



Elite Technology Consulting

Family Office Insights



For Questions or Consultation
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Challenges facing the Modern Family Office

- Family members may be living far apart, even in different countries
- Preparing for intergenerational wealth transfer requires understanding tax and legal perspectives, as well as, cultural differences among the generations
- Investment choices are endless, each with its own unique set of risks and potential benefits, that require different information and skills to monitor them
- Philanthropy is becoming a more significant component of the financial plan, reflecting deep personal commitments
- Today's society depends much more on technology, data and social networking – facilities that potentially seem too open and unsecure for the privacy and security needed to protect the family
- Providing the right mix of in-house business, operations and technology expertise, complemented with out-sourced expertise is a fine balancing act

Strategic & Balanced Approach

Solutions to meet the challenges must be consistent with:

- Family's Mission and Values
- Family's Risk Tolerance
- Family's Time Horizon



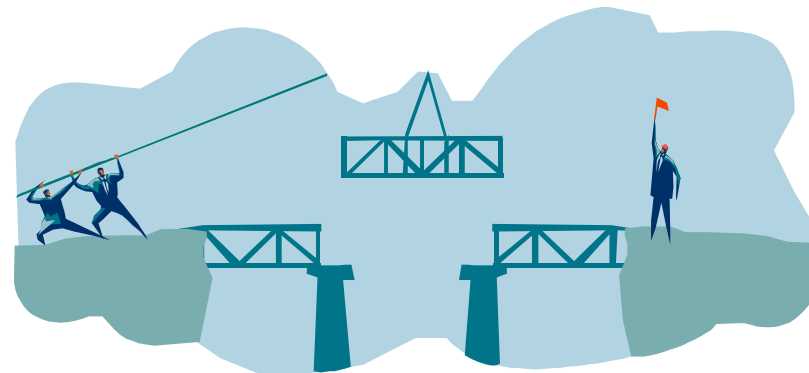
Expertise is Critical

- Identify and evaluate current expertise (Internal or External)
- Identify gaps in expertise

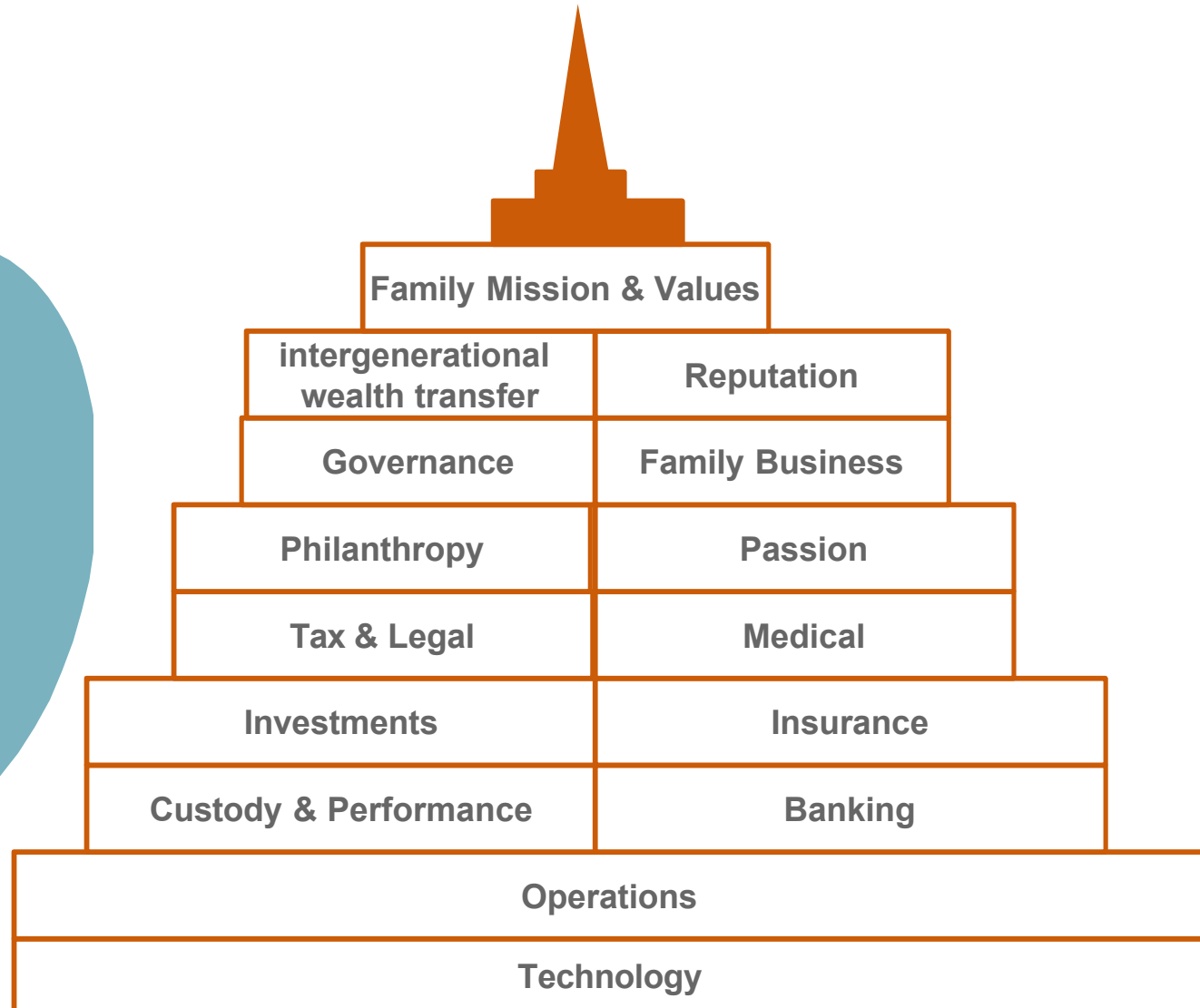
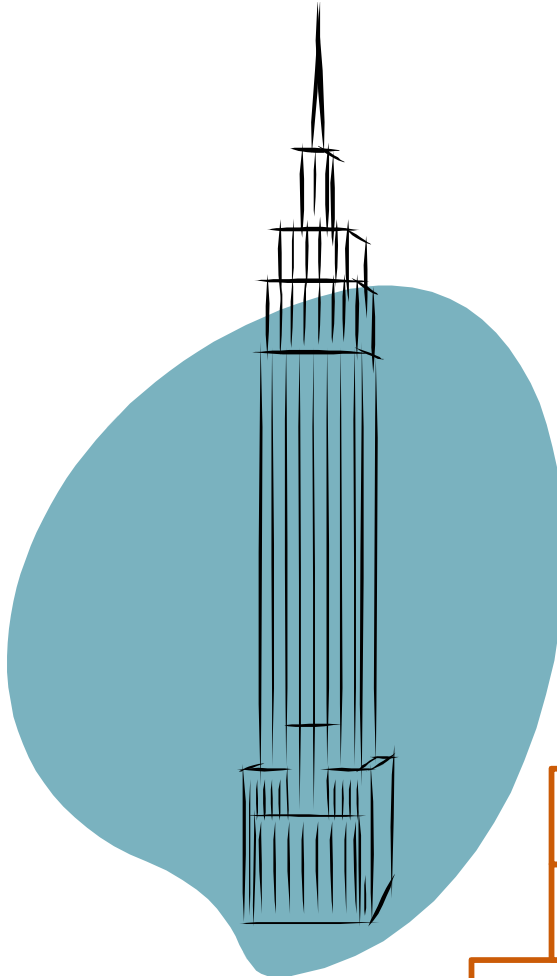
Fill the Gaps

- Considerations for identifying additional expertise
 - Family's propensity for openness with trusted outsiders
 - Family's expectations for the cost of providing the needed expertise

- Alternative Solutions
 - Hire full-time employees
 - Find trusted professional service providers
 - ✓ Broad experience
 - ✓ Extensive knowledge
 - ✓ Certified
 - ✓ Unbiased



Essential Components of a Modern Family Office



Operations & Technology Foundation

- Technology tools form that foundation for the operation and integration of all the components of the Family Office
- When selecting experts in the various areas of interest, it is critical to understand the tools that each uses
- Consolidation can either be done in-house or through one of the service providers
- Many large financial institutions, who may be performing one of the specific roles below, could also provide for aggregation:
 - Custodian
 - Advisor
 - Wealth Manager
- Otherwise, an Aggregation provider could provide that single role
- Finally, consolidation and reporting could be brought in-house along with the in-house operations to support it



Drivers of the Complexity of Operations & Technology Solutions

- Asset class selection – traditional listed securities, foreign holdings, hedge funds, funds of hedge funds, private equity, real estate, impact investments, commodities, derivatives, passion investments, etc
- Complexity of family legal structures and allocation of investments
- Reporting requirements:
 - Level of integration / aggregation – across managers, investment types, etc
 - Level of detail
 - Transactions
 - Holdings
 - Gain/Loss – realized, unrealized
 - Summary Dashboards
 - Management Reporting
- Other Technology Components:
 - Contact Management Integration
 - Collaboration
 - Document Management