

Yellow Quill Holdings And Yellow Quill TLE Newsletter

November 3, 2014

News from Yellow Quill Holdings

- NEC School Library at Yellow Quill: Restocking of school library was made possible through generous support from Government of Saskatchewan (\$20,000), BHP Billiton (\$5,000) and Yellow Quill Holdings (\$15,000). Library project was completed August 2014.
- NEC School Library at Yellow Quill: To make certain NEC students were afforded the necessary hardware as part of their learning and educational experience. Yellow Quill Holdings secured computer donations from the SaskTel “Computers for School Program” (i.e. 100 desktop units) in June 2014.
- Saskatoon Office Project: AANDC have committed \$1,000,000 in new economic development funding for construction document and specifications. To move forward on this project, Yellow Quill Holdings must acquire additional preleasing commitments to ensure project risk is mitigated. At present, First Nations Bank of Canada is committed to pre-leasing 20,700 sq. ft. or 27% of the five storey 75,000 sq. ft. property. Marketing and promotion continues. Reserve status for the Yellow Quill parking lot was granted in August 2014. A smaller project may have to be considered.

News from Yellow Quill TLE

In July 2011, TLE principal of \$11,074,430 was invested to the Canadian bond market via Ridgewood Capital Asset Management. As of September 30, 2014, the market value of TLE bonds was \$12,458,933 with a book value of \$11,812,076. The result is an unrealized gain of \$646,857 and a \$2,100,000 increase from 2009.

A Portfolio Valuation of Investments, September 30, 2014, by Ridgewood Capital Asset Management is attached to this Newsletter.

Status of TLE Lands

- RM of Caledonia (south of Regina): This property is leased for agriculture and is not in process of moving to reserve.
- RM of Corman Park (near Saskatoon): This property is leased for agriculture and no plans are in place for development and reserve creation.
- RM of Porcupine: Approximately 794 acres of Yellow Quill TLE land were granted reserve status in August 2014.
- Hay Lands, Bison Lands, Blue Stone Pit: These properties are in transition to reserve status.
- Archerwill Property: This property will be moved to reserve status upon an Easement Agreement being put in place with Government of Saskatchewan, Ministry of Highways. Reserve status is expected in early 2015.
- First Nation Bank Building, Saskatoon: This property will remain as an investment with no intention in moving to reserve.

Accountabilities

- 2013 Yellow Quill TLE Audit and 2013 Yellow Quill Holdings Financial Statements are available at the Band office and urban offices in Regina and Saskatoon.
 - 2013 Yellow Quill TLE Audit: Highlights
 - Surplus position: \$340,609
 - Asset Position: \$12,782,639 (i.e. Capital Trust Fund: \$11,842,188, Revenue Fund: \$940,451)
 - 2013 Yellow Quill Holdings Financial Statements: Highlights
 - Audit Opinion: Unqualified
 - Surplus position: \$123,200
- Fifth Annual 2014 Report to the Membership of Yellow Quill First Nation was released in May 2014.

Collaborations with Band Administration

- Yellow Quill Holdings worked closely with the Band to develop a Yellow Quill Band Membership Code that was subsequently approved in principle in January 2014. The Membership Code will ensure Yellow Quill funds are preserved and protected for current and future band members and that opportunistic motives of some non-band members wanting to join Yellow Quill are disallowed.
- Yellow Quill Holdings worked closely with Chief and Council to develop both the Yellow Quill Property Assessment Law and Yellow Quill Property Taxation Law which were approved and implemented in July 2014. These revenue laws are specific only to the Yellow Quill parking lot in Saskatoon and will allow the Band to earn additional revenues that can be invested back into the community.
- Yellow Quill Holdings worked closely with Chief and Council to create a Yellow Quill Financial Administration Law (FAL). In October 2014, FAL received compliance approval by First Nations Financial Management Board and at the same time a Financial Performance Certificate (FPC) was granted for Yellow Quill. The FAL will ensure certain measures of financial management, planning, control and review are implemented for sound and responsible management. Yellow Quill is the first First Nation community in Saskatchewan to have attained compliance approval of the FAL and FPC.
- Yellow Quill Holdings is working closely with the Yellow Quill Lands Committee to develop a Yellow Quill Land Code that will address the needs of current and future band membership. The Land Code will remove Yellow Quill from certain parts of the Indian Act, and empower Yellow Quill to determine its own uses and regulations as it relates to reserve land.

Portfolio Valuation of Investments
WIA097 Yellow Quill TLE
Capital Preservation
 Trade Date Basis as of: **September 30, 2014**
 Portfolio Currency: **CAD**

Description	Quantity	Cost Per Unit	Book Value	Market Price	Market Value	% of Portfolio	Estimated Annual Income	Current Yield	Unrealized Gain/Loss
Cash & Equivalents									
Cash									
Canadian Dollars	248,942	1.00	248,942	1.00	248,942	2.0	-	0.0	-
Income Receivable CAD	37,116	1.00	37,116	1.00	37,116	0.3	-	0.0	-
Bond Accrual	0		0		0				
Total Cash			<u>286,058</u>		<u>286,058</u>	<u>2.3</u>			
Short Term Notes									
Treasury Bills									
CTB MARCH 12 2015	100,000	99.23	99,234	99.23	99,588	0.8	-	0.0	354
Total Treasury Bills			<u>99,234</u>		<u>99,588</u>	<u>0.8</u>		<u>0.0</u>	<u>354</u>
Total Short Term Notes			<u>99,234</u>		<u>99,588</u>	<u>0.8</u>			<u>354</u>
Total Cash & Equivalents			385,292		385,646	3.1 %	\$0	0.0	\$354
Fixed Income									
Bonds									
Canadian Bonds									
RCAM CDN BOND FUND	249,056	11.62	2,893,679	11.59	2,885,312	23.2	102,113	3.5	(8,367)
RIDGEWOOD INV GRADE BOND FUND	700,303	12.18	8,533,105	13.12	9,187,975	73.7	445,393	4.8	654,870
Total Canadian Bonds			<u>11,426,784</u>		<u>12,073,287</u>	<u>96.9</u>	<u>547,506</u>	<u>4.5</u>	<u>646,503</u>
Total Bonds			<u>11,426,784</u>		<u>12,073,287</u>	<u>96.9</u>	<u>547,506</u>	<u>4.5</u>	<u>646,503</u>
Total Fixed Income			11,426,784		12,073,287	96.9 %	\$547,506	4.5	\$646,503
Total Portfolio			11,812,076		12,458,933	100.0%	\$547,506	4.4	\$646,957