



**PRESERVING  
OUR  
FUTURE**

**PEQUIT LE TRUST  
ANNUAL REPORT 2020**





**Peguis First Nation**  
**Treaty Land Entitlement Trust (TLE)**

**2020 Trust Administration Report**

Financial Trustees: Stephen Daniels,  
Diane Bear, Sharon Stevenson, Carrie  
Sutherland, and Sangita Bhalla, RBC

And

Community Fund Trustees: Lloyd  
Sinclair Ralph Sutherland, Barry Bear,  
and Freda Bear



Treaty #1 signing

## **BACKGROUND**

The Peguis First Nation Trust entered into a Treaty Entitlement Agreement with Canada and the province of Manitoba whereby Peguis First Nation is entitled to select and acquire up to 166,794 acres of additional land as Reserve. To fulfil its obligations, Canada has agreed to pay Peguis First Nation the sum of \$64,425,000.

By Ratification Vote held on September 7, 2007, Peguis First Nation approved the Peguis First Nation Trust Agreement.

In 2008, \$61,397,215.00 was deposited to the Peguis First Nation Trust, of which \$56,397,215.00 was transferred to the Implementation Account and \$5,000,000.00 to the Community Fund Account.

## **REPORTING**

Each year the Trustees are required to provide the Chief and Council 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 expenditures of the Implementation Account and the Community Fund Account, as well as the investments for the Trust.

## **The Financial Trustees**

The Financial Trustees are responsible for the financial administration of the Peguis First Nation Trust, including the Implementation Account and the Community Fund Account. The Financial Trustees distribute the Trust Property in accordance with the Funding Directions issued by Council and/or the Community Fund Trustees, as the case may be. The Implementation Account is to be used to acquire land to be registered in the name of Peguis, as well as, to cover discharging expenses associated with the purchase of land and other implementation administration expenses of the Treaty Entitlement Agreement.

The Financial Trustees for the Trust are: Stephen Daniels, Sharon Stevenson, Diane Bear and Carrie Sutherland. Under the terms of the TLE Trust Agreement at least one Community Fund Trustee must be located off Reserve. There is a vacancy for this position currently.

The Trust Agreement calls for Council to appoint two additional Trustees, one of which must be either a lawyer or a Trust Company and the other Trustee a chartered accountant. Council appointed Royal Trust as the Corporate Trustee. Council is currently in the process of selecting a potential chartered accountant to act as Financial Trustee for the Trust.

## The Community Fund Trustees

The Community Fund Trustees identify and determine or recommend to Council or to Council and the Members “Expenditures Beneficial to Peguis First Nation” from the Community Fund Account. The Community Fund Account is to be used for the advancement of the interest of and quality of life of Peguis First Nation and its members through the preservation, enhancement and application of Trust property. The Community Fund Trustees have no responsibility for the financial administration of the Peguis First Nation Trust.

Freda Bear, Barry Bear, Ralph Sutherland, Lloyd Sinclair, are the elected Community Fund Trustees.

Under the terms of the TLE Trust Agreement, at least one Community Fund Trustee must be located off Reserve. There is currently a vacancy for this position. There is a forthcoming election process to be called by Chief & Council to fill the position of off-reserve community fund trustee.



In loving Memory of Barry Bear who served as a Peguis TLE Trust Community Fund Trustee from 2009 – 2021

## Financial Trustee Report 2020

### Trust Balance

The Financial Trustees are also pleased with the overall financial investments of the TLE Trust. Our Trust opening value at January 1<sup>st</sup>, 2020, was **\$ 46,607,894** and the Trust closing balance at December 31<sup>st</sup>, 2020 was **\$42,998,976**.

### Investment Management

The Peguis TLE Trust continues to utilize the services of TE Wealth for their independent Trust advisory and investment consultation. It is with their support and guidance that we continue to grow and learn about the investment and trust industry so that we can make a difference for our beneficiaries.

The investment of millions of dollars in the TLE Trust takes professional management and decision making from well selected and successful investment managers. We are thankful to continue to secure and utilize the services of Mawer Investment Management, Beutel Goodman Investment Counsel and Ridgewood Capital, who has replaced TD Asset Management as of April 2020. These managers are tops in their field and outperform their peers. May they keep up the good work and keep making money for the TLE Trust. We thank them for their ten years of service and support to Peguis.

### Professional Development

The Peguis TLE Trustees pursue professional development to assist them with their duties and roles for the benefit of the beneficiaries and Trust. With the developments in the Trust industry and increasing information within the investment industry, it is imperative and proactive that the Trustees be kept abreast of changes and new information that can benefit the Trust and/or community.

AFOA Canada National Conference – with over 1200 indigenous delegates from across the country, AFOA Canada has developed a Trust component within its mandate to support First Nations. This training and information is available at the Conferences and to the communities.

NATOA National Conference – the National Aboriginal Trust Officers Association (NATOA) hosts an annual conference each year for the benefit of Community Trusts and First Nations considering setting up a Trust.

In 2020, the Trustees did not have an opportunity to attend conferences as scheduled due to the COVID19 lockdowns.



## The Implementation Account

### Opening Values

As at January 1<sup>st</sup>, 2020, the opening value of the Implementation Account was  
**\$ 40,572,404**

### 2020 Income and Expense Summary

**Total Income Received** **\$4,239,062**

#### **Less Authorized Expenses**

Annual General Meeting	3,425
Honorarium	17,900
Investment Consulting Fees	12,378
TLE Implementation Budget	438,084
Trust Office	5,248
Portfolio Management Fees	107,340
Professional Development	-
Professional Fees	6,536
Royal Trust, Trustee Fees	71,494
Salaries & Benefits	33,436
Travel	<u>5,067</u>

**Total Authorized Expenses** **\$ 700,898**

Land Purchase & Real Estate Costs (\$6,290,410)

**Surplus (Deficit)** **(\$2,762,246)**

We are pleased to confirm that all expenses and withdrawals from the Implementation Account are in compliance with the Trust Agreement.

### Closing Values

As at December 31, 2020, the closing value of the Implementation Account is  
**\$36,772,016**

## Authorized Uses of the Implementation Account

- To purchase land for social, economic development, cultural or other purposes of interest to Peguis First Nation, including related costs
- To pay the costs of inspection, appraisal, negotiation, capital purchase, purchase transaction, holding, tax adjustment and incidental costs, including agents, representatives or trustees retained to purchase or hold title to land
- To implement the Treaty Entitlement Agreement, including required staff, equipment, travel or other administration costs pertaining to the purchase of land, monitoring and Reserve creation process
- To pay reasonable fees and honoraria, as well as, financial, investment management, legal, accounting or other education which will assist the Financial Trustees in carrying out their duties and protecting the assets of the Trust

## The Process for Paying Expenditures and the Purchasing of Entitlement

Funding Direction means a written direction from Council, in respect of Expenditures Beneficial to the Beneficiary for Implementation Purposes, delivered to the Financial Trustees, for a distribution of Funds from the Trust Property, which contains the following information:

For paying implementation costs:

- A description of the implementation expense
- A description of the manner in which the funds will be applied, including when and to whom the funds will be paid, the anticipated completion date of any project to which the funds will be applied, the amount and source of other funds which will be applied in respect to the same matter, and a description of any charges or security arrangements
- A Council Resolution approving any Expenditures Beneficial to the Beneficiary for implementation purposes

For purchase of Entitlement Land:

- A copy of the executed Offer to Purchase  
The name of the lawyer for the Beneficiary retained to complete the land acquisition on behalf of the Beneficiary and to whom the Financial Trustees shall send required to complete the purchase
- A Council Resolution approving any Expenditures Beneficial to Beneficiary for Implementation Purposes

Unless and until the amount of land set apart as Reserve has been increased by 9,637 acres of land, the amount of capital in the Implementation Account cannot be less than \$49,800,000.00 less the value of any Treaty Entitlement Land purchased by the Trust.

In the first 25 years, the Implementation Account has a "Floor Value" of \$25,000,000.00. No capital distributions, other than for the purchase of Land, can be made if such distribution should result in the value of the Implementation Account falling below \$25,000,000.00

## The Community Fund Account

### Opening Values

As at January 1, 2020, the opening value of the Community Fund Account was **\$6,035,490**

### 2020 Income and Expense Summary

#### **Income Received**

**Total Income Received** **\$803,119**

#### **Less Authorized Expenses**

Annual General Meeting	2,552
Honorarium	14,200
Investment Consulting Fees	10,787
Peguis Trust Office	28,946
Portfolio Management Fees	23,925
Professional Development	-
Professional Fees	6,536
Royal Trust, Corporate Trustee Fee	16,312
Salaries and Benefits	30,920
Travel and other expenses	<u>2,032</u>

**Total Authorized Expenses** **\$136,210**

The Community Fund also distributed **\$234,890** in Community Distributions

We are pleased to confirm that all expenses and withdrawals from the Trust are in compliance with the Trust Agreement.

### Closing Values

As at December 31, 2020, the closing value of the Community Fund Account is **\$6,226,959**



## **Community Fund Trust 2020 AGM Report**

Peguis TLE Community Fund Trustees want to ensure that we value your input and support youth committees and young entrepreneurs. We would like to thank all applicants for submitting applications and look forward to reviewing future endeavors.

## **Purpose of the Community Fund Account**

The Community Fund Account is to be used for the advancement of the interest of and quality of life of Peguis First Nation and its Members through the preservation, enhancement and application of Trust property.

## **Authorized Uses for Expenditures for Community Purposes**

- To supplement or enhance health care related services
- To enhance or promote educational opportunities
- To support assistance to address the special needs of Peguis elders
- For community development and improvement initiatives including infrastructure, equipment or enhancement of recreation facilities
- To preserve the language and cultural heritage
- For Treaty Days, pow-wow and community gatherings
- To acquire, establish, or build a credit union or a bank or a trust company to be owned by Peguis, also known as the Peguis band.
- For Housing
- To promote or establish business or commercial operations beneficial to the members
- For any other activity, beneficial to the Peguis Community members

## **The Process for Paying Expenditures for Community Purposes**

The Community Fund Trustees and/ or Council may deliver a Funding Direction to the Financial Trustees, which contains the following:

- A description of the Expenditure Beneficial to the Beneficiary for Community Purposes
- A description of the manner in which the funds will be applied, when and to whom the funds will be paid, the anticipated completion date, the amount and source of other funds received and a description of any charges or security arrangements
- An Ordinary Resolution by the Community Fund Trustees approving or recommending any Expenditure Beneficial to the Beneficiary for Community Purposes

## Community Fund Approval Authorities

All funding applications are reviewed and discussed by the Community Fund Trustees or a review committee thereof. As per the terms of the Trust Agreement, the following approval authorities (increase yearly by inflation) are required to approve:

- Applications for funding up to \$59,427.40 (\$50,000.00) may be approved by the Community Fund Trustees
- Applications for funding over \$59,427.40 (\$50,000.00) and up to \$178,282.21 (\$150,000.00) must be recommended by the Community Fund Trustees and approved by Chief and Council
- Applications for funding over \$178,282.21 (\$150,000.00) must be recommended by the Community Fund Trustees with the concurrence of Chief and Council and approved by the Members at a meeting of Members.

## Guidelines for Grant Grading System

- 35% of funds available will be used for business initiatives with emphasis on viable businesses that provide employment to community members.
- 30% of funds available will be used for Youth initiatives
- 20% of funds available will be used to support Community activities, organizations and clubs
- 10% of funds available will be used for Elders initiatives
- 5% of funds used for Health initiatives



**Peguis Central School Grade 12 Peguis Band Members Graduates 2020  
TLE Trust Award Winners receiving award from Community Fund Chair-Lloyd Sinclair  
Ayden Sutherland, Shayla Spence-Thomas, Chanelle Meldrum and Darian Sutherland**

## 2020 – Expenditure Applications Approved

<b>Applicant</b>	<b>Description</b>	<b>Amount</b>
Peguis MultiPlex	LED Project	\$16,000.00
Peguis Hometown Hockey Committee	Rogers Hometown Hockey Event - Peguis FN	5,000.00
Peguis Recreation	Peguis Annual Winter Carnival	5,000.00
Peguis Mohawks	2020 Hockey Season	5,000.00
Peguis Country Rock Radio	Valentine's Day All Request Donation	100.00
Lezley Sutherland	8th Annual Memorial Andrew Stevenson Volleyball	5,000.00
Peguis Day Care aka PFSCCC	Winter Program	3,000.00
Stuart Manningway	Interlake AAA Lightning Ayden and Blizzard Hockey son Kayne	3,000.00
Michael & Michelle Cochrane	MB Fastball Teams Merrill (U12) and Madison (U14)	3,000.00
Errol Wilson	Directors Education Program	2,500.00
Leroy Thomas	Winter Lawn Maintenance	1,500.00
Candice Thomas	Agoojin Volleyball 2020 Season for daughter Elizabeth	1,500.00
Rhonda McPherson	MB Junior Ice 2013 Storm Spring Hockey 2020 Evander	1,500.00
Eric Bear	MB Junior Ice 2008 Spring Hockey 2020 son Corwyn	1,290.00
Eric Bear	Attend the CSSHL in Penticton, BC son Colby Bear	1,500.00
Jennifer Bodnar	Attend CSSHL in Penticton, BC (son Donovan)	1,500.00
NAIG 2020	22 Peguis Band Members Athletes and Coaches Team MB 1,000 used for the Team MB Tracksuits (\$10,000.00 returned due to COVID-19)	1,000.00
Robert Magnusson	Northern Lights Petroleum	30,000.00
Peguis Community Services	Peguis COVID-19 Crisis (April 2020)	30,000.00
Peguis Community Services	Peguis COVID-19 Crisis (May 2020)	30,000.00
Peguis Community Services	Peguis COVID-19 Crisis (June 2020)	30,000.00
Peguis Grad Committee	Grade 12 TLE Awards	3,000.00
Peguis Recreation	July 1st COVID-19 Community	5,000.00

	Event	
Peguis Community Services	Peguis COVID-19 Crisis (July 2020)	30,000.00
Eric Bear	Pilot Mound Academy for sons Brayden and Colby	6,000.00
Peguis Country Rock Radio	Valentine's Day All Request Donation	100.00
Lezley Sutherland	8th Annual Memorial Andrew Stevenson Volleyball	5,000.00
Peguis Day Care aka PFSCCC	Winter Program	3,000.00
Stuart Manningway	Interlake AAA Lightning Ayden and Blizzard Hockey son Kayne	3,000.00
	Total	\$222,390.00

### **Total Grants Approved Ending December 31, 2020 - \$**

YEAR	FUNDED AMOUNTS
2010	\$ 50,000.00
2011	\$ 51,303.67
2012	\$ 22,500.00
2013	\$115,202.00
2014	\$263,819.50
2015	\$223,656.90
2016	\$225,229.58
2017	\$323,123.30
2018	\$338,890.00
2019	\$341,340.00
2020	\$234,890.00

### **Application Workshops**

The Peguis TLE Trustees will continue to have workshops and information sessions on the Handbook and Guidelines to PCS Grade 12 students, Community Workshops in Peguis and Selkirk and with PDC, Training & Employment Youth & Wellness Workers.

## 2020 Highlights

The Peguis TLE Trust proudly sponsored:

- Peguis First Nation Rogers Hometown Hockey Event
- Peguis Winter Carnival
- Peguis COVID-19 Crisis
- Peguis Central School – Peguis FN Band Member Grade 12 TLE Awards
- Peguis July 1st COVID-19 Community Event

Due to the COVID-19 Pandemic in 2020 the placement of Youth Workers, IRTC Workers and Summer Students along with other Annual Activities were cancelled.

The Peguis TLE Trust Community Fund Trustees Developed a Policy & Procedure and revised the Peguis TLE Community Fund Application. These documents replaced the 2012 Trust Guidelines & Handbook/Application. Please visit the Peguis TLE Trust Webpage at [www.peguistletrust.ca](http://www.peguistletrust.ca) to access the current documents.

## Peguis TLE Implementation Office

The mandate of TLE Implementation office is to ensure Peguis First Nation fulfills its responsibilities and obligations according to the Treaty Entitlement Agreement (TEA).

These responsibilities include the successful selection and/or purchase of 166,794 acres of land and to monitor the conversion of these selections and acquisitions through the reserve creation process.

The TLE Implementation Office is responsible to and reports to Peguis Chief & Council on all its activities and management. It is financially funded through the Peguis TLE Trust and must request funds from the Financial Trustees each year for its Annual Budget that is provided under the TLE Trust Agreement.

## The TLE Implementation Office Budget

Under the terms of the Trust Agreement, Council prepares an Annual Budget for the expenses relating to the implementation of the Treaty Entitlement Agreement., including required staff, equipment, travel or other administration costs pertaining to the acquisition of land, site inspections, land appraisals, general legal services, monitoring and Reserve creation process approved by Council. For 2020, the TLE Implementation Budget was \$417,858.52

## *Peguis First Nation TLE Trust Annual Investment Review Summary (for period ending December 31, 2020).*

December 2020 marks 10 years of investment for the combined Peguis First Nation TLE Trust. From a starting point of approximately \$62.8 million, we are pleased to confirm that the investments of the combined Trust have appreciated over \$30.6 million since inception, while also providing a net transfer to the Peguis First Nation of over \$50.3 million. At year-end 2020, the market value of the combined Trust remained over \$43 million. These funds are available to provide annual income for current use and will continue to grow for the community's future benefit.

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

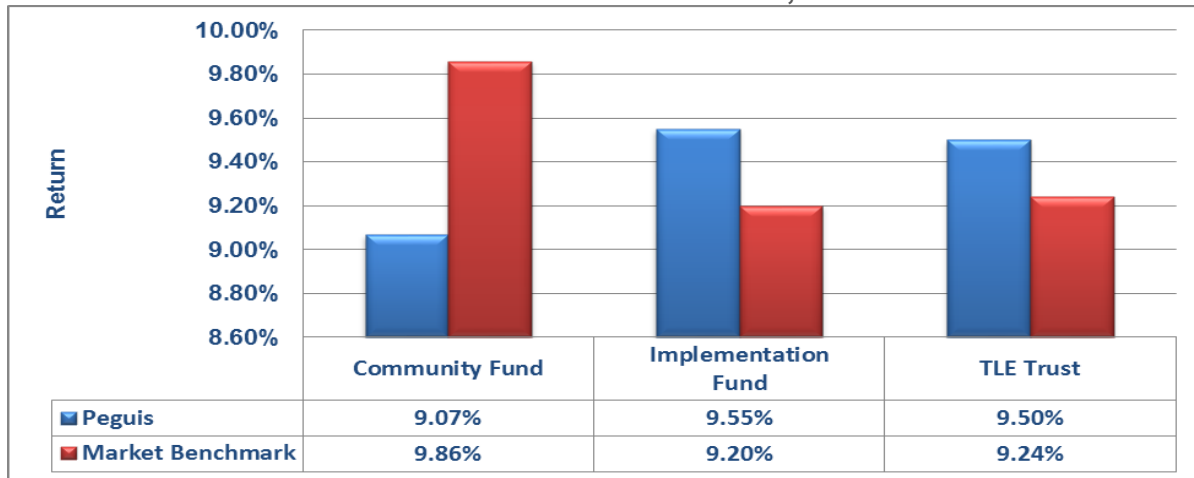
With the onset of the pandemic, the calendar year 2020 saw one of the swiftest bear markets ever, yet one of the fastest recoveries. By the end of the year, equity markets closed near all-time highs driven by extraordinary government stimulus, several successful vaccines and growing evidence of an economic recovery. Recovering from a decline of over 30% in March 2020, the U.S. Equity index, the S&P 500, closed the year up over 16%. The Canadian equity index, called the S&P/TSX, gained 6% on the year as gains in Information Technology and Materials were offset by losses in the Energy sector. Canadian bonds were strong performers, returning 8.7% for 2020. Interest rates ended the year at all-time lows which would suggest that continued strong bond returns from here are limited.

### **Trust Returns Remain Solid**

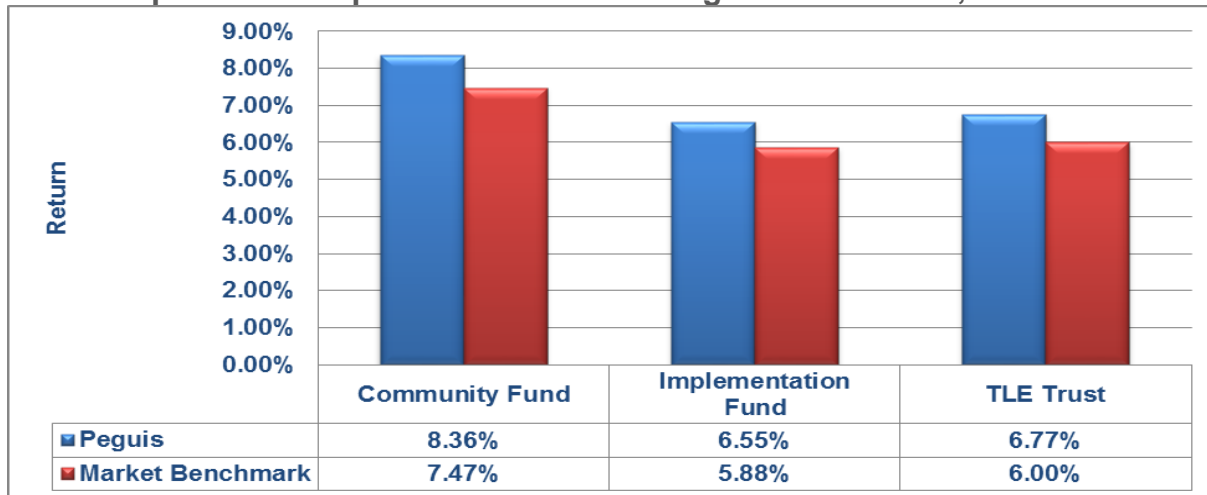
The combined holdings of the Peguis First Nation TLE Trust appreciated 9.5% in absolute terms over the year, which beat the market benchmark return of 9.2%. (See Chart 1 below) Worth noting, the Trust continues to provide a very solid average annual return since inception of 6.8%, which has added value over the market benchmark return of 6.0%. This is shown in Chart 2 below. The Peguis First Nation TLE Trust is managed under a multi-manager structure as a risk management strategy, thus diversifying the investment risk. This approach includes a specialized bond manager and two balanced investment management firms being Beutel, Goodman & Company Ltd. (Value style manager) and Mawer Investment Management Ltd. (Growth-oriented strategy). This diversification helps to ensure that the portfolio is well positioned over time for all market environments and enables a smoother pattern of returns.



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



**Chart 2 – Since Inception (Annualized) Rates of Return as at December 31, 2020 Inception date of performance monitoring – December 31, 2010**



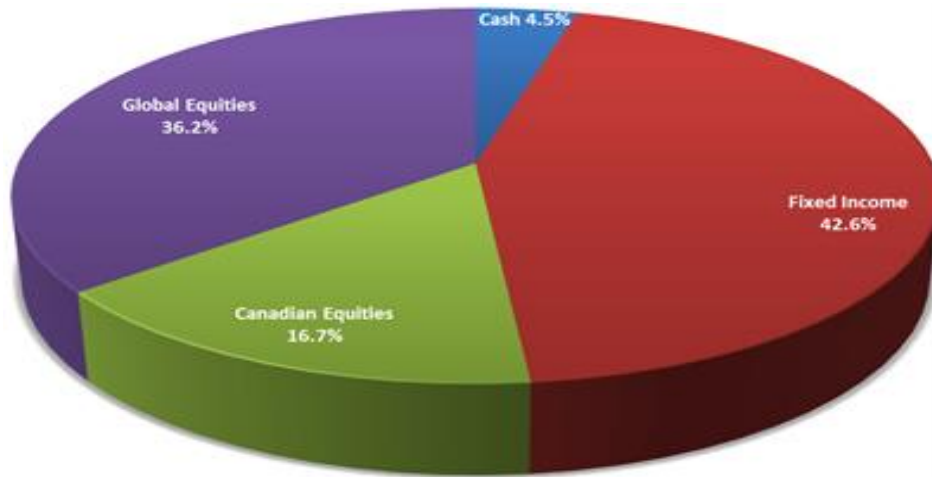
## Compliance

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

**Chart 3-**

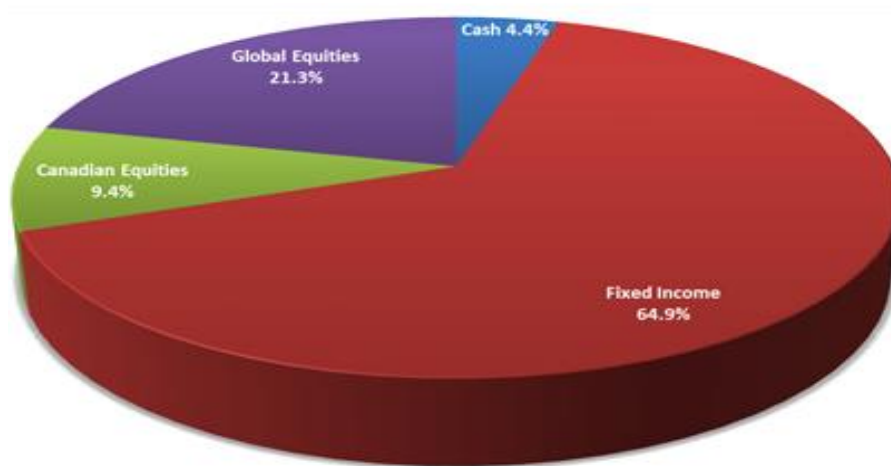
The chart below highlights the breakdown of the Trust's security holdings and the respective targets and ranges as of December 31, 2020.

**Community Fund**



	Cash & Equivalents	Fixed Income	Canadian Equities	Global Equities
<b>Current</b>	4.5%	42.6%	16.7%	36.2%
<b>Target</b>	5.0%	45.0%	17.0%	33.0%
<b>Ranges</b>	0.0% - 10.0%	40.0% - 50.0%	12.0% - 22.0%	28.0% - 38.0%

**Implementation Fund**

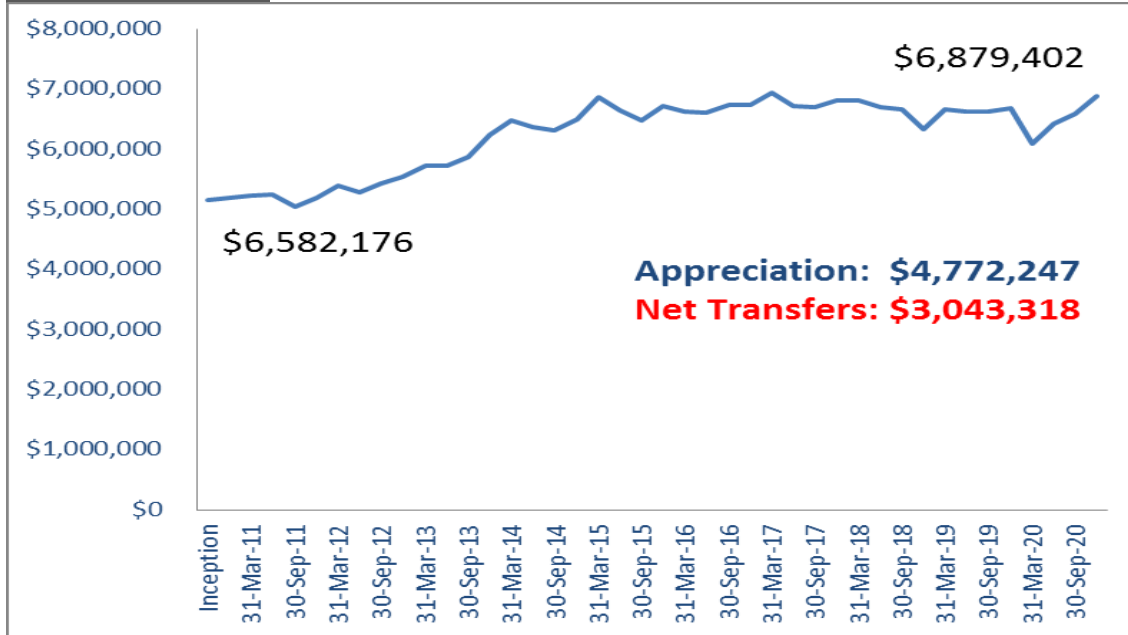


	Cash & Equivalents	Fixed Income	Canadian Equities	Global Equities
<b>Current</b>	4.4%	64.9%	9.4%	21.3%
<b>Target</b>	5.0%	69.0%	9.0%	17.0%
<b>Ranges</b>	0.0% - 10.0%	64.0% - 74.0%	4.0% - 14.0%	12.0% - 22.0%

**Chart 4 – Portfolio Valuation as at December 31, 2020**

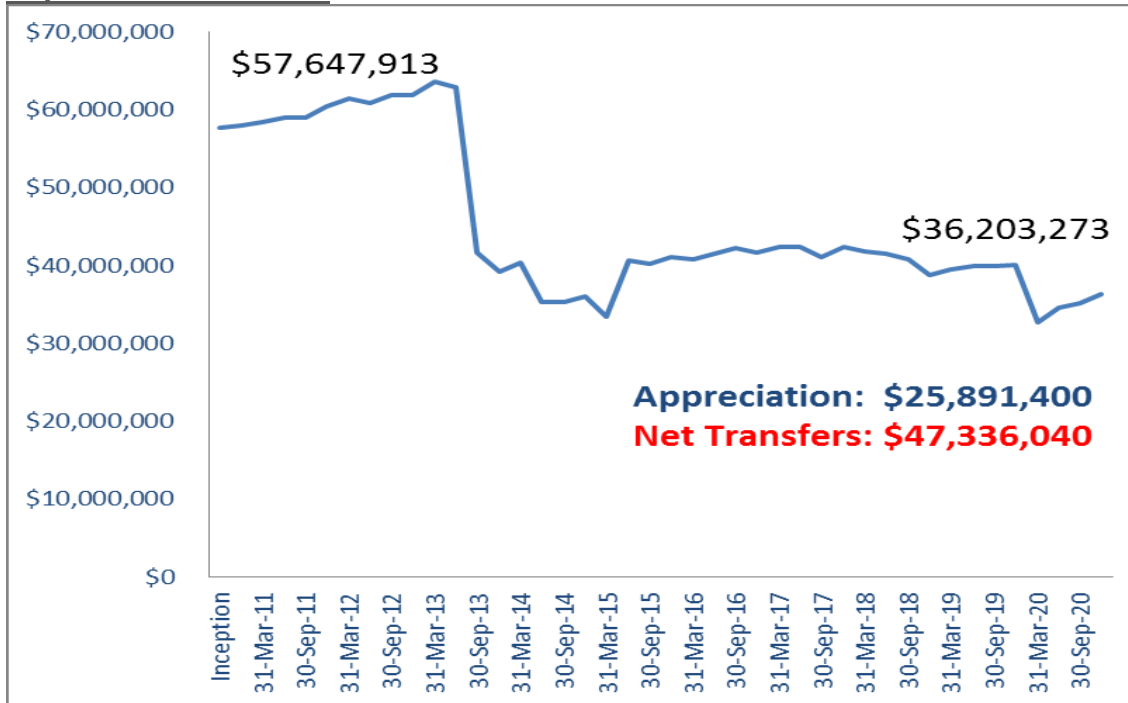


### Community Fund



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

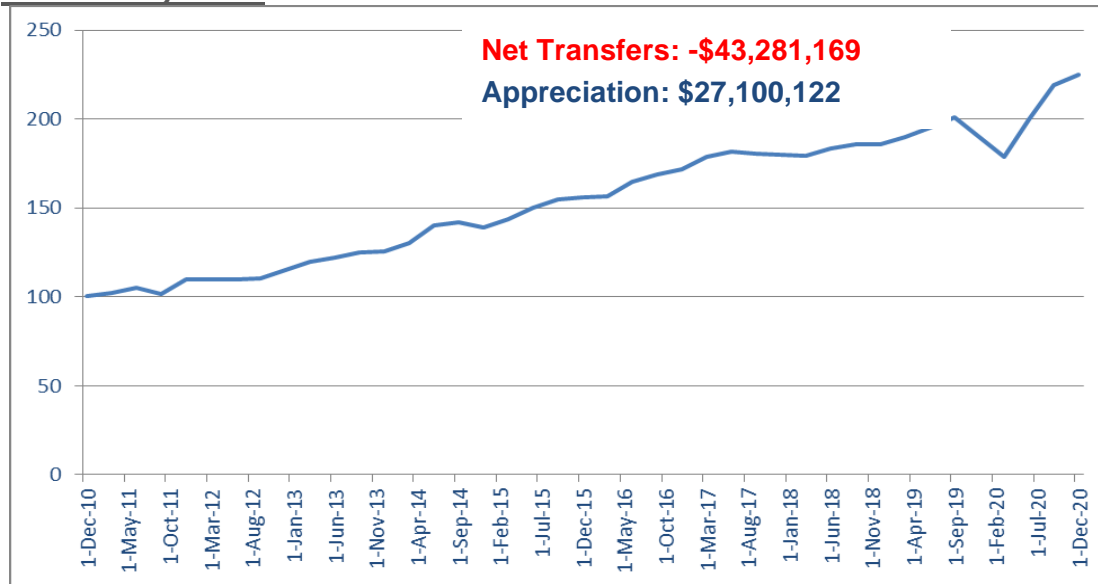
### Implementation Fund



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

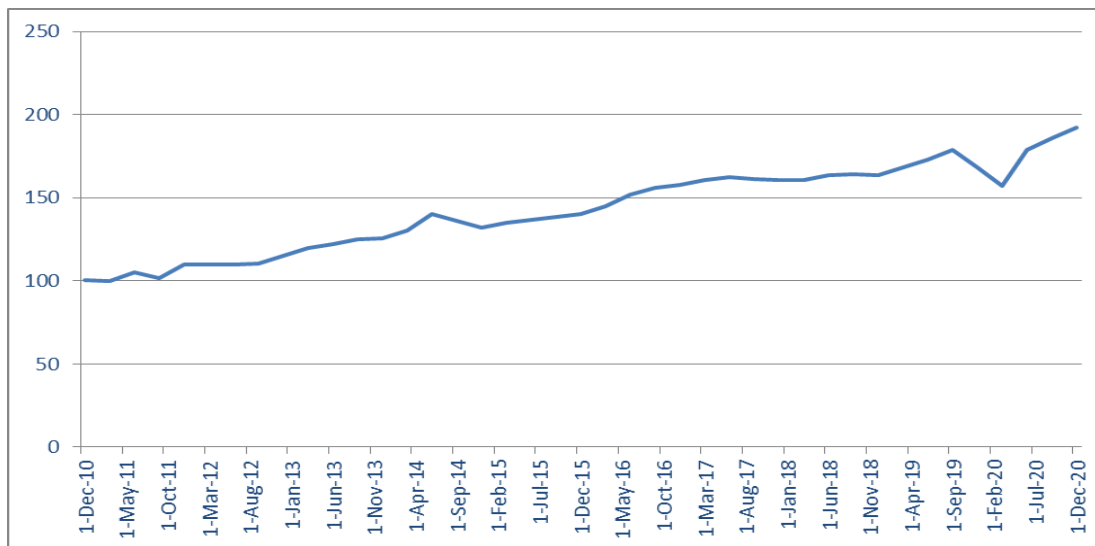
### Chart 5 – Cumulative Performance Since Inception

## Community Fund



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

## Implementation Fund



## In Closing

Sustainable wealth can be described in many different ways yet one such definition is *“the ability to meet the needs of today without compromising the ability of future generations to meet their own needs”*.

With the goal of achieving a sustainable wealth objective over the life of the Trust that will balance the needs of today while also growing the portfolio for the benefit of future generations, we are pleased to confirm that the investments have appreciated over \$27.1 million dollars since inception while also providing a net transfer to the Peguis First Nation of over \$43.2 million dollars.

## **Conclusion**

We are honoured to provide you with our fiduciary services in the administration of the Trust. We look forward to working for you as Trustees for Peguis First Nation TLE Trust for the benefit of the community and future generations.

**Respectfully submitted,  
Peguis First Nation TLE Trust**

### **Financial Trustees**

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Carrie Sutherland – Chair

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Sharon Stevenson

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Stephen Daniels

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Diane Bear

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Sangita Bhalla, Royal Trust,  
Corporate Trustee

### **Community Fund Trustees**

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Lloyd Sinclair – Chair

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Ralph Sutherland

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Barry Bear

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Freda Bear













## PEGUIS FIRST NATION TLE TRUST

### AGM AGENDA

**Peguis TLE Trust  
Annual General Meeting  
for the year ending December 31st, 2020**

Saturday, May 15<sup>th</sup>, 2021  
VIRTUAL

- 10:00 am** Call to order – O Canada (Ojibwe Version). Opening Honor Song – Loud Eagle. Opening Prayer – Pastor Glen Cochrane
- 10:10 am** Welcoming Remarks
  - Chief & Council – Chief Glenn Hudson
  - Carrie Sutherland - Financial Chair
  - Lloyd Sinclair – Community Fund Chair
- 10:20 am** TLE Trust Report – Sangita Bhalla & Eva Miller, RBC Royal Trust
- 10:30 am** Audit review – TerryL Luhowy, MNP
- 10:50 am** Investment Overview – T. E. Wealth, Lisa Caswell & Kain Big Canoe
- 11:00 am** Investment Overview – Beutel Goodman, Steve Smith
- 11:10 am** Investment Overview – Ridgewood, Robert Cruickshank
- 11:15 am** Investment Overview – Mawer, Greg Peterson
- 11:20 am** Community Fund Highlights – Lloyd Sinclair, Chair
- 11:40 am** TLE Implementation – Myrna Hefferman
- 11:50 am** Closing Honor Song by Loud Eagle. Closing Prayer – Pastor Glen Cochrane.

### Preserving Our Future

We would like to acknowledge and thank the contribution of the following:

Opening and Closing Prayers, Loud Eagle Drum Group

TE Wealth, Beutel Goodman, MNP, Mawer, Ridgewood, Kely & RBC Royal Trust for their generous donations toward the door prizes

Our Master of Ceremonies Adrienne Manningway, all the Presenters, Kyle McCorrister – Zoom I.T., Surrender Trust for sharing Zoom Account, Jerry Flett c/o Peguis Country Radio Station, Gladys Yaroshinski and Peguis MultPlex Staff.

The Peguis TLE Trustees thank you for your participation, patience, interest, and your Virtual attendance in our Annual General Meeting (AGM) of the Peguis Treaty Land Entitlement (TLE) Trust 2020

Peguis TLE Trust Trustees

Financial Trustees – Chair, Carrie Sutherland, Sharon Stevenson, Stephen Daniels, Diane Bear, Corporate Trustee – Sangita Bhalla

Community Fund Trustees – Chair, Lloyd Sinclair, Ralph Sutherland, Freda Bear, and in Loving Memory - Barry Bear, Community Fund Trustee from 2009-2021

**Miigwetch (Thank You)**

**Kikwabamin Minawa  
(See you again)**





**PEGUIS  
TREATY  
LAND  
ENTITLEMENT  
TRUST**