

“Nipissing First Nation 2013 Boundary Claim Trust”

THE OFFICIAL TRUST UPDATE



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Quarter 2 Trust Update for Nipissing

Many investors are now looking to an asset class called 'alternative investments' as a replacement for some of their bonds.

-Peace Hills Trust



Trust Financial Position as at May 31, 2022

ASSETS

Year To Date

Fair market value of investments managed by:

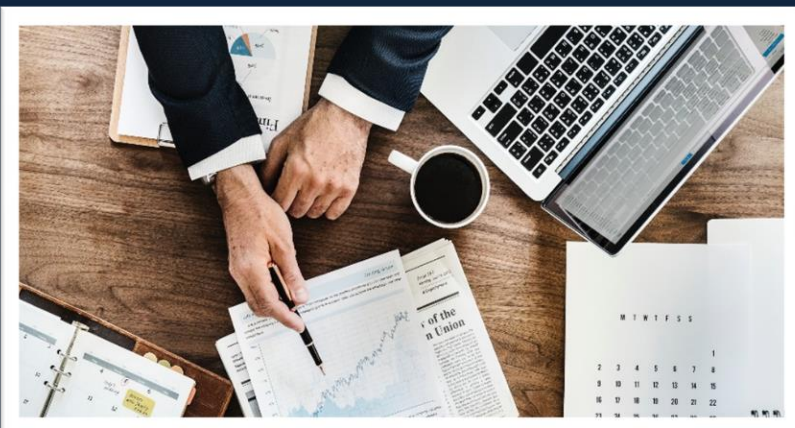
Barrantagh Investment Management	\$ 33,076,314
Mawer Investment Management	38,378,385
Fiera Capital Investment Management	8,122,672
Foyston, Gordon, & Payne Investment Management	7,388,234
Nipissing Solar SPN Promissory Note	697,200
Community Development Loan 1	4,200,049
Community Development Loan 2	3,921,900
Community Development Loan 4	1,700,000
	\$ 97,484,754

LIABILITIES

Accounts payable	9,718
Peace Hills Trust (PCD/Minors Account)	206,341

NET ASSETS

\$ 97,268,695



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“ Alternative Investments ”

Bonds are normally held in your Trust for two reasons: first, they provide a steady stream of income for the portfolio, which, in turn, flows out to the Nation; second, they reduce volatility, meaning they do not move up or down too much in value over time. However, the last few years bonds have not been performing as they have in the past. Interest rates dropped significantly for the last decade, meaning bonds have paid less and less interest every year. This situation is starting to correct itself because interest rates are starting to rise, so, over time, bonds will pay higher levels of interest.

There is a second issue that will make bonds poor investments for several years to come. In an effort to slow inflation, the Bank of Canada is raising interest rates. As interest rates rise, the value of the bonds you own drop in value. To the end of June this year, bonds have lost about 10% of their value, which has a very negative effect on the performance of your Trust.

This negative effect that bonds are producing is the same for all long-term portfolios, including First Nations trusts, pension plans, foundations, etc. Many investors are now looking to an asset class called 'alternative investments as a replacement for some of their bonds. These investments pay a higher rate of income than bonds, and instead of losing money when inflation increase alternative investments hold their value.

At your next Annual General Meeting we will be talking a lot about alternative investments, so stay tuned.

Jeff Frketich, CFA, FCPA, FCGA
AVP Trust Compliance and Performance
Peace Hills Trust Company