

GENERATIONAL WEALTH CASE STUDY

How a Second-Generation Family Succeeded in Untangling a Web of Complex Assets

Executive Summary

A few years ago, the Jones family, as we'll call them, came to us with challenges that we've seen many times before with ultra-high-net-worth families. Their patriarch, who managed their single-family office, passed away, leaving the next generation in search of a solution to manage a complex estate with a heavy focus on real estate. Honoring the values of the patriarch, who had strong views on the power of compounding and philanthropy, the family engaged Caprock to begin the process of creating bespoke portfolios for each family branch.

By engaging the advisors at Caprock, who are familiar with such scenarios and the complexities of generational wealth structures, the Jones family was able to simplify the complexity of their wealth and diversify their portfolios while having their individual – and often conflicting – needs met.

Goals and Objectives

- **Support the varied goals and objectives** of individual family members
- **Simplify the complexity** of the family's wealth
- **Diversify** the family's assets
- **Create a legacy** for generations to come



At a Glance

- Complex, ultra-high-net-worth family
- Patriarch set up a single-family office before passing
- Second generation is now managing wealth together
- A complicated web of trusts
- Complex assets with significant cross-ownership



Caprock's Integrated Plan of Action

Emphasis on Alignment and Structure to Foster Harmony

Addressing the Family's Differing Goals and Objectives

The Caprock team **engaged in a comprehensive onboarding process** designed to better understand the full extent of the family assets and identify the needs of individual stakeholders. This included an **in-depth review** of existing investment accounts, legacy assets, private placement memoranda, capital account statements, trust documents, tax documents, and entity structures.

We leveraged our experienced team and cutting-edge technology tools to clearly define the breadth and depth of the family's wealth and how it impacted each individual family branch and beneficiary. We inventoried the family's assets and built detailed ownership structures. This allowed us to create accurate and dynamic ownership records in our centralized reporting platform. The Jones family and their key advisors had access to the real-time data, enabling them to collaborate on assets and risk exposure, as well as providing a framework for how decisions made today will impact future wealth.

This brought clarity and peace of mind to the Joneses, reduced family friction, and provided the ability to provide bespoke advice to individual family members, as well as the family as a whole.

Created accurate and dynamic ownership records in our centralized reporting platform

Simplifying the Complex Web of Existing Trusts and Partnerships

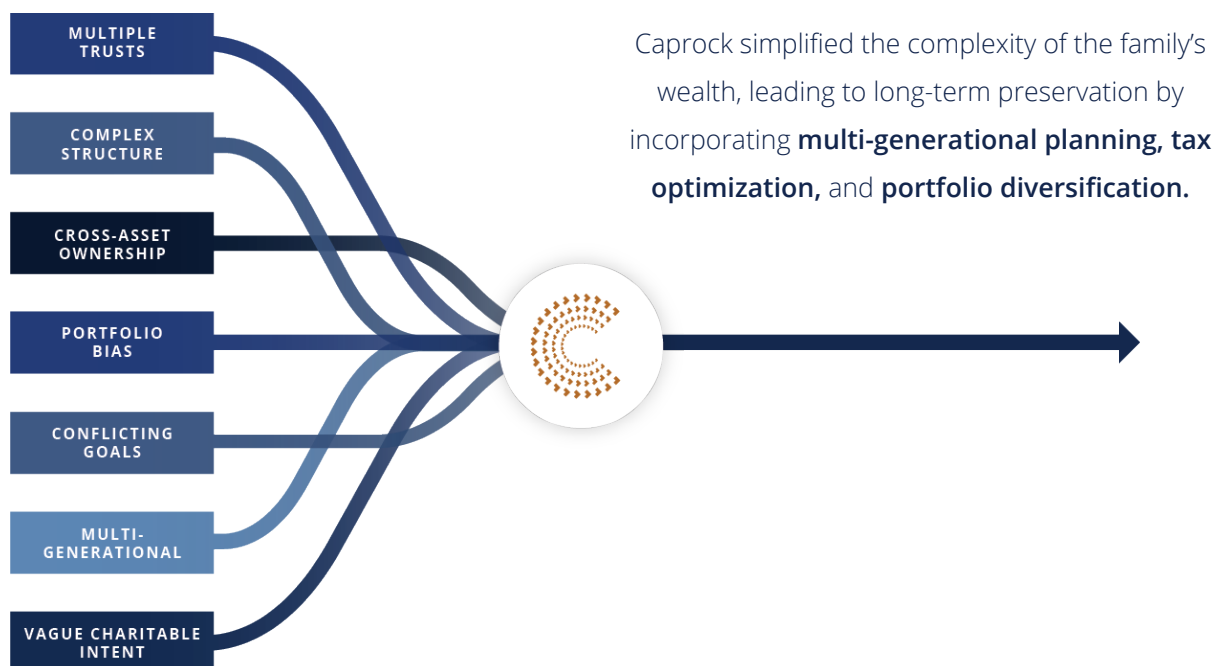
Our team was able to work with the family's other professional advisors, including their attorneys and accountants, to simplify the complexity of their wealth, diversify their assets, and create custom portfolios for individual trusts. Caprock, an independent firm without ties to a broker-dealer, offered objective advice and curated investment solutions, all within a high-touch business model.

While there are still decisions that the family needs (and wants) to make together, we've built governance structures around their legacy assets and enabled each family branch to make decisions that support their long-term objectives.

Caprock's Integrated Plan of Action Continued

Diversifying to Preserve Their Wealth Long-Term

Caprock's seasoned professionals taught the family how to narrow down the vast array of investment options to what works best for them. They implemented a holistic approach for long-term wealth preservation that included multi-generational planning, tax optimization, and portfolio diversification. And our scale allows us to provide access to top-tier private investments, typically only available to large pensions and endowments.



Through several meetings and discussions with the family, we prepared the next generation to be good stewards of the family assets and ingrained an understanding of the power of compounding wealth. We also taught the next generation about the importance of leaning into their values and placing a focus on philanthropy, which the patriarch wanted to pass down to his family.



Fast Forward

Now each member of the Jones family has more autonomy. They can make decisions that are best for them and the next generation. We separated most of their assets, established control processes, and clearly outlined expectations for those assets that remain locked together.

In the end, we simplified the complexity of their wealth while diversifying their portfolio for stronger, lasting returns and an even greater legacy. The family has established clear succession plans and a well-defined purpose, which have significantly reduced discontent within the family.

Our Advice

- **Engage a multi-family office** with proven success in helping multi-generational families with significant wealth and complexities
- **Seek a firm with investing expertise** that is deeper than the typical family office
- **Do not underestimate** the complexity of family wealth
- **Partner with an independent firm** that can provide unbiased advice



Contact Caprock for a personalized, no-obligation consultation.

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*This case study is based on a current Caprock client, but the names have been changed to protect their identity and maintain confidentiality. The client was not compensated in any form. While every effort has been made to accurately portray the details of the case, certain elements may have been modified or excluded to further safeguard the privacy of the individual. This case study is intended for informational purposes only and should not be seen as a substitute for professional financial advice. The results and outcomes described in this document are specific to the individual client and may not be applicable to all situations. This case study is intended to provide general information about Caprock and is not a solicitation or offer to sell investment advisory services except in states where we are registered or where an exemption or exclusion from such registration exists. ©Caprock. The Caprock Group, LLC ("Caprock") is an SEC Registered Investment Advisor. Registration with the SEC does not imply a certain level of skill or training.