

**WINGSPAN LEGACY PARTNERS**

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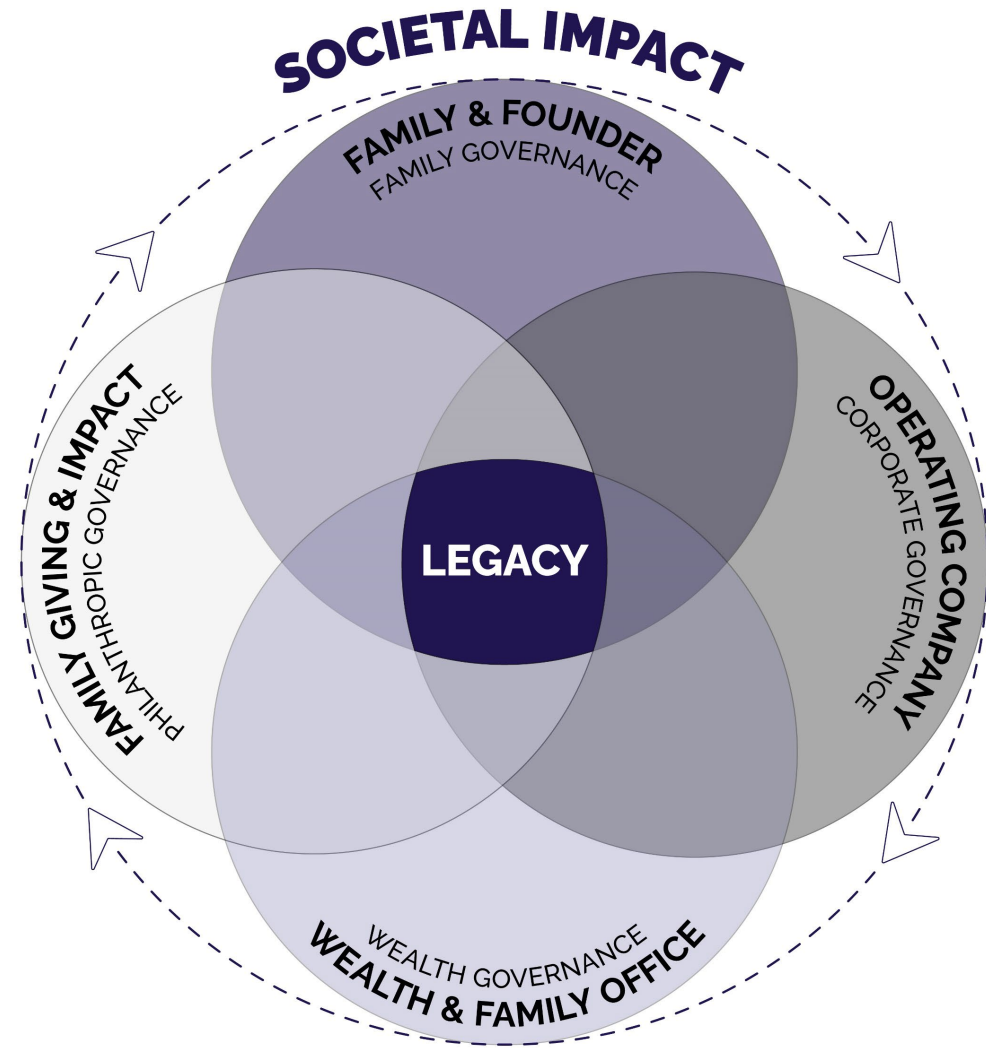
# **Family Offices – Another Family Enterprise**

**Baltic Family Firm Institute  
Vilnius, Lithuania**

**June 2024**



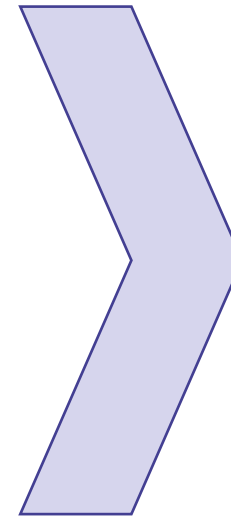
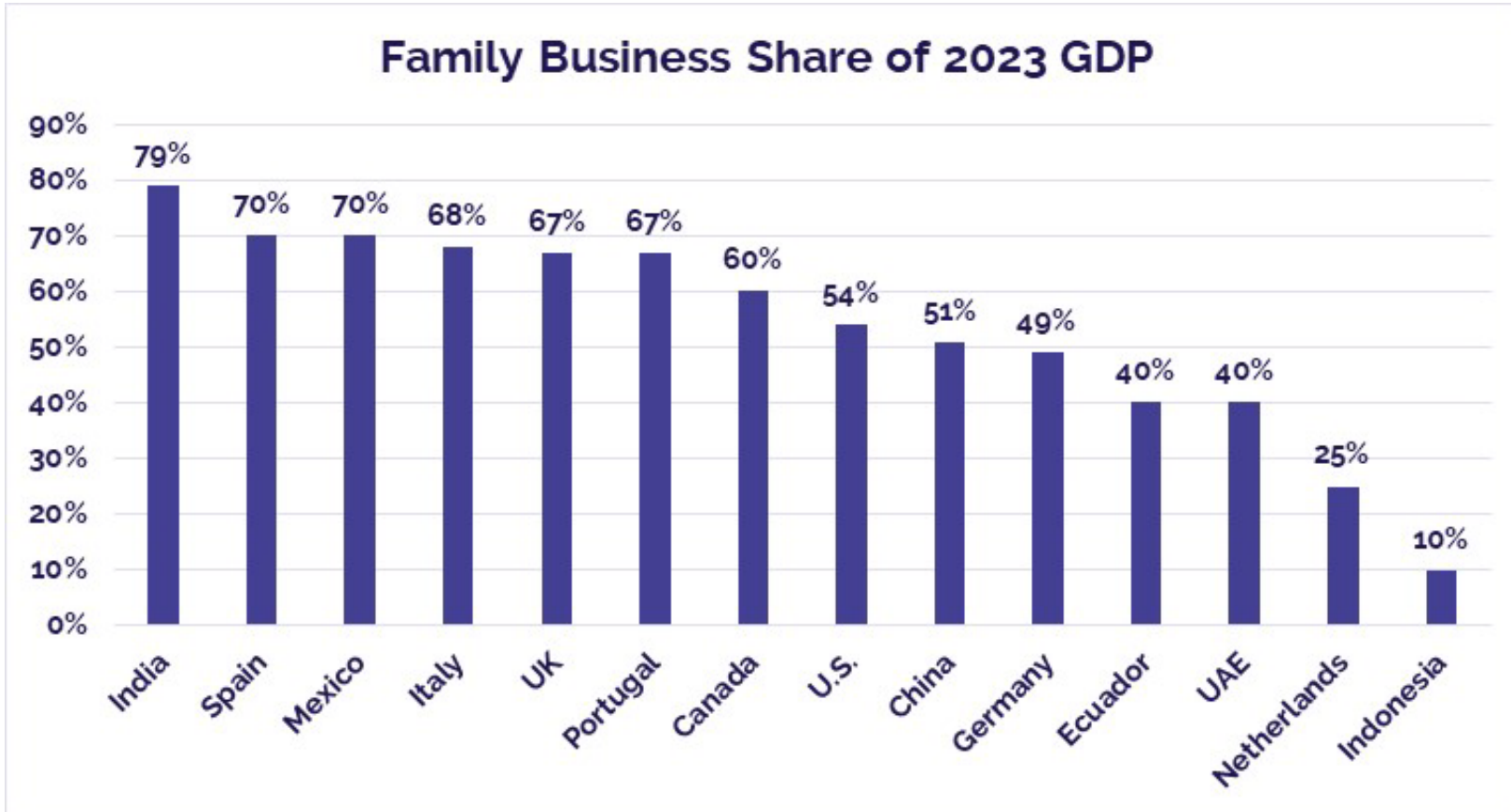
**Founders and Families  
can harness  
concentrated ownership  
to enact powerful  
change and drive global  
societal impact**



# Common questions

- What is a Family Office?
- How much money do I need to create a Family Office?
- How should I create a Family Office?
- Why should I create a Family Office?
- Who should run it?

# Family Businesses contribute 50%+ of global GDP...



**\$37.3tn**  
Estimated  
Contribution  
to 2023 GDP

Contribution of GDP by family businesses as a % of all GDP. Not inclusive of all countries with family businesses contributing to Global GDP.

**...and contribute 65%+ of global employment**

**The largest 500 global family business  
employ 24.52 million people**

**Of these:**

**76% have operated  
for more than 50  
years**

**45% have a family  
member as CEO**

**23% have all board  
seats held by family  
members**

# What is a Family Office - Different types of operating models

	1. Virtual	2. Embedded	3. Stand-Alone	4. Asset Manager
Description	Outsourced model with little in-house staff: aggregates external service providers to bring clients the range of services they want	Family delegates some personal responsibilities to a trusted senior manager of his or her company	Family Office is a stand-alone entity with professional management	Family Office is a stand-alone entity with professional management; also known as a private investment firm
Staffing	Minimal	Within family-owned business	Minimum of 1 dedicated employee	Exclusive focus on asset management

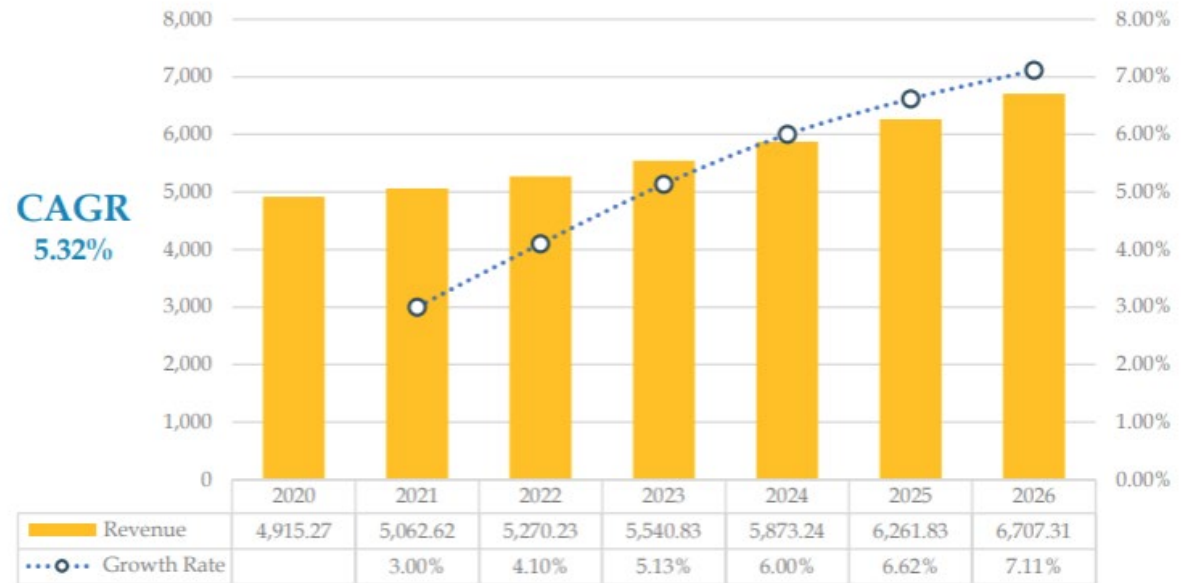
# The growth of Single Family Offices is propelled by the increase in ultra-high net worth (UHNW) individuals



**663,483**

The number of UHNWs (\$30+mm USD) by 2026

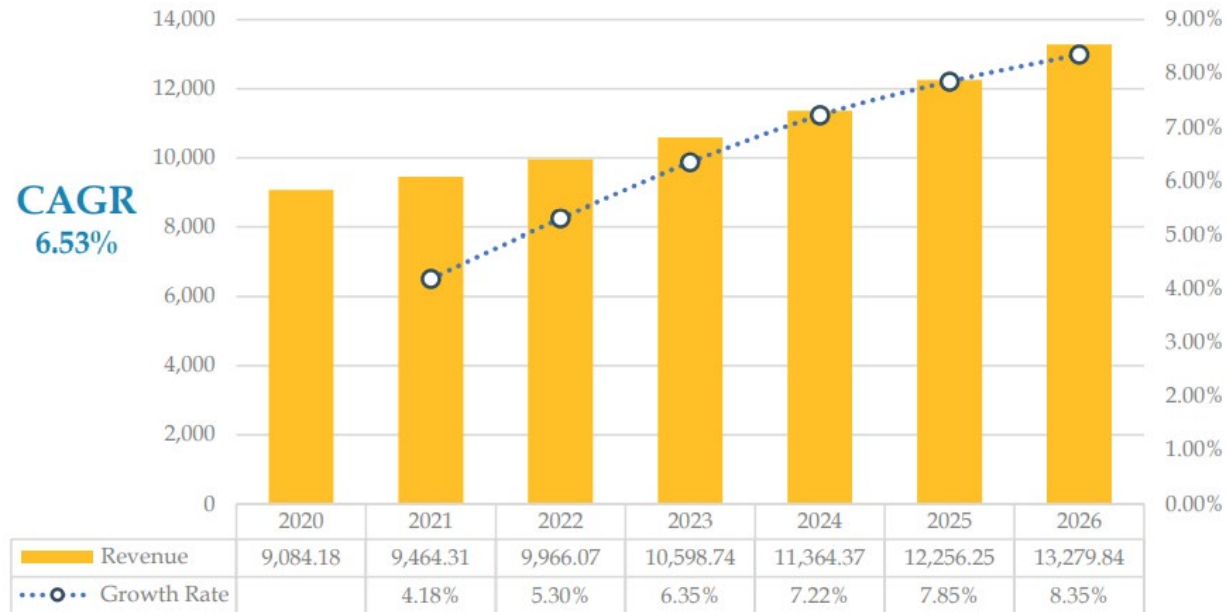
## Global Single Family Offices – expected to reach ~\$6.7 trillion USD by 2026



Source: Arizton

# The growth is mirrored in Multi Family Offices. . .

## Global Multi Family Offices – expected to reach ~\$9 trillion USD by 2026

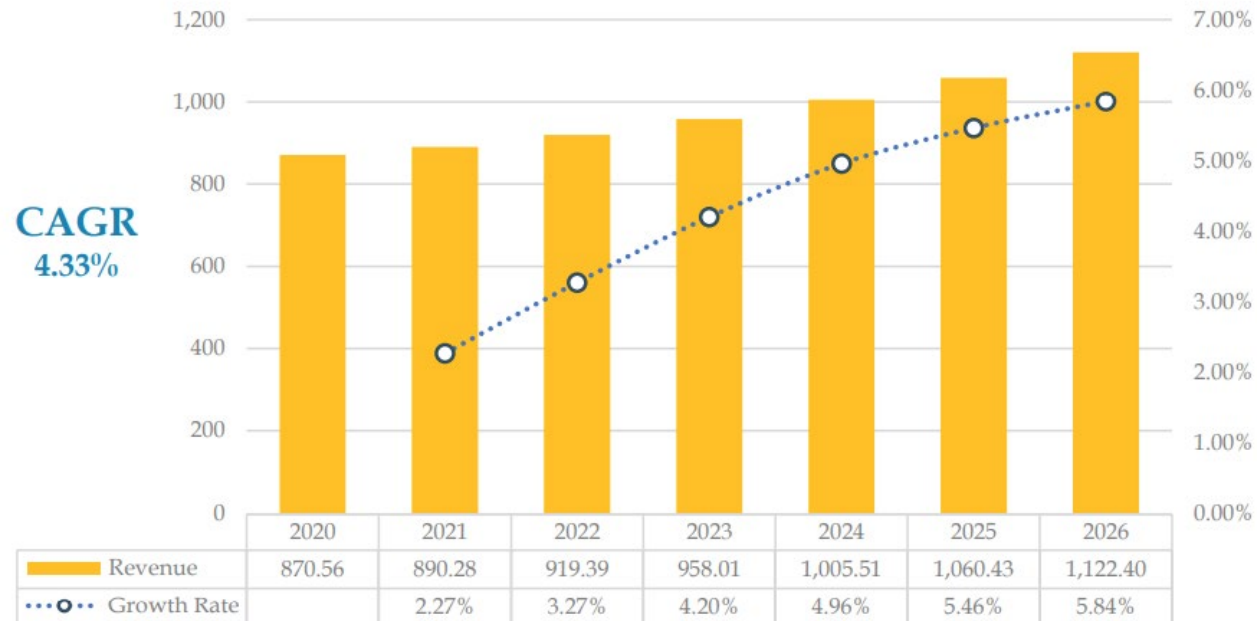


Source: Arizton



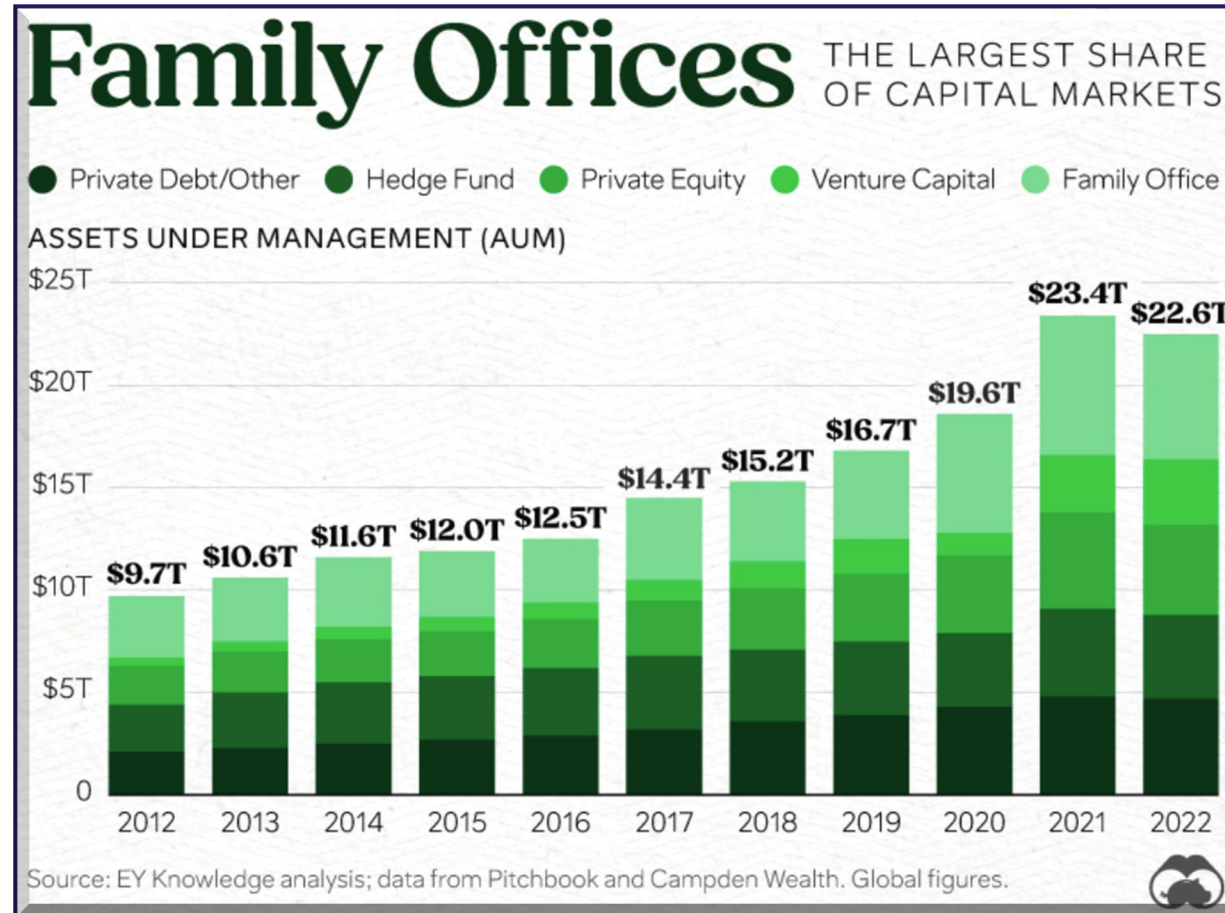
# ... along with Embedded Family Offices.

**Global Embedded Family Offices – expected to reach ~\$1.1 trillion USD by 2026**



Source: Arizton

# Family Offices make up 27% of private capital markets globally, more than doubling over the last decade



# The largest Family Offices vs Institutional Investors

## Top 10 Family Offices by size


Rank	Profile	Total Assets	Region
1	Walton Enterprises LLC	\$ 224,500	North America
2	Cascade Investment	\$ 170,000	North America
3	Bezos Expeditions	\$ 107,800	North America
4	Mousse Partners	\$ 89,000	North America
5	Ballmer Group	\$ 85,000	North America
6	Waycrosse	\$ 65,200	North America
7	Fedesa	\$ 55,000	Europe
8	The Woodbridge Company	\$ 53,900	North America
9	Pontegadea Inversiones	\$ 53,800	Europe
10	Dubai Holding	\$ 35,290	Middle East

In millions, USD.

## Top 10 Managers by size

Rank	Profile	Total Assets	Region
1	Blackrock	\$ 9,464,000	North America
2	Vanguard	\$ 8,400,000	North America
3	UBS	\$ 4,432,000	Europe
4	Fidelity Investments	\$ 4,230,000	North America
5	State Street Global	\$ 3,860,000	North America
6	Morgan Stanley	\$ 3,274,000	North America
7	J.P. Morgan Asset Mgt.	\$ 2,996,000	North America
8	Allianz Group	\$ 2,953,000	Europe
9	Capital Group	\$ 2,600,000	North America
10	Goldman Sachs Group	\$ 2,372,000	North America

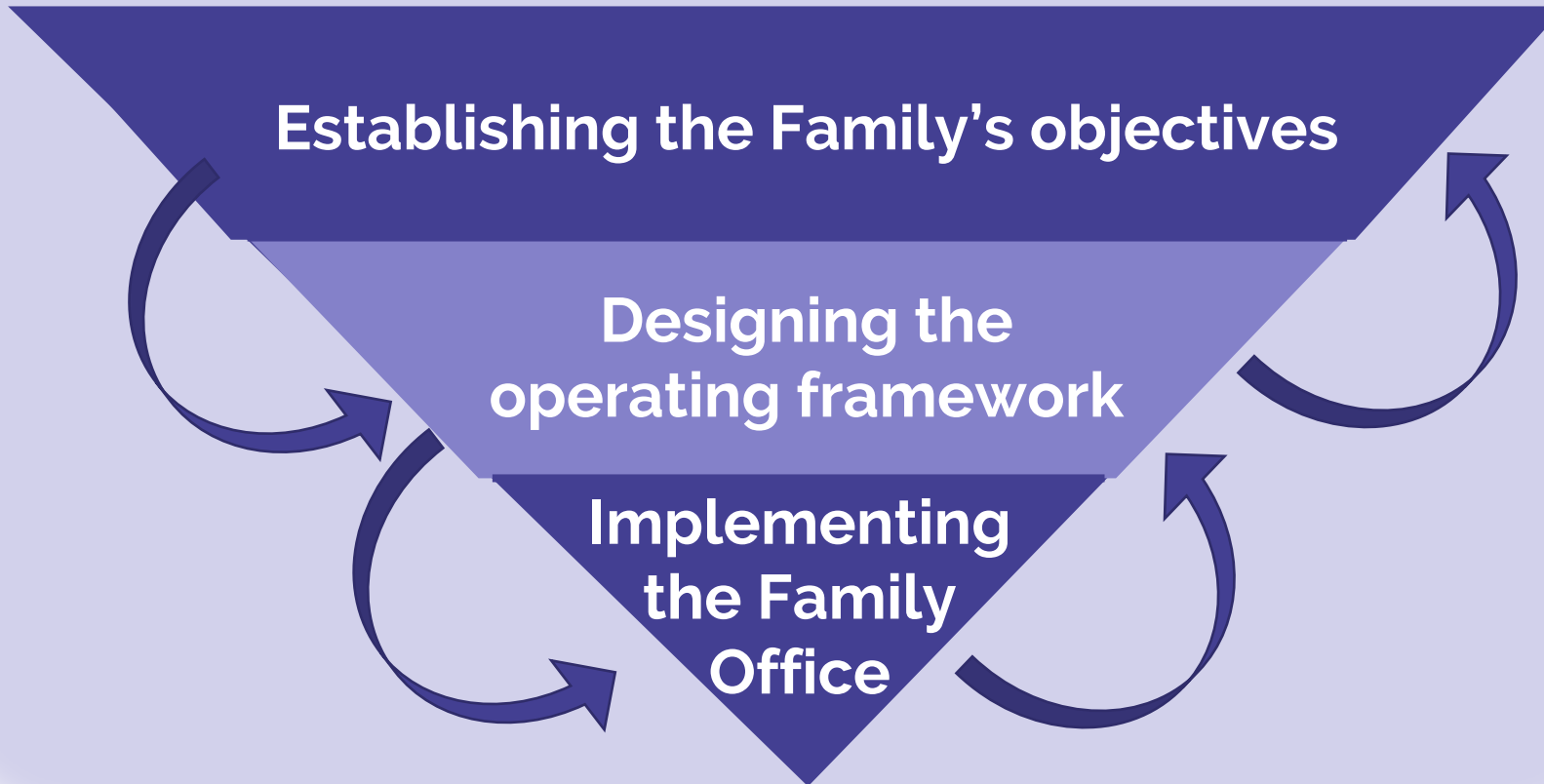
As of 2022, in millions, USD.

A stack of gold coins is the central focus of the image. The stack is composed of numerous coins, with the top portion being a tall, narrow column of about 15 coins. Below this, the coins are arranged in several shorter stacks of varying heights, creating a stepped effect. The coins have a textured, slightly irregular appearance. The background is a solid, light blue color, and the coins are reflected on a white surface below them.

**How much money do I need  
to create a Family Office?**

**No Answer.**

# HOW | Setting up a Family Office is an iterative process



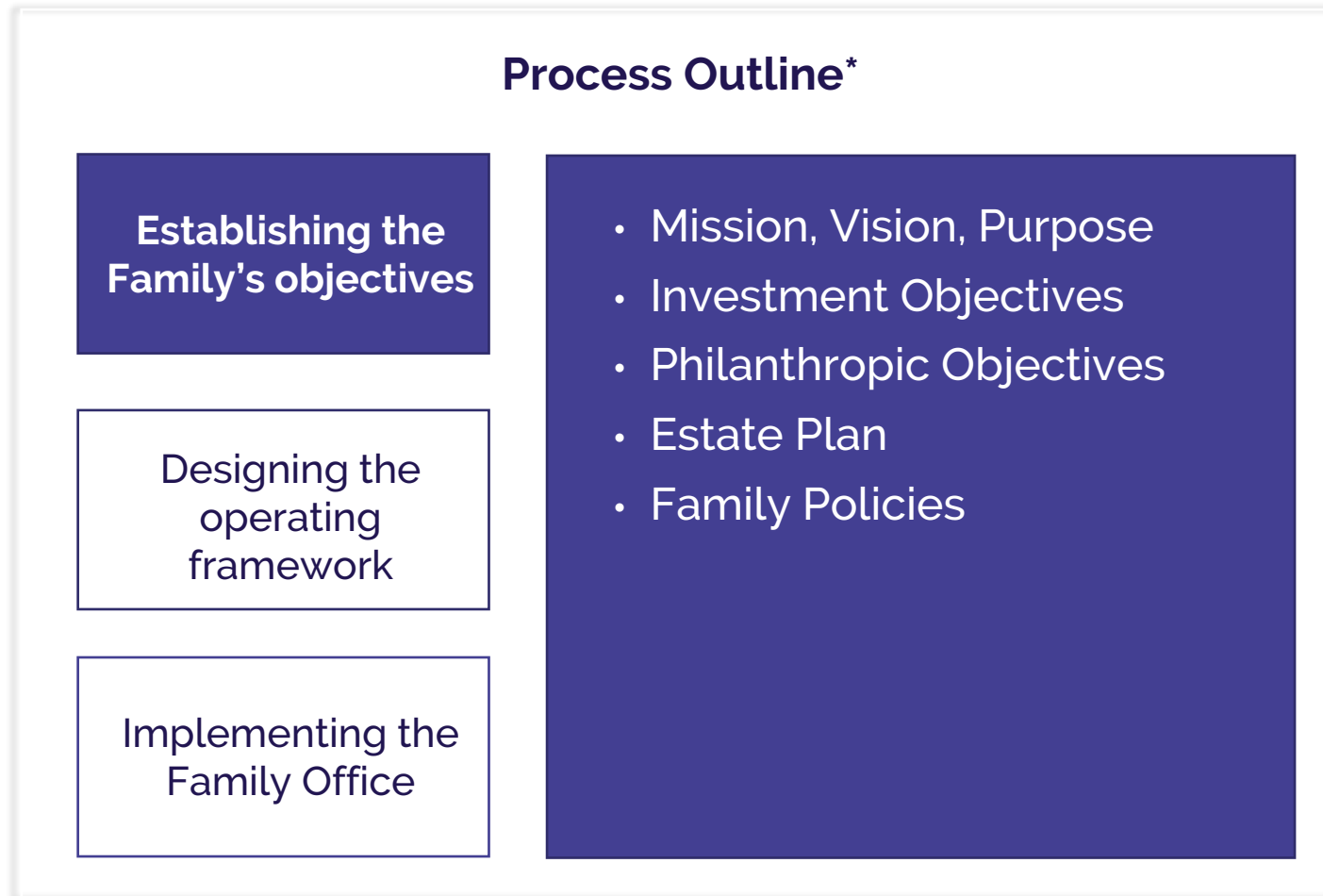
Aligning the family's **Mission, Vision, Purpose** with its objectives culminates in the Family Office **Strategy**.

The framework's entirety is derived from the Family Office Strategy. It outlines key **operating decisions** that catalyze action steps.

Implementation encompasses action items that lead to the stand-alone Family Office **formation**. Some of these steps must be taken regardless of whether the Family Office is independent from the operating company.

**Once established, review objectives and framework annually**

# HOW - STRATEGIZE | The families who get this right recognize that strategy must be the driving force behind the Family Office



\*Actual outline and order of tasks to complete will vary with Family Office structure

# HOW | Strategy becomes the 'North Star' through which all decisions are made

## INVEST



Mousse Partners is the investment division of [Mousse Investments Limited](#), formerly known as Litor Limited, which was established in 1979. Mousse Partners is responsible for investing proceeds, including dividends, distributed by Chanel Limited, a UK company.

Mousse Partners manages its global, diversified portfolio across a broad range of asset classes in public and private markets with a long-term investment horizon. We value deep and long-standing relationships, partnering with select external investment managers as well as investing directly alongside high quality management teams, entrepreneurs, and other institutional investors.

## IMPACT

WE USE A  WIDE RANGE OF TOOLS AND  STRATEGIES IN PURSUIT OF A MORE EQUAL AND JUST  AMERICA.

We believe that a combination of **philanthropy** and **venture capital** can support the greatest leaps of innovation. This model allows us to deploy resources in the most flexible way for the greatest impact.

### Philanthropy

We partner with nonprofits to create a more just and equitable future for individuals and communities.

[LEARN MORE](#) →

### Venture Capital

We are a multi-stage venture team focused on accelerating the growth of companies positively impacting the world.

[LEARN MORE](#) →



## INVOLVE



The Mathile Family Enterprise is dedicated to improving the lives of our Family, Employees, Communities and World by growing, giving and uniting for generations.



Grow our financial strength through responsible investments as we develop the talents of our Family and Employees.



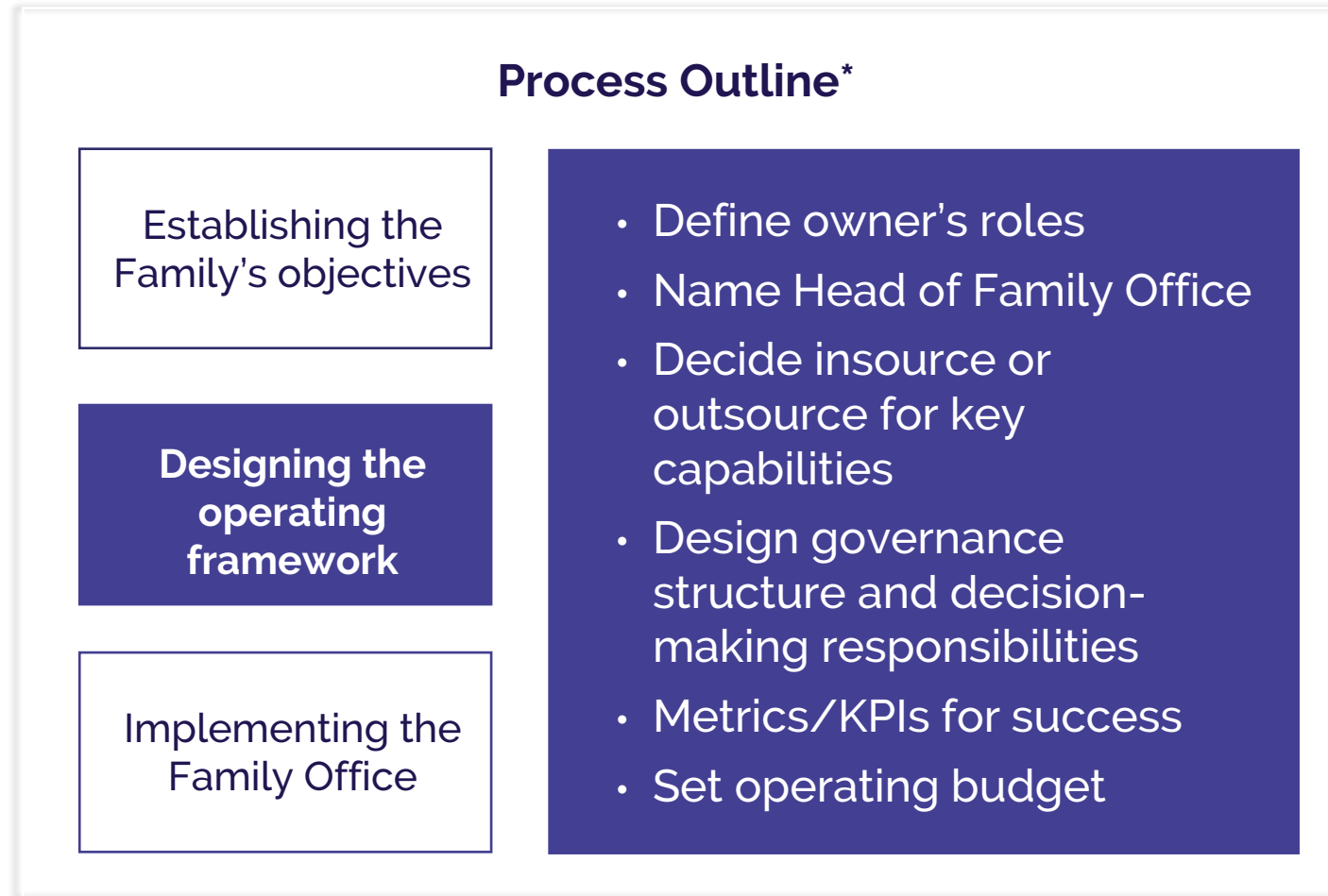
Give to those who demonstrate the discipline and capacity to change their outcomes.



Unite our Family forever through shared values and active participation in our efforts to make a meaningful difference in the world.



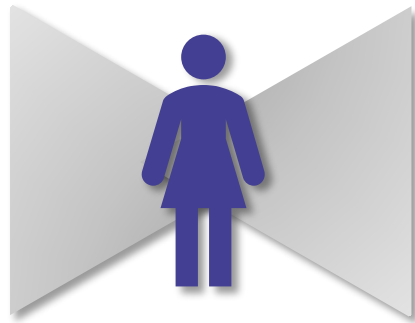
# HOW - DESIGN | Once mission and strategy are set, key operating, governance, and team decisions need to be made



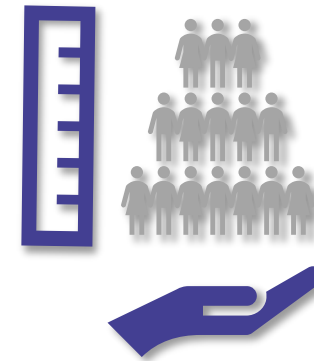
\*Actual outline and order of tasks to complete will vary with Family Office structure

# HOW | Determine what type of owner you are designing for

The role of the owner has major implications for governance, team structure, and type of employees and partners selected



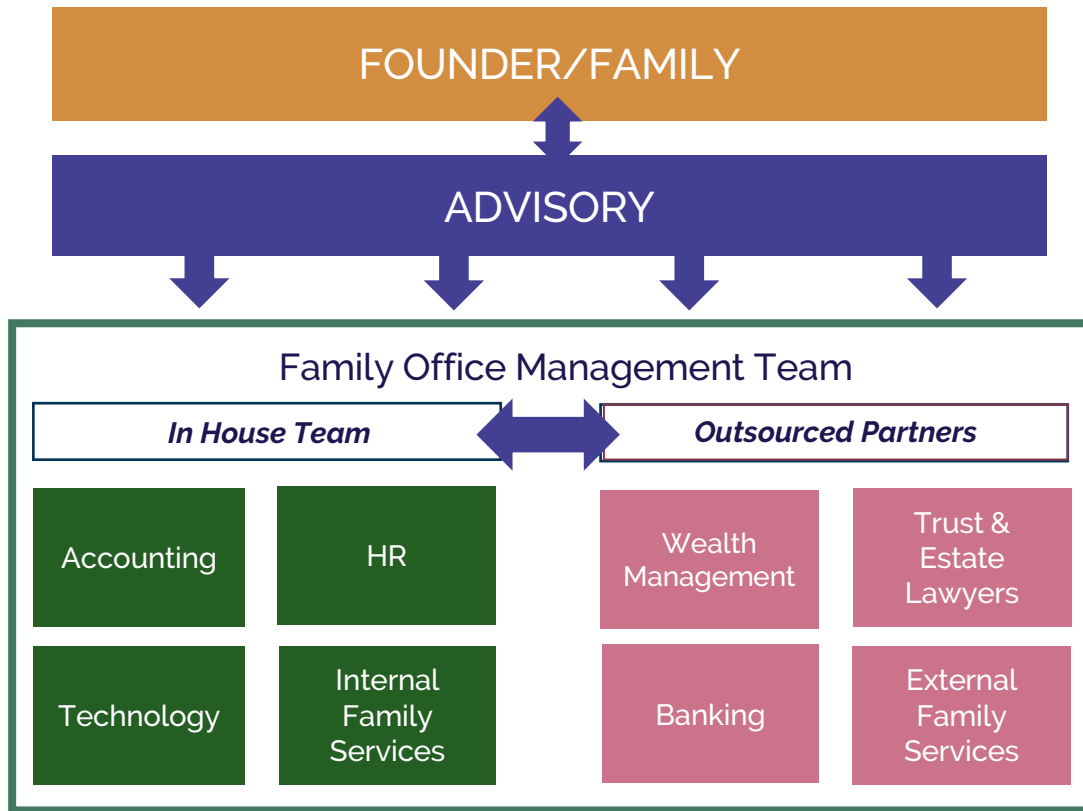
An active owner asserts influence and recommendations, is intimately involved in all investments and decisions



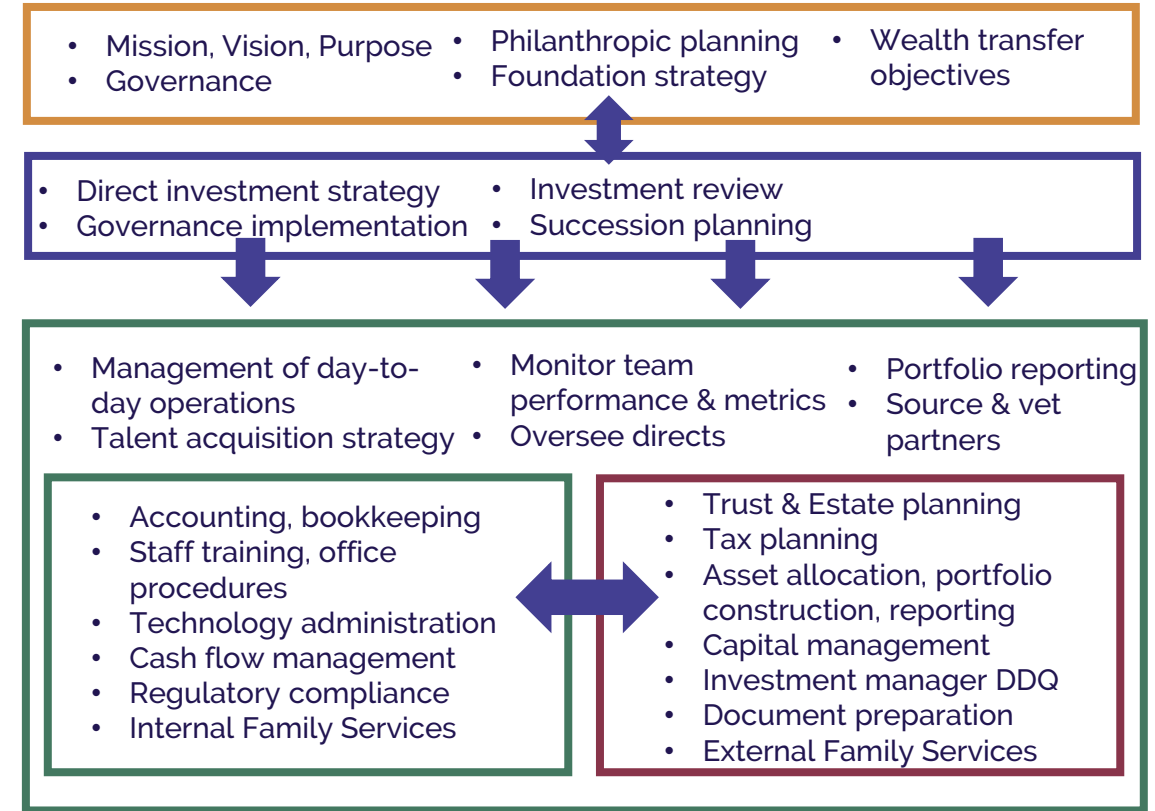
A responsible owner supports and measures the organization, participates where there are interests and skill overlaps

# HOW | Illustrative Operating Framework

## Illustrative Day-to-Day Operating Model



## Illustrative View of Responsibilities\*

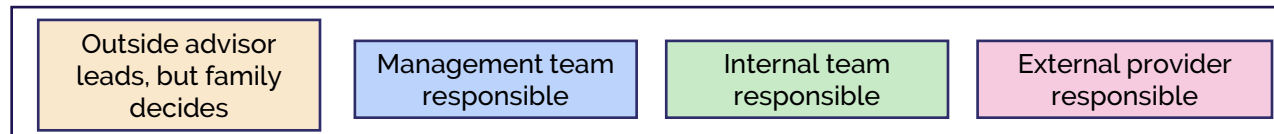


\*Actual distribution of responsibilities will vary with family wishes as determined in prior steps

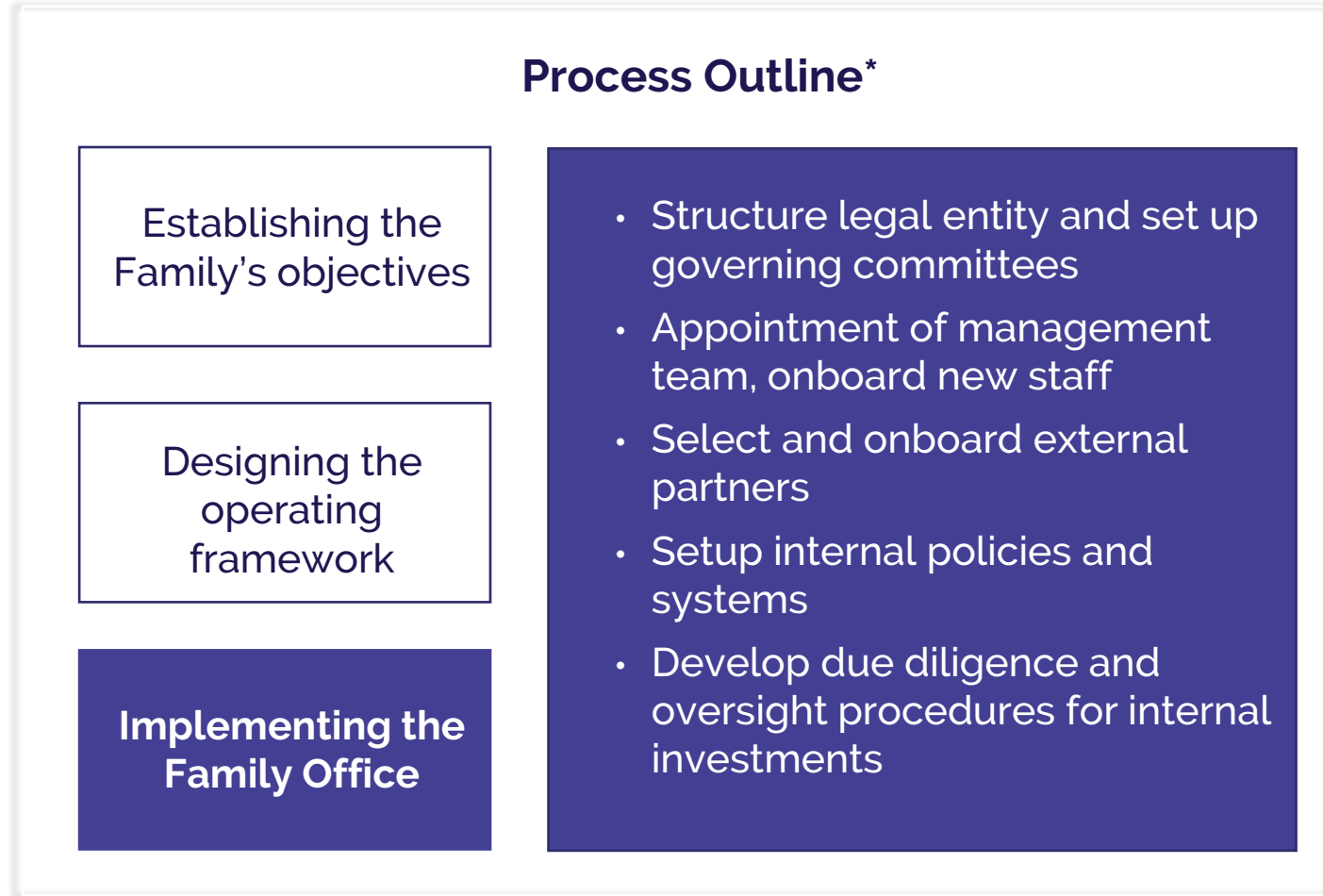
# HOW | Illustrative Implementation Plan

Governance	Team	Tax & Wealth Considerations	Business Operations	Family Services	Risk and Reporting
Draft Family Constitutions and mission documents	Write job descriptions for internal positions	Finalize Estate Planning and Tax Strategy	Develop annual budgeting process	Concierge services, providers, policies	Create systems and reporting oversight
Define responsibilities between FO leadership and FO owner	Appoint Head of Family Office	Draft IPS and risk and return objectives	Select back-office providers: tech, accounting, bill pay	Property Management approach, providers, policies	Investment benchmarking
Incentive design for investment team	Hire/Onboard new team members as needed	Wealth management, banking selections	Implement fraud prevention best practices	Insurance providers	<i>Risk Committee and Policies, applicable</i>
Benchmarking and team evaluation approach	Determine best practices for training/ onboarding	Create diligence procedures for investment selection			
	Draft team and HR policies	<i>Investment Infrastructure</i> (custodian, etc. - if internally managed investments)			
Post Sale					
Design board structures and ICs	Evaluate external members for board and IC	Structure Corporate Entity	Regulatory and Legal Compliance policies	Audits and checks for Tax Compliance	
		Design direct investment strategy	Cybersecurity best practices	Business Continuity	
		Design foundation strategy			

Actual distribution of responsibilities will vary with family wishes as determined in prior steps



# HOW - IMPLEMENT | The operating framework can be executed



\*Actual outline and order of tasks to complete will vary with Family Office structure

# WHY | A Family Office is a vehicle to drive family & individual legacies

**A Family Office can serve to...**

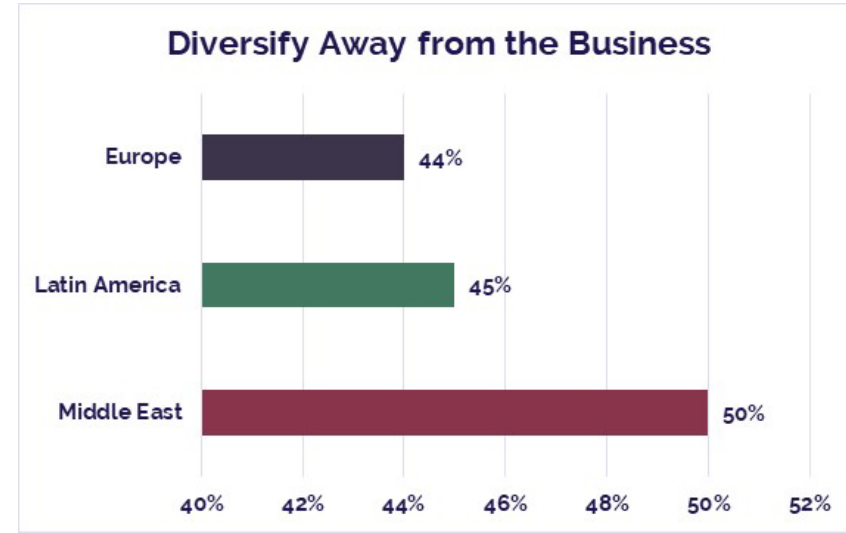
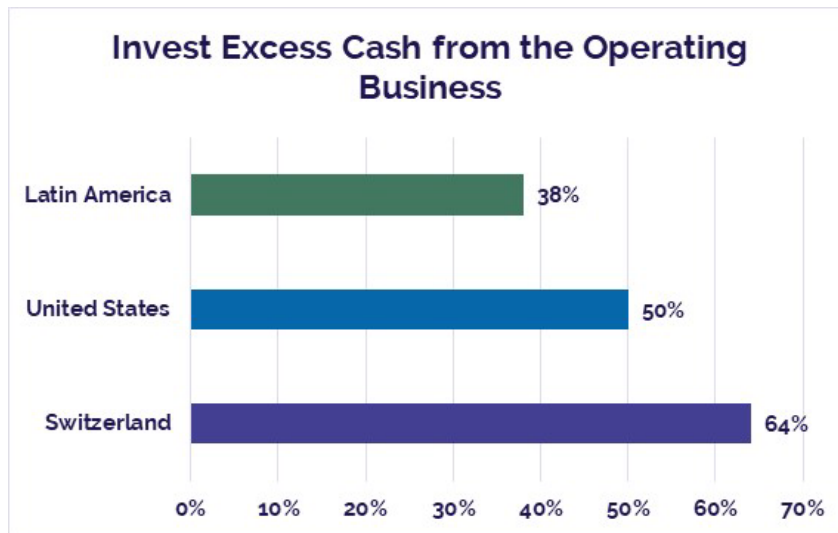
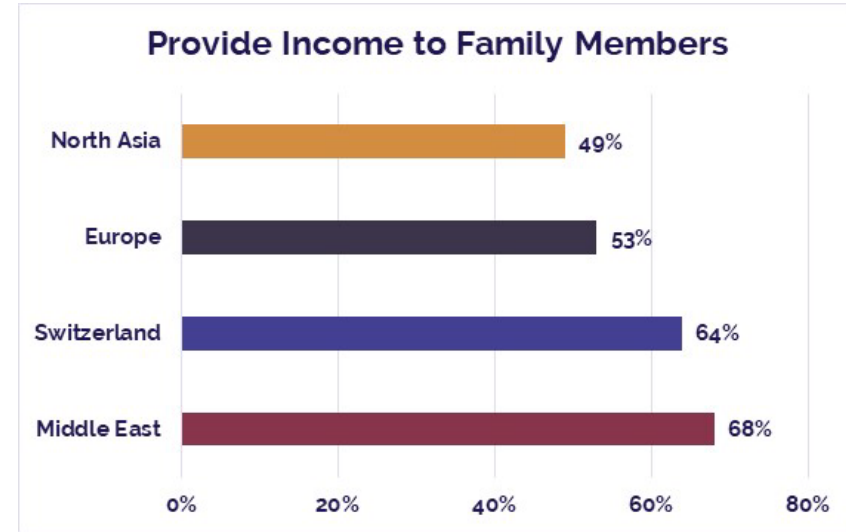
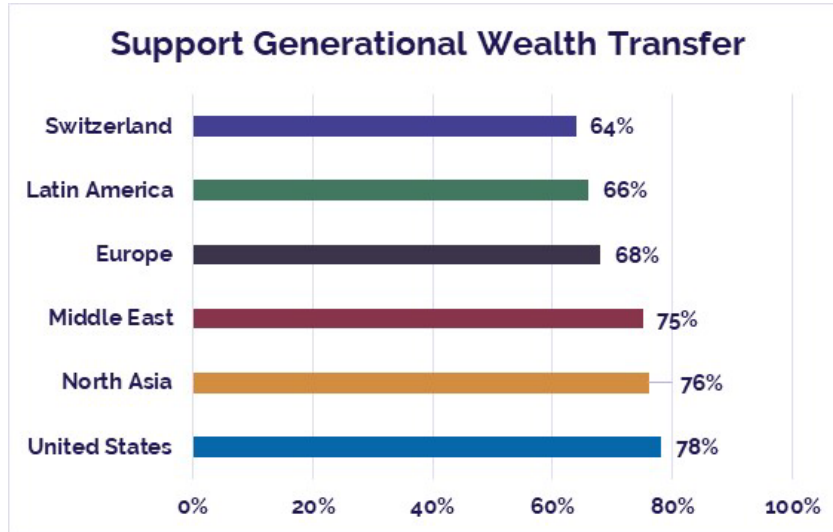
**Streamline the family operations**

**Promote intergenerational harmony and success**

**Customize and Maximize investment returns**

**Cement the Founder or Family Legacy**

# WHY | Customization to support varying objectives



## Common Pitfalls

No  
Succession  
Plan

Bottoms Up

Nepotism  
vs.  
Meritocracy

Family  
Infighting

Poor Due  
Diligence

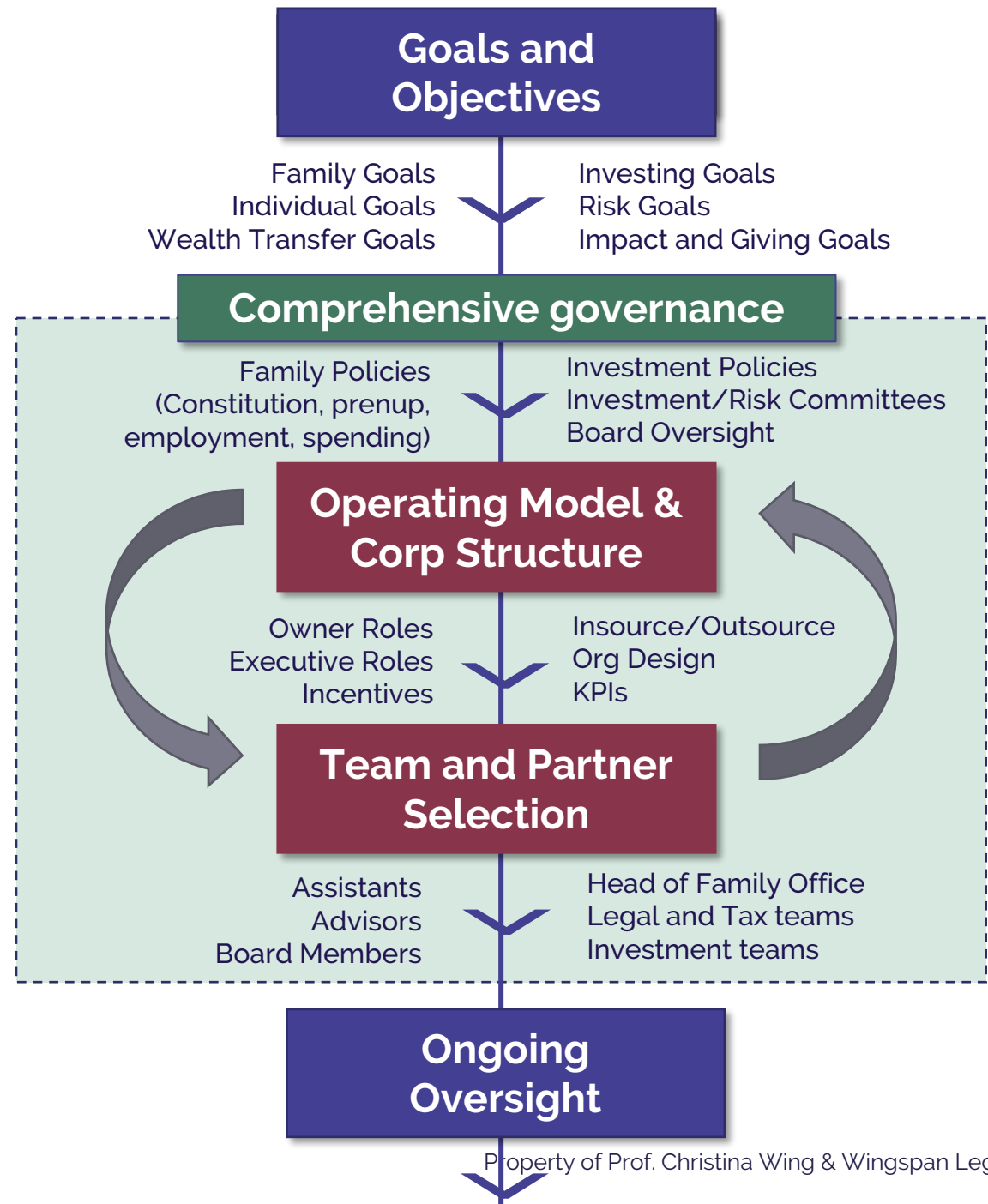
Founder  
"Swoop Ins"



# It's important to reassess objectives as the rising generation takes on more responsibility

- **Rising Gen** – in this case, Millennials – are more active in family investing.
- Millennials tend to prioritize **social impact investing more** than previous generations. They use different metrics to evaluate the investment portfolio.
- Rising Gen should be encouraged to educate the older generations on new criteria and **possibly** add **ESG benchmarks** to the overall investment strategy.

**Built correctly, the Family Office can become the hub of the family and a great place to ensure legacy and impact for multiple generations.**





**Family Offices are disrupting  
world economies...let's do it  
with integrity and purpose.**

# In Summary

01

## Strategize

Outline a clear vision of the legacy you want build

02

## Design

Convene the best talent and resources to enable growth

03

## Implement

Execute a plan that will fulfill your goals and drive societal impact

**“The great use  
of life is to  
spend it for  
something that  
will outlast it.”**

William James

