

Strategy Focus

Fiduciary Services

Why Choose a Corporate Trustee?



In trust planning, one of the most important decisions to be made is the appointment of a dependable trustee to ensure that your wealth is managed and distributed according to your wishes. When selecting a trustee, many people consider a trusted family member or a close friend for the role. Family members and friends, however, rarely have a full understanding of the issues and responsibilities involved in the process. In many cases a corporate trustee adds a depth of resources and objectivity that an individual could not provide.

Role of the Trustee

A trustee is a representative of the trust's establisher, or grantor, responsible for administering the trust terms set in the trust documents. It is the responsibility of the trustee to invest trust assets appropriately and prudently. The trustee also provides accounting (assets, liabilities, receipts, disbursements; records of trustee actions and routine trust actions; income, estate and gift taxes), and communicates information to the relevant parties. When working with multiple beneficiaries, the trustee should treat each impartially.

Benefits of a Corporate Trustee

By appointing a corporate trustee, you will have a team of dedicated, full-time trust professionals working to administer your assets. BNY Mellon Wealth Management can act as sole trustee or as co-trustee with the client, the client's advisor, friend or relative. BNY Mellon Wealth Management can also be named to serve in the future, as a successor trustee. Unlike with an individual trustee, continuity with a corporate trustee is rarely an issue.

At BNY Mellon Wealth Management, our professionals are knowledgeable in the fields of tax, accounting, real estate and closely-held businesses and are current on tax and legislative changes affecting estate planning issues. Each trust professional has a depth of experience collaborating with attorneys, accountants and other advisors, and is supported by extensive corporate resources.

Many corporate trustees are able to provide professional management of trust assets. At BNY Mellon Wealth Management, we can manage and administer all asset types, including non-traditional and unique assets. Additionally we employ strategic asset allocation to our clients' investment portfolios by opportunistically allocating assets within and among various asset classes with the objective of enhancing returns and controlling risk.

Along with a depth of investment expertise a corporate trustee is able to provide objective execution of trust provisions. A corporate trustee is not beholden to the special interests of beneficiaries, but acts impartially in the best interests of the trust. A corporate trustee can also serve as a neutral intermediary in light of any conflicts that arise among beneficiaries. Aside from providing specialized professional skills, a good corporate trustee also has the tools to deal with heightened emotional issues and brings sensitivity, tact and compassion to the fiduciary process.

Why Choose a Corporate Trustee?

A frequent objection to having a corporate trustee is that it will cost too much. In actuality, however, compensation paid to a corporate trustee is generally no greater than an individual fiduciary is entitled to charge. An individual trustee would most likely have to retain the services of a number of different professionals or entities, such as accountants, lawyers and investment managers, who have never worked together and who may not be able to coordinate their efforts. With a corporate trustee, trained specialists minimize expenses through efficient trust management and administration, and economies of scale.

Exhibit 1

	Individual Fiduciary	Corporate Fiduciary
Resources	Can often work only part-time	Has full-time, trained professionals
	Generally has no experience or track record	BNY Mellon Wealth Management has more than 200 years of fiduciary experience
	May need to separately employ professionals	Has many specialists available in house ¹
Cost	Fees of various other professionals increase overall cost of relationship	Offers services at one price ¹
Objectivity	Might have a conflict of interest due to family history	Impartial third party
Continuity	Service may be compromised by illness, death or disability	Always available
Investment Knowledge	May not be experienced in asset management	Substantial experience in managing all assets, including unique assets such as fine art, coins, etc.
	Typically holds cash uninvested	Reinvests cash daily
Communication	May communicate infrequently with beneficiaries, and may not be able to address complex or emotional issues	Committed to regularly communicating with beneficiaries, answering questions and discussing all issues with sensitivity and objectivity

BNY Mellon Wealth Management is a national leader in fiduciary services and has been managing trusts for more than two centuries. Our experience encompasses all trust structures, including marital, family, generation-skipping and charitable trusts. In addition, we are one of the top ten asset managers in the United States² and a national wealth management leader. Today, as one of the nation's largest corporate trustees, BNY Mellon Wealth Management's exceptional combination of fiduciary and investment management expertise is strengthened by our attentive coordination with our clients' advisors. In close collaboration with our clients, their beneficiaries and advisors, we fulfill our trustee obligations and address the complexity of each unique situation with intelligence, integrity and diligence.

¹The Bank of New York Mellon Corporation and its affiliates do not engage in the practice of law.

²Based on assets as of 12/31/09. Source: Institutional Investor, July 2010.