

MANAGING SIGNIFICANT WEALTH EVENTS

Providing knowledge and experience to help you with
the important decisions you'll need to make.

RAYMOND JAMES®

A SIGNIFICANT WEALTH EVENT BRINGS BOTH FINANCIAL AND EMOTIONAL CHALLENGES. OUR EXPERIENCED ADVISORS CAN HELP YOU MEET THOSE CHALLENGES WITH RESOURCES, KNOWLEDGE AND PROFESSIONAL ADVICE.

What is a significant wealth event? When an event results in a meaningful increase in “liquid” assets under your direct control. Financial decisions take on more weight. You may find that friends, colleagues – even family members – start to view you a bit differently. You may even see yourself a bit differently, too. And once the event occurs, there almost always arises a seemingly simple question that is deceptively complex: What now?

Sometimes these events can be planned for, like the sale of a business. Or they can arrive unexpectedly, like an inheritance or even a lottery win. But however it arrives, significant wealth brings with it a complicated new dimension. And it's how you manage it that will determine whether the wealth ultimately creates new obstacles or enables goals to be achieved.

Proper management begins with a pragmatic approach to planning combined with proven integrity you can trust to help you make decisions that are in your best interest. In this regard, your Raymond James financial advisor can be of service. Your advisor has access to an array of products and services to fit your situation, and the unique perspective that comes from knowing and understanding the opportunities that await you.

By working with specialists at Raymond James and your legal and tax professionals, your advisor can help develop a plan to help make the most of your situation by helping you manage your wealth in a prudent and disciplined way.

Significant wealth events bring a new dimension to life that may not have been present before.

WEALTH CAN BE CREATED A VARIETY OF WAYS, BUT ALWAYS SHARES COMMON ISSUES

Some people pursue the goal of creating significant wealth. For others, an unexpected event leaves them with significant wealth to manage. Significant wealth events can take many forms, including:

- ▶ Sale of a closely held business
- ▶ Sale of real estate or other family asset
- ▶ Capital markets transaction like an initial public offering
- ▶ Substantial inheritance
- ▶ Lump-sum retirement payout
- ▶ Divorce
- ▶ Legal settlement
- ▶ Exercise of stock options
- ▶ Unexpected financial windfall

But no matter how wealth is attained, the financial challenge it brings is generally the same: You now have a substantial amount of money that must be carefully managed in order to protect it, provide income and achieve your legacy planning objectives.

Emotional and interpersonal challenges also come with wealth. Some are obvious and almost cliché – phone calls from long-lost relatives, solicitations from various causes and individuals targeting you with endless financial “opportunities.” Other challenges require more personal reflection. Now that you have the financial resources to make a significant difference in the lives of those you care about, what is the best way to do so?

Yet, amid the questions, challenges and opportunities, there is one thing that remains absolutely clear: Managing significant wealth should not be done alone. It’s critical to seek expert, impartial advice. And it starts by assembling a team of professionals, including your Raymond James financial advisor, who can manage all the “moving parts.” This first step is crucial in addressing the financial, legal and tax consequences of new wealth.



You don't have to go it alone. Your Raymond James advisor can help you with the questions and challenges that come with managing significant wealth.

**TO ILLUSTRATE THE VALUE OF PROFESSIONAL ADVICE,
HERE'S A TIMELINE THAT PROVIDES A GENERAL STRATEGY FOR
EACH PHASE OF A LIFE-CHANGING WEALTH-CREATION EVENT.**

BEFORE THE EVENT	DURING THE EVENT	AFTER THE EVENT
<ul style="list-style-type: none"> Assemble your financial team <li style="padding-left: 20px;">Address potential tax consequences and event timing Establish a cash flow budget <li style="padding-left: 20px;">Do your homework Anticipate attention 	<ul style="list-style-type: none"> Avoid large expenditures based on impulse; consider a "waiting period" <li style="padding-left: 20px;">Work with your advisor to determine an appropriate liquid and secure structure in which to hold cash <li style="padding-left: 20px;">Finalize your wealth management plan 	<ul style="list-style-type: none"> Implement and continuously monitor your plan with your advisor <li style="padding-left: 20px;">Anticipate and manage risks of significant wealth <li style="padding-left: 20px;">Reflect on and outline your financial legacy and how you would like to affect others.

BEFORE THE EVENT

While you can't predict all wealth-creation events, many, such as the sale of a business, an inheritance or retiring with significant corporate benefits, can be anticipated. In these situations, it is important to recognize that planning for the consequences should begin well before the event occurs.

Preparation is vital because the form in which the wealth is received and the way it is transferred can have significant tax and estate-planning implications. For example, owners of a family business or a significant real estate asset may want to transfer wealth to family members or charities over time. In many situations, gifting partial ownership of the asset through trusts or a family limited partnership can have significant tax benefits if it is done prior to the sale of the asset. Planning like this must occur well ahead of time – some tax and estate benefits may be lost after the transaction is initiated.

You can also gain meaningful advantages by being flexible in regard to the event's timing. For example, if the event will occur near year-end, you may want to push receipt of the wealth into the following tax year or even spread receipt into multiple tax years if possible.

Develop a plan for success before the event

- Assemble a team
 - Your financial advisor and specialists at Raymond James can play key roles in guiding you.
 - Your accountant, lawyer and other advisors should be briefed on the impending event and be ready to collaborate on your behalf.
- Think about your lifestyle
 - Wealth will affect not only your life but also the lives of those close to you.
 - Early retirement, second homes, vacations, charitable giving and college funds for children or grandchildren are just some of the topics to discuss with family members.
- Outline an overall financial plan
 - Work with your financial advisor and other team members to determine your goals and develop a coordinated plan for achieving them.
 - Establish a documented plan and a clearly defined investment strategy.
- Review current investments
 - Your financial goals may change considerably, with capital preservation and income generation becoming more important than future growth.
 - Now is the time to discuss new objectives and parameters with your financial advisor.
- Do your homework.
 - Although you will want professional advice, learn all you can about investing, tax strategies, retirement and estate planning, and other relevant topics.
 - Ask your financial advisor about educational materials.



The investment banking expertise of Raymond James Equity Capital Markets can be invaluable for wealth created through the sale of a business that meets specific criteria. In the last five years, Raymond James has managed more than 440 offerings – raising nearly \$160 billion – and has completed approximately 300 mergers and acquisitions, advisory, and private placement assignments. Ask your advisor for more information.*

*Past performance is not indicative of future results.

DURING THE EVENT

Gaining wealth through a singular event affects individuals in different ways. For example, there may be a fundamental change in your lifestyle or objectives, or you may conduct “business as usual.” In some cases, the event may trigger significant and unexpected emotions. Regardless of the impact, you will need to make important financial decisions. That’s why it’s necessary to be willing to obtain professional and impartial advice to deal with the emotional challenges that may arise.

Your primary goal when you receive the wealth is to put it into secure, liquid investments with competitive yields that you can use to make other, longer-term investments over time. Your financial advisor can provide options and help you make appropriate choices. You should also discuss how your accounts are titled and how their ownership is structured because these choices can have important tax and estate-planning implications.

Follow a plan for success during the event

- Avoid impulsive financial decisions
 - Large purchases, overly generous gifts, rash investments, loose spending and other costly mistakes can occur with new wealth.
 - Be prudent with borrowing. Consult your financial advisor if you are considering taking out a loan or line of credit.
- Establish a waiting period
 - To avoid ill-considered spending, set a period of time during which you will make no large outlays. This will provide time for reflection and help ensure that when you do put large amounts of money to work, you will do so only after careful consideration.
- Finalize your financial plan
 - If your wealth-creation event was anticipated, you may have had time to establish a plan for achieving your financial objectives.
 - If the event was unexpected, assemble your team, think through your goals and establish your plan now.
- Monitor your tax situation
 - New wealth frequently means taxes, so make certain you consult with a qualified tax professional and maintain sufficient liquidity for any outstanding tax liabilities.
 - Do not take undue risks with assets set aside to pay taxes.
- Maintain your privacy
 - Remember: Wealth attracts attention – not always welcome and not always well meaning.



Now that you have financial resources to make a significant difference in the lives of those you care about, what is the best way to do so?

AFTER THE EVENT

Expect a period of adjustment after a wealth-creation event – especially if it creates enough money to dramatically alter your lifestyle or objectives. Like any change, the arrival of new wealth takes some getting used to. Keep in mind that while the needs of others may be valid, they must be considered within the context of your overall financial situation. This can include significant tax liabilities and the desire to generate reliable long-term income from your wealth.

An ongoing challenge with wealth management is the need to monitor your investments. Your Raymond James advisor has experience and access to comprehensive resources to support the investment process – from selecting the investments to helping you adjust the overall asset mix and rebalance your portfolio on a regular basis.*

Stick to your plan for success after the event

- Implement the components of your financial plan with your assembled team
 - This should include your investment strategy, estate planning, tax planning, cash and lending, and risk management.
- Monitor your cash flow and spending
 - Your portfolio often represents an irreplaceable asset that must support your income requirements for many years to come. However, your individual financial circumstances are dynamic, so constant monitoring is important.
 - Large withdrawals from a portfolio for immediate financial needs are often unsustainable. They can increase the risk that your objectives will not be met – or worse, that you could run out of money in your lifetime.
- Manage risk
 - Wealth brings an increased risk of being targeted for financial scams, frivolous lawsuits, worthless investment “opportunities” and other problems.
 - Talk to your advisor about asset-protection strategies to safeguard your wealth.
 - Do not enter into a private investment opportunity without proper due diligence and careful consideration of how the investment fits in your overall plan.
- Consider your legacy
 - Wealth enables you to benefit others in ways not possible before. Many philanthropic efforts also provide tax advantages.
 - This is an area that requires specific expertise and careful coordination with other aspects of your financial plan.

*Asset allocation does not guarantee a profit nor protect against loss.

UNDERSTANDING THE EMOTIONAL IMPACT OF WEALTH CREATION

Attaining significant wealth can generate a variety of emotional issues – especially if the financial event was sudden and/or unexpected. Many studies have shown that people who receive large amounts of money often experience anxiety, guilt and confusion as the reality of their new situations sink in. But emotional impact is not limited to the person receiving the money. A particularly unfortunate – but not uncommon – occurrence is jealousy on the part of siblings and other relatives.

Psychologists have identified a condition called “sudden wealth syndrome.” Wealth recipients display this condition by acting in irrational ways that range from reckless spending to withdrawing from friends and family. Because of the emotional impact that you – and possibly those around you – may experience, you might consider including an impartial specialist as part of your advisory team, especially if you anticipate difficulties in dealing with family issues. The emotional issues surrounding the creation of wealth are easier to handle if you acknowledge that they are real and take steps to deal with them appropriately.

So what exactly are these emotions and family concerns? Here are some for you to consider. Once you do, you may be able to add some of your own.

I'm concerned about ...

- | | |
|---|---|
| <input type="checkbox"/> My spendthrift child | <input type="checkbox"/> Leaving too much money to my children |
| <input type="checkbox"/> People targeting me because of my new wealth | <input type="checkbox"/> My spouse remarrying after I am gone |
| <input type="checkbox"/> Passing my values on to my heirs | <input type="checkbox"/> How much I can afford to give away to charity |
| <input type="checkbox"/> Caring for my disabled child when I'm gone | <input type="checkbox"/> Losing my wealth in the market |
| <input type="checkbox"/> How much income my investments will produce over my lifetime | <input type="checkbox"/> Paying too much in taxes both now and/or in the future |
| <input type="checkbox"/> My investments reflecting my social values | <input type="checkbox"/> Taking care of my unmarried partner |
| <input type="checkbox"/> Giving my grandchildren incentives to go to college | <input type="checkbox"/> My family continuing to use the professionals I have worked with and trust |
| <input type="checkbox"/> My legacy | <input type="checkbox"/> Other |

Emotional dynamics reinforce the need to assemble a competent, experienced team of trusted professionals to monitor your situation and propose solutions. Sharing your biggest concerns enables your team to address them in the strategies they propose.

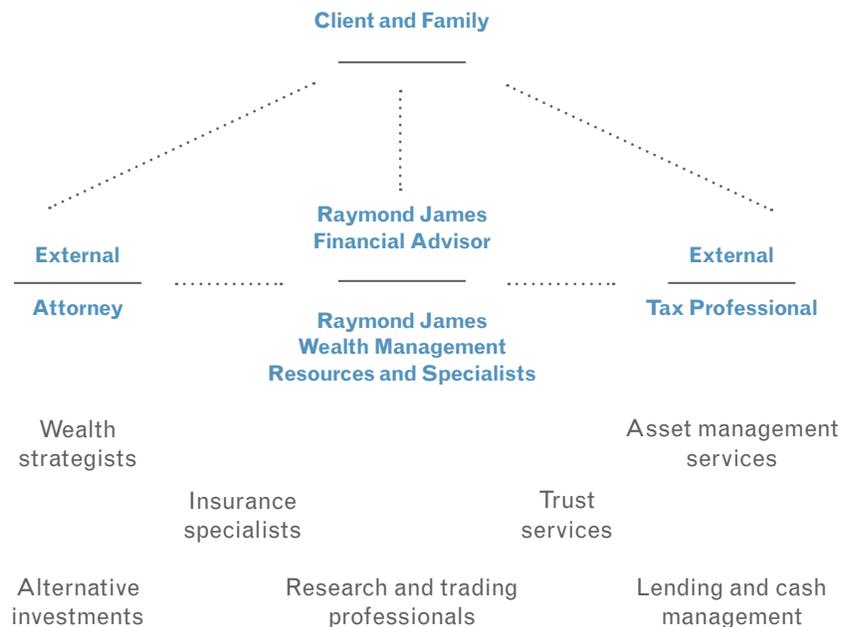
Throughout the legacy planning process, you and your family are supported by a team of professionals dedicated to making your vision for the future a reality.

BENEFIT FROM THE VALUE OF PROFESSIONAL ADVICE

The challenges of wealth may be new to you, but they are familiar to the financial professionals at Raymond James. Through the years, we've helped thousands of clients deal with the same issues. That experience and expertise, along with the comprehensive resources of a firm that handles more than \$370 billion in client assets, is readily available to your financial advisor as you work together to meet the challenges of wealth.

Remember, the issues surrounding the creation of wealth are complex and interrelated. That's why it's important to receive high-quality professional advice. But it's even more important that your financial advisor has the freedom to make recommendations and provide potential solutions based on your specific objectives – like your Raymond James advisor does.

Whether you need assistance in managing your investments, planning your estate, setting up college funds, broadening your insurance coverage, minimizing taxes, establishing trusts or any of the many other issues that come with wealth, you can have complete confidence in your financial advisor and the financial professionals at Raymond James.





Through your Raymond James advisor, you'll have a team of experienced, knowledgeable financial professionals by your side to help you achieve your goals and make the most of the opportunities that await you.

FACING THE CHALLENGES WITH THE HELP OF YOUR RAYMOND JAMES ADVISOR

Every person's financial situation is unique. And each person's plan should be tailored to best address the particular case. Your Raymond James advisor will work with you and the necessary experts to help build a plan that best suits your needs.

In preparation for your first discussion, below we've provided a short list of questions to consider and discuss with your financial advisor. Please review them, discuss the appropriate points with your family, and reach out to us when you feel the time is right. Our promise to you is that we will do everything we can to help produce a significant improvement to your financial well-being.

Some questions to consider:

Will this event and resulting wealth change my lifestyle or objectives significantly?

How do I estimate my future living expenses and income needs?
Can this wealth be my primary source of income going forward?

Are there specific family members with whom I want to share my new wealth? If so, how will I accomplish this?

What are my biggest concerns regarding the wealth event?

Will I continue to work with my existing attorney and/or tax professional?

What other relationships with financial professionals do I have or should I consider?

Have I planned purchases or investments with the assets from this event?

Have I and my existing professionals estimated the tax impact of the event?

Are there specific charities I would like to support?

Has my estate plan been updated to reflect my new financial situation?

LIFE WELL PLANNED.

RAYMOND JAMES®

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