



Peguis

FIRST NATION

Surrender Claim Trust

2016

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."

HISTORY

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.

The Trustees have a fiduciary obligation to uphold and implement the Trust guidelines, realize internal policy that will support the application and decision making process. This ensures Trustee due diligence and act in the best interest for all beneficiaries.

The Peguis Surrender Claim Trust Trustees hold community and public meetings. In 2016, meetings include an Annual General Meetings, one General Meeting with the community, Community Fund Trustee meetings, Financial Trustee meetings, Joint Trustee meetings and meetings with Chief and Council. Trustee and community meetings all contribute to the advancement and implementation of Trust processes beneficial to the Peguis First Nation Surrender Claim Trust and its beneficiaries.

MAJOR ACTIVITIES AND EVENTS

2016 was an active and healthy year for the Surrender Claim Trust. Below is information on significant activities and events for 2016:

- New Trust Manager hired, who is a local community and Band Member. Sharon Stevenson, BA, HBA, CAFM, CAPA took office in February 2016. She brings a healthy and vibrant experience in financial management and Trust experience.
- Crystal Laberero departed in March 2016 after seventeen months working to set up the administration of the Trust
- The Peguis Surrender Claim Trust moved into the old CPC offices in the former Grade 1 classroom at the Peguis Recreation Centre.
- The Trust donated surplus materials and paints to the Peguis Recreation Centre to assist in the revitalization of the building.
- The honorarium vote for Trustees was held at the AGM in May 2016 and was approved after five years of operating without honorariums.
- Denise Sinclair joined the SCT office as Administrative Assistant in May 2016 and is responsible for customer service, minutes of meetings, support to proponents on their application and administrative support of applications.
- Summer Student Courtney Bear (nee Easter) was offered the role to assist with the Per Capita Distribution reconciliation, administration and promotion of the Trust.
- Peguis Summer Works Program provided students to the Trust for 2 week rotations from July to August 2016. Summer Students included: Stephanie Sinclair, Shannon Bear, Naomi Spence, Clayton Stevenson, Jessica McCorrister, Emily Bird, Aniike Stevenson-French and Binidee Stevenson.
- The Peguis Surrender Claim Trust participated in the Treaty Parade with a float depicting the 1871 Treaty and distributed food rations for a bannock and tea meal.
- Red River College requested a work placement for Vince Stevenson, who was enrolled in the Computer Applications for Business Program. Vince assisted the staff with administrative support and Per Capita Reconciliation.
- The TLE Implementation office in Selkirk partnered with the Peguis Trusts to host a Youth Conference in Peguis in August 2016.
- The first Annual Peguis Trust Conference was held in Peguis and Selkirk. This conference is to provide information to the community members on the two Peguis Trusts and the reason we have the trusts and the application process to access funds. We are also trying to promote continued involvement in the Trust and career opportunities within the Trust and Trust business.
- The SCT staff hosted an information session on the Peguis Trusts to the Youth Mentorship program sponsored by Peguis Employment & Training in October 2016.
- Becky Bear (Manningway) was posted to the Peguis Surrender Claim Trust for her internship with the Peguis Employment & Training Youth Mentorship Program.
- Ken Genaille was welcomed to the SCT in October 2016 as the fourth Community Fund Trustee, after the February 2016 election.
- The Trust staff also initiated staff get togethers at the Peguis Recreation Centre building with a potluck breakfast and Christmas dinner. This activity assisted in creating teamwork and healthy relationships with staff in the Recreation Centre. They are an estimated forty staff from various departments at the Peguis Recreation Centre.
- The SCT continues their campaign to promote and inform the community on the successes of the Trust and increase awareness of the resources available to the community. Signage has been posted in the Recreation Centre to promote the Community Projects funded to date.

MAJOR ACTIVITIES AND EVENTS

APPLICATION REVIEW

Community Fund Trustees apply trust criteria outlined in section 8.2 (b) of the Peguis Surrender Claim Trust Policy when determining proposal approval. Trustees utilize their own discretion and other assessment tools when considering the projects benefit to the Peguis First Nation community.

8. Use of Trust Property

8.2 Specific Guidelines for Application of Trust Property

b) By making payments or application of funds for Community Purposes for the following purposes:

- i) health care;
- ii) educational opportunities;
- iii) elders;
- iv) community development;
- v) language & cultural heritage;
- vi) community activities;
- vii) establish bank, credit union or trust;
- viii) housing;
- ix) business or commercial operation;
- x) protect, preserve aboriginal & treaty rights.

The Surrender Claim Trustees have recognized that reviewing applications is an extremely extensive and critical process. Therefore, Trustees see the importance in understanding the status of community needs, lack of various program funds and financial constraints, to help ensure that the best interest of the community is being met.

The application process has been split into two application formats: a shorter application for request for funds under \$5,000. and a more extensive application for requests for funds over \$5,000. The Trust also utilizes an application intake three times a year: March 1st, July 1st and November 1st. The deadline process is utilized to help with annual planning and community events. The March 1st deadline is geared toward late Spring and Summer projects; the July 1st deadline for Fall and early Winter projects; and, the November 1st deadline for Winter and early Spring activities.



APPLICATIONS APPROVED

The following applications have been approved for funding from the Community Fund Trustees in 2016:

Year	Proponent	Project Name	Amount	Criteria
2015	Tracy Sinclair	Bryden Sinclair's Athletic Development	\$500.00	ii Educational Opportunities
2015	Chief Peguis Investment Corp	Artist Contest	\$9,817.57	ii Educational Opportunities
2015	Peguis Central School	PCS Powwow Club	\$10,000.00	ii Educational Opportunities
2015	Peguis Central School	PCS Breakfast Club	\$12,500.00	ii Educational Opportunities
2015	Peguis Central School	Ojibwe Language Project	\$5,000.00	ii Educational Opportunities
2015	Peguis Central School	PCS High School Grads 2016	\$22,500.00	ii Educational Opportunities
2015	Peguis Central School	Technology Portable Computer Lab	\$25,000.00	ii Educational Opportunities
2015	Peguis Central School	Pride Project	\$15,000.00	ii Educational Opportunities
2016	Peguis JuniorB Hockey Club	Championship Tracksuits	\$2,900.00	ii Educational Opportunities
2016	Peguis Novice1 Hockey Club	Championship Tracksuits	\$1,900.00	ii Educational Opportunities
2016	Peguis Central School	Hosting PRIDE Conference	\$25,000.00	ii Educational Opportunities
2016	Peguis Minor Hockey Atoms Division	Championship Tracksuits	\$2,200.00	ii Educational Opportunities
2016	Peguis Warriors Pee-Wee 1	Championship Tracksuits	\$1,500.00	ii Educational Opportunities
2016	Peguis Bantam 2 Division	Championship Tracksuits	\$1,600.00	ii Educational Opportunities
2016	Peguis Minor Hockey Midget A Div	Championship Tracksuits	\$1,700.00	ii Educational Opportunities
2016	Cory & Brittany Sutherland	2016 National Arm Wrestling Competition	\$2,500.00	ii Educational Opportunities
2016	Stephanie Bear	Goalie Camp for Tyrese Bear	\$500.00	ii Educational Opportunities
2016	Averie Favell	Triathlete Athletic Development	\$500.00	ii Educational Opportunities
2016	Peguis Training & Employment	2016 Youth Summer Employment	\$30,000.00	ii Educational Opportunities
2016	Steve Daniels-Webb	Keeven Daniels Athletic Development	\$ 500.00	ii Educational Opportunities
2016	Greg Stevenson	Daughters Tuition and living Costs	\$ 500.00	ii Educational Opportunities
2015	Peguis Multiplex	Otis Service Agreement	\$16,752.00	iii Elders
2015	Peguis Senior Centre	2015 Elders Christmas Party	\$10,000.00	iii Elders
2015	Peguis Treaty Committee	Community Hall Furnace & AC Units	\$ 10,500.00	iv Community Development
2015	Peguis Community Service	Funeral Program	\$ 110,000.00	iv Community Development
2015	Peguis Community Service	Off-Reserve Basic Needs	\$120,000.00	iv Community Development
2016	Peguis First Nation	Streetlight Project	\$50,000.00	iv Community Development
2016	Peguis Training & Employment	Equipment Purchase	\$3,500.00	iv Community Development
2016	Peguis Emergency Operations	Emergency Equipment	\$35,000.00	iv Community Development
2015	Peguis Anglican Church	Yard & Grounds Equipment	\$700.00	v Language & Culture
2016	Peguis Powwow Committee	Peguis Powwow 2016	\$20,000.00	v Language & Culture
2016	Garry McCorrister	Traditional Sundance Ceremony	\$1,100.00	v Language & Culture
2015	Peguis Minor Hockey	Operating Budget 2015-2016	\$110,000.00	vi Community Activities
2015	Peguis Recreation	Community Christmas Party	\$ 5,000.00	vi Community Activities
2015	Peguis Recreation	Monthly Community Events	\$45,000.00	vi Community Activities
2016	Peguis Two Nation Hockey Club	Peguis 2nd Annual Hockey Tournament	\$6,286.00	vi Community Activities
2016	Peguis Junior B Hockey Club	Western Keystone Cup Finals	\$17,425.00	vi Community Activities
2015	Peguis Multiplex Centre	Event - Circus Show	\$16,856.00	vi Community Activities
2015	Peguis Multiplex Centre	1st Annual Music Festival	\$40,000.00	vi Community Activities
2016	Peguis Multiplex	Junior B Finals Spectator Refreshments	\$5,000.00	vi Community Activities
2016	Peguis Treaty Committee	Annual Treaty Days 2016	\$220,000.00	vi Community Activities
2016	Redmen Fastball Club	Under 23 Men's Fastball Project	\$3,000.00	vi Community Activities
2016	Peguis Junior B Hockey Club	2016-17 Annual Hockey Season	\$35,000.00	vi Community Activities
2016	Peguis TLE Implementation	Lands Youth Gathering	\$5,000.00	vi Community Activities
2016	Peguis First Nation	Treaty Day Rides 2016	\$25,000.00	vi Community Activities
2015	Curtis Sutherland	Septic Truck Business	\$22,900.00	ix Business/Commercial Operations
2015	Kevin Clowes	Technology Business	\$30,000.00	ix Business/Commercial Operations
2015	Cheyenne Thomas	Architect Business	\$3,873.64	ix Business/Commercial Operations
2015	Ernest Sutherland	Motel Expansion	\$30,000.00	ix Business/Commercial Operations
2015	Kerry Kyle Spence	Audio/Visual Business Equipment	\$3,300.00	ix Business/Commercial Operations
2015	David Gordan Thomas	Software for Research/Design Business	\$3,096.03	ix Business/Commercial Operations
2015	Justin Lee Walter Stevenson	Automotive Repair Business Equipment	\$5,000.00	ix Business/Commercial Operations
2015	Gary Quesnel	Fishing Business Equipment	\$7,000.00	ix Business/Commercial Operations
2015	Angela Quesnel	Fishing Business Equipment	\$7,000.00	ix Business/Commercial Operations
2015	Les Daniels	Automotive Repair Business	\$30,000.00	ix Business/Commercial Operations
2016	Jim Wastasecoot	Taiga Communication Equip Purchase	\$5,000.00	ix Business/Commercial Operations
2016	Floyd Flett	Trapping Equipment	\$4,000.00	ix Business/Commercial Operations
2016	Raymond Thomas	Senaca Root Equipment	\$2,500.00	ix Business/Commercial Operations
2016	Angela & Ken Anderson	Semi-Truck Purchase	\$12,000.00	ix Business/Commercial Operations
2016	Brian Flett	Trapping Equipment	\$4,000.00	ix Business/Commercial Operations
2016	Loretta Lynn Sinclair	Sinclair Speech Services	\$4,000.00	ix Business/Commercial Operations
2016	Michelle Gotch	Mama Bear's Den Restaurant	\$27,820.00	ix Business/Commercial Operations
2015	Fairwind Truscott	Air Filtration Business	\$10,000.00	ix Business/Commercial Operations
2015	Mike Sutherland	Trapping Equipment	\$5,000.00	ix Business/Commercial Operations
2016	Doris Elizabeth Sinclair	Purchase Donut Making Machine & Acc	\$5,000.00	ix Business/Commercial Operations
2016	Jade Villa Harper	Spirit Fusion - Yoga Equipment	\$3,350.00	ix Business/Commercial Operations
2016	Lindsay Sutherland	Bakery Kitchen Upgrades	\$5,000.00	ix Business/Commercial Operations
2015	Ryan Wilson	Rainy Storm Production Company	\$5,000.00	ix Business/Commercial Operations
2016	Gary Freeman	Purchase of tow truck	\$5,000.00	ix Business/Commercial Operations
2016	Doreen Bird	Sewing Business	\$3,000.00	ix Business/Commercial Operations
		TOTAL APPROVED AND PAID	\$1,325,576.24	

APPLICANT REPORTING

The Peguis Surrender Claim Trust requires a final report on monies approved as per application submitted and assessed. This report confirms that the project has been successfully completed and that the Trust funds were able to ensure the success of the project. This final report is also holding the proponent accountable for the Trust funds received and, in turn, the Trust reports to the community. The Trust does continue to pursue final reports and support proponents to assist with the final reports.

FINANCIAL OVERVIEW

Investment Income Received for the Period

The investment income and capital gains generated from Trust investments for the period was \$5,792,934. Of this amount, \$3,618,307 represents interest and dividend income and \$2,174,627 represents realized net capital gains.

Expenditures Incurred for the Period

Expenditures incurred for the period totalled \$1,668,248 and were comprised of corporate trustee fees, investment management and consulting fees,

Trustee honorarium and expenses and other professional fees as follows:

Investment Management fees	\$392,996
Accounting and Audit	35,312
Legal Fees	39,210
Corporate Trustee fees	186,234
Salaries and Benefits	221,504
Trust administration expenses	57,957
Trustee Honoraria and expenses	304,794
Loan interest and related charges	358,778
Meeting Expenses	30,594
Advertising & Promotion	3,961
Per Capita Payments	17,000
Foreign taxes	59,908
Recovery of legal fees	(40,000)

Expenditures Beneficial to the Beneficiary

The amount of \$1,325,576 was disbursed to the community for approved projects and programs as listed earlier.

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 \$84,386, the Community Funds Trustees and Chief and Council can approve amounts up to \$281,287. Amounts greater than \$281,287 must be approved by the Community Fund Trustees, Chief and Council and the Members of Peguis First Nation.

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.

Value of the Trust

The value of the Trust investments as at December 31, 2014 was \$130,640,746.

The net value of the Trust as at December 31st (excluding the line of credit accrued liabilities) was \$122,694,920.

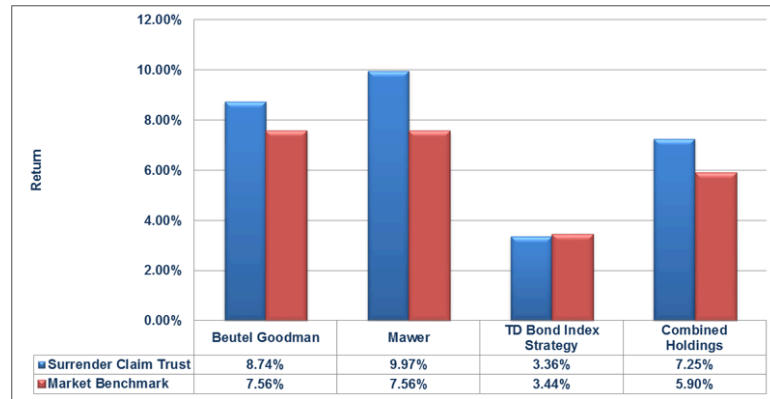
Investment Review Summary

With respect to the Peguis First Nation Surrender Claim Trust, we are pleased to report that the combined Trust holdings remained positive under the investment management of Beutel Goodman and Mawer Investment Management, up 4.01% (or a gain of \$4,597,475) over the last twelve months. Furthermore, over the long term and since inception of the Trust, the combined holdings have recognized an annualized return of 7.25% (or a gain of \$38,339,413) which has added value over and above the market benchmark return of 5.90%. Based on the investment policy's average annual return target of 3.50% + CPI (where CPI or inflation has been 1.25% since inception), the Trust's return objective in the current environment equates to 4.75%, which the combined holdings have significantly outpaced.

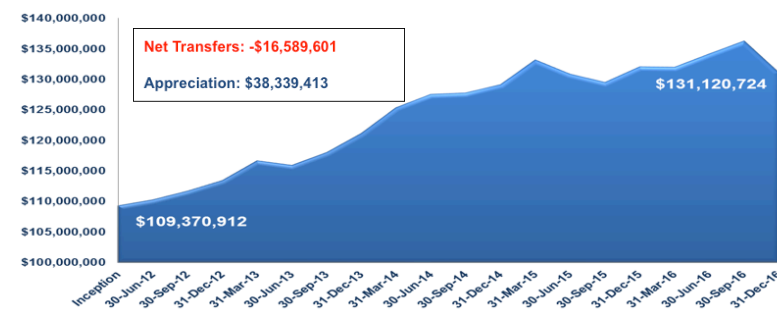
Asset Mix as at December 31, 2016

	Cash & Equivalents	Fixed Income	Canadian Equities	Global Equities
Current	4.0%	63.3%	10.2%	22.5%
Target	5.0%	67.0%	10.0%	18.0%
Ranges	0.0% - 10.0%	62.0% - 72.0%	5.0% - 15.0%	13.0% - 23.0%

Since Inception (Annualized) Rates of Return as at December 31, 2016



Portfolio Valuation as at December 31, 2016



* Valuations may differ slightly to other financial reporting as a result of differences in accrual rates and foreign exchange conversion rates.

Top Equity Holdings as a Percentage of the Total Portfolio - December 31, 2016

0.7%	0.6%	0.6%	0.5%	0.5%
0.5%	0.5%	0.5%	0.4%	0.4%

On behalf of T.E. Wealth, it remains our honor and pleasure to support Peguis First Nation. We confirm that the Surrender Claim Trust remains in compliance with the Statement of Investment Policies and Guidelines and that T.E. Wealth will continue to apply a due diligent process in monitoring the Trust portfolio relative to expectations.

Prepared by T.E. Wealth as Financial Advisor to the Peguis First Nation Surrender Claim Trust
Jack Jamieson, VP Aboriginal Services (TF) 866.430.0537, email: jjamieson@teic.com



PEGUIS AUTO PARTS

Leslie Daniels
Ph 204.645.2109

Full service auto repair, towing and auto parts garage in Peguis. Les welcomes all his customers to the new Peguis Auto Parts garage.

Building a Sustainable Community



LINDSAY'S BAKING

Lindsay Sutherland
Ph. 204.308.0277

Facebook: Lindsay's Baking
Creative, homemade baking and goodies for the community. Call Lindsay to help you celebrate your next special occasion.

Carrying on our traditions and teachings.



Peguis Multiplex Music Festival
July 2016

Marty Stuart and the Marty Party made his way to Peguis to entertain the community. With his ole time favourites, such as Tempted and This One's Gonna Hurt You. Meet and Greets were awarded to some lucky fans. Peguis' own Will Prince opened the night for the festival A party was had by all.

Live, Love & Laugh



Peguis Multiplex Shrine Circus 2016

The day was filled with excitement, laughter, smiles, balloons, clowns and screams of joy. The Shrine Circus brought youngsters, young and old together for a fun-filled day.

Bringing Families Together



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

Hal Sutherland, Chair
Lloyd Sinclair
Robert Delorme
Ken Genaille
Vacant

Financial Trustees

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

Management and Staff

Sharon Stevenson, Trust Manager (as at February 2016)
Crystal Laborero, Trust Manager (to March 2016)
Debbie McElhenny, Community Fund Project Officer
Denise Sinclair, Administrative Assistant

Surrender Claim Trust Information

www.peguissurrendertrust.com
P.O. Box 942, Peguis First Nation, MB R0C 3J0
Tel 204-645-5644
Fax 204-645-5866



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