

Gresham Partners, LLC

Wealth planning for the retired corporate executive

Objectives

A retired Fortune 500 corporate executive wants to diversify his large concentrated equity positions, preserve and grow the purchasing power of his assets, and develop a wealth transfer plan to support his family for the long-term. He and his family would like to accomplish five primary goals:

1. To preserve financial security and independence for the family
2. To diversify the concentrated equity positions the patriarch earned while employed
3. To achieve successful investment results
4. To develop a wealth transfer plan to provide future support to the family
5. To educate the second generation on family values and provide the tools for the children to manage their future inheritance



Solution

Gresham would work closely with the family to develop two foundational documents – an Investment Policy Statement and a Wealth Transfer Policy Statement that would help the family agree upon appropriate goals and establish success factors. We would design an asset allocation to reflect the family's moderately aggressive investment attitude. We would also develop a multi-year concentrated stock risk reduction and liquidation strategy and make recommendations regarding deferred compensation and non-qualified pensions.

We would design a wealth transfer policy that preserves the financial security for the first generation wealth creators while providing support and education to the second generation. We would design an estate plan to retain bequests to children and grandchildren in lifetime trusts with flexible distribution provisions that contain annual spending caps to create a safety net for the children and to provide for the grandchildren's education. We would also implement a lifetime gifting strategy that includes annual exclusion gifts, direct payment of grandchildren's education costs, a generation skipping trust and a family foundation for the family's charitable gifts.

To address family education objectives, we would establish a standing annual family meeting to discuss family estate plans and to review key investment themes and manager performance. In addition, we would meet 3-4 times per year with the retired executive and spouse to review goals, performance and ongoing implementation decisions. We would also hold individual meetings with the family's children to review spending plans, to create annual budgets and to discuss family trust investments.

Summary of Services Provided

- [Investment strategy and asset allocation](#)
- [Wealth transfer strategies for gifts and future estates](#)
- [Family education](#)
- [Compensation benefits analysis](#)
- [Concentrated equity diversification strategy](#)

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