



QUALIFIED FAMILY OFFICE PROFESSIONAL (QFOP)
STUDY GUIDE

Sponsored by:



Family Offices Group

and



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This study guide has been created for individuals who are studying for the Qualified Family Office Professional (QFOP) Certification Program. Please use this guide to assist in preparation for your examination.

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I. The Family Offices Group and the Global Training and Certification Institute:

The Family Offices Group is a The Family Offices Group is a 40,000+ member-strong association for single and multi-family office professionals.

The Family Offices Group is an established professional organization created to connect single and multi-family office professionals for networking, resource referral, career advice, and eventually national/international strategic partnerships.

In addition to the Qualified Family Office Professional, ways in which the Family Offices Group is adding value to the industry include:

- The #1 largest association in the family office wealth management industry with 40,000+ current members.
- The #1 most popular web property on the internet that focuses exclusively on the family office industry.
- Our Family Office Report has been downloaded over 15,000 times. Richard released a book through Wiley & Sons on family office investment preferences and best practices in 2012.

Our Global Team: Our team of professionals has over 25 years of experience in capital raising, marketing, client services and research. Our headquarters are in Portland, Oregon but we have a global reach and you will often see our team members speaking at conferences and events across the globe. At the Family Offices Group, we recognize that while a large portion of the industry is located in the United States, there are thousands of family offices around the world. We frequently travel to places like Singapore, Monaco and Sao Paolo to meet and work with local family offices. These experienced professionals as well as our partners in the industry have helped inform the Qualified Family Office Professional program's materials and focus.

The Global Training & Certification Institute, also known as the G.T.C. Institute, LLC is a leading provider of globally recognized, 100% online certification and designation programs. The G.T.C. Institute is a Better Business Bureau-accredited training organization that has successfully trained and certified thousands of professionals.

Our Mission: *To offer the most practical, challenging, and globally relevant certification program in every niche profession we serve.*

Through serving over 3,000 professionals from over 40 countries, and by keeping this single focus, we have been able to constantly improve our platform by being the first to implement technologies such as our proprietary and secure online testing systems, audio expert interview series, and advanced video delivery system. We have chosen to solve the problems that others seem to ignore.

We are currently offering intensive professional self-improvement certification programs within several business and finance areas including financial modeling and analysis, hedge funds, private equity, investment banking and family office training.

II. QFOP Details and Timeline:

Program Details:

The **Qualified Family Office Professional (QFOP)** certification program is unique in that it is modeled after many online courses offered at Ivy League institutions today, while offering more value for a more cost-effective program. The QFOP program is a self-study program that includes educational multimedia resources in video form, a study guide, required readings, and a flexible online examination process, accessible around the world.

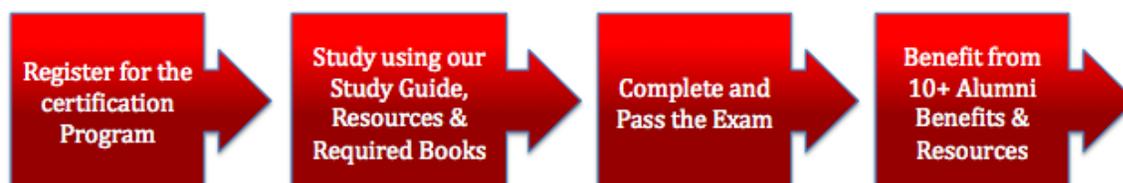
The online exam is structured so that in order to complete the exam within the 3-hour time frame, one must read through all of the assigned materials and conceptually understand the majority of the material to score well enough to pass the exam. Our goal is to offer the most challenging program in the industry while also providing all of the learning tools possible to ensure participants get the most out of the experience.



Qualified Family Office Professional program is sponsored by its sister company, the Global Training and Certification Institute (see above for details on the G.T.C. Institute). This certification program is designed to show and certify that you have gained an in-depth understanding and high level specialized knowledge of family offices.

In addition to the benefits of gained knowledge, growing industry recognition, more knowledgeable career choices, and networking, our organization is also developing additional resources for QFOP Participants. This includes video and MP3 recordings on Q&A or strategies and tactics, webinars, access to interviews with family office professionals who have more than 10 years of experience in the industry, among many more benefits.

4 STEP CERTIFICATION PROCESS



Examination Schedule:

QFOP examinations are held on the 10th of each month, giving you 12 examination dates to choose from each year. Please email us at least *2 weeks* before an upcoming exam to schedule your examination. Here are the corresponding deadlines for scheduling an examination:

EXAM DATE:	SCHEDULING DEADLINE:
January 10th	<i>December 27th</i>
February 10th	<i>January 27th</i>
March 10th	<i>February 24th</i>
April 10th	<i>March 27th</i>
May 10th	<i>April 26th</i>
June 10th	<i>May 27th</i>
July 10th	<i>June 26th</i>
August 10th	<i>July 27th</i>
September 10th	<i>August 27th</i>
October 10th	<i>September 26th</i>
November 10th	<i>October 27th</i>
December 10th	<i>November 26th</i>

You will have 24 hours to begin the exam, and three hours three hours to complete the exam. Examination login links are sent at midnight (EST) the night before the examination, and will be valid until midnight (EST) on the date of the examination.

QFOP Learning Objectives & Modules:

Goal: The goal of this document is to establish the learning objectives and modules within the Qualified Family Office Professional (QFOP) certificate program.

Mission: The mission of the program is to provide a self-paced and global comprehensive training certificate program to global family office professionals, assuring those hiring such professionals that they hold at least a minimum level of knowledge about the industry.

Learning Objectives:

1. To provide participants with a comprehensive understanding of the family office business model, line of services, operations, multi-generational wealth planning, and holistic approach to managing capital for the ultra-affluent.
2. To ensure that graduates leave the program with a basic understanding of investment banking, hedge fund investment strategies, private equity, venture capital, financial analysis, and financial modeling
3. To provide participants with a sense of confidence in how other family offices around the globe are investing their capital, managing portfolios, and conducting due diligence on investment opportunities and fund managers.

Learning Modules: Our team has developed an in-depth classroom area for participants in the QFOP program that includes over 300 originally produced training videos, and expert audio interviews on topics covering the following areas:

1. Single & Multi-Family Office Fundamentals
2. Family Office Operations, Trends, Portfolio Management, and Investing
3. Leadership & Management of Family Office Organizations
4. Private Equity, Venture Capital, Angel Investing, Real Estate, Hedge funds and Fund of Funds
5. Capital Preservation Methods & Strategies
6. Fundamentals of Trusts, Estates, and Global Taxation Issues
7. Family Office Business Development and Client Acquisition Strategies
8. Investment Banking & Financial Modeling
9. Fundamentals of Financial Analysis & Finance
10. Direct Investments

Benefits of Completing the Qualified Family Office Professional (QFOP) Certificate Program:

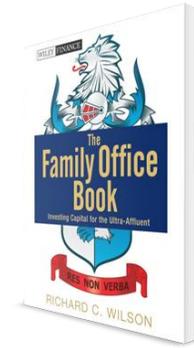
1. Quickly learn about many facets of the family office industry and typical investment approaches taken by those managing assets of the ultra-wealthy.
2. Complete a training and certificate program focused only on what is valuable to the family office industry, and at your own pace from anywhere in the world. You can complete this program on whatever time frame serves you and your team best, be that 3 months, 12 months, or 3 years or more.
3. Complete the program and you can walk away with credentials that you can place on your resume, and a certificate you can hang on your wall for the rest of your career.
4. Mastering the learning modules and objectives in this program will allow you to more effectively and efficiently serve ultra-wealthy clients.

Participants May Include:

1. Members of ultra-wealthy families who want to move from helping make direct investments and conduct research to establishing their own single or multi-family office
2. CPAs or expert consultants and advisors who would like to partner with, work for, or establish family offices
3. Family office career professionals who would like to speed up their success and establish credentials for themselves in the industry from a leading association
4. Wealth management professionals who may want to convert their RIA, financial advisory practice, or wealth management firm into a multi-family office
5. Professionals who work in finance and investments already but who may only have knowledge of trading, risk management, trust & estates, or other niche areas and need a comprehensive overview of the industry to more effectively serve clients in the space.

III. Required Reading:

[The Family Office Book: Investing Capital for the Ultra-Affluent](#) (Wiley Finance), by Richard C. Wilson, First Edition. ISBN: 978-1118185360



IV. QFOP Exam Preparation

a. Exam Composition:

There are a total of 320 questions in the exam, all of which can be earned from the multiple choice or true/false questions. Please see below for the composition and distribution of the questions in-depth.

<u>Topics and Questions</u>	
Single & Multi-Family Office Fundamentals	50 Multiple Choice Questions
Family Office Operations, Trends, Portfolio Management, and Investing	30 Multiple Choice Questions
Leadership & Management of Family Office Organizations	30 Multiple Choice Questions
Hedge Funds, Private Equity, Real Estate, Venture Capital, Fund of Funds and Angel Investing	60 Multiple Choice Questions
Capital Preservation Methods & Strategies	30 Multiple Choice Questions
Fundamentals of Trusts, Estates, and Global Taxation Issues	30 Multiple Choice Questions
Family Office Business Development and Client Acquisition Strategies	30 Multiple Choice Questions
Investment Banking & Financial Modeling	30 Multiple Choice Questions
Fundamentals of Financial Analysis & Finance	10 Multiple Choice Questions
Direct Investments	20 Multiple Choice Questions

You will have 3 hours to complete the exam. Those who have not made the effort to read the materials will have a hard time completing the exam within the allotted time, but for participants who have read the required readings and watched the required videos, three hours will be sufficient.

b. Terms and Concepts to Know:

Below, please find the terms and concepts that you should be able to define after having read the required readings:

- | | |
|---------------------------------------|--|
| 1. Single Family Office | 42. Client Minimum |
| 2. Multi-Family Office | 43. Discounted Cash Flow Analysis |
| 3. Alpha | 44. Private Investment in Public Equity |
| 4. Beta | 45. Lock-Up Period |
| 5. Due Diligence | 46. Investor |
| 6. Business Development | 47. Limited Partner |
| 7. Service Provider | 48. General Partner |
| 8. Sharpe Ratio | 49. Limited Liability Corporation |
| 9. Sortino Ratio | 50. Long-Short Hedge Fund Strategy |
| 10. Portfolio Management | 51. High-Water-Mark |
| 11. Asset Allocation | 52. Valuation |
| 12. Assets Under Management | 53. Claw-Back Provision |
| 13. Performance Fee | 54. Master Limited Partnership |
| 14. Management Fee | 55. Merger Arbitrage Hedge Fund Strategy |
| 15. Registered Investment Advisor | 56. Hedging Risk |
| 16. Trust | 57. Options |
| 17. Estate | 58. Accredited Investor |
| 18. Equity (Public and Private) | 59. Non-Accredited Investor |
| 19. Hedge Fund | 60. Private Placement |
| 20. Venture Capital | 61. Private Placement Memorandum |
| 21. Angel Investor | 62. Real Estate |
| 22. Limited Partnership Agreement | 63. Redemption |
| 23. Prime Brokerage | 64. Commodities |
| 24. Derivatives | 65. Private Equity Real Estate |
| 25. EBITDA | 66. Real Estate Investment Trust |
| 26. Capital Draw Down | 67. Qualitative Analysis |
| 27. Global Macro Hedge Fund Strategy | 68. Quantitative Analysis |
| 28. Mergers and Acquisitions | 69. Internal Rate of Return |
| 29. Income Tax | 70. Real Rate of Return |
| 30. Fund Manager Selection | 71. Hard Assets |
| 31. Initial Public Offering | 72. Currency Trading and Futures |
| 32. Philanthropic Management | 73. Maximum Drawdown |
| 33. Wealth Management | 74. Distressed Debt |
| 34. Illiquid Assets and Liquid Assets | 75. Emerging Manager |
| 35. Leveraged Buyout | 76. Diversification |
| 36. Management Buyout | 77. Private Banking |
| 37. Mezzanine Financing | 78. Relative Value Hedge Fund Strategy |
| 38. Leverage | 79. Sophisticated Investor |
| 39. Compliance | 80. Stock |
| 40. Ultra-High Net Worth Individuals | 81. Accretion-Dilution Analysis |
| 41. Board of Advisors | 82. Capital Raising |

- | | |
|---|--|
| 83. Hurdle Rate | 93. Directional and Non-Directional Risk |
| 84. Alternative Investments | 94. Absolute Returns |
| 85. Offshore Vs. Onshore Fund Structure | 95. Relative Returns |
| 86. UCITS Fund | 96. Securities |
| 87. Fund of Funds | 97. Traditional Investments |
| 88. Net Present Value | 98. Operational Due Diligence |
| 89. Business Sensitivity | 99. Institutional Investor |
| 90. Seed Capital | 100. Family Office Manager |
| 91. Debt Recapitalization | |
| 92. Investment Banking | |

Please define the terms from the required readings and audio-visual resources rather than a dictionary. You will be tested on the definitions that the author has provided.

c. Sample Questions:

1: What is a high water mark?

- a.) A permanent mark on your securities license for violating a FINRA rule.
- b.) A predetermined point which upon reaching, the general partner will return capital to investors.
- c.) A set threshold where investors can be assured they will not be charged a performance fee until the management has made up for past negative performance.
- d.) A component of a firm's financial statement that projects future revenues.

2: What is the Expert Generalist Model?

- a.) In this model, the family office moves from having just one expert generalist to also hiring four to seven in-house experts, all with 15-20+ years of experience in many areas.
- b.) In this model, the family office relies exclusively on outside help with no salaried employees.
- c.) In this model of operation, one person is put in charge of the family office while 80-90% of the value-added services are outsourced.
- d.) A model wherein a very experienced person runs the entire operation while less experienced professionals with five to seven or more years of experience or a few outside experts are used as needed to provide the complete solution

3: A Treynor Ratio was developed to differentiate between good and bad volatility in the Sharpe Ratio.

- a.) TRUE
- b.) FALSE

4: What does the acronym GAAP stand for?

- a.) Generally Adjusted Accounting Positions

- b.) Generally Accepted Accumulation Principles
- c.) Generally Accepted Analyst Principles
- d.) Generally Accepted Accounting Principles

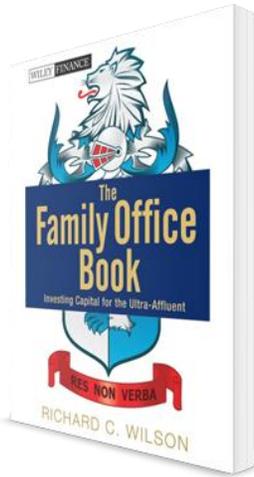
5: What is venture capital?

- a.) Investments in multi-family real estate.
- b.) Money provided by investors to startup firms and small businesses with perceived long-term growth potential.
- c.) Investments in real estate and other hard assets.
- d.) Investing directly in commodities such as gold or timber, or providing leasing against hard assets with a business plan in place to profit from owning the assets in case of default.

Answers provided on the last page of this study guide.

V. Book Summary:

The Family Office Book: Investing Capital for the Ultra-Affluent by Richard C. Wilson



Chapter 1: This chapter provides the reader with a high-level 10,000 foot view of the family office industry, going through the fundamentals with explanations of a single vs. multi-family offices and other core concepts that will serve as the foundation upon which the rest of the book is built upon.

For many family office professionals, this chapter will serve as a refresher of how family offices operate and the role they serve for ultra-affluent families and individual. The author also introduces Charles Grace, a family office executive who is interviewed at length in a later chapter, and shares Mr. Grace’s overview of the history of the family office.

This chapter also includes a look at the “Family Office Universe” which serves as a visual illustration of the various relationships and partnerships that are integral to the family office industry including single family offices, multi-family offices, service providers and regulators.

Chapter 1 concludes with a look at the current state of the family office industry. The author explains how the industry has been growing rapidly in recent years and how their reach is steadily expanding beyond the previous geographical boundaries of the industry. These aspects will be explored later in the book.

Chapter 2: The second chapter of The Family Office Book lists out and reviews the services that family offices are known for providing to their affluent clients. Every family office is different, but this chapter helps assure that readers are aware of the breadth of services that family offices are capable of providing.

As described in Chapter 1, family offices offer a 360 degree full balance sheet wealth management solution to ultra-wealthy affluent clients and families. An entire book could be written solely on describing the types of services that family offices often offer, but our focus is on how they deploy capital, so this chapter briefly reviews the suite of services often offered at family offices.

The first section deals with a somewhat obvious initial question when it comes to the family office model: Why do ultra-affluent families need a family office? The answer, Richard Wilson explains, is that ultra-affluent families have different needs and require different services than the typical family such as full-time portfolio management, complex accounting and tax consulting, legal counsel and other services explained in the chapter.

The author also examines the differences between the services offered by a multi-family office compared with those offered by a single family office. Wilson also talks about the different costs associated with a multi-family office compared with a single family office and how one

should go about deciding between the two. This is an essential question for family office clients: Is a single family office right for me? This is largely dependent on the level of service and individual attention you require as well as the costs you are willing to incur from having your own single family office and the staff, operational costs and formation expenses associated with this endeavor.

Lastly, Richard Wilson looks at how family offices differ by geographical location. This is further explored as the author incorporates interviews with family office executives from around the world.

Chapter 3: In this chapter, the author explores how family offices operate their businesses. This chapter discusses team structure, service providers, corporate governance, the centrality of Certified Public Accountants (CPAs) in the industry, three common models of family, and how the best family offices are run like well-oiled machines.

The reader should pay particularly close attention to the three models of family offices. These models include: the Outsourced Model, the Expert Generalist Model, and the Institutional Offering Model.

After explaining the three models, Richard Wilson offers his take on family office employees and how family offices structure their management teams. Finally, he examines how family offices use investment committees and board of advisors to improve the family office's performance, governance and operational structure. This chapter also provides a look at how some family office executives transition to the family office industry from other professions, such as from an accounting background.

The author wraps up this chapter with a look at how family offices can improve their operations by incorporating and documenting processes and better accountability within their operations. This, Richard Wilson explains, will help a family office operate like a "well-oiled machine."

Chapter 4: This chapter is directed primarily for ultra-affluent individuals who are reading this book in order to learn more about family offices, how to evaluate them, and what the real benefits are of hiring one to help them manage their wealth. Given this focus, this chapter may not be of the highest interest for readers outside this audience, however, this section does offer many ideas for how one can evaluate a family office and what type of qualifications and services a ultra-high net worth individual looks for in a family office and so will be of interest to most readers who want to learn more about this area.

As noted previously, one of the biggest decisions a ultra-high net worth individual has to make in regards to personal wealth management is whether to launch his/her own single family office or join a multi-family office. Richard Wilson looks at the advantages and disadvantages of either solution and what factors often influence this decision such as the individual's assets under management or required services.

While there are a number of important quantitative and analytical considerations when choosing a family office, the author highlights one important aspect that is sometimes overlooked: the character of family office you are working with. Richard Wilson explores this point at length, offering tips for identifying high-caliber family office executives with strong character.

To help with this analysis, the author includes “7 critical family office questions to ask” as the ultra-wealthy individual is reviewing a family office. This is especially instructive for those individuals conducting an on-site visit or simply doing a phone call with a family office. The chapter concludes with several family office executives offering their advice on how to select a family office and what services, terms and qualifications to consider during the decision.

Chapter 5: This chapter provides a framework for executing a marketing or business development strategy for a multi-family office. Most family office executives have deep expertise in taxation, fund manager selection, or risk management, but not marketing, sales, public relations, or business development. This chapter aims to provide some best practices, models, and tools for those multi-family offices looking to consistently build their client base.

Few books—if any—have tackled the subject of family office marketing and business development. This is a pretty niche topic but one that is highly important to multi-family offices because so much of the business depends on connecting with those select ultra-wealthy clients who are a match for their services.

In this chapter, Richard Wilson provides several original concepts for family offices to use in their marketing and business development efforts. One such technique is the client avatar which is a method by which a family office can develop a target client on which to focus its marketing. The Crystal Clear Edge is another concept introduced by the author which helps family offices find the aspect of their offering that is unique and shape their marketing around that advantage.

The Capital Raising Trifecta is a comprehensive strategy for raising your family office’s assets under management through writing, speaking and video, and proactive selling. Finally, the Capital Raising Funnel is a technique for funneling your prospective clients into subscribing to your services through various levels of engagement and contact such as your writing in publications or delivering speeches to audiences filled with your prospects. This Funnel helps further define and organize your efforts at engaging your prospects and improves your business development strategy.

The chapter concludes with an insightful interview with Brian Hughes, Managing Director of Strategic Relationships at the Threshold Group. His advice compliments the author’s insights in the chapter and offers a multi-family office professional’s views on the subject.

Chapter 6: In this chapter, the author provides the full transcripts from interviews that we conducted with single family offices. The goal is to show several different perspectives on how the industry is operating, investing, and evolving without being filtered or synthesized through Richard Wilson’s own experience in the industry. Through these interviews you can learn about single family offices management and capital deployment best practices directly from the executives who run these secretive organizations.

The single family offices interviewed ranged from \$50M to several running over \$1B in assets. The chapter begins the series of interviews with Mike Connor. He built a career working with \$1B single family offices and currently works for the Consolidated Investment Group, which manages over \$1B in assets. Mike provides some advice and insights on the areas of cash management, portfolio construction, and how fund managers are selected at his family office. Next, an interview with Elizabeth Hammack of CM Capital Corporation located in San

Francisco. CM Capital Corporation has deep roots in commercial real estate, and manages more than \$1B in assets.

The third interview in this chapter is with Frank Casey who has 37 years of experience. You may recognize him as being part of the team that blew the whistle on convicted fraudster Bernie Madoff—this is an especially interesting interview as he explains how he and his partners first uncovered Madoff and how to avoid letting your family office fall victim to similar schemes. Next, Richard Wilson interviews John Grzymala who has 20 years of experience as a single family office chief financial officer out of New York City. The author also interviewed Matthew Andrade from Canada who runs a very niche, focused single family office with an emphasis on commodities. We finally finish this chapter with a transcript of the interview with Angelo Robles who runs an association of single family offices and works with them on a daily basis.

These interviews were a rare peek into the mind of a single family office manager. Unlike multi-family offices and wealth management firms, single family offices exist only to serve their one family client, so there is less incentive to market their services or participate in traditional PR opportunities. That is why it is so rare and so valuable to gain the insights from these single family office executives and learn how they serve their clients. This chapter, along with the following chapter of multi-family office interviews, offers the best insights into how family office executives operate and make decisions.

Chapter 7: In this chapter, Richard Wilson provides you with a sample of the transcripts of interviews he conducted with multi-family offices around the world. Many of these family offices are global and several have been listed as top 30 most successful family offices.

This in-depth chapter provides transcripts of interviews with multi-family offices, many of which you may recognize from lists of top 50 family offices in the industry. As touched on in the last chapter, Richard Wilson completed 36 interviews with leading family offices. This chapter will provide you with detailed interview transcripts of seven of these interviews to complement your understanding of multi-family offices and how these executives work and serve their clients.

The chapter begins with Charles Grace. Known across the industry for founding Ashbridge Investment Management, Mr. Grace is now a Director at the Threshold Group in Gig Harbor. In this interview, Mr. Grace explains the history of the family office, how the model has evolved and trends in the industry.

The next interview is with Lukas Doerig of Marcuard Family Office in Zurich, Switzerland. Mr. Doerig covers a range of issues and global taxation and wealth management issues in detail. As Mr. Doerig explains from his European perspective, family office management gets increasingly complicated when your clients reside in different jurisdictions and have different tax codes to abide by.

The author then interviews Jeff Colin of Baker Street Advisors, a top 50 multi-family office based in San Francisco, California. While Jeff started this family office just eight years ago, it is already nationally recognized and this interview is a great opportunity to learn from a highly-successful family office manager on how he has achieved that success and kept his clients satisfied throughout his career.

Another great interview in this book is with Thomas Melcher of the Hawthorne Multi-Family Office, a top 50 family office that manages over \$21B in assets and serves more than 500 ultra-wealthy families in the United States. Mr. Melcher talks about the importance of trust in the family office space, how he has made an effort to always put his firm's clients first and deliver world-class service, and how he has kept to his strategy of "keeping wealthy families wealthy."

The next interview is with Greg Kushner of Lido Advisors. He has over 25 years of experience in the family office industry and is the founder of the Southern California Family Office Directors Association (SCFODA). SCFODA has become one of the most well-known regional family office associations on the West Coast of the United States. Mr. Kushner's perspective on the industry is unique, as his nationally recognized firm offers both institutional consulting services and family office wealth advisory services. In this interview, Mr. Kushner gives his take based on his special perspective on the family office space and especially those operating on the West Coast.

Finally, this chapter's final interview is with Bob Benson, Chief Investment Officer of Laird Norton Tyee. Mr. Benson talks about fund manager selection and how he works with his team and fund managers to deliver investment solutions to his family office clients.

This chapter offers the reader a look at some of the top multi-family offices in the industry today and a great opportunity to sit down with family office veterans like Charles Grace and Jeff Colin and learn from their deep experience. These family offices manage several billions of dollars for a number of wealthy clients, so it is valuable to see how they are able to meet different clients' needs and deal with the various issues that arise from managing such large family offices.

Chapter 8: In this chapter, Richard Wilson reviews what types of investments family offices are often using in their portfolios and the reasons behind those interests. The goal of this chapter is to explore how portfolios are managed at a high level and what investing models are used. For those who have wanted to know more about how family offices construct and manager their portfolios and how family offices make investments, this is a great primer on the subject that relies heavily on family office expert commentary as well as the author's own original research.

One important section that readers should pay close attention to is the overview of all the different types of investments that family offices commonly invest in from traditional to alternative investments and venture capital and angel investments. Each investment has a brief description by the author and explains some of the reasoning behind a family office's decision to invest in the asset class.

Next, the author offers a detailed look at the family office investment process—explaining how the process works from start to finish. Then, Richard Wilson provides his analysis of what he views as the three main family office portfolio construction models: the Operating Business Sandbox Model, the Diversified Institutional Model, and the Hybrid Model.

The chapter concludes with a look at family offices' use of investment committees and how the practice of using these committees differs by family office. Finally, Richard Wilson interviews two family office executives to round out this chapter on family office investing: Graham Harrison on tactical vs. strategic asset management; and David Thomas on institutional investment consulting firms.

In this chapter, the author gives us a look at how family offices invest their capital. Through interviews and research, Richard Wilson looks at many of the different investments that family offices make, from real estate to hedge funds, and the different portfolio construction models used by family offices. Readers learned from family office CIOs and executives on how they invest their clients' money and how they go about making key investing decisions. While the process for investing capital varies by each family office, sound due diligence, constant risk management and careful analysis were at the heart of all these family office executives' investing processes.

Chapter 9: This chapter is a detailed look at how family offices select fund managers. In this chapter, Richard Wilson explores the fund manager selection process and unique preferences of family offices, examining the types of funds that family offices look at, what characteristics are sought out in investment funds, how to complete systematic character analyses using the 6 C's Model and a few trends that are affecting the family office due diligence process and capital allocation in this area.

Perhaps most interesting to those looking to learn more about how family offices make fund manager selections is the six step process that the author lays out in the beginning of the chapter: first step, to review the fund manager's one-pager; second, to look through a more detailed PowerPoint; third, conduct an initial phone call; fourth, reviewing the DDQ; fifth, to conduct an on-site visit; finally, the sixth step is further research, analysis, and deliberation by the analyst, investment team, chief investment officer or investment committee, or all of the above. This is the typical path to fund manager selection that a family office follows.

In the next section, Richard Wilson provides a close look at the managed account and how family offices have used this type of investment account. He gives an update on how the managed account space has evolved and its current state.

A valuable tool in [The Family Office Book](#) is the family office preferences diagram that provides the reader with an explanation of all the preferences that a family office has in regards to selecting a fund manager such as a requisite level of assets under manager and reporting requirements.

In the next section, Richard Wilson tackles the issue of conducting due diligence on global fund managers. This can be an immense use of resources and time for family offices to travel all over the globe conducting on-site visits with fund managers; fund manager selection and due diligence expert Edward Stavetski explains this problem.

Next, Richard Wilson looks at how family offices develop partnerships with fund managers and how these partnerships are structured and executed. Another highlight of this chapter is the author's overview of the "6 C's of Character Analysis" in fund manager selection. The chapter concludes with an interview with Evan Cooperman of Artemis Wealth Advisors, a multi-family office based in Canada. He and Richard Wilson speak on fund manager selection and what family offices look for in a manager.

As you have learned in this chapter, family offices employ a careful, multi-step process to select a fund manager and weigh a variety of factors when evaluating the fund. In the end however, a family office may make a decision based on certain intangibles outlined in the section on character analysis.

Chapter 10: In this final chapter of The Family Office Book, Richard Wilson shifts his focus to where the industry is headed next. After dozens of interviews with family office executives, the author has prepared a broad look at how the industry has evolved, where it's headed and what things will change.

Richard Wilson explains that the family office industry is changing rapidly as governments change taxation and investment regulations. According to The Family Office Book, these changes have been occurring more than at any other time in the past 40 years. At the same time, the combination of wealth generation and the awareness of the family office model and what it provides a fertile ground for at least a decade of further growth in the space.

In the first section, Richard Wilson refutes the notion that “there is no family office industry.” On the contrary, the author argues, the family office industry is expanding rapidly, and he is supported by many family office executives he has interviewed on the subject.

Richard Wilson then speaks on the family office industry job growth and how family office professionals and those looking to break into the industry can improve their credentials and performance through training. Another interesting section is the author's evaluation of new global hot spots in the family office industry. Richard Wilson follows this by with the four main drivers of family office industry growth. Then, the final chapter of The Family Office Book concludes with an optimistic note on the industry's impending growth.

VI. FAQ (Frequently Asked Questions):

Question: *Who should complete the Qualified Family Office Professional?*

Answer: The Qualified Family Office Professional training program is designed exclusively for family office professionals and those who work closely with family offices. Primarily, the QFOP seeks to train family office managers executives, chief investment officers and portfolio managers, business development directors, accountants, analysts and any professionals who work inside a family office.

While many of these professionals will presumably understand the fundamentals of a family office, they will benefit from the QFOP's broad focus on due diligence best practices, wealth management, operational improvements, investments, business development, manager selection, industry trends and current issues facing family offices. Family office professionals will also learn from many hours of audio interviews with dozens of single and multi-family office executives. All of these resources are intended to provide family office professionals with new insights and knowledge specific to the family office industry.

Additionally, the Family Offices Group recognizes that there are a growing number of consultants, service providers and advisors that help family offices improve their operations and wealth management. The QFOP program will help these professionals better understand and better serve their family office partners and clients. The Qualified Family Office Professional designation is a signal to your business partners that you have devoted time and resources into improving your knowledge of the family office industry.

Question: *Why is the Family Offices Group a trusted training source for family offices?*

Answer: Since inception, the Family Offices Group has grown considerably to become the largest family office association, the most popular website on family offices and a leading publisher of family office articles, white papers, newsletters, videos and other free resources. Today, we manage the most popular website in the industry, a family office association with more than 40,000 members, and a wealth of educational resources that we share with family offices every day. Members of our team have spoken at over 50 industry conferences around the world and we continue to work with family offices every day, providing advice, resources and assisting in any way we can. Unlike many other training providers, the Family Offices Group is 100% devoted to serving and improving efficiencies in the family office industry.

In order to have the highest quality online training platform, we have partnered with our sister company, the Global Training and Certification L.L.C. The G.T.C. Institute is accredited with the Better Business Bureau and a leading provider of online training courses and certifications. The G.T.C. Institute has provided practical industry-specific certification and training to well over 3,000 clients within the United States, Europe and other countries around the world. By partnering with the G.T.C. Institute, the Family Offices Group is merging its family office industry knowledge, experience and association with a robust training platform to deliver the highest-quality family office training experience.

Question: *How much time will I need to invest preparing for the exam?*

Answer: Each participant's level of experience in the family office industry will inevitably vary but we recommend devoting between 60-80 hours to prepare for the examination.

Question: *What do I get from the Qualified Family Office Professional?*

Answer: The Qualified Family Office Professional training program provides participants with an array of training modules focused on family offices. Each module is comprised of audio and video content including expert interviews with financial professionals working at family offices, private equity firms, hedge funds and other institutions. These resources cover multiple areas that are important for family office professionals to have proficiency in including: Single & Multi-Family Office Fundamentals; Family Office Operations, Trends, Portfolio Management, and Investing; Leadership & Management of Family Office Organizations; Hedge Funds, Private Equity, Real Estate, Venture Capital, Fund of Funds and Angel Investing; Capital Preservation Methods & Strategies; Fundamentals of Trusts, Estates, and Global Taxation Issues; Family Office Business Development and Client Acquisition Strategies; Investment Banking & Financial Modeling; Fundamentals of Financial Analysis & Finance; and Direct Investments.

In addition to these multimedia resources, participants are required to read [The Family Office Book: Investing Capital for the Ultra-Affluent](#) by Richard C. Wilson. This is the latest book by Richard Wilson and published as part of the Wiley Finance series. In this book, participants will receive a unique and informed look at the family office industry based on numerous interview with family office executives and industry professionals.

Finally, by completing the Qualified Family Office Professional training program, participants will be awarded the Qualified Family Office Professional designation and certificate which certifies that they have completed a family office training program and passed the comprehensive examination. This training program will improve your knowledge of the industry and issues facing family offices, provide you with insights from other family offices and make you a more valuable employee of a family office. Your QFOP certificate demonstrates your commitment to the family office industry and desire to better serve your family office clients.

Question: *What is the history of the Family Offices Group?*

Answer: The Family Offices Group is an established professional organization created to connect single and multi-family office professionals for networking, resource referral, career advice, and eventually national/international strategic partnerships. You can learn more about who we are and what we do here: <http://familyofficesgroup.com/about-us>

Furthermore, the Family Offices Group has grown considerably to become the largest family office association, the most popular website on family offices and a leading publisher of family office articles, white papers, newsletters, videos and other free resources. You can learn more below:

- The #1 largest association in the family office wealth management industry with 40,000+ current members.

- The #1 most popular web property on the internet which focuses exclusively on the family office industry.
- Our Family Office Report has been downloaded over 15,000 times. In 2012, Richard released a book through Wiley on family office investment preferences and best practices.

The Qualified Family Office Professional training program is a natural extension of the Family Offices Group's commitment to providing valuable informational resources to family office professionals. To make this program as robust and institutional as possible, the Family Offices Group has collaborated with our sister company the Global Training and Certification Institute.

The Global Training & Certification Institute (G.T.C. Institute, LLC) is a Better Business Bureau (BBB) accredited training organization which has provided practical industry-specific certification and training to well over 3,000 clients within the United States, Europe and other countries around the world.

Have more questions or need more information?

Please see our consistently updated FAQ (Frequently Asked Questions) section on the FamilyOfficesGroup.com website here at <http://FamilyOfficesGroup.com/FAQ>

You can also get in touch with the Family Offices Group team over email at Team@FamilyOffices.com and by phone at (212) 729-5067.

Thanks for joining the Qualified Family Office Professional! Please let us know if you have any questions.

-The Family Offices Group Team & G.T.C. Institute

Sample Question Answers:

- a. C.
- b. D.
- c. B.
- d. D.
- e. B.