



**Annual Report of the
Southern Boundary Restoration and Enhancement Fund and the
Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund
for the year 2019.**

Introduction

In June of 1999, the United States and Canada reached a comprehensive new agreement (the “1999 Agreement”) under the 1985 Pacific Salmon Treaty. Among other provisions, the 1999 Agreement established two bilateral funds: the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund (Northern Fund); and the Southern Boundary Restoration and Enhancement Fund (Southern Fund). The purpose of the two funds is to support activities in both countries that develop improved information for fishery resource management, rehabilitate and restore marine and freshwater habitat, and enhance wild stock production through low technology techniques. The United States agreed to capitalize the Northern and Southern Funds in the amounts of \$75 million U.S. and U.S. \$65 million respectively. Canada also contributed CAD \$500,000. The 1999 Agreement also established a Northern Fund Committee and a Southern Fund Committee, each comprised of three nationals from each country, to oversee investment of the Funds’ assets and make decisions about expenditures on projects. Only the earnings from investments can be spent on projects.

Committee Members

Northern Fund Committee

Canada:

Steve Gotch
Carmel Lowe
John McCulloch

United States:

Doug Mecum
Bill Auger
Doug Vincent-Lang

Southern Fund Committee

Canada:

Laura Brown
Don Hall
Mike Griswold

United States:

Larry Peck
Peter Dygert
Joe Oatman

Executive Summary

- Total contributed capital (nominal) was U.S. \$140,065,000 (the equivalent of CAD \$209,796,000 using the exchange rate at the time the last installment was made). Actual fund asset value at December 31st, 2019 was U.S. \$235,456,000 or CAD \$305,328,000.
- Concerns of slowing global growth and trade wars were common themes in 2019 which caused some market volatility. However, 2019 ended with positive returns across most asset classes over the one-year time period. Equity markets were particularly strong throughout 2019. The sharp downturn that occurred in the fourth quarter of 2018 was mostly reversed during the first quarter of 2019.
- In 2019 the Southern Fund Committee supported a total of 45 projects for U.S. \$2.83 million.
- In 2019 the Northern Fund Committee supported a total of 63 projects for U.S. \$5.1 million.
- Combined project spending by the Northern and Southern Funds was U.S. \$7.93 million in 2019.
- Since 2004, the total Northern and Southern Fund project expenditures have been U.S. \$93.43 million, contributed to support 1,290 projects. This sum is inclusive of U.S. \$6.95 million to the *Very High Priority Chinook* projects and the Southern Fund's contribution of U.S. \$5 million to the *Salish Sea Marine Survival Program*. In addition to the U.S. \$93.43 million, the Funds contributed U.S. \$10 million to the *Sentinel Stocks Program*.
- In 2019 the Northern and Southern Fund Committee members met in person jointly on three occasions: February, May and November. In addition, the Northern Fund Committee met separately on three occasions and the Southern Fund Committee met separately on three occasions.
- The Fund Committees decided in 2018 to review the investment consultant services provided by Aon Hewitt. A decision to replace the investment consultant followed the review. A sub-committee of four members, two from each Fund Committee, was tasked with shortlisting potential investment consultants to be interviewed at the May Joint Fund Committee meeting. The Fund Committees selected the firm George & Bell as their new investment consultant.
- Mr. Doug Vincent-Lang took over from Mr. Charlie Swanton on the Northern Fund U.S. section.
- Fund staff provided administrative services for the Yukon River Panel's annual U.S. \$1.2 million Restoration and Enhancement (R&E) Fund for a ninth year in 2019.

Investment Review

Over the course of 2019, capital markets performed quite strongly, while the Canadian dollar strengthened versus the U.S. dollar with an increase of approximately 5% over the year. Positive performance in the portfolio was primarily due to public equity and infrastructure asset classes whose returns ranged between 15-25%. As a result, the total portfolio had strong positive performance over the year in both CAD and USD.

Managers that notably outperformed over the year included ACM (Canadian commercial mortgages) and Morgan Stanley (global equities). The portfolio's passive U.S. equity manager, BlackRock, achieved its objective of replicating the performance of its benchmark in the strongest performing market of the year. LSV Non-North American Equities ended the year strongly as outperformance in the fourth quarter erased most of the underperformance in the first three quarters of 2019, however the strategy still lagged its benchmark slightly as value stocks continued to struggle relative to growth stocks during most of 2019.

The Bank of Canada kept interest rates unchanged at 1.75% throughout 2019 and fixed income investors continued to have a negative outlook on the global economy. The PH&N Core Plus Bond fund delivered a positive absolute return in CAD over the year and the strategy performed close to its benchmark as the firm continued to take a defensive stance in response to the low interest rate environment.

The portfolio's U.S. Real Estate manager, Invesco, continued to deliver consistent positive performance, although the strengthening of the Canadian dollar relative to the U.S. Dollar detracted value. The transition from RARE (listed infrastructure) to IFM (direct infrastructure) occurred on October 23, 2019. The \$28 million CAD commitment to IFM was drawn down to fund the partnership's acquisition of Buckeye Partners, L.P., a leading energy midstream company based in Houston, Texas. All funds have now been liquidated from RARE. RARE's year-to-date performance as of September 30, 2019 was below its benchmark, but still resulted in positive, double-digit returns. The first full quarter of performance for IFM will be available starting in 2020.

Total contributed capital (nominal) was U.S. \$140,065,000 (the equivalent of CAD \$209,796,000 using the exchange rate at the time the last installment was made). Actual fund asset value at December 31st, 2019 was U.S. \$235,456,000 or CAD \$305,328,000.

Contributed capital and asset value of the individual Funds as of December 31st, 2019 stood as follows:

	Contributed Capital	Asset Value
Northern:	U.S. \$75,000,000 CAD \$112,388,000	U.S. \$127,476,000 CAD \$165,305,000
Southern:	U.S. \$65,000,000 CAD \$97,408,000	U.S. \$107,980,000 CAD \$140,023,000

Note #1:

In 2003 a rescission of 0.65% applied to the FY 2003 appropriations reduced the final contribution to the Northern Fund by U.S.\$162,500 and to the Southern Fund by U.S.\$97,500. Thus the actual Contributed Capital is:

Northern: U.S. \$74,837,500
Southern: U.S. \$64,902,500

Note #2:

U.S. Dollar Exchange (noon) rate: per Royal Trust, December 31, 2019	1.29675	0.77116
U.S. Dollar Exchange (noon) rate: per Royal Trust, November 30, 2019	1.32825	0.75287
U.S. Dollar Exchange (noon) rate: per Royal Trust, December 31, 2018	1.36420	0.73303
U.S. Dollar Exchange (noon) rate: per Royal Trust, December 31, 2017	1.25450	0.79713

Note #3:

Cash withdrawals performed July 2nd, 2019.

Investment Consultant Transition

The Fund Committees sent out a Request for Proposal (“RFP”) for investment consulting services in December 2018 to five potential firms. Submissions were received in February 2019 and interviews were conducted in May 2019.

George & Bell was selected as the new investment consultant effective July 1, 2019. The transition from Aon Hewitt to George & Bell went smoothly. George & Bell produced the second quarterly monitoring report.

Custodian Transition

The Fund Committees engaged George & Bell (through an independent RFP, and prior to retaining George & Bell as the investment consultant in 2019) to perform a custodian search in 2018. Interviews were conducted in February 2019, resulting in a recommendation to the Joint Fund Committees to hire Northern Trust as the Fund custodian and terminate RBC. The recommendation was accepted. The custodian transition went smoothly with assets being transferred at the beginning of July 2019.

Asset Mix Study

At the November Joint Fund Committee meeting the decision was made to proceed with an updated asset mix study to determine whether the Funds’ risk-return profile could be improved. The previous asset mix study was conducted in 2017.

2019 Project Funding

In 2019 the Southern Fund Committee supported a total of 45 projects for U.S. \$2.83 million. The list included projects addressing specific priorities identified by the Pacific Salmon Commission's Fraser River and Southern Panels for U.S. \$2.38 million or 84% of their overall spending.

In 2019 the Northern Fund Committee supported a total of 63 projects for U.S. \$5.1 million. Of these, six projects with a total value of U.S. \$265,198 were in the Enhancement envelope (5%) with the majority dealing with sockeye enhancement in the Transboundary region. U.S. \$421,533 (8%) was invested in six Habitat access improvement projects in the Transboundary region. U.S. \$4.39 million (86%) was directed to 51 Improved Information-type projects across South East Alaska, the Transboundary and Northern BC.

In the sixteen years between 2004 and 2019 the Northern Fund has granted U.S. \$51.7 million to 722 projects. Over this same period the Southern Fund has granted U.S. \$41.7 million to 568 projects. Total Fund project expenditures to date are U.S. \$93.4 million in support of 1,290 projects. Included in this total is a sum of U.S. \$6.95 million between 2015 and 2018 on Very High Priority Chinook projects and U.S. \$5.0 million from the Southern Fund to the Salish Sea Marine Survival Program. In addition to these amounts, the Chinook Sentinel Stocks Program was funded jointly by the Northern and Southern Funds between 2009 and 2014 for U.S. \$10 million.

Joint Fund Committee Meetings

The Northern and Southern Fund Committees have agreed that given the congruent nature of their agendas, their decision to combine the funds into a single master account for investment management purposes, and the efficiencies involved with respect to interaction with the Fund managers, it was appropriate to meet together as a Joint Fund Committee at least once a year, preferably twice, for Fund financial reviews and investment manager interviews. Thus, the Joint Fund Committees met in person three times during 2019: February 20 (a.m. only); May 7 and 8, and November 21.

February 2019

In February the two Fund Committees met separately to select their projects for funding support in 2019. As in previous years, the two Committees took the opportunity to also meet jointly to discuss funding issues. Discussions at the Joint Fund Committee meeting centered on funding questions pertaining to coast-wide projects not exclusively associated with Northern or Southern Fund areas of interest by virtue of the project location.

The Southern Fund identified and funded two such projects at a total cost of U.S. \$28K while the Northern and Southern Fund identified and jointly funded one project at a total of U.S. \$217K.

The Northern Fund prioritized and completed its 2019 project selections which included all core agency projects and, in the process, reached its spending target of U.S. \$5M. As a result, the

Northern Fund did not have sufficient funds to support the CTC's data management project in 2019.

The PSC Executive Secretary Mr. John Field reminded the Northern Fund Committee that the CTC's data management project is a two-year pilot project and not intended to be supported indefinitely by the Funds. The goal of the Commission is to monitor the progress of the pilot project in its support of the CTC and other technical committees and, if successful, to establish the data manager as a permanent staff member at the PSC when budgets allow. The PSC Secretariat covered the shortfall in funding support for the data manager in 2019.

The PSC Director of Finance Ms. Ilinca Manisali outlined the process to review and consider the replacement of Aon Hewitt with a new investment consultant. A shortlist of candidates was identified by a Joint Fund subcommittee (Don Hall (Can), Larry Peck (U.S.), Steve Gotch (Can), and Doug Mecum (U.S.)) prior to the May Joint Fund meeting. Ms. Manisali developed the evaluation matrix to be used in selecting the successful candidate. The Fund Committees made the final decision on the successful investment consultant at the May 2019 meeting.

May 2019

The spring meeting of the Joint Fund Committees was held in Vancouver on May 7 and 8.

Mr. Federico Cervantes and Ms. Michelle Richardson of Aon Hewitt provided the 2019 Q1 investment performance report. The structure of the report was "streamlined" to provide essential information but in less depth as a cost saving measure. Morgan Stanley continued to outperform. LSV's deep value style remains out of favor and returns have been disappointing. Philips, Hager and North Investment Management are pessimistic about the future and anticipate volatility. The Committee was generally satisfied with the report, apart from the on-going poor performance of LSV. The managers for the in-person interviews at the November meeting were selected. The managers will be LSV (international equity), Invesco (real estate) and IFM (infrastructure). A recap on the spending policies was provided for information purposes.

At the April 2018 meeting, it was noted that the fees for custodial services (Royal Bank of Canada) represented a considerable administrative cost burden and that those fees should be further investigated with a view to reducing them if possible. Subsequently, the Fund Committees engaged George & Bell to perform a custodian search in 2018. In March 2019, following in-person interviews by a Joint sub-Committee, Northern Trust was recommended to the Joint Fund Committees as the new custodian. The recommendation was accepted. The Committee received an update on the expected date of transfer from the Royal Bank (as custodian) to Northern Trust from Ms. Manisali. The date is expected to be in July 2019.

Ms. Manisali provided a summary of the Investment Consultant search process including the initial action item to staff, the selection of a four person working group, and the RFP. She discussed the responses to the RFP and the review and selection of a short-list of finalists for interview by the full Joint Fund Committee. Members of the working group provided insight into the issues that had influenced their recommendations.

The Committee then received in-person presentations from the Investment Consultant candidates: Aon Hewitt; Mercer Investments; and George & Bell Investments.

Following the presentations the Committee held a wide-ranging discussion on the pros and cons of the managers interviewed. Topics of discussion included staff turnover and continuity, bench strength, local presence, fees, client lists large and small, and the anticipated time likely to be taken to “come up to speed” with the Funds. The Committee agreed to reconvene in the morning and make a final decision.

Day 2

A motion to change the Funds’ Investment Consultants from Aon Investment Consultants to George & Bell was moved and seconded. The motion was amended to add that the term of the contract with George & Bell should be 5 years, with a review after 2 years. A July 1st, 2019 start date was approved.

There was further discussion with Committee members expressing approval for the George & Bell’s fees compared to the other two candidates. The size, location and available resources, including staff, of George & Bell was also discussed and Committee members were generally satisfied in these regards. The issue of “trust” based on demonstrated performance, as in confidence in the firm’s ability to deliver came up and the majority of Committee members felt that the George & Bell presenters had justified the Committee member’s trust in their ability to deliver. A dissenting view held that the Committee’s decision was being primarily influenced on the basis of their confidence in the performance of an individual who had very recently joined the George & Bell team (Ms. Giesbrecht, formerly of Aon Hewitt) rather than on the performance of the company as a whole and that another candidate firm had deeper bench strength, more resources and a longer track record, albeit their fees were nominally higher.

Following the discussion, the motion was passed with 10 in favour, 1 opposed and 1 absent.

Accordingly, the Committees assigned an Action Item to the PSC Secretariat to draft a contract with George & Bell to be reviewed by lawyers acting for the PSC Secretariat and then the Fund working group before sign-off.

PSC Secretariat Director of Finance Ms. Ilinca Manisali then presented the draft 2019/20 Northern and Southern Fund administration budgets. The 2018/19 administration costs had come in under budget with the exception of the professional services fee paid to Morgan Stanley. The Morgan Stanley fee structure allows for a performance-based increment to the fees and, given Morgan Stanley’s recent out-performance, these additional costs were justified. In developing the 2019/20 budget an allowance has been made for anticipated continued out-performance by Morgan Stanley in the year ahead. Bank charges associated with maintaining separate U.S. chequing accounts (\$200 per account) for project payments by manual cheques would be addressed in 2019 with the major U.S. proponents moving to Electronic Fund Transfers. Those unable to implement EFT’s, such as NOAA, would have cheques issued via a single central account. The Committee discussed the format for the presentation of annual Northern, Southern and Yukon River Panel administration budgets, particularly, Fund staff salary costs and their relation to administrative overhead fees allocated to Secretariat support functions such as accounting, IT, and travel management. Going forward the Controller agreed to develop an improved budget format incorporating enhanced levels of detail. The new format will be made available as a draft for Committee member review

and discussion in the coming months. Committee approval and adoption of the revised format will be sought at the November 2019 meeting.

A motion to approve the 2019/20 Northern and Southern Fund administration budgets was passed.

Lastly, the Committees set meeting dates for later in 2019 for their first round proposal reviews in September and October and for the annual financial review meeting in November.

An in-camera meeting between the Joint Committees and the Executive Secretary regarding staffing for the Committees followed this last item.

November 2019

The joint Northern and Southern Fund Committees met together for the third and final time in 2019 in Vancouver on November 21. The meeting opened with a Third Quarter report presentation on Fund Performance in 2019 presented by Ms. Kamila Giesbrecht and Mr. Brendan George, investment consultants from George & Bell.

Ms. Giesbrecht provided an update on the transfer of responsibility for management of the Fund's infrastructure portfolio from listed (RARE) to direct (IFM) which was completed in 2019. In October the Fund's commitment with IFM was fully invested following a legal review and the identification of suitable investment assets.

She also highlighted the large proportion (50%) of equities in the Fund's portfolio and recommended a reduction in these holdings to reduce the Fund's risk exposure during a market correction. Furthermore, Ms. Giesbrecht suggested the possibility of adding another global equity manager to complement the Fund's existing global manager as an effective alternative for the funds currently invested with LSV.

Lastly, Ms. Giesbrecht provided an update on the administrative cost savings associated with the transition from RBC to Northern Trust as the Fund's custodian and the changeover from Aon Hewitt to George & Bell as its investment consultant.

Next on the agenda Ms. Giesbrecht reviewed LSV's performance and provided an overview of the Fund's existing global equity structure and overall asset mix. She restated the risks associated with large equity holdings and the Fund's recent efforts in mitigating those risks by diverting a portion of its equities into real estate and infrastructure. Furthermore, Ms. Giesbrecht suggested the Fund Committees consider further diversification in its investment portfolio as a protection against a market downturn while maintaining existing returns to support project funding.

Regarding the Fund's current composition, Ms. Giesbrecht proposed an updated asset mix review of the progress made since the 2017 asset mix study. From this review, George & Bell will generate portfolio options for consideration. The portfolio's updated asset allocation will consider incorporating funds from the disposition of the LSV investment.

Regarding potential delays in the capitalization of funds following a change in portfolio managers as in the case of IFM, Ms. Giesbrecht assured the Committees that future transactions can be completed promptly if the manager's investment queue is short. Mr. George added that

trading costs associated with rebalancing the Fund's portfolio will be insignificant when compared with the amount of time and resources required to perform the portfolio change.

Ms. Giesbrecht emphasized that the Fund's portfolio has performed well due to the changes initiated by the Committees; however, market dynamics have changed over time and a consideration of further adjustments was recommended. The Fund's portfolio is protected against a market downturn; however, the extent of that protection is unknown. She stressed that the Joint Fund Committee's most important decision is selecting the right asset mix for the current market environment to generate sufficient annual project funding. This may result in changes in the Fund's portfolio or none.

A motion to establish a sub-committee to work with George & Bell to conduct an asset mix review in January 2020 was passed. Steve Gotch (N Fund), Doug Mecum (N Fund), Larry Peck (S Fund), and Don Hall (S Fund) volunteered to assist with this task.

The Committee then received in-person presentations from the Fund managers: LSV (EAFE/NNA equities); Invesco (real estate); and IFM (direct infrastructure). Apart from LSV, the Committee was generally satisfied with the managers' reports.

The next item on the agenda was a review of the manager presentations with Ms. Giesbrecht and Mr. George. They pointed out that the strong performances of Invesco and IFM have validated their place in the Fund's portfolio. In addition, both managers provide the downside protection the Fund requires in a market correction. Conversely, Ms. Giesbrecht and Mr. George felt that LSV's poor performance will continue and will likely suffer during a recession without providing the downside protection the Committees seek.

Mr. Mackay reminded the Committees of their instructions to George & Bell to conduct an asset mix review update and generate portfolio options for consideration. George & Bell will provide a cost estimate for Committee approval before initiating the study. Mr. Mackay repeated that a small group will meet in January 2020 to review the result of George & Bell's findings and will provide their recommendations to the Joint Fund Committees in February when both Committees are scheduled to meet in Vancouver.

Lastly, Ms. Giesbrecht and Mr. George presented their transition plan to address the management changes at George & Bell. Ms. Giesbrecht announced her departure from George & Bell but offered to continue her involvement with the Joint Fund Committee as an advisor in a voluntary capacity. Mr. George will replace Ms. Giesbrecht as the Fund's lead consultant.

Following George & Bell's presentation, and specifically Ms. Giesbrecht's notice of departure, the Fund Committees emphasized that they had chosen to hire George & Bell based on their capacity to meet the needs and goals of the Fund, lower fees, and mature state of the Fund. It was stressed that the Committee's relationship is with George & Bell and not a specific individual. The Fund Committee discussed Ms. Giesbrecht's offer to provide advice in a volunteer capacity, including the option that Ms. Giesbrecht should serve as an (unpaid) member of the George & Bell team as opposed to a second advisor to the Fund Committee directly. The PSC Secretariat was tasked with reviewing existing bylaws, policies and procedures regarding engagement of volunteers in a professional capacity.

Northern Fund Committee Meetings

The Northern Fund Committee met in separate session on three occasions during 2019.

February 18th, 19th and 20th (a.m. only), 2019

- Separate U.S. and Canadian section meetings with their technical advisors.
- Final selection of Northern Fund projects for funding in 2019.
- Technical feedback to project proponents from the technical advisors to the Northern Fund.
- Overview of Transboundary Technical Committee (TTC) Strategic Plan.

May 8th (p.m. only), 2019.

- Potential for a Call for Proposals for 2020 emphasizing projects that are located within and focus on stocks which impact fisheries in the Northern Fund's geographic area.
- Proposal to develop a formal policy on core agency funding.
- Discussed shared support of Gulf of Alaska expedition with the Southern Fund.
- Reviewed 2019 Alek Sockeye and Chinook stock restoration project.
- Fund financial obligations in 2020.
- Timetable for Call for Proposals.

October 8th and 9th (Co-Chairs a.m. only), 2019.

- First round selection of 2020 Northern Fund project concepts to be invited to proceed to Stage Two detailed proposals.
- Review and approval of annual audited financial statements.
- Status report on the transition to new investment consultant and financial custodian.
- Review of Q2 quarterly performance report.

Southern Fund Committee Meetings

The Southern Fund Committee met in separate session three times during 2019.

February 19 and 20 (a.m. only), 2019.

- Final selection of Southern Fund projects for funding in 2019.

May 8 (p.m. only), 2019.

- Review of Lower Fraser Coho Escapement proposal.
- Potential for a Call for Proposals for 2020.
- Fund financial obligations in 2020.
- Timetable for the Call for Proposals.
- PSC Secretariat to track progress of ongoing projects.

September 25 and 26 (site visit), 2019.

- First round selection of 2020 Southern Fund project concepts to be invited to proceed to Stage Two detailed proposals.
- Review and approval of annual audited financial statements.
- Review of Q2 quarterly performance report.
- Status report on the transition to new investment consultant and financial custodian.
- Discussed renewal of the Southern Fund's Strategic Plan.
- The Southern Fund Committee conducted a site visit and attended a presentation in the Chilliwack, BC area on September 26th.

Committee Appointments

In April 2019 Mr. Doug Vincent-Lang took over from Mr. Charlie Swanton on the Northern Fund Committee. Mr. Vincent-Lang's seat on the Northern Fund Committee (U.S. Co-Chair) is ex-officio, tied to his role as the Alaskan Commissioner. His first Committee meeting was on May 7th. Mr. Swanton had served on the Northern Fund Committee for a four year term.

2019 Call for Proposals for projects in 2020/21

Both Fund Committees issued Calls for Proposals in mid-2019 for projects starting in 2020.

The Southern Fund Committee focused its 2020 Call for Proposals on specific priorities identified by the Pacific Salmon Commission's Fraser River and Southern Panels. The Fund Committee accepted 49 proposals requesting U.S. \$3.5 million. During the first round review meeting in September the Southern Fund Committee approved 40 proposals in total requesting U.S. \$2.9 million to move to the second stage. In addition, the Committee will also consider 3 on-going proposals requesting U.S. \$160K that missed the first stage of the selection process. The final decisions on 2020 funding will be made at a meeting of the Southern Fund Committee in February 2020.

The Northern Fund Committee received a total of 84 proposals requesting U.S. \$6.8 million. At the first round review meeting in October 2019, 67 of the proposals were selected to move to the second round detailed proposal stage having a total value of U.S. \$5.4 million. Bilateral technical reviews of the detailed proposals took place in January 2020 and a final decision on 2020 funding will be made at a meeting of the Northern Fund Committee in February 2020.

Yukon River Panel Restoration and Enhancement Fund

In March 2011 the Yukon River Panel (YRP) invited PSC Fund staff to take responsibility for the administration of the Panel's Restoration and Enhancement Fund (R&E Fund) on a fee-for-service basis. In April 2014 this arrangement was formalized in a three-year contract between the YRP and the PSC. In May 2016 after an open competition process, the PSC was again selected by the Panel to administer the Fund for a further three-year period. In April 2019 the Panel extended the

PSC's administration of the R&E Fund with another three-year contract. 2019 was the ninth year in which PSC Secretariat Fund staff have administered the R&E Fund.

In 2019 the Yukon River Panel continued to place emphasis on Chinook Restoration priorities in their R&E Fund selection of projects for the year; this in response to the decline of Yukon River Chinook salmon stocks experienced in recent years.

A total of 35 projects were selected for R&E funding, of which, 30 were on-going multi-year projects and 5 were new. In U.S. dollar terms 47% of the funds were directed towards Conservation projects; 23% to Restoration; 9% towards Stewardship; and 21% towards Communications.

Funds in the amount of U.S. \$1,359,666 were allocated to projects. This sum was comprised of the annual U.S. \$1.2 million disbursement supplemented by unspent funds held by the Panel from previous years. Unspent funds are principally a result of exchange rate fluctuations and, to a lesser extent, from projects that complete under budget.

Staffing changes

In December 2019, the Fund Manager position at the Secretariat became vacant. The Executive Secretary launched an external competition to fill the vacancy. The position is expected to be staffed by March 2020.