



ADVISORY BOARD MEETING

<u>Board Member</u>	<u>Alternate</u>	<u>Board Member</u>	<u>Alternate</u>
David Morritt	TBA	Donald Milner	Anne-Marie Breton
Robert Love	Kate Menear	Gordon Goodman	John Birch
Mike Swartz	Paul Wilson	Ken Crofoot	Eugene Cipparone
Julia Holland	David Outerbridge	Laurence Detière	Melanie Koszegi
Caroline Zayid	David E. Woollcombe	Carl De Vuono	Christopher Garrah

Tuesday, June 25, 2024 at 8:45 a.m.
 Goodmans LLP
 34th Floor, Bay Adelaide Centre, West Tower
 333 Bay Street
 Toronto, Ontario

ZOOM login information:

To join meeting using a computer:

<https://us02web.zoom.us/j/88996418634?pwd=TVhicTl5MEhtRnVnbDRFaCtMRDJHdz09>

Meeting ID: 889 9641 8634

Meeting Password: 446829

To join meeting by phone:

+1 647 558 0588 Canada

Meeting ID: 889 9641 8634

Meeting Password: 446829

AGENDA

	<u>Responsibility</u>	<u>Est. Time</u>	<u>Tab</u>
1. Constitution of Meeting	Ken Crofoot		
2. Appointment of Secretary	Ken Crofoot		
3. Approval of the Minutes of February 27, 2024 Meeting	Ken Crofoot	5 mins	3.1

Proposed Resolution: To approve the minutes.



	<u>Responsibility</u>	<u>Est. Time</u>	<u>Tab</u>
4. Business Arising Out of the Minutes	Ken Crofoot		
5. Comments of the Chair	Ken Crofoot	5 mins	
6. Pro-Form Insurance Services – Excess Insurance Renewal	Bob Wilson/ Scott Belton	15 mins	To Follow
7. Reinsurance Renewal	Ryan Durrell/ Chris Marley	40 mins	
7.1 Status of Reinsurance Renewal including CLLAS Cyber			To Follow
7.2 Surplus Position and Impact on 2024/25 Premium			
<i>Proposed Resolution: That the surplus of not less than \$xxx,00 but up to \$xxx,000 be distributed by way of premium credit and that the 2024/25 premium rate be set based on a reinsurance rate increase on the average lawyer costs of x.x%, subject to final minor adjustments not to exceed x.0%. The motion was carried unanimously.</i>			
8. Report of the General Manager’s Office	Carrie Green	15 mins	
8.1 Management Financial Statements – March 31, 2024			8.1
8.2 CLLAS 2024 Business Plan – Information item only			8.2
9. Committee Reports		15 mins	
9.1 Audit Committee	Gordon Goodman		
9.2 Claims Committee	Robert Love		9.2
9.3 Risk Management Committee	Julia Holland		
9.4 Policy Committee	Donald Milner		
10. Other Business			
10.1 Quarterly Report of the Investment Manager	Carrie Green	5 mins	10.1
10.2 Updated Committee Membership	Ken Crofoot	5 mins	10.2
11. Next Meeting – September 17, 2024 at 8:30 a.m.			

Anticipated Adjournment Time: 10:30 a.m.

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
("CLLAS")**

Minutes of a Meeting of the Advisory Board

8:30 a.m.

Goodmans LLP (via videoconference)

Tuesday, February 27, 2024

Present:

Ken Crofoot (Chair)	Goodmans LLP
Robert Love	Borden Ladner Gervais LLP
Gordon Goodman	Cassels Brock & Blackwell LLP
Anne-Marie Breton	Fasken Martineau DuMoulin LLP
Caroline Zayid	McCarthy Tétrault LLP
Carl De Vuono	McMillan LLP
David Morritt	Osler, Hoskin & Harcourt LLP
Julia Holland	Torys LLP
Mike Swartz	WeirFoulds LLP
Carrie Green	Office of the General Manager, CLLAS
Norma Ibbetson	Office of the General Manager, CLLAS
Chris Marley	Axxima

Absent:

Laurence Detière	Davies Ward Phillips & Vineberg LLP
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1. Constitution of Meeting

The Chair brought the meeting to order.

2. Appointment of Secretary

Norma Ibbetson acted as Secretary.

3. Approval of Minutes of the December 5, 2023 Meeting of the Advisory Board

It was moved by Gordon Goodman and seconded by David Morritt that the minutes of the December 5, 2023, meeting of the Advisory Board be approved. The motion was carried unanimously.

4. **Business Arising Out of the Minutes**

All business arising out of the minutes will be dealt with elsewhere in the agenda.

5. **Comments of the Chair**

Good results in 2023. Before next meeting we will have gone to London to present to the markets. We have officially transitioned the London brokerage from BWI to 3MG – same team just a different name. Laurence Detière will be joining the group in London this year. Board members were invited to send any comments or items to be raised in London.

6. **Market Update and Reinsurance Renewal Planning**

Chris Marley updated the Board with respect to renewal planning for July 1, 2024.

With respect to the E&O Program, we have had no indication to date that any incumbent market intends to stop writing professional liability business. This news tends to be communicated around January 1st, once the markets have secured their reinsurance coverage. This is hopefully an indication that the market is stabilizing, although we still expect some upward pressure on rates. Our current plan, to be refined once we have seen the actuarial analysis, is to press for a flat renewal with the expectation that any increase would be no more than 7.5%. We need to be mindful of market share at the syndicate level.

With respect to the Cyber Program, industry-wide loss experience has been relatively stable with ransomware demands down relative to the recent past. Capacity remains limited, but we expect a reasonable renewal of the \$5 million excess of \$1 million reinsurance layer at July 1, 2024 even though most firm policies do not renew until the fall of 2024. Stockwoods is an associate firm member and have asked us to assist them with their cyber renewal this year. Depending on how the discussion goes the Board may be asked to consider including them in the Cyber underwriting group.

7. **Report of the General Manager's Office**

Financial Statements for the Period Ending December 31, 2023

Carrie Green presented CLLAS' financial management report as at December 31, 2023.

Carrie noted that with the implementation of IFRS 17 effective January 1, 2023, the financial statements now look very different.

For the year ended December 31, 2023, CLLAS experienced a positive net insurance service result (i.e. premiums minus claims and expenses) of \$659,000. The result is driven by improved investment results combined with favourable claims experience within CLLAS' retention. The total comprehensive income result was \$1.2 million. CLLAS' surplus at December 31, 2023 stood at just over \$14.6 million. The Budget Variance shows that expenses finished the year about 3.6% under budget. No issues with the MCT or AMRGF numbers.

Most of CLLAS' risk metrics are within its risk limits as shown on Exhibit V, except as otherwise noted in the financial management report. The only metric that is outside of CLLAS' risk limit is the maximum

concentration with a single reinsurer (aside from Colchester). As discussed in the past, the Westfield Lloyd's Syndicate (formerly Argo) reinsures 21.3% of CLLAS' total liabilities.

The financial management report also includes financials for the two CLLAS programs, E&O and Cyber.

Presentation of the Actuary to the Audit Committee

CLLAS' actuary, Julie-Linda Laforce presented the results of the 2023 valuation to the Audit Committee at a meeting held on February 22, 2024. The actuary's presentation was included in the Board material as an information item and the full valuation report is available should any Board member wish to review. Key points in the presentation included the following (1) development on retained losses during 2023 was favourable across all policy years (\$1,177,000 in total); and (2) insurance contract liabilities and reinsurance contract assets were booked in the financial statements as recommended.

2024 Operating Budget

Carrie Green presented the proposed operating budget for 2024. The budget letter addresses expenses incurred in 2023, the budget proposed for 2024. The operating expense budget is decreasing for 2024 compared to the prior year as a result of a reduction in Strategic Matters related to two projects that are now complete – the transition to IFRS 17 and the set up of the Cyber Program.

The cost of developing and implementing the Cyber Program in 2022 and 2023 had been tracked as a Strategic expense. Starting from January 1, 2024, Cyber Program expenses will be allocated in the same manner as E&O expenses to the management and reinsurance program.

Expenses that can be isolated by program e.g. premium taxes and reinsurance fees, will continue to be accounted for separately in 2024 with 5% of all other operating expenses allocated to the Cyber Program. The allocation will continue to be reviewed each year to ensure that it remains appropriate.

As a note the commissions and/or profit sharing collected on the cyber and associate firm programs is offset against the management fees and not kept by Axxima, as the broker.

It was moved by Robert Love and seconded by Michael Swartz that the 2024 budget be approved. The motion was carried unanimously.

8. Committee Reports

Report of the Audit Committee

Gordon Goodman reported on behalf of the Audit Committee.

The year-end meeting with CLLAS' auditor and actuary took place on February 22, 2024. An unqualified audit opinion was issued. Copies of the Audit Findings Report and the Audited Financial Statements were included in the Board meeting material. IFRS 17 came into effect on January 1, 2023 and resulted in significant changes to the statements and note disclosures. IFRS 9 (Financial Instruments) also came into effect on January 1, 2023. The notes do a good job of highlighting the nature and effect of the changes in accounting standards.

Peer review of the actuarial valuation (which is a regulatory requirement every three years) was also provided to the Committee members. No changes to the process are to be made.

It was moved by Gordon Goodman and seconded by David Morritt that the Financial Statements as at December 31, 2023 be adopted. The motion was carried unanimously.

The P&C1 regulatory filing will be signed and filed before February 29, 2024.

During the audit committee's in camera meeting with auditors, the auditors expressed appreciation for the support they received from the CLLAS management office and acknowledged delays and challenges on their part due to the last-minute changes in the audit team combined with implementing IFRS 17. Audit fees have also increased significantly. The Committee discussed and agreed that given the transition to IFRS 17 is now complete, an RFP this spring is appropriate for Audit services and confirmed that the incumbent will be invited to respond. The RFP will be awarded and appointment done at the Annual General Meeting in June 2024.

Report of the Claims Committee

Bob Love reported to the Board. There are several claims being monitored closely, with two potential settlements in the works in the first quarter of 2024. The Committee meets quarterly to review active files and met most recently in early January 2024.

Report of the Risk Management Committee

Julia Holland reported to the Board. There has been no activity since the last meeting. The risk management audits are scheduled for 2025 and this is reflected in the Operating Budget for 2024. It is likely there will be another Risk Management Seminar in the Fall of 2024. The AI session from last Fall was well received. The proposed plan is to gather further information from each firm on guidelines they have in place around the use of AI within their firms. This might be helpful for renewal discussion in London.

Report of the Policy Committee

There was no report of the Policy Committee outside of the new endorsement to the Cyber policy that was recently circulated.

9. Other Business

Quarterly Report of the Investment Manager at December 31, 2023

This is an information item for the Board.

Annual Dinner

Will take place this year at Canoe on Thursday April 25, 2024.

There was no further business.

10. Next Meeting

The next regularly scheduled meeting of the Board will be on June 25, 2024.

There being no further business, the meeting was terminated.

Chairman

Secretary

MEMORANDUM

DATE: June 19, 2024
TO: CLLAS Advisory Board
FROM: Carrie Green
COPY:
RE: March 31, 2024 Financial Management Report

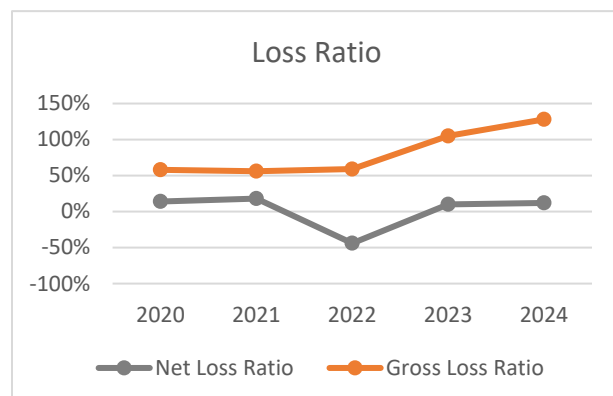
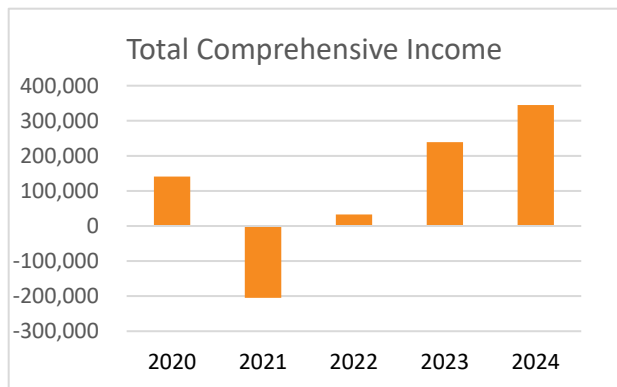
CLLAS' financial management report for the quarter ended March 31, 2024 is attached. Included are the following exhibits:

- Exhibit 1: Management Financial Statements for the Combined CLLAS Programs, including the risk metrics and AMRGF exhibits
- Exhibit 2: Management Financial Statements for the E&O Program
- Exhibit 3: Management Financial Statements for the Cyber Program

These financial statements were prepared under IFRS 17 which came into effect January 1, 2023. Note that for the figures shown in the graphs contained here, all years prior to 2023 were prepared under IFRS 4.

Combined Programs (Exhibits 1.1 – 1.6)

On a combined program basis, as shown on Exhibit 1.2, CLLAS experienced a positive net insurance result (i.e. premiums minus claims and expenses) of \$203,000 for Q1. After taking into account the net investment result and unrealized gains/losses on the investment portfolio, the total comprehensive income result for the quarter was \$345,000.

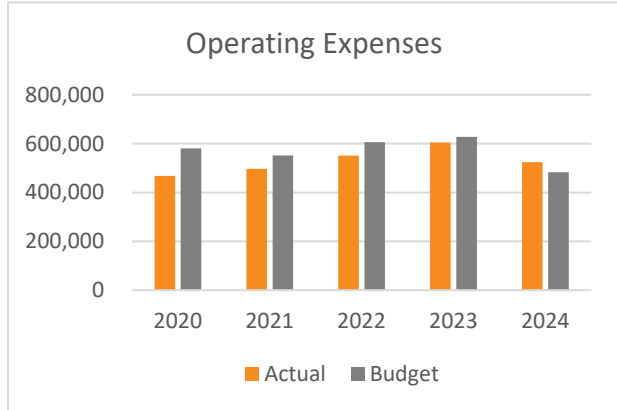


In the first quarter of 2024 CLLAS experienced claims development on three files from the 2021-22 policy year resulting in a total reserve increase of \$5.4 million. It's important to note that these amounts are fully reinsured with the net impact to CLLAS' Income Statement being nil.

On Exhibit 1.1, the combined total cash and short-term investments have returned to normal levels

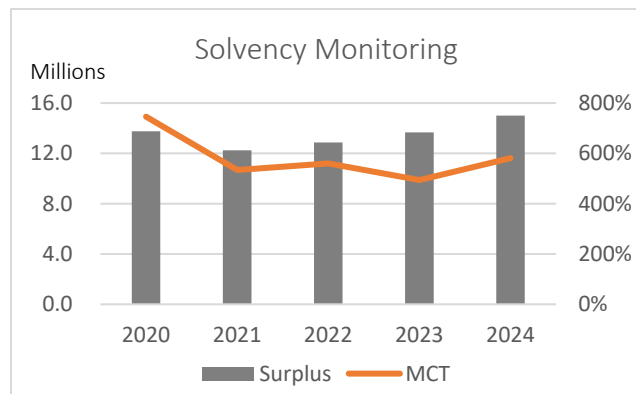
(approx. \$15 million) as compared to prior year. You may recall in Q1 of 2023 there was a temporary reduction in cash and short-term investments due to claims settlements on a handful of older files that were paid in Q1 2023 but not yet recovered from reinsurers.

The Budget Variance (Exhibit 1.4) shows that expenses finished the quarter slightly above budget by \$41,000, or 8%. This budget variance is primarily due to the timing of payments.



As shown on Exhibit 1.1, the surplus position for CLLAS at March 31, 2024 stood at just over \$15 million.

The key regulatory solvency test that CLLAS is required to comply with is known as the Alberta Maintenance of Reserve and Guarantee Fund (“AMRGF”). CLLAS must maintain “cash and approved securities” in excess



of the reserve fund plus the guarantee fund required by the Alberta regulator. Exhibit 1.6 shows that at March 31, 2024 CLLAS had assets exceeding the required amount by just under \$14.9 million.

The other solvency test monitored by CLLAS is the Minimum Capital Test (“MCT”). As shown in Exhibit 1.5, CLLAS’ MCT ratio was 581% at March 31, 2024, again well in excess of regulatory expectations.

Note that the combined statements consolidate the two programs and account for any inter-program adjustments. (For example, premium taxes on the Cyber Program may have been paid by the E&O Program. This would appear as a payable on the Cyber Program’s accounts and a receivable for the E&O Program but would be netted out of the combined statements.) The financial performance metrics for CLLAS (shown on Exhibit 1.5) are presented on a combined basis.

Exhibit 1.5 shows the year-end results for 2022 and 2023, and the results at March 31, 2024 against risk targets and risk limits. Most of the metrics at March 31, 2024 are within CLLAS’ risk limits. The items of note are discussed below.



- Line 8: While we continue to be optimistic as insurance market conditions continue to normalize, we are maintaining a yellow indicator for this metric, to be reviewed again as circumstance change.
- Line 9: This metric reflects the Reinsurance Security Report presented to the Audit Committee at its October 31, 2023 meeting. As discussed during that meeting, one of CLLAS' reinsurers Westfield (formerly Argo) has an A- rating with AM Best and/or S&P.
- Line 10: This metric also reflects the Reinsurance Security Report presented to the Audit Committee at its October 31, 2023 meeting. As discussed during that meeting, the Westfield Syndicate (formerly Argo) reinsures 21.3% of CLLAS' total liabilities. Appropriate moves to continue diversifying CLLAS' reinsurance support should be made when market conditions permit.

CLLAS E&O Program (Exhibits 2.1 – 2.4)

As shown on Exhibit 2.2, the E&O program experienced a positive net insurance result of \$21,000 in the quarter resulting in total comprehensive income (after taking into account the net investment result and unrealized gains/losses on the investment portfolio) of close to \$160,000. As shown on Exhibit 2.1, the E&O program's surplus at March 31, 2024 sits at \$14.3 million.

CLLAS Cyber Program (Exhibits 3.1 – 3.4)

As shown on Exhibit 3.2, the Cyber program continues to perform well, with a total comprehensive income of 185,000. As explained in the 2024 CLLAS operating budget memo, with the exception of premium taxes and reinsurance fees, which can be isolated by program, 5% of all other operating expenses are allocated to the Cyber program. As shown on Exhibit 3.1, surplus for the Cyber program continues to grow and is sitting at over \$703,000 at the end of the quarter.

Please contact me if you have any questions with respect to the statements or the risk metrics.

Sincerely,

Carrie Green
General Manager

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - COMBINED
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED March 31, 2024**

Exhibit 1.1

	As at March 31, 2024	As at March 31, 2023
Assets		
Cash	7,220,924	1,730,345
Short term investments	8,222,340	2,691,812
Bonds	7,219,616	5,716,650
Interest income due and accrued	55,354	37,606
Prepaid expenses	225,470	209,429
Other receivable	-	-
Reinsurance contract assets		
Asset for incurred claims	73,768,329	76,422,647
Asset for remaining coverage	2,148,807	1,827,019
	98,860,840	88,635,508
Liabilities		
Insurance contracts liabilities		
Liability for incurred claims	78,241,516	70,191,579
Liability for remaining coverage	5,612,647	4,779,947
Accounts payable & accrued charges	-	-
	83,854,163	74,971,526
Subscribers' equity		
Equity	15,253,752	13,923,117
Accumulated other comprehensive income (loss)	(247,075)	(259,135)
	15,006,677	13,663,982
	98,860,840	88,635,508

Exhibit 1.2

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - COMBINED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED March 31, 2024

	Current Year		Prior Year	
	Quarter March 31, 2024	Year to Date March 31, 2024	Quarter March 31, 2023	Year to Date March 31, 2023
Insurance service result				
Insurance revenue	4,739,596	4,739,596	4,164,096	4,164,096
Insurance service expense				
Incurred claims expenses	6,304,377	6,304,377	4,528,030	4,528,030
Operating expenses	392,402	392,402	468,052	468,052
Premium taxes	-	-	-	-
Insurance service result before reinsurance	(1,957,183)	(1,957,183)	(831,986)	(831,986)
Allocation of reinsurance premiums	3,893,242	3,893,242	3,321,746	3,321,746
Amounts recovered from reinsurers	6,184,833	6,184,833	4,426,185	4,426,185
Reinsurance expenses	(131,699)	(131,699)	(136,723)	(136,723)
	(2,159,892)	(2,159,892)	(967,716)	(967,716)
Net insurance service result	202,710	202,710	135,731	135,731
Investment result				
Investment income (loss)	224,212	224,212	132,025	132,025
Insurance finance income (expense)				
For insurance contract	(184,043)	(184,043)	(1,351,845)	(1,351,845)
For reinsurance contracts	165,826	165,826	1,252,778	1,252,778
Net investment result	205,995	205,995	32,958	32,958
Net Income (loss)	408,704	408,704	168,688	168,688
Unrealized gains (losses) arising during the year	(63,559)	(63,559)	70,501	70,501
Recognition of realized gain (loss) included in income	-	-	-	-
Other comprehensive income (loss) for the year	(63,559)	(63,559)	70,501	70,501
Total comprehensive income (loss)	345,146	345,146	239,189	239,189

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - COMBINED
STATEMENT OF CHANGES IN EQUITY
March 31, 2024**

Exhibit 1.3

	Minimum Surplus	Additional Surplus	Unrealized gains and losses on FVOCI financial assets	Total Equity
Balance, beginning of year	50,000	14,795,048	(183,516)	14,661,532
Comprehensive income for the year				
Net gain (loss) for the year		408,704		408,704
Other comprehensive income				
Unrealized gains and losses arising during the year			(63,559)	(63,559)
Recognition of realized gain included in income			-	-
Total comprehensive income (loss) for the year	-	408,704	(63,559)	345,146
Return of Surplus		-		-
Balance at March 31, 2024	50,000	15,203,752	(247,075)	15,006,677

Exhibit 1.4

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - COMBINED
STATEMENT OF OPERATIONS AND SURPLUS - VARIANCE ANALYSIS
FOR THE PERIOD ENDED March 31, 2024

	Annual Budget	Year to Date Budget % March 31, 2024	Year to Date Budget \$ March 31, 2024	Year to Date Actual \$ March 31, 2024	Fav/(Unfav) Variance \$	YTD Actual Prior Year \$ March 31, 2023
MANAGEMENT SERVICES (See Note 1)	662,971	25%	165,740	163,189	2,551	161,522
PROFESSIONAL SERVICES (See Note 2)						
Actuarial Services	93,225	21%	19,574	60,152	(40,578)	48,701
Strategic Matters	33,900	21%	7,116	2,476	4,640	32,992
Total Professional Services	127,125		26,690	62,627	(35,937)	81,692
OTHER EXPENSES						
Audit Expenses (See Note 3)	179,000	25%	44,751	56,195	(11,444)	46,365
Annual Dinner	8,000		-	-	-	-
Chairman's Expenses	-		-	-	-	-
Chairman's Honourarium	150,000	25%	37,500	75,000	(37,500)	150,000
D&O Insurance	20,000		-	-	-	-
Office Expenses	16,000	25%	4,000	4,580	(580)	821
Claims: Borderaux (LawPro/LIF)	18,800	85%	15,978	15,325	653	14,700
Special Services	15,000	25%	3,750	-	3,750	-
Statistical/Assessment Fees	7,000	25%	1,750	117	1,633	402
Investment counsel fees	29,000	25%	7,250	7,432	(182)	4,811
Investment - Custodial	17,000	25%	4,251	4,437	(186)	4,239
Risk Management/Loss Prevention	5,000	25%	1,251	-	1,251	-
License Fee	5,000	75%	3,750	3,500	250	3,500
Insurance: Sundry	-		-	-	-	-
Total Other Expenses	469,800		124,231	166,586	(42,355)	224,837
PREMIUM TAXES	592,465		-	-	-	-
REINSURANCE EXPENSES						
Reinsurance Services (see Note 2)	282,500	21%	59,323	24,550	34,773	33,643
Reinsurance Travel Expense	7,500		-	-	-	-
Reinsurance Fee (3MG) (See Note 4)	429,600	25%	107,400	107,149	251	103,080
Total Reinsurance Expenses	719,600		166,723	131,699	35,024	136,723
TOTAL	2,571,961		483,384	524,101	(40,718)	604,775

*** NOTE 1: MANAGEMENT SERVICES**

The budget of \$586,700 before tax (5% is allocated to the Cyber) has been increased from \$575,000 prior year budget due to:

- wage inflation
- additional activity due to Cyber Program, and
- increase in commission credit applied against fixed fees as a combined result of the small increase in commission to place CLLAS Associate, and profit share commission received in 2023 on CLLAS Associate firms.

*** NOTE 2: PROFESSIONAL SERVICES - SEASONALLY WEIGHTED BUDGET**

This is based upon an analysis of the current budget and previous years' experience, the anticipated pattern of seasonal workflow is as follows:

First Quarter, ending March 31st	21%
Second Quarter, ending June 30th	46%
Third Quarter, ending September 30th	15%
Fourth Quarter, ending December 31st	18%
	<u>100%</u>

*** NOTE 3: AUDIT EXPENSES**

The total (E&O and Cyber) decrease of \$28,000 over the 2023 actual reflects the completion of the implementation of IFRS 17, and includes \$23,000 for recurring IFRS 17 audit work.

*** NOTE 4: 3MG INSURANCE FEES (Reins. Comm.)**

Budget for 3MG fees for the year 2024 reflects the fee already agreed for the 2024/25 policy year, and it is \$329,600 on E&O and \$100,000 on Cyber Program.

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
SUMMARY OF RISK METRICS*
March 31, 2024

Exhibit 1.5

Risk Category	Risk Metric	December 31, 2022	December 31, 2023	March 31, 2024	Green Zone (Meets Target)	Yellow Zone	Red Zone (Limit Exceeded)
General	(1) AMRGF - Excess of Cash/Appr. Securities Over Reg. Req'ment	\$2,952,000	\$15,529,000	\$14,892,000	5,000,000 and above	\$2,500,000 to \$5,000,000	Less than \$2,500,000
	(2) MCT Ratio	381%	781%	581%	210% and above	n/a	Less than 210%
	(3) Status of Governance Policies	Up to date	Up to date	Up to date	Up to date	Items outstanding	Materially behind schedule
Insurance	(4) Gross Loss Ratio	87%	46%	128%	Less than 150%	150% to 300%	Over 300%
	(5) Net Loss Ratio	3%	4%	12%	Less than 50%	50% to 100%	Over 100%
	(6) Risk of Systemic Loss	Nothing on horizon	Nothing on horizon	Nothing on horizon	Nothing on horizon	Some concerns raised	Adverse experience
Premium & Strategy	(7) Actual Expenses vs. Budget	94%	96%	108%	Less than 105%	105% to 120%	Over 120%
	(8) State of the Market Outlook	Some concerns raised	Some concerns raised	Some concerns raised	Nothing on horizon	Some concerns raised	Adverse experience
Reinsurance	(9) Reinsurer Credit Rating	A- to A+	A- to A+	A- to A+	A or above	A-	B+ and below
	(10) Maximum Concentration with a Single Reinsurer excl. Colchester	18.1%	21.3%	21.3%	Less than 10%	10% to 15%	Over 15%
Operational	(11) Board Discussion of Prior Quarter Risk Metrics	Discussed corrective measures	Discussed corrective measures	Discussed corrective measures	Discussed corrective measures	Received but no discussion	Not received
	(12) Resiliency Capacity - People (e.g. redundancy, succession)	n/a	n/a	n/a	Score of 4 or 5 out of 5	Score of 3 out of 5	Score of 1 or 2 out of 5
	(13) Resiliency Capacity - Data/Systems	n/a	n/a	n/a	Score of 4 or 5 out of 5	Score of 3 out of 5	Score of 1 or 2 out of 5
	(14) Advisory Board Turnover in Last 12 Months	0	0	0	0 to 2 members	3 to 4 members	5 or more members
	(15) Key Management/Advisor Turnover in Last 36 Months	1	1	1	0 to 1 person	2 to 3 people	4 or more members
Investments	(16) Investment Manager Compliance Statement	In compliance	In compliance	In compliance	In compliance	Temporarily or slightly not in compliance	Consistently or materially not in compliance
Regulatory Compliance	(17) Regulatory Outlook Report	No significant concerns noted	No significant concerns noted	No significant concerns noted	No significant issues noted	Issues being addressed	Significant issues outstanding

Notes

- (1) = From Exhibit 6.
(2) Based on P&C-1 for December 2022 and 2023, based on data and financial statements for March 2024. Target based on ORSA analysis.
(3) Reviewed annually in December.
(4) = Insurance incurred claims expenses / Insurance revenue from the financial statements, excluding the effect of any return of surplus.
(5) = Insurance incurred claims expenses net of reinsurance recovered amounts / Insurance revenue net of reinsurance premium from the financial statements, excluding the effect of any return of surplus.
(6) Reviewed in December 2023.
(7) = Actual expenses / budget expenses. From the financial statements.
(8) Reviewed in December 2023.
(9) Based on A.M. Best. Information from report on reinsurance security (October 2023).
(10) Based on claim liabilities exposure. Lloyds syndicates are assessed separately. December 2023 and March 2024 information from report on reinsurance security (October 2023).
(11) Reviewed quarterly.
(12) Reviewed annually in December.
(13) Reviewed annually in December.
(14) Reviewed quarterly based on turnover in the preceding 12-month period
(15) Senior Management/Key Advisor Turnover in Last 36 Months – Includes principal attorney, general manager, accountant, auditor, actuary, reinsurance broker and excess insurance broker.
(16) Reviewed quarterly.
(17) Reviewed annually in December.

*Risk Metrics as of December 31, 2022 are based on the financial statements under IFRS 4. Risk Metrics as of December 31, 2023 and March 31, 2024 are based on the financial statements under IFRS 17.

Color Code
Meets Target
Between Target and Limit
Exceeds Limit

Exhibit 1.6
CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
For the Period Ending March 31, 2024
ALBERTA MAINTENANCE OF RESERVE AND GUARANTEE FUNDS
 (Section 99 and 100)

	Current Year to Date 31-Mar-24 (in \$000's)	Prior Year End 31-Mar-23 (in \$000's)
<u>Reserve Fund</u>		
Premiums received having one year or less to run	(1) 21,559	16,895
Less: Amount paid to licensed reinsurers	(2) 15,105	13,394
Premiums received with more than one year to run, less expired portion	(3) -	-
Less: Amount paid to reinsurers on premiums on line 3, less expired line 3, less expired portion.	(4) -	-
Subtotal (lines 1, minus line 2, plus line 3, minus line 4)	(5) 6,454	3,501
Reserve Fund Required (50% of Line 5)	(6) 3,227	1,751
<u>Guarantee Fund</u>		
Total Liabilities	(7) 83,854	74,972
Less: Liability for Remaining Coverage	(8) 5,613	4,780
Less: Recoverable from licensed reinsurers	(9) 73,748	75,534
Plus: Statutory Margin	(10) 50	50
Guarantee Fund Required (Line 7 minus Lines 8 and 9 plus line 10)	(11) 4,544	(5,293)
TOTAL RESERVE & GUARANTEE FUND REQUIRED (Line 6+11)	(12) 7,771	(3,542)
Cash & Approved Securities	(13) 22,663	10,139
Excess of Cash & Securities over Reserve & Guarantee Fund (line 13 minus line 12)	(14) 14,892	13,681

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - E&O
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED March 31, 2024

Exhibit 2.1

	As at March 31, 2024	As at March 31, 2023
Assets		
Cash	7,220,924	1,730,345
Short term investments	8,222,340	2,691,812
Bonds	7,219,616	5,716,650
Interest income due and accrued	55,354	37,606
Prepaid expenses	160,427	143,142
Other receivable	-	-
Reinsurance contract assets		
Asset for incurred claims	73,102,101	76,434,251
Asset for remaining coverage	1,572,099	1,257,538
	97,552,862	88,011,344
Liabilities		
Insurance contracts liabilities		
Liability for incurred claims	77,055,765	69,800,197
Liability for remaining coverage	4,210,511	3,378,952
Accounts payable & accrued charges	1,983,362	1,116,649
	83,249,638	74,295,798
Subscribers' equity		
Equity	14,550,299	13,974,680
Accumulated other comprehensive income (loss)	(247,075)	(259,135)
	14,303,224	13,715,546
	97,552,862	88,011,344

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - E&O
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED March 31, 2024**

Exhibit 2.2

	Current Year		Prior Year	
	Quarter March 31, 2024	Year to Date March 31, 2024	Quarter March 31, 2023	Year to Date March 31, 2023
Insurance service result				
Insurance revenue	4,090,556	4,090,556	3,530,999	3,530,999
Insurance service expense				
Incurred claims expenses	6,207,412	6,207,412	4,048,495	4,048,495
Operating expenses	372,781	372,781	444,649	444,649
Premium taxes	-	-	-	-
Insurance service result before reinsurance	(2,489,636)	(2,489,636)	(962,145)	(962,145)
Allocation of reinsurance premiums	3,510,605	3,510,605	2,957,793	2,957,793
Amounts recovered from reinsurers	6,126,808	6,126,808	4,162,396	4,162,396
Reinsurance fees	(105,734)	(105,734)	(110,449)	(110,449)
	(2,510,469)	(2,510,469)	(1,094,155)	(1,094,155)
Net insurance service result	20,833	20,833	132,009	132,009
Investment result				
Investment income (loss)	217,737	217,737	125,955	125,955
Insurance finance income (expense)				
For insurance contract	(177,332)	(177,332)	(1,345,955)	(1,345,955)
For reinsurance contracts	162,076	162,076	1,249,563	1,249,563
Net investment result	202,481	202,481	29,563	29,563
Net Income (loss)	223,314	223,314	161,572	161,572
Unrealized gains (losses) arising during the year	(63,559)	(63,559)	70,501	70,501
Recognition of realized gain (loss) included in income	-	-	-	-
Other comprehensive income (loss) for the year	(63,559)	(63,559)	70,501	70,501
Total comprehensive income (loss)	159,755	159,755	232,073	232,073

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - E&O
STATEMENT OF CHANGES IN EQUITY
March 31, 2024

Exhibit 2.3

	Minimum Surplus	Additional Surplus	Unrealized gains and losses on FVOCI financial assets	Total Equity
Balance, beginning of year	50,000	14,276,985	(183,516)	14,143,469
Comprehensive income for the year				
Net gain (loss) for the year		223,314		223,314
Other comprehensive income				
Unrealized gains and losses arising during the year			(63,559)	(63,559)
Recognition of realized gain included in income			-	-
Total comprehensive income (loss) for the year	-	223,314	(63,559)	159,755
Return of Surplus		-		-
Balance at March 31, 2024	50,000	14,500,299	(247,075)	14,303,224

Exhibit 2.4

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - E&O
STATEMENT OF OPERATIONS AND SURPLUS - VARIANCE ANALYSIS
FOR THE PERIOD ENDED March 31, 2024

	Annual Budget	Year to Date Budget % March 31, 2024	Year to Date Budget \$ March 31, 2024	Year to Date Actual \$ March 31, 2024	Fav/(Unfav) Variance \$	YTD Actual Prior Year \$ March 31, 2023
MANAGEMENT SERVICES (See Note 1)	629,823	25%	157,455	155,030	2,425	153,446
PROFESSIONAL SERVICES (See Note 2)						
Actuarial Services	88,564	21%	18,597	57,144	(38,547)	46,265
Strategic Matters	32,205	21%	6,762	2,352	4,410	31,342
Total Professional Services	120,769		25,359	59,495	(34,136)	77,608
OTHER EXPENSES						
Audit Expenses (See Note 3)	170,050	25%	42,513	53,385	(10,872)	44,046
Annual Dinner	7,600		-	-	-	-
Chairman's Expenses	-		-	-	-	-
Chairman's Honourarium	142,500	25%	35,625	71,250	(35,625)	142,500
D&O Insurance	19,000		-	-	-	-
Office Expenses	15,200	25%	3,800	4,351	(551)	780
Claims: Borderaux (LawPro/LIF)	17,860	85%	15,180	14,559	621	13,965
Special Services	14,250	25%	3,563	-	3,563	-
Statistical/Assessment Fees	6,650	25%	1,662	111	1,551	382
Investment counsel fees	27,550	25%	6,887	7,060	(173)	4,570
Investment - Custodial	16,150	25%	4,038	4,215	(177)	4,027
Risk Management/Loss Prevention	4,750	25%	1,188	-	1,188	-
License Fee	4,750	75%	3,563	3,325	238	3,325
Insurance: Sundry	-		-	-	-	-
Total Other Expenses	446,310		118,019	158,256	(40,237)	213,595
PREMIUM TAXES	518,193		-	-	-	-
REINSURANCE EXPENSES						
Reinsurance Services (see Note 2)	268,375	21%	56,358	23,322	33,036	31,961
Reinsurance Travel Expense	7,125		-	-	-	-
Reinsurance Fee (3MG) (See Note 4)	329,600	25%	82,400	82,412	(12)	78,488
Total Reinsurance Expenses	605,100		138,758	105,734	33,024	110,449
TOTAL	2,320,195		439,591	478,515	(38,924)	555,098

*** NOTE 1: MANAGEMENT SERVICES**

The budget of \$586,700 before tax (5% is allocated to the Cyber) has been increased from \$575,000 prior year budget due to:

- wage inflation
- additional activity due to Cyber Program, and
- increase in commission credit applied against fixed fees as a combined result of the small increase in commission to place CLLAS Associate, and profit share commission received in 2023 on CLLAS Associate firms.

*** NOTE 2: PROFESSIONAL SERVICES - SEASONALLY WEIGHTED BUDGET**

This is based upon an analysis of the current budget and previous years' experience, the anticipated pattern of seasonal workflow is as follows:

First Quarter, ending March 31st	21%
Second Quarter, ending June 30th	46%
Third Quarter, ending September 30th	15%
Fourth Quarter, ending December 31st	18%
	<u>100%</u>

*** NOTE 3: AUDIT EXPENSES**

The total (E&O and Cyber) decrease of \$28,000 over the 2023 actual reflects the completion of the implementation of IFRS 17, and includes \$23,000 for recurring IFRS 17 audit work.

*** NOTE 4: 3MG INSURANCE FEES (Reins. Comm.)**

Budget for 3MG fees for the year 2024 reflects the fee already agreed for the 2024/25 policy year, and it is \$329,600 on E&O and \$100,000 on Cyber Program.

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - CYBER
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED March 31, 2024**

Exhibit 3.1

	As at March 31, 2024	As at March 31, 2023
Assets		
Cash	-	-
Short term investments	-	-
Bonds	-	-
Interest income due and accrued	-	-
Prepaid expenses	65,042	66,287
Other receivable	1,983,362	1,116,649
Reinsurance contract assets		
Asset for incurred claims	666,228	488,396
Asset for remaining coverage	576,708	569,481
	3,291,341	2,240,814
Liabilities		
Insurance contracts liabilities		
Liability for incurred claims	1,185,751	891,382
Liability for remaining coverage	1,402,136	1,400,995
Accounts payable & accrued charges	-	-
	2,587,887	2,292,377
Subscribers' equity		
Equity	703,454	(51,564)
Accumulated other comprehensive income (loss)	-	-
	703,454	(51,564)
	3,291,341	2,240,814

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - CYBER
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED March 31, 2024

Exhibit 3.2

	Current Year		Prior Year	
	Quarter March 31, 2024	Year to Date March 31, 2024	Quarter March 31, 2023	Year to Date March 31, 2023
Insurance service result				
Insurance revenue	649,040	649,040	633,097	633,097
Insurance service expense				
Incurred claims expenses	96,965	96,965	479,535	479,535
Operating expenses	19,621	19,621	23,403	23,403
Premium taxes	-	-	-	-
Insurance service result before reinsurance	532,454	532,454	130,159	130,159
Allocation of reinsurance premiums	382,637	382,637	363,953	363,953
Amounts recovered from reinsurers	58,025	58,025	263,789	263,789
Reinsurance fees	(25,965)	(25,965)	(26,274)	(26,274)
	350,577	350,577	126,438	126,438
Net insurance service result	181,877	181,877	3,721	3,721
Investment result				
Investment income (loss)	6,475	6,475	6,070	6,070
Insurance finance income (expense)				
For insurance contract	(6,711)	(6,711)	(5,890)	(5,890)
For reinsurance contracts	3,750	3,750	3,215	3,215
Net investment result	3,514	3,514	3,395	3,395
Net Income (loss)	185,391	185,391	7,116	7,116
Unrealized gains (losses) arising during the year	-	-	-	-
Recognition of realized gain (loss) included in income	-	-	-	-
Other comprehensive income (loss) for the year	-	-	-	-
Total comprehensive income (loss)	185,391	185,391	7,116	7,116

Exhibit 3.3
CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - CYBER
STATEMENT OF CHANGES IN EQUITY
March 31, 2024

	Minimum Surplus	Additional Surplus	Unrealized gains and losses on FVOCI financial assets	Total Equity
Balance, beginning of year	-	518,063		518,063
Comprehensive income for the year				
Net gain (loss) for the year		185,391		185,391
Other comprehensive income				
Unrealized gains and losses arising during the year			-	-
Recognition of realized gain included in income			-	-
Total comprehensive income (loss) for the year	-	185,391	-	185,391
Return of Surplus		-		-
Balance at March 31, 2024	-	703,454	-	703,454

Exhibit 3.4

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - CYBER
STATEMENT OF OPERATIONS AND SURPLUS - VARIANCE ANALYSIS
FOR THE PERIOD ENDED March 31, 2024

	Annual Budget	Year to Date Budget % March 31, 2024	Year to Date Budget \$ March 31, 2024	Year to Date Actual \$ March 31, 2024	Fav/(Unfav) Variance \$	YTD Actual Prior Year \$ March 31, 2023
MANAGEMENT SERVICES (See Note 1)	33,148	25%	8,285	8,159	126	8,076
PROFESSIONAL SERVICES (See Note 2)						
Actuarial Services	4,661	21%	977	3,008	(2,031)	2,435
Strategic Matters	1,695	21%	354	124	230	1,650
Total Professional Services	6,356		1,331	3,132	(1,801)	4,085
OTHER EXPENSES						
Audit Expenses (See Note 3)	8,950	25%	2,238	2,810	(572)	2,318
Annual Dinner	400		-	-	-	-
Chairman's Expenses	-		-	-	-	-
Chairman's Honourium	7,500	25%	1,875	3,750	(1,875)	7,500
D&O Insurance	1,000		-	-	-	-
Office Expenses	800	25%	200	229	(29)	41
Claims: Borderaux (LawPro/LIF)	940	85%	798	766	32	735
Special Services	750	25%	188	-	188	-
Statistical/Assessment Fees	350	25%	88	6	82	20
Investment counsel fees	1,450	25%	362	372	(10)	241
Investment - Custodial	850	25%	213	222	(9)	212
Risk Management/Loss Prevention	250	25%	63	-	63	-
License Fee	250	75%	188	175	13	175
Insurance: Sundry	-		-	-	-	-
Total Other Expenses	23,490		6,212	8,330	(2,118)	11,242
PREMIUM TAXES	74,272		-	-	-	-
REINSURANCE EXPENSES						
Reinsurance Services (see Note 2)	14,125	21%	2,965	1,228	1,737	1,682
Reinsurance Travel Expense	375		-	-	-	-
Reinsurance Fee (3MG) (See Note 4)	100,000	25%	25,000	24,737	263	24,592
Total Reinsurance Expenses	114,500		27,965	25,965	2,000	26,274
TOTAL	251,766		43,793	45,586	(1,793)	49,677

*** NOTE 1: MANAGEMENT SERVICES**

The budget of \$586,700 before tax (5% is allocated to the Cyber) has been increased from \$575,000 prior year budget due to:

- wage inflation
- additional activity due to Cyber Program, and
- increase in commission credit applied against fixed fees as a combined result of the small increase in commission to place CLLAS Associate, and profit share commission received in 2023 on CLLAS Associate firms.

*** NOTE 2: PROFESSIONAL SERVICES - SEASONALLY WEIGHTED BUDGET**

This is based upon an analysis of the current budget and previous years' experience, the anticipated pattern of seasonal workflow is as follows:

First Quarter, ending March 31st	21%
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Third Quarter, ending September 30th	15%
Fourth Quarter, ending December 31st	18%
	<u>100%</u>

*** NOTE 3: AUDIT EXPENSES**

The total (E&O and Cyber) decrease of \$28,000 over the 2023 actual reflects the completion of the implementation of IFRS 17, and includes \$23,000 for recurring IFRS 17 audit work.

*** NOTE 4: 3MG INSURANCE FEES (Reins. Comm.)**

Budget for 3MG fees for the year 2024 reflects the fee already agreed for the 2024/25 policy year, and it is \$329,600 on E&O and \$100,000 on Cyber Program.



CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Business Plan Projected for the
Fiscal Years Ending December 31, 2024, 2025 and 2026

March 31, 2024



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1. Executive Summary

This report summarizes the business plan for the Canadian Lawyers Liability Assurance Society (“CLLAS”) for fiscal years 2024 to 2026. A copy of this report was submitted to the Alberta Superintendent of Insurance (“Superintendent”), the regulatory authority responsible for the supervision of CLLAS under the Alberta *Insurance Act*.

This report was prepared by Axxima Insurance Services, a division of 3303128 Canada Inc., a non-affiliated company of CLLAS providing actuarial and general management services to CLLAS.

Operations and Operating Environment

CLLAS’ core business objective is to meet the liability insurance needs of its subscribers. It provides professional liability insurance to select Canadian law firms since 1987. Professional liability claims are subject to significant volatility and are expected to trend at approximately 4.25% per year.

CLLAS has purchased proportional and aggregate stop loss reinsurance since its inception. In addition, CLLAS entered into a loss portfolio transfer agreement at June 30, 2012 with Colchester Reinsurance Limited, which covers all outstanding claim obligations on policies written between July 1, 1987 and June 30, 2012. These risk management initiatives have the effect of limiting CLLAS’ loss exposure.

In recent years, reinsurance rates have been increasing globally due to a hardening market. Reinsurance rate increases are expected and have been reflected in the business plan projections. While CLLAS’ reinsurance rates and availability will be affected by prevailing insurance market conditions, the impact is expected to be tempered due to CLLAS’ strong long-term relationships with its reinsurers.

Summary of Financial Projections for Fiscal Year 2024

The net income for fiscal year 2024 is projected at (\$34,000). The surplus at December 31, 2024 is projected at \$14,628,000. The projections assume that the premiums reflect surplus distributions of \$691,000 per year from 2024 to 2026, consistent with the surplus distribution in the 2023/2024 premium rates.

CLLAS is expected to meet the Alberta Maintenance of Reserves and Guarantee (“AMRGF”) Funds requirement with an excess margin of \$15,585,000 at December 31, 2024. The Minimum Capital Test (“MCT”) ratio at December 31, 2024 is projected at 814%.



This business plan report is organized as follows:

- Section 2: Overview of CLLAS Operations
- Section 3: Operating Environment
- Section 4: Short-Term Opportunities and Threats
- Section 5: Short-Term Priorities and Initiatives
- Section 6: Financial Performance Measures
- Section 7: Financial Condition Measures and Regulatory Solvency Requirements
- Section 8: Financial Projections

Any questions regarding this report should be addressed to Ms. Carrie Green:

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 General Manager
 Canadian Lawyers Liability Assurance Society
 250 The Esplanade, Suite 302
 Toronto, ON M5A 1J2
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2. Overview of CLLAS Operations

CLLAS' core business objective is to meet the professional liability insurance needs of its subscribers.

Professional Liability Insurance

CLLAS was formed on December 22, 1986 under the Reciprocal Insurance Exchange Agreement for Select Canadian Law Firms. CLLAS started its insurance underwriting operations in June 1987 and was regulated by the Financial Services Commission of Ontario. Effective July 1, 2012, CLLAS' lead regulator was changed from Ontario to Alberta. CLLAS is licensed in Alberta, British Columbia, Ontario and Nova Scotia.

The insurance provided by CLLAS to each of the firms is on a claims-made-and-reported basis.

In the fiscal year ending December 31, 2023, CLLAS issued 20 professional liability insurance policies to 10 Canadian law firms. CLLAS also has participants on a subscription basis on a number of insurance policies issued to these 10 firms. CLLAS provides a combined maximum limit of liability insurance per occurrence of \$176,975,000 to cover the cost of damages that an insured is legally obligated to pay as a result of single or related act, error, omission or negligent act in the performance of or failure to perform professional services by the insured or by any person for whose acts, errors, or omissions the insured is legally responsible.



The maximum professional liability limit provided by CLLAS on a per-claim basis is provided as follows:

- A \$50,000,000 limit inclusive of a minimum \$25,000 retention over the basic liability coverage available to each practicing lawyer of the firm under the basic professional liability coverage provided by the law society governing the professional activities of such lawyers;
- A limit of \$10,000,000 to \$60,000,000 in excess of \$160,000,000 of the professional liability limit purchased by any firm;
- A 5% participation in the \$30,000,000 in excess of \$50,000,000 layer purchased by any firm;
- A 5% participation in the \$110,000,000 in excess of \$50,000,000 layer purchased by any firm;
- A \$30,000,000 umbrella limit provided on the overall exposure of all subscribers; and
- A \$30,000,000 second umbrella optional limit.

Professional Liability Reinsurance

To provide such coverage limits, CLLAS purchases proportional reinsurance coverage from registered and unregistered insurance companies to reduce its net maximum loss exposure for any one loss occurrence to \$975,000. The reinsurance for the maximum occurrence limit provided by CLLAS is purchased on a proportional basis. CLLAS retains no exposure on the layers above \$1,000,000.

In addition, for its treaty underwriting year from July 1, 2023 to June 30, 2024, CLLAS purchased an annual stop-loss coverage that provides \$10,000,000 of coverage in excess of \$5,000,000. Annual stop-loss coverage limiting CLLAS' overall annual net retained losses in any one treaty year was also purchased in prior treaty years.

On June 30, 2012, Colchester Reinsurance Ltd. ("Colchester") purchased CLLAS' loss portfolio of net outstanding claims obligations on policies written between July 1, 1987 and June 30, 2012. CLLAS' remaining net claim liabilities attributable to the business written prior to June 30, 2012 are provisions for unallocated loss adjustment expenses.

CLLAS and Colchester have implemented a Reinsurance Security Agreement whereby all the assets supporting Colchester's claim liabilities are held in trust in a custodial account in favour of CLLAS.

Cyber Insurance

As of July 1, 2022 CLLAS introduced a Cyber Insurance policy of up to \$5 million or \$10 million aggregate per insured firm. Coverage includes up to \$10 million limits for Breach Response and First Party Losses, \$10 million each claim for Liability, \$250,000 each loss for eCrime, and \$50,000 for Criminal Reward. All firms have a \$250,000 deductible (\$50,000 for eCrime) except for one firm who has a \$100,000 deductible.



From July 1, 2023 to June 30, 2024, one insured firm purchases \$5 million aggregate and incept July 1. Ten insured firms purchase \$10 million aggregate and incept October 15.

Cyber Reinsurance

On July 1, 2022 CLLAS introduced a Cyber Insurance policy of up to \$10 million aggregate per insured firm. CLLAS retains the first \$1 million and purchases reinsurance for \$9 million excess \$1 million in two layers:

- \$5 million excess \$1 million (contract is from July 1 to July 1)
- \$4 million excess \$6million (contract is from October 15 to October 14)

Both these reinsurance contracts are on a risk attaching basis.

Operational Results for Fiscal Year 2023

In 2023, CLLAS generated insurance revenue of \$17,957,000 and reinsurance premiums of \$15,250,000.

CLLAS generated a net income of \$1,091,000 and its net subscribers' equity inclusive of accumulated other comprehensive income was \$14,662,000 at December 31, 2023.

3. Operating Environment

Professional liability losses are subject to significant volatility surrounding the timing, frequency and severity of claims, especially in insured layers excess of \$1,000,000. Claims frequency is expected to remain stable but individual claims are expected to trend up at a rate of approximately 4.25% per year. While there is limited information to make assumptions about the new cyber liability program, a claims trend of 4.25% was also retained.

CLLAS is not aware of any legal or regulatory changes or any precedents set in case law that would impact existing or future claims.

Reinsurance

Reinsurance costs tend to be cyclical, with high prices and tighter underwriting restrictions following years with poor underwriting results. CLLAS has developed strong relationships with its reinsurers and reinsurance rates have historically been quite stable.

In recent years, reinsurance rates have been increasing globally due to a hardening market. Reinsurance rate increases are expected and have been reflected in the business plan projections. While CLLAS' reinsurance rates and availability will be affected by prevailing insurance market



conditions, the impact is expected to be tempered due to CLLAS' strong long-term relationships with its reinsurers.

4. Short-Term Opportunities and Threats

CLLAS successfully introduced its Cyber Program in 2022 in response to the very difficult insurance marketplace for commercial cyber. CLLAS will continue to monitor and refine this program to ensure that it provides the maximum value to its membership.

Given the loss portfolio transfer at June 30, 2012 and the low net claim retention since July 1, 2012, CLLAS' net exposure for professional liability is mainly for unallocated loss adjustment expenses. The main threat for CLLAS would be a reinsurer's default on unpaid claims. However, this threat is not considered significant given that CLLAS' reinsurance partners are in sound financial condition and the vast majority of reinsurance is recoverable from reinsurers registered in Canada or secured via a reinsurance security agreement.

5. Short-Term Priorities and Initiatives

During 2024, CLLAS will focus on the following initiatives in addition to the management of its usual insurance operations:

1. Development of a budget and business plan for fiscal year 2024;
2. Refinement of the recently implemented cyber insurance group purchase program;
3. Determination of expected loss costs and premium rates for the policy year starting July 1, 2024;
4. Negotiation of reinsurance contracts and costs for the policy year starting July 1, 2024;
5. Periodic review of reinsurance concentration and risk; and
6. Quarterly valuation of policy liabilities.

6. Financial Performance Measures

CLLAS monitors its net income on a quarterly basis, with a focus on the following key elements of financial performance:

- **Claims development:** All open case files are reviewed quarterly and case reserve estimates are adjusted accordingly. The provision for Incurred but not Reported ("IBNR") claims is reviewed quarterly by CLLAS' Appointed Actuary. Claims development is compared against the actuary's prior estimates (i.e. estimates from prior actuarial valuations and estimates of expected loss costs underlying premium rates);
- **Expenses:** Expenses are tracked by category (e.g., financial services, claims administration, actuarial services, reinsurance services, audit services, etc.) and compared quarterly against the expense budget; and



- **Investment income:** Investment returns are compared against benchmarks established per the investment policy.

The quarterly financial statements also report on regulatory solvency indicators as well as key risk metrics intended to monitor risks related to insurance, investments, liquidity and strategy.

Quarterly financial statements are provided to the Advisory Board.

7. Financial Condition Measures and Regulatory Solvency Requirements

In accordance with its surplus policy, the level of surplus CLLAS maintains is set such that the reciprocal balances the probability of retroassessment with the efficiency of operating with as little capital as is prudent and appropriate. CLLAS regularly monitors using the following regulatory solvency measures:

a. Alberta Maintenance of Reserve and Guarantee Funds (“AMRGF”)

This solvency requirement is determined based on premium volume and liabilities net of registered reinsurance. The Superintendent has confirmed that reinsurance with Colchester is considered to be registered as Colchester’s obligations to CLLAS are secured via a reinsurance security agreement.

CLLAS must maintain cash and securities in excess of the regulatory requirement to avoid a retroassessment of its members. At December 31, 2023, CLLAS met this requirement with an excess margin of \$15,529,000. The AMRGF is shown in Exhibit 3.

b. Minimum Capital Test (“MCT”)

The Superintendent requires reciprocals to make annual regulatory filings including the MCT. The MCT is a solvency test which has historically applied to incorporated insurance entities. The MCT ratio is calculated as follows:

$$\text{MCT Ratio} = \frac{\text{Capital Available}}{\text{Minimum Capital Required}}$$

The Capital Available is generally equal to the entity’s surplus excluding recoverables from unregistered reinsurers not covered by deposits in Canada or letters of credit. Reinsurance recoverable from Colchester is covered by deposits in Canada per a reinsurance security agreement, and therefore is an asset used in the calculation of the Capital Available.

The Minimum Capital Required is a function of the entity’s risk profile. The Minimum Capital Required accounts for risks such as the deterioration of asset values, adverse development on unpaid claims or credit risk related to unregistered reinsurance and operational risk.



At December 31, 2023, CLLAS's MCT ratio was 781%. CLLAS' internal target MCT ratio is 210%. The MCT is shown in Exhibit 4. CLLAS plans to continue to monitor its MCT ratio as an information item for the Board and management.

8. Financial Projections

The expected financial performance over fiscal years 2024 to 2026 is presented in Exhibits 1 to 4 as follows:

- Exhibit 1: Proforma Statement of Financial Position
- Exhibit 2: Proforma Statement of Income
- Exhibit 3: Proforma AMRGF Requirement
- Exhibit 4: Proforma Minimum Capital Test

These projections are based on a starting financial position at December 31, 2023, and were completed in accordance with the directives of the Superintendent issued for the completion of P&C-1 Annual Return under IFRS 17. We present below details of the analysis for the 2024 projection. Similar assumptions were used to project the results for 2025 and 2026.

Data

To develop the expected financial performance, we relied on the following information provided by CLLAS at December 31, 2023:

- The 2023 P&C-1 Annual Return and AMRGF worksheet filed by CLLAS with the Alberta Superintendent of Insurance;
- The 2023 Auditor's Report issued by Deloitte LLP;
- The Report on the Valuation of the Policy Liabilities as at December 31, 2023 issued by Ms. Julie-Linda Laforce, the Appointed Actuary for CLLAS;
- The operating expense budget for 2024;
- Management financial statements and MCT calculations.

Projection of Premiums

Insurance revenue in 2024 are expected to be \$19,583,000, up from \$17,957,000 in 2023. Renewal premiums were assumed to increase based on a trend of 4.25% in retained loss costs and inflation of 5% on operating expenses. Reinsurance costs were assumed to increase by 7.5% (and 5.0% for future years) for the Professional Liability coverage and by 5% for the Cyber coverage. Reinsurance premiums inclusive of reinsurance operating expenses are expected at \$16,897,000, up from \$15,250,000 in 2023.



Projection of Investment Income

The expected investment income for 2024 is \$678,000 (\$739,000 in 2023). The investment yield net of investment management expenses was projected at 4.32% for 2024.

Projection of Claims

Claims were projected before and after taking into account reinsurance. These projections assume, to a large extent, that the reinsurance structure in effect at December 31, 2023 is maintained on renewal. Gross and net incurred losses for 2024 were projected in two steps:

a. Settlement of claim liabilities incurred on or prior to December 31, 2023

Paid claims during 2024 and undiscounted claim liabilities at December 31, 2024 were projected based on the Appointed Actuary's estimates at December 31, 2023 and CLLAS' historical claims settlement patterns. There is no expected gain or loss relative to the actuary's ultimate estimates at December 31, 2023.

In accordance with accepted actuarial practice in Canada, liabilities for incurred claims were then discounted and a risk adjustment provision was added. The assumptions used in the December 31, 2023 actuarial valuation were replicated.

b. Projected claims incurred after December 31, 2023 on policies in-force at December 31, 2023 and on policies expected to be renewed on July 1, 2024 under the new 2024/2025 policy year

Ultimate gross and net incurred claims for those policies were estimated based on the projected loss cost estimated by the Appointed Actuary at December 31, 2023 with a 4.25% loss severity trend. These loss costs were then applied to the estimated in-force lawyers at December 31, 2023, since no growth at renewal was assumed for the underlying number of insured lawyers.

Incurred claims for fiscal year 2024, are estimated at \$1,306,000 as the sum of net paid claims in the year and the change in net liability for incurred claims less the net insurance service expense.

Projection of Operating Expenses

Operating expenses are projected at \$1,998,000 for general management fees and \$574,000 for premium taxes. Premium taxes vary by province and are expected to average 2.8% of direct written premiums. Of the general management fees, \$720,000 is attributed to reinsurance premiums in the insurance service result.



Summary of Results

Based on the foregoing assumptions, the net income for fiscal year 2024 are projected at (\$34,000) as shown in Exhibit 2. The surplus at December 31, 2024 is projected at \$14,628,000 as shown in Exhibit 1.

CLLAS is expected to meet the AMRGF requirement with an excess margin of \$15,585,000 at December 31, 2024, as shown in Exhibit 3.

CLLAS' MCT ratio at December 31, 2024 is projected at 814%, an increase over the MCT ratio of 781% at December 31, 2023, as shown in Exhibit 4. The MCT ratio is expected to remain above CLLAS' internal target of 210%.

Exhibit 1
Canadian Lawyers Liability Assurance Society

Proforma Statement of Financial Position

	As at December 31, 2023	Projection to December 31, 2024	Projection to December 31, 2025	Projection to December 31, 2026
Assets				
Cash	\$ 4,618,783	\$ 4,071,835	\$ 4,414,070	\$ 4,748,726
Investments				
Short Term	8,297,545	10,819,633	11,139,439	11,417,210
Long Term	7,081,571	5,825,956	5,998,159	6,147,728
Interest Income Due and Accrued	34,150	0	0	0
Prepaid Expenses	242,616	242,616	242,616	242,616
Reinsurance Contract Assets				
Asset for Incurred Claims	71,209,278	78,101,914	84,070,582	89,997,184
Asset for Remaining Coverage	3,303,542	3,965,005	4,409,526	4,876,273
Total Assets	94,787,485	103,026,960	110,274,394	117,429,738
Liabilities				
Insurance contract liabilities				
Liability for Incurred Claims	72,378,249	79,934,708	86,653,184	93,222,858
Liability for Remaining Coverage	7,747,704	8,464,268	9,020,155	9,603,468
Other Liabilities and Charges	0	0	0	0
Total Liabilities	80,125,953	88,398,976	95,673,338	102,826,326
Subscribers' Equity	14,661,532	14,627,984	14,601,055	14,603,412
Total Liabilities and Subscribers' Equity	94,787,485	103,026,960	110,274,394	117,429,738

Exhibit 2
Canadian Lawyers Liability Assurance Society

Proforma Statement of Income

	2023 Actual	2024 Projected	2025 Projected	2026 Projected
Insurance Service Result				
Insurance revenue	\$ 17,956,690	\$ 19,582,555	\$ 20,781,148	\$ 21,842,999
Insurance service expense				
Incurred claims expenses	8,575,312	16,490,083	16,661,592	17,103,161
Operating expenses	1,346,526	1,278,143	1,342,050	1,409,153
Premium taxes	538,605	574,218	603,578	634,392
	7,496,248	1,240,111	2,173,928	2,696,293
Allocation of reinsurance premiums	15,249,536	16,896,971	17,991,836	18,891,427
Amounts recovered from reinsurers	8,412,298	15,184,536	15,341,522	15,759,761
	6,837,239	1,712,435	2,650,314	3,131,667
Net insurance service result	659,009	(472,324)	(476,386)	(435,374)
Investment Result				
Investment income	739,173	678,000	715,000	733,000
Insurance finance income (expense)				
For insurance contracts	(4,141,028)	(2,869,543)	(3,169,130)	(3,435,494)
For reinsurance contracts	3,833,467	2,630,319	2,903,587	3,140,224
Net investment result	431,611	438,776	449,458	437,730
Net Income (loss) Before Return of Surplus	1,090,621	(33,548)	(26,928)	2,357
Unrealized gains (losses) on available for sale financial assets arising during the year	146,119	0	0	0
Recognition of realized (gain) loss included in income	0	0	0	0
Return of Surplus	0	0	0	0
Total Comprehensive Income (Loss)	1,236,740	(33,548)	(26,928)	2,357
Subscribers' Equity, Beginning of Period	13,424,791	14,661,532	14,627,984	14,601,055
Subscribers' Equity, End of Period	14,661,532	14,627,984	14,601,055	14,603,412

Exhibit 3
Canadian Lawyers Liability Assurance Society

Proforma Alberta Maintenance of Reserve and Guarantee Fund Requirement

	As at December 31, 2023	Projection to December 31, 2024	Projection to December 31, 2025	Projection to December 31, 2026
Reserve Fund				
(1) Premiums Collected or Credited Having One Year or Less to Run	21,558,537	22,817,503	23,855,420	24,944,697
(2) Less: Amount Paid to Licensed Reinsurers	15,105,000	16,369,662	17,211,604	18,095,643
(3) Premiums Collected With More Than One Year to Run, Less Expired Portion	0	0	0	0
(4) Less: Amount Paid to Reinsurers on Premiums on Line 3, Less Expired Portion	0	0	0	0
(5) Subtotal [(1) - (2) + (3) - (4)]	6,453,537	6,447,841	6,643,816	6,849,054
(6) Reserve Fund Required [50% x (5)]	3,226,768	3,223,921	3,321,908	3,424,527
Guarantee Fund				
(7) Total Liabilities	80,125,953	88,398,976	95,673,338	102,826,326
(8) Less: Liability for Remaining Coverage	7,747,704	8,464,268	9,020,155	9,603,468
(9) Less: Recoverable from Licensed Reinsurers *	71,186,037	78,076,000	84,043,000	89,968,000
(10) Plus: Statutory Margin	50,000	50,000	50,000	50,000
(11) Guarantee Fund Required [(7) - (8) - (9) + (10)]	1,242,211	1,908,708	2,660,184	3,304,858
(12) Total Reserve and Guarantee Fund Required [(6) + (11)]	4,468,980	5,132,629	5,982,091	6,729,386
(13) Cash & Approved Securities	19,997,898	20,717,423	21,551,669	22,313,664
(14) Excess of Cash & Securities over Reserve & Guarantee Fund [(13) - (12)]	15,528,918	15,584,795	15,569,577	15,584,279

* Includes unpaid claims recoverable secured under the reinsurance security agreement with Colchester.

Exhibit 4
Canadian Lawyers Liability Assurance Society

Proforma Minimum Capital Test

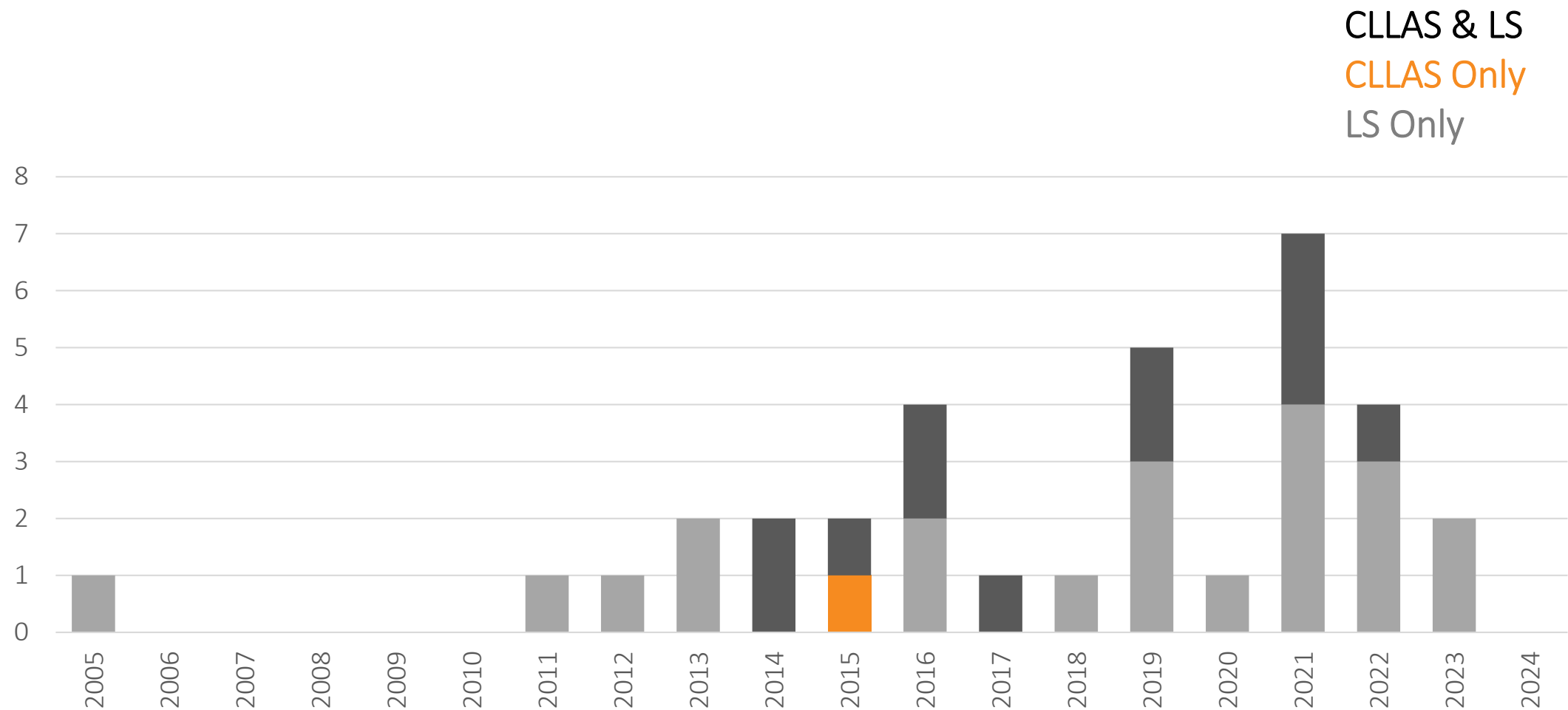
	As at December 31, 2023	Projection to December 31, 2024	Projection to December 31, 2025	Projection to December 31, 2026
Capital Available				
Total Equity	14,661,532	14,627,984	14,601,055	14,603,412
Less: Deductions from Capital Available	85,000	93,617	100,933	108,226
(1) Capital Available	14,576,532	14,534,366	14,500,122	14,495,186
Capital Required				
Insurance Risk				
Unexpired Coverage	569,494	413,024	435,517	459,061
Liability for Incurred Claims	185,000	352,000	541,000	704,000
Catastrophes	0	0	0	0
Margin Required for Reinsurance Ceded to Unregistered Insurers	17,400	19,084	20,543	21,991
Subtotal	771,894	784,109	997,060	1,185,052
Market Risk				
Interest Rate Risk	122,628	9,994	32,480	71,124
Foreign Exchange Risk	0	0	0	0
Equity Risk	0	0	0	0
Real Estate Risk	0	0	0	0
Other Market Risk Exposures	0	0	0	0
Subtotal	122,628	9,994	32,480	71,124
Credit Risk				
Counterparty Default Risk for Balance Sheet Assets	1,424,000	1,426,000	1,429,000	1,432,000
Counterparty Default Risk for Off-Balance Sheet Exposures	0	0	0	0
Counterparty Default Risk for Unregistered Reinsurance Collateral and SIRs	49,434	49,434	49,434	49,434
Subtotal	1,473,434	1,475,434	1,478,434	1,481,434
Operational Risk	710,387	680,861	752,392	821,283
Diversification Credit	(276,252)	(273,025)	(320,861)	(359,660)
(2) Total Capital Required at 150% MCT	2,802,090	2,677,373	2,939,504	3,199,232
(3) Total Capital Required at 100% MCT [= (2) / 1.5]	1,868,060	1,784,915	1,959,670	2,132,822
(5) MCT Ratio [= (1) / (3)]	780.3%	814.3%	739.9%	679.6%



Canadian Lawyers Liability Assurance Society

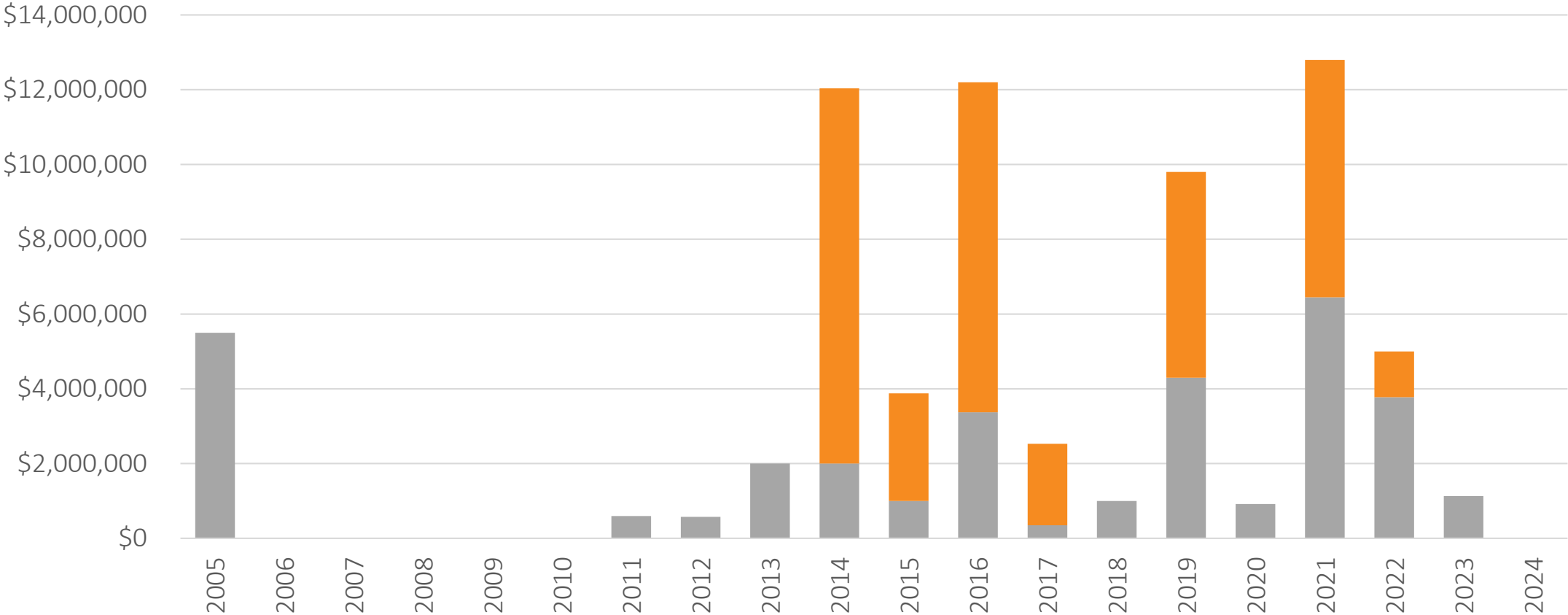
Open Large Loss Claims Summary as at March 31, 2024

Number of Claims by Insurer



Incurred Amounts by Insurer

LS - CLLAS

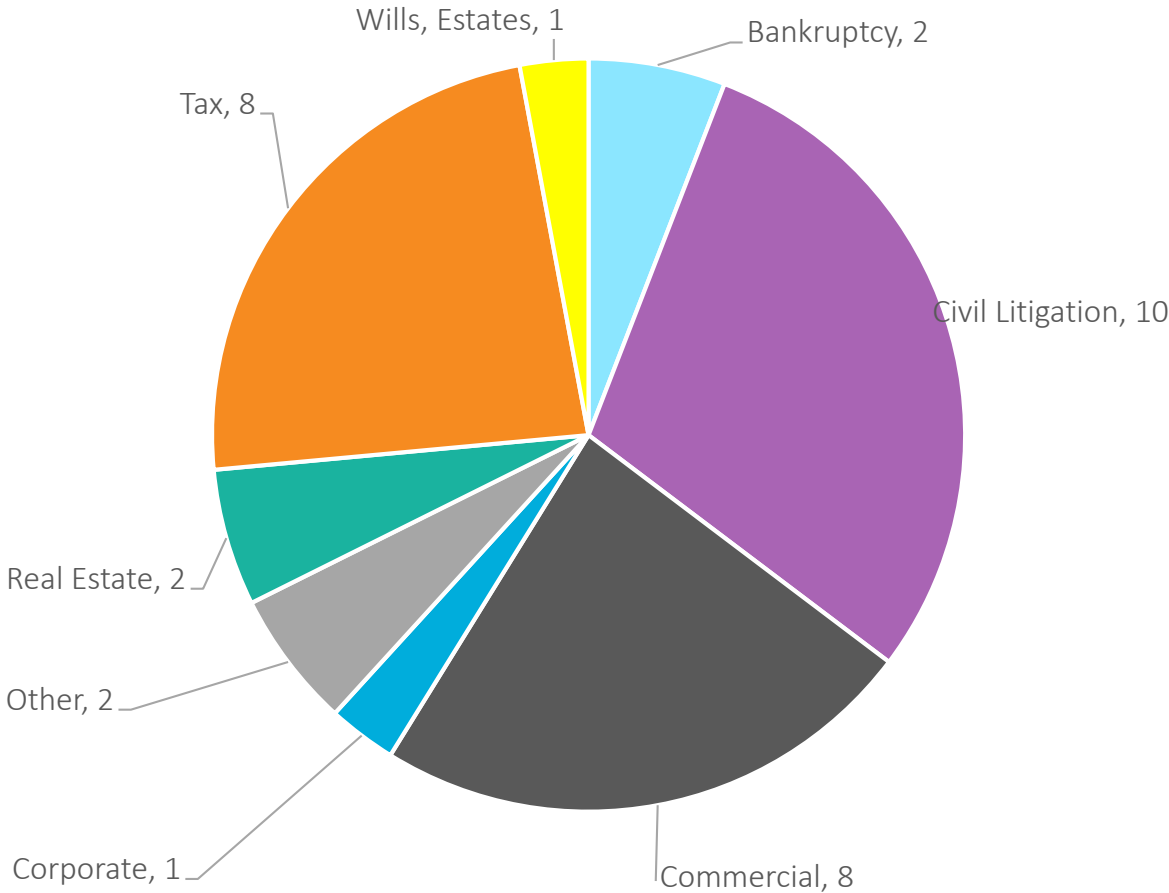


Change in Incurred Amounts (CLLAS)

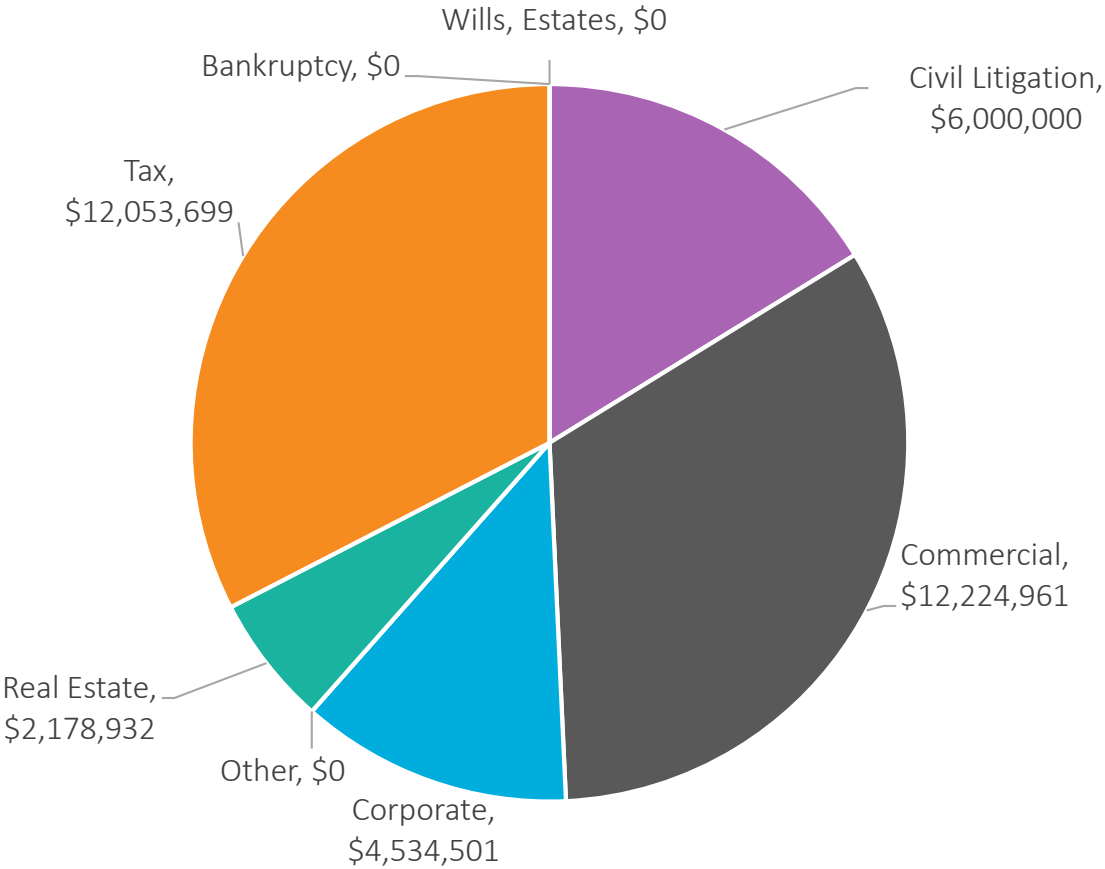


By Area of Law

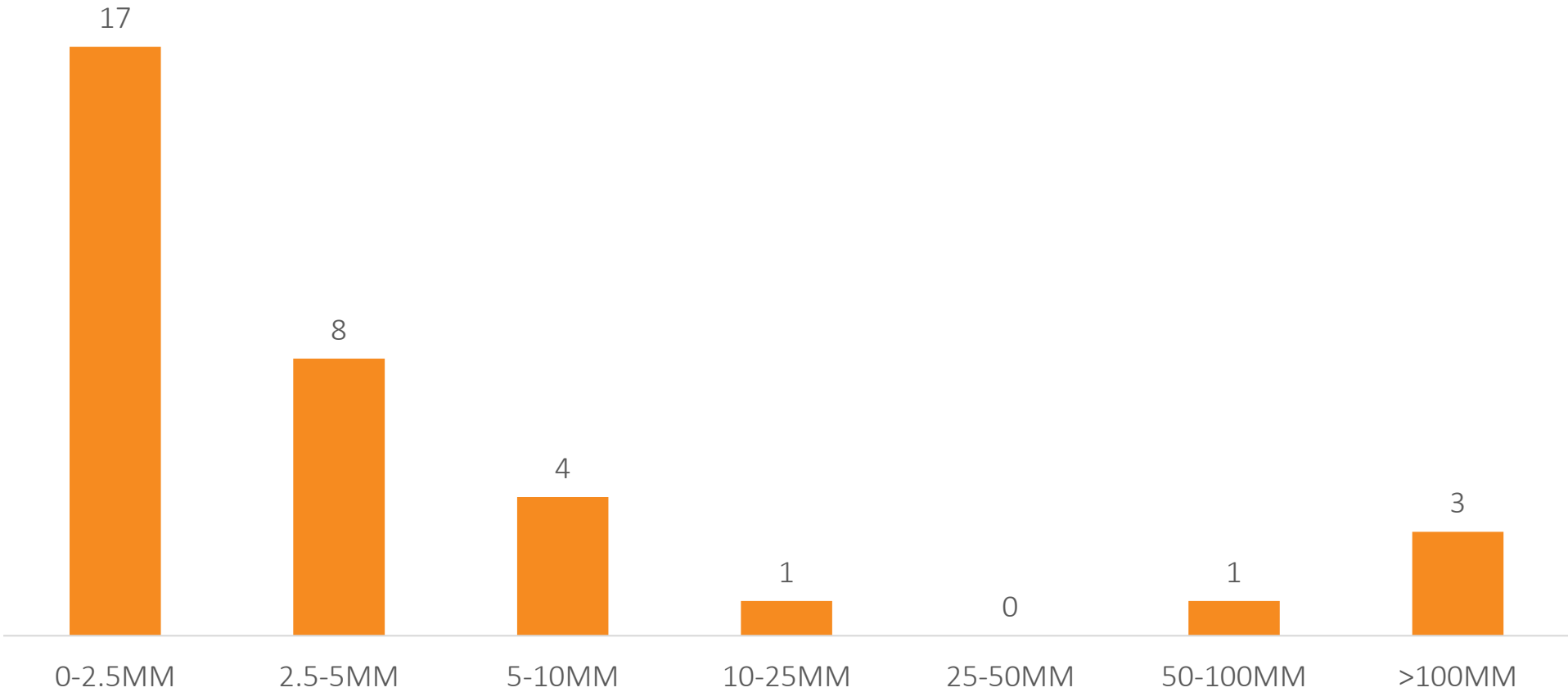
Number of Claims (CLLAS & LS)



CLLAS Incurred



Number of Claims by Best Estimate of Worst Case



Claim Count Movement in Quarter

Policy Year	Law Society Only	CLLAS Only	CLLAS & Law Society
2007 and prior	0	0	0
2008	0	0	-1
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	1	0	0
2014	0	0	0
2015	0	0	-1
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	2
2022	0	0	0
2023	0	0	0
2024	0	0	0

Notes

Slide 1

- Illustrates the number of open claims by insurer.
- LS Only: Large (\$500,000+) Law Society (“LS”) claims which have not yet developed into CLLAS (\$1,000,000+) claims
- CLLAS Only: Claims which are typically drop-down claims where the Law Society does not respond
- CLLAS & LS: Claims where amounts have been incurred by both the Law Society and CLLAS

Slide 2

- Illustrates the aggregate incurred amounts (paid + reserved) by policy year
- Identifies the quantum yet to be crystalized and highlights extraordinary years

Slide 3

- Illustrates movements in paid (always positive, except in cases of recovery) and reserved amounts on open claims
- Positive values highlight strengthening of reserves, or adverse claim development. Negative values highlight reduced reserves or better than expected outcomes

Notes (Cont'd)

Slide 4

- Illustrates the split between areas of law for the number of open claims and the incurred amounts (paid + reserved)
- Highlights the law areas of claims being actively managed

Slide 5

- Based on counsel's best estimate of the worst case outcome of each open claim
- Highlights the potential claim size being actively managed

Slide 6

- Illustrates the emergence or closure (including reduction of incurred value below the large loss monitoring threshold of \$500,000) of claims over the previous quarter
- Note: Claims may move between Law Society Only, CLLAS & Law Society, and CLLAS Only

discussion



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April 22, 2024

Ms. Norma Ibbetson,
Berkeley Castle
250 The Esplanade, Suite 302
Toronto, ON M5A 1J2

Re: Canadian Lawyers Liability Assurance Society

Dear Ms. Ibbetson:

Please find enclosed our quarterly investment report for the period ending March 31 last on the Short Term Fund and Long Term Fund for CLLAS. As usual, copies of the report and accounts have also been sent to Ms. Carrie Green, and the original of our accounts have been sent to RBC Dexia Investor Services for payment.

The domestic bond market lost some ground during the quarter as yields on maturities from one to ten years and beyond shifted higher. At the end of March, the short-bond price index was off a fraction while the mid-term price index had lost 1.9%. Reflecting these negative trends, the Long Term Fund's valuation also pulled back.

Please let us know if there are any questions or comments on the report.

With best regards,

Yours sincerely,

Rowland W. Bell

RWB/de
Enclosures

CLLAS
CANADIAN LAWYERS LIABILITY
ASSURANCE SOCIETY

INVESTMENT REPORT
MARCH 31, 2024

MARTIN, LUCAS & SEAGRAM LTD.
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CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

COMMENTARY FOR THE QUARTER ENDING MARCH 31, 2024

Review of Market Yields

Domestic bond yields at the very short end of the yield curve held relatively steady during the first quarter and at the end of March, the yield on the 3-month Treasury Bill was just 5 basis points below its level three months earlier. Meanwhile, further out the curve, there were more material shifts as yields shifted erratically higher during the first half of the quarter before pulling back moderately late in the period. Over the quarter, the 5-year Canada yield increased 34 basis points, while the yield on the 10-year Canada rose 35 basis points.

As a result of these shifts, the inversion of the yield curve decreased as the yield advantage of 3-month T-bills over the 10-year Canada declined from 194 basis points at the end of December to 140 basis points at the end of March.

	Jan. 01/23	Sep. 30/23	Dec. 31/23	Mar. 31/24
3-month Treasury Bill	6.80%	5.07%	5.04%	4.99%
5-year Canada	8.99%	4.25%	3.17%	3.51%
10-year Canada	9.09%	4.03%	3.10%	3.45%

During the first quarter, activity in the Short Term Investment Fund involved the roll-over and sale of money market securities. In the Long Term Investment Fund, two new corporate bonds were purchased with maturities in the 6- to 8-year range – the purchase being funded from a \$204,432 transfer from the Short Term Investment Fund.

At March 31, 2024, the average term to maturity of the Long Term Investment Fund was 4.43 years and the duration was 3.98 years.

The table below shows the distribution of the assets net cash held in both the Short and Long Term Investment Funds at March 31.

<i>Distribution at March 31, 2024</i>	<i>Valuation</i>	<i>%</i>
Short Term Investment Fund	\$8,252,835	53.3%
Long Term Investment Fund	\$7,219,662	46.7%
TOTAL COMBINED VALUATION	\$15,472,497	100.0%

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

The following pages set out tables, commentary and schedules on the items listed below:

- Total Returns vs. Benchmarks - Gross and Net of Fees
- Distribution of Securities in the Long Term Investment Fund
by Credit Risk and by Maturity
- Compliance Statement
- Quarterly Performance Report - Gross of Fees: Long Term Investment Fund
- Bond Market Commentary and Future Policy
- Security Holdings in the Short Term and Long Term Investment Funds
Listed and Valued Separately as at March 31, 2024
- Security Purchases and Sales
- Cash Reconciliations
- External Individual Credit Rating Report

LONG TERM INVESTMENT FUND**TIME-WEIGHTED RATES OF TOTAL RETURN
FOR PERIODS ENDING MARCH 31, 2024**

	3 Years*	2 Years*	1 Year	Last 3 months
<i>Long Term Investment Fund – Gross of Fees</i>	<i>0.19%</i>	<i>2.00%</i>	<i>3.19%</i>	<i>-0.14%</i>
<i>Long Term Investment Fund – Net of Fees</i>	<i>-0.09%</i>	<i>1.71%</i>	<i>2.89%</i>	<i>-0.21%</i>
Benchmark Portfolio **	-0.39%	1.49%	2.53%	-0.25%

*Annualized

** In the most recent Investment Policy update (dated December 7, 2021) the Benchmark Portfolio was revised to a composite comprised of the following total return indices:

- 60% FTSE Canada Short Bond Index
- 40% FTSE Canada Mid Bond Index

To reflect this change, the returns of the Benchmark Portfolio shown in the above table are based on the returns earned by the revised Benchmark Portfolio (as detailed above) in December 2021 and subsequent periods and the returns of the former Benchmark Portfolio that prevailed during reported periods prior to December 2021 (as detailed below).

- 30% FTSE (DEX) Federal Short Bond Index
- 30% FTSE (DEX) Provincial Short Bond Index
- 20% FTSE (DEX) Federal Mid Bond Index
- 20% FTSE (DEX) Provincial Mid Bond Index

SHORT TERM INVESTMENT FUND**TIME-WEIGHTED RATES OF TOTAL RETURN
FOR PERIODS ENDING MARCH 31, 2024**

	Since Inception Oct. 01/08 *	3 Years*	2 Years *	1 Year	Last 3 Months
<i>Short Term Investment Fund – Gross of Fees</i>	<i>1.20%</i>	<i>2.59%</i>	<i>3.84%</i>	<i>4.81%</i>	<i>1.23%</i>
<i>Short Term Investment Fund – Net of Fees</i>	<i>1.08%</i>	<i>2.47%</i>	<i>3.71%</i>	<i>4.66%</i>	<i>1.17%</i>
Benchmark Portfolio **	1.16%	2.58%	3.83%	4.92%	1.24%

* Annualized

** The Benchmark Portfolio, confirmed in the December 7, 2021 Investment Policy update, is based 100% on the total return index of the 30-day Treasury Bill Index

LONG TERM INVESTMENT FUND**DISTRIBUTION OF SECURITIES BY CREDIT RISK**
(Based on Market Values)

	Dec. 17/13	Jun. 30/23	Sep. 30/23	Dec. 31/23	Mar. 31/24
Bonds, Treasury Bills & Cash Less than 1 year term	100.0%	10.7%	7.3%	7.0%	6.9%
Canadas Greater than 1 year term		20.9%	23.8%	23.9%	23.2%
Provincials Greater than 1 year term		38.2%	38.0%	38.3%	37.0%
Corporates Greater than 1 year term		30.2%	30.9%	30.8%	32.9%
TOTAL PORTFOLIO	100.0%	100.0%	100.0%	100.0%	100.0%

LONG TERM INVESTMENT FUND**DISTRIBUTION OF SECURITIES BY MATURITY**
(Based on Market Values)

	Jun. 30/23	Sep. 30/23	Dec. 31/23	Mar. 31/24
Under 1 year	10.7%	7.3%	7.0%	6.9%
1 - 3 years	24.1%	21.1%	26.6%	27.4%
3 - 5 years	27.0%	27.3%	25.2%	26.7%
5 - 7 years	17.5%	21.3%	17.5%	18.1%
7 - 10 years	20.6%	22.9%	23.6%	20.9%
TOTAL	100.0%	100.0%	100.0%	100.0%
Average Maturity (yrs)	4.56	4.80	4.62	4.43
Average Duration (yrs)	4.11	4.29	4.18	3.98

SHORT TERM INVESTMENT FUND

	Jun. 30/23	Sep. 30/23	Dec. 31/23	Mar. 31/24
Short Term Average Duration (yrs)	0.12	0.12	0.11	0.11

COMPLIANCE WITH INVESTMENT POLICY STATEMENT

AT MARCH 31, 2024

	Investment Limits	Investment Funds	Compliance
<i>Short Term Investment Fund</i>			
Maximum Term of Any Issue	1 year	0.5 year	Yes
Minimum Percentage of Total Fund (Short & Long)	20% of Total	53.3%	Yes
Minimum Canada & Provincial Percentage	50%	58.5%	Yes
Minimum Provincial Quality	A	N/A	Yes
Minimum Bank CD & BA Quality	R1 (high)	R1 (high)	Yes
<i>Long Term Investment Fund</i>			
Maximum Term of Any Issue	10 years	9.2 years	Yes
Maximum Percentage of Total Fund (Short & Long)	80% of Total	46.7%	Yes
Minimum Canada Percentage	20%	26.6%	Yes
Maximum Provincial Percentage	40%	37.0%	Yes
Minimum Canada & Provincial Percentage	60%	63.6%	Yes
Minimum Provincial Quality *	A	AA (low)	Yes
Maximum Corporate Percentage	40%	29.1%	Yes
Minimum Corporate Quality *	BBB	BBB	Yes
Maximum BBB Corporate Percentage	10%	7.2%	Yes

* At time of purchase

This will confirm that, as at the end of the latest quarter, the Long Term and Short Term Investment Funds were managed in compliance with the Investment Policy limits provided on December 7, 2021.

Martin, Lucas & Seagram Ltd.
 PERFORMANCE REPORT
 GROSS OF FEES
CLLAS – LONG TERM INVESTMENT FUND
(RBC Investor Services)
From 12-31-23 to 03-31-24

Portfolio Value on 12-31-23	7,079,930
Accrued Interest	34,186
Contributions	204,432
Withdrawals	-33,417
Realized Gains	0.00
Unrealized Gains	-62,369
Interest	31,085
Dividends	0
Change in Accrued Interest	21,180
Portfolio Value on 03/31/24	7,219,662
Accrued Interest	55,366
Average Capital	7,266,517
Total Gains before Fees	-10,103.5
IRR for 0.25 Years	-0.1%

BOND MARKET COMMENTARY AND FUTURE POLICY

Bond prices started the year near seven-month highs as investor sentiment had been buoyed by growing expectations that a slowing economy and diminishing inflation pressures would lead to an early pivot by the major central banks to less restrictive monetary policies. However, since the beginning of the year they have been trending lower in the wake of persistent disappointments on the inflation front and the ongoing resilience of the U.S. economy. This has caused investors to reassess when the U.S. Federal Reserve (Fed) will begin the transition to less restrictive policies and how often the Fed will cut interest rates. While the futures market at the start of the year was pricing in six or seven interest rate cuts by year's end, early this month traders were expecting just two cuts, with the first coming in June. However, the latest market readings suggest the first cut may now be delayed until November. Despite Canadian bond prices also losing ground since the start of the year, cooling inflation data and growing slack in the domestic economy has most forecasters expecting that our central bank will cut rates before the Fed. The latest swing in investor sentiment has pushed the 10-year benchmark yields up some 75 basis points since early January to year-to-date highs of just over 4.6% in the U.S. and 3.75% in Canada.

In the U.S., economic activity has continued to expand at a much quicker rate than economists had expected. Real GDP in the fourth quarter grew at an annualized pace of 3.3%. This was largely driven by domestic demand, which was fuelled by strong household consumption, particularly in goods spending, as well as business investment. Overall, the U.S. economy grew 2.5% last year, significantly outpacing other developed economies, despite the Fed pursuing its most aggressive monetary tightening cycle in decades. The International Monetary Fund (IMF) projects that the U.S. economy will continue to lead this year, albeit at the slower pace of 2.1%. The central bank has kept the federal funds rate unchanged at each of its last five meetings, keeping its benchmark overnight borrowing rate in a range of 5.25% to 5.5%. At their latest meeting, officials expressed concern that inflation wasn't moving lower quickly enough and that geopolitical turmoil and rising energy prices remain risks that could push inflation higher, although they still expected to cut interest rates at some point this year.

The U.S. government's highly stimulative fiscal policy, which is projected to add another \$1.5 trillion of deficit spending this year, is expected to increase underlying price pressures. Also, job gains have been well above consensus estimates for each of the first three months, pushing the unemployment rate down to 3.8%, despite an increase in labour force participation. This, together with the recent shift in manufacturing activity from contraction to expansion, adds to the risk that inflation and interest rates could remain elevated for longer than expected.

Meanwhile, Canada's fourth quarter GDP results were less impressive at an annualized increase of just 1%. However, this was a welcome reversal of the 0.5% contraction reported in the third quarter. Despite the drag from weak business investment, growth accelerated toward year end due to a production surge among goods-producing industries, particularly in crude oil, manufacturing, agriculture and utilities. Since these sectors are heavily influenced by exports, it appears that some of the economic strength south of the border was spilling over into Canada. This was reflected in the latest GDP data, which shows that domestic growth picked up in January and February. However, leading indicators suggest momentum has since waned and economic weakness has also become evident in the latest labour report. In March, Canada's economy unexpectedly lost 2,200 jobs, while the jobless rate increased to a 26-month high of 6.1%. This has raised market expectations that the Bank of Canada will start cutting interest rates in June. At their latest meeting, our central bank held its key interest rate at five per cent for the sixth consecutive time since last July. While the bank's governor said that inflation is still too high, he noted that core measures have been trending downward

in recent months and that they were waiting for signs that slowing inflation is sustained before moving on rate cuts. During a news conference following the latest announcement, the governor said that a rate cut in June is "within the realm of possibilities".

Offshore, the eurozone economy flatlined in the last three months of 2023 according to the latest GDP figures. This result slightly surpassed the consensus forecasts of a 0.1% decline due to better-than-expected gains recorded by Spain and Italy. However, the eurozone's biggest economies dragged down the overall results. Germany contracted by 0.3% in the final quarter of last year, while France's GDP was flat. High borrowing costs, low foreign demand, the spike in energy prices and geopolitical tensions remain some of the key factors hampering eurozone growth. Given these headwinds, the European Central Bank is likely to cut rates in June, according to some counsel members. Meanwhile, China's GDP grew at a pace of 5.2% in 2023, thus reaching Beijing's target of "around 5%", which remains their benchmark for 2024. While a pick-up in manufacturing has driven GDP to increase at an annualized rate of 5.3% in the first quarter of this year, China faces numerous challenges ahead, including demographic shifts due to their aging population, a property crisis, elevated debt levels in the local government and corporate sectors, income inequality, geopolitical tensions and an aggregate slowdown in global demand.

This remains a challenging juncture for investors. On the one hand, the U.S economy has started the year well and the Federal Reserve Bank of Atlanta's estimate of real GDP growth, which is based on the latest economic data, is running at a 2.4% annual increase for the first quarter. While this year's inflation reports have been disappointing, prices are still trending lower and the economy's durability along with the Fed's intention to cut rates later this year supports consensus expectations that a recession will be avoided, at least in the U.S. On the other hand, investors and policy makers have been caught off guard by how stubborn inflationary pressures have been so far this year and the recent upward shift in yields, along with the prospect of fewer rate cuts, could derail expectations for growth. Furthermore, the Treasury yield curve remains inverted, something that has preceded every recession since the 1960s.

Considering the persistent economic crosscurrents and elevated geopolitical uncertainties, which have been whipsawing prices as investors vacillate between risk-on and risk-off trades, we expect bond prices will remain volatile over the short term. While most Fed speakers still expect borrowing costs to be lowered this year, the timing has become more uncertain and strategists' expectations for monetary policy are now all over the map. Looking beyond the short term, we continue to think the outlook for bond prices remains favourable and believe the yield curve is more likely to shift lower rather than higher later this year. At this juncture, we think the Long Term Fund's laddered maturity structure and current duration of 4 years provides a reasonable hedge against the risk of a prolonged pullback in bond prices and the emphasis on high quality issues mitigates credit risk if a recession does develop. In our view, the increase in yields over the past quarter has improved the medium-term outlook for bond prices and we will be looking for favourable opportunities to reduce the reserve in the Short Term Fund in order to lock in higher yields and enhance total returns once the monetary authorities pivot to easier policies and the yield curve returns to its traditional upward slope.

RWB/de

As stipulated in our Investment Management Agreement, please let ML&S know if there are major changes in your financial and/or personal circumstances, income needs or risk tolerance in order for us to review the suitability of your investment portfolio and objectives.

As stipulated in our Investment Management Agreement, please let ML&S know if there are major changes in your financial and/or personal circumstances, income needs or risk tolerance in order for us to review the suitability of your investment portfolio and objectives.

Martin, Lucas & Seagram Ltd.

CLLAS - SHORT TERM INVESTMENT FUND
(RBC Investor Services)

Portfolio Holdings at March 31, 2024

Quantity	Security	Unit Cost	Price	Market Value	Annual Income
CASH					
	Cash Account			6,822	0
MONEY MARKET ISSUES					
770,000	Toronto Dominion Bank BA 5.03% due April 5, 2024	99.21	99.89	769,148	38,424
940,000	Royal Bank B.A. 5.00% due April 8, 2024	99.52	99.85	938,571	46,776
625,000	Canada Treasury Bill 4.90% due April 11, 2024	98.88	99.81	623,806	30,284
1,610,000	Canada Treasury Bill 4.80% due April 25, 2024	99.27	99.62	1,603,861	76,715
1,040,000	Canada Treasury Bill 4.90% due May 23, 2024	98.70	99.24	1,032,077	50,298
955,000	TD Bank BA 5.00% due May 31, 2024	98.85	99.12	946,617	47,201
630,000	Canada Treasury Bill 4.75% due June 6, 2024	98.84	99.05	624,008	29,579
960,000	Canada Treasury Bill 4.80% due June 20, 2024	98.73	98.86	949,070	45,494
775,000	CIBC BA 5.00% due June 24, 2024	98.81	98.80	765,676	38,288
				8,252,835	403,058
TOTAL PORTFOLIO				8,259,657	403,058

Disclosures:

1. Please note that the securities listed herein are held on your behalf by the above noted custodian. You may wish to contact them directly to determine if your account is covered by any recognized Investor Protection Plan and/or for information on how these securities are held.
2. The cost of each position shown in the account is the book cost (original cost adjusted for distributions, capital returns and re-orgs). For unit costs marked with an *, the book cost cannot be determined and the value shown is based on the closing market price on July 15, 2015.

Martin, Lucas & Seagram Ltd.
PURCHASE AND SALE
CLLAS - SHORT TERM INVESTMENT FUND
(RBC Investor Services)
From 01-01-24 To 03-31-24

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
01-05-24	01-08-24	750,000	CIBC BA 5.10% due March 4, 2024	99.22	744,177.00
01-17-24	01-18-24	625,000	Canada Treasury Bill 4.90% due April 11, 2024	98.88	618,030.63
01-25-24	01-26-24	750,000	Bank of Nova Scotia BA 5.05% due February 23, 2024	99.61	747,105.75
02-01-24	02-02-24	940,000	TD Bank BA 5.05% due March 7, 2024	99.53	935,598.92
02-06-24	02-06-24	770,000	Toronto Dominion Bank BA 5.03% due April 5, 2024	99.21	763,894.67
02-14-24	02-15-24	1,040,000	Canada Treasury Bill 4.90% due May 23, 2024	98.70	1,026,495.60
02-22-24	02-23-24	755,000	Royal Bank BA 5.00% due March 28, 2024	99.54	751,499.82
02-28-24	02-29-24	1,610,000	Canada Treasury Bill 4.80% due April 25, 2024	99.27	1,598,229.29
03-01-24	03-04-24	940,000	Royal Bank B.A. 5.00% due April 8, 2024	99.52	935,514.32
03-06-24	03-07-24	955,000	TD Bank BA 5.00% due May 31, 2024	98.85	944,007.95
03-07-24	07-20-24	630,000	Canada Treasury Bill 4.75% due June 6, 2024	98.84	622,706.49
03-13-24	03-14-24	960,000	Canada Treasury Bill 4.80% due June 20, 2024	98.73	947,784.96
03-27-24	03-28-24	775,000	CIBC BA 5.00% due June 24, 2024	98.81	765,768.98
					11,400,814.38
SALES					
01-05-24	01-05-24	745,000	CIBC BA 5.05% due January 5, 2024	100.00	745,000.00
01-18-24	01-18-24	824,000	Canada Treasury Bill 5.00% due January 18, 2024	100.00	824,000.00
01-26-24	01-26-24	745,000	Toronto Dominion Bank BA 5.10% due January 26, 2024	100.00	745,000.00
02-02-24	02-02-24	935,000	TD Bank BA 5.05% due February 2, 2024	100.00	935,000.00
02-07-24	02-07-24	760,000	Bank of Nova Scotia BA 5.15% due February 7, 2024	100.00	760,000.00
02-15-24	02-15-24	1,025,000	Canada Treasury Bill 4.90% due February 15, 2024	100.00	1,025,000.00

Martin, Lucas & Seagram Ltd.
PURCHASE AND SALE
CLLAS - SHORT TERM INVESTMENT FUND
(RBC Investor Services)
From 01-01-24 To 03-31-24

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
02-23-24	02-23-24	750,000	Bank of Nova Scotia BA 5.05% due February 23, 2024	100.00	750,000.00
02-29-24	02-29-24	1,600,000	Canada Treasury Bill 4.90% due February 29, 2024	100.00	1,600,000.00
03-04-24	03-04-24	935,000	CIBC BA 5.10% due March 4, 2024	100.00	935,000.00
03-07-24	03-07-24	940,000	TD Bank BA 5.05% due March 7, 2024	100.00	940,000.00
03-08-24	03-08-24	625,000	CIBC BA 5.10% due March 8, 2024	100.00	625,000.00
03-14-24	03-14-24	945,000	Canada Treasury Bill 4.90% due March 14, 2024	100.00	945,000.00
03-28-24	03-28-24	755,000	Royal Bank BA 5.00% due March 28, 2024	100.00	755,000.00
					11,584,000.00

Martin, Lucas & Seagram Ltd.
PURCHASE AND SALE
CLLAS - SHORT TERM INVESTMENT FUND
(RBC Investor Services)
From 01-01-24 To 03-31-24

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
01-25-24	01-26-24	750,000	Bank of Nova Scotia BA 5.05% due February 23, 2024	99.61	747,105.75
03-27-24	03-28-24	775,000	CIBC BA 5.00% due June 24, 2024	98.81	765,768.98
01-05-24	01-08-24	750,000	CIBC BA 5.10% due March 4, 2024	99.22	744,177.00
03-07-24	07-20-24	630,000	Canada Treasury Bill 4.75% due June 6, 2024	98.84	622,706.49
02-28-24	02-29-24	1,610,000	Canada Treasury Bill 4.80% due April 25, 2024	99.27	1,598,229.29
03-13-24	03-14-24	960,000	Canada Treasury Bill 4.80% due June 20, 2024	98.73	947,784.96
01-17-24	01-18-24	625,000	Canada Treasury Bill 4.90% due April 11, 2024	98.88	618,030.63
02-14-24	02-15-24	1,040,000	Canada Treasury Bill 4.90% due May 23, 2024	98.70	1,026,495.60
03-01-24	03-04-24	940,000	Royal Bank B.A. 5.00% due April 8, 2024	99.52	935,514.32
02-22-24	02-23-24	755,000	Royal Bank BA 5.00% due March 28, 2024	99.54	751,499.82
03-06-24	03-07-24	955,000	TD Bank BA 5.00% due May 31, 2024	98.85	944,007.95
02-01-24	02-02-24	940,000	TD Bank BA 5.05% due March 7, 2024	99.53	935,598.92
02-06-24	02-06-24	770,000	Toronto Dominion Bank BA 5.03% due April 5, 2024	99.21	763,894.67
					11,400,814.38
SALES					
02-23-24	02-23-24	750,000	Bank of Nova Scotia BA 5.05% due February 23, 2024	100.00	750,000.00
02-07-24	02-07-24	760,000	Bank of Nova Scotia BA 5.15% due February 7, 2024	100.00	760,000.00
01-05-24	01-05-24	745,000	CIBC BA 5.05% due January 5, 2024	100.00	745,000.00
03-04-24	03-04-24	935,000	CIBC BA 5.10% due March 4, 2024	100.00	935,000.00
03-08-24	03-08-24	625,000	CIBC BA 5.10% due March 8, 2024	100.00	625,000.00
02-15-24	02-15-24	1,025,000	Canada Treasury Bill 4.90% due February 15, 2024	100.00	1,025,000.00

Martin, Lucas & Seagram Ltd.
PURCHASE AND SALE
CLLAS - SHORT TERM INVESTMENT FUND
(RBC Investor Services)
From 01-01-24 To 03-31-24

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
02-29-24	02-29-24	1,600,000	Canada Treasury Bill 4.90% due February 29, 2024	100.00	1,600,000.00
03-14-24	03-14-24	945,000	Canada Treasury Bill 4.90% due March 14, 2024	100.00	945,000.00
01-18-24	01-18-24	824,000	Canada Treasury Bill 5.00% due January 18, 2024	100.00	824,000.00
03-28-24	03-28-24	755,000	Royal Bank BA 5.00% due March 28, 2024	100.00	755,000.00
02-02-24	02-02-24	935,000	TD Bank BA 5.05% due February 2, 2024	100.00	935,000.00
03-07-24	03-07-24	940,000	TD Bank BA 5.05% due March 7, 2024	100.00	940,000.00
01-26-24	01-26-24	745,000	Toronto Dominion Bank BA 5.10% due January 26, 2024	100.00	745,000.00
					11,584,000.00

Martin, Lucas & Seagram Ltd.
CASH RECONCILIATION
CLLAS - SHORT TERM INVESTMENT FUND
(RBC Investor Services)
From 12-31-23 to 03-31-24

Cash Balance at December 31, 2023		<u>6,170.16</u>
ADD: Proceeds from Sales	11,584,000.00	
Capital Contribution	0.00	
Interest on cash balance	274.92	
Bond Interest Credited (from Long Term Investment Fund)	<u>33,417.13</u>	<u>11,617,692.05</u>
LESS: Cost of Purchases	-11,400,814.38	
Capital Withdrawal	0.00	
Q4 2023 Investment Counsel Fees - Short Term Investment Fund	-2,356.64	
Q4 2023 Investment Counsel Fees - Long Term Investment Fund	-5,000.20	
Trust Company Charges net interest income	-4,436.91	
Transfers to Long Term Fund re: net sales and purchases	<u>-204,432.19</u>	<u>-11,617,040.32</u>
Cash Balance at March 31, 2024		<u><u>6,821.89</u></u>

0.00

Martin, Lucas & Seagram Ltd.							
EXTERNAL INDIVIDUAL CREDIT RATING REPORT - MARCH 31, 2024							
CLLAS - SHORT TERM INVESTMENT FUND							
Quantity	Security	Rating	Unit Cost	Total Cost	Price	Market Value	% Assets
770,000	8911Z1R500	R-1 (high)	99.207	763,895	99.889	769,148	9.3%
940,000	7800Z8R857	R-1 (high)	99.523	935,514	99.848	938,571	11.4%
625,000	1350Z7CC60	R-1 (high)	98.885	618,031	99.809	623,806	7.6%
1,610,000	1350Z7BY99	R-1 (high)	99.269	1,598,229	99.619	1,603,861	19.4%
1,040,000	1350Z7B298	R-1 (high)	98.702	1,026,496	99.238	1,032,077	12.5%
955,000	8911Z1SY64	R-1 (high)	98.849	944,008	99.122	946,617	11.5%
630,000	1350Z7CG74	R-1 (high)	98.842	622,706	99.049	624,008	7.6%
960,000	1350Z7B454	R-1 (high)	98.728	947,785	98.862	949,070	11.5%
775,000	1360Z2TR50	R-1 (high)	98.809	765,769	98.797	765,676	9.3%
				8,222,433		8,252,835	100%

Martin, Lucas & Seagram Ltd.

CLLAS - LONG TERM INVESTMENT FUND
(RBC Investor Services)

Portfolio Holdings at March 31, 2024

Quantity	Security	Unit Cost	Price	Market Value	Annual Income
GOVERNMENT BONDS					
250,000	Canada Housing Trust 2.9% due June 15, 2024	102.64	99.54	248,849	7,250
300,000	Canada Housing Trust Ser. 70 2.25% due December 15, 2025	100.98	96.60	289,815	6,750
250,000	Canada Housing Trust Ser. 77 2.35% due June 15, 2027	93.81	95.34	238,338	5,875
250,000	Canada Housing Trust No.1 2.350% due March 15, 2028	103.96	94.76	236,903	5,875
300,000	Canada Housing Trust 2.1% Series 88 due September 15, 2029	99.73	91.99	275,982	6,300
275,000	Canada Housing Trust 1.1% Series 95 due March 15, 2031	94.05	83.92	230,770	3,025
200,000	Canada Housing Trust 3.55% due September 15, 2032	98.05	98.15	196,302	7,100
215,000	Canada 2.75% due June 1, 2033	92.55	94.51	203,195	5,913
				<hr/> 1,920,155	<hr/> 48,088
PROVINCIAL BONDS					
400,000	Ontario 2.60% due June 2, 2025	101.08	97.75	391,012	10,400
350,000	British Columbia 2.3% due June 18, 2026	104.40	96.03	336,097	8,050
350,000	Ontario 2.60% due June 2, 2027	97.56	95.98	335,941	9,100
300,000	Alberta 2.90% due December 1, 2028	94.50	95.85	287,558	8,700
350,000	Ontario 2.05% due June 2, 2030	94.43	89.92	314,729	7,175
200,000	British Columbia 1.55% due June 18, 2031	83.75	84.98	169,959	3,100
300,000	Ontario 2.25% due December 2, 2031	87.15	88.55	265,662	6,750
300,000	British Columbia 3.2% due June 18, 2032	96.71	94.05	282,156	9,600
300,000	Ontario 3.65% due June 2, 2033	97.98	96.53	289,602	10,950
				<hr/> 2,672,716	<hr/> 73,825

Martin, Lucas & Seagram Ltd.

CLLAS - LONG TERM INVESTMENT FUND
(RBC Investor Services)

Portfolio Holdings at March 31, 2024

Quantity	Security	Unit Cost	Price	Market Value	Annual Income
CORPORATE BONDS					
250,000	Toronto Dominion Bank Dep. Note 3.226% due July 24, 2024	102.02	99.42	248,554	8,065
250,000	CIBC Deposit Note 3.3% due May 26, 2025	100.24	98.21	245,531	8,250
200,000	Wells Fargo & Company 2.975% due May 19, 2026	102.15	96.12	192,249	5,950
300,000	Bank of Nova Scotia Dep. Notes 2.62% due December 2, 2026	102.07	95.51	286,524	7,860
150,000	Bank of Montreal Dep. Note 2.70% due December 9, 2026	108.76	95.65	143,480	4,050
100,000	Bank of Nova Scotia 2.95% due March 8, 2027	92.85	95.45	95,454	2,950
150,000	Enbridge Inc. CB-27 3.2% due June 8, 2027	96.43	95.76	143,635	4,800
150,000	Royal Bank 4.642% due January 17, 2028	97.93	100.35	150,531	6,963
100,000	Bank of Montreal 3.19% due March 1, 2028	100.75	96.16	96,162	3,190
100,000	Telus Corp. CB-27 3.625% due March 1, 2028	97.25	96.46	96,460	3,625
100,000	Bell Canada SerM56 2.2% due May 29, 2028	98.26	91.33	91,329	2,200
250,000	Toronto Dominion Bank 4.68% due January 8, 2029	97.97	100.55	251,386	11,700
125,000	Ontario Power Generation 2.977% 13SEP29 due September 13, 2029	99.95	93.35	116,689	3,721
200,000	Hydro One Inc. 2.16% Ser 46 due February 28, 2030	86.95	89.13	178,258	4,320
100,000	Suncor EN INC SR7 CB-30 5.00% due April 9, 2030	100.45	100.19	100,187	5,000
100,000	Loblaw Companies 2.284% due May 7, 2030	86.07	88.31	88,305	2,284
100,000	Telus Corp. CB 5.25% due November 15, 2032	101.65	102.06	102,055	5,250
				<hr/> 2,626,790	<hr/> 90,178

Martin, Lucas & Seagram Ltd.

CLLAS - LONG TERM INVESTMENT FUND
(RBC Investor Services)

Portfolio Holdings at March 31, 2024

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Annual Income</u>
TOTAL PORTFOLIO				7,219,662	212,091

Disclosures:

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2. The cost of each position shown in the account is the book cost (original cost adjusted for distributions, capital returns and re-orgs). For unit costs marked with an *, the book cost cannot be determined and the value shown is based on the closing market price on July 15, 2015.

Martin, Lucas & Seagram Ltd.
PURCHASE AND SALE
CLLAS - LONG TERM INVESTMENT FUND
(RBC Investor Services)
From 01-01-24 To 03-31-24

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
01-17-24	01-19-24	100,000	Suncor EN INC SR7 CB-30 5.00% due April 9, 2030	100.45	100,450.00
01-17-24	01-19-24	100,000	Telus Corp. CB 5.25% due November 15, 2032	101.65	101,650.00
					202,100.00

Martin, Lucas & Seagram Ltd.
CASH RECONCILIATION
CLLAS - LONG TERM INVESTMENT FUND
From 12-31-23 to 03-31-24

Cash Balance at December 31, 2023		0.00
ADD: Proceeds from Sales		
Accrued Interest on Sales		
Bond Interest Credited to Long Term Investment Fund	33,417.13	
Transfer Bond Interest to Short Term Investment Fund	-33,417.13	0.00
LESS: Cost of Purchases	-202,100.00	
Accrued Interest on Purchases	-2,332.19	
Transfer from Short Term Fund	204,432.19	0.00
Cash Balance at March 31, 2024		0.00

31-Mar-24

CLLAS - LONG TERM INVESTMENT FUND

					Unit	Total		Market	Pct.
Quantity	CUSIP	Security		Rating	Cost	Cost	Price	Value	Assets
GOVERNMENT BONDS									
250,000	13509PEF6	Canada Housing Trust 2.9%	due June 15, 2024	AAA	102.64	256,600	99.54	248,849	3.4%
300,000	13509PFD0	Canada Housing Trust Ser. 70 2.25%	due December 15, 2025	AAA	100.98	302,940	96.60	289,815	4.0%
250,000	13509PFX6	Canada Housing Trust Ser. 77 2.35%	due June 15, 2027	AAA	93.81	234,525	95.34	238,338	3.3%
250,000	13509PGF4	Canada Housing Trust No.1 2.350%	due March 15, 2028	AAA	103.96	259,900	94.76	236,903	3.3%
300,000	13509PHD8	Canada Housing Trust 2.1% Series 88	due September 15, 2029	AAA	99.73	299,200	91.99	275,982	3.8%
275,000	13509PHQ9	Canada Housing Trust 1.1% Series 95	due March 15, 2031	AAA	94.05	258,638	83.92	230,770	3.2%
200,000	13509PJC8	Canada Housing Trust 3.55%	due September 15, 2032	AAA	98.05	196,100	98.15	196,302	2.7%
215,000	135087Q23	Canada 2.75%	due June 1, 2033	AAA	92.55	198,983	94.51	203,195	2.8%
						2,006,885		1,920,155	26.6%
PROVINCIAL BONDS									
400,000	68323ACX0	Ontario 2.60%	due June 2, 2025	AA (low)	101.08	404,305	97.75	391,012	5.4%
350,000	11070TAJ7	British Columbia 2.3%	due June 18, 2026	AA (high)	104.40	365,400	96.03	336,097	4.7%
350,000	68323AEE0	Ontario 2.60%	due June 2, 2027	AA (low)	97.56	341,460	95.98	335,941	4.7%
300,000	013051EB9	Alberta 2.90%	due December 1, 2028	AA	94.50	283,500	95.85	287,558	4.0%
350,000	68333ZAH0	Ontario 2.05%	due June 2, 2030	AA (low)	94.43	330,515	89.92	314,729	4.4%
200,000	110709AF9	British Columbia 1.55%	due June 18, 2031	AA (high)	83.75	167,500	84.98	169,959	2.4%
300,000	68333ZAT4	Ontario 2.25%	due December 2, 2031	AA (low)	87.15	261,450	88.55	265,662	3.7%
300,000	110709GL0	British Columbia 3.20%	due June 18, 2032	AA (high)	96.71	290,130	94.05	282,156	3.9%
300,000	68333ZAY3	Ontario 3.65%	due June 2, 2033	AA (low)	97.98	293,940	96.53	289,602	4.0%
						2,738,200		2,672,716	37.0%
CORPORATE BONDS									
250,000	891145T79	Toronto Dominion Bank Dep. Note 3.226%	due July 24, 2024	AA (high)	102.02	255,050	99.42	248,554	3.4%
250,000	13596Z3Y9	CIBC Deposit Note 3.3%	due May 26, 2025	AA	100.24	250,600	98.21	245,531	3.4%
200,000	949746RX1	Wells Fargo & Company 2.975%	due May 19, 2026	AA (low)	102.15	204,300	96.12	192,249	2.7%
300,000	064151QE6	Bank of Nova Scotia Dep. Notes 2.62%	due December 2, 2026	AA	102.07	306,210	95.51	286,524	4.0%
150,000	06368AAA8	Bank of Montreal Dep. Note 2.70%	due December 9, 2026	AA	108.76	163,140	95.65	143,480	2.0%
100,000	06415GDE7	Bank of Nova Scotia 2.95%	due March 8, 2027	AA (low)	92.85	92,850	95.45	95,454	1.3%
150,000	29251ZBK2	Enbridge Inc. CB-27 3.2%	due June 8, 2027	BBB (high)	96.43	144,650	95.76	143,635	2.0%
150,000	780086WG5	Royal Bank 4.642%	due January 17, 2028	AA	97.93	146,895	100.35	150,531	2.1%
100,000	06368BTX6	Bank of Montreal 3.19%	due March 1, 2028	AA	100.75	100,750	96.16	96,162	1.3%
100,000	87971MBG7	Telus Corp. CB-27 3.625%	due March 1, 2028	BBB	97.25	97,250	96.46	96,460	1.3%
100,000	07813ZCJ1	Bell Canada SerM56 2.2%	due May 29, 2028	BBB (high)	98.26	98,263	91.33	91,329	1.3%
250,000	89117GRJ8	Toronto Dominion Bank 4.68%	due January 8, 2029	AA	97.97	244,920	100.55	251,386	3.5%
125,000	68321ZAD3	Ontario Power Generation 2.977% 13SEP29	due September 13, 2029	A (low)	99.95	124,938	93.35	116,689	1.6%
200,000	44810ZCC2	Hydro One Inc. 2.16% Ser 46	due February 28, 2030	A (high)	86.95	173,900	89.13	178,258	2.5%
100,000	86721ZAQ2	Suncor EN INC SR7 CB-30 5.00%	due April 9, 2030	A (low)	100.45	100,450	100.19	100,187	1.4%
100,000	539481AN1	Loblaw Companies 2.284%	due May 7, 2030	BBB (high)	86.07	86,070	88.31	88,305	1.2%
100,000	87971MBX0	Telus Corp. CB 5.25%	due November 15, 2032	BBB	101.65	101,650	102.06	102,055	1.4%
						2,691,885		2,626,790	36.4%
TOTAL PORTFOLIO									
						7,436,970		7,219,662	100.0%

Martin, Lucas & Seagram Ltd.
DATE TO DATE GAINS AND LOSSES
CLLAS - LONG TERM INVESTMENT FUND
(RBC Investor Services)
From 12-31-23 to 03-31-24

Security	12-31-23 Market Value	Additions Withdrawals	03-31-24 Market Value	03-31-24 Cost Basis	Realized Gain or Loss		Unrealized Gain or Loss	
					Cost	Market	Cost	Market
CASH								
Cash Account	0	0	0	0				
GOVERNMENT BONDS								
Canada Housing Trust 2.9% due June 15, 2024	247,581	0	248,849	256,600	0	0	-7,751	1,268
Canada Housing Trust Ser. 70 2.25% due December 15, 2025	290,413	0	289,815	302,940	0	0	-13,125	-598
Canada Housing Trust Ser. 77 2.35% due June 15, 2027	240,379	0	238,338	234,525	0	0	3,813	-2,041
Canada Housing Trust No.1 2.350% due March 15, 2028	239,276	-2,938	236,903	259,900	0	0	-22,997	-2,372
Canada Housing Trust 2.1% Series 88 due September 15, 2029	279,938	-3,150	275,982	299,200	0	0	-23,218	-3,956
Canada Housing Trust 1.1% Series 95 due March 15, 2031	234,313	-1,513	230,770	258,638	0	0	-27,867	-3,543
Canada Housing Trust 3.55% due September 15, 2032	201,112	-3,550	196,302	196,100	0	0	202	-4,810
Canada 2.75% due June 1, 2033	208,906	0	203,195	198,983	0	0	4,213	-5,711
GOVERNMENT BONDS Total	1,941,917		1,920,155	2,006,885	0	0	-86,730	-21,763
PROVINCIAL BONDS								
Ontario 2.60% due June 2, 2025	390,871	0	391,012	404,305	0	0	-13,293	141
British Columbia 2.3% due June 18, 2026	337,502	0	336,097	365,400	0	0	-29,303	-1,405
Ontario 2.60% due June 2, 2027	338,496	0	335,941	341,460	0	0	-5,520	-2,555
Alberta 2.90% due December 1, 2028	291,515	0	287,558	283,500	0	0	4,058	-3,958
Ontario 2.05% due June 2, 2030	319,685	0	314,729	330,515	0	0	-15,786	-4,956
British Columbia 1.55% due June 18, 2031	172,838	0	169,959	167,500	0	0	2,459	-2,880
Ontario 2.25% due December 2, 2031	270,791	0	265,662	261,450	0	0	4,212	-5,128
British Columbia 3.2% due June 18, 2032	288,927	0	282,156	290,130	0	0	-7,974	-6,771
Ontario 3.65% due June 2, 2033	297,386	0	289,602	293,940	0	0	-4,338	-7,784
PROVINCIAL BONDS Total	2,708,011		2,672,716	2,738,200	0	0	-65,484	-35,295
CORPORATE BONDS								
Toronto Dominion Bank Dep. Note 3.226% due July 24, 2024	247,396	-4,033	248,554	255,050	0	0	-6,496	1,158
CIBC Deposit Note 3.3% due May 26, 2025	245,515	0	245,531	250,600	0	0	-5,069	16
Wells Fargo & Company 2.975% due May 19, 2026	192,373	0	192,249	204,300	0	0	-12,051	-124
Bank of Nova Scotia Dep. Notes 2.62% due December 2, 2026	285,636	0	286,524	306,210	0	0	-19,686	889

Martin, Lucas & Seagram Ltd.
DATE TO DATE GAINS AND LOSSES
CLLAS - LONG TERM INVESTMENT FUND
(RBC Investor Services)
From 12-31-23 to 03-31-24

Security	12-31-23 Market Value	Additions Withdrawals	03-31-24 Market Value	03-31-24 Cost Basis	Realized Gain or Loss		Unrealized Gain or Loss	
					Cost	Market	Cost	Market
Bank of Montreal Dep. Note 2.70% due December 9, 2026	143,916	0	143,480	163,140	0	0	-19,660	-435
Bank of Nova Scotia 2.95% due March 8, 2027	95,472	-1,475	95,454	92,850	0	0	2,604	-18
Enbridge Inc. CB-27 3.2% due June 8, 2027	144,024	0	143,635	144,650	0	0	-1,015	-390
Royal Bank 4.642% due January 17, 2028	151,108	-3,482	150,531	146,895	0	0	3,636	-577
Bank of Montreal 3.19% due March 1, 2028	96,450	-1,595	96,162	100,750	0	0	-4,588	-289
Telus Corp. CB-27 3.625% due March 1, 2028	97,161	-1,813	96,460	97,250	0	0	-790	-701
Bell Canada SerM56 2.2% due May 29, 2028	91,558	0	91,329	98,263	0	0	-6,933	-228
Toronto Dominion Bank 4.68% due January 8, 2029	252,688	-5,850	251,386	244,920	0	0	6,466	-1,303
Ontario Power Generation 2.977% 13SEP29 due September 13, 2029	117,622	-1,861	116,689	124,938	0	0	-8,249	-933
Hydro One Inc. 2.16% Ser 46 due February 28, 2030	180,312	-2,160	178,258	173,900	0	0	4,358	-2,053
Suncor EN INC SR7 CB-30 5.00% due April 9, 2030	0	101,847	100,187	100,450	0	0	-263	-263
Loblaw Companies 2.284% due May 7, 2030	88,772	0	88,305	86,070	0	0	2,235	-467
Telus Corp. CB 5.25% due November 15, 2032	0	102,585	102,055	101,650	0	0	405	405
CORPORATE BONDS Total	2,430,002		2,626,790	2,691,885	0	0	-65,095	-5,311
TOTAL PORTFOLIO	7,079,930		7,219,662	7,436,970	0	0	-217,308	-62,369
TOTAL DATE TO DATE GAIN OR LOSS								-62,369
% CHANGE DURING PERIOD								-0.88

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

COMMITTEES FOR 2024/25

- | | | |
|----|------------------------|---|
| 1. | Audit* | Gordon Goodman (Chair)
Michael Swartz
Carl De Vuono |
| 2. | Claims | Robert (Bob) Love(Chair)
David Morritt
David Outerbridge
John Birch
Caroline Zayid |
| 3. | Policy | Donald Milner (Chair)
Melanie Koszegi
Anne-Marie Breton |
| 4. | Risk Management | Julia Holland (Chair)
David Woolcombe
Eugene Cipparone
Laurence Detière |

* Members of Audit Committee also serve on the Reinsurance/Insurance Security Committee.

** Members of ad-hoc cyber committee are Don Milner, Julia Holland

*** Chair of the Advisory Board is considered an ad-hoc member of each CLLAS Committee

January 1, 2024