



Peguis

FIRST NATION

Surrender Claim Trust

2015

Annual Activity Report



Our Mission...

"To manage and safeguard the Trust so it will benefit the people of Peguis for all time. We are dedicated to apply our resources to support Peguis, to build a strong nation, to elevate the quality of life for our people and to preserve and protect the legacy that defines us as a sovereign nation."

**PEGUIS FIRST NATION SURRENDER CLAIM TRUST
TRUSTEES' ANNUAL REPORT
FOR THE PERIOD ENDING DECEMBER 31, 2015**

Community Fund Trustees

Hal Sutherland, Chair
Lloyd Sinclair
Robert Delorme
Vacant
Vacant

Financial Trustees

Errol Wilson, Chair
Elva McCorrister
Robert Magnusson, CA, - Professional Trustee
William Willms, - Corporate Trustee, TD Waterhouse
Vacant
Vacant
Vacant

Background

On June 29, 1998, after 91 years of struggle by Peguis First Nation, Canada confirmed it agreed with Peguis that the 1907 surrender of the St. Peter's Reserve was void and legally invalid due to Canada's failure to comply with requirements of the Indian Act of 1906. Canada and Peguis entered into negotiations to compensate Peguis for its loss of land and economic loss as a result of this illegal surrender.

On June 13, 2009, Peguis members voted in favour of the proposed settlement claim and the agreement was ratified by the parties on October 4, 2010.

The total settlement amount was \$126,094,903.00. Upon payment of settlement costs and legal fees Canada deposited \$118,750,000.00 in to the Peguis First Nation Surrender Claim Trust.

The duties and responsibilities of the Trustee are contained in the Trust Agreement. Each year the Trustees are required to provide Chief and Council and upon request any member of Peguis First Nation with financial statements for the Trust as well as a report on the administration of the Trust. The report describes the income and expenditures of the Trust, the activities of the Trustees and a report on the investments of the Trust.

Financial Operations Report

Investment Income Received for the Period

The investment income and capital gains generated from Trust investments for the period was **\$8,159,868.**

Expenditures Incurred for the Period

Expenditures incurred for the period totalled **\$1,263,946** and were comprised of Corporate Trustee fees, investment management and consulting fees, Trustee expenses and related costs and other professional fees as follows:

Accounting & Audit Fees	\$42,600
Administration, Salary & Office	\$237,756
Advertising & Promotion	\$15,001
Corporate Trustee Fees	\$180,334
Foreign Taxes withheld	\$54,029
Interest on Line of Credit	\$321,595
Investment Management Fees	\$394,348
Legal Fees	\$44,151
Meeting Expenses	\$12,660
Travel	\$52,381
Per Capita Member Payments	\$44,000
Per Capita Recovery	\$(134,909)
TOTAL	\$1,263,946

Our Mission Statement:

"To manage and safeguard the Trust so it will benefit the people of Peguis for all time. We are dedicated to apply our resources to support Peguis, to build a strong nation, to elevate the quality of life for our people and to preserve and protect the legacy that defines us as a sovereign nation."

Expenditures Beneficial to the Beneficiary

The amount of **\$1,667,609** was paid to the community for approved projects and programs as follows:

Year	Proponent	Project Name	Amount
2014	Peguis Gaming Commission	Hockey Jerserys Peguis Minor Hockey	\$60,210.00
2014	Fisher Ambulance Service	Ambulance & Equipment	\$214,264.12
2014	Jackie Allen	Education Trip - Sierra Cook	\$500.00
2014	Peguis Senior Centre	Elders Christmas Party	\$10,000.00
2014	Kylah Stevenson	Education Trip	\$500.00
2015	Shirley Finnbogason-Yaremus	Private Business	\$8,106.61
2014	Donald Keith Flett	Private Business	\$5,000.00
2015	Peguis Two Nation Hockey Club	1st Annual Rec Hockey	\$7,000.00
2015	Peguis Free Spirit Child Care	Educational Program	\$32,000.00
2015	William Prince	Business	\$5,000.00
2015	Peguis Novice B Minor Hockey	Championship Tracksuits	\$1,364.20
2015	Peguis PEEWEE "C" Minor Hockey	Championship Tracksuits	\$2,400.00
2015	Vernon Cook	Treaty Entertainment Concert	\$6,000.00
2015	Peguis Atom Minor Hockey	Championship Tracksuits	\$2,900.00
2015	Chief Peguis Canoe Club	Equipment	\$18,900.00
2015	Peguis Midget Boys Fastball Team	League Expenses 2015	\$1,700.00
2015	Peguis First Nation	Treaty Days Rides	\$25,000.00
2015	Gary McCorrister	Cultural Event	\$1,000.00
2015	Peguis Training & Employment	Youth Work Program 2015	\$25,000.00
2015	Peguis Al-Care Treatment Centre Inc	Treatment Programing	\$23,962.00
2015	Peguis Brave Baseball	Host Team Native Fastball Championship	\$9,000.00
2013	Peguis School Board	Graduate \$200 per student 2014	\$9,600.00
2015	Jonathan C. Favell	Mechanic Tools	\$5,000.00
2015	Peguis Justice Board	Diversion Program	\$30,000.00
2014	Keith F. Wilson	Private Auto Dealership	\$21,500.00
2015	Peguis Treaty Committee	Treaty Days Expenses	\$210,000.00
2015	Peguis Dialysis Committee	Program Service	\$10,000.00
2015	Peguis Recreation	Baseball Uniforms	\$9,700.00
2015	Brittany Cameron	Championship Tracksuits Arm Wrestling	\$300.00
2015	Geraldine Heinrichs	Business	\$10,000.00
2015	Wayne Manningway	Cultural Event Supplies & Equip	\$2,000.00
2015	Rhonda Sutherland	Animal Shelter	\$10,000.00
2015	Patricia Stevenson	Womens Craft Group	\$5,000.00
2015	Peguis Warriors Arm Wrestling Club	Club Equipment	\$2,122.75
2015	William Lee Flett	Niibin Winshield Repair Service	\$2,640.00
2015	Peguis Multiplex	Chairs, Tables & Dollies	\$6,986.50
2015	Dallas Stevenson	Cooking Competition	\$456.25
2015	Peguis Junior B	Club Expenses	\$35,000.00
2014	Peguis Multiplex	Cleaning Equipment	\$52,652.46
2015	Maynard Cameron	Freemans Concert Peguis Treaty Days	\$3,000.00
2015	Kelly Sinclair	Winter Fishing Business	\$10,500.00
2015	Eric Charles Wilson	Business Expansion	\$8,058.73
2015	Peguis Multiplex Centre	Equipment - Bouncers	\$22,307.00
2015	Peguis School Board	Graduate \$200 per student 2015	\$7,800.00
2015	William Stranger	Business Partnership	\$12,506.76
2015	Lorne Flett	Business	\$5,000.00
2015	Redmen Fastball Club-Mike S	World Series x two teams	\$3,000.00
2015	Shannon Bear	Business	\$5,000.00
2015	Destiny Seymour	Business	\$4,988.00
2015	Peguis Anglican Church	Renovation Project	\$29,625.00
2015	Alan Greyeyes	Business	\$5,000.00
2015	Peguis Health Services	Palliative Care Program	\$80,000.00
2015	PFN Lands Department	Land Budget	\$200,000.00
2015	Mike Sutherland	Brain Tanning Hide Workshop	\$1,850.00
2015	Peguis Development Corporation	Siding Replacement Project	\$24,759.40
2015	Peguis Multiplex Centre	Goalie Camp	\$8,500.00
2015	Chief Peguis Square Dancers	Outfits & Training	\$1,560.00
2015	Christopher Bird	Business	\$4,456.93
2015	Peguis Powwow Committee	2015 Annual Powwow Expenses	\$40,000.00
2015	Valdie Seymour	Business	\$4,932.57
2014	Dallas Chapel - Ernest Stevenson	Building	\$122,000.00
2015	PFN Community Cupboard Foodbank	Monthly Hampers	\$100,000.00
2015	Peguis Recreation	Sports Leadership Conference	\$5,000.00
2015	Peguis Health Services	Traditional Healing	\$75,000.00
		TOTAL	\$1,667,609.28



Trust Property Approval Limits

Approval limits regarding applications for Trust funds increase each year by the rate of inflation. The Community Fund Trustees can approve amounts up to \$83,211, the Community Funds Trustees and Chief and Council can approve amounts up to \$277,404. Amounts greater than \$277,404 must be approved by the Community Fund Trustees, Chief and Council and the Members of Peguis First Nation.

Per capita Distributions

An amount of \$10,500,000 was approved by the Initial Trustees in 2010 to fund per capita payments to eligible Peguis Band members. There were 29 applications processed in 2015 for a total amount of \$29,000.

Investment Activities of the Trust

The Trust funds are managed by TD Waterhouse Private Investment Counsel, Beutel Goodman Investment Council and Mawer Investment Management Ltd in accordance with the objectives of Peguis First Nation and as set out in the Trust Agreement and Investment Policy Statement. Generally, the objectives are to provide safety of principle, stable and consistent income flow and capital appreciation. The investments consist of government and high quality corporate bonds and equities. No more than 30% of the Trust funds can be invested in equities.

Other Trustee Activities

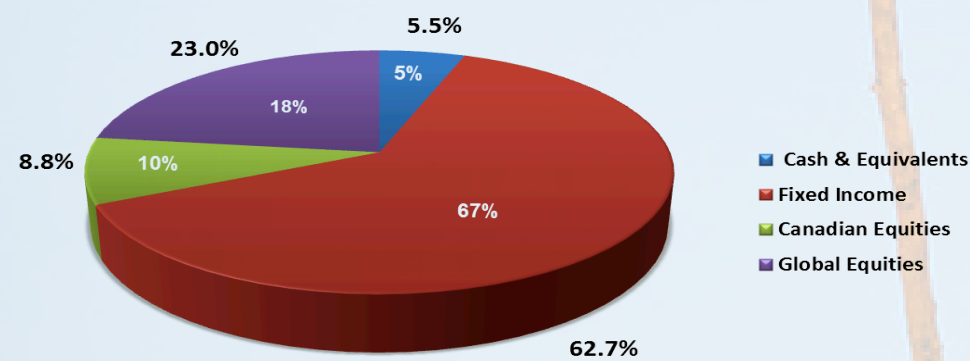
In order to preserve the Trust Property, the Financial Trustees secured a \$15,000,000 line of credit with the TD Commercial Bank. The line of credit was utilized to fund the arena and housing projects as well as other projects. As of December 31, 2015, the balance of the line of credit was \$11,033,240.

Investment Review Summary as at December 31, 2015

The Peguis Surrender Claim Trust has been under formal performance monitoring since the second quarter of 2012. Over the past year, the combined holdings have provided a return of 6.31% (or a gain of \$7,418,914), which came in well above the market benchmark return of 4.75%. Since inception, the Trust has performed equally well in both absolute and relative terms by providing an average return of 8.13%, which again, has added value over the benchmark return of 6.42% during this timeframe and remains well ahead of the Trust's long term return target of 5.5%.

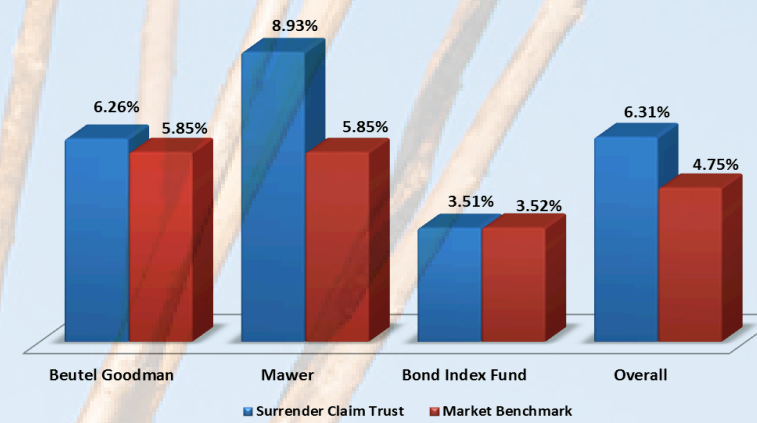
T.E Wealth will continue to apply a due diligent process in the monitoring of Beutel Goodman, Mawer Investment Management and the TD Emerald Bond Fund and will advise the Peguis First Nation Trustees on an ongoing basis as to the status relative to expectations. We continue to recommend the employment of Beutel, Mawer and TD for the investment management of the portfolio for the Peguis First Nation Surrender Claim Trust.

Combined Holdings – Asset Mix as at December 31, 2015

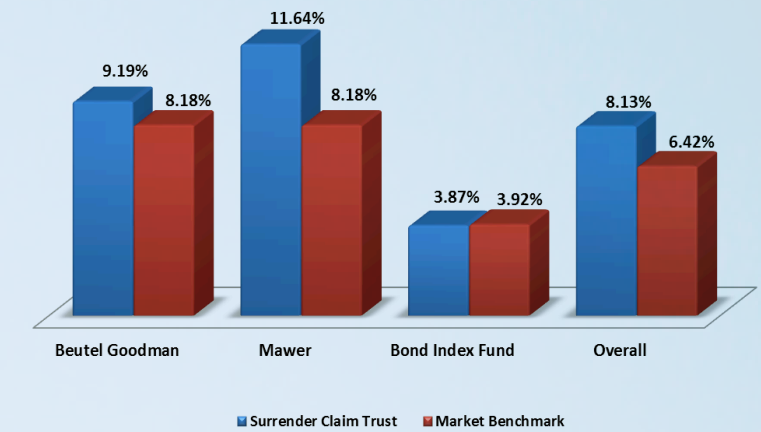


Note: Target weights in white

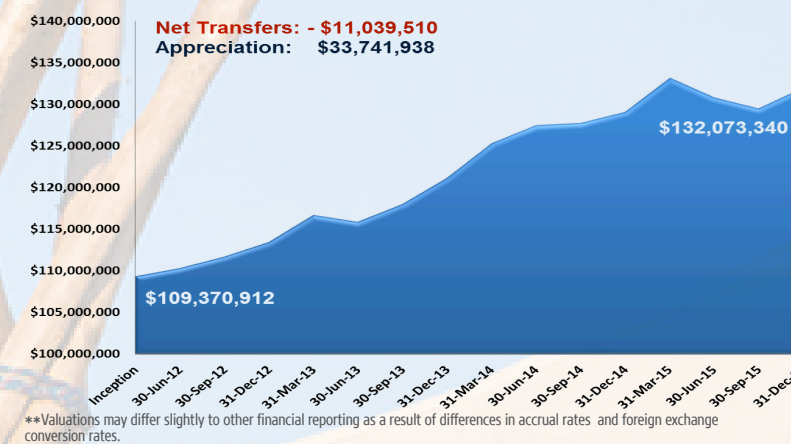
Combined Holdings – 1 Year Return as at December 31, 2015



Combined Holdings – Since Inception Return as at December 31, 2015



Portfolio Valuation - Since Inception to December 31, 2015



Top Ten Equity Holdings as at December 31, 2015



Value of the Trust

The value of the Trust investments as at December 31, 2015 was \$131,896,545.

The net value of the Trust as at December 31st (excluding the line of credit) was \$120,747,634.

WE CERTIFY THAT, to the best of our information, knowledge and belief that the information contained on the preceding pages is true and that all expenditures and investments of the Trust Property were properly documented and authorized in compliance with the Trust Agreement.



Community Fund Trustees

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