

Baker Avenue
WEALTH MANAGEMENT

The Family Table:

Conversations That Shape Financial Legacies



**WEALTH ADVISOR
& PARTNER**

Tanya Welch,
CFA, CFP®



**WEALTH ADVISOR
& PARTNER**

Scott Stephens,
CWS®



**SENIOR WEALTH
ADVISORY MANAGER**

Leeann Cornes,
CFP®

DISCLOSURES

The information contained herein regarding your account(s) managed by Baker Avenue Asset Management, LP, including references to market or composite indices, benchmarks, or other measures of relative market performance over a specified period of time, has been prepared for you for informational purposes only. The results herein are based on information believed to be correct, but are subject to revision and audit adjustment. All returns are purely historical and are no indication of future performance.

This presentation may provide information regarding accounts for which you have requested to receive consolidated information. Performance is calculated net of all direct-debited fees (gross of fees if not directly debited), and include reinvestment of all interest, dividends, and other income. Accounts from different types of advisory programs may be included on the statement. Closed accounts will not be listed but the performance of these accounts may contribute to the overall performance of your portfolio or group of accounts. The consolidated Statement does not replace, and is provided in addition to, the individual account reports provided by your broker dealer or custodian.

The charts, graphs, and descriptions of investment and market history and performance contained herein are not representations that such history or performance will continue in the future or that any investment scenario or performance will even be similar to such a chart, graph, or description.

Any investment described herein is not a representation that the same or even a similar investment scenario will arise in the future or that investments made by Baker Avenue Asset Management, LP on behalf of your account will perform as the investments described herein, or will not result in a loss to your account. Investments in certain securities may involve a high degree of risk and your account may incur losses as a result of investments made on your behalf by Baker Avenue Asset Management, LP.

For comparison purposes, portfolios are measured against blended benchmarks that are calculated by Advent Software. Market indexes are included in this report only as reference reflecting general market results during the period. Baker Avenue Asset Management, LP may have long or short concentrations in a number of securities, may trade in securities that are not represented by the noted market index, and in asset classes not included in such indexes. The composition of a benchmark index may not reflect the manner in which a Baker Avenue Asset Management, LP portfolio is constructed in relations to expected or achieved returns, investment holdings, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time. Accordingly, no representation is made that the performance or volatility of your account will track or otherwise reflect any particular index, and reference to an index does not imply that your account will achieve returns, volatility, or other results similar to the index.

For tax purposes, please refer to the statements provided by the custodian of your account(s). Baker Avenue Asset Management, LP encourages each client to review their custodial reports that they receive directly from your qualified custodian against those quarterly reports you receive from Baker Avenue Asset Management, LP. If you have any questions on the information provided by the custodian or Baker Avenue Asset Management, LP, please contact your Baker Avenue Asset Management, LP advisor.

Welcome & Introductions

Tanya Welch, CFA, CFP®, Wealth Advisor & Partner

Tanya is a partner at BakerAvenue and brings extensive wealth management experience from leadership roles at Polaris Wealth Advisors and UBS. She holds a B.S. in Economics from The Wharton School, is both a CFP® and CFA charter holder, and is actively involved with the Financial Planning Association and CFA Society of San Francisco.

Scott Stephens, CWS®, Wealth Advisor & Partner

Scott is a Partner, Managing Director, and Certified Wealth Strategist (CWS®) at BakerAvenue, leading the Texas office with a focus on helping clients manage and diversify concentrated company stock positions. He brings over a decade of experience to BakerAvenue and previously spent 13 years at Fidelity Investments in high-net-worth executive roles.

Moderated by Leeann Cornes, CFP®, Senior Wealth Advisory Manager

Leeann supports clients and advisors across the Southwest, drawing on her multifamily office experience with charitable giving, liquidity events, and alternative investments. A Baylor University graduate and former Fidelity Investments professional, she is known for helping high-profile clients navigate complex financial situations.



TODAY'S
DISCUSSION

Purpose. Passion. Performance.

1

Welcome & Introductions

2

Why Now?

Family Education & Multi-Generational Planning Essentials

3

Legacy, Wealth Transfer & Strategic Gifting

4

Building a Financial Foundation

5

Table Conversations: Family Culture &
Financial Communication

6

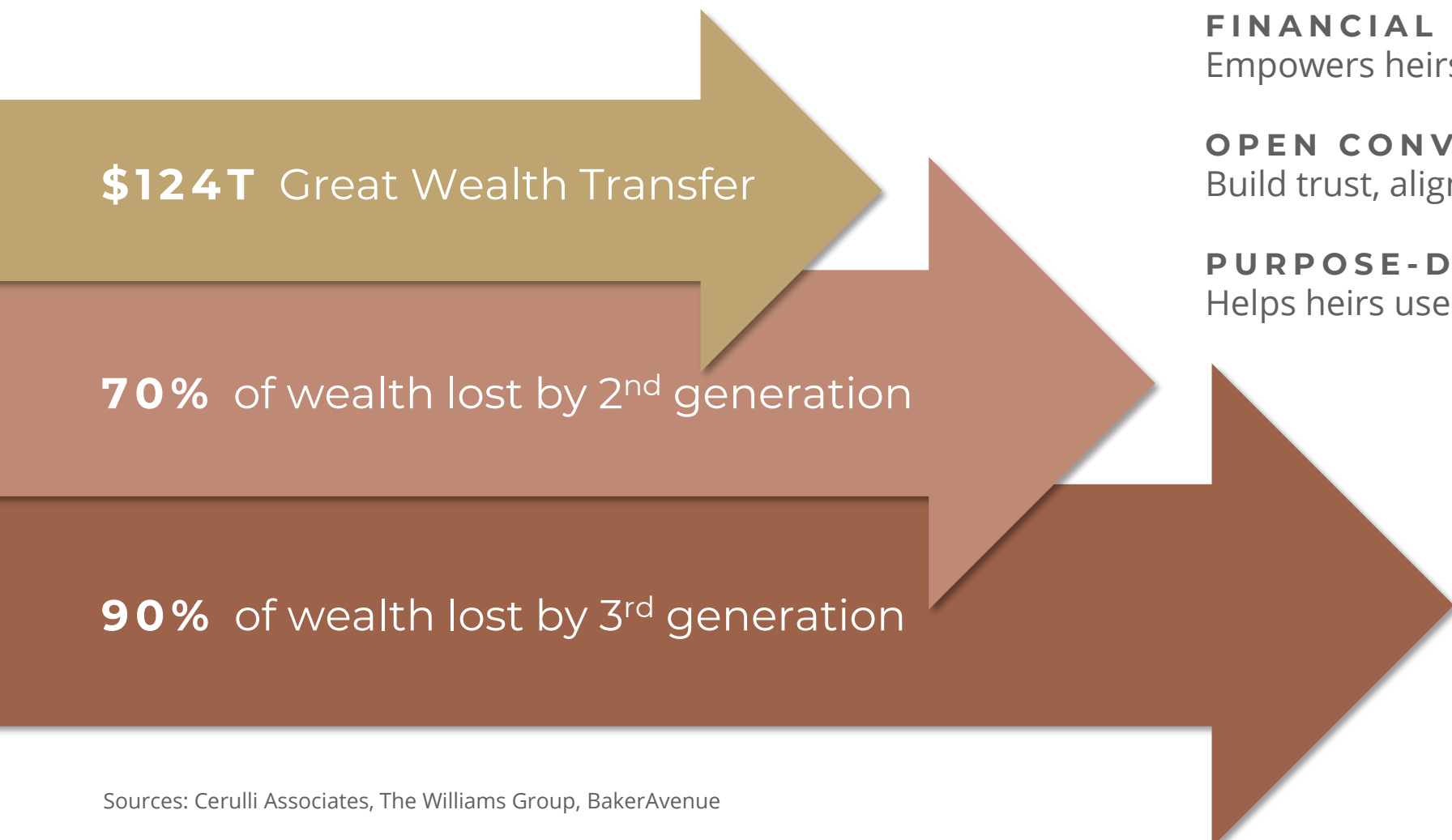
Client Case Studies

7

Concluding Thoughts | Q & A

Why Now?

Why Family Education Matters Now



\$124T Great Wealth Transfer

70% of wealth lost by 2nd generation

90% of wealth lost by 3rd generation

FINANCIAL LITERACY

Empowers heirs to manage assets responsibly

OPEN CONVERSATIONS

Build trust, align values, and reduce conflict

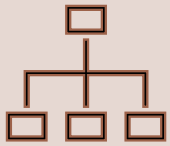
PURPOSE-DRIVEN EDUCATION

Helps heirs use wealth to lead impactful lives

Sources: Cerulli Associates, The Williams Group, BakerAvenue

Multi-Generational Planning Essentials

1



STRATEGIC STRUCTURES

Enable tax-efficient
transfers

2



FAMILY GOVERNANCE

Ensures continuity
and clarity

3



PHILANTHROPY & MENTORING

Foster cohesion and
shared purpose

4



VALUES-BASED LEGACY PLANNING

Empowers Gen 1 as
stewards, Gen 2/3 as
builders

5



ADVISOR-LED FACILITATION

Supports legacy
conversations and
role clarity

Polling Question #1

Which legacy planning strategies have
you already implemented?

Legacy, Wealth Transfer & Strategic Gifting

Generation 1

Family Heads

Stewards of the Family Legacy



PRESERVE
WEALTH



MINIMIZE ESTATE
TAX



EMPOWER FUTURE
GENERATIONS

Key Considerations



ESTATE TAX PLANNING

- **Design trust structures** that protect assets and ensure control over distribution
- **Leverage annual exclusion gifting** (\$19k/recipient in 2025) to reduce taxable estate while supporting heirs
- **Explore advanced strategies** (e.g., GRATs, IDGTs, SLATs, FLPs) to optimize long-term wealth transfer



INHERITANCE CHALLENGES

- **Address emotional and practical concerns** around beneficiary readiness, including financial literacy, stewardship, and alignment with family values
- **Use tools** such as letters of intent, legacy statements, and family meetings to clarify expectations and foster open dialogue



UTILIZING WEALTH NOW

- **Make strategic gifts** to children and grandchildren for education, housing, or entrepreneurship, allowing the next generation to thrive today
- **Evaluate lifetime gifting vs. inheritance:** What impact do you want to witness in your lifetime?



SETTING UP FOR SUCCESS

- **Fund 529 Plans** for education with potential front-loading via the 5-year election
- **Establish UTMA accounts** to provide flexible support for minors, with careful attention to age-of-majority transitions and financial maturity

Polling Question #2

What's the biggest barrier your child faces
in starting their financial journey?

Building a Financial Foundation

Generation 2

Emerging Wealth Builders

Children Taking Ownership of Their Financial Journey



**EMPOWER FINANCIAL
INDEPENDENCE**



**INSTILL HEALTHY
HABITS**



**ESTABLISH A TRUSTED
ADVISOR RELATIONSHIP**

Key Considerations



CHILDREN'S BROKERAGE ACCOUNTS

- **Initiate custodial brokerage accounts** or Roth IRAs for minors (with earned income), guiding them through setup and purpose
- **Teach the fundamentals of investing** — index funds, compound growth, diversification, and risk tolerance — in a way that's engaging and age-appropriate
- **Ensure a positive, confidence-building experience** towards financial autonomy



RETIREMENT PLANNING

- **Review current retirement vehicles** (401(k), IRA, HSA) and help them understand contribution strategies
- **Use projections and modeling** to show them whether they're on track for their desired retirement age and lifestyle, and what adjustments might help
- **Introduce planning concepts** like Roth conversions, catch-up contributions, and tax diversification, empowering them to make informed decisions early



ADVISOR AS A MENTOR

- **Help build trust and independence** — our role is to become a financial mentor, not a parental substitute, helping your child develop their own relationship with money, with tailored guidance

We Take the Pressure Off You

- **Act as a first point of contact** for financial questions and decisions
- **Create a safe space** for learning without judgment or overwhelm
- **Encourage ownership and accountability** from day one

Polling Question #3

How often does your family talk openly
about money and financial values?

Table Conversations: Family Culture & Financial Communication

Family as a Unified Team

Co-Creating a Legacy of Values, Transparency, and Financial Literacy



**BUILD A LEGACY OF
OPEN DIALOGUE**



SHARED PURPOSE



**GENERATIONAL
ALIGNMENT
AROUND MONEY**

Key Considerations



CREATING A FAMILY MISSION

- **Help families articulate their core purpose around wealth:** Is it generosity, stewardship, entrepreneurship, or something else?
- **Document values** in a family constitution, legacy letter, or mission statement — a living document that guides decisions and behaviors
- **Foster clarity, pride, and a sense of shared responsibility** across generations



STARTING THE CONVERSATION

- **Facilitate family finance meetings** that are structured, inclusive, and educational — not intimidating or transactional
- **Gatherings include:** Updates, shared decisions, and financial literacy moments tailored to each generation
- **Storytelling is key:** Encourage parents and grandparents to share their financial journeys, mistakes, and lessons, creating emotional resonance and wisdom transfer



FAMILY HISTORY OF FINANCE

- **Help families reflect** on their financial heritage: What beliefs, habits, or traumas shaped their current mindset?
- **Gather insights:** Allows us to break cycles (e.g., secrecy, scarcity) or reinforce strengths (e.g., saving, philanthropy, entrepreneurship)
- **Understand the past:** Helps families to more intentionally shape their future



ADVISOR: FACILITATOR OF ALIGNMENT

- **Guide families** through the emotional and strategic terrain of shared wealth

How We Can Help

- **Translate values** into actionable plans
- **Create safe spaces** for honest dialogue
- **Ensure every generation feels heard,** respected, and empowered

Where wealth becomes more than numbers — it becomes a story, a mission, and a legacy.

Addressing (Adult) Children

Who Aren't Great With Money...

THE OBVIOUS

But Maybe Not Always Effective

- Education
- Advisor Guidance
- Financial Planning / Budgeting

STRATEGIC

Set up irrevocable trusts, of which there is a 3rd party trustee

Case Studies: Putting It Into Practice

Generational Wealth in Action

Supporting a New Parent's Financial Journey

CLIENT PROFILE & CHALLENGE

A long-time client has worked with BakerAvenue for years to build and preserve family wealth. Recently, their adult child—now a new parent—began working directly with us to navigate the next chapter of their financial life.

- **Early inheritance to child:** Enabled the purchase of a first home and created a foundation for long-term financial independence
- **Second-generation needs:** Comprehensive wealth management to ensure their growing family was protected and supported

ESTATE PLANNING

- Established foundational documents (wills, powers of attorney, and healthcare directives)
- Introduced them to our estate planning partner to streamline the process and ensure their wishes were clearly documented

TAX PREPARATION

- Onboarded as a tax prep client
- Aligned estate and investment strategies with tax-efficient planning

INVESTMENT STRATEGY

- Developed a tailored investment plan focused on long-term growth, liquidity, and risk management
- Designed to support future goals such as education, healthcare, and lifestyle needs

OUTCOME

Clear financial roadmap and estate plan: With BakerAvenue's ongoing support, they've transitioned into confident financial decision-makers—grateful for the continuity and care that has spanned generations.

Beyond Cash Gifting

Innovative Approach to Family Wealth Transfer

CLIENT PROFILE & CHALLENGE

A multi-generational family has instilled a strong work ethic in their adult children. While both parents enjoy watching their children's career success, they're also philanthropically minded and financially savvy, and want their children to experience a well-rounded lifestyle. However, they recognize that such opportunities may not be financially attainable.

- **Promote financial independence:** Empower children to reach significant milestones that might otherwise be out of reach
- **Leverage the benefits of their financial assets:** Provide support without a direct wealth transfer

FAMILY CHARITABLE VEHICLE

- Established a donor-advised fund (DAF), allowing for family grantmaking decisions
- Regular family meetings to propose causes, discuss the potential impact, and collectively vote on charitable distributions
- Empowered the younger generation to engage with / support important organizations, fostering a culture of generosity, collaboration, and civic involvement—even before they could contribute financially on their own

FAMILY LOAN

- Financed a mortgage for their adult child, enabling the purchase of a primary residence
- Structured the loan at the Applicable Federal Rate (AFR), allowing them to buy a home they truly loved
- Documented loan terms to ensure compliance with IRS guidelines, as well as allowing them to claim an itemized deduction for the mortgage interest

OUTCOME

Enjoying the benefits of generational wealth: Their story stands as a testament to the power of thoughtful wealth transfer strategies that enrich lives, strengthen family bonds, and create lasting positive change—measured not just in dollars, but in values, experiences, and the collective impact they make on their community.

Concluding Thoughts

Concluding Thoughts

Action Items

- Identify what multi-generational success looks like for your family
- Holidays are around the corner – a good time when the family is together to start these conversations
- Contact your advisor



Q & A

Thank You

For additional questions or to schedule an introductory consultation, please contact us at
bakerave.com/contact or email us at **info@bakerave.com**



Purpose. Passion. Performance.

Since 2004, BakerAvenue has guided clients through personal and professional transitions. Our firm provides comprehensive wealth management and investment expertise for high-net-worth individuals, families, trusts, foundations, and endowments.

We're headquartered in San Francisco with offices in New York, Dallas, Houston, Seattle, San Diego, and Naples.