



Puyallup Tribe of Indians



June 19, 2019

TRUSTS FOR MINOR MEMBERS OF THE PUYALLUP TRIBE OF INDIANS

Dear Parents and Children of the Puyallup Tribe,

The Puyallup Tribal Council approved a change of trustee service providers for the Minors' Trusts. This letter provides details of the transition and how the transfer affects you.

Why this change was needed and the research process:

The Tribe established the Minors' Trusts in May of 2002. Since 2005, KeyBank has served as the Trustee to manage the investment funds and administer the Minor's Trust accounts. After 14 years under KeyBank's conservative management and due to a growing minor membership population, the Tribal Council decided to seek proposals from qualified trustee service firms to better serve the minor membership. Based upon the proposals received and interviews conducted, the Tribal Council selected Providence First Trust Company ("Providence First") as the new Trustee and Goldman Sachs as the new investment manager.

NOTE: This change in service providers does not impact the current Master Trust Agreement—Trust fund monies will still be distributed when a minor turns age 18. To change the amount and timing of these distributions, a new Master Trust Agreement is needed. Over the years through surveys and input at membership meetings, the membership has requested a new distribution schedule with mandatory prerequisites such as earning a high school diploma/GED. However, before making modifications to the Master Trust Agreement, the Tribal Council wants membership input on potential recommended changes. Expect a ballot in the near future to allow the membership to guide the creation of this new trust agreement.

New service providers:

Providence First and Goldman Sachs excel in their respective roles and have valued experience in Indian Country. They will cross-check each other to prevent conflicts of interest. Their first and primary loyalty is to the children's trust accounts. The Tribal Council will have both service providers present at the membership meeting to be held at the Tribe's Riverboat on July 13th at 10 a.m. (2102 E. Alexander, Tacoma, WA 98421).

Goldman Sachs, as Custodian and Investment Manager of the Minors' Trust accounts, will hold and invest the money through a Seattle-based advisory team. This local advisory team is backed by a global investment team managing more than \$50 billion in assets for a diverse set of institutional clients. Goldman Sachs is very capable of serving large institutions, similar to the Puyallup Tribe, including the management of assets for 15 other Tribal Governments. In all, the investment management division of Goldman Sachs oversees and supervises \$1.60 trillion in assets worldwide.

Providence First, as Trustee, will handle the accounting, statements, taxes, and distributions of the trust funds. Providence First specializes in trustee services for Native American children trust accounts. They provide trustee services to at least 25 other per capita trusts across the country covering nearly 35,000 children beneficiaries with more than \$3 billion of trust assets. Their officers are experts in the specific laws and tax regulations pertaining to these trusts. When you call Providence First, you will speak directly with one of their Tribal Trusts staff members who works specifically with Native American parents and children.

Transition process:

The Tribe's Per Capita, Finance, Accounting and Legal Departments are communicating regularly with Goldman Sachs and Providence First to plan a smooth transition. Working closely with Key Bank, the transfer of trust assets from KeyBank to Goldman Sachs will occur by July 1, 2019. To accommodate this transfer, no distributions will be made between the dates of June 24 to July 1. All distributions otherwise slated between these dates will be made by KeyBank before June 24.

Distributions:

Providence First will make the trust distributions on and following July 1, 2019. They will be sending out the paperwork soon for minors turning 18 years old in August (if you already turned in your paperwork to KeyBank, there is nothing additional you need to do—your paperwork will be processed). Until changes are made to the Master Trust Agreement, trust distributions for 18-year olds will continue as previously processed. Trust distributions for taxes owed due to per capita payments will not change either. Similar forms will be used and old forms will also be accepted.

Statements:

You will receive a final statement from KeyBank showing an ending trust account balance, which will match the beginning balance shown in your first account statement from Providence First. You will then receive statements once a quarter, or every 3 months, from Providence First showing all trust activity, investment allocations, and a newsletter that includes market commentary, trust information, and financial education. You can also log in to see your account at:

<https://myaccount.providencefirst.com>

Investments:

One reason the Tribe is moving to Goldman Sachs is to take advantage of proven investment practices to achieve greater long-term growth. Other Native American Tribes are using this investment strategy for their minors' trusts. For younger children who will not be receiving their trust money for several years, their investment objective will be capital appreciation to achieve potential long-term growth. For older children who will be receiving their trust money sooner, the investment objective will be more moderate to achieve some income.

Taxes:

Taxes will be handled in the same manner as in previous years. Each year you will receive a tax document from Providence First setting forth the trust earnings for the year to be reported on your child's income tax return. You will also continue to receive a Form 1099 from the Tribe for per capita payments to be reported as income on your child's income tax return.

Questions:

You may contact the following staff at the Tribe with any questions:

- Tribal Accounting: David Peterson at david.peterson@puyalluptribe-nsn.gov or at (253) 573-7801.
- Tribal Finance: Julie Hamilton at julie.hamilton@puyalluptribe-nsn.gov or Matt Wadhvani at matt.wadhvani@puyalluptribe-nsn.gov or by phone at (253) 573-7824.
- Tribal Per Capita: Monica Miller at monica.miller@puyalluptribe-nsn.gov or (253) 573-7847.

You may also contact Providence First Trust Company, the new Trustee, with any questions:

By phone: 1-800-350-0208 (toll free)

Or (602) 952-2300

By email: puyallup@providencefirst.com

By fax: (602) 952-0018

By mail: 8840 E. Chaparral Road, Suite 250
Scottsdale, AZ 85250

Sincerely,



David Z. Bean, Chairman
for the Puyallup Tribal Council