



**NIPISSING 2013  
BOUNDARY CLAIM  
TRUST  
NEWSLETTER**

## Statement of Financial Position as at May 31/2020

### ASSETS

Fair market value of investments managed by:

Lincluden Investment Management	\$ 40,002,366
Mawer Investment Management	48,296,284
Nipissing Solar SPN Promissory Note	759,180
Community Development Loan 1	4,390,131
Community Development Loan 2	<u>4,235,614</u>
	\$ 97,683,575

### LIABILITIES

Accounts payable	9,623
Peace Hills Trust (PCD/Minors Account)	<u>197,122</u>

**NET ASSETS** \$ 97,476,830

June 2020

Wow! What a difference a few months make.

In the middle of March the financial world was coming to an end and stock markets around the world were in free fall, seemingly with no end in sight. For example, the Canadian stock market was down over 30%. First Nations saw the value of their trusts dropping and, rightly so, were very concerned when/if the decline was going to end.

Fortunately, as we have said many times before, First Nations' trusts have one great advantage over investors: trusts have a very long investment horizon. The other advantage that trusts have over most investors is that trusts have Investment Policy Statements ("IPS").

A properly designed IPS ensures that the investment managers who manage the assets of the trust will take a disciplined, diversified approach. By diversified, we mean that along with stocks they must hold some bonds in the trust



Bonds provide stability to the trust because when stock markets go down, bonds hold their value (or even increase in value). This reduces the drop in the value of the portfolio.

When we speak of discipline, the IPS states that the investment manager must hold stocks in Canada, US and international markets at all times. This means they can't panic and sell out of large positions and create losses. They must continue to hold stocks, even if they are going down temporarily. This worked well because the managers were able to sell some bonds, which had held their value, and buy some very good stocks at very cheap prices.

So having a good IPS and a long term view has served your Trust very well. Stock prices have rebounded quite sharply and the value of the Trust has greatly improved since the dark days of March.

We understand that you may have concerns during this uncertain period. As always, We will continue to monitor the financial situation and performance of the Trust on a daily, monthly and quarterly basis.

Stay safe and well. We will be out to see you again.