the date of transfer.

The investment income on those amounts from from January 1, 2020, to December 31, 2022, was \$3,437,000 in the Regular account and \$24,000 in the Late claims benefits account. The investment returns from January 1, 2023 to the date of transfer, September 30, 2023, were negative, resulting in losses of \$5,371,632 in the Regular account and \$37,786 in the Late claims benefits account.

The net result is that \$154,699,368 from the Regular account and \$1,088,214 from the Late claims benefits account were transferred to the Special distribution benefits account on September 30, 2023.

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

\* Au cours de l'année 2023, les cours ont ordonné que 156 634 000 \$ (en dollars de 2019) du compte pour les indemnités régulières et 1 102 000 \$ du compte pour les réclamations tardives soit transféré au compte pour les Indemnités de distribution spéciale, plus le montant de tout revenu de placement gagné sur cette somme, du 1er janvier 2020 à la date du transfert.

Les revenus de placement y afférents pour la période du 1<sup>er</sup> janvier 2020 au 31 décembre 2022 ont totalisé 3 437 000 \$ pour le compte pour les indemnités régulières et 24 000 \$ pour le compte pour les réclamations tardives. Les rendements des placements du 1<sup>er</sup> janvier 2023 au 30 septembre 2023 ont été négatifs, ce qui a entraîné une perte de 5 371 632 \$ du compte pour les indemnités régulières et de 37 786 \$ du compte pour les réclamations tardives.

Le résultat net est que 154 699 368 \$ du compte pour les indemnités régulières et de 1 088 214 \$ du compte pour les réclamations tardives ont été transférés au compte pour les Indemnités de distribution spéciale le 30 septembre 2023.



## 5. Claims

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

	Regular Fund	Late claims benefits	Special distribution benefits	
	Régulier	Réclamations tardives	Indemnités de distribution spéciale	2023 Total
	\$	\$	\$	\$
Approved by the Administrator of the Fund Disbursed	24,990	2,591	79,709	107,290
Net change in accrued claims in process of payment	319	11	2,658	2,988
	25,309	2,602	82,367	110,278

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

## 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

## 6. Operating expenses

## 6. Frais d'exploitation

	Regular	Late claims benefits	Special distribution benefits	2023 Total	
	Régulier	Réclamations Tardives	Indemnités de distribution spéciale	Total	
	\$	\$	\$	\$	
Administrator	646	128	1,531	2,305	Administrateur
Legal (claims' appeal costs, Fund counsel)	197	78	—	275	Frais juridiques (frais de demandes en appel, avocats du Fonds)
Joint committee - Administration	815	15	56	886	Comité mixte - Administration
Joint committee - Sufficiency review	787	—	—	787	Comité mixte - Réévaluation de la suffisance
Investment management	577	—	—	577	Gestion des placements
Audit and related services	109	6	26	141	Honoraires d'audit et de services connexes
Custodial trustee	182	—	—	182	Frais de garde
Actuarial - General	111	6	12	129	Honoraires d'actuariat
Actuarial - Sufficiency review	656	—	—	656	Honoraires d'actuariat - Réévaluation de la suffisance
Medical and other consulting	131	—	—	131	Frais médicaux et autres frais de consultation
	4,211	233	1,625	6,069	

	Regular	Late claims benefits	Special distribution benefits	2022 Total	
	Régulier	Réclamations Tardives	Indemnités de distribution spéciale	Total	
	\$	\$	\$	\$	
Administrator	611	99	28	738	Administrateur
Advertising	—	—	—	—	Publicité
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	

## SCHEDULE B

### **1986-1990 Hepatitis C Claims Centre Annual Report for the Period Ending December 31,2023**

#### **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 24**

- Complied with all Administrator duties as outlined in Article Five of the Settlement Agreement.
- Worked in collaboration with the auditors from Deloitte to complete the year-end audit process.
- 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.
  - Processed majority of the 2019 Special Distribution Benefit that was approved by the Courts on May 30th, 2023.
- Continued work on the Locator Project (Special Project) to identify and locate claimants with outstanding 2013 Special Distribution benefits.
- Met with Joint Committee in March; provided and discussed updated claim statistics.
- Continued to work in collaboration with Canadian Blood Services, Héma-Québec, provincial hepatitis c programs, and medical experts.
- Updated the [www.hepc8690.ca](http://www.hepc8690.ca) as needed.
- Prepared files for Fund Counsel, Referees, and Arbitrators and attended appeal hearings as required.

**Hepatitis C 1986-1990 - Key Statistics as of December 31, 2023**

Funds disbursed – HCV Regular Benefit Account	\$1,122,229,297.68
Funds disbursed – HCV Special Distribution Benefit Account	\$182,417,256.50
Claims received	18,345
Claims approved	15,034
Claims denied	3,262
Claims in progress	49
Appeals	496
Decisions Rendered	371
Mediated/Withdrawn/Rescinded/Archived	121
Traceback requests initiated	5,066

**HCV Late Claims Benefit Plan - Key Statistics as of December 31, 2023**

Funds disbursed – HCV Late Claims Benefit Plan Account	\$18,655,487.19
Funds disbursed – HCV Special Distribution Benefit Account	\$1,555,558.28
Claims received	502
Claims approved	239
Claims denied	161
Claims in progress	102
Appeals	29
Decisions Rendered	17
Mediated/Withdrawn/Rescinded/Archived	4
Traceback requests initiated	168

# SCHEDULE C

## Administrator's 2023 Hepatitis C 8690 Reconciliation

Balance owing as of December 31, 2022 \$ 82,228.56

### A. Regular Benefit Plan

Budgeted Fees	\$ 536,899.92	
HST	<u>\$ 69,796.92</u>	\$ 606,696.84
Activity Adjustment	\$ -	
HST	<u>\$ -</u>	\$ -
Disbursements	\$ 5,742.65	
HST	<u>\$ 746.55</u>	\$ 6,489.20
Third Party Expenses	\$ -	
HST	<u>\$ -</u>	\$ -
Appeals Costs	\$ -	
HST	<u>\$ -</u>	\$ -
<b>Regular Benefit Plan Total 2023 Fees and Disbursements</b>		<u><b>\$ 613,186.04</b></u>

### B. Special Distribution Benefits (SDB)

2013 Surplus Retrospective Claim Fees	\$ 9,945.00	
2019 Surplus Retrospective Claim Fees	\$ 880,972.50	
Hemo 23 Re-Election and Permanently Disabled - Prospective Claims	\$ 3,273.75	
2013 Surplus Cheque Re-Issues	\$ 1,440.00	
Annual Fixed Fee for Prospective Surplus Claims	<u>\$ 5,000.00</u>	
<b>Total Fees</b>	<u>\$ 900,631.25</u>	\$ -
HST	<u>\$ 117,082.07</u>	<u>\$ 1,017,713.33</u>
Disbursements	\$ -	
HST	<u>\$ -</u>	\$ -
<b>SDB Total 2023 Fees and Disbursements</b>		<u><b>\$ 1,017,713.33</b></u>

### C. Late Claims Benefit Plan (LCBP)

Fixed Fee	\$ 10,000.00	
Activity Level Fees	\$ 92,804.65	
HST	<u>\$ 13,364.62</u>	\$ 116,169.27
Disbursements	\$ 9,780.00	
HST	<u>\$ 1,271.40</u>	<u>\$ 11,051.40</u>
<b>LCBP Total 2023 Fees and Disbursements</b>		<u><b>\$ 127,220.67</b></u>

### D. Special Projects

Class Coding Update Fees - \$250 Limit Removal for Out-of Pocket	\$ 3,369.60	
Locator Project Fees	\$ 42,507.75	
2019 Proposed Allocation Notice Mailout Fees - 2019 Surplus	\$ 3,000.00	
Class Coding Update Fees - 2019 Surplus	\$ 12,929.40	
Address Update Letter Mailout Fees	\$ 2,250.00	
Extra Call Handling*	<u>\$ 391,248.00</u>	
<b>Total Fees</b>	<u>\$ 404,182.10</u>	\$ -
HST	<u>\$ 59,189.66</u>	<u>\$ 463,371.76</u>
Disbursements	\$ 33,516.87	
HST	<u>\$ 4,357.19</u>	<u>\$ 37,874.07</u>
<b>Special Projects Total 2023 Fees and Disbursements</b>		<u><b>\$ 501,245.83</b></u>

**2023 Total** **\$ 2,259,365.87**

### Payments made in 2023

Towards Budget Year 2022	\$ 82,228.56	
Towards Budget Year 2023	<u>\$ 622,096.96</u>	
<b>Total Payments made in 2023</b>		<u><b>\$ 704,325.52</b></u>

**Balance to be Debited Against Hep C Fund (as of December 31, 2023)** **\$ 1,637,268.91**

Repayment of the unrecovered overpayments owed to the Hep-C Fund	\$ 132,905.10	
Repayment of the erroneous amount of fees for the 2019 SDBs	\$ 325,632.50	
HST	<u>\$ 42,332.23</u>	<u>\$ 367,964.73</u>
Total Repayments Owed by Epiq		\$ 500,869.83
<i>Less balance outstanding to Epiq as of the date of this report (as of July 24, 2024)</i>		<u><i>\$ (401,494.37)</i></u>
Repayment owing by Epiq to the Hep-C Fund (as of July 24, 2024)		\$ 99,375.46

\*fees incurred in 2023 for the handling of extra calls resulting from the 2019 SDB approval resulting in a Special Project budget overrun of \$355,304.75 plus tax.

**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 607,000 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 6 million members. EQB Inc. has more than \$119 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 for three years in a row (2021–2023) on the Forbes list of the World's Best Banks. Please visit [equitablebank.ca](https://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, 2023, the Trust Fund's 24<sup>th</sup> year of operation.

## January 1 – December 31, 2023

<b>Opening Market Value of the Trust Fund</b>	
At January 1, 2023	<b>\$980,652,310.46</b>
<b>Payments to the Trust Fund</b>	
Contributions from Provincial and Territorial governments	\$7,903,247.46
Earnings (including investment income and realized capital gains and losses)	\$39,563,923.58
<b>Payments from the Trust Fund</b>	
Disbursements to the administrator for claimants	\$107,289,899.48
Disbursements to service providers for fees and expenses (including Concentra Trust trustee and custodial fees)	\$4,243,268.49
<b>Total</b>	<b>\$111,533,167.97</b>
<b>Closing Market Value of the Trust Fund</b>	
At December 31, 2023	<b>\$920,753,680.54</b>
<b>Trustee and Custodial Fees</b>	
Budget Approved by the courts - Concentra Trust & CIBC Mellon (sub-custodian)	\$182,000.00
Actual charge to the Trust Fund (2023)	\$144,448.30
Fees for Nov/Dec (taken January 2024)	\$28,622.22
Total Fees applied against 2023 Budget	\$173,070.52
<b>Fees by type (For 2023)</b>	
Trustee Fees (Concentra Trust)	\$140,000.04
Taxes (GST/HST)	\$6,999.96
Total	\$147,000.00
Sub-Custodian (CIBC Mellon)	\$33,070.48
Taxes (GST/HST)	\$1,653.53
<b>Total</b>	<b>\$34,724.01</b>

These materials are provided by Concentra Trust for general information purposes only. Concentra Trust makes no representation or warranties and accepts no responsibility or liability of any kind for their accuracy, reliability or completeness or for any action taken, or results obtained, from the use of the materials. Readers should be aware that the content of these materials should not be regarded as legal, accounting, investment, financial, or other professional advice, nor is intended for such use.



## SCHEDULE E



### COMPLIANCE CERTIFICATE

#### **Hepatitis C Settlement Trust**

To the best of my knowledge, for the calendar year ending December 31, 2023\*, no amendment has been made to the MFS Low Volatility Global Equity Fund's investment guidelines since February 1, 2023, and that, consequently, the MFS Low Volatility Global Equity Fund's investment guidelines comply with the Investment Guidelines in Schedule 2 to the Terms of Appointment.

To the best of my knowledge, for the calendar year ending December 31, 2023, MFS Investment Management Canada Limited ("MFS") complied in all material respects with the investment restrictions contained in the applicable Offering Memorandum or Offering Memoranda for the MFS Low Volatility Global Equity Fund. Such certification is subject to the following conditions: (i) MFS' compliance testing is performed using portfolio valuation reports derived from its internal security inventory system and not the books and records of the Portfolio; and (ii) MFS is responsible for compliance with the investment restrictions as stated in the applicable Offering Memorandum or Offering Memoranda.

*\*As the account was funded on February 1, 2023, the relevant period for 2023 is February 1 to December 31, 2023.*

MFS Investment Management Canada Limited

BY:

**Scott Mahaffy**  
**Managing Counsel**

DATE: March 13, 2024



---

## MFS<sup>®</sup> Investment Management

1986 – 1990 Hepatitis C Settlement Trust Fund

### MFS<sup>®</sup> Low Volatility Global Equity Fund 2023 Year-End Review

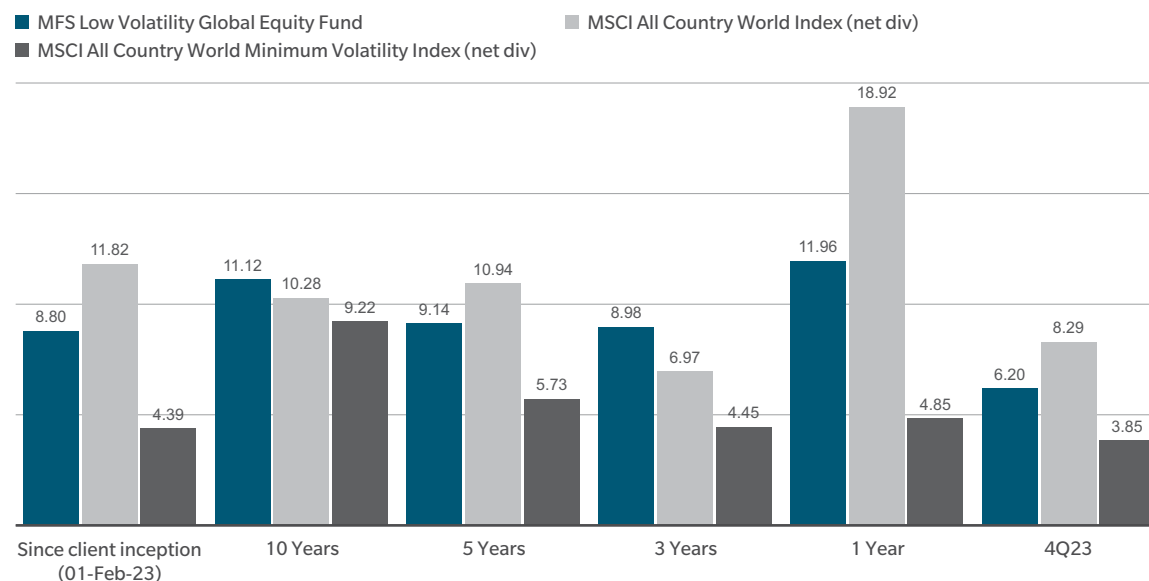
---

March 26, 2024

# Executive Summary



## Performance results (%) (CAD), as of 31-Dec-23



## Asset summary (CAD)

Beginning value as of 01-Feb-23	44,000,000
Contributions	+88,019,210
Withdrawals	-8,394,937
Asset transfers	0
Change in market value	11,984,289
Ending value as of 31-Dec-23	135,608,562

## Sector weights (%)

As of 31-Dec-23	Portfolio	Benchmark^
<b>Top overweights</b>		
Utilities	7.9	2.6
Consumer Staples	11.5	6.8
Health Care	15.8	11.2
<b>Top underweights</b>		
Information Technology	16.6	22.9
Energy	0.5	4.5
Consumer Discretionary	7.9	11.1

^ MSCI All Country World Index

Source: Benchmark performance from SPAR, FactSet Research Systems Inc. It is not possible to invest directly in an index.

Client inception date for Low Volatility Global Equity Fund is: Feb 1, 2023.

Returns for periods over one year are annualized, net of expenses, and do not include management fees. Returns under a year are not annualized.

**MFS Investment Management | For One-on-One Use with the Joint Committee of the 1986-1990 Hepatitis C Settlement Agreement. Not for further distribution.**

## Performance Results – (CAD)



As of 31-Dec-23	Period	Portfolio [%]	Benchmark <sup>^</sup> [%]	Benchmark <sup>^^</sup> [%]
Quarterly returns	4Q23	6.20	8.29	3.85
	3Q23	-0.31	-1.30	-0.39
	2Q23	1.70	3.82	-0.05
	1Q23	3.98	7.18	1.41
Annual returns	2023	11.96	18.92	4.85
	2022	-1.10	-12.43	-3.79
	2021	16.91	17.53	12.97
Annualized returns	Since client inception (01-Feb-23)	8.80	11.82	4.39
	Since fund inception (17-Jul-13)	11.44	11.05	9.33
	5 years	9.14	10.94	5.73
	3 years	8.98	6.97	4.45

<sup>^</sup> MSCI All Country World Index (net div)

<sup>^^</sup> MSCI All Country World Minimum Volatility Index (net div)

Source: Benchmark performance from SPAR, FactSet Research Systems Inc. It is not possible to invest directly in an index.

Returns for periods over one year are annualized, net of expenses, and do not include management fees. Returns under a year are not annualized.

**MFS Investment Management | For One-on-One Use with the Joint Committee of the 1986-1990 Hepatitis C Settlement Agreement.  
Not for further distribution.**

# Characteristics

(CAD)



As of 31-Dec-23		Portfolio	MSCI All Country World Index	MSCI AC World Minimum Volatility Index
Fundamentals - weighted average	Price/earnings (12 months forward)	14.7x	17.2x	14.7x
	Price/cash flow	12.1x	13.6x	11.1x
	Price/sales	1.5x	1.9x	1.4x
	PEG ratio	1.8x	1.9x	1.9x
	Dividend yield	2.5%	2.1%	2.6%
	Return on equity (3-year average)	20.0%	25.3%	22.1%
	Return on invested capital	12.9%	14.4%	12.7%
	IBES long-term EPS growth <sup>1</sup>	10.3%	12.1%	9.2%
Market capitalization	Market capitalization (CAD) <sup>2</sup>	269.1 bn	621.9 bn	155.9 bn
Diversification	Top ten issues	23%	18%	13%
	Number of Issues	98	2,921	378
Turnover	Trailing 1 year turnover <sup>3</sup>	38%	—	—
Risk profile (current)	Active share vs.	—	83%	N/A
Risk/reward (10 year)	Beta vs.	—	0.69	N/A
	Historical tracking error vs.	—	5.85%	N/A
	Standard deviation	9.12%	11.43%	8.99%
	Sharpe ratio	1.07	0.78	0.88
	Downside capture vs.	—	58.96%	N/A
	Upside capture vs.	—	81.30%	N/A

<sup>1</sup> Source: FactSet

<sup>2</sup> Weighted average.

<sup>3</sup> US Turnover Methodology: (Lesser of Purchase or Sales)/Average Month End Market Value

Returns for periods over one year are annualized, net of expenses, and do not include management fees. Returns under a year are not annualized.

**MFS Investment Management | For One-on-One Use with the Joint Committee of the 1986-1990 Hepatitis C Settlement Agreement. Not for further distribution.**

# Sector Weights



As of 31-Dec-23	Portfolio (%)	Benchmark <sup>^</sup> (%)	Benchmark <sup>^^</sup> (%)	Underweight/Overweight Benchmark <sup>^</sup> (%)	Underweight/Overweight Benchmark <sup>^^</sup> (%)
Utilities	7.9	2.6	6.3	5.3	1.6
Consumer Staples	11.5	6.8	11.9	4.7	-0.4
Health Care	15.8	11.2	16.0	4.6	-0.2
Communication Services	9.5	7.3	12.4	2.2	-2.9
Financials	16.3	15.9	15.3	0.4	1.0
Real Estate	1.8	2.4	0.3	-0.6	1.5
Industrials	9.5	10.7	8.8	-1.2	0.7
Materials	1.7	4.5	2.6	-2.8	-0.9
Consumer Discretionary	7.9	11.1	6.2	-3.2	1.7
Energy	0.5	4.5	2.1	-4.0	-1.6
Information Technology	16.6	22.9	18.0	-6.3	-1.4

<sup>^</sup> MSCI All Country World Index

<sup>^^</sup> MSCI All Country World Minimum Volatility Index

0.9% Cash & Cash Equivalents.

-0.0% Other. Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

**MFS Investment Management | For One-on-One Use with the Joint Committee of the 1986-1990 Hepatitis C Settlement Agreement.  
Not for further distribution.**



## Region and Country Weights



As of 31-Dec-23	Portfolio (%)	Benchmark^ (%)	Benchmark^^ (%)
<b>North America</b>	<b>61.1</b>	<b>65.3</b>	<b>57.8</b>
Canada	5.2	2.9	1.2
United States	55.8	62.4	56.5
<b>Europe ex-U.K.</b>	<b>9.0</b>	<b>12.4</b>	<b>5.7</b>
Switzerland	4.2	2.4	3.0
Italy	1.1	0.7	0.1
Denmark	0.6	0.8	—
Netherlands	0.7	1.2	0.7
France	1.6	2.9	0.8
Germany	0.8	2.1	0.9
Other countries^^	—	2.4	0.2
<b>Emerging Markets</b>	<b>8.8</b>	<b>10.5</b>	<b>22.6</b>
Philippines	3.3	0.1	0.2
South Korea	3.4	1.4	—
Thailand	1.6	0.2	0.5
Brazil	0.5	0.6	0.1
Other countries^^	—	8.3	21.7
<b>Japan</b>	<b>11.3</b>	<b>5.4</b>	<b>10.6</b>
<b>United Kingdom</b>	<b>2.0</b>	<b>3.5</b>	<b>—</b>
<b>Asia/Pacific ex-Japan</b>	<b>6.5</b>	<b>2.8</b>	<b>2.8</b>
Singapore	5.0	0.3	1.0
Hong Kong	1.4	0.5	1.7
Other countries^^	—	1.9	0.1
<b>Developed - Middle East/Africa</b>	<b>0.6</b>	<b>0.2</b>	<b>0.5</b>
Israel	0.6	0.2	0.5

Underweight/ Overweight (%)	Benchmark^ (%)	Benchmark^^ (%)
North America	-4.2	3.3
Europe ex-U.K.	-3.4	3.3
Emerging Markets	-1.7	-13.8
Japan	5.9	0.7
United Kingdom	-1.5	2.0
Asia/Pacific ex-Japan	3.7	3.7
Developed - Middle East/Africa	0.4	0.1

^ MSCI All Country World Index. Portfolio does not own securities in the following countries : China 2.8%; Australia 1.8%; India 1.8%; Taiwan 1.7%; Sweden 0.8%; Spain 0.6%; and 24 other countries with weights less than 0.5% totaling 3.0%.

^^ MSCI AC World Minimum Volatility Index. Portfolio does not own securities in the following countries : China 7.5%; India 5.4%; Taiwan 5.2%; Saudi Arabia 1.3%; Indonesia 0.6%; and 9 other countries with weights less than 0.5% totaling 2.0%.

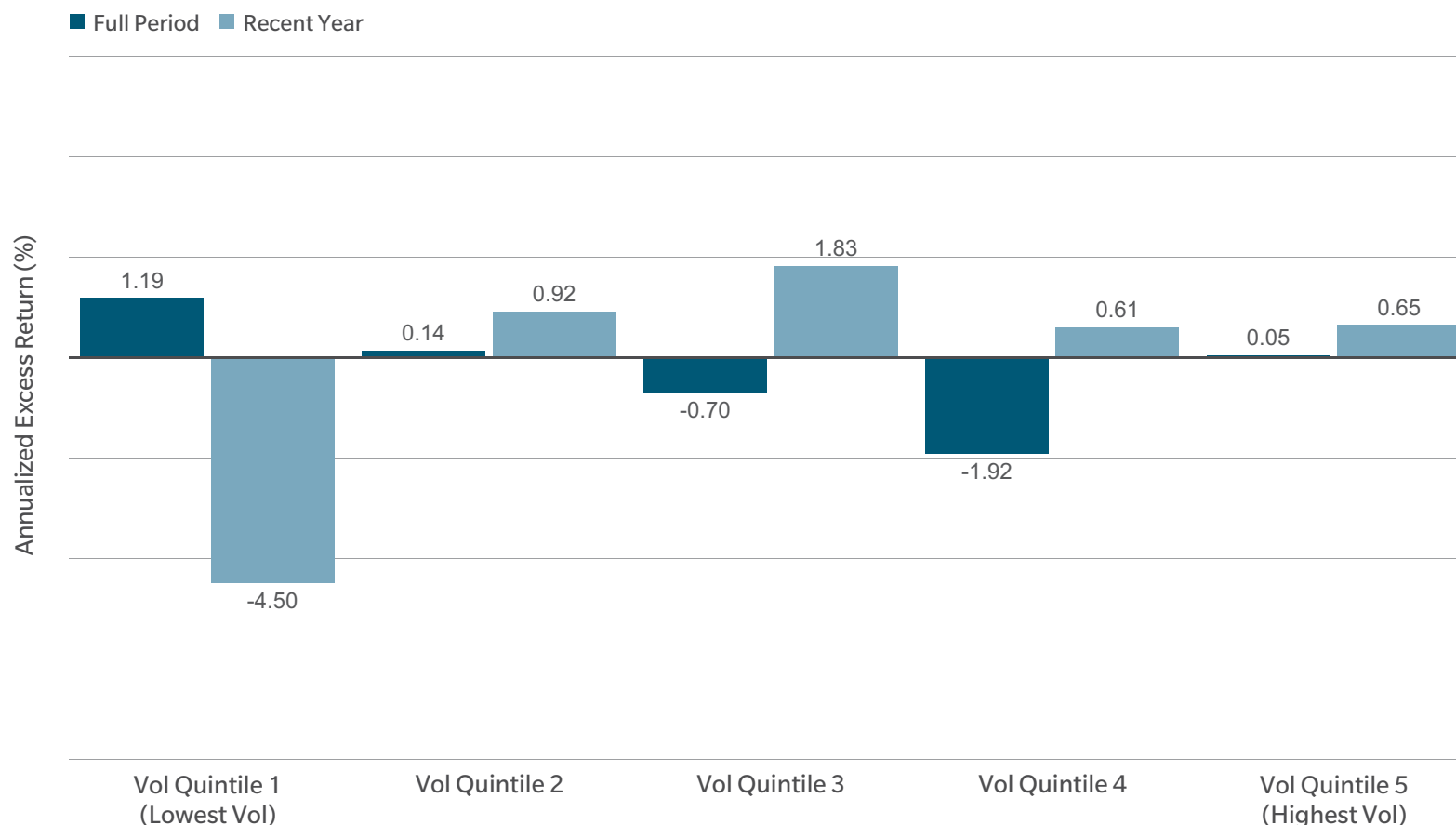
0.9% Cash & Cash Equivalents.

-0.0% Other. Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

**MFS Investment Management | For One-on-One Use with the Joint Committee of the 1986-1990 Hepatitis C Settlement Agreement.  
Not for further distribution.**

## Volatility Quintiles — Long Run vs. Recent

Annualized excess returns of 5 year trailing volatility quintiles of MSCI ACWI Universe



Source: Factset. "Full Period" data from 30-Jun-01 to 31-Dec-23. "Recent Year" data from 31-Dec-22 to 31-Dec-23. The exhibit above is intended to illustrate factor performance trends in the market, and not intended to represent factor performance in MFS' quantitative models or investment portfolios. The performance data are hypothetical returns calculated by equal weighting returns within global equity universe for MSCI All-Country World Index (ACWI). The universe consists of approximately 2,800 of the largest stocks globally, based on equal-weighting each stock at each month-end. For the factor, in this case volatility, stocks with available factor value data are sorted by their factor value within the universe, and then grouped into equal-weighted quintiles at the end of each month. The volatility factor is defined as the standard deviation of 5 years of monthly returns in USD. The universe is reconstructed and returns are calculated each month, and the monthly returns are linked geometrically into cumulative returns. The returns of the hypothetical factor quintile portfolios relative to the universe are displayed in the exhibit. While the data are based on sources believed to be reliable, MFS does not represent that it is accurate or complete and should not be relied on as such or be the basis for an investment decision. As discussed, the factor analyzed for the exhibit is 5 year trailing volatility, which are more commonly used to discuss company risk. Above, we label the quintiles as vol for ease of recognition.

# Disclosures



The information contained herein is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

This material is not an offer to any person in any jurisdiction where unlawful or unauthorized. These materials have not been reviewed by and are not registered with any securities or other regulatory authority in jurisdictions where we operate.

This document may contain forward-looking statements ("FLS"). FLS reflect current expectations and projections about future events and/or outcomes based on data currently available. Such expectations and projections may be incorrect in the future as events which were not anticipated or considered in their formulation may occur and lead to results that differ materially from those expressed or implied. FLS are not guarantees of future performance and reliance on FLS should be avoided.

Any general discussion or opinions contained within these materials regarding securities or market conditions represent our view or the view of the source cited. Unless otherwise indicated, such view is as of the date noted and is subject to change. Information about the portfolio holdings, asset allocation or diversification is historical and is subject to change. Any indices cited are widely accepted benchmarks for investment and represent non-managed investment portfolios. It is not possible to invest directly in an index. Information about the indices allows for the comparisons of an investment strategy's results to that of a widely recognized market index. There is no representation that such index is an appropriate benchmark for such comparison. Results for an index do not reflect trading commissions and costs. Index volatility may be materially different from a strategy's volatility and portfolio holdings may differ significantly from the securities comprising the index.

All products contain risk. Important information about the pooled funds is contained in their respective offering memorandum, which we encourage you to read before investing. Please obtain a copy. The indicated rates of return are the historical annual compounded total returns of the funds including changes in unit value and reinvestment of all distributions. Yields, investment returns and unit values will fluctuate for all funds. All performance data represent past returns and are not necessarily indicative of future performance.

MFS Investment Management Pooled Funds are managed by MFS Investment Management Canada Limited. Pursuant to a sub-advisory agreement executed between MFS Investment Management Canada Limited and MFS Institutional Advisors, Inc. (MFS), MFS provides certain sub-advisory services to all MFS Investment Management Canada Limited portfolios, including discretionary investment management for the non-Canadian portfolios or components of portfolios.

The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"). GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by MFS. MFS has applied its own internal sector/industry classification methodology for equity securities and non-equity securities that are unclassified by GICS. Source: Benchmark performance from SPAR, FactSet Research Systems Inc. It is not possible to invest directly in an index. Index performance will differ from our actively managed strategies, which may involve a higher degree of risk.

®Unless otherwise indicated, logos, product and service names are trademarks of MFS and its affiliates and may be registered in certain countries.

**MFS Investment Management | For One-on-One Use with the Joint Committee of the 1986-1990 Hepatitis C Settlement Agreement.  
Not for further distribution.**



## **1986-1990 Hepatitis C Settlement Trust Fund**

### **Annual Certificate of Compliance**

**For the year ending: December 31, 2023**

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

Compliance verified by:

A handwritten signature in dark ink, appearing to read 'MHegeman', written over a horizontal line.

Michelle Hegeman, CFA  
Vice President & Director  
Portfolio Management

Date: January 15, 2024



**1986 - 1990 Hepatitis C Settlement Trust Fund**

# Investment Review

March 26, 2024

**Mariya Stasyuk, CFA, RIPC**  
Vice President  
TD Global Investment Solutions  
TD Asset Management Inc.

**Anthony Lazanis**  
Associate  
TD Global Investment Solutions  
TD Asset Management Inc.

**Michelle Hegeman, CFA**  
Vice President & Director  
TD Asset Management Inc.



# 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	\$12,801,158
Long Term	Segregated Bonds / Real Return Bonds (buy-and-hold)	N/A	Feb 29-00	\$710,752,664
	TD <i>Emerald</i> Canadian Bond Index Fund	FTSE Canada Universe Bond Index	Feb 29-00	\$54,882,077
Total				<b>\$778,435,899</b>

Note: Numbers may not add due to rounding. As of Dec 31, 2023.

# Performance



## 1986 - 1990 Hepatitis C Settlement Trust Fund

Returns as of Dec 31, 2023	Account Performance		
	1 yr	4 yrs	Account Inception <sup>1</sup>
TD <i>Emerald</i> Canadian Short Term Investment Fund	5.24%	2.10%	2.11%
FTSE Canada 91 Day T-Bill Index	4.71%	1.87%	1.83%
<b>Difference</b>	<b>0.52%</b>	<b>0.23%</b>	<b>0.28%</b>
Segregated Bonds / Real Return Bonds (buy-and-hold)	3.49%	1.69%	5.55%

Returns as of Dec 31, 2023	Account Performance			Hep C Target Tracking Error (%)	
	1 yr	4 yrs	Account Inception <sup>1</sup>	1 Yr	4 Yrs
TD <i>Emerald</i> Canadian Bond Index Fund	6.65%	-0.14%	4.40%		
FTSE Canada Universe Bond Index	6.69%	-0.05%	4.48%	± 0.20	± 0.10
<b>Difference</b>	<b>-0.04%</b>	<b>-0.09%</b>	<b>-0.08%</b>		

Returns as of Dec 31, 2023	1 yr	4 yrs
<b>Total Return<sup>2</sup></b>	<b>4.53%</b>	<b>1.67%</b>

<sup>1</sup> 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. <sup>2</sup> Corresponds to 1 & 4 Years Total Performance of all of the accounts together.

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

Source: TD Asset Management Inc., Investment Guidelines for the 1986-1990 Hepatitis C Settlement Trust Fund (Revised 2018), FTSE Global Debt Capital Markets Inc. As of Dec 31, 2023.

# Performance



## 1986 - 1990 Hepatitis C Settlement Trust Fund

Returns as of Dec 31, 2023	Inception Date	Annualized							Since Inception
		3 mths	YTD	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	
TD <i>Emerald</i> Canadian Short Term Investment Fund	Oct 26-18	1.44%	5.24%	5.24%	3.50%	2.40%	2.10%	2.10%	2.11%
FTSE Canada 91 Day T-Bill Index		1.28%	4.71%	4.71%	3.25%	2.22%	1.87%	1.83%	1.83%
<b>Difference</b>		<b>0.16%</b>	<b>0.52%</b>	<b>0.52%</b>	<b>0.24%</b>	<b>0.19%</b>	<b>0.23%</b>	<b>0.27%</b>	<b>0.28%</b>
TD <i>Emerald</i> Canadian Bond Index Fund	Feb 29-00	8.23%	6.65%	6.65%	-2.95%	-2.85%	-0.14%	1.19%	4.40%
FTSE Canada Universe Bond Index		8.27%	6.69%	6.69%	-2.93%	-2.80%	-0.05%	1.30%	4.48%
<b>Difference</b>		<b>-0.04%</b>	<b>-0.04%</b>	<b>-0.04%</b>	<b>-0.02%</b>	<b>-0.05%</b>	<b>-0.09%</b>	<b>-0.11%</b>	<b>-0.08%</b>
Segregated Bonds / Real Return Bonds (buy-and-hold)	Feb 29-00	9.76%	3.49%	3.49%	-2.41%	-0.65%	1.69%	2.58%	5.55%

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

Source: TD Asset Management Inc., FTSE Global Debt Capital Markets Inc.



# Universe Bond Market Update



Sector	Weight (%)	Quarter Return (%)	1 Year Return (%)
Federal	39.04	6.80	5.00
Provincial	33.76	10.42	7.31
Municipal	1.95	9.53	7.46
All Corporates <sup>1</sup>	25.24	7.63	8.37
Corporate BBB	10.87	8.02	8.82
<b>FTSE Canada Universe Bond Index</b>		8.27	6.69

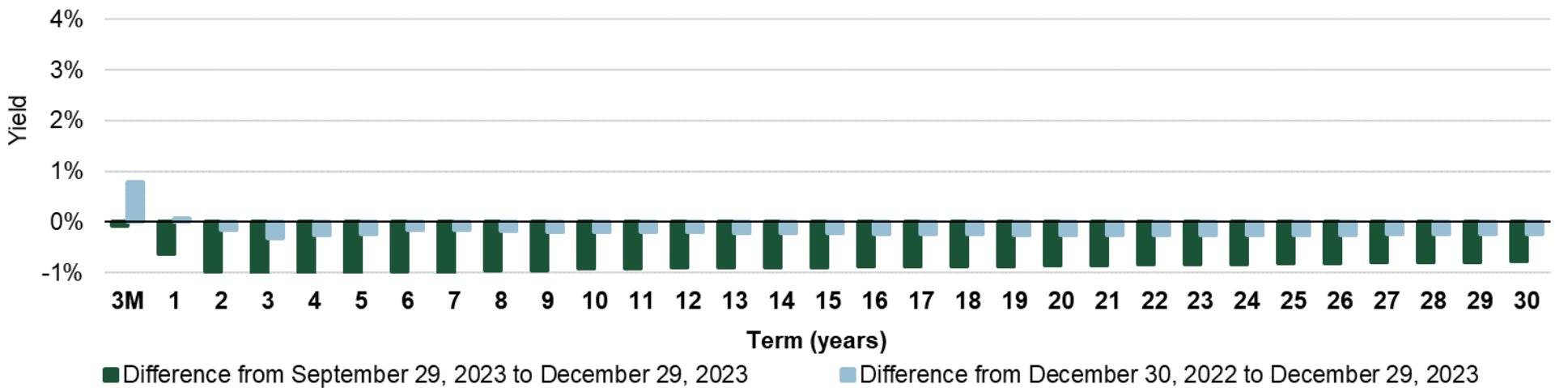
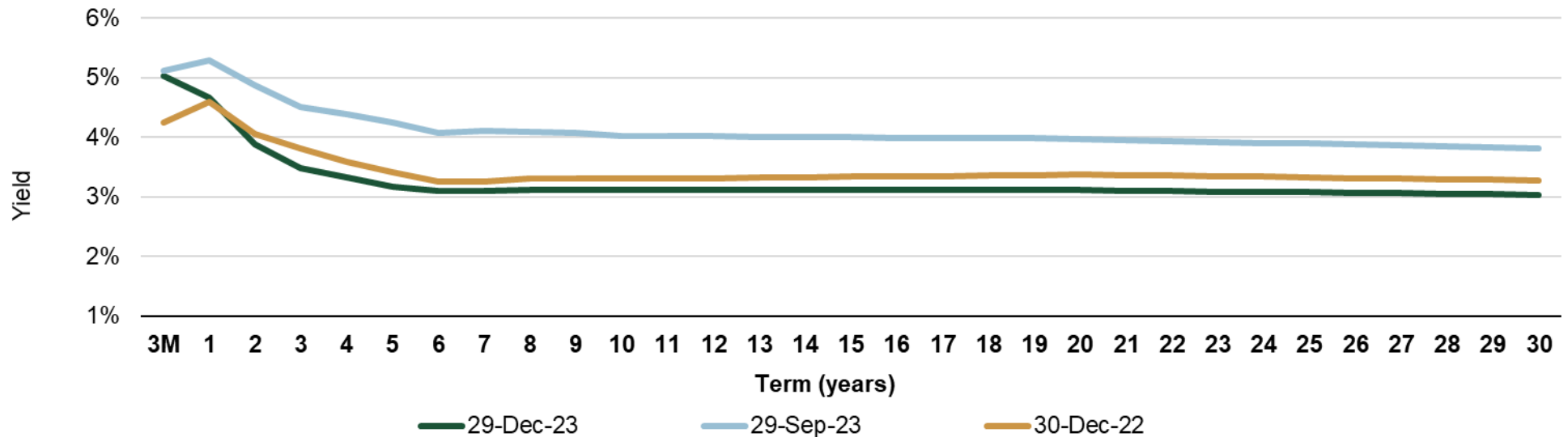
## 3-Month Commentary

- The **FTSE Canada Universe Bond Index (the “Index”)** rose 8.27% over the fourth quarter of 2023. Within the Index, corporate bonds increased 7.63%, underperforming government bonds, which rose 8.49%.
- Infrastructure and Communication sector bonds posted the largest increase among corporate issuers, while Securitization bonds trailed the group, but delivered a positive return. BBB-rated bonds posted the largest increase, rising 8.02%, followed by A-rated bonds, which increased 7.62%. AAA/AA-rated bonds rose 5.55%. Provincial bonds posted the largest increase among government bonds, rising 10.42%. Over the fourth quarter, investment-grade credit spreads narrowed 16 basis points (“bps”) from 1.55% to 1.39%.
- Long-term bonds outperformed mid- and short-term bonds. The FTSE Canada Long Term Bond Index increased 14.82%, while the FTSE Canada Mid Term Bond Index rose 8.26%. The FTSE Canada Short Term Bond Index increased 4.11%.
- Over the quarter, the Index’s yield decreased 103 bps to 3.94%. Government bond yields decreased 99 bps to 3.66%, while corporate bond yields fell 113 bps to 4.77%.

<sup>1</sup> Including BBB Corporates.

Source: TD Asset Management Inc., FTSE Global Debt Capital Markets Inc. As of Dec 31, 2023.

# Yields Decreased Across All Maturities



Source: Bloomberg Finance L.P. As of Dec 29, 2023.

## Appendix



# Performance

## TD *Emerald* Pooled Funds



Returns as of Dec 31, 2023	Inception Date	AUM (in billion)	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	Jul 4-91	\$3.11	1.44%	5.24%	5.24%	3.50%	2.40%	2.11%	2.10%	1.65%	3.37%
FTSE Canada 91 Day T-Bill Index			1.28%	4.71%	4.71%	3.25%	2.22%	1.88%	1.83%	1.31%	2.96%
<b>Difference</b>			<b>0.16%</b>	<b>0.52%</b>	<b>0.52%</b>	<b>0.24%</b>	<b>0.19%</b>	<b>0.23%</b>	<b>0.27%</b>	<b>0.34%</b>	<b>0.41%</b>
TD <i>Emerald</i> Canadian Bond Index Fund	Aug 7-91	\$3.24	8.23%	6.65%	6.65%	-2.95%	-2.85%	-0.14%	1.19%	2.33%	5.86%
FTSE Canada Universe Bond Index			8.27%	6.69%	6.69%	-2.93%	-2.80%	-0.05%	1.30%	2.42%	5.91%
<b>Difference</b>			<b>-0.04%</b>	<b>-0.04%</b>	<b>-0.04%</b>	<b>-0.02%</b>	<b>-0.05%</b>	<b>-0.09%</b>	<b>-0.11%</b>	<b>-0.08%</b>	<b>-0.05%</b>

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

The information contained herein has been provided by TD Asset Management Inc. and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

This material is not an offer to any person in any jurisdiction where unlawful or unauthorized. These materials have not been reviewed by and are not registered with any securities or other regulatory authority in jurisdictions where we operate.

Any general discussion or opinions contained within these materials regarding securities or market conditions represent our view or the view of the source cited. Unless otherwise indicated, such view is as of the date noted and is subject to change. Information about the portfolio holdings, asset allocation or diversification is historical and is subject to change.

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

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

Any indices cited are widely accepted benchmarks for investment and represent non-managed investment portfolios. It is not possible to invest directly in an index. Information about the indices allows for the comparisons of an investment strategy's results to that of a widely recognized market index. There is no representation that such index is an appropriate benchmark for such comparison. Results for an index do not reflect trading commissions and costs. Index volatility may be materially different from a strategy's volatility and portfolio holdings may differ significantly from the securities comprising the index.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Any characteristics, guidelines, constraints or other information provided for this material is representative of the investment strategy and is provided for illustrative purposes only. They may change at any time and may differ for a specific account. Each client account is individually managed; actual holdings will vary for each client and there is no guarantee that a particular client's account will have the same characteristics as described herein. Any information about the holdings, asset allocation, or sector diversification is historical and is not an indication of future performance or any future portfolio composition, which will vary. Portfolio holdings are representative of the strategy, are subject to change at any time and are not a recommendation to buy or sell a security. The securities identified and described do not represent all of the securities purchased, sold or recommended for the portfolio. It should not be assumed that an investment in these securities or sectors was or will be profitable. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

TD *Emerald* Funds are managed and distributed by TD Asset Management Inc. or through authorized dealers.

TD Mutual Funds are managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank and are available through authorized dealers.

TD Global Investment Solutions represents TD Asset Management Inc. ("TDAM") and Epoch Investment Partners, Inc. ("TD Epoch"). TDAM and TD Epoch are affiliates and wholly-owned subsidiaries of The Toronto-Dominion Bank.

The TD Mutual Funds/Products (the "Funds/Products") have been developed solely by TD Asset Management Inc. The Funds/Products are not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the FTSE Russell Index/Indices referred to in this document/publication (the "Index/Indices") vest in the relevant LSE Group company which owns the Index/Indices. "FTSE®" is trademark of the relevant LSE Group company and is used by any other LSE Group company under license. "TMX®" is a trade mark of TSX, Inc. and used by the LSE Group under license.

# Disclosures



The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Funds/Products. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Funds/Products or the suitability of the Index for the purpose to which it is being put by TD Asset Management Inc.

Bloomberg and Bloomberg.com are trademarks and service marks of Bloomberg Finance L.P., a Delaware limited partnership, or its subsidiaries. All rights reserved.

©The TD logo and other TD trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.



# SCHEDULE I

## **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 2023. During this fiscal year Eckler completed the assessment of financial sufficiency of the Trust as at December 31, 2022. 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: transition of low volatility equity mandate from TDAM to MFS; review of TDAM and MFS 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 2024; various discussions with counsel; and other miscellaneous items.



SCHEDULE J



**ECKLER**

# **HEPATITIS C SETTLEMENT TRUST FUND**

Investment Summary  
as of December 31, 2023

March 26, 2024



# 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. The equity portfolio was transitioned to MFS in the first quarter of 2023 to invest in their low volatility strategy.
- Our analysis for 2023 is based on statements provided by Concentra Trust (the custodian for the investible assets ), MFS and TD Asset Management.
- In particular:
  - All dollar amounts, including asset values and cashflows, are taken from Concentra Trust
  - Returns are derived from the TD and MFS statements. We have reviewed these for reasonableness but have not independently verified the returns in full.
- TD Asset Management and MFS are required to certify that they have complied with the investment guidelines specified by the Joint Committee. 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.
- In 2023, the Courts approved additional special distribution benefits funded out of the Excess Capital established as at December 31, 2019.
  - As a result, funds were notionally reallocated from the Regular Benefits Account and Late Claims Benefit Account to the Special Distribution Benefit Account

# Asset Summary (\$,000's)

Fund	Portfolio	Strategy	Min	Benchmark	Max	Dec-23			Dec-22		
						Value	Asset Alloc	Fund Alloc	Value	Asset Alloc	Fund Alloc
Long term	Real Return Bonds	Passive	70.0%	80.0%	84.0%	674,098	74.3%		669,245	71.9%	
	Universe Bonds	Index	4.0%	6.0%	8.0%	54,872	6.0%		53,124	5.7%	
	World Equity	Low Volatility	8.0%	14.0%	20.0%	135,609	14.9%		141,038	15.1%	
	Cash		0.0%	0.0%	10.0%	42,906	4.7%		67,913	7.3%	
				100.0%		907,485	100.0%	91.7%	931,319	100.0%	88.3%
Short Term	Short Term Investment Fund	Index				12,801			47,227		
	Cash					458			2,107		
						13,259		1.3%	49,334		4.7%
Total Invested Assets *						920,744		93.0%	980,652		93.0%
Provinces/Territories' Notional Assets (net of prepayments, including outstanding payments)						68,931		7.0%	73,592		7.0%
Total Assets						989,675		100.0%	1,054,244		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-23	Dec-22
Long Term Fund	98.6%	95.0%
Short Term Fund	1.4%	5.0%
Total Invested Assets	100.0%	100.0%

As of December 31, 2023:

- Weighting for real return bonds is currently 5.7% below the benchmark of 80% of the Long-Term Fund
  - Underweight was more significant at December 31, 2022 (8.1% below benchmark)
  - 2022 position included around half the proceeds from maturing of the December 2021 real return bond in cash, which had been invested or paid out in compensation by the end of 2023
- As a result of the above, both real return bonds and cash are within the investment policy limits.
- Weighting for universe bonds is 6.0%, matching the benchmark.
  - Weighting increased from December 31, 2022 of 5.7%
- Equities are above the benchmark allocation by 0.9%
  - At December 31, 2022 they were 1.1% above their benchmark of 14.0%.
- Provinces/Territories' ("PT") Notional Assets are net of prepayments by Yukon
  - See further detail on page 4.
- As a percentage of the Invested Assets, the Long-Term Fund has increased from 95.0% to 98.6%, while the Short-Term Fund has decreased from 5.0% to 1.4% during the fiscal year.

# Asset Development (\$,000's)

		Invested Assets <sup>1</sup>				Provinces/ Territories' Notional Assets <sup>1</sup>	Total Assets
		Real Return Bond Fund	Other Long-Term Funds	Short Term Fund	Total Invested Assets		
Initial, at December 31, 2022		736,832	194,486	49,334	980,652	73,592	1,054,244
Investment income (realized and unrealized)		25,204	16,742	1,786	43,731	3,233	46,964
Inflow:	Recoveries from Provinces	-	-	7,893	7,893	(7,893)	-
	Additional Prepayments	-	-	-	-	-	-
Outflow:	Benefit Payments	-	-	(107,290)	(107,290)	-	(107,290)
	Expenses	-	-	(4,243)	(4,243)	-	(4,243)
Transfers between funds		(51,361)	(14,419)	65,780	-	-	-
Closing, at December 31, 2023		710,675 <sup>2</sup>	196,809 <sup>2</sup>	13,259	920,744	68,931	989,675

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 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, 2022, by \$59.9m
  - As a result of benefit payments and expenses, partially offset by positive investment returns
- The Provinces/Territories' Notional Assets have decreased by \$4.7m
  - As a result of their 3/11ths share of the Regular Benefit Account payout exceeding interest credits at T-bill rates
- Total assets (i.e. including Provinces/Territories' Notional Assets) have decreased by \$64.6m
- 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 \$63.6m
  - \$51.4m from real return bond coupons in June, September, October and December 2023.
  - \$12.2m from other long-term funds - spread over the whole year of 2023.
- MFS made net transfers from the Long-Term Fund to the Short-Term Fund of \$2.2m in May, July and October 2023

# 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, 2022	73,597	6	(11)	73,592
Interest credits	3,234		(1)	3,233
Additional prepayments	-			-
3/11 <sup>th</sup> share of benefits/expenses	(7,898)	4	1	(7,893)
Closing, at December 31, 2023	68,932	10	(11)	68,931

Totals may appear not to add due to rounding.

# Investment Returns

Fund	Portfolio	Fiscal Year Ending				Quarterly Returns Fiscal Dec 2023			
		Dec-20	Dec-21	Dec-22	Dec-23	Mar-23	Jun-23	Sep-23	Dec-23
Long Term	Real Return Bonds	8.8%	3.6%	-9.2%	4.0%	0.6%	-0.2%	-5.2%	9.3%
	Universe Bonds	8.5%	-2.7%	-11.7%	6.7%	3.2%	-0.7%	-3.9%	8.2%
	Low Volatility World Equity	-11.3%	17.5%	-0.6%	10.4%	2.5%	1.8%	-0.3%	6.2%
	Total	5.9%	4.9%	-8.0%	4.9%	0.9%	0.6%	-4.9%	8.8%
Short Term	Short Term Bonds/Investment Fund	1.2%	0.3%	1.8%	5.2%	1.3%	1.1%	1.3%	1.4%
Total Invested Assets		5.7%	4.7%	-7.5%	5.1%	0.9%	0.6%	-4.7%	8.6%
Notional PT Assets		0.5%	0.1%	1.7%	4.7%	1.0%	1.1%	1.2%	1.3%
Total Assets		5.3%	4.4%	-6.9%	5.1%	0.9%	0.6%	-4.3%	8.1%

- The 2020, 2021, 2022 and 2023 annual and quarterly returns for the component portfolios (except Low Volatility World Equity) are as reported by TD Asset Management in their investment reports. Eckler has not independently verified these, although they have been cross checked with the custodian valuations.
- Aggregated annual and quarterly returns (Total Long Term, Total Invested Assets and Total Assets) and Low Volatility World Equity 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.



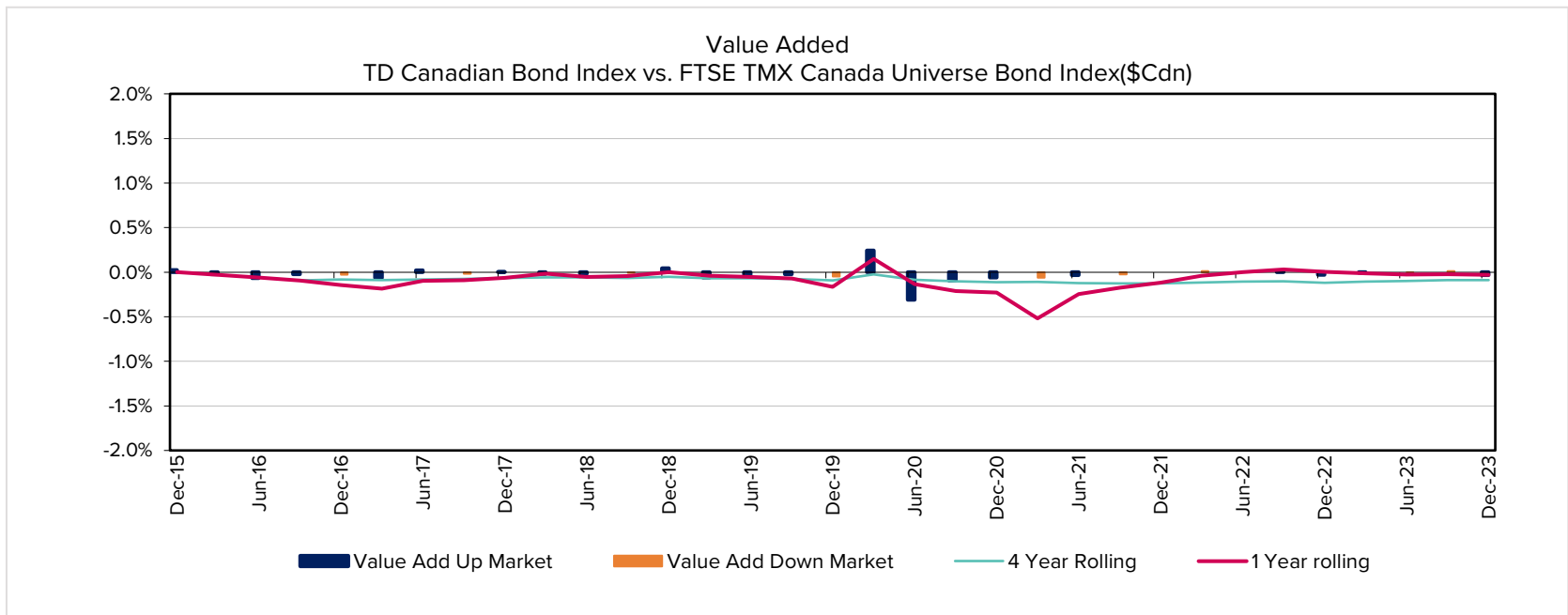
# Comments on Investment Returns

- The overall return of 5.1% for the 2023 calendar year is the result of 5.1% for invested assets and 4.7% for notional PT assets
- Universe Bonds produced a positive return of 6.7% in 2023, reflecting an increase in value as yields significantly declined in the last quarter of the year.
- RRBs returned 4.0%, also affected by the decrease in yield.
- The 2023 return for the low volatility world equity is 10.4%. By comparison the MSCI All Country World Index returned 18.9% in 2023. The mandate transitioned from TDAM to MFS early in 2023, and the return includes part of the year invested with TDAM and the balance with MFS.
- The Provinces/Territories' Notional Assets increase with interest at the 3-month T-bill rate; in 2023, these rates were lower than the returns on the invested assets.

# Tracking Error

		Fiscal Year Ending				4 years to Dec 2023	Target Tracking Error	
		Dec-20	Dec-21	Dec-22	Dec-23		1 year	4 years
Universe Bonds	Actual	8.5%	-2.7%	-11.7%	6.7%	-0.1%		
	Index	8.7%	-2.5%	-11.7%	6.7%	-0.1%		
	t/e	<b>-0.2%</b>	<b>-0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.1%</b>	0.20%	0.10%

- Universe Bonds met their tracking error target over both one and four years for 2023.

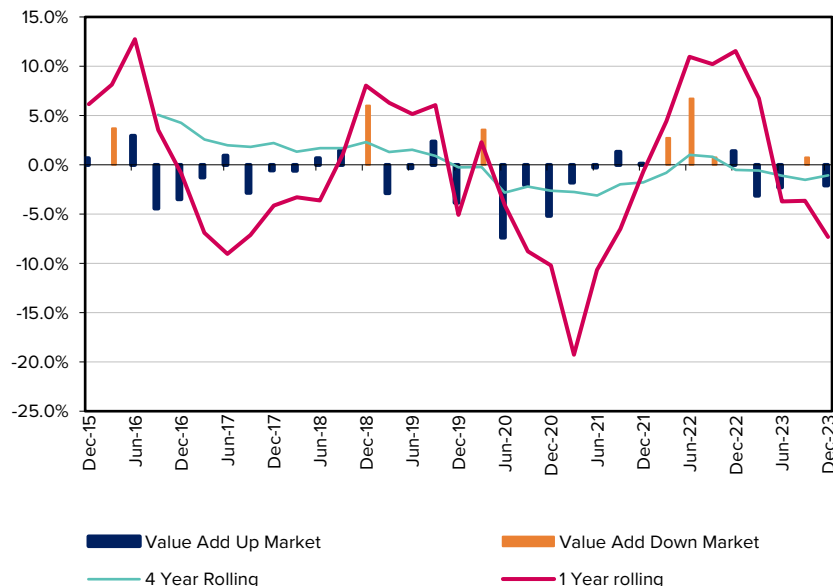


# Risk metrics for Low Volatility Equity Portfolio

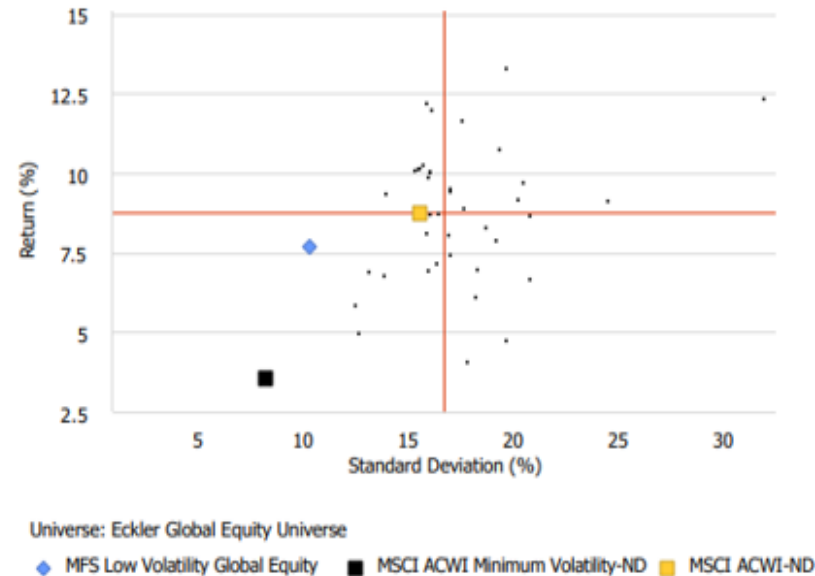
## MFS Low Volatility Global Equity Fund

- The MFS Low Volatility Global Equity strategy seeks to outperform the MSCI All Country World Index over the long term at less volatility (defined as standard deviation of monthly returns) than the index.
- It is notable from the value-add chart below that MFS has consistently protected the portfolio in down markets (orange bars) but often lags the market in rising markets. This is consistent with the low vol strategy.
- The 4-year risk return chart reveals that while marginally behind the index, MFS delivered this return with significantly lower volatility than the market, consistent with the expectations for this product. We also note that MFS substantially outperformed the Minimum volatility index.

Value Added  
MFS Global Equity vs MSCI ACWI (\$Cdn)



Risk vs Return  
4 Years



# Benefit Accounts (\$000s)

	Regular Benefit Account	Special Distribution Benefit Account	Late Claims Benefit Account	Total Invested Assets	Provinces/ Territories Notional Assets	Total Assets
<b>Initial, at December 31, 2022</b>	<b>854,345</b>	<b>65,705</b>	<b>60,602</b>	<b>980,652</b>	<b>73,592</b>	<b>1,054,244</b>
Reallocation of 2019 Excess Capital among notional accounts, brought forward to Dec 31, 2022 with investment returns	(160,071)	161,197	(1,126)	-	-	-
<b>Restated, at December 31, 2022</b>	<b>694,274</b>	<b>226,902</b>	<b>59,476</b>	<b>980,652</b>	<b>73,592</b>	<b>1,054,244</b>
Investment Income	34,712	6,109	2,911	43,731	3,233	46,964
Inflow: Recoveries from PT	7,893	-	-	7,893	(7,893)	-
Additional prepayments	-	-	-	-	-	-
Outflow: Benefit Payments	(24,990)	(79,708)	(2,592)	(107,290)	-	(107,290)
Expenses	(3,612)	(329)	(303)	(4,243)	-	(4,243)
<b>Closing, at December 31, 2023</b>	<b>708,278</b>	<b>152,975</b>	<b>59,491</b>	<b>920,744</b>	<b>68,931</b>	<b>989,675</b>
Gross investment return	5.1%	5.1%	5.1%	5.1%	4.7%	5.1%

Totals may appear not to add due to rounding.

# ECKLER

## SCHEDULE K

### SUMMARY OF JOINT COMMITTEE WORK DURING THE TWENTY-FOURTH YEAR OF OPERATIONS (2023)

#### 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,<sup>1</sup> 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 2023, approximately \$107.3 million<sup>2</sup> was paid to claimants as follows:
  - \$25.0 million under the Regular Benefit Plans
  - \$79.7 million in Special Distribution Benefits
  - \$2.6 million under the HCV Late Claims Benefit Plan

---

<sup>1</sup> These responsibilities include 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.

<sup>2</sup> 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 \$1.325 billion in response to 15,273 claims.

3. Operating expenses of administration and all service providers in 2023 were approximately \$5.7 million after adjustments, which was an increase of about 67.8% over the previous year. This was due largely to the costs associated with the completion of Phase 2 of the 2019 financial sufficiency review (including the surplus allocation hearing) and completing Phase 1 of the 2022 financial sufficiency review in the same year, as well as a significant increase in administration costs associated with paying the 2019 Special Distribution Benefits approved by the Courts in June 2023 (the **2019 SDBs**).
4. In 2023, there was a 5.1% return on the total invested assets. The invested assets decreased by about \$58.8 million (net of payments out).
5. As at December 31, 2023, the Trust Fund held assets of approximately \$927.0 million. The unpaid liability of the provincial and territorial governments was approximately \$68.9 million (including interest). This unpaid liability combined with the Trust Fund's assets totals approximately \$995.9 million 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, 2023:
  - The Trust Fund held assets of about \$927.0 million
  - The obligation of the provinces and territories that fund on a pay-as-you-go basis was estimated to be about \$68.9 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

*As at December 31, 2023, there was \$995.9 million available to satisfy class members' claims*

- the HCV Late Claims Benefit Account.

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

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

### Payments to Claimants

10. In 2023, approximately \$25.0 million in claims were paid under the Regular Benefit Plans, which is about the same as what was paid out in the previous year.<sup>3</sup>
11. Approximately \$79.7 million in Special Distribution Benefits were paid in 2023, which is 2,471% more than the previous year,<sup>4</sup> as a result of the 2019 SDBs. The ongoing Locator Project, aimed at finding "missing" class members and their estates who are owed payments, was implemented in additional provinces in 2023. Since its inception, the multiphase Locator Project has succeeded in the Administrator reissuing 349 payments to class members or their estates totalling \$1,914,158 to the end of 2023.
12. Approximately \$2.6 million in Late Claims Benefits were paid in 2023, which represents a 30% increase over the previous year.<sup>5</sup>

### Operating Expenses

13. After adjustments, a total of approximately \$5.7 million in administration and service provider expenses were paid in 2023, which is an increase of about 67.8% from the previous year.<sup>6</sup> This was due largely to the costs associated with the Phase 2 of the 2019 financial sufficiency review (including the surplus allocation hearing) and Phase 1 of the 2022 financial sufficiency review overlapping in the same year, as well as a significant increase in administration costs associated with paying the 2019 SDBs.

---

<sup>3</sup> In 2022, approximately \$24.9 million was paid. In 2021, approximately \$24.9 million was paid.

<sup>4</sup> In 2022, approximately \$3.1 million was paid. In 2021, approximately \$4.6 million was paid.

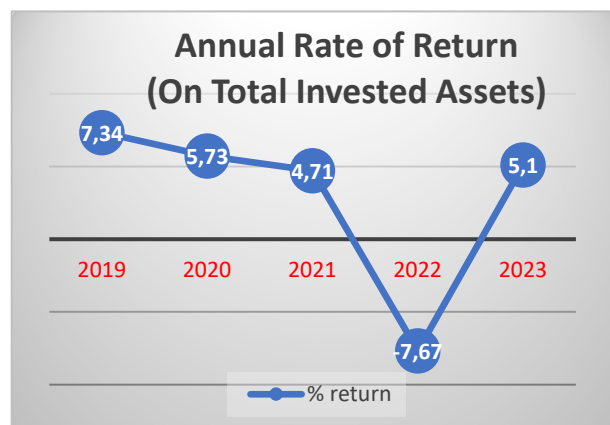
<sup>5</sup> In 2022, approximately \$2.0 million was paid. In 2021, approximately \$8.6 million was paid.

<sup>6</sup> In 2022, the operating expenses were approximately \$3.4 million. In 2021, the operating expenses were approximately \$3.5 million.



## Portfolio Oversight

14. In 2023, the invested portion of the Trust Fund closed at about \$920.7 million, which was down by approximately \$58.8 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 Real Return Bonds (**RRBs**). A small portion is held in a short term investment fund and in a low volatility equities fund.
16. Overall, there was a 5.1% return on the total invested assets in 2023, which was a substantial increase over the prior year.<sup>7</sup>
17. Most of the assets (about \$710.8 million) are invested in Government of Canada RRBs, which produced a return of 3.49% in 2023. This was a substantial increase over the previous year.<sup>8</sup> The return on these bonds since inception is 5.55%.
18. The short term investment fund (comprising about \$12.8 million) produced a return of 5.24%, which was an increase over the prior year.<sup>9</sup> The return on this fund since inception is 2.11%.
19. The “other” invested assets include a bond fund and a low volatility global equities fund.
- The return on the Canadian bond fund (comprising about \$54.9 million) was 6.65%, which was a substantial increase over the previous year.<sup>10</sup> The return on Canadian bonds since inception is 4.40%.
  - In early 2023, MFS Canada Limited (**MFS**) replaced TD Asset Management (**TDAM**) as the manager of the low volatility equities portfolio. The combined return on the



<sup>7</sup> In 2022, the overall return on invested assets was -7.67%. In 2021, the overall return on invested assets was 4.71%.

<sup>8</sup> In 2022, the return on RRBs was -7.98%. In 2021, the return on RRBs was 2.98%.

<sup>9</sup> In 2022, the return on the short term investment fund was 1.78%. In 2021, the return on short term investment fund was 0.25%.

<sup>10</sup> In 2022, the return on Canadian bonds was -11.69%. In 2021, the return on Canadian bonds was 2.66%.

TDAM and MFS low volatility all world equity funds (comprising about \$135.6 million) was 10.4%, which was a substantial increase from the previous year.<sup>11</sup>

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 2023

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 2023:
- Overseeing and coordinating the transition of the low volatility equities investment mandate from TDAM to MFS, including providing the necessary letters of directions to implement the court approved liquidation of the low volatility equities portfolio managed by TDAM and providing funding to MFS in three phases, opening new investment accounts at MFS and related accounts at CIBC Mellon and Concentra Trust, and establishing new reporting on this new investment.
  - Identifying potential candidates for the replacement of referee-arbitrators for Ontario, Manitoba and Quebec and drafting revised Tariffs applicable to Referees/Arbitrators and Claimants on appeals
  - Working with the Administrator on a mail and email notice campaign and updates to the settlement website to inform approved claimants about the filing of an amended application for the allocation of the restated 2019 surplus and the allocation hearing.
  - Implementing and developing with the Administrator a website form allowing approved claimants and their approved family members to update their coordinates electronically.
  - Coordinating the preparation and transmission of the complete dataset by the Administrator to the actuaries for the 2022 financial sufficiency review.

---

<sup>11</sup> In 2022, the return on the low volatility all world equity portfolio was -0.58%. In 2021, the return on the low volatility all world equity portfolio was 17.51%.

- Interacting with the actuaries, the Medical Working Group (MMWG) and the Administrator to provide timely responses for the preparation of the medical model and actuarial report for the 2022 financial sufficiency review.
- Analyzing the complete dataset provided to the actuaries and preparing the Joint Committee’s report in support of the application for the 2022 financial sufficiency review – Phase 1.
- Continuing the expansion of the Locator project by following up with counsel representing the different provincial and territorial governments to obtain orders to communicate updated contact information for the “missing claimants” from their health insurance database.
- Negotiating with the Administrator the contractual and financial terms for a continuation of its appointment for the next years.
- Drafting applications and supporting affidavits seeking:
  - Appointment of new Referees-Arbitrators due to resignations (three for Ontario, one for Manitoba and one for Quebec) and approval of revised Tariffs applicable to Referees/Arbitrators and Claimants on appeals.
  - An extension of time to file the motion and supporting material for the assessment of the financial sufficiency of the Fund as of December 31, 2022.
  - Rescission of the Court approved protocol Temporary Measures Related to the COVID-19 Pandemic.
  - Allocation of a large portion of the restated 2019 excess capital to the benefit of approved class members and their family members in the form of revised recommendations (the 2019 SDBs).
  - Approval of minor corrections to the Court approved protocol Loss of services of the HCV infected person in the home.
  - Approval of the actuaries’ conclusions regarding the financial sufficiency of the Fund as of December 31, 2022 (the 2022 financial sufficiency review – Phase 1).
  - Renewal of the Administrator’s appointment and approval of its budget proposal for 2024 and 2025.

- Attending the hearing for the allocation of the 2019 SDBs conducted simultaneously by ZOOM before the three Courts.
- Coordinating with TDAM, Eckler, Concentra Trust and MFS how the 2019 SDBs will be funded, including liquidation of investments and fund transfers.
- Implementing the approval orders of the 2019 SDBs including supervising the timely payment process by the Administrator.
- Monitoring performance of the investment portfolios.
- Attending the annual meeting with the auditors and key service providers to review the 2022 financial year.
- Preparing the 2022 Annual Report and the applications and material for its approval.
- Obtaining the 2024 budget proposals from the service providers it supervises and preparing the applications and supporting material for approval of the 2024 annual budgets.
- Reviewing and updating the information displayed on the [hepc8690.ca](http://hepc8690.ca) and the [hepcclassaction.ca](http://hepcclassaction.ca) websites by posting regular notices regarding the payment timeline of the 2019 SDBs.
- 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 L

## YEAR 24 JC FEES

Joint Committee Fees and Disbursements Incurred in the Period from  
January 1, 2023 to December 31, 2023

### Regular Benefit Plans

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$115,875.75	\$163,563.95	\$255,170.00	\$165,779.00	\$700,388.70
DISB.	\$3,703.56	\$7,710.59	\$2,276.17	\$7,448.88	\$21,139.20
GST	\$5,949.63	\$8,563.73	\$0.00	\$0.00	\$14,513.36
PST	\$8,189.26	\$17,084.64	\$0.00	\$0.00	\$25,273.90
HST	\$0.00	\$0.00	\$33,468.00	\$21,909.22	\$55,377.22
<b>TOTAL</b>	<b>\$133,718.20</b>	<b>\$196,922.91</b>	<b>\$290,914.17</b>	<b>\$195,137.10</b>	<b>\$816,692.38</b>

### Financial Sufficiency

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$63,038.25	\$87,612.30	\$82,790.00	\$447,080.00	\$680,520.55
DISB.	\$4,190.57	\$2,666.90	\$124.80	\$4,910.33	\$11,892.60
GST	\$3,349.44	\$4,513.96	\$0.00	\$0.00	\$7,863.40
PST	\$4,601.67	\$9,005.35	\$0.00	\$0.00	\$13,607.02
HST	\$0.00	\$0.00	\$16,436.53	\$58,758.74	\$75,195.27
<b>TOTAL</b>	<b>\$75,179.93</b>	<b>\$103,798.51</b>	<b>\$99,351.33</b>	<b>\$510,749.07</b>	<b>\$789,087.84</b>

### Special Distribution Benefits

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$936.00	\$11,901.60	\$11,645.00	\$24,605.00	\$49,087.60
DISB.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GST	\$46.80	\$595.08	\$0.00	\$0.00	\$641.88
PST	\$65.52	\$1,187.18	\$0.00	\$0.00	\$1,252.70
HST	\$0.00	\$0.00	\$1,513.85	\$3,198.65	\$4,712.50
<b>TOTAL</b>	<b>\$1,048.32</b>	<b>\$13,683.86</b>	<b>\$13,158.85</b>	<b>\$27,803.65</b>	<b>\$55,694.68</b>

### Late Claims Plan

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$0.00	\$3,317.60	\$5,015.00	\$5,950.00	\$14,282.60
DISB.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GST	\$0.00	\$165.88	\$0.00	\$0.00	\$165.88
PST	\$0.00	\$330.93	\$0.00	\$0.00	\$330.93
HST	\$0.00	\$0.00	\$651.95	\$1,229.80	\$1,881.75
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$3,814.41</b>	<b>\$5,666.95</b>	<b>\$7,179.80</b>	<b>\$16,661.16</b>

### TOTAL FEES AND DISBURSEMENTS

	BC	QUEBEC	ONTARIO (H)	ONTARIO (T)	TOTAL
FEES	\$179,850.00	\$266,395.45	\$354,620.00	\$643,414.00	\$1,444,279.45
DISB.	\$7,894.13	\$10,377.49	\$2,400.97	\$12,359.21	\$33,031.80
GST	\$9,345.87	\$13,838.65	\$0.00	\$0.00	\$23,184.52
PST	\$12,934.78	\$27,608.10	\$0.00	\$0.00	\$40,464.55
HST	\$0.00	\$0.00	\$79,389.33	\$85,096.41	\$164,485.74
<b>TOTAL</b>	<b>\$209,946.45</b>	<b>\$318,219.69</b>	<b>\$436,410.30</b>	<b>\$740,869.62</b>	<b>\$1,705,446.06</b>

## SCHEDULE M

### REPORT OF FUND COUNSEL (FOR 2023 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. Belinda Bain has 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, 2023 to December 31, 2023**, Fund Counsel was 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 has also handled claims where court approval was necessary for payments involving minors or a mentally incompetent adult.
6. Fund Counsel also receives and reviews financial statements and other reports relating to the financial sufficiency of the Trust Fund.
7. Below is a report of the activities of 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 December 31, 2023	<b>342</b>
Number of appeals received from January 1, 2023 to December 31, 2023	<b>2</b>
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2023	<b>258</b>
Number of completed appeals (decisions rendered) from January 1, 2023 to December 31, 2023	<b>6</b>
Number of total withdrawals from the beginning to December 31, 2023	<b>50</b>
Number of withdrawals from January 1, 2023 to December 31, 2023	<b>0</b>
Number of total rescissions of denial from the beginning to December 31, 2023	<b>21</b>
Number of rescissions of denial from January 1, 2023 to December 31, 2023	<b>0</b>
Number of total Mediated Appeals from the beginning to December 1, 2023	<b>9</b>
Number of Mediated appeals from January 1, 2023 to December 31, 2023	<b>1</b>
Number of Archived Appeals	<b>2</b>
Number of pending Appeals as of December 31, 2023	<b>5</b>
Number of total requests for judicial confirmation from the beginning to December 31, 2023	<b>56</b>
Number of requests for judicial confirmation from January 1, 2023 to December 31, 2023	<b>0</b>
Number of total judicial decisions from the beginning to December 31, 2023	<b>50</b>
Number of judicial decisions from January 1, 2023 to December 31, 2023	<b>0</b>
Number of Appeals Justice Perell sent back to Referee up to December 31, 2023	<b>4</b>
Number of Appeals that have been sent back that are concluded	<b>3</b>
Number of Appeals sent back by Justice Perell that have been withdrawn by claimant up to December 31, 2023	<b>1</b>
<b>Total Number of pending Appeals as of December 31, 2023</b>	<b>5</b>

**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 December 31, 2023	17
Number of appeals received from January 1, 2023 to December 31, 2023	3
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2023	7
Number of completed appeals (decisions rendered) from January 1, 2023 to December 31, 2023	0
Number of total withdrawals from the beginning to December 31, 2023	3
Number of withdrawals from January 1, 2023 to December 31, 2023	0
Number of total rescissions of denial from the beginning to December 31, 2023	1
Number of rescissions of denial from January 1, 2023 to December 31, 2023	0
Number of total Mediated Appeals from January 1, 2023 to December 1, 2023	0
Number of Mediated appeals from January 1, 2023 to December 31, 2023	0
Number of Archived Appeals	0
Number of pending Appeals as of December 31, 2023	7
Number of total requests for judicial confirmation from the beginning to December 31, 2023	3
Number of requests for judicial confirmation from January 1, 2023 to December 31, 2023	0
Number of total judicial decisions from the beginning to December 31, 2023	1
Number of judicial decisions from January 1, 2023 to December 31, 2023	0
Number of Appeals Justice Perell sent back to Referee up to December 31, 2023	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, 2023	0
<b>Total Number of pending Appeals as of December 31, 2023</b>	<b>7</b>

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

Ontario Fund Counsel incurred fees, with respect to Regular Plans (Transfused and Hemophiliac), in the amount of **\$135,205.50** plus HST. Ontario Fund Counsel incurred disbursements in the amount of **\$1,190.61** plus HST. The total amount of taxes incurred was **\$17,731.51**. No expert witness expenses were incurred. With taxes, the total amount of fees and disbursements incurred was **\$154,127.62**.



Ontario Fund Counsel incurred fees, with respect to Late Claims, in the amount of **\$30,871.50** plus HST. Ontario Fund Counsel incurred disbursements in the amount of **\$14.42**. The total amount of taxes incurred was **\$4,015.17**. No expert witness expenses were incurred. With taxes, the total amount of fees incurred was **\$34,901.09**.

(b) **Quebec Fund Counsel**

Particulars of the appeals are as follows:

**Regular Claims**

Number of total appeals received from the beginning to December 31, 2023	80
Number of appeals received from January 1, 2023 to December 31, 2023	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2023	64
Number of completed appeals (decisions rendered) from January 1, 2023 to December 31, 2023	0
Number of total withdrawals from the beginning to December 31, 2023	10
Number of withdrawals from January 1, 2023 to December 31, 2023	0
Number of total mediated appeals from the beginning to December 31, 2023	1
Number of mediated appeals from January 1, 2023 to December 31, 2023	0
Number of total rescissions of denial from the beginning to December 31, 2023	5
Number of rescissions of denial from January 1, 2023 to December 31, 2023	0
Number of pending appeals as of December 31, 2023	0
Number of total requests for Judicial confirmation from the beginning to December 31, 2023	22
Number of requests for Judicial confirmation from January 1, 2023 to December 31, 2023	0
Number of total Judicial decisions from the beginning to December 31, 2023	20
Number of requests for Judicial confirmation withdrawn by claimant to December 31, 2023	0
Number of judicial decisions from January 1, 2023 to December 31, 2023	0
<b>Total Number of pending Appeals as of December 31, 2023</b>	<b>0</b>

## Late Claims

Number of total appeals received from the beginning to December 31, 2023	9
Number of appeals received from January 1, 2023 to December 31, 2023	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2023	8
Number of completed appeals (decisions rendered) from January 1, 2023 to December 31, 2023	6
Number of total withdrawals from the beginning to December 31, 2023	0
Number of withdrawals from January 1, 2023 to December 31, 2023	0
Number of total mediated appeals from the beginning to December 31, 2023	0
Number of mediated appeals from January 1, 2023 to December 31, 2023	0
Number of total rescissions of denial from the beginning to December 31, 2023	0
Number of rescissions of denial from January 1, 2023 to December 31, 2023	0
Number of pending appeals as of December 31, 2023	1
Number of total requests for Judicial confirmation from the beginning to December 31, 2023	0
Number of requests for Judicial confirmation from January 1, 2023 to December 31, 2023	0
Number of total Judicial decisions from the beginning to December 31, 2023	0
Number of requests for Judicial confirmation withdrawn by claimant to December 31, 2023	0
Number of judicial decisions from January 1, 2023 to December 31, 2023	0
<b>Total Number of pending Appeals as of December 31, 2023</b>	<b>1</b>

Quebec Fund Counsel incurred fees, with respect to Regular Plans (Transfused and Hemophiliac), in the amount of **\$9,539.60** plus tax. Quebec Fund Counsel incurred disbursements in the amount of **\$157.30** plus tax. The total amount of taxes incurred on fees and expenses is **\$484.85**. 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 **\$10,181.75**.

Quebec Fund Counsel incurred fees, with respect to Late Claims, in the amount of **\$17,360.00** plus tax. Quebec Fund Counsel incurred disbursements in the amount of **\$194.75**. The total amount of taxes incurred on fees and expenses is **\$877.75**. 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 **\$18,432.50**.

(c) **British Columbia**

Particulars of the appeals are as follows:

**Regular Claims**

Number of total appeals received from the beginning to December 31, 2023	74
Number of appeals received from January 1, 2023 to December 31, 2023	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2023	50
Number of completed appeals (decisions rendered) from January 1, 2023 to December 31, 2023	0
Number of total withdrawals from the beginning to December 31, 2023	17
Number of withdrawals from January 1, 2023 to December 31, 2023	0
Number of total rescissions from the beginning to December 31, 2023	0
Number of rescissions from January 1, 2023 to December 31, 2023	0
Number of total mediated appeals from the beginning to December 31, 2023	0
Number of mediated appeals from January 1, 2023 to December 31, 2023	0
Number of Archived Appeals	6
Number of Archived Appeals from January 1, 2023 to December 31, 2023	0
Number of pending appeals as of December 31, 2023	0
Number of total requests for Judicial confirmation from the beginning to December 31, 2023	20
Number of requests for Judicial confirmation from January 1, 2023 to December 31, 2023	0
Number of total Judicial decisions from the beginning to December 31, 2023	19
Number of judicial decisions from January 1, 2023 to December 31, 2023	0
<b>Total number of pending Appeals as of December 31, 2023</b>	<b>0</b>

**Late Claims**

Number of total appeals received from the beginning to December 31, 2023	4
Number of appeals received from January 1, 2023 to December 31, 2023	0
Number of total completed appeals (decisions rendered) from the beginning to December 31, 2023	2
Number of completed appeals (decisions rendered) from January 1, 2023 to December 31, 2023	0
Number of total withdrawals from the beginning to December 31, 2023	0

Number of withdrawals from January 1, 2023 to December 31, 2023	0
Number of total rescissions from the beginning to December 31, 2023	0
Number of rescissions from January 1, 2023 to December 31, 2023	0
Number of total mediated appeals from the beginning to December 31, 2023	0
Number of mediated appeals from January 1, 2023 to December 31, 2023	0
Number of Archived Appeals	0
Number of Archived Appeals from January 1, 2023 to December 31, 2023	0
Number of pending appeals as of December 31, 2023	0
Number of total requests for judicial confirmation from the beginning to December 31, 2023	0
Number of requests for judicial confirmation from January 1, 2023 to December 31, 2023	0
Number of total judicial decisions from the beginning to December 31, 2023	0
Number of judicial decisions from January 1, 2023 to December 31, 2023	0
<b>Total number of pending appeals as of December 31, 2023</b>	<b>0</b>

B.C. Fund Counsel incurred fees with respect to Regular Plans (Transfused and Hemophiliac) in the amount of **\$13,897.50** plus tax. B.C. Fund Counsel incurred disbursements in the amount of **\$607.09** plus tax. The total amount of taxes incurred on fees and expenses is **\$1,698.07** (GST was paid in the amount of **\$725.23** and PST in the amount of **\$972.84**). There were no costs incurred with respect to expert fees or travel expenses. With taxes, the total amount of fees and disbursements incurred in B.C. is **\$16,202.66**.

B.C. Fund Counsel incurred fees with respect to Late Claims in the amount of **\$1,360.00** plus tax. B.C. Fund Counsel incurred disbursements in the amount of **\$67.96**. The total amount of taxes incurred on fees is **\$138.90** (GST was paid in the amount of **\$70.94** and PST in the amount of **\$95.21**). 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 **\$1,594.11**.

8. 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.

9. 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.

60054055\7

# SCHEDULE N

## Annual Report 2023

### Prepared for:

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

### Prepared by:

Reva Devins

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 10 active Court appointed Arbitrator/Referees: one in each of Alberta, Saskatchewan, Manitoba, Nova Scotia, Quebec, and British Columbia, and 5 in Ontario. There were four resignations, including the Chair in Ontario and Quebec. 5 new Arbitrator/Referees were appointed, including the appointment of a new Chair in Quebec. The Associate Chair of the Ontario Roster was appointed the Chair.

## Appeal Activity

4. The number of new appeals assigned to Arbitrators and Referees remained extremely low in 2023.

## 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, 2023

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	\$22,772.50
Disbursements:	\$0	\$0	\$0
Taxes:	\$0	\$ 0	\$2,810.77
<b>TOTALS</b>	<b>\$ 0</b>	<b>\$0</b>	<b>\$25,583.27</b>

\*This represents fees and disbursements paid in 2023, 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 2023 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*:	\$0	\$0	\$5,880
Disbursements:	\$0	\$0	\$0
HST:	\$0	\$0	\$764.40
<b>TOTALS:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,644.40</b>

\*This represents fees and disbursements paid in 2023, 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, some outstanding matters that will be completed in the coming year. The estimated fees for 2024 are \$40,000.
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 40 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. There are also many outstanding matters that were commenced or completed in 2023 but not yet billed. The estimated fees for 2024 are \$60,000.