



Family office

Essentials and structuring

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April 2018

Agenda

- What is a family office?
- Why do some families have a family office?
- How do you establish a family office?
- Should you establish your own family office?
- What are the alternatives to achieve your family's objectives?



Polling question

**Are you
familiar with
the term family
office?**

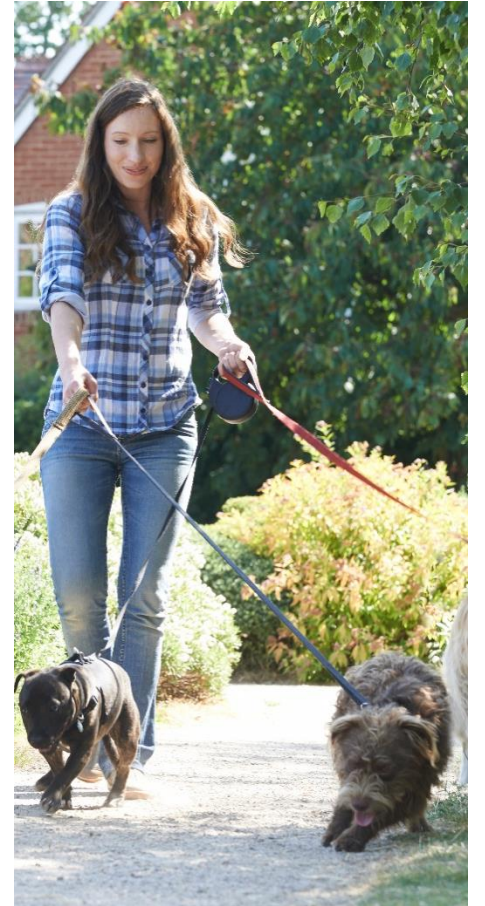
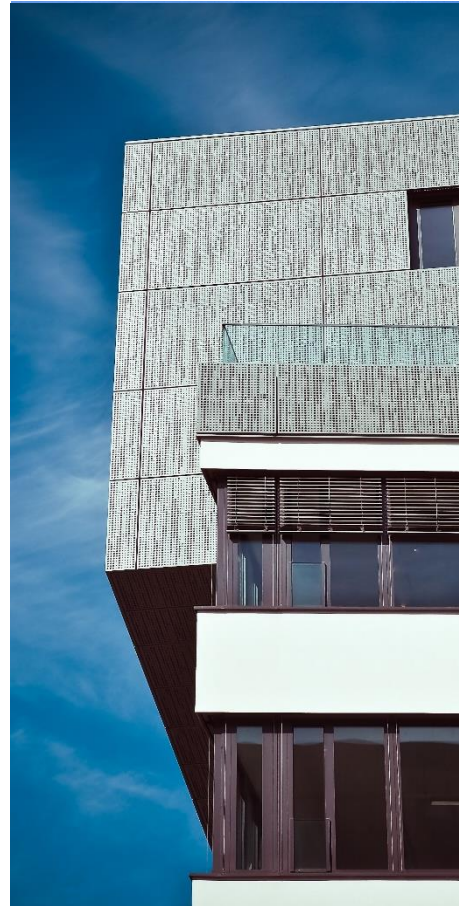


Polling question

**Do you already
have your own
family office?**



What is a family office?



What is a family office?

A family office is a concept rather than a specific structure. It can therefore take many forms:



The FD or another employee of the family business helping with personal investments



A member of the family taking full-time responsibility for the family's assets



A trusted adviser becoming directly employed by the family to help manage things

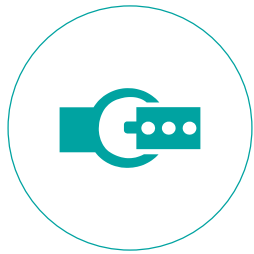


Hiring a team of specialists organised through a complex legal structure

They can own a wide variety of assets from financial portfolios, private equity investments and commercial real estate through to yachts, planes and art work. Services provided will vary from family to family but often include personal tax, succession planning and governance, financial investments, private equity and property management as well as more personal aspects for family members such as concierge services

The management of a family's personal affairs and non-business assets

Why do some families have a family office?



Assistance managing complex assets



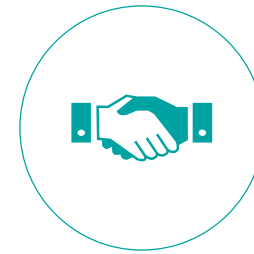
Improve investment arrangements



Succession planning



Wealth protection



Lifestyle support



Philanthropy

How do you establish a family office

Phase 1



Clarify objectives



Why

What are your family's priorities



What

What assets need managing and/or services providing



Who

Which family members should benefit and what should be their level of involvement



How do you establish a family office (cont.)

Phase 2



Design



Structure

How to own shared assets



Governance

How to make decisions



Resources

How to make things happen

Choices include:

- Companies
- Partnerships
- Trusts
- Foundations

Choices include:

- Boards
- Advisory committees
- Family assemblies
- Family constitutions

Choices include:

- Borrowing,
- Outsourcing
- Employing

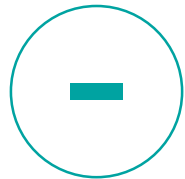


Should you establish your own family office?



Pros

- Designed specifically for your family
- Private
- Can enable greater family involvement
- Greater control



Cons

- Costs – Budget from 85 to 150 bps depending on size and services
- Complexity – Takes time to establish and need to oversee management
- Difficult if you change your mind

What are the alternatives to achieve your family's objectives



Embedded family office within family business



Informal arrangements with trusted advisers



Team of third-party providers such as accountants, lawyers and private banks



Multi-family offices



Glossary

Family office

The management of a family's personal affairs and non-business assets

Single family office

Family office looking after one family or small group of related families.

Multi-family office

Set range of services being provided by an organisation for multiple families, usually run for a profit.

Embedded family office

Staff employed by family business looking after family members and non-business assets.

Family constitution

Document setting out the family's culture and values as well as establishing principles for how the family want to organise themselves, usually not legally binding

Family assembly

Meeting of family members, usually for sharing information

Succession planning

Preparing what should happen to an individual or family's wealth for future generations

Outsourcing

Contracting with a supplier to provide particular service to family office e.g. tax advice or IT support.

Complex assets

Real estate, yachts, planes, art work etc.



Questions?





Thank you



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