



St'át'imc (PC) 2011 Trust

2013 Annual Report

Welcome to the second annual general meeting of the St'át'imc (PC) 2011 Trust. As your Trustees we want to keep you informed of the progress we have achieved with the Legacy Funds and the Trust operations during 2013. Your Trustees have worked diligently to keep all Councils, communities and the St'át'imc Authority informed of the Trust's progress. Please let us know your thoughts on this report or anything to do with the Trust by contacting your Community Trustee.

Purpose of the Trust

The Trust has been settled with the objective of benefitting the St'át'imc Beneficiaries. The Trust provides for the professional management, investment and distribution of the Trust property in the manner provided, to assist in the long term well-being of the St'át'imc Beneficiaries. The Trust provides for legacy funds, specific amounts of which are held in a minimum protected amount and amounts which are available for participating communities to withdraw for a specific purpose or held in the Trust until such time they wish to withdraw the funds. The St'át'imc Beneficiaries are the ten participating communities of:

N'Quatqua (Anderson Lake)	Samahquam
Sekw'elw'as (Cayoose Creek)	Skatin
T't'q'et (Lillooet)	Tsal'álh (Seton Lake)
Ts'kw'aylaxw (Pavilion)	Xaxli'p (Fountain)
Xa'xtsa (Douglas)	Xwisten (Bridge River)

Trust Indenture

The Trust Indenture or Trust Agreement is the legal written document which outlines the managing terms of the trust and insures that the money in the trust is used for its intended purpose. The Trust Indenture may alternately specify who is eligible to benefit from the trust; how much money may be used from the trust; when trust money may be used; how trustees are selected; and/or how the trust money may be invested to ensure security and growth. The Trust Indenture outlines the rights, duties, liabilities and powers of the Trustees.

Role of the Administrative Trustee

The Administrative Trustee provides assistance, capacity and support to the Board of Trustees but does not have a vote at any meeting of the Trustees. Any decisions made by the Board of Trustees contrary to the St'át'imc (PC) Trust Indenture or with respect to any participating community distributions can be vetoed by the Administrative Trustee.

Who is the Administrative Trustee?

Lisa Ethans, with the assistance of Melinda McKie and Vickie Whitehead, of Deloitte LLP.

Role of the Community Trustees

The Community Trustees are each appointed by their Chief and Council to assist with the business to be carried out by the Trust and to see that the terms of the Trust Indenture are adhered to. The Trustees are responsible for the Legacy Fund, participating community resettled funds and maintaining the Minimum Protected Amount. Trustees, in their capacity as Trustees, do not have any information regarding the funds that the participating community has drawn from their share of the Trust other than ensuring that the funds are spent as the communities allocated in their request and that these funds are only used in the categories outlined in the Trust Indenture and shown in Figure 1.

Who are the Community Trustees?

Trish Andrew, Sekw'el'was (Cayoose Creek)
Karen Mitchell, Xaxli'p (Fountain)
Raquel Kane, Ts'kw'aylaxw (Pavilion)
Linda O'Donaghey, Tsal'álh (Seton Lake)
Johnny Sam, Skatin

Cecille Comeau, Xa'xtsa (Douglas)
Florence Jack, Xwisten (Bridge River)
Vanessa Mountain, N'Quatqua (Anderson Lake)
Harold Peters, Samahquam
Megan Thorne, T't'q'et (Lillooet)

Role of Chief and Council:

Chief and Council are responsible for completing and submitting to the Trust, the required documentation for funding requests and ensuring that the projects which the funds are requested for fit into the 11 pillars described in the Trust Indenture. Chief and Council are also responsible for ensuring an audit is completed for the funds they have requested from the Trust and submitting these audit documents to the Trust. Chief and Council are responsible for keeping their community members informed with regards to the projects they have funded from the Trust and informing their community members of fund balances on a regular basis.

Minimum Protected Amount (MPA)

By the fifth anniversary (2017 March 1), the Trust is required to hold a minimum of \$15 million plus consumer price indexing (CPI) as the Minimum Protected Amount. The Legacy Fund shall, from and after the fifth anniversary be no less than the Minimum Protected Amount and this amount will not be available for distribution prior to the final distribution date which at this time is 99 years. At 2013 December 31, the amount held in the Legacy Funds Minimum Protected Amount is as follows:

Legacy Fund Balance 2013 Jan. 01	\$8,728,441
Add: Annual Payment from BC Hydro	2,155,151
Investment Income	311,331
Capital Gains	6,334
Unrealized Income	1,650,734
Trust Balance 2013 Dec 31 (market value)	\$12,851,991

Trust Fund Uses

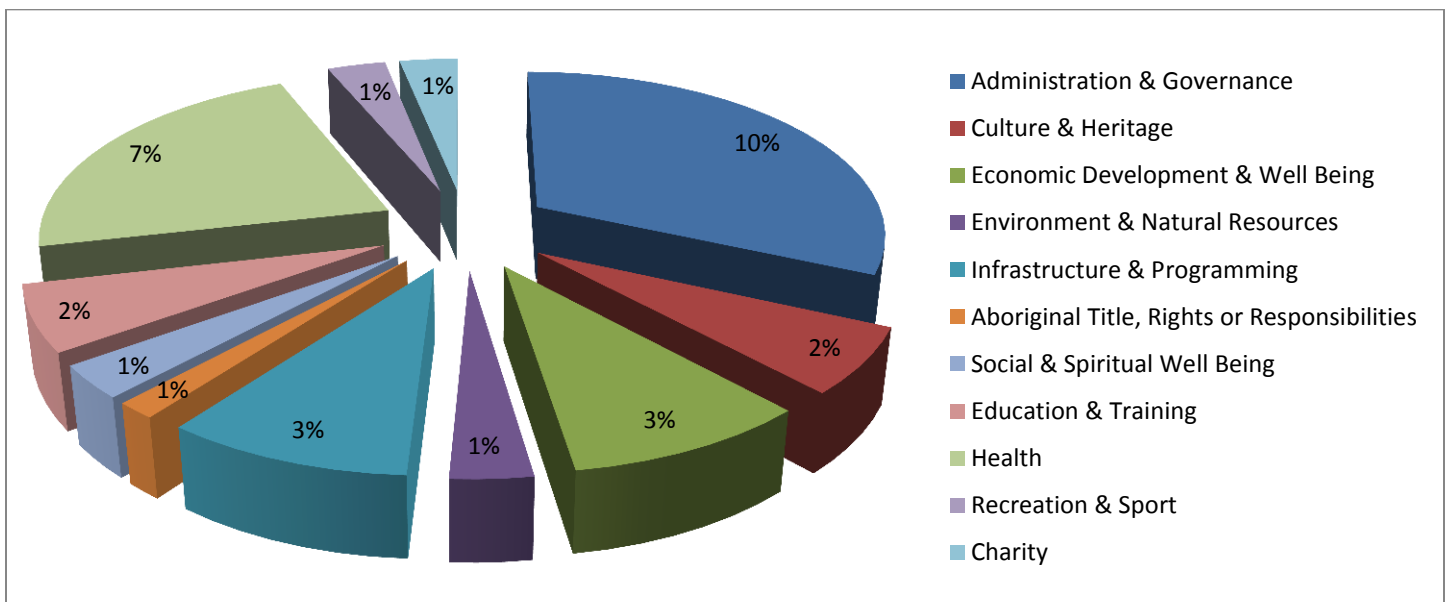
The Trust has been settled with the objective of benefitting the St'át'imc Beneficiaries and to provide for the professional management and investment of the Trust Property and for distribution of the Trust Property to the Beneficiaries to provide for or assist in the long term well-being of the St'át'imc Beneficiaries. No Trust Property shall be distributed as direct payments to Community Members or as per capita distributions. There are 11 areas where Trust Funds may be used and these include:

Figure 1

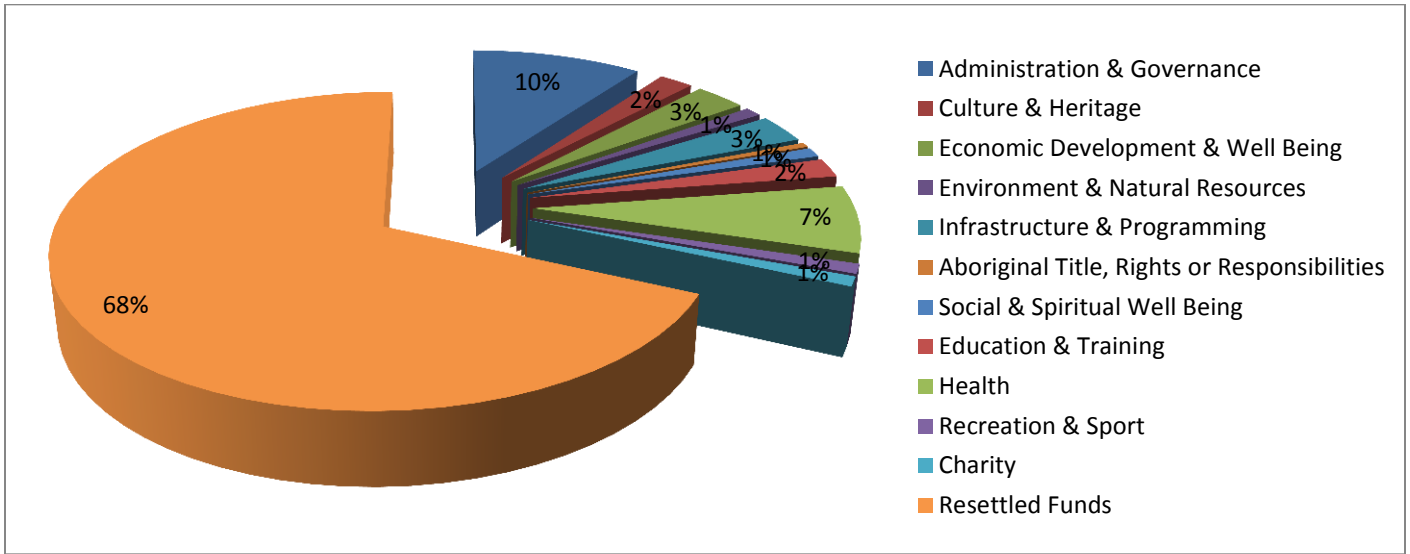
- | | |
|-----------------------------------|---------------------------------|
| Administration & Governance | Culture & Heritage |
| Economic Development & Well-being | Environment & Natural Resources |
| Infrastructure & Programs | Charity |
| Aboriginal Title | Social & Spiritual Well-being |
| Education & Training | Health |
| Recreation & Sport | |

Participating communities may choose to resettle their funds. This means that they have chosen to leave or return their portion of the annual payment to the Trust and the Trust will invest the funds on their behalf. The community may choose this option for many reasons; awaiting the completion of their comprehensive community plans or for fund growth for the future are just two reasons for resettling funds into the Trust.

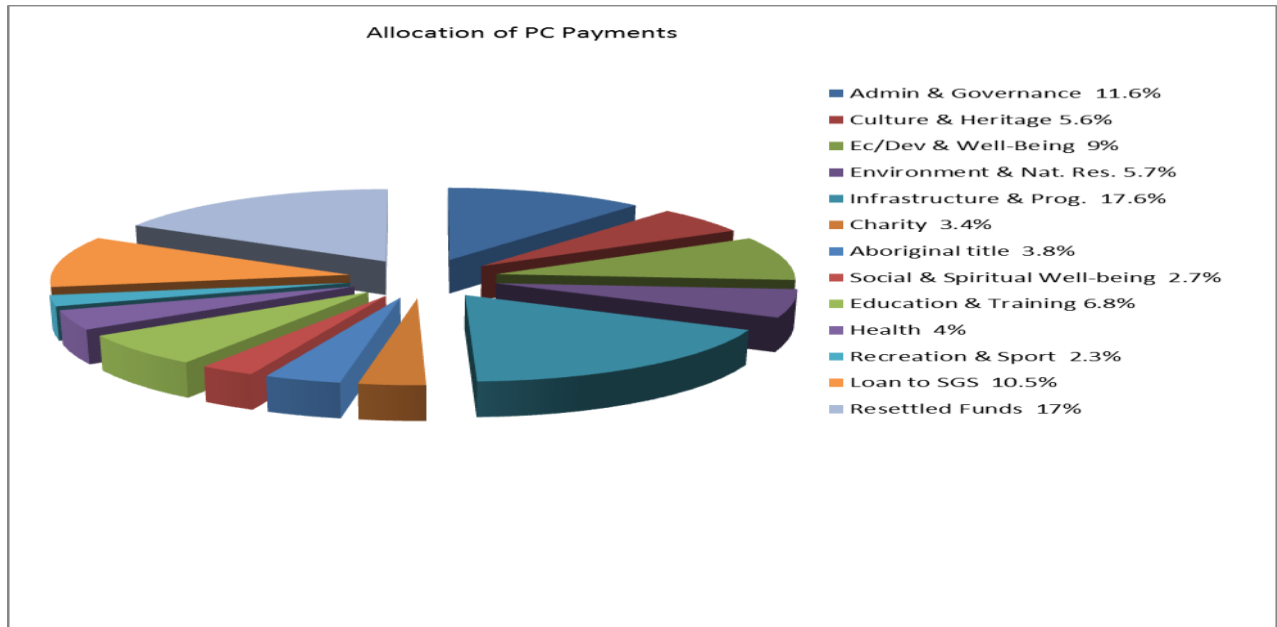
The figure below is a current look at how participating community disbursements fit into the 11 pillars in 2013 without including the resettled funds.



The following figure includes the above community disbursements but also includes the resettled funds .



For comparison, the following figure is a look at the 2012 participating community disbursements.



Trust Audit

The Trust audit for the year ending 2013 December 31 was performed by KNV Chartered Accountants LLP who were chosen by the Trustees through a competitive Request for Proposal process. The audited financial statements were given a clean opinion and will be presented later by KNV.

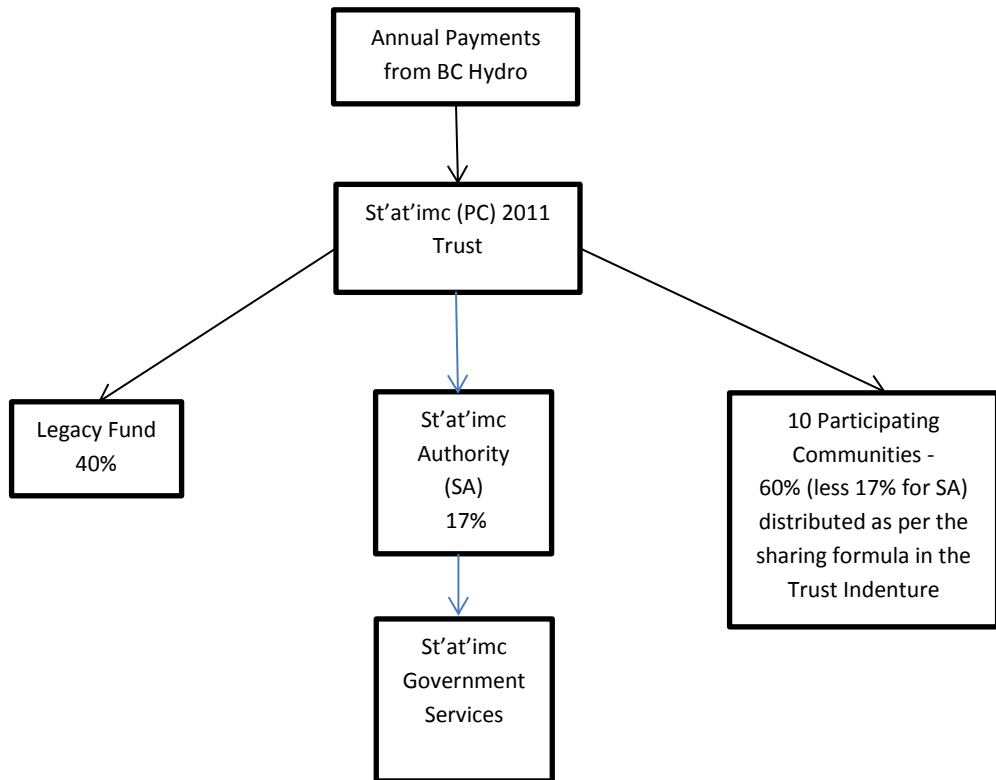
Some Fast Facts:

9	Number of Trust meetings and conference calls held in 2013
\$31.8 Million	Total of all funds received by the Trust from BC Hydro
99	Number of years that the Trust is expected to hold funds

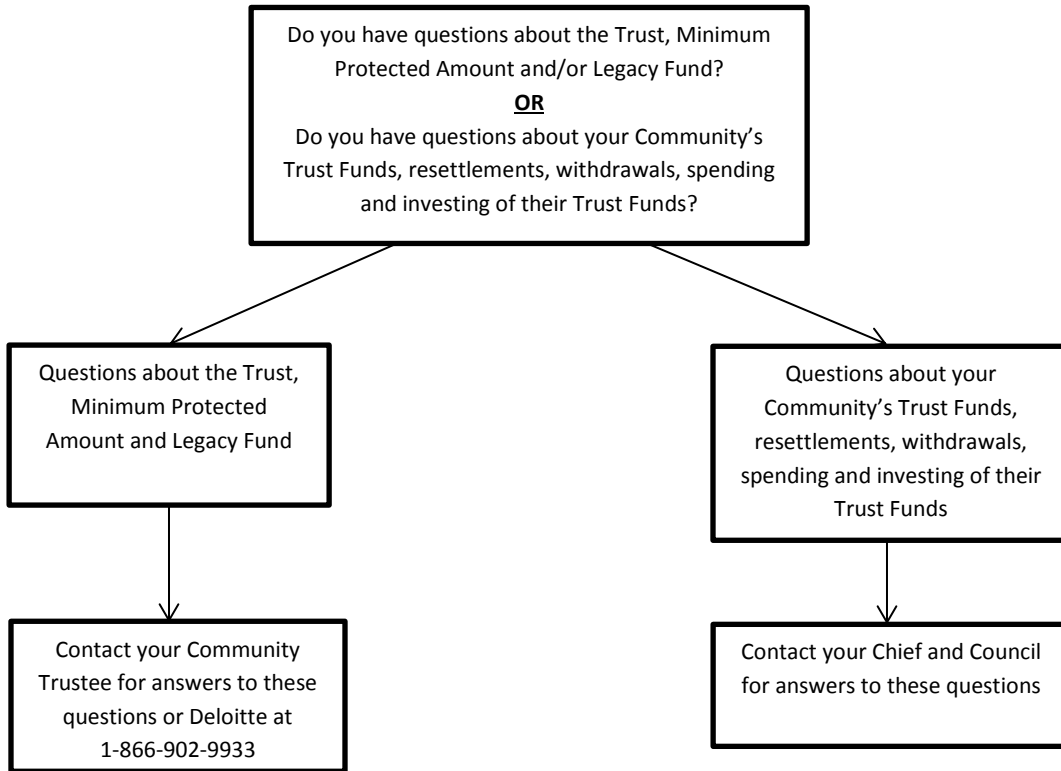
Contracts Awarded by Trustees Since Inception:

- Investment Manager – Barrantagh (2012)
- Investment Advisor - T.E. Wealth (2012)
- Auditor - Morrow & Co. (2012) (contract completed)
- Community Comprehensive Plan reviews and training – Ecoplan & Colleen Jacob – (2012) (contract completed)
- Auditor – KNV Chartered Accountants LLP (2013)

Flow of Funds from BC Hydro to St’at’imc



How to Get Answers to Your Questions?



It is important to note that the Trustees do not have answers to a Participating Community's activities and the Participating Communities do not have answers to any of the Trust's activities. Ensure you contact the correct resource for your answers.