

Peace of mind for generations: How Mesirow helped a family protect their assets and legacy

by Lee Gordon and Stephanie Feldman

Background

The client, John, was a 90-year-old widower with three adult children and six grandchildren.

- During the client and his wife's lifetime, they established Trusts for each of the grandchildren, using a portion of their lifetime exemption.
- When his wife passed, her assets exceeded the Illinois state estate tax exemption and Federal estate tax exemptions (which at that time was much lower than today.) As a result, a Marital and Family Trust were funded for the husband's benefit.
- In addition to assets held in Irrevocable Trusts for his benefit, he had assets titled in his own name, specifically his Revocable Trust and retirement assets (IRAs and Roth IRAs).

Separate from the funds held for individuals and family, the couple established a large family foundation they funded regularly.

Situation

Need for a more strategic and organized plan for cash flow and long-term legacy

The family came to Mesirow because the trusts' investments, utilization of the funds for the client's ongoing needs, and eventual transfer to the next generation was in question.

The client lived independently but had a limited understanding of the differences between the various trusts. He was also becoming increasingly dependent on his children regarding his finances.

Questions that needed to be addressed included:

- Should the investments of the trusts be the same?

- Does it matter where funds are distributed from?
- Why the Marital Trust vs. The Family Trust?
- What will happen to these assets upon the client's passing?
- How are John's individual assets invested?
- How should the Foundation be managed? Should the assets be rolled into a donor advised fund?

Solution

Created a cash flow and legacy strategy integrated with more strategic asset allocation and investment lineups

1. After a period of document collection, due diligence and analysis, the Mesirow team provided the following observations and recommendations:

- Created a summary of the overall balance sheet.
- Reviewed all asset details and recommended revised strategies and allocations.
- Analyzed and optimized the client's Revocable Trust and other entities.
- Created a strategy to meet the client's cash draw downs.

2. In addition to the client's Revocable Trust, there were several single stock holdings within the entities that were not clear as to what the "strategy" was for the specific entity. The team repositioned a portion of the portfolio utilizing both active and passive investment strategies.

3. The repositioning within the generational trusts, which would not be included in John's estate, now have a longer-term growth strategy than some of the other assets. There was opportunity to position the assets with a strategy of long-term growth while also achieving the beneficiary's ongoing cash flow needs. This differentiation among the trust entities and accounting for John's needs was imperative.

Conclusion

Helping our clients and their family pursue peace of mind

While working with the client, his three children approached the team with opportunities to work with them on managing their assets and disparate finances, which ultimately led to working with their six

children.

Over the last several years that the family has been a Mesirow client, the client and other family members' trust and reliance on the Mesirow team for guidance continues to grow. This three-generation relationship is based on the team's unbiased opinion on investments, time they spend ensuring they are comfortable, and actions taken that are solely for each of their best interest.

Discussions are a true holistic approach to the entire family's financial health. The team's financial planning expertise has allowed them to bring the solutions needed to all family members and will continue to do so for many years.

Published January 2025

Important disclosure information:

The testimonial provided was made by a current client of Mesirow Wealth Management a division of Mesirow Financial Investment Management, Inc. an SEC-registered investment advisor. Securities offered through Mesirow Financial, Inc., member FINRA, SIPC. Advisory Fees are described in Mesirow Financial Investment Management, Inc.'s Part 2A of the Form ADV. Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc.

Clients were not compensated, directly or indirectly, for providing any testimonial of Mesirow, its Advisers or their services. Keeping in mind that no two clients, situations, or experiences are exactly alike, the client testimonial should not give any assurance that Mesirow may be able to help any client achieve the same satisfactory results. To the contrary, there can be no assurance that a client or prospective client will experience a certain level of results or satisfaction if Mesirow is engaged, or continues to be engaged, to provide investment advisory services.

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Mesirow, or any non-investment related content, made reference to directly or indirectly in this testimonial will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this testimonial serves as the receipt of, or as a substitute for, personalized investment advice from Mesirow.

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc. ©2025, Mesirow Financial Holdings, Inc. All rights reserved. Any opinions expressed are subject to change without notice. Past performance is not indicative of future results. Advisory Fees are described in Mesirow Financial Investment Management, Inc.'s Form ADV Part 2A. Advisory services offered through Mesirow Financial Investment

Management, Inc. an SEC registered investment advisor. Securities offered by Mesirow Financial, Inc. member FINRA and SIPC.