

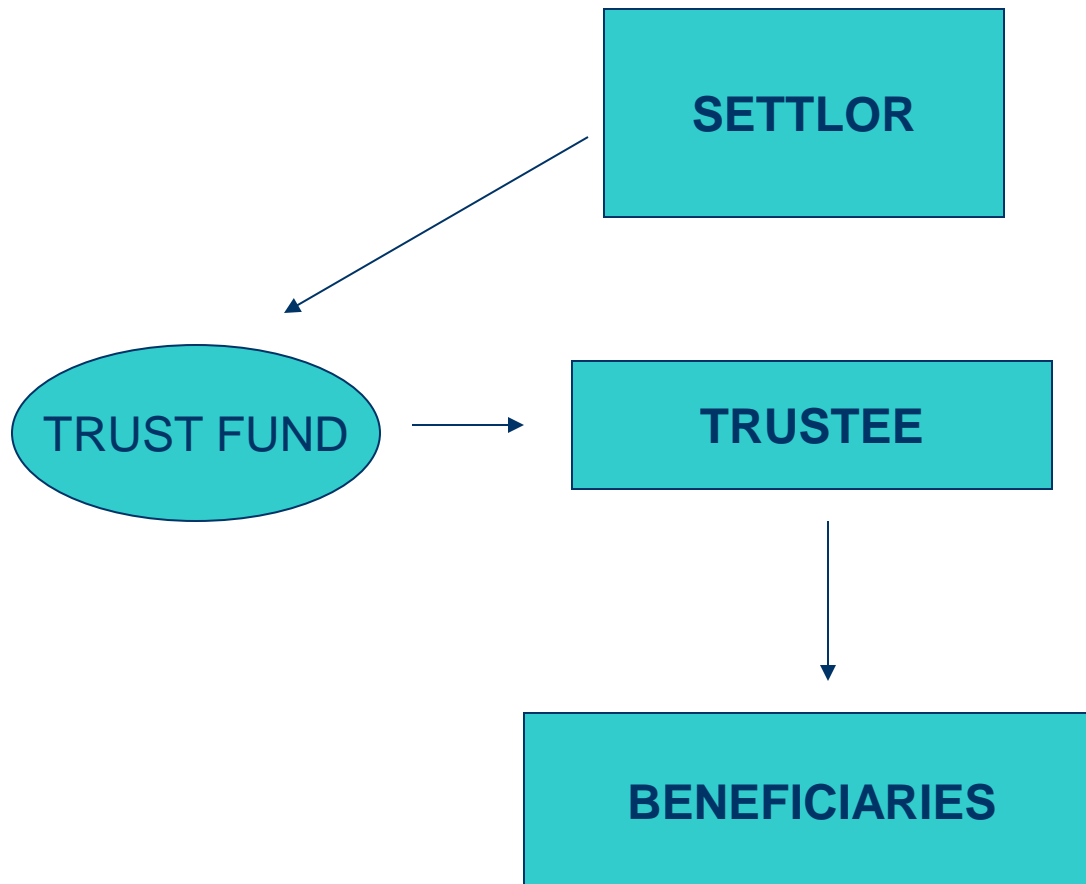
**TRUST**



# 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.