



## 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, September 24, 2024 at 8:30 a.m.  
Goodmans LLP  
34<sup>th</sup> Floor, Bay Adelaide Centre, West Tower  
333 Bay Street  
Toronto, Ontario

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ZOOM login information: Advisory Board of CLLAS

To join meeting using a computer:

<https://us02web.zoom.us/j/86304163448?pwd=u0Py4SGmHMeQecBFVETaavvL3RBa7M.1>

Meeting ID: 863 0416 3448

Meeting Password: 813078

To join meeting by phone:

+1 647 558 0588 Canada

Meeting ID: 863 0416 3448

Meeting Password: 813078

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## 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 June 25, 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 Chair	Ken Crofoot	5 mins	
6. Final Placement of Reinsurance Renewal including Cyber <i>Note: update on Paliare Roland application</i>	Ryan Durrell/ Chris Marley	10 mins	
7. Report of the General Manager's Office 7.1 Management Financial Statements as at June 30, 2024	Carrie Green	10 mins	7.1
8. Committee Reports		20 mins	
8.1 Audit Committee	Gord Goodman		
8.2 Claims Committee	Robert Love		8.2
8.3 Risk Management Committee	Julia Holland		
8.4 Policy Committee	Donald Milner		
9. Other Business		5 mins	
9.1 Quarterly Report of the Investment Manager <i>Note: ML&amp;S was acquired by Beutel, Goodman &amp; Company at the end of July 2024. The merger contemplated a two-year commitment by CLLAS to BG&amp;Co.</i>	Carrie Green		9.1
10. Proposed Meeting Dates for 2025:			
• February 25, 2025			
• June 24, 2025			
• September 23, 2025			
• December 2, 2025			
12. Next Meeting – December 3, 2024			

**Anticipated Adjournment Time: 10:00 a.m.**

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

**Minutes of a Meeting of the Advisory Board**

8:45 a.m.

Goodmans LLP (via videoconference)

**Tuesday, June 25, 2024**

**Present:**

Ken Crofoot (Chair)	Goodmans LLP
Robert Love	Borden Ladner Gervais LLP
Laurence Detière	Davies Ward Phillips & Vineberg LLP
Gordon Goodman	Cassels Brock & Blackwell LLP
Donald Milner	Fasken Martineau DuMoulin LLP
Caroline Zayid	McCarthy Tétrault LLP
Carl De Vuono	McMillan LLP
Julia Holland	Torys LLP
Claudia Bessant	Lenczner Slaght LLP
Matthew Sammon	Lenczner Slaght LLP
Carrie Green	Office of the General Manager, CLLAS
Norma Ibbetson	Office of the General Manager, CLLAS
Ryan Durrell	Axxima
Chris Marley	Axxima

**Absent:**

David Morritt	Osler, Hoskin & Harcourt LLP
Michael Swartz	WeirFoulds LLP

**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 February 27, 2024, Meeting of the Advisory Board**

**It was moved by Caroline Zayid and seconded by Bob Love that the minutes of the February 27, 2024, 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 is being dealt with elsewhere in the agenda.

5. **Comments of the Chair**

Ken Crofoot reported to the Board that the trip to London with management, the Axxima Group and Laurence Detière went very well. Renewal discussions were more relaxed than they have been in recent years as the markets soften and there is more capacity. The underwriters of the various syndicates were very receptive to the discussions on CLLAS' claims management work and changes to privacy laws specifically to Quebec. Additionally, meetings with the CLLAS Cyber syndicate went well.

6. **Pro-Form Insurance Services**

Bob Wilson and Scott Belton joined the meeting.

The professional liability market in Canada has continued to level out in 2024, which is being driven by increased competition from Lloyds and domestic carriers for certain classes of business. Lloyds remains the main option for "primary" Canadian lawyers' professional liability as there is limited appetite from Canadian insurers to participate on the lower working layers.

As in previous years, the impacts of economic and social inflation on claims costs continue to be a concern for liability insurers across the board and insurers will be keeping an eye on the broader economic situation as they would typically expect an increase in claims in times of recession.

Current excess insurers have agreed to renew their participation for a further year at expiring rates. There are no changes to the structure of the program this year.

Mr. Wilson indicated that there will be no changes to the policy wordings in 2024, subject to any changes to the underlying CLLAS wording which are not expected.

The CLLAS International program is renewing with noted higher deductibles by firms. Mr. Wilson stressed to the Board that he views this as a good result. He reminded the Board that the international program is marketed as a group but that each firm is rated separately based on claims experience. Pro-Form will be in contact directly with each firm to explain their specific increase.

A schedule summarizing the AM Best and S&P ratings of all insurers on the excess and international programs was included in the hand-out material. Also included was a rate summary going back to 2001 which highlights the decrease in rates since 2004 up to 2018. The 2024 rate remains competitive at \$930 for \$110 million of coverage and well below the rate of 15 years ago.

Lawyer head counts as of June 1, 2024 are considered final. Mr. Wilson indicated that firms will be renewed based on expiring terms and limits, unless he is advised otherwise. He and Mr. Belton then left the meeting.

*Bob Wilson and Scott Belton left the meeting.*

## **7. Reinsurance Renewal**

Ryan Durrell and Chris Marley reported on the CLLAS reinsurance renewal and the cyber program.

### *Reinsurance Renewal*

The primary renewal objective for this year was to achieve the best renewal terms possible for CLLAS members given current market conditions.

Ken Crofoot and Laurence Detière from the CLLAS Board and Carrie Green, Ryan Durrell and Christopher Marley from Axxima met with markets.

Negotiations have progressed very well, and the market is noticeably softening. While inflation remains a concern, softer market conditions are bringing competitive pressures to the market, which is driving a desire for premium retention and overall growth.

The lead on the primary layer has agreed to a 2.5% increase, as proposed. The lead on the Optional Third Excess layer and the Blanket Excess layer believes those layers are underpriced and pressed for double-digit increases. Market capacity has allowed us to replace their capacity on the Optional Third Excess layer, but we have kept them on the Blanket Excess with a 17% rate increase. The Optional Third Excess layer and Second Blanket Excess layers renewed as expiring.

Though we continue to see adverse development in the underling claims experience, CLLAS' loss development and loss emergence over the past 12 months have been relatively stable. Loss history since 2010 is emerging positively relative to rates, although actuaries are quick to discount recent experience as not being sufficiently mature. Regardless, another year of relative stability was the highlight of our "business as usual" theme during renewal presentations.

### *Surplus Position and Impact on 2024/25 Premium*

During last year's rate discussion, the Board agreed that the return of a certain amount of surplus was appropriate to smooth premium increases but that it should be at a level that is sustainable for the next three or four years.

CLLAS' surplus position at March 31, 2024 was slightly above \$15 million. In contemplating the appropriate surplus level for CLLAS, it is important to consider regulatory requirements and surplus attributable to departed firms. Taking all factors into account and building in a prudent "cushion" over the minimum regulatory requirements, there is \$8.25 million of available surplus. CLLAS' actuary recommends the application of no more than \$550,000 of surplus towards premium credits for 2024/2025. We are recommending \$550,000 which is a slight drop from previous years recommendations.

**It was moved by Laurence Detière and seconded Bob Love by that the surplus of \$550,000 be distributed by way of premium credit and that the 2024/25 premium rate be set as proposed in this morning's presentation. The motion was carried unanimously.**

*CLLAS Cyber Reinsurance Program*

In parallel to the larger and more complex professional liability reinsurance program, we are also completing the reinsurance renewal for the cyber program. While the impact of this renewal will not be felt by the majority of firms until October when the bulk of the policies renew.

The Cyber insurance marketplace has softened along with other lines of business, despite ransomware attack frequency being up 100% year over year. MFA, endpoint protection training, and backups which are the minimum standards for insurability have drastically improved claims experience over 2020-2021.

As of writing, we are anticipating a 6% decrease year-over-year on the reinsurance premiums. We recommend no change to the firm premium and use the excess premium to contribute to the surplus which could result in firm premium reductions in years 4 and 5 of the program. Coverage is expected to remain as expiring. Accumulated surplus will of course go back to the firms in time.

One firm will renew July 1, 2024, with the balance renewing October 15, 2024.

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

Carrie Green reported.

*Financial Statements Quarter Ending March 31, 2024*

CLLAS's financial management report for the three months ended March 31, 2024, was included with the meeting materials.

We have three sets of statements.

- E&O
- Cyber
- Combined

On a combined program basis, CLLAS experienced a positive net insurance result of \$203,000 for the first three months of 2024. After considering the net investment result and unrealized gains/losses on the investment portfolio, CLLAS' total comprehensive income was \$345,000. Several claims developed in Q1 2024, resulting in claim reserve changes of \$5.4 million. Of note is that the reserve changes are fully reinsured so don't impact CLLAS' bottom line. At March 31, 2024, CLLAS had surplus of just under \$15.2 million on a combined basis. Expenses to date are slightly over budget, but this is due to timing.

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" more than the reserve fund plus the guarantee fund required by the Alberta regulator. The AMRGF required for CLLAS at March 31, 2024 was \$4.5 million. CLLAS' cash and approved securities are in excess of the minimum requirement.

CLLAS also monitors its Minimum Capital Test ratio. At March 31, 2024, CLLAS' MCT ratio is estimated to be 581%, well above CLLAS' minimum internal requirements of 210%.

Ms. Green referred the Board to the risk metrics, Exhibit 1.5, monitored by CLLAS on a quarterly basis. The results for March 31, 2024, are within CLLAS' risk tolerances with the exception of the "maximum concentration with a single reinsurer" as the Argo Syndicate (now Westfield) reinsures 21.3% of CLLAS' total liabilities. As noted, before, appropriate moves to continue diversifying CLLAS' reinsurance support should be made when market conditions permit.

*Business Plan for Regulator – FY24 to FY26*

The Business Plan, which has been updated and was filed with the regulator in May and included with the Board materials as an information item.

**9. Committee Reports**

*Report of the Audit Committee*

Gordon Goodman reported. The committee met in early June 2024 to discuss the responses to an RFP for Audit Services. The Committee recommended to the Board and the Board agreed with the selection of KMPG as Auditors for 2024.

*Report of the Claims Committee*

Bob Love reported. The Committee continues to meet quarterly in person, and as needed by phone and email. The next meeting is scheduled for early July 4, 2024. There were reserve increases on a small handful of claims in the first quarter of 2024.

*Report of the Risk Management Committee*

Julia Holland reported to the Board. Tentative discussions are underway on a Fall vendor cyber session – hosted by Beazley. An opportunity to meet with Beazley's preferred panel of experts. Interest was expressed in having a walk through of an actual claim for the firms in anticipation of having to deal with a firm claim down the road.

*Report of the Policy Committee*

Don Milner reported. There is currently no new activity.

**10. Other Business**

*Report of the Investment Manager at March 31, 2024*

The report of the investment manager was included with the Board materials as an information item.

*Updated Committee Membership*

An updated committee list was provided. Appreciation as always was expressed for the work being done by the committees. Anyone interested in participating in a committee or changing their role was asked to contact the chair.

There was no other business.

**11. Next Meeting**

The next scheduled meeting of the Board will be on September 24, 2024 and will be held via Zoom.

There being no further business, the meeting was terminated.

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Chairman

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Secretary





# MEMORANDUM

DATE: September 4, 2024  
 TO: CLLAS Advisory Board  
 FROM: Carrie Green  
 COPY:  
 RE: June 30, 2024 Financial Management Report

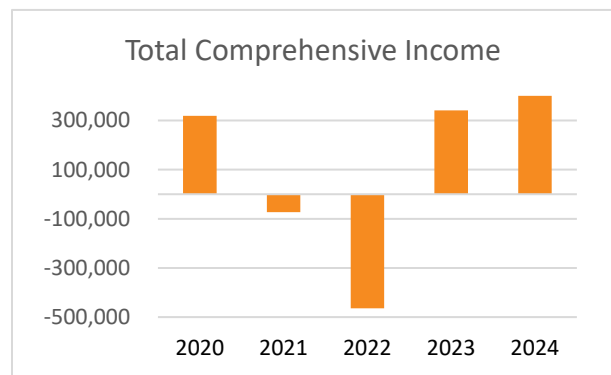
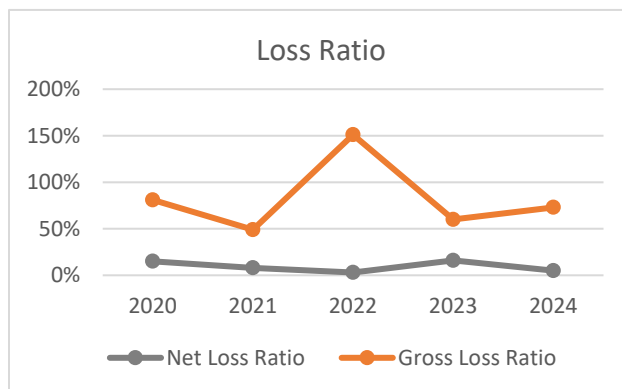
CLLAS' financial management report for the quarter ended June 30, 2024 is attached. Included are the following exhibits:

- 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, results continued to be positive for CLLAS in Q2 with a net insurance service result (i.e. premiums minus claims and expenses) of \$323,000 for the quarter and \$526,000 year-to-date. After taking into account the net investment result and unrealized losses on the investment portfolio, the total



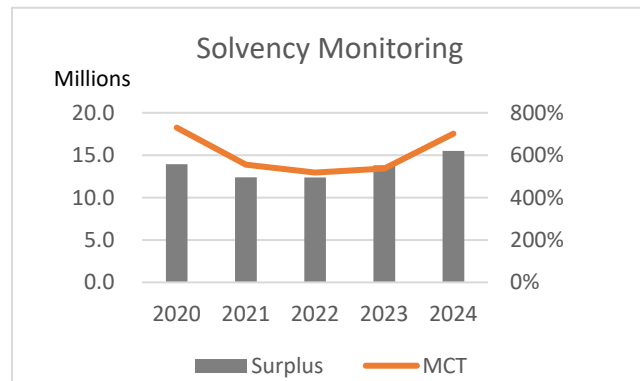
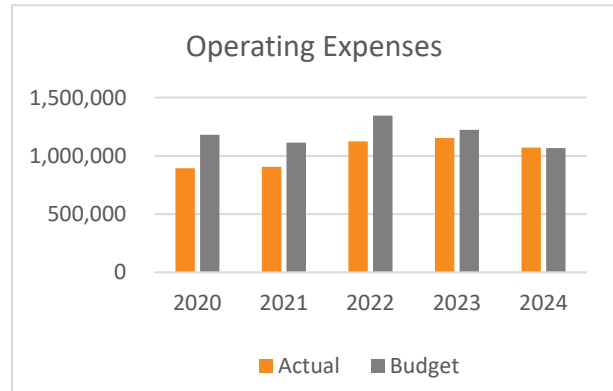
comprehensive income result was \$485,000 for the quarter and \$830,000 year-to-date.

Overall claims experience was quiet through Q2 relative to the increased activity in the first quarter of 2024.

The Budget Variance (Exhibit 1.4) shows that expenses finished the quarter slightly above budget by \$4,000, or 0.4%.

As shown on Exhibit 1.1, the surplus position for CLLAS at June 30, 2024 stood at almost \$15.5 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 June 30, 2024 CLLAS had assets exceeding the required amount by just under \$12.2 million.

The other solvency test monitored by CLLAS is the Minimum Capital Test (“MCT”). As shown in Exhibit 1.5, CLLAS’ MCT ratio was 702% at June 30, 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 June 30, 2024 against risk targets and risk limits. Most of the metrics at June 30, 2024 are within CLLAS’ risk limits. The items of note are discussed below.

- Line 8: Following the CLLAS 2024/25 renewal result, this metric has been changed from yellow to green – “nothing on the horizon”. The market outlook continues to be favourable as rates continue to improve and capacity increases.
- 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 continued to experience positive results in Q2 with net insurance service results year-to-date of \$121,000 and total comprehensive income (after taking into account the net investment result and unrealized gains/losses on the investment portfolio) of close to \$421,000. As shown on Exhibit 2.1, the E&O program's surplus at June 30, 2024 sits at approximately \$14.6 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 \$410,000 year-to-date. As explained in the 2024 CLLAS operating budget memo, except for 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 just under \$928,000 as at June 30, 2024.

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 June 30, 2024**

**Exhibit 1.1**

	<b>As at June 30, 2024</b>	<b>As at June 30, 2023</b>
<b>Assets</b>		
Cash	2,731,062	3,435,991
Short term investments	7,986,242	8,981,432
Bonds	7,625,501	6,924,076
Interest income due and accrued	37,064	33,416
Prepaid expenses	435,107	207,600
Other receivable	-	-
Reinsurance contract assets		
Asset for incurred claims	74,327,671	65,893,371
Asset for remaining coverage	438,618	441,486
	<b>93,581,265</b>	<b>85,917,371</b>
<b>Liabilities</b>		
Insurance contracts liabilities		
Liability for incurred claims	77,210,732	71,237,001
Liability for remaining coverage	878,674	914,516
Accounts payable & accrued charges	-	-
	<b>78,089,406</b>	<b>72,151,517</b>
<b>Subscribers' equity</b>		
Equity	15,738,984	14,099,881
Accumulated other comprehensive income (loss)	(247,126)	(334,026)
	<b>15,491,858</b>	<b>13,765,855</b>
	<b>93,581,265</b>	<b>85,917,371</b>

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - COMBINED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED June 30, 2024**

**Exhibit 1.2**

	Current Year		Prior Year	
	Quarter June 30, 2024	Year to Date June 30, 2024	Quarter June 30, 2023	Year to Date June 30, 2023
<b>Insurance service result</b>				
Insurance revenue	4,739,596	9,479,192	4,210,363	8,374,459
Insurance service expense				
Incurred claims expenses	857,156	7,161,533	688,343	5,216,372
Operating expenses	269,176	661,578	283,776	751,828
Premium taxes	-	-	-	-
Insurance service result before reinsurance	3,613,264	1,656,081	3,238,244	2,406,258
Allocation of reinsurance premiums	3,897,097	7,790,339	3,358,654	6,680,400
Amounts recovered from reinsurers	884,584	7,069,417	458,285	4,884,470
Reinsurance expenses	(277,255)	(408,955)	(264,926)	(401,649)
	3,289,768	1,129,876	3,165,295	2,197,579
Net insurance service result	<b>323,495</b>	<b>526,205</b>	<b>72,949</b>	<b>208,680</b>
<b>Investment result</b>				
Investment income (loss)	218,267	442,478	105,401	237,425
Insurance finance income (expense)				
For insurance contract	(680,016)	(864,059)	(23,354)	(1,375,199)
For reinsurance contracts	623,486	789,312	21,768	1,274,546
Net investment result	<b>161,737</b>	<b>367,731</b>	<b>103,815</b>	<b>136,772</b>
<b>Net Income (loss)</b>	<b>485,232</b>	<b>893,936</b>	<b>176,764</b>	<b>345,452</b>
Unrealized gains (losses) arising during the year	(51)	(63,610)	(74,891)	(4,390)
Recognition of realized gain (loss) included in income	-	-	-	-
Other comprehensive income (loss) for the year	(51)	(63,610)	(74,891)	(4,390)
<b>Total comprehensive income (loss)</b>	<b>485,181</b>	<b>830,327</b>	<b>101,873</b>	<b>341,062</b>

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - COMBINED  
STATEMENT OF CHANGES IN EQUITY  
June 30, 2024

Exhibit 1.3

	Minimum Surplus	Additional Surplus	Unrealized gains and losses on FVOCI financial assets	Total Equity
Balance, beginning of year	50,000	10,934,525	(329,637)	10,654,889
Restated 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		893,936		893,936
Other comprehensive income				
Unrealized gains and losses arising during the year			(63,610)	(63,610)
Recognition of realized gain included in income			-	-
Total comprehensive income (loss) for the year	-	893,936	(63,610)	830,327
Return of Surplus		-		-
Balance at June 30, 2024	50,000	15,688,984	(247,126)	15,491,858

Exhibit 1.4

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - COMBINED  
STATEMENT OF OPERATIONS AND SURPLUS - VARIANCE ANALYSIS  
FOR THE PERIOD ENDED June 30, 2024**

	Annual Budget	Year to Date Budget %	Year to Date Budget \$	Year to Date Actual \$	Fav/(Unfav) Variance \$	YTD Actual Prior Year \$
		June 30, 2024	June 30, 2024	June 30, 2024		June 30, 2023
<b>MANAGEMENT SERVICES (See Note 1)</b>	662,971	50%	331,481	317,989	13,492	317,827
<b>PROFESSIONAL SERVICES (See Note 2)</b>						
Actuarial Services	93,225	67%	62,459	78,220	(15,761)	64,133
Strategic Matters	33,900	67%	22,710	20,267	2,443	69,556
<b>Total Professional Services</b>	<b>127,125</b>		<b>85,169</b>	<b>98,487</b>	<b>(13,318)</b>	<b>133,689</b>
<b>OTHER EXPENSES</b>						
Audit Expenses (See Note 3)	179,000	50%	89,502	100,945	(11,443)	90,865
Annual Dinner	8,000	100%	8,000	6,096	1,904	6,177
Chairman's Expenses	-		-	-	-	-
Chairman's Honourium	150,000	50%	75,000	75,000	-	150,000
D&O Insurance	20,000		-	-	-	-
Office Expenses	16,000	50%	8,000	10,999	(2,999)	6,726
Claims: Borderaux (LawPro/LIF)	18,800	90%	16,916	16,175	741	15,550
Special Services	15,000	50%	7,500	-	7,500	-
Statistical/Assessment Fees	7,000	50%	3,499	8,416	(4,917)	7,689
Investment counsel fees	29,000	50%	14,500	15,087	(587)	13,354
Investment - Custodial	17,000	50%	8,502	8,883	(381)	6,453
Risk Management/Loss Prevention	5,000	50%	2,502	-	2,502	-
License Fee	5,000	80%	4,000	3,500	500	3,500
Insurance: Sundry	-		-	-	-	-
<b>Total Other Expenses</b>	<b>469,800</b>		<b>237,921</b>	<b>245,102</b>	<b>(7,181)</b>	<b>300,313</b>
<b>PREMIUM TAXES</b>	<b>592,465</b>		-	-	-	-
<b>REINSURANCE EXPENSES</b>						
Reinsurance Services (see Note 2)	282,500	67%	189,274	186,911	2,363	192,509
Reinsurance Travel Expense	7,500	100%	7,500	7,497	3	2,708
Reinsurance Fee (3MG) (See Note 4)	429,600	50%	214,800	214,547	253	206,432
<b>Total Reinsurance Expenses</b>	<b>719,600</b>		<b>411,574</b>	<b>408,955</b>	<b>2,619</b>	<b>401,649</b>
<b>TOTAL</b>	<b>2,571,961</b>		<b>1,066,145</b>	<b>1,070,532</b>	<b>(4,387)</b>	<b>1,153,477</b>

**\* 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\*  
June 30, 2024

Exhibit 1.5

Risk Category	Risk Metric	December 31, 2022	December 31, 2023	June 30, 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	\$12,162,000	5,000,000 and above	\$2,500,000 to \$5,000,000	Less than \$2,500,000
	(2) MCT Ratio	381%	781%	702%	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%	73%	Less than 150%	150% to 300%	Over 300%
	(5) Net Loss Ratio	3%	4%	5%	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%	100%	Less than 105%	105% to 120%	Over 120%
	(8) State of the Market Outlook	Some concerns raised	Some concerns raised	Nothing on horizon	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 June 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 June 2024.

(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 June 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.

Color Code
Meets Target
Between Target and Limit
Exceeds Limit

\*Risk Metrics as of December 31, 2022 are based on the financial statements under IFRS 4. Risk Metrics as of December 31, 2023 and June 30, 2024 are based on the financial statements under IFRS 17.



**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**For the Period Ending June 30, 2024**

**ALBERTA MAINTENANCE OF RESERVE AND GUARANTEE FUNDS**  
 (Section 99 and 100)

	Current Year to Date 30-Jun-24 (in \$000's)	Prior Year End 31-Mar-23 (in \$000's)
<b><u>Reserve Fund</u></b>		
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
<b><u>Guarantee Fund</u></b>		
Total Liabilities	(7) 78,089	72,152
Less: Liability for Remaining Coverage	(8) 879	915
Less: Recoverable from licensed reinsurers	(9) 74,307	65,108
Plus: Statutory Margin	(10) 50	50
Guarantee Fund Required (Line 7 minus Lines 8 and 9 plus line 10)	(11) 2,954	6,179
<b>TOTAL RESERVE &amp; GUARANTEE FUND REQUIRED (Line 6+11)</b>	(12) 6,181	7,930
Cash & Approved Securities	(13) 18,343	19,341
Excess of Cash & Securities over Reserve & Guarantee Fund (line 13 minus line 12)	(14) 12,162	11,412

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - E&O**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE PERIOD ENDED June 30, 2024**

**Exhibit 2.1**

	<b>As at June 30, 2024</b>	<b>As at June 30, 2023</b>
<b>Assets</b>		
Cash	2,731,062	3,435,991
Short term investments	7,986,244	8,981,434
Bonds	7,625,501	6,924,076
Interest income due and accrued	37,064	33,416
Prepaid expenses	334,395	151,662
Other receivable	-	-
Reinsurance contract assets		
Asset for incurred claims	73,657,950	65,139,346
Asset for remaining coverage	-	-
	<b>92,372,216</b>	<b>84,665,924</b>
<b>Liabilities</b>		
Insurance contracts liabilities		
Liability for incurred claims	76,023,689	69,863,739
Liability for remaining coverage	139,078	153,652
Accounts payable & accrued charges	1,645,354	840,619
	<b>77,808,120</b>	<b>70,858,010</b>
<b>Subscribers' equity</b>		
Equity	14,811,221	14,141,939
Accumulated other comprehensive income (loss)	(247,126)	(334,026)
	<b>14,564,095</b>	<b>13,807,913</b>
	<b>92,372,216</b>	<b>84,665,924</b>

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - E&O**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED June 30, 2024**

Exhibit 2.2

	Current Year		Prior Year	
	Quarter June 30, 2024	Year to Date June 30, 2024	Quarter June 30, 2023	Year to Date June 30, 2023
<b>Insurance service result</b>				
Insurance revenue	4,090,556	8,181,112	3,570,232	7,101,231
Insurance service expense				
Incurred claims expenses	867,793	7,075,205	207,568	4,256,062
Operating expenses	255,717	628,498	269,588	714,237
Premium taxes	-	-	-	-
Insurance service result before reinsurance	2,967,046	477,409	3,093,077	2,130,931
Allocation of reinsurance premiums	3,510,605	7,021,209	2,990,657	5,948,450
Amounts recovered from reinsurers	887,767	7,014,575	193,261	4,355,657
Reinsurance fees	(243,777)	(349,511)	(231,982)	(342,431)
	2,866,615	356,145	3,029,378	1,935,223
Net insurance service result	<b>100,431</b>	<b>121,264</b>	<b>63,699</b>	<b>195,708</b>
<b>Investment result</b>				
Investment income (loss)	211,769	429,505	104,647	230,601
Insurance finance income (expense)				
For insurance contract	(668,087)	(845,419)	(22,249)	(1,368,204)
For reinsurance contracts	616,810	778,886	21,163	1,270,726
Net investment result	<b>160,492</b>	<b>362,972</b>	<b>103,561</b>	<b>133,123</b>
<b>Net Income (loss)</b>	<b>260,923</b>	<b>484,236</b>	<b>167,259</b>	<b>328,832</b>
Unrealized gains (losses) arising during the year	(51)	(63,610)	(74,891)	(4,390)
Recognition of realized gain (loss) included in income	-	-	-	-
Other comprehensive income (loss) for the year	(51)	(63,610)	(74,891)	(4,390)
<b>Total comprehensive income (loss)</b>	<b>260,872</b>	<b>420,627</b>	<b>92,368</b>	<b>324,441</b>

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - E&O  
STATEMENT OF CHANGES IN EQUITY  
June 30, 2024

Exhibit 2.3

	Minimum Surplus	Additional Surplus	Unrealized gains and losses on FVOCI financial assets	Total Equity
Balance, beginning of year	50,000	10,957,820	(329,636)	10,678,185
<b>Restated balance, beginning of year</b>	<b>50,000</b>	<b>14,276,985</b>	<b>(183,516)</b>	<b>14,143,469</b>
<b>Comprehensive income for the year</b>				
Net gain (loss) for the year		484,236		484,236
<b>Other comprehensive income</b>				
Unrealized gains and losses arising during the year			(63,610)	(63,610)
Recognition of realized gain included in income			-	-
<b>Total comprehensive income (loss) for the year</b>	<b>-</b>	<b>484,236</b>	<b>(63,610)</b>	<b>420,627</b>
Return of Surplus		-		-
<b>Balance at June 30, 2024</b>	<b>50,000</b>	<b>14,761,221</b>	<b>(247,126)</b>	<b>14,564,095</b>

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - E&O  
STATEMENT OF OPERATIONS AND SURPLUS - VARIANCE ANALYSIS  
FOR THE PERIOD ENDED June 30, 2024

	Annual Budget	Year to Date Budget %	Year to Date Budget \$	Year to Date Actual \$	Fav/(Unfav) Variance \$	YTD Actual Prior Year \$
		June 30, 2024	June 30, 2024	June 30, 2024		June 30, 2023
<b>MANAGEMENT SERVICES (See Note 1)</b>	629,823	50%	314,910	302,090	12,820	301,936
<b>PROFESSIONAL SERVICES (See Note 2)</b>						
Actuarial Services	88,564	67%	59,337	74,308	(14,971)	60,926
Strategic Matters	32,205	67%	21,576	19,254	2,322	66,078
<b>Total Professional Services</b>	<b>120,769</b>		<b>80,913</b>	<b>93,562</b>	<b>(12,649)</b>	<b>127,004</b>
<b>OTHER EXPENSES</b>						
Audit Expenses (See Note 3)	170,050	50%	85,026	95,897	(10,871)	86,321
Annual Dinner	7,600	100%	7,600	5,791	1,809	5,868
Chairman's Expenses	-		-	-	-	-
Chairman's Honourium	142,500	50%	71,250	71,250	-	142,500
D&O Insurance	19,000		-	-	-	-
Office Expenses	15,200	50%	7,600	10,449	(2,849)	6,389
Claims: Borderaux (LawPro/LIF)	17,860	90%	16,072	15,367	706	14,773
Special Services	14,250	50%	7,125	-	7,125	-
Statistical/Assessment Fees	6,650	50%	3,324	7,995	(4,671)	7,304
Investment counsel fees	27,550	50%	13,775	14,332	(557)	12,687
Investment - Custodial	16,150	50%	8,076	8,439	(363)	6,130
Risk Management/Loss Prevention	4,750	50%	2,376	-	2,376	-
License Fee	4,750	80%	3,800	3,325	475	3,325
Insurance: Sundry	-		-	-	-	-
<b>Total Other Expenses</b>	<b>446,310</b>		<b>226,024</b>	<b>232,846</b>	<b>(6,822)</b>	<b>285,297</b>
<b>PREMIUM TAXES</b>	<b>518,193</b>		-	-	-	-
<b>REINSURANCE EXPENSES</b>						
Reinsurance Services (see Note 2)	268,375	67%	179,811	177,565	2,246	182,883
Reinsurance Travel Expense	7,125	100%	7,125	7,122	3	2,572
Reinsurance Fee (3MG) (See Note 4)	329,600	50%	164,800	164,824	(24)	156,975
<b>Total Reinsurance Expenses</b>	<b>605,100</b>		<b>351,736</b>	<b>349,511</b>	<b>2,225</b>	<b>342,431</b>
<b>TOTAL</b>	<b>2,320,195</b>		<b>973,583</b>	<b>978,009</b>	<b>(4,426)</b>	<b>1,056,667</b>

**\* 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 June 30, 2024**

**Exhibit 3.1**

	As at June 30, 2024	As at June 30, 2023
<b>Assets</b>		
Cash	-	-
Short term investments	-	-
Bonds	-	-
Interest income due and accrued	-	-
Prepaid expenses	100,713	55,938
Other receivable	1,645,354	840,619
Reinsurance contract assets		
Asset for incurred claims	669,721	754,025
Asset for remaining coverage	438,616	441,484
	<b>2,854,403</b>	<b>2,092,067</b>
<b>Liabilities</b>		
Insurance contracts liabilities		
Liability for incurred claims	1,187,043	1,373,262
Liability for remaining coverage	739,597	760,864
Accounts payable & accrued charges	-	-
	<b>1,926,640</b>	<b>2,134,126</b>
<b>Subscribers' equity</b>		
Equity	927,763	(42,059)
Accumulated other comprehensive income (loss)	-	-
	<b>927,763</b>	<b>(42,059)</b>
	<b>2,854,403</b>	<b>2,092,067</b>

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - CYBER**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED June 30, 2024**

**Exhibit 3.2**

	Current Year		Prior Year	
	Quarter June 30, 2024	Year to Date June 30, 2024	Quarter June 30, 2023	Year to Date June 30, 2023
<b>Insurance service result</b>				
Insurance revenue	649,040	1,298,080	640,131	1,273,229
Insurance service expense				
Incurred claims expenses	(10,637)	86,328	480,775	960,310
Operating expenses	13,459	33,080	14,189	37,591
Premium taxes	-	-	-	-
Insurance service result before reinsurance	646,218	1,178,672	145,168	275,327
Allocation of reinsurance premiums	386,492	769,129	367,997	731,950
Amounts recovered from reinsurers	(3,183)	54,842	265,024	528,813
Reinsurance fees	(33,478)	(59,443)	(32,944)	(59,218)
	423,154	773,731	135,917	262,356
Net insurance service result	<b>223,064</b>	<b>404,941</b>	<b>9,251</b>	<b>12,972</b>
<b>Investment result</b>				
Investment income (loss)	6,498	12,973	754	6,824
Insurance finance income (expense)				
For insurance contract	(11,929)	(18,640)	(1,105)	(6,995)
For reinsurance contracts	6,676	10,426	605	3,820
Net investment result	<b>1,245</b>	<b>4,759</b>	<b>254</b>	<b>3,649</b>
<b>Net Income (loss)</b>	<b>224,309</b>	<b>409,700</b>	<b>9,505</b>	<b>16,621</b>
Unrealized gains (losses) arising during the year	-	-	-	-
Recognition of realized gain (loss) included in income	-	-	-	-
Other comprehensive income (loss) for the year	-	-	-	-
<b>Total comprehensive income (loss)</b>	<b>224,309</b>	<b>409,700</b>	<b>9,505</b>	<b>16,621</b>

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - CYBER  
STATEMENT OF CHANGES IN EQUITY  
June 30, 2024

Exhibit 3.3

	Minimum Surplus	Additional Surplus	Unrealized gains and losses on FVOCI financial assets	Total Equity
Balance, beginning of year		(23,296)	-	(23,296)
Restated balance, beginning of year	-	518,063	-	518,063
Comprehensive income for the year				
Net gain (loss) for the year		409,700		409,700
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	-	409,700	-	409,700
Return of Surplus		-		-
Balance at June 30, 2024	-	927,763	-	927,763



Exhibit 3.4

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY - CYBER  
STATEMENT OF OPERATIONS AND SURPLUS - VARIANCE ANALYSIS  
FOR THE PERIOD ENDED June 30, 2024**

	Annual Budget	Year to Date Budget %	Year to Date Budget \$	Year to Date Actual \$	Fav/(Unfav) Variance \$	YTD Actual Prior Year \$ June 30, 2023
<b>MANAGEMENT SERVICES (See Note 1)</b>	33,148	50%	16,571	15,899	672	15,891
<b>PROFESSIONAL SERVICES (See Note 2)</b>						
Actuarial Services	4,661	67%	3,122	3,911	(789)	3,207
Strategic Matters	1,695	67%	1,134	1,014	120	3,478
<b>Total Professional Services</b>	<b>6,356</b>		<b>4,256</b>	<b>4,925</b>	<b>(669)</b>	<b>6,684</b>
<b>OTHER EXPENSES</b>						
Audit Expenses (See Note 3)	8,950	50%	4,476	5,048	(572)	4,543
Annual Dinner	400	100%	400	305	95	309
Chairman's Expenses	-		-	-	-	-
Chairman's Honourium	7,500	50%	3,750	3,750	-	7,500
D&O Insurance	1,000		-	-	-	-
Office Expenses	800	50%	400	550	(150)	336
Claims: Borderaux (LawPro/LIF)	940	90%	844	809	36	778
Special Services	750	50%	375	-	375	-
Statistical/Assessment Fees	350	50%	175	421	(246)	384
Investment counsel fees	1,450	50%	725	755	(30)	668
Investment - Custodial	850	50%	426	444	(18)	323
Risk Management/Loss Prevention	250	50%	126	-	126	-
License Fee	250	80%	200	175	25	175
Insurance: Sundry	-		-	-	-	-
<b>Total Other Expenses</b>	<b>23,490</b>		<b>11,897</b>	<b>12,256</b>	<b>(359)</b>	<b>15,016</b>
<b>PREMIUM TAXES</b>	<b>74,272</b>		-	-	-	-
<b>REINSURANCE EXPENSES</b>						
Reinsurance Services (see Note 2)	14,125	67%	9,463	9,346	117	9,625
Reinsurance Travel Expense	375	100%	375	375	0	135
Reinsurance Fee (3MG) (See Note 4)	100,000	50%	50,000	49,723	277	49,457
<b>Total Reinsurance Expenses</b>	<b>114,500</b>		<b>59,838</b>	<b>59,443</b>	<b>395</b>	<b>59,218</b>
<b>TOTAL</b>	<b>251,766</b>		<b>92,562</b>	<b>92,523</b>	<b>39</b>	<b>96,810</b>

**\* 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.)**

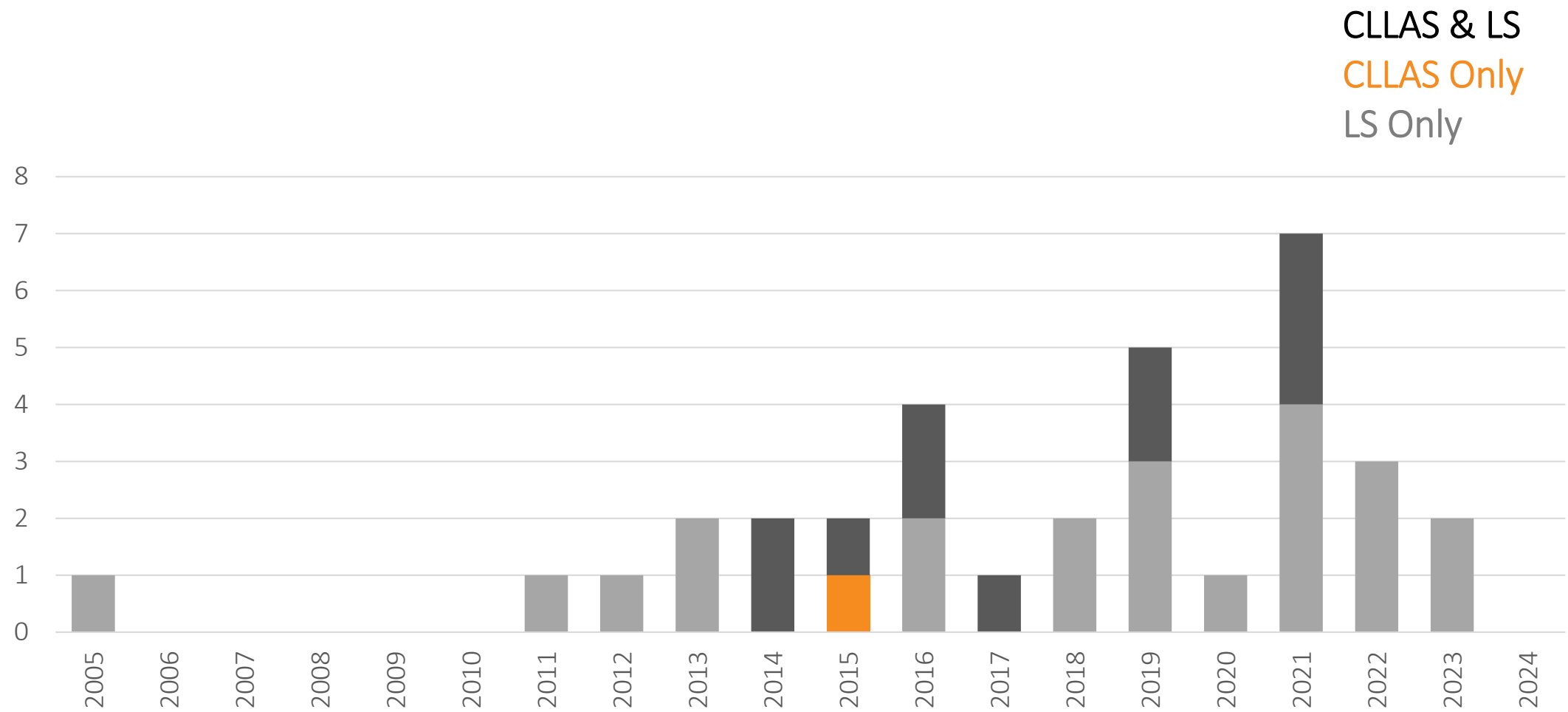
Budget for 3MG fees for the year 2024 reflects the fee already agreed for the 2024/25 policy year, and it is \$329,600 on E&O and \$100,000 on Cyber Program.



# Canadian Lawyers Liability Assurance Society

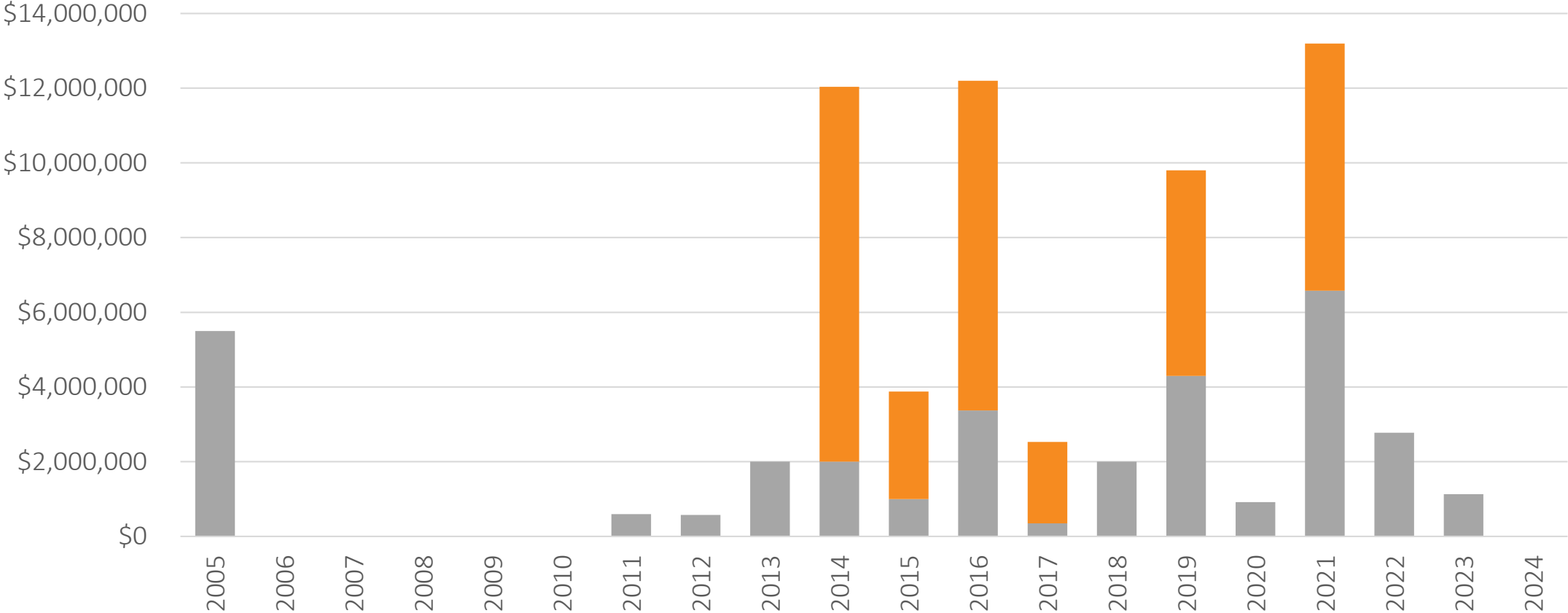
Open Large Loss Claims Summary as at June 30, 2024

# Number of Claims by Insurer

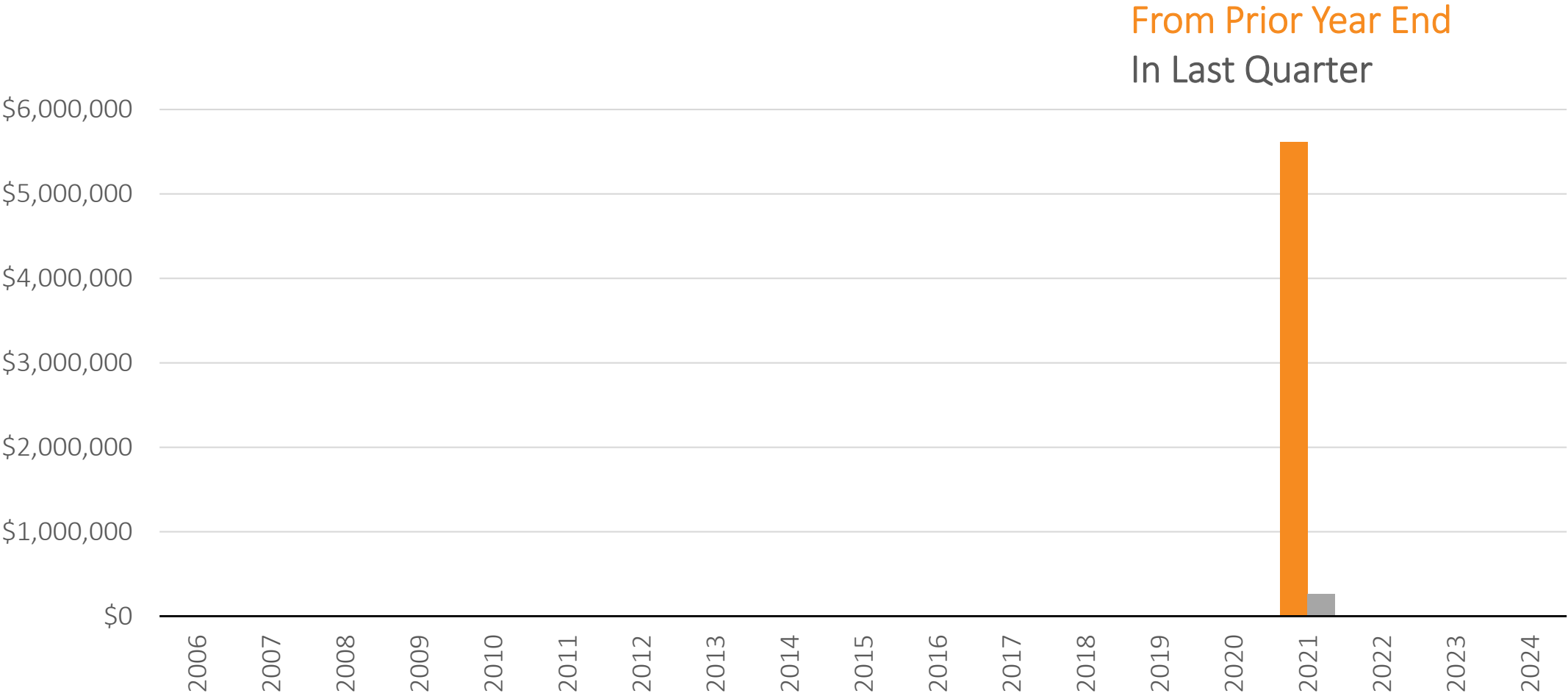


# Incurred Amounts by Insurer

LS - CLLAS

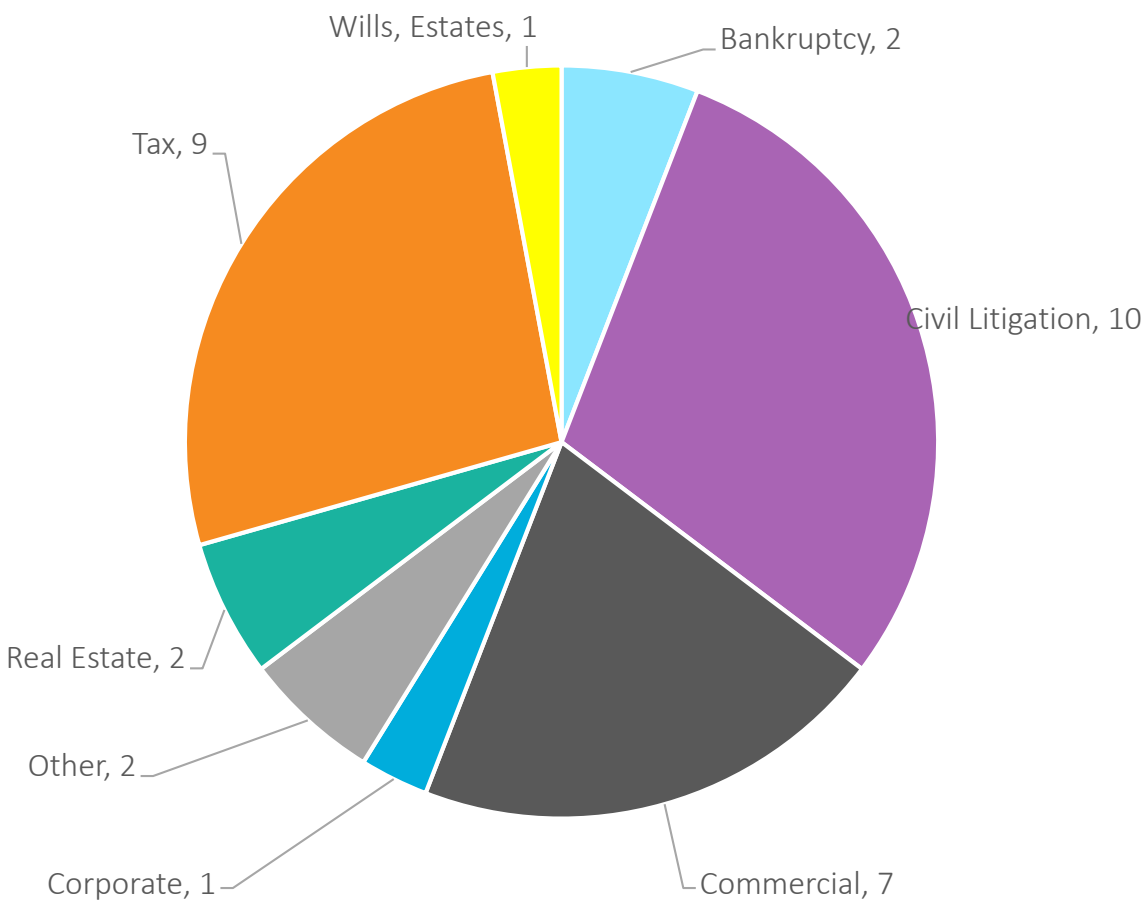


# Change in Incurred Amounts (CLLAS)

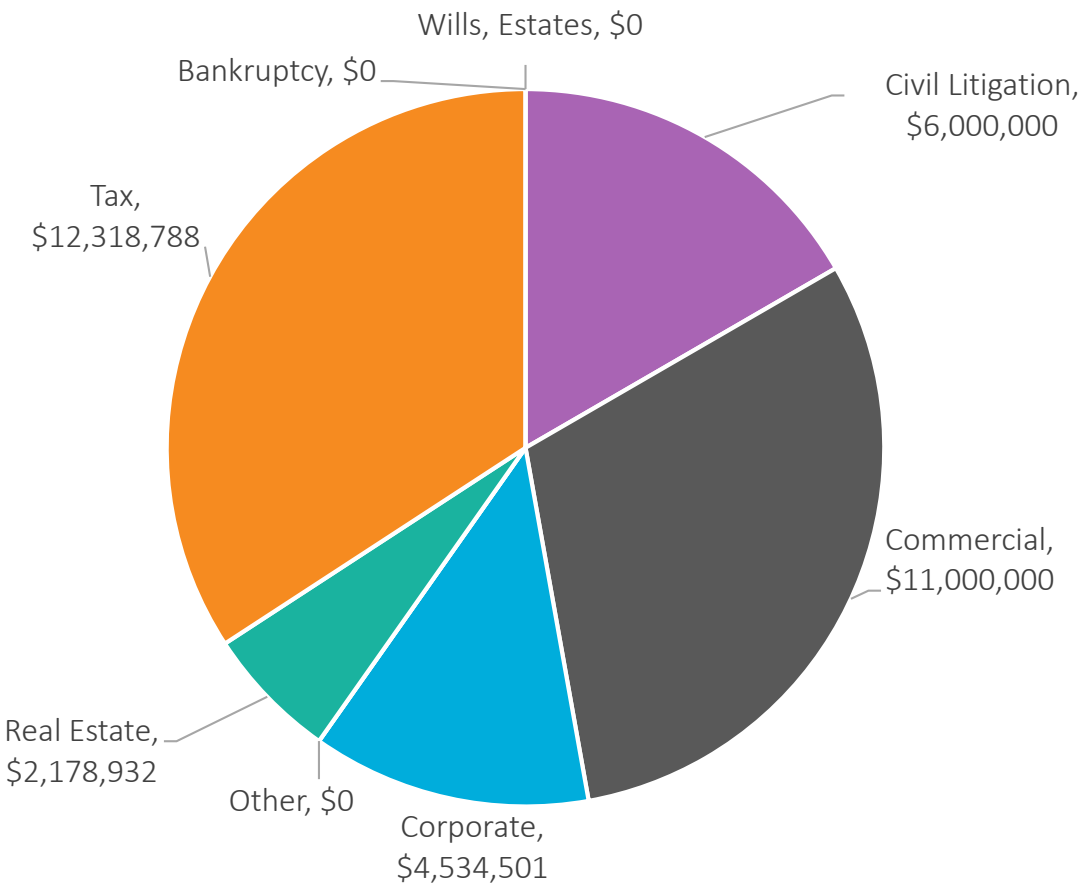


# By Area of Law

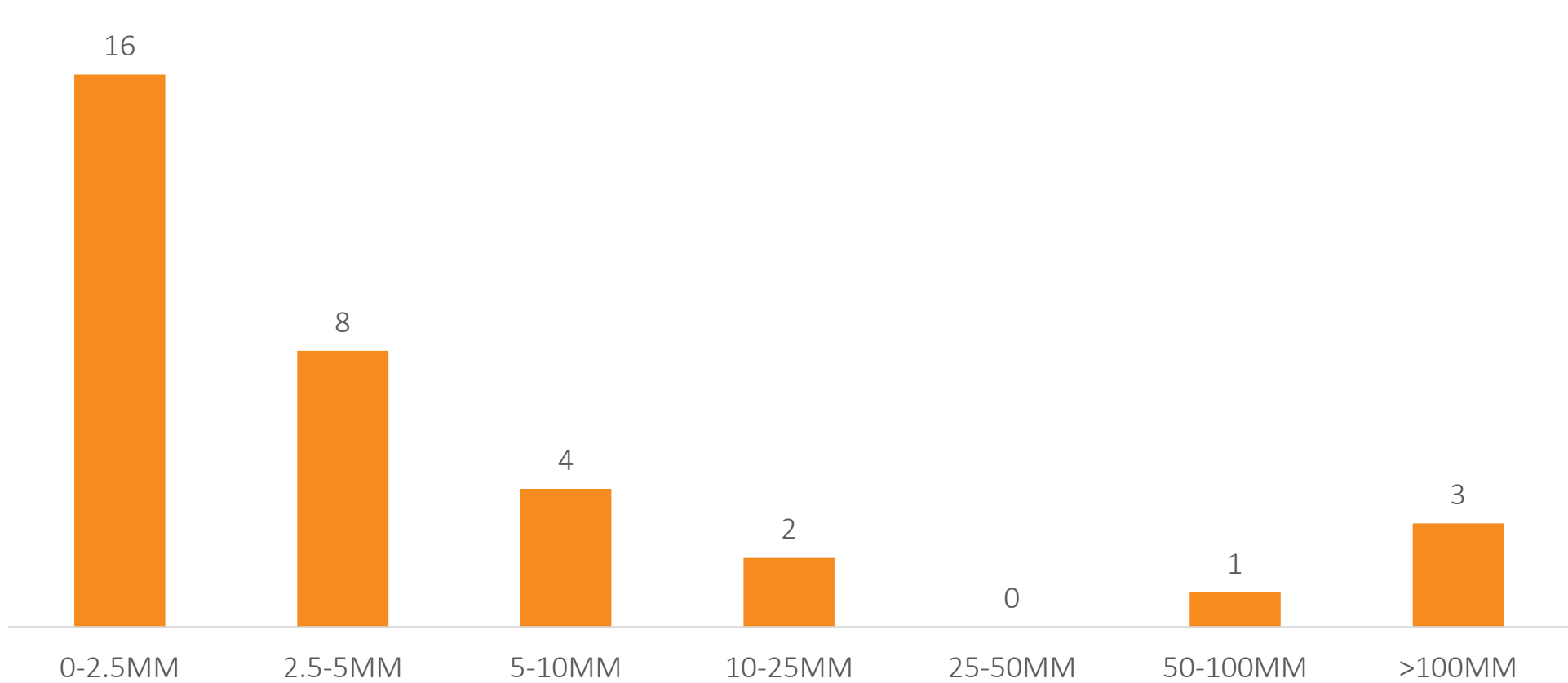
Number of Claims (CLLAS & LS)



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	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	1	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	0
2022	0	0	-1
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



**MARTIN, LUCAS & SEAGRAM LTD.**  
INDEPENDENT INVESTMENT COUNSEL  
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[carriegreen@axxima.ca](mailto:carriegreen@axxima.ca)  
July 22<sup>nd</sup>, 2024

Ms. Carrie Green,  
General Manager, CLLAS  
Berkeley Castle  
250 The Esplanade, Suite 302  
Toronto, ON M5A 1J2

**Re: Canadian Lawyers Liability Assurance Society**

Dear Ms. Green:

Please find enclosed our quarterly investment report for the period ending June 30 last on the Short Term Fund and Long Term Fund for CLLAS, together with a copy of our accounts, the originals of which have been sent to RBC Dexia Investor Services for payment.

Bond prices experienced swings in both directions during the quarter and at the end of June the results were mixed. The short-term price index posted a slight increase over the quarter, the mid-term price index was practically unchanged while the long-term price index closed slightly lower. Reflecting a net gain among the bond holdings, the Long Term Fund recorded a \$16,796 capital increase.

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  
cc: [kcrofoot@goodmans.ca](mailto:kcrofoot@goodmans.ca); [normaibbetson@axxima.ca](mailto:normaibbetson@axxima.ca)

**CLLAS**  
***CANADIAN LAWYERS LIABILITY***  
***ASSURANCE SOCIETY***

INVESTMENT REPORT  
JUNE 30, 2024

**MARTIN, LUCAS & SEAGRAM LTD.**  
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**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY****COMMENTARY FOR THE QUARTER ENDING JUNE 30, 2024****Review of Market Yields**

Domestic bond yields at the short end of the yield curve held relatively steady during April and May and pulled back during the final month of the second quarter. As a result, at the end of June, the yield on the 3-month Treasury Bill was 35 basis points below its level three months earlier. Meanwhile, further out the curve, yields bounced in a sideways pattern and held relatively steady. Over the quarter, the 5-year Canada yield was unchanged while the yield on the 10-year Canada edged 5 basis points higher.

As a result of these shifts, the inversion of the yield curve decreased over the quarter as the yield advantage of 3-month T-bills over the 10-year Canada declined from 154 basis points at the end of March to 114 basis points at the end of June.

	<b>Jan. 01/25</b>	<b>Dec. 31/23</b>	<b>Mar. 31/24</b>	<b>Jun. 30/24</b>
3-month Treasury Bill	6.80%	5.04%	4.99%	4.64%
5-year Canada	8.99%	3.17%	3.51%	3.51%
10-year Canada	9.09%	3.10%	3.45%	3.50%

During the second quarter, activity in the Short Term Investment Fund involved the roll-over and sale of money market securities. In the Long Term Investment Fund, a new government bond and two new provincial bonds were purchased with maturities in the 7 to 10 year range – the purchases being funded from a maturing government bond as well as a \$389,102 transfer from the Short Term Investment Fund.

At June 30, 2024, the average term to maturity of the Long Term Investment Fund was 4.73 years and the duration was 4.22 years.

The table below shows the distribution of the assets net cash held in both the Short and Long Term Investment Funds at June 30.

<b><i>Distribution at June 30, 2024</i></b>	<b><i>Valuation</i></b>	<b><i>%</i></b>
Short Term Investment Fund	\$8,030,318	51.3%
Long Term Investment Fund	\$7,625,390	48.7%
<b>TOTAL COMBINED VALUATION</b>	<b>\$15,655,708</b>	<b>100.0%</b>

**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 June 30, 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 JUNE 30, 2024**

	3 Years*	2 Years*	1 Year	Last 3 months
<b><i>Long Term Investment Fund – Gross of Fees</i></b>	<b><i>0.38%</i></b>	<b><i>3.60%</i></b>	<b><i>5.00%</i></b>	<b><i>0.94%</i></b>
<b><i>Long Term Investment Fund – Net of Fees</i></b>	<b><i>0.10%</i></b>	<b><i>3.30%</i></b>	<b><i>4.71%</i></b>	<b><i>0.87%</i></b>
<b>Benchmark Portfolio **</b>	<b>-0.26%</b>	<b>3.50%</b>	<b>4.95%</b>	<b>1.08%</b>

\*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 JUNE 30, 2024**

	Since Inception Oct. 01/08 *	3 Years*	2 Years *	1 Year	Last 3 Months
<b><i>Short Term Investment Fund – Gross of Fees</i></b>	<b><i>1.26%</i></b>	<b><i>3.01%</i></b>	<b><i>4.38%</i></b>	<b><i>5.05%</i></b>	<b><i>1.25%</i></b>
<b><i>Short Term Investment Fund – Net of Fees</i></b>	<b><i>1.14%</i></b>	<b><i>2.89%</i></b>	<b><i>4.25%</i></b>	<b><i>4.90%</i></b>	<b><i>1.23%</i></b>
<b>Benchmark Portfolio **</b>	<b>1.22%</b>	<b>3.00%</b>	<b>4.37%</b>	<b>5.07%</b>	<b>1.25%</b>

\* 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	Sep. 30/23	Dec. 31/23	Mar. 31/24	Jun. 30/24
<b>Bonds, Treasury Bills &amp; Cash</b> Less than 1 year term	100.0%	7.3%	7.0%	6.9%	11.7%
<b>Canadas</b> Greater than 1 year term		23.8%	23.9%	23.2%	25.1%
<b>Provincials</b> Greater than 1 year term		38.0%	38.3%	37.0%	33.9%
<b>Corporates</b> Greater than 1 year term		30.9%	30.8%	32.9%	29.3%
<b>TOTAL PORTFOLIO</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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

	Sep. 30/23	Dec. 31/23	Mar. 31/24	Jun. 30/24
Under 1 year	7.3%	7.0%	6.9%	11.7%
1 - 3 years	21.1%	26.6%	27.4%	27.2%
3 - 5 years	27.3%	25.2%	26.7%	15.9%
5 - 7 years	21.3%	17.5%	18.1%	20.6%
7 - 10 years	22.9%	23.6%	20.9%	24.6%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Average Maturity (yrs)</b>	<b>4.80</b>	<b>4.62</b>	<b>4.43</b>	<b>4.73</b>
<b>Average Duration (yrs)</b>	<b>4.29</b>	<b>4.18</b>	<b>3.98</b>	<b>4.22</b>

**SHORT TERM INVESTMENT FUND**

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

## COMPLIANCE WITH INVESTMENT POLICY STATEMENT

AT JUNE 30, 2024

	Investment Limits	Investment Funds	Compliance
<b><i>Short Term Investment Fund</i></b>			
Maximum Term of Any Issue	1 year	0.2 year	Yes
Minimum Percentage of Total Fund (Short & Long)	20% of Total	51.3%	Yes
Minimum Canada & Provincial Percentage	50%	88.1%	Yes
Minimum Provincial Quality	A	N/A	Yes
Minimum Bank CD & BA Quality	R1 (high)	R1 (high)	Yes
<b><i>Long Term Investment Fund</i></b>			
Maximum Term of Any Issue	10 years	10.0 years	Yes
Maximum Percentage of Total Fund (Short & Long)	80% of Total	48.7%	Yes
Minimum Canada Percentage	20%	25.1%	Yes
Maximum Provincial Percentage	40%	39.1%	Yes
Minimum Canada & Provincial Percentage	60%	64.2%	Yes
Minimum Provincial Quality *	A	AA (low)	Yes
Maximum Corporate Percentage	40%	30.2%	Yes
Minimum Corporate Quality *	BBB	BBB	Yes
Maximum BBB Corporate Percentage	10%	5.5%	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 03-31-24 to 06-30-24*

Portfolio Value on 03-31-24	7,219,662
Accrued Interest	55,366
Contributions	394,271
Withdrawals	-77,285
Realized Gains	1,151
Unrealized Gains	15,645
Interest	71,947
Dividends	0
Change in Accrued Interest	-18,291
Portfolio Value on 06-30-24	7,625,390
Accrued Interest	37,076
Average Capital	7,359,921
Total Gains before Fees	70,453
<b>IRR for 0.25 Years</b>	<b>0.96%</b>

## BOND MARKET COMMENTARY AND FUTURE POLICY

Except for a brief selloff early in the second quarter, stock markets around the globe have been trending higher since the start of the year and the main market indices in the U.S., Canada and Europe recently set record highs. During this period, the U.S. indices have noticeably outperformed their developed market peers. South of the border, the markets have been led higher by the mega-cap technology stocks that investors expect to benefit most from the surge in artificial intelligence investment spending. Investor sentiment has also been buoyed by growing confidence that inflation risks are receding and that the Federal Reserve is on track to achieve the coveted soft landing for the economy. This shift in sentiment has alleviated the upward pressure on bond yields that prevailed early in the second quarter and the 10-year U.S. Treasury yield has declined 50 basis points from its late April year-to-date high of 4.7% to around 4.2%. The yield on the 10-year Canada bond has recorded a similar drop to approximately 3.4%.

U.S. economic activity registered an annualized growth rate of 1.4% for the first quarter, which trailed economists' consensus forecast of 2.5%. This was the first time in a year that aggregate growth south of the border fell short of expectations. Despite the slowdown, the Fed has held the federal funds rate unchanged at 5.25% to 5.5% at each of its last seven meetings. In his latest policy report to Congress, the Fed Chair noted that, while there had been significant progress in bringing down inflation, they still needed more evidence that inflation is truly headed toward their 2% goal before cutting rates. However, the Chair also remarked that they are now keeping close watch on the job market, which has shown signs of cooling and acknowledged that the Fed is dealing with "two-sided risks", i.e., that inflation could heat back up because the central bank cut rates too soon, or that the labour market could weaken sharply because they waited too long to cut rates. Considering these comments, together with the latest retreat in inflation and softer employment data, market participants now expect the first rate cut to arrive in September, which would make this the second longest stretch of restrictive monetary policy in U.S. history.

In Canada, first quarter GDP also fell short of expectations with an advance of just 1.7% as compared to the consensus estimate calling for a 2.2% increase. Despite aggregate growth being boosted by a pickup in domestic demand, the record pace of population growth over the past year has left per capita GDP growth negative. This contraction together with a softening labour market, where the unemployment rate has been trending steadily higher for over a year to 6.4% in June, supported the Bank of Canada's widely expected decision to cut interest rates last month for the first time in 4 years, diverging from current U.S. monetary policy. While the bank's governor has indicated that rates are unlikely to come down as quickly as they were ratcheted higher, he has also said that they "don't want monetary policy to be more restrictive than it needs to be to get inflation back to target" and that Canadians can reasonably expect more cuts as long as inflation continues to ease.

Looking offshore, Europe emerged from a technical recession in the first quarter with an annualized growth rate of 1.3%. This was the first meaningful growth in six consecutive quarters and was largely driven by strong external demand and a March surge in household spending. Since then, lackluster economic data spurred the European Central Bank (ECB) to proceed with its first policy rate cut in almost 5 years despite strong wage pressure and staff forecasts of higher inflation for both this year and next. In China, weakness from the residential sector continued to weigh on economic growth and second quarter GDP slowed to 2.8%, which was less than half the increase in the first three months of the year. With deflation becoming more entrenched in China, there is an increased risk that demand destruction, resulting from consumers

delaying their purchases as prices fall, could spiral into a crisis. While cheap exports from China have helped ease global price pressures and helped prop up the country's economic activity, it should be kept in mind that deflation has historically been a more difficult problem for policy makers to manage than inflation. This is especially true when interest rates are low and debt levels are high, as is the case in China. Another headwind facing the Chinese economy is the deteriorating relationship with the U.S. over access to critical technology and the punitive tariffs imposed by U.S. lawmakers, which would likely be increased if Trump is re-elected.

Turning back to the bond market, since yields reached their year-to-date highs back in late April, yields have been trending in a downward channel. However, the path lower has been bumpy with several reversals to the upside. During this period, investors' expectations were disrupted by periodic setbacks on the inflation front and signals from the monetary authorities that rates would be reduced more slowly than originally expected. Nevertheless, because inflation has been mostly weaker than projected and data showed some sectors of the economy struggling with elevated interest rates, the Bank of Canada cut its key overnight rate by 25 basis points to 4.75% early last month. This is the first cut in four years. Given that Canada's latest inflation rate fell more than expected in June, along with the recent rise in the unemployment rate to 6.4% and a pullback in household discretionary spending, the markets are currently pricing in a high probability that the Bank of Canada will lower its policy rate another 25 basis points later this month.

Looking ahead, we continue to think the outlook for bond prices remains favourable. The weaker economic backdrop and receding inflationary pressures indicate the need for restrictive monetary policies is receding and we believe the yield curve is likely to shift lower as the monetary authorities adopt easier policies. During the second quarter, the Long Term Fund's duration was extended from 4.0 years to 4.2 years. We think this duration along with the laddered maturity structure and emphasis on high quality issues leaves the portfolio well positioned in the light of the expected economic backdrop and outlook for monetary policy.

RWB/de

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*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 &amp; Seagram Ltd.

**CLLAS - SHORT TERM INVESTMENT FUND**  
**(RBC Investor Services)**

**Portfolio Holdings at June 30, 2024**

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Annual Income</u>
<b>CASH</b>					
	Cash Account			2,990	0
<b>MONEY MARKET ISSUES</b>					
955,000	CIBC BA 5.00% due July 2, 2024	98.85	99.95	954,503	47,200
635,000	Canada Treasury Bill 4.80% due July 18, 2024	98.73	99.74	633,372	30,092
1,620,000	Canada Treasury Bill 4.80% due August 1, 2024	98.73	99.57	1,612,953	76,771
965,000	Province of Alberta Prom Note 4.85% due August 7, 2024	99.10	99.51	960,302	46,383
783,000	Province of Alberta T/Bill 4.85% due August 27, 2024	98.88	99.27	777,289	37,551
1,060,000	Canada Treasury Bill 4.70% due August 29, 2024	98.75	99.21	1,051,678	49,199
2,060,000	Canada Treasury Bill 4.60% due September 12, 2024	98.96	99.04	2,040,220	93,528
				<u>8,030,318</u>	<u>380,725</u>
<b>TOTAL PORTFOLIO</b>				<b>8,033,308</b>	<b>380,725</b>

## 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 04-01-24 To 06-30-24*

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
04-04-24	04-04-24	775,000	CIBC BA 5.00% due June 3, 2024	99.20	768,786.83
04-05-24	04-05-24	955,000	CIBC BA 5.00% due July 2, 2024	98.85	944,007.95
04-10-24	04-10-24	635,000	Canada Treasury Bill 4.80% due July 18, 2024	98.73	626,920.26
04-24-24	04-24-24	1,620,000	Canada Treasury Bill 4.80% due August 1, 2024	98.73	1,599,387.12
05-22-24	05-22-24	1,060,000	Canada Treasury Bill 4.70% due August 29, 2024	98.75	1,046,790.28
05-30-24	05-31-24	965,000	Province of Alberta Prom Note 4.85% due August 7, 2024	99.10	956,358.43
05-31-24	06-03-24	783,000	Province of Alberta T/Bill 4.85% due August 27, 2024	98.88	774,255.46
06-05-24	06-06-24	278,000	Canada Treasury Bill 4.60% due September 12, 2024	98.78	274,608.40
06-19-24	06-20-24	1,000,000	Canada Treasury Bill 4.60% due September 12, 2024	98.96	989,637.00
06-21-24	06-24-24	782,000	Canada Treasury Bill 4.60% due September 12, 2024	99.01	774,278.53
					<b>8,755,030.26</b>
<b>SALES</b>					
04-05-24	04-05-24	770,000	Toronto Dominion Bank BA 5.03% due April 5, 2024	100.00	770,000.00
04-08-24	04-08-24	940,000	Royal Bank B.A. 5.00% due April 8, 2024	100.00	940,000.00
04-11-24	04-11-24	625,000	Canada Treasury Bill 4.90% due April 11, 2024	100.00	625,000.00
04-25-24	04-25-24	1,610,000	Canada Treasury Bill 4.80% due April 25, 2024	100.00	1,610,000.00
05-23-24	05-23-24	1,040,000	Canada Treasury Bill 4.80% due May 23, 2024	100.00	1,040,000.00
05-31-24	05-31-24	955,000	TD Bank BA 5.00% due May 31, 2024	100.00	955,000.00
06-03-24	06-03-24	775,000	CIBC BA 5.00% due June 3, 2024	100.00	775,000.00
06-06-24	06-06-24	630,000	Canada Treasury Bill 4.75% due June 6, 2024	100.00	630,000.00
06-20-24	06-20-24	960,000	Canada Treasury Bill 4.80% due June 20, 2024	100.00	960,000.00

Martin, Lucas & Seagram Ltd.  
**PURCHASE AND SALE**  
***CLLAS - SHORT TERM INVESTMENT FUND***  
***(RBC Investor Services)***  
*From 04-01-24 To 06-30-24*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
06-24-24	06-24-24	775,000	CIBC BA 5.00% due June 24, 2024	100.00	775,000.00
					<b>9,080,000.00</b>



Martin, Lucas & Seagram Ltd.  
**CASH RECONCILIATION**  
***CLLAS - SHORT TERM INVESTMENT FUND***  
***(RBC Investor Services)***  
*From 03-31-24 to 06-30-24*

Cash Balance at March 31, 2024		<u>6,821.89</u>
ADD: Proceeds from Sales	9,080,000.00	
Capital Contribution	0.00	
Interest on cash balance	62.77	
Bond Interest Credited (from Long Term Investment Fund)	<u>72,116.61</u>	<u>9,152,179.38</u>
LESS: Cost of Purchases	-8,755,030.26	
Capital Withdrawal	0.00	
Q1 2024 Investment Counsel Fees - Short Term Investment Fund	-2,333.36	
Q1 2024 Investment Counsel Fees - Long Term Investment Fund	-5,098.89	
Trust Company Charges	-4,446.16	
Transfers to Long Term Fund re: net sales and purchases	<u>-389,102.21</u>	<u>-9,156,010.88</u>
<b>Cash Balance at June 30, 2024</b>		<b><u><u>2,990.39</u></u></b>

[illegible]

Martin, Lucas &amp; Seagram Ltd.

**CLLAS - LONG TERM INVESTMENT FUND**  
**(RBC Investor Services)**

**Portfolio Holdings at June 30, 2024**

<b>Quantity</b>	<b>Security</b>	<b>Unit Cost</b>	<b>Price</b>	<b>Market Value</b>	<b>Annual Income</b>
<b>GOVERNMENT BONDS</b>					
300,000	Canada Housing Trust Ser. 70 2.25% due December 15, 2025	100.98	97.25	291,746	6,750
250,000	Canada Housing Trust Ser. 77 2.35% due June 15, 2027	93.81	95.84	239,604	5,875
250,000	Canada Housing Trust No.1 2.350% due March 15, 2028	103.96	95.14	237,862	5,875
300,000	Canada Housing Trust 2.1% Series 88 due September 15, 2029	99.73	92.43	277,296	6,300
275,000	Canada Housing Trust 1.1% Series 95 due March 15, 2031	94.05	84.41	232,139	3,025
200,000	Canada Housing Trust 3.55% due September 15, 2032	98.05	97.97	195,946	7,100
215,000	Canada 2.75% due June 1, 2033	92.55	94.25	202,632	5,913
250,000	Canada 3.0% 01 Jun 2034 due June 1, 2034	96.98	95.81	239,524	7,500
				<hr/> 1,916,748	<hr/> 48,338
<b>PROVINCIAL BONDS</b>					
400,000	Ontario 2.60% due June 2, 2025	101.08	98.35	393,390	10,400
350,000	British Columbia 2.3% due June 18, 2026	104.40	96.73	338,562	8,050
350,000	Ontario 2.60% due June 2, 2027	97.56	96.49	337,707	9,100
300,000	Alberta 2.90% due December 1, 2028	94.50	96.28	288,839	8,700
350,000	Ontario 2.05% due June 2, 2030	94.43	90.46	316,626	7,175
200,000	British Columbia 1.55% due June 18, 2031	83.75	85.36	170,721	3,100
300,000	Ontario 2.25% due December 2, 2031	87.15	88.70	266,099	6,750
300,000	British Columbia 3.2% due June 18, 2032	96.71	94.04	282,134	9,600
300,000	Ontario 3.65% due June 2, 2033	97.98	96.33	289,002	10,950
150,000	Ontario 4.15% due June 2, 2034	101.10	99.65	149,471	6,225

Martin, Lucas &amp; Seagram Ltd.

**CLLAS - LONG TERM INVESTMENT FUND**  
**(RBC Investor Services)**

**Portfolio Holdings at June 30, 2024**

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Annual Income</u>
150,000	British Columbia 4.15% due June 18, 2034	101.64	99.43	149,144	6,225
				<hr/> 2,981,696	<hr/> 86,275
<b>CORPORATE BONDS</b>					
250,000	Toronto Dominion Bank Dep. Note 3.226% due July 24, 2024	102.02	99.90	249,740	8,065
250,000	CIBC Deposit Note 3.3% due May 26, 2025	100.24	98.75	246,870	8,250
200,000	Wells Fargo & Company 2.975% due May 19, 2026	102.15	96.90	193,796	5,950
300,000	Bank of Nova Scotia Dep. Notes 2.62% due December 2, 2026	102.07	96.13	288,401	7,860
150,000	Bank of Montreal Dep. Note 2.70% due December 9, 2026	108.76	96.28	144,424	4,050
100,000	Bank of Nova Scotia 2.95% due March 8, 2027	92.85	95.99	95,989	2,950
150,000	Enbridge Inc. CB-27 3.2% due June 8, 2027	96.43	96.21	144,318	4,800
150,000	Royal Bank 4.642% due January 17, 2028	97.93	100.47	150,699	6,963
100,000	Bank of Montreal 3.19% due March 1, 2028	100.75	96.45	96,448	3,190
100,000	Telus Corp. CB-27 3.625% due March 1, 2028	97.25	96.67	96,668	3,625
100,000	Bell Canada SerM56 2.2% due May 29, 2028	98.26	91.74	91,739	2,200
250,000	Toronto Dominion Bank 4.68% due January 8, 2029	97.97	100.40	250,994	11,700
175,000	Ontario Power Generation 2.977% 13SEP29 due September 13, 2029	98.45	93.41	163,461	5,210
200,000	Hydro One Inc. 2.16% Ser 46 due February 28, 2030	86.95	89.18	178,355	4,320
100,000	Suncor EN INC SR7 CB-30 5.00% due April 9, 2030	100.45	100.32	100,324	5,000
150,000	Loblaw Companies 2.284% due May 7, 2030	87.39	88.77	133,148	3,426
100,000	Telus Corp. CB 5.25% due November 15, 2032	101.65	101.57	101,573	5,250
				<hr/> 2,726,947	<hr/> 92,809

Martin, Lucas &amp; Seagram Ltd.

***CLLAS - LONG TERM INVESTMENT FUND***  
***(RBC Investor Services)***

**Portfolio Holdings at June 30, 2024**

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Annual Income</u>
<b>TOTAL PORTFOLIO</b>				<b>7,625,390</b>	<b>227,421</b>

## 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 - LONG TERM INVESTMENT FUND**  
**(RBC Investor Services)**  
*From 04-01-24 To 06-30-24*

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
06-05-24	06-06-24	250,000	Canada 3.0% 01 Jun 2034 due June 1, 2034	96.98	242,450.00
06-05-24	06-06-24	150,000	Ontario 4.15% due June 2, 2034	101.10	151,650.00
06-14-24	06-17-24	150,000	British Columbia 4.15% due June 18, 2034	101.64	152,460.00
06-14-24	06-17-24	50,000	Loblaw Companies 2.284% due May 7, 2030	90.04	45,017.50
06-14-24	06-17-24	50,000	Ontario Power Generation 2.977% 13SEP29 due September 13, 2029	94.71	47,355.00
					<b>638,932.50</b>
<b>SALES</b>					
06-17-24	06-17-24	250,000	Canada Housing Trust 2.9% due June 15, 2024	100.00	250,000.00
					<b>250,000.00</b>

Martin, Lucas & Seagram Ltd.  
**CASH RECONCILIATION**  
***CLLAS - LONG TERM INVESTMENT FUND***  
*From 03-31-24 to 06-30-24*

Cash Balance at March 31, 2024		<u>0.00</u>
ADD: Proceeds from Sales	250,000.00	
Accrued Interest on Sales	3,625.00	
Bond Interest Credited to Long Term Investment Fund	72,116.61	
Transfer Bond Interest to Short Term Investment Fund	-72,116.61	<u>253,625.00</u>
LESS: Cost of Purchases	-638,932.50	
Accrued Interest on Purchases	-3,794.71	
Transfer from Short Term Fund	389,102.21	<u>-253,625.00</u>
<b>Cash Balance at June 30, 2024</b>		<u><u><b>0.00</b></u></u>

30-Jun-24

## CLLAS - LONG TERM INVESTMENT FUND

					Unit	Total		Market	Pct.
Quantity	CUSIP	Security		Rating	Cost	Cost	Price	Value	Assets
<b>GOVERNMENT BONDS</b>									
300,000	13509PFD0	Canada Housing Trust Ser. 70 2.25%	due December 15, 2025	AAA	100.98	302,940	97.25	291,746	3.8%
250,000	13509PFX6	Canada Housing Trust Ser. 77 2.35%	due June 15, 2027	AAA	93.81	234,525	95.84	239,604	3.1%
250,000	13509PGF4	Canada Housing Trust No.1 2.350%	due March 15, 2028	AAA	103.96	259,900	95.14	237,862	3.1%
300,000	13509PHD8	Canada Housing Trust 2.1% Series 88	due September 15, 2029	AAA	99.73	299,200	92.43	277,296	3.6%
275,000	13509PHQ9	Canada Housing Trust 1.1% Series 95	due March 15, 2031	AAA	94.05	258,638	84.41	232,139	3.0%
200,000	13509PJC8	Canada Housing Trust 3.55%	due September 15, 2032	AAA	98.05	196,100	97.97	195,946	2.6%
215,000	135087Q23	Canada 2.75%	due June 1, 2033	AAA	92.55	198,983	94.25	202,632	2.7%
250,000	135087R48	Canada 3.0%	due June 1, 2034	AAA	96.98	242,450	95.81	239,524	3.1%
						1,992,735		1,916,748	25.1%
<b>PROVINCIAL BONDS</b>									
400,000	68323ACX0	Ontario 2.60%	due June 2, 2025	AA	101.08	404,305	98.35	393,390	5.2%
350,000	11070TAJ7	British Columbia 2.3%	due June 18, 2026	AA (high)	104.40	365,400	96.73	338,562	4.4%
350,000	68323AEE0	Ontario 2.60%	due June 2, 2027	AA	97.56	341,460	96.49	337,707	4.4%
300,000	013051EB9	Alberta 2.90%	due December 1, 2028	AA	94.50	283,500	96.28	288,839	3.8%
350,000	68333ZAH0	Ontario 2.05%	due June 2, 2030	AA	94.43	330,515	90.46	316,626	4.2%
200,000	110709AF9	British Columbia 1.55%	due June 18, 2031	AA (high)	83.75	167,500	85.36	170,721	2.2%
300,000	68333ZAT4	Ontario 2.25%	due December 2, 2031	AA	87.15	261,450	88.70	266,099	3.5%
300,000	110709GL0	British Columbia 3.20%	due June 18, 2032	AA (high)	96.71	290,130	94.04	282,134	3.7%
300,000	68333ZAY3	Ontario 3.65%	due June 2, 2033	AA	97.98	293,940	96.33	289,002	3.8%
150,000	68333ZBC0	Ontario 4.15%	due June 2, 2034	AA	101.10	151,650	99.65	149,471	2.0%
150,000	110709AK8	British Columbia 4.15%	due June 18, 2034	AA (high)	101.64	152,460	99.43	149,144	2.0%
						3,042,310		2,981,696	39.1%
<b>CORPORATE BONDS</b>									
250,000	891145T79	Toronto Dominion Bank Dep. Note 3.226%	due July 24, 2024	AA (high)	102.02	255,050	99.90	249,740	3.3%
250,000	13596Z3Y9	CIBC Deposit Note 3.3%	due May 26, 2025	AA	100.24	250,600	98.75	246,870	3.2%
200,000	949746RX1	Wells Fargo & Company 2.975%	due May 19, 2026	AA (low)	102.15	204,300	96.90	193,796	2.5%
300,000	064151QE6	Bank of Nova Scotia Dep. Notes 2.62%	due December 2, 2026	AA	102.07	306,210	96.13	288,401	3.8%
150,000	06368AAA8	Bank of Montreal Dep. Note 2.70%	due December 9, 2026	AA	108.76	163,140	96.28	144,424	1.9%
100,000	06415GDE7	Bank of Nova Scotia 2.95%	due March 8, 2027	AA (low)	92.85	92,850	95.99	95,989	1.3%
150,000	29251ZBK2	Enbridge Inc. CB-27 3.2%	due June 8, 2027	A (low)	96.43	144,650	96.21	144,318	1.9%
150,000	780086WG5	Royal Bank 4.642%	due January 17, 2028	AA	97.93	146,895	100.47	150,699	2.0%
100,000	06368BTX6	Bank of Montreal 3.19%	due March 1, 2028	AA	100.75	100,750	96.45	96,448	1.3%
100,000	87971MBG7	Telus Corp. CB-27 3.625%	due March 1, 2028	BBB	97.25	97,250	96.67	96,668	1.3%
100,000	07813ZCJ1	Bell Canada SerM56 2.2%	due May 29, 2028	BBB (high)	98.26	98,263	91.74	91,739	1.2%
250,000	89117GRJ8	Toronto Dominion Bank 4.68%	due January 8, 2029	AA	97.97	244,920	100.40	250,994	3.3%
175,000	68321ZAD3	Ontario Power Generation 2.977% 13SEP29	due September 13, 2029	A (low)	98.45	172,293	93.41	163,461	2.1%
200,000	44810ZCC2	Hydro One Inc. 2.16% Ser 46	due February 28, 2030	A (high)	86.95	173,900	89.18	178,355	2.3%
100,000	86721ZAQ2	Suncor EN INC SR7 CB-30 5.00%	due April 9, 2030	A (low)	100.45	100,450	100.32	100,324	1.3%
150,000	539481AN1	Loblaw Companies 2.284%	due May 7, 2030	BBB (high)	87.39	131,088	88.77	133,148	1.7%
100,000	87971MBX0	Telus Corp. CB 5.25%	due November 15, 2032	BBB	101.65	101,650	101.57	101,573	1.3%
						2,784,258		2,726,947	35.8%
<b>TOTAL PORTFOLIO</b>						<b>7,819,303</b>		<b>7,625,390</b>	<b>100.0%</b>



Martin, Lucas & Seagram Ltd.  
**DATE TO DATE GAINS AND LOSSES**  
**CLLAS - LONG TERM INVESTMENT FUND**  
*(RBC Investor Services)*  
*From 12-31-23 to 06-30-24*

Security	12-31-23 Market Value	Additions Withdrawals	06-30-24 Market Value	06-30-24 Cost Basis	Realized Gain or Loss		Unrealized Gain or Loss	
					Cost	Market	Cost	Market
<b>CASH</b>								
Cash Account	0	0	0	0				
<b>GOVERNMENT BONDS</b>								
Canada Housing Trust 2.9% due June 15, 2024	247,581	-253,625	0	0	-6,600	2,419	0	0
Canada Housing Trust Ser. 70 2.25% due December 15, 2025	290,413	-3,375	291,746	302,940	0	0	-11,195	1,333
Canada Housing Trust Ser. 77 2.35% due June 15, 2027	240,379	-2,938	239,604	234,525	0	0	5,079	-775
Canada Housing Trust No.1 2.350% due March 15, 2028	239,276	-2,938	237,862	259,900	0	0	-22,038	-1,413
Canada Housing Trust 2.1% Series 88 due September 15, 2029	279,938	-3,150	277,296	299,200	0	0	-21,904	-2,642
Canada Housing Trust 1.1% Series 95 due March 15, 2031	234,313	-1,513	232,139	258,638	0	0	-26,498	-2,174
Canada Housing Trust 3.55% due September 15, 2032	201,112	-3,550	195,946	196,100	0	0	-154	-5,166
Canada 2.75% due June 1, 2033	208,906	-2,956	202,632	198,983	0	0	3,649	-6,274
Canada 3.0% 01 Jun 2034 due June 1, 2034	0	242,553	239,524	242,450	0	0	-2,927	-2,927
<b>GOVERNMENT BONDS Total</b>	<u>1,941,917</u>		<u>1,916,748</u>	<u>1,992,735</u>	<u>-6,600</u>	<u>2,419</u>	<u>-75,987</u>	<u>-20,039</u>
<b>PROVINCIAL BONDS</b>								
Ontario 2.60% due June 2, 2025	390,871	-5,200	393,390	404,305	0	0	-10,915	2,519
British Columbia 2.3% due June 18, 2026	337,502	-4,025	338,562	365,400	0	0	-26,838	1,061
Ontario 2.60% due June 2, 2027	338,496	-4,550	337,707	341,460	0	0	-3,753	-789
Alberta 2.90% due December 1, 2028	291,515	-4,350	288,839	283,500	0	0	5,339	-2,676
Ontario 2.05% due June 2, 2030	319,685	-3,588	316,626	330,515	0	0	-13,889	-3,059
British Columbia 1.55% due June 18, 2031	172,838	-1,550	170,721	167,500	0	0	3,221	-2,117
Ontario 2.25% due December 2, 2031	270,791	-3,375	266,099	261,450	0	0	4,649	-4,692
British Columbia 3.2% due June 18, 2032	288,927	-4,800	282,134	290,130	0	0	-7,996	-6,793
Ontario 3.65% due June 2, 2033	297,386	-5,475	289,002	293,940	0	0	-4,938	-8,384
Ontario 4.15% due June 2, 2034	0	151,718	149,471	151,650	0	0	-2,179	-2,179
British Columbia 4.15% due June 18, 2034	0	152,451	149,144	152,460	0	0	-3,317	-3,317
<b>PROVINCIAL BONDS Total</b>	<u>2,708,011</u>		<u>2,981,696</u>	<u>3,042,310</u>	<u>0</u>	<u>0</u>	<u>-60,614</u>	<u>-30,425</u>
<b>CORPORATE BONDS</b>								
Toronto Dominion Bank Dep. Note 3.226% due July 24, 2024	247,396	-4,033	249,740	255,050	0	0	-5,310	2,344
CIBC Deposit Note 3.3% due May 26, 2025	245,515	-4,125	246,870	250,600	0	0	-3,731	1,355

Martin, Lucas & Seagram Ltd.  
**DATE TO DATE GAINS AND LOSSES**  
**CLLAS - LONG TERM INVESTMENT FUND**  
*(RBC Investor Services)*  
*From 12-31-23 to 06-30-24*

Security	12-31-23 Market Value	Additions Withdrawals	06-30-24 Market Value	06-30-24 Cost Basis	Realized Gain or Loss		Unrealized Gain or Loss	
					Cost	Market	Cost	Market
Wells Fargo & Company 2.975% due May 19, 2026	192,373	-2,975	193,796	204,300	0	0	-10,504	1,423
Bank of Nova Scotia Dep. Notes 2.62% due December 2, 2026	285,636	-3,930	288,401	306,210	0	0	-17,809	2,765
Bank of Montreal Dep. Note 2.70% due December 9, 2026	143,916	-2,025	144,424	163,140	0	0	-18,716	508
Bank of Nova Scotia 2.95% due March 8, 2027	95,472	-1,475	95,989	92,850	0	0	3,139	517
Enbridge Inc. CB-27 3.2% due June 8, 2027	144,024	-2,401	144,318	144,650	0	0	-332	294
Royal Bank 4.642% due January 17, 2028	151,108	-3,482	150,699	146,895	0	0	3,804	-409
Bank of Montreal 3.19% due March 1, 2028	96,450	-1,595	96,448	100,750	0	0	-4,302	-3
Telus Corp. CB-27 3.625% due March 1, 2028	97,161	-1,813	96,668	97,250	0	0	-582	-493
Bell Canada SerM56 2.2% due May 29, 2028	91,558	-1,100	91,739	98,263	0	0	-6,524	181
Toronto Dominion Bank 4.68% due January 8, 2029	252,688	-5,850	250,994	244,920	0	0	6,074	-1,694
Ontario Power Generation 2.977% 13SEP29 due September 13, 2029	117,622	45,886	163,461	172,293	0	0	-8,832	-1,516
Hydro One Inc. 2.16% Ser 46 due February 28, 2030	180,312	-2,160	178,355	173,900	0	0	4,455	-1,957
Suncor EN INC SR7 CB-30 5.00% due April 9, 2030	0	99,347	100,324	100,450	0	0	-126	-126
Loblaw Companies 2.284% due May 7, 2030	88,772	44,004	133,148	131,088	0	0	2,061	-641
Telus Corp. CB 5.25% due November 15, 2032	0	99,960	101,573	101,650	0	0	-77	-77
CORPORATE BONDS Total	2,430,002		2,726,947	2,784,258	0	0	-57,311	2,472
<b>TOTAL PORTFOLIO</b>	<b>7,079,930</b>		<b>7,625,390</b>	<b>7,819,303</b>	<b>-6,600</b>	<b>2,419</b>	<b>-193,912</b>	<b>-47,991</b>
TOTAL DATE TO DATE GAIN OR LOSS								-45,572
% CHANGE DURING PERIOD								-0.64