

STATUS OF ACCVI FUNDS

Memorial Fund (MF), Contingency Fund (CF), Hut Replacement Fund (HF)
Report from Geoff Bennett, effective 31 Dec 2024

The ACCVI Section holds three accounts at Odlum Brown, whose managers provide professional management and advice. No additional fees are charged on these accounts other than the usual brokerage fees on trades. Signatories on the funds are Geoff Bennett (all three), Garth Stewart (MF and CF) and Carol Doering (HF).

MEMORIAL FUND (MF) STATUS

- The purpose of this fund is to disburse grants every year to deserving people under thirty who undertake alpine expeditions and projects.
- The fund was inaugurated in 2009 in memory of Section members who have passed away. As of 2023 the fund offers annual youth grants up to a total of \$1,500.
- The fund invests in fixed income and equities at Odlum Brown. As a courtesy, Odlum Brown does not charge for their services, other than the usual commission fees on the purchase and sale of securities.
- The ACCVI Section matched donations from inception to 2016.
- The capital value of the fund (donations plus Section contributions) should not be encroached. Section contributions are in effect a long term loan from the Section to the MF. In an emergency, the Section funds can be reclaimed from the MF. If the Fund yields less than \$1,500 in one year for youth grants, then the Section makes up the difference.
- **Year end 2024 balance \$34,568.07 (compared to YE2023 balance of \$34,585.33)**
 - \$16,150.67 book value of corporate bonds and one GIC (which will be held to maturity)
 - \$15,929.80 market value of equities
 - \$2,487.60 cash
- **Total donations and matching section contributions since 2009: \$35,242.88**
 - This is the endowed capital in the Memorial Fund.
 - The balance in the MF is \$675 less than the endowed capital.
 - Donations in 2024 totaled \$226. This will be deposited to the fund in 2025.
- **Total income for 2024 was \$1,734**, which exceeded the forecast of \$1,700. This has helped to restore a portion of the capital which was lost in 2022 owing to the drop in value of Algonquin stock.
 - The forecast income for 2025 is \$1,016 – lower than 2024 because the GIC does not mature until 2026 and because interest rates are lower.
- **Total disbursements since 2009: \$12,775 on 16 projects**
 - \$9,975 from the MF
 - \$2,800 from the ACCVI Section in the form of top-ups
 - The \$1,500 disbursement to Youth Grant recipients in 2024 came from the Coast Capital Account rather than the Memorial Fund. This will continue to be the case until the balance in the Memorial Fund exceeds total donations.

MEMORIAL FUND INVESTMENTS AT ODLUM BROWN

The ACCVI executive voted in 2023 to adjust the mix of investments in the MF to a minimum of 40% fixed income (bonds, GIC's, cash) and a maximum of 60% equities (index funds/ETF's and legacy stocks). The legacy stocks (Algonquin and TD) are to be sold when appropriate. The endowed capital in the MF is invested for the long term, therefore it makes sense to invest in equities because they outperform fixed income investments over time. However, in the short term equities can lose value, as happened in 2023-24.

FIXED INCOME INVESTMENTS (54% of fund - market value \$18,638.27 including cash)

- Brookfield 3.8% 16DEC26/MAR27 (corporate bond: book value \$8,149; market value \$8,133)
 - Brookfield is a Canadian multinational that is one of the world's largest asset management companies. It focuses on direct control investments in real estate, renewable power, infrastructure, credit and private equity.
- Coast Capital GIC 3.95% 11DEC2026 (GIC: book value \$8,000; market value \$8,017)
- The cash component earns 1.5% to 2.95%

EQUITY INVESTMENTS (46% of fund - market value \$15,929.80)

- XDV (index fund on the TSE: book value \$3,725; market value \$3,510)
 - Specializing in dividend-yielding companies
- XFN (index fund on the TSE: book value \$3,791; market value \$3,592)
 - Specializing in banks and insurance companies
- XRE (index fund on the TSE: book value \$4,012; market value \$3,725)
 - Specializing in real estate
- AQN - ALGONQUIN POWER & UTILITIES (Canadian stock: book value \$3,830; market value \$1,276)
 - Algonquin provides electricity, water, and natural gas utility services to over one million customers, primarily in North America. The company's portfolio of clean, renewable wind, solar, hydro and thermal power generation facilities represents over 4 GW of renewable generation capacity in operation and under construction.
- TD - TORONTO DOMINION BANK (Canadian stock: book value \$4,342; market value \$3,826)
 - TD is the largest bank in Canada by total assets and also by market capitalization, a top-10 bank in North America, and the 23rd largest bank in the world. TD issues green bonds and is making efforts towards a sustainable climate action plan.
- Equities in the Memorial Fund lost \$1,553 in value in 2024:
 - AQN and TD combined dropped \$851 relative to YE2023 (14% decline)
 - AQN is still restructuring but the dividend yield is 5.5%. Advice is still to hold.
 - TD lost a major lawsuit in 2024. Although the stock dropped, the dividend yield is 5.1%.
 - The three index funds combined dropped \$702 relative to purchase date DEC2024 (6% decline).

MEMORIAL FUND PROJECTS

Since inauguration of the Memorial Fund in 2009, ACCVI has disbursed \$12,775 to 16 different youth groups in the alpine:

- 2010 - \$1,200 for the Brooks Peninsula Expedition (Gillian Nicol, Cory McGregor, Cody Gold, Derek Cronmiller)
- 2012 - \$250 for first ascents on the SW Buttress of Mount Arrowsmith (James Pierzchalski)
- 2013 - \$1,400 for a General Mountaineering Camp for youth at Mount Matchlee (Harry Steiner)
- 2013 - \$600 for a first ascent of North Needle Peak in the Great Bear Rainforest (Christina Service, Laura Grant, Vernon Brown)
- 2015 - \$925 for a study of weather conditions and climate change at 20 remote fire lookouts in the Rockies (Kristen Walsh)
- 2016 - \$1,500 to purchase climbing gear for a First Nations youth rock climbing camp near Ucluelet (Carlos Mack)
- 2018 – \$2,000 total (\$961.64 from Section funds)
\$700 for a Strathcona Park traverse including first winter ascents of Tom Taylor and Mariner (Evan DeVault)
\$600 for a S-N hike of the entire VI Spine Trail (Isobel Glover)
\$500 for a ski tour of Liberty Bell, Washington by the ACCVI youth group (Derek Sou)
\$200 to purchase equipment for an expedition by Nanaimo Scouts to climb several major peaks in the UK (Andy Chapman-Coombs)
- 2019 - \$1,000 for a bike trip and climb by the ACCVI youth group of Mariner Mountain from Bedwell Sound (Derek Sou)
- 2020 - \$1,000 approved in total but both projects were cancelled owing to the pandemic
- 2021 - \$800 to hike the length of the VI Trail as a diabetic and to film the project (Nick Noble)
An additional \$200 was approved for a project that was ultimately cancelled.
- 2022 - \$900 A wilderness expedition along the Campbell River Divide (Kyle Bourquin)
An additional \$600 was approved for a combined ski/bike expedition from Victoria to the Olympics (Astra Lincoln). Unfortunately this project was never undertaken and Astra Lincoln has not reimbursed her \$500 advance.
- 2023 - \$200 to purchase a backpack for a Victoria Scout Troop to allow Scouts who don't own backpacks to go on camping trips (Kieran Ernst).

An additional \$800 was approved for a project to clean a climbing crag near Ehatia and to bolt a route (Kyle Smith). However, the applicant was unable to meet the safety requirements requested by the ACCVI executive and the grant was rescinded.

- 2024 - \$1,500 for a combined bike/climbing expedition of VI Island Qualifier peaks (Finn Battersby and Brennan Doyle)

CONTINGENCY FUND STATUS

- The purpose of this fund is to hold at least \$10,000 in reserve for emergencies and to generate annual income for the Section.
 - Original investment (2009): \$10,000
 - Additional investment (2021): \$3,000
 - **Total capital \$13,000**
- Year end 2024 balance in the Odlum Brown account \$13,476.23
 - Book value of 2 corporate bonds (to be held to maturity) and market value of GIC: \$13,027.53
 - **Cash: \$448.70** (deposited on 10 Jan 2025 to the ACCVI Coast Capital account)

CONTINGENCY FUND INVESTMENTS at ODLUM BROWN

The fund invests in low-medium risk instruments such as bonds and GIC's. Although the investment horizon is long-term, the ACCVI Section may call upon the original capital at any time. At this time, GIC's typically have slightly higher interest rates but are locked in to maturity. Therefore, GIC's can only form a portion of the portfolio. Corporate bonds can be traded at any time, although our intention is to hold them to maturity, at which time they are worth their book value.

- Brookfield 3.8% 16DEC26/MAR27 (corporate bond: book value \$3,056; market value \$3,050)
 - Brookfield is a Canadian multinational that is one of the world's largest asset management companies. It focuses on direct control investments in real estate, renewable power, infrastructure, credit and private equity.
- SAPUTO INC 3.603% 14AUG25 (corporate bond: book value \$4,961; market value \$5,070)
 - Saputo is a leading cheese manufacturer and fluid milk and cream processor in Canada.
- Coast Capital GIC 3.95% 11DEC2026 (GIC: book value \$5,000; market value \$5,010)

HUT REPLACEMENT FUND STATUS

- The purpose of this fund is to hold funds long-term for the eventual replacement of Hišimýawił or for major repairs if needed. Deposits to the account come from hut revenues at the discretion of the Hut Committee. The capital is invested in low-risk fixed-income instruments, such as good quality corporate and government bonds and GICs.
- **Year end 2024 balance in the Odlum Brown account \$81,083.16**
 - This includes the book value of six corporate and government bonds (\$51,874), the market value of the GIC (\$29,131) and cash (\$78).
 - YE2023 balance was \$15,425.85.
- 2024 donations totaled \$60. This will be deposited to the account in 2025.

HUT REPLACEMENT FUND INVESTMENTS at ODLUM BROWN

The fund invests in low-medium risk instruments such as bonds and GIC's. Although the investment horizon is long-term, the Hut Committee may call upon the original capital at any time. At this time, GIC's typically have slightly higher interest rates but are locked in to maturity. Therefore, GIC's can only form a portion of the portfolio. Corporate bonds can be traded at any time, although our intention is to hold them to maturity, at which time they are worth their book value.

- Province of BC 2.3% 18JUN26 (government bond: book value \$3,859; market value \$3,965)
- Brookfield 3.8% 16DEC26/MAR27 (corporate bond: book value \$30,445; market value \$30,500)
 - A Canadian multinational that is one of the world's largest asset management companies. It focuses on direct control investments in real estate, renewable power, infrastructure, credit and private equity.
- Brookfield 3.752% 02JUN25 (corporate bond: book value \$3,953; market value \$4,013)
- Govt of Canada 4.5% 01NOV25 (government bond: book value \$4,014; market value \$4,078)
- Intact Financial 2.85% 07JUN27 (corporate bond: book value \$3,843; market value \$3,954)
 - A Canadian multinational property and casualty insurance company.
- Telus 2.75% 08JUL2026
 - A Canadian national telecommunications company that provides a wide range of products and services including internet access, voice, entertainment, healthcare, video, smart home automation and IPTV television.
- Coast Capital GIC 3.55% 21DEC2026 (GIC: book value \$29,100; market value \$29,131)