



Tłıchǫ Assembly Workshop 2023



Presented by:

TD Wealth Private Trust – Corporate Trustee

TD Private Investment Counsel – Investment Manager



Tłıchq Capital Transfers Trust

- The **Tłıchq Capital Transfers Trust** benefits the Tłıchq Citizens - present and future generations.
- The Trust is irrevocable – Tłıchq Government can't take the Capital Transfers back.
- The Trust is managed by Individual Trustees who are Citizens of Tłıchq First Nation.
- The Individual Trustees must follow the rules set out in the Trust Indenture.
- Important decisions are made with the approval of the Chief's Executive Council and once a year, by the Assembly.



Current Individual Trustees

Luke Grosco	Behchokq
Nancy Rabesca	Behchokq
Zemie Daniels	Behchokq
Alex Nitsiza	Whati
Henry Gon	Gamèti
Joseph Judas	Wekweèti
The Canada Trust Company (TD Wealth Private Trust) Corporate Trustee *	Calgary and Winnipeg
* the Corporate Trustee guides the Individual Trustees through the working of the Trust Indenture and has custody of the Trust Assets.	



About the 2022 Individual Trustees

- They asked to be considered as Individual Trustees.
- The CEC reviews their request and selects Individuals from every Community.
- The Trustees have experience and skills that contribute to the operation of the Trust.
- The Trustees meet at least four times a year and work hard to represent all the Citizens.
- The Trustees make recommendations to the Chief's Executive Council



How does the Trust Benefit Current Generations?

1. The Trust pays its own expenses.
2. The Trust generates income.
3. As of 2020, a portion of the income is available to the Tłıchǫ Government if the Tłıchǫ Assembly approves the Distribution.
4. The Trust can lend Trust Property in accordance with section 4.2. An example is the Tłıchǫ all-season road (TASR).



How does the Trust Benefit Future Generations?

1. The Trust invests the funds to ensure a balance between income and growth.
2. No income was Distributed until all the Capital Payments were received (2019).
3. Before income can be Distributed the Trustees must ensure that the Capital is protected from inflation and financial market conditions.
4. The Trust is not taxable.





Who makes the investment decisions?

- Working with expert advisers and Investment Managers, the Individual Trustees develop Investment Policy.
- The CEC reviews and approves the Investment Policy.
- The goal is to balance the interests of the current and future generations by maximizing investment returns and preserving capital.

2022 Financial Information

Income including capital gains \$ 6,071,654

Investment Management Fees \$ 216,781

Corporate Trustee Fees \$ 212,248

Audit Fees \$ 15,000

Taxes paid on foreign dividends \$ 42,198

Value of Trust at 01/01/2022 \$ 172,243,637*

Value of Trust at 31/12/2022 \$ 162,923,147*

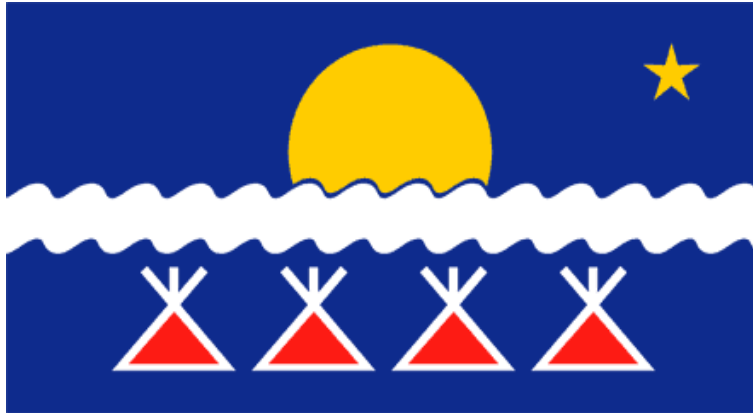
* Includes \$16,168,527 loan to Tlicho Government for TASR project.



The Tłı̨chǫ Government

Investment Report and Update

TD Wealth Private Investment Counsel



Who is Private Investment Counsel?

- Managers of investments for trusts, charities, companies and individuals who haven't the time, interest or background.
- Focus on high quality, low risk investments that produce income and consistent results.
- Investments are tailored to the needs and guidelines for each Client.
- Investments are subject to written policy approved before funds are invested.



Our Responsibilities

- Invest only in investments permitted by the Fund/Trust.
- Invest in a mix of investments which will provide income and increasing value, with limited risk.
- Keep in mind our responsibility to current and future beneficiaries.
- Report to the Trustee/Government every three months to confirm that we are fulfilling our duties.



Compliance

- We certify in writing every three months that we have met the rules required by the portfolios.
- Any exceptions are advised to the Government at the same time.
- All requirements have been met to this point.



What Our Clients Are Invested In

- Interest paying investments issued by the Governments of Canada, the Provinces, and the strongest Canadian Companies.
- Share ownership focused on very high-quality companies who make money and pay out a part of profits each year to owners.



Investment Examples

- Interest Paying:

Federal: Government of Canada, Canada Housing Trust

Provincial: Province of Ontario, Province of Quebec

Corporate: Royal Bank, Enbridge, Rogers

- Company Ownership (stocks):

Canada: Royal Bank, Cenovus, Bank of Nova Scotia, CNR (Railway)

US: Apple, Home Depot, McDonald's, Nike

International: Sony, Linde (Industrial Gas, Engineering), Unilever (personal care products)



Economic Review / Outlook

- Economies opened to a greater extent in 2022 with the easing of pandemic restrictions, resulting in more discretionary spending (optional, not necessities); this was a contributing factor to inflation rates growing
- In 2022 government banks around the world increased interest rates to combat inflationary concerns; this trend continues into 2023, but at a lesser pace; interest rates are likely to be close to their highest expected point in summer 2023
- Bond values suffered during this increasing interest rate environment, but yields on bonds have also increased, providing more income to investors than we have seen over the past decade
- Inflation rates reached their peak of 8.1% in Canada in June 2022, and have declined to 4.4% as of April 2023; the Bank of Canada expects inflation to be between 2-3% by fall 2023



Market Review/Outlook

- Financial markets pulled back in 2022 as company revenues in many industries dropped with decreased consumer spending as interest rates continued to climb
- The value of the Canadian stock market declined approximately **8.5%** throughout the 2022 calendar year, and has been up roughly **6%** year-to-date (to end of April) 2023
- The US stock market (S&P500) declined by roughly **20%** during the 2022 calendar year, and is up roughly **9%** to the end of April in 2023 – largely due to performance in US technology stocks
- International and US equity stocks have out-performed Canadian equities so far in 2023; we expect the next 6-9 months of 2023 to continue to be quite volatile and uncertain in the equity markets
- Currently have an overweighting of fixed income solutions in the portfolio as rates are expected to be near their highest at this time



Structure and Objectives

Tłıchų Government Trust Fund:

Companies (stocks)	10-30%
Interest paying (bonds)	65-85%
Short Term (high interest accounts)	5%

Tłıchų Government Reserve Fund:

Has similar investment thresholds but positioned slightly more towards growth-oriented US equities.

Current Objectives:

To exceed inflation plus 2 ½ % based on four-year average

To exceed "market" for each type of investment in portfolios



Performance: Trust Fund

- Funds Invested Early January 2014

Objective Achieved So Far:

2014 Profit	\$ 904,810
2015 Profit	\$ 1,369,938
2016 Profit	\$ 3,767,182
2017 Profit	\$ 3,465,068
2018 Loss	\$ -540,191
2019 Profit	\$ 10,992,933
2020 Profit	\$ 7,699,261
2021 Profit	\$ 9,560,668
2022 Loss	\$ -9,257,918
Value April 30 th , 2023	\$152,557,745**
Value December 31 st , 2022	<u>\$146,509,218**</u>
2023 Profit to April 30 th , 2023	\$ 6,048,527

** Excludes investment in Tlicho All Season Road project**



Performance: Volatility

- We have seen this before

	<u>2020</u>	<u>2022</u>
January 1 st	138,513,108	155,767,136
February	141,052,347	153,390,308
March	139,120,037	151,926,617
April	127,459,124	150,041,705
May	134,122,390	146,568,607
June	136,392,561	146,150,299
July	138,181,208	142,293,892
August	140,676,510	146,803,284
September	142,768,271	144,028,670
October	141,815,431	141,827,701
November	140,315,265	144,372,179
December 1 st	145,188,266	148,812,582

2020: Between February and April (3 month period) the account dropped \$13,593,223

2022: Between January and October (10 months) the account dropped \$13,939,435



Performance: Trust Fund

Comparison to an average account in 2022

Asset Allocation

3% Cash

70% Bonds

12% Canadian Equities

10% US Equities

5% International Equities

Trust Account

-6.496%

Average Account

-9.214%

A focus on dividend paying equities, as well as a lower duration on bonds (less impact on bond prices when interest rates change) helped prevent further losses in account.

*For the Average Account calculation, TD large cap equity solutions used (CDN - BLCHIP, US - USLC, INTL – LINTVL) as well as a Canadian diversified bond portfolio (FIB2), plus 1% on cash.



Performance: Reserve Fund

- Funds Invested Early January 2014

Objective Achieved So Far:

2014 Profit	\$ 536,831
2015 Profit	\$ 279,168
2016 Profit	\$ 669,075
2017 Profit	\$ 495,727
2018 Profit	\$ 19,384
2019 Profit	\$ 1,188,711
2020 Profit	\$ 883,664
2021 Profit	\$ 1,032,972
2022 Loss	\$ -1,024,583

Value April 30 th , 2023	\$14,674,684
Value December 31 st , 2022	<u>\$14,079,755</u>
2023 Profit to April 30 th , 2023	\$ 594,929



**We appreciate the
opportunity to serve you.**

Mahsì Ts'ǰwǰ



Contact Us



Robert (Bob) Long
Trust Officer
Indigenous Trust Services
TD Wealth Private Trust
7th Floor, 421 – 7 Avenue SW
Calgary, AB T2P 4K9
[403 503 4809 \(Work\)](tel:4035034809)
[1-888-282-1518 \(Toll Free\)](tel:18882821518)
robert.long3@td.com



Matthew Campbell
Portfolio Manger
Private Investment Counsel
2100-360 Main Street
Winnipeg, MB R3C 3Z3
[204-985-4432 \(Work\)](tel:2049854432)
matthew.campbell@td.com



Charlene Gill
Associate Trust Officer
Indigenous Trust Services
TD Wealth Private Trust
2100-360 Main Street
Winnipeg, MB R3C 3Z3
[204-985-4432 \(Work\)](tel:2049854432)
[1-888-282-1518 \(Toll Free\)](tel:18882821518)
charlene.gill@td.com



Matthew Genaille
Private Client Service Associate
Indigenous Trust Services
TD Wealth Private Trust
2100-360 Main Street
Winnipeg, MB R3C 3Z3
[204-985-4421 \(Work\)](tel:2049854421)
[1-888-282-1518 \(Toll Free\)](tel:18882821518)
matthew.genaille@td.com