

# Boozhoo

EDKAAGMIK NBIIZH NEYAASHIINIGAMIINGNINWAG EDBENDAAGZIIG TRUST

2019 COMMUNITY UPDATE



MESSAGE FROM TRUSTEES • A FINANCIAL YEAR IN REVIEW  
2018 US TAX RECOVERY • MINOR NOTICE  
ELECTION 2019 • SAVE THE DATES

[WWW.NAWASHTRUST.CA](http://WWW.NAWASHTRUST.CA)

# Trustee Updates

On behalf of the trustees of the Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzijig Trust (the Trust), Anthony Chegahno, Elisa Levi, Beedahsiga Elliott, and Glen Del Bel, I am excited to share with you our communique updated for 2019 which is available in print and online.

My name is Peggy Mansur and I am a Council Appointed Trustee in my first term on the Chippewas of Nawash Council. In 2017, Beedahsiga (Community Elected Trustee – 4 year term) and I joined the team as new members, Anthony was returned after an absence of two years. Sadly, Bill Young, our corporate trustee passed away suddenly at the end of the 2017, so Glen Del Bel joined as our Corporate Trustee in 2018.

Elisa Levi is at the end of her second term in 2019. She has been a hardworking and valuable member of the team, instrumental in guiding the new members. We thank her for her dedication and wish her well in future endeavours. *Baamaapii miinawa ga'waubmum.*

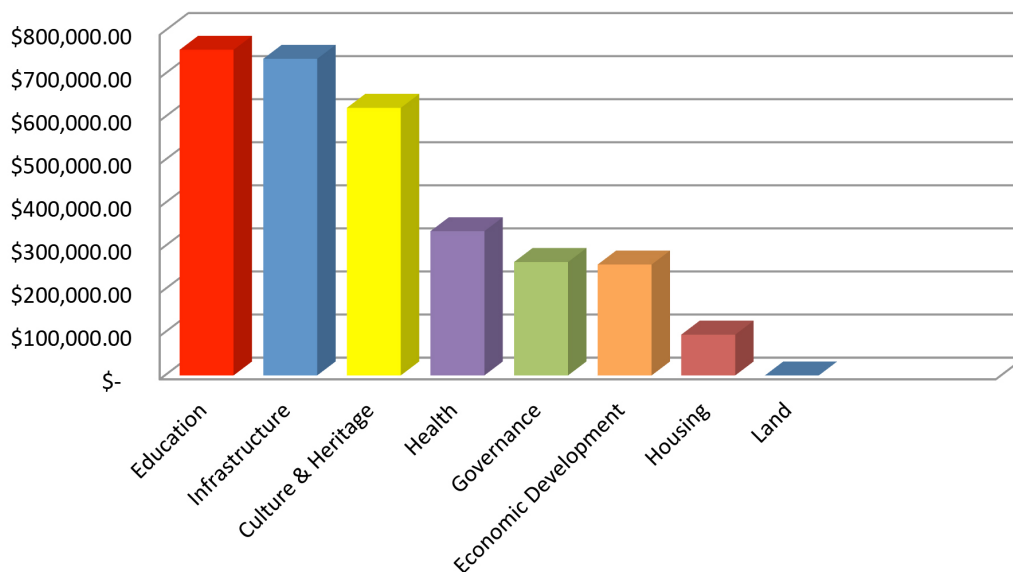
The Trust was established as a result of the Coldwater Land Claim launched in 1991 by four First Nations (Mnjikaning, Beausoleil, Georgina Island and Chippewas of Nawash) which was settled through a negotiation with Canada in 2012. The Trust was created with the settlement funds and is in place today for the long-term benefit of all of our members. You can read more about our financial position in the next article.

Since the community disbursements in 2013, the Trust Funds have been invested into two separate portfolios. One is managed by Guardian Capital while the other is managed by Dixon Mitchell. The investment returns generated by both portfolios – dividend and interest payments and capital gains – constitute the income produced by the Trust. A small percentage of this income is used to pay for the investment managers' fees and other administration expenses. What's left is termed Net Income and every year the Trustees distribute as much of this amount as possible to community members and programs, by way of proposal

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## Community Funding 2013-2018

TOTAL: \$3,063,029



application process as directed by the Trust Agreement. Applications for education, infrastructure, culture & heritage, health governance, economic development and land grants that demonstrate the greatest long-term benefits are given priority. Community funded projects totaled \$3,063,029 while Band received \$1,868,316 in the same time period (2013-2018).

Any remaining annual Net Income that has not been paid out for approved projects is paid over the Band for community investment as directed by the Trust Agreement\*. The trustees act independently of our First Nations Band in managing the trust for the benefit of all membership of Chippewas of Nawash.

Each year, there has been an increase of applications submitted by community members and programs with 2018 being the biggest year to date! There have been

several applications that cannot qualify under the terms of the Trust Deed but are recognized as having potential benefit for individual band members. During this term, the Education Diversity Fund and Economic Development Fund have been supported through the Trust to create opportunities for projects which otherwise may not qualify under the annual Trust Application process.

I encourage you to find out more about operational details and the proposal application process by visiting: <http://nawashtrust.ca>. Applications for 2019 are due August 30, 2019.

*\*Funds that have not been distributed via proposal process as per the Trust Agreement are given to the Chippewas of Nawash*

*Peggy Mansur*



It would be something of an understatement to say that the investment markets ended 2018 on a turbulent note with the stock prices falling sharply over the final quarter of the year.

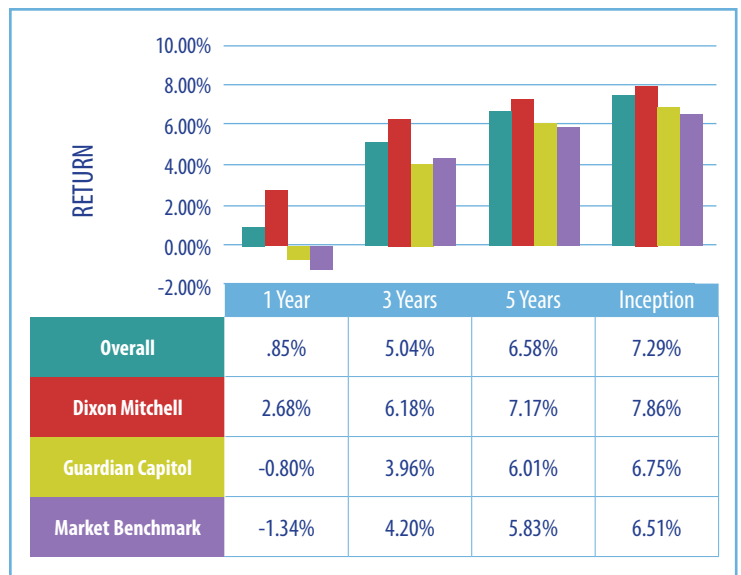
Despite a negative “market return” of -1.34% for the year ending December 31st (based on the overall holdings of the Trust), we are pleased to confirm that Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzijig Trust (the Trust) actually remained positive with a 0.85% return which outperformed the market benchmark by a solid 2.19%.

Equally so, the Trust has appreciated 7.29% since its inception which represents an outperformance over the market return of 6.51% as reflected in Chart #1 below.

From a risk management perspective, the Trust benefits from a multi-manager structure which acts as a risk reduction strategy by diversifying the Trust investments not only between two investment managers (in case of underperformance) but diversifying by investment style with Dixon Mitchell observing a Value investment philosophy and Guardian Capital adhering to a Growth

strategy. Historically, these two investment philosophies perform differently over time which increases the probability that at least one of the manager’s styles of management will be in favor at all times.

Chart 1 – Trust Returns against Market Benchmark



## TOP TEN EQUITY HOLDINGS AS AT DECEMBER 31, 2018

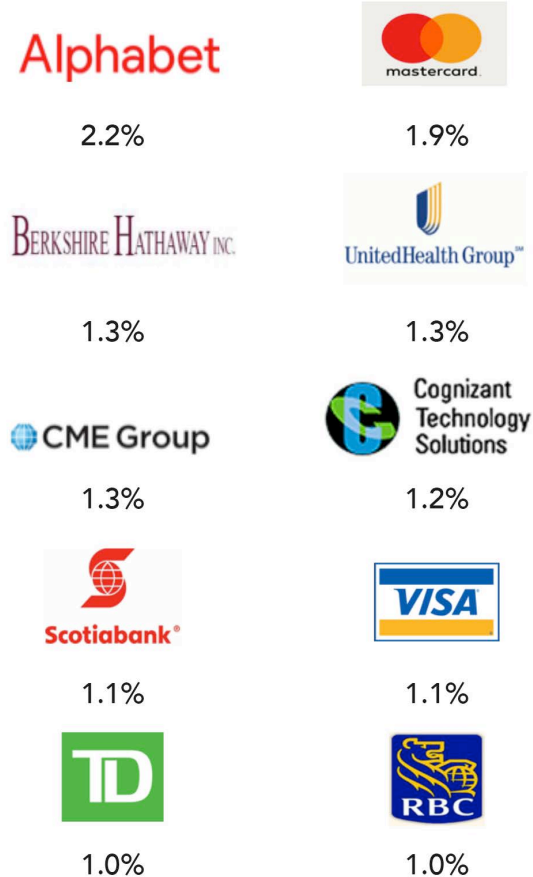
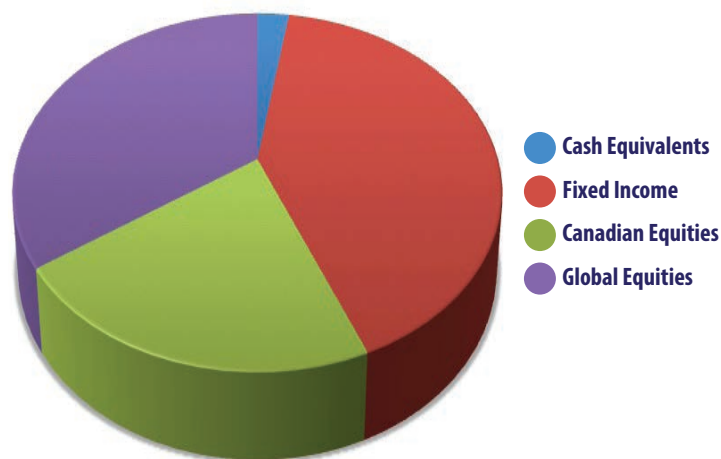


Chart 2 - above documents the top ten holdings and highlights the percentage weight of each security within the total portfolio. As noted, there are no securities within the portfolio that currently makeup more than 2.2% of the portfolio which limits the risk of the Trust should any single security decline significantly in value.

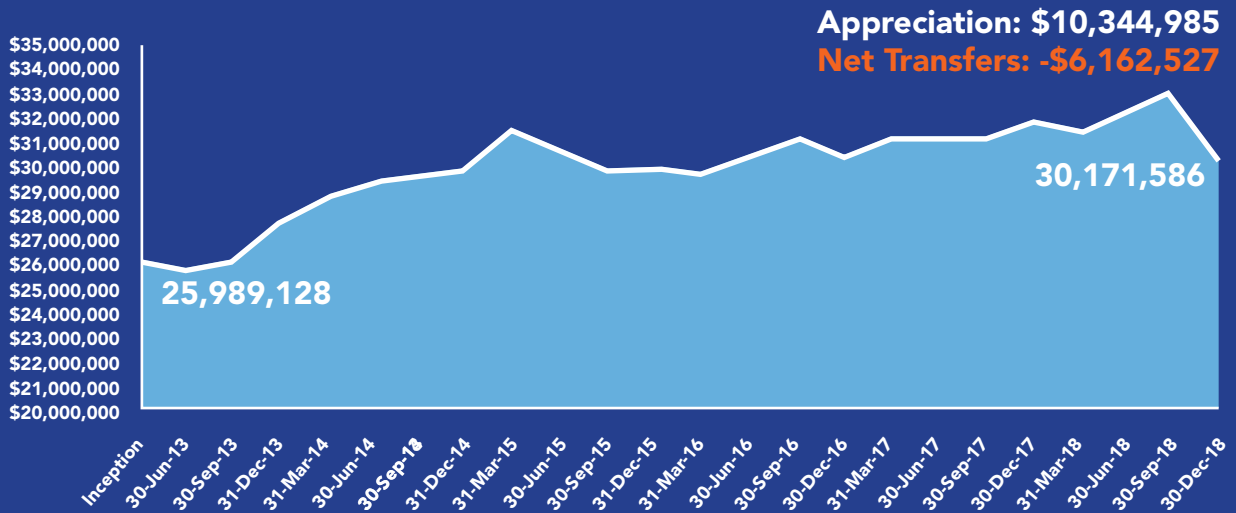
## COMPLIANCE

Chart 3 – Compliance: We are pleased to report that as of December 31, 2018, the Trust is compliant with all mandatory requirements within the Trust Agreement and Investment Policies and Guidelines. The chart below highlights the breakdown of the Trust's security holdings and the respective targets and ranges as of December 31st, 2018.



	Cash & Equivalents	Fixed Income	Canadian Equities	Global Equities
Current	3.0%	40.9%	20.0%	36.1%
Target	5.0%	40.0%	20.0%	35.0%
Ranges	0.0% - 10.0%	35.0% - 45.0%	15.0% - 25.0%	30.0% - 40.0%

# PORTFOLIO *Valuation* AS AT DECEMBER 31, 2018



*\*Valuations may differ slightly to other financial reporting as a result of differences in accrual rates and foreign exchange conversion rates.*

Sustainable wealth can be described in many different ways yet one such definition is “the ability to meet the needs of today without compromising the ability of future generations to meet their own needs”...

With the goal of achieving a sustainable wealth objective over the life of the Trust, we are pleased to confirm that the investments have appreciated over \$10.3 million dollars since inception while also providing a net transfer to the Chippewas of Nawash First Nation of over \$6.1 million dollars per Chart 4 above.

As an annual requirement, the Trust’s income (interest, dividend, and realized gains) is paid out of the Trust to support the various funding applications and the Community as a whole. In this regard, the Trust’s income in 2018 was \$2,100,081 versus \$687,601 in 2017. As some explanation, there was an income surplus this past year as Guardian Capital realigned the Global equity portion of their portfolio which resulted in a one-time increase in additional income paid out of the Trust. It should be noted that the average annual income payment is

generally expected to be in the range of 2.5% - 3.0% of the Trust’s capital and therefore the magnitude of this past year’s income payment should not be expected in years to come as it would be considered unsustainable.

T.E. Wealth considers it a privilege and an honour to support Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzijig Trust. We are pleased to confirm that the Trust portfolio continues to meet expectations since its inception.

We will continue to apply a due diligent process in the monitoring of the investment managers and will advise on an ongoing basis as to the manager’s status relative to expectations. We continue to recommend the employment of Dixon Mitchell Investment Counsel and Guardian Capital LP for the investment management of Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzijig Trust.



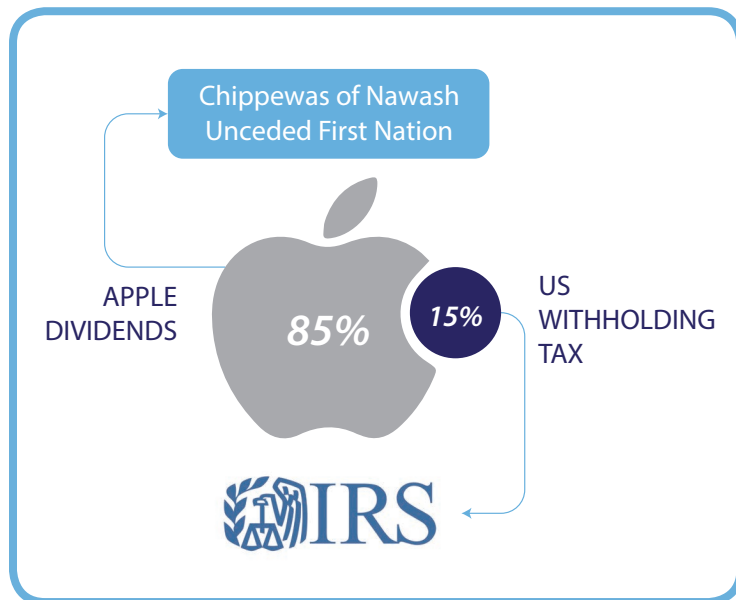
**Jack Jamieson,**  
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# 2018 US Tax Recovery

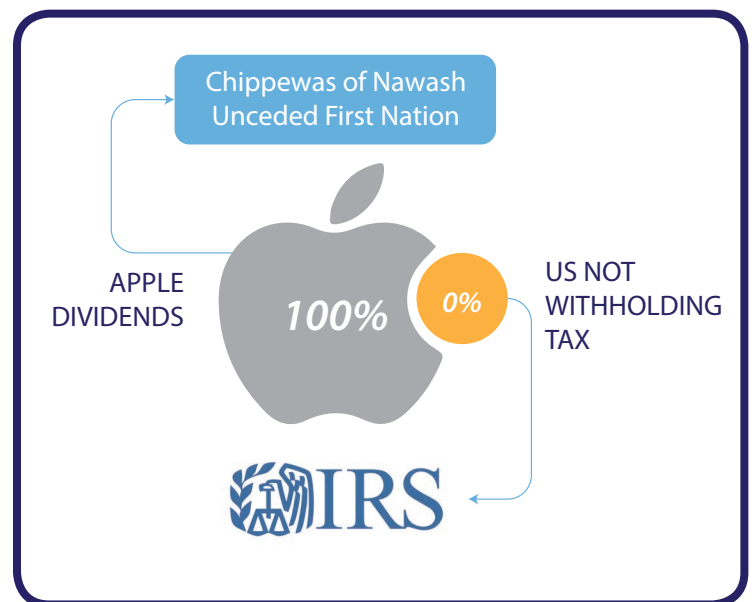
## WHAT DOES THIS MEAN?

Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzijig Trust (the Trust) is now exempt from US taxes on its investments. Our Trust no longer pays taxes to the United States on its investments that will save it approximately \$350,000 over 10 years and has received a refund of approximately \$65,000 of prior US taxes paid with further refunds pending.

Prior to 2018, the Trust was paying US taxes on dividends received from US stocks. For instance, let's say that the Trust owned a share of Apple Inc. And Apple Inc. paid a dividend (a return of profits to shareholders). The Trust was paying 15% tax on that to the US government. This was costing the Trust \$35,000 a year. Here is a diagram that illustrates the situation nicely.



is because the Chippewas of Nawash Unceded First Nation qualified as a foreign government under US tax laws, which exempt foreign governments from US tax laws. To revisit the earlier example, after the taxes were turned off, the Trust gets to keep 100% of the dividend it receives from Apple without paying any taxes. Here is a diagram that illustrates this.



The savings are significant. Over 10 years, the tax exemption will save an estimated \$350,000. Further, the Trust will receive a refund of taxes paid in prior years that will amount to over \$100,000. All of this means more money for vital community programs.

*\*The trustees thank Max Reed for succinctly explaining US Tax Recovery.*

After obtaining legal advice from Max Reed at SKL Tax, the Trust determined that it didn't have to pay these taxes. This

# Minor Notice (BELOW)

If you are a parent with a child turning 18 in 2019, the following is information for their Per Capita Distribution. Any child who was a Member of Chippewas of Nawash Unceded First Nation on the Effective Date (the beginning date of the Trust) of December 11, 2012 or was entitled to be a Member on that date, is eligible for the Per Capita Distribution in the amount of \$1,800.00 each.

The money will be held in the Trust Account and will be invested along with the other Trust money, sharing in the income, dividends and capital gains that the entire trust earns. On the child's 18th birthday, they are entitled to receive an amount equal to \$1,800.00 plus all interest, dividends and net capital gains up to and including the end of the month immediately before the month of their birthday. Please keep your child's address up to date with the Chippewas of Nawash Unceded First Nation membership department.

Please contact the Corporate Trustee to arrange for payment. You will need to provide a copy of one piece of photo ID, back and front (cannot be the Ontario Health Card), a request for payment signed by the child with instructions to mail or deposit the funds, and an address to send the cheque or a VOID cheque or Bank Form if you want the payment deposited to a bank account in the child's name.

## Election 2019

The Trust is administered by a Board of 5 Trustees. There are 2 Trustees elected by the members, 2 appointees of Chief and Council and 1 Corporate Trustee.

This year the Trust is hosting an election for one Community Elected Trustee (4 year term). There will be two voting methods: in person and on-line. Voting Day will coincide with Chief and Council election date. Please visit the Trust Website for updates.

## Chi-Miigwetch & G'waabmin

It has been an honour and privilege to serve as one of the Community Elected Trustees for the past six years. I would like to thank my nominators from the past two terms (Verlyn Akiwenzie-Jones (late), Erma Akwenzie, Bonnie Keeshig & Marie Keeshig respectively). As a Trustee, I was committed to enhancing communication and accessibility of information and resources for all beneficiaries of the trust. Locally managed financial trust structures are new for our community. However, the concept of safeguarding our assets for future generations is not. I am truly grateful for this experience - especially the guidance and feedback received from members of our community as we worked to improve administrative processes. I look forward to future opportunities to contribute to the wellbeing of our First Nation.

All My Relations, *Eliza Levi.*

### Save the Dates

**Annual General Meeting:** May 29, 2019.

Dinner will be served. Time 5:00pm

**Proposal Application Deadline:**

August 30, 2019. Time: 4:30pm

Visit [www.nawashtrust.ca](http://www.nawashtrust.ca) for updates.

### Contact Information

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Photo: *Michelle Lantier*