[Date]

[Trustee Name]
[Address]
[City, State, Zip Code]

Re: Advisory on Fiduciary Responsibility Regarding Trust Asset Allocation

Dear [Trustee Name],

As the [Investment Advisor/Legal Counsel] for the [Name of Trust], I am writing to provide formal guidance regarding your fiduciary duties as they pertain to the allocation of trust assets.

Under the Uniform Prudent Investor Act (UPIA) and applicable state laws, a trustee must manage trust assets with reasonable care, skill, and caution. Your primary responsibilities regarding asset allocation include:

- **Duty of Diversification:** You are generally required to diversify trust investments to minimize the risk of large losses, unless it is reasonably determined that, because of special circumstances, the purposes of the trust are better served without diversifying.
- **Risk and Return Objectives:** You must strike an appropriate balance between the need for current income for beneficiaries and the long-term preservation and growth of principal.
- **Duty of Impartiality:** You must ensure that the asset allocation does not unfairly favor income beneficiaries over remaindermen, or vice versa.
- **Regular Monitoring:** Asset allocation is not a one-time event. You have an ongoing duty to review the portfolio and rebalance assets as market conditions or beneficiary needs change.

Based on our recent review, we recommend the following allocation strategy to align with the trust's stated objectives:

[Insert Brief Summary of Recommended Allocation, e.g., 60% Equities / 40% Fixed Income]

Please review these recommendations. If you approve, we will proceed with the necessary trades to align the portfolio with this strategy. If you have questions regarding how these changes fulfill your fiduciary obligations, please contact me immediately.

Sincerely,

[Your Name]
[Your Title]
[Your Organization]