

LEGACY PLANNING

The Benefits of a Corporate Directed Trustee

Any estate planning conversations you have had (or will have) with your Wealth Management Team and our Family Office Services group likely included the topic of trust creation. Very simply, a trust is a legal document that allows you to maintain control over your assets should you become physically or mentally incapacitated, and/or upon your death. Trusts are designed to help ensure multi-generational growth of family assets and safeguard these assets from creditor claims and excessive taxation. The types we implement regularly include personal trusts, asset protection trusts, charitable trusts, special needs trusts, and/or retirement trusts.

An important – and requisite – component of establishing a trust is choosing a trustee to administer it. Options include naming one or more individual trustees, designating a corporate trustee, or identifying both as co-trustees.

Serving as an individual trustee is a serious obligation, one that requires both fiduciary responsibility and a fair amount of legal knowledge. Many people find that appointing a corporate trustee relieves the burden of asking an individual – frequently a family member – to serve as trustee. Alternatively, in a co-trustee scenario, the perspective and family connection of an individual trustee is combined with the high degree of expertise and generational continuity inherent to a corporate trustee.

Advantages of a corporate directed trustee

Experience

With a corporate directed trustee (CDT), the trust is administered by a team of professionals with a solid working knowledge of (and willingness to assume) the fiduciary responsibility of managing a trust. Furthermore, a CDT has the infrastructure and resources available to undertake (and streamline) the significant recordkeeping tasks and obligations required for efficient and compliant trust administration. A CDT delivers a level of regulatory oversight, objectivity, service, safety, and soundness that brings peace of mind, continuity, and legacy protection to trust administration.

Continuity

A CDT won't become ill or incapacitated, move away, or become distracted by personal concerns or emotions – as an individual trustee might. A CDT has the capacity to provide both stability and continuity of care throughout a trust's full lifecycle, which can extend over decades or even into multiple generations of beneficiaries.

Using a CDT can also eliminate what's known as "successor trustee risk" - which can occur when another trustee assumes responsibility for managing the trust after the primary trustee dies or is unable to continue. A new "individual" trustee may be influenced by his/her own biases, making decisions beneficial to the trustee but detrimental to the grantor's intent. A CDT removes personal bias.

In our service model, successor trustee risk is avoided since the CDT does not perform investment management services. Instead, your Mercer Advisors team continues to work with your named beneficiaries to provide all investment advice, planning, and services for the trust assets. The CDT becomes an extension of your Wealth Management team, serving as your trust's dedicated 'service bu-



David H. Barton
Chief Executive Officer

Our acquisition of Kanaly Trust Company last August was a deliberate investment – one made to increase the scope of services and value we deliver.

Today, you have access to the full range of corporate trust administration services offered through Kanaly Trust Services.

We're honored to provide you with yet another level of multi-disciplinary expertise in support of your long-term vision and legacy plan.

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reau' for all administrative functions, while relying on Mercer Advisors to manage all investment-related tasks throughout the life of the trust.

A clear separation of duties and areas of expertise

Your Mercer Advisors Wealth Management Team

- Oversees the relationship between you and your dedicated Kanaly Trust Services team
- Drives all planning and investment management strategies for trust assets in accordance with your trust

Corporate Directed Trustee: Kanaly Trust Services

- Performs trust administration duties in accordance with the trust document, including:
 - Disbursements
 - Tax reporting
 - Statement production
 - Bill pay services
 - Accounting and bookkeeping
 - Estate settlement
 - Management of unique assets, such as oil and gas interests, farm or ranch holdings, copyrights, and patent rights
 - Valuations of business interests and/or personal property

Objectivity

Every family has its own unique dynamic, one that ebbs and flows over time. Marriage, divorce, re-marriage, children, grandchildren, special needs, family business, incapacity, and more can and will contribute to the complexities and nuances of a family's dynamic.

Appointing a CDT can help minimize the potential for personal bias or challenged family dynamics to influence trust-related decisions. A CDT is an independent entity, one bound only by its fiduciary obligation to uphold and abide by the specific terms and provisions outlined in the trust document. As a result, emotion and potential conflicts of interest are removed entirely from the administrative process.

Value Proposition:

Your Wealth Management team is available to discuss with you the benefits of establishing a personal trust and naming a corporate directed trustee as its trustee or successor trustee. Your advisor will also introduce you to the attorneys and other in-house professionals on our Family Office Services team who will partner with you to draft your trust documents.
