

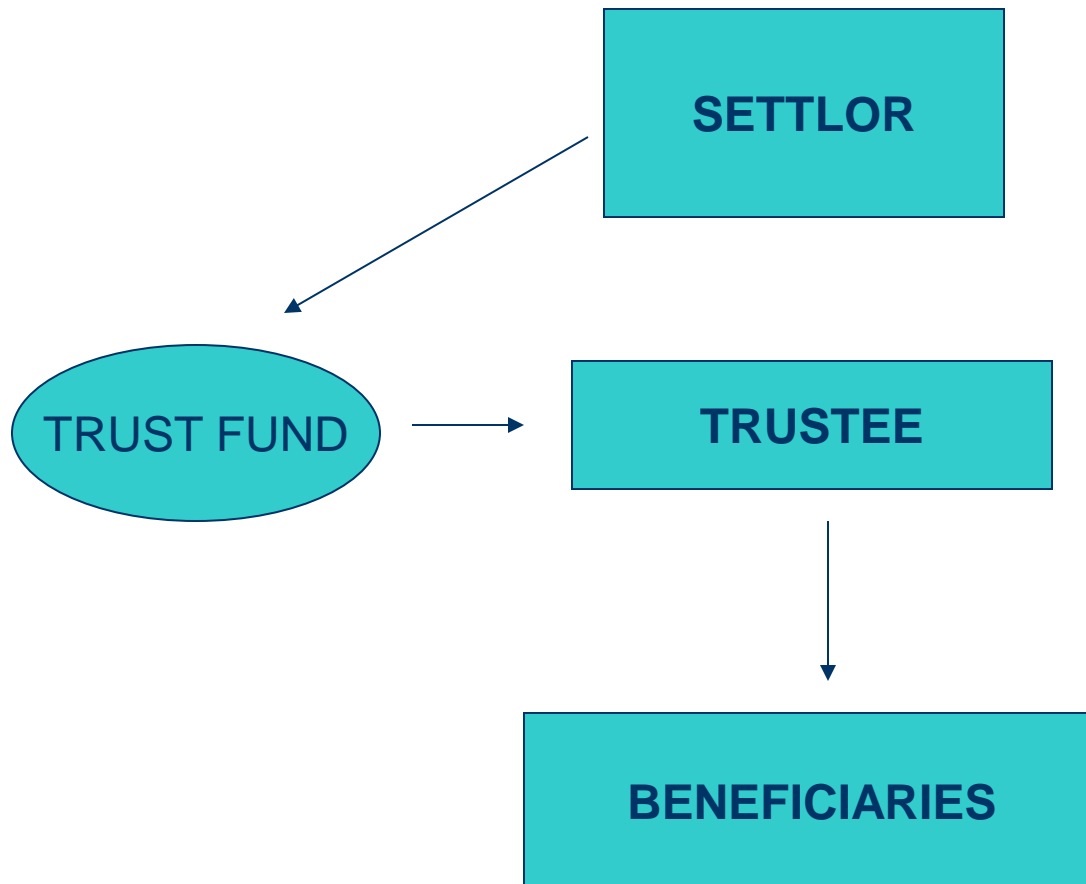
TRUST



TRUST DEFINITION

Trust is a fiduciary relationship in which one party, known as a **settlor**, gives another party, the **trustee**, the right **to hold title to property or assets** for the benefit of a third party, the **beneficiary**.

TRUST STRUCTURE



The settlor provides the trustee with his assets.

The assets represents the trust fund.

The trustee manages the trust fund on behalf of the beneficiaries.

Trust's key words explanation

- ***Settlor:***

An individual or organization that gifts funds or assets to others by transferring fiduciary duty to a third party trustee that will maintain the assets for the benefit of the beneficiaries.

- ***Trustee:***

An individual who holds or manages assets for the benefit of another.

Trust's key words explanation

- **Trust fund:**

represents the asset (real estate or money) transferred in trust.

- **Beneficiary:**

is the person or persons who are entitled to the benefit of any trust arrangement. A beneficiary will normally be a natural person, but it is perfectly possible to have a company as the beneficiary of a trust, and this often happens in sophisticated commercial transaction structures

Trust's key words explanation

- **Protector:**

is a person appointed under the trust instrument to direct or restrain the trustees in relation to their administration of the trust.

- **Trust Deed:**

A formal document which outlines the terms of a trust agreement.

- **There are two types of trusts:**

1. **Living Trust** (inter-vivos): A trust that is in effect during the trustor's lifetime.

2. **Testamentary Trust:** A trust that is created through the will of a deceased person.