



## What you need to know about... **INHERITING WEALTH**

*If you are ever in a position of inheriting a large sum of money, would you know what questions to ask or what to do?*

A large inheritance can be both a boon and a burden—a boon because the money could come in handy someday and a burden because it imposes a responsibility on the recipient to manage it, use it wisely or simply just not squander it.

Preventing money issues from inherited wealth begins with preparation, proper planning and education. We believe the easiest preventive step is to find a sophisticated estate planning partner familiar with the impacts of large amounts of wealth within families.

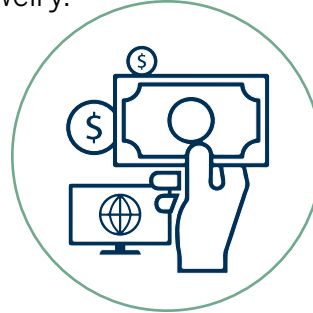
At Brown Advisory, we believe thoughtful, generational advice sits at the intersection of wisdom and trust. As advisors, it's our role to bring together our years of experience to deliver customized education and advice to our clients.

We understand that good financial planning happens at every stage of life. We are here to help you:

- Understand what you need to know and be aware of
- Be intentional about how to use your inheritance
- Watch out for taxes

## 1. It's important to know *what* you are inheriting.

Inheritance comes in many forms, like very liquid assets (e.g., cash, publicly traded stocks), or valuable but not easily fungible assets, like collectibles and jewelry.



**Financial Capital:** Cash, 401k, IRA, Insurance Proceeds, Brokerage Account, Annuity, Trust



**Real Assets:** House, Car, Antiques, Jewelry

## 2. How much is coming?

Understanding the size of an inheritance helps you and your team plan for things like:

- What taxes will you/the estate owe?
- Is there debt that needs to be repaid?
- Are there restrictions on the use of the capital?

## 3. Understanding *when* is important.

There are implications to consider depending on when capital becomes available, such as at the closing of the estate or in tranches along the way.



**Lump sum**



**Installments**

## 4. Where is the capital located? Is it currently invested?

- How is it invested?
- What's the right investment strategy?
- Is there a manager or custodian?

## 5. Is a trust associated with the capital?

- Who are the beneficiaries?
- Who is the trustee?
- How are distributions made?
- Will the trust remain intact?

## 6. The *right* partner

We partner with our clients—and our clients' advisors—to assist through all steps of this journey. We have experience in navigating a diverse array of situations and look forward to discussing your unique circumstances and how a partnership with Brown Advisory might serve your needs. We are also happy to provide references upon request.

In addition to your Brown Advisory team, we are also happy to help think through a holistic network of advisors to support your unique needs. Your team may include:

- A certified public accountant (CPA) or tax advisor
- An insurance agent
- An investment professional
- An estate planning attorney
- A tax attorney
- A real estate agent



*Receiving an inheritance is not as simple as it seems. There may be emotional, legal and financial implications that can feel overwhelming. Take your time, ask questions and build a team to help you navigate the situation. Brown Advisory is committed to working with our clients and assisting in the process of inheriting wealth.*



Brown Advisory is a private, independent investment management and strategic advisory firm. We partner with our clients to make a material and positive difference in their lives. We are committed to delivering a combination of first-class investment performance, creative and thoughtful strategic advice and the highest level of service.

**[www.brownadvisory.com/us/clients](http://www.brownadvisory.com/us/clients)**

The views expressed are those of Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be and should not be relied upon as investment advice and are not intended to be a forecast of future events or a guarantee of future results. Past performance is not a guarantee of future performance and you may not get back the amount invested.

The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. This piece is intended solely for our clients and prospective clients, is for informational purposes only, and is not individually tailored for or directed to any particular client or prospective client. Any business or tax discussion contained in this communication is not intended as a thorough, in-depth analysis of specific issues. Brown Advisory does not render legal or tax advice. Prior to making an investment decision, a prospective investor should consult with its own legal, tax, accounting and other advisors to determine the potential benefits, burdens, and other consequences of such investment.