# Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzijig Trust

(Chippewas of Nawash Unceded First Nation Coldwater Trust)

Webinar – June 17, 2015

A Year In Review and overview of 2015 Application

# Objectives

- To provide an overview of how the trust runs and who is involved in its success (management).
- Provide an overview of the trust to date
  - How much did the Trust make.
  - How much did the Trust spend?
  - How much have Community members/programs/council received?
- To provide training on the 2015 Application form.

### What is a trust?

A **trust** is an arrangement whereby one or more persons (the **trustees**) hold legal title to property (the **trust property**) for the benefit of another person or a group of persons (the **beneficiaries**). The person or party who creates the trust and puts (settles) property into it is called the **settlor**.

## A Brief History of the Trust

#### 2012

- The Trust was established when the Deed of Trust was signed by Band Council (the Settlor) and the original Trustees on October 16, 2012
- The five original Trustees were appointed by Council
- T. E. Wealth was hired as Investment Consultant
- The Trustees designed the per capita distribution process
- In December 2012, settlement proceeds of \$29,626,424 were received from the government of Canada

# How is the Trust managed?

- In February 2013, T. E. Wealth began the selection process to hire investment managers to manage the Trust assets
- The Trustees decided to hire Dixon Mitchell and Guardian Capital to manage separate portfolios
- Dixon Mitchell employs a 'value' investment orientation, whereas Guardian Capital uses a 'growth' approach
- Market Value of Trust portfolios:

3	December 31, 2013	December 31, 2014
Dixon Mitchell	\$13,778,789	\$15,014,928
Guardian Capital	<u>\$13,603,848</u>	\$14,577,492
Totals	\$27,382,637	\$29,592,420



#### A Little Bit About T.E. Wealth Aboriginal Services

- ✓ Over 40 years of Excellence (1972) with offices in Vancouver, Calgary, Toronto, Waterloo, Montreal and St. John's
- ✓ **Dedicated Aboriginal Services Practice** with over 23 First Nation relationships across Canada and over \$1.3 billion in First Nation Trust assets under advisement
- ✓ Proven Trust Management Process endorsed by the Aboriginal Financial Officers Association of Canada (AFOA) to co-develop a curriculum and deliver Trust Management workshops nationally
- ✓ Multi-disciplinary Approach specializing in Investment Advisory, Communication and Financial Education support which allows for an integrated approach
- ✓ Completely Independent and Objective in everything we do. We do not manage money nor do we sell product or receive any form of compensation as a result of our recommendations. This ensures our client's best interests are always at the forefront in finding "Best in Class" providers





#### Our Service Support "The Process"

- 1. Establish Investment Priorities & Objectives
- 2. Developing the Investment Policy
- Portfolio Structure
- Investment Manager Search and Selection
- 5. Ongoing Performance Measurement & Interpretation
- Support the development of effective Communication and Financial Education Strategies





#### Protection of Trust Assets Means Managing Risk

#### **Trust Agreement**

The Trust has specific rules that governs what Trustees can and can't do...

#### **Corporate Trustee (Scotia Trust)**

Independent fiduciary support to the Trust and member trustees

#### **Investment Policy Statement**

Documents very specific details on "how" the Trust is to be managed ...

#### Multi-Manger and Multi-Style Investment Structure

 Minimizes the risk that can occur of allocating all of the Trust assets to a single investment manager in case of under-performance

#### Independent and Objective Financial Advisor

• Ensures that the best interests of the Chippewas of Nawash Unceded First Nation members are always at the forefront

#### Ongoing Performance Measurement and Interpretation

 Support to ensure the Trustees have the tools necessary to interpret investment results against objectives g



# Chippewas of Nawash Unceded First Nation Coldwater Narrows Trust Investment Objectives

- 1) To seek modest capital appreciation (net of fees and inflation) and to maximize the tax efficient generation of income in the form of interest, dividends and realized capital gains in order to support the annual obligations and uses of the Trust
- 2) Ensure sufficient liquidity to meet the anticipated annual distributions from the Trust
- 3) Maintain the safety of capital and minimize the downside risk through portfolio and investment manager diversification
- 4) To achieve a real rate of return of 4.5% over a 4-year rolling period and to recognize relative rates of return that are consistent with expectations contained within the Investment Manager Review Policy



#### The Manager Search & Selection Process

#### "It's a Big World Out There!"

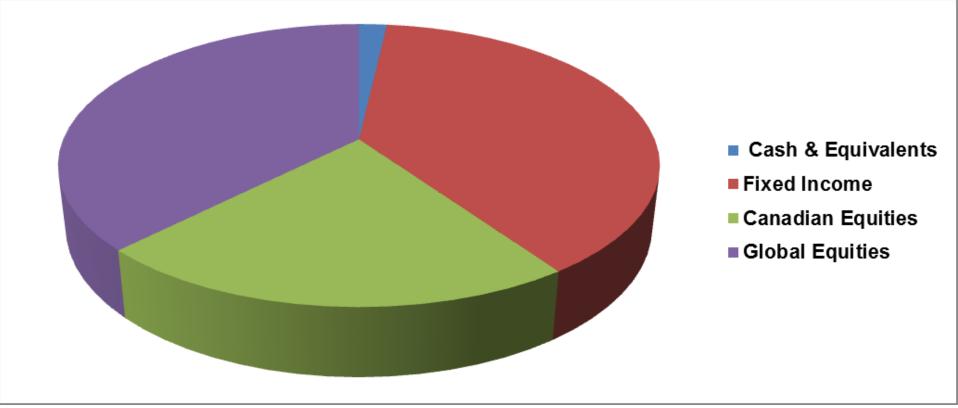
- 1. All providers exist for a reason but not all are created equal...
- 2. A search and selection process was completed by the Trustees to understand the scope of providers available, their performance, risk, fees, service and how they fit the Trust criteria...

Two national investment management firms were selected ...

- ✓ **Dixon Mitchell** *Value investment style* with \$2 Billion under mgmt.
- ✓ Guardian Capital- Growth investment style with \$18Billion under mgmt.



# Combined Holdings – Asset Mix as at December 31, 2014

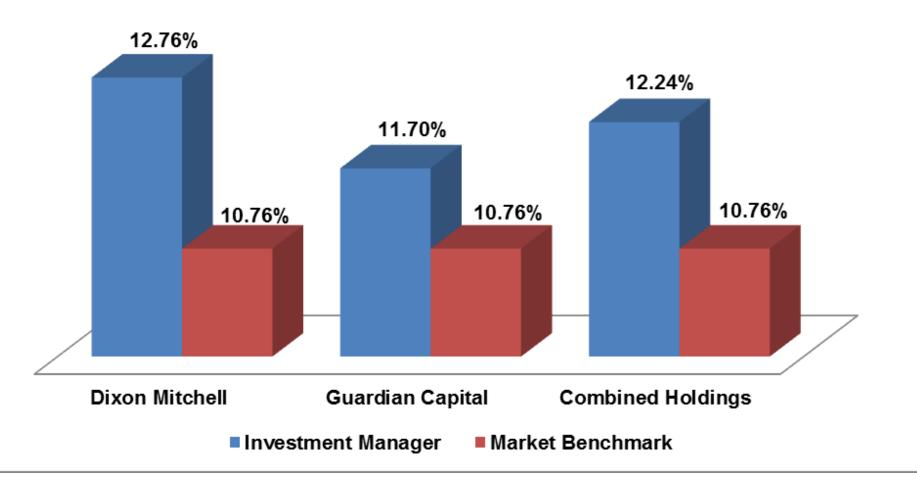


	Cash & Equivalents	Fixed Income	Canadian Equities	Global Equities
Current (%)	1.8%	38.5%	22.2%	37.5%
Target (%)	5.0%	40.0%	20.0%	35.0%





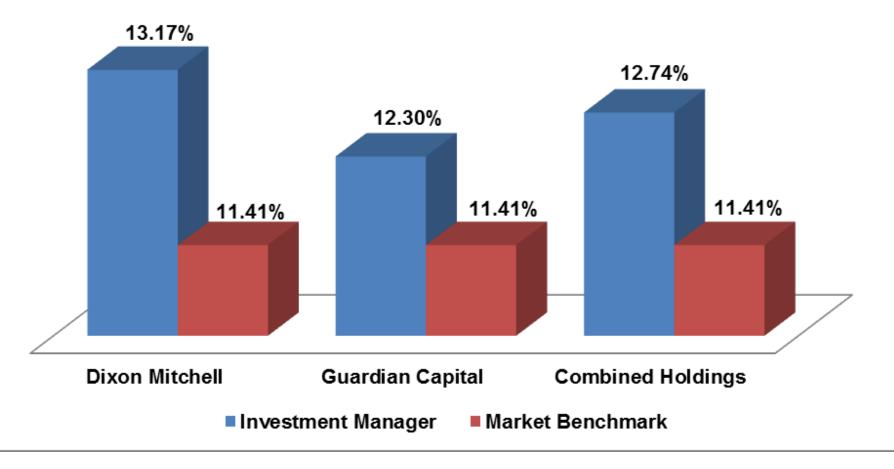
# 1 Year Rate of Return Summary as at December 31, 2014







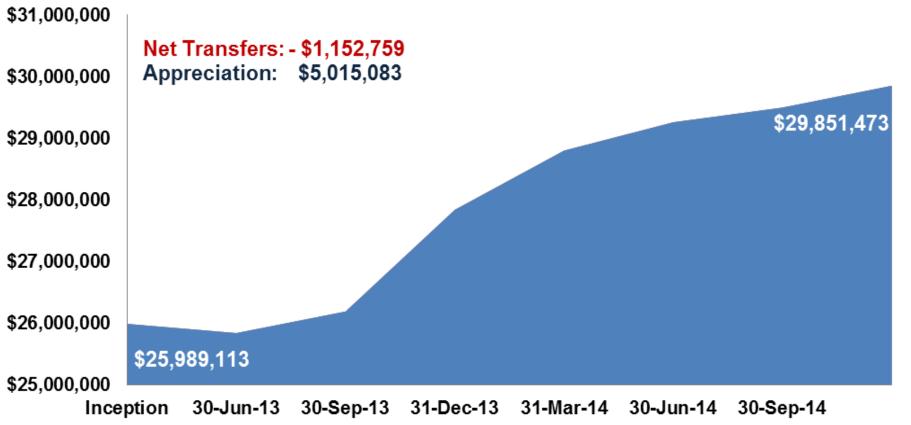
# Rate of Return Summary Since Inception as at December 31, 2014







# Portfolio Valuation Summary since Inception as at Dec 31, 2014



<sup>\*</sup> Inception Date: May 9, 2013

Market Value as at March 31, 2015: \$31,409,547

**Net Transfer Since Inception: -\$1,169,525** 



## What is the purpose of the Trust?

"...the Trust Property is intended to be held for the long term benefit of the First Nations as Beneficiary..."

(Clause 2 of Deed of Trust)

## What is the purpose of the Trust?

Trust Property and Income can be used for:

- the purchase of land;
- the advancement of education;
- the promotion and protection of heritage and culture;
- the promotion of health;
- economic development;
- funding for housing; and
- funding for the enhancement of governance

# A Brief History of the Trust

#### 2013

- In January, per capita distribution payments were made to community members
- Investment managers were interviewed and the Trustees hired the two current managers, Dixon Mitchell and Guardian Capital
- The proposal application process was designed and later refined and disseminated to the community
- In August, an election was held to appoint the first Elected Trustees; the successful candidates were Larissa Johnston (4-year term) and Elisa Levi (2-year term)

## A Brief History of the Trust

#### 2013 (cont.)

- 10 proposals were received by the Trustees, four of which were approved:
  - Chippewas of Nawash Fire Department rescue equipment and training \$18,560
  - 2) Chippewas of Nawash Home and Community Care Program Lifeline equipment and monitoring \$12,108
  - 3) Chippewas of Nawash Post Secondary Assistance Program – education support - \$65,000
  - 4) Chippewas of Nawash Unceded First Nation Comprehensive Community Plan \$90,285

# 2013 Statistics

#### PER CAPITA DISTRIBUTION – ADULTS

MINGNI

1947	Total	number	of per	capita	payments
------	-------	--------	--------	--------	----------

- 1080 Cheques picked up
  - Payments deposited to bank accounts
  - 385 Payments mailed
  - 205 Outstanding payments

#### PER CAPITA DISTRIBUTION - MINORS

- 23 Minors paid in 2013
  - 7 Minors eligible for payment in 2013 unpaid

# 2013 Statistics

#### TOTAL PAYOUTS TO THE COMMUNITY

\$3,135,646	Per Capita Distribution to Adults
41,584	Per Capita Distribution to Minors on their 18 <sup>th</sup> birthday
256,379	Surplus Income to Chippewas of Nawash Unceded First Nation
<u> 185,953</u>	Approved Projects
\$3,619,516	Total

# Also in 2013:

The Trustees designed procedures for the tracking of:

- per capita distributions
- payments to minors
- calculation of an amount to be added to minor payment to reflect income earned before age 18
- authorized expenses
- unpaid adults and minors

#### In 2014:

 The Trust website was completed and the Trustees received training on how to maintain it

MIINGNIA

- One Trustee (Elisa Levi) attended the Aboriginal Trust & Investment Workshop in May and another Trustee (Larissa Johnston) attended the NATOA Conference in Vancouver
- The Trustees decided to post Trustee Meeting Minutes on the Trust website to be accessed by community members
- The proposal application process was reviewed and further improvements were made with the aid of a subject matter expert (Marilyn Struthers of Ontario Trillium Foundation)
- The Trustees provided the community with a proposal workshop and webinar

## In 2014 (cont.):

- In June, the Trustees provided a recap presentation to Chief and Council on Trust activities from inception to date
- In April, the inaugural Annual General Meeting was held in the Community Centre
- The Trustees decided to purchase publication space on the First Nation newsletter
- The Trustees received 20 proposal applications, 16 of which were approved and/or deferred; payments were made at the end of December
- In April and December, T. E. Wealth presented to the Trustees on the performance of the Trust's investment managers

## 2014 Statistics

#### TOTAL PAYOUTS TO THE COMMUNITY

>	120,479	Per Capita Distribution to Milnors on their 18	δ,
	9	birthday	
	541,848	Surplus Income to Chippewas of Nawash	
	3	Unceded First Nation	

525,978 Approved Projects/Applications

\$1,188,305 Total

16 Minors eligible for payment in 2014 remain unpaid

# How much did the Trust spend?

- The Deed of Trust directs the Trustees to use their best efforts in limiting Authorized Expenses in any year to 1% of the market value of the Trust for that year
- "Authorized Expenses" includes all expenses reasonably incurred by the Trustees in administering the Trust, such as administrative, accounting, legal and investment fees and costs associated with member/Trustee meetings
- In 2013, the Trust expenses totalled \$202,039\* 0.74% of Trust market value as at December 31, 2013
- In 2014, the Trust expenses totalled \$268,118\* 0.91% of Trust market value as at December 31, 2014

<sup>\*</sup>Based on 2014 Financial Statements; does not include bond premium amortization or foreign withholding taxes

# 2014 Expenses

Trustee Out of Pocket	\$ 1,225.00
Website	\$ 3,275.00
Trustee Education	\$ 4,972.05
Annual General Meeting	\$ 2,372.50
Trustee Honoraria	\$ 6,300.00
Miscellaneous	\$ 70.00
MNP	\$ 8,925.00
Publicity/Communication	\$ <u> </u>
T.E. Wealth	\$ 41,875.99
Guardian Capital	\$ 70,546.80
Dixon Mitchell	\$ 69,231.37
Corporate Trustee	\$ 58,898.39
	\$ 267,692.10

# Approved 2015 Budget

Trustee Out of Pocket	\$ 5,000.00
Website Maintenance	\$ 5,000.00
Trustee Education	\$ 5,000.00
Annual General Meeting	\$ 5,000.00
Trustee Honoraria	\$ 6,000.00
Miscellaneous	\$ 6,000.00
MNP	\$ 10,000.00
Publicity/Communication	\$ 10,000.00
T.E. Wealth	\$ 42,000.00
Guardian Capital	\$ 76,000.00
Dixon Mitchell	\$ 70,000.00
Corporate Trustee	\$ 60,000.00
	\$ 300,000.00

# 2014 Approved Proposals

<u>Applicant</u>	<u>Purpose</u>	Trust Agreement Criteria	Amount	Approved Amount
Chippewas of Nawash Roads Department	equipment	infrastructure	\$ 305,883.00	\$ -
Chippewas of Nawash Water Treatment	upgrades	infrastructure	\$ 100,000.00	\$ 100,000.00
Chippewas of Nawash Community Centre	roof	infrastructure	\$ 161,000.00	\$ 161,000.00
Jeremy Proulx	cultural / education	study culture	\$ 10,000.00	\$ 10,000.00
Chippewas of Nawash Representative Program	child welfare conference	health	\$ 16,583.00	\$ 5,000.00
Chippewas of Nawash Economic Development Department	small business loans and grants	economic development	\$ 81,300.00	\$ 81,300.00
Patricia Akiwenzie	cultural / education	study culture	\$ 8,000.00	\$ 8,000.00
Chastity Jenner	cultural / education	study culture	\$ 4,542.00	\$ 4,542.00
Nawash Post Secondary Assistance Program	education	education	\$ 80,000.00	\$ 80,000.00
Chippewas of Nawash Little NHL Committee	hockey tournament	health	\$ 14,781.25	\$ 14,000.00
Ralph Akiwenzie Scholarship Fund	scholarships	education	\$ 25,000.00	\$ 25,000.00
32nd Annual Neyaashiinigmiing Pow-wow	Pow-wow	promote culture	\$ 35,000.00	\$ 12,500.00
Chippewas of Nawash, Native Child Welfare	Right to Play	health	\$ 19,036.00	\$ 19,036.00
Chippewas of Nawash Health Centre	skateboard park	health	\$ 50,000.00	\$ -
Jessica Keeshig-Martin	research project	study culture	\$ 5,600.00	\$ 5,600.00
Marleen Vogl	skateboard park	health	\$ 80,000.00	\$ -
		TOTALS	\$ 996,725.25	\$ 525,978.00

## How much has Council received?

- The Deed of Trust directs the Trustees to pay to the First Nation any surplus income unutilized in a fiscal year
- For 2013, the First Nation, by way of its Chief and Council, received surplus income of \$256,379 from the Trust
- For 2014, the First Nation is to receive \$541,848 of surplus income
- Surplus income is determined by the Auditor following completion of the annual financial statements



## EDKAAGMIK NBIIZH NEYAASHIINIGAMIINGNINWAG EDBENDAAGZIJIG TRUST



PROPOSAL APPLICATION INFO

## **Guiding Principles**

- 1. We want our work to be open and easily understood by anyone who wishes to find out how we operate.
- 2. The Trustees are accountable to the Community and its Members and we will work in the best interests of the Community and its Members.
- 3. We want those who deal with us to feel fairly treated.
- 4. We want to manage and administer the Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzijig Trust funds to improve the quality of life for our membership both on and off-reserve.
- 5. The Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzijig Trust funds are to provide present and long-lasting benefit for the Chippewas of Nawash Unceded First Nation community for many generations.
- 6. By growing the funds, Chippewas of Nawash Unceded First Nation community will have an independent source of income from the invested capital.

#### What can trust funds be used for?

#### **OBJECTIVES OF THE TRUST**

- To acquire land for the benefit of the First Nation
- To advance the education of the Members
- To promote the health of the Members
- To promote economic development of the First Nation and/or its corporations
- To preserve or protect the culture and heritage of the First Nation
- To improve infrastructure on Reserve lands or on lands owned by the First Nation or by one of its corporations or this Trust
- To provide for housing needs
- To provide funding for enhancing governance

To improve the quality of life for our membership both on and off-reserve.

To provide present and long-lasting benefit for the Chippewas of Nawash Unceded First Nation community for many generations.

### **Eligible Applicants**

- Eligible members as registered on the Chippewas of Nawash Unceded First Nation membership list
- Chippewas of Nawash Unceded First Nation on behalf of the community.

#### What we look for

- It must be clear that any distribution made in accordance with the proposal will be for the long term benefit of the First Nation.
- Further consideration may be given to supplement or jointly-fund opportunities.

## **Mandatory Criteria of Application**

**IMPORTANT - Proposals must meet one or more of the Objectives of the Trust** 

Applications MUST include the following:

- A description as to how the proposal is consistent with the purposes described in the Trust Agreement;
- A description as to how the proposal will benefit the First Nation and its beneficiaries in the long term;
- A description of the project actually proposed;
- A detailed budget as well as financial projections: as outlined in application
- A schedule of date or dates when the funds requested will be required.

Only completed application forms will be considered for funding. To be considered complete, the application must be signed; all questions must be answered and all required documentation must be attached,

### **Proposal Assessment Process**

- A. Once the proposal reaches our office; you will receive a letter of acknowledgement saying that we have received your proposal.
- **B.** The Trustees will check your proposal carefully to ensure it meets the Mandatory Criteria. All proposals that meet the Mandatory Criteria, will then be rated by the Trustees according to the following criteria:
- Specific: The application clearly states the features and benefits relating to one
  or more authorized uses of the Trust.
- Measurable: Is the success of this project or program clearly measurable?
- Attainable: Does the application represent a realistic or attainable project based on the use of funds?
- Immediacy and length of benefit
- How many members will this program or project benefit?

# **Project Monitoring**

Both the project and the Community benefit when project monitoring and evaluation processes are in place.

As a funding body, the Trustees are accountable to the Community and its Members. The Trustees monitor and evaluate funded projects on an ongoing basis to make sure it is consistent with the terms of the Trust.

Each project funded by the Trustees must monitor and evaluate itself using the criteria we've established as a guideline.

A report will be due at 6 months following the start of a project or program. Upon confirmation of funding, you will receive a letter outlining the reporting requirements.

# Part A (Page 1) - Information about You

Is this a Council Application or a Member Application?

- A Council Application is one submitted directly by council or a program/ company or department applying with council approval.
- A Member application is one submitted by an individual on their own behalf.

# Part B (Page2) – Information about the Project

Does the project fall under one of the 8 objectives?

NOTE: each objective has further requirements defined in the Trust Agreement. Does your project fulfill these?

- Does this project benefit the Chippewas of Nawash First Nation in the long term?
- How many people will benefit from this?
- How much money am I requesting?
- How long will my project be?
- How will I achieve my goals?
- Is this a good idea?

# Part C (Page 4) – Monitoring & Evaluation

How will I monitor the progress & outcome of my project?

## Part D (Page 5) - Project Team

- Who will be on my team?
- What will their roles & responsibilities be?



# Disclosure (Page 6)

- This allows the Investment Management Board to verify any information you provided in the application.
- It waives any responsibility to the Board in situations whereby the distribution of funds creates a taxable situation to the applicant.
- This also allows the trustees to publish information pertaining to successful applicants (i.e: Name, project name and (\$) amount ).

### Part E – Proposal Budget

If the budget is under \$5,000.00, Appendix A will need to be filled out.

\$5,000.00

- What is total cost of this proposal?
- Do I have other confirmed funding available (excluding Trust)?
- Do I have other tentative Funding available (excluding Trust)?

If the budget is over \$5,000.00, Appendix B will need to be filled out.

\$5,000.00

STEP#1 - Fill out the Budget Worksheet (Co-funding) first.

- Do I have other confirmed funding available (excluding Trust)?
- What types of funding are those? In-kind contributions (i.e. office space) or regular funds?

#### STEP#2 - Fill out the Budget Revenue Worksheet

- How much trusts funds will be spent each quarter of the year?
- How much Co-Funding funds will be spent each quarter of the year?
- How much 'other' revenue will be spent each quarter of the year?
- If I have 'other' revenue, where did it come from?

#### STEP#3 - Fill out the Expense Worksheet

- What are the specific expenses/costs for each quarter?
- Will there be salaries to be paid out?
- Will there be travel, equipment, rentals, human resources, supplies etc?

**NOTE**: A written breakdown on the nature of each expense item will be required.

See the application for the definition of expense items.

# STEP#4 - Fill out the table at beginning of Appendix B

BUDGET	1 <sup>st</sup> Quarter Jan to Mar	2 <sup>nd</sup> Quarter A p r i l t o June	3 <sup>rd</sup> Quarter July to Sept	
Revenue				
Expenses				

# **Submitting the Application**

You can hand the application in to Beth Grace by mail or email or in a sealed envelope to any of the trustees, who will time and date mark it.

The application must be in the Trust's possession before the Application deadline. If you are mailing your application, plan for appropriate mailing time.

LATE APPLICATIONS WILL NOT BE ACCEPTED

### What dates should I remember?

- August 28<sup>th</sup> at 4:30p.m Applications Due
- End of September Trustees review applications
- October Start allocating funding

Successful applicants will be informed of their reporting schedule.



### **Submitting the Application**

Miigwetch Have a great day.