2015 FOX Forums

Save The Dates

FOX Wealth Advisors Forum
Coral Gables, FL - The Biltmore Hotel
April 27-29, 2015

FOX Wealth Owners Forum
Coral Gables, FL - The Biltmore Hotel
May 5-6, 2015

FOX Financial Executives Forum
Chicago, IL
July 21-22, 2015 *(Tentative)*

FOX Fall Forum
Chicago, IL - The J.W. Marriott
Oct 21-23, 2015

100 South Wacker Drive, Suite 800 ▪ Chicago, IL 60606 USA ▪ T: 1.312.327.1200 ▪ info@familyoffice.com
400 Park Avenue, Suite 810 ▪ New York, NY 10022 USA ▪ T: 1.646.504.0776
Adam House 7-10 Adam Street ▪ London WC2N 6AA United Kingdom ▪ T: +44 (0) 207 520 9443

2014 FOX Activities

Family Office Exchange 25 Years 1989 - 2014

- **750+ Members and Clients Served**
- **3 Forums - WAF, FEF & FF**
- **Private Trust Company Symposium**
- **3 Networks - Direct Investing, Private Trust Companies & Next Gen**
- **400+ Listserv questions & 800+ responses**

22 Webinars (27 scheduled)

12 Roundtables

12 Member Presentations

9 Industry Presentations

3 Family Learning Modules

8 Family Councils
- Executive (2)
- Senior Management
- Owner Operators
- Chief Investment Officers
- Financial Executives
- Global Families
- Family Enterprises Australia

5 Advisor Councils
- Thought Leaders
- MFOs
- WAC - U.S.
- WAC - Europe
- WAC - Australia

12 Consulting Engagements

5 Industry Research Reports
- Taking the Long-term View of the Family Enterprise
- FOX Family Office Benchmarking for Billionaires
- The State-of-the-Art in Family Wealth Management
- The Client of the Future
- FOX Guide to Family Governance (2015)

5 Survey Summaries
- Global Investment Survey
- FO Benchmarking
- MFO Benchmarking – launched
- Family Office & Advisor Wealth Trends
- Univ. Chicago Private Wealth Management

About Family Office Exchange Network

759 FOX Members and Clients Served in 2013

6,200 Registered Website Users

UK, Europe and Middle East: 90

395 Registered Website Users

North and South America: 635

5,647 Registered Website Users

Asia, Australia and New Zealand: 34

158 Registered Website Users

Family Membership Profile

- Serving nearly 450 families with multi-generational wealth
- The median amount of assets of family groups who are FOX members exceed $400 million
- About 50% of our members have retained a direct ownership interest in the original business that created the family's wealth
- 90% of our members operate established family offices more than 5 years old

Family Office Exchange at a Glance

- Founded in 1989 to serve as an advocate for wealth owners and their offices spread throughout 20 countries worldwide
- Now educating over 300 Multi-family Offices and private wealth advisory firms about how to best serve wealth owners
- 40 full time staff employed in Chicago, New York and London offices

Based on data as of 31 Jan 2014

Source: Family Office Exchange Research

First Row, left to right: Teresa Bellock, Amy Hart Clyne, Alexandre Monnier, Sara Hamilton, Marv Pollack, Ruth Easterling
Second Row: Mercy Goddard, Alex Hayward, Karen Rush, Jo Wellman, Mariann Mihailidis, Abraham Aoyama
Third Row: Alan Braxton, Karen Emanuelson, Bill Fride, Dawn Rose, Marcus Patrick, Sandra Ditore, Laura Petruniak
Fourth Row: Gary Perkins, Kristi O'Sullivan, Ken Gaidas, John Cisek, Mike Caputo, Alexandra Seabrook
Back Row: Jeff Darche, Ken O'Young, Vishal Shirguppi **Not Pictured:** Michael Sallas, Charles B. Grace III, David F. Toth, Kelley Ahuja

FOX Knowledge Center Serving Members

Knowledge Center

Industry Trends & Member Needs

- Amy Hart Clyne
- Jane Flanagan
- Charlie Grace
- Mariann Mihailidis
- David Toth
- Alexandre Monnier

Surveys & Benchmarking

- Abraham Aoyama
- Bill Fride
- Jane Flanagan
- Jo Wellman

Best Practice Guides & Toolkits

- Amy Hart Clyne
- Jane Flanagan
- David Toth
- Alex Hayward
- Teresa Bellock
- Steve Draper

Educational Content

- Amy Hart Clyne
- Michael Sallas
- Sara Hamilton
- Charlie Grace
- Alex Hayward

The FOX Council Level Membership

Where wealth owners and family office professionals come to maximize the performance of their enterprise.

In the rarefied world of family offices, there are no play books or set ways of doing things. Each family is unique as are the demands they place on their family office and advisors.

- FOX Councils provide a place where all the key players in the family office sphere can find a highly selective group of peers with whom to work in defining and refining the work they do. Council members benefit from the thoughts, ideas, challenges, and experiences of their fellow Council members. It is not necessary to go it alone, nor is it very efficient.

- The work of each Council is orchestrated by an experienced FOX advisor and fortified by research, case studies, and expert input that is custom selected to satisfy the demands of that Council.

- There are nine Councils. Whether you are the seasoned professional looking for fellow travelers in pushing the envelope toward new solutions, the wealth owner operating the family office yourself, or the Chief Investment Officer looking for a ready-made team of the best and brightest to work with, FOX Councils will help you improve your personal and professional performance. All the Councils are listed on the right.

- In most cases, Councils meet twice a year for 1 ½ days, usually rotating among member's home cities.

"Participating in the Executive Council has been a highlight of my 10 year+ FOX membership. It is the perfect way to get to know your closest peers and develop mutually beneficial relationships."

–Galen Oelkers, The Zeist Company, LLC

FOX Executive Councils™
EST. 2004 - CEOs of the largest, most sophisticated multi-generational family offices in the U.S. pursuing the best practices for complex family enterprises.

FOX Financial Executive Council™
EST. 2004 - Financial executives (CFOs, controllers, tax managers) in a family office working on operational, compliance, and technical issues.

FOX Global Family Council™
EST. 2005 - Family office CEOs and wealth owners overseeing multi-generational, multi-national family offices.

FOX Investment Council™
EST. 2009 - Owners and CIOs pursuing the leading edge of investment thinking.

FOX Multi-Family Office Council™
EST. 2006 - The industry roundtable where MFO executives discuss common strategic issues in building and operating their practices.

FOX Owner/Operator Council™
EST. 2010 - Family members who directly oversee the operation of their family's financial enterprise, with or without staff, working together to shares insights and strategies.

FOX Senior Management Council™
EST. 2010 - COOs and seasoned executives of U.S. multi-generational family offices working on challenging operational issues.

FOX Thought Leaders Council™
EST. 2000 - A multi-disciplinary panel of leading advisors exploring key challenges in wealth management.

FOX Wealth Advisor Councils™
EST. 2013 - Wealth advisory firms targeting growth in the ultra-wealth segment. Chapters in Europe, U.S., and Australia.

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Family Office Exchange®

FOX Consulting

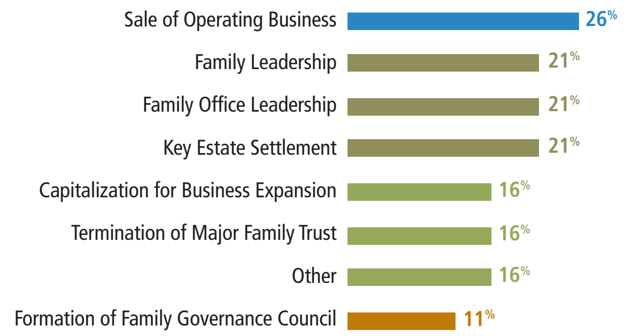
Working With Families on the Long-Term Strategy for Their Family Enterprise.

Family Office Exchange (FOX) has been providing confidential, custom consulting services for over 20 years to ultra wealthy families and family offices. We provide strategic advice and practical solutions to families as they face the challenges of preserving wealth, especially during periods of *transition*.

Our consultants bring to bear judgment and considerable background in wealth management and family dynamics, along with a disciplined process. We have worked on over 200 assignments since inception of the firm. The consulting team includes four in-house professionals steeped in wealth management experience and with complimentary skill sets, as well as access to the broader FOX organization.

Did you know?

37% of Families are Facing a Major Transition



Source: FOX Benchmarking

Challenge #1 — Managing New Liquidity

Solution: Family Office Design, Wealth Advisor Selection

- **Family Office Blueprint®** design of a custom family office including operating structure, scope of services, investment guidelines and processes, systems, operating policies, organization and management, and budget
- Facilitating the selection of the right integrated wealth advisor or multi-family office to manage the family's wealth

Challenge #2 — Educating Family Leaders and the Next Generation

Solution: Custom Education/Training Modules

- Family Office 101: Intro to Family Offices
- Wealth Management Landscape
- Family Enterprise Best Practices

Challenge #3 — Structuring Teams and Resources

Solution: Long-Term Strategic Planning, Office Assessment

- Create a roadmap for the future, including development of family goals, action steps and recommendations for family continuity and wealth sustainability
- Evaluate the performance of the family office by analyzing the roles and responsibilities of staff, peer comparison of cost and complexity, operational best practices, future needs assessment, enhancing communication

Challenge #4 — Making Decisions as a Family Group

Solution: Formal and Informal Governance Models

- Establish governance systems within the family enterprise
- Define leadership approaches and plan for succession in the family and family office

FOX Consulting (continued)

A Proven Process

During the FOX Consulting process, our team draws on FOX research, benchmarking data and member best practices to develop solutions for our clients. We are in a unique position to bring solutions to our consulting clients by drawing on over 20 years of member knowledge and industry research – in return, when we help our clients, the broader community benefits.

We start with a review of documents and interviews with family members, family office staff and key advisors to gain insights about the family's financial goals and objectives for the future, and the complexities of the family's needs.

During the synthesis step we evaluate the family's situation and compare the family enterprise to industry best practices, in the context of the family's goals.

Our deliverables can include a written report, incorporating a combination of family discussion and presentation that results in the finalization of a concrete plan for the future of the family enterprise.

Step #1 Fact Finding

Step #2 Synthesis

Step #3 Findings and Recommendations

Step #4 Roadmap for the Future

The Right Fit for You

FOX offers a variety of private membership options and customized services for wealth owners, family offices and wealth advisors seeking peer-to-peer exchange, knowledge, education and events.

FOX has always been at the forefront of delivering meaningful and unique research that family offices, multi-family offices and wealth management professionals use every day with their clients.

With its in-depth knowledge of the FOX member community, the FOX Consulting team is uniquely positioned to provide customized consulting services to FOX members and non-members to help them tackle the challenges of private wealth.

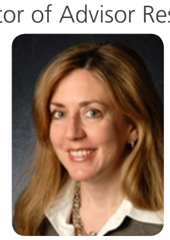
The FOX Consulting Team

Charles B. Grace, III
Managing Director

Sara Hamilton
Founder and CEO

David Toth
Director of Advisor Research

Steven Draper
Senior Consultant



Karen Neal
Senior Consultant

Jane Flanagan
Senior Consultant

For more information please call
Charles Grace at:
646-278-1376

Family Office Exchange ...at a Glance

Family Office Exchange (FOX) supports and advises more than 450 families and 300 advisor organizations each year. The net worth of our member families ranges from $25 million to over a billion ($400 million on average). Many operate thriving family businesses while others have sold their businesses and are managing their liquid wealth or pursuing new entrepreneurial opportunities. Members come from 20 countries, with 15% of the membership outside the United States.

Families turn to FOX for guidance on a range of family wealth management and governance issues and for top quality, secure peer interaction. They are able to learn how other families address their wealth management tasks and take advantage of the insights of FOX's twelve subject matter experts. FOX also brings leading industry experts to our events, webinars, and blogs, ensuring access to the best new ideas in investing, family governance, family education, family office operations, and philanthropy.

Because of our network's size and longevity, we have peer groups for all levels of experience and sophistication—from those just considering a family office to those preparing their enterprise for transition to the next generation.

The most common way to benefit from FOX guidance is through membership. Each member is assigned an experienced relationship manager to ensure that the member's needs are well articulated and satisfied by resources at FOX. There are several membership options available to best match your family's needs. FOX also makes available to non-members a limited number of live educational events and publications.

A membership in FOX has four components, known collectively as **C.A.K.E.**

Community

The most robust learning at FOX comes from interaction with your peers. You will meet fellow family members and family office executives at FOX events, in Council meetings, via the online discussion groups, and by direct introductions from your Relationship Manager. The community is large, private, and committed to sharing experiences and comparing notes.

Advice

As a FOX member, you will work with an experienced Relationship Manager who has helped other families facing similar challenges. They can point you to the right resources in the FOX Knowledge Center, introduce you to other families in similar situations, and suggest advisors who have successfully helped families. FOX also maintains a full-service consulting group for in-depth custom advice.

Knowledge

FOX makes a significant investment in gathering and conveniently organizing expert knowledge about family governance and wealth management. We are also dedicated to creating new insights from member surveys and our frequent interactions with hundreds of families and advisors. Our method is to synthesize our empirical learning into a set of best practices that can guide families in everyday decision making as well as to provide a comprehensive code of standards to help identify where gaps exist in a member's operations.

Education

FOX conducts twice monthly webinars to keep members up on trends and to dive deeply into important topics. Webinars qualify for CPE credit. FOX also produces a number of workshops that provide a constructive educational experience on member suggested topics among a tight group of like-minded families. Members also have access to the FOX Guide to Family Education, providing sample curricula and resource listings.

FOX at a Glance (continued)

What every family of wealth needs to be thinking about.

1. **Planning for the Family Enterprise and Managing Risk**
   Families that develop enterprise plans typically experience greater harmony, more clearly recognize threats to long-term goals, and do a better job of capitalizing on wealth enhancement opportunities.

2. **Governance, Leadership & Board Development**
   More than establishing the organizational structures, the process of decision making is a critical component of the family enterprise.

3. **Family Continuity and Owner Engagement**
   A focus on continuity, education and owner involvement is essential for the sustainability of the family enterprise. The family keeps its members engaged by developing a common understanding, identifying and promoting common goals, creating avenues for open communication, providing age-appropriate educational opportunities, and identifying, motivating and supporting the enrichment of each family member.

4. **Family Wealth Strategy & Investment Policy**
   A family wealth strategy includes (a) identifying enterprise financial goals, (b) developing an investment policy framework, (c) supervising a family's portfolio investments and other economic assets as well as (d) devising and overseeing vehicles (such as trusts, partnerships, foundations, etc) to hold assets taking into account tax, insurance, estate planning and financial planning, among other considerations.

5. **Wealth Management Best Practices**
   In an effort to help the membership learn from their peers, FOX has consistently tracked and documented the practices that have contributed to the success of the highest achieving and most forward thinking families and advisors in the industry.

6. **Industry Trends and Issues**
   FOX is uniquely positioned to not only gather a full range of perspectives from private investors, family office executives and other wealth advisors, but also to quickly identify issues and bring trends to the surface.

7. **Peer Communities**
   To avoid re-inventing what other's have already done, working with close peers helps constructively address new challenges. It also provides professional development for potentially isolated wealth owners and family office executives.

How FOX is different.

FOX is an objective, independent source of information and insights.

FOX identifies best practices to help members understand proven ways to address specific issues.

FOX helps introduce members to peers.

FOX fosters a secure and confidential environment.

FOX is dedicated to advancing the practice of legacy wealth management by both single family offices and multi-family offices.

FOX believes that family offices need clear, objective data on which to measure their performance and demonstrate their value to their owners.

FOX is global in scope.

FOX's independence is reinforced by its private ownership.

Visit http://www.familyoffice.com/about-fox/legacy-wealth-management for more information.

Community • Advice • Knowledge • Education

www.familyoffice.com

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Family Office Exchange Publications and Research

Central to the FOX mission is the study of issues that members face in leading their families, managing their assets, and operating their family offices. These are the most recent FOX research studies by topic.

Enterprise Family Planning

Securing the Future: Managing Threats and Opportunities through Effective Risk Planning

Taking the Long-Term View of the Family Enterprise

The Challenges of Shared Ownership

The State of the Art in Family Wealth Management

Family Business

Boundaries that Matter: Managing Family Assets Separately from the Family Business - SFO Solution

Managing Family Capital Generated by the Family Business

Protecting the Future: Managing Family Wealth Separately from the Family Business - MFO Solution

Investing

2014 FOX Global Investment Survey

Investing Amid Uncertainty

Navigating the Wealth Management Landscape

Rethinking Investment Risk Management

Selecting the Right Trusted Advisor

Risk

Building a Family Enterprise Plan to Deal With Future Uncertainty

Insurance Matters: The Case for Strategic Insurance Planning

Recasting the Central Role of the Family Office as Risk Manager

Securing the Future: Managing Threats and Opportunities through Effective Risk Planning

Small Family Office Sustainability

Innovating to Survive and Thrive: Meeting the Challenge of Small Family Office Sustainability

Investing in the Future: A Look Inside the Small Family Office

Bold title published in 2014

List as of 10/06/2014

Single Family Office Practices

50 Best Practices for an Enduring Family Enterprise

FOX Benchmarking 2014: Family Office Benchmarking Report

FOX Benchmarking 2014: Family Office Compensation Report

FOX Benchmarking 2013: Compensation and Benefits Survey

FOX Benchmarking 2013: Investment Survey

FOX Benchmarking 2013: Technology in the Family Office

FOX Guide to the Professional Family Office

FOX Insights: New Thinking in Family Wealth

How Wealth Owners Measure Value: Evaluating the Performance of Your Wealth Advisor or Family Office

The Cost of Complexity: Understanding Family Office Costs

Technology and Reporting

Best Practices in Reporting Toolkit

Financial Reporting in the Family Office

FOX Technology Guide

Wealth Owner Education

FOX Guide to Family Education

Global Family Office Primer: Purposeful Management of Family Wealth

Preparing the Next Generation for the Responsibilities of Ownership

U.S. Family Office Primer: Purposeful Management of Family Wealth

Multi-Family Office Practices

2012 Multi-Family Office and Wealth Advisor Benchmarking

Best Practices for Leading Wealth Advisors

The FOX Wealth Advisor Series

Enhancing the Client Service Experience

Standing Out in the Crowd: Strategies for Marketing and Leveraging Relationships

The Enduring Enterprise: Building a Sustainable Wealth Advisory Business

The Enterprise Sales Process: Best Practices in Business Development

Pricing for Profitability: Pricing Practices in an Evolving Ultra-Wealth Marketplace