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BUILDING AN ART MARKET FOR THE NEW ERA

The Responsible Art Market Initiative

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With total global sales in 2015 exceeding USD 63 billion, today's art market is proving more important and globalised than ever, but at the same time increasingly challenging for art businesses and collectors alike who face a growing number of operational and reputational risks when dealing with artworks.

According to the Deloitte Art and Finance Report 2016, issues linked to lack of transparency and authenticity are undermining trust and credibility in the art market. At the same time, the report acknowledges the evolving and increasingly complex legal and regulatory framework within which art businesses are required to operate. Several countries have imposed anti-money laundering requirements on art dealers as efforts continue to protect the market against such abuse. These issues have played centre stage in recent news reports. Whether it be the comments of American economist Nouriel Roubini at the World Economic Forum in Davos in January 2015, the high-profile law suits filed by the family trust of Russian billionaire Dmitry Rybolovlev against the Geneva business man and Freeport storage owner Yves Bouvier, or the so-called "Panama Paper" revelations regarding the use of offshore structures to hide assets, all have brought into sharp focus the question "Does the art market need more regulation?"

Building a Responsible Art Market

Against this background, a group of art market businesses and specialists have collaborated to form the "Responsible Art Market Initiative" or "RAM". This first of its kind, cross-industry, non-profit initiative has as its mission: "*To raise awareness amongst Art Businesses of risks faced by the art industry and to provide practical guidance on establishing and implementing responsible practices to address those risks.*"

A distinguishing feature of RAM is its collaborative, inter-disciplinary approach. Stakeholders from the entire spectrum of the art market, including galleries, dealers, auction houses, art advisors and service providers, have joined forces with lawyers, academics and authorities specialising in art related and compliance matters, to ensure issues are addressed holistically.

Guidelines and approach

RAM's guidelines aim to consolidate and disseminate best practices within the art market providing a practical and ethical compass to art businesses navigating the often complex and confusing sea of differing national laws and regulations. RAM sees this practical, self-regulatory approach as complementing the existing legal framework of state-imposed regulation. By adopting this cooperative approach to sharing and internalising best practices throughout the industry, RAM aims to have a greater impact when it comes to reducing risks for art businesses and collectors alike, thereby increasing public trust in the market and combatting negative public perceptions.

Can self-regulation in the art market make a difference?

Mahatma Gandhi famously said, "*You must be the change you want to see in the world.*" For a market as complex, diverse and constantly evolving as the art market, a self-regulatory approach is widely recognised as having several advantages over state-imposed regulation. These include:

- Flexibility and speed – reviewing current activities, identifying best practices and developing or updating industry guidelines can happen more quickly, resulting in greater operating efficiencies for art businesses and in turn minimising compliance costs.
- A higher degree of technical and industry expertise can be achieved.
- Conflicts of interest are mitigated through the participatory design process of self-regulation.
- Jurisdictional conflicts and legal limitations are also avoided in the dissemination of guidelines which transcend national boundaries, resulting in a more flexible approach better adapted to serving a global market such as the art market.

RAM and AML Guideline Launch

26 January 2017 will see RAM's official launch at the "artgenève" art fair. The event will also mark the publication of RAM's first set of guidelines for art businesses, addressing the risks of Money Laundering and Terrorist Financing.

Reactions received so far from art market players on the RAM Initiative have been positive, demonstrating a will and need to develop further guidelines at all times keeping in mind RAM's overall goal which is to facilitate transactions in the art market while minimising legal and reputational risks. In a world increasingly concerned with sustainability, this initiative should be a welcome step towards a sustainable art market.

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The Pre-Mortem Assessment: Planning for Certainty in an Uncertain Environment

By Eric L. Johnson and Micaela Saviano

"In this world nothing can be said to be certain, except death and taxes."

Benjamin Franklin, 1789

It's been almost 230 years since Mr. Franklin made this statement, and it still holds true – well, mostly true. While we're certainly getting better at extending life expectancies, we haven't yet found the path to immortality, and so the "death" part is still a certainty. And no matter where families live, it's very likely that wealthy families are subject to various taxes in different forms imposed by different jurisdictions, even if the form and exposure of those taxes change from time to time. So taxes remain a certainty – it's perhaps what type and how much that at times can be uncertain.

In the United States, we have entered yet one more such period. The recent election of Donald Trump as the 45th President of the United States has resulted in a very uncertain future tax environment for the wealthy family.

Impact of the 2016 U.S. Elections
For a more in-depth analysis of U.S. President-elect Trump's tax proposals, download the Deloitte report titled Tax Policy Decisions Ahead: Impact of the 2016 Elections at https://www2.deloitte.com/us/en/pages/tax/articles/tax-policy-impact-of-the-2016-elections.html?id=us:2em:3na:trumptax:awa:tax:111016&ctr=textlink

In addition to other taxes, President-elect Trump and the Republican Party have vowed to repeal the Federal estate tax, which currently subjects a wealthy decedent's estate in excess of the $5,450,000 exclusion amount to a 40% tax on assets owned or controlled at death, and perhaps replace it with an income tax on a deemed sale of all assets at death to the extent such gains exceed $10 million. Whether repeal and/or replacement of the estate tax is likely is anyone's guess – at the time we write this article it is much too early to tell.

With the potential repeal of the estate tax, should wealthy families with U.S. tax exposure forego estate planning? Certainly not. Why? Because although the future of the estate tax may be uncertain in the moment, death is still inevitable. Estate planning has always been more than just an exercise to reduce taxes – it is also the means to facilitate an orderly transition of assets and their control within the family.

In practice, the family office and the family's advisors may often focus on planning that can be completed before death to reduce the size of the estate and the expected tax bill. Less effort has been expended on planning for the logistics of the inevitable: the what now had the patriarch or matriarch passed away yesterday? In this article, such planning will be referred to as a pre-mortem assessment.

In our experience, families who have had the foresight to conduct a pre-mortem assessment have generally concluded that it was valuable for the family in its own right whether undertaken in conjunction with the traditional focus on tax mitigation or separately. We have also observed that, with the benefit of hindsight, it has been a missed opportunity for other families.

The remainder of the article explores a non-exhaustive subset of areas that will hopefully be particularly instructive in the course of a pre-mortem assessment, including the following:

1. Asset Inventory
2. Closely-Held Businesses
3. Family Office Transition
4. Estate Liquidity and Property Disposition
5. Philanthropic Vision

Before proceeding, note that every wealthy family is unique; thus any pre-mortem assessment should be tailored to address the specific circumstances of that family.

1. Asset Inventory

It may be surprising, but many families, even those with fully-staffed family offices, do not maintain a detailed asset inventory. This includes more than a balance sheet which lists the business holdings and investment accounts; it is instead a comprehensive asset inventory, down to the last valuable keepsake. The effort required to create such an inventory is daunting particularly without the practical knowledge that might otherwise die with the matriarch or patriarch.

Consider the ardent collector who has valuable art work and collectibles in homes around the world. At any given time, some of the collection may be on loan to a museum, consigned to a gallery or auction house, undergoing restoration, in storage or elsewhere. Or, more troubling, perhaps the art is "on loan" to a friend who, after the death, might claim it was not a loan, but a gift. Now consider again how helpful it would be to have a carefully maintained inventory database.

In modern times, the provenance (i.e., the legal paper trail) for a collectible is essential to support an object's value. The collector may have the history in their head or have the paperwork locked away in a file cabinet, the location unknown to everyone else. Creating and maintaining that documentation in an accessible format will ensure that the value of the collection outlives the collector.

Asset Inventory: Maximizing Value
Consider the estate of a passionate collector. During his life, he had obtained sketches and a letter from the painter describing the scene depicted in one of the pieces. After his death, the family found the sketches and letter locked away in a file drawer shortly before the auction and incorporated those materials into the sale of the piece. The artwork sold at auction above the high estimate and obtained one the highest auction prices in history for the painter.

There are also tax benefits to maintaining a detailed inventory. A tax advisor with information on the location of valuable tangible property can make informed recommendations about tax exposure in those jurisdictions. In the U.S., for example, each of the 50 states (as well as the District of Columbia) have different estate tax laws. Many states do not currently impose an estate or inheritance tax, but a handful of the most populated states do, including New York and Illinois. For an individual owning multiple homes in different states, it might yield significant tax benefits to physically relocate the more expensive tangible items – art, cars, etc. – to states without an estate tax such as Florida or Texas. This applies both to U.S. citizens and foreign nationals with tangible personal assets in the U.S. The same analysis could be done on a global level to reduce aggregate foreign estate taxes.

Real property and related tangible personal property may require additional planning. For example, in certain U.S. states, such as New York and Rhode Island, it may be possible to treat real property and related assets held in a corporation, partnership or limited liability company (LLC) having multiple owners as intangible property which generally falls outside the gross estate for anyone not a resident of that state at death. Similar laws may apply in foreign jurisdictions. As such, understanding the location and title of real estate assets around the world is a worthwhile exercise to perform on a periodic basis.

An essential first step in any pre-mortem assessment is gathering, organizing and recording the key information about assets and liabilities. This information includes, at a minimum, deeds to real property, evidence of title including brokerage and banking arrangements and certificated ownership interests, proofs of purchase, trust documents, life insurance and other insurance contracts, deferred compensation and proofs of other retirement entitlements, provenance support for a collection including high resolution photographs, entity operating agreements, agreements among equity owners, promissory notes, tax records and returns (including all prior gift tax returns), family records including birth, adoption and marriage records, and much more. The family office team typically leads this activity.

In our experience, families and family office teams find this step to be particularly valuable although it continues to be put off because of its potentially expansive scope. The pre-mortem assessment prompts action today. When completed, there is a sense of satisfaction, that one's necessary records have been reviewed, preserved, scanned or shredded, and a feeling of having one's affairs in order. From an advisor's standpoint, the wealthy family member and family office are now in a better position to execute on a plan in short notice.

2. Closely-Held Businesses

In the context of a closely-held business, it is prudent for the family, along with the family office and legal counsel, to periodically review operating agreements and related agreements among equity owners (e.g., buy-sell agreements). The terms of these agreements may no longer be as relevant as they once were and may impose tax complications better avoided (e.g., imposed valuations that while legally binding are not binding upon tax authorities).

Closely-Held Business: What Worked In Past Years May No Longer Be Appropriate

A closely held business was created in a basement by two owners in the 1980's. Fast forward to the 21st century and the company is now worth over $1B U.S. dollars. The terms of the shareholder agreement require the surviving owner to buy out the deceased owner's interest within thirty (30) days – is that still practical?

What if the document is silent and the surviving owner doesn't have a contractual opportunity to buy the other's interest from the estate?

What if the ownership shifted over the years – what may have started as 50/50 ownership has moved to 80/20? If the minority owner were to outlive the majority owner, would financing the purchase be problematic?

Reviewing whether the document provisions still make sense today and forecasting whether they will make sense under different economic and fact-based scenarios in the future can be very beneficial. If adjustments are required, such adjustments are certainly more easily accommodated while the original contracting parties live. Even if this is not the case, no one is in a better position to re-negotiate the agreements than the owner during his or her lifetime. More concerning is the not infrequently encountered verbal understanding, which failing evidence or witnesses, is generally legally non-binding. Litigation is frequently the outcome and, even if honored, can have unexpected tax consequences arising from its uncertain legal status. A timely review presents the opportunity to address the issue and reduce that understanding to a legally binding written contract.

In some agreements a death can trigger certain provisions that substantially impact the value of the ownership interest. For example, a decedent's voting interests may convert to non-voting interests. Even more troubling, some binding legal provisions may not be respected for tax purposes. For example, a buy-sell agreement may require the estate to sell the decedent's business interest at book value or some other arbitrary value. In the U.S., any measure of value that is less than fair market value is generally disregarded for estate tax purposes, particularly if the entity is family controlled. The relatively greater estate tax burden may impose very difficult circumstances on an estate and its beneficiaries and, in extreme circumstances, can result in a transferee liability being imposed on the purchasing party.

All advisors working with the family's legal counsel to review the controlling documents for a closely-held business is an important step in a pre-mortem assessment project. The exercise often, in addition to the tax sensitive issues noted above, can identify other issues that should be addressed, including matters concerning governance, control, and family succession. Similar issues relating to the family office may also be pertinent, but less frequently addressed.

3. Family Office Transition

First generation wealth is traditionally generated through a successful family-owned business. Not infrequently, a family office is born – either in tandem with that business or as a result of its monetization. Like the business, the family office can provide a formal governance structure to manage the family's wealth and promote the family's legacy, vision, and values. It can also coordinate customized services for the family, manage economic and personal risks, and maintain the confidentiality and privacy of family affairs.

However, without thoughtful planning, the eventual transition to the next generation of family office ownership and/or governance can fail. In our experience, many families do not have a formal succession plan for the family office. A pre-mortem assessment can assist in addressing this critical issue.

Family Office Transition: Pre-emptively Addressing Succession Shortfalls

A wealthy, but elderly family patriarch owns the family office entity outright with the result that the family office entity would become a probate asset, subject to the control of a corporate fiduciary during the period of estate administration. Neither the family nor the corporate fiduciary is comfortable with this arrangement. His estate plan may be updated to specifically bequeath ownership of the family office to another family member, bypassing the need for a transitional period of corporate fiduciary oversight.

Consider a family patriarch who has the deciding vote on all matters. In his future absence a control vacuum may arise creating discord and conflict between the family office professionals and individual family members, none of whom may individually have entity control; or, the patriarch that owned the family office entity outright but failed to make specific provisions in his estate plan thus relegating the entity to the residue of his estate controlled by a corporate fiduciary or the surviving spouse. A corporate fiduciary may have the power to assume the responsibilities of the family office or feel compelled by its mandate to modify the fees for services imposed upon the parties the family office serves or perhaps to modify or eliminate certain legacy services. Alternatively, if the ownership of the family office is transferred to the surviving spouse or a trust for her benefit, she may not have the means or desire to continue to fund operations.

To the dedicated family office

professional, the possibility of any of the above outcomes should be alarming since they all put the viability of the family office and the continued employment of its personnel at risk. Through a pre-mortem assessment issues of succession, governance and control can be thoughtfully addressed. Planning could include reviewing the entity structure, developing a plan to cultivate and educate the intended successor owners, or to provide for even more stable future ownership through a trust with oversight through a trustee board.

Finally, in order for the family office to stand the test of time, it needs to be economically self-sustaining which frequently involves contractual compensation for the services it provides to its family clients. Such compensation can take many different forms including management fees, profits and carried interests in partnership investment arrangements, or fixed fees for specific services. If the family office has not yet evolved to be self-sustaining without the senior generation's economic support, the pre-mortem assessment is an appropriate forum to begin that discussion.

4. Estate Liquidity and Property Disposition

Liquidity is an important consideration in the estate administration process and is often an afterthought, addressed only when it becomes an issue. Liquidity refers to the estate having sufficient cash and access to financing to meet current and future obligations. In any given estate, there can be tax obligations, professional fees, executor commissions, costs to maintain property, debt repayment, required distributions (e.g. spousal or other support allowances) and pecuniary bequests to satisfy. Cash management can quickly become the primary administrative concern, and a source of considerable contention, drawing attention away from other responsibilities. For this reason, strong consideration should be given to projecting the net cash flow of the estate over a likely period of administration.

If applicable, the pre-mortem assessment should include drafting a pro forma estate tax return since the aggregate of such taxes may well represent the largest single draw on estate liquidity. In the U.S., under current tax law as previously mentioned, the fair market value of estate assets, plus prior gift tax transfers, less liabilities, expenses and the current exclusion amount of $5,450,000 is taxed at an effective rate of 40%.

Assets included in the taxable estate have a new income tax basis equal to their estate tax value, eliminating any inherent capital gains for income tax purposes. Therefore, the executor has an opportunity to sell estate assets to create liquidity without triggering much or any income tax. However, when the estate is comprised of closely-held business interests or other illiquid assets, it may not be possible or desirable to sell these assets in order to raise cash.

Liquidity and Property Disposition: Preparing "Mock" Tax Returns

If the senior family member's estate is subject to estate or inheritance taxes at death, consider an exercise in a pre-mortem assessment that proactively prepares the necessary tax forms prior to death (i.e., preparing "mock" tax returns). This exercise can uncover any number of issues concerning the identification and location of assets, the valuation impact of agreements related to those assets, matters concerning valuation methodology, a projection of taxes due, identification of sources of liquidity, issues concerning elections and disclosures to be made with such returns, and potential exposure to tax controversy matters that could be addressed and perhaps mitigated prior to future correspondence with tax authorities.

Understanding what tax laws are available to mitigate the estate's liquidity concerns should be part of the exercise. For example, in the U.S., there are provisions that allow for the deferral of the payment of some or all of the Federal estate tax liability, particularly when the estate includes a family business, to accommodate cash shortfalls in the early period of the estate's administration.

However, for several of these tax favorable provisions to apply, the value of the closely-held business(es) must comprise a threshold portion of the overall estate. Meeting such thresholds may require affirmative planning.

The pre-mortem assessment could also include an analysis of the likely source of funds required to cover pecuniary bequests. This exercise can be equally relevant in non-taxable estates. Consider an estate with large pecuniary bequests and insufficient cash to satisfy them; or, an estate where assets identified as specific bequests are no longer owned by the estate. The estate planning documents should address lapses of bequests upon the predecease of a beneficiary, their abatement should the assets no longer exist, and under what conditions a pecuniary bequest should be paid in-kind. The concern here isn't tax liability, rather it's the possibility that the decedent's wishes may not be accomplished through the current estate plan.

The pre-mortem assessment can also consider whether specific bequests should be reconsidered. Consider the bequest of a vacation home without the funds to maintain it. If the beneficiary is without the means to maintain the property, an undesired sale may be the unfortunate and unintended result. As a result of the pre-mortem assessment, provisions providing for the property's maintenance can be properly considered.

The disposition of a collection can also be troubling. Many estate plans, even those of serious collectors, leave tangible property to the surviving spouse and do not otherwise address its disposition. Or, if there is no surviving spouse, the collection may pass to children, other family members, or become part of the residue of the estate. In any case, the family member receiving the property may not want the collection and is likely ill-equipped to deal with a collection of substantial value. There is too often a missed opportunity to plan for value preservation or continued enjoyment of the collection by the family while the collector is alive to affect that outcome. In fact, the best approach may be to donate, sell or gift the collection during the collector's lifetime. At least the senior family member will have the comfort of knowing that their prized collection will be in the "right place".

5. Philanthropic Vision

Looking ahead, addressing the family's philanthropic vision may be one of the most valuable exercises of a pre-mortem assessment. A growing number of wealthy persons are making significant philanthropic commitments through socially responsible investing, venture philanthropy, or establishing family-funded charitable vehicles, in an effort to solve some of the world's most pressing problems. Through their estate plans, many are choosing to leave a substantial portion of their net worth to these charitable endeavors. This generous action often has unintended consequences.

Philanthropic Vision: Ramping Up a Charity's Infrastructure

The wealthy patriarch of a U.S. family intends to provide modest bequests to his children and surviving spouse, with the majority of his estate passing to the family's private foundation. A pre-mortem assessment raises concerns that the private foundation currently lacks sufficient infrastructure to effectively administer such a significant bequest. As a result, the family office engages in a process to establish additional infrastructure, which includes developing a more robust investment management process, memorializing grant-making policies, and increasing grant processing personnel.

Consider an intended public charity that may not be equipped to handle a sudden influx of substantial assets without itself becoming a private foundation. In the case of a foundation established and maintained by the family, there may be a need to ramp up operations, including hiring additional personnel to handle day-to-day administration, endowment management, grant-making, and program direction.

Tax considerations must be contemplated. For example, in the U.S., Federal tax laws discourage private foundations from holding closely-held business interests and require the sale of such interests to disinterested third parties within a prescribed time period. The pre-mortem assessment can be helpful in encouraging planning to mitigate potentially unwelcome outcomes. As discussed, in the Closely-Held Business section, no one is in a better position to negotiate this issue than the owner during his lifetime.

It is also important to confirm whether a particular charity is interested in the intended specific bequest. It may be surprising to note that charities routinely reject

in-kind bequests. Art museums regularly turn away bequests that do not meet their needs at the time. Other charities may be ill-equipped to accept gifts that may prove difficult to dispose of – such as a business interest. Certain public charities and donor advised funds can often accept more complex assets, but here too, advanced planning is critical.

Family members who plan to leave a substantial portion of their estate to charity may also want to consider increasing their lifetime giving. Lifetime gifts can provide additional benefits, such as the joy of seeing the funds put to good use, the opportunity to reconsider the direction of the gifts if the funds are not deployed to satisfaction, and perhaps recognizing income tax benefits for such charitable donations.

Finally, a pre-mortem assessment focused on philanthropic vision will likely need to address the future outlook of philanthropy within the family. For many families, philanthropic vision and the related causes and activities that the family pursues is often directed by the interests of the senior generation. But what happens when that senior generation is no longer at the helm? Absent a passion shared with younger family members, there is no guarantee of continued interest in the charitable interests of the senior generation.

Thus, involving the younger family members is crucial to the family's philanthropic endeavors. The pre-mortem assessment can be used as a platform for the senior generation to impart their vision to this important next generation, inspiring them to carry on the family's vision for years to come.

The death of a family member is a stressful and confusing time for any family. Wealth adds additional financial and logistical issues.

The process of thinking through the impact of an individual's death – a pre-mortem assessment – can be an invaluable exercise for wealthy families and their family offices. In this article, we've addressed five selected areas, but in any given assessment, different issues may be better subjects for analysis. Regardless, being proactive and deliberative with this effort can lead to the identification of important risks and unique considerations, provide incremental certainty and result in a relatively less stressful and more harmonious resolution of the estate for both the family and the family office team.

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MERCEDES - BENZ

The Concept X-CLASS powerful adventurer illustrates that the future X-Class will possess all the strengths of a classic pickup. The Concept X-CLASS stylish explorer goes a step further and shows what will distinguish the pickup bearing the Mercedes star.

X-CLASS LAUNCH 2017

First outlook on the new pickup bearing the three-pointed star. The Concept X-CLASS, Mercedes-Benz Vans gives a concrete outlook on its new pickup, the X-Class, in Stockholm.

MERCEDES-BENZ

MERCEDES EXPANDS ITS PRODUCT RANGE

X CLASS

The new pickup bearing the three-pointed

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X-CLASS

THE GLOBAL DEBUT

- Product range expansion for sustainable global growth

- Market launch in late 2017

- Key markets Europe, Latin America, South Africa, and Australia

- Investments in the high nine figures
- Two design variants, one message: the first true premium pickup

- The X-Class: powerful engine, high ride comfort, and exemplary safety

The rear of both concept cars sports the hallmark chromed SUV trim at the lower edge, and, as a distinctive feature, a continuous LED light strip in a slim chrome surround on the tailgate. It points to the unique character of the future pickup.

With the Concept X-CLASS, Mercedes-Benz Vans gives a concrete outlook on its new pickup, the X-Class, in Stockholm. The first premium pickup will combine the best of two worlds. This is demonstrated impressively by Mercedes-Benz with two design variants of the concept car. The Concept X-CLASS powerful adventurer illustrates that the future X-Class will possess all the strengths of a classic pickup – tough, functional, strong, and with off-road capability. The Concept X-CLASS stylish explorer goes a step further and shows what will distinguish the pickup bearing the Mercedes star. The X-Class will be a true Mercedes from the hallmark brand design and comfort to the driving dynamics and safety. This will make Mercedes-Benz the first premium manufacturer to account for the changing customer requirements in the global segment of mid-size pickups, and it will make the tough one-ton pickup with seating for up to five persons the first to be attractive as an urban lifestyle and family vehicle.

With the pickup, Mercedes-Benz Vans will expand its product range with a fourth model series. At the same time, the brand bearing the three-pointed star will become the first premium manufacturer to occupy the promising segment of mid-size pickups. Daimler AG will make investments in the high nine figures (euro) in the new model series by the time of the market launch. It will be launched in late 2017 under the name Mercedes-Benz X-Class. The key markets will be Argentina, Brazil, South Africa, Australia with New Zealand, and Europe.

Dr Dieter Zetsche, Chairman of the Board of Daimler AG and Head of Mercedes-Benz Cars: "With the Mercedes-Benz pickup, we will close one of the last gaps in our portfolio. Our target: we want to offer customers vehicles matching their specific needs. The X-Class will set new standards in a growing segment." "We will open up and change the segment of mid-size pickups – with the world's first true premium pickup for the modern urban lifestyle", says

ATTENTION TO DETAIL

CONTEMPORARY FASHION THEME

Volker Mornhinweg, Head of Mercedes-Benz Vans. "Our future X-Class will be a pickup that knows no compromise. Ladder-type frame, high-torque six-cylinder engine, and permanent all-wheel drive are compulsory for us. As an added value we bring safety, comfort, agility, and expressive design – in other words, everything that distinguishes vehicles bearing the Mercedes star. We will thus appeal to new customers who have not considered owning a pickup before."

Changing segment: Mercedes-Benz first premium manufacturer of a pickup
Worldwide the market for mid-size pickups is undergoing a radical change. Gone are the days when they were bought as mere "workhorses". Instead, they are becoming increasingly popular as versatile vehicles for a simultaneous private and commercial use and as vehicles for a strictly private use. The percentage of privately used pickups has been growing steadily for years. Accordingly, the double cab has emerged as the dominating body style, because it offers room for up to five persons. More and more private and commercial customers ask for vehicles with the characteristics and comfort features of a passenger car. A similar development took place in the segment of off-road vehicles some 20 years ago. Back then, Mercedes-Benz was the first premium manufacturer to launch a sport utility vehicle (SUV), the M-Class, and completely redefined the off-road segment – with lasting success.

"The Concept X-CLASS design variants interpret the hallmark brand design idiom of our SUVs in a most expressive form, and embody the dichotomy of our design philosophy: they are hot and cool", says Gorden Wagener, Head of Design at Daimler AG. "With its progressive design the powerful adventurer expresses cool modernity and thirst for adventure, while the stylish explorer on the other hand uses pure emotion to provide a tangible experience of modern beauty."

"The extremely short front overhang, the very long rear overhang and two long lines stretching along the side amplify the focus placed on driving dynamics."

ASIA BONDS, ABSOLUTELY

by Endre Pedersen, chief investment officer, fixed income, Asia; Manulife Asset Management

Many investors are looking long and hard for the sort of income or growth that wealthy individuals need to meet their portfolio's objectives.

But, in a world where some US$ 12 trillion worth of bonds pay a negative yield, it is worth asking how much of this comes from Asia?

If you set Japan to one side (because it can behave a little differently to the rest of the Asian fixed income market), you may be surprised to learn that none of it does: at the time of writing all of the sovereign bonds of every investable Asian market paid a positive rate.

Moreover, Asia provides two of members of the dwindling club of countries that retain an AAA credit rating (plus a stable outlook): Singapore and Hong Kong. Out of over a dozen relatively liquid investable markets, 10 of them carry an investment grade rating. If the quality is there, what is really interesting is that markets do not seem to be pricing it correctly. According to the latest data, investors tend to demand higher returns from Asia for the same level of risk offered by sovereign bonds in other regions. Consider the yields on a selection of 10 year government bonds from Western Europe and Asia that share an AA rating: France pays 0.45pc, Belgium 0.44pc, the UK 1.17pc while South Korea pays 1.69pc . This is also apparent in investment grade credit.

Over the last decade a basket of Asian corporate bonds has offered a yield to maturity of more than half a percentage point above that of a basket of American corporate bonds with the same risk rating . This suggests that Asia is a leading candidate for the sort of absolute returns, say around 4%-6% above a cash rate, that wealthy individuals would find attractive. Through active management, across long and short positions to isolate risk, these returns are certainly possible.

Here's why. China, which makes up nearly half of the region's economy , is the obvious place to start. One rarely discussed reason it has been such a focal point for bond investors is the low correlation between its monetary policy and that of the U.S. Thanks to prudent

Endre Pedersen
Manulife Asset Management

interest rate hikes in 2009 and 2010, Asian central banks now have much more room than their developed market counterparts to cut interest rates and stimulate their economies, as we have seen with a number of Asian central banks in 2016.

Now, there are two further reasons why this powerhouse could well attract attention from bond investors over the longer term.

First is the expansion of its bond market. First is the expansion of its bond market. In March February 2016 the government lifted some restrictions on foreign ownership of domestic bonds – namely they are welcoming more foreign lending in China's currency into China's real economy The early signs are that international demand for such lending to sovereign, quasi-government and corporate credit borrowers is certainly there. For an absolute return investor, able to take active long and short positions across bonds, currencies and interest rates, it most certainly means more opportunities to identify and exploit value.

Will supply grow to meet international demand? China's bond market is already, at over US $6 trillion, the third largest in the world . Again, it is too early to say gather hard evidence that issuance of offshore bonds (the ones international investors such as mutual funds tend to be more interested in) has increased meaningfully but it would be reasonable to expect finance directors at large Chinese bond issuers to want to diversify their sources of funding.

The second development is a recent change by the International Monetary Fund. Since 1969, this organization has maintained a list of currencies on which all member governments can draw to supplement their own reserves. For years that list comprised the US dollar, pound sterling, euro and Japanese yen but, in October 2016, the IMF added China's renminbi.

This coming-of-age moment is of huge significance to investors. It opens China's currency to more investment by central banks – who currently have low allocations to the renminbi – and where they tread other investors would be likely to follow.

Of course, China is not without its challenges. For example, one recent development has been the growth of local government financing vehicles, state owned enterprises that borrow from investors to spend on local projects such as infrastructure. But when subjected to detailed, independent scrutiny (what we term 'open eyes' credit analysis) it has been difficult to identify good value in these borrowers for the risks on the table. Moreover, a National Bureau of Statistics spokesperson recently commented that, while third quarter economic growth figures had hit market expectations of 6.7pc, "economic development is still in a critical period of transformation, with old growth drivers to be replaced by new ones."

This is the really key point for anyone investing in not only China but also the broader region: as China transitions from an export-based economy to one based on consumption and services it is highly likely that investors will see slower short to medium-term growth. This 'great transition' is symbolic of a nation in which millions have been lifted out of poverty and which is witnessing a middle class rising in number and rising in spending power. This middle class wants services as well as goods. That puts Chinese companies able to supply such services in pole position – and if they are in pole position they are likely to require funding from capital markets as they expand in line with demand. And, for a corporate bond investor, that likely means more opportunity to select attractively priced credits.

As China's bond market evolves, we are starting to see some companies default on their debt repayments. This is a huge positive. While this may sound counterintuitive, in a world where Chinese and western debt ratings agencies sometimes disagree on the level of credit risk offered by a given country or company, being able to see the market differentiating between good and bad companies is very encouraging. It is also a positive to see that the government is willing to let companies fall into this situation – freeing up capital markets to decide. If you add the long term economic benefits of this great transition, greater investment in the renminbi and a bond market that is both growing in size and also differentiating between good and bad credits then China continues to be a compelling proposition to the active investor.

If that active investor is also able to also use the derivatives market to benefit from situations of weakness – across currency, rates and credit and not just in China but the broader region – then they are well positioned to generate absolute returns.

This weakness caused by the great transition is affecting some of China's northern Asia trading partners, typically economies that rely heavily on exports, where there are thin investment pickings. Across the region, industrial production has fallen, as the chart shows. South Korea, which exports as much to China as it does the U.S., Japan and Hong Kong combined , is feeling this slowdown markedly.

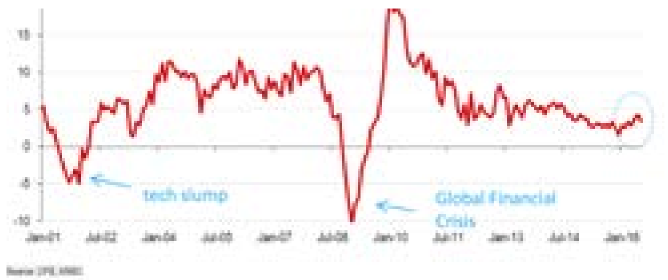


Chart 1: Emerging Asia industrial production growth (% y-o-y)

What tends to happen in such situations is the currency weakens (something that can certainly be said of South

Korea) and that can pose problems for investors, unless they have access to the derivatives market, a toolbox for protection and at times for returns – something any absolute return investor will be familiar with.

Singapore might not be in north Asia but, as a nation built on trade, it behaves in a manner consistent with its northern neighbours. It is also slowing, with its most recent GDP numbers showing the economy actually contracted.

One conclusion for investors looking for attractive total returns is that trading is not generating economic growth. Such economies do throw up instances of value – in credit, currency and interest rate positions – but not many.

It is a very different story further south. Here, economies such as Malaysia, India and Indonesia are tilted away from international trade and towards domestic growth. They are less affected by what China does and, as a consequence, are offering ample opportunities for the absolute return investor.

After China's long term growth prospects, the south Asian story is the second reason why investors can expect good opportunities in the region.

Take Indonesia. This dynamic nation, the fourth most populous in the world, has a government implementing structural reforms and spending money on new infrastructure. If offers a good breadth of opportunities across the three traditional fixed income areas: interest rates, corporate bonds and, to a lesser extent, currency.

Funnily enough, Indonesia has rarely been a poster child for absolute return investing – this is puzzling because the infrastructure story in itself warrants further attention.

After a slow start, the government has already started construction of new high speed rail links connecting Jakarta to regional hubs, a toll road network on its main island and numerous new ports – all essential for the flow of goods and commerce within a large, geographically dispersed and diverse nation.

Moreover, such initiatives bring benefits to credit investors in carefully selected private and state-sponsored construction and infrastructure companies, in property development and in energy. Such issuers and their bonds tend to be under researched – which can mean that valuations fail to reflect strong underlying fundamentals.

India is even more rarely talked about in bond investment circles. While its market is comparatively small at around US $800 billion, for those with the resources to find them, the opportunities are certainly there. For example, some are in the domestic bond market, others in the form of rupee bonds issued by supranational issuers(that can provide good value when compared with the euro bonds from the same issuer) and others in currency pairs.

This breadth of opportunity is something that can be said of just about any market in Asia, where the region's sheer size and diversity are the bond investor's friends.

After all, Asia is home to over half of the world's population , three of the world's top five largest companies by revenue and its leading economies tend to grow at a rate western democracies can only dream of.

This makes Asia a good candidate for the sort of returns required by wealthy individuals.

The article is not advice, a personal recommendation, research or a personal recommendation related to any investment opportunity. Accordingly, all overviews and commentary are intended to be general in nature and for current interest. While helpful, these overviews are no substitute for professional tax, investment or legal advice. Clients should seek professional advice for their particular situation. Neither Manulife Financial, Manulife Asset Management™, nor any of their affiliates or representatives is providing tax, investment or legal advice. Past performance does not guarantee future results. This material was prepared solely for informational purposes, does not constitute an offer or an invitation by or on behalf of Manulife Asset Management to any person to buy or sell any security and is no indication of trading intent in any fund or account managed by Manulife Asset Management. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

VINTAGE 1966 - FIFTY YEARS IN THE MAKING
THE GLENLIVET WINCHESTER COLLECTION

EACH PRECIOUS BOTTLE IS PRICED AT £20,000....

THE GLENLIVET WHISKY

The Glenlivet has released the second edition in its series of rarefied 50-year-old single malt whiskies: The Glenlivet Winchester Collection Vintage 1966. With just 100 bottles available Vintage 1966 joins Vintage 1964 to become one of the most sought after whisky collections in the world. Each precious bottle is priced at £20,000, with Harrods as one global stockist of the highly anticipated liquid history.

Each release is an extraordinary time capsule authored and laid down in 1966, in an exceptionally high-quality sherry cask, by The Glenlivet Master Distiller, Robert Arthur. The whisky has been carefully nurtured throughout the decades while the world has changed around it: a world where England was victorious in the World Cup and the Beatles were, according to John Lennon, 'bigger than Jesus'. Mankind took its first steps on the moon; the Berlin wall came down, and the world was introduced to the invention of the personal computer and mobile phone.

All the while, The Glenlivet Winchester Collection Vintage 1966 was safeguarded at The Glenlivet Distillery, maturing and attaining greater complexity to become one of the rarest whiskies in the world. Today's Master Distiller Alan Winchester recognised that the rare single malt had reached the peak of maturation this year and the time was right to release the second Vintage to build The Glenlivet Winchester Collection that fittingly takes his name. ''Casks of this age and quality are such a rare thing these days, that the resulting liquid is literally history in a glass,'' explains Alan.

Vintage 1966 was identified early on as being destined for greater things and has since been slowly and steadily developing the signature flavours that make The Glenlivet an enduring benchmark of quality. The palate is gratified with the release of candied, sumptuous soft fruits, sweet treacle and juicy orange, layered by delicate spice – a teasing intermingling of cinnamon and liquorice. The finish is exceptionally long, smooth, with a pleasing hint of dryness. The subtle, exotic spice set in relief against the soft sweetness is just one of the elements that differentiate it from the Winchester Collection's inaugural Vintage 1964. The 21st October 2016 marked another historical event as Christie's New York staged a unique auction comprising Alan Winchester's own personal bottle of The Glenlivet Winchester Collection Vintage 1966, alongside the opportunity to lay down Vintage 2016 to be enjoyed in 50 years' time. The auction raised an astonishing $31,850, making it the joint highest selling whisky lot this decade (2010 onwards) and Alan chose the UK Crafts Council charity as the beneficiary of the sale.

Generations of craft

Generations of craftsmanship – past and future - are inherent to The Glenlivet Winchester Collection story and its Master Distiller was keen to facilitate a donation to help safeguard and promote excellence in this field. The money will be purposed to the Crafts Council's A Future Made programme – a new international platform for British makers at the world's most prestigious design fairs.

Glass sculptor Joseph Harrington is one of the first beneficiaries – he was able to showcase a piece entitled Angels' Share in Miami at A Future Made installation that coincided with Design Miami. The piece uses Harrington's unique 'Lost Ice Process' - whereby he creates casts for glass from melting ice, using salts to enhance and guide the erosion process - and evokes the elemental passing of time. It is designed to echo the attributes, provenance and dimensions of The Glenlivet Winchester Collection Vintage 1966.

Every element of the Vintage 1966 collectable has also been handcrafted. Brodie Nairn, of acclaimed studio Glasstorm, was commissioned by The Glenlivet to produce the hand blown glass bottle that pays homage to The Glenlivet's Gaelic translation: 'Valley of the Smooth Flowing One', with elegant lines lending gentle movement to the sculpted glass. The glass is also delicately hand painted in gold and sealed with a precious, bespoke gold stopper by designer silversmith Richard Fox. The stunning stopper is set with a smoky quartz Cairngorm Stone - specially selected to echo the richly dark liquid of Vintage 1966. While esteemed, award-winning wood craftsman, John Galvin made the luxurious dark cherry wood cabinet that houses the whisky. Each cabinet, lined in leather, took 60 hours to create by hand and over 100 intricate processes were deployed in its crafting. The entire piece is a roll call of the finest British makers working today with each timeless material and finish chosen to reflect and honour the precious liquid stored inside.

Alan Winchester

Alan Winchester said ''I'm immensely proud to release this wonderful whisky, and to have also make a small contribution to the future of talented artisans via the sale of my own Master Distiller's bottle of Vintage 1966''.

The Glenlivet Winchester Collection Vintage 1966, Information - please visit www.theglenlivet.com.

ART AND

PHILANTHROPY

Public funding for art varies dramatically around the world, often shifting wildly during changing economic conditions. Though some countries and communities have robust programs supporting the arts, there is always an essential need for private funding.

Throughout history, and around the globe, artists help us viscerally, emotionally and intellectually interpret our world. Their work allows us to reflect on life in many ways -often pushing boundaries of what is good, bad, beautiful, ugly, right and wrong.

Art serves societal purpose.
First and perhaps foremost, the educational role of art throughout history is significant, particularly as "contemporary" art is indelibly linked to every moment and place in time.

Secondly, as a symbol of change, art is often a voice that activates discourse on sensitive and controversial ideas- particularly when other forms of expression or freedoms are suppressed.

Some conservative-minded philanthropists may thus avoid funding the arts, yet there is a constant and pressing need to engage a larger and broader audience for art.

Though the actual value of art to society may be impossible to calculate, it is a primordial human bond that transcends language, time and space. The status of shaky public funding and worrisome audience decline create an even stronger need for private support. Despite nominal dollar increases over the past twenty years, public funding for the arts in the United States has actually decreased by 15 percent over this period, when adjusted for inflation.

There is a vast number of new and expanded cultural centers, many developed with high-profile architects, and ultra-high price tags. The true impact of these projects is incalculable, yet, the average adult attendance at art museums and galleries in the United States has declined, by as much as 30 percent in the past decade, according to the National Endowment for the Arts.
Art Philanthropy - to raise awareness and improve education of art

To glean a better understanding of the private sector, I interviewed two committed art philanthropists –Didier Guillon and Rosa de la Cruz. Didier Guillon is a French-Swiss entrepreneur,curator,philanthropist and art collector. Owner, chairman, Chief Executive Officer and Art Director of the Valmont Group, he is the descendant of the renowned art collector Charles Sedelmeyer, and the great-great son of French sculptor and art historian Stanislas Lami. Currently, he is working on a new concept of exhibition called Beauty and the Beast that he will present with two co-curators Luca Berta and Francesca Giubilei in Venice during the 57th Art Biennale in 2017. This exhibition will feature artworks by Judi Harvest and Quentin Garel.

Rosa de la Cruz and her husband Carlos are the founders of the de la Cruz Collection in Miami, Florida. Originally from Cuba, the de la Cruz's are integral to the cultural heart of Miami. They privately funded the Collection, which first opened in December 2009. The space serves as an extension of their home, where they have shared their collection with the public for over 25 years. Rosa and Carlos de la Cruz also extend their philanthropy to local students, to foster their arts education and creative future.

They have created, and organize each year, travel programs for Miami-based high school students and Bachelor of Fine Arts graduates to broaden their cultural horizons. Additionally, they host an annual design contest and scholarship fund for high school students.

Q - Why should philanthropists fund the arts?
Mrs. de la Cruz replies, "The arts are important for the development of the mind and we feel that we have to strengthen our art education programs."

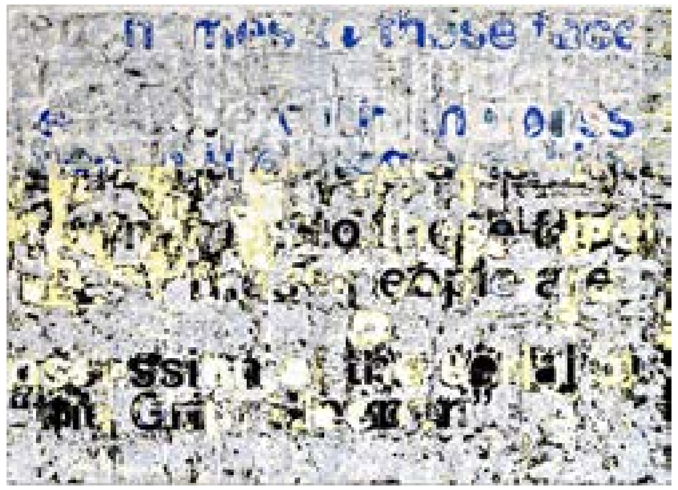
Mr. Guillon states, "Today, brands can no longer be focused on themselves. They must build bridges to other universes, integrating new trends and opening up to new horizons, whether they are alien or familiar to them. It could be culture and art in general, humanitarian or environmental causes. I fund art because it asserts itself as a common thread within my family after so many years... An entrepreneur cannot measure up in patronage unless he is passionate about the projects that he supports. Each artist, each work, is chosen with the heart."

Q - How would you describe the relationship between the arts and social change (and how important is it?)?

Didier Guillon & the Crocodile by Quentin Garel

Mrs. De la Cruz believes that "social change comes from enlightened minds. It is our responsibility to encourage our youth to participate in art programs."
For Mr. Guillon, "the contemporary art that inspires (him) is lay/secular, never religious or political. It is an art that is liked or disliked but that socially brings together especially when it is exposed in a secular/lay museum where conflicts are absent. Art is not reductive or discriminatory. On the contrary, art questions and opens up reflections. In art, nothing is ugly and nothing is beautiful; everything is a matter of personal interpretation."

"That's why art is important today because in this world where everything has a label, art is a synonym of freedom. It is the window which opens on dream, beauty without limiting barriers."
Q - What is your personal position on art philanthropy?



Mark Bradford - Untitled, 2011

Mrs. De la Cruz explains, "Our museum in Miami's Design District is an extension of our home in Key Biscayne which has been open, by appointment, to the public for over 25 years. In 2009 Carlos and I completed and opened the 30,000 square foot museum in Miami's Design District. Besides showcasing the collection, we focus on educational programming and community-based outreach.

It is a way to contribute to our community through sharing the collection and providing education and scholarships. Our program includes lectures, workshops, scholarships and travel programs."

Mr. Guillon expounds, "With the Fondation Valmont, the 4th pillar of the Valmont Group, I share with a large public my passion for art and beauty. That's why I am endlessly searching for unusual, exceptional places for my exhibitions. I wish to give the visitors the chance to live a unique moment...so, the bond with the artists is, first of all, affective and emotional. The choice of the works is mainly based on their aesthetic, beauty-inspiring dimension rather than on aggressive themes with sexual, political or religious meanings. All exhibitions curated by the Fondation Valmont expressed a pure, ethical approach, driven by the estheticism where art and beauty meet, and where taste and freedom are the only protagonists. "
When asked why he funds art, Mr. Guillon describes the link to his past, "I fund art because it asserts itself as a common thread within my family after so many years. A history that has its roots in Paris, where Charles Sedelmeyer, born in Vienna in 1837, father of my great-grandmother, opened his own art gallery, in Rue de La Rochefoucauld no. 4. A taste for the rare, the beautiful, the precious, passed on generation after generation"

Since he was a child, he accompanied his father to exhibitions and the great classic museums such as the del Prado in Madrid, the Tate Gallery in London, and the MOMA in New York. He concludes, "That's how I discovered art and its subtleties, and I began looking with different eyes at the works of the great Picasso, just to mention a few, and of the emblematic Velazquez and Goya, as well as those of the Catalan painter Antoni Tapiès."

Sigmar Polke - I Live in My Own World, But its OK, They Know Me Here, 2002

Q - What is the program or project you have been involved with of which you are the most proud?
Mrs. de la Cruz replies, "We had a strong year of programming. In February we hosted and participated in a symposium on intellectual property with Cornell University. The day-long event was titled "Poetic Justice". This symposium brought together scholars with backgrounds in law, art history, and cultural history, as well as collectors and contemporary artists, to analyze the work of Félix González-Torres and its impact on the emerging field of art and law."

Mr. Guillon believes that every project is a new challenge and is proud of every exhibition that he created and curated. "I keep very beautiful memories of the Plats d'Artistes exhibition which took place in 2013 at the Historical Archives Museum of Hydra and where we explored the ceramics works of thirty international artists. I am also proud of the exhibition The Dialogue Of Fire curated with Luca Berta and Francesca Giubilei that took place in Venice in 2015 and where we welcomed 12'000 visitors. In 2016, the Fondation Valmont came back in Hydra with El Cuor No Se Vende, a beautiful and magic Greek adventure!"

About the de la Cruz Student Programs

DASH - Design and Architecture Senior High School Pre-College Program in New York:
Every year, 40 students from DASH travel to New York to participate in a three-week summer pre-college live on campus program, at the School of Visual Arts and Parsons the New School. Students also have the opportunity to explore all aspects of cultural offerings including museum visits, Broadway shows, sports activities and city tours.

NWSA - New World School of the Arts Travel Abroad:
Every year, the graduating BFA class from New World School of the Arts (NWSA) travels abroad to (Europe or China).

This year, twenty-eight Bachelor of Fine Arts graduates and two professors from the New World School of the Arts participated in a two-week travel program to destinations in China. The purpose of this travel program is to enrich the education of students through exposure to the international art scene. In June of 2016, the graduating BFA class traveled to Beijing, Xi'an, Shanghai, and Hong Kong, where they explored diverse art destinations and the rich history of these cities.

Every year students from DASH - Design and Architecture Senior High School participate in a rigorous design contest. Senior Architecture, Industrial Design, and Graphic Design students are awarded a scholarship fund to help them transition in their first year of college. In "Design for the District", students participated in a contest for scholarship awards. Drawings and models were developed using learned skills through the academic year. The projects were exhibited for the community and judged by professionals in the fields of Architecture and Industrial Design.

(Scholarship programs are made possible by the de la Cruz Collection in partnership with the John S. and James L. Knight Foundation)

Judy Holm and Rosa de la Cruz

GT4 RACE CAR MERCEDES

Mercedes-AMG is developing a new GT4 race car

The AMG Customer Sports involvement keeps growing continuously: the latest element is the development of a race car to GT4 regulations. At the occasion of the end-of-season celebration 2016 (Saturday, 3 December), Tobias Moers, Chairman of the Management Board of Mercedes-AMG GmbH gave customer teams and drivers a first preview of the new Mercedes-AMG GT4. The Mercedes-AMG GT R that was presented this year is the basis for the development of the new race car. The top athlete in the Mercedes-AMG portfolio has excellent characteristics for motorsport purposes. Like with the AMG GT3 race car, particular user-friendliness and an excellent level of safety will be highly important goals during the development process of the new member of the AMG Motorsport family. Tobias Moers, Chairman of the Management Board of Mercedes-AMG GmbH: "The development of the Mercedes-AMG GT4 is another important step in the continuing expansion of our Mercedes-AMG motorsport programme. The excellent feedback of our Customer Sports teams concerning the AMG GT3 and the increasing interest for GT4 race cars strengthened us in our decision. We are delighted to address an even larger target group of amateur and professional drivers and teams in the future with it."

Further information about AMG Customer Sports can be found at www.mercedes-amg.com/customersports

How to invest like endowments and what questions to ask

by DJ Van Keuren

So, you've had a capital event, or your operating business is continuing to generate a significant amount of capital. Now, what? This is a typical question that many families ask, along with "How do we start a family office?" "What is a family office?" and "What is the best way to invest our money?" A great place to start is to analyse how successful endowments have functioned for decades; there are many similarities between family offices and endowments. If you want to emulate the university endowment investment strategy, then you should ask the following questions as a family office.

Are you able to generate economies of scale?

For decades, there have been vast differences in the performances of different endowments. Some endowments, like those at Yale and Harvard, have consistently performed better than others due to their ability to generate economies of scale. Many family offices have assets in the hundreds of millions of dollars and therefore can generate the necessary economies of scale, but only if family offices keep their eyes open to these types of opportunities.

Does your family office have an investment committee?

When possible, a family office should create an investment committee. This may comprise outside advisors, outside managers, employees, or family members. This provides different perspectives allow for unemotional decisions to be made that might be difficult for a family member.

Investors who build and maintain endowments do not blindly rush toward what may be coming their way, and neither should a family office. Endowments tend to strictly follow a well-documented investment policy that is almost always decided upon by investment committee. Investment committees generally lay down broad guidelines that are to be used for policy portfolio allocation, and then they put them in writing.

The portfolio allocation is focused on avoiding large losses and generating high enough real returns to take care of yearly withdrawals and inflation. Like many family offices, endowments have their own staff that is usually headed by a chief investment officer. However, like many family offices, endowments generally hire outside investment managers to do the actual investment work. Putting everything in writing brings discipline and focus to the endowment process, and it also serves as a learning opportunity for others. For families, good recordkeeping can play a key role in helping future generations maintain investments responsibly.

Are you using your existing relationships?

Universities enjoy vast social networks that they successfully use to gain access to many crucial investment opportunities. For a family office, this may be one of its greatest benefits and opportunities.

When a family has created their wealth in a specific industry, they have been able to develop deep industry knowledge that can help members identify opportunities. The family office is its own little community, and by truly becoming part of the family office community; one can benefit from gaining access to networking and investment opportunities. This is similar to the networks endowment committees have, but perhaps even better, due to the expertise and relationships that families have directly.

Are you taking tax strategies into consideration?

Although endowments are exempt from paying any government taxes, which allows them to be free to make investment decisions without any tax considerations, family offices must be sure to learn and understand the various tax strategies that they can utilise to protect and enhance their returns. For example, 1031 exchanges, tax credits, and land trusts are just a few of the possible tax advantage strategies for family offices.

Are you benefiting from the lack of liquidity needs?

Family offices, just like endowment committees, do not have the same liquidity needs as an individual investor so that they can lock their investments for longer time horizons. This is one of the largest benefits of having a family office; patient capital allows for long-term benefits.

Are you following these two key objectives?

Endowment committees follow two key objectives when making investments. First, they want to generate a high enough real return to take care of their yearly withdrawals without dipping into the principal. Second, they want to preserve the real value of the principal, which means that a part of the return is used for augmenting the principal to take care of inflation. In this manner, every university endowment tries to survive longer than its creator does. This is similar to family offices that have aspirations of protecting their wealth for future generations.

Does your family have exposure to alternative assets and an asset allocation policy?

Endowments with the best performances have earned higher returns by means of large exposure to alternative investments like hedge funds, private equities, venture capitals, as well as real assets like real estate, oil, and gas. Allocation to alternative asset classes requires better asset-selection skills, longer gestation periods, and higher minimum investments, which most individual investor cannot afford, but many family offices can.

Alternative assets play an important role in any asset allocation, especially when there is capital with which to take advantage of them. The Harvard Management Company, which runs the Harvard endowment, believes that exposure to multiple asset classes increases overall performance while decreasing risk. An asset allocation policy also dictates the acceptable allocation target range that each asset class can have.

Too many families, especially families that are just starting their family offices, do not have an asset allocation policy. Having one would help these family offices provide investments that maintain the long-term goals of the investment policy statement while giving the investment manager flexibility to make tactical decisions within the target ranges.

For example, the Harvard endowment has a range of 6 to 16 percent for US equities, 6 to 11 percent for foreign equities, and 4 to 17 percent for emerging market equities. The largest allocation is for private equity, with a range from 13 to 23 percent. The smallest allocation is to high-yield equity, with a range of 0 to 3 percent.

Conclusion

When a family office asks, "Where do we start to start investing?" Perhaps the best place would be to look toward emulating endowments.

DJ Van Keuren is a Director for the Arsenault Family Office. He has over 25 years of experience in real estate, finance, fund management and investing. DJ is a graduate of Harvard University, author of "real estate investing for family offices", www.usfamilyofficerealestate.com

THE ART OF RELATIONSHIP BROKERING AND THE POWER OF COMPOUNDING

By: Amana Manori

How a Simple Investment Principle Can Build a Prosperous Network

Compound investing is based on the simple premise that saving early and then reinvesting any profits earned from the principal investment will ultimately result in great wealth. Appropriate the underlying components from this basic investment philosophy and apply it your network and, like compound investing, you can build a fortune.

Success from compound investing requires three key elements: a) an initial investment; b) a reinvestment of earnings; and, c) the passage of time. Similarly, success from compound relationship building requires a) an initial connection; b) a personal reinvestment; and, c) the passage of time.

Amana Manori
Introduction Capital Inc

THE INITIAL INVESTMENT
Without a principal investment, the notion of compound investing becomes moot, as there is nothing to grow or build upon. Once an initial investment is made, of course, the size of the investment can have an impact on the final amount realised. However, the attractive feature of compound investing is that even a nominal initial investment has the power to yield significant monetary outcomes--it can take you from rags to riches. The emphasis of educators of compound investing has not been on the amount of the principal investment but the act of making an initial investment.

It is hard to measure the value of an initial connection between two people, and for the purposes of compound relationship building, it is irrelevant. Like compound investing, the key is that the connection has been made, not the determination of its worth. The importance is the belief that any connection can ultimately lead to a prosperous and influential relationship. Happenstance encounters, unexpected meetings and relationships from the past all have the potential to develop into financial success stories. Unlike compound investing where making an initial investment may feel like a struggle, the initial connection between two people does not have to feel like a sacrifice.

THE REINVESTMENT
Reinvestment of earnings is critical to the long-term profits that compound investing can produce. Frequently taking any value earned and putting it back into the investment will result in a larger payout at the end of the term.

A long-term view should also be taken towards relationship building, coupled with the practice of regularly revisiting and nurturing the bond. Value should be continually added to the relationship so the connection can grow and deepen. How to continually nurture and develop a relationship is an art that requires an ongoing qualitative assessment to determine the unique care and attention required by each relationship. It takes individual investment of thought, time and attention to strengthen the original bond. True masters of relationship brokering are intuitive and attentive, allowing them to recognise nuances that inform specific interactions. For some, making the investment of time and effort may be more challenging than the reinvestment of earnings or money.

Taking a long-term view on relationships with the intention of a larger payout at a later date requires the discipline of patience to overcome the desire for immediate gratification. This is not to say that early on in a professional relationship there will not be an interaction or transaction that will be highly profitable. But rather, with the continuous nurturing of the relationship, there will be a greater likelihood of increased profits either by the emergence of a larger transaction or multiple transactions. Like compounding, the longer you save and/or reinvest, the greater the reward.

THE PASSAGE OF TIME
Compound investing and compound relationship building has a third element that requires zero effort on the part of the investor or relationship broker – that is, time. The longer the time horizon, the more opportunity for compounding wealth. Both models transform something small early on to something great over the passage of time. The passage of time being inevitable, the sensible thing would be to make it work in your favour.

THE REWARD
Compounding proposes that the value of an investment increases because the earnings on an investment will increase as time passes, thereby yielding exponential growth. Similar to the wonder of compound investing, adopting a compound approach to relationships can be a mechanism that yields extremely powerful outcomes. The attraction of compound investing is in its ability to produce riches.

Compound relationship building also has the ability to produce great wealth. However, it has the added attraction of the ability to produce a fortune far beyond what can be measured in monetary terms. Meaningful connections, whether personal or professional, can lead to formidable relationships that provide inspiration, influence, affluence and- if we are fortunate - a sense of providence.

Founded in 2004, Introduction Capital is a precision matchmaking firm that specialises within the global alternative investment industry by introducing extraordinary people to extraordinary opportunities. Introduction Capital is also the leading placement agent in Canada assisting global managers who are seeking allocations from sophisticated Canadian capital. Please email info@introcap.com for more information.

BILLIARDS

Sir William Bentley Billiards

Sir William Bentley Billiards' Shadow pool table is one of their latest, most stunning creations. The modernist, monolithic design features a single cantilevered leg makes the table appear to float in mid-air. The table's geometry is a contrast of triangles and squares, enhanced by the bi-metallic contrast of steel and bronze. Utterly contemporary, it was showcased this year at both the Elite London show and at London's International interior design trade show Decorex. Like all their tables, the Shadow is a truly bespoke creation, handmade by the craftsmen in their workshops, in Marten, England. The table shown is a UK specification table, with a 7ft Italian slate bed, full-size snooker rubbers and purple west-of-England wool cloth, complementing the cold-metal finishes. The same design can also be made in smaller and larger UK sizes, as a 7ft, 8ft or 9ft American pool table, or to Russian, French or other European specifications. It could also be made in a wide range of other finishes, including different metals, real wood veneers, or even resin or textile finishes (mock-croc anyone?). Every table is made to order, incorporating any amount of client-specified detail, such as inlays, engraving, or even LED lighting. Continuing a tradition of excellence, the family-run business has been restoring and reproducing fine

Antique billiard tables for almost 40 years. Applying the skills and attention to detail learned from the great Victorian table-makers to the demands of private clients and Interior Designers, from all over the world, has led to them creating beautiful bespoke tables in an increasingly diverse range of classic and contemporary styles, earning them a global reputation for making pool & snooker tables of the very highest quality. Another Victorian tradition that Sir William Bentley billiards continue are dual-purpose Billiard / Dining tables that combine top quality, slate bed pool or snooker tables with beautiful custom made Dining or Conference tables, to seat up to 20 people. With precision engineered mechanisms to transform from playing to dining, every table is, of course, individually hand-crafted to suit the style and period of interior décor, and whatever the leg-style, or whether the table is made from Walnut or Maple, Oak or Metal, the result is always stunning.

Antique tables are still a part of the business, which has a large stock of beautiful and unique tables. Some are on display in their Aladdin's cave-like showrooms, alongside contemporary tables and diners. Open 7 days a week by appointment, and adjacent to the workshops, visitors are invited to witness the team of craftsmen at work, to enjoy not only the beautiful product but the making process as well.

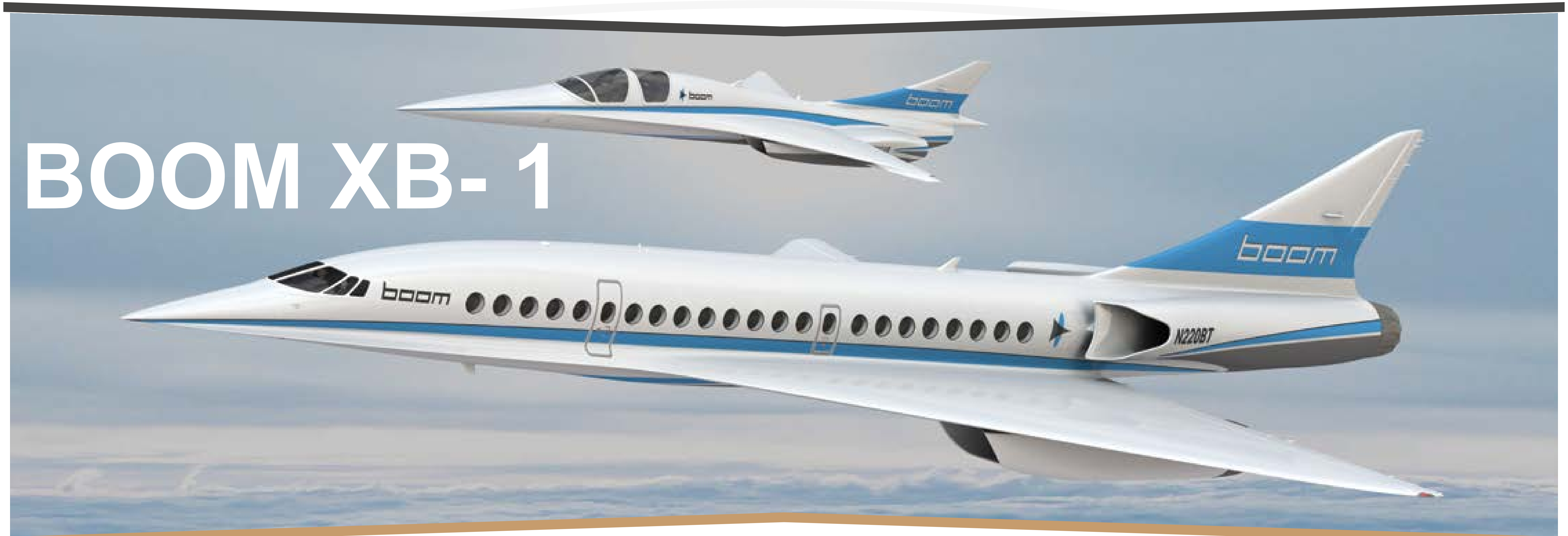
The company's showrooms, situated in the beautiful countryside on the borders of Berkshire and Wiltshire, house many of the world's finest Antique Billiard tables alongside exquisite examples of the Contemporary and Classic fixed height and dual-purpose dining & playing tables that are handmade in the adjacent workshops.

One of the great joys of a visit to Marten is to see their team of craftsmen at work. It is fascinating to watch the processes of design, carving, marquetry, veneering, inlaying, polishing, metal and wood working, and to appreciate for yourself the skills involved in the creation of each table.

To enter the showroom is to delve into an Aladdin's cave of burr Walnut, rich rosewood and finely grained mahogany, maple, oak and ash. Intricate marquetry, polished metal, delicate inlays and beautiful veneers, lie side by side with fine Scottish leathers and English wool-nap cloth. Whether your search is for an Antique, second-hand, bespoke or replica table, for billiards, snooker or for pool, for a stunning contemporary rollover or an elegant wind-up dual-purpose table for dining and playing, you are sure to find either exactly what you are looking for or the inspiration to specify your very own custom-made and designed tables.

www.billiards.co.uk

BOOM XB- 1



Affordable Supersonic Flight on the Horizon

Boom Technology unveiled the XB-1 Supersonic Demonstrator, a subscale prototype of the Boom supersonic passenger airliner. On display for the first time ever at Boom's Hangar 14 at Centennial Airport, the XB-1, nicknamed "Baby Boom," will be unveiled this evening at an exclusive VIP event for airline and aerospace executives and media. The XB-1 is the world's fastest civil aircraft ever made, and it will demonstrate in flight the key technologies for affordable supersonic travel.

"60 years after the dawn of the jet age, we're still flying at 1960s speeds," said Blake Scholl, chief executive officer and founder of Boom. "Concorde's designers didn't have the technology for affordable supersonic travel, but now we do. Today, we're proud to unveil our first aircraft as we look forward to the first flight late next year."

The First flight of the XB-1 is planned for late 2017. The subsonic flight test will be conducted east of Denver; supersonic test flights will be conducted near Edwards Air Force Base in Southern California, in partnership with Virgin Galactic's The Spaceship Company. The XB-1 is a technically representative ⅓-scale version of the production Boom airliner.

"I have long been passionate about aerospace innovation and the development of high-speed commercial flights," said Richard Branson, founder of Virgin Group. "As an innovator in the space, Virgin Galactic's decision to work with Boom was an easy one. We're excited to have an option on Boom's first ten airframes. Through Virgin Galactic's manufacturing arm, The Spaceship Company, we will provide engineering and manufacturing services, along with flight test support and operations as part of our shared ambitions."

"The Boom airliner will be a core part of the intercontinental airline fleet," said Mike Boyd, Boyd Group International. "Travellers are hungry for faster flights and airlines will be excited for a differentiated and profitable option for their premium travellers."

Boom's Leading Design Team Making Supersonic Possible Formerly of NASA, SpaceX and Boeing, Boom brought together the top minds in aviation to build its modern supersonic passenger airliner. Learning from the Concorde, they combined advanced aerodynamics, efficient engine technology and new composite materials to power a safe and affordable supersonic aircraft 2.6x faster than current jetliners.

The product of over 1,000 simulated wind tunnel tests, Boom's tri-jet design, features a refined delta wing, a gracefully tapered carbon fibre fuselage, and efficient turbofan jet engines. Unlike Concorde, the Boom design requires no afterburner, significantly improving fuel economy.

www.boomsupersonic.com

AMEDEI TUSCANY

THE CREATION OF CHOCOLATE MASTERPIECES

ABOUT HARVEY NICHOLS

Founded in London in 1831,

Harvey Nichols is a British department store chain with a flagship store in Knightsbridge

ABOUT FORTNUM & MASON

Founded in Picadilly, London in 1707

Fortnum & Mason has been at the heart of London life, supplying the very finest goods and services

That guilty pleasure that you might reward yourself with at the end of a long week, which has to be kept quiet, and strictly between you and yourself – it's the indulgence of chocolate. So let me introduce you to the crème de la crème of the chocolate world - Amedei Tuscany. You know it's a worthy treat when ten people are behind the crafting of every single square of the chocolate you will be enjoying. Set up in 1990 by Cecilia Tessieri, Amedei chocolate is so good in fact, that Tessieri has produced the six-time winner of the Academy of Chocolate's Golden Bean Award (the awards being to the chocolate industry what the Oscars are to Hollywood).

Tessieri's credentials don't stop there either, as she's also the world's first female to hold the title of Maitre Chocolatier – no small feat in an industry where the biggest players are mainly men. Not that this is a story about feminism, of course – far from it. This is instead simply a story of the creation of the finest chocolate in the world. Indeed, Tessieri's love of chocolate and continual search for perfection led her to embark on a mission to make Italian chocolate the most exquisite possible. Since launching over a quarter of a century ago, Amedei Tuscany has since become a staple on chocolate menus created by top chefs (such as Michel Roux Jr.) and patissiers (such as William Curley), because the quality of the cocoa beans used is always and uniquely the best. Ethically sourced, the beans are singled out from all over the world for their aroma and flavours. Tessieri is rightly proud of the relationships she has built up over the years with the farmers she sources her beans from, explaining that "the growers are the guardians of knowledge.

Amedei have started to organise tours around their Tuscan factory, which give an insight into the whole production process. Amedei is, in fact, one of the only Italian chocolate companies to have control over the entire production line, from cocoa bean to finished product. When Amedei was first started – in a small workshop with just one employee, making pralines – the chocolate was purchased elsewhere, and it was this that led Tessieri to search for the best cocoa beans the world can offer, from right across the four corners of the globe. "I decided, step-by-step, to create the best quality chocolate in the world," Tessieri explains. "But whatever I buy and wherever I buy it from, it is the same approach – I work with farmers who know and understand the importance of the fruit they grow. The only difference is the fruit itself. But I work with everyone with the same goal – to produce the best quality chocolate." But for anyone curious to know just exactly what goes into each delectable bar and more-ish praline, Tessieri is understandably tight-lipped and gives nothing away as to how she makes her creations. "What is the recipe for Amedei? It is the same question that many, many people ask me!" she laughs. "But mine is a secret recipe." The only fact she will concede is that "every year, I adjust the recipe because the cocoa changes – every year, the cocoa is completely different. It is not easy to maintain the same quality, but it is very important that you do."

Currently, "Amedei has a very good selection of chocolate," Tessieri says. As well as pralines, chocolate spreads and even chocolate drops, one of the company's latest launches is the Prendimè chocolate bar. About the size of a computer keyboard, this can be smashed up into bits to share with friends, or even just enjoyed by yourself beside a cosy fireplace. But since Amedei Tuscany products don't contain palm oil, soy lecithin or conservatives, and are Kosher certified, this all makes for one guilt-free guilty pleasure – and a very rich reward at any given moment!

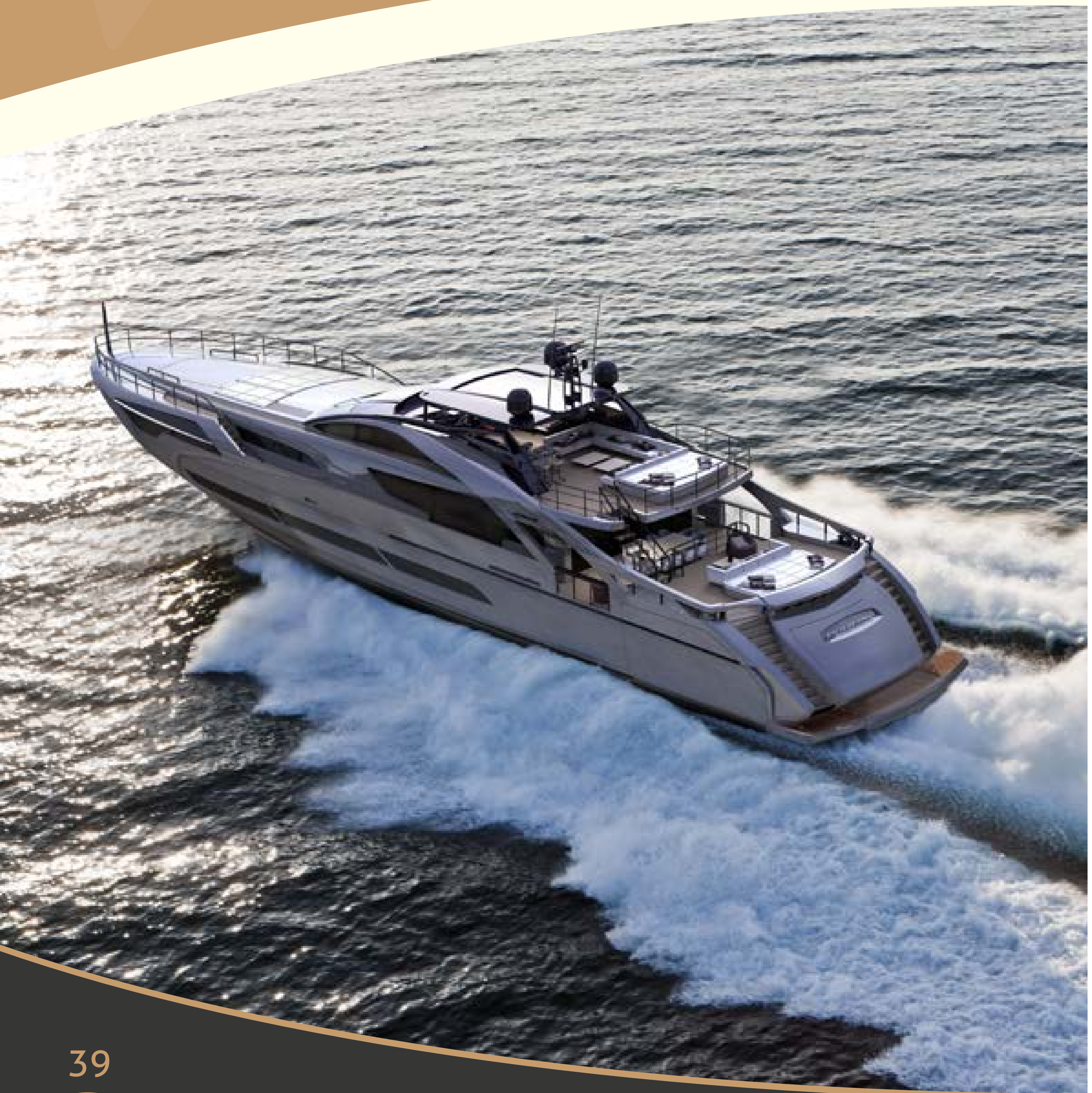
Amedei Tuscany is available : www.amedei.it, Liberty's, Selfridges, Harvey Nichols and Fortnum & Mason.

Prendime ambient

THE MARKET IS ALREADY EXCITED ABOUT THE...

PERSHING 140

PERSHING A BRAND OF THE FERRETTI GROUP



The Pershing Flagship

The Pershing experience means living, yachting and dazzling at faster than average speed.

Thus, the Ferretti Group is already announcing the sale of its first Pershing 140, three years ahead of its actual launch scheduled for 2018 and exactly a year since the project was officially announced at the Monaco Yacht Show 2015.

The new flagship of the fleet, the first to be built in light alloy, won the heart of a yacht owner from continental Europe who, like every Pershing enthusiast, has been seduced by its sporty, powerful lines and many innovative on-board features as well as its outstanding perfo rmance at every level l.

"The news of the sale of the first Pershing 140 makes us happy and proud for many different reasons - commented Mr Alberto Galassi, Ferretti Group Chief Executive Officer. This new flagship shows that Pershing has entered a new era of design and construction, combining the drive for innovation, written into its DNA from birth, with the know-how gained during 30 years of being on the cutting edge. This sale is also the strongest confirmation of the success of the growth and development strategies for Pershing, Riva and Custom Line in the super yachts division.

A booming market on which the iconic brands are achieving brilliant commercial successes.

This is why we have invested heavily and will continue to invest in the Ancona shipyard, a dedicated centre of industrial excellence for the production of CRN, Riva, Custom Line and Pershing super and mega yachts. The new 140-foot yacht will be entirely built at this facility."

Pershing 140 is born from the collaboration between the Ferretti Group's Product Strategy Committee, its Engineering Department and the architect Fulvia De Simoni. It features ultra-sleek lines to match the brand's sporty spirit, which brings to mind the exterior of coupe cars, underscoring the racing character always so popular with Pershing yacht owners.

Besides, its profile is enriched by several design elements, some entirely new and others displaying a family feeling with the brand's latest models.
The first Pershing 140 will be fitted with four MTU M94 engines, 26oo HP each, enabling a top speed of 38 knots (preliminary data).

Two alternative configurations are also available, both equipped with MTU 4000 M93L engines, 12V (for 3460 HP) or 16V (for 4613 HP). Thanks to the hydrojet drive, the new flagship will achieve top performances at cruising speeds, including at maximum speed, which can reach up to 24 knots with the 12V MTU, and up to 33 knots with the more powerful engines (preliminary data).

www.pershing-yacht.com

FAMILY OFFICES AND DIVORCE

Protecting Wealth in the Event of a Divorce

Of all the things that can erode family wealth, divorce is one of the most deleterious. Unfortunately, it is also one of the most common. Average divorce rates range from 40% in the UK and US to as much as 60-70% in countries like Portugal and Belgium, meaning that divorce should be something on the radar of every family office and professional working with UHNWIs.

Despite high divorce rates globally and a continuous stream of very costly cases in the news, it is still often the case that UHNWIs enter matrimony without taking adequate precautions. While it is certainly admirable to go into marriage believing that it means "'til death do us part", statistics tell us this is very often not the case. It is, therefore, the duty of advisers to take a more dispassionate view and ensure that those considering marriage are not sleepwalking into making what might be the most costly error of their lives.

There are a huge range of trigger points which bring High and Ultra High Net Worth Individuals to findaWEALTHMANAGER.com and divorce is certainly one of them. Very often families are looking for intelligent ways to structure their wealth in order to protect it should one of its members get divorced. We also see financially weaker partners seeking a firm to manage a substantial award. There are even wealth managers on our panel that can offer bridging finance to help fund what might be very lengthy and expensive litigation.

Given that divorce drives so many people to seek a wealth manager, this most difficult of topics is one we frequently tackle in the guidance we offer our users. Working with leading law firms as well as wealth managers, we aim to keep clients - and their advisers - abreast of the latest global developments while setting out precepts all families should follow to protect their assets. Getting married is (and should be) a heady time of romance, but we hope to have helped prevent many

Wendy Spires
Find a Wealth Manager

disastrous oversights being made.
When it comes to protecting family wealth, the old adage "forewarned is forearmed" is as true today as it ever was, and taking professional advice well before any wedding bells ring is the foundation of asset protection. However, families and their advisors should also be aware that ameliorative action can be taken after the event too.

Divorce is sadly all too frequent and the wealthy in particular need to be proactive in addressing the possibility. Critics might say that this is unromantic, but acting to ensure all parties will be treated fairly and minimise the legal woes that can ensue is arguably the most clear-sighted and caring path couples can take.

Here are some of the principles families should be thinking about:

1. Take broad advice as early as possible
Lawyers, accountants and wealth managers should be informed as soon as marriage is in the planning stages so that they can work together to form a complete view of the assets that may be impacted (and therefore need protection).

2. Consider maintaining separate assets
Inheritances and assets held in the form of property might be particularly vulnerable to divorce if they are in joint names and are therefore seen as a marital asset to be divided equally.

3. Enter a pre- or post-nuptial agreement
These agreements are given varying weight dependant on the jurisdiction in which the marriage (and divorce) takes place. In some countries, they are entirely legally binding (provided they were entered into without duress and with advice taken by both sides), whereas in others they serve more as a guide. Nevertheless, prenups and postnups might still significantly reduce the financial damage of a divorce.

4. Make use of trusts
Discretionary trusts can be a very useful way of protecting family assets from divorce as well as offering myriad tax planning opportunities across the generations. However, trusts must be deployed very carefully because if there is only one beneficiary a court may still deem the assets to be held by that spouse.

5. Have jurisdiction front of mind
The phenomenon of "jurisdiction shopping" is highlighted by the number of high-profile divorce cases that take place in London – deemed to be one of the most favourable places for financially weaker partners. Elsewhere, awards of lifetime maintenance may be far less common, for example, meaning that internationally mobile individuals should consult carefully with legal advisers before commencing (or agreeing to) proceedings in certain locations.

6. Consider all assets
Amid the romance of marriage and then the emotional tumult of a divorce it is all too easy for assets to be forgotten (or even concealed). It is vital that all maritial assets are accounted for when they are being merged and split since it may be very onerous to correct errors.

7. Be proactive and don't rush into settlement
Recent UK case law has highlighted the danger of erroneously believing matters to be settled and it is possible that an ex-spouse can return to make further claims some years after a divorce. Rushing things in order to obtain a clean break faster could result in anything but.

8. Look at things in the round
With matters of asset structuring and matrimony wealthy individuals face a complex web of considerations spanning law, tax and investments, meaning that it is essential that professional advisers are working in tandem in planning for and dealing with an eventual divorce.

9. Take advice as soon as a marital breakdown seems imminent
If assets are in joint names, an incredible amount of financial damage can be done in the period between a split taking place and legal proceedings being concluded. Divorcing spouses must take immediate action to ensure that joint liabilities are not increased or assets disposed of without their assent.

10. Don't prolong proceedings unnecessarily
While divorcing spouses certainly shouldn't rush to conclude legal proceedings, neither should they seek to prolong them unnecessarily. Quite apart from the emotional cost of endless court battles, legal fees can quickly snowball. Having a neutral third party arbitrating on matters like the division of assets and child custody can save a lot of time, pain and expense.

find a wealth manager.com

SHOWCASING THE AMAZING

DAVID FOWKES

Leading High End Jeweller

The journey of David Fowkes to become a leading high-end jeweller has been very different to many others. Instead of taking the traditional route from working for other jewellers and gaining experience before setting up his own company, David decided to go travelling around Europe on his bike, for an undefined period. He finished his degree in silversmithing and jewellery in 1981 and a few years after that he hopped on his bike and began his journey. As David says it, "The real education came from the school of life".

David ended up spending seven years in Europe and beyond, living in different countries, gaining experiences and inspirations. He worked for other jewellers, learning a variety of skills and different techniques as he went. The time spent abroad was very inspiring for David, learning from other cultures and seeing different ways of life. Even today, he still draws inspiration from his experiences while living abroad.

Upon his return in the early 90's, David continued to work in London for various jewellers for a few years before establishing himself as a jewellery designer. He launched his first collection in 1996. Ever since then he has built up his company and its reputation on David's impeccable craftsmanship and contemporary design, characteristics of which have been recognised by prestigious awards in the jewellery industry. Uniqueness is the heart and soul of his design, each design to be made only once.

David Fowkes is also known for his coloured, fabulous quality gemstones, each of them individually cut by his artisan stone cutters. It has taken him years to build the trust and great working relationships with the cutters. Stones are sourced directly from the miners, and his collaboration with his cutters results in the fabulous gemstones which form such an integral part of his contemporary collection today.

David's designs emanate from the cutting of the gemstone. Every gemstone piece is unique; the theme may be repeated, but the design will be different every time. David has an affinity with the fabulous gems that he works with; he wants to enhance their beauty yet create something valuable and wearable.

QUALITY GEMSTONES

Each design to be made only once

To be able to design something unique and meaningful each time is motivation for David to practise his profession as a jeweller. "My passion for jewellery comes from the desire to focus on exclusive, one of a kind pieces that would not be seen on the high-street market", David says, "I want to make pieces that have their own identity, with interesting gemstones that have their own story to tell. I take a huge pride in the fact that not a single piece is reproduced."

David's work has naturally evolved to the level of investment and collector's gemstones. As the price of coloured gemstones continues to rise, due to both rarity of quality and ever increasing demand, David's pieces are also often purchased as investments. Thanks to his great contacts, he can access the most desirable gems around.

www.dfjewellery.co.uk

RISK AND SECURITY ITS NOT JUST THEFT!

By: Florian Pfister

An analysis by Florian Pfister
Interval Security AG

When considering their collections of fine arts, antiques and jewellery, individuals and collectors often fail to consider all the risks that they may face. Security is often held to be about the various measures which can be taken against crime, but it is most important to look beyond this to the physical protection of the property against the other major risks – Fire and smoke, Water damage, breakage of valuable (or fragile) objects. All of these risks need to be taken into account with the more worrisome (but less likely) risks of serious crime, kidnap and terrorism. When considering precious collections that have often been built up over many years, it is important to remember that an insurance policy will never replace that which has been lost. Every effort should be spent in minimising the chances of a loss occurring in the first place!

One of the most challenging aspects of dealing with risk is in balancing the differing hazards. If security against theft is excellent, how would access be possible in a fire or flood event? In developing a security concept, it is useful to consider how each of the major risks might be minimised and tracing the risks and influential factors from each vastly differing risk is a careful balancing act.

Premises – Security must be considered against a threat to the family and staff, as well as the dangers that can face the collection. What are the risks of smoke getting into the premises, from elsewhere in the building? One case we were dealing with recently involved a lift shaft from a basement garage directly to a penthouse apartment, which could provide an excellent chimney for smoke or fire. What other exposure is there to water ingress, or drainage, if the worst happens?

Staff and visitors – Naturally, it is important to have staff and those who have access to your home and your

Florian Pfister
Interval Security AG

collection to be trusted and reliable. It is the usual practice that staff are vetted before being engaged, but have a serious concern for their welfare. Treat all staff at whatever level as friends and colleagues as well as employees. One of the dangers in the High Net Worth community can result from a disgruntled or vulnerable employee. This is an area which demands sensitivity and vigilance but can be extremely important for the safety of your family and property! Being Swiss we understand confidentiality and know how important it is for all persons involved to stick to the same standards.

Record the collection – It is very important to have descriptions and photographs of items that can be referred to in the event of theft or disappearance. Serial numbers of watches and other high-end items should be recorded, as well as any distinguishing or identifying marks or appearances. In the case of art, we are developing high-resolution imagery, which will uniquely identify individual works of art.

Prioritise – Art objects can only be protected in an emergency if the appropriate emergency cover (packing) and tools are at hand. In the event of a fire, smoke or water ingress, which items will need saving or salvaging first? What contingencies exist if there is no power or light? Is there an alternative place of storage? Remember that in the case of your collection, although items may be insured, much can never be replaced.

Insurance – At the time of writing, insurance premiums have never been cheaper. Make sure that you have a good Broker who can work with you to ensure that you have the insurance coverage that you require. Points to consider may include the basis of valuation of items in case of a loss and also the extent of coverage in your home, or elsewhere.

Salvage – If documents, archives or many works of art are damaged by water, smoke or other environmental hazards, we have the ability to vacuum freeze these items. The process is carried out in a bespoke way that depends on the nature of the item in question. Our equipment is containerised, runs on its own power and can be deployed to the site of major floods and other serious events. The advantage of such a process is that any deterioration of the work is immediately arrested and restoration can be carried out without the pressures of time that otherwise may occur. Single items can be treated in the same way. After being deep-frozen even a single book can be sent to our specialised laboratories In Switzerland for restoration.

In conclusion, every family and every collector are unique. You have built your own environment, and we can offer no overarching protection and security advice as each circumstance will be unique! We specialise in providing a tailored analysis of your own ménage, whether it be castle, mansion, house or apartment!

Consider the security of everything (and everyone!) dear to you. Remember, It's not just theft!! Never forget that the best security comes from brain power and intelligence and not merely the installation of high tech equipment!

WORLD PREMIER

KEIZER YACHTS

During the Düsseldorf Boot trade fair (21 – 29 January 2017), the new Dutch yacht brand Keizer Yachts will experience its maiden voyage. The brand will make a debut in a unique segment with its modern runabout Keizer 42. Never before will a yacht be presented that offers such a look and feel, space and comfort for such a keen price. Keizer Yachts will cause a furore in the market of large open yachts with it.

The passionate water sports lovers Siep Keizer and Jos Brehler have been working on the realisation of their dream yacht for a few years now. Thanks to his international experience in the yacht world, Siep is fully aware of what can be purchased, but also what can be improved on the various existing models. "It was my dream to develop a yacht that not only looks fantastic but is also practical and affordable," says Siep who is responsible for the fabulous lines together with Vripack.

His partner Jos Brehler emphasis Siep's statement. "There is not a single yacht that comes even close to the Keizer 42 with this mix of dimensions, inside space, practical convenience and price," says Brehler. "We charge nearly half the price of our competitors with a price that starts from approximately € 235,000," he continues. "How is that possible? Through a unique approach, setting up serial production at Bavaria Yachtbau and an exclusive dealer model. And the customer benefits!"

The Keizer 42 is inspired by the traditional runabout, but then with a modern driveline in the vessel's stern. As a buyer, you have the choice of two Volvo Penta D4 motors (2x 300 HP) or D6 (2x 400 HP) or a Mercury petrol engine with 2x 320 HP. Depending on the type of whether a motor or an engine is selected, the Keizer 42 can achieve a top speed of 40 knots (75 km/h).

"There is not a single yacht that comes even close to the Keizer 42 with this mix of dimensions, inside space, practical convenience and price" The new yacht measures 13.42 metres in length and 3.99 metres in width. These dimensions have been used to best advantage for the practical living space. The huge cockpit with a completely flat floor offers much sitting room, a huge recliner and a fully equipped (outside) galley. The Cabrio roof that also makes the yacht suitable for not so nice weather is stored on top of the windscreen.

If you go below deck, you will have the feeling of entering a hotel suite. The master bedroom is equipped with two stylish sofas and a king size bed. The fully equipped "head" does not know what "concessions" are. As is the case in the master bedroom, the standing height here is also 1.90 m. There is a guest hut on the stern of the yacht with two beds and sufficient cupboard space.

Keizer Yachts will officially present the Keizer 42 to the press and public at the Düsseldorf Boot 2017 (hall 5, stand E21). The first yachts have now been sold and will be delivered to the clients before the end of the year.

www.keizeryachts.com

THE AMAZING
FERRARI STORE

Autumn-Winter 2016/17 Collection Exercises in Style

For Autumn-Winter 2016/17, Ferrari has created a sporty yet sophisticated look featuring the kind of detailing that makes this collection the perfect choice for people that adore superb quality garments. The signature of all Ferrari's collections is, of course, detailing inspired by iconic elements of its legendary GTs: from colours to bodywork liveries, cabin trim to steering wheels. The Autumn/Winter Collection's signature colours are dark yet warm, spanning varying shades of red, black, navy blue and even a bright blue. That said, in the women's collection, some concessions have been made to pastel shades such as beige and powder pink, which are often paired with exclusive crystal detailing.

The men's and women's capsule collection inspired by the Ferrari 488 Spider, however, centres around "Blu Corsa" with all the pieces in shades of black and Blu Corsa as well as featuring auto and motorsport-derived detailing.

Numerous accessories, many coordinating, add a brilliantly rich finishing touch to the overall look. Debuting this year are lovely rectangular and square scarves with newly-designed motif and the Trademark bag range which includes a practical Travel Bag, the original Helmet Case launched last season, a laptop case, shoulder bag and beauty case. All made from buttery soft calfskin with red stitching, linings and patent leather piping.

ELEQT

The world's leading exclusive social discovery network ...

ELEQT links its members with fascinating people and connects them with things to do, places to go, trends to follow and ideas to share. ELEQT also organises exclusive member-only events, such as networking meetings, tastings, premieres, conferences, and galas. And it presents members with intriguing opportunities for both discussion and potential investment. ELEQT's social network is part of the ELEQT Group (www.ELEQT-Group.com) which is a social networking and technology company offering the achievers of the world networking, funding and business growth opportunities to move Faster Forward Together.

In addition to ELEQT, the ELEQT Group is home to www.rockethub.com, which is the world's leading social network for entrepreneurs, and the equity crowdfunding platform ELEQUITY™.

Our globally active group consists of the world's leading luxury lifestyle and social discovery network ELEQT, the pioneering business network for entrepreneurs RocketHub, and our equity crowdfunding access platform ELEQUITY™ which matches the best young, innovative companies with the smartest capital.
ELEQUITY™ is the equity crowdfunding platform of choice for enterprises that seek to match new and innovative product ideas with high-end, sophisticated campaigns. These typically range from classic luxury products to the "new" luxury of artisanal and curated products which support a meaningful and empowered lifestyle.

Developed on the knowledge, experience and technology of RocketHub.com, one of the largest and earliest pioneers in crowdfunding, ELEQUITY™ allows the brightest and most innovative lifestyle entrepreneurs to present their plans to our global network of affluent achievers, who in turn seek to nurture and support these entrepreneurs.
ELEQUITY™ is the pivot point between our leading social discovery network ELEQT and our entrepreneur business network RocketHub, with a clear mission: to connect the best young companies with the smartest capital.

As a subscriber to Family Office Elite Magazine, ELEQT would like to extend a complimentary membership to you. In order to activate your account go to www.ELEQT.com/join, and mention your subscription to FOE Magazine in your motivation.

www.ELEQT.com

USING YOUR PROFESSIONAL RECRUITMENT CONSULTANT

FOR FAMILY OFFICES AND HNWI'S

Your people are your greatest asset but getting the best person can be problematic.

Hiring for a Family Office has unique issues especially when it is a single family office. So often, the "safe" route is chosen, that is, hire someone already known to the CEO, a family member or a third party advisor. This method has some merits, but it can cause more problems than it solves. The alternative is to hire a recruitment professional and get a broader picture and very likely, a better appointee. However, where to start?

There is an extraordinary number of Consultants (head-hunters) who claim to be expert in private banking, wealth management and/or family office recruitment but the extent of the knowledge and the longevity of experience is very variable. So, how to select who is right for your Family Office?

Finding the Right Consultant:
Recommendation, market research, or a mixture of the two, should give you a good idea who is available and who has a track-record of expertise, knowledge and confidentiality (the latter must not be overlooked). Meet and talk with the people that have been recommended and based on the meeting and the conversation, choose the one that has the best understanding of what you are looking for from a technical perspective and is also someone that you want to work with.

When you appoint them as your Consultant, they will be representing you and your Family Office, so you need to be entirely comfortable with their skills and personality. Having selected your Consultant, it is important that you brief them as well as you possibly can. You may have drawn up a formal job description and personal profile for the candidates. Share this

Dudley Edmunds
Culliford Edmunds Associates

with your recruiter but be open- minded and be prepared to consider and where applicable, accept their ideas and thoughts.

It is at this stage that you should also agree on terms with your Consultant.
The key factor in ensuring success, for all involved, is establishing an excellent rapport and understanding with your Consultant. He or she is there to ensure an end result that will be to the satisfaction of you, the appointee and themselves. This can best be gained by mutual trust and understanding. Agree on the final job specification and person profile and keep accurate notes of the issues raised in your initial meetings.

During the search process, you should expect regular updates from your Consultant and it is important to keep in touch. However, the first part of the search can be very time intensive, so please give them a chance to get on with the initial work.
Your Consultant will present you with a short-list of potential candidates that match the agreed specification and profile. Sit down with your recruiter and go through the CVs and backgrounds of those that have been chosen.

Pay careful attention to your Consultant's observations and comments and give them the opportunity to explain their choice. It will be your decision as to how many of the short-list you chose to meet; it may be all of them or just those that you think are the closest match. This is the time to check whether your preferences accord with those of your recruiter.

Once you have decided on your short-list, then leave your Consultant to make the interview arrangements. It will be a good idea to ask your PA to liaise with your Consultant (unless, of course, you keep your own diary) as booking dates and times can get somewhat protracted. This is also another "marker" as to how good your Consultant is, as this should be a smooth process.

It is your choice as to whether you want your Consultant to sit in on the initial interviews. Some people do, some people don't. If you have not got a dedicated HR person it can be useful to have the Consultant there and they can help guide you through the interview process, help clarify important points and generally add back-up to the process.

Work with your Consultant in making your choice of candidate to appoint. If you don't think that the right person is there, then be very objective when explaining why but, don't leave out the subjectivity as that can be a critical factor in a smaller operation.

Making an Offer:
Involve your Consultant as much as you want during the early stages. You may wish to convey the offer to the chosen candidate yourself or ask your Consultant to do it. Both have plus and minus points, and my advice is that you decide your approach with the help of your Consultant. Use your Consultant to sort out any initial questions or issues. They should have already advised you as to whether what you have in mind is likely to secure the candidate of your choice. Do not fall into the idea that your Consultant will bid the package up to increase their own fee: It is never to their advantage to do so.

The important thing to remember is that your Consultant is your professional friend, advisor and confidant. If you don't trust them in those roles then you have made the wrong decision! Use their expertise and knowledge and let them run as much of the process as you can. I have had very well established clients ask me to write the job and person specifications and simply present them with my choice of candidate (I always give two reserves!). The process always works well when there are mutual trust and respect and that, really, sums up the relationship you need to establish and preserve.

Key Points:

- Do your homework on Consultant selection
- Put real thought and care into the job description and personal profile and be prepared for some compromise
- Agree fees and time scales with your chosen Consultant
- Work with them to ensure the best outcome for your Family Office
- Your people are your greatest asset: choose wisely!

Dudley Edmunds is a veteran in global financial markets recruitment. His speciality is wealth management, private banking and Family Office. He now works as an independent Consultant but has associates in France, Singapore and Switzerland. His works very closely with his clients whether it be on a start-up or the hire of a senior executive.

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SHOULD PUBLIC PENSION FUNDS REDUCE THEIR HEDGE FUND ALLOCATIONS

Agecroft Partners, LLC

CalPERS was the first high profile public pension to pull out of hedge funds and was followed a year and a half later by one of the New York City retirement plans. Recently, the number of public pension funds exiting or reducing their hedge fund exposure has accelerated. We believe this trend will increase over the next 12 months due to growing political pressure on investment staffs of public pension funds from the media, union employees, and politicians. The pressure is being driven by unrelenting negative articles about the industry focused on the recent poor performance of various hedge fund indices and high fees.

This trend comes at a time when the average public pension fund is only approximately 74% funded based on an average actuarial rate of return of 7.5% according to a research report from Wilshire Consulting's Investment Research Group. Many professionals believe that this expected return is unachievable in today's low-interest rate environment. If the actuarial rate of return were lowered to approximately 4.5%, which is what corporate pension funds are required to use, the unfunded liabilities of public pensions would skyrocket.

Many critics cite the underperformance of hedge fund indices, as compared to equity benchmarks since the 2008 market crash, as the basis for existing hedge funds in favour of an increased allocation of stocks. This strategy strains limits of portfolio diversification as many pension funds already have equity allocations near all-time highs. Notwithstanding the diversification issue, does it really make sense to increase equity allocations after a six-year period where the market has gone almost straight up, and current valuations are well above their historical averages?

It is important to review why pension funds significantly increased their allocations to hedge funds and re-examined these reasons in the current environment. The catalyst for this growth was the market sell-off of 2008 during which time most public pension funds sustained large losses across their portfolios. Public pensions increased their allocation to hedge funds in order to enhance returns, increase diversification, and reduce downside volatility.

Donald A. Steinbrugge, CFA
Agecroft Partners, LLC

Can hedge funds increase the forward-looking returns of pension funds?

Pension funds must prudently invest the assets of plan beneficiaries. Most pension fund managers apply modern portfolio theory to construct diversified portfolios across multiple asset classes on the Returns. For each component of their asset allocation, this requires a forward-looking forecast for expected return, volatility, and correlation to other components of the portfolio. These assumptions are based on a combination of long-term historical returns for an asset class, current valuation levels, and economic forecasts. Together, these variables are applied to optimisation models to help determine the asset allocation with the highest expected return for a given level of volatility.

As of the end of the 3rd quarter of 2016, the Barclays Aggregate Bond index was yielding approximately 2%. This would result in most pensions using a forward-looking return assumption of approximately 2.5% for core fixed income. Many public pension funds have significant portfolio allocations to core fixed income (23.4% according to the Wilshire Consulting) which often comprise largely investment grade bond holdings. To enhance pension fund returns, hedge funds do not need to outperform equities. They only need to provide returns uncorrelated to equities that will outperform fixed income.

Do hedge funds add diversification and help reduce the tail risk of a pension fund's portfolio?
One practical shortcoming of applying modern portfolio theory when diversifying allocations across multiple asset classes is that these models have proven to break down during severe market sell-offs. This was a painful lesson learned by pension funds in 2008 when almost all segments of their portfolio declined simultaneously. The reason these models break down is because two of the inputs are dynamic. When markets sell off, correlations among both long-only investment managers and asset classes tend to rise significantly. When combined with a spike in volatility, this creates much more tail risk than originally perceived. In contrast, many hedge fund strategies have correlations that are very low relative to the capital markets benchmarks and some have the potential to become negatively correlated during a market sell-off. This was seen in 2008 when a few hedge fund strategies posted positive returns.

Many pension funds were fortunate that a relatively quick recovery of the capital markets was precipitated by quantitative easing. However, equities can sustain significant declines for long periods of time. For example, the US stock market declined over 80% during the great depression and took 23 years to recover. The Japanese Nikkei index hit an all-time high of approximately 39,000 in 1989, and more than 25 years later is still below half its peak. Since most public pension funds are heavily under-funded, a prolonged sell-off in the capital markets would leave many pension plans unable to pay benefits without increased funding at a time when state and local governments can least afford to make additional contributions to these plans.

Three keys to investing in hedge funds to help improve the probability of success.

1. Understand that hedge funds are not an asset class but a fund structure consisting of numerous investment strategies. The performance of hedge fund strategies and their correlations relative to long-only benchmarks varies greatly. In a diversified hedge fund portfolio, choosing the right strategy is more important than manager selection. Successful investing in hedge funds requires choosing strategies that will enhance a portfolio in the context of an investor's objectives. Some examples include:

- Reduce the volatility and tail risk in the portfolio.
- Outperform the risk-free rate by 4% annually.
- Build a portfolio of fixed income-oriented strategies that will enhance the risk-adjusted return of the fixed-income portion of the portfolio.
- Outperform the equity markets with less risk.

Each of these objectives requires a very different composition of hedge fund strategies and benchmarks.

2. Selecting managers who are likely to outperform is critical. With low barriers to entry and over 15,000 hedge funds in the industry, we believe only 10% of managers deliver on their value proposition and justify their fees. This is why hedge fund indices, which track performance across the industry, perform poorly.

Hedge fund managers should be evaluated across multiple factors including organisation, investment team, investment philosophy and process, performance, risk controls, and service providers. The managers who have the highest probability of outperforming are those who rank well across each of these factors, have identified (and can clearly articulate) an inefficiency in the market, and have a differential advantage in capturing that inefficiency. The biggest mistake many investors make is only investing in the largest managers with the strongest brands. Unfortunately, many of these managers have allowed their assets to swell well above their optimal capacity which causes returns to be diluted. Often the best performing managers are small and midsized managers with nimble investment portfolios.

3. Fees matter. Despite many articles to the contrary, the traditional hedge fund fee structure of a 1.5% to 2.0% management fee and a 20% performance fee, is not dead. This is what most investors continue to pay unless they are investing in emerging managers that are offering founder's share discounts or 40 ACT funds. However, many hedge funds have begun to scale or negotiate their fees schedule, providing meaningful discounts for larger allocations. Large pension funds should not be paying traditional hedge fund fees to most managers.

In summary, though hedge funds can help enhance returns, reduce volatility, and help reduce tail risk, we expect to see more pension funds exiting or reducing their allocation to hedge funds due to mounting political pressure. Some pension funds will reduce their allocation methodically by focusing on those strategies that best meet their objectives. Others will do so haphazardly, unfortunately to the detriment of their plan beneficiaries. Agecroft Partners encourages any public pension fund investment professional, before making decisions about their hedge fund portfolio, to attend the Gaining the Edge-Hedge Fund Investor Leadership Summit in New York City on December 7th on a complimentary basis. At the conference, investors will hear many of the world's leading hedge fund investors provide insights about which hedge fund strategies look the most attractive given current capital market valuations and their economic forecasts.
Donald A. Steinbrugge, CFA – Founder and CEO, Agecroft Partners

Don is the Founder and CEO of Agecroft Partners, a global hedge fund consulting and marketing firm. Agecroft Partners has won 32 industry awards as the Hedge Fund Marketing Firm of the Year. Agecroft is in contact with over two thousand hedge fund investors on a monthly basis and devotes a significant amount of time performing due diligence on hedge fund managers.

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UHNWI CUPID
THE FAMILY OFFICE MATCHMAKER
IVY INTERNATIONAL

Remember Zach Efron trying to get a date on Tinder? The poor guy hardly got any "right swipes" because let's face it, why would he even be on Tinder? Well, he was, and it proved that the dating game for the rich and famous is even harder than it is for "the regular folk." Enter Ivy International, a fast-growing and global matchmaking agency. At the helm of the operation is Inga Verbeeck. Her relentless entrepreneurial drive and ambition have put Ivy International in a leading position in the industry, in no time.

Inga Verbeeck
Ivy International

"There isn't a single key to our success. It's a combination of things, but one of the biggest factors is our deep and personal understanding of our clients and ability to perceive their lives from their perspective. This is of vital importance because you have to understand their world. They can't create a profile on Match.com or OK Cupid. It will only lead to disappointment. Potential matches won't believe it's them and if they do, they're only after their 15 minutes of fame." - Says Inga Verbeeck.

Inga, can you give us an idea of who your clients are?
Our portfolio varies from well-known actors to wealthy entrepreneurs, musicians to CEO's of Fortune 500 companies and baronesses, a clientele that wants their personal lives to remain private and find a match in a discreet way. A very diverse clientele too, yet all have two things in common: they're open to finding their match but want to do so in a discreet way and want someone they can consider an equal.

Why are people, that should have it easier because of their success and status, having a hard time finding love?
First: they're busy. Running their business, going from set to set and so on. When you enter the dating-game, you need to invest time, and that is the one commodity our clients do not have in abundance. It can take years for them to find a kindred spirit and often they do, but it just took them very long to do so. We want to make that time shorter and make sure they are happy with their partner for as long as possible. Wealthy men and women also come across a lot of individuals that are only after their money. The infamous "gold digger" is definitely real and they might sometimes provide a moment of fun, but always leave a hole, in the heart and often also financially.

How does the process with Ivy International work? Let's say I want to sign up, what happens next?
We will take our time to get to know you. It is an organic process. One of our experts comes to meet you in person. We want to know what drives you, what your passions are, what makes you tick, what makes you laugh, cry, really get to know you. Simply find out who you are, and coach you if needed. We use all this information to create a profile, and at that point, the pawns start moving, and we go through our entire network to find a match. This kind of personal service, also quickly justifies the fee we ask for our service and our clients understand that quality has a price and need little convincing. Finding a match is not a matter of days, so we do manage expectations from the initial conversation. Our process is organic, where we deeply get to know the clients and where we will guide you on your path to personal happiness.

Ultimately, it is about finding the right partner. We coach, give confidence where needed, engage in a coaching conversation about certain hurdles we need to overcome together, or simply helping our clients discover a new side of themselves and enable them to the best in others when it comes to their personal lives. One profile presentation and introduction at a time, we confer, learn, direct and steer towards success. As we go on this exciting journey with them, we learn more about our clients, and they learn more about themselves. Each path is different depending on where their mind and heart is, as well as their awareness. Each process is unique and is always completely tailored to the individual needs of the client.

You used the word "coach", what does that mean?
The matchmaker is the client's personal guide throughout the entire process. Some of our clients have been separated, divorced or have been single for a long time. We'll help them gain confidence if needed, give styling advice, basic do's and don'ts for dating, cultural differences, and so on. Again, it's all about the individual assessment and tailoring our service to each client's individual needs.

With your global network of bachelor's, do you match people from different countries?
Oh, absolutely that's the core of our international presence. We have the ability to introduce people you will probably never come across in your daily life because we have access to different networks, different circles in your own region and also far beyond. This provides opportunities and offers variation and options you might not have thought about. Life and love might become very enriching when we cross borders, in more than one sense! We've learned for example that Italian men prefer not to be matched with Italian women. They think they'll be too demanding and give them a hard time. French women have a feeling that French men are not very loyal and want us to look elsewhere. In this day and age, it's much easier to look beyond our own borders to find a match. Our clients already have a "global mindset" and are open to finding a match outside of their immediate geographical range. If both parties are equally invested, no matter which ocean is between them, the relationship will work.

What do the wealthier men and women look for in their potential significant other? Is there something you see that is a trend, no matter where your client is from?
All women like a man with style. Whether that is a tailored suit, nice shoes and attention to detail in his outfits or a rugged style with class. A strong man, a leader and a good sense of humour. Men should be men and masculinity within a gentleman is what women want! Women simply need to be able to look up to their man. Men look for a woman that is educated, intelligent and inspiration. Financial equality too, however most men are in fact intimidated if she makes more than he does.

What is the success story you are most proud of?
We have a lot of amazing and beautiful stories, but some that prove to be challenging are often the most rewarding. A very successful French businessman came knocking in search of a new partner. He lived in Asia and had a very good, deep understanding of the world and that combined with his history with finance and women, was bound to be a challenging task and it proved to be just that. We had four meetings with him and discussed all possibilities before he signed up.

Hardly ever a smile, very critical and demanding that we were lost for a minute. Then walks in a new female client. We knew straight after our first meeting with her; she simply was the one for him. That feeling was based on details, rather than fundamentals as well as pure intuition. Sometimes you just know, and we arranged everything for them to meet three weeks later. Two months after that first date we received a beautiful letter, with a poem from the man, citing about how he found the love of his life.

Where do you see the business evolving?
Our goal is to reach 5000 clients. It will allow us to do an even better job because we'll have a larger base of men and women available.

THE ARTIST OF THE PEOPLE

TAHA EL-KORANY

by Jehane Ragai, Emeritus professor of Chemistry Author of "The Scientist and the Forger"

Taha El-Korany, identified in Egypt as the Artist of the people, is renown for his pioneering work on indoor murals and for his brilliant handling of cultural aspects of Egyptian life. He strives to develop close relationships with his subjects and is therefore frequently accorded privileged insights into their lifestyles. His compassion and profound knowledge of myriad aspects of Egypt's rituals are vividly conveyed in his artwork.

El-Korany's celebrated mural (Souk el Goma'a or The Friday Market*), provides a panoramic view of the typical Egyptian Friday Market in Cairo's old Sayeda Aisha neighbourhood. Through it, El-Korany paints the poignant plight of Egyptian society's most underprivileged members.

SOUK el GOMA'A

* People come for all over Egypt and spend Thursdays in Cairo to sell their merchandise on Fridays before returning to their home towns or villages with their meagre earnings.

Labouring seven years to finish this artwork, during which he visited the market on a weekly basis taking photographs and painting initial sketches, El-Korany's major aim is to deliver a message about the poor sellers and their life's ordeal. In his highly expressive rendition, he depicts female sellers carrying their infants; poor street vendors selling their plain products and buyers bargaining for lower prices. No face is like another, yet each conveys a unique sense of resilience and courage in front of life's trials and tribulations. "I felt a need to be the voice of these poor people" he would exclaim.

In 2007 Souk el Goma'a was included in the Guinness Book of Records as the longest mural ever created (Height 140 cm, Length 23m). Using a video camera El-Korany took footage of the market dynamics and found it difficult to ignore any of it's aspects and components. This led him to a continued expansion of his mural until it reached it's record size. El-Korany also painted long murals depicting Egyptian Festivals (The Festival or el Mouled) and the 2011 Egyptian revolution (el Thawra) .

THE FESTIVAL (el Mouled)

About 3000 Festivals are held in Egypt every year, part carnival, part mystical expression. The most important being the one held in Tanta celebrating the birth of Ahmed el Badawi, a 13th-century Sufi saint. It took El-Korany 5 years to create the el Mouled mural, during which he video recorded 72 hours of different festivals.

THE FESTIVAL

His impressive mural el Thawra depicting the main highlights of the 2011 Egyptian revolution reminds us of the aspirations of a nation struggling for reform, freedom and religious harmony. Such aspirations are expressed through moving renditions in his paintings and murals. The el Thawra mural was successfully exhibited in 12 governorates in Egypt.

Towards Religious harmony

According to El-Korany the uprising was led by the suffering poor portrayed in Souk el Goma'a and el Mouled.

Battle of the Camel**
THE REVOLUTION (el Thawra)

Proud of his Pharaonic heritage, and attracted by the Ancient Egyptians' ability to record cultural as well as historic events on murals, he developed his own interest in that art form and transcending time and space he blended the old with the new. El-Korany's interest in art developed at a young age and it attracted the attention of his teachers at school, who recognised his remarkable artistic talent. To the dismay of his Azharite father, whose ambition was to see his son study Political Science, El-Korany greatest dream was to join an art school. He eventually studied Décor and with the support of his mother, who strongly believed in his talent, he ultimately managed to convince his father to approve his taking painting courses in parallel to his other studies.

**The Battle of the Camel: in 2011 pro-Mubarak thugs on horses and camels attacked protesters arrayed in Tahrir Square

EGYPT (Old and new)

El-Korany who has held close to fifty exhibits both Nationally and Internationally is a recipient of innumerable shield recognition awards and is extremely active in the promotion of art in Egypt and the Arab World. His very popular weekly cultural program "The Atelier" is watched by and inspires millions of Egyptians.

Your Caribbean

For peace, relaxation and pure blissful luxury, the islands of the Caribbean are a haven for those in search of an exotic winter escape. Your Caribbean offer a personal luxury travel concierge service, creating tailor-made itineraries for the islands of the Caribbean, from selecting an idyllic hotel, to private jet transfers and unique dining experiences, creating a bespoke holiday with an authentic Caribbean flavour. This two centre winter Caribbean break takes in the Grenadines and Barbados.

The Cotton House, Mustique
Mustique, in the Grenadines, is a remote tropical island with a wonderful year-round climate 100 miles west of Barbados. Envisioned as a private paradise, the Cotton House is the oldest building on the island and offers just 17 accommodations.

From the Tuesday night cocktail party in the Great Room of the Cotton House featuring the unique design of Oliver Messel to a visit to iconic Basil's Bar in Brittania Bay for its legendary blues festival in January and February, a stay in Mustique offers a social experience like no other. Hire a jeep, known as a mule and explore Mustique and its rainbow-hued boutiques and fish markets, then lie atop your mule as you enjoy a movie on the Cotton House lawn.

The Firefly's central cocktail bar is also renowned for its views across Brittania Bay, while the Cotton House's Veranda Restaurant and Beach Bar café in Endeavour Bay add to the culinary delights in store.

At the Cotton House, choose to stay in a Garden Cottage with Caribbean styling and calming garden views, a Sea View room with double bedroom, private plunge pool and the calming waters of the Caribbean as your morning view, a two storey Duplex Garden Suite or new for Autumn 2016, a Deluxe Garden Suite designed by award-winning French interior designer, Tristan Auer. Finally, offering unrivalled privacy, The Residence provides two bedrooms, private pool, outdoor shower and stunning views across the Atlantic.

The House, Barbados
Located on the west coast of Barbados, this adults' only intimate hotel offers just 34 private junior and one bedroom suites and is home to Daphne's, the iconic beachfront Italian restaurant with its famous siblings located in London and in New York's Upper East Side in the guise of Le Caprice. The cuisine is integral to The House, from the regional style dishes and seafood of Daphne's from Executive Chef Michele Blasi to champagne breakfast, afternoon tea, evening canapes and fresh fruit on the beach. There are plenty of activities too with three swimming pools, an aqua school offering a wealth of watersports, plus spa treatments, aqua aerobics and Pilates courtesy of sister hotel the Tamarind located just next door.

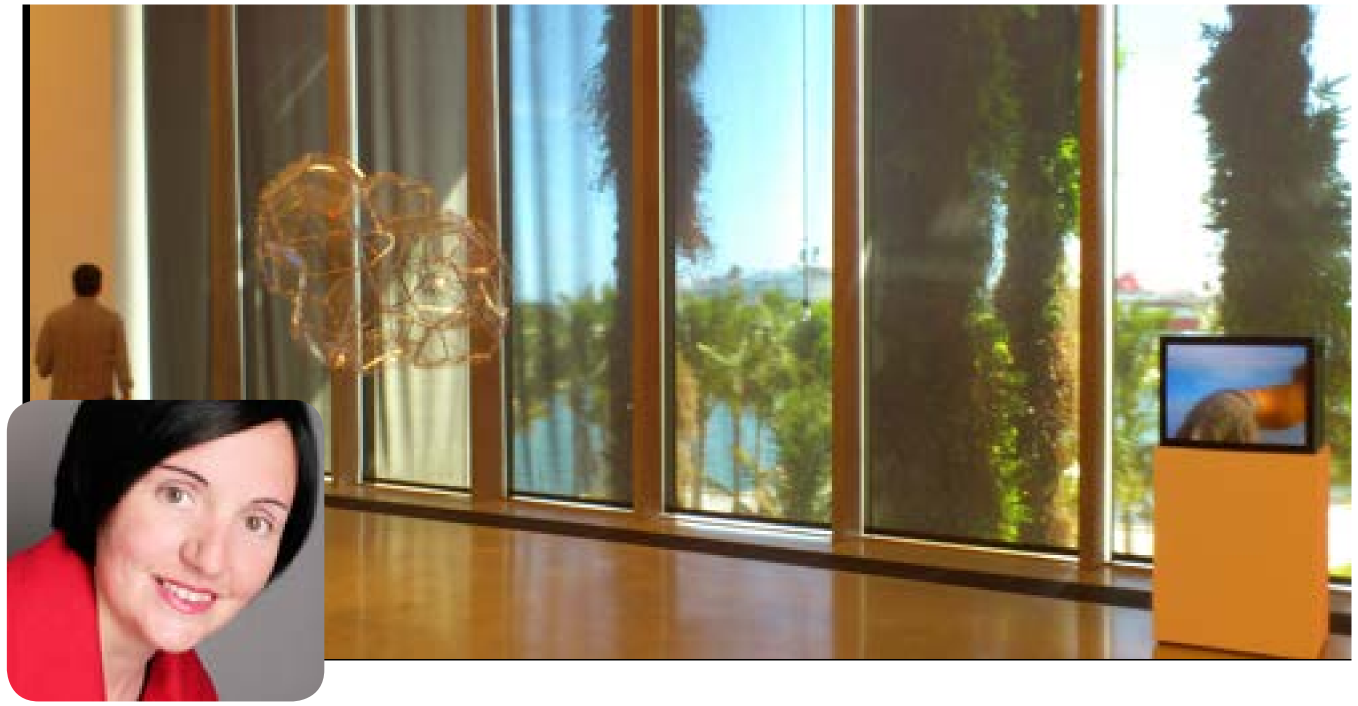
There is much to tempt you to explore the island of Barbados. Its capital Bridgetown, a UNESCO World Heritage site is full of pretty, pastel coloured buildings so redolent of the Caribbean.

The Kensington Oval, which will once again host England as they play the West Indies in March 2017, will delight any cricket fan, and venture further down the coast to visit Oistins, famous for its Friday night fish fry or to the top of the island for St Nicholas Abbey, a beautiful plantation that evokes the history of Barbados. Meanwhile, back at The House, select a Junior Suite with pool or garden view, an Ocean View Junior Suite or their equivalents with separate bedroom for guaranteed peace and relaxation upon your return.

To tailor your perfect escape to the Caribbean, please visit www.yourcaribbeantravel.com or call 01932 480046.

MIAMI RIVER ART FAIR

The Gates of Paradise



by Dr. Barbara Aust-Wegemund - Art Historian & Managing Director at Art History Consulting

Art Basel Miami Beach is one of the world's most successful art fairs, which takes place at the same time as numerous satellite art fairs in the first week of December. In the heart of Miami Downtown, Miami River Art Fair reflects the urban landscape of Miami and responds to the city's rapid growth as a cultural destination. This year the curated exhibition, titled "The Gates of Paradise", will be showcased at Miami River Art Fair, based on a conceptual background. "In 1425 Lorenzo Ghiberti was commissioned to design a pair of bronze doors for Florence's Baptistery. He laboured on the task for 27 years, fashioning a masterpiece that Michelangelo called "truly worthy to be the Gates of Paradise" for its remarkable beauty and grandeur", Dr Barbara Aust-Wegemund, the curator and art historian explains.

What about THE GATES OF PARADISE today? The word paradise conveys the meaning of a beautiful garden, where living creatures are in peace and harmony with one another. Today a massive worldwide flow of people is in search for a peaceful place to live. The curated group show poses the question what is the paradise today and how can we live authentically and being part of a globalised world. Celebrating international emerging and established artists in Miami, selected artists created theme specific artworks for the show "The Gates of Paradise", among them: Tracy L. Barwick (USA), Stefania Bertini Cavelti (Switzerland), Eckhard Besuden (Germany), Dorene Ginzler (USA), Yuriko Hirose (Japan), Ai-Wen Wu Kratz (USA), Barbara Krupp (USA), Karen Mulder (USA), Anja Sieber(Germany) and Inna Timokhina (Switzerland). To remember to the Italian Renaissance scientist and astronomer Galileo Galilei, the artist Anja Sieber was thinking about the original concept of the series consisted of the idea of "starry sky" (in Latin sidereus nuncius), since Galileo directed his telescope to numerous other heavenly bodies besides the moon. So she realised an installation of "heavenly bodies". The position of these "stars", to which she

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has taken out every "glimmer of light" and provided them with artistic surface structures, mountains, valleys and craters, is in itself not bound by a "natural" reconstruction of any stars.

Dr Barbara Aust-Wegemund, born in Zurich (Switzerland) is an Art Historian and Management Director at the art consultancy AHC (art history consulting) and gallery AHC Projects, based in Hamburg (Germany). She studied Art History in Kiel (Germany), London (UK) and Perugia (Italy). The art historian supports artists who able to blow away boundaries and establish the future aesthetics of art. Dr Barbara Aust-Wegemund curates the exhibition with a strong emphasis on cultural exchange and takes part at acclaimed art fairs in Hamburg, Hong Kong, Miami.

PHILANTHROPIC CAUSES

UNIVERSAL FILM AND FESTIVAL ORGANISATION

The Universal Film & Festival Organisation (UFFO) was founded to support and implement a best business code of practice for film festivals throughout the world. It is now dubbed 'FEST-COP', and its logo is now a familiar sight at many film festivals. The UFFO is a global not-for-profit voluntary organization, and it created its remit of a best business code of practices for film festivals to combat the high level of corruption that blights the industry.

Its president is legendary actress Maureen O'Hara and the organization now has at least 225 film festival members.

UFFO's FEST-COP is entirely voluntary, free and easy to implement. Also, it is a blueprint for filmmakers in deciding which film festivals to do business with. Only film festivals that have subscribed to the UFFO best business code of practice are entitled to use the UFFO logo.

The organization is now seeking a benefactor to help it move forward with its plans to further its remit and to create an online porthole payment system to ensure filmmakers can deal with film festivals via a trusted source. The porthole will also act as a distribution platform and as an online TV channel.

UFFO is now planning the 'Best of Festivals' event and bringing the member festivals, their best films, actors, directors and producers to one event that will rival the biggest events in the world.

Email info@uffo.org. - www.uffo.org

The Off Market Property Portal and Network

ULTRA PRIMUS

A discreet marketing solution for HNW advisors..

ULTRA PRIMUS

Ultra Primus announced the launch of a members-only service enabling the sale of off-market residential properties.

Catering to those owners who seek to sell their property in a discreet yet efficient manner, the service will enable property intermediaries and advisors of High Net Worth/ Ultra High Net Worth individuals to notify other relevant individuals and companies about their off-market listings whilst: retaining full control over the amount of property information disclosed, respecting their client's request for privacy and; ensuring that a 'digital footprint' of the listing is not created. Art Jenkins, director of Ultra Primus, commented "Having partnered with luxury brands including Rolls Royce and Parmigiani Fleurier on our recent property events, we were increasingly being contacted by buying agents, selling agents and other property intermediaries regarding their off-market properties. We know that the process of selling or sourcing off-market property is unnecessarily laborious and felt there was clearly a way to ensure that property 'listing' remains confidential while also efficiently allowing a larger relevant audience to enquire about said property.

Having received input from people working in the off-market sector, we are now delighted to launch this service and have already received considerable interest from companies and individuals representing luxury off-market properties from around the world.

Remarking on the scale of the opportunity, Art noted "we expect to become the focal point for what is already an attractively sized market, however, we also believe that by making these transactions more efficient, we will be able to grow the size of this niche overall. The motivations for selling off-market are numerous including privacy for high-profile owners, pre-marketing a new development, divorce, not wishing to notify neighbours and eliminating the 'digital footprint' created by an 'on-market' listing. Thus many more properties could be sold in this, more discreet, manner if property owners knew there was an efficient mechanism for their advisors and agents to use. While current methods - relying on professional and personal networks - do produce some results, they mainly focus on the seller's requirement for discretion while not necessarily being efficient or making enough relevant buyers aware of the property's availability. We would, therefore, describe our service as a significant enhancement to the current marketplace. Crucially, as a portal, we do not charge a percentage commission - simply a low, per-property fee (with no on-going costs) - and this further simplifies the transaction process for the representatives of both the buyer and seller".

Whilst the focus of the service will be luxury residential properties (including; city townhouses, apartments/ penthouses, country estates, vineyards & equestrian holdings) we also encourage other property listings if relevant to HNW and UHNW buyers, including residential investment portfolios and boutique hotels.

Elena Reva, LH Developments
host of a recent Ultra Primus event in London

Art Jenkins,
Ultra Primus CEO

About Ultra Primus

Publisher of the world's most exclusive property magazine and organiser of some property showcase events including in Wentworth Woodhouse (UK's largest private residence) and Amazon Property's £10m Pall Mall penthouse, Ultra Primus is focused on exceptional properties. After being approached about numerous off-market properties – from listed London townhouses to boutique hotels on Capri – the company now operates a members-only, off market property portal.

What is 'off-market' property? 'Off market property' describes a property which is offered for sale in a discreet manner with no public advertising. Although there are various definitions of 'off-market' (ranging from complete discretion through to simply ensuring that a listing is not publicly available online), the Ultra Primus off-market platform ensures that all types of off-market property can be accommodated by giving full control over information disclosure to the representative of each property.

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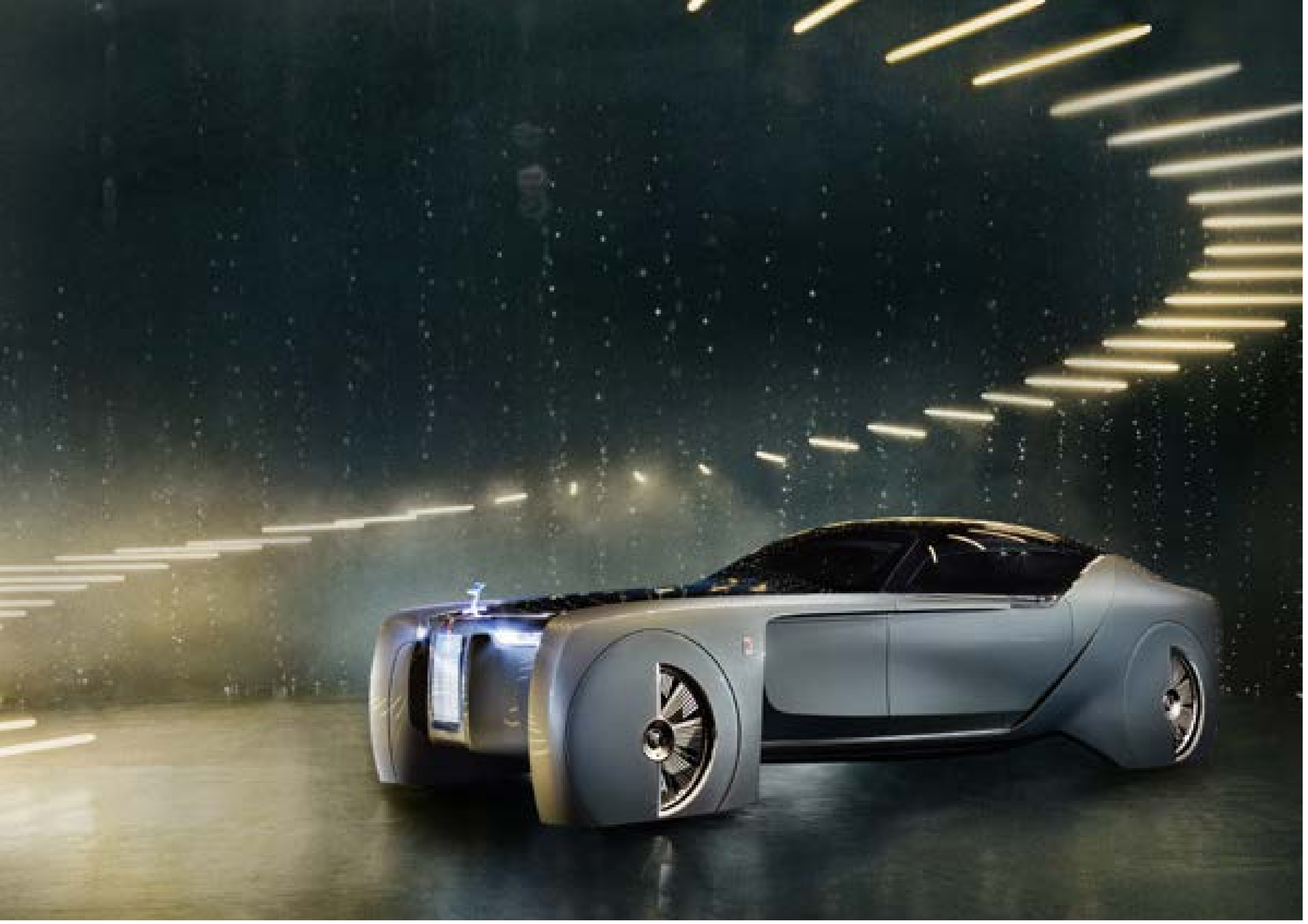


ROLLS-ROYCE VISION NEXT 100 MAKES NORTH

Enhancing the Charter Catering Experience is on the Menu

"Today, Rolls-Royce, the world's leading luxury brand, has defined the future of luxury mobility. The Grand Arrival of the Rolls-Royce VISION NEXT 100 boldly points to a bright future for our marque where our patrons' individual demands for complete and authentic personalisation will be met through an exquisite fusion of technology, design and hallmark Rolls-Royce craftsmanship."
Torsten Müller-Ötvös, Chief Executive Officer, Rolls-Royce Motor Cars
"With the Rolls-Royce VISION NEXT 100 we were mindful not to dwell on the past. We wanted to be as innovative as possible and at the same time transcend the design history of the marque."
Giles Taylor, Director of Design, Rolls-Royce Motor Cars

The Rolls-Royce VISION NEXT 100, codenamed 103EX, today made its North American debut at the historic Barker Hangar in Santa Monica, California. 103EX is the marque's first ever pure 'Vision Vehicle' and defines the future of luxury mobility. It presents an intriguing and aesthetically dynamic vision of the future of luxury mobility – a completely personal, effortless and autonomous Rolls-Royce experience, wrapped in a design that ensures a 'Grand Sanctuary' for its occupants and a 'Grand Arrival'.

103EX is one of four visionary creations announced by the BMW Group in Munich on 7 March 2016, as it launched its centenary celebrations.

In addition to being the centenary of the BMW Group, 2016 also represents a seminal moment in the history of Rolls-Royce Motor Cars. For Rolls-Royce, the end of production of the seventh generation Phantom – considered by aficionados to be "the best car in the world" – represents the completion of the first phase of the Rolls-Royce brand's renaissance under BMW Group custodianship. The success of Phantom, Ghost, Wraith and now Dawn serves as the foundation for a bold new chapter.

103EX is the vision of the Rolls-Royce Motor Cars design team, led by Director of Design, Giles Taylor. In the spirit of the great coach-built cars of the past, Rolls Royce will create the chassis of the future, hand-built from the most advanced materials and powered by a zero emissions powertrain.

The Legacy of Eleanor
The 'Voice of Eleanor' inhabits 103EX, delivering the dream of an effortless future to her owners. Digitally connected to every aspect of her owners' lives and her surrounding environment, 'Eleanor' becomes their virtual assistant and chauffeur, freeing them of all effort and encumbrance. Ever vigilant, 'Eleanor' safely delivers her passengers to their destination, having already predicted the situation and surroundings that await them.

The Grand Sanctuary
As one would expect from a Rolls-Royce, the environment of the Grand Sanctuary is crafted from the most precious and contemporary of materials. What is unexpected is the feeling of lightness and simplicity, an effortless elegance. The centrepiece of the cabin is the beautiful sofa. The best seat in the house, it is an exquisite, futuristic interpretation of modern furniture design. Clothed in the most opulent fabrics, it gives the impression of floating within the cocoon of the cabin thanks to the artful use of lighting and modern materials.

The Grand Arrival
The very size of 103EX announces the importance of its precious cargo. At 5.9 metres long and 1.6 metres high, it mirrors the perfect dimensions of today's Phantom Extended Wheelbase, whilst the ever constant Spirit of Ecstasy grows in stature, harking back to the regal Phantoms of the 1920s. Hand-crafted by the finest European glassmakers of today, she lights the way to the future of luxury.

She is poised atop the re-imagined, yet still iconic, Pantheon grille with the red Double-R badge of an experimental Rolls-Royce. Whilst this radical new design language also contributes to an effortless, unruffled journey thanks to improved air flow and reduced air resistance, its unquestioned drama delivers a grand arrival.

"The Grand Arrival gesture of the Rolls-Royce VISION NEXT 100 creates a stage for our important passengers as they arrive at their ultimate destination," comments Taylor. "It is an expression of our intrinsic understanding of the possibilities for a true luxury brand and the desires of its customers."

THE VALUE OF ASSURING CLEAR LEGAL OWNERSHIP OF ART

FOR FAMILY OFFICES AND HNWI'S

Lawrence Shindell
Executive Chairman
ARIS Title Insurance Corporation
Member of Argo Group International Holdings, Ltd. (NASDAQ: AGII)

Lawrence Shindell
ARIS Title Insurance

Collectors in today's global art world should consider securing a third-party insurer's guaranty of clear legal ownership of their artworks, just as they insure through title insurance the ownership of the homes they buy. Collectors who run companies address this same issue in their M&A transactions, where they always assure that purchased assets are free and clear of any claims.

Assuring clear legal ownership for your art, or art you wish to buy or sell, is no luxury item. While nobody in the art world thinks that title risk will strike them, the art market gives us daily news from around the world that legal title or ownership risk is real and pervasive. Importantly, the issue is not just about how a given collector (or his or her dealer or advisor) assesses the title risk of an artwork on the date of purchase. The issue is often as much or more about how counterparties will perceive this risk when it comes time to sell, donate or use the art as collateral for a loan, or to transfer the art to a foundation or other tax-based structure as part of estate planning, where fiduciaries are typically involved.

Five ways to make sure

Taking measures to mitigate art world title or ownership risk helps you:

1. Make sure you actually own and can enjoy the art you buy.
Smart, proactive collectors make title insurance a standard part of their purchase negotiations. Doing so mitigates both economic and reputational risk. Using title insurance helps to assure that collectors will not become embroiled in a transaction that goes awry—for instance, where a consignor has not been paid for an artwork that was not actually dealer owned-inventory and the consignor tries to claw-back the artwork.

2. Make sure you do not create liability for yourself or your family when it is time to sell.

It is one thing to say "to the best of my information and belief" that an artwork does not have a title problem. It is quite another to guarantee in absolute terms that the artwork presents no title problem, particularly for artworks which have any history predating the current ownership. Collectors and dealers, when they buy, can never be certain of the historical status of legal title to an artwork because of the non-transparent nature of the art industry. There is always some degree of unknown—even when buying directly from a living artist—which is why insurance for this kind of risk exists in the form of a third-party insurer's guarantee.

A title insurer with regulated privacy obligations is able to serve as a safe-harbor to create transparency of the transaction, which benefits both the seller and the buyer. This role helps to get done efficiently any well-intended transaction where neither party believes in good faith that a title problem exists, but they know that they cannot be sure of this given the nature of the art industry and want legal certainty.

3. Make sure it's easier and less expensive to use art as collateral for loans or to lend art for exhibitions.

Incorporating a title insurer's life-of-ownership guarantee of clear legal ownership of an artwork at the point of purchase makes it easier later to use the art in the market's evolving monetizing strategies—for instance, using artworks as collateral for a loan or lending artworks to a museum for exhibition. No sophisticated financial lender or museum today can afford to take the chance that a pledged or loaned artwork has a hidden legal ownership issue that will create economic and reputational risk for them as well.

4. Make sure you shore up your appraisals and valuations.

Different art market stakeholders, including property insurers, rely on appraisals or valuations of artworks, but appraisals or valuations do not vet legal title. By industry standard, this issue falls outside the scope of this work. Even if a due diligence provenance assessment is given, appraisals ultimately assume and do not financially guarantee as a more complex matter that legal title of an appraised artwork is clear. If this assumption proves to be untrue, then the actual value of the appraised artwork (for the presumed owner) is zero.

5. Make sure you manage "insurable interest" under property insurance policies.

The question of who owns an artwork when the artwork is stolen in a burglary and is later recovered—often many years later after the property insurer has paid the theft loss—can be a legally and contractually complex one. Many articles have been written on this one subject alone. Collectors who make it a habit to use title insurance in their art collecting should notify the title insurer of the burglary or theft of a title-insured artwork, advise the title insurer of who the property insurer is, and file a copy of the title insurance policy with their property insurer as part of their property insurance proof-of-loss.

Your one take-away

Good risk management when buying and selling art today should be viewed simply as a waystation in the pursuit of passion and investing in art. The complexity of questions of legal title or ownership increases every day in the art world and is broader than the art industry's traditional focus on provenance. (Deeper information on these subjects can be found in an article recently published by Museum Management and Curatorship. Broader reading on the complexities of today's global art market can be found here.) The take-away for collectors is: all these issues of legal ownership are manageable; they simply require and invoke new and proactive best practices by all those involved in art collecting.

About the author:

Lawrence Shindell regularly advises, speaks and writes internationally on the legal title risks inherent in the global art and collectibles market for a spectrum of industry stakeholders that range from individual collectors to institutional, regulatory and capital markets. He is a lawyer by profession who holds licenses in a number of U.S. jurisdictions, including admission to the Bar of the Supreme Court of the United States.

www.aristitle.com

INVESTING IN DIAMONDS THE PERFECT PASSION INVESTMENT

by Yaniv Marcus

The superiority of diamonds as an investment is no longer the secret that it once was. In the wake of the breakdown of the world economy eight years ago, investors, wealthy families and their financial managers were forced to reevaluate how they were stabilising and growing their wealth. Rather than the traditional private equity and venture capital fund strategies of the past, people with significant wealth and motivation for growth are now being enlightened about this new kind of direct investment with almost implausible sounding yields.

The concept of investing in diamonds is not a recent development, as royalty and wealthy family dynasties have been buying and trading them for this express purpose for centuries. The earliest known such diamond is the blue Hope diamond, which was sold to the French royal family as part of the crown jewels and has an exciting and storied history since, ending with its acquisition by Harry Winston in the 1950s. The most recent example is the 12.03 carat blue diamond that was purchased by Hong Kong billionaire Joseph Lau, the Blue Moon diamond, for $48.5 million. This price made it the highest price ever paid for any diamond and started a blue diamond frenzy. Whether it is the 1700s or the twenty-first century, diamonds are still one of the most appealing assets for the wealthy. Diamonds are a staple feature in every royal family's crown jewels, but they were also crucial possessions for travelling merchants and eventually affluent traders and businessmen. The common denominator was the convenience and viability of diamonds and their longevity. The main thing that has changed in the investment diamond world is that while for a time it was large colourless diamonds that prevailed as the most in demand, this has since evolved its focus to fancy colour diamonds. Colourless diamonds (known as white diamonds within the industry) are regulated and don't offer much ROI if at all. Fancy colour diamonds, especially blue diamonds, pink diamonds, and red diamonds, offer incredible returns when they are bought, held and sold strategically. Let's dive into some of the reasons why fancy colour diamonds are such attractive investments.

Wealth Concentration

It can be hard to believe, but diamonds pack so much more value per gramme than any other precious object on Earth. Take gold and platinum as an example. Neither of those assets has ever exceeded $100 per gramme, which is a lot of money to be sure. However, a Fancy Vivid Blue diamond was sold at auction last year for $48.5 million – and the diamond was 12.03 carats (2.406 grammes!)

That is an astounding value of $20.15 million in one gramme. Of course, not all investment diamonds cost in the tens of millions or even in the millions, but the same principles of value concentration are still true even for diamonds in the $100,000-$500,000 range. Below is a benchmark comparison of the value in 1 gramme of each of the following assets: Gold, Platinum, a famous work of art that was auctioned that day (in this case, a Picasso), a colourless diamond, and a fancy colour diamond (in this case, pink). The superior value of just 1 gramme of a pink diamond is well demonstrated. We chose to measure the value in one gramme to illustrate how much value is in the tiniest quantity of weight of each of these.

A benchmark comparison on May 13, 2015, of the value of one gramme of Gold, Platinum, a Picasso, a colourless diamond, and a pink diamond
Copyright: Diamond Investment & Intelligence Center

Control Over the Investment

Fancy colour diamonds are only recommended as investments for a thoroughly diversified portfolio. However, for someone with the right flexibility, an investment grade fancy colour diamond is an attractive and viable option. The beauty of fancy colour diamond investments is that the perfect diamond is chosen to suit the investor's needs, and is kept and disposed of at the owner's discretion. Therefore, your investment can be guided by your preference for a specific colour over another, and it can be enjoyed in any way that the owner may wish for any length of time. Diamonds are an eternal substance, and no amount of sunlight or usage will ever wear them out or detract from their mass, which makes them the only asset in existence that can actually be worn and enjoyed. Even after 1,000 years, a diamond will look the same as the day it was first polished. It can stay in a safe, be incorporated into a piece of jewellery, or stay as part of a collection. Just by the decreasing supply of fancy colour diamonds in the world market, it will passively gain enormous value.

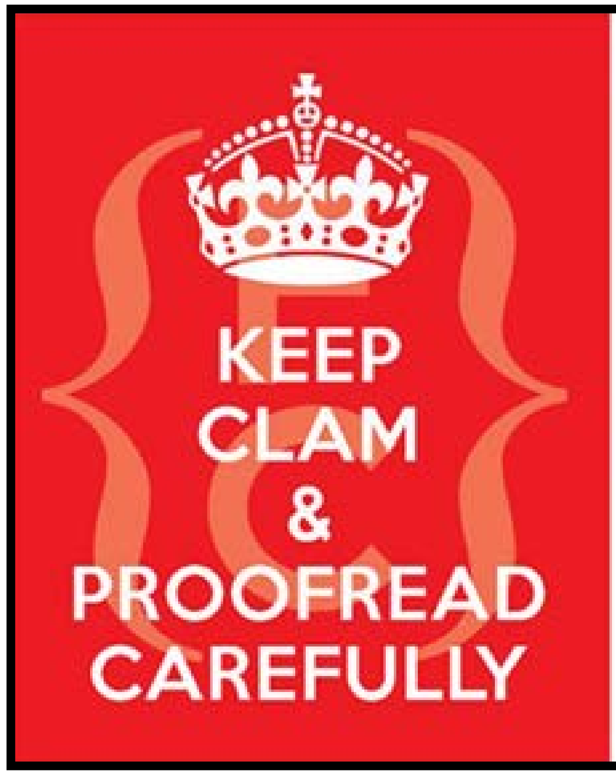
The recommended strategy is to buy and hold rather than a fast turnover, as fancy colour diamonds gain the most value over long periods of time (at least 20 years). That gives plenty of time to enjoy the luxurious asset until it is sold for a large return. Since this investment can be guided by your personal tastes, it is often referred to as a "passion investment" – an investment led by your passion. This is the only such asset in the market.

Alternative Investments

Many products are 'packaged' as alternative investments, such as luxury cars, fine wines, and even musical instruments. However, real financial advisors know that it is exceedingly difficult to find lucrative alternative investments with risk-adjusted returns. Diamond investments are an emerging asset class that has an extraordinary advantage over every other, their exclusivity.

Only one carat out of every million carats that are mined are fancy colour diamonds, and only one carat out of every tens of millions of carats are considered investment grade. Those odds, and the fact that no new diamond mines are being discovered and the fact that existing mines are close to depletion together equates to extreme rarity. No other asset class can even begin to compare with the rarity that fancy colour diamonds present. For those that are interested in an investment that is luxurious, exciting, and lucrative – this is the only one. Fancy colour diamonds are diamonds that appear in all colours of the rainbow, from red to blue to black, yellow, purple, and every colour in between. This colour occurs naturally during the diamond's formation process when it crystallises under the earth. Only diamonds that are naturally coloured will ever be considered an investment diamond, and not every colour of the diamond is considered an investment.

When choosing to invest in diamonds, it is crucial to consult a diamond investment specialist to ensure that you are investing in an investment grade diamond, that your price is appropriate, and that it is a diamond that can appreciate in value. With the right investment diamond, a wealth of success is a very real possibility.



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WEALTHY INVESTORS SAY VOLATILITY IS COMING

TIGER 21 Investors with $10-million or more expect political and market volatility in the months ahead

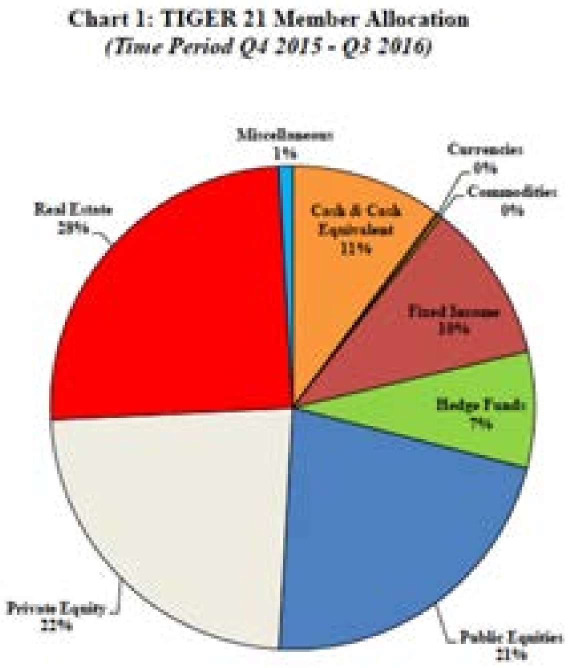
By Thane Stenner, CIM, FCSI

SUMMARY

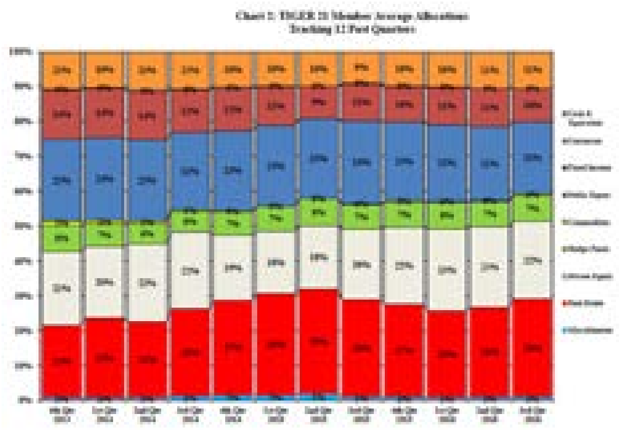
- Following the portfolio allocations of TIGER 21's high-net-worth (HNW) individuals is like a "master class" in investing and risk management.
- HNW individuals continue to hold high allocations of cash and to trim back fixed income allocations while boosting allocations to real estate.
- These moves reflect a heightened sense of financial vigilance against a backdrop of continued political and market uncertainty in the broader market.

As a hockey-obsessed young man, I remember plenty of Saturday nights spent in front of the TV watching my idols Bobby Orr, Guy Lafleur, and later, Mr Gretzky himself. I watched them for one simple reason: to be a better player. In a lot of ways, the experts were the best coaches I ever had. I believe you can do the same thing with investing, by watching great investors such as Prem Watsa, Peter Lynch, and of course, Mr Buffett. Over the years, the lessons I've gleaned from these investment greats have been very valuable, and very profitable.

Another group of people worth watching is the members of TIGER 21, a North American peer-to-peer network for investors with a minimum net worth of $10-million. Every quarter, the network asks its members to respond to an anonymous survey about their portfolio allocations: what assets they're buying, selling, or holding, and how those decisions have changed over the past quarter. Paying attention to what these successful investors are doing with their money can be like a "master class" in investing and risk management. TIGER 21 was founded back in 1999. Since then, it's grown to an active membership of about 400 individuals with an aggregate net worth of over $40-billion. It has groups in most major North American cities, and its members are all highly successful investors and capital allocators. Taken together, they represent an impressive bunch of "coaches" for anyone who wants to become better at building and preserving wealth. Looking back at the past quarter, there was continued uncertainty heading into a highly contentious U.S. election. Unsurprisingly, this mixed environment caused many TIGER 21 members to maintain a more cautious, defensive stance with their portfolios.



Source - StennerZohny Investment Partners+



Source - StennerZohny Investment Partners+

As always, there are several takeaways from the data:

Steady and defensive with cash

One of the most notable changes over the past several quarters has been the slow, steady rise in allocation to cash. While allocation held steady this quarter at 11%, it remains a strong signal that HNW investors remain notably cautious about market volatility. Keep in mind that the data above was collected during the lead up to the recent U.S. election, but well before the unexpected result was announced. I wouldn't be surprised if TIGER 21 members continue to build liquidity in the months ahead. Many professionals seem to be already doing that: Warren Buffett is now sitting on a cash hoard of about $85-billion (about 23% of Berkshire's current market value), while pension/endowment manager GMO is now at 40% cash weightings for its clients.

Continued exit out of fixed income

HNW investors continue to exit from fixed income: overall allocation dropped 9%, from 11% of the overall portfolio to 10%. This is a retreat from earlier quarters when allocation to fixed income crept up from a low of only 9% of the portfolio.

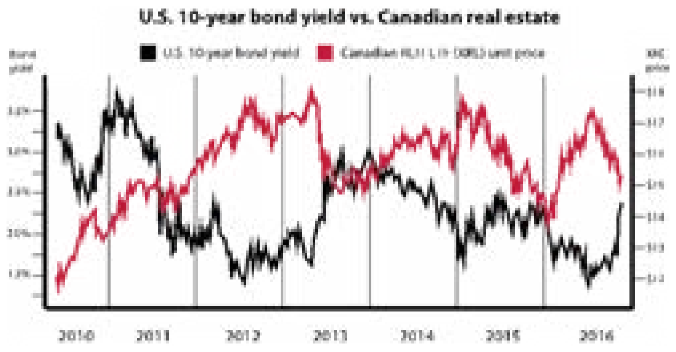
This seems to be a prescient move. Globally, there seems to have been a significant change of heart in interest rate expectations, with the long, steady downtrend in interest rates from a peak in 1981 to July 2016 finally coming to an end. Along with it, so is the 35-year bull market in bonds: rates on the US ten year yields going from 1.3% to 2.3% recently, and bonds have been decimated. Those who trimmed their fixed income exposure in Q3 likely saved themselves quite a bit of money. Given such a backdrop, I wouldn't be surprised if Tiger 21 members continue taking their fixed income money off the table.

"Buy American" trend in real estate

Another interesting trend was the uptick in allocation to real estate, from 26% of the portfolio to 28%, an increase of 7.7%. While this is not quite the highest allocation recorded to real estate (that would be 30%, recorded in Q2 of last year), it remains well above the long-term median allocation of 23%.

At first glance, the move is somewhat counterintuitive, as some very smart bond investors (among them Jeffrey Gundlach of DoubleLine, Mohamed El-Erian of Allianz/PIMCO and Bill Gross of Janus) have recently noted weeks that bond yields could double over the next three to five years.

You can get a sense of what might happen by looking at the following chart, which tracks changes in the U.S. 10-year bond yield against the performance of Canadian real estate investment trusts (as represented by an index tracking ETF).



Source: Bloomberg

Looking at the chart, it's clear how strong the inverse correlation is between the two. If bond yields continue to rise (as most expect they will), it could be quite detrimental to yield sensitive holdings such as real estate.

However, several recent conversations I've had with HNW individuals (TIGER 21 members and others) suggest a possible answer: the continued preference to put money to work in the U.S. rather than overseas markets. In the face of political and market uncertainty overseas, most wealthy investors would rather keep their money close to home. Overall, TIGER 21 members seem to be expecting continued volatility over the next several months and are currently awaiting further signals before committing more money to public markets. It wouldn't be a bad idea to follow their lead.

Thane Stenner is the founder of Stenner Zohny Investment Partners+ (www.stennerzohny.com) A leading multi-family office within Richardson GMP Limited(www.richardsongmp.com) the largest, independent, non-bank firm in Canada with$27.5B in client AUA as of October2016.

MENA ICT FORUM 2016 CONCLUDES ACTIVITIES

King Hussein Business Park JORDAN

By Noor Abdalhadi

The Middle East & North Africa Information & Communications Technology Forum 2016 has concluded its activities on 10th November at the King Hussein Business Park. The Forum witnessed a series of sessions and activities in the presence of notable speakers and experts, in addition to tech enthusiasts who attended the Forum from all over the world.

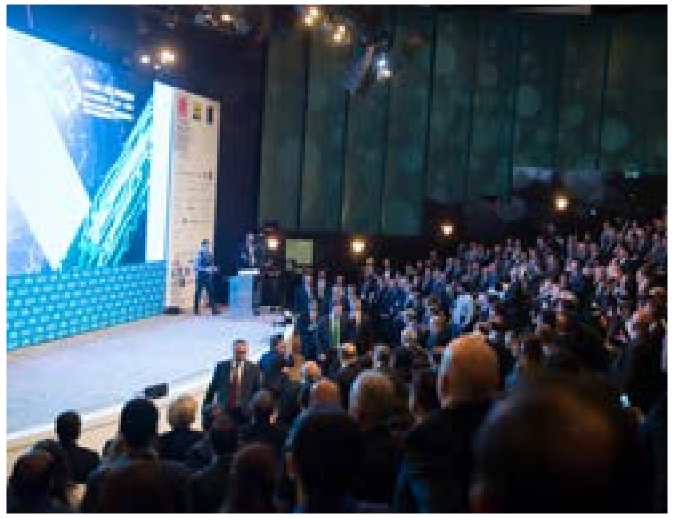
The Forum was launched on 9th November under the Royal Patronage of His Majesty King Abdullah II Ibn Al Hussein. The opening session saw speeches from Int@j Chairman Bashar Hawamdeh, Minister of Information and Communications Technology Her Excellency Mrs Majd Shweikeh, in addition to REACH 2025 representative Karim Kawar. Several sessions were held on the first day, among which were Digitizing the Economy, What Does the Industry Need to Grow?, Media: Content is Still King, Taking your SME Global: Growth Hacking Techniques for Tech Companies, Smart Cities: Cities of the Future, and Financial Services: Cash, Plastic or Phone?

Second-day sessions featured interactive discussions on the experience of several countries with modern tech trends, in addition to the best practices that enable them to enter the world of digital economy and harnessing tech applications in the best way. Moreover, an entire session was dedicated to REACH 2025, the royal initiative for making Jordan relevant in the global digital economy based on its existing strengths and opportunities, with the participation and presence of the experts who set its core elements. The initiative is set to be implemented in the near future. Other sessions held on the second day included Healthcare IT, Digital Economy Infrastructure, Humanitarian Causes: the World is a Global Village, Education: Learning Can Be Fun, and finally the Action Plan to Digitize the Jordanian Economy - REACH 2025.

The final day of the Forum also witnessed the announcement of several agreements and partnerships, among which were the One Thousand Entrepreneurs Initiative, launched by Int@j in partnership with "Nejmi", the first private-sector establishments to offer support to the initiative were Umniah and Bank Al Etihad; the Zain-Microsoft partnership for supporting entrepreneurs; the Int@j-Orange partnership for promoting entrepreneur support offered by the Blue Ocean Council; the agreement between MENAITECH and Microsoft, which aims to offer specialized solutions and systems bundles in the MENA region; the official launch for the Digital Opportunity Trust in Jordan; the partnership agreement between the Cairo Amman Bank and Oracle; the launch of the first Jordanian pavilion at the Mobile World Congress in Barcelona by Int@j, Zain, Al Manaseer Group, Qattous Group, Luminus Group, as well as the USAID Jordan Competitiveness Program and Visit Jordan; and the agreement between the Int@j and the Algerian National Association for ANSEJ, CNAC, ANGEM Beneficiaries and Young Investors along with shareholder Numidia Telecom. Int@j has also announced the annual "National ICT Day" as of next year, a day which celebrates the importance of digitising the economy all over the Kingdom and ways to achieve it, by holding events and awareness-raising sessions.

Int@j thanked Forum organisers, supporters, sponsors, speakers and media representatives in the closing session which witnessed the presence of the Minister of Information and Communications Technology, Her Excellency Mrs Majd Shweikeh.

Forum participants, speakers and local and regional media representatives flocked to Jordan for the Forum, which stands witness to Jordan becoming a preferred ICT destination for experts from all parts of the world.
It is worth mentioning that the MENA ICT Forum was launched in 2002, and has since been held biennially. It aims to build the vision and mission of the ICT sector in the region, in addition to keeping the audience informed of the latest tech trends and developments, as well as offering them a wide array of international experiences brought forward by field experts from different backgrounds. All-important and widely anticipated by various stakeholders, the MENA ICT Forum has become the premier ICT industry event of the Middle East and North Africa region.



About the Information and Communications Technology Association of Jordan - Int@j
The Information and Communications Technology Association of Jordan – Int@j, is an ICT & IT Enabled Services (ITES) industry-support association founded in 2000, with the aim of improving the dynamics of Jordan's ICT and ITES market, and developing Jordan's ICT and ITES related activities. Membership is open to all companies operating in Jordan in the fields of software development, support, application, telecommunications, digital content, Business Process Outsourcing (BPO) and ICTES services, value-added assembly and distribution of ICT and ITES products and services, and is also open to the suppliers and users of these industries, along with universities and other parties supporting ICT and ITES training and promotion.

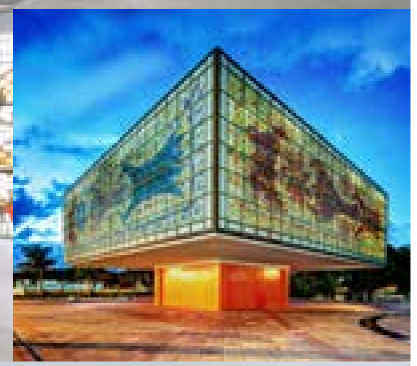
Members of the association vary from major ICT companies to smaller start-ups. Int@j enables, empowers, and helps develop these companies through offering its services through sectoral publications and its network of member companies, in addition to holding forums for the sector's main players, providing capacity building opportunities, facilitating marketing, providing institutional services and consultations, and representing the sector in legal matters, in addition to contracting and implementing several development initiatives, forums, and conferences.

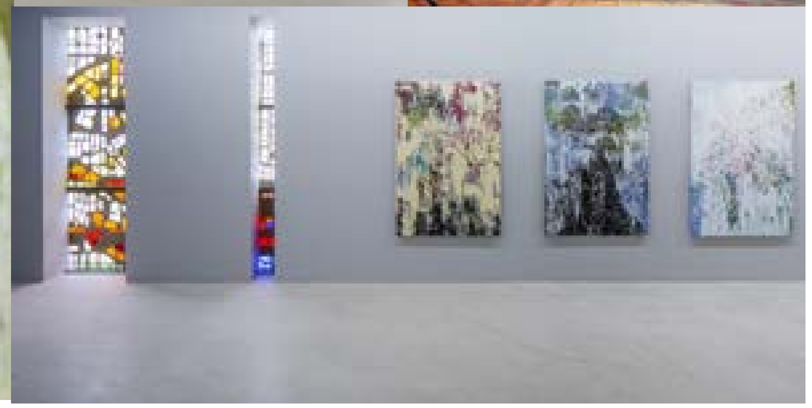
THE ART PROGRAMME OF ROLLS ROYCE

Artist: José Parlá's

Miami-born artist José Parlá's new work for the Rolls-Royce Art Programme was unveiled at the iconic Jewel Box at the National YoungArts Foundation (YoungArts), Miami. The exhibition entitled Roots, was commissioned as part of the Rolls-Royce Art Programme in partnership with the Savannah College of Art and Design (SCAD), and is curated by Laurie Ann Farrell. The site-specific installation of paintings and sculpture is the worldwide debut of the body of work and will be on public display until 15 December 2016. Working together with artists around the world, the Rolls-Royce Art Programme seeks to contribute to the fabric of the contemporary art world. Through Parlá's own work mentoring young artists, namely as a 'Master Teacher' with YoungArts, he shares an affinity with Rolls-Royce and its legacy of fostering creativity. Rolls-Royce itself is committed to developing future talent at its Global Centre of Excellence in Goodwood, England, where artisans perfect timeless skills in order to create personal, emotive and rare objects of desire for some of the most discerning customers in the world. This exhibition brings the renowned Cuban-American artist back home to Miami Beach, where he spent his formative years in the underground art scene of the 1980s and early 90s. The work in the exhibition receives its connection to the past and present through those roots, and into the branches of Parlá's family background, his education, life experience, and the serendipity involved in this project. Parlá's place in his own family history layered against the backdrop of Cuba's past form the basis for the works in the show. The interior space of the historic Jewel Box, the former headquarters of a Cuban Rum family empire, will be transformed using artificial walls that will complement the existing structure by creating a poetic dialogue between the paintings, sculpture and natural daylight, as it shines through the stained glass panels. Three of the large scale paintings in the exhibition, Patria, Hatuey and 24 de Febrero are named after ships from the Cuban Navy that lent their support in the audacious flights of early aviators, Domingo Rosillo, and Parlá's grandfather, Augustin Parlá, in 1912. Parlá's grandfather was one of the first Cuban pilots to make the flight from Key West to Havana. On a more personal approach to painting, the works Eureka to Flagler, Whiteplains to DeKalb, and Ashland to Baltic, use the street names of places where the artist lived, painted in the streets, and set up studios from Miami to the Bronx, and Brooklyn.

Rolls-Royce is committed to creating unique and aesthetically powerful motor cars, which transcend the world of conveyance to become works of art themselves. ...



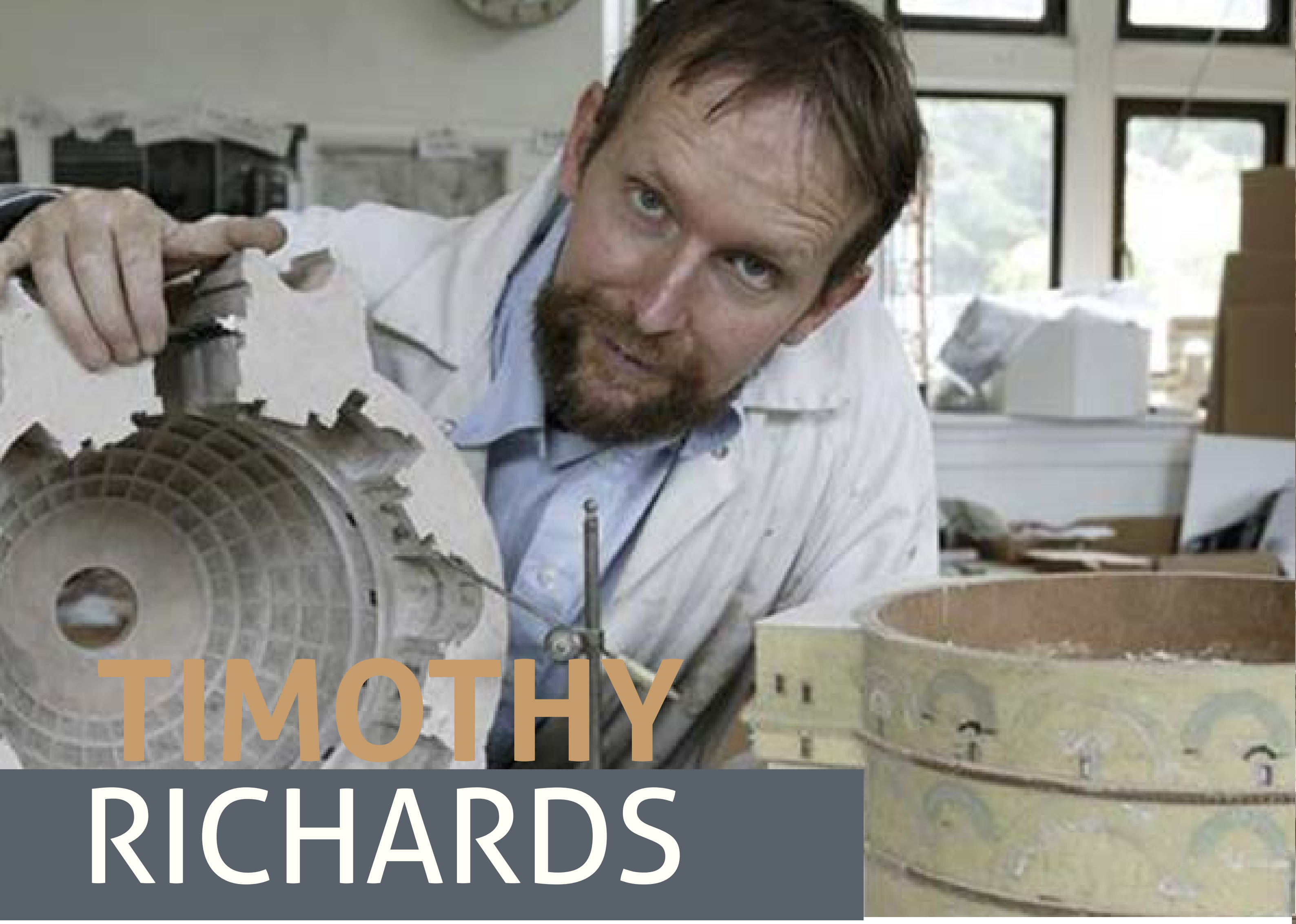


Nuevo Rumbo, a 6 by 24 ft. painting, is an abstract landscape of the history of Cuba from pre-colonial times to contemporary history. In its composition, the complexity of layers in the left side of the work can be read as the many layers of difficulty of Cuba's history. These layers are interwoven with Parlá's own thoughts ranging from the Spanish Colonial invasion of Cuba and the demise of its native people and culture; to the up-rising of slaves and onset of wars that would lead to the Ten Years War and the Cuban Independence War through Fidel Castro's Revolution. The mid-center of the painting starts to expand into smoother blends, bridging to the current history of President Raul Castro and President Obama negotiating new relations between the United States and Cuba. A possible new open-ended story starts there. The exhibition will travel to the SCAD Museum of Art in 2017.

José Parlá joins renowned artists Sudarshan Shetty and Yang Fudong as a member of the Rolls-Royce Art Programme in 2016. Rolls-Royce recently celebrated a successful launch of Sudarshan Shetty's commission for the Art Programme in November 2016 in Mumbai. Yang Fudong's commission for the Art Programme will be launched at the Shanghai Center of Photography, Shanghai, in December 2016.

Rolls-Royce is committed to creating unique and aesthetically powerful motor cars, which transcend the world of conveyance to become works of art themselves. Their starting point is a moment of artistic inspiration, which is executed at the hands of the world's most revered craftspeople using only the very finest materials.

Photo credit MY.PRESSCLUB



TIMOTHY RICHARDS

WORLD RENOWNED ARCHITECTURAL MODELMAKER

Timothy Richards is launching a collection of American neo-classical and Art Deco masterpieces. He persuaded curators, custodians and owners to allow him access to enable him to create models of significant English and Scottish stately homes.

He works in plaster, bronze, wood and gold because he believes that 'people have an instinctive feel for materials.' Timothy Richards employs a team of ten craftspeople in his picturesque Bath workshops in the UK. He has chosen to recreate buildings he particular loves: mainly in New York and Washington: Chrysler, Flatiron, NY Stock Exchange, Jefferson's first Monticello, White House, Lincoln Memorial, Capitol Hill. They works are offered for sale in a limited edition.

In 2013 Richards won the Arthur Ross Award, the US Institute of Classical Architecture and Art Award for artisanship in the classical tradition. He made a bronze of an Athenian monument for the winner of the Richard H Driehaus Prize, annual US $200,000 global award for new classical architecture.

It has been decided to present one of Timothy Richards American models to departing US Ambassador to London, Matthew Barzun, awaiting a decision on which will be chosen. He has also made models of English stately homes commissioned by Lord Cholmondeley, Lord Rothschild, Duchess of Bedford, the Michelin Building for Terence Conran and many others.

'NOBLE AND INSPIRING DESIGNS '

His most imposing commission to date came from a private museum in the Middle East. This is a model of the Palais Royal in Paris 2.75 metres tall and 6.9 metres wide. This was significantly larger than anything he has done before. Timothy Richards can also create a bespoke model of a client's home, or a house they have loved and left.

Another section of his company, Revival Arts of Bath is about to launch The Modern Souvenir: these are 12 collections of smaller models celebrating the history and culture of Britain including Kings & Queens, Heroes, Buildings, Writers such as Dickens, Shakespeare and Jane Austen.

www.timothyrichards.com

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by Steven Abernathy

WHATS YOUR FAMILY'S GREATEST ASSET?

Hint: It's Not Money

Baby boomers and elders (those above 76 years of age) were surveyed in the Allianz American Legacies Pulse Survey and assets were not found to be the most important inheritance going to heirs. Rather, learning and embodying the values of the family was viewed as far more significant.

According to US News & World Report, which reviewed the survey, 86% of baby boomers and 74% of elders valued family stories as very important for keeping family history and memories alive. While between $30 trillion and $12 trillion will be passed down to baby boomers in the Great Wealth Transfer, people thinking about their estates and inheritances continue to believe that passing along personal and family values are their main legacy.

Why?

These highly personal lessons, when heeded, may prepare young people for the complexity of real life—the previous generations' collective wisdom, learned only by experience, can be passed down, shared and discussed inter-generationally. The older generation will not only be remembered but, has an opportunity to contribute as well as express their hopes for the next generation.

Curated conversations within wealthy families can be highly useful – particularly if they are structured to include living wills, health directives, details about key financial documents and conversations about what parents want their children to know. The ethical wills by their nature generally express what often would otherwise go unsaid and bequeath intangibles. An ethical will isn't a legal amendment nor is it a substitution for a Last Will & Testament which bequeaths material assets. How they are structured varies from family to family – as well as what each family chooses to include.

Questions might focus on business relationships and topics – such as how a family business grew, thrived and what it took to get there. Many families do not have a formal document detailing anecdotes which could be useful to future generations. In addition, questions could focus on character, ethics and influences. The head of a family might offer 5-10 significant single words (i.e., determination, character, courtesy, education, humor) to connote the values s/he deemed most important on a daily basis.

Family history is another area where there are often stories and secrets left unsaid. When something might not seem important one day, future generations might find great significance in it later—particularly if the family's course is changed by someone's decision to move, begin a new business or make another grand life change.

Creating a thorough ethical will might bring up difficult conversations. This is why it is often helpful to have a facilitator on hand as an objective guide. It takes courage to consider one's contributions in life authentically.

Consider - what ideas, beliefs, life lessons, stories and other details are essential to share with the next generation and, if not captured, will be lost? Heads of families might consider an in-person ethical will planning session, independent of a succession planning strategy meeting, to answer the following questions:

1. Do your heirs know how you define success? Describe it—as well as what qualities you think are essential to achieve it.
2. Do you have business relationships that your family may not know that you want to continue? Who should take the reins of responsibility?
3. How would you recommend your heirs avoid the mistakes you may have made?
4. What are the accomplishments you are most proud of within your family and why?
5. What values or beliefs are of special significance to you?
6. What challenges confront your family today? If you have any helpful insights or suggested ways to handle these challenges, discuss them here.
7. What are your greatest life lessons? How have they influenced you?
8. Do you have any experiences you would recommend to your heirs as "musts" for their lives?
9. Do you have any regrets?
10. Are there specific charities you would like supported? Why?
11. What are the family's most important stories? Why?

Talking to heirs about values on a regular basis is an important step. It paves the way for preserving open communication, continuity, shared values and as a by-product increases the likelihood of preserving the family fortune.

When heads of families lead with intention, the next generation is given the tools and ideals to live with purpose, meaningful standards and a wise plan. The Conversation Project is a great starting point. Asking questions helps avoid, as director John Huston said, "skimming the surface of life" and living with purpose and intention.

For more information, contact: sabernathy@abbygroup.com or call 212-293-3469.

THE CHARMS OF IMPERFECTION

AND THE PURSUIT OF EXCELLENCE

Mark Twain famously remarked that success has a thousand fathers but failure is an orphan. People are often excessively quick to claim credit for their positive contributions, however modest, but seem strangely reluctant to acknowledge their weaknesses. Progress can be measured in many different ways and a relentless focus upon self-improvement, whatever its manifestation, can be very negative too.

Howard Lewis
OFFLINE

I attended a conference last year in Santa Clara, California, focused broadly on marketing and communications. It was quite interesting, albeit far too long, but one thing that became very evident among both speakers and attendees was an obsession with business mastery and the pursuit of excellence, always striving to the nth degree towards a slightly unattainable goal. But what is wrong with merely being very good? Or quite good? Or just better than last year?!

There is a competitive gene within all of us. For some, it lies dormant, but for others, it is like a raging bull. The pursuit of excellence is a good thing, but there is a tendency to cast aside or diminish those aspects of our lives that are a little more unsavoury or may blemish a superficially perfect record. Recognising and celebrating your weaknesses or deficiencies is not an indelible stain on your character but a reminder that you lead an authentic life. Keep it real.

Here are five examples:

You earned $47 trillion last year but still can't tie up your own shoelaces. Oh, very well done!

You just broke the land speed record, but you always snort when you laugh. Masterful!

You speak nine languages, but you always forget faces. I bow at your feet!

You are stoic when confronting adversity. And then you have a little cry. Let me kiss your hand!

You are a bloody marvel. Except when you drop the ball. It is another of your special gifts!

Too many people grapple with the burden of expectation that ensures they are presented in the best possible light. Why sweat the small stuff? Our shortcomings define our individuality in their own sweet way. How dull to be obsessed with winning and the adoration of your peers. Celebrating your weaknesses should act as an accompaniment, not an impediment, to your career and leading an OFFLINE life. Mark Twain would surely approve!

Howard Lewis
OFFLINE
Schorr Collection
Fortus Capital Partners

CULTURE FIT IS VITAL IN
RECRUTIMENT FOR A FAMILY OFFICE

These days, culture fit is a critical factor in recruiting for virtually any high level position. But when it comes to identifying someone to lead a family office, that particular requirement is heightened to the maximum. Finding the right person for this type of role calls for the most thorough of assessments. It's a process that reaches into a family's most personal matters, with financial considerations among the most obvious.

Identifying the right candidates, meanwhile, can also be a challenge, as a prospect's skills and experience are essentially just a starting point. Given that family office leaders typically stay in their jobs for as long as a generation, one cannot overstate the need to find a truly proper fit.

"When we conduct a search, we start with a 360-degree assessment process where we interface with all of the people with whom the candidate will need to work or collaborate so that person will be instantly effective when they begin in the role," says Linda Mack, founder and president of Chicago-based Mack International. "This almost always involves the principals of the family, and in some cases multiple generations or multiple branches of families, their staffs, and advisors." It is unlike searching for any other client. "It is a highly personal process in which we communicate very closely with families. And of course when you layer in private discussions about their wealth, it can and does become very personal, very quickly," she notes.

Common Thread: Family
Linda's group is one of only a few executive recruitment firms that serve the highly specialised family office sector. With expertise in asset and wealth management, Linda and her colleagues have over the last 15 years helped to staff C-suite executives for some of the more prominent family offices in the world.

Mack International is a boutique that stresses collaboration. Indeed, the team concept is crucial to the firm's success. On the buy side, the firm works with families, their family offices and family business enterprises, family investment companies, and family foundations. The common thread is family. On the advisory side, the firm works with organizations that serve the ultra-high net worth family office market. That includes large broker dealers, private banks, boutique wealth management firms, niche investment consulting and asset managers, and trust tax estate specialists.

Culture Fit, Trust and Family Dynamics
"With all of those constituencies in play, culture fit and trust are paramount to what we do and how we approach our assignments," Linda says. "And our team structure is important and serves this market well. When it comes to searches on the family office side, we will put a team of two to three very experienced people on those assignments. They will typically have at least 15 to 20 years of experience specializing in the minutiae of family office work." Everyone who works on family office assignments also works on wealth and investment management searches. Mack International also works with several independent consultants, who are typically brought in for highly specialised assignments. "For example, we have a colleague in New York who is specialised in investment management," says Linda. "She will work with us on assignments for CIOs and other investment-oriented types of assignments."

Family offices are by their very nature highly personal places to work. Still, every family office is different and calls for different types of professionals to run them. "Each family has unique needs, a unique culture, and like any family a family office is made up of many individuals, and they span in some cases multiple generations," says Linda. "So, from our perspective and before we can even begin to profile what the family office leader will look like, we step back and look at things like family dynamics and, most importantly, what the family is trying to accomplish over the next 15 to 20 years and then we make certain that everybody is in sync and aligned around that vision and the objectives set forth. This, then, enables us to profile the position and to figure out who best will fit."
For recruiters working with families, nuance is critical. Typically, Linda and her team will open their assessment discussion around the subject of family and delve into long-term goals and expectations. The culture of the family office, in the meantime, is never out of mind.

"Ninety-five percent of every search we conduct is about culture fit. And that is for the incoming family office leader as well. So it works both ways. Regarding potential candidates, the market is surprisingly limited, and it can be a challenge for what can sometimes be a generation in time."
The kind of person that Mack International looks at as head of a family office is someone who can see the broad picture, keeping in mind the family's specific goals and mission. "There is an old saying in the business that when you have seen one family office, you've seen one family office," says Linda. "Each one is that unique – they are like snowflakes."

The work can be complicated, with a lot of different areas to handle, many of them intertwined. "Typically, for the head of family office we are looking for the 'expert generalist,'" says Linda. "This is the person who needs to possess an understanding of all of the functional areas of wealth management and the family on a horizontal basis but who also maintains a keen knowledge across the whole continuum of finance, accounting, tax, estate planning, investments, philanthropy, and so forth."

A Personal, Highly Confidential Relationship
Family office leaders must be smart and highly resourceful, making sure nothing falls through the cracks between all of the functional areas of the family office. "When we recruit CIOs or CFOs for a family office, we are looking for all of the technical skills and competencies, so they can perform the job at hand," Linda adds. "In these instances we might be getting into investment philosophy or even compensation philosophies. That's where culture fit comes into play in big ways."

Scott A. Scanlon
Editor-in-Chief
Hunt Scanlon Media
Greenwich, Conn USA

Hunt Scanlon | Media
Leadership Intelligence

Private Jet Travel Evaluate the Options

When it comes to travel by private jet, there's no doubt there are numerous benefits for busy professionals, individuals and families. Imagine flights tailored to the travelers' schedule, rather than the big airlines'—and also avoiding the inevitable flight delays that complicate travel into and out of big commercial airports.

Add in the benefits of flying into airports closer to the desired destination, such as arriving at London City Airport, versus navigating Gatwick or Heathrow and then transportation into the city center, and private jet travel begins to look not only more appealing—but downright practical.

So when private jet travel may make sense for so many busy professionals and families, it's unfortunate that many busy people aren't familiar with the various options that can open the door to traveling by private jet. These include private jet charter, ownership and leasing.

Keith Ruggirello
ExcelAire

Here are a few key pros and cons of each option to consider:

Private Jet Charter
Chartering a private jet is the most common entry point for business and leisure travelers.
Just like chartering a boat and captain for an afternoon of deep sea fishing, chartering a private jet allows travelers to take advantage of the benefits of this tailored mode of travel without taking on any of the responsibility of owning an aircraft.

Pros: Private jet charter is significantly less expensive than full or partial/fractional ownership of a jet. Like the fishing boat, you only pay for the trips you go on.

Charter also offers the flexibility of selecting the best jet for each trip, whether that's a 1-2 passenger plane for a couple on a weekend getaway or a longer-range jet with more seating for a business group of 13-15 executives.

Cons: Like reserving a hotel room on a holiday weekend, there's no guarantee of getting the jet you want when you want it. For example, if you suddenly decide you want to charter a jet to the Caribbean on Christmas morning, the aircraft you have in mind may not be available.

In addition, the crew will change depending on the jet and trip. So if traveling with the same pilot and flight attendants on each trip matters to you, charter may not be the best option.

All in all, however, charter jet travel makes good sense as a way to explore the benefits of private jet travel.

Private Jet Ownership
Owning a private jet offers the most customized and reliable way to travel by private jet.

While purchasing a jet is certainly an investment, it's also interesting to consider that 30% of all business jet charter is flown by aircraft owners, and working with a private jet management company can help defray the cost of ownership as well as manage the details of aircraft maintenance and booking the jet out for other travelers.

Pros: Since you own it, your jet is always available for your use. And since it's your plane, you can select a jet that best meets the majority of your travel needs and even customize the interior to your liking.

You also have full control over hiring the crew, so you'll enjoy service from the same professionals on each trip.

Cons: Of course cost is at the top of the list of cons to consider. A used Legacy jet goes for around $7 million, while a new G650 costs approximately $72 million.

Owners might also consider "fractional" or shared ownership of a jet, in which the costs and responsibilities are shared among a small group of owners.

Finally, leasing a jet can offer a taste of what owning a jet might be like. It provides the experience of maintaining the jet and the benefits of ownership without the long-term commitment.

Get Expert Advice
If this all still seems like a lot to consider, there's good news. Aviation consultants, who live and breathe aviation safety and service, can help you choose the right charter operator as well as evaluate maintenance providers, management companies and more if you choose to go the full ownership route. Check out companies like ARGUS and Wyvern, who provide charter auditing services as well as safety and compliance review. Give these important considerations top priority before even looking at cost.

Hopefully these pros and cons have helped shed some light on the various charter and ownership options and the advantages and drawbacks of each. Above all, the key takeaway is that options are available to experience private jet travel, whether it's for a one-time trip or a lifetime of business travel and leisure getaways.

By Keith Ruggirello, Vice President of Sales and Marketing for ExcelAire

ISLAMICA 500

The second edition of the Islamica 500 was officially kicked off in Dubai at Hilton Jumeirah Beach Resort. In the private event, we could see top personalities receiving a leadership award for their remarkable achievements in their categories. The ISLAMICA 500 brings together outstanding personalities whose successes, leadership, ethics and relentless pursuit to make a difference will be a source of education and inspiration for highly successful people.

In ISLAMICA 500, data on leading experts in area of Islamic economy and the "halal" industry from around the world are published. The peculiar Guide contains curriculum vitae about each of experts, whose efforts and achievements formed the basis of development of the Islamic economy on a global scale.
The encyclopaedia contains information on pioneers of the Islamic finance world, Muslims and non-Muslims, men and women who represent a range economy sectors: finance, science, business, politics, the international relations, the law, mass media and the capital markets – all the areas that exert influence on Islamic economy.
ISLAMICA 500 is a fully independent source of information, which cooperates with such media giant as Forbes, Dinar Standard, Oxford Business Group, CNBC Arabia and publishes the views of chairmen, experts and businessmen worldwide who take active part in the development of Islamic economy and the "halal" industry.

Happening one day before the GIES, which was a partner in this initiative, the ISLAMICA 500 Reception private reception was broadly covered by the international press and was attended by selected worldwide personalities active in the Islamic economy, Islamic finance and the halal industry.

The guide will be distributed via a dedicated web portal on ISLAMICA500.com and will comprise hard-to-find biographical details of each of the nominees. For the full list of the 500 global influential leaders and the top 50, visit www.islamica500.com

ISLAMICA 500

YACHTS

NOBODY KNOWS ANYTHING

By Douglas McFarlane

Nobody Knows Anything

Firstly, a disclaimer. I know nothing. Seriously. If I knew all the answers to what makes people buy yachts, I'd be number one yacht broker in the world and sitting on one of the yachts writing this. I'm not. I'm in my office in London with the sound of the River Thames nearby instead of ocean waves.

I do however have a lot of experience working with clients and I'm an observer. I watch, listen, analyse and process the entire experience. It's how we learn as brokers and improve while attempting to understand the magic of what makes people buy yachts. However as William Goldman said about the film industry "Nobody knows anything" and I guess it's true of the SuperYacht industry.

My last few months have been a bit of a roller coaster with active buyers taking me through the highs of closing a deal, and the lows of hitting a brick wall in negotiations. When I'm feeling more optimistic, I'm able to see it all as a game that I happen to be in the middle of, and I'm able to smile and move on. Other times, it can be excruciatingly painful waiting days for a call. Ultimately, if you didn't have a passion for yachts, then it would make no sense being part of the business.

Affluent clients indulge in their desires at nearly any cost....

For me, I've loved yachts, boats and ships since a boy in the 1960s growing up in the shipbuilding town of Clydebank with a long line of parents, grandparents and ancestors all being part of the industry in one shape or form. I was constantly building models of the Cunard liners, and drawing Viking ships, cruise liners and large sailing yachts as often as I could. I sailed many times around the beautiful West Coast of Scotland, and I've also bought and sold some of my own (much smaller) motor yachts that I used to play around on in Loch Lomond. So surely, I know something ?

Well, I can say that every individual purchase, is an individual experience. What works for one client, is unlikely to work for another. It's possibly one of the most expensive purchases that anyone will ever make, and apart from some new builds, it's a depreciating asset after all. Running costs for yachts tend to be more than charter income and every year another few million will get knocked off the price. When you want to sell it, you'll need to spend more money to tour the international yacht shows in Monaco, Fort Lauderdale and perhaps a few others, and at each event that a sale fails to happen, another pricing change to motivate the market.

What makes anyone want to buy a yacht ? I ask myself that daily. Then I ignore it and work tirelessly for those who have decided it's for them. Is it an escape from constantly being in an office in a city, dealing with people who you don't trust, or fear ? Is it a way to use money that would otherwise waste away sitting in a bank or investment ? Is it a way of life that you have seen and now feel you deserve ? Is it a better way to work with a different view from the office every day ? Is it a calling, a desire, a passion or just because you can ? Everything is stacked against making a decision, so it must be a combination of some of these.

When the bug has hit you, what's next ? Well thinking about what you want to do and where you want to go are key. Clearly the shape and size will matter to you and this will help narrow down what you do and don't like. Then the interior, does it suit your style and taste, and that of your family and friends ? Does it have the features you feel are essential such as bars, jacuzzis, lifts to each floor. There's one I noticed this week which has a garage for a car and motorbikes. Is that important ? Then of course, the key thing is budget. Most clients borrow from their banks, or we facilitate discussions with our wealth and marine finance partners. Finally, it's lawyers, exchange of contracts, surveyors and foreign exchange dealers to ensure it all goes smoothly at least cost.

It all seems so easy, where do you sign ? Right here.....

Douglas McFarlane is CEO of Lomond Yachts, a London based superyacht broker.

PRIVATE FAMILY TRUST COMPANIES

Find New Homes in Tennessee

Since 1999, when it was an early adopter of the state banking regulators' model private trust company act, Tennessee has earned a reputation for responding to the sophisticated trust and financial needs of ultra-high net worth families and their private offices. By enacting progressive trust laws building on the uniform trust code, Tennessee is attracting a growing number of family offices that are seeking flexibility to adapt to changes in family circumstances and the world around them. These families find a favorable environment in Tennessee for asset protection, community property trust laws, purpose trusts, silent trusts, and other types of trusts and private trust companies to serve as their trustees.

To maintain the state's leadership position as a venue for ultra-high net worth families, Tennessee evaluates the effectiveness of the state's trust and private family trust company (PFTC) laws annually. In response to these assessments, the Haslam administration determined to update its laws in 2016 to ensure that such families and family offices enjoy the full benefits of the use of private family trust companies.

The PFTC law amendments dramatically expand the universe of family members, or family clients, who may be served by a PFTC. PFTCs in almost all other states allowing them are limited to a single "designated relative." The effect is to make out-laws out of a large portion of the designated relative's in-laws by excluding more of the spouse's extended family than the designated relative's. Recognizing the difficulties created by this limitation, Tennessee amended its laws, and now PFTCs no longer have to choose between spouses.

There can be two designated relatives, which effectively doubles the number of family clients. Simply put, Tennessee recognizes that a family really consists of two family trees. The new law permits individuals who are or have been married and who are living or deceased to be named the designated relative of the PFTC. There can even be more than two designated relatives if the additional designee is or has been married to one of the original designated relatives.

Richard A. Johnson, Esq
Waller Lansden Dortch & Davis, LLP

The authors of the banking regulators' model trust company law, which Tennessee substantially adopted in 1999, and the primary contributors to Governor Haslam's administration bill, Tennessee's new amended family client definition, John Duncan and Miles Padgett of Kozusko Harris Duncan, observe that "When we wrote the model act, the limited definition of "family client" was groundbreaking, but it had the inadvertent effect of limiting which members of one spouse's family could be served. With Tennessee's new provision we have 'made amends'."

The new Tennessee laws also recognize the evolution of the family unit and broaden the definition of "family member" to include adopted children, stepchildren from either a spouse or former spouse, foster children, or individuals who were minors when a family member was granted legal guardianship. Tennessee also added a new "common sense" provision that ensures a family client continues to be a family client notwithstanding the cessation of the relationship due to death, divorce, retirement or a similar event. Tennessee also expanded the definition of family client to include individuals who are related to the designated relative within the 12th degree of lineal kinship or the 11th degree of collateral kinship – including spouses and former spouses. Family clients may also include the estate of a family member, trusts established by family clients or trusts that benefit family clients.

Family clients may now include charitable and not-for-profit organizations in which a family client is an organizer, officer, board member, trustee or donor who contributes a substantial portion of the organization's assets. Officers, directors, trustees, managers of these organizations may also be included as family clients.

People working for the PFTC and the officers and directors of the family office and the businesses which are controlled by the family also qualify as family clients. Furthermore, the new law permits full-time employees of the family, e.g., household employees, accountants, etc., as family clients.

"Governor Bill Haslam wants Tennessee to be a great place to do business," said Greg Gonzales, Commissioner of the Tennessee Department of Financial Institutions. "Based on Governor Haslam's vision, our department seeks to create a safe and sound regulatory environment for private family trust companies to operate within while making efforts to put trust companies in the best position to be successful. The Department initiated and coordinated this legislation with the private sector as an important way to meet the Governor's goals."

Regulated Tennessee PFTCs are exempt from registration with the SEC under the federal Regulated Investors Act of 1940 because they are supervised by the state's banking regulators, and SEC regulation would be duplicative. The SEC recently adopted a "Single Family Office Rule" to exempt some single family offices and unregulated PFTCs (as allowed by some states) from registration, but its definition of family members who may be served is far more limited than Tennessee's PFTC law. Today, Tennessee PFTCs may extend the benefits of inclusion to the largest universe of family members of any state in the country.

Richard A. Johnson is a partner in the Nashville, Tennessee office of Waller Lansden Dortch & Davis, LLP, a full-service law firm with more than 230 attorneys in four offices. Mr. Johnson provides legal counsel to large family-owned and closely held businesses, high net worth individuals, and family offices including their private family trust companies and tax-exempt organizations. Richard contributed to the new legislation.

THE LUXURIES OF YACHT CHARTER

Private adventures of remarkable opulence and other mysteries of an increasingly popular way of travelling the world.

Luxury travel has been romanticised since the age of steam when for the first time families could travel large distances together in greater comfort than ever before. The early part of the 20th century cemented the prestige and beauty of travel in Art Deco, a style often associated with striking images of automobiles, aeroplanes, trains and cruise ships. Yacht charter vacations encompass the best of comfort and travel; great strides have been made in engineering for speed and stability, while destinations from the popular to the obscure have opened up across the world. Every yacht is unique, with some featuring movie theatres, Bedouin tents and even submarines. The spirit of adventure is alive and well, and there has never been a better time to take a luxury charter holiday with family and friends.

Visit the world's most breath-taking destinations - on your own schedule

While cruise ships may have their advantages, they often spend a little time in port before moving on to the next harbour: If you learn of a local festival happening three days after your ship is due to leave, there is often little flexibility in available options. With the help of an expert charter broker, you can use your time efficiently and plan your activities around your guests and your discoveries.

Northern Europe

In recent years, the deep waters of the northern hemisphere have opened up to the luxury charter market and guests can take an explorer yacht to the icy marvels of Greenland or the Baltic Sea. Whether kayaking, cold water scuba diving or joining the locals for a truly authentic cultural experience, the beauty beneath the Northern Lights is very different from the traditional sailing grounds of southern Europe. Charter destinations around Northern Europe are as unique as the luxury yachts themselves.

The Mediterranean

Undoubtedly the most famous and popular charter ground for luxury charter holidays in the summertime, the coastland of the south of Europe has everything to offer, from the wild fields and traditional architecture of the Balearic Islands to the atmospheric ruins of Turkey and Greece. The French Riviera plays host to one of the biggest annual events for the yachting and film industries: the Cannes Film Festival. Enjoy a front row seat to the action from your very own Skydeck Jacuzzi and spend your days shopping, sightseeing and partying in one of the most sophisticated cities in the world.

The Caribbean

When winter strikes the northern hemisphere, yachts of all sizes flock to bathe in the sunny beauty of the Caribbean. Possessing a rich mixture of high-end shopping, local markets, bustling cities and hidden villages, the Caribbean has everything for a family or group of friends looking to turn a dull winter into a bright and festive holiday season. Pure white beaches sheltered by mountain forests are ideal for weddings, honeymoons or as a place to unwind and play. There are some regattas throughout the year for spectating or participating. Most international events are hosted between October through to March and some are open to all levels of ability. Dominica has a Christmas Regatta and during March 2017, look out for the prestigious Loro Piana Caribbean Superyacht Regatta & Rendezvous, and the Saint Barth's Bucket.

South Pacific

Once only experienced by the most adventurous, the exotic islands of the South Pacific have opened up to the luxury tourist trade with the advent of better infrastructure and

yachts that can go farther than ever before. Whether visiting the famed Fijian Islands or the seclusion of Tonga or New Caledonia, the clarity of the water is such that you will be able to see the coral reefs rising from the seabed and the ever-changing landscape blazes with the vibrancy of jewels.

Antarctica

Ever wanted to see emperor penguins in their natural habitat? Large discovery mega yachts take guests through the ice floes to a majestic land far removed from city lights and civilisation. An ideal charter for nature lovers, this location has plenty to awe guests young and old and the patient will be rewarded with glimpses of humpback whales breaking the surface and penguins commuting to and from the ocean.

The Lemaire Channel is one of the most photographed places in Antarctica thanks to its dramatic sheer cliffs, icebergs and dark rocky islands peeking through from under metres of snow. At the end of the day, guests can return to the comfort and warmth of the saloon for a family film or relax tired muscles in the sauna.

Why choose between destination and accommodation?

When booking holidays in the past, you may have been faced with the dilemma of having to pick your favourite location and your preferred accommodation. There is no such issue when you charter a luxury yacht, and your party can visit multiple landmarks without having to lift your suitcases once.

Whether you are looking to visit several different sites during your holiday or want to cruise around a single island and avoid the crowds, for the same money you and eleven other guests would pay to stay in a luxury resort, you can choose to tailor-make your holiday by selecting a yacht with the facilities and decor to suit your tastes and desires. There's no need to compete with other tourists for the swimming pool slide or the services of a masseuse; everything is at your fingertips.

For island-hoppers, fast and sporty open motor yachts provide cruising speeds of around twenty-five knots or even more, while encasing eight to twelve guests in opulence. These head-turning vessels have plenty of

room in their toy chests for diving and snorkelling equipment, inflatable toys, jet skis and tenders. Guests looking to stay dry will find plenty of sumptuous sofas to unwind on and socialise or to enjoy a spot of alfresco dining.

Larger superyachts feature impressive interiors showcasing the finest of modern craftsmanship. Perfect for guests looking for lavish surroundings and multiple facilities, their price ranges from €250,000 - €1,000,000 per week, each one of these yachts is certainly a statement for a special occasion. From glass-walled swimming pools and dancefloors to golden pianos, saunas and spas, up to twelve guests will receive a truly pampering experience when aboard.

Travellers looking to experience the elements and get closer to tradition might prefer a sailing yacht: from beautifully maintained century-old mono-hulls to cutting-edge aluminium catamarans, each vessel has breath-taking surroundings for a truly atmospheric charter. Whether you are experienced at sailing or just discovering the activity, there are plenty of regattas throughout the year that welcomes regular or casual registrations, and many race-winning yachts are available for charter outside of the regatta seasons.

Facilities and expertise without the queuing or crowds

The Mediterranean, the Caribbean, Fiji and the Maldives are some of the most well-known destinations to take a break and their tourist industries aren't going to disappear overnight. With a greater influx of visitors comes increased prices, greater noise and bigger crowds. Experience the true beauty of these island paradises as they were meant to be experienced; away from the commercialisation of the main

islands. Seclusion need not prevent your group from having an active holiday, and as any good charter broker will tell you, a crew can make or break the journey.

When you choose a luxury yacht to charter, some will have extra features such as spa rooms, beauty salons, saunas or special gear such as scuba diving equipment and fishing gear. The crew you select for the duration of your charter will make optimum use of these facilities to ensure that every day is an exciting opportunity.

Massage, sauna and beauty treatments

Whether your luxury yacht charter is for marking a once-in-a-lifetime special occasion or an annual event in your calendar, there is plenty of opportunity for pampering on a yacht equipped for beauty and health therapy treatments. Sauna rooms, steam rooms, spa facilities and even hammams will complement the soothing deck Jacuzzi and improve muscle recovery after a particularly strenuous workout. The expert beauty technicians are trained to improve your appearance, so when you arrive at your next stop and step onto dry land, you'll look immaculate, no matter the occasion.

Diving

There is never a better time to learn a new skill or improve on an existing one, and charter guests have the enviable opportunity to learn how to dive in some of the most pristine and spectacular marine environments on the planet. The clear waters and sheltered bays of the Caribbean offer an ideal training environment for trainee scuba divers and many yachts in the global charter fleet are certified PADI Dive Centres, allowing you to obtain your PADI diving license.

Fishing

Participate in one of the most laid back sports ever invented while you and your guests relax under the Spanish sun or shelter from the New Zealand heat. On a fishing holiday, your crewmen can impart techniques both basic and advanced for catching the region's finest and most flavoursome sea life.

Cook what you catch: your chef can prepare a meal from your spoils and very often, luxury yachts with fishing equipment will also have a barbeque handy to produce an authentic smoky flavour.

Cooking

If you want to learn a skill that you can use every day for the rest of your life, you can make a request for a chef that can teach you anything from a faster chopping technique to how to prepare the local cuisine. Turn your catch of the day into lunch or dinner and a morning stroll through a local farmer's market with an expert chef may become the highlight of your trip.

Fitness classes

During a luxury yacht charter there will be plenty of opportunities to relax and indulge - and equal opportunities to get up and get fit! Most modern yachts over 30m include on board fitness equipment for cardiac routines, while some models are designed with a fully equipped gym.

Guests can request a personal fitness trainer as part of their crew, and this enables every party member to continue their regime or receive a new personalised fitness programme. Diet and nutrition are also covered, and your fitness coach can work together with the onboard chefs to create an impressive menu for the entirety of the voyage, while also taking into consideration any dietary requirements.

Cultural, historical and environmental guides

If you are heading inland, a guide may be able to show you some of the region's most impressive sights known only to locals. Discover the history of the Australian Kimberleys, where the primary colour surroundings are tempting subjects for painters and photographers alike or trek through the jungle covered Indonesian coast to find ancient ruins waiting to reveal their story. Learn more about the cultures and crafts of the South Pacific islands before swimming with turtles and manta rays around bays and atolls. A captain can take you to your itinerary destination, but a guide will unlock its full potential.

A travel industry in full swing

Both the yacht-building and charter holiday industries have prospered year on year, and with ever more impressive hull designs and features becoming a reality, 2017 looks set to become the most successful year yet. Join in on this enterprise and realise the joys of life on the water for yourself. The luxury yacht charter holiday merges flexibility, adventure, relaxation and the chance to make lifelong cherished memories with your loved ones.

Article by CharterWorld – Your Luxury Yacht Charter Specialist - www.charterworld.com

NUMBER OF FAMILY OFFICE KEEPS GROWING

by Jan van Bueren & Thomas Ming

Several months ago Wealth-X published their World Ultra Wealth Report 2015-2016. Wealth-X is an organisation which gathers global wealth intelligence about the affluent, and their report normally makes an exciting read.

The report highlights several developments that catch the eye. First and foremost the fact that the number of affluent individuals (i.e. those who own USD 30 million or more) hardly grew between 2014 and 2015 – it only increased by 0.6% to a total of 212,615 individuals whose total wealth amounted to USD 30 trillion. The personal wealth of about a quarter of those people was more than USD 100 million.

Where the 2014 issue of the report made reference to the global number of family offices (the number of single- and multi-family offices was estimated to be between 7,000 and 11,000), no specific section is dedicated to these institutions in Wealth-X's last report. This in itself is not surprising as it is indeed quite a challenge to estimate the total number of family offices. However, it is worth making a (non-scientific) attempt, because the number of single- and multi-family offices keeps increasing as demand for family office services keeps growing and the assets under administration with family offices are at an all-time high.

Defining family offices

The main challenge in trying to establish the number of family offices in the world is defining what a family office is. There is no universally recognised definition of a family office. In fact, most jurisdictions do not regulate family offices, whether single- or multi-family, so there are no registers that can be used to establish an accurate number.

A family office can be defined as a "privately controlled (group of) staff, employed within (or without) a dedicated structure that supports an affluent family with the organisation, management and maintenance of (all or some of) their assets, needs and wishes". The distinguishing factor here between single- and multi-family offices is that multi-family offices are commercially operated and offer their services to more than one family.

Number of family offices

Although no global definition exists, an indicative minimum number of family offices can be deduced from Wealth-X's report.

Wealth-X lists 2,473 billionaires in total in the world. It is safe to say that all those individuals have 'some type of' family office arrangement. In most cases a single-family office, and sometimes an embedded family office.

The 5,042 individuals whose wealth is USD 500–999 million will also almost all be using some family office services, be it a single- or a multi-family office. The estimate of the number of multi-family offices should take into account the risk of double-counting, as they cover not one but some families, so 4,000 (80%) for this group should be considered relatively accurate.

Single- or multi-family offices?

9,450 individuals fall within the category of USD 250–499 million in wealth. This is a more difficult segment to assess, as there are many families with wealth well above USD 250 million that neither have a single-family office nor use a multi-family office. At the higher end of this range, it can be assumed that at least half of the families will work with some single-family office set-up. Towards the lower end, a quarter of the families will have a single-family office and half will have a relationship with a multi-family office. Avoiding potential double-counting of multi-family offices, approximately 3,500 family offices should be taken into account for this bracket.

The group of persons that hold wealth of between USD 100 million and USD 249 million dollars consists of 40,600 individuals. Assuming that half of those work with a multi-family office and the average multi-family office has 25 clients (often fewer) another 800 (multi-) family offices need to be added to the calculation.

This brings the total of family offices to 10,773, and that does not even include the biggest category likely to use a multi-family office – the 63,050 individuals with USD 50–99 million.

And they will continue to multiply

Wealth-X foresees 50% growth in the global UHNW population between now and 2020, by which time 318,400 people are forecast to hold USD 46.2 trillion between them. As that number of affluent people grows, so will the number of family offices.

But unless jurisdictions around the world introduce specific regulations for family offices to register, it will not get any easier to provide an accurate estimation of how many are out there.

Jan van Bueren and Thomas Ming are Senior Wealth Planners at Union Bancaire Privée, UBP SA, and founders of UBP's award-winning multi-family office intermediary service, FOSS Family Office Services Switzerland

www.switzerland-family-office.com

FOSS

WHAT IS STAR MAGIC?

The Story of Star Magic - Jerry Sargeant

Star Magic is the healing frequency I work with to transform people's lives. It is by far the most powerful healing modality on the planet right now.

- Can you describe your healing work?

I can see into the non-physical world of light, that contains all of the information that has ever existed, and ever will exist. Being able to communicate with the non-physical, yet very real aspect of a person's condition, whether it be mental, emotional or physical I can shift patterns that no longer serve my client. By shifting them in the non-physical world, at a deep root cellular level, the results emerge in the physical world as perfect health, a healed marriage, a business that flourishes where once it was stuck and so much more.

How did you find the path to healing?

It surprises most people when I tell them I used to be a criminal, smuggling drugs, guns and various other commodities for a living and did, at one point in my life think all of this esoteric, universal spiritual stuff was nonsense. I was asleep in the passenger seat of a taxi in Romania one day when the taxi ran three ladies over. The first one came through the windscreen, smashed me in the face and then got flipped up over the car and died. When the car came to a stop, I got out, walked past the second lady with her ankles cut clean off and towards the body of this woman. As I got closer, I saw her soul leave her body. This completely changed my perception of reality. A few months later my ex-wife had a severe migraine. I saw it. It was green. I pulled it out of her head and then my healing journey began.

You work with hundreds of people, do you ever get overwhelmed by it all?

Not anymore. I know how to manage energy, and now I never use any of my own. I work with the stars. I use their light. When you know how this works miracles become a part of your daily life.

Do you have a vision of how things will turn out or is the healing process unpredictable at times?

I never know until I start. It's like playing a computer game. Until I drop into my healing zone, which is somewhere between theta and delta state, where I start working through my right, female brain, which allows me to see the non-physical world where nothing is logical, I just don't know. The art of healing is to know that you are not a healer. Just a vessel that streams live data contained within light. The magic happens when you let go.

What's your most memorable moment?

One of my first healing sessions. A man had three large growths in his stomach, e-Coli, diverticulitis, peritonitis and the doctors had booked him in for an operation to remove 10 feet of his large intestine and fit a colostomy bag. After the healing, which was done at a distance he was left with a huge scar across his stomach from the psychic surgery. When he went back to the doctors, the growths had vanished, and the blood tests were clear of everything else. These day's things like this are normal.

Has there been a case that you have worked with someone who has shocked you?

I worked with a guy who went head first through the quarter light window of a car once. The doctors cut his skull in half so they could pull it forward to reach in and pull his nose back out from the middle of his head. His neck and back were broke; his face was cut to ribbons, and he was in a bad way. I travelled to the intensive care unit to see him and did my thing. The next day he took the breathing tubes out of his own mouth, they x-rayed his back, and there were no signs of any broken bones. It amazed me more than the shock. He told me after he saw the Devil waiting at the end of his bed waiting to take him as I was working. When I looked out of the window after the healing the clouds in the sky were in the formation of a cross. Blue skies and this white cross.

What tips or advice would you give to someone on how to set and achieve their goals this year?

This is a massive year. It's the start of a new cycle numerologically. It means there is a huge wave to catch the crest of. It's a year for following your heart, making up your rules, saying no to anything and everything that doesn't feel authentic and taking massive action on the opportunities you are fearful of. The ones that take you out of your comfort zone. Fortune favours the brave.

What are your plans for 2017?

To grow, expand, elevate the vibration on this beautiful green and blue planet hovering in infinite space and keep loving life. This year you are going to see Star Magic spread on a Global Scale. We are here to transform humanity. A wave of love so powerful is coming your way.

For more information on Jerry Sargeant and Star Magic Healing visit www.starmagichealing.com

COMMODITIES

SHOULD THEY BE AN ASSET CLASS?

WHITFORD
Advisory Services LLC

Many family offices use commodities as an asset class for some very specific reasons. The most obvious reason is to diversify their portfolio from asset classes like stock and bonds. Additionally, commodities have low and even negative correlations to traditional asset classes. As a matter of a mathematical exercise, owning commodities make perfect sense.

Unfortunately, a perfectly calculated portfolio per Modern Portfolio Theory (MPT) does not translate into solid portfolio returns or a method to protect capital. Commodities and financial assets react differently to capital markets and economic conditions. In addition to supply and demand factors, weather, trade, fiscal and monetary policy, political unrest, and changes in interest rates and currencies may also impact prices. Few of these external factors fit nicely into a MPT calculation.

Certain commodities may be more appropriate as a tactical allocation in a portfolio rather than as a strategic index investment. An examination of the various commodity indices immediately raises a question why any sane investor would allocate precious capital to these vehicles. For the eight-year period 2008-2015, the average annual returns were negative.

Goldman Sachs Commodity Index	-15%
Rogers Commodity Index	-6.6%
Commodity Channel Index	-10%
DJ-UBS Commodity Index	-5.4%

The lesson investors must learn is that all commodities do not react in a similar manner or magnitude. Investors wishing to have exposure to commodities must view each commodity separately. Devalued currencies may not help the price of livestock; it will help the price of gold. Hot, dry weather may play havoc with agricultural products, however, it will increase energy demand (and prices). Anticipating such a scenario does not translate into profits from owning the commodity indices. The weighting in the indices varies significantly. In the GSCI index energy is approximately a 57% weight while precious metals are a 4.8% weighting. In the DJ-UBS index, energy is only a 31% weight while precious metals are 14.6%.

During that eight-year period, oil traded from $48/bbl. In 2008 to $112/bbl. in 2011 only to remain flat to down slightly through 2014. Subsequently, oil declined back to a range of $45-50/bbl. Gold during that time went from $872/oz. in 2008 to $1,668/oz. in 2012. It has since declined to $1,160/oz. in 2015. Livestock, industrial and agricultural commodities experienced wide swings in price although not coincident to price movements of other commodities. To ease the complexity of investing in entire commodity indices, investors can and should take advantage of investment vehicles that give them exposure to a specific commodity (gold) or commodity sector (Precious metals).

These Exchange Traded Funds (ETF) and even some mutual funds allow investors to tactically allocate to another limited asset class to help mitigate risk and provide liquidity similarly enjoyed by equity investors. These vehicles allow investors to leverage their specific knowledge in certain areas and invest in that area without having to absorb investments they may not fit their profile. While commodities can provide a great mathematics model; for investors, the best math is solid returns from a diversified portfolio they can understand.

Edward J .Stavetski is the Chief Investment Strategist for Whitford Advisory Services and founder of PCM Consulting. His book on Hedge Fund Manager Selection is well worth a read.

CANNABIS PRIVATE INVESTMENT SUMMIT

BILLION DOLLAR MARIJUANA INDUSTRY

The Cannabis Private Investment Summit took place in September in New York City and Toronto in October 2016

The events were presented by Kahner Global; the family office summit series explored the opportunities and risks of investing in the cannabis industry. Speakers at the summit included industry experts, entrepreneurs, and government enforcement officials, as they discuss the critical topics investors should consider.

The cannabis industry is the fastest shifting industry in the United States. The shifting regulatory environment for legal cannabis has brought on huge business opportunities for investors, especially those who are seeking ways to identify and evaluate early stage investment opportunities in the cannabis sector. The summit helps investors identify which business models are the most attractive and sustainable, as well as the risks are involved and how family offices should consider investing in this space.

The Summit attendees took part in a networking lunch and cocktail reception; educational sessions; peer-to-peer networking; special guest speakers and exclusive access to investment experts. Attendees included family offices, accredited investors, angel investors, wealth managers, venture capital funds, cannabis companies, law firms and accounting firms.

The Cannabis Private Investment Summit:
The Cannabis Private Investment Summit is a family office series that will explore the opportunities and risks of investing in the cannabis industry. This is the leading cannabis investing educational summit exclusively offered to high net worth investors and family offices.

There were two winners from the pitching event, Alan

Gertner won in Toronto and Dooma Wendschuh won in New York

Alan Gertner is the co-founder and CEO of Tokyo Smoke, a modern lifestyle business that is inclusive of Cannabis. A lover of technology, design and everything in-between, Alan most recently led a $+100M organization at Google Asia Pacific. Alan is a proven leader in strategy and operations, including as a founding member of Google's first Global Business Strategy team in California. Alan was formerly a Management Consultant at Oliver Wyman in New York and graduated Dean's list from the Richard Ivey School of Business, Canada's leading business school, in 2006. As a youngster, Alan spent every moment he could interning at wild and weird startups - from building flashy flash websites to developing and selling the garbage bin billboard. An angel investor and advisor outside of Tokyo Smoke, Alan supports programs that empower the greater startup community, the cannabis movement and future generations of people pursuing their passions, including his own Time On Project (www.timeon.org) , dedicated to self disruption, mindfulness and winning at life. Alan went to computer camp as a kid, he reads too much, loves travelling, and getting lost.

Dooma Wendschuh is the Co-Founder and CEO of Province, a Toronto-based highly disruptive startup in Canada's legal cannabis industry. Province's products promise a better class of psychoactive, the first true alternative to alcohol. Following twenty-one speaking engagements, eight times on national television, and nearly fifty media appearances, Mr Wendschuh has emerged as a leading voice in the burgeoning

cannabis industry. He is known for advocating and helping bring about a new paradigm where top quality cannabinoid-derived products serve as a safer and healthier alternative to alcohol, tobacco, caffeine, and prescribed and illegal psychoactive.

Before founding Province, Mr Wendschuh was the co-founder of a successful, well-known Colorado-based cannabinoid research and consumer products company which he ran for two and a half years. Before entering the cannabis industry, Mr. Wendschuh was co-founder and co-CEO of sekretagent Productions, Inc., a film and video game production company and advertising agency with offices in Los Angeles and Montreal. sekretagent is best known for its video game work, helping to develop and launch the wildly popular ASSASSIN'S CREED franchise, and providing development and story services on BATMAN: ARKHAM ORIGINS, three games in the PRINCE OF PERSIA franchise, and many more. Collectively, sekretagent's games grossed more than $3 billion worldwide. sekretagent's advertising division created and produced award winning work for the Coca-Cola Company, General Motors, Polaroid, Diamond Resorts International, Mentos Mints, Microsoft co-founder Paul Allen, and many others. Under Mr. Wendschuh's leadership, sekretagent also sold eight motion pictures and one television series to major studios and produced THE PLAGUE for Sony Screengems.

Kahner Global will host its 2nd Annual Cannabis Private Investor Summit West in Beverly Hills on May 3, 2017. Investment opportunities are substantial and this forum will undoubtedly help elevate awareness of these opportunities. High net worth Investors and family offices interested in attending the private summit should contact info@kahnerglobal.com for a complimentary invitation to register.

www.cannabrunch.net

AWARD GOES TO

STANDARD BANK

INTERNATIONAL FUND AND PRODUCT AWARD

Standard Bank Offshore Group wins an award at this year's International Fund and Product Awards.

This is the fourth consecutive year that the Group has won the Best International Structured Products Provider award.

The awards, now in their 17th year, are an established part of the offshore calendar and are held to honour and recognise groups who distribute financial products and services internationally.

Standard Bank Offshore Group won for its class-leading innovation in product design. The Group has continuously enhanced its benchmark structured deposit range in line with evolving client needs and expectations. The Wealth Quotient, a unique personal metric designed to capture life goals and develop financial plans to meet them, lies at the heart of the product design process.

The judges also praised Standard Bank Offshore Group's service to clients, its innovative culture, the transparency and clarity of its charging structure and communications, and its strong emphasis on compliance and client protection.

Chris Berry, Global Head – Structured Products at Standard Bank Offshore Group, said: "We are obviously delighted that our structured products have been recognised at these prestigious awards.

ABOUT STANDARD BANK

Standard Bank Offshore Group's purpose is to build a more prosperous Africa by helping to grow, manage and protect the generational wealth of our clients – and capital-protected structured products are an essential component of this strategy.

Mercedes-Benz Concept X-CLASS *stylish explorer*

16B970

MAXIMIZER CRM

Wealth Manager

New Financial Services CRM Delivers a Complete Solution

Vancouver, BC, Canada (November 29, 2016) – Maximizer Services, a leader in Customer Relationship Management (CRM) solutions for 30 years, today released Maximizer CRM Wealth Manager 2017, a CRM-solution tailor-made for financial advisors and wealth managers providing a full-service offering to their clients, from financial, tax and estate planning through to insurance.

Since its introduction to the market, Maximizer CRM Wealth Manager has been first and foremost a CRM solution built by advisors for advisors. The new release reinforces that vision by evolving to meet the ever-changing expectations of Financial Services clients.

"In addition to staying onside of new disclosure and reporting requirements mandated by CRM2, advisors are expected to manage a client's full range of financial needs, from investments to retirement planning and more," comments Maximizer President Vivek Thomas. "To help advisors and their support teams efficiently manage and grow their accounts, financial services relationship management software needs to go way beyond storing basic client information, like name and contact details, to capture detailed information on all aspects of an advisor's offering."

Maximizer CRM Wealth Manager 2017 allows advisors to capture all data points on Know Your Client (KYC), Personal Information, Informed Consent and other commonly used forms within each client's record, and manage portfolios made up of multiple financial services products – from GICs, Mutual and Seg Funds through to RRSPs and life insurance. The 2017 release uses hundreds of preconfigured industry-specific fields, over 30 best practices business processes, predefined segmentation searches, industry-specific action plans and enhanced dashboards to help Advisors effectively manage their book of business.

The fully integrated platform streamlines all aspects of an advisor's day-to-day business, from contact and household management, client service and industry specific action plans, to auditing and reporting. Seamless integration with commonly used applications like Outlook and Word, cloud-hosted and on-premise deployment options, an expanded API infrastructure, tiered pricing, user-friendly interface and secure data storage in a Tier IV Canadian data center ensures Maximizer CRM Wealth Manager remains the CRM of choice for advisors.

"The 2017 release broadens our functionality to match the full practice service offering of top performing financial advisors and boosts their day-to-day productivity," said Director of Wealth Management, John Easton. "We're proud to provide an advisor-designed, compliance-focused CRM solution that tackles the unique challenges faced by this industry," notes Easton.

About Maximizer

Since 1987 Maximizer has been fueling the growth of businesses around the world. Our CRM solutions come fully loaded with the core Sales, Marketing and Service functionality companies need to optimise sales productivity, accelerate marketing and improve customer service. With flexible on-premise and cloud deployment options, tailored-to-fit flexibility, state-of-the-art security infrastructure, industry-specific editions and anywhere/anytime mobile access, Maximizer is the affordable CRM solution of choice. From offices in North America, EMEA and AsiaPac, and a worldwide network of certified business partners, Maximizer has shipped over one million licenses to more than 150,000 customers worldwide.

For more information, please visit: www.maximizer.com.

HENRY PIETKIEWICZ

WORLD RENOWNED ARTIST AND PHOTOGRAPHER

Henry Pietkiewicz, the world renowned artist and photographer, has presented numerous successful art exhibitions in his home country of Poland as well as internationally.
(Henry Pietkiewicz, established, renowned artist and professional photographer, has presented numerous successful individual exhibitions.)

Through his great talents Pietkiewicz invites us to share in new artistic and philosophical perceptions of the world.

Pietkiewicz' photographs present a pure blend of studied composition and coloristic perfection. They express deep emotion and they prompt a subtle yet captivating energy. His artistic expression is at described as surreal and romantic.

Pietkiewicz developed a strong interest in amber as he discovered its beauty, mystery and historical significance. His photographs of especially unique nuggets are particularly fascinating, presenting an artistic message of mystery, beauty and timelessness of nature (- creating a space for the release of our deep and hidden feelings.)

Amber was part of the culture and luxury of ancient Egyptians and of the Roman Empire.
It was found among other treasures in the tomb of Egyptian pharaoh Tutankhamun. Amber was featured prominently among the exotic goods transported along the Silk Road.

This fact further highlights the universal importance and appeal of precious amber.

Over time Pietkiewicz began to fully appreciate the richness of amber's universal and ageless symbolism, integrating it into his creation of visual art. To experience this work is to contemplate the vast expanse of Time and Life over millions of years – to feel the endless glow of moments in the distant past, the flash of life. This imagery, interwoven with the symbolism of the sun, trees, water and earth, has been present for thousands of years in mythologies around the world. Its deep connection to the universal human psyche is felt when Pietkiewicz' work is experienced. Time, the impression of Life adjured in amber and art together form this mutual world - the photographs express metaphysical space.

The author uses the symbolism of natural amber and creates abstract images, creating a synthesis of the unknown forces of nature and mysterious beauty.

Contact Henry Pietkiewicz
ambercast@vp.pl

FINDING VALUE

IN UK REAL ESTATE IN 2017

By Alex Price, CEO Palmer Capital

Many Real Estate investors we speak to suggest that we are approaching the peak of the UK Real Estate cycle. History suggests cycles are on average around eight years in duration and we are well past that now. But quantitative easing and continuing low-interest rates mean the original rules are being rewritten. When judged from a historic perspective everything looks expensive and with continuing uncertainty in many areas, not least political it would be easy to stay out of the market until the direction of travel becomes clearer. However, we think an opportunity exists in 2017 for selective buyers of assets, and people with experience and skills to navigate the markets.

Let's start with the fundamentals as this is always the safest way to invest. Firstly, population growth in the UK is almost certainly set to continue whether we are in the EU or not, with a 3m extra people forecast over the next 25 years just from increased birth rate, and 6m growth due from non-EU migration according to the ONS.

At the same time, the UK housing stock is consistently growing at about half the required level to meet demand. Secondly, we think that government indebtedness and the deficit will continue to dominate economic policy, with interest rates in the UK likely to be lower for a long time to come.

Finally, we think a rapid evolution in technology such as Artificial Intelligence, on-line connectivity and robotics will dramatically change the employment market and the consequent utilisation of real estate. So how do we use these themes to invest wisely?

Firstly, investing supported by underlying demographics will help investors deliver a better return when adjusted for risk. The simple laws of supply and demand mean that in overall terms residential prices will continue to rise and even if people cannot afford to buy residential assets, they will need to rent somewhere to live. Combined with the changing landscape of the economy this means redundant commercial properties, often located in well-connected urban areas, will need to be redeveloped into more valuable residential accommodation. Secondly, the attraction of income that comes from core properties let to high-quality tenants will continue for investors.

The values paid for ownership of these long-term leases will increase given that the average property yield remains about 400 bp over the cost of 10 years UK government bonds. Finally, the technological changes will lead to demand for more flexible (and probably less) offices space and less retail space, but more logistics and mixed-use environments. We

think that the winners will be entrepreneurial and customer focused landlords who respond proactively to corporate consumers that are increasingly demanding of a high-quality service.

With all of the political uncertainty in the UK, any investment strategy in 2017 will require flexibility in buying, but we believe that this cannot replace the need for a long-term view.

Palmer Capital is a boutique real estate investment management company with £750m of AUM (as at 30th September 2016). Founded in 1992, the company is privately owned and has c. 25years of experience in direct real estate.

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IN A TOUGH ART MARKET , ART FINANCING MAY HOLD THE KEY

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• SOPHISTICATED ART FINANCING •

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Faced with challenging conditions, collectors have become risk-averse, preferring to hold on to their artwork rather than sell. Tim Hunter, Vice President of Falcon Fine Art explains how art financing can unlock liquidity in such precarious times

While the buying and selling of art is primarily a business of passion, there is no denying that many family offices have tremendous value locked up in their artworks. However, the U.S. Presidential election, Brexit and other macro-economic factors have created a climate where collectors and investors have become more reluctant to buy – and sell – valuable artworks.

Fortunately, options for asset-based financing against art are growing – offering a solution for those trying to access liquidity.

A precarious art market

Although art sales cannot be considered a direct proxy for the "real" economy, they do tend to bear a strong correlation to economic indicators, such as oil and stocks. For many – particularly stock investors – art auctions are great way to gauge the mood of the world's wealthy.

And this year, "hesitant" may be one way to describe it. Certainly, the news of a downturn in the art market has been widely reported. But, the picture is far more complex than it would seem.

While global art sales fell by 7% to US$63.8 billion in 2015, the market grew by 77% in the ten years leading up to 2015 – indicating a positive long-term trend. More importantly, as certain sectors of the art market are contracting, others are rapidly expanding.

Nowhere is this more apparent than in the top-end of the art market. Earlier this month, the art market witnessed a new auction record set for the French Impressionist, Claude Monet; with his 1891 canvas "Meule" fetching US$81.4 million, after just 14 minutes of bidding. Such figures clearly indicate that the demand for quality Impressionist and Modern works exists.

But an uncertain economic outlook and turbulence in the financial markets – coupled with a slowdown in sales – have created a deflated atmosphere overall and a skittish art market. Under these circumstances, many collectors might prefer to hold off and wait for a better day to sell.
Certainly, playing it safe in a cautious art market may be the preferred option. The problem, however, is that there is a tremendous amount of money invested and trapped in art.

In such times, art financing may hold the key – enabling owners of art to tap the monetary value of their collections, without needing to sell. What's more, certain art financing solutions even allow clients to keep their artworks on their walls throughout the financing term.

But, given that many collectors of art may not necessarily be in need of cash, why borrow?

Accessing trapped cash

There are two or three different reasons. Take, for example, a client who has a vast collection in storage. Reluctant to sell, the collector might consider leveraging art the same way one might leverage real estate. Art financing, in this context, can free up liquidity that can be invested in other asset classes.

A second type of client may be asset rich, but cash poor, and may not want to sell their art due to tax reasons, or simply because they don't want to part with a cherished work. With art financing, the client can use the art as collateral – borrowing money to finance his or her lifestyle.

Finally, a third type of client may, for instance, be an avid art collector, who wishes to acquire a new piece for a collection without the selling any of the others. Art financing enables the client to leverage the collection for this purchase. In short, art financing is a smart wealth management strategy.

In an unpredictable art market, collectors have been become more selective when it comes to parting with their artwork. Given this, there is a growing demand to unlock the equity in private collections. Fortunately, the number of specialty art lenders that carry out art financing is growing. And firms – such as Falcon Fine Art – can work exclusively with Family Offices and Wealth Managers – with the aim of achieving the best execution for the client.

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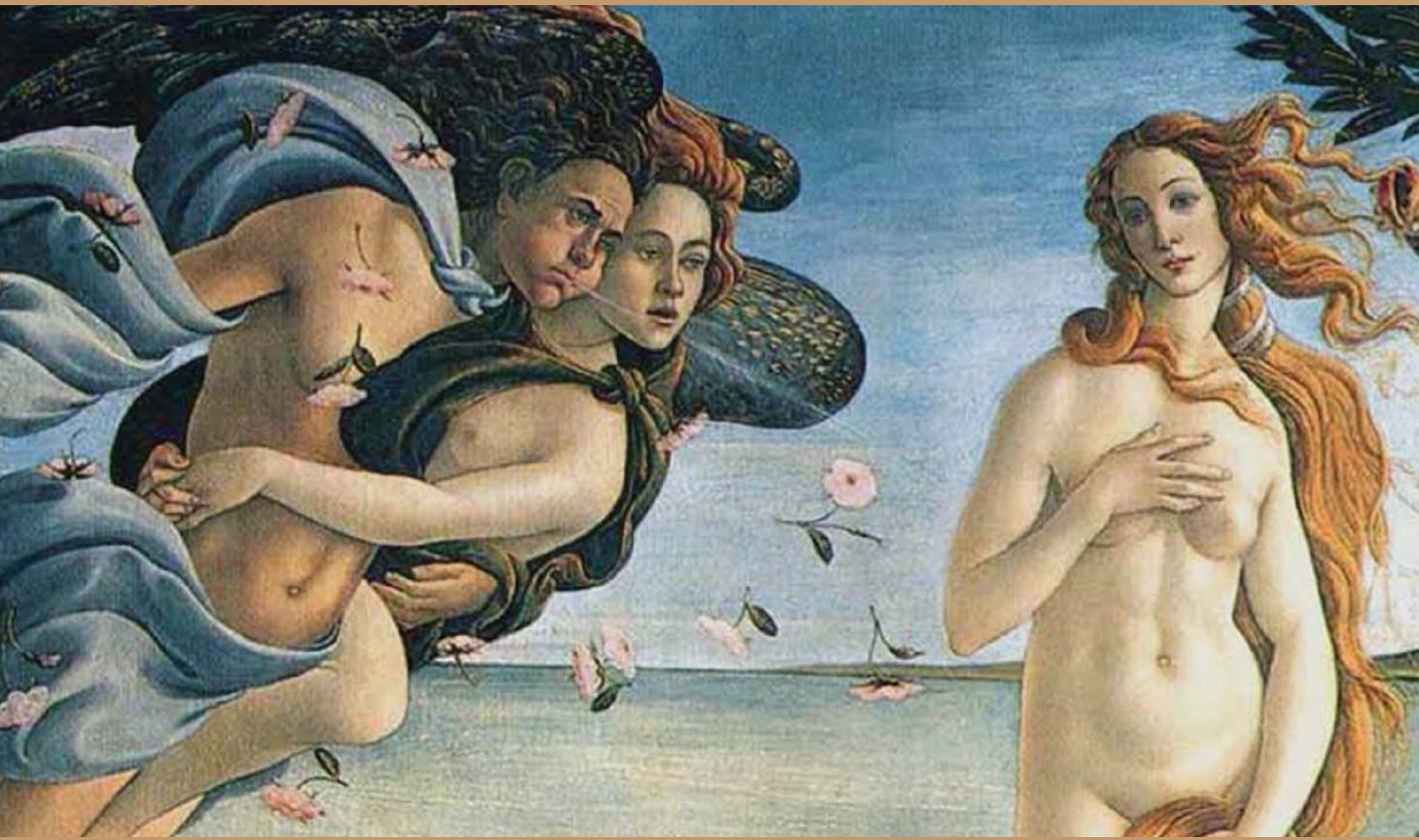

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