



ACT

The Arc Community Trust of Pennsylvania

Investment Perspective!

Our responsibility begins with you our client, your financial goals as well as your life goals. ACT is committed to results and pursues a highly disciplined investment philosophy and process, allowing us to meet your unique goals. ACT's investment Policy is available on our website (arctrust.org/trust-documents/)

We believe in balancing the goals of preservation of principal capital appreciation, and income generation for each client by understanding your goals, public benefits, time frame and financial needs.

We collaboratively identify the asset allocation to best fit your situation and apply our investment process to help ensure that your goals and needs are met.

The trustee's responsibility to invest trust assets arises out of the duty of prudence. That is, a trustee must administer the trust as a prudent person would, in light of the Trust's purposes, distribution requirements, and other conditions of the trust. In administering the trust, ACT exercises reasonable care, skill, and caution. ACT engages and provides direction to independent professional investment managers (the "Investment Managers") to assist ACT in this regard. For the Pooled Trust, Uninvest is the Investment Manager and for self and Third Party Trusts, Redwood Wealth Management Group is the Investment Manager.

In effort to accomplish this, ACT's Board has established an investment policy that provides three investment strategies. Each investment scenario has been created with specific qualitative and quantitative selection criteria; positive fund/investment performance track record, comparison to highly rated Peer Groups, asset size of fund, competitive expense ratio, the Fund Managers tenure and categories of fund. The culmination of these criteria provide the basis for the three investment options available through ACT.

ACT's Investment Approach



ACT INVESTMENT VALUES

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Preservation of Capital

Our guiding philosophy is to preserve the integrity of your capital over the long term.

Protect Assets

We view risk as the probability of a permanent loss of capital. We utilize asset allocation as a primary tool to protect assets.

Increase Wealth

Managing downside risk while participating in market advances is the most effective way to protect and increase wealth over the long term.

For more information contact your Trust Administrator or review documents on our website. www.arctrust.org/trust-documents

GUARDIANSHIP OR POA?

Parents of children with special needs must be concerned with ensuring that medical and financial decisions will continue to be made in the child's best interest once the child reaches age 18 -- the age of legal capacity. In most states, once a child reaches age 18, he is presumed to have decision-making capacity and the parents' legal authority ends. Parents of children with special needs have various options, each with advantages and disadvantages depending on the situation, to establish a new legal authority to continue making important decisions for the child. Both a power of attorney and guardianship are tools to assist someone who is unable to make financial or medical decisions for him or herself by appointing an agent or guardian to act in their stead. However, these tools differ in their responsibilities and the freedom and control they give to the person with special needs.

POWER OF ATTORNEY

Power of Attorney (POA) is a legal document granting another person the power to act on behalf of an individual in private affairs, business or other legal matters. There are two types of POAs: general POA and limited POA. General POA gives an agent wide discretion over the affairs of the principal. A limited POA gives the agent the power to handle specific tasks, like handling medical treatments for the principal. The individual authorizing another to act on his/her behalf is called the principal or grantor of the POA. The individual authorized to act on the principal's behalf is referred to as the agent or attorney.

A power of attorney is a common option to consider when caring for an adult child with special needs. Parents or guardians of an adult child with special needs should have powers of attorney prepared to protect their child's inheritance and assist with any medical decisions.

GUARDIANSHIP

If an adult is incapable of making responsible decisions due to an intellectual disability or health condition, a court may appoint a legal guardian who can make decisions. When a guardian is appointed, the court will authorize the guardian to make certain legal, financial and medical decisions for his or her ward.

Because guardianship is restrictive and takes away the ward's freedom to make decisions, guardianship is normally closely monitored by the court and is only granted when a person is legally incapacitated, meaning they are at significant risk of personal harm to themselves, or they are incapable of managing their property or financial affairs.

The downside is that guardianship and conservatorship requires a court process, which can be time-consuming, costly and

emotionally trying for the person with special needs and her family. In order to protect against abuse, the individual who is the object of the guardianship or conservatorship proceeding (the "ward") will be represented by her own attorney and the court must determine if the disabled person is incapable of making her own decisions.

The following criteria generally must be met for a court to appoint a guardian:

- The individual is not able to make decisions regarding his/her own affairs
- The individual has not executed, or does not have the mental capacity to currently execute, a power of attorney
- Serious harm may come to the person if a guardian is not appointed

HOW THEY DIFFER

The most notable difference between a power of attorney and guardianship is that the adult with special needs appoints his or her agents and decides what authority they receive when preparing a power of attorney, whereas a court appoints a guardian when the ward is unable to make responsible decisions. While both a power of attorney and guardianship give an agent or guardian the legal authority to make decisions, guardianship offers far less control to the ward.

In many cases, a power of attorney allows the agent to successfully manage financial and medical decisions if the principal becomes incapacitated, but allows the principal to define what authority the agent will have. At times, guardianship may be a better solution for assisting a loved one with all aspects of his or her life. For parents who care for adult children with special needs, guardianship can allow them to easily care for their child and manage his or her financial affairs.

In situations where you are planning for the future of an adult child with special needs, a power of attorney can provide assurance that medical and financial accounts will be managed well and decisions will be made correctly. If you are the parent of an adult child with special needs who is unable to make informed decisions, guardianship may allow you to better care for your loved one.

WHAT SHOULD YOU DO?

It's a good idea to discuss the options with your family. Then contact your attorney to identify the option that works best for your situation. If you're already the POA or Guardian for your loved one, please let your Trust Administrator know!