



WAVERLY

ADVISORS

NAVIGATING GROWING WEALTH:

ESSENTIAL INSIGHTS FOR
\$2 MILLION, **\$25** MILLION,
AND **\$50+** MILLION
PORTFOLIOS

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NAVIGATING GROWING WEALTH:

ESSENTIAL INSIGHTS FOR \$2 MILLION, \$25 MILLION, AND \$50+ MILLION PORTFOLIOS

As your wealth increases, so do the complexities and responsibilities that come with managing and preserving it. While the accumulation of wealth brings new opportunities for financial growth, impact investing, philanthropy, and legacy-building, it also introduces an array of challenges that demand sophisticated planning and tailored strategies. For affluent and high-net-worth individuals and families, managing wealth involves deploying capital in ways that optimize growth potential while accounting for risk, taxes, and future generations.

With increased wealth, considerations such as alternative investments, advanced estate planning, asset protection, and multi-generational legacy strategies become paramount. Navigating these aspects demands not only a solid understanding of financial instruments—like Grantor Retained Annuity Trusts (GRATs), Donor-Advised Funds (DAFs), and Private Equity—but also the foresight to adapt to evolving economic, market, and regulatory landscapes.

The strategies outlined in this guide represent a starting point and should be viewed as pieces of a broader wealth management plan threshold and may make sense at multiple wealth levels. Every individual or family's situation is unique, and the actions you take will depend on your financial goals, risk tolerance, and vision for the future. Working closely with a team of experienced advisors allows you to customize these strategies to fit your evolving needs, helping position your wealth for growth and lasting impact.





NET WORTH OVER \$2 MILLION

- 1. Foundational Financial Plan Design:** Develop a foundational financial strategy incorporating retirement planning, investment allocation, and basic tax efficiency. Consider tax-advantaged accounts like Roth IRAs or HSAs to support tax-free growth.
- 2. Income Tax Reduction Techniques:** Employ tax strategies such as tax-loss harvesting, and consider charitable contributions to Donor-Advised Funds (DAFs) to reduce taxable income while enhancing tax efficiency over time.
- 3. Introduction to Alternative Investments:** Broaden your portfolio by considering entry-level alternative investments such as Interval Funds, Real Estate Investment Trusts (REITs), or direct real estate to reduce traditional asset class correlation and improve diversification.
- 4. Basic Estate Planning:** Establish a foundational estate plan that includes a will, durable powers of attorney, and healthcare directives. A Revocable Living Trust can help streamline asset transfer and avoid probate.
- 5. Debt Management Strategy:** Review your debt structure and explore options for interest rate optimization and debt consolidation. Mortgage refinancing and strategic use of debt can improve liquidity and support investment goals.
- 6. Emergency Liquidity Fund:** Maintain a liquidity buffer that supports 6-12 months of expenses for unforeseen circumstances, with options like short-duration bond funds or money market accounts.
- 7. Insurance Assessment:** Conduct an insurance review to cover essentials such as life, disability, and liability insurance, with an umbrella policy for additional liability protection.
- 8. Equity Growth Allocation:** Allocate capital to growth-oriented equities in sectors like technology or healthcare that align with your long-term goals and risk tolerance.
- 9. Maximizing Retirement Contributions:** Contribute to retirement accounts to the maximum extent possible and explore Backdoor Roth conversions if income limits restrict direct Roth contributions.
- 10. Goal-Driven Financial Planning:** Align your financial strategies with lifestyle aspirations and legacy-building goals, including philanthropic giving through donor funds or other charitable vehicles.



NET WORTH OVER \$25 MILLION

- 1. Advanced Tax Planning Vehicles:** Implement tax-efficient vehicles such as Grantor Retained Annuity Trusts (GRATs), Family Limited Partnerships (FLPs), and Charitable Lead Trusts (CLTs) to reduce gift and estate taxes while planning asset transfers.
- 2. Enhanced Estate Transfer Techniques:** Utilize irrevocable trusts, dynasty trusts, and generation-skipping transfer (GST) strategies to ensure wealth preservation and optimized wealth transfer for future generations.
- 3. Sophisticated Private Investments:** Diversify your portfolio by accessing private equity, venture capital, or hedge funds, along with real assets such as farmland or timber, to capitalize on high-growth opportunities.
- 4. Business Continuity Planning:** If applicable, develop a succession plan for your business, incorporating key person insurance, buy-sell agreements, and leadership transition programs to secure the business's future.
- 5. Philanthropic Trusts and Foundations:** Establish structured charitable giving options such as Charitable Remainder Trusts or Private Foundations to achieve philanthropic objectives while gaining potential tax benefits.
- 6. Global Investment Diversification and Currency Management:** Consider allocating a portion of your portfolio to global markets, implementing currency hedging to manage foreign exchange risk.
- 7. Enhanced Asset Protection Strategies:** Implement asset protection strategies, such as Domestic Asset Protection Trusts (DAPTs) or limited liability entities, to shield assets from potential creditor claims and liabilities.
- 8. Family Governance and Wealth Education:** Establish family governance protocols and education structures, including a family constitution and structured meetings, to align future generations with your mission and values.
- 9. Strategic Gifting and Legacy Tools:** Utilize gifting strategies like annual exclusion gifts, Crummey Trusts, or 529 plan contributions to transfer wealth tax-efficiently while benefiting family members.
- 10. Formalized Philanthropy Education for Heirs:** Begin involving younger family members in philanthropic efforts to instill values around giving, using donor-advised funds or foundations as learning platforms.



NET WORTH OVER \$50 MILLION

- 1. Customized Wealth Structuring:** Work with a team of advisors to create a comprehensive structure that may include Private Placement Life Insurance (PPLI) or an International Business Company (IBC) for tax efficiency and asset growth.
- 2. Specialized Tax Solutions Across Jurisdictions:** Leverage complex strategies like Grantor Retained Income Trusts (GRITs), Intentionally Defective Grantor Trusts (IDGTs), or Qualified Personal Residence Trusts (QPRTs) for tax-efficient wealth transfer across generations.
- 3. Long-Term Dynasty and Perpetual Trusts:** Establish Dynasty Trusts or Perpetual Trusts to support family legacy and help to preserve wealth across multiple generations with minimal tax impact.
- 4. Global Direct Investments and Niche Market Opportunities:** Explore opportunities in direct private equity deals, international real estate, or niche sectors to diversify beyond traditional asset classes and work towards strategic growth.
- 5. Large-Scale Philanthropy and Legacy Building:** Create or expand private foundations or endowments, which enable large-scale philanthropic giving and can support charitable activities in perpetuity, engaging family members over time.
- 6. Dedicated Advisory Boards and Specialist Teams:** Engage a comprehensive team of specialists for complex needs such as cross-border investments, impact investing, and global taxation. Establish advisory boards for specific areas like family philanthropy or family business oversight.
- 7. Offshore Trusts and International Asset Protection:** Utilize advanced asset protection strategies, including offshore trusts and private trust companies, to potentially safeguard wealth from legal and geopolitical risks.
- 8. Estate Freeze Techniques for Tax Optimization:** Employ advanced freeze techniques, such as Family Limited Partnerships (FLPs) or sales to IDGTs, to lock in current asset values while transferring future growth to heirs.
- 9. Direct Co-Investment and Strategic Business Ownership:** Participate in co-investments with private equity firms or invest directly in high-growth sectors, leveraging both capital and influence for impactful returns.
- 10. Impact and Values-Based Investing:** Align your portfolio with environmental, social, and governance (ESG) goals, using impact investing or Sustainable Development Goals (SDG)-focused funds to support global causes while generating returns.



This guide presents sophisticated strategies that can help you navigate the complexities of managing and growing wealth at different thresholds. Implementing these considerations, in consultation with your advisory team, can help you position your wealth for sustained growth and multi-generational preservation.

If you would like more information about the terms and strategies discussed in this guide, or if you're ready to explore how they apply to your specific situation, contact Waverly Advisors. With experience working with individuals, families, and executives managing significant wealth, we specialize in creating tailored strategies to help you grow, protect, and transfer your assets effectively.



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