

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

**INVESTMENT REPORT**  
**JUNE 30, 2017**

**MARTIN, LUCAS & SEAGRAM LTD.**  
**INDEPENDENT INVESTMENT COUNSEL**

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

**COMMENTARY FOR THE QUARTER ENDING JUNE 30, 2017**

**Review of Market Yields**

After drifting lower during most of the quarter, bond yields reversed direction late in the period following signals from the central bank that policy was moving from a neutral posture towards a tightening bias. As a result, by the end of June, yields across the entire curve were above their levels three months earlier. The 5-year yield ended the quarter 26 basis points higher, while gains for the 3-month and 10-year issues were less pronounced, at 19 and 12 basis points respectively.

As a result of these changes, the yield curve became slightly flatter over the second quarter. At the end of June, the yield advantage of the 10-year issue over the Treasury bill had eased to 104 basis points, from 111 three months earlier.

	<b>Jan. 01/95</b>	<b>Dec. 31/16</b>	<b>Mar. 31 17</b>	<b>Jun. 30/17</b>
3-month Treasury Bills	6.80%	0.46%	0.52%	0.71%
5-year Canadas	8.99%	1.11%	1.12%	1.38%
10-year Canadas	9.09%	1.72%	1.63%	1.75%

During the quarter, in the Short Term Investment Fund, activity involved the roll-over of money market securities.

There was no activity in the Long Term Investment Fund.

During the second quarter, the market value of the Long Term Investment Fund holdings decreased by \$38,666, which represents a capital decrease of 0.7%.

At June 30, 2017, the average term to maturity of the Long Term Investment Fund stood at 4.1 years.

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

<b><i>Distribution at June 30, 2017</i></b>	<b><i>Valuation</i></b>	<b><i>%</i></b>
Short Term Investment Fund	\$11,694,081	69.5%
Long Term Investment Fund	5,128,243	30.5%
<b>TOTAL COMBINED VALUATION</b>	<b>\$16,822,324</b>	<b>100.0%</b>

## ***CLLAS***

### **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 and Long Term Investment Funds Listed and Valued Separately as at June 30, 2017
- Security Purchases and Sales
- Cash Reconciliations
- External Individual Credit Rating Report

# CLLAS

## LONG TERM INVESTMENT FUND

### TIME-WEIGHTED RATES OF TOTAL RETURN FOR PERIODS ENDING JUNE 30, 2017

	3 Years*	2 Years*	1 Year	Last 3 months
<b><i>Long Term Investment Fund – Gross of Fees</i></b>	<b>2.44%</b>	<b>1.35%</b>	<b>-0.16%</b>	<b>-0.15%</b>
<b><i>Long Term Investment Fund – Net of Fees</i></b>	<b>2.15%</b>	<b>1.07%</b>	<b>-0.44%</b>	<b>-0.22%</b>
<b>Benchmark Portfolio **</b>	<b>2.55%</b>	<b>1.48%</b>	<b>-0.25%</b>	<b>-0.30%</b>

\*Annualized

\*\* The Benchmark Portfolio is based on the sum of the following total return indices:

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

## SHORT TERM INVESTMENT FUND

### TIME-WEIGHTED RATES OF TOTAL RETURN FOR PERIODS ENDING JUNE 30, 2017

	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>0.76%</b>	<b>0.62%</b>	<b>0.55%</b>	<b>0.58%</b>	<b>0.14%</b>
<b><i>Short Term Investment Fund – Net of Fees</i></b>	<b>0.64%</b>	<b>0.51%</b>	<b>0.43%</b>	<b>0.46%</b>	<b>0.12%</b>
<b>Benchmark Portfolio **</b>	<b>0.72%</b>	<b>0.59%</b>	<b>0.48%</b>	<b>0.50%</b>	<b>0.13%</b>

\* Annualized

\*\* The Benchmark Portfolio, adopted from October 1, 2008, is based 100%  
on the total return index of the 30-day Treasury Bill Index

***CLLAS***  
**LONG TERM INVESTMENT FUND**

**DISTRIBUTION OF SECURITIES BY CREDIT RISK**  
 (Based on Market Values)

	<b>Dec. 17/13</b>	<b>Sep. 30/16</b>	<b>Dec. 31/16</b>	<b>Mar. 31/17</b>	<b>Jun. 30/17</b>
<b>Bonds, Treasury Bills &amp; Cash</b> Less than 1 year term	100.0%	21.2%	10.4%	14.2%	19.2%
<b>Canadas</b> Greater than 1 year term		19.2%	23.8%	23.8%	18.8%
<b>Provincials</b> Greater than 1 year term		31.6%	31.9%	32.0%	32.0%
<b>Corporates</b> Greater than 1 year term		28.0%	33.9%	30.0%	30.0%
<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)

	<b>Sep. 30/16</b>	<b>Dec. 31/16</b>	<b>Mar. 31/17</b>	<b>Jun. 30/17</b>
Under 1 year	21.2%	10.4%	14.2%	19.2%
1 - 3 years	26.2%	24.7%	20.7%	26.8%
3 - 5 years	16.2%	20.4%	28.2%	22.2%
5 - 7 years	23.4%	24.0%	16.3%	11.1%
7 - 10 years	13.0%	20.5%	20.6%	20.7%
<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>3.91</b>	<b>4.55</b>	<b>4.31</b>	<b>4.06</b>
<b>Average Duration (yrs)</b>	<b>3.61</b>	<b>4.19</b>	<b>3.97</b>	<b>3.75</b>

**SHORT TERM INVESTMENT FUND**

	<b>Sep. 30/16</b>	<b>Dec. 31/16</b>	<b>Mar. 31/17</b>	<b>Jun. 30/17</b>
<b>Short Term</b> <b>Average Duration (yrs)</b>	<b>0.08</b>	<b>0.07</b>	<b>0.10</b>	<b>0.08</b>

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## COMPLIANCE WITH INVESTMENT POLICY STATEMENT

AT JUNE 30, 2017

	Investment Limits	Investment Funds	Compliance
<b><i>Short Term Investment Fund</i></b>			
Maximum Term of Any Issue	1 year	0.2 years	Yes
Minimum Percentage of Total Fund (Short & Long)	40% of Total	69.5%	Yes
Minimum Canada & Provincial Percentage	50%	51.5%	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	9 years	Yes
Maximum Percentage of Total Fund (Short & Long)	60% of Total	30.5%	Yes
Minimum Canada Percentage	20%	23.8%	Yes
Maximum Provincial Percentage	40%	38.4%	Yes
Minimum Canada & Provincial Percentage	60%	62.2%	Yes
Minimum Provincial Quality *	A	AA (low)	Yes
Maximum Corporate Percentage	40%	37.8%	Yes
Minimum Corporate Quality *	A	AA (low)	Yes

*\* At time of purchase*

This will confirm that during the second quarter the Long Term Investment Fund was managed in compliance with the Investment Policy limits provided on December 3, 2013.

Similarly, during the same period the Short Term Fund remained in compliance with the Investment Policy Statement that became effective on May 5, 2012.

## ***CLLAS***

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PERFORMANCE REPORT

GROSS OF FEES

***CLLAS – LONG TERM INVESTMENT FUND***

***(RBC Investor Services)***

*From 03-31-17 to 06-30-17*

Portfolio Value on 03-31-17	5,166,909
Accrued Interest	28,255
Contributions	0
Withdrawals	-38,489
Realized Gains	0
Unrealized Gains	-38,667
Interest	38,489
Dividends	0
Change in Accrued Interest	-7,474
Portfolio Value on 06-30-17	5,128,243
Accrued Interest	20,780
Average Capital	5,185,179
Total Gains before Fees	-7,652
<b>IRR for 0.25 Years</b>	<b>-0.15%</b>

## ***CLLAS***

### **BOND MARKET COMMENTARY AND FUTURE POLICY**

During the second quarter, the global macro-economic backdrop continued to improve on balance and the year-to-date data has been supportive of the consensus forecast that global growth will slowly accelerate as the year progresses. However, recent moves in the commodity and bond markets are sending conflicting signals. Commodity indices, led by oil prices, have lost ground this year, the yield curve has flattened over the past month and inflation expectations have receded from already depressed levels. Historically, these developments are often a prelude to softer economic growth.

Recent developments in the U.S. have helped fuel crosscurrents in the security markets. Despite economic strength elsewhere, measures of activity in the U.S. have been mixed. While some sectors have benefited from improved global demand and a softer U.S. dollar, auto sales have rolled over, activity in the housing sector has stagnated and consumer spending, along with wage gains, have not met expectations despite the latest surge in job creation. The recent decline in oil prices has also raised concerns that this may be due, in part, to weaker demand growth rather than just the increase in domestic supplies, which have helped counteract OPEC production cuts.

Questions surrounding the future direction of monetary and fiscal policies have also clouded the outlook and triggered shifts in market sentiment, particularly in the bond market. In the wake of sagging inflation measures, a lack of progress on President Trump's expansionary economic agenda and the drop in oil prices, U.S. bond yields fell to their lowest year-to-date levels late last month. However, since then, yields have been pushed noticeably higher following the release of better economic data and indications from the Federal Reserve that less monetary accommodation would be required given their outlook for inflation, the economy and due to growing concerns surrounding inflated asset values.

Expectations for domestic interest rates and bond yields also experienced a reversal last month, when the Bank of Canada indicated that the two emergency rate cuts in 2015 had helped the economy recover from the oil price shock and that excess capacity was being absorbed faster than originally forecast. As expected, the Bank of Canada followed through earlier this month with a 1/4% increase in the overnight rate to 3/4%, which marks the first increase in seven years. While the Bank's press release acknowledged that inflation had softened and remains well below the 2% target, this is expected to be temporary. Also cited in the release was a broadening and strengthening in global economic conditions and a pickup in growth south of the border. Meanwhile, Canada has experienced one of its strongest growth spurts since the 2008-2009 recession, with quarterly growth averaging greater than 3% over the past two quarters. Looking ahead, the Bank edged up its forecast for growth this year to 2.8%, based on solid household spending, supported by rising employment and wages, and a greater contribution from exports and business investment.

Turning to Europe, the economy expanded at an annualized pace of 1.9% in the first quarter and the latest indicators suggest this upward momentum carried into the second quarter. The recovery now appears better balanced geographically, as the spread between the fast and slow moving economies has narrowed, thanks to an uptick in global trade and domestic demand. Industrial output reached a six-month high, and strong business survey data along with higher corporate earnings should be supportive of capital expenditures going forward. However, despite these gains and a more benign political outlook, the European Central Bank (ECB) has continued to expand its balance sheet at the same pace set early in 2015, when conditions were much poorer. This has been justified by the lack of any pickup in headline inflation across Europe and suggests that the ECB will remain cautious when adjusting its overall monetary stance going forward.



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Following a strong start to the year, China's economy has continued to beat expectations with an expanding manufacturing sector and a rise in exports driven by an improvement in external demand. However, capital investment may begin to cool as authorities tighten credit in an attempt to defuse financial risks by targeting borrowers within the more speculative parts of the system. Despite the potential for a slow-down in growth, this deleveraging should put the economy on a stronger footing over the longer term. Japan also performed well in the first quarter, particularly on the domestic front. However, momentum from industrial output and net exports has since slowed and nominal wage inflation remains stubbornly low. As a result, the Bank of Japan is expected to maintain its ultra-loose monetary policy.

Looking ahead, the recent shifts in North American monetary policies can be viewed both positively and negatively. On the plus side, these initial moves to reduce the extraordinary level of monetary stimulus indicates that the global economy has finally recovered sufficiently to warrant a move to normalize central bank policies. Moderately higher rates could also help to unwind excesses that, if left unaddressed, could destabilize the financial system. On the other hand, from a historical perspective, the recent move to tighten monetary policies could signal the beginning of the end for the current economic expansion. Since 1950, there have been 13 cycles where the U.S. Fed tightened interest rates and 10 of these ended in recession. Furthermore, the markets are entering uncharted waters as the Fed prepares to begin reversing the unprecedented expansion of its \$4.5 trillion balance sheet.

At this juncture, we think it would be premature to conclude that a policy mistake of tightening too quickly will derail the global expansion. Thus far, the policy shifts by the Canadian and U.S. central banks have been tentative and the authorities have signalled that any further tightening will be gradual. As a result, we expect monetary policy will remain expansionary for some time yet, given the structural headwinds to growth, a lack of inflationary pressures and the economies' sensitivity to higher rates due to elevated debt levels. These factors, combined with legislative gridlock in Washington, recent protectionist moves by the U.S. and ongoing geopolitical risks, are expected to be supportive of bond prices over the near term. Since early this month, domestic bond yields have settled into a higher trading range, and we expect this elevated trading range may persist over the short term.

Looking further ahead, we believe yields will shift gradually higher, given the expectation that the North American monetary authorities will move slowly to normalize policy, and in light of most indicators which suggest the slow but steady global expansion will continue. In light of this, we think the portfolio's defensive posture and laddered maturity structure remains warranted.

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 circumstances, income needs or risk tolerance in order for us to review the suitability of your investment objectives.***

Martin, Lucas & Seagram Ltd.

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

**Portfolio Holdings at June 30, 2017**

<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			5,953	0
<b>MONEY MARKET ISSUES</b>					
1,130,000	FirstBank BA .659% due July 5, 2017	99.95	99.99	1,129,861	7,443
1,070,000	CIBC BA 0.731% due July 7, 2017	99.88	99.98	1,069,815	7,812
885,000	Toronto Dominion Bank BA .809% due July 11, 2017	99.81	99.97	884,760	7,146
1,755,000	Canada Treasury Bill .479% due July 13, 2017	99.89	99.98	1,754,709	8,397
610,000	CIBC BA .814% due July 19, 2017	99.81	99.96	609,728	4,956
895,000	Bank of Nova Scotia BA .654% due July 26, 2017	99.92	99.94	894,454	5,580
1,005,000	Canada Treasury Bill 0.450% due July 27, 2017	99.90	99.96	1,004,617	5,020
1,485,000	Canada Treasury Bill 0.46% due August 10, 2017	99.89	99.93	1,484,008	6,824
1,785,000	Canada Treasury Bill .48% due August 24, 2017	99.89	99.90	1,783,226	8,559
640,000	CIBC BA .64% due September 5, 2017	99.85	99.83	638,888	4,090
435,000	Bank of Nova Scotia BA 0.879% due September 20, 2017	99.80	99.78	434,062	382
				<u>11,688,128</u>	<u>66,209</u>
<b>TOTAL PORTFOLIO</b>				<b>11,694,081</b>	<b>66,209</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 04-01-17 To 06-30-17*

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
04-04-17	04-05-17	415,000	Bank of Nova Scotia BA .842% due June 30, 2017	99.80	414,178.30
04-05-17	04-06-17	1,125,000	Toronto Dominion Bank BA .806% due May 5, 2017	99.94	1,124,280.00
04-17-17	04-18-17	885,000	Toronto Dominion Bank BA .809% due July 11, 2017	99.81	883,353.90
04-19-17	04-19-17	1,755,000	Canada Treasury Bill .479% due July 13, 2017	99.89	1,753,064.24
04-21-17	04-24-17	610,000	CIBC BA .814% due July 19, 2017	99.81	608,831.24
05-03-17	05-04-17	1,005,000	Canada Treasury Bill 0.450% due July 27, 2017	99.90	1,003,959.83
05-04-17	05-04-17	1,125,000	FirstBank BA 0.695% due June 5, 2017	99.94	1,124,336.25
05-05-17	05-08-17	1,070,000	CIBC BA 0.731% due July 7, 2017	99.88	1,068,716.00
05-12-17	05-15-17	640,000	Royal Bank BA .70% due June 12, 2017	99.95	639,656.32
05-17-17	05-17-17	1,485,000	Canada Treasury Bill 0.46% due August 10, 2017	99.89	1,483,428.87
05-31-17	06-01-17	1,785,000	Canada Treasury Bill .48% due August 24, 2017	99.89	1,783,031.15
06-02-17	06-05-17	1,130,000	FirstBank BA .659% due July 5, 2017	99.95	1,129,387.54
06-09-17	06-12-17	640,000	CIBC BA .64% due September 5, 2017	99.85	639,047.68
06-12-17	06-13-17	895,000	Bank of Nova Scotia BA .654% due July 26, 2017	99.92	894,310.85
06-29-17	06-30-17	435,000	Bank of Nova Scotia BA 0.879% due September 20, 2017	99.80	434,143.05
					<b>14,983,725.22</b>
<b>SALES</b>					
04-05-17	04-05-17	415,000	Bank of Nova Scotia BA .819% due April 5, 2017	100.00	415,000.00
04-06-17	04-06-17	1,125,000	Toronto Dominion Bank BA .819% due April 6, 2017	100.00	1,125,000.00
04-18-17	04-18-17	885,000	FirstBank BA .82% due April 18, 2017	100.00	885,000.00
04-20-17	04-20-17	1,755,000	Canada Treasury Bill .38% due April 20, 2017	100.00	1,755,000.00

Martin, Lucas & Seagram Ltd.  
**PURCHASE AND SALE**  
**CLLAS - SHORT TERM INVESTMENT FUND**  
*(RBC Investor Services)*  
*From 04-01-17 To 06-30-17*

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
04-24-17	04-24-17	610,000	CIBC BA .75% due April 24, 2017	100.00	610,000.00
05-04-17	05-04-17	1,005,000	Canada Treasury Bill .40% due May 4, 2017	100.00	1,005,000.00
05-05-17	05-05-17	1,125,000	Toronto Dominion Bank BA .806% due May 5, 2017	100.00	1,125,000.00
05-08-17	05-08-17	1,070,000	Royal Bank BA .749% due May 8, 2017	100.00	1,070,000.00
05-15-17	05-15-17	635,000	CIBC BA .81% due May 15, 2017	100.00	635,000.00
05-18-17	05-18-17	1,485,000	Canada Treasury Bill .45% due May 18, 2017	100.00	1,485,000.00
06-01-17	06-01-17	1,785,000	Canada Treasury Bill .445% due June 1, 2017	100.00	1,785,000.00
06-05-17	06-05-17	1,125,000	FirstBank BA 0.695% due June 5, 2017	100.00	1,125,000.00
06-12-17	06-12-17	640,000	Royal Bank BA .70% due June 12, 2017	100.00	640,000.00
06-13-17	06-13-17	880,000	Bank of Nova Scotia BA .768% due June 13, 2017	100.00	880,000.00
06-30-17	06-30-17	415,000	Bank of Nova Scotia BA .842% due June 30, 2017	100.00	415,000.00
					<b>14,955,000.00</b>

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Martin, Lucas & Seagram Ltd.  
**CASH RECONCILIATION**  
***CLLAS - SHORT TERM INVESTMENT FUND***  
***(RBC Investor Services)***  
***From 04-01-17 to 06-30-17***

Cash Balance at April 1, 2017			7,769.16
ADD: Proceeds from Sales	14,955,000.00		
Bond Interest Credited (from Long Term Investment Fund)	<u>38,488.75</u>	<u>14,993,488.75</u>	
			15,001,257.91
LESS: Cost of Purchases	14,983,725.22		
Investment Counsel Fees - Short Term Investment Fund	3,291.23		
Investment Counsel Fees - Long Term Investment Fund	3,649.13		
Trust Company Charges	<u>4,639.26</u>	<u>14,995,304.84</u>	
<b>Cash Balance at June 30, 2017</b>			<b>5,953.07</b>

Martin, Lucas & Seagram Ltd.

EXTERNAL INDIVIDUAL CREDIT RATING REPORT - JUNE 30, 2017

CLLAS - SHORT TERM INVESTMENT FUND

				Unit	Total		Market	Pct.
Quantity	Security		Rating	Cost	Cost	Price	Value	Assets
CASH								
	Cash Account				5,953		5,953	0.1%
MONEY MARKET ISSUES								
1,130,000	FirstBank BA .659%	due July 5, 2017	R-1 (high)	99.95	1,129,388	99.99	1,129,861	9.7%
1,070,000	CIBC BA 0.731%	due July 7, 2017	R-1 (high)	99.88	1,068,716	99.98	1,069,815	9.1%
885,000	Toronto Dominion Bank BA .809%	due July 11, 2017	R-1 (high)	99.81	883,354	99.97	884,760	7.6%
1,755,000	Canada Treasury Bill .479%	due July 13, 2017	R-1 (high)	99.89	1,753,064	99.98	1,754,709	15.0%
610,000	CIBC BA .814%	due July 19, 2017	R-1 (high)	99.81	608,831	99.96	609,728	5.2%
895,000	Bank of Nova Scotia BA .654%	due July 26, 2017	R-1 (high)	99.92	894,311	99.94	894,454	7.6%
1,005,000	Canada Treasury Bill 0.450%	due July 27, 2017	R-1 (high)	99.90	1,003,960	99.96	1,004,617	8.6%
1,485,000	Canada Treasury Bill 0.46%	due August 10, 2017	R-1 (high)	99.89	1,483,429	99.93	1,484,008	12.7%
1,785,000	Canada Treasury Bill .48%	due August 24, 2017	R-1 (high)	99.89	1,783,031	99.90	1,783,226	15.2%
640,000	CIBC BA .64%	due September 5, 2017	R-1 (high)	99.85	639,048	99.83	638,888	5.5%
435,000	Bank of Nova Scotia BA 0.879%	due September 20, 2017	R-1 (high)	99.80	434,143	99.78	434,062	3.7%
					11,681,277		11,688,128	100%
TOTAL PORTFOLIO					11,687,230		11,694,081	

Martin, Lucas & Seagram Ltd.

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

**Portfolio Holdings at June 30, 2017**

<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>					
250,000	Canada Housing Trust 1.75% due June 15, 2018	100.11	100.69	251,735	4,375
250,000	Canada Housing Trust 1.95% due June 15, 2019	100.10	101.34	253,343	4,875
200,000	Canada Housing Trust 2.4% Series 48 due December 15, 2022	100.37	102.97	205,946	4,800
200,000	Canada Housing Trust 2.35% due September 15, 2023	105.62	102.61	205,220	4,700
300,000	Canada Housing Trust Ser. 70 2.25% due December 15, 2025	100.98	100.89	302,655	6,750
				<hr/> 1,218,899	<hr/> 25,500
<b>PROVINCIAL BONDS</b>					
330,000	Ontario 1.90% due September 8, 2017	100.18	100.19	330,617	6,270
350,000	Ontario 2.1% due September 8, 2018	99.57	101.09	353,822	7,350
250,000	British Columbia 3.25% due December 18, 2021	102.30	106.23	265,585	8,125
250,000	Ontario 3.15% due June 2, 2022	99.04	105.79	264,483	7,875
400,000	Ontario 2.60% due June 2, 2025	101.08	102.09	408,340	10,400
350,000	British Columbia 2.3% due June 18, 2026	104.40	99.66	348,824	8,050
				<hr/> 1,971,671	<hr/> 48,070
<b>CORPORATE BONDS</b>					
200,000	Toronto Dominion Bank Dep. Note 2.433% due August 15, 2017	100.73	100.17	200,344	4,866
200,000	Royal Bank Dep. Note 2.26% due March 12, 2018	99.28	100.65	201,296	4,520
200,000	Wells Fargo Canada 2.944% due July 25, 2019	100.02	102.44	204,886	5,888
300,000	Bank of Montreal 2.84% due June 4, 2020	101.77	102.95	308,862	8,520
250,000	Toronto Dominion Bank Dep. Note 2.563% due June 24, 2020	104.57	102.01	255,018	6,408
200,000	Bank of Montreal 3.4% due April 23, 2021	100.65	105.13	210,258	6,800



Martin, Lucas & Seagram Ltd.

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

**Portfolio Holdings at June 30, 2017**

<b>Quantity</b>	<b>Security</b>	<b>Unit Cost</b>	<b>Price</b>	<b>Market Value</b>	<b>Annual Income</b>
150,000	Royal Bank 1.968% due March 2, 2022	100.05	99.23	148,838	2,952
250,000	National Bank of Canada 2.105% due March 18, 2022	102.04	99.78	249,458	5,263
150,000	Wells Fargo 3.46% due January 24, 2023	102.36	105.81	158,715	5,190
				1,937,674	50,406
<b>TOTAL PORTFOLIO</b>				<b>5,128,243</b>	<b>123,976</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 04-01-17 To 06-30-17***

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
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**No transactions were found!**

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Martin, Lucas & Seagram Ltd.  
**CASH RECONCILIATION**  
***CLLAS - LONG TERM INVESTMENT FUND***  
*From 04-01-17 to 06-30-17*

Cash Balance at April 1, 2017	0.00
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Cash Balance at June 30, 2017	0.00
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Martin, Lucas & Seagram Ltd.  
DATE TO DATE GAINS AND LOSSES  
**CLLAS - LONG TERM INVESTMENT FUND**  
*(RBC Investor Services)*  
From 03-31-17 to 06-30-17

Security	03-31-17 Market Value	Additions Withdrawals	06-30-17 Market Value	06-30-17 Cost Basis	Realized Gain or Loss		Unrealized Gain or Loss	
					Cost	Market	Cost	Market
<b>GOVERNMENT BONDS</b>								
Canada Housing Trust 1.75% due June 15, 2018	252,940	-2,188	251,735	250,275	0	0	1,460	-1,205
Canada Housing Trust 1.95% due June 15, 2019	255,290	-2,438	253,343	250,238	0	0	3,105	-1,948
Canada Housing Trust 2.4% Series 48 due December 15, 2022	208,004	-2,400	205,946	200,740	0	0	5,206	-2,058
Canada Housing Trust 2.35% due September 15, 2023	207,028	0	205,220	211,240	0	0	-6,020	-1,808
Canada Housing Trust Ser. 70 2.25% due December 15, 2025	304,353	-3,375	302,655	302,940	0	0	-285	-1,698
<b>GOVERNMENT BONDS Total</b>	<b>1,227,615</b>		<b>1,218,899</b>	<b>1,215,433</b>	<b>0</b>	<b>0</b>	<b>3,466</b>	<b>-8,717</b>
<b>PROVINCIAL BONDS</b>								
Ontario 1.90% due September 8, 2017	331,736	0	330,617	330,594	0	0	23	-1,119
Ontario 2.1% due September 8, 2018	355,950	0	353,822	348,495	0	0	5,327	-2,128
British Columbia 3.25% due December 18, 2021	268,833	-4,063	265,585	255,750	0	0	9,835	-3,248
Ontario 3.15% due June 2, 2022	267,173	-3,938	264,483	247,600	0	0	16,883	-2,690
Ontario 2.60% due June 2, 2025	410,028	-5,200	408,340	404,305	0	0	4,035	-1,688
British Columbia 2.3% due June 18, 2026	349,948	-4,025	348,824	365,400	0	0	-16,576	-1,124
<b>PROVINCIAL BONDS Total</b>	<b>1,983,666</b>		<b>1,971,671</b>	<b>1,952,144</b>	<b>0</b>	<b>0</b>	<b>19,527</b>	<b>-11,996</b>
<b>CORPORATE BONDS</b>								
Toronto Dominion Bank Dep. Note 2.433% due August 15, 2017	201,100	0	200,344	201,460	0	0	-1,116	-756
Royal Bank Dep. Note 2.26% due March 12, 2018	202,064	0	201,296	198,560	0	0	2,736	-768
Wells Fargo Canada 2.944% due July 25, 2019	206,718	0	204,886	200,040	0	0	4,846	-1,832
Bank of Montreal 2.84% due June 4, 2020	311,931	-4,260	308,862	305,307	0	0	3,555	-3,069
Toronto Dominion Bank Dep. Note 2.563% due June 24, 2020	258,013	-3,204	255,018	261,425	0	0	-6,408	-2,995
Bank of Montreal 3.4% due April 23, 2021	212,866	-3,400	210,258	201,300	0	0	8,958	-2,608
Royal Bank 1.968% due March 2, 2022	150,471	0	148,838	150,075	0	0	-1,238	-1,634
National Bank of Canada 2.105% due March 18, 2022	252,405	0	249,458	255,100	0	0	-5,643	-2,948
Wells Fargo 3.46% due January 24, 2023	160,061	0	158,715	153,542	0	0	5,174	-1,346
<b>CORPORATE BONDS Total</b>	<b>1,955,628</b>		<b>1,937,674</b>	<b>1,926,809</b>	<b>0</b>	<b>0</b>	<b>10,865</b>	<b>-17,955</b>
<b>TOTAL PORTFOLIO</b>	<b>5,166,909</b>		<b>5,128,243</b>	<b>5,094,385</b>	<b>0</b>	<b>0</b>	<b>33,858</b>	<b>-38,667</b>
<b>TOTAL DATE TO DATE GAIN OR LOSS</b>								<b>-38,667</b>
<b>% CHANGE DURING PERIOD</b>								<b>-0.75</b>

Martin, Lucas & Seagram Ltd.

EXTERNAL INDIVIDUAL CREDIT RATING REPORT - JUN 30, 2017

CLLAS - LONG TERM INVESTMENT FUND

Quantity	CUSIP	Security		Rating	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
GOVERNMENT BONDS									
250,000	13509PDT7	Canada Housing Trust 1.75%	due June 15, 2018	AAA	100.11	250,275	100.69	251,735	4.9%
250,000	13509PEL3	Canada Housing Trust 1.95%	due June 15, 2019	AAA	100.10	250,238	101.34	253,343	4.9%
200,000	13509PDL4	Canada Housing Trust 2.4% Series 48	due December 15, 2022	AAA	100.37	200,740	102.97	205,946	4.0%
200,000	13509PDV2	Canada Housing Trust 2.35%	due September 15, 2023	AAA	105.62	211,240	102.61	205,220	4.0%
300,000	13509PFD0	Canada Housing Trust Ser. 70 2.25%	due December 15, 2025	AAA	100.98	302,940	100.89	302,655	5.9%
						1,215,433		1,218,899	23.8%
PROVINCIAL BONDS									
330,000	68323AAX2	Ontario 1.90%	due September 8, 2017	AA (low)	100.18	330,594	100.19	330,617	6.4%
350,000	68323ABR4	Ontario 2.1%	due September 8, 2018	AA (low)	99.57	348,495	101.09	353,822	6.9%
250,000	110709BJ0	British Columbia 3.25%	due December 18, 2021	AA (high)	102.30	255,750	106.23	265,585	5.2%
250,000	68323AAW4	Ontario 3.15%	due June 2, 2022	AA (low)	99.04	247,600	105.79	264,483	5.2%
400,000	68323ACX0	Ontario 2.60%	due June 2, 2025	AA (low)	101.08	404,305	102.09	408,340	8.0%
350,000	11070TAJ7	British Columbia 2.3%	due June 18, 2026	AA (high)	104.40	365,400	99.66	348,824	6.8%
						1,952,144		1,971,671	38.4%
CORPORATE BONDS									
200,000	891145A95	Toronto Dominion Bank Dep. Note 2.433%	due August 15, 2017	AA	100.73	201,460	100.17	200,344	3.9%
200,000	780086DV3	Royal Bank Dep. Note 2.26%	due March 12, 2018	AA	99.28	198,560	100.65	201,296	3.9%
200,000	94975ZBM7	Wells Fargo Canada 2.944%	due July 25, 2019	AA	100.02	200,040	102.44	204,886	4.0%
300,000	06367VCT0	Bank of Montreal 2.84%	due June 4, 2020	AA	101.77	305,307	102.95	308,862	6.0%
250,000	891145S47	Toronto Dominion Bank Dep. Note 2.563%	due June 24, 2020	AA	104.57	261,425	102.01	255,018	5.0%
200,000	06367VJN6	Bank of Montreal 3.4%	due April 23, 2021	AA	100.65	201,300	105.13	210,258	4.1%
150,000	780086KD5	Royal Bank 1.968%	due Mar 2, 2022	AA	100.05	150,075	99.23	148,838	2.9%
250,000	633067C27	National Bank of Canada 2.105%	due March 18, 2022	AA (low)	102.04	255,100	99.78	249,458	4.9%
150,000	94975ZBN5	Wells Fargo 3.46%	due January 24, 2023	AA	102.36	153,542	105.81	158,715	3.1%
						1,926,809		1,937,674	37.8%
TOTAL PORTFOLIO						5,094,385		5,128,243	100.0%