



Tłichọ Ndek'áowo



Tłichọ Government

## *Tłichọ Annual Gathering 2021*

Presented by:

TD Wealth Private Trust – Corporate Trustee

TD Private Investment Counsel – Investment Manager

August 16 - 19, 2021



# Tłıchǫ Capital Transfers Trust

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- The Tłıchǫ Government (Settlor) created the Trust on December 22, 2014 to receive the Capital Transfer Payments.
- Beneficiary is the Tłıchǫ Nation - present and future generations.
- Trust Agreement sets the rules of how the funds will be managed.
- Trustees, appointed by CEC, ensure funds are invested properly and rules are followed.



# Current Trustees

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Luke Grosco

Behchokò

Nancy Rabesca

Behchokò

Joseph Erasmus

Behchokò

Alex Nitsiza

Whatì

Henry Gon

Gamèti

Adeline Football

Wekweèti

The Canada Trust Company (TD  
Wealth Private Trust) Corporate  
Trustee

Winnipeg





# Capital Transfer Payments

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• August 2011	\$7,345,078
• August 2012	11,031,845
• August 2013	12,410,826
• August 2014	13,789,806
• August 2015	15,168,787
• August 2016	16,547,767
• August 2017	17,926,748
• August 2018	19,305,729
• August 2019	<u>20,684,709</u>
TOTAL	\$134,211,295



# Uses of Trust Funds

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- Pay Authorized Expenses
- Disburse Eligible Income as directed by Tłıchǫ Assembly – after all Capital Transfer Payments have been received
- Lend Trust Property in accordance with section 4.2
- Cannot spend Capital Transfer Payments
- Protect against inflation
- Protect income from taxation





# Investing the Trust Fund

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- Trustees develop Investment Policy, with approval of CEC and review annually
- Hire Portfolio Manager, with approval of CEC.
- Maximize investment returns and preserve capital
- Ensure Portfolio Manager complies with Investment Policy and Trust Agreement

# General

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- Trust is irrevocable – Tłıchǫ Government can't take the Capital Transfers back
- Trust can only be amended for Income Tax and administrative purposes or to correct errors
- Cannot alter the interests of the Beneficiary





# 2020 Financial Information

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Income including capital gains	\$ 4,860,249
Investment Management Fees	\$ 213,956
Corporate Trustee Fees	\$ 204,907
Audit Fees	\$ 8,400
Taxes paid on foreign dividends	\$ 40,149
Value of Trust at 31/12/2020	\$ 163,077,330*
Value of Trust at 21/07/2021	\$ 168,447,581*

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





# The Tłıchǫ Government

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Investment Report and Update

TD Wealth Private Investment Counsel

Tłıchǫ Ndek'àowo



Tłıchǫ Government



# Who is Private Investment Counsel?

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- 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

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- 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

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- 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

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- 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

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- Interest Paying:

Federal: Government of Canada

Provincial: Province of Ontario, Province of Quebec

Corporate: Royal Bank, Bell Canada, Telus Corp

- Company Ownership (stocks):

Canada: Royal Bank, Scotia Bank, Enbridge, CP Railway

US: Pepsi, Costco, Home Depot, Apple

International: Sony, Toyota, Nestle, Moet Hennessy-  
Louis Vuitton





# Economic Review

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- Uncertainty was a common theme in 2020 as COVID-19 had a negative economic impact early in the year, while the US election dominated headlines in towards the end of the year
- Government spending/stimulus throughout 2020 to present, has helped keep global economies out of a deep recessionary period, and saved many businesses
- As vaccination rates continue to improve, we expect continued economic growth over next 6-18 months, COVID-19 variants likely to present minor setbacks
- Inflation continues to be a hot topic, but we are confident that it will not continue at higher levels and will normalize as borders continue to open up, supply chains become more efficient, and prices of products and services in industries that were hit the hardest begin to come down over time



# Market Review

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- Even with poor economic conditions, the financial markets rebounded after March 2020 lows, and have continued to grow throughout 2021
- The Canadian stock market has grown approximately 12% from pre-pandemic highs to mid-July 2021
- The US stock market has grown nearly 30% during the same time horizon (end-Feb 2020 to mid-July 2021)
- Both the Trust and Reserve funds currently have an overweighting to US stocks and have benefited from this growth
- Global stock markets have more recently declined, but your portfolio continues to be offset with interest earning investments (bonds), to reduce volatility on an ongoing basis



# Structure and Objectives

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## Tłıchǫ Government Trust Fund:

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

## Tłıchǫ 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

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- 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
Value July 21, 2021	\$152,669,451**
Value December 31, 2020	<u>\$146,216,938**</u>
2021 Profit to July 21, 2021	\$ 6,452,513

\*\* Excludes investment in Tłıchǫ All Season Road project



# Performance: Reserve Fund

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- 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
Value July 21, 2021	\$14,707,948
Value December 31, 2020	<u>\$14,072,348</u>
2021 Profit to July 21, 2021	\$ 635,600



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

**Masi Ts'ı̨wǫ**

