



**St'at'imc (PC) 2011 Trust
Trustee Meeting
September 12, 2019
9:10 am – 3:30 pm
Kwékwa7 Centre**

Attendees

Nation Trustees

Diana Adolph	Raquel Kane
Adele Alexander	Vanessa Mountain
Trish Andrew (Chair)	Christopher Peters
Cecille Comeau	Johnny Sam
Florence Jack	

Investment Managers

Alan Daxner, Barrantagh (Via phone)
Wally Kusters, Barrantagh (Via phone)
Steven Visscher, Mawer

Deloitte LLP

Jeff Keeble
Melinda McKie
Natani Leech (Minutes)
James Gordon (Via phone)
Jamie Ross (Via Phone)

Regrets

Karen Mitchell

Investment Consultant

Jack Jamieson, T.E. Wealth

The agenda was reviewed and approved as presented.

Christopher Peters was welcomed to the meeting as the Samahquam Trustee representative, and a round of introductions were made.

Review resolution to appoint additional Administrative Trustee

Administrative Trustee Appointment - The Administrative Trustee had provided notice on July 10, 2019 to the St'at'imc Authority ("SA") about the Trustees' intentions to appoint Jeff Keeble as the second (joint) Administrative Trustee. There was no response or correspondence received from the SA following the communication. Melinda read the resolution appointing Jeff as an Administrative Trustee which was approved by the Trustees.

The minutes of the June 4 and 5, 2019 Trust meeting minutes were reviewed and approved as presented.

Financial

The Trustees reviewed the financial position of the trust including the Status of Trust Funds, Budget to Actual, and the Summary of PC Balances – both funds available to be drawn on and those in the Legacy Fund as at July 31, 2019. It was noted that the Minimum Protected Amount is well above the required minimum.

A review of the Primary & Secondary income of the Trust is done a couple of times a year to determine if there may be more earnings than distributions in the year which would result in possible tax being payable by the Trust. With the strong rebound in the investments, the Trust has unallocated income at the mid-year point. The Administrative Trustee will need to monitor this as year-end approaches to see if there is more income earned than paid out in the year.

It was noted that the funds used to secure the Line of Credit have been invested in a GIC until December 31, 2019 at a rate of 1.22%.

Review tax memo and letters regarding S 149(1)(c) of the Income Tax Act

A discussion occurred on a change in tax rulings regarding First Nations being tax exempt. The Trustees decided to continue to issue letters annually to the Beneficiaries to confirm that each Beneficiary remains tax exempt as they are performing the function of government or have received an Advanced Tax Ruling.

Nation Annual Payments

It was noted that only four (4) Beneficiaries have submitted their fiscal year 2019 audit reports. If the audit reports are not received by December 31, 2019, then the Trust will have to withhold payments until they are submitted. All communities have submitted their Section 149(1)(c) for 2018.

There was only one request for payment from a PC. The Trustees reviewed and approved for payment.

AGM Debrief

The Trustees spent time reviewing the feedback from the June 4 & 5, 2019 AGMs. The Trustees discussed holding next years South AGM at Samahquam or Douglas. The Administrative Trustee will reach out to the communities to see about space availability.

It has been noted that it is generally a challenge to get the Chiefs to attend the AGM in the South as they have their meetings at the same time and cannot be at both the North and South AGMs. This will be raised for discussion at the February Joint SA meeting.

Other

- The Trustees agreed to re-appoint MNP as the auditor for fiscal year 2019;
- A discussion occurred on the costs to distribute the Trust Video and it was agreed it would be posted to the Trust website, where everyone can access it;
- An interview of the Trustees occurred by a partner of Deloitte LLP to determine the quality of the Administrative Trustees services;
- It was noted that the Trust was given the opportunity to work with SHARE for free, for the first year. SHARE researches issues and develops a plan to raise with companies to create change. The Trust would use its Equity holdings to support SHARE in looking to have companies make changes over the long term. Examples are environmental, employment, board members, etc. SHARE don't do this in an adversarial way but do want to see measurable outcomes occur.
- The Trustees reviewed recent communication;
- The two Trustees that were taking the NATOA online course have now completed it and waiting for their final grades. It was noted that all new Trustees need to complete the NATOA online course as part of their onboarding to the Trust;

Investment Updates

TE Wealth provided a brief update on the Trust's investment performance presentation. It was noted that the investments are doing well. Over the year, the Trust has been beating the market by over 3%, and since inception the Trust has seen returns of 9.24%. The Trust has easily exceeded its targeted 5% return.

Alan Daxner and Wally Kusters joined the meeting by phone to discuss the Barrantagh Small Cap Fund, the performance of the Fund, the benefits of a pooled investment (diversification, risk reduction, better coverage of the market), and how Small Cap companies do well in recessions.

It was discussed that the Statement of Investment Policy and Guidelines ("SIPG") would need to be updated to allow pooled funds, but the benchmark would remain the same for all Canadian equities. Jack of TE Wealth reviewed the changes to the SIPG with the Trustees and the Trustees approved the change.

Jack reported both Barrantagh and Mawer have had better returns than the benchmark and that the pool is simply more diversified.

Performance Presentation on Legacy Fund by Mawer

Steven Visscher presented, noting that since inception, the Trust has seen returns of 7.69%, beating the benchmark of 5.88%. Mawer is pleased with the performance of the portfolio, which is driven by a number of asset classes with positive performance from fixed income, and the equity portion of the portfolio. Steven drew the Trustees attention to the Performance Report and highlighted that the previous loss at the end of 2018 has been recovered and since then each month has seen positive returns. Mawer feels they add the most value in market downturns. It's not ideal to be losing funds, but they add value by investing in stable conservative funds.

Next Trust Meeting

It was noted that the next Trust meeting will be December 5, 2019.