Escala

# Family Office Services



We offer a wealth of insightful experience in servicing the specialised needs of Family Offices.

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Our commitment is to create wealth to help shape your future prosperity.

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Key to this is understanding the challenges you face in accessing and implementing innovative investment opportunities.

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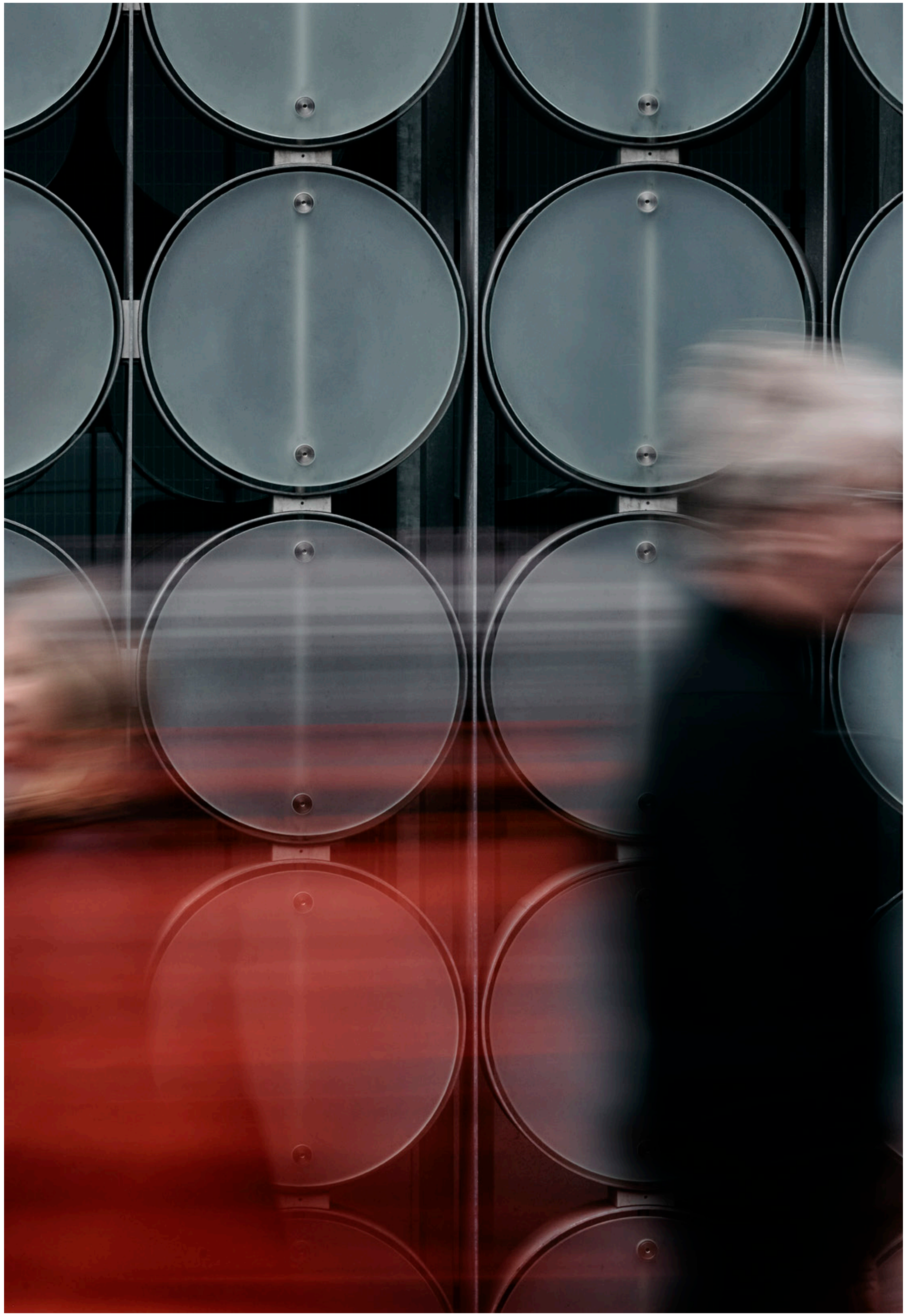
We can develop offerings for you in specific asset classes and also tap into co-investment opportunities with other Family Offices and institutions.





# Providing Access to Investment Ideas and Individual Asset Class Solutions

As Family Offices are sophisticated investors with well-organised structures, the primary role of our advisory service is to offer insights and opportunities that add value and enhance outcomes.

The solutions we can provide are based on our in-depth knowledge of the Family Office sector combined with our wealth management capabilities, including specialist teams such as our Direct Investment Group.

This breadth of expertise enables us to not only develop offerings in specific asset classes but to also tap into co-investment opportunities with other Family Offices and institutions.

Through our trusted relationships, we have a proven track record of bringing like-minded members of our investor network together and facilitating collaborative ventures that are mutually beneficial to all parties.



## Our Approach

Our focus is on solutions and outcomes.

The first step always is to fully understand the specific structure and investment goals of your Family Office.

Investments in asset classes are selected for consideration according to agreed parameters.

When an idea or opportunity is generated within our wider network, it is assessed on its individual merits and relevance to your objectives.

The potential for any collaborative opportunity is evaluated and subjected to rigorous due diligence.

Filtered opportunities are then introduced for review by compatible parties, and we provide advice and assistance with facilitation and deal flow.

Transparency is assured, with regular reporting that addresses required metrics and complies with all necessary obligations throughout the process.

## The Benefits to You

You can be sure you will receive service and solutions that are second to none.

Enshrined in our collegiate approach is the principle of sharing knowledge and ideas, not only within the firm but across our wider investor network.

Your dedicated team has access to the skill sets of all our advisors, drawing on their considerable experience and expertise in both local and global financial markets, which is greatly enhanced by our extensive links through the global Focus network.

These resources are complemented by our in-house technical and research capabilities, particularly within our Chief Investment Office (CIO) team who provide strategic and tactical allocation advice on specific asset classes.

They can select from the full range of asset classes, including direct fixed income, alternatives, venture capital and equities. The CIO team is also responsible for fund manager selection and oversight.

Also at hand are our specialist teams, such as the Direct Investment Group who curate direct fixed income portfolios and can identify and undertake due diligence on opportunities for institutional-quality direct private and public investments.

Importantly too, the door can be opened to other Family Office groups and institutions.

Collectively we can generate innovative ideas and collaborative ventures that will contribute to optimal investment performance over the long term.

Our passion for excellence means
that we approach investment
with a proactive spirit
and a desire to innovate.

## Core Services

Our core services are:

- asset allocation consultation and advisory, including access to our CIO team for strategic and tactical input across the entire asset base
- full-service advice covering specific asset classes (allowing you to influence the selection of asset classes to be managed)
- wealth management advisory (across all asset classes) if applicable
- access to deal flow through our Direct Investment Group, including private and public investment opportunities
- guidance on ESG and investment policy and governance matters
- investment consultancy, including participation on your investment committee if appropriate
- specialised advice pertaining to foundations and not-for-profit activities
- investment education and mentoring to facilitate inter-generational wealth transfer
- networking and information events tailored to the Family Office and Ultra-High-Net-Worth sectors.

## Co-Investment Services

Co-Investment services include:

- due diligence of investment ideas and opportunities
- introduction to other Family Offices and third parties to explore co-investment opportunities
- pre-qualification of potential co-investors to ensure they fit the agreed risk profile
- review of filtered opportunities through our wider Family Office network
- building relationships with like-minded Family Offices and institutions
- detailed reporting on all opportunities and co-investments
- follow-up due diligence on co-investments to provide comfort and ensure ongoing portfolio fit
- pooling of resources where appropriate to leverage deal flow and secure better terms
- accessing investments that are outside domain knowledge to increase portfolio diversification.

## Third-Party Services

Family Offices can occasionally benefit from external expertise to assist in their estate planning and governance, broadly or with specific matters such as succession planning.

Specialist consultants can help family members professionalise their approach to managing their assets.

They can facilitate the design of a best-fit Family Office model and build capacity of the next generation to prepare for their future responsibilities.

Such advice should be independent from any investment advisory services we may be providing.

If appropriate, we can arrange access to firms that can be trusted to do this work, privately and confidentially.

Besides financial capital, human capital is a family's greatest asset.

As interpersonal relationships are key drivers in preserving and enhancing accumulated wealth over the long term, they merit the attention these firms can provide.





## Direct Investment Opportunities

Our Direct Investment Group comprises specialist teams that sit alongside our Advisory Group and Chief Investment Office.

They assist clients seeking to complement their core portfolio with institutional-quality direct private and public investments.

Highly experienced in finance and structuring, these teams develop strategic and innovative investment solutions that are strategic and innovative.

One of the specialised services the Group offers is direct investment opportunities.

These can benefit clients looking for tactical investments that have a higher risk and return profile.

The team has particular expertise in identifying and structuring such investments, including off-market deals that are ordinarily difficult to access.

Direct investments in the private sector can include early-stage private equity, private debt, and property projects.

Public investments can include select equity IPOs or pre-IPO offerings, listed property deals and listed hybrid issuance.

## Direct Fixed Income

Direct fixed income investments are another specialised service offered by our Direct Investment Group.

They can suit clients exploring options with regard to capital stability, income stream and liquidity levels.

They can range from direct bonds to senior and subordinated debt and hybrid securities.

Applying their specialised expertise, the team can draw on institutional markets and pricing to curate fixed income portfolios that are secure and transparent, and structured to optimise returns.

The service allows clients to create and manage a fixed income portfolio based on their objectives for income, liability management, risk, and return.

Such a portfolio could invest, for example, in senior and subordinated debt.

Being high in the capital structure, it would provide a degree of surety as regards capital value and interest payments. However, as with any investment, capital preservation and returns cannot be guaranteed.

In our direct fixed income portfolios, all holdings are in the name of the investor and not within a unit trust. This means the investments, and the attribution of their performance, are transparent.

In addition, the portfolios are customised in terms of credit quality, duration, risk, and return, so investors always retain control over the level of risk.

## Property

Direct property funds allow private investors to own commercial real estate by pooling their capital. This can appeal to investors who wish to have a stable, regular and attractive income stream while gaining capital growth from the underlying asset.

We invest in direct property assets through our network of preferred property partners.

A typical direct property investment fund has these features:

- each investment will commonly have a fixed term, usually between five and ten years
- debt financing on assets held in the fund will normally be between 40 and 60 per cent of their value
- the investments are generally subject to regular appraisal-based valuations.

While these funds are usually seen as an illiquid investment, we have access to fund managers who have developed innovative features to provide liquidity.

## Private Equity

Private equity is an alternative investment class consisting of capital that is not listed on a public exchange. Funds and investors directly invest in private companies or engage in buyouts of public companies, resulting in the delisting of public equity.

The capital for private equity is provided by institutional and wholesale investors.

This can be utilised to fund new technologies, make acquisitions, expand working capital, and to bolster and solidify a balance sheet.

We can enable our clients to invest directly or indirectly in various companies that are raising equity. Criteria for a company to qualify for investment generally include that it has sound management, is generating revenue, has a global focus and a clear exit plan (through an IPO or trade sale).

## Venture Capital

Venture capital, a form of private equity, is a type of financing provided by investors to start-up companies and small businesses that show long-term growth potential.

For new enterprises that have a limited operating history (under two years), venture capital funding is increasingly popular.

It can be a vital source of capital, especially for start-ups, who typically lack access to capital markets, bank loans or other debt instruments.

Though providing seed capital can carry high risk, the attraction for investors is the potential for above-average returns.

We can provide access to these opportunities through direct investment, and through specialist venture capital fund managers.





## Australian Equities

Our view is that active management of Australian equity investments can add greater value than passive exposure through index funds or exchange-traded funds.

Subject to your specific objectives, the approach we recommend is to invest in:

- large capitalisation equities, via external Separately Managed Accounts or our in-house ‘model’ portfolio process
- small capitalisation equities, by utilising selected fund managers and small capitalisation trading professionals.

Our aim is to offer an appropriate level of diversification across relevant sectors and investment themes, with different investment styles and a mix of the large and small capitalisation equities.

## International Equities

This asset class provides access to the growth and diversification opportunities offered by the world’s leading companies and available to our clients through our global network of resources..

We believe the optimal way to include these equities in a portfolio and achieve the investment objectives is by blending:

- active asset management, with the expectation of alpha generation (after fees) over the longer term
- a degree of passive investment to help lower the overall management fee of the portfolio, while maintaining exposure
- a high level of diversification within this asset class
- accessing a wide range of markets, enabling the risk to be lowered as against a concentrated position in direct international equities.

## Structuring and Transfer of Assets

In addition to the investment opportunities outlined above, we can facilitate advice on the structuring of investment vehicles.

To do this, we draw on our relationships with finance professionals who have extensive experience in this area.

We recommend that you also seek advice from your accounting and legal advisors with regard to these matters.

# Contact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