



**Ozîja Thiha
Legacy Trust**

**Basic Facts
For Bearspaw Elders**

March 2021



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Purpose of Ozîja Thiha Legacy Trust

Introduction

- ▶ The establishment of our own Trust represents many years of hard work and persistence by the leadership of Bearspaw Chief and Council with the support of our Elders and members.
- ▶ In the past, we were unprepared for the tremendous influx of royalty revenue that was paid to us. In attempting to help our members in the most direct way possible, hundreds of millions of dollars have been paid out to our members for per capita distributions, housing and other purposes.
- ▶ It appears that we forgot about saving and investing a portion of the royalty money from our non-renewable resources (natural gas) for our future generations. However, it is not too late.



Purpose of Ozîja Thiha Legacy Trust Introduction (Continued)

- ▶ Our Nation intends to invest the money we have saved from the sale of our non-renewable resources, so that when the resources are gone, we will continue to enjoy the social, economic and financial wealth we have been blessed with.
- ▶ The Bearspaw Nation's goal to achieve economical self-sufficiency will be significantly advanced and enhanced with the establishment of the Ozîja Thiha Legacy Trust.
- ▶ The transfer of Capital Moneys to Ozîja Thiha Legacy Trust will stand for the protection and growth of Bearspaw First Nation assets for Bearspaw children, grandchildren and children yet to be born.



The Nature of a Trust

General Overview

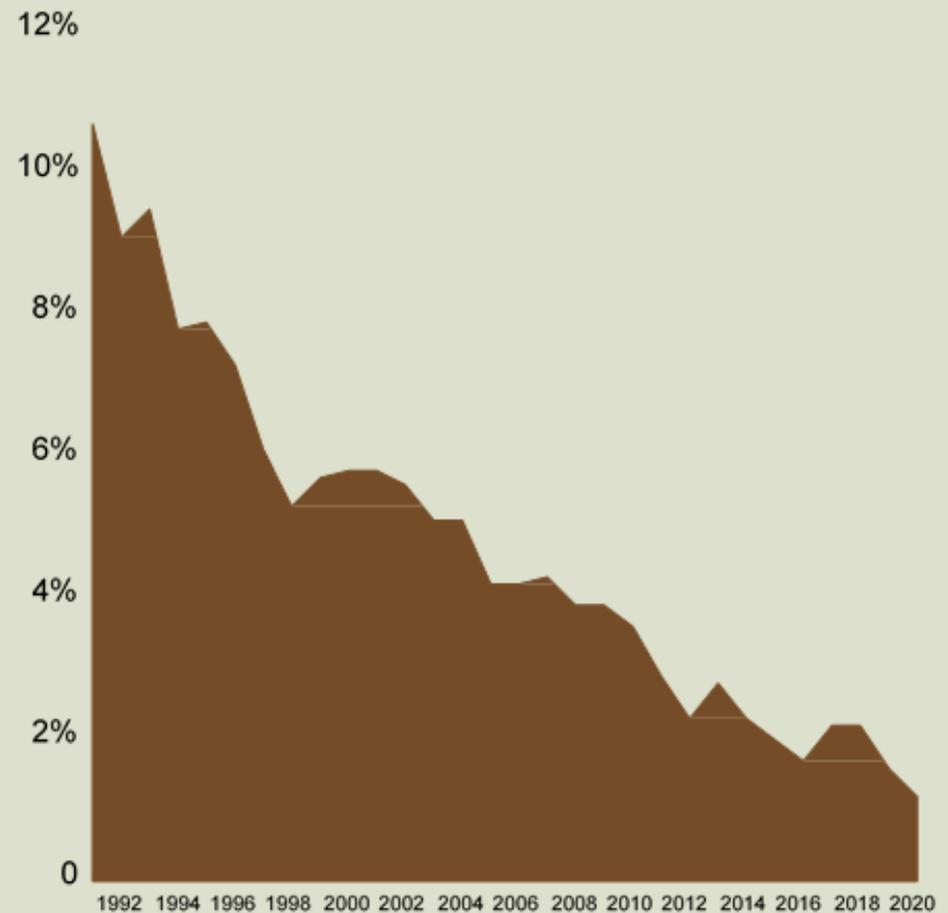
A “**Trust**” is a relationship established when:

- 1) a “**Settlor**” (the person who provides the Trust with money in this case Bearspaw Chief and Council),
- 2) transfers property (generally money) to another person or entity (the “**Trustees**”) of the Ozija Thiha Legacy Trust,
- 3) for the benefit of one or more “**Beneficiaries**” (the Bearspaw First Nation and its members)

Department of INDIGENOUS Affairs (INAC)

Annual Rate of Return Paid by Canada on “Indian Capital Moneys”

1990-2020

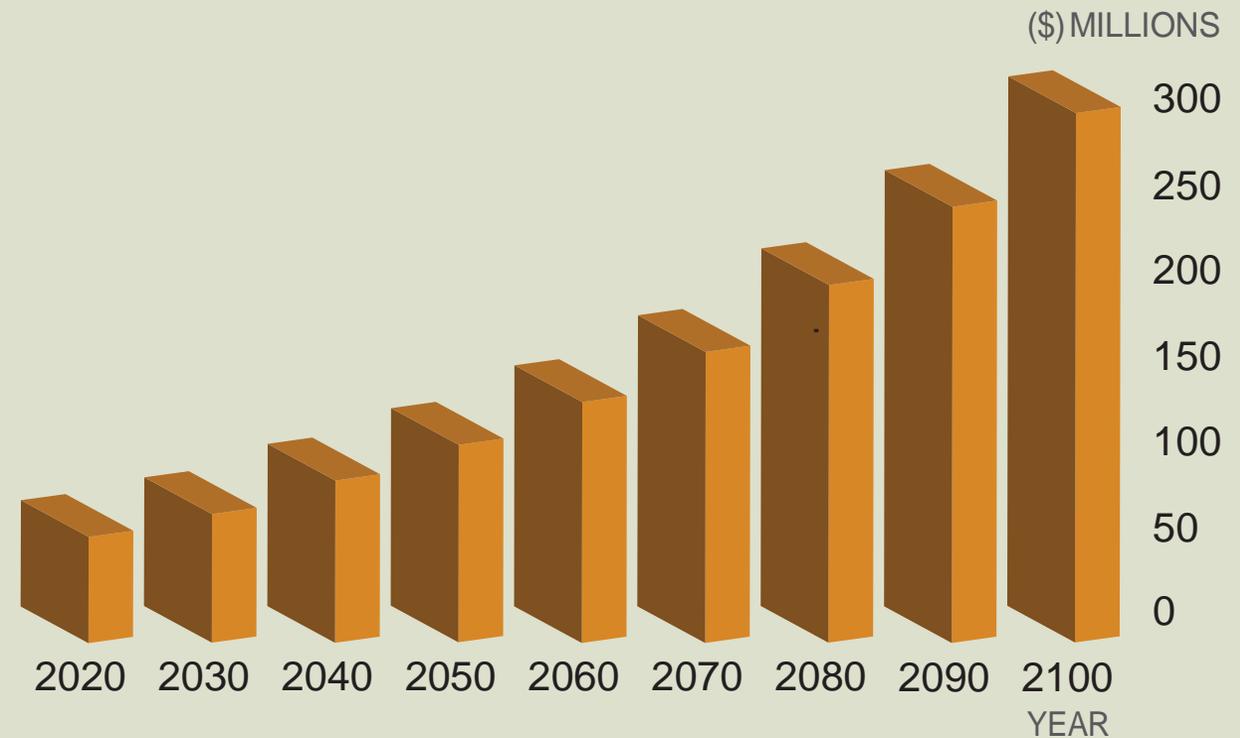


Trustees

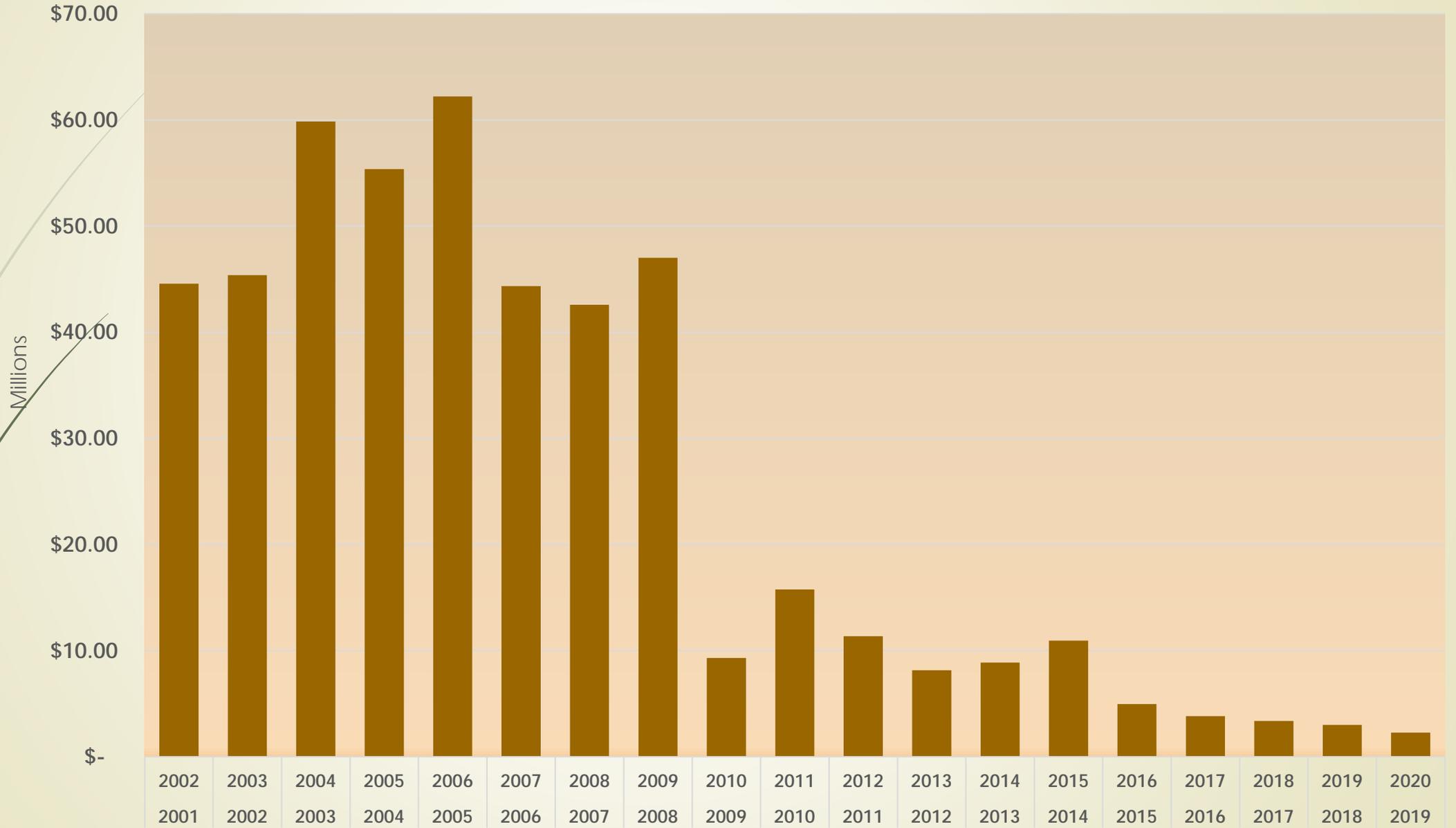
Projected Growth – Ozîja Thiha Legacy Trust

Leaving a legacy for future generations

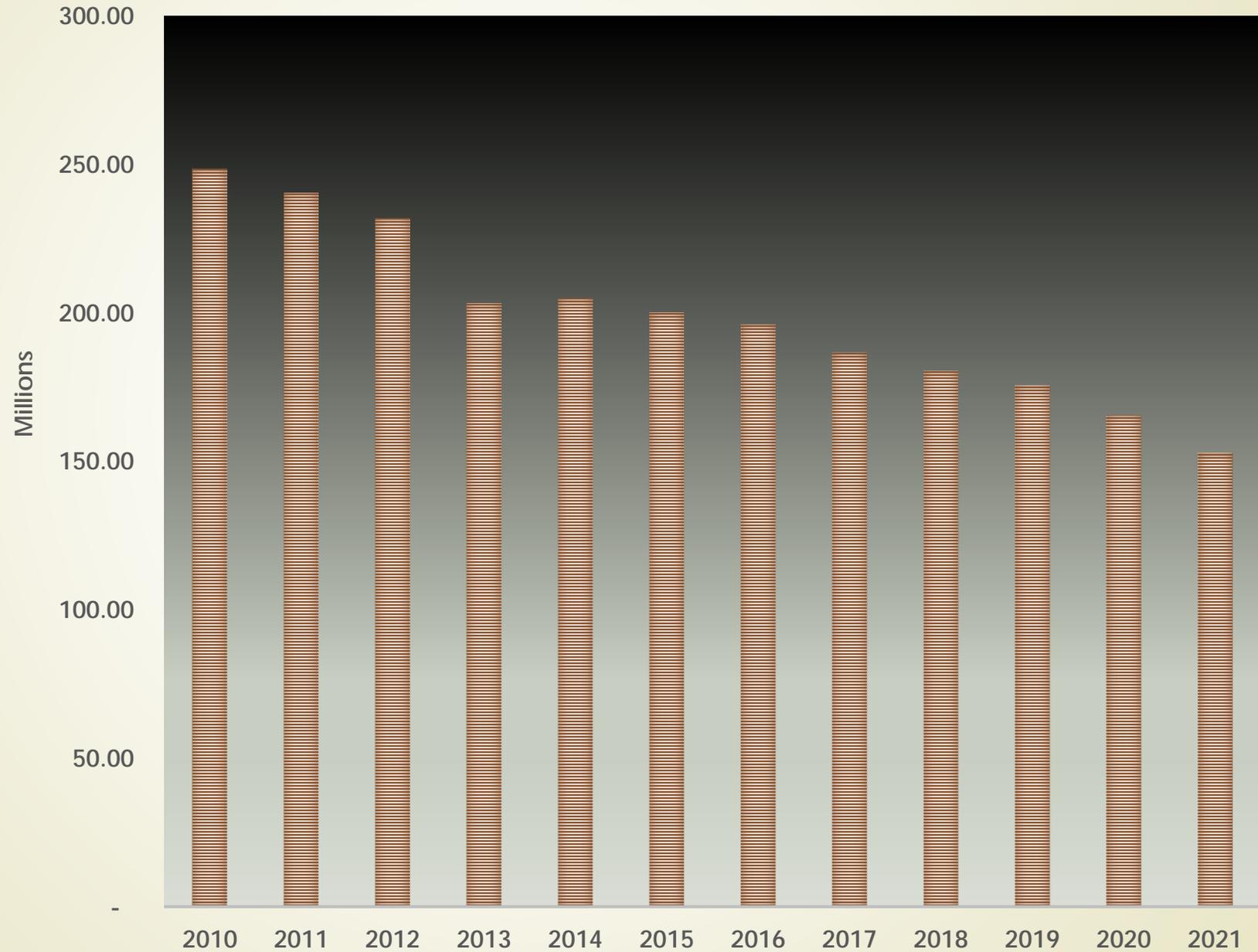
The Ozîja Thiha Legacy Trust is expected to double every 35 years to maintain purchasing power (Assuming 2% inflation, 6.5% net return rates and Annual Payments to the Nation). Amounts will increase if any additional moneys are transferred to the Trust.



STONEY ROYALTY PAYMENTS 2001-2020



STONEY CAPITAL BALANCE OTTAWA



Trust Deed

The Trust Deed:

- ▶ Provides that there are to be a Board of three (3) trustees
- ▶ No trustee can be a member of Chief and Council, or the Bearspaw Administration
- ▶ The initial trustees have been selected and appointed by resolution of Bearspaw First Nation Chief and Council
- ▶ Trustees are professionals with extensive experience with trusts, financial matters and institutional investing
- ▶ The Trustees must act honestly and in good faith with a view to the best interest of the Trust, keeping in mind the beneficiaries of the Trust are both present and future generations of the Bearspaw First Nation.



Trust Deed

- ▶ **The selected, trustees are Julian Leong, Michelle Horne and Bill MacLachlan**
 - ▶ **All have 35 years of experience (at high levels) each managing billions of dollars for trusts, pensions and endowments.**
 - ▶ **All have the necessary credentials and education, Actuary and Chartered Financial Analysts**
 - ▶ **All of the trustees have experience working with First Nations and as advisor or a trustee**
- 



Trustees

The Board of Trustees are charged with:

- Managing and investing the moneys of the Trust in a prudent way
- Growing the value of the Trust over the long term
- Providing ongoing annual distributions to the Nation to promote and encourage the cultural, social, economic and civic improvement of the current and future members of the Bearpaw First Nation in perpetuity in accordance with the terms of the Trust Deed

Trust Capital

- Under the terms of the Ozîja Thiha Legacy Trust, trust deed no spending on Trust Capital would be permitted. This means the capital moneys of the trust cannot be spent but rather grow to produce greater income each year.
- Encroachment on Trust Capital would become a thing of the past and Trust Capital would begin to grow rather than decline as it has for many years. As Capital grows, so will the annual Revenue to Bearpaw Nation



Distributions

Distributions

The Trust would make quarterly distributions of money to the Nation in accordance with the distribution formula fixed by the Trust Deed



Beneficiaries and Distributions

- ▶ The moneys will be automatically distributed to the Nation, Chief and Council use the moneys under its own discretion for the Nation's annual budgets and projects

Administration

Investment Policies and Procedures

The Board of Trustees will develop a “Statement of Investment Policies and Procedures” (SIP&P) and retain professional investment managers to assist in investing the money in the Trust

The Trustees are required to continuously monitor and at least annually review and report on the investment return of the Trust Fund to the Bearspaw First Nation

Published Report

The Trustees are required to publish a report of the activities of the Trust on an annual basis to the members of the Bearspaw First Nation with audited financial statements



Administration

Books and Records

- ▶ The Board of Trustees will be required to maintain all necessary books and records

Annual Audit

- ▶ The Trust will be audited annually by an independent external auditor
- ▶ The auditor will, among other things, independently review the books and records of the Trust

How Moneys are Administered and Invested

Role of the Custodian

- Responsible for safeguarding the Trust's financial assets
 - Holds the assets of the Trust in safekeeping
 - Arranges settlements and trades in financial securities (stocks)
 - Collects information on the related income from the assets held and reports to the Trust
- Typical custodians would be the major banks RBC, TD, CIBC, etc.
- Regulated by the Office of the Superintendent of Financial Institutions

Department of INDIGENOUS Affairs (INAC)

- ▶ INAC maintains control of Indian Moneys pursuant to the Indian Act since the late 1890's
- ▶ INAC collects royalty payments from companies producing natural gas on the Stoney – Nakoda Reserve lands. Canada (INAC) credits the Stoney Capital Trust account with these payments in Ottawa
- ▶ INAC sets the rate of interest on Indian Moneys through an Order-in-Council. The rate of return on Indian Moneys paid by INAC has been inferior for long-term moneys like those of the Stoney-Nakoda Nation since at least the early 1980's.
- ▶ Under the Indian Act, INAC easily permits the expenditure of Capital Moneys which has depleted the trust account significantly over time.
- ▶ In the case of the Stoney-Nakoda Nation large amounts of Trust Capital has received very low rates of return even though INAC has held the moneys for the long term.

Department of INDIGENOUS Affairs (INAC) - Continued

- Currently the rate of interest paid by INAC on Indian Moneys is less than 1% per year (0.96%)
- This means that the Bearspaw and the other Stoney-Nakoda Nations are losing money due to the fact that the official rate of inflation in Canada is currently 2.3%. The purchasing power of Bearspaw and Stoney-Nakoda Moneys are being eroded by inflation
- In addition, INAC has never provided a proper audit of the Bearspaw/Stoney Capital Moneys or annual report with the details of their management and administration of the Capital Moneys

First Nations Trust Funds

- ▶ There are many examples of First Nations establishing trust funds to protect their assets and provide financial stability for present and future generations in Canada (especially when a non-renewable resource like oil and gas is being depleted – such as the case with the Stoney-Nakoda Nation)
- ▶ Nunavut, Samson, Ermineskin, and Onion Lake Nations and others established large trust funds many years ago and they serve as good case studies for other First Nations looking at starting their own
- ▶ All these Trusts have earned significantly more money than would have been earned had the moneys been left under the control of the Government of Canada (INAC)



FOR FURTHER INFORMATION:

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Signatory of Treaty 7, 1877



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