

PROBLEM

A family with aggregate investment assets of about \$500 million had a family office with one investment professional and several support staff. The family office had experienced personnel turnover every few years because the family was not able to create career opportunities for the staff. When their current investment professional had announced her intention to leave, the head of the family decided to explore alternative ways to obtain the services the family needed.

SOLUTION

We spent considerable time with the family's investment professional and the head of the family to explain our investment process and analyzed the family's investment portfolios.

- We found many opportunities to improve portfolio tax-efficiencies of the portfolios.
- We recommended restructuring the portfolios to reduce investment costs, reduce taxes, reduce certain risk exposures, and improve after-tax returns. We also demonstrated how this restructuring would enhance the after-tax transfer of wealth to family members and make more capital available for charitable giving.
- We shared the details of our due diligence process for private investments, along with the results of our private investment program in various asset classes. The family appreciated our ability to access high-quality private investment opportunities without incurring Wall Street's distribution costs and conflicts of interest, as they had experienced previously.

RESULT

As our process neared completion, the family was able to say their situation had improved by:

- No more cost and worries associated with staffing the family office and turnover of key staff;
- Taxes on investment returns were reduced to about 0.75% of assets per year vs. their prior experience of between 1.25% and 1.50% of assets per year – about a 50% reduction in tax impact;
- The client's costs to gain access to various investment products was reduced by about 50% through greater use of passive strategies and more selective use of active managers, plus our ability to negotiate lower fees with active managers;
- Portfolios were simplified, and the family had improved access to high-quality private investment opportunities;
- The family's total investment costs were reduced, even after taking our fee into consideration.

In sum, the client experienced investment fee reductions and tax savings while also eliminating several costly staff positions in the family office.

For more information about outsourced CIO services contact Jayson DeAngelis at 781-314-1316 or jdeangelis@ballentinepartners.com.

Disclosure Information:

*This presentation from Ballentine Partners was intended for general information purposes only. This case study represents the experience of a specific client of Ballentine. Their remarks did not necessarily reflect Ballentine's opinions or positions. They have not been compensated to participate in this case study. No portion of the presentation serves as the receipt of, or as a substitute for, personalized investment advice from Ballentine or from any other investment professional of your choosing. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy, or any non-investment related discussion or content, will be profitable, be suitable for your portfolio or individual situation, or prove successful. A copy of Ballentine's current written disclosure Brochure discussing our advisory services and fees is available upon request or at www.ballentinepartners.com. **Please Remember:** Past performance may not be indicative of future results. Ballentine is neither a law firm, nor a certified public accounting firm, and no portion of its services should be construed as legal or accounting advice. **Please Also Remember:** If you are a Ballentine client, please contact Ballentine, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services. Unless, and until, you notify us, in writing, to the contrary, we shall continue to provide services as we do currently.*

****Please Note: Limitations:** Please keep in mind that no two client situations, or experiences are exactly alike, and that no portion of this story should be construed that any other person will experience a certain level of results or satisfaction if Ballentine is engaged, or continues to be engaged, to provide investment advisory services.*