Daanaa Jili (Cache) Trust

Investment Policy Statement

This Investment Policy Statement identifies the key investment factors bearing upon the decisions for the Investment Portfolio of the compensation money resulting from the CTFN Final Agreement.

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1 Purpose and Mission

The purpose of this Investment Policy Statement (IPS) is to set out a method for Trustees to deal with the Trusts investment-related functions. The IPS is not intended to be a static, one-time document. The Trust intends that the IPS be kept current and revisited at a minimum every two years and ideally at an annual strategic planning session of the Trust.

The mission of the Daanaa Jili (Cache) Trust (DJT) is to provide prudent financial stewardship of the Carcross/Tagish First Nation (CTFN) compensation dollars by providing the greatest financial returns on these savings for current and future generations of the CTFN within prudent levels of risk to all beneficiaries and to ensure the preservation of wealth into perpetuity for future generations.

This IPS identifies the key financial factors bearing upon decisions for the compensation dollars and provides a set of written guidelines for the financial management of this wealth.

2 Legislative Framework

The CTFN, through the DJT, has established a “Cache” of financial assets of the CTFN so all generations will share the good times as well as the hard times. The terms of the “Cache” are set forth in the Daanaa Jili (Cache) Act and the Trust Deed of Settlement.

The DJT Deed of Settlement spells out the details of the administration of the Daanaa Jili (Cache) in order to conform to financial requirements and tax laws. Nothing in the Deed of Settlement can be contrary to the DJT (Cache) Act. Therefore, all principles and requirements set out in the DJT (Cache) Act establish limits on the Deed of Settlement and retain key principles for all activities based on traditional values and practices. The DJT (Cache) Act prevails over all laws established by the CTFN, any rule established by the Trustees and the Deed of Settlement.

This IPS is written taking into consideration the spirit of the DJT (cache) Act. The following points have been reproduced from this Act as guidance in setting this investment policy.

Trustees must develop a policy that sets out guidelines for the investment of the Cache Property of the DJT (Cache). These investment guidelines must be approved by the Carcross/Tagish First Nation.

Investments shall be made to realize the following objectives:

1. ***Ensure long term growth and remain within acceptable levels of risk;***
2. ***Provide for needs of both current and future generations; and***
3. ***Produce stable and consistent income for the current generation***

Subject to the Deed of Settlement, the Trustees may not distribute more than 2.5 percent of the capital of the DJT (Cache) in any five year period, unless the Jili at kaxh adeli (Cache Watchman) and the Assembly agree otherwise in writing.

The need to provide for economic self-sufficiency of present and future generations and for the present and future needs of the community.

To achieve one of our fundamental constitutional objectives to "strengthen our economy and our government for our future generations.

To harvest for our families and to preserve and protect our resources for the future.

Both traditional experience and current at wuskú (knowledge) are needed to determine how our cache must be cared for and used. The wisdom of our Elders must be combined with the at wuskú knowledge of our youth and new leaders. All the at wuskú (knowledge) and wisdom within our community is important in making difficult choices and in learning new ways to survive and prosper.

3 Investment Beliefs and Guiding Investment Principles

The following investment beliefs outline the investment philosophy and core values that were used in developing this investment policy for the DJT.

1. To seek a return on investment consistent with levels of investment risk that is prudent and reasonable given medium- to long-term capital market conditions.
2. The DJT realizes the importance of the preservation of capital, it also recognizes that to achieve the Trusts investment objectives requires prudent risk-taking, and that risk is the prerequisite for generating excess investment returns. Therefore, the Trust realizes that investment risk cannot be eliminated but should be managed, and that Trustees have the obligation to utilize risk efficiently.
3. The DJT believes that a Risk Assessment Policy including First Nation traditional knowledge on risk assessment combined with best practice financial methods of risk assessment would be the best tool for trustees to assess risk and as such will endeavour to undertake to develop one.
4. Risk exposures should be identified, measured, monitored and tied to responsible parties; and risk should be taken consistent with expectations for return.
5. The most important investment decision is establishing return goals and risk tolerances and then setting an appropriate asset allocation reflecting these goals and tolerances. Periodic reviews of policies, risk tolerances and asset allocations should be done to reflect evolving financial markets as well as changes in investment goals.
6. The DJT believes that investment policy should be developed with discussion with other CTFN entities to ensure co-ordination of policy between entities in reaching the common goal of wealth creation for the First Nation.
7. Our long investment time horizon supports our primary goal of growing wealth.
8. Investment diversification, through effective portfolio construction and management, is fundamental to our success. Diversification allows the Trust to spread risk across key factors

such as time periods, geography and economic outcomes, which reduces the adverse impact of any one investment loss on the Trust overall.

9. The Trust seeks to build strong relationships. The Trust works to identify and cultivate relationships with like-minded partners within and outside of the Yukon. We strive to build success based on cooperation, trust and transparency in our goal of attaining sound investments both Yukon and Non-Yukon based.
10. The returns we can expect will not be constant over time. Therefore, our investment strategy must adjust to reflect the potential reward relative to the investment risk. It is important to be flexible and disciplined to adapt to business cycles and shifting investment environments.
11. Innovative strategies and our long- term horizon are powerful investment tools when used with sound risk and liquidity management.
12. The Trust has limited demands in terms of liquidity other than any planned distributions to meet any funding policies. Given the Trusts liquidity profile and long-term investment horizon it has the ability to take advantage of the superior risk-adjusted returns provided by prudent investments with a longer horizon.

4 Roles and Responsibilities

Trustees

The duties of a trustee have been established in the common law and set out in statutes enacted by public government. In the Yukon, the Trustee Act (Yukon) sets out the general duties of trustees in the Yukon Territory. These duties are generally only applicable so long as they are not contradicted by the trust agreement. Therefore, the trust agreement and both the common law and statutes must all be examined in order to determine the full range of the duties of a trustee.

The foundation of a trustee's duties is clear: a trustee must always hold and manage the trust property for the benefit of the beneficiaries. A trustee is a person who is under a fiduciary obligation to hold property, of which he is technically the owner, for the benefit of another. The duties of a fiduciary include loyalty to the beneficiaries and taking reasonable care of the assets within the trustee's custody. All of the fiduciary's actions must be performed for the advantage of the beneficiaries and, therefore, a trustee cannot do anything that is not directed solely towards the best interests of the beneficiaries of the trust. The best interests of the beneficiaries are paramount over the trustee's personal interests and, as a result, the trustee cannot permit himself to be in a position where the duties of his office as trustee and his personal interests may conflict.

R.S.Y. 2002, c.223.

Trustees have the authority and the responsibility to develop the IPS for approval by the CTFN.

Trustee's responsibilities:

- The responsibility for monitoring compliance with the IPS lies with the Trustees.
- Trustees are to meet at least quarterly to review the quarterly statements. No meeting shall take place unless a quorum of the DJT is in attendance;
- Ensure that one or more Investment Counseling Firm(s) shall be retained to manage the public market investments. The Investment Counseling Firm(s) must be registered with the appropriate Securities Commission, in good standing and governed by the code of ethics and standards of professional conduct of the Chartered Financial Analyst (CFA) Institute;
- Monitor the Investment Counseling Firm(s) performance and compliance with the IPS on a quarterly basis;
- Take appropriate steps to ensure that the assets of the DJT are rebalanced, as necessary, in order to maintain an appropriate risk profile of the overall Compensation Fund dollars held within the DJT;
- Ensure that any person to whom they delegate responsibilities with respect to the Investment of the wealth of the Trust shall adhere to the provisions of the IPS.

Investment Consultant

The DJT has no dedicated investment staff and as such must rely on investment consultants or appropriate business consultants. These consultants must have attained one or more of the following designations: CFA, CIM, MBA, Business Degree, CA, CMA, CGA or a recognized equivalent with relevant experience.

The Investment Consultant shall:

At the request of the Trustees, consult with the DJT on issues relating to the Trusts investments and ongoing reporting and monitoring requirements as outlined in investment policy.

In the prudent management of all trust investment decisions, it is the trustee's duty to obtain advice from relevant independent and qualified non- biased investment/business consultants.

Investment Counseling Firm

The Investment Counseling Firm in performing its duties shall:

- Exercise the care, diligence and skill of a prudent investment counselor and shall at all times act on a basis that is fair and reasonable;
- Adhere at all times to the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute and the Investment Management Firms own internal guidelines;
- Manage the portfolio account in accordance with the terms of its investment management

agreement with the DJT and its investment mandate;

- Provide Trustees with quarterly reports of portfolio holdings, including any changes in the portfolio since the last review and any expected future changes in the portfolio;
- Provide to Trustees a quarterly review of investment performance, including an explanation of any shortfalls of their investment results compared to their benchmark returns;
- Be available to meet with the DJT twice a year, to review results they have achieved, including an explanation of any shortfalls in performance, and to review their forecast of future economic conditions, their expected investment strategy and their expected effect on the portfolio, and estimates of future returns on their asset classes;
- Inform the DJT promptly of any element of their mandate from the DJT that could prevent attainment of the outlined objectives;
- Inform the DJT promptly of any changes in the Investment Counseling Firm(s) or investment policy of the pooled funds used, including changes in ownership, senior investment personnel or investment management style or of any element of the IPS that could have a material impact on their oversight and management of the DJT investments;
- Provide the DJT with a quarterly compliance statement with the IPS, in which the Investment Counseling Firm(s) either claim compliance with the IPS or describes any breach of policy, as the case may be. In the case where pooled funds are held, such quarterly compliance statements shall also describe the compliance or non-compliance of all of the pooled funds used by the Investment Counseling Firm(s) for the DJT. The investment policy of the pooled fund shall take precedence over the IPS in the event of any discrepancies;
- Provide performance reporting to the DJT as outlined in Section 15 of this IPS.

Custodian

Custody of the Portfolio’s assets may be delegated to a trust company or other financial institution similarly recognized as a depository for securities. The Investment Counseling Firms use Custodians for their pooled funds that the Trust invests in.

The Custodian shall:

- Provide safekeeping for portfolio assets;
- Process transactions as directed by the Investment Counseling Firm(s) and/or the Trust;
- Collect interest, dividends and the proceeds of cash equivalent and fixed income instrument maturities;
- Inform investment manager(s) of pending corporate actions (e.g., name changes, mergers, and process instructions related to such matters;
- Deposit funds and pay expenses as directed by the Trust;
- Maintain a record of all transactions;
- To the extent possible, provide applicable information as may be requested by the Trust auditor.

Education

The DJT may arrange and schedule semi-annual investment workshops and educational sessions for the membership depending on interest and availability.

The Trustees will participate in annual educational workshops and educational sessions and endeavour to collaborate on these training initiatives with other CTFN interested bodies.

Conflicts of Interest

The Trust has developed a separate Code of Conduct for Trustees to follow.

In addition to this trustee code of conduct , agents, advisors, custodians and Investment Counseling Firm(s) are all fiduciaries and, as such, subject to the following guidelines:

No fiduciary will knowingly permit his or her interest to conflict with his or her duties or powers relating to investment of the DJT wealth or to any other matter related to the Trust. Any actual or perceived conflict of interest must be reported to Trustees and the Trust watchman. Such disclosure will be made when the affected individual first becomes, or ought to have become, aware of the conflict or potential conflict.

The DJT will be the sole arbiter in determining whether the conflict of interest exists; if it determines that a conflict does exist, will take all necessary and appropriate measures to remedy the situation. Every disclosure of a conflict of interest will be recorded in the minutes of the Trust.

The failure of a fiduciary to comply with the requirements of this Section will not of itself invalidate any decision, contract or other matter.

A conflict of interest is deemed to exist when the interests of a fiduciary are of sufficient substance and proximity to their duties and powers with respect to the Trust wealth to impair their ability to render unbiased advice or to make unbiased decisions affecting the DJT wealth.

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

- Material beneficial ownership of investments which the DJT may be considering buying or divesting;
- Compensation received from any persons or corporations other than one's employer and, in particular, from the issuer or vendor of securities which the DJT owns or may be considering buying where they are an employee or agent of the Investment Counseling Firm(s);
- Consideration paid or granted to others for making a particular recommendation relating to the investments of the DJT.

Trustees may call upon an independent third party to provide advice on the matter.

If a conflict is deemed to exist and after the fact a person made money privately in a conflict, any gains made by that person from the conflict will be given up to DJT.

5 Investment Time Horizon

The DJT's design is to benefit current and future generations of the CTFN; hence, the time horizon is perpetuity. The DJT has established a strategic asset allocation with a time horizon greater than ten years to meet its investment objectives.

6 Liquidity and Income Requirements

The DJT requires sufficient liquidity to support any planned funding policy requirements on a timely basis. The DJT does have the ability to invest a significant portion of the portfolio in illiquid assets due to the long term nature of the Trust.

7 Other Constraints

It is the goal of the DJT to strive to have all investments to be of a quality considered acceptable by other prudent institutional investors. Investments of the Trust are also constrained by the terms of the trust deed of settlement and DJT (cache) act.

In particular, the Trustees are authorized, as they see fit,

- To borrow money on the credit of the Trust, and to repay an amount so borrowed;
- To issue, release, sell or pledge debt obligations of the Trust; and
- To mortgage, hypothecate, pledge or otherwise charge or create a security interest in all or any part of the Trust Property to secure any obligation of the Trust;

Provided that at no time shall the aggregate principal amount of such borrowings, debt obligations and mortgages or pledges exceed 5% of the total book value of the Trust Property.

8 Reporting to the Beneficiary

An independent audit of the Trust shall be done every year. The audit will, amongst other things, verify all disbursements and transactions and the market value of the Trust. The audit report shall be reviewed as soon as is practical by Trustees. Trustees will present the audit report and annual report of the DJT to the General Council and/or a community meeting.

9 Leverage

Leverage is commonly found in asset classes such as real estate, infrastructure and private investments. In each case, leverage is understood to be an integral part of the underlying strategy, giving particular consideration to the related risks for each investment.

Outside of the leverage embedded in the above mentioned asset class investments, the DJT will allow for up to a maximum of ten (10%) percent of the total market value of the DJT to be leveraged.

10 Performance Objectives and Risk Philosophy

Performance Objectives

Performance objectives shall be established for the total wealth of the DJT, specific asset classes and individual investment manager portfolios. These objectives will be incorporated in the quarterly reviews of the DJT's performance.

The investment strategy articulated in the asset allocation policy found in Section 11 has been developed in the context of long-term capital market expectations. The investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective. The DJT acknowledges that over short time periods (i.e. one quarter, one year, and even three to five year time periods), returns will vary from performance objectives and the investment policy thus serves as a buffer against ill-considered action.

There are four principal factors that affect the Trust's financial status: 1) contributions from CTFN, 2) annual payouts for expenses and funding policy 3) inflation, and 4) investment performance. Only the last factor is dependent upon the investment policy and its guidelines. However, the DJT's level of risk tolerance will take into account all four factors.

At certain levels of assets and a given funding policy, it could be impossible for the investments to achieve the necessary performance to meet desired spending. The result is that either spending policy has to be changed, contributions increased or risk tolerance changed.

The performance of the overall DJT will be measured relative to:

- Inflation
- Policy benchmarks

The DJT's long-term investment goal is to achieve a real rate of return after expenses of four percent (4%) per year. It is recognized that there may be years, or a period of years, when the Trust does not achieve this goal followed by years when the goal is exceeded. Yet, over a long period of time, Trustees seek to achieve an average annual real rate of return of four percent (4%) at risk levels broadly consistent with large public and private funds.

It is expected that the policy portfolio outlined in Section 12 will earn an average real return, after expenses, of 4.0 annually measured over a rolling five-year period. The real return will be measured by comparing the Trust's return against the Canadian Consumer Price Index (CPI) plus 4.0%.

Risk Philosophy

The long-term performance of the DJT is primarily determined by the long-term strategic asset mix policy. The approach of broad diversification across various asset classes within the asset mix is the DJT's most important risk management control tool.

In its broadest sense, risk refers to the unpredictability of future asset value, and specifically, the chance that assets may decrease, as well as increase, in value. Investment principles and practical experience both support the notion that expected returns are proportional to market risk taken. Trustees recognize that the assumption of risk is necessary to meet DJT objectives; that is, there are no "risk free" assets, which are sufficient to generate the return needed to long term growth requirements. Thus DJT risk management does not require the elimination of risk, but the balancing of risk and expected return.

Risk in itself is intrinsically neither good nor bad; it is a resource used to generate investment returns. **Trustees recognize that "The essence of investment management is the management of risks, not the management of returns"**.

Risk Policy

One of many methods of reducing risk in an investment portfolio is to diversify assets by type so that all assets do not have the same drivers of risk and returns. The DJT can be divided into 4 different Risk Buckets to view these different risks and to ensure that the combined portfolio does not become overly exposed to any one Risk Bucket.

Each asset class cannot be thought of in isolation in terms of risk but as part of its effect on the portfolio as a whole. The color guidelines assess the overall portfolio in terms of its exposure to each risk bucket outlined.

The DJT's policy regarding investment risk, consistent with modern portfolio theory, is that risk cannot be eliminated but should be managed. Trustees need to understand the risks in various investment strategies, ensure that they are properly compensated for these risks, and measure and monitor them continually. In particular, the level of risk taken should be consistent with the return objectives of the investment. The framework for risk management is set through the investment policy guidelines for the different asset classes, the strategic asset allocation, and the benchmarks used for performance objectives.

The DJT looks at the trust assets through different risk lenses in order to not over expose the trust assets to any one driver of risk or return. This diversifying of the trust assets into different "risk buckets" is one tool the DJT uses to help mitigate risk.

11 Strategic Policy Asset Allocation

As can be seen in Table 11a, the DJT's investment allocation will be equity-dominant given its long-term investment horizon and goal, but will include multiple asset classes having varying risk and correlations.

The long term expected return and risk parameters of the targeted public market asset allocation are:

- Real rate of return of 4% on a 5 year rolling basis.
- Maximum negativity in any rolling one year period of 14%.

The public market investments are periodically rebalanced in order to compensate asset allocation shifts rising from differences in rates of return on different asset classes.

Based on the risk tolerance for CTFN beneficiaries and return objectives, the DJT has adopted the following long term asset allocation policy, including asset class weights and ranges.

Criteria for including an asset class in the strategic asset allocation policy include:

- Widely recognized and accepted among institutional investors
- Has low correlation with other accepted asset classes
- Has a meaningful performance history
- Involves a unique set of investors

The strategic asset allocation policy target recognizes the current under-investment in illiquid asset classes (real estate, real assets) and the corresponding need to set rebalancing ranges around this effective policy allocation until such time as long-term policy weights in these classes are achieved.

The strategic policy asset allocation will seek to optimize expected return versus expected risk over a long-term investment horizon. The Trust will annually evaluate the strategic asset allocation after reviewing considerations and recommendations from the Consultants and/or Advisors.

The strategic asset allocation policy target over a rolling five year period is the following:

Table 11 a **Policy Asset Allocation Overview**

Asset Class	Target Weight	Range
Cash & Short Term Securities	0%	0-5%
Short Term Bonds	5%	0-10%
Universe Bonds	5%	0-10%
Commercial Mortgages	15%	0-20%
Direct Lending	10%	0-15%
Total Fixed Income	**35%**	**10-50%**
Canadian Equities	10%	0-20%
Global Equities	15%	10-30%
Total Equity	**25%**	**10-45%**
Special Opportunities	5%	0-25%
Infrastructure /co investment	25%	0-40%
Real Estate	10%	0-20%
Total Alternatives	**40%**	**0-60%**

Trustees will review overall Trust asset allocation on an annual basis and consider rebalancing options that are in the best interests of the Trust in terms of factors affecting illiquid alternative assets and liquid public market investments.

Any proposed changes to the asset allocation must be reviewed and approved by the Jili at kaxh adeli (Cache Watchman) before implementation.

12 Asset Class Investment Guidelines

Permitted Investments

Permitted Investments are investments that adhere to the investment and lending policies, standards and procedures that a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and obtain a reasonable rate of return. The investments of the DJT must also be in compliance with this IPS and be recognized as qualified investments under the applicable legislative provisions in the Trust Deed and Cache Act.

In the case where the DJT invests in pooled funds, which have separate and independent investment policies, should a conflict arise between the provisions of this Policy, and the provisions of the pooled fund's investment policy, the Investment Manager is required to notify Trustees promptly in writing, detailing the nature of the conflict and the Investment Manager's recommended course of action.

Public Market Investment Guidelines and Limitations

All portfolios should hold a prudently diversified exposure to the intended market. In a prudently diversified portfolio the credit quality, liquidity and liquidity of the underlying security is an important consideration.

The Public Market Investments (PMI) is strictly invested in the following asset categories:

- Cash;
- Demand or term deposits;
- Short term notes;
- Treasury bills;
- Bankers acceptances;
- Commercial paper;
- Bonds, including real return bonds and those issued as Private Placements;
- Mortgages and mortgage-backed securities;
- Investment Certificates issued by banks, insurance companies and trust companies
- Convertible debentures;
- Common and preferred stocks;

- Limited liability income trusts;
- American Depository Receipts and Global Depository Receipts (or similar);
- Exchange Traded Funds;
- Derivatives when held within a pooled fund without leverage, other than as a temporary cash flow mechanism;

  Leverage is defined as either:

  • Borrowing to increase the amount of assets available for investment, or

  • using derivatives or cash instruments to increase the risk profile of the portfolio beyond the stated guidelines, scope, objectives and philosophy of the investment mandate.

- Equity Private Placements when held within a pooled fund;
- Private debt investments when held within a pooled fund;
- Foreign bonds; and
- Pooled funds invested in any or all of the above asset categories.
- A pooled fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, as permitted by the Canadian securities regulatory authorities.

The PMI does not engage in:

- The purchase of securities on margin;
- Loans to individuals or corporations outside of a pooled fund;
- Derivatives held for speculative purposes or held to alter the exposure to an asset class outside the scope of the investment manager’s mandate;
- Equity Private Placements held on a segregated basis; and
- Short sales.

Investment Limitations of Public Market Investments

Diversification shall be achieved in part by limiting to 10% or less the percentage of the market value of the Canadian or global equity portfolio invested in a single issuer. In addition, the equity portfolios shall be invested in at least six (6) sectors of the reference index, as defined by the Global Industry Classification Standard (GICS). A maximum of 15% of the global equity portfolio may be invested in securities from Emerging markets.

A maximum of 5% above the reference index weight may be invested in debt securities that have received a rating BBB. The minimum credit rating for the purchase of corporate issuers is BBB according to the FTSE index's methodology of credit rating categories or any equivalent credit rating.

Maximum holdings for the fixed income portfolio by the issuer are: 100% for Government of Canada, 75% for Provincial bonds, 20% for Municipalities and government-backed bonds, 45% for Corporate bonds, 10% Maple bonds, 10% Real return bonds, 20% Asset-backed securities including mortgage-backed securities and 10% US-pay bonds.

All debt ratings refer to the FTSE index's methodology of credit rating categories or any equivalent credit rating.

The exposure of securities issued in a single province may not exceed 40% of the overall of the Fund. A maximum of 3% of the Fund's value may be invested at the time of purchase in debt securities from a single corporate issuer that has received the rating BBB, and a maximum of 8% securities from a single corporate issuer that has received the rating A or higher.

The minimum rating for short-term securities is R1 (low). The maximum percentage invested in a corporate issuer, excluding term deposit receipts maturing 15 days following the purchase date, must not exceed 10% of the market value of short-term securities if its credit rating is R-1 Middle or better and 5% if its credit rating is R-1 Low.

Bonds are rated for Credit Quality to give investors a gauge of how creditworthy the issuer is and consequently how likely they are to meet the interest payments and repay the bond at maturity. The ratings begin at 'AAA' for the Government of Canada representing the best credit quality. Ratings then decline through 'AA', 'A' and 'BBB', all of which are considered 'Investment Grade'. Bonds rated 'BB' and lower are not considered 'Investment Grade'.

Voting Rights

When securities are held on a segregated basis the following policies apply to the voting rights of those securities. When securities are held within a pooled fund, the Investment Counseling Firm(s) will exercise all voting rights and will report to the DJT on their voting record.

The Trust may pass a resolution that delegates voting rights on PMI securities to the Investment Counseling Firm(s). Any voting rights used under such a resolution must be reported to the Trust.

The Trust shall inquire as to the Investment Counseling Firm(s) policy on voting rights.

The Investment Counseling Firm(s) shall maintain a record of how PMI voting rights have been exercised.

When a voting right can be expected to have special significance to the PMI or in case of doubt as to the best interests of the PMI, the Investment Counseling Firm(s) shall request instructions from the DJT and will act in accordance with such instructions. The DJT will make reasonable efforts to identify what issues can be expected to be of special significance and to inform the Investment Counseling Firm(s).

The DJT may exercise any voting right by communicating its intentions to the Investment Counseling Firm(s) in writing.

Alternative Asset Class Investment Guidelines

The following parameters outline return expectations for the alternative asset classes and outline risks that must be monitored and mitigated within the best available means.

Real Estate Guidelines

All real estate investments of the Trust will be made in accordance with the DJT separate Real Estate Investment Policy.

Infrastructure Guidelines

Infrastructure investments include investments in critical service assets with high barriers to entry (i.e. toll roads, bridges, water treatment plants, power lines, etc.). A purchase of these assets typically involves agreements or contracts between the buyer of the asset and the seller (government or regulated entity). The assets themselves may not present high-risk profiles, but investors may add to risk through the management profile.

Investment Objective

Investments in infrastructure can provide attractive risk-adjusted returns, and low correlations with other major asset classes in the overall trust investment strategy. Infrastructure investing involves long-lived real assets that have inflation-protection characteristics and income that can meet the trust strategy of safeguarding the principal of the investment while maximizing total return.

Performance Objective

The DJT’s return benchmark for the infrastructure program is a return of 6.0% above inflation. The life-cycle nature of private infrastructure investments will contribute to an uneven return profile.

Investment Guidelines

The selection of infrastructure investments is guided by the trust goal to generate an attractive risk adjusted return, high current income, and maintain prudent diversification of assets within geographic regions and sectors.

The commitment period for investing in these assets takes several years and due to the size of these assets and the size of the DJT these investments would likely be accessed through partnerships.

1. Institutional Quality: the Trust's goal is to strive to have all assets of institutional investment quality, generally deemed to be considered acceptable by other prudent institutional investors.

2. Diversification: Infrastructure investments should be chosen with consideration to diversification of assets by types and geography.

Infrastructure assets are substantially comprised of the sectors listed below.

- Energy – Electricity generation, transmission and distribution, oil and gas pipelines & storage facilities, natural gas processing, liquefied natural gas infrastructure, energy services and energy renewables.
- Transportation – Airports, air traffic control systems, ports, railroads, toll roads, bridges, tunnels, shadow toll highways.
- Water Infrastructure – Water treatment, water technology & services, water distribution and waste water systems.
- Telecommunications – Regulated fixed-line telephony, telecommunications towers, television broadcast towers, cable networks and satellite systems.
- Public/Private infrastructure – Schools, hospitals, government related buildings.
- Other infrastructure – Other protected income stream assets, securities (equity/debt/other) or other interests of infrastructure issuers, joint ventures, other infrastructure funds, other infrastructure related assets: debt and equity.

Real Assets

Purpose: The value of real assets may hedge inflation risk, helping protect the Trusts' real value over time.

Return Goal: 3 month Treasury Bills + 600 basis points.

Components: Real estate and infrastructure

Risk Considerations (only a sample of the risks to consider)

Interest rate risk   Liquidity risk   Regional risk

Equity risk   Bankruptcy risk   Refinancing risk

Inflation risk   Partnership risk   Regional Risk

Cash flow risk   Natural disaster risk   Business (operational) risk

Private Equity Guidelines

(Also see deed of settlement criteria until 2016)

Investment Objective

The experience of institutional investments in private equity demonstrates that enhanced rates of return can be achieved compared to publicly traded securities.

Private equity investments involve the purchase of unlisted, illiquid common and preferred stock, as well as, subordinated and senior debt of companies that are, in most instances, privately held. To compensate for the illiquidity and the higher risk of the private market, the private equity allocation is expected to produce a long-term rate of return of 200 – 500 basis points above an appropriate public equity benchmark.

Investment Guidelines

Private equity investments shall be made for the sole interest of the Trust, with one of the prime objectives being to mitigate risk.

The investment guidelines need to allow for adjustments based on external factors. Such factors as; the availability of quality investment opportunities, the flow of capital into the private equity asset class, and the state of the economy and business environment.

The criteria for selection and management of assets in the private equity portfolio will focus to generate a high level of risk-adjusted return, provide for a modest amount of current income, and maintain prudent diversification of assets and specific investments.

The investment risk associated with private equity investments can be mitigated in several ways:

Institutional Quality: The Trust will strive to have private equity investments of institutional investment quality. Institutional quality is defined as an investment that would be considered acceptable by other prudent institutional investors.

Diversification: The private equity portfolio will strive to be diversified as to investment strategy, size and life cycle of investment, industry sector, general partner group, and geographical location. Commitments and funding should take place over time, adding to the diversification of the portfolio.

Eligible Investment Strategy Diversification: The following private equity strategies and investment types will be considered eligible for the Trust's portfolio.

i. Later-Stage: Investments in more mature companies (e.g., with developed products, revenues, and in many instances profitable) to provide funding for growth and expansion.
ii. Buyouts/Acquisition: Partnerships which provide funding to acquire majority or controlling interests in a business or product lines from either a public or private company. These partnerships are generally diversified by industry and other relevant measures. Buyout partnership company size ranges from very large to small-market.

iii. Special Situations: Partnerships with private corporate finance investment strategies that do not fall under the prior two categories

Geographical Diversification: Although the priority of the portfolio should be to achieve diversification by investment strategy and industry groups, geographical diversification is also desirable. Over the long-term, the portfolio should seek portfolio diversification with regard to major regional areas both within the Yukon and outside of the Yukon.

Industry Sector Diversification: The portfolio will strive to be diversified by industry sector.

Time Diversification: The trust will strive to make commitments to partnership investments that are staged over time. It is anticipated that the Trust would commit to private equity over multiple years, thereby dollar cost averaging over a business cycle. The Trust will establish a funding allocation each year in conjunction with its annual review of its asset allocation policy and allocation target to private equity.

General Partner Diversification: The trust will strive to be diversified by general partner or issuer of limited partnership securities.

The Trust will monitor progress and results through a quarterly oversight measurement report.

Consistent with industry practice, performance shall be calculated using the internal rate-of-return (IRR) methodology.

Purpose: When the economy is performing well, public and private companies are generally producing profits and passing those profits to investors via interest payments on debt, dividends or through higher stock price. Investing in these corporations allows the trust to benefit in times of economic growth.

Return Goal: appropriate public equity benchmark plus 200-500 basis points.

Components: Private ownership of businesses

Risk Considerations (only a sample of the risks to consider)

Interest rate risk Credit spread risk Liquidity risk

Equity risk Bankruptcy risk Refinancing risk Regional risk

Inflation risk Currency risk

13 Special Opportunity Investment Guidelines

Carcross Tagish Traditional Territory Outreach

The DJT will seek, together with compatible co-investment partners, as appropriate, investment opportunities to be included in the Trusts special opportunities portfolio if the investment opportunity has an expected risk-adjusted return comparable to other investment opportunities available to the Trust.

Trustees believe that the DJT should have a Carcross Tagish Traditional Territory Outreach investment allocation that maintains the investment integrity of the Trust and is both proactive and impartial.

Purpose: This allocation allows the Trust to invest in special investment opportunities across asset classes and to take advantage of perceived market opportunities in the CTFN Traditional Territory.

Return Goal: 3 month Treasury Bills + 500 basis points.

Components: private debt, public debt, stocks (public and private), CTFN government debt instruments

Risk Considerations (only a sample of the risks to consider, a full risk assessment would need to be completed as per the Risk Assessment Analysis Policy which is to be developed by the Trust.)

Liquidity risk Equity risk Bankruptcy risk Refinancing risk

Inflation risk Partnership risk Regional risk Counter Party risk

In assessing First Nation government debt risk the DJT will work to follow the same guidelines as established by the First Nation Finance Authority (FNFA) in lending money to First Nation governments. The FNFA is a not for profit entity with a mandate to access capital markets on First Nation communities' behalf. The FNFA has developed eligibility criteria to access capital markets for its approved borrowing members. The DJT will endeavour to use the applicable guidelines of the FNFA when considering CTFN government debt instruments as investments under the trust's special opportunity investment allocation.

Community Based Return Dividend Weighting

In considering the total return goal for the special opportunity allocation, trustees may make an allowance for a "community based" return weighting of between 0%-2% of the total Return Goal of the investment as stated above. This community based return weighting will be considered in the context of a social/community dividend.

This community based return dividend will be financially tracked and considered to form a financial part of the sustainable funding policy distribution from the Trust to beneficiaries.

In awarding the amount of the “community based return” trustees will consider the intent of the DJT (cache) act.

The DJT (cache) act speaks to the following guiding principles;

The need to provide for economic self-sufficiency of present and future generations and for the present and future needs of the community.

To achieve one of our fundamental constitutional objectives to “strengthen our economy and our government for our future generations.

To harvest for our families and to preserve and protect our resources for the future.

Both traditional experience and current at wuskú (knowledge) are needed to determine how our cache must be cared for and used. The wisdom of our Elders must be combined with the at wuskú knowledge of our youth and new leaders. All the at wuskú (knowledge) and wisdom within our community is important in making difficult choices and in learning new ways to survive and prosper.

14 Additional Asset Class Considerations

Public versus Private Investments

Given the DJT’s low demands on liquidity, there is an opportunity to earn an expected liquidity premium associated with private investments. However, due to reduced ability to rebalance asset allocation, private assets, as a percentage of total DJT value, are limited.

For this guideline, private investments are defined as investments such as;

1) Private equity;

2) Private real estate; and

3) Infrastructure investments

Co-investments

Co-investments are investments the DJT makes alongside general partners in private assets. Co-investments have two main advantages; first, the Trust will have a higher level of transparency, which improves the ability to assess the risk and return opportunities; second, co-investments should significantly reduce management fees. Co-investments may be implemented at the partnership level (the Trust invests in a partnership directly) or at the underlying asset level (the Trust invests in an asset held in the Trusts’ partnership)

All co-investments require an independent fiduciary evaluation, prior to investment.

15 Public Market Investment Manager Guidelines

Performance Measurement and Evaluation

Benchmarks

In order to measure the performance of the portfolio, investment returns for each asset class will be gauged against the following market benchmark indices. The benchmarks are market indices that are replicable, measurable and fair comparisons to the portfolios being measured:

Asset Class	Benchmark
Short Term Bonds	FTSE Canada Short Term Bond
Universe Bonds	FTSE Canada Universe Bond
Mortgages	FTSE Canada Short Term Bond + 1%
Direct Lending	Absolute Return of 7%
Canadian Equities	S&P/TSX Composite
Global Equities	MSCI World (Net) CAD

Time Horizon

While it is important to assess performance over longer time periods, monitoring will be done on a quarterly basis and will include year to date results to identify and respond appropriately to potential deficiencies in the strategy and structure of the Trust.

Performance Attribution

The Investment Manager will provide performance attribution, which will isolate the effect of asset allocation at a broad asset class level as well as at a sub-asset class level. Attribution allows for the measurement of the Investment Manager's decisions and shows whether the decision positively or negatively impacted the portfolio.

Compliance Reporting

The Investment Manager is required to complete and sign a compliance report each quarter and include it with the appropriate quarterly report. The compliance report should indicate whether or not the Investment Manager's portfolio was in compliance with their assigned benchmark index.

In the event that the Investment Manager is not in compliance with their benchmark index, the investment Manager is required to advise the Trust a timely manner, detailing the nature of the non-compliance and recommending an appropriate course of action to either remedy the situation.

Investment Objectives for Public Market Benchmarks

The Primary Objective is derived based on the asset allocation guidelines of the PMI and expected asset class returns along with the projected Consumer Price Index. These assumptions should be reviewed annually by the Trust.

Primary Objective 4% Real Rate of Return (after fees)

The Final Objective is for Investment Counseling Firm(s) to maintain gross investment returns (before investment management fees) that place their portfolios in the top 40% of similar peer group funds over rolling 5-year periods.

Final Objective Above Median peer group performance (before fees)

In addition, the performance of individual asset classes is expected to:

•Exceed the return of their corresponding benchmark indices (after fees); and

•Rank in the top 50% of the appropriate peer group performance measurement universes over rolling 5-year periods (before fees).

Investment Counseling Firm(s) Benchmark Indices

The benchmark index is a hypothetical portfolio that indicates the return that a passive investor would earn by consistently employing the benchmark asset allocation invested in the allocations of the market indices specified for the various asset classes in the benchmark index.

Investment manager benchmark index is set out in Appendix A. (need to add with new manager)

Investment Counseling Firm(s) will be measured, in part, against their respective benchmark indices.

Reporting and Service

Investment Consultant

A quarterly report will be provided by the consultant within this time frame that shows the performance of a constructed median peer group from a recognized institutional universe such as. This performance data will be provided for the periods of current quarter and all years since account inception.

Investment Counseling Firm

Within 4-6 weeks of the end of each calendar quarter, the Investment Counseling Firm(s) will provide the Trust with reports detailing the following:

•A valuation at the end of the quarter, activity and transaction summary for the quarter, portfolio value relative to net contributions, book and market values;

•A commentary on the investment strategy and tactics employed over the past quarter and any notable changes from the previous quarters report;

•Account performance data for the quarter, and all yearly periods since account inception relative to benchmark indices as established in Appendix A. Investment returns will be provided for on both a Pre-fee (Before) and Post-fee (After) basis for these periods;

•Investment returns for each pooled fund or asset class over the current quarter, and each year since inception and their corresponding indices over these time periods.

•in the case of inception date calculations all calculations will be made from the inception date month end.

•A compliance report indicating compliance with the provisions of the IPS and explaining any instances of non-compliance with an inclusion of an outline of all investment categories not currently explicitly mentioned in this IPS;

•Information pertaining to changes to the Investment Counseling Firm(s) investment style, process, discipline, senior management personnel and/or ownership structure if any, and other philosophical, operational or organizational matters that might reasonably be expected to have a bearing on the performance or risk profile of the assets managed by the Investment Counseling Firm(s).

The Trust shall evaluate the performance, focusing on public market investment objectives and expected return and risk parameters.

The Investment Counseling Firm(s) shall be available to meet with the Trust at least semi-annually to:

•Review the transactions in the latest period and the assets held at the end of the period and explain how they relate to the strategy advocated;

•Explain the latest performance;

•Be apprised of expected cash flow requirements of the Trust and make provision for them;

•Provide an economic outlook along with a strategy under such circumstances;

•Any other relevant matters that may arise from time to time.

Should concerns arise due to failure to meet minimum acceptable standards for service and communication, the Investment Counseling Firm(s) shall be notified in writing that they are under review. The Trust will develop a specific plan with the Investment Counseling Firm(s) to rectify these service deficiencies. If these deficiencies have not been adequately resolved within four quarters the Investment Counseling Firm(s) will be considered for termination.

Custodian

If engaged by the DJT, the Custodian/Investment Counseling Firm(s) will provide the Trust with statements on a monthly basis. These statements will include, at a minimum, a summary and a detailed listing of assets held in the portfolio as well as a listing of transactions (including deposits, withdrawals, receipt of interest and dividends, purchases, sales, and fees paid) that occurred in the Portfolio during the reporting period.

The Custodian's reports will provide the book value and current market value of each asset held in the Portfolio and categorizes securities by issuer type, market sector and/or industry, as appropriate.

Hiring of an Investment Counseling Firm

The Trust must approve the acceptance of all new mandates and their benchmarks. Therefore, Investment Counseling Firm(s) must provide the following information for consideration by the Trust to allow it to fulfill its fiduciary responsibilities to the DJT:

•The firm's history including type of ownership, current assets under management;

•Client turnover rate;

•Description of the investment process including research capabilities, criteria for buy and sell decisions and risk controls;

•Biographies for each of the investment team members including their tenure at the firm and with the intended strategy;

•Firm's fee schedule for the intended strategy.

After the Trust is satisfied that the above information is acceptable, the Investment Counseling Firm(s) must meet the following additional criteria:

After the Trust is satisfied that the above information is acceptable, the Investment Counseling Firm(s) must meet the following additional criteria:

•Exceed the return of the appropriate benchmark over 5-year periods;

•Rank in the top 50% of the appropriate peer Investment Counseling Firm(s) performance universes over rolling 5-year periods;

•The strategy's market risk, as measured by standard deviation, ranks below the market risk over rolling 5-year periods,

•Identify that the investment team currently in place is responsible for the past investment performance;

•Agree to adhere to the roles and responsibilities of Investment Counseling Firm(s) as outlined in the IPS.

Termination of an Investment Counseling Firm

The trust will consider terminating an Investment Counseling Firm(s) when one or more of the following circumstances prevail:

•The Investment Counseling Firm(s) investment performance results have been below the median performance results of the appropriate peer group and/or the appropriate market benchmark for four consecutive quarters (here performance may be looked at over longer periods of time, not just the specific quarter) they shall be notified in writing that they shall be placed under review. If the Investment Counseling Firm's performance related issues are not satisfactorily resolved during the subsequent three quarters the Trust will consider terminating the Investment Counseling firm. Consideration will be given to the reasons for underperformance. Similarly, if a manager is outperforming by being more speculative than the market and their peers, this will prompt a similar review.

•The Investment Counseling Firm(s) short-term underperformance is found to be a result of a change in the Investment Counseling Firm(s) investment style, process or discipline or a change in the Investment Counseling Firm(s) key investment personnel;

•There is a significant change in the risk profile of the Investment Counseling Firm(s);

•The Investment Counseling Firm(s) investment style is no longer appropriate given the PMI requirements;

•The Investment Counseling Firm(s) reporting and client service are unsatisfactory; or the Trust has concerns regarding the Investment Counseling Firm(s) ethics;

•Notwithstanding the above, the trust may consider that an Investment Counseling Firm(s) be terminated for any reason that it deems appropriate.

16 Adoption of Investment Policy Statement

Appendix A

Investment Manager Benchmark Indices

Fiera Capital

Asset Class	***Minimum***	***Normal***	***Maximum***
Cash & Short Term Securities	0	0	5
Short Term Bonds	0	8	17
Universe Bonds	0	8	17
Commercial Mortgages	0	25	33
Direct Lending	0	17	25
Total Fixed Income	**15**	**58**	**70**
Canadian Equity	0	17	33
Global Equity	20	25	60
Total Equity	**20**	**42**	**75**

Benchmark Portfolio for Fiera Capital is as follows:

Benchmark	***weighting***
FTSE Canada Short Term Bond	8
FTSE Canada Universe Bond	8
FTSE Canada Short Term Bond + 1%	25
Absolute Return of 7%	17
Total Fixed Income	**58**
S&P/TSX Composite	17
MSCI World (Net) (CAD)	25
Total Equity	**42**