

NIPISSING FIRST NATION 2013 BOUNDARY CLAIM TRUST

September 2019

THIRD QUARTER NEWSLETTER

STATEMENT OF FINANCIAL POSITION As at August 31, 2019 (UNAUDITED)

ASSETS

Fair market value of investments managed by:

Lincluden Investment Management	\$ 42,562,352
Mawer Investment Management	48,502,360
Nipissing Solar SPN Promissory Note	759,180
Community Development Loan 1	4,573,431
Community Development Loan 2	4,383,588

\$ 100,780,911

LIABILITIES

Accounts payable	9,877
Peace Hills Trust (PCD/Minors Account)	85,528

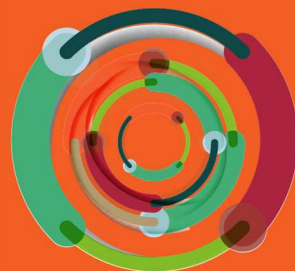
NET ASSETS

\$ 100,685,506



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Bonds

Bonds (or fixed income securities) are pretty boring. The Trust lends money to a government (federal, provincial or municipal) or a company (corporate bonds), gets paid interest every six months and gets their money back when the bond matures. Then the Trust goes out and buys another bond.

The problem with bonds is because of low interest rates around the world, bonds do not pay much in the way of interest to the Trust. So why own them? Basically they are in the portfolio as insurance to guard against periods of great uncertainty. When the world economy is a mess, people get nervous and sell stocks. They don't want to put the money in the bank, and earn almost no interest, so they rush out and buy bonds. This makes the price of the bonds in the Trust go up in value.

This is what has happened in the last few months. Recently, the Federal Reserve Bank in the US lowered its interest rate, and may do so again this year. This puts pressure on other central banks (i.e. the Bank of Canada) to lower their rates. This is a signal to investors that the central banks are worried about the economy. This causes bond prices to increase, which they have done dramatically in the past 6 months.

So they may be boring, but they do their job as an insurance against uncertainty in the economy and the stock markets.

Year to Date

Around this time of year Nipissing and the Trustees start looking at what income has been earned year to date and where we stand going into the last quarter of the year.

As of August 31, 2019, the estimated income due Nipissing First Nation is \$2,918,475. This puts us around the same income as last year but we caution

you to remember all the income is reconciled at year end, then reviewed by an auditor before the actual income is paid out

