

# **National Advisors Trust of South Dakota**

## **Supporting Trusted Advisors with South Dakota Trust Services**



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## **Why National Advisors Trust of South Dakota?**

One of the most compelling opportunities for RIAs to expand trust services for high net worth clients is to take advantage of South Dakota's unique trust jurisdiction opportunities for protecting and passing on wealth.

National Advisors Trust of South Dakota (NATSD) provides advisors with some of the most flexible and innovative trust and tax laws in the country, including: unlimited trust duration; no state tax on income, capital gains, dividends, interest or any other income; privacy and security to protect the confidentiality of a trust; self-settled asset protection trusts and third-party discretionary trusts for asset protection; advisor-managed trust investments.

NATSD's trust options make it easy for advisors to help clients pass their wealth on to future generations securely and efficiently, and retain clients through multiple generations. With NATSD, advisors gain a competitive edge, a way to differentiate themselves in the marketplace, and unique trust services to attract new clients.

# An In-depth Look at the Advantages Offered by NATSD

## Statute-based Trust Laws

South Dakota has been consistently ranked as one of the best trust jurisdictions in the United States. South Dakota's favorable trust laws are based on state statutes, which allow beneficiaries and other interested parties to consent to such things as modifications and terminations without having to go to court.

## Directed Trust Statutes

South Dakota's modern trust laws easily accommodate a bifurcated approach to trust administration, allowing NATSD to handle the administrative responsibilities and custody of trust assets while leaving investment management to the expertise of the client's own investment advisor.

## Asset Protection for Trusts

Few states allow a grantor to protect assets that remain for their own benefit. South Dakota has one of the best protection statutes available for self-settled trusts. Discretionary trusts also benefit from these extremely advantageous statutes, as any discretionary interest, power of appointment or remainder interest is not considered a property interest and therefore cannot be attached by creditors.

## Tax Benefits

South Dakota offers many tax benefits, including: no state income tax on trusts, no capital gains tax on trusts, no state LLC or LLP tax, no state inheritance tax, and no gift or generation skipping tax.

## Flexibility and Privacy of the Trust Terms and Assets

- South Dakota statutes give grantors and beneficiaries the ability to decant, modify or reform an irrevocable trust easily without a great deal of time and expense.
- Innovative statutes allow for utilization of unregulated special purpose entities such as trust protectors, distribution committees and investment committees.
- The ability to make modifications is statutory and well defined
- South Dakota offers one of the best privacy statutes for trusts in the United States, allowing for such changes to remain private family matters indefinitely.

## Perpetual Trust Duration

South Dakota was one of the first states to abolish the rule against perpetuities and is one of the few states recognized as truly perpetual by the IRS.

## Trust Assets

Diversification is most often seen as the most prudent course of investment action, but diversification is often at odds with the personal wishes of a grantor. Under South Dakota law, regardless of concentration or lack of diversification, the investment advisor need not diversify if the trust instrument allows for non-diversification or directs retention of assets in the trust.



## About National Advisors Trust of South Dakota

National Advisors Trust of South Dakota (NATSD) is a professional trust company that works with independent investment advisors to provide flexible, individualized, service-oriented, cost-effective trust administration. When investment advisors use NATSD, they receive the advantage of tax-favored trust situs, access to modern trust statutes, customized trust administration, advanced technology, quality service, creative strategies, and competitive fees. All of NATSD's services are available without the necessity of either the trust grantor or beneficiaries having to reside in South Dakota.

With NATSD, advisors continue to own the client relationship. NATSD supports advisors with the fiduciary and trust services needs of their high-net-worth clients who prefer to continue to maintain their professional relationship with a financial advisory firm. Unlike traditional banks and trust companies, NATSD works exclusively with and through the client's professional advisor.

NATSD creates a true partnership with trusted advisors, welcoming the input and ongoing involvement of the attorney, CPA and investment advisors. We believe that this inclusive approach, combined with our comprehensive trust services, creates a unique environment that promotes relationship continuity and advantageous trust opportunities, making NATSD the trust company of choice for independent advisors and their clients. For more information on NATSD, visit [www.natrusted.com](http://www.natrusted.com).



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