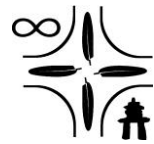


# Peguis TLE Trust Annual Report 2021





**Congratulations to the  
TLE 2021 Grade 12  
Award Winners**

**Highest Academic &  
Most Improved  
Male - Josiah Harris**

**Highest Academic  
Female - Lynelle Bear**

**Most Improved Female -  
Kianne (Jolene) Cook**

Josiah Harris

Lynelle Bear

Jolene Cook

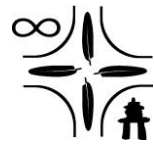
## **Peguis First Nation Treaty Land Entitlement (TLE) Trust**

### **2021 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, and Freda  
Bear



## 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.



Treaty #1 signing

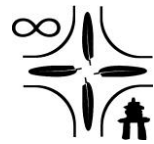
## Reporting

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.

Barry Bear, Freda 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; along with two on-reserve community fund trustees.

## Financial Trustee Report 2021

### 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>, 2021, was **\$ 42,998,976** and the Trust closing balance at December 31<sup>st</sup>, 2021 was **\$33,799,356**

### Investment Management

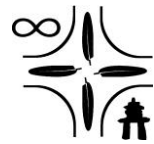
The Peguis TLE Trust continues to utilize the services of TE Wealth for their independent Trust advisory and investment consultation. It is with their support and guidance that we continue to grow and learn about the investment and trust industry so that we can make a difference for our beneficiaries.

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

In 2021, due to COVID-19 the Trustees were unable to attend any professional development in person. Sharon Stevenson, Financial Trustee registered, was accepted and completed the Director's Education Program, Asper School of Business, University of Toronto delivered virtually via Zoom. Congratulations Sharon. CANDO and NATOA did offer WebEx conferences.

The professional development requirements aid in the continuous learning process, ensuring Trustees are aware of events that may affect the Trust, to be kept abreast of changes within the trust and investment industry and it provides an opportunity to meet with Trustees from other First Nations and discuss Trust experiences.



## The Implementation Account

### Opening Values

As at January 1<sup>st</sup>, 2021, the opening value of the Implementation Account was  
**\$ 36,772,016**

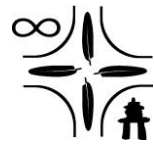
### 2021 Income and Expense Summary

<b>Total Income Received</b>	<b>\$2,496,729</b>
<b>Less Authorized Expenses</b>	
Annual General Meeting	5,914
Honorarium	23,513
Investment Consulting Fees	14,314
TLE Implementation Budget	420,784
Trust Office	51,040
Portfolio Management Fees	113,771
Professional Development	11,685
Legal Fees	19,303
Royal Trust, Trustee Fees	69,064
Salaries & Benefits	33,629
Travel	<u>7,815</u>
<b>Total Authorized Expenses</b>	<b><u>\$ 770,832</u></b>
Land Purchase & Real Estate Costs	(\$10,093,447)
<b>Surplus (Deficit)</b>	<b><u>(8,367,550)</u></b>

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

### Closing Values

As of December 31, 2021, the closing value of the Implementation Account is  
**\$27,346,548**



### 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 Land

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:

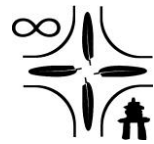
- A description of the implementation expense
- A description of the manner in which the funds will be applied, including when and to whom the funds will be paid, the anticipated completion date of any project to which the funds will be applied, the amount and source of other funds which will be applied 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 acquisition on behalf of the Beneficiary and to whom the Financial Trustees shall send required to complete
- 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, 2021, the opening value of the Community Fund Account was **\$6,226,959**

### 2021 Income and Expense Summary

<b>Total Income Received</b>	<b>\$830,499</b>
<b>Less Authorized Expenses</b>	
Annual General Meeting	5,430
Audit Fees	6,738
Honorarium	17,613
Investment Consulting Fees	2,745
Peguis Trust Office	34,932
Portfolio Management Fees	24,685
Professional Development	389
Legal Fees	-
Royal Trust, Corporate Trustee Fee	16,697
Salaries and Benefits	33,629
Travel and other expenses	<u>1,593</u>
<b>Total Authorized Expenses</b>	<b><u>\$144,451</u></b>

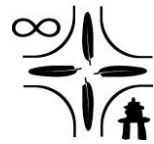
The Community Fund also distributed **\$216,426** in Community Distributions

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

### Closing Values

As of December 31, 2021, the closing value of the Community Fund Account is **\$6,452,808**





## **Community Fund Trust 2021 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.

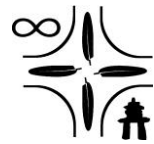
### **Authorized Uses for Expenditures for Community Purposes**

- 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**

Community Fund Trustees and or supporting Council BCR must provide the Financial Trustee with a Funding Direction, 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
- a description of any charges or security arrangements
- depending on the amount a Community Fund Trustees Ordinary Resolution, Council Resolution or Members Ordinary Resolution approving the Expenditure
- under the discretion of the community fund trustees, all business application or recurring funding request may require a police check, credit bureau, drug test and personal character reference for all individuals identified on the application



## 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.

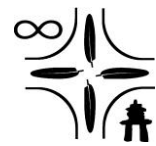
## Important Dates Relating to the Funding Application Process:

- No deadline.
- The Community Fund Trustees will review all qualified applications
- Any applications that must be reviewed by Chief and Council and the Members will be reviewed at a meeting of Members
- Allocation of funding amounts to successful applicants will commence of the same year unless written extension request with valid reason is submitted.
- Please review the Community Fund Trustee Policy & Procedure

## Guidelines for Grant Grading System

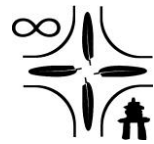
- 35% of funds available will be used for business initiatives with emphasis on viable businesses that provide employment to community members.
- 30% of funds available will be used for Youth initiatives
- 20% of funds available will be used to support Community activities, organizations and clubs
-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



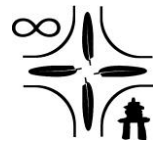


## 2021 – Expenditure Applications Approved

FD#	Applicant	Description	Amount
428/21	Jules Sutherland	Parenting Program at Urban Circle	3,000.00
429A/21	Lloyd Sinclair	Interlake AAA U-17 Hockey (Darian) 2020/2021	1,500.00
429B/21	Misty Bear	Winnipeg AAA U-15 Hockey (Carter) 2021/2021	1,500.00
430/21	Peguis Youth Movement	Peguis Youth Programs for 2021/2022	20,000.00
433/21	Marjorie Nielson	Capture the Moment	5,000.00
434/21	Rhonda McPherson	AAA Winnipeg Spring Hockey for son Evander	1,500.00
440/21	Allan Cochrane	Elvis Replica	7,000.00
441/21	Misty Bear	Western Hockey League Showcase –for son Carter (U15- AAA Winnipeg Hawks)	1,500.00
442/21	Deidre (Garson) Pelletier	Winnipeg Women's Slo-Pitch League (WWSPL) – towards Team Anishinababes & Co.	750.00
443/21	Peguis Grad Committee	Grade 12 Peguis Members Academic Awards Highest Academic & Most Improved (Male/Female)	3,000.00
445/21	Peguis Youth Movement	Peguis Indigenous Day	500.00
446/21	Peguis Special Projects & Consultation	2 Nations Master Angler Challenge Seasonal Fishing Derby	1,000.00
447/21	Peguis Anglican Church	Hydro (July 2021 to July 2022) 3 Peguis Anglican Churches	4,000.00
448/21	Peguis Gaming	Peguis Treaty Youth Events held on weekends July & August 2021	20,000.00
449/21	Troy Slater	2021 Team MB Brick & Prime Hockey Expo -son Maddox	1,500.00
450/21	Bryden Sinclair	MJHL - OCN Blizzards 2021/22	4,000.00
451/21	Della Spence	Spence's Catering Expansion	12,000.00
452/21	Derrick Sinclair	Peguis Warchiefs – Hockey Uniforms	2,000.00
454/21	Peguis Mohawks	Fred Saskamoose National Championship	5,000.00
455/21	Joshua Hart-Sutherland	Illustration Artist for daughter Taylor Cook	3,026.41
456/21	Amanda Campbell	Timbits Program 2021/22 for son Christian	500.00
457/21	Deidre Pelletier	Titans Hockey 2021/22 (U-13 Female Pee Wee) daughter Caridee	500.00



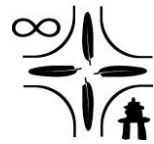
458/21	Braiden Stevenson	1st M&M Racing (September 18th, 2021)	500.00
459/21	Fay Stevenson	Recognition/Honoring Event – Ray Mason (Honorary Doctor of Law Degree from Queen’s University)	1,000.00
460/21	Peguis Event Planner	Every Child Matters Event (September 27th – 30th, 2021)	5,000.00
462/21	Nicole McCorrister	Transcona Minor Hockey 2021/22 for children Matthew and Brielle (\$500.00 each)	1,000.00
463/21	Eric Bear	Pilot Mound Academy son Brayden	4,000.00
464/21	Misty Bear	U18 AAA Wpg. Thrasher’s son Carter	3,000.00
465/21	Tracy Gowans	Western Hockey Academy son Kingston	4,000.00
467/21	Derek McCorrister	U17 AAA Wpg. Wild Hockey son Tavon	3,000.00
470/21	Marcella Cochrane	Fellowship Church Sunday School Supplies	1,000.00
471/21	Peguis Event Planner	Halloween Event 2021	500.00
472/21	Dennis McCorrister	U13 Coed Brandon Wheat Kings son Mac	500.00
473/21	Mike Spence Sr.	MMJHL – Stonewall Jets son Mike Jr.	1,000.00
474/21	Philip Stranger	Philip’s Hauling & Construction	12,000.00
475/21	Whelan Sutherland	Thunderbird Power Inc.	25,000.00
476/21	PFSCCC aka Day Care	National Child’s Day Celebration	5,000.00
477/21	PFSCCC aka Day Care	Family Engagement Night	5,000.00
480/21	Peguis Christmas Cheer Board	Turkeys/Hampers/Gifts	20,000.00
481/21	PCS Parent’s Day Committee	Parent’s Day Local Gift Certificates (Midway, Family Foods, Home Hardware and One Stop)	50.00
482/21	Michelle Sinclair	269 Snow Drags	1,600.00
483/21	Peguis Event Planner	Elder’s Christmas Party	18,500.00
484/21	Michael & Michelle Cochrane	U17 AAA Wpg. Fastpitch 2021/22 daughter Madison	3,000.00
485/21	Michael & Michelle Cochrane	U15 AAA Wpg. Fastpitch 2021/22 daughter Merrill	3,000.00
		Total	\$216,426.41



<b>Approved – ON HOLD</b>			
<b>FD#</b>	<b>Applicant</b>	<b>Description</b>	<b>Amount</b>
432/21	Jordan Stranger	Manitou Art Exhibit	5,000.00
437/21	Tyrone Choken (McCorrister)	1 <sup>st</sup> Peoples & Barber Shop	5,000.00
444/21	Ashley Spence	Ashley Spence Fishing Equipment	5,000.00
453/21	Terrance Sinclair	MJS Powersports	10,000.00
461/21	Joshua R Sutherland	Triple B's (Bookers Breakfast & Brunch)	5,482.00
466/21	Dwayne Spence	Carpentry/ Concrete Construction Tools	5,000.00
468/21	Ramona Favel	U18 AAA Interlake Lightning for daughter Jayden	3,000.00
478/21	Joyce Beach	Chief Peguis Bronze Statue remaining balance upon completion	52,500.00
479/21	Rayna Spence	Rae's Lashes	1,568.00
481/21	PCS Parent's Day Committee	Financial Assistance towards Parent's Day Local Gift Certificates (Midway, Family Foods, Home Hardware and One Stop)	150.00
		<b>Total</b>	<b>\$92,700.00</b>

<b>RESCINDED</b>			
<b>FD#</b>	<b>Applicant</b>	<b>Description</b>	<b>Amount</b>
431/21	Jordan Sutherland	Diversification Sawmill	1,000.00
436/21	Chelsey Meade	University of Columbia Summer Program on Indigenous People's Rights & Policy	1,871.62
438/21	Daniel Cook	AAA Winnipeg Spring Hockey for son Brock	1,500.00
439/21	Derrick Sinclair	Lake MB Spring Hockey Tournament	2,600.00
435/21	Dwayne Spence	Carpentry Business	2,500.00
469/21	Lezley Sutherland	Veebz Coed Volleyball	5,000.00
		<b>Total</b>	<b>\$14,471.62</b>





## Total Grants Approved Ending December 31, 2021 - \$2,459,984.92

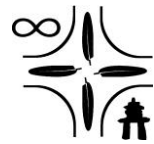
<b>YEAR</b>	<b>FUNDED AMOUNTS</b>
2010	\$ 50,000.00
2011	\$ 51,303.67
2012	\$ 22,500.00
2013	\$115,202.00
2014	\$263,819.50
2015	\$223,656.90
2016	\$225,229.58
2017	\$323,123.30
2018	\$320,317.61
2019	\$333,315.95
2020	\$222,390.00
2021	\$309,126.41

### 2021 Highlights

The Peguis TLE Trust proudly sponsored:

- Peguis Youth Movement – Youth Programs and Indigenous Day
- Peguis Central School – Peguis FN Band Member Grade 12 TLE Awards
- Peguis Gaming – Peguis Annual Treaty Youth Events on Weekends in July & August
- Peguis Event Planner – Every Child Matter’s Event, Halloween Event and Elder’s Christmas Party
- Peguis Free Spirit Child Care Centre – National Child’s Day Celebration and Family Engagement Nights
- Peguis Christmas Cheer Board – Turkeys, Hampers and Gifts

In the Spring of 2021, the Peguis TLE Trust had a placement of one grade 12 Student - Avory Flett and one Post-Secondary Student - Amarah Wilson. In the Summer two Community Members - Becky Bear and Charity Choken assisted. And in the Fall of 2021, the placement of Youth Workers from Training & Employment - Anthony Thomas and Interlake Reserve Tribal Council - Ariel Thomas were assigned at the Peguis TLE Trust Office. Thank you, Avory, Amarah, Becky, Charity, Anthony & Ariel, for your assistance at the Peguis TLE Trust Office.



**CONGRATULATIONS TO ALL PCS GRADE 12 GRADUATES 2021**

### **Peguis TLE Implementation Office**

The mandate of TLE Implementation office is to assist Council with the acquisition of Treaty Entitlement Land. Their primary duties are:

- To ensure the successful purchase and selection of 166,794 acres of land to be converted to Reserve Land
- To develop a Strategic Plan to purchase TLE land
- To support Chief and Council;
- To ensure land selection and acquisition procedures and principals are met
- To monitor the conversion of land to Reserve status;
- To ensure Peguis First Nation meets its responsibilities and obligations under the Treaty Land Agreement;
- To provide advice and administrative support to the TLE Trust;

### **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 2021, the TLE Implementation Budget was \$420,783.52.



## T.E. Wealth Investment Report

### **Peguis First Nation TLE Trust 2021 Annual Investment Report**

On behalf of T.E. Wealth's Indigenous Investment Advisory practice, we remain extremely honoured to support the Trustees of the Peguis First Nation TLE Trust through the provision of independent and objective investment advisory services relative to the Trust's Implementation and Community investment funds.

From a starting point of approximately \$62.8 million dollars, we are pleased to confirm that the investments of the combined Trust have appreciated over \$32.5 million dollars since inception, with the Trust providing a net transfer to the Peguis First Nation of over \$61.5 million dollars. At yearend 2021, the market value of the combined Trust remained over \$33.8 million dollars.

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

With the onset of the pandemic in 2020 followed by extraordinary government stimulus, vaccinations, together with historically low interest rates and growing evidence of an economic recovery, the equity markets in 2021 closed at near all-time highs.

Notwithstanding and by contrast, worker shortages due to the pandemic shut-downs has caused supply shortages which in turn, has caused an increase in the price of goods and services which equates to an inflation rate of over 5% in Canada. In response, the Bank of Canada has and can be expected to continue raising interest rates over 2022 and beyond, if necessary, to curb inflation.

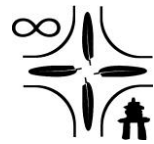
The raising of interest rates unfortunately has a negative impact on bond returns which lead to a -2.53% return in the bond market return over the 2021 calendar year. This is of significance to the Peguis TLE Trust which is mandated by the Trust Agreement to hold upwards of 70% in bonds. We are pleased however to report that the Peguis TLE Trust continues to outperform the market's annualized returns since inception despite the foregoing market and economic challenges.

#### **Trust Returns Remain Solid**

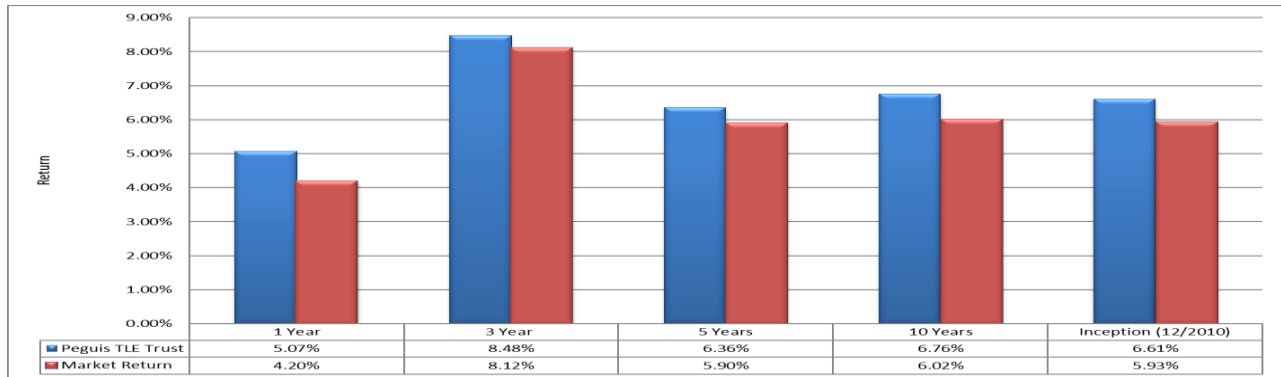
The combined holdings of the Peguis First Nation TLE Trust appreciated 5.07% over the year ending 2021 which beat the market benchmark return of 4.20% despite negative bond returns in the market over the year. Worth noting, the Trust continues to provide a very solid average annual return over the last 10 years of 6.61% versus the market return of 5.93% (per chart 1 below).

The Peguis First Nation TLE Trust is managed under a multi-manager structure as a risk management strategy, thus diversifying the investment risk amongst more than one investment firm in the event of prolonged underperformance of any given firm. This approach includes Ridgewood Capital, who has been engaged as a specialized bond manager given the significant percentage of bond holdings within the overall Trust. We are pleased to confirm that Ridgewood has achieved an average annual return of 3.45% since their inception (June 30, 2020) when compared to the bond market performance of just 0.29% over this same period.

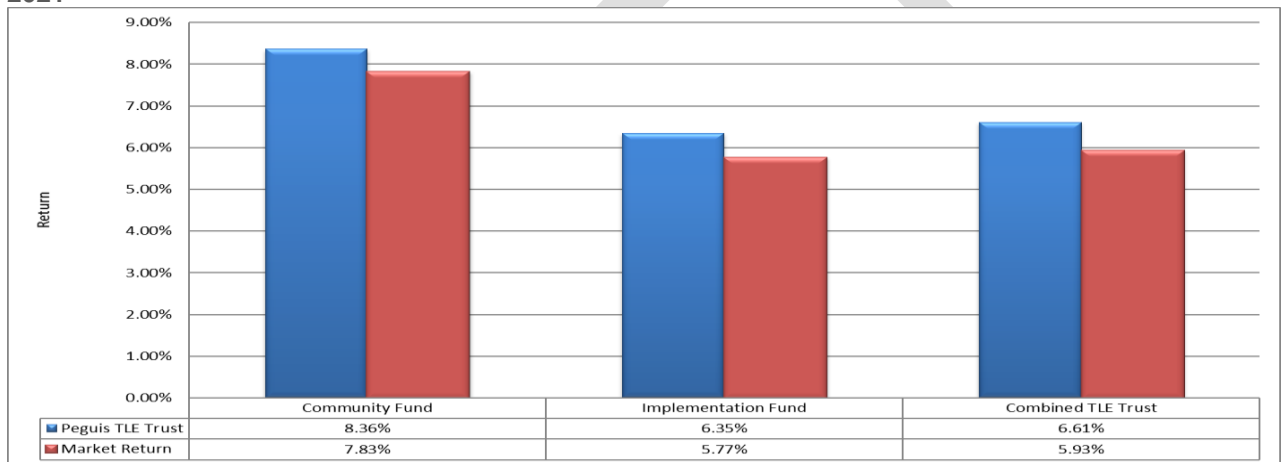
Additionally, the Trust employs two balanced investment management firms since the Trust's inception date which manage a combination of stocks and bonds. This being said, given markets can favor Growth stocks or Value stocks, or vice versa, in any given period, the Trust has benefited from engaging the investment of 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 – TLE Trust Combined Holdings - Annualized Return at Dec. 31, 2021**



**Chart 2 – Community Fund & Implementation Fund Since Inception at Dec 31, 2021**

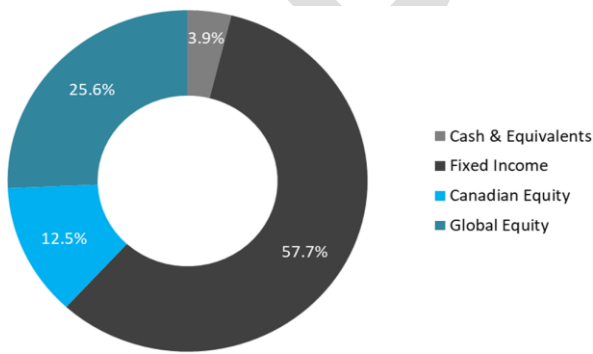


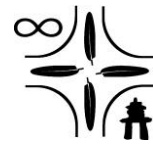
**Compliance**

We are pleased to report that as of December 31, 2021, the Peguis First Nation TLE Trust is compliant with all mandatory requirements within the Trust Agreement and Investment Policies and Guidelines.

**Chart 3 – Combined Holdings: Asset Mix Targets and Ranges**

The chart below highlights the breakdown of the Trust’s security holdings by Asset Class as of December 31, 2021.





Asset Class	Range (%)	Target (%)	Portfolio (%)
Cash & Cash Equivalents	0 - 10%	5%	3.9%
Fixed Income	62 - 72%	67%	57.7%
Canadian Equity	5 - 15%	10%	12.5%
Global Equity	13 - 23%	18%	25.6%

Chart 4 – Combined Trust Holdings For Period Ending December 31, 2021

	Q4 2021	1 Year	3 Years	Inception (Dec 2010)
Starting Value	\$33,520,405	\$43,082,675	\$45,100,638	\$62,798,386
Net Transfers	-\$383,770	-\$11,070,776	-\$21,174,479	-\$61,476,820
Appreciation	\$733,161	\$1,857,898	\$9,943,638	\$32,548,231
Ending Value @ Dec. 31, 2021	\$33,869,796	\$33,869,796	\$33,869,796	\$33,869,796

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

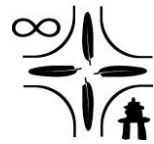
## Looking Forward

It goes without saying that the current investment markets are going through significant volatility, and in this regard, this can understandably be a bit unsettling. As can be appreciated, from time to time, investment markets go through periods of uncertainty. This could be due to poor economic news, something affecting a particular industry sector, or changes in government policy or a political crisis similar the current Russia-Ukraine conflict.

One of the key principles of long-term investing is to stay invested, especially during times when investing can feel like a rollercoaster ride. When markets are going up and down, jumping in and out of the market should generally be avoided. History shows that sharp falls in stock markets tend to be concentrated in short periods of time. Similarly, the biggest gains are often clustered together, and it is quite common for a large gain to follow a big fall (or vice versa).

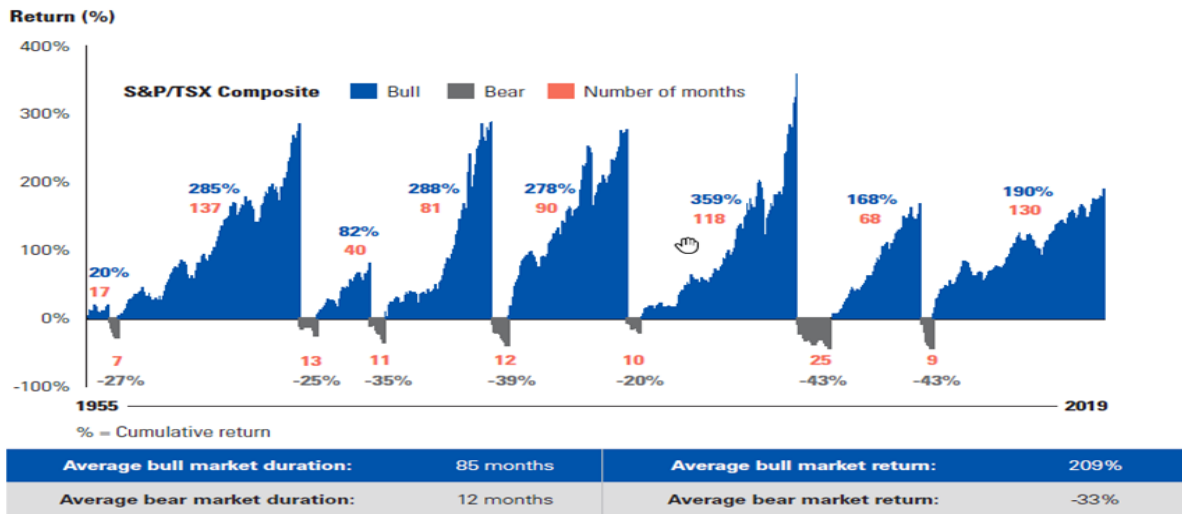
While most markets will experience periods of short-term volatility, over the long-term, they historically have maintained a steady, upwards path. The following chart reflects past markets during such volatile times and in short, while nobody has perfect insight as to the future markets ahead, those investors who remained invested have benefited the most from the long-term upward market trends.





## Up-Markets (Bull Markets) versus Down-Markets (Bear Markets)

**Bull and bear markets in Canada since 1955**



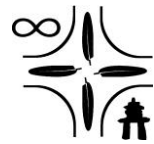
Source: Bloomberg, as at December 31, 2019.

The chart above shows historical Bear and Bull markets from 1955 to 2019. The average historical return of a Bull market is over 200% lasting 85 months on average when compared to the average Bear market which lasts just 12 months and on average, declines approximately -33%. Historically, there are clearly more up-markets that last longer and gain more than down-markets lose over time.

## In Closing

T.E. Wealth's Indigenous Services practice considers it a privilege and an honour to support the Peguis First Nation TLE Trust and we are pleased to confirm that the Trust portfolio continues to exceed market benchmark returns and policy expectations since its inception.





## **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**

### **Community Fund Trustees**

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Carrie Sutherland - Chair

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Lloyd Sinclair - Chair

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Sharon Stevenson

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Ralph Sutherland

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Stephen Daniels

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Freda Bear

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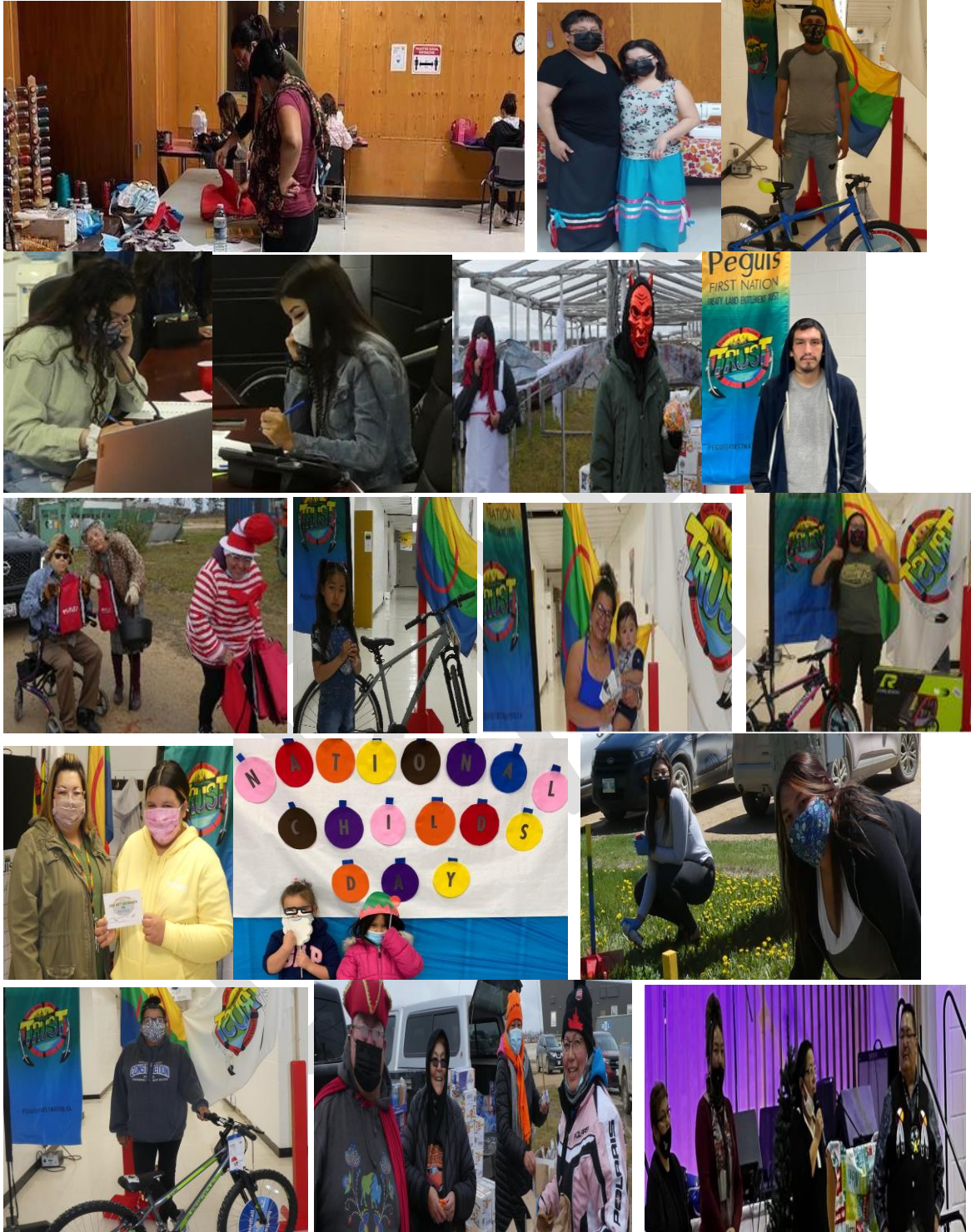
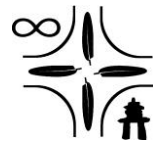
Diane Bear

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Sangita Bhalla, Royal Trust,  
Corporate Trustee



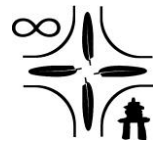












**Happy Retirement Freda. Enjoy & Relax**

