



A Time of Change and Opportunity: Q&A with Kristen Bauer



KRISTEN BAUER, CPA, PFS

Kristen is the CEO of Laird Norton Wealth Management. She has more than two decades of experience in private wealth management, financial services, and business management.

On May 15, 2020, LNWM welcomed Kristen P. Bauer as its new CEO. We sat down with Kristen recently to talk about her plans for the future, what it's like leading and learning in a time of turbulence, and emerging trends in the world of wealth management.

Kristen, you came to LNWM two months ago. What has that been like? And what do you envision for this coming year?

KB: It's been an enlightening couple of months. This is a unique time in history: we're dealing with a global pandemic, an economic slowdown, a renewed movement for social justice and equity. All this is encouraging us as a company to pause and reflect on the vision we have for our organization and the values we uphold, our north stars.

I've spent most of this time getting to know the company from the inside out, including talking one-on-one with my colleagues here at LNWM and some of the client families we work with. Despite being mostly remote, these one-to-one sessions have been personal, thoughtful, and truly informative conversations. And I suspect this level of connection may not have been possible in more normal times. Based on the conversations I've been having, many of our client families are also re-evaluating their own situations and what they may want to prioritize moving forward.

This inflection point, I think, will create new and innovative ways for us to better engage with and serve the families we work with -- in terms of investments, but also through education, finding ways to have greater impact, and creating new connections.

What do you mean by education?

KB: Many people want to know more about how to use their wealth for a purpose, to attain balance (as in how much is enough) and well-being. I think that is very difficult and lonely to do in isolation. So we will be creating new opportunities for our clients to learn from each other, from our community partners, and from experts on a wide variety of topics ranging from financial literacy to the connection between wealth and well-being. The support and learning that takes place through such networks can be life-changing and benefit multiple generations within a family; it is quite powerful.

Education is also about accessing facts, expertise and first-hand knowledge, which provide much-needed perspective and empower people to make



the right decisions for themselves and their families. Which is why I am excited about the series of teleconferences and webinars we are offering clients with experts from inside and outside LNWM discussing what they know best. The topics range from the outlook for real estate, to building financial resiliency in young adults, to philanthropic strategies.

What excites you most about working at LNWM?

KB: I think it's the possibilities that open up when our clients fully engage with the great deal of knowledge and expertise developed here over five decades. Many of you may be asking the question: How do I apply all that I have – my time, my connections, my money – to what I want for myself, my family, my community? We can help you answer that.

Families can look to us for values alignment, to help them define or refine a sense of purpose, and to help them apply their “total balance sheet” – financial, social, and professional -- so they can thrive in all aspects of their lives.

Over time, a major goal for me and the firm will be to provide the families we serve with a deeper connection to each other, to their advisor teams here at LNWM, and to the knowledge and opportunities available through other Laird Norton entities.

How do you hope to achieve that?

KB: I think one way would be to draw on the larger network and resources available to LNWM and our clients as part of the Laird Norton community. For example, the Laird Norton Co., our owner, is a seventh-generation, family owned business with private equity investments in a wide variety of industries, including real estate. Yet another resource could be the Laird Norton Foundation, and its many philanthropic interests and connections, as well as its portfolio of impact investments. There's also the greater network created by our group of incredible clients and all that they can share together. Over time, we will be exploring how to better connect these and other concentric circles of access, knowledge and expertise. And I believe the results will have a positive impact on all those who engage.

“When there’s a disconnect between values, purpose, and financial strategies, that gap can diminish wealth and well-being over time.”

What trends you are seeing in wealth management and how do those apply to what you see ahead for LNWM?

KB: I think there's a growing need for values-aligned planning. By that I mean helping people and families articulate what they value, what is most important to them and why, and then using those personal values to guide and inform the development of investment portfolios, financial strategies, philanthropic giving and legacy planning. It's estimated that only 11%-15% of family wealth gets transferred successfully to the third generation. Of course, intentionally deciding to allocate wealth to the broader community is a very meaningful legacy, but most families I've worked with also hope to empower future generations with their legacy.



When there's a disconnect between values, purpose, and financial strategies, that gap can diminish wealth and well-being over time. Add to this the fact that some 26% of investments are now impact-aligned in some way, and you can see how aligning values with assets is becoming increasingly important. We have incredible wealth planners here at LNWM. Enabling values-aligned planning is an area we will continue to lean into.

This isn't technically a trend, but one thing that the past few months have done is put a new level of urgency around social and economic justice. Financial service firms, including LNWM, all need to do a better job figuring out our broader responsibility to the community and the actions we can take to address issues of diversity, equity and inclusion. This work will further our ability to provide values-aligned planning and opportunities that allow clients to put their full balance sheet to work. And we will all benefit from having more voices and perspectives at the table and in the Laird Norton community.

Kristen, you have said being CEO of LNWM is an ideal job for you. Why is that?

KB: During my entire career, some 20 years now, I have worked closely with families to help them navigate the complexities of wealth, utilizing it as a resource to help them accomplish what they want in life. There's a tremendous amount of satisfaction that comes from seeing wealth as a tool for answering the bigger question: to what end or ends? This does not happen by chance or without a plan, no matter how well-intentioned you are. It begins with listening and developing a clear understanding of a family's goals and objectives and then developing a robust plan that is nimble enough to shift with the changing times.

Goals and priorities change as life evolves and any plan needs to be continually reaffirmed or adapted. Asking yourself, do these goals, values and objectives still make sense for me and my family? Am I heading in the right direction? Have my priorities changed? Exploring these questions with a family and partnering together to create a thoughtful, achievable plan is what brings me the most joy and satisfaction. And knowing that LNWM's sole focus is helping families achieve their goals and objectives, gives me great peace of mind that we can do our best work with integrity, passion, and commitment.

I also happen to be the daughter of a CEO who learned a lot of from her father about leadership. You cannot be a good leader unless you listen carefully, challenge yourself to always do better, and live the values you profess. So I intend to do my best to listen, challenge my own assumptions, be open to new ideas and opinions, and get feedback regularly from all the team members here at LNWM and our clients on how we continue to build the resources and expertise that will further their objectives and wellbeing. In other words, I am here to listen, learn, and lead.

“There's a tremendous amount of satisfaction that comes from seeing wealth as a tool for answering the bigger question: to what end or ends?”



ABOUT THE AUTHOR

Kristen Bauer is CEO of Laird Norton Wealth Management. Before joining LNWM, Kristen was a senior leader at Tiedemann Advisors and served as CFO, Chief Business Development Officer, Chief Client Service Officer and then President of Threshold Group. Earlier in her career, she served as Director of Finance at Medalia Healthcare; and Manager--Assurance at Arthur Andersen LLP. She is a graduate of the University of Washington Foster School of Business with a Bachelor of Arts with an emphasis in Business and Accounting. She is a Certified Public Accountant (CPA) and a Personal Financial Specialist (PFS).

ABOUT LAIRD NORTON WEALTH MANAGEMENT

With more than \$5 billion in assets under advisement, Laird Norton Wealth Management is the Northwest's premier wealth management company. Founded in 1967 to serve the financial management needs of the Laird and Norton families, the firm now provides integrated wealth management solutions to more than 600 individuals, families, business leaders, private foundations and nonprofit organizations.

801 Second Avenue, Suite 1600, Seattle WA 98104 206.464.5100 800.426.5105 lairdnortonwm.com

DISCLOSURE

All investments involve a level of risk, and past performance is not a guarantee of future investment results. The value of investments and the income derived from them can go down as well as up. Future returns are not guaranteed and a loss of principal may occur. All investment performance can be affected by general economic conditions and the extent and timing of investor participation in both the equity and fixed income markets. Fees charged by LNWM will reduce the net performance of the investment portfolio.

The information presented herein does not constitute and should not be construed as legal advice or as an offer to buy or sell any investment product or service. Any opinions or investment planning solutions herein described may not be suitable for all investors nor apply to all situations. All opinions expressed are those of Laird Norton Wealth Management and are current only as of the date appearing on this material.

Any accounting, business or tax advice contained in this presentation (or communication, including attachments and enclosures) is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties.

Some investments may not be publicly traded and they may only allow redemptions at certain times conditioned on various notice provisions and other factors as more fully described in the related offering and subscription documents provided at the time of the investment. Due to the nature of these types of investment funds, hedge funds, fund of funds, and similar partnership-like investment vehicles, they should be considered illiquid. In addition to restrictions on redemption, they often include holdback provisions that may delay a full redemption for several months or longer. There is no guarantee that the amount of the initial investment can be received upon redemption. Due to the nature of the tax reporting that may be available from these types of investments, clients should expect to extend the filing of their tax returns.

A benchmark is an unmanaged index, and its performance does not include any advisory fees, transaction costs or other charges that may be incurred in connection with your investments. Indices are statistical composites and are shown for informational purposes only. It is not possible to invest directly in an index. Indices are unmanaged and are not subject to management fees. Any benchmark whose return is shown for comparison purposes may include different holdings, a different number of holdings, and a different degree of investment in individual securities, industries or economic sectors than the investments and/or investment accounts to which it is compared. Comparisons of individual account or portfolio performance to an index or benchmark composed of indices are unreliable as indicators of future performance of an actual account or portfolio. Actual performance presented represents past performance net of investment management fees unless otherwise noted. Other fees, such as custodial fees or transaction related fees may not be reflected in the actual performance results shown.

Certain information herein has been obtained from public third party data sources, outside funds and investment managers. Although we believe this information to be reliable, no representation or warranty, expressed or implied, is made, and no liability is accepted by Laird Norton Wealth Management or any of its officers, agents or affiliates as to the accuracy, completeness or correctness of the information herein contained. In addition, due to the nature of an investment or the date of the creation of the attached presentation, some values shown or used in the calculation of performance may be based on estimates that are subject to change.

All data presented is current only as of the date thereon shown. Laird Norton Wealth Management is comprised of two distinct entities that may offer similar services to clients. Laird Norton Trust Company is a State of Washington chartered trust company. Its wholly owned subsidiary, Laird Norton Tyee Asset Strategies, LLC, is an Investment Advisor registered with the Securities and Exchange Commission. Such registration does not imply any level of skill or expertise.