

Community Update April 2020

www.nawashtrust.ca



Dear Members of Chippewas of Nawash First Nation:

Boozhoo. The the impacts of COVID-19 are being felt in our home and around the world. This in turn has impacted investment markets which have been moving quite dramatically (both up and down) since early February 2020. This this end, as your community elected (Beedahsiga Elliott, Elisa Levi), council elected (Carolynn Wright, Arlene Chegahno) and Corporate Trustee, Glen Del Bel and Angela Spano, we are providing the following update.

As you will recall, when the trust was settled with our community, and following per capita distributions of \$1,800.00 per community member (current value for minors turning 18 today is 2442.73), we invested the remaining funds into the Stock Market. The principle invested value was 26.1 million dollars. Since 2013, this investment generated 8.9 Million dollars. The majority of this income was invested into initiatives through a proposal driven process as indicated in the trust agreement. Note, you can find specific details about how much went to program on the trust website. Furthermore, the Trustees will be embarking on an evaluation of the community investments of the trust to date and implementation procedures based on the Trust Agreement. Stay tuned for details shared at the AGM in June (on-line).

Our purpose today is to provide an update on the current state of our investments and secondly to provide information about how are planning to support beneficiaries of this trust through this pandemic.

With recent news headlines reporting stock market declines in excess of 30% Year-to-Date, we feel it is important to share with you the impact of the current market volatility as it relates to the Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzjig Trust. It is worth noting that our Trust has a relatively equal weight in bonds which play an important role in buffering or limiting the Trust against the kind of declines being seen in the stock market over recent weeks. At this time our investments and returns have exceeded the market performance in all reported periods for the period ending December 31, 2019. This includes an annualized return of 8.44%.

CHART 1: TRUST

PORTFOLIO SUMMARY FROM DECEMBER 31, 2019 TO MARCH 24, 2020

Starting Value @ December 31, 2019	\$33,418,407
2020 Year to Date Net Transfers Representing the 2019 Annual Payment	-\$951,389
Sub Total	\$32,467,018
Trust Decline due to Markets Since Dec 2019	- \$3,354,165
Portfolio Trust Value Ending March 24, 2020	\$29,112,853
Trust Performance Return from December 31 2019 to March 24, 2020	-10.3%
Market Benchmark Performance	-10.7%

As of March 24th, 2020 and per Chart 1 above, the Trust has declined year to date by approximately 10.3%. The Trust however has fared slightly better than the market decline of -10.7%. To put things in perspective, the Trust has gained 15.06% (or +\$4,274,438) during the 2019 calendar year and while there are no guarantees as to what the near term markets will bring, the 2020 Year to Date declines of -10.3% (or -\$3,354,165) have not yet exceeded what was made by the Trust even during the most recent calendar year of 2019.

It is important to note that investment markets rarely go up in a straight line without periodic declines in between. When looking at previous market melt-downs, statistics will show that stock markets have historically been back up an average of 33%. **WHAT DOES THIS MEAN?** Our trust has performed quite well since its inception and while markets can often be rather volatile over one or two year periods, a portfolio of both stocks and bonds, similar to our Trust, has historically never experienced a negative return over longer time horizons and in this regard, it is important that we maintain a degree of confidence relative to the Trust's long term investment strategies and turn our minds toward how we can ensure the future Interest earned from fund investments **supports the beneficiaries of our community and future generations to come.**

In difficult times, it may seem like the principle value of the trust should be distributed for the financial burdens we all face today due to Covid-19. However, just as our nation would not take every fish from the lake, we would not do this, because this trust is also for the long-term benefit future generations. **We recognize that beneficiaries are in need of support right now.** To this end, we are exploring ways through a proposal driven process, with the least administrative burden (and therefore cost) to reach **every Nawash Family**. You are welcome to email your ideas to: angela.spano@scotiawealth.com or contact any trustees. Our contact details can be found on the www.nawashtrust.ca website. We will be meeting within the next two weeks.

In Unity,

Edkaagmik Nbiizh Neyaashiinigamiingninwag Edbendaagzijig Trustees

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