



# Midwest Special Needs Trust Account Statements

## **OVERVIEW**

The account statement is made up of the following sections:

- Account Statement Header
- Account Activity Summary
- Investment Portfolio Summary
- Transaction Statement
- Portfolio Statement
- Ending Balance

## **ACCOUNT STATEMENT HEADER**

The Account Statement header includes the trust name, account number and statement dates. The mailing address is typically that of the Co-Trustee for the trust account. Contact information for MSNT is also provided in this section.

## **ACCOUNT ACTIVITY SUMMARY**

The Account Activity Summary provides a review of the quarter and a year-to-date column with year-to-date (YTD) totals. The summary shows the beginning market value and changes of income, additions, distributions, fees, market value and the ending market value. The section on the right indicates realized capital gains and loss information. Detail for each summary line is included later in the statement.

## **INVESTMENT PORTFOLIO SUMMARY**

The Investment Portfolio Summary shows the percentage of the account holdings in cash, cash equivalents, equities, and other investments by type. The columns provide the tax cost and market value for each category of account holdings.

## **TRANSACTION STATEMENT**

The Transaction Statement provides detail for all transactions of the quarter, including purchases, cash management, income, additions, distributions, fees and the ending balance.

## **PORTFOLIO STATEMENT**

The Portfolio Statement provides specific detail about investments including ticker symbol, shares, total market/total cost, market price/cost price, estimated annual income and current yield. The last line is a total of all portfolio assets.

# FREQUENTLY ASKED QUESTIONS

**Q. How often will I receive an account statement?**

*A. Account statements are issued on a quarterly basis for each quarter in a calendar year. The quarters are: January-March, April-June, July-September and October-December  
The account statement should arrive by mail approximately 2-3 weeks after the quarter ends.*

**Q. Who will receive the trust account statement?**

*A. Typically the account statement is sent to the donor for revocable 3<sup>rd</sup> party trusts, co-trustee for 1<sup>st</sup> party trusts and 3<sup>rd</sup> party trusts. If no co-trustee is designated, the life beneficiary will receive the statement.*

**Q. I have not received an account statement. What should I do?**

*A. Contact MSNT if you do not receive your account statement by the end of the month following the quarter's end to arrange for a duplicate statement.*

**Q. What does the Miscellaneous line of the Account Activity Summary include?**

*A. The Miscellaneous line includes administrative fees for the account. Fees include bank fees for investment and account management activities, tax preparation fees, check fees for authorized distributions, sole trustee fees if applicable, and MSNT administrative fees. MSNT Administrative Fees Summary can be found at: [midwestspecialneedstrust.org/resources/documents-forms](http://midwestspecialneedstrust.org/resources/documents-forms)*

**Q. What affects the number of trades and acquisitions on account statements?**

*A. The bank actively manages investment portfolios for trust accounts, including necessary transactions to maintain strategic balances in holdings and to take advantage of market trends. Consequently, when market conditions change or a portfolio requires re-balancing, the number of transactions may increase or decrease.*

**Q. Do the number of trades increase fees?**

*A. No. Acquisitions and sales of holdings do not result in increased fees. Administrative fees are calculated based on a percentage of market value and are unaffected by trade activity or volume.*

**Q. What is cash management?**

*A. The cash management section of the statement represents a net of the transactions in the money market fund related to purchases and sales of investments, authorized distributions and deposits to the account. Because trust accounts are invested but are also subject to distribution requests, careful attention must be paid to maximize investment income and yet also provide for the liquidity necessary to support authorized distributions from the account.*

**Q. What is the difference between income and additions?**

*A. Income represents all dividends and interest earned by the investments in the account. Additions represent funds deposited to the account, including any tax refunds or other account credits.*

**Q. At the death of the beneficiary or when the account is closed due to depletion of the account, will a closing account statement be prepared? Where is it sent?**

*A. A closing statement is prepared. When accounts are closed, the final account statement is sent to the individual designated to receive quarterly statements.*