MORE MONEY, SMARTER GOALS: WHY FINANCIAL PLANS MUST EVOLVE WITH WEALTH

POWER POINT

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We often encounter a curious paradox in our over two decades of practice. On one end are families believing they have "too little money" to define financial goals. On the other are high-net-worth families who believe they don't need financial goals because they already have enough money to afford whatever they want. In reality, everyone has financial goals. As wealth grows, those goals don't disappear—they become larger, more nuanced and significantly more complex.

For many families, financial goals are relatively straightforward: funding a child's overseas education, retiring early, taking international holidays and ensuring adequate health insurance. As net worth rises, however, those goals undergo a structural shift. An overseas education is no longer just about paying tuition fees. Families may also need to consider an EB-5 visa or another residency programme so children can work in the US or Europe after graduation. Local health insurance may no longer suffice and may need to be upgraded to global medical cover. With AI reshaping labour markets, wealthy parents are increasingly creating dedicated "opportunity pools of capital" to support children through career transitions or entrepreneurial ventures.

At this stage, wealth can no longer be viewed as one large, undifferentiated pool chasing a single benchmark. Families are simultaneously funding multiple objectives—lifestyle, business liquidity, intergenerational wealth transfer and philanthropy. Rather than asking, "What is the optimal portfolio?", we encourage families to ask a more useful question: "What is each part of this capital meant to accomplish?" This shift forms the foundation of goals-based asset allocation, moving the conversation from maximizing returns to matching capital with purpose.

The three-bucket framework

One practical way to implement goals-based investing is to divide the family balance sheet into three distinct buckets.

The liquidity bucket

This pool funds near-term spending, taxes, lifestyle costs, capital calls and business flexibility. In bull markets, holding significant liquidity may seem inefficient. But this bucket isn't designed to maximize returns—it's designed to preserve decision-making. When markets become volatile, liquidity ensures families are never forced to sell long-term assets at depressed prices. It provides the flexibility to stay patient when markets become noisy.

The longevity bucket

This capital is designated to sustain your family's standard of living and financial independence over the next decade—or multiple decades. Here, inflation is the quiet adversary. To defend your long-duration purchasing power, this bucket requires a

sophisticated, globally diversified mix of growth assets: equities, real assets, carefully sized private credit, and international allocations. Its job is to outpace inflation and maintain your lifestyle across generations.

The legacy bucket

This is wealth intended to outlive its creator—capital earmarked for children, grandchildren or philanthropic causes.

Once this bucket is clearly separated from lifestyle requirements, families often realise it can withstand considerably higher volatility and illiquidity than previously assumed. That makes it the natural home for long-term investments such as private equity, long-gestation real estate and global growth strategies.

Redefining risk

Viewed through this framework, the meaning of investment risk changes. Risk is no longer daily portfolio volatility. The real risk is failing to achieve an important financial objective.

If money needed within two years is exposed to a severe equity correction, that is risk. Equally, if legacy capital remains parked in cash for decades and fails to keep pace with inflation, that too is risk.

> A goals-based investment strategy aligns every pool of capital with a clear objective

To transform a portfolio from a collection of investments into a purpose-driven wealth strategy, we recommend five practical shifts:

- Stop viewing total wealth as one undifferentiated pool.
- Define goals with precision, based on priority and horizon.
- Build buckets around liquidity, longevity and legacy.
- Introduce illiquid investments only where the investment horizon genuinely supports them.
- Measure success by progress towards family goals—not simply by outperforming market indices.

Ultimately, enduring wealth is not defined by a single rate of return. It is about enabling your lifestyle, preserving financial flexibility, protecting your family's dignity and passing on not only assets, but also values, across generations.

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