



WELCOME
Pasqua First Nation Legacy Trust
Annual Report of the Trustee 2015

Presented to:

Pasqua First Nation Members

'A Gathering of Friends'





Presenters

Peace Hills Trust Company

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VP Trust Services

Jeff Frketich, CGA, CFA
AVP Trust Services

What is a Trust?

1. A Trust is not a Nation nor is it an Indian.
2. It is a separate legal entity from the Nation.
3. A Trust protects and separates assets. Trust funds cannot be mixed with other Nation funds.
4. Allows for clear monitoring over time.
5. It is a rule book that preserves and protects funds for today's and future membership.

What does a Trust Look Like?

THE SETTLOR

Pasqua accepts the
proceeds from
Canada

**Directs the
funds to be
placed in the
Trust**

TRUST PROPERTY

Money, other assets
held in the Trust

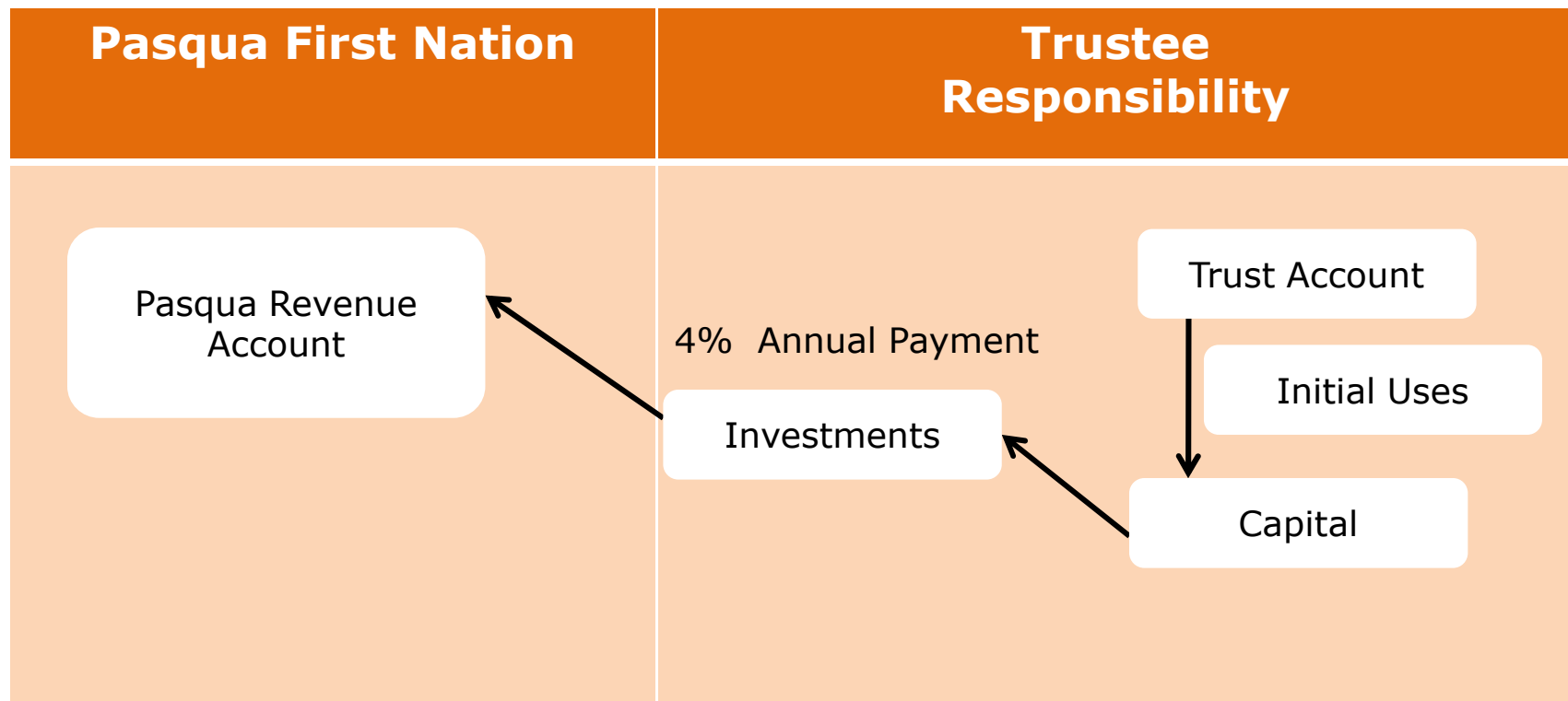
**The Trustee
Protects &
manages the
Trust**

THE BENEFICIARIES

Pasqua Members

**Receive the
benefits from
the Trust**

Your Trust as a Financial Vehicle



Your Trust?



The Pasqua First Nation Legacy Trust was effective on March 19, 2014, when the first settlement proceeds were received from Canada under the terms of the Settlement Agreement.

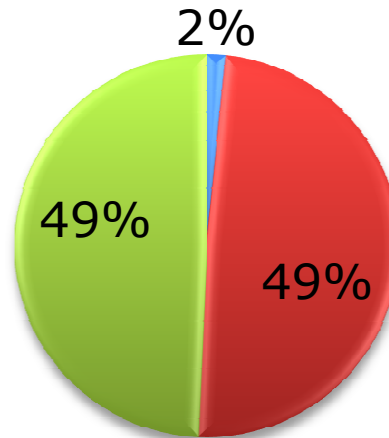
The Trust Accounts are the responsibility of the Trustee, and are held by the Corporate Trustee, Peace Hills Trust.

Statement of Financial Position

A statement of financial position lists the market value of all Trust Property (investments) held in the Trust. As at December 31, 2014, the market value of your investments were:

Market Value \$17,063,714

■ Cash ■ Guardian ■ Leith Wheeler



Source: Crowe McKay LLP audited Financial Statement

Statement of Operations

A statement of financial position lists the flow of funds from the capital. As of December 31, 2014 the distributions from the capital were:

Settlement Amount		\$20,622,278
Remaining PCD – March 19, 2014		390,000
Less:		
Payment of PCD loan	(3,654,900)	
Minors PCD payments	(96,667)	
Settlement costs	(280,014)	
First year's annual payment	(533,659)	
		(4,565,240)
Add		
Excess of revenues over expenses		357,571
Trust Capital as at December 31, 2014		\$16,768,470

Source: Crowe McKay LLP audited Financial Statement

Statement of Operations

A statement of operations speaks to the revenues (money made from investments) and expenses the Trust has incurred. Money is made from your investments in three ways: interest from bonds, dividends from stocks and net capital gains or losses from sales of investments. The income generated to the end of December 31, 2014 is as follows:

Revenues	
Dividend income	\$268,622
Interest income	152,896
Gain on sale of investments	31,159
	\$452,677

Source: Crowe McKay LLP audited Financial Statement

Statement of Operations

The expenses of the Trust are for professional investment management fees, trustee management fees and audit fees. The expenses of the Trust as of December 31, 2014 are:

Expenses	
Investment management fee	\$44,871
Trustee fees	50,235
	\$95,106

Source: Crowe McKay LLP audited Financial Statement

The Pasqua Revenue Account is the responsibility of Council, and once funds are paid into this account, the Trustees have no responsibility or accountability for how the funds are used.

Council uses the funds held in the Pasqua Revenue Account in accordance with the Pasqua Revenue Account Bylaw.

Protections & Investments

Investment Policy Statement – Money Road Map

- An Investment Policy Statement ('IPS') is a crucial document for both the First Nation and the Trust.
- It is a 'road map' that takes the financial goals and objectives of the Trust and describes how the investment process will be designed to achieve those goals.
- The IPS defines the roles and responsibilities of Trustees and Investment Managers and controls risk.

Protection & Investments

INVESTMENT MANAGEMENT – Multi Manager Approach

- A very important risk management tool is the use of two managers with complementary investment styles (growth and value) to reduce volatility.
- There are times when the market will favour a growth manager, and times when a value manager will outperform.
- The problem is knowing when a 'style' will outperform.
- The best way to solve the problem is having one of each; then if one style is underperforming, at least half your portfolio will do well.

Protection & Investments

INVESTMENT MANAGEMENT – Monitoring Process

- Peace Hills monitors the managers' performance and compliance on a monthly and quarterly basis vs. the standards set in the IPS and Trust.
- We also monitor the firms to ensure there is no 'style drift', staff or ownership changes that may negatively affect the performance.
- Results are reported to Council quarterly.

Thank you



Questions