



The Power of Trusts:

Protecting Family Wealth for Future Generations

"When you think of your family 50 years from now, will they reflect on the security you provided with a trust—or the opportunities that slipped away without one?"

This question invites us to think beyond the present moment and consider the long-term impact of our decisions today. The legacy we leave behind is not just about the assets we accumulate but also about how we protect and pass them on.

Family wealth, which arguably is one of the most important legacies of all, is more than numbers in a bank account statement; it is the foundation for opportunities, stability, and growth. Yet, without careful planning, this foundation may quickly erode.

Stories of families losing wealth within a generation are far too common, often because no clear structure was in place to protect what was built. Then, how do you keep your family’s wealth from becoming just another cautionary tale?

This is where trusts come in. This article shines the light on its importance and how they can offer your family financial security, well beyond the present.

What is a Trust?



A trust is a legal arrangement where one-person (the grantor or settlor) transfers assets to another person or entity (the trustee) who manages those assets for the benefit of a third party (the beneficiary). It provides a solid framework to protect your wealth and distribute it according to your wishes.

How does it work?

- THE SETTLOR

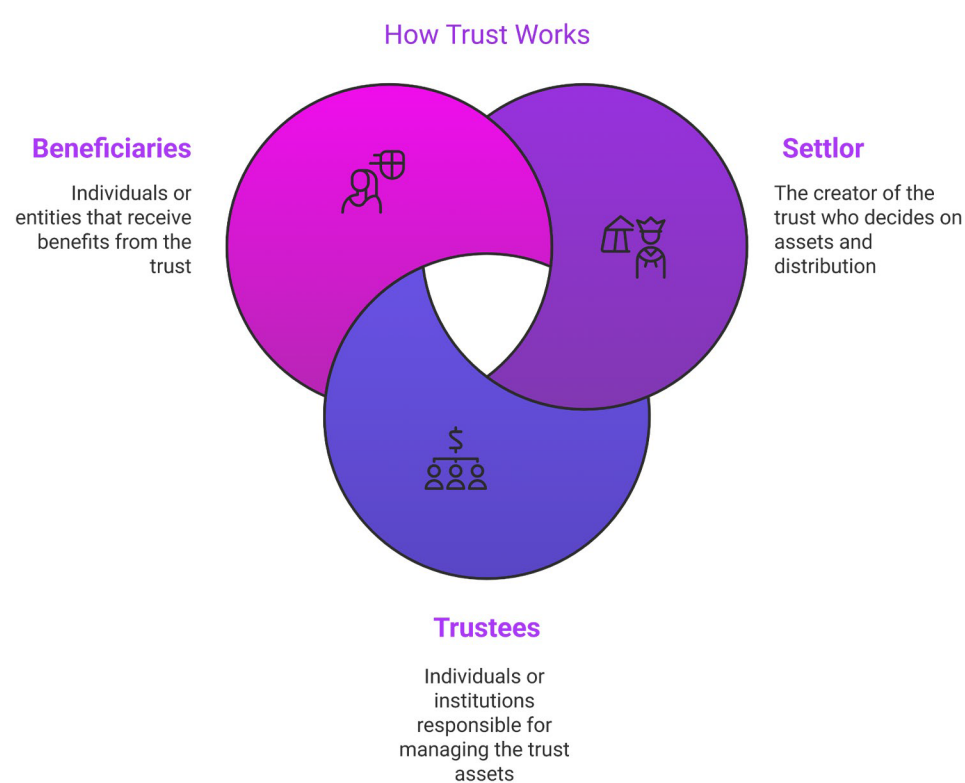
This is you; the person who creates the trust. You decide what assets to include, who will manage them, and how they will be distributed.

- TRUSTEES

The person or entity responsible for managing the trust assets according to the terms of the trust document.

- BENEFICIARIES

These are the individuals or entities that will ultimately benefit from the trust assets. They could be your children, other family members, or even charitable organisations.



To bring this to life, imagine this scenario:

Adekunle (settlor) wants to make sure that his two children, Tolu and Kemi (beneficiaries), have access to quality education, even if he is no longer around. He sets up a trust and places some of his properties and investments into it. He then names Coronation Trustees, a trust company, as trustees. Adekunle instructs them to use the trust's income to pay Tolu and Kemi's school fees until they complete university.

This is a simple example of how a structured plan will help guarantee your loved ones a protected future, devoid of any doubts or disruptions.

The Risks of Inadequate Planning

Without proper planning, family wealth may face significant risks that go beyond finances. These risks often lead to disputes, delays, and loss of value, which in turn impacts both relationships and opportunities for the next generation.

As we have seen with a lot of families, these are some of the most common issues that arise as a result of poor planning:

- **Lengthy Legal Disputes**

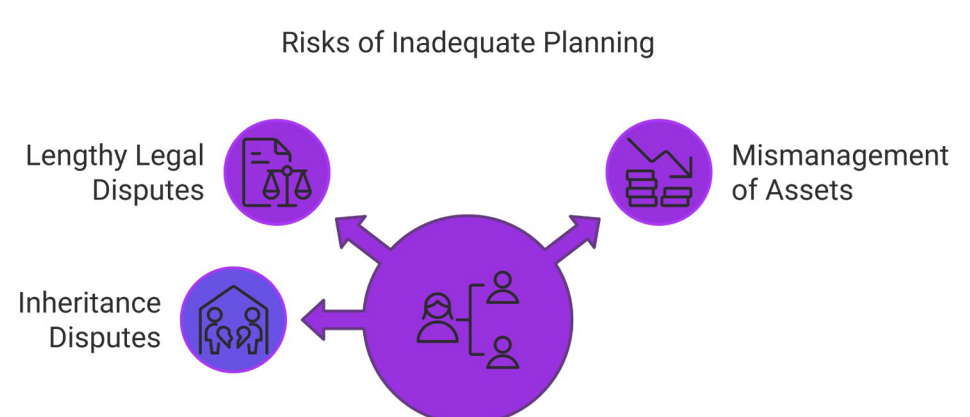
When there is an absence of a structure for asset distribution, families may end up in court. This process can take years and, consequently, may drain both time and money.

- **Mismanagement of Assets**

Without a trusted system in place, assets may be poorly managed or even lost. A consequence of this is a reduction in the value of what could have been passed on.

- **Inheritance Disputes**

When expectations differ among family members, arguments can arise over who gets what. This often leads to strained relationships and fractured family bonds.



Trust as a Solution for Control and Stability

A trust allows you to set clear instructions on how your wealth should be managed and distributed, both during your lifetime and after. This structure not only provides you with control but also helps shield your assets from potential risks.

Here's how trust can help protect your family's finances and offer stability:

- **Clarity in Asset Distribution**

With a trust, you decide who gets what, when, and how. This eliminates uncertainty and prevents disputes, as everyone understands the plan upfront.

● Tax Efficiency

Depending on how it is set up, a trust may help minimize taxes, thereby preserving more of your wealth for your family.

● Creditor Protection

Trusts can safeguard assets from creditors so that the wealth you have built remains with your loved ones.

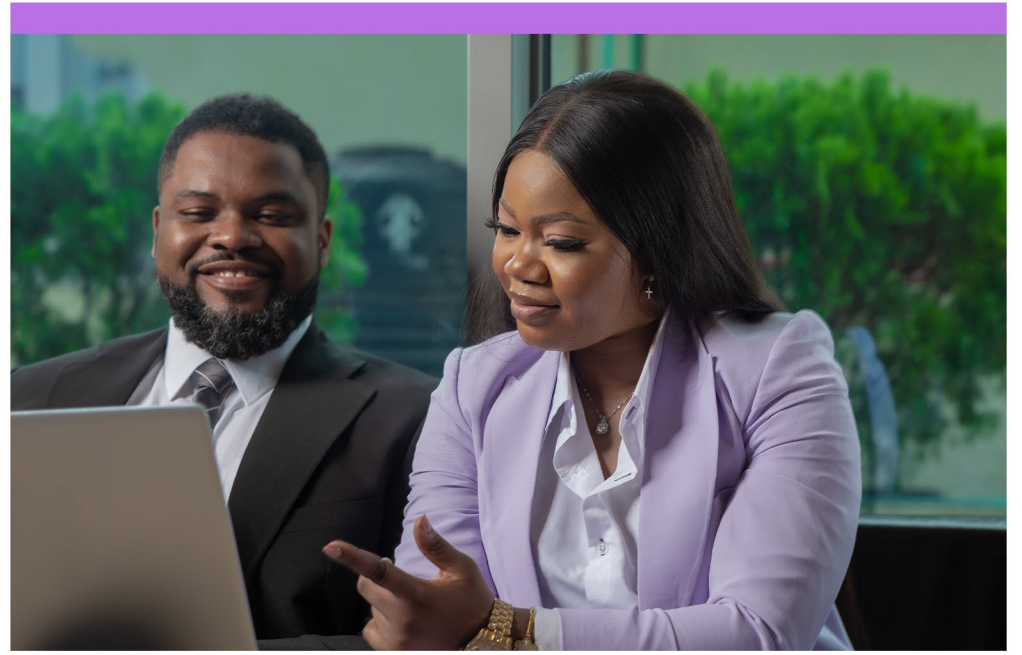
● Avoiding Probate Delays

Assets in a trust typically bypass the probate process, which means your family gains access to funds faster and with less hassle.

● Protecting Against Mismanagement

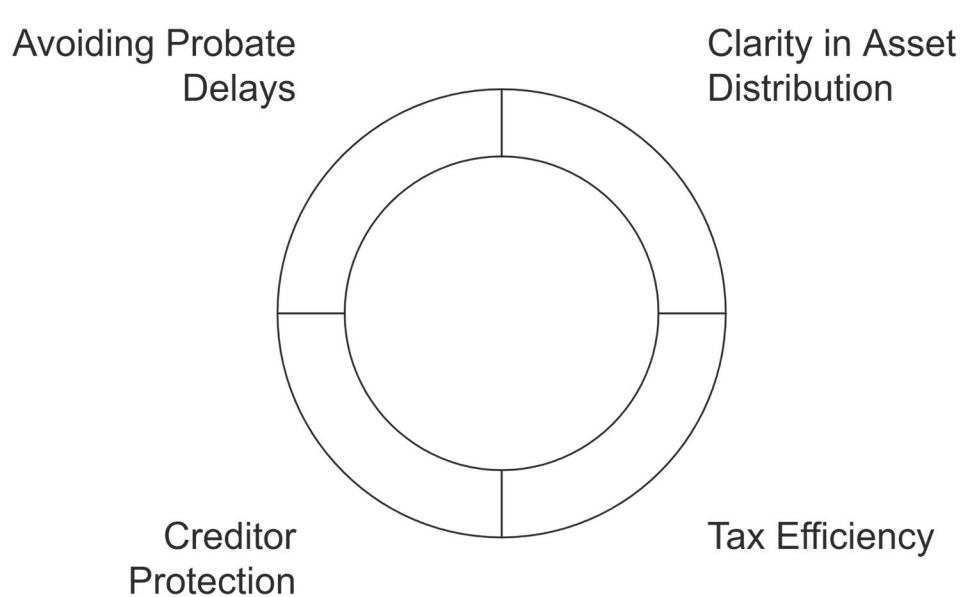
By appointing a reliable trustee, you can prevent poor financial decisions and ensure that funds are used responsibly.

How Coronation Trustees Support Your Estate Planning



At Coronation Trustees, we specialise in helping you organise and protect your wealth for the future. Our team works closely with you to create solutions tailored to your specific needs. We simplify the process, offering clear guidance and expertise to protect your assets and help them grow over time. To contact our Trust advisors, email: trustee@coronationnt.com for personalized advice and support. With our support, you can make confident decisions about your estate plan, knowing that it will reflect your goals and secure your family's finances.

Trusts for Financial Stability



A trust is a powerful tool for securing your family's future, providing clarity and reducing potential conflicts. It helps protect your wealth from external risks and ensures that your assets are managed according to your wishes. If you are aiming for long-term stability and family harmony, a trust can offer a reliable solution to keep everything in order.



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