

THE BUSINESS OF WEALTH

# FAMILY OFFICE MAGAZINE

SPRING ISSUE 2021

ART & MUSEUM MAGAZINE INCLUDED



**JOE FREEMAN**

WELLS FARGO

WEALTH & INVESTMENT MANAGEMENT

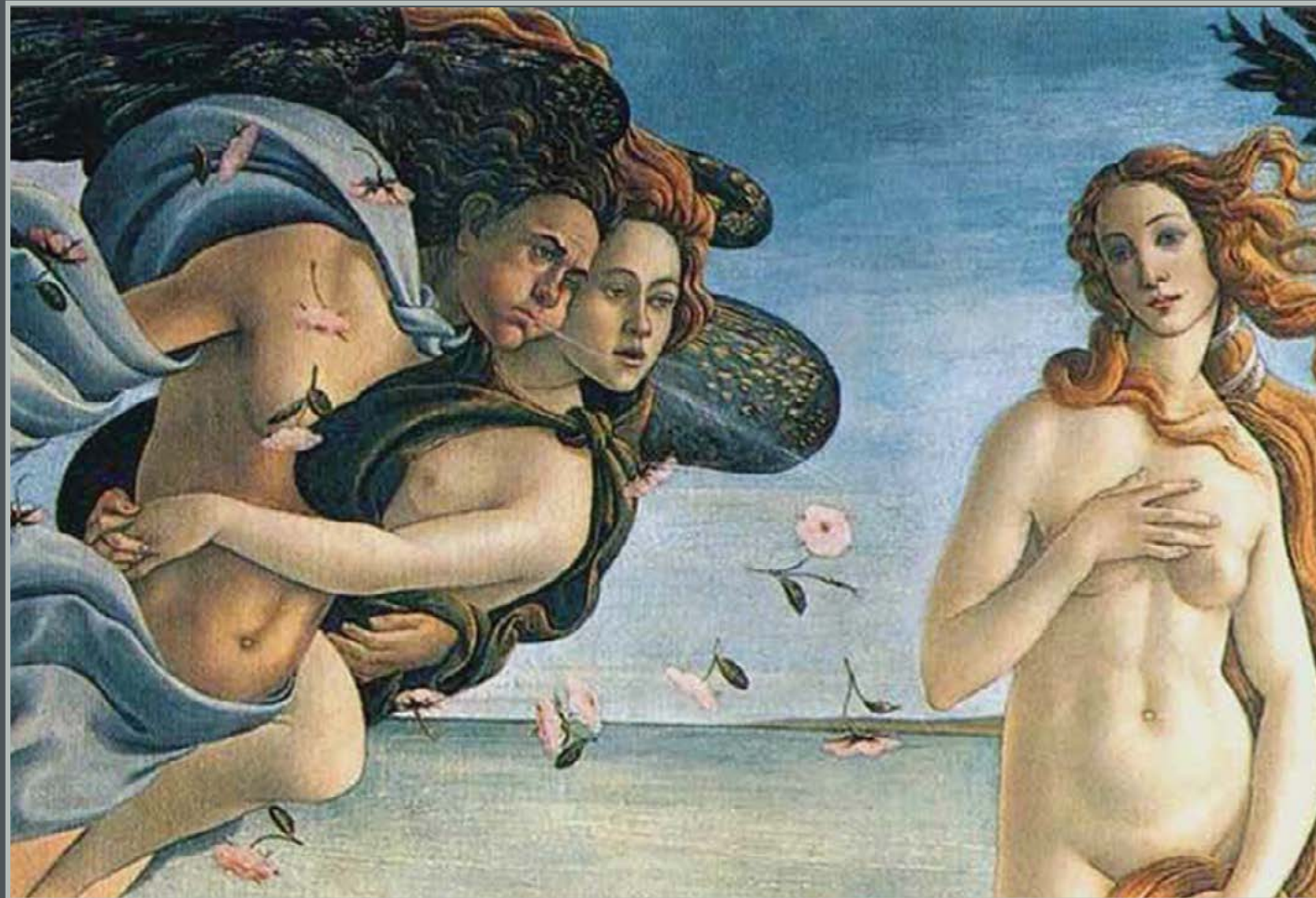
FAMILY OFFICES - UHNWI - WEALTH MANAGEMENT - PHILANTHROPY - LUXURY - LIFESTYLE

Subscription €99 per year

[www.familyofficemag.com](http://www.familyofficemag.com)



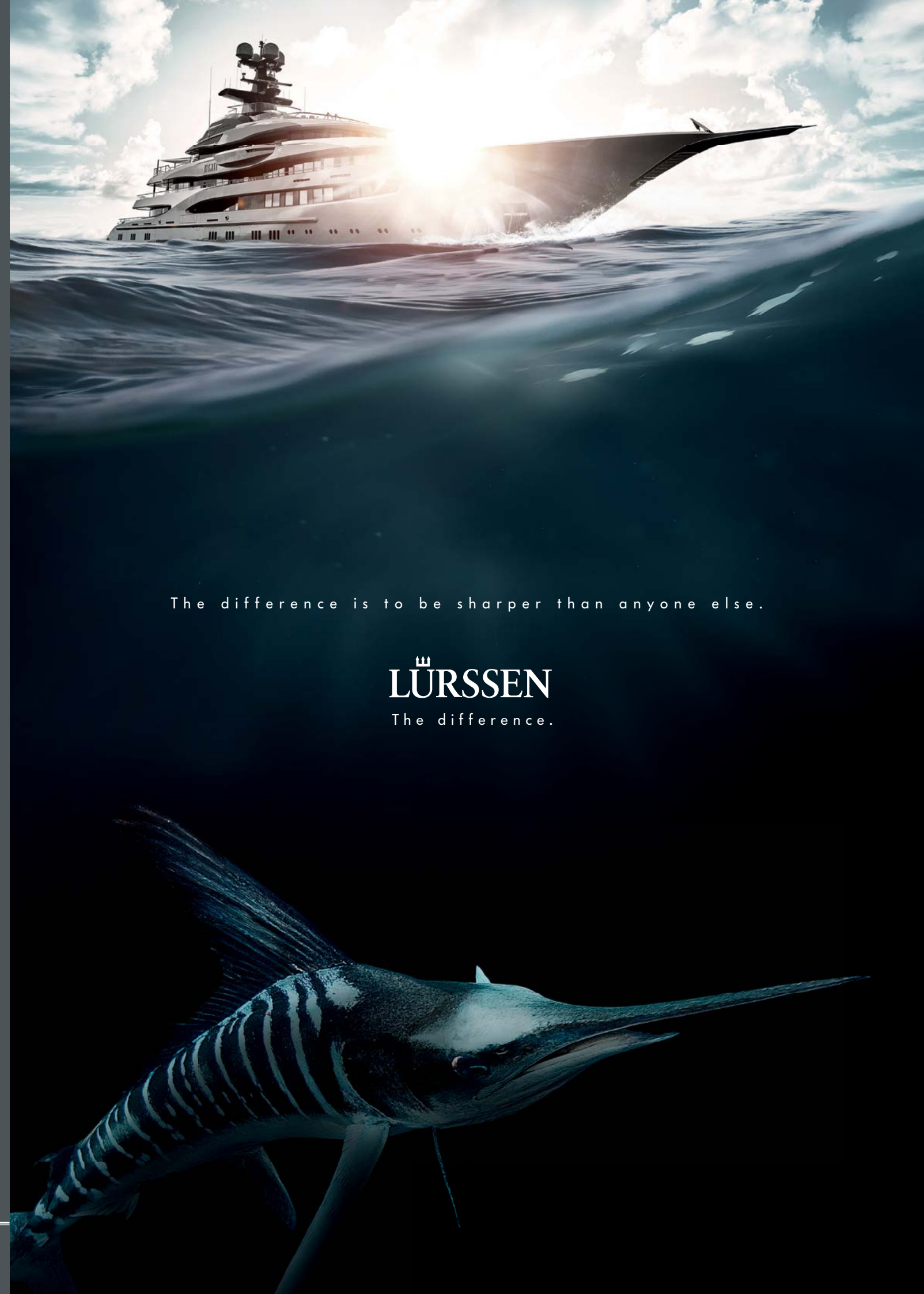
www.domos.uk



**DOMOS** FINE ART  
ADVISORS

*SPECIALISTS IN BLUE CHIP WORKS WITH AN EMPHASIS ON  
DUE DILIGENCE IN ART TRANSACTIONS*

UK | TEL: + 44 (0) 20 7193 8870 | SKYPE: domosfineart | info@domos.uk | www.domos.uk



The difference is to be sharper than anyone else.

**LÜRSSEN**  
The difference.



UK  
COMMERCIAL  
REAL ESTATE  
07

HEDGE FUNDS  
INTERESTING  
TIMES  
11

BREXIT  
PENSIONS AND  
DIVORCE  
13

COVID  
COMEBACK  
15

ROLEX  
SKY-DWELLER  
17

OSMIUM  
RARE PRECIOUS  
METAL

19



ROLLS ROYCE  
PHANTOM  
TEMPUS

29

ISLE OF MAN  
WEALTH  
STRUCTURING  
21

FEADSHIP  
CONVERSION  
23

DIAMOND  
INVESTMENT  
27

SELLING YOUR  
AIRCRAFT  
33

QUANTUM ERA  
DEEP-TECH  
GOLD RUSH  
35

VENTURE  
CAPITAL 39

BRITAIN'S  
DEPARTURE 41

LUXEMBOURG  
FINANCE 43

THE BEST STAFF  
45

TRENDS, SINGLE  
FAMILY OFFICE 47

VALUE  
CREATION 49

TRUST FUND 53  
FOR CHILDREN

ALTERNATIVE  
INVESTMENTS 57

REAL ESTATE  
DEBT ADVISORS 61

SUCCESSION PLANNING 63

RISE OF THE FAMILY OFFICE 67

JOE FREEMAN  
WELLS FARGO





## THE MADE-IN AMERICA, NATURAL, GREEN MULTI-FAMILY OFFICE

Would you prefer eggs or “natural, organic, cage-free, farm raised eggs”? Beer or a craft IPA? Do you want to work with an investment manager or OCIO?

Would an ultra-high net worth family prefer to work with a broker, financial advisor, registered investment advisor (RIA), or multi-family office (MFO)? The impressive growth rates of the MFO segment show there’s value in that MFO label.

The goal of labels is to create a perception that the product or service has a higher value than the competition. It is special, unique, and different. Many RIAs and Private Banks are re-branding existing products/solutions/marketing by calling themselves a multi-family office. Through this re-branding, they claim to be a boutique with bespoke solutions and exclusivity. But are they?

*“A rose by any other name would smell as sweet”*  
Shakespeare’s Romeo and Juliet

Juliet’s famous line suggests that what matters is what something is, not what it is called. But just like some of the terms we used above don’t have a formal definition, the MFO label implies many things. So, let’s review the breadth of what an MFO may be and then consider what one must be.

While they come in all shapes and sizes, most MFOs offer some mix of the following core services: investment management, planning, risk management, reporting, cash management, bill pay, wealth counselling and planning, philanthropic management, banking, trust administration, concierge services, and direct investing. The list of actual services could fill many pages, but most would fit into one of these categories.

Most wealth managers offer investment management and planning. That alone hardly makes them a multi-family



**Joe Freeman**  
Head of Family Office Services, Wells Fargo  
Wealth & Investment Management

office. It is not the products and services that best define an MFO but the overall approach to the client. To use the MFO label, they should embrace the following:

**Focus.** An organization cannot be all things to all people. But a singular focus on providing holistic services is a hallmark of MFOs - most have high minimums and serve a limited number of clients. Focus affords economies of scale and leverages relevant experience across families.

**Legacy.** Along with higher levels of wealth comes a shift in focus beyond meeting current needs to thinking across multiple generations of wealth. Discerning the mission of the family, long-term governance, education of stakeholders, and the impact of the

family is essential for well-developed MFOs. These services have become more mainstream over the last few years but are table stakes for a holistic offering.

**Empathy.** MFO advisors walk in their client’s shoes. Services are often discretionary, with the MFO team acting on behalf of the clients across the full spectrum of financial and personal services. Such a relationship takes time to develop as it is built on a foundation of trust. Still, another core of the multi-family office is the broad range of services delivered by professionals acting as if they were part of the family.

**Inclusive fee structure.** Whether a flat fee or AUM based, the fee must cover a wide range of services. Conflicts of interests get in the way with pay as you go or fee for service arrangements. Interests must be aligned with fees that allow the team to act consistently in the client’s best interest and not placing constraints on the array of services provided. All too often, relationships become disjointed when compensation favours certain outcomes.

According to the Cerulli Report on US High Net Worth and Ultra High Net Worth Markets 2020, multi-family offices have been among the fastest-growing segments over the past five years and now control \$930 billion in high net worth assets as of year-end 2019. They also have the strongest wallet share of any of the other channels controlling 89% of a client’s assets, up from 77% in 2015.

This holistic approach allows firms to retain significant wallet share among their clientele by providing a “one-stop shop” for wealthy investors and families looking for a suite of wealth management, banking, credit/lending, and business advisory services.

As advisors adapt to a more competitive landscape, it is becoming increasingly difficult to gain wallet share and differentiate on fees or investment returns alone. Rather, it comes down to delivering personalized advice and customized solutions, including wealth transfer planning, business consulting/advisory,



**Melanie Schmieding**  
Managing Director, Wells Fargo Wealth &  
Investment Management

concierge services, and lasting relationships built on trust. Understanding the HNW clients’ unique situations and their needs, an MFO must provide solutions beyond investment management that is crucial for practices that wish to remain relevant.

The MFO label is associated with this level of advice and service, but clients need to look beyond the mantra and examine the model. If the team conveys the sense that it is an extension of the family and will employ a relationship that is focused, legacy oriented, and goes beyond traditional wealth management, then perhaps it is worthy of the name.

### About Wells Fargo Wealth & Investment Management

Wells Fargo Wealth & Investment Management (WIM) is a division within Wells Fargo & Company. WIM provides financial products and services through various bank and brokerage affiliates of Wells Fargo & Company and is one of the largest wealth managers in the U.S., with nearly \$2 trillion in client assets. WIM serves clients through the following businesses: Wells Fargo Private Bank serves high-net-worth individuals

and families; Abbot Downing serves ultra-high-net-worth individuals and families; Wells Fargo Advisors provides advice and guidance to help maximize all aspects of their financial lives; and Wells Fargo Asset Management brings together a strategic balance of investment capabilities to serve the investment needs of institutions, financial advisors, and individuals worldwide. Through Wells Fargo Private Bank and Abbot Downing, WIM is also a leading provider of trust, investment, and fiduciary services, including personal trust services and a number of specialized wealth services designed to meet the diverse needs of high-net-worth clients.

Abbot Downing, a Wells Fargo business, and Wells Fargo Private Bank offer products and services through Wells Fargo Bank, N.A. and its various affiliates and subsidiaries. Wells Fargo Bank, N.A. is a bank affiliate of Wells Fargo & Company.

#### About Wells Fargo

Wells Fargo & Company is a leading financial services company that has approximately \$1.9 trillion in assets

and proudly serves one in three U.S. households and more than 10% of all middle market companies in the U.S. We provide a diversified set of banking, investment and mortgage products and services, as well as consumer and commercial finance, through our four reportable operating segments: Consumer Banking and Lending; Commercial Banking; Corporate and Investment Banking; and Wealth and Investment Management.

Wells Fargo ranked No. 30 on Fortune's 2020 rankings of America's largest corporations. In the communities we serve, the company focuses its social impact on building a sustainable, inclusive future for all by supporting housing affordability, small business growth, financial health and a low-carbon economy. News, insights and perspectives from Wells Fargo are also available at Wells Fargo Stories.

[www.wellsfargo.com/stories](http://www.wellsfargo.com/stories)

© 20XX Wells Fargo Bank, N.A. All rights reserved. Member FDIC. NMSLR ID 399801

# Private Banking.

# One of the family.

The only system you need for your Single or Multi-Family Office.

NavOne is the world-leading wealth management system delivered by Touchstone and powered by Microsoft Dynamics NAV technology.

Used by Single and Multi-Family Offices, small to large trust and fund administration companies, private equity firms and specialist legal and accounting practices across 24 global jurisdictions, NavOne is proven to increase operational efficiencies and reduce administration costs and enable secure and selective private client access to their data.

For more information call 01534 818900 or visit [touchstoneOne.com](http://touchstoneOne.com)

Delivered by



Powered by



Technology Vendor of the Year

Citywealth  
2015 WINNER



**Sometimes 3 letters make all the difference**

Because you shouldn't have to compromise to achieve excellence, ING Luxembourg offers you a full experience in Private Banking. Our experts in asset management, lending solutions, wealth analysis and planning keep up-to-date to offer you the most relevant advice regarding your overall situation.

[www.ing.lu/privatebanking](http://www.ing.lu/privatebanking)

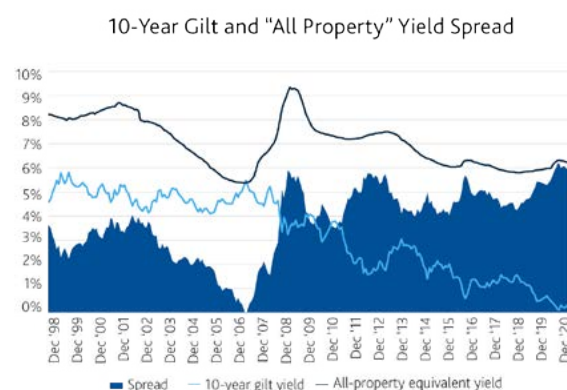


# UK COMMERCIAL REAL ESTATE: HIGH YIELD NEEDN'T MEAN HIGH RISK

by Rupert Sheldon, Head of CORE REIM at Fiera Real Estate UK

High yield equals high risk. This is a key tenet of investment theory drummed into us all at an early age. Yield is relative and represents a universal measure of value, risk and return across all asset classes and markets. It is an international concept transcending all languages, business cultures and geopolitical borders. Yield is the component of return that assumes increased importance during times of economic and wider market volatility and hardship. It is perhaps not surprising, therefore, that as we emerge from the ravages of the Covid-19 pandemic, a flight to defensive investing and heightened demand has put a downward pressure on yields. This begs the question: What is a high yield in today's market?

With 10-year UK Government bonds ("Gilts") and US Treasury Bonds offering 0.8% and 1.6% respectively at the time of writing and the FTSE 100 Index offering an aggregated dividend yield of 3.8% as of 31st December 2020, what is a fair yield for core UK real estate? The graph below shows that presently, relative pricing of UK real estate, when measured against 10-year gilts, sits at an appealing c.6% margin and comfortably ahead of the expected dividend outturn from equities.



Source: MSCI, Q4 2020

Whilst at an all-time high, the all-property equivalent yield margin over gilts reflects the relative position across the MSCI measured universe, including all

risk assets. But what if we consider the comparable position at the core or lowest risk end of the real estate market? In other words more of a like-for-like comparison with the bond proxy segment.

Based on an average weighted annual distribution yield across the distributing funds within the MSCI Long Income Property Fund Index of 3.6% as of December 2020, there is still an appealing margin of close to 3% relative to 10-year gilts. So, for investors considering liability matching or wealth preservation strategies, it is worth taking a closer look at what the long income UK commercial real estate market has to offer.

What is Long Income in UK Commercial Real Estate? Long income describes leases with a term of 15 years or more, although many long income funds seek to achieve average minimum unexpired lease terms of 20 years plus. Leases are typically structured on a traditional full repairing and insuring basis placing the cost burden for repair and maintenance on to the tenant and therefore ensuring a triple net cashflow to landlords.

Rents are typically reviewed five-yearly (although sometimes annually) and in line with inflation (CPI or RPI) or via fixed rental uplifts. This enables income streams to grow with the wider economy rather than being subject to the vagaries of local real estate markets and the volatility that may bring.

The last ingredient is managing counterparty risk, and long income managers usually do this by building a portfolio of investment-grade tenant credit with managers employing sophisticated underwriting and monitoring tools to manage this risk both at acquisition and throughout the asset hold period. The net result is to create a genuine bond proxy or liability matching investment underpinned by a real asset and appreciating residual landholding.

Fiera Real Estate's UK Long Income Fund ("FRELIF") is a good example of such a vehicle conforming to all of the above criteria with a minimum unexpired lease term of c. 18 years, 75% indexed or fixed rental uplifts and an overall investment-grade counterparty risk.



Asda, Stockport, Fiera Real Estate Long Income Fund Portfolio

## What are the risks?

For liability matching or wealth preservation investors, the case is a compelling one. However, unlike investing in Gilts, your capital and income are at risk. It is therefore imperative to understand how these risks can be mitigated:

Collecting Rent – Recent government legislation designed to protect vulnerable tenants through the pandemic has prohibited landlords from using normal measures to collect unpaid rents. This has left many commercial landlords with a rental shortfall. The graph below illustrates rental collection statistics since December 2019, as well as for the Fiera Real Estate Long Income Fund, UK ("FRELIF").

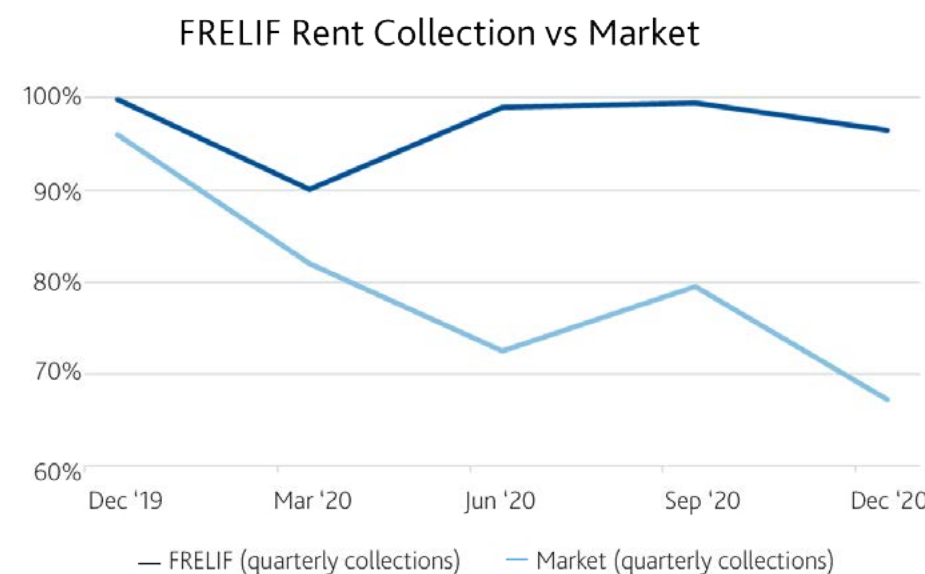


Chart source: Remit Consulting December 2020, based on 125,000 tenancies.

The higher FRELIF rent collection reflects success across the three key areas of risk management being: i) top-down sector allocation – an overweight position to the out-performing industrial, logistics and food retail markets with no exposure to the underperforming high street retail and shopping centre segments.

Significant underweight positions across at risk operational assets such as hotels or leisure further insulate against the effects of the pandemic in what has become a very polarised market for rent collection; ii) robust credit underwriting and monitoring – this is achieved via an established toolkit for managing tenant credit risk including both proprietary and third-party systems working with partners such as EY, INCANS and Dun & Bradstreet to ensure investment grade counterparty risk is achieved and maintained; and iii) strong tenant relationships built up over many years.

This consistency of rent collection has delivered stable income distributions throughout the pandemic. With a current net distribution yield to investors of 4.5%, the Fiera



Real Estate Long Income Fund, UK enjoys a significant income advantage over the wider long income market and a close to 4% margin over 10-year Gilts.

**Capital Value Resilience** – This is best achieved through securing a strong deal pipeline of best-in-class future-proofed investment stock which can be effectively managed to reduce the natural depreciation curve.

Typically, a building depreciates on a straight-line basis from new until redeveloped at the end of its useful life. The depreciation curve can be flattened through capital re-investment or future-proofing from new. In the case of the latter, sourcing and buying newly built ESG exemplar assets is a great way of ensuring capital value resilience in today’s market.

This is something we do at Fiera Real Estate when working with our eight part-owned regional property development partners who specifically target and build ESG best in class assets to protect against future obsolescence. We also keep a close eye on residual

site values, favouring assets in lower value land uses such as urban industrial, where there is scope for significant residual value upside at lease expiry to higher-value uses such as residential.

A High Yielding Diversifier in a Low Returning Market  
In a market where yield is increasingly hard to come by, long-income UK commercial real estate can offer attractive risk-adjusted returns when compared to other perceived low-risk investment alternatives across the wider investible universe.

This is particularly so where income and capital risks can be effectively managed. Fiera Real Estate has a strong track record of out-performance in this market. In an uncertain world where yield and certainty of income remain paramount, long income commercial real estate investing has a natural place within a diversified liability matching or wealth preservation strategy.

[www.fierarealestate.co.uk](http://www.fierarealestate.co.uk)



We are a family office that specialises in Financial Consultancy and Luxury Lifestyle Management, serving wealthy clients in the UK and Abroad.

[WWW.OTIUMPARTNERS.COM](http://WWW.OTIUMPARTNERS.COM) | 0203 095 2101 | [OTIUM\\_PARTNERS](https://www.instagram.com/otium_partners)

The advertisement features a BMW 7 Series Saloon parked on a city street at night. The car is dark-colored and illuminated by city lights. The background shows a modern cityscape with tall buildings and a bridge. The text 'THE 7 STATUS. WITHOUT THE QUO.' is overlaid on the image. The BMW logo and 'BAYERISCHE MOTOREN WERKE' are displayed below the car. Contact information for BMW Park Lane is provided at the bottom.

# THE 7

## STATUS. WITHOUT THE QUO.

BAYERISCHE MOTOREN WERKE

Featuring new exquisite design details, the finest materials and powerful innovations, the new BMW 7 Series Saloon, delivers a new echelon of driving pleasure. To find out more please contact the team on:

0370 700 5216 [www.bmwparklane.co.uk](http://www.bmwparklane.co.uk) [mail@bmwparklane.co.uk](mailto:mail@bmwparklane.co.uk)

BMW Park Lane  
70 Park Lane  
London  
W1K 7TT

The fuel economy and CO2 results for the BMW 7 Series range including plug in hybrid: 20.8-141.2 combined mpg (13.6-2.0 l/100km). CO2 emissions 282-48 g/km.

Figures are for comparison purposes and may not reflect real life driving results which depend on a number of factors including the starting charge of the battery, accessories fitted (post registration), variations in weather, driving styles and vehicle load. For plug-in hybrid vehicles they were obtained using a combination of battery power and fuel, for battery electric vehicles after the battery had been fully charged. Plug-in hybrid and battery electric vehicles require mains electricity for charging. All figures were determined according to a new test (WLTP). The CO2 figures were translated back to the outgoing test (NEDC) and will be used to calculate vehicle tax on first registration. Only compare fuel consumption, CO2 and electric range figures with other cars tested to the same technical procedure.



# HEDGE FUNDS FIND POTENTIAL IN INTERESTING TIMES

by Optima



In 1936, the British Ambassador to China reported learning of a very particular Chinese curse: “May you live in interesting times.” Though seemingly benign—and potentially exciting—the curse is that interesting times are most often difficult ones.

After years of outperformance and a reputation for strong returns across varied market environments, the Global Financial Crisis and its aftermath ushered in a difficult era for hedge funds. The following 10+ years have challenged both hedge fund performance and reputation, with muted returns, notable outflows and even inglorious cameos in films like *The Big Short*.

As a result, the hedge fund industry has undergone a transformation, with liquidity, fee structures—and hedge funds themselves—coming under much greater scrutiny. In 2016 alone, over 1000 hedge funds closed their doors. At the same time, competing alternative investments like private equity have enjoyed strong performance and record inflows.

As we enter 2021, markets are experiencing much greater volatility than in the recent past, driven by the COVID-19 pandemic, difficult economic conditions, and continued political turmoil. That volatility shows no signs of abating, even as the market continues to reach new highs.

## Interesting times, indeed.

Dixon Boardman founded Optima Asset Management in 1988 as one of the first hedge fund of funds managers, looking to provide clients with the value of diversified access to a burgeoning hedge fund industry. The stellar performance of hedge funds throughout the 90s and early 2000s made them an attractive asset class known for its high-octane performance and “absolute return”. Optima expanded its strategies and AUM on the backs of smart leadership, effective strategies and strong markets. For the past several years, markets have been characterized by low volatility and historically low interest rates, which have challenged the conventional

approach of hedge fund managers. As in life, we have evolved in order to continue to thrive.

How has Optima overcome the challenges facing hedge funds while maintaining a strong positioning for growth?

## High-Conviction Investing

To begin, we focused on the concentration of our strategies, honing a high-conviction approach that limits investments to a smaller number of elite managers with diversified and complementary strategies. Slimming down portfolios allows for greater upside potential, while our expertise in balancing manager exposures limits the downside volatility one might expect with a more concentrated portfolio. Optima’s ability to access these top-flight managers comes from the deep relationships and partnerships that it has cultivated over its 30+ years in the hedge fund industry.

## Differentiated Strategies

More focused, niche strategies can generate greater alpha while also providing low correlation to the rest of the market. For example, we have invested in healthcare and biotech, giving investors access to elite hedge funds in a dynamic—yet underrepresented—corner of the market. The value in healthcare and biotech comes from long-term growth and innovation, as well as binary regulatory dynamics that make the industry particularly attractive for hedge funds. In our opinion, these characteristics make healthcare and biotech a compelling niche to target.

## Hedge Funds as Bond Replacements

The record-low interest rates that have dominated monetary policy for the last decade have resulted in some notable collateral damage: bond yields. Near-zero (and sometimes negative!) yields on developed market bonds have left investors needing another solution that can diversify away from the equity markets while also providing substantial return. With the traditional 60/40 asset allocation model being called into question, hedge funds have the potential to work as a bond substitute. Hedge funds are inherently designed to buffer against downside volatility and provide returns across multiple market conditions, making them a natural candidate to replace non-performing bonds in investor portfolios.

As a result, strategies that seek to provide strong downside protection and steady returns, particularly during periods of significant market stress, can be an effective alternative to the traditional fixed income allocation. Optima has developed defensive strategies specifically oriented to minimize downside volatility, while also generating meaningful returns during market runs. Hedge funds can play multiple roles in investor portfolios, and we must recognize the value in hedge funds’ ability to hedge.

## A Positive Outlook

The COVID-19 pandemic and resulting economic crisis/rebound have reintroduced significant levels of volatility into the market, which is here to stay. That has opened up opportunities for hedge funds on both the long and short side, and has ushered in a shift away from the headwinds that have faced hedge funds for the past decade.

And hedge funds have not disappointed. Equity hedge funds have shown their worth—in the first quarter of 2020, while all-long indexes declined anywhere from 20–32%, equity hedge funds (as measured by the HFRI) declined by only 9%. As equities largely recouped their losses in the following months, hedge funds saw meaningful participation in a renewed bull market.

The returns and risk mitigation that many hedge fund strategies have provided corroborate their value as an alpha source, a diversifier and a differentiator—important characteristics as markets concentrate substantially in tech stocks along with prices at or near all-time highs. It is likely that markets will see an extended period of heightened and sustained volatility, and that should bode very well for hedge funds.

Though these may be very “interesting times,” at Optima, we believe that they are also full of opportunity. We are proud of our accomplishments and the insights we have gained from our 30+ history—and excited about the opportunities that the next 30 years will bring. We continue to put our experience to work for our clients and believe that the outlook for hedge fund investing is better than ever.

[www.optima.com](http://www.optima.com)



# BREXIT, PENSIONS AND DIVORCE

by Matthew Taylot



## The impact of Brexit on pensions in a divorce

The end of the Brexit transition period has had well-publicised effects on divorce for international couples, with a sea change in rules determining where parties can get divorced.

However, less attention has been given to an equally important change that may have a transformative effect on pension sharing following an overseas divorce.

### The impact of Brexit on pensions in a divorce

Pensions are frequently one of the largest assets in a divorce, often outstripping the value of the family home. For divorces in England and Wales, pension sharing orders can be used to compel a pension fund to divide a pension in defined proportions between former spouses.

Other than in extremely rare circumstances, pension sharing orders cannot have an extraterritorial effect. Pension funds located in England and Wales will require a court order made in England and Wales to implement a pension share.

For couples who have divorced in another jurisdiction, this means that any financial order made in that jurisdiction cannot create a share of an English pension. Wealthy individuals will usually find that there are cross-border elements to their divorces, and pensions are an important consideration where funds are held in multiple jurisdictions now that the UK has left the EU.

It is not uncommon for overseas couples to retain pensions in this jurisdiction. This can be because of couples who have always previously lived and worked

in England and Wales moving abroad for their own place in the sun; or where someone who was not born and raised in England and Wales comes here to work for a period before moving on to another country.

As the world becomes more interconnected and international relocation becomes more common, so the holding of foreign pensions will become more frequent. Following an overseas divorce, it is possible for an order for financial provision to be made for a party under Part III of the Matrimonial and Family Proceedings Act 1984 (MFPA 1984). This statute was designed to allow the court to make orders for financial provision where there has been insufficient provision made overseas, and the parties have a connection to England and Wales. It can also be used to give effect to agreements for the sharing of pensions following an overseas divorce.

Section 15 of MFPA 1984 sets out that the court has jurisdiction to make such orders where either spouse:

- Has their domicile in England and Wales on the date of the divorce or application under MFPA 1984;
- Was habitually resident in England and Wales for a year before the date of the divorce or application; OR
- Has an interest in a property in England and Wales that was a matrimonial home at the date of the application.

While habitual residence is dependent solely on where someone lives, domicile is a more advanced concept that looks at the whole of a person's life. It is about where they consider their permanent home and roots to be. It factors in their background, heritage and future intentions, and the realities of decisions they have made about citizenship and where to live.

A person can only have one domicile at a time. A person starts life with a domicile of origin inherited from their father if their parents were married and lived together, or mother if not. A person's domicile of origin can be displaced by choice, which can arise when a person has an intention to reside indefinitely in a jurisdiction where they are physically present.

Where parties have lived overseas before the divorce and retain no matrimonial property in England and

Wales, the only way that jurisdiction under MFPA 1984 can be established is by showing that they retain English and Wales domicile.

This creates huge problems for anyone who cannot do this – whether because they have only lived and worked in the jurisdiction for a brief time or whether they have permanently left the jurisdiction with no intention to return and have acquired a new domicile of choice. Divorcing spouses should also be aware that in making an application for a divorce in another country, a domicile of choice can be made, thereby losing the ability for an application under MFPA.

Prior to the end of the transition period, overseas parties could also rely on the EU Maintenance Regulation to establish jurisdiction. That enabled the courts of England and Wales to make a needs-based order under MFPA 1984, provided that proceedings for an effective pension sharing order could not be brought in another jurisdiction. This was known as the “necessity” grounds. Given that the vast majority of pension funds require a local order to be made, this test would generally be passed, and the court could make a pension sharing order.

Following the end of the transition period, the EU Maintenance Regulation no longer has any effect. Therefore, overseas couples without an ongoing connection to England and Wales will be unable to share pension administered in England and Wales. This is likely to frustrate financial settlements or agreements reached following an overseas divorce and could produce unfair results.

It is imperative that overseas parties with pensions in England and Wales should take advice from a family lawyer based in this jurisdiction regarding their ability to share a local pension at an early stage.

Ideally, this should be done before any application being made for a divorce in an alternative jurisdiction to prevent parties unwittingly making a statement about their domicile that would prevent there being a pension sharing order.

Matthew Taylor is a Senior Solicitor at Stowe Family Law

# COVID COMEBACK

## PREPARING FOR THE NEXT CATASTROPHE

By Michael O'Rourke

COVID-19 vaccines are in distribution, and it seems there is light at the end of the pandemic tunnel. Hopefully, the disease did not and will not strike close to home. Lockdowns and their economic ripple effect, however, spared almost no one. Most business sectors were impacted, many devastatingly so. How well your family office and portfolio businesses fared operationally is a function of your prior planning. Analyze now what went right and what went wrong to better prepare for the next catastrophe. For certain, there will be another.

If you followed our advice in All Hands Security (Family Office Magazine, Summer, 2018), you conducted a thorough Threat Vulnerability Assessment, or TVA, to identify risks and prioritize ways to mitigate those risks. Risk mitigation includes determining what to do if you cannot operate, partially or completely, at your place of business for any reason. You were better prepared for 2020. If your family office has yet to complete a TVA to determine your risk exposure to all hazards, it's best not to waste another moment. Prepare for the next disaster now.

Before we continue, a brief terminology discussion is in order. From a security perspective, assets are people, property, information, and processes. A threat is anything that would harm or deprive you of assets. Many threats are man made. A brief list includes civil and political unrest, terrorism, data breach, workplace violence, accidents, negligence, or scandal. Other threats are natural, including destructive storms and floods, earthquakes, or disease. The list is hardly all-inclusive, but each may have catastrophic life safety and business impacts. Vulnerabilities are gaps in security that threats may exploit to reach assets, and risk is your potential for loss. When identifying threats and vulnerabilities, consider not only the most dangerous threats but also the most likely ones. They may not be the same. To which threats are you most vulnerable, and where is your greatest risk exposure? Consider the recent COVID-19 lockdowns. If your

offices were closed, did your staff work from home? Did you provide dedicated work-only devices, or did employees use personal computers and cellphones to update Facebook and surf the internet? Focusing only on the current global crisis, of course, is like looking at the world through a straw. A proper risk assessment must bring all possible hazards into view. Pandemic is undoubtedly among them but cast a wider net.

Taking the broader view may make the task appear incredibly complex and daunting. This is where a well-selected security consultancy brings clarity and reassurance through experience and process. And it should be a consultation. A reputable and professional security consultant listens carefully to the client. Do not allow a company to force your unique problem to fit their prepackaged solution. Each family office requires a bespoke Threat Vulnerability Assessment and tailored risk-reduction recommendations.

Your security consultancy must also stand ready to lead or assist with post-assessment implementation. After all, once risks are identified, they must be reduced. Ensure beforehand, however, that your consultant is independent of any outside vendors solicited for bids. Only through transparent independence do you guarantee your interests come first. Be sure to get that promise in writing.

Lack of preparation is expensive. In 2019, a global apparel brand was caught by surprise when Hong Kong protests turned violent, and many of their locations were targeted. Though the protests had already gone on for months, this multinational corporation conducted no TVA specific to Hong Kong and thus were ill-prepared to safeguard people and property. Recent political unrest in America found many companies equally on the back foot, and of course, COVID-19 caught businesses large and small without a business continuity plan. What action can a family office, or any business, take today? Name and empower a chief point of



contact, and a deputy, for risk mitigation. Review your insurance coverage in detail. Risk transference via insurance is an important risk reduction component, yet some policies specifically exclude certain types of losses. Develop a business continuity plan of action should the family office principal suddenly pass away or become incapacitated. Identify alternate worksites and put contracts in place to ensure these locations are available should your primary location become inaccessible or you need to reduce headcount to comply with government directives.

If your contingency plans include staff working from home, dedicated electronic devices preloaded with your business software and security applications must be ready to go but stored securely. Assess your data security protocols. Do you categorize critical data so only the employees with the need to know have access? Can anyone, employee or visitor, with an unobserved moment alone with a computer surreptitiously insert a USB flash drive and walk away with the digital keys to the kingdom? Is everyone trained to spot suspicious emails and not click on malicious links? Ensure the businesses in your portfolio are equally prepared. Risk assessments and contingency planning should flow

through your entire organization. Each separate entity requires a distinct TVA and risk mitigation strategy. A family office in London or New York will not share all the same risks as their hotel holdings in the Caribbean or their global retail locations. If every location has the same plan, then none have their own plan.

Finally, seek out a qualified security consultancy to fully identify the threats you face, your vulnerability to those threats, and your risk of loss through lack of risk mitigation. Work with your chosen consultancy to reduce vulnerabilities across the full spectrum of natural and man made threats.

Michael O'Rourke is CEO of Advanced Operational Concepts, an international security consultancy he co-founded after a career in the American Special Forces. He leads his firm in providing independent Threat Vulnerability Assessments of businesses, large commercial properties, hotels and resorts, residential estates, and critical infrastructure globally.

[mike.orourke@adopcon.com](mailto:mike.orourke@adopcon.com)  
<https://adopcon.com>



# ROLEX SKY-DWELLER



The Oyster Perpetual Sky-Dweller is fitted with an Oysterflex bracelet for the first time. The innovative, high-performance elastomer bracelet on this 18 ct yellow gold version has an Oysterclasp and the Rolex Glidelock extension system for enhanced comfort on the wrist.

Rolex is presenting a new 18 ct yellow gold version of its Oyster Perpetual Sky-Dweller, fitted with an Oysterflex bracelet. The watch is the first in the Classic category to include this innovative bracelet made of high-performance elastomer. It also features a bright black, sunray-finish dial with hands and hour markers in 18 ct yellow gold. The light reflections on the case sides and lugs highlight the refined profile of the 42 mm Oyster case.

This new version is of course equipped with the fluted, rotatable bezel unique to the Sky-Dweller, which is used to set the watch in conjunction with the Ring Command system. It also has a Chromalight display: the hands and hour markers are coated or filled with a luminescent material that emits a long-lasting blue glow in dark conditions.

This new version of the Sky-Dweller is equipped with calibre 9001, at the forefront of watchmaking technology.

Like all Rolex watches, the Sky-Dweller carries the Superlative Chronometer certification, which ensures excellent performance on the wrist.

An elegant watch for frequent travellers, the Sky-Dweller displays the time in two time zones simultaneously and has an annual calendar. The reference time, in 24-hour format, is shown via an off-centre disc, and the local time is read using conventional centre hands. The annual calendar, named Saros, automatically differentiates between 30- and 31-day months. It is operated by a patented mechanism and stands out for its innovative display: the months of the year are indicated in 12 apertures around the circumference of the dial, with the current month marked in red. The instantaneous date change is linked to the local time.

The Sky-Dweller includes the Ring Command system, an interface between the rotatable bezel, winding crown and movement that allows the wearer to select and set the timepiece's functions one by one, easily, quickly and securely.

A paragon of robustness and reliability, the Oyster case of the Sky-Dweller is guaranteed waterproof to a depth of 100 metres (330 feet). The middle case is crafted from a solid piece of 18 ct yellow gold. The

case back, edged with fine fluting, is hermetically screwed down with a special tool that allows only Rolex watchmakers to access the movement. The Twinlock winding crown, fitted with a double waterproofness system, screws down securely against the case. The crystal is made of virtually scratchproof sapphire and is fitted with a Cyclops lens at 3 o'clock for easy reading of the date. The waterproof Oyster case provides optimum protection for the watch's movement.

## PERPETUAL CALIBRE 9001

This new version of the Sky-Dweller is equipped with calibre 9001, a movement entirely developed and manufactured by Rolex. With multiple patents filed, this mechanical, self-winding movement is one of the most complex calibres created by the brand. Its architecture, manufacturing and innovative features make it exceptionally precise and reliable.

Calibre 9001 has a blue Parachrom hairspring manufactured by Rolex in an exclusive paramagnetic alloy that makes it up to 10 times more precise than a traditional hairspring in case of shocks. The blue Parachrom hairspring is equipped with a Rolex overcoil, ensuring the calibre's regularity in any position. The oscillator is fitted on the Rolex-designed and -patented high-performance Paraflex

shock absorbers, increasing the movement's shock resistance.

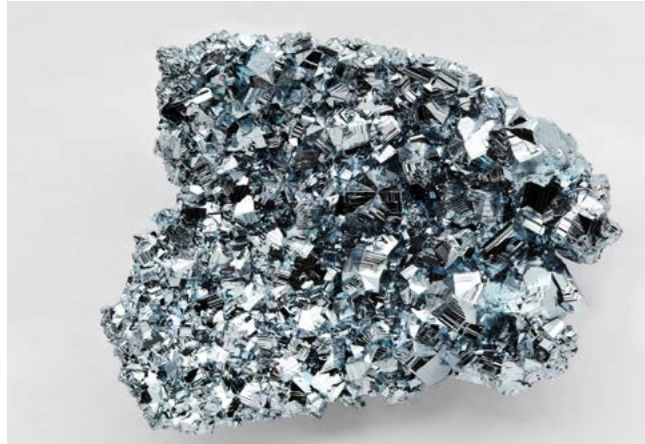
Calibre 9001 is equipped with a self-winding module via a Perpetual rotor and offers a power reserve of approximately 72 hours.

singularly combines the robustness and reliability of a metal bracelet with the flexibility, comfort and aesthetics of an elastomer strap. Developed and patented by Rolex, this innovative bracelet is made up of flexible metal blades manufactured from a titanium and nickel alloy.

The Oysterflex bracelet on this new version of the Sky-Dweller is equipped with a folding Oysterclasp in 18 ct yellow gold, designed and patented by Rolex. In addition, it features the Rolex Glidelock extension system, also developed and patented by the brand. This particularly inventive mechanism comprises a rack located under the clasp cover and a toothed sliding link that locks into the chosen notch. The Rolex Glidelock on the Oysterflex bracelet has six notches of approximately 2.5 mm, allowing the length of the bracelet to be adjusted easily, and without tools, up to some 15 mm.

[www.rolex.com](http://www.rolex.com)

# OSMIUM - THE RAREST PRECIOUS METAL ON EARTH



"Most investors have never heard of Osmium. This is all about to change because Osmium is the eighth precious metal and offers some interesting investment opportunities. The metal has now reached the investment market. There have long been tangible asset investors who manage Osmium. What was formerly reserved to a handful of pioneering watchmakers and jewelers have now become a real investment option." - Ingo Wolf, Director Osmium-Institute Germany

Osmium is incredibly rare

Osmium occurs naturally in the earth's crust, but it is incredibly rare. Due to its density of 22,61 g/cm<sup>3</sup> you can load the entire globally available amount of Osmium that can be mined into a cube of just 9 m<sup>3</sup>. (44,000kg, 70 Billion Dollar). Measured by volume, this makes gold 1,500 times more common than Osmium cause there are 13,800 m<sup>3</sup> of gold in comparison to Osmium.

Certification & Database

Osmium was barely known to the public before 2013 because of its original form, the so-called Osmium sponge is toxic. In late 2013, when a process to crystallize the metal was finalized, things

changed. The crystalline form of Osmium possesses a modified atomic structure which makes the metal non-toxic. The process is comparable to the creation of diamonds from carbon. The crystalline form of the metal is considered unforgeable. In addition to having the highest density of all metals, each Osmium piece has its own unique crystal surface structure, which provides on 1 mm<sup>3</sup> a 10.000 times more secure recognition than a human fingerprint.

This makes it possible to certify each piece with a high-resolution scan of the crystal surface structure. It is stored in the international Osmium-World-Database along with its unique identifier, the so-called Osmium-Identification-Code (OIC). The Osmium-Institutes around the world are the guardians of this database, which contains all pieces of Osmium ever sold on the world market. This means that crystalline Osmium cannot be forged, as every single piece is recorded and recognizable. The database is used by customs authorities and private individuals.

**Investing in Osmium**

After Osmium is crystallized in Switzerland and certified in Germany, the metal enters international markets through local Osmium-Institutes on four

continents and plays an increasingly important role in value investment and jewellery markets. A small amount of Osmium provides a perfect portfolio addition. Interestingly, it can be bought or exchanged with gold, silver, bitcoin, ethereum and various currencies.

However, Osmium is not traded on exchanges and not valued by a real-time price. There is only one spot-price for Osmium, which is updated daily. It depends on demand and the so-called harvest rate. The harvest rate is the ratio between all the processed Osmium in the crystallization process and the actually gained and cuttable Osmium in crystalline form.

Osmium is also subject to a monopoly. Only Osmium-Institutes are entitled to introduce crystalline Osmium into the market before it is sold on by retailers around the entire world. On the one hand, the monopoly may pose a restriction. On the other hand, the institutes ensure safety regarding genuineness and availability.

**The Osmium-Investors Disk and other Shapes**

Tangible asset investors can invest in these so-called Disks (also called Big Round Bars) or Medium Edged Bars. Every kind of Disk or Bar should still be viewed as neutral by the investor at the point of purchase. Its value does not depend on jewellery trends or the fashion of a particular year. The Disk is only processed once the jewellery is manufactured. However, a certain number of Disks will be locked away in vaults for a long time, serving as a store of wealth.

Osmium is now also available in tangible asset boxes and as single shapes in many shops on the internet as well as in flagship stores. The most common shapes are flat tangible asset investment bars. Osmium is also offered in the form of Starrows. In the Osmium market, these rows are the equivalent to gold split bars, which can be used or sold in small pieces by breaking off segments. Although more shapes and sizes have now become available, crystalline Osmium is considered a real insider's tip.

**The Insider's Tip Tangible Asset Investment**  
Osmium is an extremely rare metal. It has fascinating physical properties, competes with diamonds and is much rarer than, e.g. gold to an extreme degree. This is why Osmium has a very high value which is likely to increase in the long run. Adding Osmium to a tangible asset investment portfolio may be a good opportunity to gain a very high return on capital.

"We have partners in most corners of the globe who are actively taking orders for Osmium. This is considered to be a highly investable product and, due to its scarcity, the price increases can be significant." - Ingo Wolf, Director Osmium-Institute Germany.

As the market is tight and limited, an increase in production over the next few years will unlikely ease upward price pressures - as the output of crystalline Osmium will likely continue to stay smaller than demand. This, along with a limited raw Osmium supply, will be factors that might lead to the expected substantial price increase.

**About the Osmium-Institute Germany**

The German Osmium-Institute has the task of ensuring standardized handling in the trade and processing of crystalline Osmium. The tasks are performed by a team of specialists who inform retailers, educate processing companies and are available as persons of contact.

The Osmium-Institute provides valuers for the private trade who can confirm the authenticity of Osmium and verify codes. Osmium is only crystallized in Switzerland. The crystallized Osmium then initially goes to Germany. Here, the Osmium is documented, photo catalogued and receives a certificate. This includes the verification of purity, weight and structure to the client.

For further information, please contact Osmium Wholesale Partner Mr. Michael Seiberl. michael.seiberl@osmium-institute.com

[www.osmium-institute.com](http://www.osmium-institute.com)



# ISLE OF MAN WEALTH STRUCTURING ARRANGEMENTS

By Paul Howland, Director – Abacus Trust Company Limited, A part of Abacus Trust Group

The Isle of Man has been a leading international finance centre for decades. Situated in the Irish Sea between England and Ireland, the Isle of Man is a self-governing British Crown Dependency and part of the British Commonwealth.

Known for its rugged coastline, medieval castles, and striking landscape, the Isle of Man is home to the oldest continuous parliament in the world, the High Court of Tynwald, of Norse origin and over 1,000 years old.

The Isle of Man is a common law jurisdiction, with a progressive legal framework very much based on English law. This comfort and familiarity have helped the Island develop its reputation as a jurisdiction of choice for private client wealth structuring matters across many years.

For a high net worth client looking to structure their affairs from the Island, there are two primary arrangements they may wish to consider: an Isle of Man Trust, and an Isle of Man Foundation.

## Isle of Man Trusts

The Island has enacted trust legislation, and the principal Manx statute is the Trustee Act 1961, which has many similarities to the Trustee Act 1925 of England and Wales. Further legislative revisions have been made so as to keep pace with the evolving needs of clients, and these include permitting non-charitable purpose trusts, conflict of law “firewall” provisions, and the abolishment of the rule against perpetuities after 16th June 2015 in certain instances.

Isle of Man law trusts are generally flexible arrangements and can be used to facilitate and achieve many objectives. These may include the management and preservation of wealth, succession planning, support and provision for particularly vulnerable beneficiaries, tax planning and philanthropic and charitable purposes. Trusts also preserve privacy and confidentiality, as there is no registration process or public record, except for in certain charitable circumstances. With a trust arrangement, it's important that the legal ownership

and control of an asset passes from the individual creating the structure (referred to as the settlor) to the trustee. The trustee will hold the assets upon trust for the beneficiaries and generally in accordance with the terms of a documented trust deed. It's possible that through careful drafting of the trust deed, certain powers can be reserved or granted to someone other than the trustee, which is permissible under general common law principles. Care is required, though, as to the powers reserved, how these are then exercised, and by whom to protect the integrity of the structure.

Financial services provided from the Isle of Man are regulated and overseen by the Isle of Man Financial Services Authority. This is an independent statutory board created by the Isle of Man Government, and the provision of trustee services is licensed activity under the Financial Services Act 2008.

Trusts are taxed favourably on the Isle of Man, particularly where they are created by a non-resident settlor, and there are no Manx beneficiaries. The Island does not levy any capital gains, inheritance, estate, or gift taxes. Income tax will generally not apply, provided the beneficiaries are overseas residents, and the income has arisen outside the Isle of Man (there is an exemption for locally earned bank interest).

## Isle of Man Foundations

Foundations have existed for centuries and been particularly prevalent in some European civil law countries. The Isle of Man legislated to incorporate and allow foundations with the introduction of the Foundations Act 2011.

A foundation is an incorporated legal entity with its own separate legal personality that enables it to hold assets, sue, and be sued. With a trust arrangement, all of these actions sit with the trustee. Whilst a foundation has similarities to a company, it cannot directly engage in commercial trading that isn't incidental to its objects. A solution to this would see the foundation holding shares in an underlying company that undertakes the trading activity.

Foundations are an increasingly popular alternative to trusts, where clients are from a civil law background and therefore more familiar with the concept. It's possible for the person establishing the foundation, known as the founder, to exert greater influence and control over the arrangement than perhaps with a trust by careful drafting of the constitutional documents, being the foundation instrument and foundation rules. The founder may also be appointed to the Foundation Council that manages and oversees the arrangement, but consideration should be given as to any personal tax and control consequences arising from this.

A foundation doesn't have any shareholders. Any foundation may elect to have an enforcer to ensure its primary function is being fulfilled. If an objective of the foundation is to undertake a specified non-charitable purpose, the foundation must have an enforcer appointed, which may also be the founder.

From a succession and wealth planning perspective, a foundation may be useful where the shares of a family business are involved. The foundation documents can be drafted in such a way so as to provide protection where there are competing and differing views and objectives for the shareholding. With the increasing global use of private trust company arrangements, a foundation can be used as the orphaning vehicle for the shareholding in the trustee company. A foundation may also be an appropriate structuring solution where a wasting asset is acquired, such as a private jet or superyacht.

A foundation must have an Isle of Man Registered Agent to assist with the incorporation and enduring statutory filing obligations. This amounts to regulated corporate services provider activity under the Financial Services Act 2008. The foundation rules document, submitted to the Registrar of Foundations, is redacted so as to remove the names of any individuals or specific assets referenced therein.

In the Isle of Man, a foundation is treated as a corporate taxpayer for income tax purposes, and so it will generally be taxed at a rate of zero per cent unless it's involved in Isle of Man land and property activity.

**REAL LIFE  
STORIES OF  
STRUGGLE  
AND COURAGE  
FROM  
AROUND  
THE WORLD**

**AMNESTY  
INTERNATIONAL**



**THIS IS OMAR, A TEENAGE  
REFUGEE FROM SOMALIA.**

**A LIFE ON HOLD**  
IS A NEW FILM ABOUT  
OMAR'S LIFE IN A REFUGEE  
CAMP IN TUNISIA.

**WATCH AT  
AMNESTY.ORG/REFUGEES**





## BROADWATER CONVERTED FROM "CLASSIC" INTO "CONTEMPORARY"

The formerly "classic" Feadship motor yacht Broadwater (1994, formerly Rasselas) has been re-delivered by Huisfit and left the facilities of Royal Huisman Amsterdam for her Atlantic crossing after an extensive and successful conversion of her interior and exterior. Huisfit - Royal Huisman's dedicated division for refit, rebuild and renewal - was commissioned to undertake this major project following an earlier visit to the shipyard in 2019. The scope of work ranged from various upgrades to comfort and esthetic aspects of the yacht (inside and out), to changes relating to classification requirements based on the Owner's brief, which was to convert Broadwater into a "modern and livable home away from home" with charter capability.

The new exterior and interior styling has been created by the talented yacht designer Adam Voorhees, who was inspired by the Owner's input to define an abundance of desirable modifications. MCM Newport's Peter Wilson assisted Broadwater's experienced

Owner with the selection of the refit shipyard and oversaw the conversion project at the Huisfit facilities at Royal Huisman Amsterdam.

The most impressive aspect accomplished during the 2019 - 2020 Huisfit Broadwater project is the 4m / 13ft extension of the hull, which not only creates a considerably more spacious arrangement, but also transformed the yacht's exterior appearance (length pre-Huisfit: 52m / 171ft; post-Huisfit: 56m / 184ft). The original classic transom was skillfully removed and replaced with a re-styled stern, fashioning a delightful aft deck and beach club. To complement the new configuration, the hull and superstructure have been painted in a contemporary color scheme.

New teak and furniture enhance the main and bridge deck perfectly. The sundeck is right on trend with a new and larger hot tub, a pleasant bar area and the added benefit of a day head which was not there before.

The original arch and antenna mast were replaced with a new composite radarmast and sun awning hardtop, made by Royal Huisman's sister company Rondal as a turn-key project. This is where Rondal proves its value; leveraging decades of superyacht building experience as well as composite expertise, resulting in a unburdened process for the shipyard as well as a high-end end product.

Through a close collaboration with engineering specialist Solico Engineering and advanced composite supplier Gurit, Rondal ensures to realize the highest quality. Rondal's composite mast structure for Broadwater is primarily built from carbon. The weight versus strength ratio of carbon composite provides big advantages as the weight saving in general improves performance and efficiency.

Saving weight aloft, makes a significant improvement on the stability of the yacht. Also, composite provides the designer with 'freedom of geometry', allowing for more appealing aesthetics. Composite also has no corrosive properties and minimal thermal expansion, making it an ideal building material.

Inside, the Owner's and guest areas have been completely restyled, from a classic scheme with dark joinery, to a much more contemporary elegance, using attractive new materials. The crew area has been updated as well, and throughout, the motoryacht enjoys a complete upgrade of the audio / video system and the replacement of the navigation / communication electronics.

The Owner's requirement for charter capability necessitated a classification change from "private use" to "commercial use". During the Huisfit conversion, this involved intense cooperation between the shipyard, the Flag state and Classification society, to develop workable solutions and meet modern standards. After all, the yacht was built a quarter of a century ago, before any Large Yacht Code even existed. Various modifications include construction work to the fire boundaries, and the installation of additional board systems such as a large emergency generator and a water mist fire-fighting system.

Owner's representative Peter Wilson of MCM Newport comments: "When I was first contacted by the Owner to discuss this refit, it quickly became apparent that this was an irresistible project. His vision was to breathe new life into this magnificent Feadship. It was a great pleasure to work alongside Adam Voorhees to see his designs evolve through the development of both the exterior and interior.

The outcome is the result of the dedication and skill of all the boatbuilding disciplines involved to affect such a brilliant transformation. The fine pedigree of this yacht has been respected and dare I say enhanced. I have little doubt that Broadwater's new profile, interior and myriad behind the scenes modifications and improvements, will stand her in good stead for her next quarter century and for all those fortunate enough to go on board."

Jan Timmerman, CEO Royal Huisman comments: "Our shipyard has an established track record of success with superyacht rebuilds and conversions. The Huisfit process brings together our infrastructure, technology and renowned skills, as well as leading industry specialists to provide a bespoke solution in a competitively tailored package.

On behalf of our team I can say that we are proud of the successful delivery of Broadwater. This is a very significant milestone for Huisfit and the result of great teamwork between the Owner, Peter Wilson, the Broadwater crew, various partners and the Huisfit team – despite the various challenges like working in Covid-19 times. Thanks to her visionary Owner, Broadwater will be future-proof for many years ahead."

An extensive photoshoot of Broadwater in stunning surroundings is planned to take place in the near future, so a full presentation of the final results of the modifications and her design updates during the recent Huisfit conversion can be expected in the near future.

[www.huisfit.com](http://www.huisfit.com) / [www.royalhuisman.com](http://www.royalhuisman.com)





  
**COLUMBUS**  
MONTE-CARLO

## LIVING RIVIERA STYLE

Columbus Monte-Carlo is a true one-off;  
Location, views, a cool and relaxed sophistication,  
all match the fabric of vibrant Monaco.  
Mediterranean Restaurant TAVOLO  
Cocktail Bar  
Serviced Residences

THE HIDDEN GEM OF MONACO

[#NewColumbusMonteCarlo](https://www.instagram.com/newcolumbusmontecarlo)

+377 92 05 90 00 | 23 avenue des Papalins | MC 98000 Monaco | [www.columbushotels.com](http://www.columbushotels.com)



# Private Banking.

**ING** 

**Sometimes 3 letters  
make all the difference**

Because you shouldn't have to compromise to achieve excellence, ING Luxembourg offers you a full experience in Private Banking. Our experts in asset management, lending solutions, wealth analysis and planning keep up-to-date to offer you the most relevant advice regarding your overall situation.

[www.ing.lu/privatebanking](http://www.ing.lu/privatebanking)





# DIAMOND INVESTMENT

## WHERE ROCK-HARD CURRENCY AND SPARKLING BEAUTY MEET



By Alexandra Nima

Pop culture's claim that diamonds are forever may have a certain truth to it. As volatile and risky as other assets have proven to be over time, diamonds have demonstrated stability - especially when looked at as a long-term investment.

The argument for diamonds  
Natural diamonds are pure, crystallised carbon formed over millions of years and under enormous pressure. Revered by the Greeks as tears of the gods, this unique asset class's extreme durability symbolises a legacy that persists over time.

The sparkling rocks have a few traits that make them worth considering if your family office intends to diversify its investment portfolio. For example, diamonds are small and easy to store, carry, or hide, which may come in handy during times of crisis. No other investible can match their high value per unit weight - a small, 0.8 gram brilliant of

the highest quality could be worth as much as 12.5 kilograms of gold. Viewed from a psychological angle, diamonds are physical and provide a feeling of tactile connection and sense of emotional safety. Made into breathtakingly beautiful jewellery, you can wear them yourself or use them to express and solidify romantic commitment. Their practical value as jewellery is undisputed; after all, 93 percent of all engagement rings still feature a diamond.

As a token of appreciation, they can easily be transferred to the next generation and are hence ideal for legacy planning. The sparkling gemstones are discreet and anonymous - that is, unless one wants to make an extraordinarily spectacular diamond part of the (official) family heritage. Over the last one hundred years, returns on diamonds have been largely independent of financial market cycles. The diamond market has

proven much less volatile than the securities and commodities market, or even gold. Diamonds are ideal if you want to distribute risk by mixing conventional products with tangible assets and remain independent of a potential gold devaluation during uncertain times.

What to know about diamonds  
Diamonds come in all shades of colours, from white to yellow, pink, red, blue, green, and black. Coloured diamonds are created by the same process as the colourless stones, albeit with one crucial difference: during the crystallising process, foreign particles such as radiation and gas molecules get trapped in the stone, which creates a range of vibrant hues.

White diamonds are rated according to the 4 Cs: colour, clarity, cut, and carat - the latter a measure for their weight, not size. The combination of these factors indicates a stone's relative rarity and value. The third C

is especially crucial, since a good cut can easily make an inferior stone look brilliant to the untrained eye. An established certificate makes your diamonds - also known as the world's hardest currency - universally tradeable. Certificates come from various institutions, with the GIA (Gemological Institute of America) being the most widely recognised and technologically advanced. Each checked, certified stone comes with a written and illustrated grading report and invisible miniature number engraved in the diamond's girdle.

Experts generally agree when it comes to white diamond investment, buying only the highest quality stones (i.e., colours D-F, clarity FL to VS1, one carat or more in weight, in a round brilliant cut with a triple excellent rating) is critical.

Unlike gold, there is no universal world price per gram for diamonds. One can only refer to widely accepted price guides, such as the Rapaport diamond report. When buying, it helps to have an expert at hand to ensure you get an adequate return for your investment.

It is estimated white diamonds constitute over 99 percent of all diamonds sourced worldwide. The coloured variants are hence scarce to begin with, but that does not mean they are automatically more expensive.

For coloured diamonds, the GIA also issues colour scales and test reports, yet its criteria differ substantially from those applied to white stones. A uniform pricing system for coloured diamonds does not exist, but a general rule is that the richer in colour, the pricier the stone, which unfortunately leads to many diamonds on the market being artificially colour-enhanced. This phenomenon is just one reason why caution is advised for the inexperienced investor.

Diamond market trends  
Until a few years ago, the diamond market was

purely supply-driven and dominated by just four big mining companies acting as price-setting agents. By 2019, oversupply had already led to price pressure, low margins for producers, and buying fatigue. As a result of these factors, this year's global crisis hit the industry extraordinarily hard. By June 2020, De Beers reported a 32 percent reduction in demand for cut diamonds, as white diamond prices reached an all-time low.

On the other hand, prices for diamonds upwards of 1 carat or more and of excellent quality (accounting for 5 percent of the total demand) rose slightly. Prices for coloured diamonds and other coloured gemstones, like sapphires and rubies, even increased substantially.

Right now, diamond prices worldwide are recovering, with luxury purchasing, especially in China and Russia, on an upswing.

There is a current, robust trend in pink diamond investing due to the forthcoming closure of Australia's Argyle mine - the source of ninety percent of all pinkish to red diamonds worldwide. Investment-grade pink diamonds, already among the most cherished, coloured gems, will become even rarer, as Australian sellers predict a multi-year bull market to follow.

Experts Knowledge Matters  
Should you or your family office consider investing in diamonds, the following approach is recommended: acquire some basic diamond knowledge, set a budget, select your choice of diamonds, and buy certified stones only, preferably from smaller, specialised traders who source the rocks directly. Also, consider consulting an expert. Diamond purchasing requires qualified investment advice, paired with an in-depth knowledge of gemology. Pitfalls are many, and it pays to have a trustworthy and seasoned partner at hand who can safely and effectively guide you through the process.

[www.thenaturalgem.com](http://www.thenaturalgem.com)



## ROLLS ROYCE PHANTOM TEMPUS

2021

Rolls-Royce Phantom, the marque's pinnacle product, which resides at the apex of the luxury world, has today become the subject of an exclusive and rare collection.





# ROLLS PHANTOM TEMPUS ROYCE

by Ty Murphy

Torsten Müller-Ötvös, CEO, Rolls-Royce Motor Cars, concludes, "Phantom is our pinnacle product, so producing a Collection Car is always a supremely important moment for us and our clients. With Phantom Tempus, our sources of inspiration are on appropriately grand scale: time, deep space, and a theoretical physicist who changed the way we see the universe and our place within it. That all 20 cars have already been reserved indicates that these are themes that truly resonate with our patrons around the world."

Phantom: NEDCcorr (combined) CO2 emission: 329-328 g/km; Fuel consumption: 19.5-19.6 mpg / 14.5-14.4 l/100km; WLTP (combined) CO2 emission: 356-341 g/km; Fuel consumption: 18.0-18.8 mpg / 15.7-15.0 l/100km

*Phantom Tempus is a motor car for those who shape the world as they seek their own place in the universe. They understand that whatever our individual gifts, talents and opportunities, we're all given Time – and it is up to us to make the most of every moment."*

Torsten Müller-Ötvös, Chief Executive, Rolls-Royce Motor Cars

Rolls-Royce Phantom, the marque's pinnacle product, which resides at the apex of the luxury world, has today become the subject of an exclusive and rare collection, the Phantom Tempus Collection. This arresting new iteration of Phantom is inspired by Time – how it passes, and how it can be made seemingly to stand still. The Collection is strictly limited to just 20 examples, all of which have already been allocated to clients.

The design of the Phantom Tempus Collection encompasses various aesthetic and intellectual themes relating to time and the cosmos. A key component is a rare astronomical phenomenon, the pulsar, unknown until 1967 and found only in the deepest reaches of space (the nearest yet discovered is 280 light years, or 1,680 trillion miles, from Earth). These very dense, white-hot stars emit electromagnetic radiation in extremely regular pulses, making them some of the most accurate clocks in the universe.

In Phantom Tempus, this remarkable force of nature is rendered as a centrepiece in a Bespoke Starlight Headliner consisting of fibre-optic lighting and intricate Bespoke embroidery, creating the unique and beautiful Pulsar Headliner.

Another aspect of time – the illusion of its standing still – is captured in the 'Frozen Flow of Time' Gallery. This unique artwork is housed in the fascia from which the clock is deliberately omitted to signify patrons' freedom from time and its limitations. A single billet of aluminium is milled to form 100 individually contoured columns, representing the 100-million-year period of a rotational spin of a pulsar star. Each

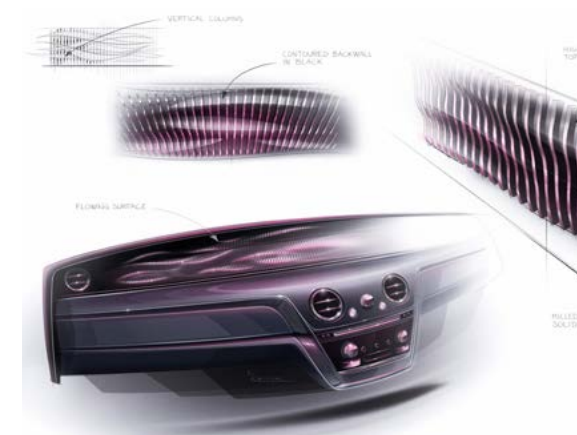


column is black-anodised and hand-polished to reflect the light. As the eye travels along it, the whole structure, though entirely solid, appears to ripple and flex. The exterior of the Phantom Tempus Collection is presented in a new Bespoke paint finish, Kairos Blue, created to embody the darkness and mystery of space. The paint incorporates jewel-like blue mica flakes, which glitter and glint as they catch the light, representing the stars. This effect is highlighted by black exterior detailing.

Gracing the bonnet of Phantom Tempus is the Spirit of Ecstasy, now in her 110th year, personalised with a unique date and location of particular significance to the client. A marriage, the birth of a child or even a major business success, can be engraved as a timeless reminder on the base of the iconic figurine.

As a finishing flourish, a unique accessory has been developed to accompany the Collection. Based on the widely acclaimed Rolls-Royce Champagne Chest, the Tempus Champagne Chest incorporates a distinctive element of the Collection. A pulsar artwork is hand-painted onto the table, below which, the perfectly appointed chest houses thermal flasks for chilling both champagne and caviar, four hand-blown crystal champagne flutes arranged to evoke the cylinders of a V12 engine and a fine mother-of-pearl caviar spoon.

In response to continuing travel restrictions and limitations on face-to-face interactions in dealerships, Rolls-Royce has created a Virtual Reality presentation for Phantom Tempus, accessible via the Google Cardboard app. Providing patrons with a fully immersive, 360° walkaround of the Collection's interior and exterior, clients are able to relish Phantom Tempus' extraordinary presence at a time to suit them, wherever they are in the world.







# WHY YOU SHOULD CONSIDER SELLING YOUR AIRCRAFT

by Dan Kilkeary

As we reach the end of the first quarter of 2021, we speak to Dan Kilkeary, SVP Sales Americas, Jetcraft to discuss business aviation's recovery in a new post-pandemic world and why now is a good time to consider selling your aircraft.

## Does business aviation look poised for a recovery in 2021? What are you seeing in terms of demand for aircraft?

The business aviation industry is gaining increasing momentum, so much so, that our sector is seeking additional inventory to keep up with the number of buyers ready to make offers.

According to recent data published by WingX, the US is witnessing rapid recovery in flight hour activity, with Florida becoming the hub for business jet movements in the United States at 15% growth year-on-year. The recent lifting of Covid-19 travel restrictions by several US states is also expected to play out through rising flight hours and ownership inquiries, particularly from first-time buyers.

At Jetcraft, we're also experiencing high levels of interest from across the globe. Asia Pacific activity is fuelled by a growing acceptance of pre-owned private jets among buyers, and an increase in the number of Ultra High Net Worth Individuals (UHNWIs) that make up a strong percentage of our clients for larger, long-range jets. Currently in Europe, we're faced with strict travel restrictions for the near future, however, we're still confident in our prediction of more new business aviation users emerging into the market later this year as travel returns.

With the demand for inventory increasing each week, we're urging all current owners to strongly consider listing or upgrading their aircraft.

## Is now a good time to sell?

Prices of aircraft are holding well across new and pre-owned markets, with levels of depreciation a far cry from



Dan Kilkeary  
Senior Vice President, Sales, Jetcraft

those seen during the 2008 recession. Currently, interest rates are low and, at Jetcraft, our lenders are remaining committed to us and lines of credit are still available for cash deployment. First brought in under the Trump administration, 100% bonus depreciation is also set to continue until January 1, 2023.

This is great news for us in the US, particularly as those buyers can take advantage of the net operating loss carryback program available through the CARES act.

During the 2008/09 crisis, nearly 20% of the world's jets were for sale but today inventory levels are much more muted. According to AMSAT, in February 2020 9.35% of the world fleet was for sale; in February 2021 the figure stands at 7.33%, a number very much on the low end of pre-owned aircraft supply, even in normal circumstances.

Due to Covid-19, OEMs produced fewer deliveries in 2020 than in previous years, which has resulted in a decrease in the number of new aircraft available. From conversations with our clients and other business leaders, it has also become apparent that some buyers are holding onto their aircraft to 'wait and see' how the market navigates its way through this recovery period. These factors, and the heightened value proposition of business aviation during Covid-19, are leading to tightening supply in the industry, creating a great window of opportunity for buyers to sell or trade-in their assets and receive a great return on their investment.

## What aircraft are buyers looking for?

We're continuing to see a strong demand for midsize and large, long-range jets. The desire for larger aircraft comes from a rise in UHWI buyers that have a business need to fly intercontinental journeys. Meanwhile, midsize jets are highly sought after, due to buyers upgrading from smaller aircraft to take advantage of increased speed, and the ability to operate out of smaller airports, flying intercontinental flights non-stop.

In the last quarter, we've sold multiple Dassault Falcon 2000s, Falcon 900LXs, Falcon 7Xs along with Bombardier Global 6000s and Challenger 300s/350s, to name but a few. Demand for further inventory is high.

## How can Jetcraft help?

The global leader in business aircraft sales, acquisitions and trades, Jetcraft have nearly 60 years' experience in the industry and proven results, including the completion of 700+ transactions worth \$13 billion in value over the last 10 years.

Our team of experts span the globe, giving your aircraft visibility few others can offer. Leveraging our more than 20 offices worldwide, we have recently closed deals in North and South America, Europe, Africa, Asia and Australia.

Clients can take advantage of our strong relationships with buyers, our unique global marketing intelligence, and flexible options that include financing where

required and the ability to take in trades, helping to avoid a costly crossover period when upgrading.

If you're interested in finding out more, you can contact your nearest Jetcraft sales representative by visiting: [www.jetcraft.com/contact](http://www.jetcraft.com/contact)



This 2016 Bombardier Challenger 650 sn 6076 is available for sale exclusively through Jetcraft. The aircraft recently completed its 48 month check and features Swift Broadband Internet. It has a 12-passenger configuration and is currently available for viewings in the US.



This 2008 Gulfstream G550 sn 5181 is available for sale exclusively through Jetcraft. The aircraft is enrolled on airframe, engine & APU programs and has recently completed its 144 month inspection at Gulfstream Savannah. It has a 14-passenger configuration and features BBML Internet.



## INVESTING IN THE QUANTUM ERA A FAMILY OFFICE GUIDE TO PREPARING CLIENTS FOR A DEEP-TECH GOLD RUSH

If the burgeoning era of quantum technology was overlaid on the timeline of classical information technology's march from vacuum tubes to bleeding-edge computer chip design, most experts suggest the quantum industry is probably in the very early stages of vacuum tube-powered primitive computers. Some experts even say we'd have to go back earlier. They say we're in the Wild West of quantum computing.

And we might also be in a Wild West-era of quantum investing. For investors, this means that we are simultaneously in an era of great opportunity and considerable threat. On one hand, investors can enter on the ground floor of an industry that has the potential to generate wealth that could dwarf the gains created by the current computer-era giants, such as Apple and Google. On the other hand, the technology is so nascent and so complex that approaching the industry without some knowledge and some expectations-setting could lead to dire results. There is another threat. Most experts say that while we are in the very early stages of a possible quantum computing revolution, if that revolution does erupt, its progress will be exponentially faster than the technological revolution that proceeded from bulky desktop computers to smartphones in mere decades.

This article is meant to offer you an initial understanding of quantum technology, the industry and key concepts for investing in quantum companies and startups.

### What Is Quantum Computing?

To understand quantum computing, we first should look at its predecessor: classical computing. In classical computing -- the method that runs your laptop and smartphone -- logical operations are based on bits, a series of ones or zeroes. Quantum computing, on the other hand, is based on quantum mechanics and relies on quantum bits, better known as qubits. Qubits can be ones or zeroes, or anything in between. That "in-between state" is called superposition and it's the

source of a lot of the opportunities (and challenges of) quantum computing. Using those qubits also offer the possibility of entanglement, which describes a strong correlation between quantum particles so that two or more quantum particles can be linked in unison, even if separated by great distances.

Technically, if you "entangle" multiple qubits, the quantum computer's power to compute can rise exponentially with the number of qubits. "Technically" is a key qualifier because these qubits don't just give you answers, they give you probabilities. Entanglement between qubits and the probabilities (which can be negative or positive and are technically known as amplitudes) associated with superpositions to carry out a series of operations such that certain probabilities are enhanced and others reduced, even to zero. By pushing the probabilities of a wrong answer to zero, you can find helpful answers.

### The Quantum Computing Ecosystem

Currently, there are a large -- and growing -- number of startups that are already developing products and services in the quantum computing space. It's not just startups. Some of the world's biggest, most successful companies, such as Google, Microsoft, and IBM, are developing quantum computing equipment, too. While Google and Microsoft, and a few of the startups, are building actual quantum computers, many of these firms are creating hardware, software, and peripherals.

### What Are The Benefits?

Most investors in the quantum space are focused on two things: quantum advantage and quantum supremacy. Quantum advantage refers to the point at which quantum computing is better than classical computers at specific tasks, whereas quantum supremacy refers to the point at which quantum computers are vastly -- in the range of orders of magnitude -- more powerful than classical computers. Quantum computers that reach this point will be particularly interesting to pharmaceutical companies, who could

use the technology to wade through billions of drug combinations to find the right one, while financial companies could use quantum computers for portfolio optimization and risk management. Other companies currently investigating quantum include transportation companies, automobile manufacturers, and aerospace companies. Because of quantum's ability to break codes and make nearly unbeatable codes, defense companies are also in the mix for quantum.

### Is Quantum Ready for Investment?

In 2019, the quantum computing team from Google announced that it had achieved quantum supremacy in the journal *Nature*. It reportedly completed a computation in a short time that would have taken the most advanced supercomputer thousands of years. However, there's still some debate on that. Just recently, a group of researchers in China reported they could beat Google's record. From most of the input from experts interviewed by TQD, we are at the beginning stages of quantum -- but it could ramp up quickly and explode exponentially.

### What's the Investment Landscape Now?

There are a few public companies that are involved

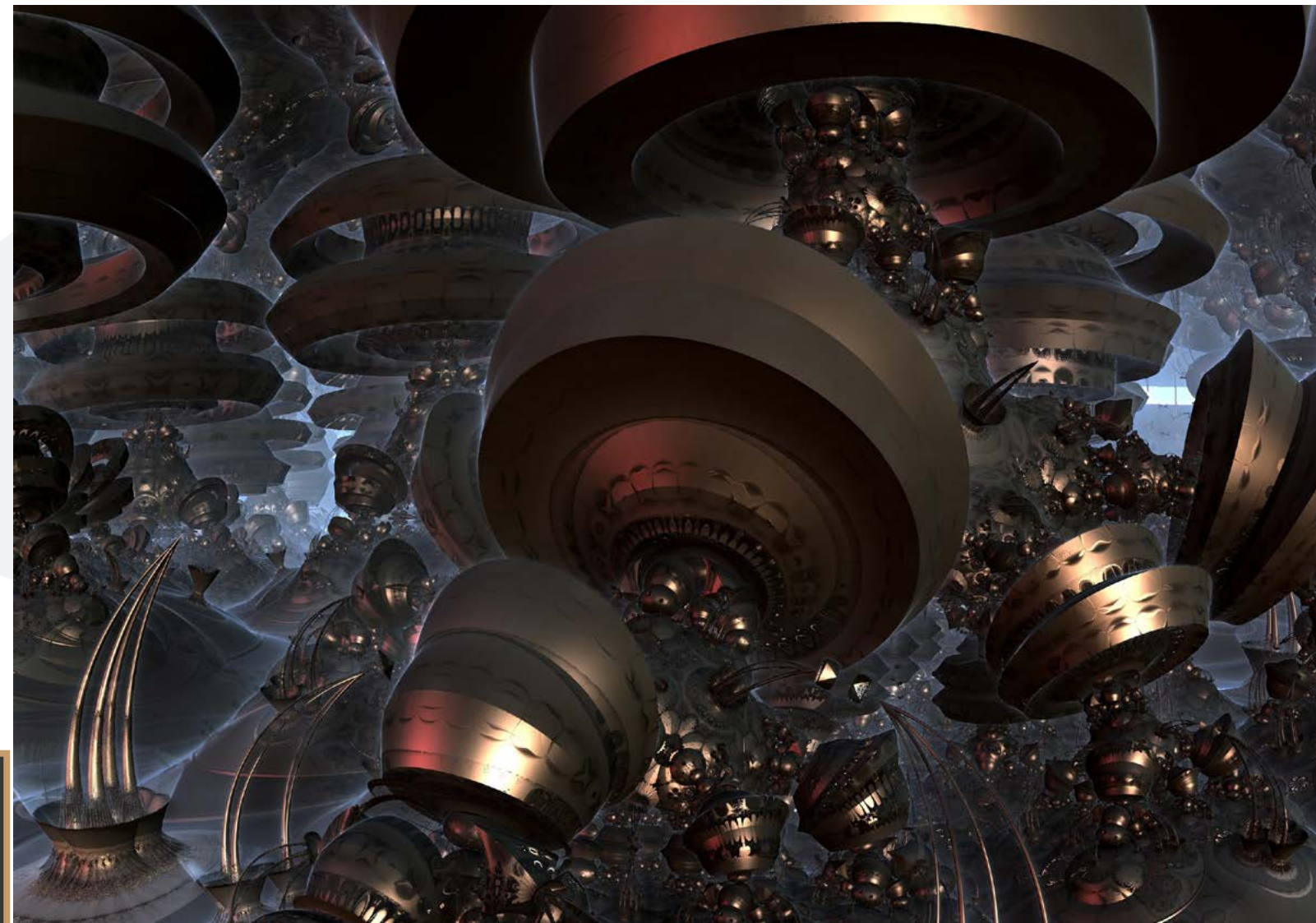
in the actual creation of quantum computers and quantum computing technology. They include, but are not limited to, Google, Microsoft, IBM, Honeywell, and Archer.

The startup field is blossoming, but most are still far from IPO status. In fact, only one company, a Chinese startup, has issued an IPO.

Startup QC companies are already attracting nine-figure investments and billions of dollars in government funding. It is an opportune time to invest in this first wave of quantum technologies, most experts say. However, they caution that investors should have patience and choose cautiously. Often, over-hyped startups may attract funding, while founders that are more realistic about their timelines and potential are looked over, even though, in the long run, they may outlast any quantum winter.

The Quantum Daily offers the industry's most complete look at the quantum ecosystem and also publish quarterly reports.

[www.thequantumdaily.com](http://www.thequantumdaily.com)

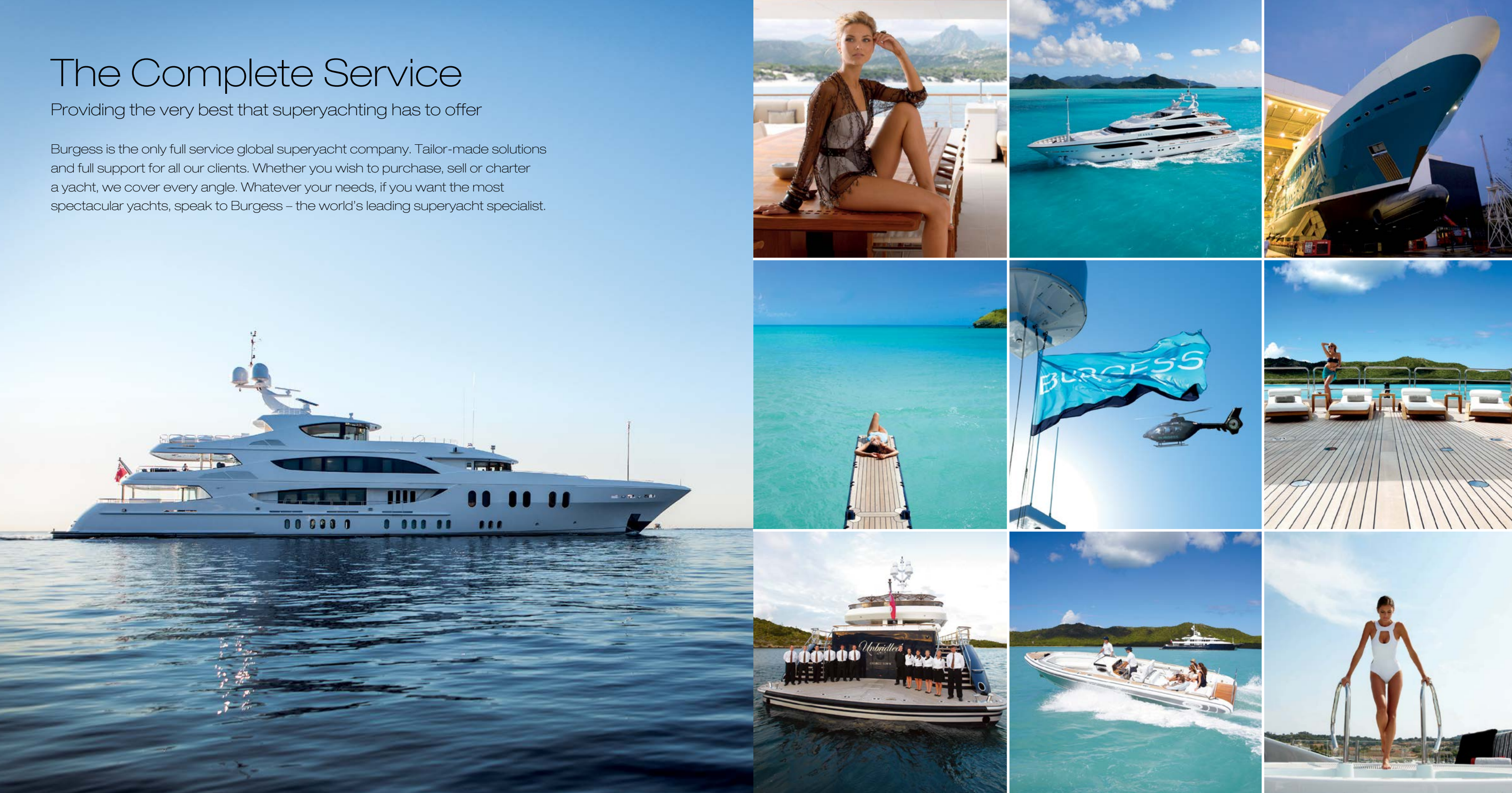




# The Complete Service

Providing the very best that superyachting has to offer

Burgess is the only full service global superyacht company. Tailor-made solutions and full support for all our clients. Whether you wish to purchase, sell or charter a yacht, we cover every angle. Whatever your needs, if you want the most spectacular yachts, speak to Burgess – the world's leading superyacht specialist.



# BURGESS

London +44 20 7766 4300  
Monaco +377 97 97 81 21  
New York +1 212 223 0410  
Miami +1 305 672 0150

Moscow | Palma | Athens |  
Los Angeles | Seattle | Mumbai

SALE & PURCHASE | CHARTER | TECHNICAL SERVICES | YACHT MANAGEMENT

[enquiries@burgessyachts.com](mailto:enquiries@burgessyachts.com) | [www.burgessyachts.com](http://www.burgessyachts.com)



# VENTURE CAPITAL AFTER A DOWNTURN: THE OPPORTUNITIES AND RISKS



By Sloan Smith, MBA, CAIA, CPWA®

The Calendar year 2020 has been a year for the record books. Due to the COVID-19 outbreak we have seen historic and aggressive monetary and fiscal action taken by the Federal Reserve and the federal government. We have also witnessed a global struggle to find a way to keep economies afloat while mitigating this health crisis. However, one topic that has not garnered enough attention during this uncertain time is innovation.

For example, in 2020 we have seen the rapid adoption of enterprise video communication services such as Zoom and Microsoft Teams. Currently, these two platforms average close to 300 million meetings daily. Telehealth is another area that has skyrocketed, with the use of this service up close to 50% since 2019. Both trends began as venture capital-backed ideas and are now showing tremendous growth during this precarious time.

Venture capital is a form of private equity investing that focuses on start-up, early stage, or emerging companies that have strong growth potential. Historically, venture capital has thrived after recessions and market disruptions. After the 2001

dot-com bubble and the 2008 global financial crisis, companies such as Facebook, Tesla, Airbnb, and Uber were founded by entrepreneurs who capitalized on market inefficiencies. Similarly, we believe that venture capital investing offers appealing return potential coming out of the pandemic-driven recession. At the same time, venture capital investing bears risks that should be understood by investors before making an allocation.

## Advantages of Venture Capital

### High Return Potential

Venture Capital involves investing in early-stage companies that are high growth and typically technology-focused. A venture-backed firm often receives multiple rounds of equity financing during their lifecycle (i.e., Series A, Series B, Series C financing). The goal is to see substantial revenue and income growth from these companies over time which will ultimately lead to outsized returns for investors. The target annualized return percentage for a diversified venture capital portfolio is typically between 15% and 25%, attractive figures for any allocator.

## Diversification

Venture Capital not only offers an attractive complement to other private equity allocations (i.e., leveraged buyout or distressed investments) but also to an overall portfolio. Historically, venture capital returns have exhibited a higher correlation to the greater private equity asset class but a lower correlation to equities and fixed income. Lower correlation figures may be driven partially by lack of daily pricing, but over the long-term venture capital has shown different results relative to public markets.

## Expanding Opportunity Set

Historically, only a hand-full of large venture capital firms were able to invest in companies founded by top-tier entrepreneurs. These venture firms were, in turn, typically required high investment minimums and charged high fees, making them inaccessible and too expensive for most investors. However, we have seen an increase in smaller, emerging venture capital managers that have “spun-off” from more established firms and started firms of their own. According to Cambridge Associates, as of the end of 2019 funds managed by new and developing venture capital firms continue to rank as top performers. (“Venture Capital Positively Disrupts Intergenerational Investing,” Cambridge Associates’ Managing Directors, Maureen Austin and David Thurston) This trend has led to a greater need for rigorous due diligence to identify top performers, which are difficult to identify and access.

## Disadvantages

### Illiquidity

Venture capital investments have very limited liquidity. Similar to other forms of private equity, investors should expect a holding period of ten years or more. It often takes years for entrepreneurs and their venture capitalist-backers to grow early-stage businesses into highly valued enterprises. However, investing in venture capital should offer an “illiquidity premium,” meaning annualized returns should exceed the performance of public stock market indices like the S&P 500.

## High Fees

Venture capital fund managers typically charge meaningfully higher fees than managers in traditional asset classes like stocks and fixed income. A typical venture capital manager will charge a management fee on invested capital between 1%-2% along with an incentive or carried interest fee of 20% of the fund’s positive returns. However, in many cases, venture capital managers only collect the incentive fee if the fund’s return exceeds a specific threshold, such as 10%. It is important to note that total fees on a venture capital investment are even higher if allocating to a venture capital funds of funds. That is because the fund of funds manager charges a fee on top of the underlying venture capital managers.

## Returns Vary Significantly Among Managers

Historically, there has been a wide gap between the returns of strong venture capital managers and those of weaker managers. In 2019 Cambridge Associates found that the difference in annualized returns between a top quartile and bottom quartile global venture capital managers is around 50%. This substantially exceeds the discrepancy among other private equity strategies (25%) and global public equities (5%). Therefore, it is paramount to identify and invest only with the top performers in the venture capital space.

We believe that venture capital is an intriguing asset class going forward. During the global pandemic we have seen the world change through numerous technological advances, and it seems like this trend will only continue in a post-pandemic world. Allocating to venture capital can improve portfolios considering long-term returns could exceed what is typically found in private and public equities. However, it is important to understand the risks of the asset class and to only invest in top tier venture capital strategies. We will have to see how venture capital performs in the coming years, but it seems likely that technological innovation will continue apace and hopefully reward both entrepreneurs and investment portfolios.

[www.innovestinc.com](http://www.innovestinc.com)





# BRITAIN'S DEPARTURE HAVING A NEGATIVE EFFECT ON HNWIs

by Leon Fernando Del Canto

Britain's departure from the E.U. is having a deleterious effect on high-net-worth individuals (HNWIs) with E.U. rules restricting their ability to travel to Europe visa-free. The aftermath of Brexit means that they will be prevented from travelling to their European destination at will, thanks to the Schengen zone's rules and regulations. These rules raise the question of whether such individuals are having their human rights breached by restricting their freedom of movement.

In particular, those who own second homes in these EU countries may find they have legal grounds on which to appeal the Brexit red tape restrictions.

Schengen rules of stay for non-EU citizens stipulate that no individual can visit visa-free for more than 90 out of the last 180 days in any of the 26 European countries that comprise the Schengen zone. This restriction interferes with the ability of HNWIs to have impromptu face-to-face business meetings, travel overseas to tend to assets, have an extended holiday or gig widely in Europe if they're a celebrity performer, and so on.

This Schengen rule of stay is extremely rigid with penalties for non-compliance high. Failure to obtain a visa might result in fines, deportation and future difficulties in re-entering the country. If the illegal stay is prolonged, the person could be banished from the country for three years or longer. No leeway is permitted for unforeseeable events like family emergencies, property damage or any other urgent matters.

Although Britain has departed from the EU, we are still a signatory to the European Convention on Human Rights (ECHR), which afford us certain rights and privileges, crucially the right to "peacefully enjoy" our possessions.

This brings into question the Schengen rule which prevents



Leon Fernando Del Canto  
International Tax Barrister

those with a second home in Europe from being able to freely enjoy it. Could the travel restrictions that hamper the freedom of their movement be a breach of their human rights?

The strict and inflexible rule is negatively impacting wealthy British citizens who own properties in Europe. Among HNWIs, many business people and celebrities will also be property owners and all of their interests, whether business, pleasure or work-related, will continue to suffer as a result of this curtailment on their ability to travel.

However, for those who bought their property prior to 31 December 2020 in one of the Schengen zone countries, there may be grounds on which they can take legal action in the respective country where they own the property.

The legality of restricting people's freedom of

movement in this manner should be placed under the spotlight. We remain signatories to the European Convention on Human Rights, affording us access to the law via the European Court of Human Rights (ECHR).

For the protection of those owning properties in countries like Spain, Italy, Greece or France, the ECHR establishes in its first Protocol, Article 1, three distinct rules:

1. The general principle of peaceful enjoyment of property.
2. The rule that a deprivation of possessions should be subject to certain conditions; and
3. That states are entitled to control the use of property in accordance with the general interest by enforcing such laws as they deem necessary for this purpose.

Rules that prevent someone from peacefully enjoying their property, whether their main property or not, appear to directly contravene the right established in the article. Article 1 of Protocol 1 of the European Convention on Human Rights states that:

*"Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law...The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties."*

So Schengen countries are preventing British citizens from peaceful enjoyment of their possession, in this case, the property they bought before 31st December 2020. Their entitlement would appear to have been breached should the Schengen countries fail to grant people the right to access their properties by implementing a system of visitors' permits. It is noteworthy that the UK does allow any EU citizen to visit as a tourist, an expert in their profession or someone undertaking various business or academic activities (although they are not

allowed to work in the UK for up to six months without a visa).

The ECHR affords the opportunity of testing cases where a member state is alleged to have breached human rights. A person need not be a national of one of the States bound by the Convention if the violation has been committed in one of those states within its "jurisdiction".

While the litigation process might be a prolonged one, some senior legal figures in the UK have argued that the case where the freedom to peacefully enjoy one's property has been compromised would be worth testing in the ECHR. They see the merit in British owners of property in states governed by the ECHR, making a case for the right to once again freely enjoy access to their overseas homes to be restored.

In order to approach the ECHR with the argument that one's human rights have been violated, the individual must have directly and personally been the victim and must also have used all the remedies available in the State concerned to obtain redress for the alleged violation. In Spain, for example, this would mean having exhausted the appeals up to the supreme court or the constitutional court, a process that may take several years to complete.

The current EU rule of stay and the impact it may have on their business interests is one that HNWIs should be aware of. So too, should the UK government who would be serving these interests by negotiating a restoration of visa-free travel across EU states.

Leon Fernando Del Canto is an international tax barrister based in London. He is the founder of Del Canto Chambers, an international tax legal firm with a country focus on the UK, Spain, Qatar, Colombia and Mexico.

<https://delcanto chambers.com>

*Disclaimer: Please note this article does not constitute legal advice; expert counsel must be consulted before considering legal action.*

# LUXEMBOURG FINANCE AWARDS 2021: AND THE WINNERS ARE...



InFinance organized its first event of the year on March 18, 2021, in a fully digital setting. The event featured local and international speakers who shared their best practices and discussed the trendy topics of sustainability and ESG. After an insightful conference session, the traditional Luxembourg Finance Awards ceremony took place.

The "Fintech Solution of the Year" award went to Telindus for its DigitalKYT solution, which enables the ongoing detection and reporting on financial crime activity using AI, while ensuring that legitimate transactions are processed normally. As

highlighted by Telindus, "it represents the next-generation of detection engines and beholds the following benefits for Financial Institutions: it increases detection to new levels, enables informed decision-taking as context prioritizes investigations based on impact, enhances effectiveness of compliance through detection quality and resolution speed, etc." The Luxembourg Stock Exchange won the "Best Green and Sustainable Initiative" award. The jury members notably highlighted that through Luxembourg Green Exchange (LGX), the world's leading platform for sustainable securities, LuxSE has been at the forefront of sustainable finance since the

market's inception. It launched several initiatives, namely the LGX Academy (tailor-made courses on a broad range of topics linked to sustainable finance), LGX Data Hub (which collects and structures sustainability data points through a process supported by AI algorithms) and the Solactive LGX Green Bond Impact Index. The price of "Outstanding Contribution to the Luxembourg Financial Center" was awarded to Luxembourg for Finance, for its new flagship international campaign entitled "Ambitions 2025: Financing a sustainable future". The campaign lays out the 5-year vision for Luxembourg's financial center up to 2025. This

vision acts as a roadmap to enable Luxembourg to help finance a globally sustainable future by putting qualitative growth, innovation and stability at the core of its activities.

Odile Brandstetter (Vice President Treasury at Majorel (a Bertelsmann & Saham Groups company)) was then named "Treasury Manager of the Year". Mrs Brandstetter started alone in an international multinational company with the challenging objective of setting up a full treasury function from scratch and today still continues to develop the role and the department, notably by implementing innovative IT treasury tools. This price is supported by ATEL.

Finally, Julie Becker (Deputy CEO, Luxembourg Stock Exchange, and LuxSE's soon-to-be CEO, from April 2021) was named "Inspirational Woman in Finance". She adds: "2020 was a year of great innovation at LGX. Under my leadership, LuxSE set out to address some of the main hurdles to the growth of sustainable finance, namely the lack of adequate financial education and access to structured data. We decided to close the gap and after months of work involving many different teams at our exchange, we were ready to establish the LGX universe".

As usual, the event ended with the traditional networking session, which this year had to take place digitally. Yet, experts and participants were still able to discuss the latest trends and foster potential business opportunities.

The organizers would like to thank the sponsors and partners of the 2021 edition of EFS: Luxembourg For Finance, Luxembourg Chamber of Commerce, ABBL, LHoFT, Fidelity International, Amindis, 2° Investing Initiative, Natixis, Ossiam, Thematics AM, Finologiee, Sogelife, Finance For Tomorrow, LuxFLAG, The Banking Scene, Family Office Magazine, LAWM, Executive Global, Amcham Luxembourg, SmartMoneyMatch.

## About Farvest

Farvest has become the one-stop-agency for companies and institutions aiming to promote Luxembourg as a gateway to Europe and a perfect place to establish a company. The Agency contributes to support these organizations thanks to its strong and wide network of experts, industry leaders, and proven skills to bring meaningful short and long-term projects into life.

Farvest is recognized as a B2B multi-specialist, enabling business and strategic partnerships.

Farvest is composed of forward thinkers and passionate individuals who support the Agency's clients in reaching their target, whether it is for increasing their reach, reviewing their brand positioning, enhancing their communication strategy, designing outstanding communication supports, boosting a website performance, etc. Committing to highlighting Luxembourg as a creative nation, fostering innovation and awarding national best cross-sectors practices, are among Farvest top priorities. [WWW.FARVEST.COM](http://WWW.FARVEST.COM)





# WHY CARE AND CONSIDERATION ARE THE KEYS TO LANDING THE BEST STAFF IN A CHANGING MARKET



by Georgina Bale, CEO of Bower Talent

As we all aspire to move skillfully through the coming quarters, acquiring the very best staff is essential, the not-so-secret weapon when it comes to riding out waves in the market and achieving growth, even in the most unpredictable of times. No matter the environment, hiring excellent talent is practically synonymous with transformative results.

Bringing outstanding talent to your Family Office begins with making your business attractive to top-tier staff. While excellent employees are on the market in numbers that haven't been seen in years—thanks in part to COVID-19-related layoffs—their level of skill means they'll be off the market again quickly. It is a must to ask: what are my dream employees looking for in their ideal employer? Increasingly, one of the most prominent answers to this question is 'integrity.' Data shows this demand to be true: according to a report from The Cone Communications Millennial Employee

Study (URL 1 BELOW), 64% of Millennials—a generation who already make up more than half of the workforce population in both the US and the UK—won't take a job if their employee doesn't have a strong corporate social responsibility (CSR) policy, and 83% would be more loyal to a company that helps them contribute to social and environmental issues. A study conducted by Global Tolerance (URL 2 BELOW) that polled over 2,000 individuals across the UK found that, in all respondents across the age spectrum, 42% of individuals said they want to work for an organization that has a positive impact on the world.

A robotic approach to 'tackling the issues' only lets prospective talent know that your business is either clueless or that you don't genuinely care. Integrity needs to be considered in every part of a Family Office, including the recruitment process. Here, working and maintaining a relationship with

a skilled recruiter gives you a distinct advantage. Together, you and your recruiter can build a deep understanding of your business and private needs and ensure best practices throughout the hiring process.

Bower Talent, a specialist in the recruitment of Admin, HR & Ops roles, employs a multitude of strategies to create a purposeful hiring process and connect businesses with world-class staff. Using the latest technology, science-based profiling and bespoke testing that measures factors from hard skills to emotional intelligence, Bower goes beyond CVs and the box-ticking method of standard hiring to deliver ethical and authentic results.

While working with your recruiter, diligence is vital. Unconscious cognitive biases among individuals—as well as entire hiring procedures with unconscious bias built-in—are common and can be present within even the most well-intentioned businesses. In this area, Bower's tech-led testing is further supported by a policy of encouraging clients to go beyond their typical boundaries. Using data-backed methods, Bower works to identify "unexpected" candidates who are, in actuality, a perfect fit for your Family Office's needs and helps clients set the foundation for an ethics-based recruitment strategy.

After the hire, onboarding is the first test when it comes to retaining exemplary staff. Efficient onboarding means new hires can become productive as soon as possible—an apparent reward for any business—but a smooth process, including orientation, training, role defining, and team integration, is a recipe for happy staff who feel immediately valued by their employer. Bower helps clients maintain a professional onboarding process by evaluating and contributing to training, with a focus on evolving technology and operational automation, as well as providing short, sharp interview training for employers to help refine recruiting.

When it comes time for employee reviews, setting clear objectives can transform an oft-dreaded process into an experience that makes staff feel empowered. Value your employees by throwing out any antiquated rule book favouring sincerity, conducting reviews frequently to celebrate successes, or addressing areas of improvement as they occur—don't wait for semi-annual or annual meetings. Get creative with your rewards and

give feedback that will genuinely help your employee grow as a professional. Further, making reviews a two-way conversation is a powerful retention tool, leading to a greater sense of respect between employee and employer and resulting in precise goal-setting that gives your staff a clear sense of what is expected of them.

Helping your staff develop a career road map is also an important aspect of employee retention, sending the message that you acknowledge their needs as an individual professional, not just a tool for the success of your business. When staff feel that their futures are being supported by you, they'll be less likely to want to leave. Sitting down with your staff and helping connect them to the people, training and resources they need to achieve their goals makes for satisfied employees.

When creating an office environment, remember: autonomy leads to fulfilment. Allowing staff to play a part in crafting their work leads to employees who are more engaged and feel trusted by their employer. Employees who have a greater sense of independence and ownership within their work environment are more motivated and more willing to pursue valuable growth opportunities.

As your staff works hard to grow your business, ensuring a system supporting them will further boost your odds of building an excellent team. Make sure that you are involved in setting up internal HR standards and recognize the areas where your staff may need 'people' support.

Interweaving a sense of support for your staff throughout your Family Office is an exceptional way to attract and keep valuable staff. Simply put, businesses that consistently work to create a fantastic environment for their employees attract top-tier talent and employees who feel valued will remain. Forming relationships with excellent recruiters and building a business model that prioritizes staff well-being requires consistent attention, but the reward is a devoted, involved team who are eager to pour their energy into helping your office thrive.

URL: <https://www.conecomm.com/research-blog/2016-millennial-employee-engagement-study>

URL 2: <http://crnavigator.com/materialy/bazadok/405>.

# TOP 6 TRENDS IN THE SINGLE-FAMILY OFFICE (SFO) INDUSTRY

Whether a family office has been around for generations or is in the planning stages, there are common trends regarding concerns, aspirations, and opportunities. While each family is different and how these trends dictate future actions will change with the shifting environment, they are still noteworthy for families of wealth as they contemplate their own legacies.

## Trend 1 – Leadership

Single Family Office (“SFO”) leadership faces a demographic shift. Many SFOs are led by an aging family member or a trusted professional nearing retirement. This transition raises a series of management decisions. Addressing the family’s service requirements and their generational vision of success is a good starting point. Clarity on these macro-objectives will help inform the family on the necessary experience and cultural alignment of new leadership.

Best practices include developing long-term budgets inclusive of new leadership costs and engaging industry experts in executive searches. By initiating this exercise as early as possible, it provides ample time for existing leadership to transition without disrupting operations.

Growing numbers of SFOs are considering outsourcing core service elements, thereby reducing the responsibility and expense of new leadership.

## Trend 2 – Tax Efficiency

Concerns on potential tax law changes and methods to create more tax efficiency are top of mind. Questions include what strategies should be considered based on the possible income/estate laws changes and does the SFO have the right fact pattern to create a for-profit management company structure.

Potential tax changes range from increasing income tax rates, increase capital gain rates, ending of the estate step up in basis, and lowering of the lifetime estate tax exemption. These will have an



By John Elmes,  
CFA, Executive Managing Director  
of Single-Family Offices, Pathstone

enormous impact on the families served by SFOs. SFOs are proactively working closely with tax and estate advisors to brainstorm planning strategies to address these potential changes. The best approach is to model the benefit of specific strategies under different scenarios.

Related to management companies, the 2017 tax changes, potential tax increases, and IRS rulings around SFO structures provide a good backdrop for value-add discussions. If the SFO has the correct fact patterns, vetting the overall SFO structure is a value-add exercise.

## Trend 3 – Technology & Controls

SFOs have historically utilized third-party software to assist with accounting, investment performance reporting, bill pay, middle office controls, and investment administration. These software packages typically do not synch with each other. Therefore, the SFO was forced to build internal controls and solutions to create customized deliverables for the family. Integrated solutions now exist and are proven to assist with this challenge.

Many SFOs get stuck determining which software tool will integrate with their existing platform and

how to implement the change without disrupting services.

Many SFOs continue to utilize multiple software solutions coupled with excel spreadsheets to provide the family with the information and format they prefer. This manual process is labor-intensive, fraught with data entry errors, and typically does not provide timely information for the family to make decisions.

Linked to this software conundrum is the critical element of ensuring that there are adequate controls around money movement and cybersecurity. SFOs are addressing this issue by examining hardware, data centers, layers of employee approval/review, and multi-factor authorizations.

Best practices vary depending on how the SFO has addressed the first several trends. For the SFOs that have determined outsourcing is a long-term strategy, there has been significant demand for middle-office services, including accounting, bill pay, controls, secure storage, and consolidated investment reporting.

## Trend 4- Shifting Service Demand

Most SFOs are serving multiple generations. The younger generation is asking for an engagement model that is very different from the traditional one. They are asking for digital delivery of timely information and instant access to data when needed, yet still would like an intimate, customized service experience. This shift creates strategic challenges around leadership, scope, talent, solutions, and technology.

SFOs that are successfully navigating this trend have acknowledged the interrelated nature of these decisions. For example, having the right leader who can adjust the SFO’s platform and, importantly, the culture to match this new demand is vital. However, not addressing the technology platform will hamstring this leader’s success in serving this new shift.

## Trend 5 – Investment Pivot

Active managers inclusive of alternatives like hedge funds have been challenged to keep up

with relevant benchmarks over the last decade. SFOs have pivoted and started to allocate larger percentages to private investments, both private equity and real estate.

Also, there has been an increased demand for access to solutions across traditional asset classes that are innovative, reasonably priced, and tax-efficient. Sophisticated unified managed account structures are filling the need for expense/tax-efficient traditional equity allocations allowing the SFO to focus their time on private investments.

This has resulted in a greater demand for deal flow and comprehensive reporting on the larger private investments volume.

## Trend 6 – Impact Investments

The ESG/Impact space has matured. There are now solutions across asset classes. The idea of sacrificing returns can now be argued with real facts and results. Today SFOs need to navigate this space on their own or partner with a firm that has a comprehensive solution set.

The most recent development in this space is measurement. One can review the basic investment performance, but the actual “impact” is just as important. New tools and solutions have been created to compare an ESG portfolio to standard benchmarks like the S&P 500. Investors can compare how their portfolios score on ESG elements and adjust their portfolios based on their values.

While these trends seem top of mind today, the true nature of a family office is to serve and care for those who recognize “they don’t know what they don’t know.” Effective family offices need to be proactive and identify risks, opportunities, and solutions before their “clients” do. Watching for (and thinking about the direct family impact) “what’s next” is key to perpetuating the family’s success on all fronts and is core to the responsibility of family office leadership regardless of size, age, location, or intention of the office itself.

[www.pathstone.com](http://www.pathstone.com)  
[jelmes@pathstone.com](mailto:jelmes@pathstone.com)





# THE “SMART” VALUE CREATION OPPORTUNITY IN PRIVATE EQUITY



This article was adapted from, *The Private Equity Digital Operating Partner*

It’s inevitable. It’s coming. It’s already here. All companies will become digital companies. I don’t mean all companies will use digital (technology), because they already do. And I don’t mean all companies will have internal tech projects under way or even a digital product, because many already do. I mean, given time, all companies will become data driven, using data to improve their physical operations and, more importantly, using customer data to improve every

aspect of their products’ customer experience. Given time, technology as a stand-alone sector will disappear as it permeates all other sectors.

If you’re like most people, your first experience with a smart product came in 2007. At the time, I was living in Montreal and was the CEO of a networking company. We were developing a smart building platform but didn’t have a good way to control it. We wanted a mobile solution, so we bought all the top-of-the-line phones to test, including the reigning Nokia N82. The browsing experience for all of them was terrible. Then, on a business trip to New York City, I bought the iPhone 1. It wasn’t yet available in Canada, so I had to have it “cracked” to make it work on our networks. I must say, it was a thing of beauty. Whereas the N82 was a phone with computing and networking capabilities, the iPhone was a computing and networking device with phone capabilities.

The iPhone was the first smart phone and, for many of us, the first smart product we ever saw or owned. Think back to the first time you used an iPhone or competing smartphone. Remember how it was better in almost every way than the traditional phone you used before it, and the feeling you had when you used it. That’s the difference between a smart product and a traditional product, and that’s the opportunity we have in front of us today for every kind of traditional product. Smart is so much better.

	TRADITIONAL COMPANY	DIGITAL COMPANY	DIGITAL TRADITIONAL COMPANY
CREATE VALUE:	Offline	Online + sometimes Offline	Online + Offline
PRODUCTS MADE OF:	Mainly atoms	Mainly bits	Bits + atoms
CONNECTED TO CUSTOMER:	No	Yes	Yes
DATA DRIVEN:	No	Yes	Yes

Even though we already have smart watches, smart speakers, smart homes and smart cars, this is just the beginning. Eventually all companies will sell smart products and have smart operations. Though that future is a little ways off, we are now witnessing the emergence of the smart megatrend that we can capitalize on as private equity (PE) investors.

Smart companies outperform the broader market, independent of sector. All the reasons that make private equity successful as an asset class are the same reasons that make it best suited to digitally transform companies into smart companies.

TRADITIONAL COMPANY → <sup>DIGITAL</sup>TRANSFORMATION → DIGITAL TRADITIONAL COMPANY

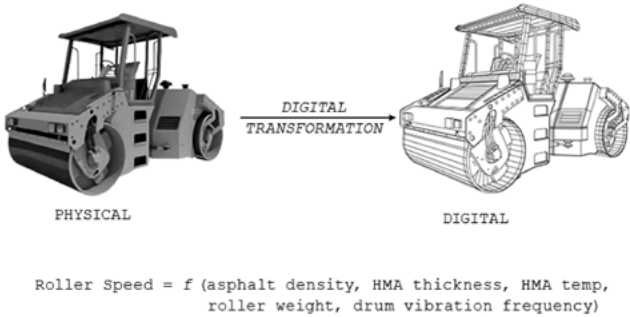
$$DIGITAL\ TRANSFORMATION = \sum_{i=1}^n d_i$$

where  $d_i$  = digital initiative  $i$

Transforming a traditional company into a digital-traditional company (Figure 1) is a clear example of where the active management ethos of PE can do a better job than the average company left to its own devices. The desire for change, quick decision making, and the rapid alignment of resources and incentives are hallmarks of private equity and what’s exactly needed during digital transformation.

**DIGITAL TRANSFORMATION**  
What is digital transformation? Let’s break it down. The digital part is described consistently across the board: Digital is technology. However, to put a finer point on it, digital, in PE, should be high technology such as the internet of things (IoT) and artificial intelligence (AI), not, for example, IT (low tech) or automation (mid tech). The differential value has been squeezed out of these older classes of technology resulting in their commoditization, and for those looking for an angle, commodity rarely results in differential advantage.

The transformation part of digital transformation is a little trickier to nail down, because if you believe search results, every application of tech is transformational. Of course, it is, to SEO marketers, but for investors, not so much. So it’s best to put digital transformation into context. In this book, *The Private Equity Digital Operating Partner: Using Digital Transformation for Value Creation*, the context is clear: Digital transformation for us is a value creation tool to increase the enterprise value of select portfolio companies by increasing their EBITDA and valuation multiple. For us, digital transformation is the transformation of a traditional company into a digital-traditional company by implementing one or more digital initiatives (Figure 2).



So what is digital transformation? It’s a new source of alpha for private equity. And who’s responsible for making it happen? The digital operating partner.

**DIGITAL TRANSFORMATION IS COMING TO ALL NONTECH SECTORS**  
Digital is transforming the companies and products in all nontech industry sectors. We’re witnessing this first as consumers, in our pockets, on our bodies and in our homes. Smart speakers like Amazon Echo and Google Home are now in a quarter of U.S. households, and almost 20 percent of all homes have a second smart product. Smart cars, usually referred to as self-driving or autonomous vehicles, have been digitally transformed to be data driven—the definition of a smart product.

This is just the beginning in B2C and the very beginning in B2B (Figure 3), with the smart megatrend washing



over all traditional sectors, leaving behind new winners and losers in its wake. The winning companies will either lead or dominate their industries and will have been converted into data-driven companies—becoming part software and data science companies. Think about your portfolio companies. That’s where the opportunity lies. Read this book to be able to identify your digital winners.

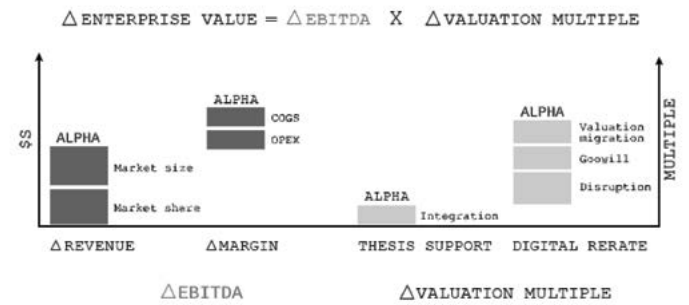
THERE’S A NEW WAY TO INCREASE ENTERPRISE VALUE

Digital transformation is a new value creation tool that enables your firm to capitalize on the smart megatrend leading to asset-light businesses in any sector. As a value lever, it’s long in capabilities. Not only can it reduce COGS and OPEX to improve margins; it is a platform for innovation that is primed to increase sales either by increasing market share through increased competitiveness or by entering new markets through disintermediation or other novel strategies. It can also ratchet up the valuation multiple (see Figure 4).

The quantification of value from being data driven can produce a product so competitive, like the iPhone, or a business model so compelling, like Uber’s, that data-driven companies can dominate or even disrupt their industry. Hyperbole aside, it certainly doesn’t need to be that dramatic to make a meaningful impact. The digital rerate, as you will learn, can justify a valuation multiple closer to the

valuation multiple range assigned to tech companies with the uplift characterized as goodwill.

DIGITAL MAY GIVE YOUR FIRM A COMPETITIVE EDGE  
Aggregate returns will continue to be of primary interest to investors but have COGS and OPEX



is increasingly important to LPs and GPs alike. Operational value creation has become private equity’s primary source of value. Digital transformation furthers that reality and is a value creation lever that creates alpha independent of any other operational improvement mechanism, making it accretive to any firm’s existing efforts.

Bruce Sinclair is an ex operating partner for a \$1.5B AUM private equity firm and is now the Principal Consultant for Digital Operating Partners. Read more about using digital transformation for value creation.

[www.digitaloperatingpartners.com](http://www.digitaloperatingpartners.com)

NOTA  
BENE

The world’s most  
fabulous travels.

[notabeneglobal.com](http://notabeneglobal.com)



THE COVE  
A RITZ-CARLTON RESERVE RESIDENCE

[EXPERIENCECAROLINEBAY.COM](http://EXPERIENCECAROLINEBAY.COM)



These materials do not constitute an offer to sell nor a solicitation of offers to buy or lease real estate at The Cove, a Ritz-Carlton Reserve Residence by residents of Connecticut, Hawaii, Idaho, Illinois, New Jersey, New York, Oregon, Pennsylvania, or South Carolina, or any other state or jurisdiction where prior registration, license or advance qualification is required but not yet completed or where otherwise prohibited by law. Void where prohibited by law. The features, fixtures, and amenities described herein are based upon current development plans, which are subject to change without notice and there is no guaranty that said features, facilities, and amenities will be provided, or, if provided, will be of the same type, size or nature as depicted or described. Offer subject to change at any time without prior notice. The complete offering terms are in an Offering Plan available from Sponsor. The Cove, a Ritz-Carlton Reserve Residence, is not owned, developed or sold by The Ritz-Carlton Hotel Company, L.L.C. or its affiliates ("Ritz-Carlton"). George's Bay Residences Limited uses The Ritz-Carlton marks under a license from Ritz-Carlton, which has not confirmed the accuracy of any of the statements or representations made herein.

GEORGE'S BAY RESIDENCES LIMITED



CAROLINE BAY

Artist's Rendering



Today,

I will pilot my boat out into the blue ocean,  
practice swan dives off the bow  
and say hello to a blue angel fish.

Then return to stroll off the dock  
into my home that overlooks it all.

Live where every day is your best one yet.

INTRODUCING THE COVE,  
A RITZ-CARLTON RESERVE RESIDENCE  
AT CAROLINE BAY, BERMUDA.  
Residences priced from \$2.5M.





# HOW A TRUST FUND CAN WORK WONDERS FOR HNI FAMILIES WITH SPECIAL NEEDS CHILDREN

By Rajmohan Krishnan, Principal Founder & Managing Director, Entrust Family Office

No matter their socioeconomic status, parents across the world, have an innate need to take care of their children. In the case of children with special needs, caregiving becomes an especially challenging task that can put a strain on financial and other family resources. For HNI families who have children with special needs, there are additional business-related considerations of succession planning and financial security that come into the picture. In standard cases, wills and regular estate plans usually come into play for securing children's futures, but for kids with special needs, there is a need to create an additional security blanket because special needs kids have mental and physical disabilities that might prevent them from being financially independent. And here is where the role of a trust fund can come into play.

A trust is essentially defined as a three-party relationship that includes a grantor, trustee, and beneficiary. It is an arrangement whereby a person's assets (grantor) are managed by a neutral third party (trustee), for the benefit of others (beneficiary). A Special Needs Trust is similar but designed for beneficiaries with cognitive or physical disabilities. A UHNI/HNI parent will do well to set up a trust with their special needs child as the beneficiary.

A trust ensures that there is always a sufficient corpus for the person with special needs. Whether the corpus is created all at once or over some time, it must be sufficient to cater to the entire lifetime of the differently-abled. Inflation, market fluctuations and other events of destiny should have no bearing on the availability of funds in this trust. In short, such a person should not have to depend on his/her siblings or others in any scenario.

In addition to ensuring sufficient funds, a trust can also manage other aspects of a differently-abled person's life as they might not be equipped to manage the simplest of tasks. A Trust Deed/or Letter of Wishes could lay out the modus operandi that states the daily and long-term healthcare needs of the person, including medication, routine check-ups, psychiatric interventions, hiring and firing of nurses etc. It will also define long-term maintenance



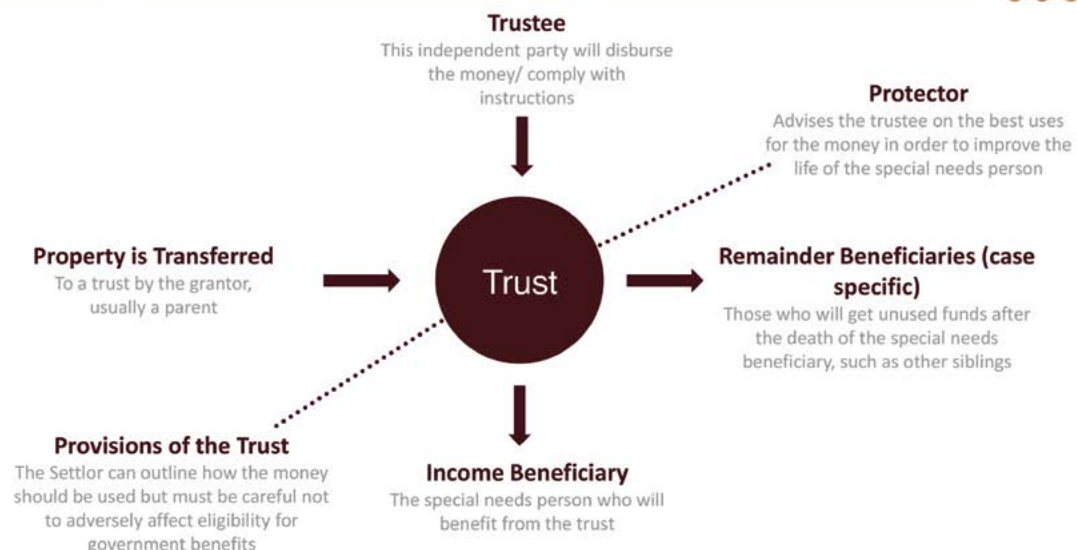
Rajmohan Krishnan  
Entrust Family Office

of the person's properties and residence. Management of the person's image in the wider world, including liaising with the media and other entities, can also be listed via a Special Needs Trust.

Apart from being a managerial blueprint, setting up a Special Needs Trust can also safeguard money and assets. When compared to a standard will or other inheritance documents that disburse wealth upon the death of the head of the family, a trust is a much more secure route.

Wills and other legally binding documents can often be contested in court by third parties and get caught up in long-drawn legal battles. This is a less than desirable situation for children with special needs as they are incapable of making legal and financial decisions on their own. Hence, to avoid any such undesirable situation, trusts should be opted for as they are the best route to secure the needs of a beneficiary who requires special attention. Special needs children have an array of

## Special Trust for a Special Child



24x7 medical needs that can incur a significant amount of expenditure. A Special Child Protection Trust can thus also ensure that all such needs are taken care of by strictly directing financial assets towards the care of the said child. The trust's wealth disbursement mechanism can be customized depending on the amount of money required annually or quarterly for a special needs child's care. The Settlor can then opt for monthly or annual payments depending on the needs of the child.

While creating a Special Needs Trust, HNI families should ensure to appoint a corporate trustee from outside the family. The intention is that a Trustee should perform his duties not being influenced by any potentially unresolved issues or any new issues that may crop up. HNI parents can consider appointing a Corporate Trustee to follow the instructions detailed in the Trust Deed as well as other related documents.

Families should also consider appointing a trusted family friend or an extended family member as a protector to the trust. This person acts like a neutral third party who shall be consulted with to make critical decisions regarding the welfare of the beneficiary. A Protector doesn't just ask questions; his main responsibility is to protect the beneficiary's interest and make sure that the Trustees abide by the Trust Deed instructions. Last but not least, the question about what should happen to the wealth remaining in the trust once the person with special needs passes away? This question

needs to be answered at the time of the trust's creation. In exceptional circumstances, if there is a reason to insulate such a person from the rest of the family, it should be ensured that the rest of the family has no chance of any benefit, including financial, from the trust or the death of such person. Similarly, the family members should also be insulated from the expenses related to the upkeep of the person with special needs, including legal claims on the family business, if the intention is to keep this person away from the family business.

HNI families should work on securing their special needs child's futures through trusts because it is one of the best ways to protect them from the vagaries of life. Wealth locked in a trust fund is completely untouchable and legally protected even in the event of financial volatility.

Financial assets in trust funds cannot be claimed by creditors, other siblings, or family members or seized by courts. This ensures that even if a business-owning HNW or UHNW family is in trouble, their special needs child's financial future is secure.

A well-experienced family office that is armed with years of legal and financial expertise can help create such trusts that cater solely to a beneficiary with special needs.

[www.entrustfamilyoffice.com](http://www.entrustfamilyoffice.com)



# WHY AFFLUENT ATHLETES SHOULD EMBRACE THE WELLNESS FAMILY OFFICE MODEL

by Caroline Rhéaume, tax lawyer, TEP

When thinking about professional athletes, words like success, role models, lifestyle, fame, and wealth come to mind. So, it may be surprising to hear that some athletes go bankrupt or end up in debt despite the millions of dollars they can make during their career. A lavish lifestyle, ignoring the taxman, bad investment advice from friends and family, and trusting the wrong people with their money are often mentioned as the reasons for their misfortune.

What makes professional athletes different?

What is unique about professional athletes is that they make their money while they are relatively young and over a short period of time. As an example, on average, the career of an NHL hockey player lasts 5.5 years, whereas it lasts 3.5 years on average for NFL football players. Their ability to generate income is linked to their physical health. For them, the proverb "It takes a village to be successful" is a reality. They work with a team of experts, such as trainers, psychologists, therapists, doctors, and agents to reach the highest heights in their sport and secure their future. Considering this, investing in their wealth should be as important as investing in their health. But for many of them, investing money is not their field of expertise.

And once their professional career is over, going from an organised life where training camps, competitions, games, and travels are all planned on their behalf to a life of free time may be destabilising for some athletes. Coping with the aftermath of an injury or concussion may be mentally draining. Other athletes will question their self-worth and may feel lost after the lights go out. Discussing investment strategies, asset protection, tax, estate, and insurance planning may not be viewed as a priority in this context, even though it should be.

Why combine wellness to finance?

This is why the Wellness Family Office may come as a brilliant solution for professional athletes.

Definitions vary, but a Family Office is often defined as the ecosystem that a family builds around itself to get organised, manage their assets, and enjoy their lifestyle with peace of mind. The Family Office provides services such as income tax planning, cash flow management, investment services, coordination with bankers, lawyers, accountants and insurance brokers, bill paying, estate planning, and philanthropic strategies. The goal is generally to provide solutions for all financial and investment concerns of a wealthy family.

The key differentiating point between a Family Office and Wellness Family Office is that not only all the services provided by a traditional Family Office are rendered by the latter, but the team of experts is broadened to include services to allow the athlete to maintain a good physical, mental, emotional, and even spiritual health. For example, the team may include doctors, psychotherapists, nutritionists, life coaches, personal trainers, even a family and marriage counsellor.

The objective of having the professionals with investment, tax, legal, accounting, and insurance knowledge work together with the health professionals is to ensure that the proposed action plan will resonate with the athlete and be implemented. Knowing that their retirement will last longer than their career, not only do athletes want to have the confidence that they will have enough money to support themselves for the rest of their life, they want to live a meaningful and active life as well.

How to structure the Wellness Family Office?

One could say that a Family Office is for wealthy families who want to transfer wealth from one generation to the next. So, why would athletes who usually retire at a young age and may not have a family or may just be starting a family need a Family Office in the first place?

Embracing the Wellness Family Office model does not necessarily mean hiring all the specialists and have them work exclusively for the athlete, like it is often the case with a Family Office. Some of the services may not be required on a full-time basis. As an option, a group of professional athletes could choose to share the costs and build a multi-family office. But an athlete could also decide to hire a "Chief Financial Officer" (accountant, chartered financial analyst, or other trusted professional) to build a dedicated team of experts, organize the exchange of information between them, coordinate meetings with the athlete, and ensure the plan is implemented and updated as needed. Since maintaining confidentiality and privacy of the athlete's information is of the utmost importance, strict policies would be put in place to that effect. But instead of reinventing the wheel, the lessons learned and best practices developed by Family Offices can guide the athlete and his or her team when structuring the Wellness Family Office.

"Lighting the torch"

Helping a professional athlete transition from a busy life to a more quiet one requires good personal skills

and the willingness to listen and help the athlete identify his or her core values and integrate them into the financial plan. Some people call this "Lighting the torch." Once the professional athlete has a clearer view of who he or she is, what he or she wants to achieve, whether it be to start a foundation, become a speaker and share his or her journey with the world, the financial plan can then be adapted accordingly. Time will tell, but the Wellness Family Office model may become the ideal solution for affluent professional athletes wishing to live a meaningful life and leave a meaningful legacy.

About the author:

Caroline Rhéaume is a cross-border tax lawyer based in Montreal and best-selling author. She specialises in Canadian and U.S. tax and estate planning, the use of trusts, asset protection, and how to structure a family office. She provides tax and legal services to high-net-worth individuals and families, business owners, professionals, and athletes.

[www.carolinerheaume.com](http://www.carolinerheaume.com)

# One of the family.

## The only system you need for your Single or Multi-Family Office.

NavOne is the world-leading wealth management system delivered by Touchstone and powered by Microsoft Dynamics NAV technology.

Used by Single and Multi-Family Offices, small to large trust and fund administration companies, private equity firms and specialist legal and accounting practices across 24 global jurisdictions, NavOne is proven to increase operational efficiencies and reduce administration costs and enable secure and selective private client access to their data.

For more information call 01534 818900 or visit [touchstoneOne.com](http://touchstoneOne.com)

Delivered by

 **Touchstone**  
Wealth system experts

Powered by

 NAV  
Microsoft  
Dynamics

 MAGIC CIRCLE AWARDS

Technology Vendor of the Year

Citywealth  
**2015 WINNER**



 **NavOne**<sup>®</sup>  
One complete system

# ALTERNATIVE INVESTMENTS: HOW TO FIND THE BEST MANAGERS IN THE WORLD

Cédric Kohler, Head Advisory Fundana

For many family offices, more and more of their investment performance is relying on their alternative asset allocation. Clearly, the best alternative managers have made fortunes for their investors. Probably the best example to date is George Soros’ track record. If you had invested \$1,000 with him in 1969, you would be worth about \$9 million today! If you had invested the same amount with Warren Buffett you would be worth \$2 million. In comparison, a passive investment in the S&P would have generated just \$33,000 over the same period. But unfortunately, you could also have lost large amounts by selecting the wrong managers. Indeed, finding the best managers for your alternative investments makes a key difference. So how do you select a good manager? How do you differentiate skill from luck? When is a good time to exit a manager? This article briefly addresses these questions, but readers can find more information on Opalesque’s webinar “Rethinking Manager Selection: skill or luck?”

### Why finding the best is just not that easy

There are three characteristics that make manager selection in alternative investments a real challenge. Firstly, there is a high degree of luck in finance. Indeed, to be statistically highly confident that a return stream is the result of skill and not luck can take decades. So how do you know, when looking at a three-year track record, that this performance is not just the result of dumb luck?

Secondly, there is a huge dispersion between the best alternative managers and the worst ones. In fact, for Hedge Funds for example, it is about twice as large as Long-only funds and amounts to 40% per year between the top and the bottom deciles. This is due to alternative managers having many more degrees of freedom versus their Long-only counterparts: they can go long, short, in cash, use leverage, invest in any region or any instrument, and so on. Therefore, choosing the wrong manager can destroy your Hedge Fund allocation.

Thirdly, there is no persistence of manager performance over time. In other words, choosing the winner over a given period is absolutely no guarantee that they will be the winner over the next period. Clearly, it is easy to make mistakes when choosing an alternative manager!

### Do not focus on “Paroles, Paroles”

Do not get fooled by a manager’s previous performance nor by his investment process. Many investors use past performance as a primary filter to determine the quality of a manager. However, unless you know how this performance was generated, it is completely useless! Except, of course, if that performance is bad to begin with. Indeed, without knowing if the risks taken by the manager are in line with their mandate, just looking at good returns will not tell you much. In fact, the sexier the performance, the more cautious you should be!

In addition, many fund selectors spend time analyzing a manager’s investment process to ensure that it makes sense according to their criteria and experience. However, when is the last time you have seen such a process that does not makes sense? Exactly, you cannot really recall. That is because these managers have spent decades analyzing their markets and marketing their investment products. Trust me, they know how to present. You will discover nearly nothing by trying to decipher their investment process.

### Focus on Facts

At Fundana, we prefer to focus on facts and carry out in-depth due diligence. A proper investment due diligence enables your organization to standardize a manager analysis and to record why you chose a manager, amongst other things. An operational due diligence will ensure that there are no dangerous operational risks. Neither process should just be the result of a meeting, but of a proper analysis where one of your aims is to understand if the manager has a repeatable edge over your investment horizon, for example.

The investment due diligence should cover, at a minimum, areas such as manager background & set-up, risk management and performance analysis. Focusing on these elements when monitoring the fund will help determine when to exit a manager. Below are some questions to consider.

**Manager background.** Is the manager’s background consistent with their current strategy? Can I find independent references? Does the manager have his own money in the fund? Do I understand the motivations of the different stakeholders?

**Risk Management:** Is the strategy goal in line with the portfolio (stocks, sectors, market cap)? Do the risk targets make sense for this strategy? Do the fund’s liquidity terms match with the portfolio liquidity? With some basic assumptions, can I forecast the manager’s performance?

**Performance Analysis:** Do I understand how the performance was generated? How much is from Alpha vs. Beta? How much from the Longs and the Shorts? Is this performance repeatable? Is this performance scalable with AUM?

**Knowing when to fire a manager:** First, you need to define what is a successful performance. Do I have an absolute minimum? Do I have a relative target versus a benchmark, a portfolio, or a peer group? Do I have targets between Alpha and Beta? Do I have a target return on Longs and on Shorts? Do I know how much of the returns are coming from specific factors such as momentum, growth, etc.?

### For a healthy manager selection

Finding and monitoring alternative managers takes time and resources because, as previously mentioned, they have so many more degrees of freedom than a Long-only fund. However, finding the best managers can significantly boost your performance over time. This is why there are \$3 trillion managed by Hedge Funds and this is why family offices allocate up to 50% to alternative investments. However, it is easy to make mistakes when scouting the best managers. Therefore, many experienced family offices usually complement their internal efforts with external advisors who have an actual investment track record.



**Polo & Tweed**



**Raising The Bar In Recruitment**  
23 Hanover Square, Mayfair, London, W1S 1JB

Butlers	Chefs
Estate Managers	Chauffeurs
House Managers	Bodyguards
Housekeepers	Concierge
Yacht Crew	Front Desk
Nannies	Personal Assistants
Maternity Nurses	Valets
Domestic Couples	Chalet Staff
Lady's Maids	Hotel Staff

*Polo & Tweed are a luxury domestic and corporate staffing specialist. The perfect placement service for clients and staff. We place staff in VIP & HNW private homes, hotels, yachts and chalets across the world. Personal and discreet.*

+44 (0) 203 714 8910      www.poloandtweed.com      info@poloandtweed.com





## Capital Market Conferences Family Office Day in Vienna

The Capital Market Conferences Family Office Day are the first and unique finance platform for Family Offices, Foundations and HNWI in Austria with a very rapidly expanding international investor network. By organizing these symposiums, Advantage Finance offers the target group of Family Offices, Foundations and HNWI an international platform for the exchange of opinions and discussion. The speakers come from Austrian and international companies of various sectors. They are invited to present their business models and future projects to the investors. Each conference also includes an elevator pitch for start-ups.

Since 2015 we have successfully organized 31 Capital Market Conferences in Vienna, 4 Capital Market Conferences Online and 37 Investor Lunch Presentations in the DACH region and hosted more than 400 international companies and 4,000 Family Offices, Foundations and HNWI from the DACH region, Liechtenstein, Monaco, UK, Israel and Hongkong.

The next Capital Market Conferences Family Office Day will take place on the following dates:

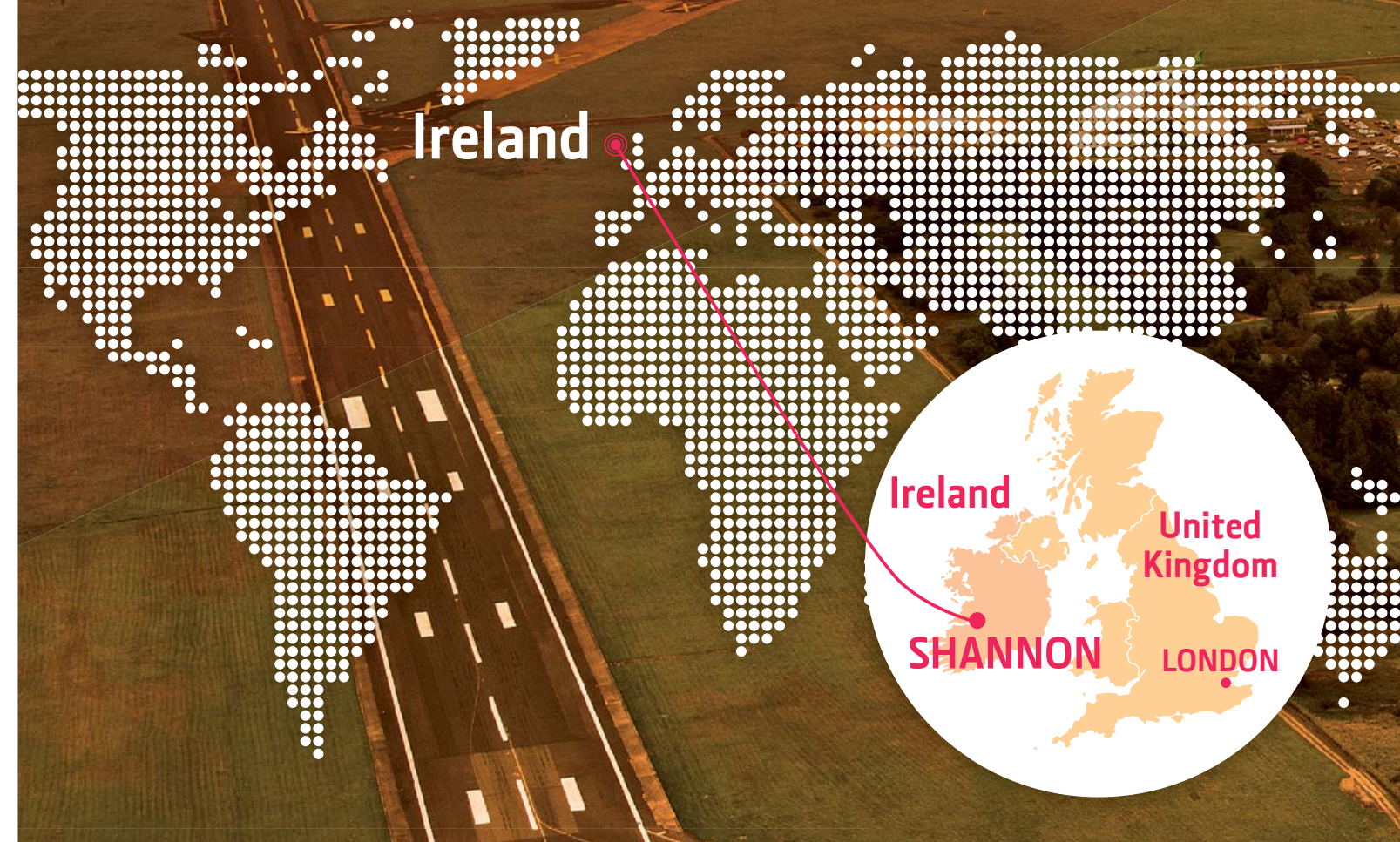
14.04.2021 Capital Market Conference Family Office Day ONLINE  
16.06.2021 Capital Market Conference Family Office Day Hybrid in Vienna  
17.06.2021 Conference Family Office IMPACT Day Hybrid in Vienna  
30.06.2021 Real Estate Salon in Vienna  
14.10.2021 Capital Market Conference Family Office Day Hybrid in Vienna  
01.12.2021 Capital Market Conference Family Office Day Hybrid in Vienna  
02.12.2021 Conference Family Office IMPACT Day Hybrid in Vienna

In addition to the conferences, we organize investor lunch presentations with about 10 investors in Vienna, Zurich, Munich, Hamburg, Frankfurt and online.

Participation is by invitation only. We are looking forward to your enquiry at [investorenkonferenzen@familyofficeday.at](mailto:investorenkonferenzen@familyofficeday.at)

# Shannon Airport

## Europe's only US Customs & Immigration preclearance facility for Business Jets



Discover more at [shannonairport.ie](http://shannonairport.ie)



# HOW REAL ESTATE DEBT ADVISORS BENEFIT FAMILY OFFICES

By Matthew Van Lorson

Real estate debt advisors are a well-established part of the US real estate debt and equity markets. However, in the UK and Europe, despite the preference for investment in real estate asset classes, there is still a reluctance amongst family offices to engage a real estate debt advisory service.

There has, one could argue, a year into the COVID pandemic, never being a greater need for the boutique debt advisor. Why? Because difficult lending conditions, delayed development projects and, in some sectors, a slower transactional market mean that many sponsors and borrowers, who may not be large enough to support their own in-house advisory teams, need expert assistance to choose the most suitable funding partner, negotiate the best terms and navigate the application process through to a drawdown.

The COVID pandemic has impacted on mainstream funders' risk appetite and willingness to deploy funds and this inconsistency in approach and appetite has created a minefield for sponsors and borrowers to navigate, meaning that they often stick to the same historic mainstream funding relationships where terms may be less favourable or less flexible. Even in the resilient sectors (notably BTR, PRS, PBSA, logistics, residential ground rents and residential ground-up development schemes), it is estimated that most lenders are pitching term sheets somewhere between 5% and 10% less than before the pandemic.

Debt advisors are watching the market position of all sectors intently (including office, hospitality and retail) as vaccination programmes will inevitably alter the risk appetites of some funding partners yet again. Furthermore, it is expected that 2021 will also undoubtedly herald a number of distressed borrowers and assets and a significantly greater demand for equity restructuring and recapitalisation. In the midst of this, however, there are many non-mainstream debt and equity providers across the UK, Europe and the US still deploying capital to the right applicants for the right scheme.

The borrower or sponsor's dilemma? Which funding route and structure is best for the asset in question and how can the best funding terms possible be achieved? The answer always lies in early engagement with an experienced and reputable real estate debt advisor. Doing so will undoubtedly improve the borrower or sponsor's position in many ways, but crucially in five key areas.

**Improved Terms** – Whilst there may be some cost in using a debt advisory service, and fees will vary depending on the nature and complexity of the project and funding requirements, the overall terms achieved when using a debt advisor should mean that a borrower or sponsor is no worse off and, over the course of the loan term or capital investment, may even benefit from a slight overall cost saving and improved IRR. Predicting pricing in the current market is tricky and this is where a debt advisor is particularly useful.

**Certainty** - By far the biggest advantage of using a debt advisor is access to the advisor's lending network and strong relationships. This makes the identification of credible sources of capital much quicker and there is a greater chance of successfully completing the funding even in uncertain or volatile times. Most reputable advisors will have relationships with hundreds of lenders and will always be in a position to guide a borrower to a lender that will perform within the required timescales.

**Lender Confidence** - Lender confidence in the borrower and sponsor will, without a doubt, contribute to an improvement on lending terms and will foster a good working relationship that will benefit the sponsor and borrower throughout the lifecycle of the funding. Integrity and transparency during the application process are crucial and proposals need to be comprehensive

and robust. Borrowers and sponsors should be discouraged from misrepresenting their position as it will damage the relationship, reduce the certainty of finding a funding partner or even negatively impact any terms which are offered. Debt advisors will thoroughly review the application and test any gaps to ensure that there is no inadvertent miscommunication between the parties and will take time to understand the borrower and the sponsor, getting to grips with the asset and business plan so that any queries can be quickly and eloquently fielded.

**Teamwork** – boutique debt advisors will embed themselves in the borrower or sponsor's team and will use their specialist knowledge to review all funding options, especially where the asset or borrower is distressed or needs to restructure. They will work with the borrower or sponsor's team to examine the existing capital stack, look at the potential to introduce new equity and refinance existing debt.

Subsequently, they will assist in modelling the impact of all of this on investor/owner returns. Assumptions can also be tested by the debt advisor so that all parties are confident that the financials behind the proposed scheme as sturdy

as possible at the point an application is submitted. **Communication** – Full-service debt advisory firms will manage the relationships with both the outgoing and the future lender or equity partners. They will communicate effectively with the lender to keep the transaction flowing throughout the whole process, acting as a conduit between the funding partner and the borrower and even between the respective legal teams, facilitating the progress of the application at every stage through to drawdown.

Without this external involvement and in an unpredictable climate, deals being managed in-house by staff without the right levels of skill or experience, even if they are incredibly good at their jobs, can, unfortunately, be significantly delayed or can even collapse.

Sanova Real Estate Finance is a leading boutique real estate debt advisory based in London. Sanova provides creative and strategic funding solutions across the capital structure, on transaction sizes of £/€5m - £/€250+, for real estate investors and developers in the UK and Europe.

[www.sanovaref.com](http://www.sanovaref.com)

t: +44 1223 881691 e: [sales@1066pianos.com](mailto:sales@1066pianos.com) [www.1066pianos.com](http://www.1066pianos.com)



The finest pianos in the world.  
Handcrafted in Cambridge, England.



INTERNATIONAL  
DELIVERY



SELF PLAYING  
SYSTEMS AVAILABLE



PLEASE CONTACT US FOR FURTHER DETAILS ON THESE EXCEPTIONAL INSTRUMENTS FROM THE 1066 PIANO COLLECTION

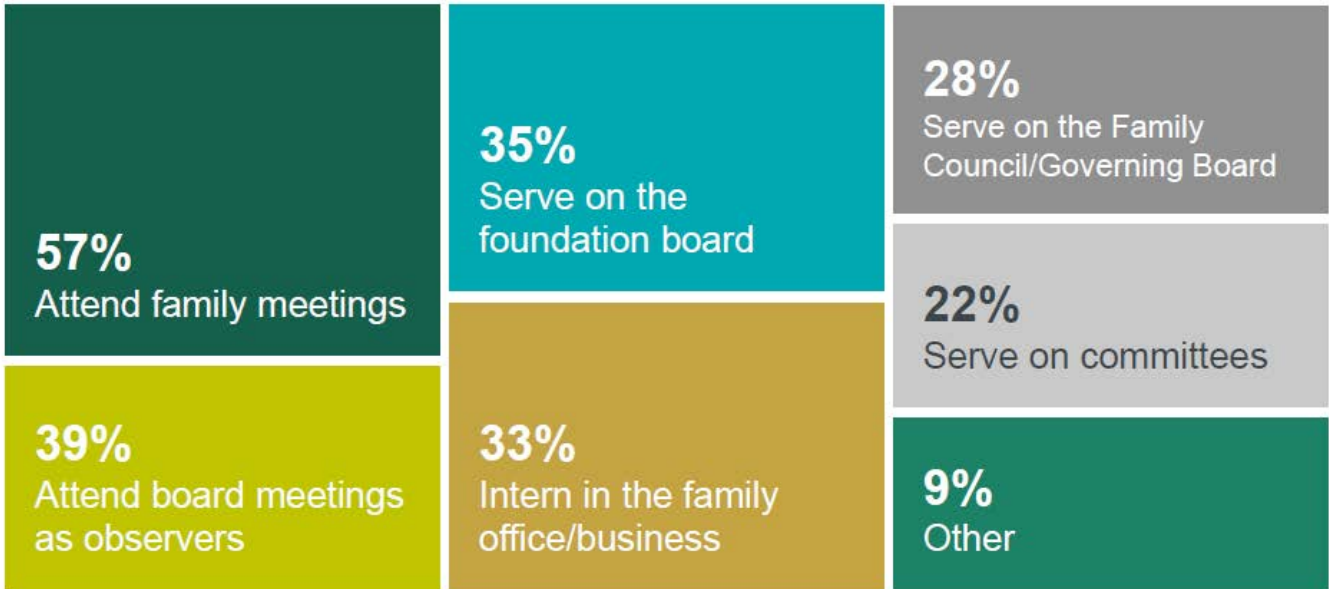




# SUCCESSION PLANNING AND PREPARING THE RISING GENERATION

by: Jane Flanagan & Jared Marchant

In what ways can younger family members engage with the family? Select all that apply n=54



Other includes: attend investment and trustee meetings, participate in next gen programs, learning sessions and projects with the family office.

No family is immune to change. For family offices, change – whether among the family, the family office, the family business, or key advisors and trustees – is constant. Add to this the complexities of a rapidly evolving world and navigating change can become a daunting challenge.

Amid the pandemic, we asked our family office clients what keeps them awake at night when they think about the next 12 months and 46% cited succession planning, while only 34% noted wealth consumption and 31% cited taxes. More than half of respondents (52%) claim they need help preparing the next generation for family leadership, a challenge that keeps 38% of participants awake at night. The impact of COVID-19, persistent virtual meetings, and geographic dispersion of family members has only heightened the importance of thoughtful succession planning and engaging the rising generation for wealthy families.

These themes came up repeatedly in the results from our 2020 Family Office Benchmarking survey, which

features 78 responses from family offices primarily in the U.S., who collectively provide services to more than 800 households and oversee nearly \$200 billion of assets.

The need for succession planning  
Family offices understand the importance of thoughtful succession planning, but it is rarely at the top of the long list of family office “to dos”. However, it should be. Two-thirds (64%) of survey participants are preparing for a succession event in the next 3-5 years, whether with family office leadership, within the family, with trustees or in the family business.

These succession events can stem from any number of triggers. For some, the pandemic and current environment may accelerate the desire to plan for retirement. For others, leaders may determine they’re dedicating more time and effort to the needs of the family than they’d like, and it’s time to get younger family members more involved. Whatever the case may

be, thoughtful planning is imperative to protect the needs of the family and minimize disruption.

A thoughtful approach to succession planning  
Succession planning provides an important moment for the family to pause and think deeply about their future and the family’s legacy. Change in the leadership of the family office or business is rarely just about finding a new successor. In most cases it causes the family to take stock of the leader’s role and reimagine what is needed for the family moving forward. These transitions cause many families to revisit their governance structures, their service menus, and even their back-office operations. Wise families plan for succession in the broader context of business continuity, understanding it as a part of every family’s evolution, and recognize the importance of continual planning. These transitions take longer than anticipated and cost more than one might expect, requiring thoughtful planning and communication with the family leadership, governing board or family council and family office staff.

Preparing the rising generation  
Preparing the next generation for their roles as leaders of the family is a perennial concern for families. While it is encouraging to see that 66% of respondents report that most of their rising gen family members (ages 25-40) are engaged in family activities, the greatest challenge, when it comes to leadership development, is securing their time. Many are juggling school, careers, and growing their own families. When we asked how younger family members can engage with the family, the responses reinforce that the best way to drive engagement is to provide opportunities to participate in family governance, such as:

- Attending family meetings (57%);
- Attending board meetings as observers (39%) or serving on the family foundation board (35%);
- Interning in the family office/business (33%);
- Planning the annual family meeting, or organizing philanthropic initiatives.

Think creatively  
When engaging the next generation, families should leverage technology innovations such as family

portals or apps, and think creatively about how to communicate information in ways that align with the next generation’s preferences. An example is making information more “bite-sized” for virtual consumption during video calls. Some families have asked presenters at their family retreats to pre-record a video of their talk, which is sent as pre-work to the family in advance of a family meeting. This allows the family to use their precious, virtual meeting time to discuss the material and make decisions together.  
While the pandemic saw a surge of video call adoption, there may be other technologically driven enhancements to consider incorporating, with a goal of accelerating how information is shared in order to empower decisions. This could be encouraging family members to access more of their information online, establish or overhaul online portals, introduce app-based access to view financial information, or think creatively about alternative forms of providing important information through the use of podcasts, pre-recorded videos, discussion rooms, and more. Bringing it all together

Family offices often serve as navigators of change for the families they serve. The COVID-19 pandemic and reality of imminent generational transitions have reinforced the need for thoughtful succession planning and preparation of the next generation of family office leaders. Framing succession planning (in the business, family, family office or with trustees) in the context of a broader business continuity plan helps to shift the conversation from the often emotional departure of a trusted resource to a more comprehensive look at what is needed for the longer-term well-being of the family.

Jane Flanagan and Jared Marchant are a part of the Global Family & Private Investment Offices group at Northern Trust, which provides a range of asset servicing, fiduciary, investment, banking and wealth management solutions to individuals, families, family offices, and private trust companies around the world. Today, the group oversees \$115 billion in Assets Under Management, with \$600 billion in Assets Under Custody. The group has over 500 family office clients across the globe, with an average client relationship size of \$900 million.



# CUSTOMISATION OF RANGE ROVERS OVERFINCH

## A PILLAR IN LUXURY LIFESTYLE

Founded in 1975, Overfinch has spent the past forty-three years building its legacy as the pre-eminent brand in the modification and customisation of Range Rovers. A company created with the specific purpose of enhancing both the performance and looks of the traditional Range Rover; its vehicles have fast become a pillar in luxury lifestyle.

It's the individualisation, bespoke modification and discrete styling upgrades that have become trademarks of Overfinch conversions - attention to detail that no other conversion company can equal.

The newest 2018 model is a stylish, dynamic re-interpretation of Land Rover's flagship model. The exterior features a deep Overfinch front air dam with dramatic lower air intakes and Overfinch's signature LED running lights. The subtly-flared lines accentuate the visual impression of width without bulk. Exposed carbon fibre, in perfectly-aligned herringbone weave, is on the intake grilles and spoiler.

It's a similar approach at the back where the Overfinch rear bumper and air dam add drama and aggression without losing the purity of the original design. The deep aero diffuser is flanked by two beautifully cast and branded Overfinch exhaust tips, part of an exhaust system which enhances sound and performance, and features Bluetooth-controlled valves that allow the driver to modify the signature engine note.

Step inside, and you can settle into the deeply upholstered embrace of the new 'Lumière' seats. The perforated leather centre panels are framed by hexagonal motif stitching. These seats are trimmed in leather from the Scottish Bridge of Weir tannery – unless you'd like to select an even more exclusive material. If so, the Overfinch team can craft bespoke upholstery in a choice of responsibly-sourced exotic hides, including ostrich and shagreen.

In each case, the chosen upholstery is complemented by a wide choice of veneers, from traditional burr walnut to piano black with mother-of-pearl inlays. Each veneer set is hand-selected and finished with the utmost care. If you prefer, Overfinch offers a range of carbon fibre finishes including both lacquered and matte. Optional carbon fibre side sills, tailgate badging and a near infinite palette of colours and trim options ensure that every Overfinch is a limited edition of one.

Taken to a new level of exclusivity and individuality the latest Overfinch has been executed with a precision and attention to detail that no other conversion company can equal.



CUSTOMISED LUXURY AND CRAFTSMANSHIP

Overfinch still goes to the ends of the earth to stay ahead.



# HOW THE DISCREET RISE OF THE FAMILY OFFICE IS GOOD NEWS FOR ENTREPRENEURS

Founders and entrepreneurs have probably never faced such a challenging funding environment. With COVID-19 causing havoc in the economy, many typical private markets sources of funding, such as VCs, growth equity funds and private equity houses, had scaled back many new investments throughout 2020. Government programmes such as CIBLS and the Future Fund have helped, as has the British Business Bank's continued support. But increasingly, entrepreneurs can now reach out to a less familiar source of growth capital – family offices, which have been discreetly building up their role as an attractive source of funding for growing businesses.

## An emerging presence

Traditionally, family offices have focused on liquid bond and equity markets, passive alternative investments, such as allocations to hedge fund and private equity managers and then, of course, direct property investments. However, as private markets have evolved, so have family offices, and in an additional search for returns, family offices are increasingly turning to direct investment into growth-stage businesses. Investments in European growth companies by family offices has risen five-fold in the last five years.

Other key factors driving this trend are family offices' increased interest in impact investing, so backing small or medium-sized businesses that are purpose and ESG driven fits this focus. Many entrepreneurs who have set up family offices who have built their fortune in areas such as tech have the experience and mindset to want to support promising early-stage and growth businesses.

Entrepreneurs seeking funding from family offices need to assess their options. A defining feature of these institutions is that they are difficult to categorise. Some may be sector-specific, others sector agnostic – some will merge their impact and philanthropic aims together, others won't, and some will invest at an early stage, whilst others will only take positions in more established companies.

However, gradual patterns are beginning to emerge. Perhaps one of the most important is the increasing



by Jamie Blewitt  
Director, Head of Alternative Capital at  
Cavendish Corporate Finance

professionalisation of the sector. As generational wealth transfers grow – according to Campden Wealth data – the 7,300 family offices globally account for \$5.9tn in assets held and technical net wealth of \$9.4tn – there has been a shift by numerous family offices to recruit outside investment professionals, who previously may have been working in venture capital or private equity firms. This has helped family offices secure the direct investment experience and expertise they need and be more proactive in looking for opportunities to back and guide privately-owned growth businesses.

## Singular investors

This is not to say that family offices entirely resemble private equity and venture capital firms with which they sometimes compete. Their investment strategies tend to vary – and that is something founders and entrepreneurs should take note of when seeking funding. For example, while

private equity houses will typically seek a set term investment (often three to five years) a family office is, by definition, more flexible with regard to timeframe or at least has the ability to be, which can be more in line with the natural progress of the company and means they can properly align with founders. This approach can help avoid the sometimes fractious relationship between impatient investors requiring an exit and founders who perhaps have a longer-term mission.

Family offices' potentially more accommodating stance is because their overarching aim is to effectively hand wealth from one generation to the next rather than a return of cash to any external parties. So there is no intense pressure to generate immediate returns.

## A family affair

Family offices' ability to take a more flexible and collaborative approach to their investments is reflected in the fact that they tend to hold portfolios that are weighted for a more malleable outlook, thus providing the assets they hold with more stability – even in times of distress. A global study by UBS at the height of the early COVID-19 crisis in May revealed that 65% of the family offices surveyed had reallocated just 15% of their portfolios or less, compared to much more significant reallocations in the private equity industry and broader markets. Many family offices will have a longer term

outlook, but even if they do initially invest planning a four -five-year cycle, they can allow for a changeable timeline to accommodate for changing situations.

This is due to the greater level of security that comes with a family office's unique situation of being run in the interests of just the singular stakeholder with the objective of the maintenance of wealth through time. This stands in contrast to some fund managers who may pull out of the investment (if there is enough liquidity) during setbacks for a company in order to placate the varied voices of those whose money they manage.

For all the advantages family offices pose, their discreet profile and a wide variety of investment strategies do not make them an easy investor cohort to target. Founders and entrepreneurs considering targeting family offices would do well to seek specialist advice, as though securing such investment might not be straightforward, it could result in a company not just securing one round of funding but a true strategic partner to help drive the business further. Moving forward then, family offices migration into the mainstream of finance and active ownership presents winners for all sides.

By Jamie Blewitt, Director, Head of Alternative Capital at Cavendish Corporate Finance

## ALPHA-CENTURI LUXURY HYDROPLANES







## THE LANDSCAPE OF LUXURY DESIGN POST COVID-19

Only very few have evaded the impact of COVID-19. The repercussions have not only affected how we spend our time and who with, but also created a rare opportunity for reflection in a busy world, offering the space to re-evaluate values and goals. The pandemic has also altered how businesses around the world operate and how businesses and individuals alike choose to spend their money. Few industries have been fortunate enough to avoid the negative financial consequences of the pandemic, and fewer still, to have seen an upturn in business activity. One fortunate industry to fall into the latter category is the luxury design sector, specifically, top-end bespoke design for some of the world's wealthiest people.

Winch Design is a London-based studio with a 35-year heritage in the bespoke design of superyachts, private jets and architecture for a discreet and discerning UHNW client base. The studio has seen a surge in business activity across all three design

disciplines and has recruited over twenty-five new members of staff since the start of the pandemic. But together with the upturn in business activity, Winch Design has also noticed a shift in values and goals amongst its clients, in relation to not just their spending habits but also with how they are thinking about their lifestyles, now and into the future.

Privacy, security, and social distancing have become greater priorities and subsequently, superyachts and private aircraft are swiftly becoming essential additions to portfolios. In addition to the aforementioned, they also offer the opportunity to travel with a bubble for an extended period of time. Winch is seeing an increase in requests that cater to a post-COVID lifestyle such as enhanced working from home, yacht or plane capabilities and heightened inside/outside living areas. Health has ranked as a top priority for UHNWIs for some time but is now soaring to the top of the agenda. What clients expect from their home working environment is expanding as

health and well-being takes centre stage and designers are increasingly considering natural light cycles, plant life, Feng-shui and ergonomic design. Some clients are requesting specially designed medicine rooms and accommodations for an onboard doctor in addition to the usual gym and spa facilities found onboard the top superyachts in the world.

Perhaps seeking a more balanced lifestyle away from the stresses and pressures of daily life, 26% of global UHNWIs are planning to buy a new residence in 2021. Demand is especially high for rural and coastal properties, with access to open space being the most highly desired feature. The pandemic has super-charged demand for locations that offer a surfeit of wellness and an opportunity to take a deep breath of clean air away from the bustle of city life. Following the theme of escapism, Aino Grapin, CEO Winch Design, says that: "Explorer yachts are gaining popularity. Clients are wanting to be able to navigate around the globe for extended periods of time in a 7\* environment. Their yacht must be able to thrive anywhere, no matter how harsh the climate." Explorer yachts have increased tender storage for maximum exploration, ice-class hulls, and increased crew capacity to set out on longer expeditions. These 'swiss-army knives on the water' can operate for months at a time at sea, eliminating the need to refuel, and therefore removing all unnecessary human contact. Another emerging trend is the one for more informal, multi-functional spaces on board yachts that readily cater to a growing family. Perhaps clients and their families are preparing to not only spend extended periods of time at sea but also to spend extended periods of time at sea for a number of years to come. Private jet companies also saw a surge in demand as individuals, their families and entourages



sought to travel safely in 'a bubble' to their yachts and holiday homes. Included in these numbers were individuals who hadn't previously sought a private-jet charter. Some brokerages saw new customer sign ups double the usual levels and to manage the increased passenger count, were spending up to one-million pounds a month on safety and cleaning procedures. The rapid change in the way that international businesses operate also forced reflection. Previously the Winch Design team would frequently travel by air to meet suppliers, partners and clients, however the team have adapted easily to communicating and presenting designs remotely, and the studio plans to continue to rely on video conferencing as the new normal. In terms of a wider recovery from the COVID-19 pandemic, generally the luxury sector lends itself well to the necessary adjustments due to the level of exclusivity enjoyed by clients.

However, Aino Grapin describes how supply chain resilience will be critical for sustainable recovery across all industries but excitingly offers a unique opportunity to build back differently. "Now is the time to speak about action when it comes to sustainability within the luxury design sector" she says, "in order to continue growing and to protect our environment, we must ensure that luxury design industries continue to grow with a sustainable ethos at their core". Winch Design signed The Water Revolution Foundation's 'Code of Conduct', in early 2020 which aims to unite the whole supply chain together in a mission to innovate and advance sustainable technologies and solutions within the superyacht industries.

[www.winchdesign.com](http://www.winchdesign.com)



# Big Boys Toys Las Vegas

Big Boys Toys is the innovation & luxury lifestyle exhibition that displays the world's most innovative & luxurious products & services from an amazing line up of global manufacturers.

Big Boys Toys is the Ultimate playground where Innovation and luxury meet.

The luxury expo has been attracting people to the UAE for almost a decade with its innovative products. After fascinating people from UAE, the expo moved to Las Vegas. The upcoming edition on June 25-27, 2021 at World Market Center, Las Vegas is the second edition in the city of the elite and the affluent.

The upcoming event in Las Vegas is also hosting an Innovation conference alongside the exhibition. With the aim of supporting America's intrinsic vision for Innovation, the summit provides an opportunity for global leaders, industry experts, innovators, creators, tech-champions, start ups, sponsors, investors, exhibiting partners, students and the brightest minds in technology and innovation to present their passion stories, case studies, innovations and also showcase their latest products and services to a distinct global audience.

The Innovative exhibition has been attracting aficionados and connoisseurs from across the globe with its range of limited edition and custom made bespoke products.

BBT offers an opportunity to exhibitors to exhibit across 14 categories like aviation, marine, lifestyle, fashion, ride and drive to name a few. Businesses across various sectors can be a part of the exhibition. The lifestyle exhibition gives the exhibitors and visitors a chance to build long term business contacts within the industry. With the presence of global

leaders in the luxury industry as part of the exhibition, the expo is a great opportunity to network.

The upcoming edition of Big Boys Toys showcases Swarovski studded bathtubs, bejewelled pieces of art, monster trucks by Thor 24 and a dining table by Katz studio worth \$180,000, adventure sports by trident adventures and a high performance catamaran by Skater powerboats to name a few.

Few of the key exhibitors are:

Thor 24, Monster trucks by Thor, <http://thor2471.com/>, category – drive

The most adrenaline rushing product at Big Boys Toys Las Vegas. V24-71 Detroit Diesel designed and built by Mike Harrah with 3,974 horsepower & Maximum speed of 130mph.



Skater Powerboats, High performance catamarans, <http://www.skaterpowerboats.com/>, Category – Marine

The Bugatti of the water. The number one builder of high performance catamarans, brings to you catamaran 438 which runs at 175+ with 1350 Mercusier engines and fully loaded with both passengers and 600

gallons of fuel. It offers an ultra-wide cockpit with comfortable seating for 8-9 adults.



Borghini guitars, <http://www.borghinoguitars.com>  
Category – Lifestyle

The Italian guitar maker brings high craftsmanship and design come together with guitars made of marble, gold and wood. Unique guitar made of a block of Nero Portoro marble.



Totley grove art, <https://totleygroveart.com/>,  
Category – Art

Totley Grove Art presents an impressive collection of artworks by UK's most acclaimed living artists. An art publishing company for artists and art collectors to showcase their arts all over the world.



Lindemann Glass, <http://lindemannglass.com>,  
Category – Art

Tim Lindemann's flame worked designs incorporates the natural world into his glasswork by moulding glass rods into intricate pieces of luxury.







# PENSION SHARING ORDER

by Christopher Hames QC

A pension administered in England and Wales requires a pension sharing order from a court of England and Wales. Since the end of the transition period on 31 December 2020 following the UK's exit from the European Union, it is going to be far more difficult for an international couple who live abroad to obtain such an order.

This may leave them with having to deal with any inequality of pension rights on divorce by other means – for example by sharing their capital unequally and requiring the spouse with more capital to pay a lump sum to the other. This is usually referred to as 'off-setting' and would mean that following divorce the pension – and all of the benefits it provides – will remain with the spouse whose pension it is. This may not be fair or practical. It may not be what either spouse wants. There may be unforeseen tax consequences depending on the taxation laws of the country in which the couple are living. It will be particularly difficult if a lot of the couple's wealth comprises of valuable rights in pensions administered in England and Wales.

One obvious solution is for the international couple to try to arrange for one of them to issue a petition for their divorce to be made in England and Wales. This will usually require at least one of them to be habitually resident here. However, even if neither them live here, it may be possible for divorce proceedings in England and Wales, if one of them were domiciled here. This is not the same as having British nationality or even necessarily where the couple are domiciled for tax purposes but is the country where English law treats someone as having their permanent home. It usually requires either one of the couples to have been born here or to have lived here with the intention of making this country their permanent or indefinite residence. So for example an 'ex-pat' individual who may have lived abroad for most of their working life may still be domiciled here, if they intended ultimately to retire to this country.



Christopher Hames QC  
**THE CHAMBERS 4 Paper Buildings**

If a divorce in England and Wales is neither possible nor desirable the only other option presently available is for one of the couple to make an application for an order following an overseas divorce under Part III of the Matrimonial and Family Proceedings Act 1984. However the same problem would still be met: there is a requirement of habitual residence or domicile which may not be met. In addition to make an application under Part III requires leave to be sought from the court which, depending on the connections of the couple to England and Wales, may not be achievable.

Under the old EU Maintenance Regulation it was possible for the court to make a needs-based pension sharing order even where neither spouse was habitually resident or domiciled in this country relying on the necessity for the English court to make the pension sharing order. However that is no longer the case as the power under the Maintenance

Regulation has not been replicated under the law of England and Wales. The Law Commission has recommended that there should be a limited, but distinct, power for the court to make pension sharing orders for pensions administered in this country even if the couple are neither habitually in residence or domiciled here and would therefore not able to divorce here or to invoke Part III of the Matrimonial and Family Proceedings Act. Unfortunately the Government has yet to legislate.

The only other potential remedy available to the international couple who can't obtain an order from the English Court is outside the scope of this article. It may be possible, depending on the terms of the pension arrangement, either to invite the administrators either to transfer the pension benefits into a pension fund administered abroad in a country where it could be shared on divorce or for a party to take the pension rights as a one-off capital payment, or as income payments or a mixture of both. Consideration would have to be given to the parties' ages, retirement plans and their overall financial circumstances. There would probably be taxation considerations. Advice would need to be sought from an expert pension or financial adviser.

Incidentally the same issue arises in reverse. An international couple who are able to divorce here and have their financial affairs settled by an order of the English court will not be able to seek a pension sharing order from the English court in respect of a pension administered abroad: so they will face similar difficulties and may need to apply to the courts of the country where the pension is administered.

Christopher Hames QC from 4PB

**VERTUS**

PERSONAL CONSULTING SERVICES

NICHE EXPERTISE - PROACTIVE THINKING  
GLOBAL KNOW-HOW - BESPOKE SOLUTIONS

**HOME & ESTATE  
MANAGEMENT ADVISORY**

**SECURITY & SAFETY  
SUPPORT SERVICES**

**PROJECT MANAGEMENT**

**COST CONTROL ASSESSMENTS**

**PERIPHERAL SERVICES**

[www.vertus-global.com](http://www.vertus-global.com)





# FAMILY EMERGENCY PLAN AND DYNAMICS

BY Michael Adam Smith Founder & Managing Partner, Braeburn Family Office

By the time a crisis occurs, the opportunity to prepare has passed.

Local, national, and global catastrophes strike out of nowhere. Earthquakes, fires, cyber-attacks, geopolitical/military actions, and fast-moving diseases are realities of today's global dynamic. The multi-generational family MUST have a Crisis Plan in advance of such calamities. While numerous dynamics of the Plan appear to be "common sense"; the Family Office must coordinate, communicate, and execute the Plan. The Plan must be reviewed periodically and adapt to current family and global dynamics. Many aspects of the Plan are tied to existing family office dynamics including communication, healthcare, and security. The Family Crisis Plan should address the following: Communication, Rendezvous, Shelter, Healthcare, Food and Water, Energy/Power, and Security – Personal and Cyber.

## Communication

Clear communication of the Plan within the family is of paramount importance. A comprehensive hard-copy and digital version should be in every family member's possession as well as on location at family residences and businesses. The Family Annual Meeting is the time to review the Plan and invite changes that reflect evolving family and global dynamics. A dedicated group text including all family members should be established. Texts should confirm well-being and location of individuals as well as any needs for shelter, food, water, or evacuation. A common dynamic during a widespread crisis is the failure of network services. During Hurricane Sandy, approximately 60% of wireless service networks were inoperable with nearly 3,500 cell sites off-line. The Family must secure communication at all times including when the grid is down.

To ensure uninterrupted communication during a

crisis, the Family Office must coordinate satellite communication capability at Family residences. When networks are down, satellite communication should remain available. A crucial facet of communication is the Family's relationship with their local embassy/consulate. For family offshore this is essential. Location, contact information, and relationship with consular staff should be created upon establishing residency. The embassy/consular staff are invaluable resources during a crisis for information, transportation, medical assistance, and communication. Family members and staff must know how to contact the embassy/consulate in the event of a crisis. U.S. Embassy staff in Morocco successfully facilitated the repatriation of U.S. citizens through the embassy in Rabat and consulate in Casablanca during the initial phase of the COVID-19 pandemic.

## Rendezvous

The family should establish rendezvous guidelines. Every crisis is unique and requires a unique solution. Family should establish protocols determining should, where, when, and how the family assemble. Not every crisis may require the family to rendezvous. A standard should be established that requires the family to come together.

Where the family convenes is a product of family dynamics. "Where" will be different for a family that is dispersed globally than the family that resides within a state or province. The "when" aspect of the Plan is contingent upon the crisis as well as the location of family members. Depending on the severity of the crisis, an immediate gathering may be impractical.

How Family is able to rendezvous ties in with existing family travel protocols. As part of existing family aviation dynamics; resources should be retained for use during a crisis.

## Shelter

The nature of the crisis will dictate shelter options. Is the crisis acute or long-term? Have the dynamics of the crisis compromised current family living quarters (earthquake, fire, etc.)? The optimal location for family members to shelter during a crisis is a family residence. If this is not possible, a secondary shelter should be identified in the Plan. This may be a hotel, friend's residence, etc. Family residences should be evaluated for the installation of a "safe room" (also known as "panic room"). The "safe room" provides a harbor where Family is secure and able to facilitate communication. Residences should have a "bank" of local currency as well as U.S. Dollars. These funds will be useful in the event banks and digital purchasing platforms are disabled. The currency should be stored in a safe within the "safe room". (Where "safe room" is not available, a safe within residence).

## Healthcare

Crisis healthcare protocols must be established. Plans must address: on-site resources, local medical provider personnel, hospital/urgent care facilities, and medical evacuation. Residences and businesses should maintain a comprehensive medical "suitcase". Family should be familiar with contents and capabilities. The unit should include resources to address: Bleeding, Sprain and Fractures, Topical, Burns, Airway, Medication, Environmental, and Hydration. Local medical personal contact information should be readily available at residences and businesses. This includes hospitals, urgent care facilities, doctors, and EMT. Family should have digital and hard copy access to information. Upon acquiring a residence or business facility; Family should evaluate and establish a relationship with a local physician with core ER competency.

## Food and Water

Family residences should maintain a reserve food cache. Supply should include packaged as well as canned staples. Equipment required to access and prepare food should be a component of the resource (can openers, camping stoves, cutlery, etc.). Water in addition to water filters should be included cache. Replace water every three months and food staples as required. Supplies should be maintained outside the

residence pantry but easily accessible (garage, pool/guest house).

## Energy/Power

The threat of losing power during a crisis is real. This is of particular danger at home. Back-up generators should be installed at residences. Generators should be fueled by propane (tanks). The use of gasoline/petrol is not practical as gasoline/petrol "goes bad" quickly. Changing gasoline/petrol on a regular basis is a solution; it is not practical. In addition, storing large quantities of accelerant near a domicile is not prudent. Propane provides a more efficient source of fuel. Best practices dictate that each residence is fitted with plug-in access for the generator unit to sustain appliances directly. These include refrigeration units, lighting, water heaters, and security systems, etc. Family members should be trained how to connect and operate power generation units at each residence. Hard-copy and digital manuals should be readily available.

## Security – Personal and Cyber

Cyber and personal security protocols are an imperative. During a crisis they take on a greater level of significance and urgency. During a crisis the level of cyber criminal behavior increases. Individuals looking to take advantage of hysteria, panic, and uncertainty increase their activities. Heightened cyber-awareness is essential. Family must be on the lookout for ill-intended phishing emails. These emails may appear to come from a trusted and known source; but they are a pathway to infect and access computer and digital resources. Family must be hypersensitive to the sender's email address – particularly the segment following "@". Confirm it is legitimate. Family must be wary of correspondence offering unsolicited advice and information. Links and attachments from suspicious sources should be assumed to be embedded with malware. Financial scam activity increases during crisis situations and Family should be sensitive to these dynamics. Family should be suspicious of social media correspondence and information; refrain from revealing location on social media during a crisis. Bad actors use this information to take advantage of uncertain and chaotic societal dynamics and initiate theft, extortion, and kidnap schemes.





## THE ULTIMATE AIRPORT EXPERIENCE

DEDICATED ENTRANCE PRIVATE HOST EXCLUSIVE SECURITY EXPERIENCE CHAUFFEUR PLANE



For the most luxurious way through Heathrow when travelling first or business class,  
for unparalleled service and your own private airport lounge, book Heathrow VIP.  
Visit [www.heathrowvip.com](http://www.heathrowvip.com) or call +44 (0) 20 8757 2227 and reference your unique code 'FOE'

**Heathrow**