



INVESTMENT MANAGEMENT BOARD

Report to Dehcho First Nations Annual Assembly 2016

The Investment Management Board (IMB) has been researching a process for allocating investment funds throughout the fall and winter of 2015/2016. The IMB Accounts Application Handbook was distributed at the 2016 Winter Leadership meeting.

The IMB Strategic Plan adopted December 2015, Goal 5 strives to improve the quality of life for Dehcho beneficiaries and ensure they remain stewards of their own territory. The goal intends to disburse funds from the IMB accounts (Business Ventures, Economic Development, Community Development and Elder's Heritage Account) in the summer/fall of 2016. There is approximately \$1.2 million dollars available for disbursement.

The IMB aims to maximize a return on investment and invest in a way that encourages optimum results and promotes project success, while being mindful of secondary income and our limited administrative capacity.

To ensure IMB's ideas align with the original spirit and intent of the Dehcho First Nations (DFN) Master Trust agreement and signed off on by DFN Leadership in 2007/2008. The IMB met with DFN Executive Committee on May 3, 2016. We discussed IMB's limitations; administratively, cost of processing multiple applications, taxation issues, and next steps for proceeding with investment opportunities.

IMB has explored options for managing disbursements from the Business Ventures, Economic Development, Community Development, and Elder's Heritage Accounts. Given the considerable amount of time it would take to build these accounts backup, we want to ensure that disbursements are sustainable.

Based on a four (4) year investment cycle, IMB is of the opinion that by investing a maximum of \$1.2 million, the remaining disbursement account balance will help regenerate IMB account funds necessary for sustaining a four year investment cycle. This could change if there is a significant deposit of funds to the Master Trust Accounts through a DFN Final Agreement.

Rather than make a large number of small investments, IMB will consider allocating funds to one large multi-purpose investment, such as southern post-secondary housing, or a multi-purpose facility or a gravel pit - these are examples of one large regional investment.

Under the Trust guidelines human resources and administrative capacity for the IMB is limited. Managing one investment keeps administrative pressure to a minimum. Investing a large sum in one investment increases the project's ability to leverage other sources of funding, thereby increasing the potential for success and a return on our investment.

In preparation for considering investment proposals, we have worked with IMB Investment Managers to build and network of resources to rely upon for business due diligence and vetting, project management, and providing formal opinions on business opportunities, and ventures. This work is ongoing and we will continue to broaden our network through our membership in National Aboriginal Trust Officers Association (NATOA).

IMB did inform the DFN Executive Committee at the May 3, 2016 meeting that we had would have 2 vacant positions on the Board and would not be filling the vacant 5th position. We informed the Committee that we would be recommending the re-appointment of Pearl Leishman and Misty Ireland.

Recommendation:

IMB is recommending to this Assembly that Pearl Leishman and Misty Ireland be re-appointed to the Investment Management Board for a second term. This is in line with IMB's policy regarding Board Appointments. Attached is their letters of interest.

Challenges and Opportunities:

- Cost of administering and processing applications.
- Taxation issues with income earnings and certain disbursement proposals.
- Having the right regional expertise to support the growth of the Trust
- Ensure IMB has adequate oversight of potential disbursement investments.
- Potential to work with DFN to support the investment for a Regional Economic Development Officer that would do the work that IMB currently has to contract out for.
- Potential to invest in a regional project that is in keeping with the outcomes in the Trust.

We continue to work on your behalf to safe guard the "Golden Egg", while ensuring there is growth that supports the criteria set out in the Trust. IMB thanks you for your ongoing support. 2016 will be a challenging and exciting year for IMB as we work on the challenges and opportunities listed above, and the goals in our strategic plan. We will need your continued support and advice as we move forward.

Respectfully submitted by the IMB:

Kathy Tsetso, Chair
Misty Ireland, Vice-Chair
Pearl Leishman, Secretary-Treasurer
Percy Hardisty, Director at Large

Report on IMB Strategic Plan Outcomes:

GOAL 1 The outcomes in the Trust are fulfilled	
IMB presented the amendments to the schedules in the Trust to Dehcho Leadership for adoption at the June 2015 Dehcho Assembly. Schedules were adopted at the 2015 Dehcho Annual Assembly (Resolution #02).	Completed
Currently updating and reviewing all minutes and resolutions in order to document the corporate history.	Ongoing
IMB adopted a Quarterly Road map template for reporting purposes. This tool will help keep us on track so that we can meet our deliverables	Completed
Quarterly Road Map will be reviewed by IMB on a quarterly basis and adjusted when needed	Completed
IMB has reviewed and updated the "IMB Accounts Application Handbook" to reflect disbursement process in each of the Trust Fund Schedules. The handbook was distributed to Dehcho delegates at the 2106 Winter Leadership meeting	Completed
In order to do our due diligence for fulfilling the outcomes of the Trust IMB met with DFN Executive Committee in May 2016 to discuss disbursement ideas and issues	Completed

GOAL 2 Dehcho Board members have the skills and capabilities to manage the Trust and fulfill their responsibilities	
IMB reviewed and updated their Policy and Procedures Manual which included and improved Appointment Processes for the Management Board. The new policy includes screening criteria. IMB is asking for your recommendation and approval for the new IMB Board appointment process.	Ongoing
IMB presented the Appointment Process policy for approval at the 2016 DFN Winter Leadership Assembly. Policy was adopted through DFN motion	Completed



IMB continues to work with the Wooding group to provide an orientation on the Trust Fund, our roles and our respectful responsibilities. An educational session on basic trust and investment fundamentals was provided to the Board by the Wooding Group.	Ongoing
IMB provided a Trust orientation to the Dehcho Elders at a meeting held in Fort Providence and more specifically, a review of the Elders Heritage Trust. The Elders provided their advice on how to disburse funds that meet the objectives of this Trust.	Ongoing
IMB will be joining the National Aboriginal Trust Organizations Association (NATOA) in 2016 and Sara McLeod, IMB's Administrative support person, will enroll in accredited training offered through NATOA. IMB will review the benefit of joining NATOA in December 2016 and will report back to Dehcho Leadership on our findings	Ongoing
IMB is considering sponsoring 1 or 2 IMB members to attend the NATOA training, Sara McLeod may not be interested. IMB is doing a cost analysis before proceeding with this option	Ongoing

GOAL 3

The Trust and Investment Management Board Accounts are invested prudently

IMB did meet with DRC in late spring to discuss opportunities to partner and maximize potential for developing a governance structure that will reduce duplication and support growth. For example, DRC is funded for staff and IMB is not therefore IMB would use DRC to analyze potential disbursement applications.	Ongoing
IMB meets in December each year to review the Trust's Investment Policy Statement (IPS) with the Wooding group. This allows IMB to discuss investment potential for each account and ensure that we are meeting the Trust investment criteria as set out in the Trust and to make changes if necessary. Reviewed yearly.	Ongoing
IMB is working with the Investment Managers to build a network of resources to rely on for business due diligence , and providing formal opinion on business/investment opportunities	Ongoing



GOAL 4
Effective processes and Governance

IMB is currently developing a reporting template that includes progress on IMB Strategic Goals, Financial updates on the IMB budget, accounts, and the Trust Fund Accounts.	Ongoing
Template for reporting presented at the DFN 2016 Winter Leadership meeting.	Completed
IMB continues to work on a standard format for reporting IMB budget. Meeting scheduled with Trust Officer in early June to discuss this matter	Ongoing
IMB will also update the website to include the Strategic Plan, IMB Accounts Handbook and IMB Minutes	Ongoing

GOAL 5
Improve the quality of life for Dehcho and ensure they remain stewards of their own territory

IMB intends to start disbursing funds from the IMB accounts in the spring of 2016. This should lead to improved health and wellness in Dehcho communities over time. This is the ultimate vision and mission of the IMB and the Trust Fund.	Ongoing
First step was to meet with the Elders to get their input on how the Elder's Heritage fund should be disbursed based on the accounts criteria. The Elders recommended that \$10,000 be disbursed to support the Dehcho Language Revitalization Students.	Completed
IMB met with DFN Executive Committee to discuss disbursement issues and opportunities as we go forward in May 2016	Completed

GOAL 6
Leadership and the community understand the purpose and function of the Trust

IMB invested in a tent so that IMB members could be available during the 2015 Assembly to provide information regarding the Trust Fund, IMB accounts and our respective roles and responsibilities. This will be an ongoing activity at the Annual Dehcho Assemblies going forward	Completed
The Wooding Group also attended the Dehcho Assembly and were available to discuss the Trust and to provide investment teaching, support and advice to members. IMB members are available to attend community meetings to go through the purpose and role of the Trust.	Ongoing



<p>IMB met with the Elders at the fall DFN Leadership meeting and provided an overview of the Master Trust and specifically the Elder's Heritage account. Elder's attending that session made recommendations for disbursement from the Elder's Heritage Account</p>	<p>Completed</p>
<p>IMB met with DFN Executive Committee in May 2016 to discuss disbursement challenges and opportunities, doing due diligence with respect to IMB's role and responsibilities with the Master Trust</p>	<p>Completed</p>

