



## SPECIAL NEEDS PLANNING IS ESSENTIAL TO PROTECT YOUR FAMILY

Clark Dodge Asset Management's Special Needs Division offers our clients piece of mind when planning for the futures of a loved one with special needs. Through our rigorous financial planning process, we evaluate potential liabilities and allocate portfolios to address the families' requirements.

Understanding the potential tax, liquidity and unique circumstances families must deal with is a core competency for us at Clark Dodge. One effective solution we may recommend is establishing a special needs trust, also known as a supplemental trust, on behalf of the individual. A special needs trust can potentially preserve eligibility for financial aid services (i.e., Medicaid and Supplemental Security Income (SSI)) while providing additional care and services throughout his or her lifetime.

### FUNDING OF A SPECIAL NEEDS TRUST

Frequently, a special needs trust is established but not funded while the parent or other guardian is alive. Upon the parent's or guardian's death, his or her will transfers the child's portion of an inheritance to the special needs trust. The trust can also be designated as the beneficiary of various assets, such as employee benefits and life insurance policies.

Typically, a special needs trust is funded using:

- Life insurance
- Cash (including gifts from relatives)
- Investments (e.g., stocks, bonds)
- Retirement plan benefits (e.g., pension benefits, IRA funds, 401(k) assets)
- Personal and real property
- Proceeds from a personal injury settlement (applies to self-settled trusts)

Although life insurance is one of the most popular funding methods (in particular, lower-cost term or survivorship life insurance), each of these methods has advantages and disadvantages. To ensure that the trust is funded adequately, the planning process must include estimating how much income your child is likely to need over the course of his or her lifetime.



## PLANNING FOR THE ENTIRE FAMILY

Along with protecting your child with special needs, it is essential to prepare for your other children and their future needs. The use of a letter of intent (not a legal document), providing guidelines for the designated guardian or trustee to manage the personal needs of all children once the parents are gone, is an excellent way to achieve your goals for any unique issues. Carefully setting up an appropriate structure will help maximize the benefit and assets that you plan to leave your loved-ones and protect all children's futures.

## OUR INVESTMENT PROCESS

Clients are at the heart of everything we do. Our core belief is that asset management begins and ends with the investment needs of our clients.

### PLANNING

We work closely with clients at every stage of the investment process to determine their investment goals and requirements, and take pride in formulating long-term, rational investment strategies to reach their objectives.

### ALLOCATION

In determining asset allocation, we advocate a well-diversified portfolio structure and a global view of potential opportunities in order to both mitigate risk and maximize return in line with clients' objectives. As changes in the economic environment require, we actively rebalance investments and, as appropriate, capitalize on market opportunities.

### CONSTRUCTION

We work with clients to determine the right mix of assets and choose specific holdings based on their potential growth, valuation and long-term opportunity. Every strategy is analyzed and reviewed on a daily basis and detailed due diligence is conducted before purchases are made.

