FAMILY OFFICE ELITE

Winter Issue

Ling Jian - A VERY TALANTED ARTIST

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This property is a pre-qualified Conservation Asset – potential income tax benefits could offset the purchase price if a conservation easement is placed on the undeveloped acreage








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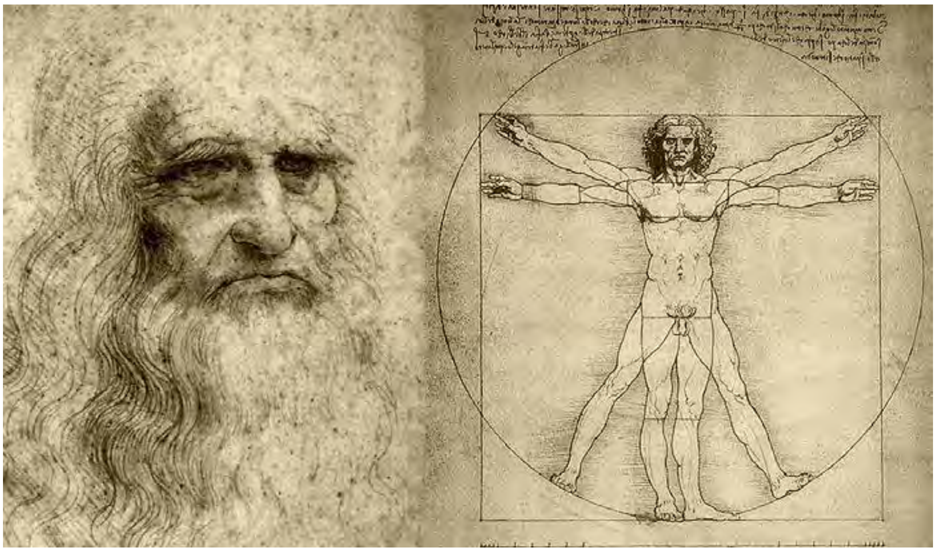
INTERNATIONAL REALTY

Please see Page 5 for a further discussion of Conservation Easements

see page 5

DOMOS FINE ART - SPV

Fine Art Investment - Buy to Hold – VS – Buy to Loan



DOMOS Fine Art - Video Presentation - click to view

With the current instability in the world markets, more and more Family Offices and UHNWI's are turning their attention to fine art as an alternative asset class. Of course one of the primary factors within this sector, like any other, is conducting due diligence on any collection of fine art that may be under consideration.

This normally means the provenance and condition of fine art must be right. If there is even the slightest of doubt as to the credibility of the provenance of any fine art, no matter how attractive the deal looks, the obvious decision is to pass on it. There are many other issues about fine art that would need to be addressed as part of the due diligence processes such as taxes and export licensing, forensic examination and so on. That being said, investing in off-market Fine Art has some interesting advantages over other traditional asset classes. One way of achieving such advantages is via a fine art SPV (Special Purpose Vehicle) An SPV can be set up in some jurisdictions around the world, each with varying criteria depending on what the needs of the clients are. There are many benifits such as low running costs, no inflated salaries', no huge commissions as with the main aucton houses and there can even be tax incentives depending on the structure and duristiction of the Fine Art SPV. We would recommend that the client owns 100% of the SPV. The artwork collection held within an SPV can also be used as collateral for a loan or can sell a share of the SPV.

The Buy and Hold SPV- This is a rather simple entity and is predominantly utilised by the hard-core investor as a vehicle to park funds for a long-term period. The art that is owned by the Buy and Hold SPV can be stored at a Free Port or another location until the investor then decides to sell. Although this is a horrifying prospect for most fine art connoisseurs, to a hard core investor, it's simply "just business".

Buy to Loan SPV is another option for clients wishing to invest in off-market fine art and then loaning it to a reputable museum. This SPV also has some advantages such as the low costs associated with loaning it to established museums; this would be dependent on the terms and conditions of any loan agreement. From an investor's perspective, knowing that their artworks are on loan to an established museum give them the confidence in knowing that their investment is in safe hands.

This strategy also falls with the remit of Family Offices, as investing in fine art, is in essence, preserving the wealth for the next generation.

DOMOS Fine Art specialises in off-market private sales of art and collections. They work with a team of internationally reconised experts and consultants, to assist clients with their fine art requirements.

www.domos.co.uk

FAMILY OFFICES
A CANADIAN PERSPECTIVE

by: Lijoy Ulahannan

With the recent stock market crashes globally, and interest rates remaining historically low in North America, more wealthy investors are looking for alternative investments to park their cash. With predictable cash flow and long term appreciation, Commercial Real Estate has become the solution for high net worth investors, pulling millions out of the stock market. Ahead of the pack is a group that is relatively new in Canada. Canada's Newest Luxury: The Family Office is taking off for Canada's wealthiest families, and it's a trend that's likely to trickle down. Among many specialized services, the family office provides anything from staff and travel management services to the supervision of trusts and investments, and might become the vehicle for the globalization of Canadian family businesses, serving as the place for increased networking for family business owners around the world.

Typically centred around a family business, family offices employ a team that may consist of a dedicated in-house lawyer, accountant and chief investment officer, among others. It's estimated a family would need US$250-million net worth to justify employing such an in-house team.

Only 7,000 Canadians have investable assets of even $20-million, says Graham Parsons, executive vice-president of BMO Financial Group. But 444,000 have between $1-million and $20-million, and may well want to share the services of a multi-family office. A handful of Canadian boutique firms are branching out from serving a single core family to embrace the MFO model, which means multiple unrelated families can, in effect, share a chief financial officer, legal, trust, tax and insurance professionals. Services provided by family offices are varied. They include estate planning, family governance, generational succession, philanthropic services, investment tax and advisory needs and, in some cases, financial and business education for the children and subsequent generations. Family offices would be particularly effective for well-established family businesses in their third generation where the majority of family members have little or no involvement in the business and are more likely to have roles as shareholders in a large corporation. However, the Australian family office sector is still largely controlled by first and second generations. Analysis by the Table Club suggests that as the next generation takes over in the next few years, there will be shift in investment focus away from core wealth creation to preservation.

The family office is a relatively new business in Canada, but it's been growing over the past decade as more entrepreneurs and executives in this country reach an age and wealth level that makes them open to a new approach to asset management.

To learn more please visit **www.canadafamilyoffice.ca**

LAND CONSERVATION
STRATEGIES FOR THE AFFLUENT

by Jim Sullivan - Forever Forests LLC

What do Ted Turner and John Malone, have in common? Most people know they both made their fortunes as cable and media giants. But few people know that, like many other UHNW land owners, Turner and Malone possess meaningful assets in land conservation. They have discovered that the use of Conservation Easements (CEs) are a tool that fits well with their financial and personal goals. If you're scratching your head, asking "what's a conservation easement?" you are like many people who have yet to understand the meaning of this term. A conservation easement is a private action taken on private land, which provides for the preservation of the land by permanently restricting development, commercial and industrial uses, and certain other activities on a property. They protect biological, scenic, and historical resources. Per the USA's National Conservation Easement Database, there are an estimated 40 million acres under conservation easements. That is almost the size of Washington State.

Tax Savings

Since 1980, the US Tax Code has recognized conservation easements to be charitable deductions. Over time, they have emerged as a favored tax strategy of the highly affluent. Handler Thayer, LLP is a Chicago-based law firm that has served over 200 multi-family and single family offices, many of whom are billionaires. According to Tax Attorney Thomas J. Handler, JD, one of its founding partners "In contrast to today's climate of ongoing attacks on tax laws that benefit the affluent, Congress has over the last 10 years continued to provide enhanced incentives for conservation easements by allowing, in some circumstances, CE deductions to offset up to 50% of your income of all types and from all sources."

It is possible that with the proper application of a conservation easement, you could cut your taxes in half. Further, surplus CE deductions can enjoy a carry forward life of up to 15 years as well, depending on government incentives the year the CE is donated. Also, these deductions are recognized in the majority of states that also collect income tax; some cities as well. If that were not enough, certain states like Colorado, Virginia, and North Carolina have at times offered tax credit incentives for land conservation, which in many cases may be taken in addition to the federal and state deductions. You must always consult with your tax adviser to accurately depict your tax savings outcome.

Why does this special provision in the US Tax Code attract such legislative favor? Well, any legal scholar will tell you that legislative intent is not always the easiest thing in the world to decipher. But it stands to reason that, the more private individuals preserve land, the less the government has to do so. The result is a net reduction in tax dollars utilized to acquire and manage conserved land. It just makes fiscal sense.

Perhaps we can thank President Theodore Roosevelt. He didn't originate the idea of land conservation in the US, but he certainly used his bully pulpit of the presidency to advance the cause. It was in 1903 that by Executive Order he declared Pelican Island of Florida's Treasure Coast as the First Federally Protected Wildlife Preserve. And thus the story line of government participation in land conservation began. He is remembered for great statements like: "Here is your country. Cherish these natural wonders, cherish the natural resources, cherish the history and romance as a sacred heritage, for your children and your children's children. Do not let selfish men or greedy interests skin your country of its beauty, its riches or its romance."

Legacy and Philanthropy

Conservation easements are a great way to leave your lasting mark on this world. They can be a powerful tool for estate planning, and are an enormous way to show your "love for the land" in a permanent way for you and your heirs to enjoy. Many UHNW individuals, rather than fully developing a scenic tract, have employed a more restrained approach, establishing a private family's estate flanked by rich open spaces and priceless scenic views, permanently preserved for generations to come. They do so willfully, and enthusiastically because they know when you grant a CE you are not giving away your Land. You are forgoing development rights. What's more, there are no requirements to grant public access with a CE. The property is yours, to freely enjoy.

A more specific example of what can inspire the drive for legacy is the conservation work done by the David & Lucille Packard Foundation of Los Altos, California. They share the concern that the world's growth in population and resource consumption has led to the loss of forests and biodiversity, overharvesting of fisheries, degradation of marine resources, air and water pollution, and growing impacts from climate change. Thus, they invest in action and ideas that conserve and restore ecosystems while enhancing human well-being. In this same spirit, your Family Office could make its contribution to the sustainability of our world through the application of conservation easements.

Creative Conservation

Qualified CE tax deductions flow to the owners of the land at the time of preservation, and individuals, partnerships, and corporations can all utilize these incentives. While certain rules must be followed to claim conservation deductions, there are some creative ways a conservation objective can be realized. The most common approach is to grant a CE on land you already own, and use the deductions to reduce your overall income tax liabilities, possibly for years to come. Alternately, land appropriate for conservation may be identified and acquired, with the acquisition cost being partially or substantially offset through conservation tax savings. This is almost like using tax dollars you would have sent to the government to acquire real estate that you can use and enjoy. How else can you turn a liability into an appreciable asset? Powerful. Another creative approach to introducing environmental sustainability into an investment portfolio is to partner with a landowner who wishes to preserve their sensitive lands, thereby facilitating the preservation of these lands while realizing a significant potential return on your investment from the tax deductions alone. This strategy allows the landowner to raise capital while preserving their land by partnering with others to share in the tax deductions. Developers are eagerly adopting this approach to enhance their products with green space amenities. And conservation easements are even finding a role in turbo-charging certain types of Impact Investments.

Impact Investing

Impact investments are investments made into companies, organizations, and funds with the intention of generating social and environmental impact alongside financial return. "Impact Investing" is akin to other terms like "SRI" (Socially Responsible Investing) or "ESG" Investing (Environmental and Social Governance). The emerging generation of investors in the world is embracing this as a guiding ethic in the way they put their money to work. In September of 2015, even The United Nations went so far as to back a report stating that "Failing to consider long-term investment value drivers, which include environmental, social and governance issues, in investment practice, is a failure of fiduciary duty". Conservation easements can be an attractive tool for advisors to consider when seeking to fulfill their responsibility to manage their client's assets with environmental sensitivity. When the opportunity is right, a blend of the tax advantages of conservation easements mixed other financial drivers in an investment proposition can make great environmental and financial sense

Invest Toward US Citizenship

As the Beatles said in their 1964 smash hit, "Money Can't Buy Me Love". However, since 1990, money can buy you a path to citizenship in the USA. With an investment of $500,000 to $1,000,000 and an intent to create ten full-time jobs, you can have your green card and be well on your way to enjoying the benefits of US Citizenship. In context, one could invest toward citizenship into a pre-qualified conservation opportunity that also has other business elements. For example, organic farming, equestrian facilities, a PGA Facility or a marina with a preservation plan, all create jobs. Even a luxury estate with conserved acreage requires staff. In doing so one could enjoy the sense of legacy, the environmental "feel good" of impact investing, pay less in taxes and gain US Citizenship if you work the deal right.

Guidance Needed

Our team at Forever Forests has facilitated the placement of over $600 million in real estate assets into conservation, concluding more than 80 easements. With over 26 years of combined experience in the creative application of CEs, we are known for the depth of our expertise and essential attention to detail. There are no government approvals required before placing an easement, but many rules must be followed in order to claim a CE deduction, and the IRS is the after-the-fact gatekeeper. If you want that deduction to stand, don't try to do it yourself. Hire an experienced team to manage the process for you from beginning to end.

About the Author:

Jim Sullivan is the VP of Business Development for Forever Forests LLC, a land conservation consulting firm in the Greater Atlanta area. Forever Forests is a leader in structuring creative land conservation projects. They employ an emphasis on the application of conservation easements to enhance and permanently protect private land holdings while helping owners receive all the economic benefits they deserve.

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INVOLVING THE NEXT GENERATION

OPPORTUNITIES FOR FAMILY OFFICES

by Suzanne Hammer - Hammer & Associates

Teaching children and grandchildren about philanthropy early on can be a predictor in preserving family wealth, unity and legacy over the long term.

Many successful family offices realize that family unity and long-term wealth preservation depends on their ability to prepare the family's younger wealth owners. One of the biggest concerns is how to educate and pass on leadership to younger generation family members (commonly referred to as 'next generation' or 'new generation').

Motivating the next generation can be a challenging task. Older family members may believe their young adult children enjoy the benefits of wealth and want little to do with the responsibilities. Or they may be waiting to see if or when their children express interest, skills or follow-through to engage in the family enterprise.

I spoke with a number of family office professionals globally about how and why families engage the next generation. According to Patricia Armstrong, senior director of family dynamics and education at Abbot Downing, "For people who have made their own money and the scale of their wealth is beyond what they anticipated, they often worry that their kids will go off the rails, lack focus or feel they don't have to work."

In spite of the concerns, some families don't do much to ready the younger family members for their future roles in managing the family enterprise or working together. As Christian Stewart of Family Legacy Asia in Hong Kong remarked: "Patriarchs often have a dream for family unity—keeping the family together over time—but they rarely teach the skills to do that. The family continues under patriarch's dynamics, and as the older generation ages, they wonder why their children can't get along."

The next generation may view the family enterprise as elusive at best or a burden at worst. They may lack understanding about the family wealth, business and philanthropy—and why it's important to be involved. There may be uncertainty that the older generation even wants them involved, or if so, what that involvement entails. Finally, there may be a reticence to get caught in family dynamics and conflict.

Philippe Weil of PJ Weil Family Offices based in Tel Aviv and Zurich explained it like this:

The younger generation is often uncomfortable and experiences frustration with regard to the family fortune. Members of that generation fail to find a place for themselves in society. Each struggles to define his/her own identity. They feel worthless in the sense that economically everything is available to them but in effect, they have no say in anything.

Philanthropy is an excellent way to bridge this conflict—teaching the next generation about the family enterprise, finances and values, and empowering them to do something of meaning. It can help younger family members develop their own sense of purpose, and give them a chance to practice good stewardship, responsibility and how to share power.

Weil reflected he most often sees families of three generations or more become interested in philanthropy. Whereas the first generation, the wealth creators, are focused on the business, and the second generation is focused on preserving the wealth, the third generations' role can be less clear. "By the time the third generation comes along, they are more conscious what it is to be a family of means. I always tell the first generation to encourage their grandkids to get involved with philanthropy, to do something more strategic."

According to Richard Joynt and Ian Slack of Bedell

Family Office based in Jersey, Channel Islands, "In our experience clients of all cultural backgrounds view philanthropy as an effective way to prepare the next generation. By giving them the opportunity to have responsibility for part of the family wealth, within a safe environment, it allows the head of the family to give them some financial freedom, whilst also serving as an education to the next generation in comprehending the value of money."

In the U.S., more family offices and private foundations are engaging their children in philanthropy early on. One of the popular ways of involving the next generation is by creating an adjunct board and giving younger family members a small amount of money to give away. Lisa Parker, president of The Lawrence Welk Foundation and vice president of philanthropic services for the multi-family office Whittier Trust Company, participated on a youth board when she was young. "Back then, we were very unusual for creating a junior board for the youngest family members (ages 11-24). Now there are so many families intentionally cultivating the next generation to be givers and board members, not necessarily as 11-year olds but certainly as young adults."

Trends in Younger Generation Giving

In a recent study, my colleagues and I identified the following trends for how the next generation approaches philanthropy:

- Drivers of the philanthropy conversation. The younger generation often initiates the philanthropy. "The next generation is more interested in philanthropy than they are the family business. They become the fuel for philanthropy in the family."
- Move from check-book giving to philanthropy as a business. "Giving is highly entrepreneurial and creative and has little to do with traditional giving – especially when it's the next generation who is doing it."
- Interested in innovation and ideas for change. Research has shown that while next generation donors give to some similar causes as their families, they are also keen on new ways of change for the future. (Johnson Center and 21/64, 2013)
- Want to "give while they live." Younger donors feel an urgency to solve the world's biggest problems. They care about making a difference today, in their lifetimes, rather than giving to leave a legacy.
- Metrics matter. Many times, younger donors are entrepreneurial themselves. They want to see impact and results. They want to quantify the social return.

Ideas for Engaging the Next Generation

Family offices can use different methods to engage new generations in the family business and philanthropy. Suggestions from colleagues included:

- Invite younger family members to meetings as observers or participants
- Talk to the next generation and find out what they are interested in
- Take them on site visits of the family business and/or recipients of family funds
- Allow younger members an appropriate amount of money that they collectively must decide to give away; facilitate discussions to uncover their motivations and thought process
- Provide ongoing professional development through conferences, workshops, learning and networking events
- Offer service on advisory committees of the family council or board
- Encourage them to serve on charitable boards as training ground for running the family office or family business, and engaging another perspective
- Ask them for input on projects they are interested in or have expertise
- Establish a "next generation" fund or philanthropy program to train the younger members on philanthropy and grow their collaborative skills
- Encourage the family to share stories about successes and challenges, as research has shown this builds resilience and confidence in the next generation

To learn more about philanthropy in family offices, read the new report Philanthropy in the Family Office: A Global Perspective, June 2015, produced by Hammer & Associates and the Global Family Office Community. Download the report at www.suzannehammer.com.

BENTLEY MOTORS

Sector-defining Bentayga SUV

The Bentley Bentayga combines unparalleled luxury with effortless performance and everyday usability. With an all-new twin-turbocharged 6.0-litre W12 powertrain, the Bentayga is the fastest, most powerful, most luxurious and most exclusive SUV in the world.


#BeExtraordinary
#Bentayga

BENTLEY MOTORS

UNVEILS THE BENTAYGA SUV AT 66TH IAA

FRANKFURT

Most luxurious and fastest SUV in the world

FAMILY OFFICE ELITE MAGAZINE SPECIAL

ABOUT BENTLEY

Bentley Motors is one of the most sought after luxury car brand in the world. The company's headquarters in Crewe is home to all of its operations including design, R&D, engineering and production of the company's three model lines, Continental, Flying Spur and Mulsanne.

The combination of fine craftsmanship, using skills that have been handed down through generations, alongside engineering expertise and cutting-edge technology is unique to UK luxury car brands such as Bentley. It is also an example of high-value British manufacturing at its best. Bentley employs around 3,800 people at Crewe.

The Bentley Bentayga combines unparalleled luxury with effortless performance and everyday usability. With an all-new twin-turbocharged 6.0- litre W12 powertrain, the Bentayga is the fastest, most powerful, most luxurious and most exclusive SUV in the world. It offers a true Bentley driving experience and showcases a range of innovative technology features. It's modern luxury interior is handcrafted in Britain; the Bentayga boasts the world's finest automotive cabin, with unrivaled levels of precision. The detailing in metal, wood and leather – including meticulous tolerances between elements of trim – sets a new standard in automotive design. This level of perfection is only achievable thanks to the exceptional skill of Bentley's colleagues in Crewe.

Wolfgang Dürheimer, chairperson and chief executive of Bentley Motors, comments: "The Bentayga is truly the Bentley of SUVs. It redefines luxury in the SUV sector and offers a genuine Bentley experience in any environment, thanks to a combination of unparalleled attention to detail, go-anywhere ability and cutting-edge technology. With this extraordinary car we are looking forward to an exciting period of strong growth and sales success for Bentley. The Bentayga is the next step in our brand's bold future."

Joining the Bentayga on stand is the recently refreshed Continental GT Speed Convertible. New exterior styling including more pronounced fenders lends a more assertive and confident stance to the front of the car. Enhancing the GT's iconic silhouette further, three new paint colours are available. The upgrades continue inside the luxury cabin of the Continental range with a new style seat detailing, brightware elements, driver instruments, steering wheel and gear paddles. New material options and hide colours complete the refresh. Onboard WiFi, providing connectivity to all handheld devices in the car is also now available across the Continental family.

The mighty 6.0-litre twin turbo W12 engine receives a power and torque increase, from 575 PS (567 bhp / 423 kW) and 700 Nm (516 lb.ft) to 590 PS (582 bhp / 434 kW) and 720 Nm (531 lb.ft), to maintain the model's reputation of effortless performance. The power upgrade is accompanied by improvements to fuel economy and efficiency.

The Mulsanne Speed completes Bentley's production-model line-up at Frankfurt. Tailored for the driver, the Mulsanne Speed delivers the fastest handcrafted luxury driving experience in the world.

Bentley's mighty 6¾-litre twin-turbo V8 engine propels the Mulsanne Speed to 60 mph in 4.8 seconds (0-100 km/h in 4.9 seconds) and on to a top speed of 190 mph (305 km/h), while modern exterior and interior bespoke styling features define the Mulsanne Speed as a statement in quintessential British
luxury.

Bentley GT3
Bentley's Continental GT3 takes a break from the 2015 racing season to join the Bentley model range at the IAA. The racecar explores the potential of the Continental GT in its most extreme form, exploiting the performance and endurance DNA in every road-going Bentley.

The 2015 season has seen the continued growth of the Bentley international motorsport programme, with Works-supported teams racing in six different series across four continents and customers taking their Continental GT3s to an ever-expanding selection of new countries and GT races.

Bentley Inspirator: A Journey Through Personalisation
Inspiration can now be transformed into recommendation, via Bentley's latest innovation: The Inspirator. Using a device's camera function, the application's facial and emotion recognition software measures expressions on the user's face as they react to a variety of emotional and evocative imagery.These reactions are then interpreted by the app, and a bespoke Bentley for that customer is configured, providing ideas and suggestions for tailored options based on their needs, tastes and preferences.

- Bentley unveils the Bentayga: the most powerful, most luxurious, most exclusive and fastest SUV in the world
- Bentayga combines unparalleled luxury with sporting ability, off- road performance and everyday usability
- Designed, engineered and built in Crewe, UK, this sector-defining SUV takes Bentley luxury to new places
- Continental GT displays refined Grand Touring luxury
- Bentley Mulsanne Speed – the pinnacle of luxury and performance
- GT3 racecar takes break from 2015 season to join model range
- Next generation Inspirator configurator app
- Bentley's luxury goods collection reimagined for 2016

RETURNS FOR ITS THIRD EDITION

ELITE LONDON

EXCEPTIONAL LUXURY ITEMS ON DISPLAY
FROM THE MOST DESIRED BRANDS IN THE WORLD

The Elite London returned for its third year, taking place once again at the award winning FBO facility Rizon Jet, at London Biggin Hill Airport for 2016.

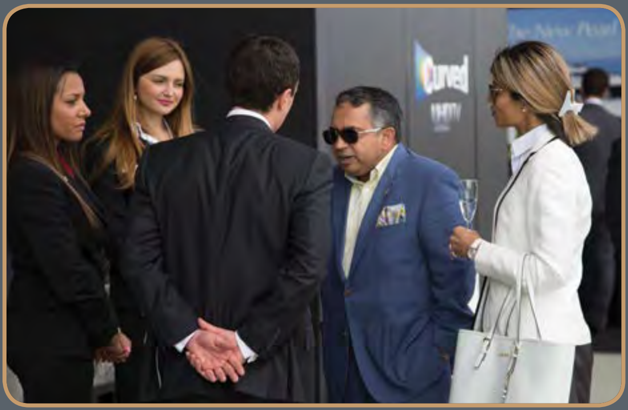
The Elite London is one of 'London's most exclusive jet set lifestyle event' specializing in a combined gathering of private luxury lifestyle products and related services at one unique private venue, accessible by both road and air. Designed to be different - The Elite London combines all different luxury lifestyle industry sectors to create a platform of crossover sales and interest in which multiple lifestyles are on offer The event incorporates 'Jet-set Lifestyle, The Marine Elite, The Luxury Brand Show and Exclusively Super Car Show Case. In total over 100 luxury brands were on showcase during the 2-day event to a privately invited audience of over 4,000 and over 100 private visiting aircraft.

Now in its third year, the need to expand the indoor area has been underlined for the continued development of the 'Jet-Set Lifestyle' event that harnessed the benefits of aviation for business and leisure. Visitors experience hands-on a wide selection of corporate & private aircraft.

Visitors were able to compare aircraft from the leading manufacturers and even fly-before-you-buy by arranging a demo-flight with one of the exhibiting sales or charter operators. In addition to the range of factory-new aircraft Jet-Set Lifestyle feature a pre-owned enclosure where private sellers have the opportunity to exhibit their individual aircraft to potential buyers in a relaxed setting..

Exclusive Luxury Brand Show
at the Elite London 2015

To compliment the jet-set lifestyle theme, the Luxury Brand Show celebrated the luxury lifestyle world by showcasing the finer things in life. Featuring stunning brands from fine art to fashion and luxury gifts to exquisite jewelry and brands.



SUPERCAR SHOWCASE

BEST OF THE BEST FROM AROUND THE WORLD

The Supercar Showcase was designed to be different. Pedigree performance and prestige were the key components for the luxury automotive showcase.

Premium car brands were on show and on sale to visitors who buy, collect and race the finest luxury and classic cars.

The Exclusively Supercar Showcase featureD an impressive range of both new and premium pre-owned models from hypercars to luxury 4x4.

Visitors also had the opportunity to pre-book a test drive with participating exhibitors and get behind the wheel of the cars you would want to try before you buy.

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KEEP IT IN YOUR DIARY

ELITE LONDON 2016

TAX EFFICIENCY

Climbing the Tax-Efficiency Pyramid to Lower Taxes

By Tim Voorhees

Climbing the Tax-Efficiency Pyramid to Lower Taxes Summary:

• Marginal income tax rates often exceed 50%. The top federal tax rate of 39.6% applies to taxpayers earning more than $464,850. Most of these individuals can have passive income subject to the Medicare surtax of 3.8% and the phase-out of deductions that can raise marginal tax rates by 1.2%. Add state tax rates that typically range from 5% to 13.3% and it not uncommon to see clients losing half of their ordinary income to taxes.

• More than 2,000,000 Americans now earn more than $500,000 per year. Family office professionals report that many of these people spend much less than a half million dollars annually. It is common to have clients earning an extra $200,000 or more of income each year that is not needed for current lifestyle needs. This excess income is usually taxed at marginal tax rates of 50% or more unless additional planning is done.

• Family Offices can help prospects and clients minimize unnecessary income taxes by climbing up a "tax efficiency" pyramid to realize greater benefits at each higher level.

• The most powerful income tax strategies typically generate income tax deductions in the current year as clients fund investments that can grow tax-free and make tax-free distributions.

• The most effective planning instruments typically involve the integration of legal, investment and insurance strategies. Collaboration among professional advisers is more important than ever.

• Family offices, because of their key role in coordinating professional advisers, are often called to quarterback the income tax planning transactions.

Opportunities for family offices increased dramatically in early 2013 when the President signed the American Tax Relief Act of 2012 into law. While the demand for estate planning shrank when the estate and gift tax exemption increased from $1million per person to the new "permanent" exemption of more than $5 million per individual, the need for income tax planning grew substantially when the top marginal rates increased for most taxpayers. Many clients will now have top tax rates of more than 35 percent on capital gains and more than 50 percent on ordinary income unless financial planners provide solutions.

The impact of the new higher tax rates is evident when projecting retirement savings growth over 20 years. For example, a business owner funding a retirement plan with $500,000 over the next few years can expect the plan to generate more than $1,760,000 of tax-free income--if money grows at 6.5 percent, and there are no taxes on contributions or withdrawals. If, however, the executive is married with income of more than $450,000, marginal tax rates may be 39.6 percent at the federal level and 10.23 percent at the state level. For more information about tax rates, see www.vfos.com/webdocs/TaxRates2015.

Together, these taxes reduce money going into Roth IRAs, retirement annuities, and related retirement investments by almost 50 percent. If the executive keeps the money in annuities or stock investments, there will likely be additional taxes when the funds are withdrawn. Even if the taxes are at capital gains rates instead of at ordinary income rates on withdrawals, the Federal capital gains rate of 20 percent is often increased by the 3.8 percent surtax for couples earning more than $250,000 and further increased by state tax rates that approach or exceed 10% in major states like California and New York. It is, therefore, common to see capital gains taxes that consume more than one-third of gains. In the largest state (California), capital gains rates can exceed 38%.

To illustrate the impact of taxes, it is useful to look at how taxes reduce returns across time. Consider a client who has $500,000 of excess income (e.g., income not used for lifestyle expenses) this year or over the next few years. If the 50 percent rate on contributions applies along with the 38 percent rate on withdrawals, the $500,000 is worth only $662,287 in 30 years. On the other hand, if the client invests the $500,000 in vehicles that generate current tax deductions and avoid taxes on investment income and distributions, the $500,000 can grow across 30 years to be worth more than $5,000,000. Would a client rather have a half million of extra taxable income grow to $662,000 or $5,000,000?

The impact of taxes will vary depending on the timeframes and investment returns. The following table show the power of tax-efficient investing with different assumptions:

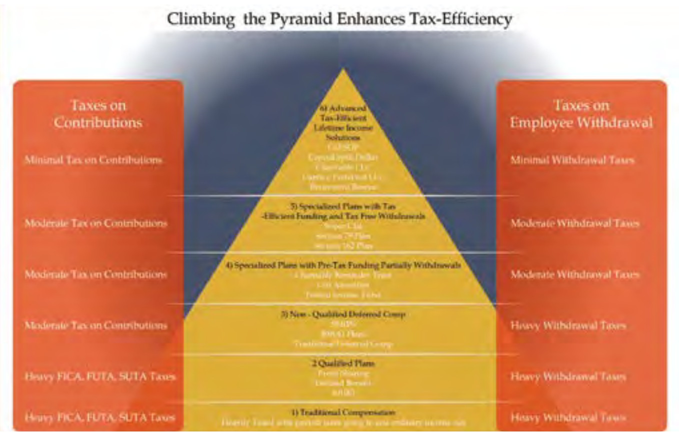
Impact of Investing Excess Income Tax-Efficiently:	Now	20 Years at 6.5%	30 Years at 8%
With Tax-Efficient Planning Tools	$500,000	$1,761,823	$5,031,328
If 50% of Excess Income is Lost Taxes Before Investing	$250,000	$880,911	$2,515,664
If Investment Returns are Reduced by 38% Taxes	$250,000	$580,265	$1,068,205
If 38% of Accumulated Value is Lost to Withdrawal Taxes	N/A	$359,764	$662,287

The above numbers illustrate the power of tax-deferred accumulation but, with some types of retirement investment vehicles, the illustrated values may be further reduced by taxes on accumulation. Also, the tax rates on contributions and withdrawals may vary significantly depending on the timing of cash flows, changing tax rates, and other variables not considered on the above illustration.

Obviously, investments will perform better if there are no taxes on the contributions, accumulation, and withdrawals. Fortunately, American tax policy encourages the pre-tax funding of investments using a variety of planning instruments discussed on the following pages.

Moreover, taw laws allow for the integration of legal, investment, and insurance tools to facilitate tax-free accumulation and distributions. As long as clients are willing to make longer-term investments and properly integrate planning instruments, they can climb a pyramid with each higher level allowing for bigger tax deductions in the current tax-free, more tax-efficient investment compounding, and larger tax-free income payments during years when funds are withdrawn.

Sorting through the different tax planning options



may seem like a herculean task; however, the pyramid diagram simplifies the decision process. The six levels of the pyramid graphic, explained below, illustrate how clients are rewarded for advancing from traditional to more innovative strategies.

Level 1: The bottom level on the pyramid depicts how most clients receive their income. Their paychecks show heavy FICA, FUTA, SUTA, and other payroll taxes as well as withholdings for state and federal taxes. As indicated on many paystubs, more than half of the income can be lost to taxes at level 1. Moreover, after-tax investments in retirement vehicles can trigger additional taxes, as indicated on the right side of the pyramid below and in the after-tax numbers on the above table. Obviously, clients need to find more tax-wise solutions!

Level 2: Climbing the pyramid to level 2 affords clients opportunities to invest in ERISA qualified plans. Such plans include 401(k) plans as well 403(b)s, SIMPLE plans, profit-sharing plans and defined benefit plans. While employee deferrals used to fund qualified plans will still be subject to payroll taxes, the heavy state, and federal income taxes are deferred until money comes out of the qualified plans. The tax-deferred growth in retirement plans has helped Americans accumulate more almost $25 trillion in retirement plan assets. Without additional planning, this $25 trillion is all subject to ordinary income taxes during retirement or at death.

Level 3: Business owners and highly compensated employees often want more tax benefits than qualified plans afford. Too often, the top-heavy rules limit the number of contributions by highly compensated executives. To work around the ERISA restrictions, financial planners offer a variety of non-qualified deferred compensation plans. These include traditional deferred compensation plans involving salary and bonus deferrals as well as more sophisticated plans covered by 409(A) rules on deferred compensation. With the common Supplemental Employee Retirement Plan ("SERP") arrangements, the employer must wait to receive the deduction until the employee receives the benefit.

Since 2004, the 409(A) regulations have increased the risk of current taxes applying to non-qualified deferred compensation plans, including restricted stock, phantom stock and performance share plans, as well as stock appreciation rights and long-term bonus or commission programs. Many executives have used these plans to accumulate substantial balances without realizing the full extent of the likely withdrawal taxes. Now these executives face much higher than expected taxes on their withdrawals because of the higher marginal rates in 2015. This is spurring growing interest in Levels 4 through6 of the pyramid.

Level 4: The Level 4 solutions include a variety of charitable planning instruments that allow for large income tax deductions when they are funded as well as tax-deferred growth on the plan balances. Moreover, the distributions may have only moderate withdrawal taxes. For example, charitable remainder trusts (CRTs) can distribute tax-free or capital gains income. Gift annuities can pay out partially tax-free income by returning the initial investment capital as part of each payment. These charitable tools can be custom-designed for each individual to start retirement income when income is most needed, or tax rates are lowest. For these reasons, the charitable tools at level 4 can provide better bottom line benefits than those generated at levels 1-3.

Level 5: Clients focused on retirement security, and income may reject level 4 solutions because "charity begins at home." Fortunately, there are charitable solutions, such as a Super CLAT designed with the current low 7520 rate that can increase what goes to the donor throughout retirement. For substantial benefits from non-charitable tools, employers will often take deductions for a Section 162 plan or a Section 79 plan. For example, a company can make pre-tax contributions of $500,000 to a Section 79 plan so that an employee can receive tax-free income of nearly $1.1 million while also funding a tax-free death benefit for his or her heirs that may be more than $1,000,000. See http://vfos.com/webdocs/M45_SampleSection79.pdf for a sample illustration.

Level 6: Creative planners continue to find synergistic combinations of planning instruments that can provide benefits that exceed those illustrated in Level 5. For example, the Family Retirement Account™ ("FRA") leverages the benefits of universal life insurance using loans and a dynasty trust in order to convert taxable retirement income into tax-free cash flow and/or wealth transfers. Capital Split Dollar ("CSD") helps employers take income tax deductions for funding tax-free retirement and death benefits for key executives. An Employee Stock Ownership Plan ("ESOP") can provide a tax-free build-up of assets. When the ESOP is combined with a charitable trust, the resulting "ChESOP" can produce both tax deductions in the early years and tax-free income in later years.

For clients with much charitable intent, a popular Level 6 strategy is the charitable LLC. $500,000 contributed can produce more than $2,000,000 for family and charity. The family benefits can exceed those of the Section 79 plan while also giving clients the satisfaction of redirecting tax money to their favorite charities.

While qualified attorneys opine that the above Level 6 strategies are within the letter and spirit of the tax code, the techniques may be too complicated for some clients. Moreover, attorneys must consider a long list of legal, tax, and financial issues when integrating the components of the advanced planning tools. Failure to implement and monitor strategies correctly can create unnecessary audit risks. If the client has concerns about the ability of his or her team to maintain a Level 6 strategy across time, then simpler strategies at Levels 2 to 5 may be better.

Conclusion

New tax laws, such as the 409(A) rules passed several years ago, and the American Tax Relief Act signed in 2013, have curtailed many popular planning strategies. Wise planners, like Hercules, find that each time a head is cut off the hydra, two new heads grow. The decline in the demand for estate tax planning is small compared to the big increase in the demand for income planning and retirement planning. Family office professionals have immense opportunities to serve the tens of millions of present and potential clients who are stuck at level 1 or level 2 of the tax-efficiency pyramid. As indicated above, there are compelling reasons and great financial rewards for the clients who advance to levels 3, 4, 5 and 6 in the tax efficient lifetime income planning process.

About the Author

Tim Voorhees' planning teams have developed many "blueprints" that align legal, tax, and financial strategies with the vision and values of wealth holders. Information about Tim Voorhees books at www.ZeroTaxCounsel.info, www.BestToolsManual.info, www.Legacies.info, and www.wisdom4wealthy.info. Tim regularly publishes articles in leading publications and speaks at conferences for many national organizations. www.TimVoorhees.com.

MULTI FAMILY OFFICES
EMBRACE CRITICAL LIFESTYLE SERVICES

To a large degree, the very wealthy are gravitating to multi-family offices including multi-family office practices that are embedded in larger organizations such as accounting, law, and brokerage firms. According to Hannah Shaw Grove, an independent consultant to professionals on the structure and operation of family offices and a founder of Private Wealth magazine, "Multi-family offices are very appealing to the high-net-worth because they are not about pitching services and products, but instead concentrate on developing a deep understanding of each client in order to provide a suite of interconnected state-of-the-art solutions."

For multi-family offices to ensure success, it's increasingly important to have access to a complete range of expertise. They need to understand their family clients and solve an extensive array of problems when they arise. Many times, this involves bringing in the highest quality outside experts, where their role becomes one of oversight and facilitation. When it comes to lifestyle services, the firm refers clients to specialist providers like Victoria Shorten from One Lifestyles, who comments, " There are two areas that are frequently in strong demand are concierge medical services and family security specialists."

According to Victoria Shorten, the founder and CEO of One Lifestyles, "The drivers behind concierge medicine are the clients' desire for loyalty, efficiency and competence. There are several versions of concierge medicine; most of them are small practices with conventional office hours and a specialist referral network limited to their local hospital staff. Our affluent families and executive clientele require a far greater set of resources, one set up to deliver exceptional personal care on a 24/7/365 anytime, anywhere-in-the-world basis."

Another indispensable lifestyle service is family security expertise. Some aspects of security are well defined, such as close protection personnel or pre-employment screenings, while others, such as fraud detection, litigation support or crisis response are more fluid in nature and often require bespoke solutions. "Being able to minimize or eliminate security problems and threats requires a special skill, one that has to be carried out by individuals with particular training," explains Ms. Shorten, "Unfortunately, many times the very wealthy and their advisors don't have a clear grasp of all the issues involved and the ramifications of their actions.

We work with skilled staff comprised of only highly qualified, state certified professionals. Our security partners conduct on-going training to keep the team vigilant and up to date with ever-changing times. Our personal protection partners are number one in the industry and make sure our clients understand every option available to them and, when they've decided on a course of action, we make things happen."

Selecting the right concierge medical practice or the right family security specialist can mean the difference between life and death. "Our ability to spot client needs and our knowledge of the industry and our affiliated partners enables us to be exceedingly responsive," notes Victoria. "We also provide all other lifestyle services such as travel, home maintenance, babysitters, entertainment, holidays and special requests for rare items. Coordinating lifestyles of many family members and knowing what they need before they need it is a skillset we've actively developed that now enables us to do a more comprehensive and better job and on a global level."

Multi-family offices are increasingly becoming the preferred financial provider to the exceptionally affluent. The core appeal is their ability to efficaciously bring an entire menu of top-of-the-line capabilities to their clients. "Issues about health and family security can instantly eclipse financial matters so that all lifestyle concierge services can be critical and differentiating services for a multi-family office," notes Victoria. "Having a vetted network of specialists in place that can be deployed as soon as situations emerge is just another facet of the thoughtful and attentive service that is so closely associated with family offices."

Victoria Shorten
www.one-lifestyles.com

MARKET VOLATILITY

H. L. LICHSTRAHL & COMPANY, LLC

by: Howard L. Lichstrahl

The stock market volatility experienced over the past months has caused a great deal of concern for many investors. It is easy for one's thinking to become as volatile as the prevailing market environment. This is an opportune time to review some of the principles that you should adopt as part of your investment process especially in the face of incendiary headlines. Remember, your financial news anchor has an incentive to dramatize events to stir interest and continued viewing. The more eyes watching, the higher the ratings and the more advertising sold. Did you ever notice the "around the clock" coverage of a snowstorm? I'm not sure why I need to see someone shoveling his sidewalk being interviewed, but it happens each time there is a measurable snowfall.

Benjamin Graham and David Dodd taught us that financial markets are manic. They assigned the name "Mr. Market" who should be best thought of as erratic business counterparty as opposed to a fair arbiter of business value. When Mr. Market is in his manic phase, he will happily overpay for what you own. On his depressive days, he will offer to sell you his business at deeply discounted prices to underlying value. To be a successful investor, you must look to Mr. Market for an opportunity, not advice.

In recent years, this manic behavior has been exacerbated by algorithmic trading programs moving vast sums of money often in milliseconds. While these market dislocations are dramatic and hard to ignore, they have never had a long-term bearing on the collective economic performance of profitable businesses. It is impossible to out-trade these programs, and anyone telling you differently is likely trying to sell you something. Any stock can trade at any price at any time. Short term hysteria outweighs logical thought. Do you really believe that the value of a business changes as rapidly as the price of its shares on the stock exchange? The answer is obvious. Remember that shares represent a fractional ownership in a business and are not a bet to win at a horse race. If you don't overpay by investing on hopes and dreams rather than on fact, a profitable cash generative business goes on creating value for its owners regardless of the last quote. Tolerating short-term pain is often required to achieve long term gain. Don't confuse uncertainty with risk. While the environment may be turbulent, that doesn't mean that your investments are riskier. Investing is often perverse; the more share prices go down, the less risky they are. This is why long-term investors welcome volatility as it provides the opportunity to acquire shares at lower prices thus reducing risk. The risk is the probability of a company going out of business or having overpaid so egregiously on rosy predictions that it may take decades of compounding to justify the price paid. The environment may be uncertain, but that doesn't mean that Johnson and Johnson are riskier. They will continue to sell Band-Aids and Baby Shampoo and be very profitable in doing so.

Smart people do not get stupid overnight. Amazingly, I have already seen several articles decrying Berkshire Hathaway's recent underperformance. Warren Buffett has an amazing long-term investment track record going back decades and far exceeding any index, yet short-term underperformance to the index is causing questions to be raised in the financial press. This certainly goes back to the point I made earlier about financial journalists as well as exhibiting just how significant short-termism is in the greater investment community. Investors have to choose between two basic philosophies, invest relative to an index thereby mimicking the index performance (modern portfolio theory) or invest for an absolute return. To outperform the major indices, your portfolio must look different than the S&P 500 or any other index. This means that, at times, your portfolio performance may differ significantly from the popular indices. Even the greatest long-term investor may underperform for periods of time (as Buffett has). This does not mean that it will continue forever nor does it mean that he has lost his touch. It simply means that the investments do not mimic the index being used as a benchmark. Any investor whose performance remains in line with the indices is a "closet indexer." If performance mimicking the index is what you seek, buy a low-cost index fund. Cheap money does stupid things. The environment over the past year and a half reminds me, eerily so, of the late 1990s as cheap money has fueled a great deal of speculative behavior. Of last year's initial public offerings, nearly 80% were for shares of unprofitable companies. I need not remind you of how the "tech and telecom boom" played out for those who chose to participate in it. Then, as now, a relatively narrow group of stocks dominated the averages. Apple, for example, because of its large market capitalization, represents nearly 9% of the S&P 500 index. I cannot recount how many commentators decried Buffett as being out of touch with the "new economy." I was called a "fossil" by a departing client as I refused to participate in the narrow sector of high performing stocks while the shares of the boringly profitable companies languished. Be aware of the valuation of stocks in your portfolio. No one homers each at bat. Despite the tendency (bias) of focusing on losing positions at any point in time, the reality is that you do not need to be perfect to be successful. That is why you diversify positions. What you do need to do, in managing your investments, is keep the compounding cycle working. As Albert Einstein once observed, compound interest is the 8th wonder of the world. Taking advantage of compounding builds personal wealth just as the compounding of retained earnings builds business value.

Art Basel Miami, Art Fair or Festival of Culture?

Pandora Mather-Lees, Art Advisor, Sigillus

What should the world's passionate art collectors be anticipating as they touch down in Miami and head for the red carpet on 3rd December for three days of cultural hedonism?

Last year's fair attracted a stellar cast of celebrities including Donald Sutherland, Kate Hudson and Leonardo di Caprio (reportedly splashing out over $1m on wall candy) and so excitement is building. Quite apart from the overwhelming number of galleries, 267 from 32 countries, the city will be taken over by an entire program of events with 20 satellite fairs and even open houses hosted by a few brave and fearless private collectors.

Fairgoers will be treated to every type of media from modern to contemporary including film, installations and performances at Collins Park and Soundscape Park. This sprawling mass of new initiatives has been organized into nine broad areas to help the bewildered visitor navigate what is becoming a weekend cultural landscape 'pop up'.

Founded in 2002, the fair now in its 14th year takes off with a new leader. Noah Horowitz heading up Art Basel Miami for the first time comments: "With today's art world changing faster than ever, I am excited to expand Art Basel's leadership in providing great opportunities for its galleries and their artists, both within this expansive region and across the globe". Miami is of course well placed on the globe to capture both the Americas and Europe, and there is a marked effect on the infrastructure of the area as over 70,000 visitors flood in. Al Wenzel of Premier Sotheby's International Realty is acutely wired into the ebb and flow within the community and says, "This event has been growing exponentially every year and attracts a very strong European presence from galleries such as Hauser & Wirth , Campoli Presti, Marlborough, Alan Cristea, Robillant+Voena, and newcomers Mazzoleni. What counts as a pure art fair can be up for discussion as definitions become blurred with antiques and other media or with events deemed to be too minor to count. If you search for the number of annual art fairs for last year, you will find anything from 90 to 269. During Art Basel Miami, there are also sister fairs such as Design Miami and Spectrum Miami happening concurrently. Even within the main art fair's nine key themes, there are somewhat 'off piste' features such as 'Film', 'Magazines' and 'Survey' exploring art historical concepts.

One wonders how so many commercial projects all manage to justify themselves, or how the galleries can continue to pay such enormous costs to attend. One thing is for certain, to grow their brand; galleries need to be visible in the right places and Art Basel Miami, with its indigenous population of wealthy time rich people and an influx of glitterati is the place to be seen.

Where Art Basel, Switzerland is chic, and Hong Kong Basel is exotic, Art Basel Miami is all about the sun, celebrity and glamor fused and enriched with a medley of styles and cultures from the contemporary global art scene. The fair sits comfortably in its affluent environment, and there is a spirit of participation, sharing, and openness to indulge in the new, the novel and the notorious.

VIDEO PRESENTATION

A professionally designed video presentation for you company or services to host online or in FOE.

AWARD WINNING COMPANY

Video adverts are designed and created by an international team of award-winning producers.

Video Advertising

We can all identify with the age old saying "One picture is worth a thousand words".

So what is a Video Promo,? Its simply Video advertising that uses online or offline interactive media to communicate with a target audience to promote a brand or services

These come in many shapes and sizes such as the video promo on the facing page. Video promos are now an essential marketing tool to showcase a business's service, corporate profile, philanthropic project or political announcement. A Video promo can be used in a promotional material and PDF's and included in your companies website or used as a TV advert. It goes without saying, if you need to get the word out about your business then your brand needs to be recognized and in every way possible and in every medium available.

In today's modern world advertising is still much the same as in days gone by. Yes, we now have social media and visual mediums such as TV, Radio, and the Internet. But incorporating video adverts into a company's marketing strategy like the one on the facing page has many benefits to a business.(click on the link to view it online)

While advertising for some, is done on the cheap via online social media platforms, others go the full distance. That said, without the proper training or the required budget, social media is going to be hit or miss unless you are paying a social media expert, who knows who, what, why, where and when to target an audience. However, this is not easy within the Family Office Sector. This is a sector that like to remain private, however, we have seen some service providers attempting to reach out and offer their services to family offices by buying one of the notorious lists of Family Offices that are floating around the internet. We believe that any list that is for sale to "all and sundry" is nothing more than a spam list. This is a sure fire way to alienate your business as opposed to promoting it. We all know that the vast majority of such email will hit the junk folder automatically.

Some other service providers attend dozens of Family Office expos and conferences around the world each year in an attempt to try and meet the desired connections within this sector. This is worth considering, but you will have to attend a lot of these events to get to know which events are full of people just like you, trying to sell their services or events where family office principals attend.

That said, the cost of attending these events may be quite substantial if you attend a few. With fees for Expo entry, promotional material, flights, hotels and expenses this can add up quickly and may not produce the desired results you may be searching for. While many things have changed over the years, advertising is still much the same, the

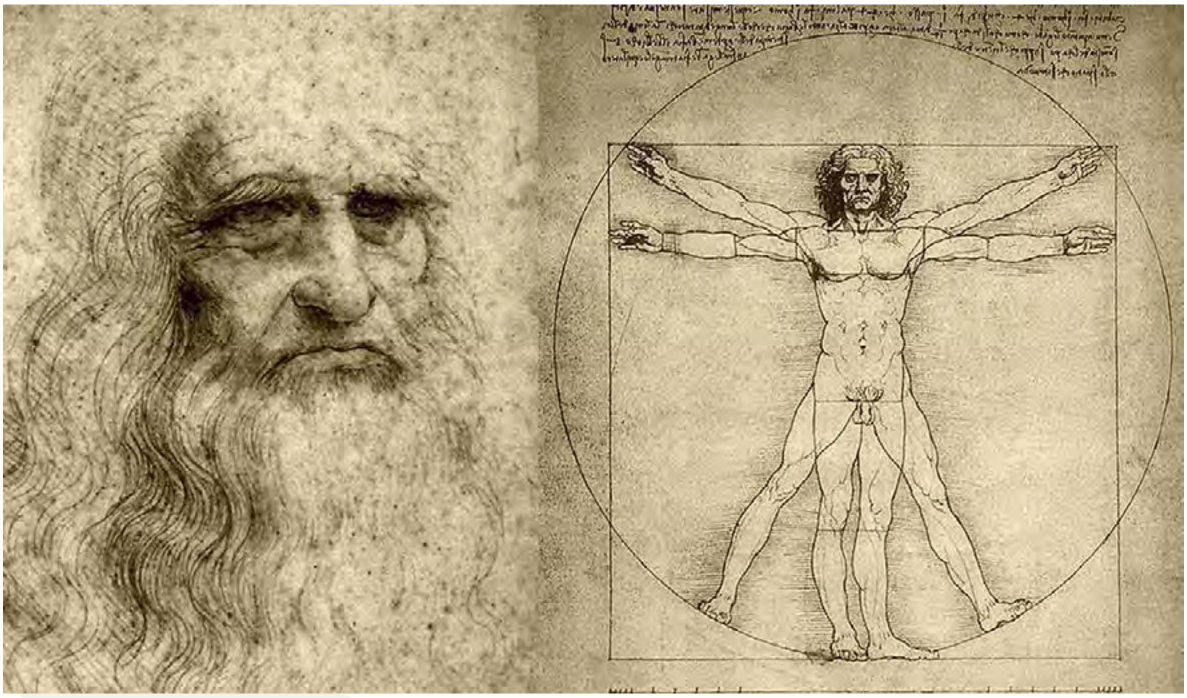
YOUR COMPANY MESSAGE

Create a dedicated message to new and old clients about your business or services in a professional way.

INTERACTIVE TRAINING VIDEO

Create a training video that will save hundreds of hours hiring training staff.

"One picture is worth a thousand words"



Click on the image above to view the promotional video from DOMOS Fine Art

only thing that has changed is the technology. Many publications now have both online and offline issues with the online taking over in the past few years. Some publications have stopped putting our hard copies entirely as the online version is reaching the same audience. Some publications now have the facility to incorporate video presentations and advertising into their publications.

Video presentations have proven to be very effective as they can be utilized within a website, within a promotional pdf, TV, and on all computers and handheld devices. The visual medium is just getting bigger all the time, and we have to move with the times if we are to remain competitive. Advertising is the lifeblood of any business. When advertising a business or service in a publication, make sure you advertise with a publication that has the type of reach you need to get your business noticed in the sector you are targeting. This publication has nestled rather snuggly into a niche position within this sector, that being the Family Office sector.

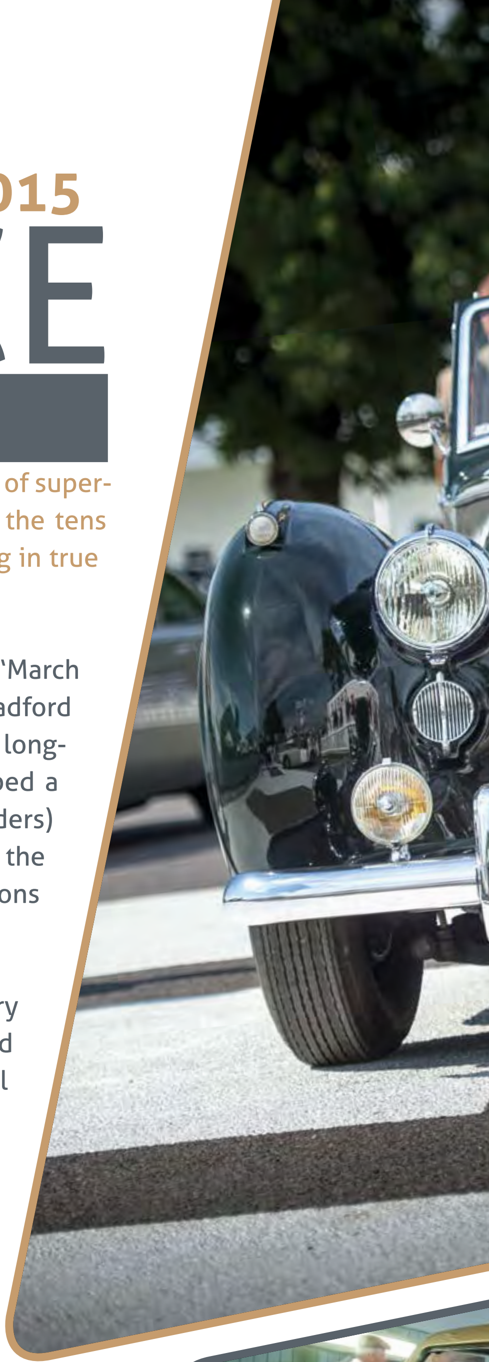
If you would like to learn more about advertising or a video promo advert, view our media kit online or drop us an email

www.ourmediakit.co.uk
e-mail info@familyofficeelite.com

ROLLS-ROYCE CELEBRATES RECORD 2015

ROLLS ROYCE

GOODWOOD REVIVAL



Rolls-Royce Motor Cars celebrated a record Goodwood Revival, the manufacturer of super-luxury motor cars hosted customers, prospects and VIPs and also entertained the tens of thousands of visitors to the world's most popular historic motor race meeting in true Rolls-Royce style.

The Rolls-Royce Radford building at the March Motor Works – this year titled 'March Mews SW1' – presented an appropriate tribute to the 'Finishing Shop' of Harold Radford (Coachbuilders) Limited, South Kensington. Harold Radford & Co Limited were long-established retailers of Rolls-Royce motor cars who, under G H Radford, developed a bespoke coachbuilding business in the late 1940s named Harold Radford (Coachbuilders) Limited. The coachbuilding business became synonymous with amendments to suit the rural lifestyle of the landed gentry, developing their 'Countryman' range of conversions to Rolls-Royce motor cars.

A 'new' Rolls-Royce Silver Cloud was displayed in the 'Finishing Shop' – a factory Standard Steel bodied car fitted out with all the Radford embellishments that created the sensational 'Countryman', featuring many of the range of over 40 luxury optional extras as offered in Radford's brochure. A raised boot improved the capacity of the luggage compartment and a most convenient addition were the split folding rear seats, which allowed owners to stow bulky luggage for continental trips.

Rolls-Royce was represented on the Motor Circuit throughout the event by a handsome 1954 Rolls-Royce Silver Dawn Drophead Coupé by Park Ward, finished in Brewster Green, with Dark Green hood and Green hide. One of only 28 Silver Dawn Drophead Coupé models to be built, this model was one of only eight to feature 'high line' wing styling, making it an exceptionally rare motor car. The car was very kindly loaned for the occasion by a customer of Rolls-Royce Motor Cars.

The unmistakable sound of wartime vintage aircraft continued after the Revival, with more than 40 Spitfires and Hurricanes taking off from Goodwood Aerodrome to commemorate the 75th anniversary of the Battle of Britain. Aircraft from across the UK, US and Europe took off over the Rolls-Royce head office and manufacturing plant, before making onward journeys for flypasts of airfields linked to the battle.

"Joining the Course Director's entourage, special guests of the Company were conveyed in period luxury, with the silence of the Silver Dawn's 'magic carpet ride' "

2015 GOODWOOD REVIVAL

"The VIP guests traveled in classic Rolls-Royce motor cars from the past."

Dr. Jehane Ragai's New Book

The Scientist and the Forger

Jehane Ragai is a woman of many talents and an unusual combination of interests. A professor of chemistry in the School of Science and Engineering at the American University of Cairo, Dr. Ragai, in addition to her research in gas/solid and liquid/solid interfaces, has a keen interest in archaeological chemistry. She is a scientist much at home in several fields in the humanities: art, archaeology, poetry, and music.

Dr JEHANE RAGAI

Department of Chemistry
American University in Cairo

She has served for several years as a member of the international jury for the L'Oreal – UNESCO Women in Science Award, is a member of the international journal Adsorption Science and Technology and has been a member of two national committees for the development of higher education in Egypt. In the mid-nineties she was appointed a member of the National Committee for Basic Sciences and Development by the Minister of Scientific Research in Egypt. Her professional training in chemistry and her interest in archaeology has involved her as a member of the Egyptian National Committee for the Study of the Giza Sphinx, both as a chemical consultant to the project and as a member of its Board of Governors.

In 2012 Dr. Ragai read a paper. The Scientific Detection of Forgery in Paintings, at the Spring Meeting of the American Philosophical Society, making the case that in the detection of forgeries in works of art the scientist has become a more and more useful partner for the curator and the art historian. The good curator will study a work's provenance, determining the sequence, as far as possible, back to the artist who painted it, and a trained art historian will make the stylistic analysis to determine whether the style and brushwork match that of the artist to whom the work is attributed. The scientist is now able to add a wide spectrum of scientific techniques to help unravel forgeries in painting. All of these are most interestingly explained in Dr. Ragai's new book. The paper read at the Society was a precursor to this book and is just the sort of paper welcomed by the Society for consideration at one of its biannual Meetings. The American Philosophical Society, held in Philadelphia "for promoting useful knowledge", is the oldest learned society in the United States and now one of the liveliest organizations of its kind in the scholarly world. Founded by Benjamin Franklin, the Society was formed originally to provide an opportunity of 'virtuosi' or 'ingenious' men from across the colonies to come together to share their observations, experiments, and research. Through these exchanges, new ideas could be generated, and the work of one man could benefit from the insights, and scrutiny of another. More important, such collaborations could yield inventions and improvements of use to a broad public. Today the Society numbers 1015 elected Members (845 Domestic and 170 International Members). The total number of men and women elected to the Society since Franklin's day is 5,506. A paper such as Dr. Ragai's, which explores new ideas of interest to experts in several fields and to the educated layman, promotes just the sort of discussion that fuels interest in the Society's Meetings. Dr. Ragai's new book develops the themes in her talk by describing in detail both new and long held approaches to the detection of forgery and authentication of paintings with special focus on the new scientific techniques introduced in the last decade. Examining the age old questions of why knowing a work of art is a forgery makes us view it differently, gives both the expert and the layperson ways to consider the implications of deception and the importance of authenticity in aesthetic appreciation.

The increased attractiveness of the art market to investors has inspired not surprisingly a healthy dose of both greed and fraud. Consequently there has been a heightened interest in and a demand for information on both forgery, the forger and on the methods of the unscrupulous expert. The book provides useful knowledge of the most up to date scientific techniques, simple as well as sophisticated, that can assist in providing verdicts on valid authentication.

The book covers a wide spectrum of interrelated subjects: the current state of forgery in painting—touching upon some of the most singular cases, the potential and limits of the new scientific methodologies, aspects of the psychology of the forger as well as of the viewer, and finally the current efforts at redressing the problems in the art market—which must involve the marriage of competent scientific approaches with honest connoisseurship.

M.P.McPherson

Emeritus President Bryn Mawr university

Emeritus Executive officer American Philosophical Society

WHAT OTHERS HAVE SAID

"This timely, splendidly researched and very readable book provides the educated layman with illuminating insights into the many social, technical and psychological factors associated with both the act of forgery and the process of authenticating a genuine original vision."

David L. Carpanini, Past President of the Royal Society of Painter – Printmakers

"Previous authors on the subject rarely developed so crisp analyses of the psychological facets of art forgery from the perspective of the forger and more interestingly from the owner of a forged art piece. This gives this book a special flavor and provides enticing views on the subject."

Christian Amatore, Member of the French and Chinese Academies of Science

"A highly original and informative volume that is not only impossible to put down but also makes one think in a new way about how we view the world around us."

Chris Dobson, John Humphrey Plummer Professor of Chemical and Structural Biology and Master of St John's College, Cambridge

"Dr. Ragai's book is a delight for all those who have an interest in both fine arts and science."

Krister Holmberg, President of the Royal Society of Arts and Sciences in Gothenberg and Member of the Royal Swedish Academy of Sciences

"In an elegant and engaging style, Professor Jehane Ragai provides us with an exceptional exposé of art, science, and business. "

Ahmed Zewail, Nobel prize in Chemistry (1999)

OPPORTUNITIES FOR PRIVATE BANKING AND FAMILY OFFICE BUSINESS IN AFRICA

ING Luxembourg

By Yves Ducaté Private Banker ING Bank

Since the financial crisis of 2008, the global banking environment as well as client behavior have changed significantly.

FATCA, CRS, BEPS and, in general, the willingness of states to combat tax fraud effectively have transformed the banking landscape and have, in particular, lead to the tightening of client eligibility criteria by financial institutions.

Bankers have been empowered in their relationship with their clients, and if some inconsistencies were revealed by a KYC (Know Your Customer) check (for example during a relationship review), the client was required to rectify the situation.

Moreover many countries have set up "special" procedures or have legislated in order to permit clients who failed to report income, to regularize their situation.

The enhancement of bank's due diligence requirements are felt most strongly in financial centers actively operating internationally, such as Switzerland, London and the Grand Duchy of Luxembourg, resulting for some clients in a lot of difficulties when collecting the documentation requested by their financial intermediary.

Additionally, some clients residing in non-participating countries of the future CRS (Standard for Automatic Exchange of Financial Account Information by OECD) were also surprised by their banker's premature requirement to provide the same documents justifying the compliance of their tax affairs as those required from residents of participating countries of the OECD program.

Yves Ducaté
ING Bank

Some emerging countries understood the opportunities of this new environment, such as Morocco and Ivory Coast which have created the legal conditions (in 2014 and 2016, respectively) to enable any person being a resident in these countries to regularize their situation and thus breathe new life into their economy and add a certain modernity.

In Morocco, the "Contribution in Full Discharge of foreign assets" law helped bail out the State to the tune of more than € 250 million but has mostly helped to inject new capital into the economy andthereby boost investments in the country. From an individual perspective, this law has however created a real earthquake in wealthy Moroccans' habits who, accustomed to the highest level of discretion, found themselves after regularization in an unprecedented situation: having to manage international patrimony in a fully open and transparent manner.

This new situation has created some surprises. Many Moroccans were faced with new and often complex situations, such as:

· Taking assets out, previously owned through a company, even offshore, could generate a tax cost in the foreign country but also in Morocco. However the "Contribution in Full Discharge" doesn't exempt future taxes such as capital gains, liquidation proceeds or others.

· Holding foreign patrimony can necessitate the requirement to meet certain reporting obligations in the country where the assets were located and may have tax implications such as wealth or inheritance tax.

· Foreign succession rules that may apply in some cases on the transfer of assets located abroad may be in contradiction with the wishes of the deceased and/or with the Moroccan law.

· Depending on the nature of the assets, reporting rules for the Moroccan authorities could be difficult to achieve.

· In many cases, the risk profile of the client's portfolio was not aligned with the client's expectations and management fees were higher than the average levels.

In short, new situations that required expertise hitherto non-existent in Morocco: i.e. international wealth engineering. Unfortunately, these visionary governments in search of modernity are still too rare in Africa, the ultimate emerging continent, where it is often difficult for an African resident entrepreneur to engage with an international bank.

Large international law firms or Corporate Finance and M&A (merging & acquisition) specialists realize this every day. Although some African businesses, often family ones, which by their activity, size or location are potential targets of Private Equity funds on the lookout for businesses on the continent that are going to experience the greatest growth in the 21st century, it is often during the due diligence that the operation fails either because the African entrepreneur is poorly structured or because it is structured through a SPV (special purpose vehicle) derived from tax havens that are blacklisted in most Western states.

Yet these families are often in need of advice and support in order to prepare their company to cross borders. These groups have the financial means to expand but often ignore the tools available to be optimally structured, which is needed when becoming a multinational company.

The same is true regarding the private wealth of these families. Because of a lack of alternatives, a big portion of their personal assets is often included in the structure of the company. They neither have an overall view on it, nor a detailed or a structured one and they often ignore its importance and profile.

The new global transparency rules are an opportunity for these families and businesses to "clean" and structure their assets, which is the only solution if they wish to continue their international expansion and deal with partners who are very rigorous on new global rules.

But it is also an opportunity for Private Bankers and Family Offices to invest in these African countries where everything has to be done, at the dawn of a century that looks exceptional in terms of growth for this continent, cradle of Modern Man.

Yves Ducaté
Private Banker
African Markets

ING

CYBER ATTACKS

FIRST U.S. SECRETARY OF HOMELAND SECURITY TOM RIDGE ANNOUNCES UNIQUE INVESTMENT FIRM TO SUPPORT CRITICAL CYBER AND HOMELAND SECURITY TECHNOLOGY IN U.S. AND ISRAEL

Article by Gavin McEwan & Richard Hyder

Tom Ridge, the first U.S. Secretary of Homeland Security and 43rd Governor of Pennsylvania, announced the creation of Ridge Global Capital Group, an international investment firm focused on addressing one of the greatest security challenges of modern times – and among the most exciting investment opportunities today – cyber and homeland security technology.

"In a global age, geographic borders become transparent, hostile actors become invisible, and no boundaries exist between physical and virtual threats. That is why there is a growing demand for innovative security solutions," said Gov. Ridge, who made the announcement during a Keynote Address to Israel's International Institute for Counter-Terrorism (ICT), one of the leading academic institutes for counter-terrorism in the world. "The best way to prevent future cyber attacks is to promote the growth of companies that are developing today the technologies that will protect us tomorrow. That's what Ridge Global Capital Group is all about."

Ridge Global Capital Group, co-founded with Israeli high-tech entrepreneur Ben Harel, will focus on growth stage Israeli, U.S and European technology companies in the field of cyber security, homeland security and public safety.

"As the 'Internet of Things' expands, it brings online volumes of new information from the millions of new sensors and devices being connected each day," said Harel. "The scope of components connected to the web, the distribution of these components, and the extent to which they pervade people's private lives, have led to the emergence of cyber vulnerability on a whole new order of magnitude and, subsequently, creating a growing demand for cyber security technologies. Ridge Global Capital Group is uniquely positioned in the world's leading innovation hubs to identify and nurture exactly such companies."

Ridge Global Capital Group will provide added value such as global knowledge and experience, strong international business development network, active support in the sales process, brand recognition, validation and references, cross-company synergies and a top global leadership advisory board. As part of the Ridge Global Capital Group, participating companies will enjoy access to the Group's network and market reach and will leverage its ecosystem.

"Through the firm's wide global network, world-class advisory board and association with academic institutions such as ICT, we can identify industry and market needs and work together to fill these gaps with innovative solutions," added Harel. The Ridge Global Capital Group Professional Advisory

Board providing guidance and support, includes:
• General Stanley McChrystal (US Army Retired) – Former Commander, International Security Assistance Force (ISAF) and former Commander, U.S. Forces Afghanistan
• Dr. Jared L. Cohon - Former president of Carnegie Mellon University and member of the U.S. Homeland Security Advisory Council

• Baroness Pauline Neville-Jones - Former UK Minister of State for Security and Counter-Terrorism and Prime Minister David Cameron's special representative to business on cybersecurity (2011-2014), Chairman of the British Joint Intelligence Committee (JIC)

• Prof. Boaz Ganor - Dean and the Ronald Lauder Chair for Counter-Terrorism at the Lauder School of Government, Diplomacy and Strategy at the IDC

• Mr. Daniel Reisner, Esq - A leading public international law expert focused on technology regulatory laws and defense technology transfer

Following the tragic events of September 11th, 2001, Tom Ridge became the first Assistant to the President for Homeland Security and, on January 24, 2003, became the first Secretary of the U.S. Department of Homeland Security. The creation of the country's 15th Cabinet Department marked the largest reorganization of government since the Truman administration and another call to service for the former soldier, congressman and governor of Pennsylvania. Today, Gov. Ridge leads Ridge Global, a team of international experts that help businesses and governments address a range of security and resiliency challenges throughout their organizations, with a strong focus on cyber security strategy, policies, capacity building, education and insurance.

Mr. Ben Harel brings with him a strong track record of success spanning over 20 years of building, nurturing, and capitalizing innovative technology companies. Mr. Harel was the founder and managing partner of Delta Ventures – a leading Israeli venture capital firm that successfully generated favorable returns to its limited partners.

Ridge Global Capital Group To learn more, please visit www.RidgeGlobal.com/ridge-capital

UNIVERSAL FILM AND FESTIVAL ORGANISATION

The Universal Film & Festival Organisation (UFFO) was founded to support and implement a best business code of practice for film festivals throughout the world. It is now dubbed 'FEST-COP', and its logo is now a familiar sight at many film festivals. The UFFO is a global not-for-profit voluntary organization, and it created its remit of a best business code of practices for film festivals to combat the high level of corruption that blights the industry.

Its president is legendary actress Maureen O'Hara and the organization now has at least 225 film festival members.

UFFO's FEST-COP is entirely voluntary, free and easy to implement. Also, it is a blueprint for filmmakers in deciding which film festivals to do business with. Only film festivals that have subscribed to the UFFO best business code of practice are entitled to use the UFFO logo.

The organization is now seeking a benefactor to help it move forward with its plans to further its remit and to create an online porthole payment system to ensure filmmakers can deal with film festivals via a trusted source. The porthole will also act as a distribution platform and as an online TV channel.

UFFO is now planning the 'Best of Festivals' event and bringing the member festivals, their best films, actors, directors and producers to one event that will rival the biggest events in the world.

Email info@uffo.org. - www.uffo.org

GRAN TURISMO

Frankfurt Motorshow 2015

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FAMILY OFFICE ELITE MAGAZINE SPECIAL

Virtual concept designed exclusively for the PlayStation® video game franchise Gran Turismo®

Bugatti President Wolfgang Dürheimer: "This project makes our brand accessible to the millions of Bugatti fans throughout the world to say thank you for their loyalty"

Car design celebrates Bugatti's racing history and is based on cutting-edge motorsport technology

Bugatti Vision Gran Turismo marks a new chapter in the company's history

Virtual project gives outlook of the brand's future design language

A unique show car made its world debut: Bugatti has transformed its Bugatti Vision Gran Turismo from the virtual world of bytes and pixels into a real carbon-fibre racer specially for the 66th International Motor Show (IAA). In Frankfurt, the French super sports car brand unveils the project that it has designed exclusively for the PlayStation video game franchise Gran Turismo to thank its millions of fans worldwide for their loyalty and enthusiasm. Following the sale of all 450 vehicles in the Veyron series, Bugatti Vision Gran Turismo marks a new chapter in the luxury brand's history that will culminate in the unveiling of the new Bugatti super sports car. The Bugatti Vision Gran Turismo design pays homage to Bugatti's great racing tradition of the 1920s and 1930s, in particular, its victories in the 24 Hours of Le Mans race, and is based on cutting-edge motorsport technology. At the same time, the virtual project also previews Bugatti's future design language.

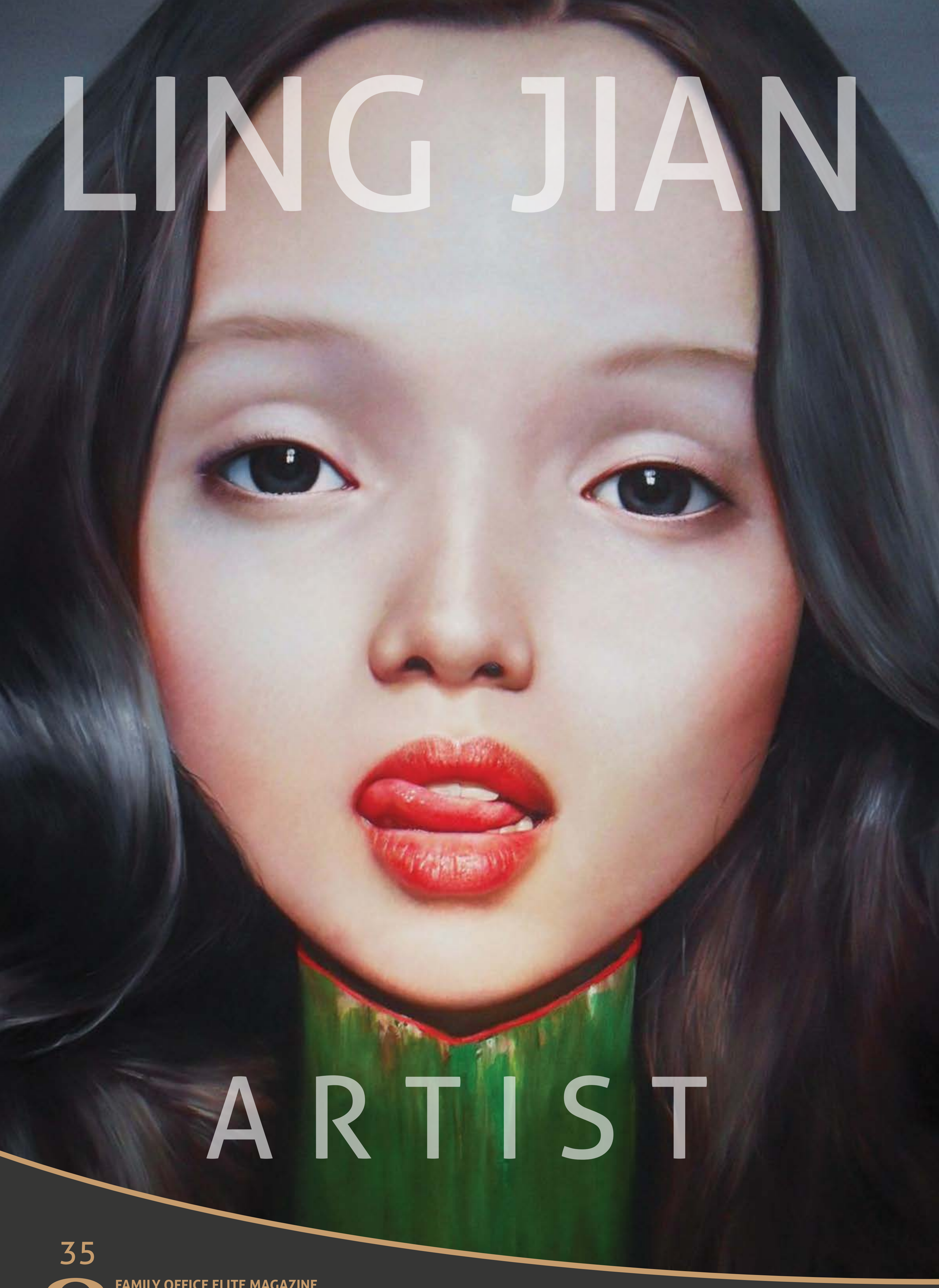
"Bugatti Vision Gran Turismo is the first stage on a new journey that Bugatti is embarking on following the successful completion of its Veyron chapter, and which will culminate in the unveiling of the next Bugatti super sports car in the not too distant future," says Wolfgang Dürheimer, President of Bugatti Automobiles S.A.S. "This project showcases Bugatti's new design language, which we have developed to celebrate this new chapter in our company history." "Bugatti will remain clearly positioned in the future as a brand with a strong profile," continues Dürheimer. "We're building the world's fastest, most exclusive, most luxurious and most powerful production super sports car."

The collaboration with Polyphony Digital, creator of Gran Turismo, allows Bugatti to make the highly exclusive brand available to fans, gamers and high-performance aficionados of all ages. The PlayStation video game franchise has sold over 70 million units since its launch in 1997. "Our Veyron series was limited to 450 vehicles, all of which are now owned by proud automotive connoisseurs," says the Bugatti President. "However, our fans, who love the brand and have remained

The design of virtual race car pays homage to Bugatti's racing tradition. The Bugatti designers drew their inspiration from the brand's illustrious racing tradition. Bugatti enjoyed great success in racing in the 1920s and 1930s. Company founder Ettore Bugatti was the first car maker to build street-legal versions of his compact and lightweight race cars, which he sold successfully to amateur racing drivers following victorious weekends on the track. The Type 35, probably the most successful race car of all time with over 2,000 victories and podium finishes in its day, is the most prominent example of that phenomenon and continues to embody Bugatti's racing legacy.

The historical inspiration for the modern virtual race car for Vision Gran Turismo came, in particular, from the Bugatti Type 57 Tank and its victories in the 24 Hours of Le Mans races in 1937 and 1939. The Bugatti Vision Gran Turismo will race in the classic blue two-tone finish of the Type 57 G Tank, which was the winning car in 1937 while also evoking the colour of the historic French race cars of that time. Blue has been the Bugatti brand colour ever since. "Le Mans influenced the design of the virtual race car for Vision Gran Turismo in two ways," continues Anscheidt. "First, through Bugatti's tremendous victories on the circuit there. Second, this track with its long straights remains an emblem of top speed today, making it the ideal place for Bugatti to show what it can do as a double world record holder." Bugatti has held the record for the world's fastest street-legal production vehicle since 2010 with a speed of 431.072 kph (267.86 mph) and made its way into the record books again in 2013 with the world's fastest production roadster, clocking 408.84 kph (254.04 mph).

LING JIAN



ARTIST

CHINESE ARTIST

FROM TANYA BAXTER CONTEMPORARY

Ling Jian was born in 1968 in Shandong province, China. He studied fine arts at the Qinghua University Art College in Beijing. After completing a degree he left China for Vienna, then went to Hamburg and later Berlin, where has continued his work.

The Beijing-based artist who spent over fifteen years in Germany bridges ideological gaps as he incarnates a contemporary Euro-Asian flâneur. A hybrid figure oscillating between the East and the West, Ling Jian the artist fits the profile of a chronicler of current visual cultural aesthetics: likewise admirer and sharp critic of beauty, enthusiast of shiny fashion magazines, trends, haute couture and style, yet a convinced Buddhist at core. While not placing (nor finding) himself quite on one side or the other, Ling Jian has known to pick and choose his role borrowing from two continents.

His meticulous brush might have more in common with his Renaissance counterparts than what we might at first discern. Ling Jian places a magnifying glass over contemporary (global) culture, stressing the faults of an overly materialistic world entirely dependant upon the sensational, a social order that gives more value to the material immediate, than to the ungraspable everlasting. But his Vanitas also seems to veil behind the metaphor of color (Red), concerning itself with what seems a non-spoken trend in the new socio-political state of rapidly developing China –"Communist Sister" or Communism's Sister? Ling's photo-realistic renderings of models are at times android-like: inhuman and impossibly beautiful is our Communist Sister. A Fata Morgana, the illusion of an ideal. The series of paintings titled (Communist Sister) suggests not the earlier communism of the Cultural Revolution, but its modern sister -an improved clone? A parallel possibility of an obsolete system and (perhaps) its superior version.

Although there are obvious references to politics in Ling's works, his work stands apart from the Political Pop genre that flourished in Chinese avant-garde art since the mid 1990s. Ling's work is more about the phenomenon of economical development, mass consumption, the social impact of global change and today's concept of beauty than it is about local politics. Ling Jian's oeuvre derives mainly from traditional and modern Chinese vernacular culture —popular Peking operas like Bai Mao Nu ("New noble/White Hair Woman," 2006), idiosyncratic symbols (Chinese Dragon, cherry blossom fruits, Buddha derivations in earlier works from 2000-2005), the recurring Mao little red book or militant communist uniform, and even Western clichés of Asia ("Mme. Butterfly," 2006)— while at the same time, he seasons and entwines it with a tint of Westernization.

Sight cannot fill the craving eye
Nor riches happiness supply*

With the glamorous shimmer of a shiny fashion magazine, the beauties of Ling Jian inundate every canvas since the early 2000s.

The artist treats his subjects like a Mannerist would, with precise photorealistic brushstrokes he tends to exaggerate features: slightly disproportioned, the models display elongated necks, gazes with extremely lengthened almond eyes, supple moist lips appear hyper-real and almost touchable, as the artist flaunts his craftsmanship and technical skills.

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UK PROPERTY

PRICES AND PLANNING DRIVE ASIANS OUT OF LONDON

Tree lined roads, the lush green of the fairways, the decadence and space available in the prime Surrey estates of Wentworth and St George's

by Alex Newall (Hanover Private Office)

As a property professional within the Hanover Private Office and specialising in the super-prime real estate market, our department has noticed an increasing number of wealthy Asian purchasers setting their sights on areas outside the Prime Central London locations, namely the pockets of exclusivity in leafly green Surrey UK such as Wentworth and St George's Hill.

The housing markets in these prime locations are driven by similar factors to Prime Central London with a strong level of foreign demand, a similar level of under occupied properties and average values significantly exceeding the market around them. The similarity does not end there – the international appeal of Prime Central London and prime pockets of Surrey are both fueled by the seemingly insatiable desire of the world's wealthy elite for exclusivity. The buyer profile in these pockets of Surrey are now comparable to that seen in the new build Prime Central London market – with a far more cosmopolitan composition. The exclusivity of these areas is reflected in the proportion of transactions over £2 million being significantly higher than the average seen in both their immediate surroundings and nationally.

Many Asian buyers prefer to purchase brand new build apartments or brand new refurbished properties. In Prime Central London, such properties are sold at an absolute premium due to supply. Tight planning restrictions can also prove prohibitive. In the last 12 months alone, Asian purchasers have spent well over 200 million on Surrey properties and plots. Some of which come with planning that allows the purchasers to 'bespoke' the properties to their exact specifications. Such opportunities are rarely available in London – especially with the size and scale these Surrey properties offer. This elite pocket of Surrey is only 45 minutes from Central London, offers better value for money, more space,

a better quality of life, a wider choice of schools, better sports facilities' and is safer than London, with a number of gated community options.

While there are similarities in terms of market performance in Prime Central London and prime pockets outside the capital, the difference in properties available for similar values still differs wildly. When you take in the sweeping tree lined roads, the lush green of the fairways, the decadence and space available in the prime Surrey estates of Wentworth and St George's Hill; it's difficult to imagine similarities with properties in the heart of prime London.

In our experience these pockets in Surrey are more in line with what Asian purchasers expect in a luxury home and likened to the modern way in which they live in Asia.

Hanover Private Office specialises in the super-prime real estate market and their property portfolio showcases just a few of the many luxury properties for sale in London and the Home Counties.

Alex Newall
Hanover Private Office

AFO
Association of Family Offices in Asia

NEW GENERATION OF HEDGE FUNDS

FoHFs are still the best solution for hedge funds investments

Funds of hedge funds (FoHF) have recently been subject to fierce debates. At this point, we want to glance ahead, because we can influence the future by drawing the right lessons from the past.

The benefits of FoHFs are obvious:
- Diversification: Lower risk compared to single hedge funds
- Access to hedge funds: Single hedge funds (in particular the successful ones) are partly closed to new subscriptions or demand high minimum subscriptions that often exceed the financial resources of potential investors
- Delegation of investment decisions to experts
- Thorough due diligence

The double fee structure is often put forward as an argument against FoHFs. This point of criticism, however, is invalid. Returns of FoHFs are always shown net of fees and, therefore, they are directly comparable to the returns of single hedge funds. Often there are false expectations concerning FoHFs. Their mission is not to outperform bull markets but to generate market-neutral and uncorrelated alpha.

The Madoff case has also been very detrimental to the hedge fund business as a whole. It has to be recalled, however, that Madoff was not a hedge fund but a broker-dealer. As a result, the FoHF industry was subjected to a strong consolidation during the last years. A market shakeout, though, has its advantages regarding „natural selection". Moreover, it provides room for new initiatives. Thus, we are firmly convinced that after seven „poor years", there will be seven „wealthy years" and that a comeback of FoHFs is imminent. However, a prerequisite for this is that the new generation of FoHFs draws the right conclusions from the events in 2008. The most important lesson consists in refocusing on the roots of hedge fund investing.

Miranda Ademaj
Skënderbeg Alternative Investments AG

Desirable qualities
- Designed to avoid most of the downside and capture a good portion of the upside
- "Original", decorrelated returns
- Take advantage of anomalies or "smart beta"
- Exploit selection skill
- Favor pure alpha bets (market-neutral)
- Seek defensive payoff patterns
- Self-investment: the manager is expected to put some of his own capital at risk

Undesirable qualities
- Russian roulette: short put bets
- Leveraged beta strategies
- Poor odds of success
- Black boxes
- Beta masquerading as alpha
- Active products managed by lucky fool
- Unfavorable sharing ratios
- Obsessive focus on benchmark replication
- Excessive leverage

In recent years, many institutional investors turned their backs on FoHFs and tried to invest directly in

hedge funds. Particular use was made of investment consultants. This, however, is potentially linked to serious problems and has led to major disappointments.

Some reasons for this are:

• Consultants bear no personal investment risk and, therefore, have no suitable incentives. This entails the risk of a conflict of interests (keyword: „pay-to-play"). FoHF-managers, on the other hand, have incentive-based fees and are usually themselves invested in the fund. „FoHFs eat their own cooking".

• Consultants often lack in practical know-how, whereas FoHFs can draw on many years of experience.

• Consultants often cover all asset classes and may already have a questionable track record. FoHFs are focused on what they really understand.

• Commonly, consultants only take the „top 50" hedge funds into consideration that are only too well known and generally do not rank among the top performers. In contrast, FoHF managers have the know-how, the resources und the courage to find the „hidden pearls" of the industry. Numerous studies have confirmed the claim „smaller is better". This makes sense, as large funds virtually live of the management fees and are not, such as smaller funds, dependent on profit sharing through performance fees.

In a nutshell, FoHFs may be slightly more expensive than consultants, this, however, is compensated by superior performance, quality and service. We have recently met a hedge fund manager, who is investing about $200m in smaller UK companies. He told us about a consultant, who was thrilled about his fund, but could not bring himself to suggest the fund to the investment committee.

The fund was unknown and, therefore, he was simply too scared to lose his job in case something might happen. Consequently, fund research by consultants is rather an „ass-covering" behavior and the result of a „box-ticking" mentality. The focus on established names arises from a deficit of time consuming and costly operational due diligence. Interestingly enough, most of the funds that recently made negative headlines, are multibillion-dollar companies (Galleon, S.A.C., etc.).

We have noticed an increasing appreciation among market participants, FoHFs are still the best solution for investing in hedge funds. Europe, and in particular Switzerland, is lagging behind in this development. The USA on the other hand, has started the recovery of FoHFs two years ago.

www.skenderbeg.ch

FINDING INSPIRATION IN THE STORY OF YOUR LIFE

A professional wrestler. A Presidential candidate. A schoolteacher in crisis. An Army General. A car enthusiast. A football legend. A beloved actor. A worried mom.

What's the one thing these seemingly far-flung individuals have in common?
Me.

When each of these remarkable individuals decided to tell their stories, they turned to me, a professional co-author and ghostwriter, to put their words on the page.

It's certainly not an everyday career, the art of telling other people's stories. For months at a time, I delve into the inner thoughts and feelings of another person, listening to them, doing my best to understand them and all they've been through, in order to translate their story – in their voice – on the page.
While it's impossible to ever truly walk in another man's shoes, I've been afforded the chance to come pretty close over and over again. And the remarkable thing isn't just how much I've been able to learn about my subjects. It's how much I've been able to learn about myself — and to see how every one of us can find inspiration in the story of our own lives.

The late-summer season of 2015 was an especially eye-opening one for me, because two of the eight books I've written were released just a week apart.
The first was Elle & Coach: Diabetes, the Fight for My Daughter's Life, and the Dog Who Changed Everything (Hachette Books), which I co-authored over the course of the previous year for Stefany Shaheen, the daughter of U.S. Senator Jeanne Shaheen. It tells the story of a mom (Stefany) trying everything she can to care for a daughter (Elle) who's diagnosed with

Mark Dagostino
New York Times bestselling co-author

type 1 diabetes—a life-threatening autoimmune disease. Yet, at it's heart, it's a book about never giving up hope, and the surprising relief that came to this family in the form of an adorable yellow Labrador retriever (Coach) who's been trained to alert whenever Elle's blood sugar rises too high, or falls too low.

The second was the toughest book I've ever had to write, and a book that was more than three years in the making, Accused: My Fight for Truth, Justice and the Strength to Forgive (BenBella Books). That book is the harrowing story of a Georgia schoolteacher who was falsely accused of molesting children, detailing the entire ordeal through her own eyes, from the shock of having detectives knock on her door, to her arrest, to losing her job, her home, and not being allowed any contact with her own daughter for two entire years; straight on through her resilience and fight, as she wins her battle in court, proves her innocence, regains custody of her children, and finds the will through faith to forgive those who accused her. Both books were emotional books to write. Putting my head inside that of a parent who's daughter is in medical danger was tough for me, a father of two. Tougher still was putting my mind to what it would feel like to have my children taken away from me when I knew I had done nothing wrong. Interviewing Tonya and Stefany brought me to places I hope never to experience in my own life. Yet that's what makes book so powerful. They take us to unfamiliar places and allow us to experience the world through the eyes of others, and to imagine how we would handle those same situations ourselves. As a co-author, I'm afforded the chance to do that long before it reaches the reader, and then to help shape that story into the page-turner it ought to be.

The experience was no different when I sat down with the most famous man ever in the history of Professional Wrestling, Hulk Hogan. I sat with that giant of a man as he teared up over the pain he'd been through, talking about how he watched his teenage son go to jail or suffered a horrible public divorce from the woman who had been the love of his life. I was also allowed to follow his memories into the ring, to the moment he body-slammed Andre the Giant, and through all of the perks that fame and fortune allowed.

I did the same with actor Gavin MacLeod, whose role as Captain Stubing on The Love Boat anchored one of the most popular shows on television for years, airing in more than 90 countries and still in repeats to this day. In his 80-plus years, he had seen all sorts of ups and downs, and he was happy to share them with his readers in the hopes that maybe they could learn something from reading about his journey. It was the same with General Lynch, and with Governor Tim Pawlenty (who used our book to help launch his bid to become President of the United States back in 2012), and with Fast N' Loud star Richard Rawlings.

In fact, not one of my subjects, even the most famous or most successful, has lived a life without at least one serious struggle that they've had to overcome. In most cases, they went through multiple struggles. And yet, each one of them is admired for their strength and perseverance in their fields. Each one of them has risen above whatever obstacles stood in their way, and come out the other side better for it. There's inspiration in that. And that's the other link that binds all of the subjects of my books: Every one of them has an inspirational story to tell. What I've come to realize in telling other people's stories is that each of us has a story of our own—and it's possible for each of us to learn from our own story, the same way we might learn from reading somebody else's story in a book.

It's no coincidence that Hulk Hogan called me his "personal shrink" on the acknowledgement page of our book. Gavin MacLeod told me that working on his book provided better therapy than all of the actual "therapy" he'd participated in his whole life! There is something almost magical about stepping back and looking at your life as a story, seeing it in terms of paragraphs, and pages, and chapters that lead from one to the next. There's something humbling about summing up your childhood so that someone else can make sense of it. There's something healing about discussing the toughest times you've ever been through, and seeing that those moments are actually over. They're finished. They're in the past. Those moments, along with the others, were nothing more than a part of the story that led you to where you are now.

I've learned a lot from that. In fact, I've learned so much, that I'm spending more and more of my time now trying to share those lessons with others. I'm thinking about writing a book about this very subject. It was just a couple of years after interviewing Hulk Hogan about his divorce that I went through a divorce of my own. Right around the same time, I ran into some serious financial difficulties, too. I felt as if my whole world had suddenly derailed; my comfortable passenger car was careening toward a cliff. In many ways, if it wasn't for the perspective I'd gained through the writing of these books, I'm not sure I would have made it. But knowing that each of these people I'd written for, from the famous to the not famous, had made it through circumstances that were similar to my own, and in some cases much, much worse than anything I would ever want to experience in my life, helped me to understand that my dark times, too, would pass. I would come out the other side. I, too, could get up again and again, like a General on a battlefield, or Rudy Ruettiger on the Notre Dame football field. In fact, I had already done it. I had been through tough times. I had struggled. All I had to do was look back at my own story — back when I was a teenager, when I went through my first breakup with a girlfriend who I thought was the love of my life, or received the devastating rejection letter from the college that I thought was the only school I wanted to go to. I survived that breakup, and went on to find love again.

I survived that rejection, and the school I wound up attending would lead me to my career as a writer. That "negative" moment would in fact turn out to be one of the best things that ever happened to me; the thing that would define my entire future in so many ways I can hardly begin to reference them all in one short article. Looking back, I realize that the story of my life — like the stories of my subjects — shows me that I don't need to fall off the cliff when hard times come. I just need to hold on and to trust myself to stand on my own two feet when the careening passenger car finally comes to a stop.

The fact is, when we look back at the story, we look back at the path, we can see how we've come to the place we are now. No matter how you look at it, it all adds up. And that is freeing.

The lesson I've learned through the writing of these books is one that I believe can apply to anyone, anywhere: As we take inspiration from books, from movies, from television, from wherever we might find it, we can't forget to take a little inspiration from the story of our own lives, too.

Mark Dagostino is a New York Times bestselling co-author, and a former Senior Writer for People Magazine. He recently contributed the Family Office Elite cover story on high-end matchmaker Amber Kelleher-Andrews. He lives in New Hampshire with his two kids.

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LIVE WITH CHIVALRY

YOUR PASSPORT TO INTERNATIONAL STYLE AND LUXURY

Craftsmanship, generosity and a passion for travel are at the heart of the new collaboration between British luxury brands Chivas Regal and Globe-Trotter. Renowned for handcrafting luxury suitcases and leather goods, Globe-Trotter has partnered with Chivas to design an exciting series of three collectibles for the whisky connoisseur and world traveller - the Chivas 12 'Made for Gentlemen' by Globe-Trotter limited edition gift tin, a limited run of Chivas 12 'Made for Gentlemen' by Globe-Trotter 20 inch Carry-on Cases and a Chivas 12 'Made for Gentlemen' by Globe-Trotter Steamer Trunk.

The Chivas 12 'Made for Gentlemen' by Globe-Trotter limited edition gift tin houses a bottle of Chivas 12 blended Scotch whisky and showcases a vibrant tale of international travel. Inspired by the tradition of applying stickers onto one's luggage to proudly showcase destinations visited, bespoke luggage stickers were hand-drawn by the British illustrator Andrew Davidson to celebrate iconic cities and adorn the contemporary tin design.

A first from Globe-Trotter, the

INTRODUCING CHIVAS 12 'MADE FOR GENTLEMEN' BY GLOBE-TROTTER...

Chivas 12 'Made for Gentlemen' Carry-On Case is a 20 inch trolley case that has been crafted to suit the needs of the busy modern gentleman on short haul business trips and city breaks. It can be stowed in the flight cabin of all international airlines and features a customised lining that elegantly intertwines a never-seen-before Globe-Trotter archive design with the Chivas iconic signifier. The sturdy, burgundy, vulcanised fibreboard case also features wooden handles, brushed brass hardware and an internal leather plaque to mark the collaboration for posterity.

To showcase the true craftsmanship of Chivas Regal and Globe-Trotter the Chivas 12 Made for Gentlemen by Globe-Trotter Steamer Trunk is an original design that will see proceeds of its sale donated to charity The Prince's Trust. It includes a beautifully crafted mini bar with mirrored back for serving Chivas Regal Scotch whisky. American white oak trimmed drawers have been handmade to honour the oak casks essential to Chivas Regal 12YO's rich complexity and a hand engraved copper plaque made from a retired Scotch whisky still assures its authenticity.

To be displayed from 5th October in Globe-Trotter's flagship store in Albemarle Street, London, the one-off Chivas 12 Made for Gentlemen by Globe-Trotter Steamer Trunk for The Prince's Trust will retail at £12,000.

For further information:
www.chivas.com

BUTTON
COLLECTIVE

RISE OF MIAMI
LUXURY PROPERTY MARKET

Over the last ten years, Miami has steadily moved up the rankings as one of the most important cities for wealthy individuals. The "importance" of a city may initially seem a difficult metric to quantify, but the 2015 Wealth Report defines the relative importance of a city by its business links, economic activity and lifestyle offerings. The world's Top 40 cities are those where the wealthy congregate, work, invest, are educated and spend their leisure time – and Miami is one of the most popular locations in the world.

Traditionally perceived for its tourism, climate and celebrity lifestyle, the fourth largest urban area in the United States has come in at 6th place in the report, only falling behind London, New York, Hong Kong, Singapore and Shanghai.

Underlying this increasing popularity has seen a demand for luxury real estate across both residential and commercial sectors. The city is one of the world's most popular destinations for second homebuyers and over recent years has become extremely popular with international buyers.

In a study released last month by the Miami Downtown Development Authority (DDA), 90 % of the demand for new condos in Downtown Miami was from foreign buyers, with residential investments largely influenced by the buoyant property market and a desire to live in a city where the quality of life often exceeds that of most US cities.

While residential prices have risen in recent years, the region is still considered inexpensive relative to other major global cities such as Paris, Hong Kong, Sao Paolo, and London. With the average price of a Condo in Miami selling for half the average price

of a unit in New York, it's not hard to understand why investors have been eager to find well-positioned income producing assets in an attempt to diversify their portfolios. Demand in the commercial sector is also likely to receive a significant boost with some planned developments recently securing zoning and approval throughout South Florida. Investors who often view commercial properties as a safer bet have welcomed the news. The income generated from commercial developments often provides a much more stable investment with high yields, without the need to continually find tenants to rent the property.

The resurgence of the Miami property market has been partly driven by low-interest rates, but one of the largest contributing factors is that investors from Latin America – often located in turbulent regions – are seeking a safe haven for their savings and wealth. Miami presents a great opportunity for the investor who is looking to maximise capital growth while receiving strong and consistent rental returns.

Coral Gables
One of the most popular and exciting areas surrounding Miami is Coral Gables. Located southwest of Miami and home to the city's University, the area, has one of the strongest real estate markets in South Florida.

The wealthy community is home to many international businesses including Merrill Lynch, American Airlines, JP Morgan and the headquarters of Bacardi. In an attempt to encourage further growth and rejuvenation, Coral Gables has seen a flurry of development projects that will reshape the landscape of the city center. Its downtown neighborhood has plans for new hotels, hundreds of condo's, apartments and an array of office, restaurant and retail space that equates to hundreds of thousands of square feet.

Thanks to the cities strict regulation and planning requirements, these new developments have been planned to ensure that the cities picturesque vision as a subtropical Mediterranean Eden will stay in tact.

New Development Offizina
Ofizzina is one of these projects and the only office/condo project to be launched in the Miami-Dade area in the new real estate cycle. The development will include improvements to the nearby park that will contribute to a better quality of life for all local residents. One of the key selling points will be the unobstructed views of downtown Coral Gables, encouraging potential buyers including institutional tenants, family wealth management firms and international banks who have already acquired more than 45% of the available space.

The Mediterranean-style office building will offer:
- 54 suites
- 96,767 square feet of office space
- Three retail suites at ground level
- 332 parking spaces
- A total of 254,449 square feet of space.
- A spa, gym, Italian café and charging stations for electric cars.

Investors from Chile, Brazil, Argentina and Europe have been reserving units between $750 - $800 per square foot, with half using the condos as an investment, with the other half as their own offices. The strong sales in Offizina continue to reflect the significant demand for new properties in Miami.

Within two years, it's expected that Offizina will have the lowest vacancy rate Miami has had in 20 years due to increasing demand and the relatively few office developments throughout the area.

As one of the world's top global cities, Miami has become a firm favourite for property investment. The combination of outdoor lifestyle, business opportunities and affordability will continue to ensure that Miami's future is just as sunny as the weather.

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FIVE KEY QUESTIONS

TO PREDICT SUCCESSFUL INVESTMENT PERFORMANCE IF YOU KNOW HOW TO ANSWER THEM

by Brian Luster and Steven Abernathy

We estimate less than 1% of the general population knows what to ask before considering investing in a company. Mitch Tuchman paraphrased Warren Buffett for MarketWatch: "Put your money in index funds and move on . . . Seriously, you'll do better. That's what I plan to do with my money once I am gone." In short, buy index funds. Ample evidence proves the vast majority of investors would be considerably better off following this advice. Without unique knowledge, active investing is simply a guessing game. Professional investors who achieve consistent success thoroughly assess every single company they buy—every single time. When questions are answered completely, their analysis offers meaningful (often predictive) data. There is no guessing or gut-checking. However, when done right, these inquiries are likely to be an investor's "Holy Grail." But rarely are these questions asked—never mind answered thoroughly. The part-time investor's quest is not unlike the amateur weekend flag football league player competing against a pro football team on Sunday—by himself. Successful wealth managers not only do rigorous analysis and evaluate a company from many angles but, they focus 90% of their analysis on what could go wrong. Their livelihood depends on scouring for data that refutes their investment thesis and takes multiple factors into account. This is the antithesis of most part-time investors who focus the little research they have time for, on the positive or upside of their investment. Most investors don't have an investment thesis. The few who seek data supporting their own thesis rarely consider either the source(s) of their information or other scenarios. If the information isn't "new", it's already priced into the investment. It's easy to ignore information not in support of one's own ideas—and be unaware.A wiser strategy is to take money planned for the investment, hire a professional, and acquire one of the Dimensional Funds world indexes. Hold it for 10+ years. This approach is in line with Buffett's advice and is much more likely to increase net worth versus trying to compete with professional investors who can answer these questions—or derive a series of complex answers from their teams.

Why should an investor's portfolio grow at less than the market's return, simply because s/he was convinced spending two hours researching a specific stock based on one piece of data s/he found in a newspaper or magazine that the "herd" reads? To impulsively go forth rather than completing a full research analysis, which takes 100+ hours, is playing directly into the hands of the well-oiled financial propaganda machine. Remember, the only investment goal is increased net worth—that's it. The following questions are likely to improve investment performance drastically. Aside from answering them, taking the time to ask is not standard investment operating procedure—and that leaves you open to greater risk. We recommend knowing:

1. What is the "real value" of the investment?
The nominal value, adjusted for inflation, is often found on the balance sheet. However, newer companies that require less property plant and equipment (PPE) might require a cash-flow based analysis. And still other companies require a combination of both balance-sheet and cash-flow based analysis. Determining "real value" is at times an art. It will establish the downside. If all other assumptions are incorrect, what is this investment worth in liquidation? If the company has assets that are worth $100M (current and long and short-term assets – current and long and short-term liabilities) and the current enterprise value (market value – cash +debt) is only $50M, it is likely that you are on to something, and you should continue to answer the next question.

2. How much am I likely to lose if I am wrong?
If you lose your capital, you can't invest. If there is no crystal-clear answer on losses, hold off on investing in the company and classify it in the "too hard to figure it out box" (THTFOB). If there is more information later that provides an obvious answer, re-evaluate.

3. Why is the investment undervalued?
Has the company been named in a $100M lawsuit? Is there asbestos litigation? Are there technological innovations that will render their core business obsolete? Could a public relations campaign contain the damage, or, reinvent the company's reputation? No one can accurately predict future events. However, answering this question comprehensively will indicate if the company can be fixed—or not. Is there is a dramatic difference between the stock's current price and its true value? It's important to be able to explain that. Should an investor go against the opinion of the herd (and yes, the herd can be wrong), s/he must be certain about why s/he is going against the grain. Otherwise, this needs to go into the THTFOB.

4. What event will take place to realize the "true-value"?
In the vast majority of investment opportunities where the current price is below true value, some type of event must take place to bring the company's current price back to true value. They could, for example: sell a money-losing division or increase operating efficiency or introduce a new product. Something must happen to change the investment public's mind about how to value the company. Knowing what the event is and when it will happen is critical.

5. What do I know that other investors don't?
This is a tough one as it's illegal to profit from non-public information. The vast majority of all public information is priced into the company's current price. Is your information truly unique? If it's not possible to state what you know, that others do not, put the investment in the THTFOB.

Investors who achieve consistent success collect distinct information. They are also well-versed in finding as much data as possible to refute their thesis. The market is largely an efficient pricing mechanism. Without an informational advantage, it's wisest to focus time on intelligent asset allocation. Investment performance in line with the markets translates into outperforming almost 90% of all other investors, including the professionals. Outliers who manage to get it right again and again, like Carl Icahn, George Soros, and of course Warren Buffett, don't have random methods. They have spent thousands of hours per year, for 30+ years, researching and discussing ideas with their networks. Buffett has been doing this for over 50 years with a single-minded goal. Anyone who is employed and not able to spend over 1,000 hours annually on research is wise to check their ego and obtain a world index fund. However, for the people whose "luck" has led them to believe one or two years of positive investment results were not a coincidence, and, in 30 hours of research they could easily achieve what it takes skilled professionals 100+ hours to do, they (and you!) are free to choose "luck" as an investment strategy. On Wall Street, as in Las Vegas, the house always wins—and we recommend betting with the house rather than against it.

About the Authors:
Steven Abernathy and Brian Luster co-founded The Abernathy Group II Family Office, which counsels affluent families on multi-generational asset protection, wealth management, and estate and tax planning strategies. Abernathy and Luster are regular contributors to several publications and blogs including Family Office Elite Magazine.

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FAMILY OFFICE ELITE WINTER SERIES

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The exciting world of skiing...

SKIING SEASON

THE INSIDE TRACK - From Ultimate Luxury Chalets

As the trees show burnt orange and the autumnal leaves begin to fall, it appears that summer has well and truly passed. However, it's not all doom and gloom and we can now get excited to draw our attention to the upcoming ski season. The Ultimate Luxury Chalets team have been very busy updating its portfolio to provide our clients with the ultimate in luxury ski travel holidays. With such a varied choice of resorts and luxury chalets located all across the Alps, how can you possibly decide where to head this winter?! Ultimate Luxury Chalets provides a portfolio of the top 100 luxury chalets to rent in Europe and can find the perfect property for any group looking to hit the slopes in style.

Are you growing bored of yet another family get together bringing out the Scrabble board just to keep the entertainment ticking over? Ultimate Luxury Chalets can provide plenty of inspiration on where to celebrate the festivities in a winter wonderland! With so many resorts celebrating the festive season in style, you really are spoilt for choice. The streets of Verbier come alive on Christmas Eve with parades and a carol concert outside the tourist office – and anyone can join in! Keeping with tradition, Christmas masses are also held all evening in the church.

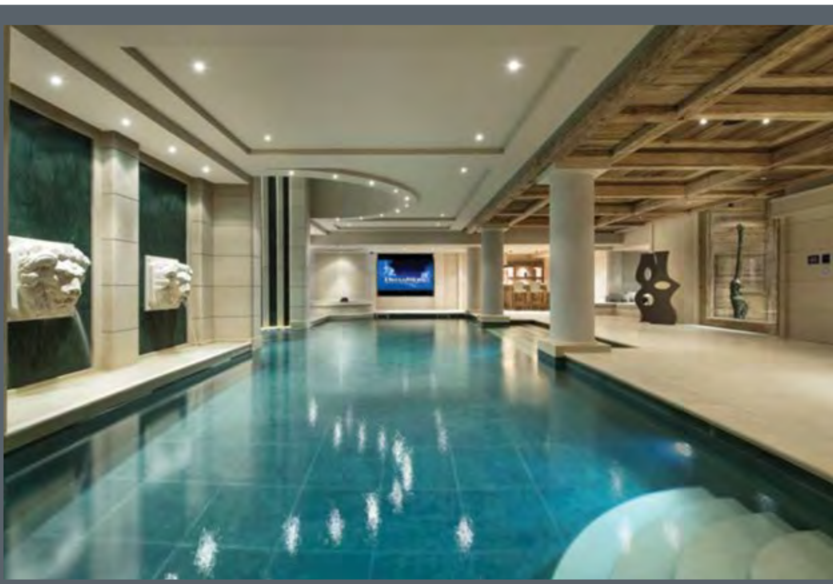
Located a 5 minute walk from the heart of Verbier, you can find Sir Richard Branson's Chalet – The Lodge. The Lodge can be booked throughout the ski season from CHF 86,625 Swiss Francs per week. It features indoor and outdoor Jacuzzis, an indoor heated pool, lounge area with plasma screen and cinema system, a luxury spa with spa services, a private gym to burn off the mince pies, and ski in access.

Courchevel Tourism provides its resort guests with a spectacular three-day event for New Year, aptly called 'The Festive of New Year'. The event runs from 28th December until midnight on the 30th December (and maybe for a few more hours after). During these three days, resort visitors can enjoy a spectacle of theatre, music and dance show spread out over Courchevel 1850, Courchevel Moriond, Courchevel Village and Courchevel Le Praz.

The exquisite Chalet Edelweiss can be found located in the exclusive Hameau de Bellecote, right on the Bellecote piste and only a 2 minute walk away from the heart of Courchevel 1850. This stunning chalet sleeps up to 16 adults and can be booked during the ski season from € 80,000 Euros a week. The chalet comes fully staffed, and it offers an in resort driver service. This ski in/ski out chalet invites it's guests to enjoy the properties indoor swimming pool, indoor hot tub, sauna, cinema room, private gym, and the obligatory private night club so that you can party in style!

During the last week of December, Val d'Isere welcomes five immensely talented sculptures for the annual Giant Sculptures of Snow Festival. The highlight being three detailed snow sculptures all measuring over 4 metres high! Themes often include a nativity scene and an igloo. First the snow is packed into a case, and then the outline is drawn on the snow. The creations are carved out with a chainsaw and finished off with a handsaw by these five very talented sculptors.

A short stroll along the main road from the centre of Val d'Isere, the opulent Chalet Lhotse appears. This chalet is beautifully unique, having recently undergone a full refurbishment; it sleeps up to 12 adults in 6 masterfully designed bedrooms (4 children can also be accommodated within these rooms). The chalet features an



indoor pool, massage room, private gym, sauna, steam room, in-house boot fitting service, children's playroom and home cinema system. The chalet can be rented fully catered within resort driver service from £21,950 per week.

For many resorts, it is not just all about skiing! Resorts have recognised the need to provide activities for all the people out there who don't fancy strapping two planks to their feet. Whether you would like a relaxing break in the Alps and take advantage of one of the many spa retreats or try dog sledding through the beautiful snow laden forests, there is something for everyone. The winter ski holiday is often a traditional family holiday, and it is important that the younger members of the party are catered for throughout the

holiday. Ultimate Luxury Chalets can assist with nannies, day care, ski school and children's high tea in the chalet.

The majority of the chalets in the portfolio are incredibly child friendly. Whatever you require, they can deliver. Including, providing cots, monitors, high chairs, stair gates, fun activities for the older ones and much more! The Lodge in Verbier also offers the younger guests special slumber parties, and the chalet hosts will arrange everything – even baking special cupcakes for a midnight feast!

The ski season is about to start and with many resorts already getting a nice snow covering, it's time to turn your attention to booking your next ski holiday. Wrap up warm, tickle your nostrils with the cinnamon infused vin chaud, and indulge yourself in a gastronomic festive feast!

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Article by **Tim Barber**

PRIVATE JETS

How to avoid the obvious issues when selling your jet aircraft

It always amazes me just how many people are caught out when they make the decision to sell their aircraft but when you look at the array of specialists offering to support the sales process it is hardly surprising.

It's often said that more than 80%, around 85% perhaps, of all jet sales transactions involve an appointed broker, so my primary focus here is to assist you with this selection process. A professional broker should be an organisation who is not conflicted through any other involvement in the operation or ownership of the aircraft, and they should provide a wide range of support. The following list is by no means exhaustive but is a useful aide memoir when you are speaking with a prospective broker.

Firstly, are they a broker or an intermediary?

Do take the time to check that they are a specialist aircraft broker. All too often a plethora of intermediaries purport to be a broker but in reality they are merely a middleman who will then take your aircraft to their "partner". In such cases, it is the partner who is the specialist but, unfortunately, they have been squeezed with their margin because of the over-zealous intermediary. Such arrangements can work but paying all of your fees to the broker may well have focussed his attention even more.

Is the broker actually selling an aircraft that they have inspected?

In fact, it's actually the records that are perhaps more important, so make sure that they intend to review the facts rather than selling "blind". If he plans to sell it without undertaking a full review of both the aircraft and the records, then the chances of the deal falling over has just increased significantly. Equipment lists need to be verified, maintenance status fully understood, confirmation of no damage history or indeed understanding the repairs or replacements that were undertaken if there has been an incident, how good is the paint and interior and so on. In my experience just about every aircraft owner believes their aircraft is the best one available, so it's rarely a good idea to rely on them for confirmation,

How much support is the broker going to give your aircraft in what is a very overcrowded market?

Make sure that the advertising commitment is sufficient. There are many advertising portals available but are they hitting page one of Google. A presence on their own website simply won't be enough, they need to commit to paying for display on the likes of Controller.com and AVBuyer.com. If not, your aircraft will be largely invisible to buyers. What's more, they need to be there continuously rather than intermittently. Sometimes you see a broker saving a little money by removing or reducing the online presence but this is a false economy. Are they going to run print media adverts in the leading aircraft sales journals? These are still an important source of leads as flyers peruse such magazines before and during their flight.

Are they innovative?

Increasingly, social media is an important tool in the sale process so ask what they are doing and then check it out by reviewing their online presence. Also, take a look to understand what have they done for their client's aircraft through the use of creative PR? Are they proactive?

All too often we see brokers getting hold of an aircraft sales mandates, entering the aircraft as "for sale" on the trade databases AMSTAT and JetNet but then sitting back and waiting for the phone to ring. This simply isn't good enough. Such tools, while vitally important, won't get your aircraft exposed to the retail buyer. Any promise of "global databases of buyers" won't be enough in isolation!

How many people/offices do they have to commit to the sales process? All too often the slickest website is run by a single individual operating from a spare bedroom of a suburban semi, while purporting to offer a global network. Verify this by checking the facts; check out the other offices, the other individuals, look at their online and print advertising to see what other aircraft they are selling and so on. Why not ask for references from satisfied clients?

Check their core activity. Some brokers are generally less able to secure exclusive sales mandates and, therefore, focus their efforts on getting involved in a deal on another broker's aircraft. It is usually safe to assume that the longer the chain, the more brokers or intermediaries are involved, the more chance there is of the deal falling over. Brokers who have exclusive mandates have every reason to give your aircraft 100% focus because they know that when they are successful they will be paid. A non-exclusive brokers will probably lose interest in your aircraft as soon as they haven't achieved a quick deal.

Pay them only when they have performed. Very occasionally you may find a broker seeking an element of upfront payment but this is not the norm in the industry. Typically the agreed commission is settled from escrow, upon completion of the sale. However, if you have driven a particularly tight deal, then the broker may seek payment upfront for their travel to inspect the aircraft, perhaps with this sum discounted from the final commission. This is not an unrealistic request because otherwise the broker is cash flow negative until the sale complete.

How many competing aircraft do they offer?

Much of my attention so far has been to ensure that you choose a credible partner but at the other end of the scale, where you are working with a known market leader, take a look to see how many similar aircraft they are currently offering. You don't want to be the oldest, highest hours or the most expensive of the 4 "identical" aircraft that they are selling at any point in time. Clearly they will be offering the easier sale ahead of yours, and that just isn't going to work for you.

Who is overseeing the sale process in your office? Unfortunately, sometimes the broker just won't stand a chance because they don't get the support from the appointed individual within your extended team. The sale of an aircraft sometimes unnerves the individuals closest to it – pilots, management companies, engineers and so on – particularly when there is no clarity about a replacement. Make sure that you don't create such conflict.

Exclusive or non-exclusive appointment?

Some owners believe that by giving their aircraft to multiple brokers they significantly increase the chance of it being sold or perhaps that they are getting better value for money, but this is rarely the case. The right broker exclusively mandated will give 100% to achieving a sale and protecting the online presence of your aircraft by preventing secondary, unauthorised marketing. With multiple agents working for you, it is hard to retain control and before you know it someone that you have never heard of is purporting to represent the aircraft but is offering it at a price well below what you would accept. This is not something that will ultimately benefit you or your aircraft.

As for the value for money, the actual commission paid out to either broker will broadly be the same, so you just as well focus your efforts on working with the right partner. Follow these steps, make sure that you have a leading aviation lawyer, take good tax advice (as appropriate), be realistic regarding pricing and disposal timetables and there is no reason that your aircraft sales experience won't be a positive one. Whether buying or selling, getting the right support is key to the success of your overall experience.

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FINE ART

IS ART A GOOD INVESTMENT?

by: Rony More

It's the question that I find myself answering to old and new clients as well as to my students at Christies Education (New York). So I thought it would be a good topic to start answering to a larger audience.

The art industry is +$55bn in sales a year and is a significant source for wealth creation and preservation. Deloitte and ArtTactic reported that in the 40-year period between 1973-2013 the All Art Index returned 6.9% vs. S&P500s more impressive 10.9%. But when looking at the same period for Postwar & Contemporary, we see an almost identical return to that of the S&P500 (10.8%). MEI MOSES Art Index, a leading art index has pegged the performance of art during high and rising inflation at 18% yearly vs. only 2% in US equities. These are just two of many key historical data sets and comparisons that demonstrate how art can be used as a good alternative investment.

The obvious barrier of entry to this investment vehicle is the high costs associated with acquiring many of the Post-War & Contemporary works. Artworks by "blue-chip" artists such as Warhol and Picasso can fetch more than $100M. And that's for just one work. But it is important to point out that you don't have to be the 1% to trade art. What many neglect to understand is that many of the works by such artists can cost in the thousands and historically outperform both the art and stock indices. So your portfolio can get this exposure to this asset class without investing millions.

And similar returns are found even in the fairly liquid contemporary art market. There are many artworks by artists like Takashi Murakami and KAWS that have consistently outperformed much of the market and can cost as little as a couple thousand dollars. So almost anyone can be part of the art trade. Once you've decided that art is a good choice for you due to the potential returns associated with this market, choosing the right piece of art is the next step. Art is generally associated with beauty and aesthetics,

but this doesn't go so far as to mean that a beautiful painting, for example, will appreciate in value. The aesthetics play some role in price but, surprisingly, a very small one. People can go to their local galleries, shop on eBay, or Amazon and pick out something nice and affordable to hang on their wall and "enjoy" the art as decor. But buying for investment based on aesthetics alone is risky business. To reduce this risk, you should check auction results for the same and/ or similar works. This will provide the needed range in value to determine potential profit via historical performance and the expected risk.

This is the same when thinking about investing in a stock or business with a nice presentation. It looks good and promising on paper, but if there were no track record, the right backing and team, then why would they be expected to succeed? Ideas alone are not enough. And to differentiate between the potential success of such a business or its failure, one needs to understand the industry in depth. In art, we need to realize that artworks are sold throughout the world and consist of all genres, periods and mediums - ranging from emerging African art to blue chip contemporary and everything in between. So when people ask if they should invest in art, they should understand that it's tantamount to asking, "should I invest in a startup, stocks, bonds or alternative investments?" The simple answer is yes. If you have the right expertise and capital, invest in them all.

The complications arise when choosing which stocks, bonds, and alternative investments like art to pursue and the exposure to each.

The trick is to find what expected performance pile should we put them in. So when seeking to earn money on our investments – we need to find opportunities that after rigorous due diligence, we are confident that the reward outweighs the risk. An investment is a purchase today of an asset that is, hopefully, going to create wealth in the future. So when we buy art we should be buying not just because it's pretty. As in many things in life, "pretty" by itself isn't going to create value other than the pleasure you get from looking at it. So if you are seeking to earn a return on your investment (ROI) than you or your trusted advisor better do their homework. You can't just put your money in art and expect a healthy return or any return for that matter. So this doesn't mean don't buy art that goes nicely above your fireplace. It just means don't expect it to go up in value without conducting enough research for you to believe that the odds are in your favor to see that work X has Y % chance to appreciate in Z-years.

Know what you are buying and the purpose of the purchase. Is the purchase to decorate your home or for investment? I believe that it could be both. But this typically is a little more difficult to find. Be ready to make some form of compromise in one of the directions. If it is for investment than ask the right questions. You should buy works because you want to live with them. So if the work is beautiful but has little potential to appreciate in value than you have to ask yourself how much would I pay to live with this work for the rest of my life? If that figure is below the best price being offered to you then simply pass and look for the next opportunity.

To determine whether the work in question has the potential to be a reliable appreciating asset - then you need to do your homework thoroughly. There are enough opportunities for everyone. So you have to continue looking for "money on the floor" and when you see the money you better question it. Is this work authentic? What's the provenance? Is their proof of provenance? Condition? Has it been restored? Performance at auction? How is the work perceived among dealers? Advisors? How does this work compare to other works that performed well?

You can win or lose on any investment but if you work diligently to get enough of the answers – you'll be able to make an informed decision. Answering these questions will reduce the probability for you to be wrong. And unfortunately, you will be wrong sometimes. That even holds true for the Buffets of the world. And it's ok because you are buying works that you can afford and like.

Put your money behind the artists from the right period in the specific medium that performs best. And if you can't afford that option, then find what performs best that is within your budget. Use historical auction data to understand past performance and then speak to the right people to understand the future potential. Not all of your art portfolio will appreciate. We see this best when looking at the S&P500. Only 86 out of the original 500 companies still trade on this index. So would invest in these 414 have been a wise choice? How many of these 414 went bankrupt? All investments fluctuate in price. The pendulum swings back and forth until it eventually snaps off and is replaced by a new pendulum. Safest bet is to pick the ones that stand the test of time.

Maybe buy something pretty... just in case.

Rony More
CEO & Founder of ART PLS, lecturer at Christies Education NY on art as an investment, and VP Business Development of artbit USA.

TAX DISCLOSURE

FACILITY FOR HNWI's

by: Doug Sinclair

Since 2006 HMRC has offered disclosure facilities (including the Offshore Disclosure Facility "ODF", the New Disclosure Opportunity "NDO" and currently the Liechtenstein Disclosure Facility "LDF") to encourage individuals to disclose unpaid taxes connected with overseas bank accounts or structures.

These disclosure facilities have enabled HMRC to collect sizeable sums of monies at a time when staffing cuts were having a dramatic impact on the resources HMRC could otherwise devote to investigations. For instance, the ODF and NDO collected more than £650m between them and since the LDF was introduced in 2009, the total yield generated by it (up to March 2015) has been over £1bn. However, times have changed since the introduction of the LDF, and this article considers the impact of the early closure of the LDF and what will replace it come 1 January 2016.

Liechtenstein Disclosure Facility

In September 2009, HMRC announced the introduction of what was primarily an offshore tax disclosure facility called the Liechtenstein Disclosure Facility or LDF for short. The principal concepts of the two previous facilities were taken on board, together with certain other benefits to entice individuals to come forward. The facility can be extremely beneficial from a financial perspective for HNWIs, subject to the methodology used for calculating liabilities. Initially, the disclosure facility was to close on 31 March 2015; however this was extended to 5 April 2016, but has now been revised again to 31 December 2015.

The disclosure facility results from an agreement signed between the UK and Liechtenstein governments which enable any persons with unreported liabilities connected with assets held overseas, to settle with HMRC on favourable terms, which include:

• No liability for any period before 6 April 1999;
• A fixed 10% penalty for periods from 6 April 1999 to 5 April 2009:
• the ability to choose a single composite rate rather than calculate actual liabilities;
• A single point of contact for disclosures;
• immunity from prosecution for the tax offence.

While the facility was primarily designed to disclose unpaid taxes relating to overseas accounts, it was possible to disclose even wholly domestic matters and still retain the favourable terms. Also, even when an enquiry had been started it was possible to "flip" the enquiry into the facility, provided the enquiry had not been undertaken under HMRC's Code of Practice 9 (suspected tax fraud). Some aspects of this were frankly too good to last, and in August 2014 HMRC announced that to ensure the spirit of the LDF was not being abused, the scope of the facility would be cut back in certain cases.

These restricted cases fall into three broad categories:
• Cases where the relevant person enters the LDF to settle liabilities of which HMRC is already aware;
• Cases where the particular issue being disclosed has already been subject to an HMRC intervention (broadly, enquiry) that began more than three months before the date of application;
• Cases where there is no substantial connection between the liabilities being disclosed and any offshore asset held by the relevant person on 1 September 2009.

In such cases, the first three LDF benefits listed above are not available. The last two LDF benefits listed above are available, namely a single point of contact for disclosures and immunity from prosecution. This leaves immunity from prosecution as the key LDF benefit in such cases: in some circumstances (as for where the taxpayer is within one of the groups particularly at risk of prosecution for tax fraud) this is nonetheless extremely valuable.

Calculating liabilities

Once accepted into the LDF, the facility provides for two methods of calculating the tax liabilities. The first is on a strict actual basis, with the second known as the Composite Rate Option (CRO). This seeks to tax all UK taxes at a single rate of 40%. However, this method (if applicable) requires an election to be made and is irrevocable. Also and where appropriate, for years after 2008/09 individuals can elect for Single Charge Rate (SCR), which is similar to the CRO option, but taxes income and gains at a single rate of 50%.

Example

Mr Smith was UK resident and domiciled for tax purposes. He died in 2003. A bank account held in Guernsey was funded from a non-taxable source not disclosed as part of his estate and has remained undeclared after that. The beneficial owner of the bank account is now his daughter, also UK resident and domiciled.

Financial information regarding the account is as follows:

• Income and gains 1989 to 1999, £500k.
• Income and gains 1999 to 2003, £300k.
• The value of bank account at the date of death £3m.
• Income and gains post death to 2014 – £300k.

On the basis that an asset is acquired in Liechtenstein, the summary of the tax position is as follows.

• Income and gains from1989 to 2003 out of time to assess (under the normal time limits applying to the tax affairs of deceased taxpayers).
• Normal position:
IHT of £3m @ 40% = £1,200,000
Post death £300,000 @ 40% = £120,000
Total = £1,320,000
• LDF using CRO:
Post death £300,000 @ 40% = £120,000
Total = £120,000

The IHT liability falls away completely if the CRO is used. The potential tax saving is £1,200,000.
In addition to any tax savings, there would be the corresponding savings on interest and penalties.

Son of LDF

As from 1 January 2016, those individuals who wish to come forward to disclose unpaid taxes connected with an overseas bank account or structure will not be able to avail themselves of either the LDF or the Crown Dependency disclosure facilities. However, in the last budget HMRC announced that there would be one final disclosure facility to run between 2016 and 2017 which coincides with the provision of tax information under the Inter-Governmental Agreements (IGAs) in 2016 and the Common Reporting Standard (CRS) from 2017.

At present only limited details have been released about this new facility. However, it is highly likely that from a practical perspective it will use the format of the LDF regarding timescale and reporting the disclosure to HMRC. The one aspect that is clearly known is that its terms will certainly not be as advantageous in several respects as those offered under the LDF. Based on the above comparisons, the new facility (whatever it may be called) is not going to be as beneficial as the LDF and advisors have already opined that the removal of the immunity from prosecution and higher penalties will have a negative impact on individuals coming forward to disclose. However, it is believed that the removal of these incentives is a toughening up of HMRC's stance in tackling offshore evasion and, therefore, is seen as the definitive final disclosure facility.

More investigations on the way?

It is possible that certain HNWIs do not feel they have a disclosure to make, based on the advice they received at the time of setting up an overseas account or structure. While this may be correct, it is worthwhile seeking up to date advice to ensure the planning is still robust in the light of IGAs and CRS coming into force. Individuals who do not come forward to voluntarily disclose matters (because there is no disclosure to make) may still come into the taxman's sights as investigations under Code of Practice 9 / Contractual Disclosure Facility (CDF) – Cases involving suspected tax fraud increase. It should be noted that Code of Practice 9 does not automatically give an upfront immunity from prosecution, as is the case with the LDF. As an example, if an individual does not accept HMRC's offer under the terms of the Code of Practice 9 / CDF then HMRC may commence a criminal investigation at any point following the refusal of the offer. Additionally, the recent budget announced that the "strict liability offence" for holding an overseas bank account is being thrown open again for consultation. Although if this does succeed in being implemented, we will no doubt see a considerable increase in investigations, including criminal ones.

What does all this mean?

HNWIs with overseas bank accounts and structures should seek independent tax advice about the current effectiveness of the tax planning, as well as advice surrounding the exchange of information under IGA and CRS to HMRC.

Doug Sinclair is a Partner and the Head of Tax Investigations at BKL, a firm of Chartered Accountants based in London. Doug has over 27 years' experience of handling complex tax investigations / disclosures. Doug can be contacted on 020 8922 9328 / 07979 982298 or at doug.sinclair@bkltax.co.uk

THROUGH THE DIN

Philip Watson, Head of Global Investment Lab, Citi Private Bank. The Global Investment Lab is a unique team dedicated to helping Family Offices better understand their investment portfolios – supporting their needs in areas such as portfolio construction, asset allocation, risk management and investment strategy.

Philip Watson
Citi Private Bank

Family offices require simple and cost effective solutions for their diverse day-to-day challenges. One area of concern that surfaces all too frequently is the question of how to best manage portfolios of disparate assets. These are frequently advised by a collection of third party providers, all with different custody arrangements and advisors.

Bringing the Contours of the Hill into Sight

On the surface, the inherent diversification within the multi-custodian and multi-advisor model appears to satisfy many. However, the challenges this places on family offices often outweigh the benefits. It is not uncommon for a family office to be managing five or more banking relationships, with hundreds – or thousands - of positions of negligible size within the overall portfolio. While the original premise was to diversify risk, the unintended consequence is a heavily diluted and unwieldy portfolio. This leads to portfolio inertia: even strongest performing assets end up contributing very little. Moreover, the practical realities of combining investment oversight with administrative governance - multiple statements, different vehicles, myopic (possibly conflicting) advice - can lead to an overall absence of clarity on the big picture. These requirements - with their associated cost and time pressures - are akin to juggling balls: the situation is manageable until it isn't! Bringing the contours of the hill into sight before taking the journey up is a critical step. Once that lens is in place, the family office can focus on making holistic, objective and proactive decisions.

Risk - What Really Matters?

2015 has been a year abundant with mini "crises", most recently a global growth panic, a Greek debt crisis, and the US slowdown at the start of the year. The tension in the Crimea seems like an age ago. Family offices have needed to navigate these – and more so, their effect on investment portfolios. Living through the moment is one approach. Another has been for family offices to cross proactively examine and stress the portfolio to identify potential sensitivities: Unravelling risks inherent in a portfolio, fathoming the outliers, and distinguishing the likely from the probable. Irrespective of risk profile, this approach works for many for the way that it not only identifies the risk but helps quantify them about others. The old truism 'investors chase returns, not asset classes' continues to apply today with a noticeable absence of cult in any asset class. Family offices are adept to deploying capital across the cycle dynamically – both by asset classes and product type. In this environment, however, it is the underlying risk dynamic that is important, and while solutions change, the underlying risk may end up remaining static. Perhaps amending the adage to "investors acquire risks, not asset classes" may be more appropriate. Throwing water on conventional approaches, family offices need an approach that cross-examines their portfolios in an alternative way: linking consequences to implications.

The modern investor seeks to classify risks as exposure factors that identify what is driving returns. This factor analysis, as the name suggests, applies complex mathematics to categorise a portfolio into a set of actionable factors. By way of example, these factors might include macro factors such as US industrial production, specific market (e.g., Latin American equities), or factors such as "valuations". Identifying which factors a portfolio is sensitive to (out of literally hundreds of potential ones) can help guide a family office on the key drivers of return and isolate potential duplications in risk.

This additional information is also vital in identifying the right solution. With the result being that family, offices can make a better-informed decision on whether to hedge or diversify current portfolio positions. Such detailed analysis also provides assurance to the family office that investment exposures are indeed intended.

Across the world, we are seeing increasing need for factor analysis among family office clients. Take the recent case of a Latin American family office that managed over $500 million, predominantly comprised of a handful of strategic companies. Their concern was how to design a complementary portfolio without duplicating existing risks. In another case, we dissected the investment portfolio of a Northern European family office that managed more than $500 million. Our analysis found that 54% of overall risk was concentrated on Western European market returns, despite its initially diversified geographical appearance.

On other occasions, the driver for running factor analysis is an initial concern regarding a specific risk. One family office based in South East Asia expressed concern of interest rate and currency risk within their portfolio. The findings of the analysis led to a "right – sized" solution that was tailored to hedge these particular risks. For these examples and so many more, the family office needs are unique. The challenges they face, however, run in parallel.

Risk Management Takes Disparate Forms

Risk management remains a core part of the family office day to day. At this stage in the business cycle especially, family offices are increasingly seeking solutions for downside risk management and refining their approach to risk management.

Among the most prominent trends is a deliberate shift to redefine the purpose of portfolios from 'benchmark orientation' to an outcome-based solution. In turn, this has raised the prominence of an absolute return strategies - including hedge funds - as invaluable sources of risk-adjusted contributors rather than solely alpha. Family offices are also increasingly deploying well-defined segregation strategies that result in separate pools of capital run to different mandates. This may be by asset class, risk, motivation (e.g. pre-defined level of income) or exposure groups. This brings the 'contours of the hills' back into sight and is especially relevant for family office portfolios that are often unbalanced in risk due to concentrations in family businesses.

Finally, raising the overall governance level from the very outset through strong investment guidelines with clear accountability has been the solution for others. This process, though involved, ensures all parties including all third party managers – are in sync from the beginning. While the exercise is non-trivial - this practice can be supported in a variety of ways through some tools and capabilities.

In the end, these developments in managing disparate assets amount to an end state of preparedness. Family offices want to make informed decisions - with expert advice that transforms such complexities into simple, digestible solutions. And while no one has a crystal ball, time and again, we have seen that it is the most progressive and adaptive family offices that succeed.

ARE DIAMONDS A GOOD INVESTMENT?

By Ruth Donaldson, Heirloom London

Who isn't captivated by the sparkle of a diamond? Their strength and sparkle have made them the 'must have' stone for special jewellery, still worn and loved by celebrities, as well as brides to be. Treasured as adornments, they are also regarded as a practical and portable store of wealth.

It isn't that romantic when you look at the stone in its pure form. It is simply a form of carbon, which has the highest level of hardness of any material. However, from their discovery, diamonds have been prized. Pliny the Elder, the great Roman historian, makes one of the first historical references to them in 1AD where he says "not all Kings, but only some" were worthy of diamonds. They were; he concluded, "A Gift of the Gods". Unsurprisingly the first diamond owners were the nobility, and stones were assets.

Jump forward 2,000 years and diamonds are still prized. The global auction houses regularly offer important stones considered to be of especially high value. In the long run, diamonds are considered a safe investment that will appreciate over time. This is partially true. However the reason diamonds have not hit the commodity market yet (or are likely to) is that they should be approached like fine art and antiques, not the raw material.

The industry has been subject to countless scandals over the last few years, and it was only recently that three company directors were disqualified for over 14 years each for effectively conning their customers, who are estimated to have lost millions after being misled into believing that they were purchasing diamonds at a true market value. Investigators found that the companies, in fact, sold diamonds at up to twenty times the price they had been purchased for. Sales staff also made claims about increases in the future value of diamonds, telling customers that their investments would rise in value by

up to 80% per year. Very good salespeople, but not diamond experts clearly!

A good diamond will appreciate over time, but better you approach the purchase like Warren Buffet and take a long term view. My general advice on investing in diamonds is that there is more to be gained if there is some reason for owning a stone beyond its value as an asset. Seek out stones that can be enjoyed in jewellery - it makes no difference to the value if they are kept in the safe or on a chain; if they are top quality their value may drop a little in the short term but it will grow over the long term. One of my brokers explained how a client had picked a rare pink stone to include in a pendant for his wife. He then learned she didn't like pink stones. The brokers were happy to take their marvellous pink back, and instead a selection of high quality coloured stones were chosen and crafted into a unique brooch. (My warning for the client? He had intended to spend £150,000 on one stone, and by the time they had finished, the purchase was £750,000 – diamonds don't come cheap but by using the right broker he can be sure the brooch will not only look spectacular it will also appreciate in value.)

Advice for choosing a suitable diamond broker

Good diamond brokers are hard to find, like the fact they are good means they don't have to advertise (and quite often they don't want to). Companies offering 250,000 stones and with 'investment' written all over their websites are actually best avoided.

Expect to be challenged before you are actually allowed any diamond access. Good brokers are going to want to know something about who you are and your background before you are allowed anywhere near high-value stones.

A credible broker will explain why they are making a recommendation and what they think of the stone. The better the stone, the more affinity a diamond broker will have with it. The individuals I work with choose stones based on the unique nature and personality of each. They don't look at projected returns; they don't have to. The best way to find a good diamond if you don't know much about stones, or the industry, is via introduction. We are really proud of the diamond houses we work with at Heirloom – and this has nothing to do with luck. I've been in the jewellery industry for over 13 years; I'm known and trusted. This makes finding the perfect stone for a client's needs far easier.
More Diamond Tips

Value is determined by scarcity. As such, as diamonds increase in size the price will increase disproportionately. An example of this is to consider that while a two carat stone may cost £25,000, a four carat stone may fetch £150,000. This is simply because there are far fewer good quality four carat stones than there are two carats.

What a good diamond looks like is one for the experts. Where the inclusions on a stone are, the symmetry of the shape, the cut quality and the colour all contribute. If you already own a good quality stone, this is a useful comparison tool.

For coloured diamonds, keep a watchful eye on the colour evenness and intensity. An intense yellow should be that, not the colour of straw

A certificate does not guarantee a good stone. It just evaluates the qualities. I've seen stones with Oscar-winning certification that are 'hound dogs'. Conversely, I've seen stones where, if you paid attention to the certificates, you wouldn't buy them – and yet they are amazingly beautiful.

With stones, it IS a personality contest - unless you are simply looking for the biggest possible.

Finally, if you aren't a diamond expert – don't pretend to be one! You place yourself in a position to be sold a lower quality stone at a higher price - and by the time you find out, you are going to struggle to argue the case if you've said you know all there is to know about diamonds. Always get expert advice and work with a reputable broker – that way you'll be sure to purchase a quality stone, at a fair price, that will not only look gorgeous, it will also act as an investment.

ABOUT THE AUTHOR

Ruth Donaldson is the founder of Heirloom London. which is a unique personalised jewellery buying service. We delight our customers with the best possible design and quality for their budgets. Sourcing from our own stunning ranges to the finest designers and makers, Heirloom London simplifies the art of adornment. http://www.heirloomlondon.co.uk/

INSURANCE LINKED SECURITIES

AN ALTERNATIVE INVESTMENT SOLUTION

By: Luzdary Hammad, marcus evans

"The global financial crisis is creating serious dislocation across all asset classes. Investors today are craving investment opportunities that are genuinely uncorrelated to financial markets, so they are protected when everything falls at the same time. Insurance-Linked Securities (ILS) is attracting a rising universe of institutional investors, due to its low correlation to financial markets and any other form of investments. ILS enables re/insurance companies to transfer natural catastrophe and other risks to capital markets while providing investors with an attractive income stream and diversification of assets. It is our aspiration to help investors understand why ILS, this relatively unknown asset class should be part of any investment portfolio," advises Guy Cloutier, Founder & Chief Executive Officer, Sequant Re.

How does an investment in ILS work?
To offer protection against natural disasters, re/,insurance companies can access capital from investors by issuing an insurance-linked security, an investment instrument similar to a bond. Like the coupon received by a bondholder, the ILS investor receives a premium in return for pledging capital to back up the protection provided by re/insurance companies. At the end of the insured period, if the insured event (hurricane, earthquake, etc.) did not occur, the capital is returned to the investor. If the event occurs, the investor may lose some or all of his capital. However with proper diversification, the possible loss of capital can be mitigated.

Why should family offices consider investing in ILS?
Neither the general state of the economy nor the behaviour of financial markets can influence the occurrence of a natural disaster. Therefore, the low correlation to other asset classes and financial markets is one of the key benefits ILS has to offer and the biggest driver of the massive influx of capital entering the ILS space. This asset class is experiencing strong growth and it is dominated by large institutional investors who are enjoying a new income stream that is uncorrelated to other investments. It is our ambition to lower barriers to entry and make this investment opportunity available to Family Offices, HNW individuals and the investment community at large.

What are the risks involved?
As in any investment proposition, there is always a risk. By their very nature, the insured events are unpredictable. We can model and estimate these events using historical data, but the actual outcome is uncertain. However through diversification and risk management we can greatly reduce volatility and the exposure to the loss of capital or loss of return.

How do you protect investors?
Diversification is fundamental to us. The ILS portfolios we put together are diversified by perils, geographic locations and structures. We look at a large book of reinsurance transactions globally, and we only source and write the deals that present best opportunities for our clients. The quality of the underlying reinsurance contracts in the portfolio as well as protecting investor's capital through proper diversification is of paramount importance to us.

The investor is at the centre of our business model. Based on this key fundamental, the ILS portfolios we build are fully customised and driven by the investment objective of our clients. Thus, there is an education process in our approach to ILS. We engage with our investors, and we bring them into our world, so they understand ILS as an investment strategy and able to make informed decisions.

The Marcus Evans group has over 20 years experience in the production of premium business events. Known globally for our unwavering dedication to quality and excellence, we aid our clients in achieving their strategic goals by providing market leading business intelligence otherwise inaccessible to them.

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YOU NEVER KNOW WHEN YOU MEET AN ANGEL

by Dr. Barbara Aust-Wegemund

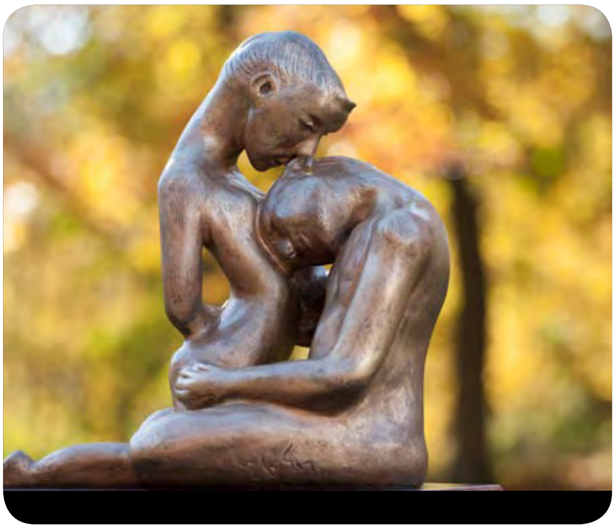
We are delighted that Dr. Barbara Aust-Wegemund has contributed another article to Family Office Elite Magazine.

We have often heard about being kind to everyone because you never know when you might be meeting an angel. This may happen to you, when you get in touch with the Edith Breckwoldt's sculptures.

On the 4th August 2015, we celebrated the 78th birthday of one of the most iconic, controversial, and astonishingly multilevel artists: Edith Breckwoldt (1937-2013).

"When Edith was talking to you she'd always be feeling something," says Frank Breckwoldt, her strongest fan, husband and muse. "The way she has been touching a stone, a flower, a tree, rubbing it with the palm of her hand, spreading out her fingers. She was intensely tactile, and that fed into her work, her feel for stone, wood, bronze – and to human relations." In most art exhibitions, you read the instruction "Do not touch". But Edith Breckwoldt labeled her works with "Please Touch", to get in touch with the sculpture and surprise the visitors with their hidden emotions.

Inner peace, symbiosis and vitality are the words that come to mind with Edith Breckwoldt. Her sculptures embody the great themes that she explored throughout her career; the ambiguities of human relationships. Using semi-abstract forms of human figures, she employed their shapes as vehicles to convey emotions. Edith Breckwoldt continually extended her sculptural ideas using first naturalistic, later abstract imagery, while exploring the possibilities of her chosen medium - plaster cast in bronze. She denied any influence by her teacher, the Edwin Scharff alumnus Fritz Fleer, but developed her own artistic identity focused on an impulsive, creative working process.



Sculptor enthusiasts should visit the glorious (secret) sculpture garden in Hamburg Schloß Hohenlinden to absorb not only her art but that serene spirit. Many of her collectors are aware that there is a light shining side to this extraordinary artist, who was born 1937 in Lauenburg and died 2013 in Hamburg.

Edith Breckwoldt's studio was based in her home in Hamburg, Schloß Hohenlinden with its gardens open to the sky and the elements. But it is surrounded by thick granite walls, so she could keep her privacy if she wanted and benefited of a control and concentration about her. Driven by her enthusiasm and love for life, to her family and nature, the inspiration was all coming from her heart. All her passion, even the world's pain and frustration were channelled into her work.

In 2004, an immense bronze sculpture of an angel "Erdenengel" was unveiled at the famous Memorial St. Nikolai Church, awarded by the Hamburg Government, Head of Cultural Affairs, Prof. Dr. Karin von Welck.

Edith Breckwoldt has created a symbol of world peace, but moreover a piece of contemporary art, that becomes international recognition on the world stage. Just three years later in 2007, the former chancellor and native of Hamburg Helmut Schmidt organized to install Henry Moore's sculpture "Large Two Figures" in public park Hamburg Moorweide to remember to war and reconciliation between the European nations.

So what is it? What makes Edith Breckwoldt's work so unique and unforgettable?
No doubt, it is this hybrid language where Modernism meets the Contemporary through inner and outer journeys, where vibrant visions become reality. It means listening to your innermost self, being quiet, being impulsive, marvelling, hoping – hearing your heartbeat and being overwhelmed.

Reflecting the universe of time and space, Edith Breckwoldt's work combines technical precision with passion and innovation. Her symbolism is manifested in the relationship between the outside world and the microcosm of inner feelings.

A dream came true. Thank you Edith, and happy birthday! Thanks to the universe for that unforgettable artist.

Parties interested in visiting the Edith Breckwoldt's Art Estate, Private Collection and Sculpture Garden in Hamburg should direct inquiries to Edith Breckwoldt's Art Trustee and Curator, Dr. Barbara Aust-Wegemund,
aust-wegemund@edith-breckwoldt.de
Photos: by Manfred Wigger

DESTRUCTIVE BEHAVIORAL BIASES

OBSTACLES TO ABSOLUTE RETURNS

Article by Rene Levesque

The Hedge Fund universe's constituents generally exhibit an impressive arsenal of idea generation and research talent. This, overlaid with position-specific and/or portfolio-level risk mitigation, represents what most Hedge Funds are all about. The risk mitigation overlay toolbox often includes, for example: diversification, paired positions, systemic and/or sector hedges, market neutrality, and targeted risk calibration. Hedge Fund managers and investors have sought comfort in these risk mitigation tools in their quest for absolute returns and thereby alienate at least part of their portfolio allocation from broad market drawdowns and dislocations. Unfortunately, and as recent history demonstrated, none of the risk mitigation tools offer a guarantee to absolute returns.

Essentially, dwelling on a risk mitigation overlay to construct Hedge Fund portfolios, coupled with two key missing ingredients, only further alienates the Hedge Fund mandate from the concept of absolute returns and the protection of precious capital.

The Key Ingredients

The first key ingredient is to abstain from surrendering to two particular behavioral biases, i.e. overconfidence and the disposition effect. The second key ingredient consists in the failure to distinguish between Risk Management from Risk Mitigation.

Overconfidence tends to be most prevalent among managers who deploy an impressive amount of time and resources to conduct private equity style deep due-diligence research to generate and validate ideas. This involves, for example, leveraging elaborate contact networks to source and validate data points, conducting channels checks and cross-referencing data points with management, current and former employees, suppliers, customers and competitors, and conducting proprietary surveys, to cite a few examples.

The research process leads to a superior inventory of publicly disclosed data points that are not readily available to the typical investor and thus enables the portfolio manager to identify significant intrinsic valuation gaps and formulate and express high-conviction and non-consensus themes and ideas in a portfolio.

Overconfidence is typically revealed by the deep due-diligence and the investor's unwillingness to discount widely available information while overestimating their proprietary and hard-earned superior information. Most often, the "widely available information" will dictate the direction of price movement of securities. The market is a collective perception of reality. Right or wrong, this perception dictates price movement. Its forces will generally exceed those of the embedded valuation gaps identified through deep proprietary research and analysis not readily available to all.

As a matter of fact, the deeper the due-diligence the most time required for the rest of the investor universe to uncover, digest and discount the information, and only then drive asset price. And until this chain reaction actually takes place, both the individual security and the overall markets are subject to changes and events that will further widen the price spread from its true intrinsic valuation. At these junctures, portfolios and underlying positions come under price pressure. Managers are at times forced to dispose positions at a loss to honor redemptions that all too often coincide with overall market dislocations. Overconfidence is an enemy, rather than an ally, in the generation of absolute return and the protection of capital.

The Disposition Effect

The Disposition Effect refers to a very human but irrational behavioral trait whereby individuals are inclined to be more eager to sell securities of value but tend to be willing to hold securities that have lost value. Essentially, we are pre-disposed and unwilling to experience the pain of realizing loss of capital through disposition.

As market perceptions and volatility regimes further alienate securities' prices from fair valuation and the manager's portfolio entry points, refraining to withdraw capital among these ideas further contributes to the deterioration on the return profile and the manager's ability to protect capital.

The propensity to generate absolute returns and protecting capital is greatly enhanced as the manager allocates capital to long and short ideas that are receptive to the market, and then retrieving in whole or in part that capital as the market is no longer receptive to these long and short ideas. One cannot expect each and every Portfolio position to be receptive by the market, but it is not unreasonable to dynamically calibrate its size or risk allocation to the degree of receptiveness by the market. This is what risk management is all about: dynamically allocate portfolio capital risk among ideas to generate returns, and most specifically actively attending to losing positions, i.e. reducing or removing capital from ideas not being rewarded by the market.

If the objective is to generate absolute returns, there should be very little, if any, tolerance to allocating capital among ideas while waiting for the market to agree eventually that they are right. This calls for a process that is specific to the timing of portfolio implementation, position sizing and trade construction, as well as portfolio net and gross exposure calibration. Not that there is anything wrong with hard-earned research and due-diligence in the formulation of an investment thesis; however, it should not dictate the portfolio implementation, construction and management process.

Two Very Distinct Activities

Idea generation and portfolio implementation, per se, are two very distinct activities in the management of absolute return strategies. They are, unfortunately, and too often, confused and applied sequentially.

In the evaluation of a hedge fund manager, the investor must acknowledge the importance in recognizing the manager's priorities. Is he spending all or most of his time generating and investigating ideas? Or, is he actively attending to his portfolio positions? The investor must be able to assess the manager's likely behavioral patterns and level of complacency or tolerance when faced with losing positions. How does he react when the market does not agree or has yet to discount his hard-earned ideas? Generally (and unfortunately), the time and effort spent in the formulation of high-conviction ideas tends to be highly correlated with (1) the amount of capital allocated to the idea, (2) the investment horizon willing to assume to eventually monetize the hard-earned idea, (3) the marked-to-market loss tolerance allowed within the required investment horizon, and (4) the willingness to gross-up or double-down on the position undergoing negative price pressure within the intended holding period. At this point, the manager is emotionally attached to his hard-earned ideas and claims superior knowledge to the market. One can remain right much longer than solvent in portfolio management, particularly when leverage is applied, and liquidity is scarce.

The risk mitigation toolbox mentioned earlier only serves as a means to reducing the volatility of portfolio returns rather than protecting capital. When risk mitigation is confused as risk management, a false sense of security is being assumed. Risk mitigation tools dwell on relatively static relationships such as volatility and price correlation metrics to remain effective in reducing volatility of returns. Unfortunately, these relationships are systematically breached when we most rely on them remain stable, and in most cases rather violently.

The manager applying a risk mitigation overlay through paired positions, diversification, or hedges, will tend to accept a higher loss tolerance at the position and portfolio levels for the benefit of longer term results. As a matter of fact, risk mitigation tends to subsidize further the behavioral biases such as overconfidence and the disposition effect. In contrast, an effective and disciplined application of a risk management overlay will tend to suppress these behavioral biases.

Portfolio Management Framework

The process to abstain from the behavioral biases requires an active and dynamic portfolio management framework. The manager promptly accepts that the market ultimately dictates when ideas and themes are right or wrong. This framework requires discipline, respect for the market's overwhelming forces, nimbleness, and humbleness in admitting being wrong; i.e. to suppress the behavioral biases rather than subsidizing them. Only then, will the hedge fund portfolio manager expose his investors to a higher propensity of absolute returns and protection of capital.

Mr. Stanley Druckenmiller explains it best with "It's not whether you're right or wrong, but how much money you make when you're right and how much you lose when you're wrong."

The quest for absolute returns does not rely on being consistently right, but how you react when right and behave when wrong; that is when the market decides when you are right and when you are wrong.

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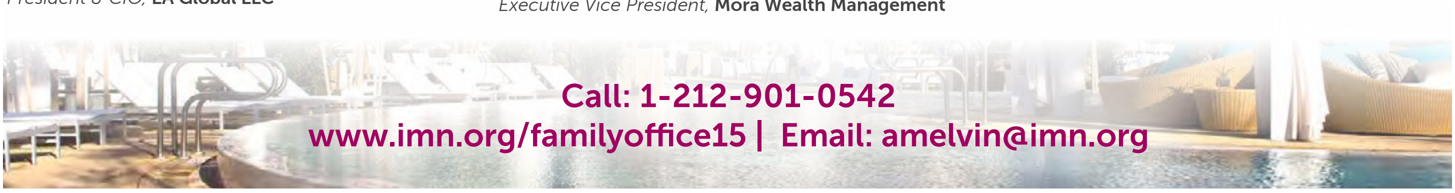

THE TRANSFORMATION OF THE RUSSIAN ECONOMY

By: Luzdary Hammad of Marcus eEvans events

"Investors must truly do their field work and have a local presence in the country they plan to invest in order to be successful," advises Martin Charmoy, Director of Marketing at Prosperity Capital Management. Prosperity Capital Management is a sponsor company at the Marcus Evans Global Investors Summit 2015, in Montreux, Switzerland.

Why should investors consider Russia?
Russia has a unique history; it has been through two significant crises in the last 20 years, the 1998 banking crisis and the 2008 global financial crisis. We are now in the new era of the Russian economy. I believe most people do not understand Russia and still have the perception of Russia as the former Soviet Union. People have a strong opinion about Russia, and most of them do not want to update it.

The Russian economy is now very similar, regarding structure, to Western countries. Every time we have visitors in Moscow coming to visit our company or some of the companies we are invested in, they are shocked to see that Moscow resembles any other Western city, including the bad traffic and coffee chains.

Why do you believe Russia is misunderstood?
I think Russia has suffered from media bashing from the Western press. Most mainstream Western media portrays Russia negatively, and they rarely mention any positives, such as the improvements over the last 20 years.

Due to the lack of knowledge and a lack of understanding of Russia, investors do not spend the time to go to Russia to see for themselves how Russia has positively changed over the last 20 years.

Why is active investing critical to success in Russia?
When investing in an emerging market, the biggest threat investors need to consider is the corporate government risk. Investors can mitigate this risk through active investing, particularly in Russia.

Asset managers must engage potential companies to identify the good and bad company managers. Shareholder value is often created in companies that are in the midst of a transformation, be it a merger, corporate restructuring, change of control or management or an on-going sector consolidation. During such periods, it is important to safeguard good corporate governance standards. An active approach can be a major contributor to enhancing shareholder value.

Which industries should investors explore in Russia?
Investors can find opportunities across all sectors in Russia. Oil and gas continue to be an attractive sector. The current trend is to invest in companies who have benefited from the expansion of the Russian middle class such as companies in food retail, agriculture and telecommunication. Between 1996 and 2014 the average salary in Russia went from 65 dollars to 1000 dollars, if investors can locate which companies have been able to benefit from this trend they would be making a very profitable investment.

Will Russia introduce capital controls?
It has been a rumour since 2014 and has never been seriously considered by the Russian authorities. Russia is an open market, and it would clearly not be beneficial to Russia to put in place these types of controls. We do not think that capital control is on the Russian government's agenda or has ever been on their agenda.

About Marcus Evans
The Marcus Evans group has over 20 years experience in the production of premium business events. Known globally for our

unwavering dedication to quality and excellence, we aid our clients in achieving their strategic goals by providing market leading business intelligence otherwise inaccessible to them.

At Marcus Evans, we craft products that empower our clients to drive organisational growth and achieve effective decision-making. Our clients' focus on continuous improvement creates a strong basis for an ongoing dialogue, allowing us to evolve our abilities to address their needs successfully.

Developing major sector-focused events, Demarcus Evans provides unique business and networking opportunities across diverse industries and professions. We aim to meet all of your strategic information requirements through premium products delivered through a variety of media. We consider innovation to be vital. Our extensive proprietary analysis of our clients' business needs enables us to equip you with the tools you need for future success.

For more information on the Global Investors Summit visit: http://globalinvestors.marcusevans-summits.com/

Key strategies when facing challenges in 2015

By Ali Tamashiro, marcus evans

"I've never known a time in my career where there's been more uncertainty," says Martin Graham, Chairman of Oracle Capital Group.

Mr Graham attended for the first time Marcus Evans' leading European Private Wealth Management event, The Elite Summit. Mr Graham spoke about dealing with uncertainty in 2015 and focused on the challenges that family offices face in current conditions.
There is a great deal of uncertainty at present in the political, economic and regulatory fields. Family offices have to cope with the risks that these uncertainties present, by putting in place correct Family Governance.

Mr Graham believes it is important to take a proper approach and to plan ahead to safeguard a family's legacy. He states, "The average wealthy family loses its wealth over three generations. The ability to pass on wealth efficiently, avoid disputes over the wealth structure, continue to grow that wealth and get those who inherit it to understand that they have a duty to grow their future as their family and their wealth grows is a challenge that families are yet to accomplish."

How exactly do you plan properly? Mr Graham suggests you start by educating your family and adapting to successes and failures. Education and knowledge of a family's goals and values are key because this can be inserted strategically into a company's objectives. Next, have a long-term plan that includes diversification and physical asset investments. Finally, get your family involved in Alternative Investments that are exciting and interesting. Oracle Capital Group has started a new venture in the Alternative Investment world by introducing investment in fine art. The fine art market is booming, and Oracle Capital Group has specialists who identify specific paintings for their clients to purchase as investments. Also, Mr Graham has seen exponential growth in demand for vintage cognac, physical assets and real estate as alternative investments.

With there being so many different approaches for Family Offices to deal with present uncertainties, Mr Graham valued the opportunity to meet bright people with new ideas at the Elite Summit. He commented that having the opportunity to meet face-to-face with a handful of senior executives with similar ideas and interests was the most valuable feature he could take from Marcus Evans' Elite Summit.

FAMILY OFFICES, WHAT ARE THE BENIFITS OF

HONG KONG

In recent years, a number of family offices have been set up in Hong Kong ('HK'), and it is expected that more such offices will be established in the longer term. One reason for the increase is that there are a comparatively higher number of high or ultra-high-net-worth individuals resident in HK. The other reason is its geographical proximity to Mainland China as well as to other Asian countries that are forecast to have strong economic growth in the future and thus more millionaires or even billionaires will come up in this region.

A top financial center

HK has long been one of the top global financial centers. With the launch of the Shanghai-Hong Kong Stock Connect in November 2014 and the Shenzhen-HK Stock Connect on the pipeline that is envisaged to be in the market early next year, stock turnover in the HK Stock Exchange has already experienced a quantum leap, and a further increase is expected when the Shenzhen-HK Stock Connect is in place. Initial public offerings continue to be going strong in the current year. The Securities and Futures Commission has recently launched initiatives to enhance fund authorization process to reduce the processing time. The Inland Revenue Department ('IRD') is also contemplating how to attract multi-national enterprises to use HK as corporate treasury centers. All these efforts will attract financial firms to come to HK to set up operations here in the medium to long term.

Various government departments have been putting their weights behind boosting start-ups and entrepreneurship. Their combined efforts have attracted local and overseas talents in setting up their own businesses. Seminars, conferences and networking events have been organized to enable the start-up founders to build a closer network among them and to be apprised of what their counterparts are doing outside of Hong Kong. One such event is the StartmeupHK Festival to be held in January 2016. Incubators and private equity funds on start-ups are also keen in identifying targets in the local markets. Having headquarters in HK would enable these offices to have access to more than average investment opportunities for better returns.

Simple regulatory framework

HK is a Special Administrative Region of China, but its legal and tax systems are entirely different from China. There are five types of companies that can be incorporated in HK, but the most commonly used one is a private limited company with share capital. This type requires a minimum of one director and one shareholder who may be the same person. The sole director must be a natural person, but additional directors can be either individuals or body corporates. Financial statements have to be audited by qualified accountants in HK, but they do not have to be filed with the Companies Registry (CR'), the government authority in charge of incorporation and enforcement of the Companies Ordinance (CO'). Changes in director / company secretary / registered office address have to be reported to the CR on a timely basis, but the transfer of shares will only be reflected in the annual return, a document listing out all the corporate details to be submitted to the CR within 42 days from the anniversary date of incorporation.

Therefore, information on the change in registered ownership will not be available to the general public for inspection immediately after the change. Under the CO, notice of trust will not appear in the register of members nor to be received by the CR. The hot topic of creating a register of beneficial ownership currently being discussed in Europe will not apply to HK companies unless the law is amended.

Attractive tax system. The tax system contributes to another attractive attribute of HK. The corporate tax rate at 16.5% is only taxable on profits sourced in HK. HK still does not have a sales tax, tax on dividend received inheritance tax or capital gain tax. Although the transfer of shares or landed properties is subject to stamp duty payment, intra-group transfer can claim exemption if certain criteria are met. Currently, there are more than 30 double-tax arrangements entered into with other jurisdictions. Benefits from these double tax treaties are available to those who meet the terms and conditions as specified therein. Mainland China has free trade agreement with HK, which facilitates trades and services between the two places.

Philanthropy
Family offices do not just focus on making profits from their investments. More and more of them are contemplating how to contribute and pay back to the communities they operate in. Some organise their own community service projects. Others encourage their employees to participate in projects of their own choices. These projects are usually hosted through charities. Registered charities are not subject to corporate tax and donation to these entities can be tax deductible if the amount exceeds HK$100. Either a trust, entity registered under the Societies Ordinance or a company limited by guarantee incorporated under the CO can apply to the IRD to register as a charity. Objects of the charities must comply with the requirements laid down by the IRD, but not all activities have to be carried out here. There are charities whose objects are building schools in the Mainland China, giving girls education opportunities in other Asian countries, etc. The most common form of entity is a company limited by guarantee as it offers limited liability protection to its members. Members guarantee to pay a certain amount, i.e. HK$100 when the company goes into liquidation. There must be at least two individual directors sitting on the board. Details of members do not have to be included in the annual return, and their changes do not have to be reported to any government authorities. However, audited financial statements must be submitted to the CR for filing which means that the financial positions of this type of companies are public information.

All of the above make HK a favorable option for family offices to have a physical presence.

Belinda Wong: Author:
Hong Kong Company Secretary's Practice Manual
Director: Leader Corporate Services Limited

Expertise in Investment Management

By: Kara Lilly, CFA

When your plane is plummeting towards the earth at over 200mph, you really hope your captain has the skill to land the plane without incident. Similarly, when you are on the operating table, you hope your brain surgeon has a deft and steady hand. These are "expert problems"—problems that are best solved by the mind of an experienced and skilled individual. "Expert problems" are those for which there is a clear best practice or technical solution, like flying a plane or performing surgery. In contrast, "wisdom of crowds" problems tend to involve uncertainty, and there often isn't just one best solution. In these cases, experts tend to perform worse on average than a group. Forecasting currency prices and determining the strategy of a major corporation are more likely to be "wisdom of crowds" problems. Our challenge is to know the difference.
In The Wisdom of Crowds, James Surowiecki illustrates the distinction between problems that require experts for resolution and those that require the wisdom of crowds by asking participants to guess the number of jellybeans in a jar. In this situation, expertise is not required; rather, we are better served by gathering many independent opinions and taking their average. When we perform this exercise multiple times, the averages are consistently closer to the true number of jellybeans.

Therefore, it is critical to understand the type of problem you face before attempting to solve it. If your problem isn't suitable for an expert, applying one to the situation may yield worse results than if you tapped into the wisdom of the masses.

So how does this relate to investment management? Is investing an "expert problem" or is the industry deluding itself in thinking that expertise can exist? To answer this question, a few observations on investing are necessary.

First, asset markets, such as stock and bond markets, are complex, adaptive systems in which the future is virtually never known with certainty. Attempting to make predictions in these systems is arguably futile. Even if an investor believes strongly that a company is "quality," he or she cannot know for certain how a stock will perform in a stated timeframe or whether it will outperform its peers.

This inherent uncertainty implies that there is no one "best answer" in investing. Unlike flying a plane or heart surgery, we cannot know for sure what the action should be in a given situation. Yes, we can have theories on what will work and what will not—but this is different than knowing what must be done. Expert problems are characterized by the ability of an individual to know what solution is best in the situation. This is not the case in investing.

Second, investing is a notoriously difficult industry to measure. It can take decades to evaluate whether a particular strategy was successful and even then it is difficult to know whether a performance was due to the investor's skill, luck or a combination of both. This evidence suggests that investing is not an expert problem. In the case of doctors and pilots, we can point to specific outcomes that demonstrate expertise (more people live). We cannot do this in investing because we can't know how much randomness influenced the outcomes.

Third, markets are intricately complex systems involving massive amounts of hidden and unhidden information. The idea that any one person can possess enough knowledge to be the "expert" on the market is absurd. Even if it were possible for an individual to hold all data that is publicly available in his or her mind, that person could still never know exactly what every other investor is thinking—which would be a key input into knowing how to act.

Therefore, in our opinion—admittedly a controversial view—investment management is simply not an expert problem. It is not best solved by one individual's expertise, and there is little evidence to suggest that most professional money managers meet the three required criteria to qualify as experts: outperformance, skill, measurability.

Hence, investing is a "jellybean-type problem," more appropriately tackled by capturing the wisdom of crowds. It calls for a very different approach. Instead of relying on individual fund managers to be experts, it requires investment teams that debate ideas and work together. And while investing may not be an "expert" problem by the truest definition, professional money managers can have expertise in building resilient client portfolios and in building systems that can tap the wisdom of crowds.

At Mawer we rely on expertise every day—expertise such as building financial models and identifying management teams that are good operators. And we regularly tap the knowledge of experts to improve our understanding of industries and business models. Our focus is to ensure our team has expertise in building resilient portfolios for our clients that are positioned to withstand whatever unfolds. This is feasible. It ultimately means adhering to a consistent, disciplined process.

We are very careful not to delude ourselves into thinking that we, or any others, are "experts" on investing as a whole. Not only does investing not seem like an expert problem, we see no real evidence to suggest that "investing experts" exist.

It pays to be skeptical of the expert label.
True expertise is rare.

Kara Lilly, CFA
Investment Strategist
Mawer Investment Management Ltd.

To Love, Honor and Spend:
Using Prenuptial Agreements to Help Managing Wealth Disparity

By Blair Trippe, Partner Continuity Family Business Consultants

Marriage is hard enough without adding the additional burden of wealth disparity. But, for some, this is part of the equation, and a prenup can be the first step in helping the couple as they navigate the rocky terrain that is marriage. While prenups generally are constructed to protect the wealthier spouse in the event of divorce taking this perspective may miss an opportunity to help the couple avoid the need to implement the agreement. Using prenups to help the couple craft a plan to manage their wealth disparity not only accomplishes the protection directive but also sets a collaborative preamble to the marriage that will help them manage conflict over time.

No doubt you've heard and may believe that "money is power". We see this in all areas of our lives from politics and business to say nothing of the framework of social relationships. Marriage is just another venue for this money/power dynamic to play out. While there are many other sources of power, when one spouse "comes from" and/or has her own money and the other does not, or when one has direct access to financial resources that is not shared, there can be a palpable power imbalance in the relationship. How couples manage the power/lack of power of their wealth has a tremendous influence on their relationship. Imagine a situation where the wealthy spouse dislikes his wife's family and categorically refuses to fund any family vacations with them. This power to dictate is likely to cause conflict, perhaps debilitating conflict, in their relationship.

So, how can a prenup help? First, crafting the agreement terms together forces the couple to confront their wealth disparity head-on. It not only requires full disclosure that will create a level of transparency, but it also provides a forum for frank discussion about how the couple wants to share their money as they share their lives. The prenup development process encourages the couple to define the lifestyle they want and to set aside funds, perhaps earmarked in the agreement that accomplishes this. This is not to say that all the money must be shared, but it will be clear to both that it exists, and some of all of it either remains singly or becomes jointly controlled. If both parties explore their personal goals, values, past experiences and perceptions about money and share these ideas with their betrothed, they will gain a deeper understanding of each other that will stand them in good stead. This is not to say that couples must share all the same goals and or values or that they should only marry those who have the same historical relationship to money. However, if their goals for how money should be used are in opposition or their values are incompatible concerning the role money will play in their lives or their children's lives, this should be directly addressed before it becomes a problem. If, through this prenup development exercise, they find that their goals and values are incompatible, they may decide that they will be better off not tying the knot and will be better off in the long run.

The prenup process should not be viewed as the negotiation of a separation agreement let alone a negotiation at all. Rather, the couple should envision themselves sitting on the same side of the table, facing the "problem" – wealth disparity in their marriage, as they discuss options to manage it. Accordingly, the development of the prenup should be viewed as the beginning of an ongoing conversation about wealth and its place in the couple's relationship as it can pervade all areas of their lives. The development of the prenup provides a forum to set the financial rules of engagement for the marriage and, therefore, requires the couple to examine what sort of lifestyle they want and how it will be paid for. It also makes clear what each is financially responsible for contributing and what each can expect in return. If the spouse who controls the wealth chooses to use it to control the other, this will become clear as they discuss what each is trying to achieve. This is not to say that there is anything "wrong" with someone wanting the ability to exert that control over her wealth but her partner should know that this will be a dynamic of their relationship and that he is choosing to accept it.

While the generally stated primary objective of a prenup is to define what property is separate (mine or yours) and what is shared (ours) it can be so much more. A bride-to-be with a trust fund will need to disclose to her betrothed what is in that trust and under what conditions the funds can be used or transferred. To decide what they want in the agreement, the couple will need to articulate their goals for what they want the agreement to accomplish and how they want their money to be used during their marriage. Obviously, another objective of the prenup is to decide what should happen if they separate. To agree on this, the couple must consider what they believe to be "fair" and accordingly what they value. Should the length of marriage be considered? What if one spouse was unfaithful? What if one spouse gave up his career to care for their children? To decide these things, just as they decide how to manage their wealth disparity, the couple must discuss their goals, values and what is important to them.

Using the prenup development process to identify the spouses' goals, values and history with wealth and understanding their differences, couples will begin an ongoing conversation about wealth in general and in their relationship in particular which will give them a head start down the aisle.

www.ContinuityFBC.com

Dealing With Disasters

The rise of violent, anti-Western Islamic fundamentalism and recent Tunisian beach massacre are stark reminders that disasters can strike at any time, anywhere, often without notice. And when they do happen, victims and their families need help. Fast.

But drastic cuts to the Foreign Commonwealth Office (FCO) budget is making it increasingly hard for the FCO to effectively handle every UK and overseas disaster, as the Tunisian disaster proved. Friends and relatives who rang the Government telephone hotline for help said they were just read a stock statement. Some were re-read the same statement again and again. Unable to get the support they needed, many trawled the internet for news while others rang Tunisian hospitals seeking any information they could get.

In the last five years, the Foreign Office's budget has been slashed by 30%, resulting in the loss of many overseas consular posts and a big reduction in the number of permanent UK staff deployed abroad. This culling exercise has had a significant impact on the service the FCO can provide, with a highly critical report by MPs knocking its performance during times of crisis. Based on evidence from members of the public with experience of consular services, NGOs, former ambassadors and other experts, the report claims services to bereaved families were "inconsistent" with "repeated failures of communication and compassion". It also says that "over-reliance on internet-based services" risks dehumanizing FCO support systems in which personal contact is central.

With the prospect of further FCO budget cuts and resource shortfalls, Consularcare has extended its private consular services to tourists, gap year students and business travelers with a new product: ConsularAssist. Led by former diplomats with the support of global specialists, ConsularAssist complements the service delivered by the FCO by providing immediate personal assistance in over 180 countries, 24 hours a day, 7 days a week. It will also help in situations where the FCO can't or won't assist or advise.

www.consularassist.com

ART BASEL

"a once in a lifetime experience that happens every year"

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Until only a few short years ago, few people except the true art aficionados had ever heard of an art fair, let alone attended one.
Frequent news coverage of record-shattering auction sales and escalating valuations of individual works of art heighten public attention. Is art a good investment? How does one learn about art, and feel comfortable enough to get in the game?

"Basel" is one of the best opportunities to explore an incredible variety and volume of art in a short period of time. Spanning the first week of December, almost 100,000 visitors are expected to flock to Miami again this year to attend the fairs. In addition to Art Basel Miami Beach (ABMB), Miami and Miami Beach are host cities to about twenty concurrent art fairs, with new fairs and expansive cultural collaborations each year.

"The Basel Effect"

Insiders refer to the entire first week of December in Miami simply as "Basel." The word alone signifies feelings that some may compare to Burning Man, or Woodstock – when the entire city morphs into an interconnected series of unpredictable and memorable moments. Though many people come to Miami for the pervasive glitz and glamour, this is a unique time and place to see and purchase some of the best art in the world.

ABMB

Launched in 2002, ABMB is Swiss-owned and operated. It is one of three fairs owned by MCH Swiss Exhibition (Basel) Ltd., the company which created the original fair in Basel, Switzerland in 1970. ABMB, located in the Miami Beach Convention Center, is a sophisticated and serious fair featuring over 250 of the most prestigious galleries in the world. In

the main section, premier galleries from five continents present their Modern and Contemporary works of paintings, drawings, sculpture, photography and other mediums. Over 4,000 artists' works are on display, and all for sale.
Though hard to know the closely-guarded sales figures, it is estimated that well over $2 billion of art was sold last year at ABMB- more than anywhere else in the world.

There are eight other sectors dedicated to specific themes or types of art, ranging from "Nova" for newer galleries and new pieces of art, "Positions" for single works, to "Kabinett" for curated exhibitions and "Public" - presented in collaboration with the Bass Museum of Art, a curated installation of sculptural and multi-media works displayed across a wide park space on Collins Avenue.

ABMB also features panels with leading editors, prominent artists, art historians and industry insiders- "Art Basel Conversations" and "Art Salon." These sessions are open to all fair attendees. Given the depth and breadth, and quality of the massive undertakings of ABMB, attendees could virtually spend their entire weekend without ever leaving the convention center. However, most visitors in Miami that week want to experience much more of what "Basel" has to offer.

Sea Change in the Art World
For several decades following the first contemporary art fair produced in Cologne Germany in 1967, little credence was given to initiatives outside the major art hubs including New York, London, Paris and Basel. In its earlier years, ABMB was not popular with the New York and European art elite. As the fair's reputation and success have grown, ABMB is now a major stop on the global art circuit – with virtually all major art critics, editors and collectors viewing the fair.

ABMB, somewhat accidently perhaps, can be considered the leading force behind the changing art landscape resulting in a proliferation of fairs in the United States and other regions including Asia and Latin America.

Many galleries rely on fairs to sell an increasing share of their inventory. Fairs provide expanded distribution and markets, enabling gallerists to grow their clientele. They can also increase their digital sales through third-party media companies such as Artnet and Artsy, who have a presence at major fairs.

"Basel" – beyond ABMB
As the buzz started growing about ABMB, more and more art and a seemingly limitless number of cultural events pop up each year in Miami.

The Satellite Fairs
The original Miami art fair, Art Miami, added two more fairs (Context and Aqua), and other leading New York fairs stage major fairs as well, including Pulse, Scope and NADA. Other fair organizers have launched new initiatives in Miami, capturing the vibe of the week, including Miami Project and Untitled. Some of the satellite fairs are theme or media specific – Pinto is exclusively Latin American galleries; INK Miami Art Fair, and launching this year, Art on Paper, organized by New York-based Art Market feature works on paper.

Design Miami, is one of the leading Design fairs in the world. This fair also produces an edition each summer in Basel during Art Basel, and is the only fair to be officially connected to Art Basel.

Private Collections for public viewing
Miami's art landscape is also unique because it features exceptional private collections open to the public year-round. As a relatively young city, Miami museums have not yet developed deep collections. Therefore, the private collections are particularly significant to the community. Like museums, these private collections are housed in spaces which are open to the public, and typically offer guided tours by appointment.

Leading private collections include the Rubell Family Collection, the de la Cruz Collection Contemporary Art Space, the Margulies Collection, the Cisneros Fontanals Art Foundation, and the Dacra Collection. All of them are open during Basel, and most will reveal a newly-curated exhibition or installation to coincide with the fair week.

by Judy Holm
www.artsconcierge.net

ART CONCIERGE MIAMI

AUTHENTICITY IN THE ART MARKET

AN IMPORTANT ISSUE THAT MUST ALWAYS BE ADDRESSED

by: Pandora Mather-Lees, Art Advisor, SIGILLUS

Are there more fakes on the art market these days or is it that we are now flushing the perpetrators out into the open and becoming cognisant of the scale of the issue? Since Actor Steve Martin bought a fake Campendonk in 2004 from a Parisian dealer, many other works by its notorious forger Wolfgang Beltracchi, not to mention numerous others, are still deemed to be in circulation.
Great art market minds have been coming together in the US and Europe to debate how to tackle crime in the art world. This autumn in London alone we witness at least three conferences addressing the idiosyncrasies of trading art and artefacts. Market regulation and bad practice were the subject of September's Art Business Conference in Westminster. Then in October international law firm K&L Gates held a seminar solely focused on authenticity and now in December; 'Fake or Fortune - On the Issue of Forgery of Russian Avant-garde Art' takes place at the GRAD cultural space in Fitzrovia.

The Guardian back in February 2014 suggested that 90% of the works on the Russian Art Market are forgeries. This is a staggering figure by any standards, and the art market needs to address the problem of how to verify what is passing hands as more serious collectors, often across a chain of sale, suffer from dire financial consequences and tarnished portfolios.
It is a market full of intermediaries, often trading across borders with anonymous clients. Handling stolen, fake or suspect artefacts is often not deliberate and a dealer can unwittingly be an arbiter of bad practice and could be prosecuted for fraud in the worst case scenario.
Berlin lawyer Frederike Gräfin von Brühl pulled no punches when she opened the K&L Gates' debate with the pertinent question "Who will supervise the supervisors?" There is nothing to stop a self-appointed committee setting up to authenticate an artist's oeuvre and some boards have comprised questionable or compromised officials. As a result, hapless buyers have been fooled by sham certificates validating fake artworks. Even where genuine, the so-called committees of experts can also be a law unto themselves. Foundations such as the Wildenstein Institute exist to protect and validate an artist's repertoire, reputation, copyright and moral rights. The committee produces a catalogue raisonné - a comprehensive listing of the approved and known works by an artist. While this assists buyers to purchase works officially recorded as authentic, the art world is full of petty issues, protectiveness and professional jealousies that can lead to works not being included that should be. Von Brühl argues, that the official compilation, traditionally a printed publication, is deemed to be definitive, yet it should have the flexibility to reject or accept new additions - the solution being an online database. 'Getting In' to the book is so very critical to selling a work at the right price that authors can be liable for prosecution if they do not publish a work that is, by many accounts, considered an original. The French Supreme Court ruled in an appeal, ordering the Wildenstein Institute to accept a Kees van Dongen to the official list. Its argument? Failure to do so would have a significant impact on the work's marketability for the owner.

On the flip side, authentication committees don't have it easy. Legal costs can escalate out of all proportion, and they have been sued and 'coerced' into making positive statements about a work of art they genuinely have doubts about. The Pollock-Krasner board was even shut down, bankrupted, over a law suit about a disputed work. Equally there are cases where artists, Picasso included, leveraging 'Doit d'auteur', their Moral

Right, have disavowed genuine works. The auctions houses tend to come under a lot of scrutiny here because of the public nature of their activities, the large numbers of works of art passing under the gavel and the soaring values which result in higher stakes when a forgery surfaces. At the Authenticity debate, Sotheby's Cecilia Fletcher suggested that the criticism frequently levelled at Auction houses trading in these works is unfair. Their experts carry out careful due diligence, based on years of experience in specific fields and go out of their way to verify the artefacts they take on board. How rigorous is this 'due diligence' in practice, however? Sarah Charles, Senior Legal Counsel with Christie's, says that they typically take three steps. The first is basic connoisseurship using the appraisers and experts in the appropriate departments and second there is the careful verification of provenance and associated documentation. Finally, scientific analysis is carried out.

This form of materials analysis is now becoming more accurate and also cost effective. Science is now enabling buyers and sellers to have more confidence in trading art as techniques improve. It can rule out the possibility of a work being a forgery and is a critical part of the due diligence loop. Laboratories such as Art Analysis & Research run by Nicholas Eastaugh, the scientist famous for nailing Beltracchi, have a suite of forensic gadgets at their disposal that would not be out of place in a James Bond film. These tools include highly sophisticated digital X-ray, UV and infra-red analyses, deep specialised imaging and microscopy.
This is all good stuff and helps to eliminate doubt, but what if a client taking a highly prized Rembrandt to market doesn't want to know the truth in case the work, which he paid millions for, turns out not to be worth the canvas it is painted on? Nicholas Eastaugh says, "We believe scientific analysis in combination with a comprehensive understanding of artist's use of material represents the future of due diligence in the art market and demand for it is expanding rapidly. That is why we are investing in our capabilities to stay ahead of forgers while expanding both our geographical reach and the talent in our C-suite" Generally this kind of intricate detective work can be applied to works on paper, canvas, sculpture, ceramics and of course wood with radiocarbon dating. AA&R claims the science has limited value in isolation; it really comes into its own when a scientific examination is carried out in conjunction with applied historical expertise with their resident art historians.

Are there other ways to verify what you are buying at auction or from your trusted dealer? Not for existing works on the market, however Aris Title insurance company is sponsoring a novel technology that can be embedded into a painting in the form of a scannable label that will verify the owner and the work. The somewhat unwieldy named 'Global Center of Innovation for i2M Standards' is doing for art what companies such as Spectra Systems does for the luxury goods industry – fighting fraud with complex technical innovation. The organisation is working globally and already has early adopters for its solutions. While one imagines that any 'unbreakable code' will eventually be cracked by hackers, Aris CEO Lawrence Schindler makes a strong case for the robust nature of i2M and such a measure, when supported by an industry with a serious problem that inhibits its ability to trade, must surely be applauded.

There is an analogy here with house insurance. Properties with alarm systems pay lower premiums and are less at risk from burglary. Leaving one's door unlocked altogether is plain stupidity and prevention is better than doing nothing. A system like i2M needs to become industry standard throughout the world and bought into by all the various stakeholders to succeed and that is a tough call, so the market will be following its developments.

Meanwhile back to Russia and the final word on the value of these public symposia from Natasha Butterwick Director of Butterwick Russian Art Gallery. Natasha and James Butterwick have been fighting for transparency in a world of pandemic corruption which goes back as far as the Cold War when many works with murky provenance were smuggled into the West: "The very public battle against Russian fakes and especially those who provide these second rate paintings with certificates of authenticity is reaching its apogee – reports of arrest warrants soon should become public knowledge. Such conferences are a vital cog in the machine to finally bring this absurdity into a wider domain."

NAVIGATING THE NEW VOLATILITY IN FIXED INCOME MARKETS

Interview with Arif Husain, CFA
Head of International Fixed Income at T. Rowe Price

It's been an eventful summer. Where do recent developments leave fixed income investors?
For the past few months, I've been preaching a sermon of caution in fixed income, and that continues to be my sermon. I expect higher bond yields, wider credit spreads, and increased volatility. Caution is key.

China has been at the epicentre of recent events. What's your take on the situation in china at the moment?
I'd break it down into three broad themes. First, China is going through a structural long-term change—it is trying to become more international, liberalise its capital account and become more open, generally, toward the world. Second, most experts believe that China's growth is probably slowing from the official figure of 7% to something more like 5% or 6%1— a modest decline but an important one nonetheless. At T. Rowe Price, we believe that any talk of a "hard" or "soft" landing for the Chinese economy is misleading because it implies an ending, whereas China's deceleration has no clear endpoint. Third, there is a certain apathy toward the situation. People invested in different asset classes understand that China is having an impact on their portfolios, but they don't really know why or how to respond to it

Was China the sole cause of the recent volatility, or were there other factors at work?
China is just one element of a number of things happening in the world—it is unfair to blame it for everybody else's troubles. We've gone from a period of almost perfect certainty to a number of very large changes. The Fed has rates at zero, and that's going to change at some point; China used to have a fixed currency regime, and that's changed;Iran used

to be completely isolated, and now it is potentially coming back into the global community. A lot of things are changing, which is having ramifications in financial markets. In summary, when there is change, uncertainty arises, and that leads to volatility. We're just living through that. The market, however, finds it difficult to focus on more than one thing at once. Recently, that has been China, but the market will soon get bored of that and focus on something else. There are other issues in the world that are equally important.

Moving beyond china, are fundamentals in other emerging markets as bad as the recent data suggests?
Emerging markets have become a group of disparate countries. Yes, the fundamentals in some emerging market countries are pretty bad at the moment—they're facing political, economic, and structural issues all at the same time. So some countries—

Brazil, for example—are definitely having a tough time. Other emerging market countries are in better positions, having gone into the financial crisis in much better shape than they did in previous crises. There has been some talk of the possibility of another Asian financial crisis like that of 1997, but we don't think that will happen. The main reason for this is that a lot of Asian countries have worked very hard since 1997 to make sure that they have stronger buffers in place to defend themselves against another crisis. For example, current accounts are in surplus rather than deficit, and new regulations have ensured that banks and other companies don't have foreign exchange mismatches.

What effect will the fed's decision to delay raising rates have on volatility levels?

It means things will probably continue as they have been for a while yet. The hike will probably now come in December or early next year, but the exact timing will depend on circumstances and therefore can't be predicted with certainty. So the markets will continue to speculate about the timing of the rise just as it did ahead of the September decision, which will lead to further volatility. For fixed income investors, this means positioning our portfolios for volatility and being alert in order to take advantage of any potential mispricings we identify.

What opportunities are you seeing at the moment?

An important recent development is the divergence—or desynchronization, if you prefer—of monetary policy. Over the course of 2015, almost as many central banks have cut rates as have hiked them, which is creating opportunities at the interest rate and government bond level. At the same time, differentiation is occurring within credit markets. The obvious examples are the oil and mining industries, which have suffered as the oil price has slumped. There are also changes taking place in other credit markets—for example, the cable market in the U.S.—which are also creating dispersion and opportunities. We've also spotted some good opportunities in Europe, particularly in hybrid debt, and in emerging markets too, in both hard and local currency terms. Active investors need to be on the lookout for these.

Thank you Mr. Husain

SCIENTIFIC EVIDENCE

Reveals Art forgeries in Geneva, Switzerland

Kilian Anheuser: Executive director, Head scientist
FAEI - Fine Arts Expert Institute

Today art forgery scandals regularly fill the news as paintings and other works of art are taking on an increasingly important role as an alternative investment. In a market where traditional art historians alone can no longer guarantee authenticity, science comes to the rescue. At Geneva Freeport, FAEI – Fine Arts Expert Institute (www.faei.org) in partnership with SGS Art Services (http://www.sgs.com/en/Arts-and-Culture.aspx) provide scientific authentication services for paintings and other works of art.

Scientific examination of works of art began in the 1960s in museums and other learned institutions. For many years, these services remained primarily a subject of academic interest with studies restricted to museum paintings. However, in recent years new services tailored to private clients are offered by independent laboratories that benefit from an extensive range of specialist reference data gathered over the years by academic institutions worldwide on many of the well-known artists from all periods.

With 20 years experience, Dr Kilian Anheuser, FAEI's Director and head scientist says, "Our team of specialist scientists, paintings conservators and art historians search for inconsistencies in a painting. We always start with a thorough visual examination of all the elements that make up a painting: stretcher, canvas, painting ground, the different paint layers, and finally the varnish. To us, the back of the painting is just as important as the front."

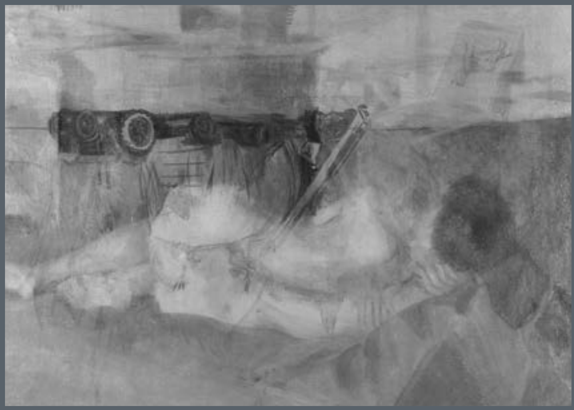
Imaging in infrared and ultraviolet light will reveal the artist's original underdrawing and recent restorations. X-radiography reveals concealed damages as well as the artist's handwriting. These examinations are non-invasive and provide important information to distinguish between an original and an ancient or recent copy. Valeria Ciocan, an imaging specialist at SGS Art Services adds, "It is fascinating to be the first person after the artist to see the original drawing beneath a painting, a design that takes us back to the very moment of creative inspiration."

To address specific questions other techniques may be used, for example, to identify modern industrial organic pigments introduced to paint formulations at more recent dates. This type of examination requires a micro sample measuring a few tenths of a millimeter, taken with the tip of a scalpel under a microscope. The sample is then analysed using state-of-the-art analytical instruments.

Following the examination, the client will receive a report verifying whether the artist's materials and working practices match authentic references or if there are significant differences. Also, it will demonstrate to what extent the painting has been restored. Sandra Mottaz, paintings conservator at FAEI, confirms, "The latter is an extremely important element not only for the collector and indeed any person appreciating a work of art, but it also carries important implications for its valuation." Jacqueline Couvert, a senior scientist at FAEI, sums it up, "Around 80% of the paintings that we examine turn out not to be the work they were taken for when they were purchased by their current owners. This does not necessarily mean they are forgeries, they may for example also be high-quality historic copies. For many centuries, artists learnt their trade by copying old master paintings. The resulting works often have become collectibles in their own right. However, at FAEI we believe that the owner has the right to know, as well as his insurer or a potential buyer." There are positive surprises too, for example when an elaborate underdrawing is indicative of an original design rather than a second version or a copy.

As works of art are highly individual objects, the scientific approach has to take into account the period, the presumed artist, the technique and other features. Dr Isabelle Santoro, scientist and project coordinator at FAEI, explains, "FAEI will issue a detailed quotation, free of charge, on the basis of a short questionnaire filled in by the client, and of photographs of the painting in question. All information remains fully confidential." As some of the analytical equipment is portable, certain investigations can also be carried out on the client's premises.

Conveniently situated inside Geneva Freeport, a hub of the international art market, the laboratory serves a variety of clients, ranging from private collectors to art dealers, insurance companies or professional investors who require scientific expertise as part of their due diligence procedures. Yan Walther, Managing Director of SGS Art Services, points out, "Owners of paintings often come to see us only when doubts have already arisen about their works. In order to avoid undesirable situations we highly recommend that a condition report and a technical examination should be a standard element in any pre-sales procedure similar to a home survey or a technical inspection before the acquisition of a vintage motor car."



SPUR TAKES TOP

BEN

THE WORLDS BEST LUXURY SEDAN

FLYING SPUR ENHANCED FOR 2015

Flying Spur enhanced for 2015 with suite of new features and colours

The Bentley's Flying Spur has been named Best Luxury Car in the 2015 Telegraph Car Awards.The result, which was announced at an event in central London today, was decided by members of the public who voted for their favourite cars via the Telegraph's Motoring website. Kevin Rose, Bentley Member of the Board for Sales, Marketing and Aftersales, commented: "Bentley is the most successful luxury car brand in the world. Every Bentley is handcrafted by our skilled and dedicated team in Crewe, which makes each car a true luxury possession. On behalf of Bentley Motors and our 3,800 colleagues, I would like to say a big thank you to everyone that voted for us."

- 6.0 LITRE TWIN TUBRO
- DEVLOPS 652 PS
- 0 - 60 IN MPH 4.3 SECONDS

HONOURS IN POLL
TLEY

The Flying Spur W12 is one of the fastest road-going luxury sedan in the world, powered by Bentley's mighty 6.0-litre, twin turbo engine. It develops 625 PS, sprinting from 0-60 mph in just 4.3 seconds, while a new variable displacement system allows the engine to run at part throttle on six of its 12 cylinders – reducing emissions and fuel consumption with no impact on refinement or performance. The athletic design of the new Flying Spur combines traditional Bentley styling cues with a dynamic stance and contemporary details.

Designed for comfort and refinement the cabin gains modern and tactile new features to maintain Bentley's reputation for interior style and usability, such as an on-board WiFi hotspot system, making the Flying Spur the ultimate luxury car for work or relaxation on the move.

Willstone Management on Art

It is hardly a secret that art and fine jewellery have in recent years become a major investment asset class in their own right for high-net-worth individuals (HNWI) and independent family offices. According to a recent Deloitte report, art holdings make up 9 per cent of the net assets of wealthy individuals, while works of art held in trust by wealth managers and family offices are estimated to have an asset value of $1.5 trillion internationally.

Olyvia Kwok
Founder and CEO
Willstone Management

Willstone Management has played a significant role in developing this growing global market. We have introduced a range of exciting propositions for investors to ride the upward trend in art valuations. The recent turbulence in world stock markets will only add to the attraction of art as part of a diversified investment strategy.

With increasing success and prominence, the art market is coming to the notice of those who have not traditionally paid it much attention. The Deloitte report cited above mentioned a lack of regulation as a key obstacle to the development of the "Art and Finance industry" (their term, not mine). There is a received wisdom beginning to develop that the world of art investment should be more like the world of stocks and bonds. Indeed, one art advisor has recently been launched specifically branding itself as the first to be regulated by the UK Financial Conduct Authority.

This has got to be a good thing, right? Well, I am not so sure. At the risk of stating the obvious, art is not the same as stocks and bonds. As a pure investment medium, it has got a lot going against it: no yield and thin illiquid markets! What it does have going for it, quite apart from the proven potential for outstanding capital returns, is an element of pure interest, excitement – what I like to call "playfulness" – and prestige, which makes it an asset class like no other.

Since 2009, Willstone Management has been working with HNWIs and family offices focusing on investment in fast-moving contemporary art and spotting emerging trends, such as the increasing fashion for Impressionist paintings. We are not art advisors. We offer strategies to individual clients who wish to build an art portfolio based on their own requirements. Some family offices are more concerned with wealth planning for generations while others enjoy the "arbitrage" opportunities that are available in the global art market My own area of expertise covers works of art from the Impressionist period onwards. I opened a gallery in St. James's, London, in 2004. For ten years, I specialised in finding and promoting the latest gallery trends, whether it was Chinese Contemporary, art from the emerging markets, or American Pop Art. At the same time, I worked as a consultant for a private bank in Geneva and gradually acquired $50 million of art for an alternative assets fund they created. Eighteen months later I oversaw the sale of these art holdings, realising an IRR of 213 per cent.

For my clients, the investment strategy and holding period for each investment category are different. For example, with structured art guarantees, I always tell my clients to guarantee a blue-chip piece at the price

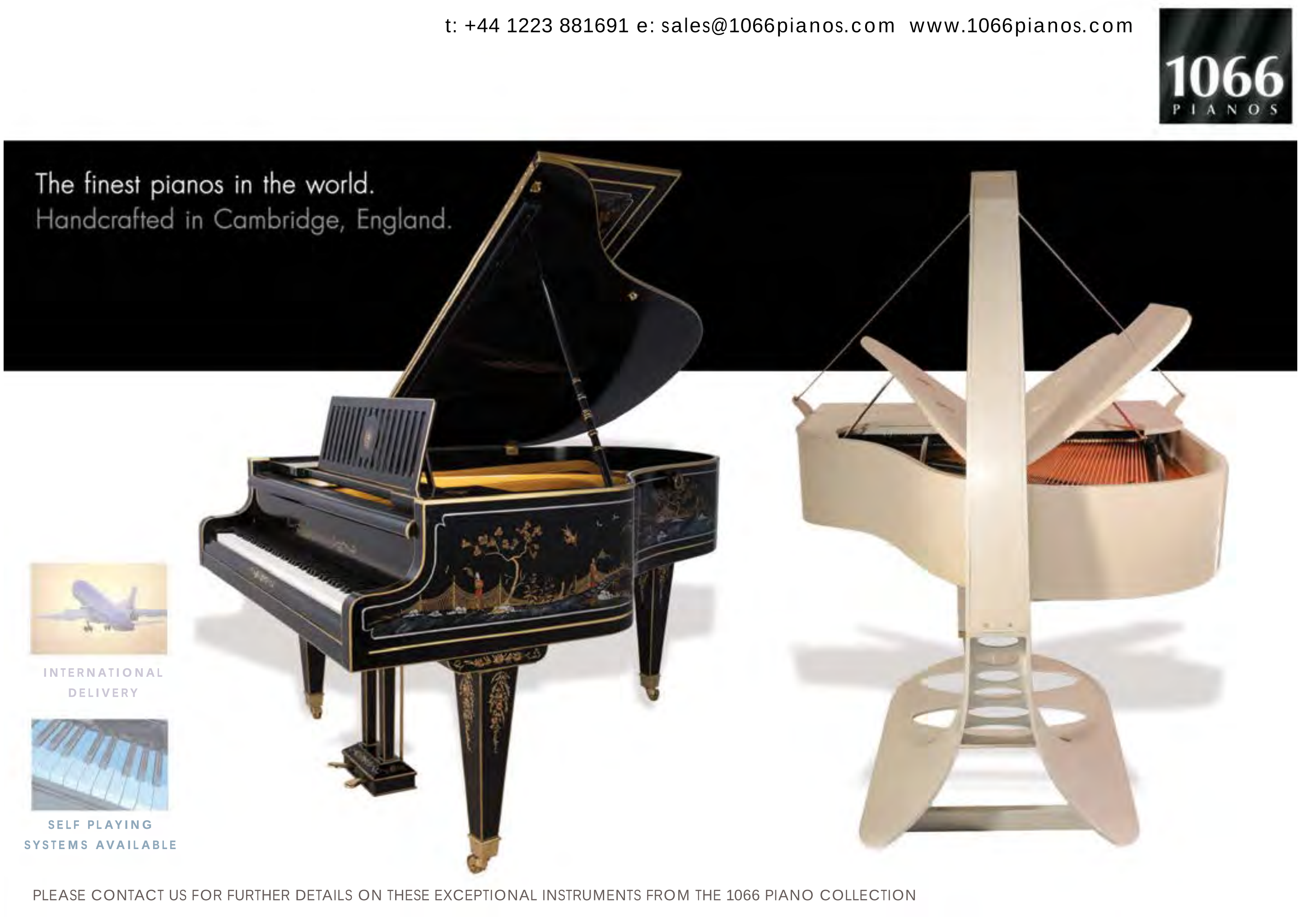
at which they would be happy to own it, so that if the guarantee is called and we end up holding the work, we can plan a profitable sale in a few years' time.
For contemporary art, we typically aim for short holding periods, catching the right trend and selling at around 18 months, sometimes as soon as 6 to 12 months, and never holding for more than 24 months. For blue-chip Impressionist and Modern works of art we are seeking medium- to long-term capital appreciation, with longer holding periods depending on the client.

Following the recent stock market volatility in Asia, and the further devaluation risks of Asian currencies, more and more ultra-high-net-worth individuals (UHNWI) are looking to acquire the most prestigious works of art as stores of value, as hedges against inflation, and as portfolio diversifiers.

For that reason, we have decided to adopt a more China-focused strategy, arranging private sales of Impressionist and Modern art to UHNWIs, family offices and museums in China. Since Chinese New Year 2015, Willstone Management has secured a leading market position by arranging the private sale of paintings to Chinese buyers. With offices in London and Hong Kong, we are working with a network of colleagues to secure access to some of the best private collections in Europe, which are seeking to fulfil their divestiture needs.

Family offices are flexible and nimble when it comes to investment strategies. They are not bound by benchmarks, investment mandates or regulatory compliance concerns. They can decide to co-invest in partnership with other family offices or HNWIs in order to leverage investment opportunities. Willstone Management has a proven track record of structuring these so-called "club deals".

Buying art as an investment is not the same as buying a picture to hang on your wall: because you like it, admire the artist's skill, and consider it to be worth the price. You need to know how to source the very best "blue chip" works of art, how to deal with the competition, how to work in co-operation with the auction houses, and most of all to realise how quickly the art market changes. Willstone Management seeks to maximise returns by always getting ahead of the trend.



TOOLS CREATED BY CLIENTS TO ENSURE TRANSPARENCY

FAMILY OFFICE

by Jérôme Sicard

Investment managers, whether in wealth management or private banking, still have not mined the full potential of the many digital facilitators made available in a recent past. It seems that Finance 2.0 is dragging its feet, taking longer to catch on than Web 2.0. In a profession so closely yoked to current affairs, it can be astonishing at times to see the lack of enthusiasm with which new forms of communication are met, even those that have already gone mainstream. This is especially true of portfolio management, which can sometimes appear a bit opaque.

In Switzerland, with the end of the bank secrecy, net returns have now turned back into an essential component of client satisfaction. To stick with the basics, performance, when communicated as a mere percentage, gives only a partial idea of the quality of the actually generated return. It becomes fully meaningful when compared to returns obtained by other real portfolios with identical risk calibration. As a result, managers must communicate such information more effectively and, thus, offer greater transparency. Quite frankly, they do not have a choice. Web 2.0 opened the floodgates of information, paving the way for Finance 2.0 and forcing managers to up their game sooner or later. In an age where everything can be measured and compared, a profession with such data on hands has yet to develop a dependable method of comparison making life easier for its professionals, wherein family offices figure prominently. However, some significant headways are currently occurring in those fields. What if this movement was initiated by clients?! Based in Geneva, Zurich and Liechtenstein, Investment by Objectives has managed to launch online pioneering tools which mark the beginning of a new era for wealth management professionals and their clients. Investment by Objectives is offering diverse monitoring and analysis instruments specifically designed for portfolio management, which investors can use to measure and compare risk-adjusted investment returns on different portfolios. In the case of family offices, this is quite a compelling value proposition.

Performance Watcher was the first application to be released, initially developed for a Swiss family office, Kineta Trusted Advisors, that needed a simple way to track portfolio returns and ensure their alignment with pre-determined risk budgets. The Performance Corner, a simpler and free version, was launched to give access to every managed account holder, whatever the amount invested.

In practice, Performance Corner and Performance Watcher, IBO's key apps, offer clients and managers the ability to analyse and compare their investment portfolio returns online. Their streamlined design ensures that risk, measured by volatility, is included in the equation. Users are immediately able to identify suspicious movements, not only negative returns but also ones that seem attractive at first, but which, in reality, are fuelled by a too high level of risk. Performance Watcher and Performance Corner make it possible by comparing to returns obtained by the numerous other users having the same management style. Today Performance Watcher is available to all portfolio management professionals, whether bankers, fund managers, family offices or trustees. They all benefit greatly from the depth of this application and the added value it provides for their customers. Before founding Investment by Objectives, Nicholas Hochstadter worked in banks. He was a portfolio manager at Credit Suisse in Zurich. There, he notably led the PMnet project to design and implement a fully automated system for the investment and its operations process. He then was head of portfolio management at Ferrier Lullin & Cie, a Geneva private bank. "I come from a family of entrepreneurs whose wealth is overseen by a family office, says Nicholas Hochstadter, founder and CEO of Investment by Objectives. Our financial assets are divided among several portfolios entrusted to various investment managers. Ten years ago, we wanted to find a more dynamic way to track our portfolios' returns. It also seemed to us that the returns reported to us did not adequately take into account the volatility that they engendered. Having worked in the banking industry myself for many years, I was eager to develop a programme that would allow us to monitor our risk-adjusted returns regularly, according to each manager's style. Investment performance is not particularly meaningful unless placed in the rightful context".

"From my standpoint, the comparison sites I came up with do more than just present data in a standardised form. For managers, their true advantage is not merely in providing another tool for the technical toolbox, but in cultivating a deeper relationship with clients. They exist first and foremost to restore and strengthen the bond between managers and us, clients." "Wealth management, whether performed by bankers or independent asset managers, may not have changed fundamentally, but certain practices must be altered. It is not a matter of adding a dash of risk management here and a pinch of compliance there, as legislators are keen to demand on behalf of their constituents. They must instead focus on returning to the basics. To reappropriate their profession, managers must refocus their efforts equally on client satisfaction and business practices. The challenge is to reconnect with clients, and today's popular communication channels are an excellent way of doing so."

"If integrated and interpreted wisely by professionals, IBO' applications could be a positive driver of change, emphasizes Nicolas Gonet head of the Swiss private bank Gonet & Cie. By providing a better way to analyse, adapt and, in particular, steer performance, it should boost returns. Despite what one might think, the goal is not necessarily to increase performance in terms of the actual numbers, although that is of course a worthwhile goal. Rather, we aim to show investment returns from the right perspective so that they might be better understood. And I do believe this will encourage a healthy habit of emulation among managers. I say healthy because the rules are clear and applicable to all, which will surely benefit clients."

In the current environment, online media are certainly not optional or for occasional use, whenever one feels like it. In the end, they are meant to form true digital marketplaces in which wealth managers should set up shop ahead of the likely influx of potential clients. And there is no doubt that online marketplaces will be bustling with activity, as evidenced by the staggering amount of traffic on web platforms like Facebook. Clients adopted these new communication methods long ago. Time has come for wealth management professionals to embrace these solutions at a faster pace than they have done so far... not only because pressed by clients!

www.performance-watcher.ch

DIY INVESTING

Why doing It yourself consistently underperforms the market

DIY Investing is a hot topic at the moment, however, studies in the US show that the average investor has underperformed the market by a staggering 4.66% per annum over the past 20 years (on average). Wealth and investment management firm, The Intelligent Strategic Partnership (TISP), have decided to take a look at why this seems to be the case.

A simple search on the internet will tell you that doing it yourself cuts out charges that can eat into your investment. However, the difference between DIY investing and professionally managed investments has very little to do with charges; in fact the studies do not even identify charges as being a significant factor. So what is it that DIY investors are doing wrong to perform so badly?

The problem may not be that mutual funds overstate their performance. The problem could be that too many investors decide to switch in and out of investment funds too frequently, in the hope of boosting returns. All too often, investors decide to sell the funds they own, often at a low point and switch into the latest best performers.

While over the long term it is extremely difficult for any investor to outperform the market (fees, taxes and so on), there are some important factors at work that could start to explain why DIY investors may be doing so badly. Armed with the knowledge and understanding of these factors, investors can learn to adapt their strategies accordingly.

Here are some examples of what TISP believe investors should be looking out for, and what they should avoid when planning their approach into DIY Investing:

- Lack of diversification
- Copying what everyone else is doing
- Buying high - Past performance is most definitely not a guide to future performance
- Selling after market-wide crashes/corrections
- Over-confidence - Investing involves a lifelong series of choices of buy, sell and hold. Getting it right once or twice by luck, unfortunately, does not make someone the next Warren Buffet
- Lack of time/dedication/expertise - Most people would never want to run their investment portfolios as they want to spend their time doing other things
- Lack of money/forced withdrawals due to other capital demands
- Bad luck - Some people are just unfortunately unlucky. An investor should always be prepared to take a small amount of 'Risk.'
- Lack of any overall financial plan.

Ajay Mahan, CEO of TISP said, "If an individual is seriously still thinking about DIY Investing rather than using an Investment Management service, it pays to get good, solid help and advice. One thing we all can learn from when we try our hand at DIY Investing is that it's not quite as straightforward as you might think."

"The financial services industry is an alien world for most individuals. However, it is something that we cannot avoid using, and it is vital to get to a level of familiarization as to how finances work, even if only to ensure that you are making the right decisions."

The Intelligent Strategic Partnership (TISP) take a scientific approach to investment management by using investment strategies that have been proven to work over time, leaving clients safe in the knowledge that their investments are in reliable hands.

For more information, please visit:
www.theintelligentsp.co.uk/

LUXURY

The Changing Pursuits of the Luxury Traveller

By Zeshan Ahmed

At the Burj Al Arab hotel in Dubai, one of the world's most luxurious hotels, guests can order themselves 24-karat gold iPads, real caviar facials and experience unique outdoor activities. The cheapest rooms cost £1,000 a night; those interested in the royal suite can expect to pay nearer £20,000. Such extravagance is not to everyone's taste, but it illustrates a trend: the way that the rich spend their money is changing. Once, the well-heeled bought the finest luxury goods from brands that they had an affinity with. Nowadays, they spend more on things to do and see. A report in 2014 by the Boston Consulting Group (BCG) found that out of the $1.8 trillion spent on luxury goods and services worldwide in 2013, nearly $1 trillion went on "luxury experiences". Travel and hotels accounted for around half that figure.

Our clients have distinct spending styles, depending on how old they are and whether they were born into a wealthy family or became so through their own business success. The young and the recently affluent tend to buy visibly costly items that will impress their peers. By contrast, the longer someone has been affluent, the more likely they are to value quality over ostentation. From our experience, affluent clients in their twenties are drawn toward gregarious pleasures that can be shared across all their social media to make their friends jealous. However, plenty also view holidays as a time to learn something and broaden their cultural horizons. Though older travellers to India still frequently stay at traditional luxury hotels such as the Taj or Oberoi, younger clients are more likely to choose a boutique apartment—albeit a contemporary and perhaps an architecturally significant one. The established wealthy spend relatively more on travelling to five-star hotels.

Tapping into this more traditional market is not easy: in some respects, the luxury hotel business has become commoditised. As the standard at the best establishments has risen, high-paying guests have come to expect a level of service that is ever harder to exceed. There is only so much caviar and champagne you can offer clients before they feel that this is a baseline level of service. Luxurious bathrooms designed by fashion houses like Armani, world-renowned chefs such as the Galvin brothers and state-of-the-art technology such as touch screen control systems are now the norm at the most reputable hotels.

Hence, differentiation must come from more personalised service. Value is added by being generous in small ways. Attentive service means remembering individual customers' every preference, either because they have visited before or because the hotel has gathered data from previous trips elsewhere. Equally important is knowing when to step back because, for wealthy guests, downtime is also a luxury. It is better to instil the idea that we are always available for clients without intruding. The established wealthy, because they already own so many of the finest consumer goods, place a high value on doing or feeling something new. There is a strong emotional reward from a brand new experience that excels the fulfilment of owning an item with the same price tag. For luxury travel businesses, this means that selling unique add-ons to trips is one of the most lucrative parts of the trade and travel companies go to great lengths to create these add-on packages.

For example, for our clients visiting Egypt, we have arranged a viewing of Queen Nefertari's tomb, even though its doors had been sealed to the public for decades. In Moscow, our clients can attend a private opening of the Kremlin grounds and have lunch with an ex-KGB agent who worked as a spy in London during the cold war. Even when shopping, the experience can matter as much as the acquisition. For some, it is important not just to own a Burberry raincoat but also to have bought it from the brand's flagship London boutique in Regent Street. One of the biggest concerns for wealthy travellers is safety. As crime levels have fallen in cities such as London and New York, they have become more appealing to affluent visitors. Travel consultants catering to the wealthy must be able to prove security credentials for all hotels and resorts that they recommend. Many travels companies own "destination management companies" in many African and Asian countries, which can respond quickly to problems, including evacuating guests caught up in Nepal's recent earthquake or any other natural disasters that may require immediate action to carry clients to safety.

For other wealthy travellers, many will go to extraordinary lengths to make long-haul destinations feel like home. Some family and private office managers that work for UHNWI's would even take their favourite bed on their travels. When arranging a holiday on a remote island, some clients also insisted on their own IT infrastructure, often sending someone ahead to install it. This was partly to ensure a high level of communication security, but also to be sure that their family could watch their favourite television channels. For the traveller who has everything, the familiar can be the biggest luxury of all.

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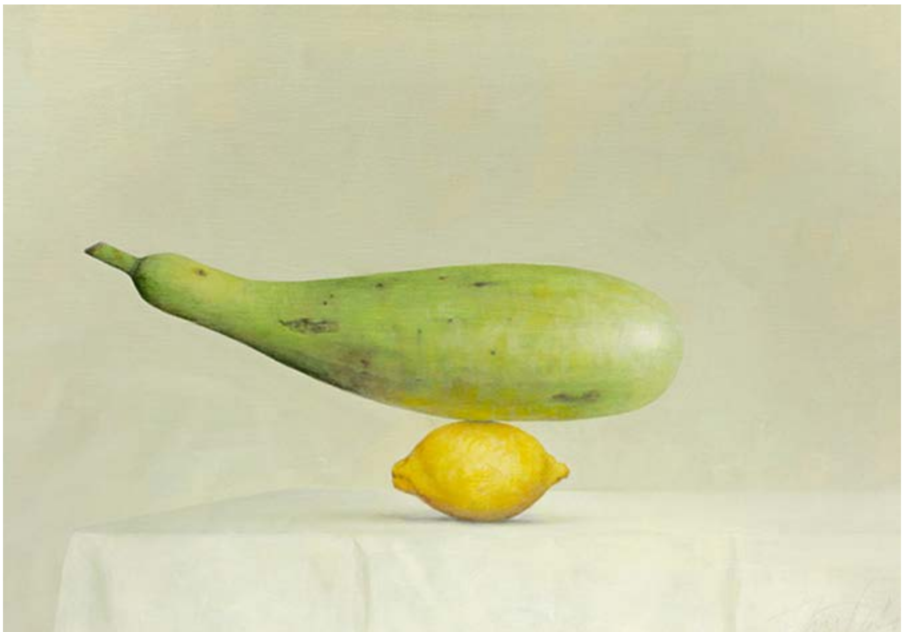
AHMAD ZAKII ANWAR

LOVE AND LUST

by Monica Chung



Galerie Huit presented Love and Lust Part II, a series of new figurative still-life paintings by Ahmad Zakii Anwar at the second edition of START, which was held at the Saatchi Gallery, London 10th – 13th September 2015.

Anwar's renowned painterly realist works include male nudes, smokers and still-life paintings. In such pieces, he tends to imply and suggest, leaving subtle clues for viewers to develop their imagination and to build their own visual narrative from their own cultural experience. The paintings usually have an uncomplicated composition almost void of perspective, as if the lone object is striped to its elemental and iconic form. The dramatic contrast of the minimal objects and emphasis on space leaves a sense of 'isolation' and the 'unexplained' that resonates with the viewer. At Start, the solo presentation Love & Lust Part II follows on the success of Anwar's previous exhibition Pleasure & Pain held at Galerie Huit, in 2013. Where Pleasure and Pain consisted of small evocative paintings depicting exotic fruit and vegetables spliced or pierced with sharp kitchen utensils, Love and Lust Part II portrays the empathetic and playful side of human nature. Here, the domestic scaled still-life compositions project coy mannerisms that encourage a humorous engagement with the work. Emotions such as desire, love, pain and confusion are mirrored in the layered metaphors providing a glimpse into one's own reflection.

To Anwar, 'painting consumes you', and the creation of his works is a journey of knowing himself, in search of identity and answers on a spiritual and religious level. One of the most respected artists in Malaysia, Anwar recently made a special appearance in the London School of Economic's Literary Festival, where he spoke about his work and the creative process behind the pieces. Since then, Anwar has recently exhibited in Hong Kong, Shanghai (Long Museum) and Korea, demonstrating his significance as a Malaysian artist on an international platform.

TRAVEL RISK ASSESSMENTS

Travel Risk Assessments and Travel Management Considerations

A SPECIAL REPORT FROM CONOPS LLP by **Xavier Firth**

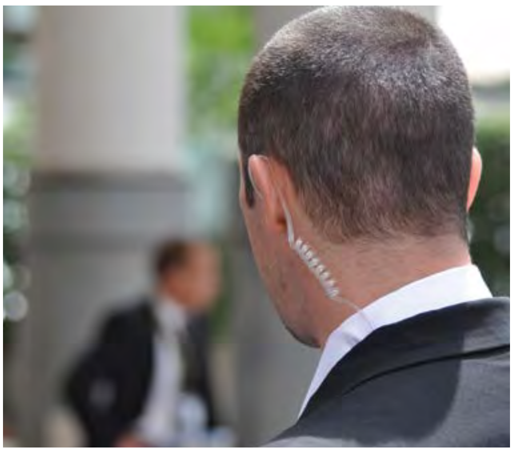
While the concept of a Travel Risk Assessment applies to many businesses, it may initially seem somewhat distanced from the private travel needs of High Net Worth Families. There are an alarming number of similarities. We were recently invited to contribute to an article outlining the dangers of generic TRAs within the oil and gas sector; specifically our focus was to highlight the importance of having a bespoke strategy in place particular to a client, rather than a copy and paste effort from a previous project. Unfortunately, there are a plethora of companies in existence that do exactly that. Travel risk assessments analyse the threats associated with travel to certain locations, domestic or international, at a given point in time and the potential sources of risk both in transit and also upon arrival at the destination. Factors to consider include political stability, socio-economic conflict and criminal activity. A generic approach to managing these risks, in our opinion, simply will not suffice.

Thanks to advance in technology and freedom of information, we are ever more connected with friends, work acquaintances and family members across the globe; we can communicate instantaneously by a mobile device, share media by the internet and can arrive at a remote destination anywhere in the world within 24 hours by air. As businesses grow on a global scale, so do the requirements of those individuals who work for, and equally manage such enterprises. The concept of an 'International Commuter' is now far more familiar, especially for senior and executive management. That said, 2015 has not been a good year for the tourism industry, with some of the largest travel operators admitting year-end profits will be lower than initially expected. The slowed economy since 2008 has played a part but more recently, a series of incidents has directly affected travellers across the globe. The risk of attack, kidnap, injury or incarceration is now a real consideration for individuals travelling overseas to more countries than we would initially expect. While there are some parts of the globe which have always been viewed with caution, the media explosion and spread of secular terrorist and organised crime groups means that previously frequented locations have evolved into some of the most dangerous. But how is this relevant to the UHNW and HNW sectors specifically?

The Terrorist Threat

The original definition of 'terrorism' reads,

"The use of violence (terrorist acts) to engender an atmosphere of fear in a civilian population for the purpose of furthering political, religious or ideological goals."



The key in this definition is the inclusion of the target for such organisations – civilian population. Of particular interest are those individuals whose involvement in an incident can be sensationalised by the media, used in propaganda and as recruitment material for those conducting attacks. We have seen first-hand in past weeks how the so-called 'Islamic State' will abduct and publicly execute key figures to make a political point. Furthermore, these groups are not as abstract in their operations as we may think. Western media outlets are very good at leading us to believe that the sporadic and unpredictable nature of events are due to poor management, organisation and planning. The truth could actually be more terrifying; we have seen first-hand how sophisticated and pre-meditated the majority of such extremist attacks are.

Travel Risk Assessments

CONOPS LLP

The Criminal Threat

On an organised crime level, we must not forget that some of these incidents are opportunistic. A thief, kidnapper or political activist may identify an unguarded moment or lapse in concentration and exploit it instantaneously. When travelling, we are typically in unfamiliar territory, surrounded by strangers and are at our most vulnerable; we become the very definition of a criminal target, or 'mark'. We must remain vigilant, observant of surroundings and alert to changes in atmospherics, routine and the actions of those around us. This is easier said than done, especially when travelling with children which present their own element of unpredictability. The task of managing one's own safety proactively and reactively soon becomes a full-time role, and not something many of us wish to undertake during, for example, a family vacation.

"It will never happen to me"

A common presumption is that we will never personally suffer the misfortune we see unfolding for others. The reality is that our lives, and those of our families, are potentially in danger. We don't need to travel overseas to high-risk environments to find hostility. Terrorist and criminal organisations are effective because they can spread through a population like a virus, even more so today with the use of social media as a tool and these risks are not always publicized in an insightful manner. Political candidates, influential figures and high net worth individuals make prize targets, which is why there is generally such heavy security presence for these persons when attending public events. Unfortunately, the same care and attention cannot always be said for personal travel arrangements which creates a prime opportunity for individuals with malicious intent to strike. We may not like to admit it, but the chances are that many incidents we hear about are pre-planned attacks with a very specific outcome. So if our attackers are going through military-style planning and tactics, the best way to counter them is to have a proactive defensive strategy in place ourselves.

What is TRM?

Travel Risk Management (TRM) is employed by governments, armed forces across the world, corporate businesses and aid organisations. Many business people will have used a managed travel service, likely without even knowing it, when booking accommodation or flights through a centralised corporate system. Pre-vetted hotels and agency booked transfers are commonplace to the business traveller and ensure that reputable locations are used for employees, providing an element of accountability for individuals who may be transiting through more complex or hostile countries or high-risk cities. The general concept is that a journey from A to B is broken down into stages, with different courses of action planned and tested for potential sources of threat. Additional measures such as contingency and fall back routes, emergency 'rendezvous' points and even decoys are also agreed beforehand to alleviate, where possible, unforeseen circumstances. Other considerations such as personnel tracking, now generally facilitated through mobile phone GPS signal and installed software, enables a central operations team to monitor a journey in real time, providing oversight of key individuals at every stage of the trip. In the event of kidnap, separation or another incident, the chances of successful recovery reduce rapidly after an initial 24-hour window. Having a travel management plan, consultants on the ground and a central control room could be the difference between a response time of eight hours from local law enforcement and one minute from an onsite team.

Give me an example

A recent account from a global CEO, who employed specific travel risk management services documented the safe travel of his daughter on vacation with her friends across Europe. Although not traditionally a region of high risk for International travellers, with the current political climate, he felt that some safety measures should be in place should the worst happen. Having covert protection in the form of a CPO (Close Protection Operative) and location updates from her mobile phone, there was 24/7, non-intrusive coverage for the duration of her trip. Daily threat briefs were provided to the overseas party and key incidents or areas to avoid were highlighted where necessary. Thankfully, no intervention was required but the Chief Executive was happy that measures were in place none the less.

When we talk about 'assets' it is easy to forget that in the eyes of someone wishing to inflict damage on our brand, reputation or person, family and relatives are our most valuable assets. That is not to say that our close family members should be treated as commodities, more that protection of those we hold most dear should be a very real consideration for anyone seen as a target due to political status, wealth, reputation or recognition. The HNW sector are likely viewed by criminal professionals as a fast track way to achieving an aim, whether that be financial or ideological, due to the perceived resources available, and the potential publicity to be gained through successfully conducting an attack. Couple this with the increase in kidnap attempts in the past year, and the threat suddenly becomes somewhat more severe.

Who to ask?
There are some organisations who offer the services mentioned in this article, and we highly recommend that you consult with a specialist prior to embarking on any travel, period. Many Family Offices have an in-house Security Manager, which is absolutely necessary and specialist providers work with such individuals and by no means replace them. Sometimes an external viewpoint and independent assessment can be the most valuable use of time and resources.

A clear and decisive action taken now could return the investment of a saved life in the future.

Xavier is one of the Founding Partners of Conops Global (LLP), a UK-based security consultancy specialising in protective services and security management for High Net Worth clients and corporate businesses. More information can be found at www.conopsgroup.com including contact details and confidential enquiry line.

TBLI

What is Impact Investing?

Article by Robert Rubinstein,
CEO & Founder of TBLI Group

Impact Investing has become the most widely used term to describe a "new form of investing". What is Impact Investing? How is it different? Is there significant money going into it? Here are some of the common definitions that have been used.

Investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return.
Impact investing is an investing approach that intentionally seeks to create both financial returns as well as positive social and/or environmental impacts that are actively measured. Impact investing includes investments that range from producing a return of principal capital to offering market-rate or even market-beating financial returns. NO NEGATIVE SCREENS or avoidance.

Investments intended to create positive impact beyond financial return.
These are investments in the business that have been designed with the intent to have positive social and/or environmental consequences.
Impact investing is the deployment of capital with the specific objective of achieving positive social and /or environmental impact alongside financial returns.

This seems rather straight forward and all have very similar definitions. However, if one looks at what most are claiming to impact investment, the focus is on social impact. This often has a high level of what I call "The Photo Op", or a ribbon cutting ceremony. More often related to philanthropy than investing. Often, the communications seem to be more important than the content. Many investors, particularly endowments, have been trying to show how they are committed to this "new approach" to resolving societal and environmental challenges. Asset owners and managers often ask me what is the difference between ESG (Environmental, Social and Governance) Investments and Impact Investing. My answer is ESG is liquid investments and Impact was illiquid. I am sure many "advisors" will disagree, but I am not trying to sell a definition and write hours. TBLI is creating an active ecosystem for the ESG and Impact Investing Community to attract significant assets.

Impact Investment figures range from 60 billion in assets under management with 10+ billion invested in 2014 (Eyes on the Horizon: The Impact Investor Survey May 2015, JP Morgan and GIIN). There are many detailed graphs about impact and percentages of assets committed if you need proof to believe that Impact is a good strategy. There are many of these reports and analysis with wide ranges of what it is and what researchers have found in asset allocations. Yet, we are constantly reminded that the investment opportunities are small, not scalable, not market rate, not quality, high risk and fundamentally they are "charity".

There is a much more compelling story. Let's focus on money flows. Look at the sectors below that make investments that match the definition of Impact, as stated above.

- Public Transport Infrastructure
- Fuel Free Energy Systems (Renewable Energy)
- Secondary Market of DFI's (Development Finance Institutions)
- Green Real Estate including Retrofits
- Agroforestry including Redd++ (avoided deforestation)
- Social Impact

If one accepts these definitions then the amount of money going into Impact Investing, is actually in the Trillions and has been for quite a while. WRI(World Resources Institute) recently wrote a report called the Trillion Dollar Question. "The transport sector is growing quickly, with the global vehicle fleet on course

to double by 2050. According to the paper, global transport investment is between $1.2 and $2.4 trillion annually." If one accepts the Impact common definition, then the present Impact discussions and case studies are vastly missing the point. We are focussed on the one small plant, that is pretty, in a massive forest of opportunity. When I hear the discussions around Impact by those trying to convince others, I am reminded of the scene from the movie Serpico, where Frank Serpico, a New York Police Detective is confronted with the scale of corruption in the narcotics division (start at 2 m 30 s). One of the crooked cops describes the graft sums as "serious money". Impact Investing is talking about "serious money" and always has been.
https://www.youtube.com/watch?v=hSZz5RI7KRQ&feature=youtu.be&t=2m31s

One only needs to have an open mind, look around and do the math. Do you want a financial return with a social and environmental added value? If so, why are you waiting for more research, when the opportunities are overwhelming?

CRITICS SAY NETWORKING DOES NOT WORK I SAY NONSENSE!

Article by Lady Val Corbett

My network began ten years ago this November with a lunch for 30 women in the Hoxton Apprentice, a restaurant that successfully trained long-term unemployed for jobs in the hospitality sector. These days I have attendances of 75+ top women executives in Browns Courtrooms in central London. (The Hoxton Apprentice closed because government funding stopped – don't ask what I think about that!) Several people - the latest being the mighty Harvard Business Review - decry networking because they say it doesn't work. I am not being prejudiced when I reckon they are WRONG. The case in my favour? The women who attend my lunches - chief executives, senior partners, business owners and entrepreneurs – are there because they are savvy professionals who know networking can be a vital business tool.

Of course, the ego power-based networking model, often testosterone-fuelled, doesn't work as well as the partnership-based model like John Lewis, which has consistently been number one in every management measurement survey. I believe most women's inclination is to collaborate rather than compete, surely a more creative and socially responsible way to do business? And that's why women leaders are those who manage differently from men – not worse, not better just differently- but they build teams that work towards a shared goal. Companies with women in top positions do better so CEO's are now recruiting more women (though I wish they would think diversity rather than numbers). Effective women-only networks are collegiately-minded enabling like-minded women to meet and acquire practical knowledge from a speaker. It also offers an opportunity to share problems, find a sounding board and sometimes alleviate the loneliness of working in a male-dominated business. My network has a few extra strands: a workshop to hone particular skills and talents; each booking includes a donation to a charity – currently one which helps prisoner rehabilitation; and there's an icebreaker that does what it says on the tin. As our motto is: "There's a special place in hell for any woman who doesn't help another woman", my mission is to link as many executive business women as possible who are on my particular wavelength into a cohesive group for sharing contacts, experience and knowledge. This is a cold business world and if women don't help other women, who will?

But if I can't persuade you that networking works perhaps a few of my networkers can:

- "The connections I made are going to lead to some exciting opportunities."
- " I wrote a list of the seven women I wanted to connect with. Out of those seven I met five as well as others who will be wonderful contacts."
- "I met some wonderful, smart, savvy women. An ideal mixture of good fun and business with fabulous lunch to boot."
- "I met some really interesting people who I have already connected with. I am a member of various women's networks in London, but yours definitely has the edge. I would love to recommend people to you, would you prefer their details first or just an introduction via email?" the answer: Women who are executives or own their own business are all eligible.

email: val@ladyvalnetwork.biz

UNBOLTED

An Interview with co-founders Ashwin And Rito

Since the 2008 economic crisis, public faith in the UK banking sector has been at an all-time low. This is not helped, of course, by the banks tightening their regulations of how and whom and how they lend to. A raft of measures and regulations has been brought in which has led to the average customer looking elsewhere for alternative financing. This rapid expansion of all forms of alternative funding has led to the industry becoming more mainstream, and new companies are coming on board to fulfill the place of the banks.

Enter two savvy young entrepreneurs (friends since business school) Ashwin Parameswaran and Rito Haldar, whose new peer-to-peer lending company Unbolted is set to revolutionise the way people gain access to money easily and cheaply.

"We saw the transformation of the financial services industry, and wondered why no-one had given the mass affluent access to the same type of services that private banking customers had received for years," explains company co-founder Ashwin when asked why the business was set up. "So we set out to provide a simple and fast opportunity for borrowers to receive an immediate transfer against their personal assets in complete privacy."

The Unbolted process is a simple one, and (bearing in mind the time constraints placed on us all in today's hectic world) is refreshingly all online – from filling in the necessary forms and uploading a photo of your asset to be valued, to the money being automatically and electronically transferred into your account. The emphasis is on fast, fuss-free and above all, transparent. Other p2p service providers, it turns out, don't operate quite so transparently. Having to dig through all the fine print to discover the reality of what you'll actually be paying back really shouldn't have to be the norm. "We try and keep it very, very simple," co-founder Rito Haldar explains. Peer-to-peer lending is becoming much more mainstream as an alternative financing option. "What we're doing is bringing a private banking service to the mass affluent that is completely transparent with low-interest rates," Rito says of the service Unbolted provides. Both co-founders are keen to stress that theirs is a website that caters for everybody. "We are here to serve everyone," Ashwin smiles.

Unbolted aren't doing things by halves, either. They've partnered with Lyon & Turnbull, one of the UK's longest established auction houses, to get accurate valuations for borrowers, and they've also set up a partnership with the Art Loss Register, the world's largest international database of stolen, missing and looted art, antiques and collectibles, to ensure that all assets offered for loans are checked for clear title. Loans against Gold are also done far more accurately than they would be elsewhere, due to Unbolted's XRF machine, as used by assay marking centres. Whereas other lenders might perform the age-old acid test (a scratch is made in the gold into which acid is poured to establish the carat – which is hardly an exact science), Unbolted's state-of-the-art machine will accurately determine the purity of your gold, meaning the exact carat can be ascertained. Not only is this process much quicker and more reliable than the acid test, but it also means your gold isn't damaged in the process. After all, gold doesn't just have a monetary value – it often holds strong sentimental value too. Says Rito, "We try to do things in the most efficient manner, and we pass on all those efficiency benefits to the borrower."

One of the many benefits of obtaining a loan through Unbolted, however, is the market-beating rates they offer. Both Ashwin and Rito are steadfastly passionate about making a p2p service available to everyone at an affordable rate. As Rito rather succinctly puts it, "why should you have to pay through the nose?" Quite. Of course, what makes Unbolted even more attractive given the state of the current economic climate is that they don't carry out credit checks. "Compared to other peer-to-peer lenders, no-one else does what we do," Ashwin explains. "Most unsecured lenders provide loans to consumers against their credit rating. That's one of the things we don't look at. We obviously do some basic checks to ensure you're not money laundering, but we lend against the value of the asset, and that's it."

So, you've been approved for a loan and can borrow money against your asset rather than risk selling it, but what happens to your treasured item once it leaves your hands? "You know your asset is going to be safe because it's insured," Ashwin assures. "We insure it against any loss during transit, and obviously theft or loss when it's with us or any of our partners."

So far, so good. But what happens when you can't pay back the loan – what happens then? "If that unfortunate scenario happens, we don't chase you," Rito says. "That is all you can owe us – the value of the asset that you have given us. If that asset happens to sell for a value lower than we thought it would, then you're not responsible as a borrower. So of course, it's unfortunate that you've lost your asset, but you have no other dues to us." It's subsequently not hard to see why peer-to-peer lending is fast becoming money's new modernity but aside from their low rates, it's putting the needs of the customer first that is really separating Unbolted from other lenders. "We've set up this model based on what is possible today, not on yesterday's model," Rito says. "The customer is the driver of the business like never before, and we guarantee them the best user experience."

As a result of this, the Unbolted team has already noticed several trends in the p2p space, particularly as far as art loans are concerned. "As interest in art continues to grow, so has the demand for the business of lending against it, to finance and expand collections," Rito explains. "Art is immensely enriching, and as the dynamics of the art market in the UK are changing, so is the way people access the required capital. We've seen a big increase in the amount and diversity of art assets being used as loan collateral – more now than we've seen previously. This is a clear indication of the increase in art consumption and appreciation, and the diversification of means of financing collections."

Ashwin and Rito are both consummate professionals, who know the industry (they're both ex-bankers), but who are clearly keen to make a difference in the underdeveloped UK lending space.

www.unbolted.com

HIDDEN ASSETS, HIDDEN RISKS

Preventable Costs to Your Family's Wealth

Families of wealth are familiar with opportunity costs and risks. They may not realize that the greatest opportunity costs and the greatest risks may lie dormant within their own families, sometimes for years or even decades, only to break forth at the most inopportune time and in the most flagrant fashion.
What are these opportunity costs, how great are the risks they pose to family wealth, and how can we manage them? Interestingly, there is a symbiotic relationship between the two. If we dynamically managing the first, we automatically decrease the second.

Assets as thought to be financial and material. They are the tangible representations of wealth with which we deal every day. We have "assigned" these material and financial assets the "role" of representing wealth. We give the bulk of our attention and invest a great deal of our time increasing the value of and protecting the representations of an underlying and much truer value. A recent illustration of this role assignment is the emergence of bitcoin. As a society, we universally assign currency a value that can be exchanged for some material or financial benefit. Enough people have assigned bitcoin the "role" of currency that it is now an option on currency conversion sites. Real wealth (the underlying, truer value), on the other hand, consists of the very ideas, social connections, and human bodies required for the idea to become a product or service leading to the creation of the family business. The very first time that product or service was exchanged for currency is exactly the moment at which the family began to view the materialization and financial gain as "wealth."

We focus on the byproducts of wealth because they are physical and more readily in our consciousness. But it is real wealth—the ideas, talents, capabilities of each family member—that can temper the effects of capital markets downturns, prevent family lawsuits, and carry the family legacy forward. A family case study shows us how. Imagine a family who inherited a $40 million business and, over time, turned it into a $275 million business. As the managing siblings grew older, their once complementary talents became liabilities and forced the family to sell the business for $125 million, a $155 million decline from its highest valuation.

Rising generations who were not involved in the business had become jealous of those who were. The erosion of the family's dynamics kept hidden talents with new ideas for the business from being recognized. There was little acknowledgement of the accomplishments of those with other talents. Consultants were brought in to help but much of the damage had already been done.
The risk to the family's assets became substantial. Exhibit 1 shows the erosion of the value of the business plus the costs to employee morale and operations due to internal conflict.

Costs Directly Resulting from Non-financial Components

Consultants: $300,000

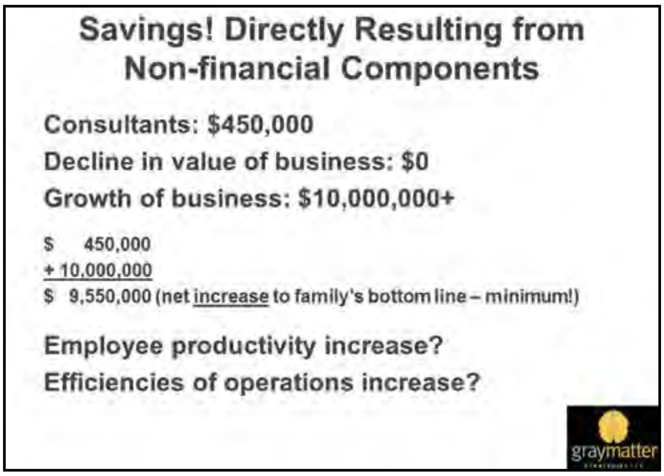
Decline in value of business: $155,000,000

$155,000,000
+ $300,000
$155,300,000 (the hit to the family's bottom line)

Employee productivity costs?
Efficiencies of operations costs?
Damage to family relationships? Immeasurable
...and likely permanent

graymatter

What if families could act preventively to circumvent the double-sided issue of opportunity cost and increased risk? Exhibit 2 shows how creating a governance model designed to nurture hidden assets significantly increased the value of the business, even without the contributions of family members following pursuits outside of the business. There is no way to know the future value of a family member's abilities,



especially when that member is a child or young person. The same can be said of a promising venture capital concern. Yet, families continue to invest and may reap exceptional returns through such ventures. If we are so willing to invest in promising ventures led by people we do not know, why would we not be even more willing to invest in the promising talents of our own family members, with similar support, guidance, and progress checks along the way?

Exhibit 3 shows the potential value of a promising author, painter, or musician. There was no way to know at the outset the level of success these people would attain. And not every talented family member will become as accomplished. The possibilities are no less present in our own family members.
The return on investment for developing our hidden assets is multi-faceted and exponential. The reduction of risk to family assets of any kind is significant and a family united is practically indomitable. A well-designed governance model facilitates early awareness, ongoing development, and the ability to celebrate the family's real wealth and enjoy its material and financial byproducts most rightly as gifts to be enjoyed and well-utilized. The value of those who work with families in creating such a model is every bit as high as any financial or material enterprise.

Lisa Gray is managing member of graymatter Strategies LLC, specialists in family governance that keeps families intact through generational planning.

www.graymatterstrategies.com

Patented Legal Structure Gives Foreigners Access to Australia's Secondary Real Estate Market for the First Time

by Dominique Grubisa

Australian laws are very restrictive and only allow non-residents to buy Foreign Investment Review Board (FIRB) approved new build residential properties that are more limited, commonly overpriced and often not in prime, sought after locations.

An abundance of companies are currently promoting and marketing off-plan property developments and house and land packages in Australia to foreign purchasers. Since these properties are limited, they are often sold at a premium – a finite supply allows developers to charge more, knowing that non-Australians will have to pay.

Therefore, foreign purchasers who are not legally allowed to access the whole Australian property market are operating at a disadvantage when it comes to buying Australian property – one which Australian developers exploit! Many investors who have paid too much for these new properties will find themselves waiting five years or more for the market to appreciate to try and make their money back. They also often find themselves without tenants once the rental guarantees that the developer includes for the first two years of property ownership runs out.

AIM have overcome this restriction by creating a legal structure under which foreigners can access the entire Australian secondary real estate market (all existing properties, not just brand new) and unlock the potential profits and growth available in this booming market. Dominique Grubisa has used her legal skills as one of Australia's top barristers to design and patent this legal structure, offering a fantastic opportunity to foreigners wishing to invest in the resale property market in Australia.

Dominique Grubisa comments: "Few foreigners are aware of the restrictions on foreigners buying Australian property, my patented legal structure allows foreign investors to access the entire Australian resale market and buy their dream property Down Under. This is more important than ever now with the government cracking down on foreign investments in Australia. The role of the Foreign Investment Review Board in Australia is under scrutiny with a report due out this month expected to give the government more powers to seize and sell illegally purchased properties and to keep any capital gain."

Why Australia?

Australia has been one of the world's most consistent property markets over the past 30 years, providing solid and consistent returns more than 7% per year over this period. The Australian residential property market has experienced fewer years of decline than almost any other international property market, quickly recovering from the Global Financial Crisis in recent years, which saw growth stalling but prices maintained.

The Australian property market has now far surpassed pre-GFC levels, and growth is steady and exponential. This is underpinned by a strong and regular inflow of migrants and a stable economic base that further ensures that the demand for Australian property continues to grow from both the influx of people and business.

Australia is a well-known powerhouse education provider, offering first class facilities and educators, providing local and international students with a wide range of high-quality study options. Asians, in particular, have long recognized the benefits of the Australian education system, and can now potentially make a profit on their property investment while their offspring are educated there.

Headed by industry expert Dominique Grubisa, Australian Investments & Migration (AIM) is the Corporate Office of a highly successful Australian company dedicated to affording non-Australians throughout the World the opportunity to learn the 'ins and outs' of purchasing secondary market real estate in Australia, and the legalities involved, without having to be a Citizen of Australia or Permanent Resident there.

www.australianinvestmentsandmigration.com

Institutional Investor FORUMS

12th Annual

Family Office Wealth Conference

Keeping it in the Family: Preserving and Growing Wealth for Generations

September 27-29, 2015 | Montage Resort & Spa | Laguna Beach, California

Institutional Investor is proud to present the 12th Annual Family Office Wealth Conference: *Keeping it in the Family: Preserving and Growing Wealth for Generations*. The conference will bring together representatives of the nation's wealthiest families to explore a wide-range of topics and trends to stimulate thoughts and ideas aimed at addressing issues considered essential for families as well as provide solutions to consider.

More than 90% of the audience and sponsors rated the conference as one of the BEST they have ever attended. This, along with a well-conceived agenda created foremost with the audience's needs in mind, makes it an ideal setting for family office directors and family members to share information and ideas with colleagues.

As the premier event for family office and high-net-worth individuals, Family Office Wealth Conference seeks to continue setting the highest standard in providing affluent family members with a unique, exclusive experience.

This year's conference will cover a wide-range of topics that include:

- Building Wealth as an Entrepreneur and Preserving the Wealth Thereafter
- Creating a Family Constitution: Preparing for a Family Transition
- State of the Global Economy
- Asset Allocation Priorities and Pitfalls: What Does it Look Like Now?
- The DNA of an Investment Deal
- Seeking Yield: Income Returning Investments
- Building an Effective, Resilient Portfolio of Alternative Investments: Key Components and Challenges
- Energy Investments
- Identifying, Understanding and Managing the Full Spectrum of Risks Facing Your Portfolio
- Preserving Wealth Across Generations: Investment, Education and Risks
- Data Privacy and Cyber Security
- The Forecast for U.S. Tax Policy and Consequences for Your Wealth
- A Deeper Dive into Philanthropy: Configuring and Executing a Viable Strategy
- PLUS The Family Office Think Tank: Two Interactive Sessions for Peer-to-Peer Advice open only to family office executives and family members

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SPECIAL GUEST PRESENTATIONS

Thomas Frey

Futurist, Executive Director, The DaVinci Institute and Author, *Communicating with the Future*

As the Executive Director and Senior Futurist at the DaVinci Institute, he works closely with the Institute's Senior Fellows and Board of Visionaries to develop original research studies, which enables him to speak on unusual topics, translating trends into unique opportunities. As part of the celebrity speaking circuit, Tom continually pushes the envelope of understanding, headlining events with some of today's most recognizable figures: Tom Peters, Nobel Peace Prize winner Mohammad Yunus; former CEO of General Electric, Jack Welch; former New York City Mayor Rudy Giulliani; Former President of Colombia, Andrés Pastrana; Prime Minister of Spain, Felipe González Márquez; Nobel Prize winning economist Joseph Stiglitz; Saudi Prince Turki Al-Faisal; and former World Bank President James Wolfensohn. His keynote talks on futurist topics have captivated people ranging from high level government officials to executives in Fortune 500 companies including NASA, IBM, AT&T, GE, Hewlett-Packard, Lucent Technologies, First Data, Boeing, Capital One, Bell Canada, Visa, Ford Motor Company, Qwest, Allied Signal, Hunter Douglas, Direct TV, International Council of Shopping Centers, National Association of Federal Credit Unions, Times of India, Leaders in Dubai, HSM ExpoManagement, and many more. Because of his work inspiring inventors and other revolutionary thinkers, the Boulder Daily Camera has referred to him as the "Father of Invention". The Denver Post and Seattle Post Intelligencer have referred to him as the "Dean of Futurists".

Steve Schmidt

Political Analyst, MSNBC and Renowned Political Strategist

Combining expertise, passion and a laser focus, Steve Schmidt provides audiences with a candid insider's perspective of today's political headlines. Schmidt served as senior strategist for Senator John McCain's 2008 presidential campaign and is featured and played by Woody Harrelson in the HBO movie Game Change, adapted from the best-selling book by the same name chronicling the campaign. Prior to serving as campaign manager for the re-election of California Governor Arnold Schwarzenegger in 2006, Schmidt was a member of the White House senior staff as deputy assistant to the President and counselor to the Vice President. In that position, he advised on a wide range of issues, working at the intersection of public communications, policy development, legislative advocacy and political strategy. During his tenure at the White House, Schmidt directed strategic communications for the nomination of Chief Justice John Roberts as well as the team to nominate Justice Samuel Alito. Schmidt also served as one of the top strategists on President George W. Bush's 2004 re-election and was a member of the senior planning group that directed the campaign. Today, he serves as a political analyst for MSNBC and is Vice Chairman for Public Affairs for Edelman, the world's largest independent public relations firm.

Greg Stroh

Co-Founder/CEO, Healthy Skoop

Greg Stroh is currently Co-Founder/CEO of Healthy Skoop which is a Superfoods nutrition company. Mr. Stroh was also Co- Founder of IZZE Bev Co. which was acquired by Pepsi and Co-Founder of Mix1 which was acquired by Hershey. He is a Winner of Ernest & Young Entrepreneur of the Year for work done with Izze Beverage Company.

SUPERYACHTS

INTERVIEW WITH CHRIS CECIL WRIGHT

CECIL WRIGHT
FANATICAL ABOUT YACHTS

Family Office Elite had the opportunity to interview Chris Cecil-Wright, who launched Cecil Wright & Partners as a boutique superyacht brokerage two years ago. Specialising in the purchase, sale, build and charter of superyachts.

WHY ARE SUPERYACHTS SO POPULAR AMONGST THE WORLD"S WEALTHIEST INDIVIDUALS?

Ultra-high-net-worth individuals enjoy not only the freedom that life on the water brings but also the privacy that a superyacht offers. A stay in the finest hotel just cannot compare with the facilities and levels of service on board a luxury yacht but most importantly, the privacy that is achieved by being able to go where you want, when you want and with no one else around is something that money can't buy. As demand for the highest levels of luxury and the ultimate facilities on board has developed, a superyacht also manages to effectively amalgamate a place of work and leisure. Many of the yachts that we have for charter have both board room and business facilities as well as extensive leisure and sports facilities. They are also the perfect environment for entertaining. Our clients want to recreate everything that they have in their homes on their yacht, so when working with them on the design and build or even just a charter, we go to great lengths to ensure every aspect of their life is replicated. A superyacht enables people to travel to unbelievable destinations but with the highest levels of comfort. We have clients who enjoy chartering in the Med but also many clients who wish to venture further afield and incorporate elements of extreme sports and adventure into their travels. Many people also now use a superyacht as a base for "extended family" holidays.

WHAT IS IT THAT YOU DO BEST?

The most important aspect of our business is understanding people, and not boats! Knowing about superyachts is a necessity but the difference is in the detail and having a more intuitive approach to what we do. We take valuable time in getting to know our clients, understanding their desires and then we can pre-empt their requirements. We always aim to surpass expectations and our motto is "Fewer Clients, Serviced Better."

YOU HAVE A PASSION FOR FEADSHIP. CAN YOU EXPLAIN WHY?

We work very closely with Feadship, who, in my opinion, build the finest boats on the water today. They have the ability to not only create the wow factor but also deliver the technical wizardry. Their attention to detail is second-to-none, and they just do a great job! have been responsible for the construction of some of the largest Feadships in recent years, including the 77.7m TANGO, the 78.5m HAMPSHIRE II and the 99m MADAME GU. I have also represented the buyers and sellers of 15 pre-owned Feadships, so I do know Feadship well and am always impressed.

HOW DOES SOMEONE EVEN START THE PROCESS OF BUYING OR BUILDING A YACHT?

Many people decide that they want to own a superyacht having initially tried chartering. This gives them a taste of the reality that being on a yacht brings and it is very enticing! As a broker, we guide clients through the entire process and talk through the options available, whether to buy or build a yacht and all that those options entail. I will take clients to the shipyard and talk through the process as well as introducing them to designers, naval architects, etc. This is where the relationship that I referred to earlier is so important. It is vital that clients trust their broker and are confident in their experience, knowledge of the market and ability to get the job done. I have a small team of experts working with me at Cecil-Wright, so we offer a very personal but specialist service with extensive knowledge of sailing yachts as well as motor yachts. I can then put together a Dream Team to create the perfect yacht for the client.

WHAT DOES THE FUTURE HOLD FOR CECIL WIGHT & PARTNERS?

I started the business two years ago, having been a Director of Edmiston for twenty years previously. I am enjoying the challenges and rewards of having my own brokerage and am looking forward to the future. We have a small team based in our offices in Monaco and London, and we are keen to remain small and focussed. We offer a low-key, discreet and very personal approach, and we don't want to lose that as our clients really value this aspect. The world of superyachts can be somewhat brash, but that is not what we are about. Even our marketing materials are a little bit different – we send our clients and potential clients a quarterly newspaper rather than a glossy brochure!

BNKTOTHEFUTURE LAUNCHES FUND
for the world's first ever Bitcoin Mining IPO

A fund to invest in the world's first ever Bitcoin mining company under Initial Public Offering (IPO) has just gone live on the online investment platform BnkToTheFuture. Over $2.9 million USD has already been pledged to the Bitcoin mining company - Bitcoin Group Limited. Bitcoin Group is due to list their Shares on the Australian Securities Exchange (ASX) on 11th November 2015. Bitcoin Group Limited (ASX code BCG) received an approval from the Australian Securities and Investment Commission (ASIC) to launch a AU$20 million public offer. Prior to the IPO, Bitcoin Group opened up the opportunity to qualifying investors to invest online via BnkToTheFuture who have had over $30 million invested this year alone in financial innovation investment opportunities such as Bitcoin Group. Simon Dixon, CEO of BnkToTheFuture said, "Stock exchanges around the world have a long history in listing gold and oil mining stocks, but Australia will become the first ever to list this new form of mining stock. Investors are now able to invest pre-IPO online through BnkToTheFuture.com" The CEO of Bitcoin Group - Sam Lee, said the impending IPO would bring greater legitimacy to the industry and lead to greater transparency and awareness on behalf of prospective investors. "As an industry leader and soon-to-be Sharemarket pioneer, we play a critical role in continuing to educate the market while providing investors access to an exciting, high-growth industry sector through a profitable investment vehicle" - Sam Lee, CEO of Bitcoin Group.

Bitcoin was invented six years ago, and Bitcoin mining was designed as an incentive for Miners to secure the Bitcoin Network by validating transactions which in turn gives Miners such as Bitcoin Group access to newly minted Bitcoins. Today Bitcoin currently trades at $250 per Bitcoin and fluctuates like an ordinary currency. On average, the network processes over 100,000 Bitcoin transactions daily and every month it rewards participating Miners around 108,000 Bitcoins, which at today's market value represents a market opportunity of $27 million USD per month.

www.bnktothefuture.com

ART FINANCING

MAKING COLLECTIONS SWEAT

by: Dr. Tim Hunter- Falcon Fine Art

The art market is both growing and globalizing, making now the perfect time for family office clients to sell on their artworks and reap the financial rewards (if they can). The only problem: they don't want to part with the beloved work, leaving family offices to manage "trapped cash". Tim Hunter, Vice President of Falcon Fine Art, explains how art financing can help

What can a family office do when a client has an extremely valuable asset they didn't buy, and, therefore, don't treat, as an investment? Such is the conundrum faced by many family offices dealing with clients who own fine art collections. Indeed, fine art is often primarily seen as a passion. The advantage to this is that artworks are treated as the cherished, historically and socially important items they are – indeed fine art is so much more than just an investment. The disadvantage of only treating fine art as a passion, however, is that – given the value of art (and the value of the art market) – ignoring its qualities as an investment means one thing: trapped cash. Which is where art financing comes in – enabling family offices to make their clients' art collections "sweat".

Can't sell, won't sell

So why does owning fine art mean having trapped cash? While art is often extremely valuable – take the Picasso that sold for US$179 million at auction earlier this year, for instance – it can also be fairly difficult to sell. Indeed, for the artworks that aren't so coveted they raise US$179 million, the market can often prove unfavourable. This is, in part, due to the fact that buyers are often guided by tastes and fashion – both which fluctuate significantly and sometimes quite unpredictably. Of course, a client could be in luck, and in possession of the right painting at the moment it is most popular – at which point it is not just fairly easy to sell, but perhaps wise to do so, and there are many collectors who find themselves in this position. Certainly the art market is not just booming – with the 2015 TEFAF art market report citing a value of €51 billion worldwide – it is also globalizing, introducing a world of potential buyers. Yet just because it is a good time to sell, does not mean a client will. Certainly, those who have bought an artwork they love might want to keep and enjoy it, regardless of its potential value. Or, perhaps inspired by the success of a similar painting, a client might wish to guard their artwork as it rises even further in value. This is where cash gets trapped. Whether a client cannot, or chooses not to sell their painting, it remains true that a valuable asset hangs on their wall. An asset that, if sold, would release liquidity they could deploy into other areas – other investments, for instance, or even a business. Certainly, the freed-up cash could even be used to buy an additional artwork – thus enabling clients to expand, or evolve their fine art collections.

"Making collections sweat."

What is the solution? Art financing offers a way for collectors to monetize their art, without the need to sell it on: it helps release trapped cash, and enables family offices to explore a smart wealth management strategy around their clients' art collections. What's more, this can be achieved without compromising on clients' desires to enjoy the art. Indeed, some firms such as Falcon Fine Art will allow collectors to continue to display the paintings in their homes throughout the financing term. But what about a client's other assets? While some lenders require other assets as additional collateral, art financiers – on the whole – are only interested in the artwork, meaning family offices can collaborate with such lenders without risking other investments.

Quite simply, art financing is a smart wealth management strategy. The conflict between passion and investment will always pose a challenge to the family offices of fine art collectors. Yet through embracing art financing – collaborating with institutions that have the expertise to manage a complex asset in a fluctuating market driven by trends – trapped cash need no longer be an issue.

THE SECRET OF SUCCESS

by Paul Russell

Etiquette is the name given to the rules of life. To play the game you need to know the rules; play well and you are likely to win play ill, or with a disregard or insensibility to the accepted norms, and you are almost certain to fail. As we go about our professional and personal lives, many of us are unaware of the correct etiquette for the variety of situations we find ourselves in; genuine politeness may be inborn, the characteristics that make an individual kind or caring for example, whereas etiquette is generally acquired as we observe the actions of others within the confines of societal customs. Thus, it is possible for a person to be both polite and lacking in etiquette at the same time. Etiquette is the binding ingredient for social and professional interactions; like an egg added to a cake mixture, it brings other components of the recipe like politeness together, ensures the correct flavour, and provides perfect results.

Perhaps the lynchpin in the grand game we all engage in, with varying levels of success, is in conversation. Those that succeed are not only fully versed in the importance of all aspects of conversing, from small talk, to lengthy discourse, but they are intent on winning; and how do they win? Not by overwhelming, overpowering and using the conversation to their own ends, but by engaging, understanding and listening. Those that are not great conversationalists either fail to grasp the significant opportunity that conversation presents, or simply do not put in the time required to commit to it properly. As a rule of thumb, always attempt to make your contribution to the discussion relevant, don't dominate, ensure everyone has an opportunity to speak- indeed, draw out others with gentle questioning. Differences in opinion can be handled with a polite yield accompanied by a skilful change of topic, and where a conversational partner tells an anecdote they have shared before, listen with good grace. Mastering the etiquette of conversation will endear others to you. As salt goes with pepper, good conversationalists are generally also imbued with the graceful bearing;

they carry themselves well, and manage to create a substantial presence without resorting to pompous tactics like wild gesticulation to ensure all eyes are on them. They adjust their style and demeanour as befits the situation- quieter when others are quieter, more jovial in celebratory circumstances, and professional when in that position. To make sure your personal conduct etiquette is up to scratch, be mindful to treat others with courtesy, no matter of their position. It is said that you can often take the measure of a person by their behaviour towards those in a subordinate level to themselves, so treat CEO to the waiter with the same respect. Of course, there will be instances where you will have to deal with those whom you may find personally disagreeable; etiquette dictates that you treat them with the same courtesy as you would a favourite while maintaining your integrity. Above all, strive to have sensitivity to not only the situation you are in but to the feelings of others. And so, to sum up the secret to success; treat others as you would wish to be treated, with respect, kindness, and of course, a liberal sprinkling of etiquette.

Paul Russell is a co-founder of the Luxury Academy, A multi-national private training company with offices in London and New Delhi. www.luxuryacademy.co.uk


DC Finance
DC Finance's Family Office & Wealth Management Event Calendar
The New York Meetings
May, 2016
Friars Club, NYC
www.thenycmeetings.com
The London Familly Office & Wealth Management Conference
May 17th, 2016
The Connaught Hotel, London
www.london-wealth.com
The East Coast Family Office & Wealth Management Annual Conference
October 20th, 2015
The Union League Club, New York City
www.nycwealth.com
The Florida Family Office & Wealth Management Annual Conference
December 1st, 2015
The Ritz-Carlton South Beach, Miami, Florida
www.wealth-florida.com
For further details please contact DC Finance at (Toll Free Number) +44 (0) 800 098 8444 or
info@nycwealth.com | www.nycwealth.com | www.florida-wealth.com | www.thenycmeetings.com

Total Committed Capital Capview Received from Marcus Evans is nearly $15 Million

by Amy Phung, Capview Partners

Capview Partners is attending its third Marcus Evans Private Wealth Management Summit this December. Capview utilizes events such as Marcus Evans Private Wealth Management Summit to receive warm introductions to, and establish relationships with investors who are looking for real estate investment opportunities that offer capital preservation, an attractive yield and value-added upside potential. "We have found Marcus Evans events to be more effective than other industry events, in part because there is an organized format for meeting the potential investors. Other events have not provided the quantity and quality of meetings with investors. The combination of panel discussions, one-on-one meetings and networking events allowed us to establish connections and continue the conversations well after the event is over," says Capview's Managing Director, J.D. Dell regarding his experience with Marcus Evans Summits.

Capview Partners is a private real estate investment firm that focuses exclusively in the single-tenant, net lease retail ("STNLR") sector of real estate. As part of Capview's strategy, the firm invests in STNLR assets occupied by nationally and regionally recognized tenants, with long lease tenor, and diversifies its portfolio by geography and retail business type. Using a combination of leverage and investors' capital, Capview aggregates STNLR assets as part of its portfolio and then capture an intrinsic value spread between real estate asset values and real estate securities/capital markets values.

Recently, the firm celebrated its first ever $100M assets under management for a single portfolio. "I am pleased to reach this milestone and the value these properties provide to the investors," said John Hammill, President of Capview Partners. Currently, the firm owns 40 properties diversified in the retail sector, geography and investment grade tenancy. The annual rental income of the portfolio is $7.5 million and the portfolio's purchase cap rate is 6.82%.

To date, Capview has sourced capital from private accredited investors and institutional investors totaling over $47 million. The portfolio has $110 million assets under management with another $30 million under contract or under a letter of intent. For the portfolio's performance at the end of Q2, Capview was able to deliver to its investors a 9.11% annualized distributable cash flow yield. The yield year-to-date is 8.38%, and the yield since inception is 7.77%. Capview has historically delivered a much better return than what most investors can find in the bond and stock markets.

What makes Capview so successful? Capview's strategy offers its investors high-yield about the risk. Once capital is sourced and ready to be invested, Capview's team uses its network to find STNLR assets, which are in early or late stage build-to-suit developments, sale leasebacks, 1031 exchanges, or an individual property sale to acquire. Capview is very meticulous in its process of selecting the right asset to buy and reviews over $50 billion of STNLR assets annually, selecting roughly one in 200 assets for an investment.

J.D. Dell, Capview's Managing Director and Fund Manager will be representing Capview at the summit. J.D. manages Capview's investment management and investor relations functions, including Capview's largest fund to date, Capview Income & Value Fund IV, L.P. J.D. has over 20 years of experience in private equity funds including investor relations, deal-sourcing, asset management and regulation compliance with significant experience investing in real estate and alternative assets. J.D. holds a Juris Doctorate and a Masters in Accounting. Before joining Capview, J.D. held executive positions at Sellars Absorbent Materials, Inc., Trammell Crow Company/ CBRE, and Lone Star Funds/ Hudson Advisors.

Since Capview's first attendance at the December 2014 Marcus Evans Private Wealth Management Summit, Capview has made tremendous progress in its equity raising efforts. Capview secured its first $10 million dollar investor, an attendee from last December's Marcus Evans summit, for its current investment offering. Along with this investment, the total committed capital Capview received directly and indirectly from Marcus Evans' is nearly $15 million. Outside of raising equity, Capview was also able to assist and connect contacts established at Marcus Evans to other business opportunities. Capview continues to nurture these relationships and pursue new opportunities.

Capview Partners was started by two former executives from the Staubach Company after its acquisition by Jones Lang LaSalle. "Ken and I shook hands once, and it's been 50-50 ever since," says Capview's President, John Hammill regarding his partnership with the firm's Chairman, Kenneth "Ken" Shulman. Since the inception of the firm, Capview has been successful in managing portfolios for USAA Real Estate Company and a private institutional insurance company. In 2010, John and Ken decided to start Capview's own line of investment funds.

J.D. Dell will be representing Capview Partners' strategy on a panel discussion at the Private Wealth Management Summit on December 9-11, 2015 at the Red Rock Casino & Spa. For more information about the three-day summit and how you qualify to attend, please email Ali Tamashiro at alit@marcusevansch.com or Visit

Jill N. Creager Named Among

50 Most Influential Women in Private Wealth

Jill N. Creager, founder and CEO of Providence Family Offices, has been named among PAM's 50 Most Influential Women in Private Wealth. Private Asset Management (PAM) magazine polled industry experts, its subscriber base and editorial board to establish this inaugural honor chronicling 50 most inspirational and influential women in North America's private wealth space. Having practiced law in the areas of trust, estate planning and litigation, Creager has more than 20 years of experience in fiduciary oversight and management of private wealth. Before founding Providence Family Offices in 2008, she served as a corporate trust officer and private bank trust company executive.

Creager founded Providence with the belief that there had to be a better way to holistically serve private wealth clients. The industry was full of investment, legal and tax experts. However, virtually no firms were focusing exclusively on the administration of private wealth. Focusing on the greatest challenges of private wealth, she realized that while the investment side of private wealth had certainly entered the digital age, the methods for administration of wealth remained in the ticker tape days. With all of the complex relationships, assets, and tax and legal responsibilities, the greatest problem seemed to be that no one could find anything. Too much time was spent looking and organizing and not enough time on sound decision-making. It seemed that too often good strategies were failing because of improper or incomplete implementation and management. Most importantly, family tension and anxiety seemed to increase as transparency decreased. Creager believed there had to be a better way for families to grow generationally and maintain private wealth.

"Receiving this distinction is indeed an honor for me," said Creager. It affirms the beliefs that have driven me over the last eight years. I am grateful for my family, clients and fiduciary and technology teams at Providence who have all supported me and without which none of this would have been possible."

LONDON ART BUSINESS CONFERENCE

The business of art in the context of global consumer commerce

:by: Pandora Mather-Lees, Art Advisor, SIGILLUS

The art business might at first sight seem a far cry from the world of general business and consumer commerce, but it touches us all whether we buy a Tate Gallery postcard or a multi-million pound Picasso from Christies. There are some 40,000 people in the art trade in the UK and it is estimated that there are 100,000 jobs supported by the arts across the country, be it in logistics, insurance, online platforms, finance, photography or related creative industries. It is against this backdrop that Daily Telegraph arts correspondent Georgina Adam opened London's second Art Business conference on September 3rd, highlighting just how important the art world is to the capital.

The opening panel was led by art historian Dr David Bellingham and examined the art market from the perspective of law and ethics. The art world is often seen as an industry renowned for its lack of regulation and transparency. It periodically throws up infamous rogues and is the subject of spicy films not to mention making jolly good television. It was interesting therefore to hear the views of some top players about how art can at times be more about money making, money laundering and shady dealings rather than art for art's sake.

Can and should the art market self regulate?

Pierre Valentin is a lawyer specialising in this field and kicked off the panel by suggesting that the word 'unregulated' is an 'unhelpful cliché'. He reminds us that regulation does exist in the form of taxes, copyright & IP, Artist's Resale Right, trading & shipping controls and various other commercial statutes. Trying to regulate the market however is also problematic. Should this happen, art world players would face similar problems to those in other regulated markets and be at the mercy of poorly managed box tickers in the compliance process. The cost of government regulation runs into many millions and results in delays and loss of profits. At the end of the day it has often been shown to be ineffective. The Drouot scandal of 2009 is a good example whereby French regulation laws had no effect on some of the poor practices that were going on at the Parisian auctions house. So how does one move forward? One of the simpler paths would be to better enforce the art world's existing regulations such as competition law, criminal law and copyright law and to address auction practices and insider dealing. Ethics is increasingly being addressed in both public and private business and in the art market, embraces a number of factors. Valentin suggests that having a code of ethics is one thing but, unlike a code of conduct, it rarely leads to a penalty. He talks of Relativism (when an issue is viewed from a single player's own perspective) and Utilitarianism which concerns morality say of the auctions world where one is continually faced with the tension between pragmatism and moral codes.

Robert Hiscox sees the art world as one of the last unregulated areas of finance coming, as he does, from the perspective of the insurance industry which he suggests "has become overregulated to death." Hiscox is at the top of the art insurance game and Robert's advice, as ever, is prudent: "Buy with provenance, don't fake, restore, conserve, be honest and don't make egregious profits. " What counts as an egregious profit however should surely be an area of rich dispute and is making a profit a crime in the capitalised world? As for the important business of transporting art he says "pay for the best, don't use a man with a van and do use proper storage." This of course will help to avoid litigation and blame over damages to priceless masterpieces.

Crime & Punishment

The Art Loss register does what it says on the box, it records stolen and looted art from around the world. It processes some 380,000 paid searches a year and is very much in the business of confronting the dark side of the art trade and is in a prime position to comment on the need for regulation. Its President Julian Radcliffe, reveals that many of the bad practices plaguing the art world come, not from those at the top, but from the next level down. He believes the art world doesn't need government regulation, rather a modest one or two person organisation to agree standards, like BAMF (The British Art Market Federation) and that the art associations will need to be tougher in kicking any bad apples out. Whilst the associations cannot always guarantee the honesty of members, he suggested that buyers should only deal with sellers who are in a recognised association so there is at least some comeback. Nevertheless associations have their limits and criminal or civil regulation is not the solution either, as both are slow and expensive.

In essence, contracts should be entered into with the utmost good faith by both parties but the cautionary caveat emptor is no longer enough. More information needs to be given to the buyer. It is an idiosyncrasy of the art world, that deals are done where the seller wishes to remain anonymous and there can be many middlemen scattered around the globe. Moreover it is not uncommon for dubious practitioners to offer art for sale of which they don't actually have possession. Regulation then, should force sellers and auctions houses to provide more details on provenance and the commissions they are receiving as articulated by Christopher Battiscombe of SLAD, the Society of London Art Dealers. On the subject of commissions, Christopher points out that it is another anomaly of the art world that auctions houses take commission from both buyer and seller!

Fake, Forgery & Authentication

Of course provenance is one thing, but this can be faked too along with the painting itself. Jilleen Nadolny is a senior scientist with Art Analysis & Research, a highly respected independent London laboratory which authenticates art. She challenges the panel of experts to explain how often materials analysis comes into the work of the dealer. Scientific analysis is now available to buyers and sellers so surely it should be an integral part of a sale, for who would buy a house without a survey? At times, it may be in a seller's interest to suppress the technical data, yet why should a conservation and authentication provenance document not follow the work along with the title provenance? It is a vital part of the materiality of the object. Robert Hiscox agrees that there would be a lot less chicanery if this was to happen and if there was adequate regulation to support it. The need to know the state of an artwork at a particular time in history, the historical data, is important and no central database exists that a hapless buyer can search to show what has happened to an item over time or to prove its authenticity. Collecting data on fakes as done by organisations such as AA&R has another advantage. Compiling and recording data on the condition of a work at a certain time also helps the item to be preserved and conserved. Thus it adds to the value long term. This all amounts to the fact that contracts of sale should have a representation from the seller that they have done 360 degree due diligence in all aspects of the deal as an incentive to facilitate the sale. Admittedly the documentary proof can be falsified or faked, but there is a disincentive to do so when one's reputation is at stake.

The global art market

Regulation in the UK is one thing, but trading with less developed markets and across borders is becoming a downright quagmire and impossible to regulate globally. Shouldn't we draw on UNESCO? Sadly its rules are at a low level, the process is not successful and the focus is on antiquities. Freeports now exist allowing works to be stored tax free under bond and this facilitates global trading to some extent. According to Michael JJ Martin, a forensic accountant with Deloitte's anti money laundering team in Luxembourg, two new laws have been passed. This means that at certain freeports, Luxembourg being a case in point, the onus is on the owner to prove that sufficient documentary evidence exists and the due diligence carried out. It also puts intermediaries who handle the work (in what is often a complex supply chain) under similar pressure and responsibility. Second, cash transactions in excess of 10,000 Euros will by law require appropriate due diligence. Those seen to be trading in art with ill gotten gains or even exchanging dubious artworks in ignorance, can now be prosecuted. This is important at a time when illegal trafficking and art crimes are estimated to be around 3.6% of global GDP. The financial and legal regulators are therefore turning their eyes to the art market, especially as art dealers are not covered by the Financial Action Task Force (FATF) recommendations and as they represent the High Value Goods class. This means that there is now more interest in regulating art under this category.

International trade is good for UK business and the art world represents an important chunk of exports and imports. However the issues arising from the illegal excavation of antiquities is highly problematic. It is what Christopher Marinello, a lawyer with the Art Recovery group calls 'radioactive material" Added to this is the problem of laws governing the trade of endangered species such as tortoiseshell, crocodile and ivory. Steve Hedley, Founder and CEO of Hedley's Fine Art Logistics says, "Quite frankly we would rather just not ship ivory altogether. Obtaining the CITES licences required and ensuring the smooth path of antiques and luxury goods is fraught with problems and exacerbated further by having so many people in the supply chain".

Managing Reputation

Whether further regulation of the market happens or not, the need to maintain one's good reputation in what is a relatively small community, rife with gossip is vital. Kingston University's Tom Flynn led a panel on how to avoid being at risk from bad practice and what you do if a crisis arises. Adrian Parkhouse of Farrar & Co and Christopher Marinello of Art Recovery discussed reputation with Freya Simms of Golden2 Consulting PR. Once upon a time dealers dealt on a handshake and if something went wrong, one made a quiet call to one's lawyer. Most deals were localised and in a closed community. Now the digital revolution means that cases are more visible and we can all see what is being bought and sold. We are in a position to carry out more research into the players and what they are trading. The discreet call to the lawyer still happens, but now the complexity and high prices at stake mean that there are numerous experts who come together to resolve disputes so that the public exposure is adroitly managed.

These experts claim that when they do their job properly, we the public, will never get to know about it. Stolen art, forgeries and artefacts looted by the Nazis and from excavations come to light more and more frequently and often a dealer is unaware of what he or she is sitting on. When a scandal comes to light, generally a mitigating press release can be issued or the experts will work for you to keep the issue under the radar whilst they return the art to its rightful owner. Any claim of course needs to be investigated and proved. Art Recovery's team has recovered some $100m of stolen and looted art and has created an art claims database with high resolution images and condition reports as a research tool. Christopher Marinello works closely with the Police, he does not pay ransoms, nor does he negotiate with perpetrators except to minimise bad press if they co-operate. Nazi restitution is a particular hot potato especially where a work of art might have passed hands many times since confiscation, increasing in value along the way. With a lot more than just reputation at stake, mediation is a pragmatic route. Nicola Wallace, a barrister with Art ADR Global assists in mediation and resolving disputes so that they don't have to go to court and can be handled with discretion.

Loans & Finance

The art world would not exist without finance and the conference presented a number of specialised lenders such as Citibank, Emigrant Bank and Borro. Sandy Rich of Richard Thompson insurance brokers believes the market to be strong, an assumption based on the demand he sees for all-risks cover for an agreed value and this view was supported by Emigrant Bank. Art is increasingly being used as an asset class and there is the continual tension between the art historians and the financiers as to whether one should buy to invest or buy to enjoy. Most buyers hedge their bets and do both or pretend to at least. Collectors both savvy and amateur are caught up in this dilemma with a plethora of advisors offering different opinions on how to grow their portfolio. Nevertheless at some point those who amass wealth will buy art and will increasingly use it to free up capital. It is a relatively new area for wealth managers to leverage and lending against art is something the industry is still developing as an income stream. Despite some emerging indices, databases recording sales results, specialist art advisors for guidance and so on, this is still an imperfect marketplace, peppered with anomalies, so the industry needs to understand how to shape the premiums, assess the valuations and do the due diligence so as to allow lending to take place. Although it is a new area to tap, in some cases the deals are relatively small and the lenders need to think about how they can turn a profit long term whilst managing the risk. Borro can help in the case of a deceased estate or bankruptcy and often raises finance against the property as well as the art and jewellery it sits in. Right Capital can offer advance loans often working with art galleries while Emigrant Bank lends to individuals against a range of assets from manuscripts to classic cars. All of these forms of collateral require reliable valuations and a shrewd assessment of the client's creditworthiness. Nevertheless art has a special place as an asset class. As Suzanne Gyorgy of Citibank states; "When the margins (stocks) division panics as the market drops a few points, the art lending team just sit back, drink their coffee and relax!" The conclusion from this panel discussion is that lending against art will evolve rapidly and it is not necessarily the last resort for owners as it once was, it is rather an opportunity to put your art to work whilst enjoying it on the wall at the same time.

Social Media for promoting art

No conference on art business would be complete without looking at the latest trends promoting and selling art and in particular, social media. Annual reports by Hiscox Insurance have revealed fascinating figures about the number of collectors, of all ages, across the globe, now buying art online. It also stands to reason that whilst the art world glitterati will continue to waft around the gallery openings sipping champagne, those who buy art are more often than not researching it online and that includes social media. The conference focused on just one social media platform, Instagram, so as to present a fascinating range of case studies from what is considered to be the most image friendly platform of all. The opening of the Ai Weiwei exhibition at the Blenheim Art Foundation was launched with a 'takeover' of Blenhheim's Instagram account by the artist for a short period, resulting in a significant increase in followers. This was curated via Skype and included a joint venture with the RA and an 'Instameet' with IGers groups at the venue. The message here was clearly to pull in other groups to increase your exposure and tell your story. Bridgeman Image's Alan Firmin has spent a number of years helping brands to grow through social media and explains the diversity of audiences now using the medium. Surprisingly the fastest growing sector is in the 40-60 year old age bracket. Major brands are quick to follow the money and are now investing heavily in Instagram to reach them. Nevertheless it is a platform for telling and showing, not for selling. It is a place to add perceived value by telling stories and engaging viewers. Alan believes that Instagram "Democratises artists, galleries and collectors and can live within the context of our daily cultural environment".Unit London is one of the most fascinating cases emerging on London's art scene. Started in little more than a box in Chiswick by two young, ex-advertising twenty-somethings, Joe Kennedy and Jonny Burt have created an art gallery business from nothing, entirely on Instagram. They have promoted unknown artists to become international names and their followers are growing by the thousands. With the 60 artists they now represent, they have a combined reach of 3.4 million followers. Numbers of people represent valuable currency in today's social media world and Unit London has exploited cyberspace to create a viable and thriving business. Their recent gallery opening in London's Soho was a huge glittering affair pulsating with music and art world aficionados - proof of the power of the medium to create a real world market.

To conclude, Internet Retailing's Paul Skeldon sums up the growing importance of this market with some key figures. In 2014 the global online art market according to Hiscox figures is worth around $2.64bn and the global art market in total is estimated to be about $55.2bn. M-commerce in the UK alone is currently worth £18bn showing that mobile and indeed social media will play an increasing role in art buying. Wearable tech is also a burgeoning phenomenon and should be monitored although whether we will ever transact fully A-Z to buy art with our watch is dubious because of the size of the screen. With the greater adoption of distance selling and more art transacted globally, trust, integrity and cross border legislation are vital issues. With the increase in the number or forgeries being discovered as well as other bad practices, due diligence and greater controls throughout the supply chain will become the norm if not obligatory. Surely there will be more controls imposed to protect consumers; nevertheless 'buyer beware' remains an important precept. Louise Hamlin, the conference organiser sums up this year's event by saying "I am delighted that the 2nd edition of The Art Business Conference was attended by over 300 art market professionals, with over 175 companies represented from across the art market. The level of interest and feedback we have received following the conference, from the media and also our attendees, has been excellent. We are already exploring subjects and topics for the next edition which will take place in early September 2016."

Pandora Mather-Lees

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La Trahison des Prévisions: Europe's Macroeconomic Forecast is Not a Picture of the Outlook for Private Equity

A REPORT FROM STEPSTONE

The Treachery of Images by René Magritte

Introduction

Magritte's famous painting, *La Trahison des Images,* challenges our assumptions by proclaiming that a picture of a pipe is not a pipe. In a similar way, private equity investors need to be careful when evaluating European macroeconomic forecasts – they do not provide the complete picture of what to expect from European private equity.

The picture for the European economy has not been a pretty one. Europe's volatile macroeconomic and political climate has given private equity investors cause for concern in the years since the global financial crisis ("GFC"). While the region represents approximately 20% of global GDP and is home to some of the most established private equity managers, certain investors are questioning the wisdom of locking up their capital in illiquid investments in a region that is experiencing a combination of low growth and episodic financial turmoil.

However, in the same way that Magritte's painting gives you an image of the pipe, but does not convey the texture, weight or aroma of the actual item, Europe's macroeconomic outlook is incomplete in important details. As with many things in life, the devil is in the detail. Therefore, private equity investors should partner with general partners that can master the details and overcome the challenging macroeconomic picture.

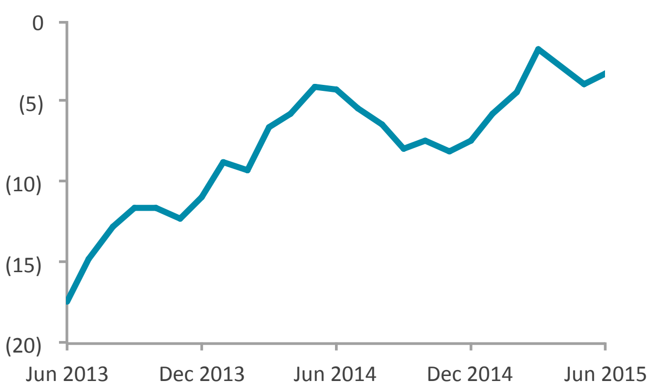
Macroeconomic Backdrop

The last six years have been a challenging ride for Europe. This is even more evident when compared to the US, which has pulled itself out of recession and is now growing at a healthy pace. Macroeconomic conditions in Europe continue to be volatile, with short periods of calm periodically interrupted by localized financial flare-ups such as the Cyprus banking crisis in 2013 and the failure of Banco Espirito Santo in Portugal in 2014. While each of these events was small in and of itself, they nonetheless sent shockwaves across Europe, highlighting the investment community's continued uneasiness where Europe is concerned.

Financial markets have also been buffeted by geopolitical events: the Ukrainian revolution, the subsequent Russian annexation of Crimea and sanctions against Russia; the emergence of ISIS; the Scottish independence referendum; and, of course, the shocking terrorist attacks in Paris in January 2015. At the time of writing, Europe has managed to narrowly avoid evicting Greece from the Eurozone, thanks to a third bailout. While this solution is widely regarded as a "fudge," the outcome has nonetheless calmed the markets and restored some degree of short-term confidence in the Euro. Further north, following the surprising election results in May, the UK is itself building up to a referendum on EU membership. Many in Europe feel that a period of stability, however brief, would be welcome.

This time last year, many in the investment community believed Europe's macroeconomic woes were receding. As shown in **Figure 1**, the consensus was that Europe had stabilized and was in the early stages of a sustainable period of growth, albeit at a modest rate of approximately 1.5% per annum. Of course,

Figure 1. European Consumer Confidence Index

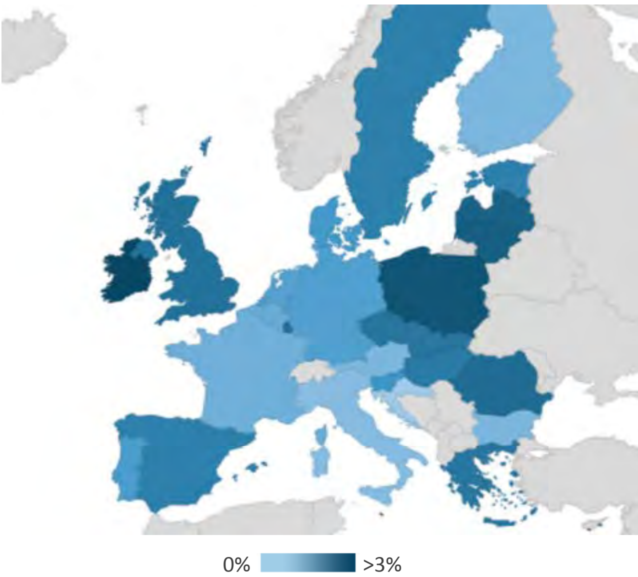


Source: European Commission.

growth is not uniform across a continent as diverse as Europe; and this figure is a blend of lower growth in much of Central and Eastern Europe, Italy and France and higher growth in the UK, Scandinavia, Poland and some peripheral countries, such as Ireland. Nonetheless, so bullish were certain forecasts a year ago, that there was even talk of the UK economy overheating, with the Bank of England considering a rise in interest rates.

StepStone has traditionally erred on the side of caution when reviewing economic forecasts and, unfortunately, we were proved right in this case. Since then, German growth faltered, Italy slipped back into recession and France continued to stagnate. Overall, the Euro Area produced a GDP growth rate of approximately 0.9% in 2014. Looking forward, StepStone believes that it is prudent to assume another three years of sluggish growth on an aggregate level, as suggested by **Figure 2**.

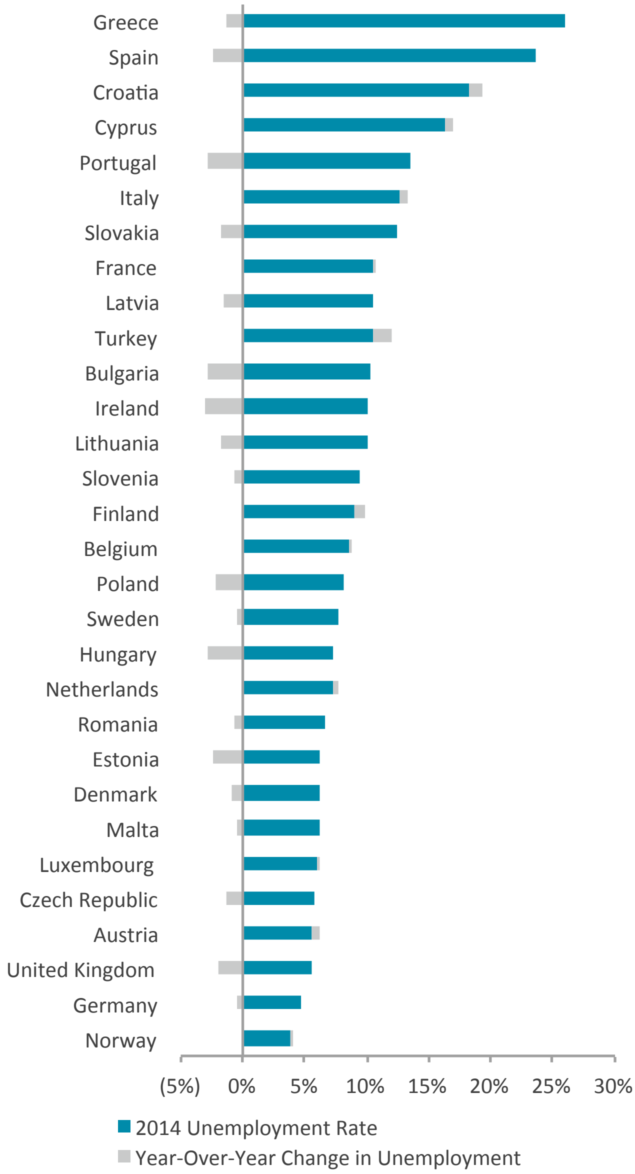
Figure 2. European GDP Growth Forecast for 2015



Source: European Commission.

Figure 3 shows the unemployment rate across Europe as of December 2014, together with the change in this rate over the previous 12 months. While these figures appear cautiously optimistic, they mask one of the fundamental problems facing Europe today: the tragically high rate of youth unemployment in many countries, particularly in Southern Europe. Youth unemployment in Greece, for example, is approximately 50%, while the situations in Spain and parts of Italy are not much better. The challenge of creating jobs for large numbers of people who have neither work experience nor training is daunting, with few governments appearing to be up to the task of developing and implementing effective

Figure 3. European Unemployment Rates



Source: Eurostat.

policies. Europe's political environment has become ever more complex and volatile as new groups have emerged at both ends of the political spectrum. In many ways, these changes reflect the mainstream political parties' lack of ideas to tackle the continent's social issues, many of which will likely be more difficult to solve than the purely economic ones.

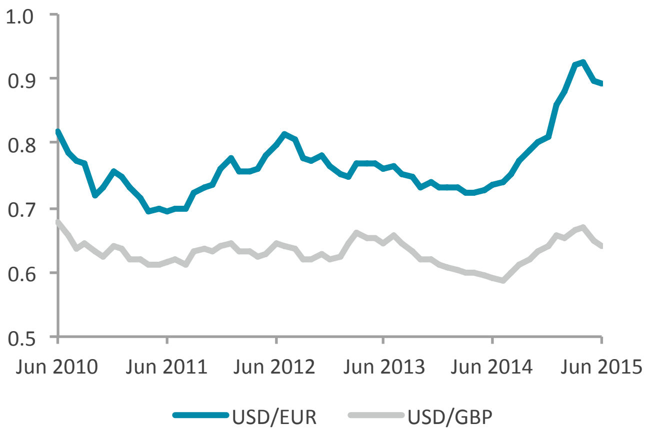
In addition to the issues mentioned above, in recent months, deflation reared its ugly head. Europe's inflation rate dropped from 0.3% in November 2014 — already well below the

European Central Bank's ("ECB") target of 2.0% — to -0.6% in January 2015. While inflation has since returned to positive territory (0.2% in June 2015), this brief period represented Europe's first fall in prices since 2009. In this case, however, the drop was driven almost entirely by lower energy costs as a result of cheaper oil. While many economists have welcomed lower oil prices and the positive impact for European companies of lower raw material prices and manufacturing input costs, it is inescapable that a deflationary environment would be particularly harmful for a region suffering from a high debt burden.

Although the ECB acted to calm markets at the start of the year by stating that it considered the risk of persistent deflation to be quite remote, it did not take any chances and subsequently announced an extensive quantitative easing ("QE") program, including up to €60 billion of monthly bond purchases for up to two years. While the impact on the value of the Euro was swift and severe, it remains to be seen whether this measure is sufficient to sustain a healthy but moderate level of inflation. In the meantime, economists and central bankers appear divided on the wisdom of the ECB's QE program, not least due to its complexity and the interplay with other initiatives such as the Greek bailout.

Figure 4 shows that while the USD/EUR exchange rate had remained stable for quite some time, it started to soften in the second half of 2014 before moving sharply higher as the year came to a close. This decline in the Euro was the result of both the ECB's QE program and renewed fears of a Eurozone break-up, triggered by bailout discussions in Greece. While a devalued Euro represents a net positive for Europe's export-driven economies and companies, the underlying exchange rate volatility is unlikely to be helpful for anybody.

Figure 4. European Exchange Rates



Source: Oanda.

Implications for Private Equity Investors

In the context of a persistent, low-growth macroeconomic environment in Europe, StepStone believes that manager selection is critical to achieving attractive returns and, therefore, believes that investors should shift their focus towards those managers who are best able to execute on one or more of the following approaches.

Seeking Value Through Effective Sourcing

Europe remains home to a great many talented managers and market-leading companies, which operate in growth sectors and generate strong financial performance. Many of these businesses are global leaders in niche markets, selling to customers worldwide, including in higher growth emerging markets.

The challenge for private equity managers is to identify these strong performers and find a way to invest in them at reasonable valuations. This last point is particularly relevant, as targeting "export-led, global, niche market leaders" has become something of an investment mantra for the European private equity community, with the percentage of portfolio company revenues generated outside Europe now one of the key metrics by which private equity firms are judged.

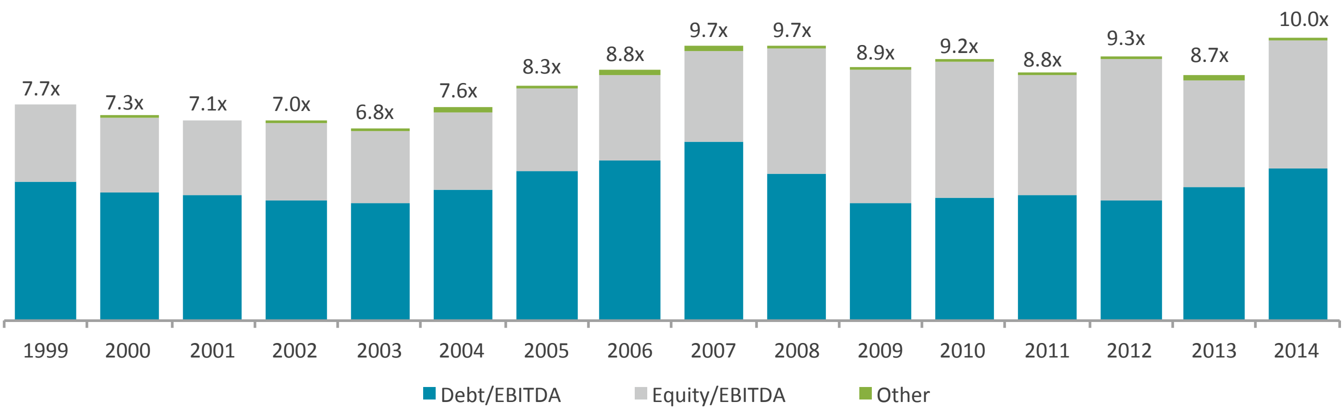
Unsurprisingly, competition for such target businesses is intense, with the average purchase price multiple paid for European private equity transactions reaching a peak in 2014, according to data compiled by Standard & Poors and illustrated in **Figure 5**. StepStone recommends the following strategies designed to avoid over-paying for such businesses.

Growth Equity

Most owners are understandably resistant to consider a full exit of their business through a buyout when they are confident that significant growth is still to come. Therefore, often, the only way to gain access to such companies is to acquire a minority stake through an injection of capital that may assist the majority owner in managing demand for working capital and capital expenditures. In addition, more sophisticated owners recognize the benefits of the combination of strategic advice and operating expertise that many private equity investors can provide alongside their capital. In situations such as these, extracting the last dollar of purchase price is rarely the sole consideration for the owner, allowing private equity firms to invest at reasonable purchase price multiples.

While European Growth Equity is currently experiencing something of a renaissance, following years of near dominance by Buyout firms, StepStone still considers this space to be relatively uncrowded, with a limited number of experienced, institutional-grade firms across Europe. Although general partners are moving into this segment, with some Buyout

Figure 5. European Purchase Price Multiples



Source: Standard & Poors.

groups relaxing their investment criteria to include minority deals and certain Venture Capital firms moving towards late-stage deals, StepStone believes that it will take time for competition to significantly intensify.

When analyzing private equity managers in the Growth Equity segment, StepStone's due diligence focuses heavily on the general partner's ability to originate growth-oriented investment opportunities that can be exited alongside the majority owner. Investment structuring — negotiating workable minority rights and effective downside protection — is also an important area of focus.

Sector Specialists

An alternative route to gain access to strongly-performing businesses in Europe is through sector-specialist firms. By virtue of their deep networks of relationships with advisors, management teams and potential target companies, sector specialists have a clear origination advantage relative to their generalist peers. In addition, such firms benefit disproportionately from strong word-of-mouth recommendations and referrals from entrepreneurs that they have backed in the past. Historically, the inherent difficulty facing sector specialist firms in Europe, in contrast to the US, has been their lack of scale, with relevant transaction volumes unable to justify raising a large enough fund to finance a significant multi-national team, which ideally operates from multiple offices across core European geographies. As a result, sector specialization within European private equity has largely been confined to large-cap firms with dedicated sector teams or small-cap niche firms. Consequently, Middle Market transactions in certain complex sectors such as Financial Services, Energy and Healthcare have often been ignored. More recently, however, StepStone has witnessed the emergence of Middle Market sector-specialist funds, with capital commitments of €300 million to €1 billion, that have the resources to support a substantial pan-European team. StepStone is tracking a number of these firms and is actively evaluating their ability to access attractive assets at reasonable valuations.

Hands-On Value Creation

While the two strategies described above focus on gaining an edge in deal sourcing in order to access European businesses that are already high-performing, StepStone also recommends that investors consider strategies that are more closely linked to adding value to under-performing assets.

Revenue Growth Initiatives

In the context of pedestrian GDP growth rates, general partners can help their businesses generate attractive top-line growth through the execution of international expansion or through consolidation strategies.

These initiatives are particularly relevant in the European market, which is both large and highly fragmented, consisting of tens of thousands of privately-owned businesses. Unlike the US, which is relatively homogeneous in terms of culture, language, technical and legal standards, and business practices, Europe often represents more differences than similarities. Pan-European and pan-regional private equity firms are particularly well-suited to capitalize on this dynamic for two reasons. First, they can leverage their deal-sourcing capabilities and transactional expertise to pursue market-consolidation strategies across and within jurisdictions. Second, they can leverage their local teams and know-how to expand portfolio companies domestically and into new markets. Both of these strategies represent significant opportunity to stimulate material topline growth in the absence of macroeconomic tailwinds.

These firms can often leverage their own experience when working with expanding portfolio companies. Pan-European and pan-regional private equity firms are themselves examples of small and medium-sized enterprises that have expanded from single-country origins to become successful international players, staffed with multiple nationalities and a fully pan-European outlook.

Operational Improvement Initiatives

Value creation initiatives that emphasize operational restructurings, professionalization of management teams and the sharing of best practices to improve efficiency and margins are also critical in low-growth environments. Again, by virtue of its heterogeneity, Europe is particularly well-suited to the successful deployment of such strategies by country-specific, pan-European and pan-regional firms.

However, StepStone is focused not only on whether a fund manager has operating skills but also on how these skills are integrated into the firm's DNA and investment processes. The presence of one or two operating partners who can be deployed into portfolio companies on an as-needed basis is no longer a differentiator or a competitive advantage. Today, private equity firms need to integrate operating expertise into all stages of the investment process in order to set themselves apart from their peers and to most effectively drive operational value creation.

Business Repositioning

Through the topline and operational improvement initiatives outlined above, many European private equity managers have the ability to drive meaningful incremental improvements and, in certain instances, to transform portfolio companies into fundamentally different and more attractive businesses. In many instances, the repositioning of portfolio companies through this process translates into a re-rating of valuation multiples at exit.

Opportunity for Pan-European and Pan-Regional Managers and Country-Specific Managers

StepStone recognizes that different geographies operate at different speeds and, at times, in different directions. Therefore, we believe that pan-European and pan-regional firms are well-positioned to take advantage of changing macroeconomic and valuation dynamics across geographies in order to deploy capital in the most effective way within and across the cycles.

However, despite the optionality provided by a pan-European investment strategy, StepStone continues to believe that Lower Middle Market country-specific funds represent an attractive segment for private equity investors. Notwithstanding the inherent single-country risks of such managers (i.e., customer concentration, a lack of management depth, etc.), StepStone considers this space to be less crowded than the broader Middle Market and, therefore, less efficient from a pricing perspective.

In the UK, French, German and Nordic markets, for example, many of the managers who were successful in the last decade have increased their fund sizes and are no longer active in this Lower Middle Market space. This has resulted in a more benign competitive environment, although many of the new firms operating in this segment are short on experience and need to be scrutinized carefully.

Conclusion

Forecasters do not paint a pretty picture for Europe's economy. Europe promises to remain in a low-growth environment for some time to come, with a combination of continued economic volatility and political uncertainty. Despite this negative backdrop, StepStone believes that the continent will continue to offer private equity investors plenty of attractive investment opportunities. However, these opportunities will be harder to access than before and sourcing skills will become a key differentiator for private equity managers, especially in higher-growth industries. Sector specialization and Growth Equity strategies are likely to enjoy renewed success, having fallen out of favor over the past few years. Managers will also need to demonstrate an ability to drive value creation across their portfolio, especially through international expansion and consolidation. StepStone believes that manager selection has never been more important and is actively focusing on managers that can demonstrate a proven ability to source off-market deals at attractive valuations and that have been able to create value in their portfolio companies through a combination of international expansion, operational improvement and just plain hard work. These managers should be able to avoid the treachery in Europe's macroeconomic forecasts, driving value in their portfolio companies and outperformance for their limited partners.

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SUPERYACHT OWNERSHIP

A 3-phased approach to building a superyacht portfolio

by Simon Cardiff

When clients consider becoming first-time superyacht owners, the focus is usually on the details: i.e. kinds of yachts available, how it will be used, where it can go, luxury service options, superyacht aesthetics and so on. This is where the emotional and intangible value of superyacht ownership can be found and the superyacht industry supply chain offers an exceptionally wide range of options.

Clients also think about how to put the whole superyacht portfolio together. For major acquisitions, like superyachts, clients can use disciplined, business-like approaches to bring together all the moving parts and to ensure a long-term perspective on their superyacht ownership.

As with long-term planning processes generally, there are roughly 3 phases to getting a superyacht portfolio off the ground from scratch:

- Superyacht ownership strategy: client defines the top-level direction and guidance for their superyacht portfolio.
- Operating framework and implementation: client's superyacht team helps the client plan how the yacht will be managed and then sets it all up.
- Execution and ongoing management: the superyacht team performs day-to-day operating activities throughout the superyacht ownership lifecycle: requirements, design, build, acquire, operate/maintain (in-service), disposal.

Superyacht ownership strategy

The client's top-level guidance articulates their long-term vision and outlook for superyacht ownership. The overall vision emerges from answers to the following kinds of questions:

- why become a superyacht owner
- what kind of superyacht owner to be (e.g. with personal/hands-on or passive/delegated oversight)
- how a new superyacht portfolio fits with the family's existing global estate (e.g. lifestyle, business interests, financial situation, family governance and operating framework, etc.)

Potential new owners can **develop a superyacht ownership strategy** in response to these big-picture questions. Input can be taken from family members, internal/private staff and other confidantes. Planning at this stage is top-down and analytical. It is also independent. The planning horizon is the anticipated superyacht ownership lifecycle, which can range from 5 to 15 years depending on individual owner objectives.

The superyacht ownership strategy has five fundamental elements:

- Ownership approach & objectives
- Superyacht governance & risk framework
- Luxury onboard service strategy
- Superyacht asset management strategy
- Financial & risk analysis

These fundamentals are closely intertwined. Of the five fundamentals, two have significance at the operational level. Luxury onboard services strategy delivers the end-user experience to owners and guests; whereas, superyacht asset management strategy is an enabler that bundles together all the back-office and middle-office activities required to deliver the luxury onboard service to the end-user.

The outcome of the client's ownership strategy planning exercise is a document that succinctly sets out the client's long-term strategy, objectives and constraints for each of the 5 fundamental elements of ownership. It also clarifies how the superyacht portfolio fits with the client's existing family governance and global estate.

But there is no one-size-fits-all. Flexibility is the order of the day.

Typically, clients analyse their strengths and weaknesses in the superyacht domain to assess how well they are personally positioned to launch into ownership (e.g. clients with experience as superyacht charterers sometimes feel more prepared than those without). Top-level planning will also include an analysis of the opportunities and threats in the market and broader external environment.

This planning process can be conducted formally or informally and can take place behind the scenes before a client approaches suppliers in the wider superyacht market.

Superyacht operating framework and implementation

The client's superyacht ownership strategy is fundamental. It enables a superyacht team to build a superyacht operating framework that is appropriate to the client's documented long-term plans.

At the operating level, clients seek answers to questions around how to achieve the emotional and intangible value of superyacht ownership. Disciplined, high-performing superyacht teams can use their expertise to create an operating model that satisfies the 5 fundamental elements of the client's superyacht ownership strategy. For example:

- The client's luxury onboard service strategy sets out the "purpose" of the superyacht portfolio. It comprises the aesthetic/design brief, intended and actual employment of the yacht, and delivery of the overall client/guest experience, including onboard hotel/interior services.
- The client's superyacht asset management strategy enables the superyacht portfolio to achieve its "purpose" during the superyacht ownership lifecycle. It includes how the superyacht team implements the asset management phases: requirements, build, acquire, maintain/operate/refit (in-service) and disposal. This covers most functional activities related to superyachts: design, technical, safety, voyage operations, regulatory, finance/accounting, VAT/tax management, crew, corporate administration and so on.
- The client's governance and risk management approach makes the core superyacht team accountable to the client – or another person in the client's private office – through clear alignment with the superyacht ownership strategy.

Deep superyacht-domain expertise is required. So, core superyacht teams tend to include: a maritime expert (perhaps an experienced captain, architect or engineer), a luxury service delivery expert (could be a chief of hotel/interior services, purser or the captain) and an industry adviser (such as a broker). Other niche supply chain specialists can be called upon by the core team to advise on specific operational issues when required.

The core superyacht team delivers 2 outputs:

- First, the detailed operating model that is capable of achieving the client's strategic objectives. It describes: (1) how the superyacht will be operated and maintained; (2) who is responsible for each function; and (3) the benchmarks and milestones for measuring operational performance.
- Second, the full set-up and implementation of that operating model. The team will also look to superyacht industry intermediaries and the supply chain to implement specific superyacht functions: i.e. charter brokers, naval architects and engineers, suppliers, professional advisers (lawyers, accountants, tax advisers), banks, financiers, insurers, yacht managers, port agents, corporate service providers and others.

Bringing it all together

Many superyacht portfolios need to be treated like 24/7 operating businesses with suitable governance and infrastructure, afloat and ashore. To this end, superyacht ownership strategies give clients a disciplined, business-like approach to planning and controlling their long-term enjoyment of ownership.

About the author: Simon Cardiff is a strategy and family office consultant at boutique advisory, Issues in Superyacht Ownership, providing niche services to strengthen superyacht portfolio governance, ownership lifecycle planning, asset management strategies and luxury service standards. For more information, go to superyachtownership.com.

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ITS A CHAOTIC WORLD

PROFIT FROM IT

By Michael McGaughy (Yuan Asset Management)

In my research and investing I stress three things: people, structure and value. I look for companies that are controlled and managed by quality people, have corporate structures that align minority and majority shareholder interests and trade at valuations that are below intrinsic levels if not outright cheap. This article is mostly about people. More specifically it is about investors and their desire for steady returns. While I can understand the desire for predictability, it runs against my experience and philosophy.

Stability definitely has its place. A stable political system, marriage and friendships are extremely good things. And I'm about as far from an anarchist as possible. But I feel different about business and investments. In fact, I get scared when things are too stable and predictable. The world is wonderfully chaotic, and investors should embrace this rather than spending a lot of time, energy and money trying to smooth returns. "Entropy is the only constant" is my favorite graffiti. Closer to home friends says "there is nothing permanent except change".
Let me explain.

In the last few months, I've been talking to people about my investment process and how I can help manage their funds. It's been going slow. Most of the world is looking for steady, safe and predictable returns. Asia's moneyed class are looking for steady returns of 5-6% according to feedback from several in the financial community. European investors must be even more scared.

Many are not only forgoing positive returns but are paying governments for the privilege of holding their money. Hence the negative government bond yields in many European countries. In contrast my investment strategy and process - which looks for out-of-favor quality companies in beaten-down markets - are dependent on continued volatility. Great bargains rarely appear in steady markets. Great returns are also rare in steady markets.

Be Afraid of Stability
Twenty-five years ago as a young analyst I loved analyzing companies that had steadily increasing sales, constant profit margins and growing profits. This made my financial projections easy. However experience has taught me not to trust steady returns and stability. The business world is competitive and anything but stable. I now believe that 'stable', 'no risk', and 'guaranteed return' are some of the most frightening words in business and investment.

Consider the following:
Bernie Madoff's funds got big by seemingly delivering steady monthly returns in both up and down markets. As we know now, it was all a fraud.

Before it went bankrupt, Enron was well-liked by sell-side analysts and investors for meeting analyst estimates. It steadily met expectations and was considered a stable and safe company. But it was mostly smoke and mirrors before it became America's largest bankruptcy.

The desire for, and fallacy of, steady growth is nothing new. Adam Smith (aka George Goodman) wrote about the illusion of steady growth in his 1972 book Super-Money. "Everywhere you looked, there was a company with a neat stepladder of growing earnings. Some kept the stepladder right up to the day they filed for bankruptcy."

In his commentary on Dell being fined by the SEC for fraudulent accounting designed to smooth earnings, author and Darden School of Business professor Edward Hess notes that "companies that grow for more than four consecutive years without resorting to earnings games are the exception, not the rule."

Growth and investments by definition are dependent on the future. No one can predict the future, so there is simply no way to guarantee fully their success or return. Not every corporate expansion project works just as not every investment works

At the end of the day, the world is not a stable or predictable place. And we don't want it that way:

If the world were stable over the last 100 years, most of

us would be plowing fields and playing cards instead of working in temperature-controlled offices and surfing 100 cable channels.
Who would have predicted that a college dropout, hippy wannabe and a disheveled electronics geek would create Apple which changes the way we communicate, access information and take pictures?

I'm sure Kodak and many other companies would have preferred the stability of the pre-digital world. Investors who embraced change did well, those that stuck with the old did not

The biggest advertisement for positive effects of change is China. Virtually the entire country has transformed in the last 30 years. Subsistence agriculture to export manufacturing to domestic consumption. Rural to urban migration. Collective agriculture to private property. Etc, etc.

The world is wonderfully chaotic. Live with it. Embrace it. Profit from it.

CHINESE WEALTHY CONTINUE TO RISE

China has 1,347,713 millionaires holding US$4.8 trillion of wealth collectively – a number that is set to double over the next five years - finds a new report from WealthInsight. HNWI population and wealth in China have witnessed significant growth between 2010 and 2014, and are set to grow further in the next five years. Chinese HNWIs increased by 52.8% over the past four years, going from 882,277 to a total of 1,347,713. Moreover, China had 8,366 UHNWIs in 2014, with an average per capita wealth of US$180.3 million, making them a prime target group for wealth sector professionals. Of this total, there were 194 billionaires, 2,790 cent millionaires and 5,382 affluent millionaires. "While the slowdown of the Chinese economy is currently carefully managed through structural reforms and gradual withdrawal of fiscal stimulus, the latest cut in reserve requirement ratio by the People's Bank of China for all banks in April 2015 will hopefully help to facilitate credit expansion, providing greater confidence to commercial banks to lend and hence lowering the cost of financing for corporations," says Dr Roselyn Lekdee, Economist at WealthInsight. WealthInsight forecasts that the number of Chinese millionaires is set to double and reach 2.2 million by 2019, while wealth is expected to grow by 75.9%, to reach US$9.5 trillion by the same year. Beijing, Shanghai and Guangzhou have recorded the highest millionaire growth forecasts, with Beijing's HNWIs having grown from 141,413 in 2010 to 226,707 in 2014 – a number that is expected to exceed 360,000 by 2019. "Despite prudential measures being undertaken in the Chinese economy, entrepreneurship is one of the most important elements that has fuelled the HNWI population in China. Unlike in Europe and the US, where fortunes have been passed on to next generations through family businesses, the Chinese often made their fortunes. Interestingly, the Chinese HNWIs held 19.9% outside their home country in 2014, which is below the worldwide average of 20–30%. The Chinese millionaires certainly prefer to keep their wealth closer to home," says Lekdee.

Dr Roselyn Lekdee, Economist at WealthInsigh

HOW PURCHASING CAN SAVE YOUR CLIENTS MONEY

by Jack Soames of Halkin Purchasing

Purchasing is often thought of as being the preserve of large companies or organisations. For example, raw materials, vehicles, stationery, insurance and other service contracts – indeed almost everything bought in large batches or high-value contracts - falls under the remit of the purchasing department, whose task is to minimise the company's costs of acquiring goods and services.

In fact, the purchasing skills that are deployed by large organisations can be used to equal effect in the world of family offices and UHNWIs. Applying the same techniques, it is possible to significantly reduce the costs of acquisition of yachts, aircraft, art, jewellery, property, vehicles, professional and service fees and much else besides. Of course, few family offices can justify the expense of employing an in-house purchasing team or employee. However, it is possible for them to outsource either to individual specialists, or delegate to an employee who has the knowledge or time to do the necessary purchasing.

This route is not without its pitfalls, however. If we look at the art market, for example, there is much scope for participants to serve their own interests, rather than those of the buyer. Thus an auctioneer or art dealer asked for his or her advice, may be tempted to steer a potential buyer towards what he has to sell - or that which he is finding difficult to sell - or a work of art of inferior quality. Equally, delegating the purchasing decision in-house or to a broker e.g. a yacht captain or yacht broker, can also end up being disadvantageous to your client.

Many companies supplying the ultra-luxury market – be it marine, aviation, art, jewellery or property – operate a system of introductory commissions or 'kickbacks'. These will differ from one asset class to another, but the generally accepted figure is 10% of the value of the deal.

Despite these commissions often running to tens of thousands – and even hundreds of thousands of pounds – they are rarely, if ever, rebated to the family office or client. Furthermore, if an individual is seeking the best deal for himself – regarding commission – it is unlikely that he can also be seeking the best deal for his client or employer. It is not just assets, where there is scope for a client overpaying. For example, renegotiation of service and maintenance contracts for a yacht or aircraft can bring substantial savings. The annual cost of maintaining a yacht is roughly 3% of its purchase cost i.e. £300,000 for a £10m yacht or £3m for a £100m superyacht.

A purchasing agent will aim to achieve a 10% reduction in the annual service quote, by conducting a competitive tender between reputable boatyards. And that is before he has even opened a discussion about the kickback. Add the two together and the saving can be as much as 15% or more.

Another way a purchasing agency will look to achieve savings on the running costs of a yacht, is to conduct an insurance audit. A yacht will often have several separate insurance policies - including for the vessel itself, the artwork and health insurance for the crew. Combining these policies will result in a lower overall price. Furthermore, using a single provider to ensure a client's total assets - worldwide homes, yachts, aircraft and art – will achieve a marked saving. For when placing such substantial business, a client will be handled as an institutional investor - not a private client – which will result in much-improved rates.

Some requests, however, are impossible to fulfil. A client of ours, the former CEO of a Russian state bank, asked us to secure for him a box for 24 at a well-known West London football club for the 2014/15 season. However, there were no boxes available – there rarely are. So, far from being able to save the client money, we were looking at paying a premium, if indeed we could fulfil the client's request at all. In this particular case, we used our contacts to find another box holder – a property developer - who was willing to share. One of the reasons was that he had been seeking an 'in' with the Russians – hence the proximity of his box to the club's owner - and this presented him with the ideal opportunity.

Another client, a member of a Middle Eastern Royal Family, was looking to buy a Gulfstream G650. This is the 'must-have' business jet of the moment, for which – even at a list price of $73m - there is currently a four-year waiting list. So once again, no discount was achievable. However, our aviation buyer has a strong relationship with Gulfstream, having bought several of their aircraft in the past. He was, therefore, able to use his influence to have our client moved up the waiting list by two years. Also, to tide him over, he negotiated the purchase of a similar-sized 2011 Dassault Falcon 900 LX for a bargain $27.5m - a price he expects to recoup largely for the client in 2 years' time.

A purchasing agency can also be tasked with advising on the most effective way to sell an asset. The techniques will vary from one asset class to another. In managing the sale of a property, the procurement agency will conduct a competitive tender between suitable estate agents. A skilled negotiator will aim to achieve a discount on the agent's commission of between 33% and 50%. Once again, introductory commissions are commonplace - typically 20% of the agency's fee – giving the procurement agent further scope to negotiate down the agency's quote. He will also take into account whether the estate agency has a similar property for sale; how much time senior management agree to commit personally to the selling process; and how much, the agent will be spending on marketing the property.

Possibly the purchaser's most important task, though, is to oversee the conclusion of the deal. Top private residential valuer and negotiator Anthony Newman points out: "It is as well to remember that the estate agent has less incentive to hold out for the best price, than the vendor. For example, a 5% increase in the sale price of a £10m property is worth £500,000 to the vendor. To the selling agent, charging 1.5% commission, it would be worth a mere extra £7,500."

In the case of yachts and aircraft, savings or gains can amount to millions of dollars. This is partly because the values are larger, but also because more optimistic prices pertain at the outset - similar to the property and car markets – giving greater scope for a positive outcome for purchaser and client.
Whether buying or selling - as with all asset classes - the key is to use international price benchmarking; forensic due diligence; and tenacious negotiation regarding the counter party's professional fees, margins and commissions. Also, a top purchaser should have a wide network of contacts in all of an asset class's key international markets. He should also be known for his integrity and judgement in his market and be well-acquainted with its business practices.

These qualities, together with the deployment of competitive tendering (where appropriate), reclaiming and rebating kickbacks to the family office, and implementing cost-effective operating and maintenance regimes will achieve gratifying results. What also sets the procurement expert apart, is that he works solely on behalf of the client, choosing or determining the most profitable option to buy or sell. With no commercial affiliations, his only aim is to maximise his client's advantage.

In respect of charges, there is no norm. Some agencies charge a flat percentage on the purchase or sale value – a pricing model used by property search agents.
Others charge a higher percentage, but it is levied only on the actual saving or gain achieved for the client.

There is one last consideration. In a climate where clients are forever seeking improved results and reduced costs, what better way for a family office to demonstrate a commitment to serving a client, than by saving him money by reducing outlay and improving returns in the management of the family's non-financial assets?

THE RUSSIAN VOLUNTARY DECLARATION LAW

WHAT'S NEXT? by Toon Meyer TEP - Gatsby and White S.A.

The Voluntary Declaration of Property and Bank Accounts by Individuals Law (the Law) is just one element of the entire process of the de-offshorisation campaign and is, therefore, to be understood in that bigger context.

Opportunity

The Law allows Russian tax residents to avoid potential discussions in the future by making a Voluntary Declaration (VD) before 31/12/2015. VD is free of charge. There is no need to disclose information on the sources of the funds declared. The Law provides guarantees of tax secrecy protection; lawsuits cannot be initiated about the declared information and information received cannot be used as evidence in court. The declarant is exempt from criminal, administrative and tax liability. There is no requirement for repatriation of most assets. This VD has the most generous conditions, but it is not a massive success. How come?

No need

The current lack of effective information exchange and the lack of significant sanctions for not complying with the CFC rules, in case they do get caught, give Russian tax residents the feeling that there is no need for a VD. But how wise is this? The income for the Russian budget is linked for more than 50% to oil and gas, but energy prices are down for more than 50%. They are not expected to increase sufficiently in the near future. So, when the majority of Russian tax residents decide not to report and not to pay taxes, something else will have to happen.

Some say that this VD has been conceived to accommodate the friends of the regime before the gloves go off in the de-offshorisation campaign for the rest of the Russian tax residents as of 2016. This may very well be the case. An active use of existing Double Tax Agreements, the Convention and Tax Information Exchange Agreements will generate sensitive information since both the authorities and the financial industry worldwide are very eager these days to cooperate. The powers of the Russian Investigative Committee are already extended, and tax offences could easily be criminalised with up to 3 to 6 years of incarceration. Therefore, if the client thought that there was no need to explore the VD properly, he may want to reconsider. The risk for not complying will become too big and why take unrewarded risks by waiting too long?

No trust

Russians have a low level of trust in their institutions and fear that the government will come after them anyhow if they participate in the VD. However, the Russian authorities have far more to lose than to gain by abusing the information received. They want more reporting and more repatriation; not more relocation.
But there is a lack of the protection of confidentiality and the safeguarding of data by the Russian administration; sensitive information finds its way to the wrong people too easily. Asset protection against third party seizure is the ultimate objective for Russian UHNWIs; confidentiality and control are the means to that end. The loss of confidentiality by the declarant of the VD may lead to a loss of asset protection. This exposure may trigger third party seizure of the declared assets by greedy family members, hostile business associates, raiders, corrupt public officers. This is indeed a genuine concern.

Superior asset protection

However, if there would be a compliant superior asset protection structure to compensate the initial disadvantage of loss of confidentiality, and therefore loss of asset protection, then the Russian UHNWIs would be able to enjoy the advantages of the VD. Private Placement Life Insurance (PPLI) is such a superior structure, as a stand-alone or in combination with other structures or regulated investment funds. Apart from the strongest possible asset protection against third party seizure, PPLI offers financial privacy (no reporting and administration required), flexible estate planning (possibility for post-mortem arrangements), investor protection (against fraud and bankruptcy) and international portability (in case relocation becomes reality).

In a PPLI policy, the policyholder contributes the assets that he wants to protect as a one-off premium payment to a bespoke investment fund of the life company or to a regulated investment fund. The value of the PPLI policy is exclusively linked to the value of the underlying investment fund and mirrors at all times 100% of its value. The life company has now become the Ultimate Beneficial Owner (UBO) of the underlying assets. In return for the premium payment, the policyholder has a "claim" on the life company for the value of the underlying investment fund. He can surrender at any time and upon death of the life assured the underlying investment fund will be paid out to the appointed beneficiaries. Russian tax residents are allowed to subscribe to a foreign life policy outside Russia.

How to proceed

The key risk areas for a typical Russian private client are matrimonial, inheritance and creditor disputes. Only the policyholder of a PPLI can surrender the policy; spouses, family members or creditors cannot seize the assets underlying the life policy since the life company is the UBO. Big Four companies advice to coordinate the declaration and to subscribe to the PPLI policy with the selected assets outside Russia to avoid possible leakage of information. The filling of the declaration of the PPLI policy should then be done in Russia so that third party seizure is no longer possible. So, if the lack of confidentiality was the main reason not to explore the VD properly, these clients may want to reconsider.

Best possible solution

Waiting for the ideal solution makes no sense. For every lawyer supporting a position, you can find another one challenging it. It is important to go for the best possible solution backed up by solid arguments. More and more reputable Russian law firms confirm that, certain, PPLI policies qualify for the purpose of the Russian Tax Code and should, therefore, receive the same tax treatment; no premium tax, tax deferral, in case of surrender taxation only on the capital gain part, death benefits are exempt of taxation. The same law firms also confirm that the CFC rules are not applicable since the Russian policyholder cannot be considered as a controlling person of the life company.

Qualified independent brokers of wealth planning solutions using life assurance as a platform are best placed to guide the client's advisors through the different jurisdictions, life companies and life policies set ups.

Common Reporting Standard

The next legal instrument to enforce the Automatic Exchange Of Information will be the OECD's Common Reporting Standard (CRS); total exposure of Account Information on Reportable Persons (account holders, settlors, founders, protectors, beneficiaries, controlling persons) will be the new rule.

Russia intended to have first CRS reporting in 2018 but is not on the list of signatories. The effective implementation of CRS may be delayed for several reasons and the requirement to protect confidentiality and to safeguard data will be an instrumental one. However, if and when implemented, the restructuring of solutions currently perceived as outside the scope of the CFC rules will be necessary.

Transitioning of Wealth in the family

By John Tucker

A piece of research carried out by Roy Williams and Vic Pressier, who interviewed some 3,250 families that transitioned their wealth; found that 70% of wealth transitions failed. Failure was defined as 'Involuntary loss of control of assets. They go on to say, 'that clearly, important elements are missing from the current approach to estate planning, thus allowing this staggering failure rate to continue'. In my work with families in business together, similar ratios of failure and success in transitioning from first to second to third generation ownership and or management exists. So I asked myself a couple of questions; is this just coincidence and if not, are there common threads to explain the high rate of failure? Well, firstly I don't think it is coincidence, and secondly, I think there are common threads.

Williams and Pressier were also curious about the genesis of the high rate of failure and took their research further. They found the 'The origins of the 70% failure rate in estate transitions lie within the family itself'. This important finding, of course also suggests that the answers to ensuring success in also transitioning lie within the family itself. My own work would suggest exactly the same; the failure to ensure successful generational ownership and management of the family business is usually rooted within the family itself. And of course, the answer to successful transition also lies within the family. They usually create all the problems and should, in theory, have the where-withal to solve the problems. However, it is not that easy.

One of my consultancy colleagues observes the following;- 'We all know that it is possible to plan logically for learning and change; indeed we are instructed from an early age that A+B=C. However, what gets lost in this basic assumption is the emotional effect that learning and change have on the individual and the group. So this is particularly relevant when dealing with families in business as they are emotionally tied together in a way that is quite different from the emotional undertones operating within a non-family business'.

Emotions influence behaviour, therefore, a family member or group of members may wholeheartedly agree with a course of action that is being proposed but for whatever reason they might not have the ability to follow through. This may baffle the family members as much as the professionals who are trying to help them and ultimately prevent the business from growing in the way it could'.

It is this emotional minefield that I believe underpins the major finding in the research as Williams and Pressier found the key missing element in wealth transfer planning is an awareness of the 'how' to proceed with the preparation of heirs. The handoff of responsibilities for the family wealth could not be sidestepped, and heirs felt the weight of expectations without the security of preparation. They also observed that internal family issues around trust, communication, and planning continued to impede the preparation of heirs. In my work, this is exactly the same issue, the lack of real development and training for the next generation, with exactly the same expression of feeling the weight of responsibility, but without any explicit understanding of just what the expectations are from the incumbent generation. This relationship between parents and their children is filled with emotion and when this relationship is under pressure from a family business and or wealth transfer; the effects on the individuals and the family, not to mention the business, can be quite devastating.

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"...I am more interested in the soul than the body. But talking about the soul implies talking about its container, the body. While trying to understand the body, you may learn more about the soul."

Jaume Plensa – Together

San Giorgio Maggiore- 56th Venice Biennial, 2015

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Le Corbusier (Bust) by Xavier Veilhan © ADAGP (Paris), ARS (New York), 2015 © Galerie Perrotin

The Global Fine Art Awards program honors innovation in design, historical context, educational value, and public appeal.

We launched the Global Fine Art Awards (GFAA) program in 2014 with the conviction that there is not enough visibility or understanding of the world of art and design in the world today.

How do we experience art?

The ability to travel the globe without leaving home is now the norm. Thanks to the internet and digital media, we now consume the majority of our news online- and this includes art.

The digital age provides both opportunities and risks for museums and other art organizations to grow their audiences. Digital representation of exhibitions, and artworks for sale through auction houses, galleries and online media companies, creates a completely global audience, and a unique curated experience. However, nothing will ever replace the feeling of seeing exhibitions live (I always touch the paintings and sculptures!).

The GFAA research and nominating process

We use a broad set of criteria to research and assess the prospective nominees, with regularly review of over 50 sources of print and online art editorial and critiques. Through these sources, more than 200 museums and 1,000 exhibitions are vetted during the art research process of our program.

In 2015, twenty-four of the sixty-eight GFAA nominees are from the top 100 art museums visited in the world (April 2014, The Art Newspaper). The other forty-four are from "smaller" institutions and organizations.

The timeframe for eligibility this year is for exhibitions and installations opening between Aug 1, 2014 and Jul 31, 2015. Eligible exhibitions must be curated and include museums, galleries, art fairs and biennials, as well as public installations.

Public opinion matters

Nominees and winners for the eight awards are selected by a panel of expert judges. However, an integral aspect of the GFAA program is to engage the general public, and include their voice in the program results. Members of the general public vote online for their favorite nominee on the GFAA website. The most popular exhibition wins the final award -Youniversal.

An accessible global view of the best curated art and design exhibitions

The GFAA website showcases an aggregated collection of all of the nominees, arranged by award categories, with exhibition content and photographs, and hyperlinks to the website of the organizing institutions. Our social media provides regular updates on the GFAA program, the nominees, and other art news; as well as encouraging public opinion and participation via "likes," comments and sharing content.

The GFAA team produces curated videos for each of the twenty-eight Finalists. Each is produced with unique music in a contemporary format, and no other voice or audio. The videos are featured in the gallery section of the GFAA website, the YouTube channel playlist, and shown live at the awards ceremony.

Where else can we "see" and experience a virtual collection of the best exhibitions from around the world? (As far as we are aware, nowhere else.)

Celebrating Great Exhibitions

Consider how hard art museum professionals work to conceive and organize their temporary exhibitions and installations of art and design, and also how much money their institutions spend to mount and tour them. Now ask yourself: how are the best of these projects honored, after the lights have dimmed and the loaned artworks have headed home?... Oddly, in a world teeming with award ceremonies for seemingly every possible artistic activity, there is no program that recognizes such exhibitions. Fortunately, ...(this valued team) set about creating the Global Fine Arts Awards. "

GFAA Judge, Peter Trippi, Editor-in-Chief, Fine Art Connoisseur magazine (Sep 2015)

The Human Touch

An integral part of the GFAA program is the annual award ceremony. The live announcement of the winners at the award ceremony is the platform to congregate nominees, GFAA team and partners, as well as the general public.

This is the celebration of the beautiful work created by all of the nominees – it recognizes the "symphony" of great exhibitions and installations – which often involve many people who showcase art and the artists who created these masterpieces.

There is so much to experience and share – and we believe that the GFAA program will help in some small way to educate people around the world about art and its global messages.

From religion, war and politics, to love, lust, family and nature, the themes of life woven through art are as relevant today as they were from the beginning of time.

In many ways, this is reassuring. Or, at least it is to me.

Congratulations to all of the nominees, and thank you for your beautiful work.

Judy Holm, GFAA President and CEO

Contemporary or Post War

Contemporary Art, by definition, is art of the current time.

In the spectrum of art history periods, art that has been created beginning approximately after World War II through the present day is most widely considered to be the period "Contemporary."

There are nine nominees for the 2015 GFAA Award, "Best Contemporary." The exhibitions range from the highly anticipated opening at the Whitney, "America Is Hard to See," to solo artists, "On Kawara - Silence" at the Guggenheim and Sol Lewitt in Spain. Two solo women artist shows are included in the nominees, Agnes Martin and Shirin Neshat.

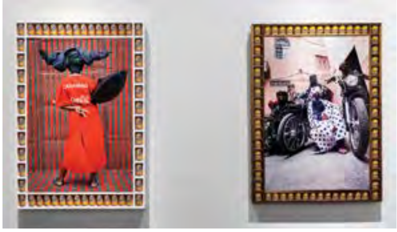
Other nominees in this category are themed exhibitions - ranging from the use of disguise and masks, to time, religion and social geography - all aspects of life that transcend any period of art.

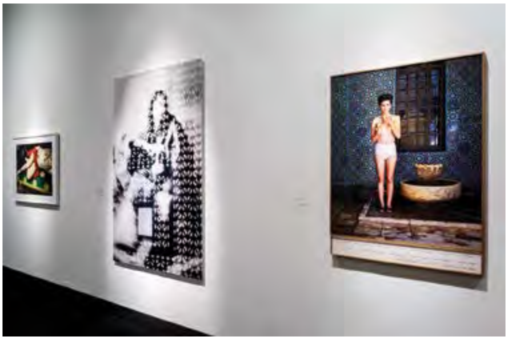
America Is Hard to See
Whitney Museum of American Art, New York City, U.S.A.

The first exhibition on view at the Whitney Museum of American Art's new Renzo Piano-designed building is an unprecedented selection of works from the Museum's renowned permanent collection. Setting forth a distinctly new narrative, America Is Hard to See presents fresh perspectives on the Whitney's collection and reflects upon art in the United States with over 600 works by some 400 artists, spanning the period from about 1900 to the present.

Delving deep into the Whitney's holdings, America Is Hard to See examines the themes, ideas, beliefs, visions, and passions that have preoccupied and galvanized American artists over the past one hundred and fifteen years. Reflecting the way artist think and work, all mediums are presented together without hierarchy. Numerous pieces that have rarely, if ever, been shown before will appear alongside familiar icons, in a conscious effort to challenge assumptions about the American art canon.

America Is Hard to See was organized by a team of Whitney curators led by Donna De Salvo, Chief Curator and Deputy Director for Programs, which included Carter E. Foster, Steven and Ann Ames Curator of Drawing; Dana Miller, Curator of the Permanent Collection; and Scott Rothkopf, Nancy and Steve Crown Family Curator and Associate Director of Programs.





Islamic Art Now: Contemporary Art of the Middle East Los Angeles County Museum of Art, Los Angeles, U.S.A

In recent years, the parameters of Islamic art have expanded to include contemporary works by artists from or with roots in the Middle East. Drawing inspiration from their own cultural traditions, these artists use techniques and incorporate imagery and ideas from earlier periods. LACMA has only recently begun to acquire such work within the context of its holdings of Islamic art, understanding that the ultimate success and relevance of this collection lies in building creative links between the past, present, and future. Islamic Art Now marks the first major installation of LACMA's collection of contemporary art of the Middle East. As the first of a two-part program, this exhibition features approximately 35 works by artists from Iran and the Arab world, including Shirin Neshat, Susan Hefuna, Lalla Essaydi, Mitra Tabrizian, Mona Hatoum, Ahmed Mater, Hassan Hajjaj, Wafaa Bilal, Barbad Golshiri, and Youssef Nabil, among others. Encompassing a variety of media, including photography, painting, video, and sculpture, the installation explores themes of tradition, war and politics, gender and modern life, and death in the contemporary Middle East.

Agnes Martin
Tate Modern, London, England

Tate Modern presents the first comprehensive survey of the seminal artist Agnes Martin. Martin was renowned for her subtle, evocative canvases marked out in pencil grids and pale color washes. The exhibition covers the full breadth of her practice, reasserting her position as a key figure in the traditionally male-dominated field of American abstraction.

This internationally touring show demonstrates Agnes Martin as one of the pre-eminent painters of the twentieth century and traces her career from early experiments to her final painting from 2004.Born in 1912 in Macklin, Saskatchewan, Canada, Martin established her career as an artist in New York, living alongside fellow artists Ellsworth Kelly, Robert Indiana and Lenore Tawney. The exhibition reveals Martin's lesser-known early paintings and experimental works from this period including The Garden, 1958. It charts her experiments indifferent media and formats with found objects and geometric shapes, before she began making her inimitable penciled grids on large, square canvases which would become her hallmark. Martin left the New York art scene in 1967, just as her art was gaining considerable acclaim. In search of solitude and silence, she travelled across the US and Canada before finally settling in New Mexico where she lived for the rest of her life. Georgia O'Keeffe had already famously moved to New Mexico by 1940 and other artists and writers such as DH Lawrence, Edward Hopper and Mark Rothko had all been drawn.

Co-curated at Tate Modern by Frances Morris, Director of Collection, International Art and Tiffany Bell, Artifex Press Editor, Agnes Martin Catalogue Raisonné, with Dr Lena Fritsch, Assistant Curator, Tate Modern. The exhibition is is organised by Tate Modern in collaboration with Kunstsammlung Nordrhein-Westfalen,Düsseldorf, Los Angeles County Museum of Art and Solomon R Guggenheim Museum, New York where it will tour throughout 2015 and 2016.

In Part, Fondazione Prada
Milan, Italy

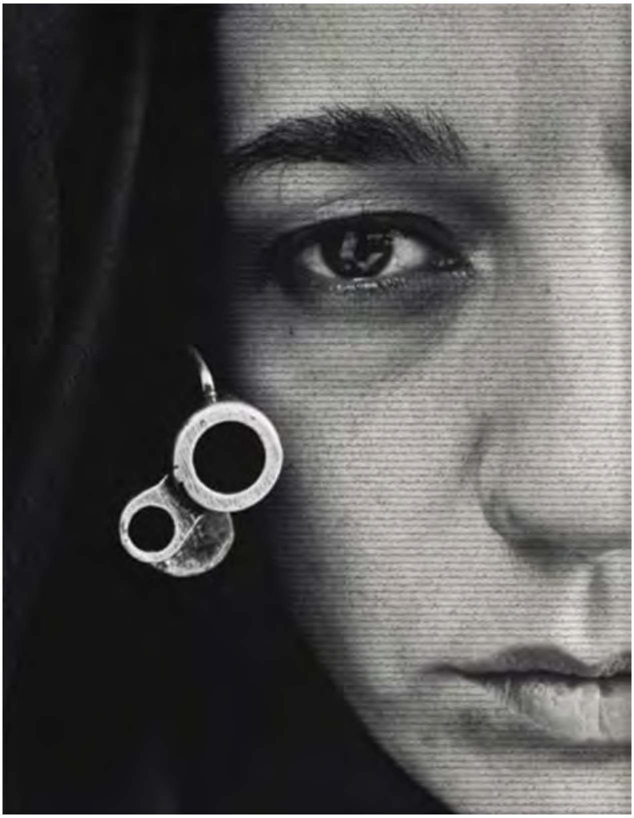
Exhibition In Part, curated by Nicholas Cullinan, is staged in the Nord gallery, one of the former industrial structures originally included in the compound. Built around a thematic group of works selected from the collection, the exhibition explores the idea of the fragmented body in the sculptures of Lucio Fontana and Pino Pascali, through the representation of ruins in the work of John Baldessari, David Hockney and Francesco Vezzoli, in the use of the photographic close-up to crop the body in the paintings of William Copley, Michelangelo Pistoletto and Domenico Gnoli, in the collaged and defaced portraits of Llyn Foulkes, in the partial silhouettes of Yves Klein and in the superimposition of figures in the paintings of Francis Picabia. What all these works have in common is the concept of the synecdoche, or the use of the part to refer to an absent whole. Additional works by Charles Atlas, Bruce Nauman, Robert Rauschenberg, Man Ray and Richard Serra, on loan from international museums and private collections and some not exhibited publicly before, round out this investigation of the tension between the part and the whole.

/seconds
Peter Lewis and the Sharjah Art Foundation, U.A.E.

Invited by the Sharjah Art Foundation, the exhibition follows the collaborative work of Sheikha Hoor Al-Qasimi and Peter Lewis since 1998, who had together initiated the 6th International Biennial, and the design and building of a major Art Foundation that would focus the Arab region and countries in terms of its exhibitions and events toward establishing a universal dialogue. They established the Biennial in 2003, at a time of international conflict. In the last decade Sharjah Art Foundation has stood as the intellectual meeting place that brings together artists and publics from a world tragically divided. The exhibition /seconds, in its conception echoes the desire to articulate the universal, as a new and provocative conception and, more

profoundly, about the general conditions for articulating a new truth about the present time.

/seconds has curated over 100 artists' posters and 40 video works, for this exhibition, selected from the commissioning of the journal since 2004.



Shirin Neshat: Facing History
The Smithsonian's Hirshhorn Museum and Sculpture Garden
Washington D.C., U.S.A

In her mesmerizing films and photographs, Shirin Neshat (Iranian-American, b. Qazvin, 1957) examines the nuances of power and identity in the Islamic world—particularly in her native country of Iran, where she lived until 1975. Shirin Neshat: Facing History presents an array of Neshat's most compelling works, illuminating the points at which cultural and political events have impacted her artistic practice. Included are the "Women of Allah" photographs that catapulted the artist to international acclaim in the 1990s; lyrical video installations, which immerse the viewer in imagery and sound; and two monumental series of photographs, The Book of Kings, 2012, and Our House Is on Fire, 2013, created in the wake of the Green Movement and the Arab Spring. Commenting on freedom and loss, Neshat's deeply humanistic art is at once personal, political, and allegorical.

On Kawara- Silence
Solomon R. Guggenheim Museum, New York City, U.S.A.

On Kawara is a major figure in the history of international postwar art. Using radically restricted means, his work engages nothing less than the very consciousness of place and time. Kawara's work is often associated with the rise of Conceptualism, which does indeed represent a crucial historical context. Yet, in its existential wit and its long philosophical reach, the work also stands apart. On Kawara – Silence, occupied the full rotunda of the Guggenheim Museum, and is unprecedented in scope. Its ambition is to represent the artist's full practice since 1964. The heart of the exhibition is an extensive representation of roughly 200 meticulously crafted Date paintings, which Kawara began making in 1966. Each painting was executed in the course of a single day. Produced according to a systematic, pre-determined range of sizes and colors, their function appears simple: to plainly enunciate the artist's own geographical and temporal coordinates. The works can also be said to reflect a profound interiority: a passage from deep self-awareness to an expanded state of self-forgetting.

Sol Lewitt: 17 Wall Drawings 1970 – 2015
Fundacion Botin, Santander, Spain

Organized in collaboration with the Yale University Art Gallery and the Estate of Sol LeWitt, it is Spain´s most ambitious exhibition to date devoted entirely to Wall Drawings by one of the leading lights of 20th century art who is regarded as the father of Conceptual Art.

The exhibition -curated by John Hogan, Director at the Yale University Art Gallery who, since 1982, worked as a drawer for Sol LeWitt; and by Benjamin Weil, Artistic Director of the Botín Centre- offered a unique view of the stylistic and conceptual development of wall drawing in the artist´s oeuvre. Only one of the Wall Drawings was shown before in Spain - most of them have never been shown again since they were first made more than twenty years ago.

The exhibition revolves around one of LeWitt´s basic theoretical principles which has since then become widespread in the practice of contemporary visual art, namely, the supremacy of the idea and of the creative process over the work of art proper. As the artist himself pointed out: *"the idea is the machine that makes the work of art"*.


Disguise: Masks and Global African Art
Seattle Art Museum, Seattle, U.S.A

Disguise: Masks and Global African Art, provides an updated look at 21st-century evolutions of the mask and explores contemporary forms of disguise. Organized by SAM, Disguise will travel to the Fowler Museum at UCLA and to the Brooklyn Museum. These masks reflect our time, when digital culture is constantly changing the visual framework. Older forms of masks in wood and fiber are now joined by masks that stream with video glitches, take a role in immersive environments or launch into space in virtual reality. With Disguise, visitors can see how masks are a catalyst for artists, as they present fresh visions of masquerade and the shared instinct to hide from ourselves and from each other.

For this exhibition, SAM's Curator of African and Oceanic Art Pamela McClusky, and Consultant Curator Erika Dalya Massaquoi sought out contemporary artists from Africa and of African descent to create new installations, visions, and sounds for the exhibition. These artists fill the galleries with inventive avatars and provocative new myths, taking us on mysterious journeys through city streets and futuristic landscapes. Ten artists are each given a gallery to fill, many with works commissioned just for this exhibition. Fourteen other artists have singular works or series on view:

Jakob Dwight / Brendan Fernandes / Nandipha Mntambo / Emeka Ogboh / Wura-Natasha Ogunji / Walter Oltmann / Zina Saro-Wiwa / Jacolby Satterwhite / Sam Vernon / Saya Woolfa*lk.*

In addition, there are works in the exhibition by: Leonce Raphael Agbodjelou / Nick Cave / Edson Chagas / Steven Cohen / Hasan and Husain Essop / Alejandro Guzman / Gerald Machona / Jean-Claude Moschetti / Toyin Odutola / Ebony G. Patterson / Sondra R. Perry / Paul Anthony Smith / Iké Udé / William Villalongo

Impressionist or Modern Art

For this GFAA program award category, the timeframe of Modern Art is combined with the Impressionist era, encompassing works created from approximately 1838 through World War ll.

The term Modern Art is often confused by the public with Contemporary Art. Historically, the Modern period precedes Contemporary.

Some of the most iconic and renowned European and American painters and sculptors lived and worked in this era. They range from Dufy, Gauguin, Van Gogh, Degas, Cassatt, Monet and Matisse to Turner, Miro, Kandinsky, Calder, Mondrian, Tanning and Man Ray. Mexico's quintessential art couple, Kahlo and Rivera, are also legends in the Modern period.

Of note, three GFAA nominees this year are themed exhibitions from the Impressionist period, one focusing on the importance of dealers (exemplified by Durand-Ruel), another on the birth of the era, and third focusing on the oft-used theme of "gardens" portrayed by artists in the Impressionist genre.

Paul Gaugin
Fondation Beyeler, Basel, Switzerland

With Paul Gauguin (1848 – 1903), the Fondation Beyeler presents one of the most famous and fascinating artists in history. As one of the great European cultural highlights in the year 2015, the exhibition at the Fondation Beyeler brings together about fifty masterpieces by Gauguin from leading international museums and private collections. Gauguin's groundbreaking paintings have become icons of modern art and are some of the most significant and valuable cultural treasures in the world. With their luminous colours and elementary forms, they revolutionised art and they still entrance viewers today.

While featuring Gauguin's diverse self-portraits and his visionary, spiritual paintings from the time he spent in Brittany, the exhibition focuses on the world-famous paintings he created in Tahiti. Gauguin's masterpieces convey an exceptional harmony between nature and culture, mysticism and eroticism, dream and reality. The exhibition also includes a selection of Gauguin's outstanding sculptures that evoke the largely vanished art of the South Seas. "Nature has mysterious infinities and imaginative power. It is always varying the productions it offers to us. The artist himself is one of nature's means." Paul Gauguin

Raoul Dufy
Museo Thyssen-Bornemisza, Madrid, Spain

With the collaboration of the Comunidad de Madrid, the Museum offers a reassessment of Dufy's work that focuses not only on his more hedonistic side as the painter of the pleasures of modern life, but also and primarily on his more introspective, reflexive and personal facet.

In order to single out this aspect Juan Ángel López-Manzanares, the exhibition's curator and a curator at the Museo Thyssen, analyses relatively unexplored issues within Dufy's output such as the increasing distance of the viewpoints in his compositions, his synthesis of the everyday and the pastoral, the emotional reserve of his landscapes

and the importance, particularly in his late works, of depictions of his domestic realm. In addition and for the first time, the exhibition includes the preparatory drawings that Dufy executed for Apollinaire's Bestiary, alongside a number of prints.

J.M.W. Turner: Painting Set Free
Tate Britain, London, England
J. Paul Getty Museum, Los Angeles, U.S.A.
The Fine Arts Museums of San Francisco, U.S.A.

Extraordinarily inventive and enduringly influential, J. M. W. Turner (1775–1851) produced many of his most important and famous pictures after the age of sixty, in the last fifteen years of his life. Demonstrating ongoing radicalism of technique and ever-original subject matter, these works show Turner constantly challenging his contemporaries while remaining keenly aware of the market for his art.

Bringing together over sixty key oil paintings and watercolors, this major international loan exhibition is the first to focus on the unfettered creativity of Turner's final years.

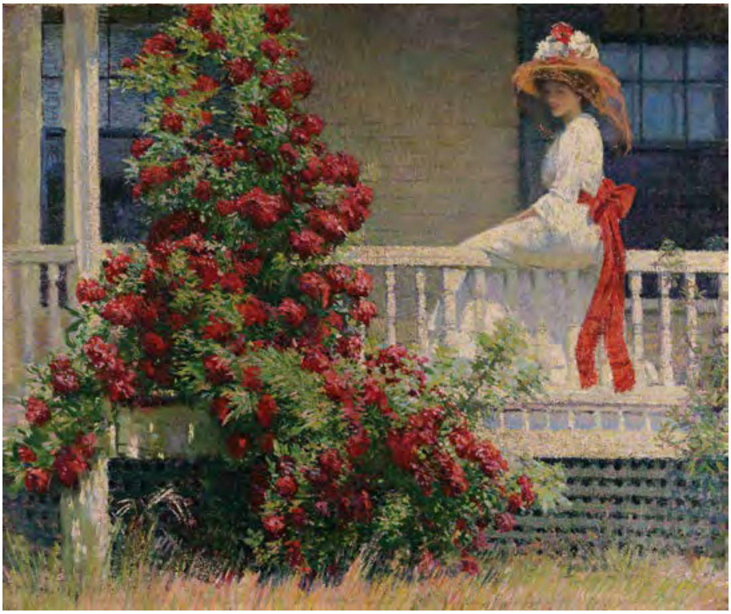
The exhibition was organized by Tate Britain in association with the J. Paul Getty Museum and the Fine Arts Museums of San Francisco. It is supported by an indemnity from the Federal Council on the Arts and Humanities.

Monet and the Birth of Impressionism
Stadel Museum, Frankfurt, Germany

This exhibition was devoted to the emergence and early development of Impressionism. The focus was on Claude Monet as the movement's key protagonist, and his fellow artists Renoir, Manet, Morisot, Degas, Sisley, Pissarro and others, who revolutionized painting within just a few years.

The Monet exhibition focused on the beginnings of the Impressionist movement in the years from the early 1860s to 1880 and sheds light on the emergence of this completely new style and the radical change it brought about in the relationship between pictorial content and form. Impressionism challenged the visual habits of the time in a completely new way. No art current before it had taken the play of colour and light to such an extreme dissolution of form – to bodiless figures, substance-less buildings and vague impressions of landscapes.

Some one hundred masterworks from collections in many countries, among others the Musée d'Orsay in Paris, the New York Metropolitan Museum of Art and the National Gallery in London, were on view in the Monet exhibition presented exclusively in Frankfurt.

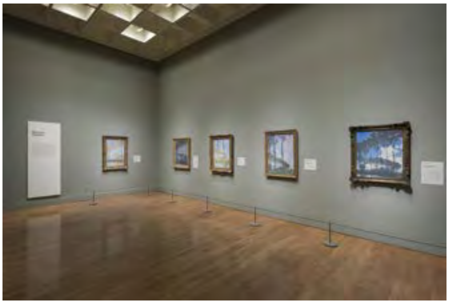


The Artist's Garden: American Impressionism and the Garden Movement, 1887-1920
The Pennsylvania Academy of the Fine Arts

Focused on the period 1887-1920, The Artist's Garden exhibition and catalog tell the story of American Impressionist artists and the growing popularity of gardening as a middle-class leisure pursuit at the turn of the 20th century, bringing together paintings, sculpture, books, and stained glass. "The Artist's Garden" is organized around themes of American Artists/European Gardens; the Lady in the Garden; Leisure and Labor in the American Garden; the Urban Garden; the Artist's Garden; and the Garden in Winter/Garden at Rest.

Among the artists whose works are included are: Hugh Henry Breckinridge, Cecilia Beaux, William Merritt Chase, Charles C. Curran, Maria Oakey Dewing, Frederick Carl Frieseke, Daniel Garber, Philip Leslie Hale, Childe Hassam, Violet Oakley, Jane Peterson, Jessie Willcox Smith, John H. Twachtman, Robert W. Vonnoh, and J. Alden Weir.

The exhibition and publication include representations of gardens across both the United States and Europe, with special emphasis on the importance of the Philadelphia area, which served as the originator of the Colonial Revival Garden movement with the Centennial Exhibition in 1876. Moreover, the Philadelphia area was the center of the publishing industry in the early 1900s, which led to the creation of magazines aimed at middle class suburban gardeners like House and Garden (founded in 1901 in Philadelphia). Philadelphia was also the city that founded the Garden Club of America in 1913.



Discovering the Impressionists: Paul Durand-Ruel and the New Painting - Philadelphia Museum of Art, U.S.A.

Monet, Degas, Manet, Pissarro, Renoir, Sisley: without Paul Durand-Ruel, these artists might not be household names. A practical, yet ambitious, and visionary Parisian art dealer who championed this group's new style of painting, Durand-Ruel took a chance on these young, unsupported artists and devoted his career to their promotion. Discovering the Impressionists: Paul Durand-Ruel and the New Painting examined the critical years from 1865 to 1905 when Durand-Ruel both inspired and sustained this burgeoning group. It featured masterworks by these artists, tracing the history of Impressionism—its struggles, successes, and eventual recognition—and revealing Durand-Ruel's pivotal role in "making" the Impressionists.

The exhibition included many of the most important paintings that passed through Durand-Ruel's gallery, including some 80 paintings by Monet, Renoir, Sisley, Pissarro, Degas, Cassatt, Manet, Morisot, Caillebotte, and others. Archival material from Durand-Ruel's galleries in France and the U.S., including photographs, stock books, and engravings, illuminated the story of the man behind the Impressionists.

The exhibition was on view in Paris at the Musée du Luxembourg from October 2014 through February 2015 where it opened to rave reviews and spectacular crowds, and was on view at the National Gallery in London from March through May 2015. The exhibition then came to Philadelphia for its U.S. premiere, where it was on view in the Museum's Dorrance Galleries from June through September 2015. These three institutions, all housing significant Impressionist painting collections, reside in cities—Philadelphia, Paris, and London—that were central to the Durand-Ruel story. In fact, over 100 paintings from the Philadelphia Museum of Art's own collection of Impressionist works passed through Durand-Ruel's galleries.

The Philadelphia Museum of Art was the only U.S. destination for this exhibition, which included landmark Impressionist pieces drawn from international private collections never before seen by American audiences. Discovering the Impressionists brought worldwide attention to the Museum and the city and attracted significant international audiences.

Frida Kahlo: Art, Garden, Life
New York Botanical Gardens, New York City, U.S.A.

The first solo presentation of artist Frida Kahlo's work in New York City in over ten years, this exhibition focuses on the artist's engagement with nature in her native country of Mexico, as seen in her garden and decoration of her home, as well as her complex use of plant imagery in her painting. The New York Botanical Garden's exhibition is the first to focus exclusively on Kahlo's intense interest in the botanical world.

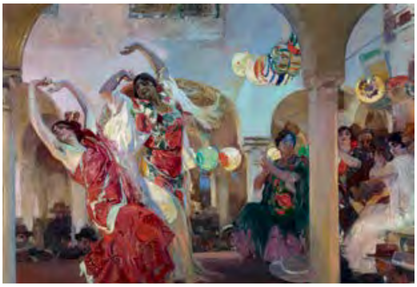
Guest curated by distinguished art historian and specialist in Mexican art, Adriana Zavala, Ph.D., the exhibition transforms many of The New York Botanical Garden's spaces and gardens. It reimagines Kahlo's studio and garden at the Casa Azul (Blue House) in the Enid A. Haupt Conservatory and includes a rare display of more than a dozen original paintings and drawings on view in the LuEsther T. Mertz Library's Art Gallery.

The Conservatory comes alive with the colors and textures of Frida Kahlo's Mexico. Visitors entering the exhibition view a reimagined version of Kahlo's garden at the Casa Azul, today the Museo Frida Kahlo, the artist's lifelong home outside of Mexico City, which she transformed with traditional Mexican folk art objects, colonial-era art, religious ex voto paintings, and native Mexican plants. Visitors to the Conservatory experience the Casa Azul as an expression of Kahlo's deep connection to the natural world and to Mexico.

The Library's Art Gallery at the Garden exhibits 14 of Kahlo's paintings and works on paper—many borrowed from private collections—highlighting the artist's use of botanical imagery in her work. Focusing on her lesser-known yet equally spectacular still lifes, as well as works that engage nature in unusually symbolic ways.

Sorolla y Estados Unidos
Fundacion MAPFRE, Madrid, Spain

Sorolla is one of the great names of 20th-century Spanish painting and a key reference point in that field. He created some of the most convincing and life-enhancing images of a luminous and Mediterranean Spain, both optimistic and modern. This exhibition focuses on the cosmopolitan artist who conquered American society; a painter who was able to promote Spanish art in the United States, where the leading museums and private collectors acquired many of the most outstanding and celebrated works from his mature period.

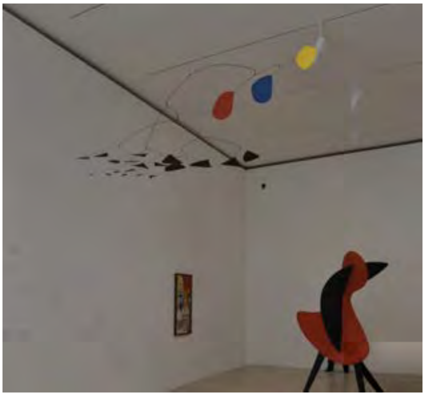


In 1909, he held his first exhibition in New York, at The Hispanic Society of America. The event enjoyed unprecedented success, and Americans fell in love with his beach scenes bathed in Mediterranean sunlight, his Spanish gardens and his sophisticated and elegant portraits.

The present exhibition shows the artistically mature Sorolla at his finest and as a painter who had achieved the maximum level of refinement, while also focusing on his remarkable international reputation.

Calder: Discipline of the Dance
Museo Jumex, Mexico City, Mexico

The Jumex Museum presents the exhibition Calder: Discipline of the Dance, with the work of Alexander Calder (1898-1978), artist that revolutionized art in the 20th century. Calder granted his biggest piece ever made to Mexico, Red Sun (1968), in front of the Aztec Stadium.



By transforming space utilizing nonconventional materials, Calder redefined the history of contemporary art. Curated by his grandson, Alexander S.C Rower, this exhibition contains almost 100 pieces created between 1920 and 1960.

Calder created a great impact that branded the history of contemporary art, and to see his art in a museum that was designed specifically for the production, reflection and understanding of this kind of art, has become a magnificent way to inspire and motivate young generations that look for that impulse to create and transcend in their jobs as emergent artists.

Keys to a Passion (Les Clefs d'une Passion) Fondation Louis Vuitton, Paris, France

This exhibition at the new Frank Gehry-designed Fondation Louis Vuitton in Paris' Bois de Boulogne includes Munch's The Scream, Matisse's The Dance and Monet's Water Lilies. It also features major works by Picasso, Mondrian and Delaunay.

The works are organized into four broad categories or "lines": Subjective Expressionism, Contemplative, Popist (by which is broadly meant popular culture) and Music. The idea behind Keys to a Passion is that, in the words of show organizer Suzanne Pagé, "These works come from different horizons. Their commonality is that in their respective eras they all 'broke the rules' of art. They are benchmarks and, like compasses, they continue to guide us. The choice here has thus focused first on 'eruptive' and irreducibly singular works by artists who were themselves revolutionaries." The exhibition places these major works, many of them drawn from collections worldwide, within the framework of the Fondation's four lines. So you'll find The Scream as part of Subjective Expressionism, Water Lilies within Contemplative, three Robert Delaunay works within Popist and of course The Dance within the Music grouping. It's hard to tell from the press images of the installation just how successful this approach has been but as Pagé rightly points out, "Many of these works are difficult to see first hand. They have been brought together here to offer visitors — each and every one in particular — the irreplaceable experience that comes from an emotional and personal encounter with a unique work of art."

Old Masters

Preceding the Modern era, was a rich and sumptuous period of art- from approximately 1200-1838. There are ten nominees in this category including exhibitions from the Renaissance, Baroque, Old Masters and Dynasties. Old Masters, is a term used to describe European artists and their works created before 1800. The end-date of the era is not clearly delineated, though Auction houses typically classify their sales between Old Master Paintings, Nineteenth-century paintings and Modern paintings. Christies define the term as ranging "from the 14th to the early 19th century". Notable artists are: Giotto, Leonardo da Vinci, Michelangelo, Titian, Raphael, Durer, Caravaggio, Velazquez, and Goya.

In addition to some of the most recognized European masters- Rembrandt, Rubens, Velazquez, da Vinci, del Sarto, Guercino and Caravaggio, the 2015 nominees include two themed exhibitions- "The Baroque Underworld" and "The Inca and the Conquistador".

Kingdoms & Dynasties
During this prolific period of European art, many other cultures created magnificent works including two of this year's nominees: "Ming: 50 years that changed China" and "Sultans of Deccan India, 1500 - 1700: Opulence and Fantasy."

Chinese Dynasties
Chinese history, spanning more than 5,000 years, is extraordinarily rich and complex. Its basic chronology, events and developments is often portrayed through a system of dynasties. "Dynasties" beginning in the Bronze Age Shang dynasty, were historical eras in China, given the name of the family that dominated during that period. The associated art produced during these periods echoes the society of the time.

Deccan India
A period of two centuries, both turbulent and marked by incredible creation of beauty, is portrayed in "Sultans of Deccan India, 1500-1700: Opulence and Fantasy," a landmark exhibition at the Metropolitan Museum of Art. This exhibition covers the cosmopolitan Muslim kingdoms that ruled the Deccan Plateau of south-central India for 200 years.

Andrea del Sarto: The Renaissance Workshop in Action
J. Paul Getty Museum, Los Angeles, U.S.A.

This exhibition celebrates the transformation of the art of drawing by Andrea del Sarto (1486–1530), one of the great Florentine Renaissance artists. Moving beyond the graceful harmony and elegance of his elders and peers, such as Leonardo da Vinci, Raphael, and Fra Bartolommeo, del Sarto brought unprecedented realism and immediacy to his art through the rough and rustic use of red chalk and the creation of powerful life and compositional studies. Comprising rare drawings and panel paintings from key international collections, the exhibition fully illuminates the artist's inventiveness, creative process, and workshop practice.

This exhibition has been co-organized by the J. Paul Getty Museum and the Frick Collection, New York, in association with the Gabinetto Disegni e Stampe, Gallerie degli Uffizi, Florence.

The museum acknowledges the generous support provided by an anonymous donation in memory of Melvin R. Seiden and by the Italian Cultural Institute.

From Guercino to Caravaggio
Palazzo Barberini, Rome, Italy

The National Gallery of Ancient Art in Palazzo Barberini, in collaboration with the society of Cultural Heritage and with the support of The Sir Denis Mahon Charitable Trust, presents a tribute to the age of the Baroque and the work of scholar Sir Denis Mahon. The project is curated by Mina Gregori, with the collaboration of the Trustee of the Foundation Mahon, Anna Coliva, director of the Galleria Borghese, and Serjei Androsov, director of the Department of European Western Hermitage Museum.

Starting out in concentric circles from the study of his favorite Guercino, Mahon has been able to bring in a new and compelling light Bolognese painting at the turn of the seventeenth century, and has conducted pioneering discoveries of Caravaggio and Nicolas Poussin.

L'Inca et le Conquistador
Musee du quai Branly, Paris, France

Through crossed portraits of the Inca Atahualpa and the Spanish Francisco Pizarro , relive the key moments in the history of Peru . From the arrival of the conquistadors in the clash of two men, the exhibition unfolds the conquest of the Inca Empire and the meeting of two worlds at the edge of their destiny.

In the exhibition, a storyteller leads you to the discovery of these two fates : rituals, traditions and stories take shape in words, gestures and sound games of this singular guide.

This juxtaposition allows visitors to get to know the two protagonists, Pizarro and Atahualpa, who are presented separately yet in dialogue. Particular emphasis is placed on the status of Pizarro (cavalier) and of the Inca through key objects like the wooden seat, as well as to the symbols conveyed at this encounter: the bible on the one hand and drinking rituals on the other. Then follows the capture and ransom of Atahualpa. The exhibition's final section presents the consequences of the conquest and the ideal of a mixed society, still open to question today.

The Baroque Underworld: Vice and Destitution in Rome
Le Petit Palais, Paris, France

The clandestine, shady world of the Italian capital is evoked in some seventy paintings; it is an unexplored aspect of the astonishing production of 17th century Roman artists ranging from Manfredi to Nicolas Régnier.

The exhibition was presented at the Villa Medici in Rome in the autumn of 2014. For the Petit Palais, it has been enhanced by some new, prestigious loans. This Roman netherworld, in which vice, poverty and every kind of excess flourished, has never been presented in France before.

With many pieces on loan from private collections and international museums (including the National Gallery, London; the National Museum, Stockholm; the National Gallery of Ireland; the Louvre; the Galleria Borghese; the Palazzo Barberini; the Rijksmuseum, Amsterdam), there are exceptional works by school of Caravaggio painters, and works by the Bamboccianti and the principal Italianate landscape painters.

Work by painters from all over Europe will be displayed: French artists include Valentin de Boulogne, Simon Vouet, Nicolas Tournier, and Claude Lorrain; artists from Northern Europe include Pieter Van Laer, Gerrit van Honthorst, and Jan Miel; and from the South painters such as Bartolomeo Manfredi, Lanfranco, Salvator Rosa and Jusepe de Ribera.

What they all have in common is a depiction of a naturalistic vision of ordinary life in Rome, rather than idealized beauty. They unveil through their works inexhaustible sources of inspiration in this dark world of poverty and violence, drinking and gambling. Many of the artists, particularly those from Northern Europe, belonged to a secret society called the 'Bentvueghels' (Dutch for 'Birds of a Feather') with Bacchus, god of wine and artistic inspiration, as their patron. Some of the artists' works also depict melancholy – with masterful sublimity drawn from the lower depths of society.

Late Rembrandt
Rijksmuseum, Amsterdam, Holland

The Rijksmuseum presented for the first time a major show centered on Rembrandt's late work- in Amsterdam, the city where it was created.

With over a hundred pieces of art, Late Rembrandt presents a comprehensive overview of the artist's work between approximately 1651 and his death in 1669. The exhibition is divided into ten themes: The late self-portraits, Observation of everyday life, Artistic rivalry, Artistic conventions, Experimental technique, Light, Intimacy, Contemplation, Inner conflict and Reconciliation.

Against the backdrop of tragic personal losses and ongoing financial difficulties, Rembrandt began experimenting with printing and painting techniques in the later years of his life, producing some of the most distinctive, innovative and daring works of his career.

Velázquez
Grand Palais, Paris, France

Born in Seville in 1599, Velázquez is one of the most important figures of all time in the history of art.

The leader of the Spanish school, official artist to King Philip IV at a time when Spain dominated the world, he was a contemporary of van Dyck, Bernini and Zurbarán. He was not only a master portraitist who revived that genre, but also skilled in landscape, still life's and historical themes. Though one of the world's most famous and admired artists, no monographic exhibition in France has ever shown the work of the man that Manet called the "painter of painters" until now.

The exhibition which includes newly discovered works seeks to present a full panorama of the artist's work and the influence that he had on his contemporaries. It begins by evoking the world of art in Andalusia at the beginning of the 17th century, and then explores the naturalistic and roguish vein of Velázquez's painting through kitchen and tavern scenes. This exhibition is co-produced by the RMN-Grand Palais and the Musée du Louvre and in collaboration with the Kunsthistorisches Museum, Vienna.

Rubens and His Legacy
Royal Academy of Arts, London, England

Rubens and His Legacy brings together masterpieces produced during the artist's lifetime, as well as major works by great artists who were influenced by him in the generations that followed.

We see the influence of Rubens in the prints of Picasso and Rembrandt, in the portraiture of Van Dyck, in the hunting scenes and devotional works of Delacroix, and in the landscapes of Constable and Gainsborough. It is a far reaching and remarkable legacy.

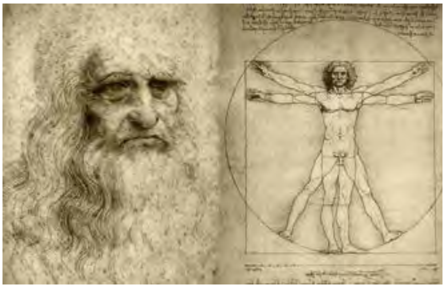
Rubens, best known for his fleshy nude women, also embraced a broad array of subjects, from religious and mythological scenes to landscapes and portraits. We look at each of these areas through the lens of six themes; power, lust, compassion, elegance, poetry and violence.

This exhibition created an unprecedented opportunity to see masterpieces by Rubens side by side with the work of his artistic heirs.

Leonardo da Vinci
Palazzo Reale Milan, Italy

Leonardo da Vinci, a versatile man and absolute genius of the Italian Renaissance, embodied in full the Universalist spirit of his era. Painter, sculptor, engineer, anatomist, musician and inventor, he was active in various fields of art and science, and is now considered the best known among the protagonists of culture, not only of the Renaissance period, but of all time.

A gifted creative mind matched by a rational mind, da Vinci's abilities encompassed every field of human knowledge of his time: the studies of anatomy in the design of machines, physics to philosophy, from botany to writing, from painting to sculpture.



What better occasion therefore, to dedicate a monographic, the largest ever organized in Italy- at the Milan Expo 2015. The exhibition, sponsored by the City of Milan and created and produced by Palazzo Reale and Skira Editore, represents a unique opportunity to see and understand in an overview of the extraordinary complexity of this artist.


Ming: 50 years that changed China
The British Museum, London, England

The exhibition explores the years 1400 – 1450, a pivotal 50 year period that transformed China during the rule of the Ming dynasty. It includes some of the finest objects ever made in China, shedding light on this important part of world history. China's internal transformation and connections with the rest of the world led to a flourishing of creativity from what was, at the time, the only global superpower.

This is the first exhibition to explore the great social and cultural changes in China that established Beijing as a capital city and the building of the Forbidden City - still the national emblem on coins and military uniforms today. As well as the imperial courts, the exhibition focuses on finds from three regional princely tombs: in Sichuan, Shandong and Hubei. There are costumes of the princes, their gold and jewelry, and furniture. The exhibition covers court life, the military, culture, beliefs, trade and diplomacy.

The exhibition covers a period when there was unprecedented contact with the world beyond the Ming Empire, through embassies, an assertive military policy, and court-sponsored maritime expeditions. Contacts extended to Bengal, Sri Lanka, Africa, and even to Mecca at the heart of the Islamic world. The exhibition aims to replace older histories of China that over-emphasize contact with Europe after 1500 by highlighting complex and longer-lasting intra-Asian connections that played a key role in the formation of the Chinese state, society and culture.

At the same time, the exhibition explores the diversity within the Ming Empire itself, and the idea that it is multiple courts, and not one single, monolithic, imperial court, that are important in this period. Here, the recent spectacular gains of archaeology, in revealing the culture of the regional princely courts of the early Ming, enable art and material culture to significantly alter our view of the period.

Sultans of Deccan India, 1500-1700: Opulence and Fantasy

This landmark exhibition brings together some 200 of the finest works from major international, private, and royal collections. Featuring many remarkable loans from India, the exhibition—which is the most comprehensive museum presentation on this subject to date—explores the unmistakable character of classical Deccani art in various media: poetic lyricism in painting; lively creations in metalwork; and a distinguished tradition of textile production. A highlight is the presentation of all of the known masterpieces and several new discoveries in painting, the greatest art of the Deccan. Another highlight is the display of diamonds—some of the largest ever found—that originated in the great mines of the Deccan.

To provide a glimpse into this dynamic, yet little-known society, the exhibition focuses chiefly on the courtly art of the kingdoms of Bijapur, Ahmadnagar, Bidar, and Golconda. These dynamic centers of royal patronage drew some of the greatest artists, writers, poets, and musicians of the period.

The golden age of Bijapur under the rule of Sultan Ibrahim Adil Shah II (1580–1627) defines the spirit of Deccani art. Masterpieces in painting by the leading court artist Farrukh Husain demonstrates the refined and lyrical style that influenced much of Deccani art. Ahmadnagar's African nobility included the legendary Abyssinian Malik Ambar (1548–1628), whose portraits are included among other rare surviving works. Numerous examples of the celebrated bidri metalwork tradition from the kingdom of Bidar are also shown. These feature a base composed of a blackened alloy of zinc and copper with thin sheets of silver inlay in striking designs.

Also shown are spectacular large painted and printed textiles (kalamkaris), richly painted with motifs drawn from Indian, Islamic, and European art. These are shown along with sumptuous royal objects made of inlaid and gilded metal, precious jewels, carved wood, and stone architectural elements, many of which draw inspiration from the art of Safavid Persia and Ottoman Turkey.

Ancient Art

The category encompassing the longest period of time in the Global Fine Art awards is "Ancient Art," which includes exhibitions covering works created from B.C. through approximately 1200 A.D.

Throughout the world, art has always been a part of each civilization, and thus history. The ancient Mediterranean world was one of the strongest epicenters of this period, and stretches from the African and Asian Continents to Europe. The cultures clashed from the Near East and Arabia, Egypt, Italy and Greece to Scandinavia and Scotland, as domination and power were central to history. Art crossed over amongst civilizations, as did other items of trade and commerce, and themes emerge in cross-cultural examination of this early period of time.

Art transcends time and space
The link between the early civilizations of mankind and the themes of art are essentially the same as they are today.

Themes that are expressed in art include: family life, war, religion, love, lust, power, money, humor, death, the afterlife, and nature- virtually all of the topics we are confronting in mainstream news today.

Perhaps one of the most fascinating aspects of looking at each of these exhibitions, is the concept that communications and travel was much more limited than in modern time. How art was a representation of each society, and its heart and soul, is part of the education that the study of history can bring to us today.

Beneath the Surface
Life, Death, and Gold in Ancient Panama
University of Pennsylvania Museum of Archaeology and Anthropology, Philadelphia, U.S.A.

Beneath the Surface invites visitors to dig deeper, exploring the history, archaeological evidence, technology, iconography, and new research perspectives, in search of a greater understanding of the Coclé people who lived from about 700 to 900 CE. Video footage from the original Sitio Conte excavation, video kiosks with opportunities to "meet" and hear from a range of experts, a centerpiece "burial" with interactive touchscreens—and more than 200 objects from the excavation—provide an immersive experience.

A to-scale installation of burial serves as the exhibit's centerpiece, drawing visitors beneath the surface of the site. The re-creation features artifacts displayed in the actual positions they were found, and digital interactive stations for further exploration.

Beneath the Surface uses art and artifacts to create a portrait of the ancient civilization of the Coclé people.

The Romanesque Reliefs of the portal of Gurk Cathedral
Kunsthistorisches Museum, Vienna, Austria

In collaboration with the Bundesdenkmalamt, the Kunsthistorisches Museum is showcasing a seminal example of Romanesque carving in the Kunstkammer. The delicate polychromed wooden reliefs from the portals of Gurk cathedral date from the early 13th century and are among the most important extant carvings from the Romanesque period in Austria. They will be exhibited at the Kunsthistorisches Museum before being reinstalled at their original location in Carinthia. In the exhibition visitors can see the originals for the first time; it also documents the comprehensive research and conservation project.

The Bundesdenkmalamt initiated a research project that combines scientific and conservation aspects with art historical analysis to deepen our knowledge of the original doors, of the materials used and their construction, of formal questions and their meaning. These findings form the focal points of the exhibition. Modern documentation methods such as 3-D scans offer insights into the genesis of the artworks, the materials used, and the condition of both reliefs and doors.

Assyria to Iberia at the Dawn of the Classical Age
The Metropolitan Museum of Art, New York City, U.S.A.

The exhibition is organized around three major themes: Assyria's land-based expansion from northern Mesopotamia westward through military conquests in the early first millennium B.C.; Phoenician expansion by sea through the development of trading relationships and founding of colonies; and the adoption and adaptation of Near Eastern imagery and techniques by artisans in the western Mediterranean. A concluding gallery displays works that represent the shift of power to Babylon in 612 B.C.

Reference is made to relevant passages in the Bible, the epics of Homer, and other texts that concern the historical people, places, customs, and events represented in the exhibition.

The exhibition includes an inscription featuring the only non-biblical attestation of the House of David. Carved ivories from Samaria—the Israelite capital and biblical city of Ahab and Jezebel—are Phoenician and Syrian in style, and reflect interaction with their Phoenician and Aramaean neighbors. Phoenician artisans ably combined elements from a number of cultures, with the most prominent being the use of Egyptian motifs.

Discovered in elite tombs of the period in Greece and Italy were Near Eastern goods and locally manufactured artifacts with Orientalizing traits, among them monumental cauldrons with animal-head attachments at the rim. An exceptional example found at Salamis on Cyprus is a highlight of the exhibition.

At the heart of this Mediterranean system was shipping. The exhibition includes discoveries from shipwrecks from off the coast of Spain, including metalwork, weights, a Phoenician altar, and elephant tusks, inscribed with the names of Phoenician gods and goddesses.

A series of stelae that tell the story of the transition of power from Assyria to Babylon. The exhibition includes a model of Babylon's famed Ishtar Gate and Processional Way, alongside several actual reliefs from these monuments. Babylon was a world center politically, economically, and culturally, while in Mesopotamian terms Babylon was a holy city, with special cultic importance.

Unfading Colours: A Roman Mosaic from Lod, Israel
Hermitage Museum, St. Petersburg, Russia

This exhibition at the State Hermitage Museum is the final stop in the almost five-year-long journey around Europe and America of a Roman floor mosaic of amazing beauty, craftsmanship, size and preservation quality. It will be placed on permanent display at the Lod Mosaic Archaeological Centre.

The mosaic was discovered in 1996 in the small Israeli town of Lod. The Lod mosaic is full of unresolved mysteries. The monument dates back to sometime from the 3rd to early 4th centuries, a period when the Jewish town of Lod, being part of the Roman Empire, was inhabited by representatives of different religions, including pagans, Jews and Christians. As a result, the mosaic themes and purposes can be interpreted in different contexts, the most popular of which is a rich villa built in the Roman model.

The exhibition is accompanied by films, photographs and texts telling both about the mosaic and the amazing history of its discovery, as well as by additional material, that is, a multimedia program that gives the audience a unique opportunity to get to know fine examples of Roman floor mosaic stored in different museums of St. Petersburg within the framework of one exhibition.

The Saga of the Thracian Kings: Archaeological Discoveries in Bulgaria
The Louvre, Paris, France

This exhibition explores ancient Thrace by looking at various components of the Odrysian kingdom. On show for the first time are several complete sets of major tomb furnishings, allowing comparison of previously unseen items with similar material found in Greek city-states along the coast.

The highlight of the exhibition will be the unprecedented display of items from the royal tomb of Seuthes III alongside the magnificent bronze head of that king. The region, located between the Aegean and Black Seas, witnessed the rise of a powerful kingdom headed by a people called the Odrysae. This kingdom became a key player in the regional conflicts in southeastern Europe from the fifth century BC onward. Stimulated by its numerous exchanges with the Greeks, the Macedonians, the Persians, and the Scythians, the Odrysian kingdom forged its own identity around a turbulent warrior aristocracy. The material reality of Greek city-states contrasted with Thracian society, underscoring the singularity and originality of each world. Urban society differed from Thrace's aristocratic world, as seen in monumental architecture, sculpture, crafts, and religious funerary rites.

Religion: syncretic and original
Interaction between these two societies is viewed here through the lens of religion: names and images of Greek and Thracian gods traveled between both worlds, which might indicate either superficial adoption (never integrated into the local sacred repertoire) or else the more coherent incorporation of a deity and its associated cult, as was the case with the goddess Bendis in Athens. This latter case illustrates Thrace's ties to its world and the very real influence it could exercise in turn. Far from being a passive recipient, Thrace became an active player

Organized by Supervisory curator: Jean-Luc Martinez, French curators: Alexandre Baralis, Néguine Mathieux and Bulgarian curators: Totko Stoyanov, Miléna Tonkova

Power and Pathos: Bronze Sculpture of the Hellenistic World - Palazzo Strozzi, Florence, Italy and J. Paul Getty Museum, Los Angeles, U.S.A.

Palazzo Strozzi was the first venue to host this major exhibition organized and produced in conjunction with the J. Paul Getty Museum in Los Angeles, the National Gallery of Art in Washington and the Soprintendenza Archeologica della Toscana. After Florence, the exhibition traveled to the J. Paul Getty Museum in Los Angeles and then to the National Gallery of Art in Washington, DC. Power and Pathos features about 50 extraordinary sculptures in bronze and tell the story of the artistic achievements of the Hellenistic era (4th to 1st centuries BC), when new bronze-working techniques were developed, new forms of expression were explored, and a first globalized language of art emerged in the Mediterranean and beyond. In this cosmopolitan climate, Greek art, in effect, became an international phenomenon.

The vast majority of large bronzes from the ancient world are lost because they have been melted down over the centuries so that the metal could be used to mint coins and to manufacture arms. Immediately after casting, bronze was so dazzling that it resembled gold.

Unlike Classical artists, who sought to convey a sense of balance and serenity, Hellenistic sculptors aimed to capture the full range of human feelings, from anger and passion to joy and anguish. They typically emphasized pathos, or lived experience, in the figures they depicted, and we find this also in the portraits of the men who rose to power in Alexander's wake.

The exhibition features "Formulas of Power", presenting portraits of influential figures of the period, a new artistic genre which first saw the light of day under Alexander.

The Roman Inquisition in Malta
Inquisitor's Palace, Vittoriosa, Malta

The exhibition narrates the multifaceted role of the Inquisitor as supreme judge of the Holy Inquisition and Apostolic Delegate representative of the Papacy. It offers an unprecedented opportunity to revisit stories of witchcraft, magical spells, theft and profanation of the sacred and a myriad of other curious episodes from the past. Amongst other artefacts, this exhibition includes authentic proceedings and magical sheets from the Cathedral Archives, precious inquisitorial gifts for Malta, and a number of books originally belonging to the Inquisitor's own personal library. For the very first time authentic Palace plans from the Vatican Archives are being displayed locally. The exhibition was held in the newly restored upper floors of the Inquisitor's Palace, an expansion of public space which reopened to visitors for this exhibition.

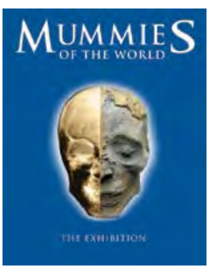
Mummies of the World
Cincinnati Museum Center, Cincinnati, U.S.A.

The presentation in Cincinnati marks the eleventh stop on the exhibition's exclusive tour of the United States.

Mummies of the World is the largest exhibition of real mummies and related artifacts ever assembled, showcasing a collection of naturally and intentionally preserved mummies. This compelling collection, presented with reverence and dignity, includes ancient mummies and important artifacts from around the world. Included in the collection are the Vac Mummies, a mummified family from Hungary believed to have died from tuberculosis; the Baron Von Holz, a German nobleman found tucked away in the family crypt of a 14th century castle wearing his best leather boots; and MUMAB, also known as the Maryland Mummy, a modern-day ancient mummy created by scientists in 1994 using the same methods as ancient Egyptians.

Mummies of the World is an incredible glimpse into the fascinating mummification process that occurs in nature and the history of science, anatomy and medicine across the globe.

Marcus Corwin, president of American Exhibitions, Inc. states "Most people think mummies come from Egypt and are wrapped, but mummies come from all over the world. The exhibition is changing centuries-old perceptions about what the general public thinks about mummies and providing insight into the lives and cultures of these ancient people."



Art in Public Places

In addition to museum and gallery exhibitions, the Global Fine Art Awards recognizes the importance of art displayed in public places. Nominations include private ventures as well as public initiatives. Exhibitions and installations that are open to public viewing exemplify how integral art is to society. Since the beginning of time, civilizations are most visibly remembered for their architecture, public gardens and monuments- all which could be interpreted as forms of public art.

Public planning projects in cities across the globe often feature juried or curated public art creations, ranging in theme, scale and purpose. They may be permanent or temporary by design. All are intended to engage the public, provoke society, and to beautify their surrounding environment.

Several GFAA Nominees are part of this year's Venice Biennale (La Biennale di Venezia).The Venice Biennale of Art is arguably the most important public art event in the world. Since 1895, countries from around the world are invited to participate and present a national installation of art. The curators' and artists' statements range from geo-political and collaborative to nationalistic and traditional themes. The event occurs every odd calendar year, and installations are open from May through November. Currently in its 56 edition, 89 National Participations are exhibiting in Pavilions at the Giardini, at the Arsenale and throughout the city of Venice. he central theme of each Biennale is created by a curator chosen by the Biennale Association. The curator creates an exhibition with displayed works interspersed throughout the city. The 56th Biennale theme, entitled All the World's Futures, is curated by Okwui Enwezor and organized by la Biennale di Venezia chaired by Paolo Baratta. All the World's Futures includes 136 artists from 53 countries, of whom 89 will be showing in Venice for the first time.

In addition to the National Participants, a number of official "collateral events" are approved by the curator of the International Exhibition and promoted by non-profit national and international institutions. In 2015, 44 collateral events present their exhibitions throughout Venice.

Tape Paris
Palais de Tokyo, Paris, France

Tape Paris is a part of an extensive group exhibition titled "Inside", installed in the Parisian Palais de Tokyo. The curatorial concept delves into the murky territory of the human physical and psychological interiors, immersion, introspection and probing the depths of self. The main idea was to transform the whole building into a convulsive mind/body organism whose slippery inner limits a motivated explorer has yet to trace and confront. The stretched biomorphic skin of Tape Paris is marking the entry point to the whole experience, being a literal incarnation of an inner-directed, regressive environment - the sense of descent into the primordial always lingering around its openings.

It took twelve people ten days to wrap the concrete pillars in the great entrance hall of Palais de Tokyo into a maze of accessible translucent passageways, which coil 50 meters through the gallery space and reach the total height of 6 meters.

Stuart Williams: Breath of Life/Dresden
Dresden, Germany

In February 2015, the City of Dresden, Germany welcomed New York artist, Stuart Williams to install his project, "Breath of Life/Dresden," on the facade of the historic Dresden Cathedral Ss. Trinitatis to mark the 70th anniversary observance of the bombing of Dresden in World War II. In 1945, tens of thousands of people tragically died, and with them, the leveling of a Baroque city of unparalleled architectural treasures, which was a profound loss to the cultural heritage of the whole world. "Breath of Life / Dresden" ("Lebensatem/ Dresden") restores lost history and begins a conversation about tragic, needless destruction. With its highly prominent setting on the River Elbe, the Dresden Cathedral is a beacon of the city's historic "silhouette." With its soaring Baroque tower looming over the

city, Stuart William's installation here is an emblematic artwork of timeless and far-reaching importance. Waves of light, rising and falling at the pace of human breath made the Cathedral appear to breathe. Said the artist, "I think the vision of one of Dresden's most treasured monuments appearing to breathe is extremely moving."

Chiharu Shiota: The Key in the Hand
Japan Pavilion at Venice Art Biennale 2015, Italy

Japan's contribution to the 56th International Art Exhibition – La Biennale di Venezia is an exhibition by artist Chiharu Shiota entitled The Key in the Hand.

Curated by Hitoshi Nakano, the Berlin-based Chiharu Shiota created a large-scale installation with the whole exhibition space filled with red yam. Attached to the end of each piece of yam, suspended from the ceiling, is a key. There are also two boats on the floor beneath the yam and the hanging keys.

Nakano explains: "In our daily lives, keys protect valuable things like our houses, assets, and personal safety, and we use them while embracing them in the warmth of our hands. By coming into contact with people's warmth on a daily basis, the keys accumulate countless, multilayered memories that dwell within us. Then at a certain point we entrust the keys, packed with memories, to others who we trust to look after the things that are important to us. In this work, Shiota will incorporate keys as a medium that conveys our true feelings. Moreover, she will place two boats in the center of the yarn and the keys, suspended from the ceiling to the floor of the space. The boats symbolize two hands catching a rain of memories (i.e., countless keys) pouring down from the ceiling. While struggling and working with the hands, the two boats will move forward through a huge sea of memory as they collect individual memories."

Jaume Plensa: Together
Basilica di San Giorgio Maggiore, Venice, Italy

An official collateral exhibition of the 56th International Art Exhibition of la Biennale di Venezia, one of Venice's most celebrated landmarks, the Basilica of San Giorgio Maggiore, hosts Together, a major exhibition of new works by Spanish artist Jaume Plensa. Plensa is one of the world's foremost artists working in the public art space. All the works in the exhibition debut in San Giorgio and reflect the artist's continued interest in a bodily relationship to space, scale, material and place. For 400 years the Basilica has been a place of worship, communication and meditation. Plensa's response to this powerful space is Together; a conversation between two sculptures - hand, suspended in the foreground of the altar, and head, sited in the nave. The works set up a line of spiritual and intellectual discourse which evokes emotion and seeks to connect with his viewers on an intuitive level. As a speaker of five languages and a nomadic life that takes him around the globe, Plensa's work reflects a desire to break down barriers. Merging difference is a cornerstone of his work, and here it is further emphasized by the installation of meticulous drawings and a group of five alabaster portraits in the contiguous Officina dell'Arte Spirituale, located outside the Basilica. Plunged in darkness and lit to reveal their luminous opacity, the sculptures were carved using reformed scans of real girls. Plensa's sculptures reference a Judeo-Christian tradition while connecting with a much longer human history, where the making of art has social purpose and which we see played out across histories and geographies – in heads from the Croatian Upper Paleolithic, carved some 26,000 years ago; in exquisite, elongated hands incised in stone from 1300 BCE Egypt. Plensa's forms connect with people and welcomes them into the Basilica.

Alice Channer: Rockfall
Aspen Art Museum, Aspen, U.S.A.

For her first solo museum exhibition in the United States, British artist Alice Channer presents Rockfall, a newly commissioned outdoor sculpture.

Using industrial materials and "postindustrial" processes to make objects that mimic natural events, Channer presents a horizontal rockfall—a series of manipulated, elongated rocks that stretch in and around the Aspen Art Museum.

Positioned both as part of and in direct contrast to the vast mountain landscape that surrounds the museum, Rockfall continues the artist's exploration of the relationship between bodies and nature.

Teresita Fernandez Fata Morgana
Madison Square Park, NYC, U.S.A.

Fata Morgana, a 500-foot-long sculpture in six sections, is Mad. Sq. Art's most ambitious commissioned outdoor sculpture, created by New York-based artist Teresita Fernández. In nature, a Fata Morgana is a horizontal mirage that forms across the horizon line. Alluding to this phenomenon, Fernández's project introduces a shimmering horizontal element to the Park that engages visitors in a dynamic experience.

The installation is a mirror-polished, golden metal sculpture that hovers above the Park's winding walkways to define a luminous experiential passage. The metal forms, perforated with intricate patterns reminiscent of foliage, create abstract flickering effects as sunlight filters through the canopy, casting a golden glow. The project is Mad. Sq. Art's first to fully utilize the upper register of a visitor's space. Fernández is best known for her prominent public sculptures and unconventional use of materials. Her work is characterized by an interest in perception and the psychology of looking. Her experiential, large-scale works are often inspired by landscape and natural phenomena as well as diverse historical and cultural references.

Kapoor Versailles
Chateau de Versailles, France

The Palace of Versailles presents English artist Anish Kapoor's major contemporary art exhibition in the gardens.

For Anish Kapoor, a work of art doesn't exist alone but through its viewer. The visitor at Versailles will witness the dualities of artist's work: heaven and earth, visible and invisible, inside and outside, shadow and light… This universe can be read through experience and imagination.

The originality of this exhibition, what makes it unique, even to those who have long been familiar with Kapoor's work around the world, is that in Versailles his vision meets an imagination set in stone by history.

The very controlled landscape of Versailles is drawn into instability. The grounds become uncertain and moving. Waters swirl. Romantic ruins take hold of the Tapis Vert. Exposed interior orifices are hidden within the garden's labyrinths. The mirrors that are so central to Versailles now distort it. This world is perhaps about to tip over.

It is not by chance that Anish Kapoor was the first to push open the door to the Jeu de Paume, which he considers as a work of art in itself, to exhibit his installation. Anish Kapoor draws us into a hidden history, within the boundaries of Versailles.

Arne Quinze: The Passenger
Mons, Belgium

An 85m long and 16m high wooden sculpture called The Passenger occupies the Rue Nimy in the old city center of Mons.

The artist selected to build specifically in the Rue Nimy, and not by coincidence. Arne Quinze's first step always implies a detailed investigation of the cultural and demographic environment where he works.

After clearly understanding the historical heritage, drawings, models and engineering studies are created, and then determination of the final form.

The Passenger symbolizes the flow of people and their cultural evolution through the Rue de Nimy since its origin in the 13th century- functioning as the main entrance toward the "Grand Place" of Mons.

This location was one of the most important commercial trading centers to the province of Hainaut during the Middle Ages. With The Passenger, Arne Quinze focuses on its historical importance as a cultural passageway affecting all levels of society for centuries.

As a reminder of history and memories, assessments and creativity, The Passenger will cause reaction and intervene in the daily life of passersby during the next four years- spawning dialogue and debate on contemporary urbanization.

Design

Design is intertwined with art and architecture since the beginning of time. A new award category in 2015, the seven nominated exhibitions span five centuries and four continents: Africa, Europe, South America and North America.

Themes of the nominees' exhibitions in this category include: cultural, national, pan-regional, innovation and use of material. Several of them focus on new trends at a given period, drawing the viewer into an evolution and change in history, as depicted through design.

The use of forms, the third dimension, and limitless materials give this category a broad range of subject matter and possibility.

Africa: Architecture, Culture and Identity
Louisiana Museum of Modern Art, Humlebaek, Denmark

This major exhibition at Louisiana focuses on architecture, art and culture on the African continent, through the lens of seven themes: Belonging, Co-Existence, Expanding Cities, Making Space, Rebuilding, New Communities, and Building Futures. By pinpointing a number of judiciously selected examples from a cultural here and now, the exhibition sheds light on the diversity and complexity of the part of Africa south of the Sahara Desert. Through multiple projects spread over the African continent, the exhibition tells a story of the new architecture of different regions – with its various proposals for accommodating local traditions, strengthening the existing ones and solutions for the future. The exhibition presents a sensuous architectural scenography and a number of installations, where the form, scale and space of architecture can be perceived on a 1:1 scale. Life around the buildings is also part of the architecture. In the exhibition art, photography, film and other arts create perspective to the architects' efforts - and helps to refine our image of this part of the world.

David Adjaye: Form, Heft, Material
Haus der Kunst, Munich, Germany

The diverse work of architect David Adjaye (b. 1966) comprises approximately 50 built projects - from luxury shops and museums to libraries and social housing. Recent commissions include the design of the National Museum of African American History and Culture in Washington, D.C., as well as the National Museum of Slavery and Freedom in Cape Coast, Ghana.

His private structures play with the contrast between hermetically sealed fronts and unexpectedly generous openings in the back, thereby accommodating the owners' need for a private retreat. In contrast, as open and permeable structures, his public buildings are socially effective architecture. Adjaye often uses materials that change color through their exposure to light, take on different textures due to varying

weather conditions or provoke viewers to touch them because of their distinctive tactile qualities.

This is the most extensive exhibition of Adjaye's career; curated by Okwui Enwezor, director of Haus der Kunst, Munich, and Zoë Ryan, John H. Bryan Chair and Curator of Architecture and Design at the Art Institute of Chicago

New Territories: Laboratories for Design, Craft and Art in Latin America
Museum of Arts and Design (MAD), New York City, U.S.A.

The term "new territories," as evoked by Italian architect and designer Gaetano Pesce, refers to the state of making in today's globalized society, a phenomenon that has helped to spur a confluence of art, design and craft. The exhibition New Territories: Laboratories for Design, Craft and Art in Latin America examines this trend in several distinct cities throughout Latin America, where some of the most pertinent new directions in arts and design are emerging today.

This exhibition is the first American museum group exhibition dedicated to contemporary Latin American design. Featuring more than 75 designers, artists, craftspersons, and collectives, New Territories: Laboratories for Design, Craft and Art in Latin America surveys the innovative, cross-disciplinary collaborations and new directions in creative production that have been occurring throughout Latin America since 2000. New Territories explores collaborations between small manufacturing operations and craftspersons, artists, and designers, and demonstrates how the resulting work addresses not only the issues of commodification and production, but also of urbanization, displacement and sustainability. The exhibition explores a number of key themes, including: the dialogue between contemporary trends and artistic legacies in Latin American art; the use of repurposed materials in strategies of upcycling; the blending of digital and traditional skills; and the reclamation of personal and public space.

The exhibition is organized by MAD's Chief Curator Lowery Stokes Sims and Adriana Kertzer, Curatorial Assistant and Project Manager. It follows MAD's groundbreaking 2010 exhibition The Global Africa Project, which presented new craft, design, and art that transcended nationality and regionalism in its presentation of the new nomadic paradigm of African identity

Charles Rennie Mackintosh: Manifest of the New Style
Moscow Kremlin Museum, Moscow, Russia

The Moscow Kremlin Museum created a comprehensive exhibition dedicated to the work of Scottish architect and designer, Charles Rennie Mackintosh. This project was organized in the context of the UK-Russia Year of Culture 2014.

Mackintosh was considered to be one of the most influential designers of the 20th century, and remains today one of the most collectable Scottish artists.

In his works, Mackintosh unified modernity and the spirit of romance, many which have determined the evolution of design and retained their relevance to the present day. The style he created is unique and instantly recognizable. He worked with many materials and techniques, making designs for furniture, working with metal, textiles and stained glass. In his later years, Mackintosh also revealed a talent for painting, and created many watercolours. His most celebrated works are the furniture pieces- decorated with silver and metal settings, enamels and coloured glass. Mackintosh's furniture is known for some very distinctive qualities, such as the ascetic monumentality, sensuality, elegant décor and restrained shapes. The key piece amongst Mackintosh's furniture is the famous 'mackintosh' chair with its slightly exaggerated vertical proportions, trapezium-shape seat which one can find in almost all the interiors of his designs.

Like other artists working in the beginning of the 20th century Mackintosh was a Universalist, developing the idea of the 'total work of art' ('Gesamtkunstwerk'), with intent attention to detail and creating the unique interior for art lovers. His projects and designs were the basis not only for the unique architecture but for the artistic furniture, textiles, embroidered panels, lightings, stained glass, accessories for doors and windows, floor clock and chimneypieces. He was the first to use stencils for wall decorations and filled his interiors with symbolic roses.

Ireland: Crossroads of Art and Design, 1690–1840
The Art Institute of Chicago, Chicago, U.S.A.

The seeds for the exhibition were first planted by historian Desmond Fitzgerald, 29th Knight of Glin, who in his 2007 book, Irish Furniture, outlined his vision for "a major exhibition on Ireland's decorative arts of the 18th century, which would . . . waken up the world to a staggering array of art that was manufactured in Ireland during this period."

Surprisingly, such an exhibition has never before been undertaken on either side of the Atlantic. Ireland: Crossroads of Art and Design, 1690–1840 expands on the Knight of Glin's vision to also include paintings, sculpture, and architecture. Irish book bindings, ceramics, glass, furniture, metalwork, musical instruments, and textiles are also featured in a series of "Made in Ireland" galleries highlighting Dublin, Cork, Belfast, and Waterford as centers of production.

Ever since the agricultural depression in the British Isles in the 1880s, many extraordinary objects from Ireland have come to the United States and Canada. Today they are scattered in locations from Honolulu to Boston and from Ottawa, Ontario, to San Antonio, Texas. These often little-known objects come together for the first time in this pioneering exhibition and the accompanying catalogue, which includes the latest scholarship by some of Ireland's most respected historians. Works of art representing 24 Irish counties are installed in ten galleries focusing on such themes as the history of Ireland through portraiture; Dublin as a center of commerce, culture, and government; Irish landscapes and tourism; and life in the Irish country house.

The Art Institute of Chicago is not only the first but the only venue to present this show celebrating the Irish as artists, collectors, and patrons—a fitting tribute to Chicago's own deep Irish roots.

Waterweavers
Art Museum of the Americas (AMA), Washington D.C., U.S.A.

The confluence of the image of the river and the act of weaving is present both metaphorically and literally across contemporary practices in Colombia. Waterweavers investigates the intricate ways in which culture and nature can intertwine across disciplines and includes drawing, ceramics, graphic design, furniture, textiles, video, and installations. Unexpected juxtapositions create a critical and conceptual friction between works and practices that are seldom shown together.

Colombia is a country whose complex topography has historically caused waterways to be the only connection between many communities—rivers have both united and separated people. Today, when most Colombians live in cities, rivers continue to serve as the sole access to remote areas, but they also play a new role, as the axis for a different type of economics: the black market fueling the armed conflict that has beset Colombia for decades. Waterweavers addresses these issues from very different points of view, presenting a territory laden with conflict while showing the creative output that nevertheless thrives in the midst of—or in response to—hardship.

Brilliant: Cartier in the 20th Century
Denver Art Museum, Denver, U.S.A.

Curated by Margaret Young-Sánchez, Frederick and Jan Mayer Curator at the Denver Art Museum, Brilliant: Cartier in the 20th Century featured an assortment of jewelry, timepieces and precious objects created between 1900 and 1975. The exhibition highlighted Cartier's rise to preeminence in the midst of historical events as it transformed itself into one of the world's most prestigious names in jewelry, timepieces and objects. A special section focused on masculine items offered a rare look at the pieces Cartier crafted especially for men. In 1900, Paris-based jewelry firm Cartier was poised at the brink of a new era. The wealth of America's Gilded Age mercantile and industrial magnates brought new energy to Europe's cultural capitals. Over the course of the

next seven decades, the company's trend-setting designs and ability to capture the spirit of the times were key to its success. Cartier's rise took place in the context of an increasingly cosmopolitan cultural scene and aligned with international social, political and economic trends. Brilliant presented a selection of themes that spanned time periods and styles to display their immense influence and innovation.

Photography

Photography is an essential and popular medium of art. As technology advances through time, so do the methods of producing photographs. Several of our nominees tell the story of how new production techniques translate to emerging styles. Others are original pioneers in the field and present some of the best artists' works throughout the history of photography.

Though some consider the history of photography emerged during antiquity with the discovery of the principle of the camera obscura, it is generally accepted that 1826 or 1827 is the actual birth of this art form.

Thomas Wedgewood made the first reliably documented although unsuccessful attempt to capture images around 1800. In the mid-1820s, Nicéphore Niépce succeeded, but several days of exposure in the camera were required. Louis Daguerre, an associate of Niépce, went on to develop the daguerreotype process, the first publicly announced photographic process and commercially introduced in 1839. A new award category this year, there are nine nominees- with themes as varied as their locations. Because of the medium's ability to capture reality in real time, this art genre often deals with stark subject matters and historical moments around the world.

On the other end of the spectrum, the use of photography to capture quiet beauty and surreal images is equally powerful and renowned for many photographers.

Esko Männikkö: Time Flies. A Highlight
Collezione Maramotti, Reggio Emilia, Italy

Collezione Maramotti, (the Collection), presents fifty photographs by Esko Männikkö, chosen to emphasize the similarities and rapport with the Collection. Some of the works were exhibited in 2014 in the retrospective Time Flies at the Kunsthalle Helsinki, with which the Collection has collaborated for this exhibition.

Time as presence/absence, crystallized in its images, is central to Männikkö's poetics, as well as his masterly use of light and the extreme attention to composition, bestowing a sort of metaphysical suspension to his work.

These substantial and formal elements have made several critics compare his work to Renaissance portraiture and the tonal, compositional and luministic qualities of Vermeer's paintings.

The frames, found in local markets or made with reused wood, specifically for the exhibition, are an essential visual part of the work and not an ancillary component, as they link his work to painting tradition. His favourite subjects of work are objects, places, people and life styles, which are familiar to the artist, while at the same time reflecting humankind's universal traits.

His approach is full of deep respect and sensitivity, never focusing on documentation, but rather on the search for empathy, a real contact exalting the beauty of everyday ordinary aspects. Even the humblest and weakest subjects are never victims, but are depicted in their full dignity.

Self-taught Männikkö lives in the north, and for a long time was considered an outsider in contrast with the research trends and traditional photography of the time. Despite that he has become one of Finland's most famous photographers at an international level.

The artist continues to call himself "hunter, collector of pictures", his approach shapes an endless self-portrait, a collection becoming a mirror and reflection of its creator, indissolubly linked to its author and, at the same time, interpreter of a universal human feeling.

Salt and Silver: Early Photography, 1840 – 1860 Tate Britain, London, England

This is the first exhibition in Britain devoted to salted paper prints, one of the earliest forms of photography. A uniquely British invention, unveiled by William Henry Fox Talbot in 1839, salt prints spread across the globe, creating a new visual language of the modern moment.

This revolutionary technique transformed subjects from still lifes, portraits, landscapes and scenes of daily life into images with their own specific aesthetic: a soft, luxurious effect particular to this photographic process. The few salt prints that survive are seldom seen due to their fragility, and so this exhibition, a collaboration with the Wilson Centre for Photography, is a singular opportunity to see the rarest and best early photographs of this type in the world.

Henri Cartier-Bresson Museo dell'Ara Pacis, Rome, Italy

The Ara Pacis Museum's retrospective exhibition of Henri Cartier-Bresson was curated by Clément Chéroux. This large exposition is a production of the Pompidou Centre of Paris, and coincides with the ten-year anniversary of Henri Cartier-Bresson's death.

Compositional skill, extraordinary visual intuition, and the ability to seize upon the most fleeting but also most important moments, made Cartier-Bresson (1908 – 2004) one of the greatest photographers of the 20th century. Throughout his career, Cartier-Bresson was always able to unite poetry with the power of documentation.

His work falls into three periods. The first, when Cartier-Bresson socialized with the Surrealists, took his early photographs and began to travel. The second, 1936 to 1946, defined by his involvement in politics, his work for the Communist press and his experience in filmmaking. The third, from 1947 to 1970, covers the period after the founding of Magnum Photos agency.

It offers a dual vision. On the one hand, it traces the genesis of Cartier-Bresson's work by illustrating the evolution of his artistic path in all of its complexity and variety. At the same time, it brings together and "paints" the history of the 20th century, through the eyes of a photographer.

Light, Paper, Process: Reinventing Photography
J. Paul Getty Museum, Los Angeles, U.S.A.

At a time when digital technologies offer increasingly sophisticated options for producing, storing, and disseminating images, a number of artists have turned their attention to exploring the essence of photography, distilling it to its basic components of light-sensitive emulsions and chemical development.

These artists may use hand-coated or expired papers, archival negatives, or custom-built cameras, or they may eschew the use of a camera or film altogether. All employ a variety of darkroom techniques that shift our understanding of photography from a medium that accurately records the world to one that revels in the medium's materials and process.

From its beginnings in experimentation by mid-19th century scientists and gentlemen of leisure, photography has been shaped by the desire to understand and explore the medium's essential materials. Taking that spirit of invention and discovery as its point of departure, this exhibition features the work of seven artists—Matthew Brandt, Marco Breuer, John Chiara, Chris McCaw, Lisa Oppenheim, Alison Rossiter, and James Welling—who focus their investigations on the light sensitivity and chemical processing of photographic papers, challenging us to see the medium anew.

The exhibition also includes an overview of experimental practices during the twentieth century, drawn from the Getty Museum's collection. The works on view in Light, Paper, Process provide a glimpse into the continued interrogation and reinvention of the medium of photography by artists working today.

Gordon Parks: Segregation Story
High Museum of Art, Atlanta, U.S.A.

The High Museum of Art presents rarely seen photographs by trailblazing African American artist and filmmaker Gordon Parks in Gordon Parks: Segregation Story.

The exhibition, presented in collaboration with The Gordon Parks Foundation, features more than 40 of Parks' color prints – most on view for the first time – created for a powerful and influential 1950s Life magazine article documenting the lives of an extended African-American family in segregated Alabama. The series represents one of Parks' earliest social documentary studies on color film.

Following the publication of the Life article, many of the photos Parks shot for the essay were stored away and presumed lost for more than 50 years until they were rediscovered in 2012 (six years after Parks' death). Though a small selection of these images has been previously exhibited, the High's presentation brings to light a significant number that have never before been displayed publicly.

As the first African-American photographer for Life magazine, Parks published some of the 20th century's most iconic social justice-themed photo essays and became widely celebrated for his black-and-white photography, the dominant medium of his era.

His images provide a unique perspective on one of America's most controversial periods. Rather than capturing momentous scenes of the struggle for civil rights, Parks portrayed a family going about daily life in unjust circumstances. Parks believed empathy to be vital to the undoing of racial prejudice. His corresponding approach to the 1956 Life photo essay project "The Restraints: Open and Hidden" eschewed the journalistic norms of the day and represented an important chapter in Parks' career-long endeavor to use the camera as his "weapon of choice" for social change.

Curated by Brett Abbott, Keough Family curator of photography and head of collections at the High Museum of Art.

FACES NOW: European Portrait Photography Since 1990
BOZAR Center for Fine Arts, Brussels, Belgium

Since the invention of photography, portraits have been commonplace. In the 1990s, photographers rediscovered the portraiture genre. Since the fall of the Berlin Wall they have used photography to question the identity and place of the individual in the digitalised and globalised world. The exhibition asks the viewer to consider what do the face, pose, clothing and backdrop tell us about the person portrayed?

FACES NOW is an exhibition of the works of 31 renowned European photographers: Tina Barney, Sergey Bratkov, Koos Breukel, Clegg & Guttmann, Anton Corbijn,Christian Courrèges, Denis Darzacq, Luc Delahaye, Rineke Dijkstra, Jitka Hanzlová, Konstantinos Ignatiadis, Alberto García-Alix, Stratos Kalafatis, Boris Michailov, Nikos Markou, Hellen van Meene, Jorge Molder, Lucia Nimcova, Adam Panczuk, Dita Pepe, Anders Petersen, Paola De Pietri, Jorma Puranen, Thomas Ruff, Clare Strand, Beat Streuli, Thomas Struth, Juergen Teller, Ari Versluis & Ellie Uyttenbroek, Stephan Vanfleteren, Manfred Willmann

Julia Margaret Cameron: Pioneer of Photography
Museum Voor Schone Kunsten (MSK), Gent, Belgium

Julia Margaret Cameron (1815–1879) was one of the leading and most innovative photographers of the nineteenth century. She is probably best known for her powerful portraits. She also placed the models she asked to sit for her – friends, relatives and servants – in a Biblical, historical and allegorical context. Her photographs were groundbreaking for several reasons: Cameron deliberately made them blurred and out of focus, containing small scratches, spots and other marks of the production process. Although she was criticized for her unconventional approach, the beauty of her compositions and her dedication to photography as an art form also earned her considerable admiration.

This year marks the 200th anniversary of Cameron's birth and the 150th anniversary of her first exhibition in 1865 at the former South Kensington Museum in London (the present Victoria and Albert Museum). The MSK is the only museum in mainland Europe to celebrate this double anniversary with this exhibition. The works on display are from the rich photography collection of the Victoria and Albert Museum.

Mika Ninagawa: Self-image
Hara Museum of Contemporary Art, Tokyo, Japan

This exhibition by photographer Mika Ninagawa features about 150 pieces centered on never-before-shown works. Known for her vivid and richly colorful photographs, Ninagawa continually challenges herself, expanding in recent years into the areas of cinema, music videos and even collaborations with fashion designers, while maintaining a style that is uniquely her own. The vitality and splendor conveyed in her colors – dubbed "Ninagawa Color" – and images of teen idols and flowers stand in stark contrast to the sense of distortion, decline, stagnation and even death that she captures in other work. At the core of the exhibition are Ninagawa's noir series, a study of darkness and shadows that broke new ground for the artist, her PLANT A TREE series of cherry blossoms scattered on the surface of rivers created during a period of intense focus, and her monochrome self-portraits which she began at the start of her career and has added intermittently since then. Together they present a "self-image" described by Ninagawa as being "close to her raw and unguarded self".

National Photographic Portrait Prize
National Portrait Gallery, Parkes, Australia

This exhibition is selected from a national field of entries, reflecting the distinctive vision of Australia's aspiring and professional portrait photographers and the unique nature of their subjects. The winner for 2015 is Portrait of Ali by Hoda Afshar. Senior Curator Dr. Christopher Chapman said that the portrait was a unanimous choice for the judging panel. 'The portrait is poignant for its intimation of this boy's future – likely as a shepherd. The photographer has captured a powerful sense of mystery that adds to the compelling nature of the portrait – the boy, standing calmly within the rocky, misty setting.' Other commended entries include: Barry & Alkirra – The House in Carrington by Katherine Williams, and Feather and the Goddess Pool by Natalie Grono, which

received the People's Choice Award. Many of the 44 portraits selected for this year's exhibition flicker with complex emotional registers. Outwardly bold, they suggest inner reflection. Surety is based upon serenity. Innocence is deepened by a flash of self-awareness. In the evening air, in space, self-hood is quietly energised.

Fringe or Alternative Art

During the research phase of the GFAA program, we realized that many extraordinary exhibitions don't readily fit any of the other categories. In this new award category, each nominee is recognized for truly innovative work.

The definition of "Fringe" is intentionally vague, as we hope to continue to find exhibitions and programs that defy existing categories of art, incorporate other art forms, or cross boundaries in ways that are unique and potentially setting trends for the future.

Drifting in Daylight
Creative Time and Central Park Conservancy
New York City, U.S.A.

In spring 2015, Creative Time and Central Park Conservancy unveiled Drifting in Daylight, a dreamy springtime pathway of art winding through the world's most iconic park- New York City's Central Park.

Drifting in Daylight includes performative, participatory, and perceptual work by artists Spencer Finch, Alicia Framis, Nina Katchadourian, Ragnar Kjartansson, Marc Bamuthi Joseph, David Levine, Karyn Olivier, and Lauri Stallings + glo.

Central Park is a tranquil counterpoint to the density of urban life. While the green pastures, rocky ledges, and verdant foliage of Central Park give the impression of a timeless existence, it was intentionally designed by Olmsted and Vaux in 1858. Its origins as an "Adirondacks for the everyday person" gave way to almost 160 years of decline, restoration, and renewel. Today, Central Park is both a thriving refuge for nature and a civic space animated by people as they come to congregate, play, reflect, love, listen, and learn. Drifting in Daylight, an exhibition of eight site-specific artworks throughout the north end of Central Park, responds to the multitude of ways in which park landscapes, histories, and uses are animated through daily life. The artworks embrace the park and weave themselves within it. While some pieces explicitly respond to their surrounding arbors, lochs and groves, others hide in plain sight. Some punctuate the landscape, while others playfully mimic its forms. This exhibition takes the form of a set of experiences that repurpose common pastoral diversions of the Park as it is today.

Visitors stroll through the Park and choose their own path- where they may happen upon an artwork or pause to observe the scenery. Dream, drift, participate, and experience the park at one's own pace. "This is your park."

Cara Starke and Nato Thompson
co-curators

What Nerve! Alternative Figures in American Art, 1960s to the Present
Rhode Island School of Design, Providence; U.S.A. Matthew Marks Gallery, New York City, U.S.A.

This exhibition proposes an alternate history of figurative painting, sculpture, and vernacular image-making from 1960 to the present that has been largely overlooked and undervalued. There are four mini-exhibitions based on crucial shows, spaces, and groups in Chicago (the Hairy Who), San Francisco (Funk), Ann Arbor (Destroy All Monsters), and Providence (Forcefield)—places outside the artistic focal point of New York.

These moments are linked together by six influential or intersecting artists: H. C. Westermann, Jack Kirby, William Copley, Christina Ramberg, Gary Panter, and Elizabeth Murray. These artists ran against the modernist grain and its emphasis on theory. Rather than distancing their art through irony or institutional critique, they seized imagery and ideas from vernacular sources as diverse as comics and pottery, pulling and reshaping material from their environments to tackle a variety of subjects with equal doses of satire and sincerity. What Nerve! looks at their distinctive idioms, shown in works that are often earnest, sometimes narrative, frequently transgressive, and always individualistic.

Rebel Bodies (Corps rebelles)
Musee de la Civilisation, Quebec, Canada

This exhibition celebrates the social reach of contemporary dance, a transgressive form of expression that upends the notions of the ideal body and art. It borrows from ballet as well as modern and postmodern dance to establish new aesthetic and poetic frameworks. Dance is a universal language that crosses disciplines, removing boundaries between arts and cultures. Rebel Bodies is a landmark exhibition that offers an original and unforgettable look at the language of the body in motion, and at how choreographers write, through more than 50 key works by some of the world's best-known creators. The exhibition presents contemporary dance as a reflection of society, drawing on numerous media. It reviews the history of contemporary dance, then explores six themes, each approached through a specific 'body' in its own immersive space and expressed in movement and words in videos: Victor Quijada for the urban body, Margie Gillis for the natural body, France Geoffroy for the atypical body, Daniel Léveillé for the political body, Louise Lecavalier for the virtuoso body, and Martine Époque and Denis Poulin for the multi-body.

Sarah Sze, The Last Garden - Installation in the Giardino delle Vergini, La Biennale di Venezia, Italy

Aesthetica Magazine's review describes the artist and her work: "Through painting, architecture and installation, artist Sarah Sze's work attempts to comprehend the endless information that we encounter in contemporary life. She examines how this mass production affects notions of value, and how these objects ascribe meaning to the places and times in which we live. To convey this, everyday objects such as living plants, handmade sculptures, found items and photographs appear within her work, emerging as encyclopaedic landscapes which stretch across gallery spaces and often alter or intervene with the architecture.

Sze's work holds its own order that she has personally prescribed, in an attempt to dismantle and reorganise the cumulative evidence of contemporary life which she has collected. In her first major galley show to take place in the USA since representing the country in the 55th Venice Biennale (2013), the artist will present new work ranging from large scale installation to small sculptural pieces. This work will challenge the stability of sculpture, and therefore will convey uncertainty about a world overwhelmed by fragments of information. Tools such as pendulums, dioramas and miniature models explore absence and entropy, attempting to map space and time – even if their processes are only fully understood by Sze. Some pieces will expand upon aspects of Sze's installation in the 56th Venice Biennale, Okwui Enwezor's All the World's Futures, in which her open-air field of remnants evoked a ruined garden, suggesting its history within a fictional, deteriorating world." Aesthetica Magazine

Credits: Aesthetica Magazine; Sarah Sze, The Last Garden (Landscape of Events Suspended Indefinitely), 2015. Installation in the Giardino delle Vergini La Biennale di Venezia 56th International Art Exhibition 2015, All the World's Futures. Courtesy the artist and Tanya Bonakdar Gallery, New York; Victoria Miro, London.

The Maboneng Township Art Experience: Turning their Homes into Art Galleries
Johannesburg and Cape Town, South Africa

The Maboneng Township Art Experience is an initiative that changes township homes into galleries, bringing together, empowering and inspiring communities and artists.

Maboneng is a SeSotho word for 'A PLACE OF LIGHTS', a name given to Alexandra Township situated in Johannesburg by its community after they called it 'Dark City' because of no electricity. Alexandra Township is where the project, the Maboneng Township Arts Experience, was conceived.

The 2015 Maboneng Township Arts Experience is expanding, with art in homes throughout an increasing number of communities in South Africa. For the 4th annual edition, taking place in Gugulethu, participants and supporters are given guided tours to the special 'Gallery Homes'. The homes will be showcasing the works of artists from around the world.

Along the pedestrian route, tour-goers and art lovers can enjoy bright, beautiful murals on the surrounding walls. The experience includes an orchestrated program of local and international works in collaboration with African music, film screenings, visual art, performances and various theatre productions. International and local performers and exhibitors have programs curated in various venues.

This program assists in driving business and tourism, providing residents the means to express their identity and the culture of the surrounding area.

There is another component to the program- called Mediation Homes whereby homeowners are trained in the art of mediation, giving them the ability to navigate through problems in their gallery community. These homes will exhibit the film of Albie Sachs, "Soft Vengeance", exploring his journey of mediation in South Africa amongst the exhibits. This type of social innovation is helping communities to create solutions for their own problems.

The Maboneng Township Arts Experience is proud to be part of the mission to end poverty in townships by 2030, and will do this through the arts.

A Utopian Stage: Festival of Arts Shiraz-Persepolis
Whitechapel Gallery, London, England

The ancient Persian ruins of Persepolis were a spectacular backdrop for 'one of the most adventurous and idiosyncratic festivals in the world' (Artforum). The Festival of Arts was held around Shiraz, Iran every summer from 1967–1977.

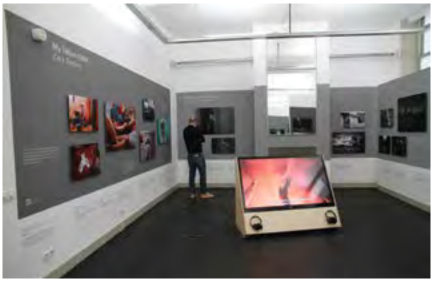
A melting pot of traditional and avant-garde music, theatre and performance, the festival featured artists from both East and West, including the Beatles' muse, sitar player Ravi Shankar and American composer John Cage, alongside Rwandan drummers and Balinese Gamelan musicians and dancers.

Orghast, a play by poet Ted Hughes and Mahin Tajadod, co-directed by Peter Brook, was staged, while Merce Cunningham's dancers performed calisthenics among the ruins of Persepolis.

The festival came to an end with the Iranian revolution, but is now brought to life through this display of archive film and photographs, original theatre programmes and posters seen for the first time in the UK.

Stories of Change: Beyond the 'Arab Spring'
Humanity House, Den Hague, Netherlands

This multimedia exhibition is an intimate and unique insight into daily life in five North African countries: Algeria, Egypt, Libya, Morocco and Tunisia. Our image of the Arab revolutions is largely shaped by international news organisations. Four years after the start of the Arab Spring, however, the media rarely talk about 'democratisation' and 'change'. Has hope disappeared? What are the stories behind the reports on TV and the newspaper headlines? In this exhibition, the viewer sees local youth-photo and video journalists, who were taught to tell their own story through the Reporting Change training program. The daily life stories seen in the exhibition challenges our perception and provides us with new and surprising insights into the North



African region after the 'Arab Spring'. In addition to exhibitions, Humanity House offers an educational program for students of secondary schools; holds debates, lectures, films and photography programs. The exhibition is an initiative of World Press Photo, the Ministry of Foreign Affairs and Humanity House, and has been produced with support from the Dutch Postcode Lottery

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Page number - Finalists
5, Whitney Museum of American Art, Eva Hesse, Glenn Ligon, Rückenfigur, Edward Hopper, Early Sunday Morning
6, Los Angeles County Museum of Art, Islamic Art Now: Contemporary Art of the Middle East, Hassan Hajjaj,
7, Tate Modern, Agnes Martin
9, Los Angeles County Museum of Art, Shirin Neshat, Speechless
11, Seattle Art Museum, Brendan Fernandes, Neo Primitivism 2; Saya Woolfalk , Chimera from the Empathic Series; Jacolby Satterwhite, Country Ball
15, The Pennsylvania Academy of the Fine Arts, Philip Leslie Hale, Crimson Rambler
16, Philadelphia Museum of Art / Musée du Luxembourg / National Gallery, Discovering the Impressionists
17, New York Botanical Gardens, Frida Kahlo, Casa Azul, Humberto Spíndola, The Two Fridas, The Ross Gallery
21, The J. Paul Getty Museum, Andrea del Sarto , Study for the Head of Saint John the Baptist, Andrea del Sarto, Woman, Andrea del Sarto, Madonna and Child with St. Elizabeth and St. John the Baptist
23, Le Petit Palais, Bartolomeo Manfredi, Bacchus et un buveur
26, The British Museum, Ming jar, Catalogue Ming 50 Years that Changed China, Ming note
27, The Metropolitan Museum of Art, Ewer with Dragon Heads, Calligraphic Alam in Shape of Falcon, Parrot Perched on Mango
30, The Metropolitan Museum of Art, Plaque with Striding Sphinx, , Lion Hunt Relief, Plaque with Lioness Attacking Youth
32, The Louvre, The Saga of the Thracian Kings
33, The J. Paul Getty Museum, Victorious Athlete; page 33, Palazzo Strozzi, Power and

Pathos. Bronze Sculpture of the Hellenistic World
38, Venice Biennale 2015 (Basilica di San Giorgio), Jaume Plensa, Mist 2
39, Japan Pavilion/Venice Art Biennale 2015, Chiharu Shiota, The Key in the Hand
41, Chateau de Versailles, Anish Kapoor, Kapoor Versailles
43, Mons, Arne Quizne, The Passenger
46, The Museum of Arts and Design, Chiachio & Giannone, Ciudad Frondosa
46, The Museum of Arts and Design, Butcher Walsh, New Territories: Laboratories for Design, Craft and Art in Latin America
47, Moscow Kremlin Museum, Charles Rennie Mackintosh, Manifest of the New Style
48, Art Institute Chicago, John Egan, Portable Harp, Robert Fagan, Portrait of a Lady as Hibernia, Samuel Walker Two-Handled Cup and Cover
51, Collezione Maramotti/Kunsthalle Helsinki, Esko Mannikko, Auno, Per, Untitled
53, The J. Paul Getty Museum, Marco Breuer, Spin, Alison Rossiter, Haloid Platina
54, High Museum of Art, Gordon Parks: Segregation Story
59, Central Park NYC, Creative Time and Central Park Conservancy, Drifting in Daylight
61, Arsenale Venice Biennale, Sarah Sze, The Last Garden
62, Johannesburg and Cape Town South Africa, The Maboneng Township Art Experience, Turning their Homes into Art Galleries

Page number - Nominees
8, Sharjah Art Foundation, Peter Lewis, /seconds
8, Fondazione Prada , John Baldessari, Box (Blind Fate and Culture)
10, Fundacion Botin, Sol LeWitt, Wall Drawing 614
10, Solomon R. Guggenheim Museum, On Kawara, On Kawara – Silence
13, Museo Thyssen-Bornemisza, Raoul Dufy, Boardwalk of the Casino Marie-Christine at Sainte-Adresse
13, Fondation Beyeler, Paul Gauguin, Galerie Neue Meister, Parau api, (What news?)
14, The J. Paul Getty Museum, J. M. W. Turner, Snow Storm—Steam-Boat off a Harbour's Mouth; Modern Rome-Campo Vaccino
18, Museo Jumex, Alexander Calder, Discipline of the Dance, 3 Segments
18, Fundacion MAPFRE, Joaquín Sorolla, Sad Inheritance!, Hall of the Ambassadors
19, Fondation Louis Vuitton, Fernand Léger, Le Grand Déjeuner
22, Musee du Quai Branly, Exposition L'Inca et le Conquistador

22, Palazzo Barberini, Guido Reni, Atalanta e Ippomene
24, Grand Palais/Palais du Louvre/Kunsthistorisches Museum, Vienna, Diego Velázquez, Infanta Margarita Teresa in a Blue Dress
24, Rijksmuseum, King Willem-Alexander, Late Rembrandt
25, Palazzo Reale Milan, Leonardo da Vinci, Vitruvian Man
25, Royal Academy of London, Peter Paul Rubens, Tiger, Lion and Leopard Hunt
29, Kunsthistorisches Museum, The Romanesque Reliefs of the portal of Gurk Cathedral
29, University of Pennsylvania Museum of Archaeology and Anthropology, Beneath the Surface: Life, Death, and Gold in Ancient Panama
31, Hermitage Museum, Yana Radolitskaya, Unfading Colours. A Roman Mosaic from Lod, Israel, View from the balcony
34, Cincinnati Museum Center, Mummies of the World
34, Inquisitor's Palace, The Roman Inquisition
37, Dresden Cathedral, Stuart Williams, Breath of Life, Lebensatem/Dresden
37, Palais de Tokyo/Inside, Inside
40, Madison Square Park Conservancy, Teresita Fernández, Fata Morgana
40, Aspen Art Museum, Alice Channer, R o c k f a l l
45, Haus der Kunst, David Adjaye, Form, Heft, Material
45, Louisiana Museum of Modern Art, Africa Architecture, Culture and Identity
49, Denver Art Museum, Cartier, Brilliant: Cartier in the 20th Century
49, Centro Cultural Conde Duque/Art Museum of the Americas, Jorge Lizarazo, Walking Jade area rug and Wouna stools
52, Ara Pacis, Henri Cartier-Bresson, Haifa, Israel, Rome
52, Tate Britain, Jean-Baptiste Frénet, Women and girls with a doll; Roger Fenton, Cantiniére
55, Museum Voor Schone Kunsten Gent, Julia Margaret Cameron, St Cecilia, after the manner of Raphael,
55, BOZAR Center for Fine Arts, FACES NOW
57, National Portrait Gallery, Hoda Afshar, Portrait of Ali
57, Hara Museum of Contemporary Art, Mika Ninagawa, Self-image
60, Rhode Island School of Design/Matthew Marks Gallery, Karl Wirsum, Show Girl I
60, Musee de la Civilisation, Rebel Bodies (Corps Rebelles)
63, Humanity House, Stories of Change - Beyond the 'Arab Spring'
63, Whitechapel Gallery, view

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