WEALTH MANAGEMENT AND TRUST SERVICES

- Fee-only Investment Management, as Trustee or Agent
- Revocable and Irrevocable Trust Administration
- Estate Settlement and Distribution
- Non Profit and Endowment Fund Management
- Custody and Record Keeping for Investment Assets
- Bill Paying and Cash Flow Management
- Estate Plan Depository
- Wealth Transfer Preparation/Orientation for Families
SUCCESSFUL PLANNING IS MAKING THE MOST OF YOUR MONEY, NOW AND IN THE FUTURE

A living trust is an unexcelled way to plan successfully.

• With a living trust, you can gain the peace of mind that comes from professional, personalized investment management. At the same time, Exchange Bank’s services can free you from many time-consuming chores associated with the care and handling of securities.

• Your trust also can provide an important element of financial protection if ever you become ill or incapacitated.

• And if you wish, your trust can continue beyond your lifetime as a source of income and support for one or more loved ones.

SETTING THE STAGE

People used to set up trusts primarily for the benefit of others. Now they more frequently set up trusts for themselves.

These trusts are called living trusts to distinguish them from the traditional testamentary trusts, the kind that are set up for the benefit of others under the terms of a Last Will and Testament.

There are several key elements to a living trust. First, there is the property that makes up the trust, generally referred to as principal. Living trusts can be funded with securities, other property or money that you have available for investment.

HOW TO LEARN MORE

This introduction to living trusts won’t make you an instant expert—but it will, we hope, help you see why we’re so enthusiastic about their financial planning potential. To learn more, you need only call or write us and say, “I want to know what a living trust can do for me.” A trust representative will be glad to arrange an appointment to suit your convenience.
This property is managed and administered by a trustee. You can elect to serve as your own trustee, appoint Exchange Bank to that position, or even contract investment management of selected assets to the Bank. The trustee manages the trust by following the directions that you have established in a trust agreement.

For instance, the trust will direct the trustee as to how and when the income from the trust should be distributed to the income beneficiaries. The trust agreement also will provide direction as to the eventual delivery of the principal of the trust to the trust’s remaindermen, at the end of the trust’s life.

AN EXAMPLE

Let’s say that you are establishing a living trust. The trust agreement might tell us to manage the trust investments, to distribute the investment income to you at regular intervals, to invest any new funds you might add to the trust from time to time, and to pay out any sums you might wish to withdraw. If you are married, it’s likely that you would name your spouse to succeed you as primary beneficiary if she or he outlives you. At the death of your spouse, you could have the trust terminate, instructing us to divide the trust fund among your children or other beneficiaries. Or you could instruct us to continue the trust for the benefit of young beneficiaries until they reach a financially mature age.

That brief example isn’t truly typical, for no single example could be. There are thousands of possible variations. No framework for personal financial planning is more versatile.
People use living trusts in order to gain a variety of now-and-future advantages. Some may be more important than others in terms of your own financial planning. Let's look at the major ones.

1. **Investment management.** In this era of rapid, often surprising economic change, the management of personal investment portfolios has become a relentlessly demanding job. Securities take on new, often confusing forms. The inflow of financial news, statistical data and market analyses has reached flood levels. Tax laws keep changing.

   With a living trust, you can benefit from Exchange Bank's 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.

2. **Convenience.** Exchange Bank is 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 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.** Medical science has made it possible for people to look forward to longer lives but still cannot promise unlimited good health and alertness. With a living trust, you can authorize us to act as your financial alter ego if ever you should become incapacitated. Using this broad authority, we would be able not only to provide full investment management but also to draw on the trust fund for your benefit: to pay household bills and taxes, for instance, and perhaps to hire a housekeeper or other necessary assistance for you.

4. **Freedom to travel.** Exchange Bank's ability to handle financial matters above and beyond the usual requirements of investment supervision also could prove useful to you if you look forward to traveling extensively. People who roam the world can assign us any number of special tasks here at home, ranging from the payment of recurring bills to the preparation of their tax returns.

5. **Continuity.** As mentioned earlier, a living trust can continue beyond your lifetime for the benefit of others. Not only can a living trust serve the same purposes as a trust you might otherwise establish by will, but it also can do so without the delays associated with probate, thus assuring the beneficiaries 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 have been 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. The trust is established by private agreement and 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.