What Is A Trust, And Should You Build Your Wealth Through A Trust In Singapore Protecting your wealth for yourself and your beneficiaries.





While most may think that trusts are complex and only reserved for the ultra-rich, trusts can in fact be more accessible and easier to set up than you think. With the rapid growth of Singapore's mass affluent population, trusts are increasingly becoming more relevant to a larger group of people living in Singapore as a means of protecting their assets and distributing them after they are no longer around. **What Is A Trust?**

transactions and readers are encouraged to do their own due diligence. You can view our full

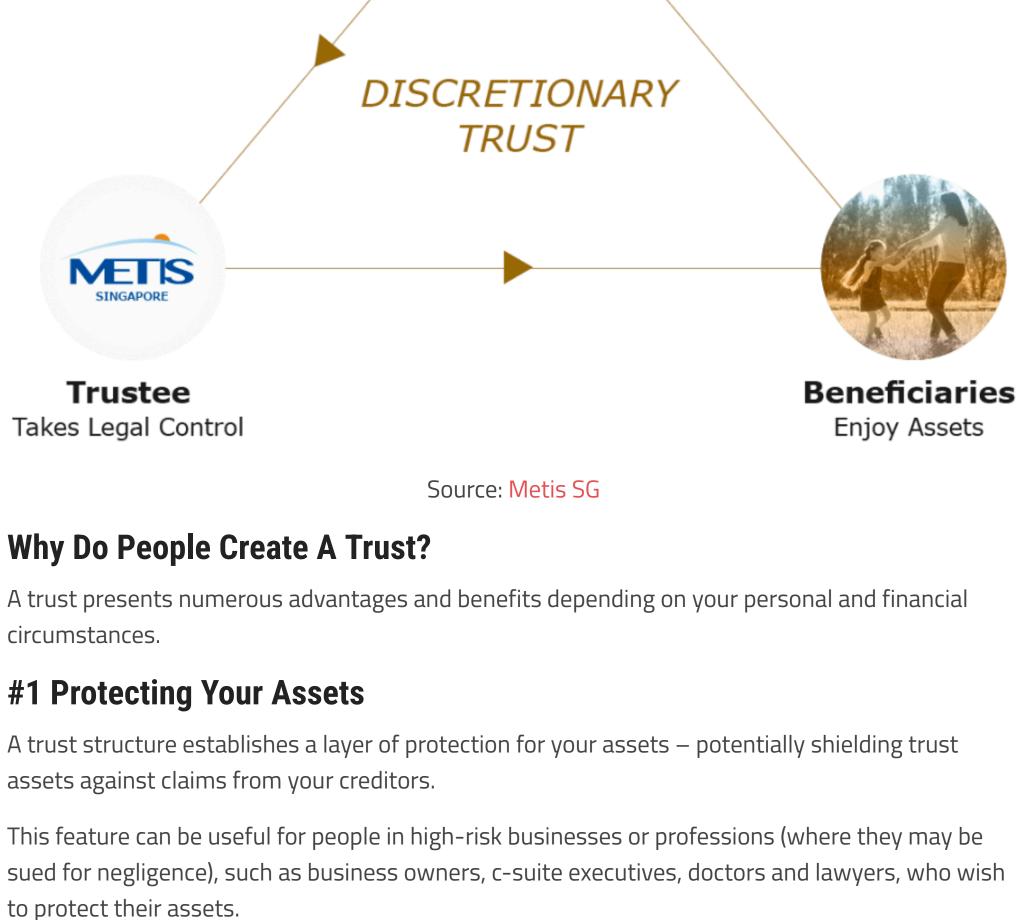
A trust is a legal arrangement where you (typically referred to as the settlor) transfer assets to an appointed trustee to manage and administer for the benefit of your beneficiaries. This will be done in accordance with the terms of the trust and the governing law of the trust. Even though the

process of setting up a trust involves transferring the legal ownership of the assets to the trustee, you (as settlor) will be able to specify how you want your assets to be managed and distributed to your beneficiaries. The trustee also has a fiduciary duty to administer the trust in the interest of

the specified beneficiaries.

editorial policy here.

Settlor Creates The Trust



#2 Protecting Your Vulnerable Beneficiaries Trusts are often used to protect the interests of young or vulnerable beneficiaries who are not capable of handling their own financial affairs. These include children who are minors, beneficiaries

who have special needs and even beneficiaries who you worry about not being able to manage

lump sum assets well.

RETIREMENT & LEGACY TRUST (60) 2 Enhanced Solution **Common Solutions** Do you think that Lump Sum **Distribution** works for the

following beneficiary(ies)?

Young Children

(Younger than legal age)

Spendthrift

Special Needs

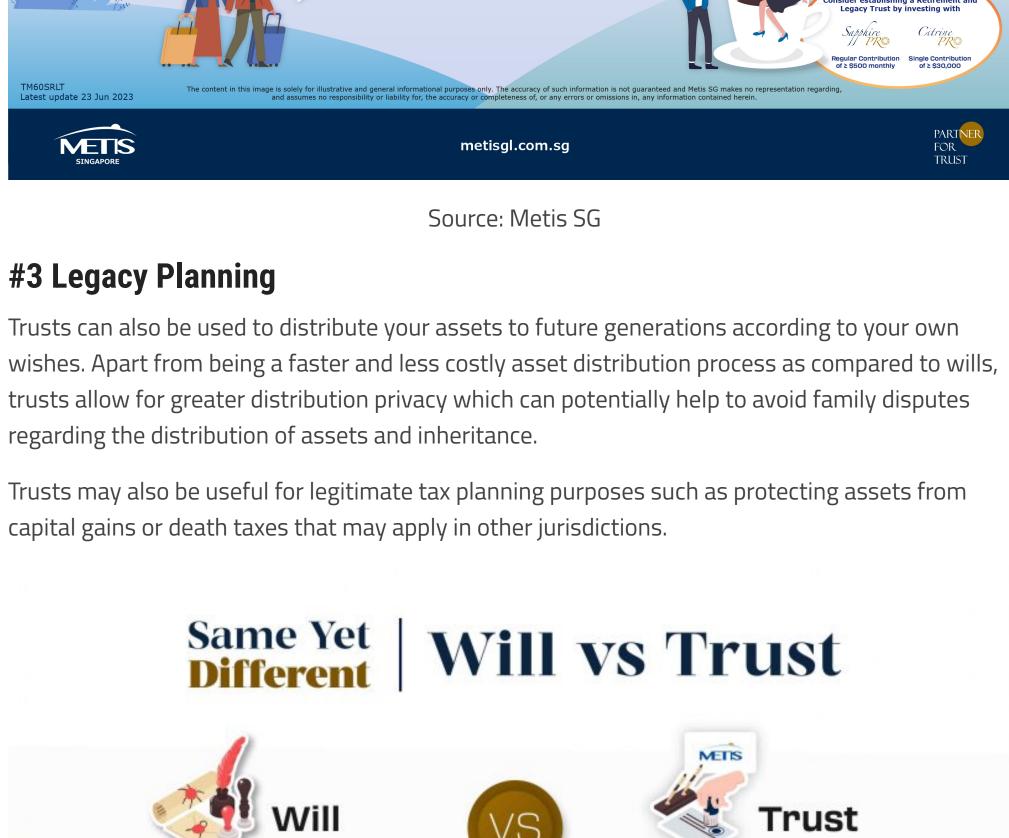
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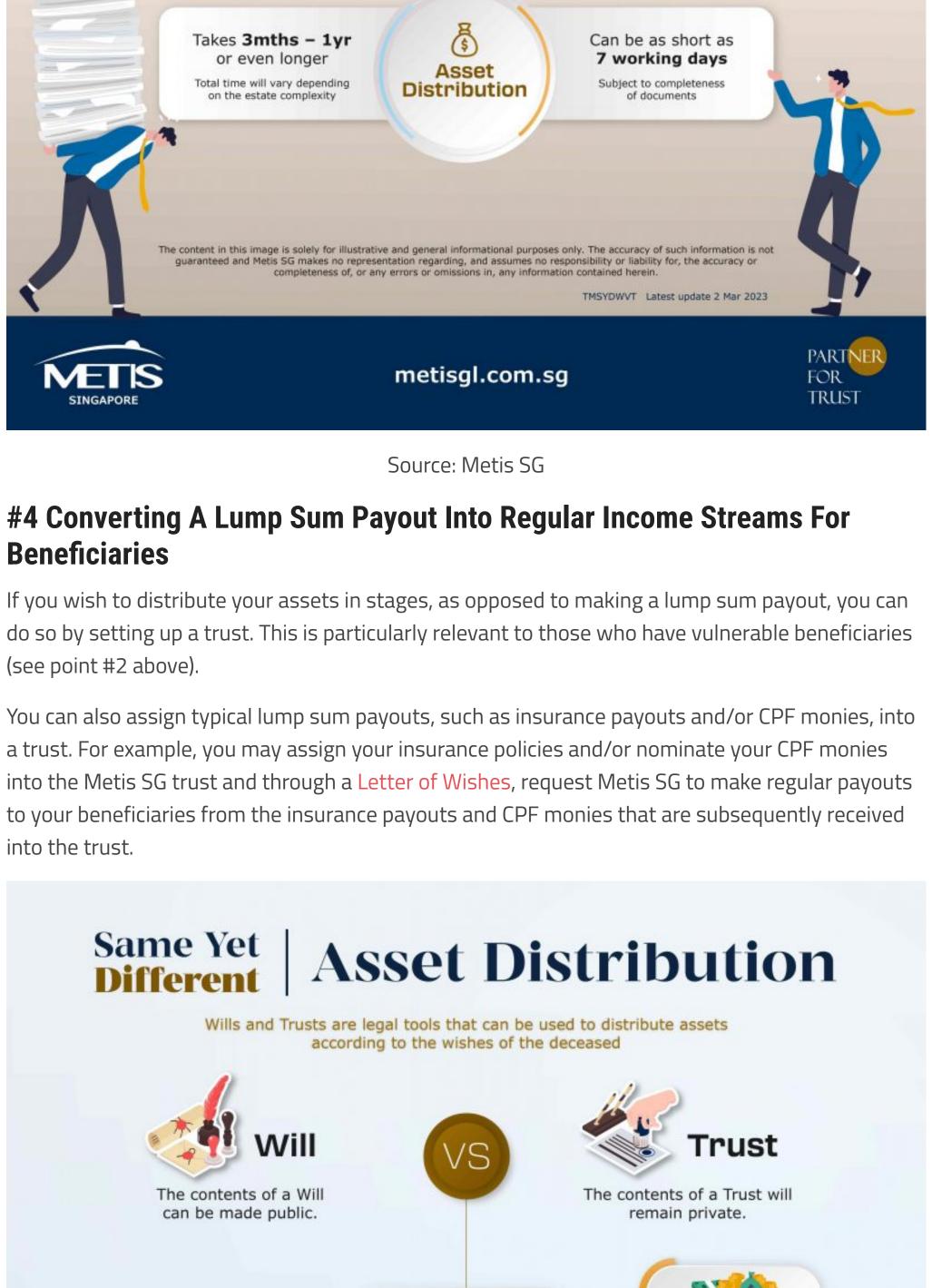
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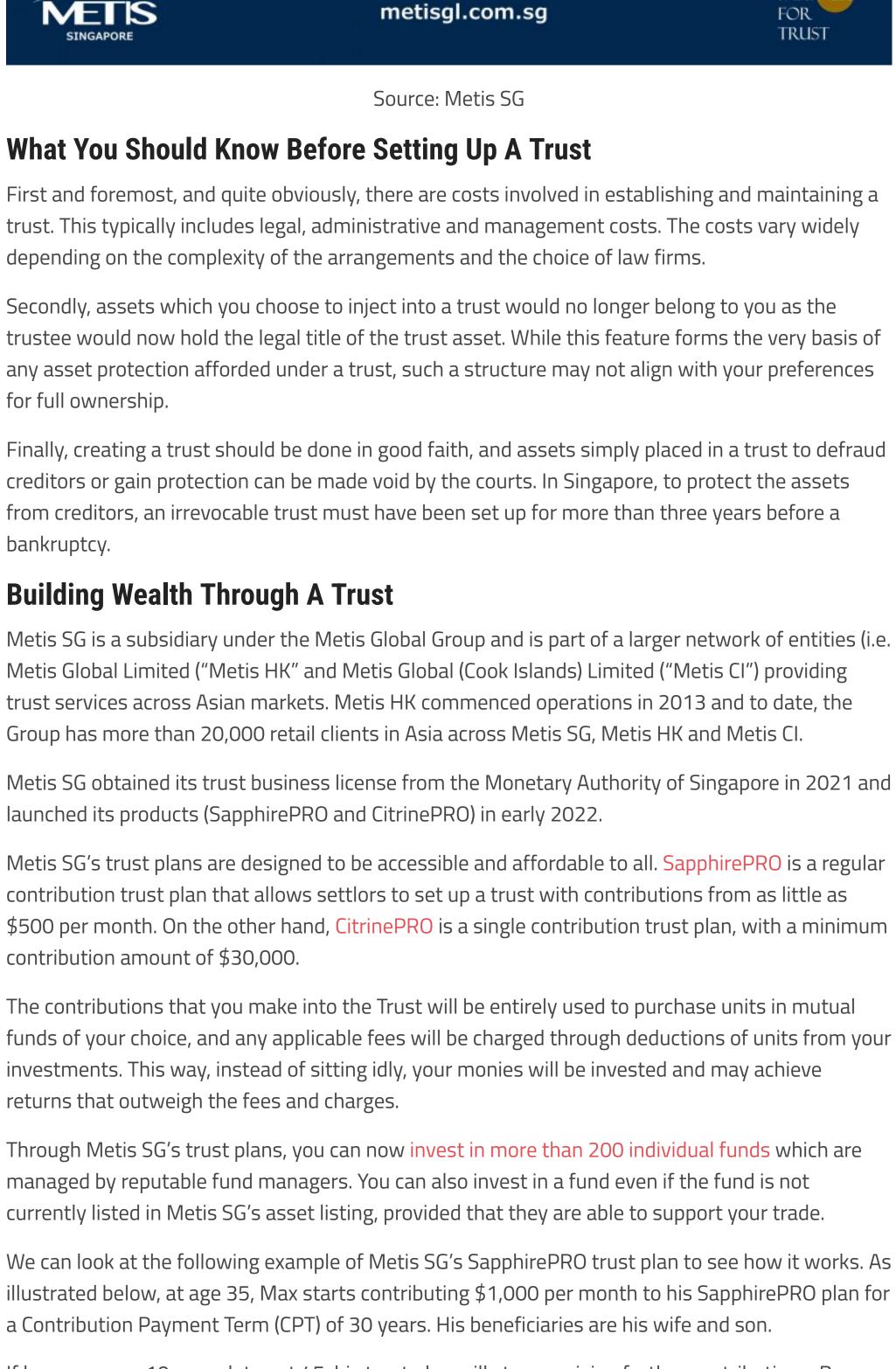
ınd Your Retirement

In addition, trusts also avoid the legal delays that beneficiaries face in gaining access to assets

Distribution of Unconsumed Vulnerable Retirement Funds Undischarged Bankrupt Deferred Deferred Lump Sum Regular Deferred Deferred







Source: Metis SG If, like Max, you are thinking of building your wealth under the protection of a Trust, you need to be mindful of the fees and charges.

As you can see (below), even though you are not forking out a separate payment, you are paying

First, the Trust Plan Fee, is a monthly \$10 fee (\$120 annually) that you will be incurred from the

plan commencement date up until the end of your CPT. That said, subject to the satisfaction of

certain conditions, 100% of this Trust Plan Fee of \$3,600 (\$10 x 12 months x 30 years) will be

Secondly, you will also bear a Trust Settlement Charge of 0.5% per month (approx. 6% annually) of

the Initial Account Value. This applies from the plan commencement date up until the end of your

Third, an Administration Charge of 0.15% per month (approx. 1.8% annually) of the Accumulation

Account Value. But, this only starts after your Initial Contribution Period (ICP). If you're investing in

a 30-year trust plan, your ICP will be 30 months and the Administration Charge will commence on

For example, for Metis SG, all fees and charges, with the exception of the Trust Plan fee, are

~ We have computed the value of the Trust assets based on a growth rate of 8% per annum on the investment selected less all fees and charges payable under the Trust Plan. This is strictly for illustration purposes only. The return on the investment made available under the Trust Plan may fluctuate and should not be interpreted as guaranteed returns from your investment. Past performance figures associated with such investment are not indicative of their future performance and the value of the investment may be worth substantially less than the original amount you invested (and in the worst-case scenario, could be worth nothing)

* Subject to certain exceptions, any Exit Charges incurred as a result of the death of the Settlor will be waived provided that the age of the Settlor at the time of death is not more than 70 on the next birthday. Please refer to the terms and conditions of SapphirePRO for more details.

Metis shall not be responsible for the performance of or for any loss or liability arising from your choice of assets, howsoever arising

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the 31st month of your trust plan. In a general scenario, this charge will drop to 0.1% per month (approx. 1.2% annually) of the Accumulation Account Value after your Contribution Payment Term. At the end of your Contribution Payment Term, all the units in the initial account will be transferred into the accumulation account.

Trust Settlement Charge 0.5% monthly on Initial Account Value **Administration Charge Administration Charge** 0.10% monthly on 0.15% monthly on Accumulation Account Value Accumulation Account Value **INITIAL ACCOUNT ACCUMULATION ACCOUNT** *100% Plan fee refund into accumulation account at the end of CPT. Terms and conditions apply. All initial units will be converted into accumulation units upon the end of CPT. Metis SG's trust plans are built to be both accessible and affordable to the man on the street who wants to start a trust. By taking the first step to invest in a trust plan today, you can continue building your wealth while protecting your assets and your beneficiaries. If you have further questions, you can browse the FAQs listed on their website or get in touch with

assets against claims from your creditors. to protect their assets. Similarly, trust assets can be protected in the event of divorce proceedings. For instance, a trust can be useful if you wish to give assets to your child, while ensuring that these assets will not become a divisible matrimonial asset if your child eventually marries and divorces.

bequeathed under a will.

The executor has to obtain all relevant documents

Apply for a Grant of Probate

Pay off debts and

claim expenses

(Unless via Testamentary Trust)

Potential Family Disputes

Shares of distribution will

be disclosed

Potential Lawsuit

Notice of intention to distribute

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A Will is a written document detailing A Trust outlines how your assets are the distribution of your estate upon to be managed during your lifetime, your death. as well as after death.

After

Death

Provides relevant documents to the Trustee



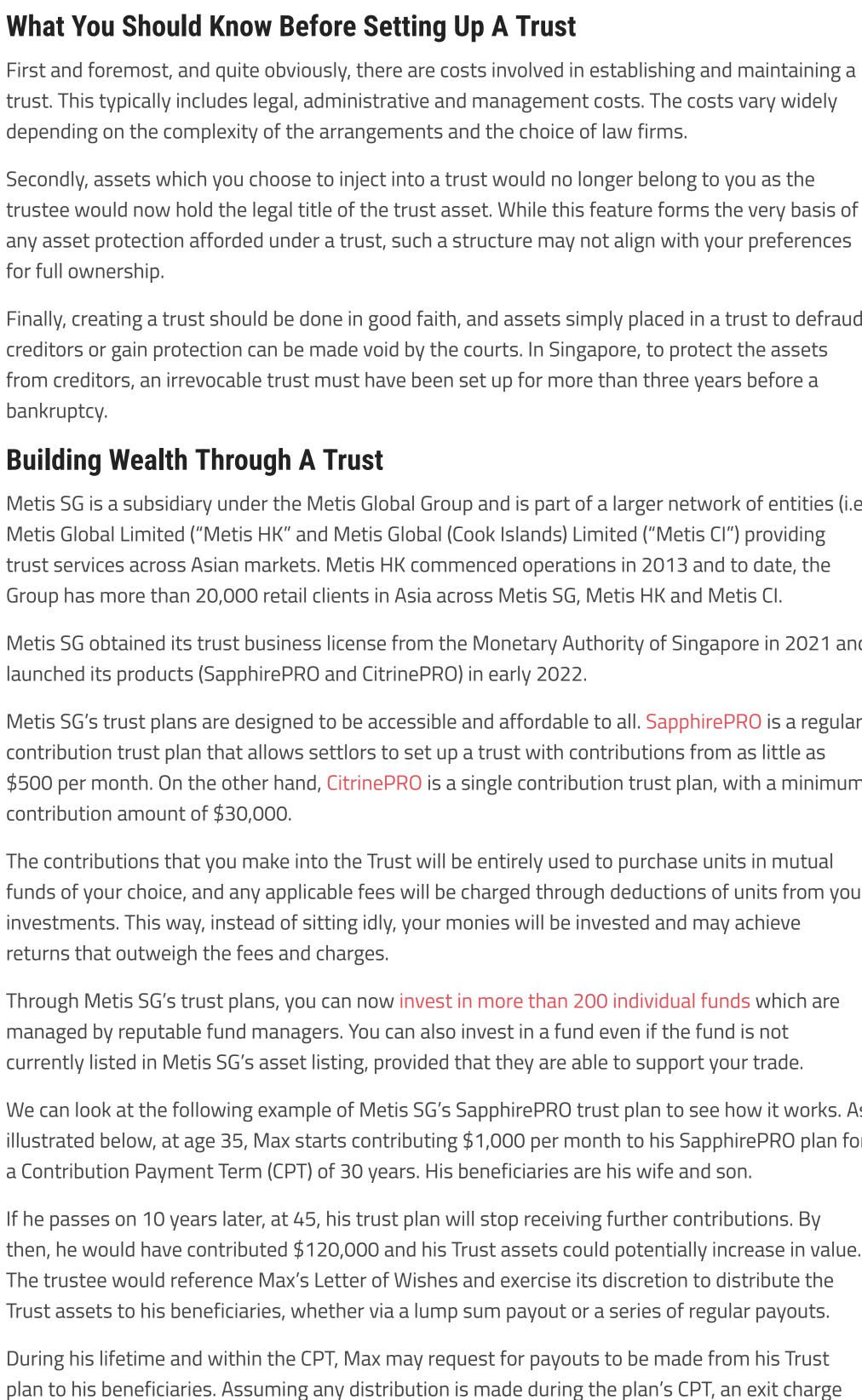
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Shares of distribution

remain private

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may apply. Otherwise, the Trust assets will continue to be fully invested, compounding through the

If Max demised at age 45 (within

CPT), the Trust plan will stop receiving contributions. He would have contributed SGD 120,000 and

the value of his Trust assets to be distributed would be SGD 170,270~ (with exit charge waived); otherwise,

SGD 128,336~ (with exit charge*).

Total contribution will be SGD 360,000

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charged through deductions of units from your investments.

three types of fees when investing in Metis SG's SapphirePRO trust plan.

refunded into your accumulation account after the trust plan CPT maturity date.

This is a hypothetical illustration to help you understand the features of the plan under different scenarios

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At age 65 (end of CPT), Max's

Trust assets would be valued at

- Exit charge no longer applies.

After CPT

no more contributions;

Payment Term

SGD 961,556~

At age 80, Max's assets continued to be protected under

the Trust and it would be valued

at SGD 2,640,800~.

Value

80

Contributions

years, until a distribution is made.

(SGD) Value

3.5 mil

3.0 mil

2.5 mil

2.0 mil

1.5 mil

1.0 mil

0.5 mil

CPT.

the Metis SG team.

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Contribution Period

End of Contribution Plan Commencement **Payment Term Initial Contribution Period** 18 - 30 months **Contribution Payment Term** 5 - 30 years **Trust Plan Fee** Monthly fee of SGD 10 to be deducted from the contributions*

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