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# Tulalip Tribe Minors Trust

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Presentation to:  
Minors Trust – Parent Meeting

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# What choices do parents have regarding their child's per capita trust fund?

- Parents may (1) choose to receive 50% of their child's per capita for their child's day-to-day needs (with the remaining 50% placed in trust), or place 100% of their child's per capita in trust, and
- (2) for funds placed in trust, choose between a low risk savings investment pool, or a moderate risk balanced stocks and bond portfolio

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# When will the trust funds be distributed to my child?

- Trust funds will be distributed within 30 days following the LATER of (1) your child's 18th birthday, or (2) the date your child receives a high school diploma or GED. Individuals not meeting the high school diploma/GED requirement will in any event receive their trust funds within 30 days of their 21st Birthday.

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# Can a parent/guardian make an early withdrawal of their child's trust account funds?

- In most circumstances, no. The only exceptions are: (1) if the minor has a terminal illness, or (2) the minor has a documented serious medical condition requiring long term care. The trust is restricted because parents may elect to receive 50% of their child's per capita payment to help provide for their child's health, education and welfare needs.

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**If a parent elects to receive 50% of their child's per capita, what may the funds be spent on?**

- The child's per capita funds may only be spent on the health, education and welfare of the child.

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# What will happen if I do not make any election regarding my child's trust account?

- If you do not return the election forms by the due date, 100% of your child's per capita payment will be placed in the conservative investment pool #1.

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# Can a parent change their election to receive 50% of their child's per capita payment?

- Yes, parents may change their 50% election prior to each quarterly per capita payment.

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# Can I change my child' trust fund investment pool?

- Yes, you may change the trust fund investment pool once per year during an enrollment period in January.

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# Is my child's per capita payment subject to federal income tax reporting?

- Per capita funds placed in trust are not subject to federal income tax reporting/withholding until the funds are disbursed to the minor. Parents electing to receive 50% on behalf of their child will be required to report the income to the extent such funds are gaming funds.

# Projected Growth of Minors Trust

## ■ Investment Process

- 1. Per capita distribution declared by Board
- 2. Minors per capita deposited into Trust
  - 100% or 50%, depending on election
- 3. Invested in one of two options by Parent/guardian
  - Investment Manager & Trustee have been selected
  - Change allowed once per year
- 4. Quarterly Statement Provided by Record keeper
  - Trautman Maher & Associates, Inc. (Mill Creek, WA)
- 5. Distributions made per Trust Document
- 6. Oversight provided by:
  - Tulalip Board
    - Trustee
    - PRIME Asset Consulting Group / UBS Financial Services, Inc.

## Tulalip Minors Trust

<b>Assumptions:</b>	1	Even distribution of ages from 0 to 18		
	2	<u>Rates of Return Assumptions<sup>1</sup>:</u>		
		Stocks:	8.30%	
		Bonds:	5.80%	
		Cash:	4.70%	
		Inflation:	2.25%	plus 5% = 7.2500%
	3	Contribution / year =	\$2,000	

### Alternative Investments:

**Pool #1:** Minimal Risk / Long Term Capital Preservation, with variable return. Estimated projection used is 4.7% annual rate of return, long term.  
Note: Expected return lower for 2004 –2005 as rates increase.

**Pool #2:** **Three Pools**, age specific, with increasingly conservative investments, automatic allocation change at various age points.

<b>Age Group 0 - 9</b>	Stocks	70%	5.81%
	Bonds:	29%	1.68%
	Cash:	1%	<u>0.06%</u>
			7.55%

<b>Age Group 10 -14</b>	Stocks	50%	4.15%
	Bonds:	45%	2.61%
	Cash:	5%	<u>0.24%</u>
			7.00%

<b>Age Group 15 - 18</b>	Stocks	10%	0.83%
	Bonds:	65%	3.77%
	Cash:	25%	<u>1.18%</u>
			5.78%

<sup>1</sup> Rate of Return assumptions updated with 4/30/04 UBS GAM Capital Market Assumptions.

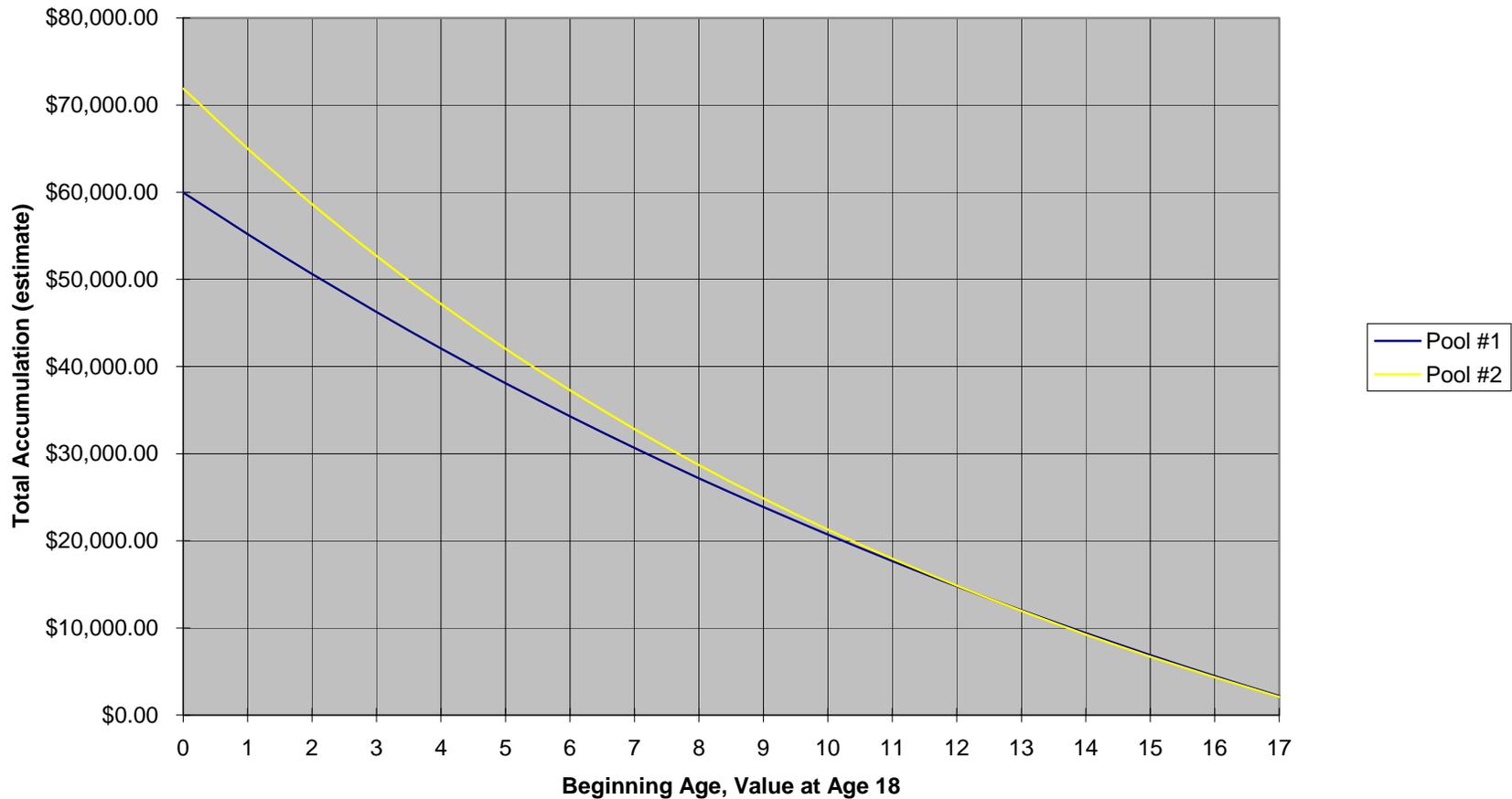
*The above summary/prices/quotes/statistics have been obtained from sources believed to be reliable, but we cannot guarantee their accuracy or completeness. Past performance is no guarantee of future results.*

# Projected Growth of Minors Trust

## Tulalip Minors Trust

### Assumptions:

1. \$2000 per capita per year
2. Returns are straight line assumptions.
3. See accompanying chart for complete list of assumptions used.



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# Projected Growth of Minors Trust

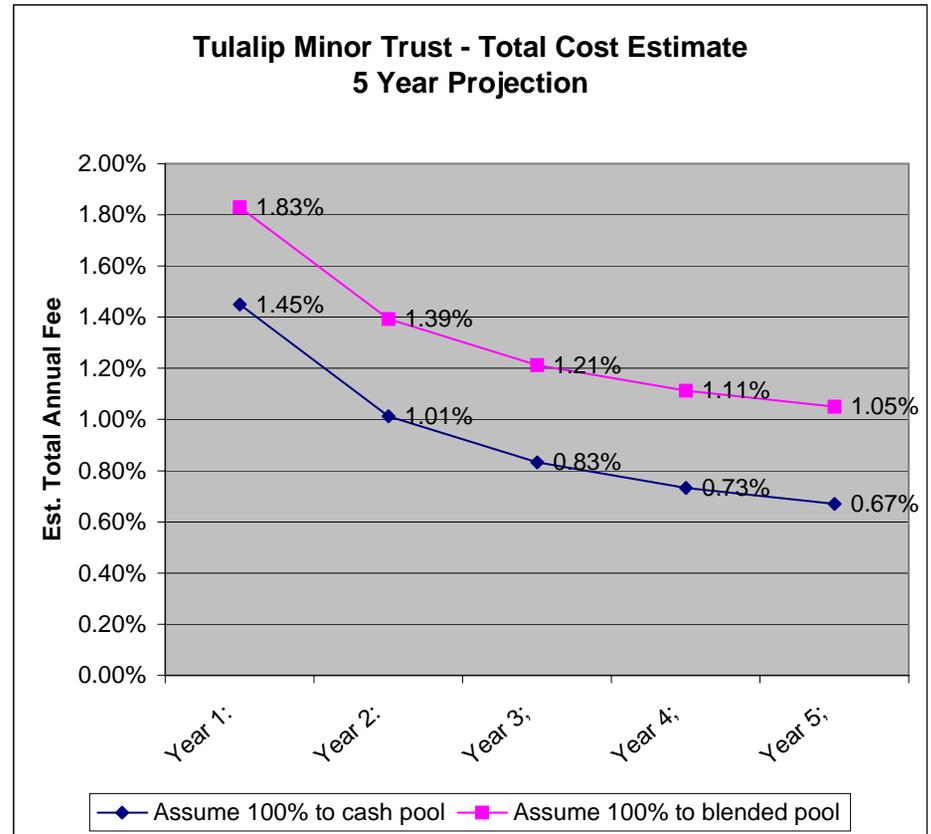
Cash Pool:

<u>Assume 100% to cash pool</u>		
Year 1:	\$ 43,500.00	1.45% cash pool
Year 2:	\$ 62,250.00	1.01%
Year 3:	\$ 78,787.50	0.83%
Year 4:	\$ 94,686.69	0.73%
Year 5:	\$ 111,096.02	0.67%

Blended Pool:

<u>Assume 100% to blended pool</u>		
Year 1:	\$ 54,900.00	1.83%
Year 2:	\$ 85,620.00	1.39%
Year 3:	\$ 114,726.00	1.21%
Year 4:	\$ 143,822.11	1.11%
Year 5:	\$ 174,088.22	1.05%

Asset Estimate Year 1:	\$ 3,000,000.00
Year 2:	\$ 6,150,000.00
Year 3:	\$ 9,457,500.00
Year 4:	\$ 12,930,375.00
Year 5:	\$ 16,576,893.75



*The fee's for investment management, trust services, and consulting, are asset based fees. As the assets increase in size, break points are hit and the fee decreases as a percentage of total assets held in the Trust increase.*

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