

NOYACK



♥ Investing for Love:

Family Financial Planning with Goal-Based Investing

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Investing for Love: Family Financial Planning with Goal-Based Investing

Introduction

At NOYACK, we believe in investing for the love of your family. Traditional investment strategies often focus on personal gain—big houses, fast cars, and private planes. However, we see wealth as a means to an end, not the end itself. **Our unique approach, Investing for Love, emphasizes the importance of building a secure financial future** for those you care about the most. In this e-book, we'll explore family financial planning through the lens of goal-based investing, helping you create a legacy that reflects your love and commitment to your family.





CHAPTER 1



Understanding Goal-Based Investing



1.1

What is Goal-Based Investing?

Goal-based investing is a strategy that focuses on achieving specific financial goals rather than maximizing returns.

This approach aligns your investment strategy with your financial objectives, ensuring that your investments are tailored to meet your family's needs and priorities. Goal-based investing involves setting clear financial goals, assessing your risk tolerance, and creating an investment plan that supports these objectives.



1.2

The process of goal-based investing involves several key steps:

The process of goal-based investing involves several key steps:

✓ Define Your Goals:

Start by defining your financial goals, such as funding education, buying a home, or saving for retirement. Be specific about what you want to achieve and the time frame for each goal.

✓ Assess Your Risk Tolerance:

Determine your risk tolerance, or how much risk you are willing to take with your investments. This will help you choose investments that align with your risk tolerance and financial goals.

✓ Create an Investment Plan:

Develop an investment plan that outlines the types of investments you will use to achieve your goals. Consider factors such as asset allocation, diversification, and investment time horizon.

✓ Implement and Monitor:

Implement your investment plan and monitor your progress regularly. Adjust your investments as needed to stay on track with your financial goals.





CHAPTER 2

The Concept of Investing for Love



What is Investing for Love?

Investing for Love is about making financial decisions that prioritize the well-being and future of your family. It involves a shift from self-centered financial goals to those that reflect your commitment to providing security, opportunities, and happiness for your loved ones. **This approach emphasizes the importance of creating a legacy that reflects** your values and supports your family's long-term well-being.

Investing for Love is not just about accumulating wealth; it's about using your financial resources to create a positive impact on your family's life. This means prioritizing investments that align with your values and support your family's goals. Whether it's funding your children's education, providing for your parents' retirement, or supporting charitable causes, Investing for Love focuses on using wealth to create a meaningful and lasting legacy.



2.2

Benefits of Investing for Love

Investing for Love offers several key benefits:

✓ Emotional Fulfillment:

Knowing your investments are creating a better future for your family provides a sense of purpose and fulfillment. By prioritizing your family's well-being, you can find greater satisfaction in your financial decisions.

✓ Legacy Building:

Establishing a lasting impact that goes beyond monetary wealth. Investing for Love allows you to create a legacy that reflects your values and supports your family's long-term well-being.

✓ Financial Security:

Ensuring your family is protected against financial uncertainties. By prioritizing investments that provide financial security, you can safeguard your family's future and provide them with the means to achieve their dreams.

✓ Diversification:

Diversifying your investments helps spread risk across different asset classes, reducing the impact of any single investment's poor performance on your overall portfolio.

✓ Tax Benefits:

Certain investments, such as fine art and venture capital, offer significant tax advantages. For example, the appreciation of fine art is often taxed at a lower rate than ordinary income, and venture capital investments can offer substantial tax benefits if structured properly.



CHAPTER 3



Setting Family Financial Goals



Buying a family home

Owning a home provides stability and security for your family. Setting a goal to save for a down payment and plan for mortgage payments can help you achieve this important milestone.

3.1

Identifying Your Financial Goals

Start by identifying what you want to achieve with your investments. **These goals might include:**



Funding your children's education

Providing your children with a quality education is one of the most important investments you can make. By setting aside funds for their education, you can ensure that they have the opportunities they need to succeed.

Building an emergency fund

An emergency fund provides financial security in the event of unexpected expenses, such as medical emergencies or job loss. Aim to save three to six months' worth of living expenses in a high-yield savings account.



Saving for retirement

Ensuring that you have enough funds to enjoy a comfortable retirement is essential. Setting retirement savings goals and contributing to retirement accounts can help you achieve financial security in your later years.

Supporting aging parents

Providing financial support for your aging parents can help ensure their well-being and reduce financial stress. This might include contributing to their living expenses, medical costs, or long-term care.



3.2

Prioritizing Your Goals

Once you've identified your goals, prioritize them based on urgency and importance. **This will help you allocate resources effectively and ensure** that the most critical needs are met first. Consider the following factors when prioritizing your goals:



✓ Time Horizon:

Short-term goals, such as building an emergency fund or saving for a down payment, should be prioritized over long-term goals, such as retirement savings.

✓ Impact:

Goals that have a significant impact on your family's financial security and well-being should be prioritized over those that have a lesser impact.

✓ Flexibility:

Some goals, such as funding education or supporting aging parents, may have more flexibility in terms of timing and funding. Consider the flexibility of each goal when prioritizing your financial plan.



CHAPTER 4

Building a Family Financial Plan



4.1

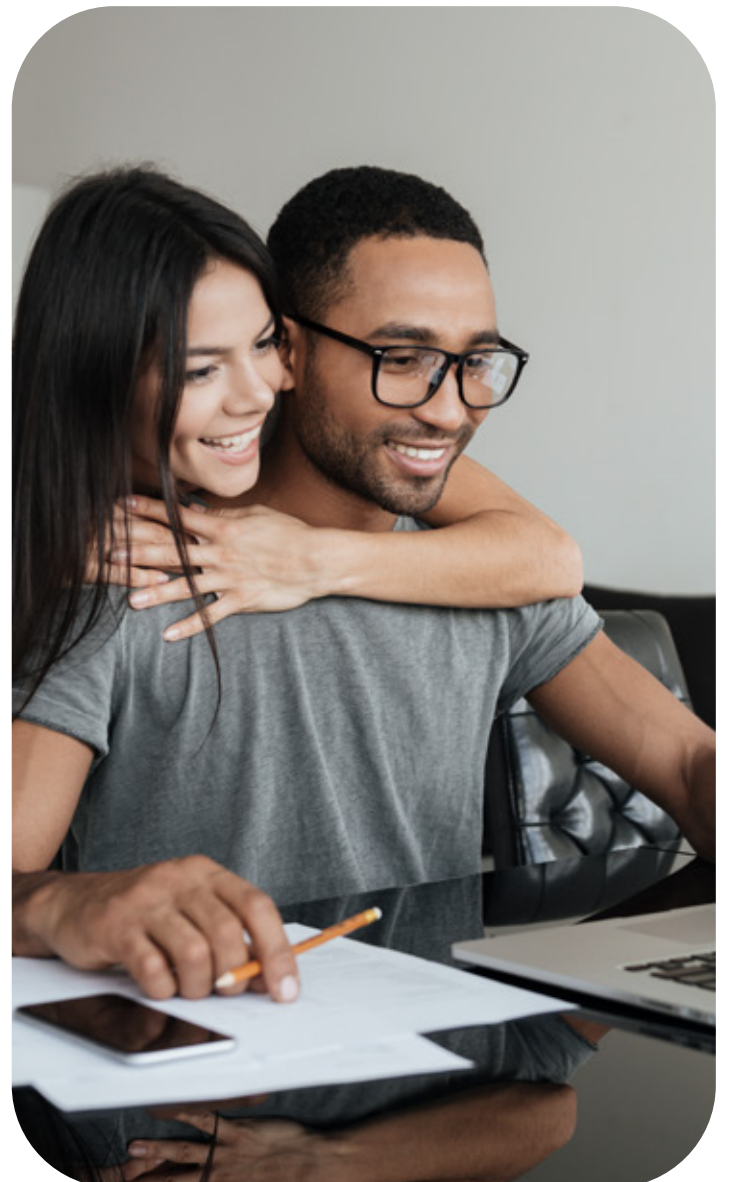
Track Income and Expenses

Start by tracking your income and expenses for a month to understand your spending habits. This will help you identify areas where you can cut costs and allocate funds towards savings and investments.

Budgeting and Saving

A solid financial plan starts with a realistic budget that tracks income and expenses. Allocate funds for savings and investments to ensure you're building wealth for the future. A budget helps you manage your money effectively, ensuring that you live within your means and allocate funds towards your financial goals.

Creating a budget involves several key steps:



4.2

Emergency Fund

An emergency fund is crucial for handling unexpected expenses without derailing your financial plan. Aim to save three to six months' worth of living expenses in a high-yield savings account. An emergency fund provides a financial safety net, allowing you to cover unexpected expenses without relying on credit cards or loans. **Building an emergency fund involves several key steps:**

✓ Set a Savings Goal:

Determine how much you need to save to cover three to six months' worth of living expenses. This will vary based on your monthly expenses and financial obligations.

✓ Automate Savings:

Set up automatic transfers from your checking account to your savings account to ensure consistent contributions to your emergency fund.



✓ Prioritize Contributions:

Make saving for your emergency fund a priority, even if it means cutting back on discretionary spending. The peace of mind that comes from having a financial safety net is well worth the effort.

✓ Keep Funds Accessible:

Ensure that your emergency fund is easily accessible in case of an emergency. A high-yield savings account or money market account is a good option, as it provides liquidity and earns interest on your savings.

4.3 Insurance

Protect your family's financial well-being with appropriate insurance coverage. This includes health, life, disability, and home insurance. Insurance policies provide financial protection in the event of illness, injury, or death, ensuring that your family is protected against unforeseen events. **Key types of insurance to consider:**

✓ Health Insurance:

Provides coverage for medical expenses, including doctor visits, hospital stays, and prescription medications. Ensure that you have adequate health insurance coverage to protect against high medical costs.

✓ Life Insurance:

Provides financial support to your family in the event of your death. Consider term life insurance, which provides coverage for a specific period, or whole life insurance, which provides lifelong coverage.

✓ Disability Insurance:

Provides income replacement if you are unable to work due to illness or injury. Short-term disability insurance provides coverage for a few months, while long-term disability insurance provides coverage for an extended period.

✓ Home Insurance:

Provides coverage for damage to your home and personal property, as well as liability protection in case someone is injured on your property. Ensure that your home insurance policy provides adequate coverage for your needs.





CHAPTER 5



Goal-Based Investing Strategies



5.1

Introduction: The Historical Perspective of Goal-Based Investing

Understanding Goal-Based Investing

Goal-based investing involves tailoring your investment strategy to achieve specific financial objectives. **This approach ensures that your investments align with your family's needs and priorities.** By focusing on your financial goals, you can create a customized investment plan that supports your family's long-term well-being.

Goal-based investing was once a highly popular investment strategy. It gained significant traction due to its focus on aligning investments with individual financial goals. However, it fell out of favor as the characteristics of Generation X investors, who preferred more aggressive and short-term investment strategies, did not resonate with the principles of goal-based investing. Today, this strategy is experiencing a resurgence, particularly among Millennials and HENRYs (High Earners, Not Rich Yet). These demographics value personalized and meaningful investment approaches, making goal-based investing perfectly suited for their financial needs and aspirations.

Goal-based investing involves several key steps:

Define Your Goals:

- Start by defining your financial goals, such as funding education, buying a home, or saving for retirement. Be specific about what you want to achieve and the time frame for each goal.



Assess Your Risk Tolerance:

- Determine your risk tolerance, or how much risk you are willing to take with your investments. This will help you choose investments that align with your risk tolerance and financial goals.

Create an Investment Plan:

- Develop an investment plan that outlines the types of investments you will use to achieve your goals. Consider factors such as asset allocation, diversification, and investment time horizon.

Implement and Monitor:

- Implement your investment plan and monitor your progress regularly. Adjust your investments as needed to stay on track with your financial goals.

5.2

Investment Vehicles for Families

Consider various investment options to diversify your portfolio and achieve your goals:



✓ Stocks and Bonds:

For growth and income. Stocks provide the potential for capital appreciation, while bonds provide regular income through interest payments.

✓ Mutual Funds and ETFs:

Diversified investment options. Mutual funds and ETFs pool money from multiple investors to invest in a diversified portfolio of stocks, bonds, or other assets.

✓ Alternative Investments:

These include venture capital, fine art, and real estate. These investments offer unique opportunities for growth and diversification.

5.3

The Role of Goal-Based Investing in Modern Portfolios

Goal-based investing is particularly resonant with younger generations, especially Millennials and HENRYs, for several reasons:



✓ Personalization and Meaning

Millennials and HENRYs value personalized and meaningful financial strategies. They are less interested in generic financial products and more focused on investments that reflect their personal values and long-term goals. Goal-based investing allows them to create a financial plan that is tailored to their specific needs, such as funding education, buying a home, or achieving financial independence.





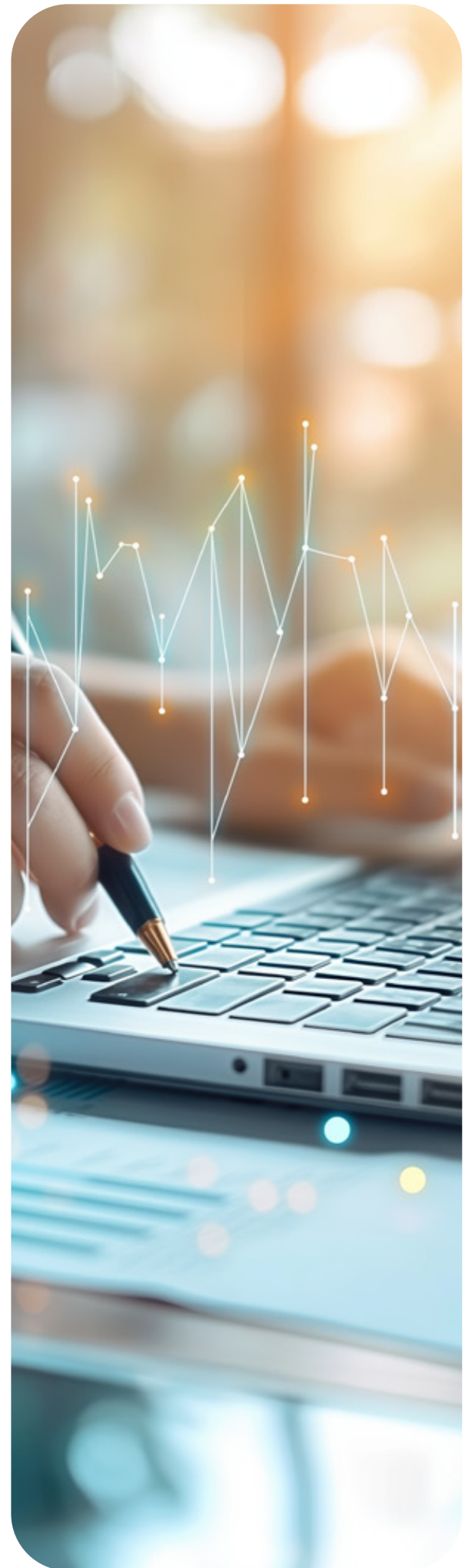
✓ Focus on Financial Wellness

Younger generations are increasingly focused on financial wellness, which encompasses not just financial security but also peace of mind and the ability to lead a fulfilling life. Goal-based investing supports this holistic approach by helping individuals set and achieve specific financial goals that enhance their overall quality of life. This approach aligns with their desire for a balanced and fulfilling lifestyle.



✓ Long-Term Perspective

Millennials and HENRYs tend to have a long-term perspective on their finances. They understand the importance of planning for the future and are willing to invest in strategies that will yield long-term benefits. Goal-based investing encourages this mindset by emphasizing the importance of setting and working towards long-term financial goals. This approach helps them stay focused and motivated, even in the face of short-term market fluctuations.





✓ Resilience and Adaptability

Goal-based investing is inherently resilient and adaptable. It allows investors to adjust their strategies as their circumstances and goals evolve. This flexibility is particularly appealing to younger generations, who may experience significant life changes such as career transitions, family growth, or relocations. By regularly reviewing and adjusting their investment plans, they can stay on track to achieve their goals despite changing circumstances.



✓ Educational Emphasis

Younger generations are proactive about educating themselves on financial matters. They seek out information through online courses, webinars, and financial advisors who specialize in goal-based investing. This educational emphasis helps them make informed decisions and stay engaged with their financial plans. By understanding the principles and benefits of goal-based investing, they can confidently navigate their financial journeys.

5.4

Implementing Goal-Based Investing

Implementing goal-based investing involves several key steps:

Setting Clear Goals

The first step in goal-based investing is to set clear and specific financial goals. These goals should be realistic, measurable, and time-bound. For example, a goal might be to save \$50,000 for a down payment on a home within five years. By setting clear goals, investors can create a focused and actionable investment plan.

Assessing Risk Tolerance

Understanding risk tolerance is crucial in goal-based investing. Investors should assess how much risk they are willing to take and choose investments that align with their risk tolerance. Younger investors, who have a longer time horizon, may be more comfortable taking on higher-risk investments for the potential of greater returns. Conversely, those nearing their goals may prefer more conservative investments to preserve capital.

Developing an Investment Plan

An investment plan outlines the strategies and investments that will be used to achieve financial goals. This plan should consider asset allocation, diversification, and investment time horizons. For example, an investor might allocate a portion of their portfolio to stocks for growth, bonds for stability, and alternative investments for diversification.



Regular Monitoring and Adjustment

Goal-based investing requires regular monitoring and adjustment. Investors should review their progress towards their goals and make adjustments as needed. This might involve rebalancing their portfolio, increasing contributions, or adjusting their investment strategies. By staying proactive and adaptable, investors can ensure they remain on track to achieve their goals.

Utilizing Technology and Tools

Technology and financial tools can play a significant role in goal-based investing. Many platforms offer goal-tracking features, investment calculators, and personalized financial advice. These tools can help investors stay organized, monitor their progress, and make informed decisions. Younger generations, who are tech-savvy, can leverage these resources to enhance their goal-based investing strategies.

5.5

The Benefits of Goal-Based Investing for Families

The process of goal-based investing involves several key steps:



✓ Alignment with Values

Goal-based investing allows families to align their investments with their values and priorities. Whether it's funding education, supporting charitable causes, or ensuring a comfortable retirement, this approach helps families invest in what matters most to them. This alignment with values can provide a sense of purpose and fulfillment, making financial planning more meaningful.

✓ Improved Financial Outcomes

By focusing on specific goals, families can improve their financial outcomes. Goal-based investing encourages disciplined saving and investing, which can lead to greater financial stability and success. It also helps families avoid impulsive decisions and stay focused on their long-term objectives.

④ **Enhanced Communication and Collaboration**

Goal-based investing can enhance communication and collaboration within families. By discussing financial goals and strategies, family members can work together towards common objectives. This collaborative approach can strengthen family bonds and ensure that everyone is on the same page regarding financial planning.

④ **Flexibility and Adaptability**

Life is unpredictable, and financial goals may change over time. Goal-based investing offers the flexibility to adapt to changing circumstances. Families can adjust their investment plans as their needs and priorities evolve, ensuring that they remain on track to achieve their goals despite life's uncertainties.

④ **Peace of Mind**

Finally, goal-based investing can provide peace of mind. Knowing that there is a clear plan in place to achieve financial goals can reduce stress and anxiety. Families can feel confident that they are taking the right steps to secure their financial future, which can contribute to overall well-being and happiness.



5.6

Platforms and Tools for Goal-Based Investing

Several platforms and tools can help families implement goal-based investing strategies:

✓ Robo-Advisors

Robo-advisors are automated investment platforms that use algorithms to create and manage investment portfolios based on individual goals and risk tolerance. They offer a convenient and cost-effective way to implement goal-based investing strategies. Popular robo-advisors include Betterment, Wealthfront, and Ellevest.

✓ Financial Planning Software

Financial planning software provides tools for setting goals, creating investment plans, and tracking progress. These platforms often offer personalized advice and educational resources. Examples include Personal Capital, Quicken, and YNAB (You Need A Budget).

✓ Investment Apps

Investment apps make it easy to invest and monitor portfolios on the go. Many apps offer goal-tracking features, educational resources, and personalized recommendations. Popular investment apps include Robinhood, Acorns, and Stash.

✓ Educational Resources

There are numerous online courses, webinars, and financial blogs that provide information on goal-based investing. These resources can help families learn about investing, set financial goals, and create effective investment plans. Websites like Investopedia, Coursera, and Khan Academy offer valuable educational content.



✓ Financial Advisors

Working with a financial advisor can provide personalized guidance and support for goal-based investing. Advisors can help families set realistic goals, develop investment plans, and navigate complex financial decisions. Many advisors specialize in working with younger generations and can offer insights into strategies that resonate with Millennials and HENRYs. By leveraging these platforms and tools, families can effectively implement goal-based investing strategies and achieve their financial goals. This approach provides a structured and purposeful way to manage investments, ensuring that families are on track to secure their financial future and build a meaningful legacy.

The future of goal-based investing looks promising, particularly as younger generations continue to adopt this approach. As Millennials and HENRYs become more engaged with their finances, the demand for personalized and meaningful investment strategies will likely increase. Financial institutions and technology providers are expected to continue developing innovative tools and platforms that cater to this growing market.

5.7

The Future of Goal-Based Investing

Moreover, the integration of environmental, social, and governance (ESG) criteria into goal-based investing is expected to gain traction. Younger generations are more likely to prioritize sustainable and ethical investments, and incorporating ESG factors into goal-based investing can help align their financial goals with their values.

Overall, goal-based investing offers a powerful framework for managing investments and achieving financial goals. By focusing on what matters most and leveraging the right tools and strategies, families can build a secure financial future and create a lasting legacy.



CHAPTER 6

Implementing and Monitoring Your Plan



Set Specific Goals

Define specific financial goals and the steps needed to achieve them. Be clear about what you want to achieve and the time frame for each goal.

6.1

Assign Responsibilities

Assign responsibilities for each step of your action plan. This might include tasks such as creating a budget, opening investment accounts, or purchasing insurance.

Creating an Action Plan

Develop a step-by-step action plan to achieve your financial goals. This should include specific actions, timelines, and milestones to track your progress. An action plan helps you stay organized and focused on your financial objectives.

Creating an action plan involves several key steps:



Establish Timelines

Establish timelines for each step of your action plan. Set deadlines for achieving milestones and regularly review your progress.



Track Progress

Track your progress regularly and adjust your action plan as needed. This will help you stay on track with your financial goals and make adjustments as necessary.

6.2

Monitoring and Adjusting Your Plan

Regularly review your financial plan to ensure it remains aligned with your goals. Adjust your strategies as needed to account for changes in your financial situation or market conditions. Monitoring your plan helps you stay on track and make informed decisions about your financial future.

Monitoring your plan involves several key steps:

✓ Review Your Goals:

Regularly review your financial goals to ensure they remain relevant and achievable. Adjust your goals as needed to reflect changes in your financial situation or priorities.



✓ Assess Your Investments:

Review your investment portfolio regularly to ensure it remains aligned with your goals and risk tolerance. Make adjustments as needed to maintain a balanced and diversified portfolio.

✓ Evaluate Your Budget:

Review your budget regularly to ensure you are living within your means and allocating funds towards your financial goals. Make adjustments as needed to stay on track with your budget.

✓ Update Your Insurance:

Review your insurance coverage regularly to ensure it provides adequate protection for your family's needs. Make adjustments as needed to maintain appropriate coverage.



CHAPTER 7



The Role of Alternative Investments in Family Financial Planning



7.1

Understanding Alternative Investments



Alternative investments are financial assets that do not fall into the traditional categories of stocks, bonds, or cash. These can include real estate, private equity, hedge funds, commodities, venture capital, and fine art. Alternative investments can provide diversification, reduce risk, and offer potential for higher returns, making them particularly suitable for family financial planning.

The resurgence of interest in alternative investments has been driven by their ability to enhance portfolio diversification and their potential to deliver superior returns. Traditional investment vehicles often fail to meet the specific needs of family financial planning, which requires a focus on long-term stability, capital preservation, and intergenerational wealth transfer. Alternative investments can fill this gap by providing access to unique opportunities that are not correlated with the broader financial markets.

7.2

Benefits of Alternative Investments

Alternative investments offer several benefits for family financial planning:

✓ Diversification

By adding alternative investments to your portfolio, you can reduce risk and improve returns by diversifying across different asset classes.

✓ Potential for Higher Returns

Alternative investments often offer higher returns compared to traditional investments, making them an attractive option for achieving financial goals.

✓ Hedge Against Inflation

Certain alternative investments, such as real estate and commodities, can act as a hedge against inflation, protecting your portfolio's purchasing power over time.



✓ Tax Advantages

Many alternative investments offer significant tax advantages. For example, the appreciation of fine art is often taxed at a lower rate than ordinary income, and venture capital investments can offer substantial tax benefits if structured properly.

✓ Access to Unique Opportunities

Alternative investments can provide access to unique opportunities that are not available through traditional investment vehicles. This can include investments in private companies, real estate projects, and more.

Diversification Explained

Diversification is a key strategy in investment management that involves spreading investments across different asset classes to reduce risk. By including alternative investments in a portfolio, investors can achieve greater diversification, as these assets often have low correlation with traditional investments like stocks and bonds.

This means that when traditional markets are volatile, alternative investments can provide stability and protect the overall portfolio from significant losses. For example, during economic downturns, real estate and commodities like gold often retain their value or even appreciate, providing a counterbalance to declining stock prices. Similarly, private equity and venture capital investments can offer growth opportunities that are not tied to public market performance. **By diversifying into these alternative asset classes, families can enhance their portfolios' resilience** and achieve more consistent long-term returns.



7.3

Types of Alternative Investments Suitable for Family Financial Planning

Several types of alternative investments can be particularly beneficial for family financial planning:



✓ Venture Capital

Investing in early-stage companies can offer substantial returns, especially if the company becomes successful. Venture capital investments allow families to participate in innovation and support the development of new technologies. Platforms like Noyack Venture Capital (NVC) provide access to high-growth potential startups, offering a diversified portfolio across various sectors to reduce risk.

For example, Noyack Venture Capital focuses on investing in promising startups in technology, healthcare, and **sustainable energy**, providing families with opportunities to support future-forward companies while achieving significant financial gains. Venture capital investments also offer the potential for substantial capital appreciation. For example, if a startup becomes highly successful, the returns on venture capital investments can far exceed those of traditional investments. Moreover, venture capital investments often come with additional benefits, such as access to new technologies and innovative business models, which can provide valuable insights and opportunities for further investment. Investing in venture capital also allows families to support businesses that align with their values and interests. This can be particularly rewarding, both financially and emotionally, as it enables investors to contribute to the growth and success of companies that are making a positive impact in the world.



✓ Fine Art

Investing in fine art can provide both financial returns and cultural enrichment. Fine art investments often appreciate in value over time and can be a hedge against inflation. Noyack Fine Art.01 (NFA.01) offers a way to invest in high-quality art collections, providing a diversified portfolio of artworks that can appreciate over time. **This investment not only offers potential financial returns but also allows families to enjoy and appreciate art**, making it a unique and fulfilling investment choice. Additionally, the appreciation of fine art is often taxed at a lower rate than ordinary income, providing significant tax benefits.

Fine art investments can also serve as a form of wealth preservation. Artworks often retain their value even during economic downturns, providing a stable store of value. Moreover, investing in fine art can enhance the aesthetic appeal of a family's living space, adding an element of cultural enrichment to their financial portfolio. **Art investment also provides opportunities for social engagement and networking.** Families who invest in art can participate in art fairs, exhibitions, and auctions, connecting with other art enthusiasts and investors. This can lead to valuable relationships and insights into the art market, further enhancing the investment experience.





🕒 Commercial Real Estate

Real estate investments, particularly in sectors like last-mile logistics, can provide steady rental income and **potential** for capital appreciation. Platforms like Yieldstreet, Fundrise, and NOYACK Investing Club offer opportunities to invest in various real estate projects. Noyack Logistics Income REIT (NREIT) focuses on industrial properties crucial for e-commerce and supply chain operations. This investment offers diversification, lower volatility, and long-term growth potential, making it an excellent choice for family financial planning.

Investing in commercial real estate also provides several additional benefits. For example, real estate investments can offer regular rental income, which can provide a stable source of cash flow for families. **Moreover, real estate investments can provide significant tax advantages**, such as depreciation deductions, which can reduce taxable income and enhance overall returns.



Commercial real estate investments also offer the potential for capital appreciation as property values increase over time. **This can be particularly beneficial for long-term family financial planning, as it allows families to build wealth steadily and securely.** Additionally, investing in real estate provides a tangible asset that can be passed down through generations, helping to ensure long-term financial security for the family. Real estate investments can also be tailored to specific family needs and preferences. For example, families can invest in properties that align with their values and interests, such as sustainable buildings or community-focused developments. This allows families to support projects that reflect their principles while also achieving their financial goals.



✓ Private Equity

Private equity investments involve buying shares in private companies that are not listed on public stock exchanges. **These investments can offer substantial returns, particularly if the company experiences significant growth** or is eventually sold at a higher valuation. Private equity investments are typically made through private equity funds, which pool capital from multiple investors to acquire and manage a portfolio of private companies.

Private equity investments provide families with access to exclusive investment opportunities that are not available through public markets. **These investments can offer higher returns compared to traditional investments, as private companies often have more growth potential** and can be more efficiently managed. Additionally, private equity investments can provide diversification benefits, as they are not correlated with public market movements.

Private equity investments also allow families to support businesses that align with their values and interests. By investing in private companies, families can contribute to the growth and success of businesses that are making a positive impact in their industries or communities. This can provide a sense of fulfillment and purpose, in addition to financial returns.



✓ Hedge Funds

Hedge funds are pooled investment funds that employ a variety of strategies to achieve high returns for their investors. **These strategies can include leveraging, short-selling, arbitrage, and investing in derivatives.** Hedge funds are typically managed by experienced investment professionals who use sophisticated techniques to maximize returns and minimize risk.



Investing in hedge funds can provide families with access to advanced investment strategies that are not available through traditional investment vehicles. **Hedge funds can offer higher returns compared to traditional investments, as they have the flexibility to capitalize** on market inefficiencies and exploit various investment opportunities.

Hedge funds also provide diversification benefits, as they often invest in a wide range of asset classes and use strategies that are not correlated with traditional market movements. This can help reduce overall portfolio risk and enhance returns.

However, hedge funds also come with higher fees and risks compared to traditional investments. It is important for families to **carefully evaluate the track record and reputation of hedge fund managers before** investing, and to consider the potential impact of fees on overall returns.

7.4

Platforms for Alternative Investments

Investing in alternative assets such as real estate, venture capital, fine art, and private equity can be done through various platforms that provide access to a wide range of investment opportunities. These platforms offer several benefits, including diversification, accessibility, and expert management.



Yieldstreet

- Yieldstreet is an alternative investment platform that provides access to a variety of asset classes, including real estate, legal finance, marine finance, and commercial loans. Yieldstreet offers a range of investment options with different risk profiles and return potentials, allowing families to diversify their portfolios and achieve their financial goals.

Yieldstreet's platform is user-friendly and provides detailed information about each investment opportunity, including historical performance, risk factors, and expected returns. This allows families to make informed investment decisions and select investments that align with their goals and risk tolerance.

Fundrise

- Fundrise is an online real estate investment platform that allows individuals to invest in a diversified portfolio of real estate projects. Fundrise offers a range of investment options, including residential, commercial, and industrial properties, with different risk and return profiles.

Fundrise provides families with access to high-quality real estate investments that were previously only available to institutional investors. The platform offers low minimum investment requirements, making it accessible to a wide range of investors. Additionally, Fundrise provides regular updates and detailed performance reports, allowing families to track their investments and monitor their progress.



NOYACK Investing Club



NOYACK Investing Club offers unique opportunities to invest in various alternative assets through funds such as Noyack Venture Capital (NVC), Noyack Fine Art (NFA.01), and Noyack Logistics Income REIT (NREIT). These funds provide a diversified portfolio of high-potential startups, fine art collections, and industrial real estate properties. By investing through NOYACK Investing Club, families can benefit from professional management, lower minimum investments, and access to exclusive investment opportunities.

NOYACK Investing Club provides families with access to high-quality investments that were previously only available to institutional investors. The club offers a range of investment options to suit different risk profiles and financial goals, allowing families to diversify their portfolios and achieve their financial objectives while benefiting from expert management and guidance.

Millennials and the Adoption of Alternative Investments

Millennials are adopting alternative investments at a faster rate than any previous generation. This trend is driven by several factors:



Desire for Diversification

Millennials understand the importance of diversification and are eager to explore investment opportunities beyond traditional stocks and bonds. Alternative investments provide a way to diversify their portfolios and reduce risk.

Distrust of Public Markets

Many young investors are wary of public markets and seek more control over their investments. They often perceive alternative investments as more transparent and aligned with their values.

Technological Savvy



Millennials are comfortable using technology to research, manage, and invest in alternative assets. Platforms like Yieldstreet, Fundrise, and NOYACK Investing Club cater to their preference for digital tools and user-friendly interfaces.

Interest in Impact Investing

Millennials are more likely to invest in companies and projects that align with their social and environmental values. Alternative investments, particularly in venture capital and private equity, offer opportunities to support businesses that are making a positive impact.

Educational Resources

Millennials are proactive about educating themselves on financial matters. They seek out information on alternative investments through online courses, webinars, and financial advisors who specialize in these asset classes.

The Great Wealth Transfer, projected to reach \$38.4 trillion by 2045, is also a significant factor in the rise of alternative investments among Millennials. As they inherit wealth from previous generations, Millennials are looking for investment strategies that align with their values and long-term financial goals. Alternative investments provide the diversification, potential for higher returns, and impact opportunities they seek.



CHAPTER 8

The Benefits of a Family Custodial Account



8.1

What is a Family Custodial Account?

A family custodial account is a financial account managed by an adult custodian on behalf of a minor. **These accounts are often used to save and invest for a child's future, such as education expenses or other long-term goals.**

Family custodial accounts can include savings accounts, investment accounts, and more.



8.2

Benefits of a Family Custodial Account

Family custodial accounts offer several benefits for family financial planning:

✓ Tax Advantages

Family custodial accounts can offer tax advantages, such as lower tax rates on investment income. This can help maximize savings and growth over time.

✓ Financial Education

Managing a family custodial account provides an opportunity to teach children about financial management and investing. This can help instill good financial habits from an early age.



✓ Flexibility

Family custodial accounts offer flexibility in terms of investment options and withdrawal timing. This allows you to tailor the account to meet your family's specific needs and goals.

✓ Estate Planning

Family custodial accounts can be an effective estate planning tool, allowing you to transfer wealth to your children in a tax-efficient manner.

8.3

Setting Up a Family Custodial Account

Setting up a family custodial account involves several key steps:



① Choose the Type of Account

Decide whether you want to open a savings account, investment account, or another type of custodial account. Consider the long-term goals for the funds and the potential tax advantages of each type of account.



② Select a Custodian

Designate an adult custodian to manage the account on behalf of the minor. This is typically a parent or guardian, but it can be another trusted adult.



③ Open the Account

Work with a financial institution to open the custodial account. You'll need to provide information about the custodian and the minor, as well as any initial funding for the account.



④ Fund the Account

Contribute funds to the account regularly. This can include direct deposits, transfers from other accounts, or contributions from family members.



⑤ Monitor and Manage the Account

Regularly review the account to ensure it is growing as expected. Make adjustments as needed to the investment strategy or contribution amounts to stay on track with your financial goals.

Conclusion

Investing for love means prioritizing the well-being and future of your family through thoughtful financial planning and goal-based investing. By setting clear financial goals, creating a comprehensive plan, and teaching financial literacy, you can build a legacy that reflects your love and commitment to those who matter most. At NOYACK, we're here to help you navigate this journey and achieve the financial security and prosperity your family deserves.

Appendix

Resources and Tools

Budgeting Tools and Apps: Utilize budgeting tools and apps such as Mint, YNAB, and Personal Capital to manage your finances effectively.

Investment Calculators: Use investment calculators to estimate potential returns and plan your investment strategy.

Financial Planning Worksheets: Use financial planning worksheets to track your progress and stay organized.

Educational Resources: Explore books, online courses, and financial blogs to expand your financial knowledge.

Further Reading

"The Millionaire Next Door" by Thomas J. Stanley and William D. Danko: This classic book provides insights into the habits and behaviors of wealthy families, offering practical advice for building and maintaining wealth.

"Your Money or Your Life" by Vicki Robin and Joe Dominguez: A guide to transforming your relationship with money and achieving financial independence through mindful spending and saving.

"The Total Money Makeover" by Dave Ramsey: A step-by-step plan for achieving financial health, including getting out of debt, saving for emergencies, and building wealth.

"Smart Couples Finish Rich" by David Bach:

This book offers strategies for couples to manage their finances together, including budgeting, investing, and planning for retirement.

"Family Wealth: Keeping It in the Family" by

James E. Hughes Jr.: A comprehensive guide to family wealth management, focusing on the importance of family values and communication in preserving wealth across generations.

Glossary of Financial Terms

Asset Allocation: *The process of dividing investments among different asset categories to reduce risk and achieve financial goals.*

Diversification: *A risk management strategy that involves spreading investments across various asset classes to reduce risk.*

Estate Planning: *The preparation of tasks that serve to manage an individual's asset base in the event of their incapacitation or death.*

Risk Tolerance: *The degree of variability in investment returns that an individual is willing to withstand.*

Emergency Fund: *Savings set aside to cover unexpected expenses or financial emergencies.*

Custodial Account: *A financial account managed by an adult custodian on behalf of a minor.*

Venture Capital: *Financing provided to early-stage companies with high growth potential.*

Fine Art Investment: *Investing in artworks with the potential for appreciation in value.*

Real Estate Investment Trust (REIT): *A company that owns, operates, or finances income-producing real estate.*

529 Plan: *A tax-advantaged savings plan designed to encourage saving for future education costs.*

About NOYACK

NOYACK is committed to helping families achieve financial security through education, goal-based investing, and community support. Join us in Investing for Love and building a better future for your family. Our mission is to empower individuals to make informed financial decisions that prioritize the well-being and future of their loved ones. By providing the tools, resources, and support needed to achieve financial success, we help families create lasting legacies that reflect their values and commitments.

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