

HOW PRIVATE BANKS CAN SUPPORT FAMILY OFFICES IN MONACO

The family office industry has grown tremendously over the past twenty years and will continue on this growth path as global wealth is expected to reach an all-time high of 399 trillion USD by 2023. As a consequence, recent years have shown a rising demand for family office services.

The Principality of Monaco is not an exception to this trend. Monaco has attracted the wealthy from around the globe for decades and remains the top global country for millionaires' density. Providing maximum security to its residents, economic prosperity and a long-standing history of political stability, Monaco ecosystem is particularly well-suited to Ultra-High Net Worth families. The Monaco Government also actively encourages the development of family offices, new legislation on multi-family offices has recently been passed.

Despite a highly favourable environment for family offices in Monaco, the complexity of their needs have also increased dramatically, and Private Banks can be partners of choice to help Single and Multi-Family offices tackle this increasingly complex framework.

First and foremost, family offices need efficient banking solutions and investment platforms.

Private Banks can accompany wealthy families and independent wealth managers at every step of their family office's investment journey, helping them devise relevant strategies and choose portfolio architecture accordingly. Beyond personal accounts for family members and online banking including personal and non-personal accounts, the management of complex family funds may also require specific products such as dedicated funds. Compagnie Monégasque de Banque (CMB) is the leading player in Monaco mutual funds market. It has launched and manages a large part of the 60 Monaco funds authorised to date. Moreover, some Private Banks may be able to offer easy access to financial markets, with opportunities of trading non-deliverable forward currencies.



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Furthermore, some Private Banks are guided by the belief that managing and nurturing family wealth can best be achieved by equipping family members with the knowledge and skills needed to understand investment decisions. In 2016 CMB created a first of its kind educational programme to enable female clientele to take on a lead role regarding family wealth's management.

Another key element to take into consideration when choosing a Private Bank for your family office is the approach to asset management and track record of performance delivered in all market's phases. CMB has a team of dedicated professionals who can discuss with you your family office's future vision and strategy. To sign a management mandate at CMB means having

access to customised investment strategies and all portfolios are actively managed according to your chosen risk profile. Furthermore, consolidation is a key service your family office might be interested in. A consolidated view can offer full visibility to ensure efficient diversification, as a consolidation service carried out by an independent affiliate can provide a critical review of single and overall asset allocation and performance.

Last but not least, Private Banks and family offices can work hand-in-hand to help Ultra-High Net Worth families devise philanthropic investment strategies. CMB has for instance set up a Philanthropy Academy which aims to transfer expertise to potential philanthropists through six training modules mixing theory and practical case studies. This approach brings both Private Banks and family offices closer to local charity organisations and fuels considerations on how philanthropy projects can be incorporated into a clients' wealth planning strategies.

Despite a keen understanding of the perks of partnering with a Private Bank, both Single and Multi-Family offices may still struggle to identify which one

to partner with. With access to a plethora of Private Banks currently offering their services to family offices, the main differentiating factor when choosing which Private Bank to work with should be their ability to truly understand the families' values and long-term goals. Choose a bank with a human touch and a keen belief that the key to success is to build relationships that go beyond one-time projects, and which is willing to provide value to their clients on a consistent, ongoing basis. If you do so, the Private Bank you cherry-picked would prove to be a reliable partner and should be able to provide to your family office value that goes beyond the traditional offering of banking solutions.

Werner Peyer is CEO of Compagnie Monégasque de Banque (CMB), a Private Bank based in Monaco and wholly owned by Mediobanca Group. With over forty years of experience, CMB specialises in wealth management. The bank offers a wide range of tailor-made investments and services, ranging from Asset & Wealth management to Financing and investment advice customised to the specific needs of each client. interest.

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