

NIPISSING 2013 BOUNDARY CLAIM TRUST

FOURTH QUARTER NEWSLETTER - DECEMBER 2020



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STATEMENT OF FINANCIAL POSITION AS AT NOVEMBER 30TH [UNAUDITED]

	Nov 30, 2020	Dec 31, 2019
ASSETS		
Investments at Fair Market Value		
Managed by Lincluden	\$43,310,311	\$44,069,745
Managed by Mawer	51,732,192	50,202,437
Nipissing Solar SPN Promissory Note	728,753	759,180
Community Development Loan 1	4,390,131	4,573,431
Community Development Loan 2	4,235,614	4,383,588
	104,397,001	103,988,381
LIABILITIES		
Accounts Payable	10,058	10,038
Peace Hills Trust (PCD/Minors A/C)	86,000	107,675
NET ASSETS	\$104,300,943	\$103,873,668

RECAP 2020: A TALE OF TURMOIL, RESILIENCE AND LESSONS LEARNED



As we got closer to the end of 2020 with the second wave of COVID-19 infections on the rise, things look eerily similar to 10 months ago when the pandemic first spread around the world. A lot has happened since March 2020 to the world economy, investment markets, and society in general as living with COVID became a new reality.

This time last year, Britain's exit from the European Union (Brexit), trade war between China and USA, and the longest bull market since 2008 coming to an end were concerns weighing down the markets. Markets reacted sharply in March of 2020 when government imposed lockdowns and the new oil war between Saudi Arabia and Russia drove markets to their lowest point at that time (both US and Canadian equities fell 30%). In a rush to shore up the

financial markets and to prevent a financial crisis similar to 2008, central banks around the world injected trillions of dollars in the world economy. This unprecedented level of financial support from central banks provided a much needed boost and investment markets took off, delivering positive returns in the second and third quarters.

Markets tend to fall like an elevator (sharp drops) but rise like an escalator (gradual increase) – and this was proven once again. Panic selling by some investors to “save what little they could to avoid further losses” resulted in actual losses (that money was not coming back). Those who sold in March 2020 lost actual money compared to those investors who held onto their investments. Additionally, those who invested in equities around the time when markets were at their lowest point, purchased high quality stocks at bargain prices.

As always, there are lessons to be learned from what has transpired in the last few months. Notwithstanding the fact that nobody was prepared to deal with COVID nor could predict the outcome, some time tested investment facts remain unchallenged. Here is a recap of some:

Have an investment strategy – without proper investment planning and strategy it is difficult to create and build wealth. This is where an investment policy statement acts as a compass to weather the storms in the market. A clear strategy with a properly laid out plan helps navigate volatile markets and prevents knee jerk reactions like selling when markets are down and buying when markets are high.

Always invest for the long term – long term is usually defined as any time period beyond 5 years. It takes time to build wealth – it is not an overnight process. When Nipissing Nations invest for the long term it usually is in excess of 20 years. Markets increase in value over time and longer investment horizons yield relatively higher returns.

Professional advice is priceless – Investment managers are paid to make money grow over time. These professionals use a disciplined approach and stick to the investment plan to deliver results. The investment decisions they make are logical and based in facts and observable trends in the market as opposed to emotional decisions made based on opinions and ‘what if’ scenarios. However professional advice is not readily available to all investors. Retail investors (investments less than \$1,000,000) usually rely on packaged products offered by banks in form of mutual funds and other pooled funds. These are not customized investment solutions like those offered by professional investment managers.

Your Trust benefits from all three points mentioned above. Investment managers managing your Trust use an investment policy statement; which clearly defines investment rules and objectives: to manage and grow the portfolio over long term. This avoids excessive losses when markets are down and provides decent returns when markets are up.

What the next year will bring is anybody's guess. When the vaccines are available to the public and people are allowed to move freely once again remains to be seen. Whether markets will continue to rise or another downturn is in the future is unknown. We hope for the best but we plan for the worst – and that plan protects and grows the wealth of the Nipissing Nation for the prosperity of its future generations.

**From the desk of Jeff Frketich
AVP, Trust Performance & Compliance**

HAPPY NEW YEAR

Wishing everyone a safe and happy 2021. We look forward to continuing to provide you with our high level of services.

