



December 15, 2022

Dear Citizens,

As Trustees of the Tr'ondëk Hwëch'in Trust (the "Trust"), we are responsible solely for the management of the property that has been settled or transferred to the Trust. We have legal duties to act in the best interests of the Tr'ondëk Hwëch'in (the "TH") and TH citizens with respect to the management of the property, including making decisions that are in the best interests of current and future generations of TH citizens.

The purposes of the Trust including the protection of the Trust's property, the provision of transparent and prudent management of the Trust's property and avoidance of any taxation of the Trust's earnings that arise from the investment of the Trust's property.

Since the establishment of the Trust in 2009, the value of the Trust's investments have steadily grown and, over the past few years, the Trust's annual investments returns have been strong and this has allowed the Trustees to make annual disbursements to the TH for allocation to TH citizens pursuant to the 2019 *Tr'ondëk Hwëch'in Disbursement Policy* (the "Disbursement Policy"). Earlier this year, we made a disbursement of approximately \$1.5 million to the TH, based on the Trust's investment returns of 2020, that was allocated to citizens pursuant to the Disbursement Policy.

Throughout 2022, international markets have experienced significant downturns due to volatile conditions, including high inflation and increasing interest rates, and global instability, such as the Russian invasion of Ukraine. As a result, the Trust's public market investments have had negative returns and the value of the Trust's public market invests have declined more than 10 percent in 2022.

As result, we have made the difficult decision that the Trust will not be able to make a disbursement to the TH that would be allocated to TH citizens. This decision is based on our legal duties to preserve the Trust's property for all TH citizens, including future generations, and takes into account advice from the Trust's investment managers and agents.

We recognize that this decision will impact TH citizens and their families but it would not be prudent for the Trust to make a significant disbursement at this time in these market conditions. We will revisit this issue to determine if it would be prudent to make a disbursement for allocation to citizens for 2024.

We appreciate your willingness to work with us to realize the objectives of the Trusts for all citizens, including our future generations.

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