



## INVESTING THE TRUST

Why

### ***make changes to the Trust?***

With interest rates on the rise, the value of bonds will drop. Since the Ho-Chunk Nation Childrens' Trust is invested in bonds, Fifth Third has strengthened certain characteristics which help defend the portfolio from a declining market.

What

### ***are these changes?***

The Trust's portfolio managers, as always, only buy bonds issued by the U.S. Government, or those issued by extremely creditworthy corporations. In addition, they have recently favored bonds which pay a high interest rate over those which pay less interest. The total portfolio's high average interest rate creates steady income and prevents the Trust from having to depend on the the bonds' value, or principal.

Are

### ***there other factors to consider?***

There are many necessary components for effectively managing a portfolio of bonds. Factors like maturity and duration need to be kept lower than usual in this current environment. "Keeping the bonds short" is jargon that refers to controlling bonds' durations. "Shorter" bonds are one more element protecting the Trust from market fluctuations. The "longer" bonds avoided by the Trust's managers are difficult to sell when interest rates go up and therefore would pose a liability. To gauge all these factors, Fifth Third compares the Trust to an index. The index represents the overall bond market. In all measurements the Trust is now better than its comparable index for accommodating the current and future bond markets.

Will

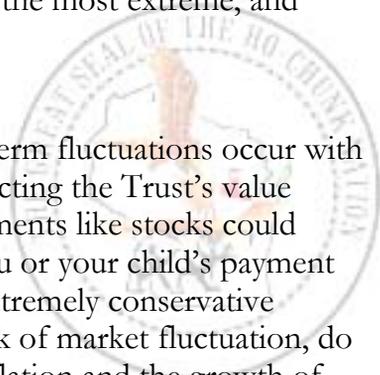
### ***this be enough?***

Marketable securities such as bonds can never be guaranteed. However, Fifth Third can model, or project, the portfolio a year ahead of time. The Trust's portfolio managers have shown that it performs very well in all but the most extreme, and unlikely, scenarios.

Why

### ***invest in bonds, anyway?***

The Childrens' Trust is invested for the long haul. Short term fluctuations occur with all types of investments. Bonds meet the criteria for protecting the Trust's value while also fostering growth for the future. Volatile investments like stocks could plunge the total portfolio value; if this happened when you or your child's payment came due, how would you be paid? On the other hand, extremely conservative investments like money markets, although posing little risk of market fluctuation, do not foster enough long term growth to keep pace with inflation and the growth of future generations.



# THE HO-CHUNK TRUST BULLETIN

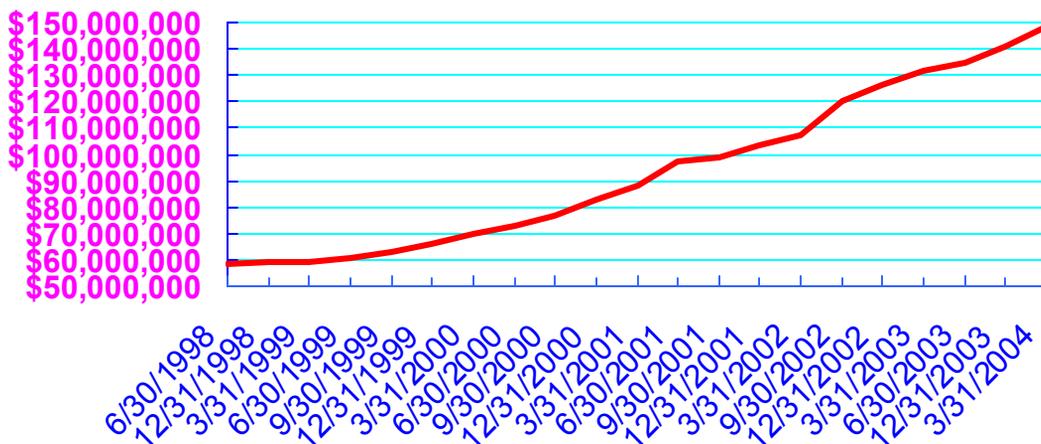
How

## has the Trust performed?

The Ho-Chunk Nation Minors' Trust Fund has continued to perform very well and generate positive returns for participants despite a difficult interest rate environment during 2003. For the first time in three years, however, interest rates have risen in response to renewed economic growth. We had the portfolio positioned defensively in anticipation for this rise, so the performance during the year was above average. We expect a more modest rate of return during 2004, but the Minors' Trust is well-positioned for the long term, and will continue to meet the needs of its participants for the years ahead.

### Historical asset growth: 6/30/98 to 03/31/04

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



### Minors' Trust, actual performance 3/31/04 (12 mos.)

12 month return (net of all fees):  
**4.07%**



## Fifth Third Bank

Working Hard to be the Only Bank You'll Ever Need®