



Tłichq Ndek'áowo



Tłichq Government

August 11 -12, 2020

Tłichq Annual Gathering 2020

Presented by:
TD Wealth Private Trust – Corporate Trustee
Community Trustees



Tłıchq Capital Transfers Trust

- The Tłıchq Government (Settlor) created the Trust on December 22, 2014 to receive the Capital Transfer Payments.
- Beneficiary is the Tłıchq 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

Luke Grosco

Behchokò

Nancy Rabesca

Behchokò

Joseph Erasmus

Behchokò

Alex Nitsiza

Whatì

Henry Gon

Gamètì

Adeline Football

Wekweèti

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

Winnipeg



Capital Transfer Payments

• 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

- Pay Authorized Expenses
- Disburse Eligible Income as directed by Tłjchq 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

- 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

- Trust is irrevocable – Tłıcho 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



2019 Financial Information

Income including capital gains	\$ 4,683,458
Capital Transfer Payment	\$ 20,684,709

Investment Management Fees	\$ 209,620
Corporate Trustee Fees	\$ 182,964
Audit Fees	\$ 10,000
Taxes paid on foreign dividends	\$ 29,577

Value of Trust at 31/12/2019	\$ 155,401,193*
Value of Trust at 06/07/2020	\$ 155,370,905*

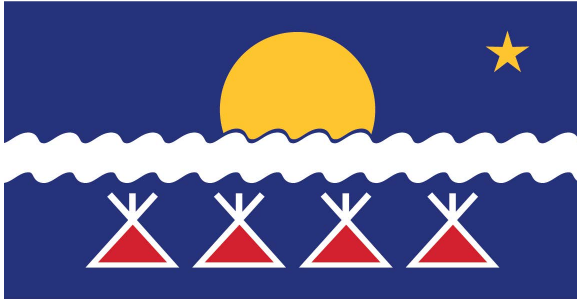
* Includes \$16,168,527 loan to Tłı̨chǫ Government for TASR project.



The Tłıchǫ Government

Investment Report from
TD Wealth Private Investment Counsel

Tłıchǫ Ndek'àowo



Tłıchǫ Government



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 of very high quality companies who make money and pay out a part of profits each year to owners.



Investment Examples

- Interest Paying:
 - Government of Canada
 - Province of British Columbia
 - Royal Bank, Hydro One (Ontario Hydro)
- Company Ownership (stocks):
 - Canada- Royal Bank, Imperial Oil, CN Rail
 - US- Coca-Cola, Wal-Mart, McDonald's, Google
 - International-Toyota, Rolls-Royce, Samsung



Economic Review

- Business was sound going into 2020, but this changed in a matter of weeks due to COVID-19.
- Unemployment has risen dramatically, and governments are struggling to keep businesses afloat.
- Some businesses like tourism or pro sports will be severely impacted until a vaccine is found.
- We expect the government spending to help the economy to start to turn around by autumn/winter.
- Thereafter the focus will be growth until things are back to normal. This could take 12-18 months.



Market Review

- Investments were strong until late February, 2020, when the impact of COVID became clear.
- Stock markets dropped by about 40% between mid-February and the end of March.
- Strong government action has avoided panic, but investments have not, in general made money yet in 2020.
- We have been very cautious as these conservative investments tend to decline less, and recover first in these situations.
- Also with most of your investments in interest-earning investments, only a small part was exposed to risk.



Structure and Objectives

- Tłjchq Government Reserve Fund:
 - Companies (stocks) 10-30%
 - Interest paying (bonds) 65-85%
 - Short Term (high interest accounts) 5%
(approximately)
- Tłjchq Trust Fund:
 - invested similar to Reserve Fund today but may change over time to earn additional returns
- Current Objectives:
 - exceed inflation plus 2 ½ % based on four year average
 - exceed "market" for each type of investment in portfolios



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
Value July 7, 2020	\$13,274,688
Value December 31, 2019	<u>\$13,188,897</u>
2020 Profit so far	\$ 85,791



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
Value July 7, 2020	\$138,463,068**
Value December 31, 2019	<u>\$138,522,767**</u>
2020 Loss so far	\$ -59,699

** Excludes investment in Tłı̨chǫ All Season Road project



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

Masi ts'ijhwhq

