

ST. LOUIS TRUST

& Family Office

Selecting a Family Office for Your Family

The selection of a Family Office for your family requires a clear understanding of your objectives and a detailed knowledge of the service offerings of the firms you are considering. Family Offices come in all shapes and sizes and with a wide range of capabilities—differentiation among firms is particularly important today since many people and organizations claim to be Family Offices. It is most useful to begin the selection process by writing down in detail what your family needs and what has led you to the decision to investigate Family Offices. Interviewing a number of firms is often useful and necessary, often with the aid of a trusted advisor who can manage the interview process.

The following factors should be assessed and considered in selecting a Family Office:

- Does the firm specialize in a particular type of family? How does your family “fit” within the firm’s client profile? How many of those families are similar to yours in complexity and values?
- How is the firm staffed? What is the expertise of the people? Is it multi-disciplined or do all the people have similar backgrounds and work experience? Do they have established reputations in their profession? Does the firm have the expertise that your family needs?
- What is the service offering of the firm? How comprehensive or holistic? What specific services do they provide to each generation? Do they have trust powers? How are investment management services provided?
- What is the investment philosophy and process of the firm? How have they performed for their existing clients, in good markets and bad? Do they provide performance reporting on all of your investments? Are you comfortable with their approach to investments? How will they transition your existing investments?
- How are the people compensated? The old adage “Tell me how people are paid and I will tell you how they will behave” really applies in this context and is important. Is the firm working for your family?
- Are the firm’s interests aligned with yours? Who owns the firm? How sustainable is the business model? What is the firm’s ownership succession strategy? If you have a problem in the relationship, with whom do you speak to get it resolved?
- How independent is the firm? Is it part of a larger financial institution? Does the firm have its own investment products? Does it have other “captive” services, such as banking, tax or financial planning services that you are expected to utilize?
- Who will work with your family? What is the experience level and composition of your service team? How many other clients are they expected to serve? What is the turnover of personnel at the firm?
- What is the “business model” of the firm? Is it an open architecture model? Or does it require you to use in house products or services?
- How transparent are they? Are all fees and costs fully disclosed? Do they have conflicts of interest? Do they have formal or informal affiliations with other service providers, such as life insurance agents, lawyers, money managers, etc.?
- What service level should you expect from the firm? Is it high touch? How often do you expect

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them to meet with you?

- Have you seen sample investment reports and meeting agendas? Can the firm provide you with the information you need, when you need it? Do they benchmark your results? To what?
- Are you comfortable with the people and that they will represent your family's best interests over time? What assurance do you have that the firm will be able to serve your family over multiple generations?
- What does it cost and will our family derive value from the relationship? Total cost includes the cost of the family office services and the cost of all other services which are necessary for first rate wealth management services. What will we save by working with this firm?

There are, of course, many more questions to be asked, but at the end of the day, they fall into four primary categories: focus or specialization of the firm, expertise of the people, independence and absence of conflicts of interest and service. A thorough vetting process investigating these topics will lead you to a Family Office that will help you achieve your family's wealth management objectives over multiple generations.

St. Louis Trust & Family Office is an independent, multi-family office and trust company that advises clients on more than \$10 billion of investment assets and more than \$12 billion of total wealth. Founded in 2002, St. Louis Trust & Family Office provides holistic, high-touch client service including customized, independent investment management and a full range of family office and fiduciary services. The firm serves a limited number of clients with substantial wealth in order to maintain very low client-to-employee ratios. Visit stlouistrust.com to explore how the firm manages complexity with unmatched expertise and focuses on Family, Always.