

The Family Office Book

*Investing Capital for the
Ultra-Affluent*

RICHARD C. WILSON



John Wiley & Sons, Inc.

Contents

Introduction	xi
---------------------	-----------

PART ONE

Family Office Fundamentals	1
-----------------------------------	----------

CHAPTER 1

The Family Office Industry	3
What Is a Family Office?	3
The Family Office Universe	5
The History of Family Offices	6
State of the Family Office Industry	9
Who Uses a Single or Multi-Family Office?	10
Why Family Offices?	12
More Money, More Problems	13
Family Office Industry Conferences	13
Conclusion	14

CHAPTER 2

Family Office Services	15
Ultra-Affluent Clients Have Different Needs	15
Family Office Services	17
Additional Benefits and Life Management Services as a Competitive Advantage	17
Single versus Multi-Family Office Services	19
Differences in Global Family Office Service Offerings	20
Conclusion	21

CHAPTER 3

Family Office Operations	23
Outsourced Model	23
Family Office Team Members	25
Family Office Investment Committees	27
Board of Advisors	27

Family Office Governance	27
Individual Family Governance	28
From CPA to Family Office CEO	29
Family Office Service Providers	31
Developing a Well-Oiled Family Office Machine	32
Implementing Processes, Procedures, and Systems in Your Family Office	32
Conclusion	32
CHAPTER 4	
The Ultra-Affluent's Guide to Selecting a Family Office	33
Starting a Single Family Office versus Joining a Multi-Family Office	33
Objective Family Office Selection Advice	34
What Do You Want?	34
Character Judgments	35
Seven Critical Family Office Questions to Ask	36
Family Office Veteran Quotes on How to Select a Family Office	37
Family Office One-Pager Evaluation Form	42
Conclusion	42
CHAPTER 5	
Family Office Marketing	45
Your Client Avatar	46
Crystal Clear Edge	47
Brian Tracy Interview Excerpt on Capital Raising	48
Capital Raising Trifecta	49
Capital Raising Funnel	50
Storytelling	54
Persuasive Writing (Copywriting)	58
Brian Hughes Interview on Family Office Business Development	60
Conclusion	68
PART TWO	
Family Office Veteran Interviews	71
CHAPTER 8	
Single Family Office Interviews	78
Family Office Interview with Michael Connor of Consolidated Investment Group	74

Family Office Interview with Elizabeth Hammack of CM Capital Corporation	88
Family Office Interview with Frank Casey	101
Family Office Interview with John Grzymala	116
Family Office Interview with Matthew Andrade, Director of Investment Analysis at Kinnear Financial	122
Family Office Interview with Angelo Robles, President of the Family Office Association	131
Conclusion	146

CHAPTER 7

Multi-Family Offices Interview Transcripts	147
Family Office Interview with Charles Grace of Threshold Group	147
Family Office Interview with Lukas Doerig of Marcuard Family Office	159
Family Office Interview with Jeff Colin, Founder of Baker Street Advisors	171
Family Office Interview with Thomas Melcher of Hawthorne Multi-Family Office	187
Family Office Interview with Greg Kushner, Founder of Lido Advisors	200
Family Office Interview with Bob Benson, Chief Investment Officer of Laird Norton Tyee	217
Conclusion	229

PART THREE

Family Office Mechanics	231
--------------------------------	------------

CHAPTER 8

Family Office Investments	233
Traditional Investments	234
Alternative Investments	234
Venture Capital and Angel Investor Investments	235
Infrastructure Investments	236
Hard Asset Investments	236
Family Office Investment Process	237
Three Family Office Portfolio Construction Models	239
The Operating Business Sandbox Model	239
The Diversified Institutional Model	241
The Hybrid Model	241
Family Office Investment Committees	242

Investment Committee Examples	243
Strategic versus Tactical Asset Allocation	247
Institutional Consulting Firms and Family Office Investing	250
Family Office Interview with David Thomas, CEO of Equitas Capital Advisors, LLC	251
Conclusion	262
CHAPTER 9	
Fund Manager Selection and Deal Flow	283
The Six-Step Fund Manager Selection Process	264
Managed Account Trends	266
Fund Manager Preferences	267
Global Fund Manager Due Diligence	267
Family Office Partnerships with Fund Managers	271
Managing Deal Flow Overload	272
Objective Character Analysis	273
The 6 Cs of Character Analysis	274
Family Office Interview with Evan Cooperman of Artemis Wealth Advisors	278
Conclusion	290
CHAPTER 10	
The Future of the Family Office Industry	291
There Is No Family Office Industry	291
Shifting Investment Criteria	295
Family Office Job Growth	295
Family Office Training	295
New Global Hot Spots	296
Four Global Drivers of Family Office Industry Growth	297
Conclusion	299
Conclusion	301
Appendix: Family Office Newsletter	303
About the Author	305
Qualified Family Office Training	309
Index	311