



# Oneida Minors' Trust Fund, Ages 0-14

## ***ANNUAL REPORT***

### **December 31, 2012**

July, 2013

Dear Minors Trust Beneficiaries:

The Oneida Trust/Enrollment Committee is pleased to share with you the eleventh annual Minors' Trust report.

This annual report is a compilation of two portfolios, one portfolio is for ages 0-14, which is moderately invested and a second portfolio for ages 15 and over, which is conservatively invested. Both are balanced portfolios containing stocks, bonds, and cash equivalents. Investments selected must be screened according to Oneida's Investment Policy criteria and must go through a detailed financial analysis. That screening and analysis is completed by Trillium Asset Management located in Boston, MA. Trillium is the firm we hired to manage Trust and Stephanie Leighton (Trillium's Personnel) is our Money Manager. Ms. Leighton selects the investments which are subject to screening and financial analysis.

The Minors Trust Funds are "unitized" meaning each unit has a value. The unit value changes with the investment's market value. Equinox, our fund accountant, is responsible for the accounting of the portfolios and record keeping for each individual account.

A high school diploma or a General Equivalency Diploma (GED) from an accredited school is now required to receive your minor's trust fund if you are 18 and not yet 21 years old. Accordingly, your diploma must be part of your distribution request form.

Finally, minors eligible to receive their trust fund have an opportunity to defer a portion or all of their trust fund to a later date. Please contact the Trust Department for more information if you are interested in the deferral opportunity.

We hope you find this report informative. Please use it with the quarterly fact sheets to understand how the Tribe's per capita distributions are managed on your behalf. We welcome your comments and suggestions not only on this report but on all communications you receive from the Trust/Enrollment Committee throughout the year.

YawáꞤko,

*Carole Liggins,*

Carole Liggins, Chairwoman  
Oneida Trust/Enrollment Committee





# Oneida Minors' Trust Fund

July, 2013

Dear Minors' Trust Beneficiaries:

This report covers the trust fund activity for 2012. I will tell you about the economy, market indicators, and the trust funds' performance. I will close with our market forecast and an update on our sustainable and responsible investment practices.

Stock markets were strong last year. The U.S. economy continued a slow but steady recovery from the housing market crash and the Recession of 2008-2009. House prices and employment numbers continued to increase from low levels. Consumer debt is down and confidence is improving. The S&P 500 stock index gained 16% and the International stock MSCI EAFE Index was up 17.9%. The Barclays Government/Credit Intermediate Bond Index rose 3.9%.

Overall, the trust funds continue to perform well. The 0-14 Minor's Portfolio increased 23.9% in the last three years, and 13.1% last year. Approximately 65% of the 0-14 fund was invested in stocks in 2012. The U.S. stocks in the 0-14 fund grew by 17.5%, compared to the 16% increase in the S&P 500 Index. International stocks in the fund increased 20.1%, compared to the International stock index 17.9% increase. Approximately 30% of 0-14 fund holdings were in bonds. The Trust Fund Bonds increased by 4.8%, compared to the 3.9% Barclays U.S. Government/Credit Intermediate Bond index.

The 15+ fund grew by 14.4% in the last three years and was up 6.8% in 2012. Approximately 25% of the 15+ fund was invested in stocks. The 15+ fund is conservatively managed with over 75% of the fund in bonds and cash. It is conservatively managed because minors may be claiming the fund in less than three years. We want to minimize fluctuations in value due to the shorter time horizon of this fund. The U.S. Stocks in the 15+ fund increased by 13.2% last year, while non U.S.stocks increased 18%. Bonds rose 4.8%.

We remain optimistic on the outlook for stocks. We expect continued recovering job and US housing markets. Europe is taking action to stimulate growth and support the weaker countries in the region. The support will help revitalize world economies. Longer term, low bond rates and reasonably valued stock prices tell us that stocks continue to be attractive, relative to bonds.

On the social front, in 2012 Trillium continued efforts to steer businesses toward responsible and sustainable practices. We engaged over two dozen major U.S. and foreign corporations on a wide range of concerns, including climate change, sustainable agriculture, and labor, human rights and Indigenous rights. On Indigenous rights, we continue to oppose the proposed Pebble Mine in Bristol Bay, Alaska. The mine is in a critical salmon habitat and the habitat is source of subsistence fishing for Native Alaskans. Our recent engagement with Target led to the \$680 billion Food Marketing Institute to send a letter to the Environmental Protection Agency. The letter explained that "Bristol Bay is a one-of-a-kind fishery that is important not only to the ecology of the region but also to fulfilling the goal of long-term sustainable seafood sourcing." Working together with other social investors, we continue to push Fedex and BankAmerica to use their business relationships with the Washington Redskins football team to adopt a non-offensive name.

We appreciate your confidence and trust in Trillium Asset Management. We encourage you to stay tuned to our financial and social advocacy updates at [www.trilliuminvest.com](http://www.trilliuminvest.com).

Sincerely,  
*Stephanie R. Leighton*  
Stephanie R. Leighton, CFA  
Senior Vice President and Portfolio Manager



Shares	Security Description	Value
<b>COMMON STOCK -</b>		
<b>Basic Materials - .94%</b>		
7,996.00	MINERALS TECHNOLOGIES INCDS5	319,200.32
		<b>319,200.32</b>
<b>Communications - 5.42%</b>		
23,882.00	CISCO SYSTEMS INCDS5	469,266.97
4,697.00	DISCOVERY COMMUNICATIONS-AD55	298,165.56
5,149.00	EBAY INCDS5	262,587.16
249.00	GOOGLE INC-CL AD55	176,137.62
2,193.00	NETGEAR INCDS5	86,469.99
4,559.00	SYMANTEC CORPD55	85,800.38
9,492.00	TIME WARNER INCDS5	454,002.36
		<b>1,832,430.04</b>
<b>Consumer, Cyclical - 4.24%</b>		
4,080.00	COSTCO WHOLESALE CORPD55	402,818.40
3,113.00	HOME DEPOT INCDS5	192,539.05
2,354.00	STARWOOD HOTELS & RESORTSD55	135,025.44
3,275.00	JOHNSON CONTROLS INCDS5	100,444.25
2,157.00	NORDSTROM INCDS5	115,399.50
1,839.00	STARBUCKS CORPD55	98,625.57
6,345.00	TARGET CORPD55	387,267.65
		<b>1,432,119.86</b>
<b>Consumer, Non-cyclical - 7.61%</b>		
3,857.00	AMGEN INCDS5	332,473.40
5,403.00	BAXTER INTERNATIONAL INCDS5	360,163.98
3,219.00	CHURCH & DWIGHT CO INCDS5	172,441.83
1,368.00	COLGATE-PALMOLIVE COD55	143,010.72
5,360.00	JARDEN CORPD55	277,112.00
190.00	MASTERCARD INC-CLASS AD55	93,343.20
4,894.00	PROCTER & GAMBLE CO/THEO55	332,253.66
2,850.00	ST JUDE MEDICAL INCDS5	102,999.00
7,442.00	UNITEDHEALTH GROUP INCDS5	403,654.08
3,903.00	WHOLE FOODS MARKET INCDS5	355,797.48
		<b>2,573,249.35</b>
<b>Energy - 4.55%</b>		
6,744.00	ATWOOD OCEANICS INCDS5	308,807.76
3,530.00	EOG RESOURCES INCDS5	426,388.70
3,295.00	HESS CORPD55	174,503.20
7,915.00	MARATHON PETROLEUM CORPD55	498,645.00
1,910.00	NATIONAL OILWELL VARCO INCDS5	130,548.50
		<b>1,538,893.16</b>
<b>Financial - 8.58%</b>		
8,849.00	AFLAC INCDS5	470,058.88
1,472.00	AMERICAN EXPRESS COD55	84,610.56
7,925.00	CITIGROUP INCDS5	313,513.00
6,200.00	CHUBB CORPD55	466,984.00
6,417.00	CBRE GROUP INCDS5	127,698.30
17,026.00	FIFTH THIRD BANCORPD55	258,795.20
4,687.00	HARTFORD FINANCIAL SVCS GRPD55	105,176.28
5,785.00	HORACE MANN EDUCATORS55	115,468.60
6,864.00	JPMORGAN CHASE & COD55	301,803.90
8,598.00	LINCOLN NATIONAL CORPD55	222,688.20
12,661.00	WELLS FARGO & COD55	432,752.98
		<b>2,899,549.90</b>
<b>Industrial - 6.64%</b>		
1,643.00	CANADIAN PACIFIC RAILWAY LTDD55	166,961.66
1,980.00	FEDEX CORPD55	181,605.60
5,374.00	KANSAS CITY SOUTHERND55	448,621.52
2,599.00	LINCOLN ELECTRIC HOLDINGSD55	126,519.32
7,314.00	OWENS-ILLINOIS INCDS5	155,568.78
9,807.00	SEALED AIR CORPD55	171,720.57
4,566.00	UNITED PARCEL SERVICE-CL BD55	336,651.18
2,502.00	VALMONT INDUSTRIESD55	341,648.10
3,613.00	WABTEC CORPD55	316,282.02
		<b>2,245,578.75</b>
<b>Technology - 7.82%</b>		
1,164.00	APPLE INCDS5	619,449.37
4,983.00	ADOBE SYSTEMS INCDS5	187,759.44
7,041.00	APPLIED MATERIALS INCDS5	80,549.04
2,602.00	CERNER CORPD55	201,681.02
4,248.00	EMC CORP/MAD55	107,474.40
1,221.00	INTL BUSINESS MACHINES CORPD55	233,882.55
8,922.00	INTEL CORPD55	183,971.64
7,527.00	MICROSOFT CORPD55	201,043.92
12,810.00	ORACLE CORPD55	426,829.20
4,103.00	VERIFONE SYSTEMS INCDS5	121,777.04
4,529.00	QUALCOMM INCDS5	280,162.13
		<b>2,644,579.75</b>
<b>Utilities - 1.32%</b>		
5,963.00	AVISTA CORPD55	143,767.93
1,566.00	NATIONAL FUEL GAS COD55	79,380.54
12,204.00	NV ENERGY INCDS5	221,380.56
		<b>444,529.03</b>
<b>Total Common Stock (Cost \$12,167,786.10)</b>		<b>15,930,130.16</b>

Shares	Security Description	Value
<b>AMERICA DEPOSITORY RECEIPTS</b>		
<b>Communications - 1.20%</b>		
16,150.00	VODAFONE GROUP PLC-SP ADDR55	406,818.50
		<b>406,818.50</b>
<b>Consumer, Non-cyclical - 1.41%</b>		
5,470.00	GLAXOSMITHKLINE PLC-SPON ADR	237,780.90
892.00	NOVO-NORDISK A/S-SPONS ADR	145,583.32
1,487.00	NOVARTIS AG-ADR	94,127.10
		<b>477,491.32</b>
<b>Energy - 1.22%</b>		
16,421.00	STATOILHYDRO ASA-SPON ADR	411,181.84
		<b>411,181.84</b>
<b>Financial - 0.58%</b>		
3,704.00	HSBC HOLDINGS PLC-SPONS ADR	196,571.28
		<b>196,571.28</b>
<b>Industrial - 0.29%</b>		
4,695.00	ABB LTD-SPON ADR	97,609.05
		<b>97,609.05</b>
<b>Utilities - 0.30%</b>		
1,756.00	NATIONAL GRID PLC-SP ADDR55	100,864.64
		<b>100,864.64</b>
<b>Total America Depository Receipts (Cost \$1,560,792.17)</b>		<b>1,690,536.63</b>
<b>EXCHANGE TRADED FUNDS</b>		
<b>ETF - 16.97%</b>		
48,919.00	ISHARES MSCI EAFE INDEX FUND55	2,781,534.34
9,336.00	ISHARES BARCLAYS AGENCY BONDD55	1,057,722.13
7,800.00	POWERSHARES DYN BIOTECH&GENO55	178,128.60
14,162.00	ISHARES BARCLAYS TIPS BONDD55	1,719,408.42
		<b>5,736,793.49</b>
<b>Exchange Traded Funds (Cost \$6,085,861.53)</b>		
<b>OPEN-END FUNDS</b>		
<b>Funds - 7.18%</b>		
353,316.85	DOMINI INTL SOCIAL EQUITY-ID55	2,427,286.79
		<b>2,427,286.79</b>
<b>Open-End Funds (Cost \$2,652,608.84)</b>		<b>2,427,286.79</b>
<b>CORPORATE BONDS</b>		
<b>Communications - 3.39%</b>		
500,000.00	AT&T INC T 5.1 09/15/14D55	537,321.00
600,000.00	VERIZON COMMUNICATIONS VZ 5 1/4 04/15/13D55	608,214.00
		<b>1,145,535.00</b>
<b>Consumer, Cyclical - .87%</b>		
250,000.00	MCDONALD'S CORP	293,359.25
		<b>293,359.25</b>
<b>Consumer, Non-cyclical - 1.68%</b>		
500,000.00	SAFEBAY INC	567,858.50
		<b>567,858.50</b>
<b>Financial - 9.10%</b>		
600,000.00	AXP 2 3/4 09/15/15D55	629,029.20
500,000.00	C 5.3 01/07/16D55	553,145.50
275,000.00	GS 5 1/8 01/15/15D55	295,428.38
300,000.00	BAC 6.15 04/25/13D55	304,815.90
500,000.00	MS 6 5/8 04/01/18D55	589,287.50
700,000.00	SANTAN 3.724 01/20/15D55	703,178.00
		<b>3,074,884.48</b>
<b>Government - 0.78%</b>		
250,000.00	INTL BK RECON & DEVELOP	262,482.00
		<b>262,482.00</b>
<b>Industrial - 0.77%</b>		
250,000.00	EMERSON ELECTRIC CO	261,219.25
		<b>261,219.25</b>
<b>Technology - 1.53%</b>		
500,000.00	PITNEY BOWES INC	518,760.00
		<b>518,760.00</b>
<b>Total Corporate Bonds (Cost \$5,849,068.99)</b>		<b>6,124,098.48</b>
<b>GOVERNMENT SECURITY</b>		
<b>Government - 1.51%</b>		
500,000.00	FEDERAL HOME LOAN BANK	509,875.00
		<b>509,875.00</b>
<b>Total Government Security (Cost \$1,838,024.78)</b>		<b>509,875.00</b>
<b>MORTGAGE BACKED SECURITIES</b>		
<b>Mortgage Securities - 0.06%</b>		
19,815.50	FG B15184	20,159.68
		<b>20,159.68</b>
<b>Total Mortgage Backed Securities (Cost \$19,899.69)</b>		<b>20,159.68</b>
<b>Real Estate Investment Trust</b>		
<b>Financial - 0.34%</b>		
3,150.00	PROLOGIS INC	114,943.50
		<b>114,943.50</b>
<b>Total Real Estate Investment Trust (Cost \$80,106.08)</b>		<b>114,943.50</b>
<b>Total Accrued Interest</b>		<b>86,069.81</b>
<b>Total Investments in Securities - 96.56% ( Cost \$28,933,338.67)</b>		<b>32,639,893.54</b>
Other Assets & Liabilities, Net - 3.44%		1,162,116.55
<b>Total Net Assets - 100%</b>		<b>33,802,010.09</b>



# Oneida Minors' Trust Fund

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2012

<b>INVESTMENT INCOME</b>	<b>2012</b>
Dividend income, net of withholding .....	510,443
Interest income .....	323,343
Other income .....	1,791
Total Investment Income .....	<u>835,577</u>
 <b>EXPENSES</b>	
Total Expense .....	<u>(120,172)</u>
 <b>NET INVESTMENT INCOME</b> .....	<u>715,405</u>
 <b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain on investments .....	1,205,205
Net change in unrealized appreciation on investments .....	2,098,851
 <b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b> .....	<u>3,304,057</u>
 <b>NET INCREASE IN NET ASSETS FROM OPERATIONS</b> .....	<u>4,019,462</u>

### NOTES

#### Schedule of Investments

The Schedule of Investments lists each security held in the Trust's portfolio as of December 31. The securities are divided into two groups: common stock and fixed-income securities. The value of each security in each group is shown as of December 31. The last total in this section shows how much the Trust was worth on December 31. Trillium Asset Management Corporation monitors the portfolio and makes decisions about which securities to buy or sell based on criteria set by the Trust Committee.

#### Financial Highlights

The Financial Highlights are created from data shown in the Statement of Operations, but the data is translated into per Unit information. This makes it easier to see the change in the value of each Trust Unit from the beginning to the end of the reporting period.

#### Statement of Assets and Liabilities

The Statement of Assets and Liabilities is a snapshot of the financial position of the Trust portfolio on December 31. It lists all amounts paid to and owed by the Trust on that date. The final total in this section shows how much the Trust was worth on December 31. The last item shows how many Trust Units were held by all of the beneficiaries together on December 31 and the value of each Unit on that date.

#### Statement of Operations

The Statement of Operations shows: the income earned by the Trust portfolio, the Trust expenses and the change in value of the Trust portfolio of securities during the reporting period. If the final total in this section is positive, the value of the Trust portfolio was higher at the end of the reporting period than at the beginning. Please note that investment advisory fees are paid to Trillium Asset Management Corporation directly from the Trust. All other fees and expenses of the Trust are paid by the Oneida Trust Department.

#### FOR THE YEAR ENDED DECEMBER 31, 2012

<b>Per Unit Operating Performance:</b>	
Unit Value, beginning of period	\$ 17.04
Income from Investment Operations:	
Net investment income	0.40
Net realized and unrealized gain on investment transactions	<u>1.82</u>
Total from investment operations	<u>2.22</u>
Unit Value, end of period .	<u>\$ 19.26</u>
 <b>Total Return</b>	 13.01%

#### STATEMENT OF ASSETS AND LIABILITIES AS OF DECEMBER 31, 2012

<b>ASSETS</b>	<b>2012</b>
Total investments, at value (Cost \$28,933,338.67)	\$ 32,553,824
Cash	1,150,528
Interest, dividends and other assets	109,462
Total Assets	<u>33,813,813</u>
<b>LIABILITIES</b>	
Accrued Admin Fees	(11,803)
Total Liabilities	<u>(11,803)</u>
<b>NET ASSETS</b> .....	<u>\$ 33,802,010</u>
 <b>COMPONENTS OF NET ASSETS</b>	
Paid-in capital	\$ 21,644,391
Accumulated net investment income	5,221,843
Accumulated net realized gain	3,944,211
Net unrealized appreciation of investments	<u>2,991,565</u>
<b>NET ASSETS</b>	<b># \$ 33,802,010</b>
<b>UNIT VALUE</b> (1,755,484.092 units) .....	<u>\$ 19.26</u>

