COMERICA TRUST

Safeguarding Your Trust Assets

Since 1849, our clients and partners have trusted Comerica with protecting and safekeeping their fiduciary and custody assets. We pledge to continue to earn that trust by ensuring the safety and security of your assets every day.

A corporate fiduciary has a duty to safeguard the assets of their fiduciary and custody clients. The following overview describes specifically how fiduciary and custody assets held at Comerica are safeguarded.

How Are My Fiduciary Assets Protected?

A bank may serve in one or more capacities when it provides financial services to individuals and businesses. Capacities may include lender, depository, fiduciary (for example: trustee, executor, agent) or custodian. Federal and state laws govern banks when serving in each of these capacities.

There are specific regulations that apply directly to assets that clients entrust to a bank serving as a fiduciary or custodian. For example, sometimes FDIC deposit insurance applies and at other times it does not.

Let's explore these scenarios further and describe how fiduciary and custody accounts differ from deposit accounts.

Deposit Accounts Versus Fiduciary and Custody Accounts

Client assets (other than uninvested cash) in the form of securities or other investments which are held in a fiduciary or custody account are segregated from the bank's other assets and are not subject to the claims of the bank's creditors.

Further, fiduciary and custody accounts belong to the account owner and Comerica has a legal responsibility to safeguard these assets.

Because investment assets in fiduciary and custody accounts are protected from the bank's creditors, they are not insured by the FDIC.

What About Cash?

Fiduciary and custody accounts sometimes hold uninvested cash, which is a necessary byproduct of investment activity and generally represents a small proportion of an account balance. Unlike investment holdings, however, uninvested cash is reflected on Comerica's balance sheet as a deposit liability, just as with any bank deposit. FDIC deposit insurance covers such cash balances dollar-for-dollar, up to the insurance limits.

What Type of Oversight is Performed of Comerica Trust?

Comerica is extensively regulated not only to protect the interests of clients, but also to ensure the safety and soundness of our operations. With respect to fiduciary and custody services, rigorous state and federal regulations cover these activities, including the fiduciary obligations of the bank, potential conflicts of interest, and the bank's management of transactional, strategic, compliance, and reputational risks.

Comerica is subject to rigorous and frequent examinations by federal and state regulators including the Texas Department of Banking, the Federal Reserve Bank of Dallas and the Office of the Comptroller of the Currency.

Additionally, Comerica's fiduciary and custody operations are audited annually by both internal auditors and independent third parties. On an annual basis, Comerica publishes a System and Organization Controls for Service Organizations (SOC 1®) report which includes an Independent Service Auditor's Report prepared by Ernst & Young, LLP.

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Segregation of Duties

Comerica segregates employees' duties in the daily execution of fiduciary and custody services. Individuals cannot initiate, authorize, or execute transactions on their own. Rather, dual control procedures require two employees to complete all critical transactions to reduce the risk of error or fraud.

Record Keeping Requirements

In addition to keeping records for tax and accounting purposes, Comerica maintains detailed records to document and confirm all transactions in customer accounts. Comerica records investment transactions daily in chronological order, including the account name, description of the asset purchased or sold, amount traded, trade date, and name of the broker-dealer, if applicable.

Summary

As required by law, fiduciary and custody accounts at Comerica are segregated from Comerica's balance sheets. Fiduciary and custody assets are held in the client's name and are not subject to the claims of Comerica's creditors.

Comerica cannot pledge, lend or otherwise encumber assets that are held in client fiduciary or custody accounts.

Providing a final layer of protection, Comerica is rigorously examined by both state and federal regulators and is audited annually by both internal auditors and independent, external auditors.

Other Protections

Comerica maintains both errors and omissions and fiduciary liability insurance that can also provide additional protection.

Note: Neither errors and omissions insurance nor fiduciary liability insurance protect a client portfolio from investment risk.

Want to Know More?

Want to know more about this topic or any other, Comerica welcomes the opportunity to help. Contact your Comerica Advisor Solutions Relationship Manager or visit comerica.com/trust.

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