



**St'at'imc (PC) 2011 Trust
Trustee Meeting
Summary Minutes
February 8, 2018
9:00 am – 4:00 pm
Sekw'elw'as**

Attendees

Nation Trustees

Courteney Adolph-Jones

Adele Alexander

Trish Andrew

Cecille Comeau

Florence Jack

Raquel Kane (Chair)

Karen Mitchell

Vanessa Mountain

Johnny Sam

Deloitte LLP

Melinda McKie

Natani Leech (minutes)

Lisa Ethans

Barrantagh Investment Managers

Wally Kusters (via phone)

Alan J. Daxner (via phone)

Regrets

Kerry-Lynn Lumsden

9:10 am Meeting commenced.

Administrative Matters

Review and approve agenda

The agenda was reviewed and approved as presented.

Review and approve minutes of December 7, 2017 Trust meeting

The meeting minutes from December 7th meeting were reviewed and approved as presented.

Annual sign off on Code of Conduct

Once a year the Trustees review and sign off on the Code of Conduct for Trustees.

The Trustees raised concerns that two of the Trustees may be in breach of the code of conduct due to attendance at Trust meetings. The Trust has a high quorum, and when Trustees are absent, it makes it difficult for the Trust operations to function in an efficient manner.

The Trustees in question were contacted and the issues were eventually resolved.

The Trustees signed the Code of Conduct.

Review and confirm Trustee contact information is current

The Trustees reviewed the contact sheet. A couple of changes were noted and made to the final contact list.

Review and sign updated Trustee terms of Office

The Trustees reviewed the Trustee terms of Office sheet. The terms of office page was signed.

Review meeting attendance summary for T4 purposes

The Trustees reviewed the summary of honorariums for 2017 and no changes were noted.

Financial

Review Status of Trust funds

The Administrative Trustee reviewed the status of Trust funds for the Trustees. It was noted that the Minimum Protected Amount requirement of a certain balance by March 1, 2017 has been met and exceeded.

Review summary of PC Balances as at December 31, 2017

The summary of PC Balances was presented. It was noted that the Trustees should remind their communities of large segregated beneficiary balance held with the option to move the funds over to Barrantagh. Otherwise the fund will stay in the Trust bank account earning minimal interest.

Review and approve 2017 Budget to Actual

The 2017 Budget to Actual Schedule was reviewed. The Trust came in under budget.

It was also noted that the 2017 actual Trust operating expenditures were approximately 1.8% of the Trust's capital which is in line with general Trust spending guidelines of 2%.

Review Administrative Trustee's 2017 invoices

The 2017 Administrative Trustee invoices for fees and expenses for the year were presented to the Trustees. It was noted that the expenses on the bills relate to out of pocket costs paid directly by Deloitte and billed to the Trust (eg. hotel costs). The Trustees had no questions relating to the invoices.

Review and approve Administrative Trustee 2018 fee information letter and authorization to pay

The Trustees reviewed the Administrative Trustee fee letter. It may be anticipated that the fee for the Administrative Trustee will be higher in 2018 due to an additional meeting scheduled in March to interview for a 2nd investment manager.

NATOA Conference

Trustees reviewed the budget and options for attending the NATOA conference in Banff. It was recommended the Trustees attend if their schedules allow. It helps increase their understanding of Trust business. Trustees will confirm their attendance in the next couple of weeks.

Understanding the Intent of the Trust

Update from Florence on Videography Project

Interviews with those involved in the negotiations of the Trust were underway even with a few difficulties scheduling interviewees. St'at'imc Government Services ("SGS") provided some of the old footage from the ratification process which may be included with the interview footage.

Review of memo from Brenda Gaertner

Brenda Gaertner responded and elaborated more on the Trustees fiduciary responsibilities. The draft memo has now been shared with the SA as the SA authorized Brenda to do the work, as she is the SA's legal counsel. The memo will remain in draft until Brenda receives comments from the SA. The Trustees spent time reviewing the memo in detail.

As a result of the memo, it is clear that the intent of the Trust is for long term, and with that it supports the Trustees decision to hire a second investment manager to maximize growth.

Approval of increased budget for Brenda Gaertner memo

The initial fee Mandell Pinder had provided has been determined to be lower than the work involved in preparing the memo. The level of work required to address the issues raised included number of documents that Brenda had to review and there has been various drafts of the memo that she has had to prepare with the Trustees requesting additional information. An updated estimate was provided.

The Trustees discussed whether the memo was worth the additional cost, and the majority decided they were not against increasing the budget.

Approval of increased budget for Florence Jack in coordinating Videography project

It was noted it has been a lot of work for Florence coordinating the video project and the recommendation is to increase her time to 40 hours to complete the project.

The Trustees stated that they expected the project would require more time. Florence left the room for the Trustees deliberation.

The Trustees confirmed that the increase does fall within the 2018 Budget for the Videography Project.

Review and approve 2018 Trust operating budget

The 2018 Trust operations budget was presented.

The budget has increased because of the extra meeting planned for March. It was also noted that the budget includes costs associated with a possible information session in the lower mainland, an increase in

fees for the Trustees to attend the NATOA Conference, and the videography project were all additions to the budget.

Allocation for investment management fees

The Administrative Trustee made a recommendation that the Trustees consider a change in policy to have the fees associated with the investments charged only to the Legacy Fund.

The Trustee's agreed with the recommendation to allocate investment management fees to the Legacy Fund in the future.

Primary and Secondary Income Review

It was explained that secondary income is income earned on income within the Trust. The Primary and Secondary income schedule was reviewed with the Trustees. The Administrative Trustee will update the schedule in June for the Trustees.

Review of Cash Flow Projections for Legacy Fund

A number of charts and graphs were reviewed to show the projections of the Legacy Fund based on the current split. There were a couple of other charts showing the difference if the payments stopped going to the Legacy Fund. The charts show clearly the Trust would continue to grow and maintain the payments to the Beneficiaries from years 51-100.

The graphs are CPI adjusted and are based on an estimated annual return of 5%. It was also noted it's important to share that the Trust may not earn 5% every year. Up until now, the Trust has done well and been fortunate with the markets. It was stated that during the negotiations, the negotiators thought the \$16M MPA would be a challenge to achieve, and we have well surpassed that.

Nation Annual Payments

Review memo on 2017 audited schedules from Beneficiaries

The Trustees reviewed the memo on the 2017 audit reports. Five (5) Beneficiaries are required to submit amending PCR's, and they have each been notified.

Review memo of Section 149 (1)(c) responses

The Section 149(1)(c) PCR requirement is an annual requirement. It was noted that all PCRs had been received before the Trust audit commences.

Review and approve requests for payments and amendments from Beneficiaries

There was one PCR requesting funds. The Trustees had no questions regarding the request. The motion was carried to pay the funds to the Beneficiary.

Other

Review and approve 2018 meeting schedule

The Trustees reviewed the proposed 2018 meeting schedule. It was noted that the AGM meetings have changed, so that the first meeting will be held in the South, then the second in the North. The Trust meeting would be in the afternoon, with the AGM in the evening.

Update on NATOA Course

Two Trustees are just completing the course and should be done in time for the March 1, 2018 deadline.

Select next Trust meeting Chair

A Trustee volunteered to chair the next two meetings.

The Administrative Trustee will reach out to the Trustee in advance of the next meeting to discuss the agenda.

Recent Communication

The Administrative Trustee reached out to T.E. Wealth about the announcement of John McCutcheon's retirement from Barrantagh, and T.E. Wealth did not foresee any issues for the Trust.

The Administrative Trustee received an enquiry from the SA regarding investment questions. The email and the Administrative Trustee's response was included on the agenda.

As discussed at the December 7th Trust meeting, the Administrative Trustee advised the SA Secretariat that the Trust will only pay for one (1) SA representative from each community to attend Joint SA meetings.

Discussion on hosting a community information session in the Lower Mainland

It was raised that one community had not received any information regarding the Trust. The Trustees can only share information regarding the Legacy Funds of the Trust and cannot answer questions regarding fund uses at the band level.

It was noted that going forward, the AGMs will be advertised as an information session on the Trust, and not band business.

The Administrative Trustee agreed to pull up the original presentations and share it with the Trustees.

Investment Manager – Barrantagh

2:30 pm Barrantagh joined the meeting by conference call and provided an update on the Trust's investments.

Barrantagh reported that the 2017 returns were strong for the St'at'imc portfolio as a whole and totaled 8% compared to the benchmark of 7.6%.

The average annual return since inception was 10.1% compared to a benchmark of 8.4%.

The Trustees had a number of questions which were answered.

3:20 pm With no further questions from the Trustees, Barrantagh left the meeting.

Review and discuss information to be presented to Chiefs

The Trustees reviewed the documents that were going to be provided to the Chiefs at the Joint SA meeting. A few changes were noted for the agenda and it will be printed to hand out to the Chiefs.

A Trustee volunteered to chair the meeting. The Chiefs will be asked if they had time to review the memo prepared by Brenda.

Update on search for second Investment Manager

The Trustees reviewed the memo provided by T.E. Wealth. The Trustees will ask T.E. Wealth who would be the furthest in investment style from Barrantagh.

Performance review & manager structure

The Trustees reviewed the attached information provided by T.E. Wealth and agreed that Jack will be provided with half an hour to present. Barrantagh hasn't been notified that they will no longer be receiving additional funds, however that will only be done once the Trustees have decided to hire a second investment manager.

Discussion on sample scholarship documents

A set of scholarship documents that were presented at the 2017 NATOA Conference was shared with the Trustees. The Trustees were advised that the scholarship run by the SGS is still running, however the pot of money is dwindling, and they have no way of replenishing the funds.

Provide Barrantagh 4th Quarter Investment Review

Trustees were provided with the Barrantagh 4th Quarter Investment Review.

AGM

Discuss logistics for AGM and presentation

The Trustees reviewed the memo on the quote for the 2018 AGM in the North and agreed that they would like to book at T'it'q'et. The Trustees would like to incorporate more discussions on why they are there in the first place, and focus more on the agreement.

There will be further discussions at the March Trust meeting.

Next Trust Meetings

February 9, 2018 at 9:00 am at Xwisten

March 8, 2018 at 9:00 am in Vancouver at the Deloitte Office
(subsequently changed to March 16, 2018)

March 27, 2018 at 9:00 am in Xa'xtsa (industrial park location)

4:10 pm Meeting adjourned.