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RAYMOND JAMES

GLOBAL WEALTH SOLUTIONS GROUP

FAMILY OFFICES - WEALTH MANAGEMENT - PRIVATE EQUITY - INVESTING

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GLOBAL WEALTH SOLUTIONS GROUP OF RAYMOND JAMES

The Global Wealth Solutions Group (GWSG) of Raymond James in Beverly Hills California is honored to be featured in the June 2023 edition of Family Office Magazine. Our team of investment professionals which include Lisa Detanna, Managing Director and William Atha, Senior Vice President, and the team of professionals, has consistently been recognized as not only one of the top teams at Raymond James, but one of the top teams in the industry. Our team of investment professionals provides a holistic multi-family office experience helping generations of our clients continue to be stewards of both their family's legacy as well as their wealth.

.Q: Lisa, you have truly built something extraordinary over your 30 plus years of experience. Can you give us a brief overview of your background and how you began.

A: I was born and raised in Beverly Hills California. My educational background includes an MBA from Pepperdine University and a bachelor's degree in psychology with a business emphasis from the University of California, Los Angeles, where I earned a professional financial planning designation. My childhood dream was to be a dancer. It was not until my grandfather told me dance was "a Hobby not a Career" that I started looking at other interests.

I have learned from all the amazing organizations I have had an opportunity to serve including Wedbush Securities, Citi Smith Barney, Morgan Stanley, Imperial Capital (formerly Dabney/Resnick) before finding my home at Raymond James and Associates in 2011.

Over the past 30 plus years I have assembled a terrific team of people hand picked to provide the knowledge and breadth we believe offers a holistic experience for our clients providing the highest level of client service and advice.

Q: Who are your typical clients?

A: Managing extraordinary assets takes a coordinated effort to position ourselves as the central point of contact for all families. Our clients have worked hard to accumulate a level of wealth and deserve a partner who will manage the complexities with careful attention. We serve a wide variety of clients from individuals, ultra-high-net worth and multigenerational families, corporate executives, business owners, multifamily offices, during both pre and post retirement. We understand our clients with significant wealth have unique needs, from tax optimization strategies and generational wealth considerations to liquidity events and charitable giving strategies. We have developed all-encompassing strategies that go beyond rote investment advice, creating wealth plans with multiple generations in mind.

Q: Hi Bill, Here you are again, with Family Office Magazine.

A: Yes, thank you, for taking an interest in me and following me through my career. I joined the Global Wealth Solutions Group of Raymond James the summer of 2022.

I feel very fortunate to be with this firm and this extraordinary team, geared toward the solutions that I provide for ultra-high net worth individuals as well as Family Offices and Institutional clients.

We are enhancing our Foundation services presence, Family Office support and strategies, as well as development and discovery related to investment banking, executive financial services, and private equity products.

Lisa and I work with portfolio and relationship managers for end-to-end output for new, or ongoing investment placement and management. Our disciplined investment approach guides our clients and institutions through each phase of the investment process – from strategy review, development and implementation to oversight and documentation. Using a prudent management approach, we seek to enhance services and provide reliable support where it's needed most.

Q: Lisa, it seems from the children's book that you wrote and the online offerings with your team that you do a lot of work with preparing second and third generations to handle the wealth that they may one day inherit. Please tell us about that. We have been

told by other advisors of HNW clients that most of their clients are worried more about how to make the second and third generations to be functional citizens versus the returns on the investments. How did you integrate this into your practice?

A: As a specialist in institutional clients, I saw first-hand, over many years the challenges presented to the parents and extended family of wealthy clients the challenges of implementing the best made plans for investment success periodically displaced by dysfunctional demands of disorganized families and their heirs. I began working with the Institute for Preparing Heirs twenty years ago and took much of the curriculum and strategies we teach and structured them into our offering of services.

My book and the instructional videos we developed are often some of the first things discussed, after a client does some preliminary diligence on GWSG. Those offerings catch the eye of prospective clients as much as our successful investing history, possibly because clients need to feel that their families can trust and work with us and that we will do more for them than only, product placement for a fee. I am very proud that over my more than 30 years, we have less hand one half of one percent of client attrition, and I think that many of our solutions and financial literacy training addressing this issue is part of our success story. Your family and wealth do not get sourced to a person that is overhead at a Bank to give you advice and then nothing more and back to the Advisor. We own our clients lives and assets, in an ongoing way.

Q: Bill or Lisa, what are you doing for investments and guidance for your clients during these difficult times for investing in this high-inflation environment?

Lisa: With equities struggling and interest rates moving higher, investors are looking for relief. But time is on our side. The last year or so has been challenging for investors, with many assets still in the red. But we see that red and want to paint it black. If our assessment is correct, we are past the bottom in both equity and fixed income markets, and we'll probably see performance improve into this year and next. We believe markets and the Fed might get some satisfaction in the fight against inflation in the months ahead. We are investing in high-quality, high-income equities and actively managing fixed income as a more defensive bias. This is serving to close the gap on inflation drag as well outperforming the markets volatile behavior. We are building low volatility, high income portfolios. What is different now, is that for the first time in twenty-five years we can build laddered fixed income portfolios with very good yields, hold them to maturity and generate low volatility returns that significantly beat dividends from equities.

Q: As noted in the previous Family Office Magazine discussion that I had with you, about two years ago, Family Offices have migrated away from managed money and are emphasizing Real Estate, business ownership and investing in private equity and venture capital. What are the trends now?

Bill: Before the 2020 and 2022 COVID related market declines, I, and others, identified private equity asset classes that would hold up better, or take advantage of these market dislocations and hold up well under stressed market conditions. Things like distressed credit, Real Estate, Senior Housing, and Opportunistic Funds were identified and they continue to outperform in this environment. What is different now, is that REITs have seen margins compressed from rising interest rates and costs to carry adjustable debt. The credit markets continue to perform at lesser pace. And, to keep some powder dry for opportunity, investors have piled into the short end of treasuries and cash in anticipation of continued disruption. In short, a chance to buy on the dip in asset classes they are targeting.

Lisa: Right now, we are building high income portfolios of credit, US Large Cap Dividend stocks and US fixed income. We hold no Emerging Markets and have very limited exposure to International as their markets and currencies are being significantly impacted by slowing growth, significant debt and building social pressures form the aftermath of COVID. We are doing a lot of cash management and adding significant low-risk returns for our clients. There will be at some point, in the coming months or year (s) when we re-diversify to global, multi-asset portfolios but at this time we are emphasizing a high priority in the survivor bias of the United States economy which is faring much better than non-US asset classes.For a lot of the Executive Compensation work that we do, the decline of the equities markets have demonstrated the need for our skills in advising on stock options, employees stock purchases and stock sales, 10b-5 programs, Exchange Funds and lending on investment portfolios and real estate.

Bill: A lot of our clients know they need to implement wealth transfer or other strategies for their estates, but the present market conditions have brought new challenges to their goals. The biggest challenge being giving up control of assets or the fear of not having enough money for themselves. We are continually reviewing the timing of much of what we are trying to accomplish on their behalf.

Q: What are your thoughts on the recent Banking issues that have rattled the markets?

Lisa: Generally speaking, we see markets stressed whenever liquidity is withdrawn by Central Banks, globally. And banking in our national markets as well as international markets have had banks and businesses accelerating having to adjust their structures. The speed at which interest rates have risen may have added to that stress at a pace that has been faster than some institutions and businesses can adjust. We will see growth and consumer consumption slow, and markets will moderate slightly lower for a while longer. This has created a lot of uncertainty.

Bill: We advise our clients in all avenues of business, investments, and private equity. The goal has always been to rebalance not only portfolios, but the weightings in each of these silos relative to the markets, and their goals. This is more difficult; in that it is harder to analyze the opportunities and differences. And rising interest rates have made it more difficult to use some traditional techniques for wealth transfer to heirs. In environments such as this wealth transfer and legacy planning is often paused. Investing in private equity and venture capital has slowed as well as Family Offices and Institutions place more scrutiny in investment selection.

Q: What are you recommending for Foundations?

Bill: Most Foundations have struggled to invest in ways that hold their portfolios together over time. Foundations are required to distribute 5% of their assets, every year, to charity. If you include operating costs and inflation, it is very difficult to get annualized returns that will beat the annual disbursements and costs, when combined. Therefore, their portfolios are shrinking as time goes by. It is a slow attrition. Therefore, we are trying to allocate to the highest performing asset classes and higher income. Additionally, we are assisting development programs to get more receipts from giving and to help coach on expenses and in some cases, reduced giving, to help the Directors and operators of Foundations to hold their asset until the potential for returns in the capital market improve.

Lisa: We have seen these market cycles before. Institutions and individuals. We haven't seen this type of inflation and the potential for returns and yields for more than two decades. Asset allocating, in this unusual environment is very different than the formerly institutionalized style of globally diversified portfolios. You need to be creative and nimble. Our team is built to serve the continuing needs of our clients and is quite flexible. Often the things our clients need are more of the services outside investing their assets. Increasingly, Estate and Retirement Management, financial literacy, insurance, legacy planning, and charity are, the things that are most desired.

Raymond James is sixty years old and is headquartered in St. Petersburg, FLA. Raymond James has one of the largest Western Art Collections in the United States, which is available to tour for the open public.

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ROLEX BOAT TAIL

"Rolls-Royce Boat Tail is a pure expression of its owners' interests, influences and passions, with every detail minutely considered. We have enjoyed working with BOVET 1822 to create a pair of exquisite timepieces that also serve as Boat Tail's dashboard clocks. In doing so we have together created historically significant items of detail, precision, and beauty. These remarkable objets d'art, unique to the first iteration of Boat Tail, represent the finest examples of the skills and values shared by our two great luxury Houses."

The clock in a Rolls-Royce motor car frequently assumes a jewel-like status, often becoming a canvas for the client to tell the story of their commission in miniature. For Rolls-Royce Boat Tail, the recently unveiled, first of three, coachbuilt creations, in which every element has been created to the owners' exact specifications, this iconic centrepiece has been elevated to new technical and aesthetic heights.
In a spirit of warm collaboration, Rolls-Royce Motor Cars and Swiss master watchmakers, BOVET 1822, have created a pair of unique timepieces for Boat Tail and its owners. This ambitious undertaking brought together designers, engineers and craftspeople from both luxury Houses, in a magnificent demonstration of their shared values of excellence, precision, heritage, artistry, innovation and attention to detail.

The timepieces are unique to both the horological and automotive worlds. Made as a pair - in lady's and gentleman's versions - they are reversible, and housed in BOVET 1822's patented Amadeo case, which allows them to be worn on the wrist, or used as a table clock, pendant or pocket-watch, as well as being placed front and centre in Boat Tail's fascia as the motor car's own timepiece. Both are fitted with tourbillon mechanisms to ensure perfect accuracy.

BOVET 1822 initially earned its reputation making luxury pocket-watches for wealthy patrons in China; today, it is renowned worldwide for its exquisite timepieces featuring hand-painted dials, detailed engraving and finely finished visible mechanisms.
The timepieces, created for this first iteration of Boat Tail, have specially designed 18K white gold cases and feature matching front dials with the same Caleidolegno veneer found on the aft deck of Boat Tail itself, and are finished with the owner-couples' names. The gentleman's timepiece is highly polished; the lady's is ornately engraved then filled with blue lacquer.

On the reverse side, the dials are more individual. The gentleman's features an aventurine dial with the celestial arrangement of the night sky over the place of his birth on his birth date; the lady's is decorated with an ornate miniature painting of a flower bouquet on a mother-of-pearl dial. This design is a traditional BOVET 1822 motif, chosen by and personalised for the owner.

Both reverse dials have hand-engraved Bespoke sculptures of Boat Tail, complete with wheels, door handle, mirrors and other fine details. By working closely together, the teams at Rolls-Royce and BOVET 1822 were able to achieve a precise colour match between the lacquer on this tiny work of art and the full-size motor car.

Further close cooperation was required to ensure the timepieces conformed to the demands of their unique role as motor car clocks. In watchmaking, weight is rarely an issue for a complex timepiece, but in this instance, there was a limit on the combined permissible weight of the timepieces and their holders. BOVET 1822 met this requirement by creating an entirely new 44mm white gold case. In addition, the timepieces and holders also had to be tested to automotive-industry standards for vibration and crash safety – something never previously undertaken on mechanisms of this kind.

At a conservative estimate, the timepieces' design, engineering, sculptures, miniature painting, marquetry, bespoke movements and cases took a total of 3,000 hours to complete.

When a pocket-watch is left static in one position for any length of time, the effect of gravity on key moving parts can impair its accuracy. At the end of the 18th Century, watchmakers solved this problem by developing the tourbillon, where the escapement and balance wheel are mounted in a cage that slowly revolves, cancelling out the gravitational effect. In a wristwatch, the wearer's natural physical movements diminish the need for the tourbillon. However, when that same timepiece is mounted vertically in a car dashboard for many hours at a time, the tourbillon truly comes into its own.

BOVET 1822 is a specialist in tourbillion timepieces, for which it holds a number of patents and has received many awards including the Aiguille d'Or, watchmaking's highest honour. It is also one of the only companies in the watch industry to manufacture its own spirals and regulating organs. To reduce potential impact from the vibration from the car, the tourbillon has pivots rather than the traditional ball bearings; a heavier balance wheel and an increased oscillation rate to aid precision. Finally, the tourbillon bridge is finished with a miniaturised Spirit of Ecstasy handcrafted in gold.

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THE PORTUGUESE GOLDEN VISA

by Howard Bilton

The Portuguese government announced – rather unexpectedly – that its Golden Visa (GV) programme was to be completely closed with immediate effect on 17 February.

'Immediate' in Portugal doesn't typically mean the same as in other countries. Indeed, a further announcement was made shortly after, which stated that applications for GVs would continue to be accepted until such time as a new law revoking the status could be published. This new law is now not expected until July.....maybe.

The government made clear that all existing GV applications would be processed and eligibility would not be altered retrospectively. That will be of some comfort to the many hundreds of people who have applied but are still awaiting news.

It seems that processing applications is not running quite as smoothly as it might be. It came to a complete standstill during the Covid lockdown and the Portuguese Immigration and Border Service (SEF) has still not caught up.

Many who applied in 2021 have already had their GV applications granted. Most who applied in 2020 have not. This is an anomaly. It is rarely, if ever, possible to obtain any information whatsoever about where a particular GV application sits in the process. This is obviously very unhelpful and frustrating for applicants who have been waiting for a long time. Advisors share their pain.

The good news for those who want to come and live in Portugal is that it is possible to stay indefinitely in Portugal as long as you can evidence that you have applied for a GV. There is procedure to make a formal application for an extension to stay through the SEF website. This is generally granted. There is also anecdotal evidence that producing the GV application papers at the border results in a waiver of the normal limit on the number of days that a non-EU applicant can remain in Portugal.

In light of the various announcements, many promoters have been urging clients to rush in their applications and it is possible that applications might be completed and submitted before the (as yet unknown) deadline. However, we would urge caution.

An application cannot be submitted unless it is completely and properly documented. These documentary requirements are not uncomplicated. A Fiscal Representative has to be appointed, a bank account has to be opened and a 'no criminal record certificate' has to be produced by the authorities in your current place of residence. Anyone in international business will be familiar with the difficulties of opening even the simplest form of bank account anywhere in the world. Similarly, it is rarely quick to obtain a 'no criminal record certificate'.

The GV was always controversial because of its very attractions. The Portuguese objected because it contributed nothing to the economy apart from making some rich property developers even richer. And it caused massive property price inflation which priced locals out of the market.

EU neighbours objected because of the minimum stay requirements. To maintain a GV, holders were only required to stay in Portugal for seven days in the first year and 14 days in the following two-year periods. This allowed them to remain in their home country, rarely visiting Portugal, whilst qualifying for nationality thus getting the same benefit that would be specifically denied by other EU countries without five years of continuous residence. Portugal was, they argued, providing a short cut back-door entry to EU nationality.

You can see their point.

There are still many other ways to enter Portugal and most are easier, quicker and cheaper than the GV, which required a relatively substantial investment of €500,000. Chief among these alternatives is the D7 'passive income' visa, which is available to anybody who can show that they are financially independent. In Portugal that simply means having a minimum of €20,000 in a bank account.

The main difference is that to maintain a D7 visa the holder is required to spend a minimum of six months per year living in Portugal. After five consecutive years they would be eligible for nationality. This is not usually an issue for those who genuinely intend to move to Portugal. D7 applicants can rent or buy accommodation wherever they want rather than being restricted to GV-qualified investments, which exclude residential property in areas such as Lisbon, Porto and the Algarve other than rather risky pre-approved off plan developments which appear to be quite risky.

Other alternatives for non-EU nationals seeking Portuguese resident status include the D2 'Entrepreneurs' visa, for those who want to open a business (or a branch of a business) in Portugal or are independent professionals who want to work in Portugal. Or the D3 "Highly Qualified Individuals' visa for those who have specialised technical skills of an exceptional natural or an adequate qualification. These visas can offer similar benefits to the GV but with lower levels of investment and more income producing possibilities.

Any immigration status for new residents to Portugal can be combined with the non-habitual resident (NHR) status. Confusingly, this is a special tax status that is only open to habitual residents i.e., those present in Portugal for more than 183 days per year. NHR status can only be applied for after you have been granted residency. It is not an immigration product but a tax benefit that can be (and in practice always is) granted to new residents.

The NHR headline is it gives a 10 year holiday from Portuguese tax. This is not quite the full story. NHR status gives reduced rates of tax on Portuguese-source income and most foreign-source income is exempt from Portuguese taxation if structured correctly. Without correct planning new residents could find themselves exposed to income tax in Portugal at rates of up to 48%. With careful structuring, NHR status can indeed do what it says on the tin and provide a ten-year tax holiday.

With or without the GV, Portugal looks set to continue to attract new residents. After all, who would not be tempted by its low cost of living, lovely climate, friendly people, great food and wine, beaches, culture and a very attractive tax deal.

Howard Bilton is a barrister called in England/ Wales & Gibraltar, a visiting Professor at Texas A&M University School of Law and Chairman of The Sovereign Group.

ROLLS-ROYCE GHOST EXTENDED

Rolls-Royce Motor Cars' unrivalled Bespoke capabilities, endless creativity and excellence in engineering enable the marque's clients to give their imagination free rein, as they commission their unique and deeply personal motor car

Rolls-Royce Motor Cars is a wholly-owned subsidiary of the BMW Group and is a completely separate company from Rolls-Royce plc, the manufacturer of aircraft engines and propulsion systems.

Over 2,000 skilled men and women are employed at the Rolls-Royce Motor Cars' head office and manufacturing plant at Goodwood, West Sussex, the only place in the world where the company's super-luxury motor cars are hand-built.

ROLLS 'GHOST EXTENDED' ROYCE

by Ty Murphy

A WORK OF ART FROM THE PRIVATE OFFICE DUBAI

Rolls-Royce Motor Cars' unrivalled Bespoke capabilities, endless creativity and excellence in engineering enable the marque's clients to give their imagination free rein, as they commission their unique and deeply personal motor car. Nowhere is this more apparent than in the Private Office – a concept which brings together clients, designers and engineers and which is being expanded from Goodwood to other major luxury centres around the world. Private Office Dubai was the first to be inaugurated outside the Home of Rolls-Royce, more will follow in due course.

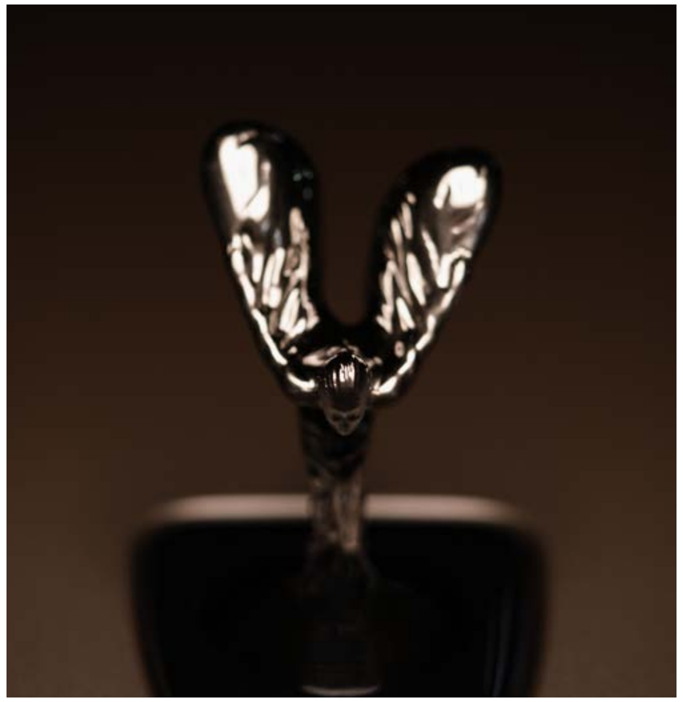
Only eleven months since Private Office Dubai was opened, Rolls-Royce is delighted to present the first commission from the Office: displaying dazzling craftsmanship and great creativity, this Bespoke presentation of Ghost Extended is a true work of art.

Reflecting an evolved appreciation of luxury, one defined by purity, but underpinned by great substance, Ghost Extended embodies elegance and agility. The purest expression of Rolls-Royce, it is a motor car that inspires greatness.

Inspired by the magic of the Middle Eastern sunrise and the mystery of the Arabian sands, this Bespoke Ghost Extended radiates luxury, capturing the imagination as its Sunrise Sparkle exterior gleams against Dubai's skyline. Guided by the Spirit of Ecstasy, and enhanced by the hand painted Coachline in Moccasin, a single, sculpted shoulder line extends from the front to back, creating a continuous silhouette. Elegantly luminous in the dark of the night, the illuminated Pantheon Grille emits an ethereal glow.

The interior of this Bespoke Ghost Extended is defined by elegance. A serene realm in Grace White and Moccasin, cocooned by the finest materials, drivers and passengers alike are transfixed by a rarefied vision of pure beauty, as the Starlight Headliner is emphasised with an ephemeral show of shooting stars.

The marque's hallmark Magic Carpet Ride is delivered by the marque's unrivalled Planar Suspension System, itself the result of more than 10 years' exhaustive testing and refinement by specialist engineers. Featuring continuously variable, electronically controlled shock absorbers, self-levelling high-volume air strut assemblies and a world-first upper wishbone damper; Ghost and Ghost Extended are the first-ever production motor cars to benefit from this spectacular technology, with Ghost Extended also offering all-wheel drive and all-wheel steering.



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RARE WINE AND NFTS

RARE COLLECTIONS OF THE WORLD'S LEADING WINES TO BE SOLD, TOGETHER WITH A UNIQUELY MINTED NFT

In the highest value wine auction ever staged in Africa, Strauss & Co Fine Wine Auctions has unveiled six significant collections of the world's greatest wines, that have also been minted as NFTs. The lots include Penfolds Grange, Domaine de La Romanée Conti, Château Mouton Rothschild, Château d'Yquem, Screaming Eagle and Harlan Estate which will be sold in the timed online auction 3rd – 10th July 2023.

The Coats Family Cellar is arguably the most prestigious fine wine collection ever offered in the region with superb provenance. Esteemed fine wine specialist, Roland Peens, Strauss & Co, advises that "Mr Coats had a clear passion for Penfolds Grange and Mouton-Rothschild, but there are few great wines from the 20th century that weren't in the collection. The d'Yquem lot is also expansive and very special!". Leading international fine wine expert, Michael Egan, has scrutinised and authenticated every bottle, and over 100 bottles have been tasted.

"Considering the size and depth of these impressive, unique collections, and the critical need for authenticity, we saw the advantage of minting each wine as an NFT",

"We authenticated and photographed each bottle with the information now stored on the blockchain. This is a chance to buy a super rare collection or invest in an alternative asset. Fine wine has proven to be an uncorrelated long-term asset with low volatility and the NFTs adds further security."

Non-fungible tokens are a highly efficient way to package a collection of wines for long term aging or trading. The digital contract is stored on the Polygon blockchain and the NFT includes the critical information of the transaction regarding provenance, barcode, pictures, pricing, along with sensorial and aging information. Each bottle within the six NFTs is also minted as an NFT, allowing for drinking or trading

of single bottles at any time.

The Coats family donated R4m ($200,000) of their cellar to charity and wine education in Southern Africa. "Crucial international benchmarks are increasingly priced out of arm's reach for aspiring young African professionals' education", says Higgo Jacobs, co-founder of SASA – South African Sommelier Association - and Strauss & Co Senior Fine Wine Specialist.

A portion of the NFT sale will go to SASA, the South African Sommelier Association, a registered NPO that promotes a culture of food and beverage service excellence in South Africa through education. 'A lot of ground has been made to create opportunities over recent years, however, much remains to be done. This partnership will provide a further shot in the arm to level the playing field and create access for African

Roland Peens and Higgo Jacobs Wine Specialists

sommeliers", continues Higgo.

Here, Roland Peens walks us through the exceptional lots that will be available:

The Penfolds Grange lot is a grandeur selection of the first 58 years of Penfolds, including the maiden 1951 vintage. The New-World's most famous wine was produced by visionary Max Schubert, and the collection includes a signed 375ml bottle of the 1952. The 232 bottles, including 42 Magnums, is close to a complete vertical.

Château Mouton-Rothschild famously added artwork to their labels with the legendary 1945, the first vintage in the NFT. To commemorate the allied victory, Baron Philippe de Rothschild commissioned unknown artist Phillippe Julian. The 1945 turned out to be a legendary wine and the artist labels became a huge drawcard for collectors. This impressive 176 bottle collection holds a bevy of large format bottles, including 33 double-magnums and a strong showing of the great vintages of 1982, 1986 and 2000.

The world's greatest sweet wine, Château d'Yquem is showcased over 119 years and this sale includes four bottles from the 19th century. The House of Yquem is famous for its extremely long ageing and it turns progressively darker with age, gaining complexity. Great vintages such 2001, 1976, 1967, 1947, 1945, 1928 and 1899 are included.

The world's most hallowed producer, Domaine de La Romanée Conti, is minted into an NFT with 80 bottles from 1999-2015. This prolific period for Burgundy is highlighted by a mix of red wines from their various vineyards including 17 bottles of La Tâche, and 2 bottles each of the 2009 and 2010 La Romanée Conti.

Two American cult wine collections are offered as NFTs in Screaming Eagle and Harlan Estate. Both Cabernet Sauvignons are produced in small quantities with long waiting lists to receive an allocation. Screaming Eagle is America's most expensive and exclusive wine that matches prices of Château Petrus. The Harlan Estate NFT features a bottle and magnum of their first commercial 1990 vintage along with 100 pointer vintages in 1997, 2002, 2007.

Penfolds Grange 1951-2008 NFT. Lot contains 232 bottles; 1 x 375ml, 189 x 750ml, 42 x 1500ml Including signed 1952 by Max Schubert Low R6m (in the region of $300,000) High R8m (in the region of $400,000).

Strauss & Co Domaine de La Romanée Conti 1999-2015 NFT. Lot contains 80 x 750ml bottles. 4 x Romanée-Conti, 17 x La Tâche, 4 x Richebourg, 18 x Romanée-Saint-Vivant, 20 x Grands-Echezeaux, 14 x Echezeaux and 3 x Vosne-Romanée 1er Cru Low R8m (in the region of $400,000) High R10m (in the region of $500,000).

Strauss & Co Château Mouton-Rothschild 1945-2014 NFT. Lot contains 176 bottles; 68 x 750ml, 73 x 1500ml, 33 x 3000ml and 2 x 5000ml. Low R7m (in the region of $350,000) High R9m (in the region of $450,000).

Strauss & Co Château d'Yquem 1892-2010 NFT. Lot contains 184 bottles; 36 x 375ml, 146 x 750ml and 2 x 1500ml. Low R4m, (in the region of $200,000) High R5.5m, (in the region of $275,000).

Strauss & Co Screaming Eagle 1995-2010 NFT. Lot contains 19 bottles; 17 x 750ml and 1 x 1500ml Cabernet Sauvignon, 1 x 750ml Sauvignon Blanc. Low R1.6m (in the region of $80,000) High R2m (in the region of $100,000).

Registration and Bidding are now open – visit: www.straussart.co.za

SUPERYACHT CHARTERS

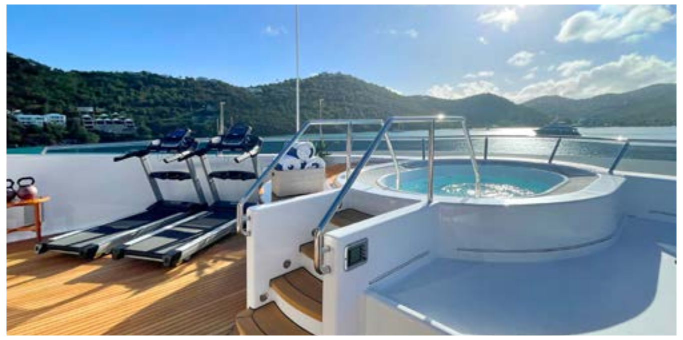
A yacht charter vacation is the ultimate in luxury travel, and experts would agree there is increased interest from newcomers. Family office owners, HNW and UHNW individuals are in search of privacy and made-to-measure vacations which allow them to completely unwind, far away from busy everyday life. But where do you begin if your knowledge of yachting etiquette is limited, and you have only ever stayed on dry land?

Choosing the right charter broker
When embarking on a yacht charter vacation, it is vital that you find yourself a reputable charter broker. Seek out someone with years of experience in the industry, who can provide feedback from clients and present yachts from across the market. A good broker will likely be a member of a professional yachting body (for example MYBA) and discuss your requirements before they even consider recommending a yacht.

Costs and inclusions
Yachts come in all shapes and sizes but keep in mind that glossy images may be misleading. One of the most important considerations when booking any travel experience is the budget. The headline price may not include compulsory and discretionary extras, which can be a big surprise if you are not expecting them.

When setting your charter budget, it is important to consider the compulsory 20-30% additional APA (Advanced Provisioning Allowance) which is a pre-payment for all your on-board costs including additional food, beverages, mooring or fuel fees. It is customary to tip your crew and most yachts recommend 15-20% of the charter fee depending on your level of satisfaction. A solid charter contract, such as the one provided by MYBA, will protect you and the yacht owner from any financial conflicts.

Fully-crewed luxury yachts range from around €20,000 per week to well over a million depending on the size, number of suites, facilities on board and the ratio of crew to guests. Catamarans can be more affordable and some of the contemporary models are incredibly well-equipped and still offer five-star service. Motor-sailer yachts are popular in the Eastern Mediterranean and Asia and are a great choice for families wanting a classic adventure. There are plenty of mid-range motor or sailing yachts with 3-6 cabins and facilities such as a sun deck, jacuzzi and water toys. Look for something new, well-maintained or recently refitted to get the most for your money. At the top end are the mega-yachts, which include everything you could possibly imagine - and even things you could not!



Worldwide destinations
Wherever there is a stretch of coastline you will find yachts, but the two prime destinations and seasons are the Caribbean in winter and the Mediterranean in summer. If you want to escape an endless winter, then the Caribbean is perfect for a first-time charterer with calm, crystal clear waters and endless white sandy beaches.

The varied Mediterranean is the place to be for the summer season where chic resorts along the French Riviera allow you to dine out in style and shop in designer boutiques. The Amalfi Coast in Italy boasts colourful cliff-top towns plus endless art and culture, while the Greek Islands offer a warm welcome and climate.

For the trip of a lifetime, you could choose the Seychelles or travel further afield to the South Pacific where the underwater landscape is awe-inspiring. If you crave adventure, parts of northern Europe, Canada and even the Antarctic can be visited on board explorer yachts which are built for adventure, while still offering premium facilities.

A family adventure
Yacht charters are an ideal choice for family holidays, although it is important to choose the right yacht if you are travelling with very young children as they will need to be supervised at all times. School-aged kids and teenagers will love the water toys or themed meals and activities organised by the crew, leaving the adults time to put their feet up.

The importance of a good crew
The crew are the heart and soul of a charter yacht! A good captain will have a wealth of knowledge about the area including the best anchorages, beaches and harbours, and will be supported by the deck and interior teams who are on board to ensure the safety and comfort of guests. The deck crew work with the captain to ensure the boat's safe manoeuvring, while the interior team or 'stews' keep the boat in pristine condition and work closely with the chef to serve drinks and dinner as per the guests' preferences.

A preference form will be sent to you by your charter broker to complete in advance. This provides the crew with information that they can use to plan activities and menus, ensure your favourite drinks are on board, and understand your preferred timetable. The crew are often young and fun and relish the opportunity to plan activities and games with kids and adults. However, if you prefer a more discrete and quiet level of service, make sure you are clear on your preference sheet about how much interaction you would like with your crew.

Packing for a charter vacation
Details about your yacht, including cabin amenities and toiletries, laundry provision, voltage and other technology on board, should be provided in advance. This will guide you in what to bring and what will be provided on board.

While every boat is different, some etiquette is universal: use soft luggage as storage can be limited, always remove your shoes when on board, avoid oil-based sun protection products, supervise small children at all times and listen to instructions from the captain and crew. And finally, there is always zero tolerance for non-prescription drugs.

Have fun!
Charter vacations are a unique luxury experience where you can explore some of the most beautiful parts of the world at your leisure. Whether you are planning a once-in-a-lifetime trip or embarking on a lifelong love of yachting, we wish you a bon voyage.

by Rachel Kelly

Photo credit to M/Y Blue Moon/CharterWorld

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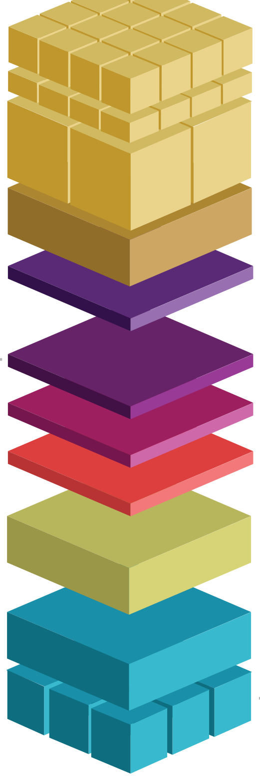

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THE SAFE ADOPTION OF CRYPTO

by Karen Jones, CEO and founder of Citywealth

The cruel irony for crypto is that it needs safe adoption. By now most will know, the yet to be revealed Satoshi Nakamoto, created a system called Bitcoin with a coin on it, bitcoin. The marvel of this is that those with a wallet (app on phone) could ping an address (a string of numbers like a bank account code) with an amount of bitcoin without a bank, lawyer or intermediary involved. It's banking without the banks. The transaction is completed in seconds across borders, something that banks have charged endless fees for and often spent days doing the same.

The invention has taken a decade or more to catch on with much of the Western world, and still many just talking about bitcoin's volatile price. In fact all the coins are seen as the Wild West: worth millions one day and zero the next.

Despite its reputational history, there's still an enormous amount of crypto ownership with a Singapore blockchain company estimating 320 million users. Whether that's true or not is difficult to decide, and is a 'user' a useful gauge if they have small amounts? Nevertheless, bitcoin, which is the brand of crypto, has become stored as an alternative asset with the coin now worth on a daily average of roughly $26,000 from a standing start of nearly zero ten years ago.

For the UHNW or £1million affluent market knowing how to navigate this market is difficult. As knowledge of the industry has risen, so have scams and ways to drain wallets of bitcoin and NFTs. Here is where another cruel irony arises. Lawyers, accountants, asset tracers, custodians and governments have jumped up to claim their slice of the bitcoin pie.

There are many ways to be involved in crypto. First you need to decide what you want to do. Do you want a career trading? Just buy bitcoin as an alternative asset like gold - buy bitcoin to spend? Buy NFTs? Invest or seedfund a company? Buy NFT artwork or fan tokens? Staking? (putting coins to work to earn interest). The industry changes on a yearly basis. Crypto is like dog years, seven years in real life is one year in crypto.

Left: Karen Jones

CEO and founder of Citywealth

So, onto the safe adoption. At a small level, Coinbase which did a direct listing (like an IPO but with less fees) is the king of wallets with immense security and is the place to start. You will need some verification documents like a passport and a credit card or linked bank account to be crypto ready. With current resistance - though most UK banks and credit card companies no longer allow purchases - options like Revolut can help, but bank transfers can also be done usually.

Bitpanda is also a good app and easier to transfer money to or get money on and that can then be transferred to apps/wallets like Coinbase. It also has some index funds you can put money into to let them buy the crypto and manage the risk with regular rebalancing. MetaMask is another interesting app/wallet and worth a download just to understand the marvel of the technology (it has its own web browser and all NFT purchases show up in the wallet from other sites).

If you don't want the hassle of trading or buying and just want to be involved, have bragging rights, then there are shares available for Coinbase through sites like Hargreaves Lansdown. Easy to do, easy to see and you can buy and sell at your leisure. Despite the ongoing regulatory troubles Coinbase is having, it's a clean way to get involved. It's also a good price at the time of going to print because of ongoing bad news which is perceived to be a risk to operations.

For the UHNW of £1mn investor who wants to use a fund or exchange traded product, dependent on your location and type, reputable companies include Coinshares which have a plethora of products. For the UHNW investor, compiling a team in advance is also a good plan. There are accountants such as Andersen in the UK who specialise in crypto due diligence; lawyers like Penningtons Manches Cooper (UK) who can review white papers; asset tracers like Quintel Intelligence who can monitor and recover assets and if you really need some interventions, barristers Astraea Group to get exchanges to freeze assets to stop theft.

The digital asset custody business is now well under way with operations like Zodia Custody part of Standard Chartered, in association with Northern Trust and SBI Holdings. They can protect and stake institutional and corporate crypto. Again, an irony with a peer-to-peer system, but digital cyber safety is now big business.

For investing or knowing who to work with there are some basics for safe adoption: ask for a lawyer and accountant reference then follow up and ask that lawyer or accountant if they are dealing with the company; coin or project in the manner being described. This has turned out to be an interesting way to get information and to wiggle out bad actors. With regards to a white paper (the project business plan) do some basic research yourself through your own networks and Google to see if any forums show problems and finally ask for a financial proposal to understand the business side not just the product side. Twitter is a good forum to see stories emerging. Telegram is also good but not as easy to access. Then, after following the above, if questions remain, instruct a lawyer or due diligence company to provide an opinion.

Whatever you decide, whether bitcoin or a meme coin like Dogecoin, don't get too blindsighted by the terminology; it's simply a new language and just takes a bit of time to learn.

As the founder and CEO of Citywealth, I set up the Citywealth Crypto Club a year ago, where private client advisors could meet verified crypto natives for the safe adoption of crypto into the wealth management sector. Amongst our recent speakers was Lord Chris Holmes of Richmond MBE, lawyer and Paralympic Games gold medal winner. He has been a member of House of Lords Select Committees on Digital Skills, Artificial Intelligence and Democracy and Digital Technologies amongst others.

www.citywealthmag.com/crypto-club

Lürssen SUPERYACHTS

Lürssen delivered Project BLUE

After BLUE's successful second sea trial at the end of June, the 160-metre Lürssen left the shipyard in Bremen on 2nd July and embarked on her maiden voyage, heading to the Mediterranean where she will now enjoy her very first season with her new Owners.

Efficiency and the desire to be as environmentally friendly as possible were key drivers for the technology on board. BLUE is equipped with a highly efficient Diesel-Electric Hybrid Propulsion Concept developed by Lürssen's own engineering specialists. The concept combines diesel- propulsion-technology with efficient modern electric propulsion systems. BLUE's system consists of two diesel engines that drive two controllable pitch propellers through individual gearboxes.

These gearboxes are equipped with PTI/PTO units that can be used for either electric propulsion (slow speeds) or for generating electrical energy to operate the vessel at higher speeds. BLUE is also equipped with an electric Azimuth Pod Drive, which in electric mode can be used separately, or when the PTI units are engaged, with the two propeller shafts.

In order to generate less noise and vibration and reduce nitrogen oxide levels, BLUE is equipped with a state-of-the-art exhaust after-treatment system. Furthermore, the wastewater treatment plant is equipped with new membrane technology that allows the treated wastewater to be safely disposed of in 'drinking water quality'.

Many years of planning, engineering and building to the highest standards went into project Blue.
"To execute such a comprehensive project, an excellent team is necessary," says Managing Partner, Peter Lürssen. In this case, the team consisted of the Owner's technical project management team, the design team from Terence Disdale who are responsible for the contemporary exterior and the traditional fresh interior design and of course, Lürssen's own project team. "We are very proud of BLUE as yet another statement of Lürssen's ability and desire to build yachts that meet all of our exacting Owners' requirements, guided by our core focus of expert engineering, beautiful design and being a proud market leader in developing sustainable technologies."

THE YIN AND YANG OF FAMILY OFFICES IN ASIA

By Suzanne Johnston, Kevin Lee and Ross Davidson, Managing Associate, Stephenson Harwood

Family offices have become increasingly popular among wealthy families and entrepreneurs to manage their financial affairs, preserve wealth for future generations and involve the next gen in family investments. The choice of where to establish a family office is critical, as it can have a significant impact on a family's finances and legacy. While Singapore and Hong Kong are often seen as competitors in the family office space, their family office regimes are complementary, each offering unique benefits to families depending on their specific needs and objectives.

Singapore's Tax Incentive Schemes: A Proven Recipe for Family Office Success

In recent years, Singapore has been at the forefront of the family office industry, offering two key incentive schemes – Sections 13O and 13U – that provide significant tax benefits for family offices in Singapore.

Under Section 13O, Singapore companies managed by a fund manager in Singapore (i.e., a family office) are exempt from income tax in respect of "designated investments". Designated investments include a wide range of financial instruments, such as stocks, bonds, securities, and derivatives. Meanwhile, Section 13U provides the same tax exemption for any form of entity (onshore or offshore) managed in Singapore, including companies, trusts and limited partnerships. Broadly, without these exemptions, the income gain investments in the family fund managed by the family office would be subject to Singapore tax at the corporate income tax at a rate of 17%.

To qualify for the tax exemption, the fund managed by a family office must have Assets Under Management (AUM) of at least S$10m at the point of application under Section 13O (with an increase to S$20m within two years) or S$50m under Section 13U.

The Section 13O and 13U tax incentives both require that the family fund managed by the family office invest at least 10% of its AUM or $10m, whichever is lower, in local investments at any one time. They must also meet other qualifying requirements, including minimum expenditure for the fund entity and a staffing quota for the family office.

In addition to the tax incentives, Singapore has a Global Investor Programme (GIP), which has been key in attracting wealthy families and family offices to Singapore. Principals of family offices can apply under the GIP for permanent residency provided they have a substantial business track record and at least S$200m in net investible AUM.

Hong Kong's Family Office Regime: A New Player on the Block

Hong Kong has recently introduced its own tax concessions for family-owned investment vehicles providing a similar tax regime to Singapore's Sections 13O and 13U. While the Hong Kong regime is relatively new, it has already been met with enthusiasm from families around the world.

The concession allows eligible family-owned investment holding vehicles to enjoy a 0% concessionary profits tax rate on qualifying transactions, which would otherwise be subject to profits tax at a rate of 16.5% on accessible profits.

Qualifying transactions include investments in, for example, securities, shares, stocks, bonds, notes, and derivatives. The qualifying transactions must be carried out in Hong Kong by or through a family office and both the family-owned investment holding vehicle and the family office, must be normally managed or controlled in Hong Kong. The minimum AUM requirement is HK$240m and there are minimum expenditure and staffing quotas similar to the Singapore regime.

Although the Hong Kong regime does not impose local investment restrictions, only profits from qualifying transactions are exempt from profits tax. Any incidental transactions are subject to a 5% threshold.

Hong Kong is also planning to relaunch a modified version of its Capital Investment Entrant Scheme (CIES) as part of its efforts to attract more family offices and high-net-worth individuals to establish businesses and reside in Hong Kong. While real property would be excluded, investible assets under the CIES will potentially include innovation and technology sectors aside from financial assets. The CIES is expected to allow eligible applicants to obtain Hong Kong permanent residency status more easily and faster than under existing immigration schemes.

Finding the Right Fit

Both Singapore and Hong Kong offer a stable business environment, strong legal framework, world class infrastructure and a deep pool of financial expertise. Singapore has early mover advantage with its already well-established family office ecosystem and connectivity to the Southeast Asian market. In contrast, Hong Kong offers proximity to the significant Chinese market and a more vibrant capital market.

By understanding the strengths of each regime, families can identify the most suitable location to establish their family offices. As ever, there is no one size fits all approach. Stephenson Harwood has extensive experience advising families on the most suitable family office regime for their needs while helping families navigate the complexities of tax and regulatory environments in Singapore, Hong Kong, and beyond.

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BUILD OR BUY

WEALTH MANAGEMENT COST FRAMEWORK FOR FAMILIES

By Charlie Grace

Costs are an important consideration for wealthy families when devising an overall wealth management strategy. Two of the most notable factors that can increase wealth management costs are the use of sophisticated wealth structuring strategies—often as part of tax efficiency and estate planning—and the execution of alternative investment strategies like private equity and hedge funds. In all instances, cost should be commensurate to the value delivered to the family.

This article presents a three-part framework that families with substantial diversified portfolio investments can use to evaluate the costs of managing their wealth.

Evaluation of Costs

Families addressing the issue of cost should start by evaluating their total wealth management expenses. Two high-level inputs—investment costs and non-investment costs—make up total wealth management expenses.

Costs also consist of a wide range of more granular line items including asset management, next-gen education, financial reporting, tax compliance, trustee fees, recordkeeping, property management, and family retreats, among others. Often families require broader and more varied services than they initially expect. In many cases, a family office will also serve as a gatekeeper and coordinator of all wealth management activities.

Both a family office or a third-party provider can be used to perform designated investment and non-investment functions. The notion of "build or buy" comes into play when families consider whether to construct their own wealth management capabilities and individualized services inside a family office, or to outsource some or all of these tasks to a third-party provider.

Most notably, investment services typically represent a high percentage of overall wealth management costs—characteristically 50% or more of total expenses.

When evaluating certain costs, they should be normalized to account for any short-term aberrations. For instance, a family overhauls its estate planning in a particular year, with legal fees amounting to $250,000. If the usual annual run rate for legal fees is $50,000, the lower number can be used to normalize the data for benchmarking against peer offices.

The degree to which services are performed by the family office or delegated to third-party providers can vary. A high degree of outsourcing, say allocations of 75% or more, pushes costs to third-party providers and should figure in a family's cost analysis. Due to the customized nature of the family office, it is generally assumed to be more expensive than engaging with only third-party providers.

Families who are considering whether to establish a family office should conduct a cost/benefit analysis to identify and evaluate their needs against these additional expenses.

Of course, when deciding to "build versus buy," cost is not the only consideration—integrity, trust, experience, track record, and other criteria also should be considered.

Why Do Costs Vary So Much?

Two important characteristics to keep in mind when assessing wealth management costs are the complexity of the required services and economies of scale at play.

Complexity

Some factors, such as the total number of family households or financial entities, have a fairly straightforward impact on costs. Generally, the more households and entities, the higher the cost. However, other factors can add to overall cost in less obvious ways. A higher number of accounting and tax entities, for example, often requires more sophisticated tax and estate planning design, advanced monitoring, and more robust reporting, which will lead to higher costs. Likewise, the use of more complex alternative investments in a family's portfolio will lead to higher fees compared to traditional active and passive strategies.

With benchmarking costs, families should consider the full range of services they require, as their impact on price can be dramatic. In many cases, more complicated, higher-cost arrangements are worthwhile if they can help a family optimize wealth management solutions and help them achieve their investment goals.

Economies of Scale

When buying wealth management services, there are often also important economies of scale at work, which refers to the potential cost savings that become available as the size of the wealth increases.

For example, savings from economies of scale are often available when a family buys legal, investment, or accounting and tax services, whether through a family office or third-party providers. When a family aggregates its purchasing power, the benefits can take the form of higher quality advice, more experienced and accomplished wealth advisors, and lower fees.

Best Practices

It is normal for families to incorporate best practices over time and after putting in place more basic processes to manage and measure costs.

Although each family's wealth cost is different, the focus here is to provide families with insights and tools for determining how to meet their unique service requirements and goals at a reasonable cost. Benchmarking costs against peers can be informative but should be considered in the context of best practices with oversight of costs at the governance level, connecting costs to the goals of a strategic plan.
In addition, a disciplined process can optimize costs and it is imperative that transparency and communications about costs be provided to all adult family members with an ownership or beneficial interest, as well as any other key stakeholders.

Families can begin to evaluate their wealth management costs only after they have clarified their service requirements and goals in the context of their total wealth and investable assets. If unsure of the service requirements and family goals, asking the right questions and framing the issues go a long way to determining the right price and how costs should be viewed and managed. From there, families can better assess underlying costs for wealth management services, including any complexity factors and economies of scale.


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HOW TO ACHIEVE A WIN-WIN SITUATION BETWEEN CLIENT, ORGANISATION AND WEALTH CONSULTANT?

By Sylor Wang

In our opinion, the wealth management industry in mainland China is facing a significant difficulty in achieving a win-win situation between the client, the wealth management organisation and the wealth consultant. In reality, these three relationships are often at odds with each other. If these contradictions cannot be reconciled, the "rules dividend" cannot be liberated.

Partner and CIO Sylor Wang
PanHe Family Office

The contradiction between client and wealth management organisation is that organisation focuses more on demanding than on giving (Any organisation has to be profit-oriented. The term "demanding" in this context refers to a subjective user experience). This is a vicious circle. When the client encounters a demanding organisation, it is easy for them to assume that all organisations and integration industries are like this. Therefore, it is in the client's best interests to become acquisitive. The level of trust between client and organisation is thus gradually moving towards a passing mark. Each request from the organisation is likely to be more difficult than the last. Of course, the business model of acquiring the client's assets and making a profit from them is inherently more solicitous. When factors such as market and product selection cause the client's investment to lose money, the poor user experience is even more intense. However, most of the wealth management organisation's group companies are not only wealth management businesses, such as investment banking and corporate loans. These businesses are much more "giving" in nature. The "demanding" business is much better when it is paired with the "giving" business. The internal synergy is sure an "organisational" issue.

The organisation also tends to be more solicitous of the wealth consultant. When it becomes difficult for an organisation to demand from its clients, it is easy for the organisation to put this pressure directly on the frontline wealth consultant. Because it is easiest for the organisation to do so. In fact, we find that the year-end completion of many organisation's KPI is much lower than the indicators specified at the beginning of the year. If only a small percentage of wealth consultants achieve their KPI each year, then there is basically a problem with KPI setting. The KPI is an agreement between the organisation and the wealth consultant, which is a rule of the game that divides the benefits between the different levels of the organisation. When such rules do not make sense, rational client managers may respond in several ways.

The first is to "play by the rules" rather than perform. The second is to simply lie flat and leave the pressure to the middle management (who are the most tired people in any organisation). The third is for the client managers themselves to pay back the benefits to the clients, bringing about unhealthy competition in the industry. There is also a fourth type, but it is not very feasible as sales figures are difficult to falsify. In turn, the relationship between the wealth consultant and the client can only be solicitous. This creates a posture of responsibility upwards (the supervisor) but not downwards (the client).

From a spectator's point of view, none of the three parties mentioned above is happy with this state of affairs. It is a hopeless choice for everyone to take a demanding stance. The reason is that we are unable to find a way to make a win-win situation for all three parties. Or rather the methods that can be thought of have strong externalities for the actors. That is to say, the costs are on their side, but the benefits (in terms of time and space) are mostly absent. Not many people are willing to do something where "those who have gone before us work and those who come after us enjoy it".

The environment in which we live is full of seller positioning. The seller mindset is present in virtually all industries. It is not only found among marketers and senior and middle-level decision makers in these industries, but also in public service. The seller mindset tends to be more self-centred than "client-centred". It means being more concerned with what I need rather than what the other person needs. The seller mindset is also the "fun" assumption that if I want something, I can get it. I can talk about how I get it, or even not care. The purchaser mindset is also the assumption that we must solve our own "wants" by solving the other person's "wants".

If everyone is feeling the pain and expecting change, but change is long overdue. What is the reason for this? Firstly, there is the pressure of a shrinking incremental market due to the general boom in the industry and capital markets (e.g. the problem of the excess savings rate of the population and the impact of the mask economy). Secondly, there is the problem of increasing homogenization between organisation. These external factors make change require greater courage.

We can't change industry problems, and we can only change ourselves. When the market is full of seller positioning, purchaser positioning is a way to solve homogeneity and bring differentiation. In fact, we are suffering the costs of past seller positioning. The costs are likely to continue to rise.

The trust that clients place in the wealth management industry is a public asset, like the natural environment in which we live. The global climate change caused by the use of fossil fuels is a classic example of a negative externality, where the benefits are enjoyed by one entity and the costs are "shared" by all. The route to a low carbon economy is one subject's commitment to a public asset. But for a low carbon economy to be sustainable, it must be able to be turned into an "economy", into a business model. Analogously, if there is to be a "purchaser niche", the purchaser niche has to be turned into a good business. When the purchaser niche is also profitable enough (even if not as much as the seller), then a win-win situation is likely to develop.

To be a business, it must achieve revenue in excess of costs. It is not the responsibility of the organisation to make the revenue side rise. It is not the responsibility of the organisation to do so. On the one hand, it is because the market does not price the purchaser's services, which objectively pushes the organisation towards seller positioning. On the other hand, it is because KPI of the organisation rarely include "user experience" (so the client cannot trust that the organisation's purchaser positioning is genuine). At the same time, the organisation is not willing to invest prematurely in long-term market trends. This is no doubt a strategic decision to be made. In addition, the overall cost of providing the purchaser service is too high, which makes it difficult for the organisation to do so.

If we expect the wealth management market to move appropriately closer to the purchaser positioning so that aiming for win-win changes can happen, all three parties have their responsibilities on the line.

On the client side, the tolerance for "seller" services may need to be further reduced to allow the market to force organisation, rather than wealth consultants. Clearly, when the client does not price the purchaser's services (i.e. determine the value of the purchaser's services), only the seller's services will be available. This is in line with the principle of equality of rights and responsibilities, which cannot be blamed entirely on the organisation.

On the wealth consultant side, tolerance for unreasonable KPI may need to be further reduced. In fact, we are seeing a decrease in tolerance at the wealth consultant level. The reason for this is that in China's wealth management market more and more employees are no longer the generation after 70s and 80s who are not afraid to work hard, but the generation after 90s and 00s who are becoming more and more self-aware.

The old talent bonus of the "low self-esteem" model is disappearing in all industries. This is one of the reasons why some of the top organisations are investing heavily in fintech. Because machines can be adapted to more "low self-esteem" jobs. Replacing people with machines is a good option in the retail banking phase, but at the level of private banking or family office services for ultra-high net worth clients, it will be less effective. The reason for this is that wealth management is a "people" business.

Finally on the organization side, we expect more decision makers to form strategic decisions in line with the laws of market development and common sense, and to face upcoming challenges head on, rather than temporary emergencies. Failure to invest in a medium to long term strategy (no matter how much) brings with it a reduction in long term core competencies and even raises the risk of eventual elimination from the market.

In conclusion, whether a win-win happens depends on whether we can enhance the benefits of change (or the costs of not changing) to reduce the investment required to change. Change is often reluctant and comes from choosing the lesser of two evils. Whoever suffers has to change. If it is the user who suffers, they will choose to give up. This is clearly not a good thing. So it's better to let us make the change ourselves. It's up to the market to raise the cost of seller positioning; it's up to us to lower the cost of purchaser positioning.

PRIVATE JETS

THAT RIDE THE MARKET WAVES WELL

By Gretchen Braley

The business aviation industry has never been so strong. The rebound from the 2020 pandemic pause was quick and voracious. A record number of first-time buyers came to us from charter, fractional, and membership programs as they opted for ownership instead. The buying frenzy caused private jet inventory to hit an all-time low, with most models offering an extremely limited 1% of their fleet for sale (less than 10% is considered a sellers' market). It was a great time to be a seller and a stressful time to be a buyer.

Even when buyers were willing to pay 40-60% more than they would have the year prior, availability was impossible. The art of finding aircraft before they hit the market became imperative.

Now, in Spring of 2023, inventory is recovering. Most models are hovering around 3-8% of fleet-for-sale, rejuvenating the more balanced buyer-seller market. With bonus depreciation phasing out, economic and political uncertainty, and soaring inflation...will there be a mass exodus among owners, causing soaring aircraft values to come crashing down and mass inventory to sit on the market for months or years? The answer: probably not. But the truth is, we don't know for certain. We can make all the market predictions we want, but there are just too many factors – the human factor being the biggest – that are unpredictable. What we do know, is that so far that's not happening.

It is true that inventory has risen slightly and buyer demand feels less ravenous, but aircraft are still trading at higher values than they were pre-pandemic. Many, many new buyers entered the private jet ownership club in the past 18 months and are thrilled with the life change; production can't ramp up fast enough to support this demand so in likelihood, today's market is our new normal (or close to it).

Still, for many clients, the question has been "what is the best plane I can purchase in the wake of uncertainty?" In other words, which aircraft can I count on to hold its value through thick and thin? The aircraft that stand the test of time have three things in common: they are diverse in their mission, tight in their operating costs, and have a loyal, qualified client base. The following aircraft ride market turbulence like a 747:

Challenger 300/350/3500

You would think that having 866 aircraft in service would be detrimental to an aircraft's future value, just based on the sheer volume of potential competition. But that competition is met with constant, enthusiastic demand on the acquisition side. Bombardier's Challenger series performs; it's a U.S. coast-to-coast aircraft with 9 comfortable seats, big windows, and competitive super-mid operating costs. It's hard to find a client, whether they own a Challenger or not, that doesn't say 'I love the Challenger 300.'

Citation CJs

The Citation CJs, 1, 2, 3, 3+, and 4 have a cult following. People that own them, love them. The CJs have a tight cabin, but they're simple and cost effective to own. The wide array of CJ models allows light jet fans to find one within their budget. The aircraft are great climbers, short runway performers, and have solid range and seating capacity for a light jet.

Falcon 2000LX/S

The Falcon 2000LX/S is considered a super midsize aircraft, but it does everything just a little bit better. It can do about 400NM further than the CL 300 and the cabin gives you an extra 100 cubic feet plus an extra seat. Additionally, it burns less fuel which reduces the annual ownership costs. Those specifications, in combination with the fact that there isn't nearly enough Falcon 2000LX/S's out there, makes them a great buy.

Citation Excel/XLS/+

The Citation Excel/XLS is timeless for the same reason the Challenger 300 series is: it performs to its mission flawlessly. It competes with the Challenger for the best-selling jet of all time, but doesn't compete for market space because the mission is completely different. The Excel will always have strong demand because it looks and performs like a midsize jet, but costs like a light jet (to operate).

Gulfstream G550

The Gulfstream G550 is the only large cabin aircraft in my list for one reason: their mission, by design, is market limiting. There are fewer (although increasing) people that need to fly 5000NM+ regularly. The G550 is the workhorse of the large cabin jets though, and while it is designed for long distance flying, it is a popular choice among companies and large families who ample seating capacity for any mission. It has competitive operating costs for its cabin size, good runway performance, and a luxury brand name that will continue to draw people in.

The surging popularity of private jet ownership is likely to ensure that most models, whether they have been historic performers or not, will hold their values better going forward.

Ready to talk more – find me at gbraley@dallasjet.com or @gretchendallasjet on Instagram.

About Gretchen Braley

Gretchen Braley is the Vice President of Sales and Acquisitions at Dallas Jet International, a leading aircraft brokerage company and proud International Aircraft Dealers Association accredited dealer. Prior to joining Dallas Jet, Gretchen began her aerospace engineering career on the Space Shuttle Program at NASA before leading F-16 sales for Lockheed Martin Aeronautics. Since transitioning to private aviation in 2017, she most enjoys the partnerships she creates with her clients and the technical value that she provides while saving clients time and money. Check out her Instagram page @gretchendallasjet where she passes on her aviation passion and knowledge by sharing aircraft comparisons, market trends, and future innovations.

MORE THAN MONEY AND ASSETS:
WHAT MAKES AN EFFECTIVE SUCCESSION PLAN

By Andrew Briddon and Sanmari Crous, Standard Bank

"The special challenges of the Rich come from the inordinate freedom granted by the wealth, the surplus of resources beyond ordinary human needs, and the ability to manage the world around them in ways not possible to others."

With what many are calling the 'Great Wealth Transfer', experts anticipate the transfer of a staggering value of wealth over the next two to three decades. Although different research predicts differing figures, the conclusion remains the same; now, more than ever before, it is essential that families consider the effective succession of wealth.

However, it is not only about money and assets. Effective succession recognises that great wealth affects the life and psychology of the first generation in a different way than it does the next generations. Wealth has a different meaning for those who have built an empire from the ground up to those born into the empire. A successful transition of wealth and power bridges the gap between acquirer and inheritor, parent and child, 'old-school' and 'new-school'.

With a recent encounter with two ultra-high net-worth families with two very different approaches to their wealth and succession planning, both going through a very similar family event, this article contemplates the factors that helped or hindered these families on their wealth succession journeys.

Unity begins with communication

All families desire a harmonious transition of wealth between generations, and for the wealth to tie them together rather than tear them apart. However, it is also widely known that, in reality, wealth often divides a family. With this in mind, it is easily understandable why a patriarch or matriarch may insist on involving the younger generations in the wealth, or why they may choose to shield them from it.

Seeing both scenarios play out at the same time in similar circumstances is insightful. Where the extent of the family's wealth comes as a surprise to the next generation, they are "unprepared for the future, neither warned nor guided into their situations." This is especially true when a family business is involved. In this case, one of the families had minimal integration between the family and the business, with the result that, some painful and inconvenient decisions had to be taken by family members to facilitate the transfer of wealth.

In contrast, the family that had involved the next generation in the business over the years was aligned on the transition of power and ownership – the roles each person would play and how the transfer would take place. Various family members had been working in the business, gaining intimate and valuable knowledge of both the business and the patriarch's vision. As a result, there was much less anxiety involved for the whole family, the trustee was able to make a more straight-forward decision, and the costs involved were considerably lower.

Practicalities matter

Creating a succession plan is important, however, even the most well-intentioned succession plan will fail if it is not practical to implement. One example from many years ago that comes to mind is a settlor who determined that, on his passing, the two children from his first marriage (his wife had passed away) and his second wife must agree on any distributions to be made from the family trust. As the children and second wife did not get along, no one would approve a distribution to the other.

Involving the next generation in the discussion when setting a succession plan can be of great value in ensuring that it is practical. Factors such as family dynamics, implications of different jurisdictions' taxation and legal regimes, and the differing needs, skillsets, abilities, aspirations, and desires of different family members, are essential to consider. An inclusive and interactive approach may also highlight any further steps and formalities that may be necessary, such as a shareholders' agreement, post-nuptial agreement, an investment policy statement, or a life insurance policy.

For instance, a member of one of the families in the recent encounter had concluded a post-nuptial agreement which allowed the family to have more effective options available to them. In contrast, where these practical implications are not planned for, it can unfortunately also be the case that there are very limited options available for the effective transfer of wealth, forcing the family to choose between options with less-than-ideal consequences. In this instance, it created distance between family members at a time when proximity and closeness were desired.

Don't do it alone

Each family is unique, and each family's systems, dynamics, and history are unique. Having the support of professionals who understand this, but also have the insight gained from working with multiple families, is paramount. This extends to all areas of private client services – there is immense value in having the right tax advisor, lawyer, accountant, fiduciary services professional, and family business advisor at one's side – and there are many more professionals with expertise and specialisms that can help wealthy families with their particular circumstances.

Obtaining detailed tax advice and having it regularly updated is important to help direct the succession discussion. Although tax should not be the driver when making succession decisions, no succession plan would be effective without proper consideration of the potential tax implications and considering what that would mean for individual family members.

In addition, having trusted advisors who are acquainted with the family and their matters, can be invaluable when sudden life events occur or if time-sensitive transactions need to take place. In the example mentioned above, over 500 legal documents had to be prepared, among a myriad of other actions, checks, and formalities that had to take place. Both families had long-standing relationships with a variety of professionals, which meant that they could immediately start working and collaborating to assist the family with the numerous decisions, complexities, and transactions.

It is a worthy endeavour

The saying 'shirtsleeves to shirtsleeves in three generations' rings true for too many wealthy families. In many cases, this is the reality even when the first generation was convinced that it would not be true for them. In today's world of ever-increasing complexity, geographically dispersed families, and diverse assets, it is more important than ever to ensure that an effective, comprehensive succession plan is in place - one which truly considers the family, and not only the wealth.

THE FAMILY OFFICE TECHNOLOGY STRUCTURE

Aligning people, processes, and data to meet the needs of the enterprise

Rhys Butler, managing director, Britt Harradine, senior manager,Patrick Herrington, senior manager of Deloitte Consulting LLP

As family offices face rising expectations from external parties and the families whose assets they manage, a common question is whether technology investments and priorities are suited for the moment. At these pivotal junctions, there are multiple factors that may bring about this reflection. There are evolving tax and regulatory compliance needs that require robust processes, easier access to data, and enhanced documentation. There are also internal pressures from owners and principals demanding more personalized reporting, including insights and analysis into both current and future projected investments. In other cases, the factors comprise a mix of internal and external influences, such as a family enterprise making the leap into adjacent markets or expanding their investment portfolios, triggering a review of technology models.

This white paper seeks to explore the importance of choosing the right technology and operations service delivery model for family offices to promote organizational effectiveness – and support the core responsibility of the family office in ensuring the long-term preservation and growth of wealth.

Identifying gaps: Back-office bottlenecks

One example that captures the importance of building modernized technology processes is a recurring issue among family enterprises: an ineffective approach to information management. Many family office landscapes comprise a variety of fragmented solutions that are not well integrated. There may be legacy systems comprising proprietary databases. Organizations may have accumulated vast amounts of data spanning decades, predominantly stored in spreadsheets. Teams may be receiving information in different formats from external stakeholders such as private banks, global custodians, or fund administrators.

Once the data is collected, family offices must strive to cleanse the information, integrate it into existing processes, and transform it in a way that allows for end users to consume it. This endeavor often entails substantial manual manipulation of data, further compounding the complexity of operations. Furthermore, manual handoffs of information among teams can lead to errors and delays in processing information reported to family members.

This type of unstructured data poses challenges not only because it makes timely ingestion and decision-making difficult, but it also complicates reporting to stakeholders. Delayed information hinders the ability to respond to current market conditions and limits forward-thinking analysis and scenario planning. It affects the ability to assess the impacts of changing asset allocation and quickly address emerging issues, such as assessing portfolio exposure to specific countries and adjusting investments accordingly. Therefore, it's critical to organize and maintain a single source of truth that's ready to be utilized to drive analytics, insights, and decision making.

Governing for change

With the complexity and rapid evolution of technology, effective software management is critical to ensuring seamless operations. With good software management practices in place, family offices can mitigate system downtime, reduce security vulnerabilities, and boost operational inefficiencies. Without the right guardrails, a family office technology implementation project can veer off track, pushing out timelines and diminishing attention and interest from stakeholders.

A trusted internal sponsor can safeguard against competing priorities and keep the focus on the overarching technology implementation goal. Whether it's the CFO, CIO, or another leader with the authority to influence technology adoption, a designated champion can play a vital role in supporting and pushing the implementation forward.

Securing the buy-in of other supporting members of the team is also important. After all, they stand to benefit, especially when it comes to automating transactional or back-office capabilities that can free them up to focus on higher-value tasks. Teams' participation in the design and technology selection process should not be overlooked: That includes engaging and aligning staff with the process, clarifying roles, and emphasizing the importance of their input, and ensuring everyone understands the reasons behind the initiative.

Cultivating the vendor relationship

When elevating a fragmented technology model into a best-in-class approach, family offices may find themselves working with multiple new vendors. Consider that each area of business operations, such as data ingestion, portfolio management, accounting, and client communication, may require one or two specialized providers. Outsourcing some or all of these functions can enhance productivity, but the multi-vendor approach can also pose implementation challenges that require careful attention to integration.

In addition, the nature of updates in today's enterprise software landscape requires an understanding of release cycles, experience in deployment, and a commitment to thorough testing. As a recommended practice, organizations can assess whether they have the right internal expertise or will need to consider outsourcing software operation and issue resolution to a managed service provider that can take on such processes on behalf of the family office.

Implementation and onboarding: A partnership and a balancing act

There are a number of leading practices family offices can adopt in training and onboarding their staff for technology implementations. Some of the considerations are practical. One is managing the challenges of talent shortages, particularly for enterprises that are located outside major financial centers, which can make it more important to provide incentives for talent acquisition and retention.

In cases like these, family offices may be compelled to outsource certain functions such as accounting. It's imperative that internal staff involved in technology adoption and change management receive continuous training throughout the implementation process. Involving stakeholders from the start is vital, allowing them to define use cases and requirements, and participate in the selection process. Even if a third-party consulting firm is engaged, the family office staff must play an active role in software requirements and design, as well as testing. The onboarding experience should not be limited to courses provided by the technology vendors, however. Continuous training and stakeholder involvement from the beginning ensures successful adoption and drives ongoing improvement. Someone within the organization needs to stay updated and take advantage of new features and capabilities. A continuous improvement mindset in the post-implementation period allows for leveraging of the system's full potential – and builds upon an initial deployment to meet evolving needs.

By prioritizing ongoing training, encouraging open communication between vendors and stakeholders within the family office, and embracing a posture of continuous improvement, family offices can ensure effective staff onboarding and technology implementations, and maximize the value derived from their software investments.

The sales pitch: Preparing for edge cases

When family offices vet potential new vendors, one key capability they should be looking for is whether the provider is prepared to address stress conditions, imperfect situations, and edge cases. While vendors typically focus on their strengths and impressive features, it is essential to prioritize real-world and unique scenarios that align with the family office's requirements.

By providing clear instructions and highlighting specific areas of focus, such as reporting for unique circumstances or integrations with particular systems, family offices can determine whether vendors are a suitable fit. It is imperative to request tangible evidence and specific details regarding integrations and connectivity to validate a system's functionality. This approach can help ensure that the system is thoroughly tested during a demo and enables the family office to make an informed decision based on the right technology fit.

Key areas of consideration

Here's a summary of the essential ways family offices can ensure technology implementations meet the family's needs.

Technology selection. When considering tech implementations, family offices must prioritize understanding their specific needs and goals. Identify use cases, reporting requirements, and data accessibility to ensure alignment with objectives. Rather than focus on the technology itself, focus on the core problems the business needs to solve.

Vendor management. Effective vendor relationship management is crucial to successful technology implementation. Establishing dedicated points of contact and relationship managers ensures continuity–and a deep understanding of your system and business. It is important to choose vendors that align with specific needs. By fostering strong vendor relationships, a family office can secure the needed expertise, receive personalized support, and address issues promptly.

Data conversion. Thoroughly review and validate data before migrating it to a new application. Identify and address any issues or inaccuracies in advance. Careful review prevents misconceptions or problems originating from the new system, rather than the underlying data. Coordinate with the vendor to establish a data conversion plan that enables smooth testing of the application's functionality and reduces the risk of data-related challenges during implementation.

Stay firm on time limits. When planning the timeline for evaluating a new technology, family offices should consider several factors. An adoption process may take eight to 12 weeks, depending on the complexity. Negotiations and due diligence can extend the timeline.

Then there's the implementation phase, which can range from three to six months, depending on the use cases and software being implemented. To avoid any misunderstandings or disappointments, it's critical to start with a thorough selection process that includes clearly documented requirements. Adequate resourcing should also be ensured to support successful implementation.

Conclusion: Ensuring transparency across the family enterprise

The benefit of technology enablement is the ability to integrate technology and data seamlessly. A family enterprise can connect portfolio management capabilities from the front office into its tax and fund accounting requirements and then feed its ability to conduct performance analytics and added reporting. That means not just the organization benefits, but also the family and its individual members. A complete, centralized, and interconnected document management system also strengthens client relationships and embeds data and cybersecurity across the whole technology suite.

Thanks to vendors, family offices don't need to have all the capabilities necessary to acquire these benefits in-house. When considering an operating model, and the technology to implement, strategic thinking is going to set the foundation for a successful transformation.

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INTERGENERATIONAL TRANSFER OF A FAMILY BUSINESS

By Dr. Alon Kaplan, Advocate

Many businesses in Israel are owned and managed by families. In many cases the founders of the businesses are the father or mother of the family, although there are also businesses that are established by brothers and sisters. The result is that the founders of the businesses may include individuals who have established a successful business and have a family, second or even third generation, for whom the founders seek an estate planning program and preparation of a legal business infrastructure for the intergenerational transfer of the business and its management. Below we will refer to the founders of the business in the singular.

The founder of the business (the "founder") is considering retirement from the business and the need arises to examine the appointment of new management and the transfer of the ownership of the business to the next generation. Below we will discuss some aspects of planning an intergenerational transfer of a family business.

Family Covenant and Contract Law
In many cases, a transfer of the business and control of it is carried out by appointing family members as managers and owners without documenting the transfer and expressing in writing who will receive the management functions.

In some businesses and when there is an extended family, it is possible to create a document whereby the rules of transfer and management will be recorded after the retirement of the founder. For the purposes of the discussion, the document will be defined as a "family charter".

A family charter is a document that establishes the rights, values, responsibilities, and rules that apply to the owners of the family business and provides plans and structures for dealing with situations that may arise during the existence of the business. Such a document may help the family cope with unforeseen events; maintain a focus on the issues that are most important to the family; resolve disputes; and create a common language and values that will serve as guidelines for the family, even for future generations who were not involved in the business at the time of its establishment.

In Israel, it is possible to draft a family charter according to contract law, which includes the Contracts Law (general part), the Contracts Law (remedies), and the relevant case law. In such cases, the charter may only be enforceable against the parties who have agreed to it. Given that the family charter is intended to regulate family relationships within the family business over generations, it is likely that such a charter will not be enforceable over time as the family circle expands. Moreover, to enforce it, a lawsuit may be necessary, which may cause unwanted litigation and tensions in the family.

Due to these reasons, the founder should consider additional legal structures according to other laws to allow the transfer of the family business and maintain the relationships into the next generations.

The Inheritance: A family business may be passed on to the next generation by way of a will. The Inheritance Law applies to individuals who are residents of Israel or who owned property in Israel at the time of death. The inheritance process is fraught with dangers and conflicts among family members. The heirs or other family members may object to the provisions of the will, and litigation may arise in court. Such litigation can cause embarrassment and especially if it is published in the media.

Gifts: The founder of the family business may transfer ownership or control of the business to other family members during their lifetime at any time by way of donation or gift. The Gift Law in Israel regulates this procedure. There is no tax on gifts in Israel between family members. The advantage of this procedure is that it allows the transfer of the family business during the lifetime of the founder who will be able to consider how effectively the business will be managed by members of the next generation and make changes accordingly. Moreover, this course of action eliminates the need for inheritance proceedings, which, as stated, may end up in expensive and unwanted litigation.

On the other hand, under certain circumstances, this option is impractical, when none of the founder's children possess qualifications or are not interested in taking control of the family business. Moreover, such a transfer may not be desirable by the founder of the family business, who may refuse to give up during his life his control of the family business. In such circumstances, the founder of the business will prefer to sell the business to a third party and distribute the proceeds to the next generation.

Gift after death: The law prohibits giving a gift that will take effect after death. Section 8 of the Succession Law states in subsection (a) that "an agreement regarding the inheritance of a person or a renunciation of his inheritance, made during the lifetime of that person, is void." Subsection (b) states that "a gift given by a person, so that it is given to the recipient only after the death of the granter of the gift, shall not have validity unless it was made in a will in accordance with the provisions of this Law."

In the context of intergenerational transfer of the family business, it follows that if a founder chooses to transfer the family business by way of a gift, the execution of the gift must be implemented by transferring control of the business during his lifetime.

Corporate Structure: Another possible course of action that a founder can take to pass on the family business to the next generation is a combination of contract law, inheritance law and company law.

In the context of the company, articles can be set forth in the company's articles of association that are legally considered a contract between the shareholders and the company, as well as a contract between the shareholders among themselves. It is possible to formulate the articles of association of the company in a way that will meet the needs of the business, and in fact implement the family charter within the framework of the company. This arrangement allows shareholders to protect their rights and ensure the implementation of the family charter through the Companies Law and the company's articles of association.

For example, the articles can provide for several types of shares, thereby allowing the founder to control the management of the company and the business while creating dividend shares that will be granted to family members but will not confer on them voting rights at the company meetings. The management shares can then be bequeathed by a will to selected family members who will be chosen by the founder for managing the business. Additional relevant mechanisms may be added to the regulations, such as provisions for conducting mediation proceedings for dispute resolution, or arbitration proceedings under the Arbitration Law.

Trusts: A trust structure under the Trust Law can be a good way to hold assets under centralized management and to regulate the activities of the business according to the wishes of the head of the family business, who will be the creator of the trust.

For many years, trusts have been part of Israeli society and continue to be so. The Trust Law defines a trust as the obligation imposed on a person to own or otherwise handle the assets under his control for the benefit of another or for another purpose.

Due to the limitations set forth in Section 8 of the Succession Law mentioned above, a trust contract between the creator and the trustee, according to which control of the trust assets passes to the trustee only upon the death of the creator, is invalid. Control must be given to the trustee during the life of the creator.

There is also the possibility of establishing a trust according to a will, in which case the trust will take effect upon the issuance of a probate order. Here there is the risk that during the proceedings for the probate of the will, a conflict may develop between the family members and the heirs, and as a result, the establishment of the trust will be delayed, and problems may arise in the management of the business during the probate process.

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SAVILE ROW

by Ty Murphy

RAY STOWERS, RENOWNED SAVILE ROW 'BESPOKE' TAILOR

Ray Stowers, a renowned Savile Row 'Bespoke' tailor, embarked on his illustrious tailoring career in 1980, honing his skills under the guidance of a traditional East End tailor based in Essex. In 1983, he ascended to the pinnacle of handmade bespoke clothing on Savile Row, assuming the role of Head of Bespoke tailoring at No. 1 for Gieves and Hawkes. After an impressive 25-year tenure, Ray established his own venture, Stowers London, at No. 13 Savile Row. Amidst a changing world, Ray and his team made a deliberate shift away from the conventional brick-and-mortar retail model of Savile Row. Instead, they devoted their focus to crafting impeccable bespoke pieces and enhancing the customer experience, providing their services worldwide upon clients' request. To maintain an exceptional level of service and consistently impeccable clothing quality, client numbers were deliberately limited, with a maximum of 150 numbered garments produced annually. With a reduced clientele and a more exclusive approach, Ray now offers a refined and personalized service, meeting each client personally to comprehend their unique requirements. His expertise in bespoke tailoring goes beyond fulfilling immediate clothing needs. Having crafted handmade bespoke clothing for Royalty, Heads of State, VIPs, Celebrities, and notable figures from around the world, Ray's comprehensive service accounts for the climatic, cultural, and traditional nuances of his clients' environments. His understanding of each client's lifestyle, status, and surroundings has been integral to his enduring success and long-term relationships.

During the initial consultation, Ray not only seeks to understand your individual preferences and needs but also provides education where appropriate. This ensures the creation and management of an exclusive wardrobe that aligns perfectly with your personal style and lifestyle. Whether the occasion calls for classic elegance, refined formality, a sophisticated yet less formal dress code, or a uniquely designed garment, Ray's guidance guarantees your sartorial appropriateness for every event. Moreover, he remains available to offer assistance and advice throughout your ongoing relationship.

Adhering to the esteemed traditions of Savile Row, Ray Stowers meticulously creates your personal pattern before conducting a series of 'fittings' to tailor the clothing precisely to your physique. Every garment is individually cut, designed, and handcrafted by his skilled team of tailors in London, extending this exemplary service to both male and female clients.

Ray Stowers Bespoke products and services are now available through referrals and premium partnerships, including an exciting collaboration with Dawson Racing. Partnering through the esteemed tech-enabled marketplace, Telos Style, Dawson Racing and Ray Stowers Bespoke offer meticulously tailored race teamwear with unparalleled precision. This alliance unites the artistry of bespoke tailoring with the spirit of high-performance racing, transcending conventional boundaries.

The partnership not only elevates the craft of tailoring but also grants clients a unique opportunity to immerse themselves in the world of motorsports, enjoying exclusive events, VIP access to races, and behind-the-scenes experiences. This collaboration fuses sartorial elegance with the exhilarating universe of racing, providing an extraordinary journey where style meets adrenaline.

VIOLENCE AGAINST ANOTHER PERSON IS THE MOST COMMON OFFENSE AT UK

Over 4,500 incidents were reported in the one-year period ending in May 2022, according to a CNBC report. Another 1,100 cases were sexual offenses.

More than 23% of the 75,000 workers surveyed in 121 countries experienced violence or harassment at work, according to the first global survey of its kind jointly released by the United Nations International Labour Organization, Lloyd's Register Foundation, and Gallup. "Violence and harassment at work causes harm to individuals, families, businesses, and societies," the report's preface notes. "It affects people's lives, dignity, health, and well-being. It also exacerbates inequality in societies and undermines business productivity. There should be no place for, and no tolerance of, violence and harassment at work—anywhere." Migrant women are among the most vulnerable, reporting more incidents than their non-migrant counterparts. Every workplace violence incident takes a human toll. Possible loss of life, injuries, and psychological trauma for victims and their loved ones are of primary concern. However, business leaders and their investors unavoidably must also consider bottom line impacts. In America alone, the annual cost of workplace violence is at least $121 billion, according to the National Institute for Occupational Safety and Health. Other estimates more than double that number. The average liability judgment is $3.1 million per employee per incident, with out of court settlements averaging $500,000. One Virginia mass shooting survivor filed a $50 million lawsuit against her employer late last year.

Reputational damage is immense as lurid headlines echo through the media. Some businesses never recover, shutting their doors forever and wiping out family legacies. Given the high cost of workplace violence in terms of human and financial capital, common sense dictates prevention is more prudent than reaction. Why, then, do so few businesses proactively engage in workplace violence prevention?

Denial is a factor. Disregarding all evidence to the contrary, the it-can't-happen-here mentality still exists among many international business leaders. Another reason is that CEOs struggle with answering the question, "How do I prevent workplace violence?" Indeed, the answer is difficult to find if all you do is turn to the Human Resources department. This is also a security question.

Violence in the workplace is categorized into four types.

Type 1: Criminal intent such as robberies where the perpetrator has no other connection to the business.

Type 2: Violence directed at employees by clients, customers, patients, students, or any others for whom the organization provides a service.

Type 3: Violence against co-workers, supervisors, or managers committed by current or former employees.

Type 4: Violence committed in the workplace by someone not working there, but who has a personal relationship with an employee, such as an abusive spouse or domestic partner.

Policies against violence and harassment are important. Chief among these is a clear zero-tolerance policy for violence or threats of violence. This policy must apply equally to employees, contractors, vendors, and clients. But it must be understood that this is reactive, not preventative since the policy is enforced only in the wake of a violation. Getting in front of violence before it occurs requires a robust and proactive approach with active involvement from the C-suite down to the newest hire.

Retaining an outside expert to guide the process is the best approach for most organisations. Experienced and unbiased, a security consultant will take a clear-eyed view of what you may already have in place, and efficiently identify gaps that leave you exposed. If your business portfolio includes multiple locations and industries, you will require bespoke solutions for each. This is exceedingly difficult to accomplish in-house.

Preventative programs include training the workforce to recognize the early signs that a co-worker is troubled and might potentially lash out violently. Investigations of workplace violence incidents instigated by current or former employees reveal that early signs were present but ignored in most cases. This training, supported by effective policies, empowers employees to confidently communicate with senior managers. Leaders can then intervene early and compassionately, heading off a potential crisis.

Situational awareness training is another necessary component. Completed in only a couple of hours, employees are taught to recognize threats they might not have previously considered. Strangers lurking near entrances, suspicious vehicles in the car park, or someone approaching purposefully with an expression of hostile intent can all be noticed by those who are properly trained. Your chances of detecting all four types of workplace violence early enough to enact your physical security plan are now increased.

Physical security action plans focused on workplace violence prevention must complement your existing security measures. If current measures are minimal to non-existent, now is the perfect time to create a holistic plan from whole cloth with your consultant. Whilst every business group and family office invest in cybersecurity, the physical side is too often an afterthought. If you agree that your employees are your most precious asset, then this state of affairs must change.

Multi Family Offices, SFOs, advisors, CEOs, and others on the Duty of Care liability line bear responsibility for providing a safe place to work. Accepting that bad things can happen to good people under your roof is key to moving from wishful thinking to active countermeasures.

Recognizing that workplace violence can occur within any industry and any location worldwide is important. Acting now to enact prevention strategies is vital.

Michael O'Rourke is CEO of Advanced Operational Concepts, the international security and intelligence consultancy he co-founded after a career in the American Special Forces. Experts in violence prevention and physical security, his firm assists corporations, family offices, and individuals around the world. Contact Michael at aoc.security@adopcon.com.

Website: www.adopcon.com.

CHATEAU MOUTON ROTHSCHILD: THE ART OF FINE WINE

BY STUART GEORGE: FOUNDER & MD OF ARDEN FINE WINES

What do Bacon, Dalí, Kandinsky, Miró, Moore, Picasso, Warhol and King Charles have in common?

They have all designed wine labels for Château Mouton Rothschild. In addition to being one of the world's greatest wines, and one of only five Bordeaux "Premier Crus" ("First Growths"), Château Mouton Rothschild has a long history of commissioning artists to design its label for each new vintage.

To commemorate the first bottling of the wine at the château itself, Mouton's then owner Baron Philippe de Rothschild commissioned Jean Carlu to design a label for the 1924 vintage. The "ram" image that he created was a visual pun on "Mouton", which is an old French word for "hill" but also the word for "sheep." This began the tradition of incorporating a ram into the label design. The vine and the pleasures of drinking are also recurring themes.

The 1945 "victory" year was the first Mouton since 1924 to feature a bespoke label. In a great Bordeaux vintage, Mouton was particularly brilliant – Arden Fine Wines has sold a bottle for £12,000. The young and unknown artist Philippe Jullian based his label design on Churchill's "V for Victory."

Not all the labels have been completely bespoke, though. Picasso's "Bacchanale" for the 1973 Mouton vintage – the wine was made after Picasso's death in April 1973 and subsequently dedicated to him – and Kandinsky's label in 1971 were reproductions of existing works of art. Nor does the label necessarily convey any message about the vintage that it illustrates. Designing for Mouton is a difficult challenge for an artist. There is very little space to work with – just the top half of the Mouton label, or about 8cm x 4cm – so the works are not always typical of the artist. The only instruction to artists is to "make it horizontal." Emilia Kabakov, wife and spokesperson of the 2002 label's artist Ilya Kabakov, said, "The Mouton label was probably the smallest piece he's ever worked on. It was very different from anything he's done before. The requirements were very specific."

The Polish-German artist Balthus' drawing of a naked girl for the 1993 label caused a minor scandal in the US, where the Bureau of Alcohol, Tobacco and Firearms censured the label and prohibited the sale of the wine. Mouton was forced to sell its 1993 wine in the US with a neutral label that showed only the ochre background.

For the 2000 vintage, Mouton was dressed as lamb. In place of a paper label, the image of the 16th century "ram of Augsburg" from the Mouton museum was transferred to the bottle using a specially developed relief enamel technique.

In 2004, the Prince of Wales (now King Charles III) contributed a watercolour to commemorate the centenary of the Entente Cordiale – the part-secret agreement between France and Britain that was signed in London on 8th April 1904. With such an international mix of artists, a display of Mouton labels would make a fine modern art gallery. The collection of artworks used for the wine labels has traveled to 42 cities since 1981.

In 2013, the Paintings for the Labels Room at Château Mouton Rothschild was opened as a permanent space for the art. The room is next to the cellar and contains the originals of the artworks created by contemporary artists to illustrate the labels of Mouton Rothschild bottles since 1945. The works are presented in glass display cases by the designer Francis Lacloche, son of the jewellery and furniture designer Jacques Lacloche of Lacloche Frères.

Overseen by Baron Philippe's grandson Julien de Beaumarchais de Rothschild, the current owners of the château decide on an artist before confidential discussions begin months or sometimes years in advance of completion of the artwork and wine label. The selected artist is invited to pay a visit to Château Mouton Rothschild's vineyards and estate to understand the wine and landscape and to explore previous artworks and labels in the de Rothschild family's art collection.

Mouton used to command a premium because of its bespoke labels, which were collected avidly, but nowadays the château has to justify its price and reputation solely by what's inside the bottle and not what's on the label. Nonetheless, Mouton is the No.1 wine on the "Top 100 Most Searched-For Wines & Spirits" list at wine-searcher.com.

Although the artists are never paid for their work, they do receive ten cases of wine – five of that year's vintage, plus five of their own vintage year.

The lucky ones have been born in 1945, 1949, 1959, 1961...

www.ArdenFineWines.com

MAYFAIR NETWORKING WITH DIANA ARAMA

London is blooming again. Not only because traditional spring flower shows yet again present their cheerful influence on London's streets, but of course... London lived the Coronation!

Diana Arama's "Mayfair Networking Events" company is at the centre of such a buzz of one of London's most iconic areas — Mayfair.

"What we are witnessing is quite unique, — says Diana. — First, my business was hit during couple of years when most venues were closed and what we do is — introduce people to each other, arrange face to face conversations, find common interests and goals and everything that has to do with people meeting people in style. That was off for some time. However, now, I can see a huge appetite for high-profile networking. People look for opportunities and want to meet in professional, luxurious and relaxed environments. And we are spoiled with these in London! That's why we are growing actively, attracting new partners, finding new exciting venues and originating more deals than ever".

Is it only logical then, that although Diana's background is in real estate, she now combines it with exclusive events management. "Property has always been my first love, but events — is the cherry on a cake, because after 15 years in the industry I generated an extensive Black book and it's great to be able to connect people effectively. It is important for me as a business owner to see that my events are well attended and beneficial for our guests: at our meetings guests exchange leads, form partnerships and find new clients. It is also worth noticing that while many firms went completely online and people seem not to have time anymore, we can still appreciate the moment when we meet and connect – at our doorsteps in Mayfair", — she says cheerfully.

Diana's recent clients are Marjan – a master-property developer in Ras Al Khaimah, UAE a Swiss jewellery Maison Piaget and XOR – a luxury mobile phones brand among others. Diana also collaborate with ASEAN UK Business Forum and diverse members clubs across Mayfair, Pall Mall and St James's. She recently became a member of the Arab British Chamber of Commerce, in light of the rapidly growing popularity of the Middle East as a business destination.

"My personal recent highlight is the Coronation reception we hosted recently in Mayfair, — says Diana — at this historic moment we wanted this event to be fun and let people mingle, break the ice and connect. It was such a sophisticated and warm atmosphere! But also we presented British public with XOR — the new secure mobile phone, where your data is protected. And the "Mayfair Networking Events" platform is right here for that. Keep that in your notes or better, sign up for Diana's Newsletter to be "in-the-know!" You can reach Diana at:info@mayfairnetworkingevents.com

London is experiencing a resurgence in vitality, not only due to the traditional spring flower shows that bring their lively influence to the city's streets, but also because of the recent coronation ceremony. At the heart of this excitement in one of London's most iconic areas, Mayfair, is Diana Arama's company, "Mayfair Networking Events."

Diana explains, "What we are witnessing is truly exceptional. Initially, my business faced significant challenges during the period when most venues were closed. Our core function revolves around facilitating introductions, arranging face-to-face conversations, and fostering connections based on shared interests and goals. Unfortunately, these activities were put on hold for some time. However, we are now observing a tremendous demand for high-profile networking opportunities. People are actively seeking chances to meet in professional, luxurious, and relaxed environments, and London provides us with an abundance of such venues. Consequently, we are experiencing rapid growth, attracting new partners, discovering exciting venues, and generating more deals than ever before."

Despite Diana's background in real estate, she has successfully combined it with exclusive events management. She elaborates, "Property has always been my foremost passion, but organizing events is the icing on the cake. After 15 years in the industry, I have developed an extensive network, and it brings me great satisfaction to connect people effectively. As a business owner, it is crucial for me to ensure that our events are well-attended and beneficial for our guests. During our meetings, attendees exchange leads, form partnerships, and establish connections with potential clients. It is worth noting that while many firms have shifted entirely to online platforms and people appear to have less time available, we still value the significance of meeting and connecting face-to-face, right here in Mayfair."

Diana's recent clients include Marjan, a prominent property developer in Ras Al Khaimah, UAE, Swiss jewelry Maison Piaget, XOR, a luxury mobile phone brand and celebrity stylist Lady Alena Klenot among others. Additionally, Diana collaborates with the ASEAN UK Business Forum and various members' clubs throughout Mayfair, Pall Mall, and St James's. Recently, she became a member of the Arab British Chamber of Commerce, reflecting the Middle East's rapidly growing popularity as a business destination.

Sharing her recent personal highlight, Diana recounts the Coronation reception they hosted in Mayfair. She states, "At this historic moment, we aimed to create a fun and engaging atmosphere, allowing people to mingle, break the ice, and establish connections. The event exuded sophistication and warmth. Moreover, we had the opportunity to introduce XOR, a new secure mobile phone that prioritizes data protection. Mayfair Networking Events' platform is perfectly suited for such occasions. You can sign up for Diana's Newsletter to stay informed. You can reach Diana at

info@mayfairnetworkingevents.com

VENTURE CAPITAL WORLD SUMMIT 2023: A GLOBAL CONFLUENCE OF INVESTMENT OPPORTUNITIES

Prominent Industry Leaders, Entrepreneurs, and Investors Gather for Highly Anticipated Events Across North America and Beyond

The Venture Capital World Summit is set to make waves in the investment landscape as it brings together a prestigious gathering of industry leaders, entrepreneurs, and investors from around the world in 2023. With a focus on North America starting in June, this article provides an overview of the key highlights that attendees can look forward to during these highly anticipated summits. From captivating pitch competitions to insightful panel discussions and invaluable networking sessions, the events offer a platform for knowledge-sharing and deal-making opportunities.

Pitch Competitions and Start-up Showcases will take center stage, giving budding entrepreneurs a chance to showcase their groundbreaking ideas and gain exposure to potential investors. These events provide an ideal platform for start-ups to demonstrate their innovative business models, cutting-edge technologies, and growth potential, attracting venture capitalists actively seeking promising investment prospects.

Panel Discussions with industry leaders will enable participants to engage in meaningful conversations with prominent venture capitalists, industry experts, and successful entrepreneurs. These discussions will cover a wide range of topics, including emerging investment trends, the transformative power of technology in venture capital, and strategies for successful fundraising. Attendees can expect to gain valuable insights into the latest market dynamics, as well as practical guidance for aspiring entrepreneurs and investors.

Recognizing the significance of networking in the world of venture capital, the summit will host dedicated sessions to foster connections and facilitate collaborations. These networking gatherings will bring together investors, entrepreneurs, and industry professionals, providing a platform for one-on-one meetings, idea exchanges, and the forging of strategic partnerships. Such connections can have a profound impact on shaping the future of ventures and driving industry innovation.

Keynote Addresses by visionary leaders will offer attendees a unique opportunity to learn from influential figures who have made substantial contributions to the world of venture capital. These industry pioneers will share their experiences, insights, and visions for the future, inspiring and motivating participants with their successes and lessons learned. Keynote addresses promise to ignite innovative thinking and provide fresh perspectives on the industry.

To further enrich attendees' knowledge, the Venture Capital World Summit will organize Investor Workshops. These interactive sessions will delve deep into specific aspects of venture capital, including due diligence, valuation techniques, portfolio management, and exit strategies. Seasoned investors will impart their expertise and offer practical guidance, equipping participants with the tools and knowledge to make informed investment decisions.

In conclusion, the Venture Capital World Summit commencing from June 2023 presents an exciting lineup of events across North America and beyond. With its focus on fostering connections, inspiring innovation, and expanding investment opportunities, the summit serves as a comprehensive platform for entrepreneurs and investors to engage with industry leaders, gain valuable insights, and explore potential collaborations. By attending this prestigious event, participants can stay ahead of emerging trends, discover groundbreaking ventures, and establish valuable connections in the dynamic world of venture capital.

WHY NOW IS THE RIGHT TIME TO INVEST IN OFFSHORE FUNDS

Offshore investing is often disparaged in the media; the term sometimes raises eyebrows as it is oft-assumed that the practice is for nothing but the financial harbouring of ill-gotten gains. The reality is that there are innumerable opportunities for active investors to carry out honest, legal investments in offshore funds all around the world. In fact, any savvy investor would know it's a key tenet of a robust investment portfolio.

The practice has become an increasingly popular option for investors looking to diversify their portfolios and access new opportunities, especially with a looming recession, capable of throwing previously-stable investments into disarray. With this potential economic future in mind, there are several compelling reasons to dig into offshore investing now.

Technological Advancements Have Made It Easier Than Ever

Before even broaching the concept, one might be tempted to think that investing in offshore funds may come with some degree of added difficulty or more hoops to jump through than simply investing domestically, possibly rendering the opportunity unworthy of the time and effort it would take to accomplish it, but that simply is not the case. In decades past, there may have been an added degree of difficulty when it came to offshore investing, but in the modern era, the process has never been easier.

With advances in technology and communication, particularly the advent of offshore investing platforms, investing in offshore funds is as simple as it has ever been. Many offshore investing platforms currently offer easy access to a wide range of offshore funds, making it a convenient, straightforward process for investors to diversify their portfolios and take advantage of new investment opportunities.

Anyone hesitant to invest overseas, due to any logistical headaches, ought not to worry and seek out these modern tools to aid them in simplifying the process.

Potential For Higher Returns

Simon Calton CEO

Carlton James Group

One of the most prominent benefits of offshore investing is, of course, the potential for higher returns. Investing in foreign markets can provide access to higher growth potential, as well as exposure to varied currencies and markets.

There is much more going on in the world of business outside of your home country. Pigeonholing yourself to only domestic investments leaves an incalculable amount of money on the table, as burgeoning industries and cutting edge companies are thriving in many nations outside of your own. Staying domestic may initially seem like the simplest, safest way to handle your money, but it excludes you from an immense amount of opportunity, not to mention, it could put you at a great disadvantage if your nation's economy is hit by economic turmoil, leaving your portfolio's outlook dismal and in desperate need of bolstering through the returns from still-thriving international funds.

Simply put: offshore investing increases your earning potential while also protecting your portfolio from economic uncertainty and outright volatility; it provides a useful hedge against market fluctuations and reduces overall risk.

Tax Advantages

As mentioned earlier, the tax advantages that can come with offshore investing sometimes evokes a misguided image of greed and financial wrongdoing, when, in reality, they are a legitimate, legal benefit that can come with the practice of offshore investing.

Many offshore funds offer tax benefits such as lower capital gains taxes and reduced income tax rates, which can help to maximize one's investment returns. Additionally, many offshore funds offer increased privacy and confidentiality, which can be of great value to investors seeking to protect their assets.

Moreover, these tax advantages can often encourage increased offshore investing, leading to greater economic stimulation in companies and economies that could truly benefit from the surging capital flow, making it a win-win-win situation for the investor, the company and the local economy.

Bolstering Your Portfolio Through Diversification

If there is one lesson investors should have learned from the still simmering global pandemic, it is that there ought to be increased attention paid to investment diversification and risk management. Far too often, investors will put too many eggs into one basket: too much money into a single fund or industry that may be performing well at the time but floundered amid sustained economic uncertainty and turmoil. Capitalizing on a hot market can be tempting when things are going well, but savvy investors know to spread their investing dollars in a strategic fashion.

Offshore funds can provide access to a wide range of investments across a vast spectrum of markets, which can help to spread out financial risk and reduce its concentration on a single area, protecting against potentially massive losses. This is particularly important in the current economic climate, where the ongoing pandemic has created significant uncertainty and volatility in many markets, even after all these years of living with and adapting to it.

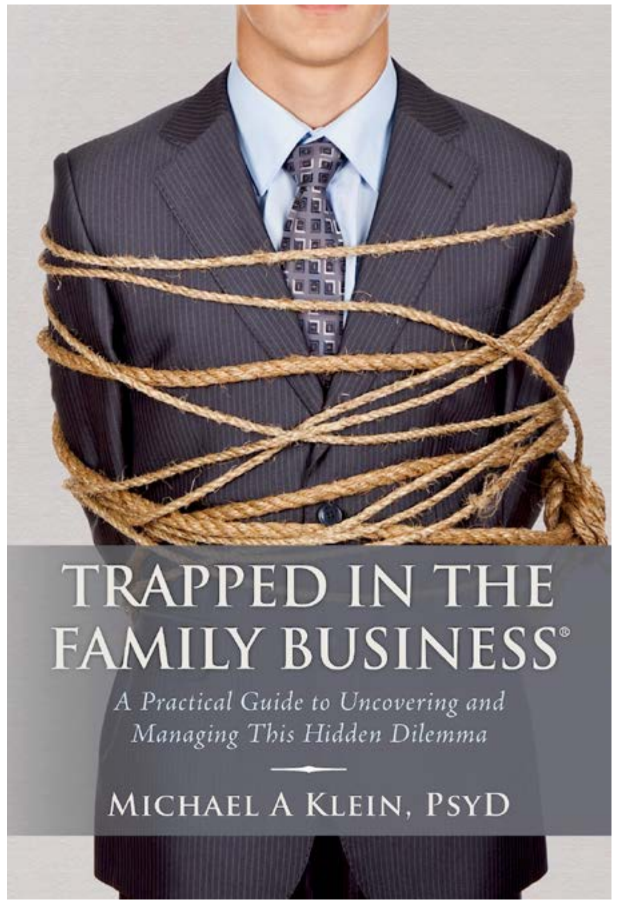
Putting It All Together

Any active investors who are skeptical of offshore investing and might be hesitant to engage with the practice ought to rethink their stance. No longer is it the logistical nightmare of decades past: ever-evolving advancements in technology and communication are making offshore investing easier and easier for investors with each passing day. The numerous offshore investing platforms have rendered this excuse null in the modern era.

Passing on the chance to invest overseas means skipping out on the potential for far higher returns, the ability to benefit from perfectly legal tax advantages and risk management, as well as the benefits of having a truly diversified portfolio, capable of weathering the current and future economic uncertainty and volatility.

Savvy investors know that now is the time to seriously consider the benefits of offshore diversification.

Simon Calton is a founder and CEO of the Carlton James Group. He brings a wealth of industry experience and management skills to both the group and the funds it administers. During his time leading CJG, Mr Calton has successfully sourced and packaged investment opportunities across the globe.



FAMILY WEALTH IN THREE GENERATIONS: FACT OR FEAR BASED MARKETING?

Marc J. Sharpe
Chairman of TFOA

First generation families who are in the process of building a family office often receive the same piece of conventional wisdom: that family wealth passes from "shirtsleeves to shirtsleeves in three generations." But where does this 'universally accepted' conventional wisdom come from? And why is it so ubiquitous among family office service providers and wealth managers?

In 2021, Josh Baron and Rob Lachenauer wrote an article in the family business section of the Harvard Business Review that calls into question the validity of this oft quoted phrase. They go on to question the very foundation upon which so much advice has been rendered to wealthy families looking to build their legacy. For Baron and Lachenauer, the expression traces back to a decades old study of manufacturing companies in Illinois.

They also cite other studies regarding the dynamics of multi-generational wealth that suggest wealthy families tend to stay wealthy. Given Baron and Lachenauer's research, it's worth reexamining the phrase, both for its value and for the ways it may unfairly or inaccurately portray the dynamics of family wealth. And, of course, we shouldn't forget how the Estate Planning and Private Wealth 'industrial complex' uses this broadly accepted concept to help their clients (and make more money).

While Baron and Lachenauer cite a 1980s study as their starting point for this concept as it relates to family offices, James E. Hughes used this phrase in the beginning of his landmark text Family Wealth, first published in 1997. Hughes used this phrase to not only shape the purpose of his book, but also his entire career. He found both the international character and the utilization of intergenerational dynamics uniquely compelling and appropriate for his work.

Hughes, and others after him, observed that many cultures have some version of this expression. Indeed, its international ubiquity is quite remarkable. Germanic, Romantic, Slavic, and Asian cultures all seem to possess some version of this expression. For Hughes, this expression speaks to a universal dynamic that informs family wealth. He himself was quite explicit in his writing that the purpose of his life, working with families and family offices, was dedicated to discovering the traits successful families use to break this cycle and to help other families implement best practices so that they might avoid this fate. Anecdotally, he observes a number of families that were unable to overcome this dynamic. Those families splintered and the wealth became fractured and lost. There are innumerable examples of this in the literature. For instance, in 2017 Frances Stroh wrote a heartfelt and personal memoir called Beer Money: A Memoir of Privilege and Loss, which detailed her family's rise and precipitous fall. Stroh was the heiress to what was at the time the largest private beer company in the United States. Her book details the myriad forces that dismantled her family's fortune. Some of these were macroeconomic conditions, but many had to do with tensions, disagreements, and losses within the family across multiple generations. Happily, Stroh was able to rebuild a small portion of her family's wealth and turned it toward reinvestment in Detroit, as well as engagement with non-profits operating in the Detroit area. While Stroh has shared her family story with the public, anyone with experience in the family office world is familiar with stories like hers. Stroh herself said that after publishing the book many people reached out to her to tell their own story of lost family fortunes.

Examples like the Stroh family suggest there is some wisdom within the shirt-sleeves expression. Many of the best practices in family office design are built with an eye toward preparing the next generation of family leadership and helping to enshrine the values of one generation for future generations. This work helps make family offices resilient and dynamic organizations that can evolve and grow over time. However, Baron and Lachenauer are correct to call into question the assumptions that are embedded with this blanket statement. Despite the accepted wisdom the phrase captures, it is often used in a fatalistic fashion, as a scare tactic for any family thinking about creating a family office: "if you don't listen to our advice, you grandchildren may have nothing". Sadly, the fatalism of this expression is frequently used as a marketing technique by estate planners and wealth advisors, and as a scare tactic, meant to elicit a fear-based reaction.

The reality is, of course, more complex. According to Gregory Clark, an economist at UC Davis who studies social mobility, when it comes to elite families, the regression to the mean occurs over centuries, not generations. Clark's study focuses on elite English surnames from the 12th century to the 19th century. He found a remarkably consistent retention of elite status across that 700 year period . Similarly, many of today's wealthiest families in Italy trace their lineage to the Renaissance . Clearly the picture of dynastic family wealth is more complex than an aphorism about poor tailoring. So, what does this all mean for you and your family office?

First, if someone is using this expression with you, be sure to carefully consider the context and purpose of its use. One should always be wary of those using scare tactics to garner attention and obfuscate rational decision making. Hughes offers the best example of how to use this expression well. For him the expression was just the beginning. The value that he brought to countless families was through the very real and tangible processes and systems he designed to help families govern themselves more effectively. Hughes' work is not cold and impersonal. As an attorney he understood the formal legal structures that underpin a family office, but he also understood that the legitimacy and efficacy of these structures was more a function of culture and relationships. His work brings to light a humanistic character to family office governance. The ultimate truth that he drew from the "shirtsleeves" expression is that institutional family wealth is made up of individual participants and those individuals have their own ideas, both rational and irrational, that shape how that wealth is managed. Given this understanding, Hughes turned his focus to understanding behavior, looking for models to help each individual achieve their very best.

Second, consider the source. One of the most valuable assets that a new family office can utilize is a trusted peer network of similar families that have managed their generational transition well. In lieu of those networks, finding individuals who have delivered real results in this area is worth much more than an oft cited platitude about multi-generational family wealth transfer.

Finally, while economic data show that family wealth is more resilient than sometimes appears, this doesn't mean that foundational practices like governance and legacy planning are futile exercises. Devising a plan and creating a culture for rising generations to grow and develop their own form of leadership are essential practices for any family office seeking a multi-generational enterprise. As Hughes' work shows us, these efforts are more than complex legal structures. They must also put the family and their vison, hopes, and objectives at the center. This shouldn't be a fear-based process, but rather a deliberate and thoughtful process to enable the very best personal and professional outcomes for your family, business, and family office.

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CLASSIC CARS AND SUPERCARS

AS SUPERIOR INVESTMENTS IN THE MEDIUM TO LONG TERM

IN the realm of alternative investments, classic cars and supercars have emerged as highly lucrative options that augments the sheer joy of driving. Consider this. According to the Knight Frank, at a whopping 193% classic cars have outrun the investment performances of art, wine, and gold over the last ten years.

Confused.com show that pre and post pandemic, between 2019 and 2022, on average classic cars made a 70% ROI. Compare this to gold at just 34% and property at 19% in the same period. While the housing market, stocks and gold can all be unpredictable, classic cars seem to be in consistent high demand, regardless of the environment. A Ferrari F355 pre-pandemic would see a whopping 214 percent return on your investment now. In 2012, the UK Hagerty Price Guide valued in 2012 a Ferrari 250 GTO Series I at $22.2 million. It now commands a price tag of US$ 100 million! A McLaren F1 in 2012 was worth £6.4 million and in 2019 was valued at £17.2 million. What drives this this superior performance? Read on and you'll discover why, and also how to safely take advantage of this market, even at the more modest price ranges.

Rarity and Exclusivity.
One of the prime reasons why classic cars and supercars rocket in value over time is in their inherent rarity and exclusivity. Limited production numbers, coupled with the passage of time and natural attrition, make certain models increasingly scarce. This drives up demand and prices. Take for instance the iconic Ferrari 250 GTO, of which only 36 were ever built. In recent years these rare beauties have fetched jaw dropping prices, with one selling for a record breaking $70 million.

Historical value and Iconic Status.
Classic cars often possess a fascinating history and cultural significance, which magnifies their investment appeal. Vehicles associated with iconic figures or ground-breaking moments in automotive history tend to achieve higher prices due to their unique provenance. The legendary GT40 for instance which achieved four consecutive wins at the 24 Hours of Le Mans from 1966 to 1969. Owning a historically important car brings both pride and a supercharged uplift in investment value, particularly over time when scarcity increases. And the halo effect of these special cars lifts the values of other cars of the same marque and model too.

Emotional Value and Nostalgia.
Classic cars evoke powerful emotions and capture the essence of a bygone era. Their timeless designs and mechanical prowess resonate with enthusiasts who appreciate the artistry and craftsmanship of yesteryear. This emotional attachment fuels demand and contribution to the enduring value of classic cars as investments. According to confused.com even classic cars in the sub £50,000 category have significantly outperformed other popular investments, including the housing market, FTSE 100 and gold.

Supercars as a Symbol of Luxury and Performance.
In recent years, the market for supercars has surged world-wide. Supercars embody the pinnacle of engineering excellence, combining breath-taking aesthetics with blistering performance. Limited production runs, advanced technology, and relentless pursuit of speed make them highly desirable assets. Brands such as Bugatti, Lamborghini and McLaren consistently push the boundaries of automotive engineering, creating vehicles that command a premium.

Choose with the heart, buy with your head, enjoy with both. Classic cars and supercars offer superb investment vehicles that transcends traditional asset classes. It is essential to approach this niche market with due diligence, seeking expert advice and thorough research in every potential investment. With the right strategy and a discerning eye, investors can ride the wave of automotive appreciation and enjoy both the financial rewards and the sheer joy of owning these vehicles. And this is where we come in. We do not advertise. We are ultra-discreet.

For 40 years we have been successfully sourcing classic cars and supercars for our clients. We maintain and repair classic cars and supercars around the world, including for a Royal Family in the Middle East – and are the go to choice for luxury car marques. We run racing teams in Le Mans and Paul Ricard. We can provide a comprehensive fire and forget service – from researching and sourcing to - if necessary - repair, maintenance and storing your cars.. Why not drop me a line straight away while this is fresh on your mind? sean@larrangtonwhite.com

Sean Larrangton-White, B.SC., Hon Life FIDM, FCIM, ACAMS.

MAXIMIZING FAMILY VACATION

By Kim Frasca-Delaney, Senior VP, Client Advisor for Whittier Trust

In the fast-paced world of family office advisory, helping clients find just the right setting to have meaningful conversations about family finances can be a challenge. If you're planning a family getaway to a relaxing tropical locale or an active ski trip with your loved ones, it might be tempting to consider bringing up serious financial topics. Clear communication within families, especially when it comes to wealth, is vital and there are risks and benefits to this strategy of turning a vacation into a family meeting. Read on for some things to consider.

Kim Frasca-Delaney
Client Advisor for Whittier Trust

Pros: Why a family vacation could be an ideal time to discuss wealth

Vacations create a relaxed and open atmosphere

It's no secret that a getaway can create a unique environment where families can leave behind daily stresses and embrace a more relaxed mindset. Science backs this up: A 2022 study from the Journal of Frontiers in Sports and Active Living showed that vacations help people reduce stress in a quantifiable way for a wide variety of reasons. When all of the members of your family are relaxed and calm, it could be a good time to initiate a financial discussion and take advantage of this low-stress atmosphere.

Dedicated quality time brings loved ones together

Traveling as a family gives individuals segments of dedicated quality time you're not likely to get within your daily routine at home. Whether it's lounging on a beach, setting out on an adventure or exploring a new city together, these shared experiences can strengthen family bonds. Broaching financial topics during this quality time can leverage the emotional openness to make discussing wealth-related matters more comfortable.

Financial goals and family legacy come to life

Taking a curated or luxury trip can bring the benefits of stewarding wealth to life for future generations. While buying things or paying for once-in-a-lifetime experiences isn't the only goal of wealth-building, those are compelling benefits. Vacations can also serve as a reminder of what truly matters: spending time with loved ones, pursuing passions and creating memories. Drawing a correlation to the freedom that comes from stewarding wealth effectively with positive experiences that the whole family enjoys can help give family members a clearer picture of the significance of financial planning in achieving their desired lifestyle.

Leading by example can educate the next generation

Family vacations offer an excellent opportunity to involve younger family members in discussions about finances. This approach not only helps prepare the next generation for their financial roles but also reinforces the importance of long-term family cohesion.

Cons: Reasons family vacation might not be an ideal time to discuss wealth

Disruption of quality time and relaxation

Picture this: You have invited your family members on a lovely getaway—perhaps to a remote tropical island or a dude ranch out West. They're anticipating a week of low-key relaxation or exhilarating adventure activities. Then when you spring a serious discussion about family wealth on them, they might feel ambushed and emotionally unprepared for such a conversation. The strategy could backfire, and you might end up having an unproductive discussion and putting a damper on quality family time.

Finding the right setting and focus might be challenging

Depending on the vacation destination and your family's travel style, it could be difficult to find the right environment to have a discussion about family wealth. If you're in a bustling city where some family members are off to museums, others are shopping and still others are seeing shows, everyone's schedules could be challenging to match up. Similarly, if you're at a resort where activities from water sports to spa services fill up your loved ones' days, squeezing in a thoughtful discussion session might feel like a distraction from the primary goal of rest and relaxation.

Emotions about finances may overshadow enjoyment

Wealth discussions can be fraught with strong feelings. Even in the most harmonious families, minor disagreements about the optimal course of action, what philanthropic causes to pursue or how to best administer future trusts can dampen the mood.

Additionally, if family members don't know the extent of your wealth, introducing that information for the first time could be a shock. Bringing up financial topics during a vacation could exacerbate existing issues or create new conflicts, detracting from the vacation's purpose of strengthening relationships.

Lack of preparation and ready resources could be unproductive

When family office advisors come to a family meeting, they're prepared with comprehensive data, analysis and resources to facilitate informed discussions about family wealth. Vacation settings may lack access to these resources, making it difficult to provide accurate information. This could lead to misunderstandings or incomplete discussions, potentially causing more harm than good.

Every family is different

While discussing family finances on vacation can present unique opportunities and potential risks, it's essential to take into consideration the personalities of your family members and how familiar they already are with the status of your wealth. Every family is unique because of their financial landscape and the unique personalities and concerns each family member brings to the table.

For Whittier Trust clients, we often recommend scheduling a dedicated family finance retreat to discuss family wealth in detail. This allows members to arrive mentally and emotionally prepared to engage in productive conversations in a focused environment. Whittier Trust advisors work with family leaders in advance to collect all the pertinent information. We can also help create structure around these discussions, as appropriate. If clients still feel strongly about initiating wealth talks during a vacation, it could be advantageous to prepare family members ahead of time by saying something like, "This trip will be mostly fun, but we want to build in an hour or so to talk about some family business." That way, no one feels caught off guard and the group can focus on what's most important: spending time together.

For more information visit: www.whittiertrust.com

The Business Show Singapore is taking place at the Singapore Expo on the 30th & 31st of August 2023. The show will reveal the secrets of business adaptation, innovation, and survival in the business world through finding and purchasing the products and services that your business needs to take to the next level.

Singapore has won the opportunity to host 'The Business Show' Singapore 2023. The renowned event has been running for 25 years and provides a unique 2 days where thousands of entrepreneurs, business leaders, and business decision-makers meet to inspire one another.

The Business Show Singapore is the ultimate event for entrepreneurs, business leaders and key decision-makers to explore new business opportunities. It will host over 200 expert business speakers sharing their knowledge with Singapore businesses, along with interactive workshops, networking sessions, and 1-2-1 advice sessions.

With your FREE ticket secured for the show, you can expect to connect with over 300 industry-leading exhibitors, 200 inspirational seminars, countless networking opportunities, interactive masterclasses and much more! You will leave with all the knowledge and resources needed to succeed. This show really is the perfect platform for businesses, small and large, to come face to face with their ideal target audience while also taking part in this incredible educational hub.

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THE NEW MARKET REGIME AND THE CHALLENGES FOR ASSET OWNERS

Stock markets entered in a new cycle in 2022. The experts call it "a new regime", expected to generate low returns for the next few years. History can be of guidance here. After years of bull market a new cycle of low return usually last up to 11 years. Some statistics can offer an idea of what we can happen.

The bear cycles are characterized by years of sequential bear and bull waves, where the average yearly return from indices is well below 1%. But while the stock indices may prove to be disappointing, the performance dispersion across stocks offers opportunities to generate good returns. In 2022 the S&P 500 index posted a loss of around 17%, but the top 25% performers of the index recorded an average gain of 21%, and the bottom 25% lost on average 37%. If a series of up and down trends is the scenario ahead, then it is reasonable to anticipate mediocre returns from investing in passive strategies and index-linked products.

Asset owners must reconsider the building blocks of the equity exposure. Active strategies, designed to exploit the performance dispersion across stocks in any market of interest, are the only solution to maximize the returns and grow the wealth well above the inflationary pressure that is here to stay. Profiting from dispersion on a consistent basis is not an easy exercise.

The key success factors required are: An up-to-date analytical framework to identify the opportunities and manage the risks. A process designed to react quickly to changes in the structure of dispersion. The ability to test, optimize and validate the investment decision process. Profiting from trends dispersion is all about capturing the outperformers and avoiding the underperformers in whatever investment universe selected. Conventional data, research and analytical tools exposed their limits in the bear trend of 2022. Discriminating between positive and negative price trends required advanced analytics and smarter insights.

A new generation of models and leading-edge platforms are today available to add knowledge and enrich the information framework . The new cycle imposes to adopt any innovative tool that can offer an edge. For example the ability to measure and assess the portfolio exposure to falling stocks can help to limit the risk of losses. If a portfolio "trend risk allocation" shows an excessive weight on stocks in a bear trend, the high probability outcome is a severe underperformance. It is possible then to "rate" the portfolios using this innovative risk metric and to spot the high risk situation in time to act.

In the new cycle the ability to promptly identify changes in the price trends of individual securities is key. Trends tend to be more extreme and fast . The use of adequate technology can enable to react faster to the new risks and opportunities that the market creates. Once defined the rules governing the investment process a "systematic execution" is safer than a discretionary implementation process.

How often we see assumptions, parameters, criteria, analytics that should support smart selection and allocation decisions, but at the end they prove quite poor at delivering the alpha we expect. Only a rigorous, objective historical testing of those ideas and rules can offer a factual assessment of the real value produced. The ability to stress-test any fundamental, quantitative and technical parameter is the basis of the critical insights that any investor needs. Interesting facts can be discovered, proving that a number of the assumed winning selection rules can disappoint. The opportunity to combine more parameters, checking more quality boxes and to discover the most productive combination is today available with systems of the new generation. A robust statistical evidence can offer the necessary documented evidence to confidently execute the chosen strategy.

Asset owners have the opportunity to gain a new perspective and reconsider the allocation strategy. Using innovative data and technology it is possible to reduce the dependency on passive products and discretionary, subjective active strategies. Building, optimizing and validating an active strategy, that check more quality boxes and can be executed in a systematic way , without human biases can well be the future.

The benefits can be substantial. Improved returns, more disciplined risk control, full transparency, saving fees and time. Family offices that are not happy with the performance from accounts and funds managed by third parties can now empower themselves and be more in control of the wealth growth. Trendrating is a market leading provider of advanced analytics and technology for asset managers and asset owners, serving 250+ institutional firms on a global scale. Trendrating's solution provides smarter insights on markets, portfolios and investment strategies. The technology supports a number of tasks including portfolio risk control, validation of investment ideas, allocation and optimization, design of model portfolios , active strategies and smart beta indices.

FAMILY OFFICE ADVISORY IN THE ERA OF ARTIFICIAL INTELLIGENCE

Artificial intelligence (AI) has revolutionized the way we process and analyze vast amounts of data, transforming various fields, including finance. While AI can simulate human-like interactions and provide personalized recommendations based on data analysis, it cannot replicate the empathy and emotional intelligence that comes with the human touch.

The question then arises: should financial professionals worry about becoming obsolete in the face of AI? Or should they embrace the inevitable wave of change that is upon us and use their newly freed-up time to better serve their clientele, now that they have personal assistance from AI advisors? Let's examine the role of family office advisors as an example.

Family office advisors are experts in the field of finance, possessing a unique set of skills and qualities that cannot be replaced by AI. Their job involves building personal relationships with clients and providing tailored financial advice that meets their unique needs. While AI can assist family office advisors in various ways, such as data analysis and insights, it can never replace the personal touch they provide.

Building personal relationships is a crucial aspect of the job and requires a level of emotional intelligence that is difficult for AI to replicate. People want to entrust their wealth to individuals they like and trust, and that is where family office advisors excel. They establish relationships with clients, earn their trust, and offer personalized financial advice that meets their specific needs.

Furthermore, family office advisors possess sales skills that are challenging to replicate with AI. They have the ability to understand their clients and tailor their advice accordingly. They can adjust their communication style, tone, and language to match clients' preferences, build rapport, and negotiate on their behalf. These skills come naturally to human beings and require years of practice to master.

By Amana Manori
Highness Group of Companies

In addition, family office advisors have a deep understanding of the financial industry, enabling them to provide their clients with the best possible advice. They stay up to date with the latest market trends, regulatory changes, and economic indicators, and leverage this information to help their clients make informed financial decisions. While AI can access this industry knowledge, one can argue that they would be unable to customize it to the particular needs of the family that can only be done expertly through the personal and intimate relationship built with the family – the nuance of the application would therefore be missed by AI.

Financial professionals should not view AI as a threat but rather as a tool to enhance their capabilities. With the assistance of AI, financial professionals now have more time to better serve their clients, providing them with an even higher level of personalized service. They can focus on building stronger relationships with their clients, gaining a deeper understanding of their needs and objectives, and offering tailored solutions to meet those needs. While AI can provide valuable insights and assist family office advisors in various ways, it can never replace the human touch they provide. Family office advisors possess a unique set of skills that come naturally to human beings and require years of practice to master. With the assistance of AI, financial professionals can now concentrate on enhancing their relationships with clients and delivering even better, more personalized financial advice that meets their unique needs and objectives.

After reading this eloquently crafted article, one might wonder, did a human or AI write this? Well, dear reader, the answer is that it was a collaborative effort between a highly skilled writer and a cutting-edge AI language model. But let's be honest, we all know who did most of the heavy lifting.

If one harbors concerns about the impending AI takeover of the financial industry, there is no need to fret just yet. While AI possesses an exceptional capacity to analyze vast amounts of data and generate complex outputs, it lacks the uniquely human skills like intuition, creativity, and empathy that are necessary for cultivating personal relationships and providing top-tier financial guidance.

In essence, the financial industry need not fear the prospect of obsolescence any time in the foreseeable future. However, this should not lead us to overlook the remarkable advantages that AI can offer. By harnessing AI as our personal assistants, we can liberate more time and resources to cater to our clients' needs more effectively and with greater attention to detail. Let us not shy away from embracing the inevitable wave of change that is upon us, all while keeping in mind that there is no surrogate for the nuanced human touch. For those still doubtful about the merits of AI, take solace in the knowledge that it took a joint effort, involving that of a language model, to produce this very article - which, it bears repeating, represents solely the views and arguments of the writer (and not those of the model).

ABOUT THE AUTHOR: Amana Manori is the Founder and CEO of Highness Global Capital Inc., a Canadian Exempt Market Dealer specializing in servicing sophisticated global capital (highnesscapital.com). While headquartered in Toronto, the firm's clientele and opportunities are global and industry agnostic. Amana sources deal flow and originates for a number of global strategic partners; she is also a member of the Senior Advisory Team of a NY-based investment bank, Cambridge Wilkinson. In addition to global finance, Amana has a Contemporary Art Agency and Design firm, Highness Global Inc. (highnessglobal.com) where she represents a diverse roster of creative talent for private, public and commercial collections.

A PROFILE OF DAVID WERDIGER

Most family enterprise advisors find their way to that role from an accounting, finance or legal background. David Werdiger's choice to dive into this as his third career stems from his own lived experience as a second-generation family member, and his strong feelings about the importance of good governance. "I've seen up close the awful damage bad governance can wreak on non-profits and families, and that is probably the biggest single reason I'm so passionate about helping families do this better".

Growing up in a business family and working in the business as a young student, it was always obvious to David that he too should be in business. But after completing studies, he declined the opportunity to join the family business and instead took the first job for which he interviewed, as a software developer for a stockbroker, and later as a quant analyst. "I wanted to get a job using what I knew, rather than whom I knew", he once told a girlfriend.

It wasn't too long before he left employment and went into business for himself. Over a period of some twenty years, he founded three tech businesses, partnered in two more, and joined a handful of non-profit boards. It was a journey that had its ups and downs (three exits and one failure) as well as tremendous learnings and personal growth.

While completing a Masters of Entrepreneurship and Innovation, David found himself at something of a crossroads. From a mixture of life experience, networks, commercial experience and study, David had developed deep knowledge and expertise in technology, entrepreneurship, governance, strategy, and family dynamics. He began to think about what he wanted to do next.

Despite the topic not being openly discussed within his own family, David grew up with an awareness of the intergenerational wealth transition that would eventually happen. Accordingly, he set about designing what would become his third career. While his previous professional life was somewhat opportunistic, he was far more mindful about the future. "My most precious resource is my own time, so how I wanted to spend that resource became a very important decision. I decided that my time would be best used doing things I'm uniquely able to do better than others".

That meant that while establishing a family office was something required, David had no intention of making that his career. He spent times designing and architecting the future, but there is no shortage of good people to manage that aspect of things. His passion was helping families on their intergenerational and governance journey and that forms the largest chunk of his time.

David helps families have open communication, articulate their shared goals, and focus on the wellbeing and goals of individual family members. He's a big fan of Jay Hughes' concept of the five forms of family capital, and understanding the relative importance of each and how they can support each other. Charles Lowenhaupt's idea that the purpose of family is to help each family member become the best they can be also resonates strongly with him.

He also works with business founders on establishing governance within their own businesses. His stated goal is that for the business to be worth something without the founder, and helping the founder individuate and avoid having their personal identity bound up with the business. This can be an impediment to ultimately exiting the business and moving forward to the next stage of their lives (he avoids the term "retirement" which has bad connotations, and prefers "transition"). "Business owners prepare for an exit financially, structurally, and organisationally, but rarely consider the emotional preparation that is required. Doing that ensures they are not left with a gaping void in their heart once the business is sold".

David's newsletter – Familosophy – reaches thousands every month, and he writes and speaks extensively on the topic of family wealth and legacy. More recently, a guest lecturer role at Harvard Business School whet his appetite for teaching. "Firstly, I love developing new ideas and sharing them with others. Secondly, doing this helps maximise impact, measured as the number of families I can help".