Statement of Investment Policies and Guidelines

for the

Tr'ondëk Hwëch'in Trust

for
Investment Management by
Mawer Investment Management Ltd.

Effective Date: November 8, 2019

Table of Contents

Page Number

A. Introduction

The Tr'ondëk Hwëch'in Trust Agreement (the Trust or THT) was settled September 24th, 2009 and was established as a result of the Tr'ondëk Hwëch'in Final Agreement which came into legal effect on September 15, 1988 between Her Majesty the Queen Right of Canada, the Tr'ondëk Hwëch'in, and the Government of the Yukon.

This Statement of Investment Policies and Guidelines (SIP&G) is an information document that has been approved by the Trustees and describes the investment objectives, authorized investments, investment constraints, investment benchmarks and other related policies of the TH Trust. The Trustees, the Investment Managers and any agents or advisers providing services in connection with the investment of assets for the Trust shall accept and adhere to this SIP&G. Notwithstanding, the Trust is to be managed in accordance with all applicable legal requirements, including the Tr'ondëk Hwëch'in Final Agreement, Chapters 19 and 20, the Tr'ondëk Hwëch'in Constitution and by-laws and in accordance with the Tr'ondëk Hwëch'in Trust Agreement all of which shall take precedence and shall be the overriding documents in case of discrepancies.

This SIP&G will be reviewed periodically and no less than once per year and may be revised to reflect changes in income needs, financial objectives or risk tolerance of the Trust as well as evolving business and financial market conditions. Any recommended changes to the SIP&G as a result of such a review shall be done in consultation with Chief and Council.

B. Identification

Tr'ondëk Hwëch'in (TH) is a Yukon First Nation based in Dawson City. The citizenship of roughly 1,100 includes descendants of the Hän-speaking people, who have lived along the Yukon River for a millennia, and a diverse mix of families descended from Gwich'in, Northern Tutchone and other language groups

Through a resolution passed by the General Assembly and in conjunction with the establishment of the Tr'ondëk Hwëch'in Trust, the TH Council transferred the financial compensation and investments of TH to the Tr'ondëk Hwëch'in Trust.

The Tr'ondëk Hwëch'in Trust is a legal body that is separate and independent from TH and has been established for the purpose of holding and managing the financial compensation assets and business investments of TH on behalf of the TH citizens.

It is understood that the trustees are legally obligated to manage and provide oversight of the Trust assets in accordance with the Tr'ondëk Hwëch'in Trust indenture. Being a separate legal entity, these assets and investments are protected from any debts or liabilities of Tr'ondëk Hwëch'in, unless they were encumbered by the TH prior to the transfer.

C. Trustee Structure

The oversight and responsibility for Trust assets shall be assigned to a Protector and five (5) Trustees and at all times, a minimum of three (3) Trustees whom must all be considered citizens of Tr'ondëk Hwëch'in.

D. Purpose

The Trust has been settled to preserve the Trust Property for future generations of the Tr'ondëk Hwëch'in and to receive, hold, manage, invest and otherwise allocate any income earned by the Trust for the purposes of promoting, funding or carrying out social, community or economic development activities which shall have direct benefit to the citizens of the Tr'ondëk Hwëch'in. No future Per Capita Distributions shall be permitted from the Tr'ondëk Hwëch'in Trust.

E. Investment Objectives

The overriding investment objective of the Tr'ondëk Hwëch'in Trust is to achieve a state of sustainable growth which balances the needs of today with that of future generations.

In doing so, it is the goal of the Trustees to preserve the value of the Trust capital as adjusted by inflation while also providing a sustainable stream of annual income to assist in providing for the current needs of the Tr'ondëk Hwëch'in community and its citizens.

More specifically, the investment objectives are to;

1. To seek modest capital appreciation and to maximize the tax efficient generation of income in the form of interest, dividends and realized capital gains.

2. To ensure sufficient liquidity to meet the anticipated annual distribution of income and/or other funding requirements from the Trust. The Trustees will advise the investment manager in a timely manner relative to any periodic liquidity needs.

3. To maintain the safety of capital and minimize the downside risk through portfolio diversification.

4. To achieve a target rate of return of CPI + 3.5% over a 4-year rolling period and to achieve relative rates of return that are consistent with expectations contained within the Investment Manager Review Policy of this document.

F. Funding and Spending Policy

It is the desire of the Trustees to achieve an annual funding and spending policy that allows for consistent multi-year budgeting and planning based on the authorized purposes and uses of Trust property yet it is also recognized that the market value of the Trust portfolio is subject to fluctuations due to volatility within the investment markets.

With the foregoing in mind, the THT has adopted a formula designed to increase the probability that real growth occurs over the life of the Trust that ultimately maintains the purchasing power of the Trust property adjusted by inflation.

The THT Formula is a two-part spending formula in the second and subsequent years of implementation that equates to the sum of;

i. 70% of the prior year's spending, plus;
ii. 3.5% of 30% of the market value of the Trust's investment portfolio as at December 31st.

In the first year of implementation, it can be assumed that a disbursement of 3.5% of Trust capital can be made (or as required). In the case of the Tr'ondëk Hwëch'in Trust, the THT Formula calculations will only consider the Trust's public marketable securities (and not any Private or less liquid Investments of the Trust). The foregoing formula is subject to the discretion of the Trustees when considering current and future market conditions.

As stated within Section E above, a Rate of Return (ROR) of CPI + 3.5% is being targeted in order to meet current Trust objectives. The portfolio asset mix has been constructed on the understanding that the ROR can be achieved with a reasonable degree of risk or volatility over a normal economic cycle. As stated, the Trustees recognize however that due to market volatility, the Trust returns and income can vary year to year and that in addition to the THT Formula above, *"consideration" may be* given to the portfolio's 4 year rolling return when determining the net payment of income that is to be made annually from the THT.

For greater clarity, in years where the portfolio's return is less than the Rate of Return target of CPI + 3.5%, the Trustees may consider it prudent to resettle a portion of income back to the Trust to act as a surplus reserve or buffer for future years in which the average rolling return falls below its target. It should be noted that the foregoing only serves as an annual consideration which is subject to change and does not override the requirements documented within the Trust Agreement.

G. Tax Situation

While Trust's are generally considered taxable on all income earned in a year, it can be assumed for purposes of this policy that the Tr'ondëk Hwëch'in is recognized as a "public body performing a function of government in Canada" and is therefore exempt from tax on its income under paragraph 140 (1) (c) of the Tax Act. Therefore, the objective of the TH Trust structure is to ensure that all income of the THT (both primary and secondary income) constitutes income of the Tr'ondëk Hwëch'in for tax purposes.

Primary Income: Income earned in a year on all property including original settlement proceeds deposited to the Trust account shall be attributed for income tax purposes to the Tr'ondëk Hwëch'in under subsection 75(2) of the Income Tax Act. Primary income not distributed to Tr'ondëk Hwëch'in shall be added to the Trust capital (*Capital Additions*) in the Trust account.

Secondary Income: Income earned in a year on Capital Additions to the Trust account shall not be attributed to Tr'ondëk Hwëch'in for income tax purposes and will require an actual distribution to Tr'ondëk Hwëch'in in order for the Trust to obtain a deduction in computing income of the Trust under subsection 104(6) of the Income Tax Act.

Therefore, distribution of Trust property from the Trust account(s) under a Funding or Spending Arrangement shall be in the following order:

1. Firstly, out of the Secondary Income;
2. Secondly, out of Primary Income or capital as the Trustees may decide

Based on the foregoing and on the basis that all net taxable income in each fiscal year shall become due and payable to the Tr'ondëk Hwëch'in, it can be assumed for the purposes of this SIP&G, that the income from the Trust shall be considered non-taxable.

The tax year end for the Tr'ondëk Hwëch'in Trust is December 31st.

H. Time Horizon

The Tr'ondëk Hwëch'in Trust is to benefit both current and future generations of the Tr'ondëk Hwëch'in in perpetuity and therefore a long-term investment approach can be taken. For the purposes of this document, a time horizon in excess of 10 years is considered appropriate.

I. Legal and Regulatory Factors

Beyond the investment provisions provided within this SIP&G, the Trustee shall be guided by the principles governing the prudent investment of Trust Property as set out in the *Trustee Act*.

The Trust is subject to the laws of Yukon and the terms of this Trust shall be limited to investments authorized by the law for Trustees under the Trustee Act of Yukon and that of the Prudent Investor Rules / Prudent Portfolio Standards. The Prudent Person Rules and the Tr'ondëk Hwëch'in Trust Agreement take in to consideration the following factors:

1. General economic conditions;
2. The possible effect of inflation or deflation on the investment;
3. The expected tax consequences of investment decisions or strategies;
4. The role that each investment or course of action plays within the overall trust portfolio;
5. The expected total return from income and the appreciation of capital;
6. The needs for liquidity, regularity of income and preservation or appreciation of capital;
7. An asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries; and

Diversification

Trustees must diversify the investment of trust property to an extent that is appropriate to;

(a) the requirements of the trust; and
(b) general economic and investment market conditions.

Investment Advice

Trustees may obtain advice in relation to the investment of trust property and rely on such advice obtained if a prudent investor would rely on the advice under comparable circumstances.

J. Asset Mix Targets and Ranges

The following represents the asset mix targets and rebalancing ranges for the Trust portfolio by asset class category and for each individual Investment Manager holding.

As noted, a target of 5% of Trust Property has been allotted to cash equivalents both as a long term strategic asset mix component but also, to accommodate anticipated annual disbursements.

	Strategic Target Mix	Rebalancing Range
Cash & Equivalents	5.0%	0% - 10%
Fixed Income	40.0%	30% - 50%
Total Fixed Income	**45.0%**	**35% - 55%**
Canadian Equity	19.0%	9% - 29%
U.S Equity	18.0%	8% - 28%
International Equity	18.0%	8% - 28%
Total Equity	**55.0%**	**45% - 65%**

K. Portfolio Profile Characteristics: Risk and Return

A target rate of return of CPI + 3.5% (after investment management expenses) over a 4-year rolling period is being targeted which in the current environment would equate to an average annual return target of approximately 6.0% in order to meet the overall Trust objectives. This assumes a 2% inflation factor (representing the mid-point of the Bank of Canada's target range for inflation of 1% - 3%).

When considering historical market performance combined with current market projections, the expected average annual rate of return for the identified investment time horizon is 5.5% to 6.5% based on the *Asset Mix Targets and Ranges* noted above. This does not include the potential for the added value that an Investment Manager can contribute over and above the projected market return being identified.

It should also be noted that the foregoing performance projections surrounding the expected average annual rate of return is no guarantee of future performance and there remains the potential for adverse performance over any given period within the time horizon of the Trust.

From a perspective of downside risk (and per Appendix B), this asset mix has historically resulted in a negative return one in every 6 years on average and worst one year return of -12.9% (in 2008).

Since 1959, this asset mix has provided an average return of 9.30% although it includes periods of much higher inflation (averaging 3.75%) and higher interest rates.

Since the asset mix of a portfolio tends to determine its risk and return characteristics, control of the portfolio's asset mix is the Trustees principal means of defining and controlling its risk and return characteristics. The Trustees understand the potential trade-off between short-term instability and volatility to achieve long-term objectives.

L. Evaluation of Portfolio Performance

For purposes of measuring the success of the portfolio, results will be assessed against several relative comparisons including:

1. The portfolio's quarterly, annual, three year, five year and "annual-since-inception" performance will be compared against their policy benchmarks for both the combined holdings as well as the individual asset classes. The following table provides a list of the benchmark indices:

Asset Class	Index
Cash & Equivalents	FTSE - 91 day T-Bills
Fixed Income	FTSE Canada Bond Universe Index
Canadian Equity	S&P/TSX Total Return Index
U.S Equity	S&P 500 (Cdn $)
International Equity	MSCI EAFE Net Index (Cdn $)

2. Investment performance shall be compared to the median Investment Manager within the appropriate Investment Manager universe over one year, three year, five year and annual since-inception periods.

3. The portfolio's risk-return characteristics will be compared to the median Investment Manager within the appropriate Investment Manager universe.

M. Investment Guidelines

1. General

a) Use of Mawer's Money Market Fund, Canadian Bond Fund, New Canada Fund and the Global Small Cap Fund are permissible subject to the Asset Mix Targets and Ranges identified above. All other asset classes are to be managed on a segregated basis unless otherwise approved by the Trustees. Where the investment pools of the manager are authorized, it is understood the investment guidelines of those specific pools will override any policy restrictions within this document.

   On this basis, it is the responsibility of the Trustees to ensure that such guidelines are acceptable before entering into such an arrangement. Where the Investment Manager is investing in individual segregated securities, reference shall be made to this policy as being the guiding document.

   I. Where the Investment Manager is authorized to use pooled fund products to meet the investment mandate, the Investment Manager shall endeavor to use the product that is most consistent with the guidelines of this SIP&G;

   II. Where a pooled fund product is used, the Investment Manager shall outline for the Trustees how the investment guidelines for the pooled fund product differ from the investment guidelines set out in this SIP&G.

b) No asset class shall hold more than 10% of its assets in the securities of any single entity, except units of diversified pooled funds and debt instruments of Canadian or Provincial Governments or their Agencies, where the Agencies are guaranteed by the appropriate government and/or Canadian Chartered Banks. Equities shall be considered one asset class regardless of their geographical preference.

c) The following diversification guidelines apply for each equity asset class;
   1) Minimum of 20 companies in each equity asset class;
   2) The total equity portfolio must have exposure to at least 7 of the 11 economic sectors as defined by Global Industry Classification Standards (GICS);
   3) No more than 40% of the portfolios total equity can be invested in one single Global Industry Classification (GICS) sector.

d) Investment Managers shall use their best efforts to ensure that all transactions are accomplished on a "best execution" basis.

e) Investments in the following securities are prohibited**
   1) Non-marketable Private placements
   2) Options or future contracts
   3) Uncovered short positions
   4) Leverage positions

**Note- Exception to above prohibited investments: the portfolio may use financial exposure management practices through the use of Canadian dollar forward currency contracts solely for the use of managing foreign currency risk. Positions will not be taken for speculation, leverage or increased exposure or profit.

f) The Investment Managers shall adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct.

2. Balanced Fund Management

Balanced fund Investment Managers may vary equity, bond and cash commitments within the ranges set out within this document and are subject to the guidelines with regard to the investment of domestic equity, foreign equity, fixed income and cash equivalents.

3. Canadian Equity

a) Canadian equity investments may include common stocks, installment receipts, convertibles, income trusts, REITS, warrants and rights. Investment Managers should determine that the securities to be purchased are of suitable investment grade.

4. US Equity

a) US equity investments may include ADR's, GDR's, REIT's, income trusts, common stocks, convertibles, warrants and rights issued by non-Canadian corporations.

5. International Equity

a) International equity investments may include ADR's, GDR's, REIT's, income trusts, common stocks, convertibles, warrants and rights issued by non-Canadian corporations.

5. Fixed Income

a) Eligible Fixed Income and Money Market investments may include:

- Debt instruments issued and guaranteed by Canadian Federal, Provincial or Municipal governments;
- Debt instruments issued or guaranteed by a chartered bank (Schedule 1 of the Bank Act, 1991, R.S.C., c.46 as amended);
- Corporate bonds, debentures, coupons residuals;
- No more than 35% of the fixed income portfolio may be invested in a single Canada Government or Agency Federal Bond issue;
- No more than 20% of the fixed income portfolio may be invested in a single Canadian Provincial Government, Municipal or Agency Bond issue;

- No more than 10% of the fixed income portfolio may be invested in a single Corporate, preferred share or Foreign government or Foreign corporate bond issue;
- A maximum of 15% of the market value of the Fixed Income portfolio may be invested in bonds or Fixed Income securities that are rated less than A (minimum BBB) as rated by a recognized agency at time of purchase. The average rating of the bond component of the portfolio will be single A or higher;
- Not more than 10% of the Fixed Income portfolio may be invested in bonds denominated in a foreign currency;
- Preferred shares rated P2 or better by a recognized rating agency and convertible preferred shares up to a maximum of five (15%) percent of the Fixed Income portfolio
- Asset-backed or Mortgage-backed securities guaranteed by the Government of Canada, an agency of the government of Canada or a Province of Canada are permitted. Non-Government issuers are limited to 10% of the fixed income portfolio.
- Mortgage Funds are permissible as a Fixed Income investment and are guided by the limitations under Alternative Investments, Section 7.

b) Fixed income securities are to be managed to ensure appropriate balances in quality and maturities consistent with current market and economic conditions. The Investment Manager is responsible for making independent analyses of the creditworthiness of securities and their appropriateness as investments regardless of the classifications provided by the rating services.

6. Money Market Investments

a) Money Market investments may include Federal and Provincial Government and Agency obligations, corporate bonds, commercial paper, banker's acceptances, cash and other such instruments rated R-1 low or better by Dominion Bond Rating Services and as deemed prudent by the Investment Manager.

b) Money market investments are to be managed to ensure appropriate balances in quality and maturities consistent with current market and economic conditions. Cash investments should be made primarily on the basis of safety and liquidity of the investment, and only secondarily by the yield available.

c) The Investment Managers are responsible for making independent analyses of the credit worthiness of securities and their appropriateness as investments regardless of the classifications provided by the rating services.

N. Portfolio Rebalancing

The Investment Manager will be responsible to review the portfolio to ensure the portfolio remains compliant with the above asset mix range guidelines. If the portfolio mix violates the above ranges, the portfolio is to be immediately rebalanced by the Investment Manager to within the upper or lower bound of the ranges for each asset class.

O. Socially Responsible Investing (SRI)

The Trustees shall have full discretion to implement a Socially Responsible Investing (SRI) policy. Such a policy would utilize an ethical decision-making framework wherein environmental, social, and corporate governance (ESG) are viewed as working together to promote both proper stewardship and shareholder value.

The Trustees will advise the Investment Manager in a timely manner should an SRI policy be implemented. In doing so, the Trustees may instruct the Investment Manager to restrict specific securities, or specific GICS (Global Industry Classification Standards) where it is believed such securities contravene the SRI investing policy. If the Trustees identify a security in their investment portfolio that contravenes their SRI investing policy, they may instruct the Investment Manager to liquidate it on a best efforts basis.

The Trustees understand that under a Pooled Fund structure, the ability to exclude specific securities that contravene an SRI or ESG strategy is not possible.

P. Roles and Responsibilities

1) The role of the Investment Manager consists of:
    - Allocating assets among asset classes in which they are authorized to invest;
    - Selecting securities or investments within such asset classes;
    - Managing the portfolio in accordance with the agreed upon policy and provide regular reports to this effect thereon;
    - Providing advice with respect to the management when called up on to do so and;
    - Providing a quarterly compliance certificate indicating that the portfolio remains within all the permissible constraints and in accordance with the SIP&G and trust agreement. Any items considered out of order shall be documented.

2) The role of the Investment Consultant (where applicable) includes the provision of investment information and advice in areas such as:
    - Investment policies and guidelines (including asset allocation);
    - Investment management structure;
    - Support with the selection and supervision of the Investment Managers;
    - Measurement, evaluation and interpretation of investment returns;
    - Ensuring the Investment Managers are within the asset class ranges prescribed within the SIP&G and implement rebalancing procedures where necessary; and
    - Working with the Trustees to rectify or take corrective action relative to any compliance certificates that are deemed "out of order".

3) The Trustees will derive their duties and responsibilities directly from the Trust Agreement. In addition, additional key duties include:

   - Meeting quarterly to review the investment performance reports and related investment statements and, to discuss any changes to the general investment strategy.
   - Ensuring a quarterly compliance certificate is received from the Investment Manager or Managers (where applicable) and to ensure that the respective portfolios are considered to be "in order". Where an "out of order" situation occurs, the Trustees shall work in consultation with the Investment Consultant (where applicable) to ensure the "out of order" situation is corrected with the respective Investment Manager as soon as possible.

   Notwithstanding the foregoing, the foundation of a Trustee's duties must always hold and manage the Trust property for the benefit and best interests of the Beneficiaries despite the Trustee's personal interests or more specifically, where such interests may conflict.

Q. Investment Manager Review Policy

The following are guidelines where consideration for a formal review of the Investment Manager will be given under each of the following circumstances:

- The four year rolling return is under performing relative to the median Investment Manager of the respective peer group universe;
- The four year rolling return is under performing the policy benchmark;
- The four year rolling return displays less return for each unit of risk taken than the median Investment Manager of the appropriate risk-return universe;
- The Investment Manager displays a standard deviation on their four year rolling return of 10% or greater
- Fundamental change in one of the following factors:
  1. Investment management style or discipline;
  2. Key investment personnel changes;
  3. Changes in ownership of the Investment Management Firm;
  4. Non-compliance with regulatory and/or industry standards.
- Client service and/or communications do not meet the client's requirements;
- Ethical concerns arise regarding the Investment Manager;
- Non-compliance with the SIP&G; or
- Change in investment management structure, such that the Investment Manager's services are no longer required.

R. Conflict of Interest

Trustees, agents, advisors, and Investment Managers whose services are retained by the Trust shall all be considered fiduciaries and, as such, are subject to the following guidelines;

1) Fiduciaries shall not knowingly permit their interests to conflict with their duties and powers with respect to the Trust.

2) A conflict of interest is deemed to exist when the fiduciaries private interests are of sufficient substance and proximity to their duties and powers with respect to the Trust as to impair their ability to render unbiased advice or to make unbiased decisions affecting the Trust.

3) A Fiduciary must disclose all actual or perceived conflicts of interest in writing as soon as possible along with all relevant details.

4) While every circumstance giving rise to possible conflicts of interest cannot be identified, fiduciaries shall disclose, among other things:

   i. Material beneficial ownership of investments which the Trust may be considering buying or divesting:
   ii. Compensation received from any person or corporation other than one's employer and, in particular, from the issuer, vendor or distributor of securities which the Trusts own or may be considering buying;
   iii. Where consideration is paid or granted to a Trustee, an agent or advisor, or member of their immediate family, for making a particular recommendation relating to the investment of the Trust.

5) Should the Trustees be unable to determine if a conflict or interest exists, they shall refer the matter to the Protector. Should the Protector be unable to determine if a conflict of interest exists, the Trustees will consult with the Chief and Council. At any time in the procedure, an independent third party or legal counsel may be called upon to provide advice on the matter.

6) Investment Managers providing services to the Trust will comply with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

7) All investment transactions will be conducted in accordance with the laws of Canada and the Yukon Territory.

Agreement

Agreement to this policy revokes all previously authorized authorities issued.

Signed as Agreement to this Statement of Investment Policies and Guidelines

this 8th day of November (month), 2019.

Trustee Name:

Trustee Name: Majida Lord, Trustee

Trustee Name: MaryAnn Knutson Trustee

Trustee Name: DARREN KATES TRUSTEE.

Trustee Name: Kalialah Olson, Trustee

Mawer Investment Management Ltd.
Name/Title Steven Visscher, Investment Counsellor

Mawer Investment Management Ltd.
Name/Title:

Appendix A

American Depository Receipt (ADR): A negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas. ADRs help to reduce administration and duty costs that would otherwise be imposed on each transaction.

Annual Report: A corporation's annual statement of financial operations. This report includes a balance sheet, income statement, auditor's report and a description of a company's operation.

Assets: Are cash, accounts receivables, inventory, real estate, and securities – anything of value that a corporation owns.

Asset Allocation: The division of an investment portfolio among major asset categories, such as bonds, shares, property or cash.

Asset-backed Securities: A financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities. For investors, asset-backed securities are an alternative to investing in corporate debt.

Bankers' Acceptance: A short-term debt instrument issued by a firm that is guaranteed by a commercial bank. Bankers' acceptances are issued by firms as part of a commercial transaction. These instruments are similar to Government of Canada Treasury Bills (T-bills) and are frequently used in money market funds. Bankers' acceptances are traded at a discount from face value on the secondary market, which can be an advantage because the bankers' acceptance does not need to be held until maturity. Bankers' acceptances are regularly used financial instruments in international trade.

Bonds: A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate. Bonds are used by companies, municipalities, states and U.S. and foreign governments to finance a variety of projects and activities.

Capital Gains: The profit made when a share (or anything for that matter) is sold for greater than its original cost basis.

Chartered Financial Analyst (CFA): A professional designation given by the CFA Institute (formerly AIMR) that measures the competence and integrity of financial analysts. Candidates are required to pass three levels of exams covering areas such as accounting, economics, ethics, money management and security analysis.

Commercial Paper: Unsecured short-term corporate debt that is characterized by a single payment at maturity.

Common Stock: A type of security that represents ownership interest in a company.

Convertibles: A type of equity security that entitles shareholders to convert their shares into a specified number of common shares.

Coupons Residuals: Once bonds are stripped, there are two parts: the principal and the coupons. The interest payments are known as "coupons", and the final payment at maturity is known as the "residual" since it is what is left over after the coupons are stripped off. Both coupons and residuals are bundled and referred to as zero-coupon bonds or "zeros".

Debentures: Unsecured debt backed only by the integrity of the borrower, not by collateral, and documented by an agreement called an indenture. One example is an unsecured bond.

Debt Instrument: A paper or electronic obligation that enables the issuing party to raise funds by promising to repay a lender in accordance with terms of a contract. Types of debt instruments include notes, bonds, certificates, mortgages, leases or other agreements between a lender and a borrower.

Deflation: A general decline in prices, often caused by a reduction in the supply of money or credit. Deflation can be caused also by a decrease in government, personal or investment spending. The opposite of inflation, deflation has the side effect of increased unemployment since there is a lower level of demand in the economy, which can lead to an economic depression. Central banks attempt to stop severe deflation, along with severe inflation, in an attempt to keep the excessive drop in prices to a minimum.

Dividend: A distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. The dividend is most often quoted in terms of the dollar amount each share receives (dividends per share). It can also be quoted in terms of a percent of the current market price, referred to as dividend yield.

Emerging Market: A nation's economy that is progressing toward becoming advanced, as shown by some liquidity in local debt and equity markets and the existence of some form of market exchange and regulatory body.

Equity: A stock or any other security representing an ownership interest.

Face Value: The nominal value or dollar value of a security stated by the issuer. For stocks, it is the original cost of the stock shown on the certificate. For bonds, it is the amount paid to the holder at maturity. Also known as "par value" or simply "par."

Future Contracts: A contractual agreement, generally made on the trading floor of a futures exchange, to buy or sell a particular commodity or financial instrument at a pre-determined price in the future. Futures contracts detail the quality and quantity of the underlying asset; they are standardized to facilitate trading on a futures exchange. Some futures contracts may call for physical delivery of the asset, while others are settled in cash.

Global Depository Receipt (GDR): A bank certificate issued in more than one country for shares in a foreign company. The shares are held by a foreign branch of an international bank. The shares trade as domestic shares, but are offered for sale globally through the various bank branches.

Global Industry Classification Sector (GICS): A standardized classification system for equities developed jointly by Morgan Stanley Capital International (MSCI) and Standard & Poor's. The GICS methodology is used by the MSCI indexes, which include domestic and international stocks, as well as by a large portion of the professional investment management community. The GICS hierarchy begins with 10 sectors and is followed by 24 industry groups, 67 industries and 147 sub-industries. Each stock that is classified will have a coding at all four of these levels.

Income Trusts: An investment trust that holds income-producing assets and trades units like a stock on an exchange. Income trusts attempt to hold assets which will generate a steady flow of income, such as lease payments from an office building. The income is passed on to the unit holders.

Indenture: A legal and binding contract between a bond issuer and the bondholders. The indenture specifies all the important features of a bond, such as its maturity date, timing of interest payments, method of interest calculation, callable/convertible features if applicable and so on. The indenture also contains all the terms and conditions applicable to the bond issue.

Industry Groups: A classification that refers to a group of companies that are related in terms of their primary business activities. In modern economies, there are dozens of different industry classifications, which are typically grouped into larger categories called sectors.

Inflation: The rate at which the general level of prices for goods and services is rising, and, subsequently, purchasing power is falling. Central banks attempt to stop severe inflation, along with severe deflation, in an attempt to keep the excessive growth of prices to a minimum.

Initial Public Offering (IPO): The first sale of stock by a private company to the public. IPOs are often issued by smaller, younger companies seeking the capital to expand, but can also be done by large privately owned companies looking to become publicly traded. In an IPO, the issuer obtains the assistance of an underwriting firm, which helps it determine what type of security to issue (common or preferred), the best offering price and the time to bring it to market.

Installment Receipts: A debt or equity issuance in which the purchaser does not pay the full value of the issue up front. In the purchase of an installment receipt, an initial payment is made to the issuer at the time the issue closes; the remaining balance must be paid in installments, usually within a two-year period. Although the purchaser has not paid the full value of the issue, he or she is still entitled to full voting rights and dividends.

Leverage: The use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment.

Liquidity: The degree to which an asset or security can be bought or sold in the market without affecting the asset's price. Liquidity is characterized by a high level of trading activity. Assets that can be easily bought or sold are known as liquid assets.

Money Market: A segment of the financial market in which financial instruments with high liquidity and very short maturities are traded. The money market is used by participants as a means for borrowing and lending in the short term, from several days to just under a year.

Mortgage-backed Securities: A type of asset-backed security that is secured by a mortgage or collection of mortgages. These securities must also be grouped in one of the top two ratings as determined by an accredited credit rating agency, and usually pay periodic payments that are similar to coupon payments. Furthermore, the mortgage must have originated from a regulated and authorized financial institution.

Mutual Funds: An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. Mutual funds are operated by Investment Managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

Primary Market: A newly issued IPO (initial public offering) will be considered a primary market trade when the shares are first purchased by investors directly from the underwriting investment bank; after that any shares traded will be on the secondary market, between investors themselves. In the primary market prices are often set beforehand, whereas in the secondary market only basic forces like supply and demand determine the price of the security.

Private placements: The sale of securities to a relatively small number of select investors as a way of raising capital. Investors involved in private placements are usually large banks, mutual funds, insurance companies and pension funds. Private placement is the opposite of a public issue, in which securities are made available for sale on the open market.

Option Contracts: A contract that allows the holder to buy or sell an underlying security at a given price, known as the strike price. The two most common types of options contracts are put and call options, which give the holder-buyer the right to sell or buy respectively, the underlying at the strike if the price of the underlying crosses the strike. Typically each options contract is written on 100 shares of the underlying.

Preferred Shares: A class of ownership in a corporation that has a higher claim on the assets and earnings than common stock. Preferred stock generally has a dividend that must be paid out before dividends to common stockholders and the shares usually do not have voting rights.

Real Estate Investment Trusts (REITS): A security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages. REITs receive special tax considerations and typically offer investors high yields, as well as a highly liquid method of investing in real estate.

Real Rate of Return: The annual percentage return realized on an investment, which is adjusted for changes in prices due to inflation or other external effects. This method expresses the nominal rate of return in real terms, which keeps the purchasing power of a given level of capital constant over time.

Rights Issue: An issue of rights to a company's existing shareholders that entitles them to buy additional shares directly from the company in proportion to their existing holdings, within a fixed time period.

Secondary Market: A market where investors purchase securities or assets from other investors, rather than from issuing companies. The national exchanges - such as the New York Stock Exchange and the NASDAQ are secondary markets.

Sectors: An industry or market sharing common characteristics. Investors use sectors to place stocks and other investments into categories like technology, health care, energy, utilities and telecommunications.

Short Positions: An investor who borrows shares of stock from a broker and sells them on the open market is said to have a short position in the stock. The investor must eventually return the borrowed stock by buying it back from the open market. If the stock falls in price, the investor buys it for less than he or she sold it, thus making a profit.

Treasury Bills (T-bills): A short-term debt obligation backed by the government with a maturity of less than one year. T-bills are sold in denominations of $1,000 up to a maximum purchase of $5 million and commonly have maturities of one month (four weeks), three months (13 weeks) or six months (26 weeks).

Underlying Security: A security on which a derivative derives its value. For example, a call option on Google stock gives the holder the right, but not the obligation, to purchase Google stock at the price specified in the option contract. In this case, Google stock is the underlying security.

Volatility: Volatility refers to the amount of uncertainty or risk about the size of changes in a security's value. A higher volatility means that a security's value can potentially be spread out over a larger range of values. This means that the price of the security can change dramatically over a short time period in either direction. A lower volatility means that a security's value does not fluctuate dramatically, but changes in value at a steady pace over a period of time.

Warrants: Is a security entitling the holder to buy a specific amount of stock at some specific future date at a specific price.

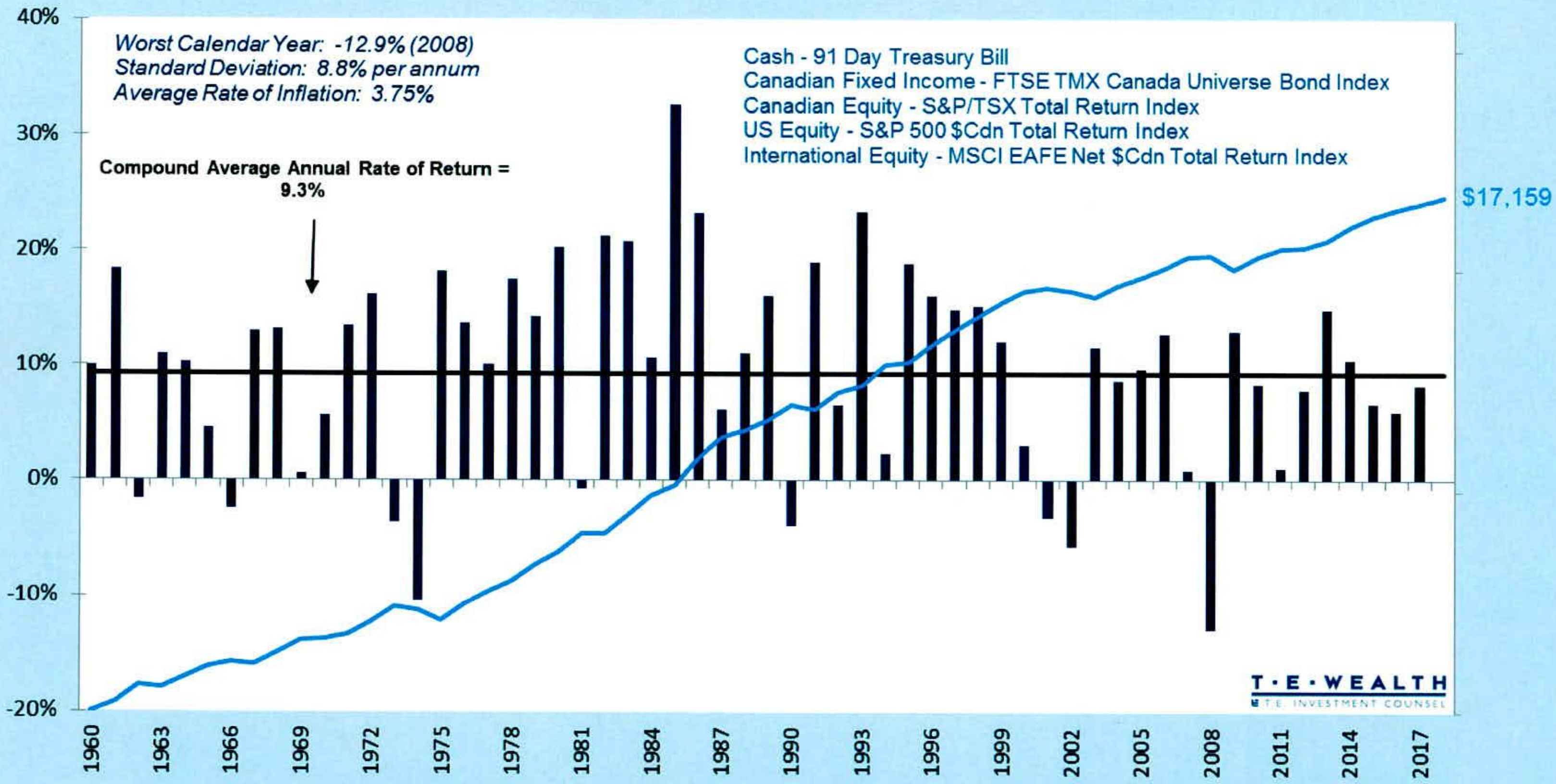
Yield: The percentage rate of return of the annual dividends paid on a stock.

Appendix B

Hypothetical Portfolio:

5% Cash Equivalents, 40% Fixed Income, 20% Canadian Equity, 17% US Equity, 18% Int'l Equity

Annual Returns and Growth of $100



Source: FTSE TMX Global Debt Capital Markets, TD Securities. As of December 29, 2017 (In Canadian Dollar Terms)

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The Hypothetical portfolio above is for illustration purposes only and does not account for market or financial risk. Unless otherwise noted, the indicated rate of return is the historical annual compounded. Total return, which includes changes in price or unit value as well as reinvestment of all distributions. Rates of return do not take into account sales, redemption, management, distribution, or optional charges or income taxes payable by any unitholder that would have reduced returns.

Average rate of inflation (CAN from 1959 to 2017)