

2017

ANNUAL ACTIVITY REPORT

PEGUIS FIRST NATION

SURRENDER CLAIM TRUST

Our Mission:

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



To The Peguis First Nation Surrender Claim Trust Beneficiaries

Anin, it is my pleasure to provide you with the 2017 Annual Report for the Peguis Surrender Claim Trust. From the perspective of the Financial Trustees, we are responsible for the assets and investments of the Trust. We have trusted investment managers and advisors assisting us and advising us in ensuring the sound and prudent investments of the Trust.

For the year 2017 we are happy to announce that we have had a good year with our investments and close the year off with a balance of \$135,711,887.00 with revenues of \$8,577,115.00 reported for the year.

Please peruse the annual report and consider the information for your benefit. Staff are available to discuss the report with you, please stop by the office at your convenience.

We would like to thank you, the membership, community members and beneficiaries for your continued support of the Peguis Surrender Claim Trust and know that we take this fiduciary responsibility to heart.

Migwetch,

Peguis Surrender Claim Trust

Errol Wilson, Financial Trustee, Chair 2017

Peguis Members,

It has been quite a journey to get us where we are.

Since 1907, our People have worked hard to make a living and life after we were forced to moved out of our lands at the thriving St. Peters Reserve. Our leadership fought hard for compensation for that loss of land, economy and our traditions. Our People approved a Trust settlement in 2009. In 2011, Trustees were elected by the People and have been faithfully serving Peguis ever since.

We are proud to say we have one of the most successful well-managed First Nation Trusts in Canada. We have created a well-balanced Trust that addresses the need to protect the principal to make it grow and to also make sure the community benefits from resources that the Trust affords. It is a win-win position for Peguis.

We have many and some huge requests from proposals that we are reviewing and will do our due diligence as we want to ensure that the Trust funds are being utilized to their maximum. We embrace the Trust Agreement and the conditions put forth by the people in it's ratification, to which we will abide and maintain.

The Trustees have done an incredible job in performing the duties entrusted to them. Honestly, the last 7 years have just flow by. There is great satisfaction in that we are serving a community that means so much to us. It is an honor to have been chosen by the People to serve and protect the Trust for the benefit of our members. With the solid foundation that the Trust is being built on, the Peguis First Nation Surrender Claim Trust will continue to serve Peguis in a positive way for years to come.

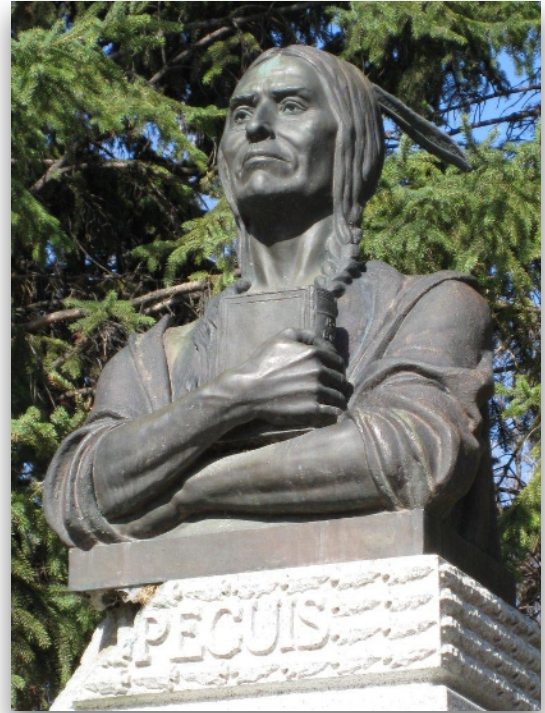
Miigwech, Ekosani, Thank you,

Hal Sutherland, Community Fund Trustee, Chairperson 2017

History

On June 29th, 1998 after 91 years of struggle by the 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 13th, 2009 Peguis members voted in favour of the proposed settlement claim. The total settlement amount was \$126,094,903.00. After payment of legal fees and settlement costs, \$118,750,000.00 was deposited by Canada into the Peguis First Nation Surrender Claim Trust.



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

Financial Trustees



Errol Wilson,
Chair 2017



Elva McCorrister,
On-Reserve



Rob Magnusson,
CA Appointment



Bill Willms,
Corporate Trustee TD Bank

- 3 Vacancies

Community Fund Trustees



Hal Sutherland,
Chair 2017



Robert Delorme,
On-Reserve



Lloyd Sinclair,
On-Reserve

- Ken Genaille, On-Reserve (July 2017)
- 2 Vacancies

July 2017 Chief and Council, at the request of the Community Fund Trustees asked to remove Ken Genaille as Community Fund Trustee. It is unfortunate that the controversial Trustee election process of February 2016 clouded the community election of the five vacant trustee positions within the Peguis Surrender Claim Trust. We would like to thank Ken Genaille for his months of service offered to the Community Fund Trustees during his tenure. Going forward, we welcome and encourage beneficiaries to become involved and engaged in the Peguis Surrender Claim Trust.

Peguis Surrender Claim Staff

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 phoning 204.645.5644, email: trustmanagersct@gmail.com, facebook: Peguis Surrender Claim Trust or website: peguissurrendertrust.com



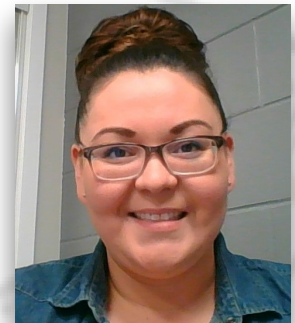
Sharon Stevenson,
Trust Manager



Debbie McElhinney,
Community Fund Project Officer



Denise Sinclair,
Finance Assistant



Nikki Stevenson,
Administrative Assistant

Activities & Events

The Peguis Surrender Claim Trust holds three intakes for applications from beneficiaries in the year and we continue to work with proponents throughout the year. Staff are available for discussion, assistance and to support beneficiaries.

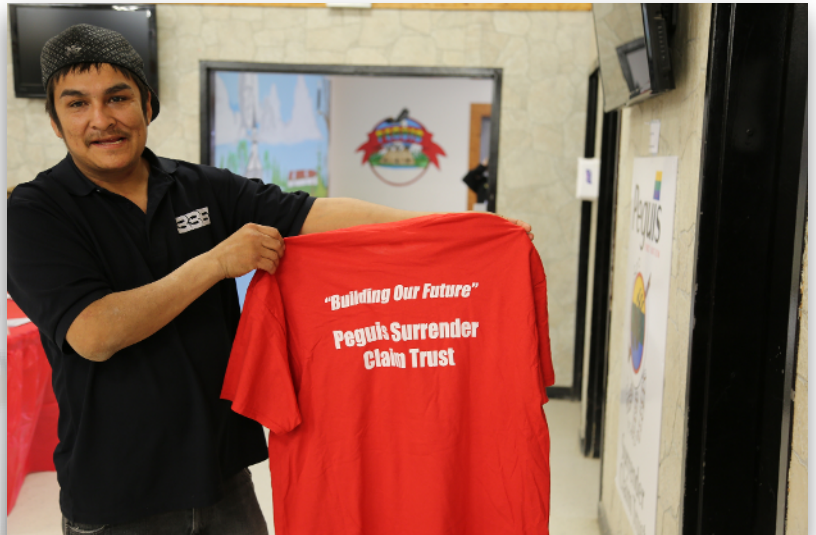
Signage was posted around the Peguis Recreation Centre to increase awareness of the Trust office and total community projects funded to date.

Trust Manager continues to participate in Peguis First Nation Monthly Managers meetings and community meetings to provide and share information.

Peguis Training and Employment placed Adult Work & Wellness candidate, Linda Sinclair, with our office for training and administrative support for three months. Our office also hosted a Youth Mentorship program candidate, Becky (Manningway) Bear. It was a privilege to have the community members join us for their internships and provide support to the office and gain information on the Peguis Surrender Claim Trust.

May 2017 Sharon Stevenson was selected by AFOA Canada to attend the Harvard Business School Executive Education program *“Leading People and Investing to Build Sustainable Communities”*.

June 2017 Denise Sinclair attended the NATOA Annual Conference in recognition in her completion of the Trustee Accreditation program with NATOA and to engage her the Trust industry by meeting with other First Nation Trusts within Canada. Robert Delorme and Hal Sutherland joined her to attend the NATOA Conference for professional development. Congratulations to Denise on her successful completion of the course with NATOA and Lethbridge College.



Survey and community engagement questionnaires distributed during Treaty Days to garner feedback from the community members on the activities of the Trust, and future ideas and events.

June 2017 Doran Quesnel joined the office staff as a Summer Student and provided administrative support to the staff, Trustees and community members. Doran had completed the Legal Assistant training program. We are grateful for her assistance and support, and we wish her well in her continued studies and career.

The Peguis Summer Student program provided student support for the Trust office in two-week increments. We are pleased to acknowledge the work of Michelle King, Brandon Genaille, Jessica McCorrister, and Emily Bird.

Activities & Events (Continued)

The Community Fund Trustees began their development of policy and procedures related to applications and proposals received over the past seven years.

September 2017 The Peguis Surrender Trust hosted two sessions for post secondary students at the University of Winnipeg and the University of Manitoba to share the purpose of the trust and career opportunities within the Trust industry.

Debbie McElhinney attended the CANDO Conference which is directed toward economic development within First Nations communities to assist her with her role in reviewing and assessing applications.

Courtney Bear was contracted to develop a community workshop and to assist in the review and development of a revised community fund application.

October 2017 the Peguis Surrender Claim Trust held a community workshop *"Need Money – Finding Alternative Sources of Funds"* which was attended by 100 people in the community.

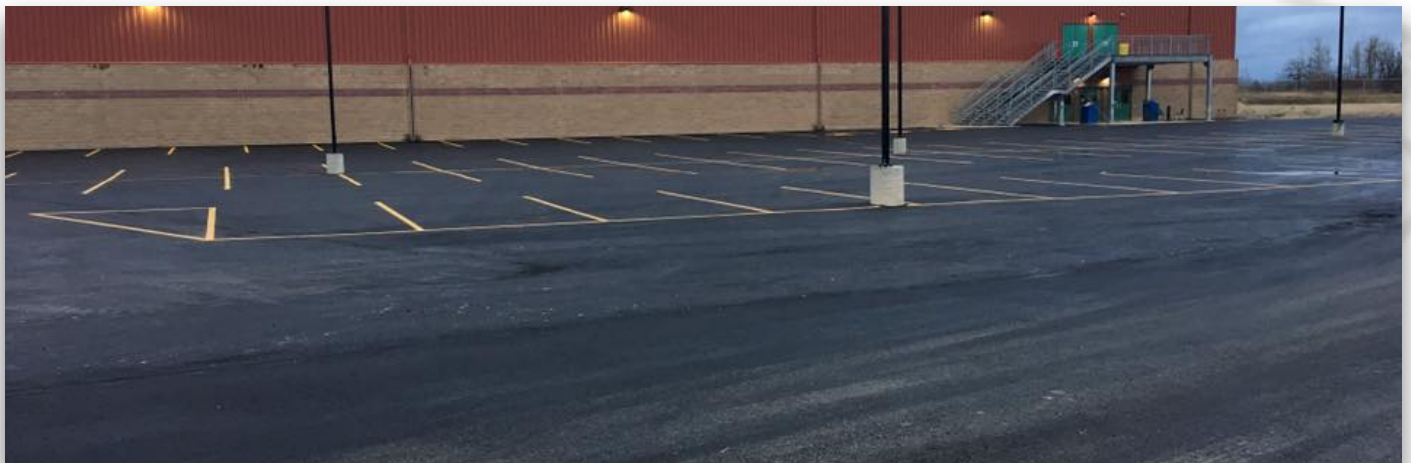
November 2017 Debbie McElhinney accepted the full-time position as Community Project Officer with the Peguis Surrender Claim Trust

Trust Manager presented to post secondary students at Miigazi Agamik Native Student Centre at the University of Manitoba on the Peguis Surrender Claim Trust and career potential & opportunities within the Trust industry and specific to Peguis.

November 2017 Denise Sinclair took on the role of Finance Assistant with the Trust to provide financial management and reporting. She continues to assist applicants with final reporting requirements.

A total of 162 applications were received by the Trust office in 2017.

Trust Balance as at December 31st, 2017 was \$135,711,887.00



Financial Operations Report

Investment Income Received for the Period

The investment income and capital gains generated from Trust investments for the period was \$7,141,193. Of this amount, \$3,477,843 represents interest and dividend income and \$3,663,350 represents realized net capital gains.

Expenditures Incurred for the Period

Expenditures incurred for the period totalled \$1,399,442 and were comprised of corporate trustee fees, investment management and consulting fees, Trustee honorarium and expenses and other professional fees as follows:

Investment Management fees	\$360,207
Accounting and Audit	\$26,731
Legal Fees	\$53,519
Consulting Fees	\$33,528
Corporate Trustee fees	\$186,887
Salaries and Benefits	\$264,406
Trust administration expenses	\$85,033
Trustee Honoraria and expenses	\$130,262
Loan interest and related charges	\$235,457
Meetings and Advertising	\$17,412
Per Capita Payments	\$6,000

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 \$85,736, the Community Funds Trustees and Chief and Council can approve amounts up to \$285,788. Amounts greater than \$285,788 must be approved by the Community Fund Trustees, Chief and Council and the Members of Peguis First Nation.

Expenditures Beneficial to the Beneficiary

The amount of \$2,332,139 was disbursed to the community for approved projects and programs as follows:

Community Project list: (See Next Page)

Criteria	Proponent	Project Name	Amount
ii	Peguis School Board	Seven Teaching Awards	\$1,000.00
vi	Vivian Chaske	Square Dance Outfits	\$5,000.00
v	Peguis First Nation	Peguis 145 Treaty	\$3,000.00
ix	Raymond Mason	Publish Book	\$5,000.00
ii	Penny Hazel/Marie Stranger	Darian Murdock	\$500.00
ii	Misty McPherson-Bear	Carter Bear Elite	\$500.00
ii	Cheryl Bear	Colby Bear	\$500.00
ii	Melvin Favell	Wyatt Bear	\$500.00
ii	Peguis School Board	Urban Transition Program	\$100,000.00
ii	Steve Daniel-Webb	Keenan Daniels-Webb	\$500.00
ii	Melissa Stevenson	Keenan McPherson	\$500.00
ix	Darrel P. Stevenson	Rasp File Business	\$4,888.78
iv	Rhonda Sutherland	R&D Animal Rescue	\$5,000.00
iv	Peguis Community Services	Food Truck Repairs	\$18,915.13
ii	Peguis Gaming Commission	NAIG Sponsorship	\$13,000.00
ix	Ryan McCorrister	Business Equipment	\$5,000.00
vi	Peguis Minor Hockey	Peguis Minor Hockey	\$113,000.00
ix	David and Frances Govereau	House Contractor	\$30,000.00
ii	Peguis Recreation Recreation	Prof Dev	\$10,000.00
ii	Peguis Recreation	Peguis Lighthouse	\$9,560.00
ix	Russell Cameron	Wood Harvesting Business	\$5,000.00
iv	Peguis Emergency Operations	Purchase Sump Pumps	\$21,850.00
ii	Ramona Favel	Jaden Favel	\$500.00
vi	Peguis Recreation	Monthly Community Events	\$60,000.00
iv	Peguis Land Department	Operations & Equipment	\$200,000.00
ix	Linda Sinclair	Cleaning Business	\$3,000.00
v	PFN Special Projects	Lord Selkirk Collection	\$12,000.00
ix	Robert Monkman	Fishing Business	\$7,000.00
ii	Peguis School Board	Grade 12 AFOA Conference	\$16,500.00
ii	Peguis Training & Employment	Plumbing Program	\$44,739.13
ii	Pam Favel	Emerson Favel	\$500.00
ii	Karen Stevenson	Keenan McPherson	\$500.00
ix	Darryl Flett	Trapping	\$2,500.00
iv	Peguis Emergency Operations	Water Pressure Pumps	\$25,942.50

Criteria	Proponent	Project Name	Amount
ix	Lydia L. Peebles	Fishing License	\$10,500.00
ix	Maurice Bear	Equipment Trailor	\$5,000.00
ii	Stuart Manningway	Ayden Manningway	\$500.00
ix	Allan Sinclair	Drain Cleaning Equipment	\$5,000.00
ix	Karl Wagner	Trucking Business	\$30,000.00
v	Peguis First Nation	Enbridge Line 3 Replace	\$50,000.00
v	PFN Special Projects	Land Use & Occ. Mapping	\$40,000.00
ii	Stephanie McCorrister	Sophie McCorrister	\$500.00
ii	Stephanie McCorrister	Karlee McCorrister	\$500.00
ii	Ryan Slater	Rain Slater	\$500.00
ix	L. Dorey Favell	Favell's Auto Service	\$30,000.00
vi	Peguis Juniors Hockey Club	Western Keystone Hockey	\$12,000.00
ii	Yvonne Houle	Life Coach Training	\$548.95
ii	Tracy Sinclair	Bryden Sinclair	\$500.00
iii	Peguis Senior Centre	Elders Christmas Party	\$15,000.00
i	Peguis Health Services	Traditional Healing Program	\$49,300.00
ii	Candace Thomas	Diamond Thickfoot Thomas	\$500.00
ii	Candace Thomas	Elizabeth Thickfoot Thomas	\$500.00
ii	Anita Spence	Kayla Spence Thomas	\$500.00
ii	Anita Spence	Hannah Spence Thomas	\$500.00
ii	Cory & Brittany Sutherland	National Arm Wrestling	\$2,000.00
ii	Connie Cameron	Ethaniel Cameron	\$500.00
ii	Peguis First Nation	Band NATOA Conference C&C	\$6,000.00
ii	Peguis Youth Movement	NATOA-Youth	\$1,200.00
ii	Peguis Hunters & Gatherers	NATOA Youth	\$1,200.00
vi	Peguis Multiplex	Khartum Circus 2017	\$20,000.00
ii	Peguis Juniors Hockey Club	Championship Jackets	\$2,738.97
ix	William Spence	Custom Lumber Equipment	\$4,075.80
ii	Stephanie Bear-Sutherland	Tyrese Bear	\$500.00
ix	Fabian Cochrane	Cochrane Exteriors Business	\$23,497.03
v	Peguis Powwow Committee	2017 Annual Pow Wow	\$20,000.00
vi	Peguis Gaming Commission	Annual Treaty Days 2017	\$230,000.00
vi	Peguis Treaty Committee	Treaty Days Carnival Rides	\$25,000.00
vi	Patrick McKay & Ryan McCorrister	2017 Treaty Days Golf Tourn.	\$3,160.00

Criteria	Proponent	Project Name	Amount
vi	Mike Sutherland	Redmen Fastball	\$3,500.00
ii	Peguis Training & Employment	Youth Work Experience	\$25,000.00
iv	Peguis Recreation	Porta Potty Purchase	\$5,000.00
iii	Peguis Health Services	National Gathering of Elders	\$170,000.00
ii	Tracy Sinclair	Bryden Sinclair	\$7,700.00
ix	Bernice Sutherland	Traditional Clothing	\$3,500.00
ix	Doug Bear	Black Bear's Auto Services	\$5,000.00
ii	Donna Beyer	Meeya Beyer	\$2,577.75
iv	Peguis Family Foods	Hardware System	\$20,000.00
vi	Peguis Minor Hockey	Hockey Jersey	\$32,687.50
ix	Leroy Thomas	Removal of Waste items	\$5,000.00
iv	Arthur Cook	Boxing Ring Purchase	\$5,000.00
ii	Peguis School Board	Breakfast Club	\$30,000.00
iii	Peguis Health Services	National Gathering of Elders	\$30,000.00
vi	Peguis Juniors Hockey Club	2017-18 Hockey League	\$36,000.00
ii	Peguis School Board	Elders Project	\$15,000.00
ii	Peguis School Board	Ojibwe Language Project	\$10,000.00
x	Peguis Special Proj.Dept.	Flood Hazard Assessment	\$100,000.00
ix	Desmond Bear	Tire Balancer/Changer	\$5,000.00
iv	Peguis First Nation Band	New Horizon Newspaper	\$24,000.00
ix	Pierson Ross-Sutherland	3D Artist Portfolio	\$5,000.00
iv	Peguis Multiplex	Parking Lot 1 Asphaltting	\$202,250.00
iv	Peguis Central School	Asphaltting at School	\$49,400.00



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 6 applications processed in 2017 for a total amount of \$6,000. Our office is currently reconciling the Per Capita Distribution since 2010 to assess the members with outstanding payments and total payments and expenses to date.

Investment Activities of the Trust

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

Line of Credit

In order to preserve the Trust Property, the Financial Trustees secured a \$15,000,000 line of credit with the TD Commercial Bank. The line of credit was utilized to fund the arena and housing projects as well as other projects. As of December 31, 2017, the balance of the line of credit was \$8,071,547. Interest is charged at the prime rate, which as of December 31, 2016, was 3.2%.

Value of the Trust

The value of the Trust investments as at December 31, 2017 was \$135,711,887.

The net value of the Trust as at December 31st (excluding the line of credit accrued liabilities) was \$127,540,454.

Community Fund Projects Approved for 2017:

Peguis School Board – Seven Teaching Awards - \$1,000.00

2 - \$500.00 Grade 12 Graduation Awards based on the Seven Teachings: Respect, Honesty, Love, Courage, Truth, Wisdom and Humility to recognize the gifts of the students.

Vivian Chaske – Square Dance Outfits - \$5,000.00

Peguis Albert Thompson Memorial Square Dancers, two youth group's shoes and outfits ages 4 to 17 years old for competition and entertainment opportunities.

Peguis First Nation Special Projects – 145 Treaty Commemoration - \$3,000.00

Peguis 145 Treaty Commemoration Event re-enactment of treaty making on August 3, 1871.

Ray Mason – Author - \$5,000.00

First time author, Spirit of the Grassroots People, background and personal history to bring about Residential School Survivors Agreement.

Penny Stranger – Darian Murdock’s Athletic Development - \$500.00

Darian Murdock is an elite AAA Midget Lightning hockey player, funding is to help develop his talent and skills.

Misty McPherson-Bear - Carter Bear’s Athletic Development - \$500.00

Carter Bear is identified as one of the top players in his age group and has been invited to 4 major hockey events, Future Legends, Warrior Elite Series, Elite 8 and Top Combine Tournaments.

Cheryl Bear – Colby J. Bear’s Athletic Development - \$500.00

Colby Bear is an elite AAA Interlake Bantam hockey player, funding is to help develop his talent and skills.

Melvin Favel – Wyatt Favel-Bear’s Athletic Development - \$500.00

Wyatt Favel-Bear has been drafted by Seattle Thunderbirds Hockey Team in the Western Hockey League and will attend grade 12 in Seattle, Washington.

PSB – Post Secondary Department - Urban Transition Program - \$100,000.00

Transitioning grade 12 graduate into the urban setting to provide life skills, employment training, academic preparation, university credits at Canadian Mennonite University. 15 students & 15 mentors.

Steve Daniels–Webb – Keevan Daniels-Webb Team Manitoba - \$500.00

Keevan Daniels-Webb was selected to play for Team Manitoba in the National Aboriginal Hockey Championships.

Melissa Stevenson – Keenan McPherson’s Athletic Development - \$500.00

Keenan McPherson was selected to play AAA Provincial Lightning Midget Hockey, funding is to help develop talent and skills.

Darrel Phillip Stevenson – Inventor - \$4,888.78

Purchase equipment to develop file rasps that are easy to clean, sharp and high quality, he worked in the industry many years and developed his own rasp to meet his needs.

Rhonda Sutherland – R&D Animal Rescue Project - \$5,000.00

Purchase equipment and supplies for dog and cat rescue and keep the stray population down in the community for resident’s safety.

Peguis Community Services – Food Truck Repairs - \$18,915.13

Our community food bank truck was repaired and available for picking up and delivering food hampers.

Peguis Gaming Commission – NAIG Peguis Athletes - \$13,000.00

Funding to assist with 26 Peguis athletes attending 2017 North American Indigenous Games in Toronto in July 2017 as Team Manitoba representatives.

Ryan McCorrister - \$5,000.00

To support and enhance Ryan’s Roofing business in Winnipeg.

Peguis Minor Hockey Association - \$113,000.00

To support the development and training provided by Peguis Minor Hockey for the youth and children of Peguis from the Squirt level to the Midgets. They continue to create a strong sense of community pride and teamwork.

David & Fran Govereau – David Govereau Enterprises - \$30,000.00

Expansion of existing business, purchase equipment and tools for house construction complete with basements, sewer/water, geo-thermal, lawn & driveway construction.

Peguis Recreation - \$10,000.00

Staff (12) and community (9) training, workshops, conferences for capacity building and training to support their role in recreational programming.

Peguis Lighthouse Program - \$9,560.00

Youth program to purchase equipment speakers and travel cost, extracurricular activities – cooking, games, dance, community outing field trips, workshops, arts & crafts, sports.

Russell Cameron – \$5,000.00

Start a wood harvesting business, purchase equipment, hire seasonal employment for 2 cutters to cut and stock pile wood for winter.

Peguis Emergency Operations Centre - \$21,850.00

Purchase 200 sump pumps complete with accessories, items used during flooding and power outages to protect property and health of Peguis members.

Ramona Faval – Jaden Favel’s Athletic Development - \$500.00

Jaden Favel was selected to play with the U10 Junior Bison, University of Manitoba Female Bison Summer Hockey Team.

Peguis Recreation - \$60,000.00

Monthly community events for one year, On and Off Reserve members. Programming supplemental funds to assist with annual costs of recreation programs, such as Winter Carnival, Spring Break Festivities, Easter Party, Family events, Halloween events, and summer programs.

Peguis First Nation Lands Department - \$200,000.00

Purchase equipment, training and travel to develop and build capacity and certification in the lands department.

Linda Sinclair – Cleaning Business - \$3,000.00

Purchase cleaning equipment and supplies to expand from residential to commercial clients within and around Peguis.

Peguis First Nation Special Projects – Lord Selkirk Collection - \$12,000.00

Glass encasement for ceremonial regalia that was gifted to the 10th Earl in 1967 by Chief Edward Thompson and Walter Cochrane. This gift has been in the Douglas-Hamilton since at the National Museum of Scotland and has been repatriated at the 200 year anniversary of the Selkirk Treaty of 1817

Robert Monkman – Fishing Business - \$7,000.00

Purchase new motor to support his commercial fishing business.

Peguis School Board – AFOA National Conference - \$16,500.00

Grade 12 graduating students attended the national conference and were able to experience and meet many of Canada’s leading indigenous finance leaders and senior managers, while also becoming aware of many careers in financial management.

Peguis Training & Employment - \$44,739.13

Funding the purchase of equipment for the accredited plumbing program with Assiniboine Community College. Eight Level 1 Plumbers completed program.

Pam Favell – Emerson Favel's Athletic Development - \$500.00

Emerson Favel's athletic development, selected to joint 10U Junior Bison 2017 hockey summer season, she was able to obtain advanced skill development & competition in female hockey.

Karen Stevenson – Keenan McPherson's Athletic Development - \$500.00

Keenan McPherson was invited to attend Seattle Thunderbirds Hockey Camp and was drafted by WHL Waywayseecappo Wolverines at Bantam level.

Darryl Flett - Snow Machine \$2,500.00

As an avid trapper, Darryl continues a family tradition of trapping and fur harvesting.

Peguis Emergency Operations - \$25,942.50

To purchased 100 Water Pressure Pumps. These items were used during winter freezing to protect property. Priority given to elders, medical, disabled and large families.

Lydia L. Peebles- Purchased Commercial Fishing License - \$10,500.00:

To purchase a fishing quota and can provide an additional source of income and career opportunities for her family.

Maurice Bear- \$5,000.00 - Purchase a heavy equipment trailer

To haul machinery around community, for local activities and small jobs in community as needed.

Stuart Manningway - \$500.00 – Elite Hockey Player

His son is a very successful youth Ayden Manningway in hockey helped support him in Rink Hockey Academy as he is a WHL prospect.

Allan Sinclair- \$5,000.00 - Drain Cleaning Equipment.

Allan's On-Site Water management continues to help the Maintenance Department and after hours to clean sewer lines and water drains for our community members.

Karl Wagner - \$30,000.00 - Tandem End dump truck

For his trucking business. He works in the community and in Selkirk making an income for himself and family.

Peguis First Nation – Special Projects -\$50,000.00 Enbridge Line 3 Replacement

Peguis was able to participate in the National Energy Board hearing process for the TransCanada Energy East pipeline proposal (Enbridge Pipeline Inc. Line 3 Replacement) regarding pipeline route. Preparation work and community meeting to prepare for the hearing process.

Peguis First Nation – Special Projects -Land Use & Occupancy Memory Mapping Project -\$40,000.00

Held community meetings, surveys and interviews with members with traditional knowledge of the Interlake Region. For protection of individual and collective Aboriginal & Treaty Rights along with traditional use of the land and water.

Stephanie McCorrister – Athletic Development – Karlee & Sophie - \$500.00 each

Both girls played on the University of Manitoba Junior Bisons Female Summer Hockey Team. This team is for further development in hockey for ages 7-18 in competitiveness, confidence and self esteem.

Ryan Slater – Athletic Development - \$500.00

Raine Slater won the Manitoba Top Prospects Combine Championships and was given an instant invite in football. He has been making major waves in the USA and Canada. Raine is the only Canadian to be invited to the Nike Opening in Chicago.

L. Dorey Favell – Favell’s Auto Service - \$30,000.00

Both Dorey and Johnathan Favel are certified licensed mechanics they purchased the local Concrete Plant and started their own garage. Providing professional, certified, and quality passenger and heavy-duty vehicle repair and maintenance services.

Peguis Junior B Hockey Club – Western Keystone Junior Hockey Championships - \$12,000.00

The Juniors attended the Western Canada Keystone Junior Hockey Championship held in Arborg, Mb. The team were housed in Hecla to build team support and cohesiveness during the tournament.

Yvonne Houle - Life Coaching Training - \$548.95

Yvonne trained to become a certified Life Coach Consultant.

Tracy Sinclair – Elite Hockey Development for Bryden Sinclair - \$500.00

Funding to further develop hockey athletic skills, travel, accommodations, meals, registration to attend Canadian Sports School Hockey League, Penticton, BC.

Peguis Senior Center – 2016 Annual Elder’s Christmas Party - \$15,000.00

Over 400 elders attend this annual Christmas party each receive a gift bag, candy bag, entertainment and a great Christmas dinner. This event brings the community elders together and lifts spirits of all our elders.

Peguis Health Services – Peguis Traditional Healing Program – \$49,300.00

Provides traditional healing (medicines & ceremonies), fasting camps, traditional medicine harvesting available to all members on and off reserve who choose to access this healing.

Peguis Warriors Arm Wrestling Club – 2017 Canadian National Championships – Halifax, N.S. - \$4,500.00

9 Team members: Carter Sutherland (Gold Medal, 3x champion), Cora Sutherland (Silver Medal), Diamond Thickfoot-Thomas (2 Silver Medals), Hannah Spence-Thomas, Ethan Cameron (Gold & Bronze Medals), Kayla Spence-Thomas (2 Silver Medals), Connor Sutherland (6th place winner), Elizabeth Thickfoot-Thomas (Silver & Bronze Medals), Brittney Sutherland.

Peguis First Nation – NATOA Conference - \$6,000.00

Chief & Council attended the National Aboriginal Trust Officers Association conference to learn more about different community trusts and meet trust industry professionals and other community trustees from across Canada.

Peguis Youth Movement – NATOA Youth Involvement - \$1,200.00

2 Youth completed a presentation at the NATOA National Conference to share their experience and community programming for the youth in Peguis.

Peguis Hunters & Gatherers – NATOA Youth Involvement - \$1,200

Two youth did a presentation on the Peguis Youth Hunters & Gatherers program in Peguis. They were able to share how the teachings helped them to develop their skills, confidence and become mentors to the youth.

Peguis Multiplex – Khartum Circus 2017 - \$20,000.00

An annual event to bring our community together for a fun event. It utilizes our new arena for all to enjoy and is a positive event to create memories for young and old.

William Spence – Custom Milling Lumber Equipment - \$4,075.80

Has his own saw mill for making private custom lumber to band members and rough lumber to provide ramps for elders. He also does log cutting for log homes.

Stephanie Bear-Sutherland – Tyrese Bear Hockey WHL Prospect - \$500.00

Elite hockey player Tyrese Bear attended Goalie Camp to improve hockey skills with ex-NHL Players. Dreams to make it to the NHL league.

Fabian Cochrane – Cochrane Exteriors Business - \$23,497.03

Funding to purchase dump trailer, cargo trailer and heavy-duty truck to increase employment. They completed the Peguis Community Hall roof.

Peguis Pow Wow Committee – 2017 Annual Peguis Pow Wow - \$20,000.00

Hosted a competition pow-wow during Treaty that brought out many dancers, spectators, concession stand and craft vendors. It provides the community to participate in traditional events.

Peguis School Board - Peguis Central School Access Loop Paving Project \$49,400.00

Dust and pothole reductions for school clients, also for health and safety of students, staff and community members accessing the school entrance.

Peguis Multi-Plex - Parking Lot Paving Project \$202,250.00

To provide safety for community members and visitors attending the Multi-Plex, the paving also added to the esthetics of the multi-million-dollar facility.

Pierson Ross-Sutherland - 3D Artistic Portfolio \$5,000.00

As a graphic artist, Pierson was able to purchase a computer and equipment to assist him with his training and development as a computer graphic artist.

Peguis First Nation - Peguis New Horizon Newspaper \$24,000.00

The monthly newsletter of the Peguis First Nation provides printed media information and news for community members and visitors to keep abreast of the activities in Peguis.

Desmond Bear - Tire Balancer & Changer \$5,000.00

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

Peguis Special Projects & Consultation Department - Flood Hazard Assessment Project \$100,000.00

The disastrous flooding effects of spring run-off and water drainage from the lands south of Peguis have to be assessed and documented to create a compelling report for engagement in flood mitigation for Peguis.

Peguis School Board - Peguis Central School Ojibway Language Project \$10,000.00

As an inherent part of our identity in Peguis, the Ojibway language project brings the language into the school curriculum and maintain our proud heritage.

Peguis School Board - Peguis Central School Elders Project \$15,000.00

Community engagement and sharing of elders' knowledge & teachings are attained by inviting elders into the school to assist in classroom and school-wide activities.

Peguis Junior B Hockey - 2017-2018 Season \$36,000.00 | Championship Jackets \$2,738.97

The Peguis Juniors continue to have successful years in the Keystone Junior Hockey League as provincial champions.

Peguis Health Services - National Gathering of Elders \$200,000.00

The first gathering was held in September 2017 in Edmonton, Alberta. Peguis attended with a contingent of 150 elders to participate and contribute to the inaugural elders gathering.

Peguis School Board - Peguis Central School Breakfast Club \$30,000.00

Every child should be able to attend school with a healthy breakfast to support their learning and health. The Breakfast Program provides a healthy breakfast option for all students.

Arthur Cook - Boxing Ring Purchase \$5,000.00

As an international renowned boxer, Arthur is able to share his skills and training with young pugilists and host bouts with the addition of a boxing ring.

Leroy Thomas - Salvage Truck Purchase \$5,000.00

In Winnipeg, Leroy has been able to expand his salvage business with the purchase of additional equipment to support the increased demand for his services.

Peguis Minor Hockey - Team Jerseys \$32,687.50

The Peguis Minor Hockey teams proudly wear their new home and away jerseys as they represent Peguis in the Interlake Minor Hockey division.

Peguis Family Foods - Point of Sale System Purchase \$20,000.00

With the purchase of the new Point of Sale system Peguis Family Foods have been able to create efficiencies and improve their customer service for their clientele.

Donna Beyer - Meeya Beyer Tuition Support \$2,577.75

As a student at St. Mary's Academy, Meeya is able to pursue a strong science program to support her academic pursuit of a science-based career.

Doug Bear - Black Bear Auto Services \$5,000.00

As a local vehicle mechanic, Doug is able to undertake leasehold improvements to retrofit his garage for expanded business services.

Bernice Sutherland - Traditional Craft Project \$5,000.00

As a local artisan of traditional clothing, footwear and bedding, Bernice is able to enhance and develop her services with the purchase of equipment and supplies to allow for increased inventory and contracts.

Tracy Sinclair - Bryden Sinclair Tuition Support \$7,700.00

Pilot Mound Hockey Academy has allowed Bryden to develop and enhance his hockey skills & academics, coupled with access to scouts and the potential for a professional hockey career.

Peguis Recreation Department - Porta-Potty Purchase \$5,000.00

With the many community activities undertaken and hosted by Peguis Recreation throughout the community, it was important that the community member's lavatory facilities be available on location as needed. This includes a wheel-chair accessible facility.

Peguis Training & Employment - Summer Youth Work Experience \$25,000.00

Partnering with other Peguis Departments to provide youth with the opportunity to participate in a summer work experience to build confidence, pride, independence, networks, resources and skills to carry them forward.

Peguis Gaming Commission – Annual Treaty Days 2017 \$230,000.00

This annual community event brings the community and families together over a nine day period to celebrate, share some laughs, have fun and participate in the many events Treaty has to offer.

Peguis Treaty Committee – Carnival Rides 2017 \$25,000.00

For one day the Peguis community is offered free carnival midway rides to support family and community activities and fun for all ages.

Patrick McKay & Ryan McCorrister – Treaty Days Golf Tournament \$3,160.00

The avid golfers in Peguis and their friends enjoy a day on the course away from the office in the wilds of Netley Creek golf course. This provides an opportunity to challenge each other and share some laughs and good times with family, friends and new friends.

PFN Public Works – Public Works Building \$139,694.13

The Public Works department hosts millions of dollars in equipment and required a building to house their equipment and staff to maintain the equipment.

Garry McCorrister – Sundance Ceremony \$1,000.00

As we look to our traditional and ceremonial teachings, the opportunity to share and learn is made available at the Sun Lodge in Peguis with the annual Sundance ceremony.

Derreck Daniels – Emily Daniels \$500.00

Emily Daniels is an avid hockey player and has been selected to represent Team Manitoba at National Hockey Championships and continues to develop her skills.

Phillip Sinclair – Redi-Mix Concrete \$20,000.00

As a local concrete supplier, Phillip has been able to expand his business with additional equipment to meet increased demand.

Ryan McCorrister and Patrick McKay – Drive for Youth Golf \$2,000.00

With their concern for the youth of the community, Ryan & Patrick hosted a golf tournament to raise funds for youth programming in Peguis.

Germaine Bear – Chloe Bear \$500.00

As a young gymnast, Chloe has shown exceptional skills and interest in gymnastics and continues to pursue her love for the sport.

Mike Sutherland – Redman Fastball \$3,500.00

With the Canadian Native Fastball Championships in Edmonton, Mike was able to represent Peguis at this event with the talents of the young men of Peguis.



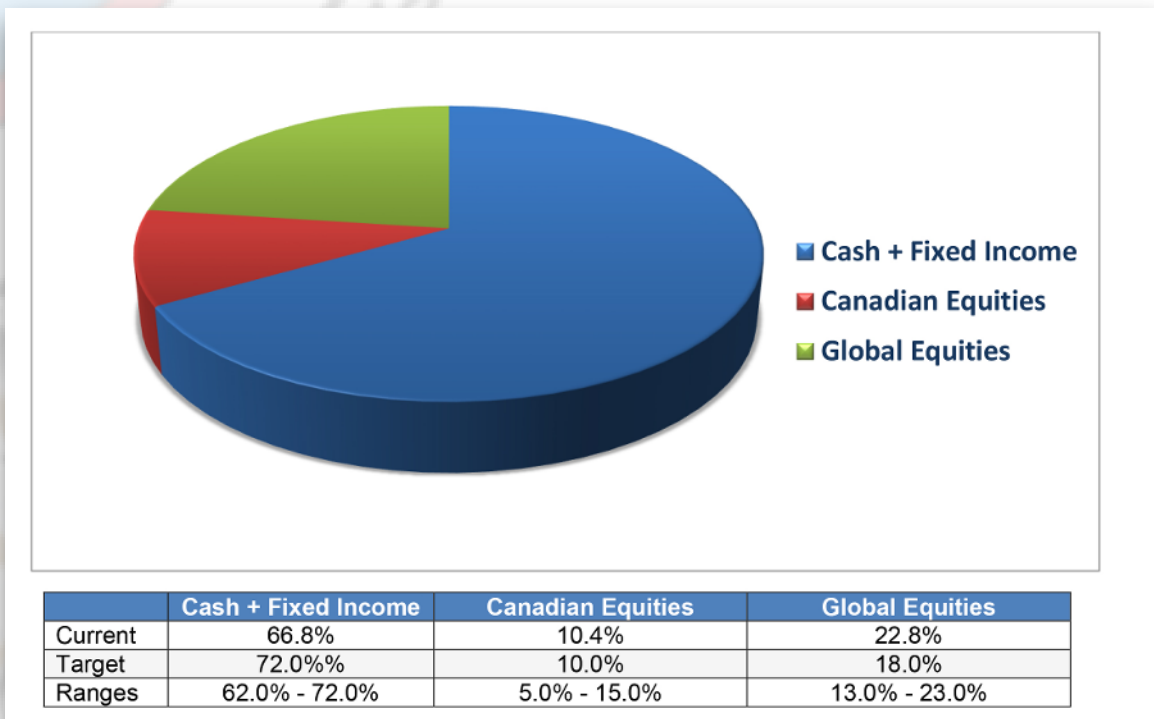
Investment Review Summary as at December 31, 2017

Bolstered by a solid fourth quarter, the year ending December 31st, 2017 stood out as a very good year within the stock market which benefited from strong growth in most global economies around the world. The Peguis Surrender Claim Trust was clearly rewarded over the year with gains of 11.02%, 14.56% and 23.33% in its Canadian, U.S. and International stock holdings respectively and in all cases, these individual equity returns have out-performed their respective market benchmark returns for 2017 and continue to do so since the Trust's inception.

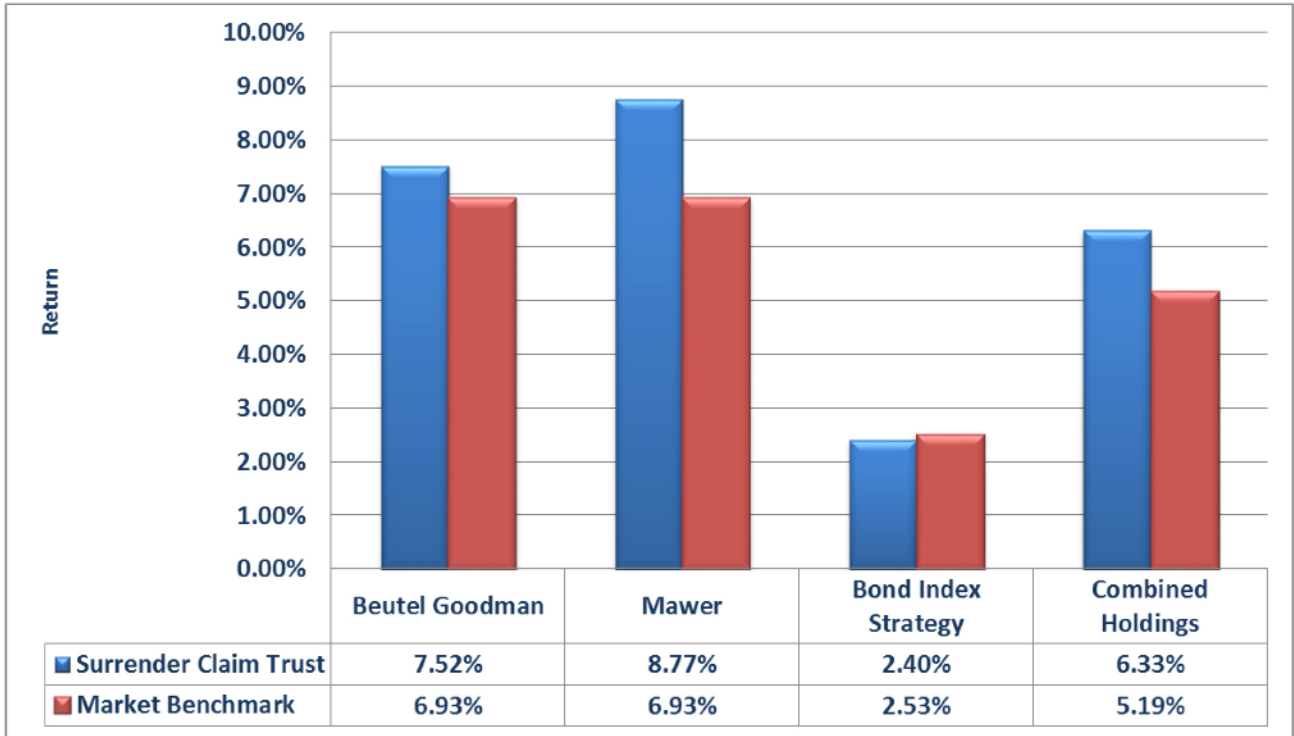
It should be mentioned that the Peguis Surrender Claim Trust Agreement requires the Trust to hold upwards of 70% in bonds or Fixed Income investments. While the Trust's Fixed Income return of 3.15% remains in-line with the market benchmark since inception, this has had a dampening effect on the overall Trust's performance when compared to the lofty equity returns experienced.

We are pleased to report however that the combined Trust holdings continue to provide above-market returns over the year ending December 2017 and in all reported periods since inception under the investment management of Beutel Goodman and Mawer Investment Management. More specifically, the Surrender Trust is up 6.33% over the last twelve months (or a gain of \$7,646,050) and has recognized an average annual return of 7.09% (or a gain of \$45,985,463) since the Trust's inception which has also added value over and above the market benchmark return of 5.78%. We are also pleased to report that the Trust's inception return of 7.09% has significantly outpaced the investment policy's average annual return target of 3.50% + CPI (where CPI or inflation has been 1.40% since inception) or in absolute terms, a return target of 4.90% based on the foregoing.

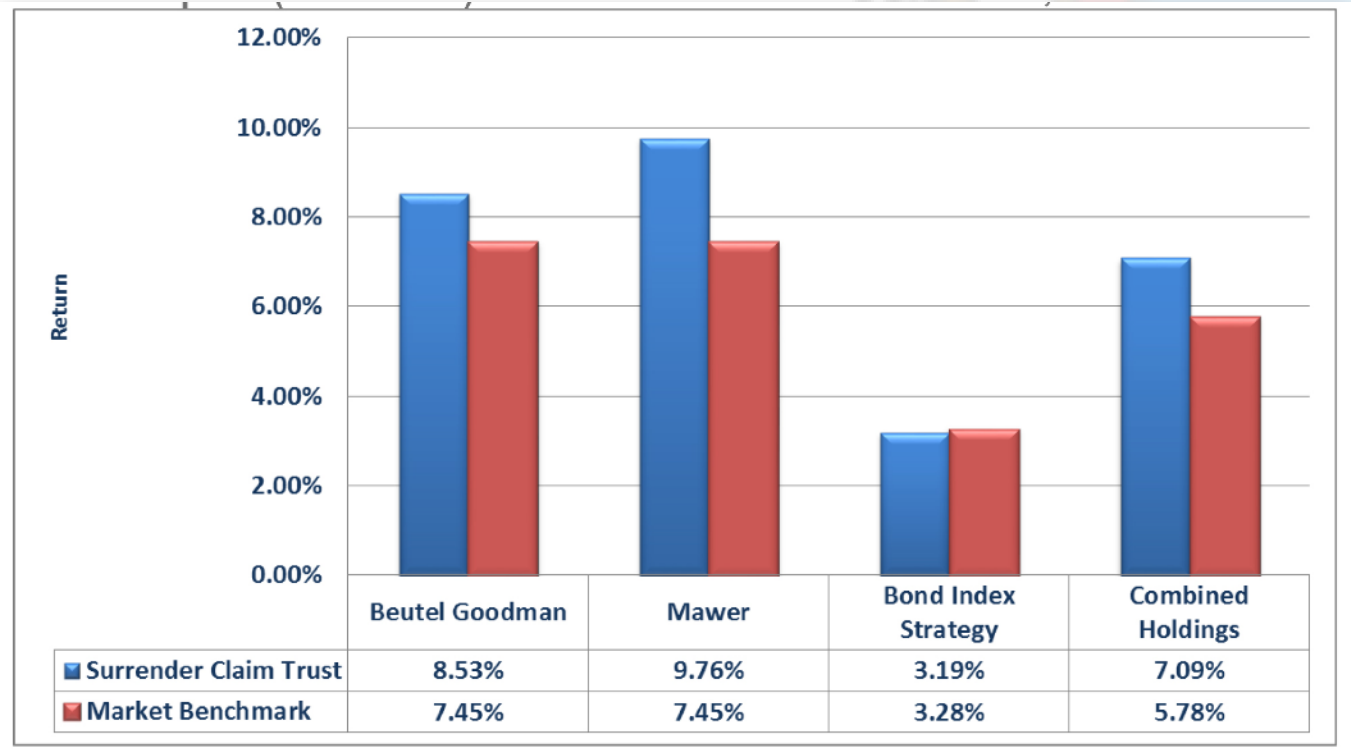
Asset Mix as at December 31, 2017



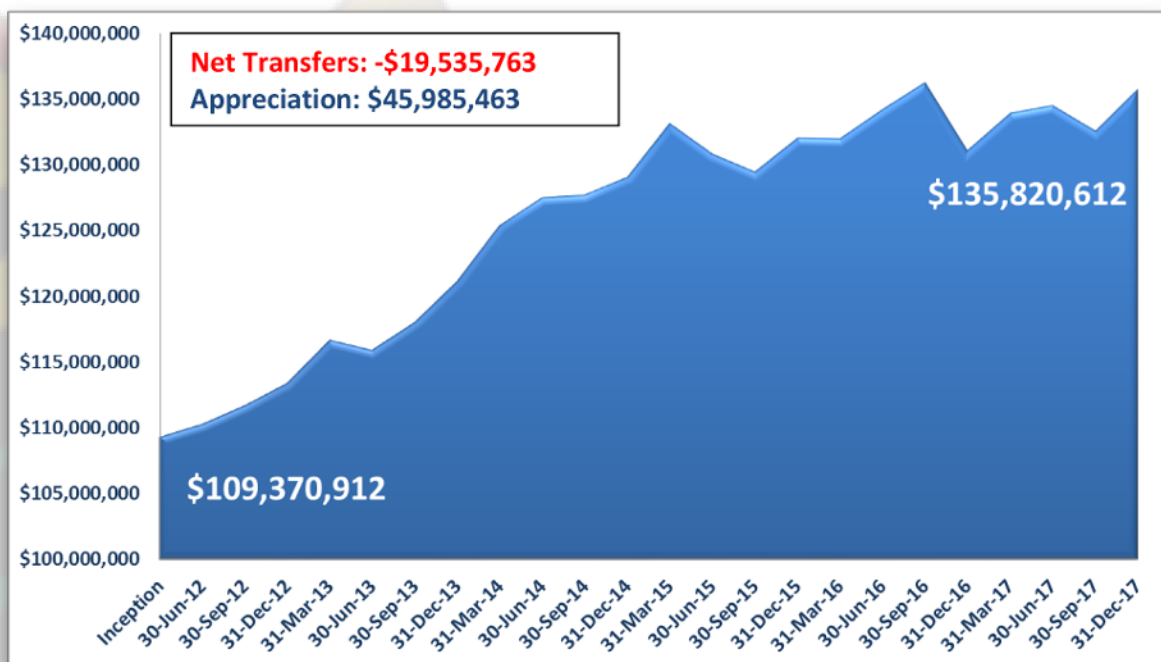
1 Year Rates of Return as at December 31, 2017



Since Inception (Annualized) Rates of Return as at December 31, 2017













Portfolio Valuation as at December 31, 2017



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

Top Equity Holdings as a Percentage of the Total Portfolio - December 31, 2017

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

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

Prepared by T.E. Wealth as Financial Advisor to the Peguis First Nation Surrender Claim Trust

Jack Jamieson, VP Aboriginal Services

(TF) 866.430.0537, email: jjamieson@teic.com

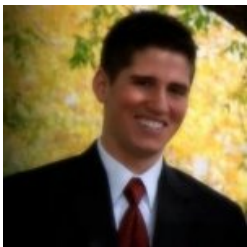


Little Bit About T.E. Wealth Aboriginal Services

On behalf of T.E. Wealth, it remains our honor and pleasure to support the Trustees of the Peguis First Nation Surrender Claim Trust. With roots going back over 45 years, we provide objective and independent investment advisory assistance in the oversight and safeguard of trust investments.

We believe our mandate is to assist the Trustees in creating a state of Sustainable Wealth that balances the needs of the present without compromising the ability of future generations to meet their own needs. To nurture and grow the tree that provides the fruit for both today and tomorrow.

Your T.E. Wealth Team



Victor Pelletier, Analyst and Senior Manager Investment Services

Victor supports the Surrender Trust relationship by providing investment research, analysis and interpretation of the Trust's performance. In addition, he plays an integral role in the development of the Trust's investment policies and guidelines and serves on our national investment manager research team. Victor is a member of Serpent River First Nation and in his previous employment; he has worked as a Research Analyst for the Chiefs of Ontario.



Jack Jamieson, Vice President, Aboriginal Services

As Vice President (and founder) of T.E. Wealth's Aboriginal Services practice, Jack brings over 35 years within the investment and financial services industry is honored to have been working with the Peguis community for over 9 years relative to the planning, development and implementation of the Peguis Surrender and TLE trusts. He currently serves on the National Advisory Board and membership committee for the National Aboriginal Trust Officers Association (NATOA) and through T.E., he is a partner member for the Aboriginal Financial

Officers Association (AFOA) and an Achievement Award recipient of AFOA. Jack will tell you that he always enjoys his visits to the Peguis community as he has made a number of life-long friendships over the years.



Beutel Goodman Investment Counsel is a money manager located in Toronto. The company manages over \$40 Billion on behalf of clients including large institutions and pension funds, First Nations, Metis and Indigenous organizations as well as individuals and their families. The company has more than 80 employees working together to achieve their clients' investment goals and is celebrating 50 years in business. Beutel Goodman manages money for more than 30 Indigenous groups across Canada.



Beutel Goodman has enjoyed a longstanding relationship with Peguis First Nation and has been responsible for the investment management of a portion of the Peguis Surrender Claim Trust since the beginning of 2012. They have also been responsible for managing a portion of the Peguis Treaty Land Entitlement Trust since 2010.

Steven Smith has been the primary service provider for Peguis First Nation since 2010. He has had the pleasure of visiting Peguis First Nation many times. He has presented at Annual General meetings for both Trusts and has provided educational workshops to Trustees and members. Steven works along with the other portfolio managers in the Private Client Group including Jeff Young, John Cushman, and Greg Latremoille to ensure that the Peguis Trusts investment goals are achieved. This team has very strong support from seven people on our administrative team. The entire team is delighted to have the honour and privilege of working for the Peguis Community and being a part of the Peguis family.



Founded in 1974, Mawer Investment Management is a privately owned, independent portfolio manager providing investment management to a broad range of individual and institutional investors across all major asset classes. We have been managing portfolios for First Nation communities since 1994. Mawer currently manages in excess of \$50 billion in assets under management and employs over 150 people across locations in Calgary, Toronto and Singapore.

MAWER

Be Boring. Make Money.

The Firm offers investment expertise across a wide variety of asset classes including international equity, U.S. equity, Canadian equity, Canadian small cap equity, Canadian fixed income, and balanced management.

The Firm employs a disciplined, research-driven process and long-term view in the management of global portfolios. Value-added returns are achieved through prudent security selection and portfolio mix based on bottom-up, fundamental analysis. Consistent returns are achieved through a team process which benefits from the breadth and depth of all investment specialists. Portfolios are managed according to the unique investment objectives and risk tolerances of our clients.

Mawer has an enviable reputation throughout Canada for professionalism, integrity, continuity of management, and a time-tested approach to investment management. The Firm ascribes and adheres to the CFA Institute Asset Manager Code of Professional Conduct and the CFA Institute Code of Ethics and Standards of Professional Conduct.

Team members working directly with Peguis:

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.





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.

PEGUIS SURRENDER CLAIM TRUST

COMMUNITY FUND TRUSTEES

Hal Sutherland, Chair 2017

Lloyd Sinclair

Robert Delorme

2 Vacancies

Management & Staff

Sharon Stevenson, Trust Manager

Debbie McElhinney, Community Fund Project Officer

Denise Sinclair, Finance Assistant

Nikki Stevenson, Administrative Assistant

FINANCIAL TRUSTEES

Errol Wilson, Chair 2017

Elva McCorrister

Rob Magnusson

Bill Willms, TD Bank

3 Vacancies



OGITCHI TIBAKONIGAYWIN
 The Great Binding Law
 of Kizhay Manito - The Great Spirit



THE SEVEN TEACHINGS

TRUTH



RESPECT



HUMILITY



LOVE



WISDOM



HONESTY



COURAGE







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