

Multi-Family Office Services

To protect, build and enhance established
wealth across generations

Introduction

At a high level, a family seeks trusted, objective guidance and experienced counsel to protect, consolidate and simplify its existing assets, while ensuring efficiency and positioning the family for the next phase of growth, not only for the current generation, but for those to come.

Contents

1. Introduction	03
2. What is a family office?	04
3. What services do family offices offer?	06
Services in full	14-17
4. The benefits of a family office	08
5. Where to locate a family office	10
6. Conclusion	12
About AES	18-19

Family leaders often engage firms such as AES to support them in decision-making roles that can broadly be described as Chief Financial Officer, Chief Investment Officer and Chief Learning Officer to the family ‘CEOs’.

The purpose of a family office structure is to protect, build and enhance established wealth across generations. The family office typically executes the family leader’s decisions such as investing the family’s capital, prudently assisting with the management of all of the family’s assets (including human capital) and disbursing payments to family members as directed.

In short, it seeks to help protect capital and reduce the leakage of wealth which, when compounded over time, can be extremely costly.

The decision to engage a family office is an important and highly personal one because it should be a long-term relationship based on deep trust, integrity and understanding of the family, the assets it controls and the family’s future intentions and wishes.

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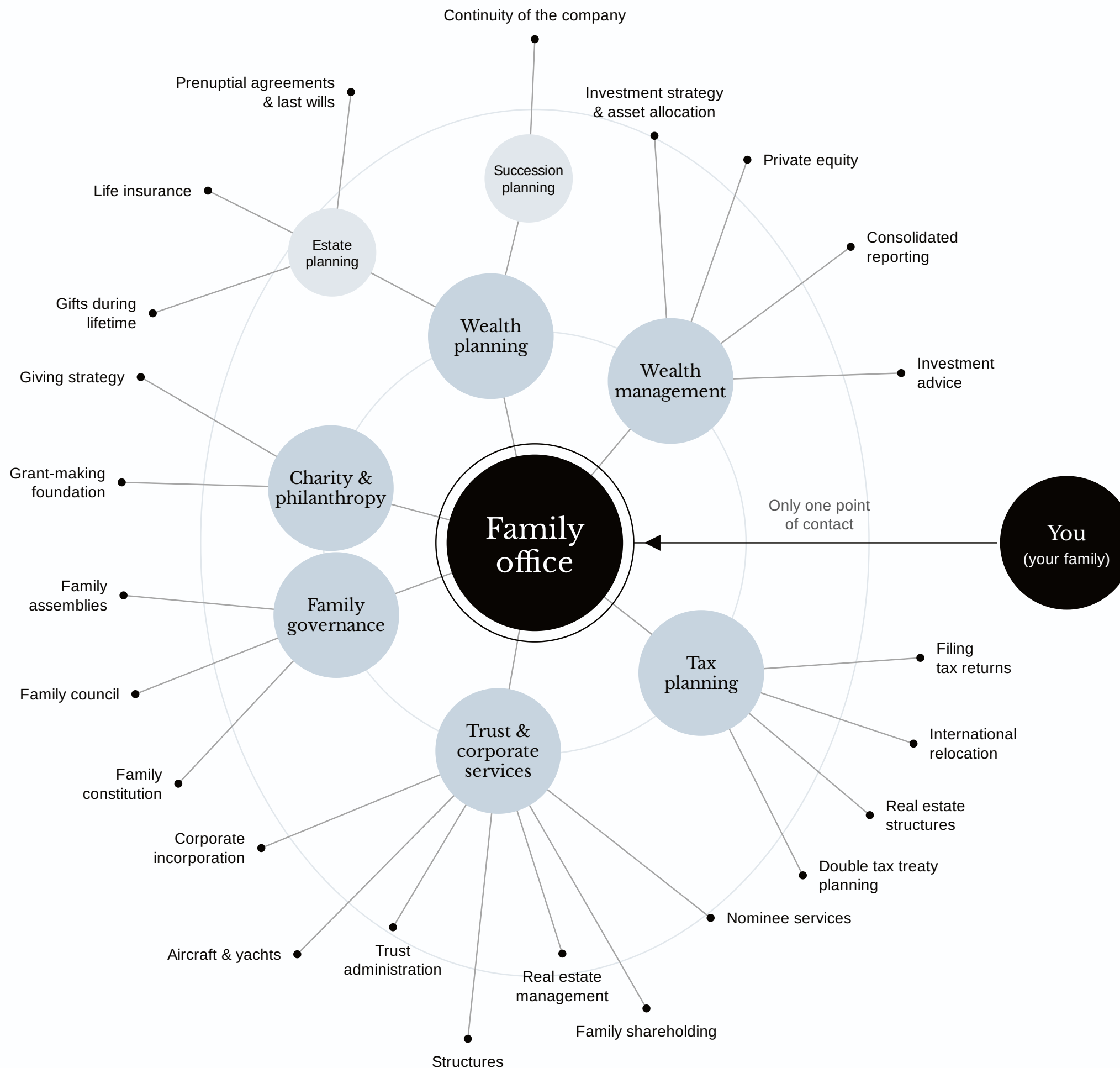
What is a family office?

A family office acts as a personal Chief Financial Officer or Chief Adviser to successful families, a type of arrangement that has its origins in wealthy 19th century European and American families.

There are believed to be many thousands of family offices in existence globally, at least half of which were set up in the last 30 years. The increasing concentration of wealth held by very wealthy families and rising globalisation are fuelling their growth.

The AES family office service is dedicated to a single, often complex family, with a team of experienced professionals who oversee and coordinate the family's complete financial affairs with unconflicted advice and objectivity.

For the purposes of this report, a family office is anything that your family may require it to be, in order to advance your family objectives. However, the following services are the most commonly found in a family office arrangement.



What services do family offices offer?

A family office can provide access to a broad range of services designed to support the management, protection and enhancement of a family’s wealth, affairs and legacy. Depending upon the family’s needs, these services may be delivered directly by AES or through a carefully curated network of highly qualified global specialists, including lawyers, tax advisers, trustees, fiduciaries, accountants, private banks, investment managers, insurance advisers, real estate professionals and other subject-matter experts.

AES acts as the family’s trusted adviser and central coordinator, identifying, overseeing and integrating the most appropriate expertise for each requirement while ensuring all advisers work together cohesively towards the family’s objectives. This approach enables families to access high quality capabilities whilst maintaining a single point of oversight, accountability and strategic direction. Services may extend beyond traditional wealth management to include governance, philanthropy, succession planning, property, private investments, luxury assets, concierge support and other bespoke solutions tailored to the family’s unique circumstances.

In most cases the focus originates from the background and interests of the founder of the family office and other important family members.

Services may include:

Wealth planning services	14	Business development / investment banking / private equity	16
Taxes / international tax planning services	14	Insurance services	16
Wealth management	14	Estate planning services	16
Monitoring & reporting services	15	Charity & philanthropy services	16
Real estate services	15	Budget & cash flow management services	16
Luxury asset management	15	Administrative services	17
Family governance services	15	Family / general support	17
Trustee & corporate services	16		

Services in full: pages 14 to 17

The benefits of a family office

A family office offers many benefits, including:

- ✓ An integrated plan for your family's complete financial affairs, including investments, wealth transfer strategies, proactive tax planning and optimal ownership structures
- ✓ A comprehensive approach to risk management, so you know your family and wealth are protected from unknown risks created through disjointed asset allocations, currency risks or tax and structuring risks
- ✓ A well thought-out investment policy and process that includes selection and oversight of money managers, effective diversification and consolidated performance reporting
- ✓ Greater efficiency, coordination and oversight through an integrated approach to investment management, debt mandates and other assets, with the potential to reduce duplication, improve visibility and lower overall costs
- ✓ Time saving and complexity management, by having a family office acting as the coordinator and overseer of all the components of your integrated financial affairs
- ✓ The cost saving benefits of pooled purchasing power for professional services
- ✓ Coordination of your professional advisers – including lawyers, accountants, investment and insurance advisers – to ensure that your family's objectives are met and there is a joined-up approach from all professionals to create the best solutions, reviewing and optimising these, taking into account changing legislation
- ✓ A strategic approach to family philanthropy
- ✓ Continuity of support if something happens to your main family decision maker, from a team that knows your family and your wealth and can help guide the transition to future generations
- ✓ The proactive, personalised and highly responsive service of a fiduciary firm
- ✓ Consolidated, regularly updated reporting of your family's worldwide assets

Where to locate a family office

When considering setting up a family office of your own it's vital to carefully examine its location.

Key considerations:

1. Outside of home countries
2. Stable jurisdiction and effective legal system for any possible disputes
3. Ease of access for visits
4. Time zone in which it operates
5. Access to other financial services providers
6. Good infrastructure
7. Good staff

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If you come from country A and have assets in country B – locate your family office in country C to provide ring-fencing and peace of mind.

Conclusion

AES believes the establishment of a family office plays an important role in the effective preservation and future enhancement of a family's wealth.

The decision to use, or set up, a family office is one you will usually only take once in your lifetime, therefore the creation process is very important. The selection of jurisdiction and staff should be made very carefully, as your family's future wealth and fortune may depend on it.

Very strong relationships are built over time between members of the family and the family office staff. Eventually, a family office will, in most cases, grow into the trusted adviser of the family on personal (not corporate) matters. One of the main reasons for this is that the family office is involved not only in the management of the family assets, but also in all other investments and decisions, like how to structure assets whilst ensuring protection, privacy and tax effectiveness. It may also play a role eventually in the family's holding company, and guiding the future generations can also contribute to creating this strong relationship.

Many families face challenges in preserving and successfully transferring wealth across multiple generations. This is often caused by a lack of strategy within the family or a lack of communication between the family members. A family office can build long-term relationships with all family members and involve and educate the younger generation. As the family office is a third party, it is often easier for family members to work with the family office instead of dealing directly with each other. As over the next decades an immense amount of wealth will transfer to the next generation, a family office may have a vital role in aiding this process.

Perhaps above all, integrity and trust are paramount qualities that must exist between a founder and their family office in order for a successful partnership to occur, and to help them manage and transfer their wealth to the next generation and beyond.

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Many families face challenges in preserving and successfully transferring wealth across multiple generations.

To start a confidential conversation about your family office, contact Sam Instone

samuel.instone@aesinternational.com

What services do family offices offer?

Services may include:

Wealth planning services

- Structuring assets and investments to aid tax planning
- Advice on ownership, management and distribution of assets
- Privacy and wealth protection structures
- Acting as an offshore trustee for onshore assets

Taxes / international tax planning services

- Double tax treaty planning for family owned companies and real estate
- Local and international tax advice
- Fiscal company migration
- Preparation of tax returns (incl. country of residence)

Wealth management

- Diagnosis of your overall financial situation
- Defining the family's investment objectives – documenting this in a mandate
- Establishing risk profile and investment horizon – documenting this in a mandate
- Global asset allocation and investment strategy
- Evaluating non-registered securities
- Administering and advising on multiple banking relationships
- Opening bank accounts on behalf of the family
- Discretionary and non-discretionary mandates
- Cash management

Monitoring & reporting services

- Consolidated reporting of global bank accounts
- Consolidation and reporting of all family assets (including non-bankable assets)
- Consolidated performance reporting
- Risk-adjusted performance reporting and risk attribution
- Benchmark comparison
- Fiscal annual performance
- Risk reporting

Real estate services

- Real estate advisory
- Bespoke property search
- Access to off-market luxury properties
- Creating a property portfolio and due diligence on all acquisitions
- Administrative property acquisition support
- Support with sale of real estate
- (International) real estate management – maintain inventories/auditing properties and obtaining multiple quotes for all works carried out e.g. supplier/vendor control
- Organising security protection of private residences
- Real estate financing/mortgages

Luxury asset management

- Support with acquisition, maintenance and sale of yachts, aircraft, (classic) cars, horses and other valuables
- Aircraft and yacht financing
- Refinancing aircraft, yachts and reviewing existing arrangements
- Setting up tax-efficient structures for yachts, aircraft, art and the like
- Providing digital images and condition reports of artwork in an online system
- Recording insurance details of assets
- Organising restoration and storage of art

Family governance services

- Support in putting family governance into place
- Arrangements for succession within the company
- Support with legacy protection
- Set-up of family constitution
- Organising family retreats and family assemblies
- Supporting family council meetings
- Mentoring family members
- Individual education according to family needs
- Reputation management
- Crisis management and support

What services do family offices offer?

Trustee & corporate services

- Advice on issues of company incorporation and management in various jurisdictions
- Managing family shareholdings
- Selecting appropriate jurisdictions for trusts, foundations and other (corporate) structures
- Setting up, administering and coordinating trusts, foundations and other (corporate) structures
- Coordinating contacts with various local and foreign authorities
- Selecting independent trustees and protectors
- Controlling costs of external trust providers
- Providing registered office facilities
- Providing nominee services

Business development / investment banking / private equity

- Merger & acquisition advisory
- Support with Initial Public Offerings (IPO)
- Structured finance
- Partner matching
- Support with raising equity finance
- Private equity investments and structures

Insurance services

- Evaluating a portfolio of insurances and implementing new insurance policies
- Renegotiating and amending existing policies
- Support with life insurance as a wealth planning tool
- Organising international health insurance
- Support with kidnap & ransom insurance
- International personal liability insurance
- Insurance related to special assets, e.g. aircraft, yachts, art and the like

Estate planning services

- Support with estate planning
- Support with drafting testaments/last wills
- Marital contract planning
- Support with prenuptial agreements
- Retirement planning
- Executorships

Charity & philanthropy services

- Philanthropic planning
- Assistance and guidance in the establishment and administration of charitable foundations
- Support in formulating a donor's giving strategy
- Technical advice on and operational management of charities
- Establishing grant-making foundations and trusts
- Preparing and presenting philanthropic initiatives
- Organising fundraisers
- Operating your own charitable structure (by the family office) for clients to participate in

Budget & cash flow management services

- Assessing actual wealth and current income, diagnosis of short- and medium-term liquidity requirements and long-term goals
- Cash flow projections
- Private accounting
- Cash management (bill paying, cash flow, budgeting, etc.)
- Detailed planning, projections and 'what if' scenarios

Administrative services

- Support with general legal issues
- Document & record management
- Accounting
- Bookkeeping
- Collection and filing of your administrative documents
- Payment of invoices and taxes, and arranging tax compliance

Family / general support

- Travel arrangements
- Private secretary services
- Concierge services
- Hiring domestic staff (nannies, chefs, chauffeurs, security staff, private tutors and other household staff)
- Managing household employees
- Organising private events (weddings, celebrations, birthday parties, etc.)
- Support with schooling for your children
- Purchasing, insuring and shipping assets
- Access to an international network of peer families to provide opportunities for co-investment and best-practice sharing
- Support in setting up a single-family office



About AES

AES is a multi-disciplinary financial services organisation that specialises in managing the overseas, offshore and international assets of its clients.

We act as a private family office for successful families, providing a range of core services including:

- ✓ Managing the day to day family money through offshore private banking and payment platforms
- ✓ Offering wealth structuring advice across offshore and onshore companies, trusts, partnerships and foundations
- ✓ Executing and managing a broad range of assets from traditional residential property, investment portfolios and private equity investments, to private jets, art and wine
- ✓ Providing family management services including family governance, dynastic planning, financial and investment education
- ✓ Running an in-house marketing and corporate branding team dedicated to monitoring social and news sites for our families
- ✓ Handling and managing all external tax and legal matters affecting the wealth we oversee
- ✓ Providing comprehensive consolidated reporting of all estate activity

Certain services referred to within this document may be delivered directly by AES, whilst others may be provided by carefully selected third-party specialists and professional advisers. AES acts as the family's trusted adviser, coordinator and overseer, facilitating access to appropriate expertise where required. The availability and delivery of services may vary according to jurisdiction, regulatory requirements and individual client circumstances.

International Financial Life Management

AES is built around providing objective financial guidance designed to help successful international families protect, grow and transfer wealth across generations. As the only certified investment fiduciary in AMEA, we're your family's personal CFO, designing a financial life you'll actually want to live. Trusted by successful international professionals and families for over 20 years.



GLOBAL
ASSOCIATION of
INDEPENDENT
ADVISORS

AES is

- ✓ the only CEFEX-certified fiduciary within Asia, the Middle East and Africa (AMEA),
- ✓ the only member of Global Association of Independent Advisors (GAIA) within AMEA,
- ✓ the first fee-based planning firm within the GCC,
- ✓ the first international specialist within the UK to obtain Corporate Chartered status
- ✓ and the first US-style, global Registered Investment Adviser (RIA) within AMEA.

To find out more visit www.aesinternational.com

Our expertise

- Credit
- Cross-border advice
- Financial planning
- Insurance
- Investment & tax planning
- Investment management
- Life event planning
- Residency and domicile planning
- Offshore banking
- Retirement planning
- Risk mitigation and management
- Succession planning
- Wealth structuring



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