

NIPISSING 2013 BOUNDARY CLAIM TRUST



Potential Future Per Capita Distributions

Question: What does the Trust say about potential future Per Capita Distributions ("PCD")?

Response: The Trust states that a Per Capita Distribution (dipping into the capital of the Trust), cannot happen if a Per Capita Distribution has occurred in the last 10 calendar years. The first Per Capita Distribution payment occurred in November of 2013 so the next capital distribution cannot occur until November 2023 at the earliest.

THEN

The Trust states that the capital distribution cannot take the Trust value below \$100,000,000. So between now and 2023, the Trust must grow above \$100,000,000 in order for a potential future PCD to be made. For example: if the Trust's market value was \$125,000,000 then what could potentially be distributed would be a maximum of \$25,000,000 dollars.

Therefore future Per Capita Distributions can only be made after 10 years from the previous one and only to a maximum amount that ensures \$100,000,000 "remains in" the trust.

Compliments of your Board of Trustees: Scott McLeod, Muriel Sawyer, Rick Stevens, Meriza George, Matt McLeod, Tim Laronde and Peace Hills Trust.



STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

ASSETS

Cash and cash equivalents	3,661,013
Accrued investment income receivable	383,781
Investments	79,736,278
Loans receivable	5,538,712
Total of financial assets	89,319,784

LIABILITIES

Accounts payable and accrued charges	99,805
PCD payable	420,000
Due to Nipissing First Nation	3,933,098
Total of financial liabilities	4,452,903

TRUST EQUITY

84,866,881

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2019

ASSETS

Fair market value of investments managed by:

Lincluden Investment Management	\$ 43,237,108
Mawer Investment Management	48,674,860
Nipissing Solar SPN Promissory Note	759,180
Community Development Loan 1	4,573,431
Community Development Loan 2	4,383,588

\$ 101,628,167

LIABILITIES

Accounts payable	9,921
Peace Hills Trust (PCD/Minors Account)	130,081

NET ASSETS

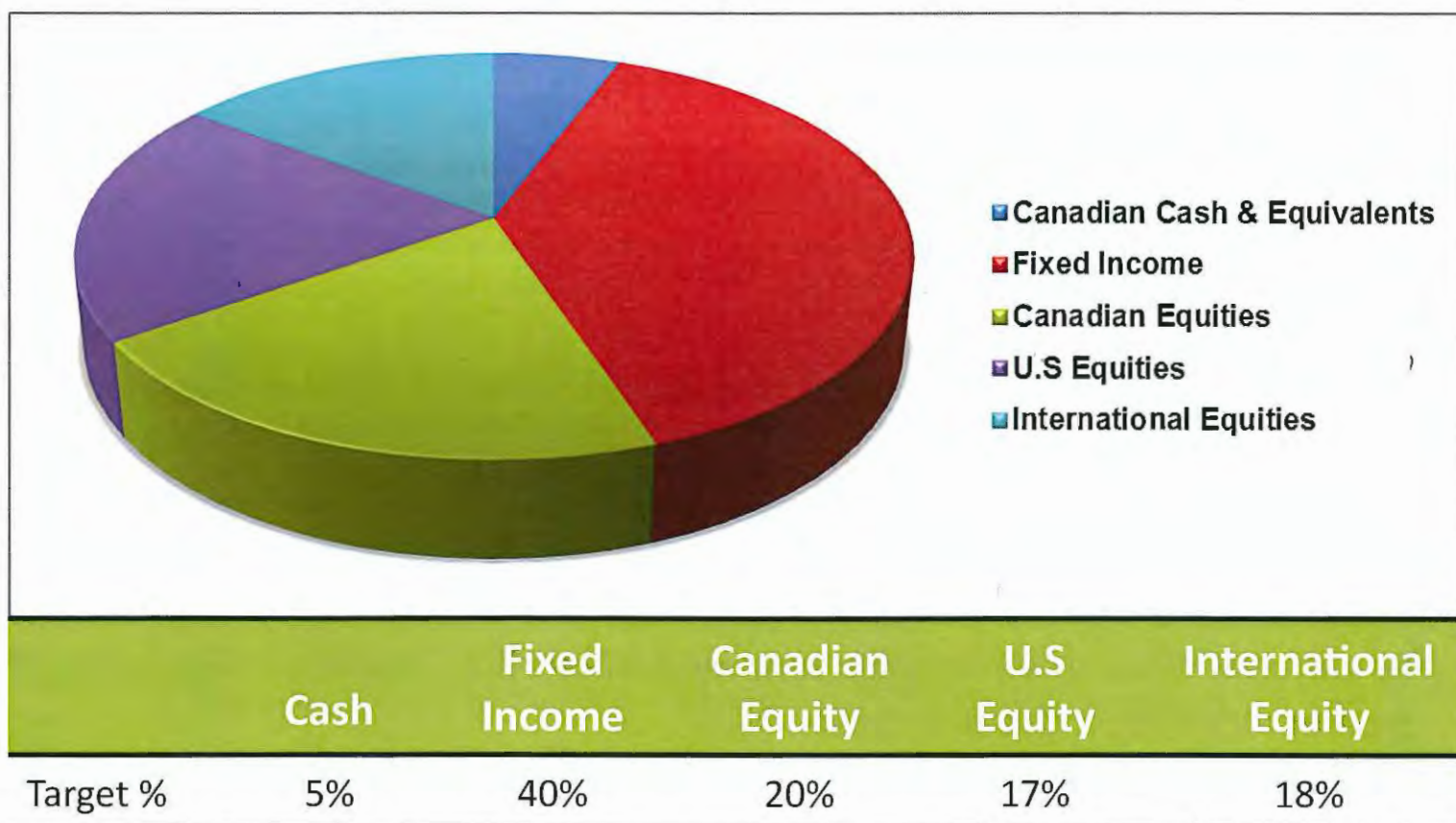
\$ 101,488,165



INVESTMENT OBJECTIVES

SEPTEMBER 30, 2019

1. To seek modest capital appreciation (net of fees and inflation) and to maximize the tax efficient generation of income in the form of interest, dividends and realized capital gains in order to support the Annual Payment and other obligations of the Trust.
2. Maintain the safety of capital and minimize the downside risk through portfolio and investment manager diversification.
3. Liquidity to meet the Annual Payment of income to the Revenue Account.
4. To achieve an average annual rate of return of 4.0% in addition to recognizing performance that meets or exceeds expectations outlined within the Investment Manager review policy of the Investment Policy Statement.

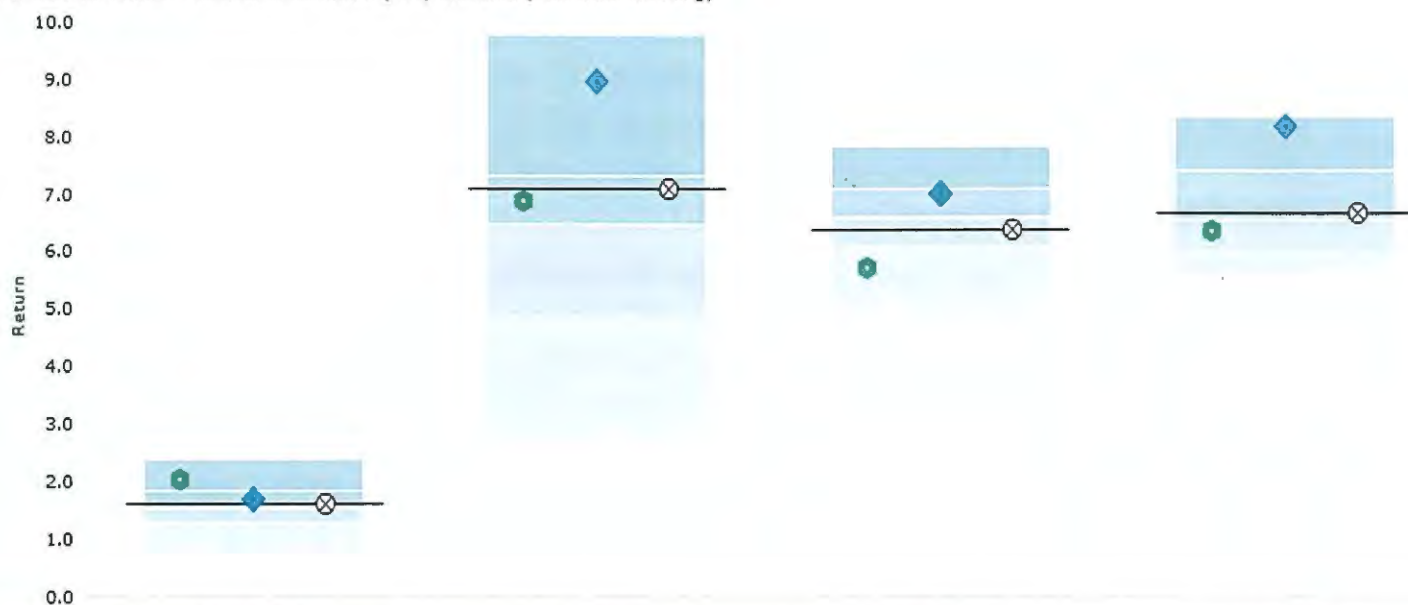


Nipissing First Nation 2013 Boundary Claim Trust Mercer Report as at September 30, 2019

Nipissing Lincluden Composite, Nipissing Mawer Composite (Benchmark)

Return in \$C (before fees) over 3 mths, 1 yr, 3 yrs, 5 yrs ending September-19

Comparison with the Pooled - Canadian Balanced (PFS) universe (Percentile Ranking)



	3 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)
● NFN Linc Com	2.0 (18)	6.9 (34)	5.7 (81)	6.4 (61)
◆ N Maw Comp	1.7 (43)	9.0 (13)	7.0 (28)	8.2 (6)
⊗ NFN Bench	1.6 (47)	7.1 (31)	6.4 (62)	6.7 (43)
5th Percentile	2.4	9.8	7.8	8.4
Upper Quartile	1.9	7.3	7.1	7.4
Median	1.5	6.5	6.6	6.6
Lower Quartile	1.3	4.9	6.1	6.0
95th Percentile	0.8	2.8	5.0	5.6
Number	37	37	36	35

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This year the Trustees thought they would share a Mercer Report on the Investment Managers as at September 30, 2019. This report shows you where your Investment Managers are in comparison to other Investment Managers. Looking at the chart Lincluden, is the hexagon and Mawer is the diamond. The circle with the cross is the benchmark. The benchmark is how we want them to perform. This is an independent report from the Trustees. We review this type of report on a quarterly basis.





VALUE DRIVEN. CLIENT FOCUSED.

Our Firm

Lincluden strives to be the investment manager of choice for First Nations who are seeking long term peace of mind for the management of their investment portfolios from a team that ensures that client needs are met first.

Since 1982, **Lincluden Investment Management** has employed traditional, value-based investment principles to the management of balanced, equity and fixed income portfolios. Lincluden's clients have benefited from:

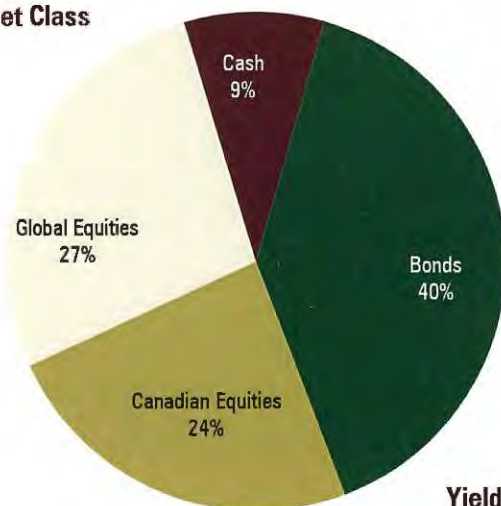
- ✿ A focus on preserving clients' capital.
- ✿ A culture of integrity.
- ✿ The firm's long-standing tradition of ensuring that client portfolios are entrusted to an investment management team with a demonstrated performance track record, experience in a range of market environments and a commitment to the firm's investment disciplines.

Today Lincluden manages over **\$5.6 billion** for our clients.

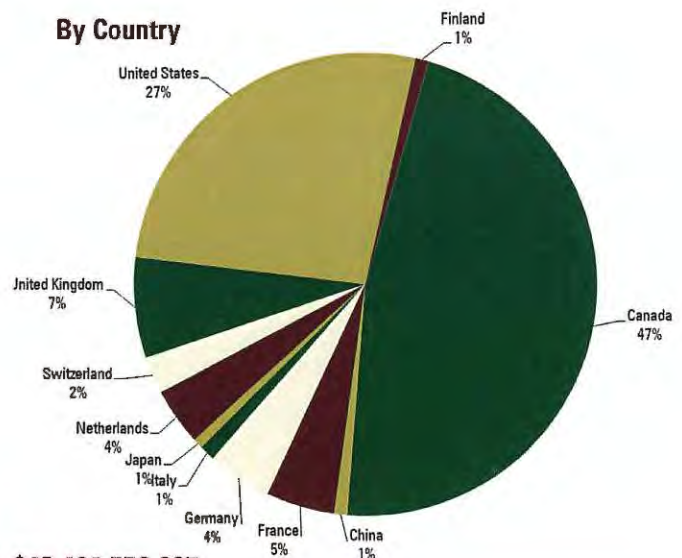
Nipissing Portfolio

Portfolio Allocation & Performance

By Asset Class



By Country



Yield = 3.2%

Market Value = \$43,402,772.667

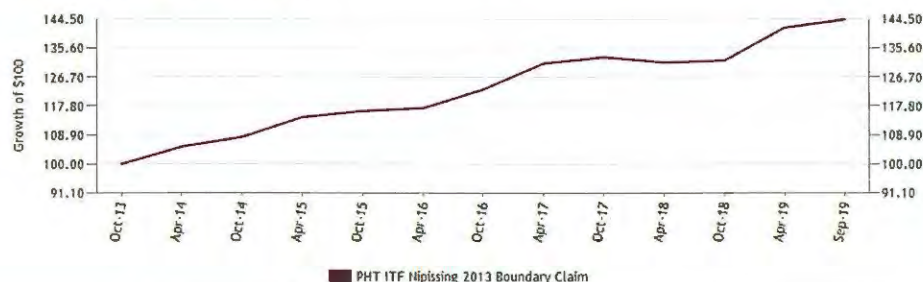
Periods ended: September 30, 2019		Quarter-to-Date	Year-to-Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since 31DEC13	Since Inception
TOTAL FUND (net performance)	Nipissing First Nation	1.9%	9.4%	6.8%	5.5%	5.5%	6.2%	6.0%	6.3%	6.4%

NOTE: The mandate provided for an implementation period through the balance of 2013 with comparative performance measurement at the total fund level effective January 1, 2014.

Total Fund Benchmark:

20% S&P/TSX, 17% S&P500, 18% MSCI EAFE, 40% FTSE TMX Canada Universe Bond Index, 5% FTSE TMX Canada T-Bills

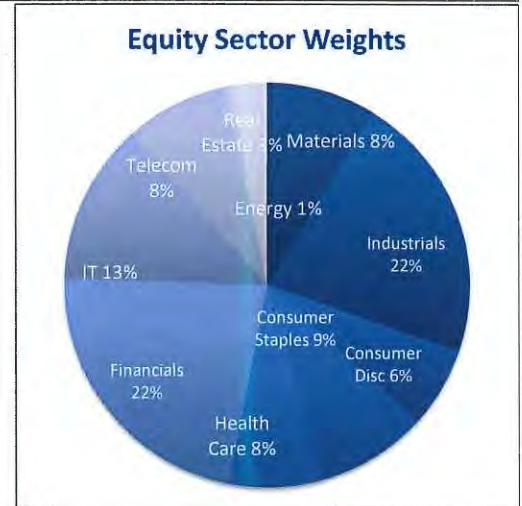
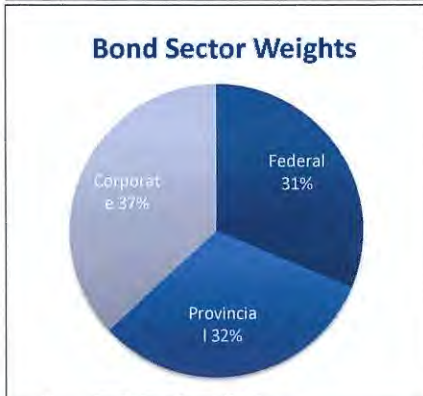
Growth of \$100 Net of Fees - Inception (31/10/2013) to Date



■ PHT ITF Nipissing 2013 Boundary Claim

Nipissing Boundary Claim Trust

Performance Summary as of September 30, 2019						
	YTD	3mo	1yr	3yrs	5yrs	Since Inc.**
Nipissing Boundary Claim Trust	11.72%	1.56%	8.04%	7.36%	8.33%	8.48%
Blended Benchmark***	11.58%	1.57%	6.93%	6.22%	6.51%	7.24%



Asset Class	Current Weight	Strategic Target Mix	Rebalancing Range
Cash & Equivalents	5.5%	5%	0% - 10%
Fixed Income	38.5%	40%	35% - 45%
Total Fixed Income	44.0%	45%	35% - 55%
Canadian Equity	18.1%	20%	15% - 25%
U.S. Equity	19.5%	17%	12% - 22%
International Equity	18.4%	18%	13% - 23%
Total Equity	56.0%	55%	45% - 65%

Top 10 Equity Holdings	GICS Sector	% of Portfolio
AON PLC	Financials	1.04%
Royal Bank of Canada	Financials	0.84%
Verisk Analytics, Inc.	Consumer Staples	0.83%
Marsh & McLennan Cqs Inc	Financials	0.83%
Brookfield Asset Management Inc.	Financials	0.80%
Toronto-Dominion Bank	Financials	0.79%
Visa inc.	IT	0.78%
Air Liquide SA	Materials	0.77%
Canadian Pacific Railway Limited	Industrials	0.75%
Alphabet, Inc. Class C	IT	0.74%

**Since inception performance is calculated from the first month-end after the first transaction in the account. This number is non-annualized for portfolios that have been open for less than one year. Inception date is 10/24/2013.

*Geographic breakdown is determined by the holding's primary country of exposure.

***5.00% FTSE TMX 91-Day T-Bill 40.00% FTSE TMX Universe Bond, 20.00% S&P/TSX Composite, 17.00% S&P 500, 18.00% MSCI EAFE Index (Cdn\$)

Mawer Investment Management Ltd. – Firm Overview

Founded in 1974, Mawer Investment Management Ltd. (pronounced moh-er) is a privately owned independent investment firm, managing over \$60 billion in assets for a broad range of individual and institutional investors across all major investment strategies. The firm employs over 150 people across locations in Calgary, Toronto and Singapore.

- Founded in 1974 by Charles Mawer
- 100% employee-owned, continuing our founder's vision of independence
- Strong, values-based, firm-wide culture
- Over 150 employees and 51 Chartered Financial Analyst charterholders
- Locations in Calgary, Toronto and Singapore
- Manage over \$60 billion for individual and institutional investors
- Expertise in all major investment strategies: International, U.S., Global, Global Small Cap, Emerging Market, Canadian Large and Canadian Small Cap, Canadian and Global Bonds and Canadian Money Market

Our Mission

To be our clients' most trusted investment manager, a position earned through long-term investment excellence, strong client partnerships, and a commitment always to do the right thing.

Our Core Values

- **Act with Integrity**
We act with Integrity above all else and consistently "do the right thing" by demonstrating the highest ethical standards.
- **Put Client's Interests First**
We place the interests of our clients and the integrity of the profession ahead of our own interests. We invest alongside our clients to ensure that our interests are always aligned.
- **Pursue Excellence**
We are committed to the continuous pursuit of excellence – a process and mindset that pushes us to perform at the highest possible level and is fueled by our continual desire to learn and improve.
- **Work as a Team**
We believe in the power of a team-based approach to investing, recognizing that our collective wisdom is greater than that of any one individual.
- **Think Long Term**
We take a long-term perspective in investing for our clients, managing our business, developing our team and interacting with our community.