



## INVESTMENT MANAGEMENT BOARD

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### 2013 DEHCHO ANNUAL ASSEMBLY REPORT

#### *Good Afternoon all respected Leaders, Elders and Delegates of the 21st Dehcho Annual Assembly*

#### **BACK GROUND INFORMATION:**

The Master Trust came into effect on August 21, 2006, after the Settlement Agreement was signed and processed with Canada and Dehcho First Nations. The amount received was \$15,000,000.00

CIBC Trust Corporation Of Canada (CIBC Trust) acts as a Corporate Trustee for the Trust.

The Trustee is responsible for ensuring that the Trust funds are received and invested as authorized under the Trust Agreement, and that all distributions of funds from the Trust Accounts are properly authorized and documented.

Within 120 days of the end of each fiscal year, the Trustee is required to prepare an Annual Report. This report is presented to the Dehcho First Nations' Assembly on an annual basis.

The Trust funds are audited along with year-end financial statements by an Independent Auditor under the terms of the Trust Agreement. This firm is McKay & Partner's out of Yellowknife, NT.

The Investment Management Board is required to provide a report twice a year to the Dehcho Annual Assembly and to the Winter Leadership.

The Investment Management Board (IMB) is responsible for the management of the Trust Funds as well as administration and distributions under the terms of the Trust Agreement. The IMB members accept the obligation to perform certain significant duties. The Board undertakes responsibilities in relation to the administration of the trust funds, to preserve and protect the benefits of the Dehcho First Nations' future generations of our membership.

The Trust has been uniquely set up and the first of its kind in Canada. It was established to bring learning and understanding to the members of the Dehcho First Nations. With the

guidance of the Trust Officers, the Board makes the decisions for the Trust following the rules of the Trust Agreement. This is inline of the Dehcho Process where the Dehcho First Nations members determine their own future. There are checks and balances at every point when money is withdrawn or distributed to ensure accountability of the Trust monies.

## **INVESTMENT MANAGEMENT BOARD**

The Dehcho Annual Assembly, by way of a resolution appoints the members of the Investment Management Board. This year, one of the member's 3 year term is up (Mavis Cli-Michaud). At our face to face meeting held November 2012, the board elected the following as the Investment Management Board Executive:

- |                     |                    |
|---------------------|--------------------|
| ➤ Karen Felker      | Chair Person       |
| ➤ Nellie Hardisty   | Vice-Chair         |
| ➤ Mavis Cli Michaud | Secretary Treasure |
| ➤ Eric Menicoche    | Board Member       |

A new Executive will be appointed at our next meeting; this ensures experience, understanding and a good working relationship for all that is involved.

## **TRUST ACCOUNTS**

### ***Master Trust Account:***

This account receives all the capital of the settlement funds and any other distributions

### ***Immediate Opportunities Account:***

The funds in this account are invested to produce income; the income from this trust account is distributed out of the Trust to the Business Ventures Account, which is governed by the terms of the Trust agreement.

### ***Economic Development Account:***

The income from this Trust account is distributed out of the Trust to the Economic Account, which is an account governed by the terms of the Trust agreement.

### ***Community Development Account:***

The funds invested in this account are invested to produce income. The income from this Trust account is distributed out to the Community Development Account, which is governed by the terms of the Trust agreement.

***Elders Heritage Account:***

The income from this Trust account is distributed out of the trust to the Elder's Heritage Account, which is governed by terms of the Trust agreement.

***Education Account:***

The income from this Trust account is distributed out to the Education Account, which is governed by the terms of the Trust agreement.

***Land Acquisition Account:***

In accordance with the Master Trust dated March 8<sup>th</sup>, 2006. **NO FUNDS** are to be paid out of this account until December 31, 2031.

On December 31, 2031, the Land Acquisition Account is to be established and 25% of the increase in value of the fund allocated every twenty five **(25)** years.

**2011/2012 DISTRIBUTED FUNDS**

From the Education Trust fund, the Dehcho Regional Office received an amount of \$23,017.10 for the Scholarship fund.

**ADVANCE TAX RULING**

Since the inception of the Trust in 2006, the IMB operated under the DFN Master Trust. Upon review and in the best interest of Dehcho First Nations (DFN), it was decided to develop a "Replacement Trust" as defined by Clause 43 of the Master Trust Agreement. The rationale for this decision was due to taxes being paid on the Master Trust. As allowed under Clause 43 of the Master Trust Agreement the "Replacement Trust" is a working document until we receive an Advance Tax Ruling from Canada Revenue Agency.

**INVESTMENT POLICY STATEMENT**

The Trust and all sub components must be managed according to the: Prudent Investor's Rule.

This Trust fund has a long-term outlook and no regular income distributions. This gives the ability to tolerate volatility, which has historically been rewarded by higher long-term returns.

## **INVESTMENTS & MARKET VALUES AS OF MAY 31, 2013**

<b>Master Trust Account</b>	<b>\$16,642,852.62</b>
<b>Community Development Fund</b>	<b>\$2,835,428.63</b>
<b>Economic Development Fund</b>	<b>\$2,610,380.66</b>
<b>Elder's Heritage Fund</b>	<b>\$824,808.49</b>
<b>Education Fund</b>	<b>\$1,596,090.40</b>
<b>Immediate Opportunities Fund</b>	<b>\$6,118,603.55</b>
<b>Land Acquisition Fund</b>	<b>\$1,680,976.84</b>

### **DEADLINES FOR: APPLICATIONS / BUSINESS PLANS:**

*September 30th of each year*

### **Education Trust Account:**

Dehcho First Nation's should be receiving \$36,973.29 for the scholarship funding.

### **Elder's Heritage Funding Account:**

As of January 01, 2013, funds from the Elder's Heritage Fund became available for distribution. These funds will be available every 5 years. The amount that is now available is \$49,660.73.

The funds can only be distributed to the Elder's Council of Dehcho First Nations. The Investment Management Board on the advice of the Elder's Council will process all projects approved for funding. The IMB has contacted the Dehcho Regional Office (DFN) in regards to the Dehcho Elder's Council.

## IMB CHAIR 21<sup>ST</sup> DEHCHO ANNUAL ASSEMBLY REPORT

There were questions that were brought up at the Winter Leadership Meeting and would like to try to address them here:

**Q:** How much money did the fund generate since we invested the funds?

**A:** As of May 2013 the Portfolios have generated \$2,977,701.99 of interest and dividends since its inception in 2006.

**Q:** Can the Dehcho First Nations start a pension fund for its Leadership?

**A:** Pension funds were not contemplated when the Trust was developed and can not be used for this.

**Q:** We should have a summary of all portfolios of our money that we invested.

**A:** On the Dehcho First Nations website [www.dehcho.org/dehcho\\_trust.htm](http://www.dehcho.org/dehcho_trust.htm) you will find updated Consolidate Asset Summary

**Q:** Is there Capacity funding available?

**A:** There will be Capacity funding available once it matured for the Region.

I hope this information will clarify some of the questions that were raised.

In the past year, we have accomplished a number of outstanding issues; drafted a Policy and Procedures Manual for the Board members, developed Quarterly Plans, revised the Handbook for all Dehcho First Nation members and currently we are working on developing a Loan Policy to ensure all loans follow the Trust guidelines. At this time, I like thank my fellow colleagues for all the work we had accomplished to date.

On a yearly basis a Service Agreement with the DFN is signed for administrative support to the IMB. Since having Sara McLeod to provide that administrative support on a part-time basis, the operations of the Board has been running efficiently. We are pleased and appreciative for Sara's assistance as we move forward with the Trust

On March 27, 2012, a five year agreement was signed with CIBC Trust Corporation in accordance with the Trust Agreement. The continued relationship with the CIBC Trust Corporation will ensure continuity and no disruption in services provided.

As a closing note, we would like to welcome the new member(s) to the Investment Management Board (IMB) and look forward to another successful year in our investments for the Dehcho region. It has been our pleasure to work on behalf of the all Dehcho First Nations members and wish you all success in your Leadership deliberations.

Respectfully,

Karen Felker, Chair of the Investment Management Board