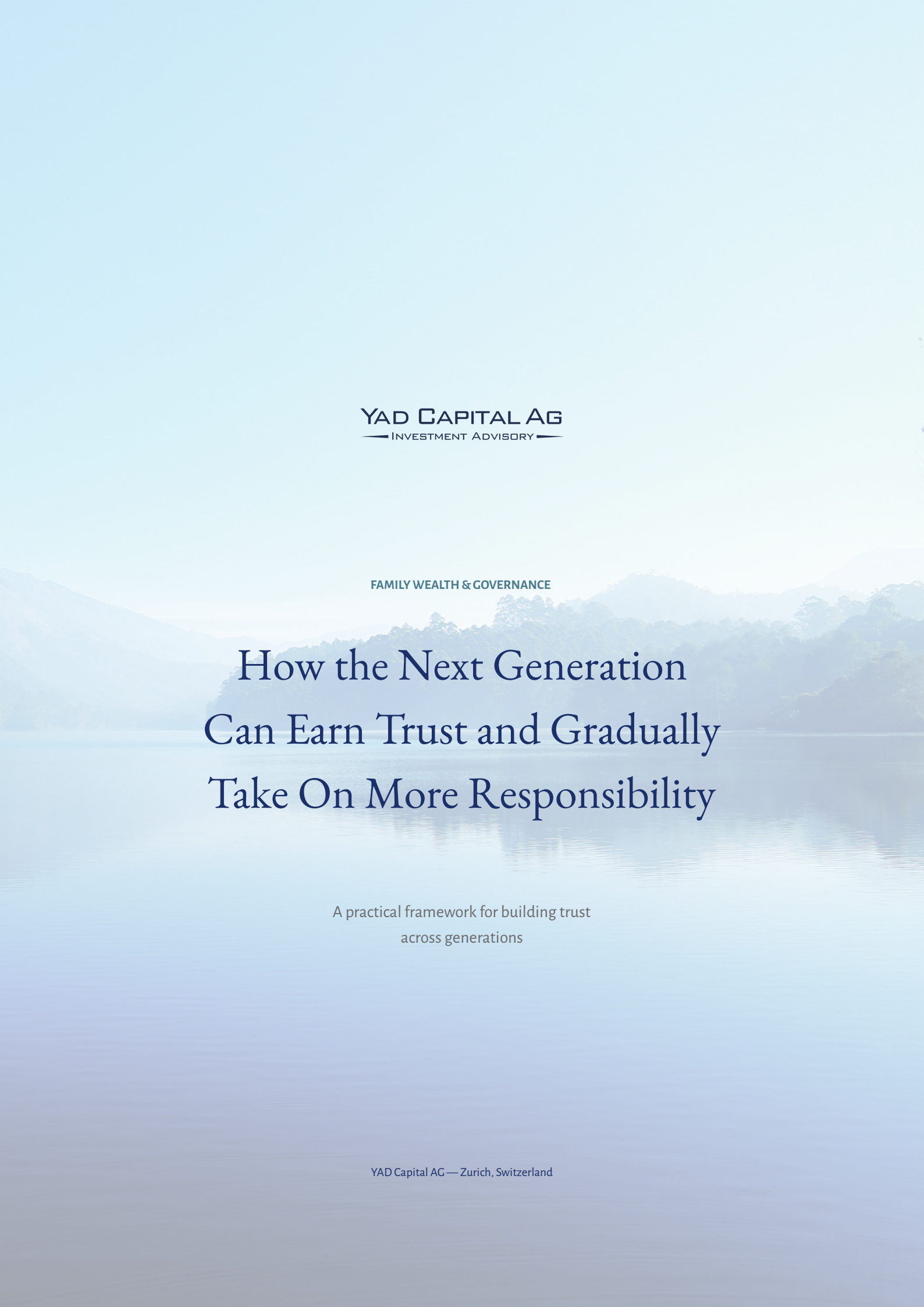


The background of the entire page is a soft-focus photograph of a calm lake reflecting the surrounding green mountains under a clear sky. The text is overlaid on this image.

YAD CAPITAL AG
— INVESTMENT ADVISORY —

FAMILY WEALTH & GOVERNANCE

How the Next Generation Can Earn Trust and Gradually Take On More Responsibility

A practical framework for building trust
across generations

YAD Capital AG — Zurich, Switzerland

Earning Trust Before Taking Responsibility

There are several reasons why parents may be reluctant to delegate responsibility and hand over the reins.

One of the most common is the concern that the next generation is not yet ready to assume greater responsibility, often because they have not yet achieved financial independence. Once financial independence is established, broader trust often follows more naturally, allowing the next generation to prosper while easing concerns among other family members.

A second concern is the potential for tension between siblings. Giving one child greater responsibility than another can easily be perceived as an unequal distribution of money, influence, or power.

A third, and often more personal, reason is the fear of losing a sense of purpose or control. For parents who have built their wealth through a lifetime of hard work and commitment, delegating family responsibilities later in life can feel like giving up an important part of their role and identity.

These scenarios, while common across many families, can create frustration for the younger generation, who may interpret parental hesitation as personal rather than situational. A constructive starting point is therefore to focus on merit-based responsibilities that can be earned through effort and results, while allowing parents to remain meaningfully involved in the family business.

Parents often appreciate proactiveness. The next generation should not wait to be given responsibility. Asking to take ownership of a specific task, completing it independently and presenting the result professionally can demonstrate maturity, initiative and judgment.

The objective is simple:

Start small. Create value. Report clearly. Build trust.

Responsibility can then expand gradually. The next generation builds a credible track record, while parents gain confidence that broader responsibilities can be delegated without introducing unnecessary risk.

In practice, there are several effective ways to begin:

Tax Processes and Reporting

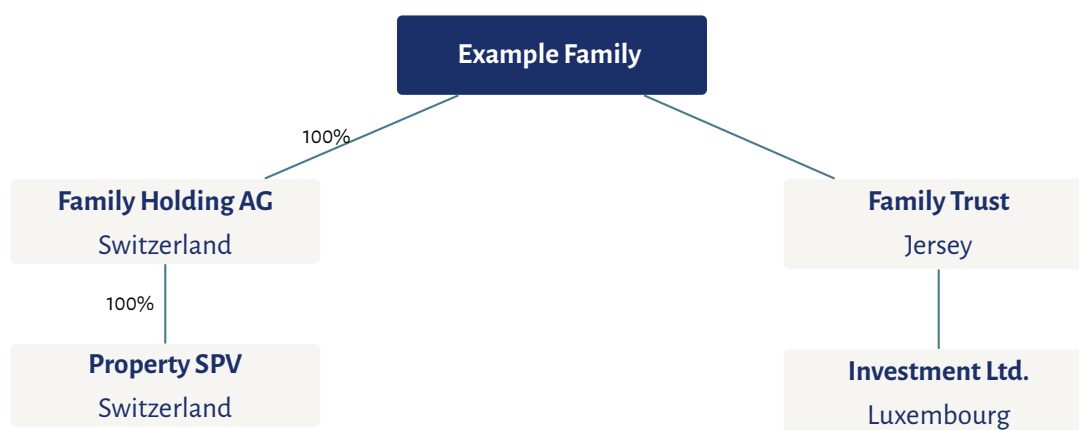
Start by creating a simple table listing all entities, ownership percentages, tax jurisdictions and filing obligations.

This overview can reveal missing information, unnecessary complexity or possible structural improvements.

Doing this well builds credibility through diligence and attention to detail. The next step may be getting involved in reviewing investment or tax reports or participating in meetings with tax advisers.

ILLUSTRATIVE EXAMPLE

Example Family Structure



Entity	Ownership	Jurisdiction	Key Obligation
Family Holding AG	100%	Switzerland	Corporate tax return
Property SPV	100%	Switzerland	Tax return / property filings
Family Trust	—	Jersey	Trust reporting
Investment Ltd.	100%	Luxembourg	Corporate filing / accounts

Insurance Policies

Create a table listing all policies, specific risks covered, annual premiums and whether those risks are still relevant.

This frequently uncovers duplicated coverage, outdated policies or immediate cost savings.

Success here demonstrates risk awareness and analytical skills and can open the door to reviewing broader financial protections or participating in wealth-structuring discussions.

ILLUSTRATIVE EXAMPLE

Policy	Risk Covered	Annual Premium	Review
Home Insurance	Property damage	CHF 8,500	Retain
Art Insurance	Collection	CHF 12,000	Review valuation
Travel Insurance	Travel / medical	CHF 4,200	Possible duplication
Vehicle Insurance	Vehicle fleet	CHF 9,800	Request competing quote

Vendor and Service Contracts

Build a contract register showing vendor name, service, end date, annual cost and key terms.

This often highlights opportunities for better deals.

Delivering savings and efficiency gains demonstrates business acumen and can naturally lead to greater involvement in operational or financial oversight.

ILLUSTRATIVE EXAMPLE

Provider	Service	Renewal	Annual Cost	Action
Bank A	Custody	Dec. 2026	CHF 42,000	Review pricing
Law Firm A	Legal advice	Ongoing	CHF 65,000	Review scope
Property Manager	Real estate	Mar. 2027	CHF 38,000	Benchmark fee
IT Provider	Technology	Jan. 2027	CHF 21,000	Renegotiate

Philanthropy

Within a set budget, research causes, make recommendations and track results with basic KPIs.

A clear philanthropy strategy can also strengthen family identity by uniting family members around shared values and causes.

This develops judgment and emotional intelligence and can lead to involvement in broader family governance or investment decisions.

ILLUSTRATIVE EXAMPLE

Organisation	Fit	Impact	Governance	Recommendation
Education Foundation	5/5	4/5	5/5	High priority
Medical Research Fund	4/5	5/5	4/5	High priority
Local Youth Charity	5/5	3/5	4/5	Consider
Environmental Project	3/5	4/5	4/5	Further review

A simple annual philanthropy report could then track:

- amount donated;
- number of beneficiaries;
- measurable outcomes;
- progress against agreed objectives.

Family Travel and Events

Maintain a master calendar and budget tracker with planned activities, costs and lessons learned.

Mastering these responsibilities demonstrates reliability and organisational skills and can pave the way for larger coordination roles within the family office or business.

ILLUSTRATIVE EXAMPLE

Event	Date	Budget	Actual	Notes
Family Meeting	March	CHF 15,000	CHF 13,800	Under budget
Summer Trip	July	CHF 45,000	CHF 46,500	Flights booked late
Annual Retreat	October	CHF 30,000	—	Planning stage
Year-End Dinner	December	CHF 12,000	—	Venue reserved

Report Clearly

For each task, prepare a concise summary report — shared privately with the parents first if needed, or with the whole family where appropriate.

Clear reporting helps demonstrate that responsibility is being earned through contribution and performance.

This can be particularly important where there are several siblings, because transparent reporting reduces the risk that greater responsibility is perceived as favouritism.

ILLUSTRATIVE EXAMPLE

Insurance Review — Summary

Work completed

Reviewed 12 insurance policies across property, vehicles, travel and personal liability.

Key findings

Two policies appear to provide overlapping travel coverage and one property valuation has not been updated for four years.

Recommendation

Request revised quotes from the existing provider and two competitors, and update the property valuation before the next renewal.

Estimated opportunity

Potential annual saving of CHF 8,000–12,000, subject to final quotations.

Decision required

Approval to approach alternative providers.

A SIMPLE PRINCIPLE

The responsibility itself matters less than demonstrating that a task can be taken from beginning to end with discipline, judgment and clear communication.

Responsibility Should Be Earned in Stages

The goal is not to move directly from organising insurance policies to managing the investment portfolio.

It is to build a track record.

A family member who takes initiative, identifies problems, follows through, communicates clearly and exercises good judgment gradually becomes someone the family is comfortable involving in more consequential decisions.



Administrative responsibility can lead to participation in adviser meetings. Participation can lead to responsibility for a defined project. A successful project can eventually lead to involvement in investments, governance or the family business.

Trust is rarely transferred all at once. It is built through independence, initiative, execution and a consistent record of taking responsibility well.

If putting together these basic tables and reports feels difficult, that may itself be a sign that these are precisely the tasks the parents are currently struggling with.

In such cases, involving the younger generation more systematically — or bringing in a professional family office — should be seriously considered.

A professional family office can guide the next generation through these structured frameworks, helping them create professional deliverables and present their work effectively.

This turns initiative into credibility and gradually opens the door to meaningful responsibility.

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