

October 25, 2023

2024 GENERAL RATE APPLICATION
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MPI to advise how investment in CentreStone Ventures Limited was made and whether their records indicate whether it went through normal investment process or if it was directed by somebody from outside the Company

REFERENCE:**Figure 1 Impaired Securities**

Line No.	Description	Book Value	Market Value	MV vs BV
1	Addenda Corp L/T Bond P (9142)	94,002,106.77	85,424,342.77	(8,577,764.00)
2	Sunlife LT Priv Fixed Inc	84,280,294.39	78,501,874.84	(5,778,419.55)
3	SUNLIFE PRIV FIXED INC PLUS F	84,361,948.28	76,236,437.32	(8,125,510.96)
4	PROVINCE OF ONTARIO	3,567,773.19	3,490,213.60	(4,832.43)
5	SUNLIFE PRIV FIXED INC PLUS F	40,742,645.97	37,339,260.32	(3,403,385.65)
6	CENTRESTONE VENTURES LIMITED	313,935.00	120,723.99	(193,211.01)
7		307,268,703.60	281,112,852.84	(26,083,123.60)

g) As the market value was lower than book value for a minimum of 12 months, this is considered prolonged and therefore the write-down is taken. Effective April 1, 2023, due to the adoption of IFRS 9, all financial investments are classified as FVTPL. Therefore, all changes in the market value will be recorded in the net income.

RESPONSE:

The investment in the CentreStone Ventures Limited Partnership is held within the Special Risk Extension (SRE) investment portfolio. Please refer to [Appendix 1](#) for a copy of Order in Council n.481/2004 authorizing the Minister of Finance to purchase units in CentreStone Ventures Limited Partnership, on behalf of MPI.