



# INVESTMENT MANAGEMENT BOARD

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## Report to Dehcho First Nations Winter Leadership – February 2017

The Investment Management Board (IMB) has researched a process for allocating investment funds and 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). There is approximately \$2.3 million dollars available for disbursement.

To ensure IMB's ideas align with the original spirit and intent of the Dehcho First Nations (DFN) Master Trust agreement signed by DFN Leadership in 2007/2008, the IMB continues to work with the DFN Executive Committee.

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. IMB has explored options for managing sustainable disbursements from the Business Ventures, Economic Development, Community Development, and Elder's Heritage Accounts.

Based on a four (4) year investment cycle, IMB is of the opinion that by investing a maximum of \$1 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, a multi-purpose facility or a gravel pit – all 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, IMB has built a 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 the network through membership and training with the National Aboriginal Trust Officers Association (NATOA).

At the Fall Leadership meeting held October 25-27, 2016, the IMB requested approval to conduct a performance review of the investment advisors, the CIBC Wooding Group. Approval had been granted and the IMB proceeded with recruiting TE Wealth to undertake a peer review of CIBC Wooding Group performance. On February 13, 2016 the IMB along with Grande Chief Herb Norwegian and Alison de Pelham, Executive Director met with TE Wealth to review the draft performance review. Once finalized, the IMB will forward the report to Leadership.

During the December 2016 Face to Face meeting, the IMB discussed board vacancies and youth mentorship. To continue building capacity and to foster youth mentorship, the IMB is of the opinion that, in addition to filling a board vacancy, a youth member (18-30 years of age), should also be added to the Board as well. With Leadership approval, the IMB wishes to advertise for the two board positions and forward recommendations for Leadership approval.

**Recommendation:**

**IMB recommends to Leadership that IMB be authorized to advertise for two Board position and forward recommendations to Leadership.**

We continue to work on your behalf to preserve the “Golden Egg“, while ensuring growth that supports the criteria set out in the Trust. We look forward to 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



## **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 of a Regional Economic Development Officer that would do the work IMB currently contracts out.
- Potential to invest in a regional project in line with desired outcomes listed in the Trust.



## Report on IMB Strategic Plan Outcomes:

<b>GOAL 1</b> <b>The outcomes in the Trust are fulfilled</b>	
IMB presented amendments to the schedules in the Trust to Dehcho Leadership at the June 2015 Dehcho Assembly. Schedules were adopted at the 2015 Dehcho Annual Assembly (Resolution #02)	<b>Completed</b>
Currently updating and reviewing all minutes and resolutions in order to document the corporate history	<b>Ongoing</b>
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	<b>Completed</b>
Quarterly Road Map will be reviewed by IMB on a quarterly basis and adjusted when needed	<b>Completed</b>
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 2016 Winter Leadership meeting	<b>Completed</b>
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	<b>Completed</b>
To develop a Terms of Reference to undertake a performance review of the Master Trust Investment Managers, CIBC Wooding Group. Recruit a consultant to do the peer review. Report to Leadership.	<b>In progress</b>

<b>GOAL 2</b> <b>Dehcho Board members have the skills and capabilities to manage the Trust and fulfill their responsibilities</b>	
IMB reviewed and updated their Policy and Procedures Manual, which includes an improved Appointment Process for the Management Board. The new policy includes screening criteria	<b>Ongoing</b>
IMB presented the Appointment Process policy at the 2016 DFN Winter Leadership Assembly. IMB obtained approval for the new IMB Board Appointment Process and the Policy was adopted through DFN motion	<b>Completed</b>
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	<b>Ongoing</b>

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	<b>Completed</b>
IMB joined the National Aboriginal Trust Organizations Association (NATOA) in 2016 and Sara McLeod, IMB's Administrative support person or Board Member(s), will enrol in accredited training offered through NATOA. IMB is doing a cost analysis before proceeding with this option	<b>Completed</b>
IMB will review the benefit of joining NATOA in December 2016 and report back to Dehcho Leadership on our findings	<b>Completed</b>

### GOAL 3

#### The Trust and Investment Management Board Accounts are invested prudently

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	<b>Ongoing</b>
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	<b>Completed</b>

### GOAL 4

#### Effective processes and Governance

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

**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 IMB accounts in the summer 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	<b>Ongoing</b>
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.	<b>Completed</b>
IMB met with DFN Executive Committee to discuss disbursement issues and opportunities as we go forward in May 2016	<b>Completed</b>

**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 Annual Assemblies to provide information regarding the Trust Fund, IMB accounts and our respective roles and responsibilities. This will be an ongoing actively at the Annual Dehcho Assemblies going forward.	<b>Ongoing</b>
The Wooding Group also attends the Dehcho Assembly and are available to discuss the Trust and provide investment teaching, support and advice to Dehcho beneficiaries. IMB members are available to attend community meetings to go through the purpose and role of the Trust.	<b>Ongoing</b>
IMB met with the Elders at the 2015 fall DFN Leadership meeting and provided an overview of the Master Trust and specifically the Elder's Heritage and Community Development accounts. Elder's attending that session made recommendations for disbursement from the Elder's Heritage Account	<b>Completed</b>
IMB met with DFN Executive Committee in May 2016 to discuss disbursement challenges and opportunities, and due diligence with respect to IMB's role and responsibilities with the Master Trust	<b>Completed</b>