



Law Society
of Ontario

Barreau
de l'Ontario

Tab 4

Audit & Finance Committee

Report to Convocation

November 29, 2019

Committee Members:

Teresa Donnelly (Chair)
Lubomir Poliacik (Vice Chair)
Ryan Alford
Robert Bateman
Gary Graham
Philip Horgan
Vern Krishna
Shelina Lalji
Nancy Lockhart
Michelle Lomazzo
Cecil Lyon
Isfahan Merali
Clare Sellers
Tanya Walker

Authored By:

Finance Department
Brenda Albuquerque-Boutilier, Executive Director & CFO
416-947-3436



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COMMITTEE PROCESS

1. The Audit & Finance Committee (“the Committee”) met on November 6, 2019.
2. Committee members in attendance were Teresa Donnelly (Chair), Lubomir Poliacik (Vice-Chair), Ryan Alford (phone), Robert Bateman, Gary Graham (phone), Philip Horgan, Vern Krishna, Michelle Lomazzo, Cecil Lyon, Tanya Walker.
3. The Treasurer, Malcolm Mercer attended.
4. Other benchers in attendance were Gerard Charette, Jean-Jacques Desgranges and Andrew Spurgeon.
5. Law Society staff in attendance: Diana Miles, Brenda Albuquerque-Boutilier, Kate Lamb, Elliot Spears, Fred Grady, Mary Giovinazzo and Andrew Cawse.
6. Also in attendance: Geoff Owen (Foresight Strategic Advisors), Stephanie Kalinowski (Hicks Morley), Michael Hawtin (PWC) and Joban Kooner (PWC).

Tab 4.1**FOR INFORMATION**

**Law Society of Ontario Financial Statements
for the Nine Months ended September 30,
2019**

14. The Committee recommends that Convocation receive the Law Society's third quarter financial statements for information.

15. This is part of the quarterly financial reporting schedule to Convocation. These interim statements convey the performance of the Law Society before the end of the year. Unlike annual statements, interim statements are not audited.

16. These financial statements present the financial position and operations of the Society and include the General Funds (or operating funds) and a number of special purpose or restricted funds.

- The Compensation Funds are restricted by the Law Society Act
- The Errors and Omissions Insurance Fund (E&O Fund), the Capital Allocation Fund, the Invested in Capital and Intangible Assets Fund, the County Libraries Fund and the "Other Restricted Funds" (Repayable Allowance Fund, Special Projects Fund and Parental Leave Assistance Fund) are restricted by Convocation.

17. The Financial Statements for the nine months ended September 30, 2019 comprise the following statements:

- Balance Sheet
- Statement of Revenues and Expenses and Change in Fund Balances, detailing results of operations for lawyers and paralegals
- Schedule of Restricted Funds
- Supplemental schedules include Schedules of Revenues and Expenses for the Combined General Funds, Lawyer and Paralegal General Funds, the Combined Compensation Funds, Lawyer and Paralegal Compensation Funds and the Errors and Omissions Insurance Fund

Financial Statement Highlights

18. The Law Society is in a strong financial position as at September 30, 2019, as

- Excess of revenues over expenses was \$10.8 million for the nine months ended September 30, 2019 compared to \$6.2 million for the same period in 2018
- Expenses increased by \$1.6 million to \$167.3 million for the nine months ended

September 30, 2019 compared to \$165.7 million for the same period in 2018; however, all major expense categories in the General Funds were under budget with a total favorable variance of \$11.7 million.

Statement of Revenues and Expenses and Change in Fund Balances

Lawyer General Fund

19. The Lawyer General Fund reported an excess of revenues over expenses of \$6.3 million for the nine months ended September 30, 2019 (2018: \$3.8 million), an increase of \$2.5 million compared to last year. Although there were increases in all major categories of expenses totaling \$2.8 million, the increase in revenues of \$5.3 million, primarily from annual fees and improved investment performance, more than offset the increased spending.

Paralegal General Fund

20. The Paralegal General Fund reported an excess of expenses over revenues of \$95,000 at the end of the third quarter of 2019, compared to an excess of expenses over revenues of \$626,000 in 2018. The improved financial performance was primarily due to an increase in annual fees and licensing process revenues with minimal increase in total expenses.

Restricted Funds

21. The Law Society's restricted funds reported excess of revenues over expenses of \$4.6 million (2018: \$3.1 million) primarily because of a \$5.5 million surplus in the Lawyer Compensation Fund and \$869,000 surplus in the E&O Fund offset by amortization of \$1.7 million in the Invested in Capital and Intangible Assets Fund.

Lawyer Compensation Fund

22. The Lawyer Compensation Fund had a fund balance of \$17.2 million as at September 30, 2019; an increase of almost \$7.5 million compared to the \$9.7 million balance as at September 30, 2018. The increase arose for the following reasons:

- The Lawyer Compensation Fund balance fell below the minimum balance of \$20.5 million required by the Fund Balance Management Policy in 2017. A three-year plan was initiated as part of the 2018 budget to replenish the fund balance by including an annual \$5 million provision above the amount for routine claims. The \$5 million provision has been maintained in the 2019 and 2020 budgets.
- Better claim experience during the first nine months of 2019 (\$2.3 million) compared to 2018 (\$2.7 million)
- Higher investment income and unrealized gains on investments during the first nine months of 2019 (\$1.3 million) compared to 2018 (\$372,000)

Annual Fees

23. Lawyer annual fees in the Lawyer General Fund have increased by \$4.3 million to \$53.0 million for the nine months ended September 30, 2019 (2018: \$48.7 million) and were also \$276,000 higher than budget. The higher annual fees were due to an annual fee increase for lawyers (\$95) and an increase in the number of licensees. The 2019 budget projected an increase of 1,400 to a Full Fee Paying Equivalent total of 42,600. To the end of September, the number of Full Fee Paying Equivalents is running slightly ahead of projection.
24. Paralegal annual fees in the Paralegal General Fund have increased by \$264,000 to \$4.6 million for the first nine months of 2019 (2018: \$4.3 million). Paralegal annual fees were \$137,000 under budget. The 2019 budget projected an increase of 200 Full Fee Paying Equivalent paralegals for a total of 6,300; the draft 2020 budget projects a smaller increase of 100 to a Full Fee Paying Equivalent total of 6,400.
25. The annual fees in the Restricted Funds have decreased by \$1.8 million mainly due to an annual fee reduction of \$74 for the Lawyer Compensation Fund component as a result of the improvement in routine claims experience.

Insurance Premiums and Levies

26. LAWPRO's insurance program for 2019 maintained the base premium unchanged from 2018. Transaction levies to date are consistent with 2018. The number of insureds continues to trend up resulting in an increase in insurance premiums and levies revenues from \$75.8 million in 2018 to \$76.1 million.

Professional Development and Competence Revenues

27. Professional development and competence revenues have increased by \$1.1 million to \$16.9 million for the nine months ended September 30, 2019 (2018: \$15.8 million) and were \$1.4 million more than budget largely due to increased licensing process revenues.
28. Lawyer and paralegal licensing process revenues have increased by \$1.2 million to \$12.5 million for the nine months ended September 30, 2019 (2018: \$11.3 million) and were \$1.4 million greater than budgeted revenues because of an increase in lawyer candidates within the process. The total lawyer licensing process fee, including the fees for the initial application, the Barrister and Solicitor Licensing Examinations and the Call to the Bar fee, is \$4,710, unchanged from last year. The paralegal license fee is also unchanged (\$1,400).

Change in Fair Value of Investments

29. Change in fair value of investments was \$2.2 million for the nine months ended September 30, 2019 (2018: (\$399,000)) mainly due to unrealized gains on investments. Realized gains on investments were \$365,000.

Other Revenues

30. Other revenues totaling \$6.9 million (2018: \$7.5 million) include late fees (\$1.2 million), Ontario Report royalties (\$1.0 million), catering revenue (\$916,000) and preapproved payment plan fees (\$523,000). The year-over-year decrease was mainly due to decreases in late fees and royalties. Total other revenues for the period exceeded budget by \$642,000.

Professional Regulation, Tribunals and Compliance Expenses

31. Professional Regulation, Tribunals and Compliance expenses of \$22.1 million (2018: \$21.3 million) were \$4.0 million under budget, primarily due to staff vacancies (\$2.4 million) in almost all departments, particularly Litigation Services (\$1.2 million). Expenditures for outside counsel fees and expert witnesses were \$683,000 under budget.

Professional Development and Competence Expenses

32. Professional development and competence (PD&C) expenses have increased to \$22.8 million (2018: \$21.4 million) primarily due to higher licensing process expenses. With an increase in candidates, expenses for facility rental and licensing exam invigilation also increased. However, total PD&C expenses were \$1.9 million under budget, mainly due to staff vacancies (\$520,000), delay in the implementation of the family legal services provider license (\$285,000), and timing of library book purchases (\$435,000).

Corporate Services Expenses

33. Corporate services expenses of \$19.9 million have increased by \$595,000 (2018: \$19.3 million) primarily because of reorganization costs (\$225,000), higher lease expense (\$160,000) and increased IT spending, for example, cloud services and information security. However, total expenses for the period were \$1.6 million under budget and there were favorable variances in most departments, particularly Human Resources, Information Technology, Facilities and Finance.

Convocation, Policy and Outreach Expenses

34. Convocation, policy and outreach expenses for the first nine months in 2019 are virtually unchanged from 2018 at \$6.7 million.

Balance Sheet

Long Term Investments

35. Long term investments had fair value of \$63.1 million as at September 30, 2019. The decrease of \$1.0 million since September 2018 was due to a \$1.2 million withdrawal of capital in the E&O Fund to fund the transfer of accumulated surplus investment income to the Lawyer General Fund.

Investment Loan

36. The investment loan (\$1.2 million) represents the Law Society's participation in the subordinated loan used to fund CanLII's acquisition of Lexum in 2018. The interest rate is 4.74%. The term of the Loan is 5 years. Pursuant to the loan arrangement, the Law Society is committed to pay \$280,000 annually for the 2019, 2020 and 2021 years to fund three annual balance of sale payments to the vendors of Lexum.

Provision for Unpaid Grants/Claims

37. The provision for unpaid grants/claims (\$11.2 million) represents the estimate for unpaid claims and inquiries against the Compensation Fund. The provision has decreased by \$1.2 million from \$12.4 million in 2018 based on the claims experience in the two years.

LAW SOCIETY OF ONTARIO**Balance Sheet***Unaudited**Stated in thousands of dollars**As at September 30*

	2019	2018
Assets		
Current Assets		
1 Cash and short-term investments	68,863	68,446
2 Accounts receivable	29,969	28,927
3 Prepaid expenses	30,536	30,112
4 Total current assets	129,368	127,485
5 Investment in subsidiaries	35,642	35,642
6 Long term investments	63,083	63,985
7 Investment loan	1,162	878
8 Capital assets	7,705	8,107
9 Intangible assets	4,062	1,088
10 Total Assets	241,022	237,185
Liabilities and Fund Balances		
Current Liabilities		
11 Accounts payable and accrued liabilities	11,228	12,430
12 Deferred revenue	50,885	50,293
13 Due to LAWPRO	28,677	29,659
14 Total current liabilities	90,790	92,382
15 Provision for unpaid grants/claims	19,666	26,693
16 Unclaimed trust funds	5,635	5,372
17 Lease obligations	616	442
18 Total Liabilities	116,707	124,889
Fund Balances		
General funds		
19 Lawyers	32,594	27,635
20 Paralegals	2,979	3,851
Restricted funds		
21 Compensation - lawyers	17,240	9,746
22 Compensation - paralegals	855	713
23 Errors and omissions insurance	54,241	55,313
24 Capital allocation	3,916	4,928
25 Invested in capital and intangible assets	11,767	9,195
26 County libraries	153	81
27 Other	570	834
28 Total Fund Balances	124,315	112,296
29 Total Liabilities and Fund Balances	241,022	237,185



LAW SOCIETY OF ONTARIO

Statement of Revenues and Expenses and Change in Fund Balances

Unaudited

Stated in thousands of dollars

For the nine months ended September 30

	2019	2018	2019	2018	2019	2018	2019	2018
	General Fund Lawyer		General Fund Paralegal		Restricted Funds		Total	
Revenues								
1 Annual fees	52,953	48,699	4,562	4,298	16,718	18,564	74,233	71,561
2 Insurance premiums and levies	-	-	-	-	76,103	75,782	76,103	75,782
3 Professional development and competence	14,449	13,752	2,496	2,022	-	-	16,945	15,774
4 Investment income	549	654	70	83	1,079	923	1,698	1,660
5 Change in fair value of investments	880	(85)	60	(11)	1,231	(303)	2,171	(399)
6 Other	5,871	6,426	1,016	966	48	119	6,935	7,511
7 Total revenues	74,702	69,446	8,204	7,358	95,179	95,085	178,085	171,889
Expenses								
8 Professional regulation, tribunals and compliance	19,576	18,868	2,481	2,392	-	-	22,057	21,260
9 Professional development and competence	20,407	19,087	2,425	2,297	-	-	22,832	21,384
10 Corporate services	17,593	17,066	2,296	2,228	-	-	19,889	19,294
11 Convocation, policy and outreach	5,999	6,012	654	659	-	-	6,653	6,671
12 Services to members and public	4,847	4,639	443	408	-	-	5,290	5,047
13 Restricted	-	-	-	-	90,565	92,028	90,565	92,028
14 Total expenses	68,422	65,672	8,299	7,984	90,565	92,028	167,286	165,684
15 Excess of revenues over expenses (expenses over revenues)	6,280	3,774	(95)	(626)	4,614	3,057	10,799	6,205
16 Fund balances, beginning of year	25,138	23,239	3,074	4,477	85,304	78,375	113,516	106,091
17 Interfund transfers	1,176	622	-	-	(1,176)	(622)	-	-
18 Fund balances, end of period	32,594	27,635	2,979	3,851	88,742	80,810	124,315	112,296

**LAW SOCIETY OF ONTARIO****Schedule of Restricted Funds***Unaudited**Stated in thousands of dollars**For the nine months ended September 30*

	2019							2018	
	Compensation Fund		Errors and omissions insurance	Capital allocation	Invested in capital and intangible assets	County libraries	Other restricted	Total Restricted funds	Total
	Lawyer	Paralegal							
1 Fund balances, beginning of year	11,762	651	54,572	4,144	13,286	131	758	85,304	78,375
Revenues									
2 Annual fees	7,176	69	-	3,308	-	6,065	100	16,718	18,564
3 Insurance premiums and levies	-	-	76,103	-	-	-	-	76,103	75,782
4 Investment income	644	82	353	-	-	-	-	1,079	923
5 Change in fair value of investments	632	80	519	-	-	-	-	1,231	(303)
6 Other	30	18	-	-	-	-	-	48	119
7 Total revenues	8,482	249	76,975	3,308	-	6,065	100	95,179	95,085
8 Total expenses	3,004	45	76,106	3,536	1,650	6,043	181	90,565	92,028
9 Excess of revenues over expenses (expenses over revenues)	5,478	204	869	(228)	(1,650)	22	(81)	4,614	3,057
10 Interfund transfers	-	-	(1,200)	-	131	-	(107)	(1,176)	(622)
11 Fund balances, end of period	17,240	855	54,241	3,916	11,767	153	570	88,742	80,810



LAW SOCIETY OF ONTARIO
Lawyers and Paralegals General Fund
Schedule of Revenues and Expenses

Unaudited

Stated in thousands of dollars

For the nine months ended September 30

	2019 Actual	Budget YTD	Variance	2018 Actual
Revenues				
1 Annual fees	57,515	57,376	139	52,997
2 Professional development and competence	16,945	15,518	1,427	15,774
3 Investment income	619	581	38	737
4 Change in fair value of investments	940	-	940	(96)
5 Other	6,887	6,240	647	7,392
6 Total revenues	82,906	79,715	3,191	76,804
Expenses				
7 Professional regulation, tribunals and compliance	22,057	26,045	3,988	21,260
8 Professional development and competence	22,832	24,727	1,895	21,384
9 Corporate services	19,889	21,534	1,645	19,294
10 Convocation, policy and outreach	6,653	10,436	3,783	6,671
11 Services to members and public	5,290	5,683	393	5,047
12 Total expenses	76,721	88,425	11,704	73,656
13 Excess of revenues over expenses (expenses over revenues)	6,185	(8,710)	14,895	3,148



LAW SOCIETY OF ONTARIO
General Fund - Lawyers
Schedule of Revenues and Expenses

Unaudited

Stated in thousands of dollars

For the nine months ended September 30

	2019 Actual	Budget YTD	Variance	2018 Actual
Revenues				
1 Annual fees	52,953	52,677	276	48,699
2 Professional development and competence	14,449	13,244	1,205	13,752
3 Investment income	549	516	33	654
4 Change in fair value of investments	880	-	880	(85)
5 Other	5,871	5,343	528	6,426
6 Total revenues	74,702	71,780	2,922	69,446
Expenses				
7 Professional regulation, tribunals and compliance	19,576	23,140	3,564	18,868
8 Professional development and competence	20,407	21,890	1,483	19,087
9 Corporate services	17,593	18,974	1,381	17,066
10 Convocation, policy and outreach	5,999	9,497	3,498	6,012
11 Services to members and public	4,847	5,214	367	4,639
12 Total expenses	68,422	78,715	10,293	65,672
13 Excess of revenues over expenses (expenses over revenues)	6,280	(6,935)	13,215	3,774



LAW SOCIETY OF ONTARIO
General Fund - Paralegals
Schedule of Revenues and Expenses

Unaudited

Stated in thousands of dollars

For the nine months ended September 30

	2019 Actual	Budget YTD	Variance	2018 Actual
Revenues				
1 Annual fees	4,562	4,699	(137)	4,298
2 Professional development and competence	2,496	2,274	222	2,022
3 Investment income	70	65	5	83
4 Change in fair value of investments	60	-	60	(11)
5 Other	1,016	897	119	966
6 Total revenues	8,204	7,935	269	7,358
Expenses				
7 Professional regulation, tribunals and compliance	2,481	2,905	424	2,392
8 Professional development and competence	2,425	2,837	412	2,297
9 Corporate services	2,296	2,560	264	2,228
10 Convocation, policy and outreach	654	939	285	659
11 Services to members and public	443	469	26	408
12 Total expenses	8,299	9,710	1,411	7,984
13 Excess of revenues over expenses (expenses over revenues)	(95)	(1,775)	1,680	(626)



LAW SOCIETY OF ONTARIO
Compensation Fund
Schedule of Revenues and Expenses

Unaudited

Stated in thousands of dollars

For the nine months ended September 30

	2019 Actual	Budget YTD	Variance	2018 Actual
Revenues				
1 Annual fees	7,245	7,225	20	9,341
2 Investment income	726	731	(5)	582
3 Change in fair value of investments	712	-	712	(159)
4 Recoveries	48	263	(215)	53
5 Total revenues	8,731	8,219	512	9,817
Expenses				
6 Provision for unpaid grants	2,288	7,472	5,184	2,772
7 Administrative	761	821	60	588
8 Total expenses	3,049	8,293	5,244	3,360
9 Excess of revenues over expenses (expenses over revenues)	5,682	(74)	5,756	6,457



Law Society
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LAW SOCIETY OF ONTARIO
Compensation Fund - Lawyers
Schedule of Revenues and Expenses

Unaudited

Stated in thousands of dollars

For the nine months ended September 30

	2019 Actual	Budget YTD	Variance	2018 Actual
Revenues				
1 Annual fees	7,176	7,152	24	9,288
2 Investment income	644	619	25	512
3 Change in fair value of investments	632	-	632	(140)
4 Recoveries	30	263	(233)	48
5 Total revenues	8,482	8,034	448	9,708
Expenses				
6 Provision for unpaid grants	2,327	7,380	5,053	2,724
7 Administrative	677	729	52	523
8 Total expenses	3,004	8,109	5,105	3,247
9 Excess of revenues over expenses (expenses over revenues)	5,478	(75)	5,553	6,461



LAW SOCIETY OF ONTARIO
Compensation Fund - Paralegals
Schedule of Revenues and Expenses

Unaudited

Stated in thousands of dollars

For the nine months ended September 30

	2019 Actual	Budget YTD	Variance	2018 Actual
Revenues				
1 Annual fees	69	73	(4)	53
2 Investment income	82	112	(30)	70
3 Change in fair value of investments	80	-	80	(19)
4 Recoveries	18	-	18	5
5 Total revenues	249	185	64	109
Expenses				
6 Provision for unpaid grants	(39)	92	131	48
7 Administrative	84	92	8	65
8 Total expenses	45	184	139	113
9 Excess of revenues over expenses (expenses over revenues)	204	1	203	(4)

LAW SOCIETY OF ONTARIO
Errors and Omissions Insurance Fund
Schedule of Revenues and Expenses and Change in Fund Balance

Unaudited

Stated in thousands of dollars

For the nine months ended September 30

	2019 Actual	2018 Actual
Revenues		
1 Insurance premiums and levies	76,103	75,782
2 Investment income	353	341
3 Change in fair value of investments	519	(144)
4 Total revenues	76,975	75,979
Expenses		
5 Expenses	3	-
6 Insurance	76,103	75,782
7 Total expenses	76,106	75,782
8 Excess of revenues over expenses (expenses over revenues)	869	197
9 Interfund transfers	(1,200)	(600)
10 Change in fund balance	(331)	(403)
11 Fund balance, beginning of year	54,572	55,716
12 Fund balance, end of period	54,241	55,313

Tab 4.2

FOR INFORMATION
Investment Compliance Reports

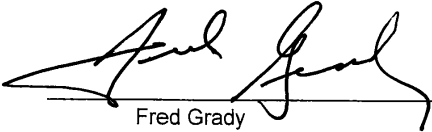
- 38. Under the Law Society Investment Policy, Law Society management shall report quarterly on compliance with the approved investment policy.**
39. The Law Society, and its investment manager, has complied with the investment policy for the period ending September 30, 2019.

Tab 4.2.1

**LAW SOCIETY OF ONTARIO
STATEMENT OF INVESTMENT COMPLIANCE
SHORT TERM
As at September 30, 2019**

GENERAL

Investment Parameters	Guidelines for Both	Compliance
1. <u>Asset Mix</u>		
Federal & provincial treasury bills	Allowed	Yes
Bankers acceptances	Allowed	Yes
Commercial paper	Allowed	Yes
Investment manager Money Market Fund	Allowed	Yes
Premium Savings Account	Allowed	Yes
FGP Money Market Fund	Allowed	Yes
2. <u>Quality Requirements</u>		
Commercial paper rating	Min. R1	N/A
Liquidity	Max. term to maturity of 365 days	Yes
3. <u>Quantity Restrictions</u>		
Commercial paper of a single corporate issuer	Max. 8% of Fund	Yes
4. <u>Other Restrictions</u>		
Equity securities	None	Yes
Direct investments in:		
resource properties	None	Yes
mortgages and mortgage-backed securities	None	Yes
real estate	None	Yes
venture capital financings	None	Yes
Derivatives	None	Yes



Fred Grady
Director, Finance

Tab 4.2.2

Compliance Report

October 22, 2019

Ms. Brenda Albuquerque-Boutilier
Executive Director, Finance & Chief Financial Officer
Law Society of Ontario
130 Queen Street West
Osgood Hall, 1First Floor
Toronto, Ontario
M5H 2N6

Dear Brenda:

Re: Manager Compliance Reporting

For the Law Society Errors and Omissions Insurance Fund, we wish to confirm that the portfolio being managed by Foyston, Gordon & Payne Inc. was in compliance with the Fund's Investment Policy Statement dated February 23, 2017, for the quarter ending September 30, 2019.

Yours truly,



Robert Laughton
Vice President – Institutional Client Services

Tab 4.2.3

**Law Society of Ontario
Compensation Fund
Manager: Foyston, Gordon & Payne Inc.
Compliance Report
(Period ending September 30, 2019)**

1. Asset Mix:	Min.	Mid-Point	Max.	Compliance* (Y/N)
Cash & Short Term	0%	0%	15%	Y
Bonds	45%	70%	80%	Y
Total Fixed Income	60%	70%	80%	Y
Canadian Equity	20%	30%	40%	Y
Minimum bond rating "BBB" or better by the Dominion Bond Rating Service or equivalent rating by another recognized bond rating service.				Y
Each bond portfolio may be invested within the following parameters:				
Minimum holding in Federal and Federally Guaranteed Bonds	FTSE TMX Short Term Bond Index Benchmark Weight minus 20%			Y
Provincials, Provincially Guarantees and Municipals	FTSE TMX Short Term Bond Index Benchmark Weight plus or minus 20%			Y
Maximum Total Corporate Issues	FTSE TMX Short Term Bond Index Benchmark Weight plus 20%			Y
Maximum Total Corporate BBB Issues	FTSE TMX Short Term Bond Index Benchmark Weight plus 10%			Y
Not more than 10% of the total market value of the bond portfolio will be invested in securities issued by a foreign issuer, or Canadian issuer.				Y
Bond portfolio duration 1 to 5 years.				Y
The Market value of any one common equity issuer cannot represent more than 10% of the market value of the total portfolio, or that equity's weight in the S&P/TSX Composite Index, whichever is greater.				Y

Note: In mid-June 2014 Law Society Compensation Fund moved into the FGP Short Term Bond Fund from the segregated Short Term Bonds.

Investment policy dated February 23, 2017.

*If policy not complied with, comment on specifics.

October 22, 2019

Date:



Robert Laughton, Vice President –
Institutional Client Services