

2020



ANNUAL REPORT

FOR THE PERIOD ENDING DECEMBER 31, 2020

CONTENTS

FINANCIAL CHAIR'S MESSAGE	 2
COMMUNITY FUND MESSAGE	 3
OUR HISTORY & REFLECTION ON THE PAST 10 YEARS	 4
FINANCIAL TRUSTEES	 8
COMMUNITY FUND TRUSTEES	 9
STAFF & SUPPORT	 10
TRUST ACTIVITIES & EVENTS	 12
CAPACITY BUILDING & PROFESSIONAL DEVELOPMENT	 13
TRUST NOMINATION COMMITTEE	 15
TRUST HONORARIUM	 15
FINANCIAL OPERATIONS REPORT	 16
2020 COMMUNITY FUND PROJECT SUMMARIES	 18
PENDING OUTSTANDING REPORTS	 22
INVESTMENT COUNSEL & MANAGERS	 24
CERTIFICATION	 34
PHOTOS	 35

FINANCIAL CHAIR'S MESSAGE

Greetings to the Trust Beneficiaries,

The year 2020 began with a lot of uncertainty in our investments, which saw the financial markets experience a drastic decline during the first quarter and a robust rebound for the rest of the year. Overall, we had a good year that resulted in the highest realized revenue on record since the Financial Trustees began managing the Trust's assets.

Our focus remains consistent, which is maintaining the Trust's financial ability to meet the needs of today's beneficiaries with those of our future generations.

Our audited financial statements for 2020 indicate remarkable 2-year growth in the Trust's net assets by \$8.8 million, which now brings the net value to over \$148 million.

The Trust's operational expenses and community disbursements have dropped significantly this year due to the Covid-19 pandemic conditions.

While investment results saw another excellent year, we are mindful that the financial markets are volatile. The Financial Trustees maintain a disciplined investment strategy to protect capital and grow wealth to better our community.

Looking forward to 2021 and beyond, we continue to strive for improved efficiency and capacity in

Trust operations and investments. As we emerge from the Covid-19 pandemic, we can expect rising inflation to put downward pressure on the trust investment portfolio results.

Vacant trustee positions remain unresolved this year and continue to request the Chief and Council move forward with trustee elections. For the past six years, both Community Fund and Financial trustee boards have operated with a bare minimum of members for a quorum.

We are pleased to present the 2020 annual report. We strive to be open and transparent with Trust operations with the detail provided in this annual report and keep our website updated with current information.

I acknowledge and thank the administration of the Trust for their work supporting the Trustees' responsibilities. Most importantly, we thank you, the beneficiaries, for your continued support of the Peguis Surrender Claim Trust.

Sincerely,

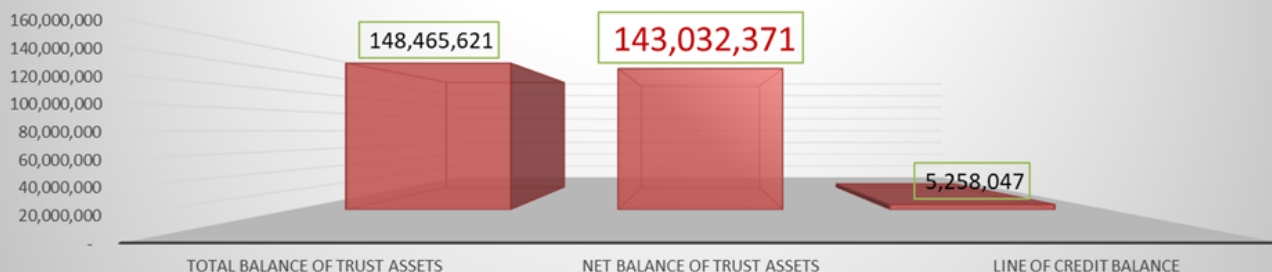
Peguis Surrender Claim Trust

Errol Wilson

Financial Trustee, Chair 2020

2020 RESULTS

NET ASSET Balance 2020 Peguis First Nation Surrender Claim Trust



COMMUNITY FUND MESSAGE

In May 2011, you the Peguis membership elected the Peguis Surrender Trust Trustees, you have placed your trust in us to provide oversight for the Trust. The past 10 years have been a decade of growth through learning and getting to know the Trust Industry. And by helping to make the dreams and vision of the community a reality by providing funding to the membership for their projects. It is seeing these projects being presented, that brings much appreciation and belief in that the strength of the community comes from within.

We have remained steadfast in making sure that the Trust stays true to our mission statement.

“The Surrender Claim Trust will manage and safeguard the Trust so that 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 preserve and protect the legacy that defines us as a sovereign nation”

Chief Peguis stated in 1863 in a letter to the Queen Mother *“A proper settlement to be made with us for our lands, so that our children, and our children’s children, whose lands are being taken possession of by foreigners, may receive what is just and fair for the loss of their lands”*. We honor Chief Peguis’ vision by ensuring that the settlement approved in 2009 will benefit our people now and for generations to come.

The Peguis First Nation Surrender Claim Trust is built on a solid foundation that will continue to grow and provide the resources that Peguis needs for a most prosperous future, that Chief Peguis envisioned. We have created one of the most successfully managed First Nation Trusts in

Canada. The Trustees have addressed the need to protect the principal, make it grow and ensure the community benefits from resources that the Trust provides. Our administration team, led by Sharon Stevenson-French, have done and are continuing to do the hard work with the community, Investment Management Team and Trustees, a relationship that helps makes our Trust a success.

It is an honor to have been chosen by the People to serve and protect a Trust that has such deep meaning as to who we are, where we came from and it is so important to our future. We look to our history to appreciate our ancestors and the struggle they had endured, as we look forward to a brighter and prosperous future for generations to come.

Kinanakomin, Miigwech, Ekosani, Thank you,

Hal Sutherland
Community Fund Trustee
Co-Chair 2020

Lloyd Sinclair
Community Fund Trustee
Co-Chair 2020

Robert Delorme
Community Fund Trustee

OUR HISTORY & REFLECTION ON THE PAST 10 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.

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.

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.

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.

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.

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.

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 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.

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 into the Peguis First Nation Surrender Claim Trust.

The Peguis membership elected a slate of Trustees to serve as representatives of both on and off Reserve members in their roles as Financial Trustees and Community Fund Trustees. The Trust Agreement also required the selection and appointment of a two Financial Trustees: one having a Chartered Accountant designation; and, the other Financial Trustee to be either a Corporate Trustee, Lawyer, Engineer, School Principal or other person regulated by a professional body.

The duties and responsibilities of the Trustee are contained in the Trust Agreement, available on-line at peguissurrendertrust.com. Each year the Trustees are required to provide Chief and Council, and Membership of Peguis First Nation with an Annual Report on the administration, activities, income and expenditures of the Trust.

It has been ten years since the election of the Peguis Surrender Claim Trustees. This past



decade has been laden with much education and learning.

The Trust and Investment Industry is a new economic, social and legacy vehicle for Peguis and many Indigenous communities. The legal understanding of the Trust Agreement, the fiduciary responsibility of the Trustees, the powers and responsibilities of the Trustees, the process and procedures to implement the Trust was a steep learning curve.

The Investment Industry and understanding equities and fixed income instruments, interest income, dividends, capital gains and losses were another challenge undertaken to ensure that Trustees were aware of and understood the industry they had embarked upon. With the development of an Investment Policy Statement, came the understanding of Brokers versus Institutional Investors, the cost associated to basis points, the compliance requirements, the benchmark comparisons and an appreciation for the market volatility and its effects on the Trust's investments.

The Trustees acknowledge the opportunity they were provided by selecting and engaging Jack Jamieson and TE Wealth Investment Counsel for their guidance, support, education and advice with the Trust and gaining a strong foothold to move forward. The Surrender Claim Trustees also

acknowledge the TLE Trust Trustees for leading the way and their guidance and support in beginning this journey. Together, we are stronger.

As they began to build their team, they sought out Investment Managers. It was important that they sought out managers who had the experience and knowledge in working with a multi-million dollar investments and to adhere to the Trust Agreement. An understanding and appreciation of the different types of investment managers in the industry and the styles of investing available provided much insight and guidance to ensure the proper investment managers were selected.

The Surrender Claim Trustees selected Institutional Investors, who deal with large blocks and size of funds for investing, they also have a staff available for research and analysis and their costs are lower than retail investors. As the Trustees must be prudent in their decisions to ensure the future of the Trust, they chose Beutel Goodman as the Value Manager and Mawer as the Growth Manager. With a majority of the investments in Bonds, the Trustees also selected a Market Bond managed by TD and later, a segregated Bond Manager with Ridgewood Investments.

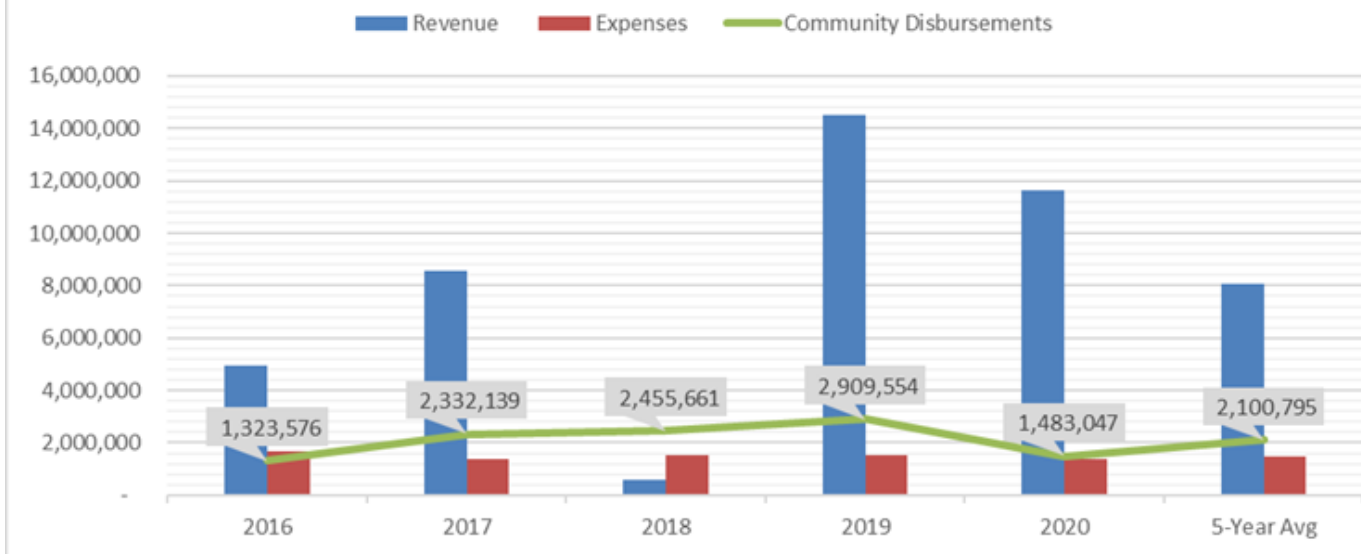
The past ten years of investment history and growth have shown a consistent increase in the value of the Trust, averaging 7% per annum. This

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.”



Annual Cash Flows Peguis First Nation Surrender Claim Trust



growth amounts to approximately \$71 million dollars in growth of the Trust fund.

The Community Fund Trustees were also diligent in their review and approval of community projects and member applications for funding. Total funding approved for projects is in excess of \$30 million dollars over the past ten years. Annual records of the projects funded are reported each year in the Annual Reports, which are also available on the website.

The past ten years have gone by quickly and the knowledge and experience gained 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 individuals who have made an impact

and appreciate them for their assistance with the Peguis Surrender Claim Trust growth and development within the past decade:

- 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, former Financial Trustee (2011-2014)
- Crystal Laberero, Trust Manager (2014-2016)
- Deanna Thomas, Administrative Assistant (2015-2016)
- Ken Genaille, Community Fund Trustee (2016-2017)
- Bill Willms, Corporate Trustee (2011-2020)

PEGUIS SURRENDER CLAIM 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 the proud Peguis member and father of two children, who 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.



Michelle Samagalski, Corporate Trustee TD Bank.

Regional Manager (Prairies) for Indigenous Trust Services. She has over 30 years' experience in the Trust Industry. In addition to managing complex Indigenous Trust accounts throughout the Prairies and Northwest Territories, she presents at the National NATOA conference and is involved with AFOA. She has a background in law and finance, as well as Indigenous Studies and has completed numerous industry related courses. She is the Student Liaison for the Winnipeg Branch of the Society of Trust and Estate Practitioners (STEP), and an Advisory Board member for the Public Guardian and Trustee of Manitoba. She is married and has a disabled adult daughter. She enjoys kayaking and is former resident of Nunavut.

COMMUNITY FUND TRUSTEES



Hal Sutherland, Co-Chair Community Fund Trustee

Hal is the Off-Reserve representative for the Community Fund Trustees. He recently retired as a Border Services Officer with the Canada Border Services Agency serving since 1984. Hal is a recipient of the Peace Officer Exemplary Service Medal due to the good conduct he has shown as a Border Services Officer. He is a graduate of Peguis Central School. Hal resides in Winnipeg with spouse Mirenda where they raised their 3 children and are the proud grandparents of 11.

Hal is one of the original elected Trustees from May 11, 2011.



Robert Delorme, Community Fund Trustee

A historian and storyteller, Robert enjoys visiting with family, friends and community members. He joins the Trust after spending twenty years with Peguis Child and Family Services. Robert and his wife, Loreen spent many years in the North, at Hay River and Pine Point, working hard and raising a family.

Born in St. Peters and raised by his grandparents, Robert has a rich history and strong family connections that keep him humble and full of stories.

Robert is one of the original elected Trustees from May 11, 2011.



Lloyd Sinclair, Co-Chair Community Fund Trustee

On-Reserve Representative. Lloyd has been married for 44 years to Janice, is the father of 3 children, they have 18 grandchildren and 1 great-grandchild.

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 original elected Trustees from May 11, 2011.

PEGUIS SURRENDER CLAIM STAFF & SUPPORT

With our office located in the Peguis Recreation Centre, 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,
Facebook: Peguis Surrender Claim Trust
website: peguisurrendertrust.com



**Sharon Stevenson BA,HBA,CAFM,CAPA
Trust Manager**

Sharon has been with the Trust for five years. 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, and Harvard Business School. 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.



**Debbie McElhinney,
Community Fund Project Officer**

Graduated at Prince George Senior Secondary School, Prince George, BC with Honors in Business. Attended Saskatoon Business College, Saskatoon, SK completed Word Processing Secretarial. Completed 1st Year Accounting Technician, Rossan College, Ireland. Graduated Community, Development & Administration Diploma with Honours at University College of the North, The Pas, MB also Accredited with CANDO as Certified Technician Aboriginal Economic Developer (TAED). Completed National Aboriginal Trustee Training Program and Received the Atleo National Aboriginal Trust Officers Association Award for Top Student. Received Service Excellence Awards for unqualified audit with Dallas/Red Rose Community Council.



**Denise Sinclair,
Finance Assistant**

Completed grade 12 with Certificate in Business Education & Retailing. Had attended Angus/Business College for Secretary Course and RRCC for Accounting & Bookkeeping courses. Completed the NATOA Trustee Accreditation course. Recently completed a Quickbooks accounting software course. Worked with the Trust since 2016 as Administrative Assistant, then took on the role as Financial Assistant.



**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. Nikki has taken a leave to support her family during the challenges with COVID.

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.



Bill Willms, Corporate Trustee Retirement

As we came to the end of 2020, we were also advised that Bill Willms, Corporate Trustee with TD Bank was also heading off to his much needed retirement. Bill was one of the original appointed Financial Trustees. The Trust relied on Bill for his Trust experience, knowledge and his understanding of the Trust Agreement to aid the discussion. As a Corporate Trustee with TD Bank, he helped to support, guide and educate the Trustees, staff, Council and the Membership on the Trust and Investment industry. His calm demeanor, did not get ruffled as we know how demanding the Peguis membership can be, he helped to steer the Trust and provide insight and understanding to Peguis. He will be missed at the table and at community meetings. We wish him well and much enjoyment during his retirement from the corporate world.

TRUST ACTIVITIES & EVENTS

Throughout the year, the Peguis Surrender Claim Trust engage in various activities to promote and support the Trust and the community. During 2020 the emergence of COVID-19 has had a dramatic effect on the community activities and engagement for the Trust and the community.

The Annual General Meeting (AGM) was not held in May 2020 due to COVID restrictions. The Annual Report was made available to community members through the mail, set up at the Mall for distribution, delivery to Elders, during restricted outdoor events and for pickup at locations throughout the community. The Annual Report is also available online at peguissurrendertrust.com

The Trust also administers a Summer Research position for a post-secondary student to assist and support the staff. In 2020, Emily Bird was selected to assist in the review and preparation of Operating policies and Community Fund application guidelines for the Trust. Emily had just completed her Masters Degree in Indigenous Governance at the University of Victoria, BC.

As the Peguis Summer Employment Program is one of our funded proponents, we also make our office available for placement for the summer students, during their two-week engagement. We enjoyed the opportunity to work with the Peguis youth, to learn from them, gain their insight into youth related issues, and to support their development.

In previous years, the summer students informed us that there are very few part-time employment opportunities for them after school. Based on these comments and support that students provide to our office over the summer, we instituted a part-time employment program for Grade 12 students. We focused on the Grade 12 student who is pending graduation, to be able to provide them with some resources: data, connections and financial, to assist them as they prepare for the next phase in their life. Working with the student in our office, also provides us with

the opportunity to get to know the person, their schoolwork and activities and their recreational pursuits. We also get to share with them the work we are doing at the Trust for the community and resources we have available to assist proponents. We hope that the information and training that they receive from the Trust would build their confidence and provide them with support for their pursuits. We would like to acknowledge and say thank you to our Grade 12 students who joined us during early 2020, pre-COVID:

- Krista Stevenson – Graduate 2020
- Anthony Bear-Sanderson – Graduate 2020
- Reese Blakey – Grade 12

During the month of August 2020 we joined Peguis Treaty Days Events that were held on weekends for the community. We set up our tent to provide Annual Reports and gorgeous Trust Bags to community members. There was a Community Survey in the Annual Report for the opportunity to win prizes.



CAPACITY BUILDING & PROFESSIONAL DEVELOPMENT

In our effort to ensure that the Trustees and staff are kept abreast of the ever-changing Trust and Investment industry, they engage in professional development. The skills, resources and contacts made through these engagements offer many opportunities for the development, enhancement and growth of the Peguis Surrender Claim Trust.

As a leader in the Indigenous Trust industry, the Peguis Surrender Claim Trust encourages the sharing and distribution of knowledge with the community and beneficiaries. The community presentations allow us to build capacity with our members and to inspire the members to pursue their dreams and instill pride in their heritage and history of Peguis and the Trust.

Membership in national organizations are supported by the Trust for the Trustees and staff to promote the access to resources, knowledge, training and other benefits accrued to the community through membership in the following organizations:

- AFOA Canada – Rob Magnusson, Elva McCorrister, Sharon Stevenson
- CPA Canada – Rob Magnusson
- CANDO – Debbie McElhinney
- ICD – Errol Wilson, Sharon Stevenson

NACCA National Indigenous Economic Prosperity Forum 2020 - The National Aboriginal Capital Corporation Association held their second annual conference in February 2020, in Ottawa, Ontario. Debbie McElhinney, Project Officer attended this event to seek out resources, ideas and partnerships for the economic benefit potential of our clients. NACCA is the national organization for the aboriginal financial institutions in Canada. The regional capital corporations, such as First Peoples Economic Growth Fund, were in attendance and were able to share some of their successes at the Awards banquet and to discuss access to capital for their clients.

Institute of Chartered Directors (ICD) with the Rotman School at the University of Toronto provides training for corporate board members on good governance and the roles and responsibilities of the board member. This training is provided over a series of four modules and is a nationally accredited ICD.D designation. Errol Wilson, Financial Trustee had registered to undertake this training and designation. He had completed the Modules in 2020 and undertook the Certification Exam in early 2021. The Directors Education Program provides an opportunity to participate in a Governance training, which provides a comprehensive overview of the fundamental board tasks and processes including director legal duties and responsibilities, overseeing strategic decisions, as well as managing group dynamics and decision-making in the boardroom.

As we continue to develop, enhance and expand our skills, Denise Sinclair, Finance Assistant participated in a Quickbooks training module with the Academy of Learning, to support her hands-on training and financial reporting requirements to the Trust and community.

AFOA Canada offered the first Cohort for the Certified Indigenous Human Resources Professional Program (CI-HRP) on-line in September 2020. Sharon Stevenson, Trust Manager registered for this program, along with twenty other participants from across Canada. This training would allow her to assist with the growing demand for human resource professionals in the community, the access to resources and to expand her network of professionals and communities to draw upon for the benefit of the community. The on-line program was held over the weekends and comprised of four modules with

twelve courses and a final exam for certification. This program was completed in April 2021.

Sharon Stevenson, Trust Manager registered for the Project Management Program at Red River College. This is a series of eight courses, followed by an accreditation exam for the PMP designation. With the increasing number of capital projects, investments and the community project applications received by the Trust, an understanding of the project management tools and analysis would benefit the Trust and also the proponents. Whether it is community event, like Treaty Days or a major capital project, like the Multiplex, the application of project management essentials would identify the whole project scope, the budget including contingencies, timelines and the required resources. The work breakdown structure, stakeholders and communication plan would support the project plan and assist in the evaluation and compliance of the project as it moves forward. She is expected to complete the program and accreditation in 2021



TRUST NOMINATION COMMITTEE

The Trust Nominating Committee role and responsibilities with the Peguis Surrender Claim Trust are to conduct the search 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 are: Dave McPherson, Victor Sutherland, Jordan Ulrich, Joanne Mason, Mike McDonald, Jeremy Hrapsted and Wade Sutherland.

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

The Trust Nominating Committee had submitted 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	11	\$3,500	\$3,163	\$5,000	\$11,663
Elva McCorrister	9	\$2,900	\$1,828	\$25	\$4,753
Rob Magnusson, CA	10	\$6,850	\$854	\$1,066	\$8,770
Community Fund Trustees	# of Meetings	Honoraria	Travel	Prof Dev	Total
Hal Sutherland,	18	\$6,800	\$3,634	\$0	\$10,434
Lloyd Sinclair,	17	\$6,800	\$1,742	\$0	\$8,542
Robert Delorme	17	\$5,400	\$2,416	\$0	\$7,816

FINANCIAL OPERATIONS REPORT

Investment Income Received for the Period

The investment income and capital gains generated from Trust investments for the period was \$8,830,263. Of this amount, \$4,893,401 represents interest and dividend income and \$3,936,862 represents realized net capital gains.

Expenditures Incurred for the Period

Expenditures incurred for the period totalled \$1,376,976 and were comprised of corporate trustee fees, investment management and consulting fees, Trustee honorarium and expenses and other professional fees as follows:

Expenditures Beneficial to the Beneficiary

The amount of \$1,483,047 was disbursed to the community for approved projects and programs as reported under the Community Fund Projects.

In addition, various project commitments totalling \$9,894,102 have been approved and are expected to be paid in the following year.

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 \$89,418.71, the Community Fund Trustees recommends to the Chief and Council approval on amounts up to \$298,062.37. Amounts greater than

\$298,062.37 must be approved by the Community Fund Trustees, Chief and Council and recommended to for approval at a community vote by 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 8 applications processed in 2020 for a total amount of \$9,753.33.

In accordance with the provisions of the Trust, any amount that remains after all the per-capita claims have been made is returned to Peguis to be used for community purposes.

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.

Line of Credit

The Financial Trustees increased their secured line of credit with the TD Commercial Bank to \$40,000,000.00 in 2020. The line of credit had been utilized to fund the arena and housing projects and is available to fund other capital and large cost projects. As of December 31, 2020, the balance of the line of credit was \$5,258,047. Interest is charged at the prime rate, which as of December 31, 2020, was 2.45%.

Value of the Trust

The value of the Trust as at December 31, 2020 was **\$148,465,621**.

The net value of the Trust as at December 31st (excluding the line of credit and accrued liabilities) was **\$143,032,371**.



2020 COMMUNITY FUND PROJECT SUMMARIES

Matthew R. Dann – Tools & Equipment - \$3,000.00

Purchase power tools to help carry out his apprenticeship as a sheet metal worker.

Kenneth A. Prince – Heavy Equipment/Semi Tools - \$5,000.00

Purchase tool for heavy equipment and semi truck repairs and services.

Sommer Bousquet – Project Management - \$1,218.00

Red River College Project Management program funding for tuition.

Peguis Post Secondary Department – Transition Program - \$30,000.00

Transition program for students transitioning into University and city life.

PFN Training & Employment – 2019 Summer Youth Work Program - \$50,000.00

Funding costs associated for secondary, post secondary, adult education and Urban Initiative.

Tina McCorrister – Tina’s Leather Cree-ations - \$5,000.00

Leather & Fur Business to make handicrafts: moccasins, ribbon skirts, mukluks, gauntlets, hats & beadwork.

Peguis Consultation & Special Projects – Elders Gathering - \$20,000.00

Host region for the National Gathering of Elders to provide marketing for the September 2019 event.

Sun Lodge - Garry McCorrister – Land Based Cultural Program - \$30,000.00

Land-based equipment, community garden development, multi-purpose building, meat processing building and storage & workshop building.

Phillip Sutherland – Olds College Volleyball

Scholarship - \$1,000.00

Business Management at Olds College and participating in College Volleyball Team.

Ryan McCorrister/Kelvin Wilson – Peguis 1st Annual Mud Bog - \$5,000.00

September 28th, 2019 one day event, funding toward prize money, local entertainment, increase local economy.

Peguis Multiplex – Parking Lot Paving - \$250,000.00

Peguis Multiplex parking lot paving to accommodate parking to prepare for Rogers Hometown Hockey Festival broadcasting of NHL game from Peguis Multiplex

Peguis First Nation – Old Stone Church Yard Equipment - \$7,011.67

Purchase riding mower, snow blower and shed to assist in maintenance of Church yard.

Peguis Senior Christmas Party – Annual Senior Christmas Party - \$30,000.00

December 11th, 2019 Annual Elder Christmas Party at Peguis Community Hall for catering, gift cards & bags, candy & oranges, money tree, door draws, MC, decorations and entertainment.

Peguis First Nation – Winnipeg/Selkirk Christmas Dinners - \$30,000.00

Funding for Christmas dinner, entertainment and event planning.

Peguis First Nation – Women’s Working Project - \$25,000.00

Funding to employ social assistance clients for training to clean elder’s homes and assist them in preparation for Christmas.

Peguis Junior Hockey Club – 2019-2020 Hockey Season - \$40,000.00

Funding for 2019-20 Hockey season expenses to support the local Junior B hockey club.

Patrick McKay – Peguis Four Seasons Square Dance Jamboree - \$5,000.00

Square dance jamborees, December 2019, March 2020, June 2020 and September 2020 to promote local talent, entertainment and social events.

The Sun Lodge – New Year’s Eve Celebration of Love Event - \$5,000.00

2019 New Years Eve celebration, honouring elders & ancestors, community unity, evening at the Sun Lodge. Feast, ceremony, teachings, memorial, door prizes, round dance and give away.

NAIG 2020 – Trish Wilson - \$11,500.00

Peguis athletes to attend NAIG 2020 on July 16-19, 2020 in Halifax, Nova Scotia. MASRC registration fees assistance. NAIG cancelled for 2020, athletes receive NAIG 2020 wear.

Larry Prince – Purchase Plow Truck - \$5,000.00

Purchase a truck with a V-Plow to provide snow clearing services in the community.

Sharon Monkman – Marley Jane & Co - \$4,900.00

Branding, website and supplies for small artisanal company, handmade hemp soaps, hemp medicinal salves, soywax candles infused with hemp essential oil.

Robert Slater – Native Nations Clothing- \$5,000.00

Native Nation brand/logo company, hats, T-Shirts and sweaters that promotes native ancestry and artwork.

Leona J. Thomas – Property Maintenance Business - \$4,209.63

Purchase tools to expand business into property maintenance business year-round which includes snowblowing, gutter cleaning and lawn care.

Peguis Mohawks – Tournaments - \$5,000.00

Participation to attend 6 hockey tournaments from Saskatchewan to Ontario for registration, travel, accommodation and meals. Promoting recreational and sporting activities for adults, youth and community.

Daniel Cook – Belle Cook’s AAA Interlake Lightning Bantam Team - \$2,000.00

Belle’s team expenses, player fees, equipment

and apparel for 2019/20 season to assist with her development and growth.

Mike Spence – Michael Spence Jr’s Elite Volleyball - \$1,000.00

Michael Jr to participate with Tsunami Club Volleyball build skills working towards University Volleyball level.

Bryden Sinclair – Elite Hockey Expenses for Maine - \$3,000.00

University of Maine hockey team expenses for equipment & supplies .

Amanda McMullin – Supply Chain Designation - \$3,596.70

Educational training with Supply Chain Association of Canada program, 3 year program.

Rogers Hometown Hockey Committee – Community Events - \$210,000.00

4 day event leading up to NHL podcast on March 1, 2020 at Peguis Multiplex. Variety of hockey alumni events, local hockey and entertainers, beautification, marketing and logistics.

Peguis Multiplex – Equipment - \$45,000.00

Purchase of equipment to help with repairs and maintenance of the arena.

Peguis Recreation – Winter Carnival - \$36,380.00

Four day events, entertainment, supplies, marketing, logistics and staffing.

Peguis Multiplex – Signage - \$16,000

Purchase LED signage to go around the inside of the arena to enhance the atmosphere.

Peguis Recreation – Signage - \$5,200.00

Canoe Club and Ball Diamond signage.

Stewart Wilson – Carpentry Tools & Equipment - \$5,000.00

Carpentry tools & equipment for renovations and building housing contracts.

Christopher Wilson – S&K Auto Glass - \$5,000.00

Tools & equipment for glass and auto repair business. Red Seal Motor Vehicle Body Repairer (Metal & Paint) since 2015, MPI accredited.

Perry Hourie – White Eagle Graphic Design &

Photo - \$5,000.00

Supplies and equipment to expand business with art mediums – turtles rattles, deer & elk antler rings, leather work, sewing products and computer designs.

Loreleigh Sinclair – CAPA COHORT - \$4,500.00

Tuition for Certified Aboriginal Professional Administrator through AFOA. Build capacity in Indigenous administration.

Lorilee Wastasecoot – NAISA 2020 - \$1,500.00

May 7 – 9, 2020 in Toronto at NAISA (Native American Indigenous Studies Association). Presenting on Salish and Nuu-chah-nulth women basketry.

Rhonda McPherson – Evander AAA Spring Hockey - \$500.00

2020 Manitoba Junior ICE Spring Hockey Program selected for Storm roster.

Cheryl Sutherland – Colton Sutherland AAA Hockey - \$500.00

Colton to participate with Dakota Warriors AAA 2020 Spring Hockey Season.

Cheryl Sutherland – Tallon Sutherland AAA Hockey - \$500.00

Tallon to participate with Dakota Warriors AAA 2020 Spring Hockey Season.

Candace Thomas – Elizabeth Thickfoot-Thomas Elite Volleyball - \$2,000.00

Elite volley from January to April with opportunity to earn Provincial playoffs.

Cheryl Kretzmann – Matthew U18 AAA Interlake Lightning-\$1,000.00

Matthew Interlake U18 AAA to play provincial hockey at elite level with Manitoba Midget Hockey League.

Brayden Prince – Sagkeeng Hockey Tournament-\$1,000.00

27th Annual Justin Bruce Memorial Hockey Tournament on February 28 – March 1, 2020 for off reserve men's team to represent Peguis.

February 4, 2020 – Peguis Recreation – Peguis Youth Movement - \$20,000.00

Youth aged 11 – 25, program to socialize and engage in activities free from alcohol and drugs

every Friday night.

Peguis First Nation – New Horizon Newsletter - \$24,000.00

Printing and mailing out newsletter to keep membership informed.

Peguis Central School – Kindergarten Graduation Gifts - \$3,700.00

Graduation gifts for 56 girls and boy's bikes to start summer holidays and promote healthier active lifestyles and pride.

Faith Sutherland – Cooking by Faith - \$5,000.00

Equipment and cooking supplies to enhance menu items of existing food business.

Peguis Community Services – Covid-19 Crisis Assistance - \$250,000.00

Temporary shelter for covid-19 exposure situations. To be repurposed for homeless shelter.

Connie Cameron – Cameron's Farm - \$5,000.00

Fencing and tractor for feeding and fence posts to make pasture larger.

One Stop Selkirk – Grand Opening - \$5,000.00

Grand opening of One Stop Selkirk and MB Pharmacy to assist with celebration.

Ramona Bird – Aki Mashkiki Docu-series - \$15,000.00

Storyteller Productions (Qrow Anthony/Giovanni Zarate) to interview Kathy Bird and community knowledge keepers on traditional medicine harvesting for the benefit of Peguis First Nation members.

Patrick McKay – 2nd Annual Tom Cochrane Memorial Golf Tournament - \$5,000.00

Golf Tournament to honour the late Tom Cochrane and his love for golf. This funding is to promote sports and build relationships.

Peguis First Nation Income Assistance – Ineligible Special Needs - \$10,000.00

To provide home furnishings that are not eligible under Income Assistance funding.

Peguis First Nation– Land Purchase - \$110,075.00

Purchasing 1258 acres from private landowner on reserve 1B for community band land, farmland and residential purposes.

PFN Training & Employment – Summer Youth Work Program - \$10,000.00

Work experience and training for secondary and post secondary students for summer.

Peguis Recreation – Peguis Treaty Days Celebration - \$50,000.00

Covid restricted events during August for Peguis Annual Treaty Days.

Peguis Senior Centre – Elders Treaty Days Celebration - \$5,000.00

Covid restricted events for Peguis Senior Centre elders celebration.

Jennifer Bodnar – Donovan’s Rink Hockey Academy - \$ 12,000.00

Donavan’s education and hockey development as goalie for 2020-2021 hockey season with Rink Hockey Academy an education based hockey program in the Canadian Sport School Hockey League.

Alison Tweety – I Have A Gift - \$4,757.50

Shop roof repairs and debris removal for store

front gift store and artist studio space rental for workshops and art/craft lessons

Cheryl Bear – Colby Bear Pilot Mound Hockey Academy - \$2,000.00

Colby Bear to attend Grade 12 at Pilot Mount Hockey Academy to build forward hockey skills and education, elite player.

Cheryl Bear – Brayden Bear Pilot Mound Hockey School - \$7,000.00

Brayden Bear, Grade 10 attend Pilot Mount Hockey Academy to build defense hockey skills and education, elite player.

Larry Prince – ATV memorial Poker Derby Mud Bog - \$2,500.00

ATV Poker Derby and Mudbog in memory and honour of Clarence Watt and to bring together family, friends and community.

Chief Peguis Canoe Club – Equipment - \$5,000.00

Canoeing supplies and paddles. Club meets Tuesdays and Thursday for recreation kayaking and canoeing.

Year	Projects Paid
2011	\$205,000
2012	\$4,288,556
2013	\$12,225,771
2014	\$2,088,829
2015	\$1,667,609
2016	\$1,325,576
2017	\$2,327,076
2018	\$2,442,534
2019	\$2,817,477
2020	\$1,474,547
Total Projects Paid	\$30,859,978

PENDING OUTSTANDING REPORTS

The Community Fund Trustees require a final report and financial statements to be filed by each applicant who is in receipt of funds from the Peguis Surrender Claim Trust, in our effort to ensure accountability and transparency for our beneficiaries. Staff make every effort to contact, advise and assist the applicant on reporting requirements.

Any-applicants that have outstanding reports due to the Peguis Surrender Claim Trust, are advised that there will be no funding forthcoming for future proposals until a Final Report is filed, accepted and file closed on previous proposals.

Community Fund Projects Outstanding Reporting

Trever Greyeyes – Manajiwinn Arts & Entertainment Website - \$5,000.00 - Approved 2013

Peguis Agricultural Committee – Farmer's Co-op - \$150,000.00 – Approved 2013

Ernest Stevenson Jr – Dallas Chapel Church - \$122,000.00 - Approved 2014

Funding to build a new building for Dallas Chapel Healing Waters Ministries.

Keith Wilson – First Nation Auto Inc - \$21,500.00 – Approved 2014

Funded to establish an auto dealership located at 1075 Portage Avenue.

Kelly Sinclair – Commercial Fishing Business - \$10,500.00 – Approved 2015

Funding to support her fishing business with the purchase of equipment, supplies and parts.

Fairwind Truscott – Infinity Air Filtration – \$10,000.00 – Approved 2015 Funding to support his air filtration business.

Lorne Flett – Construction Tools - \$5,000.00- Approved 2015

Funded to purchase carpentry tools and equipment.

William (Billy) Flett – Niibin Windshield Repair Service - \$2,640.00 - Approved 2015

Funding to purchase windshield repair equipment.

Peguis Justice Board – Diversion Program - \$30,000.00 - Approved 2015

Funding of the Adult and Youth Diversion program for Board/Elder training as mediators & advisors, tours (prison, court), working with RCMP, court room bookings, administration and for healing circles/judging circles.

Peguis Health Services – Palliative Care - \$80,000.00- Approved 2015

New developed for end of life care for patients and family.

Justin Lee Stevenson – Equipment - \$5,000.00- Approved 2015

Funding for automotive repair business equipment.

William Prince – Promote & Market Music - \$5,000.00- Approved 2015

Funding provided to promote music career, develop and release CD.

Doris Sinclair – Donut Business - \$5,000.00- Approved 2016

Funding to support the purchase of donut making machine equipment and accessories.

Allan Sinclair – Allan On Site Wastewater Management - \$5,000.00 - Approved 2017

Funding for business to help the maintenance department and after hours to clean sewer lines and water drains for our community members.

Desmond James Bear – Automotive Equipment - \$5,000.00 - Approved 2017

Funding to enhance his vehicle mechanic services to the community members with the purchase of this equipment. He welcomes new and returning clients to his shop for their tire needs.

Garrett McPherson – McPherson Yard Work Services - \$5,000.00 - Approved 2018

Funding to purchase garden tools and equipment to provide community lawn care services.

Derwin Stevenson – Cattle Operation - \$5,000.00 - Approved 2018

Funding to purchase bred heifers to start own cattle operation.

Allan D Thompson Jr. – Trapping Building - \$5,000.00 - Approved 2018

Funding received to build a working storage building for trapping activities, storage and hide preparation.

Angela Bair – Sole Consulting Advancement - \$4,709.37 - Approved 2018

Funding to purchase equipment and supplies for Sole Consulting Advancement offering business support in business plan writing, proposal and application writing to advance First Nation Economic Development.

Terry Wilson – Wilson’s Drone Services Business Operation Support - \$3,000.00

Purchase of drone & equipment to support this information technology services.

Ardell Choken – Hailey Choken’s CD business operation support - \$2,500.00.

Funding to provide a musical recording for Hailey Choken to promote her talent.

Peguis Health Services – National Gathering of Elders 2017 - \$170,000.00 & \$30,000.00 - Approved 2017

Funding to support 300 Elders in their attendance at the inaugural National Gathering of Elders in Edmonton, Alberta.

Kevin Clowes - \$30,000 Approved 2015 – Technology Business TSupport

Lindsay Sutherland – Lindsay’s Baking \$5,000 - Approved 2016

Kitchen Upgrades & baking supplies

Pierson Ross-Sutherland – 3D Artist Portfolio \$5,000 - Approved 2017

Funding to purchase computer & equipment to assist him with his training and development as a computer graphic artist

Ronald Favel – Peguis Wesleyan Methodist Church Renovation \$57,386.97 - Approved 2018

Funding for labour & supplies for church renovations, repairs and upgrades

Garry Stevenson – Firewood Services \$5,000 - Approved 2018

Funding to purchase truck to haul wood to provide for community members needs.



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.



On behalf of T.E. Wealth's Indigenous Investment Advisory practice, we remain extremely honoured to support the Peguis First Nation Surrender Claim Trust with ongoing investment advisory needs. Our role includes the provision of **independent and objective** advisory assistance relating to:

- Planning and implementation of current and future investment strategies
- Citizen communications and consultation as required
- Ongoing development of the Trust's Investment Policies & Guidelines
- Ongoing monitoring/measurement and safeguarding of Trust investments

8 Years of Prudent Investment Success

The objective of the Trustees is to create a state of Sustainable Wealth that balances the needs of the present without compromising the ability to meet the needs of future generations. In this way we help nurture and grow the tree that provides the fruit for both today and tomorrow.

December 2020 marks 8 years of investment for the Trust. From a starting point of approximately \$109.3 million, we are pleased to share that the investments of the Trust have gained over \$71 million since inception, **while also distributing over \$31.5 million to the Peguis First Nation.**

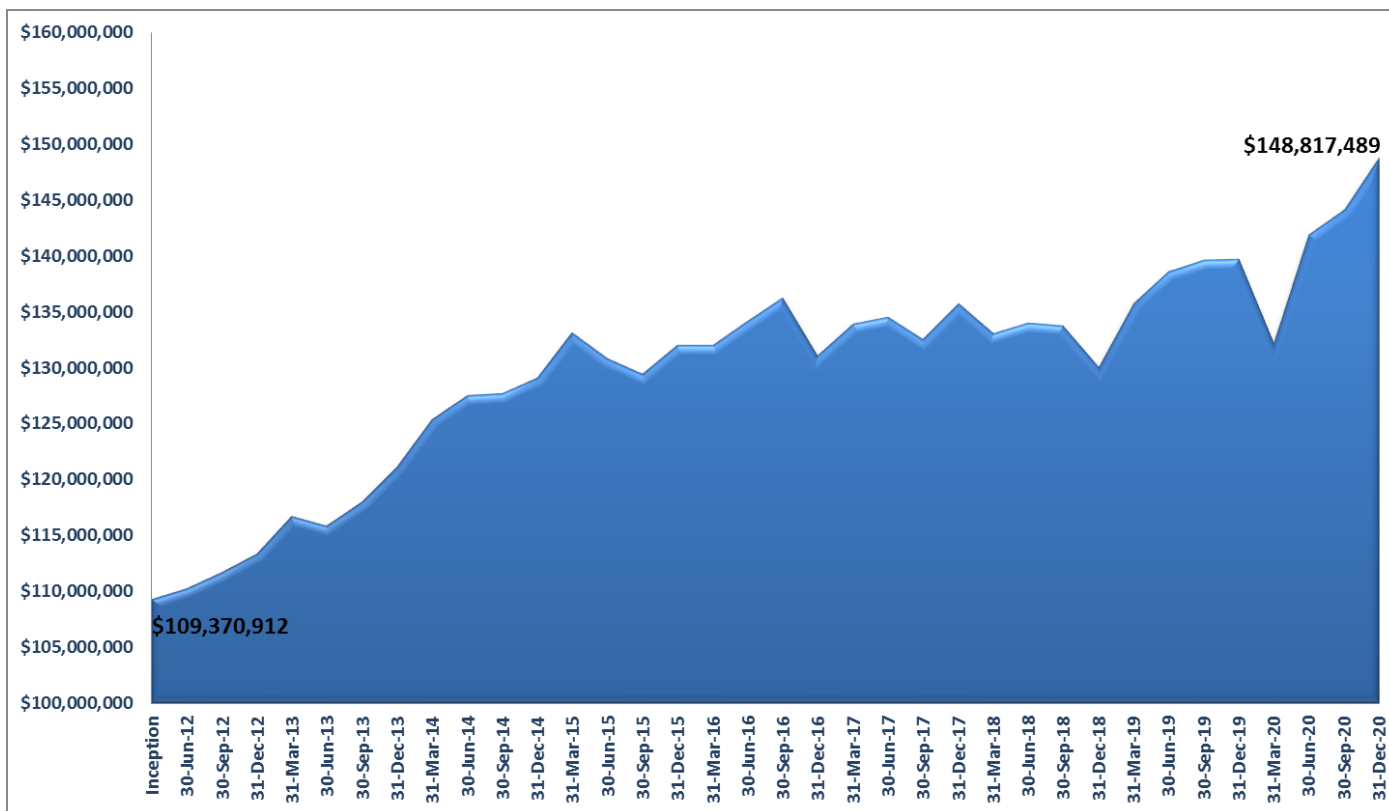
At year end 2020, the market value of the Surrender Claim Trust was \$148.8 million.

This very conservatively structured and managed portfolio has returned approximately **7% per year**. The return of the portfolio has exceeded the benchmark by approximately 1% per year and has far exceeded the long term investment target of 4.5%.

These assets will be available to provide annual income for current needs and will continue to grow for the community's benefit for many years to come.

Strong Portfolio Growth While Also Supporting the Community!

Cumulative Growth from June 2012 to December 2020



In Addition to this Growth - Community Distributions have been \$31.5 million

“A Year in Review”- Investment Market Commentary

With the onset of the COVID-19 pandemic, 2020 saw one of the swiftest bear markets ever recorded early in the year, yet one of the fastest recoveries. By December 2020, equity markets closed near all time highs driven by extraordinary government spending support, reduced interest rates, several successful vaccines and growing evidence of an economic recovery.

The Surrender Claim Trust was very well protected during this uncertain period. The investments have a high proportion of very safe Canadian bonds, which sheltered the fund in the downturn and actually provided strong growth, returning 8.7% for 2020.

The equity component also recovered from the decline in the market. By the end of the year, the U.S. Equity index was up over 16%, the Canadian Equity index gained 6% and global stocks were up over 6% as well.

Both of these components (bonds and equity) contributed to the fund's +8.4% return in 2020.

Solid Long Term Returns

The Peguis First Nation Surrender Claim Trust appreciated 8.4% over the year, slightly less than the market benchmark return of 9.2%. (See Chart 1 below)

The Trust continues to provide a very solid annual return since inception of **almost 7%** per year. This is higher than the passive benchmark return of 6% that it is measured against.

Solid Long Term Returns

Peguis First Nation Surrender Claim Trust

Chart 1 –Rates of Return as at December 31, 2020



The Trust's Investment Managers are Strong

Multi-Manager Structure – Not Putting all our Eggs in One Basket

The Trust is managed under a multi-manager and multi-style strategy that increases diversification and in this way reduces the investment risk of the whole portfolio.

It is always best not to put too many eggs in one basket!

This approach includes two balanced fund managers: Beutel, Goodman & Company and Mawer Investment Management. Both of these managers are leaders in their field and have been specifically selected because their different styles work well together.

They each look to invest in top quality companies and carefully watch for risk, but Beutel Goodman employs a “value style” that is more price sensitive, while Mawer has a more growth-oriented strategy.

In addition, the fund has also included two specialty bond managers, TD Emerald Fund and Ridgewood Capital that emphasize higher yielding corporate bond securities.

This manager and style diversification ensures that the portfolio is well positioned to **excel in all market environments** and enables a smoother pattern of returns.

Going Direct Cuts out the “Middle-Man”

As a large and valued institutional client, the Surrender Claim Trust enjoys the benefits of scale that smaller portfolios do not have access to. The Trustees have a direct relationship and meet regularly with each of the investment managers – including the professionals who actually make the investment decisions for the portfolio.

This gives the Trust an advantage over smaller clients that must use “retail” oriented brokers. Not only do we get better service, but we also have the best advice, the lowest fees and the highest fiduciary oversight available in the industry.

Highest Fiduciary Standard

These investment managers have the highest investment credentials, including Chartered Financial Analyst (CFA) designations, and are registered as Portfolio Managers by the securities commissions across Canada. In this way, **the Trustees have confidence that they have the highest standards of oversight and fiduciary responsibility.**

Independence is Important

Maintaining a separation between the various providers (consultant, investment managers, Corporate Trustee, custody and banking) **avoids any potential conflicts of interest.**

It enables Trustees to be certain they are obtaining the best service, most qualified advice and lowest pricing for the long term benefit of Peguis First Nation members.

Keeping Fees Low

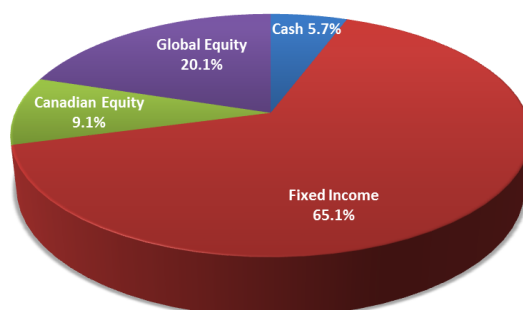
Low fees are very important to the long term success of the fund, so the Trustees are always focused on cost. Through the direct relationship with managers, the Trust eliminates any potential “middle man” costs or embedded fees. The trading costs are also kept at a minimum.

Trust Agreement and Investment Policy Constraints

The Trust Agreement for the Trust sets the “rules”. From this document, the Investment Policy has been written that must follow those rules. **The rules of the Trust dictate that the investments must be very conservative**, with a maximum of 30% in equity securities. The remaining 70% must be held in fixed income securities.

The allowed securities must be publicly listed, liquid holdings that can be quickly traded and easily valued by an active market. “Alternative” investments such as holdings in private companies, real estate or infrastructure funds are **not permitted** according to the rules of the Trust Agreement.

Despite these restrictions, the fund has been extremely successful in meeting its objectives!



	Cash & Equivalents	Fixed Income	Canadian Equities	Global Equities
Current	5.7%	65.1%	9.1%	20.1%
Target	5%	67%	10%	18%
Ranges	0% - 10%	62% - 72%	5% - 15%	13% - 23%

Compliance

We are pleased to report that as of December 31, 2020, the Peguis First Nation Surrender Claim Trust is compliant with all mandatory requirements within the Trust Agreement and Investment Policies and Guidelines.

In Closing

T.E. Wealth’s Indigenous Services practice considers it a privilege and an honour to support the Peguis First Nation Surrender Claim Trust. As the Trust’s independent and unbiased advisors, we do not sell investment products and are not associated with any of your other service providers.

We sit on your side of the table and always have only your best interests in mind!

We are pleased to confirm that the Trust portfolio continues to perform and achieve the goals set out to support the community. It has exceeded market benchmarks and policy expectations since its inception.



Lisa Caswell CFA, Vice President, T.E. Wealth Indigenous Services

Lisa brings over 25 years of investment industry experience and holds a Masters in Business; a Bachelor of Science; and a Chartered Financial Analyst (CFA) designation. Prior to joining T.E. Wealth, Lisa served as Director, Investment Services with a national investment firm. Lisa brings a deep understanding of global economics, financial markets, as well as extensive knowledge of debt, equity and alternative investments. Lisa has been a regular presenter, moderator and panel participant at various economic development events and conferences including the National Aboriginal Trust Officers Assoc. and the Aboriginal Financial Officers Association.



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.

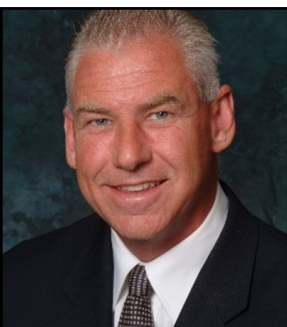


Vanessa Mahan, Senior Administration, Indigenous Services

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.



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 people for almost 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 committed to promoting education and sharing knowledge with Chief and Council, Trustees, and community members.

For many years we have contributed to Indigenous investment and trust management workshops as a speaker and sponsor. 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 Aboriginal 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, 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 15 years. He is a graduate of the University of Toronto with a Bachelor of Arts in English and Economics. Steven received the Chartered Financial Analyst designation in 1994.

The Peguis Surrender Claim Trust Portfolio Report for 2020

As we shut the door (firmly) on 2020, the world's hope for a better 2021 is palpable. The toll that COVID-19 has taken (and continues to take) on human life and the global economy has been nothing short of devastating.

Much has been tested this year, including investor resolve. The rapid decline in equity markets from late February through late March was sudden, deep, and widespread. The panic in the markets was such that few companies' stock prices were spared, and the ones that were tended to be very expensive names that fit nicely into the emerging "work and shop from home" theme.

In response to the market volatility, Beutel Goodman first reviewed every company in the Peguis Surrender Claim Trust portfolio under the new lens of the pandemic. How did the current situation impact our thesis on the company? Could this temporary reality cause permanent damage to the business? Did the risk profile change to the point it overshadowed the potential reward? In a few cases, this led us to sell a position, but in most we reaffirmed our previous views.

Next, **we looked for opportunities and we are pleased to say that we found several.** These opportunities included adding positions in technology and other "growth sector" companies that we judged as far too expensive prior to the market pullback. To be clear, as **Value** managers, we are not averse to growth; in fact, we want to see growth from the companies we own – we just do not want to pay high multiples for high growth expectations. Our definition of value is determined by the intrinsic value we calculate for each company we analyze. If it meets our conservative criteria, we are unmoved by anyone else's categorization of a company.

We have written often about the importance of a **well-defined investment philosophy and process**. At no time is that truer than during a crisis. Our philosophy and process provide us with strong beliefs in how to avoid the permanent loss of capital, allows us to recognize good long-term investment opportunities and gives us the conviction to act when market anxiety is high.

Despite the rough start for the markets, 2020 ended on a much better note than it began. Despite the challenges endured earlier in the year, the Peguis Surrender Trust rallied considerably in the fourth quarter and finished the year returning 7.3%.

Although this report addresses what happened in 2020, we feel it is important to bring you up to date on the continued excellent performance as the markets have continued to rebound in 2021. As of March 31, 2021, the Peguis Surrender Claim Trust portfolio had a one-year return of 23.6%. And since Beutel Goodman started managing this portfolio it has returned, on average, approximately 8% per year.

It is an honour and privilege to manage the Peguis Surrender Claim Trust portfolio for the benefit of the members of Peguis Nation and we thank you for your continued trust and confidence.

Congratulations on the 10th anniversary of the Surrender Claim Trust! Mawer is proud to have managed part of the Trust's investment portfolio for the past nine years and we are very pleased to report the annualized performance over this period has averaged 9.4%, outperforming the benchmark performance of 7.5%.



Looking back over the past year; the coronavirus pandemic has been a challenge for humanity, shut down businesses and economies and caused stock markets to crash in March 2020.

Despite this, markets have recovered as central banks reduced interest rates and governments have implemented support programs to assist consumers and business.

The Surrender Trust portfolio under Mawer's management gained 10.9% in 2020, again outperforming the benchmark return of 10%. Despite the challenges of the pandemic, our investment philosophy guides us to invest in companies that have strong competitive advantages with good management teams that provide resilience in times of trouble and earn good returns in the long run.

Many companies in your portfolio were well suited to weather the pandemic. Microsoft benefited from the work from home shift that took place as companies invested in technology and cloud computing to stay afloat. Canada's Shopify had an incredible year as ecommerce and online shopping surged as many of us shopped from home during the lockdowns. Shopify provides the platform for businesses, both small and large, to sell their products and services online. Taiwan Semiconductor Manufacturing (TSMC) benefited from the strong demand for computer chips as the company's widening dominance in producing the fastest and most power efficient chips continues as a major advantage and competitors struggle to keep up.

Contributions to your portfolio's performance were strongest from US and International stocks as both regions provided double-digit returns.

Bonds also gained approximately 9.4% during the year. Bonds were especially valuable during the onset of the pandemic as they provided positive returns that helped offset the steep declines across equity.

This diversification helped insulate the Surrender Trust portfolio from more considerable volatility. The equity mix is tilted towards global equity as there is broader opportunity to diversify globally and we continue to be concerned about high debt levels carried by Canadian households and the economy's reliance on real estate.

Despite this, Canada should perform well while economic reopening trends continue. As always, we

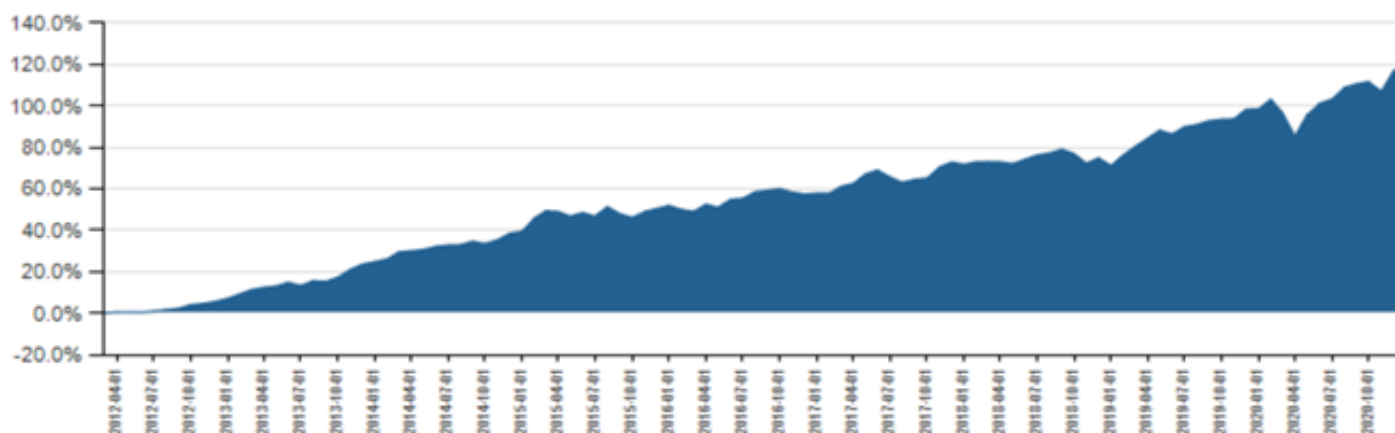
continue to fortify the portfolio by diversifying across wealth-creating companies, with excellent management teams, that trade at a discount to our estimate of their intrinsic value. We believe this builds a level of resilience into our portfolios in the face of many different scenarios during uncertain times.

Performance (gross) as at December 31, 2020	YTD	3-Mo	1-Yr	5-Yr	Since Inception*
Peguis SC	10.91	3.96	10.91	7.69	9.36
Blended Benchmark**	9.96	5.12	9.96	6.97	7.50

*From November 2018: 5.00% FTSE Canada 91 Day TBill Index 40.00% FTSE Canada Universe Bond Index 20.00% S&P/TSX Composite Index (TR) 35.00% MSCI World Index (Net). From Inception: 5.00% FTSE Canada 91 Day TBill Index 50.00% FTSE Canada Universe Bond Index 15.00% S&P/TSX Composite Index (TR) 30.00% MSCI World Index (Net).

**Inception date of performance reporting March 31, 2012

Cumulative Growth Since Inception



Asset Class	Current Weight	Strategic Asset Mix	Rebalancing Range
Cash & Equivalents	6.9	5.0	0 - 10
Canadian Fixed Income	38.0	40.0	35 - 45
Total Fixed Income	44.9	45.0	40 - 50
Canadian Equity	16.2	20.0	15 - 25
Global Equity	38.9	35.0	30 - 40
Total Equity	55.1	55.0	50 - 60



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 2021, we are once again happy to help support the AGM and lend financial assistance to the community where we can. We enjoy working with all the Trustees and look forward to a long and prosperous partnership with the entire community.



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 \$1.3 billion in assets and have been managing investment portfolios for First Nations and other Indigenous communities for over 20 years.

Surrender Claim Trust Portfolio:

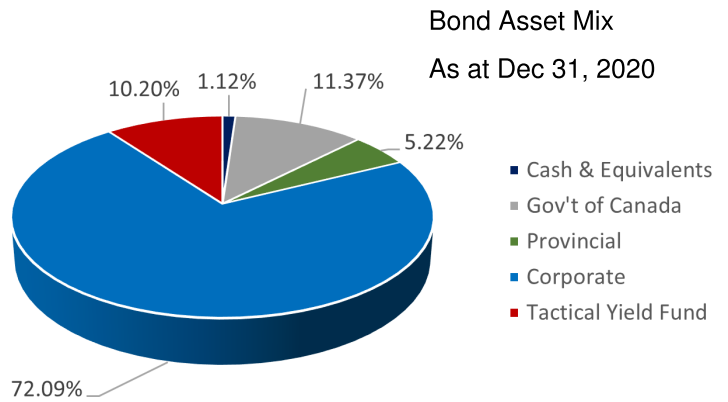
Ridgewood manages a Fixed Income (Bond) portfolio for the Surrender Trust.

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 March of 2020 financial markets became focused on the spread of Covid-19. As 2020 ended, investors were less focused on the virus itself and more focused on Government and Central Bank stimulus, as well as the rollout of vaccines.

Notwithstanding the effects that the Covid-19 crisis had on the bond portfolio, we are pleased to report that 2020 was a good year for the Surrender Trust portfolio. Ridgewood generated a return of 6.93% versus the FTSE Canada Universe Bond Index (the industry benchmark) at 8.28%. In dollar terms this 6.93% means that Ridgewood was able to grow your investments by an estimated \$2.14 million dollars in 2020 to \$34,140,161.13.

Sample Holdings as at Dec 31, 2020
BC Ferries
Disney
Government of Canada
Heathrow Airport
Royal Bank of Canada



As we move into 2021, we are still left with many unknowns about Covid-19. The path of most global economies will depend significantly on the course of the virus, the rollout of vaccines and continued stimulus. Financial markets will continue to be volatile.

In the meantime, the bond portfolio remains well diversified and Ridgewood will continue to manage it using the same processes that have historically served us well.

We thank you for your continued trust.



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 2020

Hal Sutherland, Co-Chair 2020

Robert Delorme

Financial Trustees

Errol Wilson, Chair 2020

Elva McCorrister

Robert Magnusson, CA

The Canada Trust Company

Management & Staff

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

Contact Information:

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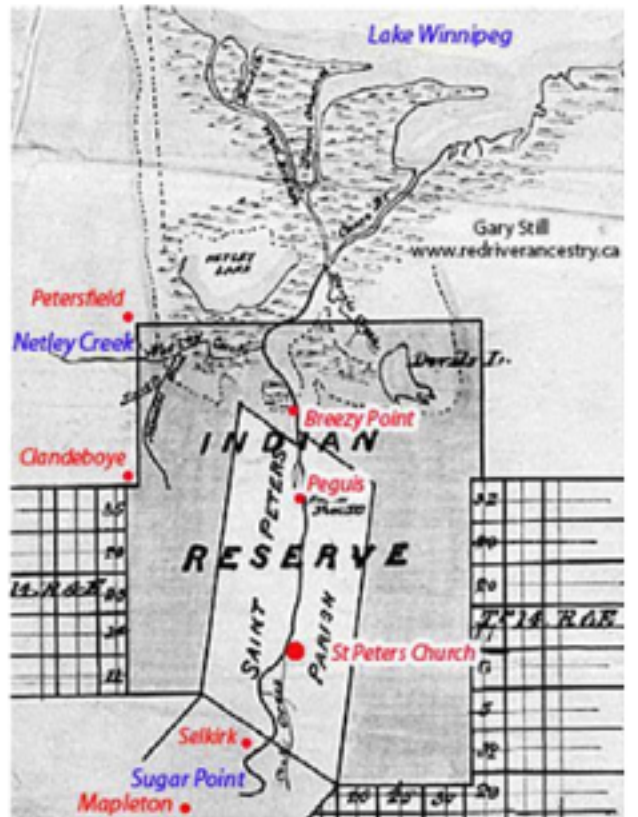
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PEGUIS SURRENDER CLAIM TRUST