



SILVERCREST
ASSET MANAGEMENT GROUP

Running the Numbers

A Family Office Services Case Study



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The Silvercrest Family Office Group is primarily focused on advising high net worth individuals and families on financial and estate planning matters. Effective income tax and estate planning entails transparent deliverables that explain intricate planning concepts that enable clients of all sophistication levels to feel connected to the information by being concise, providing stories, and leveraging effective data visualizations.

We construct customized wealth reports to showcase consolidated assets across investment managers, asset classes, family entities, and generations. These tools help clients and advisors to continually manage the overall portfolio while remaining cognizant of the assets of individual family members. The process begins with a careful review of the current estate planning documents, ensuring appropriate asset titling, and that the family's goals are well understood.

A few years ago, a client came to Silvercrest who had spent considerable time and effort developing an estate plan, but a decade had passed since they last executed their wills. Since that time, their wealth grew substantially, and their assets changed dramatically. We reviewed the client's estate planning documents and, based on their current net worth, provided illustrations of the dispositive provisions of their wills, and resulting estate tax liabilities. Two things became clear: the client underestimated the rate at which their estates would be taxed and that certain cash bequests would leave the surviving spouse with inadequate liquidity to maintain their current lifestyle.

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Based on our in-depth knowledge of both the current estate plan and family assets, coupled with client discussions, we provided recommendations that specified how we could achieve their financial, personal, and charitable goals in a highly tax-efficient manner.

CLIENT GOAL #1:

Successful Generational Wealth Transfer

- **Our Plan:** Incorporate a GRAT (grantor retained annuity trust) strategy to benefit their children
- **Outcome:** The strategy eliminated appreciation from the client's estate, thus lowering future taxes, and provided each child with a specific amount they will inherit

CLIENT GOAL #2:

Surviving spouse will have a sufficient income stream with the ability to gift to a certain charity

- **Our Plan:** Establish a CRT (charitable remainder trust)
- **Outcome:** The trust funded with a highly appreciated asset that provided an income stream for life to the surviving spouse in a tax-efficient way that the remaining interest was allocated to the client's charity of choice

While these techniques are commonly used, they are often misunderstood, especially without fully understanding a macro-view of client's financial picture, current circumstances, and intentions. We believe that our holistic approach enables our clients to make informed decisions, thus maximizing the intergenerational transfer of wealth and meeting of family goals.

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