Grey Sauble Conservation Authority
R.R. #4, 237897 Inglis Falls Road
Owen Sound, Ontario N4K 5N6 (519) 376-3076; ext. 234
t.lanthier@greysauble.on.ca

The next regular meeting of the Grey Sauble Conservation Authority Board of Directors is scheduled for Wednesday, May 27th, 2020, at 1:15 p.m. The regular meeting and a closed session meeting will occur via the Webex web-based application. Please notify Tim Lanthier if you are unable to attend.

Directors
Burley, Dwight
Carleton, Sue
Greig, Ryan
Greig, Scott
Little, Cathy
Koepke, Marion
Mackey, Scott
McKenzie, Paul
Matrosovs, Andrea
Greenfield, Harley
Vickers, Paul

Honourary Members
Elwood Moore
Betty Adair

Ling Mark, MECP
Katona, Keley, MECP
Lara Oosting, MNRF, Peterborough
Tracy Allison, MNRF, Owen Sound
Bill Walker, M.P.P., Bruce Grey Owen Sound
Alex Ruff, M.P., Bruce Grey Owen Sound
Kellie Leitch, M.P., Simcoe-Grey

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https://www.youtube.com/channel/UCy_ie5dXG8aFYDYGe8tV9Yg/videos.

Please note that this is a Notice of Meeting only for your information.

The Sun Times
Bayshore Broadcasting
The Meaford Independent
The Dock
The Wiarton Echo
The Advance
The Post
The Thornbury Paper
The Hub Owen Sound
Blue Mountains Review
South Grey News
Collingwood Today

237897 Inglis Falls Road, R.R.#4, Owen Sound, ON N4K 5N6
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AGENDA

Grey Sauble Conservation Authority
Full Authority Meeting
Wednesday, May 27th, 2020 at 1:15 p.m.

1. **Call to Order**

2. **Disclosure of Pecuniary Interest**

3. **Call for Additional Agenda Items**

4. **Adoption of Agenda**

5. **Approval of Minutes**
   i) Full Authority – April 22nd, 2020 – **Attachment #1**

6. **Consent Agenda – Resolution**
   i) Environmental Planning – Section 28 Permits – April 2020 – **Attachment #2**
   ii) Administration – Receipts and Expenses – April 2020 – **Attachment #3**
   iii) Correspondence – **Attachment #4**
      a) Letter from Bruce County to Premier Ford regarding Support for Conservation Authorities – May 11, 2020
      b) Letter from AMO to Minister Yurek regarding Next Steps in the Conservation Authorities Act Review – May 19, 2020
   iv) Other Minutes – nothing at this time

7. **Business Out of Minutes** – nothing at this time

8. **Deputation – 1:20pm:** Mike Konopka, Senior Portfolio Manager, TD Wealth, Annual Presentation re: Authority's Wealth Portfolio Market Outlook 2020 – Information - **Attachment #5** (20 minutes)

9. **Business Items**
   i) Administration
      a) Update on COVID-19 related Business and Operations Status – Information – **Attachment #6** (15 min)
      b) Update on 1st Quarter Investments – Information – **Attachment #7** (15 min)
      c) Update on First Quarter Financial Report and Yearend Forecasts – Information – **Attachment #8** (15 minutes)

ii) Water Management – Update on Installation of GSCA Dams – Information – **Attachment #9** (10 min)

iii) Environmental Planning – nothing at this time

iv) Conservation Lands
   a) Re-Opening some GSCA Properties to Public Access – Information – **Attachment #10** (15 min)
   b) Request to Allow Drainage Easement over GSCA Lands – Resolution – **Attachment #11** (15min)

v) Forestry – nothing at this time

vi) Communications/Public Relations –
   a) Recent Media Releases – Information (5 min):
      - Hibou Property Ownership – **Attachment #12**
      - GSCA Properties Not Open Amid Provincial Re-Openings – **Attachment #13**
      - GSCA Properties Starting to Re-Open – **Attachment #14**

vii) GIS/IT
   a) Update on Lora Bay Project (NDMP 5) – Information (10 min)
   b) Update on Owen Sound Climate Change Adaptation Plan and Healthy Communities Climate Conference – Information (10 min)
   c) LiDAR Pricing and Use Report – Resolution – **Attachment #15** (15min)

viii) DWSP/RMO Report – nothing at this time

10. CAO's Report (10 minutes)

11. Chair's Report (10 minutes)

12. Other Business – Nothing at this time.

13. Closed Session: Two Items:
   i) The security of the property of the Authority – s.4(17)(xvii)(a) and litigation or potential litigation including matters before administrative tribunals - s.4(17)(xvii)(d);
   ii) Personal matters about an identifiable individual including Authority Directors or Authority employees; (30min)

14. Next Full Authority Meeting – Wednesday, June 24th, 2020, at 1:15 p.m.

15. Adjournment

Grey Sauble Authority Board of Directors

M O T I O N

DATE: **May 27th, 2020**

MOTION #: **FA-20-**

MOVED BY: ____________________________

SECONDED BY:_________________________

THAT the Grey Sauble Conservation Authority Board of Directors approve the agenda of May 27th, 2020.

Attachment #1

GREY SAUBLE CONSERVATION AUTHORITY
MINUTES
Full Authority Board of Directors
Wednesday, April 22nd, 2020, at 1:30 p.m.

The Grey Sauble Conservation Authority Board of Directors meeting was held via the web.

1. Call to Order

Chair Cathy Little called the meeting to order.

Directors Present – Dwight Burley, Sue Carleton, Harley Greenfield, Ryan Greig, Scott Greig, Marion Koepke, Cathy Little, Scott Mackey, Andrea Matrosovs, Paul McKenzie, Paul Vickers

Staff Present – Tim Lanthier, Doreen Robinson, Gloria Dangerfield, Alison Armstrong, Mike Fry

Chair Little welcomed everyone and wished them a Happy Earth Day. Due to the COVID-19 pandemic, some of the GSCA related events which are cancelled are the Tree Sale which was scheduled for April 25th, March break and two other PD day camps. The Earth Film Festival has been re-scheduled from April to October. The Chair stressed that we will get through this.

2. Disclosure of Pecuniary Interest

The Directors were reminded to disclose any pecuniary interest that may arise during the course of the meeting. No disclosures of pecuniary interest were expressed at this time.

3. Closed Session

Motion No.:	**Moved by:**	**Scott Mackey**
FA-20-028	**Seconded by:**	**Marion Koepke**

THAT the Grey Sauble Conservation Authority Board of Directors proceed into closed session at 1:35 pm to discuss matters related to the following:

- **the security of the property of the Authority – s.4(17)(xvii)(a);**
- **litigation or potential litigation including matters before administrative tribunals - s.4(17)(xvii)(d);**

- **the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose – s.4(17)(xvii)(f).**

AND FURTHER THAT CAO Tim Lanthier, Administrative Assistant Doreen Robinson, and GIS/Database Coordinator Gloria Dangerfield remain in attendance.

Carried

Motion No.:	**Moved by:**	**Marion Koepke**
FA-20-029	**Seconded by:**	**Sue Carleton**

THAT the Grey Sauble Conservation Authority Board of Directors return to Open Session at 2:35 P.M.

Carried

Motion No.:	**Moved by:**	**Marion Koepke**
FA-20-030	**Seconded by:**	**Dwight Burley**

THAT a closed meeting was held and only closed session items identified were discussed in closed session.
AND THAT The Grey Sauble Conservation Authority Board of Directors endorse and direct the CAO to continue with the legal proceedings that have commenced related to the items discussed in closed session.
AND THAT the Grey Sauble Conservation Authority Board of Directors approve the February 26, 2020 Confidential Closed Session minutes as presented in the closed session agenda.

Carried

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4. <u>Call for Additional Agenda Items</u> – nothing at this time

5. <u>Adoption of Agenda</u>

Motion No.:	**Moved by:**	**Marion Koepke**
FA-20-031	**Seconded by:**	**Andrea Matrosovs**

THAT the Grey Sauble Conservation Authority Board of Directors approve the Agenda of April 22nd, 2020.

Carried

6. <u>Approval of Minutes</u>

Motion No.:	**Moved by:**	**Sue Carleton**
FA-20-032	**Seconded by:**	**Ryan Greig**

THAT the Grey Sauble Conservation Authority Board of Directors approve the minutes of February 26th, 2020.

Carried

7. Consent Agenda

Motion No.:	**Moved by:**	**Marion Koepke**
FA-20-033	**Seconded by:**	**Scott Greig**

THAT in consideration of the Consent Agenda, items listed on the April 22nd, 2020, agenda, the Grey Sauble Conservation Authority Board of Directors receives the following items.
i) Environmental Planning – Section 28 Permits – February 2020 and March 2020; ii) Administration – Receipts and Expenses – February 2020 and March 2020; iii) Correspondence – a) Resolution from Northumberland County re: CA's ; b) Resolution from Town of Orangeville – re: CA's; c) Resolution from Town of Collingwood – re: CA's; d) Resolution from Municipality of Strathroy-Caradoc - re: CA's; iv) Minutes: a) Forestry Committee Minutes – February 6th, 2020; b) Inglis Falls Arboretum Alliance (IFAA) Committee Minutes – February 19th, 2020; c) Letter of support from IFAA for new members.

Carried

It was noted that in the February Inglis Falls Arboretum Alliance minutes, where it states Sue Carleton, it should be replaced by Scott Greig. It was also noted that membership listed in the Foundation minutes should be updated. Both the Alliance and Foundation Boards will be notified of these changes.

8. Business Out of Minutes – nothing at this time

9. Business Items

i) Administration

a) Update on COVID-19 related Business and Operations Status

At the onset of the COVID-19 health emergency, GSCA took active measures to keep abreast of advice from public health authorities and the Province. This included a stepped approach as the situation escalated. A primary component of this stepped approach was the drafting, review and approval of the GSCA Interim Pandemic Plan which will also be presented at the April 22, 2020, Full Authority meeting. The Interim Pandemic Plan was circulated to Board of Directors Members on March 19th via email for endorsement of the Plan. Also in this March 19th email was a request for the Board of Directors to endorse payment of staff time during this unprecedented situation. All 11 Board Members responded in favour of endorsing the Plan.

Current Request

The request for Board endorsement included the following items, which we now seek ratification of:

1. Board of Directors meeting scheduled for March 25th be cancelled. This happened in order to follow the direction of public health officials and Provincial directions;

2. Formally activate the Interim Pandemic Plan. This item will be covered under Board Report 07-2020;

3. Staff will be working from home and may have reduced duties. However, as these are very unusual circumstances and we want to ensure that we are valuing our staff in this difficult time. As such, I am seeking Board endorsement that we continue to pay staff their regular salaried pay during this time. The CAO and the Finance Coordinator will continue to monitor the 2020 budget and this situation will be formally reappraised as to its functionality within one to two months time, if necessary.

   It now appears that this situation will proceed longer than initially suggested by the Provincial government. At this time, staff are continuing to work remotely and in the field with occasional office access, consistent with the requirements of the Provincial Orders. This is detailed in the document, "*COVID-19 Health and Safety Protocols and Actions to Date: April 17, 2020*".

   Staff have been asked to freeze spending except as otherwise approved on a case-by-case basis. Onboarding of new staff has been deferred due to this situation. This is the result of both the practicalities of onboarding during this time, as well as to preserve the budget dollars as much as possible. The CAO and the Finance Coordinator are continuing to monitor the budget and will report back again at the May 2020 Full Authority meeting.

4. During this pandemic, if staff are unable to report to work due to COVID-19 illness that GSCA will require the use of a maximum of eight (8) sick day credits before continuing these staff back on their regular salary. Staff are afforded eight new sick days per year. The limit of a maximum of eight sick day usage during this pandemic keeps things fair for all staff.

Other actions that have taken place to ensure the safety of staff, the organization, and the public are as follows:

1. Field work has been dramatically reduced. Staff are not permitted to take any in person meetings with anyone.
2. March Break and PD Day Camps were cancelled after one day each.
3. GSCA Office is closed to the public, and largely closed to staff, except in accordance with allowances under Provincial Order 82/20.
4. Annual Arbor Day Tree Sale has been cancelled.

5. Pre-Order Sales may not happen or may be dramatically reduced due to Provincial Order 82/20 regarding Essential Businesses.
6. Tree Planting may not happen or may be dramatically reduced due to Provincial Order 82/20 regarding Essential Businesses.
7. All GSCA properties are closed to the public, effective March 27, 2020.

It is expected that self-generated revenues will be impacted by the COVID-19 situation. At the current time, the budget is being impacted as follows:

1. The cancellation of the March Day Camp resulted in an approximate loss of $3,000 in net revenues.

2. The Annual tree sale has been cancelled. This equates to an approximate $20,000 in lost revenues.

3. Pre-Order tree sales and tree planting will be dramatically reduced and/or lost for the 2020 season. This equates to up to $75,000 in lost revenues for pre-orders and $53,000 in lost revenues for tree planting.

4. Nominal paid parking revenue losses are occurring due to the early spring and the necessity to close GSCA properties.

5. Planning revenues appear to be consistent with 2019 first quarter numbers.

If the situation persists through the summer, GSCA will see further budget impacts from:

1. No property and facility rental fees resulting in approximately $100,000 in lost revenues.

2. Reduced Planning and Permitting fees. Forecasted impacts are unknown at this time, but conservatively this would reduce revenues by approximately $60,000 over the year.

3. GSCA's Education Program would not run, resulting in gross revenue loss of $45,000, but a net revenue loss of approximately $10,000.

4. Impacts to DWSP and Stewardship are unknown at this time.

Management staff are taking appropriate steps to reduce spending in other areas to help accommodate these existing and potential losses. We are also actively tracking these losses in the hope of recovering some monies through government assistance programs.

Motion No.: **Moved by:** **Marion Koepke**
FA-20-034 **Seconded by:** **Dwight Burley**

WHEREAS, the operation of the business of GSCA will be impacted by the COVID-19 global pandemic;
AND FURTHER WHEREAS, GSCA has taken a suite of proactive measures to address these impacts, including the preparation of a Pandemic Plan, development of alternate working conditions for staff, review of sick leave policies, and a reduction in overall spending;
AND FURTHER WHEREAS, the GSCA Board of Director's endorsed these actions through an informal digital poll;
THAT the Grey Sauble Conservation Authority Board of Directors formally ratify the following items:

1. **Continuation of salary payments to staff working remotely from home, so long as adequate work exists;**
2. **If staff are unable to report to work due to COVID-19 related illness, that GSCA will require the use of a maximum of eight (8) sick day credits before continuing these staff back on their regular salary.**

AND FURTHER THAT the GSCA Board of Directors direct the CAO to report back on the status of this situation on a monthly basis, with opportunity to update this directive at that (those) time(s).

Carried

FORESTRY ITEMS

1. GSCA Staff have sought direction and advice from Conservation Ontario (CO), Forest Ontario, other Conservation Authorities, the Province (through CO), the Provincial Assistance Hotline, and finally through a legal opinion from our solicitor.
2. The direction and advice from CO, FO, CA's, the Province, and the Hotline was inconclusive and did not authoritatively answer our questions.
3. GSCA Staff interpretation of the legislation was provided to our legal counsel and they generally supported this interpretation in their Opinion.
4. There were originally issues raised with Tree Planting and Tree Sales and determining if these meet the essential business criteria of Forestry.
5. Further clarification was sought in light of these being part of a federally funded program, whereby we are delivering a government service. The advice from our solicitor is that this is valid.
6. As such, we offer the recommendation to the Board.

Motion No.: **Moved by:** **Scott Greig**
FA-20-035 **Seconded by:** **Harley Greenfield**

THAT GSCA staff carry out tree planting and pre-order tree sales, to the extent reasonable and practical, through the utilization of enhanced health and safety measures that respect the Provincial Emergency Orders and the health and safety of our employees.

Carried

b) Interim Pandemic Plan

At the onset of the COVID-19 health emergency, GSCA took active measure to keep abreast of advice from public health authorities and the Province. This included a stepped approach as the situation escalated.

A primary component of this stepped approach was the drafting, review and approval of the GSCA Interim Pandemic Plan. This Plan was circulated to Board of Directors Members on March 19th via email for endorsement of the Plan. All 11 Board Members responded in favour of endorsing the Plan

The Pandemic Plan is a policy document that effects that actions of staff and the organization. As such, Staff sought endorsement from the Board of Director's prior to implementing the actions in the Plan. Due to the urgency of the situation, a formal approval at a Full Authority meeting was not possible. As such, Staff are seeking formal approval of the Plan now that the Board is able to meet

Motion No.:	**Moved by:**	**Sue Carleton**
FA-20-036	**Seconded by:**	**Ryan Greig**

WHEREAS, the business of GSCA will be impacted by the COVID-19 global pandemic;
AND FURTHER WHEREAS, GSCA has taken proactive measures to address these impacts through the creation of a business continuity plan entitled GSCA's Pandemic Plan;
THAT the Grey Sauble Conservation Authority Board of Directors endorse and approve the GSCA Pandemic Plan as presented.

Carried

c) Policy/Report on Per Diem Payments

Members of the GSCA Full Authority Board have requested clarification regarding how per diems and mileage are handled by GSCA versus what their municipality may need to provide compensation for.

Staff have reviewed previous motions of the Board related to this topic and have summarized these into the proposed Administrative By-Law Amendment.

The Administrative By-law with the recommended modifications provides good guidance and clearly outlines what the Authority pays and what is submitted to the municipalities for payment.

The Administrative By-Law, as amended, will be updated on the Authority website. Further, this information will be included in the minutes and minute highlights that are provided to member municipalities.

Staff will collect data from municipalities on their payments of per diems and will prepare a future report to the Board on this item.

Motion No.:	**Moved by:**	**Dwight Burley**
FA-20-037	**Seconded by:**	**Andrea Matrosovs**

WHEREAS GSCA makes semi-annual payments of per diem and mileage claims for attendance at committee meetings, Conservation Ontario meetings and official Authority events
AND WHEREAS the Grey Sauble Conservation Authority Board of Directors has requested more clarification and direction with regards to per diems and mileage.
THAT GSCA Board of Directors approve amendments to Section 18 of the GSCA Administrative By-Law as presented.

Carried

One Board Member was opposed.

Dwight Burley left the meeting at 3:30 p.m.

d) Personnel Policy Updates

Several positions within GSCA's organizational structure require updating to better reflect the duties and responsibilities of the position. These positions are the *Finance Coordinator, the GIS/Database Coordinator*, and the *Lands and Habitats Coordinator*.

References to these positions throughout the Policy will be updated to reflect the new titles.

The current organizational chart needs to be updated to reflect the new position titles, to reflect the appropriate organizational hierarchy, and to remove the names of individuals from the job titles.

Two amendments are proposed to the Sick Leave policies within the Personnel Policy document. Both are related to the pandemic situation. The first change would allow a staff member to utilize sick days, during a declared pandemic, to care for a sick family member, to cover time spent in quarantine/isolation, and to cover actual sick time. This deviates from typical sick leave allowances but is justified under pandemic situations.

The second change allows the CAO the discretion to waive the requirement for a doctor's note in a pandemic situation.

Motion No.:	**Moved by:**	**Sue Carleton**
FA-20-038	**Seconded by:**	**Scott Mackey**

WHEREAS, several updates are required to the GSCA Personnel Policy, including the updating of three position descriptions, the re-evaluation of two of these position , minor restructuring of the Organizational Chart and updates to the Sick Leave Policies

THAT the Grey Sauble Conservation Authority Board of Directors approve revising the Personnel Policy effective April 22nd 2020, to include:

1. **Changing the Lands Department lead's title from *Lands and Habitats Coordinator* to the *Manager of Conservation Lands*;**
2. **Updates to the job description for the Manager of Conservation Lands;**
3. **Changing the Finance Department lead's title from *Finance Coordinator* to *Manager of Financial and Human Resource Services*;**
4. **Updates to the job description for the Manager of Financial and Human Resource Services;**
5. **Changing the Manager of Financial and Human Resources Services Salary Grid Value Group from Group 8 to Group 9;**
6. **Changing the Data Management Department lead's title from *GIS/Database Coordinator* to *Manager of Information Services*;**
7. **Updates to the job description for the Manager of Information Services;**
8. **Changing the Manager of Information Services Salary Grid Value Group from Group 8 to Group 9;**
9. **Updates the Organizational Chart; and,**
10. **Updates to Regulation #11 – Sick Pay Credits**

Carried

One Board Member was opposed.

ii) Water Management- nothing at this time

iii) Environmental Planning – nothing at this time

iv) Conservation Lands – nothing at this time

v) Forestry

a) Update of GSCA Forest Management Plan

Grey Sauble Conservation Authority (GSC) owns and manages over 11,300 hectares (28,000 acres) of land throughout Bruce and Grey Counties. Of this total area, nearly 5,260 hectares (13,000 acres) is forested and are eligible for sustainable forest management activities.

This Forest Management Plan (FMP) clearly and systematically sets out GSC's forest stands, their habitats and geographic characteristics and environmentally sensitive areas. This FMP provides detailed current forest inventory information including species, size and distribution of trees within stands. It also provides an estimate of the annual harvestable area over the length of this plan.

In 2013, GSC submitted an FMP to the MNRF to ensure its forested properties were eligible for the Managed Forest Tax Incentive Program (MFTIP). This FMP has been updated with current relevant information, such as new inventory and revenue, and new properties acquired by GSC since that submission. The Plan includes feedback received through a public consultation process.

Forest management activities are conducted in a sustainable manner to ensure the long-term supply of wood products as well as the continual existence of values, such as wildlife habitat and wetlands. Forest management activities use the best available scientific information to ensure values are maintained.

At the February 6, 2020 Forestry Committee meeting, members approved a draft version of the FMP and recommended the Board of Directors approve these updates.

Motion No.:	**Moved by:**	**Scott Mackey**
FA-20-039	**Seconded by:**	**Andrea Matrosovs**

WHEREAS Grey Sauble Conservation Authority (GSCA) owns and manages over 11,300 hectares (28,000 acres) of land comprised of 207 individual properties organized into 79 groupings;

AND WHEREAS, GSCA manages nearly 5,260 hectares (13,000 acres) of forested area for natural heritage values, ecosystem services and to offset the operating expenses of the Forestry department and GSCA;

AND WHEREAS, GSCA has maintained a Forest Management Plan which governs the forest management activities conducted on GSCA properties;

AND WHEREAS, GSCA has recently updated their Forest Management Plan including conducting a stakeholder engagement process;

AND WHEREAS, a draft version of the Forest Management Plan has been presented to the Forestry Committee;

AND WHEREAS, the Forestry Committee has accepted the updates and recommends the Board of Directors accept these updates;

THAT, the GSCA Board of Directors accept the updates to this Forest Management Plan as presented.

Carried

i) Communications/Public Relations/GIS/IT – nothing at this time

ii) DWSP/RMO Report – nothing at this time

10. CAO's Report

- Staff is working remotely and doing a great job of meeting the challenges of this new reality.
- Doreen Robinson will be retiring with her last day of work May 11th, 2020. Doreen has worked for GSCA for 14 years and has provided excellent service to staff, the BOD's and the public. We wish her a great retirement.

11. Chair's Report

- Working to keep abreast of local, provincial and federal COVID-19 related updates
- Keeping in regular contact with GSCA through CAO
- Would like to thank all front line workers, including municipal service workers and grocery and retail workers.

12. Other Business

i. Committees: Minutes – nothing at this time for:

a) Indigenous & GSCA Relationships Committee
b) BRWI
c) Foundation

13. Next Full Authority Meeting – Wednesday, May 27th, 2020, at 1:15 p.m.

14. Adjournment

Motion No.:	**Moved by:**	**Sue Carleton**
FA-20-040	**Seconded by:**	**Andrea Matrosovs**

THAT this meeting be now adjourned.

Carried

Sue Carleton left the meeting.

The meeting adjourned at 3:55 p.m.

Cathy Little, Chair

Doreen Robinson
Administrative Assistant

Grey Sauble Authority Board of Directors

M O T I O N

DATE: **May 27th, 2020**

MOTION #: **FA-20-**

MOVED BY: ______________________________

SECONDED BY: ___________________________

THAT the Grey Sauble Conservation Authority Board of Directors approve the Full Authority minutes of April 22nd, 2020.

Permits Issued from April 1, 2020 to April 30, 2020

Attachment #2

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-027	11-Feb-20	01-Apr-20	38	12	Town of the Blue Mountains	Collingwood Township

Approved works: construction of a 156.93 m² residential dwelling and associated site alterations

Project Location:

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [x] fill

Reviewed by: Jacob Kloeze

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-040	13-Feb-20	01-Apr-20	32	9	Town of the Blue Mountains	Thornbury

Approved works: replacement of stone steps and associated site alterations

Project Location: 220 Bay Street East

- [ ] construct
- [ ] alter watercourse
- [x] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Jacob Kloeze

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-070	27-Mar-20	02-Apr-20	5	Jones Range	Township of Georgian Bluffs	Keppel Township

Approved works: Installation of a natural gas line

Project Location:

- [ ] construct
- [x] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Mac Plewes

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-068	18-Mar-20	03-Apr-20	Part Lot	D	Town of South Bruce Peninsula	Amabel Township

Approved works: placement of fill to raise existing cottage and install foundation and associated site alterations

Project Location: 49 MARINA AVE

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [x] fill

Reviewed by: Lauren McGregor

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-073	30-Mar-20	06-Apr-20	14	4 WBR	Town of South Bruce Peninsula	Albemarle Township

Approved works: the construction of a new single family dwelling, site grading associated with a new septic system and associated site alterations

Project Location: 641 Huron Road

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [x] fill

Reviewed by: Andrew Sorensen

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS19-193	27-Jun-19	06-Apr-20		D	Town of South Bruce Peninsula	Amabel Township

Approved works: the construction of an addition and associated site alterations

Project Location: 271 Bay Street (Oliphant)

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Andrew Sorensen

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS19-353	28-Oct-19	06-Apr-20	21	1	Town of the Blue Mountains	Collingwood Township

Approved works: the construction of a dwelling, detached garage, driveway, site grading for a septic system and associated site alterations

Project Location: Blue Mountain Drive

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [x] fill

Reviewed by: Andrew Sorensen

GS20-060	12-Mar-20	06-Apr-20	Part Lot	14	Municipality of Grey Highlands	Artemesia Township

Approved works: Construction of a patio cover on an existing deck

Project Location: 170 MARY B'S LANE

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Lauren McGregor

GS20-062	16-Mar-20	06-Apr-20	50, 51	12	Town of Collingwood	Town of Collingwood

Approved works: repairs/maintenance to existing shoreline protection, removal shipping container structure, and relocation/removal of materials within a regulated area

Project Location: 80 Madeline Drive

- [ ] construct
- [ ] alter watercourse
- [x] shoreline
- [ ] alter structure
- [ ] alter wetland
- [x] fill

Reviewed by: Andrew Sorensen

GS20-063	18-Mar-20	06-Apr-20	50 & 51	12 (pt)	Town of Collingwood	Town of Collingwood

Approved works: directional bore for water and hydro service

Project Location: 80 Madeline Drive

- [ ] construct
- [x] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Andrew Sorensen

GS20-056	10-Mar-20	07-Apr-20			Town of the Blue Mountains	Collingwood Township

Approved works: the construction of a 23 x 46 ft roof structure

Project Location: 187 Marsh Street

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Jacob Kloeze

GS20-051	05-Mar-20	07-Apr-20	Part Lot	D	Town of South Bruce Peninsula	Amabel Township

Approved works: Construction of an addition and increase in size of septic bed

Project Location: 619 BAY ST

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [x] fill

Reviewed by: Lauren McGregor

GS20-074	26-Mar-20	07-Apr-20	30	3	Township of Georgian Bluffs	Sarawak Township

Approved works: Construction of a single-family dwelling and associated alterations

Project Location: Cobble Beach Drive

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Mac Plewes

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-069	24-Mar-20	07-Apr-20	1	Georgian Rang	Township of Georgian Bluffs	Keppel Township

Approved works: Construction of a 768 sq ft garage

Project Location: 504715 Grey Road 1

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Mac Plewes

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS19-268	27-Aug-19	08-Apr-20	23	12	Town of the Blue Mountains	Collingwood Township

Approved works: construction of a 221 ft^2 covered porch addition

Project Location: 124 Main Street

- [ ] construct
- [ ] alter watercourse
- [ ] shoreline
- [x] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Jacob Kloeze

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-049	02-Mar-20	09-Apr-20	Part Lot	24	Town of South Bruce Peninsula	Amabel Township

Approved works: Construction of a residential dwelling, installation of septic and associated site alterations

Project Location: 45 Larkwhistle Ave

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [x] fill

Reviewed by: Lauren McGregor

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-076	30-Mar-20	09-Apr-20	Pt Lt 31 a	C	Town of South Bruce Peninsula	Amabel Township

Approved works: Construction of an addition and associated site alterations

Project Location: 75 Jewel Bridge Road

- [x] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Lauren McGregor

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-043	27-Feb-20	15-Apr-20	21	1	Town of the Blue Mountains	Collingwood Township

Approved works: renovation to existing garage and construction of a 430 ft^2 addition to existing dwelling

Project Location: 129 Fraser Crescent

- [ ] construct
- [ ] alter watercourse
- [ ] shoreline
- [x] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Jacob Kloeze

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-013	24-Jan-20	16-Apr-20	17	5	Municipality of Meaford	Town of Meaford

Approved works: repair to existing shoreline protection works

Project Location: 265 Sykes Street

- [ ] construct
- [ ] alter watercourse
- [x] shoreline
- [ ] alter structure
- [ ] alter wetland
- [ ] fill

Reviewed by: Jacob Kloeze

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS20-057	06-Mar-20	16-Apr-20			Town of South Bruce Peninsula	Albemarle Township

Approved works: parkland improvements

Project Location: 833 & 835 Howdenvale Road

- [ ] construct
- [ ] alter watercourse
- [ ] shoreline
- [ ] alter structure
- [ ] alter wetland
- [x] fill

Reviewed by: Andrew Sorensen

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS19-400	23-Dec-19	21-Apr-20	17	2	Town of the Blue Mountains	Collingwood Township

Approved works: construction of an 16 x 40 ft in-ground swimming pool and associated site alterations

Project Location: 160 Carmichael Crescent

☑ construct ☐ alter watercourse ☐ shoreline

☐ alter structure ☐ alter wetland ☐ fill

Reviewed by: Jacob Kloeze

GS20-002	10-Jan-20	21-Apr-20	32	9	Town of the Blue Mountains	Thornbury

Approved works: construction of a single family dwelling, addition to existing shoreline protection works, and associated site alterations

Project Location: 136 Bay Street East

☑ construct ☐ alter watercourse ☑ shoreline

☐ alter structure ☐ alter wetland ☑ fill

Reviewed by: Andrew Sorensen

GS20-078	14-Apr-20	22-Apr-20	Part Lot		Town of South Bruce Peninsula	Amabel Township

Approved works: Installation of a natural gas line and associated site alterations

Project Location: Highway 21

☐ construct ☑ alter watercourse ☐ shoreline

☐ alter structure ☐ alter wetland ☐ fill

Reviewed by: Lauren McGregor

GS20-080	03-Apr-20	22-Apr-20	Part Lot	D	Town of South Bruce Peninsula	Amabel Township

Approved works: Construction of a residential dwelling, installation of a septic system and associated site alterations

Project Location: 94 Birch Street

☑ construct ☐ alter watercourse ☐ shoreline

☐ alter structure ☐ alter wetland ☑ fill

Reviewed by: Lauren McGregor

GS20-083	20-Apr-20	23-Apr-20	Part Lot	6	Municipality of Grey Highlands	Artemesia Township

Approved works: Culvert replacement

Project Location: Grey County Road 4; Long: -80.4580, Lat: 44.2966

☐ construct ☑ alter watercourse ☐ shoreline

☐ alter structure ☐ alter wetland ☐ fill

Reviewed by: Lauren McGregor

GS20-055	09-Mar-20	23-Apr-20	28	6	Municipality of Meaford	St Vincent Township

Approved works: expansion of existing shoreline protection works

Project Location: 347 Cedar Ave

☐ construct ☐ alter watercourse ☑ shoreline

☐ alter structure ☐ alter wetland ☐ fill

Reviewed by: Jacob Kloeze

GS20-081	16-Apr-20	27-Apr-20	Part Lot	10	Municipality of Grey Highlands	Artemesia Township

Approved works: Construction of a 48" shoreline retaining wall and associated site alterations

Project Location: 169 Blue Mountain Maples Crescent

☑ construct ☐ alter watercourse ☐ shoreline

☐ alter structure ☐ alter wetland ☑ fill

Reviewed by: Lauren McGregor

Permit #:	Date Applied:	Date Issued:	Lot:	Conc:	Municipality:	Former Municipality:
GS19-383	29-Nov-19	29-Apr-20			Town of the Blue Mountains	Collingwood Township

Approved works: construction of shoreline protection works

Project Location: 105 Sunset Boulevard

☐ construct ☐ alter watercourse ☑ shoreline

☐ alter structure ☐ alter wetland ☐ fill

Reviewed by: Andrew Sorensen

Attachment #3

GREY SAUBLE CONSERVATION AUTHORITY
RECEIPTS
April 1st - 30th, 2020

FROM			
Regulation Permits	$	8,770.00	
Planning	$	3,200.00	
Land Leases	$	57,657.12	
Self-Serve Parking Fees	$	30.00	5 Day Passes
Forestry	$	2,718.36	50 MTP
Forests Ontario	$	4,822.45	50 MTP and OTC Grants
Day Camp	-$	35.00	
2nd Levy Installment	$	66,823.38	City of Owen Sound
Grey County	$	38,194.76	March Management
Miscellaneous	$	1,000.00	Planning Staff Time for SVCA Workshop
April Receipts	**$**	**183,181.07**	

GREY SAUBLE CONSERVATION AUTHORITY
EXPENSES
April 1st - 30th, 2020

11095	Excel Business Systems	$	217.16	DWSP Copy and Print Charges
11096	Damar Security Systems	$	33.90	Alarm Codes Updates
11097	Ardiel Septic Services Inc	$	395.50	2019 Feversham Gorge Septic Pumping
11098	Benedict Electrical Contracting Limited	$	669.21	Administration Centre Outdoor Light Repair
11099	The Cleaning Brigade	$	361.60	Cleaning Services for February 2020
11100	Township of Chatsworth	$	1,225.00	Property Tax - 2nd Installment
11101	City of Owen Sound	$	132.00	Property Tax - 2nd Installment
11102	Coates & Best Inc.	$	36.53	Office Supplies and Facial Tissue
11103	Sunbelts Rentals of Canada Inc	$	135.60	Safety Salt
11104	Staples Advantage	$	132.70	Office Supplies
11105	Directdial	$	5,738.14	Workstations, Accessories, Adapters
11106	Elaine VanDenKieboom	$	563.87	ON Master Naturalist Spring Certificate Program
11107	Georgian Bay Chemical	$	440.53	Workshop Supplies
11108	Township of Georgian Bluffs	$	4,323.02	Property Tax - 2nd Installment and Water Charges
11109	Johnny Tint Graphics & Design Inc.	$	994.40	Stewardship Signs
11110	Kilsyth Auto Service Ltd.	$	591.36	Vehicle Maintenance and Repair
11111	MacDonnell Fuels Limited	$	1,142.36	Fuel for GSCA Vehicles and Furnace Oil
11112	Municipality of Meaford	$	4,723.12	Property Tax - 2nd Installment and Water Charges
11113	Miller Waste Systems Inc.	$	73.76	Garbage Service
11114	Rogers Wireless	$	125.58	Monthly Cell Phone Service
11115	Damar Security Systems	$	131.40	Office Monitoring Services
11116	Bayshore Broadcasting	$	339.00	Advertising for Forestry
11117	Bell Canada	$	266.72	Office and Tara Stream Gauge Monthly Service
11118	Marsh Canada Limited	$	81,765.92	Annual Insurance Coverage
11119	O.M.E.R.S.	$	21,597.52	March 2020 Contributions
	Mastercard Payments	$	3,052.98	
	Moneris, Copier	$	201.90	includes DWSP copier
	McKay Pay Self-Serve Fees	$	19.86	
	Hydro, Reliance	$	2,865.63	
	Receiver General, EHT, WSIB	$	39,184.34	
	Q1 HST	$	16,549.24	
	Buffet Taylor Group Benefits	$	8,752.84	paid via payroll transfer
	April Payroll	$	85,058.24	
	April Expenses	$	281,840.92	

Attachment #4

Corporation of the County of Bruce
Donna Van Wyck, A.M.C.T.
Clerk
30 Park Street, P.O. Box 70,
Walkerton, ON, N0G 2V0
Telephone: 226.909.2433 Fax: 519.881.1619
Email: dvanwyck@brucecounty.on.ca

brucecounty.on.ca

45.0°N 81.3°W
BRUCE
county

RECEIVED
MAY 19 2020

May 11, 2020

The Honourable Doug Ford
Premier
Legislative Building, Room 281
Queen's Park
Toronto ON M7A 1A1

Dear Premier Ford:

RE: Support for Conservation Authorities

The Executive Committee of Bruce County passed the following resolution, at its meeting held on May 7, 2020, in support of resolutions from other municipalities regarding support for Conservation Authorities:

"Whereas we value the efforts of the Conservation Authorities to monitor floods, to manage Source Water protection and to ensure the integrity of the watersheds within out Township and conserve our natural environment;

And whereas the Province of Ontario is *currently reviewing the* mandate and operations of conservation authorities;

And whereas Conservation Authorities provide essential services to municipalities in their watersheds;

And whereas smaller municipalities do not have the capacity or the financial resources to employ staff with the technical expertise that conservation authorities provide;

Therefore be it resolved that the County of Bruce encourages the province to continue to support the principle of planning on a watershed basis in the ongoing review and prioritize the allocation of adequate funding to support the core mandate of conservation authorities;

Corporation of the County of Bruce
Donna Van Wyck, A.M.C.T.
Clerk
30 Park Street, P.O. Box 70,
Walkerton, ON, N0G 2V0
Telephone: 226.909.2433 Fax: 519.881.1619
Email: dvanwyck@brucecounty.on.ca

brucecounty.on.ca

45.0°N 81.3°W
BRUCE
county

And that the provincial government will maintain and not diminish the core mandate of Conservation Authorities."

Yours truly,

Donna Van Wyck

Donna Van Wyck,
Clerk

c. The Honourable Jeff Yurek, Minister of Environment, Conservation and Parks
Saugeen Valley Conservation Authority
Grey Sauble Conservation Authority
Conservation Ontario

Sent via email to: minister.mecp@ontario.ca

May 19, 2020

The Honourable Jeff Yurek
Minister of the Environment, Conservation and Parks
College Park
777 Bay St, 5th Floor,
Toronto, Ontario
M7A 2J3

Re: Conservation Authorities: Next Steps

Dear Minister Yurek:

On behalf of the Association of Municipalities of Ontario, I am inquiring about the outcomes of the recent consultation regarding Conservation Authorities (CAs). While we understand that managing COVID-19 related activities comes first and foremost, we also know that prior to this outbreak, we were poised for next steps in transforming the relationship between municipal governments and Conservation Authorities. We want to ensure that these changes move forward in a way that is manageable.

To that end we first would ask for an update on the progress of analysing the feedback from the consultation that took place at the end of last year. We know that a substantial amount of input was received and that with other priorities in play, this work may not yet be completed.

Once the work is completed, we ask that the Ministry would meet with AMO Staff and Conservation Ontario staff jointly to discuss the potential directions and approaches to move forward in keeping with the changes in the legislation.

Of greatest importance is a full understanding of what types of conservation authority activities will be subject to Municipal/CA memoranda of understanding (MOUs). Given the impacts of COVID -19 on municipal workloads, we ask that ongoing joint meetings start as soon as is practical so that together we can facilitate any changes that municipal governments would have to implement. For example, the creation of MOU templates will be a helpful way to efficiently move forward on this, saving municipal staff time.

MOUs with CAs will add a layer of complexity to the municipal budgeting process, particularly in the first year. The MOU needs to be integrated into both the municipal and CA budgeting process. Furthermore, municipal budgets drafted this fall for 2021 will be focused on the aftermath of COVID-19, and economic recovery. Adding the need to generate MOUs may not be as successful as hoped if rushed. AMO has suggested to properly prepare and execute MOUs, if templates are provided will take about a year. Given the budgeting implications of the MOUs and the fact that 2021 municipal budgets will be complex enough grappling with the aftermath of COVID -19, AMO suggests that templates be created this year and local MOUs start in the first quarter of 2021.

To keep momentum going on the changes to the *Conservation Authority Act*, AMO suggests that follow up on improvements to the use of "Section 28" would benefit both the Conservation Authority review through your ministry and reducing the potential for flood damage through the MNRF.

As well, this approach would allow municipal governments to continue their COVID-19 response into the fall with out drawing staff resources off to new activities related to coordination with the CA/ municipal budgeting processes and negotiating contracts. Furthermore, all municipal activities will need to reflect the COVID-19 related longer term new costs and ways of doing business.

We look forward to continuing to work together with you on this important matter and the AMO staff are pleased to be available to meet with your staff and move this matter forward.

Sincerely,

Jamie McGarvey
AMO President
Mayor of Parry Sound

cc: The Honourable Steve Clark, Minister of Municipal Affairs and Housing
The Honourable John Yakabuski, Minister of Natural Resources and Forestry
Wayne Emmerson, Chair, Conservation Ontario

M O T I O N

Grey Sauble Authority Board of Directors

M O T I O N

DATE: May 27th, 2020

MOTION #: FA-20-

MOVED BY: ___________________________

SECONDED BY: ________________________

Recommended Consent Agenda Motion

THAT in consideration of the Consent Agenda Items listed on the May 27th, 2020, agenda, the Grey Sauble Conservation Authority Board of Directors receives the following items: i) Environmental Planning - Section 28 Permits – April 2020; ii) Administration - Receipts & Expenses – April 2020; iii) Correspondence: a) Letter from The County of Bruce to Premier Ford regarding Support for Conservation Authorities – May 11, 2020; b) Letter from AMO to Minister Yurek regarding Next Steps in the Conservation Authorities Act Review – May 19, 2020

Attachment #5

TD Wealth

Grey Sauble Conservation Authority
Wealth Portfolio Review

Date: May 2020

Prepared by: Mike Konopka, CPA, CA, CFA
Vice President & Senior Portfolio Manager
519-885-8585

Grey Sauble Conservation Authority

Market Valuation & Performance as at May 12, 2020
Equity Range: 35% - 65%
Equity Style: Blue Chip Dividend

- ✓ The primary goal of the portfolio is to preserve capital, defined as preserving the purchasing power of the capital and income from the eroding effects of inflation over the long term.
- ✓ The secondary goal is to generate long-term growth, in order to fund future capital assets replacement, expansion projects and to support the Organization's ongoing cash flow requirements
- ✓ Objective is for a balanced portfolio with the acceptance of moderate volatility in investment values.
- ✓ You currently do not require regular income from the portfolio.
- ✓ Time horizon is greater than 10 years.

Account	Net Contributed Capital (after withdrawals)	Current Market Value	Gain	One Year Return	**Compounded Annualized Return
MP3613 April 10, 2015 - $1,000,000	$1,000,000	$1,087,622	$87,622	-7.45%	1.62%

TD Wealth

**Compounded Annualized Return is since inception. If account was opened prior to September 30, 2011, date used will be September 30, 2011, not actual account opening date.

PORTFOLIO PERFORMANCE (HISTORY) (CAD)

NET INVESTMENT VARIATION

Total Portfolio Value as of Report Date	$ 1,087,622.27
Net Investment as of Report Date	$ 1,002,437.50
Net Investment Variation	$ 85,184.77

PERFORMANCE PER PERIOD

Period	Performance per Period (%) TWR - Net
3 Months	(14.03)
Year to Date	(11.38)
1 Year	(7.45)
3 Years	(0.49)
5 Years	1.79
Since Inception (04/10/2015)	1.62

YOUR ASSET ALLOCATION

	(%)
Cash & Cash Equivale...	1.5
Long-Term	18.7
Other Fixed Income	27.3
Canadian Equity	18.2
American Equity	20.2
Foreign Equity	14.1

PERFORMANCE PER YEAR

Period	Performance per Period (%) TWR - Net
2020	(11.38)
2019	13.61
2018	(3.94)
2017	5.99
2016	6.64
2015	(0.74)

MONTHLY INFORMATION

Date	Total Value	Cash Flow ($)	TWR - Net
05/12/2020	1,087,622.27	0.00	(0.28)
04/30/2020	1,090,664.29	0.00	6.06
03/31/2020	1,028,325.91	0.00	(13.35)
02/29/2020	1,186,739.14	0.00	(4.55)
01/31/2020	1,243,312.55	0.00	1.30
12/31/2019	1,227,339.96	0.00	(0.47)
11/30/2019	1,233,149.64	0.00	2.13
10/31/2019	1,207,400.66	0.00	0.31
09/30/2019	1,203,632.69	0.00	1.18
08/31/2019	1,189,615.08	0.00	(0.18)
07/31/2019	1,191,724.10	0.00	0.70
06/30/2019	1,183,392.71	0.00	1.87
05/31/2019	1,161,646.58	0.00	(2.16)
04/30/2019	1,187,333.11	0.00	2.54
03/31/2019	1,157,975.88	0.00	1.30
02/28/2019	1,143,093.16	0.00	1.71
01/31/2019	1,123,855.86	0.00	4.03
12/31/2018	1,080,319.73	0.00	(3.38)
11/30/2018	1,118,117.99	0.00	1.17
10/31/2018	1,105,157.83	0.00	(3.67)
09/30/2018	1,147,281.02	0.00	(0.51)
08/31/2018	1,153,211.71	0.00	0.37
07/31/2018	1,148,992.17	0.00	1.21
06/30/2018	1,135,235.38	0.00	0.85

Notes: Values in percentage are annualized for periods of more than twelve months.

TD Wealth

Portfolio Manager Michael Konopka, CA, CFA, CPA

GREY SAUBLE CONSERVATION (MP3613)

As of May 12, 2020

PORTFOLIO SUMMARY (CAD)

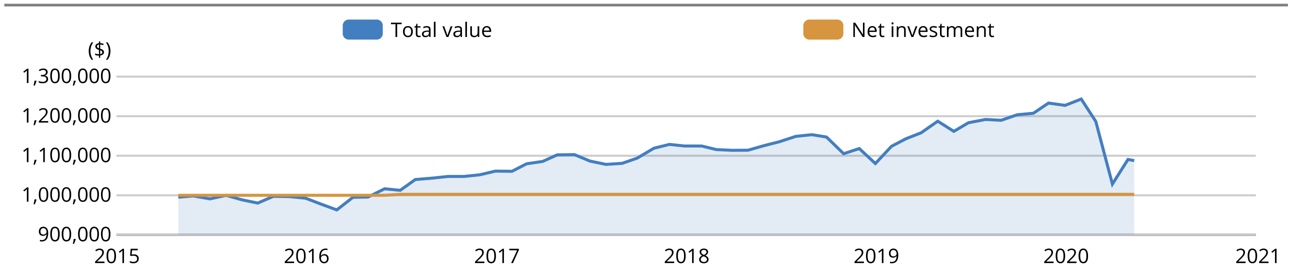
Asset Allocation

	(%)	($)
Cash & Cash Equivalent...	1.5	16,433
Long-Term	18.7	203,593
Other Fixed Income	27.3	296,734
Canadian Equity	18.2	198,243
American Equity	20.2	219,493
Foreign Equity	14.1	153,127

Changes in Market Value

	3 MONTHS	1 YEAR	SINCE APR. 10, 2015
Starting Total Value	***$ 1,265,110.82***	***$ 1,175,203.57***	***$ 0.00***
Inflows (Cash Injections and Transfers in)	$ 0.00	$ 0.00	$ 1,002,437.50
Outflows (Cash Withdrawals and Transfers out)	$ 0.00	$ 0.00	$ 0.00
Change in Market Value	$ -177,488.55	$ -87,581.30	$ 85,184.77
Ending Total Value	**$ 1,087,622.27**	**$ 1,087,622.27**	**$ 1,087,622.27**
Time-Weighted Net (%)	**(14.029) %**	**(7.452) %**	**1.615 %**

Net investment



Note: Values in percentage are annualized for periods of more than twelve months.

DISCLAIMER

As this report is not an official record of your account, your account statements, tax slips, and other records should be used for tax purposes. For specific tax inquiries, please contact your tax specialist or accountant.

Annual projected income amounts are based on the specified payment rate for each fixed income security, or the most recent payment rate for non-fixed income securities. Actual dividend and income amounts may change and are not guaranteed. Please contact your representative for more information regarding income projections.

Performance figures are calculated on a time-weighted basis, net of fees and include accrued income. Security values include transactions that have not settled as of the report date (if applicable). The investment growth chart (if applicable) is shown for illustrative purposes only, and does not take into account fees, expenses, or taxes.

The index returns are shown for comparative purposes only. Indices are not managed and their returns do not include any sales charges or fees, which, if included, would lower performance. It is not possible to invest directly in an index.

Transaction amounts in other currencies have been converted to the currency of the report. For information regarding the exchange rates used, please contact your representative.

For Long Positions: Book value is the total amount paid to purchase a security, including any transaction charges related to the purchase, adjusted for reinvested distributions, returns of capital and corporate reorganizations. For Short Positions: Book value is the total amount received for a security, net of any transaction charges related to the sale, adjusted for any distributions (other than dividends), returns of capital and corporate reorganizations. The book value shown for your holdings has been calculated to the best of our ability based on the information available to us, unless provided by you or your agent, and we do not guarantee its accuracy. For certain securities positions, market value has been reported as the book value of some or all of the position and may not reflect the actual book value. Please refer to your official account statements.

N/D means that all or a portion of the market value of the security position cannot be determined. The total market value provided for your portfolio excludes security positions whose market value is "N/D".

Market value has been determined in accordance with our valuation policy.

The information reflected in the stock allocation graph (if applicable) includes common shares only. The information reflected in the distribution by maturity chart (if applicable) is based on the face value of the securities. Total Return figures (if applicable) are not annualized. They are calculated between the

DISCLAIMER

"Opening Date" of each position, and the "As of" date indicated at the top of the income analysis report. Account fees (if applicable) are included under "Capital appreciation and revenues" reflected in the portfolio summary report.

The information contained herein has been provided by TD Wealth Private Investment Counsel and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

TD Wealth Private Investment Counsel represents the products and services of TD Waterhouse Private Investment Counsel Inc., a subsidiary of The Toronto-Dominion Bank

TD Wealth

INVESTMENT POLICY STATEMENT

(Investment Guidelines & Solutions)

Prepared exclusively for

Grey Sauble Conservation Authority

As of

May 2020

Prepared by:

Mike Konopka, CPA, CA, CFA

Vice President & Senior Portfolio Manager

TD Wealth Private Investment Counsel

381 King Street West

3rd Floor

Kitchener, ON

N2G 1B8

Phone:	(519) 885-8585
Fax:	(519) 885-7807
Toll-Free:	(888) 850-7379

PURPOSE OF INVESTMENT POLICY STATEMENT

The purpose of the Investment Policy Statement is to establish and define the investment parameters of the discretionary investment management relationship between the Company and TD Wealth Private Investment Counsel ("PIC"). Specifically, the Investment Policy Statement will:

- Outline the Company's current situation.
- Identify the investment objectives and constraints of the Company.
- Determine an appropriate asset mix that is consistent with these investment objectives and constraints.
- Establish an appropriate reporting and review process.
- Confirm the directors' agreement to the above points.

ORGANIZATION PROFILE

Organization Name:	Grey Sauble Investment Authority
Type of Business:	Not-for-Profit Environmental Organization
Date of Establishment:	March 15, 1985
Jurisdiction:	Ontario
Name and Position of Signing Officers:	Tim Lanthier - CAO Cathy Little – Chair Marion Koepke – Vice Chair Scott Greig – Vice Chair Alison Armstrong – Finance Coordinator
Directors of Organization:	Harley Greenfield Ryan Greig Scott Greig Sue Carleton Paul McKenzie Marion Koepke Dwight Burley Paul Vickers Cathy Little Scott Mackey Andrea Matrosovs
Shareholders of Organization:	None – Not-for-Profit
Annual Income:	Over $400,000
Net Worth:	Approximately $9,600,000
Fiscal Year End:	December 31st
Investment Knowledge of Signing Officers:	Average

PORTFOLIOS MANAGED

Account Name	Account #	Account Type		Account Value
Grey Sauble Conservation Authority	MP3613	Non-registered	$	1,087,622.00
TOTAL Investment Portfolio			**$**	**1,087,622.00**

Within approved asset mix guidelines and constraints (as detailed below), the assets of the managed portfolio listed above will be invested at the discretion of PIC to address the following investment considerations.

INVESTMENT OBJECTIVE

It is important to establish the Company's goals for these investments and clearly state the investment objectives in order of priority. The investment strategy developed for the portfolio will be designed to meet the Company's goals while working within the directors' acceptable level of risk. The return on the portfolio will vary over different time periods and will be influenced by a number of factors, including the asset mix (i.e. equities vs. fixed income) within the portfolio, the time frame and economic conditions. Please keep in mind that previous return patterns are not guaranteed to repeat themselves.

Return Requirements:

The primary goal of the portfolio is to **preserve capital**, defined as preserving the purchasing power of the capital and income from the eroding effects of inflation over the long term. The secondary goal of the portfolio is to **generate long-term growth**, in order to fund future capital assets replacement, expansion projects and to support the Organization's ongoing cash flow requirements.

To achieve the Organization's goals, the directors would like the desire for a balanced portfolio to be a primary consideration. A portfolio with this objective will seek to provide a combination of modest income and long-term capital growth by investing in a balance of fixed income and equity or equity-type investments.

The Organization does not currently require a systematic income withdrawal program from the portfolio.

The portfolio will be constructed and managed to accommodate any withdrawal requirements. The withdrawal requirements will be met from money market investments, dividends or by liquidation of bond and/or equity investments. From time to time, it may be necessary to draw from any capital gains and in certain circumstances, the capital base of the portfolio to meet the withdrawal requirements.

Risk Tolerance:

There is always some degree of uncertainty (investment risk) concerning the rate of return or growth of assets that may be generated over any future period. Investment risk may be defined as the frequency and magnitude of negative returns over a given period.

The Company's ability to assume investment risk is dependent on the Company's financial goals and the time frame within which these goals must be met. As the investment portfolio grows or the time horizon lengthens, the Company develops alternative ways to recover from investment shortfalls. Equally important is the directors' willingness to assume investment risk. While the Company may be financially able to accommodate market value fluctuations, the directors may not be comfortable with a drop in portfolio value.

The directors' tolerance for risk and volatility are considered to be **moderate** which implies in any one year period, the Organization can tolerate a drop in value of the portfolio of as much as **6-10%** before the directors feel distinctly uncomfortable with the Organization's investment strategy. This range is a representation of the directors' tolerance for risk and volatility; however, please note that in times of higher volatility in the financial markets the portfolio may experience fluctuations in value that are higher than this range.

The portfolio will be managed to minimize fluctuations in a manner that is consistent with stated objectives over the time horizon.

CONSTRAINTS

Time Horizon:

The time horizon of a portfolio is the period that can lapse before the Organization is likely to need a substantial portion of your capital. In accordance with the primary goal, the directors have indicated that the portfolio's time horizon is **over ten years.**

Liquidity:

Liquidity is the ability to quickly convert securities into cash for disbursement without negatively impacting the value of the securities or disrupting the overall portfolio. The Organization's liquidity requirement is determined by the amount of cash the Organization will require from the capital of the portfolio in the near term or on short notice. This requirement will determine the appropriate level of cash and liquid securities in the overall asset mix of the portfolio.

It is **unlikely** that the Organization will need to withdraw a significant amount of this investment earlier than anticipated. **However, it is anticipated that some capital replacement costs will be incurred in the next 1-5 years.**

Liquidity Constraints:

Your portfolio may contain the following asset(s) that has liquidity constraints. These constraints have been separately disclosed.

- PAR Structured Notes – PAR notes may comprise 10% or more of your total equity exposure

Tax:

As per the rules governing a non-profit organization, this portfolio will be non-taxable.

Unique / Legal:

The portfolio will receive a 20% discount off our standard BA08 fee schedule.
Only 2 of the 5 signing officers are required to provide instruction for the portfolio.
There are no other legal, unique or operational constraints at this time.

ASSET ALLOCATION GUIDELINES

Your Portfolio Asset Allocation

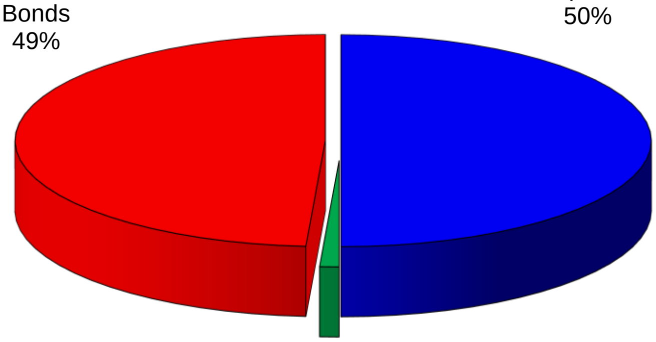
The following asset mix has taken the Organization's return requirements, risk tolerance and constraints into consideration. The table indicates the minimum and maximum ranges for each asset class within the strategy for the portfolio. Should exposure to a particular asset class exceed the maximum or be less than the minimum of its permitted range, PIC will rebalance the portfolio within a reasonable timeframe to maintain the portfolio within the permitted ranges.

The neutral weightings represent the long-term expected average weighting of the asset classes that comprise the portfolio. Depending on our outlook for the markets, the current weighting for any one asset class or sub-asset class may deviate from the neutral weighting; however, the weightings should always lie within the prescribed range.

Commodity Risk:

The portfolio may contain up to 10% of its assets invested in commodities (such as gold), through the investment in exchange traded funds. Commodity markets may be subject to greater volatility than other "traditional" securities markets. This volatility may be brought on by changes in interest rates or changes in sectors affecting a particular industry or commodity such as weather, embargoes, tariffs and/or international economic, political and regulatory developments. As commodity prices decline, so generally will the market value of the exchange traded fund holding these commodities and the value of the portfolio.

Asset Mix Chart for:	*Grey Sauble Conservation Authority*	
Asset Mix	**Long-Term Range**	**Neutral Mix**
Equities :	35% - 65%	50%
Equities		
Fixed Income :	25% - 65%	49%
Bonds		
Cash & Equivalents :	0% – 10%	1%
Total Portfolio :		**100%**



TD Wealth Private Investment Counsel represents the products and services offered by TD Waterhouse Private Investment Counsel Inc., a subsidiary of The Toronto-Dominion Bank.

Eligible Investments:
The portfolio may invest in the following asset categories, (these assets may be obligations or securities of Canadian or non-Canadian entities):

- Publicly traded equity securities, convertible debentures or preferred shares
- Bonds, debentures, notes or other debt investments of governments, government agencies or corporations, including mortgage or asset-backed securities
- Cash or money market securities issued by governments or corporations
- Pooled funds or mutual funds of the aforementioned securities
- High Yield or Global Bonds
- Alternative Investments
- Income Trusts or other return of capital assets
- Structured Notes

REPORTING AND REVIEW PROCESS

Portfolio Manager Contact:
We will meet with the directors **annually** to review the portfolio structure and reconfirm the Organization’s objectives. We will also contact the directors at various other times to discuss the progress of the portfolio.

The directors are encouraged to contact us if there is a change to the Organization’s circumstances or signing officer as a change to the investment strategy may be required.

Client Reporting:
The directors will receive a detailed consolidated **quarterly** statement of the account which includes a report of the Organization's portfolio holdings as well as a summary of transactions during the period.

Quarterly Newsletter:
The directors will receive *Straight Forward*, a quarterly newsletter providing information on investment strategies as well as insights into recent economic and capital market developments.

SERVICES

In addition to managing the investment portfolio in accordance with the Organization’s needs, our services include discussing other needs and requirements such as:
- Access to Andrea Robertson, our Not-for-Profit Specialist
- Support for Gift Planning which includes providing education for board members, donors and fund-raising professionals on techniques and strategies
- Investment Policy Development
- Financial Literacy to members and stakeholders
- Banking and Cash Management Services

Discussion of the above topics may require communications with professionals from other departments within TD Bank Financial Group.

ACKNOWLEDGEMENT AND AGREEMENT

All investment activities will be conducted in accordance with requirements of federal and provincial regulatory bodies, the CFA Institute Code of Ethics and Standards of Professional Conduct and TD Bank Financial Group internal trading and compliance policies and audits.

I/We acknowledge the information contained herein is correct and I/we am in agreement with the investment strategy outlined in this document.

Agreed on ______________________________
Date

For Grey Sauble Conservation Authority

____
Alison Armstrong – Finance Coordinator

____
Tim Lanthier - CAO

For TD Wealth Private Investment Counsel

____
Mike Konopka
VP & Senior Portfolio Manager

TD Wealth

TD North American Sustainability Leadership Equity Model

As of March 31, 2020

Investment Objective

The fundamental investment objective is to seek to achieve long-term superior risk-adjusted total return by investing in primarily in North American equity securities of companies that are best-in-class relative to their peers in environmental impact, social responsibility and corporate governance.

Investment Strategy

The Model is designed to achieve its fundamental investment objective by investing in companies that demonstrate positive contributions towards achieving the Sustainable Development Goals as set by the United Nations (U.N.). The model will exclude companies with a below median Environment, Social, Governance (ESG) rating as per Sustainalytics. (Sustainalytics' ESG Risk Ratings, are designed to help identify and understand financially material ESG risks at the security and portfolio level).

Investment Overview

Assets under management: $62 million

Inception date: May 30, 2008

Asset class: Equity

Management style: Growth

Benchmark: 25% S&P/TSX Composite TR - C$, 75% S&P 500 TR - C$

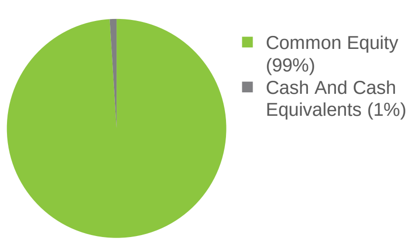
Base currency: Canadian Dollars

Portfolio Characteristics

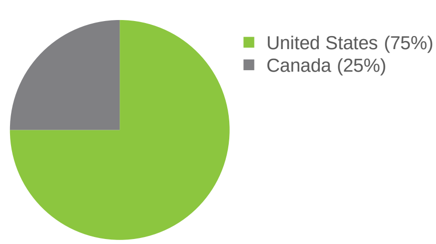
	Model	Benchmark
Number of Securities*	47	736
Dividend Yield	2.33%	2.72%
Price/Earnings Ratio	18.2	16.8
Price/Book Ratio	2.7	2.2
Long Term Debt to Capital	25.7	10.4
Average Market Capitalization	$335,417 million	$314,143 million

*Portfolio security count includes holdings of underlying funds. This look-through approach is not applicable to ETFs.

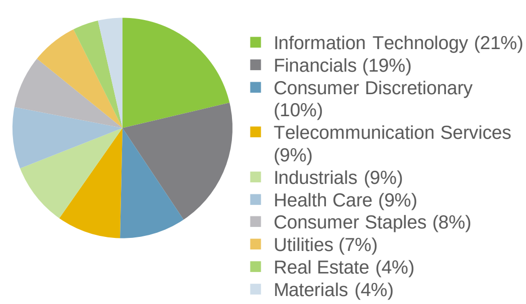
Asset Mix



Geographic Mix



Sector Mix



TD North American Sustainability Leadership Equity Model

As of March 31, 2020

Historical performance (%)

Performance as of March 31, 2020

	1 month	3 months	6 months	1 year	3 years	5 years	10 years	Since Inception[1]
Model	-7.5	-9.8	-5.5	4.1	8.4	8.7	9.7	5.9
Benchmark[2]	-9.6	-14.0	-8.9	-4.2	3.8	5.7	9.3	6.7
Added value	2.2	4.2	3.4	8.2	4.6	3.0	0.4	-0.8

Note: Returns for periods over one year are annualized.

Calendar year returns

	YTD 2020[3]	2019	2018	2017	2016	2015	2014	2013	2012
Model	-9.8	29.8	2.8	10.7	14.0	6.1	15.0	28.8	12.3
Benchmark[2]	-14.0	25.0	-2.8	11.2	14.2	5.5	16.8	26.1	10.0
Added value	4.2	4.8	5.6	-0.5	-0.2	0.6	-1.8	2.7	2.3

[1]Inception Date: May 30, 2008. [2]Benchmark: 25% S&P/TSX Composite TR - C$, 75% S&P 500 TR - C$ [3]As at March 31, 2020

Top Holdings

	%
Visa Inc - Class A Shares	5.1
Microsoft Corporation	5.1
Alphabet Inc Class-A	3.9
Apple Inc.	3.8
Nextera Energy Inc	3.4
Brookfield Asset Mgt A LV	3.1
Royal Bank of Canada	3.0
JPMorgan Chase & Co.	2.7
Shopify Inc Class-A	2.4
PepsiCo Inc.	2.1

Performance Metrics[4]

	Model
Beta	0.91
Standard Deviation	9.9%
Sharpe Ratio	0.77

[4]Over 5 years or Since Inception

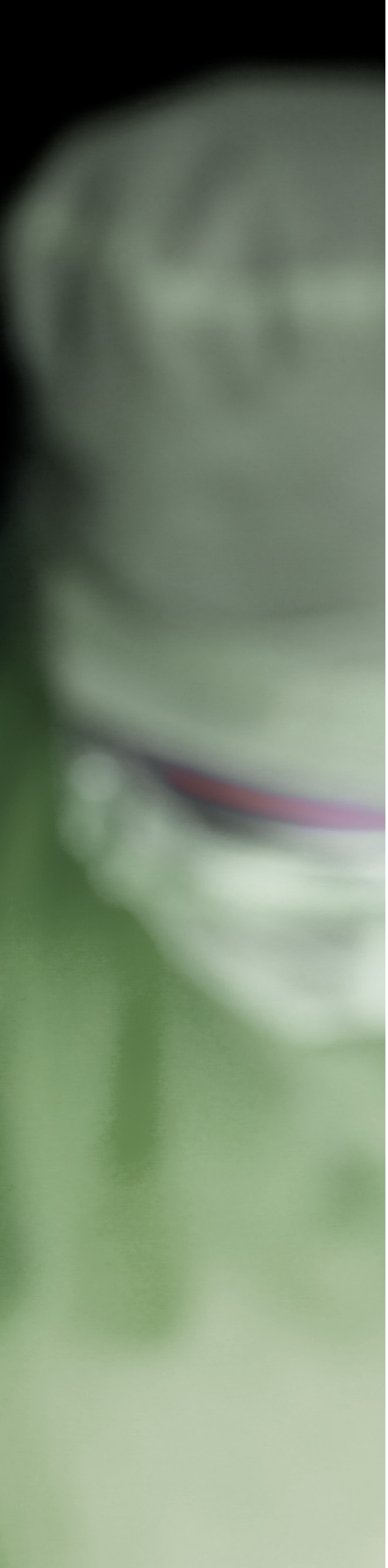
TD North American Sustainability Leadership Equity Model

TD Wealth

Triumph of the Optimists

Portfolio Strategy Quarterly

Q2 2020



Inside

Triumph of the Optimists

On April 1, when we first sat down as a team to discuss the creation of this edition of PSQ, it was pretty grim. The S&P 500 had tumbled 20%, on its way to a low of -34%, and the S&P/TSX was down 21%, on its way to a low of -37%. The skyrocketing number of COVID-19 cases and stay-at-home mandates were pushing fear to all-time highs. Volatility was the highest ever — even above levels recorded in 2008, 1987 and 1929. The CBOE Volatility Index (VIX) had reached 83 versus its 30-year average of 19. Investors were flocking to safer assets as evidenced by large moves in gold and 10-year Treasury notes. Debt markets were also reeling due to funding issues reminiscent of the Global Financial Crisis, and spreads were breaking out due to rising concerns around defaults and downgrades. There was no shortage of bad news, nor doomsday agents willing to share it.

Then, over the following 30 days, something very human happened. We started to adapt, and things started to improve, albeit with some startling ups and downs. Central banks and governments continued to deploy monetary and fiscal policy measures to reduce the impact of COVID-19 on global financial markets, the economy and the people who work in it. Corporations shifted course — I am writing this at home, a place I have been for six weeks now — and many investors started to realize that, while it may seem real bad right now, what about the future? That lovely question is what propels us forward. At the end of the day, investment is based on the simple premise that the future will be better.

As of writing, 29 days later, the tone has improved greatly. Global equity markets have rallied significantly off their lows, fixed income markets have improved markedly, and COVID-19 curves have begun to flatten around the world. It ain't over till it's over, of course, and Murphy's Law still applies, but so too does the perseverance of the human spirit. At times when we could all hit "quit," we refuse to. We continue. There will be dark days ahead, but I am confident in our ability to adapt. We will expect the best and plan for the worst, have a well-thought out wealth plan and a portfolio with true diversification, balancing assets and risk factors with our commitment to the understanding of financial behaviour. By doing this, we will considerably increase the likelihood that we successfully navigate this and every other future crisis.

Excelsior!

Brad Simpson

Chief Wealth Strategist, TD Wealth

Quarter in Review

Chaos

>140 in 60, 30,000,000 in 7

To stop the spread of COVID-19, the overwhelm of healthcare systems and spiralling death rates, more than 140 countries imposed various lockdown levels in 60 days since January. The U.S. unemployment rate surged from historic lows to an all-time high of 30 million applicants in 7 weeks.

25+60=100%

The U.S. economy makes up 25% of global growth and the U.S. dollar represents 60% of currency reserves. The outlook for the U.S. dollar - the currency of choice in a world of chaos - is strong. Things aren't so bright for the Canadian dollar.

1987, 2001, 2008, 2020

The financial crisis was triggered by a shock like 2001, markets plummeted like 1987, and liquidity evaporated like 2001.

-34% in 23, +29% in 19

The S&P 500 plummeted 34% in 23 trading sessions, ending the 10-year bull market and then skyrocketed 29% in 19 sessions. But North American equities have still averaged 5.2% to 6.5% returns across boom and bust cycles of the last two decades.

-305% to -US$37.60 a barrel

Oil. Price war. Economic shutdown. Glut. Limited Capacity. Need we say more?

>US$3,000,000,000,000

The U.S. announced more than US$3.5 trillion, and Canada around $250 billion, joining major governments and central banks around the world to helicopter in monetary stimulus and fire up fiscal aid for floored economies.

Control

Four Square

There are four basic economic environments: rising growth, falling growth, rising inflation and falling inflation. Financial markets react as economies shift from one environment to another but transitions are unpredictable and can be fraught with problems. We don't predict the future, we invest in all four areas.

Duration over depth

Duration - not depth - of the economic pullback is key. Economic forecasts are assuming COVID-19 persists. If disruptions are contained to one or two more months, activity could rebound forcefully and with it the global economy.

Steady streams

Robust diversification across our real asset and private debt strategies should provide income resiliency through the crisis.

Process over prediction

We manage investments based on a guiding set of principles designed to work in a world that's constantly changing. We focus on investor's goals and true diversification. We build resilient portfolios that aim to perform regardless of environment.

Essential elements

We build our portfolios using 72 elements from eight categories.

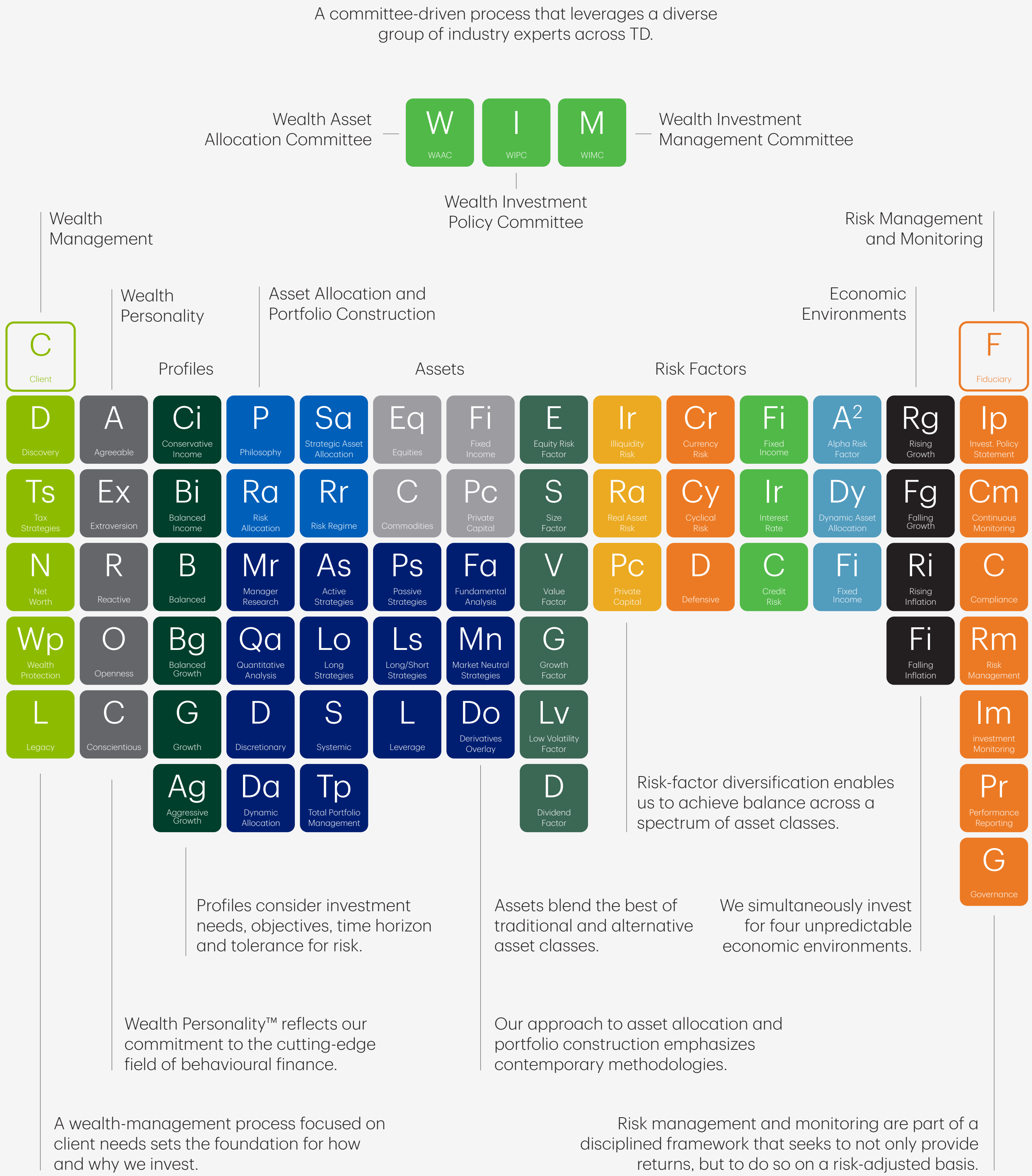
Balance sheets buy time

Investors are more volatile than their investments. Underlying growth in earnings per share and dividends remains remarkably stable. A company's stock price may become undervalued or overvalued, but ultimately it's tied to the company's intrinsic value.

Elements of Wealth Management

Investors are often left to make decisions without any formal process. Our solution? Follow an investment philosophy — a guiding set of principles designed to work in a world that's constantly changing, often with dramatic impact on financial markets. At TD Wealth, we call that philosophy "Risk Priority Management," and it provides the foundation for our decision-making process. That process is then broken down into its most basic components, similar to a periodic table of elements, as illustrated below, with groupings and weights. These components comprise our entire process, from wealth management to risk management to monitoring. All in all, there are 72 "elements" that fall into eight categories.

Figure 1: Elements



Leading Macro Indicators

The table below itemizes the many inputs that inform our understanding of the economic and financial environment. For each indicator, we calculate current values and compare them against recent trends and long-term history using a standardized approach that makes it possible to aggregate across indicators.

Most of the current indicators currently show deterioration, with the key exception being fiscal and monetary policy. This underscores the risk-off environment we are currently in — one that is expected to persist over the near term as investors gravitate toward greater quality and liquidity. In a high-volatility and highly uncertain regime, such as the current environment, markets are expected to be highly susceptible to shocks. Greater risk in this environment does not necessarily generate greater return, which is why it's key to build a resilient portfolio.

☐ See Risk Regime on page 33 for the most recent comments on the below indicators.

Figure 1: Market Risk Indicators

U.S. Macro Indicators	Measure	Current	12M Ago	LT Avg*	Min	Max	Z-Score	Conditions
Productivity	Real GDP Growth (qoq %, saar)	(4.8)	3.1	2.1	(8.4)	7.5	(2.9)	Deteriorating
	Real GDP Growth (YoY %)	0.3	2.7	2.2	(3.9)	5.3	(1.2)	
	Real GDP Economic Forecast (YoY %)	(3.9)	1.9	-	-	-	(3.5)	
Inflation	Headline CPI	1.5	2.0	2.2	(2.1)	5.6	(0.6)	Deteriorating
	Core CPI	2.1	2.1	2.0	0.6	2.9	0.2	
	CPI Forecast (YoY %)	1.1	2.1	-	-	-	4.1	
	10YR Breakeven Inflation	1.1	1.9	2.0	0.1	2.7	(2.3)	
Employment	Unemployment Rate (%)	4.4	3.6	5.8	3.5	10.0	(0.8)	Deteriorating
	Initial Jobless Claims (000s)	3,839	230	383	201	6,867	7.3	
	Wage Growth (yoy %)	3.1	3.3	2.5	1.5	3.7	1.0	
Consumer	Consumer Confidence (1985=100)	86.9	129.2	94.8	25.3	144.7	(0.3)	Deteriorating
	UofM Consumer Sentiment	71.8	97.2	86.8	55.3	112.0	(1.2)	
	Consumer Spending (MoM %)	(7.5)	0.7	0.3	(7.5)	2.8	(9.7)	
	Household Consumption Forecasts (YoY%)	(3.6)	2.1	-	-	-	(3.2)	
Housing	S&P/Case-Shiller Composite (YoY %)	3.5	2.5	4.2	(19.0)	17.1	(0.1)	Deteriorating
	Home Builders Index	30.0	63.0	49.7	8.0	77.0	(1.0)	
Business Conditions	Capacity Utilization (%)	72.7	77.8	77.3	66.7	82.3	(1.5)	Deteriorating
	Industrial Production (YoY %)	(5.5)	0.7	1.1	(15.3)	8.5	(1.6)	
	Industrial Production Forecasts (YoY%)	(5.1)	1.9	-	-	-	(3.6)	
	Private Investment Forecasts (YoY%)	(7.6)	2.8	-	-	-	(3.5)	
	12M Earnings Forecasts (S&P 500, $/Share)	130 (YoY: -12.8%)	166.5	94	50	175	1.1	
	Markit US Composite PMI	27.4	53.0	52.7	27.4	56.6	(5.0)	
	Markit US Manufacturing PMI	36.1	52.6	52.8	36.1	56.5	(4.8)	
	Markit US Services PMI	27.0	53.0	52.7	27.0	56.8	(4.9)	
Financial/ Credit Conditions	3M LIBOR/OIS Spread (%)	0.5	0.2	0.3	0.0	2.4	0.8	Deteriorating
	10Yr Treasury Yield (%)	0.6	2.5	3.5	0.6	6.7	(2.1)	
	10YR/3M Yield Spread (%)	0.6	0.1	1.7	(0.8)	3.8	(1.0)	
	10YR/2YR Yield Spread (%)	0.4	0.2	1.2	(0.5)	2.8	(0.9)	
	IG Credit Spread (% OAS)	1.9	1.0	1.4	0.7	5.4	0.7	
	HY Credit Spread (% OAS)	7.4	3.6	5.5	2.4	18.3	0.8	
	Financial Conditions Index (Bloomberg)	(1.9)	0.9	(0.5)	(9.0)	1.2	(1.0)	
	Financial Conditions Index (Chicago Fed)	(0.2)	(0.8)	(0.4)	(0.8)	2.4	0.3	
Government/ Fiscal Policy	Budget Balance (% of GDP)	(4.8)	(4.3)	(3.3)	(10.1)	2.6	(0.5)	Accomodative
	US Budget Balance Forecast (% GDP)	(12.0)	(4.6)	-	-	-	(8.6)	
	Government Spending Forecasts (YoY%)	2.2	1.3	-	-	-	5.9	
	Government Debt Forecasts (% GDP)	88.8	80.4	-	-	-	52.7	
Foreign Trade	Current Account (% of GDP)	(2.3)	(2.4)	(3.4)	(5.9)	(1.9)	0.9	Improving
	Current Account Forecast (% GDP)	(2.2)	(2.7)	-	-	-	(13.7)	
	Trade-Weighted Broad Dollar (2006=100)	124.5	115.2	103.2	86.3	121.3	2.2	
Monetary Policy	Fed Funds Rate (%)	0.3	2.5	2.0	0.3	6.5	(0.9)	Accomodative
	Monetary Base (YoY %)	49.3	(12.2)	11.0	(12.9)	112.7	1.7	
	M1 Money Supply (YoY %)	14.4	3.2	6.4	(3.0)	20.9	1.6	
	M2 Money Supply (YoY %)	11.0	4.1	6.3	1.6	11.0	2.6	
Sentiment	Implied Volatility - S&P 500	34.2	13.1	20.0	9.5	59.9	1.7	Deteriorating
	Implied Volatility - US Treasury	53.6	49.5	89.2	46.2	214.0	(1.2)	
	Implied Volatility - Oil	105.0	29.3	37.4	15.6	170.6	3.8	
	S&P 500 Implied Correlation	77.8	43.0	53.5	13.1	90.3	1.3	
	CBOE Equity Put/Call Ratio	0.7	0.7	0.6	0.3	1.2	0.4	
	Strategist Consensus (S&P 500)	2,960 (Change: 2%)	2,897	1,681	938	3,355	2.1	
	Retail Investor Bullish/Bearish Ratio	0.8	1.2	1.2	0.6	3.2	(1.0)	

Risk Regime Score	**(0.3)**	Deteriorating
Risk Regime Score (excl. Fiscal/Monetary Policy)	**(1.7)**	Deteriorating

Risk Regime Score: Below 0 means market conditions are riskier than average. Above 0 means conditions are less risky than average.
*Since 1999. Source: Bloomberg Finance L.P., as of April 30, 2020

Seasonal Precedents

Brad Simpson, Chief Wealth Strategist and Head of PAIR, TD Wealth

The world is in the middle of a viral pandemic. What does that mean?

1. People are generally afraid. They're faced with uncertainty the likes of which they've never seen before. Many are isolated at home, without an income, or with a reduced one, inundated by a constant stream of fear emanating from social media and news outlets — traditional, digital and print.

2. Most businesses have been shuttered. Major cities and countries are under lockdown.

3. Economies are slowing rapidly. Unemployment is skyrocketing and the prospects for a turnaround are unclear.

4. Energy has collapsed. And the near-term outlook for the price of oil is bleak.

5. Equity markets have been extremely volatile. They're moving up and down at speeds never seen before. The closest comparison would be a combination of 1929, 1987, 9/11 and the global financial crisis. Seriously! How's that for a toxic mixture?!

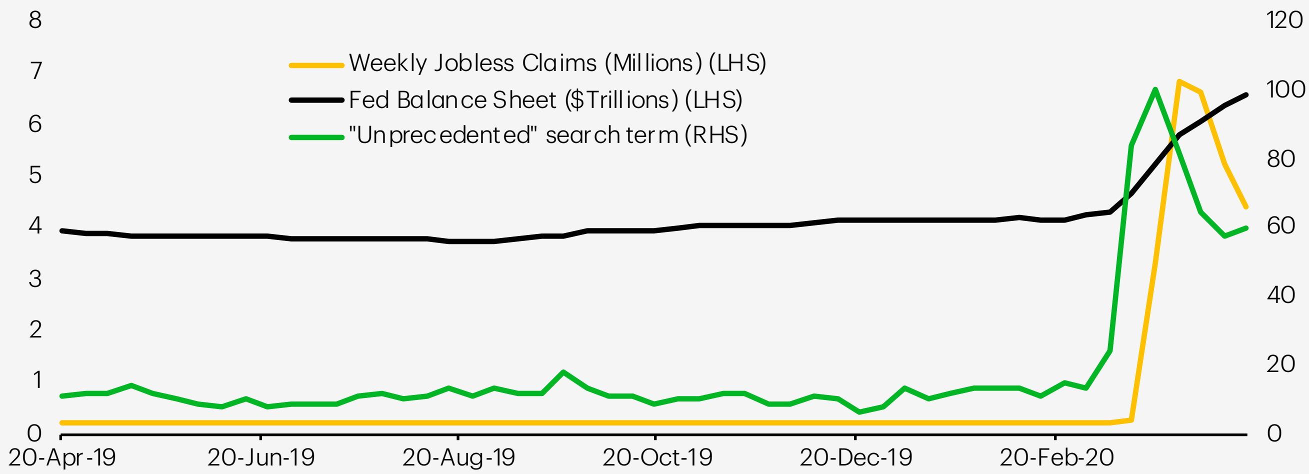
6. And it's not just equities. Fixed income markets are volatile, too. Even investment-grade corporate bonds are being sold as investors flee to the safety of government bonds, which has widened spreads and propelled the latter to considerable price gains and the former to considerable price losses, getting worse as the credit-worthiness of the issuer declines.

With a list like that it's very hard to believe the bear market is already officially over, after the strong market rally of the past few weeks lifted stocks 20% from their lows. Instead, it would seem we are in a period of heightened volatility where markets retreat and rally, while credit spreads narrow and widen. A big part of this volatility can be attributed to revolutionary changes in the market itself: exchange-traded funds, trading algorithms, central-bank policy and a flood of liquidity. These changes have altered the pricing mechanism of the market. Today, liquidity comes from lines of code known as algorithms that are designed to push capital though ETFs, which act like financial pipelines. These algorithms then reverse course every time an outcome is achieved. At times like this, there are too many speculators and not enough investors.

I'd love to go back in time and find an analogy to what's going on today, but we simply have not seen such extreme volatility. It's an "unprecedented" scenario, and I put that word in quote marks because we've been hearing a lot of it lately. Figure 1 shows the rise in frequency of that word in Google searches against U.S. weekly jobless claims and the rise in the Fed balance sheet (assets purchased with newly printed money) — both historic leaps.

The recent crash saw a decline of 33.9% for the S&P 500, reaching its bottom on March 23. That's a significant drop, to be sure, but what's really stunning is the speed with which the market fell. It took only 33 days, or 23 trading sessions, for the broad market to lose more than one-third of its value.

Figure 1: The Year of the Unprecedented



Sources: Google Trends, Board of Governors of the Federal Reserve System (US), U.S. Employment and Training Administration. As at April 20, 2020.

Figure 2: Historic Drop for Equity Markets

	Peak	Point of decline by 34%	Period
1929 Depression	September 16, 1929	October 29, 1929	43 days
1973 Oil Crisis	October 12, 1973	August 22, 1974	10 months 8 days
2002-03 Tech Bubble	September 1, 2000	September 20, 2001	1 yr, 19 days
2008 Financial Crisis	July 23, 2007	October 7, 2008	1 yr, 77 days
2020 Coronavirus	February 19, 2020	March 23, 2020	33 days

Source: Factset, as of April 30, 2020

When you look at other 34% drops historically (Figure 2), the only one that comes close is the crash leading into the Great Depression, which took 43 days to reach this level — and, to be clear, this is no Great Depression. Prior to the pandemic, the U.S. economy seemed to be on decent footing, and the unemployment rate was at historic lows. The Oil Crisis of 1973, the Tech Bubble of 2002, the Financial Crisis of 2008 — these downturns took about a year to do what the pandemic crisis did in a mere month.

The same holds true when you look at recoveries. From the market bottom on March 23, it took only 25 days, or 19 trading sessions, for the S&P 500 to rise 28.5%. Nothing comes close historically. If we look at the market crashes listed above and calculate how long it took to recover 29% (Figure 3), we find that the typical recovery takes years, not days. There's no way to overstate the mind-boggling nature of this volatility.

Now I don't want to attribute all of this to ETFs and algorithms. Much of it also has to do with the monetary and fiscal policy measures that have been implemented to support the economy through the crisis. These include liquidity measures to keep money flowing in the financial markets, support for businesses both large and small, and support for their employees. While these measures are heartening, they're not likely to reverse — at least not in a matter of weeks — what amounts to the worst recession and unemployment crisis since the Second World War. So, the question that bears asking is, when will this be over?

Economics articles abound with letters like "V" (implying a quick recovery), "U" (slow and slippery), "W" (a sharp rise upward, followed by a sharp decline, ending with another sharp rise) or "L" (falls and stays there), but the truth is that no one really knows what the immediate future holds. What we do know, as highlighted in Figure 1 on page 7, is that we are currently standing at ground zero, if you will, in terms of the real economy, financial conditions, emergency monetary and fiscal policy and, not surprisingly, market sentiment.

At times like this, it's hard to get your bearings. Even during so-called "peace time," there's a lot of noise out there, but now, with the nations of the world fighting a war against an invisible enemy, that market noise has become deafening. We need to accept that this is going to be a journey. We don't know how long it will last, or how rocky the terrain will be, but we know the sign posts we need to be looking out for as we make our way. To that end, we will keep referring back to Figure 1 on page 7 to provide direction and make sure that this virus — in the open, complex system in which we operate — doesn't throw us off track.

If history is any guide, the global economy will get through this, and as a result, so will our investments. The fact is, we're pretty good at stopping pandemics and we're getting better all the time thanks to science. We pretty well wiped out smallpox, cholera, typhoid, measles, polio (my mum, who just turned 75, had this) and whooping cough. We have also made great progress in our struggle against malaria and HIV/AIDS, and the pace of our achievements is accelerating.

Figure 3: Incredible Volatility for Market Losses and Recovery

	From the point of decline of 34%	To point of appreciation of 29%	Period
1929 Depression	October 29, 1929	March 2, 1954	Over 24 years
1973 Oil Crisis	August 22, 1974	June 24, 1975	306 days
2002-03 Tech Bubble	September 20, 2001	November 23, 2005	Over 4 years
2008 Financial Crisis	October 7, 2008	January 12, 2011	Over 2 years
2020 Coronavirus	March 23, 2020	April 17, 2020	25 days

Source: Factset, as of April 30, 2020

The earliest credible evidence of smallpox comes from India around 1500 BC, and the disease was only eradicated in 1980. That's 3,500 years of suffering. In 1980, we started to learn about HIV/AIDS, and by 1995 we had a first generation of drugs that kept infected people alive. That's 15 years of suffering. The Ebola epidemic raged between 2014 and 2016. The first Ebola vaccine was approved in the United States in December 2019. That's five years of suffering. Last December, COVID-19 did not exist in our broad spectrum of comprehension. Today, trials for the vaccine are ongoing throughout the world.

I write this as a counterpoint to the mainstream financial media, which I believe often prey on the worst of our fears. Intellectuals know they can attain instant gravitas by pointing to an issue and attributing it to the worst parts of human nature. Financial journalists, who are often taught by these people, go on to learn that cynicism sounds smart and sells advertising space.

If all of this is beginning to paint me as an optimist, then so be it. I prefer to avoid labels and go with the facts, and in this instance, there's good reason to be optimistic. Investment itself is an exercise in optimism, based on the simple premise that the future will be better and therefore companies will be more valuable. To date, it has worked pretty well. Don't believe me? Let's look at the facts:

1. The fact is that investment over the past 100 years has proven to be a tale of triumph for optimists (Figure 4).

2. The fact is that the countries investors lend to will, most of the time, invest in their populations and pay back their debts.

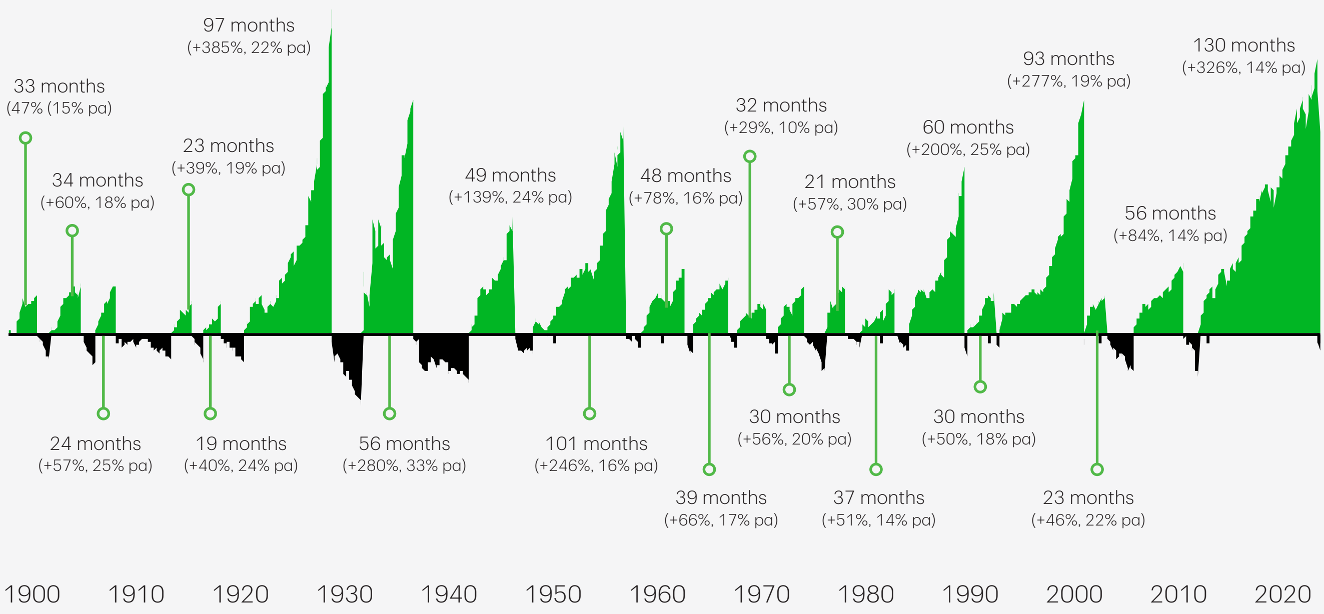
3. The fact is that a large proportion of the companies that we invest in in will prosper.

4. The fact is that most of these companies will employ people, innovate and deliver desirable products and services that grow their earnings, enable them to pay back their debts, increase their dividends and make their interest payments.

5. The fact is that G20 nations and the corporations that operate across our global economy will function in a way that empowers them to succeed and deliver.

While these statements may all be true, they do not result in linear and predictable growth. Stuff happens along the way, of course — recessions, wars, plagues, pandemics, crises and terrorist attacks. When this stuff happens, we either quit, and cease to be investors, or we continue.

Figure 4: S&P 500 Total Returns from January 1926 – December 2019



Source: Yale University Department of Economics, Goldman Sachs, as of April 30, 2020

Choosing to continue as investors, incidentally, doesn't mean we sit back and do nothing. As investors, we take measures to prepare for extreme periods like this one. Financial markets are best described as "complex, adaptive systems," more akin to biological ecosystems where individual agents adapt to the environment while the environment adapts to them, leading to phenomena that seem explainable in hindsight but are nearly impossible to predict.

In fact, one of the only predictions you can reliably make is that crises like this can and do crop up from time to time. You don't know when, where or how, but you can structure your portfolio to prepare for things like this. There have been numerous studies that show that asset allocation accounts for somewhere between 75% and 90% of portfolio performance over the long term, while active management (i.e., security selection, tactical positioning and trading) contribute the remainder.

It's the kind of stuff that will never make a headline or sound brilliant at a dinner party. Allocation is about simply having a mix of assets that are diversified and engineered to meet your long-term goals — one that is designed to be long-term in perspective, factoring in a sophisticated market outlook along with your unique risk profile, goals and financial behaviour.

Sounds simple, but assembling the correct mix of assets requires a disciplined and rigorous process. There's no single asset class, risk factor or investment behaviour that will achieve consistent returns. You have to start by determining a long-term outlook for market return and risk; then choose asset classes and factor exposures that stand to benefit from the outlook; then select strategies to implement, and along the way, make certain that the asset allocation maximizes the likelihood of achieving the client's stated goals.

What often trips up investors is the compulsion to make short-term bets on what they think the economy is going to do, which is not the same thing as developing a long-term market outlook. Even trained economists have a hard time predicting economic movements, though there are certain patterns we can see. Research shows that there are four basic economic environments, with the following attributes: (1) rising growth; (2) falling growth; (3) rising inflation; and (4) falling inflation. You can almost think of them as economic seasons, though they don't begin and end on predictable calendar dates.

The performance of each asset class depends to a great extent on the season. For instance, equities and commodities perform well in a rising-growth environment, while government bonds do well in

Elements of an Economic Environment

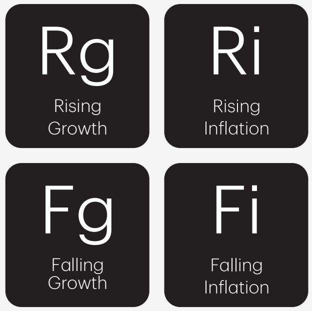


Figure 5: Asset Class Performance by Environment

Source: Factset, Bloomberg, and PAIR, as of March 31, 2020.

falling-growth environments. The reverse is also true, which explains the performance of both over the past couple of months (Figure 5).

Similarly, there are assets that do well in a rising-inflation environment (inflation-linked bonds) and others that do well in falling-inflation environment (nominal government bonds). These four environments provide an intuitive framework for understanding how the main asset classes have performed historically, over many market cycles. Each of the four environments have occurred about 25% of the time over the past 75 years (Figure 5).

Figure 5 also highlights the fact that rising-growth environments have occurred about half of the time. During these periods, commodities and risk assets (such as equities, corporate credit, and emerging-market bonds) performed much better. Conversely, safe-haven assets (such as nominal bonds and gold) have historically performed well in falling-growth environments, which occurred about half of the time.

Rising-inflation environments have also occurred about half of the time and have been favourable to commodities (oil and gold), inflation-linked bonds and emerging-market debt, and detrimental to nominal government bonds. Equities have also lagged slightly during this scenario. In falling-inflation environments, nominal bonds have performed well, along with credit and equities.

The point of all of this is that financial markets evolve as the economy shifts from one environment to another, but the transitions are not seamless nor predictable. So instead of trying to predict which environment we're moving into, we invest in all four. It's kind of like playing the kids' game four square, but instead of standing in one square and waiting to see if the ball will come to us, we straddle all four squares in our efforts to capture the ball.

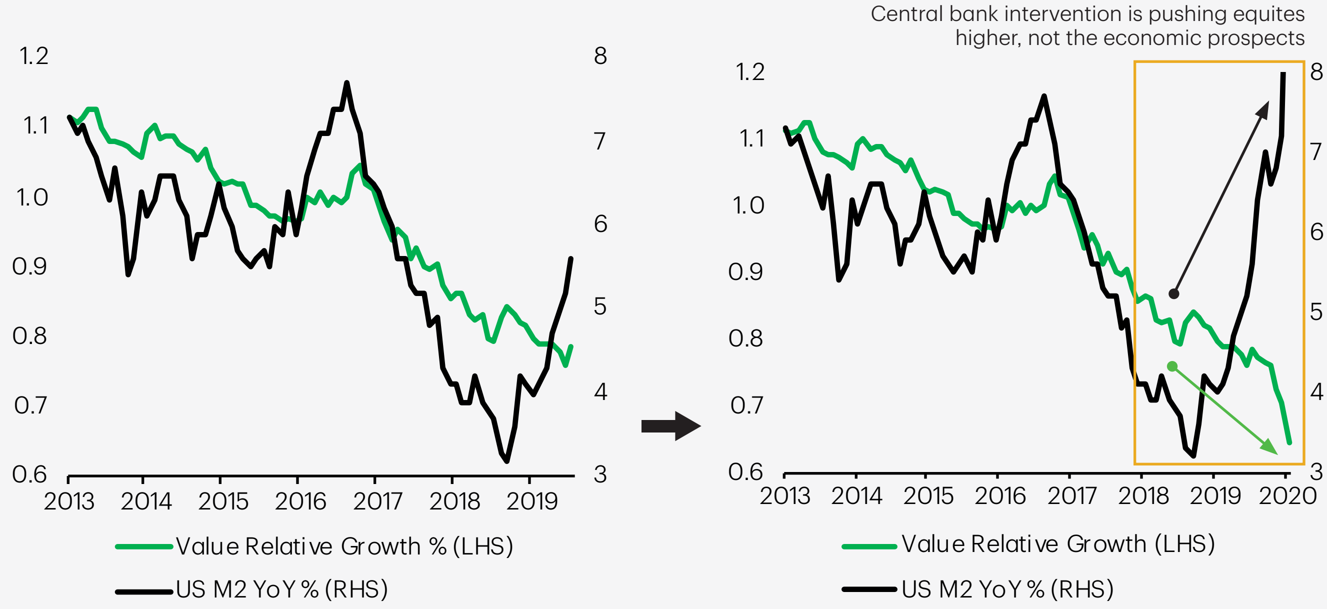
This is more effective, in our view, because we believe in adaptive markets: whatever caused a shift from one environment to another in the past may do the exact opposite in the future. Our belief in adaptive markets also explains why the first principle of our investment philosophy, Risk Priority Management, is "innovate and look forward."

Figure 6 captures the ever-changing nature of what moves financial markets. In the past interest-rate policy by central banks drove the economy into a rising-growth environment. Currently, monetary policy looks like the only thing driving equities. This can change at any time, but whatever happens, we will be standing in the middle of the four squares with portfolios that are well diversified across all asset classes and risk factors.

Remember that the bottom of a market is not a point on a line chart. Bottoming is a process. While we would all love to see the recent rally endure and credit spreads to continue to narrow, history shows that bear markets do not end until the perceived conflict — the pandemic and its impact on the economy — is resolved. That could take the form of a vaccine, or a strong rebound in business activity, a surge in consumer confidence or even just clear evidence of diminishing COVID-19 cases around the world.

As it stands, there's still enormous uncertainty around how this pandemic will impact our lives and portfolios. Until there's some sign that the war against COVID-19 is being won, it would be premature to call an end to the crisis. We don't know how long it will last, nor how rocky the terrain will be, but we know the sign posts we need to be looking out for as we make our way, and we know how to allocate, in whatever environment we find ourselves, to grow and protect capital. □

Figure 6: Traditionally money growth drives the economic outlook – That's not the case now



Source: Bloomberg Finance L.P., as of March 30, 2020

Wealth Asset Allocation Committee

The TD Wealth Asset Allocation Committee (WAAC) is composed of a diverse group of TD investment professionals. WAAC's mandate is to consider the financial market environment and provide direction and themes for equities, fixed income, real assets and sub-classes for the prevailing six to 18 months.

Considers the financial market environment and provides direction, themes and current stance.

Utilizing risk factors to manage exposures, we build and manage portfolios that blend the best of traditional and alternative asset classes.

Committee members:

Robert Vanderhooft, CFA	**Chief Investment Officer, TD Asset Management Inc. (Chair)**
Robert Pemberton, CFA	Managing Director, TD Asset Management Inc.
David Sykes, CFA	Managing Director, TD Asset Management Inc.
Michael Craig, CFA	Managing Director, TD Asset Management Inc.
Ted Welter, CFA	Managing Director, TD Asset Management Inc.
Kevin Hebner, Ph.D.	Managing Director, Epoch Investment Partners, Inc.
Brad Simpson, CIM, FCSI	Chief Wealth Strategist, TD Wealth
Sid Vaidya, CFA, CAIA	U.S. Wealth Investment Strategist, TD Wealth
Glenn Davis, CFA	Managing Director, TDAM USA
Bryan Lee, CFA	Vice President & Director, TD Asset Management Inc.

Direction from WAAC

Strategic Positioning

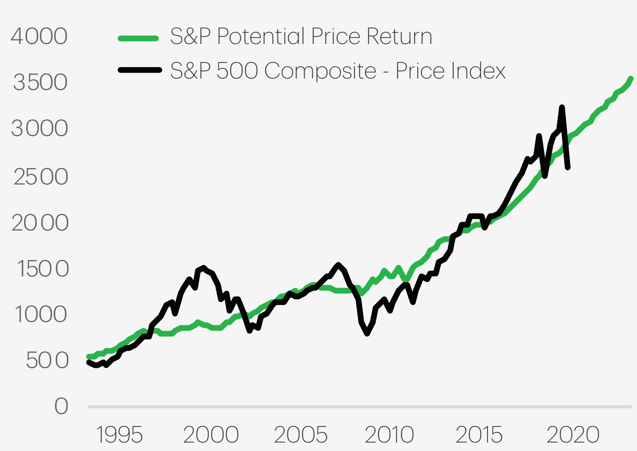
	Assets Class	Underweight		Neutral		Overweight
Fixed Income Underweight	Domestic Gov't Bonds		●			
	Investment Grade Corp Bonds				●	
	Inflation Linked Bonds				●	
	High Yield Bonds			●		
	Global Bonds - Developed	●				
	Global Bonds - Emerging			●		
Equities Neutral	Canadian			●		
	U.S.			●		
	International		●			
	Emerging Markets			●		
Alternative / Real Assets Overweight	Commercial Mortgages				●	
	Commercial Real Estate				●	
	Core Infrastructure				●	
Sub-Classes Underweight	Gold				●	
	Canadian Dollar vs U.S. Dollar		●			
	U.S. Dollar vs Basket of Currencies			●		
	Cash			●		

Source: TD Wealth Asset Allocation Committee, as of April 30, 2020

Equities – Neutral

We expect equities to face heightened risks and volatility, as significant lowering of economic and corporate profit forecasts will likely continue to weigh on stocks. However, as the virus curve begins to flatten, combined with a resurgence in business activity, we expect returns to be positive over a 12-18 month horizon. We maintain a neutral view of equities overall, with a modest preference for U.S. stocks.

Figure 1: Compelling Valuation



Source: Refinitiv, Data Stream, TDAM, S&P, as of April 3, 2020

We believe that as we eventually emerge from recession, quality and secular growth companies will be the winners. Those with strong balance sheets, effective corporate governance and solid business models should outperform.

Given depressed oil prices, Canadian equities have been underperforming. We anticipate the continued headwinds from the Energy sector to be particularly negative for Canada and likely overhang the economy for some time.

Fixed Income – Modest Underweight

Fixed Income markets have shown signs of improvement as central banks around the world have pledged support to ensure stable market functionality.

We view this as an opportunity to add higher yielding securities in a time when we expect lower rates for even longer. Given the more supportive tone from risk markets and aggressive efforts by cental banks to shore up liquidity concerns in fixed income markets, we have seen corporate issuers return to North American markets in record size. This has given us the opportunity to increase our allocation to quality investment grade corporate credit.

Alternatives / Real Assets – Modest Overweight

We believe that the robust diversification across our real asset and private debt strategies, the financial strength of the tenants and borrowers, and the quality of the underlying assets, should provide resiliency through the current crisis.

Transaction activity and investor willingness to originate new opportunities within private alternative asset classes has all but halted. This is due in part to the additional impediments delaying due diligence on private transactions, as well as investors pausing to see how external appraisers and valuation firms price the market value of assets going forward.

As the economic consequences unfold due to COVID-19, there is an expectation of some income disruption for private real asset owners and lenders depending on the asset, location, or sector. This disruption may take the form of rent relief, payment suspension or debt servicing modification requests coming from certain tenants, asset operators, or borrowers.

Sub-Classes – Modest Underweight

Gold prices remain near multi-year highs as the metal continues to be buoyed by the still uncertain economic fallout from the pandemic, and this should continue to prompt safe-haven demand for gold. We see these conditions persisting over the next 12-18 months.

The U.S. Dollar has remained strong as the U.S. Federal Reserve's liquidity measures deployed to combat the financial fallout from COVID-19 continue to increase the Dollar's appeal as a global reserve currency.

The Canadian economy has faced mounting risks exacerbated by depressed oil prices. Canada's heavy reliance on commodity prices will likely weigh on the outlook for its economy and currency.

Current Investment Themes

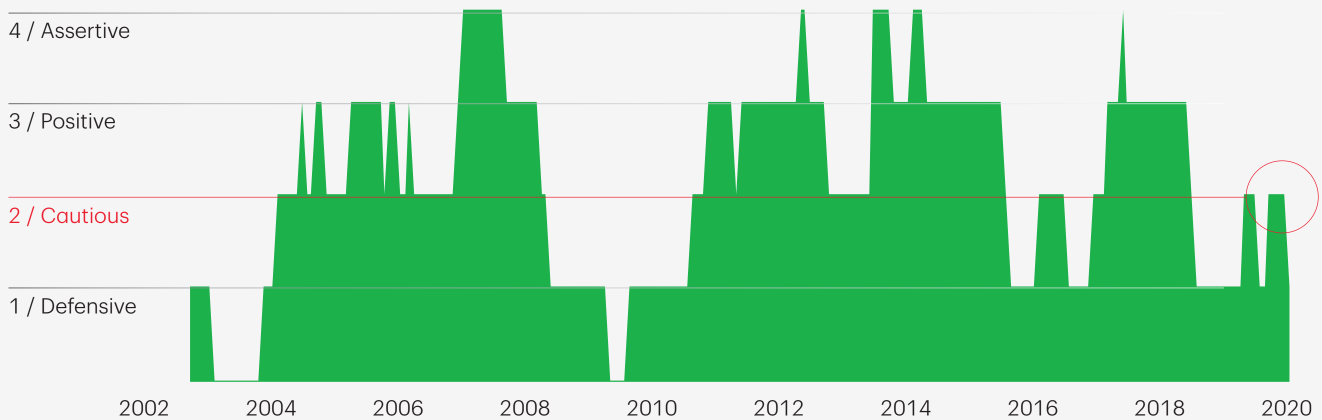
Our Wealth Asset Allocation Committee keeps a running watch list of themes that guide our decision making. Current themes include:

1. Neutral equities overall and underweight fixed income. Equity valuations difficult to forecast near-term due to undetermined COVID-19 earnings impact.
2. Expect attractive long-term opportunities, particularly in U.S. equities to emerge amid volatility and valuation dislocations.
3. Interest rates to remain in post financial crisis range with volatility increasing. Decisive and aggressive policy responses should prevent a 2008-type crisis.
4. We are selective with a focus on quality in private debt, commercial mortgages and corporate credit. Wider spreads exist from COVID-19 and depressed oil prices, but also create a potential attractive long-term entry point.
5. Significant downgrades to economic forecasts have precipitated a sharp and probably relatively short recession.
6. Robust diversification across our real asset and private debt strategies should provide income resiliency through the current crisis.

Regime

WAAC quantifies our current financial environment with a numerical grade. The current grade is a Category 2: Cautious. The inputs underlying this decision include: (a) the conditions of the current private credit cycle; (b) market potential based on various valuation metrics; (c) the level and trend of purchasing sentiment of public corporations; and (d) the breadth of factors behind market returns. Credit data is still expansionary and S&P 500 is below potential while PMI and PCA diversification are negative. □

Figure 2: Current Financial Environment

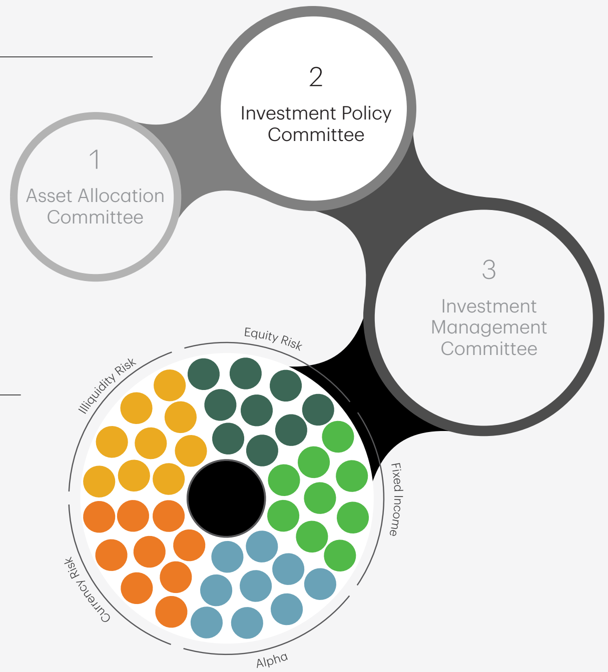


Source: WAAC, as of April 30, 2020

Wealth Investment Policy Committee

The Wealth Investment Policy Committee is composed of a diverse group of TD investment professionals. WIPC's mandate is to interpret WAAC views and set general asset-class weights for each investor profile.

Interprets WAAC views and sets general investor profile asset class weights.



Utilizing risk factors to manage exposures, we build and manage portfolios that blend the best of traditional and alternative asset classes.

Committee members:

Brad Simpson, CIM, FCSI .... Chief Wealth Strategist, TD Wealth (Chair)

Michael Craig, CFA .... Managing Director, Head of the Asset Allocation & Derivatives, TDAM

Amol Sodhi, CFA, CIM .... VP & Director, TDAM

Anna Castro, CFA .... VP & Director, TDAM

Christopher Lo, CFA .... Head of Managed Investments, PAIR

Alice Lim, MBA .... Head of Product Governance & Marketing, PAIR

Van Hoang, FRM, CFA .... Senior Macro Strategist, PAIR

Strategic and dynamic asset-class weights by investor profile

We employ a greater spectrum of asset classes including: fixed income, equity and real assets

Asset Class	Cons. Income			Balanced Income			Balanced			Balanced Growth			Growth			Aggressive Growth		
	Strat	Dyn	Diff	Strat	Dyn	Diff	Strat	Dyn	Diff	Strat	Dyn	Diff	Strat	Dyn	Diff	Strat	Dyn	Diff
Cash	0.0%	2.5%	2.5%	0.0%	2.5%	2.5%	0.0%	2.5%	2.5%	0.0%	2.5%	2.5%	0.0%	2.5%	2.5%	0.0%	0.5%	0.5%
Fixed Income	80.0%	77.5%	-2.5%	65.0%	62.5%	-2.5%	50.0%	47.5%	-2.5%	35.0%	32.5%	-2.5%	25.0%	22.5%	-2.5%	10.0%	9.5%	-0.5%
Government	43.0%	38.0%	-5.0%	35.0%	30.0%	-5.0%	30.0%	25.0%	-5.0%	20.0%	15.0%	-5.0%	15.0%	10.0%	-5.0%	3.0%	0.0%	-3.0%
Corporate	37.0%	39.5%	2.5%	30.0%	32.5%	2.5%	20.0%	22.5%	2.5%	15.0%	17.5%	2.5%	10.0%	12.5%	2.5%	7.0%	9.5%	2.5%
Equity	20.0%	20.0%	0.0%	35.0%	35.0%	0.0%	50.0%	50.0%	0.0%	65.0%	65.0%	0.0%	75.0%	75.0%	0.0%	90.0%	90.0%	0.0%
Canadian	6.0%	6.0%	0.0%	10.0%	10.0%	0.0%	11.0%	11.0%	0.0%	16.0%	16.0%	0.0%	19.0%	19.0%	0.0%	24.0%	24.0%	0.0%
U.S.	10.0%	13.0%	3.0%	16.0%	19.0%	3.0%	23.0%	26.0%	3.0%	28.0%	31.0%	3.0%	31.0%	34.0%	3.0%	33.0%	36.0%	3.0%
International	4.0%	1.0%	-3.0%	9.0%	6.0%	-3.0%	14.0%	11.0%	-3.0%	18.0%	15.0%	-3.0%	20.0%	17.0%	-3.0%	26.0%	23.0%	-3.0%
Emerging Markets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%	0.0%	3.0%	3.0%	0.0%	5.0%	5.0%	0.0%	7.0%	7.0%	0.0%

Strat: Strategic, Dyn: Dynamic, Diff: Difference. Source: Wealth Investment Policy Committee, as of April 30, 2020

Expanded Strategic and dynamic asset-class weights by investor profile

Asset Class	Cons. Income			Balanced Income			Balanced			Balanced Growth			Growth			Aggressive Growth		
	Strat.	Dyn.	Diff.	Strat.	Dyn.	Diff.	Strat.	Dyn.	Diff.	Strat.	Dyn.	Diff.	Strat.	Dyn.	Diff.	Strat.	Dyn.	Diff.
Cash	0.0%	2.5%	2.5%	0.0%	2.5%	2.5%	0.0%	2.5%	2.5%	0.0%	2.5%	2.5%	0.0%	2.5%	2.5%	0.0%	0.5%	0.5%
Fixed Income	73.0%	70.5%	-2.5%	58.0%	55.5%	-2.5%	43.0%	40.5%	-2.5%	28.0%	25.5%	-2.5%	18.0%	15.5%	-2.5%	3.0%	2.5%	-0.5%
Domestic Gov't Bonds	27.0%	24.5%	-2.5%	22.0%	19.5%	-2.5%	17.0%	14.5%	-2.5%	12.0%	7.0%	-5.0%	7.0%	2.0%	-5.0%	3.0%	0.0%	-3.0%
Invest. Grade Corp Bonds	25.0%	27.5%	2.5%	20.0%	22.5%	2.5%	10.0%	12.5%	2.5%	5.0%	7.5%	2.5%	3.0%	5.5%	2.5%	0.0%	2.5%	2.5%
Inflation Linked Bonds	5.0%	7.5%	2.5%	5.0%	7.5%	2.5%	5.0%	7.5%	2.5%	3.0%	6.0%	3.0%	3.0%	6.0%	3.0%	0.0%	0.0%	0.0%
High Yield Bonds	5.0%	5.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Bonds - Developed	8.0%	3.0%	-5.0%	5.0%	0.0%	-5.0%	5.0%	0.0%	-5.0%	3.0%	0.0%	-3.0%	3.0%	0.0%	-3.0%	0.0%	0.0%	0.0%
Global Bonds - Emerging	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	3.0%	3.0%	0.0%	2.0%	2.0%	0.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
Real Assets	7.0%	7.0%	0.0%	10.0%	10.0%	0.0%	15.0%	15.0%	0.0%	15.0%	15.0%	0.0%	15.0%	15.0%	0.0%	15.0%	15.0%	0.0%
Mortgages/Private Debt	7.0%	7.0%	0.0%	7.0%	7.0%	0.0%	7.0%	7.0%	0.0%	7.0%	7.0%	0.0%	7.0%	7.0%	0.0%	7.0%	7.0%	0.0%
Real Estate/Infrastrucutre	0.0%	0.0%	0.0%	3.0%	3.0%	0.0%	8.0%	8.0%	0.0%	8.0%	8.0%	0.0%	8.0%	8.0%	0.0%	8.0%	8.0%	0.0%
Equity	20.0%	20.0%	0.0%	32.0%	32.0%	0.0%	42.0%	42.0%	0.0%	57.0%	57.0%	0.0%	67.0%	67.0%	0.0%	82.0%	82.0%	0.0%
Canadian	6.0%	6.0%	0.0%	9.0%	9.0%	0.0%	9.0%	9.0%	0.0%	14.0%	14.0%	0.0%	17.0%	17.0%	0.0%	22.0%	22.0%	0.0%
U.S.	10.0%	12.5%	2.5%	15.0%	17.5%	2.5%	20.0%	22.5%	2.5%	25.0%	27.5%	2.5%	28.0%	30.5%	2.5%	30.0%	32.5%	2.5%
International	4.0%	1.5%	-2.5%	8.0%	5.5%	-2.5%	11.0%	8.5%	-2.5%	15.0%	12.5%	-2.5%	17.0%	14.5%	-2.5%	23.0%	20.5%	-2.5%
Emerging Markets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%	0.0%	3.0%	3.0%	0.0%	5.0%	5.0%	0.0%	7.0%	7.0%	0.0%
Fixed Income	80.0%	80.0%	0.0%	65.0%	65.0%	0.0%	50.0%	50.0%	0.0%	35.0%	35.0%	0.0%	25.0%	25.0%	0.0%	10.0%	10.0%	0.0%
Equity	20.0%	20.0%	0.0%	35.0%	35.0%	0.0%	50.0%	50.0%	0.0%	65.0%	65.0%	0.0%	75.0%	75.0%	0.0%	90.0%	90.0%	0.0%

Strat: Strategic, Dyn: Dynamic, Diff: Difference. Source: Wealth Investment Policy Committee, as of April 30, 2020

Dynamic positioning by risk factor weights

Assets	Positioning	Fixed Income Factor	Equity Risk Factor	Currency Risk Factor	Illiquidity Risk Factor	Alpha
Factor Positioning		Underweight	Neutral	Overweight	Overweight	Dynamic
Cash	Neutral	●				●
Fixed Income	Underweight					
Domestic Gov't Bonds	Underweight	●				●
Investment Grade Corp Bonds	Overweight	●	●	●		●
Inflation Linked Bonds	Overweight	●		●		●
High Yield Bonds	Neutral	●	●	●	●	●
Global Bonds - Developed	Underweight	●		●		●
Global Bonds - Emerging	Neutral	●		●	●	●
Equity	Neutral					
Canadian	Neutral		●			●
U.S.	Neutral		●	●		●
International	Underweight		●	●		●
Emerging Markets	Neutral		●	●		●
Real Assets	Overweight					
Mortgages/Private Debt	Overweight	●	●	●	●	●
Real Estate/Infrastructure	Overweight	●	●	●	●	●

Source : Wealth Investment Policy Committee, as of April 30, 2020

Global Economic Outlook

Shock absorbers in place

Beata Caranci, Chief Economist, TD Economics

The sudden stop to economic activity globally is unprecedented, and as we begin to see the initial impact in economic data, we have made significant adjustments to our forecasts. There's little doubt that the second quarter will produce some painful and historic figures on job losses and economic contraction. However, we encourage our readers to not hit the panic button as the data continues to roll out.

Ultimately, what matters is whether governments and central banks are successful in levelling out the risk through their equally unprecedented support mechanisms. Doing so would avoid a domino effect that would turn expectations of a V-shaped economic shock into a more insidious U- or even L-shaped outcome. We must ensure sufficient time has passed before we evaluate measures that have been put in place to mitigate broad-scale insolvency and income losses.

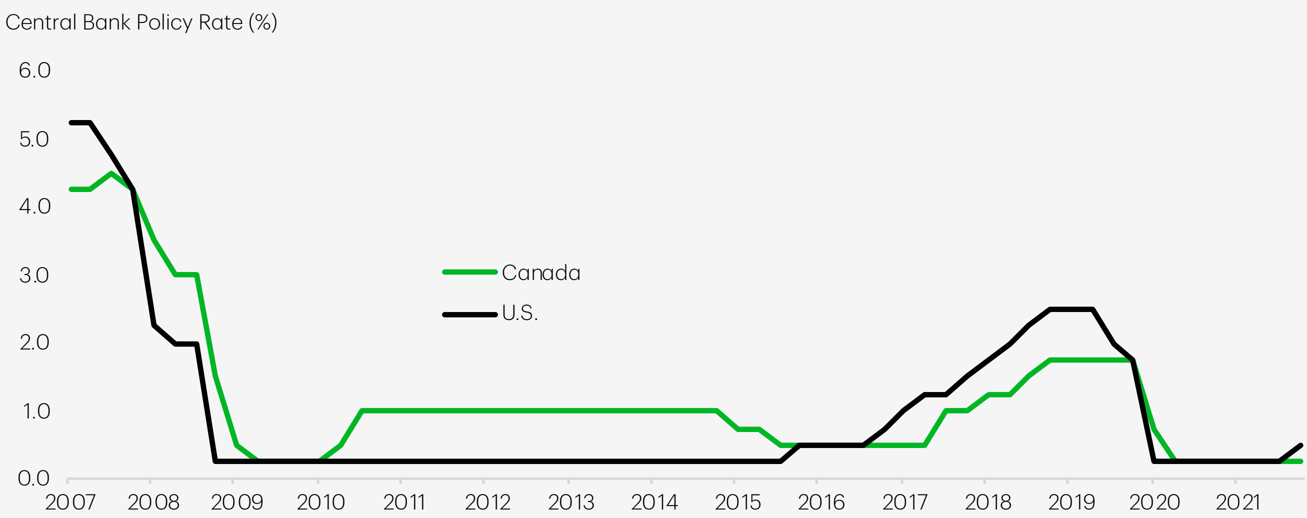
Policymakers moving swiftly

The past several weeks have provided some comfort in the aftermath of historic market declines and work stoppages. Governments and central banks around the world have been throwing everything and the kitchen sink at the economy to support credit flows, liquidity and incomes. However, it will take some time to gauge their effectiveness.

The speed of the decline in interest rates is unprecedented. The Fed slashed rates by 150 basis points (bps) in just over a week (Figure 1) and has since announced a whole swath of additional measures to support credit markets, including open-ended asset purchases. Not to be outdone, the Bank of Canada cut its policy rate by the same 150 bps, following the Fed two weeks later in making its final 50-bp cut. It also announced a quantitative-easing program and a number of credit facilities aimed at improving financial-market functioning.

In terms of government fiscal measures, the list of announcements made by jurisdictions around the world is lengthy. The scale of making everyone whole is simply too large, so the basic theme for governments has been to reduce — but not necessarily eliminate — the impact to households and businesses as they face declining incomes and corporate profits. The measures are acting as a bridge to get the economy back on track, with as few permanent job losses and business insolvencies as possible.

Figure 1: Policy Rates Back to the Floor

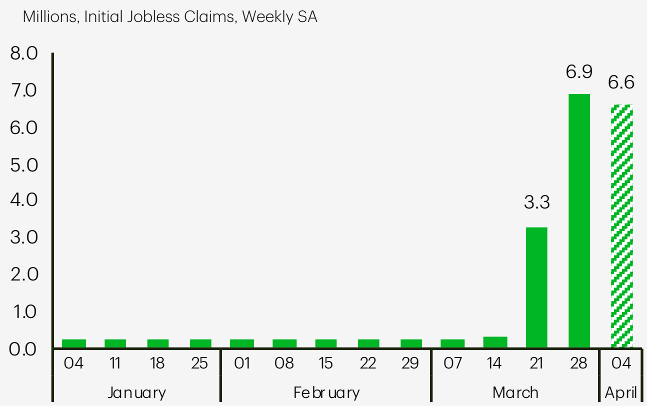


Source: FRB, BoC, TD Economics, as of April 10, 2020

Getting to the other side

We are bound to see an ugly stream of economic data as we wait for signs that fiscal and monetary policy measures are gaining some traction. Most staggering so far in the U.S. have been the weekly initial jobless claims, which as of April 15, remained at an all-time high for the third week in a row, coming in at 6.6 million on April 8 (Figure 2). This brought the three-week tally to 16.8 million, implying that about one in every 10 American workers has already filed for unemployment insurance. Fiscal and monetary measures should help, but the bleeding is likely to continue in the near term, particularly as restrictive physical-distancing measures remain in place. We expect the unemployment rate to swell into the high teens in April.

Figure 2: Jobless Claims Remained Elavated Last Week, 16.8 Million Jobs Lost in Three Weeks



Source: U.S. Department of Labor, TD Economics.
As of April 10, 2020

Canada is showing a similar pattern, with reports from the federal government that a stunning six million people have applied for employment insurance and the Canada Emergency Response Benefit since March 15. This has already led to a jump in the unemployment rate in March to 7.8%, from 5.6% a month earlier. We expect the worst is yet to come, with unemployment also jumping into the teens in the immediate months ahead.

If fiscal and monetary policies prove successful, and social-distancing tactics gradually ease, unemployment rates should level off after one to two months and quite possibly fall just as fast if workers are called back to work. This underscores the key assumption made by us and most forecasters that these layoffs are largely temporary. Given the fact that governments have provided more front-loaded income support than in any other recession, we are still holding to the view that consumers and businesses should bounce back in the second half of this year.

In the meantime, we have taken a cleaver to our near-term forecasts for GDP and employment, with the biggest declines ever in the second quarter of this year. These forecasts assume that the pandemic work stoppage extends through mid-May, with recoveries starting thereafter. For the year as a whole, declines in real GDP are likely to be bigger than anything seen since the Great Depression.

Duration is what matters

Forecasts hinge critically on assumptions around the persistence of the shock. Ultimately, the outcome will depend on how effective measures are in flattening the outbreak curve. We do not have much line of sight there, though we draw some comfort from the declining number of cases seen in China and South Korea. China, for its part, now appears to be entering the early stages of an economic recovery.

Similarly, as new cases fall, a number of European countries are attempting to relax restrictions, including Austria, the Czech Republic, Denmark and Norway. The resumption of economic activity has so far been limited to a narrow group of services, such as education facilities in the case of Denmark, or hardware and gardening stores in the case of Austria.

Decisions by these nations to restart segments of their economy do not appear to be dependent on the elimination of all domestic COVID-19 cases, but are being implemented, rather, as death rates and case counts fall to the point where the medical system can handle new cases.

Bottom Line

With respect to the outlook, the most critical aspect is not so much the depth of the contraction, but the duration. The consensus continues to chase down forecasts of second-quarter activity on both sides of the border. However, if the disruptions are contained to one or two more months, activity should rebound forcefully with supports in place for household and business incomes. The longer these disruptions last, the greater the risk of domino effects that would turn expectations of a V-shaped shock into a U- or even L-shaped cycle. □

Our View on Fixed Income

Modest Underweight

There's no easy way to make sense of the first quarter. Risk aversion, volatility and a flight to cash overwhelmed financial markets and the securities dealers and banks that are charged with distributing capital throughout the financial system. Unprecedented volatility in Treasury and government-backed securities markets — which are supposed to be the safest — exacerbated this flight to cash, and led to large price dislocations in other sectors of the fixed income market, including the credit and structured-product markets. Figure 1 shows the unusually broad divergence in performance for fixed income sectors this year relative to previous years.

The unprecedented velocity of the downturn in risk assets has triggered an equally speedy response from central banks and governments, in the form of enormous monetary and fiscal policy measures. Policymakers have been pulling out virtually all the stops in an attempt to keep the recession from turning into a lasting depression.

It's important to note that, despite the record length of the expansion that likely ended this March, there were no major imbalances this time around. Investors were less exuberant, firms hadn't over-invested in capacity, housing markets — with a few exceptions — weren't overheated, and inflation was generally low and stable.

All of this should be conducive, once the virus is under control, to a recovery less impeded by economic legacy issues. With more unknown variables than known at this time, it's almost impossible to offer a clear picture of a post-crisis fixed income environment, but the expectation is that rates will remain low, with continued downward pressure, as central banks try keep their economies on a path to recovery.

Interest Rates

The Bank of Canada (BoC) has followed in the footsteps of other major central banks, with three rate cuts of 50 bps each over March 2020, currently targeting a policy rate of 0.25%. Rates are now back to the lows reached during the global financial crisis. In addition to the rate cuts, the BoC announced the launch of two quantitative-easing (QE) programs. In order to both address market strains and ensure the effectiveness of other policy actions taken so far, the BoC will begin purchasing Government of Canada debt in the secondary market.

The Federal Reserve (Fed) cut rates for the first time this quarter on March 3, during an unscheduled meeting, and eventually, at a March 15 emergency meeting, pulled the upper bound of the federal funds range down to 0.25%.

Figure 1: Performance of Various Fixed Income Sub-sectors

	2018	2019	Jan-20	Feb-20	Mar-20
High	2.07%	14.83%	6.85%	6.70%	6.05%
	1.41%	14.54%	3.40%	2.65%	2.89%
	0.99%	14.32%	3.04%	1.34%	0.70%
	0.95%	13.35%	2.48%	1.10%	-0.80%
	0.86%	13.14%	2.44%	0.87%	-0.88%
	0.82%	10.39%	2.35%	0.84%	-2.47%
	0.47%	8.64%	1.53%	0.84%	-5.28%
	-0.38%	8.20%	1.43%	0.67%	-7.09%
	-1.84%	7.96%	1.43%	0.40%	-9.93%
	-1.89%	6.86%	1.40%	0.19%	-10.32%
	-2.08%	6.59%	0.83%	-0.84%	-11.46%
	-2.51%	6.44%	0.56%	-1.34%	-12.20%
Low	-4.20%	5.59%	0.03%	-1.41%	-12.36%

- US Treasury
- Canadian Gov
- Canadian IG Corp
- US Securitized
- US Leveraged Loans
- Global Treasury
- Canadian Provincials
- US HY Corp
- EM Corp
- US Long Maturity Treasury
- US IG Corp
- Canada HY Corp
- EM Sovereigns

Source: Bloomberg Finance L.P., as at March 31, 2020

U.S. policy rates are now essentially back to zero after five years of hiking that began in December 2015. Moreover, to ensure smooth functioning of the financial markets and efficient transmission of monetary policies, the Fed on March 15 initiated a large-scale program to buy Treasuries and agency mortgage-backed securities (MBS).

The consensus is that short-term policy rates, and thus yields at the short end of the curve, will remain at current levels for the foreseeable future. We have also significantly scaled back our projections for Canadian and U.S. yields, and have factored in the likelihood of another cut from the BoC. A mix of global QE and persistently weak inflation is projected over the remainder of this year to hold yields across both curves, up to 10-year maturities, to well below 1%. Some modest upside in yields is projected in 2021, though levels will remain extraordinarily low.

In Figure 2, the chart shows how U.S. yields have fallen relative to those of global peers. U.S. rates have fallen much more and are expected to remain at suppressed levels, but with higher-than-usual volatility. Figure 3, meanwhile, shows how QE programs work to steepen the yield curve. If we look at the QE period following the financial crisis, we can see how the yield curve steepens, with shorter maturities staying low and longer maturities rising, as the market prices in a stronger supply of bonds issued by cash-strapped governments. The steepening rate curve will be negative for longer-duration bonds, while declines across the entire yield curve have effectively negated any income buffer to cover price losses. We therefore continue to hold a negative view on duration.

Corporate Credit

There was no escape for corporate credit from the broader sell-off over March as demand dwindled and liquidity froze. Yield spreads on corporate bonds soared. Redemptions from mutual funds and ETFs climbed. Leveraged credit players suffered margin calls and liquidation. In the end, cash was at a premium, as the values of most financial assets plunged.

On March 23, the Fed announced that it would do "whatever it takes" to support the flow of credit in the U.S. economy. These measures — breathtaking in their scope — surpass even those implemented during the financial crisis a decade ago. Besides purchasing Treasuries and agency MBS, the Fed announced two programs to buy U.S. investment-grade corporate credit for the first time in history. The Primary Market Corporate Credit Facility (PMCCF) and Secondary Market Corporate Credit Facility (SMCCF) are intended to ease terms for corporate loans by purchasing newly issued bonds (primary market) as well as those in the secondary retail market.

Canadian yield spreads increased during the period, but not nearly as much as those in the U.S. We think this comes from the relative illiquidity of the Canadian corporate bond market. Canadian banks had funding constraints and the BoC lending facilities had not yet started, so there wasn't much trading. This meant that traders couldn't mark their books to market or "gap" to the wide trading levels in the U.S. In Figure 4, the chart shows the dislocation within the broader investment-grade universe.

Figure 2: Race to the Bottom
U.S. Rates Fall Below Peers

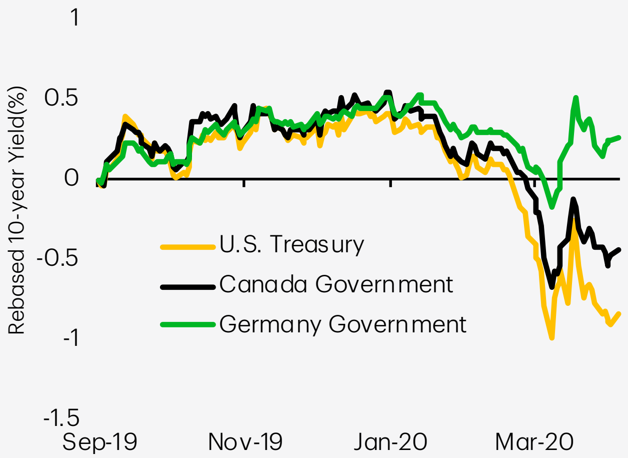
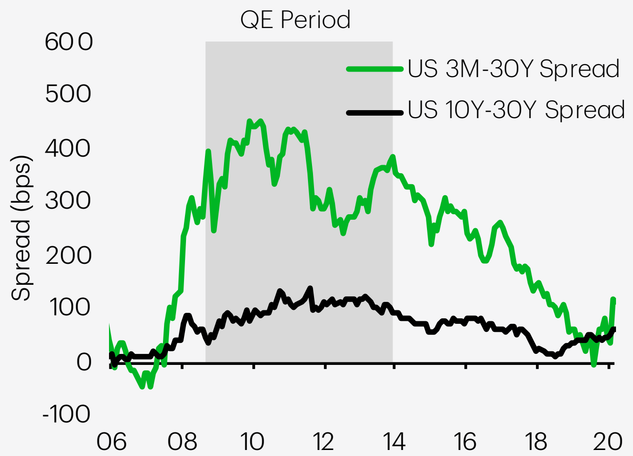


Figure 3: Effects of QE
Curve steepens during post-crisis QE.



Source: Factset, TD PAIR, as of April 05, 2020

After the Fed corporate bond purchase announcement, the most important news had to do with rating downgrades and defaults. At its peak during the financial crisis, the default rate approached 11%. Default rates are currently much lower than that, but there is an expectation that they will reach this level on notional amounts. Within the investment-grade universe, the rating agencies have been very aggressive in downgrading the debt of corporations with weaker balance sheets. The right chart shows the "fallen angels" (corporates downgraded to high-yield from investment-grade).

These downgrades represent a significant risk to investment-grade and high-yield funds. Fund managers holding downgraded names are often required to sell, which can impact the broader investment-grade universe. And when these corporates are added to the high-yield universe, those funds are forced to rebalance their investments, causing price depreciations. This process is particularly pronounced for passive investors in credit funds.

We believe that good-quality corporates look attractive at current yields, but investors need to be wary of the balance sheet strength for the underlying names and, at the same time, the pronounced effect the downgrades have on the corporate beta performance. Within high-yield, the increased size of the universe will adversely impact high-yield credit beta performance, and certain sectors (those exposed to oil, consumer discretionary, leisure, etc.) will continue to feel stress.

On the Fed QE front, the market expectation is that the Fed will be buying close to $500 billion of investment-grade corporate bonds. That's almost half the stipulated supply for 2020 and hence a big boost for the sector. Segments of corporate debt directly impacted by Fed buying are expected to normalize faster. If the European Central Bank's 2016 QE cycle offers any indication, the Fed program could lead agency MBS and investment-grade corporates to stabilize in coming weeks.

As per the Wealth Asset Allocation Committee (WAAC), we suggest maintaining an underweight position in domestic and global government bonds due to increased downside risk at the current government yield levels, while moving to modest overweight in investment-grade corporate credit to leverage the technical and fundamental factors discussed above. Portfolio managers should continue to be wary of riskier sub-investment-grade (high-yield) corporates and emerging-market bonds. We have, hence, taken a neutral stance there. □

Figure 4: IG Underperformance

Underperformance of U.S. investment-grade sub-sectors

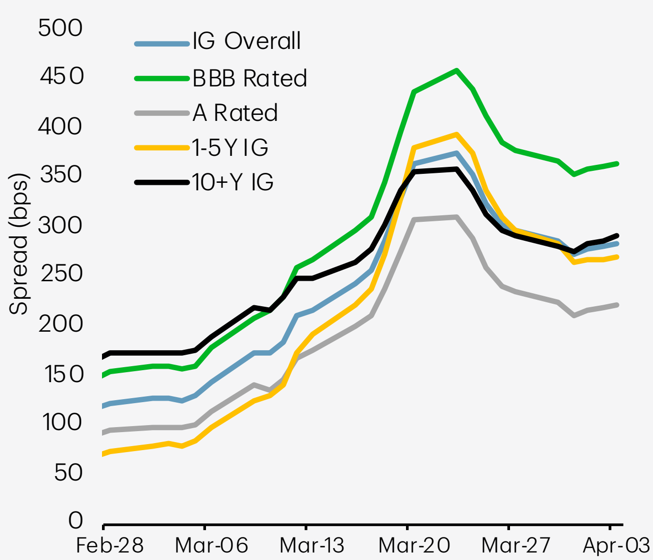
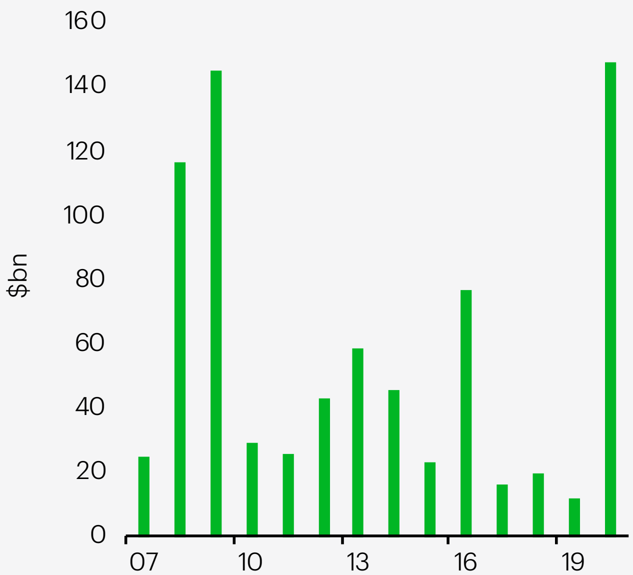


Figure 5: Fallen Angels

Value of fallen angels excluding emerging-market names



Source: Factset, Bloomberg, TD PAIR, as of April 5, 2020. (2020 numbers are YTD)

Our View on Equities

Neutral Weight

Figure 1: Covid-19 Gate-crashes the Equity Party

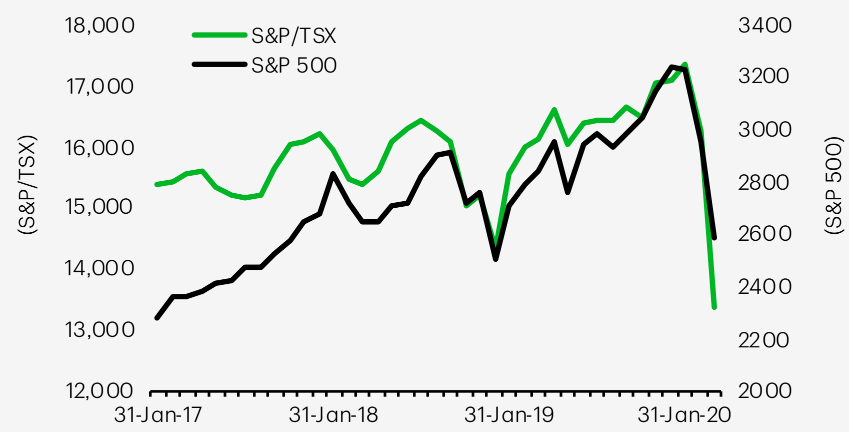
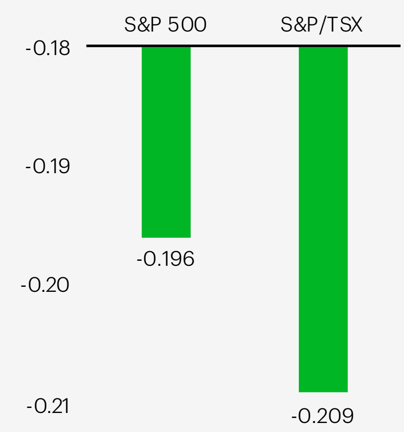


Figure 2: YTD Performance



Source: Factset (left). Bloomberg Finance L.P. (Right). As at March 31, 2020

The past three months have been a rollercoaster ride for equities. Just as we were celebrating a prolonged bull run of 132 months in February, the markets were caught off guard by the COVID-19 pandemic and its devastating impact on the economy. Investors had been aware of the outbreak since the beginning of January, but hadn't yet come to terms with the threat posed to economies around the world. (As Mark Twain once said, "It ain't what you don't know that gets you in trouble. It's what you know for sure that just ain't so.")

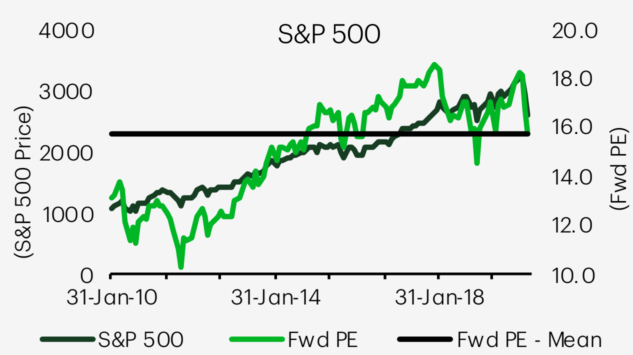
Within 30 trading sessions, the S&P 500 (S&P) and S&P/TSX Composite Index (TSX) had shed all the gains recorded since 2019 and 2016, respectively. In a single day, on March 9, the TSX lost 10.3% due to the oil price war launched by Saudi Arabia, following Russia's unexpected decision to pull out of the OPEC+ alliance.

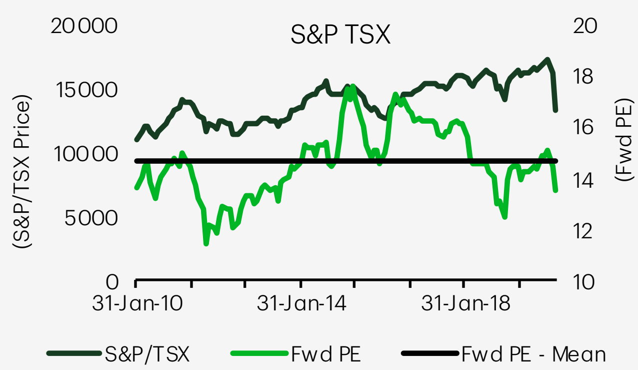
So, what's the market pricing in?

The S&P and TSX entered 2020 with a forward P/E ratio of 18.0x and 15.0x, respectively. With no significant earnings growth in 2019, valuations for North American equities seemed to be rich and fully priced in. After the market sell-off, however, those P/E figures had fallen to 15.7x and 13.6x.

Assuming long-term forward P/E of 16x for the S&P, the market is pricing in a 7% decline in earnings (Figure 3). For the TSX, a 12% decline in earnings is priced in, given the risks still looming over energy (Figure 3). Market valuations are not close to their all-time lows, but the froth created by P/E expansion in recent years has come off in the past two months. Any correction from here will only improve the risk/reward ratio for equity investors.

Figure 3: Declines Baked into Prices





Source: FactSet, as at March 31, 2020

Pace of change

More than the depth of the correction, what's surprised investors has been the steepness of movements. Market corrections are always fast and sharp, and this time was particularly so. The S&P entered a bear market (dropping 20% from its peak) in a mere 16 trading sessions — the fastest bear contraction since the Great Depression in 1932. The TSX, meanwhile, lost 20% of its value in just 15 trading sessions.

Re-entering a bull market (rising 20% from a bottom) tends to take longer, but this time the rebound was just as impressive as the fall, after massive stimulus announcements by Fed (US$2.2 trillion) and the Bank of Canada ($82 billion). The S&P and the TSX increased by 17.5% and 19.1%, respectively, in a mere three trading sessions.

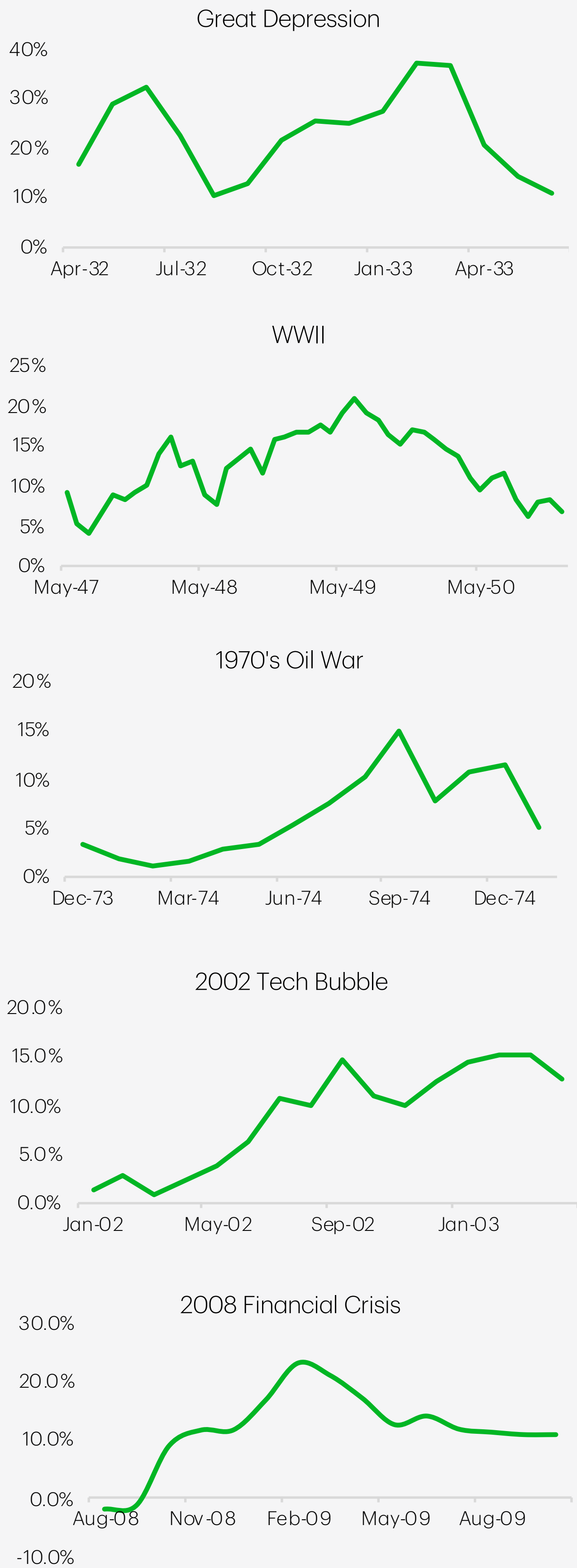
Such massive shifts indicate an extreme state of uncertainty regarding the hit to the economic growth as well as the underlying earnings growth of companies. The volatility also demonstrates the increasing influence of passive and algorithmic-driven strategies, where bets are taken on market indices instead of sectors or sub-sectors. Given the turmoil, it's best to stick to a long-term strategy and refrain from hyperactive portfolio management.

An opportunity for long-term investors

Analysts have issued some pretty gloomy forecasts for the year — 50% decline in global GDP, 30% decline in earnings — but it's important to note that bearish predictions are much easier during a crisis (just as bullish predictions are easier during a rally) because predictions that align with investor sentiment require little rationale. In other words, they seem self-evident, relying on the investor's own confirmation bias for credibility. These "self-evident" predictions, however, should be taken with a grain of salt.

Based on our discussions with multiple active managers in the past two months, one thing is certain. They all are closely monitoring the markets and looking to add names from their wish list. It's painful to see drawdowns over 20% in equities, but such corrections also create attractive opportunities for investors with a long-term view. Historically, equities have generated their best returns following a bear market or steep market corrections (Figure 4).

Figure 4: 3-year Forward Annualized Returns Generated During Crisis Periods



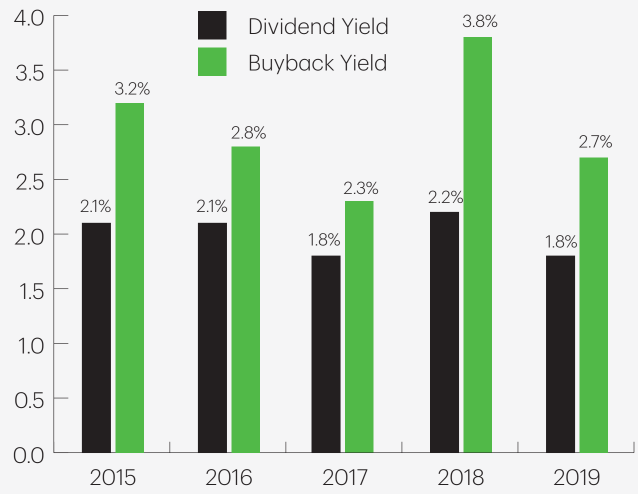
Source: Factset, S&P 500, as at March 31, 2020

Dividends at risk

Dividends have always been a stable and attractive source of income for equity investors. Since 2000, S&P 500 companies have managed to provide an average dividend yield of 1.9%. In the past 10 years, income flow in equities was further enhanced by share repurchases announced by cash-rich corporations. The sustained low-interest-rate environment also encouraged companies to alter their capital structure by issuing debt to finance large share buyback programs. Since 2010, investors have been awarded by a handsome sum of US$5.3 trillion in share repurchases.

In the current situation, it's still uncertain as to when economies will return to normalcy and when demand will return to pre-pandemic levels. Companies facing the threat of a liquidity crunch will take every possible action to preserve cash until the dust settles down — which poses a near-term threat to dividend yields and buybacks.

Figure 5: Buyback and Dividend Yields Since 2015 (%)



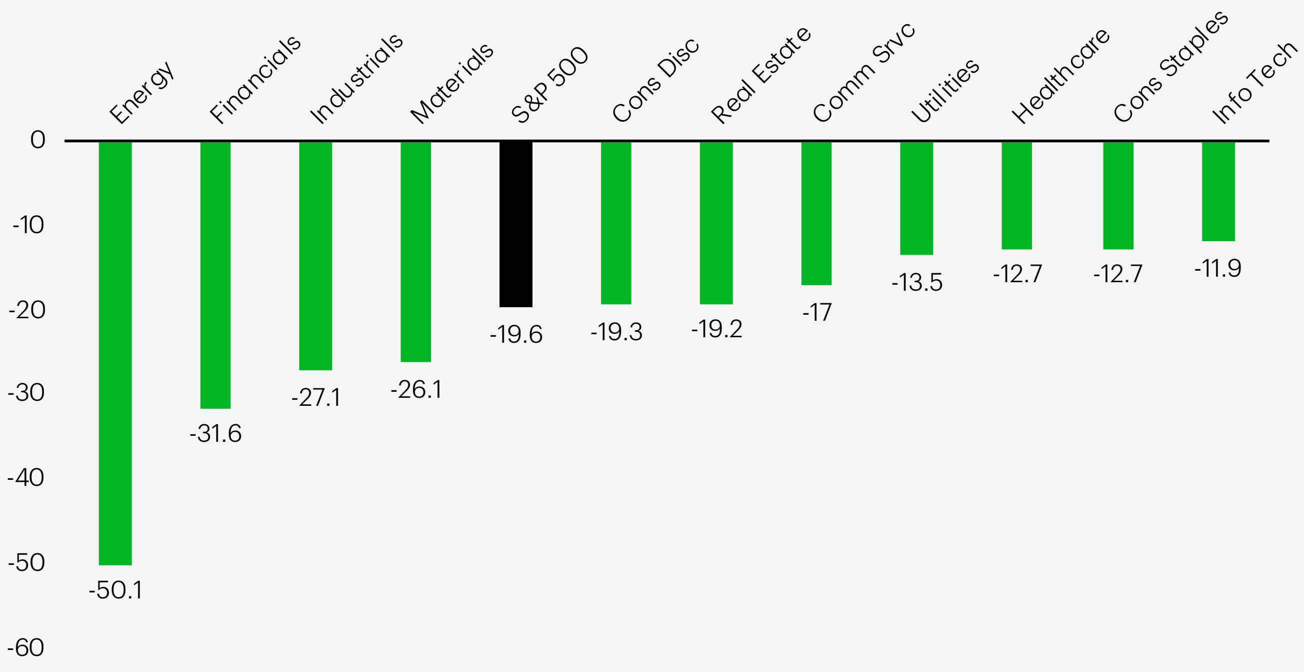
Source: Bloomberg. As at March 31, 2020

Sectors Outlook

North American equities sold off in mid-February, following fears of a pandemic outbreak and concerns over supply-chain disruptions. This sparked panic in the equities market, leading to indiscriminate selling across all segments. Historical dispersion between defensive and cyclical names was abolished, leading to steep corrections even in defensive sectors.

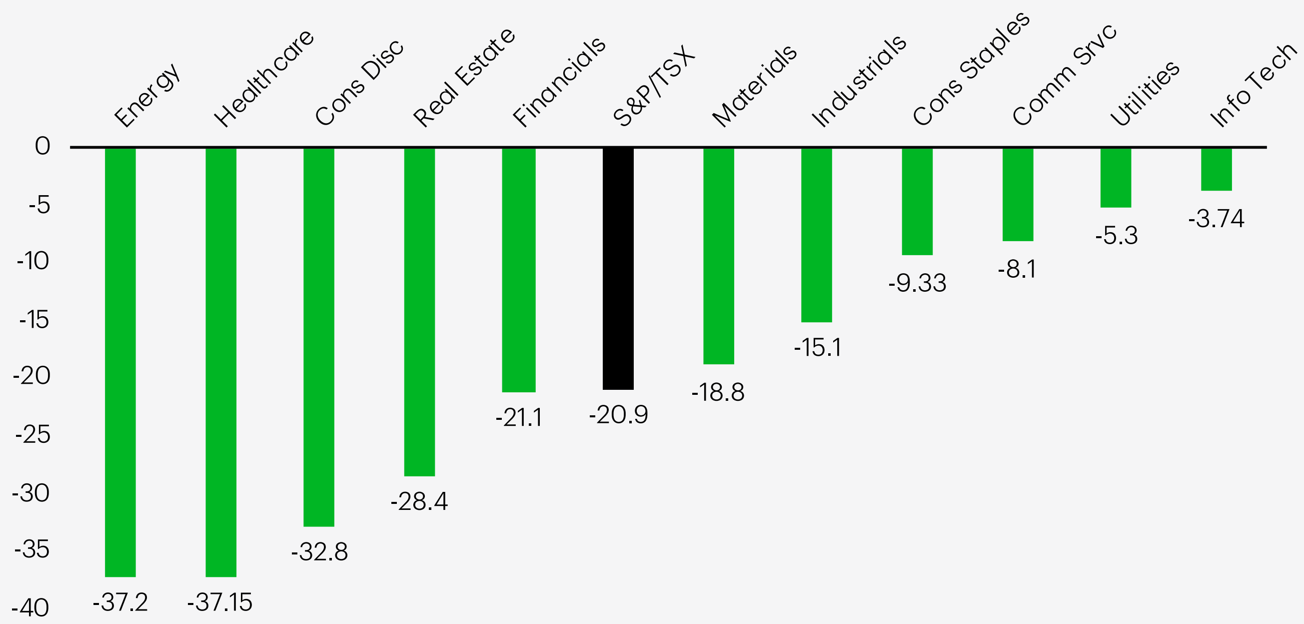
As case counts in China stabilized and central banks poured on the stimulus, this helped assuage investor fears. By mid-March, investors once again began distinguishing riskier names from defensive and high-quality names. After massive fiscal stimulus was announced by the Fed and Bank of Canada, rate-sensitive sectors like financials, industrials and consumer discretionary recovered partially (Figure 6 & 7).

Figure 6: S&P 500 Sector YTD Performance (%)



Source: Bloomberg, as on March 31, 2020

Figure 7: S&P/TSX Sector YTD Performance (%)



Source: Bloomberg, as of March 31, 2020

Communication Services

Being defensive in nature, the communication services sector in Canada, which is 80% composed of telcos, had one of the lowest declines on a year-to-date (YTD) basis. The decline in the U.S. was worse due to lower representation of telcos. Given the consistent and stable revenue flows from the broadband segment, this sector (especially in Canada) will continue to be defensive in nature. However, communication services in the U.S. could face higher volatility in earnings, due to higher exposure to advertising and theme parks.

Consumer Discretionary

Consumer Discretionary was one of the most affected by the COVID-19 outbreak. Social distancing and store closures, coupled with the damage to consumer confidence due to job insecurity and rising joblessness, has led consumers to rein in all forms of discretionary spending. However, the steep correction in the sector has brought valuation levels close to historic mean since 2001. Hotels, leisure space and restaurants are being priced for permanent impairment, providing attractive risk/reward opportunities for long-term investors.

Consumer Staples

Consumer Staples has performed true to its defensive nature. In the U.S., it has outperformed the benchmark by 6.9%, and in Canada it has outperformed the TSX by 11.6% on a YTD basis. However, once the situation around the COVID-19 outbreak stabilizes, this sector could underperform as the market eventually shifts its focus towards more cyclical and discretionary growth opportunities.

Energy

Energy has been the worst-performing sector both in Canada and U.S. this year. Oil prices crashed below US$25/bbl following Russia's decision to pull out of the OPEC+ alliance. This led to a price war initiated by Saudi Arabia, which declared its intent to materially increase production. Business disruptions coupled with travel restrictions have led to a huge decline in oil demand. Analysts are calling for demand to fall approximately 19 million barrels per day in April, or about one-fifth of global demand. Given the implied oil supply/demand imbalance, global inventories could quickly reach capacity, requiring significant production shut-ins and potentially driving oil prices even lower.

While crude prices at current levels are not sustainable, the near-term outlook remains cautious. It's hard to know how long prices will remain depressed, given the backdrop of a potential OPEC-driven price war and ongoing COVID-19 demand destruction.

F

Financials

As the Fed and Bank of Canada cut rates to mitigate pandemic-related economic damage, financial and bank stocks have nosedived. Concerns over declining net interest margins, muted growth in loan books and potential increases in provisions for credit losses shook investor confidence. However, the capital strength of the banking sector remains intact. Canadian and U.S. banks are much better capitalized than they were during the financial crisis in 2008. Even after we consider extreme scenarios like in 2008, we expect their capital and earnings power to remain resilient.

H

Health Care

In the U.S., the health-care sector has proven to be more defensive, outperforming the S&P 500 materially. In Canada the sector materially underperformed, due to higher representation from marijuana stocks. Though defensive in nature, the U.S. sector faces a dichotomy where, on the one hand, valuations remain attractive, but on the other, the pandemic could bring greater focus on nationalization of medicine. For the duration of the pandemic, the health-care sector (excluding marijuana stocks) should continue to provide cushion from market volatility.

I

Industrials

In Canada, the sector outperformed the broader index, whereas in U.S. the sector lagged. The outperformance in Canada was the result of the heavy weighting of railroad and waste management companies, which make up more than 75% of the sector. In the U.S., the sector is heavily skewed toward capital goods. Given the current state of the economy, it's expected that corporate spending on capital goods will be restrained in order to preserve cash.

T

Information Technology

Information Technology stocks have continued to deliver extraordinary performance even during the downturn. Typically, when equity markets experience a correction, overpriced stocks get hit the hardest. However, the current downturn has reiterated how deeply technology has become entrenched in our lives, making this sector more defensive in nature. Software and services (such as cloud services, virtual meeting services and remote working infrastructure) performed remarkably well. Enterprise spending on infrastructure software is likely to continue, providing a constant stream of revenue to tech companies during the economic lockdown. Overall valuations have also come to a reasonable level. For S&P 500 companies, forward P/E now stands at 18.6x relative to a historic mean of 17.6x.

M

Materials

In the U.S., the materials sector has under-performed the benchmark by 6.5%, while in Canada it has outperformed the benchmark by 2.1% on a YTD basis. This is attributable to higher representation of precious metals in Canada. On the base-metals side, demand destruction is weighing on prices, along with concerns about rising inventories. Many companies have announced temporary mine closures, which will help to balance the market. The deflationary impact of COVID-19, large-scale fiscal and monetary stimulus programs and continued downward pressure on real interest rates should all bode well for gold prices. Mine supply disruptions, concentrate shipping issues and refining bottlenecks may further contribute to a tighter market for materials.

R

Real Estate

While the real estate sector tends to be defensive in nature, a few real estate players have suffered from a levered balance sheet. The current economic shutdown will lead many tenants to miss rent payments beginning April. This could significantly compromise the stable revenue streams that these companies rely on. It's likely, however, that policy solutions will be found to safeguard landlords' interest, given the liquidity crunch that imperils the broader economy. Income levels provided by REITs are attractive, but investors should think twice before investing in heavily indebted players.

U

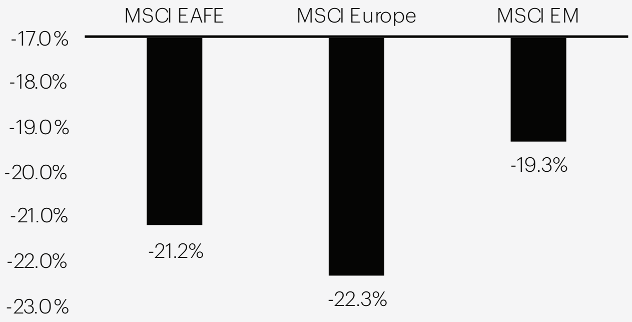
Utilities

Utilities, as expected, have outperformed broader market indices, both in Canada and the U.S.. Being essential service providers, there shouldn't be much impact on utilities from the COVID-19 lockdown. However, utilities have been burdened with stretched balance sheets for the past five years, coupled with limited free cash flow for a few companies. Though these companies have managed to pay out their dividends even during crises, investors should be wary of utilities that carry balance-sheet risk.

International Markets

The pandemic has impacted equity markets across the globe. MSCI EAFE and MSCI Europe have shed all the gains recorded since 2016, while MSCI EM has retreated to 2017 levels. What started as a viral outbreak expected to impact only China and perhaps neighboring countries has turned into a full-blown global pandemic followed by a worldwide economic shutdown.

Figure 8: YTD Performance of International Equity Markets



Source: Factset, as of March 31, 2020, Returns in local currency

In 2019, broad equity indices in Europe recorded one of the highest gains since 2011. Lingering risks over Brexit and negotiations over a final trade agreement continued to cloud long-term prospects for equities in Europe. Equities in the EAFE (Europe, Australasia, Far East) region remained relatively resilient until mid-February, surging to record highs along with S&P 500. However, once the epidemic started spreading to other developed countries, with the epicentre shifting from China to Italy, equities in Europe witnessed a correction of 15% from peak values.

Turmoil in European equities worsened after the price war in oil was launched by Saudi Arabia, resulting in a sharp decline of 34% as of March 18. One day later, as anticipated, the European Central Bank intervened, announcing a massive stimulus program of 750 billion euros to infuse liquidity in the system and imbue investors with renewed confidence. This provided some cushion to the bottoming markets and led to a recovery rally of 13%, as on March 31, from the bottom recorded on March 18.

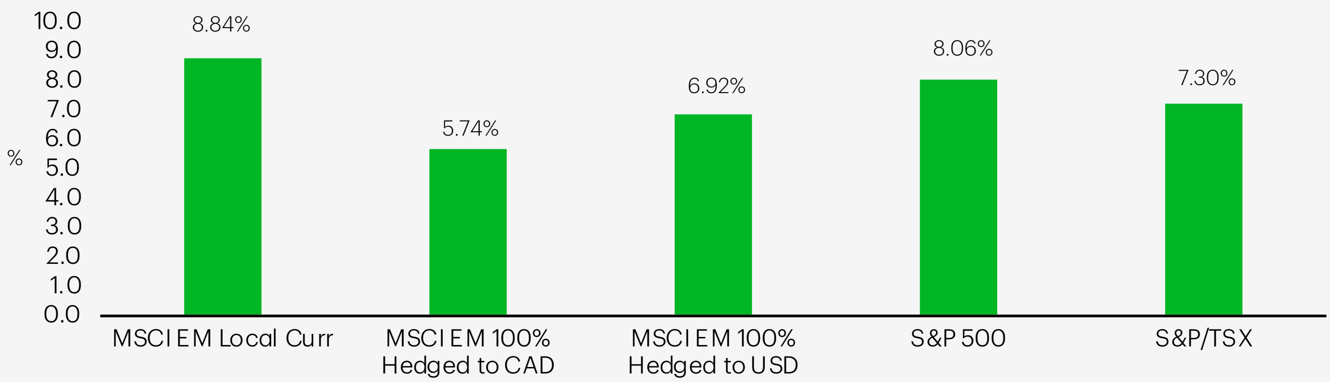
Emerging equities cannot be overlooked

Despite the pandemic's Chinese origin, emerging markets have been relatively resilient and have outperformed equities in Europe and the EAFE region. Strict efforts taken by China to quell the outbreak, coupled with proactive measures taken by neighbouring countries like South Korea, Singapore and Hong Kong, helped to curb the outbreak. The unanticipated crash in oil prices, however, twisted the trajectory for emerging equities.

On March 9, after Saudi Arabia declared its intention to materially increase oil production, emerging equities declined by 14.5% from their peaks in January. As the economic shutdown was extended to developed economies, central banks in those regions cut their interest rates. Meanwhile, emerging-market currencies like the Brazilian real, South African rand, Indian rupee have depreciated. While this is atypical in a low-rate environment, uncertainty around the real hit to economic growth has led investors to rush into safe-haven currencies.

Taking a longer-term view, however, forward P/E ratios for emerging-market equities currently stand at 12.0x, close to its historic mean, which provide an attractive starting point. Currency depreciation is always one of the major risks that deter investors considering EM equities, but ultimately, investors have been better off avoiding a hedge on currency risks in emerging equities, since higher fundamental growth in these economies is what drives returns over the long term. □

Figure 9: MSCI EM Performance Since Dec 2001



Source: MSCI, as of March 31, 2020

Our View on Real Assets

Modest Overweight

2020 was shaping up to be yet another strong year for real assets as investors looked to deploy record levels of dry powder in an environment supported by strong global growth and accommodative monetary policy. Then COVID-19 reared its ugly head. As the virus spread worldwide, forcing nations to shut down their economies in a bid to save their most vulnerable citizens, the effects on public markets have been profound: the Dow Jones Industrial Average recorded its fastest bear-market correction in history, taking only 20 days to fall 20%.

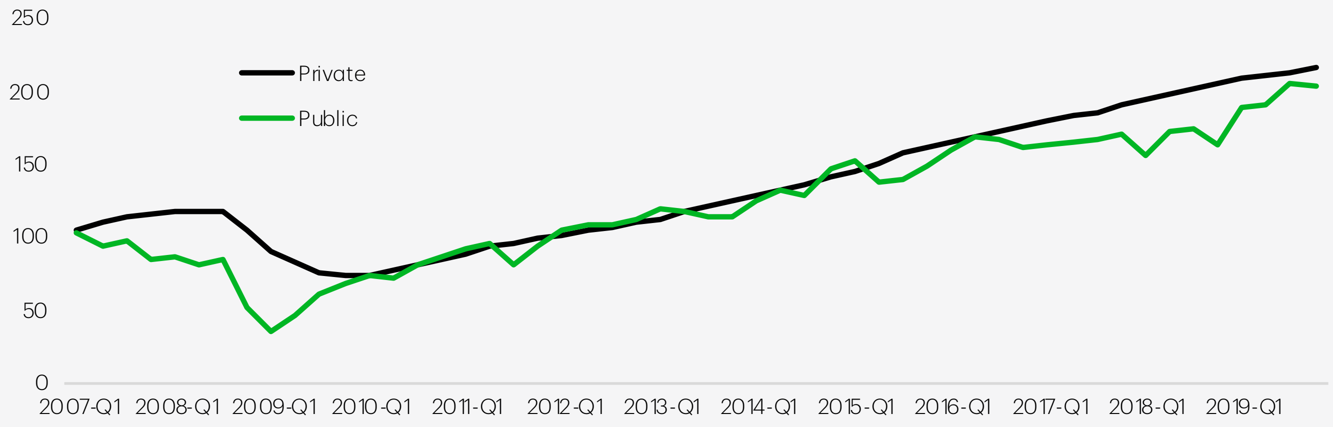
Nevertheless, we believe it's premature to assume that real assets have been similarly impacted. The real assets market is not the same as the stock market; property values and lease rates tend to change over quarters or months, not days. In times like these, the importance of "alternative" real asset investments becomes clear. Infrastructure and real estate tap into private markets and long-term contracted services. Because these private markets usually aren't linked to any stock exchange, they aren't as susceptible to market panic (Figure 1).

While we expect societal shifts coming out of an eventual recovery, long-term tailwinds — such as population growth and infrastructure needs — remain in place. To be clear, real assets are ultimately linked to the performance of the economy, but they offer a valuable diversifier in times like this.

For instance, the TD Greystone Real Assets PFT, a constituent within the Risk Priority Portfolios that invests directly in private, unlisted real estate and infrastructure assets, as well as public securities, has outperformed its public peers on a year-to-date basis (Figure 2). The fund's exposure to private assets was a net contributor for the quarter, as revenues continued to flow in to these businesses and valuations that take the long-term outlook into account were largely unaffected. TD Greystone had minimal exposure to hotels and below-benchmark exposure to retail, two of the hardest hit real estate sectors. On the infrastructure side, the underlying businesses are largely contracted, with limited variable revenue, and all provide essential services.

Based on guidance from the Wealth Asset Allocation Committee, PAIR maintains a modest overweight position in alternative investments such as real assets. Heightened volatility in public markets has underscored the role of alternatives in reducing portfolio volatility. In particular, infrastructure assets provide critical services to an economy, which results in persistent investor demand through global events. Infrastructure assets also tend to have long-term contracts in place, which helps to mitigate the impact of broader macroeconomic events.

Figure 1: Private vs. Public Real Estate, Smoother Ride



Public: S&P North America REIT TR, Private: NCREIF Fund ODCE. Rebased to 100. Source: Morningstar. As at December 31, 2019.

Figure 2: Real Assets Quarterly Returns	1 Month	3 Month
TD Greystone Real Asset PFT	-4.88	-3.65
Vanguard FTSE Canadian Capped REIT ETF	-28.89	-28.26

Source: Source: TDAM, Morningstar, as of March 31, 2020

Commodities and Currencies

The Dash for Cash

Bart Melek, Global Head of Commodity Strategy | TD Securities
Mark McCormick, Director and Global Head of FX Strategy | TD Securities

The speed of growth of COVID-19 is driving containment efforts and the harsher the containment efforts, the bigger the growth/market shock. This loop should reinforce broad USD strength (and more volatility), especially against procyclical currencies. Policymakers have likely helped to stem the one-way rally in the USD, reflecting the extraordinary easing steps to inject liquidity. Still, it will take a peak in the spread of Covid-19 (and positive global growth signals) to consider a top in the broad USD and a bottom for risk assets. In the interim, we continue to prefer long USD exposure alongside JPY.

Our Currency – Your Problem, Plumbing Problem Reflects Globalization of the US Dollar

The distress in the financial plumbing reflects the USD's role in global financing and credit issuance. Even though the US economy accounts for about a quarter of global growth, the USD accounts for 60% of currency reserves, 40% of swift payments and about three quarters of non-bank credit.

The correlation of the USD and the VIX partly reflects this liquidity backdrop. For USD debt holders, the relationship has changed over time where weaker local currencies don't offer the same growth boost as seen in the past. That's because the exposure to USD-based credit in other parts of the world leave them worse off when the USD rallies. A stronger USD harms growth, reflecting the negative impact to bank assets and investments, rather than boosting exports, as many think. As the world's creditor, more flare-ups of stress will keep this correlation between the US and the VIX intact.

Figure 1: Total Credit to Non-bank Borrowers (issued in G3 FX)

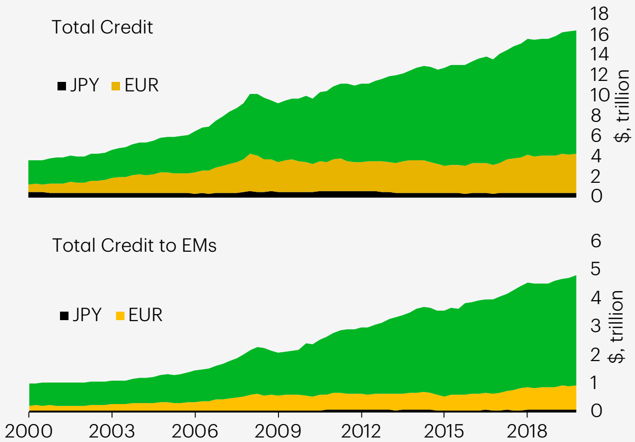
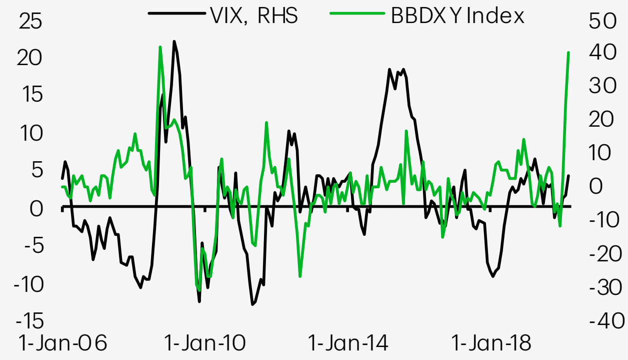


Figure 2: What Leads What? The U.S. dollar or the VIX?

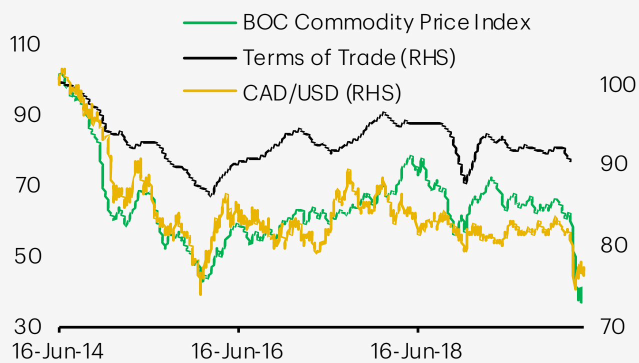


Source: Macrobond, TD Securities, as of March 31, 2020

Oil and Leverage Shock Gyrates the Loonie – A move to 1.50 CAD/USD inevitable?

We expect the CAD will remain under pressure given the continued glut in the oil market well into the end of the year. Within the G10, the CAD is uniquely positioned to suffer. In addition to the sudden stop nature of global economic activity, the CAD suffers from an added terms of trade shock primarily transmitted through the collapse of oil prices. While the oil price matters for CAD (10% of GDP and 18% of non-residential capex) it is primarily the knock-on effects of the drop in commodity prices that is problematic. This will acutely weigh on business investment, which had not recovered from the 2014/2015 oil price collapse when capex was cut by half. This will trigger a wave of bankruptcies and defaults that is likely to cascade through the economy. Adding insult to injury is Canada's indebtedness. One of the prominent features of the post 2008 recovery was the accumulation of debt by households. This means that the consumer will not be able to bail out the economy like they did in 2008.

Figure 3: Oil Terms of Trade Shock Means a New World Order for the CAD



Source: Macrobond, TD Securities, as of March 31, 2020. (Figure 3 rebased to June 2014 oil peak.)

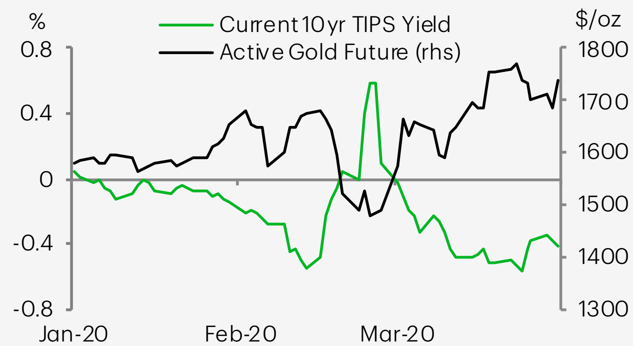
Gold – Nobody's Liability

The yellow metal rallied along with risk assets, after the US Federal reserve announced measures to provide unlimited liquidity and the US Federal government passed a three and a half trillion stimulus package, with more coming, designed to provide funds to stabilize household and business balance sheets that have been beaten down by the coronavirus outbreak. After declining initially, which prompted many investors to question gold's safe-haven bona fides, the metal saw a resurgence as the pressure to grow dollar positions eases. Once the funding stresses that drove prices lower are alleviated further, as the Fed and other key central banks monetize COVID-19 related market disfunctions and major governments spend trillions of borrowed money to fortify stressed households and corporates, so liquidity problems don't morph into a solvency crisis, investors are likely to continue to pivot their focus towards gold. Normalizing liquidity conditions, negative real rates, low cost of carry and concerns surrounding fiat currency debasement, not unlike which were present post-GFC period, likely means price could move toward $1,800/ oz in the not too distant future. A move toward $2,000/oz is also a distinct possibility into 2021, as the global economy normalizes, monetary conditions remain loose while fiscal deficits surge.

Negative real interest rates will likely be the order of the day for a long time, which make gold relatively cheap to hold. And, since and it is nobody's liability, which is quite opposite to government paper which will be issued to support all the spending needed by the trillions to fund the various stability programs throughout the G7, gold has a clear path towards $2,000/oz. It is likely that the Fed and other key central banks will keep rates low for longer and will likely be very pragmatic in how they respond to an inflationary drift higher. It is also likely that fiscal stimulus will be kept for a prolonged period, giving rise to massive fiscal deficits which will need to be funded. Markets will worry about monetization and purchasing power debasement.

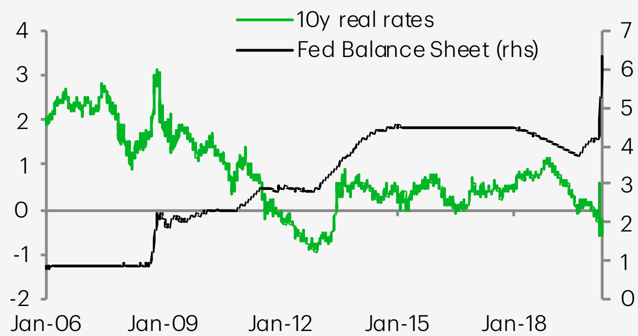
Considering it has been a challenge to hit inflation targets for so long, it's quite possible that central bankers will not worry if core inflation moves above target for a while. But given that the massively weak economic data to come may still shock markets, even though there are fiscal and monetary programs in place, volatility and a renewed move to secure dollars can still force gold to the lower bound of the range. FX reserves strains on oil producing nations as they receive record low crude prices and those that are facing a USD crunch as they shutter their economies, could also see gold still migrate lower as it is sold to provide liquidity for EM central banks. But, any sell-off in the near-term should be considered as temporary, as the previously discussed macro factors and the fact that some six million oz of annualized mining gold production is shutdown due to COVID-19 measures and logistical issues making physical shipments extremely hard, will likely serve as an additional catalyst moving the price toward $1,800 before the yellow metal reaches escape velocity toward a $2-handle

Figure 4: Real Rates Back in Negative Territory as Inflation Expectations Lift Off the Floor



Source: Bloomberg, TDS Commodity Strategy.
As of April 22, 2020

Figure 5: A Bullish Outlook for Gold given Massive & Prolonged Uber Easy Policy

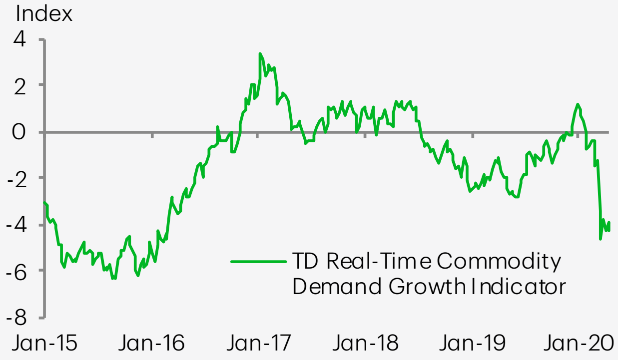


Source: Bloomberg, TDS Commodity Strategy.
As of April 22, 2020

What Are Base Metals Pricing In?

Broad commodity demand has plummeted as containment measures translated to sharp and sudden shocks to factory activity. With prices significantly lower, markets have at least partially accounted for this demand shock — which begs the question, have prices discounted the depth of the problem? We find that base metal prices have already accurately discounted the hit to commodity demand thus far observed, with base metals posting returns largely in line with expectations given the deterioration in our commodity demand indicator. Meanwhile, we also find that base metal betas to pandemic sentiment are quite low in our cross-asset framework — suggesting that the metals are more likely to be driven by commodity demand than risk sentiment. If prices have fully discounted the deterioration in demand reflected by our indicator thus far, the onus is placed on the ongoing containment measures and suggests that metal prices may not recover with other risk assets in response to the easing of our fear gauge.

Figure 6: Demand for Commodities is Plunging as Containment Measures Shut Production



Source: TDS Commodity Strategy, as at April 17, 2020

It's worth reiterating this word of caution: commodity demand momentum is still deteriorating. The contrast between improving risk sentiment should be interpreted in the context of a large and uncertain growth recovery, which is also offset by an unprecedented scale of stimulus, and does not necessarily evenly impact all assets.

Demand-driven commodities may not benefit to the same extent, and rather will remain highly sensitive to the underlying demand drivers. While there are some signs that infrastructure investment in China could be on the rise, we think base metals will continue to trade in line with demand readings — and, our real-time demand indicator is still hovering at the lows set as the contagion spread globally. Downside momentum remains firmly entrenched in the complex.

Long Road to Rebound – Oil Market Not out of the Woods Just Yet

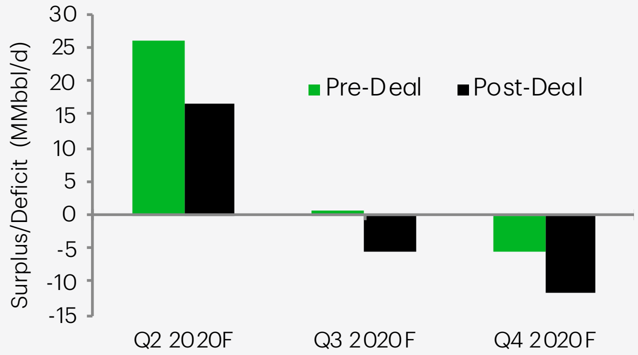
The unprecedented commitment by OPEC+ to cut supply by as much as 15 million b/d through the year was a great achievement, which shows that producers can unite when assured mutual destruction is knocking on the door. The question is, is this enough to prevent a further deterioration in oil prices? The answer will very much depend on how the pandemic unfolds. After all, this is very much a health problem and much will be determined by what happens on that front.

Based on our macroeconomic forecasts we project demand to decline by roughly 8.5 million b/d in 2020, which also equates to 8.5% of global demand. Given that most of the shock will occur in Q2, our model predicts a surplus of some 17 million b/d despite the historic supply cut agreement. A rough market balance is not projected until 2021, which is a much better environment than most expected prior to the historic adjustment.

The problem is that the massive drop in demand in April and early-May, which could be as much as 30-35 million b/d is much greater than all the proposed cuts. As such, there will be very large inventory accumulation and the prospect for many delivery hubs to be overwhelmed, which could force prices lower. There is still considerable risk that storage may be filled to capacity in some locations and there will be a forced shuttering of capacity, which would generate extremely low prices to incentivize supply curtailments.

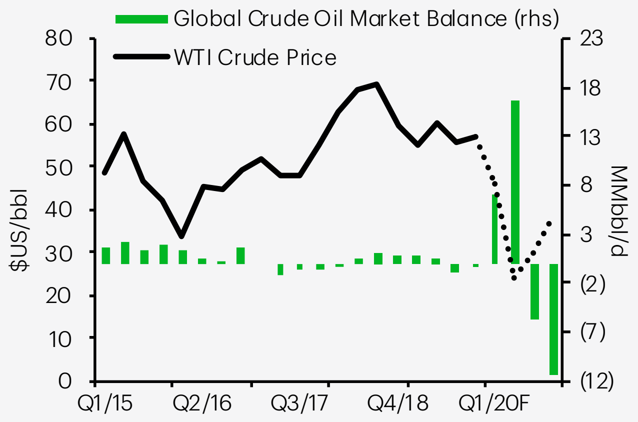
OPEC+ cuts will take time to implement, as they are scheduled for May and the worst of demand declines will occur in April. At the same time, the US, Brazilian and Canadian cuts are very likely to be phased in as producers will reduce output due to the poor price environment — not by government mandate (US political culture and legislation makes it difficult to force production cut agreements in order to lift prices). Further, the G20 communique of oil producers has not committed to a specific cut. As such, we are still comfortable with our estimate that WTI is unlikely to trade north of \$30/bbl and \$36/bbl for Brent in the first half of 2020. In fact, we are projecting a low\$20s price for WTI (under \$30 for Brent) during Q2. □

Figure 7: Steeper Voluntary Cuts Needed to Prevent Inventory Surge in Q2 — Good Long Term



Source: Source: Bloomberg, IEA, TD Securities. As of April 10, 2020

Figure 8: Big Surplus to Big Deficit



Source: Bloomberg, TDS Commodity Strategy Estimates As of April 10, 2020

Risk Regime

Our philosophy is to build resilient portfolios that don't depend on a single market environment to perform well. However, from the perspective of strategic asset allocation, we will evaluate and analyze the current market risk regime so we can decide, using defined parameters, when to de-risk a portfolio. We use a broad set of indicators based on business, investor, and analyst expectations to gauge market risk. Many of these are leading indicators and are, therefore, meant to be forward looking. This allows us to understand not only past events but what investors and markets expect to happen in the near term, which should already be reflected in asset and security prices. We use this risk management framework to make strategic risk allocation decisions in portfolios over the intermediate to longer-term horizon, to take advantage of how asset classes behave under different market risk regimes.

Figure 1: Market Risk Indicators

U.S. Macro Indicators	Measure	Current	12M Ago	LT Avg*	Min	Max	Z-Score	Conditions
Productivity	Real GDP Growth (qoq %, saar)	(4.8)	3.1	2.1	(8.4)	7.5	(2.9)	Deteriorating
	Real GDP Growth (YoY %)	0.3	2.7	2.2	(3.9)	5.3	(1.2)	
	Real GDP Economic Forecast (YoY %)	(3.9)	1.9	-	-	-	(3.5)	
Inflation	Headline CPI	1.5	2.0	2.2	(2.1)	5.6	(0.6)	Deteriorating
	Core CPI	2.1	2.1	2.0	0.6	2.9	0.2	
	CPI Forecast (YoY %)	1.1	2.1	-	-	-	4.1	
	10YR Breakeven Inflation	1.1	1.9	2.0	0.1	2.7	(2.3)	
Employment	Unemployment Rate (%)	4.4	3.6	5.8	3.5	10.0	(0.8)	Deteriorating
	Initial Jobless Claims (000s)	3,839	230	383	201	6,867	7.3	
	Wage Growth (yoy %)	3.1	3.3	2.5	1.5	3.7	1.0	
Consumer	Consumer Confidence (1985=100)	86.9	129.2	94.8	25.3	144.7	(0.3)	Deteriorating
	UofM Consumer Sentiment	71.8	97.2	86.8	55.3	112.0	(1.2)	
	Consumer Spending (MoM %)	(7.5)	0.7	0.3	(7.5)	2.8	(9.7)	
	Household Consumption Forecasts (YoY%)	(3.6)	2.1	-	-	-	(3.2)	
Housing	S&P/Case-Shiller Composite (YoY %)	3.5	2.5	4.2	(19.0)	17.1	(0.1)	Deteriorating
	Home Builders Index	30.0	63.0	49.7	8.0	77.0	(1.0)	
Business Conditions	Capacity Utilization (%)	72.7	77.8	77.3	66.7	82.3	(1.5)	Deteriorating
	Industrial Production (YoY %)	(5.5)	0.7	1.1	(15.3)	8.5	(1.6)	
	Industrial Production Forecasts (YoY%)	(5.1)	1.9	-	-	-	(3.6)	
	Private Investment Forecasts (YoY%)	(7.6)	2.8	-	-	-	(3.5)	
	12M Earnings Forecasts (S&P 500, $/Share)	130 (YoY: -12.8%)	166.5	94	50	175	1.1	
	Markit US Composite PMI	27.4	53.0	52.7	27.4	56.6	(5.0)	
	Markit US Manufacturing PMI	36.1	52.6	52.8	36.1	56.5	(4.8)	
	Markit US Services PMI	27.0	53.0	52.7	27.0	56.8	(4.9)	
Financial/ Credit Conditions	3M LIBOR/OIS Spread (%)	0.5	0.2	0.3	0.0	2.4	0.8	Deteriorating
	10Yr Treasury Yield (%)	0.6	2.5	3.5	0.6	6.7	(2.1)	
	10YR/3M Yield Spread (%)	0.6	0.1	1.7	(0.8)	3.8	(1.0)	
	10YR/2YR Yield Spread (%)	0.4	0.2	1.2	(0.5)	2.8	(0.9)	
	IG Credit Spread (% OAS)	1.9	1.0	1.4	0.7	5.4	0.7	
	HY Credit Spread (% OAS)	7.4	3.6	5.5	2.4	18.3	0.8	
	Financial Conditions Index (Bloomberg)	(1.9)	0.9	(0.5)	(9.0)	1.2	(1.0)	
	Financial Conditions Index (Chicago Fed)	(0.2)	(0.8)	(0.4)	(0.8)	2.4	0.3	
Government/ Fiscal Policy	Budget Balance (% of GDP)	(4.8)	(4.3)	(3.3)	(10.1)	2.6	(0.5)	Accomodative
	US Budget Balance Forecast (% GDP)	(12.0)	(4.6)	-	-	-	(8.6)	
	Government Spending Forecasts (YoY%)	2.2	1.3	-	-	-	5.9	
	Government Debt Forecasts (% GDP)	88.8	80.4	-	-	-	52.7	
Foreign Trade	Current Account (% of GDP)	(2.3)	(2.4)	(3.4)	(5.9)	(1.9)	0.9	Improving
	Current Account Forecast (% GDP)	(2.2)	(2.7)	-	-	-	(13.7)	
	Trade-Weighted Broad Dollar (2006=100)	124.5	115.2	103.2	86.3	121.3	2.2	
Monetary Policy	Fed Funds Rate (%)	0.3	2.5	2.0	0.3	6.5	(0.9)	Accomodative
	Monetary Base (YoY %)	49.3	(12.2)	11.0	(12.9)	112.7	1.7	
	M1 Money Supply (YoY %)	14.4	3.2	6.4	(3.0)	20.9	1.6	
	M2 Money Supply (YoY %)	11.0	4.1	6.3	1.6	11.0	2.6	
Sentiment	Implied Volatility - S&P 500	34.2	13.1	20.0	9.5	59.9	1.7	Deteriorating
	Implied Volatility - US Treasury	53.6	49.5	89.2	46.2	214.0	(1.2)	
	Implied Volatility - Oil	105.0	29.3	37.4	15.6	170.6	3.8	
	S&P 500 Implied Correlation	77.8	43.0	53.5	13.1	90.3	1.3	
	CBOE Equity Put/Call Ratio	0.7	0.7	0.6	0.3	1.2	0.4	
	Strategist Consensus (S&P 500)	2,960 (Change: 2%)	2,897	1,681	938	3,355	2.1	
	Retail Investor Bullish/Bearish Ratio	0.8	1.2	1.2	0.6	3.2	(1.0)	

Risk Regime Score	**(0.3)**	Deteriorating
Risk Regime Score (excl. Fiscal/Monetary Policy)	**(1.7)**	Deteriorating

Risk Regime Score: Below 0 means market conditions are riskier than average. Above 0 means coditions are less risky than average.
*Since 1999. Source: Bloomberg Finance L.P., as of April 30, 2020

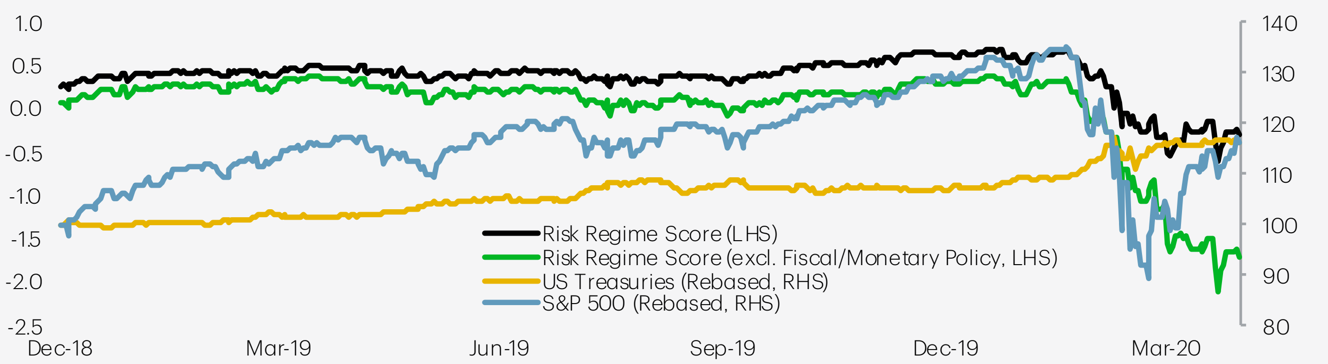
Risk assets such as stocks and credit tend to perform well during more resilient environments while safe-haven assets such as government bonds outperform during more fragile risk environment. We advise against using this framework to make short-term tactical bets. Over the longer term, the main determinant of portfolio returns for most clients will likely be asset allocation rather than any other active portfolio decisions.

Figure 1 highlights the inputs that inform our understanding of the current risk environment. There are 11 broad sets of indicators, ranging from macroeconomic variables — productivity growth, inflation, employment, and foreign trade account — to variables on consumer spending, housing conditions, business conditions, and financial conditions. We also include high-level variables — government and fiscal policy, and monetary policy — as well as measures on market and investor sentiment. Market sentiments are insightful because they are driven by expectations and provide a measure of forward-looking risk appetite implied by market transactions. We evaluate the current values of each indicator and compare them against recent trends and long-term history, using a standardized approach that makes it possible to aggregate across indicators. Because each indicator is measured in different units, we use their historical dispersions to convert distinct indicators to z-score values. This allows us to compare indicators on a consistent basis.

As you can imagine, most of the indicators have deteriorated. The key exceptions are fiscal and monetary policy, which are highly stimulative at the moment and are expected to remain so for the foreseeable future as governments and central banks do everything in their power to support the financial system and stem the economic fallout from the COVID-19 lockdown. When we aggregate the indicators to come up with an overall risk regime score, the value is -0.30, which indicates a more fragile than average risk regime but not an extreme-risk environment. This is surprising since most indicators are flashing red. The aggregate risk regime number is skewed by fiscal and monetary policies, which are both currently at extremely supportive levels driven by the unprecedented nature of policy actions. When we exclude fiscal and monetary support from the equation, the risk regime score falls to -1.7, which signifies an extreme-risk environment. From a historical perspective, this score would rank at about the 95th percentile in terms of risk. The stark difference between the two risk scores illustrates the extent to which fiscal and monetary actions have moderated risk now, and more importantly, will continue to do so in the future based on market expectations.

Figure 2 shows the risk regime score since the beginning of 2019. We can see the sharp fall in the risk score, from well above 0 for most of this period (which indicates a stable environment), to the current value of -0.30, which implies a moderately fragile risk environment. The risk score has recovered in the last few weeks from a low of about -0.6, as markets have stabilized and risk sentiment has improved. The score is significantly worse if the significant government and central bank support is removed. The gap between the two scores has widened significantly over the past few weeks as the scope and scale of fiscal and monetary stimulus increased. When the S&P 500 Index is overlaid on top of the historical risk regime scores, we can see the close relationship between the scores and equity market performance since the beginning of 2019. Equities began to decline soon after the overall risk regime score started to trend downward. However, as the risk environment improved following government and monetary intervention, equity markets started to recover. Over the past few weeks, equities have recovered much of their losses even though market fragility remains high. This disconnect indicates that the market recovery may be premature given what broad economic indicators show.

Figure 2: Historical Risk Regime Scores



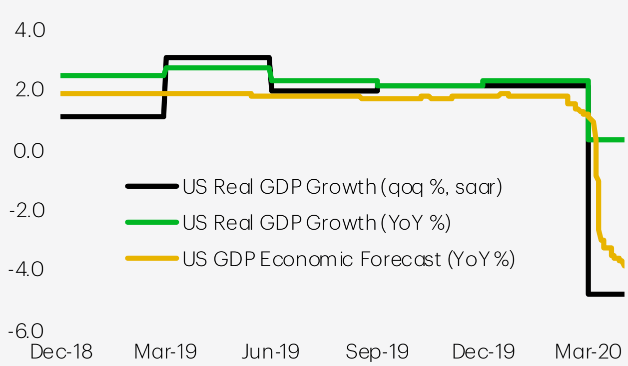
Source: PAIR and Bloomberg, as of April 30, 2020

Despite the stability induced by fiscal and monetary action, the widespread deterioration of indicators underscores the risk-averse environment we are in — one that investors expect to continue over the near term as they gravitate toward greater quality and liquidity. In the current environment, marked by high volatility and fragility, markets will be very susceptible to shocks and correlations for risk assets could quickly converge higher (which undercuts their diversification benefits when investors need diversification the most). In this environment, taking greater risk isn't expected to generate higher returns (it is the opposite in fact). That's why it's key to build a portfolio that prioritizes risk management and is designed to be resilient across risk regimes.

Productivity I Deteriorating

- U.S. real GDP growth was slowing even before COVID-19. It rose a modest 0.3% year-over-year based on the latest data, compared with about 3% growth one year ago.
- Quarter-over-quarter, real GDP declined 4.8%, which is worse than analyst expectations for -4.0%. Much of this decline is due to the 7.6% drop in consumer spending, which accounted for a 5.3% decline in GDP.
- U.S. real GDP is expected to contract by 3.9% in 2020, based on consensus forecasts. This outlook is a significant decline from expectations of about 2% growth just a few months ago.
- Consensus forecasts may be too optimistic: other forecasters such as the International Monetary Fund (IMF), expect the U.S. economy to contract in 2020 by 5.9% in real terms, before bouncing back to 4.6% growth in 2021.
- A contraction of 3.9% or 5.9% would qualify as the biggest drop in productivity since World War II. By comparison, real GDP fell 2.8% during the Global Financial Crisis (GFC) in 2008.

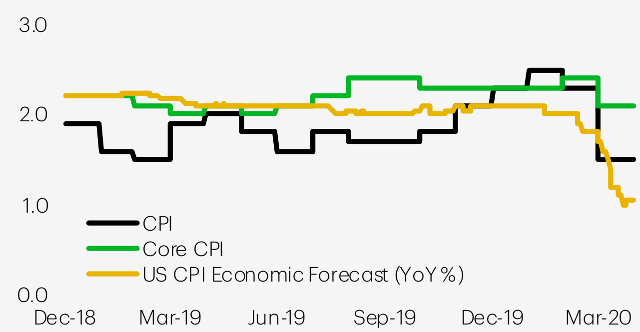
Productivity: U.S. Economic Growth



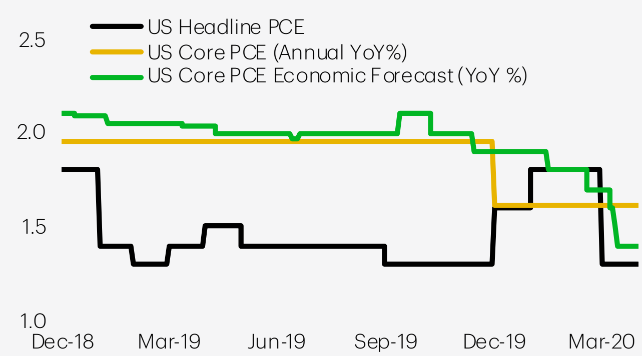
Inflation I Deteriorating

- Headline Consumer Price Index (CPI) inflation has been falling and is currently at 1.5% year-over-year, partly due to the impact of collapsing energy prices.
- Core CPI inflation, which excludes food and energy costs, is just above 2%. It has crept up in the past year, although the latest reading doesn't fully capture the impact of the lockdown.
- The Federal Reserve's preferred measure of inflation, Personal Consumption Expenditure (PCE), is below 2% and expected to fall toward 1% over the near term.
- Long-term inflation is expected to remain well below the Fed's 2% annual target based on breakeven inflation rates.

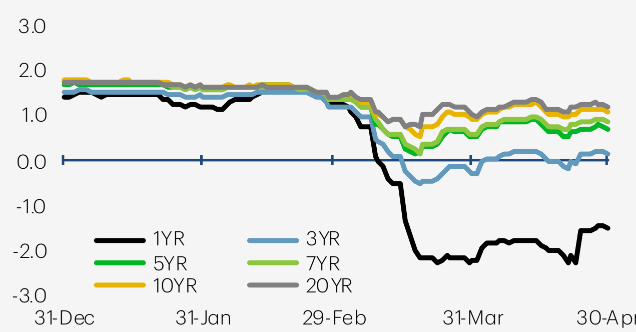
Inflation: U.S. Inflation (CPI)



Inflation: U.S. Inflation (PCE)



Inflation: U.S. Inflation Expectations



Source (all charts): Bloomberg. As of April 30, 2020.

• Near-term breakeven inflation has dipped from about 2% in late February 2020 to about -2% at publication, reflecting expectations that a deep recession will put pressure on prices.

• Even 10-year breakeven inflation rates are hovering around 1%, which suggests investors don't expect inflation to be a concern in the longer term.

• Deflation has become a growing concern even with the unprecedented expansion in liquidity by the Fed.

Employment I Deteriorating

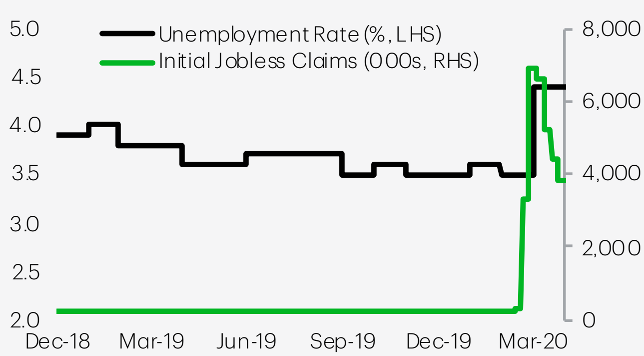
• Due to the broad economic shutdown, U.S. unemployment has surged to historic highs, with more than 30 million new applications for unemployment benefits in just 7 weeks from mid-March to late April. This equates to almost 20% of the U.S. labour force.

• The number of jobless claims in that 7 weeks alone is greater than the total number of jobs created over the decade-long bull market that ended in February 2020.

• At the same time, the unemployment rate has surged from historic lows and is expected to breach double-digit levels in the near term.

• Wage growth remains strong at 3.1% year-over-year but it lags other data and doesn't capture the impact of surging unemployment.

Employment: U.S. Employment



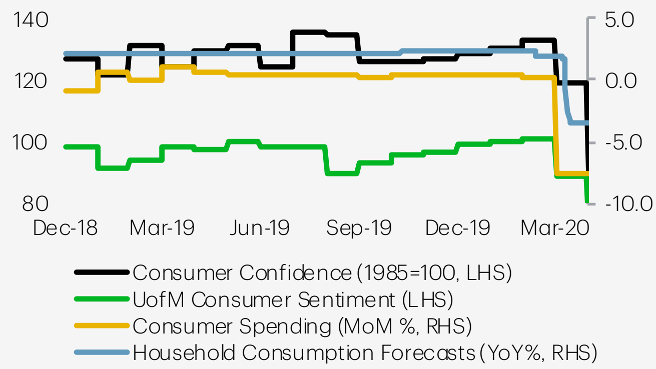
Consumer Sector I Deteriorating

• The Conference Board Consumer Confidence Index dropped to 87 points compared to 119 points in March and 129 points a year ago, based on survey data for April. The main factor weighing on the index is consumers' view of current business and labour conditions, which dropped from 167 in March to 76 in April, the largest decline on record. Consumers' near-term expectations actually improved in April from 86 to 94 points, as the spread of COVID-19 shows clear signs of receding and the businesses ready to reopen.

• Consumer spending tumbled from recent levels: the latest month-over-month drop of -7.5% compared with an increase of almost 1% a year ago. This is the highest month-over-month decline since 1959. For reference, during the GFC, consumer spending fell 1.4% during the worst month.

• Household consumption is expected to fall 3.6% year-over-year, which does not bode well for an economic recovery in 2020 since so much of the U.S. economy has been supported by robust consumer spending.

Consumer: U.S. Consumer Sector

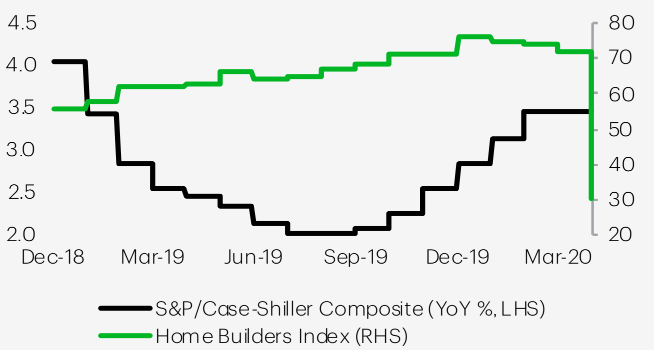


Housing I Improving/Deteriorating

• U.S. housing indicators are often viewed as a barometer of the broader economy and the latest data still show improvements compared to 12 months ago, although the impact of the shutdown has not been reflected because the data lags other events and indicators.

• The S&P/Case-Shiller Home Price Composite Index, which measures residential home prices across the U.S., showed a 3.5% increase over the past year (as of April 2020). This is a positive indication of the health of the housing sector, although it's a lagged composite and has yet to reflect the impact of the economic shutdown.

Housing: U.S. Housing Sector



Source (all charts): Bloomberg. As of April 30, 2020.

• The National Association of Home Builders (NAHB) Housing Market Index, which measures home builders' view on current and future residential house sales, has fallen from 72 in March (indicating a very optimistic outlook) to just 30 in April which is well below the threshold of 50 and suggests an extremely pessimistic view on home sales. This 42-point drop is the largest monthly drop in the index's 35-year history. However, it's still sitting well above the index's value of 10 recorded during the worst point of the GFC in 2009.

Business conditions I Deteriorating

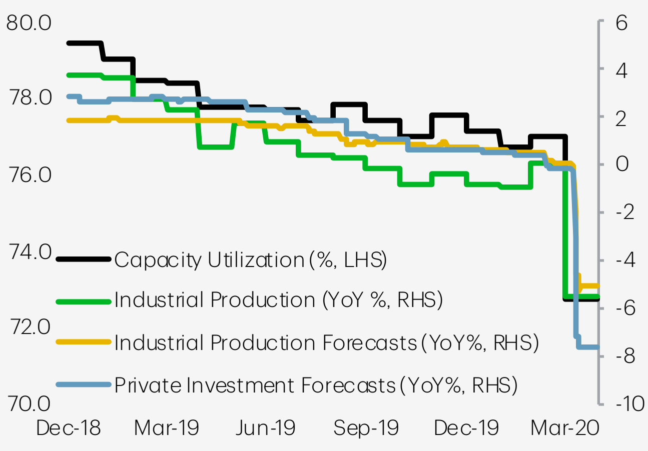
• U.S. capacity utilization measures how close an economy is operating to its potential output. This measure has fallen significantly from about 80% over the past year to 72% in March as many industries continue to operate at reduced capacity due to the lockdown. The current level is 7% lower than its long-run average of 79.8% since 1972.

• Industrial production in March dropped 5.5% year-over-year, down from an increase of 2.3% one year ago. Although this is the sharpest fall since the GFC — when industrial production slumped by as much as 15% in 2009 — the impact of the shutdown is unlikely to be fully reflected in the March reading of industrial production.

• For the full year, industrial production is expected to contract by 5.1% and private investment is expected to fall 7.6%.

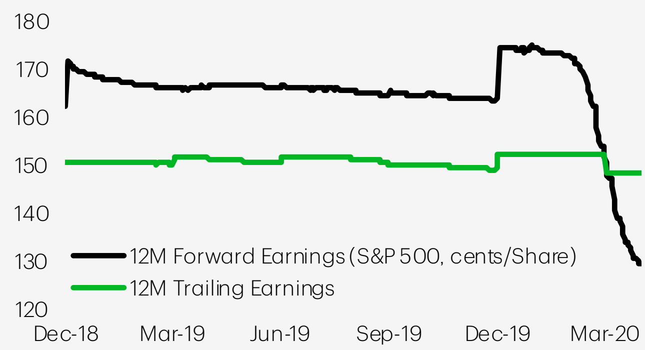
• S&P 500 earnings remain elevated relative to historical levels, but earnings forecasts have fallen sharply. Analysts now expect earnings per share to decline by 12.8% over the next 12 months compared with 12-month trailing earnings, which is a sharp reversal from the rosy consensus just a few months ago.

Business: U.S. Industrial Production

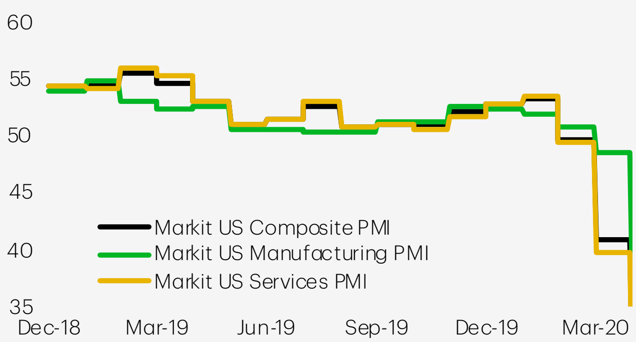


Source (all charts): Bloomberg. As of April 30, 2020.

Business: U.S. Earnings



Business: U.S. PMIs



• Purchasing Managers' Indexes (PMIs), which measure the outlook of purchasing managers based on surveys and provide an indication of the health of the economy on a forward-looking basis, have plunged, especially for service sectors which account for more than 77% of the U.S. economy. They have plummeted from above 50, which suggests an expansionary view of the economy, to 27 (Service) and 37 (Manufacturing), which indicates a sharply contracting economy.

Financial Conditions I Deteriorating

• Most measures of financial conditions are at extreme levels indicating financial stress in the banking sector and financial markets as well as diminished risk appetite.

• Financial conditions — measured by the Federal Reserve Bank of Chicago's weekly National Financial Conditions Index — combines risk, credit, and leverage indicators to provide a sense of how loose or tight financial conditions are across money, debt, and equity markets. It's a measure that shows the standard deviations of indicators relative to their historical data going back to 1971. A value of 0 signifies average financial conditions, while a positive value means tighter than average, and a negative value means looser than average.

- The current value of -0.15 indicates slightly loose financial conditions. Credit indicators accounted for -0.10 of the total value while leverage indicators contributed -0.06.
- However, current financial conditions are much tighter than in February when the index value was about -0.80. Financial and credit conditions are still considerably more accommodative than they were during the GFC, when the index breached +2.3.

• Similarly, the Bloomberg Financial Conditions Index tracks the degree of financial stress based on money-market spreads, bond-market spreads, broad equity prices, and volatility trends relative to historical values. Here, a positive value means relatively easy financial conditions while a negative value means tighter-than-average financial conditions. The average is based on pre-GFC financial conditions from 1994 to 2008.

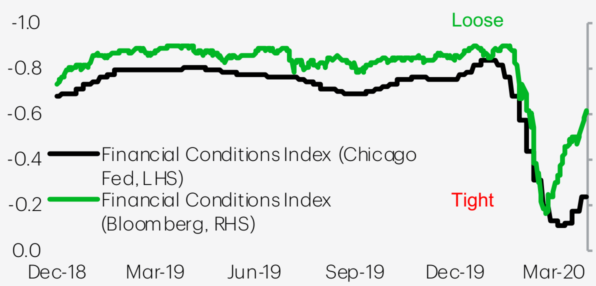
- The current value (-1.8 below historical average) indicates relatively tight financial conditions and is a reversal from its February value of close to +1.0, which pointed towards loose financial conditions. It has improved significantly from a low of -6.3 amid the flight to safety episode during the second half of March. For reference, this index sank to an extreme -9.0 standard deviations below its average in 2009.

• Besides composite measures of financial conditions, measures such as the 3M LIBOR/OIS spread, 10YR/3M, 10YR/2YR, investment grade corporate bond spreads, and high-yield bond spreads are all at extreme levels that indicate financial stress in the banking sector and financial markets as well as diminished risk appetite. Elevated credit spreads indicate that markets are pricing in a high probability of defaults.

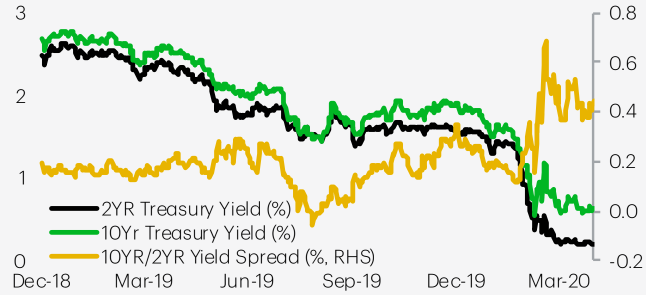
• The London Interbank Offered Rate (LIBOR) and Overnight Index Swap (OIS) rate spread illustrates the relationship between liquidity in financial markets and stress in the short-term funding market for secured and unsecured lending. A wider spread signifies that interbank borrowing cost is high, limiting bids for securities which in turn reduces market liquidity. A lack of bids and reduced liquidity means securities are marked to market at lower prices. As the following chart shows, the spread has retraced somewhat but is still wider than usual.

• The 10-year U.S. yields are historically used to track benchmark rates. They represent the prevailing borrowing costs and the expected returns from risk-free rates. Lower yields tend to reflect rising demand for government bonds which in turn suggests investors are increasingly expecting a negative economic and financial shock. These risk-averse investors try to hedge their bets by investing in government bonds which drives prices higher and yields lower. The current 10-year benchmark yields are around 60 bps indicating there is a willingness to pay higher prices for the lower-risk associated with government bonds. The following chart shows how sustained demand for longer duration and highest quality income has pushed the broader trend for U.S. benchmark rates lower.

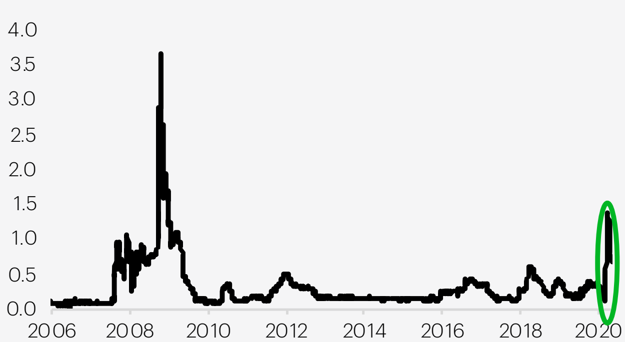
Financial: Financial Conditions Indices



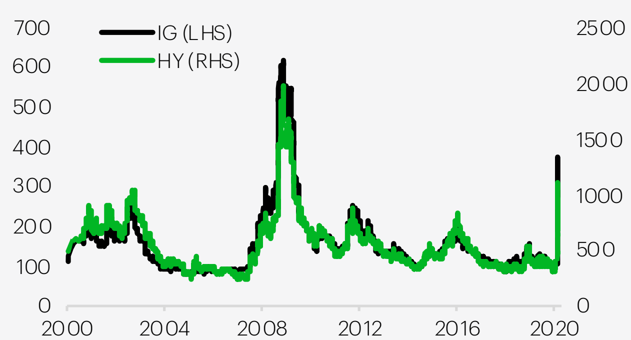
Financial: Treasury Yields



Financial: LIBOR - OIS Spreads



Financial: Corporate Spreads



Source (all charts): Bloomberg. As of April 30, 2020.

• Historically a negative spread between 10-year and 2-year government yields (inverted yield curve) has been a signal for recession. Negative spread signifies the absence of term premium, or no additional compensation for lending capital for a longer term than a shorter term. The spread was negative briefly in 2019 but since the Fed's sharp rate cuts in March, the U.S. government yield curve has steepened and the term premium is back on offer.

• Spreads for investment grade and sub-investment grade (high yield) bonds represent the embedded risk in a corporate bond. Spreads tend to be narrow when investors are willing to take on more risk; as risk appetite wanes the spreads tend to grow much wider than the normal levels, as is the case since March and as shown in the previous chart. Spreads for investment grade bonds tend to reflect concerns about a downgrade and the underlying issuers lack of liquidity. In the case of sub-investment grade bonds, spreads also embed the risk of the issuer defaulting on the loan. In recent weeks, spreads have been at stress levels because of the economic outlook and the heightened risk of downgrades and defaults.

■ **Foreign Trade** I Improving

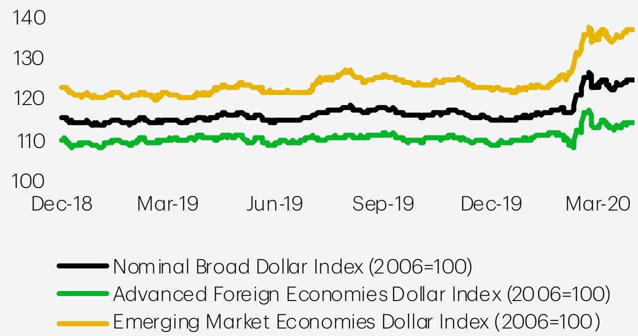
• The U.S. current account balance had been gradually improving in the lead up to the COVID-19 outbreak, then global trade was disrupted by supply chain problems and production shutdowns.

• The current account deficit is now -2.3% of GDP. It's expected to remain -2.2% for the year, which is much lower than the forecast of -2.7% from 12 months ago and the long-term average deficit of -3.4% of GDP. This improvement supports markets from a risk perspective.

• The current account deficit improved despite the appreciation of the U.S. dollar over the last few years, which has made U.S. exports less competitive.

• Trade-weighted dollar indices compare the U.S. dollar against a basket of currencies (weights are based on trade data). The following graph shows the U.S. dollar has gained against the currencies of both advanced and emerging market economies. Most of the gains were recorded during the flight to quality rally of the past few months.

Foreign Trade: Trade-Weighted Dollar Indices



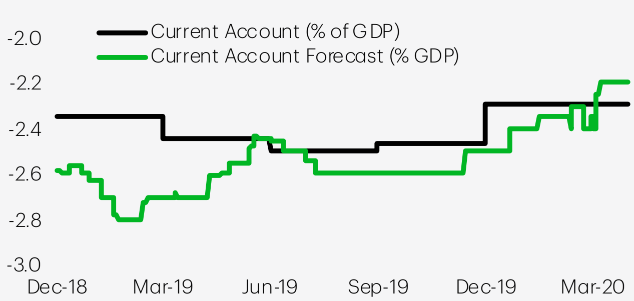
■ **Government/Fiscal Policy** I Accommodative

• One area that is flashing green and accommodative for financial markets is government spending and fiscal policies.

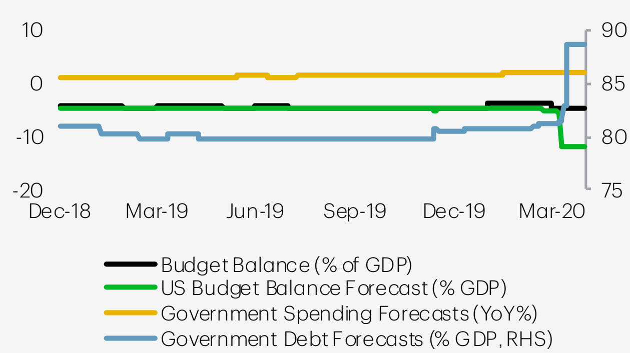
• Fed spending is filling some of the void — created by the economic shutdown and plummeting consumer/business spending — by providing trillions of dollars in stimulus in the form of cheques to households and credit to businesses and municipalities.

• While a larger deficit and increased government debt do not necessarily translate into support for financial markets and risk sentiment, in the current crisis environment, they do because they help to offset part of the widespread shutdown in other segments of the economy (namely, consumers and businesses). The federal deficit was -4.8% year-over-year based on the latest data but is now expected to surpass -12% for the year, which is significantly higher than the -10% deficit in 2009. Government spending is expected to grow by 2.2% as of March, and this is only the beginning. Federal debt is forecast to jump from 80% of GDP to almost 90% by year end.

Foreign Trade: U.S. Trade Balance



Gov./Fiscal Policy: U.S. Government Budget and Debt



Source (all charts): Bloomberg. As of April 30, 2020.

Monetary Policy | Accommodative

• The Federal Reserve has provided unprecedented relief and liquidity to ease strained market conditions.

• It has rapidly slashed policy rates to almost zero and to levels last seen in the aftermath of the GFC, thereby leveraging its balance sheet to unleash trillions of dollars in liquidity.

• The Fed has ventured well beyond the asset classes it supported during the GFC, namely Treasuries and agency-backed securities. It's providing some form of backstop to investment grade corporate bonds and even some high yield bonds. These actions have helped stem the sell-off in equity and credit markets and credit spreads have tightened significantly.

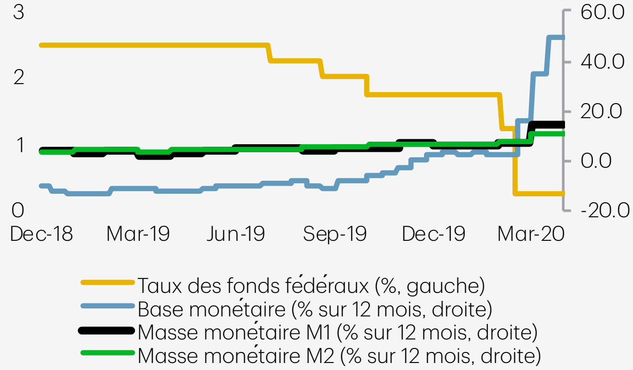
• As a result, the monetary base has ballooned by almost 50% over one year, from a contraction of 12% a year ago.

• M1 and M2 measures of money supply have grown by 14% and 11%, respectively, over the past year. This marks the largest rise in M2 in any one-year period over the past 20 years.

• The Federal Reserve's balance sheet has ballooned by more than $2 trillion in the past few weeks, to well over $6.5 trillion, and could breach $10 trillion in the near term.

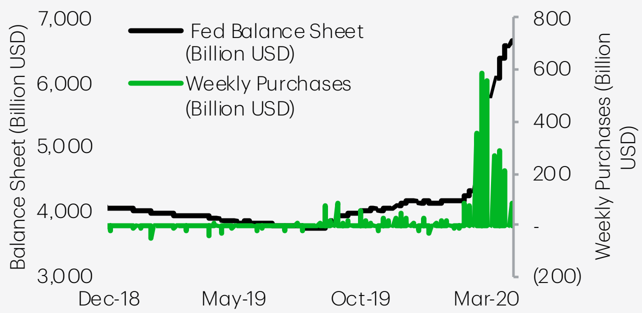
• The following chart shows an increase in the Fed's balance sheet to unprecedented levels after recent announcements. The Fed was initially buying US$75 billion of U.S. government bonds per day, it is now purchasing US$10 billion per day. It's also buying agency mortgage backed securities (MBS), at an average pace ofUS$20 billion per day and has purchased over US$450 billion worth of agency MBS so far. The Fed has also announced a US$750 billion corporate bond program to buy 0-5 year maturity investment-grade debt from the primary and the secondary market. It has also announced corporate bond exchange-traded fund (ETF) buying programs to support corporate credit markets.

Monetary Policy: U.S. Growth in Monetary Base



Source (all charts): Bloomberg. As of April 30, 2020.

Monetary Policy: Quantitative Easing



Market Sentiment | Deteriorating

• Implied volatility — as represented by the VIX Index for S&P 500 and the MOVE Index for U.S. Treasuries — gauges expected risk over the near term (30-day or longer) based on option prices.

• After many years of relative calm, implied volatility for equities spiked to above 80 points in mid-March. While it has dropped substantially since then — helped by improved market sentiment, the bounce in equities and tightening credit spreads — it still remains elevated at about 35 points as of the end of April. This means that investors expect volatility to be above 35% over the next 30 days on an annualized basis, which is more than twice the historical volatility for US stocks

• The MOVE Index, which measures implied volatility for U.S. Treasuries across different maturities, has subsided significantly from a peak of 160 in early March to 57 in late April, which is only slightly higher than its value 12 months ago, which means that investors expect US government bond markets to remain calm over the near term. This expectation is driven by the massive amount of Treasuries the Fed is buying on a daily basis, which is expected to continue for the foreseeable future.

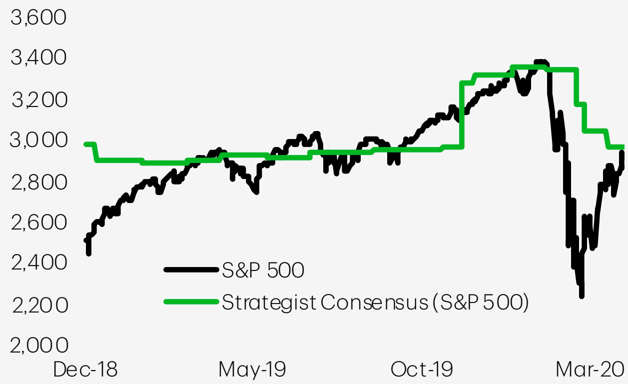
• Conversely, implied volatility for oil is at its highest level in 20 years, as investors expect the significant imbalance in oil markets to continue over the near term, which has caused short-dated WTI oil futures contracts to plummet below zero. This happened because there wasn't enough storage capacity to accommodate the glut in supply so some investors were willing to pay others to take possession of their oil futures.

• Implied correlations, which represent market expectations of diversification across a basket of S&P 500 stocks, also remain elevated at close to 80% after spiking during the recent exodus from risk assets. The current value is much higher than its long-term average of about 50%. This suggests investors expect stocks — regardless of quality or other characteristics

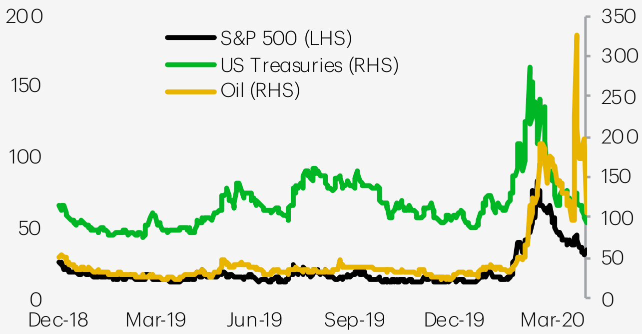
— to move closely together on average over the near term and it implies that owning a broad set of stocks is not expected to provide much diversification benefit, which is what we often observe during sell-offs and was, indeed, the case in Q1 2020.

- The consensus from investment strategists (as compiled by Bloomberg) is rosier since they expect the S&P 500 Index to end the year up 2% from current levels.
- U.S. retail investors are more pessimistic however, since bearish sentiments outnumber bullish by a wide margin. On average, investor sentiment has been bullish. □

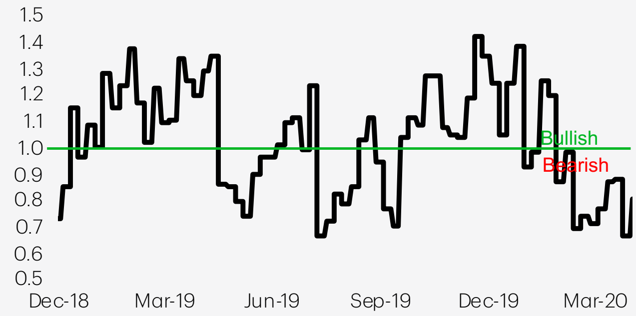
Sentiment: Strategist Consensus (S&P 500)



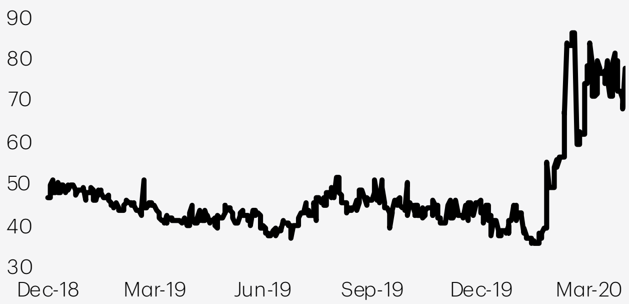
Sentiment: Implied Volatility



Sentiment: Retail Investor Bull/Bear Ratio



Sentiment: Implied Correlation



Source (all charts): Bloomberg. As of April 30, 2020.

Market Performance

Canadian Indices ($CA) Return	Index	(%) 1 Month	(%) 3 Months	(%) YTD	(%) 1 Year	(%) 3 Years	(%) 5 Years	(%) 10 Years	(%) 20 Years
S&P/TSX Composite (TR)	52,988	10.79	-13.86	-12.36	-7.91	1.34	2.49	5.00	4.98
S&P/TSX Composite (PR)	14,781	10.48	-14.65	-13.38	-10.86	-1.75	-0.59	1.93	2.32
S&P/TSX 60 (TR)	2,592	9.10	-12.85	-11.06	-7.29	2.21	3.29	5.34	5.00
S&P/TSX SmallCap (TR)	760	25.12	-20.27	-22.57	-18.77	-8.79	-2.82	-0.32	0.03
U.S. Indices ($US) Return									
S&P 500 (TR)	5,945	12.82	-9.26	-9.29	0.86	9.04	9.12	11.69	5.58
S&P 500 (PR)	2,912	12.68	-9.71	-9.85	-1.13	6.90	6.91	9.39	3.54
Dow Jones Industrial (PR)	24,346	11.08	-13.84	-14.69	-8.45	5.15	6.42	8.26	4.18
NASDAQ Composite (PR)	8,890	15.45	-2.86	-0.93	9.81	13.70	12.46	13.70	4.26
Russell 2000 (TR)	6,659	13.74	-18.47	-21.08	-16.39	-0.82	2.88	7.69	6.29
U.S. Indices ($CA) Return									
S&P 500 (TR)	8,269	10.62	-4.61	-2.86	4.52	9.70	12.18	15.31	5.25
S&P 500 (PR)	4,051	10.49	-5.08	-3.46	2.46	7.54	9.90	12.93	3.22
Dow Jones Industrial (PR)	33,865	8.92	-9.43	-8.64	-5.13	5.79	9.39	11.76	3.85
NASDAQ Composite (PR)	12,365	13.20	2.12	6.10	13.80	14.39	15.61	17.38	3.93
Russell 2000 (TR)	9,263	11.52	-14.30	-15.49	-13.35	-0.22	5.76	11.18	5.96
MSCI Indices ($US) Total Return									
World	8,756	10.98	-11.74	-12.25	-3.46	5.58	5.52	8.29	4.53
EAFE (Europe, Australasia, Far East)	7,118	6.54	-15.91	-17.66	-10.89	-0.09	0.32	4.04	3.04
EM (Emerging Markets)	2,146	9.18	-12.48	-16.55	-11.65	0.94	0.28	1.80	6.47
MSCI Indices ($CA) Total Return									
World	12,180	8.82	-7.22	-6.03	0.05	6.22	8.47	11.79	4.20
EAFE (Europe, Australasia, Far East)	9,901	4.47	-11.61	-11.82	-7.65	0.52	3.13	7.41	2.72
EM (Emerging Markets)	2,984	7.05	-8.00	-10.63	-8.45	1.55	3.08	5.10	6.14
Currency									
Canadian Dollar ($US/$CA)	71.89	1.99	-4.87	-6.62	-3.50	-0.60	-2.72	-3.13	0.31
Regional Indices (Native Currency, PR)									
London FTSE 100 (UK)	5,901	4.04	-19.01	-21.76	-20.45	-6.43	-3.25	0.61	-0.35
Hang Seng (Hong Kong)	24,644	4.41	-6.34	-12.58	-17.02	0.04	-2.61	1.56	2.34
Nikkei 225 (Japan)	19,771	4.52	-14.80	-16.42	-11.18	0.99	0.26	5.98	0.48

Benchmark Bond Yields	3 Months	5 Yrs	10 Yrs	30 Yrs
Government of Canada Yields	0.26	0.39	0.55	1.13
U.S. Treasury Yields	0.12	0.36	0.64	1.29

Canadian Bond Indices ($CA) Total Return	Index	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
FTSE TMX Canada Universe Bond Index	1,184	3.79	2.43	5.41	8.52	4.48	3.71	4.73
FTSE TMX Canadian Short Term Bond Index (1-5 Years)	756	1.33	2.14	3.20	4.31	2.40	2.09	2.67
FTSE TMX Canadian Mid Term Bond Index (5-10)	1,288	3.32	3.74	6.74	8.62	4.12	3.74	5.16
FTSE TMX Long Term Bond Index (10+ Years)	2,066	7.07	1.88	7.24	13.85	7.37	5.76	7.52
HFRI Indices ($US) Total Return (as of March 31, 2020)								
HFRI Fund Weighted Composite Index	13,223	-8.21	-10.61	-10.61	-6.39	-0.13	0.82	2.64
HFRI Fund of Funds Composite Index	5,839	-7.34	-8.51	-8.51	-5.19	0.06	0.06	1.78
HFRI Event-Driven (Total) Index	14,465	-12.19	-14.79	-14.79	-12.06	-1.99	0.20	2.79
HFRI Equity Hedge Index	19,334	-10.32	-13.88	-13.88	-8.97	-0.28	1.08	2.85
HFRI Equity Market Neutral Index	5,446	-2.47	-3.34	-3.34	-2.43	0.49	1.51	2.14
HFRI Macro (Total) Index	15,119	-0.12	-1.10	-1.10	2.98	1.11	-0.06	1.17
HFRI Relative Value (Total) Index	11,567	-8.30	-8.78	-8.78	-5.63	0.12	1.58	3.85
HFRI Indices ($CA) Total Return (as of March 31, 2020)								
HFRI Fund Weighted Composite Index	18,758	-3.06	-2.29	-2.29	-0.65	2.04	3.11	6.13
HFRI Fund of Funds Composite Index	8,283	-2.14	0.01	0.01	0.61	2.23	2.34	5.24
HFRI Event-Driven (Total) Index	20,520	-7.26	-6.86	-6.86	-6.67	0.13	2.48	6.29
HFRI Equity Hedge Index	27,428	-5.28	-5.87	-5.87	-3.40	1.88	3.38	6.34
HFRI Equity Market Neutral Index	7,726	3.00	5.66	5.66	3.54	2.67	3.82	5.61
HFRI Macro (Total) Index	21,448	5.48	8.10	8.10	9.29	3.29	2.22	4.61
HFRI Relative Value (Total) Index	16,409	-3.15	-0.29	-0.29	0.15	2.29	3.89	7.38

Sources: TD Securities Inc., Bloomberg Finance L.P. TR: total return, PR: price return.. As of April 30, 2020. HFRI Indices as of March 31, 2020.

The information contained herein has been provided by TD Wealth and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

Certain statements in this document may contain forward-looking statements ("FLS") that are predictive in nature and may include words such as "expects", "anticipates", "intends", "believes", "estimates" and similar forward- looking expressions or negative versions thereof. FLS are based on current expectations and projections about future general economic, political and relevant market factors, such as interest and foreign exchange rates, equity and capital markets, the general business environment, assuming no changes to tax or other laws or government tregulation or catastrophic events. Expectations and projections about future events are inherently subject to risks and uncertainties, which may be unforeseeable. Such expectations and projections may be incorrect in the future. FLS are not guarantees of future performance. Actual events could differ materially from those expressed or implied in any FLS. A number of important factors including those factors set out above can contribute to these digressions. You should avoid placing any reliance on FLS.

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TD Asset Management

PRIVATE
INVESTMENT
COUNSEL

insights

SPECIAL EDITION

Bryan Lee, CFA
PIC Portfolio Strategist,
TD Asset Management Inc.

Special Edition

20/20 signifies visual acuity or clarity of vision and has been used figuratively to describe perfect vision. As we move past the first quarter of 2020 and head into the summer months, we currently have anything but perfect vision, so many of the themes that we have consistently capitalized on over the past year have now changed. But before we look at the themes we think will dominate the remainder of this year, it's always helpful to look at where we've come from for perspective.

Market Review

The last decade that spanned between 2010 and 2019 marked the second longest bull market since World War II. While it was a great time for global equity markets, it was a decade that was filled with crisis and uncertainty such as the European sovereign debt crisis, risks of double-dip recessions, destabilization in the Middle East, the collapse of oil prices, sovereign debt downgrades (including the U.S.), negative interest rates and trade wars, just to name a few.

Despite this abundance of bad news and contrary to the expectations of many investment pundits who believed it would take decades to recover from the great financial crisis of 2007 to 2009, global stock markets recovered faster than most expected and continued to break through record levels all through 2019.

As we began the new year, easing trade tensions between the United States and China fortified investor confidence to a seemingly unshakeable level. This confidence helped propel global equity markets to even higher levels during the first few weeks of 2020 despite two early back to back crises – the Iran missile attacks and the onset of COVID-19. However, that confidence that took over a decade to repair was unwound in a matter of days as the COVID-19 pandemic spread across the world.

The COVID-19 pandemic will likely have negative short-term economic consequences and with these changes in events, we've made some amendments to our outlook that we wanted to share with you.

Equities

Despite the potential short-term risks associated with COVID-19, we continue to believe that equities will outperform fixed income over the long term. However, until there are more concrete signs that the environment is improving, we believe equity markets will remain volatile. With volatility expected to persist, we are moving our short-term view on equities to neutral from our previous recommendation to overweight equities. While the recent sharp surge in global equity markets from the year-to-date low that was reached on March 23 is encouraging, we do not believe that we are out of the proverbial woods yet.

> **“ we continue to believe that equities will outperform fixed income over the long term. ”**

Global equity markets are still lower year-to-date, but stock market valuations are not at levels that we would consider undervalued. The S&P/TSX Composite Index is trading at approximately 14 times forward earnings, the S&P 500 Index is trading at approximately 16 times forward earnings and international markets as represented by the MSCI Europe, Australasia, Far East Index (MSCI EAFE) is approximately 13 times forward earnings – all within what could be considered historical averages. On a positive note, the stock markets earnings yield, which is the inverse of the price earnings ratio, are significantly higher than government bond yields, which is supportive of equity prices. As an example, the earnings yield of the S&P 500 Index is approximately 6.1% or 5.4% higher than the 0.67% yield of the 10-year U.S. Treasury Bond.

So, stocks might not be at bargain basement prices, but we do think investors can take advantage of the recent recovery from the March 23 year-to-date lows to take advantage of some of the themes we think will stand out this year.

Table 1: World Equity benchmark returns in Canadian Dollars

Index (Price Return in Canadian dollars)	23-Mar-20 To 15-Apr20*	Year-to-date**	1-year**	3-year**	5-year**	10-year**
S&P/TSX Composite Index	**24.3%**	**-20.9%**	**-14.2%**	**-1.9%**	**0.9%**	**4.1%**
S&P 500 Index	**20.9%**	**-12.2%**	**-1.3%**	**7.4%**	**9.2%**	**14.3%**
MSCI Europe Australasia Far East Index	**14.1%**	**-15.6%**	**-8.6%**	**0.8%**	**2.1%**	**6.7%**

*At April 15, 2020, source Bloomberg Finance LP
**At April 15, 2020, source Bloomberg Finance LP

Theme 1: Market leadership will continue to focus on more defensive, large-cap stocks that have less economically sensitive revenue, stable dividends and strong balance sheets.

This theme is best reflected in U.S. and international equity markets, where we find larger companies relative to Canada and we find equity markets that are more diversified than our domestic stock market.

As illustrated in Table 2, the energy and materials sectors represent approximately a quarter of our stock market, which we expect will face headwinds that are outlined in Theme 2 below.

Global equity markets not only can provide lower exposure to the economically sensitive sectors such as materials and energy, but global equity markets can also have higher exposure to defensive sectors and sectors that we expect may perform well during this period such as consumer staples, technology and health care.

Defensive

Table 2: Global Equity Benchmark sectors

Sector	S&P/TSX Composite Index	S&P 500 Index	MSCI EAFE Index
Energy	12.4%	2.7%	4.0%
Materials	13.6%	2.4%	6.7%
Financials	29.5%	10.6%	16.5%
Industrials	11.7%	7.8%	14.2%
Consumer Discretionary	3.6%	10.4%	11.1%
Consumer Staples	4.7%	7.8%	12.6%
Health Care	1.0%	15.9%	14.3%
Information Technology	8.9%	25.6%	7.6%
Communication Services	6.1%	10.8%	5.5%
Utilities	5.4%	3.4%	4.2%
Real Estate	3.2%	2.9%	3.3%

As at April 20, 2020 , source Bloomberg Finance LP

Theme 2: Commodity prices are expected to remain low, which we expect will be one of the main contributors that will keep a lid on Canadian stock market performance.

The resource sector – energy and materials - represents approximately a quarter of our domestic stock market and approximately 10% of Canadian gross domestic product (GDP). We expect that the resource sector will remain under pressure this year as we believe commodity prices will remain at these lower levels until there are signs that demand is recovering, which we expect may occur in the second half of this year.

Consumption – consumer spending and business spending - is the largest driver of Canadian GDP and the expected weakness in the resource sector will keep on a lid on both in the short term. On a positive note, while our domestic stock market may face headwinds, we believe that our financial sector remains healthy as Canadian banks have strong balance sheets and conservative dividend policies.

“… energy and materials - represents approximately a quarter of our domestic stock market”

Theme 3: Hunting loons in Canada is illegal, but it will likely not stop investors from taking shots at the Loonie.

Weaker commodity prices will likely keep investors from investing in Canada so we expect that currency risk will likely not be a major factor affecting portfolios since the Canadian dollar is not likely expected to appreciate significantly in relation to the U.S. dollar and even international currencies like the Japanese Yen. Increasing exposure to global currencies may help to add diversification to your portfolio.

As illustrated in Table 1, when translated back into Canadian dollars, global stock markets have performed better than Canada partially due to the strength of global currencies, many of which have appreciated relative to the Canadian dollar.

With these three themes, we believe that Canadian's should consider broadening their portfolios borders by investing in the U.S. and international markets.

Fixed Income

Elevated contagion fears around the world have driven investors to the safety of government bonds, sending yields lower. The bond rally underscores the safety appeal of fixed income in uncertain environments to protect against declines in riskier assets.

Given the uncertainty in global data, and expectations for a prolonged low inflation and rate environment, we expect the risk-free rate of return offered by domestic government bonds to provide coupon-like returns, which is currently in the low single digits. There are two components of a bond's total return – the interest payment and the capital gain/loss that results from changes in the price of the bond over time. The following table shows how much of the return of the FTSE Canada Universe Bond Index was attributed to these two factors in each calendar year since 1980 (Table 3).

Table 3: FTSE Canada Universe Bond Index*

Year	Interest	Capital Gain/Loss	Total Return
2000	6.9	3.3	10.3
2001	6.7	1.4	8.1
2002	6.3	2.5	8.7
2003	5.8	0.9	6.7
2004	5.6	1.6	7.2
2005	5.2	1.3	6.5
2006	5.6	-1.0	4.6
2007	5.0	-1.3	3.7
2008	5.0	1.4	6.4
2009	4.7	0.8	5.4
2010	4.4	2.4	6.7
2011	4.2	5.5	9.7
2012	3.7	-0.1	3.6
2013	3.5	-4.7	-1.2
2014	3.6	5.2	8.8
2015	3.3	0.3	3.5
2016	3.1	-1.4	1.7
2017	3.0	-0.5	2.5
2018	3.0	-1.6	1.4
2019	3.0	3.9	6.9
Avg	4.6	1.0	5.6

*As at April 20, 2020 , source Bloomberg Finance LP

Interest represents over 80% of the total return an investor can expect to earn from fixed income investments. Low single digit government bond yields may be discouraging for investors who are seeking income, but we do see opportunities in Canadian corporate bonds, which are expected to modestly outperform government bonds as Canadian corporate bonds offer a yield premium relative to government bonds. With yields at these levels combined with the expectation that yields may be lower for longer, we recommend investors continue to take a diversified approach and not just chase after yield.

Bonds have been resilient in previous periods of rising interest rates and have bounced back quickly after periods of negative returns. Our fund managers believe that their strategy of selectively emphasizing corporate bonds will continue to provide strong relative returns in any interest rate environment.

Final Thoughts

As we look forward, while we may not be out of the proverbial woods just yet, we do believe that we are walking in the right direction. Globally we've seen central banks and policy makers take decisive action to mitigate the effects of the global slowdown and quarantine measures are slowing the rate of infections. While there are some positive signals, as evidence-based investors, we do need to see more evidence of the following:

1. We need to see the growth curve of the rate of infection plateau.
2. We are looking for governments to open their economies by allowing people to go to work beyond just a few industries, provided such actions are warranted in the circumstances. It is encouraging to see signs that some economies may be ready to re-open such as Texas, which represents one of the world's top ten economies – equivalent to the size of Canada. But, we would need to see signs of re-opening across more industries beyond just State Parks and some elective surgeries.
3. We hope to see concrete plans on how infections will be controlled, or even hopefully a development of a vaccine for the virus as this will significantly reduce the risk of a second wave of coronavirus.
4. Finally, we would need to see signs that corporate earnings and global economies are showing signs of stabilization.

Undoubtedly the temptation to sell everything and move to cash can be high as you may start to experience motion sickness from the constant gyration and barrage of provocative headlines. This temptation is normal. But history offers lessons. Giving in to our emotions by selling investments and moving to cash during troubled times can often lead to disappointment. This is because weak markets have historically been followed by recoveries. If your personal circumstances permit, a better approach may be to take a long-term view because even with the inability to predict where exactly future returns will be year-after-year, the historical data generally supports staying invested over time.

For more information, please contact a **TD Wealth Private Investment Counsel Portfolio Manager.**

Attachment #6

STAFF REPORT

Report To: Board of Directors

Report From: Tim Lanthier
Chief Administrative Officer

Meeting Date: May 27th, 2020

Report Code: 11-2020

Subject: Business Continuity and Operational Plan Updates

Changes from the Provincial Government are happening quickly as the Province tries to re-open the economy. We are working to ensure that we are operating consistent with the most recent Provincial Orders under the Emergency Management and Civil Protection Act (EMCPA)

Staff continue to work from home at this time. Staff have adjusted well and are able to carry out most office related functions remotely. It is unknown how long this situation will persist, but based on information being released from public health, it may be quite some time before we return to our previous normal operating conditions. We will continue to monitor the situation to ensure that we are conducting as much of our regular business as possible without compromising staff health and safety.

With the onset of the field season, we are hopeful that the Essential Businesses list will continue to open up such that we can permit our staff to resume all field work. Currently only those field tasks that qualify as Essential Business Items are occurring now.

The following constitutes a brief business update by program area:

Administration and Corporate Services:
Generally operating as per normal. We will be seeking a new Administrative Assistant as soon as the situation allows.

Environmental Planning and Regulations:
Planning applications are down slightly, but permit applications are up. At this point we are conservatively estimating a minor reduction in annual revenues, but this will be monitored through the rest of the second quarter and into the third quarter.

Water Management
Water management and flood forecasting are generally proceeding per normal.

Watershed Monitoring
Watershed monitoring activities are on hold until further notice. Field staff are not collecting samples at this time due to limitations on the number of staff in a vehicle and because MECP labs are not accepting samples at this time.

Stewardship
Stewardship will be proceeding per normal. Several projects have been secured for this year and we are still seeking more projects. We will continue to reach out through social media, our website, and possibly print media to reach broad audience of landowners.

Forestry Services
Forestry services are reduced from what was anticipated due to the impacts of COVID-19 and the associated Provincial Orders. Tree planting is ongoing right now and is expected to wrap up in two to three weeks. However, the annual tree sale was cancelled as were pre-order tree sales. The full impact of this revenue loss will be presented in the Second Quarter budget report.

Education
We are still awaiting further information from the Province and local health officials on the viability of the 2020 Summer Day Camp. The feasibility of this program in contingent on the health and safety requirements due to COVID-19. Generally, in a typical year, this is a break even program. Based on what we are seeing in other industries, we are anticipating that additional health and safety requirements will dramatically drive up the costs of delivering this program in 2020. We will continue to monitor the situation, but if the costs go up and anticipated enrollment is down, we will not be running day camp this summer.

Several other camps have already cancelled their programs, including Meaford and Grey Roots.

Lands Policy and Management
Currently the budget for this program is underspent due to the inability to onboard the Manager of Conservation Lands at this time. The intention is to onboard this position as soon as possible, but in the interim, has led to a cost savings to the organization.

The result is that some of the priority tasks for this Department may not be fulfilled this year. This likely includes the conclusion of the Inglis Falls Management Plan and possibly the commencement of the Eugenia Falls Management Plan, depending on timing.

Operations
The Operations Department currently consists of only the Acting Operations Manager. As we were again unable to onboard during the current COVID-19 situation. However, we will be looking to onboard in this department very soon as maintenance, inspection, and security tasks are increasing dramatically with the onset of warmer weather.

Trails have been inspected and most properties are now open to the public again.

Grey County Service Contract
We continue to fulfill this contract for the County of Grey.

Communication Strategy:
None at this time.

Consultation: CAO, All GSCA Management Staff

Date of Update of this Report: May 22, 2020

Attachment #7

TD

TD Wealth
Private Investment Counsel

GREY SAUBLE CONSERVATION
Portfolio number: MP3613
Portfolio type: Investment Account

Your Investment Account statement

January 1, 2020 to March 31, 2020

Your portfolio at a glance

You need to know

Please see **page 10** for important information about your portfolio.

Please see **page 12** for further information about Your portfolio at a glance and Your personal rates of return sections.

	This period (Jan 1 - Mar 31, 2020)	Year to date (Jan 1 - Mar 31, 2020)	Last 12 months (Apr 1, 2019 - Mar 31, 2020)	Last 3 years (Apr 1, 2017 - Mar 31, 2020)	Since Apr 10, 2015 (Apr 10, 2015 - Mar 31, 2020)
Beginning portfolio balance	$1,227,919.39	$1,227,919.39	$1,156,898.66	$1,086,683.34	$0.00
Cash deposits & net transfers of securities	$0.00	$0.00	$0.00	$0.00	$1,000,000.00
Withdrawals & deregistrations	$0.00	$0.00	$0.00	$0.00	$0.00
Investment income:					
Dividends	$0.00	$0.00	$5,693.06	$17,250.38	$27,655.20
Interest	$5,256.00	$5,256.00	$28,353.36	$92,250.32	$131,649.65
Realized capital distributions, gains and losses	$1,821.70	$1,821.70	$12,237.70	$37,090.09	$68,072.28
Change in unrealized capital gains and losses	-$207,975.02	-$207,975.02	-$165,771.25	-$169,576.29	-$136,934.21
Adjustments	-$559.15	-$559.15	-$559.15	-$559.15	-$2,996.65
Unallocated distributions for the current year	$5,262.47	$5,262.47	N/A	N/A	N/A
Ending portfolio balance	**$1,028,329.67**	**$1,028,329.67**	**$1,028,329.67**	**$1,028,329.67**	**$1,028,329.67**

On March 31, 2020, CAD 1.00 = USD 0.70256

Your personal rates of return as of Mar 31, 2020

For the last 12 months	For the last 3 years	Since Apr 10, 2015
-11.08%	**-1.75%**	**0.54%**

Personal rate of return reflects the total percentage return earned on the investments held in your account. Total percentage return means the cumulative realized and unrealized capital gains and losses of an investment, plus income from the investment, over a specified period of time, expressed as a percentage.

Personal rate of return is calculated using a money-weighted methodology. Unlike alternative rate of return methodologies, it takes into account any deposits or withdrawals you have made, and the performance outcomes of your investments over a specified time period, net of fees and charges paid directly by this account. Rates of return are provided on an annualized basis except for any returns reflective of a period of less than one year.

This historical data offers you a longer term perspective about your account's performance and progress towards your goals.

Attachment #9

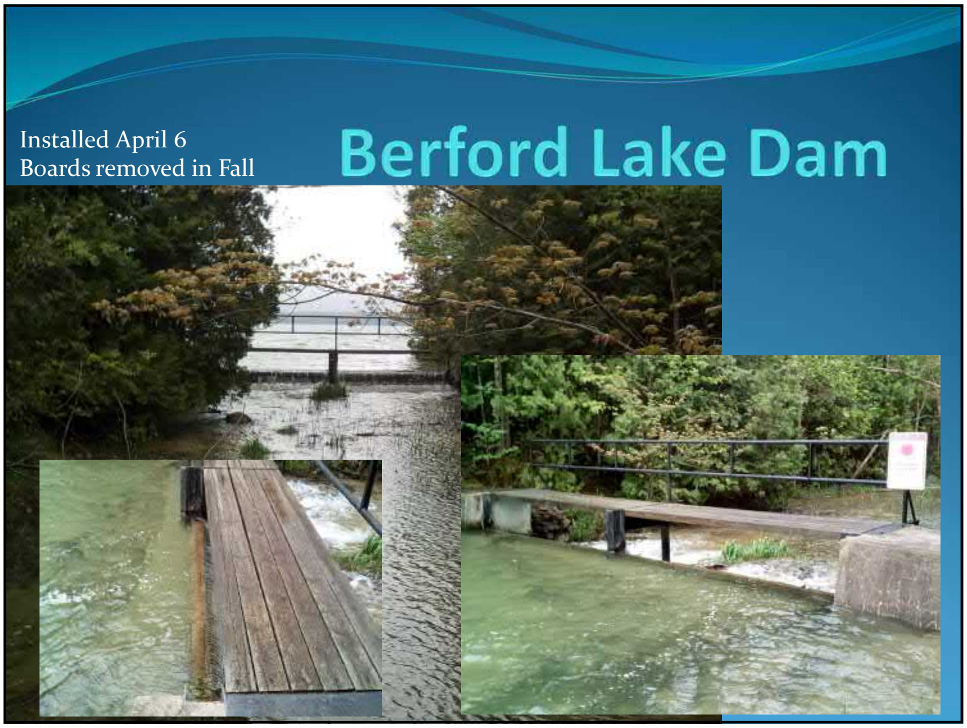
Grey Sauble Conservation

GSCA DAMS 2020

1

GSCA Dams

2


Installed April 6
Boards removed in Fall
Berford Lake Dam

3


Installed Started April 6
Install Finished April 9
Draw-down in Fall
Bognor Marsh #2

4

Rankin Dam

Installed April 22
Draw-down in Fall
Need to install before lake levels drop below Normal Operating Level

5

Rankin Dam Pt 2

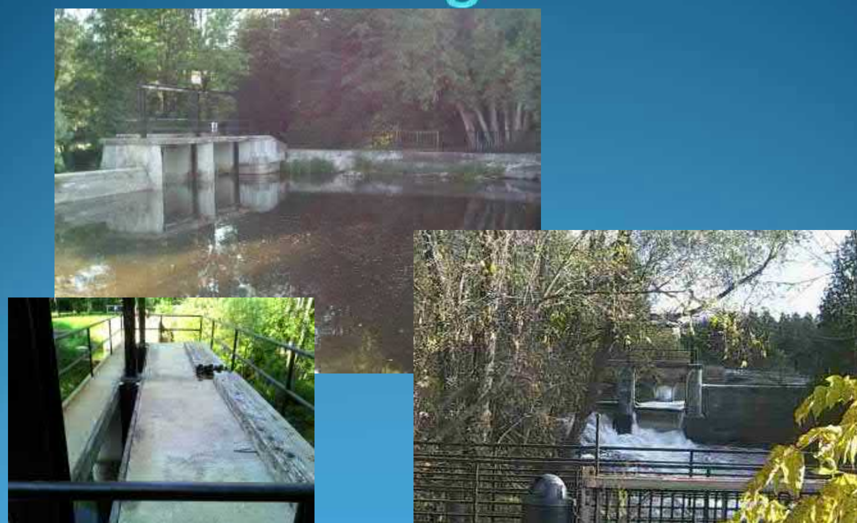
Installed 17 Plugs April 24

Biodegradable Plugs using wood chips, burlap and twine

6

Inglis Falls Dam

Installed May 1
Draw-down in Fall



7

Clendenan Dam

Install attempted May 8
Unable to remove large log
Working on options

8

Mill Dam

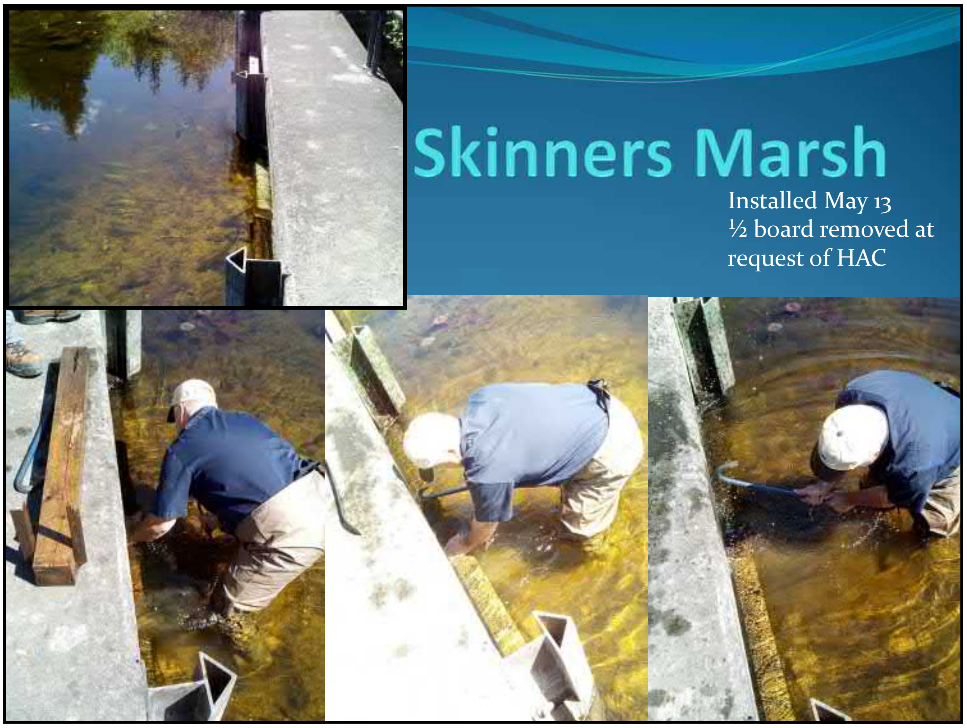
Started Install May 13 (30 hrs)
North gate still partially open (high flows)
Draw-down in Fall

9

Mill Dam pt2

April 30 - Notified Swan nesting in flood zone
May 5 – Received CWS permit
May 13 – Relocated Nest (delay due to cold)

10


Skinners Marsh
Installed May 13
½ board removed at
request of HAC

11

Attachment #10

STAFF REPORT

Report To: Board of Directors

Report From: Tim Lanthier, CAO

Meeting Date: May 27, 2020

Report Code: 14-2020

Subject: Conservation Land Re-Opening – For Information

Background

In late March, GSCA closed certain popular properties to public access in light of several factors related to the COVID-19 global pandemic. In addition to the Province and many other partners moving towards tightening restrictions in the face of the onset of COVID-19, GSCA was also starting to experience increasing numbers of visitors at many of our more prominent properties. This issue alone was leading to increasing concern from neighbouring property owners and some municipal partners regarding public safety. Further, the "closed" properties had not actually re-opened after winter and the public use was unauthorized regardless.

Concerns regarding communications and compliance enforcement of the closure of some properties and not others, combined with GSCA's inability to onboard seasonal staff to undertake necessary trail and property maintenance lead to the closure of all GSCA properties on March 27, 2020.

These properties remained closed until such time as GSCA staff were able to engage volunteers and alternate GSCA staff to conduct trail inspections and necessary maintenance.

Current Status:

GSCA owns over 200 properties within approximately 80 property groupings. GSCA staff and volunteers from the Bruce Trail Conservancy, Friends of Hibou, the Inglis Falls Arboretum Alliance, and the Bruce Ski Club were able to get out to conduct trail inspections and necessary maintenance to enable GSCA to re-open most of its properties on May 23, 2020.

Twelve of GSCA's properties remain closed at this time. These properties are remaining closed based on a general consenus from our municipal partners and our local public health officials that we do not encourage travel at this time. As such, our more popular properties will remain closed. Additionally, to be consistent with the public health order issued to our municipal partners, we will not be opening our beaches.

These properties include the following:

- Ainslie Woods Conservation Area
- Arran Lake Conservation Area
- Bruce’s Caves Conservation Area
- Christie Beach Conservation Area
- Clendenan Dam
- Eugenia Falls Conservation Area
- Indian Falls Conservation Area
- Inglis Falls Conservation Area
- Old Baldy Conservation Area
- Peasemarsh Nature Reserve
- Pottawatomi / Jones Falls Conservation Area
- Spirit Rock Conservation Area

Hibou Conservation Area will be open, but the beach will remain closed.

The trails at the Inglis Falls Arboretum will open, but not Inglis Falls or the trails leading to it.

We will continue to communicate with our municipal partners and the local public health officials to determine the best time to re-open the remaining properties. The beach properties will re-open with the rescinding of the public order for beach closures. This might act as the trigger for the remainder of the properties as well.

Financial/Budget Implications:

There will be ongoing impacts to our lands based revenues associated with these property closures and with ongoing Provincial Orders. The magnitude of these impacts is unknown at this time. We are hopeful that we will be able to open these properties again soon.

Communication Strategy:

Ongoing communications have been provided and will continue to be provided to the public via social media, media releases, GSCA’s website and direct correspondence with the public via email and telephone.

Consultation:

CAO, Operations Manager, Manager of Information Services, Programs and Communications Planner

Date of Update of this Report: May 22, 2020

Attachment #11

STAFF REPORT

Report To: Board of Directors

Report From: Tim Lanthier, CAO

Meeting Date: May 27, 2020

Report Code: 15-2020

Subject: Lease Request for Drainage Easement over GSCA Lands

Recommendation:

> **WHEREAS, the Grey Sauble Conservation Authority (GSCA) is the fee-simple owner of the lands known to us as Peasemarsh Nature Reserve (herein, Peasemarsh) in the Town of the Blue Mountains;**
>
> **AND WHEREAS, Mr. John Antchak, owner of 208485 Highway 26, has approached GSCA with an interest to have a drainage easement over a portion of GSCA's Peasemarsh Property;**
>
> **AND WHEREAS, under Section 21(1)(c), (d) and (n) of the Conservation Authorities Act, GSCA may enter into an agreement with an individual to lease a property;**
>
> **THAT the Board of Directors agree to Staff negotiating an ongoing 5-year lease agreement with Mr. Antchak for the purposes of allowing drainage across GSCA's lands;**

Strategic Initiatives

This item is related to the "Enhance Current Land Management" priority set out in GSCA's Strategic Plan.

Background

In December 2019, GSCA Staff were contacted by Mr. Antchak's consulting engineer with regards to gaining a drainage easement across GSCA's Peasemarsh property in the Town of the Blue Mountains to allow excess sump water to be discharged to Indian Brook. We have been informed by Mr. Antchak's consulting engineer that excess water build up is occurring in Mr. Antchak's basement sump pit, and this is resulting in two to three sump pumps running continuously to control this situation.

Upon site inspection for the purposes of considering this request, it was noted by GSCA Staff that Mr. Antchak has already installed drainage pipes over the surface of GSCA's Peasemarsh property and is actively draining excess water towards Indian Brook.

Current Proposal:
By means of a drainage system, on Mr. Antchak's property, Mr. Antchak is proposing to install an interceptor drain to collect and pump excess groundwater prior to it reaching his basement. He is requesting that he be permitted to install a drain pipe across GSCA's Peasemarsh property for the purposes of obtaining adequate drainage away from his property. A copy of the proposal schematic is attached.

It should be noted that this property is completely landlocked and surrounding on three sides by the Peasemarsh property and on the fourth side by a residential property. The attached air photos show the location of the property.

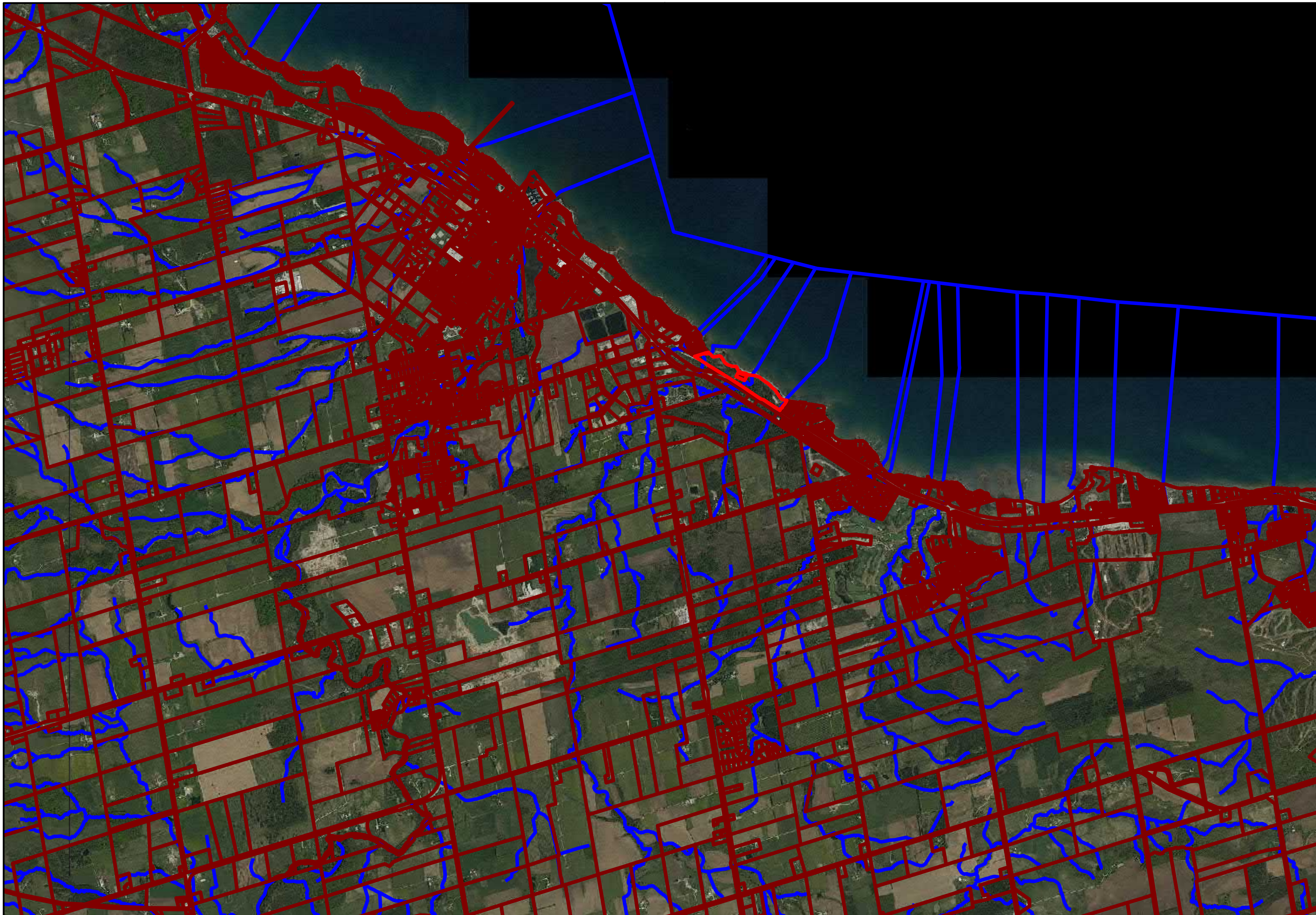
As there is no alternative for Mr. Antchak, it is recommended that this proposal generally be allowed and that GSCA Staff be instructed to negotiate a five-year lease agreement with Mr. Antchak which will include the terms and conditions of the proposal, indemnity clauses to protect GSCA, and an annual compensation amount paid to GSCA.

Financial/Budget Implications:
GSCA Staff will negotiate a reasonable lease payment agreement with Mr. Antchak to allow for the proposed easement.

Communication Strategy:
Staff will continue to communicate directly with Mr. Antchak's consultant.

Consultation: Planning Technician

Date of Update of this Report: May 22, 2020



Peasemarsh Property

Scale = 1:50000

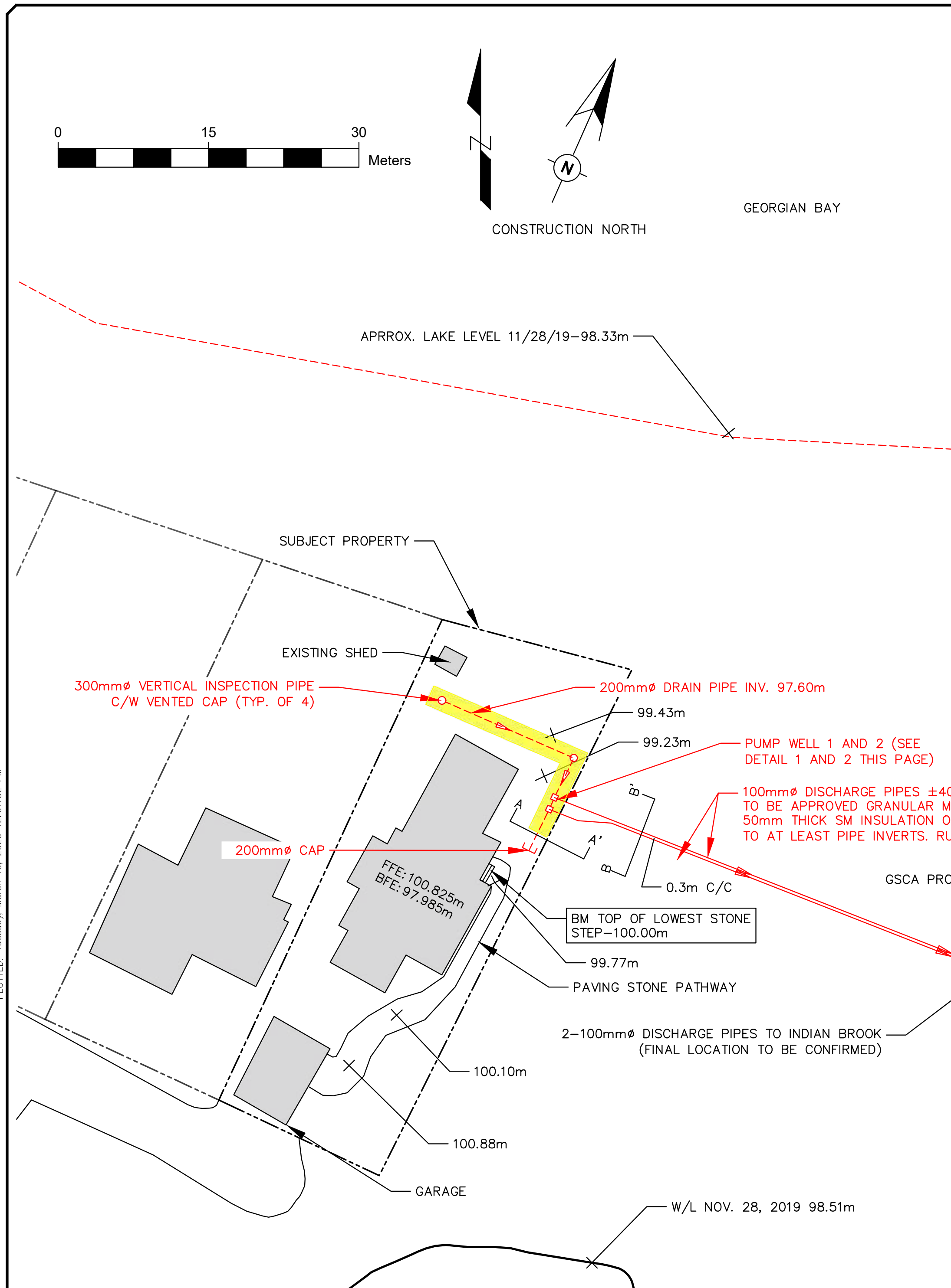
0 200 m

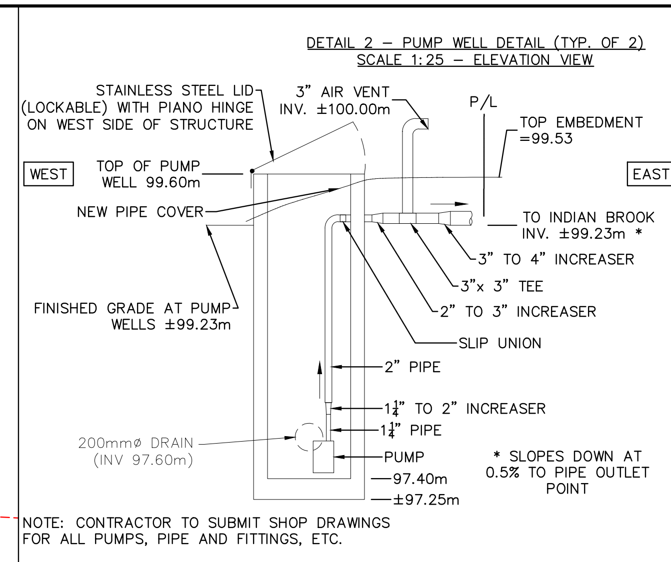
Peasemarsh Property

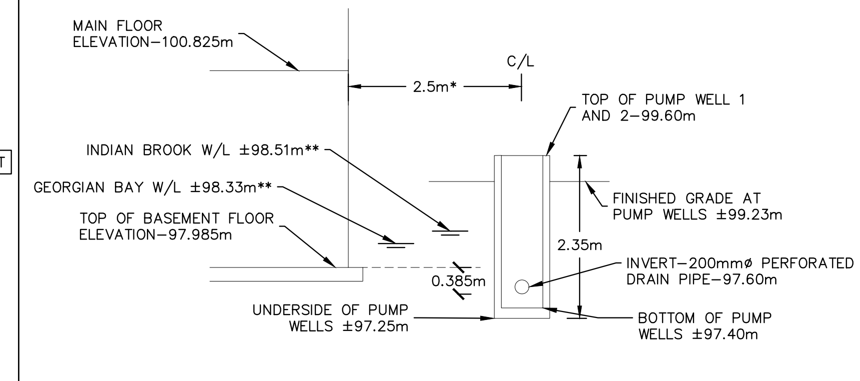
N

Scale = 1:8000

Antchak Property

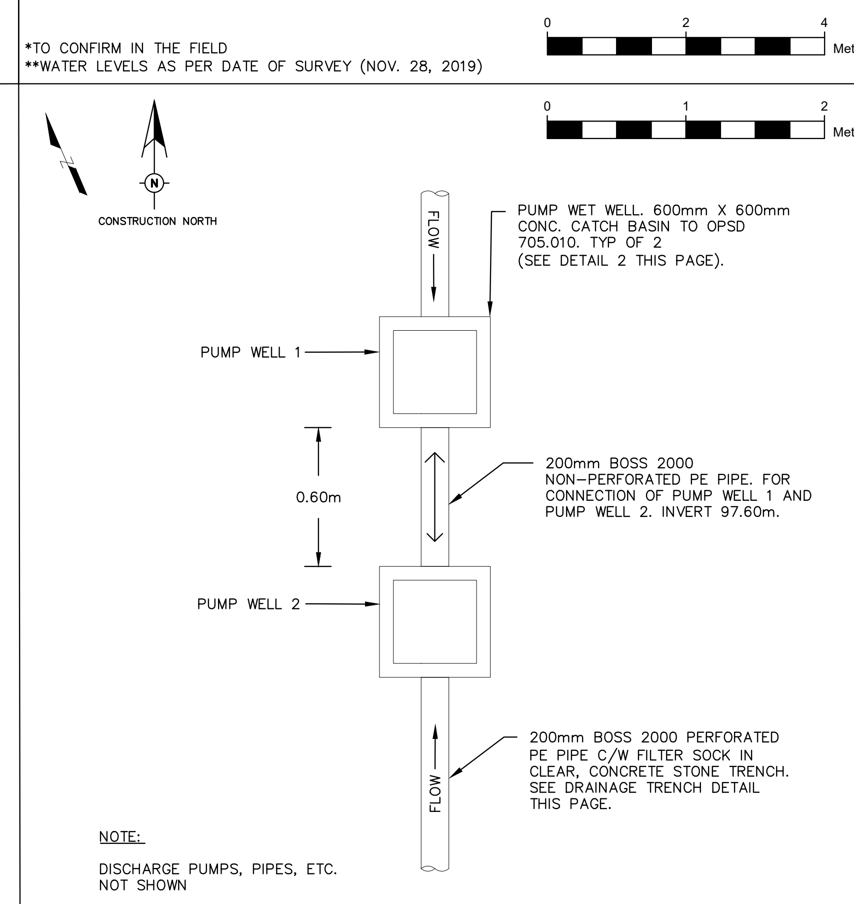






ELEVATION VIEW A–A'. DRAINAGE TRENCH AND PUMP WELLS 1 AND 2
SCALE 1:50

*TO CONFIRM IN THE FIELD
**WATER LEVELS AS PER DATE OF SURVEY (NOV. 28, 2019)



NOTE:

DISCHARGE PUMPS, PIPES, ETC. NOT SHOWN

DETAIL 1. PLAN VIEW. PUMP WELL 1 AND 2
SCALE 1:25

KEY PLAN

LEGEND

	APPROX. LOCATIONS OF EXISTING BUILDING
	APPROX. LAKE LEVEL
98.55m	SURVEY ELEVATIONS 11/28/19
	PROPERTY BOUNDARIES (APPROX.)
FFE	MAIN FLOOR ELEVATION
BFE	BASEMENT FLOOR ELEVATION
	PUMP WELL–600mmx600mm CHAMBER
	BURIED PERFORATED DRAIN AND FLOW DIRECTION
	300mmø VERTICAL PE PIPE INSPECTION PORT/VENT

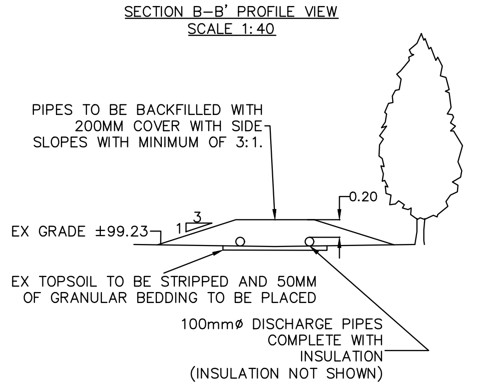
BENCHMARK:
1. 100.00m TOP OF LOWEST STEP AT EAST ENTRANCE ON EXISTING HOUSE

CAUTION: THE POSITION OF POLE LINES, CONDUITS, WATERMAINS, SEWERS, PROPERTY LINES AND OTHER UNDERGROUND AND OVERGROUND UTILITIES ARE STRUCTURES IS NOT NECESSARILY SHOWN ON THE CONTRACT DRAWINGS AND WHERE SHOWN, THE ACCURACY OF THE POSITION OF SUCH UTILITIES, PROPERTY LINES & STRUCTURES IS NOT GUARANTEED. BEFORE STARTING WORK, THE CONTRACTOR SHALL INFORM HIMSELF OF THE EXACT LOCATION OF ALL SUCH UTILITIES, PROPERTY LINES & STRUCTURES, AND SHOULD ASSUME ALL LIABILITY FOR DAMAGE TO THEM.

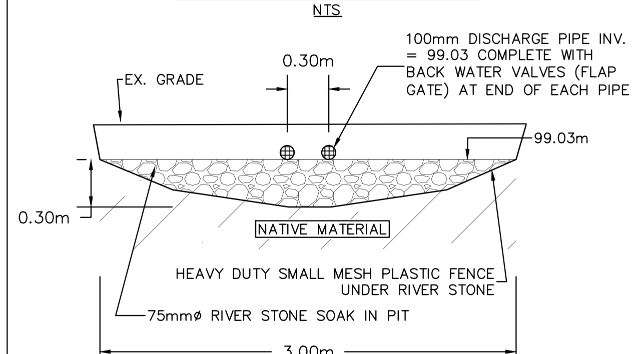
DD/MM/YY	DESCRIPTION
	REVISION / ISSUE

Seal not valid unless signed and dated

SECTION B–B' PROFILE VIEW
SCALE 1:40



PROFILE VIEW C–C' – DISCHARGE AREA
NTS

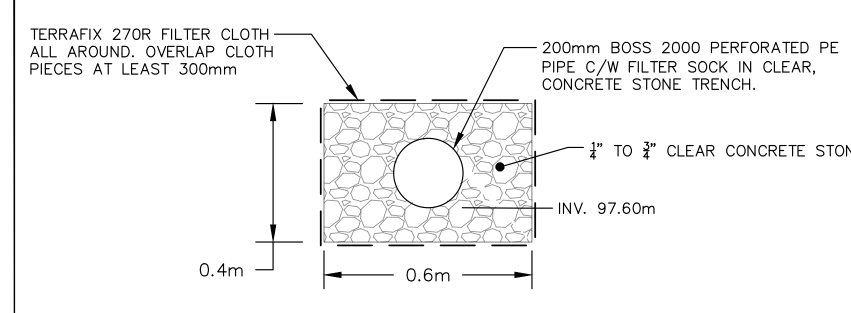


WELL PUMPS

WELL PUMPS (2) TO BE GRUNDFOS UNILIFT KP 350 A 1 PUMPS (INCLUDES FACTORY SUPPLIED FLOAT SWITCH). SET THE LENGTH OF FLOAT SWITCH AT 6". PROVIDE 25' LONG POWER CORD WITH NEMA 5 PLUG.

MECHANICAL/ELECTRICAL CONTRACTOR TO SUBMIT, IN ADVANCE, DETAILS OF PUMP INSTALLATION IN EACH PUMP WELL, INCLUDING ALL ELECTRICAL DETAILS (WIRING, ELECTRICAL BREAKERS ETC.). ALSO DETAIL PUMP DISCHARGE PIPES AND MEANS TO PULL PUMP FROM EACH PUMP WELL FOR INSPECTION AND MAINTENANCE.

PUMP 1. ON ELEVATION – 97.70m. OFF ELEVATION – 97.50m.
PUMP 2. ON ELEVATION – 97.75m. OFF ELEVATION – 97.55m.



ELEVATION VIEW. DRAINAGE TRENCH DETAIL
SCALE 1:10

GSS ENGINEERING CONSULTANTS LTD
Unit 104D 1010 9th Avenue West, Owen Sound, ON, N4K 5R7
Telephone: (519) 372–4828

Title:
SUBGRADE DRAINAGE INVESTIGATION
INDIAN BROOK PROPERTY

Client: JOHN ANTCHAK

Design:	JTG	Scale:	1:300
Drawn:	SDW	Approved:	Design Engineer
Checked:	JTG		
Date:	MAR 2020		

Drawing No. 19–053–01

PLOTTED: Tuesday, March 10, 2020 12:01:52 PM

G:\GSS Common\2019\19-053 Indian Brook Property – Subgrade Drainage Investigation–John Antchak\Drawings\19-053.dwg Mar 10, 2020 – 12:01pm

Attachment #12

Grey Sauble Conservation

237897 Inglis Falls Road, R.R.#4, Owen Sound, Ontario, N4K 5N6 519-376-3076 www.greysauble.on.ca

April 23, 2020 **For Immediate Release**

Grey Sauble Conservation is Not Selling Hibou

The recent placement of a “For Sale” sign at the northeast portion of Grey Sauble Conservation Authority’s Hibou Conservation Area near Leith has raised concerns by many local groups and residents. The sign, posted by Atlas World Real Estate Corporation, was installed on the property on Friday, April 10, 2020.

Grey Sauble Conservation Authority (GSCA) became aware of the situation on the evening of Saturday April 11th, following Facebook posts regarding the impending sale of Conservation Authority owned lands.

Hibou, which consists of approximately 329 acres of land along the shoreline of Georgian Bay, was acquired by the then North Grey Region Conservation Authority (now GSCA) in the early to mid-1970’s following a successful fundraising campaign. GSCA has been maintaining these lands as a public access conservation area since this time.

Recently, through the placement of the “For Sale” sign, GSCA staff became aware that another party registered a title interest in this portion of the Hibou property. GSCA is actively working to ensure that this misunderstanding is rectified as quickly as possible.

“I would like to assure everyone that the Grey Sauble Conservation Authority is not selling, and has never sold, any portions of Hibou”, said Tim Lanthier, Chief Administrative Officer for the GSCA. “Hibou is a very special place for the Grey Sauble Conservation Authority and for the community. This is one of our flagship properties and we have been actively developing plans with community partners to invest in and improve Hibou over the next few years. Additionally, we have been working with the ‘Friends of Hibou’ to host a special family friendly event in June. Unfortunately, due to recent world events, this event will now be postponed until 2021”.

The GSCA will continue to work with our solicitor to rectify this situation by whatever means necessary and will provide further updates to the public when this issue is resolved.

-30-

Tim Lanthier, GSCA Chief Administrative Officer
Phone 519-270-9907 | Email t.lanthier@greysauble.on.ca

Gloria Dangerfield, GSCA Manager of Information Services
g.dangerfield@greysauble.on.ca

Background:
Our vision is a healthy watershed environment in balance with the needs of society.

Our mission, in partnership with the stakeholders of the watershed, is to promote and undertake sustainable management of renewable natural resources and to provide responsible leadership to enhance biodiversity and environmental awareness.

Attachment #13

237897 Inglis Falls Road, R.R.#4, Owen Sound, Ontario, N4K 5N6 519-376-3076 www.greysauble.on.ca

May 11, 2020 For Immediate Release

Grey Sauble Properties Remain Closed but Some Scheduled to Open Soon

Grey Sauble Conservation Authority (GSCA) would like to clarify that their properties and trails remain closed at this time. There has been some confusion surrounding the recent announcement from the Provincial Government stating that Provincial Parks and Conservation Reserves will begin opening today (May 11, 2020). This announcement applies to Crown Land only and not GSCA owned properties.

GSCA appreciates the response from the public highlighting just how important the properties and trails are and would like to ensure everyone that a plan is being developed to open some GSCA lands soon. GSCA staff are currently working with applicable agencies to establish a strategy for re-opening some GSCA properties that will continue to support the health and safety of property users, staff, and the community.

Please check for updates on GSCA's Facebook page and website.

-30-

For more information:

Tim Lanthier, GSCA Chief Administrative Officer
Email t.lanthier@greysauble.on.ca

Background:

Our vision is a healthy watershed environment in balance with the needs of society.

Our mission, in partnership with the stakeholders of the watershed, is to promote and undertake sustainable management of renewable natural resources and to provide responsible leadership to enhance biodiversity and environmental awareness.

Attachment #14

237897 Inglis Falls Road, R.R.#4, Owen Sound, Ontario, N4K 5N6 519-376-3076 www.greysauble.on.ca

May 21, 2020 For Immediate Release

Some GSCA Properties to Reopen Saturday May 23, 2020

A phased reopening of some GSCA properties will begin this Saturday (May 23, 2020) after being closed due to the COVID-19 pandemic. The regular onboarding of seasonal maintenance staff was prevented due to COVID-19 resulting in a significant shortage of resources, however other staff and volunteers are working to conduct trail inspections and undertaking necessary maintenance and repairs despite these limitations. GSCA appreciates everyone's patience, as well as their comments and feedback during the closures, which highlight just how valuable GSCA trails are and how important access to nature is for community health and well-being. GSCA would also like to thank all of the volunteers that worked with staff to make this possible.

Some of the properties, including waterfalls and beaches, will remain closed at this time. Be sure to visit www.greysauble.on.ca for a complete list of properties that remain closed before you plan your hike. GSCA would like to remind everyone that amenities like washrooms and garbage receptacles will not be available, so please plan your visit accordingly. It is advised that people explore close to home to limit non-essential travel; maintain physical distancing when on the trails; avoid touching surfaces; and take all garbage home, including dog waste.

GSCA would like to thank everyone again for their patience during the property closures and welcome hikers back to once again enjoy the physical and mental health benefits of being in nature at many of GSCA's properties.

-30-

For more information:

Tim Lanthier, GSCA Chief Administrative Officer
Email t.lanthier@greysauble.on.ca

Background:

Our vision is a healthy watershed environment in balance with the needs of society.

Our mission, in partnership with the stakeholders of the watershed, is to promote and undertake sustainable management of renewable natural resources and to provide responsible leadership to enhance biodiversity and environmental awareness.

Attachment #15

STAFF REPORT

Report To: Board of Directors

Report From: Gloria Dangerfield, GIS/Database Coordinator

Meeting Date: May 27th, 2020

Report Code: **16-2020**

Subject: Sale of Light Detection & Ranging (LiDAR) MOU and Data

Recommendation:

WHEREAS Grey Sauble Conservation Authority (GSCA) acquired LiDAR for the lake fringe watersheds of Grey County;

AND FURTHER WHEREAS this project was funded through a partnership between GSCA, The County of Grey and The Blue Mountains under the National Disaster Mitigation Program Intake 4.

AND FURTHER WHEREAS The Blue Mountains paid additional costs to have the entirety of the municipality flown;

THAT the Grey Sauble Conservation Authority enter into a memorandum of understanding with The County of Grey and The Blue Mountains that permits the sale of LiDAR data by GSCA, for commercial purposes, at a cost of $250 per square kilometre tile, or stereo pair, outside of The Blue Mountains Jurisdiction.

Strategic Initiative:
This item indirectly relates to all GSCA's strategic initiaves in that acquiring, managing and disseminating the most accurate data possible helps inform the important decisions that the Authority makes. The ability to sell elevation data for commercial use also helps in costs recovery and strengthens GSCA's budget.

Background:
In 2018 GSCA, The Blue Mountains and The County of Grey worked under the National Disaster Mitigation Program Intake 4 to create a Risk Assessment for the Craigleith/Camperdown and Bothwell subwatersheds. The initial investment from The County of Grey and Blue Mountains were $50,000 and $38,000 (cash and in-kind) was provided by GSCA. Public safety Canada matched these funds. Under this project, GSCA was ablt to attain ATLIS Geomatics to fly and capture high quality elevation data (LiDAR) for the full project study area.

The NDMP intake 4 study area only included the lake fringe portion of The Blue Mountains and therefore The Blue Mountains paid approximately an additional $35,000 to extend the coverage area and fly LiDAR for their whole jurisdiction.

Current Proposal:
GSCA is proposing to sign a memorandum of understanding (MOU) with both project partners, The County of Grey and The Blue Mountains. This MOU provides a framework for the sharing and sale of the data produced from the LiDAR flown by ATLIS Geomatics in Spring 2019 under contract with GSCA.

This MOU states that:

- All partners own the LiDAR Data
- Data can be provided at no cost to municipalities, consultants working for a municipality, the public and institutions for non-commercial and educational or research purposes
- Data can be sold at a cost of $250/tile or $250/stereo pair to any agency who will use the data for commercial use and are not working under contract with a municipality
- Data within The Blue Mountains shall only be sold by The Blue Mountains
- Data requests made to GSCA or The County of Grey within The Blue Mountains shall be directed to Blue Mountains staff
- All data provided at no cost is done so under a data sharing agreement that prevents resharing or resale from the licensee
- Data shall be shared or sold, and profits retained by, the agency that the data request is made to, except within the Town of the Blue Mountains

Financial/Budget Implications:
This proposal will result in some cost-recovery related to data sales.

Communication Strategy:
The Website will be updated to advise that LiDAR product is available for purchase.

Consultation:
The Blue Mountains and County of Grey staff and GSCA CAO.

Date of Update of this Report: May 27th, 2020