

FOX 100 Resource Center

A Roundup of Leading Industry Knowledge

Family Office Exchange (FOX) is pleased to present this year's selection of articles, reports and white papers devoted to the areas of most concern to wealth owners and family office executives globally.

To assist in locating information of particular interest, FOX 100 Resource Center material is once again grouped by subject area:

- Family Matters Page 2
- Family Office Issues Page 4
- Investments Page 7
- Trust, Tax, and Estate Planning Page 12

All FOX 100 Resource Center material will be available at:

<https://www.familyoffice.com/learning-events/forums/2014-fox-fall-forum-materials>

Soon after the conclusion of the Fall Forum unless noted as “print only”.

Presented in the State Ballroom, 4th Floor

FAMILY MATTERS

AN INSIDE JOB – FAMILY FIGHTING AND ITS IMPACT ON WEALTH

BNY Mellon

We have identified five common dynamics that cause family disagreements and disputes. By identifying these dynamics, we've been able to create strategies that advisors and their clients can use to prevent or mitigate the problems that can develop into a full-blown family breakdown.

BUSINESS DEALINGS WITH THE FOUR D'S: DEATH, DIVORCE, DISABILITY AND DRUG DEPENDENCY.

Hemenway & Barnes LLP

Tragedies are unfortunately a part of life. Business owners deal with added complexity on that front, as their fortunes and families are often tied to their companies. They must recognize that misfortune comes in many forms and prepare their organization before difficulties arise. Such foresight can be the difference between a company in freefall and one that survives.

COHESION ISN'T JUST FOR FAMILIES

The Wellspring Group

A family office and advisor team working in the best interest of the family first and foremost requires (1) working with and depending upon multidisciplinary colleagues, (2) collaborative management of the practice areas with appreciation for pragmatic give-and-take resulting in a better overall plan, (3) recognizing that team members are not individually successful unless the greater goal is achieved, and (4) understanding that achieving the greater family goal will make each member most successful.

CONTEXT CONFLICT: PRESERVING GOALS AND VALUES IN THE FAMILY ENTERPRISE

Hemenway & Barnes LLP

"Context conflict" explores the importance of balancing fiduciary obligations to maximize shareholder value and family cultural goals which are not automatically given the same weight under law using provisions built into a family business' legal structure, as well as the family estate plans.

DONATIONS IN THE FACE OF DISASTER: WHAT GOOD CAN PEOPLE DO WHEN BAD THINGS HAPPEN?

Hemenway & Barnes LLP

This paper notes the importance of ensuring that dollars are put to work in a way that connects with donors' values. While funds are established for

immediate relief following tragic events, long term recovery for victims, and help for affected families, the challenge for donors is how to simultaneously support preventative efforts to avoid or reduce the impact of future events. Knowing the pitfalls that dot the landscape of "disaster philanthropy" can help donors avoid the frustration of seeing donations fall short of the intended goal.

EDELMAN TRUST BAROMETER

Edelman

Edelman, the multi generational family owned communications specialist has released its latest research into Family Businesses and the loyalty & trust they command.

This research examines the prominent paradox that has arisen in 2014, namely that while family businesses are highly trusted, the wealth they generate is criticized.

ENGAGING THE NEXT GENERATION: PHILANTHROPY

GenSpring Family Offices

Exposing children to philanthropic endeavors is an excellent way of demonstrating family values and attaching meaning to money. Further, philanthropy often brings family members together and helps them celebrate their family history and legacy. This paper details creative ideas for actively engaging the next generation in philanthropy.

EMPLOYEE STOCK OWNERSHIP PLANS OFFER MANY ADVANTAGES

Warner Norcross & Judd LLP

Employee Stock Ownership Plans, or ESOPs, have been used as succession planning tools for family-owned businesses for 40 years. Ownership succession planning is critically important in a family-owned business. There are many issues to review in succession planning and an ESOP should always be considered. An ESOP may be the ideal solution for the corporation and its shareholders.

EVERYTHING YOU WANTED TO KNOW ABOUT PRENUPTIAL AGREEMENTS BUT WERE AFRAID TO ASK

Aronson Mayefsky & Sloan, LLP

This document outlines 12 of the most common questions posed by couples prior to engaging in a prenuptial agreement.

FAMILY CONTRACT FOR RESPONSIBLE ELECTRONIC DEVICE USE

Pitcairn

One of the things we've learned is that a family contract can be a valuable tool to help families build trust and avoid conflicts. We've also found that for a contract to work well, everyone who signs the contract should have a say in how the contract is written. That doesn't mean you will get everything you want and, as you probably expect, your parents still have the final say on family rules. However, if you and your parents work together to prepare an Electronic Device Contract you can both live by, your parents might be willing to give you a little more freedom and you might not give them as many gray hairs. In the end, knowing what to expect will make everyone's life a little smoother, with fewer disagreements.

LEGACY: HOW YOU LIVE TODAY AND HOW YOU ARE REMEMBERED TOMORROW

Hawthorn, PNC Family Wealth

Legacy means much more than mere assets. We have come to understand that legacy thinking helps drive successful outcomes in many areas of one's life, from wealth planning to family relationships to philanthropic endeavors. At Hawthorn, PNC Family Wealth, we believe the influence on your family and on causes you and your family are passionate about will be more meaningful and likely have more impact if you create your own legacy and a family legacy in the present.

MODEL LANGUAGE FOR ADDRESSING SUBSTANCE USE DISORDERS (ADDICTION) IN TRUST DOCUMENTS

O'Connor Professional Group

This paper outlines specific provisions to insert or use in trust and governance documents to replicate the physician/pilot protocols.

PRACTICAL ADVICE ON ACHIEVING HIGH RECOVERY RATES FOR AFFLUENT AND PROMINENT ALCOHOLICS AND ADDICTS

O'Connor Professional Group

This article explains how the highly-successful physician/pilot model of treatment can be adapted and applied to family offices and families of means. It focuses especially on the critical role families can play in maintaining sobriety and how bias against the well-off and prominent is a major barrier to sustained recovery.

RAISING BALANCED CHILDREN: A RESOURCE LIST FOR PARENTS AND GRANDPARENTS

Altair Advisers LLC

Parents often struggle with determining when to talk with children about family finances, what information to share and how family wealth can be used to provide children with the best resources and opportunities without creating passive expectations that discourage financial independence. This sourcebook provides recommended resources categorized by type and, when appropriate, organized by age group.

REVIEW & OUTLOOK – A SHIFTING VIEW OF THE GUY ON THE HILL

Glenmede

The United States is relatively unique in its tendency to let the rich earn and preserve wealth. Unlike much of Europe, America has a history of sparing its wealthiest from the tax guillotine for the ideal that individual prosperity has the potential to improve society at large. Increasingly, however, a focus on income inequality raises the specter this bargain could come to an end.

SKELETONS IN THE CLOSET: LET THEM OUT AND WATCH THEM DANCE

Ascent Private Capital Management

Each person is bound to have a slightly different response and interpretation of a story because each individual brings his or her own life experience to the story and understands it through that particular lens. On the one hand, family members might just laugh at their scandalous past or shrug their shoulders and move on. On the other hand, resurfacing skeletons might reignite old conflicts or generate new ones. Rather than allow the conflicts to cause serious fractures or to fester away in the closet again, families can begin to address them immediately.

TAKING THE LONG-TERM VIEW OF THE FAMILY ENTERPRISE

Family Office Exchange

The perennial question facing financially successful families is how to preserve the family wealth and well being beyond the first generation. It isn't the size of the fortune that determines the family's ability to build a successful family enterprise. The secret is realizing you have something worth preserving and setting a goal to maintain the financial and human capital for multiple generations into the future. This paper explains what "Taking the Long-Term View" means and identifies 24 building blocks for strengthening the family

enterprise.

YOU CANNOT NOT COMMUNICATE: THE IMPORTANCE OF FAMILY COMMUNICATION

GenSpring Family Offices

Communication is essential to the success of every interaction, whether personal or professional. That said, communicating effectively can be challenging even when the message appears simple. Layer in family dynamics and communication becomes exponentially more difficult. Effective communication is one of the key tenets to happy, healthy and thriving families that requires dedication and practice.

FAMILY OFFICE ISSUES

CHASING BASIS POINTS

Nease, Lagana, Eden & Culley, Inc.

When evaluating product options, in some instances a wealth management lens can be a good way to view your life insurance portfolio—particularly when issues of efficiency and effectiveness are important to a family. Affluent individuals can take advantage of their socio-economic demographics to join a risk pool with an opportunity to participate in future mortality gains and expense reductions. Sometimes the return of these basis points can have an important influence on the performance of the policies. This is critical when considering the various factors affluent families evaluate when purchasing life insurance. Given the opportunity, affluent families often, if not always, want the opportunity to chase those basis points.

CLEAN UP YOUR ELECTRONIC JUNKYARD – HOW ORGANIZING E-MAILS CAN SAVE YOU TIME AND MONEY IN LITIGATION

Novack and Macey LLP

A surprising number of us who work with business organizations or professional service firms - in offices that are otherwise orderly - let emails just pile up *in* our inbox, sent folder and trash bin," says John F. Shonkwiler, a partner with Novack and Macey LLP. "Don't do this. It is not a smart business practice and, if your company becomes involved in litigation, it can cost an awful lot of money to sort through the mess. Every person *in* your office should be encouraged to organize their e-mails, just as they organize paper documents." *Smart Business* spoke with Shonkwiler about how keeping e-mails neatly organized and cataloged can save you money and time; especially should

you ever be involved *in* litigation.

DATA ARCHITECTURE: A TOOL WELL WORTH THE INVESTMENT

Oakbrook Solutions, Inc. & Pitcairn

This case study, coauthored by Pitcairn and Oakbrook Solutions, discusses the value proposition of data architecture to the Pitcairn family office. With many family offices striving to provide better quality client reporting experiences, this study will provide lessons learned and some insight on the value of client data and its stewardship and governance.

DISASTER PLANNING BEST PRACTICES FOR HIGH NET WORTH INDIVIDUALS

HUB International Personal Insurance

Natural and criminal disasters affecting the HNW community have amplified the need for individuals and families to fortify their homes and make safer choices that demand advance preparation. The ultimate goal after a disaster is to return to normal life as quickly as possible. Planning ahead and knowing what steps you need to take will help limit your risk and minimize vulnerability.

EY FAMILY OFFICE GUIDE

Ernst & Young LLP

This comprehensive guide from Ernst & Young discusses setting up a family office and industry best practices, including:

- Services
- Costs
- Recruiting and retaining talent
- Investment process
- Technology

FINDING THE RIGHT INSURANCE PARTNERS

Fireman's Fund Insurance Company

Finding the right insurance partners can be daunting. This paper highlights the various roles and responsibilities required to protect a financially successful family. From internal staff and external risk consultants to insurance brokers and carriers—these insights can help you evaluate each team member and build a highly effective team to best protect your family.

HOW TO PREVENT BEING STOLEN FROM – KEEPING THE CROOKS AND HACKERS AT BAY

Ballentine Partners LLC

While everyone is at risk when it comes to hackers and online thieves, the wealthy are specifically targeted, and increasingly by aggressive and well-organized individuals. The good news is there is a lot you can do to protect yourself and your family. It won't take much time - most of the effort involves simple, common-sense steps - and the return on this investment, in terms of increased security and peace of mind, will be huge.

INSTITUTIONAL PRICING FOR LIFE INSURANCE PRODUCTS: WHY YOU DESERVE IT

Nease, Lagana, Eden & Culley, Inc.

You are a desired client of life insurance companies. Therefore, the life insurance placement process should be attractive and convenient. Working together with an experienced advisor will create the best results for you. Make sure that your estate planning life insurance strategies seek the best long term policy performance, and remember to ask yourself "Do I want an advisor with access to life insurance products for people like me?" or "Do I want to participate in the pyramid model?"

INSTITUTIONALIZE YOUR LIFE INSURANCE PORTFOLIO

Nease, Lagana, Eden & Culley, Inc.

By following a more disciplined, and process oriented approach, families have a tremendous opportunity to improve their results, and drive much greater efficiency and effectiveness into the management of their life insurance portfolios. When following these guidelines, and by selecting an insurance specialist who adheres to these principles, families can have an institutional and customized relationship.

MANAGING RISK FOR THE FAMILY OFFICE

Fireman's Fund Insurance Company

This paper highlights the complex risks faced by multi-generational families and demonstrates how proper risk management can successfully protect their wealth for future generations.

OFFICE IT SECURITY

Plante Moran

Information security in the family office context needs to a collaborative effort between the family, the office, and any intertwined vendors. This article from Plante Moran's IT security consulting group discusses key factors in improving the security of the family office's confidential information.

PASSPORT TO SAFE TRAVELS: PRACTICAL ADVICE FOR AFFLUENT TRAVELERS

Hub International Personal Insurance

This white paper covers the importance of proper planning and understanding the basics of personal safety when in an unfamiliar environment. It includes a checklist of common sense safety tips to reduce the primary risk of being the victim of a crime while traveling in a foreign country.

PROTECTING YOUR REPUTATION – ADVICE FOR VICTIMS OF INTERNET DEFAMATION

Novack and Macey LLP

"Internet message boards and review sites provide a venue where users- customers and pretenders alike- can offer anonymous evaluations and judgments about restaurants, hotels, medical and legal professionals and businesses," says Mitchell L. Marinello, a partner with Novack and Macey LLP. "Unfortunately, sometimes these reviews cross the boundary between mere opinion and defamation." When they do, they can cause great damage, because they can linger on the Internet for years. But if a company is the victim of internet defamation, it has remedies. Through diligent effort, a company can identify the defamers, take action to have defamatory statements removed from the internet, require the defamers to pay damages and obtain injunctions prohibiting the defamers from doing it again.

SEC ALLOWS FAMILY OFFICES TO INCLUDE MEMBERS OF AN EXTENDED FAMILY

Perkins Coie, LLP

In this news alert, the author highlights that the SEC is expected to allow two separate exemptive orders being sought from the Family Office Rule with respect to distaff members of a family under the Investment Advisors Act. Because the distaff issue has the potential to affect so many single-family offices, the author believes this is a welcome development, and it is hoped that the SEC will amend the Family Office Rule to make this additional exemptive relief available to every single-family office that has a distaff issue now or in the future.

SELECTING THE BEST INSURER FOR A FAMILY ART COLLECTION

AIG

Fine Art Wealth Management and AIG Private

Client Group, a division of the member companies of American International Group, Inc. (AIG) examine how to select the best insurer for a private art collection in order that it may be preserved and protected for future generations. This paper delves into the causes of some of the most expensive art claims paid out to collectors and how families can take a more pro-active role in reducing the risk of loss and damage.

SIMPLIFYING SECURITIES REGULATION OF M&A BROKERS

Warner Norcross & Judd

Business brokerage services are critically important to the liquidity of small business ownership, business growth, and related jobs preservation and creation. Baby boomers are faced with the prospects of either selling or closing their businesses to retire. Small business owners need and rely upon the professional services of merger and acquisition intermediaries, advisors, and business brokers (together, "M&A brokers") to advise about and assist with the sale of privately owned businesses. However, today's "one-size fits all" system of federal broker-dealer regulation applies "Wall Street" investment banking regulation to "Main Street" M&A brokers. Pending bipartisan federal legislation and new guidance from the Securities and Exchange Commission ("SEC") staff will simplify and lower the regulatory costs associated with M&A brokerage services for small business owners in privately negotiated transactions.

SOCIALLY RESPONSIBLE – HOW TO CREATE A SOCIAL MEDIA POLICY TO MINIMIZE RISKS TO YOUR ORGANIZATION

Novack and Macey LLP

If your organization still doesn't have a social media policy, it is time to create one. "Every organization should have a social media policy that enables it to optimize the opportunities that interactive social media sites present while minimizing the attendant risks," says Kristen Werries Collier, a partner with Novack and Macey LLP. *Smart Business* spoke with Collier about those risks and how to develop a workable policy to minimize your exposure.

SOLVING THE DOCUMENT MANAGEMENT PUZZLE

Oakbrook Solutions, Inc. & Pitcairn

An effective DM solution can provide tremendous

benefits in increased client responsiveness, staff productivity, and complying with regulatory demands. Deploying a disciplined methodology with an appropriate level of time and resources can ensure that your firm makes the best decision with a high degree of confidence.

THE FIFTH NOBLE PROFESSION

Ascent Private Capital Management

Families of significant wealth rightfully expect their attorneys, investment professionals and CPAs to be among the best, the brightest and the most effective. It's time they expect the same from their banker. Banking has lagged the industry in evolution and innovation and is understandably seen as a commodity. The only way banking can be seen in a different light is for families to see that a new way is possible; one where bankers are always looking out for families, and where family offices are open to accepting strategic advice and don't feel threatened by bankers who can add value and insight.

THINKING BIGGER PICTURE – WHEN TO SACRIFICE THE BENEFITS OF ARBITRATION IN FAVOR OF LITIGATION

Novack and Macey LLP

Many business managers include arbitration provisions in their companies' contracts. The prevailing philosophy being that arbitration is preferable to traditional litigation via the court system because it's private, speedier and less expensive. Under certain circumstances, however, a party may prefer to litigate a particular dispute in court even though it previously included an arbitration provision in the relevant contract. *Smart Business* spoke with Liebman about choosing traditional litigation despite the existence of an arbitration provision.

MANAGING FAMILY OFFICES

Crystal & Company

Family offices are complicated because of the scope of services they deliver, the high number and complexity of entities they oversee and the staff they must manage. These complexities can open the door to liability. Employing consistent policies and procedures, establishing an annual entity review process, maximizing protection provided by indemnification and buying insurance are all tools to help manage the risks associated with management and professional liability.

PROTECTING YOUR COMPANY AGAINST THREATS

Wilmington Trust

Entrepreneurs are risk takers by nature, leveraging their insights, hard work, and capital to create successful companies. But when the company you own is your main source of financial security, you need to protect it from unforeseen risks-like natural disaster, legal liability, and crime.

INVESTMENTS

AGING OR RAGING: THE STATUS OF THE CURRENT BULL MARKET

Glenmede

Now in its sixth year, the current bull market is often considered due for correction, with investors wondering how much further the rally can go. For this reason, it is useful to test the claimed causes associated with lapsing bull markets. Conventional wisdom suggests bull markets end due to:

1. Age
2. Recessions
3. Monetary tightening
4. Extreme valuations
5. Exogenous shocks

In regard to the first of these, weighing in at 61 months and a 179 percent price gain, the current bull market has just barely surpassed the average bull market since World- War II. In fact, there have been three longer bull markets and three that climbed higher, illustrating the current market has yet to break any world records

AMID GROWING INTEREST IN OPPORTUNISTIC FIXED INCOME, EXECUTION MATTERS

BNY Mellon

The fixed income environment is changing, and as a result we believe opportunistic fixed income strategies with the flexibility to go anywhere are better suited to today's market realities than traditional, duration-heavy core holdings. But because these strategies come in different shapes and sizes, we think it is important for investors to drill down into what they're actually investing in and understand both the what, and the how of investing in this new fixed income landscape.

AN ALTERNATIVE TO ALTERNATIVES?

Federal Street Advisors

For the five years ending in 2013, U.S. public equity markets returned between 16% and 23% annually. In one of the strongest ever periods for equity markets, investors' portfolios benefitted from core equity investments while allocations to anything else became a drag on performance and an opportunity cost for portfolios. Alternative investments, including equity-oriented long/short hedge funds, have struggled to keep pace with the U.S stock market. In this accelerating equity market, hedging equity market risk has hampered performance, and making money from buying and shorting mispriced stocks proved difficult for most of the period.

ASSESSING THE EXPANSION: MIDDLE-AGED AND STILL GOING

Glenmede

Periods of economic boom and bust have been a fixture in academia. With most indicators currently pointing to a mid-, rather than late-stage expansion, we believe the economic expansion is more likely to last a while longer.

BEYOND BANKS: THE EMERGING OPPORTUNITY IN EUROPEAN DIRECT LENDING

BNY Mellon

Investors are aware of this opportunity. However, we think that many hold misconceptions about it because of the opaque nature of the disintermediation process, and the unfamiliar and heterogeneous nature of the assets involved. In particular, we believe that investors incorrectly assume the opportunity has been missed and offer evidence that this is not the case. We also think that few investors have had the opportunity to fully understand the practical characteristics of the asset class. Our objective is to provide these details, and to explain how it might be incorporated into and institutional portfolio.

BEYOND THE BROAD BRUSH OF DIVERSIFICATION: A FRAMEWORK FOR THINKING ABOUT POSITION SIZING

Cook & Bynum Capital Management, LLC

Creating a well-diversified portfolio of stocks or bonds (or whatever financial assets or vehicles seem appealing and fit a client's profile) is certainly a viable option and one that may dampen volatility and could prevent any one bad idea from having an outsized impact on a portfolio. Alas, this decision is not without

tradeoffs. Diversified portfolios, especially ones that effectively act as expensive closet indexes, doom an investor to pedestrian outcomes/returns. Families that are willing to stomach any extra volatility that may come along with concentration position themselves to compound their wealth at above-average rates.

BUILDING YOUR BEST PORTFOLIO

Plante Moran

The process to execute and close deals continues to challenge investors flush with cash. The trend in deal volume over the last several quarters brings this to light. Nevertheless, the M&A community continues to churn with activity as buyers and sellers try to create mutually beneficial outcomes. Whether you are a buyer or seller, the featured ideas will provide you with guidance on how to better execute your next deal.

CHALLENGING THE CONVENTIONAL WISDOM OF MANAGER SELECTION

Gresham Partners, LLC

Co-written by Ted Neild, Gresham Partners, LLC's President and CIO, and Joe Simpson, Principal, this white paper focuses on the impacts of manager selection. Contrary to conventional "wisdom," our experience has demonstrated that decisions regarding manager selection can impact performance as much as or more than decisions regarding asset allocation. Success in this manner involves the ability to identify and access managers who are often not available in common formats, such as mutual funds and most open-architecture investment platforms.

CONCENTRATED STOCK PORTFOLIOS

Cambridge Associates, LLC

This paper highlights strategies to mitigate single-stock concentration to preserve wealth for future generations or future charitable gifting. Our focus is on U.S.-based taxable investors who hold concentrated positions in single-listed stocks. We begin with an overview of why investors are tempted to hold concentrated stock positions and the risks they face from not diversifying. We then address several strategies available to limit or eliminate the investor's concentrated exposure to the single stock, describing both strategies we favor and those we would avoid.

CONCENTRATION OR DIVERSIFICATION:

WHICH DRIVES OUTPERFORMANCE IN ACTIVELY MANAGED STRATEGIES?

Federal Street Advisors

With broad equity markets performing exceptionally well over the last five years, there has been much debate over the benefits of active versus passive investment strategies. As strong proponents of fundamental investing, we have long believed that well-executed, actively managed strategies outperform passive index-based approaches over full market cycles. But within the active management camp, there remains significant discussion over how to best deliver that outperformance.

CONVERGENCE

Abbot Downing

Our Convergence thought leadership focuses on transformative technologies in the early 21st century. Insights and data shared demonstrate the significant impact these integrated technologies will have on virtually all industries and people worldwide for years to come.

DEBUNKING THE MYTHS OF IMPACT INVESTING

Ballentine Partners LLC

Our Director of Impact Investing, William Tickle, outlines the challenges and opportunities in a rapidly growing field and proves that sometimes when "creativity" and "finance" come together, it can actually be a good thing!

"DUE DILIGENCING" SUBADVISERS AND OUTSOURCED SERVICE PROVIDERS

Warner Norcross & Judd LLP

Investment advisers often contract with sub-advisers to obtain special investment expertise and sometimes outsource important operations or compliance-related functions to service providers. Outsourcing often provides cost-effective solutions but comes with its own compliance obligations, notably initial and on-going due diligence.

ECHOES OF 2007

Cambridge Associates, LLC

The big difference between 1999, 2007, and today is the lack of a fundamental trigger to upset the apple cart. The current environment is potentially more dangerous *and* more durable than the prior two periods.

END OF THE BOND BULL

Abbot Downing

For the past 30 years, the U.S. has experienced the longest bull market for fixed income securities on record. As interest rates declined, investors in bonds benefitted. Fixed income returns have been far above historical norms, even outperforming stocks during crucial time periods. The inevitable end of this run has many investors on edge, uncertain what the future holds.

FINANCIAL MARKETS MONITOR

Atlantic Trust Private Wealth Management

Chief Investment Officer David Donabedian recaps the first half of 2014 and provides an outlook for economic activity and financial markets in the third quarter of the year.

GLOBAL CORPORATE DIVESTMENT STUDY

Ernst & Young LLP

This study finds many companies still using divestments as a short-term tactical tool, often to raise cash or pay down debt. That's no surprise given the difficulties many businesses have faced in terms of cash and credit since the financial crisis. However, in this prolonged period of low growth, divestments are likely to play a more strategic role in how global companies navigate uncertainty, meet their corporate objectives and create value for their stakeholders.

GLOBAL FORESIGHT: SECOND QUARTER 2014

Rockefeller & Co.

In the second quarter 2014 issue of Rockefeller & Co.'s *Global Foresight*, entitled "Mapping Out the Future," David P. Harris, CFA, Chief Investment Officer, and Jimmy C. Chang, CFA, Chief Equity Strategist, take a closer look at potential opportunities within the generally-struggling emerging markets and contrast them to the developed markets.

GLOBALIZATION AND TANGIBLE ASSETS

US Trust, Bank of America Private Wealth Management

In this paper, consequences of globalization are examined. Workers from the US are facing a global labor market. Pressure on high-quality tangible assets is continuing to build. People are moving out of subsistence poverty at the fastest rate in history, creating a rapidly growing mass market for

affordable tangibles as well as the most sought-after rarities.

HEADLINES TO TRENDLINES

Ascent Private Capital Management

A logical approach to wealth expansion with investment dollars that are committed over an extended period of time is to try to capitalize on global economic trends that create favorable investment opportunities. We believe these include generational trends that have been in place for a quarter century or more, including economic liberalization and globalization. We anticipate these broad trends may persist in the years to come. At the same time, we have identified a number of emerging trends that may represent a seismic shift in the direction of the global economy and should be considered in an investor's long-term wealth expansion strategy.

HEALTHCARE INVESTMENTS IN A DIVIDED WORLD

US Trust, Bank of America Private Wealth Management

In terms of life of life span and medical need, a close look at the underlying numbers reveals a sharp disparity between developed and developing regions; particularly in poorer areas worldwide. Some differences are so stark, in fact, that there is what might be called a global healthcare divide. And for investors it's a division worth understanding.

INVEST WITH PURPOSE

GenSpring Family Offices

Over the past several years, investors have experienced a challenging investment environment. We believe a key element in building a sustainable investment strategy is to "invest with purpose" and the first step in doing so is to understand exactly what each investor is trying to achieve with their wealth. This paper highlights and delves into GenSpring's unique goals-based investing process which we believe can provide investors with the foundation to build a disciplined long-term strategy that can be maintained under a variety of market conditions.

ISSUES AND INSIGHTS: MAKE THE MOST OF YOUR REAL ESTATE INVESTMENTS

Wilmington Trust

Many high-net-worth individuals and families own multiple pieces of real estate, from a primary residence to one or more vacation homes, even

rental property used in business or owned as an investment. Every type of property is physically unique and presents distinct planning challenges. And with real estate, state laws vary widely and can add many variations to standard planning techniques commonly used with cash, securities, or other assets. This article focuses on planning techniques applicable to residences and vacation homes.

LIFE INSURANCE AND YOUR INVESTMENT PORTFOLIO

Federal Street Advisors

With bonds providing so little yield in today's market, should life insurance be viewed as an investment? Whether or not you view insurance as an "asset class," permanent life insurance is definitely an asset, and it can help investors achieve their long-term financial goals. Thoughtful coordination of insurance and investments can provide more combined benefits than either asset can deliver on its own. And since having a life insurance policy can affect a client's willingness to take risk, it should be part of the investment conversation.

MEXICO? YES, MEXICO

US Trust, Bank of America Private Wealth Management

Our neighbor to the south has undergone a transformation of sorts. Mexico is no longer an economic weakling, having become a global player even in the face of the Great Recession and the rise of China, a trade competitor. Mexico's progress seems not to be garnering the level of investor interest we think it deserves. Why not? Some U.S. Trust clients say they remain distracted by the country's shaky financial past; others by the drug cartels that operate there today. We believe, though, that after looking more closely at Mexico, many investors will reconsider.

MUNICIPAL BANKRUPTCY: A PRIMER ON CHAPTER 9

Nuveen Investments

Unlike corporations, municipalities are perpetual entities that cannot be liquidated through bankruptcy. Thus, Chapter 9 of the Bankruptcy Code is dedicated to the unique circumstances of municipalities. This report explains the key components of Chapter 9, identifies entities eligible to file, reviews state actions to deter future filings by local municipalities and discusses recent municipal

bankruptcy filings. Analysis of the last three periods of municipal market volatility suggests that investors that stay the course may benefit from their patience.

MUNICIPAL BONDS: STAYING THE COURSE USUALLY BENEFITS INVESTORS

Nuveen Investments

Rising rates can spook bond investors, since rates and bond values are inversely related. As a result, investors sometimes sell following a sharp price decline, hoping to reinvest as the market recovers, effectively "selling low."

MUNICIPAL MARKET: HOW RATES RISE MATTERS

Nuveen Investments

In prior rising rate environments, various parts of the municipal yield curve reacted differently based on economic conditions and the pace and scale of Fed activity. An analysis of historical changes in monetary policy shows that in the past three rising rate environments, a hypothetical investor who stayed the course through the tightening cycle – regardless of their position on the yield curve – may have experienced positive total returns, the notion that "rising rates are bad for bond investors" notwithstanding.

PUTTING "ENERGY" INTO AN INVESTMENT STRATEGY

Atlantic Trust Private Wealth Management

This white paper reviews how the new landscape of energy in the U.S. is changing the national discourse on energy independence, influencing our economic recovery and offering opportunities for discriminating investors.

REAL ESTATE AND THE FAMILY OFFICE

Plante Moran

One strategy that many family offices have historically embraced is an allocation to tangible real estate assets. The intent of this whitepaper is to discuss the role of tangible real estate in a family office investment portfolio, and the processes for maximizing its value within the confines of the risk tolerance and overall investment strategy of the family office.

SEPTEMBER 2014 MONTHLY MARKET

REVIEW: ASYMMETRIC WARFARE

Rockefeller & Co

Despite continued geopolitical instability and the media's newfound focus on jihadist terror, equities rallied during the month on optimism that monetary policies among major central banks will continue to be quite supportive. U.S. corporate earnings for the second quarter of 2014 also came in stronger than expected, with the S&P 500 earnings growth rate accelerating to over 8% year-on-year. Developments outside the U.S. were less encouraging.

THE CHANGING ENERGY ENVIRONMENT

Abbot Downing

This paper offers a look at the monumental changes occurring in energy, both domestically and worldwide, and the exploitation of new energy sources and their impact on the environment.

THE FED AND LABOUR MARKET DYNAMICS

Millennium Global Investments Ltd.

As currency investors we look for macro discrimination to underpin our views and while subdued inflation and low bond yields have been key common features across major economies in the current growth recovery, the divergence in labor market dynamics has been striking. Whereas the rise in Euro area unemployment has barely been dented, the fall in US or UK unemployment has been faster than anticipated.

UK: THE RECENT BANK OF ENGLAND INFLATION REPORT SUGGESTS A GRADUAL HIKING CYCLE AHEAD

Millennium Global Investments Ltd.

The UK has delivered a remarkable cyclical upswing over the past year; with GDP growing at an average pace of over 3% annualized growth for 5 quarters in a row. This has been the result of extraordinary policy support both on the monetary side (low base rate policy and quantitative easing) and fiscal policy (smaller fiscal drag, Help to Buy scheme), which together with fading risks surrounding the Euro zone, provided a powerful boost to confidence, which helped to kick-start the economy.

THE POWER OF LIQUIDITY

TriState Capital Bank

For individuals and businesses, liquidity is financial power. It gives you strength to act, power to defend

your position, capacity to seize opportunities. The key to success is finding the right balance of assets for your needs, your goals. This paper answers key questions about liquidity including; how one measures liquidity, how liquidity is created, and how much is enough.

THE VITAL ENTREPRENEUR: HIGH IMPACT AT ITS BEST

Ernst & Young LLP

This study examines the various factors driving the success of high-impact entrepreneurs, including how they differ from one another and how they operate, grow and compete. It looks at the key differentiators of companies with different ownership structures and walks the reader through the following research journey:

Private companies have the freedom to operate with a long-term view

Public companies have the model of operational rigor

VC-backed companies are engines of innovation

PE-backed companies are streamlining for growth

Family-owned companies have the strength of resilience

Women-owned companies are breaking down barriers

UNVEILING LIFE INSURANCE'S GREATEST MYTH: IS IT A STATIC ANNUAL EXPENSE OR A DYNAMIC ASSET REQUIRING ACTIVE MANAGEMENT?

Capital Plan, Inc.

The paper discusses how many advisors and high net worth clients view life insurance as an expense as opposed to a dynamic asset that requires constant monitoring, analysis and periodic decision-making to give it the best opportunity to perform as it was intended. Included are some case examples of real life situations and once read can provide a guide to assist advisors and their clients in monitoring a misunderstood asset on their balance sheet.

VANISHING VOLATILITY IN GLOBAL MARKETS: IS THIS THE CALM BEFORE THE STORM?

Federal Street Advisors

This article addresses the nature and causes of low volatility, what developments might upset market equilibrium, what history tells us about this phenomenon, and how investors might prepare for periods of greater fluctuation in asset values.

VOLATILITY IN HIGH YIELD BONDS, TECHNICALS VS. FUNDAMENTALS

Nuveen Investments

We believe recent volatility in high yield bonds is largely the result of fund flows – not fundamentals or widespread credit concerns. It is an example of inefficiency in the high yield market, as technicals are important for the short-term but fundamentals matter in the end.

WELCOME TO THE ERA OF INNOVATION

US Trust, Bank of America Private Wealth Management

We're in the early stages of what stands to be an extended business cycle. We're calling the cycle the era of innovation, and it has some definite characteristics. We're seeing aggressive technological advancement, a manufacturing renaissance, easier access to liquidity and cash-rich entities spanning the globe, supply-demand mismatches in key industries, and lower barriers for entry for startups. Major advances are underway in areas like robotics, 3D printing, cloud computing, big data, mobile payment systems, medical technologies, energy and many others.

WHAT DOES THE FUTURE HOLD?

Ascent Private Capital Management

Futurists of all types are digging deep into the fundamental shifts occurring in our world. They are developing "what if" scenarios to help us better understand how to think about where we are headed and where we want to be headed. Just considering the possible implications of these trends can feel overwhelming at first glance. But this is actually an opportunity to shed some outdated assumptions and rethink the best ways to grasp opportunity for ourselves, our families, businesses, communities and the world at large.

TRUSTS, TAX AND ESTATE PLANNING AFTER DOMA: WHAT THE WINDSOR DECISION MEANS FOR SAME-SEX COUPLES AND FAMILY WEALTH

Atlantic Trust Private Wealth Management

For those in a same-sex relationship or for families with children or grandchildren in a same-sex relationship, understanding the decision and its aftermath should ultimately help inform and refine family wealth transfer planning. While the legal and financial issues for same-sex couples are critically important, there are also a number of very practical considerations that arise when advising same-sex couples in connection with their financial, tax and estate plans.

AN OVERVIEW OF GRATS AS A WEALTH TRANSFER TOOL

Hawthorn, PNC Family Wealth

Wealthy individuals typically seek straightforward, low-risk wealth transfer tools that can help mitigate or eliminate substantial taxation of a family or even a family business. At Hawthorn, we view a Grantor Retained Annuity Trust (GRAT) as one such wealth transfer tool that can provide a host of benefits for wealthy individuals, with minimal downside risk.

DELAWARE TRUST ADVANTAGE

Atlantic Trust Private Wealth Management

Delaware has long been a jurisdiction of choice for grantors of trusts—for generations, the state has built a trust-friendly body of legislation and has supported its laws with a knowledgeable and effective court system. In this package of white papers, our wealth strategies experts explain the benefits and considerations of Delaware trusts.

INCOME TAX PLANNING – DEDUCTIONS FOR ADMINISTRATIVE EXPENSES UNDER THE FINAL REGULATIONS

McGladrey LLP

It's the Fourth Quarter for corporate trustees who are burdened with the decision of how to implement the final regulations under Section 67 issued by the IRS last May. These regulations, govern the costs incurred by trusts and estates that are subject to the 2-percent floor on miscellaneous itemized deductions under Section 67. The regulations apply to tax years beginning on or after May 9, 2014, and thus for existing trusts using a calendar year, 2015 will be the first tax year governed by the new regulations.

KEY POINTS FROM THE 2014 HECKERLING INSTITUTE ON ESTATE PLANNING

Hawthorn, PNC Family Wealth

In this white paper, Martyn Babitz, Hawthorn's National Director of Estate Planning summarizes his thoughts on the 48th Annual Heckerling

Institute on Estate Planning. According to Babitz a major theme unfolded during the presentations, one that focused on substantially higher, inflation-indexed estate tax exclusions, higher capital gains rates, portability of exclusions, and related new flexibility in federal gift tax and estate tax laws.

MANAGING YOUR WEALTH: 2014 GUIDE TO TAX AND WEALTH MANAGEMENT

PwC Private Company Services

Wealth management and tax planning, done right, require care and a thoughtful approach. Helping you be vigilant in these and all other aspects is the purpose of this guide, which walks you through the key concepts and approaches pertaining to tax planning, investing, charitable giving, estate and gift planning, business succession, family meetings, family offices, risk management, and cross-border considerations.

NEW HAMPSHIRE'S ATTRACTIVE LANDSCAPE FOR TRUSTS AND TRUST COMPANIES

Perspecta Trust LLC

New Hampshire has a robust set of modern trust laws, which afford settlers broad flexibility and creativity in designing trusts well suited to their specific needs and wishes. Those laws facilitate the more efficient administration of trusts and, importantly, provide a high level of certainty concerning the rights, duties and powers of settlers, beneficiaries, trustees, trust advisors and trust protectors.

NEW HAMPSHIRE FAMILY TRUST COMPANIES

Perspecta Trust LLC

Since 2006, New Hampshire has permitted the formation of family trust companies. This paper summarizes the advantages of creating family trust companies in a favorable site such as New Hampshire.

POWERFUL TRUST OPPORTUNITIES IN 2014

South Dakota Trust Company LLC

South Dakota's favorable tax, trust and asset protection laws make it one of the top domestic asset protection jurisdictions. The January 2014 issue of *Trusts & Estates* magazine ranks South Dakota #1 in all categories including asset protection laws. In fact, it is the only state that ranked #1 across all categories. Consequently, these favorable laws combined with SDTC's experience make South Dakota the jurisdiction of

choice for many wealthy clients.

PRE-SALE PLANNING FOR BUSINESS OWNERS: THE BENEFITS OF AN INTEGRATED APPROACH

GenSpring Family Offices

The sale of a business can be one of the most significant events for families of wealth. Often, family members have devoted substantial time and resources to building a successful enterprise. This case study illustrates the value of sound pre-transaction planning prior to the sale of a family business and outlines a four phase process for maximizing the opportunity.

SOUTH DAKOTA DYNASTY TRUSTS FUNDED WITH DIRECT PRIVATE EQUITY INVESTMENTS

South Dakota Trust Company LLC

South Dakota is the leading bank asset jurisdiction in the United States, according to the FDIC. As the leading trust, asset protection, privacy and favorable tax jurisdiction, South Dakota has attracted many wealthy families to establish trusts in South Dakota without having to live, visit or even fly over the state.

STRUCTURING THE FAMILY BANK DYNASTY TRUST

South Dakota Trust Company LLC

The term "family bank" grew from the idea that a Dynasty Trust can act much like a traditional bank by providing resources to fund particular needs of beneficiaries in successive generations, for instance, purchasing real estate and other large assets, funding business endeavors, providing family distributions to fund "health, education, maintenance and support" (HEMS) expenditures and so on.

THE DIRECTED TRUST STRUCTURE AND PRIVATE FAMILY TRUST COMPANY (PFTC) - OPTIONS TO REDUCE FAMILY LIABILITY WITHOUT LOSING FLEXIBILITY AND CONTROL

South Dakota Trust Company LLC

Whichever route the family decides to choose, it is important to keep the roles, responsibilities, and liabilities of the trustee and family members in mind when making this difficult decision. As the foundation of any trust, the trustee ensures that the grantor's objectives and goals are adequately carried out for many years to come. While shielding family member fiduciaries from potential liability issues of an individual trustee, the directed trust

structure and private family trust company can provide a family with increased flexibility and control.

THE MODERN NEW HAMPSHIRE DIRECTED TRUST

Perspecta Trust LLC

This paper explores the benefits of directed trusts and illustrates a typical NH directed trust structure.

THE STATE OF YOUR TRUST: WHERE SHOULD A TRUST BE SITED

Hemenway & Barnes LLP

This paper explores the nuances and variances among state laws that apply to establishing a trust.