

Advisors Navigating Liquidity Events Are Relying on Established Skills & Values

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SUMMARY

- Liquidity events are creating new portfolio challenges, making tax-aware reinvestment and thoughtful portfolio construction more important than ever.
- Post-liquidity planning extends beyond cash management; customized fixed income strategies can help clients pursue income, diversification, and long-term wealth goals.
- As a new wave of wealth creation unfolds, advisors can deliver greater value through personalized, institutional-quality solutions that help clients navigate complex financial transitions.





A wave of major liquidity events is shaping wealth management conversations and advisors are responding. Advisors are managing concentrated equity positions, and preparing for taxable liquidity events that require complex reinvestment planning from initial public offerings (IPOs) and recent market advances that are driving broader monetization events.

Advisors are helping clients transition from concentrated equity exposure to thoughtfully constructed, tax-optimized portfolios aligned with long-term financial objectives.

Breckinridge Capital Advisors is responding to these needs with a tenured suite of investment strategies, and a technology-driven approach to bespoke solutions.

Planning for Post-Liquidity Opportunities

Liquidity events often create a series of immediate portfolio management challenges for high-net-worth clients:

- Tax liability management
- Cash deployment decisions
- Portfolio volatility concerns
- Income generation needs
- Philanthropic planning
- Long-term, intergenerational wealth preservation and transfer considerations

These can be highly personal, tax-sensitive, and even emotionally charged decisions that require thoughtful partnership, timely solution development, and customized implementation. Advisors are at the center of these conversations. They require sophisticated solutions that extend beyond generic asset allocation models or standardized fixed income products.

Moving Beyond Cash Management to Strategic Portfolio Construction

Investors are increasingly looking beyond simplistic money market fund strategies to chart a more strategic course for their cash and other liquid assets.

At the same time, as wealth portfolios allocate more capital to private markets and other less-liquid investments, the liquid portion of the portfolio may need to serve a broader range of purposes. In addition to supporting income generation and diversification, it can help meet near-term cash-flow needs, fund capital calls, and preserve flexibility during periods of market volatility. Breckinridge's framework recognizes that investing strategies across the duration spectrum, used in combination, can help increase clients' strategic flexibility over the short, intermediate, and long-term by distinguishing among:



Operating cash,
requiring immediate
liquidity



Reserve cash,
balancing flexibility
and return potential



Strategic cash, seeking
enhanced income
opportunities over
longer horizons



As money market fund yields remained elevated through much of 2025 before declining in 2026 following Federal Reserve rate cuts, clients increasingly sought greater portfolio efficiency. In addition, dynamic strategies that offer optionality may prove more important, as anticipated future changes in monetary policy could amplify rate volatility.

For clients with substantial cash balances, Breckinridge's consultative process supports advisors as they consider strategic options, broader diversification, and longer-term wealth planning decisions.

Breckinridge works alongside advisors to build solutions that align a client's liquidity timeline and broader wealth objectives through customized investment strategies that look beyond lower-yielding money market funds and cash allocations to build flexible, opportunistic solutions. Working with the advisor, Breckinridge tailors these portfolios across the taxable and tax-exempt fixed income spectrum with the aim to optimize the client's after-tax income.

Customizing Matters After Liquidity Events

For many clients emerging from liquidity events, after-tax outcomes matter just as much as pre-tax returns. Advisors recognize that clients facing concentrated wealth situations require highly individualized portfolio solutions that emphasize granular customization and thoughtful portfolio construction to address:

- ➔ State-specific tax considerations
- ➔ Legacy-concentrated positions
- ➔ Liquidity constraints
- ➔ Values-based investment considerations
- ➔ Income objectives
- ➔ Multi-generational planning concerns

Breckinridge's purpose, products, and platform are focused on enabling advisors to deliver timely, tailored fixed income strategies designed around each client's unique balance sheet, tax profile, and liquidity timeline.

Combining Institutional Quality with Boutique Partnership

Breckinridge combines institutional fixed income expertise with a boutique, high-touch service model that supports advisors through capabilities that include:

1. Tax-aware reinvestment discussions
2. Short-duration cash deployment
3. Long-term bond allocation implementation
4. Portfolio customization
5. Ongoing consultative support

This collaborative approach is particularly compelling for advisors operating within complex wealth environments where responsiveness, flexibility, and specialization matter.

Positioning for Next Generation Wealth Creation and Management

The next wave of technology liquidity events is expected to generate substantial new wealth creation across Silicon Valley, private markets, and venture-backed ecosystems.



The most successful advisors will help clients monetize equity exposure and thoughtfully position wealth for the future.

Breckinridge supports advisors during this critical transition by providing customized, tax-aware fixed income solutions designed for the realities of post-liquidity portfolio construction. Breckinridge offers investment capabilities, customization, tax awareness, and institutional expertise to support advisors and their clients on this journey.

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