



**St'at'imc (PC) 2011 Trust
Trustee Meeting
February 3, 2016
9:15 am – 4:30 pm
Sekw'elw'as – Cayoose Creek**

The agenda was reviewed and approved after adding the Farris engagement letter for legal services. The minutes from the December 3, 2015 conference call were reviewed and approved.

The Trustees reviewed the Code of Conduct so it was sent around for the annual sign-off by each of the Trustees.

The schedule of the Trustees terms was reviewed and it was noted that there are 5 Trustees whose terms expire in July 2016. Currently 5 of the Trustees terms now expire in July 2020. The draft letter which had been prepared to send to the St'at'imc Authority regarding the process for a Trustee reappointment or selection was reviewed. The letter requests that Trustee appointments be done no later than July 1, 2016. The Trustees suggested that the Trustees whose terms are expiring should be copied and they will forward the letter on to their respective Councils.

The Trustees reviewed a memo summarizing the sections of the Trust Indenture addressing the Administrative Trustee appointment and it was discussed that the Trustees are able to appoint the Administrative Trustee for a one year period or longer. The Administrative Trustee term currently expires July 26, 2016. The Trustees considered the reappointment of the Administrative Trustee and reached a unanimous decision to reappoint the Administrative Trustee for a 5 year term.

The Status of Trust Funds as at December 31, 2015 was reviewed. It was noted that approximately \$48.2 million has been paid to the Trust by BC Hydro and earnings on the funds have totalled almost \$3 million. The current book value of the Legacy Funds was \$17.6 million. The Trust expenses for 2015 have totalled \$532,782. The Trustees did not have any questions with respect to the schedule.

The Trustees reviewed the Summary of PC Balances as at December 31, 2015 with the main point being that there is approximately \$2.2 million in unrealized gains on the Legacy Funds which, when added to the book value of \$17.6 million, the Legacy Funds held is approximately \$19.7 million. The Trustees are required to maintain a Minimum Protected Amount of \$15 million (inflation adjusted) by the end of the 5th year of the Trust and based upon the amount currently held, this minimum will be achieved.

The Trustees reviewed and approved the Budget to Actual Schedule for 2015. The 2015 budget totaled \$626,000; actual expenditures were \$532,782 for a positive variance of \$93,218.

The draft Trust operations 2016 budget was reviewed and approved.

The Trustees reviewed new contract terms which had been provided by TE Wealth, the Trust's investment consultant. The contract was amended to provide a similar level of service, as was provided under the previous contract, however the TE Wealth would no longer be engaged to work with each participating community ("PC") as requested by the PC. As a result of the change in the contract the annual fee was reduced.

One community had a direction to pay request in order that they could borrow from the First Nations Finance Authority, and the request was agreed to by the Trustees after consideration and obtaining legal advice on the obligation.

The Trustees reviewed a memo regarding the 2016 timeline for Nation Annual Payments and the Policy and Procedure document prepared by the Administrative Trustee.

The Administrative Trustee will issue a letter to each of the PC's with their December 31, 2015 available balance, and will copy the PC's Trustee on the letter.

A discussion occurred around the funding of the Trusts Operations Budget when the Nation Annual Payment is not received until May each year, however the Trust's year commences on January 1st. The Trustees requested the Administrative Trustee look into obtaining a line of credit to fund the Trust's operations for the first 5 months of the year.

At the June meeting, it was agreed by the Trustees that Farris would be retained as the Trust's legal counsel. An engagement letter was provided by Farris which is for general services, which allows the Trust to consult with Farris on an as needed basis. It was noted that the provision provided in Section 8.10 of the Trust Indenture, regarding contracts, was included in the Farris engagement letter. The Trustees approved the terms of the Farris engagement letter dated June 23, 2015.

The Trustees discussed that the agenda for the meeting the next day.

A discussion occurred on the availability and location for the March meeting. It was agreed that the meeting would be March 21, 2016 in Xaxli'p. The June 8 & 9 Trust Meetings will be held in T'it'q'et and then N'Quatqua, with AGM's occurring each evening in those locations. Douglas has offered up an apartment which they have in Pemberton for the Trustees to use for a meeting and it was agreed that the Trust's September meeting would be held there.

TE Wealth joined the meeting and noted that Barrantagh, the investment manager, had provided on average, a rate of return higher than the objectives of the investment policy. In the three years that the investment manager has been in place the Trust investments have exceeded the industry benchmark by 3%. TE Wealth added that Barrantagh was in compliance with the policy and is outperforming both the market benchmark and other managers with a similar investment approach.

Barrantagh joined the meeting and answered questions the Trustees had. Barrantagh was asked if the asset mix the Trust has in its Investment Policy was sufficient given the current market environment and economy. Barrantagh indicated that the asset mix is fine at this time and provides them sufficient flexibility to manage the funds.

The Trustees asked for a summary of how Barrantagh did in the past year. Barrantagh advised that they had achieved a 6.5% return last year where the benchmark, based on the total manager performance was 4.7%.

Meeting adjourned.