

Managing the Trust



Will

bonds decline in value this year?

Today, the economic indicators surrounding bonds parallel those surrounding stocks in the year 2000: in other words, bonds seem overly expensive. Since the Minors' Trust is invested 100% in bonds, Mitch Stapley, Fifth Third's Chief Fixed Income Officer, has adjusted the portfolio this year.

What

adjustments have been made to the Trust?

We have managed the Trust to stay ahead of market expectations. Three factors that we have considered have been the weighting of government and corporate bonds, the credit quality of the corporate bonds, and the average duration of the portfolio.

1. Increase in corporate bonds

Corporate bonds are "IOUs" issued by private companies. To take advantage of a recovering economy, we have been actively buying these issues for the Trust. As of 6/30/03, 52% of the Trust is invested in corporate bonds.

2. Staying the course: credit quality

Fifth Third invests in only the highest quality corporate bonds. Many other firms have been attracted to lesser quality issues, but those managers have thrown the dice and their clients have suffered setbacks. Fifth Third believes that quality of investments comes first. We only invest in bonds issued by the safest large U.S. companies, or in bonds issued by the U.S. government itself.

3. Shortening the duration of the portfolio

Longer durations, though they often pay more interest, or income, add greatly to a portfolio's volatility. How we protect the value of the Trust by managing duration can be shown by two examples.

Example A: Long duration bond

A ten-year bond that pays interest of 4%

A rising interest rate environment of 1% causes the bond value to decrease

After ten years, the bond loses -10%, and its net income is -6%

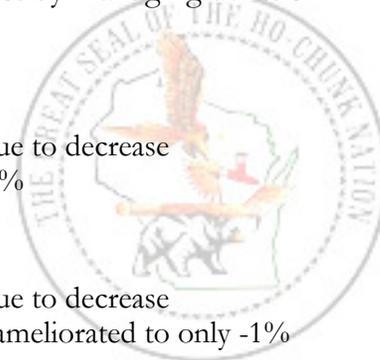
Example B: Intermediate duration bond

A three-year bond that pays interest of 2%

A rising interest rate environment of 1% causes the bond value to decrease

After three years, the bond loses -3%, and the net income is ameliorated to only -1%

As of 6/30/03, the average duration of the Trust was 3.83 years.



the Ho-Chunk Trust B.u.l.l.e.t.i.n

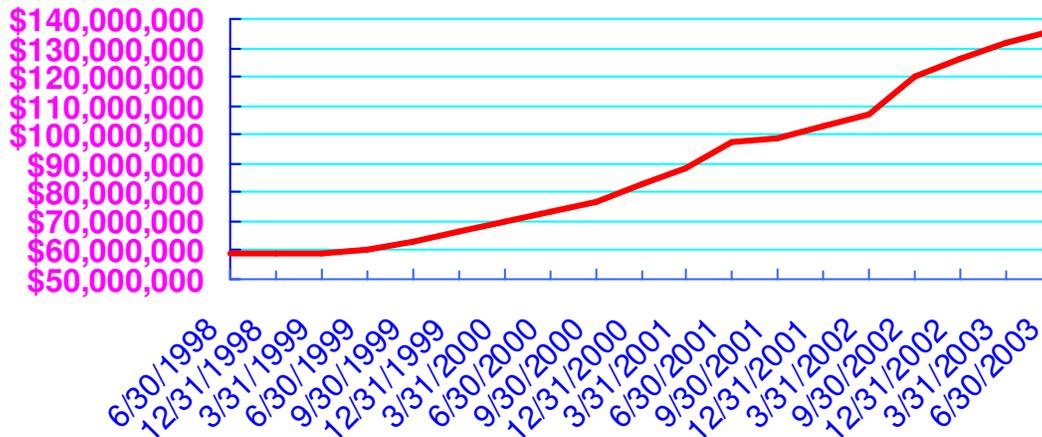
How

has the Trust performed?

The Ho-Chunk Nation Minors' Trust Fund performed very well during 2002. We are now defensively positioned with prime rate interest at a 45 year low. We have structured the portfolio accordingly. As always, we are still emphasizing very high quality securities which have stood us in good stead through 2002's turmoil in the fixed income markets. Although we expect a more moderate rate of return on bonds during the remainder of 2003, the Minors' Trust portfolio is overall well positioned for the long-term, and it will continue to meet the needs of the Trust's participants in the years ahead.

Historical asset growth: 6/30/98 to 6/30/03

Below is a graph of the Trust Fund's market value, *net of all fees*.



Minors' Trust, actual performance 6/30/03 (12 mos.)

12 month return (net of all fees):

9.59%



Fifth Third Bank

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Trust Performance Update