

Practical benefits of living trusts

Over the years our clients have recognized the many advantages of establishing a living trust with us. We would like to share some of the benefits of our living trust services with you and then meet with you to discuss how a living trust can be structured to meet *your* needs.

What is a living trust?

A few key facts: First, the arrangement begins with the transfer of property that will make up what is often referred to as the trust's *principal*. Living trusts can be funded with securities, other property or money that you have available for investment.

This property is managed and administered by us as *trustee*. We manage the trust by following the directions that you have established in a *trust agreement*. For instance, the agreement can direct us about how and when the income from the trust should be distributed to the *income beneficiaries*, how to invest funds added to the trust and when to pay out any amounts that you may wish to withdraw over time.

The agreement also will provide us with directions as to what to do at your death. Perhaps it may call for your spouse to receive the trust income, and call for the trust to terminate at his or her death, with funds to be divided among your children (the *remainder beneficiaries*). There are thousands of possible variations. No framework for personal financial planning is more versatile.

And none is more flexible. The kind of trust that we're describing is a revocable living trust. *Revocable* means that you can change beneficiaries, alter any other instructions contained in the trust agreement or even cancel the trust should the arrangement ever cease to meet your needs.

Eight benefits of living trusts

1. Professional asset management. With a living trust, you can benefit from our professional, unbiased investment supervision. It's our *business*. When we develop and maintain an investment program for you, our sole concern as trustee is to meet your requirements and protect your prosperity and build your wealth. You can arrange for us to shoulder full responsibility for investing your trust's assets. Or you may have us submit recommendations for your approval.

2. Convenience. As your trustee, we're equipped to handle every conceivable chore relating to the care and handling of investments. Trust securities are protected from fire, theft or accidental loss. All details of buying and selling are handled by us. We keep records and submit clear, comprehensive reports to you. We collect income, present matured or called bonds for redemption, keep track of conversion deadlines and other key dates, and do everything else that needs doing.

3. Future self-protection. With a living trust, you can authorize us to act as your financial alter ego if ever you should become incapacitated. As a result, we would be able to provide full investment management and draw on the trust fund for your benefit—say, to pay household bills and taxes, perhaps to hire a housekeeper or for other necessary assistance.

4. Freedom to travel. Our ability as trustee to handle financial matters above and beyond the usual requirements of investment supervision also could prove useful if you look forward to traveling extensively. You can assign us any number of special tasks here at home, ranging from the payment of recurring bills to the preparation of tax returns.

5. Continuity. A living trust can continue beyond your lifetime for the benefit of others, serving the same purposes as a trust that you might otherwise establish in your will. The trust can do so without the delays associated with probate, thus assuring the beneficiaries that you designate of an immediate source of income. By contrast, a trust created by will cannot become fully functional until estate assets have been identified and assembled and various legal and tax requirements dealt with.

6. Privacy. A person's will can remain private during his or her lifetime but necessarily becomes a matter of public record when probated. This sometimes leads to unwelcome results. Details concerning how shares in a family business are distributed may prove all too useful to rival enterprises. News that such-and-such a beneficiary is to receive a sizable bequest may make that beneficiary the involuntary target of investment promoters. A living trust is far less likely to attract public attention. Generally, its terms remain confidential, shielding the family from unwanted publicity.

7. Estate economy. This is perhaps the best-known advantage of a living trust from an estate planning standpoint: Because the trust need not undergo the proceedings associated with probate, the overall expenses associated with estate settlement are likely to be reduced.

8. Unified estate management. A living trust does not eliminate the need for a will. Rather, you can plan a simpler will and coordinate it with the trust. For example, in your new will you might dispose of personal things and perhaps make a few bequests to friends or favorite charities, then direct the executor (or personal representative) of your estate to add any remaining assets to your trust, to be managed and distributed as your trust agreement directs. You also can arrange to have your living trust augmented with other investable funds that become available at your death, such as life insurance proceeds, allowing you to consolidate your assets under one managerial roof.

Find out more

Thanks to the expertise and experience of our staff, we have established an outstanding reputation as a professional trustee for our clients' living trusts. We offer our clients services of the highest quality, delivered with tact, sensitivity and impartiality. Our commitment to our clients is absolute. Above all, we want you to be *comfortable* with our services.

Adopting a living trust plan will be an important step in your financial life. We'd be pleased to discuss how we can shape a living trust to meet your and your family's needs.

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