

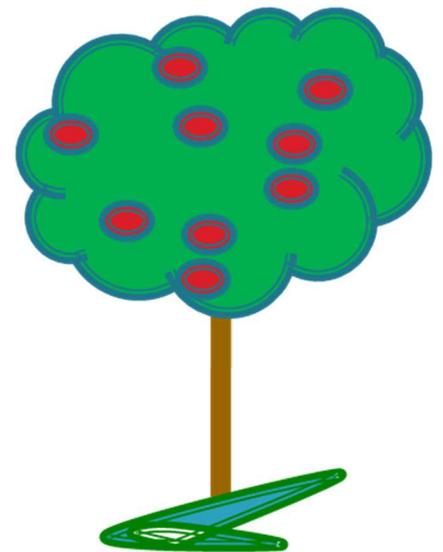
NIPISSING 2013 BOUNDARY CLAIM TRUST

SECOND QUARTER NEWSLETTER

JULY 2014

YEAR TO DATE VALUES

As you may recall from earlier newsletters, unrealized gains are the growth from investments that have not been sold. After the initial PCD payments to adults, ongoing minors payments and Trust Implementation costs, the capital balance of the Trust stands at \$83,808,565 as of June 30, 2014. Since the market value of the Trust stands at \$88,572,998 as of June 30, 2014, this means that the Trustees have grown the value of the Trust by \$4,764,433. The Trustees have accomplished this growth through a prudent approach to investing.



Market Value as at June 30, 2014
\$88,572,998

ASSETS	
Investments . Lincluden	43,942,669
Investments . Mawer	44,630,329
	88,572,998
LIABILITIES	
Accounts payable and accrued liabilities	9,269
PHT (PCD/Minors Account)	143,641
NET ASSETS	
	88,420,088



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INVESTMENT BASICS

Your Trust, like many First Nation Trusts, invests money in what are known as ‘traditional investments’. These are bonds and stocks. The Trust invests its money to earn income to pay out to the First Nation so the First Nation can spend money on various projects. These projects could be housing, roads, social programs, etc. The Trust also wants the value of the Trust to grow over time so that it will make even more money in the future.

Owning bonds means the Trust lends money to a government (Canada, Province of Ontario) or a corporation (Manitoba Hydro, Canadian Tire). The borrower pays a steady rate of interest to the Trust and when the bond matures or comes due, they pay the Trust the original value of the bond. Bonds are not paying much interest these days, but they are very secure and their values do not go up or down very much.



Owning stocks (also called equities and shares) means the Trust buys stocks on the stock market and owns a small piece of the company. The value of the stocks goes up or down depending on how the company is doing. For example, if the Trust buys stocks in Canadian Tire, and Canadian Tire does a lot of business, their stocks will increase in value and the Trust will make money. Most of the stocks the Trust owns also pay dividends, which is basically the company paying a small part of their profits back to the Trust. Dividends are cash payments to the Trust



every three months. Dividends help add to the income of the Trust, which flows out to the First Nation.

Every Trust that has money faces risks from the investments they hold. There are proven ways to reduce risk, and those are being used in your Trust. The biggest way to reduce risk is through diversification, which is basically ‘don’t put all your eggs in one basket’. The Trust does not have all its money in one or two bonds; it owns many bonds, some provincial, some from the Government of Canada and some from very large Canadian companies. The Trust does not hold one or two stocks; it owns many stocks from Canada, the US and around the world.

The idea behind diversification is that if the Trust has many investments and one of them does not do well, the other investments will do well enough so that the Trust is not really hurt and will continue to grow in the long run.



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