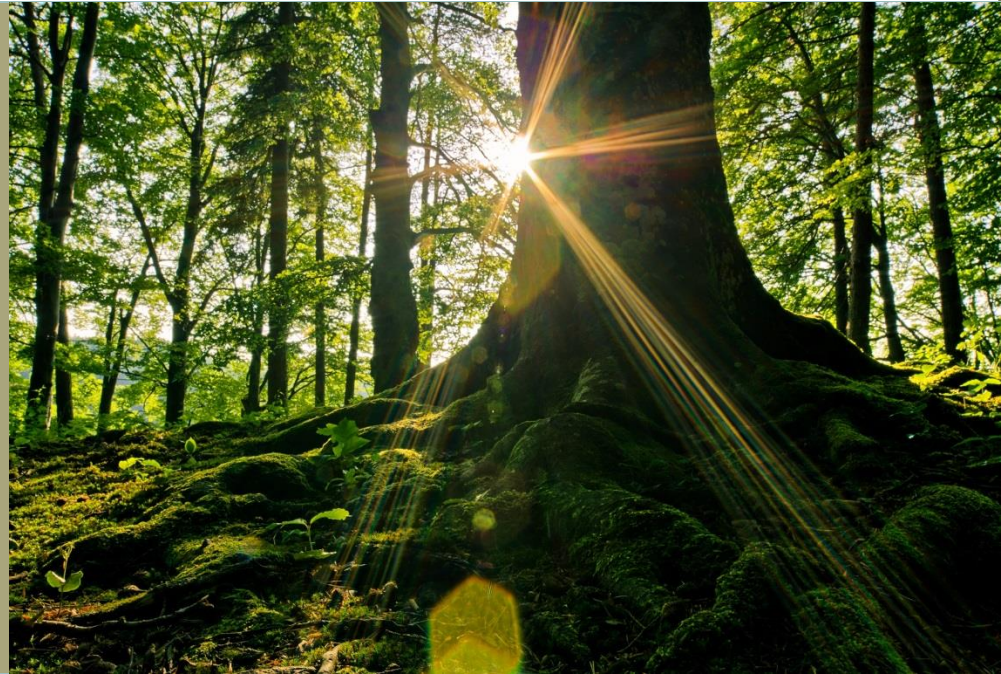


Chippewas of Nawash Unceded First Nation Coldwater Trust

Community Update as at December 31, 2016



May 25, 2017



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Establishing the Investment Strategy to Meet Objectives

Typical Challenges...There are Many!

- Low interest rate environment means lower income yields
- Low interest rates can also lead to Inflation risk
- Equity markets can experience significant volatility
- Developing an investment strategy that is appropriate in protecting the invested capital against risk yet provides sufficient growth and income to support the Community and Trust objectives

Determining the Trust Return Requirements

❖ 4.50%

Growth to meet minimum annual payment

❖ 2.00%

To meet estimated inflation

6.50%

Estimated Required Return on Investment



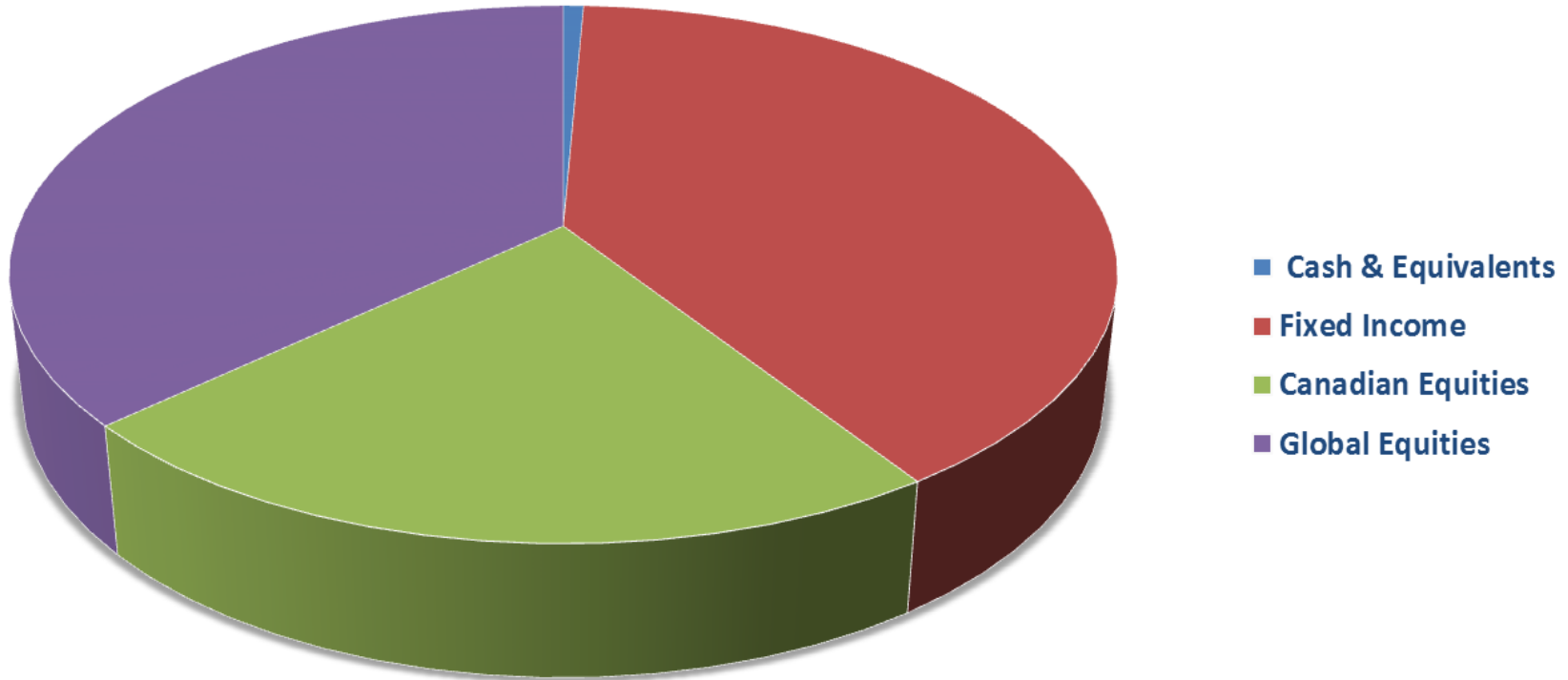
What Should We Invest In?

No investment is the best all the time !

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
BEST														
Canadian Bonds 8.72%	Canadian Small Cap 42.74%	Emerging Markets 17.21%	Emerging Markets 30.32%	Emerging Markets 32.52%	Emerging Markets 18.52%	Canadian Bonds 6.40%	Canadian Small Cap 75.10%	Canadian Small Cap 38.53%	Canadian Bonds 9.67%	Emerging Markets 16.05%	US Small Cap 48.4%	US Large Cap 24.00%	US Large Cap 20.96%	Canadian Small Cap 35.39%
Canadian Small Cap -0.93%	Emerging Markets 27.92%	Canadian Large Cap 14.48%	Canadian Large Cap 24.13%	Int'l Equity 26.28%	Canadian Large Cap 9.83%	US Small Cap -17.94%	Emerging Markets 53.00%	US Small Cap 20.56%	US Large Cap 4.41%	Int'l Equity 14.77%	US Large Cap 41.53%	Global Equity 14.46%	Int'l Equity 18.34%	Canadian Large Cap 21.08%
Emerging Markets -6.74%	Canadian Large Cap 26.72%	Canadian Small Cap 14.12%	Canadian Small Cap 19.68%	Global Equity 20.01%	Canadian Bonds 3.7%	US Large Cap -21.92%	Canadian Large Cap 35.05%	Canadian Large Cap 17.61%	US Small Cap -2.02%	US Small Cap 13.83%	Global Equity 35.42%	US Small Cap 14.41%	Global Equity 18.27%	US Small Cap 17.68%
Canadian Large Cap -12.44%	US Small Cap 20.48%	Int'l Equity 12.00%	Int'l Equity 9.97%	US Small Cap 18.31%	Canadian Small Cap 2.01%	Global Equity -26.53%	Int'l Equity 12.62%	Emerging Markets 13.28%	Global Equity -3.42%	US Large Cap 13.49%	Int'l Equity 31.25%	Canadian Large Cap 10.55%	US Small Cap 14.04%	US Large Cap 8.61%
Int'l Equity -16.63%	Int'l Equity 13.39%	US Small Cap 10.21%	Canadian Bonds 6.46%	Canadian Large Cap 17.26%	Int'l Equity -5.74%	Int'l Equity -29.83%	Global Equity 11.09%	US Large Cap 9.35%	Canadian Large Cap -8.71%	Global Equity 13.31%	Canadian Large Cap 12.99%	Canadian Bonds 8.79%	Canadian Bonds 3.52%	Emerging Markets 8.26%
Global Equity -20.54%	Global Equity 8.9%	Canadian Bonds 7.13%	Global Equity 6.05%	Canadian Small Cap 16.64%	Global Equity -7.55%	Canadian Large Cap -33.00%	US Small Cap 8.68%	Canadian Bonds 6.74%	Int'l Equity -10.17%	Canadian Large Cap 7.19%	Canadian Small Cap 7.76%	Emerging Markets 7.09%	Emerging Markets 1.89%	Global Equity 4.29%
US Small Cap -21.14%	Canadian Bonds 6.70%	Global Equity 6.85%	US Large Cap 1.62%	US Large Cap 15.74%	US Large Cap -10.55%	Emerging Markets -41.98%	US Large Cap 8.08%	Global Equity 6.22%	Canadian Small Cap -14.17%	Canadian Bonds 3.6%	Emerging Markets 4.48%	Int'l Equity 3.73%	Canadian Large Cap -8.32%	Canadian Bonds 1.66%
US Large Cap -22.74%	US Large Cap 5.29%	US Large Cap 3.27%	US Small Cap 1.27%	Canadian Bonds 4.04%	US Small Cap -16.54%	Canadian Small Cap -46.61%	Canadian Bonds 5.42%	Int'l Equity 2.40%	Emerging Markets -16.33%	Canadian Small Cap 2.46%	Canadian Bonds -1.21%	Canadian Small Cap -0.09%	Canadian Small Cap -13.75%	Int'l Equity -2.02%
WORST														
Bloomberg ®														
Returns in Canadian Dollars														

Asset Mix

as at December 31, 2016



	Cash & Equivalents	Fixed Income	Canadian Equities	Global Equities
Target	5.0%	40.0%	20.0%	35.0%
Actual	0.7%	40.0%	22.5%	36.8%
Ranges	0 – 10%	35 – 55%	15 – 25%	30 – 40%

Market Review

The stock market got off to its worst two week start ever. This was sparked by concerns over China's slowing economy. Some of the major indices dropped as much as 10% in the first two weeks of the year – setting a record

Brexit. The United Kingdom voted to leave the European Union, which surprised investors. U.S. markets swiftly fell, then rallied to regain their losses.

The Trump bump. Another surprise during the year was Donald Trump being elected President on November 8th. Major indices added between 6 and 12% through the end of the year as investors bid up stocks in anticipation of:

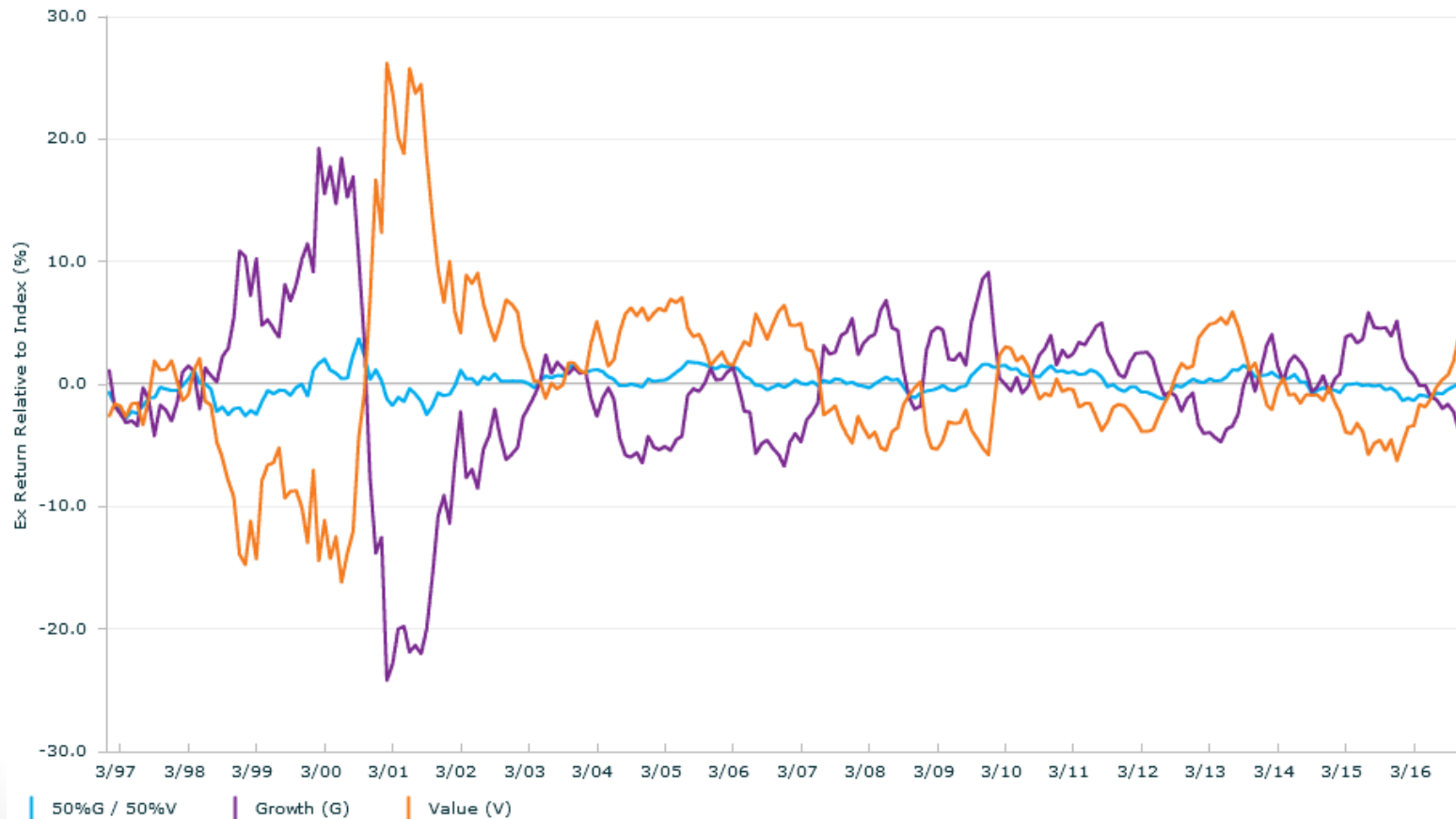
- deregulation
- lower taxes
- infrastructure spending

Protection of Trust Assets

Reducing Risk & Volatility Through A Multi-Manager / Multi-Style Portfolio Structure

Style Diversification

Rolling 1 yr Excess Return vs. S&P 500 in \$C (before fees) over 20 yrs ending December-16



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Top Ten Equity Holdings

as at December 31, 2016



1.4%

BERKSHIRE HATHAWAY INC.

1.3%



1.2%



1.0%



1.0%



0.9%



AT&T

0.9%



0.9%



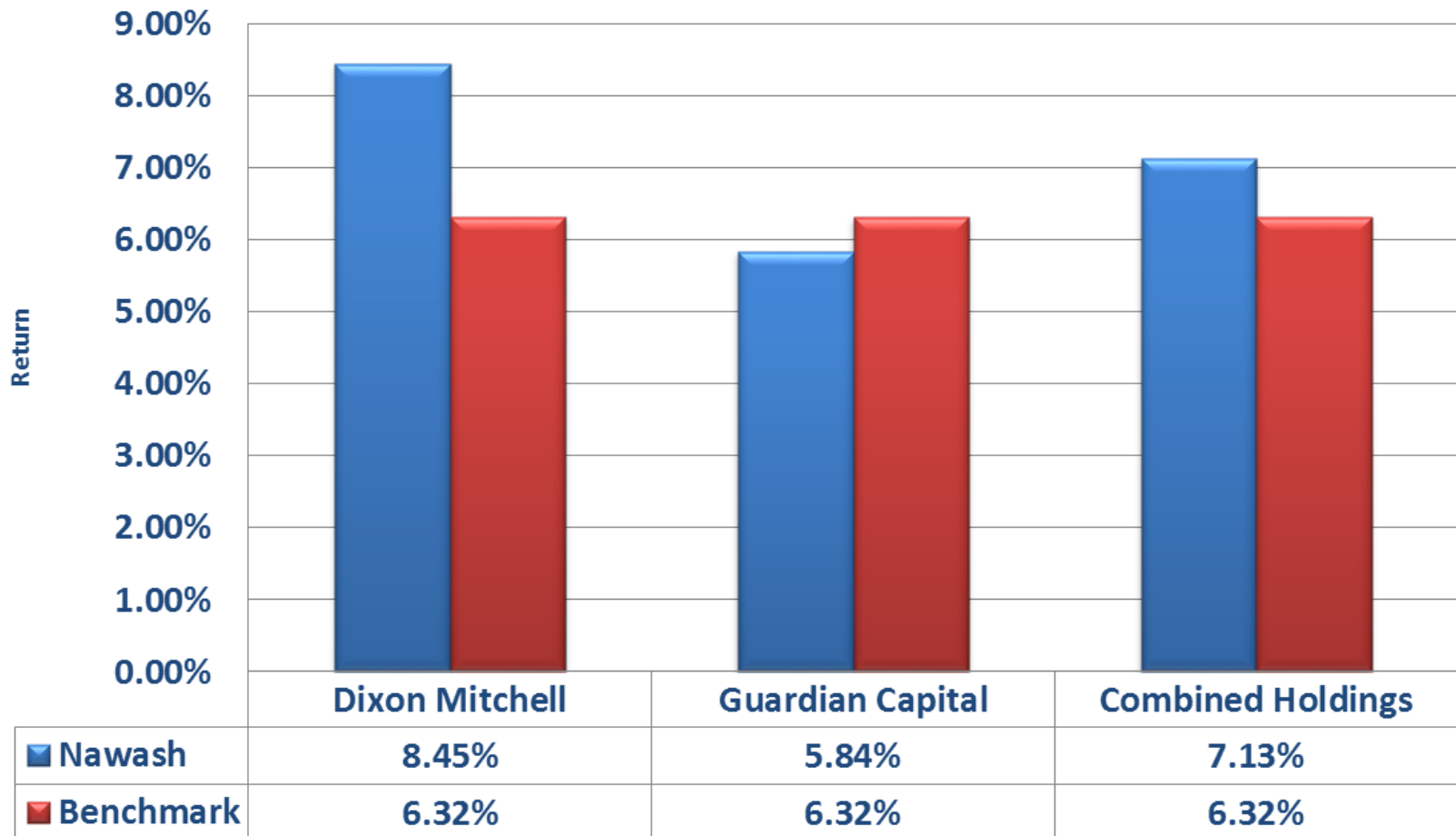
0.8%



0.8%

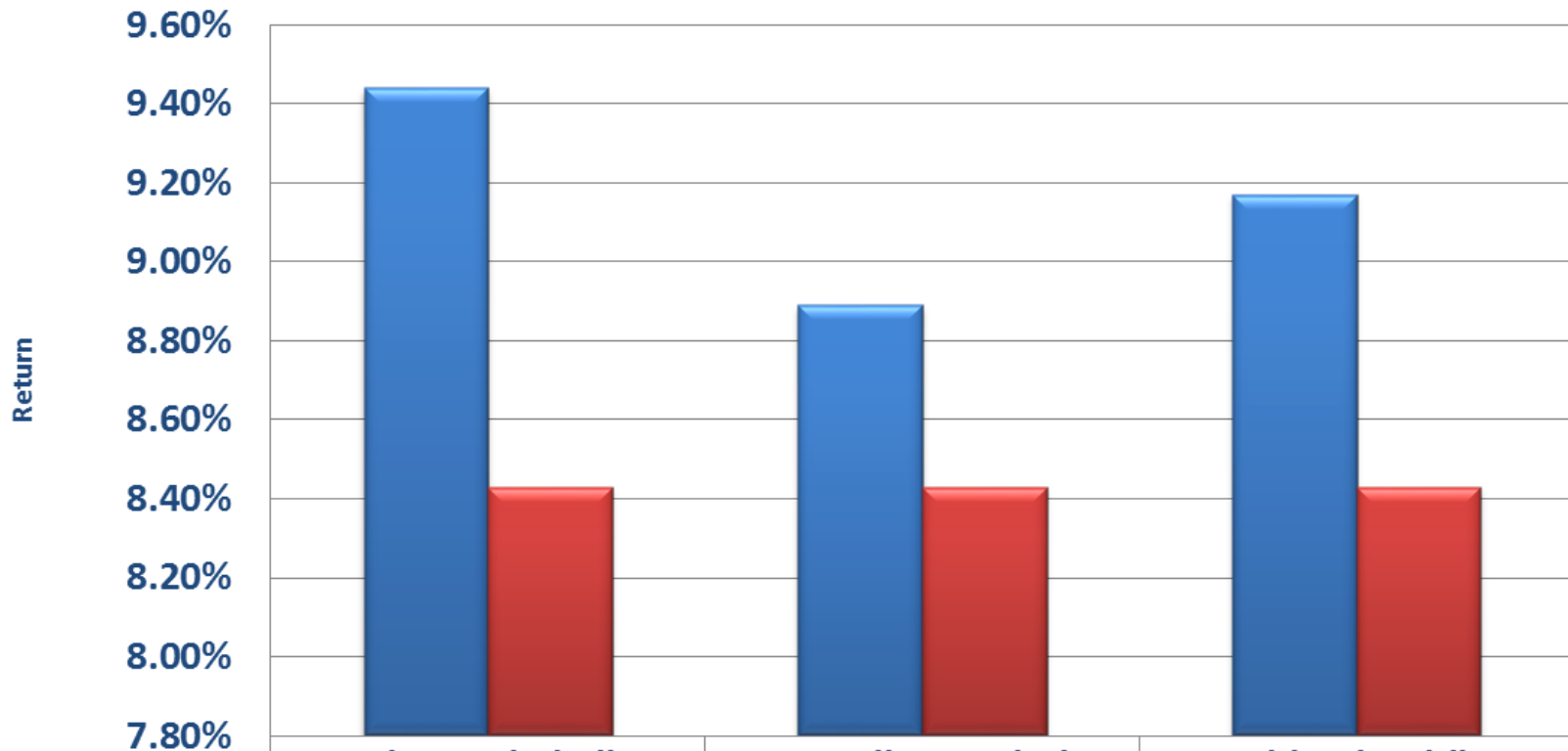
Portfolio Performance – 1 Year

as at December 31, 2016



Portfolio Performance – Annualized Since Inception

as at December 31, 2016



■ Nawash
■ Benchmark

Dixon Mitchell

Guardian Capital

Combined Holdings

9.44%

8.89%

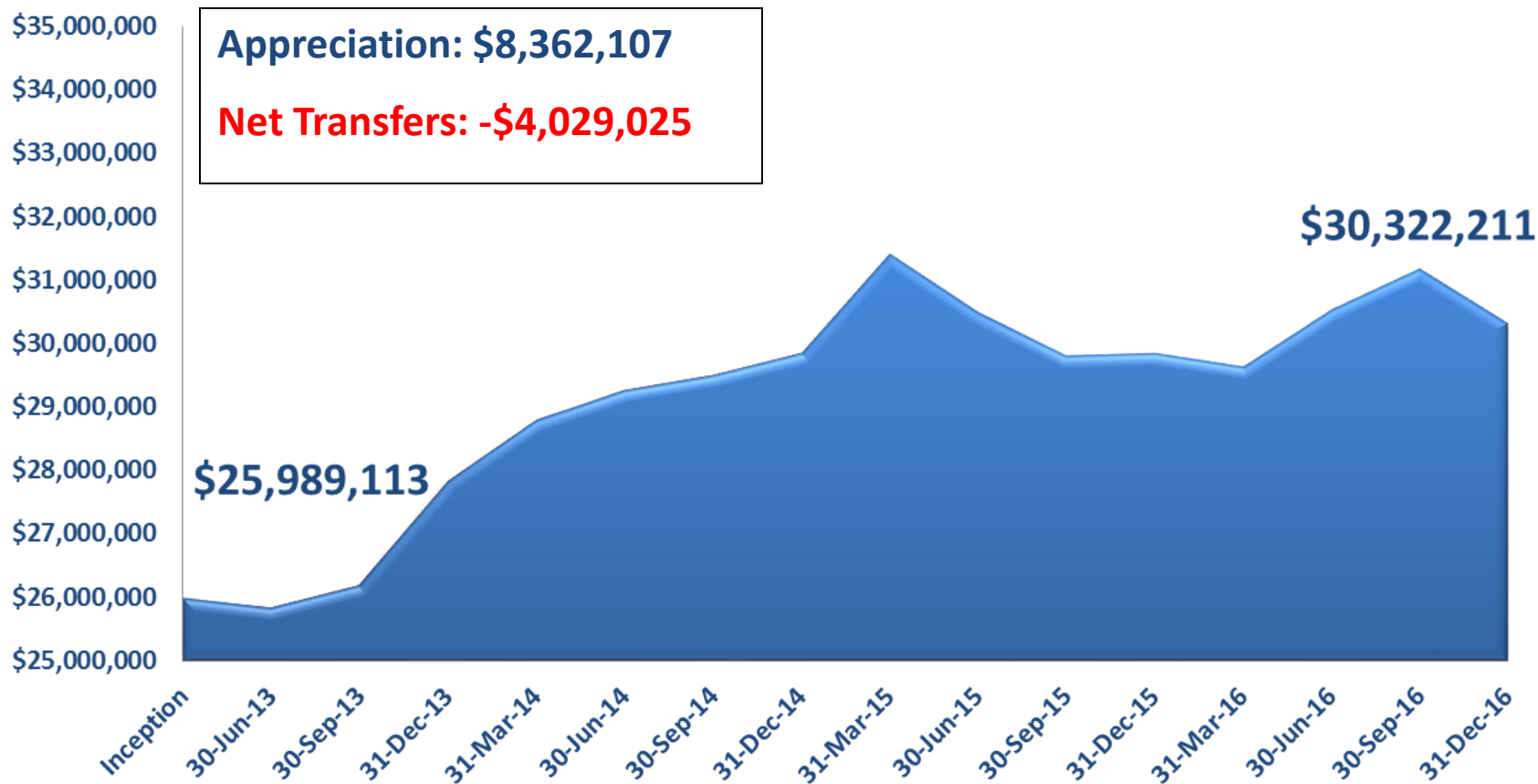
9.17%

8.43%

8.43%

8.43%

Portfolio Valuation



Executive Summary

	Meets Expectations	Does Not Meet Expectations	
Compliance to Policy Components			TEIC Comments – Where Expectations Not Met
Real Rate of Return (4.5%)			
▪ 1 Year Return	X		1 year return 7.13%
▪ 3 Year Return	X		3 year return 8.33%
▪ Inception Return	X		Inception return 9.17%
Performance to Meet or Exceed Benchmark			
▪ 1 Year Return	X		1 year excess return of 0.81%
▪ 3 Year Return	X		3 year excess return of 0.68%
▪ Return Since Inception	X		Inception excess return of 0.74%
Annualized Risk-Return			
• Lower Risk than Median Manager?	X		
Performance versus Median Managers			
▪ Bonds	X		Fixed Income lags median manager over the year, despite beating the index. 3 year and inception above median
▪ Canadian Equity	X		Canadian equity lags median manager over 3 years and inception despite beating the index. 1 year above median
▪ U.S Equity	X		U.S equity lags median manager since inception. 1 year and 3 year beat median
▪ International Equity		X	Int'l lag median manager over all time frames.
Asset Allocation – Compliant to Asset Class Ranges			
	X		■
Manager Compliance Certificates – Certificates in Order?	■	■	
	X		All compliance categories remain in order

Thank You... Questions?

