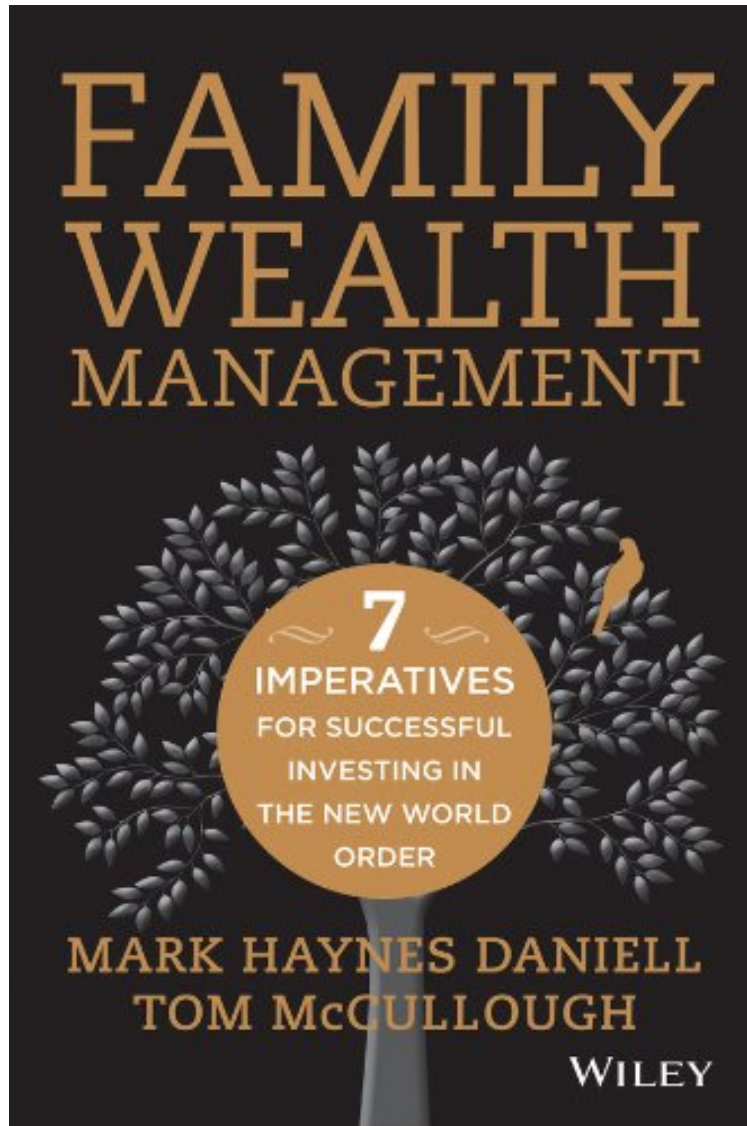


[Read free ebook] Family Wealth Management: Seven Imperatives for Successful Investing in the New World Order

Family Wealth Management: Seven Imperatives for Successful Investing in the New World Order

Mark Haynes Daniell, Tom McCullough
DOC | *audiobook | ebooks | Download PDF | ePub



[Download](#)

[Read Online](#)

#633992 in eBooks 2013-08-05 2013-08-05 File Name: B00G3IURAG | File size: 23.Mb

Mark Haynes Daniell, Tom McCullough : Family Wealth Management: Seven Imperatives for Successful Investing in the New World Order before purchasing it in order to gauge whether or not it would be worth my time, and all praised Family Wealth Management: Seven Imperatives for Successful Investing in the New World Order:

2 of 5 people found the following review helpful. a much needed, long overdue guide for the family office practitionerBy JOHN P. ROCHONan extraordinary synthesis of all the major factors that matter for preserving and

building multigenerational family wealth...a much needed, long overdue guide for the practitioner

0 of 0 people found the following review helpful. I Wish I Could Have Written This Book.By Mitzi in MarylandFamily Wealth Management will keep you engaged. It's a compelling mix of advice, stories, examples, theories, history, charts, graphs, insights and bon mots. If you read it on Kindle, odds are you'll have highlighted many parts of it because the book is not only enlightening, many parts are actionable. It's well-written and dozens of times, you'll stop reading to ponder and take to heart the authors' points.The book is unusual among family business books because, in addition to what seems like unusually comprehensive advice on preparing wealth for future heirs, it also puts immense focus on preparing heirs for future wealth.Something else I like about Family Wealth Management: the advice comes from a global perspective. The authors seem comfortable talking about geopolitical risks whether from the perspectives of family investors in Greece or Sudan, or the United States or China. Further, they don't shy away from addressing some of these risks, but they also see opportunities.If you want new, interesting, useful, well-written information on family businesses, this book is for you.

3 of 3 people found the following review helpful. The authors can't overcome a contradictionBy AbacusThis is a very in depth book about family wealth management. The two authors are very well versed in every aspects of this complex multi-faceted subject. They impart a ton of information and a lot of reasonably practical advice. Yet, they can't avoid a pervasive contradiction throughout the book. And, that is, contrary to what they advance, simplicity seems to most often beat out complexity. Let me explain.The authors make a case that the old approach of investing is dead. By that they mean that Harry Markowitz 1950s Modern Portfolio Theory promulgating asset diversification across just a few publicly traded asset classes is now obsolete. The world is now too complex, moving too fast, with many interdependent risks rendering this approach outdated. The new approach entails investing in many more asset classes including private equity, hedge funds, commodities, real estate, and infrastructure. The focus of their investment return test is the recent financial crisis with the related capital markets downturn (and upturn) from January 2008 to September 2009. On a related graph (pg. 257), they indicated that most asset classes were highly correlated during the downturn. And, that standard diversification did not work; Oh really. Notice that in this one graph, the one asset class not shown is bonds. Bonds (outside of the nefarious MBS, CDOs) provided an effective risk cushion during their reviewed period. I checked the record of Vanguard Balanced Index Fund (60%/40% Stocks vs. Bonds; the approach the authors think is so outdated) during this exact same period. And, it preserved capital during this wrenching downturn far better than all the other alternative asset classes the authors showed in their graph. The Economist in a recent article picked up on that too, as it mentioned that the mentioned 60%/40% asset allocation fared far better than hedge funds and private equity during the downturn. In other words, those fancy alternative asset classes did not provide any incremental diversification benefits to the standard 60%/40% asset allocation. This in itself contradicts much of the investment advice that the two authors impart throughout the book. To their credit, the two authors quote a bunch of other experts that state that simplicity most often beats out complexity. Just to mention a few, in the preface Stephen Georges states exactly that (60%/40% did far better during the downturn than most complex diversifications alternatives). Later, Dr. Thierry Malleret (pg. 41-43) states that investors' success will be enhanced by keeping investment strategies and allocations simple. Later, Robert Maynard (Pg. 163-164) states that a complex world does not entail complex solutions, but just the opposite.Despite this one major rebuttal to the authors' investment management philosophy, this book is very interesting and imparts a lot of information. Just to mention a few tools and insights I found very interesting: on page 253, the authors share a practical way of estimating bond returns over the next 10 years (just look at their current yield at yearend, and it gives you a good estimate of annual returns over next decade). On page 261, they share a similar method for estimating prospective stock returns as devised by John Bogle (founder of Vanguard). Regarding Private Equity, the authors state this is a 2-tier market. The top 10% of managers can generate Alpha returns. The vast majority of the remainder can't. I am also wondering how persistent that top 10% of managers is. Once you look this issue, private equity investing may look even more unattractive. The authors advance that the vast majority of wealthy families fail in achieving their goals from one generation to the next. An even greater percentage fails to maintain their financial status over only three generations. This three generation hurdle is true in all cultures and throughout modern times. The authors impart a lot of information regarding dividing your investments into several different buckets (liquidity, medium and long term investing). They call this approach mental accounting. This makes a lot of sense, but in no way does this contradict the Modern Portfolio Theory (even though the authors advance it does).They come up with numerous 7 steps or 6 steps for successful family wealth preservations in addition to their own. Those are invariably interesting and valuable. As an aggregation, they sometimes feel a bit overwhelming.There are many more insights within this book than just the few I mentioned. In summary, this is a worthwhile and thorough book. However, you have to withstand the mentioned heavy dissonance throughout the book (simplicity vs. complexity).

Introducing a fresh perspective on wealth management, with proven solutions to the challenges of preserving wealth and investing well in turbulent times Family Wealth Management is coauthored by two experts in the field of private wealth - one, a former director of Bain Company and the chairman of two of the world's largest family trusts,

and the other, a CEO of a leading global family office and professor of finance from University of Toronto. The book introduces you to a unique model of wealth management that produces the desired return outcomes while being consistent with a family's overarching goals and values. The approach combines the best traditional investment and portfolio management practices with innovative new approaches designed to successfully navigate through economic climates both fair and foul. While the authors address the critical "hard" issues of asset management, they also emphasize important "soft" issues of working with families to ensure that actions are congruent with objectives, in alignment with family governance principles and designed to help sustain and grow family wealth over multiple generations. The authors provide clear guidance on how to master each component: How to establish clear family vision, values, and goals as a critical foundation to a sound wealth management strategy How to establish a practical, integrated investment framework that will ensure a consistent, disciplined approach in all environments How to set a long-term family wealth strategy and define an asset allocation model that will produce the desired results How to draft an annual investment policy statement and refine the investment tactics based on capital markets trends and changes in the family's circumstance How to effectively monitor performance and respond to the need for change How to carefully select and manage an ecosystem of experienced, trusted financial advisors who will provide critical guidance through challenging period ahead How to successfully engage and educate the family to preserve and enhance the family's financial wealth and human capital over the generations

From the Inside Flap "Family wealth management is as much about family and its individual members as it is about finance and individual investments." —from the Preface The successful management of family wealth has always been a challenge, even in the best of times. And it has become even more difficult in this new world order where income and capital growth are hard to generate, where the old rules of the game no longer provide reliable guidelines, and the careful balance of both family and financial considerations is more important than ever. Family Wealth Management provides a fully integrated and family-centric approach to wealth management, addressing the family's philosophy of wealth and the development of its goals, its approach to structuring and allocating financial assets, and the importance of engaging and educating family members along the way. It provides a practical review of the harsh lessons learned by many families over the past years and practical advice on how to avoid the failures and costs of outdated approaches to financial management. Authors Mark Daniell and Tom McCullough also provide helpful direction on the integration of a family business into family wealth management plans, actionable insights on the differences between private and institutional investing, and practical advice on how to manage family wealth on a principled basis in turbulent times. While there is no single playbook that will guarantee consistent, long-term investment success, the authors believe there are some basic common elements required for successful investing. The seven imperatives outlined in this book serve as both a guide to the critical insights necessary for successful family investing, and also offer a step-by-step process to help families develop and implement their own unique investment strategies, and achieve their overall objectives. The authors provide clear guidance on how to master each component: How to establish clear family vision, values, and goals as a critical foundation to a sound wealth management strategy How to establish a practical, integrated investment framework that will ensure a consistent, disciplined approach in all environments How to set a long-term family wealth strategy and define an asset allocation model that will produce the desired results How to draft an annual investment policy statement and refine investment tactics based on capital markets trends and any changes in a family's economic situation How to monitor performance against both internal goals and external benchmarks How to select and manage an ecosystem of experienced, trusted financial advisors who will provide critical guidance through the challenging period ahead How to engage and educate the family to preserve and enhance the family's financial wealth and human capital over generations The pursuit of the long-term goals of family wealth preservation and growth requires family leaders to manage both family and finance successfully and to avoid the many traps and pitfalls along the way. This is a balancing act that requires the simultaneous mastery of both change and continuity in the constantly evolving world of family wealth management. Comprehensive, practical, and easy to apply, this book will serve as an important reference guide for family members and their wealth managers in the current challenging environment — and for many years to come. From the Back Cover Praise for Family Wealth Management "Investing with a long-term family perspective requires a deep understanding of both family and finance; Family Wealth Management addresses these two topics in a seamless fashion, providing a comprehensive reference and practical approach for families interested in preserving both lifestyle funds and legacy wealth through all types of investment environments." —H.S.H. Prince Max von und zu Liechtenstein, Chief Executive Officer, LGT Group "Family Wealth Management provides a much-needed practical guide to the intersection of family and finance. The seven imperatives and the many practical examples, case studies, and checklists will make this book an important reference piece for every wealthy family and the advisors who serve them." —John Benevides, President, CTC Consulting, Harris myCFO, LLC "Very well structured and comprehensive in its coverage, this impressive book captures many of the most valuable lessons learned by legacy families, both positive and negative. Those lessons, and the entire content of this book, can provide useful guidance for all family investors and their advisors." —Andreas Baer, Partner, Baer Karrer "Owning, managing, and nurturing

significant wealth involves hard work, discipline, and engagement. This valuable guide puts the family at the core of the complex yet comprehensible web of decisions and disciplines needed to set a family's own successful investment strategies."mdash;Alex Scott, Executive Chairman, SandAire"Thoughtful, expert, and practical . . . highly recommended."mdash;Ju-Jin Ong, Founder, One Global Asia Family Office and Deauville Private Office"Finally! A book that puts family investors back in the driver's seat where they belong. This excellent book provides fresh, sensible thinking and a clear forward road map for wealthy families. This family-centric approach is very positive and long overdue."mdash;Dirk Jungeacute;, Chairman, Pitcairn"In Family Wealth Management, Mark Daniell and Tom McCullough demonstrate that managing for sustainable and productive family wealth is all about integrating across family and finance. Not only do they make that critical point, they lay out a practical and comprehensive guide for doing just that. It should be required reading for both family leaders and their advisors."mdash;Roger Martin, Dean, Rotman School of Management, University of Toronto"Daniell and McCullough skillfully weave theory and practice to demonstrate how successful multigenerational wealth transfer starts with a family's vision and values."mdash;Sara Hamilton, CEO, Family Office ExchangeAbout the AuthorMARK HAYNES DANIELL is the founder and Chairman of the Raffles Family Wealth Trust, based in Singapore. He also chairs The Cuscaden Group, his family's own private office, also based in Singapore. He is a former director of Bain Company, one of the world's leading strategy consulting firms, where he worked for more than two decades with some of the world's wealthiest families and their businesses. Mr. Daniell has also served as director of Wasserstein Perella, a mergers and acquisitions advisory firm in London and Paris, and was the founder and chairman of Singapore's national Private Wealth Management Initiative.TOM McCULLOUGH is Chairman and CEO of Northwood Family Office LP, a Toronto-based multi-family office which serves the comprehensive financial needs of families of significant net worth. Northwood was founded in 2003 and has quickly risen to prominence as an international leader in its field. Mr. McCullough has spent thirty years in the wealth management/family office field and is also an adjunct professor of finance at the Rotman School of Management at the University of Toronto where he teaches "The Management of Private Wealth."