

The background of the image is a vast, calm body of water. In the center, a massive, dark blue iceberg with sharp, jagged edges and deep crevices floats prominently. Above the horizon, the sky is filled with a dense layer of clouds, ranging from light white to deep grey, with some darker areas suggesting rain or shadow.

NUNAVUT TRUST • ᐃᓄᐃᑦ ዲᓘᓘᓻ ስጀ ᑕጀ ቅጀጀ • NUNAVUT KATIKHOIVIA

2012

## Message from the Trustees

Nunavut Trust exists to invest and protect the money received from the Government of Canada under the Nunavut Land Claim Agreement and to provide a reasonable and sustainable level of annual funding to both its current and future beneficiary organizations. 20 years ago we saw the arrival of the first scheduled payment under the Agreement: a hand-delivered cheque for \$79,307,736. Since then we have survived market bubbles, market busts, market crashes and drawn out flat markets with no economic growth. Technology has been moving forward at a breathtaking pace and populations are aging. The pieces of the global economy have become intimately interconnected with new powers emerging on the world stage. Societal attitudes are slowly accepting the need for caution in personal and public spending and investors are revisiting their long term expectations for the future of the investment markets.

Today the Trust is a successful, endowment-like entity managing over \$1.1 billion with a long term investment focus. We have been able to maintain the 4% payout ratio through all the difficulties of the past 5 years without reduction and have been successful at controlling the costs of running the Trust. Given the lower expectations for investment returns forecasted for the coming years, and the lessons we learned throughout the global financial crisis, we are developing a new strategy that we believe will provide a better profile of stable, risk-adjusted returns through the next decade. We look forward to sharing with you our vision of how we can best serve all generations of beneficiaries.

# Tohaktaghak Nunavunmi Maniknik Tigomiaktit Katimayiinit

Nunavunni Maniknik Tigomiaktit Katimayiit makitayot totkoihim-maagomaplotikn maniknik pivaktonik Kavamatokatkonni malighogo Nunataagotaoyokot Angikatigiigot ekayotighaniklo pihimayomaplotik atoktaoyoghanik echoaknighaoyotigot talvalo pilotik oblomimot hivonighaptiknilo nunataaktaoyhomayot katojikatigiiginnot. Okiot 20-ni anigokhimaliktoni takohimaliktogot hivolikmik; maniknik pivali-ayaghagiaptiknik malighogo Angikatigiigotaohimayok imaa. Talvang-gaanit anigokhimaliktavot kanoktot maniliogotaoyoghat Nunavunmi elanggagollo ayongnapyapakaloakhoni, talvalo pivakhimaliktot. Oblomi nutaat atoktaovaliktot honatigolikka ayongnaikpaaliotaoyot, elang-gatigot hilakyoami manighiotaovaliayot naonaghitimakhotik kanogilioga-hoaknighakot. Mighaanot aghoitomik elittogiyaovalialihaaftok kanok ehagiagiyaoyot atoktaghat pivalitatiaoyongnakniakmagaagita manilioktot hamna takoovaagomaliktaat kaoktot echoaghiyanikmagaat ehagiagiyaoy-otigot piyaghanik.

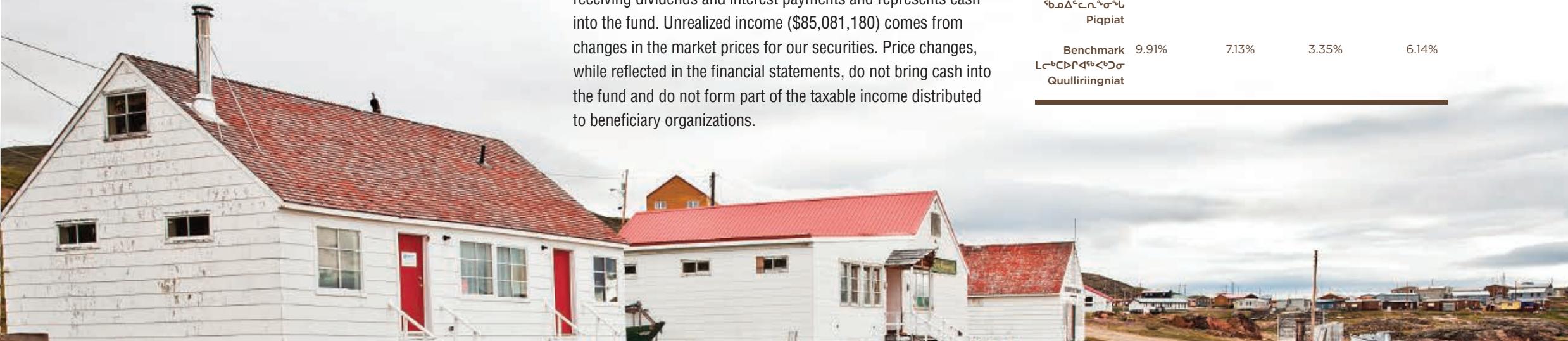
Oblomi Maniknik Tigomiaktit Ayoghaotikanggitot, Ayoghagoikpaali-otigiyakot takoghaoyok monaghitiagotigiyaptiknik \$1.1 billiantaalamik. Ayoghaotikakhimaitomik aolatailiyakot elaani ayongnakhivakaloakhoni okioni tallimani anigokhimaliktoni ovalo ayoghaotikakhimaitomik monagigiagahoaknighamik aolajotigiyaptigot Maniknik Tigomiaktiini.

Nigiogivalakhimaitomik totkoktoinighamot otikvioniaktot ehomagilogit okiot hivonighaptikni, ovalo elittogijotigiyavot taimangga hilakyoami maniktigot ayoghaotaohimaliktot, nutaamik eniktgivalialiktotogot opalonggaiyaotigiyaghaptiknik opkipiglologo echoaknighaoyonik ehomaallongnaitomiklo atoktaghaptiknik imaaloo kanogilivilajotaoyotigot tohaktihimakataknighohi piffaaktaghaptiknik maniknik nigiogiyaptiknik okioni kolini hivonighagiayptiknot ehomagilogit. Ovalo tohaktitaokatakpkni-aghohi hivonighavollo nunataakataohimayot pikahiotihimalogit.

## The Year in Review

Economic data has been more volatile recently than in the longer history but even more volatile has been the reactions of investors and consumers, which has resulted over the last few years in exaggerated price movements not based on sound fundamentals. With over 70% of our assets invested in publicly traded equities the portfolio value has swung considerably causing the 4% payout calculation to reflect similar behaviour. As an example, Trust returns in the last three months of 2012 were greater than returns earned over the entire five year period ending December 2012. When we look at the yearly returns of the Trust we see that in 2009 the fund made 16.5% but in 2011 its portfolio was down 1.79%. For the 10 years ended December 31, 2007, just before the financial crisis hit, the Trust had earned 7.98%. Over the more recent 10 year period ended December 31, 2012 the Trust earned 5.81%. These examples demonstrate the importance of a long term view: we cannot assess our performance vis a vis our objectives by looking at a short period of time. Markets have cycles, typically 5-7 years, and you must look at a full market cycle in order to assess your achievements.

For the 2012 calendar year the Trust had a positive return of 9.72%, just slightly behind its benchmark of 9.91%. The bench-



mark is a long term target and assumes 10% of the fund is fully invested in real estate and infrastructure. Currently the Trust is in the process of reaching this target. Managers have been selected to invest those assets but typically these managers take a few years to fully draw the cash into suitable projects. The real estate and infrastructure markets overall returned over 13% so an underweight to these assets classes will result in an underperformance against our benchmark. The Trust's Canadian equity and bond portfolios outperformed their targets while the non-Canadian equities underperformed their targets. The blend of various asset classes brought us performance very near our target overall.

Invested assets of \$1,140,766,964 at year end reflect an increase of 5.5% or \$60 million from the prior year despite volatile markets and an increase in capital loans to beneficiaries. Strong investment returns and trading activity for the year generated \$107,485,871 of investment income for 2012. Deductions from this revenue are the expenses incurred during the investing process (\$7,183,649) and the costs of administering the portfolio (\$1,677,677). Combined expenses represent less than 1% of invested assets. The investment income is made up of both realized and unrealized income. Realized income comes from transactions that take place such as buying and selling securities or receiving dividends and interest payments and represents cash into the fund. Unrealized income (\$85,081,180) comes from changes in the market prices for our securities. Price changes, while reflected in the financial statements, do not bring cash into the fund and do not form part of the taxable income distributed to beneficiary organizations.

## Looking Ahead

In early 2013 we stepped back from the history and the noise around us and revisited our investment strategy in light of the future we saw ahead of us and our stated objectives as laid out in our Trust Deed. We are eagerly charting a new path that is structured to help us succeed at what we are trying to achieve with a more balanced risk allocation.

Annual TWRR • ዓዲስ ብሔራዊ ገዢ ቤት ተወካይ አገልግሎት • Ukiuqhiutit TWRR

	2012	2011	2010	2009	2008
Actual 伊波△△△△△ Piqpiat	9.72%	-1.71%	8.38%	16.5%	-17.58%
Benchmark Лс-БСДРДИБ-Бσ Quullirilingniat	9.91%	-0.06%	11.67%	17.86%	-18.27%

Cumulative TWRP

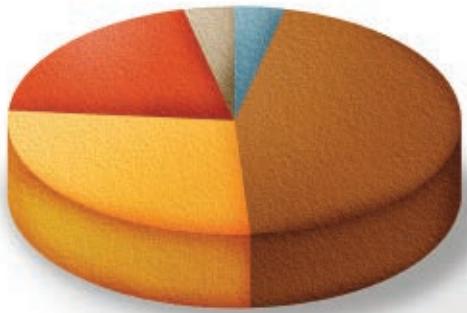
Δ<ፋር<ፌዴራል TWRR-ን>ፋይ

Amiqpaalliqhimayut TWRF

Last 1 Year	Last 3 Years	Last 5 Years	Last 10 Years
1 ▶P▷JC 1 ukiaq	3 ▶P▷JC 3 ukiut	5 ▶P▷JC 5 ukiut	10-▲JC ▶P▷JC 10 ukiut
Actual “b.oΔ”c.n.“σ” Piqpiat	9.72%	5.32%	2.32%
Benchmark Lc-bC▷R4b<b>σ Quullirlingniat	9.91%	7.13%	3.35%
			6.14%

## Diversification of Trust Assets at December 31, 2012

Portfolio by Asset Class



- 3.7% – Alternative investments
- 45.4% – Foreign Equity
- 27.5% – Canadian Equity
- 19.8% – Canadian Bonds
- 3.6% – Cash and cash equivalents

Portfolio by Investment Manager

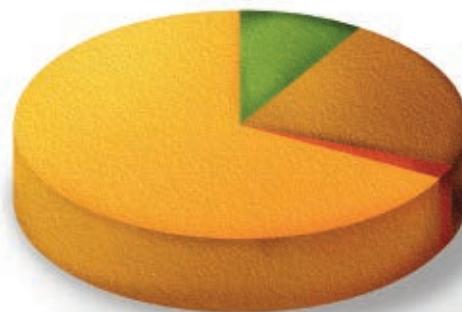


- 4.7% – Westfield Capital Management
- 4.6% – William Blair & Company
- 6.4% – WHV Investment Management
- 9.9% – Doherty and Associates
- 9.9% – Beutel Goodman
- 2.1% – Brookfield Americas Infrastructure Fund LP
- 1.7% – LaSalle Canadian Income and Growth Fund III
- 16.5% – Canadian Equity Indexed
- 10.3% – Letko Brosseau
- 4.8% – Wedge Capital Management
- 18.1% – Walter Scott
- 10.9% – Artisan Partners
- 0.1% – Infrared Infrastructure Fund III

Stocks by Sector



- 9% – Consumer Staples
- 5% – Health Care
- 18% – Financials
- 13% – Information Technology
- 3% – Telecommunication Services
- 2% – Utilities
- 16% – Energy
- 10% – Materials
- 12% – Industrials
- 12% – Consumer Discretionary



Bonds by Issuer

- 9 % – Canada Bonds
- 22% – Provincial Bonds
- 2% – Municipal Bonds
- 67% – Corporate Bonds

Г҃Р҃С=64БД>ДБГ=Г=Г= Г=Г=Г=64БД>ДБГ=Г=Г= Г=Г=Г=64БД>ДБГ=Г=Г=.  
А=ДБГ=Г=Г=Г= Г=Г=Г=64БД>ДБГ=Г=Г= А=Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=64БД>ДБГ=Г=Г=.  
Г=Г=Г=64БД>ДБГ=Г=Г= Г=Г=Г=64БД>ДБГ=Г=Г= Г=Г=Г=64БД>ДБГ=Г=Г=.  
А=Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=64БД>ДБГ=Г=Г= \$1,140,766,964-Г=Г=.  
ДБГ=Г= Г=Г=Г= ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г=.  
5.5%-Г=Г= Г=Г=Г=ДБГ=Г=Г= \$60-Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г=.  
А=Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г=.  
ДБГ=Г= Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г= Г=Г=Г=ДБГ=Г=Г=.

የፋይናርድ ማረጋገጫ

# Ukirmut ihivriutauninga

ulurianahiyuq, qanukuuliqtuq aqarutiqatut maneylu-  
rutikut akihiluarmata qanikuuliqtuq. Ukonungat  
imaatut anginiqatumik tamayaptinut 70% aulaninga  
mikhigiahimaliqtuq maneyliunikut imaatut anginiqa-  
tumik 4%-mik akiliqtuiyutikut aulania ihivriuhugu.  
Ukuat uuktuutigilugit, Monequtikut utirutauyut ihari-  
atiyutivut anginiqaqtuq imanit ukiunit tallimanut  
uvunga tikihugu December 2012-mut. Taapkuat  
ihivriuhutigu utiqtitauvahimayut 2009-mi utiqtit  
angilivaalirutiqaqtuq 16.5%-mit kuhimi 2011-mi  
mikhigiatuq utiqtitauvaktut 1.79%-mut. Ukiunut 10-  
nut kiklililugu December 31, 2007-mut, moneyliuru-  
tauvaktut katakniahaatihugit moneyliuvikut  
aklivaliaratarhimayuq 7.98%-mik. Taapkuat 10  
atulqaatihugu uvvunga kilililugu December 31,  
2012-mut uvzagut moneyliuvivut akligiarutiqaqtuq  
5.81%-mit. Taapkuat naunaipkutauyut hivinikhamut  
ihumagiyaugialit aulayutauyut: Uvunganuaq qanituq  
ihumaginahulugu ayunarutiqaqtuq aulayutau-  
niatunut. Money-nut aulaniatigut kataratarmata  
ukiut naliraangata 5-7 -nut, iliphi ihivriuriaqatuhi  
money aullanianit money-liurumaguphi.  
Uvvunga 2012 ukiunganut moneyliuvikut utirviuti-  
ahimayut 9.72% mikniqsautluni moneyliurutanahuk  
patut uuminga 9.91-mit. Taapkuat moneyliuru-  
tanahukpatut 10% -mit aklivaliatitaunahukpatut  
iluqtauyunut. Maanauyuq uvzagut taimaitumit  
havaaqarahuktugut. Atannguyat aulattiyuyut  
tiguhikautiginimi havagiaqangmata ukiunut  
aigiuqaahinatinagu tiguhiyunangimata. Iklunut  
moneyliurauvaktun utiqtitiratarmata 13%-mit  
anginiqaqtumik mikininganut moneyliurutiginahu-  
patakut tungautivaktun. Kanatamiutat moneyliuvingi

moneyqutiminut akiliiliamata taapkua Kanatap ahiiniitut moneyliurutihaminut tungautihimatilugit. Moneyliurutigiyumayaptinut aulanahuktaptinut qaninguu aulaniqatugaluaqtugut. Moneyliurutiginahutaptinut akiqaqtunut \$1,140,766,964 ukiumut nungutaanut akligliav- iqqaqtuq 5.5%-mit imaattut anginiqaqtumit \$60 million-mit tapkuat akiliyutauvaktut akliagiaraluatihugit illauvilignut. Manik utuqtuq anginiqaqtuq \$107,485,871-mik uvunga ukiumut 2012. Ungavaqtauhimayuq takvangat maniliurahutilugu (\$7,183,649)-mit titiravinut havaktunut atuqtauyuq (\$1,677,677). Katilugit mikanuarmit atutuqtut 1% mikinihauyumik. Aklititaunahukpatunut maniktaanguvaktunut ahiinullu. Iilituriyaugiaqqtuq aulaytauayunut niuvitunullu niuviqtittiyunullu katitauratamta moneyhanut. Naunaratqaqtunut maniktaanut (\$85,081,180) tuniytauuvaqtut naunaratqaqtunut moneyliurutauvaktunut. Manit aalangupammata taakhiku atutauniahatihugit titirahimavaktun, taimainanganut manit tikipallian-guyutqiqaqpatur illauvilinut. Taimaininganut maniqarviuyuniniitulu maniktaariyauvatunut ayigingiyutagaqtut.

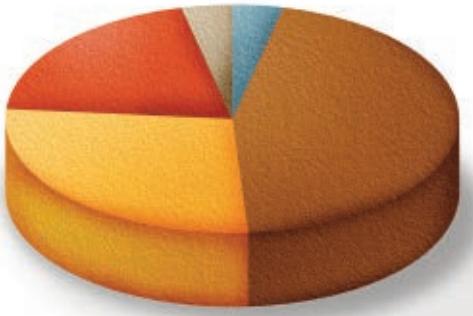
## Hivunighaq ihumaqiplugu

2013 atulihaatitlugu atuhimayakut ihivriuhugit maniliurutiginahtavutlu ihivriuhugit ublumi nainaihimalirtuq hivunihaq aturiaqqaqtaptinut. Uvagut nuttaarmit aulayutiqarahunniaqtugut ulurianainihakut maniliurahunniaqtugut.

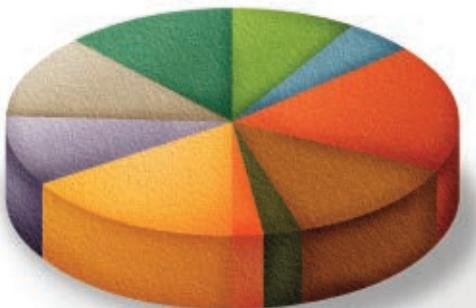
# ʌc-nʌd̥-ʌd̥-m̥ ʌc-nʌd̥-ʌd̥-c ʌd̥-d̥-o 4G̥-u-r̥-t̥-s̥-d̥-c 2014 4y̥-z̥-C̥-y̥-L̥-c-ʌd̥-s̥-c

## Aviktugutingit Phihmayut Naunaikutait

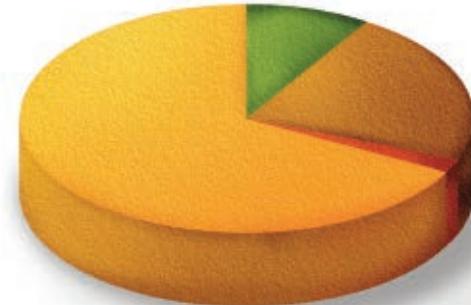
ʌc-nʌd̥-ʌd̥-c Lc̥-b̥-r̥-c ʌ-Γ̥-s̥-b̥-D̥-n̥-D̥-c ʌc-d̥-b̥-s̥-D̥-r̥-L̥-c  
Iilitquhiingit haffumingat ikayuuhiat inikhait



ʌ-Γ̥-s̥-b̥-D̥-c ʌJ̥-d̥-c-ʌd̥-c  
h̥-d̥-s̥-c ʌT̥-r̥-l̥-D̥-s̥-c  
Atoktaghat Atoniiktikhimayut



‘Rb̥-b̥-C̥-D̥-c ɔ-σ̥-y̥-D̥-s̥-c  
Katilviuniit Tuniqhaiiyunut



‘Rb̥-b̥-C̥-D̥-c ɔ-σ̥-y̥-D̥-s̥-c  
Iilitquhiingit haffumingat  
Maniliurnahuarnikkut Amiqhaiiyuq

