



OLD NORTH STATE TRUST, LLC

SELECTING THE RIGHT TRUSTEE

The correct use of trusts can be an indispensable estate planning tool. There are a number of reasons to incorporate trusts as part of your estate plan including privacy, avoidance of probate, full management of personal finances (including bill paying), monitoring of investments and tax planning, as well as certain tax saving techniques that can be utilized with trusts. Choosing the right trustee to execute your plans is one of the most crucial decisions you can make. In fact, selecting a trustee can be just as important as the terms of the trust itself.

There are several qualifications you should consider when selecting your trustee. Among the more important are the following:

Administrative skill and knowledge: A trustee has to perform a multitude of tasks, including safe guarding of assets, collection, reinvestment and distribution of income, document interpretation, bill paying, and any number of other duties.

Investment expertise: A trustee must develop an investment program that meets the requirements of all the trust beneficiaries. In today's changing and volatile investment arena, investment expertise is one of the most critical chores of a trustee.

Tax and accounting capabilities: A trustee must keep detailed, accurate records, be able to submit timely reports to the trust beneficiaries, the probate court, and the IRS. The Trustee must also assist in making decisions that will have the most beneficial tax consequences to the trust and all parties involved.

People skills: A trustee must be able to develop an honest relationship with both the creator of the trust and the trust beneficiaries in order to serve as a trustworthy financial advisor. Communication among all parties ensures the stated trust purpose and needs of the beneficiaries are met appropriately.

Integrity: The single most important qualification for any trustee is to abide by its fiduciary duty and to live up to standards higher than those that prevail in everyday business. A trustee must be loyal and treat each and every trust beneficiary fairly and impartially.

People generally assume that a friend or relative is the best choice to name as trustee. The question that needs to be asked is: "Will an individual meet all the qualifications I

require my trustee to perform?” In many cases, a friend or relative is not in a position to carry out the duties necessary to be an effective trustee. In those cases, a trust company is the answer. As a trust company, Old North State Trust, LLC, is not subject to the weaknesses of an individual. For example, ONST does not get sick or retire and we can serve your family without conflicts of interest. Also, a professional trustee has the time and experience necessary to handle the job. We are also more than willing to work with existing advisors to provide the most comprehensive advice and administration.

With so many estate plans being built around trusts, selecting the right trustee is a key decision. We invite you to discuss with any of our ONST trust officers or financial advisors our capabilities as a trust company.