Our Approach To Trust Administration

I. We Are Fiduciaries

First and foremost, we adhere to a fiduciary standard. This means that we will put the interest of our clients and beneficiaries first. We are independent and objective -- we receive our fees only from the client and therefore have no incentive to use one product, investment vehicle or strategy over another. Our perspective is that of trustees, with almost a century of history of serving trust clients and beneficiaries.

II. We Are Client Focused

Our clients are at the core of our trusts and estates practice. Every day we help our clients manage and plan for the most important personal and financial concerns of their lives. Accordingly, when a Shipman & Goodwin lawyer is serving as trustee, that lawyer trustee works with the Firm's outside professional investment advisors to craft a customized trust investment portfolio based on the client's needs, desires, risk tolerance, time horizon and value of investable assets. This is crucial to developing the appropriate portfolio, which relies on accurate asset allocation (discussed in detail below). Often, trust clients and their families have been clients of our Firm for years. We have known them for generations. Only with such a full and deep understanding of our clients and their families can a trust be properly administered, including the development of an optimal portfolio.

III. Broad Diversification and Asset Allocation

The Shipman & Goodwin lawyers serving as trustee and the Firm's outside professional investment advisors believe that broad diversification is the single most important investment factor when making trust investments and understand that asset allocation drives the largest part of portfolio returns. This means that the determination of how much of a portfolio to allocate to equities or bonds, or within the equity asset class, or to other asset classes, such as real estate, commodities, etc., is much more important than which mutual fund manager to choose, or which stock is going to outperform the market next quarter or next year. Furthermore, there is no attempt to "time the market," which all of the data show is a widely used but ultimately futile endeavor.

Multiple investment vehicles and strategies are used to gain exposure to the major asset classes, which include:

1. U.S. Large Cap Equities
2. U.S. Small Cap Equities
3. International Developed Country Equities
4. International Emerging Country Equities
5. U.S. Fixed Income (Bonds)
6. International Fixed Income (Bonds)
7. Real Assets (Real Estate, Precious Metals, Commodities)
8. Cash

The allocation process includes a determination of the outlook for long-term returns, correlations between and among asset classes, and the expected volatility of the asset class. Most portfolios will invariably contain securities in most of these asset classes, reflecting a belief that broad diversification is critical to long-term investment success. Shipman & Goodwin lawyers serving as trustee and the Firm's outside professional investment advisors believe, however, that equities should be the cornerstone of any long-term investment plan because their earnings and dividend characteristics provide growth and protection against long-term erosion of purchasing power.

IV. Investment Vehicle Selection

Once the appropriate asset allocation for a client's trust is determined, the next question is how best to achieve that exposure to each asset class. An active or a passive strategy, or a combination of both, may be used. Active investments are funds or approaches in which the asset manager seeks to deliver excess returns above the market benchmark, called an index. Passive investments are low cost mutual funds or exchange traded funds (ETFs) that attempt to match the index by owning all of the equities or bonds that comprise the index.

V. Monitoring and Rebalancing

The Shipman & Goodwin lawyers serving as trustee and the Firm's outside advisors monitor every portfolio to ensure that the asset allocation is maintained, and all active asset managers are monitored to ensure that they are delivering the expected performance and not alternating their strategies or risk levels to achieve returns. Allocations can be increased or reduced based on weekly and monthly monitoring.

VI. Consolidated Reporting and Performance Reviews

Shipman & Goodwin clients receive monthly statements. We also offer online access, which allows clients to view their portfolios, including asset allocation, current balance and other account information.

Shipman & Goodwin tracks portfolios against the appropriate benchmarks.

VII. Services Provided

1. Custody of assets by large global custodian
2. Investment supervision
3. Collection of income
4. Regular and/or discretionary distributions of income and/or principal
5. Monthly statement of asset values and transactions
6. Annual statement
7. Preparation of trust income tax returns, if necessary, or grantor trust letter
8. Discretionary distributions where appropriate

All trust accounts are serviced by the lawyer serving as trustee, a paralegal, and our fiduciary account representatives.

VIII. Fees

A. TRUST ADMINISTRATION FEES

The annual trust administration fee is charged based on the principal balance of the trust on December 31st of the previous year, payable quarterly.

OVER	NOT OVER	PAY	PLUS RATE	EXCESS OVER
$0	$250,000	$0	1.4%	$0
$250,000	$750,000	$3,500	.9%	$250,000
$750,000	$2,000,000	$8,000	.8%	$750,000
$2,000,000		$18,000	.6%	$2,000,000

B. MINIMUM ANNUAL FEE:

The minimum annual fee is $4,000. There is some flexibility where more than one trust is involved within the same family group.