

ANNUAL REPORT

2018-2019



DIVERSIFICATION



ASIA PACIFIC
FOUNDATION
OF CANADA

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TABLE OF CONTENTS

STRATEGIC PILLARS	4
LETTER FROM THE CHAIR OF THE BOARD	6
LETTER FROM THE PRESIDENT & CEO	8
01. THE YEAR IN REVIEW	12
02. OUR IMPACT	30
03. IN THE NEWS	36
04. FINANCIAL STATEMENTS	40
05. SUPPORTERS	44
06. GOVERNANCE	47
07. FINANCIAL ANNEXES	54



STRATEGIC PILLARS

Promoting Trade, Investment & Innovation

Encouraging two-way business and fostering linkages between innovation ecosystems in Canada and Asia.



Building Skills & Competencies

Increasing young Canadians' awareness and understanding of Asia by enhancing curricula and promoting study abroad and internships in Asia.



Advancing Sustainability

Offering solutions to climate change, energy, food security and natural resources management challenges in the Asia Pacific.

Asia Now

Providing timely information and analysis on significant developments in global affairs relevant to the Canada-Asia relationship.



LETTER FROM MARIE-LUCIE MORIN

The rise of Asia is no longer a question of potential, but a matter of fact. The region today is home to half of the world's 3.2 billion middle class consumers, 210 of the world's 500 largest companies, and 1.1 billion internet users. Asia is now determining the shape and direction of global flows of trade and investment as well as talent and innovation and will continue to do so in the decades ahead.

This truly remarkable transformation comes at a time of further disruption in the global economy. Protectionism and anti-immigration sentiments are on the rise in many parts of the world, and lingering trade disputes risk challenging core relationships on which Canada has long relied.

These seismic shifts underscore the need for Canada to strengthen and maintain its existing relationships with international partners, but more importantly to seek out new opportunities to collaborate and prosper through new relationships in the established and emerging markets of Asia.

In this critical drive for economic diversification, the Government of Canada is playing a central role. Building on our global reputation as a fair, inclusive, and transparent trading partner, Canada is investing in policies, programs, and partnership-building that will ensure our economic prosperity in a tougher global marketplace. Canada's early adoption of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (ex the U.S. and China) and its co-ordination and funding of the Canada Innovation Supercluster Initiative are but two examples of our commitment to outward-looking diversification.

Canadians themselves understand the pivotal role Asia will play in the new global economy and are increasingly supportive of engagement with Asia. The Foundation's polling this year revealed some telling shifts in attitudes toward Asia, and a growing receptiveness to enhanced engagement with the region.

Fifty-nine percent of Canadians believe trade with Asia will outweigh trade with the U.S. in the future, and 53% are concerned Canada will fall behind international competitors in gaining access to Asian markets. Forty-three percent of Canadians, meanwhile, consider Canada as part of the Asia Pacific region, up from 34% in 2016 and just 18% in 2013.

These new polling results show us that Canadians hold increasingly positive attitudes toward Asia and are receptive to policies of economic and political engagement with the region, provided they align with core Canadian values around political rights, social equity, and economic propriety.

From its educated labour force to its excellent track record in sectors that are in demand in Asia – including natural resources, high- and cleantech, financial services, infrastructure, and health care – Canada has the strengths needed to successfully compete in today's global marketplace.

The Asia Pacific Foundation of Canada, our country's leading institution on Canada-Asia engagement for more than three decades, is uniquely positioned within this new paradigm of diversification to identify and articulate opportunities for our business, government, and student/young professional stakeholders in the Asia Pacific. Our work this year hosting the fourth annual Asia Business Leaders Advisory Council meeting in Hong Kong, our successful launch of Canada's first women-only trade mission to Japan, and our continuing expansion of the 'Asia Connect' program providing young Canadians with work and study opportunities abroad, are just three examples of our effectiveness in this space. Combined with our research, publications, convening, networking, and other strategic programming, the Foundation's activities have never been more relevant or important to Canada's future economic prosperity.



*Acting Board Chair,
Marie-Lucie Morin*

LETTER FROM STEWART BECK

In a year characterized by shifting interests and alliances impacting the Asia Pacific and Canada's relations with this dynamic region, the work of the Asia Pacific Foundation of Canada has never been more vital.

This has been an exciting year at the Foundation, from hosting our first Asia Business Leaders Advisory Council meeting in Asia and establishing Canada's first women-only trade mission to Japan, to exploring strategic opportunities in Asia for Canada's high-tech sectors and Indigenous communities and polling Canadians on their support for increased engagement with the economies of the Asia Pacific.

These activities have not only demonstrated our leadership in driving the Canadian conversation on the Asia Pacific and producing clear, specific, and actionable insights and advice for business and government leaders, but have also underscored for all Canadians the urgency of deepening and diversifying our interests and partnerships in rising Asia, the new centre of global growth and innovation.

Our research outputs this year have also supported our ongoing mission as a catalyst and bridge spanning the Pacific, highlighting diversified opportunities within the economies of Asia with major reports on e-commerce in Japan and cleantech demand in China and India, as well as new data tracking and analysis of two-way foreign investment flows between Canada and Asia via our ongoing Investment Monitor project and interactive web portal.

This year's National Opinion Poll: Canadian Views on Engagement with Asia was in the field several

months prior to the onset of Canada-China tensions that began in December, but beyond China the poll offers encouraging insights into Canadians' views on wider Asia, and on economic engagement with other important economies in the region.

I was encouraged to see, for instance, that 43% of Canadians consider Canada as part of the Asia Pacific region, up from 34% in 2016 and 18% in 2013. Significantly, 59% of Canadians believe trade with Asia will outweigh trade with the U.S. in the future, and 53% are concerned that Canada will fall behind international competitors in gaining access to Asian markets. This year's poll also showed strong support for free-trade agreements with India and ASEAN and for Canada's progressive trade agenda.

Among the many events we convened this year at locations across Canada and Asia, two significant events stood out for me as examples of our unique



Press play to watch this video.

President & CEO,
Stewart Beck



ability to draw on new and established networks of Asia Pacific stakeholders to identify opportunities for exporters of Canadian goods and services and to articulate strategic terms of engagement as Canada continues down the necessary path of greater economic diversification.

The 2019 Asia Business Leaders Advisory Council meeting in Hong Kong this February was our fourth ABLAC meeting and our first outside Canada. The meeting brought together 25 ABLAC members and 60 observers, which was our highest attendance to date. The meeting was convened around the theme of "building Canada's brand in Asia, connecting innovation ecosystems, and deepening our Canada-Asia network" and resulted in several key recommendations outlined elsewhere in this year's *Annual Report*.

Our John H. McArthur Distinguished Fellowship was awarded this year to Michael R. Bloomberg, who was the keynote speaker at our curated event at the University of Toronto. The event drew a capacity audience of business and academic leaders from across Canada and received international media attention, raising the profile of APF Canada and its work in encouraging greater engagement with partners in the Asia Pacific.

In other aspects of our APF Canada programming this year, I was particularly proud of the first Canadian women-only business mission to Japan in partnership with government, corporate, and academic stakeholders. The mission grew APF Canada's business network and positioned the Foundation as a leader in catalyzing women's trade missions to Asia. We have similar missions planned to South Korea, India, and Taiwan.

APF Canada's "Building Skills and Competencies" team was particularly active this fiscal, working tirelessly to increase young Canadians' understanding of Asia through enhanced educational tools and by promoting study abroad and internships in Asia. Our 'Building Bridges' student conference with our Simon Fraser University and Cansbridge Fellowship partners was just one highlight of this year's programming, which also included a roundtable series in Vancouver, Montreal, and Toronto on preparing young Canadians for China-related careers, a set of Asia-content teaching modules for Grades 6 and 9, and the launch of our Toronto Asia Pacific Youth Council to complement a similar program in Vancouver.

I am also extremely proud of the work our "Canada-APEC Building Business Partnerships" team undertook this year in extending our outreach to MSMEs and entrepreneurs in the Philippines and Indonesia through a series of collaborative workshops, reports, toolkits, and training sessions complementing the work already done in Vietnam and Peru, the Partnership's two other focus economies.

These activities, and others you will read about in the *2018-2019 Annual Report* of the Asia Pacific Foundation of Canada, demonstrate our clear and continuing commitment to our mission as Canada's catalyst for engagement with Asia, and Asia's bridge to Canada.

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The Asia Pacific Foundation of Canada, our country's leading institution on Canada-Asia engagement for more than three decades, is uniquely positioned within this new paradigm of diversification to identify and articulate opportunities for our business, government, and student/young professional stakeholders in the Asia Pacific.

| APF Canada Acting Board Chair, Marie-Lucie Morin





01.

THE YEAR IN REVIEW

- New Addition to Our Executive Team
- Marquee Events
- A Canadian First
- Polling Canadians
- Leveraging Our Research
- Bolstering Our Networks
- Leveraging Secretariats & Distinguished Fellows
- Beyond British Columbia
- Youth Programming
- APEC-Canada Growing Business Partnership
- The Way Forward

THE 2018-2019 FISCAL YEAR WAS ONE CHARACTERIZED BY

historic fluctuations in the global economy – shifts underscoring the critical importance of the Asia Pacific Foundation of Canada and its continuing mission as a catalyst for engagement with Asia, and Asia’s bridge to Canada.

The fluctuations we have witnessed this year – from the negative impacts of creeping protectionism and global insecurity, to the positive potential of the new Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the United States-Mexico-Canada free trade agreements – highlight a trend of shifting interests and alliances, and the importance to Canada of strategically deepening and diversifying our own partnerships within rising Asia, the new centre of global growth and innovation.

Add to this trend of global inconstancy the lingering chill in Canada-China relations sparked by the arrest in Vancouver last December of Huawei executive Meng Wanzhou on a U.S. extradition warrant, and it becomes ever clearer that Canada’s future economic prosperity is best served by policies and programs that strategically support trade diversification across multiple Asian economies.

By 2020, Asia will be home to 54% of the world’s middle class and responsible for 42% of global consumption. By 2050, India is expected to edge out the U.S. for the No. 2 spot in global GDP rankings; Indonesia will transition from the ninth largest economy in the world to the fourth largest; and, Vietnam and Bangladesh will both see their economies grow more than six-fold, allowing them

to enter the ranks of the top 25 largest economies in the world.

Our Asia Pacific Foundation of Canada research shows us that Canadians are increasingly aware of the opportunities Asia presents and are ready to engage. Our Asia Pacific networks tell us Canada is already receiving renewed attention in Asia for its social and economic openness, its policies of diversity, its adherence to the rule of law, and its active promotion of human rights and gender equality.

Looking at Asia’s staggering growth projections and considering the corresponding increase in demand for goods, services, capital, and talent from honest brokers like Canada, this period of flux and uncertainty in fact presents unique opportunities for Canada and Canadian businesses. There is vast potential for our companies in almost every sector to expand and grow in Asia, and Canada is ideally positioned to capitalize on its positive reputation in the region. The work of APF Canada this year in promoting the importance of enhanced engagement, supporting collaboration in innovative sectors, and connecting like-minded stakeholders across the Asia Pacific has played a crucial role in solidifying Canada’s presence across this vital region.

Here are some of the highlights of the 2018-2019 fiscal year, and our activities to support diversification in the face of the new global economy:

NEW ADDITION TO OUR EXECUTIVE TEAM

This year, APF Canada welcomed our new Vice-President, Research, **Dr. Jeff Reeves**, to the APF Canada team. Formerly the Director of Asian Studies at the United States Army War College in Carlisle, Pennsylvania, Jeff’s extensive career as a researcher, analyst, instructor, and senior strategist has been focused on statecraft and traditional and non-traditional security issues in the Asia Pacific.



Jeff has more than 15 years direct experience living and working in Asia, including as an Associate Professor with the Daniel K. Inouye Asia Pacific Center for Security Studies in the U.S., as a Research Fellow with Griffith University in Australia, and as a University Instructor at Peking University in the People’s Republic of China. He has worked with the

United Nations Development Program and World Wildlife Foundation in Beijing and as a Research Assistant with the London School of Economics and Political Science’s Asia Research Centre in London. Jeff also served in the United States Peace Corps from 2001 to 2003 in Khovd, Mongolia.

Jeff has published extensively on economics, politics, and security in Asia, including the books *Chinese-Japanese Competition and the East Asian Security Complex: Vying for Influence* (Routledge 2016), *Chinese Foreign Relations with Weak*

Peripheral States: Asymmetrical Economic Power and Insecurity (Routledge 2015), and *Non-Traditional Security in East Asia: A Regime Approach* (Imperial College Press 2015). His articles have appeared in Tier 1 peer reviewed journals including *The China Quarterly*, *Journal of Contemporary China*, *Asia Security*, *Pacific Review*, and *Terrorism and Political Violence*, among others.

He will bring a unique perspective and a rich skill set to this senior role at the Foundation, overseeing our research team and taking a lead in defining our future strategic vision. In February, Jeff launched a video podcast series called *Asia 360* hosted by former APF Canada Media Fellow Hayley Woodin, a digital journalist with media partner *Business in Vancouver*.



Click on the image to access the podcast.

MARQUEE EVENTS

This year, APF Canada hosted two marquee events that solidified our position as a vital convenor and agent of change in the Canada-Asia space.

The **2019 Asia Business Leaders Advisory Council** meeting was our fourth ABLAC meeting and our first outside Canada. Held February 26-27 in Hong

Kong, the meeting brought together 25 ABLAC members – 12 Canadian business leaders, and 13 from across Asia – and 60 observers, which was our highest attendance to date.



Click on the image to view the video.

ABLAC 2019 was the first meeting to host a foreign economic leader, in this case, **Carrie Lam, Chief Executive of Hong Kong**, and also featured **Consul General of Canada in Hong Kong and Macao Jeff Nankivell** as a keynote speaker. The meeting was convened around the theme

of “building Canada’s brand in Asia, connecting innovation ecosystems, and deepening our Canada-Asia network” and the sessions focused on “moving into action” by encouraging strong trade agreements, bolstering Canada’s skilled talent pool, and ensuring Canada’s new cross-border Innovation Superclusters Initiative is inclusive of an Asia-facing strategy.

Key recommendations from ABLAC 2019 included:

- Advance exploratory discussions for a Canada-Hong Kong free trade agreement
- Foster development of an Asia engagement strategy for Canada’s Innovation Supercluster Initiative
- Leverage the CPTPP to grow micro, small, and medium enterprises
- Support the placement of 5,000 Canadian students in Asia by 2025
- Expand Canada’s digital economy capacity

Canadian Members

- Mark Machin (CPPIB)–ABLAC Chair
- Dominic Barton (McKinsey & Co.)
- Stewart Beck (APF Canada)
- William Brown (EDC representative for Mairead Lavery)
- Dean Connor (Sun Life Financial)
- Neil Cunningham (PSP Investments)
- Janet De Silva (Toronto Region Board of Trade)
- Gordon Fyfe (BCIMC)
- Goldy Hyder (BCC)

Ralph Lutes (Teck representative for Don Lindsay)

Sue Paish (Canada’s Digital Supercluster)

Ferio Pugliese (Air Canada representative for Calin Rovinescu)

Michael Rolland (OMERS)

Mark Wiseman (BlackRock)

Asian Members

Songyee Yoon (NCSOFT)–ABLAC Co-chair

Hafimi Abdul Haadii (LVK Group)

John Cheh (Esquel)

Joseph Fung (Fairchild Capital)

Doris Ho (Magsaysay)

Michael Kim (MBK Partners)

Kenny Lam (Noah Holdings)

Winston Leong (Fontana)

Shan Li (Silk Road Financing)

Veronica Lukito (Ancora Capital)

Cong Phan (UniBrands)

Yukako Uchinaga (Japan Women’s Innovation)

Diane Wang (DhGate)



Dean Connor, President and Chief Executive Officer, Sun Life Financial

In the world of social media, #ABLAC2019 tweets earned APF Canada 35,000 impressions on **Twitter** over the two-day period, after we posted 51 tweets and retweeted 11 tweets from other attendees. On **Instagram**, our 20 “stories,” including five interview videos, earned us 1,200 views on February 27.

In January, APF Canada announced the second **John H. McArthur Distinguished Fellow: Michael R. Bloomberg**, founder of Bloomberg LP and Bloomberg Philanthropies, and the 108th Mayor of New York City.



Click on the image to view the video.

Bloomberg delivered a keynote address at the University of Toronto’s Rotman School of Management titled **Beyond Borders: Re-affirming the US-Canadian Partnership**, focusing on Canada-U.S. relations, the U.S.-China trade war, and climate change. He expressed optimism for the future of this historic alliance and emphasized his positive vision for global trade.

The January 15 event drew a capacity audience of 550 attendees, including business and academic leaders from Central Canada and beyond. The John H. McArthur Distinguished Fellowship, and the associated lecture series, honour **Dr. John H. McArthur, Dean Emeritus of Harvard Business School** and an outstanding Canadian, global leader in business education. Dr. McArthur is a former Chair of APF Canada’s Board of Directors.

This year’s high-profile McArthur Fellowship event earned APF Canada branded media hits globally, including coverage in the [Globe and Mail](#), [Maclean’s](#), [BNN Bloomberg](#), [ABC News](#), the [Boston Globe](#), and the U.K.’s [Daily Mail](#). Our advanced social media campaign was highly effective, and day-of-event #JMDF2019 tweets earned us 23,000 impressions.

A CANADIAN FIRST

This year, in partnership with government, corporate, and academic partners, APF Canada delivered the **First Canadian Women-Only Business Mission to Japan**. Visiting Tokyo and Osaka, the mission was convened to promote Canadian women-led or -owned businesses and inclusive trade growth between Canada and Japan in care economy sectors.



Delegates of the First Canadian Women-Only Business Mission to Japan meet HIH Princess Takamado at a special luncheon hosted at the Meiji Kinen Kan

Spun out of our successful **Women2Women in the Asia Pacific** series of multi-stakeholder business dialogues across Canada in 2017 and 2018, the mission began on April 1 and saw Canadian companies sign six deals, grew APF Canada’s network of women in business and related organizations interested in the Asia Pacific, and positioned the Foundation as a leader in catalyzing women’s business missions to Asia.

APF Canada is looking forward to convening industry-led women-only business missions to other markets in the Asia Pacific region in the coming years, including to **Taiwan, South Korea, India, and China**.

POLLING CANADIANS

For 14 years, APF Canada’s **National Opinion Poll (NOP)** has examined Canadian opinions and attitudes toward Canada’s engagement with Asia. This year, the Foundation commissioned EKOS Research Associates to conduct its national survey, **Canadian Views on Asia**.

While anti-trade and anti-immigration sentiments are on the rise in many parts of the world, this is not true in Canada where the public is increasingly supportive of international engagement, particularly when it comes to Asia. This outlook is reflected across multiple dimensions of this year’s NOP, which polled 3,561 Canadian adults on Canada-Asia relations between February 28 and March 16, 2018, several months before the onset of Canada-China tensions beginning in December 2018.

The poll, which includes both legacy and new questions, traces important shifts in attitude over time and shines a spotlight on new developments in the Canada-Asia relationship.

Key takeaways from the 2018 NOP:

Canadians increasingly feel that they belong to the Asia Pacific region.

43% of Canadians consider Canada as part of the Asia Pacific region, up from 34% in 2016 and 18% in 2013.

Canadians believe trade relations with Asia are central to Canada’s future.

59% of Canadians believe trade with Asia will outweigh trade with the U.S. in the future, and 53% are concerned that Canada will fall behind international competitors in gaining access to Asian markets.

Support for FTAs with Asia continues to grow.

The support for FTAs with India (66%), ASEAN (63%), and China (59%), respectively, has increased significantly from less than 40% compared in 2014.

A significant number of Canadians support the Trudeau government’s progressive trade agenda.

More than 40% of Canadians believe that “progressive” elements should be included in an FTA with Asia Pacific economies.

Canadians feel that relations with China and South Korea are improving, in stark contrast to the perception of a worsening Canada-U.S. relationship.

27% of Canadians say Canada-China relations are improving, up slightly from 2016. 24% perceive better Canada-South Korea relations, up from 16% in 2016. For the U.S., an overwhelming majority of Canadians (80%) feel the relationship is worsening. This number has skyrocketed, from 20% in 2016 and 28% in 2006.

This year’s NOP was promoted on social media through a [teaser video](#), and through an [engaging infographic](#) highlighting key takeaways of the national survey.

LEVERAGING OUR RESEARCH

APF Canada provides clear, specific, and actionable policy advice and leadership based on sound research and analysis. Our research this year touched on areas of increasing interest and importance to Canadians, and Canadian businesses looking for diversified opportunities within the economies of the Asia Pacific, including major reports on e-commerce and cleantech, as well as data tracking and analysis of two-way investment flows between our two regions.

APF Canada partnered this year with Simon Fraser University's Beedie School of Business to produce a report entitled [E-Commerce in Japan: An Island of Opportunity for Canadian Exporters](#) on the **e-commerce opportunities for Canadian businesses in Japan**, a report that included **two case studies** illustrating real-life examples of first considering entry to the Japanese market with an e-commerce platform as the major component of the companies' strategy.

The 56-page report followed [last year's report](#) on **e-commerce in China's** C\$9.4T online market and next year APF Canada will produce a similar report on **e-commerce opportunities in South Korea**.

APF Canada also worked this year with the Canadian government on two major research projects on opportunities for Canadian businesses in the **cleantech sectors** of two major Asian economies – **India and China**.

India Clean Tech Project

Our **India Clean Tech Market Study** was the product of three months of research undertaken by the Foundation in collaboration with **Innovation, Science and Economic Development Canada**. The objective of the study was to identify Canadian clean technology capabilities best poised to help India meet its clean growth needs, identify barriers

in Canada and India, and provide some potential solutions.

The study consisted of two phases:

- Background research examining Canada's cleantech capabilities, subsectors with the greatest potential for commercialization in India, and India's cleantech landscape; and
- Preliminary business analysis including research and interviews to examine the paths to commercialization for the selected Canadian cleantech subsectors, with a focus on India.

The research – including interviews with 29 cleantech practitioners in Canada – identified water and wastewater management, transportation, and energy efficiency as key subsectors where Canadian companies excel.

Barriers to engagement in this sector in India were also identified, including price sensitivity, reliability of in-country partners, and a lack of India competence among Canadian companies. But the report also provided a series of potential solutions, including a co-ordinated, targeted approach that will boost Canadian cleantech companies' chances of commercialization, improve their outreach to the Indian market, and expand their India competencies through more sustained efforts.

China Clean Tech Project

APF Canada's **China Clean Tech Market Study** was commissioned by **Global Affairs Canada** under its **Global Opportunities for Associations (GOA)** program and involved four months of research, from December 2018 to March 2019.

Outputs from this project included **four roundtables** with 67 representatives from Canadian cleantech companies on opportunities and challenges of

doing business with/in China held in Vancouver, Montreal, Toronto, and Calgary in late January and early February, as well as a **40-page final research report** incorporating an overview of China's transition to green growth that has been submitted to GOA and will be released in August 2019.

The research featured interviews with Canadian clean tech experts on air, water, and soil to better understand the Canadian clean tech landscape.

Nine analytical articles diving into the environmental protection performance of China's 31 provincial capitals, as well as China's national and provincial policy structures and commitments to promoting environmental protection, were published as APF Canada's [China Eco-City Tracker Web Series](#) under the stewardship of Dr. Iris Jin, APF Canada's Program Manager, Trade, Investment, Innovation and Canada-China Relations.

The [China Eco-City Tracker website](#), an initiative of APF Canada, was launched in November as a public-facing data portal and complementary tool to APF Canada's research work on environmental remediation practices and policies in China.

Indicators used in the Tracker are grouped into four main categories: 1) [air quality](#); 2) [water quality](#); 3) [solid waste](#); and 4) [socio-economic](#) indicators. For each of these four categories, data are displayed on a map that shows the ranking of each city, as well as on a chart that allows for customized inter-city comparisons.

This project aims to help Canadians better understand environmental protection in China, and assist Canadian governments and businesses to identify potential opportunities in China's fast-growing clean technology market. It now offers the users a tool to track the changes in environmental protection performance of China's major cities since 2013.



China Eco-City Tracker launch event at APF Canada

APF Canada's research team presented the China Eco-City Tracker project at the conference on **Climate Change, Clean Growth, and Energy Opportunities in China** organized by the China Institute, University of Alberta, in Edmonton, in November, followed by a **Lunch & Data Crunch** event at APF Canada's Vancouver offices that drew 15 external media and government attendees, including representatives from Omni TV, *Caifu Magazine*, *Ming Pao*, *The South China Morning Post*, Global Affairs Canada, and the Hong Kong Economic & Trade Office.

Track II Energy Dialogues

APF Canada's **China Clean Tech Market Study** and **China Eco-City Tracker** initiative were also critical in helping inform APF Canada's **Track II Energy dialogues** with Chinese partners this year.

APF Canada and the **Economics and Technology Research Institute of China National Petroleum Corporation (ETRI of CNPC)** held two joint meetings of the non-governmental (Track II) Energy Dialogues this year, one at APF Canada's Vancouver Office on April 27, and a second in Halifax on September 25, both funded by **Natural Resources Canada**.

The Track II dialogues aim to further develop a set of recommendations that could support enhanced bilateral energy trade and investment between Canada and China, and cover a full spectrum of energy subsectors including: renewables, energy efficiency, Indigenous inclusion, oil, natural gas, and nuclear. The initiative was highlighted in the Canada-China Joint Statement on Climate Change and Clean Growth issued on December 4, 2017, in Beijing, and follows up on a commitment made by Prime Minister Justin Trudeau and Chinese Premier Li Keqiang in September 2016 to develop and reinforce bilateral co-operation in the field of energy.

APF Canada and ETRI of CNPC are acting as the Secretariats for Canada and China, respectively. APF Canada President and CEO Stewart Beck is the Canada Co-Chair; Jiang Xuefeng, Vice-President, ETRI of CNPC, is the China Co-Chair. The interim report on the China Track II Dialogue was completed at the end of December 2018.

The Investment Monitor

APF Canada's [Investment Monitor project](#), meanwhile, is now in its second year, and focuses on two-way investments between Canada and Asia. The second-year report was released in April (findings were shared at the **Canadian Annual Economic Conference** in May and tracked 2,974 deals worth C\$311B). The first year report, incidentally, focused on tracking Asia Pacific investment coming into Canada.

Our primary project partner is **The School of Public Policy at the University of Calgary**, and in its second year, the Investment Monitor continued to receive support from partners like the **Export Development Canada**, the **Bank of Canada**, **Invest in Canada**, **Advantage BC**, and the **BC Ministry of Jobs, Trade, Investment and Technology**. Each partner and sponsor has a seat on the Advisory Council and has participated actively

making suggestions and providing ideas for the improvement of the product.

The Investment Monitor's [data visualization portal](#) was finished in this fiscal year and provides an easy-access experience through which the public can choose different timelines and comparisons between Canada and all Asia Pacific countries under study, and within different countries and sectors.

The official launch of the [second annual report](#) occurred in April 2018 and was preceded by a significant media campaign, including a press release and intensive diffusion through social media platforms, concluding with [an op-ed article by our President and CEO, Stewart Beck](#), published in the *Vancouver Sun* on May 6, 2018. The data was also used to produce multiple blog posts throughout the year on our APF Canada website.

BOLSTERING OUR NETWORKS

As a nexus of Canada-Asia engagement, APF Canada holds vital ties with both public and private sector stakeholders, enabling us to convene and lead the conversation on key issues. As part of this stakeholder engagement strategy, APF Canada continues to host **timely and relevant roundtables** to strengthen and expand our networks, share our work, and encourage new avenues of engagement across the Pacific. Here are four examples of our work in this space in the past year . . .

Asia Pacific Gateway Corridor Initiative

APF Canada partnered with **BC Government** agencies, **WESTAC**, and the **Greater Vancouver Gateway Council** to host a roundtable on October 11 on the importance of expanding and maintaining the **Asia Pacific Gateway Corridor Initiative** for the new B.C. provincial government.

The roundtable brought together private sector Gateway-related CEOs with provincial ADMs, DMs, and ministers to discuss the Gateway's capacity needs for the next 30 years and areas of potential collaboration and information sharing. APF Canada Board Member **Murad Al-Katib** presented along with our President and CEO, Stewart Beck. The event has resulted in a new collaboration with WESTAC and the Province of British Columbia to take the initiative nationwide.

CPTPP Support

In November, APF Canada partnered with **Global Affairs Canada** to create a launch event for the **Comprehensive and Progressive Trans-Pacific Partnership** agreement that would provide context on market opportunities, preferential tariffs, and other networks and resources for small and medium enterprises in the agreement's signatory economies. The partnership culminated in a public event held in Vancouver on February 11 and the **15th Trade Experts Roundtable** held in Vancouver in March, and spurred the creation by APF Canada of a popular [CPTPP primer video](#) released in June.



15th Trade Experts Roundtable

We organized in partnership with **Global Affairs Canada** and **The School of Public Policy at the University of Calgary** the **15th Trade Experts Roundtable** in Vancouver in mid-March.



Distinguished Fellow Don Campbell speaks at the 15th Trade Experts Roundtable in Vancouver

The theme for this year's roundtable was **Trade Diversification Under the New Global Trading Environment: Looking to Asia in the Fourth Industrial Revolution**.

Some 60 economists, business leaders, academics, and representatives from provincial and federal governments attended the two-day conference. Notable speakers included **Economic Development Canada Vice-President Peter Hall**, **Canada's Chief Trade Commissioner Ailish Campbell**, **Global Affairs Chief Economist Marie France Paquet**, and **WTO Chief Economist Robert Koopman**. The introductory remarks were given by our **Distinguished Fellow Don Campbell**, also Senior Strategy Advisor to the Canadian national law firm **DLA Piper Canada LLP**, Co-Chair of the Pacific Economic Cooperation Council (PECC), and Chair of the Canadian Committee of PECC.

Indigenous-Asia Business Roundtable

In February, APF Canada hosted the first **Indigenous-Asia Pacific Business Roundtable** at our Vancouver office. This event, in partnership with strategic communications firm **Creative Fire**, was part of our ongoing work to encourage Indigenous communities and businesses to seize

the opportunities presented by heightened and diversified engagement with the economies of Asia.

This roundtable was a first step in establishing strong nation-to-nation trade, marketing, and investment relationships between Indigenous Canada and Asia Pacific countries and [concluded with a report](#) detailing the discussions and outcomes, as well as a consensus around the need to reconvene, perhaps in conjunction with the **World Indigenous Business Forum** in Vancouver in October 2019.

LEVERAGING SECRETARIATS & DISTINGUISHED FELLOWS

APF Canada is the designated centre and secretariat for four transpacific organizations that bring together, in different combinations, government, business, and academia: the **Asia Business Leaders Advisory Council (ABLAC)**, the **Asia Pacific Economic Cooperation Business Advisory Council (ABAC)**, the **Pacific Economic Cooperation Council (PECC)**, and the **Asia Pacific Economic Cooperation Study Center (APEC Study Center)**.



Our work for these organizations is varied and ongoing, but one highlight this year was the participation of ABAC at the **APEC Week in Port Moresby**, Papua New Guinea, in mid-November. This annual APEC week included the ABAC IV meeting, the APEC Senior Officials' meeting, the APEC Ministerial meeting, and the APEC

Economic Leaders' meeting, and was attended by **ABAC Canada member Ralph Lutes** and **Prime Minister Justin Trudeau**.

Mr. Lutes attended four quarterly ABAC meetings and led the discussion on climate change within the **Sustainable Development Working Group**. During APEC week, and with APF Canada's support, he chaired the breakout dialogue between ABAC members and APEC Economic Leaders. Other economic leaders present at this meeting were **New Zealand Deputy Prime Minister Winston Peters** and **Russian Prime Minister Dmitry Medvedev**.

Distinguished Fellows

APF Canada's Distinguished Fellows provide us with valuable insight and guidance, participating in dialogues and public events, offering commentary and op-eds, and responding to media requests about specific topics and issues in Asia.

This year, APF Canada held two **Distinguished Fellow Dialogues**, each featuring the research project of a Post-graduate Research Scholar – **Sebastian Murdoch Gibson** (Polar Silk Road, May) and **Dongwoo Kim** (East Asia AI Policy, September). These made for two intellectually stimulating dialogues and for two opportunities for mentorship between junior scholars and more senior fellows.

Our PGRSs received excellent feedback on their research and the Distinguished Fellows appreciated the “deep dive” presentations on specific issues. Our Fellows also circulated both sets of research through their networks, which led to further offers of briefings and presentations by our researchers to various government bodies.

BEYOND BRITISH COLUMBIA

APF Canada may be based in British Columbia, Canada's physical gateway to the Pacific, but our work extends across Canada and underscores the importance of an all-of-country approach to engagement and connectivity to the economies of Asia.

Diversification Ontario

This year's **Asia Factor in Ontario** concluded a two-year consultation and research project that included a benchmarking study of Ontario's Asia-engagement and export promotion policies relative to several other similar jurisdictions, a series of sector-specific roundtables with different sectoral foci (three of which were curated in partnership with **Communitech** (e-Commerce), **MaRS** (artificial intelligence), and **Ontario Agrifood Technologies** (agri-tech), as well as one on “global Ontario networks” supported by the **University of Guelph**, and a survey of Asia-interested Ontario companies.

The project's final report was delivered in September with the hope of assisting Ontario in injecting an Asia strategy into its international trade priorities. The research was based out of APF Canada's Toronto office, with roundtable events taking place across Ontario in **Guelph**, **Kitchener**, and **Toronto**. The project's final report was delivered in September 2018, with the project deliverables provided to the Government of Ontario's Ministry of International Trade over the two-year time frame, beginning in late 2016.

Diversification in Saskatchewan

This year, APF Canada also mounted a one-year (November 2018 to November 2019) research and convening project initiated to support **Saskatchewan's efforts to expand and diversify exports to the Asia Pacific region**. The project,

based out of our Toronto office with events taking place in Saskatchewan, includes a strategic findings report based on interviews with executives of research institutes, companies, and other stakeholders in the province's agriculture, agri-tech, and biotechnology sectors.

Our key partner was the **Government of Saskatchewan's Ministry of Trade and Export Development**, which on behalf of the government is seeking to leverage Saskatchewan's existing institutions and relationships to drive more meaningful engagement with Asia, and to expand and diversify exports to the Asia Pacific.

Also in Saskatchewan this year, our **Vice-President, Prairie Region, Victor Thomas**, accompanied Saskatchewan Premier Scott Moe on his first trade mission to China, from September 14 to 20, and on his first mission to India, from November 26 to 29.

Diversification Atlantic Canada

This year APF Canada was also commissioned by the **Atlantic Canada Opportunities Agency and Atlantic Chamber of Commerce** to conduct a study on market opportunities for Atlantic Canadian companies in Asia.

The goal of this report, which will include market identification, analysis, and recommendations for sectoral export development, is to help the region strategize how to meet trade diversification objectives stated in the **2017 Atlantic Trade and Investment Growth Strategy**. A final report will be submitted to Atlantic Canada's Asia Team in June 2019.

YOUTH PROGRAMMING

A core pillar at APF Canada is **Building Skills and Competencies**, that is, increasing young Canadians' awareness and understanding of Asia by enhancing curricula and promoting study abroad and internships in Asia. Our work in this space has been particularly active this year, supported by a team of researchers and specialists, external supporters, and youth volunteers.

Takehashi Project

Our ongoing **Japan-Canada Takehashi Project** this year saw 123 Canadian students and young professionals travel to Japan, with each delegation visiting **Tokyo** and another local city. Thirty-six Japanese students visited Canada, travelling to **Winnipeg, Vancouver, and Victoria**. The program underscores the importance of the long-standing relationship between our two countries.

APF Canada has been the official Canadian implementing organization for the Takehashi Project since the program was launched by the Japanese government in 2013. Canadian participants are immersed in a wide-ranging itinerary that introduces Japanese government, history, culture, and society, and have the opportunity to form personal relationships with peers and host families in Japan. In addition, this program brings Japanese students to Canada, where they broaden their understanding of Canadian culture and act as ambassadors for Canada upon their return home.

Building Bridges Student Event

In October, APF Canada held a student conference with our **Simon Fraser University** and **Cansbridge Fellowship** partners entitled **Building Bridges: Scaling to Serve 4.5 Billion People in Asia**.



Young Canadians gather for our roundtable on China-related careers

The event was targeted toward business- and entrepreneurship-focused undergraduate students from across Canada and culminated in a one-day case competition based on actual and current business challenges faced by international companies.

China-Related Careers Student Event

Our **Connecting Canadian Students and Graduates with China-related Careers** roundtable series set down this June in Vancouver, Montreal, and Toronto, all three supported by **Global Affairs Canada** through its International Education Division.

In recent years, there has been a growing awareness in Canada of the need to increase youth participation in outbound mobility through study and work abroad experiences. However, there has been a dearth of attention to how we are leveraging students who get that experience, especially in strategically important destinations like China.

The report stemming from these roundtables, [Connecting Canadian Students and Graduates with China-related Careers](#), is posted on the APF Canada

website and provides recommendations for how Canada can better prepare for the coming era of closer engagement with China. Specifically, it looks at what Canada can do to support Canadian youth in developing the types of China competencies that will be valuable to their future employers.

It also summarizes key points raised during the discussions, and shares participants' observations of where Canadian youth engagement with China has been effective and where there is a need for a more broadened approach.

We determined from these focused roundtables that:

- There is a need for a clearer understanding of the **China competence needs of Canadian employers**, and of how to design competency-building programs around them.
- We need a clearer sense of **what types of competencies students gain from study or work experience programs in China**, as well as attention to how those can be expanded.
- There are **too few networks** that can connect China-competence Canadian youth to China practitioners/professionals, both here in Canada and in China.

Asia Pacific Curriculum Project

Through our ongoing **Asia Pacific Curriculum project**, this year we created four Asia-content teaching modules for Grades 6 and 9. These modules will introduce lower-grade (Grade 6) and early high-school (Grade 9) students to key issues in contemporary Asia and modern Asian history and will be available to teachers and students in British Columbia in June 2019.

Through this stage in the pilot project, supported by the **BC Ministry of Education** and Vancouver's **Critical Thinking Consortium**, students will learn about macro-trends that are transforming the Asia Pacific region (urbanization), and that shaped Asian and Canadian societies in the past (the development of modern nation-states, migration from Asia to Canada).

Toronto Asia Pacific Youth Council

Our **Toronto Asia Pacific Youth Council (TAPYC)** kicked it into high gear this year, with its first meeting in September. An extension of our Youth Council initiative in Vancouver, the Toronto council raises awareness among Canadian youth about the Asia Pacific and its increasing importance to Canada, primarily through student-hosted signature events.



Press play to watch this video.

Incoming APYC President, Angela Tien



This year's focus was "**smart cities and urbanization**" and the council, supported by our Toronto office, hosted a sold-out event in December on **Smart Cities & Human-Centred Design: Perspectives from Toronto and Asia**, featuring senior representatives from the **City of Toronto, University of Toronto's School of Cities, and Urban Strategies Inc.**, with support from **Accenture Consulting**.

TAPYC engages post-secondary students and young professionals in the greater Toronto area with the aim of building a community of young Canadians interested in Asia, creating a platform to share Asia competence, and generating awareness of APF Canada and its youth-oriented research and programming.

National Geographic Project

In January 2019, APF Canada was awarded a US\$30,000 **National Geographic Society** grant to undertake research and curriculum development around non-Mandarin-speaking Chinese communities in Vancouver and Singapore. Fieldwork will begin in summer 2019.

APEC-CANADA GROWING BUSINESS PARTNERSHIP

Canada's **APEC-Canada Growing Business Partnership** project is a demonstration of Canada's leadership in the MSME space. The four-year Partnership project is designed to build and grow the MSME community in the APEC region; to increase their market access, particularly those MSMEs owned by women; and, to help reduce poverty in the region. Managed by the **APEC Secretariat** and APF Canada, with funding from the **Government of Canada**, the program is now in its second year.

This year, the Partnership saw significant progress in working with **MSMEs and entrepreneurs in the Philippines and Indonesia**, with a tremendous number of collaborative workshops, reports, toolkits, and training sessions released online through our [comprehensive new microsite](#) and in the field in Vietnam, the Philippines, Indonesia, and Peru, the Partnership's four focus economies.

The Partnership has built a strong network based on collaborations with partners and engagement with the APEC Secretariat, specifically the **APEC**

Small and Medium Size Working Group and the APEC Business Advisory Council.



Our APEC-Canada Growing Business Partnership visits Jakarta

Major accomplishments this year include the release of **two survey reports** on entrepreneurs and MSMEs in both the Philippines and Indonesia. Our team also hosted **two research and policy workshops**, one in Manila and one in Jakarta, as well as **training sessions** in those two countries.



Our team visits Manila

In addition to the research and activities, the Project launched its **Mentorship Program**, in partnership with the **Cherie Blair Foundation for Women** in Vietnam, Philippines, and Indonesia, matching women entrepreneurs with Canadian mentors.

Mentorship activities include **53 Canadian mentors** matched with **53 women entrepreneurs** across Vietnam (19), the Philippines (15), and Indonesia (15). Mentees from all three economies are currently in the middle of their one-year

mentorship journey and, based on feedback so far, are benefiting from the experience.

Major accomplishments over this period also include the release of the [2018 Survey of Entrepreneurs and MSMEs in the Philippines: Building the Capacity of MSMEs Through Market Access](#) and the [2018 Survey of Entrepreneurs and MSMEs in Indonesia: Building the Capacity of MSMEs Through Human Capital](#) as well as research and policy papers from partners in the Philippines and Indonesia.

The Partnership hosted two research and policy workshops, [Breaking Through: Market Access Potential for MSMEs in the Philippines, July 3, 2018, Manila, Philippines](#) and [Skilling Up: Fostering a Robust MSME Workforce in Indonesia – July 5, 2018, Jakarta, Indonesia](#), as well as two training sessions, [Angat Negosyo: Growing Local and International Filipino MSMEs - November 17, 2018, Manila, Philippines](#) and [#TRAININGDAY Helping Your Small Business Grow in Indonesia – November 21, 2018, Jakarta, Indonesia](#).

Alongside the training events was the launch of the [Philippines Toolkit for Entrepreneurs and MSMEs: Market Access](#) and the [Indonesia Toolkit for Entrepreneurs and MSMEs: Human Capital](#).



APF Canada's MSME workshop in Manila

APEC-CANADA GROWING BUSINESS PARTNERSHIP PRESENTATIONS

What: **APEC-Business Advisory Council–ABAC II Meeting**
Where: Tokyo, Japan
When: April 16–19, 2018

Provided an update on the progress of the APEC-Canada Growing Business Partnership for international ABAC members. Developed key contacts in the Philippines and Indonesia to assist in programming future events in-country. The Partnership was also mentioned in a letter to all APEC ministers of trade.

What: **APEC Workshop on Harnessing Digital Trade for SMEs**
Where: Hanoi, Vietnam
When: January 17–18, 2019

Provided policy recommendations on policy for harnessing digital trade for SMEs from work by the APEC-Canada Growing Business Partnership primarily for the Vietnam Ministry of Industry and Trade (MOIT) and APEC SMEWG members. All recommendations presented by the Partnerships APF Canada team were included in the final report to APEC SMEWG members.

What: **APEC-Business Advisory Council–ABAC I Meeting**
Where: Tokyo, Japan
When: April 1–4, 2019

Provided an update on the progress of the APEC-Canada Growing Business Partnership – giving guidance on work with women entrepreneurs specifically – to ABAC members and developed contacts in Peru to assist in programming future events in-country. The Partnership was featured in a letter to all APEC ministers of trade.

THE WAY FORWARD

The need to build Canada's strategic engagement with the Asia Pacific has never been greater. By 2030, the region is expected to encompass 65% of the world's middle class, and by 2050, the region will contain four of the world's 10 largest economies. Asia is rapidly emerging as a powerful global force, and observers forecast that the region will continue to cement its position as the centre of the global economy over the next 30 years.

Building on our reputation as Canada's primary interlocutor on Asian issues, in the year ahead APF Canada will develop a **new business model** to amplify our value to stakeholders. Membership under this model will offer stakeholder organizations the targeted analysis, insights, networks, and skills they need to succeed in doing business with, and in, Asia.

To that end, APF Canada will redefine its research to align with six core pillars: business, polling and surveys, security, technology, domestic engagement, sustainability, and skills and competencies. Our high-quality, relevant, and timely research products within these pillars will provide another tier of critical business intelligence for our members.



Press play to watch this video.

Incoming Board Chair,
The Hon. Pierre Pettigrew

APF Canada is uniquely situated at the nexus of the private sector, government, academic, and non-profit spheres, and under this new model members will receive full access to this premier network via exclusive, **invitation-only events** in Vancouver and Toronto, access to **signature conferences and high-profile dialogues** domestically and in Asia, and **one-on-one connections** with visiting business leaders, subject matter experts, and government delegations.

Additionally, members will also have "value-add" access to APF Canada's "**micro-consulting**" services, which will provide tailored research, corporate briefings, and training that address specific challenges or topics, such as identifying existing and emerging trade opportunities, gaining access to Asian markets, providing greater understanding of Asian business culture, and encouraging Asian investment in Canada.

Other research, programming, and activities for the year ahead include:

- Results of our Asia Business Survey of business leaders and experts in India, China, Singapore, Japan, South Korea, and Vietnam (February 2020)

- The fifth Asia Business Leaders Advisory Council Meeting (ABLAC 2019) in Tokyo, Japan (February 2020)
- 2019 National Opinion Polls on tech investment and on human capital (June 2019, Spring 2020)
- Canadian Women-Only Trade Mission to South Korea (February 2020)
- Indigenous Guide to Doing Business in Asia (September 2019)
- Prairie Asia Market Access Conference (Fall 2019)
- APEC-Canada Growing Business Partnership 2019 Survey of Entrepreneurs and MSMEs in Peru (Fall 2019)



Deputy Minister, Foreign Affairs, Ian Shugart discusses India and China at APF Canada



Media Fellow + CEO Event panelists at our Vancouver office

TOP 5 INTERNAL EVENTS

1. **What: Media Fellow + CEO Event**
Who: Media Fellows, Tourism Vancouver, Weber Shadwick, Business in Vancouver
Number in attendance: 55
When: October 30, 2018
2. **What: Creating Asia's Future and the Role of the Asian Infrastructure Investment Bank (AIIB)**
Who: Laurel Ostfield
Number in attendance: 30
When: April 18, 2019
3. **What: Discussion with Jonathan T. Fried on the Outcome from the G20 Events**
Who: Jonathan Fried
Number in attendance: 30
When: January 24, 2019
4. **What: Canada's Asia Strategy with a particular focus on India and China**
Who: Ian Shugart
Number in attendance: 28
When: June 6, 2018
5. **What: Canadian Trade with Asia and the Implication of the CPTPP**
Who: Senator Peter Harder
Number in attendance: 20
When: November 14, 2018



02.

OUR IMPACT

APF Canada’s goal is to enrich the Canadian conversation about the value of deepened engagement with Asia. We reach our audience through a number of branded channels, including our website and social media platforms. Our content outputs include timely blogs on topical issues, polls and surveys, research reports, regular newsletters, and commentary pieces. Our executive, staff, and distinguished fellows are regular and respected contributors to Canadian and international media, both as authors and commentators.

Timely, engaging, and additive, the Foundation’s blogs allow us to effectively communicate the value of Asia to Canada’s future prosperity with our target audiences, including government policy-makers, business decision makers, and the youth demographic that will shape the future of Canada’s vital relationship with the Asia Pacific region.

TOP 10 BLOGS

Click on these posts to view the articles.



1
China’s New Policies on Foreign Investment
Author: Iris Jin
Published: March 28, 2017



2
What Has ‘Make in India’ Made for India?
Author: Stephanie Fraser
Published: February 21, 2018



3
Migration Matters: Thailand—the Land of Migrants and Refugees
Author: Valentine Ostaszewski
Published: December 5, 2016



4
Localizing Mobile Apps: A Case Study of LINE Messenger
Authors: Valentine Ostaszewski, Justin Kwan
Published: January 20, 2017



5
China’s Frontier Lands: An APF Canada Blog Series
Authors: Yves Tiberghien, Yvonne Xiao Tiberghien, Dayuan Xue, Li Guo
Published: July 20, 2018



6
Bridging the Gap: Canadian Entrepreneurs Engaging with Asia
Author: Dr. Elizabeth Newton
Published: April 12, 2018



7
Building on a Friendship: Canada-Japan Relations in 2017
Author: Asia Pacific Foundation of Canada
Published: December 22, 2016



8
10 Things to Watch in 2019
Author: Asia Pacific Foundation of Canada
Published: December 10, 2018



9
China’s Clean Tech Commitment
Author: Yingqiu Kuang
Published: May 29, 2018



10
Four Facts Behind the Story of Asia Pacific Immigration to Canada
Author: Valentine Ostaszewski
Published: August 9, 2016

KEY NUMBERS

583
Media Hits

22
Op-Eds

31
Speeches



46
Events

19
Major Reports

1
NOP

9,824
Subscribers



OUR NATIONAL OPINION POLLS

Since 2004, the Asia Pacific Foundation of Canada has been conducting regular nationwide surveys to assess Canadians' attitudes toward countries in the Asia Pacific, and their perceptions of Canada-Asia relations. Unique in its construction and its objectives, APF Canada's National Opinion Poll has been instrumental in drawing a portrait of Canadians' perspectives on Asia and the region's increasing relevance to Canada's prosperity.

The **2018 National Opinion Poll** is a traditional long-form survey that covers a wide range of topics. With a representative sample of the Canadian population, the survey serves as a valuable source of information on Canadian attitudes toward Asia on various topics.

NATIONAL OPINION POLL 2018
Canadian Views on Asia

WHILE ANTI-TRADE AND ANTI-IMMIGRATION SENTIMENTS ARE ON THE RISE IN MANY PARTS OF THE WORLD, this is not necessarily true in Canada where the public is increasingly supportive of international engagement, particularly when it comes to Asia. This outlook is reflected across multiple dimensions of the Asia Pacific Foundation of Canada's new 2018 National Opinion Poll (NOP 2018) of 3,561 Canadian adults on Canada-Asia relations.

The poll, which includes both legacy and new questions, traces important shifts in attitude over time and shines a spotlight on new developments in the Canada-Asia relationship.

ALL IN the family

CANADIANS INCREASINGLY FEEL THAT THEY BELONG TO THE ASIA PACIFIC REGION. 43% of Canadians consider Canada as part of the Asia Pacific region, up from 34% in 2016 and 18% in 2013.

CANADIANS FEEL THAT RELATIONS WITH CHINA AND SOUTH KOREA ARE IMPROVING, IN STARK CONTRAST TO THE PERCEPTION OF A WORSENING CANADA-U.S. RELATIONSHIP. 27% of Canadians say Canada-China relations are improving, up slightly from 2016. 24% perceive better Canada-South Korea relations, up from 16% in 2016. For the U.S., an overwhelming majority of

SWEET AND souring

Released: June 5, 2018

ONLINE + SOCIAL MEDIA

The work APF Canada produces is relevant, topical, and has real and applicable value to business, academia, media, and policy-makers at every level of Canadian government. We share this work in the digital space to effectively connect with our audiences where they go to gather and discuss information and ideas.

Our website and social media channels, working in concert, are key to that conversation as we link, share, and amplify our proprietary content across digital platforms. And this interactive brand conversation is working, as this year's analytics confirm.



Visits

257,904 vs. 256,893
(0.4% increase over 2017/18)



Page Views

1,066,802 vs. 1,063,734
(0.4% increase over 2017/18)



Top Sections

About Us/ Statistics
Publications/ Grants/ Events



Top Publications

News/ Blog/ C-A Agenda/
Research Reports/ Surveys



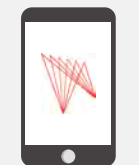
Top Countries

Canada, United States, India,
China, Hong Kong, Australia,
United Kingdom, Japan,
Singapore, Philippines



Top Channels

Organic search: 68%
Direct: 21%
Referral: 11%



Mobile

Visits via mobile jumped to
3.6% this year, from 69,092
in 2017/18 to 71,579 in
2018/19.



Facebook

Likes increased by 16%
(from 2,681 in 2017/18 to
3,111 in 2018/19)



LinkedIn

Followers increased by 82%
(from 1,795 in 2017/18 to
3,263 in 2018/19)



Twitter

Followers increased by 34%
(from 4,640 in 2017/18 to
6,235 in 2018/19)



Instagram

Followers increased by 80%
(from 230 in 2017/18 to 415 in
2018/19)

A YEAR IN REPORTS

Click on these posts to view the articles.

Can China and Japan Manage the Double Challenge of Mounting Health Costs and Aging Populations?

Published: January 30, 2019
Author: Jean-François Denault



Connecting Canadian Students and Graduates with China-related Careers

Published: November 27, 2018
Author: Asia Pacific Foundation of Canada



Canada and the Trans-Pacific Partnership: Recap and Scoresheet

Published: May 1, 2018
Author: Dan Ciuriak



E-Commerce in Japan: An Island of Opportunity for Canadian Exporters

Published: November 14, 2018
Authors: Theresa Eriksson, Layland F. Pitt, Kirk Plangger



Is Canada's Print Media Fair on China?

Published: May 14, 2018
Authors: Nathan Allen, Andrea Lawlor, Katerina Graham



Enhancing Trans-Pacific People-to-People Ties: Japan-Canada Twinning (Sister) Relationships

Published: November 7, 2018
Author: Scott Harrison



Trade Wars: How China Can De-escalate the Conflict and How Canada Can Help

Published: October 10, 2018
Author: Dan Ciuriak



APEC-CANADA GROWING BUSINESS PARTNERSHIP REPORTS



The MSME Toolkit delivers practical ideas, addresses key challenges, and introduces relevant on MSME business development to entrepreneurs in APEC developing economies through on-training with Canadian and local experts.



Micro and Small Businesses in Indonesia's Digital Economy

Published: February 12, 2019

A Case Study for the Use of Blockchain Technology for Philippine Coffee Growers

Published: January 31, 2019

The Challenges to SME Market Access in the Philippines and the Role of Business Associations

Published: January 23, 2019

2018 Survey of Entrepreneurs and MSMEs in the Philippines: Building the Capacity of MSMEs Through Market Access

Published: October 29, 2018

2018 Survey of Entrepreneurs and MSMEs in Indonesia: Building the Capacity of MSMEs Through Human Capital

Published: October 25, 2018

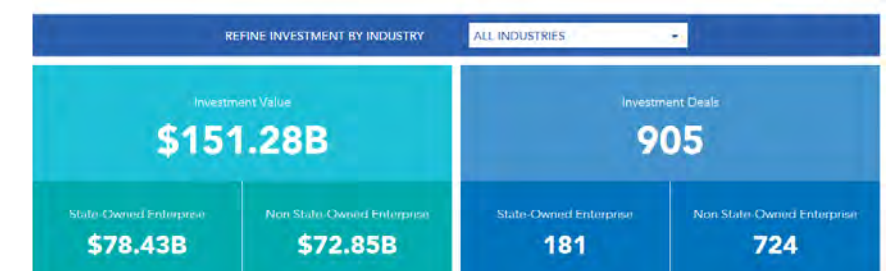
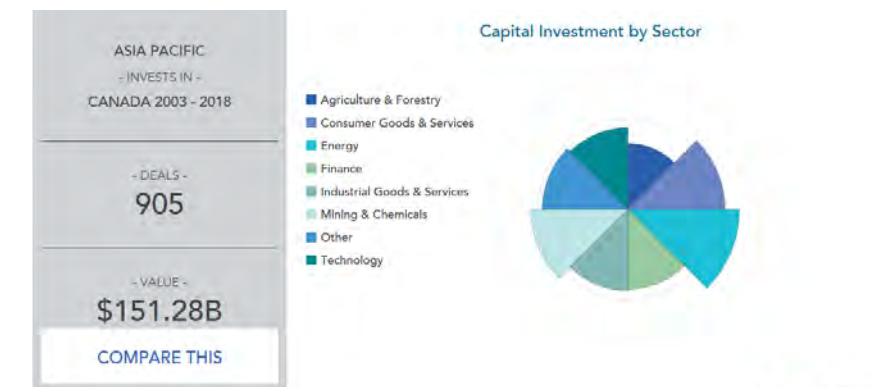
INVESTMENT MONITOR REPORTS

A Case Study for the Use of Blockchain Technology for Philippine Coffee Growers

Published: January 31, 2019

To Join or Not to Join? State Ownership, Commercial Interests, and China's Belt and Road Initiative

Published: January 3, 2019





03.

IN THE NEWS

APRIL

CBC News

April 22, 2018, by APF Canada Media Fellow

Quebec maple syrup hits sweet spot on Japanese market, entrepreneur says

“Kaburaki specializes in importing Quebec-made products to Japan, from smoked salmon to honey. The most popular import, though, is maple syrup.”

APRIL

China Daily

April 5, 2018, featuring Yves Tiberghien, a Distinguished Fellow at APF Canada

Trade war a double-edged sword

“Yves Tiberghien, a distinguished fellow at the Asia Pacific Foundation of Canada, said there is a risk that the world’s trading system collapses if the situation escalates.”

MAY

CBC News

May 24, 2018, featuring Stewart Beck, President and CEO, APF Canada

Canada still wants to work with China despite blocked Aecon takeover: Bains

“Stewart Beck, CEO of the Asia Pacific Foundation — an independent not-for-profit think tank on Canada/Asia relations — said the government’s decision could complicate future trade talks with China.”

iPolitics

May 31, 2018, by Hugh Stephens, a Distinguished Fellow at APF Canada

It’s time to call the bluff on the ‘Bluffer-in-Chief’

“In the NAFTA negotiations, the U.S. side has put forward complex and largely unworkable formulas to calculate the rules of origin — often against the wishes of American automakers, who operate with global supply chains.”

JUNE

The Voice of Vietnam

June 7, 2018, featuring APF Canada

Canadian expert: new opportunities for Vietnam-Canada ties

“. . . the future will be built on the hard work, energy, and daily commitment of Canadians and Vietnamese together. In trade and business, in the arts and sciences, in diplomacy, tourism, and international education, new partnerships will be critical to the future prosperity of both nations.”

JULY

CBC News

July 10, 2018, by APF Canada Media Fellows, Adam Walsh and Philippe Grenier

Japan’s disappearing village a sign of things to come for rural Japan

“Not only is Japan’s population aging, it’s shrinking. Too few babies are being born to replace people who are dying. The country as a whole has a labour shortage, and that means even if there are jobs, there isn’t anyone to fill them.”

MacLean’s

July 10, 2018, by APF Canada Media Fellow

So long, Silicon Valley. China is the world’s innovation engine

“In recent years, a vast amount of venture capital funding, talent migration and government support have led to a surge of startups in Beijing.”



Click on the posts to view the articles.

AUGUST

Japan Times

August 6, 2018, featuring Stephen Nagy, a Distinguished Fellow at APF Canada

Despite summits with Moon, Xi, and Trump, Kim Jong Un shows no signs of wanting to meet Abe anytime soon

“Japan represents a historical experience that helped shape the emergence of a North Korea, the division of the peninsula and today’s nuclear standoff,” said Nagy.”

country in the world — which will be number one in the future — seems to be a very high cost. No country wants to lose the capacity to do a deal with other countries.”



SEPTEMBER

The Asian Pacific Post

September 6, 2018, featuring Stewart Beck, President and CEO, APF Canada

Asia is Canada’s new trade frontier

“Stewart Beck, president and CEO of the Asia Pacific Foundation of Canada told Mata Press Service: ‘With one billion new middle-class consumers, major infrastructure investments, continued economic growth, and unprecedented regional economic integration, Asia is on track to becoming a global powerhouse.’”

NOVEMBER

Vancouver Sun

November 30, 2018, by Stockwell Day, a Distinguished Fellow at APF Canada

Canada ignores expanding trade with China at its peril

“... it would be folly to misinterpret that reply and suggest that we can take our sweet time to muse on increased trade with China. It’s no secret that over the last two decades China has been anything but slow when it comes to proactive engagement with willing partners.”

OCTOBER

The Star

October 2, 2018, featuring Yves Tiberghien, a Distinguished Fellow at APF Canada

With new trade pact, Trudeau dumps China for Trump, experts say

“To let the number one economic power in the world control our access to the number two

DECEMBER

Daily Mail

December 21, 2018, featuring Hugh Stephens, a Distinguished Fellow at APF Canada

Arrests fuel anxieties among China Canadian expats

“The Chinese aren’t going to influence the Canadian court system by whatever they do but there could be a lot of collateral damage, which could seriously potentially damage relationships in the long term.”

BNN Bloomberg

December 12, 2018, featuring Hugh Stephens, a Distinguished Fellow at APF Canada

Kovrig arrest and Trump’s boast drag Trudeau into Huawei feud

“The current controversy illustrates the impasse facing both nations: Canada is bound by laws that don’t constrain China, which has wide leeway over its justice system.”

JANUARY

Business in Vancouver

January 2, 2019, featuring Stewart Beck, APF Canada President and CEO

YVR expansion, rail plan brighten cloudy transportation forecast air and rail

“So this may impact certain sectors at certain periods of time, depending on what’s happening for the next little while. My own sense is our business will move forward as usual.”

Vancouver Sun

January 29, 2019, featuring Margaret McCuaig-Johnston, a Distinguished Fellow at APF Canada

Diplomatic tensions over Huawei threaten expanding B.C. trade with China

“In terms of Canada’s interest, it would be in our interest to have the extradition process resolved as quickly as possible, so we know what we’re dealing with’ in rebuilding trade ties with China.”

FEBRUARY

The Atlantic

February 23, 2019, cites APF Canada polling

What Does It Mean to Be a Canadian Citizen?

“Naturalized Canadians are three times as likely to live outside Canada as native-born Canadians, according to the Asia Pacific Foundation of Canada.”

MARCH

Vancouver Sun

March 7, 2019, features profiles on members of APF Canada’s Canadian women’s mission to Japan

Female delegates are on a business mission; Thought leaders and entrepreneurs to explore Asian market for opportunities

“Under the leadership of the Vancouver-based Asia Pacific Foundation of Canada (APF Canada) and with support from the private and public sectors, the 37-member mission, including 22 entrepreneurs whose companies are ‘export ready,’ will be in Japan from April 1 to 3, spending time in Tokyo and Kyoto.”

Reuters

March 4, 2019, cites APF Canada research

China blocks canola shipments from Canada

“Oilseeds like canola, fruit and grain are Canada’s biggest China export category, making up nearly 17 percent of all exports in 2017, the latest annual data available, according to the Asia Pacific Foundation of Canada.”

04.

FINANCIAL STATEMENTS

- Statement of Operations
- Statement of Financial Position
- Statement of Cash Flows

STATEMENT OF OPERATIONS

Year ending March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Investment income, net of investment management fee of \$405,285 (2018 - \$388,755)	\$ 2,293,523	\$ 1,652,972
Government funding	2,291,011	2,047,635
Private sector funding	449,300	170,816
Other	16,235	172
	5,050,069	3,871,595
Operating Expenses (note 9):		
Projects	2,216,763	1,720,386
Takehashi Program	1,059,134	902,893
APEC-Canada Growing Business Partners	697,140	743,076
McArthur Fellowship	64,950	167
Administration	1,041,038	726,142
Communication and public outreach	541,728	479,828
Facility and amortization	354,823	351,236
Grants program	409,161	330,079
Secretariats	134,692	230,660
Board	195,854	153,647
	6,715,283	5,638,114
Deficiency of revenue over expenses before the undernoted	(1,665,214)	(1,766,519)
Realized gain on investments	6,631,764	293,183
Change in fair value adjustment on investments	(3,255,840)	2,553,141
Excess of revenue over expenses	\$ 1,710,710	\$ 1,079,805

STATEMENT OF FINANCIAL POSITION

As at March 31, 2019, with comparative information for 2018

	2019	2018
Assets (Current assets):		
Cash	\$ 2,152,585	\$ 1,327,907
Accounts receivable	395,086	627,026
Prepaid expenses	70,542	71,733
Investments (note 3)	70,246,199	68,896,180
	72,864,412	70,922,846
Property and equipment (note 4)	136,311	182,552
Deposit	27,634	27,634
	\$ 73,028,357	\$ 71,133,032
Liabilities (Current Liabilities)		
Accounts payable and accrued liabilities	\$ 762,994	\$ 560,276
Deferred revenue (note 5)	1,180,139	1,188,856
	1,943,133	1,749,132
Deferred lease inducements	32,851	42,237
	1,975,984	1,791,369
Net assets:		
Restricted endowment fund	50,000,000	50,000,000
Unrestricted fund	21,052,373	19,341,663
	71,052,373	69,341,663
Commitments and guarantees (note 7)		
	\$ 73,028,357	\$ 71,133,032

STATEMENT OF CASH FLOWS

Year ending March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,710,710	\$ 1,079,805
Items not involving cash:		
Amortization	53,133	56,716
Amortization of deferred lease inducement	(9,386)	(9,386)
Change in fair value adjustment on investments	3,255,840	(2,553,141)
	5,010,297	(1,426,006)
Changes in non-cash working capital:		
Accounts receivable	231,940	(451,076)
Prepaid expenses	1,191	4,722
Accounts payable and accrued liabilities	202,718	(169,389)
Deferred program revenues	(8,717)	223,330
	5,437,429	(1,818,419)
Investing activities:		
Purchase of equipment	(6,892)	(36,922)
Decrease (increase) in investments, net of draw-down on purchases	(4,605,859)	1,762,256
	(4,612,751)	1,725,334
Financing activities:		
Capital lease payments	-	(22,446)
Increase (decrease) in cash	824,679	(115,531)
Cash, beginning of year	1,327,907	1,443,438
Cash, end of year	\$ 2,152,585	\$ 1,327,907

05.

SUPPORTERS

Operational and grant funding support is provided through an endowment fund established by the Government of Canada. We are also grateful to the individuals, corporations, foundations, and government agencies that have supported us this year in our mission to be Canada’s catalyst for engagement with Asia and Asia’s bridge to Canada.

Below is a list of contributors who have helped make our research and activities possible.

Thank you.

\$100,000 +

- Export Development Canada (*multi-year*)
- Global Affairs Canada (*multi-year*)
- Natural Resources Canada (*multi-year*)
- Ontario Ministry of Economic Development Job Creation and Trade (*multi-year*)
- Province of British Columbia, Ministry of Education (*multi-year*)

\$50,000 – \$100,000

- Atlantic Chamber of Commerce
- Innovation, Science and Economic Development Canada
- Invest in Canada
- Saskatchewan Ministry of Trade and Export Development (*multi-year*)
- University of Toronto, Centre for Global Social Policy

\$10,000 – \$50,000

- AdvantageBC (*multi-year*)
- Air Canada
- Bank of Canada (*multi-year*)
- Cathay Pacific
- CDPO
- CPP Investment Board
- Embassy of Canada in Japan
- Farris LLP
- Fiera Capital Corporation
- Hong Kong Airlines (*multi-year*)
- Japan Women’s Innovation Network
- Manulife Financial
- Noah Canada
- Noah International (Hong Kong) Limited
- OMERS
- Province of British Columbia, Ministry of Transportation and Infrastructure
- Samantha Thavasa
- Sun Life Financial
- Teck Resources
- Western Economic Diversification



Under \$10,000

AGT Foods

Axiom Zen

Canada China Business Council (*multi-year*)

Communitech

Consulate General of Japan in Toronto

CP

Greater Saskatoon Chamber of Commerce

Kensington Capital Partners

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Nova Scotia Business Inc.

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Ryerson University (*multi-year*)

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Taipei Economic and Cultural Office

University of Alberta, China Institute (*multi-year*)

University of British Columbia, Institute of Asian Research (*multi-year*)

University of Toronto, Munk School of Global Affairs (*multi-year*)

U.S. Embassy Ottawa, Office of Public Affairs

Vancouver Fraser Port Authority

Vanedge Capital

06.

GOVERNANCE

- Board Members
- Distinguished Fellows
- Foundation Staff
- Post-Graduate Research Scholars
- Junior Research Scholars
- Media Fellows Grant Recipients
- Asia Pacific Youth Council



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Dr. Yves Tiberghien

University of B.C.

Dr. James Tiessen

Ryerson University

Dr. David Welch

CIGI, Balsillie School of International Affairs

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President and CEO

Eva Busza

Vice-President, Research and Programs

Vilupti Lok Barrineau

Vice-President, Operations and Networks

Christine Nakamura

Vice-President, Toronto Office

Jeff Reeves

Vice-President, Research

Victor Thomas

Vice-President, Prairie Region

Mari Abe

Executive Assistant

Pilar Alba

Executive Assistant to the President and CEO

Sanya Arora

Graphic Designer

Sergio Arrambide Villarreal

Research Assistant, APEC-Canada Growing Business Partnership

Rosie Bolderston

Development Manager

Lauren Chang

Development Manager

Si Chen

Social Media & Digital Design Specialist

Alisha Clancy

Program Manager, APEC-Canada Growing Business Partnership

Jordan Dupuis

Program Manager

Justin Elavathil

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Information Specialist & Website Manager

Nathalie Green

Social Media and Digital Design Specialist

Scott Harrison

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Angie Hsu

Human Resources and Office Manager

Annie Hu

Accountant

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Executive Assistant to the Vice-President

Grace Jaramillo

Program Manager, Trade and Investment

Iris Jin

Senior Program Manager, Trade, Investment, Innovation, and Canada-China Relations

Serena Ko

Program Manager, Networks and Partnerships

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Project Specialist, Research, Curriculum, and Youth Programming

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Social Media and Digital Design Specialist

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Events and Office Administration Co-ordinator

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Nadine Oliver

Project Specialist

Harriet Pickup

Executive Assistant to the President and CEO

Michael Roberts

Communications Manager

Tina Schneider

Human Resources and Office Manager

Kate Scullin

Project Specialist, Kakehashi Program

Pauline Stern

Program Manager, Trade and Investment

Christine Stoddard

Executive Assistant to the Vice-President, Research

Zining Wang

Project Assistant, Youth Programming and Networks

Erin Williams

Program Manager, Skills and Competencies

Christeen Young

Executive Assistant to the Vice-President, Research

Mary Zhong

Accounting Assistant

Yushu Zhu

Program Manager, Surveys and Polling



RESEARCH SCHOLARS

Post-Graduate Research Scholars

Dongwoo Kim
 Yoel Kornreich
 Maya Lu
 Kai Valdez Bettcher
 Mohit Verma

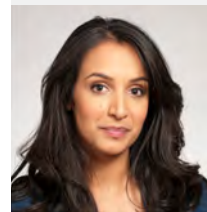
Junior Research Scholars

Jeremy Chan
 Margot Chen
 Rasmus Dilling-Hansen
 Amelia Duggan
 Jae Kyung Lee
 Isaac Lo
 Tracy Ly
 Dakota Norris
 Simran Sethi
 Henry Shum
 Nicole So

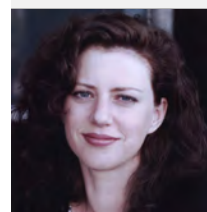
MEDIA FELLOWS GRANT RECIPIENTS



Emma Graney is a multi-award-winning journalist and podcaster currently working as a provincial affairs reporter with the *Edmonton Journal*. She travelled to China over the summer of 2018 to research the country's relatively new love affair with artificial intelligence, and China's ambitious goals to become the sector's world leader by 2030. Her investigation focused on technology, research, investments, and what the future holds for both Canada and China.



Althia Raj is *HuffPost Canada's* Ottawa bureau chief, and a multi-media writer and editor. She travelled to Thailand to explore the plight of several thousand individuals living in Bangkok who had been denied refugee status by the UNHCR, after years of waiting in Thailand, a country that does not want them and forcefully incarcerates them as a deterrence mechanism. She focused on Pakistani Christians, the largest group there, in part because of their numbers but also because of the diaspora in Canada.



Roberta Staley is an author, magazine editor and writer, and independent filmmaker based in Vancouver whose work appeared in *Corporate Knights* and *Ms. Magazine*, among others. Her trip to Papua New Guinea (PNG) focused on gender violence and the connection to witchcraft, which is on the rise in the Oceanic nation. She also explored China's relationship to illegal logging in PNG, which is causing social, cultural, and economic upheaval among the country's Indigenous tribes.

ASIA PACIFIC YOUTH COUNCIL

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Co-President



Yiming Liu
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Carl Cai
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Kris Jun
Vice-President of Programming and Logistics



Julian Lam
Advisor to the Co-Presidents

Toronto (activated August 23, 2018)

Shreya Nayak
President
Tim Rodgers
Ai Yamauchi
Lauren An



The Toronto Asia Pacific Youth Council hosts an event, 'Smart Cities & Human-Centered Design: Perspectives from Toronto & Asia,' with former Canadian politician and Founder of the Institute for Change Leaders, Olivia Chow.

07.

FINANCIAL ANNEXES

- Independent Auditor's Report
- Notes to Consolidated Financial Statements
- Statement of Investment Policies and Procedures
- Risk and Assessment Analytics



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PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Asia Pacific Foundation of Canada

Opinion

We have audited the financial statements of Asia Pacific Foundation of Canada (the "Foundation"), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations for the year then ended
- the statement of changes net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Foundation as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Vancouver, Canada
July 16, 2019

ASIA PACIFIC FOUNDATION OF CANADA

Statement of Financial Position

March 31, 2019, with comparative information for 2018

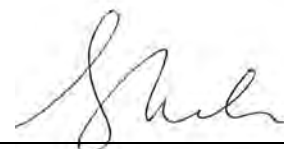
	2019	2018
Assets		
Current assets:		
Cash	\$ 2,152,585	\$ 1,327,907
Accounts receivable	395,086	627,026
Prepaid expenses	70,542	71,733
Investments (note 3)	70,246,199	68,896,180
	<u>72,864,412</u>	<u>70,922,846</u>
Property and equipment (note 4)	136,311	182,552
Deposit	27,634	27,634
	<u>\$ 73,028,357</u>	<u>\$ 71,133,032</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 762,994	\$ 560,276
Deferred revenue (note 5)	1,180,139	1,188,856
	<u>1,943,133</u>	<u>1,749,132</u>
Deferred lease inducements	32,851	42,237
	<u>1,975,984</u>	<u>1,791,369</u>
Net assets:		
Restricted endowment fund	50,000,000	50,000,000
Unrestricted fund	21,052,373	19,341,663
	<u>71,052,373</u>	<u>69,341,663</u>
Commitments and guarantees (note 7)		
	<u>\$ 73,028,357</u>	<u>\$ 71,133,032</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

ASIA PACIFIC FOUNDATION OF CANADA

Statement of Operations

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Investment income, net of investment management fee of \$405,285 (2018 - \$388,755)	\$ 2,293,523	\$ 1,652,972
Government funding	2,291,011	2,047,635
Private sector funding	449,300	170,816
Other	16,235	172
	<u>5,050,069</u>	<u>3,871,595</u>
Operating expenses (note 9):		
Projects	2,216,763	1,720,386
Takehashi Program	1,059,134	902,893
APEC - Canada Growing Business Partners	697,140	743,076
McArthur Fellowship	64,950	167
Administration	1,041,038	726,142
Communication and public outreach	541,728	479,828
Facility and amortization	354,823	351,236
Grants program	409,161	330,079
Secretariats	134,692	230,660
Board	195,854	153,647
	<u>6,715,283</u>	<u>5,638,114</u>
Deficiency of revenue over expenses before the undernoted	(1,665,214)	(1,766,519)
Realized gain on investments	6,631,764	293,183
Change in fair value adjustment on investments	(3,255,840)	2,553,141
	<u>\$ 1,710,710</u>	<u>\$ 1,079,805</u>

See accompanying notes to financial statements

ASIA PACIFIC FOUNDATION OF CANADA

Statement of Changes in Net Assets

Year ended March 31, 2019, with comparative information for 2018

	Restricted endowment fund	Unrestricted funds	Total
Balance, March 31, 2017	\$ 50,000,000	\$ 18,261,858	\$ 68,261,858
Excess of revenue over expenses	-	1,079,805	1,079,805
Balance, March 31, 2018	50,000,000	19,341,663	69,341,663
Excess of revenue over expenses	-	1,710,710	1,710,710
Balance, March 31, 2019	\$ 50,000,000	\$ 21,052,373	\$ 71,052,373

See accompanying notes to financial statements.

ASIA PACIFIC FOUNDATION OF CANADA

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,710,710	\$ 1,079,805
Items not involving cash:		
Amortization	53,133	56,716
Amortization of deferred lease inducement	(9,386)	(9,386)
Change in fair value adjustment on investments	3,255,840	(2,553,141)
	5,010,297	(1,426,006)
Changes in non-cash working capital:		
Accounts receivable	231,940	(451,076)
Prepaid expenses	1,191	4,722
Accounts payable and accrued liabilities	202,718	(169,389)
Deferred program revenues	(8,717)	223,330
	5,437,429	(1,818,419)
Investing activities:		
Purchase of equipment	(6,892)	(36,922)
Decrease (increase) in investments, net of draw-down or purchases	(4,605,859)	1,762,256
	(4,612,751)	1,725,334
Financing activities:		
Capital lease payments	-	(22,446)
Increase (decrease) in cash	824,678	(115,531)
Cash, beginning of year	1,327,907	1,443,438
Cash, end of year	\$ 2,152,585	\$ 1,327,907

See accompanying notes to financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

1. Nature of operations:

The Asia Pacific Foundation of Canada (the "Foundation") was established by an Act of Parliament on June 1, 1984 and is dedicated to developing the skills and networks, and disseminating the information, that Canadians need to become more successful in the Asia Pacific region. Annual funding is provided by the income earned on a \$50 million endowment fund established by the federal government in November 2005, and from other sources. The principal endowment fund of \$50 million is to be maintained permanently.

The Foundation is registered with Canada Revenue Agency as a charitable organization and is exempt from income taxes.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, under Part III of the CPA Canada Handbook - Accounting and reflect the following significant accounting policies:

(a) Revenue recognition:

- (i) The Foundation follows the deferral method of accounting for government and private sector funding and sponsorship contributions. Unrestricted contributions are recognized as revenue in the period in which they are received. Restricted contributions are recognized when spent on the purpose as specified.

The funds are recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured and in the same year in which the related expenses are recognized.

Endowment contributions are recognized as direct increases in net assets.

- (ii) Investment income is recorded on the accrual basis.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its investments at fair value with changes in fair value recognized in the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

2. Significant accounting policies (continued):

(b) Financial instruments (continued):

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Equipment and leasehold improvements:

Equipment and leasehold improvements are originally recorded at cost. Repairs and maintenance costs are charged to expense. Amortization is provided on a straight-line basis based on the assets' estimated useful lives using the following rates:

Computer equipment and software	3 years
Furniture and office equipment	4 - 6 years
Leasehold improvements	Lesser of useful life and remaining lease term

Assets acquired under capital lease are amortized over the term of the lease or on a straight-line basis over the assets' useful lives using the rates above.

When a capital asset no longer contributes to the Foundation's activity to provide services, its carrying amount is written down to its residual value.

(d) Deferred lease inducements:

Deferred lease inducements consist of lease incentive funds received from landlords. These inducements are amortized over the term of the lease, as a reduction of rent expense.

(e) Grants:

As part of the requirement of the restricted endowment fund, the Foundation makes commitments to provide funding to various research projects in disseminating information in the Asia Pacific region. These commitments are recorded as liabilities upon commencement of the term of the grants.

ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

2. Significant accounting policies (continued):

(f) Allocation of expenses:

The Foundation incurs a number of general expenses that are common to the administration of the Foundation and each of its programs. The Foundation allocates its general expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year (note 9). The basis of allocation is reviewed and approved annually by the Board of Directors.

General expenses relate to human resources, information technology, finance and administration. Human resources and information technology are allocated based on time spent in relation to the programs. Finance and administration expenses are allocated based on actual usage and costs.

(g) Employee future benefits:

The Foundation provides a defined contribution plan in the form of a match group RRSP contribution up to 5% of gross salary. Contributions toward the plan are expensed as incurred. In fiscal 2019, the Foundation incurred \$92,690 (2018 - \$75,998) in contribution expense.

(h) Donated materials and services:

The Foundation may receive donated services, including services from governance members and volunteers each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Contributed materials are recorded at fair value at the date of contribution where such fair value is determinable and the contributed materials would otherwise have been purchased.

(i) Foreign currency translation:

Monetary items denominated in a foreign currency are adjusted at the statement of financial position date to reflect the exchange rate in effect at that date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at average rates for the month in which they are incurred. Exchange gains and losses are included in the determination of net income for the period.

(j) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items requiring the use of management estimates include the fair value of investments, the useful lives of equipment and leasehold improvements for purposes of amortization, and provisions for contingencies. Actual results may differ from these estimates.

ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

3. Investments:

The endowment fund portfolio holds investments at fair value as follows:

	2019	2018
Phillips, Hager & North Funds		
Mortgage Pension Trust	\$ 3,278,571	\$ 7,166,306
Enhanced Bond Fund	-	5,910,559
Multi-Strategy Alpha Fund	5,909,788	-
Low Volatility Global Equity Fund	10,809,640	-
	19,997,999	13,076,865
Fiera Capital Corporation Funds		
Short term investments	274,563	2,551,971
Canadian equity fund	18,267,695	17,310,014
Global equity fund	14,885,634	18,094,705
	33,427,892	37,956,690
Romspen Investment Corporation		
Mortgage investment funds	6,519,256	6,380,629
Axiom Infrastructure		
Infrastructure fund	7,199,366	6,904,306
Vancouver Foundation		
Asia Pacific Foundation of Canada Fund	11,003	10,821
Westcourt Capital Corporation		
TFS	3,000,000	3,000,000
VPC	90,683	1,566,869
	3,090,683	4,566,869
	\$ 70,246,199	\$ 68,896,180

4. Property and equipment:

	2019		2018	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 85,180	\$ 74,073	\$ 11,107	\$ 11,773
Furniture and office equipment	240,801	161,194	79,607	113,873
Leasehold improvements	114,601	69,004	45,597	56,906
	\$ 440,582	\$ 304,271	\$ 136,311	\$ 182,552

ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

5. Deferred revenue:

	John McArthur Fellowship	Kakehashi Program	Other Programs	Total
Balance, beginning of year	\$ 647,605	\$ 196,083	\$ 345,168	\$ 1,188,856
Funds received	235,506	955,370	1,401,481	2,592,357
Funds receivable	-	-	139,931	139,931
Revenue recognized	(63,647)	(1,076,650)	(1,600,708)	(2,741,005)
Balance, end of year	\$ 819,464	\$ 74,803	\$ 285,872	\$ 1,180,139

As at March 31, 2019, the Kakehashi Program had funds remaining in the amount of \$74,803 (2018 - \$196,083). The Ministry of Foreign Affairs of Japan has agreed to allow the Foundation to use the funds for 2020. The Foundation has included the amount in deferred revenue as at March 31, 2019.

During 2019, the Foundation has charged administrative fees of \$17,516 (2018 - \$13,440) to the Kakehashi Program. These amounts have been included as revenues in the statement of operations.

6. In-kind sponsored materials:

	2019	2018
Airfare	\$ 37,676	\$ 39,383
Event App	1,582	7,714
Other	-	11,900
	\$ 39,258	\$ 58,997

7. Commitments and guarantees:

(a) The Foundation has operating leases related to its Vancouver and Toronto office premises that expire in May 2022 and January 2027. The future minimum lease payments are as follows:

2020	\$ 192,948
2021	192,948
2022	160,398
2023	158,253
2024	158,253
Thereafter to 2027	448,384
	\$ 1,311,184

ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

7. Commitments and guarantees (continued):

(b) The Foundation currently guarantees credit cards used by its employees for travel expenses with a total limit of up to \$133,000 (2018 - \$150,000).

(c) The Foundation, under its endowment fund agreement, is:

(i) Committed in any fiscal year to use minimum 25% of the rolling endowment fund income reported in the second prior year statement of operations to fund its grant program. Fund income includes investment interest and dividend and other similar income, less management fees charged. Realized gains or losses on dispositions or redemptions of investments and capital gains distributions are excluded from the calculation of fund income to be used in determining the grants.

For the year ended March 31, 2019, the grant funding obligation was \$507,320 (2018 - \$263,860). This amount, net of the prior year grant funded overages of \$251,384 (2018 - \$245,083 overage), resulted in a net obligation of \$255,936 (2018 - \$18,777). Total grants awarded for the year were \$361,544 (2018 - \$270,161).

(ii) Committed to preserve the principal endowment fund of \$50 million over the long term.

8. Financial risks:

(a) Credit risk:

Credit risk represents the financial loss that the Foundation would suffer if the Foundation's counterparties to a financial instrument, in owing an amount to the Foundation, fail to meet or discharge their obligation to the Foundation. As at March 31, 2019, the Foundation is exposed to credit risk in connection with its cash, accounts receivable, investments and deposits.

The Foundation manages its credit risk by investing in instruments with reputable banks and investment managers in accordance with its Investment Policy. Exposure to credit risk in accounts receivable is reduced as the monies outstanding are due from multiple reputable debtors.

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when they become due. Management forecasts cash flows periodically to ensure the Foundation has sufficient cash available on demand to meet expected operational expenses and committed donations for a year.

ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

8. Financial risks (continued):

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks include currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing returns. This risk is managed through a diversified portfolio in accordance with the Foundation Board approved Investment Policy and monitoring of the market capitalization and trading liquidity of each holding.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value and/or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Foundation's interest bearing financial instruments consist of bond investments which bear interest at fixed rates and therefore subject the Foundation to fair value risks.

(ii) Currency risk:

Currency risk is the risk that the fair value and/or cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation has transactions in foreign currencies as part of its mandate. Fluctuations in the foreign exchange rate give rise to a risk that revenues over expenditures and cash flows may be negatively impacted.

The Foundation does not enter into foreign exchange contracts to manage the effect of currency risk.

(iii) Other price risk:

The Foundation's exposure to other price risk is primarily attributable to fluctuations in quoted market prices of listed investments. The exposure to price changes is managed by monitoring the changes in market conditions that may have an impact on the market prices or factors affecting the value of these investments.

There have been no significant changes to the risk exposures from 2018.

ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

9. Allocation of expenses:

Human resources, information technology and finance and administration expenses have been allocated to programs as follows:

	2019	2018
Projects	\$ 1,164,451	\$ 833,595
Kakehashi Program	125,356	39,434
APEC – Canada Growing Business Partnership	382,383	332,658
John McArthur Fellowship	1,187	111
Communication and public outreach	352,614	346,333
Grants program	37,523	44,376
Secretariats	29,573	63,548
Board	91,540	59,271
	\$ 2,184,627	\$ 1,719,326

10. Comparative information:

Certain balances in the comparative year have been reclassified to conform to the current year financial statement presentation.

STATEMENT OF INVESTMENT POLICIES AND PROCEDURES



STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

For

ASIA PACIFIC FOUNDATION OF CANADA

Approved: April 3, 2019

Table of Contents

Section I –	Introduction	1
Section II –	Overview of the Fund	2
Section III –	Governance and Administration	3
Section IV –	Roles and Responsibilities	5
Section V –	Asset Classes Eligible for Investment	7
Section VI –	Investment Objectives and Risk Considerations	10
Section VII –	Asset Allocation Guidelines	12
Section VIII –	Portfolio Diversification and Constraints	14
Section IX –	Loans and Borrowing	18
Section X –	Valuation of Investments	19
Section XI –	Conflicts of Interest	20
Section XII –	Voting Rights	21
Section XIII –	Monitoring	22
Section XIV –	Policy Review	24
Section XV –	Environmental, Social, and Governance	25

Section I – Introduction

- 1.1 This document constitutes the Statement of Investment Policies and Procedures (the “Policy”) applicable to the assets held in respect of the Fund (the “Fund”) of the Asia Pacific Foundation of Canada (the “Foundation”).
- 1.2 The purpose of this Policy is to formulate those investment principles, guidelines and monitoring procedures that are appropriate to the needs and objectives of the Fund.
- 1.3 Any Manager or other agent or advisor providing services in connection with the investment of the Fund assets shall accept and adhere to this Policy.
- 1.4 This Policy may be changed or modified at any time by action of the Committee.

Section II – Overview of the Fund

- 2.1 The Fund was established primarily through a grant from the Government of Canada. Its purpose is to provide a stable source of funding for the effective operation of the Asia Pacific Foundation of Canada.

Section III – Governance and Administration

- 3.1 The Fund was furnished through a conditional grant of \$50 million on December 22, 2005 provided by the Government of Canada. The Foundation shall use this conditional grant solely for the purposes of the Fund. No material changes in the objectives of the Fund, the use of the Fund or the Fund's Policy will be undertaken without prior written approval of the Minister of Foreign Affairs.
- 3.2 The Board of Directors of the Asia Pacific Foundation (the "Board") has the ultimate responsibility to ensure that the Fund is invested and managed in accordance with the prudent person principle.
- 3.3 The Board is the administrator of the Fund and responsible for all aspects of the operations of the Fund.
- 3.4 To assist in meeting its obligations, the Board has established a governance structure and delegated to the Investment Committee (the "Committee") responsibility for investment of the Fund. The Committee shall be composed of at least three Directors who are not officers or employees of the Foundation. Members of the Committee shall be financially literate and, collectively, have broad knowledge or experience in investment matters. Members of the Committee are to be appointed by the Board.
- 3.5 Oversight activities of the Fund are administered by the Committee. These include development of policies, appointment and termination of investment managers and other external service providers, and monitoring of investment results.
- 3.6 In fulfilling its responsibilities, the Committee may delegate to or otherwise utilize employees of the Foundation where appropriate. The Committee shall retain responsibility and utilize suitable personnel for such activities and monitor the activities undertaken by the selected personnel. The Committee may delegate some activities where appropriate but shall retain responsibility for such activities. Any reference in the Policy to the Committee shall be interpreted as referencing the appropriate delegate.
- 3.7 The Committee may rely on independent experts for certain aspects of the Fund's operations where expert knowledge is required or where a perceived or actual conflict of interest exists.

- 3.8 Neither the Committee nor any employee of the Foundation shall select securities on behalf of the Fund except for the selection of Pooled Funds, GICs, or short-term deposits with banks or trust companies for the Fund.
- 3.9 The Committee shall retain one or more independent professional investment managers (the "Manager(s)") to invest the Fund assets.
- 3.10 Assets of the Fund shall be allocated by the Committee among Managers in such proportions that will implement the Fund asset allocation guidelines in accordance with this Policy.
- 3.11 Where the Committee desires to invest in a Pooled Fund, the Committee must satisfy itself that the Investment Policy of such Pooled Fund and any amendments thereto are consistent with this Policy.
- 3.12 Any Custodian of Fund assets shall be a trust company registered in Canada or an insurance company authorized to underwrite life insurance in Canada. All investments and assets of the Fund shall be held by a Custodian and invested in a name that clearly indicates that the investment is held in trust for the Fund and, where the investment is capable of being registered, registered in that name.

Section IV – Roles and Responsibilities

The Board

4.1 The Board shall:

- Approve the Policy.
- Approve the appointment of Committee members.
- Approve any public financial statements which include reporting on the value of the Fund.
- Ensure that proper external investment arrangements are established for the Fund.
- Approve the asset mix policy.
- Ensure that Policy is reviewed at least annually.

The Committee

4.2 The Committee shall:

- Recommend a written Statement of Investment Policy to the Board.
- Approve the appointment of independent external advisors to provide investment advice (the “Investment Consultant(s)”).
- Approve the manager structure and review it at least annually.
- Approve the appointment and termination of the Managers.
- Approve the appointment and termination of the Custodian.
- Monitor the activities and performance of the Fund.

- Make other decisions that may be required to fulfill the terms of this Policy.

The Managers

4.3 The Managers shall:

- Invest the assets allocated to them in accordance with the Policy.
- Comply with the terms of an Investment Manager Agreement (“Agreement”).
- Report to the Committee in writing on a quarterly basis in respect of their performance for the quarter, the investment holdings and transactions, the intended strategy for the following quarter, deviation from the intended strategy for the preceding quarter and compliance with the Policy.
- Provide to the Committee upon appointment, and whenever change occur thereafter, their policies and procedures relating to professional standards, conflicts of interest, internal controls and trading policies.
- Advise the Committee on an ongoing basis of any relevant changes in their organization, personnel or investment process.
- Be available for meetings or discussions with the Committee on a reasonable basis.
- Report to the Committee in writing on an annual basis, and whenever there are changes, their Environmental, Social, and Governance policies and practices.

Section V – Asset Classes Eligible for Investment

5.1 From time to time, and subject to this Policy, the Fund may invest in any or all of the following asset categories and subcategories of investments either directly or through Pooled Funds or exchange traded funds that hold these investments. To the extent the Fund invests in a Pooled Fund, the investment constraints outlined below and any other provisions of the Statement that may be affected, shall not apply, but the Managers shall be governed by the investment policy for the Pooled Fund. At the time of hire, the Managers shall inform the Committee when and how the guidelines of the Pooled Fund differs from the diversification and other constraints in this Policy, and shall also inform the Committee of their policies on environmental, social and governance factors as these relate to their security selection decisions.

(a) “Equity”:

- common stocks, convertible debentures, share purchase warrants, exchangeable shares, share purchase rights, installment receipts or preferred shares of corporations
- interests in limited partnerships
- exchange traded funds, real estate investment trusts and income trusts
- depositary receipts

(b) “Fixed Income”:

- bonds, debentures, notes, or other debt instruments of domestic, foreign and supranational issuers
- asset-backed securities
- mortgage-backed securities
- commercial and residential mortgages

- pooled funds primarily invested in mortgage loans secured against Canadian and US real estate
- hybrid debt instruments issued by Canadian chartered banks
- term deposits or similar instruments of licensed trust companies and banks

(c) “Infrastructure”:

- pooled funds primarily invested in US and Canadian infrastructure assets

(d) “Cash and Cash Equivalents”:

- deposits with banks or trust companies with a term to maturity of one year or less
- money market securities with a term to maturity of one year or less
- floating rate notes
- repurchase agreements with a term to maturity of one year or less

(e) Hedge Funds:

- Hedge funds via pooled funds only, including, but not limited to absolute return strategies, market neutral credit and equities, event driven and global credit

(f) Derivatives:

- Futures and options that are regularly traded upon recognized public exchanges or other organized public trading facilities where market prices are readily available.

- Forward contracts and swap agreements with financial institutions that satisfy the credit standards of the Policy with respect to Cash Equivalents and Fixed Income.

Other Investments:

5.2 The Fund may not invest in categories of assets or instruments not specifically provided for in this section including commodities, precious metals, mineral rights, bullion or collectibles.

Section VI – Investment Objectives and Risk Considerations

- 6.1 The overall investment philosophy of the Fund is to maximize the long-term real rate of return subject to an acceptable degree of risk.
- 6.2 The investment objectives of the Fund are:
- (a) The primary objective of the Fund is to preserve the principal amount of the Fund over the long term.
 - (b) A secondary objective is to preserve the real value of the Fund over the long term.
 - (c) The long-term expected rate of return for the Fund is 4% above inflation (as recorded by the Consumer Price Index) over four-year rolling periods.
- 6.3 The overall quantitative performance of the Fund shall be considered satisfactory if the total annualized returns earned by the Fund exceed by 1.0% the returns that could have been earned by passively investing the Normal Allocation, identified in the following table, over rolling four year periods.

Asset Class	Benchmark Index	Normal Allocation
Canadian Equities	S&P/TSX Composite Index	25%
Global Equities	MSCI World Index	35%
Canadian Fixed Income and Mortgages	Blended Index comprised of 80% FTSE Canada Universe Bond Index + 20% FTSE Canada Short Term Index	25%
Infrastructure	CPI + 4%	8%
Hedge Funds	CDN 91 day T-Bill + 4%	7%

6.4 For each actively managed component of the Fund, the following table details the value add expectations relative to the corresponding benchmark. It is expected that the Managers will achieve these performance targets for their respective mandates, measured over rolling four year periods.

Asset Class	Benchmark Index	Added Value Expectation
Canadian Equities	S&P/TSX Composite Index	Index + 1.0%
Global Equities	MSCI World Index	Index +1.0%
Canadian Fixed Income and Mortgages	Blended Index comprised of 80% FTSE Canada Universe Bond Index + 20% FTSE Canada Short Term Index	Index + 0.4%
Infrastructure	CPI + 4.0%	0.0%
Hedge Funds	CDN 91 day T-Bill + 4%	0%

6.5 For the purpose of measuring rates of return of the Fund, all returns shall be measured before investment management fees, but after transaction costs, and over rolling four-year periods. All index returns shall be total returns. All foreign index returns shall be Canadian dollar returns.

6.6 The risk inherent in the investment strategy over a market cycle (a five to ten year period) is three-fold. There is a risk that long-term market returns will not be in line with expectations. To the degree that active management is employed, there is a risk that the added value will not be realized, or will be negative. There is also the risk of annual volatility in returns which means that in any one year the actual return may be very different from the expected long-term return and that such return may also be negative.

Section VII – Asset Allocation Guidelines

7.1 In identifying the Normal Allocation that would best meet the objectives identified in this Policy, consideration was given to:

- (a) the factors outlined in Overview of the Fund;
- (b) the long-term nature of the Fund's assets;
- (c) the long-term return expectations and the risks associated with key asset classes, as well as the relationships of their returns with each other, inflation and interest rates; and
- (d) Practical considerations.

7.2 Over complete market cycles the allocation is expected to stay within the following ranges and to approximate the Normal Allocation:

Component Asset Classes	Percentage of Fund at Market Values		
	Normal Allocation	Range	
		Minimum	Maximum
Canadian Equities	25%	15%	35%
Global Equities	35%	25%	45%
Total Equities	60%	50%	70%
Fixed Income and Mortgages	25%	20%	30%
Cash & Cash Equivalents	0%	0%	10%
Infrastructure	8%	4%	12%
Hedge Funds	7%	0%	10%

Cash and Cash Equivalents may also be held from time to time on a short-term, temporary basis or as defensive reserves within the portfolios for each asset class at the discretion of each Manager within the constraints prescribed by that Manager's mandate, and for the

purposes of this section such Cash and Cash Equivalents shall be included in that respective asset class.

- 7.3 If the asset mix deviates outside the above ranges at the end of any quarter, the Committee shall take corrective action on rebalancing the asset mix to bring the asset mix back within the range as soon as practicable. The Committee may also take action to bring the asset mix closer to the Normal Allocation at any time.

Section VIII – Restrictions and Constraints for Fund's Investments

- 8.1 (a) The Committee shall ensure that the diversification requirements in each Manager's mandate or Pooled Fund investment policy, in combination with the amount of assets allocated to each Manager or Pooled Fund, are consistent with the limits outlined in this Section.
- (b) Unless otherwise indicated, all percentages used in this Section shall be calculated using market values at the time; and
- (c) With the exception of a pooled fund and securities issued or guaranteed by the Government of Canada or by a province of Canada having at least an "A" rating no more than 10% of the Fund shall be invested in any one entity or group.
- 8.2 In respect of the equity portfolio of the Fund:
- (a) All holdings shall be listed on a public exchange or convertible or exchangeable into such securities.
- (b) Neither the Manager nor the Fund may take part in the management of any business in which the Fund invests.
- (c) Holdings shall be diversified by company, region, industry, currency and country; however, consideration may be given to the relative sizes of economic activity and stock market capitalization.
- (d) In respect of any Canadian income trust and Canadian real estate investment trust, unless the unit of such trust is held within a Pooled Fund and the agreements governing the Pooled Fund state that the investors in that Pooled Fund cannot be held personally liable for the obligations of the trust or the trustee, such trust:
- (i) must be a reporting issuer under the applicable securities legislation in Canada;

- (ii) must be governed by the laws of a province that limits the liabilities of unit holders by statute; and
 - (iii) The agreements governing any such trust must state that beneficiaries cannot be held personally liable for the obligations of the trust or the trustee.
 - (e) Any interest in a partnership must be as a limited partner and not as a general partner.
 - (f) Not more than 10% of the Canadian Equity portfolio shall be invested in securities not included in the S&P TSX Composite Index.
 - (g) Not more than 10% of the global equity portfolio shall be invested in companies having market capitalization, including closely held shares, below \$1 billion (USD).
 - (h) Not more than 10% of the global equity portfolio shall be invested in countries not included in the MSCI World index.
- 8.3 In respect of the fixed income portfolio of the Fund:
- (a) All securities must be readily marketable.
 - (b) Securities rated below “BBB (low)” or equivalent at the time of purchase are not permitted.
 - (c) The aggregate duration of the portfolio shall be maintained within three years of the FTSE Canada Universe Bond Index.
 - (d) Not more than 5% shall be invested in any one corporation or security with the exception of those issued or guaranteed by the Government of Canada or by a province of Canada having at least an “A” rating.
 - (e) Asset-backed securities shall be rated by at least two rating agencies.

- (f) Mortgages shall be secured against Canadian and US real estate, and the loan to market value ratio for individual mortgages shall not exceed 75%.
 - (g) Not more than 30% shall be held in issues rated below “A” or equivalent.
 - (h) Not more than 15% shall be held in securities denominated for payment in foreign currency.
- 8.4 In respect of Derivatives:
- (a) Any use of Derivatives must be in accordance with a policy that has been specifically considered and approved by the Committee whether done directly in the Funds or in a Pooled Fund.
 - (b) Derivatives may be used only to:
 - (i) adjust the duration and/or credit exposure of the Fixed Income portfolio within the ranges set out in this Policy;
 - (ii) replicate the investment performance of interest rates or a recognized capital market index;
 - (iii) create an exposure to securities that are otherwise permitted under this Policy;
 - (iv) manage the currency exposure of foreign property; or
 - (v) Reduce risk as part of a hedging strategy.
 - (c) Derivatives may not be used to create exposures that would not otherwise be permitted under this Policy or which would be outside the limits under this Policy had the exposure been obtained in the cash markets.

- (d) Any Manager investing in Derivatives must determine the market value of that Manager's exposures on a daily basis.
- 8.5 In respect of Cash and Cash Equivalents of the Fund:
- (a) All Cash Equivalents, including those held within the portfolios for each asset class at the discretion of the Manager, shall have a minimum credit rating of "R-1 (low)" or equivalent and be readily marketable or redeemable.
 - (b) Deposits with banks or trust companies must be rated "A" or better or be with institutions that have a long-term rating of "A" or better.
- 8.6 For purposes of this Section:
- (a) All debt ratings refer to the ratings of Dominion Bond Rating Service unless otherwise indicated, however, equivalent ratings by another major credit rating agency can be used.
 - (b) If a security's credit rating falls below the required level after purchase, the Manager shall advise the Committee of their proposed course of action in writing as soon as practical.
 - (c) Unrated securities will be assumed to fail the credit ratings referred to in this Section.
- 8.7 Other than in the case of Derivatives specifically permitted by this Policy, the Fund shall not purchase securities on margin or engage in short sales. Installment receipts may not be purchased unless Cash or Cash Equivalents equal to the unpaid purchase price are also held.

Section IX – Loans and Borrowing

- 9.1 No part of the Fund assets shall be loaned to any party, other than by:
- (a) purchasing securities which otherwise meet the requirements of this Policy for Fixed Income or Cash Equivalent;
 - (b) lending securities either by the Custodian or through a Pooled Fund that lends securities provided that a minimum collateral coverage of at least 102% of the current market value of the loaned securities is maintained at all times:
 - (i) in high quality liquid securities defined in an agreement with the lending agent and provided also that the lending agent provides a Bank guarantee of all such loans, or
 - (ii) in cash, provided that such cash is invested in investments that comply with the requirements for Cash and Cash Equivalents in this Policy, or
 - (c) Entering into repurchase agreements provided that the market value of the collateral held equals or exceeds the repurchase price plus accrued interest each day and the collateral otherwise qualifies for investment under this policy.
- 9.2 Money shall not be borrowed on behalf of the Fund and the Fund' assets shall not be pledged or otherwise encumbered in respect thereof, except for temporary overdrafts that occur in the course of normal day-to-day portfolio management.

Section X – Valuation of Investments

- 11.1 Investment in marketable securities shall be valued by the Custodian no less frequently than monthly at their market value at that time.
- 11.2 The Fund's investments in Pooled Funds holding publicly traded securities shall be valued according to the unit values published by the Managers. The Custodian shall be responsible for requesting and recording the unit values on a monthly basis.
- 11.3 If a market valuation of an investment is not readily available, an estimate of fair value shall be supplied by the Manager to the Custodian no less frequently than quarterly. Such fair value may be determined by reference to the most recent independent expert appraisal or by other means such as discounted cash flow or comparison with similar assets which are publicly traded. In all cases the methodology should be applied consistently over time.

Section XI – Conflicts of Interest

- 11.4 If a member of the Committee, or any agent of or advisor to the Committee, or any person employed in the investment or administration of the Fund has or acquires any material interest, direct or indirect, in any matter in which the Fund is concerned or may benefit materially from knowledge of, participation in, or by virtue of an investment decision or holding of the Fund, the person involved shall, as soon as practicable, disclose this conflict of interest to the Chair of the Committee. The Chair shall then immediately advise all members of the Board, and the Board shall decide upon a course of action according to the manager's internal guidelines and policies. Any such person will thereafter abstain from any decision making with respect to the area of conflict, unless otherwise determined by unanimous decision of the remaining members of the Committee.
- 11.5 A Manager shall provide the Committee with its internal guidelines on purchasing securities of members of the Manager's organization, affiliates, or entities in which the Manager or its affiliates have a substantial interest or in which any employee of the Manager or that employee's spouse or children have a substantial investment.
- 11.6 Every disclosure of interest under this Section shall be recorded in the minutes of the relevant Committee meeting.
- 11.7 The failure of a person to comply with the procedures, described in this Section, shall not of itself invalidate any decision, contract or other matter.
- 11.8 The Committee shall satisfy itself that an appropriate policy regarding conflicts of interest exists and is followed by any Manager. As a minimum, the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute shall be expected to apply to such Manager.

Section XII – Voting Rights

- 12.1 The responsibility of exercising and directing voting rights acquired through the Fund's investments shall normally be delegated to the Manager, who shall be required at all times act prudently and in the best interests of the beneficiaries. The Manager shall provide a copy of their voting rights policy to the Committee on request.
- 12.2 The Manager shall be required to maintain a record of how the Fund's voting rights have been exercised and provide a copy of such record to the Committee on request.

Section XIII – Monitoring

- 13.1 The Committee shall review on a regular basis, as needed, and at least once a year:
- (a) the assets and net cash flow of the Fund;
 - (b) the current asset mix of the Fund;
 - (c) the investment performance and management of the Fund and each Manager relative to the objectives of the Policy, their Investment Policy or their individual Mandate, as applicable;
 - (d) portfolio holdings;
 - (e) the fees and expenses incurred in managing the Fund; and
 - (f) Compliance with this Policy.

Following such review, the Committee shall take such action as it deems prudent and appropriate.

- 13.2 The Committee or a representative appointed by the Committee shall meet at least once a year with each Manager to discuss investment performance, investment strategies, expected future performance and any changes in that Manager's organization, investment processes and professional staff.
- 13.3 The primary focus of performance assessment will normally be on a moving four-year basis, but performance over shorter time periods and the Manager's performance for other comparable accounts prior to appointment for the Fund may also be considered. The Manager will not necessarily be faulted for underperforming the agreed standard over short time periods. However, the Committee may conclude that significant short-term under performance renders it unlikely that the performance standard can reasonably be achieved at an appropriate risk level over the remainder of a market cycle.

- 13.4 Managers' performance will be measured against applicable benchmarks and peer groups, as well as non-performance criteria, indices and comparator groups.
- 13.5 The Managers will also be judged on non-performance related criteria such as
- (a) failure to comply with the guidelines of the Policy;
 - (b) changes in key investment personnel, ownership and organization;
 - (c) deterioration in the quality and level of service;
 - (d) investment management fees, and
 - (e) Financial condition of the firm (including any significant changes in assets under management).
- 13.6 The Committee shall evaluate whether any information discovered through the foregoing monitoring activities require specific communication to the Board.

Section XIV – Policy Review

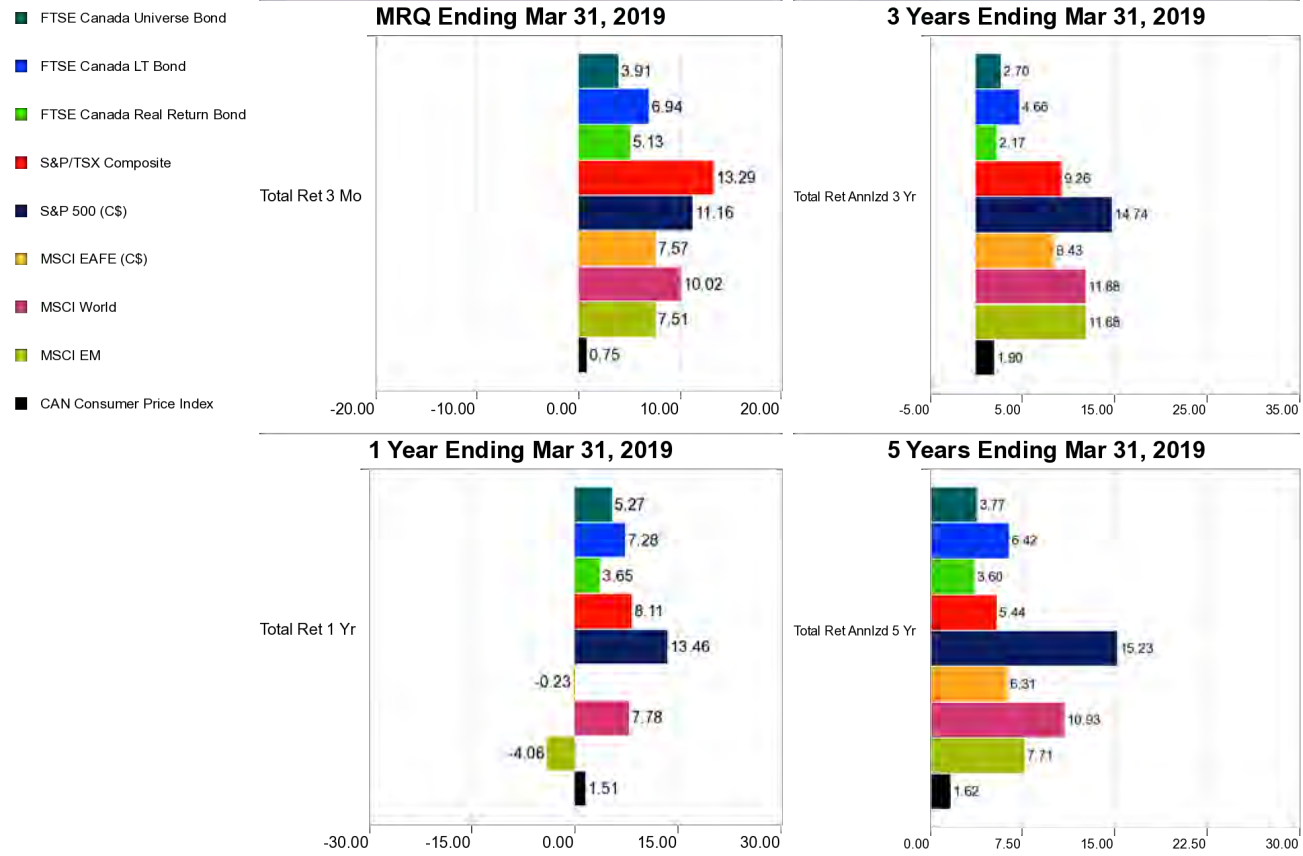
- 14.1 This Policy will be reviewed and affirmed at least annually, but otherwise whenever a major change is apparent or necessary. Such review may be prompted by:
- (a) a change in the expected projected expenditures of the Fund;
 - (b) a revision to the expected long-term trade-off between risk and reward on key asset classes;
 - (c) a shift in the financial objectives and risk tolerance of the Foundation,
 - (d) shortcomings of the Policy that emerge in its practical operation; or
 - (e) Modifications that are recommended to the Committee by a Manager.

Section XV – Environmental, Social, and Governance

- 15.1 Companies that ignore environmental, social, and governance (ESG) factors expose themselves to risks that can adversely impact long term financial performance. When evaluating companies for potential investment, investment managers should include an assessment of the potential risks and opportunities arising from ESG factors.
- 15.2 Existing managers are encouraged to integrate ESG considerations into their investment process and are required to provide annual updates on their ESG practices. In evaluating and selecting new investment managers or retaining existing managers, consideration will be given to whether and how ESG factors are integrated into the manager's investment process. Individual security selection decisions will remain the responsibility of investment managers retained by the Foundation.

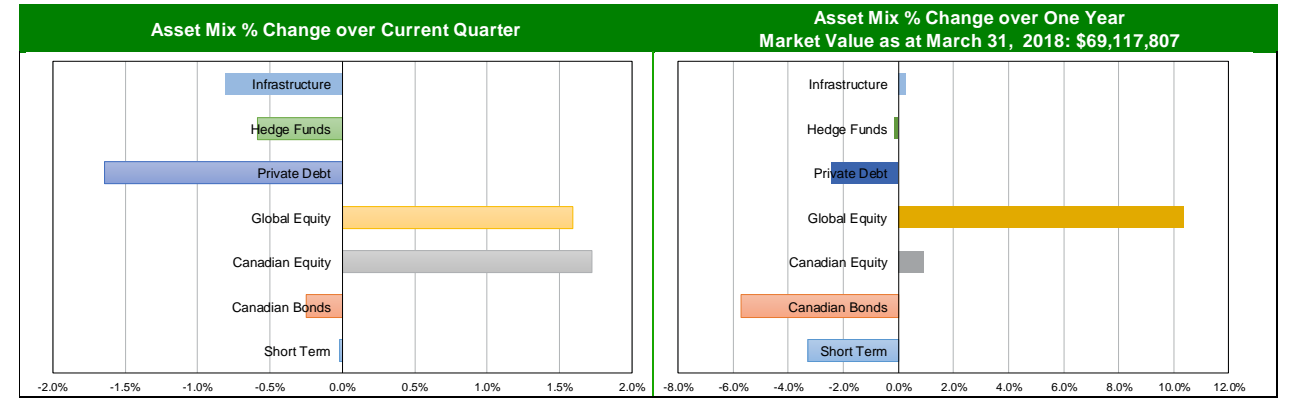
RISK AND ASSESSMENT ANALYTICS



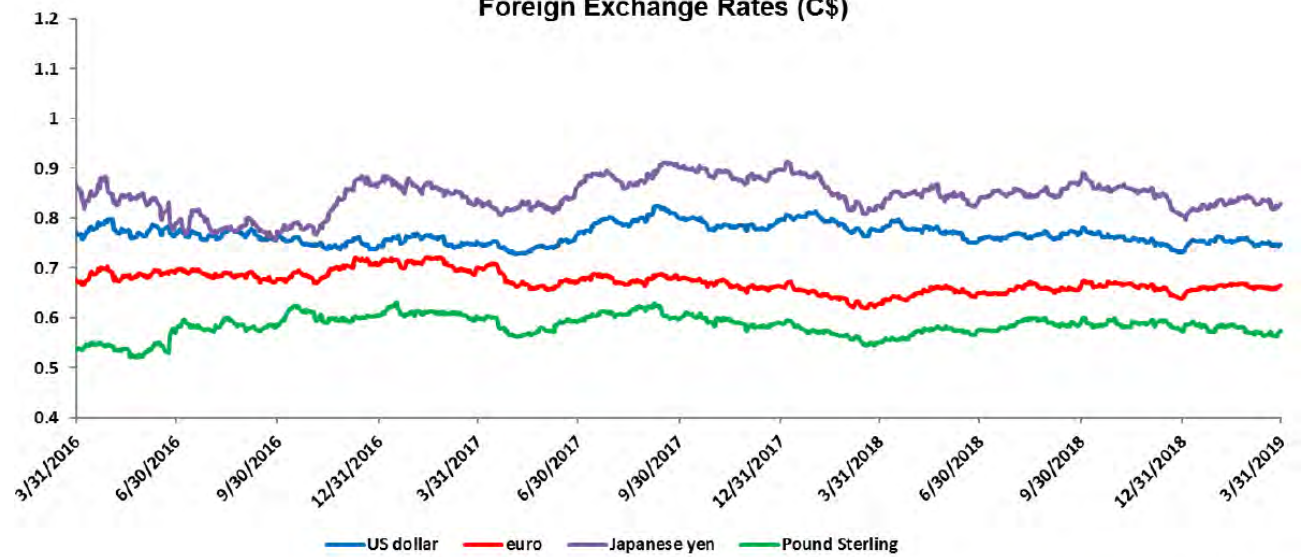


Financial Update by Asset Class

Asset Class	January Opening Value	Net Activity	Investment Gain and Loss	March Ending Value	Weight %	Net Contributions
Cash	\$ -	\$ -	\$ -	\$ -	-	
Short Term	\$ 273,078		\$ 1,517	\$ 274,595	0.4%	
Canadian Bonds	\$ 3,253,136	(3,243)	\$ 28,678	\$ 3,278,571	4.7%	Transfers \$ (910,498)
International Bonds						
Mortgages						
Canadian Equity	\$ 16,060,779	(18,470)	\$ 2,225,385	\$ 18,267,694	26.0%	Investment Mgmt Fees \$ 56,210
US Equity						Administrative Fees
International Equity						Other Expenses
Emerging Markets						Balancing Correction \$ 1
Global Equity	\$ 23,140,352	(34,496)	\$ 2,589,420	\$ 25,695,276	36.6%	
Pooled Fund						
Private Debt	\$ 10,182,782	(724,406)	\$ 200,168	\$ 9,658,544	13.7%	
Real Estate						
Private Equity						
Hedge Funds	\$ 5,954,627		(44,839)	\$ 5,909,788	8.4%	Net Cont (Current Quarter) \$ (966,707)
Infrastructure	\$ 7,313,865	(186,092)	\$ 71,593	\$ 7,199,366	10.2%	Net Cont (Fiscal YTD) \$ (4,586,692)
Other						
Total	\$ 66,178,619	\$ (966,707)	\$ 5,071,922	\$ 70,283,834	100.0%	



Foreign Exchange Rates (C\$)



The Canadian dollar appreciated versus the US dollar, Japanese yen, European euro and Great Britain pound sterling in Q1 2019.

Canadian Dollar vs.	Price of \$1 CAD							% Change	
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	MRQ	1-Year		
US dollar \$1.34 CAD =	\$1.00	\$0.78	\$0.76	\$0.77	\$0.73	\$0.75	2.09%	-3.51%	
Euro €1.50 CAD =	€1.00	€0.63	€0.65	€0.67	€0.64	€0.67	4.07%	5.77%	
Yen ¥100.00 CAD =	¥0.83	¥0.84	¥0.88	¥0.81	¥0.83	¥0.83	2.90%	0.50%	
Pound Sterling £1.74 CAD =	£1.00	£0.55	£0.58	£0.59	£0.57	£0.57	0.12%	3.95%	

Financial Update by Manager Accounts

Manager	January Opening Value	Net Activity	Investment Gain and Loss	March Ending Value	Weight %	Transfers	Fees/Expenses	Net Contributions
PH&N (Fixed Income)	\$ 3,253,136	(3,243)	\$ 28,678	\$ 3,278,571	4.7%			
PH&N (Global Equity)	\$ 9,946,365	(7,852)	\$ 871,127	\$ 10,809,640	15.4%			
PH&N (Hedge Fund)	\$ 5,954,627	(45,114)	(44,839)	\$ 5,909,788	8.4%			
Fiera (Total Equity)	\$ 29,527,844	(45,114)	\$ 3,945,195	\$ 33,427,925	47.6%			
Fiera (Short Term)					0.0%			
Axiom	\$ 7,313,865	(186,092)	\$ 71,593	\$ 7,199,366	10.2%			
Romspen	\$ 6,463,771	(45,116)	\$ 139,740	\$ 6,558,395	9.3%			
Westcourt (TFS Canada)	\$ 3,000,000	(61,875)	\$ 61,875	\$ 3,000,000	4.3%			
Westcourt (VPC SL)	\$ 719,011	(617,415)	(1,447)	\$ 100,149	0.1%			
Total	\$ 66,178,619	\$ (966,707)	\$ 5,071,922	\$ 70,283,834	100.0%	\$ (910,498)	\$ 56,211	\$ (966,707)

Fund Allocation By Asset Class as at March 31, 2019									
	PH&N (Fixed Income)	PH&N (Global Equity)	PH&N (Hedge Fund)	Fiera (Total Equity)	Axiom	Romspen	Westcourt TFS	Westcourt VPC	Fund Weight
Short Term				0.4%					0.4%
Canadian Bonds	4.7%								4.7%
Canadian Equity				26.0%					26.0%
Global Equity		15.4%		21.2%					36.6%
Private Debt						9.3%	4.3%	0.1%	13.7%
Hedge Funds			8.4%						8.4%
Infrastructure					10.2%				10.2%
Total	4.7%	15.4%	8.4%	47.6%	10.2%	9.3%	4.3%	0.1%	100.0%

Executive Summary

Asia Pacific Foundation of Canada

As of 3/31/2019

Rates of Return by Asset Class								
Name	Market Value	MRQ	rk	FYTD ¹	rk	1-Year rk	2-Year rk	4-Year rk
Cash & Short Term	\$ 274,595	0.6	2.1	2.1	2.1	1.6	1.0	

Bonds	\$ 3,278,571	0.9	4.3	4.3	3.2	2.6	
Custom Bond Benchmark ²		3.5	5.4	5.4	2.7	1.9	
Value Added (Target 0.4%)		-2.6	-1.1	-1.1	0.6	0.7	

Private Debt	\$ 9,658,544	2.1	7.7	7.7	7.4	7.6	
FTSE Canada 91 T-Bill + 5%		1.6	6.5	6.5	6.2	5.8	
Value Added		0.4	1.2	1.2	1.2	1.7	

Canadian Equity	\$ 18,267,694	13.9	7.6	7.6	5.7	5.2	
S&P/TSX Composite		13.3	8.1	8.1	4.9	5.1	
Value Added (Target 1%)		0.6	-0.6	-0.6	0.8	0.2	

Global Equity	\$ 25,695,276	11.2	13.8	13.8	14.9	12.3	
MSCI World (CS)		10.0	7.8	7.8	8.8	8.4	
Value Added (Target 1%)		1.2	6.0	6.0	6.1	3.9	

Infrastructure	\$ 7,199,366	1.0	11.7	11.7	10.0		
Canadian CPI + 4% (Lagged)		1.7	5.5	5.5	5.8	5.8	
Value Added		-0.7	6.2	6.2	4.2		

Hedge Funds	\$ 5,909,788	-0.8	0.0	0.0	0.2		
FTSE Canada 91 T-Bill + 4%		1.4	5.5	5.5	5.2	4.8	
Value Added		-2.1	-5.5	-5.5	-5.0		

Total Fund	\$ 70,283,834	7.7	8.7	8.7	8.0	6.7	
Custom Benchmark ³		7.9	6.9	6.9	5.4	5.2	
Value Added (Target 1%, Fund)		-0.2	1.8	1.8	2.6	1.5	
Value Added (Asset Allocation)		-0.1	-0.4	-0.4	-0.5	-0.7	
Value Added (Manager Selection)		-0.1	2.2	2.2	3.1	2.2	

Current Asset Mix				
Asset Class	Weight%	Target %	Asset Mix Range (%)	Over/Under

Canadian Equities	26.0%	25.0%	15.0% - 35.0%	1.0%
Global Equities	36.6%	35.0%	25.0% - 45.0%	1.6%
Total Equities	62.6%	60.0%	50.0% - 70.0%	2.6%
Fixed Income and Mortgages	18.4%	25.0%	20.0% - 30.0%	-6.6%
Cash & Cash Equivalents	0.4%	0.0%	0.0% - 10.0%	0.4%
Infrastructure	10.2%	8.0%	4.0% - 12.0%	2.2%
Hedge Funds	8.4%	7.0%	0.0% - 10.0%	1.4%

Rates of Return against Objectives				
Name	2019	Rolling Four Years		
		2018	2017	2016

Total Fund	6.7	8.3	10.5	9.9
Canadian CPI + 4% (Lagged)	5.8	5.7	5.4	5.2
Long-Term Objective Met	Yes	Yes	Yes	Yes
Custom Benchmark ²	5.2	6.1	8.5	7.4
Long-Term Objective Met (Target 1%)	Yes	Yes	Yes	Yes

Quarterly Performance Attribution

Asset Allocation: Detracted value slightly this quarter. Mostly due to Hedge Fund and Infrastructure overweight.

Manager Selection: Detracted value this quarter. Fixed Income was the primary detractor.

¹ FYTD refers to Fiscal Year-to-date result. Fiscal year ends on March 31.

² Effective May 1, 2018: 80% FTSE Canada Universe Bond Index, 20% FTSE Canada Short Term Bond Index

³ Effective January 1, 2019: 25% S&P/TSX Composite Index, 35% MSCI World Index, 25% Custom Bond Benchmark, 8% CPI + 4%, 7% FTSE Canada 91 Day T-Bill + 4%

¹ Effective May 1, 2018: 80% FTSE Canada Universe Bond Index, 20% FTSE Canada Short Term Bond Index

² Effective January 1, 2019: 25% S&P/TSX Composite Index, 35% MSCI World Index, 25% Custom Bond Benchmark, 8% CPI + 4%, 7% FTSE Canada 91 Day T-Bill + 4%

Rates of Return by Managers											
Name	Market Value	MRQ	rk	FYTD	rk	1-Year	rk	2-Year	rk	4-Year	rk

Fixed Income Mandate	\$ 12,937,115										
PH&N	\$ 3,278,571	0.9	96	4.3	8	4.3	8	3.2	1	2.6	8
Custom Bond Benchmark ¹		3.5	5.4	5.4	2.7	1.9					
Value Added (Target 0.4%)		-2.6	-1.1	-1.1	0.6	0.7					

Private Debt	\$ 9,658,544										
Romspen	\$ 6,558,395	2.2		8.6		8.6		7.9		8.0	
Westcourt TFS Canada Bond Series III	\$ 3,000,000	2.0		8.3		8.3		8.3			
Westcourt VPC SL Fund	\$ 100,149	-0.3		0.2		0.2		2.3			
FTSE Canada 91 T-Bill + 5%		1.6		6.5		6.5		6.2		5.8	
Value Added (Romspen)		0.6		2.1		2.1		1.8		2.2	
Value Added (Westcourt TFS Canada Bond)		0.4		1.7		1.7		2.1			
Value Added (Westcourt VPC SL Fund)		-1.9		-6.4		-6.4		-3.9			

Total Equity Mandate											
Name	Market Value	MRQ	rk	FYTD	rk	1-Year	rk	2-Year	rk	4-Year	rk

Fiera Total Equity	\$ 33,427,925	13.5		10.8		10.8		10.3		8.8	
Custom Total Equity Benchmark ²		11.7		8.0		8.0		6.9		6.8	
Value Added (Target 1%)		1.8		2.8		2.8		3.4		2.0	

Fiera Canadian Equity	\$ 18,267,694	13.9	4	7.6	37	7.6	37	5.7	16	5.2	51
S&P/TSX Composite		13.3		8.1		8.1		4.9		5.1	
Value Added (Target 1%)		0.6		-0.6		-0.6		0.8		0.2	

Fiera Global Equity	\$ 14,885,636	13.0	12	15.5	2	15.5	2	15.8	8	12.7	6
MSCI World (\$C)		10.0		7.8		7.8		8.8		8.4	
Value Added (Target 1%)		3.0		7.7		7.7		7.0		4.3	

PH&N RBC Global Equity (Low Volatility)³	\$ 10,809,640	8.8	63								
MSCI World (\$C)		10.0		7.8		7.8		8.8		8.4	
Value Added (Target)		-1.3									

Infrastructure	\$ 7,199,366										
Axium	\$ 7,199,366	1.0		11.7		11.7		10.0			
Canadian CPI + 4% (Lagged)		1.7		5.5		5.5		5.8		5.8	
Value Added		-0.7		6.2		6.2		4.2			

Hedge Fund	\$ 5,909,788										
PH&N RBC MSAF	\$ 5,909,788	-0.8		0.0		0.0					
FTSE Canada 91 T-Bill + 4%		1.4		5.5		5.5		5.2		4.8	
Value Added (PH&N RBC)		-2.1		-5.5		-5.5					

¹ Effective May 1, 2018: 80% FTSE Canada Universe Bond Index, 20% FTSE Canada Short Term Bond Index

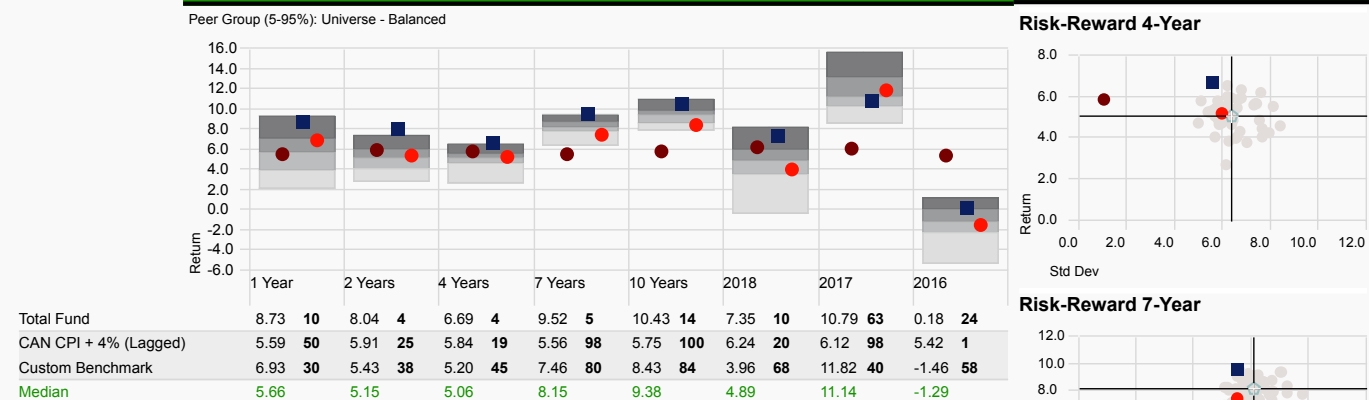
² Current: 50% S&P/TSX Composite Index, 50% MSCI World Index

³ Investment started in November 2018

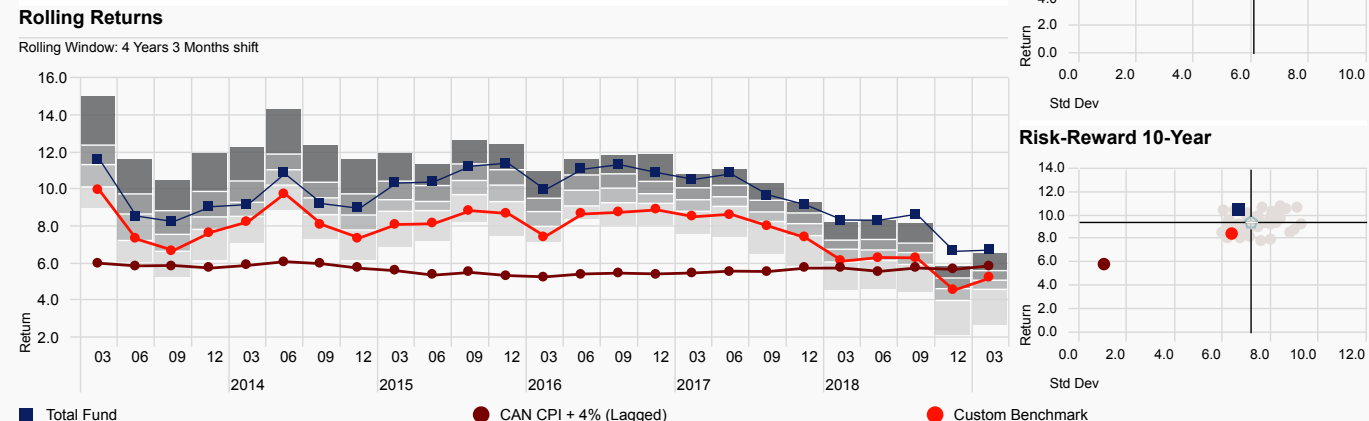
Executive Summary Total Fund

As of 3/31/2019

Trailing Performance



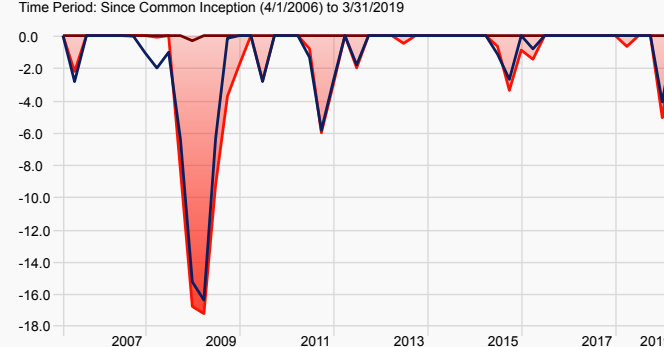
Four Year Rolling Returns



■ Total Fund ● CAN CPI + 4% (Lagged) ● Custom Benchmark

Market Statistics

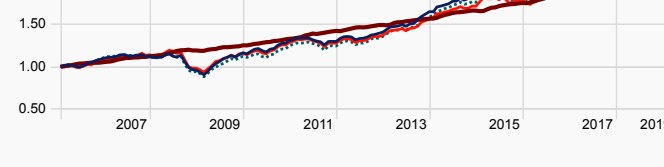
Drawdown



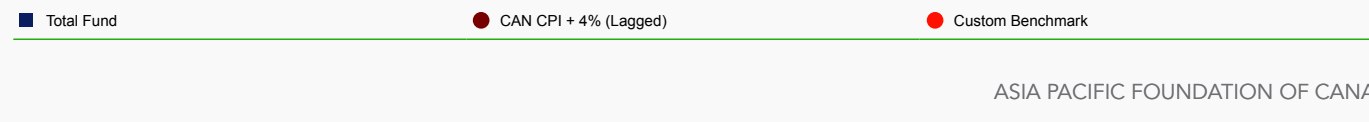
Down Capture

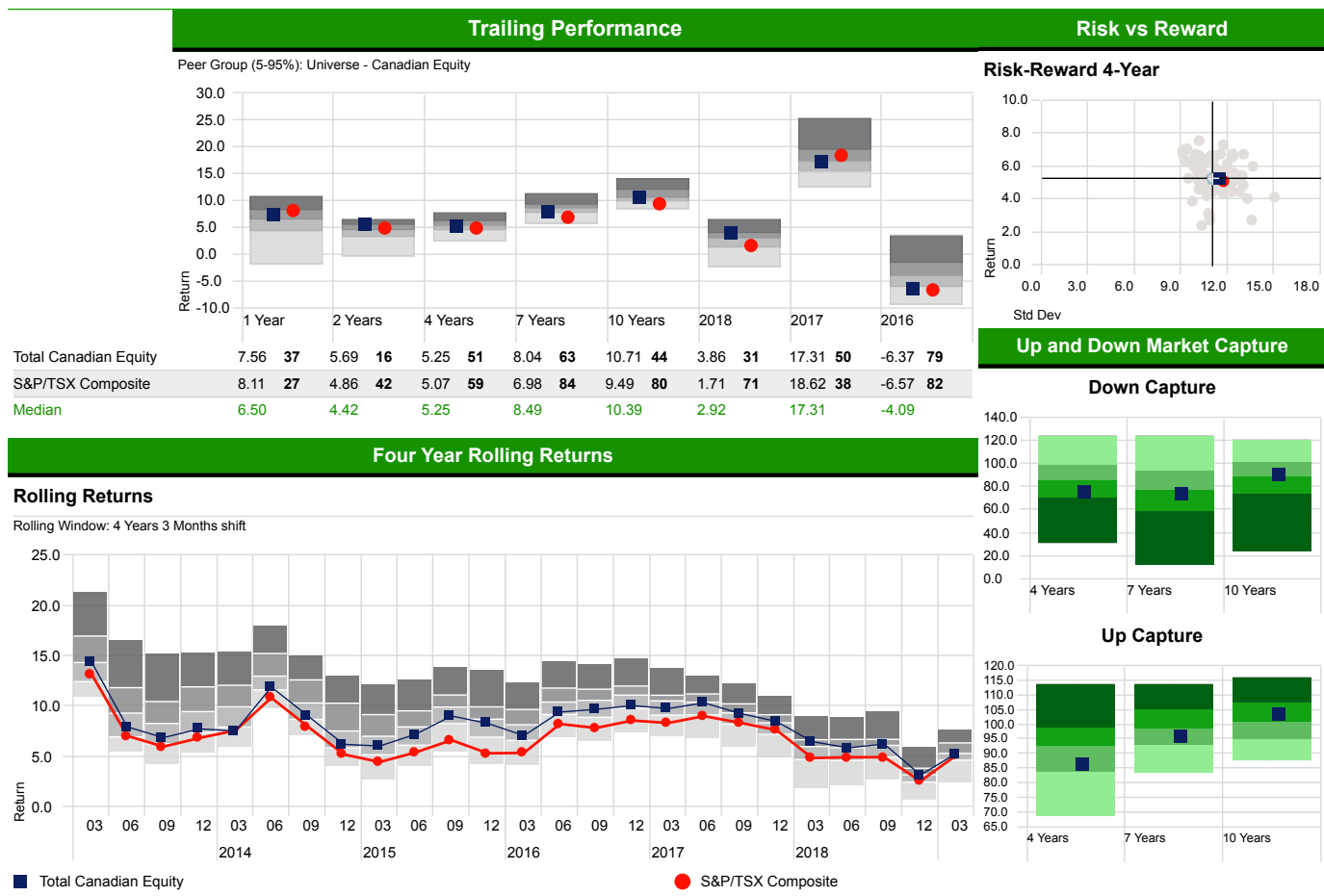
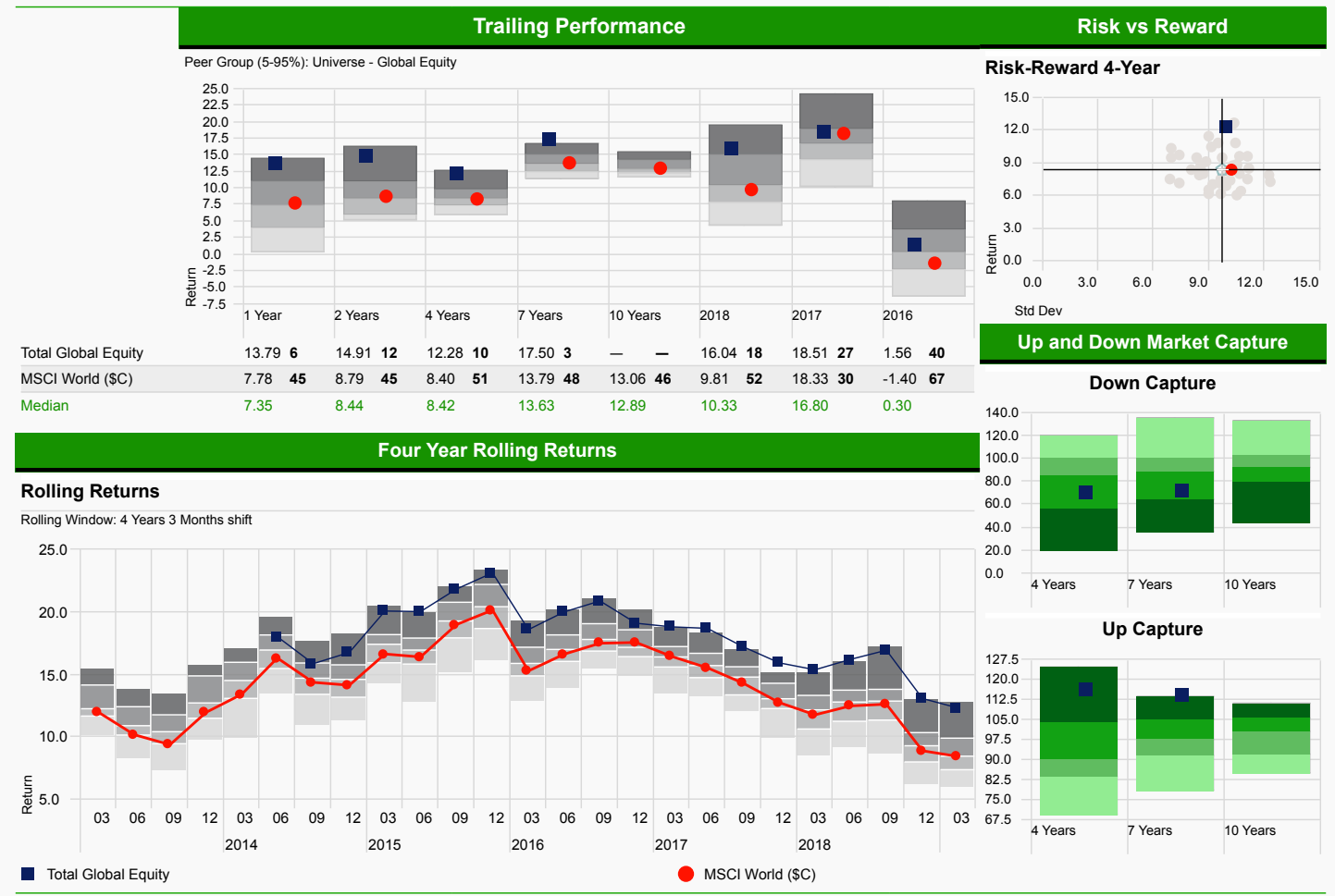
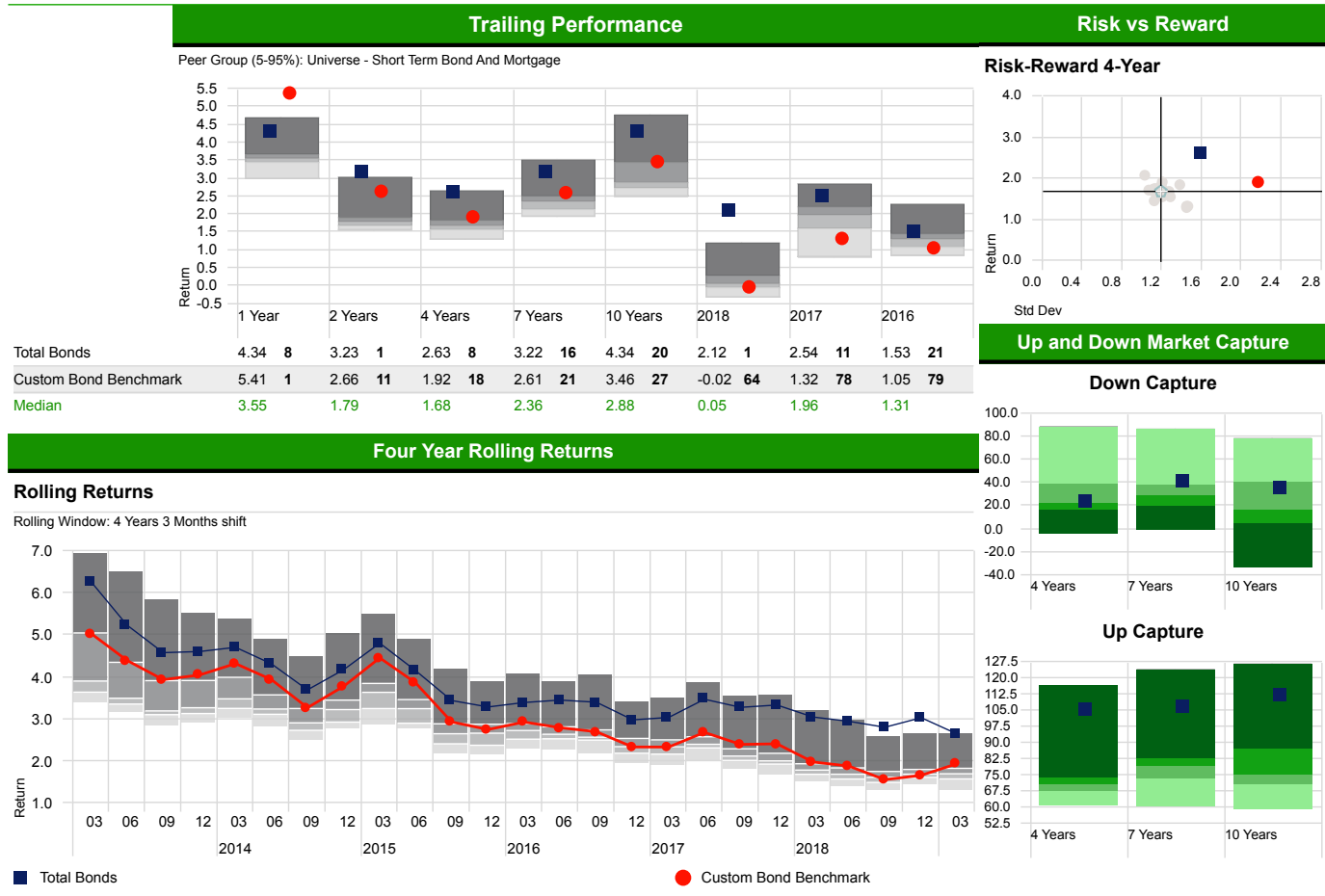


Growth of a Dollar



Up Capture





Firm Criteria	PH&N	Fiera
Change in Ownership	✓	✓
Loss of key members	✓	✓
Significant change to AUM	✓	✓
Change of philosophy or process	✓	✓

Product Criteria	Fixed Income	Global Equity	Canadian Equity	Global Equity
Gain/Loss of accounts	✓	✓	✓	✓
Style consistent with strategy	✓	✓	✓	✓
Performance relative to benchmark	✓	✓	✓	✓
Performance relative to peer universe	✓	✓	✓	✓
Risk metrics consistent with objectives	✓	✓	✓	✓

Commentary

The Fixed Income portfolio managed by PH&N is invested solely in the PH&N Mortgage Pension Trust. The mandate returned 0.9% for the quarter, against the Fund bond benchmark return of 3.5% and the FTSE Canada Short Term Bond Index' return of 1.7%. Relative underperformance over the quarter is largely due to widening of commercial mortgage spreads, which hurt the mortgage portfolio. At the same time, falling bond yields and tightening credit spreads resulted in stronger performance in the bond markets. The mandate continues to rank first quartile over each rolling four year period presented.

The Canadian Equity Core Fund outperformed the S&P/TSX Composite Index and the peer group this quarter, returning 13.9% against the Index return of 13.3% and ranked 1st quartile. The Fund's exposure to Industrials, Consumer Discretionary, and Energy sectors were the largest relative contributors this quarter.

The Fiera Global Equity Fund had another strong quarter, returning 13% against the Index return of 10.0%. Together, the Fiera Total Equity mandate outperformed the custom benchmark by 1.8% over the quarter and continues to add value over one, two, and four years annualized.

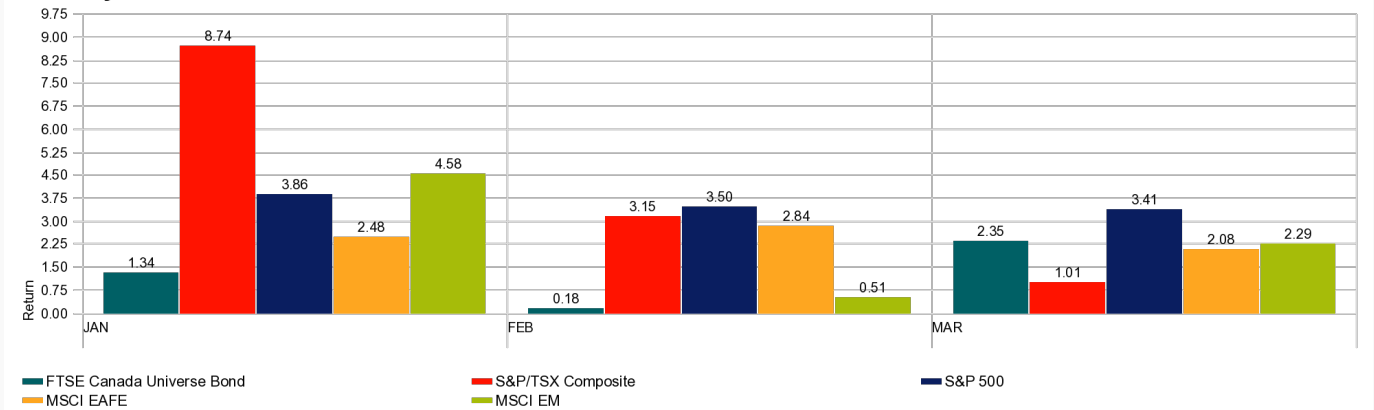
Return for the RBC QUBE Low Volatility Global Equity Fund was 8.8% for the quarter, which lagged the broad market index of 10.0% as the market rebounded strongly in the first quarter.

Post quarter-end, Fiera announced it has entered into a strategic partnership with Natixis Investment Managers with Natixis taking an 11% interest in Fiera following the completion of the transaction.

The RBC Multi-Strategy Alpha Fund fell 0.8% over the quarter and returned 0% over the last twelve months against the FTSE Canada 91 Day T-Bill Index + 4% benchmark returns of 1.4% and 5.5% for the quarter and over the last twelve months, respectively.

Capital Markets Review

Monthly Returns

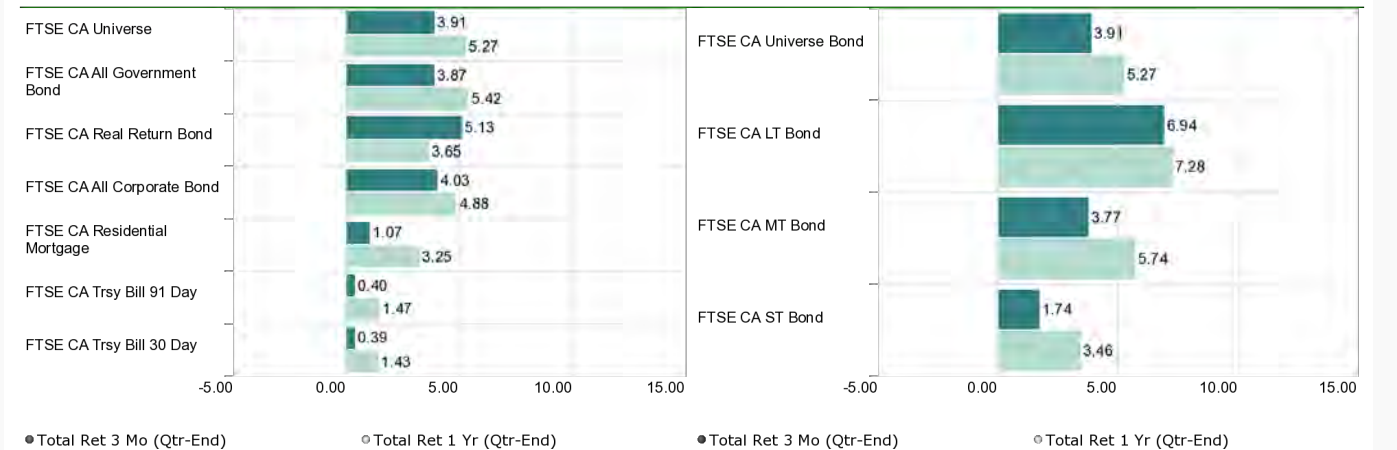


	FTSE Canada Universe Bond	S&P/TSX Composite	S&P 500	MSCI EAFE	MSCI EM
2018-04	-0.86	1.82	-0.18	1.70	-1.01
2018-05	0.80	3.12	3.63	-1.08	-2.40
2018-06	0.57	1.69	2.03	0.17	-2.81
2018-07	-0.74	1.15	2.66	1.41	1.15
2018-08	0.75	-0.82	3.41	-1.78	-2.56
2018-09	-0.97	-0.89	-0.31	-0.01	-1.40
2018-10	-0.61	-6.27	-5.35	-6.49	-7.25
2018-11	1.02	1.39	3.27	1.08	5.38
2018-12	1.36	-5.40	-6.52	-2.23	0.04
2019-01	1.34	8.74	3.86	2.48	4.58
2019-02	0.18	3.15	3.50	2.84	0.51
2019-03	2.35	1.01	3.41	2.08	2.29

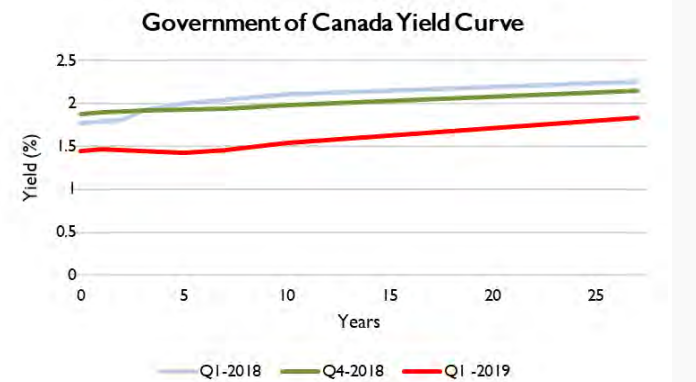
- The S&P/TSX Composite was the strongest performing index in January, returning 8.74%, rebounding from a poor December in which the index returned -5.40%. All other major indexes were positive for the month, supported by optimism investor sentiment.
- All major indexes had positive returns in February, led by the S&P 500 which returned 3.50%. The news that the U.S. had suspended the imposition of increased tariffs on China, supported positive performance.
- All major indexes were positive again in March, with the FTSE Canada Universe Bond Index having its best performing month since 2015.

Element Periodic Table of Indexes (C\$)

	2012	2013	2014	2015	2016	2017	2018	YTD
MSCI EM NR CAD	15.61	S&P 500 41.27	S&P 500 23.93	S&P 500 21.59	S&P/TSX Small Cap + 3.00% 28.26	MSCI EM NR CAD 28.26	CAN CPI + 4.00% 5.76	S&P/TSX Composite 13.29
MSCI EAFE NR CAD	14.72	MSCI World NR CAD 15.18	FTSE TMX CA LT Bond 17.48	MSCI EAFE NR CAD 18.95	S&P/TSX Composite 21.08	MSCI EAFE NR CAD 16.82	S&P 500 4.23	S&P/TSX Small Cap + 3.00% 11.52
MSCI World ex USA	13.83	MSCI ACWI NR CAD 31.04	MSCI World NR CAD 14.39	MSCI World NR CAD 18.85	S&P 500 8.09	MSCI World ex USA 16.05	FTSE TMX CA Res. Mrtg 2.62	S&P 500 11.16
MSCI ACWI NR CAD	13.56	MSCI EAFE NR CAD 31.02	MSCI ACWI NR CAD 13.55	MSCI ACWI NR CAD 17.10	MSCI EM NR CAD 7.34	MSCI ACWI NR CAD 15.83	FTSE TMX CA ST Bond 1.91	MSCI World NR CAD 10.02
S&P 500	13.43	MSCI World ex USA 29.14	S&P/TSX Composite 10.55	MSCI World ex USA 16.29	CAN CPI + 4.00% 5.23	MSCI World NR CAD 14.36	FTSE TMX CA MT Bond 1.91	MSCI ACWI NR CAD 9.72
MSCI World NR CAD	13.26	S&P/TSX Composite 12.99	FTSE TMX CA MT Bond 9.16	CAN CPI + 4.00% 5.41	MSCI ACWI NR CAD 4.13	S&P 500 13.83	FTSE TMX CA Universe 1.41	MSCI World ex USA 8.03
S&P/TSX Composite	7.19	S&P/TSX Small Cap + 3.00% 10.82	FTSE TMX CA Universe 8.79	FTSE TMX CA MT Bond 4.86	MSCI World NR CAD 3.79	S&P/TSX Composite 9.10	FTSE TMX CA LT Bond 0.31	MSCI EAFE NR CAD 7.57
FTSE TMX CA LT Bond	5.21	CAN CPI + 4.00% 4.94	MSCI EM NR CAD 6.83	FTSE TMX CA LT Bond 3.80	FTSE TMX CA Res. Mrtg 3.42	FTSE TMX CA LT Bond 7.03	MSCI World NR CAD -0.49	MSCI EM NR CAD 7.53
FTSE TMX CA Res. Mrtg	4.90	MSCI EM NR CAD 3.93	CAN CPI + 4.00% 6.03	FTSE TMX CA Res. Mrtg 3.59	FTSE TMX CA LT Bond 2.47	CAN CPI + 4.00% 6.18	MSCI ACWI NR CAD -1.26	FTSE TMX CA LT Bond 6.94
CAN CPI + 4.00%	4.87	FTSE TMX CA Res. Mrtg 3.11	FTSE TMX CA Res. Mrtg 4.95	FTSE TMX CA Universe 3.52	FTSE TMX CA Universe 1.66	S&P/TSX Small Cap + 3.00% 5.83	MSCI EAFE NR CAD -6.03	FTSE TMX CA Universe 3.91
FTSE TMX CA MT Bond	4.65	FTSE TMX CA ST Bond 1.74	MSCI World ex USA 4.30	FTSE TMX CA ST Bond 2.91	FTSE TMX CA MT Bond 1.91	FTSE TMX CA Res. Mrtg 2.54	MSCI World ex USA -6.35	FTSE TMX CA MT Bond 3.77
FTSE TMX CA Universe	3.60	FTSE TMX CA MT Bond -0.63	MSCI EAFE NR CAD 3.67	MSCI EM NR CAD 2.04	FTSE TMX CA ST Bond 1.01	FTSE TMX CA Universe 2.52	MSCI EM NR CAD -6.88	FTSE TMX CA ST Bond 1.74
FTSE TMX CA ST Bond	2.01	FTSE TMX CA Universe -1.19	FTSE TMX CA ST Bond 3.06	S&P/TSX Composite -8.32	MSCI World ex USA -0.81	FTSE TMX CA MT Bond 0.96	S&P/TSX Composite -8.89	CAN CPI + 4.00% 1.73
S&P/TSX Small Cap + 3.00%	0.71	FTSE TMX CA LT Bond -6.16	S&P/TSX Small Cap + 3.00% 0.59	S&P/TSX Small Cap + 3.00% -10.71	MSCI EAFE NR CAD -2.49	FTSE TMX CA ST Bond 0.08	S&P/TSX Small Cap + 3.00% -15.71	FTSE TMX CA Res. Mrtg 1.07



- Bond yields declined again over the first quarter of 2019, giving rise to strong bond returns, with the Universe Index returning 3.91% on the quarter. Deteriorating global economic conditions and increasing dovishness from central banks were the key drivers of recent performance. The 10-year Government of Canada bond yield fell 44bps to finish the quarter at 1.54%.
- Real return bonds were the strongest performing sector for the quarter, returning 5.13%.
- The Bank of Canada held the 1.75% overnight policy interest rate steady at its March 6th meeting.



Capital Markets Review - CAN

As of 3/31/2019

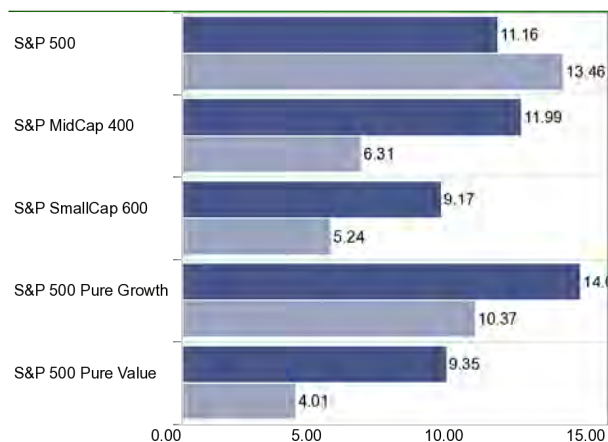


	MRQ Return	1 Year Return	Index Weight
S&P/TSX Composite	13.29	8.11	100.00
Consumer Discretionary	9.81	-5.65	4.13
Consumer Staples	10.52	20.44	3.91
Energy	15.48	4.10	18.21
Financials	10.42	3.14	31.80
Health Care	48.81	43.52	2.09
Industrials	14.96	16.60	10.92
Information Technology	25.97	29.13	4.45
Materials	8.95	3.32	11.25
Real Estate	17.44	19.17	3.30
Communication Services	9.99	16.71	5.79
Utilities	16.13	13.26	4.15

- The S&P/TSX Composite returned 13.29% in the first quarter of 2019
- All 11 GICS sectors produced positive returns this quarter
- Growth stocks outperformed Value stocks in Q1, returning 13.83% and 12.30%, respectively
- Small cap stocks underperformed large cap stocks in Q1, returning 10.71%
- The top 10 S&P/TSX Composite holdings accounted for 37.37% of the index; Royal Bank of Canada was the top holding with a 6.39% weighting, followed by Toronto-Dominion Bank at 5.85%, and Enbridge at 4.30%
- Financials, the index's largest sector returned 10.42% in Q1. Health Care, and Information Technology were the index's best performing sectors, returning 48.81% and 25.97%, respectively.
- The Bank of Canada left its key overnight interest rate at 1.75% during the first quarter of 2019.

Top 5 contributors – CN Railway, Enbridge Inc, Royal Bank of Canada, TransCanada Corp, and TD Bank

Top 5 detractors – SNC-Lavalin Group, MEG Energy Corp, Maxar Technologies, OceanaGold Corp, and Seven Generations Energy



	MRQ Return	1 Year Return	Index Weight
S&P 500	11.16	13.46	100.00
Consumer Discretionary	13.19	17.42	10.14
Consumer Staples	9.56	13.78	7.32
Energy	13.89	5.28	5.42
Financials	6.16	-1.26	12.78
Health Care	4.26	19.27	14.66
Industrials	14.54	6.74	9.53
Information Technology	17.24	21.65	21.27
Materials	7.83	3.53	2.66
Real Estate	14.97	25.07	3.07
Communication Services	11.68	13.98	9.86
Utilities	8.96	24.31	3.29

- The S&P 500 (C\$) returned 11.16% in the first quarter of 2019
- Excluding the effects of currency, the S&P 500 returned 13.65% in U.S. dollars during Q1
- All 11 GICS sectors posted positive Canadian dollar returns this quarter
- Growth stocks outperformed Value stocks in Q1, returning 14.00% and 9.35%, respectively
- Small cap stocks returned 9.17%, underperforming large cap stocks
- The U.S. Federal Reserve left the federal fund rate target range unchanged in Q1 at 2.25% - 2.50%
- The top 10 holdings accounted for 21.29% of the Index; Microsoft Corp was the top holding with a 3.84% weighting, followed by Apple Inc. at 3.60% and Amazon.com at 3.08%
- Information Technology was the top performing sector, returning 17.24% in Q1
- Health Care was the poorest performing sector in the first quarter, returning 4.26%

Top 5 contributors – Apple Inc, Microsoft Corp, Amazon.com, Facebook Inc, and Exxon Mobil Corp

Top 5 detractors – AbbVie Inc, CVS Health Corp, Berkshire Hathaway Inc, Biogen Inc, and Cigna Corp

Capital Markets Review - INTL

As of 3/31/2019



MSCI EAFE Country Indices	MRQ Return	1 Year Return	Index Weight
Australia	9.03	8.62	6.94
Hong Kong	9.72	7.68	5.30
Japan	4.47	-4.24	24.05
New Zealand	14.65	22.23	0.24
Singapore	3.94	-3.12	1.32
Asia Pacific	6.04	-0.30	37.85
Austria	6.19	-21.04	0.24
Belgium	13.71	-11.44	1.00
Denmark	10.74	0.97	1.80
Finland	6.02	1.08	1.02
France	8.40	0.81	11.17
Germany	4.65	-11.20	8.56
Ireland	9.08	-8.65	0.55
Israel	8.27	14.03	0.54
Italy	12.21	-6.69	2.35
Netherlands	11.15	1.11	3.51
Norway	4.84	0.66	0.71
Portugal	7.82	-0.36	0.16
Spain	4.58	-4.85	3.00
Sweden	5.81	-0.70	2.64
Switzerland	11.10	12.49	8.94
United Kingdom	10.20	3.47	15.96
Europe	8.74	0.17	62.15

MSCI EAFE - Sectors	MRQ Return	1 Year Return	Index Weight
Consumer Discretionary	5.09	-7.61	10.95
Consumer Staples	9.99	7.22	11.80
Energy	8.14	9.38	5.82
Financials	4.59	-8.99	18.90
Health Care	9.16	11.48	11.32
Industrials	8.30	-1.56	14.39
Information Technology	12.93	1.60	6.25
Materials	10.92	-0.62	7.53
Real Estate	11.68	8.44	3.87
Communication Services	2.36	-3.67	5.44
Utilities	6.74	13.33	3.73

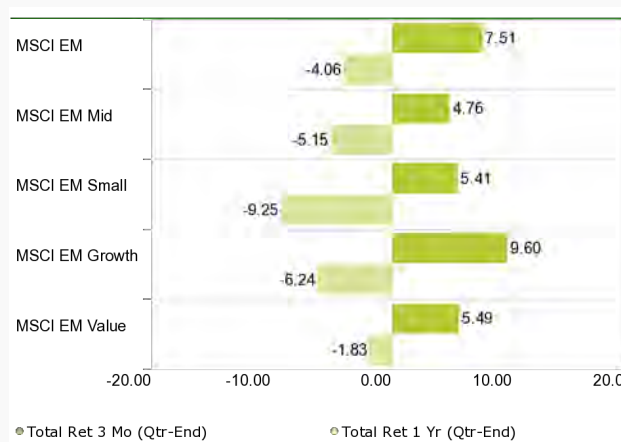
- The MSCI EAFE (C\$) returned 7.57% during Q1 2019

All 11 GICS sectors were positive this quarter

Information Technology was the top performing sector in Q1, returning 12.93%. Communication Services was the poorest performing sector, returning 2.36%

Top 5 Contributors – Nestle SA, Novartis AG, SoftBank Group Corp, British Tobacco PLC, and Roche Holding AG Dividend Cert.

Top 5 Detractors – Sony Corp, Swedbank AB Class A, Bayer AG, Essilorluxottica, Eisai Co Ltd, and Seven & Holdings Co



MSCI EM Country Indices	MRQ Return	1 Year Return	Index Weight
Brazil	5.85	-0.66	7.37
Chile	2.10	-13.80	1.05
Colombia	22.16	9.71	0.47
Mexico	3.22	-8.05	2.71
Peru	8.42	5.60	0.44
Latin America	12.57	-3.06	12.04
Czech Republic	1.91	-0.77	0.17
Egypt	13.96	-26.69	0.13
Hungary	4.05	4.51	0.32
Poland	-2.76	-1.59	1.16
Qatar	-5.65	28.11	0.96
Russian Federation	8.40	0.38	2.40
South Africa	2.47	-14.33	5.97
Turkey	-5.37	-38.18	0.56
United Arab Emirates	6.24	3.92	0.76
Greece	10.51	-18.50	0.22
Europe & Middle East	2.18	-8.67	12.65
China	15.34	-1.99	33.18
India	4.78	10.86	9.28
Indonesia	1.79	6.10	2.23
Malaysia	-1.84	-10.12	2.26
Pakistan	6.07	-34.15	0.04
Philippines	5.02	5.19	1.10
South Korea	2.45	-13.51	13.33
Taiwan	6.61	-2.15	11.48
Thailand	5.18	-3.27	2.41
Far East	8.71	-2.93	75.31

MSCI EM - Sectors	MRQ Return	1 Year Return	Index Weight
Consumer Discretionary	17.30	-5.37	13.53
Consumer Staples	3.08	-4.64	6.54
Energy	9.30	12.50	6.77
Financials	4.82	-2.05	24.50
Health Care	1.36	-19.97	2.70
Industrials	2.48	-5.50	5.37
Information Technology	10.15	-6.51	14.82
Materials	4.38	-2.22	7.51
Real Estate	13.26	2.69	3.18
Communication Services	6.65	-8.58	12.46
Utilities	2.16	1.69	2.62

- The MSCI EM (C\$) Index returned 7.51% in Q1 2019

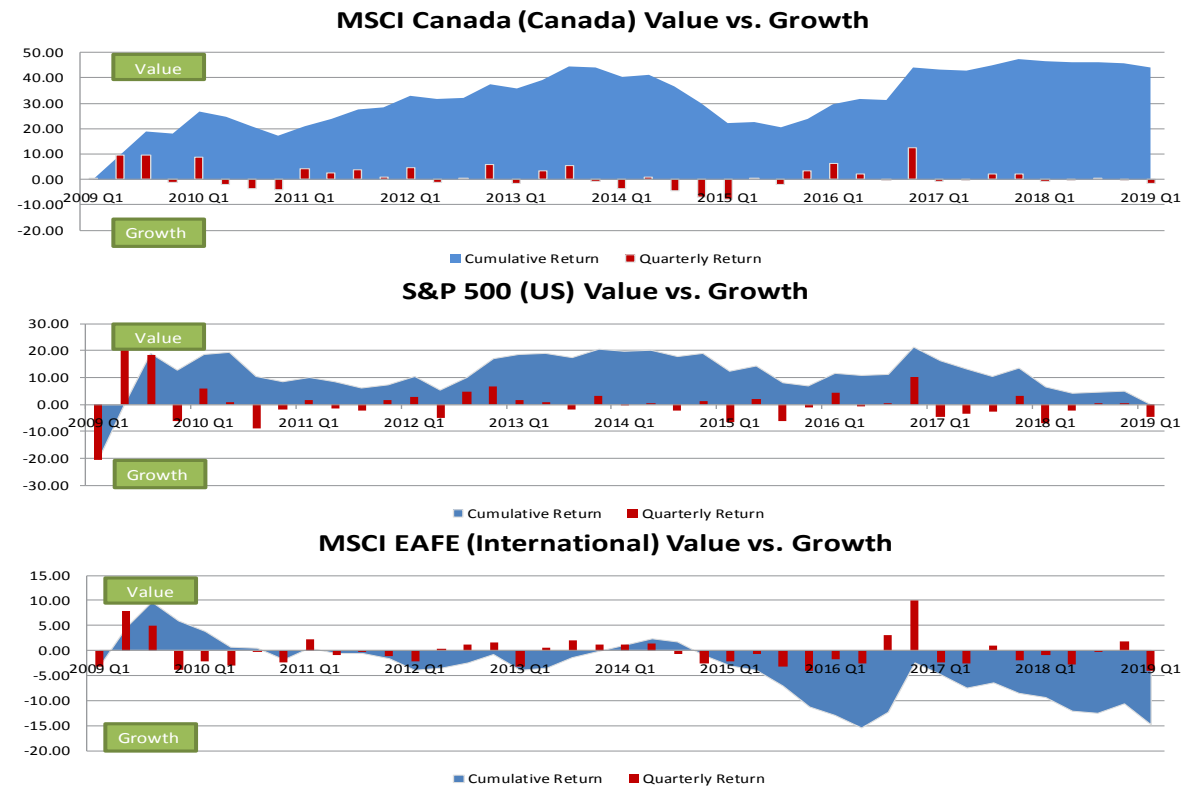
All 11 GICS sectors posted positive returns in Q1

Consumer Discretionary was the best performing sector returning 17.30%, while Health Care had the worst performance, returning 1.36%

China, the index's largest country in terms of weighting, earned 15.34% in Q1

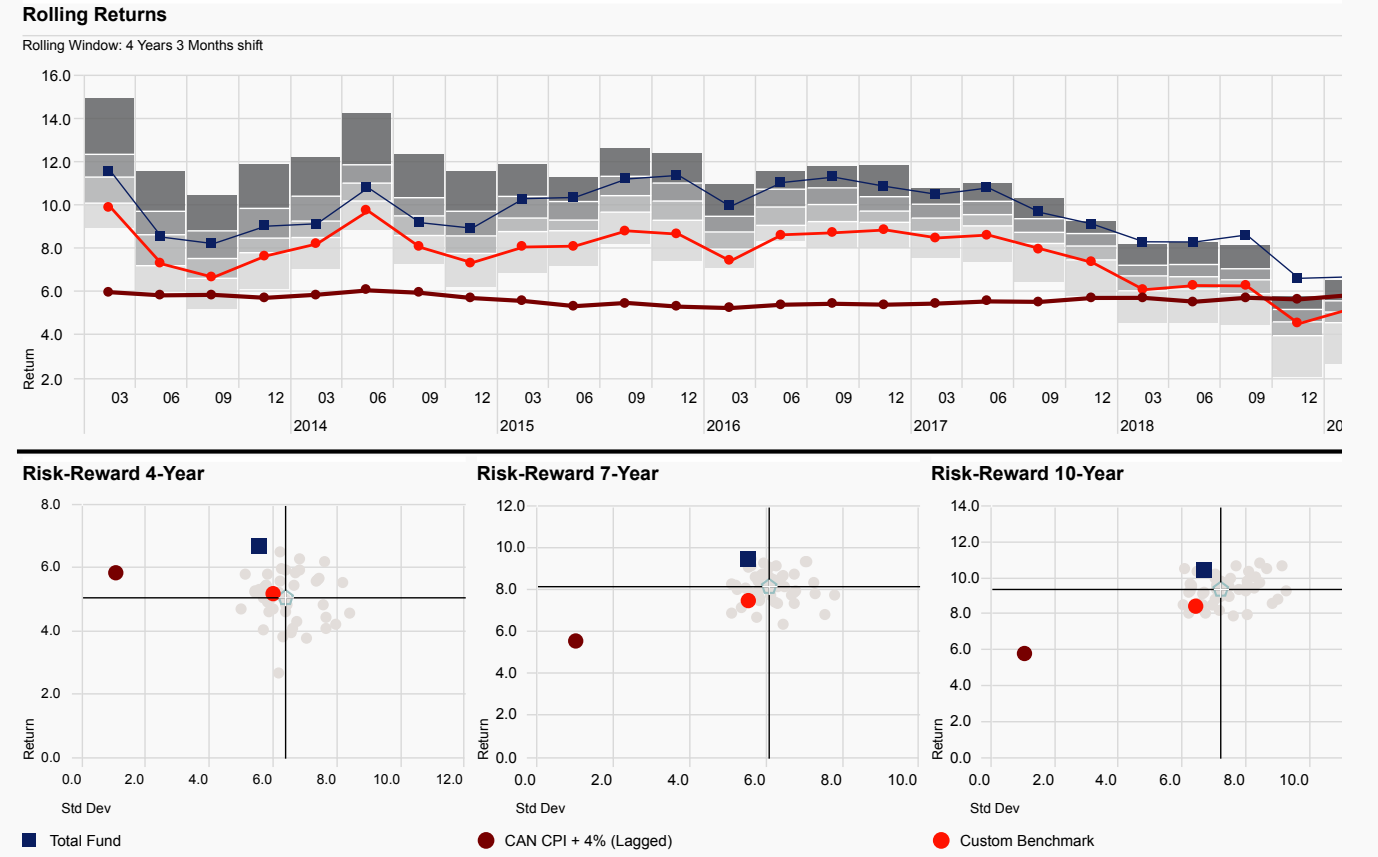
Top 5 Contributors – Alibaba Group Holdings Ltd, Tencent Holdings Ltd, Samsung Electronics Co Ltd, Naspers Ltd Class N, and Taiwan Semiconductor Manufacturing

Top 5 Detractors – Celltrion Inc, KB Financial Group, Qatar National Bank, Mahindra & Mahindra Ltd, and PT Astra International



All returns are in Canadian dollars.

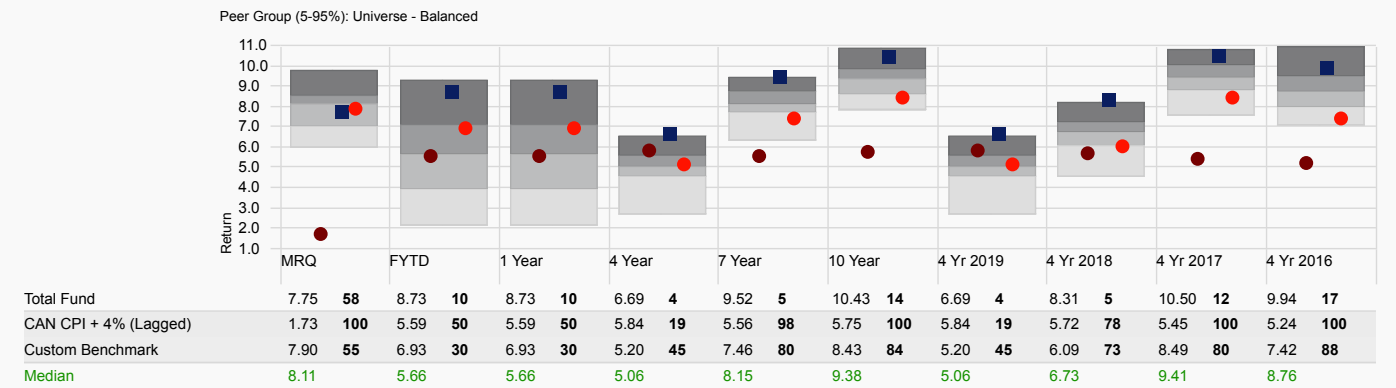
Four Year Rolling Returns & Risk vs Reward



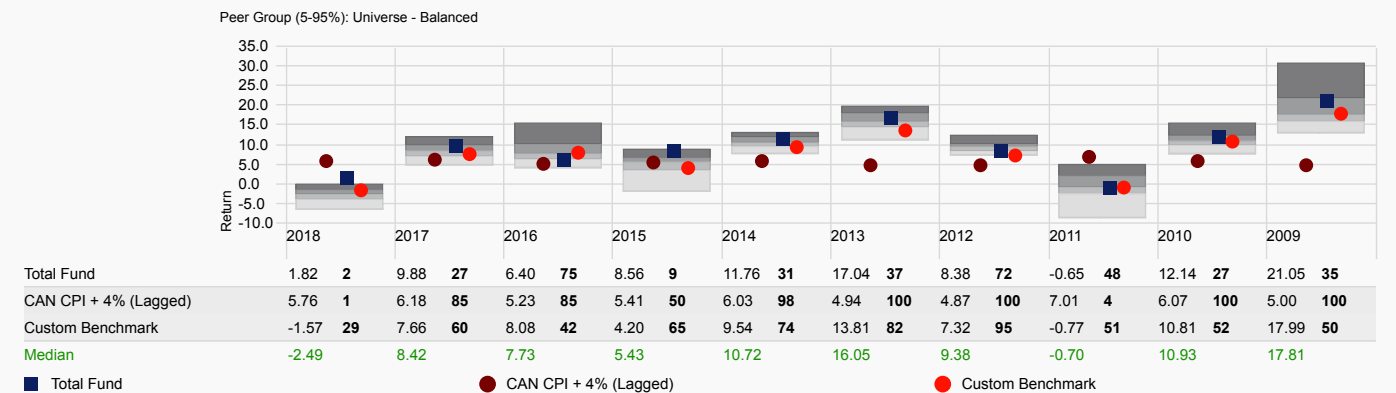
Fund Review

Returns

Trailing Performance



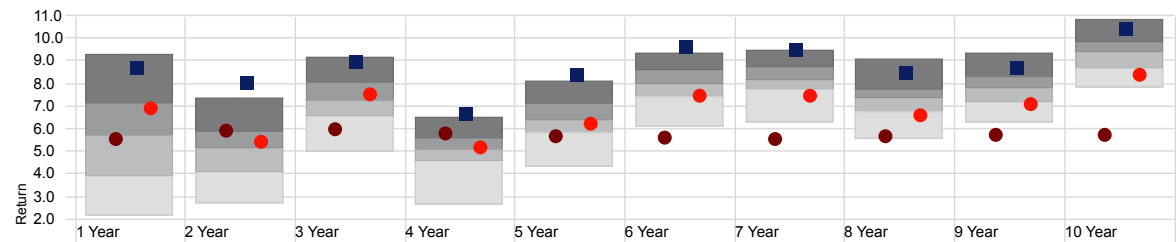
Calendar Year Performance



Returns

Annualized Performance

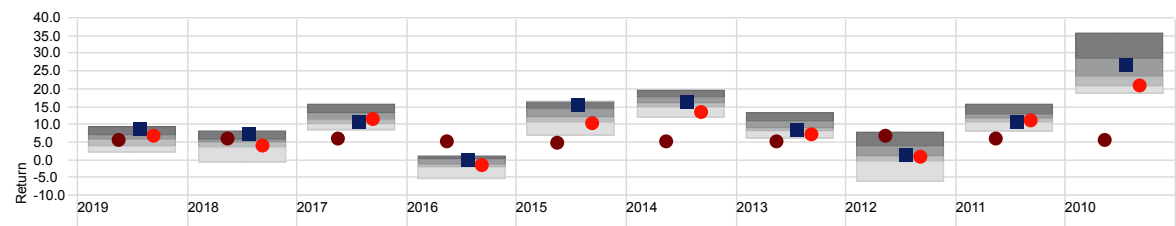
Peer Group (5-95%): Universe - Balanced



	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	7 Year	8 Year	9 Year	10 Year
Total Fund	8.73	8.04	8.95	6.69	8.39	9.67	9.52	8.48	8.73	10.43
CAN CPI + 4% (Lagged)	5.59	5.91	5.98	5.84	5.69	5.61	5.56	5.71	5.77	5.75
Custom Benchmark	6.93	5.43	7.52	5.20	6.26	7.46	7.46	6.62	7.12	8.43
Median	5.66	5.15	7.25	5.06	6.39	7.99	8.15	7.37	7.77	9.38

Annual Performance

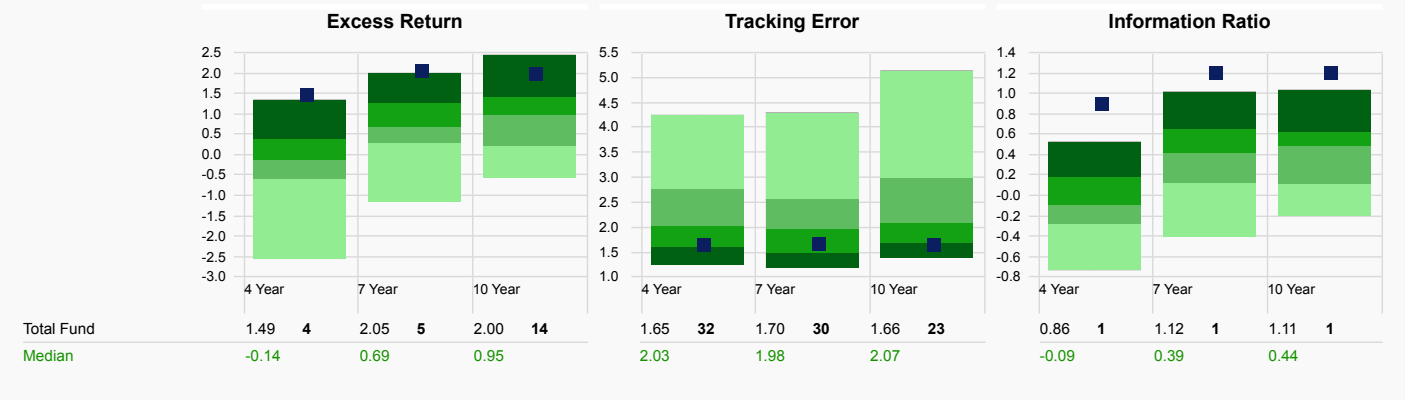
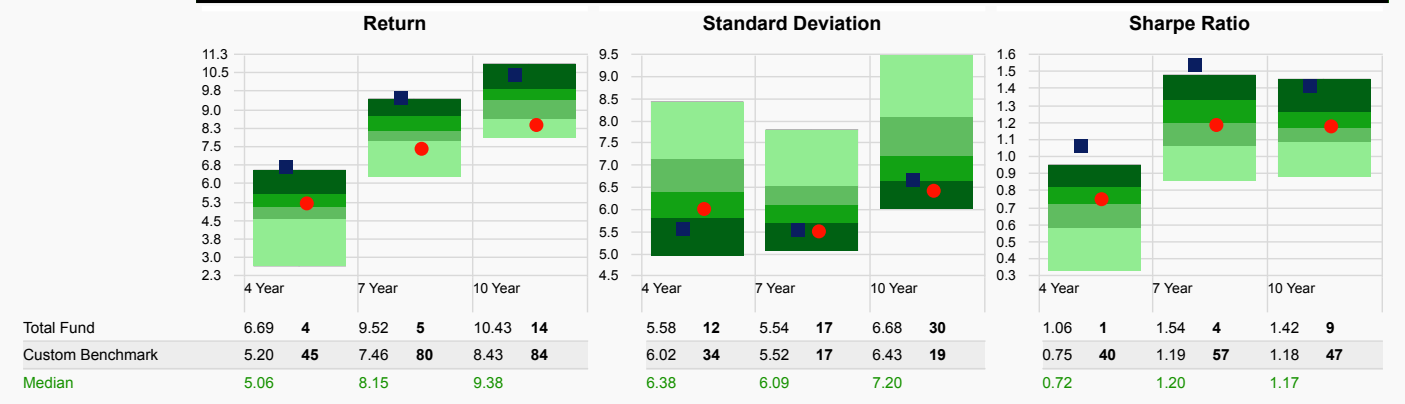
Peer Group (5-95%): Universe - Balanced



	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Fund	8.73	7.35	10.79	0.18	15.50	16.30	8.57	1.51	10.71	27.05
CAN CPI + 4% (Lagged)	5.59	6.24	6.12	5.42	5.09	5.18	5.28	6.74	6.25	5.64
Custom Benchmark	6.93	3.96	11.82	-1.46	10.59	13.69	7.48	0.93	11.19	20.99
Median	5.66	4.89	11.14	-1.29	12.22	16.11	9.07	1.05	11.53	23.42

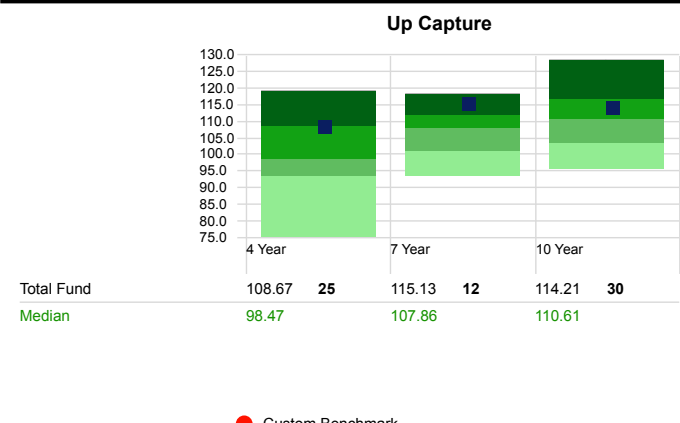
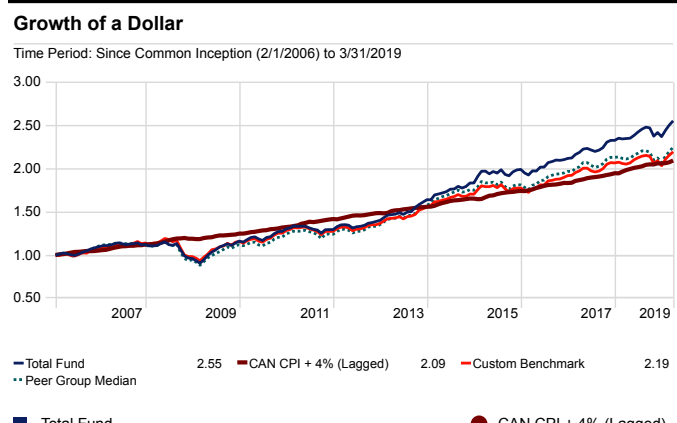
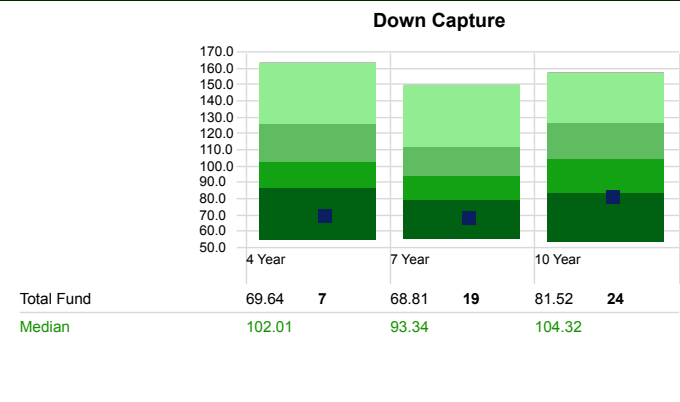
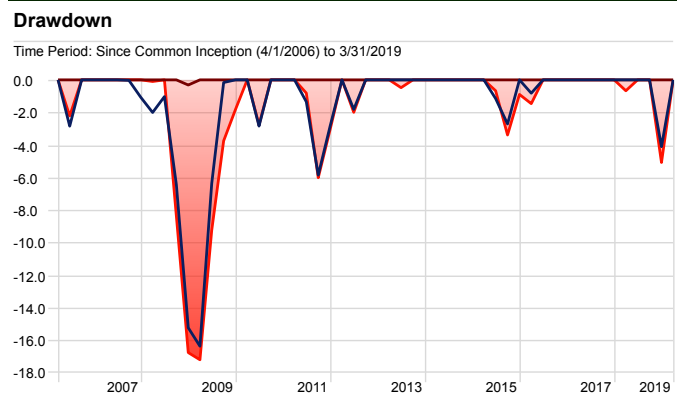
■ Total Fund ● CAN CPI + 4% (Lagged) ● Custom Benchmark

Fund Statistics



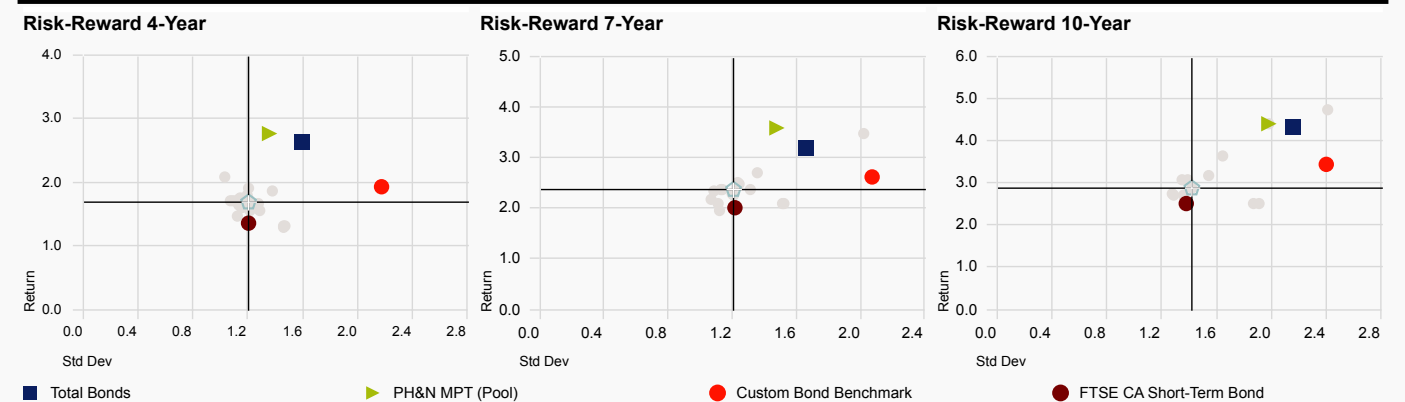
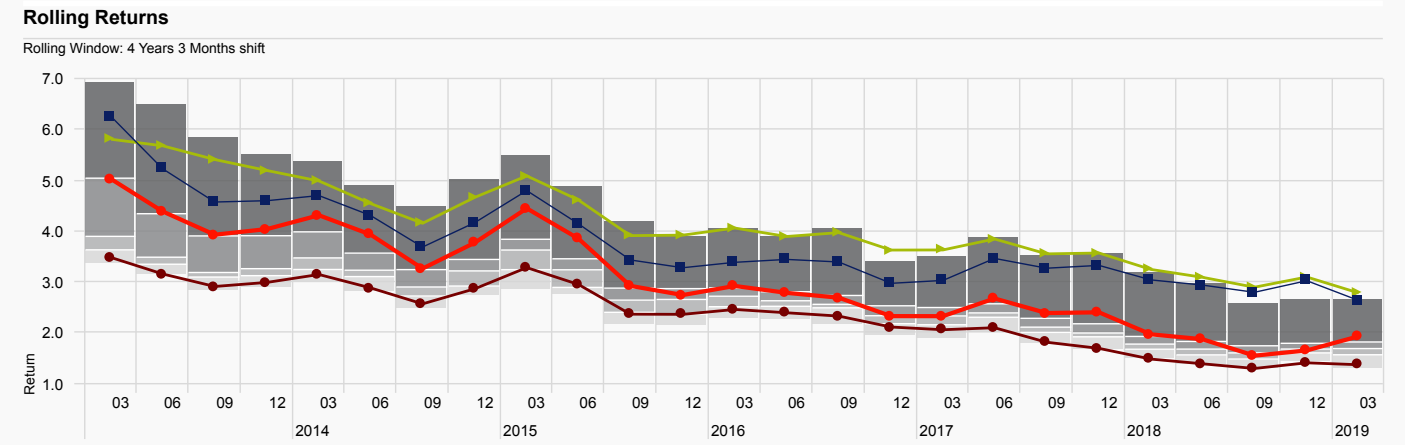
■ Total Fund ● Custom Benchmark

Market Statistics



■ Total Fund ● CAN CPI + 4% (Lagged) ● Custom Benchmark

Four Year Rolling Returns & Risk vs Reward

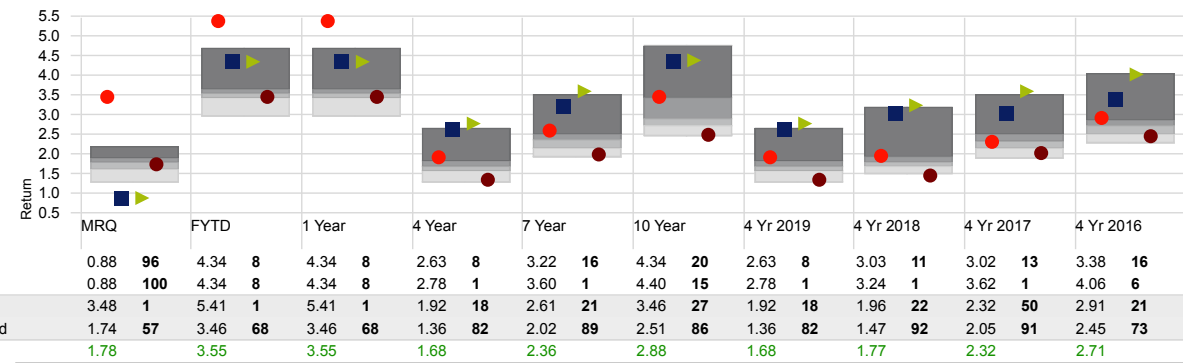


■ Total Bonds ▲ PH&N MPT (Pool) ● Custom Bond Benchmark ● FTSE CA Short-Term Bond

Returns

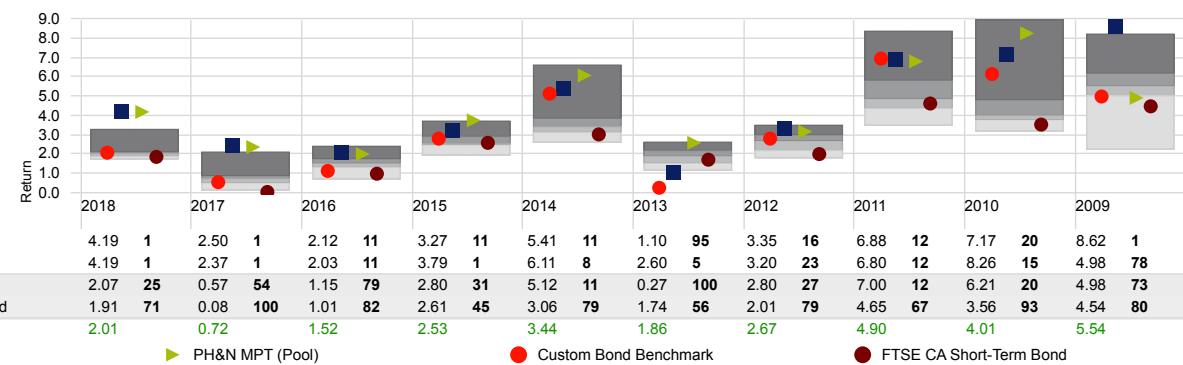
Trailing Performance

Peer Group (5-95%): Universe - Short Term Bond And Mortgage



Calendar Year Performance

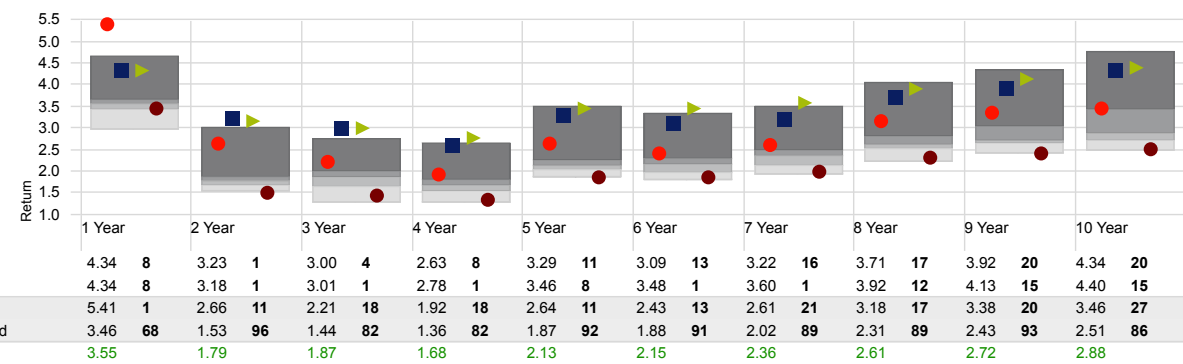
Peer Group (5-95%): Universe - Short Term Bond And Mortgage



Returns

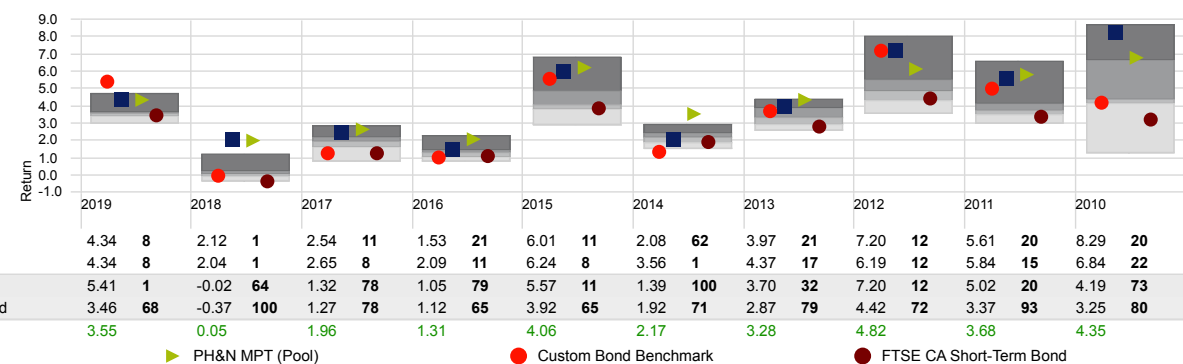
Annualized Performance

Peer Group (5-95%): Universe - Short Term Bond And Mortgage



Annual Performance

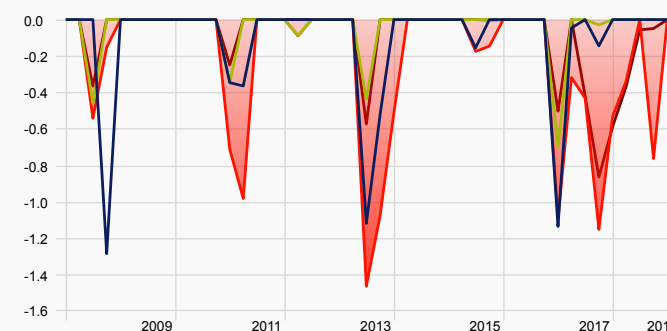
Peer Group (5-95%): Universe - Short Term Bond And Mortgage



Market Statistics

Drawdown

Time Period: Since Common Inception (1/1/2008) to 3/31/2019



Down Capture



Up Capture



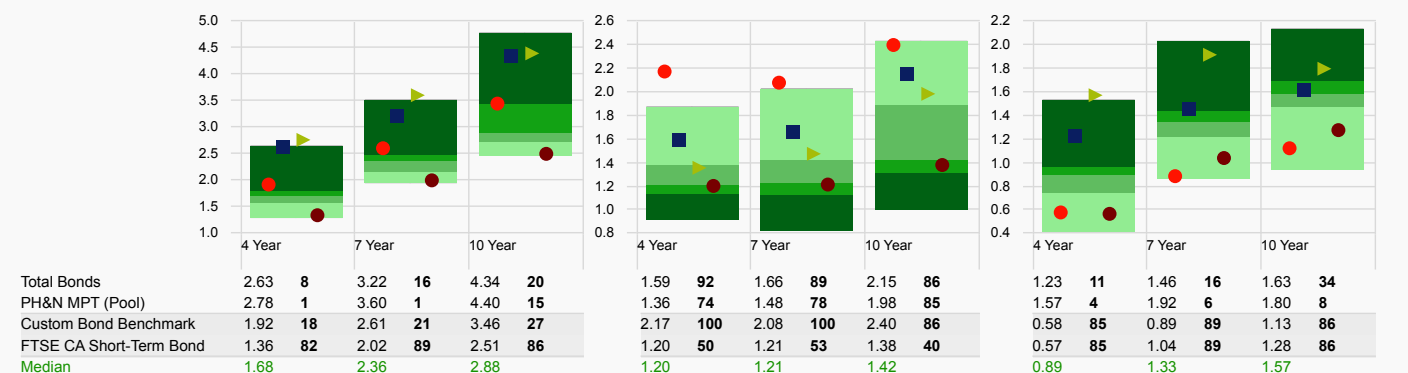
■ Total Bonds ▶ PH&N MPT (Pool) ● Custom Bond Benchmark ● FTSE CA Short-Term Bond

Fund Statistics

Return

Standard Deviation

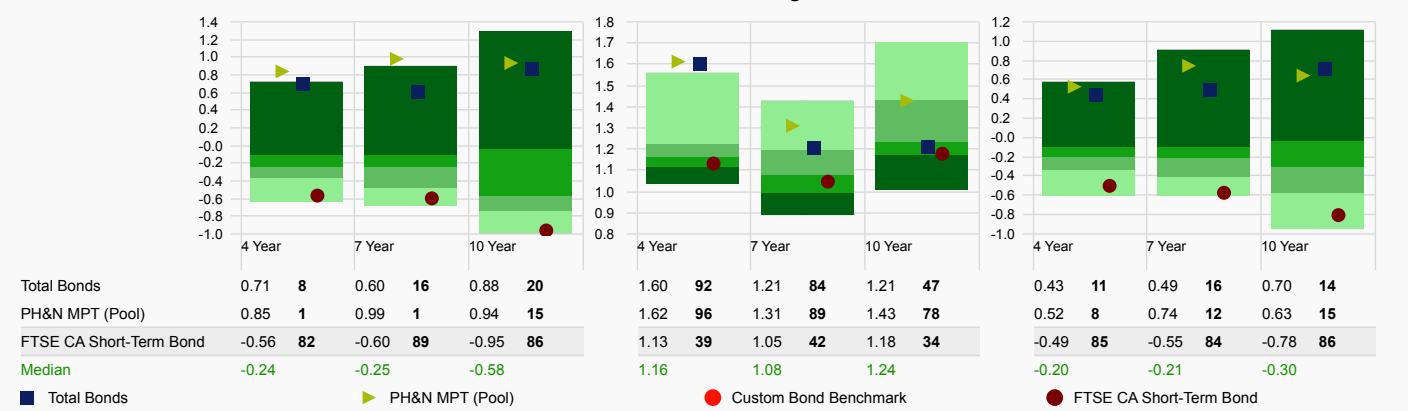
Sharpe Ratio



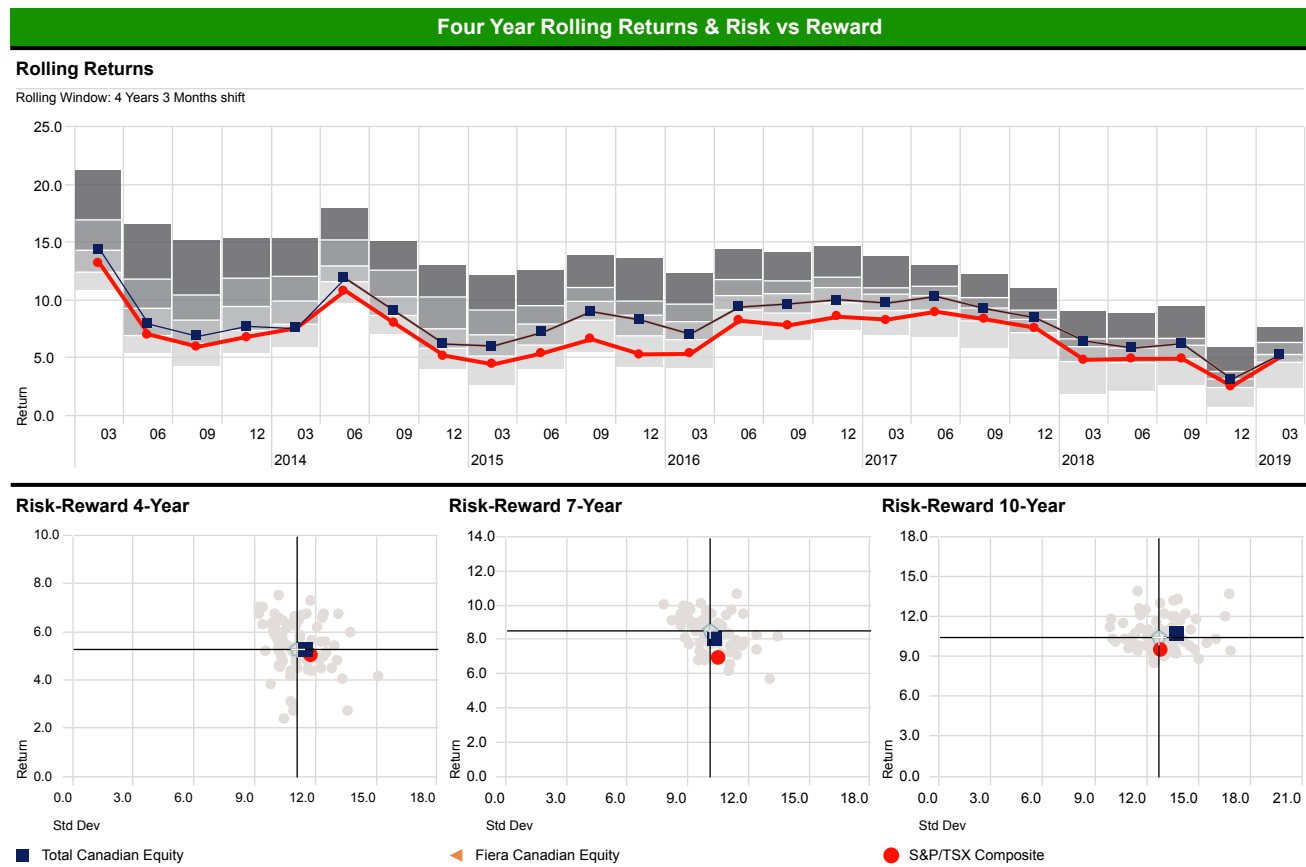
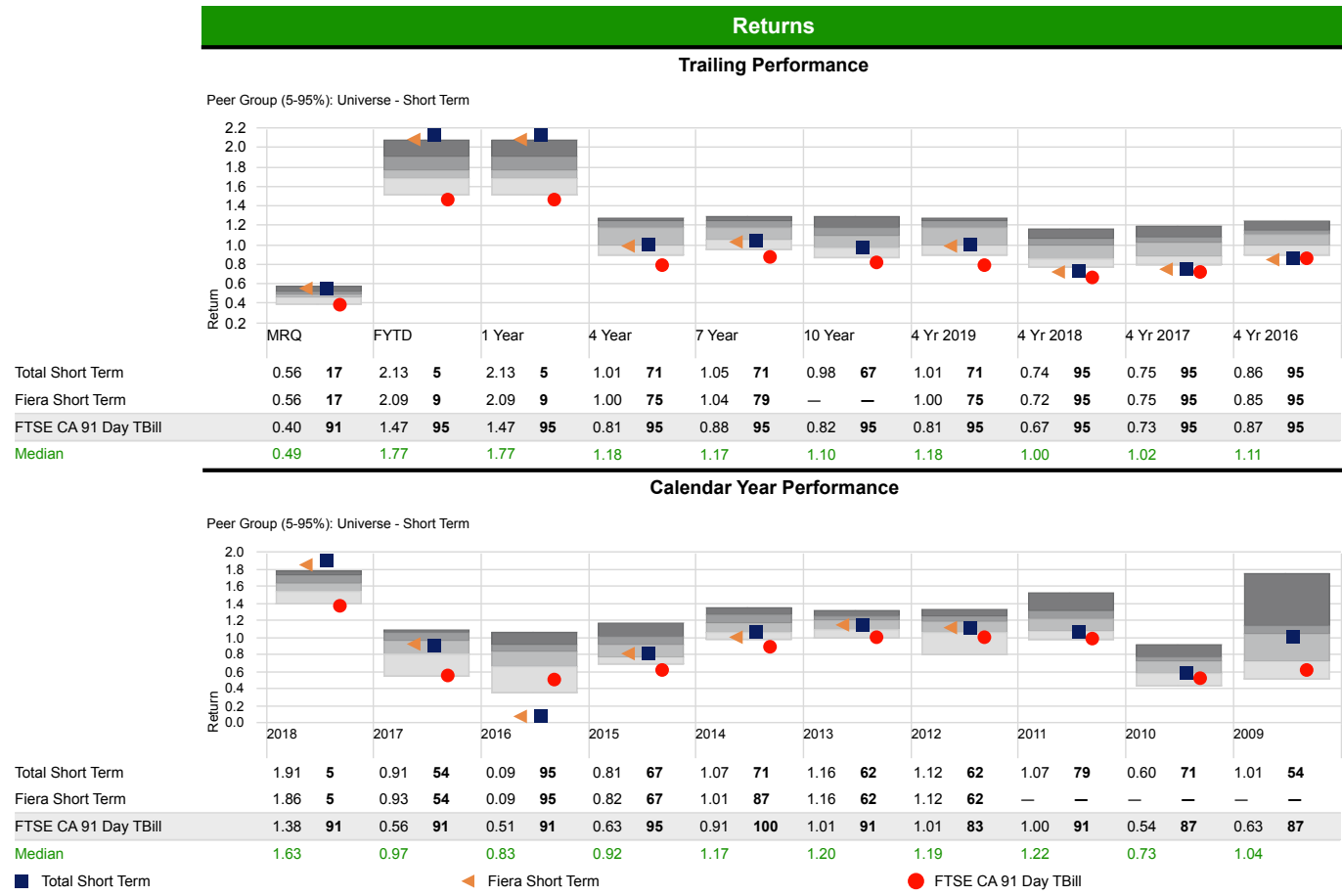
Excess Return

Tracking Error

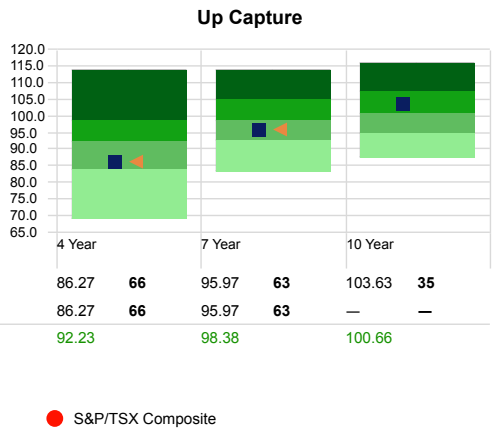
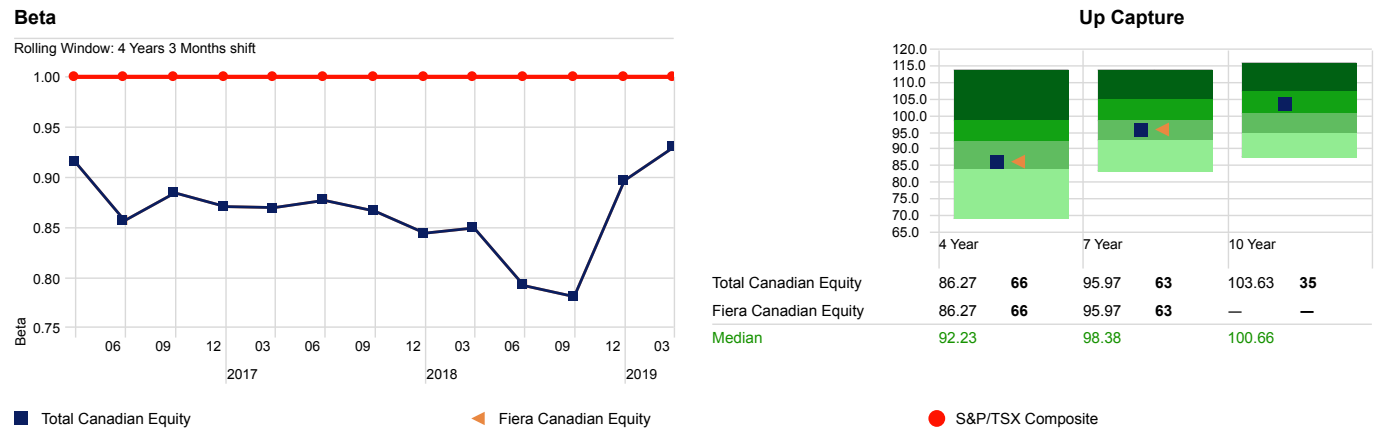
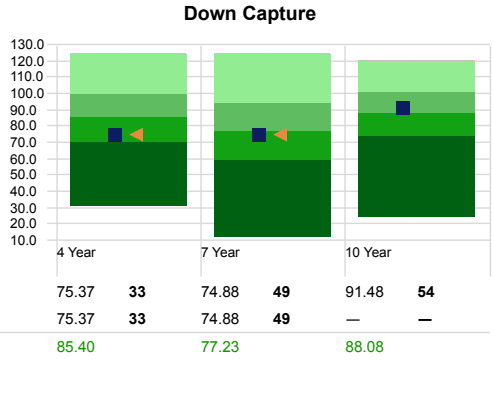
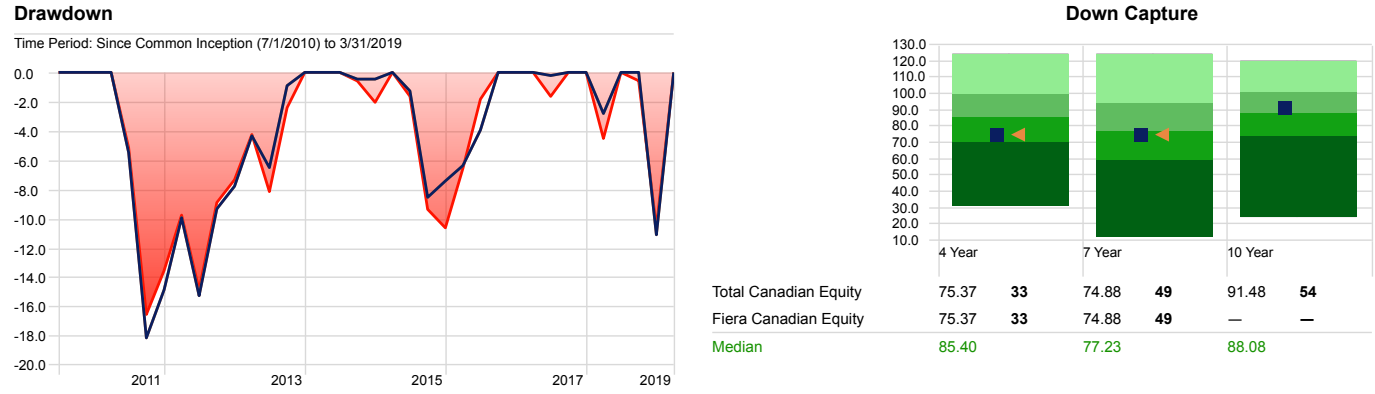
Information Ratio



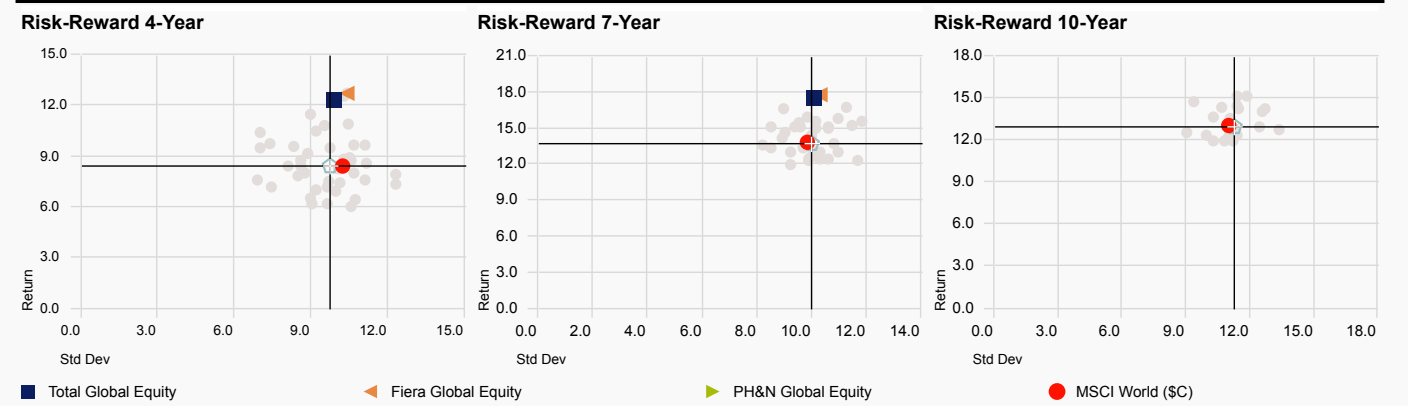
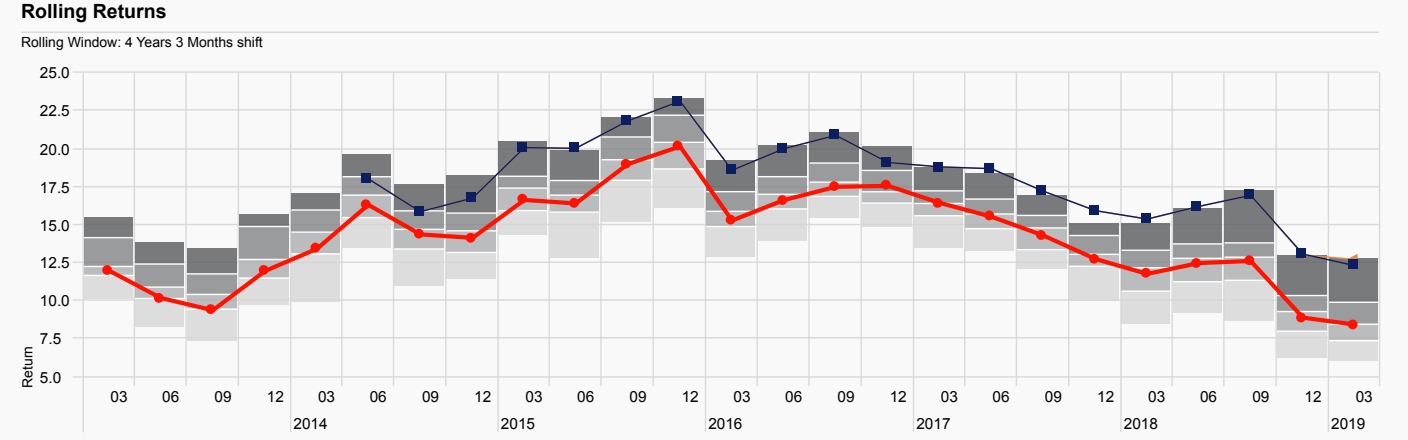
■ Total Bonds ▶ PH&N MPT (Pool) ● Custom Bond Benchmark ● FTSE CA Short-Term Bond



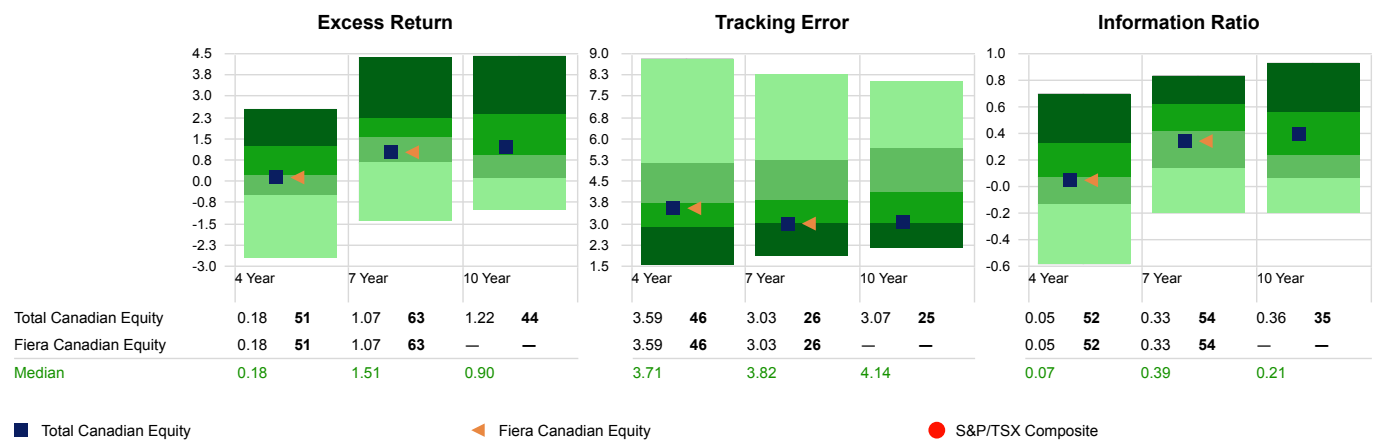
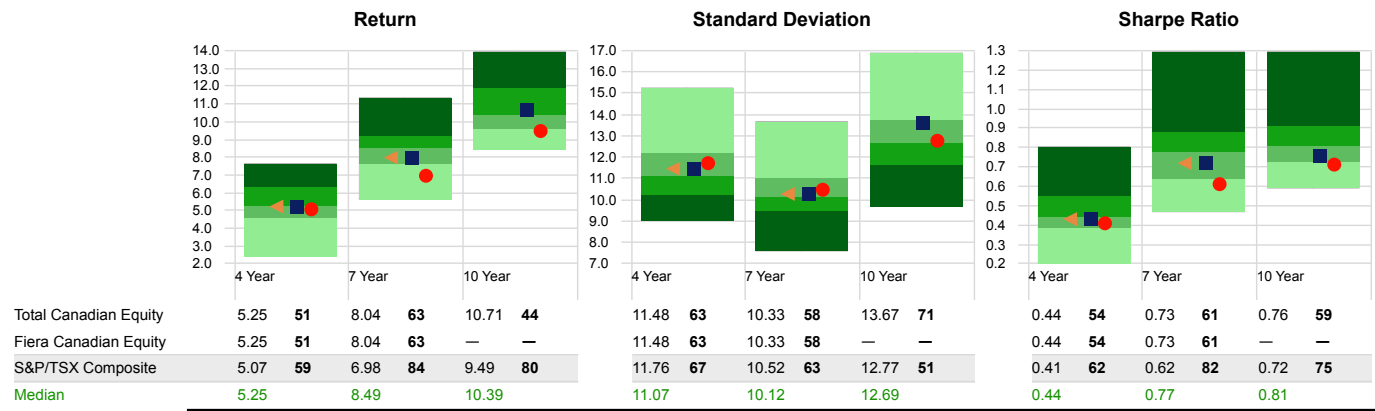
Market Statistics



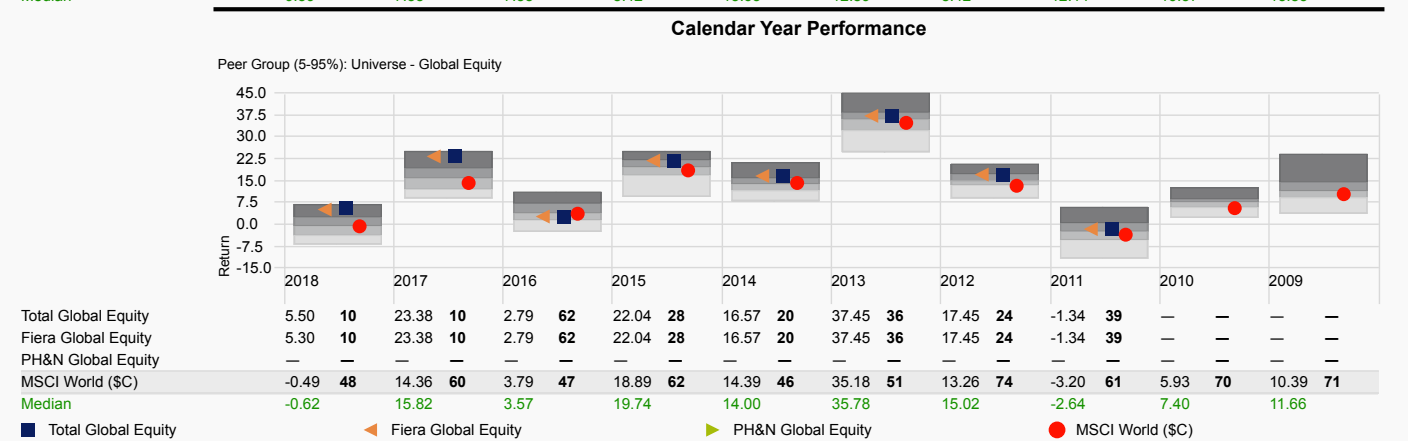
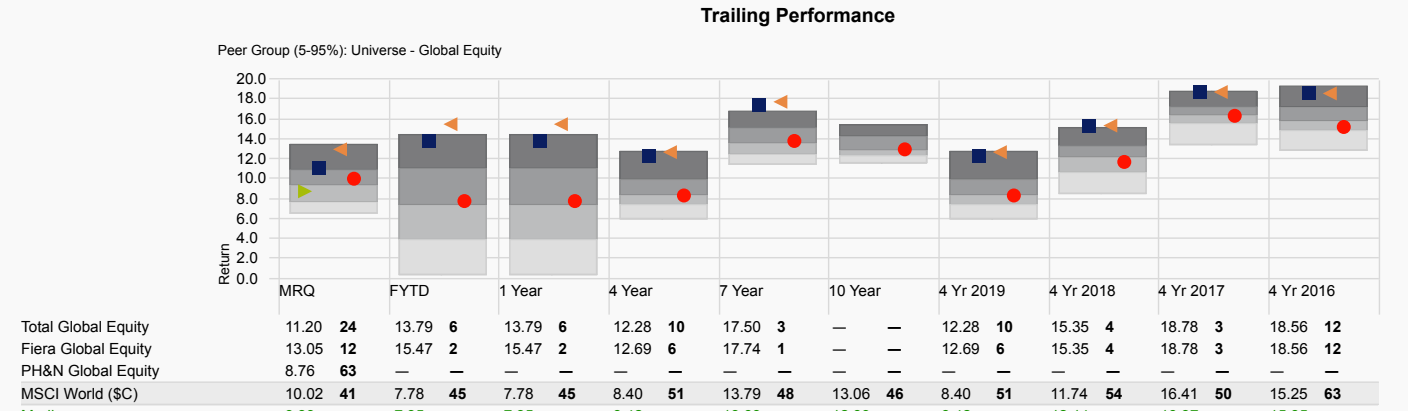
Four Year Rolling Returns & Risk vs Reward

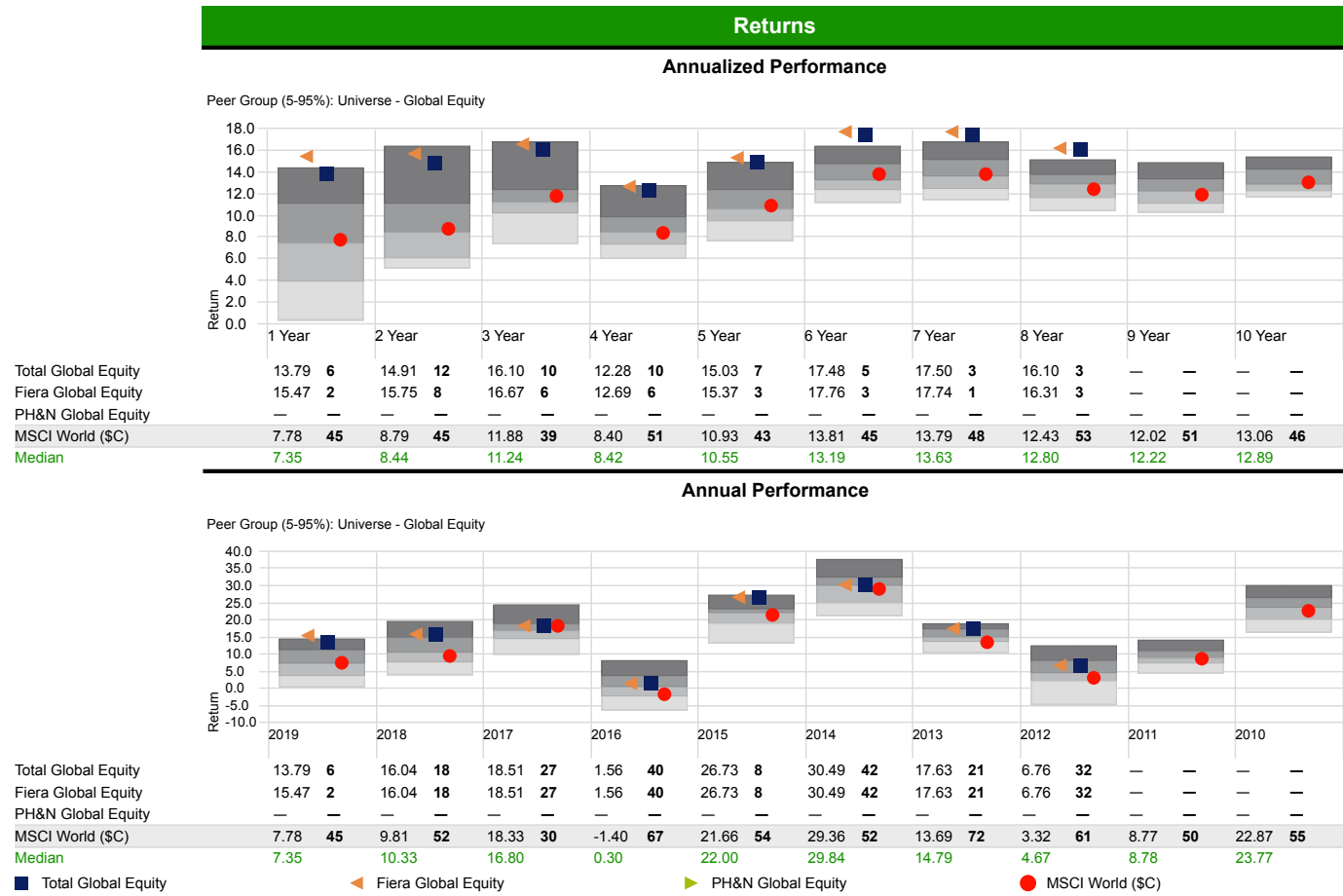


Fund Statistics

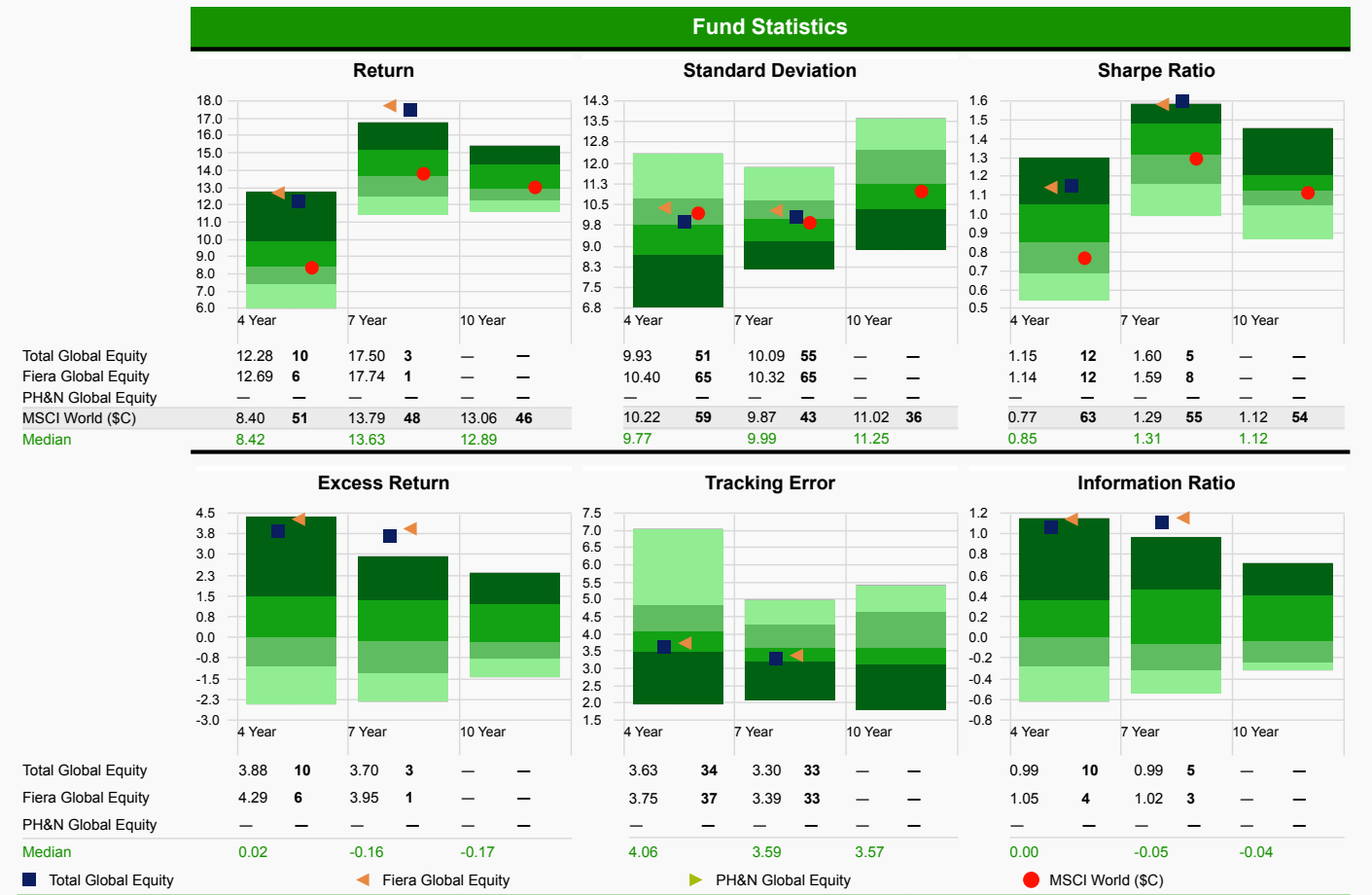
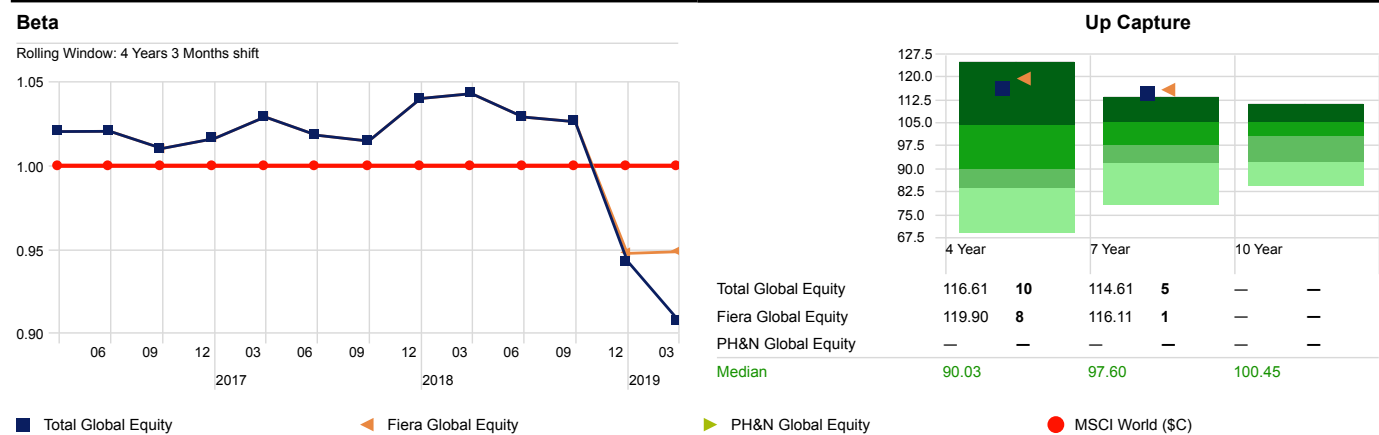
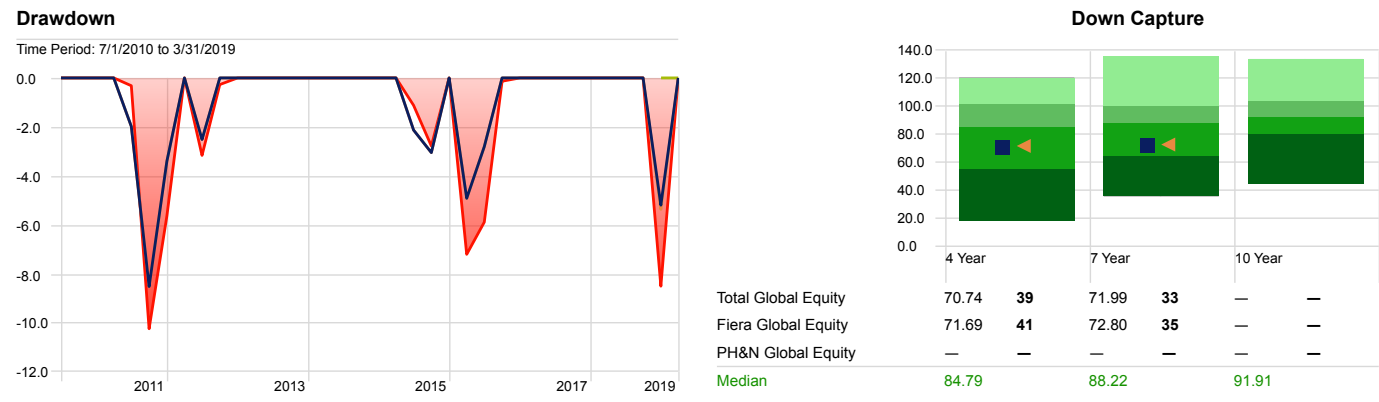


Returns





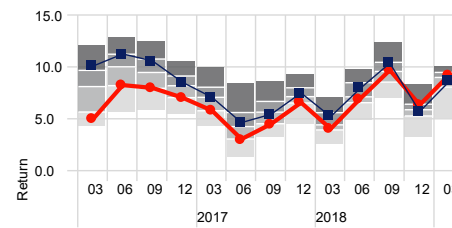
Market Statistics



Graph Glossary

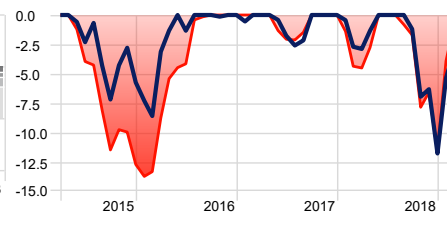
Graph Glossary

Graph Glossary



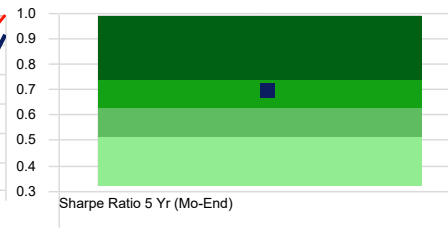
Rolling Returns (4 Years 3 Mo Shift)

This graph shows annualized 4-year rolling returns with a 3-month shift shown by the investment marker connected by a thin line. An investor would like to see their investment above the benchmark which will always be shown by a thick red line. The graph also shows where the investment plotted relative to its peers, shown by the quartile blocks. This graph will also be used to show Beta on the market statistics page over the same time period, but will not show the peer ranking.



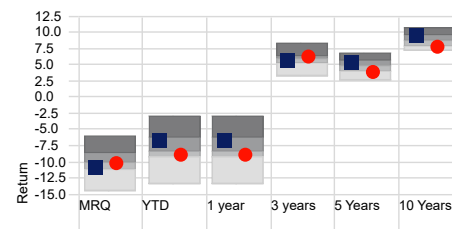
Drawdown

This graph shows the drawdown of each investment and the benchmark. The graph begins at 0 and shows whenever the investment has periods of negative returns, it then shows the amount of time the fund takes to return to the position before the negative returns began. All negative returns are shown in this graph however positive returns are only shown when the investment is in a period of drawdown from its previous high point.



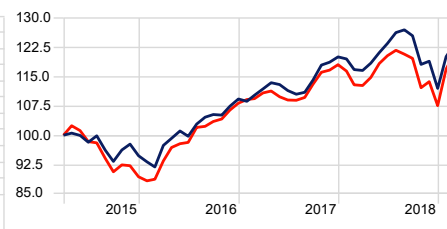
MPT Statistics

These graphs show both the investments' and benchmark's performance relative to their applicable peer group. The different colours in the graph show the different quartiles of the peer group. We utilize eight different data indicator for these graphs: standard deviation, return, excess return, information ratio, tracking error, down capture, up capture and the sharpe ratio. Investment Managers would like to see their fund plot in the darkest shade of green which represents the top performing quartile.



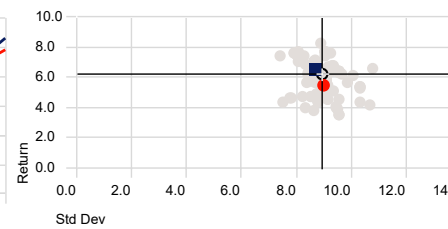
Trailing/Calendar Year Returns

This graph shows the trailing/calendar year returns of the investments and the benchmark up to the as at date for the indicated periods of time. Each time period indicated also contains a quartile box that shows the results of the relative peer group separated into four quartiles. It is most preferable for the investments to be in the top quartile and above the benchmark in this graph. The table below indicated the investments' and benchmark's actual rank within the peer group (out of 100).



Growth of a Dollar

The graph is shown in the total fund summary and shows the growth of a one dollar investment made 5 years ago to the end of the most recent quarter. Comparison of a one dollar investment in your portfolio is relative to the peer group median and the appropriate benchmark.



Risk - Reward

This graph shows the risk-return characteristics for the investments, the benchmark and the peer group. The perpendicular lines meet at the peer group median. The strongest investments will be located in the upper left quadrant as these investments have higher returns and lower risk versus their peers. The weakest performing investments will be in the bottom-right quadrant as these investments have lower returns and higher risk versus their peers. Peer group is shown by the faded dots.

Glossary of Terms

Active Return: the percentage gain or loss of an investment relative to the investment's benchmark. An active return is the difference between the benchmark and the actual return.

Active Share: percentage of similar holdings between the fund and its benchmark.

Allocation Effect: value added by investing in certain sectors or countries within the portfolio

Alpha: measures the difference between an investment's actual returns and its expected returns given its level of risk as measured by Beta. A positive alpha figure of 1 indicates the fund has outperformed its benchmark index by 1%. A negative alpha of 1 would indicate underperformance of 1%. Alpha is often seen as a measure of the value added, or subtracted by a portfolio manager.

Asset Allocation Effect: is the value added by under-weighting asset classes with low returns relative to the benchmark, and over-weighting asset classes with high returns, thus adding more value to the portfolio.

Asset Mix – Actual: The current asset mix of the portfolio as of date.

Asset Mix – Passive: The current asset mix assigned to each class in the Statement of Investment Policies and Procedures.

Asset Mix Range: The asset mix range assigned to each class in the Statement of Investment Policies and Procedures (see definition below). In order to be in compliance with the SIPP, the portion of each asset class must fall in between the assigned range designated in the SIPP.

Attribution Effect: an evaluation tool used that accesses the abilities of the portfolio or fund manager, and the impact of their decisions with regard to overall investment policy, asset allocation, security selection and activity. A fund or portfolio's returns are compared to a benchmark in order to determine whether a manager is skillfully earning high returns relative to the benchmark, or is just getting lucky based on unrealized gains.

Balanced Fund: a fund that combines equities, fixed income, and money market securities into one fund. A hybrid fund that generally sticks to a fixed asset mix, either moderate (more equity) or conservative (more fixed-income). Generally classified as a large blend style.

Beta: is a measure of an investment's systematic risk, or sensitivity in comparison to the market as a whole or the benchmark it is being compared to. A portfolio with beta = 1 indicates that the portfolio's price will move with the market. A portfolio with beta > 1, is more volatile than the market (benchmark) offering the possibility of earning a higher rate of return, but also posing more risk. A portfolio with beta < 1 means that the portfolio will be less volatile than the market.

Calendar Returns: the 1-year period that begins on January 1 and ends on December 31 for the year identified. All returns are presented as total returns.

Constituents: a single member of an index. Typically a stock or company that is part of a larger index such as the S&P 500. The aggregate of all the constituents make up the index, and generally each index has to meet certain eligibility requirements to be included in the index. These requirements include market cap, market exposure, liquidity etc.

Correlation: measures how two securities move in relation to each other. The correlation coefficient ranges between -1 and +1. Perfect positive correlation (+1) implies that as one security moves either up or down, the other security will move in the same direction. Perfect negative correlation means that as one security moves up or down, the other security will move in the opposite direction. For purposes of diversification, portfolio managers tend to look for securities and funds that have no correlation, and are considered to be completely random from one another (correlation = 0).

Credit Breakdown: also known as 'investment grade'. A rating that indicates the chance of default for a bond. Bond rating firms such as the Standard & Poors use different designations consisting of upper and lower case letters. AAA and AA are considered to have high credit quality, A & BBB are considered to be medium credit quality, and anything lower than BB are considered low credit quality and are commonly referred to as 'junk bonds' or 'high-yield bonds'. Government bonds, or treasuries, are not subject to credit quality ratings. They are considered to have the highest credit quality, with minimal to no chance of default. Risk-adverse investors would not be in junk bonds, though some studies have shown that investing in junk bonds can actually reduce risk in one's portfolio.

Cumulative Return: the aggregate amount that an investment has gained or lost over time, independent of the period of time involved. It is the current price of a security less the original price of the security, divided by the original price of the security. Investors should confirm whether interest and/or dividends are included in the cumulative return; such payouts may be assumed to be re-invested. The performance calculation should be clearly stated when a company presents its data in the footnotes.

Currency: unless otherwise specified, the currency used for data in this report is in Canadian Dollars.

Defined Benefit (DB): an employer-sponsored retirement plan where employee benefits are sorted out based on a formula using factors such as salary history and duration of employment. Investment risk and portfolio management are entirely under the control of the company. Employees will need to dip into the companies' earnings in the event that the returns from the investments devoted to funding the employee's retirement result in a funding shortfall. The payouts made to returning employees participating in DB plans are determined by more personalized factors, like length of employment.

Defined Contribution (DC): a retirement plan in which a certain percentage of money is set aside each year by a company for the benefit of the employee. There are restrictions as to when and how you can withdraw these funds without penalties. There is no way to know how much the plan will ultimately give the employee upon retiring. The amount contributed is fixed, but the benefit is not.

Down Capture Ratio: a measure of the manager's historical performance in down-markets (markets where the benchmark index has performed negatively during the month). The ratio is calculated by dividing the manager's return by the return of the index and multiplying that factor by 100. The resulting percentage is the amount of the down market captured by the manager. If the ratio is above 100 the manager underperforms in down markets, if the ratio is below 100 the manager outperforms in down markets.

Glossary of Terms

Glossary of Terms

Drawdown: the peak-to-trough decline during a specific record period of an investment, fund or commodity. Quoted as the percentage between the peak and the trough. Helps determine an investment's financial risk by comparing risk-reward.

Equity Sector Exposure: the percentage of a portfolio invested in a particular type of market sector or industry, which is usually expressed as a percentage of total portfolio holdings. The greater the exposure in a sector, the higher the risk derived from that sector will be.

Excess Return: investment returns from a security or portfolio that exceed a benchmark or index with a similar level of risk. It is widely used as a measure of the value added by the portfolio or investment manager, or the manager's ability to "beat the market". Also known as Alpha.

Exchange Rates: The price of a nation's currency in terms of another currency. An exchange rate thus has two components, the domestic currency and a foreign currency, and can be quoted either directly or indirectly. In a direct quotation, the price of a unit of foreign currency is expressed in terms of the domestic currency. In an indirect quotation, the price of a unit of domestic currency is expressed in terms of the foreign currency. An exchange rate that does not have the domestic currency as one of the two currency components is known as a cross currency, or cross rate.

Gain/Loss Ratio: An increase in the value of a capital asset (investment or real estate) that gives it a higher worth than the purchase price. The gain is not realized until the asset is sold. A capital gain may be short term (one year or less) or long term (more than one year) and must be claimed on income taxes. A capital loss is incurred when there is a decrease in the capital asset value compared to an asset's purchase price.

Gross Domestic Product (GDP): The monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all private and public consumption in a nation's economy, total government spending, total country's business spending on capital, and the total of a nation's exports less imports (Net Exports).

Growth Manager: a strategy employed by the fund manager to seek out stocks that they believe to have good growth potential. A manager who believes earnings are expected to grow at an above-average rate compared to its industry or the overall market.

Growth Rate of Real GDP: a measure of economic growth from one period to another expressed as a percentage and adjusted for inflation (i.e.: expressed in real as opposed to nominal terms). It is a more accurate look at the real rate of economic growth because it is not distorted by the effects of extreme inflation.

Holdings-Based Style: is a "bottom-up" approach in which the characteristics of a fund over a period of time are derived from the characteristics of the securities it contains at various points in time over the period. Quantitative style characteristics such as size and value/growth orientation of each individual security need to be calculated then aggregated to the portfolio level.

Inflation: The rate at which the general level of prices for goods and services is rising, and purchasing power is falling. Central Banks aim to sustain an inflation rate of 2-3%.

Information Ratio: measures a manager's ability to consistently add value relative to the selected benchmark. The ratio is composed of excess return and tracking error. The higher the information ratio, the better, as this indicates a large excess return against a small tracking error. The information ratio measures the consistency with which a manager delivers Alpha.

Interaction Effects: captures the value added that is not attributable solely to asset allocation and stock selection decisions. It is positive when outperformance is overweight and when underperformance is underweighted.

Investment Growth: graphical representation on how much one's investment has grown over time. It is the most fundamental objective of all investors', to make their money 'grow'.

Kurtosis: a statistical measure used to describe the distribution of observed data around the mean.

Maturity Breakdown: A held to maturity security is a debt or equity security that is purchased with the intention of holding the investment to maturity. This type of security is reported at amortized cost on a company's financial statements and is usually in the form of a debt security with a specific maturity date. The maturity breakdown schedule shows the investor a graphical representation on when the investment will mature (x-axis is maturity dates).

Max: the highest value of a statistic for a given set of data.

Min: the lowest value of a statistic for a given set of data.

Number of Observations: this figure indicates the number of investments included in the time period observed.

Over/Under Weighting: the percentage an asset class is overvalued/undervalued based on a passive asset mix target stated in the Statement of Investment Policies and Procedures.

Passive Return: the returns of the benchmark for an investor's total portfolio. The benchmark is given in the Statement of Investment Policies and Procedures (i.e.: 30% S&P/TSX, 30% S&P 500, 25% FTSE Canada Universe Bond, 15% MSCI EAFE).

Glossary of Terms

Peer Group: refers to companies that operate in the same industry sector, and are of similar size. Separate Accounts peer groups are used throughout this report.

Performance Quartile: visually depicts the category percentile rank of the investment's annual return, with the top quartile being those ranks from 1-25%.

Price/Book (P/B): a ratio used to compare a stock's market value to its book value. It is calculated by dividing the closing price of the stock by total assets less intangible assets and liabilities (book value per share of the latest evaluation period). Also known as the 'price/equity ratio'.

Price/Cash Flow (P/C): The ratio of a stock's price to its cash flow per share. The price-to-cash-flow ratio is an indicator of a stock's valuation. Although there is no single figure to indicate an optimal price-to-cash-flow ratio, a ratio in the low single digits may indicate the stock is undervalued, while a higher ratio may suggest potential overvaluation. The ratio takes into consideration a stock's operating cash flow, which adds non-cash earnings such as depreciation and amortization to net income. It is especially useful for valuing stocks that have positive cash flow but are not profitable because of large non-cash charges.

Price/Earnings (P/E): A valuation ratio of a company's current share price compared to its per-share earnings. A high P/E suggests that investors are expecting higher earnings growth in the future. It is advised to check P/E ratios of one company to other companies in the industry, as comparing amongst different industries would not be ideal due to different growth prospects in different industries.

Price/Sales (P/S): A valuation ratio that compares a company's stock price to its revenues. The price-to-sales ratio is an indicator of the value placed on each dollar of a company's sales or revenues. It can be calculated either by dividing the company's market capitalization by its total sales over a 12-month period, or on a per-share basis by dividing the stock price by sales per share for a 12-month period. Like all ratios, the price-to-sales ratio is most relevant when used to compare companies in the same sector. A low ratio may indicate possible undervaluation, while a ratio that is significantly above the average may suggest overvaluation.

R2: reflects the % of an investment's movements that are explained by movements in the benchmark, showing the degree of correlation between the investment and the benchmark. A score of 100 means that the investment exactly tracked the benchmark's movement. This figure is also helpful in assessing how likely it is that Alpha and Beta are statistically significant.

Rank %: percentile rank is a standardized way of ranking investment returns within the same universe. The observation with the largest numerical value is ranked one; the observation with the smallest numerical value is ranked 100.

Return +/- Benchmark: returns relative to the benchmark are calculated by subtracting the benchmark's return from the subject investment's return.

Selection Effect: is the value added by decisions within each sector of the portfolio.

Separate Account: a privately managed investment account opened through a brokerage or financial advisor that uses pooled money to buy individual assets. These accounts differ from a mutual fund because the investor directly owns the securities instead of owning a share in a pool of securities.

Sharpe Ratio: is calculated by taking the investment's average monthly excess return over the user defined risk free rate and dividing by the monthly standard deviation of excess returns to determine reward per unit of risk. A higher Sharpe ratio reflects better historical risk-adjusted performance.

Skewness: describes asymmetry from the normal distribution in a set of statistical data. Negative skewness describes data points which are skewed to the left, while positive skewness is data points screwed to the right of the data average. By knowing which way a distribution is skewed, an investor can better estimate whether a given or future data point will be more or less than the mean. Sets of data commonly analyzed in regards to skewness, are stock prices and asset returns.

Sortino Ratio: is similar to Sharpe ratio except that it uses downside risk (downside deviation) in the denominator. Because upside variability is not necessarily a bad thing, the Sortino ratio is sometimes preferable to the Sharpe ratio. It measures the annualized rate of return for a given level of downside risk.

Standard Deviation: is a statistical measurement of dispersion about an average, which, for an investment, depicts how widely the returns varied over the time period indicated. MorningStar computes standard deviation using the trailing monthly total returns for the time period. All of the monthly standard deviations are then annualized.

Statement of Investment Policies and Procedures: The purpose of this Policy is to formulate those investment principles, guidelines and monitoring procedures which are appropriate to the needs and objectives of the Plan, in a manner conforming to the applicable rules in the (Province) Employment Pension Plans Act and the Regulations thereto (the "Act"). This Policy is supplementary to the rules contained in the Act. The assets held are allocated by the Board of Managers/Trustees/Pension Committee.

Summary of Cash Flows: part of the financial statements issued by a business, and describes those cash flows into and out of the business. It accounts for the types of activities that create and use cash. Starting at the beginning market value of the last statement, all purchases (contributions) less sales (distributions) of all operating, investing and financing activities are calculated to reach the Net Cash Flow (NCF). All investment income is then added/subtracted to reach ending market value (less any benefits, expenses/fees in the transactional account).

Systematic Risk: also known as 'undiversifiable risk', 'volatility', or 'market risk'. It is the risk in the overall market that cannot be ignored, and more importantly, cannot be completely avoided. Systematic risk is decreased through hedging or using an appropriate asset allocation strategy. For example, allocating a higher % of the portfolio to bonds rather than to stocks due to an interest rate shift that makes bonds more desirable. Interest rate changes, inflation, recessions and war are all examples of systematic risk, because they affect the entire market.

Target Date: A mutual fund in the hybrid category that automatically resets the asset mix of stocks, bonds and cash equivalents in its portfolio according to a selected time frame that is appropriate for a particular investor. A target-date fund is similar to a life-cycle fund except that a target-date fund is structured to address some date in the future, such as retirement. Its returns are not guaranteed, but depend on how the market performs. Someone older looking to retire in 2020 per instance would invest in a target date 2020 fund more heavily weighted in bonds and cash equivalents than stocks, as this fund is less volatile and more likely to contain assets the investor needs to begin making withdrawals in 2020. A younger person just starting off would inversely invest in a target date 2050 fund, which is more heavily weighted in stocks, over a longer time horizon. The target date funds adjust appropriately on an annual basis.

Total Effect: is the sum of the selection effect, attribution effect, and interaction effect.

Total Return: is the actual rate of return of an investment or a pool of investments over a given time period. Total return includes interest, capital gains, dividends, and distributions realized over a given time period. It therefore accounts for two areas of return: income (interest paid, distributions & dividends) and capital appreciation (change in market price of an asset).

Tracking Error: the divergence between the price behavior of an investment, and the price behavior of a benchmark. It is reported as a standard deviation % difference.

Trailing Returns: is the return of an investment over a given time period. A twelve month period as of March 31st, 2010, would evaluate performance from March 31st, 2009 to March 31st, 2010. Expressed in percentage terms, it is calculated by taking the change in net asset value (NAV), reinvesting all income and capital-gains distributions during the period, and dividing by the starting net asset value. Reinvestments are made using the actual reinvestment NAV, and daily payoffs are reinvested monthly. Total returns are not adjusted for sales charges (i.e.: deferred loans). The returns do account for management, administrative and other costs taken out of investment assets. Total returns for periods longer than one year are expressed in terms of compounded average annual returns (geometric total returns).

Up Capture Ratio: a measure of manager's historical performance in up-markets (markets where the benchmark index has performed positively during the month). The ratio is calculated by dividing the manager's returns by the return of the index and multiplying that factor by 100. The resulting percentage is the amount of the up market captured by the manager. If the ratio is above 100 the manager outperforms in up markets, if the ratio is under 100 the manager underperforms in up markets

Value Manager: a manager who invests in equity funds that primarily hold stocks that are deemed to be undervalued in price and that are likely to pay dividends. One of three main types of mutual fund managers (value, blend, growth).

Benchmark: a standard against which the performance of a security, pooled fund, separate account, mutual fund, or investment manager can be measured. It is important to select the appropriate benchmark when evaluating the performance of any investment. There are hundreds of indexes that analysts can use to gauge the performance of any given investment.

S&P/TSX Composite: is the headline index for the Canadian equity market. It is the broadest in the S&P/TSX family and is the basis for multiple sub-indices including but not limited to equity indices, Income Trust Indices, Capped Indices, GICS Indices and market cap based indices. The Toronto Stock Exchange (TSX) serves as the distributor of both real-time and historical data for this index.

S&P 500: widely regarded as the best single gauge of large cap U.S. equities. It includes the 500 leading companies and captures approximately 80% coverage of available market capitalization.

MSCI EAFE (net): The MSCI EAFE Index is recognized as the pre-eminent benchmark in the United States to measure international equity performance. It comprises the MSCI country indices that represent developed markets outside of North America: Europe, Australasia and the Far East.

MSCI EM: The MSCI Emerging Markets Index captures large and mid-cap representation across 23 Emerging Markets (EM) countries. With 823 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

FTSE Canada Universe Bond: a broad measure of the Canadian investment-grade fixed income market (federal, provincial, municipal & corporate). Must hold a credit rating of BBB or higher to be eligible for inclusion in the index.

Consumer Price Index: the inflation rate +4% is utilized to benchmark against the real estate asset class.

Glossary of Terms

Global Industry Classification Standard (GICS®)

Communication Services Sector: The Communication Services Sector includes companies that facilitate communication and offer related content and information through various mediums. It includes telecom and media & entertainment companies including producers of interactive gaming products and companies engaged in content and information creation or distribution through proprietary platforms.

Energy Sector: The Energy Sector comprises companies engaged in exploration & production, refining & marketing and storage & transportation of oil & gas and coal & consumable fuels. It also includes companies that offer oil & gas equipment and services.

Materials Sector: The Materials Sector includes companies that manufacture chemicals, construction materials, glass, paper, forest products and related packaging products, and metals, minerals and mining companies, including producers of steel.

Industrials Sector: The Industrials Sector includes manufacturers and distributors of capital goods such as aerospace & defense, building products, electrical equipment and machinery and companies that offer construction & engineering services. It also includes providers of commercial & professional services including printing, environmental and facilities services, office services & supplies, security & alarm services, human resource & employment services, research & consulting services. It also includes companies that provide transportation services.

Consumer Discretionary Sector: The Consumer Discretionary Sector encompasses those businesses that tend to be the most sensitive to economic cycles. Its manufacturing segment includes automotive, household durable goods, leisure equipment and textiles & apparel. The services segment includes hotels, restaurants and other leisure facilities, media production and services, and consumer retailing and services.

Consumer Staples Sector: The Consumer Staples Sector comprises companies whose businesses are less sensitive to economic cycles. It includes manufacturers and distributors of food, beverages and tobacco and producers of non-durable household goods and personal products. It also includes food & drug retailing companies as well as hypermarkets and consumer super centers.

Health Care Sector: The Health Care Sector includes health care providers & services, companies that manufacture and distribute health care equipments & supplies and health care technology companies. It also includes companies involved in the research, development, production and marketing of pharmaceuticals and biotechnology products.

Financials Sector: The Financials Sector contains companies involved in banking, thrifts & mortgage finance, specialized finance, consumer finance, asset management and custody banks, investment banking and brokerage and insurance. This Sector also includes real estate companies and REITs.

Information Technology Sector: The Information Technology Sector comprises companies that offer software and information technology services, manufacturers and distributors of technology hardware & equipment such as communications equipment, cellular phones, computers & peripherals, electronic equipment and related instruments and semiconductors.

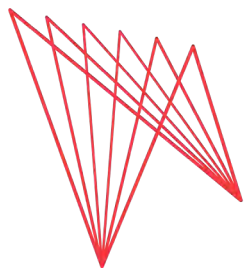
Utilities Sector: The Utilities Sector comprises utility companies such as electric, gas and water utilities. It also includes independent power producers & energy traders and companies that engage in generation and distribution of electricity using renewable sources.

Real Estate Sector: The Real Estate Sector contains companies engaged in real estate development and operation. It also includes companies offering real estate related services and Equity Real Estate Investment Trusts (REITs).

Disclaimer

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1. The rates of return used in this Report are not necessarily a prediction of possible future experience.
2. The rates of return used in this Report are believed to be accurate, complete and timely. Rounding issues may arise.
3. Reliance for data has been made primarily on the custodial statements of the Plan, Morningstar Direct, eVestment, the Bank of Canada, Ellement Performance Measurement Proprietary System and the Canadian Institute of Actuaries publications on Economic Statistics in the preparation of this Report. Additional information provided from investment managers has been of assistance from time to time.
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