



# NEW YORK PRIVATE TRUST

A DELAWARE TRUST COMPANY

## DIRECTED VS. DELEGATED FIDUCIARY SERVICES

New York Private Trust Company provides fully customized investment advisory services based on unbiased and independent analysis in creating an overall investment strategy that matches the objectives of the trust. However many families are unwilling to turn over the investment management of trust assets to trust companies for a variety of reasons. And, for a variety of reasons, many trust companies are unwilling to accept an appointment as trustee unless they are also paid for managing trust assets.

New York Private Trust is willing to accept appointments regardless of whether they include asset management. We believe that families should have the freedom to design trusts which address their unique goals, objectives and concerns. Our status as a Delaware trust company provides families great flexibility to address such concerns. Delaware law encourages trust structures which allow different types of experts to assume various roles as trust advisors.

Two such structures encouraged by Delaware law are “delegated” and “directed” trusts. A number of states have followed Delaware’s lead and created laws which encourage the use of delegated and directed trusts. We have the ability and expertise to administer trusts governed by the laws of those states as well as those governed by Delaware law.

### How does a delegated trust work?

The structure of a “delegated trust” is simple. A trustee of such a trust is authorized, either by the trust instrument or state law governing the administration of the trust, to hire experts to assist in the trust’s administration. One type of expert that is often hired by the trustee of a “delegated trust” is an investment advisor. New York Private Trust welcomes delegated trusts.

If you have established a valued relationship with an investment advisor, we can consider delegating the investment management of your trust to that advisor, subject to their successful completion of our due diligence process. If your specified manager is appointed, we work with that firm to design an investment policy which meets your goals, and we would establish the standards to be used to monitor their compliance with that policy.

### How does a directed trust work?

A “directed trust” is one in which the trust document provides that the trustee must accept direction from another party concerning various aspects of a trust’s administration, including how the trust’s assets should be invested. Investment direction can come from several sources:

- The trust document may designate an **investment advisor**;
- The trust document may designate a **person** to designate the investment advisor;
- The trust document may appoint a **committee** to either direct the investment management of the trust’s assets or hire an investment advisor.

New York Private Trust is comfortable with any of these direction arrangements. These arrangements are particularly useful if the purpose of the trust is to hold large concentrations of stock or to hold interests in limited liability companies or similar entities which, in turn, manage other assets. A significant advantage of such directed trust arrangements is that our fees for such appointments is substantially less than those for serving as trustee for a trust for which we are responsible for investment management oversight.

We welcome the opportunity to become a member of your financial team.