



*Michael F. Odar, CFA[®]
Chief Executive Officer*

Economic Commentary	2
AI Estate Planning Could Be a Costly Mistake	4
Every Time the Market Drops, the Phone Rings	6
How is AI Impacting the Retirement Plan Industry?	8
Spring Cleaning Your Digital Presence: A Modern Necessity	10
Does Your Trust Need a Protector?	12

Unreasonable Hospitality

Being unreasonable can be associated with actions or behaviors that are not based on logic. Hospitality refers to the treatment of guests that makes them welcomed and appreciated.

I am in the midst of reading *Unreasonable Hospitality: The Remarkable Power of Giving People More Than They Expect* by Will Guidara. The book chronicles the leadership lessons the author learned as the general manager of the famed restaurant Eleven Madison Park in New York City from 2006 to 2019. Originally a two-star restaurant, he developed it into the number one rated restaurant in the world on the prestigious World’s 50 Best Restaurants list in 2017.

As much as the book is about the inner workings of the restaurant industry, it’s more about the power that exists in giving the people on your team and your customers more than they expect. Just like the famous quote by Maya Angelou, “I’ve learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel”, the author believes in the positive impact of making people feel seen and cared for through thoughtful actions. And yes, it can be the little things that matter most.

The book is filled with numerous examples of going above and beyond for guests of the restaurant like waiters running outside and putting coins from their own pocket in the parking meters for guests, taking guests who had never seen snow before sledding in Central Park after dinner, and serving a genuine New York City hot dog from a street cart with a guest’s gourmet meal after she was disappointed about leaving the city before having one. I especially enjoyed a simple example he shared outside the restaurant. As he was paying for a quick haircut he received at a barbershop, the barber asked him which one he wanted. He was perplexed because he had just received his haircut. Then the barber pointed to the shelf behind him. On it were different types of whiskey and the barber handed him a shot glass. Totally unexpected, unique, and thoughtfully directed to the barber’s clientele – guys getting a haircut.

The example lends itself to a central theme of the book that any business can be a hospitality business. We believe this too. We believe in the

Unreasonable Hospitality, continued

“From my perspective, one of the most valuable lessons he learned was to empower the team.”

importance of making clients feel seen and cared for through thoughtful, purposefully personalized service.

In order to do this, it has to start with the team. The human-centered leadership lessons the author learned along his journey resonated with me. We were founded with the belief that if we hired really talented teammates and immersed them in a culture that engaged and inspired them, ultimately the clients would benefit. And, I have also learned most of those lessons along my journey.

From my perspective, one of the most valuable lessons he learned was to empower the team. Find the unique talents of each teammate and create opportunities for them to implement their own ideas on how to improve the client experience. Along the way, help them understand the “why” behind the importance of their work.

Greenleaf Trust is a service business. Like Eleven Madison Park, we intentionally strive every day to create a memorable experience for our clients. And, if you would like, we can even arrange a shot of whiskey after you meet with your team. ☑



*Nicholas A. Juble, CFA®
Chief Investment Officer*

“If March came in like a lion, it went out like a lamb.”

Economic Commentary

If the last few months have felt unpredictable, it’s not your imagination. Markets entered the year on a healthy trajectory. Growth expectations were improving, inflation appeared manageable, and corporate earnings were trending higher. Then, in late February the onset of war in Iran introduced a new layer of uncertainty. Stocks approached correction territory as oil prices spiked more than 70% in a shock reminiscent of the 2022 Russian invasion of Ukraine. Elevated oil prices and a multitude of risks remain as the conflict evolves but markets have quickly recovered as investors came to appreciate structural differences between 2026 and 2022.

We gave a nod to the potential for ‘Middle East Conflicts’ on the risks slide at our year end seminar but can’t say we were anticipating effective closure of the Strait of Hormuz before the end of the first quarter. Geopolitical conflicts often ripple through markets in a similar way: energy prices spike, inflation concerns rise, and investors begin to question growth. That is exactly what happened in March. Oil prices surged, stocks briefly sold off (the S&P 500 dropped roughly 9%), and bonds declined as well – an uncomfortable combination for diversified portfolios.

Fortunately, this isn’t 2022 and there are important distinctions to

highlight between that episode and the present day. During the Russia–Ukraine conflict, inflation was already running hot due to post-pandemic stimulus and reopening demand. Central banks responded aggressively with rate hikes, which compounded the market downturn.

Today, the backdrop is different. The labor market has softened, interest rates are already moderately restrictive, and core inflation – while elevated – is far from crisis levels. While rate cuts may now be off the table in 2026, the Federal Reserve is less likely to respond with additional rate hikes under these circumstances – reducing the risk of a prolonged, policy-driven downturn.

If March came in like a lion, it went out like a lamb. Markets recovered substantially in April with the S&P 500 minting multiple new highs throughout the month. On again, off again reports of peace talks and potential ceasefire negotiations have helped markets rebound. These dynamics reinforce an important pattern: markets tend to react quickly to geopolitical shocks – we saw this in March – but they also adjust quickly (recovery or further deterioration) as new information emerges.

In this case, the “new information” has been favorable. One of the biggest concerns in any economic shock is the consumer. Since the conflict began, gas prices have moved from around \$3 per gallon to over \$4 per gallon while consumer sentiment dropped sharply, hitting historically low levels in recent surveys. At the same time, tax refunds are providing a cushion as benefits from the OBBBA drove an 11% increase in average tax refunds to over \$3,500. Further, high-frequency indicators across restaurants, travel, and retail remain stable.

Additionally, corporate earnings growth expectations have actually moved higher since the start of the Iran conflict. Starting the year, forecasts called for strong corporate earnings growth of approximately 15%. Today, full year earnings are expected to grow more than 18% with stronger growth in Energy, Tech, and Materials sectors more than offsetting modest compression in Consumer sectors.

So where does that leave the broader economy? All else equal, the Iran conflict is likely to act as a drag on growth. Higher energy costs ripple through supply chains and reduce purchasing power. While that’s unavoidable, we continue to see more tailwinds than headwinds for the economic growth profile and believe the probability of recession remains low this year.

While monetary policy expectations have shifted toward neutral from accommodating, fiscal policy – underpinned by the OBBBA – remains solidly pro-growth and trade policy dynamics have trended favorably. In addition, business investment – particularly in artificial intelligence infrastructure – is accelerating rapidly. In fact, AI-related capital

“All else equal, the Iran conflict is likely to act as a drag on growth.”

Economic Commentary, continued

expenditure projections have surged well beyond initial expectations, representing hundreds of billions in incremental investment - a powerful tailwind.

At the end of the day, the conflict in Iran has introduced new risks. It will likely weigh on growth and keep inflation somewhat elevated in the near term but the bigger picture hasn't fundamentally changed. Economic expansion remains intact, earnings growth is trending favorably, policy remains supportive and markets have rebounded. While we are constantly monitoring real-time data and making adjustments as needed, we should not lose sight of the fact that investment plans are built with volatility in mind. We hope you can enjoy the upcoming summer months less tethered to the daily headlines. On behalf of our entire investment research team, thank you for your continued trust. ☑



*Kathryn Gadbois Schafer, J.D., CTFP
Trust Relationship Officer*

“AI-generated documents may look official at first glance, but we all know looks can be deceiving.”

AI Estate Planning Could Be a Costly Mistake

I recently overheard someone say “*AI is free*” to an individual requesting an estate planning attorney recommendation (in a non-professional environment). I exercised enough self-restraint to not insert myself into the stranger’s conversation; however, I’ve worried about whether someone may take the advice.

Let’s use an individual named Carl for example purposes. Carl decided to use AI to draft his estate plan. How or when would Carl find out it is inadequate? I imagine if Carl is using AI because it is free, it is unlikely he will pay an attorney to review the documentation prepared. I will also note, it is likely to cost more to have an attorney review [and address necessary changes in] AI-drafted documents than it would’ve cost to use an attorney draft the documents in the first place.


AI-generated documents may look official at first glance, but we all know looks can be deceiving. Will Carl review the documents and cross-reference state laws to see if his documents meet the legal requirements of his state? Is Carl confident in his interpretation of the legal requirements? If Carl chooses to not have an attorney review his estate plan, any issues within the documents will not come to light until Carl’s death. If the documents do not meet the state’s requirements or there’s inconsistent language leading to ambiguities or misunderstandings amongst beneficiaries – the administrator will most likely need to hire an attorney

and initiate probate proceedings to resolve any issues. Hiring an attorney to represent the estate or beneficiaries throughout the probate process will likely end up costing significantly more than what Carl would've paid an estate planning attorney to draft a structurally and legally sound estate plan.

Additionally, AI does not necessarily understand the complexity and nuance of tax planning, business succession, or family dynamics. Some estate planning situations may be straightforward, while others may require in-depth strategizing with other advisors or discussing situations specific to certain beneficiaries. It is helpful to discuss options and talk through how various provisions will play out with experienced advisors – this isn't something you can do with AI.

If Carl had given his estate plan the appropriate time and consideration initially, it would have saved his loved ones (and his estate), a lot of time, money, and unnecessary frustration. Don't leave your family in a stressful situation, like Carl. While AI may be free and fast, your estate plan is *not* an area to go with the free option. Estate planning attorneys are increasingly using flat rates for estate plans and can let you know how much it will cost to draft the specific documents needed for your situation during a consultation.

While there may not be many AI-drafted estate plan cases which have been litigated or published yet, there have been situations where unverified AI drafting has caused issues in the courtroom, including made up case law citations in legal briefs and using outdated laws. If you're going to use AI, use it for simple tasks to make your day-to-day life easier, don't use it for important matters such as drafting legal documentation.

If you are in need of an estate planning attorney, your client centric team would be happy to provide professional partner referrals for estate planning attorneys in your area. While some of us are licensed attorneys, we are not practicing, and we do not draft legal documents. We work closely with clients and their advisors to ensure estate planning documents achieve their goals. But please do not ask us to review your AI drafted estate planning documents – we will recommend you speak to an attorney! 

“While AI may be free, your estate plan is *not* an area to go with the free option.”



Mike Laske
Senior Wealth Management Advisor

“At Greenleaf Trust, the most important conversations with clients are not about performance or asset allocation. They are about risk.”

Every Time the Market Drops, the Phone Rings

Every time the market drops, the phone rings. Every time it climbs, it goes quiet. That pattern tells me more about how a client thinks about risk than any questionnaire ever will. At Greenleaf Trust, the most important conversations we have with clients are not about performance or asset allocation. They are about risk. Specifically, what each client believes risk is, and whether that belief lines up with reality. Most investors picture market swings, worrying headlines and the uncomfortable feeling of watching an account balance bounce around. That is not risk. That is noise. And once you see the difference, the way you invest, and the way you sleep at night, changes.

Volatility vs. Risk: Reframing What Actually Matters

When a market pulls back, it feels like something is breaking. Headlines call it risk. The industry assigns it a number and calls it risk. But volatility, the up and down movement of prices, is not the long-term danger we need to worry about. The true risk is permanent loss of capital, or worse, running out of money before you run out of life.

One is temporary and visible. The other is slow and quiet. An investment that drops 15% on its way to a 50% gain is not the same as one that drops 15% and never recovers. One is part of the ride. The other is what can keep you up at night.

When the market turns south, it's natural to flinch. We know volatility is the cost of admission to higher returns, but in the moment, that knowledge disappears.

Whether volatility becomes a real problem depends on your situation. For the couple with decades ahead and no need to draw cash in the near term, a volatile holding is background noise. For the couple making withdrawals in the next three years, the same holding is a real threat to their financial plan.

I have worked through this exercise with clients for years, and one answer shows up more than any other. Given the choice, most people would accept being conservative and missing strong gains rather than being aggressive and living through a serious loss. They understand the trade-off. They prefer the path that keeps their blood pressure low. When they say that out loud, they make better decisions when markets get tested. The only mistake is pretending to be comfortable with a level of risk that does not match how you will react in a difficult moment.

Last year, I sat with a couple who had recently retired. Their portfolio

had been built over decades and our planning covered their spending through every scenario we tested. During our early conversations together, they considered themselves as aggressive investors. “We can handle losses,” they said, with confidence. That spring, the market dropped. Not catastrophically. Just uncomfortably. They called me and asked if they should move “most of it” to cash until the dust settled. They were not anxious. They were calm. But the math they were describing was not the math of an aggressive investor. It was the math of someone protecting the first year of retirement they had ever lived through.

What this couple had checked on paper was a theory. What they were feeling in that moment was the cost of that theory. That gap became the entire conversation.

If we had done what they asked, they would have locked in a loss, missed the recovery that followed over the next few months and spent the next few years wondering whether they should get back in. If we had dismissed their feelings, they would have had trouble sleeping at night. Instead, we had a better idea. We moved enough to cover two years of spending into stable holdings, so the rest of the portfolio could stay invested without threatening their lifestyle. The market, the portfolio and the couple all recovered. What we adjusted was not the allocation. It was the distance between what they believed they could tolerate and what they actually could.

The Comfort of Cash Comes at a Cost

When markets feel uncertain, stepping aside and holding extra cash feels like the safe move. It removes the discomfort and gives you a sense of control. That sense of safety is an illusion.

Some cash belongs in every portfolio. Enough to cover near-term needs and weather a rough stretch without selling at the worst possible moment. Beyond that, cash creates a different problem. It quietly falls behind. Inflation at 3% cuts purchasing power by a quarter over a decade, whether the market is calm or chaotic.

Staying conservative protects you from short-term discomfort. It also caps what your portfolio can do for you over the next twenty or thirty years. The question is which trade you prefer to make, and whether you have lived with the consequences of that trade long enough to know.

When you move to the sidelines during a downturn, you take on a new job. You have to decide when to get back in. That job is nearly impossible to do well. Markets do their heaviest lifting in short, unpredictable windows. Miss a handful of those days in a decade, and your returns can get cut in half.

I have clients who tell me plainly that a conservative approach will

“What we adjusted was not the allocation. It was the distance between what they believed they could tolerate and what they actually could.”

Every Time the Market Drops, the Phone Rings, continued

“When the market tests your convictions... the plan you built in advance is what answers for you.”

cost them high returns in strong markets, and they accept that because knowing their plan will not blow up matters more to them than squeezing out the last point of growth. I have others who want every basis point, and who can live with the ride that comes with chasing it. Both answers are right.

Most of what happened on that call with our client was not portfolio management. It was conversation. Long before the phone rang, we had set aside the cash buffer within the portfolio. What the couple needed in that moment was someone on the other end of the line who would not reflect their fear back at them, someone who could remind them that a decision you make during a drawdown is almost never the decision you would make on a calm Sunday afternoon.

Every time the market drops, the phone still rings, but we have already done most of the work before it does. We model the spending, hold the cash, shape the portfolio and stay ready for all market environments. When the market tests your convictions, and it will more than once, the plan you built in advance is what answers for you. ☑



*Lisa A. Hojnacki
Senior Participant Services Specialist -
Team Lead*

How is AI Impacting the Retirement Plan Industry?

Artificial intelligence (AI) is no longer a future-state concept; it is already reshaping how many industries operate. The retirement plan industry is no exception. It is key for plan sponsors and participants alike to understand how AI fits into the retirement plan industry and where both the opportunities and challenges may lie. Let's drill down on some examples.

Opportunities for Plan Sponsors

1. Streamlining administration

AI can streamline time-consuming administrative processes leading to fewer manual processes, less errors and more efficiency. These processes can include everything from enrollment for the participant to complex compliance monitoring.

2. Increased analytics to help strategic decision-making

AI-driven analytics may provide valuable insights about participant engagement and investment outcomes that can help inform decisions about plan enhancement and how effectively the plan is supporting

participants' long-term retirement readiness.

3. *Enhanced personalized participant guidance*

Personalization is another area where AI shows significant promise. AI powered tools can help recommend personalized retirement plan strategies based on an employee's financial goals, behaviors, risk tolerance, and plan design. For example, an AI tool might recommend an optimal contribution rate based on employer match or the individual's age and salary.

Now consider another example of AI that pairs behavioral science with an action coupled with social proof. This is an example of a message AI might send to a participant after they receive a raise.

“Congratulations on your recent raise! If you increase your 401(k) contribution by 1% today, you'll increase your projected retirement balance by \$50,000 without even noticing it on your paycheck. Most people like to increase their 401(k) contribution after getting a raise. [Click here to increase your contribution.](#)”

When thoughtfully deployed, AI can encourage beneficial actions at scale and in a cost-effective manner, ultimately improving participant outcomes.

Despite the advantages, AI adoption in retirement plans is not without risk. Sponsors must carefully balance innovation with responsibility.

Challenges for Plan Sponsors

1. *Fiduciary risk*

While AI can enhance efficiency and processes it cannot replace human oversight. Plan sponsors retain their fiduciary responsibilities and must have strong procedures for validating AI-generated outcomes. AI itself is not a fiduciary, and reliance on automated tools does not reduce a sponsor's duty to act prudently.

As the industry evolves, sponsors may also find themselves developing AI oversight frameworks at the same time AI technologies are advancing. In some cases, governance and monitoring practices may lag behind innovation, highlighting the need for ongoing diligence and adaptation.

2. *Validation and guardrails*

While AI tools can help increase efficiency, the time and knowledge required of properly validating the tools available is a real cost to consider. Plan sponsors should ask vendors how algorithms are set up, what data they rely on, and what potential biases may exist. Sponsors should also assess what measures are in place to ensure that AI outcomes consistently protect participants' interests.

3. *Trust*

Participant trust will ultimately determine the success of AI driven

“When thoughtfully deployed, AI can encourage beneficial actions at scale and in a cost-effective manner, ultimately improving participant outcomes.”

How is AI Impacting the Retirement Plan Industry?, continued

tools. To encourage adoption, sponsors must be transparent about how AI is used, what data it can access, and how participant privacy is protected. Clear communication and strong data governance practices are essential to ensuring participants feel confident that these tools are designed to support—not replace—their financial decision making.

Looking Ahead

AI has the potential to meaningfully improve efficiency, personalization, and participant outcomes in the retirement plan industry. However, its success depends on thoughtful implementation, strong governance, and continued human oversight. When used responsibly we see the blend of artificial intelligence and human intelligence as a way to fulfill the mission of helping participants retire with dignity. ☑



*Oliver E. Krings, CISSP, CRISC
Chief Information Security Officer,
Privacy Officer*

Spring Cleaning Your Digital Presence: A Modern Necessity

As the seasons change and households embrace the tradition of spring cleaning, there is another area that deserves equal attention: your digital presence. For many individuals, decades of financial records, online accounts, and personal information now exist across a wide range of websites and services. Over time, it is easy to lose track of what is active or secure. Spring is a great time to get your digital house in order, and the following steps will help you do just that.

1. Assess Your Data

A simple first step is to check whether your email or accounts have ever been exposed in a data breach, or to review your account safety settings. If this feels overwhelming, consider asking a trusted family member or a member of your client centric team to sit with you and walk through these checks together.

Helpful tools to get started:

- Have I Been Pwned — haveibeenpwned.com
- XposedOrNot — xposedornot.com
- Google Account Security Checkup — myaccount.google.com/security-checkup

“Spring is a great time to get your digital house in order...”

2. Inventory Your Accounts

A thoughtful digital clean-up begins with a clear inventory. This simply means making a list of your important online accounts—such as banking, investment platforms, insurance portals, and any subscriptions you may have. Start with what you use most often, then gradually add others as you remember them. Writing things down in a secure place is key; some prefer a printed list kept in a safe, while others may use a simple digital tool. As you go, note which accounts you no longer use so they can be closed or monitored. If you are unsure how to close an account, most websites have a “Help” or “Support” section, or a member of your client centric team can assist.

Helpful tools for organizing your list:

- Microsoft Excel — microsoft.com/excel
- Notion — notion.so

3. Protect Your Accounts

Equally important is making sure your accounts are well protected. This includes updating passwords so they are unique and difficult to guess and turning on an extra layer of security called two-factor authentication, which should be managed via an authenticator app and not text (SMS) messages. If managing multiple passwords feels burdensome, many people find it helpful to use a secure password manager. These tools safely store your passwords, so you only need to remember one master password. If preferred, a trusted family member or a member of your client centric team can help set this up during a dedicated session.

Helpful security tools:

- 1Password — 1password.com
- Keeper — keepersecurity.com
- Microsoft Authenticator App — microsoft.com/en-us/security/mobile-authenticator-app
- Authy — authy.com
- Google Authenticator — support.google.com/accounts/answer/1066447

4. Update Your Privacy Settings

Privacy is another important consideration. Over the years, personal details such as phone numbers, addresses, and family information may have become publicly available online. Taking time to review what is visible—and removing what is unnecessary—can reduce unwanted contact and potential fraud. There are services available that can help remove your information from data broker websites, as well as tools to adjust privacy settings on social platforms. If this process feels technical, a family member or professional service can handle it for you.

“Taking time to review what is visible—and removing what is unnecessary—can reduce unwanted contact and potential fraud.”

Spring Cleaning Your Digital Presence: A Modern Necessity, continued

“Just as you have organized your financial and physical assets as part of your estate plan, your digital assets should also be clearly documented.”

Helpful privacy services:

- DeleteMe — joindeleteme.com
- Optery — optery.com
- Facebook (Privacy Settings) — facebook.com/privacy/checkup
- LinkedIn (Privacy Settings) — linkedin.com/help/linkedin/answer/66

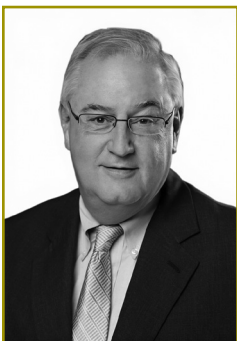
5. Review Your Digital Estate Plan

Finally, it is important to think about legacy planning. Just as you have organized your financial and physical assets as part of your estate plan, your digital assets should also be clearly documented. This may include online bank accounts, investment portals, photo collections, and important email accounts. Consider keeping a secure record of this information and sharing instructions with a trusted individual, such as an executor. This step can greatly reduce stress for your family in the future.

Helpful planning options:

- Your Estate Planning Attorney
- Everplans — everplans.com

In an increasingly connected world, maintaining your digital presence is not just a matter of convenience—it is an important part of protecting your wealth and personal information. This spring, alongside tidying your home, consider setting aside a quiet afternoon - or scheduling time with a member of your client centric team - to review your digital life. Making this a yearly habit, perhaps around the spring equinox, can help ensure everything remains secure, organized, and easy to manage. ☑



*George F. Bearup, J.D.
Senior Legal Trust Advisor*

Does Your Trust Need a Protector?

One of the challenges that surfaces in the administration of a trust of significant duration is that the law is always evolving, not to mention the ever-changing circumstances of the trust’s beneficiaries, to which the trustee must respond if it is to administer the trust for the beneficiaries’ best interests. Legal, tax, and economic environments are continuously impacting a trustee’s administration of a trust.

In the past decade or so states have responded to the trustee’s need to adapt trust provisions to evolving laws and beneficiary needs with the use of what is called a trust *protector*, although Michigan’s Trust Code refers to this role as a *trust director*.

A handful of the states that actively encourage the location of irrevocable trusts in their home states have adopted trust protector statutes that provide specific comprehensive trust protector powers that are available to be used regarding a trust, e.g., Delaware and South Dakota. Other states, like Michigan, have opted to permit the trust's creator to expressly describe the *trust director's* powers in the trust instrument. Usually *trust directors* are either assigned responsibilities over trust investments or specific trust assets e.g., an artwork collection that must be liquidated for a long period of time, or to make trust distribution decisions, e.g., one beneficiary might be a child who has unique medical expenses or special needs that the *trust director* is familiar with, or to oversee the trust's day-to-day administration, e.g., asset protection, tax filing and meeting statutory reporting obligations. In short, specific duties regarding a trust's administration can be assigned and delegated among several *trust directors* to collaborate with the trustee.

Michigan's extensive *trust director* statute provides that the *trust director* must serve as a fiduciary, which is an important limitation and assures accountability, so the trust director must always act impartially, in good faith, and in the trust beneficiaries' best interests. Other states do not always require that a trust protector serve as a fiduciary to the trust beneficiaries.

The *trust director*, as the name suggests, *directs* the trustee to either trust investments, trust distributions, or in some cases solely to handle the administrative decisions associated with an irrevocable trust. The trustee is required to comply with the exercise, or the non-exercise, of a power at the *trust director's* direction. Since the trustee must follow the *trust director's* directions, the directed trustee is not liable when it follows the *trust director's* directions.

The exception where the trustee may still be liable for its acts or its failure to act is when the exercise or the non-exercise of a power is the result of the *trust director's* fraud, or the trustee's compliance with a direction would be its collusion to that fraud. Michigan's statute also limits the trustee's acquiescence to the *trust director's* directions if it would result in a breach of the trust that involved the trustee's or another *trust director's* bad faith or reckless indifference to the purposes of the trust or the interests of the trust beneficiaries. Thus, the trust director directs the trustee in its administration of the trust which the trustee must follow, unless the *trust director's* directions are contrary to the trust's purposes or following those directions would perpetrate a fraud, which directions the trustee can then disregard. Other than these exceptions the trustee cannot be held liable when it follows the *trust director's* directions.

“The *trust director*, as the name suggests, *directs* the trustee to either trust investments, trust distributions, or in some cases, solely to handle the administrative decisions associated with an irrevocable trust.”

*Does Your Trust Need A Protector?,
continued*

“Acting in the *trust director’s* direction will relieve the trustee from liability for claims of breach of fiduciary duty.”

Correspondingly, the trustee has a duty to provide information with respect to the trust to the *trust director* to the extent that such information is reasonably related to the powers and duties of the *trust director* or the powers and duties of the trustee or another *trust director*. As such, it is expected that information will flow back-and-forth between the trustee and the *trust director*.

Some of the common *trust director* powers that might be included in a trust instrument include the powers to:


- Make tax elections.
- Remove or replace the trustee.
- Make or block distributions from the trust.
- Manage, veto, or direct trust investments.
- Add or remove trust beneficiaries in limited situations.
- Change the state (*situs*) where the trust is administered.
- Change the governing law of the trust.
- Consent to a trust beneficiary’s exercise of a power of appointment.
- Amend the trust instrument as to its administrative, tax, or dispositive provisions.
- Grant powers of appointment to trust beneficiaries.
- Approve trust accountings or tax returns.
- Add a grantor (the trust creator) as a beneficiary from a class of trust beneficiaries.
- Terminate the trust.

The trustee’s exercise of some of these powers could expose the trustee to claims of a breach of fiduciary duty since any of these changes to the trust instrument might impair the interests of the trust beneficiaries in contravention of the trustee’s fundamental fiduciary duty to always administer the trust in the trust beneficiaries’ best interest consistent with the trust’s material purposes. Acting at the *trust director’s* direction will relieve the trustee from liability for claims of breach of fiduciary duty.

Adding a *trust director* to the trust instrument gives greater flexibility to the trust instrument. In the absence of the *trust director* holding any of these powers, the trustee would otherwise have to petition the local probate court to modify the trust, or terminate the trust, which entails time, expense, and publicity that most trust creators want to avoid. In some situations, rather than include an extensive list of *trust director* powers in the trust instrument, it might be easier to simply give the trustee the power to name a *trust director* later with a specific power(s).

Not every trust is a candidate to include a *trust director*. For example, a trust that provides that shortly after the trust creator’s death the trustee should as soon as practicable distribute all trust assets to the

trust beneficiaries, there is no need to anticipate the need for additional flexibility to adjust the trust's terms. In contrast, a trust that could exist for several years, or decades, after the trust creator's death, like a so-called dynasty trust that is intended to continue for multiple generations to save transfer taxes, or a trust set to run for several years e.g., 'distribute the remaining trust assets to my children when the youngest attains the age 50 years,' might warrant the inclusion of the *trust director* in order to respond to changing laws or the beneficiary's changing circumstances.

Laws continue to change, as do the needs of trust beneficiaries. Yet an irrevocable trust's words are locked in on the date the trust becomes irrevocable. The trustee is charged with administering the trust, e.g., manage investments, make distributions, file reports and tax returns, based on those locked-in words. A so-called *modern* trust needs to be flexible to adapt to those changes without having to incur the expense to periodically visit the probate court to seek judicial permission to act, or not act, in each situation. It is time to consider adding a *trust director*, or *trust directors*, to your trust instrument. 

“A so-called modern trust needs to be flexible to adapt to those changes without having to incur the expense to periodically visit the probate court...”

Stock Market Pulse

Index	4/30/2026	Total Return Since 12/31/2025	P/E Multiples	4/30/2026
S&P 1500	1,619.30	6.14%	S&P 1500	27.6x
Dow Jones Industrials.....	49,652.14	3.81%	Dow Jones Industrials.....	24.6x
NASDAQ.....	24,892.31	7.29%	NASDAQ.....	36.7x
S&P 500.....	7,209.01	5.69%	S&P 500.....	28.2x
S&P 400	3,639.81	10.55%	S&P 400	22.2x
S&P 600	1,669.39	14.36%	S&P 600	21.9x
NYSE Composite	23,144.64	5.90%		
Dow Jones Utilities.....	1,165.16	9.92%		
Barclays Aggregate Bond	2,350.38	0.07%		

Key Rates

Fed Funds Rate	3.50% to 3.75%
T Bill 90 Days.....	3.62%
T Bond 30 Yr.....	4.97%
Prime Rate	6.75%

Current Valuations

Index	Aggregate	P/E	Div. Yield
S&P 1500	1,619.30	27.6x	1.13%
S&P 500.....	7,209.01.....	28.2x	1.11%
Dow Jones Industrials....	49,652.14.....	24.6x	1.57%
Dow Jones Utilities.....	1,165.16.....	21.0x	2.71%

Spread Between 30 Year Government Yields and Market Dividend Yields: 3.83%

☒ GREENLEAF TRUST®

e-mail: trust@greenleaftrust.com

greenleaftrust.com

KALAMAZOO OFFICE:

211 South Rose Street
Kalamazoo, MI 49007
office: 269.388.9800
toll free: 800.416.4555

GRAND RAPIDS OFFICE:

25 Ottawa Avenue SW, Ste 110
Grand Rapids, MI 49503
office: 616.888.3210

BAY HARBOR OFFICE:

4000 Main Street, Ste 200
Bay Harbor, MI 49770
office: 231.439.5016

GREENLEAF TRUST DELAWARE:

20 Montchanin Road, Ste 160
Greenville, DE 19807
office: 302.317.2163

TRAVERSE CITY OFFICE:

160 E State St., Ste 200
Traverse City, MI 49684
office: 231.922.1428

BIRMINGHAM OFFICE:

34977 Woodward Ave., Ste
200 Birmingham, MI 48009
office: 248.530.6202

MIDLAND OFFICE:

117 East Main Street
Midland, MI 48640
office: 989.495.2033

GREENLEAF TRUST FLORIDA:

5811 Pelican Bay Boulevard, Ste 200
Naples, FL 34108
office: 239.944.3403

This newsletter is prepared by Greenleaf Trust and is intended as general information. The contents of this newsletter should not be acted upon without seeking professional advice. Before applying information in this newsletter to your own personal or business situation, please contact Greenleaf Trust. We will be happy to assist you.

Greenleaf Trust Delaware, a Delaware limited purpose trust company, is regulated by the Office of the Delaware State Bank Commissioner. Greenleaf Trust Delaware is wholly owned by Greenleaf Financial Holding Company, a Delaware corporation. Greenleaf Financial Holding Company is also the sole owner of Greenleaf Trust, a Michigan non-depository trust bank regulated by the Michigan Department of Insurance and Financial Services. Both Greenleaf Trust and Greenleaf Trust Delaware provide various fiduciary and non-fiduciary services, including trustee, custodial, agency, investment management and other non-depository services. Greenleaf Trust and Greenleaf Trust Delaware offer personal trust, retirement plan and family office services to families and entities.

Greenleaf Financial Holding Company and its subsidiaries do not provide legal, tax or accounting advice. Please consult your legal, tax or accounting advisors to determine how this information may apply to your own situation.