

Revocable trusts: A solution for today and tomorrow

Bank of America Trust Services — helping you simplify your life, give lasting meaning to your wealth, and prepare for whatever the future may hold.

As the leading provider of personal trust services,¹ we are able to offer a broad array of specialized services through a nationwide network of local offices. It is all part of our commitment to providing an unmatched level of personal service and care to you and your family, wherever you may call home.

Why should you consider a revocable trust?

A revocable trust is a flexible estate planning and wealth management tool that enables you to place assets in a trust during your lifetime but maintain as much control over the trust and its assets as you prefer. Almost any type of asset can be transferred to your revocable trust, including cash, stock, bonds, real estate and even business interests. And it can be structured to give you complete freedom to change the trust terms, add or withdraw assets at any time, or replace the trustee.

A revocable trust can be created to help you achieve a number of important estate planning and wealth management, preservation, and transfer goals:

- Consolidate your assets in one account, making it easier to manage your own investments or turn responsibility over to someone else.
- Provide for you, your family, or others in the event of incapacity.
- Ensure that your assets are managed and distributed as you intend.
- Keep the assets placed in the trust out of probate — an important issue if you reside in a state with high probate fees, wish to protect your privacy or hold real estate in a state that would require ancillary probate administration.
- Minimize estate taxes by creating other trusts upon your death.

Private company owners

A revocable trust can be a particularly important tool for owners of private companies. For most private company owners, their personal wealth, income, and cash flow are highly dependent on the business. Should the unexpected happen, having someone step in to manage day-to-day operations and minimize the impact on the company can be important in preserving the wealth you have created and protecting the individuals who are most important to you. A revocable trust can help.

By transferring ownership in the company to a revocable trust, you can maintain complete flexibility over management of the business and ownership of the shares yet ensure that a successor trustee is identified to step in and take over should the need arise.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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Please see back for additional important disclosure information.

Trustee options

The assets you transfer to your revocable trust are legally owned by the trust and administered by the trustee. That makes your selection of a trustee an important consideration. With a revocable trust, you have many options:

Serving as your own trustee — You can serve as the trustee, managing the assets or delegating that responsibility to another. If you serve as your own trustee, you will need to name a successor trustee to step in and take over managing the trust in the event of your disability or death.

Appointing someone else as trustee — You can appoint someone else to serve as trustee, managing the trust for you. That trustee can be an individual or institution (corporate trustee) and will have fiduciary responsibility for handling the trust in your best interest and/or that of the beneficiaries you choose.

Appointing co-trustees — You can name two or more individuals (including yourself) or a combination of individuals and a corporate trustee to serve together.

A word about trusts and wills

Having a trust does not make a will unnecessary. Trusts are just one component of an overall estate plan, which typically includes a will, a living will (medical instruction about your treatment wishes), and a power of attorney (authorization for someone else to act on your behalf).

A will is needed to deal with any assets that have not been transferred to a trust and to nominate a personal guardian for any minor children. Your will can also be used to create trusts upon your death that may help minimize estate taxes and ensure that your assets are distributed and used as you intend.

Getting started

Your advisor can act as a valuable resource in creating a revocable trust. The process includes:

Determining your estate planning and wealth management goals

Setting up a revocable trust is one important part of an overall financial strategy. Your advisor, working in conjunction with your legal and tax advisors, and Bank of America trust professionals, can assist in reviewing your overall wealth management planning needs. This team of professionals can help you implement a comprehensive wealth management planning strategy that may include a combination of trust and other wealth management planning solutions.

Creating your trust document

Your attorney will draft your trust agreement. The terms will govern how much flexibility and control you have over the trust during your life and can provide for the creation of trusts following your death that may help minimize estate taxes. Careful drafting is critical to ensure it clearly and accurately reflects your goals and desires. Your advisor, together with Bank of America trust professionals, may assist in discussions with your attorney to maintain continuity with your overall financial and wealth management planning goals.

Selecting your trustee

You can be your own trustee, appoint an individual trustee, appoint a corporate trustee or choose any combination of these as co-trustees. Your advisor, working with Bank of America trust professionals and your other advisors, can help you explore the options.

Choosing appropriate investment options

In addressing the unique needs of each trust or fiduciary account, Bank of America uses a disciplined investment process that employs a wide range of potential fiduciary investment solutions across asset classes, styles and risk profiles. Investment decisions are guided by an investment policy statement designed specifically for each account that takes into consideration investment objectives, the needs of current as well as future beneficiaries, likely duration, and anticipated distribution and liquidity needs. Perspective on economic, market and investment themes from the Chief Investment Office provides forward-looking guidance. The result is an investment process that provides for flexibility and innovation while maintaining fiduciary investment standards.

Revocable trust tips

Understand your goals and objectives

Think about your goals and values. Then work closely with your legal, tax and financial advisors to create a trust that includes all the necessary provisions to achieve your desired outcome.

Pick the right trustee

Choosing the trustee(s) is one of the most critical decisions you can make. The trustee should be knowledgeable, reliable, and impartial. Consider the benefits of appointing a corporate trustee for professional investment management and ongoing administrative support.

Fund the trust

After creating the trust, don't forget to transfer all relevant assets and titles into the name of the trust.

Invest trust assets prudently

To help preserve and grow the trust assets, be certain that any other trustee or designated asset manager has the knowledge and experience to make appropriate investment choices. Such a trustee carries fiduciary responsibility for investing in accordance with the terms of the trust and the principles of prudent investing — and acting in the best interests of the beneficiaries at all times.

How Bank of America Trust Services can help

Depending on your needs, Bank of America can assume sole responsibility for managing and administering your trust as trustee, serve alongside one or more individuals you select as co-trustees or take on selected fiduciary responsibilities by serving as agent for the trustee you select. Bank of America can also serve as successor trustee, enabling us to assume fiduciary responsibilities at any time due to the death, incapacity or preference of a current or future trustee.

Regardless of the role in which we serve, we can assist with the initial legal filings, the preparation and filing of any required estate tax returns, distributing assets, managing administrative details and providing fiduciary insight and guidance to help make the complex and difficult decisions that may be required.

Bank of America Trust Services works closely with your advisor — who knows you, your needs and your goals for your wealth. Together, we focus on your unique situation, helping you identify trust solutions that align with your priorities and integrate them into your overall wealth management plan.

To find out more about Bank of America Trust Services and the ways we can help you simplify your life and create lasting meaning for your wealth, reach out to your advisor.

¹ Top 25 Industry Ranking — Personal Trust Assets Under Management (FDIC call reports, as of December 31, 2022).

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