

Clench Fraud Trust Annual Report 2012



CONTENTS

PG.1
HIGHLIGHTS 2012
Investment performance

TRUST DISTRIBUTIONS
SINCE 2004

PG.2
2012 AT A GLANCE
Investment Highlights

Performance over last 5 yrs.

PG.3
TRUST
ADMINISTRATION
2012 Expenditures

Policy & Procedures

PG.4
PROPOSALS
Proposal process, applications
and breakdown

PG.5
DISTRIBUTIONS
Xmas Gesture application
numbers steadily rising
Benevolent break down

PG.6
UPCOMING EVENTS
Amendment Vote July 27, 2013

Contact Us

Highlights 2012

In 2012, Clench Fraud Trust:

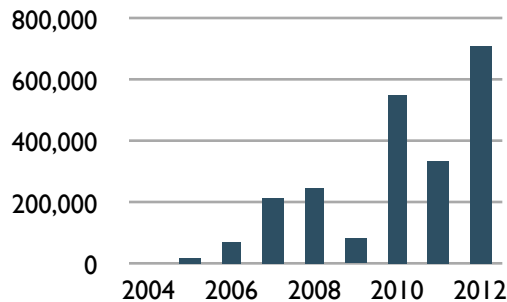
- Achieved an investment return of 8.5%, outperforming the benchmark indices by 0.7%
- Invested assets of \$11.5 million
- Trust distributions totaled \$712,788 in 2012
- strategic planning process started

Trust Distributions

Benefits to Members

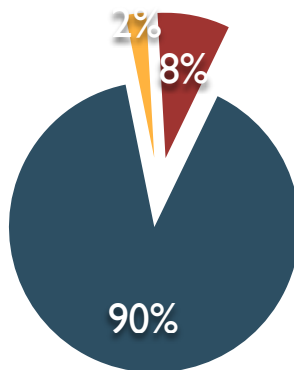
The Clench Fraud Trust was created on November 26, 2004 with the purpose of receiving the settlement from the Government of Canada relating to the Clench Defalcation. The trust was created to benefit the members of the Chippewas of the Thames First Nation. Trust property is to be used to provide funding for benevolent purposes, to promote economic development and to assist in housing needs.

Total Trust Distributions each Year since Inception

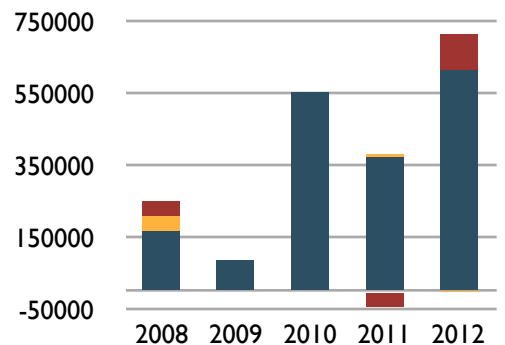


The total funds dispersed is 2.25 million since the trust's creation

% of Funds by Purpose since Inception



Trust Distributions by 'Special Purpose'



■ Benevolent ■ Ec.Dev. ■ Housing

2012 AT A GLANCE

INVESTMENT HIGHLIGHTS

In 2012, the Main Trust generated a strong return of 8.5%, outperforming our 6% (net of all fees/charges) funding target measured over 3 and 5 year periods.

To help meet this objective, the CFT Investment Policies for both the Main and Minor's Trust was updated and approved.

In addition, the CFT began a strategic planning process in 2012. One of the focus areas is a sound investment strategy for the long-term growth of the trust.

The trust's initial investment was 14.7 million in 2004. After initial single cash payments were made, the trust had 12.6 million to be invested.

The Trust Property value as of Dec.31, 2012 was 11.5 million. The trustees would like to develop a plan where the initial investment is restored and the growth of the capital remains above inflation rates.



Investment Performance

5 Yr. Average Return

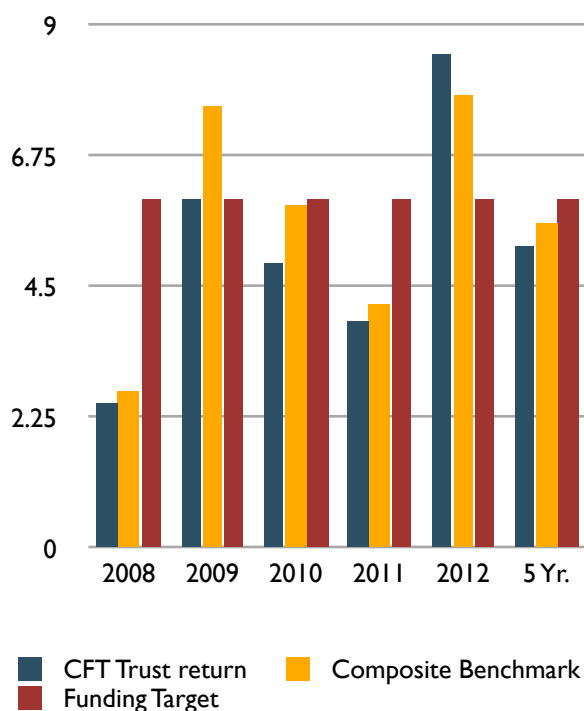
Clench Fraud Trust's average return of 5.2% since 2008 is a slow but steady recovery from the volatility of the markets faced globally in that year. Since then an Investment Manager review has taken place and the return exceeded the funding target in 2012 by 2.5%. Using the target set in 2012 the graph to the right shows overall annualized performance after fees in each year since 2008.

Performance by Asset Class in 2012

Cdn and US Equities Outperform Index Returns in CFT Portfolio

Asset Class	CFT	Index	Market Index
Cash & Equivalents	0.6%	1.0%	DEX TBill
Bonds	5.0%	3.6%	DEX Univ Bond
Canadian Equities	11.0%	7.2%	TSX Tot Ret
US Equities	14.6%	13.5%	S&P500 Tot Ret
International Equities	11.1%	15.3%	EAFE Tot Ret

Annualized Performance % Past 5 Years





TRUST ADMINISTRATION 2012

MESSAGE FROM THE CHAIR

We hope you find the new format and contents of this year's Annual Report useful and informative. The trustees are pleased to report a strong return of 8.5% on CFT investments. We believe our work on investment policy revisions and an investment manager review contributed to investment return performance.

2012 was extremely busy. Communication efforts increased with a new revised website, more community meetings and continued newsletter mail-outs. CFT was asked to present at two national conferences and a pilot housing project was implemented and well received by members. Expense costs reflect this increased activity as well as amendment costs.

A voting package on the amended agreement will be sent to you shortly. The amendments reflect much needed improvements to the trust document. Please take time to cast your ballot. At least 50% of voters must vote and a majority must agree before it becomes valid.

Finally, I would like to thank my fellow trustees and the former General Manager, Greg Plain, for their dedication to the trust. It's been a pleasure working with all of you on this challenging and important work.

Leslee White-eye

Expense Notes

Expenses at a Glance in 2012

- legal fees are significantly higher due to amendment and taxation advice sought
- honorariums and travel are below 6 year average of \$42,823
- meetings and office supplies are up due to increased community feedback meetings for amendments, strategic planning and mailings for newsletter, Xmas gesture notice

Trust Expense Objective

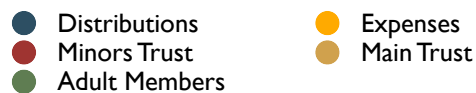
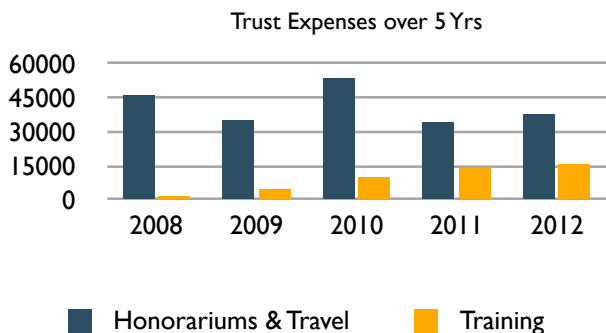
Budget Process 2013

Through our budgeting process, the trust is working towards meeting an annual budget objective where expenses do not exceed 2% of the Trust Property value over a three year period. This is a general rule of thumb for trust management.

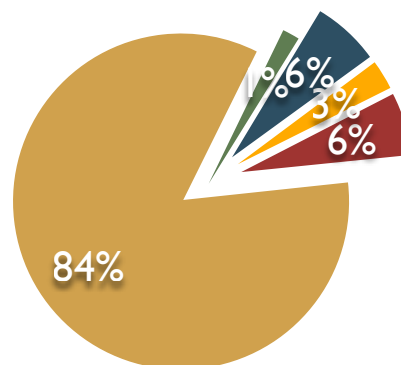
Trustee Expenses

Building Trustee Capacity

Training expenses include National Aboriginal Trustee Officer's Association membership fees and trustee course certification fees. It also covers the travel costs and workshop registration fees to attend annual First Nation trust workshops.



% of Trust Property Value in 2012



PROPOSAL APPLICATIONS

INCREASED SUBMISSIONS

This year there was an increase in submissions. The proposal application is made available on-line for members to download. A proposal evaluation form is also available to help members with the proposal writing process. The form lets applicants know where points will be awarded based on content of the proposal.

The trustees cannot guarantee full funding of proposals. Budgets should show details of calculations with quotes attached to help reviewers understand actual costs.

Once the proposals are approved. Contracts are signed which outline reporting requirements including the need to submit actual receipts for final payment. Steps will be taken to recoup any funds misappropriated and not used for the intent outlined in the contract.



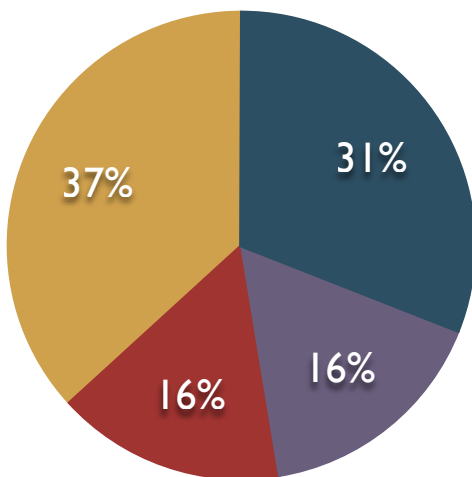
2012 Projects Funded

Proposal Applicant

- 58 applications received
- 29 applications were approved
- Total funding dispersed \$712,788

- COTTFN
- Education
- Groups
- Individuals

% of Funds to Applicant Types

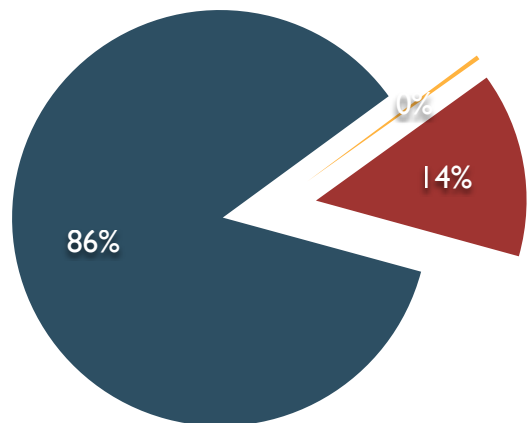


Benevolent, Housing, or Economic Development Purposes

Where does it go?

Funding for Benevolent Purposes as described in section 6.7 of the CFT Agreement can cover a range of areas including education, health, recreation/sports, culture & heritage, claims research and emergency needs. See the Audit 2012 on the CFT website for each project funded on page 9.

% of Funding Dispersed for each CFT Purpose in 2012



- Benevolent
- Ec.Dev.
- Housing



DISBURSEMENTS

CONNECTING FUNDS TO CAUSES THAT MATTER

A key challenge for trustees is sorting through competing priorities, identifying opportunities, and creating space for partners to work with us in finding solutions together.

The need is great. The CFT agreement lists many purposes for which to fund projects but the resources are limited.

A 3 Year Strategic Plan will help trustees focus resources on a set number of areas that will address the Community Comprehensive Plan (CCP) over the long-term.

Go to website for feedback information.

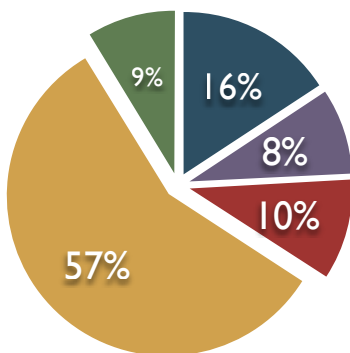
In 2012

Benevolent Purposes

Recreation projects included Lil NHL, Binoojiinyag and Elite Fund, Chippewa Recreational Ice Time

Culture projects included language programming, Thunderbird Lodge Sundance, Homecoming, Traditional Gathering, Master Archeological plan, Stop Signs in the language

In 2012, the following areas were funded:



- Education
- Health
- Recreation
- Culture & Heritage
- Emergency

Benevolent (Culture)

Xmas Gesture

This annual distribution averages \$84,000 a year. Each household can receive \$100 at Xmas. The total dispersed since 2006 is \$681,281.

You asked...

Question: Why can't all members receive the Xmas Gesture instead of the member whose name is on the lease or mortgage?

Answer: Trust Property cannot be used to make another single cash payment to every member. If one is made the trustees will be in breach of the Trust Agreement.

Xmas Gesture pick-up day Dec 2012



Amendment Feedback session Sept 2012





Upcoming Events

What's Happening in 2013



Trustee Strategic Planning Session
Nov 2012

Referendum Vote on Amended CFT Trust Agreement

vote on Election Day July 27, 2013, mail-in ballots packages to be sent out in June

- Amendment Information

sessions:

- May 25, 2013 at AGM from 10 am to 1pm
- May 25, 2013 at Atlohsa Family Healing Services, Richmond St., London, ON 3-5pm
- May 29, 2013 via on-line through Spreecast get link from website
- June 5, 2013 via on line through Spreecast get link from CFT website



Amendment Feedback session Sept2012

TRUST ELECTIONS

- **Nomination Day** June 15, 2013, packages were sent out by Chief and Council to voters already
- **Election Day for trustees,** July 27, 2013



FIRST NATION TRUST WORKSHOP

Hosted by Clench Fraud Trust

- June 27 & 28, 2013 at COTTFN Community Centre
- open to FN communitis in Great Lakes region, members, trustees, Chief and Councils, trust partners, see website for registration information



IdleNoMore Dec 2012

CONTACT US

The Clench Fraud Trust is made up of 7 trustees - 2 appointed by Chief and Council and 5 elected.

Together, the trustees oversee all aspects of the Trust's operations in the interests of our more than 2300 beneficiaries.

CFT STAFF

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Interim Office Manager

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CFT TRUSTEES

Clinton Albert

Shane Fisher - Vice-Chair

Kristen Hendrick - Secretary

Warren Huff - Treasurer

Betsy Kechego

Monty McGahey II

Leslee White-eye - Chair

Contributors

Photo Credits: Greg Plain, Leslee White-eye

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