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Key Trust achieves double finalist status for financial innovation

Key Trust achieved double-finalist status in the Financial Innovation Awards 2007 – alongside such leading institutions as ABN Amro, Fortis, HSBC, Legal & General, Lloyds TSB, NS&I and the Royal Bank of Canada.

Organised by the *ifs* School of Finance, which has been providing qualifications to the financial services industry since 1879, these awards attract entries from around the world. Key Trust was short-listed as a finalist in two separate categories: “Most Innovative Customer Service Programme” and “Most Effective HR Strategy”.

Both entries were based on our promise of “holistic service from a different kind of trust company.” As our entry for “Most Innovative Customer Service Programme” stated: “Even the wealthiest and most sophisticated clients want to discuss their aims, ideas and plans without being charged by the word – like an old-fashioned telegram.

“The essence of our innovation is that contractually a fixed, transparent fee is agreed in advance. This operates holistically across everything we do for clients – whether

discussing their investments and assets or educating their children about wealth. It means we offer a service that is fully responsive to their needs.

“Our innovative service model enables a real relationship to grow between them and Key Trust. It frees our clients to meet and talk with us whenever they wish, knowing they will not incur unwanted charges.”

The same principles guide our innovative HR strategy. To quote from our award submission: “Key Trust’s unique value advantage [our pre-agreed annual fee] means clients can talk to their dedicated administrators without incurring unwanted costs. Each client knows the cost of the services they require and what Key Trust will do to earn its money.

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A very personal touch



To emphasise the personal quality of our service, we are introducing the new Key Trust Welcome Folder. We will give this to each client with copies of their Service and Fee agreements – together with details and photographs of the Director-and-Manager team that takes responsibility for looking after their objectives.

Announcing Key Breakfast Briefings

Essential updates on Jersey law – BY INVITATION ONLY

Legal, fiscal and other pressures, including the UK Chancellor's pre-Budget statements, and their increasing impact on private wealth owners, are focusing legal advisers' attention on the offshore environment.

We believe this makes it appropriate to explain what the leading international financial centre of Jersey in particular has to offer.

Key Breakfast Briefings, to be held at the Law Society's headquarters in London starting May 2008, will bring lawyers up-to-date on topics of significant interest. Designed for professionals who specialise in providing services to wealthy private clients, they will be held on the following dates (all Thursdays):

- 22 May
- 26 June
- 16 October
- 20 November.

Specialists from the Island will discuss the potential implications for wealthy clients of the latest developments in Jersey law, practice and precedents. Currently topics are expected to include (though not be limited to) the following:

- Jersey Foundations
- *Jersey Partnerships*
- Private Trust Company and Purpose Trust usage
- *Developments in Philanthropy*
- The 'B' Case.

We will announce full details closer to each of the Key Breakfast Briefing dates. To ensure that delegates gain maximum value from the interactive presentations and relevant information of immediate use, we are making Key Breakfast Briefings invitation-only for a maximum audience of 45 – and with a Full English Breakfast buffet (8am start).

If you would like to receive an invitation (subject to availability), please email: john.perkins@key-trust.com – or call +44 (0)1534 630500.



Above: Adele Mason checking her intercom

Right: Typical route card

Key Trust achieves double finalist status for financial innovation

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"We rely on our people to maintain this competitive advantage. So we have applied our Open HR strategy to develop an innovative non-hierarchical business each of whose members, whether filing clerk or director, is encouraged and motivated to contribute to meeting clients' needs. This contrasts with the financial services industry's typical hierarchical style.

"Because our people are engaged in client relationship and service, they have an attitude of ownership of the engagements that they look after; and they evidence a sense of satisfaction through being party to helping each client achieve their goals."

Unique approach

Our unique approach has not only enabled Key Trust to grow at over 30% a year since we opened for business 7 years ago. It has also won us "most trusted status" and enabled us to compete successfully against financial industry giants many times our size.

As the *ifs* School of Finance stated in their commendation: "Our awards are firmly established among the most prestigious in the financial services industry. Entries from organisations across the globe combined with a rigorous judging process mean that those who are short-listed...can take pride in having truly excelled."



Or as Key Trust's mission statement says: "Serve clients well and success will follow".

My life outside work: Adele Mason: Trust Manager - and Motor Rally driver/navigator

When I tell people that, outside work, “I live in the fast lane” – they’ll first say “It’s the quiet ones you have to watch”.

Then, intrigued, they ask me to explain what my motor sport antics involve.

As a member of the local motor sports club, I take part in a number of events each year. These include sprints and hill-climbs – when I drive my own Honda Civic Sport 1.6 – and rallies, where I co-drive with other club members. I also help the club by observing at trials – usually on a wet and muddy Sunday morning – or marshalling at our Kart meetings.

My main discipline is rallying, and our biggest event of the year is the Jersey Rally, a national two-day event held in October. This is an exceptional occasion as the Island’s public roads are closed especially for this Rally.

In a Rally cars compete over a course divided into several stages. Each driver-navigator crew is given a route card with the exact differences between markers or changes of direction. Penalty points – for striking a marker or barrier, or covering a stage in less than $\frac{3}{4}$ of the specified time, etc – are subtracted from a total number of points for each stage. The car with fewest penalty points wins!

With Jersey just 9 miles by 5, and the maximum speed 40mph – reducing to 15mph in some of the smaller lanes – the combination makes for some tight and twisty stages! A typical rally feels like this:

With hedges and the unforgiving granite walls either side, you drive up to a stage arrival, get your time card signed, clip your harness on, helmet on, intercom on and notes at the ready.

Then 5, 4, 3, 2, 1GO!

100, Easy Left* into Kay Right*to STOP

Well done, that was a clean stage – now to the next before returning to the pits to give

the car some much-needed TLC – but only for 10 minutes. Then out you go, to repeat it all over again.

Coming from a family of motor-bike trials riders and rally drivers, rallying is something I’ve wanted to do since I was little. It’s a great adrenaline-producer, especially when the unexpected happens as it often does. But it’s not just the excitement – there’s the whole atmosphere of our 2-day Rally, and especially the teamwork. It takes a lot more than two people to keep a rally car going.



Jargon busters!

*Easy Left is a wide corner.

**Kay Right is a sharp corner with a curve like the diagonals of the letter K.

Golf on the wild side



Key Trust sponsored a Golf Day at the 102-years old Royal Nairobi Golf Club (RNGC), the oldest in Kenya, last October. Director John Perkins – whose regular visits to Kenya over the last decade have enabled him to build an eclectic client base, including many personal friends whose Indian weddings he has been proud to attend – presented the prizes. Among these were the ‘Piga Mingi’ (wooden spoon) for the day’s lowest score to Mr Elesh Gheewala, the Club’s Centenary Chairman.

John reports: Golfing enthusiasts will no doubt have encountered various forms of wildlife when playing in exotic locations. But having to delay playing a shot while a small troop of monkeys complete with mothers carrying their young on their backs crosses over the fairway in front of you, or to declare a ball lost in the rough rather than run the risk of finding a snake instead of the ball, makes playing the Royal Nairobi an interesting experience.

We are indebted to the Club Captain, Baljit Sokhi and his team for allowing us the opportunity to sponsor the Golf Day, and also to Mrs Prafulla Gheewala for arranging to purchase the prizes of electrical goods on our behalf.

Key people

We are delighted to announce that since our last Newsletter several members of your Key team have enjoyed success – through promotion to senior positions, by achieving professional qualifications – or both.

Promotions

Adele Mason In this issue of Keymail Adele features in our regular series My life outside work. As you will see, this shows Adele has the particular ability to absorb information and apply it rapidly and efficiently – triumphantly on the road, and resulting in an excellent service to our clients in the office. As a result, she is not only in the fast lane when it comes to rally driving – her career is also progressing speedily and we are pleased to announce Adele's promotion to Manager.



Clare Guillaume has proven herself to be a fine all-rounder and excellent role model, with both technical knowledge and the ability to apply this in a practical way when administering some of our more complex structures. She is continuing her ICSA (Institute of Chartered Secretaries and Administrators) Professional studies in addition to her already impressive list of qualifications. We believe there is no limit to what Clare can achieve in her chosen career, and in recognition of her achievements Clare has been promoted to Associate Director.

Promotion and exam success

Dionne Maher Whilst holding down a responsible position managing Key Financial Reporting (KFR) Dionne has been continuing her professional studies and we congratulate her on passing her final exams to become STEP (Society of Trust and Estates Practitioners) qualified. We also recognise Dionne's extremely hard work and dedication in building up the success of KFR – the business provides fiduciary firms with high-quality, cost-effective account reporting and investment portfolio services – with promotion to Associate Director.



Exam success

Louise Bréhaut Already a Fellow of the Securities and Investment Institute – and receiving our full support in terms of study leave and payment for the necessary resources – Louise has successfully passed her final accountancy exams and is now fully qualified as a Member of ACCA (the Association of Chartered Certified Accountants), the largest and fastest-growing global professional accountancy body.



We are also delighted to introduce some new members of the growing Key team.

Sue Parrott

Having previously worked with us on a contract basis, Sue enjoyed both the work and the Company so much she has now joined us on a permanent basis as an accounts preparer. Sue is a Member of the Association of Accounting Technicians and will help us maintain the high level of accounting we seek to deliver to our clients. With her bubbly personality she has already fitted in extremely well as a member of the team.



Graham Bisson

As our business continues to grow, we need more support in many different ways, including filing, scanning and messenger services. So we are pleased that Graham has joined us, bringing with him the necessary experience in these and the various other tasks that he carries out for the company and colleagues. Graham was already well known to several of us in the office before he joined. His exceptional organisational and administrative abilities are already helping us improve our general efficiency.



Announcing Inheritors of Wealth™

Essential agenda for people who come into significant money.

24 places only – booking now for 14 and 16 April.

The Inheritors of Wealth™ programme is an exciting new service that meets a very real need.

Brian Clarke of Key Wealth Forums says: “When people come into substantial money, they also become vulnerable, often through a sense of unworthiness. Risks can include manipulative so-called friends and acquaintances, would-be spouses with unloving intentions, opportunistic business promoters – all in addition to understanding the complexities of their financial affairs.

Financial and life skills

So twenty-four “inheritors of wealth” – including young adults and people who come into money later in life – are being enrolled for a unique new course that combines essential financial and life skills.

The first Inheritors of Wealth™ course will take place over 2½ days in mid-April at a luxury hotel about 90 minutes from London. To safeguard delegates’ security and privacy, the hotel will be closed to the public.

Attending Inheritors of Wealth™ will help delegates to be more comfortable with wealth ownership.

We have designed the agenda with extensive input from specialist consultants who work with ultra-wealthy families. Each session will be delivered by an expert in his or her sphere. All the tutors are successful



professional advisors to family businesses and wealthy families. During the programme they will be available for informal one-to-one mentoring consultations at no additional cost.

Inheritors of Wealth™ will help delegates in two principal ways:

Financial – with technical lectures that

- Clearly explain the sources, uses (and potential abuses) of wealth
- Spell out the reasons for considering financial and non-financial assets, from property to art.
- Analyse the value of philanthropy.

Personal – each delegate will receive a Self Evaluation Questionnaire and Self Appraisal Tools. These will help them create the action plan with which to build self-esteem and win the respect of others.

For further details about Inheritors of Wealth™ please download the programme from http://www.key-trust.com/_documents/iwvp.pdf or email brian.clarke@key-trust.com

Introducing Key Wealth Forums

Superior solutions from sharing knowledge

Key Wealth Forums is the new specialist division of the Key Wealth management group – dedicated to sharing knowledge that will benefit our wealthy private clients and the professionals who advise them and with whom we work. We are launching two new initiatives for 2008:

- Starting April: the innovative Inheritors of Wealth™ programme, specially designed for people who already have or expect to come into substantial wealth – *see left*.
- Starting May: the series of invitation-only Key Breakfast Briefings that will bring lawyers up-to-date with significant developments in Jersey law, practice and precedents – *see page 2*.

Our programmes bring together the liveliest and most authoritative minds in the family office sector – professionals who share our ambition to deliver the best possible services in wealth management and succession services to ultra-high net worth families.

For the last two years we have organised the Family Office Day at successive Private Banking Summits in Zurich, an event planned by Key Trust’s Managing Director Brian Clarke, who acted as official “Knowledge Partner” to the Swiss-based conference organisers Euroforum. These new Key Wealth Forums initiatives extend our activities to private wealth owners and their professional advisors.

Second in a new series by guest writers who are specialists in their field.

Protector or Reserved Powers?

By Advocate Simon Franckel, Head of Trusts and Commercial Litigation at Baker Platt, Jersey.

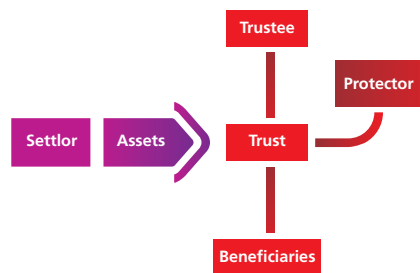
Simon has been a Jersey Advocate since 2004 and an English solicitor for nearly 20 years. He is a member of STEP and ACTAP and has been involved in a number of the important trust cases before the Jersey Court.

Many settlors are concerned to ensure that appropriate controls are in place over the manner in which the trustee administers “his or her” trust. The law and regulatory requirements provide some comfort. But where a settlor requires certainty that their individual concerns and wishes will be reflected in the trust’s administration, trust law has developed the concept of the Protector.

This is, or at least has been, an important role.

In general terms, a Protector is a person who has specific powers in relation to a particular trust, and has is to be consulted before certain decisions are taken in relation to its administration. These are typically:

- The right to approve any significant investment; or
- The right to remove a trustee.



Trust with a protector

Settlor as Protector

The Protector can be, and often is, the settlor. However, the role of Protector has not been without its difficulties. There has been much debate as to whether a Protector attracts a fiduciary duty – that is, a legal responsibility to act properly and in the best interests of the beneficiaries of the trust – for which the Protector is, after all, answerable in law.

A settlor or other non-professional may be rightly cautious about accepting such a responsibility. *What alternatives are there?*

Jersey law solutions

The retained powers provision In Article 9A of the important fourth amendment to the Trusts (Jersey) Law 1984 – which celebrated its first anniversary in October 2007 – provides a real alternative to the appointment of a Protector.

Article 9A(2) provides that a trust shall be valid and effective notwithstanding that it includes fundamental and wide-ranging powers and reservations to the settlor – even including the power to revoke the trust.

To a trust lawyer advising, say, 20 years ago as to the essential elements of a valid and effective trust the extent of those retained powers would have been anathema.



However, the result is that a settlor seeking to ensure that they retain a “proper” interest and a “proper” level of control in relation to a trust need not rely on the appointment of a Protector. Instead they can choose to ensure that the trust documentation grants them appropriate reserved powers as settlor.

Still a part to play

So is this the end for the concept of Protectors? Not necessarily.

For example, the retained powers will not avail the settlor once he or she dies. So there will always remain scope for a regime to ensure that matters will be administered appropriately after that inevitable event.

The majority of the concerns in relation to the role of Protector can be addressed provided parties to a trust are careful to take professional advice at the outset, and make clear to the intended trustee exactly what is intended.

A properly drafted trust with a duly appointed and empowered Protector can still give relevant support and comfort to a settlor – both in the administration of a trust during their lifetime and after their death.