



**PEGUIS FIRST NATION**  
**SURRENDER CLAIM TRUST**  
**Building *Our* Future**

# **ANNUAL REPORT**



**FOR THE PERIOD ENDING DECEMBER 31, 2023**

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# Financial Chair's Message



The Peguis Surrender Claim Financial Trustees are pleased to report the results of investment and operations during the 2023 year. From a financial investment point of view, we have become accustomed to navigating volatile investment markets. Last year, we saw our investments rebound substantially from the drubbing we had endured the previous year. Regardless of the current market conditions, the financial trustees remain steadfast in their investment policies: stay invested and not attempt to time market lows and highs. Our focus is rooted in 'seven-generations thinking.' Over time, our investments will gain in value and, most importantly, ensure they meet the needs of our present-day generation while preserving the trust assets so that future generations receive the same level of benefits from our trust assets. The financial trustees are obligated to provide governance oversight for the Trust. Given the parameters of the Surrender Claim Trust Agreement, we engage experts and investment advisors who monitor investment managers to achieve high-level investment performance.

The Peguis Surrender Claim Trust maintains a robust financial position, with a net asset balance of \$140,892,789 and total assets slightly higher at \$141,038,625 as of December 31, 2023. We are proud to report minimal debt obligations, with only \$145,836 in accounts payable. Our line of credit has been fully paid off since 2021, further solidifying our financial stability.

The expenses of operating the Trust were \$1,313,204, slightly lower than the previous year and in line with the average. While unrealized revenue (investments not yet sold) can fluctuate significantly yearly, the amount of realized revenue (investments sold) and trust expenses remain consistent over the years.

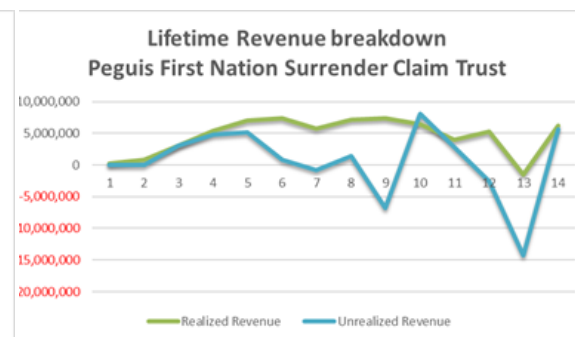
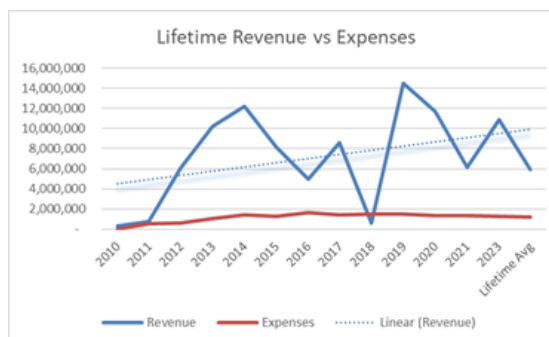
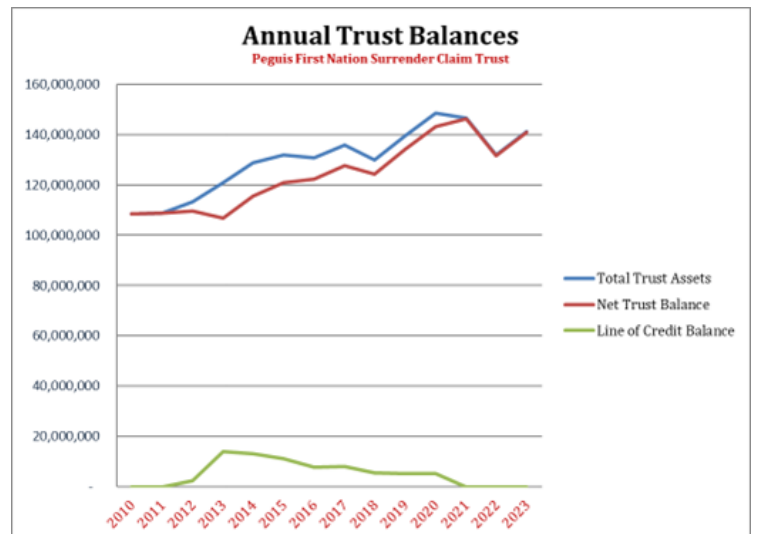
Overall, the 2023 Peguis Surrender Claim Trust's operations were again hampered by the absence of a quorum for Community Fund Trustees to make decisions on new project funding applications. Trustee elections remain unfinished business and are the responsibility of the Chief & Council.

In 2023, the Surrender Claim Trust hosted quarterly meetings between the Chief & Council and the TLE and Real Estate Trusts. The goal is to increase relations with better communication of the entities and to work collaboratively as sources of financial resources for our Nation. One recurring theme is reviving and updating the Peguis Comprehensive Community Plan (CCP), the ultimate plan for the Peguis over the next ten years. The CCP should be revisited, and updates should be reported regularly.

As we anticipate the pending election of new Trustees, a newly elected Peguis government, and a CCP roadmap that will guide our future, we are filled with optimism. Let us stride forward together, confident in the path we have set.

In closing, I want to recognize the hard work and diligence of the Trust administration in providing the Trustees with the information they need to govern the Trust's operations effectively.

Errol Wilson, MBA, ICD.D  
 Peguis Surrender Claim Trust  
 Financial Trustee, Chair 2023



# Community Fund Message

Aaniin, Tansi, Greetings,

As we look back on 2023, we were excited to work with our newly elected Chief and Council to make good use of the resources available through the Peguis Surrender Claim Trust. However, it proved to be a challenging year due to a lack of Trustees. Despite these challenges, we remain committed to our motto "Building our Future" and are looking forward to working with the resources available through the trust to ensure a prosperous future for our nation.

We have been advocating for a trustee election, which is the responsibility of Chief and Council. We are hopeful that trustees will be selected soon, as we have not had enough trustees since January 01, 2022, to review and approve applications. Our trust's success relies on the hard work and dedication of our trustees, and we understand the importance of having a full board to move forward.

We would like to express our heartfelt appreciation to Sharon Stevenson, who has served as our General Manager for the past 8 years. Her unwavering dedication has been invaluable to our trust and its mission. Although we are saddened by her departure, we are deeply grateful for her contributions and wish her all the best in her future endeavors.

We are excited to announce that Debbie McElhinney is our new General Manager. Debbie has been a dedicated and experienced team member since the inception of the Trust, having previously held the Project Manager position. With her proven track record and exceptional leadership skills, we are confident that she will manage the Trust to the highest standards. We look forward to seeing her lead the team and drive the Trust forward into the future.

Despite the challenges we faced in 2023, we had an opportunity to continue developing policy, reflect, and renew our commitment to the Peguis membership. We are thankful for the community's support and trust in our ability to "build our future." There's always room for growth and improvement, and together we can make great strides towards a brighter future. We are eager to continue collaborating with the community and leadership to ensure that we meet Peguis' needs.

Miigwech, Ekosi, Best regards,



Hal Sutherland  
Community Fund Trustee  
Co-Chair 2023



Lloyd Sinclair  
Community Fund Trustee  
Co-Chair 2023



# Message from the Interim Trust Manager



Greetings,

The 2023 year was a year of many changes, new opportunities, and learning experiences which always makes life interesting. It was a great year, as we look forward to 2024.

We were sad to see our Trust Manager, Sharon Stevenson leaves us to seek more opportunities in her professional career. Sharon has made a tremendous impact on how we manage the trust administration, and we wish Sharon all the best in the new direction her talents and skills lead her.

Peguis Chief and Council's appointed Trust Nominating Committee from June 2022, was tasked for a call out for new trustees and we are looking forward to a future election of Trustees. Currently, the Community Fund Trustees are without a quorum of Trustees to review or approve applications. We continue to work with clients and departments in the preparation of their applications for funding, pending the election of trustees.

And we are grateful to the Peguis Surrender Claim Trustees for updating their five-year strategic plan and allowing us to develop the annual workplans to meet their objectives. They have set the path forward and we will prepare ourselves to walk the path and support the Trust.

We thank the Trustees, Chief & Council, and the community of Peguis for their support and guidance in moving the Trust forward and continue to work for the benefit of our beneficiaries.

Kind Regards,

Debbie McElhinney

Interim Trust Manager

## Our Mission Statement:

*"To manage and safeguard the Trust so it will benefit the people of Peguis for all time. We are dedicated to applying 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."*

# Our History & Reflection on the Past years

As we look back on our history, we recognize the need to reclaim our identity and acknowledge our ancestors, forefathers, leaders and community members for the strength and resilience they have shown us and their inspiration for us to fight the good fight for our future.

**MIGRATION STORY** Not so long ago, the oral history of the Anishinaabek and other Algonquin tribes begins with them on the lands near the great salt water, in the land of the first light. Our ancestors had their homes, lands for hunting & gathering, education systems, Clan Systems, governance structures, culture, traditions and lived in harmony with Mother Earth and all that Kiche Manitou provided.



The Seven Fires Prophecy was brought to the Anishinabek as they enjoyed life along the great salt water. It included the prophecy of the coming of the light-skinned race in the near future and the need to migrate to the west. As they migrated west, they settled in camps and villages along the way. A village was established at Bawwating, now known as Sault St. Marie, because of its abundance of fish, wildlife, and plants, a good place to enjoy life.

**CHIEF PEGUIS** Here at this Anishinabek village of Bawwating, was born the Great Leader we know as Peguis. As a young man, in his teenage years, Peguis continued the migration journey to the West, where food grows on the water. With a band of other Anishinabek members, he began the journey West to seek out a new home and territory that would provide them with ample hunting grounds and a place to call home.

After many moons of travelling, making their way through uncharted territories, fighting the elements

and on the look out for enemies, they arrived at a place where they found an abandoned village along a river just off the woodlands and the beginning of the prairie lands.

The Red River, as it was later known, and the Netley Marsh area provided ample resources for the fledgling group of Anishinabek and those new family members that they picked up on their path West.



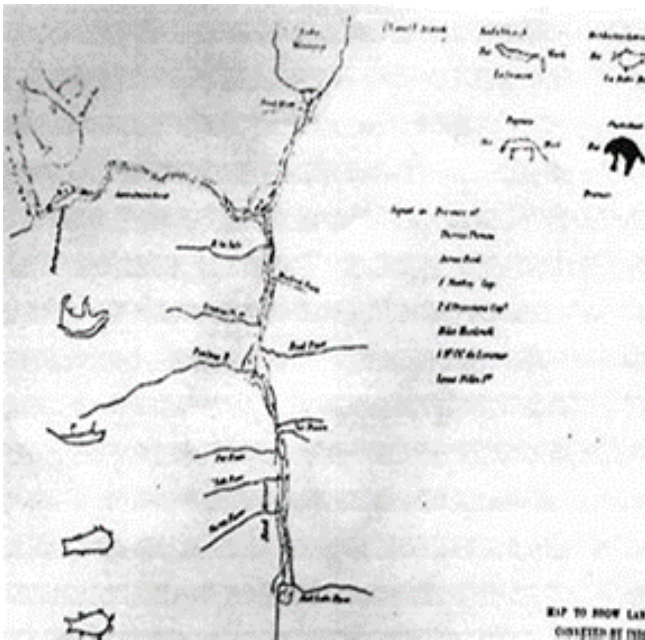
The river systems in the new area provided an opportunity to set up a trade system, to venture out and hunt and gather in the area, and the opportunity to keep in touch with their relatives to the south, east, north and west of their new home. The lakes to the east of the area also provided the food that grows on water, wild rice beds.

**SELKIRK TREATY** In 1817, Chief Peguis entered into an International Treaty with Lord Selkirk, to arrange the sharing of access to land in the area with the Selkirk Settlers, who had recently arrived in the area. Chief Peguis and his band members assisted the Selkirk Settlers and ensured their survival during the harsh winter months.

The Hudson's Bay Company and Northwest Company had been set up in the area to pursue the fur trade. The Red River system and Lake Winnipeg were a major travel and trade routes for those wishing to pass through the area and either going North, West, South or East. A prime location for the trade routes.

**TREATY #1** In and around 1870, the Government of Canada had established the Province of Manitoba within the territory of the late Chief Peguis and his St. Peters Band. Subsequent negotiations began in 1871, on an international





Treaty with Chief Peguis' son, Chief Henry Prince (Misko Ginew) and other members of the Chippewa and Swampy Cree Indians in the area. On August 3rd, 1871 Treaty #1 was signed at Lower Fort Garry.

Chief Henry Prince (Misko Ginew) and his descendants, known as the St. Peters Band of Indians, arranged for a reserve of their choice to be located around present day Selkirk and Netley



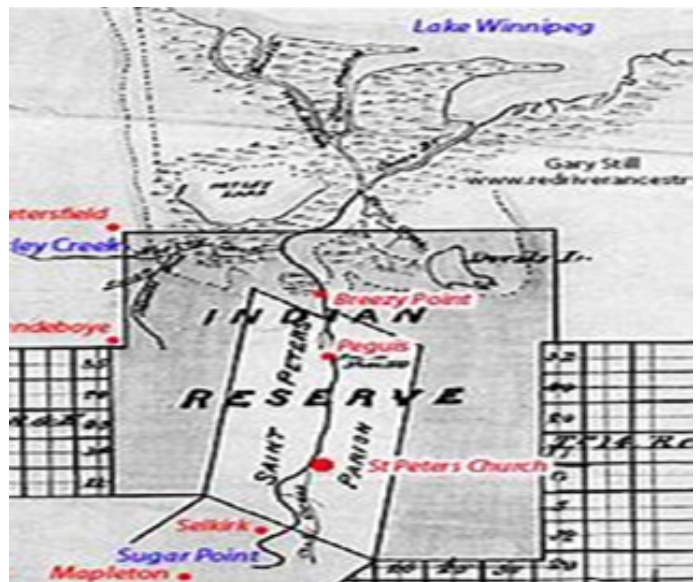
Creek, along the Red River. Other Treaty #1 reserves included: Brokenhead, Swan Lake, Long Plain, Sagkeeng, Sandy Bay & Roseau River.

The St. Peters Band was well known for their

agricultural skills and their successful harvesting & animal farming. Their homes, gardens and fields were well maintained and often the envy of many, including the new settlers and immigrants to the area.

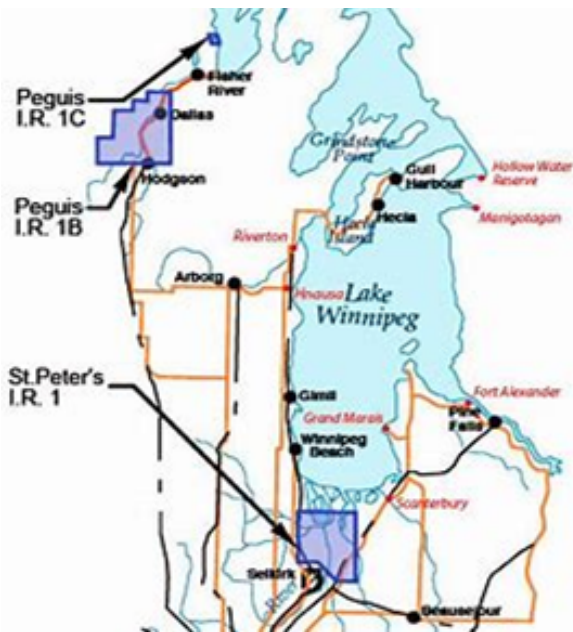
**ILLEGAL SURRENDER ST. PETERS** It was the success of the St. Peters Band farming and agricultural pursuits that were the envy of local settlers, who wanted the lands and agricultural fields. In 1907, the Federal Agent, with persuasion from local agents and settlers, called for the St. Peters Band to vote on the surrender of the Reserve and accept a new Reserve located 200 kilometers north in the Interlake area.

This vote was seen as illegal and misunderstood by many members of the St. Peters Band. They continued to fight the vote and express their concern regarding the method that was utilized to



achieve a close margin on the vote. The government eventually passed an Act recognizing the surrender of the St. Peters Reserve as a way of legitimizing the illegal surrender and vote.

**PEGUIS INDIAN RESERVE** The new reserve is known as Peguis and was located in the swampy area along the Fisher River, just south of the Fisher River Cree Nation. The band members had to endure much hardship to create a home and clear the land and muskeg for agricultural purposes. The trek to the new reserve, was without hardship, as there were no roads and oxen carts carried their furnishings and homemaking supplies. Some members came by boat, north along Lake Winnipeg and up the Fisher River to Peguis.



In 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 into the Peguis First Nation Surrender Claim Trust.

The past ten years, since May 2011 have gone by quickly and the knowledge and experience by the Trustees is insurmountable. The Trustees can be proud of their accomplishments, their personal and professional growth, making a name for Peguis among the Trust & Investment Industry and, above all, their earned respect from the community for the work that they do on behalf of the beneficiaries and for future generations.

The Trustees would like to acknowledge the following Trustees who have made an impact and appreciate them for their assistance with the Peguis Surrender Claim Trust growth and development within the past 10 years:

Provincial archives are articles of Band Members who were not impressed with the new Reserve and returned to St. Peters area to advise the government that it was not a good decision and they would like to return home. Unfortunately, the St. Peters Reserve lands were quickly scooped up by settlers and other local people, as it was prime agricultural lands and homesteads.

Peguis First Nation leadership continued to pursue the illegal surrender of the St. Peters Reserve within the government and political routes. They had the support of the community who continued to show their resilience and determination in righting a wrong.

**ST. PETERS LAND CLAIM** 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

- Ralph Sutherland, Community Fund Trustee (2011-2012)
- Katina Cochrane, Community Fund Trustee (2011-2016)
- Clarence Daniels, Financial Trustee (2011-2012)
- Gerald McCorrister, Financial Trustee (2011-2014)
- Eric Bear, Financial Trustee (2011-2014)
- Ken Genaille, Community Fund Trustee (2016-2017)
- Bill Willms, Corporate Trustee (2011-2020)
- Robert Delorme Sr, Community Fund Trustee (2011-2021)
- Michelle Samagalski, Corporate Trustee (2020-2022)
- Domenic Natalie, Corporate Trustee (2011-2022)



# Financial Trustees



## **Errol Wilson MBA, ICD.D, Chair Financial Trustee**

Errol's lifelong learning includes Rotman-ICD Directors Education at University of Toronto and an Executive MBA at the University of Alberta. Currently, he resides with his wife Velvalee in the city of Edmonton.

Errol is one of the original elected Off-Reserve Financial Trustees from May 11, 2011.



## **Elva McCorrister, BA. Financial Trustee**

Elva is retired after a long & successful career in management and health care initiatives and organizations. With a passion, she continues to provide her knowledge and expertise in these areas.

Elva continues to build on her Trust knowledge with active involvement in national organizations like AFOA Canada and NATOA.

Elva is one of the original elected On-Reserve Financial Trustees from May 11, 2011.



## **Rob Magnusson, B.Comm, CA, CPA.**

Rob is a graduate of the University of Manitoba Asper School of Business. He pursued his Chartered Accountant professional designation. Rob has been involved in Senior Financial Management positions and continues to pursue his entrepreneurial spirit with management of his own commercial business. He is a proud Peguis member and father whose children are dear to his heart.

Rob was appointed in September 2014 as the Professional Financial Trustee with a CA designation, as required by the Trust.



## **Eva Miller, Corporate Trustee - TD Indigenous Trust Services**

As a Trust Officer on the Indigenous Trust Services Team, Eva develops and manages client relationships and oversees the intricacies of financial administration of First Nation Trusts. She brings more than 12 years of industry experience to her role, and knowledge gained from working closely with Indigenous Communities. Eva holds a Bachelor of Commerce in Business Management from Macewan University. She continues to deepen her knowledge and expertise with key industry programs, including completing the Trustee Training from NATOA, and the Indigenous Canada course through the University of Alberta's Faculty of Native Studies. She is also working towards her Member, Trust Institute (MTI) Designation.

# Community Fund Trustees



**Hal Sutherland, Co-Chair Community Fund Trustee**

Hal recently retired from the Canada Border Services Agency serving from 1984-2020 as a Border Services Officer. Hal is the recipient of the Peace Officers Exemplary Service Medal which recognizes good conduct as a peace officer with at least 10 years performing duties involving potential risk. Along with a vast amount of experience and training with Customs he was also a volunteer fire/ambulance first responder for 5 years. He is a member of the First Nations Community Church in Winnipeg where he resides with his wife Mirinda who is a Public Health Nurse. Hal is a graduate of PCS and is the off-reserve representative.



**Lloyd Sinclair, Co-Chair Community Fund Trustee**

On-Reserve Representative. Lloyd been married to his wife Janice for many wonderful years. Lloyd and Janice are blessed with 3 children and have a boatload of grandchildren and great-grandchildren to continue to bless their home.

Lloyd was on Peguis First Nation Council for 10 years and was involved in the negotiation of the TLE Trust and the Surrender Claim Trust. Knowledge that he continues to share with the Trust and the community.

He is currently self-employed and continues to be actively engaged in community events, sports and the overall welfare of Peguis. Lloyd is one of the





# Peguis Surrender Claim Staff

Our office has moved to Lot 45 and staff welcome the opportunity to meet with beneficiaries to discuss funding for their ideas, hopes, dreams, and wishes. It is our pleasure to discuss the Trust criteria, application completion, business plans, alternative funding sources and additional resources available to applicants.

Please contact us by phone: 204.645.5644,  
Email: [trustmanager@peguisurrendertrust.com](mailto:trustmanager@peguisurrendertrust.com),  
Facebook: Peguis Surrender Claim Trust  
website: [peguisurrendertrust.com](http://peguisurrendertrust.com)



**Sharon Stevenson BA, HBA, CAFM, CAPA, CIHRP, ICD.D**  
**Trust Manager**

Sharon has been with the Trust since 2016. She brings with her a wealth of knowledge based on her financial management background and experience, sitting as a TLE Trust Financial Trustee for thirteen years, and her many years of experience with community, provincial and national boards. Sharon is a graduate of Peguis Central School, University of Manitoba, University of Western Ontario, Harvard Business School, Red River College, and Rotman School at the University of Toronto. She also has her designations from AFOA Canada and has received the Excellence in Financial Management Award in recognition of her financial and management training and experience. Terms of employment Feb 2016 – Aug 2023.



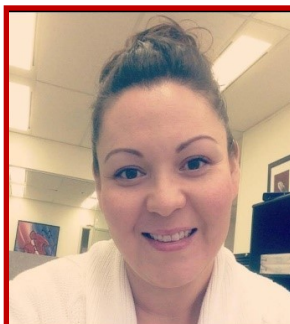
**Debbie McElhinney CDA, TAED**  
**Interim Trust Manager & Community Fund Project Officer**

Completed grade 12 with Certificate in Business Education & Retailing. Attended Angus/Business College for Secretary Course and RRCC for Accounting & Bookkeeping courses. Completed the NATOA Trustee Accreditation course and a QuickBooks accounting software course. Denise has been with the Trust since 2016 as Administrative Assistant, then took on the role as Financial Assistant. Terms of employment May 2016 – Present.



**Denise Sinclair,**  
**Finance Assistant**

Completed grade 12 with Certificate in Business Education & Retailing. Attended Angus/Business College for Secretary Course and RRCC for Accounting & Bookkeeping courses. Completed the NATOA Trustee Accreditation course and a QuickBooks accounting software course. Denise has been with the Trust since 2016 as Administrative Assistant, then took on the role as Financial Assistant. Terms of employment May 2016 – Present.



**Nikki Stevenson**  
**Administrative Assistant**

Nikki joined the Trust in 2017 to assist the staff and Trustees in an administrative capacity. She had completed her 1st year Business Administration program at Red River College. Nikki also has her Culinary Arts certificate from RRC. She is also a graduate of Peguis Central School. Terms of employment March 2018 – March 2023.



**Sharon Bird**  
**Administrative Assistant**

Sharon brings with her many years' experience studied small business at Red River College as well as office technician and is quite adept in Microsoft Word, Excel, Publisher, Power Point, Sage accounting, simple accounting, Accounting and Quick Books as well as Marketing and other relevant applications.

Sharon also spent many years in service to other entities including Peguis School Board, Peguis Band as an admin assistant. Terms of employment Sept 2023 to Present.

## Corporate Trustee TD Support



**Charlene Gill**

**Associate Trust Officer** with five years' experience in the Trust industry. She joined TD four years ago as a member of the growing Indigenous Trust Services Team. She is responsible for the day-to-day administration and support of First Nations Trusts. She also maintains regular correspondence with her administrative counterparts within First Nations communities. Her education includes Indigenous Studies, and Social Work; through which she regularly volunteers with immigrant and refugee youth as well as the elderly. She holds a certificate in Counselling and is currently working toward her TEP designation through STEP.



**Mathew Genaille**

**Private Client Service Associate**, while the newest member of the Indigenous Trust Services team, he has been with TD for three years. As a proud Metis citizen, with Cree ancestry, he is grateful for the opportunity to join the compassionate and hardworking team. He is originally from Cormorant, MB. He is responsible for the day-to-day support and administration of First Nations Trusts. He holds a Business Administration Diploma from Red River College, with a specialization in Accounting and is working on his Business Degree at the University of Winnipeg. Matt has also been selected to attend the "Pathway to the Certified Aboriginal Finance Manager" program through the University of Winnipeg and AFOA Canada. He is playing a key role in the development of a Manitoba Chapter for TD's Indigenous Banking Employee Resource Group.



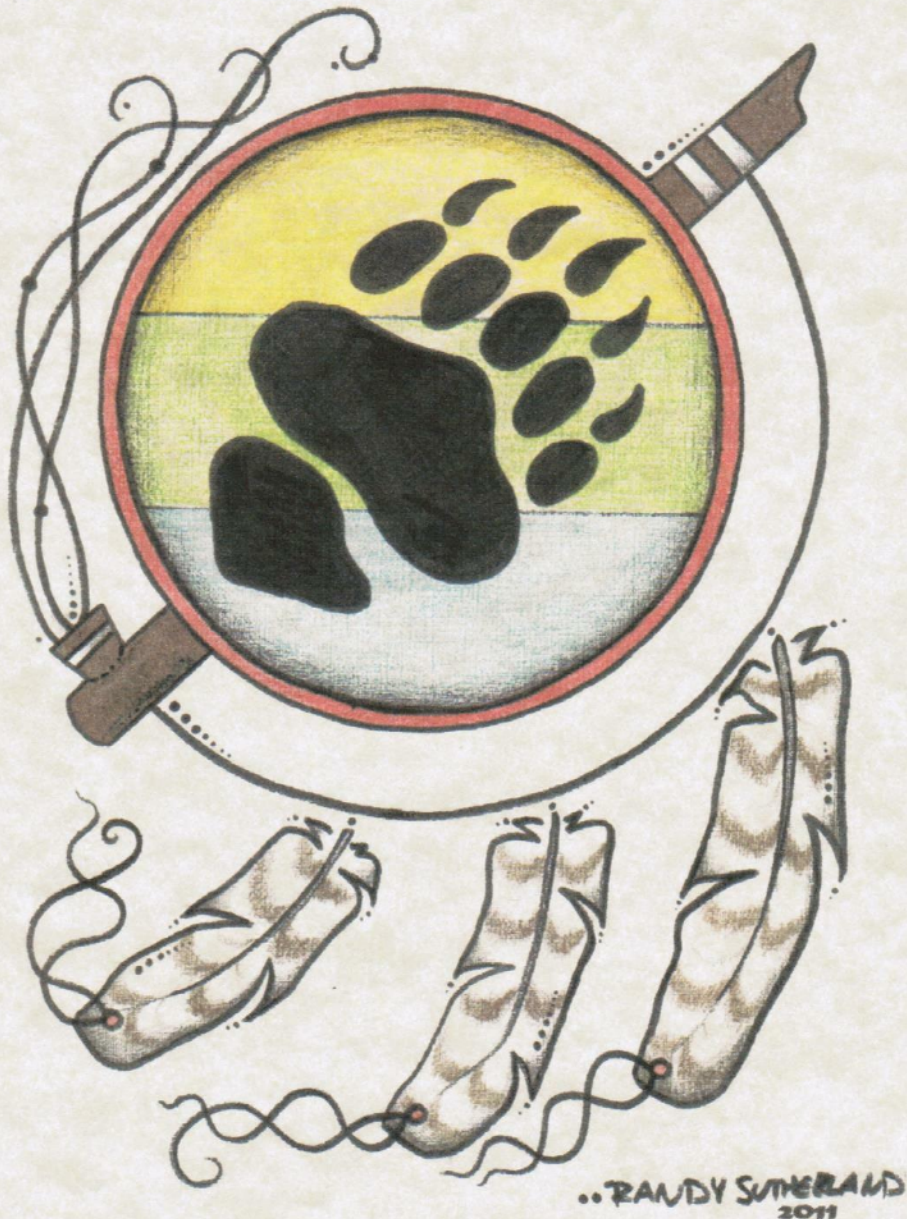


# Peguis First Nation Surrender Claim Trust

## Logo Story

In the beginning our ancestors started out with a ceremony before they did anything! They smoked their pipes when they signed the treaty, and they came up with their answer.

"As long as the sun shines, the grass grows, and the water flows, the circle of life will go on "they had our next generations to follow at heart. They thought of the three main areas to cover: housing, medical and education. All of these are represented in this picture. Also the main point is the bear claw, the bear teaches us courage to face anything with no fear at all. This courage was with our people when they took the stand to fight for our rights for the next generations of Peguis First Nation.



**Pipe Represents:** The Prayers of our Elders

**Yellow Represents:** The Sun

**Green Represents:** The Grass

**Blue Represents:** The Water

**Red Represents:** The Circle of Life

**Bear Print Represents:** The Courage of our People & Teachings

**Three Feathers Represents:** Housing, Medical and Education



# Trust Activities & Events

Throughout the year, the Peguis Surrender Claim Trust engage in various activities to promote and support the Trust and the community.

The Peguis Surrender Claim Trust extends an opportunity for students to work with the Trust over the summer, either as a Post-Secondary Student or High School Student. These term staff provide administrative support and assistance to the staff, community members and Trustees. While they learn about the Trust, the history of Peguis, the governance procedures and the career opportunities in the Trust & Investment area. This year our Post-Secondary Student was offered to Kayla Spence, and it was a pleasure working with Kayla and appreciated the support she provided.

The Annual General Meeting was held on Thursday, May 18th in Selkirk and Friday, May 19th in Peguis, it was also available to join via Zoom. Both meetings were well attended by our membership to learn more about the trust.

Building Our Future with You(th) workshop was provided to Peguis Central School students and was well attended. Young indigenous professionals working in the investment and banking field discussed their personal journeys to where they are professionally today along with financial literacy, trust careers and funding to help you be your own boss. Hal Sutherland, Co-Chair Community Fund Trustees provided information what is involved with being a Community Fund Trustee.

Peguis Surrender Trust hosted Futurpreneur Journey Into The Future at Peguis Community Hall. Topics included personal finances, financial planning tips, money management for success, planning, launching, and starting your own small business.

Peguis Training & Employment hosted a career fair which we provided information for careers in the trust industry. We always look forward to meeting with the community and students who attend the annual career fair.

Halloween candy bags were distributed at Peguis Multiplex by the Raggedy Ann Sisters, Denise Sinclair and Sharon Bird. There were over 1000 children that received candy bags.

Christmas candy bags were distributed by Hal Sutherland, Co-Chair Community Fund Trustee and Sharon Bird, administrative assistant to over 1000 children during a Christmas Community Event at the Peguis Multiplex.

# Capacity Building & Professional Development

September 2023, Hal Sutherland had the opportunity to attend the First Nation Bank Trust Conference which was opened for delegates that weren't only members giving Hal access to new information and training.

The First Nations Fiscal Management Act (FMA) institutions and the Land Advisory Board (LAB) held their 6th annual First Nations Leading the Way (FNLW) conference from November 14th to 16th, 2023. Elva McCorrister, Financial Trustee had the opportunity to learn more about the FMA institution and to hear inspiring success stories, discussions around First Nations' economic development.

Leading People and Investing to Build Sustainable Communities is a certificate program created through the collaboration of AFOA Canada, the Harvard Business School, and NAFOA at Harvard Business School in Boston, Massachusetts.

Errol Wilson completed the four-day program which provided community investments in a broader context and how governance practices can shape the management of the investments with a longer-term view toward building sustainable communities.

AFOA Indigenous Economies of Tomorrow Conference provided a network of professionals in a variety area from leadership, governance and management to finance, IT and business development. Sharon Stevenson, Trust Manager attended the IT workshops and Denise Sinclair attended the bookkeeping and accounting workshops. Debbie McElhinney and Dave McPherson presented at AFOA Conference, Health is the New Wealth which was well attended and provided information on how our culture and ceremonies benefit us in the workplace.

April 2023, NATOA (National Aboriginal Trust Officers Association) Sharon Stevenson and Yvonne Stevenson presented "Empowering Youth for the Future: Indigenous Trusts and Sovereign Wealth." This session focused on how communities are empowering their youth in the governance and impact of their Nation's trust.

Denise Sinclair participated in a Manulife and employee standards webinar to build capacity on human resource processing.

Indigenous Tourism Manitoba's Inaugural Conference & Gala on September 19th, 2023 promotes Indigenous tourism in Manitoba. Full day of inspiring conference sessions and captivating experiences from across Canada of indigenous tourism business. Sharon Stevenson, Trust Manager was unable to attend and Debbie McElhinney, Community Fund Project Officer attended on her behalf to learn about new and exciting information and opportunities.

Council for the Advancement of Native Development Officers Conference was held on June 2022. Debbie McElhinney is a member of CANDO and hold their Technician Aboriginal Economic Developer (TAED) designation. The conference theme was Transforming Economic Development in Changing Times which provided opportunities for alternative ways of funding projects and getting ideas on what economic development projects were underway in various communities.

# Trust Nominating Committee

The Trust Nominating Committee role and responsibilities with the Peguis Surrender Claim Trust are to conduct the call-out and review for eligible candidates based on community-approved criteria, to stand for election to the Trust.

Trust Nominating Committee Members, as appointed by Chief and Council: Clarence Daniels, Victor Sutherland, Jules McPherson, Wayne Bird, Heather Sinclair, Rose Mayo, and Courtney Hudson.

Peguis Chief & Council have also mandated the Special Projects & Consultation Department to provide administrative support and guidance to the Trust Nominating Committee.

The Peguis Surrender Claim Trust Financial Trustees currently have three vacancies, and the Community Fund Trustees also hold three vacancies for Trustee positions, for a total of six vacancies.

The Trust Nominating Committee are responsible to submit a list of eligible candidates for the vacant Trustee positions to the Peguis Chief and Council. The Chief and Council have the mandate to call an election once the list of eligible candidates is received.

## Trustee Honorarium

Elected Trustees are provided with an honorarium for meetings attended to a maximum of 18 meetings per year.

The honorarium is recorded and paid out by year-end. In some cases, the accrued honorarium will be paid out in the following year. In the event of honorariums exceeding 18 meetings per year, the payments will be deducted from the following year.

Financial Trustees	# of Meetings	Honoraria	Travel	Prof Dev	Total
Errol Wilson, Chair	18	\$8,500	\$22,224	\$4,000	\$34,724
Elva McCorrister	16	\$4,800	\$7,926	\$2,504	\$15,230
Rob Magnusson, CA	10	\$3,450	\$3,787	\$1,444	\$8,681

Community Fund Trustees	# of Meetings	Honoraria	Travel	Prof Dev	Total
Hal Sutherland, Co-Chair	23	\$9,200	\$7,066	\$2,653	\$18,919
Lloyd Sinclair, Co-Chair	12	\$5,000		\$6,109	\$11,109



# Financial Operations Report

## Investment Income Received for the Period

### Revenues for the Period:

- Investment Income \$4,717,672 Interest & Dividend Income
- Realized Capital Gains (Losses) 521,705 Sale of Investments
- Revenue for the Period: \$10,912,564
- Unrealized Gains on Investments \$5,673,187 Lower Market valuation

The unrealized gains on investments of \$5,673,187 are the higher 2023 market value of the stocks and bonds held by the Trust. These investments have not been sold, so the gains are unrealized, but a paper gain recorded on the books. Book value – Market Value.

### Expenditures Incurred for the Period

Expenditures incurred for the period totalled \$1,313,204 which represents 1% of the Trust value and were comprised of the following:

- Investment Management fees \$ 493,827
- Investment Management fees \$439,282
- Accounting and Audit 29,951
- Advertising & Promotion 46,884
- Legal Fees 8,780
- Consulting Fees 11,241
- Corporate Trustee fees 165,112
- Salaries and Benefits 281,153
- Contractor 21,719
- Trust Administration expenses 154,454
- Trustee Honoraria and expenses 88,663
- Loan interest and related charges 280
- Meetings and Advertising 59,685
- Per Capita Payments 6,000

### Expenditures Beneficial to the Beneficiary

The amount of \$302,887 was disbursed to the community for approved projects and programs from previous years. For 2023, the Community Fund Trustees were unable to review and approve applications due to the lack of quorum of Trustees.

In addition, various projects totaling \$893,931 had been approved in previous years and are expected to be paid once all documentation and reports are completed and filed. These funds are listed as a commitment in the audit notes.

## 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 \$101,427.16, the Community Fund Trustees and Chief and Council can approve amounts up to \$338,090.50. Amounts greater than \$338,090.51 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 six applications processed in 2023, for a total of \$6,000.00 paid out.

### Investment Activities of the Trust

The Trust funds are managed by TD Waterhouse Private Investment Counsel, Beutel Goodman Investment Council, Mawer Investment Management Ltd., and Ridgewood Capital Asset Management 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 or stocks. The balance of 70% are invested in bonds and held as cash.

### Line of Credit

The Financial Trustees increased their secured line of credit with the TD Commercial Bank to \$40,000,000.00 in 2020. Prior to that, the line of credit was used to fund the arena and housing projects and is available to fund other projects. As of December 31, 2023, the balance owing on the line of credit was \$0.00. Interest is charged at the prime rate, which as of December 31, 2023, was 7.20%.

## Value of the Trust

The value of the Trust as of December 31, 2023 was **\$141,038,625**.

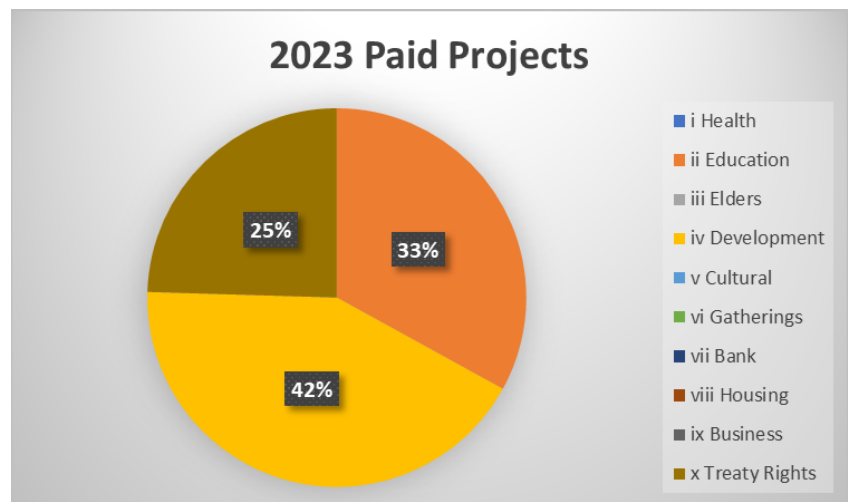
The net value of the Trust as of December 31st (excluding accrued liabilities) was \$140,892,789.

# 2023 Community Fund Project Summaries

## Projects Paid by Year Summary

Year	Projects Paid
2011	\$205,000
2012	\$4,467,056
2013	\$12,054,071
2014	\$2,088,444
2015	\$1,667,397
2016	\$1,325,576
2017	\$2,332,139
2018	\$2,455,661
2019	\$2,909,554
2020	\$1,483,047
2021	\$1,438,525
2022	\$893,030
2023	\$302,887
<b>Total Projects Paid</b>	<b>\$33,622,387</b>

## 2023 Projects Paid - \$302,887



**Peguis Land's Depart - Percy E. Moore Hospital Matters - \$74,306.50 Approved July 14, 2021**

Jerch Law will develop and file for Hospital Lands, compensation for its use and ensure Peguis is involved with all levels of decision making related to these lands. Peguis has not received any compensation or land rent or compensation for the failed promises and Peguis has not been consulted to administration and management of the lands.

**Peguis First Nation - 2020 Summer Employment - \$100,000.00 Approved August 10, 2020**

250 high school summer student youth work projects, grade 9-12, for 2-week work project over 6-week period.

**Peguis First Nation - 2020 Pliska Lights - \$16,900.00 Approved December 21, 2021**

Streetlights for children/pedestrians and road safety for Pliska site installation by Manitoba Hydro.

**Peguis First Nation - Play Structure Projects Phase I - \$111,698.32 Approved July 27, 2020**

Construction and foundation work for 3 play structures at Peguis Treaty Grounds, Pliska and West Pasture. This is Phase I of recreation development around Peguis.

# Community Fund Projects Outstanding Reports

Year	Proponent	Project Name	Amount
2013	Peguis Agricultural Committee	Farmers Revitalization	\$150,000.00
2013	Trevor Greyeyes	Marketing Business	\$5,000.00
2015	Peguis Justice Board	Diversion Program	\$30,000.00
2014	Keith F. Wilson	Private Auto Dealership	\$21,500.00
2015	William Lee Flett	Niibin Windshield Repair Service	\$2,640.00
2015	Kelly Sinclair	Business	\$10,500.00
2015	Lorne Flett	Business	\$5,000.00
2015	Kevin Clowes	Business	\$30,000.00
2015	Fairwind Truscott	Air Filtration Business	\$10,000.00
2016	Doris Elizabeth Sinclair	Purchase Donut Making Machine & Acc	\$5,000.00
2016	Allan Sinclair	Purchase Drain Cleaning Equipment	\$5,000.00
2016	Peguis Health Services	Peguis Traditional Healing Program	\$49,300.00
2017	Peguis Health Services	National Gathering of Elders 2017	\$170,000.00
2017	Desmond Bear	Tire Balancer/Changer Combo	\$5,000.00
2017	Garret McPherson	McPherson Yard Works	\$5,000.00

2017	Peguis First Nation	Retainer Fees	\$200,000.00
2018	Peguis Consultation & Special Projects	Rights to Water	\$150,000.00
2018	Chief Peguis Investment Corporation	Cannabis Development Project	\$140,000.00
2018	Derwin Stevenson	Cattle Operation	\$5,000.00
2018	Angela Bair	Sole Consulting Advancement	\$2,500.00
2017	Garry Stevenson	Firewood Services	\$4,000.00
2017	Allan David Thompson	Trapping Project	\$5,000.00
2018	Stanley Bird	Bineshii Culture and Language Camps	\$3,000.00
2018	Ardelle Choken	Hailey Karis Choken	\$2,500.00
2018	Peguis Development Corporation	Office Complex Feasibility	\$85,000.00
2019	Rodney James Allan Thomas	Vehicle for Scrap Metal Business	\$5,000.00
2019	Walter Flett	Wood Working Business	\$4,000.00
2019	Debora Cook	The Cook House Concession	\$3,500.00
2019	Tammy McCorrister	Airbrush Business	\$4,000.00
2019	Alvin Randy Thomas	Basic Life Support Certificate Equipment	\$5,000.00
2019	Renee S. S. Stevenson	WWJHL Junior A Women's Hockey League	\$1,650.00
2019	Valerie Hudson	Quilting Project	\$4,472.00
2019	Samantha Spence	Hair Glamm By Samm	\$5,000.00
2019	Phillip Sutherland	Olds College Volleyball Scholarship	\$3,000.00
2019	Erica Contois	Expand Catering Business To Open A Cafe	\$5,000.00
2019	Peguis Counseling & Resource Centre	McLean Day School Hearing	\$15,900.00
2019	Angel Pelletier	Dyson AA Hockey League	\$1,000.00
2019	Rhonda & Darrel Sutherland	R&D Animal In Need of Rescue	\$10,000.00
2019	Daniel Cook	Belle Cook AAA Bantam Female Hockey	\$2,000.00
2019	Kenneth A. Prince	Purchase Heavy Equip/Semi Tools	\$5,000.00
2019	Bryden Sinclair	Elite Hockey Equipment & Expenses	\$3,000.00
2019	Candace Thomas	Elizabeth Thickfoot-Thomas Volleyball	\$2,000.00
2019	Cheryl Kretzmann	Mathew Mason-Vandel AAA Midget Interlake Lightning	\$1,000.00
2019	Perry Hourie	Cultural Handicrafts	\$5,000.00



2019	Lorilee Wastasecoot	Indigenous Women's (Re)Matriation Relationships	\$1,500.00
2019	Robert C. Slater	Native Nation Clothing Start-Up	\$5,000.00
2020	Ramona Bird	Aki Muskkiki Docuseries	\$15,000.00
2020	Faith Sutherland	Cooking By Faith	\$5,000.00
2020	Larry Prince	ATV Memorial Poker Derby Mud Bog	\$2,500.00
2020	Peguis Income Assistance	Mental Health Awareness	\$3,750.00
2021	Jules Sutherland	Family Support Worker Program	\$5,000.00
2021	Allan Churchill Jr	Churchizzled Pizza	\$5,000.00
2021	Redmen Fastball Club	Canadian Native Fastball Championship Rings	\$2,500.00
2020	Peguis Development Corporation	Mall Fire & Sprinkler System	\$50,000.00
2020	Peguis Consultation and Special Projects	CCP	\$88,000.00
2021	Redmen Fastball Club	Saskatoon Tournament	\$5,000.00
2021	Sharon Sutherland	Sutherland's Catering	\$5,000.00
2021	Warren Chernichan	Chernichan Farms	\$5,000.00
2021	Peguis Consultation & Special Projects	Capacity Development	\$10,000.00
2021	Derek McCorrister	Tavon U17 AAA Winnipeg Wild	\$2,000.00
2021	Ramona Favel	Jaden AAA Lightning U18	\$2,000.00
2021	Cheryl Sutherland	Colton U15 AA Lightning	\$1,000.00
2021	Cheryl Sutherland	Tallon U15 AA Lightning	\$1,000.00
		<b>TOTAL</b>	<b>\$1,384,712.00</b>

# Investment Counsel & Managers

## INVESTMENT COUNSEL

The Peguis Surrender Claim Trust contracts the services of an Investment Counsel to provide investment and trust industry advise and support to the Trustees. It is with the guidance and advise of the investment counsel that the Trust is able to implement, manage and develop their investment policies. As an independent advisor, the investment counsel oversees and ensures compliance of the investment policies. Quarterly investment reviews are also conducted and presented to the Trustees for their review and market updates

### 2023 Annual Investment Report

T.E. Wealth Indigenous Advisory Services is proud to support the Peguis First Nation Surrender Claim Trust. We work closely with your Trustees to provide specialized, independent, and objective trust advisory services to help ensure the Trust is structured optimally and is meeting its investment objectives. A key part of our role is to provide ongoing performance monitoring of the Investment Managers, ranking their performance against their peers and benchmarks to confirm they continue to add value.



The combined Peguis Surrender Claim Trust started with a balance of approximately \$109.4 million dollars in 2012 and has appreciated by \$74.4 million since its inception. Since inception the Trust has also distributed (net transfers out) almost \$42 million to fund authorized uses. At year-end 2023, the market value of the combined Peguis Surrender Claim Trust has reached approximately \$142 million dollars.

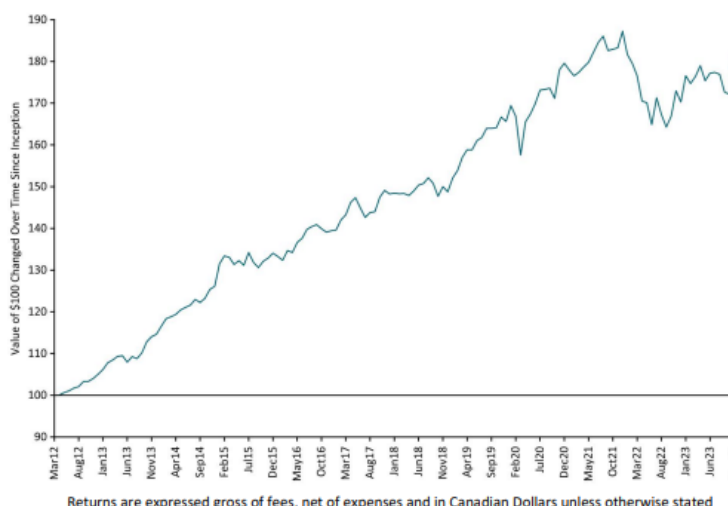
Combined Portfolio Flows			
	1 Year(2023)	3 Years(2021 to 2023)	Since Inception (Q2/2012)
Beginning Trust Value	\$131,652,171	\$148,817,291	\$109,370,911
Net Transfers In/(Out)	\$992,935	(\$10,160,262)	(\$41,714,326)
Appreciation	\$11,419,294	\$3,421,501	\$74,421,945
<b>Ending Value</b>	<b>\$142,078,531</b>	<b>\$142,078,531</b>	<b>\$142,078,531</b>

### Market Commentary – “A Year in Review”

In 2023, we witnessed a U.S. banking crisis that would see three of the largest U.S. bank failures in history, raging inflation, and interest rates that continued to rise. A recession seemed inevitable.

However, for 2023 most major stock markets were up double digits on a total return basis. Economic growth proved more resilient than expected. Inflation started to move towards a more suitable level, which caused a pause in interest rate hikes and a look towards potential cuts in 2024. All good news for markets.

From a market perspective, forecasts of strategists are rosy. Corporate earnings are expected to grow by 14% in the U.S., 8% in



Canada and 5% in Europe. The cherry on top is that expected falling interest rates have also raised expectations for another strong year for bonds (Canadian bonds earned returns of 6.7% in 2023).

Although we generally agree with the direction of the economic outlook, we do not necessarily agree with the market forecast. There are too many factors and unknowns to accurately predict what will happen in any given year. For instance, there was no recession in 2023 and stock markets had a very strong year. In 2022, a positive market was expected but we got a negative one. The boldest of all post-COVID-19 predictions that did not pan out was that inflation was transitory. A lot of rate hikes and a much longer period were needed to get inflation to a point where it is just now starting to come under control.

It is important to keep in mind that a Trust invests for the long term. Anything can happen in a year, and while it is tempting to try using the crystal ball, we know that wealth generation and preservation are long-term propositions.

### How Has the Trust Performed? (Overall Combined Holdings)

It is important that the Investment Managers make us money in the good times, but it is equally important that they protect our investments during down markets. Since the outbreak of COVID 19 in 2020, it has been a challenging time for investors. In particular 2022 experienced negative returns for all asset classes; something that had not occurred in over 50 years.

Despite some continued pessimism heading into 2023, the markets rebounded and overall, the Trust earned a solid return of 9.06% for the year and delivered strong returns in all asset classes.

	1 Year	3 Year	5 Year	10 Year	Inception
<b>Total Account</b>	<b>9.06%</b>	<b>1.13%</b>	<b>4.54%</b>	<b>4.95%</b>	<b>5.41%</b>
<b>Total Benchmark*</b>	<b>9.70%</b>	<b>0.83%</b>	<b>4.45%</b>	<b>4.62%</b>	<b>4.78%</b>

\* Benchmark assumes 5% FTSE TMX Canada 91 Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 20% S&P/TSX Total Return Index, 35% MSCI World Index (Cdn \$). Prior to Q3 2018, Benchmark assumed 5% FTSE TMX Canada 91 Day T-Bill Index, 50% FTSE Canada Universe Bond Index, 15% S&P/TSX Total Return Index, 30% MSCI World Index (Cdn \$).

The Surrender Claim Trust is managed using a multi-manager, multi-style approach as a risk management strategy. Employing multiple Investment Management firms, which adopt different investment philosophies, provides an additional level of diversification that helps avoid the potential of having too many eggs in one basket: especially in the event of a prolonged underperformance.



### **Kain Big Canoe, CPA, Senior Manager, T.E. Wealth Indigenous Services**

Kain is a member of the Chippewas of Georgina Island First Nation and is a Certified Public Accountant (CPA). He is also a graduate of the Master of Accountancy (MAcc) program from the Goodman School of Business at Brock University. As a Senior Manager of our Indigenous Advisory practice, Kain brings with him a solid expertise in the planning, development and implementation of effective investment and trust solutions. Prior to joining T.E. Wealth, Kain was employed as a consultant with the multinational professional services firm, Deloitte.





**David Pelletier, BEcon., Senior Analyst, T.E. Wealth Indigenous Services**

David is a member of the Serpent River First Nation and, in his role as a Senior Analyst, he provides investment research to support our national investment manager research team. In addition to assessing investment managers and strategies, he is also actively involved in the analysis of our clients' investment performance and the writing of quarterly reports.

David holds degrees in Math and Economics from Carleton University as well as Civil Engineering from Concordia University and is certified bilingual in English and French



**Vanessa Mahan, Senior Administration, Indigenous Services**

Vanessa is Mushkego Cree and Italian, from Missanabie Cree First Nation.

She received her Liberal Arts degree in Michigan and brings a vast experience in the Administration field through her employment with a variety of Indigenous organizations as well as owning her own business.

Vanessa leads our administrative team relative to performance reporting and general communications.



**Gordon Clissold, FCPA, FCGA, AVP, Indigenous Services**

A member of the Henvey Inlet First Nation, Gordon supports Indigenous clients throughout Western Canada. He draws on more than 25 years of experience working as a finance executive in non-profit, private, and public organizations in bringing his considerable depth and breadth to help plan and implement customized wealth management strategies for Indigenous communities. Gordon is a highly esteemed Chartered Professional Accountant, with wide ranging expertise. He was recognized by his peers by being awarded a fellowship designation and life membership from the Chartered Professional Accountants Association.



**Jack Jamieson, Vice President, T.E. Wealth Indigenous Services**

As Vice President (and founder) of T.E. Wealth's dedicated Indigenous Services practice, Jack brings over 30 years of experience to the investment and financial services industry. Jack volunteers his time with NATOA (National Aboriginal Trust Officers Association) as a member of their national advisory board in addition to sitting on the membership committee.

Jack is also a recipient of AFOA's Certificate of Recognition for his work in co-developing the curriculum for AFOA's National Trust Management workshops which was rolled out across Canada in 2013. He has authored articles for the Journal of Aboriginal Management and is a regular speaker at Indigenous conferences across Canada.

## INVESTMENT MANAGERS



Beutel, Goodman & Company Ltd. was founded in 1967 to provide investment counsel and discretionary portfolio management to institutional and individual clients. We are dedicated to achieving the investment objectives of our clients and manage money on behalf of Indigenous communities, pension funds, endowments, foundations, mutual funds and high net worth individuals across Canada.



Beutel Goodman has been committed to developing relationships with First Nations and Indigenous peoples for more than 20 years. The company is a founding member of the National Aboriginal Trust Officers Association (NATOA). We are also corporate members of the Aboriginal Financial Officers Association of Canada (AFOA). In addition to helping our clients achieve investment goals, we are dedicated to investment education and sharing knowledge with Chief and Council, Trustees, and community members. Beutel Goodman is committed to Truth and Reconciliation and is answering the call to action

through employee participation, awareness, and education.

For many years we have contributed to Indigenous investment and trust management workshops as speakers and sponsors. Beutel Goodman routinely sponsors community activities such as hockey tournaments, golf tournaments and Indigenous Foundation fundraisers. We are also co-sponsors of an Aboriginal Scholarship awarded each year to support Indigenous students studying at the University of Toronto in the Faculty of Social Work. We have also proudly sponsored the graduation ceremony awards for Peguis high school graduates for many years.

Steven Smith, Senior Vice President at Beutel Goodman and portfolio manager for the Peguis Surrender Claim Trust, has visited Peguis First Nation on many occasions to deliver updates at Annual General Meetings and he meets regularly with the Trustees and their advisors to provide portfolio updates. Steven's career spans more than 35 years in the investment industry and he has been with Beutel Goodman for more than 20 years.

Victor Pelletier joined Beutel Goodman in 2022 and has over 12 years of investment experience. Victor supports investment management and servicing of the Peguis Surrender Claim Trust. Prior to Beutel Goodman, he held progressively senior roles at an Investment Consulting firm in their Indigenous Service practice and most recently was Head of Indigenous Services at an Investment Management firm.

### **The Peguis Surrender Claim Trust Portfolio Report for 2023**

While it appears the U.S. economy could be headed for a soft landing, it is less likely the Canadian economy will follow suit, with falling consumer confidence and vulnerabilities in Canada's housing market a concern. Inflation is much less of a worry than this time last year, however, with the rate hiking cycle of central banks having the desired effect of largely cooling price increases. Should inflation continue to trend downwards, we may see accommodative monetary policy introduced by central banks in 2024 to stimulate economic growth. While we certainly keep a close eye on trends in the

economy, at Beutel Goodman we are focused on finding attractively valued companies that are getting lost in the noise of macro predictions. In that respect, we are finding great value in quality businesses, and we continue to be optimistic about the potential for the Peguis Surrender Claim Trust investment portfolio.

Broadly speaking, value stocks have lagged their growth counterparts for some time. However, the combination of high valuations and index concentration in a handful of growth stocks compared to the broader markets, and somewhat contradictory economic signals is setting up for an interesting dynamic in 2024.

Looking at monetary policy and its effect on securities markets, it is clear that real rates (interest rate minus inflation rate) matter. If inflation continues to decline in 2024, to avoid becoming even more restrictive to economic growth, central banks may need to cut policy rates by a commensurate amount. More simply stated: central banks can effectively tighten monetary conditions by simply maintaining the current policy rates while inflation comes down.

While it appears likely that interest rates will be reduced at some point in 2024, we believe that rates will remain above their post-global financial crisis levels for the foreseeable future. We also expect that the yield curve will transition from inverted to flat and eventually steepen as interest rate cuts come into view.

In equities, given the wild disparities between different stocks' performance in 2023 and the uncertainty facing markets in 2024, we believe that investors stand to benefit from bottom-up security analysis focusing on the fundamental attributes of companies, while also aiming to protect on the downside through attention to both business quality and valuation discounts. At this time, there is increased index risk due to a high level of concentration coupled with excessive valuations for a small group of mega-caps. We, however, do not own the index. We own a collection of quality businesses that trade at significant discounts to our assessment of their long-term intrinsic value.

We look forward to the year ahead and are confident the companies in the Peguis Surrender Claim Trust portfolio are equipped to navigate through any economic or market uncertainty.

For the one-year period ending December 31, 2023, the Peguis Surrender Claim Trust Portfolio returned 9.15%. After having significantly outperformed the benchmark in 2022, the portfolio, while posting solid returns for the past year, underperformed the 12.2% benchmark. Since inception, April 1, 2012, the Peguis Surrender Claim Trust Portfolio has returned, on average, 7% (compounded annually), exceeding the underlying benchmark by approximately 50 bps.

Beutel Goodman has had the honour and privilege to manage the Peguis Surrender Claim Trust portfolio for the benefit of the members of Peguis Nation for 12 years and we thank you for your continued trust and confidence.

Respectfully Submitted,

Steven Smith CFA

Senior Vice President

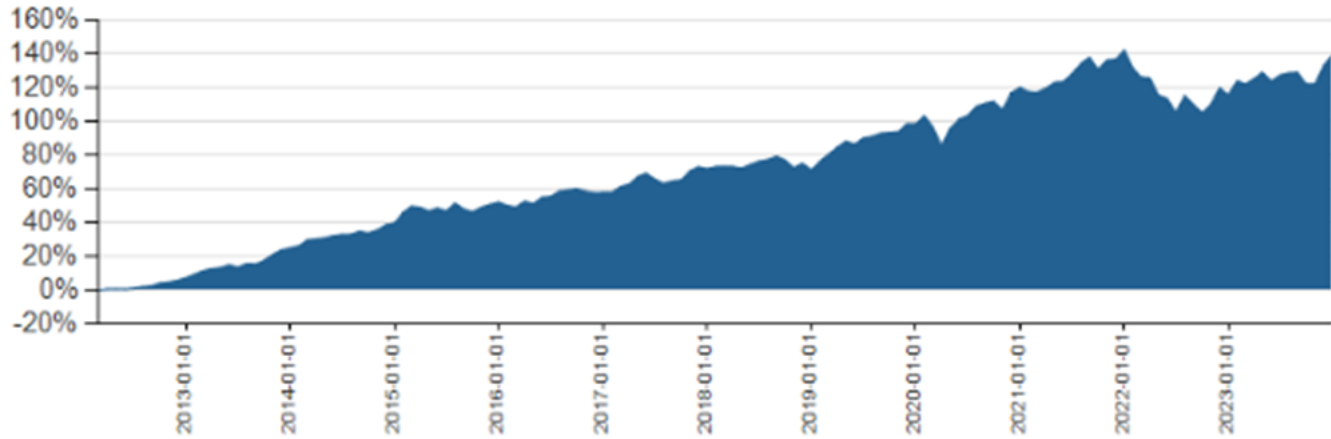
Beutel Goodman & Company Ltd.



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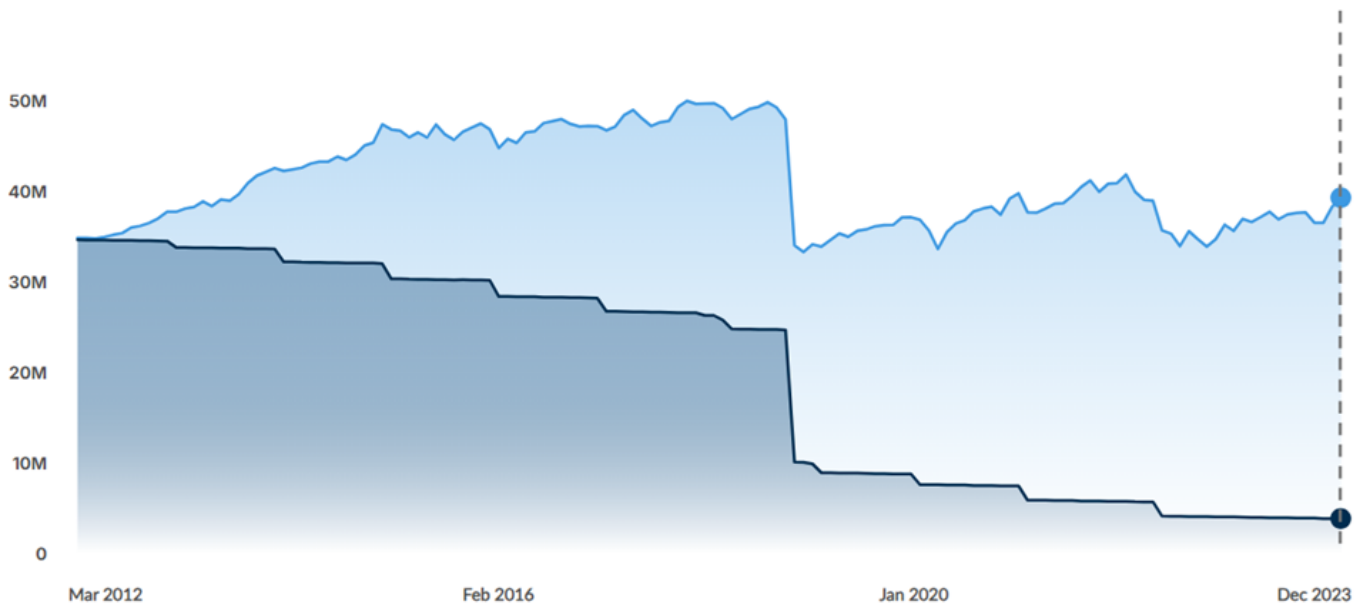
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## Cumulative Growth Since Inception



Dec 31, 2023

● Market Value	● Net Contributions	Dollar Return
\$39,307,353.50	\$3,798,776.11	\$35,508,577.39



Asset Class	Current Weight	Strategic Asset Mix	Rebalancing Range
Cash & Equivalents	9.3	5.0	0-10
Canadian Fixed Income	38.0	40.0	35-45
<b>Total Fixed Income</b>	<b>47.3</b>	<b>45.0</b>	<b>40-50</b>
Canadian Equity	17.6	20.0	15-25
Global Equity	35.1	35.0	30-40
<b>Total Equity</b>	<b>52.7</b>	<b>55.0</b>	<b>50-60</b>

Mawer is proud to manage a portion of the Surrender Claim Trust for Peguis First Nation and we have worked for the Trust over the last twelve years. The year 2023 started with a more positive tone after a difficult 2022 when higher inflation led to sharply higher interest rates making it a very difficult year for both stock and bond markets globally. While the war in Ukraine continued and geopolitical tensions escalated with China, softening inflation and resilient corporate earnings provided some positive news to help lift stock and bond markets early in 2023. The US banking system survived a shock as Silicon Valley Bank collapsed due to the rapid rise in interest rates, however swift intervention helped restore confidence and provide another lift for markets.

One of the main themes of 2023 was the concentration of the US stock market in a few large technology companies. Taken together, seven companies known as the Magnificent 7 — Apple, Microsoft, Alphabet (i.e., Google), Amazon, Tesla, NVIDIA, and Meta (i.e., Facebook)—represented 28% of the S&P 500 index and delivered an average return in excess of 20% during the second quarter alone and a much higher return for the year. All were benefiting from frenzied interest in artificial intelligence (AI) as a potentially burgeoning source of long-term secular growth. The US portion of the portfolio's exposure to the group of seven technology-related companies mentioned above is both more selective and more modest than the benchmark's: the Surrender Trust owns Microsoft, Alphabet, and Amazon with a combined weight of just over 11% of the US equity allocation. All three had very strong returns backed by enthusiasm for the new opportunities and efficiencies that AI has the potential to unlock. But our relative positioning in these seven companies alone explains much of the portfolio's underperformance in equities for the

year. Historically, periods with this much concentration do not last and overvalued companies tend to correct back to long-term normal levels. From a risk management perspective, it may seem tempting to heavily invest in the Magnificent 7 and other businesses that have enjoyed outsized returns, but we do not believe it is prudent to concentrate portfolios to this extent. History has shown when these periods of exuberance fade, the loss in value from these market leaders can be significant. So, although recent performance has lagged benchmarks, this could potentially reverse very quickly. A case in point might be Tesla, which has lost approximately 30% of its value thus far in 2024.

The Peguis Surrender Trust portfolio managed by Mawer increased by 10.85% in 2023, trailing our benchmark which gained 12.49%. Much of this underperformance was due to the market concentrations described in the previous paragraph. In addition to the US market, the Canadian market was similar with Shopify having an outsized influence on the TSX performance as Shopify was up 119% for the year. The Mawer investment style is grounded in consistency, quality, and downside protection. We try to participate in big up markets, outperform in moderate markets, and provide protection to investors portfolios in down markets. In other words, while we are disappointed with the relative results this past year, they are explained by the narrowness and sharpness of the market leadership.

A very simple model is that equity markets are driven in the short-term by four factors: earnings, rates, events, and investor sentiment. Looking ahead to 2024, war, regulatory actions, geopolitics, and new technologies have the potential to move markets. Investors seem

hyper-focused on how central banks will manage rates and whether economic demand will remain as resilient as it has so far. Seven of the world's ten most populous countries are headed to the polls in 2024. And to borrow from Benjamin Graham, Mr. Market's notoriously fickle sentiment can change quickly.

Thankfully, our investment process doesn't solely rely on such broad-based macro assessments, and we are very mindful of keeping a balanced stance in the portfolio. Our focus is much longer-term and more bottom-up in nature. More precisely: identifying companies that can create wealth by generating returns on capital in excess of their cost of capital for many years by virtue of sustainable competitive advantages. When led by excellent management teams, the wealth-creating nature of these business models can be enhanced and extended. By focusing on companies whose goods and services provide genuine value to their customers, we inherently reduce (though can never eliminate) the risk that events or shocks fatally impair their business models.

We remain wary of valuation levels; though market expectations are pointing to a soft landing, history suggests this is not the only, nor the most probable, scenario that can play out. Monetary policy often works with a substantial delay and the full effects of this tightening cycle may not have been felt yet. We continue to ensure an appropriate margin of safety in our discounted cash flow models and lean into our stochastic approach to prepare for a variety of scenarios.

And regardless of how rates, events and sentiment evolve, over the long term, stock prices tend to follow genuine wealth-creation. As such, we continue to lean heavily into the durability of our philosophy and process in an effort to responsibly steward our clients' investments through uncertainty.



**Greg D. Peterson, CFA**

Greg Peterson is a Director and Investment Counsellor at Mawer Investment Management Ltd., which he joined in 2002. He is the manager of the Mawer Balanced Fund and the Mawer Global Balanced Fund. In addition, he leads the asset allocation team for the firm and is responsible for client portfolio management.

Mr. Peterson earned a Bachelor of Commerce degree, majoring in Finance, from the University of Alberta and is a Chartered Financial Analyst charterholder. He has investment experience since 1991.



**Grant Bunker, MBA**

Grant Bunker is an Investment Counsellor within the Private Client Investment Counselling team at Mawer Investment Management Ltd., which he joined in 2014.

Mr. Bunker has investment experience since 1995, serving both private and institutional clients.

Mr. Bunker earned his MBA from Schulich School of Business at York University and his Bachelor of Arts from the University of Guelph. In 2006, he obtained his Certified Investment Manager designation from the Canadian Securities Institute.





Ridgewood is grateful for the opportunity to work with the Peguis First Nation and appreciates your continued vote of confidence as we manage a portion of the Surrender Trust. In 2024, we are happy to continue supporting the AGM and lend financial assistance to the community where we can. We value our partnership with all members of the community and look forward to working with the Trustees this coming year.

**Ridgewood Overview:** With a history spanning more than 25 years, Ridgewood Capital Asset Management is a well-respected investment counseling firm providing asset management services to both individuals and institutions. We manage over \$1.45 billion in assets and have been managing investment portfolios for First Nations and other Indigenous communities for over 20 years.

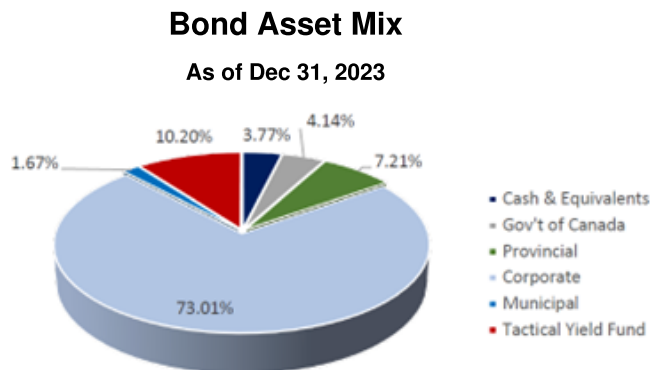
**Surrender Claim Trust Portfolio:** Ridgewood manages a Fixed Income (Bond) portfolio for the Surrender Trust.

Our goal is to provide consistent long-term performance while maintaining a high quality, liquid bond portfolio. Our disciplined approach to fixed income management combines interest rate anticipation with strategic sector selection, to produce above-average returns with below-average volatility.

In 2023, the Bank of Canada raised interest rates by 0.50%, to 5.00%. The U.S. Federal Reserve raised their interest rates by 0.75% to a range of 5.00% - 5.25%. Both Central Banks subsequently indicated they were done raising rates. At the same time inflation continued to decline. In both Canada and the U.S., it ended the year at 3.4%, slightly above the Central Banks target range of 1% to 3%. As the year progressed, the focus of financial markets shifted from how high Central Banks would be raising interest rates, to when would rate increases stop, and finally to when rate cuts would begin. The purpose of these interest rate increases is to slow consumer spending which will reduce demand, slow the economy, and ultimately continue lowering the rate of inflation.

With the message that both inflation and interest rates had peaked, bond markets rallied, and bond prices increased. For the year 2023, the Surrender Trust portfolio generated a return of 7.99% versus the benchmark at 6.60%. Ridgewood grew the portfolio’s capital nicely, beating the benchmark by 1.39%. As of December 31, 2023, your portfolio had a value of \$59,343,430.75. This is an increase of just over \$4,250,000 since the start of the year.

Sample Holdings As of Dec 31, 2023
Athabasca Indigenous Mid LP
BC Ferries
First Nations Finance Authority
Ontario Power Generation – Green Bond
TD Bank



As we begin 2024, Central Banks remain focused on returning inflation to their 2% target. Inflation is continuing to trend downwards, but with the odd upward surprise. Economic growth is slowing but expected to be positive for the year. Labour markets continue to remain strong. Corporate earnings continue to grow. Interest rate cuts are expected in the later part of 2024, which will be positive for bonds.

Financial markets will continue to be volatile, so patience is required as Central Banks execute their strategies.

The Peguis Surrender Trust portfolio remains well diversified. Currently, it has a term to maturity slightly lower than that of the index to protect capital. The portfolio has a yield to maturity of approximately 5.90%, much higher than the index yield. We continue to hold a higher weighting of corporate bonds which offer a higher yield and should do well as rates decrease.

We thank you for your continued trust.

Sincerely,

Robert Cruickshank

Vice President



**Robert Cruickshank** is a Vice President and partner at Ridgewood and brings over 30 years of experience in the financial services and investment industry to the firm. Robert has experience in custody, performance analytics and providing investment solutions to both high net worth and institutional investors. He has been actively involved with Aboriginal clients for over 14 years. Robert is a CFA charter holder and holds the CIM designation.

# Certification



## PEGUIS FIRST NATION SURRENDER CLAIM TRUST

**Building *Our* Future**

WE CERTIFY THAT, to the best of our information, knowledge and belief that the information contained on the preceding pages are 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**

Lloyd Sinclair, Co-Chair 2032

Hal Sutherland, Co-Chair 2023

3 Vacancies

### **Financial Trustees**

Errol Wilson, Chair 2023

Elva McCorrister

Robert Magnusson, CA

TD Canada Trust Company

3 Vacancies

### **Management & Staff**

- Sharon Stevenson, Trust Manager
- Debbie McElhinney, Project Officer/Interim Trust Manager
- Denise Sinclair, Finance Assistant
- Nikki Stevenson, Administrative Assistant
- Sharon Bird, Administrative Assistant

### **Contact Information:**

[www.peguissurrendertrust.com](http://www.peguissurrendertrust.com)

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