



**LET'S TALK ABOUT...**

FINANCIAL LEXICON EDITED BY THE SWISS ASSOCIATION OF ASSET MANAGERS

## Family Office

This term from the Anglo-Saxon tradition designates a service company that offers a wide, integrated and centralized range of financial services to one or more affluent families (in such case it is called a Multi Family Office). It may be seen as a sort of Private Banking at its highest level. Normally such wealth, which has been accumulated through many family generations, has a complex structure, in terms of its components, both corporate and private, geographic locations and diversified items. Thus the Family Office provides planning, not just financial advisory, but also in tax matters, inheritance, in order to secure the most correct and convenient transmission through generations, legal, insurance, to take actions against those which may be viewed as major "wealth destroyers": inflation, investment losses, conflicts of interest and quarrels among the family members, as well as all those events that may stop or strongly reduce financial inflows and suddenly increase outflows. Thus careful risk management and arrangement for adequate coverings are essential. All the same relevant is integrated portfolio management and investment consultancy, particularly when positions are much diversified and dangerous risk overlappings may arise.

The service may also include property management, purchases and sales, the staff and suppliers' administration, up to educational, cultural, travelling, philanthropic activities of the family members.

A well structured Family Office may even arrange placements for its clients, as well as launch and manage customized special funds... Some big banking groups have created important Family Offices for their very high net worth clientele.

Such service is particularly in line with the Swiss tradition, thanks to its various integrated skills and marked international experience. In the light of the changes which are taking place within the Ticino financial marketplace, the Family Office services are an important opportunity, which may be offered – as a matter of instance – to the many middle sized entrepreneurial entities, a mix of private and corporate wealth, which are so many and relevant in the Italian economic environment. - *GLT*

The views expressed are not necessarily those of the Swiss Association of Asset Managers

---