

ADVISOR DIRECTED TRUSTS



CAPITALFIRSTTRUST.COM

ABOUT CAPITAL FIRST TRUST

Capital First Trust Company (“**Capital First**”) is an independent, South Dakota chartered trust company with its principal office located in Sioux Falls, South Dakota and an office in Milwaukee, Wisconsin. With roots extending back to 1984, Capital First now administers more than 1,400 trusts serviced by an experienced staff of more than 25 trust professionals.

ADVANTAGES OF WORKING WITH CAPITAL FIRST

- **Business Expertise** – Capital First has been providing trust administration services for more than 20 years with all administrative services performed in-house.
- **No Conflict of Interest** - As an independent trust company, Capital First does not earn commissions from any other entity.
- **Flexibility** - Capital First permits the funding of many types of “special assets” such as real estate, LLC interests, and other non-marketable assets.
- **Asset Protection** – Capital First’s South Dakota charter provides what many consider to be the best asset protection and trust flexibility provisions in the nation.¹
- **Competitive Fees** – Capital First’s fees reflect the administration-only role assumed. Capital First offers one of the lowest account minimums among its peer competitors.
- **Accessibility and Respect** – Every account, regardless of size, is assigned a dedicated Trust Officer who is familiar with all aspects of the account and is responsive to the client’s needs.

¹ Rated the Best Trust Jurisdiction in the U.S. by Trust & Estates magazine, 1/04-1/06, 1/07-1/09; 1/10, 1/12, 1/14, 1/16, 1/18.



WHAT IS AN ADVISOR DIRECTED TRUST?

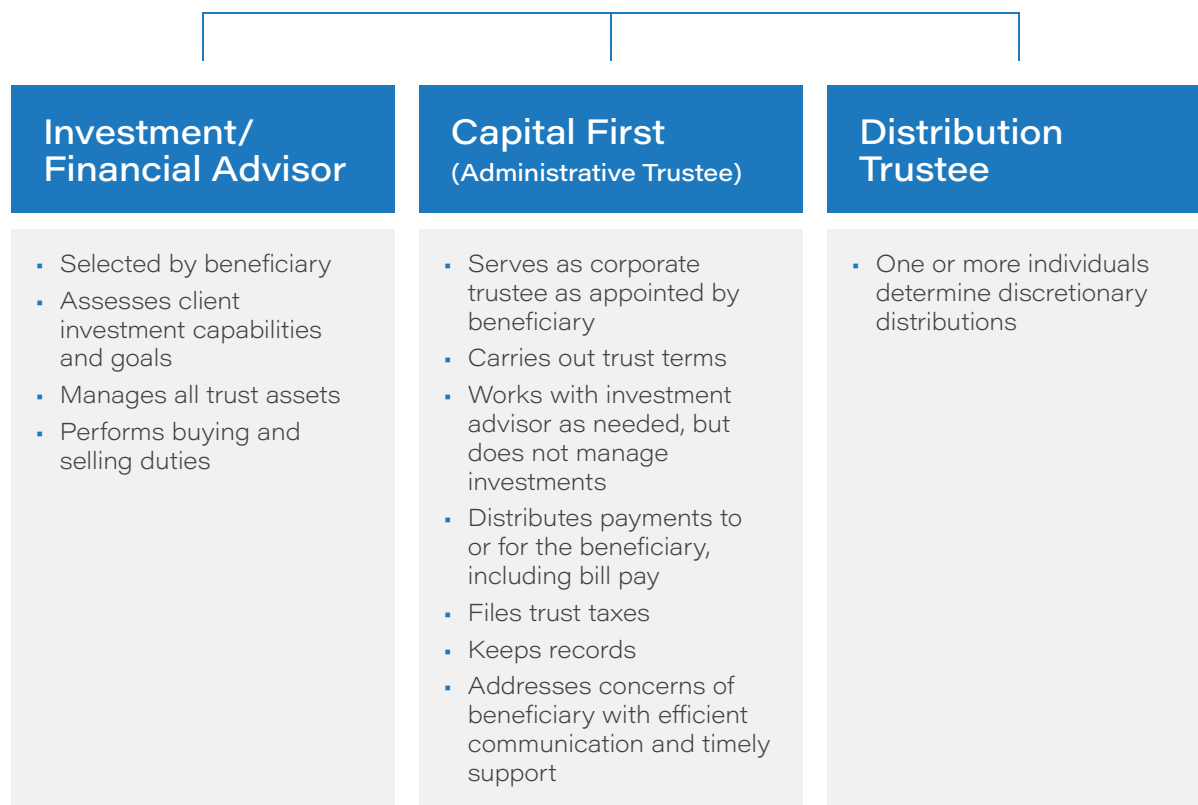
An **Advisor Directed Trust** is a trust where the administrative duties and the investment management duties are separated. Capital First Trust Company serves as the trustee and administrator. The responsibility for investing the trust's assets lies with the investment advisor.

Financial advisors and investment managers dedicate their time and talents to developing trusting relationships with their clients, guiding them through life events and the important financial decisions that come with them. At Capital First, we recognize the depth of this relationship and seek to facilitate the advisor/client partnership with our Advisor Directed Trusts in which we serve as the independent corporate trustee.

OPEN ARCHITECTURE

GRANTOR OR INCOME BENEFICIARY

TRUSTEE APPOINTMENT DOCUMENT



NOTABLE BENEFITS OF AN ADVISOR DIRECTED TRUST

Capital First is Not Affiliated with Any Banking Institution

The trust client will be free from the influence of an affiliated financial service firm's product requirements or excessive liability concerns. Trust clients enjoy peace of mind knowing their trust and estate plan investment strategy will be implemented by their financial advisor who understands their circumstances completely and is able to make investment adjustments, as required, through all life stages, up to and including disability and death.

Capital First Does Not Participate in the Investment Duties of the Financial Advisor

As a South Dakota chartered trust company we rely on a South Dakota statute which separates investment and trust administration responsibilities of the trust. Known as a "protective" statute, the South Dakota law provides clear and definitive duties and liability between the Investment Advisor and Trustee.



ADVISOR DIRECTED TRUST SERVICES

Capital First Provides Proactive Support

Financial advisors and trust clients interested in an Advisor Directed Trust with Capital First can be assured we will be with them every step of the way. It is our goal to be proactive in managing new trusts, trust transfer plans and strategies, as well as the setup process. Capital First diligently minimizes the work on behalf of the financial advisor and trust client in order to make the transition to Capital First as smooth as possible.

Capital First Provides Objectivity and Expertise Only a Corporate Trustee can Provide

Our Advisor Directed Trust solution allows us to focus on what we do best – being a reliable corporate trustee. Capital First Trust Company has more than two decades of experience providing personalized assistance and superior customer service for our trust clients.



OUR TRUST ADMINISTRATIVE SERVICES INCLUDE:

- **A Dedicated Trust Officer** – Each trust is administered by a dedicated Trust Officer who is available to the financial advisor and the trust client.
- **Distributions** – We assure distributions are made per the terms of the trust.
- **Record Keeping** – We maintain records of all trust activity.
- **Paying Bills** – We manage the payment of bills as directed by the trust.
- **Statements** – We issue quarterly statements to the trust client.
- **Taxes** – We prepare and file tax returns for the trust and provide tax reporting information to trust clients and/or beneficiaries for any distributions received from the trust. (Fees may apply.)
- **Cost Basis** – We gather and maintain cost basis information.

ADVANTAGES OF SOUTH DAKOTA TRUST LAWS

At Capital First, we take pride in offering our clients premier trust protection under South Dakota trust laws.

Industry magazine Trust & Estates has consistently awarded South Dakota with Best Trust Jurisdiction in the U.S. since 2004. Largely considered to have the best trust laws in the country, a South Dakota trust situs provides significant benefits for trust clients.

BENEFITS INCLUDE:

SOUTH DAKOTA STATE TAX BENEFITS:

- No tax on capital gains
- No tax on dividends
- No tax on interest income
- No tax on intangible property

ASSET PROTECTION BENEFITS:

- No requirement for trust documents or document updates to be filed publicly; privacy is priority
- Creditor protection for self-settled trusts
- Protection from ex-spousal claims such as alimony and/or child support
- Protection from judicial foreclosure and creditor attachment on beneficial interests in trusts, powers of appointment held by beneficiaries, and reserved powers by a beneficiary
- Power of appointment in a trust is specifically excluded as a property interest

FLEXIBILITY BENEFITS:

- Permits trust grantor to also be a beneficiary
- Trust can have unlimited duration providing continued protection for generations
- No limit on the funds or property that can be transferred into a trust
- No requirement that the grantor be a South Dakota resident
- No requirement that the property be located in South Dakota



GETTING STARTED

1 How do I begin working with Capital First Trust Company on an Advisor Directed Trust?

From our first point of contact with potential clients, we work to simplify trustee appointment and trust management. Once a relationship is established, our skilled team at Capital First takes great care in setting up accounts and beginning the trust process. It is our ongoing goal to minimize work on behalf of the client to make the transition to Capital First as smooth as possible.

In order to get started, Capital First requires a copy of the trust document, asset statement, and a completed Trust Intake Form.

In the case of a new trust, please contact our office at **800-521-2359** for our Advisor Directed language.

2 Can an existing trust be transferred to Capital First Trust Company?

Yes. All types of trusts, including irrevocable trusts, can be transferred to a new trustee. Financial Advisors and trust clients interested in an Advisor Directed solution can be assured Capital First will be with them and for them, every step of the way.

Our experienced trust professionals understand the distinction between the various states' trust statutes and create an efficient transfer plan. When necessary, we work closely with the client's attorney who is often familiar with the trust document and able to expedite the transfer. We make an effort to minimize the time and cost of the trust transfer.

Our strong commitment to all parties involved in the trust transfer process is to communicate with all parties frequently and effectively. We are equally committed to treating all parties, including the existing trustee, with courtesy and respect.

3 Is there any particular Advisor Directed language specific to Capital First?

Yes. Please contact our office at **800-521-2359** to request our Advisor Directed language.



IT'S A MATTER OF TRUST



CAPITALFIRST
TRUST COMPANY

CAPITALFIRSTTRUST.COM

P: 1.800.521.2359 F: 1.800.494.2429 | INFO@CAPITALFIRSTTRUST.COM

SIoux FALLS OFFICE 3101 WEST 41ST STREET, SUITE 214 | SIOUX FALLS, SD 57105

MILWAUKEE OFFICE 234 WEST FLORIDA STREET, SUITE 400 | MILWAUKEE, WI 53204