

DRAFT

January 1, 2021

**Ozîja Thiha Legacy Trust Fund
Statement of Investment Policies and Procedures
(SIP&P)**

JANUARY 2021

**Ozija Thiha Legacy Trust Fund
Statement of Investments Policies and Procedures**

TABLE OF CONTENTS

SECTION 1 - FINANCIAL OBLIGATIONS OF THE TRUST	4
1.01 Structure of the Trust	4
1.02 Financial Status	4
SECTION 2 - MANAGEMENT STRUCTURE	5
2.01 Responsibilities	5
2.02 Fund Structure	6
SECTION 3 - FUND OBJECTIVES AND DEGREE OF RISK	8
3.01 Fund Objectives	8
3.02 Degree of Risk.....	8
SECTION 4 - RISK AND PERFORMANCE OBJECTIVES	9
4.01 Rate of Return Objective	9
4.02 Investment Managers Performance Objectives.....	9
SECTION 5 - INVESTMENT CONSTRAINTS	10
5.01 Asset Allocation Limits	10
5.02 Permitted Categories of Investments.....	11
5.03 Quality Requirements	12
5.04 Quantity Restrictions.....	12
5.05 Liquidity of Investments.....	13
5.06 Equity Diversification	13
5.07 Investment in Real Estate.....	12
SECTION 6 - OTHER ADMINISTRATIVE ISSUES	14
6.01 Securities Lending	14
6.02 Derivatives.....	14
6.03 Conflicts of Interest	13
6.04 Voting Rights.....	15
6.05 Investments Not Regularly Traded	15
6.06 Borrowing.....	15
6.07 Other Constraints.....	16
6.08 Monitoring	16
6.09 Review of SIP&P	16
APPENDIX A – Custodian and Investment Managers	19
APPENDIX B – Investment Manager’s Mandate	18
APPENDIX C - Investment Manager's Compliance Report	23

INTRODUCTION

This Statement of Investment Policies and Procedures (the "SIP&P") has been authorized and approved by the Trustees ("the Trustees") of the Ozija Thiha Legacy Trust ("the Trust"), to be used by the Trustees in relation to the Custodian ("the Custodian") and the Investment Managers ("the Investment Managers") for the assets of the Trust ("the Trust Fund").

This Statement of Investment Policies and Procedures has been prepared as a result of the Trustees' responsibility and desire to ensure that the Trust is governed prudently and in the most effective and efficient manner possible and to assist the Trustees in monitoring and evaluating the investment performance of the Trust's assets.

The Investment Managers are appointed to invest the assets of the Trust Fund on behalf of the Trustees. The attached Appendix A, as may be amended from time to time, lists the current Custodian and Investment Managers.

The Trustees are responsible for appointing the Custodian. The Trustees are responsible for appointing the Investment Managers to manage the Trust Fund. Within the specific guidelines outlined in this SIP&P and their mandates, the Investment Managers shall exercise full investment discretion. Assets must be managed with the care, skill and diligence that a professional investment manager in similar circumstances would exercise. Assets invested in a pooled fund must also satisfy such pooled fund's Statement of Investment Policy and Procedures. In case of conflict, the Investment Manager(s) must obtain approval from the Trustees prior to investing in the pooled fund.

Subject to the Trust Deed, the Trustees may invest in any investment which they consider advisable from time to time and are not limited to investments authorized by law for Trustees.

The Trustees shall review this SIP&P for the Trust Fund at least once a year and may amend the SIP&P based on altered economic conditions. This SIP&P may be amended or modified at any time by resolution of the Trustees. The Trustees shall provide the most recent version of the SIP&P to the Custodian and Investment Managers.

SECTION 1 - FINANCIAL OBLIGATIONS OF THE TRUST

1.01 Structure of the Trust

The Trust was established in 2021. The following are the main characteristics of the Trust, as set out in the Ozija Thiha Legacy Trust (the "Trust Deed"):

- a) The Trust Fund is comprised of two components: a "Trust Capital" component and a "Trust Income" component.
- b) The "Trust Capital" component is comprised of all money and property received by the Trust for the purposes of the Trust, and includes the non-taxable portion of any capital gain less all capital losses.
- c) The "Trust Income" component is comprised of all income of the Trust as calculated in accordance with generally accepted accounting principles as applicable in Canada.
- d) The "Taxable Income" of the Trust is comprised of the net income of the Trust as calculated for the purposes of calculating the income tax payable by the Trust pursuant to Part I of the Income Tax Act (Canada).

For definitions of these terms, refer to the Trust Deed.

1.02 Financial Status

Subject to the terms of the Trust, the Trustees shall distribute the amounts prescribed in the Trust Deed to the Bearspaw First Nation (the "Beneficiary") in each year.

SECTION 2 - MANAGEMENT STRUCTURE

2.01 Responsibilities

- a) The Trustees are responsible for:
 - I. the review of the SIP&P, at least annually;
 - II. the selection of the Investment Managers and the Custodian;
 - III. the evaluation of the performance of the Investment Managers; and
 - IV. the monitoring of the Investment Managers and the Custodian.

The Trustees may, at their discretion, retain third party professional services to assist them with the foregoing responsibilities.
- b) With respect to this SIP&P, the Trustees shall:
 - I. act honestly, in good faith, and in the best interests of the Trust;
 - II. ensure that there is suitable care provided for the Trust and its assets;
 - III. not let his or her personal interests or the interests of a third-party conflict with those of the Trust; and
 - IV. further the continuity of the Trust through financial governance.
- c) Each Investment Manager shall:
 - I. invest his portion of the Trust Fund in accordance with the SIP&P and the mandate given to the particular manager, as shown in Appendix B or in the case of a pooled fund, that pooled fund's Statement of Investment Policy and Procedures.
 - II. notify the Trustees of any significant changes in the Investment Manager's organization, philosophy, procedures or personnel;
 - III. prepare a quarterly report on the performance of his portion of the Trust Fund;
 - IV. meet annually or as required with the Trustees to review the performance of his portion of the Trust Fund; and
 - V. provide reporting as required under the Investment Managers Mandate. (e.g. Section 3 and 4 of Appendix B).
- d) The Custodian shall:
 - I. fulfill the regular duties required by law of the Custodian;

- II. maintain safe custody of the assets of the Trust Fund;
- III. make the transactions requested by the Trustees or the Investment Managers;
- IV. provide securities lending as requested by the Trustees; and
- V. provide monthly financial statements on the Trust Fund.

2.02 Fund Structure

Pursuant to a Ministerial Order, a lump sum transfer to the Trust from the federal government of approximately \$52 Million was made on March __, 2021. This represents Bearspaw First Nation's per capita share of the Stoney-Nakoda Capital Moneys held by the Government of Canada in trust for the Bearspaw First Nation. The aforesaid lump sum amount will form part of the Trust Capital of the Trust Fund and will be invested in segregated funds or in the pooled funds of the Investment Managers in accordance with the provisions of this SIP&P. Additional amounts received by the Trustees in the future shall also form part of the Trust Capital.

The Trust Fund shall be invested taking the following into consideration:

- a) The annual distributions from the Trust Fund to the Beneficiary - Article 14.3 of trust deed:
 - 14.3 Prior to the last day of the Fiscal Year, the Trustees shall distribute to the Beneficiary an amount equal to the greatest of:
 - (a) the Net Income of the Trust for the year; ·
 - (b) 4.5% of the average fair market value of the Trust Fund at the end of the three prior Fiscal Years; and
 - (c) The lesser of:
 - (i) Three Million Six Hundred and Ninety-Six Thousand (\$3,696,000) Dollars; and
 - (ii) Seven (7%) percent of the fair market value of the Trust Fund as measured at the end of the immediately preceding Fiscal Year.
- b) The Trust's obligations are linked to inflation. The Trust Deed states that the Trustees are to invest to attempt to maintain the purchasing power of the Trust Fund by endeavouring to ensure over the long term, the Real Value of the Net Capital of the Trust is not depleted.

- c) The Trust takes a long-term time perspective given the perpetual nature of its obligations. Under current investment conditions, the Trust will take on types of risk for which it expects to be compensated over the long term in order to meet the distribution obligations to the Beneficiary and to preserve the real value of the Trust Fund.

The Trust Fund will be invested in segregated funds, in pooled funds or limited partnerships of one or more Investment Managers to maximize investment returns while minimizing investment management fees. In addition to complying with this SIP&P, each Investment Manager is required to comply with his specific Investment Manager Mandate as shown in Appendix B to this SIP&P.

SECTION 3 - FUND OBJECTIVES AND DEGREE OF RISK

3.01 Fund Objectives

The objectives of the Trust are to manage and invest the Trust Fund on behalf of the Beneficiary. The Trustees will be governed by two main principles. They are to manage and invest as a prudent person would when investing the capital of another and to invest and reinvest the Trust Fund to maintain the purchasing power of the Trust Fund by seeking to ensure that over the long term, the Real Value of the Net Capital is not depleted.

The purpose of equity investments in the Trust Fund is to provide current income, growth of income and appreciation of capital. The purpose of fixed income investments in the Trust Fund is to provide a predictable and dependable source of income and reduce portfolio return volatility. The purpose of alternative investments in the Trust Fund is to optimize total returns over time while reducing the volatility of the returns of the overall portfolio through diversification into investments whose returns show low correlations to traditional equity and fixed-income returns.

3.02 Degree of Risk

The Trust Fund should be invested in both fixed income investments, which would generate a more predictable flow of investment income and assist in meeting core income requirements, and in equity and other alternative investments (including infrastructure and real estate), in order to provide diversification as well as enhance the expected investment return.

SECTION 4 - RISK AND PERFORMANCE OBJECTIVES

4.01 Rate of Return Objective

The investment objective of the Trust is to obtain superior long-term rates of total return (yield plus capital appreciation) while exposing the Fund only to such risk and volatility as is consistent with those returns so as to provide a dependable and optimal source of income and to preserve the capital of the Fund in real dollar terms

The actual rate of return will be driven by market conditions, but the Trustees should seek to earn a long-term rate of return above the long-term return on high quality fixed income investments by allocating a significant portion of the Trust Fund to equity and alternative investments. The Trustees may also seek to increase the long-term rate of return above that available through passive or indexed investments through active management of the investments by using the services of speciality managers for each asset class.

The primary objective of the Trust Fund, excluding the operating account and any monies invested in a pooled Money Market Fund for liquidity purposes, will be to achieve a rate of return, net of investment management fees, of at least the inflation rate (for Canada) plus four and one-half percent (4.5%) over moving four-year periods.

4.02 Investment Managers Performance Objectives

Performance objectives for the Investment Managers are shown in Appendix B.

SECTION 5 - INVESTMENT CONSTRAINTS

5.01 [NTD for Discussion] Asset Allocation Limits

In order to achieve the objectives of the Trust, the Trust Fund shall be invested in equities, fixed-income and alternative investments from time to time at the discretion of the Trustees.

The equity, fixed-income and alternative investment portions of the investment portfolio are to be diversified in order to preserve and enhance the value of the Trust Fund, and to reduce investment risks.

Over the near term, there are two developments that will require the Trust Fund to have custom asset allocation limits:

1. real returns on fixed-income assets are extremely low and may drift to negative levels, and
2. monthly royalties that will be received in 2021 are forecasted to be less than the distribution that will be made to the Beneficiary.

Hence, in aggregate, among the Investment Managers, the following limits shall apply as a percentage of the portion of the Trust Fund that have not been allocated to be invested in Money Market Fund and operating account:

Asset Class	Minimum %	Benchmark %	Maximum%
Equities	60%	80%	100%
- Canadian	30%	40%	50%
- Global*	30%	40%	50%
Fixed Income	0%	20%	20%
- Bonds	10%	20%	30%
- Cash & equivalents	0%	0%	15%
Alternative Investments	0%	0%	20%

* US and non-North American

The Trustees shall monitor monthly royalty receipts and take appropriate action to ensure liquidity needs are met.

These limits have been determined by the Trustees to meet the Trust Fund's investment objectives and shall be reviewed by the Trustees from time-to-time as is appropriate. The minimum and maximum allocations take into account acceptable asset mix drift and provide for the opportunity to exploit tactical asset allocation. However, the Trustees will from time to time rebalance the overall portfolio to the Benchmark. In the event that the Trustees opt to use more than one Investment Manager for any asset class, they may from time to time rebalance between the Investment Managers for that class, in addition to rebalancing to the benchmark.

At the annual review of the SIP&P, the Trustees shall review the forecasted near term real rate of returns on asset classes and the ensuing year's forecasted royalties and distribution, If appropriate, the Trustees may allocate a portion of Trust Fund to fixed-income assets to achieve diversification and to reduce the volatility in market values so long the objectives of the Trust Fund are satisfied. If necessary, the Trustees may transfer a portion from the equity portion of the Trust Fund to a Money Market Fund and/or operating account if a deficiency between monthly royalties and distributions is expected.

5.02 Permitted Categories of Investments

The Trustees shall, in their absolute discretion, whenever they consider it in the best interests of the Trust Fund to do so and provided the investment is in all other respects prudent, invest the Trust Capital, and any Trust Income not immediately needed for costs and expenses of the Trust or for disbursements to the Beneficiary(s) in any investment, whether inside or outside Canada and whether or not it is income producing. The Trustees are not limited to investments authorized by law for Trustees and they may from time to time alter or vary such investments.

Investments may be made in any of the following investment categories from Canadian or non-Canadian issuers, through purchase of securities or units of pooled funds:

- a) Equities traded on recognized market exchanges:
 - I. common and preferred stocks;
 - II. REITS with approval of Trustees;
 - III. convertible preferred stocks;
 - IV. convertible debt securities;
 - V. warrants or rights on common or preferred stocks;
 - VI. American or Global Depository Receipts and Instalment Receipts;
and
 - VII. market index participation units.
 - VIII. limited partnerships

- b) Fixed income:
 - I. bonds, debentures, notes and non-convertible preferred stocks;
 - II. packages of mortgages provided they yield at least 50 basis points more than bonds of the same maturity;
 - III. mortgage-backed and asset-backed securities;
 - IV. term deposits and guaranteed income certificates; and
- c) Cash or equivalents:
 - I. cash;
 - II. demand or term deposits;
 - III. treasury bills; and
 - IV. commercial papers or bankers' acceptances.
- d) Alternative investments, subject to the prior written approval of the Trustees:
 - I. resource properties;
 - II. real estate;
 - III. hedge funds;
 - IV. infrastructure; and
 - V. non-publicly traded equity securities including private placements and venture capital.

5.03 Quality Requirements

The fixed income securities should meet the following minimum quality rates from a recognized bond rating agency:

- a) "A" or equivalent rate for individual bonds and debentures, with the exception that up to 20% of bond holdings can be held in "BBB" or equivalent;
- b) "R-1" or equivalent rate for short-term investments; and
- c) "P-1" or equivalent rate for preferred shares.

5.04 [NTD for Discussion] Quantity Restrictions

Each Investment Manager shall ensure his holdings of equities and fixed income securities in any single corporation shall not represent more than 10% of the total market value of his portion of the Trust Fund.

Each Investment Manager's portion of the Trust fund shall not hold more than 15% of the voting rights of any corporation, including its subsidiaries. Where the Trust fund invests in both the stock and the debt of any corporation, including subsidiaries, it shall not hold more than 30% in aggregate of the corporation, including its subsidiaries, including both stocks and debt instruments.

No more than 10% of the total market value of the Trust Fund shall be invested in any fixed income security that is not guaranteed by the Government of Canada or the government of a Canadian province or territory.

5.05 Liquidity of Investments

With the exception of the portion of the Trust Fund in term deposits and in alternative investments, the Trust Fund should be invested in marketable securities with a high liquidity. Any pooled funds utilized must be valued according to unit values published at least weekly.

5.06 Equity Diversification

The Trust Fund shall at all times be invested in a diversified manner to an extent that is appropriate having regard to general economic and market conditions. The investments in any one industry should not exceed the greater of 150% of the industry weighting in the market index, or the index weight plus 10% as measured at market value. Market exposure in any industry is limited to 35% of the portfolio for Canadian equities and 30% for non-Canadian equities to ensure diversification.

An Investment Manager may apply to the Trustees to have the diversification requirements of this section waived or revised and the approval of the Trustees shall be documented in the Mandate outlined to such Investment Manager.

From time to time in their sole discretion the Trustees may retain the services of an equity manager that specialises in a particular sector of the market, whether by industrial sector or by market capitalisation in order to enhance the overall returns of the Trust Fund.

5.07 Investment in Real Estate

Investment in real property shall be made with a Real Estate Investment Corporation so as to limit liability of the Trust Fund with respect to environmental contamination and clean-up.

SECTION 6 - OTHER ADMINISTRATIVE ISSUES

6.01 Securities Lending

Subject to the written approval of the Trustees, the Custodian may enter into a securities lending program in respect of securities held on behalf of the Trust, provided that there is an expected benefit to the Trust and the Custodian maintains adequate collateral and reports the details of the lending program to the Trustees.

6.02 Derivatives

Financial instruments such as rights, warrants, forwards and futures may be used for the exclusive purpose of controlling risk or to increase returns but not in a way that is designed to exploit financial leverage. The Trustees may enter into derivative strategies which are intended to control the risk of currency fluctuations for investments not denominated in Canadian dollars.

Any Investment Manager appointed to invest in a hedge fund or a fund of hedge funds as an alternative investment may use derivative structures subject to the approval of the Trustees, who must be satisfied that any use of leverage in such structures is limited to an acceptable level and closely monitored in the case of a fund of funds approach.

6.03 Conflicts of Interest

The Trustees involved in any decisions or recommendations with respect to the Trust Fund, including the Custodian and the Investment Managers, are all fiduciaries of the Trust and are subject to the following pertaining to conflicts of interest.

The particulars of all actual or perceived conflicts of interest with respect to the Trust or the Trust Fund must be disclosed by the person or persons in conflict immediately upon becoming aware of the conflict, in writing to the Trustees. The person or persons in conflict shall not directly or indirectly participate in any discussion on the subject of the conflict nor participate in any vote or decision on the matter without prior consent of the other Trustees.

While it is impossible to determine every circumstance or case giving rise to a possible conflict of interest, the following indicates some of the types of activities that could result in a conflict of interest and should be disclosed:

- a) any material beneficial ownership of investments involved, which could reasonably be expected to impair the ability to render unbiased and objective advice, should be disclosed whenever the fiduciary wishes to make recommendations concerning an investment in which he or she has a material beneficial interest or potential conflict;
- b) any additional or special compensation arrangements from any person other than his or her employer, which could reasonably be expected to

impair his or her ability to render unbiased and objective advice with respect to the Trust and Trust Fund; and

- c) any consideration paid to others for making a particular recommendation relating to Trust Fund matters (such disclosures must be made before the recommendation is implemented).

6.04 Voting Rights

The Investment Managers are delegated the voting rights for all securities held under the Trust subject to the Trustees exercising their right at any time to give direction to the Investment Managers with respect to the voting on any specific situations. If the Trustees exercise their right to vote pursuant to this section, the Trustees shall advise the Investment Managers in writing, at least 48 hours before the voting deadline as outlined in the proxy notice. If written direction is not received within 48 hours prior to the voting deadline, the Investment Managers will vote in accordance to their proxy voting guidelines. Any voting rights exercised by the Investment Managers shall be in the best interests of the beneficiaries of the Trust and, where applicable, comply with the SIP&P.

As soon as practically possible, the Investment Managers shall inform the Trustees in advance of any pending voting situations which may have a significant impact on the Trust. With each Compliance Report, the Investment Manager shall inform the Trustees if it has voted or intends to vote against company management.

In lieu of the reporting requirements of the second sub-paragraph of this Section 6.04, an Investment Manager, with the approval of the Trustees, will provide a quarterly proxy voting report reflecting how the Investment Manager voted the proxies for the Trust in the previous quarter.

6.05 Investments Not Regularly Traded

If a security held by the Trust Fund does not have an active market, the Investment Manager holding such security will present the method to be employed in establishing the market value for approval by the Trustees.

6.06 Borrowing

The Trustees may borrow money to meet short-term liquidity requirements. Other than for short term liquidity requirements, the Trustees shall not carry out the following:

- a) engage in borrowing money for operation of the Trust except where these conditions apply:
 - I. The total amount borrowed is limited to no more than 10% of the market value of the Trust Fund;
 - II. The borrowing shall only be from the Bears paw First Nation, a bank or a trust company

III. The portion of the Trust Fund's assets that can be used as collateral shall not exceed 10% of the Trust Fund.

- b) the guaranteeing of third-party borrowing;
- c) the purchase of securities on margin; and
- d) short selling.

6.07 Other Constraints

- a) The Investment Managers shall comply with the standards of the CFA Institute.
- b) If the assets of the Trust Fund are invested in pooled funds, the Investment Managers shall adhere to the respective investment policies that govern segregated and or pooled funds in addition to this SIP&P. The Investment Managers should provide at least annually a copy of any pooled fund investment policy in which the Trust Fund is invested.

6.08 Monitoring

- a) At least annually the Trustees shall cause an overall analysis of the Trust Fund to be prepared by an appropriate measurement service, including:
 - I. the return objectives and asset allocation limits noted in the SIP&P;
 - II. the assets and net cash flow of the Trust Fund;
 - III. the return that could have been achieved by passive investment in index funds in proportions set out in the Investment Managers Mandates; and
 - IV. the value added by external management by the Investment Managers.
- b) With each Investment Manager, a set of guidelines will be agreed upon within which the Investment Manager is expected to operate, including discretion limits, diversification, quality standards and performance expectations. A statement shall be provided by the Investment Managers as per Section 3.1 of the Investment Managers Mandate attached as Appendix B of this SIP&P and as amended from time to time.
- c) The Trustees shall monitor the performance of the Investment Managers, such monitoring to include, but not limited to, annual meetings and ongoing evaluation of performance relative to standards appropriate to the Investment Managers' Mandate.

6.09 Review of SIP&P

This SIP&P shall be reviewed by the Trustees at least annually, but otherwise whenever a major change is necessary. Such review may be caused by:

- a) significant revisions to the expected long-term trade-off between risk and reward on key asset classes, normally dependent upon basic economic/political/social factors;
 - b) a significant change in the financial risk tolerance of the Trust;
 - c) shortcomings of the SIP&P that emerge in its practical application, or substantive modifications that are recommended to the Trust;
 - d) changes in the applicable legislation; or
- a significant increase in the amount of Trust Capital.

This revised SIP&P is agreed upon and adopted by the Trustees of the Ozija Thiha Legacy Trust Fund.

_____, 2021

Trustee

Trustee

Trustee

APPENDIX A - CUSTODIAN & INVESTMENT MANAGERS

CUSTODIAN

Name of Custodian

MANAGERS

Names of Managers

APPENDIX B – INVESTMENT MANAGER’S MANDATE

Effective Date of Mandate: _____, 2021

XYZ Investment Counsel

SUMMARY:

- 1.1 XYZ shall invest their portion of the Trust Fund in the following pooled funds:
 - (a) XYZ Money Market Fund;
 - (b) XYZ Canadian Equity Fund;
 - (c) XYZ US Equity Fund;
 - (d) Canadian Fixed Income; and
 - (e) XYZ International Equity Fund (individually the “Pooled Fund” or collectively the “Pooled Funds”).
- 1.2 The following general principles shall apply to the Trust Fund’s investment in the XYZ Pooled Funds:
 - a) XYZ shall provide the Trustees with a copy of the statement of investment policies and procedures of the Pooled Funds, copies of which are to be attached to this Mandate, and shall promptly notify the Trustees of any changes.
 - b) In the event of a conflict in the provisions of this SIPP with the provisions of the statement of investment policies and procedures of any Pooled Fund, the provisions of the statement of investment policies and procedures of the applicable Pooled Fund shall take precedence.
 - c) Pursuant to Section 5.02(a)(II) of the SIPP, the Trustees approve investments in REITS by the Pooled Funds. For information purposes and NOT as a compliance matter, shall report to the Trustees if any Pooled Fund’s investment in REITS exceeds 10% of the portfolio.
 - d) Pursuant to Section 5.06 of the SIPP, the Trustees waive the diversification provisions of this Section 5.06 and in lieu, adopt the diversification provisions outlined in the statement of investment policies and procedures of the Pooled Funds. Specifically, the weighting for any single industry under the Pooled Funds shall be:

	Canada	U.S.	International
Sector Diversification	6 to 10	6 to 10	7 to 10
Sector Weights	Greater of: (i) 20%; (ii) Index Weight + 10%; (iii) 1.5x Index Weight	Maximum weight in any 1 Sector 35%	Maximum weight in any 1 Sector 30%; Maximum 15% in non EAFE
Maximum Investment	8 – 10%	10%	5% or 10% Float

For information purposes and NOT as a compliance matter, shall report to the Trustees if any Pooled Fund's diversification limitations would have exceeded the provisions of Section 5.06 of this SIPP.

- e) The Trustees acknowledge they have no rights concerning the voting rights for the securities held under the Pooled Funds. Accordingly, Section 6.04 of the SIPP shall not apply under this Mandate. On a quarterly basis, shall report to the Trustees on the voting activities undertaken by with respect to the securities held under the Pooled Funds.
- f) The Trustees agree Section 6.05 of the SIPP shall not apply to this Mandate. Shall promptly report to the Trustees if any securities of the Pooled Funds are not marketable and the method that will be used to determine a market value.

GENERAL

- 1.3 The following outlines the benchmark for this Mandate's portion of the Ozîja Thiha Legacy Trust (the "Trust Fund").

<u>Mandate of Portion of Total Fund</u>	<u>Benchmark</u>
40% Canadian Equities	40% S&P/TSX Composite Capped Index
20% Canadian Fixed Income	20% FTSE Canada Universe Bond
plus	plus
40% Global Equities	40% MSCI World Index

The permitted range around this benchmark is shown on the compliance report attached as appendix C.

1.4 Subject to the Statement of Investment Policies and Procedures of the Ozija Thiha Legacy Trust (the "SIP&P"), the following general principles shall apply:

- a) selection of investments shall be made only in the context of the portfolio managed by Investment Managers Name (the "Investment Managers"), without undue risk of loss or impairment and with a reasonable expectation of achieving a real rate of return given the nature of the investment;
- b) Subject to the "Summary Section" of this Mandate as outlined above, the Investment Managers shall at all times adhere to the SIP&P; and.
- c) while Section 5.01 of the SIP&P allows the Investment Managers to deviate from the benchmark, within a range, if the manager intends for short term strategic reasons or as a result of market shifts, to deviate by more than plus or minus 5%, the Investment Managers shall notify the Trustees and explain their rationale for such planned deviation or their planned corrective action in the case of market driven deviation.
- d) "If the Trust Fund will or the Trust Fund has in fact exceeded the limitations established in section 5.04 of the SIP&P, then notwithstanding the Investment Manager's compliance with section 1.2(b) and (c) above, the Investment Manager shall comply with directions given by the Trustees to dispose of investments made by the Investment Manager for the Trust Fund within a reasonable time or otherwise agreed with the Trustees."

2. PERFORMANCE OBJECTIVES

2.1 Performance Standards: The Investment Managers will be expected to meet the following performance standards over completed market cycles (typically 20 quarters):

Performance Standard

The rate of return of the Benchmark + 1.5%

2.2 Evaluation Period: The Investment Managers need not be faulted for underperforming the performance standards in section 2.1 over short periods. On the other hand, significant short-term underperformance may make it unlikely that the performance standard will be achieved over a completed market cycle. Therefore, the primary focus of performance measurement will be on a moving four-year average result, however, performance will also be evaluated in terms of the deviation of the actual return from the performance standard over a variety of time intervals.

Results consistently below the standard will require detailed explanation by the Investment Managers.

- 2.3** Peer Group Comparison: The Investment Managers will be expected to achieve a moving four-year average return that is above the median return achieved by its peer group, as measured by an appropriate performance survey for each asset class. The Investment Managers' total fund return shall be compared relative to the total fund universe for information purposes only.

3. REPORTING RESPONSIBILITIES

- 3.1** The Investment Managers shall submit a statement of broad investment philosophy and approach indicating the general direction in which funds will be invested. This statement should include a general description of the investment style including permitted investments and diversification requirements.
- 3.2** The Investment Managers will notify the Trustees of the Ozija Thiha Legacy Trust (the "Trustees") immediately in writing if:
- a) the Investment Managers are not in compliance with any aspect of this mandate. Such notification shall also include any remedies required to return the portfolio to compliance;
 - b) there are any significant changes to the Investment Managers' firm in terms of policies, procedures, personnel or ownership; and
 - c) there is any material variation to the investment style provided by the Investment Managers to the Trustees under Section 3.1.
- 3.3** The Investment Managers shall provide the Trustees with a copy of the Investment Managers' policies and procedures for:
- a) professional standards;
 - b) conflicts of interest; and
 - c) internal controls on operations.
- 3.4** Conflicts of Interest: The Investment Managers shall disclose to the Trustees information on any actual or potential conflicts of interest as they arise. This shall include but not be limited to:
- a) affiliated parties, including brokers/dealers;
 - b) related party transactions; and
 - c) lines of business other than investment of money for tax-exempt funds.
- 3.5** Performance-related reporting: If requested to do so, the Investment Managers shall provide the following information, or other such information that may be required, within four weeks of the quarter-end:

- a) time-weighted rates of return for each fund and its components, as applicable;
- b) asset mix calculated at market value, as applicable; and
- c) significant shifts in strategy and/or portfolio composition that occurred during the quarter.

3.6 Compliance Report: On a quarterly basis, the Investment Managers shall confirm its compliance with this SIP&P and mandate by completing a compliance report a sample of which is included as Appendix C.

4. MEETINGS

4.1 On at least a semi-annual basis, the Investment Managers shall meet with the Trustees and provide in writing:

- a) the Investment Managers' intended portfolio composition and strategy for the next six months, including major sources of risk and return in the intended strategy;
- b) the underlying rationale for the strategy, including an economic commentary, a market overview and return expectations for the capital markets;
- c) an analysis of their performance including significant decisions that had both a positive and negative effect on returns; and
- d) a review of the current holdings including significant deviations from the applicable benchmark indices.

4.2 The Investment Manager's written report shall be forwarded to the Trustees at least seven business days prior to the meeting.

Acknowledged by: _____
(Signature)

(Title)

Date: _____
(month/day/year)

APPENDIX C —INVESTMENT MANAGER’S COMPLIANCE REPORT

COMPLETE LISTING OF SECURITIES / QUARTERLY REPORT ATTACHMENT

The Investment Manager shall provide to the Trustees a listing of the complete holdings of the Pooled Funds as of the end of the latest quarter of a calendar year, at least seven business days before the Trustees’ regular quarter meeting.

The Investment Manager shall include a completed and signed Compliance Report attached to each Quarterly Report.

Compliance Officer of Investment Manager

Date

* Please provide comments in case of non-compliance.
