

Appendix 1:  
Yield curve and implied yield as at Aug 31, 2023

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1 **Question:**

2 Please provide the yield curve and implied yield at August 31, 2023, and compare with  
3 that included at March 31, 2023.

4 Please provide a plot of the March 31, 2023 yield curve and August 31, 2023.

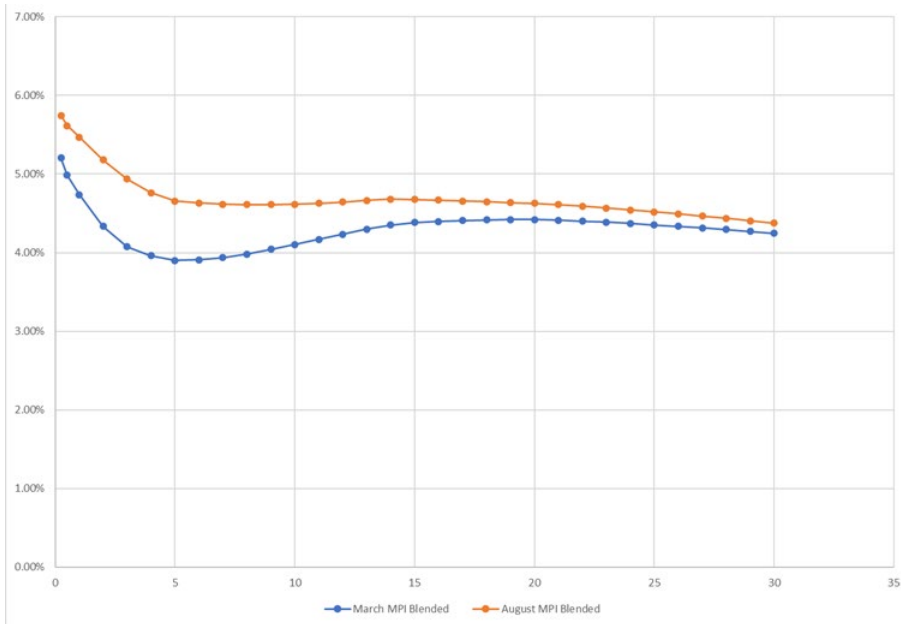
5 Please file an update to the claims discount rate determination and Marketable Bond  
6 Yield as of August 31, 2023.

7 **RESPONSE:**

8 a) The cashflow weighted average discount rate using August 31 yield is 4.79%.  
9 This is an increase of almost 50 bps compared to the filing which was as of  
10 March 31. The 4.79% is using the August yield curve excluding commercial  
11 mortgages to be consistent with the initial filing.

12 b) A graph comparing the March 31, 2023 IFRS yield curve, provided by Addenda,  
13 and the August 31, 2023 IFRS yield curve, provided by Addenda, is included  
14 below:

Figure 1 Yield Curve Comparison March vs August



- 1 c) As of April 1st, MPI has changed to IFRS 17 accounting standard and as a
- 2 result the claims discount rate will be replaced by the yield curve provided by
- 3 Addenda (which can be seen in part b). The requested figure is below, with
- 4 updated numbers for 91-day T.Bill rate, GoC 10 Yr rate and Marketable bond
- 5 yield as of August 31. The claims discount rate has been removed.

**Figure 2 91-day T.Bill rate, GoC 10 Yr rate and Marketable bond yield as at Aug 31**

Calendar Year/ Quarter	Fiscal Year/ Quarter	Aug-23				Mar-23				91-Day T.Bill Rate Difference	GoC 10 Yr Rate Difference	Mrk. Bond Yield Difference	MUSH Yield Difference
		91-Day T.Bill Rate	GoC 10 Yr Rate	Mrk. Bond Yield	MUSH Yield	91-Day T.Bill Rate	GoC 10 Yr Rate	Mrk. Bond Yield	MUSH Yield				
		Aug-23	Aug-23	Aug-23	Aug-23	2024 GRA	2024 GRA	2024 GRA	2024 GRA				
23:01	2023/24 Q1	5.07%	3.56%	5.04%	4.20%	4.34%	2.90%	4.22%	4.20%	0.73%	0.66%	0.82%	0.00%
23:02	2023/24 Q2	5.07%	3.56%	5.04%	4.20%	4.34%	2.90%	4.22%	4.20%	0.73%	0.66%	0.82%	0.00%
23:03	2023/24 Q3	5.07%	3.56%	5.04%	4.20%	4.34%	2.90%	4.22%	4.20%	0.73%	0.66%	0.82%	0.00%
23:04	2023/24 Q4	5.07%	3.56%	5.04%	4.20%	4.34%	2.90%	4.22%	4.20%	0.73%	0.66%	0.82%	0.00%
24:01	2024/25 Q1	5.07%	3.56%	5.04%	4.20%	4.34%	2.90%	4.22%	4.20%	0.73%	0.66%	0.82%	0.00%
24:02	2024/25 Q2	5.07%	3.56%	5.04%	4.20%	4.34%	2.90%	4.22%	4.20%	0.73%	0.66%	0.82%	0.00%
24:03	2024/25 Q3	5.07%	3.56%	5.04%	4.20%	4.34%	2.90%	4.22%	4.20%	0.73%	0.66%	0.82%	0.00%
24:04	2024/25 Q4	5.07%	3.56%	5.04%	4.20%	4.34%	2.90%	4.22%	4.20%	0.73%	0.66%	0.82%	0.00%
25:01	2025/26 Q1	5.07%	3.56%	5.04%	4.20%	4.34%	2.90%	4.22%	4.20%	0.73%	0.66%	0.82%	0.00%
25:02	2025/26 Q2	5.07%	3.56%	5.04%	4.21%	4.34%	2.90%	4.22%	4.21%	0.73%	0.66%	0.82%	0.00%
25:03	2025/26 Q3	5.07%	3.56%	5.04%	4.21%	4.34%	2.90%	4.22%	4.21%	0.73%	0.66%	0.82%	0.00%
25:04	2025/26 Q4	5.07%	3.56%	5.04%	4.22%	4.34%	2.90%	4.22%	4.22%	0.73%	0.66%	0.82%	0.00%
26:01	2026/27 Q1	5.07%	3.56%	5.04%	4.23%	4.34%	2.90%	4.22%	4.23%	0.73%	0.66%	0.82%	0.00%
26:02	2026/27 Q2	5.07%	3.56%	5.04%	4.22%	4.34%	2.90%	4.22%	4.22%	0.73%	0.66%	0.82%	0.00%
26:03	2026/27 Q3	5.07%	3.56%	5.04%	4.22%	4.34%	2.90%	4.22%	4.22%	0.73%	0.66%	0.82%	0.00%
26:04	2026/27 Q4	5.07%	3.56%	5.04%	4.21%	4.34%	2.90%	4.22%	4.21%	0.73%	0.66%	0.82%	0.00%

Claims Discount Rate was removed from the table, as under IFRS 17 MPI will be using the Discount Curve provided by Addenda.