

# FOURTH QUARTER NEWSLETTER

December 2018

## NIPISSING FIRST NATION 2013 BOUNDARY CLAIM TRUST

### Statement of Financial Position

#### ASSETS

Fair market value of investments managed by:

Lincluden Investment Management (Schedule 1)                      \$ 43,855,812

Mawer Investment Management (Schedule 2)                      47,900,670

Nipissing Solar SPN Promissory Note                                      788,521

Community Development Loan    4,750,191

\$ 97,295,194

#### LIABILITIES

Accounts payable    9,711

Peace Hills Trust (PCD/Minors Account)                                      258,715

#### NET ASSETS

\$ 97,026,767



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# Performance Monitoring

1. Peace Hills monitors the managers' performance and compliance on a monthly and quarterly basis vs. the standards set in the IPS and Trust.
2. We also monitor the firms to ensure there is no 'style drift', staff or ownership changes that may negatively affect the performance.
3. Results are reported to Council semi-annually and Peace Hills and the Investment Manager meet with Council semi-annually.
4. The results are also provided to the community at the annual community meeting.



## Cannabis

Cannabis. Everyone is talking about it and with the legalization of marijuana in Canada and more US states considering legalization there is no shortage of investment opportunities.

Investors, including many First Nations, are being pitched opportunities to “get in on the ground floor” and “invest in the next big thing”. BUT is it really going to make you millions?

The cannabis industry today looks a lot like the dot.com industry in the late 1990s. All you had to do was mention the words “dot.com” and people had their wallets out ready to invest. We all know that the dot.com craze ended with a lot of companies going broke and their investors being wiped out. Will that happen with the cannabis industry? It's too early to predict. Often times our first step is to look at a company's historical performance to predict its future performance but with a new industry we have no history to look at, only promises for the future. The industry is already experiencing volatility with some of the largest cannabis companies seeing share prices

drop by almost 50% over the past few months.

Chances are the cannabis industry will be like any other, there will be a few winners and a lot of losers. The trick is to pick the winners. Investors, including First Nations, must complete their due diligence to determine which investments will best accomplish their goals. Perhaps you will find a winner in the cannabis industry or perhaps you will find an investment outside the industry that will prove to be a better fit.

The approach to cannabis should be no different than that of any other project or investment the Nation wishes to undertake. Proper due diligence must be completed before any decision to invest in any project. If the Nation does not have the skills to perform the due diligence in-house it can hire qualified people to assist. It will take time and money, but a bad investment will cost more!

Remember if it sounds too good to be true it probably is!