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ISABEL VILLALBA SCHMID

STONEHAGE FLEMING

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STONEHAGE FLEMING FAMILY OFFICE HIRES TOP EXECUTIVE ISABEL VILLALBA SCHMID

By Ty Murphy LLB, Family Office and SWF Due Diligence Advisor for Alternative Assets

Stonehage Fleming, recognised as one of the premier international multi-family offices, announced the significant appointment of Isabel Villalba Schmid as the new Trustee Director based in Neuchâtel, Switzerland. This appointment underscores Stonehage Fleming's commitment to strengthening its fiduciary services and expanding its global footprint.

Isabel Villalba Schmid brings a wealth of experience to Stonehage Fleming, having previously excelled as Vice President – Wealth Planner at ACE Trustees SA. Her career in wealth management also includes her tenure as Head of Client Operations (Switzerland) at Geneva Management Group and Senior Trust Manager at Rothschild & Co. Furthermore, Isabel has garnered substantial expertise through her positions at Cititrust and Ferrier Lullin & Cie, making her uniquely qualified to contribute to Stonehage Fleming's success.

In her new role, Isabel will take on critical management and leadership responsibilities for trusts and companies managed by the Switzerland office. Additionally, her remit includes identifying and developing new business opportunities, thereby contributing to the Group's growth and expansion strategies. Based in Neuchatel, Isabel will report directly to Philippe de Salis, Head of Fiduciary Switzerland, and her appointment takes effect immediately, signalling a new chapter of leadership and innovation for the Group.

Philippe de Salis expressed his enthusiasm for Isabel's joining: "We are thrilled to welcome Isabel to our distinguished Fiduciary team in Switzerland. Her deep-rooted experience in wealth management and planning is a tremendous asset to our team as we continue to assist families with their intergenerational succession planning. Isabel's appointment reaffirms our dedication to serving as the trusted independent adviser to the world's most

Isabel Villalba Schmid

Trustee Director, Stonehage Fleming

affluent families and wealth creators. We eagerly anticipate her contributions to our team and the innovative solutions we will forge together."

Echoing this sentiment, Isabel said about her new role, "Joining Stonehage Fleming is a remarkable opportunity. I am genuinely excited to contribute to a team that boasts such an extensive array of expertise and global capabilities. I am keen to collaborate with my colleagues in Switzerland and wider Group divisions to enhance further Stonehage Fleming's comprehensive suite of cross-jurisdictional fiduciary services. Together, we aim to continue delivering exceptional service and tailored solutions that meet the evolving needs of our distinguished clientele."

Isabel Villalba Schmid's appointment is a testament to Stonehage Fleming's dedication to attracting and retaining top talent to provide unparalleled service and expertise to its clients. Her vast experience and strategic vision are expected to significantly drive the Group's fiduciary services to new heights, reinforcing Stonehage Fleming's position as a leader in the wealth management and family office industry.

Stonehage Fleming is a trusted adviser to many of the world's most prominent families and individuals who have made significant marks in various industries. Tasked with managing and safeguarding their wealth, the firm navigates the complexities of preserving assets across diverse geographies and through successive generations. Over the years, Stonehage Fleming has been at the forefront of serving esteemed clients, including the notable Fleming Family, by leveraging the collective expertise of its highly skilled professionals. This collaboration has cultivated a suite of skills and capabilities that are exceptional within a single firm. Stonehage Fleming draws upon over four decades of rich, practical experience in assisting discerning clients with the multifaceted challenges of wealth creation and preservation, whether offering comprehensive Family Office services or collaborating with other trusted advisers.

Entrusted with the fiduciary oversight, management, and administration of assets exceeding US$150 billion, Stonehage Fleming operates from 19 offices across 14 different regions. The firm's unique ownership structure—independently owned by its management, staff, and a publicly quoted family investment trust adhering to a philosophy of patient capital—ensures that its objectives are perfectly aligned with the clients it serves.

Clients of Stonehage Fleming come from diverse backgrounds and are at various stages of their financial journey. However, they share a commonality: the need for sophisticated, strategic advice on family office management and wealth planning. The firm's ability to cater to this need is unparalleled, thanks to its rich in-house experience and expertise. Stonehage Fleming prides itself on its ability to manage and protect its clients' wealth across multiple dimensions. This includes offering operational support and execution that seamlessly integrates with the services of clients' existing offices and advisers, enhanced by the firm's extensive network of professional firms.

The engagement between Stonehage Fleming and its clients typically encompasses various services designed to safeguard and grow family wealth. This includes helping families articulate the purpose of their wealth, establishing effective governance frameworks, and devising comprehensive succession plans. The firm excels in managing and administering international structures like trusts and companies and in managing investment portfolios with a keen eye on discretion and advisory capacities.

One of Stonehage Fleming's key strengths lies in its holistic approach to wealth management. This approach ensures that wealth is structured efficiently for all phases of the financial life cycle, with a vigilant eye on identifying and mitigating risks. The firm also specialises in reviewing and optimising legal structures, considering cross-border and inter-generational aspects to ensure seamless wealth transition. In addition, Stonehage Fleming is adept at sourcing and advising on private capital investment opportunities, creating detailed reports that aggregate and analyse all aspects of client wealth.

Moreover, the firm coordinates and executes all banking and treasury needs with precision and provides sage advice on corporate finance matters related to family businesses and commercial interests. Beyond the numbers, Stonehage Fleming offers management services for art collections and other lifestyle assets, ensuring that all facets of its clients' wealth are meticulously cared for.

While Stonehage Fleming boasts an impressive array of in-house expertise, the firm recognises the value of collaboration. It works closely with families' existing advisers and taps into its network of experienced professional partners, including lawyers, accountants, and trustees. The firm's scale and market presence empowers it to identify and engage with the best-skilled partners internationally, ensuring that clients receive the optimal combination of internal and external advice tailored to their unique needs.

In essence, Stonehage Fleming's approach to wealth management transcends traditional boundaries, offering a service as comprehensive as it is bespoke. The firm's commitment to understanding the deeper purpose behind its clients' wealth, combined with its extensive suite of services, makes Stonehage Fleming not just a wealth manager but a trusted partner in the truest sense, guiding families towards achieving their long-term objectives and ensuring the prosperity of their legacies.

HISTORY

Stonehage Fleming was born from the strategic merger of Stonehage and Fleming Family & Partners in 2014. This leading independently owned family office combines deep experience in family office services with robust investment management capabilities. The merger created a firm uniquely positioned to manage financial assets and nurture the personal and familial wealth of its clients across generations. Stonehage

Fleming operates on the philosophy that managing significant wealth goes beyond financial transactions; it involves ensuring the longevity and prosperity of families through generations. With a holistic approach, the company offers a range of services from investment management to philanthropic activity advising, ensuring that clients' wealth aligns with their values and vision for the future.

What sets Stonehage Fleming apart from its peers is not just its financial services, including investment management, wealth planning, and corporate finance. The firm also attends to wealth management's 'softer' aspects, such as family governance, art collection advisement, and management of properties and luxury assets. This comprehensive service offering underscores the firm's commitment to managing every facet of wealth. With offices in multiple countries, Stonehage Fleming provides clients with global perspectives and local expertise. This international presence allows the firm to offer world-class advice and solutions tailored to each region's specific legal and cultural nuances, whether it's global investment opportunities or local estate planning laws.

Under the guidance of a seasoned executive team, Stonehage Fleming continues to grow and evolve. The firm's leaders are trusted advisors who understand the intricacies of finance and law, the complexities of family dynamics, and the challenges of preserving wealth across generations.

As global interconnectedness increases and wealth becomes more complex, the demand for sophisticated wealth management services is expected to rise.

Stonehage Fleming is well-equipped to meet this demand with its comprehensive suite of services, global reach, and deep understanding of the multifaceted nature of wealth. The firm is committed to nurturing wealth, acting not just as a service provider but as a partner to its clients, guiding them through every challenge and opportunity that wealth presents.

Stonehage Fleming is a testament to the pinnacle of wealth management and family office services, blending financial acumen with a personal touch. Stonehage Fleming offers expertise, integrity, and innovation for families seeking to manage their wealth and ensure its growth and relevance through generations. In a world where wealth transcends numbers, Stonehage Fleming is more than a wealth manager—it is a custodian of legacy, tradition, and future aspirations.

TTy Murphy, LLB, LPC, is a senior editor at Family Office Magazine. His is a Due Diligence and Compliance Advisor on Passion Assets for UHNWIs, Family Offices, Private Client Firms and Sovereign Wealth Funds (SWFs). STEP member.

ROLLS-ROYCE

Ghost Prism showcases flawlessly finished dark, neutral tones which are subtly accented with bold strokes of colour, creating a timeless statement.

ROLLS
GHOST PRISM
ROYCE

by Ty Murphy



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.

A TIMELESS STATEMENT OF SELF-EXPRESSION

"At Rolls-Royce, we are led by the tastes and desires of our clients, who in many cases determine global trends in fashion and the wider luxury sector. Ghost Prism is an extension of the personal aesthetic of a specific subset from this group of tastemakers."

"The motor car's innovative use of dark, neutral tones with subtle impulses of colour, places it firmly within the contemporary luxury landscape. Our clients are experts and connoisseurs who know exactly what they want; Ghost Prism celebrates the unique relationship we have with them."
Anders Warming, Director of Design, Rolls-Royce Motor Cars

Many Rolls-Royce clients are powerful and influential figures in the international fashion, design and super-luxury community. These individuals apply their professional instincts, as well as their personal sensibilities, to their Rolls-Royce commissions. Based on the close relationship the marque's designers have with these clients, they have anticipated demand for an emerging aesthetic movement and created Rolls-Royce Ghost Prism.

Drawing inspiration from the world of contemporary design, Rolls-Royce Ghost Prism showcases flawlessly finished dark, neutral tones which are subtly accented with bold strokes of colour, creating a timeless statement. It is this contrast between a solid form and bright, spectral hues that inspired Ghost Prism's name.

The example presented is shown in Gunmetal grey, which has a rich mineral finish, produced through an exacting 10-step process in which four layers of paint are meticulously applied, then polished by hand for 16 hours. In place of the marque's classic


mirror-polished stainless steel finish, the motor car's grille and rear-lid brightwork are presented in high-gloss Burnout, a smoked black-grey hue. To achieve this effect, each metal piece is hand prepared by the marque's artisans: first, a light abrasive is used across each piece to provide a 'key' for a hardwearing primer, onto which four coats of Burnout paint is then applied.

After curing, these pieces are individually polished to ensure that they match the high-gloss brilliance of the motor car's coachwork. In keeping with the understated aesthetic of Ghost Prism, the front bumper and side profile brightwork feature a deep gloss black finish.

Clients have a choice of four bold accent colours – Phoenix Red, Turchese, Mandarin and Forge Yellow – to complement their chosen exterior colour and create the striking contrast central to this contemporary design movement. The selected accent colour is applied to the lower bumper inserts, brake callipers and coachline – a sparing yet cohesive gesture that spans the mechanical, aerodynamic and sculptural elements of Ghost.

The subtle flashes of colour further extend to the interior of the motor car, including the 1,040 coloured 'stars' in the Bespoke Starlight Headliner – each individually placed in the leather canvas through perforated holes, precisely chalked and punched by hand - which fill the cabin with a gentle glow.


A SANLORENZO IS MORE THAN A YACHT

IT'S A FLOATING MASTERPIECE

The exclusive Italian yacht brand Sanlorenzo is reimagining the on-water lifestyle by creating floating masterpieces tailored to each owner's tastes and desires.

From the Ligurian coastal province of La Spezia, the Sanlorenzo shipyard has been building high-quality motor yachts since 1958. Producing a very limited number of made-to-measure yachts each year, this boutique yachting business designs and builds its distinctive yachts and superyachts according to the specific requests, style, and desires of each of its discerning clients.

"Building a Sanlorenzo takes time and passion, working closely with each individual owner to bring their dream yacht to life," says Nick Hatfield, Sales Manager at Sanlorenzo Yachts UK and Ireland. "This is why the shipyard can only accommodate up to 65 customers a year, and over the years, has only launched around 1000 of its unique and stunning yachts.

Sanlorenzo SL96A

Sanlorenzo SL96A Master Bathroom

Sanlorenzo SL96A Saloon

Sanlorenzo SL96A Dining Area

"Each one is bespoke and different from the others, with the level of customization going far beyond taking a base design and altering it aesthetically with a different leather or wood finish."

In the summer of 2022, Sanlorenzo Yachts UK began working on a client's new build Sanlorenzo SL96A (due to be delivered in April 2024), with the only limitation being the hull shape and exterior profile.

"Having designed a boat that is classically beautiful with its iconic windows providing a look not seen on any other vessel, Sanlorenzo understandably doesn't want to rework the timeless external design," Hatfield explains.
"But interior-wise, it's completely tailor-made, with the vessel entirely customized to the owner's wishes, tastes, and lifestyle. By the time of the signing of the contract, the owner of the SL96A had itemized 411 custom modifications, and to date, this number has now exceeded the 600 mark.

"Sanlorenzo was the first motoryacht brand to really offer tailor-made yachts in terms of customization. It looked outside the marine industry for specialist talent and started by bringing in highly regarded designers who were creating fabulous interiors for buildings and apartments.

"The idea was that if someone was renovating their home, the designers could understand their preferences and translate these into the interior of their yacht, and it's developed to where we are today – offering clients a blank

Sanlorenzo SL96A Saloon

canvas, with everything then made to measure for them, to their exact requirements."

Owning a Sanlorenzo means having the opportunity to choose the materials involved in the build. This choice is not limited to cladding and coverings but extends to luxury items such as marble or wood flooring. Yacht owners have free rein and can choose every detail to best express their personality. "Instead of being tied to the builder's specifications, our clients have the freedom to choose unique freestanding pieces of furniture from renowned Italian brands like Minotti, Natuzzi, Frag, B+B, Zucchetti, Paola Lenti, and more," continues Hatfield.

"Modifications can be made to suit personal tastes and complement the interior style. In the case of the SL96A, our client chose luxurious Minotti 'Connery' sofas, a chaise longue, and handcrafted tables by Sanlorenzo's artisans."

It's not just about luxury, elegance, and style either; the dining table on the SL96A is multi-functional and electrically adjustable, functioning as a coffee table by the window when lowered and slid to starboard.

"We bring in designers from all over the world, ensuring that fixtures, fittings, and fabrics are all exactly what and where the client wishes - from smaller decorative items to whole areas of the yacht. For example, if they don't like the galley layout, we can change it.

"The galley on the SL96A is an area we developed closely with the owner to ensure the space works seamlessly with their life onboard. We kept them fully informed of the design plans, with drawings and updates sent regularly for feedback and/or approval. The result is a unique layout featuring a custom butterfly-wing serving hatch on the starboard side to allow food, drinks, and empty plates to be passed between the galley and front-of-house crew quickly and efficiently.

"As with most customized builds, design and configuration of the main living areas took priority, with the cabin layout on the SL96A also reflecting our client's personal preferences as well as practical mindset. Having chosen a five guest-cabin, three crew-cabin layout, one of the crew cabins can act as a guest cabin for kids if needed."

This means the boat can function as a six guest-cabin boat if required, offering greater flexibility. All eight cabins have en-suite shower rooms, and there's a day head (toilet) too. Adding to the sense of personalization, a private inner hallway leading to the owner's cabin has been included, while the flybridge features a custom dining table with a wrap-around sofa, and custom cabinets in the main saloon, handmade by Sanlorenzo.

At Sanlorenzo, customization is almost without limits. The owner of the SL96A says of his experience: "I honestly had no idea at the start of this project just how much customization Sanlorenzo would offer. As just one example, most builders offer their interior furniture in a choice of three or four veneers with either a matte or gloss finish.

"When I asked Sanlorenzo for its menu, the answer was: 'Any sustainably produced veneer available anywhere on the planet, with the grain direction at any angle and any degree of matte/gloss from 0% to 100% in 5% increments. Alternatively, any surface can be painted in any color and finish or leather-covered or mirrored along with any surface effect like fluting or fielding. And this applies to the ceilings as well as the walls and furniture'."

Hatfield concludes: "Our priority is to listen to our customers' needs, allowing us to develop a yacht to satisfy their specific entertainment, relaxation, and lifestyle requirements. Each Sanlorenzo yacht is a true work of art and has its own special story to tell. Are you going to let one tell yours?"

For more information on Sanlorenzo Yachts UK, visit https://sanlorenzoyachts.co.uk or contact the team via info@sanlorenzoyachts.co.uk.

Sanlorenzo SL96A Master Cabin

THE RISE OF PRESTIGE WHISKY

LONGMORN SETS THE STANDARD IN SCOTCH WHISKY

When whisky reaches the level categorised as 'prestige', each bottle begins to hold not just a liquid but also a story, a heritage and an experience. Renowned distillery names alone have the power to conjure thoughts of a deep amber drink swirling around a reassuringly heavy glass, the scents of fruit, spice and florals meeting the nose, and a warming taste of exquisite quality and craftsmanship . To have this alluring effect is a supreme challenge, requiring something truly exceptional. How can it be done? With its new launch, Longmorn may have provided the answer.

Founded in 1894 in the heart of Speyside, Scotland, Longmorn has quietly cultivated a reputation for unparalleled craftsmanship and a commitment to quality that spans over a century. The product of its storied stills has often been utilised in the creation of blended whiskies, however, meaning its single malt offering has remained a relative secret known only to industry insiders. Now, with the unveiling of two releases and a renewed aesthetic, Longmorn is poised to redefine the category of 'prestige' in the world of single malt Scotch whisky.

Meeting the Market Demand

Longmorn is entering the prestige single malt world at the right time. The Scotch Whisky Association reports that since 2019, the average value per bottle of exported Scotch whisky has been rising much faster than the volume growth, pointing to a rising 'premiumisation' in the market. Figures from the secondary market back this trend too. The 2023 Whisky Intelligence Report compiled annually by Scottish investment bank Noble & Co says the '£100 – £1,000' price bracket holds 43% of the market up 5% on 2022, and value growth for purchases is 13% higher than the year before. With Longmorn's introduction of its new 18 year old and 22 year old single malt expressions to the primary market, the distillery is signalling a shift towards exclusivity and refinement that can be referred to as 'prestige'. This directly appeals to that healthily growing demographic outlined by the Scotch Whisky Association and Noble & Co.

Proven Provenance

Of course, Longmorn is not a new distillery, and here lies one reason for its fast acceptance upon launch as worthy of consideration amongst the most esteemed names. In the 130 years since its foundation by visionary entrepreneur John Duff, it has established itself as a pioneer in the industry, embracing innovation and pushing the boundaries of possibility in whisky distilling. From the introduction of its own railway in the nineteenth century for swift global export to its role in shaping the future of Japanese whisky through the apprenticeship of Masataka Taketsuru, Longmorn has left an indelible mark on the world of spirits. Just like many other distilleries of advanced age and stature, it has managed to earn the respect of whisky makers across Scotland.

Image credit : Anna Gunselman

Precious Packaging

Respected distilleries emit an aura of understated excellence, certain of their quality, yet never conceited. Longmorn has committed to this approach with its packaging. Both the 18 year old and 22 year old expressions are presented in striking casings that pay homage to the distillery's storied past, yet its dynamism of gold geometric shapes speaks to an innovative mindset that always has and always will encompass the distillery's approach.

The deep purple backdrop is adorned with golden arches reminiscent of train tunnels and bridges. For Jayne Murphy, Marketing Director for Malts at Chivas Brothers, "the new deep purple and statement gold design celebrates Longmorn's origin story and makes these bottles the perfect addition to any drinker, collector or connoisseur's cabinet".

Cue the Quality
It's what's inside the bottle that truly sets Longmorn apart as a Speyside single malt. Each sip is an experience unto itself, a symphony of flavours and aromas that dance on the palate. The 18 year old release delights with notes of toffee apples, apricots, and a lusciously sweet finish of creamy milk chocolate. Meanwhile, the 22 year old whisky offers a more mature expression, with hints of hazelnut praline, delicate citrus, and poached pears, all balanced by a rich, velvety texture.

Safeguarding Age, Always
As whisky matures in casks, it spends more time interacting with the barrel, developing characteristics unique to the ageing process. In Longmorn's case, the distillery has made a commitment to mature every release for no less than 18 years. With this age statement guaranteed as a minimum, each whisky will be imbued with the time of years of maturation and care desired by a growing audience acquiring at a premium level. For Kevin Balmforth, Cask Expert at Chivas Brothers, the guaranteed ageing time espouses a "spirit of endurance, intended to be savoured, representing Longmorn's dedication to quality". In an era where trends come and go, Longmorn stands as a beacon of timeless elegance and sophistication of the prestige category in the world of Scotch whisky.

Longmorn leverages its rich heritage, proven craftsmanship, and commitment to quality in such a way that it redefines luxury and exclusivity for a market that is buying at higher values and is becoming more selective in its drinking tastes. With meticulous attention to detail in both packaging and flavour profiles, Longmorn's 18 year old and 22 year old expressions offer a sensory journey with refinement.

By safeguarding a minimum ageing standard of 18 years, it sets a standard of patience and endurance in an ever-evolving industry. As Speyside and the other Scottish whisky-making regions continue to capture the imagination of enthusiasts around the world, Longmorn provides a shining example of the region's rich distilling heritage.

As its new expressions emerge onto the scene, it not only introduces a new name to the prestige whisky category but also elevates the narrative of Scotch whisky, promising enthusiasts an unparalleled experience steeped in tradition, innovation, and uncompromising quality.

Find out more about Longmorn at www.longmorn.com and its social media channels @longmornwhisky.

LÜRSSEN

A Year of Unparalleled Achievements and Ongoing Excellence

Renowned luxury yacht builder Lürssen has concluded a remarkable year, marked by the successful delivery of three exceptional yachts totalling an impressive 374 meters in length. Underscoring its commitment to unparalleled craftsmanship, cutting-edge design, and client satisfaction, Lürssen continues to set new benchmarks in luxury yacht construction.

In 2023, the year kicked off with the delivery of OPERA, a majestic 146-meter yacht. This was swiftly followed by the completion of NORN, a 90-meter masterpiece designed for an owning couple who previously sailed on a 70-metre Lürssen, which has served them faithfully for over 20 years. The vessel, crafted for seagoing comfort and aesthetic sophistication, is a testament to Lürssen's dedication to delivering top-notch design and engineering. The exterior, designed by Espen Oeino, features striking geometric precision, complemented by an interior meticulously crafted by Dölker + Voges. Project management throughout the construction process was expertly handled by Cornelsen & Partner.

In January 2024, Lürssen celebrated the delivery of LUMINANCE, a 137-meter private yacht, showcasing the yard's commitment to pushing boundaries and exceeding client expectations.

Looking ahead to 2024, Lürssen is poised for further success with upcoming deliveries. The 82-meter project CALI, currently undergoing sea trials and final outfitting, promises to captivate enthusiasts with its sleek and elegant design. Designed by Lürssen's in-house talent, Jim Robert Sluijter, CALI boasts a distinct reversed bow shape that adds a touch of modernity to its overall appeal.

Shortly after that, the much-anticipated 122-meter project JAG will be handed over to a loyal client—building a yacht with Lürssen for the third time.

Designed by Nuvolari—Lenard, JAG features harmonious proportions and extraordinary volumes, embodying the seamless blend of luxury and functionality. Reymond Langton's bespoke interior design pays homage to the owner's lifestyle, ensuring a personalized and opulent onboard experience.

Lürssen proudly holds a prominent position in the global yacht-building landscape, with 32 of the Top 100 yachts worldwide crafted by the esteemed shipyard (including 12 of

The Top 20). With numerous yachts ranging from 75 to over 130 meters currently under construction, Lürssen continues to fulfil its founder's dream of being a leading force in the shipbuilding industry.

Refit has become a core business for Lürssen, which leverages unparalleled facilities and the capacity to undertake multiple refits simultaneously, all within the esteemed backdrop of Northern Germany.

In the past year, Lürssen's refit prowess took centre stage with the meticulous refurbishment of the iconic 97-meter Carinthia VII. Under the same ownership for two decades, with only a privileged few having glimpsed its opulence, this world-renowned yacht underwent a transformative refit for its new owners, who acquired the vessel in 2022. The objective was clear - to ensure Carinthia VII retains its eminent position at the forefront of the yachting industry.

As Lürssen stands on the cusp of another transformative year, the spirit of innovation, excellence, and a commitment to client satisfaction continue to drive the shipyard's success. Lürssen remains dedicated to shaping the future of luxury yachting with each vessel it meticulously crafts.

HNWI IMMIGRATION IN THE UK

WHERE DO WE STAND?

Despite the shock closure of the Tier 1 (Investor) route to new applicants in February 2022, the UK remains an attractive destination for HNW and UHNW migrants for a multitude of reasons, including its relative stability and access to high quality amenities such as schooling.

The closure of the Tier 1 (Investor) route came in the context of the Russo-Ukraine war and was widely considered to be motivated by the same considerations as the broader sanctions' regime. In particular, the UK government cited concerns about the source of a number of Russian Tier 1 (Investor) migrants, including Roman Abramovich, who were granted Tier 1 (Investor) visas between 2008 and 2015, when the checks on source of wealth were far less rigorous. The closure of the route however, impacted HNW migrants of all nationalities.

The latest migration figures indicate an increase in the number of Russian migrants using the Skilled Worker route, suggesting the trend of Russian HNW migration to the UK, as well as migration from other regions including South Africa and the United States, is experiencing a resurgence.

Whilst the Tier 1 (Investor) route offered a 'one size fits all' solution to suit a variety of HNWIs, migrants in the post-Investor landscape have to think carefully about which visa route is best suited to their individual circumstances. This article demystifies four possible immigration routes to settlement in the UK for HNWIs and their families.

By Zoe Jacob

Head of Immigration and Partner, Boodle Hatfield

Skilled Worker Visa

The Skilled Worker visa (formally the Tier 2 (General) route) allows HNWIs to come to the UK as sponsored employees. The HNWI will need to be sponsored by a UK entity with a Skilled Worker sponsor licence.

This route works for senior executives relocating to the UK to take on a new role in a UK company. The sponsoring UK company, which will likely already hold a Skilled Worker sponsor licence, will issue the senior executive with a Certificate of Sponsorship, which they will then use in support of a Skilled Worker visa application. If the senior executive wishes to relocate with their family, then they can bring their partner and minor children as dependants.

The route can also be used to allow a business owner to work for their own UK entity, provided that entity applies successfully for a Skilled Worker sponsor licence and can demonstrate that there is a role within the UK business for the business owner, which is central to its operations. To obtain a sponsor licence, the UK entity will need to have a UK based employee or director who can take responsibility for the sponsor licence, in a role known as the Authorising Officer.

The Skilled Worker route can lead to settlement after five years, provided that the individual spends at least 180 days a year in the UK. This day count is calculated on a rolling basis.

UK Expansion Worker

Unlike the Skilled Worker route, under the Expansion Worker route there is no requirement to already have a UK-based employee or director to obtain an Expansion Worker sponsor licence. Instead, the HNWI coming to the UK, can themselves take on responsibility of Authorising Officer, providing valuable flexibility.

The Expansion Worker route works best for HNW businesspeople who want to relocate to the UK to establish a UK branch or subsidiary of an overseas entity, but do not yet have an operational UK presence. The route allows the individual to be the 'first feet on the ground' in terms of establishing the UK entity. An Expansion Worker can bring their partner and minor children to the UK as dependants.

This route does not lead to settlement. In fact, the longest an individual can stay in the UK on an Expansion Worker visa is 24 months. The long-term trajectory is for the UK entity to apply for a Skilled Worker sponsor licence as soon as a UK employee or director is appointed, and for the Expansion Worker to switch into this immigration route.

Innovator Founder Visa

The Innovator Founder route allows an entrepreneur to come to the UK to put a new business idea into practice. This route requires an endorsement from a 'business endorsing body'. These bodies confirm to the Home Office that the entrepreneur's proposed venture is new, innovative, viable and saleable. The Home Office grants the visa based on this endorsement.

The route works best for serial entrepreneurs looking to establish a new business in the UK. An Innovator Founder can bring their partner and minor children to the UK as their dependants.

The Innovator Founder Visa provides a three year route to settlement; however, it is widely agreed among immigration practitioners that the criteria for settlement are often difficult to meet. If an individual is unable to meet the requirements for settlement within three years, they can apply to extend their visa for a further three years, in perpetuity or until the settlement criteria are met.

Global Talent Visa

This route also relies on the applicant applying for an endorsement to an industry-specific endorsing body but provides significant flexibility, as a successful applicant can come to the UK without a job offer and pursue their interests within their field of talent, through employment or self employment.

This is an excellent option for individuals whose wealth has been generated through achievements in a particular sector; for example, internationally acclaimed actors and musicians or creators of successful digital products. They can bring their partner and minor children to the UK as their dependants.

This is also a route to settlement within three years for those who have been endorsed as showing exceptional talent and within five years for those who have been endorsed as showing exceptional promise. Again, there is a requirement for the individual to spend at least 180 days a year in the UK, calculated on a rolling basis, should they wish to settle.

Specific considerations for Russian migrants

Visa processing for Russian migrants has not been formally suspended but applicants are likely to experience significant delays both in terms of availability of appointments, and increased processing times. These delays are affecting both entry clearance applications and in-country extension applications. For this reason, there is an increased need for forward planning when assisting Russian HNWIs with applications in any of the routes outlined above.

Whilst the closure of the Tier 1 (Investor) route had significant knock-on effects on HNWI immigration to the UK, there are a plethora of options available to HNW migrants wishing to capitalise on the UK's attractiveness as a location for individuals and businesses from across the globe.

ROLEX NEW FACE OF EXCELLENCE

Elegant, classic and decidedly contemporary, the 1908 immortalizes Rolex's age-long daring spirit. Its conception is the result of the brand's comprehensive in-house expertise and unwavering commitment to excellence.

The timepieces have an astonishing five-day power reserve, rather than the 42-48 hours of a 'standard' watch, to allow for their role as motor car clocks.

Rolex inaugurates its Perpetual collection with the Perpetual 1908, a name given to the model in homage to the year Hans Wilsdorf devised the name 'Rolex' to sign his creations and registered the brand in Switzerland.

This elegant and understated watch features a slim case crowned with a bezel that is part domed and part finely fluted. In 18 ct yellow or white gold, the case is fitted with a transparent case back which allows the technical sophistication and the decoration on the movement to be seen and admired. The particularly sleek dial, either intense white or intense black depending on the version, is graced with Arabic numerals 3, 9 and 12, and faceted index hour markers. It also offers a small seconds subdial at 6 o'clock, with the words 'Superlative Chronometer' above it in an arc shape. The hour hand is distinctive for the circle just before the tip, while the minute hand is shaped like a two-edged sword. The model is fitted on a brown or black alligator leather strap, equipped with a Dualclasp, a double folding clasp.

The 1908 is equipped with calibre 7140, unveiled this year. At the forefront of watchmaking technology, this movement includes the Chronergy escapement, the Syloxi hairspring and Paraflex shock absorbers. It is noteworthy also for its bridges that are finished with Rolex Côtes de Genève, a reinterpretation of a well-known decoration in watchmaking. Calibre 7140 enables the 1908 to display the small seconds, as well as the hours and minutes.

Inspired by one of the first Rolex watches fitted with the Perpetual rotor, the 1908 is the first member of the Perpetual collection. This new collection is a reinterpretation of traditional watchmaking style imbued with quintessential watchmaking expertise and the aesthetic heritage of Rolex. The 1908 is defined by its design, which conveys the full strength of the watch's character in the simplicity of the display and by details that confer its unique identity. This timepiece perfectly embodies the spirit of the Perpetual collection, at whose core lies the celebration of the art of watchmaking in its noblest form.

The 1908 features a 39 mm case in 18 ct yellow or white gold, with gracious lines and a transparent back that allows the refined aesthetics of the movement to be admired as well as the pivoting of the oscillating weight. The curve of the lugs is highlighted thanks to a gentle chamfering on their top edges. The bezel is divided – the lower part being given an elegant fluting and the upper part domed. Made of virtually scratchproof sapphire, the domed crystal and the transparent case back benefit from an anti-reflective coating. Guaranteed waterproof to a depth of 50 metres (165 feet), the case provides optimal protection for the movement nestled inside.

The 1908 is equipped with calibre 7140, a movement wholly developed and manufactured by Rolex, unveiled this year. A distillation of technology, this self-winding mechanical movement delivers outstanding performance in terms of precision, power reserve, convenience and reliability. Calibre 7140 demonstrates carefully finished aesthetics, notably on the bridges, which feature Rolex Côtes de Genève – a decoration that differs from traditional Côtes de Genève for the slight polished groove between each band. Calibre 7140 incorporates the patented Chronergyescapement, which combines high energy efficiency with great dependability. Made of nickel-phosphorus, this escapement is resistant to strong magnetic fields. The movement also includes the patented Syloxi hairspring, produced by Rolex. This silicon hairspring has a patented geometry that ensures the calibre's regularity in any position.

The oscillator is mounted on the patented high-performance Paraflex shock absorbers, designed by the brand, which increase the movement's shock resistance. The oscillating weight is fashioned in 18 ct yellow gold and cut out. It is, furthermore, fitted with an optimized ball bearing.

Calibre 7140 is equipped with a self-winding system via a Perpetual rotor. Thanks to its barrel architecture and the escapement's superior efficiency, the power reserve of calibre 7140 extends to approximately 66 hours.

The 1908 is fitted on an alligator leather strap. Matt brown or matt black, this elegant strap is individually tailored for the new watch, with a green calfskin lining and tone-on-tone stitching. It is equipped with a Dualclasp, a double folding clasp, in 18 ct yellow or white gold. Thanks to its carefully designed shape, the Dualclasp always sits centred on the wrist.

www.rolex.com

CITI BANK WHITE PAPER

Summary by Family Office Magazine

CITI Bank whitepaper "Organizational design, strategic leadership and governance insights for family offices"

Wealth preservation and transition across generations are challenging endeavours, which is why many ultra-high-net-worth families have established family offices – estimated to be around 10,000 globally. As outlined in the whitepaper "Organizational design, strategic leadership and governance insights for family offices" by Citi Private Bank's Global Family Office Group, setting up and managing an effective family office requires careful consideration of several key aspects.

Organizational Design: Tailoring the Structure to Family Needs
Each family has its unique set of needs, preferences, and complexities, which should drive the organizational design of their family office. The whitepaper categorizes family office responsibilities into two primary roles: preparing wealth for the family (investment management, accounting, tax planning, etc.) and preparing the family for wealth (fostering communication, education, governance mechanisms, etc.).

Families vary in the types of capital they wish to pool and manage collectively – business capital, financial capital, philanthropic capital, and family capital (human capital, values, etc.). The organizational structure should align with the chosen approach, whether business-centric, investment-centric, philanthropy-centric, or a true family enterprise encompassing all forms of capital.

Key considerations in organizational design include the family's purpose, priorities, level of wealth, complexity, desired control, privacy concerns, costs, and specific interests (e.g., direct investing or philanthropy). These factors influence decisions on in-house versus outsourced services, staffing needs, management hierarchy, and communication protocols.

Strategic Leadership: Assembling the Right Executive Team
The whitepaper profiles several key C-suite positions in a family office, outlining their responsibilities, success metrics, required skills, and necessary experience. These include:

Chief Executive Officer (CEO): The CEO is a servant leader, responsible for strategy development, overseeing operations, managing service providers, ensuring cash flow reporting, and supervising staff. Success metrics include maintaining the principals' trust, achieving investment growth, and fostering a client service attitude aligned with family values.

Chief Investment Officer (CIO): The CIO's role varies based on the family's investment philosophy and objectives. Some CIOs oversee internal investment teams, while others focus on asset allocation, manager selection, and performance monitoring, delegating execution to external managers.

Chief Financial Officer (CFO): The CFO supports the CIO and CEO by providing critical financial reporting, auditing, budgeting, forecasting, and coordinating tax filings. They must navigate the complexities of managing multiple entities, accounts, and transactions.
Chief Operating Officer (COO): The COO manages day-to-day operations, liaising with service providers, overseeing specialty assets (art, aviation, real estate), and ensuring robust security protocols. Their role becomes increasingly vital as the family office matures and complexity grows.

Governance and Management Insights
Effective governance and management practices are crucial for navigating the unique dynamics of family offices. Key insights from the whitepaper include:

Understanding the Principals' Purpose and Vision: Senior executives must gain a deep understanding of the principals' priorities, both financial and non-financial, and allocate resources accordingly. Open communication and observing decision-making processes are essential.

Flexible Approach: Family office executives must be willing to perform a broader range of duties than initially hired for and adapt to the fluid communication channels that often exist within families.

Prioritizing Mission-Critical Elements: Financial, operational, and reporting functions are mission-critical and require proper staffing, technology, and resources to maintain accuracy, timeliness, and principals' confidence.

Organizational Formalities: As family offices grow, implementing organizational governance structures becomes necessary to define responsibilities, clarify communication lines, and establish protocols for addressing issues and mitigating risks.

Networking and Professional Support: Developing strong relationships with trusted advisors and industry peers is vital for executives to seek guidance, share information confidentially, and stay updated on best practices.

Setting Up for Success: Proper budgeting, funding mechanisms, and strategic planning are critical for long-term success. New family offices should develop a "business plan" to assess appropriate staffing, structure, and funding needs.

In conclusion, establishing and managing a successful family office requires a tailored organisational design aligned with the family's needs, aspirations, and complexities. Assembling the right leadership team, implementing effective governance mechanisms, and continuously adapting to evolving circumstances are essential for sustaining multi-generational wealth and family unity. The insights provided by Citi Private Bank's Global Family Office Group offer valuable guidance for families and their advisors navigating this intricate endeavour.

BUCKET REGATTA

Royal Huisman present day 'Bucket Steward'

ROYAL HUISMAN

NILAYA St Barths Bucket Regatta 2024 by Royal Huisman

Not many can claim to have taken part in the first ever Bucket Regatta...

Royal Huisman was represented back then and is proud to be a present day 'Bucket Steward' today. The St. Barths Bucket is indelibly marked on the calendars of more and more sailing superyacht owners. The regatta is the queen of all superyacht regattas. Simply put, it has everything going for it. The obvious draw is that it takes place in and around St. Barthélemy, a small French island in the Leeward chain of the Caribbean. This pristine island with 5-star hotels, delectable restaurants, seascape villas, glorious beaches, translucent waters, chic shopping, and hilly topography is the 'it' island of the cognoscenti. Yacht owners enjoy relaxed 'feet in the sand' rosé lunches with fellow owners and guests as well as team spirit dinners with their crew.

The entry list of the 2024 edition of the St. Barths Bucket Regatta contained 30- some vessels including four Royal Huisman-built yachts: Hyperion, Hanuman, Aquarius, and Nilaya. The 47m/156ft Hyperion and the 42m/ 138ft J-Class Hanuman — (supported by her 1930 escort motor vessel Atlantide, which had an extensive rebuild at Huisfit) — have been long time Bucket participants — respectively Hyperion and Hanuman have had many wins and line honors over the years. This year Hyperion came is second overall in Les Mademoiselles class. Hanuman came in 2nd overall in Les Elegantes class and 56m/186ft Aquarius, delivered in 2018, (first in class in the 2019 and in 2022 Buckets) winner of race one, and second overall in Les Gazelles class this year. Her larger sistership Aquarius II is currently in build at Royal Huisman for the same owners and, no doubt, she will also be a future Bucket participant. 2024 marked the first year for the participation of the 2023 - launched 47m/154ft Nilaya. She was the winner of race 3 in Les Gazelles class and 3rd overall in her class.

Royal Huisman is one of two official 'stewards' of this world class event. In fact, Bucket Regattas and Royal Huisman have enjoyed a long term relationship that goes way back to the first Bucket—the Nantucket Bucket—which took place in 1987. The 82ft/ 25m Royal Huisman-built Volador, owned by American, Charles Butt, was one of the original yachts that participated in that infamous 'for fun only' race, organized—rather loosely—by a handful of owners and their captains. The origin story of the original Bucket varies a bit depending on who is telling it. Since all is based on 37-year old memories, the lore around those early days cannot easily be fact checked. Nor does it really matter. It's always been the spirit that counts.

HANUMAN JK6 St Barths Bucket Regatta 2024 by Royal Huisman

NILAYA St Barths Bucket Regatta 2024 by Cory Silken

Roger James, the captain of Volador, was good friends with Peter Goldstein, owner of Flying Goose. Volador had a dock in Nantucket for the summer and Goldstein who commuted to the island on weekends from New York City kept his dinghy on the dock behind Volador as his boat was anchored out. According to Goldstein, he arrived from NYC one night and James invited him for drinks onboard Volador. As happens among sailors, the two began bragging about their single handed abilities and then about which boat was fast than the other. The two determined to race out to the green buoy and back the next day to prove their mettle. As the evening wore on, weather set in, and the wind was blowing hard. Captain James suggested Goldstein not risk going out to his boat in his dinghy but instead spend the night onboard Volador. The next morning John Clyde-Smith the captain of Nelson Doubleday's yacht Mandalay popped by and the idea of putting together a friendly race gained steam.

Doubleday's wife's birthday was coming up, so it was decided to have the race the following weekend, making it an event where the family and crew were one for a weekend. The race was an invitational race, not a professional one. The first year there were 7 or 8 boats, The cost for entering that race was $300.00 a boat. And as it was his wife's birthday, Doubleday offered to invite all to a celebratory post-race clambake.

The first Bucket was a big success and grew every year. After 15 years, Goldstein who was in charge of all— including engraving winner's names on the silver trophy purchased by Doubleday at a Nantucket antique emporium—decided they should call it quits while they were ahead. The stakes had become higher, concern for safety, handicap rules and ratings were becoming challenging, and, as Goldstein said, "The boats are getting bigger, and it is all getting too complicated." Furthermore, there is no room on the trophy for any more names."

Conventionally, many super sailing yachts summer in New England and the Med but head to the Caribbean in the winter. In 1995, the idea of the St. Barth's Bucket was conceived by some who had partaken of the Nantucket Bucket. Thereafter, a Newport Bucket took flight. Eventually, the Newport Bucket ran its course and ceased to exist, but the St. Barths Bucket had staying power, and its legend lives on. Royal Huisman is thrilled to be one of its chief supporters.

www.royalhuisman.com/stbarthsbucket

BRICS + NEW ECONOMY LEGAL FORUM

The second edition of the BRICS+ forum in Dubai addressed pressing challenges and solutions in the macroeconomic environment.

The high-profile event discussed doing business in the GCC, global expansion, legal mechanisms for foreign investment, trade and dispute resolution, and current problems of legal regulation of cross-border businesses and economic sanctions.
BRICS+ New Economy Legal Forum is a part of the New Economy Legal Forum series that is organised in different parts of the world by BRICS+ new economy and legal infrastructure center (BRICS+).

The BRICS+ new economy and legal infrastructure center (BRICS+) promotes economic and legal cooperation among BRICS+ member states and beyond. BRICS+ facilitates dialogue, knowledge sharing, and collaboration among businesses, legal professionals, and government institutions.

The Dubai event received over 200 top executives. Vice presidents and heads of legal departments of Russian and BRICS+ member state companies; owners of the leading legal and consulting companies; heads of law firms who relocated to Dubai and BRICS+ member states; representatives of Russian and international consulting companies from the CIS and neighbouring countries.

Mr Abdulla Baqer, Regional Director of Middle East and Eurasia, Dubai Chamber, UAE, stated: "I am delighted to welcome large businesses, exporters, investors, financial institutions, and leading legal advisors who can contribute to the development of international trade and investment in new macroeconomic conditions." He added: "The forum will serve as a key global platform for discussing current legal and economic issues related to the development of the economy and the creation of legal infrastructure in the BRICS+ regions."

GCC Doing Business
The GCC Doing Business panel shared valuable information on business development prospects in the UAE, Saudi Arabia, Kuwait, Bahrain, Egypt, Iran, Oman and Qatar. It explored legal landscapes for team relocation in the GCC, current issues of doing business in the GCC in the new realities, the UAE and GCC legal systems and the role of Islamic Sharia. The current direction of the UAE regulatory system, choice of mainland or free zone business jurisdictions and the key differences between free zones. Speakers discussed taxes in GCC countries and what factors should be considered when choosing a jurisdiction to conduct business.

The session was led by Dr. Abdulrahim Yousif Alawadhi, an expert in legal matters on the GCC, former Minister of Justice UAE, and former ambassador of the UAE in Poland. Other speakers include Alexander Kukuev, Managing Partner of Uppercase Legal Advisory UAE; Alexandra Kurdyumova, Senior Partner, Versus Legal; Andrey Timchuk, Partner, Co-Head of the Sanctions Practice, Delcredere Russia; Richard Briggs, President, Inter-Pacific Bar Association (IPBA) and Board Member of Dubai International Arbitration Centre (DIAC) UAE; Abdulla Ziad Galadari, Senior Partner, Galadari Advocates & Legal Consultants UAE; Anastasia Speranskaya, Counsel of Corporate / M&A, Russia; Maria Nikonova, Partner and Head of the UAE Office of PGP Tax Consultancy, Middle East Desk of Pepeliaev Group Russia.

Global Expansion
The panel on global expansion discussed the BRICS+ as a zone for developing international economic relations. The large companies involved in global expansion in emerging markets deliberated on the directions of international development, its mechanisms, and business needs. The industries for investment discussed were energy, metallurgy, agriculture, IT, media and content production, mining and processing of minerals, finance, and investment.

Among the speakers of the panel include: Ricardo Nunes, Mayor of Sao Paulo Brazil; Omar Abdulsattar Mohammad Alfahim, Vice President, Abu Dhabi and Al Ain Regional Head of Emirates NBD Bank UAE; Vadim Titov, General Director, Rusatom International Network Russia; Kirill Lipa, General Director, Transmashholding Russia; Igor Borovikov, founder, Softline (Russia); Mehmet Gonench, Director, IC Ictas Insaat A.S. Turkey; Arthur Mario Pinheiro Machado, CEO, Geneve investments Brazil; and Rustam Aksenenko, CEO and Founder, Arkanis VC Capital Swiss.

BRICS+ Business Partnership - Brazil
One session deliberated on the BRICS+ Business Partnership focusing on Brazil. Speakers include Filipe Barros, Federal Deputy, President of the Parliamentary Front for Mining, Innovation and Mineral, National Congress of Brazil; Alan Gandelman, CEO, Sefer Investimentos; Wilson De Faria, Managing Partner of WFaria Attorneys Brazil; Ilya Bolotov, Industrial Director at FPC Invest; and Boris Edidin, Deputy Director General for Legal Affairs at Institute for Internet Development (IRI) Russia.

International Arbitration, IP, Best Practices
On the sidelines of the BRICS+ New Economy Legal Forum Dubai, the round-tables discussed international arbitration and challenges, intellectual property rights in the BRICS+ zone under the new economic conditions, best practices, legal reality and current business issues, including sanctions.

The forum underscored the importance of collaboration and cooperation in building a more resilient and integrated future for the member states and beyond by fostering open dialogue and knowledge exchange. The dialogue contributed to developing innovative solutions that can address the complex challenges of the current macroeconomic environment.

BRICS+ Gains Power with UAE and Saudi Arabia Joining
UAE, Saudi Arabia, Egypt, Iran and Ethiopia joined BRICS on January 1, 2024, doubling its membership to 10, with Brazil, Russia, India, China and South Africa the original members, naming it as BRICS+, on the model of Opec+. With two top oil producers, UAE and Saudi Arabia, the bloc gained power and influence worldwide for multilateral trade developments.

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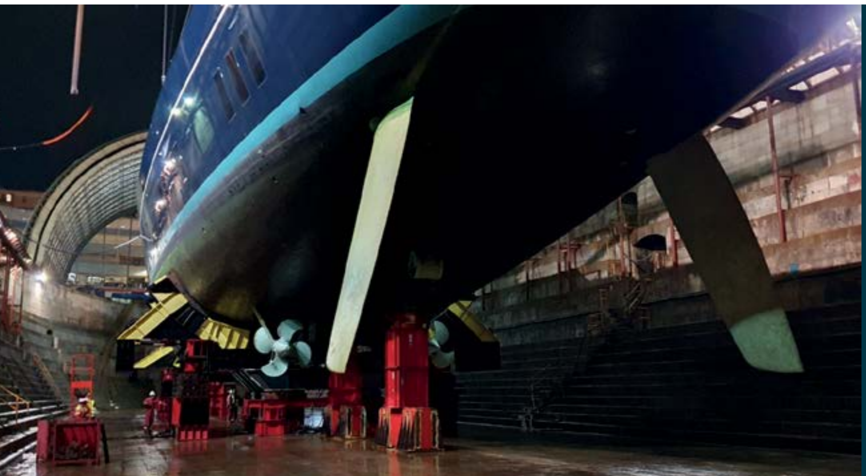

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THE HANGAR'S AIRFIELD PARK

OFFERS FAMILIES A SECURE HOME FOR LEGACY COLLECTIONS

An owner's unit at The Hangar at Riviera Beach

A new trend has emerged in real estate as families invest in tangible assets, creating the need for a safe and secure location in which to store them. Car collecting is among the top investments acquired by investors, seeing significant interest in recent years.

According to Classic.com, "Since 2020, the market for classic and exotic cars has experienced tremendous growth...and records were being set across almost every make and model." Hannah Elliott for Bloomberg adds of the market in 2023, "In a year defined by cooling values and economic uncertainty, collectors remained resolute in their willingness to pay top dollar for the rarest cars in the world."

The challenge for many collectors remains where to store their newly acquired possessions.

Homes have limited garage space, and they forget to store any other items, particularly those of high value. Security is paramount. The Hangar meets and exceeds the new need for storage, offering owners a place to enjoy their collections.

While many owners are car collectors and enthusiasts, The Hangar is a destination beyond automobiles. It is a place for investors to protect and savour their passion, no matter the collection - from classic cars to supercars to motorcycles, art, wine, and beyond; it all has a home at The Hangar.

The bespoke condominiums are privately owned – not rented – and feature a high standard of construction that is fully customisable to create a sophisticated destination only limited in design by the imagination. The spaces quickly become a personalised haven with signature touches for owners to celebrate and enjoy their collections.

Following the sold-out success of The Hangar's first location in Riviera Beach, Florida, the company has broken ground on a new West Palm Beach location. Just steps from Palm Beach International Airport and easily accessible from the island of Palm Beach, it's on target for completion in summer 2024. Putting security concerns at ease, The Hangar is highly secure and highly private, with state-of-the-art monitored surveillance and a full-time concierge, including gated access, 24/7 live monitoring, AI motion cameras, and license plate readers. The Hangar at PBIA will feature over sixty hangars with premium offerings akin to a members club and grants owners exclusive access to its amenities, including golf simulators, an owner's lounge, and a boardroom.

Just adjacent is The Hangar's Airfield Park, which features sixteen units of superior construction at over 5,000 square feet per unit, ideal for families with extensive multi-generational assets. It is a solution for a family with a robust wine or art collection that has outgrown home storage or those who have accumulated a more extensive collection of cars and boats – whatever the instance might be; these assets have a highly secure home at Airfield Park.

The extraordinary units are built with solid concrete tilt-wall construction; insulated roof, doors, and walls; and a 14x14 sealed, insulated, Miami-Dade hurricane-rated, motorized coiling garage door. Additional finishes include a private restroom and individual temperature and humidity control that can be remotely monitored.

The community of owners within each Hangar facility is distinctive, similar to that of a private club where lifelong connections are made. "The facility provides both a place to gather and a quiet retreat from their busy lives; owners can expect respite and privacy while also finding social events, bringing together a like-minded community of peers pursuing and enjoying their passions," says Founder and CEO Scott Cunningham. In the years ahead, The Hangar plans to expand into key US markets, and has recently acquired sites in both Miami and The Hamptons, proving the demand is robust.


An owner's unit at The Hangar at Riviera Beach


The Hangar Owners Lounge Palm Beach location


The Owners Lounge golf simulator

THE RISE OF PRO SPORTS TEAMS AS STATEMENT ASSETS

By Salvatore Buscemi Co-Founder & Managing Partner, Brahmin Partners

Professional sports have always been a mechanism for wealth creation among the elite, protected by strong brand loyalty. With the addition of financialisation and an increase in accessibility, valuations are set to continue their upward trajectory.

These enterprises are typically profitable, attracting many wealthy individuals into league ownership. In 2022, the average revenue for NFL teams increased 8%. Although some may lose money due to a lack of understanding, the industry generally provides a safety net. As a result, the value of these investments tends to increase over time, offering a relatively low-risk opportunity.

Salvatore Buscemi
Brahmin Partners

In the late 1950s, Lamar Hunt, the son of a Texas oil baron, tried to buy a National Football League team. Instead, the gatekeepers at that time told Hunt he could purchase 20% of the then-Chicago Cardinals. Hunt was an outsider, and the NFL was the ultimate insider club, with the Rooney and Mara families and George Halas deciding who could join.

Undeterred, Hunt started his own league, the upstart American Football League. By 1970, the AFL had forced a merger with the NFL. His team, now known as the Kansas City Chiefs, has won the World Championship of American Football, known as the "Super Bowl," a moniker Hunt himself coined, the past two seasons.

Insomuch as Hunt, who passed away in 2006, forced his way in back in the 1960s, the NFL will force you out if you violate sound business and HR practices. Jerry Richardson and Daniel Snyder were pressured to sell their respective franchises for various reasons, and now the Carolina Panthers and Washington Commanders have new ownership.

In today's world, interested parties with enough capital don't have to wait decades to buy their way into the NFL. Roughly a dozen franchises have changed hands in the last 25 years. Additionally, numerous teams have sold minority interests in their franchises for various amounts in recent years, and some are actively trying to as of this writing. Iconic franchises like the Pittsburgh Steelers and Miami Dolphins are the most recent to indicate minority portions were for sale, and seven-time Super Bowl Champion quarterback Tom Brady is trying to buy a stake in the Las Vegas Raiders. Numerous teams have limited partners as part of their ownership groups.

Ownership of a sports team consistently holds its value and is a privilege not afforded to everyone. Other examples include ultra-high-end fine art, prime Class A real estate in major cities, European sports leagues, and anything aspirational yet not quantifiable on Instagram.

The bottom line is that NFL teams are statement assets with values in the billions. A statement asset is defined as one that makes you appear wealthier, smarter, and better connected than your peers.

Your friends might say, "I know the family that owns that NFL team," or mention that they co-invested in a venture or other opportunity with well-known families as lead investors. Their association with you elevates their status.

A September 2023 Sports Business Journal article reported, "In the NFL's most significant step yet toward possibly welcoming institutional capital into the league and making team ownership more accessible, Commissioner Roger Goodell has appointed five owners to a newly formed committee in charge of evaluating the league's conservative ownership policies."

Moreover, many sports owners possess multiple teams across various leagues, often seeing more than a fivefold return on each of their professional sports investments. This has increased their fortunes and solidified their families' legacies, setting a standard that will likely persist.

On the front lines, it's evident that more minor leagues, such as professional women's basketball, are beginning to appreciate. These leagues, many owned by women and minorities, benefit from the surge of interest and investment from emerging families. The future looks bright, though I advise new investors to co-invest and refine their skills alongside seasoned veterans in this exclusive asset class.

For families with significant assets, the approach to professional sports ownership should mirror any other investment strategies: diversify across sectors and geographies to build a robust portfolio. Stan Kroenke has executed this strategy exceptionally well with multiple teams in different markets.

Not all sports owners share the same objectives. Some prefer to invest passively, simply taking pride in ownership. Others see it as an opportunity to leverage their involvement to enhance their other business interests.

Acquiring a professional sports team transcends typical investment logic, serving as an ultimate emblem of achievement, influence, and social prominence for the exceptionally affluent. In this elite circle, such acquisitions go beyond mere wealth expansion, which is crucial in establishing and maintaining high-status prestige and influence.

This realm, tightly controlled by its stewards and veiled in an aura of exclusivity and discretion, provides more than just economic security—it's a tool for crafting enduring legacies. Within this context, the true worth of these investments is not measured solely by monetary gains but by the exclusive access and influence they provide, opening doors to realms beyond the reach and imagination of most.

The community of pro sports owners is unique, and there's no network quite like it. And increased accessibility and paths to franchise ownership mean you don't have to start your league to get in. With billions of dollars in ever-increasing revenue, diversification across leagues and continents, and priceless prestige and influence, sports team ownership is a club you can't afford to join.

About Salvatore Buscemi
Salvatore Buscemi is the Co-founder & Managing Partner of Brahmin Partners, a private family investment firm. He is the author of "Making the Yield: Real Estate Hard Money Lending Uncovered" and "Raising Real Money: Real Estate Funds Uncovered" and his most recent work, "Investing Legacy: How The .001% Invest."

GFSC HANDBOOK UPDATES EVIDENCE PRO ACTIVE APPROACH’ – LOCAL EXPERT

Rachel Gardiner, Head of Prescribed Roles at compliance consultancy Newgate Compliance

The Guernsey Financial Services Commission’s (GFSC) updated handbook on Anti-Money Laundering, Countering the Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF) is a proactive move and a sign of things to come, according to Rachel Gardiner, Head of Prescribed Roles at compliance consultancy Newgate Compliance:

“The updated handbook reflects a comprehensive response to the evolving landscape of financial crime, with a specific focus on countering proliferation financing. It is evident that the GFSC is taking a proactive approach to address emerging threats and uphold the highest standards of compliance.

“The fact that the update was introduced after a States of Guernsey consultation shows how the regulator and government in Guernsey are working together to keep the island ahead of the curve and show industry that it’s a compliant and transparent jurisdiction. This is especially important against a backdrop of imminent Financial Action Task Force (FATF) and MONEYVAL assessments for the island.

“Even though we’ve been advised that our risk in Guernsey is very low, we still have to consider the risk that businesses may be exposed to proliferation financing. It’s yet another factor and nuance that businesses need to account for in their risk assessment and update their policies and procedures. The regulator will be expecting to see that businesses have factored it into their three lines of defence and enhanced due diligence training.”

Key updates include modifications to the rules governing pooled bank accounts for local businesses, as well as changes to Chapter 12 of the handbook concerning UN, UK, and Bailiwick sanctions. Additionally, the GFSC made various minor adjustments to enhance the overall efficacy of the framework.

Of notable mention is the incorporation of updated assessments from two sources used in the compilation of Appendix I of the handbook. While there were no alterations to the countries and territories identified in Appendix I, an updated version has been published to reflect the latest information.

Rachel continued: “The GFSC’s commitment to staying ahead of financial crime risks is commendable. The attention to detail, including the incorporation of updated assessments in the handbook, demonstrates a forward-thinking approach that benefits both the financial industry and the broader community.

“We recommend following three lines of defence approach to protect their businesses – firstly, implement robust procedures, policies and training; secondly, comprehensively monitor these; and finally, review and challenge through an independent audit.”

About Newgate Compliance
Newgate Compliance is a compliance consultancy with an unrivalled team of experienced professionals, many of whom are ex-regulators. Newgate using its innovative compliance software solution called The GATEway. Newgate’s customer focused approach seeks to provide appropriate, pragmatic and flexible solutions to our clients helping them to meet both the regulator’s rules but also the spirit, principles and culture of the regulatory regime. Newgate builds long-term relationships with our customers helping to encourage business growth, productivity and innovation.

About Ocorian
Ocorian is a global leader in corporate and fiduciary services, fund administration and capital markets. Supporting and protecting global investment is Ocorian’s priority; it manages over 17,000 structures on behalf of 8,000+ clients including financial institutions, large-scale international organisations, and high-net-worth individuals. To find out more about Ocorian and its services, including regulatory information, visit

www.ocorian.com

ANNIVERSARY VINTAGE WINES FOR 2024 PART 1

By Stuart George, Founder & MD of Arden Fine Wines

The 2024 edition of "Anniversary Vintage Wines" arrives during economic and geopolitical uncertainty. Rising inflation, higher interest rates, climate change, military conflict, and slower growth provide a challenging backdrop for the fine wine market.

For a special birthday or anniversary in 2024, the "4" vintages are a mixed bunch. Twenty-, 30-, and 60-year-olds will be happy with what's on offer. But anniversary vintage wines for 40- and 50-year-olds are less straightforward...

Drinking wine that is only ten years old is considered to be infanticide at Arden Fine Wines. We offer very few bottles post-2010. Nonetheless, it was a very good year in most of the world's significant wine regions.

For Bordeaux, 2014 was the best-rated "off" vintage since 2005 and remains the second (after 2013) least-expensive post-2005 vintage currently available.

Such is the improvement in winemaking techniques since the 1990s that "bad" vintages that would have been rain-drenched write-offs in the 1970s and before are now highly acceptable.

Bordeaux produced some good wines in 2004, though Burgundy was underwhelming because of a cold spell in June that delayed the flowering of the grapevines. On the whole, white Burgundy wines were better than the reds. Barolo had an outstanding year in 2004, with some superb examples of this great Italian wine.

The Right Bank (north of the River Dordogne), where the Merlot grapes ripen earlier than the Cabernet Sauvignon grapes in the Médoc (south of the Dordogne), was by far the most successful Bordeaux winemaking area in 1994. This year was also good for German Rieslings and for Tuscany, where it was the first vintage of Sassicaia to be released as Bolgheri Sassicaia DOC. California had an excellent year. But the best wines of 1994 were Vintage Ports, which are of exceptional quality and value for money.

With the possible exception of 1987, 1984 was the worst vintage of the decade in Bordeaux. There was cold, dry weather in February, March, and May; a sunny April, June, July, and August that caused the grapes to ripen slowly and unevenly (because of the sudden changes of temperature); cold and wet weather in September; and then Hurricane Hortense (named after Napoleon's step-daughter) uprooted trees and caused widespread power failures in early October.

The final Orwellian twist to our vinous version of Nineteen Eighty-Four was the release prices of the 1984 First Growths, which were twice as high as the superior 1982s. The best bet is again the Douro. It was not a Declared Vintage but Single Quinta Port wines of 1984 are worth a try.

The April 1975 Sichel & Co "Bordeaux and Burgundy Vintage and Market Report" stated that the 1974 Bordeaux wines were "the unwanted orphans of a shattered marketplace".

Talking of unwanted orphans... I must declare a vested interest in this 50-year-old vintage (as of May 2024). As with 1984, it was probably the worst vintage of the decade in Bordeaux. However, there have been some pleasant surprises on my travels. Domaine de Chevalier 1974 was tasted (drunk with dinner, actually) with Olivier and Anne Bernard at the Domaine in Léognan. Even Oliver said that it was good.

A 1974 Gaja Barbaresco was tasted with Angelo Gaja and his daughter Gaia at the eponymous winery. It was past its best, and not helped by me and some of my colleagues suffering from recently eating too much carpaccio (raw meat), which had caused mild food poisoning. In South Africa, a 1974 Nederburg Vintage Cabernet was an excellent example of a very fine vintage in that beautiful but often troubled country.

Romanée-Conti 1974 is notable only for its embossed bottle. I have seen bottles of the 1974 with labels stuck over the embossed "DOMAINE DE LA ROMANEE CONTI" in an attempt to present (usually) a counterfeit 1971 or 1978. It was such a poor vintage that DRC does not even bother to list on its website how many bottles it produced in 1974.

The get-out-of-jail card for 50-year-olds is California, which had a wondrous year in 1974. The best-regarded wine of this great Californian vintage is Heitz Cellars Cabernet Sauvignon from Martha's Vineyard in the foothills of the Mayacamas Mountains, just south of Oakville. It's a wonderful 50-year-old — thank you, Martha.

There was torrential localised rain in the Médoc in October 1964 that drenched vineyards in Pauillac and Saint-Estèphe. Château Latour managed to pick its grapes before the rain – unlike its Pauillac neighbours Château Lafite, Château Mouton Rothschild (label design by Henry Moore), and (especially) Château Lynch-Bages – and made a top-class claret.

The 1964 vintage is also notable as the first year that Latour used stainless-steel to make its wine (though Château Haut-Brion had used them from 1961). The weather was much more clement east of the river Garonne. In Pomerol, Pétrus made an outstanding wine in 1964. It was the second successive bad year in Sauternes. No Yquem was made – which might have forced its then owner the Marquis de Lur-Saluces to sell the poor 1963.

There was no Vintage Port in 1964, though Colheitas (single-vintage Tawny Port) are widely available and well worth a look. For red Burgundy, it was a very good vintage. I drank 1964 Domaine Leroy Chambertin (though it might have been Richebourg – I can't remember) at the long since gone Il Convivio restaurant in Belgravia.

For 60-year-olds, there are also possibilities with sweet Loire wines, Barolo, and Champagne. My late friend and colleague Nick Belfrage MW said that 1964 Biondi-Santi Brunello di Montalcino Riserva was outstanding. Two lovely bottles of 1964 Monimpex Tokaji came to Arden Fine Wines from (an even lovelier) Parisienne friend of a friend, whose father had owned them for some years after they were gifted to him. He only bought French wines, of course.

www.ArdenFineWines.com

SEQUOIA FINANCIAL GROUP ACQUIRES ALTRUVISTA, EXPANDING WEALTH MANAGEMENT SERVICES FOR ENTREPRENEURS

The financial services landscape witnessed a significant development as Creative Planning, a preeminent Registered Investment Advisor (RIA) based in Overland Park, Kansas, announced its acquisition of ML&R Wealth Management (Maxwell Locke & Ritter). This move not only enhances its footprint in Central Texas but also enriches its service offerings. This strategic acquisition underscores a trend in the wealth management industry where consolidation becomes a path to providing more comprehensive services to a broader client base.

ML&R Wealth Management, with its roots deeply embedded in the Austin and Round Rock, Texas communities, has been a beacon of financial guidance for over 25 years. The firm, known for its dedication to providing bespoke financial planning and investment management services to individuals, families, businesses, and non-profits, has joined forces with Creative Planning. This partnership marks a pivotal moment, as 18 employees from ML&R formally integrate into the Creative Planning team, bringing a portfolio that boasted $2.2 billion in assets under management as of December 31, 2023.

Peter Mallouk, the CEO of Creative Planning, expressed his enthusiasm for the acquisition, highlighting ML&R Wealth Management's strong reputation and community presence in Central Texas. He emphasized the alignment of values between the two firms, particularly their shared commitment to engaging with clients through insightful and solution-oriented financial planning.

ML&R Wealth Management has distinguished itself through its financial advisory services and recognition in prestigious rankings such as CNBC's FA 100, Accounting Today's Wealth Magnets, and InvestmentNews Best Places to Work for Financial Advisors, among others. These accolades speak volumes about the firm's dedication to excellence and its commitment to fostering a positive and productive work environment.

The acquisition by Creative Planning is more than just an expansion of geographical presence; it represents a strategic move to enrich the firm's service offerings. With ML&R's expertise in investment management, financial planning, and risk mitigation, Creative Planning is poised to offer its clients more nuanced and comprehensive financial strategies. This merger brings together two entities with a shared vision for personalised wealth management, albeit with complementary strengths that promise to elevate the client experience to new heights.

Stuart V. Smith, the lead partner at ML&R Wealth Management, echoed this sentiment, expressing excitement about the merger's potential to enhance client services through advanced technology and a more holistic view of finances. Smith underscored the importance of personalised wealth management strategies catering to their clients' unique financial goals and dreams. He highlighted the synergy between ML&R's client-centric approach and Creative Planning's extensive resources and technological capabilities, promising a future where clients' financial aspirations are met with unparalleled expertise and support.

The acquisition also serves as a strategic step for Creative Planning in its mission to establish a local advisory presence in every major metropolitan market in the United States. With ML&R Wealth Management's strong foothold in Central Texas, Creative Planning not only expands its geographic reach but also enhances its ability to provide localized, tailor-made financial advice to a more diverse client base. The financial and legal advisory roles played by Raymond James' Asset & Wealth Management Investment Banking team and Katz Teller, respectively, in facilitating this acquisition highlight the meticulous planning and strategic foresight involved in such transactions.

These collaborations underscore the complexity and significance of mergers and acquisitions in wealth management, where the right partnerships can redefine service delivery and client satisfaction.

About Creative Planning, it stands as a testament to the power of comprehensive financial planning and investment management. With over $300 billion in assets under management and advisement as of the end of December 2023, the firm's reach spans all 50 states and 90 countries, offering a wide array of services, including retirement planning, estate planning, trust services, tax planning, and family office services. This acquisition not only bolsters Creative Planning's already impressive offerings but also reaffirms its position as a leader in the wealth management space.

The merger of ML&R Wealth Management with Creative Planning clearly indicates the evolving dynamics within the wealth management industry. As firms strive to provide more holistic, client-focused services, acquisitions such as this one play a crucial role in enhancing the breadth and depth of financial guidance available to clients. For the communities in Central Texas and beyond, this partnership promises a future where financial planning is not just about numbers but about realising life's goals and dreams through strategic, personalised financial stewardship.

www.sequoia-financial.com

THE FUTURE OF FAMILY OFFICE INVESTING IS PRIVATE: WHY SECONDARIES ARE THE NEXT INVESTMENT OPPORTUNITY

By Alan Vaksman, Founding Partner at Launchbay Capital, a leading multi-stage investment firm.

While the public market is and always will take a dominant allocation share in family office portfolios, its current state of volatility and peaking interest rates has institutional investors of all types re-evaluating their investment strategies. Family offices still hold one of the largest shares of capital estimated around $20 trillion, positioning them to reap the biggest gains if they can pinpoint the most advantageous opportunities.

Currently, growing data is confirming that significant opportunities can be accessed through tactical investments in private secondary markets. Secondary funds are actively buying and selling existing investor commitments in private equity, VC and other alternative investment funds. While family offices traditionally had smaller allocations to this asset class, this will likely increase if one looks carefully at the risk return and liquidity profile of these investment strategies.

So, what's led to the high interest towards secondaries? Over the past few years, the capital invested in private growth companies by long standing VC and PE funds has gotten held up for a combination of mutually inclusive reasons. The real returns (DPI) they were projected to gain from the portfolios going public have been repeatedly deferred by the fact that companies are pushing off their IPOs. This is of course due to high interest rates and the public market's preference for dividend yielding stocks as opposed to growth stocks negatively impacting potential liquidity and the ability to recycle capital which is key in PE and VC.

These circumstances have put a lot of pressure on VC and PE funds, i.e. those which were once some of the most highly profitable options for family offices, to pay out investors, as well as on the companies themselves to compensate employees and shareholders with stakes to gain. Thus, the secondary market has become a vehicle for promoting the capital recycling they need. Through extended and recurring funding rounds, these entities are selling individual shares at discounted rates on the secondary market to increase liquidity on a faster timeline. The diversified investment vehicles investing into discounted and properly secondary market priced private shares presents an opportunity for family offices to diversify their investment strategies in ways that may not have been financially feasible to them before. While family offices as a whole hold one of the market's greatest shares of capital, the individual entities, whether single or multi-family, have been historically limited by large ticket illiquid investments when it comes to venture-backed companies. Now, with the emergence of private markets a new "semi-liquid" class of private assets is starting to emerge. Family offices can take advantage of newfound flexibility through secondary investments since minimum capital requirements to get involved are much lower compared to those mandated by traditional growth funds on one side, and the liquidity and duration of these investments are much higher.

Niche Investment Opportunities

Since smaller secondary growth funds require less money to be invested into individual companies (1-10million max), this ensures the growth assets that these funds hold have actionable liquidity and frees up capital for family offices to add renewed variety to their portfolio based on personal interests and funds derailing the investments via their investment process. By nature, these private funds are highly niche and allow for targeted financial planning. This is an element that can be considered especially advantageous for multi-family offices that may need to balance the varying priorities of the entities involved.

Actively managed secondary funds are allowing family offices to become even more deliberate and precise with their investment approaches. These funds may target specific sectors or geographies, such as space exploration or European tech companies, allowing family offices to tailor their contributions based on specific investment themes. Secondary transactions also offer family offices flexibility when structuring deals, allowing them to negotiate co-investment terms aligned with specific investment objectives and providing a great deal of customization that is not always possible in large growth vehicles.

The Process

The process of investing in the secondary market operates similarly to making direct investments, but with a few exceptions. Secondary transactions often involve more frequent and direct interactions with managers of growth funds at VCs and PEs. That's because these teams are typically smaller, which allows for more dedicated attention and direction. By building and maintaining closer relationships with experienced fund managers, family offices are provided with real-time insights, confidence and access to future investment opportunities based on their interests, as well as better terms for future direct investment and co-investment opportunities.

Data-driven analytic platforms like Launchbay Capital, Rainmaker Securities and Forge Global Holdings are making it easier than ever for family offices to explore opportunities and compare prices in the secondary market. Recently, even Morgan Stanley introduced their own secondary investments team, further validating the growing needs and desires to access opportunities within private markets by the masses. Through these platforms, family offices gain a broader market outlook inclusive of recent share prices, volume of trades, growth timelines and past, present and future funding rounds, allowing for data-backed evaluation when considering areas for opportunity. Additionally, these platforms make the process of doing business easier since they connect the interested party with the proper broker overseeing the stock directly upon inquiry. Once an investment has been made, users can return to the platform to monitor the progress of their investments and stay closely informed to strategize decisions for the future.

Access and Data Ahead of IPO

In recent months, private FinTech companies have been leading the markets across all fronts, including digital banking, payments, FinTech SaaS and crypto, due to increasing interest in the evolution of financial services. Through the secondary market, family offices can even consider contributing to some of the largest and most successful companies within the sector, like Klarna or Stripe, by leveraging discounts on individual share prices that already grew more than 50% on the secondary markets.

With the growing amount of secondary data provided through digital platforms, private valuations are becoming increasingly trusted and relied upon. Rather than sourcing major investment houses' underwritten share prices, analysts are now frequenting estimates pulled from private market data to predict how much major companies like Stripe and Reddit will be worth when they go public. Most recently, Pitchbook's Q1 2024 IPO Pipeline report identified a list of VC-backed companies most likely to go public this year using secondary data as well. Whether your family office is seeking portfolio diversification, liquidity, risk mitigation or access to established companies, the growing opportunities to achieve these goals through secondary investments is undeniable. Use of the new secondary funds in conjunction with strong access to pricing and company data as well as focused co-investments is the way forward.

As family offices continue to refine investment strategies to best align with the changing market ecosystem, secondary funds are inevitably becoming a prominent component of alternative allocations given their shorter investment horizon, data-backed returns and increasing liquidity. Growing awareness and accessibility are ultimately making the private market a much more comfortable option for family offices than it used to be.

www,launchbaycapital.com

FAMILY OFFICES REIMAGINE THE FUTURE WITH EMERGING TRENDS

By Toby Usnik, Founder, Philanthropic Impact

The world of family offices is no stranger to change. Yet, the pace of innovation is accelerating, fueled by an influx of new technologies and evolving client expectations. While efficiency remains a top priority, forward-thinking family offices are venturing beyond automation, exploring trends that redefine their value proposition and reimagine the future of wealth management.

The Rise of Impact Investing

Families increasingly seek investments that align with their values and create positive social or environmental impact. This trend goes beyond "checking a box" and necessitates deeper integration with philanthropic efforts. By leveraging data analytics and AI-powered tools, family offices can identify impact investments that match financial and social goals, fostering a holistic approach to wealth management.

The Intergenerational Shift

Next-generation heirs are entering the family office with different perspectives and priorities. They often prioritise technology adoption, transparency, and sustainability. Family offices must adapt to bridge this generational gap, fostering open communication and collaborative decision-making. Embracing innovative tools like digital communication platforms and virtual reality tours can foster engagement and ensure the smooth transfer of wealth and values.

The Human Touch in Tech-Driven World

While technology brings automation and efficiency, the human touch remains paramount. Building emotional connections and understanding individual client needs will be crucial differentiators in the future. Family offices should invest in cultivating soft skills like emotional intelligence and communication expertise in their staff, ensuring technology complements, not replaces, human relationships.

The Evolving Regulatory Landscape

The regulatory landscape continues to evolve, particularly in data privacy and cybersecurity areas. Family offices must stay abreast of these changes and adopt robust compliance measures to protect sensitive client information. Proactively engaging regulators and industry experts can ensure smooth operations and mitigate potential risks.

Building the Future Workforce

Attracting and retaining top talent is critical for success in the evolving family office landscape. This requires offering competitive compensation packages, fostering a culture of learning and development, and providing opportunities for meaningful work. Additionally, diversifying the workforce can bring fresh perspectives and innovative ideas.

Navigating the Unknown

Emerging trends, such as the metaverse and quantum computing, carry opportunities and challenges. While the full impact remains uncertain, forward-thinking family offices can stay informed by participating in industry events, engaging with experts, and conducting pilot projects. This proactive approach allows them to be early adopters of technologies that offer a competitive edge.

The future of family offices is not simply about automating tasks but embracing trends that reshape their value proposition. By integrating impact investing, bridging the generational gap, strategically leveraging technology, and nurturing human talent, family offices can navigate the evolving landscape and emerge as trusted advisors, leaving a legacy for future generations.

The Family Office's New Ally

One new opportunity for family office professionals to seize is artificial intelligence (AI). The realm of wealth management is transforming, and artificial intelligence (AI) stands at the forefront. While historically reserved for large institutions, AI is now poised to revolutionise how family offices operate, offering a plethora of potential upsides across various aspects of their workflow. Let's delve into AI's exciting possibilities for these stewards of family wealth.

Boosting Efficiency and Productivity

Imagine a world where tedious tasks like data entry, report generation, and expense tracking are handled seamlessly by AI-powered tools. This frees up valuable time for family office staff, allowing them to focus on higher-level tasks like strategic planning, relationship building, and personalised client service.

Optimising Investment Strategies

AI can act as a tireless analyst, poring vast amounts of market data and identifying subtle patterns and relationships that might escape human eyes. This empowers family offices to make informed investment decisions, potentially enhancing returns and mitigating risk. AI-driven portfolio management tools can also automate rebalancing and diversification strategies, ensuring portfolios remain aligned with investment goals.

Enhancing Risk Management

Proactive risk management is crucial for safeguarding family wealth. AI algorithms can continuously monitor market fluctuations, geopolitical events, and other potential threats, providing real-time insights and early warnings. This foresight enables family offices to make timely adjustments to their portfolios and confidently navigate turbulent markets.

Personalised Client Engagement

Building solid relationships with clients is paramount for family offices. AI-powered chatbots can serve as virtual assistants, offering 24/7 support and answering routine client inquiries. Furthermore, AI can analyse client data to understand their preferences and risk tolerance, enabling personalised communication.

Streamlining Administrative Tasks

From legal document analysis to expense management, AI can automate various administrative tasks, saving time and minimising errors. This allows family offices to operate more efficiently and cost-effectively, freeing up resources for strategic initiatives.

Beyond Automation

While automation is a significant benefit, AI's true potential lies in its ability to augment human decision-making, not replace it. By providing data-driven insights and identifying hidden patterns, AI empowers family office professionals to make more informed and nuanced decisions, ultimately leading to better client outcomes.

The Road Ahead

Embracing AI requires careful consideration and planning. Data security, ethical implications, and human-AI collaboration are crucial to address. However, the potential rewards are significant for family offices willing to navigate these challenges. By strategically harnessing the power of AI, family offices can unlock a new era of efficiency, personalised service, and informed decision-making, ensuring the continued prosperity of their clients for generations to come.

As AI evolves, its impact on family offices will undoubtedly intensify. By staying informed and exploring the possibilities, family offices can position themselves at the forefront of this transformative wave, securing their place in the future of wealth management.

Toby Usnik is founder of Philanthropic Impact and host of the weekly podcast The Caring Economy. He also consults and teaches on the application of generative AI with social impact initiatives.

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TECHNOLOGY IS CRUCIAL

FOR YOUR PRIVATE AVIATION ASSETS

by Chris Marich, co-founder and CSO of MySky

A surefire way for family offices to determine whether their business jet management company is providing value for money is to assess the extent to which it is using the latest technologies in its daily operations.

Without sophisticated technology, aircraft management and charter operators rely on manual solutions that were never devised for the tasks for which they are being used. This causes significant inefficiencies that increase both your aircraft's administrative costs and direct operating expenses, resulting in reduced ROI for HNWIs and family offices.

Technology to boost human effectiveness
Recent research at MySky found that business aviation charter operators could lose up to US$4,000 per month per aircraft they operate by not embracing new technology.

This figure is based on our assessment of the cost of overspending on back-office operations, including accounting, reporting, procurement, and business intelligence. We could clearly see the challenges businesses faced as a result of relying on manual tools.

Given that it takes 15 minutes on average for a single invoice or receipt to be processed by one person, while a typical charter aircraft will generate around 150 of these documents each month, large amounts of paperwork can quickly cause accounting bottlenecks, which can have a significant downstream effect on the business.

That's a significant cost in terms of employee time directed at administrative tasks, alongside the opportunities that might be lost due to time not

spent on other fundamentals of operating a profitable business. Equally, there's a risk of human error when companies are forced to carry out repetitive tasks that don't offer significant added value.

The AI difference
The good news for family offices is that many air charter companies embrace technology to provide more excellent value.

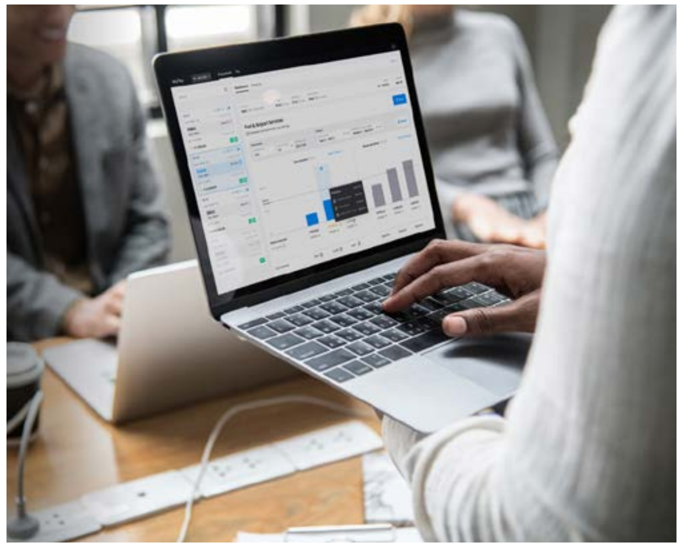
The latest AI solutions are enabling these businesses to deliver superior service to customers while minimizing costs and errors.

Applying AI to the quoting process, for instance, means it can be simple to input travel details and preferences to generate quotes in under 10 seconds.

This represents significant time savings on the hours—or even days—involved in generating quotes using legacy systems, which can include operators manually drawing these up before struggling to gain internal approval.

Embracing a faster AI-driven alternative means providing a better experience to family offices managing aircraft via these operators.

Harnessing technology
Charter operators can also invest in technology that offers significantly increased visibility of supplier costs associated with a flight. This enables them to get a clear picture of overall spending, including fuel, airport, and handling services.



This again represents a significant time saving while avoiding hidden charges. It also ensures operators can compare market rates and optimise spending. Equally, it enables these businesses to provide family offices with a clear understanding of their final costs for each booking.

When assessing industry issues more widely, technology allows operators to keep detailed and precise records of activity for tax purposes, which could prove invaluable when the IRS sets the tone for a global crackdown. While there's every indication that the IRS initiative has been motivated by an industry image problem rather than a genuine widespread lack of compliance, the peace of mind reliable records can offer cannot be underestimated.

Working with a technology-driven operator can provide reassurance regarding compliance, efficiency, and cost-effectiveness for family offices.

Whether these operators stand to benefit most from increased transparency, more data-informed decisions, or enhanced performance and profitability, there is an AI solution that can ultimately deliver benefits to customers.

The AI future

The only way to confidently make optimal business aviation decisions is to understand all flight costs thoroughly.

And, in an AI-dominated future, meeting the required levels of efficiency and transparency to keep up with competitors will require investing in the latest technologies.

The confident insight will prove key to allocating resources efficiently and embracing a more strategic approach to financial planning, ultimately driving profitability.

The future in which manual processes are no longer fit for purpose has already arrived. With almost every administrative task, from generating quotes to gathering and reviewing costs, set to be enhanced by AI, technology investment could prove the difference between success and failure for business charter operators.

For family offices, selecting business aviation operators committed to the latest technology will be key to building long-term, cost-effective relationships that deliver genuine value.

ENDS

About MySky

Founded in 2015, MySky is the only AI-powered cost management platform designed specifically for the private aviation industry. EMEA-headquartered in Dubai, UAE and US-headquartered in New Jersey, US, MySky is a global technology company bringing value to all private aviation stakeholders, optimising business aviation processes and enabling charter operators to work smarter, not harder.

Fueled with the largest pricing database in the industry, MySky's advanced AI is a friendly assistant that takes care of cost analysis, benchmarking, and reconciliation. MySky's products provide charter operators, jet owners, and flight departments with complete oversight of the cost lifecycle and a greater understanding of the profitability of each flight requested.

THE FUTURE OF COMMERCIAL REAL ESTATE HEADWINDS AND TAILWINDS

By Sloan Smith, MBA, CAIA, CPWA®

Sloan Smith
Innovest Portfolio Solutions LLC

In 2022, the Federal Reserve increased short-term interest rates at a historically swift pace to hinder inflation. The rate escalation created an exciting dynamic in the commercial real estate market. Higher borrowing costs made it more expensive for investors to finance commercial real estate acquisitions and developments.

More importantly, it significantly impacted real estate capitalisation rates (i.e., cap rates), calculated by dividing the net operating income of a property by the property's asset value. Ultimately, cap rates started to soar, and property values declined substantially due to the higher cost of capital and decreased demand for commercial real estate.

By 2023, that value drop was felt across all the leading real estate sectors (i.e. office, multi-family, industrial, and retail) but mostly in areas like office, where there was excess supply and low demand from tenants.

However, even though commercial real estate has experienced its struggles and faces numerous headwinds, the sector may be close to the end of this down cycle, especially if the Federal Reserve becomes more accommodating with monetary policy. It is vital to monitor the potential headwinds and tailwinds, especially if real estate is part of your greater asset allocation.

Headwinds:
Large Amounts of Maturing Debt
Commercial real estate maturities will rise to $929 billion in 2024, representing 20% of the $4.7 trillion in outstanding loans. The increase in loans maturing this year has raised concerns about default risk. Numerous loans set to mature in 2023 have already been extended, which has limited delinquencies, but the greater risk of credit losses, especially in the office sector, has increased.
Minimal Transaction Activity

Total investment volume is expected to decrease by only 5%, year-over-year, in 2024, stabilising after a 45% drop in 2023. Lower levels of investment activity are driven by the expectation that the 10-year Treasury yield will remain high throughout the year. This issue could lead to distress for highly leveraged assets, such as office buildings, that utilised floating-rate debt during a lower interest rate environment.

Further Cap Rate Increases
Forecasting when real estate values for most property types will begin stabilising is challenging. Cap rates, excluding those for office assets, increased by roughly 150 basis points between early 2022 and late 2023, depending on the market and asset type. Office cap rates rose by at least 200 bps. This implies a 20% decline in value for most property types. For example, CBRE Capital Markets thinks cap rates will expand by another 25 to 50 bps in 2024, with a corresponding 5% to 15% decrease in values.

Tailwinds:
Strong Fundamentals
Fundamentals remain strong across sectors like industrial, multifamily, and retail. Increased consumer spending has lifted retail, while a limited housing supply has supported the multi-family industry. Growth tailwinds, especially in areas such as e-commerce, have also enhanced demand for the industrial space. The office remains the most significant concern despite improving national occupancy rates. Occupancy surpassed 50% in 2023 for the first time since the start of the Covid-19 pandemic. It currently sits around 52%, providing an encouraging sign that vacancy rates may peak. Fundamentals differ by market, and some fast-growing cities, especially in the Sun Belt region, have seen strong demand for office space due to more stable trends in occupancy.

Demographic Changes
Ongoing growth in less dense markets has created tremendous opportunities in commercial real estate. For example, Sun Belt states now hold about 50% of the national population (326 million), projected to rise to approximately 55% by 2030. Over the past decade, the region accounted for 75% of the U.S. population growth (15 out of the 21 million). These dynamics should greatly initiate growth in urban areas and increase household wealth, which could drive substantial commercial real estate appreciation.

Potentially Lower Interest Rates
Falling interest rates amid solid real estate fundamentals would stimulate capital markets activity above currently low levels. Considering that some of the financing utilised by commercial real estate investors is floating, it would provide a reprieve from sizable debt payments currently in play. The commercial real estate sector has experienced a massive transition since the Federal Reserve started raising interest rates in 2022. We have seen cap rates increase across all the core real estate sectors, a substantial slowdown in transaction activity, and a maturing debt wall come to the horizon. However, relatively strong fundamentals, along with changing demographics and potentially lower interest rates, have created an environment where thoughtful allocations in the commercial real estate space could lead to robust future returns.

For example, at the trough of the last three real estate cycles (the early 1990s, the Tech Bubble, and the Global Financial Crisis), the subsequent five-year annualised return on commercial real estate equity has been approximately 13.5%. Plenty of uncertainty remains in commercial real estate, but a thoughtful allocation paired with robust and active management may capture plenty of unique opportunities.

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FINANCIAL SETTLEMENTS: WHAT ARE THEY AND HOW DO THEY WORK?

By Abi Jones, Solicitor at Stowe Family Law

Much has been said about the introduction of the no-fault divorce law back in April 2022, which makes it far easier for couples to separate as they can now say that their marriage has broken down rather than needing to give reasons or one person to take the blame. It is now quicker and less acrimonious to get divorced in England in Wales. However, despite legally ending the relationship becoming easier, your finances will still need considerable consideration, including what might happen to matrimonial assets such as family homes and any care of the children.

A financial settlement on divorce is an agreement as to how you and your ex-spouse will separate your matrimonial assets: things like the family home, savings, valuable assets among other things and pensions. Couples who are looking to resolve things quickly and amicably can broadly reach agreements as to how they wish to separate with the help of a solicitor. The solicitor can draft what is known as a consent order to make the agreement legally binding.

It is important to note that in England and Wales, the divorce process itself does not end your ability to make financial claims against your ex-spouse or them against you. That is why it is highly important to consider how your assets will be divided and have an order that accurately reflects any agreements that have been reached.

What is my entitlement?

A person's entitlement will depend on several factors, and no guarantees can be given strictly. Your entitlement will be examined in the context of the matrimonial assets within your marriage. A matrimonial asset is anything that was built up during the lifetime of the marriage. This can include things like savings, investments, properties, life assurance policies, vehicles, and the contents of the homes and pensions.

Some assets are considered non-matrimonial and are treated differently from matrimonial assets. Non-matrimonial assets could be acquired prior to or after the marriage. However, there are many occasions when assets acquired before the marriage may fall into the matrimonial pot over the course of the relationship, so it is important to obtain advice on this.

When considering a financial settlement, it is important to look at each of the assets and liabilities, such as loans or debts that you both have. Couples who can discuss matters fully and frankly between themselves should be encouraged to do so and consider the benefit of using a mediation service, which facilitates negotiations with the goal of settling quickly and ideally amicably. It is important to note that any agreement reached during mediation is not automatically legally binding. That agreement should still be taken to a solicitor so it can be reflected in a consent order for the approval of a family court judge.

When either having discussions between yourselves or going to mediation it is important that you both fully understand the financial landscape including what each of your accounts look like both sole and joint, the current status on any loans or credit cards, the current status of your pension and the value of any other assets you have such as life insurance policies, contents of family homes and vehicles etc.

If there is no possibility of an agreement being made through negotiations, consideration may need to be given as to the likelihood of making an application to the court. Where a court is involved, it will look to reach a fair settlement from a starting point of a 50:50 split.

However, this is not necessarily the end result. A court will consider the age of the parties, the standard of living before the breakup, the assets of the individuals, current and future earning capacity and each party's needs moving forward.

Pensions on divorce

Pensions are a key asset that must be carefully considered upon divorce. Pension inequality is very common, with the majority of pension wealth being held by one party. Research from the University of Manchester revealed that only 15% of couples had approximately equal pensions. An estimated 71% of divorcing couples overlook pension sharing in divorce.

Your pension income may seem unimportant compared to immediate needs like the family home. However, pensions can often be one of the most considerable assets a couple holds, particularly for High Net worth Individuals. Ensuring these are considered in divorce discussions can mitigate future risks and ensure both parties are provided for the long term.

A pension sharing order is a court given order declaring that the party with a lower pension (or none at all) gets a percentage share of their ex-spouse's pension(s). It sets out how much will be given and a timeframe. There are other pension options, but this is often the most relevant for divorcing couples.

Common mistakes

Three are a number of common mistakes that parties make including;

- Not getting a financial order at all. A divorce itself does not sever the financial ties of parties and getting a financial order is absolutely necessary

- Not having a full understanding of each other's and their own financial situation, and failing to properly calculate your future needs off the back of this, particularly in relation to housing and pension assets

- Not taking legal advice. Seeking the advice of a family lawyer means there is a safety net in place from the beginning.

- Listening to advice from other people. Friends and family members often have the best intentions at heart when they give you advice on what to do on your divorce or how to manage your finances. However, every divorce is unique and so what may have been the right outcome for one person is not going to be the appropriate outcome in another situation.

- Remarriage. Just because somebody gets remarried does not automatically mean that any claims from your previous marriage will be extinguished. A legally binding agreement (the consent order) must be made before either party remarries.

Ultimately, financial settlements are essential in divorce. Once these are legally binding in the form of a consent order, they help to protect your financial future. They also prevent future claims from your ex-spouse, as once the consent order is in place, your ex-spouse cannot make claims against your money.

Seeking the advice of a family lawyer and a financial adviser is extremely important, especially for High-Net-Worth couples.

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FAMILY OFFICES' PIVOT TO PRIVATE CREDIT

By Flavio Moretto, CEO FMoretto Consulting, Qualified Family Officer

The investment landscape has seen considerable changes in recent years, with family offices leading the charge in exploring new avenues. Notably, private credit has become a popular option for family offices worldwide, with six out of ten indicating plans to augment their investments in this sector by 2024. This trend underscores a strategic focus on achieving flexible returns and managing risk effectively.

The Attraction of Private Credit

Private credit serves as an alternative to traditional bank loans and public debt markets, offering financing to companies that might lack access to conventional funding sources. This asset category encompasses various debt instruments, including loans, distressed debt, mezzanine financing, and real estate loans. Its allure is attributed to the potential for higher yields, tailored lending solutions, and the direct influence on the profitability of borrowers.

Why Family Offices Are Embracing Private Credit

Family offices are known for their sophisticated investment strategies and forward-thinking nature. They are gravitating towards private credit for several compelling reasons:

Higher Returns: In today's environment of low interest rates, private credit stands out as an appealing option for investors in pursuit of higher yields. The illiquidity premium associated with private credit often results in greater returns compared to traditional fixed-income investments.

Risk Management: Private credit offers investors the opportunity to control the lending process, allowing for the negotiation of terms and the securing of collateral, which provides added protection against defaults.

Portfolio Diversification: Incorporating private credit into their investment portfolios enables family offices to diversify, thereby reducing overall investment risk.

Investing in private credit allows family offices to supply capital that supports business growth and innovation, aligning investment strategies with family values or social impact goals.

The Ascendance of Private Credit

The move towards private credit represents not merely a trend but a significant shift in the investment landscape, driven by several factors:

Banking Regulation Impact: Post-2008 crisis regulations have curtailed banks' lending capabilities, leaving a void that private credit has effectively filled. In volatile times, its flexibility and security make private credit an increasingly appealing option for investors in search of yields.

Technological Advancements: The rise of fintech platforms has simplified the process for family offices to identify and assess lending opportunities within the private credit sector.

Outlook

Despite its benefits, private lending comes with challenges such as illiquidity, complex transactional structures, and the necessity for thorough due diligence that family offices must navigate. Moreover, as the credit market becomes more crowded, the competition for high-quality opportunities could intensify, potentially affecting returns. Moving forward, private credit is poised to play a significant role in the investment strategies of family offices, as they aim to generate income, achieve portfolio diversification, and manage risk.

However, making successful investments in private credit demands an in-depth understanding of market dynamics, meticulous due diligence, and a proactive approach to portfolio management. The increasing interest in private credit among family offices signifies the evolving nature of investment strategies, aiming to optimize returns through risk balance and portfolio diversification.

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.

CAMBRIDGE WILKINSON EXPANDS INVESTMENT OPTIONS FOR SINGLE FAMILY OFFICES

Cambridge Wilkinson (CW) Family Office Services is offering a wider range of investment opportunities to Single Family Offices (SFOs). This move caters to the growing wealth held by family offices globally.

Previously, CW focused on direct private credit and minority and growth equity deals for SFOs, typically ranging from $25 million to $500 million per raise. They will continue to offer these options, with a sector focus on specialty finance, real estate, sports and entertainment, and sustainable investments, while remaining industry-agnostic for direct capital raises.

Beyond Direct Deals: Expanding Investment Avenues
In addition to direct investment opportunities, CW is now presenting access to curated Limited Partner (LP) capital in a select group of commingled funds suited for SFOs.

These funds prioritize niche strategies with industry-leading managers in areas expected to deliver strong risk-adjusted returns, particularly across private credit and specific private equity sectors. Importantly, these funds are designed to align with the specific needs and investment goals of SFOs.

Entering Buyout Territory: Control and Buyout Opportunities

A significant new offering from CW is the introduction of control and buyout opportunities for SFOs in the lower middle and middle markets. These deals will be facilitated through an independent sponsor model managed by BCB Equity Partners, a CW affiliate.

The target businesses for these control and buyout transactions will generally be North American-based companies with an EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) range of $5 million or above.

A Family Office Focus

"We are thrilled to continue expanding our single-family office platform," said Rob Bolandian, Co-Founder and Global Head of Investment Banking at Cambridge Wilkinson. "Given my background in family offices, it's a core element of our firm's DNA. As global family wealth continues to grow, we believe SFOs will increasingly seek out investment opportunities presented by groups like ours, both in direct and fund formats."

Looking Ahead: A Tailored Approach for Single Family Offices

This expansion by Cambridge Wilkinson reflects the growing demand from SFOs for a wider range of investment opportunities. By offering direct deals, curated fund access, and control/buyout options, CW provides SFOs with a comprehensive platform to achieve their investment goals. Their focus on niche strategies and alignment with SFO needs further demonstrates their commitment to delivering tailored investment solutions for this increasingly important investment class.

About Cambridge Wilkinson

Cambridge Wilkinson is a leading global investment bank known for its speed, industry connections, and successful transaction execution. Specializing in middle-market companies, they arrange debt and equity capital raises ranging from $25 million to $5 billion and advise on mergers and acquisitions. Additionally, they offer flexible leverage and credit facilities for private equity and alternative credit funds, ranging from $25 million to $2 billion.

Their extensive experience encompasses collaborations with specialty finance institutions, real estate entities, investment funds, and businesses across diverse sectors. They provide their clients with access to a vast network of capital sources, including large family offices, credit funds, banks, non-bank lenders, insurance companies, private equity firms, sovereign wealth funds, and endowments.

www.cambridgewilkinson.com

IS THE GRADUAL WEALTH TRANSFER CREATING 'GEN PC'?

By Ilias Georgopoulos, Global Head of Private and Institutional Asset Owners, IQ-EQ

Millennials and Gen Z are often stereotyped as having politically correct (PC) beliefs. However, it seems that 'Generation PC' is set to have a double meaning as family offices prepare to pile into private credit (PC) and other private market investments.

Given the sums involved, the 'great wealth transfer' has rightly had many columns devoted to it. According to Henley & Partners' Centi-Millionaire Report 2023, there are now 30,770 individuals with more than US $100 million in assets apiece, with this cohort skewed heavily towards older generations. These centi-millionaires and billionaires are expected to account for about half of the $18.3 trillion Wealth-X expects to pass from one generation to the next by 2030.

While this story of mass inheritance is undoubtedly essential, we are dealing with a drip-drip-drip rather than a tsunami. The rapid expansion in life expectancy and longer working lives – not to mention unprecedented levels of individual wealth – means patriarchs and matriarchs are now in control of the family office and business affairs well into their sixth and seventh decades.

This means their millennial and Gen Z children (born between 1981–1996 and 1997–2012, respectively) have been slower taking full charge. Yet Citi Private Bank's Global Family Office Survey Insights 2023 found that preparing the next generation to be responsible wealth owners was a top concern for 60 per cent of family offices, ranked as more important than macro considerations like inflation and US-China tensions. The next-gen has, therefore, played an important, if only supporting, role in family governance and investment matters for many years.

One of the ways this has manifested itself is via the rise in co-investment deals. Survey data shows family offices plan to allocate more to co-investment opportunities across private credit, growth, and ventures in the coming years. Furthermore, the Citi Private Bank survey found that family offices mainly relied on internal

Ilias Georgopoulos
IQ-EQ

teams (51 per cent), other families (49 per cent) and networking or investment clubs (36 per cent) for deal flow. External advisers and banks followed this at just 24 and 21 per cent, respectively. Involvement in co-investment deals is a good way for the next-gen to get exposure to the benefits and risks of private markets while enjoying the support provided by partner investors.

At a broader level, Citi found that net sentiment was particularly favourable for globally developed investment grade fixed income (+34 per cent), private credit (+30 per cent), cash (+27 per cent) and direct private equity (+23 per cent).

However, it is also worth noting that some families pared back their direct private equity dealmaking between 2021 and 2023, with the UBS Global Family Office Report finding the average allocation fell from 13 per cent to 6 per cent. This was partly offset by a rise in private equity (PE) fund/fund of funds investing as family offices looked to position themselves more defensively. However, this should be viewed as a blip rather than a change in direction: 41 per cent still told UBS they planned to increase direct deal allocations over five years.

Millennials and Gen Z scions are best known for their interest in ethical and sustainable investment strategies. Numbers from UBS show families are switching to a more 'intentional' sustainability approach beyond excluding 'non-ESG' investments. Families surveyed said their exclusion-based strategies would drop from 37 per cent to 24 per cent in five years, with more intentional impact investing set to rise. Sustainable and impact investing strategies find a natural home in the private markets, where investors tend to have more control and more opportunity to scrutinise and question investees.

Younger people are also more likely to believe that private market alternatives will provide outsize returns. When Bank of America spoke to those with more than $3 million in investible assets, 75 per cent of Gen Zs and millennials (aged 21 to 42 at the time of the survey) said it is impossible to achieve above-average returns by relying on traditional stocks and bonds.

Therefore, only 25 per cent of their holdings were allocated to public stock markets, compared with 55 per cent for those aged 43 and over. In response, platforms like Moonfare and iCapital have entered the market, making private equity dealmaking—particularly across venture, debt, and buyout—more accessible for smaller family offices.

So, what changes will 'Gen PC' herald when they do take the reins? Their enhanced focus on sustainability, private credit, and private markets will increase demand for technology that allows them to monitor their holdings in real-time, given the instant access these digital natives are accustomed to. The demand for better portfolio monitoring technology forms part of a trend towards professionalisation in the family office space, with 40 per cent of the most prominent single-family offices now making decisions via a formal governance process.

This generational transition also occurs within an uncertain macroeconomic context, where challenges such as inflation, heightened geopolitical tensions, and a volatile market are mounting. These considerations will inevitably influence how the next generation navigates their burgeoning roles. These new wealth holders' agility, technological savvy, and ethical compass will be critical in steering their family fortunes through the unpredictability ahead.

THE ROLE OF SPECIALIZED BANK DEBENTURE TRADING IN PROJECT FINANCING

By Michael J. Weiner, CEO, of PreConstruction Catalysts, based in Washington, DC.

In the dynamic landscape of modern finance, family offices have increasingly sought innovative avenues to deploy capital, generate returns, and support the growth of tangible, impactful projects. Among these avenues, specialised bank debenture trading stands out as a potent mechanism for project financing, offering both flexibility and robustness in navigating the complexities of today's investment environment. This article delves into the realm of specialised trading, elucidating its mechanics, benefits, and strategic application in the context of project financing for family offices.

Unveiling Specialized Trading

At its core, specialized bank debenture trading refers to the execution of financial transactions within niche markets or utilizing sophisticated strategies that require specific expertise. This can range from commodity trading, derivatives, and foreign exchange to trading in environmental credits and more. The specialised nature of these markets and strategies often allows for exploiting unique opportunities that are not readily accessible through traditional investment channels.

The Mechanism of Action

Specialised bank debenture trading facilitates project financing through various mechanisms, predominately managing the buying and sell of bank-issued paper. One prominent method is through the generation of liquidity and capital. For instance, trading in commodity futures can secure future prices, providing the financial certainty required for project planning and execution. Similarly, trading in environmental credits or derivatives can unlock new revenue streams, supporting the financial structure of projects focused on sustainability. In a managed buy/sell bank debenture program, the trader has arranged for both the wholesale price and resale price of customers who purchase the exited program and hold for fixed income. Before anything begins, the pre-arranged purchase price and the subsequent immediate resale to other end-buyers is put into place. Commitments are made for a certain amount.

Only then is the investor client invited to participate as the collateral provider. The investor has limited exposure to loss of principal, which layers the investor collateral under a trade credit line which is non-recourse, non-depletion and non-repayable. The credit line cannot be penetrated to the collateral as a result in the event of a failed trade.

Moreover, specialised bank debenture trading can serve as a tool for risk management. By engaging in hedging strategies, family offices can protect their investments from adverse price movements, currency fluctuations, and other financial risks that could jeopardise the success of the projects they finance.

Strategic Benefits for Family Offices

The strategic integration of specialised bank debenture trading into a family office's project financing framework offers several advantages. First, it enhances the ability to tailor investments to the family office's specific risk, return, and impact objectives. This customisation is particularly valuable in a financial landscape marked by volatility and uncertainty.

Secondly, specialised trading can augment the family office's investment portfolio diversification. By venturing into niche markets and employing distinct strategies, family offices can spread risk across a broader spectrum of assets and economic activities, potentially smoothing out returns over time.

Lastly, specialised bank debenture trading can contribute to the family office's legacy and impact goals. Through financing projects that align with the family's values—be it in renewable energy, sustainable agriculture, or technology for social good—specialised bank debenture trading yields financial returns and propels meaningful change.

Navigating the Challenges

While specialised bank debenture trading offers tantalising opportunities, it also comes with its set of challenges. The complexity of niche markets and sophisticated strategies demands a high level of expertise and diligence. Family offices must ensure they have the knowledge or partner with seasoned experts to navigate these waters effectively.

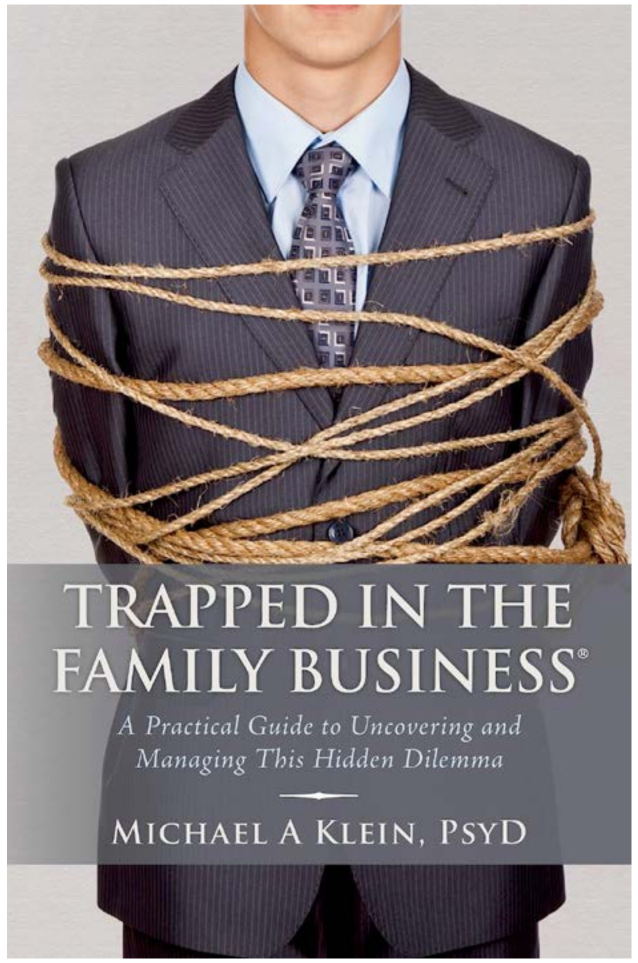
Furthermore, the regulatory landscape surrounding specialised bank debenture trading can be intricate, varying significantly across jurisdictions and asset classes. Compliance with legal and regulatory requirements is paramount to avoid potential pitfalls and ensure the sustainable success of financing endeavours.

The Path Forward

As the financial world evolves, so do the opportunities and strategies available to family offices for project financing. Specialised bank debenture trading represents a potential frontier, offering a pathway to financial returns and impactful contributions to society and the environment. By embracing this avenue with caution, expertise, and a strategic mindset, family offices can unlock new dimensions of investment success.

In conclusion, integrating specialised bank debenture trading into project financing frameworks heralds a promising avenue for family offices seeking to innovate in their investment approaches. With its ability to tailor to specific investment goals, manage risks, and drive meaningful projects, specialised bank debenture trading stands as a testament to the evolving landscape of finance—a landscape where flexibility, expertise, and impact converge to shape the future.

Michael J. Weiner develops relationships with an eye to a formal introduction to the top-level bank traders who conduct these private placement programs. A portion of profits from these are used to fund projects by various organisations such as the United Nations, IMF, World Bank and other charitable project development organisations. Visit https://pppfunding.com or email mike@pppfunding.com.



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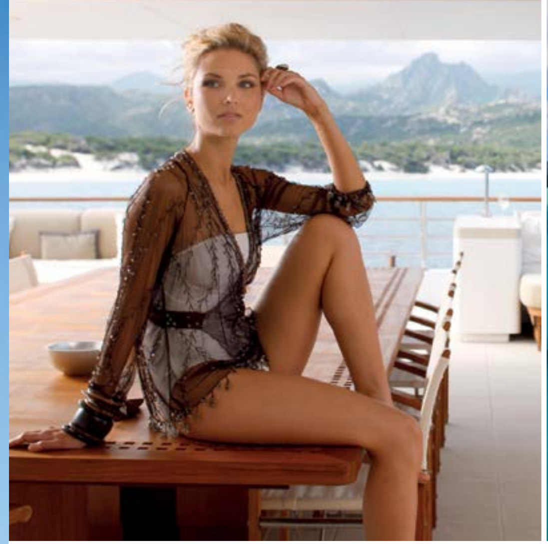

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CHARTERWORLD

by Rachel Kelly

The Turkish Riviera is often called the Turquoise Coast and certainly lives up to its name with brilliant blue seas lapping the white sandy beaches of myriad coves, perfect for a yacht charter on board a traditional Turkish Gulet. An infinite number of bays, bustling harbours and cities such as Bodrum, Fethiye or Marmaris offer an opportunity to embrace the region's fascinating history and diverse culture.

Luxury Gulets have been specifically designed and constructed with five-star private charters in mind. The 42m HIC SALTA is one of the most popular yachts in Turkish waters and combines classic design with contemporary features and modern amenities, including ensuite bathrooms and air conditioning. The exterior deck offers a variety of friendly spaces where guests can sunbathe on luxurious sun pads or enjoy a leisurely al-fresco dinner. For the water sports enthusiasts on board, the crew will launch the tenders and toys, including a jetski, towable inflatables and paddleboards. Her inviting and elegant interior blends rich wood panelling with neutral soft furnishings to create a warm and welcoming atmosphere

.

A wide variety of choice

Gulets vary in size but usually accommodate a maximum of twelve guests, making them perfect for family vacations, special celebrations or even work events. Kids will love the traditional wooden boat aesthetic, while adults will be delighted to sit back in the shade of the billowing sails.

The crew on board most charter gulets are local and have worked on yachts in the region for many years. Their passion and commitment are clear as captains, hosts, and deck crew enthusiastically share their local knowledge and provide exemplary service on board. In the galley, chefs will create delicious meals throughout the charter using the best quality local ingredients.

One of the charms of a charter vacation is the ability to plan your itinerary according to your interests

and tastes, but a weeklong trip north or south from Gocek takes in the best of Turkish culture, history, environment and cuisine.

Gocek is a vibrant yet authentic resort town with lively bars and sedate restaurants, including the delightful Adaia, which is only accessible from the water. The town is conveniently located to explore the nearby historical sites and is a great place to start a charter, being only a short drive from the airport and boasting six marinas and 12 adjacent islands. The ancient towns of Pinara and Xanthos are within an hour's drive, where visitors can view antiquities dating as far back as the Lycian civilisation.

A leisurely one-and-a-half-hour cruise south finds Fethiye, once known as the ancient town of Telmessos and home to an impressive fort overlooking the Old Town and a network of 4th Century Lycian rock tombs carved from the cliffs. The modern town offers a fine marina, pristine secluded beaches, plus chic and lively beach clubs.

Further south is the relatively unspoilt resort town of Kas, where white stone houses are adorned with bougainvillaea and jasmine, filling the air with their sweet scent. The area is a favourite spot for paragliding and SCUBA diving, given the numerous wreck sites which have created wonderful artificial reefs in the turquoise water. Local fishermen fill the harbourside restaurants with the catch of the day, giving visitors a choice of delicious fresh seafood dishes.

The highly professional and experienced captain of 36m CANER IV is a veteran of the route North from Gocek and will skillfully guide the yacht along the coast up to Bodrum via Marmaris. She is one of the very best, most elegant Gulets available for charter on the Turkish coast, with accommodation for twelve guests in six suites. Her tall twin masts tower over the lovely deck spaces, which are zoned for dining and sunbathing and are either shaded or open to capture the glorious Mediterranean weather. Her well-appointed interior spaces continue the elegant feel with traditional wood finishes, quality fixtures and fittings and lovely sage green fabric highlights.

As CANER IV approaches Marmaris marina - the largest in Turkey - guests will find a thriving coastal town which has grown over the last 20 years out of the once small fishing village. Climbing the 15th-century Ottoman castle battlements or walking along the promenade will give visitors a perfect view of the local landscape as it stretches along the coast as far as the village of Icmeler. There are many other picturesque villages throughout the Datca Peninsula, with some of the best local restaurants. Manzara in Sogut village is a sophisticated establishment high on a hill with stunning views, while Sardunya in Selimiye village is one of the oldest fish restaurants in Turkey. The onboard crews will happily arrange transport for guests to visit any of the villages or restaurants in the area.

Back on board, this time on the fabulous 40m QUEEN OF SALMAKIS, guests will be treated to a drink and a dip in the on-deck jacuzzi as they recall the day's adventures before freshening up and regrouping for a sundowner. The kids can be served an early dinner and settled with a movie in the salon, so parents and grandparents can savour a more leisurely al fresco meal prepared by the chef. The next morning might include time out on the water toys before cruising on to the next port of call in Bodrum. This vibrant marina is home to the popular Marina Yacht Club overlooking the historical Bodrum Castle and boasts three restaurants, each offering a unique blend of Mediterranean and Turkish cuisine.

A charter on board, a traditional Turkish Gulet, is a truly unique experience, whether you are on board for a few days or take several weeks to venture further into the Aegean and explore the nearby Dodecanese Islands.

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CREATIVE PLANNING ACQUIRES ML&R WEALTH MANAGEMENT

by Lisa Salazar

In a significant move that marks a new chapter in the wealth management sector, Sequoia Financial Group, LLC, a vanguard in the realm of asset and wealth management, announced its acquisition of Houston-based AltruVista, thereby expanding its reach and services to cater specifically to entrepreneurs and high-net-worth individuals.

This strategic acquisition, completed on March 31, 2024, underscores a growing trend in the financial industry toward more holistic and bespoke financial planning services, particularly for those with complex financial landscapes.

Sequoia Financial Group, established in 1991 and headquartered in Akron, Ohio, has carved a niche for itself as a leading SEC-registered wealth manager. With an impressive portfolio exceeding $18 billion in assets under management as of the end of March 2024,

Sequoia has demonstrated a consistent commitment to providing comprehensive wealth management solutions. These solutions span the spectrum of wealth, addressing the needs of individual investors, family offices, and everyone in between, across numerous locations in the United States. AltruVista, on the other hand, brings to the table a specialized focus on high-net-worth clients, offering independent, holistic financial planning, and asset management services.

With more than $310 million in assets under management, AltruVista, under the leadership of CEO Ali Nasser since its inception in 2009, has become synonymous with personalized financial planning and wealth integration for affluent business owners and families. Nasser's proprietary Wealth Integration System for Entrepreneurs™ stands out as a testament to AltruVista's innovative approach to financial advisory services.

The melding of Sequoia's broad-based wealth management services with AltruVista's entrepreneur-centric planning solutions promises a synergy that could redefine the landscape of wealth management services.

Tom Haught, founder and CEO of Sequoia, lauded the acquisition as a strategic partnership that has been built on a foundation of mutual respect and a shared vision for unparalleled client support. This partnership is not just a merger of services but of philosophies, with a focus on fueling the success of business owners through bespoke financial planning and support.

Ali Nasser expressed his admiration for Sequoia, highlighting the alignment between AltruVista's vision and Sequoia's client-centric philosophy. This merger, according to Nasser, not only enhances the service offerings for clients but also leverages Sequoia's infrastructure to create a premier wealth management platform for entrepreneurs across the U.S.

The acquisition expands Sequoia's footprint, adding a Houston location to its already substantial presence across eight states. Sequoia's growth strategy, marked by organic development and strategic acquisitions, has seen the firm expanding its services and geographic reach significantly. The addition of AltruVista to its portfolio of acquisitions, which includes notable names like Zeke Capital Advisors, Cirrus Wealth Management, Affinia Financial Group, and M Capital Advisors, underscores Sequoia's ambition to cater to a diverse clientele with varied financial needs and aspirations. Sequoia's recognition by Barron's as one of the top RIA firms in the U.S. for the fifth consecutive year in 2023 is a testament to its excellence and commitment to quality service. This accolade is based on several metrics, including assets managed, technology investment, staff diversity, succession planning, and more, highlighting Sequoia's holistic approach to wealth management.

The legal and financial advisors behind this strategic acquisition, Benesch, Friedlander, Coplan & Aronoff LLP for Sequoia, and Boyar Miller, LLP, and Republic Capital Group for AltruVista, played pivotal roles in ensuring a smooth transition and integration of services. In essence, this acquisition is more than just a business transaction; it's a fusion of two philosophies that share a common goal: to provide unparalleled, client-focused financial planning and asset management services. For AltruVista, this move represents an opportunity to leverage Sequoia's robust platform and wider geographical reach to enhance its offerings. For Sequoia, it's a chance to deepen its expertise and service offerings for entrepreneurs and high-net-worth individuals, reinforcing its position as a leader in the wealth management industry.

As the dust settles on this acquisition, the financial services landscape looks set to evolve, with Sequoia Financial Group leading the charge toward a more integrated, client-centered approach to wealth management.

This strategic move signifies growth for Sequoia and AltruVista and marks a pivotal moment in the industry, heralding a future where financial services are increasingly personalized, holistic, and tailored to the unique needs of entrepreneurs and high-net-worth individuals.

CLASSIC CARS AND COVID-19

LEGAL DUE DILIGENCE

by Amanda Gray and Daniel Foley

A classic car is a passion purchase, providing emotional and financial investment. But in the era of COVID-19, how can buyers safeguard against unexpected legal issues in their due diligence?

The pandemic has reshaped established market standards and raised questions about the applicable law. As a result, it is important to ensure the acquisition process is legally crash proof. Amanda Gray and Daniel Foley of law firm Mishcon de Reya take a look at the common trends.

Condition, restoration and authenticity

Current travel restrictions and lockdowns are clear barriers to conducting a car inspection. It may be necessary to investigate a car's authenticity, condition, restoration, road worthiness, mileage, or to confirm that physical issues are not concealed, for example, where rust or rot has been painted over. Buyers should calculate estimated running and restoration costs in cases of long term investment or if a car has been stored statically but now intended to be made roadworthy.

It is difficult to satisfy these checks via a computer screen, especially if a car has been photographed favourably (or not at all). Virtual reality and other technologies are unlikely to provide concrete answers. It is important to carry out an independent condition report prior to purchase. Or check if there is a refund or warranty period after the sale, with enough time for inspections (including reasonable allowances for pandemic related delays).

It cannot be assumed that an agent (e.g. a dealership or auction house) has already conducted such checks. An online catalogue or lot entry may omit certain issues. Typically, auction houses will trade on terms that exclude liability; "caveat emptor" or "buyer beware" is writ large. It is important to raise questions and obtain answers in writing before making a purchase. If any express representations (statements of fact) are made, buyers should ensure they are intended to be incorporated into the purchase contract.

Restoration and replacement of car components can have a significant impact on the value of a car. A heavily restored car could still be authentic (in some cases certified as such) but not original (the "Ship of Theseus" or "Trigger's Broom" scenario). The percentage of original components will affect the rarity and value of the vehicle. Too often authenticity and originality are confused in the mind of the acquiring party, later to their detriment.

Ownership

It may seem obvious, but buyers should check that a car can be legally sold, i.e. that good, clear title free from encumbrances will pass. This may prove difficult online. Ideally, full copies of ownership documents should be obtained, for example, previous contractual documents and provenance information. Whilst a vehicle registration certificate (V62 or "log book") might confirm the registered keeper, it is not always the same as ownership.

If ownership cannot be proven, a warranty backed with an indemnity should be obtained from the seller that they hold good title to sell the car (or have the authority to do so on behalf of the owner), and that it is not sold subject to any encumbrances, for example, outstanding financing arrangements or other third party rights or liens.

Private sale, dealership or auction

Cars are usually purchased via private sale or through an agent such as by auction (whether private treaty sale or public auction). Each involve different legal relationships and protections. It is important that any acquiring individual familiarises themselves with the contractual terms and conditions of business (T&Cs) that govern their potential acquisition. They should also project themselves forward to consider terms applicable to possible post-purchase issues. Where the seller is a trader (such as a dealership that owns a car outright), consumers usually have rights to receive certain information and can cancel the contract, return the car, and receive a refund within 14 days of receipt of the car. Additionally, any unfair contract terms may be struck out as invalid by a court, for example, where responsibility is placed on a consumer to conduct impractical due diligence and all seller or agent's liability is disclaimed. Even some of the most institutional agents' T&Cs may not have been adapted to COVID-19 and may be unfair and inflexible.

These consumer protections do not apply to purchases from a private individual, whether directly, at auction, or via a dealership's "sale or return" agreement where the seller is an individual. They also do not apply to second hand goods (including classic cars) purchased at "public auction", regardless of the seller type. But where auctions are virtual due to COVID-19 these will likely be classified as "online only" sales and consumer rights may apply if the consignor is a trader.

Due diligence processes are clearly compounded by the complications of COVID-19. The underlying take away is to clarify matters with the seller or agent in writing, conduct appropriate checks and consider taking independent legal advice.

Amanda Gray is a Partner in Mishcon Private and has specialised in Art Law for over 13 years, developing in parallel the complementary specialism of Luxury Assets. Praised for her specialist knowledge and astute solution based approach, Amanda assists clients, including collectors, dealers, auction houses, artists, public and private institutions and foundations, with a broad range of contentious and non-contentious issues.

Daniel Foley is an Associate in Mishcon Private with a specific interest in Art Law and Luxury Assets. He acts for high profile and high net worth individuals, families and businesses operating within the art and cultural property market, across a wide range of legal issues, including disputes involving classic cars.

Mishcon de Reya

THE STRATEGIC VISION OF PARABELLUM INVESTMENTS

Rami Cassis is an international growth investor and entrepreneur. He has conducted business transactions globally in well over 30 countries and has a substantial track record in growing companies ranging in size from lower mid-market to $500m in revenue, leading transactions including reverse takeovers, IPOs, and take-privates. He is the CEO of Parabellum Investments, the family office he founded, which owns a portfolio of companies spanning sectors including life sciences, enterprise software, business and IT services and financial technology.

Rami Cassis
CEO, Parabellum Investments

Parabellum Investments
Parabellum Investments is the family office of Rami Cassis.

The firm owns a portfolio of companies across the enterprise software, business and IT services, life sciences and financial technology sectors.

Its deal flow is varied, but it often acquires companies from large corporate groups seeking to dispose of non-core assets to a reputable and operational buyer. It also considers opportunities presented by owner-operators who are keen to ensure continuity of trading and that their employees are well looked after.

Rami, tell us about your career before forming Parabellum Investments.
My working life began with Schlumberger in 1993 as an operating engineer, marking the start of a long and rewarding time with the company.

I then had a brief consulting career, originally with KPMG, but I missed working directly within the corporate business world. Therefore, I moved to Atos in 2005 as Managing Director of BPO/ITO for the firm in the UK.

How was Parabellum Investments formed?
I always had a desire to strike out on my own. The opportunity to do so presented itself in 2007 with the purchase of a company called Documetric, which, after witnessing substantial expansion, completed a reverse takeover of ieDigital PLC, listed on the AIM market in 2010.

External funding was then raised, which allowed me to take the Parseq PLC Group private in 2012. This delisted the group from the public stock exchange at the same time.

Parabellum Investments was formed in 2012 as my personal fund vehicle for Parseq and ieDigital. It subsequently became structured as my family office.

Parabellum Investments has seen significant growth since its inception in 2012 – what are some of the main milestones?

Razor Risk, the leading provider of risk management technology and consulting solutions to financial institutions worldwide, was acquired in 2019. This was followed by Advanco, now the globe's largest independent provider of serialisation solutions for the pharmaceutical sector, in 2021.

2022 saw the purchase of the TALL Group via Parseq. Last year, 2023, saw the purchase of Vantage Consulting Group through Advanco and Connect FSS through ieDigital. Earlier this year, ABAKA was acquired via ieDigital, allowing its financial services clients to deliver hyper-personalised sales and marketing campaigns at scale.

Is there an overriding rationale for a typical Parabellum acquisition?
Parabellum Investments' core aim is for its portfolio companies to be the market leaders in niche sectors.

All the acquisitions have been done to bolster this ambition. As an example, the pharmaceutical serialisation solutions provided by Advanco are arguably a niche product. However, despite being niche, the demand for pharmaceutical serialisation solutions has exploded across the world. This is down to governments increasingly making it mandatory for manufacturers to use serialisation to prove the authenticity of their drugs and medicines. Serialisation is now so important that without it, most pharmaceutical firms would be banned from manufacturing goods on a global scale.

Enterprise software is a core vein running through Parabellum Investments' portfolio. Why is that?

Technology is the enabler of simplicity – we are increasingly living in an age where easy, intuitive actions are expected. Against such a backdrop, providing instant, comprehensive, and smooth digital services must be a prime consideration for virtually every business sector. If a business can deliver a meaningful experience in the digital world, it will repeatedly win the loyalty of new and existing customers.

Does Parabellum Investments have a point of difference as a family office?
Parabellum Investments is a single family office that makes direct investments as an operator in assets, it always has a controlling stake. Transactions are not restricted by specific geographies, though they typically focus on particular sectors.

We spoke earlier about your pre-Parabellum career, a significant proportion of which involved acting as a line manager and mentor. Did this shape the way you run Parabellum Investments today?

Yes, without a shadow of a doubt. Surrounding yourself with great, enthusiastic, talented people who want to do a great job is vital. I have carried this lesson forward from my first position at Schlumberger to the present day. Furthermore, the first-hand experience gained means that myself, along with the wider Parabellum team, truly understand the challenges of leading a business in a way that many other investors might not truly "get."

It can be an unsettling time for a company's staff when it is acquired – how does Parabellum Investments manage this when purchasing a new portfolio company?

It's important to meet the acquired team early and provide clear communication about the direction we intend to take. We should also add a personal dimension so employees have some sense about who they're working with. How we work is essential because it reflects the shared values and style across the Parabellum team. This fosters an environment where the investee companies feel supported and constructively challenged rather than burdened with inane reporting or trapped in endless board meetings.

How do you see the role of family offices, such as Parabellum Investments, in the future?
Family offices will continue evolving into a global investment powerhouse and I expect them to become the main alternative to private equity firms, whose reputation has not improved.

Finally, give us three words you would choose to describe Parabellum Investments.
Open, vibrant, operational.

www.ramicassis.com

SUCCESS STRATEGIES: FAMILY OFFICE PRIVATE CAPITAL INVESTMENTS IN 2024

By Ivan Nikkhoo, Founder & Managing Partner of Navigate Ventures

Family offices are transforming from passive guardians of capital to active players in the private capital markets across various sectors and strategies. Despite recent macroeconomic headwinds, many families have seen an acceleration in capital accumulation. Recent studies suggest that more than three-quarters of family offices are likely to increase their focus on private markets , particularly as the next generation gets involved in shaping investment strategies.

Last year was challenging for the global capital markets. While optimism is returning slowly and cautiously, macro conditions remain uncertain, and private capital investing and asset allocation remain riskier and more difficult than at any point in recent history.

To succeed, family offices must understand the underlying trends, developments and risks and determine which investment approaches and strategies will best meet their objectives. So, let's look at some best practice steps to help you arrive at the optimal strategy for your office.

A change of mindset

The first step is for family offices to move away from a yes/no mindset towards an opportunistic approach to prospective investments and think about portfolio construction, evaluating each investment's risk/reward profile for the overall strategy at that specific moment.

This isn't easy. Family offices tend to invest opportunistically because that's how deals are presented. Hence, part of the mindset shift involves moving from a reactive to a proactive approach to investment. Develop a continuous investment pipeline. Family offices should aim to develop a quality, continuous pipeline of targeted investments across asset classes—private equity, venture capital, real estate, private debt, secondary, and fund of funds.

Once you have a steady pipeline of opportunities, making disciplined investment selections according to your evolving risk/reward requirements is much easier, considering allocations and vintage years. Due to the high asset valuations, 2022 is likely to be a poor vintage year for many. Conversely, 2024 has the potential to be a solid vintage, as a more investor-friendly environment offers more favourable company valuations, terms and conditions.

Understand other investors' priorities

With every new opportunity, family offices need to do diligence on the investment and their co-investors. Many different investor types are involved in private capital allocation, from hedge funds to VCs, angel investors to HNW individuals. They have different investment goals and objectives, time horizons, and return requirements. It is essential to ensure alignment of objectives before investing. If not, saying yes could mean facing friction and turmoil further down the line, irrespective of how the opportunity pans out.

Think twice before making direct investments

Family offices must determine whether to make direct investments, co-invest alongside other investment partners or invest indirectly using managers. It's worth considering the direct route twice before opting for it. A large and growing number of seed and early-stage funds with significant dry powder are actively looking to deploy capital. They proactively seek the best teams with the right experience, execution capabilities and concepts. Suppose a founder is approaching a family office for a direct investment. In that case, it is either because the institutional investors have said no or the founder doesn't have the skill set or contacts to raise institutional capital. The ability to raise institutional capital is critical to the long-term success of any startup, as the number one reason for failure is running out of cash.

If you still feel compelled to make direct investments, I advise always remembering the holy trinity of team, execution and timing. These factors – and never the idea or the technology – dictate the likely success of a prospective venture. Family offices must be disciplined, not excited, about investing. Excitement rarely correlates with rationality, looking for reasons to say no versus yes.

By contrast, indirect investment via specialised managers has proven to be a highly effective form of private capital deployment for family offices of all sizes. The question is how to find great managers with differentiated strategies, access to the best deal flow, discipline, and alignment with your goals, objectives, values and priorities.

Indirect investments are well suited to family offices

By contrast, indirect investment via a manager has proven to be a highly effective form of private capital deployment for family offices of all sizes.

There are hundreds of great managers out there. You'll need to do your homework to identify managers who pick winners and align with your organisational goals, objectives, values and priorities. But in my experience, family office portfolio construction is far more achievable when you have trusted partners sourcing quality deals, assessing and closing investments, managing ongoing portfolio company needs and concerns, and helping these companies on their journey towards a liquidity event.

Co-invest only with trusted parties

Co-investments require similar considerations to direct opportunities: who the investment partner is and why they are approaching you. Co-investing involves transferring primary trust and diligence to another party, and many pitfalls often go overlooked – from future liabilities to unforeseen tax consequences.

You should only consider opportunities presented by someone you already trust to act in your interests and with a clear understanding of your strategy, objectives, portfolio and risk/reward profile. This makes the role well-suited to managers once these relationships have been developed. With a cohort of great managers handling your indirect investments, you'll be in a far stronger position to consider co-investing with them on individual assets that match your portfolio interests. It would be best if you did this directly on the cap table to have control over your exit timing.

Consider your future talent requirements

Finally, consider the in-house talent required for private capital allocation and management. For example, tracking capital calls and return realisation involves a markedly different skill set to finding managers and building a portfolio.

Both will be required along the way, and the most successful family offices are the ones that marry their investment strategies to acquire the right talent – not to mention technology to support these roles – at the right time.

A lengthy but rewarding journey

In the private markets, the era of easy money is over (for now), and family offices with a clear thesis are well-placed to succeed in a climate likely to favor a disciplined, conservative investment approach. It would be best to start slow and small, making limited deployments across a handful of asset classes and identifying managers aligned with this approach before ramping up activity over time and building your in-house infrastructure. It's a lengthy journey, but with a strategic and considered approach to investment, ideally suited to family offices' long-term priorities

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