

Investing for Trusts: Complexities of Current & Remainder Beneficiaries

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How to Effectively Manage and Administer Irrevocable Trusts as a Trustee?



- **Conduct a thorough client discovery of all situations, facts, and circumstances**
- **Study the trust document in detail to avoid surprises**
- **Develop a clear understanding of the stakeholders and their needs**

Embrace Fiduciary Responsibility – To whom do you owe the loyalty?

- **Respect and execute on the Grantor's vision**
- **Determine specific requirements of Current Income Beneficiaries**
- **Weigh actions in consideration of Remainder Beneficiaries**



Important Aspects of the Investment Policy Statement

- Intended as a vehicle to establish and document clear expectations of all parties regarding the investment objectives, philosophies, and risk tolerances
- Provides investment guidance for addressing the risk/reward tradeoff and determination of a suitable asset allocation to strive to achieve the financial goals of all parties
- Structured in accordance with the tenets of the Uniform Prudent Investor Act, to hold the trustee accountable, transparent, and prudent in its stewardship of the trust



Embrace Fiduciary Responsibility – To whom do you owe the loyalty?

- **Provide education and instruction of the Current Income Beneficiaries and Remainder Beneficiaries should they need ongoing clarification**
- **Stay abreast of changing circumstances/needs**
- **Look to other possible source of income should the Current Income Beneficiaries needs start to jeopardize the value of the assets for the Remainder Beneficiaries**
- **Discuss seeking a possible modification to the trust should the provisions and/or restrictions in the trust prove to be too onerous, unrealistic, or untenable**



Conclusion

- **Summary**
 - **Examples**
 - **Questions**
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