ART & MUSEUM

Winter Issue 2017

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WELCOME

ART & MUSEUM MAGAZINE

Welcome to Art & Museum Magazine, a supplement for Family Office Magazine, a premier publication dedicated to the Family Office space. We have a readership of over 56,000 comprising of some of the wealthiest people in the world and their advisors. Many have a keen interest in the arts, some are connoisseurs while others are investors.

Many people do not understand the role of a Family Office. A brief explanation of a family office is a private wealth management office that handles the investments, governance and legal regulation of a wealthy family, typically with over £100m + in assets.

Art & Museum is distributed within Family Office Magazine and also appear at many of the most significant finance, banking and Family Office Events around the World. Our Media Kit is worth a look. www.ourmediakit.co.uk

We recently formed several strategic partnerships with organisations including numerous Art and Finance Conferences, Museum Connections 18, The British Art Fair and Russian Art Week and many more. We also attend and cover many other international art fairs and exhibitions.

We are very receptive to new ideas for stories and editorials. We understand that one person's art is another person's poison, and this is one of the many ideas we will explore within 'Art & Museum' Magazine.

www.familyofficemag.com
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DELOITTE 10TH ART & FINANCE CONFERENCE MILAN 2017

by: Pandora Mather-Lees

The magnificent Palazzo Mezzanotte, Italy's stock exchange, was the home of this November's 10th Deloitte Art & Finance Conference in Milan. Why would 414 of the world's top financiers and art experts converge from their seemingly disparate worlds to debate the future of art wealth management services and its interaction with the commercial art market and cultural sector?

Quite simply to better advise their clients by learning first-hand about new strategies, initiatives and to portend the future. Not least of these speculations was the search for that holy grail - the quest for the algorithms and mechanisms which seamlessly track performance, evaluate and value works of art. Given the unique characteristics of every single piece of art, turning it into a commodity with indices sufficiently robust to comfort the world's top wealth managers seems a tough call. Nevertheless, it was a challenge fully relished by both delegates and panellists, the sheer number attending being testament to the crucial nature of this topic.

Co-organised by the Deloitte offices in Luxembourg and Italy with support from the Borsa Italiana, this year's conference was opened by Adriano Picinati di Torcello, pioneer of global art and finance at Deloitte. Its focus was Family and Corporate Collections Managing Private Art Collections & Corporate Collections of Family Businesses.

Key themes this year included the regulatory environment, the evolving role of the wealth manager and the art advisor, the future impact of technology to support better methodologies for valuations and transactions.

An opening address from Barbara Tagliaferri, Deloitte's Art & Finance Co-ordinator in Italy, discussed the undeniable influence of Italy's cultural heritage on its economy, the origins of which date back to Classical Antiquity and the Renaissance. Whilst Italian heritage is widely recognised, Italy today is way down the pecking order of commercial art market territories, all of which underwent a marked dip in 2016.

Across the world, the art market generally recovered in 2017. As Tagliaferri explained, financial institutions are not always prepared for managing clients' art portfolios as they grow. Expertise in alternative assets such as works of art can help a company to reinforce its brand and strengthen relations with government, universities, clients and other stakeholders. Ms Tagliaferri described how Deloitte has done just that by bringing together art and finance and advancing the preservation of public and private spaces through the Deloitte Foundation.

Private spaces are important; 3% of global wealth is in family offices and these art collections reflect the intrinsic characteristics of the principals. It is surprising then that such lovingly acquired treasures are often an intangible aspect of a family's wealth. A panel devoted to the role of the wealth manager in supporting family offices in maintaining and building value was well received.

Speaking on behalf of the Italian Family Office Association, Patrizia Misciattelli proposed that through art, it is possible for the family to form a bridge between generations. She argued that it is more than money and power; it is about values and passion. Art & collectables have a special role, according to Misciatelli, who draws on a career in banking. She realises that as well as protecting wealth and managing risk, the art advisor should guide the family in leveraging art to enhance its reputation and educate future generations. She lamented that second and third generations too often seek fast performance and focus their minds on venture capital without reflecting on the true value of the portfolio.

Understandably, some will prefer to sell either all or part of a collection where it does not suit their own taste. Melanie Damani of Edmond De Rothchild bank suggested that one should consider an individual's preferences and not force the taste of the older generation on the younger. The second generation should be free to explore new fields and new areas of collecting. Thus, we witness the evolution of the family story. What was deemed crucial is to teach sound values, genuine curiosity (not easy) and to provide offspring with an eye for new art forms. As always, good Family Office governance is vital to facilitate a successful transfer.

So how should investments in collectables be best managed? Panellist and Legal Counsel Alessia Zorloni suggested that preservation of value is the main driver for collectors and for this to happen families must invest in ongoing research, good advice and sustained support of the artists they collect and patronise.

The primary vehicle to maintain wealth will often be to set up a foundation to create an identity for the family. Collectors need experts who can offer specialist advice on aspects such as the most appropriate legal structure, but also on art-related matters such as how to handle a long-term loan to an institution and to educate them as to how the impact on society will be assessed. For this, one needs a deep understanding of their goals and passions as a collector; do they, for instance, want a dialogue with an artist? To what extent is collecting a psychoanalytical journey? Do they realise that the collection will represent an evolving portrait of the family?

Indeed, just as each family will have its idiosyncrasies, so can each country. Domenico Filipponi, Head of Art Advisory at Italian bank Unicredit suggested that Italians differ to other nations. They become passionate as they work over a number of years to build up a portfolio and this can speed the collecting process. For Filipponi, the process should be about both love of a piece as well as the investment potential. Education was a continuing thread throughout the conference; when Unicredit started to provide art services, this was first on the agenda.

According to Dave Wolf, director of life insurance provider, Clarity Life, to assist clients, you need to educate them on more than just the art. The tax implications of a family which typically has members all over the world are not just those of passing ownership of art on to the next generation, but that of moving pieces across frontiers, something that cannot merely be achieved with a structure. This can happen for many reasons, especially where children migrate and wish to have something transferred to their own country.

One of the most insightful moments of the conference came from Massimo Penco, a lawyer and collector, made the critical observation that without culture you have no market, no value and no price. Culture is the cornerstone of wealth in fine art and without passion, there is no investment.

So, today's wealth managers now have a roadmap in front of them illustrating some of the pitfalls. One of the biggest issues today was subsequently illustrated in the second panel of the conference exploring Trust, Transparency and globalisation in the Art Market. The first topic was regulation. According to Deloitte's latest Art & Finance report, 77% of art professionals are in favour of self-regulation. The expert panel concurred. Using cultural heritage Codes of Ethics and industry association membership guidelines and enforcement of those guidelines is preferable to government regulation which is unlikely to accommodate the peculiarities of the art market.

Some countries have lobbied government to relax draconian laws. In Italy for example, there has been a four-year process, approved on August 2nd by the Italian parliament to liberalise age-old controls on the circulation of cultural goods. Anything below €13,500 is not subject to control, nor is anything younger than 70 years. Equally, India has abolished VAT between states helping free movement of goods, while Germany has imposed recent laws where none previously existed.

Unfortunately, despite harmonisation attempts within the EU, all member countries can continue to enforce their own rules and, worse still, these can be open

to misinterpretation in enforcement. Some Italian export offices are not picking up on new legislation and continue to demand licenses!

Self-regulation needs to be credible. Trust in the art market is damaged by conflict of interest. This occurs where dealers self-authenticate artworks, auctioneers vet their own works or engage in practices such as chandelier bidding. Self-regulation only works if you set the right parameters and enforce them - a point made by Anastasia Tennant, Policy Advisor at the Arts Council which controls and assists international trade in cultural property.

Another obstacle is art crime. Shockingly for Family Offices and others, it is generally accepted that the majority of crimes are perpetrated by insiders. Indeed, a figure from ex FBI agent Laura Patten, now advisor at Deloitte, suggested this was as high as 87%. One investigation showed that 80% of frauds included non-disclosure agreements (NDAs) so confidentiality contracts are not a deterrent. Patten applauded initiatives like Smart Water and lauded the Carabinieri's stolen objects database as the best in Europe.

Proof of authenticity is now paramount in the wake of recent news items, and the role of investigative journalism is important in bringing fraud to light. Journalist Maria Adelaide Marchesoni reminded the audience that apart from public sales in auctions a large part of the market is completely dark and registers of objects which could assist will not be popular for reasons of privacy.

Katya Hills of the Art Loss Register raised the question as to how well-versed art collectors are in conducting due diligence and what role can intermediaries and advisors play in supporting them. This question is raised regularly at art business conferences all over the world. Due diligence initiatives exist in the ADDG and RAM in the UK and Switzerland respectively. The role of Compliance Directors in Wealth Management firms needs to evolve so they can establish a recognised standard of effective due diligence.

Given how popular contemporary art collections remain, getting the buying side right is a must. Insurance giant AXA ART undertook an academic study which seeks to understand how contemporary art is evaluated, what tools are used and the purchase criteria.

Explaining how online data supports the process, Professor H Dieter Dahlhoff of Kassel University stated that the research findings corroborated what everyone in the art market inherently knows – collecting is about so much more than buyers and sellers. The criteria are presented as a Venn diagram of Price: Market Value, Quality: Aesthetic Value and Reputational: Brand Value. Effectively the report recognises that it is nigh on impossible to make investment decisions based on indices, algorithms or any form of data interrogation alone. Value is not about price. Artist prominence, emotional bond and reputation cannot be overestimated. 57% of survey respondents cited quality as the most important factor, following their own experience and instinct to determine what good quality is. Purchases in contemporary art are 'shrouded in secrecy' and are the eccentric journey of the investor/collector. Nevertheless, all and sundry seek the ultimate quality evaluation tool in the hope of justifying an investment which for one piece alone can be more than a London property. Too few respondents however actually use purchasing tools available to them and most cited the internet as their main source of information.

5th Art & Finance report, Key Findings

The highlight of the conference was a presentation from Adriano Picinati di Torcello and Anders Peterson of art market analysis firm Art Tactic. These two have worked tirelessly to research and publish a 272-page report - the definitive body of knowledge on art and finance.

This year's report is built on survey results encompassing around 350 survey respondents, including 69 private banks, 27 family offices, 155 art professionals and 107 art collectors. Moreover, 42 experts representing different aspects of the art or finance worlds have shared their insights through articles and interviews. The result is a comprehensive report which illustrates the trends and developments in the art and finance industry and the global art market in general.

Key findings from this are summarised as follows:

Valuations: now becoming offered as standard alongside art-related services. Private banks are focusing on advisory services and commissioning valuations. Finding the right expertise is a challenge. Art collections management systems and wealth reporting systems are converging to support estate planning and to monitor value and condition.

Philanthropy: in art-related areas is growing. This area could grow to offer better undertakings with more lateral thinking about the opportunities.

Investment tools: price databases, forecasting data, market performance indices, innovations such as blockchain and tagging technology, due diligence and reporting tools, risk management tools with an emphasis on data analytics. Much exists, more is deemed necessary, and energy will be focused on increasing accuracy and pulling in subjective along with objective information. AI may also have a role to play here and specifically:

ArtTech: start-ups abound, some will succeed, and others will fail as online continues to develop. Blockchain (Maecenas exhibited at the conference) is hailed as the ultimate in efficient and credible transacting in years to come.

Art-Secured Lending: a key development is that credit loss provisions are moving from loss incurred to a loss expected model. This will of course impact the way that financial advisors model risk management for secured lending. New ways of keeping art in situ with the collector in Europe are emerging and will support business growth.

Transparency: almost 75% of both the art and wealth management markets believe that more transparency, regulation and assistance in the due diligence process will be necessary to enable an efficient and profitable growth in the future, and this with self-regulation at its heart. A very high percentage is concerned with forgery in the wake of scandals hitting the press. Due diligence companies and processes will play a significant role in building trust and confidence in the market.

Education: information and knowledge sharing must improve both for those in the industry and the collectors/investors they serve.

Conclusion:

Quite simply, as the very rich compound their wealth, their appetite for luxury investments is growing at a similar rate. The number of UHNWs is predicted to increase by 43% in the next ten years and escalating prices and higher stakes in the art industry has forced financiers to get to grips with the market. Wealth managers are now embarking on the next step, to offer holistic management for their clients rather than advising on individual investments. There is a marked shift from the view of fine art as the outsider alternative asset to be replaced by the need to stay on top of the game across all alternative assets and to integrate fine art collectables into standard strategy and reporting.

With the current focus still very much on contemporary art and the market picking up after a dull 2016, the US is bullish, the EU market is primed to increase, and the Middle Eastern, Chinese contemporary and the auctions markets are growing or recovering.

In his conclusion of the conference, Adriano cited Deloitte's perception of the ecosystem which is the convergence of finance, culture & business.

For the conference, it has been a long 10-year journey from uncertain origins in Luxembourg. Today, the conference goes from strength to strength with the report, now in its 5th year representing the nexus of information for what is now a 24-country strong initiative throughout Deloitte.

Axa-Art: Evaluating Contemporary art is available here:
https://axa-art.cdn.axa-contento-118412.eu/axa-art%2F7c7b18bd-03a1-472b-bee5-a7f8bb4d9ef9_axa+art_survey_2017_final.pdf

Deloitte 5th Art & Finance Report is available here:
https://www2.deloitte.com/lu/en/pages/art-finance/articles/art-finance-report.html

The Arctic Melt Images of a Disappearing Landscape

by Diane Tuft

The Arctic is melting faster than any other place in the world. This melt will cause ocean rise that will be influenced by three factors: the melting of mountain glaciers, the thermal expansion of the ocean and the melting of the Greenland Ice Sheet. I was compelled to photograph the Arctic before the effects of global warming cause this landscape to disappear. In order to document these areas of the Arctic, I travelled to the mountain glaciers of Svalbard, Norway, through the Arctic Ocean to the North Pole and to the icebergs and ice sheet of Greenland.

I began my Arctic exploration on June 4, 2015, at 78 degrees North in Svalbard, an archipelago in the Arctic Ocean located halfway between mainland Norway and the North Pole. Most of Svalbard's twenty-three thousand square miles remains untouched by civilization, and the majority of its twenty-six hundred inhabitants live in Longyearbyen, the world's northernmost settlement. Since Svalbard is located in the middle of the Arctic Ocean, it would be the perfect location to photograph global warming's effect on its mountain glaciers.

After great difficulty arranging to rent the one of the only helicopters in Svalbard and securing a permit, I was able to access the region's mountain glaciers and surrounding waters. Circling the Konglomeratfjellet, a mountain in Wedel Jarlsberg Land that towers above the almost ten-mile Recherchebreen glacier, I became mesmerized by the strong ultraviolet shadows cast by the low sun. Through my camera lens, the glacier's pristine snowdrifts became soft, gentle forms. The turquoise blue meltwater ponds were evidence of the melt that was occurring in this northern mountain glacier. The ice floes in Isfjorden became patterns of cracked ice due to the warming of the ocean. Rivers were created throughout the glaciers as the melt washed terracotta Devonian sandstone down the sides of the mountains.

Ice Fold, Recherchebreen, Wedel Jarlsberg Land, Svalbard, Norway

Shadow's Edge, Recherchebreen, Wedel Jarlsberg Land, Svalbard, Norway

Meltwater Ponds, Wahlenbergbreen, Spitsbergen, Norway

The Arctic Melt, Greenland Sea, Arctic Ocean, 4:48 PM, 79 degrees N

Blood River I, Woodfjorddalen, Svalbard, Norway

I knew that the majesty of Svalbard would change, but I wondered if its mountain glaciers would exist by the end of the century.

In order to experience first-hand the melt of the Arctic Sea Ice, I travelled in a Russian nuclear-powered icebreaker through the Arctic Ocean to the North Pole. Once again I was mesmerized by the Arctic's splendor but surprised at how much open water existed. As we travelled through the Arctic Ocean, large blue-green blocks of ice lifted out of the ocean and fell back on themselves. Signs of melt were everywhere. Areas of open water were studded with ice paddies that would be used as stepping-stones for the occasional polar bear. When I embarked on my journey, I thought that I would see several polar bears... but during my two-week trip, I encountered only three adults and three cubs. The sporadic snow paddies were a clue to the difficulty the bears have in living and navigating the Arctic waters.

For thousands of years, the sea ice during the Arctic winters through the month of June was always too thick for surface vessels to access the North Pole. But now, because of climate change, our vessel was the third earliest to ever reach the Pole and the only vessel to arrive during summer solstice. With a balmy temperature of 32 degrees Fahrenheit, the ice at the North Pole was too thin to disembark. It took several hours to find an ice floe that could support the weight of our group.

While this was an amazing experience, it disturbed me to know that my trip through the Arctic Ocean was only possible because of the Arctic Ocean's ice melt.

Themes and Variations, Arctic Ocean, 84 degrees N

The North Pole, Arctic Ocean, 90 degrees N, 32 degrees F

Which way?
Franz Josef Land, Arctic Ocean

In 2007 I had photographed icebergs, glaciers, and the ice sheet in the Ilulissat area. Nearly a decade later, I decided to return so that I could visually record the difference in the landscape and document the impact climate change has had on the area.

During my first visit to Ilulissat, the temperature was 30 degrees Fahrenheit, and Disko Bay was spotted with colossal snow covered icebergs that had calved from the Jakobshavn and surrounding glaciers. The ice sheet was blanketed with fluffy snow studded with cryoconite holes—cylindrical depressions caused by solar radiation being absorbed by sediment that has landed on the ice surface.
When I returned to Ilulissat in 2016, the Jakobshavn glacier was calving at such a rapid rate that the entire inlet was filled with small icebergs that continually emptied into Disko Bay. They were in a constant state of melt: waterfalls tumbling from their tops and rivulets raining from their interiors. Icebergs cracked, split, and fell into the bay daily.

The majestic Eqi glacier that I had photographed in 2007 had retreated so much that it was now almost entirely on bedrock. The constant calving no longer produced icebergs; but instead, it released small sediment-coloured pieces of snow. Taking the same aerial flight over the ice sheet that I took in 2007, I now saw rough peaks of snow and silt that were studded with hundreds of meltwater ponds, some so large that they could be considered lakes. The meltwater ponds would eventually empty into deep moulins, which became streams that drain into the waters surrounding Greenland.

The temperature in Ilulissat just nine years later was 65 degrees Fahrenheit.

Greenland Ice Sheet – 2007

Greenland Ice Sheet – 2016

Greenland's Icebergs – 2007

Greenland's Icebergs – 2016

Scientists predict that the sea level could rise three to six feet or more by the end of the century, inundating coastal areas worldwide and displacing tens of millions of people. If we continue to burn fossil fuels that release Methane and CO_2 into the atmosphere this prediction will happen sooner.

Will the Arctic ice become a "new wonder" of the world—a natural phenomenon that existed for a short period of time, and then finally disappeared?

I think about the different forms of ice within the Arctic Ocean.
I think about the soft, subtle folds in the snow within the Svalbard glaciers.
I think about the towering icebergs that I saw in 2007 that are now half the size.
I think about the glistening blue meltwater ponds now studding the glaciers.

My photographs serve as documentation of the expansive beauty of the Arctic now and the dire situation that it continues to face if we do not provide a sustainable environment for the future of our planet.

If you would like to link to Diane Tuft's website and social media profiles, they can be found here:

Website: http://dianetuft.com
www.facebook.com/diane.tuft.photography
Instagram: https://www.instagram.com/dianetuft/
Twitter: https://twitter.com/dianetuft

Larry's List Museum Report

Introduction by Christoph Noe, Co-Founder and Director of Larry's List

Larry's List is honored to present the PRIVATE ART MUSEUM REPORT, the first study on the global setting of privately founded contemporary art museums. The report draws on the largest private contemporary art collector database in the world, created by Larry's List, and an additional survey conducted with the participation of over 166 private art museums worldwide, jointly executed with AMMA (Art Market Monitor of Artron), the foremost art-market intelligence in China.

The PRIVATE ART MUSEUM REPORT investigates a particular group of contemporary private art collectors: collectors who have decided to make their collection publicly and physically accessible. They are collectors with financial means and an unquenchable thirst for art who have established a space or a private museum to show their collection to the public, often with the goal of promoting art appreciation. Exhibitions in these museums present the founder's collection (or parts of it) through permanent and rotating shows.

The importance and influence of private art museums in the global art landscape is undeniable. The quality of artworks displayed and the shows curated rival or even surpass institutional exhibitions, often being recognized not only locally but also on an international art level, especially in the field of contemporary art. The number of visitors attending private museums often equals public institutions. Private museums are running, in a number of cases, full-fledged academic programs, launching publications, and offering artist-in-residencies.

The impressive appearance of these museums, in combination with their wide-ranging activities, certainly impacts a museum founder's visibility in the art world. Conversely, often the private museum's authority is supported by the collector's own status owing to their celebrity circles, their ranking on a wealth list, or by their standing as owner or founder of a widely known brand, enterprise, or family business. Such examples include Dasha Zhukova, Founder of the Garage Museum in Moscow, Jochen Zeitz, former CEO of PUMA and founder of the Zeitz Sculpture Garden, or Fondazione Prada, which was founded by Miuccia Prada in Italy.

Despite the increase in private museums, the surge of press headlines regarding these new buildings—such as "China is building thousands of new museums"1 or "A museum in every mall?"2—and eye-catching news of prominent collectors celebrating opening parties, our intention is to conduct research on a more academic and investigative level. Therefore, this report aims to fill a gap in this vital area of knowledge about the art market by asking questions such as: How many museums are there? Where are these private art museums located? Who are the founders behind these museums? How do the museums operate?

Firstly, the report investigates the global private museum landscape. It analyzes private museums throughout the world by continent, country, and city. It shows historical development in regard to the founding dates. Additionally, the private art collection, being the backbone of a private museum, will be examined.
Secondly, the study looks into the legal setup and the operation of these museums. It delivers insight into the size and area of the museums and adjunct offerings such as shop outlets. Connected to that, it analyzes opening times, visitor attendance and entrance fees. From a programming point of view, the number of exhibitions per year is examined. Moreover, the human resource setup and the activation of freelance staff, particularly curators, are investigated. Also, private art museums' communication tools and social media strategies are put under the microscope to uncover how these institutions cope under society's fast-growing need for immediacy.

Thirdly, the report looks into the collectors behind the museums, by exploring who those founders are and what motivates them to make their collections publicly accessible.

In the fourth and fifth chapters, the study delves into the regions of Italy and China. Italy has been selected owing not only to its historical importance in regard to private collections, but also to the rich museum landscape counting nearly twenty private museums today. China has obviously been selected due to an upsurge of the number of museums in recent years, totaling twenty-six in all, and the size of the museums opened. The analysis is complemented by interviews with museum founders in their respective regions.

Sixthly, the research investigates architecture's crucial role for museum founders. Four cases look into the remodeling of existing buildings versus the setup of new museums illustrating the different ways architecture interacts with the art collection.

Subsequently, the report will draw on historical and regional comparisons by mapping out the private museum structure in Rome in the eighteenth century and today, while also comparing it to the private museum landscape of Berlin and Seoul in the year 2015. The last chapter of the study analyzes the challenges faced by private museums today as well as noticeable regional differences.

In the course of this research, we have identified two profound issues.
Firstly, we noticed certain distinctions between how a private museum can be defined and differentiated in terms of how collectors run their space / museums. Secondly, we noticed different perceptions, interactions and also conflicts due to the nature of private museums rivaling with public museums.

Regarding the first topic. While it is important to first present a methodology in order to understand the definition of a private contemporary art museum, the underlying principle of this study is to include museums rather then to exclude them. It is intended to show the full variety of different museum operations. Since the research offers a global perspective and the analysis of museum setups differs according to the region, we thus tried to avoid a Western perspective, or any other for that matter, and also to avoid being too exclusive. The full methodology can be found in the appendix.

Regarding the second topic, as Patrizia Sandretto Re Rebaudengo mentioned, private museums often fill a gap, particularly in countries with limited institutional infrastructures. Furthermore, we believe that even with a full-fledged institutional structure in place, private museums still greatly impact the cultural landscape. An example is the Neue Galerie in New York. Owned by Ronald S. Lauder, the museum presents artists such as Egon Schiele or Gustav Klimt, which fills a gap that even the Museum of Modern Art (MoMA) cannot. Additionally, despite the fact that many collectors own private museums, this does not signify that they fail to engage or collaborate with public museums and institutions. We see many examples where private and public efforts go hand in hand and where private museum founders often compensate for the lack of public funding.

Many private collectors take their commitment as philanthropists very seriously by actively lending and donating artworks to museums as the founder of the Lyon Housemuseum, Corbett Lyon, lines out: "... if we have a request for a loan, we are very pleased to make these available to other public art museums, both in Australia and overseas."3 Many museums would not be able to provide high-quality exhibitions without private collectors' patronage and donations, be it in the form of a single artwork, an entire collection, or financial support. The Association of Art Museum Directors estimates that more than 90% of art collections held in public trust by American museums were donated by private individuals.4

We are fascinated by the role and responsibility attributed to art collectors, particularly museum founders, thus rendering them as one of the most important players in the art market. In many cases, they invest major resources and personal financial support to share their experiences, promote contemporary art, and enable public access. Our current study pays tribute to this by mapping out the private museum landscape, reporting about collectors' motivations, and by shedding light on their engagement in the art world.
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ART BASEL, MIAMI ART WEEK

Miami's December Gift

by Kristie L Smith Nikitin

When the gloom and grey of December settles across the globe, the art world shines a warm, bright spotlight on Miami, Florida, USA. Art Basel founded her sister show on the shores of the Atlantic, and for a week the city puts on an unmatched spectacle. In 2002, Switzerland's premier event for modern and contemporary art began a satellite exhibition in Miami. Fifteen years later, satellites are orbiting the satellite and Miami boasts more than two dozen destinations to celebrate creativity. Beyond the 200 galleries at Art Basel, additional vendors and artists were represented at 2017's Design Miami, Spectrum, and Red Dot.

In South Beach, at the Miami Beach Convention Center, Art Basel was a dizzying array of lights, sounds, colour and people. Chatter wafted from booth to booth — French, Russian, Spanish, English, English with an accent, this was truly the epicentre of the universe. From the whimsical to the political and everything in between, the galleries were showing Warhol, Chihuly and those we haven't heard of ... yet. The UK's Lévy Gorvy and Galerie Thaddaeus Ropac, Madrid's Parra & Romero, Tokyo's SCAI The Bathhouse, Beirut's Sfeir-Semler, and Chicago, Illinois, USA's Patron, among others, had wares on parade. According to Art Basel sponsor, UBS, seven-figure sales were up this year over 2016 and some, including Patron, sold their entire booth.

An easy walk from the convention centre was an industrial-sized tent that housed nearly everything needed to layout a well-appointed home. This is THE venue for contemporary, traditional and kitsch from the four corners of the earth. The latest in interior fashions from London, Paris, New York, Milan and Chicago were on display. Exhibits were showing furniture, over-head lighting, wall coverings and hangings, not to mention vases, lamps, dust collectors, and jewelry—watches, necklaces, rings, bracelets — as much art as they are fashion. Design Miami showcased tomorrow's antiques today — a must-visit for anyone with an eye for design or a penchant for decorating.

Moving on from the gated communities and hurricane toppled palm trees of South Beach, two more international art shows were on the other side of the MacArthur Causeway. Past enormous cruise ships and angry waves in the bay, lay Miami's Downtown district. Beyond the Italian food truck in yet another commercial tent, was Red Dot and Spectrum. One entrance and one ticket for both shows. Approaching the gate, dozens of roses and baby's breath dangled upside down from the ceiling. The pungent aroma of drying flowers filled the air and patrons wandered back and forth between Red Dot and Spectrum.

Much of Red Dot felt familiar, comfortable and traditional. Spectrum, on the other hand, had performance art, and pieces

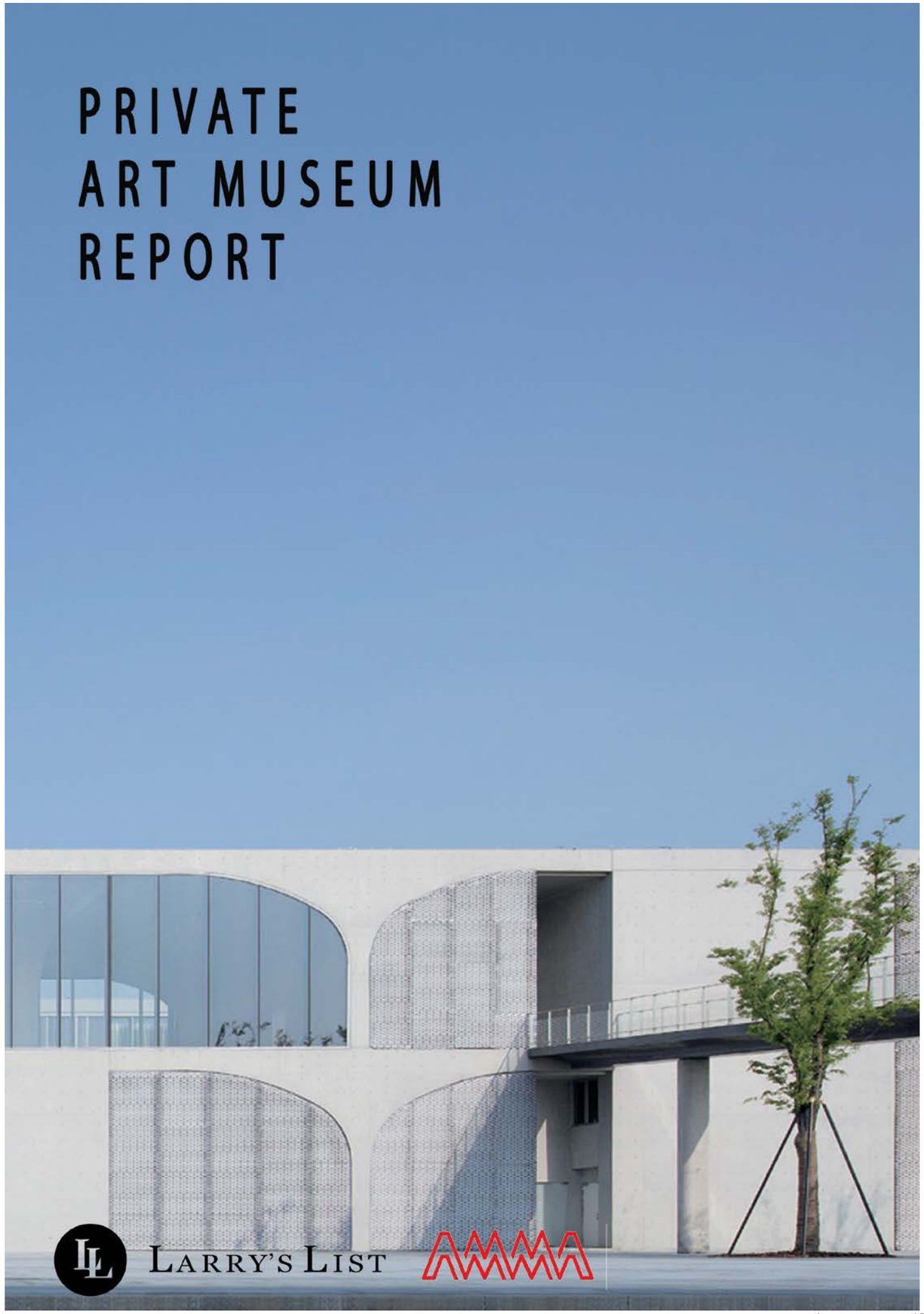
Image courtesy of Art Basel

crafted from everyday items like cigarette butts and recycled computer keys littered among mixed-media, metals and stone. Galleries to roam and artists to meet at every turn. They were accessible, approachable and talked about their motivation, their inspiration and what makes the perspiration when they create, stage and sell a piece.

Red Dot artist Chuck Marksberry, of the Charles Harold Company, said, "If it's good, it's good because it's good for you." Marksberry, both artist and gallery owner, represents himself, his two sons and both of his daughters-in-law. His advice to those on the hunt for a particular piece was to "Look, look, look!" Patrons were encouraged to take photos, walk the hall and circle back to the pieces they really enjoyed. Bloomington, Indiana, USA's husband and wife team, Kris and Angela Gebhardt exhibited at Spectrum for the fifth year in a row. According to Kris, "Attendees, collectors are energized with shows like Spectrum/Red Dot that feature new artists and cutting-edge work." He followed up with "[they] repeatedly remarked how sick and tired they are of having Warhols shoved down their throats."

The hustle and bustle of this large city with spirited drivers and transplanted residents from everywhere add to the sensory perception of Art Basel, Design Miami, Spectrum and Red Dot. A true vacation at the beginning throes of winter, Miami is a warm destination, with a thriving art and entertainment scene. These international art events add a layer of cosmopolitan flair to the city. With restaurants too numerous to count, this culinary paradise, seaside getaway and cultural mecca gives the creative world the ultimate December gift.

PRIVATE ART MUSEUM REPORT



THE NORTH AMERICAN PREMIERE OF ISAAC JULIEN'S COMMISSION FOR THE ROLLS-ROYCE ART PROGRAMME TO BE SHOWN DURING ART BASEL IN MIAMI BEACH

Rolls-Royce Motor Cars, in partnership with the National YoungArts Foundation, will present the North American debut of Isaac Julien's work Stones Against Diamonds (Ice Cave) during Art Basel in Miami Beach 2015. The work by the Turner Prize nominated artist, commissioned as part of the Rolls Royce Art Programme, will be shown from 1-5 December 2015 at the National YoungArts Foundation ¬– located at the nexus of Miami's Wynwood Arts District, Arts and Entertainment District and Edgewater. The video installation will fill the interior of the magnificent YoungArts Jewel Box across 15 screens, the largest and most impressive presentation of the work to date.

Isaac Julien is one of Britain's most important and influential artists. His work is the latest compelling addition to the Rolls-Royce Art Programme, founded in celebration of the marque's commitment to creating unique, rare and aesthetically powerful motor cars, which transcend the world of conveyance to become works of art themselves. The programme seeks to draw together the handcrafted elegance of the marque's motor cars with contemporary artists around the world, including internationally acclaimed artists Ugo Rondinone, Erwin Wurm, Regina Silveira, Will Cotton, Angela Bulloch and Morgan Wong. Julien's commission extends his ongoing relationship with the marque following an 'artist talk' that he gave as part of the Rolls-Royce Art Programme during Frieze Art Fair London in 2012.

"Isaac Julien is one of Britain's foremost contemporary artists. His work draws from and comments on a range of disciplines and practices, uniting them to create powerful and entrancing works of art, in this case, a dramatic audio-visual film installation for Rolls-Royce," commented Torsten Müller-Ötvös, Chief Executive Officer, Rolls-Royce Motor Cars. "The origins of our motor cars, commissioned in the same vein, share this spirit. An amalgamation of creativity, skill and the world's most beautiful natural materials unite to form a timeless piece of automotive art."

Isaac Julien, artist commented, "On visiting the Home of Rolls-Royce last year, I observed an authentic connection between crafting a Rolls-Royce car and creating an artwork. Both call for highly developed technology and techniques, extreme attention to detail, design and, of course, concept." He continued, "The creation of this film echoes the endeavour of crafting a perfect motor car. Indeed, my work unfolds as a sort of craftsmanship, in the sense that I am concerned with reaching a level of skillfulness that aspires to represent the century-long traditions of handicraft expertise."

To create the Rolls-Royce commission, Isaac Julien took a film crew of 50 to the wilderness of Iceland, where they filmed for five days in isolated glacial ice caves in the South East region of Vatnajökull. The artist interpreted this remote landscape as a metaphor of the unconscious, a place of rich beauty but difficult to access other than through the processes of psychoanalysis and artistic reflection. The work was inspired by a passage from a letter taken from the anthology Stones Against Diamonds, written by the seminal modernist architect and designer, the Italian-born Brazilian Lina Bo Bardi. Julien's work of the same name explores themes within this text where Bo Bardi admires the beauty of natural elements over precious stones, believing them to be more beautiful, and describing how collecting semi-precious stones helped inspire the architect and designer to rethink design in a most remarkable way. Signature elements of Bo Bardi's work have left a lasting impression on both international architects and designers. Julien's film installation incorporates her famed spiral staircase at Solar do Unhão in Bahia, Brazil; the first stage meticulously built on set in sub-zero temperatures, later continued and then merged using CGI post-production. Furthering the parallels, Julien includes Bo Bardi's signature easels which are made of glass and concrete, two elements present in the majority of her practice. Julien references these in both the film itself and in the presentation of his work, where the film is shown on flat screens and supported by concrete blocks.

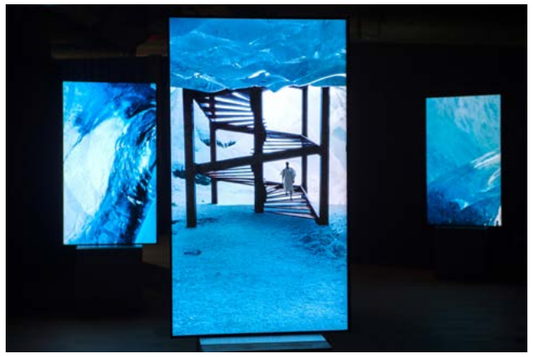
Isaac Julien
Contemporary Artist

Vanessa Myrie, an actress and performer who has worked on several of Julien's previous projects such as True North (2004) and Western Union: Small Boats (2007), appears within the piece as a 'spirit guide', making reference to the Spirit of Ecstasy, the ornament that adorns the bonnet of each Rolls-Royce motor car. As if sleepwalking, Myrie takes the viewer on a mesmerising journey across a symbolic landscape of glaciers, rocks and black volcanic sands, all glistening like diamonds. Julien uses this to remind us not only of the earth's fragility – the melting of the glacier which carves out these caves – but also that some of the most beautiful objects are the least precious in a conventional sense.

The work will be shown within the landmark Jewel Box at the National YoungArts Foundation campus in Miami. The Jewel Box, designed by Ignacio Carrera-Justiz in 1973, features an exterior covered in thick hammered stained glass 'tapestries,' and is based on an abstract painting by German artist Johannes Dietz.

The National YoungArts Foundation, identifies and supports the next generation of artists in the visual, literary, design and performing arts; assists them at critical junctures in their educational and professional development; and raises appreciation for the arts in American society. YoungArts has been a partner of Rolls-Royce NA since 2014.

Originally shown as a preview during the 56th edition of La Biennale di Venezia, the film installation had its public debut during Art Basel in Basel 2015 before being shown at The Home of Rolls-Royce in Goodwood, England.

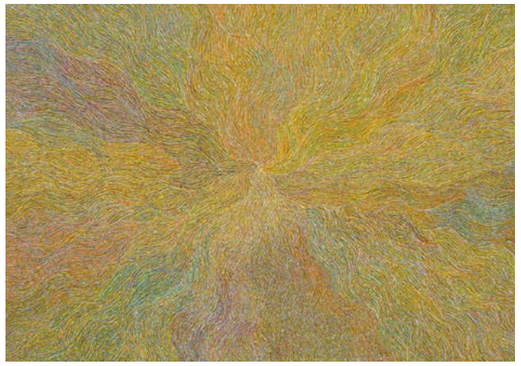


Collecting Australian Indigenous Art

by Ruth Lovell

Rover Thomas c.1926- 1998 Jabanunga 1996 natural earth pigments and binder on linen 180 x 270 cm

Emily Kam Kngwarray c.1910 – 1996 Bush Potato Dreaming 1991 synthetic polymer on canvas 130 x 90 cm



Genevieve Kemarr Loy 1982 – Akwerlkerrmwerlkerr 2017 synthetic polymer on inen 200 x 122 cm

Australian Aboriginal art is a truly unique movement, totally at ease on the international stage of contemporary art, yet based on one of the world's oldest continuous cultural traditions. A growing investment in the international art market, some of the most significant collections in the world feature Aboriginal art, including important private collections and major public institutions.

International recognition continues with the exhibition The Sources of Aborigine Painting, Australia-Tjukurrtjanu at Quai Branly Museum in Paris in 2012 – 13; Our Land Our Body, toured China to great success in 2011; One Road: Aboriginal Art from Australia's Deserts toured a series of Japanese galleries in 2016 and Everywhen: The Eternal Present in Indigenous Art from Australia was held at the Harvard Art Museum in 2016.

The thread uniting the work by artists from various regions around Australia is the depiction of the artists' landscape and their inextricable relationship with the land. The paintings tell the stories of creation, of journeys, of the totemic flora and fauna belonging to the land; passed down over the generations through oral tradition, markings in the sand and ceremonial rites and now translated through western materials into extraordinary, fresh and powerful paintings, simultaneously narrative and abstract, for the contemporary art market.

Lauraine Diggins is a leading art dealer in Australia and Director of Lauraine Diggins Fine Art, a private gallery space in a quiet residential street where she exhibits Australian art from colonial times; the Australian Impressionists; Australian Moderns, including Sydney Nolan and Arthur Boyd, and a selection of contemporary artists. Over the past thirty-five years, she has held many exhibitions at her Melbourne Gallery and shown Australian Indigenous Art internationally.

Lauraine recalls, "In the early 1980s I became attracted to Indigenous art, knew nothing about it and found myself somewhat uncomfortable regarding my lack of knowledge. It was somewhat like being in a foreign country and not being able to communicate. By 1983 I had somewhat conquered the beginning of an understanding of Papunya painting and had introduced these works in my Moderns Exhibition of that year.

By 1989 I had collected a substantial amount of paintings from many regions of Aboriginal Australia and produced the exhibition and catalogue, Twentieth Century Aboriginal Art: A Myriad Of Dreaming.

This exhibition featured the first painting that I had bought for myself. It wasn't that I had embarked on a personal collection of Indigenous art, but rather it was a painting that talked to me and which I brought into my general personal collection, Molly Martin Napurrula's Bush Potato Dreaming, a Warlpiri woman from Yuendumu, north-west of Alice Springs."

A Myriad of Dreaming (1989) was a significant and broad survey exhibition of Indigenous Art with scholarly contributions from leading experts in the field and at public institutions. The exhibition included ochres on barks, early Papunya paintings on board, watercolours by Albert Namatjira, brightly coloured canvases from the desert and refined ochres from The Kimberley. The Myriad catalogue was used in Melbourne's lobbying bid for the Olympic Games in 2000.

Since that early exhibition, the popularity of Indigenous art and the relationship between the artists, art centres, art galleries and clients has undergone a shift as the market became aware of the importance of sourcing artworks from reputable dealers to ensure that the artist has been fairly compensated and that the artwork was true to its description. Lauraine is a member of the Indigenous Code of Conduct and has been a board member of the Aboriginal Art Association of Australia.

To assist with an understanding of the complexity and great variety of Indigenous art, Lauraine has developed an educational focus through her website www.diggins.com.au with a particular focus on area close to her heart – the art

Genevieve Loy

of Utopia (a remote desert area around 300 km north-east of Alice Springs), whose most famous proponent was the internationally celebrated Emily Kam Kngwarray. The paintings of artists from Utopia are elegant abstractions reflecting the rich colour of the region, with sweeping blue skies contrasting with the red earth and rocks, the white of the ghost gum trees and the greenery and coloured flowers that flourish seasonally.

The Gallery continues to exhibit a range of Indigenous art including Earth's Creations: The Paintings of Emily Kngwarray; Telling the Stories: Barks from the Kimberley to Yirrkala and The Next Generation: Lorraine Kabbindi White and Genevieve Kemarr Loy, featuring two young artists following in the footsteps of their artistic grandparents, a fitting tribute to the ongoing flourishing of this exciting art movement.

Lauraine Diggins Fine Art – Gallery

Global Fine Art Awards Ceremony and Gala

As a precursor to the Award Ceremony and Gala to be held next March 8, at 583 Park Avenue in New York, the Global Fine Art Awards program (GFAA) announced their Nominees for 2017 this past October. Many Nominees, Gallerists, Foundation and Museum Directors joined members of the GFAA Advisory Board to celebrate the news at the exquisite Leighton House Museum in London. The event was generously underwritten by Lead Sponsor, Crowell & Moring LLP International Law Firm, represented by partners Simon Evers, Michelle Linderman and Mark Meyer.

Guests present included Andrew Wilson, Curator at Tate Britain, nominated for the David Hockney exhibition. He was accompanied by Richard Benefield, Director of the Hockney Foundation, and prior GFAA Youniversal Winner for the Hockney exhibition staged at the de Young, Fine Arts Museums of San Francisco. Also in attendance were Nominees Erland Hoyersten, Director and Curator from ARos Aarhus Kunstmuseum and Communications Director Anne Riis; Catherine Whistler, Curator from the Ashmolean Museum at Oxford University; Diane Tuft, photographer represented by Marlborough Gallery in New York; Ruya Foundation's Directors and Co-Curators of the Iraq Pavilion from the Venice Biennale, Tamara Chalabi and Paolo Columbo; Baiqu Gonkar, Director of Art Represent; Daniel Robbins and Peter Trippi (also GFAA Executive Committee member), Co-Curators of the Alma-Tadema exhibition installed at the Leighton House Museum. Gallery partners Hauser & Wirth for Philip Guston and Lygia Pape, Alison Jacques and Galerie LeLong for Ana Mendieta, Jaume Plensa and Andy Goldsworthy acknowledged their artists represented in this year's Nominees. A personal letter written by Andy Goldsworthy, nominated for his lifetime body of work for this year's premier Global Planet Award, was read aloud to conclude the remarks by GFAA President, Judy Holm.

Tickets are now available now for purchase for the black-tie Award Ceremony – where guests will be the first to discover this year's award winners at the sumptuous and historic New York red carpet event. More information is available on the website: globalfineartawards.org.

Lawrence M. Shindell, GFAA Advisory Board Chair, Ekaterina Luki, GFAA Art Liaison Committee Chair, Ty Murphy, GFAA UK Chair, Alfredo González Cánovas, GFAA Finance Committee.

Richard Benefield, Executive Director, David Hockney Foundation and Judy Holm, Founder and President, Global Fine Art Awards

André Maier Photography

You are invited to attend...

The 4th Annual Global Fine Art Awards Ceremony and Gala

Thursday, March 8, 2018 | 583 Park Avenue New York, NY 10065

Honoring the best curated exhibitions around the world – celebrating artists and works from all eras: from Raphael and Rodin, to Mondrian and Monet, and some of the most important artists living today.

The 2017 Nominees include: Yayoi Kusama, Kerry James Marshall, David Hockney, Jaume Plensa, Andy Goldsworthy, Tomás Saraceno, Shirin Neshat, Dia al-Azzawi, Slater B. Bradley, Li Chen, William Eggleston and Ai Weiwei.

The British Museum, Royal Academy of Arts, Victoria and Albert Museum, National Portrait Gallery, Tate Britain and Tate Modern in London; Musée du Louvre, Musée d'Orsay, Centre Pompidou and Le Grand Palais in France; Palazzo Strozzi in Florence; Rijksmuseum in Amsterdam; Museo Nacional del Prado, Guggenheim Bilbao and Reina Sofia in Spain; National Museum of Modern and Contemporary Art, Korea; Museum of Contemporary Art, Taipei; New York's MoMA, Whitney Museum of American Art, Solomon R. Guggenheim Museum, Metropolitan Museum of Art; Hirshhorn Museum and Sculpture Garden and Smithsonian's Freer and Sackler Galleries in Washington D.C.; San Francisco's Museum of Modern Art (SFMOMA), Legion of Honor and Asian Art Museum; Los Angeles County Museum of Art (LACMA), Museum of Contemporary Art (MOCA) and J. Paul Getty Museum in Los Angeles.

Purchase your tickets online today! **globalfineartawards.org** | **For more information:** globalfineartawards@gmail.com

GFAA is a sponsored project of Fractured Atlas, a non-profit arts service organization. Contributions for the charitable purpose of GFAA must be payable to "Fractured Atlas" only. All contributions are tax-deductible to the extent permitted by law. Fractured Atlas, a 501(c)(3) public charity, provides a fiscal sponsorship program to help arts organizations raise money from charitable sources.

ArtSecure
legal services for the art world

Managing Legal Risks in Museums and Large Collections: A Call for a Risk-Based Approach

by Phoebe Kouvelas, LL.M.

Museums are multifaceted institutions reaching across all disciplines and fraught with legal concerns as they launch into the 21st century. From returning a Constable painting accepted as a gift in good faith, to paying breach of copyright damages for publishing an image in an exhibition catalogue, or loaning artworks to a prominent institution only to have them seized, museums can't be careful enough when it comes to legal and reputational risks.

Despite that, the current approach to managing them is arguably inadequate. Most museums have a view on what their principal legal risks are; nevertheless, those are addressed through the use of empirical checklists designed to avoid pitfalls or after a triggering event. The problem with such approach is multifaceted.

Firstly, the museum does not have a clear view of the legal risks it runs for all its processes and cannot, therefore, act pro-actively to mitigate them; rather, it may end up finding out that it ran a risk after a triggering event has occurred, which may be too late. Secondly, lack of knowledge in relation to risk often leads to ineffective resource allocation; the museum will tend to allocate resources more heavily to some activities for which risk is thought to be high and less so in areas where risk is perceived to be lower.

Nevertheless, this perception of risk is not derived from a factual assessment but rather from random experience, which is subjective, at best. This lack of deeper, factual knowledge in relation to legal risks leads to loss of value whether due to the materialization of a risk which has not been identified (resulting in costly remedial action/ reputation damage) or from ineffective resource allocation.

What is lacking is a top-down assessment of legal risks in order to identify hidden risks threatening a collection's value, life and status, assess their potential impact and understand if and how they are being mitigated and monitored. What is in fact needed is the adoption of processes, procedures and controls based on the type and level of risk associated with each activity - a risk-based approach (RBA).

WHY

The deep knowledge and understanding of legal risks achieved through a risk assessment allow not only for resources to be allocated more effectively but for risks that would otherwise go unnoticed to be mitigated as well.

Without a legal risk assessment which will reveal the type and level of risk associated with each collections management activity, valuable resources cannot be put to optimal use. Legal advice and action may be sought where the risk is minimal and may lack where it is more severe. To the contrary, a legal risk assessment indicates actions which will mitigate legal risks not only for the collection management areas where legal support is typically sought (e.g.: purchases) but also for those that legal advice is thought to be irrelevant (e.g.: cataloguing) but may involve risks previously not contemplated. Crucially, an RBA allows museums to adopt a flexible set of measures in order to effectively target their resources and apply preventive measures commensurate to the nature of risks.

Further, by knowing what type of legal risk a museum runs and taking steps to mitigate those can, not only protect the museum from liability but also unlock value by allowing it to engage in business opportunities that were unknown or previously considered too risky. For example, clearing intellectual property rights for images of works belonging to the museum not only protects it from liability arising from unauthorized use but also provides tools for promotion and income generation. This is so since, as the visibility of artworks increases (not only through the museum's website but also through social media etc.), so does the originating institution's; a positive correlation has been found between online exposure of collections and increased on-site museum visits.

Importantly, by running a legal risk assessment and incorporating the proposed control activities to all museum processes, legal risks are minimized without relying on continuous and costly legal advice.

ARTSECURE

ArtSecure's Legal Risk Assessment (LRA) model is an industry-first, sophisticated LRA designed for museums and large private collections by combining expert knowledge from three knowledge domains: risk management, art law and collections management.

WHO CAN BENEFIT

Where a collection is the subject of sale, purchase, cross-border loan, asset-based lending against art, auction house guarantee and insurance, ArtSecure's LRA becomes a valuable exercise that the main stakeholders will increasingly demand.

Phoebe Kouvelas is a lawyer specializing in art, IP and cultural property matters. She is the founder of ArtSecure, a law firm offering legal services for the art world.

www.artsecure.gr

A CONFLUENCE OF ART AND SCIENCE

by Bonnie Hall

Art is ineffable. Characterized by a particular mimesis, art is often defined as the creative and imaginative skill communicating an idea, an emotion or a narrative. No matter how ineffectually we attempt to describe art as something with a higher power or special ability, the focus on cleverness is only part of the story. The larger factor is the emotional influence art activates that is not always conscious or perceptible. Emotion is the synergy which best conveys the nature of art across all disciplines.

We are in the age of creativity, a word thrown around a lot which means different things to different people. As one of the most defining trends of the 21st Century, creativity has emerged across our society as an interdisciplinary dialogue. At the core intersect between fields, this crossover zone attempts to transcend disciplinary boundaries and is rooted in the exploration of relationships. Albert Einstein once wrote, "The most beautiful thing we can experience is the mysterious. It is the source of all true art and all science. So the unknown, the mysterious, is where art and science meet."

Art challenges much of our deepest assumptions by sparking and eliciting new actions. Art has the capability to directly transform and bypass the realm of thought. Subsequently, artists play an important role in shifting the conversation, which in turn becomes a means for affecting deep and lasting social change. Globalization, new technology and a culture that connects and simultaneously disconnects us present another array of shifting challenges. In context with all these shifts, there is an aim to explore new ideas and new ways of seeing things that add value to move mankind forward. Through technological advancements, new patterns of identity have developed in this modern age.

Over the past decade, people have gained immediate entry into the sphere of public discourse, whether from the comfort of their home or on the go through mobile applications. Consumed by technology and images, 3-D printing, algorithms, and computer coding further elucidates the role of science as a prevalent trend overlapping with art. While there are considerable differences between the disciplines, what is clear is that both science and art investigate new relationships. Innovation may provide the foresight of what the public wants, but it also increases a kind of universal power that impacts our fundamental values, and yet the emergent aura of art to which we react with awe still surpasses technicality. For artists, ingenuity becomes a kind of cosmic pantheism that proposes a merging of identity with the infinite, resulting in immortality.

Two emerging artists who explore the multiple layers of self to transform a public paradigm are Tofer Chin and Vesna Petresin. At the centre of their art is a cross-disciplinary conversation with the goal to shift mood and perception. Each is called upon to build form adapted to its context, and describe the present. They are aiming at a target that is just around the corner.

In his practice, Tofer Chin activates a process in the viewer's mind to further an understanding of their surroundings and challenge their perception through conventional concepts of form, colour and scale. Each work opens the door to greater possibilities, seeing only a portion of something while knowing there is more beyond. Inspired by the built environment, natural or man-made, Tofer embraces architecture as part of a full range of artistic methodology. His investigation produces images as minimalist forms with the aim to merge the objective and subjective, and present a particularly honed vision that 'shifts' a person's point of view. Each work adheres to a formulaic expression that successfully presents a window into the psychological space within the viewer.

Vesna Petresin is a time architect, space composer and performer. Her practice utilizes the alchemy of media and senses (sound, film, space, interaction, and performance) to take art out of the white cube and bring it into an immersive experience. The key concept is transformation - of the material, the immaterial and the self. Vesna seeks elements that link cultures rather than separate them and pays attention to archetypal formal constants and patterns that exist both in nature, human perception and the creative process. Her work in immersive light is ground-breaking.

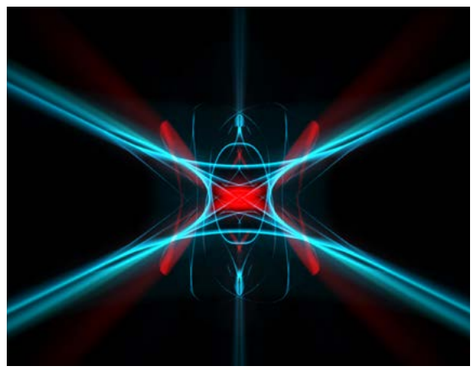
Tofer Chin and Vesna Petresin are engaged in the process of inventing things which display new organisation, form and function. They are constructing wholes around their forms, through bits of repetition and pattern that play an integral part of a spontaneous structure. Whether intended or not, the emotional impact of their art empowers our own communication as we view the work.

This exchange brings the full creative imagination into play, making it possible to discover new concepts and translate new thoughts into form. As a means for describing the world, it tells us how things vary about their position and in this way describes the present. The function of time comes from this formation of consciousness – as a series of bursts or emergent flow of variables – producing the separation between a past, present and the future.

Opening No.1; Opening No.2; Opening No. 3
Triptych -72 x 60 inches – each, Acrylic on canvas
Collection Exelon Corporation Headquarters, Baltimore

All in all, art is subjective. It cannot be right or wrong like science. Aesthetic objects created by dynamic and experimental coding practices are instructing a new transitive phenomenon; a distinctive space or medium where human initiative and algorithmic supposition are no longer separate.

Whether employing the materiality of form as in the practice of Tofer Chin or drawing a trajectory of sound to elucidate a dance between composer and computer realized by Vesna Petresin, it is our emotional response to this hyper-reality that is the true power of art, which is destined to remain mysterious.



Vesna Petresin
IWASI, 2013 – print on light box, 120 x 96cm. Immersion as 'Embodied Illusion Beyond'

Tofer Chin - White Staglamites (sculpture), 3ft, 5ft, and 7ft.
Overlay No.1 and No. 2 Acrylic on canvas, 48 x 34 inches each
In the collection of Cyrus Chan, Hong Kong

Private loans of fine cultural objects to museums - why do it and how to mitigate the risks

Fred Clark

Tim Maxwell

Assets and Advice:
Advisors in the family office and private client sphere are used to advising clients in relation to their assets. But what should an advisor or their client think about when asked by a museum or cultural institution to lend their work towards an upcoming exhibition? This is not a normal request, and bespoke advice is often required.

Clearly, the incentive for collectors of lending fine art, classic cars and rare objects to an institution is having the satisfaction of enabling the public to view something special that ordinarily would be in private hands behind closed doors. For example, a work of art by an Old Master artist that may not have been available to see for a number of years would bring joy to art enthusiasts who would get a rare opportunity to see it. Also, another benefit for the owner is creating an interesting exhibition history for an asset that increases its value.
Would you lend your classic car to an exhibition?

Reasons to tread carefully:
Many assets will be incomparable to the owner for a number of different reasons. For example, it could genuinely be priceless in value, irreplaceable or a one of a kind object, such as a painting by Rembrandt or a rare Ferrari built in the 60s. Or, it could be a family heirloom that has been passed on through the generations and which has significant emotional significance to the current owner. Because the object will generally also be worth a considerable amount financially, owners will want to tread carefully and take sage advice when giving up an object from their control for an exhibition.

Lending to museums does, and has, gone wrong. The assets are at risk of being damaged, destroyed and stolen. Taking two obscure examples, in 2005, 54 paintings, including works by Van Gogh, Monet, Renoir and Picasso were lent by the Pushkin Museum in Russia to the Pierre Gianadda Foundation in Switzerland. The paintings were seized by the authorities after a Swiss import and export business obtained a judgment to freeze the assets claiming it was owed several million dollars by the Russian Government. Another example was the seizure of the Portrait of Wally by Schiele, which had been in the collection of Rudolf Leopold, and was seized in New York whilst on loan to the Museum of Modern Art due to the well-founded allegations (as it turned out after the conclusion of a long Court battle) that the painting was a piece of Nazi-looted art from World War II and capable of restitution to the heirs of the original owner.

The points to be considered are wide-ranging, and it is important that all risks are appropriately covered off in the loan documentation.

The paperwork - what needs to be covered off?: Although non-exhaustive, some of the key areas to consider when agreeing to loan objects to a museum are:
Insurance:

In the UK, the key question is whether it is protected whilst in situ under the Government Indemnity Scheme (GIS) as set out in section 16 of the National Heritage Act 1980. This should, provided the museum has conducted adequate due diligence and complied with certain requirements, provide an indemnity for any loss or damage to the asset.

Arrangements must be made to insure the work separately when it is in transit to and from the museum, as the GIS only provides cover for the assets whilst it is on the relevant museum's premises. Also, a recent, non-debatable valuation and appraisal of the asset should be obtained to ensure any insurances cover up to an appropriate value.

Immunity from Seizure:
In the UK, many institutions have obtained immunity from seizure for works lent to them from abroad. This is prescribed by part 6 of the Tribunals, Courts and Enforcement Act 2007 and must be applied for by the institutions. The immunity from seizure will generally only be available if galleries have conducted adequate due diligence into the asset. The agreement should cover liability if the gallery has fallen below the requisite standards.

Environmental Conditions
A condition report and valuation of the asset should be obtained before the loan and afterwards. This may be done in conjunction with the valuation required when insuring it as discussed above. The condition reports will be important in assessing whether there has been any damage to the asset. Also, thought should be given to the temperature, relative humidity and air quality that the asset should be kept in, as well as dealing with security arrangements and other display requirements that pertain to the asset.

Other Considerations
Other considerations would be the standard terms of the agreement dealing with the length of the loan, the conditions attached to it and who is responsible for the asset as it goes through the journey from private hands, to the exhibition and back again. There are decisions to be made (and effectively documented) concerning copyright, intellectual property rights and the reproduction of images of the asset. Also, finally, confidentiality should be dealt with. If an individual wants to remain private, for example, it should be in writing the museum may only refer to the asset as coming from a 'private collection'.

The last crucial point to make is that the advice and documentation must be specific to the asset in question. A loan involving a work of art will, by necessity, be markedly different to a loan involving a classic car.

by Fred Clark (Associate) and Tim Maxwell (Partner), lawyers from London based private client firm Boodle Hatfield LLP. Both Fred and Tim are part of the Art Law & More team.

www.boodlehatfield.com
www.artlawandmore.com

by Wendy Zieger

ART EDUCATION FOR FAMILY OFFICES

As family offices grow and their remit widens, they are increasingly involved in the investment and management of fine art.

Families who collect fine art may or may not have expertise in art-related matters, many often relying on other experts to guide them towards certain purchases. Having a general understanding of art history, the art market and how to care for and manage valuable objects is advantageous for family office personnel. Indeed, the recent 5th Deloitte Art & Finance Report highlighted the need for more education in collecting, understanding of fine art and the mechanics of the art world for those working in the sector.

Stonehage Fleming is one example where a dedicated art department exists, but most working in this sector have entered from different disciplines, namely investment, finance, law, accountancy and so on. Not only do family office staff and advisors need to develop a sharp learning curve for themselves, they need to be able to guide and recommend excellent educational resources to their families.

There are art history degrees and diplomas, but these require a considerable commitment of time and funds. In recent years, open online courses (edX and Coursera to name two), have become more widely available, with some being offered by very reputable universities like Harvard University. However, most of these are self-paced and require a discipline to plod through a sometimes uninspiring online lesson.

Christie's and Sotheby's also offer education programmes and while most are not appropriate because of the time commitment, they do run evening or very short courses for those advisors who will be time poor. For a fee some of these courses provide college credits or certificates. However, they do not compare to expert instruction in a personalized setting. Intensive, short and flexible sessions, tailored to a particular collection or area of interest are best for advisors and their families.

Instruction also needs to be available in the right location to suit the office and the family. When it comes to the art collector and their families, the majority pass through London on a regular basis and look to attend museums, galleries or the opening of art fairs such as the much-admired Masterpiece and Frieze art fairs or PAD London and Lapada for design and antiques respectively. London offers some of the best opportunities for education due to the high concentration of experts and art historians ready to share their knowledge. Private Art Education is a very desirable option, particularly as it addresses many of the needs mentioned above.

Recently launched by Hanna Yakoleva, a Sotheby's Institute graduate, this is a highly flexible and scalable programme. Hanna and her team offer museum tours from medieval to modern for small groups based on a lively and friendly rotating schedule. Tours visit both permanent collections and travelling exhibitions in the London area. PAE is flexible in that tours can be booked on a one-off basis, or one can join as a member. Family members and advisors can join the VIP member programme on three levels. In addition to art education, they provide guest passes at various London clubs and VIP entry to the most sought-after art fairs. At a lofty £3,000 annual fee, the Platinum membership is an investment but well worth having the 'full Monty' set up for the year alongside one's social calendar. It provides wonderful opportunities to meet museum directors, critics and industry leaders, making it a rich experience. With their 'meet the expert' £300 Option PAE also offers bespoke tuition in any subject taught by renowned experts in individualized fields.

The big question remains as to how art collectors and family offices educate the people that work for them in their homes and at sea. How does one train those that handle and care for their collections? All too often one hears of disaster stories occurring. Lack of knowledge can be expensive -whether it be a fist inadvertently thrust through the Rembrandt or the Pop Art Sculpture that was nearly trashed as unsuspecting crew dumped it in the waste bin when prepping up a superyacht for 'guest mode'.

"The Art World Revealed" presented by Pandora Art Services, is a one or two-day course offered around the world for office and concierge staff, yacht crew, lifestyle managers and family working for UHNW individuals.

The course, consisting of several flexible modules to fit audience requirements was developed after in-depth consultation with industry professionals, conservators and training experts in the yachting and luxury hospitality sector. Creator Pandora Mather-Lees feels it is important to teach art market values and art history before delivering the practical side. "All too often, damage and deterioration occur for valuable objects because staff simply don't realise what they are dealing with. In some cases, you might as well stand in front of a painting and tear up £100 notes if you aren't going to take care of it properly" she says. Stories of valuable design objects broken by throwing cushions off a yacht's deck area or chandeliers crashing to the ground or beautiful sculptures degraded by inappropriate cleaning are presented to delegates in a vibrant session of do's and don'ts in an interactive learning environment. Modules include an overview of the art market, general art history, the cleaning and placement of art on superyachts, fakes, forgeries, insurance, logistics, packing, handling, cataloguing and storage. Courses are offered by advance arrangement as well as throughout the year at various international boating events.

Planned educational events can also be a great opportunity for learning about art. A day-long symposium will take place on March 1, 2018, covering the many implications of carrying art and valuables in international waters. Specifically directed for art collections at sea, the symposium is hosted by National Maritime Museum Greenwich which now offers further accredited courses on detailed aspects of conservation in a working maritime environment and superyachts.

With so much at stake in art investments, family office advisors and their clients now have a range of flexible resources to hand. A basic understanding of art history and the art market together with knowledge of how to handle and care for objects is a way to impress your client, avoid costly mistakes and acquire a useful and valuable career competence.

Protecting Your Private Art Collection

by Linda Sandell

When Hurricanes Harvey and Irma struck Houston and Florida, and fires ravaged northern California, private art collectors turned to their insurance company and its fine art adjusters to protect their treasures. In advance of approaching inclement weather, these speciality adjusters can get art moved quickly and securely to a climate-controlled storage unit. The adjuster also provides access to the right conservators and appraisers to get the best results after loss or damage.

While smaller collections may be adequately covered under homeowners insurance, a dedicated fine art policy offers important advantages. In addition to access to fine arts adjusters, these speciality insurance policies provide:

Higher coverage limits. It's possible to purchase insurance for amounts higher than $1 billion because companies share the risk through participation. The number of collectors who have holdings of this size is increasing every day.

Specialty expertise. Working with individuals who understand art and how fine art insurance works is a clear advantage. They can better discuss the terms of coverage, the way art is valued, and how it is transported and protected. These individuals also review loan agreements and contracts.

Knowledge and experience. Private collectors appreciate the level of knowledge and experience that accompanies a fine arts policy. Each art object is unique and, in most cases, irreplaceable. The majority of damaged artwork can be restored, but that must be done by qualified professionals with highly specialized skills and knowledge. For instance, artwork is sometimes conserved using techniques such as freeze drying. The artwork in harm's way may also be moved to an emergency storage location.

Determining the Collector's Risk Profile

In determining risk, underwriters first want to know who is the insured. Is the owner a serious collector with a passion for art or does the owner make purchases as buy and hold investments? Is the owner actively involved in the local arts community?

Next, the underwriter wants to ascertain that the collection is held in a properly protected and secure environment. What is the construction quality of the building or buildings housing the art? Is there proper climate control, fire protection and security? Are fragile items properly secured and protected against breakage? Are paintings properly and professionally installed, mitigating the risk that they may fall off the wall?

Underwriters also focus on location and values at risk. Many private collectors live in states where extreme weather events, earthquakes and terrorism occur. What protective measures has the collector taken to mitigate the risk and what plans are in place to move or protect the art in case of emergency? Is the plan viable and achievable? What are the values at risk at any one location? What is the probable maximum loss at a single location?

All Risk Policy vs Individual Policy

An "all risk" policy covers losses from all types of risk, including damage that occurs when the art is being transported for public exhibition. Any time art is being loaned to a third party, it is best, if possible, to transfer the risk of insurance to that third party under its insurance policy. It is important to review the borrower's coverage to make sure it is adequate and also to make sure that your interests are properly represented and protected in the loan agreement. It is advisable to maintain your annual policy coverage as a backup to protect against deficiencies in the borrower's insurance, especially if it is a short-term loan.

If a lender is concerned about a borrower having an adequate limit of insurance, the lender might request a separate policy for their item or items. It is best that the lender know their borrower and have a comfort level with them.

Keep Appraisals Up to Date

Huntington T. Block recommends that appraisals be obtained every three to five years and more often if there are major changes in the art market or with a particular artist or genre. For instance, a particular genre may become popular, or an artist may pass away, causing prices to spike. Yes, value is subjective, but the appraisal process works because societies of appraisers back up their conclusions with recent sales figures for similar pieces.

It is very important for collectors to maintain complete inventories of their artwork along with an electronic backup. They must also track the values in their collections so that they maintain adequate limits of coverage. Policyholders must be able to demonstrate their loss to an insurer in the event of a catastrophe.

Linda Sandell is senior vice president and chief underwriting officer in Huntington T. Block's Washington DC office.

What price? The future of the art market in Mayfair?

by Charis Tyndall, Director, Charles Ede
Ancient Art Dealers, London

Walk down Bond Street in Mayfair these days, and you are more likely to see frocks, rocks and fragrance than fine art and antiques. Sotheby's and Bonhams maintain a strong presence – the latter was enhanced by a £30 million rebuild four years ago. Traditional dealers like Richard Green and The Fine Art Society have remained at their location. However, times are now changing and others, like Mallett and Partridge, have left, along with denizens of others to nearby roads like Cork Street. This has constituted the world's most significant art market enclave for the past 150 years.

It's not all over by any means, but art dealers are now rethinking their business strategy in the face of soaring rents. Luxury goods brands are moving in and dealers have taken a more flexible approach to marketing thanks to the Internet and the rise of fairs.

Many Luxury brands do not need to make a profit from their stores, which many accept are loss-leading brand markers that give them an address in one of the world's premier shopping streets. Such has been the problem that Westminster Council gave five areas, including Mayfair and St James's, Special Policy status in November 2016 to help them retain their historical identity. The effectiveness of this policy be in the face of such economic pressure remains to be seen considering that the competing demands of preservation and commerce can be extraordinarily difficult.

The Charles Ede Gallery has demonstrated that sound strategic planning means a business can remain in the area under the right circumstances. The gallery moved to King's Yard off Davies Street from Brook Street three years ago. This gave the gallery the opportunity to remain in the heart of one of the worlds premier retail districts while significantly upgrading their gallery facilities.

The premises now includes a substantial display space, a library and state-of-the-art technology. The Gallery's managing director, Martin Clist, has a background in Contemporary art and brings this experience to the field of antiquities while developing the way the gallery presents their inventory.

The development of the Internet has also started to change the landscape. Many dealers have now abandoned their physical galleries to operate online and at international art fairs. This strategy assists with cutting costs and gives more flexibility as the gallery is not tied down to opening and closing times. Some dealers have answered the challenge of higher rents by moving to the first and second floors on Dover Street and Bond Street, while others have moved a little further out, to what they hope will become new dealer enclaves. Philip Mould quit Dover Street for Pall Mall, where other galleries are already well established.

The silver dealer Daniel Bexfield, conducted a rather heroic campaign to protect the art and antique community within Burlington Arcade. This led to a falling-out with the owners and he moved to Cecil Court between Charing Cross Road and St Martin's Lane, home to antiquarian print and books dealers. Others have now followed suit, with Panter & Hall, the contemporary art dealers, opening a branch there.

John Martin, who founded the Art Dubai Fair – the first contemporary art fair in the Middle East – still has his contemporary art gallery in Albemarle Street. He has set out to create a new 35,000 sq ft arts hub for 30 galleries in Cromwell Place, South Kensington near the V&A.

The changing face of the art market means that the traditional links with Mayfair will no doubt weaken over time. There is a risk that we may lose the unique cultural energy that has arisen from so much expertise and enthusiasm rubbing shoulders in such a small area.

As the art critic Andrew Lambirth wrote: "Art needs to be seen in the flesh: the primary experience is between spectator and work of art, and there is no substitute for that. The nation's museums can only show a tithe of what's available, and for decades now commercial galleries have helped to give a more rounded view of the art being produced in this country."

The Charles Ede Gallery made the headlines in 2017 following detective work by a consultant. They were able to reunite fragments of a 3000-year-old Egyptian masterpiece with the original. The two fragments from the highly decorative c.1400 BC perfume box, a treasure of Pharaoh Amenhotep II, sold to the National Museums Scotland. Their discovery helped revise scholarship surrounding the box.

The Art Market for Art Lovers and investors

by Niall Fairhead

Not all works of art by famous artists need to be hugely expensive. Illustrated is a pen and ink drawing by the notable Impressionist artist, Pierre Auguste Renoir which we are currently offering for sale. It will be included in the forthcoming Catalogue Raisonne by Wildenstein, Paris. Such works can be acquired for about the cost of a family car today and are likely to prove to be good long-term investments.

Buying Art can be described as an occupation of Passion. It is something we do because we have an inherent love of things beautiful, historic and cultural. It is something inside the cultivated civilised man or woman which gives joy and pleasure. All connoisseurs of art say one thing: buy what you like. This mantra is true now as it always has been. However, in today's marketplace the thorny issue of money is ever present. Many will buy Art having no cultural or aesthetic interest but being attracted solely by the probability of financial gain.

Speculating in the Art Market is not something new. The ancient Romans bought, sold and commissioned masterpieces realising their financial worth. Renaissance Princes, British Monarchs, American Industrialists and Greek Oligarchs have since continued this tradition. Today the market has opened considerably so that people of different social and financial positions can become involved in it. Humble artisans and Billionaires can be connoisseurs and collectors of Fine Art. The creation of the artists multiple (Mainly Original Limited Edition prints) has created democratisation: with a comparatively small amount of money signed works by great artists can often be bought for a relatively affordable sum. We can supply an unsigned Original Picasso Lithograph, for example, for under £300-00.

To successfully invest in Art it is necessary to have an understanding of what the marketplace is and where it is going. It is also useful to have an awareness as to what is "hot", what is "cool" and where the "smart money" is being placed. Long term and short-term trends need to be carefully analysed and a proper "entry" and "exit" strategy considered. The connoisseurship strategy too needs attention: which items and why are they being bought?

An example of how not to approach this question happened recently. I viewed a collection of Modern British Art collected over many years by a wealthy lawyer. Certainly, he had spent a lot of money in acquiring his treasures but, as I passed by his canvases, I was struck by a certain feeling of mediocrity. This wealthy lawyer had bought only what he considered bargains on each and every occasion. There were no "jewels in the crown". There were no "bright shining lights". Perhaps the "entry strategy" had been badly considered. The collector could have easily afforded to pay a great deal more for individual treasures and had a great deal more personal satisfaction from his pursuit. A consistent need to get a bargain got in the way of such a pleasure.

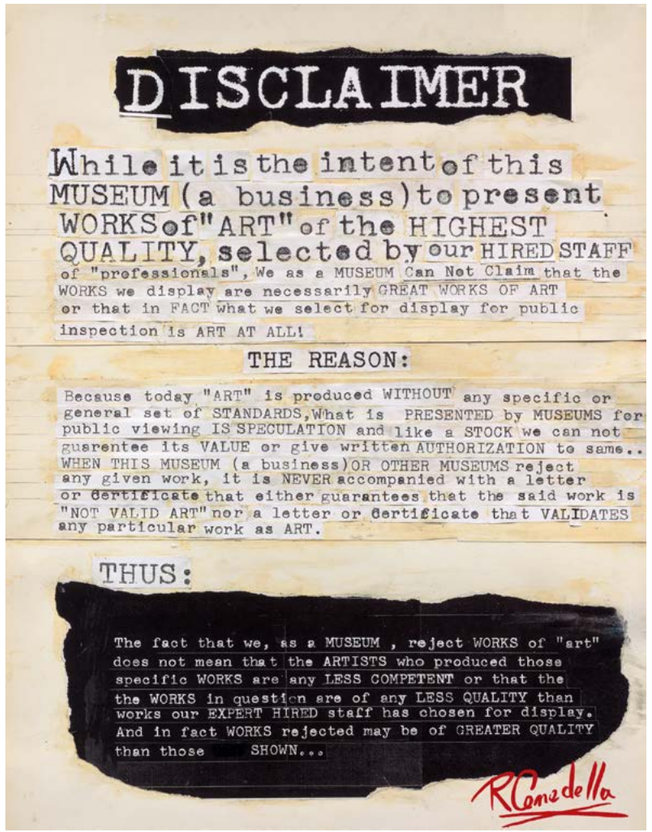
A friend of many years was a great connoisseur and collector of Byzantine bronze weights. For many years he bought the very best that came up for sale. Many thought him crazy for paying these super high auction prices, but he loved what he bought and, in the end, had the finest collection in the world.

When the time came for him to sell two major UK Museum buyers emerged. They wanted the chance to acquire such superlative works, and there was nowhere else where they could be found. He proved his detractors wrong and made a great deal of money on the disposal of the collection.

The term "Art Market" is in danger of being simplistically considered. There are many disparate markets, and these are right now in a state of considerable change. Market forces and economic considerations are creating opportunities and pitfalls which have not been seen in recent times before. It is a commonly believed fallacy that the value of art has risen, is rising and will continue to rise. Most art will constantly fall in value and be an extremely bad investment. Some art will make an excellent Short Term Investment but, in the long term, perform badly. Let the buyer beware.

An interesting case study is the collection of the celebrated Economist John Maynard Keynes who is best known for his analysis of the theories moderating the swings of business cycles laying the foundation of modern macroeconomics. Keynes had a collection of 135 works, acquired in the early years of the century, which ultimately came into the collection of the Fitzwilliam Museum in Cambridge. He had paid for £13,000 for his collection, and by 2013 the holding was valued at over £70 Million representing an annualised return of about 4.2% over the previous half-century which virtually matched the increase in the equities market over the same period. Interestingly some 80% of the purchase price was spent on just ten key works which, in 2013, were estimated to be worth some 91% of the entire portfolios value. In today's marketplace, many of the Keynes purchases were undoubtedly long-term bad buys. An analysis perhaps might show that some of those "bad buys", until recent falls in now less favoured artists, had been "good buys". Careful consideration of the exit strategy is vital.

There are great rewards in investing in art and considerable pitfalls too. Having dealt in Art for over 30 years, I would say that without the "passion" it becomes a much less meaningful exercise. I get a thrill when seeing a beautiful and rare work and the people who do this entirely for the money have, somehow, missed much of the point. Art raises the spirit and excites the soul. Even without a financial gain, it is worth pursuing in its own right.



DISCLAIMER

While it is the intent of this MUSEUM (a business) to present WORKS of "ART" of the HIGHEST QUALITY, selected by our HIRED STAFF of "professionals", We as a MUSEUM Can Not Claim that the WORKS we display are necessarily GREAT WORKS OF ART or that in FACT what we select for display for public inspection is ART AT ALL!

THE REASON:

Because today "ART" is produced WITHOUT any specific or general set of STANDARDS, What is PRESENTED by MUSEUMS for public viewing IS SPECULATION and like a STOCK we can not gusrentee its VALUE or give written AUTHORIZATION to same.. WHEN THIS MUSEUM (a business) OR OTHER MUSEUMS reject any given work, it is NEVER accompanied with a letter or certificate that either guarantees that the said work is "NOT VALID ART" nor a letter or certificate that VALIDATES any particular work as ART.

THUS:

The fact that we, as a MUSEUM, reject WORKS of "art" does not mean that the ARTISTS who produced those specific WORKS are any LESS COMPETENT or that the the WORKS in question are of any LESS QUALITY than works our EXPERT HIRED staff has chosen for display. And in fact WORKS rejected may be of GREATER QUALITY than those SHOWN...

RCenedella

Robert Cenedella The "Art Bastard"

by Edward Harrington

For more than five decades, New York artist Robert Cenedella has thumbed his nose at the art establishment. It's earned him headlines in virtually every publication of note, from the New Yorker to the New York Post. Nevertheless, his provocative paintings of political figures — most recently Donald Trump — and his unwillingness to work through what he considers to be a corrupt gallery system, have kept him, more or less, out of the mainstream. For more than five decades, New York artist Robert Cenedella has thumbed his nose at the art establishment. It's earned him headlines in virtually every publication of note, from the New Yorker to the New York Post. Nevertheless, his provocative paintings of political figures — most recently Donald Trump — and his unwillingness to work through what he considers to be a corrupt gallery system, have kept him, more or less, out of the mainstream.

His latest work, however, is taking his protest public.

"We are going for the jugular," Cenedella, a teacher at the Art Students League of New York and former protégé of famed German Modernist George Grosz, says of his latest piece. "It should be hung in every museum in America. This should be there for everyone to see before they walk into a contemporary art exhibition."

That sounds rather high-toned until you realize that it is a piece of word art — a disclaimer intended for the nation's premier institutions. The piece, also entitled "DISCLAIMER," begins:

"While it is the intent of this MUSEUM (business) to present WORKS of "ART" of the HIGHEST QUALITY, selected by our HIRED STAFF of "professionals," WE as a MUSEUM Can Not Claim that the WORKS we display are necessarily GREAT WORKS OF ART..."

The "DISCLAIMER" compares the evaluation of art to stock speculations and points to the museums' complicity in that speculation.

"And in fact WORKS rejected may be of GREATER QUALITY than those SHOWN..." the piece concludes.

"When I was growing up, I went to museums, and I learned. I saw political art," Cenedella says, adding that his stepfather, who worked as a radio writer for actress Helen Hayes and was blacklisted in the McCarthy era, taught him to think about the big issues.

"I saw people like Thomas Hart Benton and Reginald Marsh. My heroes were all painting about breadlines, and about the Depression and lynching," he says.

Today, he sees Jeff Koons, Cenedella laments.

"Money rules, period," he regretfully admits. "You would think that art would be the one area that would be a little bit above the gutter, but the art world has succumbed, maybe even more so. It is the last unregulated big business in America. If someone thinks that Wall Street is corrupt, it is nothing compared to the art world. If it were regulated and you wouldn't be able to fix prices, and you wouldn't be able to have chandelier bidding. Artists like Jeff Koons — who doesn't even create, but rather dictates nonsense to people — would stop working."

His latest work is the culmination of years spent on the front lines protesting injustice in the world of big galleries, and even bigger institutions. Early in his career, as Pop Art was going mainstream, Cenedella took a shot at the flashy playboys and models who had transformed the art scene into one big party for the beautiful people — something rather divorced from what he considered "art."

His 1965 show "Yes Art!" at the Fitzgerald Gallery on Madison Avenue satirized Andy Warhol and his ilk, and featured a "Brillo Mondrian," "Brillo Descending a Staircase" and "Souperman" — Warhol-esque soup cans featuring the man of steel.

That same year, his painting "Southern Dogs" depicted a black man being attacked by dogs that have the faces of policemen and policemen with the faces of dogs. It was a reaction to the civil rights demonstrations in Selma, Alabama.

Shortly after, he mimicked Robert Indiana's iconic typographical sculpture "LOVE," replacing the letters, so it spelt "SHIT."

Later in 1988, Cenedella lambasted the commercialisation of Christmas with a painting of a crucified Santa Claus, called "The Presence of Man," which Saatchi & Saatchi removed from its own show of sensational art after public outcry.

In 2016, a documentary titled "Art Bastard" was released about his life and career.

"I paint what is around me. I am not just a political painter. Here in Maine, I paint landscapes all the time," he says of the primitive island where he summers. "But the city is where you are inundated with the news media."

Now, Cenedella is focused on challenging the art world and hopes his latest piece, "DISCLAIMER," will force museums to disclose and examine the criteria used to select works for display. He wants to push institutions to acknowledge their dual roles as public authorities on art and makers of fortunes in the multi-billion-dollar art auction market.

"It holds you back," Cenedella says of speaking out against the art world. "I am the most widely written about unknown American artist. I don't worry about the government censoring my work because galleries and museums do it for them."

THE HUMAN RIGHTS FOUNDATION

Interview with Holly Baxter

The Human Rights Foundation (HRF) is a nonpartisan, nonprofit organisation that promotes and protects human rights globally, with a focus on closed societies. HRF unites people in the common cause of defending human rights and promoting liberal democracy.

Their mission is to ensure that freedom is both preserved and promoted around the world. Their programs include a broad range of initiatives, such as successful campaigns to free political prisoners; on-the-ground education in closed societies; individual rights seminars from Silicon Valley to Capitol Hill; production of popular films and videos; scholarly legal research; strategic litigation before human rights bodies; high-impact media efforts; and the production of our flagship annual conference, the Oslo Freedom Forum.

Art & Museum: I am so glad to have you here to learn more about the work the Human Rights Foundation is doing to advance dissident artists. Can you tell our readers more about the program you've created?

HB: First of all, thank you so much for giving us a platform to explain why supporting these artists is so important. I think this is an area in human rights promotion that does not receive enough attention. Art is a deeply personal and forceful tool to inspire change, capturing elements of the human experience that elude other forms of advocacy. This is why authoritarians are so intent on stifling creative expression; they recognize the immense power of art to transform societies.

Recognizing this, the Human Rights Foundation has been at the forefront of advancing art as a way to fight back against authoritarianism. In 2012, HRF established the Vaclav Havel International Prize for Creative Dissent in honour of the late poet, playwright, and statesman. The award celebrates artists who challenge dictatorship by shedding light on the truth, often at great personal risk. This year, our diverse group of laureates included Silvanos Mudzvova, a Zimbabwean playwright and actor; Aayat Alqormozi, a Bahraini poet; and Chiguire Bipolar, a Venezuelan satirical media project. This year HRF launched the Art in Protest program, which aims to support professional artists who are using their work to protest repression. This is a unique program; no other human rights organization is providing these types of services. Art in Protest showcases artists' work at international exhibitions, provides them with financial resources and publicity and draws them into a network of like-minded creatives.

As the program grows, we hope to expand these offerings to include an artist residency program, writing and cataloguing services, and more. I would like to emphasize that these are not just activists using art as a one-time form of protest. The artists we support have made this their career, so, by investing in their development, we are giving them the foundation for a lifetime of creative dissent.

Art & Museum: That is very inspiring.

Art & Museum: What artists have the program worked with so far, and how has it supported their work?

Holly Baxter
The Human Rights Foundation (HRF)

HB: We have been thrilled to work with a talented pool of individuals representing countries from all over the world. Our artists include Afghan graffiti artist Shamsia Hassani, North Korean painter Song Byeok, Italian-Venezuelan artist Rodrigo Figueredo, and Cuban graffiti artist Danilo "El Sexto" Maldonado, to name a few.

Since the launch of the program this spring, we have exhibited the work of artists at three separate exhibits. The first was an exhibit in San Francisco titled Angels and Demons, which recreated the prison conditions El Sexto faced in maximum security detention at the infamous Cuban. He participated in a three-day hunger strike, and visitors could watch him from outside in his cell. Meanwhile, he created a stunning series of paintings drawing attention to the Cuban regime's abuses of human rights.

Subsequently, we also featured our artists' work at the outdoor exhibition space that was part of the Oslo Freedom Forum, our flagship conference in Oslo, Norway. Hundreds of passersby in central Oslo interacted with the exhibit as they walked through Spikersuppa square, a major gathering point for the city. Most recently, we held an exhibition at an independent art gallery in Chelsea in conjunction with the Oslo Freedom Forum in New York, a one-day satellite event modelled after the annual forum in Norway. We were able to showcase the incredible work of these artists in the heart of New York City, an international capital of art and culture. It was an unprecedented opportunity to turn the spotlight on brave individuals who are not only extraordinarily creative but are also making a real difference in their countries.

Art & Museum: Thank you for sharing this and it sounds like a program with great potential to help deserving artists. Can you tell our readers how they can support Art in Protest as it grows?

HB: Absolutely. As HRF's Executive Director, I oversee all aspects of the program and am happy to answer any inquiries about how individuals can get involved. I can be reached at holly@hrf.org. We have various opportunities for providing support, from purchasing artwork at our exhibits (all proceeds go to HRF's programs) to direct donations.

To stay up-to-date on upcoming exhibits and other events, anyone interested should visit www.hrf.org

Once again, I would like to highlight the importance of supporting artists in the mission to advance freedom and democracy. We hope that this message resonates with everyone who cares about human rights and encourages them to get involved in any way they can. We truly appreciate everyone who dedicates their time, resources, and expertise to this program.

CLOCKS
A MUST HAVE
BUT HOW TO FIND
ONE THAT SUITS

Go to a recognised expert specialist dealer who has a wide range of stock and who has spent decades building up a collection of the best timepieces available. Preferably a BADA or LAPADA member who is bound by a code of practice for everything he or she sells and offers a mechanical guarantee and a guarantee of authenticity.

Firstly, the buyer must decide whether he/she wants a freestanding grandfather clock, a spring driven table or mantel clock or a beautiful clock to hang on the wall.

English grandfather clocks come in very varied styles - depending on their period they can have brass, silvered or painted dials or faces; month, 8-day or 30-hour duration movements; and cases in walnut, mahogany, oak or chinoiserie lacquer.
Rarity, quality and originality are key determinants of value and investment potential.

The clock you buy needs to fit the space it is going to inhabit – grand 17th / 18th-century weight driven walnut or marquetry longcase clocks as stand-alone pieces for a tall-ceilinged period house or modern loft space. Alternatively, small early walnut, marquetry or simpler oak longcases for period houses and modern apartments with lower ceilings.

Period spring driven table or mantel clocks also come in very varied shapes, materials and sizes.

Big bold striking table clocks in walnut, mahogany or black cases often with hour or quarter chiming movements, can make an attractive statement on a plinth or table, while the equally varied smaller mantel or carriage clocks - gilt, brass or wooden veneered cases with timepiece (i.e. no chimes) or striking movements mostly dating from the 19th century and either English or French, can make an interesting embellishment of a shallow mantelpiece.

Or for the wall and hall – what about a stunningly decorative big 18th-century Tavern or Act of Parliament wall clock with its long drop trunk case and chinoiserie decoration. Or a classic mahogany veneered example with a big white face made by a fine London maker. For those with less space, a small 12 or 14-inch diameter round dial timepiece can grace a wall in either a modern or period kitchen or hallway.

And lastly, there are 17th or 18th-century weight driven gilt metal lantern clocks. These charming early clocks can tick away atmospherically in either an old cottage or country house or equally can stand out alone on a high wall in a modern loft setting.

Choose a clock that ticks all of the above by following the advice of a specialist you trust who can offer good value for money, expert knowledge and pieces which has been sympathetically restored.

2018 is a great time to be looking at investing in antique clocks – it is very much a buyer's market and prices of most English antique clocks are more reasonable than a few years ago before the 2008 financial crisis.

Howard Walwyn Limited
Tel: 020 7938 1100

HOWARD WALWYN
FINE ANTIQUE CLOCKS







Beneath the Surface

By François Matarasso

Anyone who approaches Bill Ming's work with open eyes, with an open heart and mind, will encounter a gifted, original and deeply serious artist. The work is unusual amongst today's contemporary art for its ideas, aesthetics, techniques and, not least, its approachability.

Keep looking, though, and layers emerge beneath the engaging surfaces. There are visual and intellectual connections within each piece, to other works of art—his own and others; to history, faith and politics; to old films, songs and world myths; to our fundamental human experiences of love, fear, loneliness, hope and suffering. All life is here; it seems, with all its colours and complexity. And, on each return the meanings of these sculptures and collages reform themselves, enriching and challenging the encounter.

However, the qualities that make Bill Ming's work both approachable and rewarding are not very fashionable in today's art world. Accessibility, humour, political and moral complexity. Visual appeal, respect for traditions, humble materials, lack of pretension and craft. All are often found out of favour. Art doesn't have to be approachable, of course. Bill's work does reward time and patience, but it is usually welcoming at first sight. It does not show off; it says hello. Stop a minute. What are you thinking? It is often humorous, or strange. A grown man in a high chair. A couple of boys on a delivery bicycle, propped on its stand. But the wit is never cruel, and when there is irony, it is because the artist has seen it in the paradoxes of experience. It is art that invites dialogue.

The human figure is central to Bill Ming's sculptures. Over decades he has produced a series of thin, not quite life-size figures, in diverse positions and situations. They are typically alone. Even when they are in pairs, or in groups, they seem isolated, as if the artist does not quite believe in the possibility of reaching beyond our selves. Each is representing both itself and all of us. And yet, these pieces are also deeply personal. They speak of lived moments and echo powerful feelings the artist has known and been marked by.

Figurehead Memorial, For Those Lost at Sea, Bermuda

It is also significant—and challenging to a European art world whose ideas of human beauty were shaped by Classical Greece—that these figures are clearly not modelled on white Caucasians. Although their formal aesthetic is closer to Expressionism than Realism, it is evident that they are from the Global South: Africans, Americans or islanders perhaps. Their complex colouring evokes both the troubles that visualising race has brought the modern world and the pride that those oppressed by it have found in the very ideas used to stigmatise them. Unlike metal, this wood is soft and warm to the touch. It bruises and burns; it can be cut. It also glows with every colour of blackness. Significant among the standing figures is a series that were first exhibited at Islington Art Factory in London in 1996. Mostly solitary, these lean figures are cut and scarred, their wounds sometimes stitched with rows of tiny nails that bring to mind the loading plans of 18th-century slavers' ships. Around their feet are pebbles, stones, sand. They stare ahead like ghosts, making no eye contact. They summon up the Africans who had died on the Middle Passage of the Slave Trade and been flung overboard unceremoniously, as perished cargo.

These histories and their contemporary consequences resonate throughout Bill Ming's work, which is, in the best sense, profoundly moral. It's worth making a distinction here between politics and morality. Where politics is concerned with current, transitory issues, morality looks further, to the unchanging laws that (should) guide human beings in their conduct and relationships. Politics decides how much the strong can get away with. Morality questions the legitimacy of their strength. Bill's work does not shy away from politics but always approaches it from the deeper, more complex and more important perspective on morality and ethics.

The people in Bill Ming's work are from the wrong side of the tracks. It's never Captain Ahab: it's the sailors shipwrecked by his mad pursuit of Moby Dick. It's not the famous figurehead; it's the forgotten fallen. Is that a vulture which is perching on the drowning sailor's map-paper hat, waiting for the end? Or an imperial eagle?

The work draws inspiration from and refers to the classical Western canon, the black American artists he encountered as a young man, the diverse African and Native American artistic traditions he has discovered since and last, but by no means least, the hybridity of the Atlantic and Caribbean crossroads where all these ideas, practices and aesthetics meet. In Bomb in a Baby Carriage, for instance, you might find echoes of the American installation artist, Edward Keinholz, African woodcarving, William Morris, the blues, Graham Greene and even Mary Poppins, in restless dialogue with a composition and ideas unique to the artist.

Bill Ming has suffered from some condescending and ignorant reactions to his work: 'A black man carving wood figures? Ethnic craft at best—and you can get the real stuff cheaper from any market in Nairobi'. But his use of wood, among other materials, is a respectful acknowledgement of aesthetic and cultural practices often disregarded by the West except when 'discovered' by an accepted genius like Picasso. Bill makes wood speak for the peoples whose roots he acknowledges in his own identity and adds to that tradition with an intercultural dialogue that could not have been made a moment earlier than now.

Bill's work is also in an intriguing dialogue with itself. Sculptures that stay in his studio too long are liable to be reworked into something else or cut up altogether to become part of a new piece. For some artists, the whole body of their work becomes a coherent artwork in itself. Each piece is like a short story in a collection that traces a complete human life. There is exceptional consistency in Bill Ming's art, which is one reason why elements of an old sculpture can be successfully reworked into a new one. There is also great diversity in Bill's work, as well intellectual and aesthetic development, but it is always anchored in the artist's singular and compelling vision. It is deeply rewarding: funny, beautiful, humane, angry, clever, ambiguous, instructive—the list really could go on. He has not won the Turner Prize, but he sees that as a badge of honour. He has won the admiration of thousands of people, of all cultures, colours and ages. That too is a badge of honour.

François Matarasso is a freelance writer, community artist and researcher. Bill Ming created a series of collages specifically for his book, Bread and Salt, Stories of Artists and Migration, published by Vrede van Utrecht (Netherlands) in June 2013.

A Review of the second edition of "The Scientist and the Forger" a book by Jehane Ragai

I enjoyed very much reading Jehane Ragai's first book "The Scientist and the Forger " which in a scholarly but at the same time most entertaining, seductive way brought me into the world of art forgery (new to me) and modern forensic technology (where I am as a physical chemist more at home) with numerous exciting details about how each mystery was solved and the culprit eventually brought to justice. Art forgery has simply so many fascinating facets, all from the various cultural and social perspectives of art and those artists who are considered artists and those who are considered forgers, with all the thrilling aspects of the criminal act and how to dupe an ignorant society but sometimes also the experts. The consequences of the forgery, once it is revealed, are also interesting: the complex cataract of reactions, economical, professional (expert reputation), legal consequences and so on.

Professor Ragai's second book - which I was very eager and curious to read as I anticipated that interesting things might be imparted – indeed was not a disappointment - as, in her hands, the topic has exploded like an expanding universe. The focus is the same as of the first book, on the act of art forgery and how it is detected using various state-of-the-art technology, but there is a richness in details from a selection of cases, and the author a good storyteller. Who could stop reading after the following two sentences: "All of this came to an abrupt end in late 2011. Domenico de Sole had just finished taking his shower one morning when he heard his wife scream."

Or the following opening of a chapter on Authentication: "A cruel lover, a terrible father, a reckless gambler, a control freak and a loner who hated the intrusion of people: Lucien Freud - grandson of famous psycho-analyst Sigmund Freud - was considered to embody all of these traits but also, to be one of the greatest portraitists of the 20thcentury."

Or the beginning of Part II, The Court, and the virtual plot against art expert Elena Basner: "Could Basner have been the victim of a fabricated plot that led to her being arrested in January 2014 and charged with fraud and duplicity? Did unidentified enemies wish to see her disappear behind prison bars and shield her access to an emerging panoply of forgeries?"

As those who are more initiated in the field, no doubt will notice there are noteworthy new developments that have taken place in relation to forgery and authentication cases since the first edition. The psychological dimension is particularly interesting – it is, of course, relevant in any criminal context, and in all camps: criminals, victims, witnesses, judges etc., but Jehane Ragai draws her own conclusions in a few particular cases, her own original interpretation of the psychological behaviour of Ann Freedman, the gallery president in the Knoelder Gallery scandal, will probably win general acceptance.

Among other noteworthy news in the new edition, a possible solution to the long-standing enigma of La Bella Principessa can be mentioned.

I enjoyed reading as a non-expert by pure delight, but I can see that "The Scientist and the Forger" has an important educational role in the professional authentication of art – the book includes a discussion of the most pressing problems today and indicates a possible future development.

I cannot help thinking that a similar insightful broad approach – including the psychological analysis - would have been handy to have in many contexts where we today have to deal with increasing number of unethical behaviour, cheating in research etc. and where both sides (culprits and law) are racing to keep up with rapid technical escalation.

I can warmly recommend the second edition of "The Scientist and the Forger" which is a great book.
Bengt Norden
(Professor; Chemistry and Chemical Engineering, Physical Chemistry)
Member of the Royal Swedish Academy of Sciences.

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SCHILLINGS

Rod Christie-Miller

CYBER SECURITY, PRIVACY AND REPUTATION

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CYBER SECURITY, PRIVACY AND REPUTATION

By Richard Steele, researcher at Campden Wealth

Families of wealth and their businesses have long considered privacy and reputation as one of their most important assets. However, in today's digital and information age, broader and more sophisticated threats are on the landscape. Reputation can be attacked and privacy undermined with increasing speed and severity.

Private and Confidential: The Cyber Security Report, is a research publication released in November 2017 which analysed data from 121 individuals around the world. The study, completed by Campden Wealth, in partnership with Schillings, aimed to look at the risks facing international families in a hyper connected and complex world. A majority of research participants came from single family offices (SFOs) and multigenerational family businesses, with an average family wealth of $1.1 billion.

The report was published as the world's media covered the so-called Paradise Papers leak, in which more than 13 million files were stolen from two offshore service providers and the business registries of 19 tax jurisdictions.

Why such a study now? Rod Christie-Miller, chief executive and partner at Schillings, sees lots of deliberate attacks on families and their businesses by those opposed to them.

"Whether they are blackmailers, disgruntled family members, business or political rivals, lots of people with an agenda are seeking stolen or private information to gain an advantage."

In fact, the connection between a cyber-attack and the damage to reputation and privacy does not appear to be fully appreciated. This study into the preparedness of international families to cyber threats intends to help wealth owners to make more informed decisions safeguarding themselves, their families and their interests.

Rod Christie-Miller
SCHILLINGS

So what are some of the threats? It is important to understand it is not just big institutions which are vulnerable. While cyber-attacks on the likes of eBay, the UK's National Health Service and Target made for considerable headlines; cyber-attacks targeting family offices are happening too. More than a quarter (28%) of all respondents surveyed said their family or business had experienced a cyber-attack. This rises to a notable 41% in North America.

Phishing was the most commonly reported form of cyber-attack (77%), followed by ransomware (37%), malware (30%) and social engineering (23%). When examining the nature behind the loss or theft of private and confidential information, more than half (54%) of incidents reported were deemed to be malicious. Almost one-third (31%) were considered insider threats (employees intentionally leaking confidential information) or accidental occurrences (8%).

The report highlights the importance of considering what information on a family exists in the public domain. Cyber criminals regularly make use of publicly available information to improve the success rate of a social engineering campaign. Yet the study also revealed 51% of respondents have never audited, or do not know if they have audited, their publicly available information, and 66% have never corrected or removed publicly available data relating to the family or business.

There are many different types of threats which may be encountered. A brief description of some of the most prevalent and dangerous are listed below:

Cyber crime
Criminal activities carried out by means of technology, that is not only limited to computers and the internet

Smart home technology
New technology that is connecting homes, via means of automatisation that poses a new threat to reputation and privacy

Ransomware
A form of malware whereby data is held to ransom

Social engineering
A form of cyber attack that involves the specific targeting of an individual

Phishing
A form of social engineering attack whereby a legitimate-looking email scam is sent

Intelligence databases
Holdings of publicly available data on organisations and individuals

"Reputation and privacy are now more fragile and more easily destroyed than ever before," Christie-Miller says. "The speed of dissemination means stories work their way into the grain of the internet very quickly."

With a greater awareness of "fake news" and a wide variety of social media channels which can fan the flames of slander, libel, rumour or misinformation this is another area of concern for the reputation conscious family or business. Unfortunately, the information rising to the top is not necessarily the information that is the most factual.

Even supposedly friendly parties, such as commercial partners and banks, are now using reputation to assess whether they want to do business with a family. Nobody would want their reputation assessed on either inaccurate or false information but sometimes it takes monitoring and action to ensure this outcome does not happen.

Yet 84% of those surveyed either agreed or somewhat agreed it is possible for a family to live its life and practice its business affairs privately. Furthermore, virtually all (98%) those surveyed cited reputation as being important to their success.

The importance international families place on protecting private and confidential information is also changing. The top reported triggers causing this shift include a greater societal awareness of privacy related issues (66%), and families' and businesses' growing media exposure (39%). In North America this seems to be more about greater societal awareness of the issue while in emerging markets it was down to increased financial or government intervention into public affairs.

So how prepared is the family office community and what safeguards are in place? Just over half (52%) of

those surveyed have cyber security plans—38% do not. Some will of course consider this the responsibility of their IT team but Christie-Miller suggests a more proactive approach. "I would urge you to ask some probing questions at your next board meeting to find out how protected you are. Cyber security should be a board or head of family level issue, and not left to the IT department."

Questions every family principal, family office and family business executive should be asking regularly, include:

- How do we know if we have ever suffered a cyber-attack, and what monitoring is in place to detect a live or historic cyber-attack?
- Have we ever independently tested our IT firewall via a penetration test and, if so, when?
- What steps are we taking to strengthen our human firewall, such as cyber security awareness training to protect against phishing attacks?
- Who has what information on the family and where is that information going, particularly in light of the Common Reporting Standard (CRS)?
- When did we last rehearse our incident response plan, and are we clear on who will do what in a crisis?

What about the practical steps international families can take to safeguard their reputation and privacy? The report makes six key recommendations:

01 Cyber security should be a board or head of family level issue and not left to the IT department. It is often mischaracterised as an IT issue and this can result in IT departments effectively marking their own homework, especially in instances where there is no senior or independent oversight.

02 Further investment in establishing a human firewall will strengthen a family office's or family business' first line of defence against a cyber-attack. Cyber security awareness training and two-actor authentication are cost effective yet can prevent the most common ways of penetrating an organisation through phishing or ransomware attacks.

03 It is time to get interested in your publicly available data and correct inaccuracies or remove untrue information. The more people know about you, the more they can engineer an organised attack. When information on public databases is incorrect or out-of-date, it can prevent your ability to conduct business, access capital or conduct banking.

04 Include an incident response plan as part of your cyber security plan. Being prepared so you can act swiftly can make all the difference, because you do not have time to wait around and discuss what to do in the event of a cyber-attack. You need a plan in place that is rehearsed so everyone knows their role and you know who to call.

05 In the event your data is stolen as part of a cyber-attack, there are measures you can take to minimise the fall-out. Digital forensic investigations can be conducted to try to identify the perpetrator so you can take appropriate legal action. There are also legal remedies, including obtaining interim injunctions, to stop the proliferation of the stolen data online. This applies both to confidential business information, as well as personal and/or private information, such as photographs.

06 If the stolen data is leaked online, do not assume the battle is lost. Provided you act quickly and decisively, it is possible to have the data taken down; thereby allowing you to take back control of your data.

"Amid a rising number of high-profile cyber-attacks, families are failing to see such attacks as a threat to their privacy and reputation; despite the fact they can result in blackmail, extortion and smear campaigns," Christie-Miller says.

There is a fine line between complacency and confidence. The link between private and confidential information being stolen, and the impact this can have on privacy and reputation, is not being made, he continues. 'With only a third of respondents undertaking internal cyber security awareness training, and with phishing the most cited cause of cyber-attack, international families need to invest further in their human firewalls, alongside their technical firewalls, while taking a greater interest in their publicly available data before someone else does."

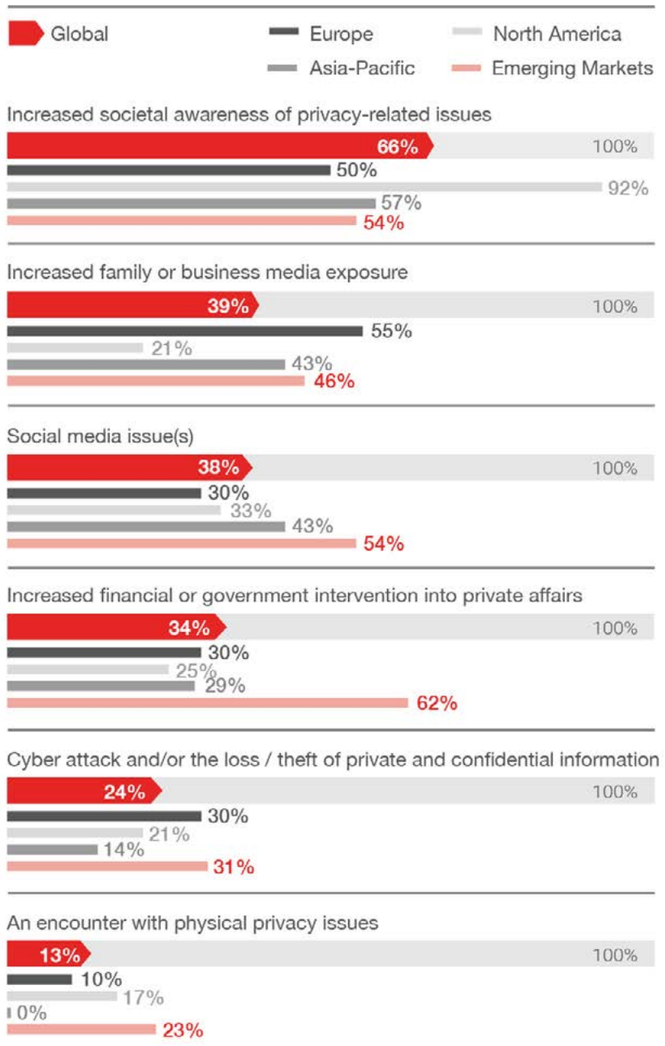
Participant views...
"We instruct our staff not to open any emails that look suspicious to them. The breaches that we've heard of occurred this way."
Family office executive, North America

"We will get hacked. We will one day be caught—because it is just inevitable."
Family office executive, Europe

Campden Wealth is the leading independent provider of information, education and networking (in print, in person, online and via research) for multigenerational family business owners and family offices globally.

Your reputation and privacy are paramount, so when it comes to a crisis or an ongoing need, there is no room for doubt. When there is a crisis, Schillings will run point for you by deploying their combined experience in intelligence, investigations, cyber, risk and law to zero in on the source of your problem and fix it. Rod Christie-Miller is a partner at Schillings and the firm's chief executive.

Fig 5. Factors driving changes in the importance that a family/business places on protecting its private and confidential information; breakdown by region; multiple options permitted



Note: Due to rounding, totals may not add up to 100%
Source: Campden Wealth/Schillings, *Private & Confidential: The Cyber Security Report* 2017

EROSION OF TRUST IN FAMILY CONFLICTS

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"Family quarrels are bitter things. They don't go according to any rules. They're not like aches or wounds; they're more like splits in the skin that won't heal because there's not enough material"- Scott Fitzgerald

The intersection of trust is at the heart of all relationships. A family contains an emotional vault of family emotions, stress, and conflict and the dynamics of the family extend into the hearts, minds, wellbeing and success of the professionals and friends who support the family.

A 2012 Harvard Business Review study revealed that 70% of family-owned businesses fail before the second generation ever got a chance to take over from the wealth creators. The Harvard study found that the legacy of high net worth families is more often eroded by such issues due to lack of trust that leads to family feuds, oversized egos, negative emotions or poor communication for example. Many successful families do overcome such obstacles by shifting the family dialogue from solely related to building wealth to building strong bonds built upon trust within the family.

Families are among the safest of social systems, yet they can be among the most intense. We often observe the agony of family conflicts, in part because we have comfort that we can say or do anything as our family will still love us. That is often not the reality.

Wealthy families, who appear from the outside to have everything, may yearn for that which they do not have, or cannot seem to create even with their wealth, namely a close, functional, multi-generational family.

Families may fight over a divorce, marriage, sale of an asset or whether to stay in business together. These are typical scenarios where trust has been eroded that give rise to the challenges that threaten the family's fabric of shared values and common experience.
The use of emotional control is perhaps the strongest and most damaging weapon that impacts families when there is conflict. Underlying control is the absence of an "I win- you win "relationship, as it lacks a deep foundation of trust.

Trust is the cornerstone of all relationships. It is the act of placing confidence in someone or something else. Without trust, fear rules. While there are many other challenges and interventions to overcome them, addressing trust is often core to managing a family conflict.

Certain life experiences can impact a person's ability to trust others. Family can often be the people closest to you or the ones that can inflict the deepest emotional wounds. Broken trust within a family can be devastating and hinder the functionality of the family unit.

When trust is not present, relationships may suffer.
What are the common signs and symptoms of trust issues? A fundamental assumption is that everyone has uncertainty about whom to trust, how much to trust or when not to trust. Every day we each make decisions on questions of trust, and at times we are more willing to trust than other times. A total lack of mistrust of everyone would indicate a serious psychological problem, so it is a good thing that we make trust decisions all the time, since our judgments about trust, help keep us safe and alive.

Within a family, there are signs that there may be excessive mistrust such as:

- A total lack of intimacy or friendship due to mistrust,
- Mistrust that interferes with one's primary relationship, e.g. a spouse,
- Several intensely dramatic and stormy relationships either at the same time or sequentially between siblings, parent-child or even spouses,
- Constant thoughts of suspicion or anxiety about family and friends,
- Terror during physical intimacy, and
- A belief that others are deceptive and malevolent without real evidence.

Mistrust can play a significant role within a family especially if past betrayals or disappointments are at the core of the issue. Parents abandoning children in their moment of need can be devastating with lifetime consequences.

Trust issues can arise based upon experiences and interactions in childhood, for example, if one did not receive adequate nurturing, affection or acceptance. If, as an adolescent one experienced social rejection within a family by being treated as an outcast, or as an adult, a loved one was lost, there may be issues with trusting others to feel safe and secure.

Relationships fail primarily because of a lack of loyalty, or lack of honest communication and mutuality, due to lack or loss of trust.

Fortunately, one can learn to trust again.

So how is trust built and maintained in family relationships? Once broken trust must be rebuilt incrementally. We must demonstrate that we are trustworthy in small things and then build on the newly woven threads of trust. Building trust takes time, patience and forgiveness on the part of both parties to the relationship.
There are four critical factors in ensuring trust resides in a relationship:

1) Values- a common set of values and a willingness to respect those that do not overlap is essential that contribute to a mutual recognition of priorities that reduces dissension.
2) Integrity- the predictability of honesty and consistency
3) Mutuality- this refers to working as a family within the relationships and is critical to sustained trust.
4) Commitment-loyalty is important so that the relationships efforts are not in vain

The following are techniques that can be deployed to build trust:

- Being authentic and honest
- Communicating effectively, using clarity and active listening
- Controlling impulsive decision making; check with others
- Being reliable; fulfilling shared expectations
- Admitting mistakes and forgiving the mistakes of others
- Doing the right thing; step to the side of others
- Avoid self-promotion; seek collaborative approaches
- Express yourself; be clear, respect the needs and interests of others

Trust can ebb or flow over time, so continuing to adjust and commit to a relationship is important to receive back trust, respect and love in return. In summary, addressing trust issues is crucial to securing a family's legacy.

Family quarrels can result in positive outcomes if family members seek to build on the underlying trust that defines a successful family.

The authors of this article are three Co-Founders of SLG: Dayle E. Spencer, JD, Principal, and William J. Spencer, Principal, and Andrew S. Kane, OBE PhD, Senior Advisor. The Spencer Legacy Group is a national boutique practice of experienced professionals who work with high net worth families in confidential and effective ways in the field of wealth psychology.
www.SpencerLegacyGroup.com

FACING FAMILY DYNAMICS FOUR WAYS FAMILIES GET INTO TROUBLE

Working with family, even on philanthropy, has its challenges. Even the most successful families experience misunderstandings, disagreements, and power struggles. Whenever a family must make decisions together about money—whether it's making money, keeping money, or giving it away—it can get tricky. Emotions run high, and family members may react or revert back to long-established roles and patterns of behaviour.

Family dynamics are something that all families face, particular families of wealth. If not kept in check, these dynamics can, at best, hinder good decision-making, and at worst, cause rifts that leave families in a state of disrepair.

Here are four family dynamics and quick tips to mitigate them.

1. Family roles and generational differences hinder family members from seeing and treating each other as individuals.

Parents may always think of their adult children as "children," and maintain that position of authority well into their elder years. Children may feel their parents are living in a different world and will never understand them, or that they don't have a voice. Siblings can rival from an early age and are especially sensitive to unequal treatment, real or perceived. The roles family members play and the rivalry acted out can continue into adulthood and may create long-standing rifts between entire family branches.

What can family offices do? While there may not be much you can do as a member of staff to change deeply embedded dynamics (nor would you want to involve yourself in that way), you can help the family discover and understand what is important to each person, and how and why they communicate the way they do.

By Suzanne Hammer
Hammer & Associates

Create a space where everyone has an equal voice, and encourage each person to see things from the other person's perspective. If the family is open to it, bring in an outside professional who specialises in family systems.

2. Troubled family members create friction among the rest of the family.

Debate and disagreement among family can be a healthy way to learn from each other and improve communication. What's not healthy is repeated debate and disagreement caused by a troubled family member. This individual may have personal issues that affect the way he or she relates to the rest of the family—such as wealth-related issues, personality challenges, mental health disorders, addiction, and more. Examples of troubled behaviour include: spreading misinformation, repeatedly disrupting or manipulating conversation, verbally attacking or giving the silent treatment, and thwarting the family's otherwise normal discussions.

What can family offices do? Family offices should be prepared to address the problems caused by a troublesome family member and create preventative measures. Be sure to have good governance set up including ground rules for meetings, the family's expectations for all members, and policies on term limits and removal from family discussions when needed. Keep in mind: Dealing with a troubled family member is not something to go alone. This can be dangerous territory, and you don't want to get caught in the middle. Hire an outside professional who is skilled in family dynamics who may help.

3. Founders of the family philanthropy have a hard time planning for succession or passing control to the next generation.

In family enterprises, one of the most significant concerns people have is how to pass leadership to the next generation. In spite of the fears, some families choose to delay or avoid preparing the next generation for their future roles. Without a plan in place, a family may make decisions arbitrarily, causing tension, resentment or frustration among family members. For family leaders, passing on the charge to another often younger family member is often about sustaining the values, principles and vision of the founder and family. Older family members may have a hard time letting go of authority (usually called founders' syndrome)—leading other family members to feel they don't have a voice.

What can family offices do? No one sets out to harm the family or the philanthropy, and often, founders who "won't let go" don't realise the adverse effects of their behaviour. Be sure to have a good governance plan in place that addresses succession early and often, and provides a solid transition plan in the event of an unexpected change. Hire an outside expert who is skilled with family succession-related issues who can coach the founder and the successors before the transition.

4. Family members are in denial (or refuse to talk about) their own death or the pending death of their loved ones.

Some family leaders aren't willing to let go and are determined to remain in control—even from the grave. They worked hard to build what they have, and they want their wishes to be adhered to. They perhaps are in denial about their mortality and want to ensure their legacy lives on.

What can family offices do? Until an individual or family member is ready to accept the reality of death or talk about it openly, there's not much family office staff can (or should) do to convince them otherwise. What you can do is ask them questions, give them space to talk about it (if they choose), present different scenarios, and what those situations will result in (e.g., the tax or leadership implications).

If you have a reluctant family leader who doesn't want to talk about death, you might approach succession differently by asking: "how do you want the next chair to be leading the family?" This can give the founder a feeling of control in spite of the sensitive topic.

Whether your family office is facing these family dynamics or others, know that help is out there. Consider an outside facilitator that can help the family navigate unproductive dynamics in a skilful way.

Suzanne Hammer of Hammer & Associates helps philanthropic individuals and families pair their passion with proven strategies. To learn more, download her EngagedPhilanthropy™ toolkit Family Dynamics: A Family Office Guide to Meaningful Giving at SuzanneHammer.com or contact 303-319-3029. Follow @philanthrpysolut.

THE EVOLUTION OF RESPONSIBLE INVESTMENT

Tom Snape
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Jane Ambachtsheer
Partner Mercer Wealth

Responsible investment (RI) has come a long way in the last ten years. RI has always sought to manage environmental, social and governance (ESG) risks in some form, but it has morphed over time, and it has now had three major stages in its development. Each evolution has resulted from the growing realisation that investors can play an active role in managing these risks.

Stage 1: Exclusions
For a long time, RI was viewed as the preserve of morally-driven investors – such as faith groups and charities – whose objective was to avoid industries seen as morally dubious (e.g. adult entertainment, armaments, gambling and tobacco). A responsible portfolio was achieved by excluding these, and other frowned upon activities. Typically this was applied to listed equities, with other asset classes primarily ignored.

While this is a simplistic summary, the approach described above (negative screening) falls within what is these days generally referred to as "ethical investment" and is still a widely practised approach to managing exposure to contentious issues in investment portfolios – estimated at approx. $15 trillion in 2016, according to the Global Sustainable Investment Alliance.

Stage 2: Integration
The first evolution was a result of a realisation that ESG considerations are not just for "ethical" investors, but that ESG risks are also financially material. Furthermore, it became apparent that ESG risks are relevant considerations for every part of a portfolio and cannot be dealt with comprehensively by merely excluding certain investments. Instead, an active approach to consider 'off balance sheet' issues across an entire portfolio is required. This provides investors with new information related to long-term risks and opportunities.

Climate change is an example of an ESG risk that is financially material and is likely to be relevant to all areas of a portfolio. Climate change risks could be physical (e.g. weather-related damage to property or global supply chains) or related to the transition to a lower carbon economy (e.g. arising from changes in policy that favour 'clean' over 'dirty' consumption and production). The Financial Stability Board (FSB) recently stated that "investors may not be able to avoid climate-related risks by moving out of certain asset classes as a wide range of asset types could be affected." Instead, the FSB recommends that investors "should consider their longer-term strategies and most efficient allocation of capital".

There has been a substantial uptake of ESG integration in the investment industry. Part of this growth is down to initiatives such as the UN Principles for Responsible Investment (the PRI), as well as the greater availability of data analytics and information associated with ESG issues relative to 10 years ago. For example, listing rules are gradually changing around the world to require companies to provide specific reporting on single or multiple ESG issues (e.g. the Johannesburg Stock Exchange requires listed companies to provide sustainability reporting as part of its compliance rules). We believe that ESG issues should be considered by all long-term investors. Why wouldn't we consider as broad a range of factors as possible when making investment decisions?

Stage 3: Impact
Investors are now going one step further. Instead of being "Future Takers" (dealing with what comes their way); investors are increasingly acting as "Future Makers". They are now looking beyond the scope of their own investments and using their influence to actively tackle some of the most significant environmental and social challenges that we face as a global community.
Perhaps the best example of a Future Maker is the concept of Impact Investment. Such investment has specific social and/or environmental goals, as well as financial objectives. Importantly, Impact Investment should not mean that asset owners have to accept a lower-than-market level of return.

This is not a new concept, and its origins can be traced back to Victorian England and a movement called 5% Philanthropy, which guaranteed asset owners a 5% return in exchange for investment in social housing projects. Today, Future Makers are looking at a broader set of environmental/social challenges than they did in the 19th century. Many are adopting the UN's Sustainable Development Goals (SDGs) as their framework for Impact Investing. Launched in 2016, the SDGs are globally applicable and aim to "end all forms of poverty, fight inequalities and tackle climate change" over the next 15 years.

Alongside representing a 'social good', there are two additional motivations for investors to adopt a Future Maker position and adapt an investment policy to take account of the SDGs. Firstly, a concerted global effort to meet the SDGs would reduce investor risk and uncertainty about the future. Secondly, achieving the SDGs would create significant market opportunities for investors. A 2017 report by the Business and Sustainable Development Commission, an organization based in the UK with a global remit estimated that business "savings and revenues" within four areas related to the SDGs – agriculture, cities, energy and health – will represent US$12 trillion by 2030. Innovations in energy, healthcare and transportation account for around half of this opportunity.

Product innovation has developed rapidly in Impact Investing. Nonetheless, most investment opportunities are focused on unlisted asset classes: private debt (e.g. microfinance), private equity (e.g. social ventures; companies producing a range of environmental products and services) and infrastructure (e.g. renewable energy). Therefore it is likely that Impact Investments would make up a part of an investor's portfolio, but as products develop, it could well be that the concept becomes applicable to the whole portfolio.

Conclusion
The increasingly active role investors are taking in dealing with ESG risks has led to many exciting developments in the field of RI over the past ten years. Each of the approaches described above (exclusions, integration and impact) are levers that investors can use today when developing their own RI strategy. Retail, institutional and private client investors should all be able to develop a tailored strategy that meets their particular ESG objectives while identifying a series of product solutions that fit with their financial objectives.

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NEW ROLLS ROYCE PHANTOM

The New Rolls-Royce Phantom made its debut in the nation's capital IN October at an event hosted by Sir Kim Darroch, the British Ambassador to the United States at his official residence in Washington D.C.

ROLLS ROYCE 'EXTENDED' PHANTOM

BRITISH AMBASSADOR TO THE UNITED STATES OF AMERICA HERALDS THE ARRIVAL OF THE NEW ROLLS-ROYCE

Rolls-Royce Motor Cars Americas has recorded three consecutive year of record sales as the brand has rounded out its family with Dawn and the introduction of the Black Badge Series in 2016. Rolls-Royce Motor Cars has 43 retail partners in the Americas, with 36 in the United States, four in Canada, one in Mexico and one each in Brazil and Chile. The Americas has consistently remained the largest region for the world's leading luxury house, and represents more than one-third of the iconic brand's sales. Rolls-Royce continues to dominate the North American super-luxury arena (motor cars topping $250,000).

The New Rolls-Royce Phantom made its debut in the nation's capital yesterday evening at an event hosted by Sir Kim Darroch, the British Ambassador to the United States at his official residence in Washington D.C. New Phantom is the pinnacle offering from Rolls-Royce, the world's leading luxury brand.

As the longest existing nameplate in motoring history, Phantom has defined British luxury craftsmanship for more than 92 years. Every modern Rolls-Royce is handcrafted exclusively at The Home of Rolls-Royce in Goodwood, England.

"Rolls-Royce is an outstanding example of a British luxury brand that combines modern engineering with classic British style." Said Sir Kim. "American car enthusiasts appear to like the result, whether Rolls-Royce or other British car brands: the US is the single largest country market for British cars, and the latest Rolls-Royce Phantom is sure to be another hit, representing as it does a unique combination of state of the art design with handcrafted excellence."

Speaking from the Home of Rolls-Royce in Goodwood, England, Chief Executive Officer of Rolls-Royce, Torsten Müller-Ötvös said, "As the world's leading luxury brand, we at Rolls-Royce are proud to carry the message around the globe that Great Britain's luxury industry is the world's best. I thank Sir Kim for welcoming New Phantom, the world's leading luxury product, to America in such style."

"We are proud that the newest and most exclusive member of the Rolls-Royce family has been welcomed to America by the British Ambassador to the United States," said Pedro Mota, President of Rolls-Royce Motor Cars Americas. "Rolls-Royce continues to represent the very best of luxury craftsmanship in the world. For well over a century, Rolls-Royce has been a global beacon for British luxury manufacturing excellence. With the arrival of New Phantom, considered by those in the know as "The Best Car in the World,' the United States is poised to remain the largest market for Rolls-Royce, worldwide," added Mota.

New Phantom offers a wholly new, innovative and contemporary interpretation of the Rolls-Royce Phantom DNA. New levels of luxury, technology and silence are underpinned by "The Architecture of Luxury", an all-aluminium spaceframe architecture designed by Rolls-Royce engineers at the Home of Rolls-Royce at Goodwood.

The GREAT Britain campaign showcases the best of what the UK has to offer to inspire the world and encourage people to visit, do business, invest and study in the UK.

IT WAS A YEAR THAT MIGHT TURN EVEN THE MOST DEVOUT TEETOTALLER TO DRINK – UNLESS THEIR NAME IS TRUMP

In 2017 we witnessed the inauguration of a Twitter-obsessed reality TV star as US President (whose grandfather came from the Pfalz wine region in Germany); the ongoing tragicomedy of North Korea; shocking events in Manchester and Las Vegas; a never-ending war in Syria; and the devastating consequences of Hurricane Harvey and the Mexican earthquake. Compared to these events, fermented grape juice becomes even more insignificant.

Nonetheless, let's try and look to 2018 with optimism and savour the chance to enjoy some great wines with friends and family. Vintages that end in "8" can be auspicious. Le't explore the history of some of these.

Going back just 10 years the 2008 Bordeaux vintage is not seen as great but those who knew what they're doing made some good and well-priced wines. The modest Château d'Angludet excelled in 2008 because the Sichel team, fearing the inability to ripen the grapes so late in the season, thinned the crop twice, so that in the end they brought in a yeild of only 30 hl/ha, but it was of outstanding quality.

Rhône 2008 was tricky, with 300mm of rain – the amount that would normally fall in six months – poured on the hill of Hermitage in just 24 hours on 3rd-4th September. No Hermitage La Chapelle was made this year, so if you see one, please run a mile and report it to Wine-Searcher. The Chinese milk scandal of 2008, in which milk and infant formulas were adulterated with melamine, which can cause kidney failure, is a reminder that wine fakes and forgeries are not just a financial hazard but also potentially a health hazard.

2008 was not a widely declared Port year. In the Loire, yields were reduced by spring frosts in the west and by hail in the east. Champagne was good, if not quite as good as 2002. Barolo and Tuscany produced wines that were built to last. It was not a widely declared Port year, with many producers offering Single Quinta rather than Vintage Port, but Noval released a Vintage. California wine was perfectly acceptable and Australia's fine wine regions – Coonawarra, Margaret River and Swan Valley in particular – did well. So indeed there is plenty of choice for a tenth anniversary.

France won the World Cup in 1998. This might have been an excuse for the Bordelais to open some bottles of the magnificent Right Bank '98s. At a Cheval Blanc vertical tasting and seminar held by the Institute of Masters of Wine in 2006, the 1998 was by general consensus the wine of the day, superior to 1989, 1990, and perhaps even 1982.

It was also a fine year in Alsace, the southern Rhône, and Champagne. Red and white Burgundy were as

good as each other. The reds were tough and charmless when young, but age has smoothed the abrasiveness.

In the Barossa, Torbreck RunRig 1998 was a superb example of old vine Barossa Shiraz. At a stated 14.5% alcohol, it could be enjoyed without fear of a headache in the morning, unlike some subsequent vintages (like 2006 and 2007) of RunRig that went to 15%+, with the prospect of high Parker scores perhaps as much a cause of this as warm vintages. *Under Parker's system, wines were evaluated on a 50–100 scale that roughly correlated to an A–F "grade" on the wine. A wine was considered "above average" or "good" if it got a score of at least 85 points.*

Italy enjoyed a wonderful vintage almost everywhere in 1997. It was a good vintage in the Rhône, too. Jaboulet's Hermitage La Chapelle 1997 was included in a vertical tasting by a London auctioneer in May 2005, and it was excellent, albeit atypically fruity and "sweet".

Bordeaux '97 was a notoriously expensive vintage when released *en primeur.* The wines were charming but nowhere near the level of the '96s. However, some '97s have persisted and flourished – for example, Château Lynch-Moussas 1997, which I tasted frequently in December 2016.

1997 was a white Burgundy vintage of plump, rich wines, however the dreaded "premox" - premature oxidisation - due to a number of possible causes makes serving this vintage somewhat of a risk.

Extremely rich wines for the affluent were made in Bordeaux, Burgundy, Champagne, and the Rhône in 1988. An old tasting note by me on Vieux Château Certan '88 reads, "Very elegant and balanced, with the exception of the exuberant tannins, which seem rather out of place here. Lacks the finesse of the 1998 and 2000."

Forty-year-olds can enjoy great wines from Burgundy and the Rhône in 1978 – DRC (Domaine de la Romanée-Conti) and Hermitage La Chapelle if you can afford them. It was also a great year for Barolo and California.

Bordeaux had a challenging year, saved by a lingering summer. Château Margaux 1978 – the first wine of the Mentzelopoulos era – has always enjoyed a high reputation. When last encountered it was a style of wine that would be perceived by many nowadays as unacceptably lean and tannic. Indeed, Margaux 1989 was harvested almost a month later than this. Other '78s noted on my travels include a fading Château Pichon-Longueville-Baron and a pleasantly fruity Château Léoville-Poyferré.

Argentina won the football World Cup in 1978, but there are not many Argentinian wines of that age still available, no doubt having been heavily imbibed by the entire nation celebrating their victory! They've probably been drunk by Argentineans to commemorate their first World Cup win.

Fifty-year-olds can compare how they've aged with great wines from California and Tokaj. Old Rioja can be of exceptional quality and value. A 1968 CVNE Imperial Gran Reserva was cedary and just starting to dry out on the finish but still a good, mature wine a few years ago.

Turning the clock back a further ten years, 1958 was unremarkable, however it was a good year for Barolo. Madeira of any vintage is usually a decent drink. Cossart Bual 1958 is not a bad example of rustic, warming Madeira in my experience.

If you're celebrating a 70th in 2018, then you're in luck. Although overshadowed by the awesome reputation of the '47s, 1948 produced some magnificent wines in Bordeaux. I was fortunate enough to taste Vieux Château Certan 1948 twice over the last ten years and it is truly a monster of a wine. I noted it as "a monster of a wine" because of its relentless tannins, which I suspect will keep it going *ad nauseam.* It was also a great year for Vintage Port.

We will have to skip 1938, which was a poor year, but 1928 was one of those vintages when most, if not all, of the classic regions made wonderful wines, though they are now likely to be past their sell-by date. When last seen, Vieux Château Certan 1928 was just about hanging on in there. A better experience Is to be had with a deeply-coloured and still tannic 1928 CVNE Imperial Gran Reserva. Ancient Rioja can be irresistible.

There is a delicious reference to Chablis and oysters in chapter ten of the first book of Anna Karenina. Levin, Oblonsky, and Stepan Arkadyevitch are dining together:

"What shall we drink?"
"What you like, only not too much. Champagne," said Levin.
"What! To start with? You're right though, I dare say. Do you like the white seal?"
"Cachet blanc," prompted the Tatar.
"Very well, then, give us that brand with the oysters, and then we'll see."
"Yes, sir. And what table wine?"
"You can give us Nuits. Oh no, better the classic Chablis."
"Yes, sir. And your cheese, your Excellency?"
"Oh, yes, Parmesan. Or would you like another?"
"No, it's all the same to me," said Levin, unable to suppress a smile.

Interesting to note that oysters and Chablis were already "classic" by 1878. Chablis, oysters, and Parmesan sound like a decent meal to me. White Nuits-St-Georges is produced, but it's a tiny amount of the total percentage of Nuits wine – only about 40,000 bottles per year – and unlikely to have been found in nineteenth-century Russian restaurants. Gouges and Chevillon make prime examples of white Nuits. But red Nuits with oysters...?

The 1850s were a difficult period for winemakers because of mediocre vintages and the threat of oidium (powdery mildew), a fungus that attacks the green parts of the vine. But by 1858 an antidote had been found: Sulphur. "Natural wine" enthusiasts can, therefore, enjoy pre-1858 wines with a clear conscience. In his Notes on a Cellar-Book (published in 1920), George Saintsbury describes "the great (Bordeaux) '58s" as "very dear, not very plentiful, and getting a trifle old". A bit like wine writers, really.

With oidium cured, it was the start of a prosperous period in Bordeaux and there was a lot of money floating around, with châteaux bought and sold for extraordinary sums. It could be similar in 2018.
The 1868 vintage at Lafite is less notable for the wine – which was the highest-priced claret until the 20th century – than for the purchase of the château by German-born James Mayer de Rothschild, Baron de Rothschild, for the then colossal price of 4 million francs, equivalent to over $2,000,000 today, or about 600 bottles of 1982 Lafite. Henceforth it was Lafite Rothschild.

Not many vintages combine quality and quantity, but 1848 did. Château Margaux, for example, produced 12,000 cases of great wine, which is about the same as the typical annual production nowadays of the château's Grand Vin, with at least as much again of Pavillon Rouge.

The year of revolutions saw the publication of William Makepeace Thackeray's The Book of Snobs, which has many references to wine, including a description of a "wine party": "Thirty lads round a table covered with bad sweetmeats, drinking bad wines, telling bad stories, singing bad songs over and over again."

A hundred and seventy years later, snobs and lads drinking bad wines, telling bad stories, and singing bad songs can still be witnessed at over-hyped auctions in New York and Hong Kong.

London-based Stuart George is founder and MD of Vins Extraordinaires https://www.vinsextraordinaires.com/, which offers fine and rare wine experiences and sales to corporate and private clients.

A holder of the Wine & Spirit Education Trust Diploma in Wine and Spirits since 2000, Stuart has tasted vintages back to 1780. He was UK Young Wine Writer of the Year in 2003 before working with Hugh Johnson OBE at The World of Fine Wine magazine, which won several awards during his time there. Stuart was Image Editor and lead contributor to the best-selling 1001 Wines You Must Try Before You Die and Editor of the award-winning The Finest Wines of Tuscany and The Finest Wines of Champagne. With the American art historian and novelist Noah Charney, Stuart co-authored The Wine Forger's Handbook, a short history of forgery and fraud in the wine world.

https://noahcharney.smugmug.com/Books/Wine-Forgers-Handbook

HONG KONG
A SAFE HAVEN FOR SUCCESSION PLANNING

Hong Kong has for many years been a focal point for Family Offices and family businesses looking to secure their assets across multiple generations. Being a former British colony, it has been fortunate in inheriting the valuable vestige of a world-class legal system together with the common law trust. In the current global economic climate where certainty has taken a back seat to instability, Hong Kong's ability to provide a safe haven for wealth preservation and succession planning has become even more relevant.

So, why is Hong Kong so special and why can't the same benefits be found closer to home? Well firstly, unlike many jurisdictions where regulatory protection and oversight can be lacking, Hong Kong is one of the largest financial centres in the world, and this makes it a desirable location for companies, individuals and Family Offices to arrange their affairs. Add to this the fact that Hong Kong is a common law jurisdiction, with a fully functional trust industry and significant regulatory oversight; you are looking at arguably the premier location for business in Asia.

In Hong Kong, the rule against perpetuity, which required trusts in Hong Kong to run for no more than 80 years was abolished in the amended Perpetuities and Accumulations Ordinance (Cap257) with effect from 1st December 2013. The result of this amendment is that Hong Kong trusts can be established as perpetual, which is to say that they will endure through many generations without reaching an endpoint.

This allows Individuals, companies and Family Offices to hold their assets in place, with the certainty of wealth security for successive generations while enjoying some of the very favourable tax advantages that Hong Kong has to offer. Furthermore, Hong Kong allows trusts to be established as non-vested trusts giving additional advantages.

Non-vested trusts are arrangements where the beneficiaries have no vested interest in the assets held by the trust. Therefore, there is no situation where an interest can become legally enforceable as a vested right until or unless the Trustee deems to pass assets to any beneficiary under the trust. In a non-vested trust, it is the Trustee that has the legal title to the trust assets and therefore this creates a situation where settlors and beneficiaries are afforded 100% creditor protection, even under bankruptcy or divorce. Perpetuity means that as the trust is perpetual, there is no deemed disposition on the death of any settlor or beneficiary and no probate because the trust remains in place and is not affected by the death of its settlors or beneficiaries.

This ensures that the assets within the trust are both secured for future generations of beneficiaries and that lengthy probate proceedings do not get in the way. Also, currently there is no inheritance tax payable in HK, no Capital Gains Tax is charged on disposal of assets in Hong Kong and maintenance of security and confidentiality is maintained throughout the lifetime of the trust, so, you are looking at a pretty attractive proposition.

Hong Kong is the only major jurisdiction that offers perpetual trusts although a few 'tax haven' jurisdictions offer similar arrangements. The key to Hong Kong from a security perspective is that as an internationally recognised, fully taxed jurisdiction it is held in high regard by international tax authorities. The regulatory oversight in Hong Kong is comparable the UK, USA and many major European countries.

Also, with the treaty protecting Hong Kong law from any changes within 50 years of the handover to China in 1997, it is likely to last in its present form for many years to come. This is a unique environment that offers security, a robust legal framework and perpetuity. The Trust Ordinance in Hong Kong has been amended to include provisions that make the establishment of trusts for non-resident settlors more attractive. It is now one of the preeminent jurisdictions in the world for international trust solutions.

For administrators of Family Offices, the advantages of considering settling assets into a Hong Kong trust are significant and should be given more than a cursory look.

By Peter Adam – Head of Global Sales – Legacy Trust Company Limited

Legacy Trust Company Limited was established in 1992 in Hong Kong, one of the most stable financial centres in the world. Today, Legacy is a non-listed public company registered as a Trust Company with global pensions, taxation and trust expertise and a global outlook.

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24TH WORLD ISLAMIC BANKING CONFERENCE IN BAHRAIN

Under the patronage of HRH Prince Khalifa bin Salman Al Khalifa, The Prime Minister of the Kingdom of Bahrain, the 24th edition of The World Islamic Banking Conference (WIBC), the largest and most prestigious gathering of Islamic banking and finance leaders in the world, took place from December 4-6 at the ART Rotana Hotel, Amwaj Islands, in the Kingdom of Bahrain.

Convened by Middle East Global Advisors - a leading financial intelligence platform facilitating the development of knowledge-based economies in the MENASEA markets and in strategic partnership with the Central Bank of Bahrain, the three-day long forum is spearheading a series of discussions gravitating around the theme of "Drivers of Economic Growth & Risks: Policymakers & Regulators" in line with its steady vision to serve as a compass for the global Islamic finance and banking industry.

His Excellency Rasheed Mohammed Al Maraj, Governor, Central Bank of Bahrain, showcased his support for the event by delivering the opening keynote address at the 24th World Islamic Banking Conference, with the vision of furthering the ecosystem for Islamic finance entities to thrive and grow globally. In his keynote address he mentioned, "In line with subdued economic activity in the region, Islamic Bank asset growth has also slowed from the 14-15% historical levels and projected, to grow at around 5% per annum for the next couple of years. The number of Islamic Banks, however, has grown to around 172 with another 83 or so Islamic Windows within conventional banks. According to the IFSB, the industry now employs more than 380,000 people worldwide, which reflects a significant level of economic activity by any measure."

A notable highlight of the proceedings was a keynote address by Alex Tapscott, CEO NextBlock Global, Co-Author of Blockchain Revolution & Founding Member, IMF's High-Level Advisory Group on Fintech. During his exclusive presentation on the blockchain revolution, Mr Tapscott said, "The technology likely to have the greatest impact on Islamic finance has arrived, and it's called the Blockchain. The blockchain is the most important computer science innovation in at least a generation and represents nothing short of the second era of the internet. For 20 years we've had the internet of information which has been a really powerful tool for changing how we communicate and how we share information, but it actually hasn't had as big an impact on commerce or on finance as many people may have hoped, and that's because the internet is not a valued medium, it's an information medium."

Interestingly, the conference also proved to be the ideal Launchpad for ALGO Bahrain - the world's first Fintech Consortium of Islamic Banks to enable Islamic banks for the paradigm shift in the banking industry as a result of financial technology (Fintech). The consortium aims to launch 15 FinTech platforms by 2022.

Other exclusive launches at the conference include Wahed Invest's launch of the world's first halal robo advisor – a unique way of revolutionizing halal investing by using technology. After successfully launching in the US, Wahed has announced its plans to launch in the Middle East in 2018. The conference also played host to the official book launch of "Islamic Real Estate Investment Trusts" by Hamed Yousef Mashal, a senior investment manager at Kuwait Finance House.Other key highlights from the day included the digital-banking focused panel and panel discussions focusing on dynamic capital markets, sustainable, equitable & inclusive growth, potential of disruptive technologies and new horizons for Islamic finance. Leading industry experts analyzed the challenges at hand and focused on coming up with effective suggestions with the ultimate aim of developing a convergence roadmap for the Islamic Finance industry at large.

The 24th WIBC also recognized excellence within the Islamic finance and banking industry at a high profile Gala Dinner whereby 16 WIBC Performance Awards were given away by H.E. Rasheed Mohamed Al Maraj, Governor of the Central Bank of Bahrain, to the top Islamic financial institutions at the global, regional and country level based on their performance in the WIBC Leaderboard – a groundbreaking performance assessment tool aimed at enabling Islamic financial institutions to benchmark their performance against their peers.

Boubyan Bank bagged the Global, GCC and Kuwait region awards, testament to its strong performance in the financial metrics of the WIBC Leaderboard. Additionally, Boubyan Bank also bagged the Corporate Social Responsibility (CSR) Award.

Other winners of the 24th Annual WIBC Performance Awards include:

BEST PERFORMING ISLAMIC BANKS - REGIONAL AWARDS
- Levant: Safwa Islamic Bank
- South East Asia: Maybank Islamic Berhad
- South Asia: Social Islami Bank

BEST PERFORMING ISLAMIC BANKS - COUNTRY AWARDS
- Bahrain: Al Baraka Bank Bank
- Saudi Arabia: Al Rajhi Bank
- United Arab Emirates: Dubai Islamic Bank
- Egypt: Faisal Islamic Bank of Egypt
- Jordan: Safwa Islamic Bank
- Turkey: Türkiye Finans Katilim Bankasi A.S.
- Indonesia: PT Bank Syariah BNI
- Malaysia: Maybank Islamic Berhad
- Bangladesh: Social Islami Bank
- Pakistan: Meezan Bank Limited

Partners at WIBC 2017 include: Family Office Magazine, Kuwait Finance House (KFH), Khaleeji Commercial Bank (KHCB), Bahrain Islamic Bank (BISB), Al Salam Bank -Bahrain, Ibdar Bank, Bank ABC Islamic, Bank of Khartoum (BOK) International, Boubyan Bank, Avaya, Wahed Invest, Alvarez & Marsal, Al Baraka Banking Group, Ithmaar Bank, Thomson Reuters, Path Solutions, Grant Thornton, Labuan IBFC, Shariyah Review Bureau, Luxembourg for Finance (LFF), Oracle Financial Services, Baker McKenzie, DARKTRACE, The Benefit Company B.S.C, Infosys Finacle, Sadad, NEC Payments, Eiger Trading Advisors Ltd, G4S, Department for International Trade – British Embassy Bahrain, CBX Unit LLC, Deloitte, The District, Tejoury, DDCAP, Fitch Ratings, Crestbridge Bahrain, The Islamic Corporation for the Development of the Private Sector (ICD), Bahrain Institute of Banking & Finance (BIBF) & International Islamic Financial Market (IIFM).

www.meglobaladvisors.com

THE RISE OF BESPOKE LUXURY EXPERIENCE

Exclusivity, status and price are no longer enough to define a brand as luxury. People are hungry for experiences, yearning for fantasy, emotion and excitement. Not only have we become more sophisticated in our tastes and aspirations, but we also make more considered choices with the way we spend our time and money. The idea of luxury is no longer limited to the ownership of physical objects; we are rapidly losing faith in the ability of objects alone to help them stand out from the crowd. Looking for experiences is not just a way to celebrate our exciting, globe-trotting lifestyle, but also means to promote the breadth of our understanding and knowledge of the world.

For luxury hospitality brands is it enough to know your food provenance, have a great cocktail and a lovely pool? This level of experience has begun to feel less relevant, as people want brands to display local knowledge and a natural understanding of their surroundings, but what experiences can brands provide beyond the afternoon tea that are going to punctuate the guest experience? This leads the world of travel towards the experiential and how do you look to take products and create a stronger story and experience around them?.

White Line Hotels is an example of a brand that entices you and takes you on a journey in every interaction. A tightly edited collection of creatively inspired hotels, they believe that:

"Being different is not an engineered process, more a natural way of doing things, a thought path that leads to the creation of hotels that go beyond just a stay; they are cast just for their location and are the creations of those who dared to dream beyond the hotel cookie box".

The language they use on their website, in newsletters and their publication 'The Aficionados' all take you on a journey away from the expected and beyond just the plain ordinary. Their website is designed to transport the dreamers and the wanderers on an online voyage to beautiful destinations, creating a site which is both an emotional and tactile experience within the digital environment, something very much lacking with some

Daniel Shaw
Managing Director, Delight

of their competitors. This is further developed in the print versions in print with The Aficionados encouraging a sense of exploration. There is an editorial feel and a richness of storytelling enhanced by the personal touch of interesting, unique and sometimes unexpected connections. With subtle design elements such as the rawness of the paper texture, brushstrokes and hand-drawn illustrations contrast with the beautiful, refined photography, all of which help to enhance the experience.

Luxury brands outside of hospitality are also contemplating how to entwine the experience within their product customer relationship. VINIV Bordeaux offers you the chance to make 288 bottles of your own bespoke wine, but their brand proposition is a whole lot greater than that. They open the door to the closed society which is the Bordeaux winemaking community, a place where there are normally only two ways to enter — either be born into it or risk millions buying land there. They have made history by creating the first way for people from beyond Bordeaux to experience the region like an insider. They don't just show you around; they enable you to make your own wine in the heart of Bordeaux, under the guidance of the area's best winemakers. Their brand is centred around this adventure from vine to bottle, and the customer is the 'hero of their own story'. Guided through the process of winemaking, from harvest to bottling, all in the creation of their unique wine tailored to their taste, they use their nose, palate and imagination. This personal story is brought out in all their communications – through the use of handwriting and sketches to enhance the experience from the perspective of the protagonist, representing notes and doodles in their diary. The watercolour washes and brushstrokes evoke thoughts of the deep palette of swirling wine in the glass, alongside bold, expressive brushstrokes, all centred around beautiful photography and captivating copy telling the story of every detail of the adventure.

"You could say it was a once-in-a-lifetime experience, only who can say you'll only do it once in a lifetime?".

Taking this even further, there are brands offering complete immersive experiences such as Secret Cinema. Specialising in 'live cinema' experiences they create 360-degree participatory worlds where the boundaries between performer and audience, set and reality are constantly shifting. They are – "Storytellers, inventors, explorers, place-makers, cultural entrepreneurs, film fans fuelled by a desire to fill the void left by an over-saturated technological world".

When first launched attendees would not even know what film would be shown, and although it has now grown to large-scale productions in some of the most spectacular spaces worldwide, their brand still plays on this secrecy. You 'enter a secret world' on their website where information is sparse and videos entice you with brief glimpses or their secret worlds. Their social media feeds are rich with movie references, exciting their fans with endless possibilities of upcoming events. It is a secret club for those in the know, and we all know how alluring that can be.

All these opportunities draw you in, entice, seduce and excite you with the possibilities for new and unexpected adventures. As the demand for luxury experiences grows, brands that offer intensity in detail and nuance, that subtly define and support the message throughout will lead the way.

Delight is a London (UK) based branding agency working exclusively with lifestyle brands to produce highly crafted work, informed by a strong strategic process and rich emotional narrative.

www.wearedelight.com

PUBLIC MARKETS, PRIVATE MARKETS THE FUTURE OF FINANCE IN SOCIETY

Next year we approach the tenth anniversary of the financial crash, and we may be surprised by the advent of triple hurricanes in the U.S. mainland in 2018. But it's safe to say one thing: finance is back. Bankers are no longer the villains. This year, a former banker was elected president of France. Back too, is the notion that capital markets can help make the world a better place. The view that an investment can consciously achieve both a financial return and create some positive social or environmental externality is rapidly becoming mainstream. In some ways, there is nothing new about this: for centuries, family business owners have kept creating value with a holistic mindset. They created important innovations such as health insurance schemes and pension funds for their workers.

Dr. Maximilian Martin
Founder
Impact Economy

New Demand Meets New Investments

The past decade's differentiating idea is that such impacts could be systematically measured and monitored. The world has not stood still since the term "impact investing" was coined in 2007. According to Campden Wealth Research's Global Family Office Report 2017, for 37.9% of respondents, philanthropy or impact investing are part of the activity catalogue to prepare for generational wealth transfer. Moreover, equities (27%) and private equity (20%) make up almost half of the portfolio of the average family office surveyed.

This combination of demand for new types of investments and emerging supply is now offering exciting new opportunities to render finance truly relevant for society. This comes with the added benefit of giving families a hand in succeeding at the generational wealth transfer in the process.

In Public Markets, Raise the Curtain for Sustainable Long/Short Strategies

In public markets, sustainable investing is enlarging its toolbox. More and cheaper data powers better analytics to check what companies say they do on sustainability, what they actually do, and how this is investment-relevant. Consider how the dieselgate scandal is shaking up the automotive industry. An epochal transformation of mobility is underway comparable to replacing horses a century ago. Cars are becoming clean-energy powered computers that transport passengers, increasingly driven autonomously and under shared ownership. Clean mobility matters. Owners of diesel cars face the spectre that their second-largest ticket item after buying a house risks becomes a stranded consumer asset. Companies that fail to adapt to the paradigm shift will carry higher levels of environmental, social and governance (ESG) risk, with potential implications for their cost of capital and valuations.

The incumbents have started to react. In July 2017, Volvo set 2019 as the date for the total phase-out of combustion-engine-only models, with all new cars electric or hybrid. Mercedes and Volkswagen followed on September 11, 2017, setting 2022 and 2030 as dates by when to offer electric versions of all of their vehicles. On the capital market side, there is no conceptual reason why investors should go long only on sustainable assets. Capitalizing on the shift toward sustainable business models and laggards' higher exposure to ESG risk, moving beyond long-only equity strategies is merely a logical next step. Backing the sustainability winners and betting against the losers would send a powerful signal. Provided one has analysed a company's business prospects in depth rather than just checking if they are embracing e-mobility it can also secure attractive financial returns.

After six consecutive quarters of net outflows, the hedge fund industry has stabilised. Allocations outweighed redemptions by $1.2 billion in the second quarter of 2017, bringing total assets under management to $3.1 trillion by the end of June. Performance is expected to continue to be dampened by low volatility though. The hedge fund industry could give sustainable investing a helping hand in a not too distant future. Because of their ability to sell short, hedge funds can generate a part of their performance from the return differential between their long and short positions. High stock dispersion helps generate returns and is characteristic of the sectors of interest to sustainable investors. For example, the FTSE Russell 3000 Index covers 98% of the US public equity market as measured by the total market cap. Energy, healthcare, and technology are the high dispersion sectors on the Index. Modern finance helps direct capital away from unsustainable business models.

In Private Markets, the Frontiers Are Shifting Too

In private markets, there is movement also. For much of the past decade, impact investing was a niche activity. This is now changing. Take the case of Social Impact Bonds (SIB). Since the first pilot in the UK in 2010, such contingent-return financing has captured impact investors' imagination. To bring pay-for-success thinking to bear on solving intractable social problems, some seventy SIBs have been launched around the world since. They targeted issues such as recidivism, homelessness, employment, family environments, or improving schools. Reported by SIB specialist Social Finance, 90,000+ lives were touched by SIBs from 2010 to 2016.

A new landmark transaction may now show how to take magnitudes to the next level. To finance the construction and operation of three new physical rehabilitation centres in the Democratic Republic of Congo, Mali and Nigeria. This is expected to serve some 6,000 victims of conflict with disabilities every year. The International Committee of the Red Cross launched a fully-funded €22.6 million (26 million Swiss francs) Program for Humanitarian Impact Investment (PHII) on September 8, 2017, entitled "Humanitarian Impact Bond". This was Brought to market as a private loan by co-sponsor Swiss bank Lombard Odier, it links the program's financial return to ambitious centre productivity targets, offering financial returns of up to seven percent per year. Forty percent of capital would be at risk if it were to fail completely.

When successfully delivered, so-called outcome funders buy the results of the program. These are the governments of Belgium, Italy, Switzerland and the UK, as well as Spain's 'la Caixa' Banking Foundation. The PHII brings innovative financing to the humanitarian space for the first time. It provides long-term innovation capital to an organisation that is the reference in its field, financing the further rollout and innovation of one of its core programs. The ICRC's stellar reputation provides comfort to the investors. The program is also expected to serve as an innovation opportunity for ICRC's physical rehabilitation program. Currently running in 139 locations in 34 countries, it reached almost 330,000 people in 2016. Just consider the potential additional impact if there were additional vintages of PHIIs further down the line.

The Great Sustainability Game Is On

The future of finance is society because sustainability-related company data is rapidly becoming more sophisticated, available, and therefore market relevant. As of March 2017, some $62 trillion was managed by investment firms that had signed up to the United Nations Principles of Responsible Investment; via screening, integration, thematic investments and active ownership, they are moving towards incorporating ESG factors in investment decision making.

In public and private markets, the future of finance is society. There is now growing clarity regarding which firms are successfully embracing the new sustainable business models that disrupt industries, and who are the laggards. The barriers to constructing innovative, large-scale private market transactions such as the PHII are similarly dwindling every day as the abundance of data enabling measurement and monitoring grow and more transaction blueprints become available. In public markets, one pressing question is what will happen to the German automakers when the established hedge funds discover sustainability? Will "guilt by association" also undermine sales of the ones who played by the rules? If diesel sales keep tanking, automakers will not be able to fulfil the European Union car fleet target of 95 g/km of CO2 from 2021 on. Billions of euros in fines would provide a blow to company valuations, creating volatility and return differentials that can be translated into value. Backing the likes of Tesla, Volvo or shorting the horse, and taking the private market impact to the next level—the great game is on.

Author

Dr Maximilian Martin is the Founder of Impact Economy. He serves as Global Head of Philanthropy at Lombard Odier, and is a Visiting Lecturer at the University of St. Gallen. He created the first university course on social entrepreneurship in Europe and served as Fellow at the Center for Public Leadership at the Harvard Kennedy School. Dr Martin authored Status of the Social Impact Investing Market, the baseline report for the first-ever G8 Social Impact Investment Summit held in 2013 under the UK Presidency of the G8. His more than one hundred articles and position papers have helped define the trajectory of market-based solutions and the impact revolution in finance, business and philanthropy.

In 2016, Springer published his book Building the Impact Economy: Our Future, Yea or Nay. The opinions expressed in this article are the author's own and do not necessarily reflect the views of organizations whom he serves in an executive or board of directors' capacity.

ITALIAN MARBLE COMPANY OPENS IN LONDON TO ATTRACT ARCHITECTURAL ELITE

This month they opened their first UK showroom, ELITE STONE GALLERY, at Margaret Street W1, Central London.

Lavish displays over two hundred square metres explore new ways to use marble, onyx and natural stone, to create dazzling effects using light and sculptural carving. Elite Stone technical team have taken ten years to perfect their E-light system of backlit panels.

CEO Tetyana Kovalenko, who graduated in geology and mineralogy, established Elite Stone in 2000, in Rome. She selects the most exquisite marble from Italian quarries, especially in Carrara. She says "Marble is like a diamond: absolutely perfect when the colour is right when it is flawless and perfectly cut. When one of these features is missing, it immediately loses value".

Elite Stone supply and install marble in palaces, mansions and apartments, hotels and villas around the world, including a 3, 500 square metres backlit wall for the Mariinsky Theatre in St Petersburg. One of the projects in a private Surrey estate near London has the most elaborate spa imaginable, with mosaic-lined pool, gymnasium, Jacuzzi, sauna and Turkish bath (hammam) looking out over a Zen garden. Elite Stone supplied the stone and technical expertise for this project, working with the development and design company Veyron.

As an extra touch of glamour for customers to take away, Tetyana and her team have designed a range of luxury gift items for the new Elite Stone Gallery including Dolce Vita sunglasses, with Carrara marble frames, paperweights in the form of carved initials, candleholders, and planters.

Tetyana Kovalenko founded her company in Rome in 2000. The company relocated to Verona in 2013. Two vast buildings in the Valpolicella area just outside the City, Slab Division, and Atelier, display racks of marble for private and corporate clients, There is an array of opulent room settings featuring the E-light system where panels of marble and onyx are backlit to show the beauty of natural stone. This is an innovation which has taken the Elite Stone technical team ten years to perfect.

Tetyana discovered her passion for stone while working for a company producing equipment for quarries. She says "I was determined to become a true professional. I took a graduate course in geology and mineralogy, in order to understand every aspect of natural ornamental stone, both chemical and physical. During my studies, my fascination with marble and onyx, as well as quartzite, grew stronger than ever". "I am devoted to luxury and beautiful things, inspired by changing trends in fashion and interior design. Outside our buildings in Verona, we have installed a profile of Michelangelo's David, carved in Carrara marble. We are associated with the Borghini quarry in Carrara, renowned for its white and blue-grey marble for centuries".

www.elitestonegallery.co.uk

THE ART OF SPECIALIST MATCHMAKING IN CREATING THE PERFECT ROMANCE

Successful people who have spent years building prosperous businesses and creative enterprises have no wish to compromise when it comes to romance. Their vision is for an exciting and passionate relationship in which each partner is a source of inspiration and support to the other. In the whirl of everyday life, the pursuit of the right relationship is often neglected or postponed, yet for most of us, this is one of the most important and fulfilling areas of our lives.

The question is, how do we navigate the enchanting and mystifying world of intimate relationships? Many people are returning to the traditional art of matchmaking to ensure the relationship they find is stimulating and meaningful as well as having longevity. Here at Seventy-Thirty, we have years of experience in the field of international luxury matchmaking and have therefore seen hundreds of new relationships blossom, as well as attending weddings and celebrating the birth of many beautiful babies. So what is matchmaking all about?

Matchmaking is a time-honoured tradition

Matchmaking is frequently thought of as a comparatively new concept, but it has been around for thousands of years in many different countries and religions. Matchmaking has had different aims at different times, from securing partnerships within religions, to protecting the wealth of great families and preserving bloodlines. However, the reason it has endured is simply because it works.

Matchmaking is very much in vogue again now partly due to the disillusionment, particularly among the wealthy, with online dating and apps which do not address the intricacies needed to formulate successful relationships. Neither can they offer the discretion of our elite and professional matchmaking service in the search for love. The science behind our matchmaking at Seventy-Thirty has developed from extensive research we have undertaken in the psychology world which has given us greater insight. This has allowed for more refinement in our matchmaking procedures. Additionally, the role of our Specialist Matchmakers here at Seventy-Thirty has

Dr Georgina Barnett
Head of Global Membership
Seventy Thirty

diversified over the last twenty years; we can now incorporate everything from relationship therapy and life coaching to teaching the art of seduction.

Why do we sometimes postpone or neglect the area of romance?

Unlike other areas of our lives, when it comes to love many of us have a deterministic reasoning that we develop as we grow up. We are conditioned from our earliest days to believe the happy-ever-after fairy-tale stories and therefore assume that this area of our lives will take care of itself – fate will take a hand. The reality is we usually need to plan and to be proactive as we would be in any other area of our lives and this can involve handing this over to the experts. We have no difficulty in consulting the professionals for other services we need, but often people are reluctant to seek assistance when it comes to romance, even though, for many, this is the area of their lives they value the most.

The reality is, affluent, high-calibre people find it challenging to meet partners who are in the same bracket as them regarding finance and lifestyle and who are looking for long-term love. It's not a numbers game either, meeting fifty people is futile if they are not the right stature and character as the relationship is unlikely to flourish and be of long duration. This is where Susie Ambrose, CEO and founder of Seventy-Thirty, recognised the need for an elite agency to assist wealthy and successful clients in finding a compatible partner through the magic of matchmaking.

Why is specialist matchmaking so successful?

When people think about relationships, they tend to think narrowly or conventionally about the kinds of areas they want to have in common with their match. People often think of shared interests and a particular age range, or just want the overwhelming passion. However, at Seventy-Thirty, our Specialist Matchmakers are in the business of creating enduring relationships, and while interests and age matter, we know that for a relationship to go long-term there needs to be an alignment in other significant areas. Ensuring prospective partners' value-system, relationship goals, temperament and many other areas align is the key to ensuring a longstanding match. Additionally, while it may seem unromantic to consider financial status in a future partner, this is often an area where an imbalance will surface as an issue in the future. Specialist Matchmaking for us means putting together individuals who respect and support each other, ignite each other's creativity and where each contributes to the relationship to build an amazing future.

At Seventy Thirty, we do the work behind the scenes to put forward the most suitable and carefully chosen matches in accordance with the criteria of the member. However, the member is the one in the driving seat as they decide whether they wish to proceed with the potential introduction. We work closely discussing their experiences with their matchmakers so that the search can be refined if necessary. This is why those who are truly dedicated to finding someone exceptional have returned to the powerful and precise business of matchmaking to fulfil their desire to find their perfect partner. As the saying goes, 'there is no substitute for a great love'.

MAURITIUS INTERNATIONAL FINANCIAL CENTRE GATEWAY TO AFRICA AND TRUSTED JURISDICTION FOR PRIVATE WEALTH MANAGEMENT

by Neermal Shimadry, Senior Vice President, MCB Capital Markets

Mauritius is an island state standing at the doorstep of the African mainland with long-standing business and cultural ties with Asia and Europe. It is strategically positioned as a competitive regional hub for finance and business, as well as an ideal springboard and gateway for channelling trade and investment flows between Africa and Asia. Indeed, the country has developed its reputation as a well-regulated and credible International Financial Centre (IFC) of substance, geared towards the offer of value-added services and investment structures to international companies and investors. Mauritius is also well on course to becoming a leading jurisdiction for private wealth management services in the region.

The country's substantial network of treaties and double-taxation agreements coupled with a relatively attractive fiscal regime were critical in promoting the growth of the global business industry which accounts for more than $600 billion of assets, some 50 times the level of GDP of the Island. The Mauritian IFC boasts a number of distinctive features that underpinned its success namely political and social stability with an open, diversified and market-based economy; robust and modern legal and regulatory frameworks (Mauritius is a member of the Commonwealth, with an independent judiciary and the Privy Council of the United Kingdom as its highest court of appeal); a large pool of well-educated bilingual people, fluent in English & French amongst others. It is worth highlighting that Mauritius is ranked first in Africa by the World Bank regarding "ease of doing business".

While Mauritius started off as a treaty-based offshore jurisdiction, the changing global landscape has triggered an ambitious, yet thoughtful, review of the country's functioning and operating model which emphasises on inherent competitiveness attributes and adherence to more stringent rules. Over the years, Mauritius has continuously upgraded its legal and regulatory framework by becoming an OECD Compliant jurisdiction. A key development that took place in July 2017 relates to the country's signing of the OECD's Multilateral Convention to implement tax treaty related measures to prevent base erosion and profit shifting. Mauritius appears amongst the three jurisdictions (Ireland, Mauritius, Norway) being upgraded after a second round of reviews by the Global Forum in August 2017.

The Mauritian IFC stands out as an ideal gateway for investment and trade on the African continent. It has multiple bilateral trade agreements across Africa, which means that global investors, traders and private equity companies gain preferential access to some key African markets. There are no foreign exchange controls and no withholding and capital gains tax and foreign companies can repatriate profits freely.

Mauritius is well positioned to becoming a regional headquarters base targeting multinational companies wishing to use the country as a foothold to supply surrounding regions. The Stock Exchange of Mauritius is also regarded as an attractive and competitive multi-asset listing and trading platform for African and regional-based ventures. At another level, Mauritius also holds ample potential in providing more sophisticated investment structuring solutions relating to project deal identification, research and analysis, valuations, due diligence as well as legal, corporate and M&A advisory.

Mauritius is fast becoming an attractive jurisdiction in the provision of private wealth management (PWM) services given its existing strong ties with Europe and the emergence of a sizeable middle class and high-net-worth (HNW) population across Africa and Asia. According to Didier Merle, the Head of Private Banking and Wealth Management at MCB Bank, "Over the last few years, Mauritius has seen an influx of HNW individuals seeking to take advantage of the island's stability, lifestyle, and financial framework. MCB Private Banking has attracted a fair share of these international HNW individuals who value the Bank's reputation, credentials and wealth management capabilities".

The Mauritian Trusts have been the cornerstone of PWM offering accumulation and preservation of wealth, succession planning, asset protection, tax planning and so on. More recently, the Overseas Family Office Scheme was introduced to cater for the domicile of assets and wealth of HNW Families in Mauritius. Under this scheme, families will also be able to hold international assets and funds. To be eligible for a license, each family will be required to domicile and actively manage a prescribed minimum investible and liquid wealth base of USD 5 Million. The family office would also be required to maintain, at all times, its physical establishment in Mauritius, as well as, other substance requirements. Family offices will benefit from a tax holiday of 5 years, and family members will also obtain residency schemes as well as the eligibility to acquire immovable properties.

The Mauritian IFC is underpinned by the firms operating in its fiduciary sector. As is the case for most offshore jurisdictions, the sector originated from the spin-off by professional services firms, mainly audit and law, of their fiduciary divisions. Local professionals followed suit and turned entrepreneurs by setting up their own independent fiduciary companies. Today, there are over 150 fiduciary companies incorporated in Mauritius and competition is intense. This has given rise to a gradual wave of consolidation, which culminated in two major M&A transactions in 2017, namely:

- The $127.3 million acquisition of International Financial Services, the largest fiduciary company in Mauritius, by SANNE, a major firm listed on the London Stock Exchange; and
- The $90.3 million acquisition of CIM Global Business by SGG, another global player backed by Astorg Partners, a major European private equity firm.

MCB Capital Markets, the investment banking and asset management arm of MCB Group, the largest banking group in Mauritius, advised the acquirers on both transactions. Rony Lam, Chief Executive Officer of MCB Capital Markets, commented at the time of the SANNE/IFS transaction: "We are proud to be acting as Transaction Advisor to a large UK listed company on such a major strategic move. This attests to the credibility of the Mauritius jurisdiction and the decision by global players to gain access to the fast-growing African continent."

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RESIDENTIAL TRANSITION LOANS: SHORT-TERM, HIGH-YIELD CREDIT DRIVEN BY BOOMING HOME RENOVATION ACTIVITY

As the market for loans to professional home flippers matures and becomes more institutionalised, these short-term credits provide attractive risk/return profiles for family offices.

Long before HGTV's prime-time lineup became dominated by shows like "Flip or Flop" or "Masters of Flip," real estate investors were seeking to generate attractive returns by acquiring, renovating, and quickly re-selling homes that were physically, and sometimes financially, distressed. These operators could be small, informal family teams or large professional general contractors with projects in multiple states.

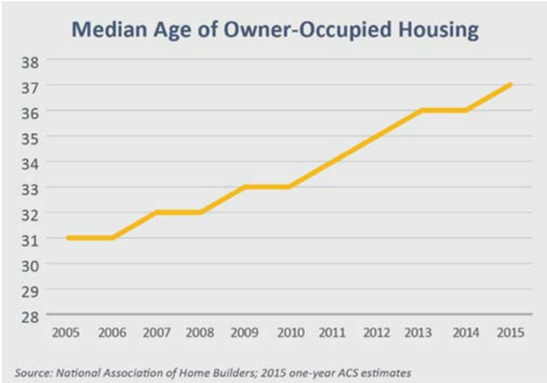
Historically, the majority of homes to be flipped have been purchased with cash, but today a sizable percentage of them are financed. According to RealtyTrac, approximately 30% of all homes flipped in 2015 were financed at purchase, and nearly all of these residential transition loans (a.k.a., RTLs, "fix 'n flip loans," or "bridge loans") are made to experienced professional developers. The market for these short-term loans has undergone a major overhaul of its own over the past five years as the single-family housing market has recovered.

In addition to rising home prices, other forces driving surging demand for RTLs are a significant undersupply of new homes and an ageing U.S. housing stock. In the first quarter of 2017, the number of U.S. single-family housing starts was just 62% of what is considered normal historically, and the median age of owner-occupied housing in the United States increased from 31 years in 2005 to 37 years in 2015, according to the National Association of Home Builders.

In this housing environment, we at Window Rock believe that RTLs have become particularly attractive for credit funds and their investors over the last several years. Against a backdrop of rising interest rates and strengthening home prices, these short-term loans to professional investors and operators in the residential real estate market present, in our opinion, the opportunity for appealing risk-adjusted returns.

Evolution of the RTL Market

In the past, virtually all financing for flipping homes came in the form of hard-money loans from family offices, angel investors, or other non-institutional sources. These hard-money loans typically have six- to 12-month terms, very low loan-to-value (LTV) ratios, and mid-teens interest rates. Banks, traditionally, have not been viable sources of financing for these projects because of the rapid turnaround needed by borrowers. When a distressed property comes on the market, an investor typically needs to secure financing and submit an offer in 24 to 72 hours—a timeframe that is much shorter than most banks can accommodate.



Once housing prices stabilized following the financial crisis, flipping activity accelerated starting around 2012. At the time, investors focused on buying homes out of foreclosure, making light renovations, and then selling the homes—earning what we consider to be an attractive profit primarily for rescuing these properties from financial distress. As the housing market continues to recover, flipping activity has shifted from being focused on making minor improvements to financially distressed homes to making more substantial improvements to older, outdated homes.

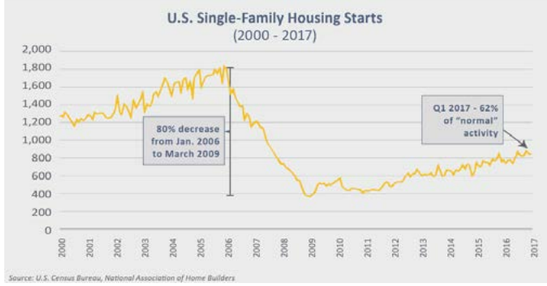
As flipping activity increased, so too did demand for financing from investors looking to acquire more properties and expand their operations. Because of this growing demand, speciality finance companies and other lenders saw the opportunity to build more robust platforms for originating these bridge loans. Since around 2014, the market for these loans has become much more institutionalized—and the terminology used to describe these loans has become more institutionalized as well, taking on the moniker residential transitional loans (RTLs).

Investment Rationale and Risk Factors for RTLs

For family offices and other investors that invest in real estate-related credits, RTLs provide what we consider to be an attractive risk-return profile for such short-term instruments. Based on our observations of recent RTL transactions, these loans typically charge 8% to 10% interest to the borrower, which, after subtracting the originator's servicing fees, translates to a potential 7% to 9% net coupon to the investor who purchases the loan. RTL borrowers typically make down payments in the 15%-30% range, resulting in relatively low LTV ratios.

At a time when 30-year mortgages are yielding 4% to 6%, RTLs are, in our opinion, attractive relative to other residential real estate-related credits. With an average duration of about nine to 12 months, we believe that the short-term nature of RTLs makes them a valuable addition to a portfolio by providing high current income in an environment of rising interest rates.

As with any residential mortgage loan, falling home prices pose one of the greatest risks to funds that invest in RTLs, which are underwritten as asset-based loans. This risk, however, is mitigated by the fact that RTLs typically are repaid in 12 months or less when the property is sold, limiting investors' exposure to home-price fluctuations. RTLs also have relatively low LTV ratios, which further protects investors from falling home prices. As competition increases among RTL originators, however, lenders may begin relaxing their underwriting guidelines and using more aggressive LTV ratios. This would reduce the margin of safety that investors have on the collateral if housing prices were to decrease significantly.



Capitalizing on Today's Residential Credit Opportunities

Renovations to an ageing stock of existing homes should, in our opinion, continue to be a very active market, and we believe that professional contractors in this space will continue to seek institutional-quality financing through a growing and maturing RTL industry.

We believe that RTLs will present above-average return opportunities for family offices and other investors relative to their risk profiles. Credit funds that can develop relationships with leading originators could be well-positioned to capitalise on these opportunities.

By Ketan Parekh and Jeff Pettiford of Window Rock Capital Partners

SINGLE FAMILY OFFICES THAT BACK EMERGING HEDGE FUND MANAGERS MAY BE A POTENTIAL MATCH MADE IN HEAVEN

By Edward M. Mansfield Chartered MCSI, CAIA

Almost all single family offices (SFOs) can trace their roots back to the success of a single business. In the majority of these cases, a strong desire exists to be associated with and to back, other entrepreneurs with ideas that they believe in. This is evident from the historically strong association of SFOs investing in private equity. Investing in emerging hedge fund managers is no different and offers many advantages over more established hedge funds, mainly if both SFOs and emerging managers are willing to collaborate actively.

During the financial crisis, many SFOs experienced that their allocations to hedge funds suffered from gating, the suspension of redemptions, or worse the exposure to frauds such as Bernard Madoff. Since then the hedge fund industry has come under pressure, with performances trailing those of long-only funds and their fee structure being questioned. Amid this low performance, funds of hedge funds, with additional layers of fees, have unsurprisingly lost favour - SFOs now prefer to invest directly.

The hedge fund industry, dominated by the largest most established hedge funds with investor bases mainly consisting of big-ticket institutional money, has changed little in response to SFOs needs in the last ten years. This can be seen by the struggle SFOs have negotiating lower fees or better terms regarding lock-up periods and hurdle rates.

Throughout these times, emerging hedge fund managers (many having previously trained and managed capital for established hedge funds) have struggled to find the seed and early-stage capital that they need - turned away by institutional investors with overly stringent criteria, they find themselves lost for alternative ways to launch their own unique and innovative ideas.

The frustration for emerging managers is that empirical research supports them as a group. It continues to find that emerging hedge fund managers clearly and consistently outperform their more established peers, particularly in the early years after launch. Also, their performance is found to be better in times of market stress.

Proposals to explain these findings are often based on the facts that emerging managers, by their very nature, are more innovative and able to identify and monetise opportunities faster, before the opportunities become exhausted. They have unconstrained return generation capabilities; meaning that they are better able to take advantage of the broader opportunity set available due to low assets under management (AUM).

Finally, they also have the hunger premium; the pressure and motivation from launch to perform and succeed, survive and grow. They concentrate on performance above all else to retain and increase their AUM.

This last factor is a concern for SFOs seeking strong performance from their hedge fund investments in return for their onerous fee structures and terms - large and established hedge funds are currently perceived not to have to 'hit the ball out of the park' every year to keep their investors from redeeming, and that they survive due to their investor base.

They are seen to be more interested in management fees and thus consistent and steady, if low returns, foremost, before outright performance. Those that aren't narrowly focused on fees tend to be either closed to further investment or have become family offices themselves. Those that have become family offices frequently invest in emerging managers and run platforms of segregate internal managers which I think is quite telling. SFOs that are not bound by the restrictions of institutional investors are ideally placed to take advantage by committing capital to these smaller, younger and more nimble funds. In return, they receive better terms, the clarity and dialogue which is crucial with hedge fund investing, and potentially a slice of the new hedge fund firm's management company, so they participate in the potential upside growth of the fund.

All of these benefits, particularly the latter, offer SFOs a solution to the woes experienced with their hedge fund investments during the financial crisis. They have a strong potential to receive the returns that they expect and a way to minimise the risks attributed to investing in emerging managers.

The synergistic benefits don't just stop there. The majority of SFOs can actively solicit additional investments from their network of peers, including other SFOs and wealthy investors - investors that the new hedge fund may have difficulty finding itself. This pooling of wealthy investors can quickly and easily deliver further much-needed capital to a new hedge fund early on.

In return, emerging managers can give SFOs clear insight into their strategies, and share knowledge and guidance that can be applied to the family office investments. This can include recommendations and introduction to other emerging managers that the SFO would have struggled to find on their own. Emerging managers can even go as far as recommending investment professionals for the SFOs in-house team, which can often prove to be so difficult to find due to the high importance on personal fit, and the small but very broad nature of SFO investing.

SFOs have much to gain from backing emerging hedge funds.

Edward has over 15 years of experience in the financial markets. This most recently includes time spent at BlueCrest Capital Management (a top tier European hedge fund) during their award-winning years of the financial crisis and involvement in the founding of a private single-family offices' investment platform in Monaco. He currently happily shares his knowledge and experiences via help and guidance, consulting to single & multi-family offices, wealthy individuals, endowments and foundations.

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THE WISDOM COUNCIL ACQUIRES CLEARVIEW FAMILY WEALTH FORUMS

Acquisition provides springboard for international development

Financial services consumer engagement specialist, The Wisdom Council (TWC), has recently acquired ClearView Family Wealth Forums from ClearView Financial Media Ltd.

ClearView Family Wealth Forums run a series of events and roundtables with ultra-high net worth (UHNW) families, typically those with over $100m assets, in the UK, GCC and Asia. As part of the acquisition, Gerald Schlagman and Mehdi Bougassa who are currently responsible for the non-US, international family wealth events at ClearView will join TWC on 7 December. They bring with them an enviable reputation for delivering high calibre events and TWC looks forward to welcoming them to the business and building on that success.

The Wisdom Council was founded in 2013 to bring intelligent insight to financial services firms, helping them to shape their thinking on strategy, propositions and service delivery. With a focus on engagement, the experienced TWC team consults investors across the wealth spectrum and has specific expertise with UHNW individuals.

ClearView Family Wealth Forums creates an environment where UHNW family principals, next generation wealth members, single-family office executives, and private multi-family-office CIOs can talk candidly about their needs as well as discuss and find solutions to the most topical challenges they face today.

A core ethos of TWC's business is to break down barriers by bringing together firms and their clients, deepening understanding and facilitating informed dialogue in an appropriate and often confidential manner. The acquisition of ClearView Family Wealth Forums is a natural extension of these capabilities.

Anna Lane, chief executive of The Wisdom Council, says "The acquisition represents a highly complementary extension to TWC's business strategy, and we are very excited by the opportunity to bring our expertise to bear with Clearview's UHNW clients – it is a huge endorsement of our existing HNW/UHNW proposition and gives us the ideal platform from which to grow the business in the wealth space both in the UK and internationally."

Stephen Harris, chief executive at ClearView Financial Media, comments: "I'm delighted to pass this exciting business into such capable and enthusiastic hands. The Wisdom Council team will take this client-centric business to a new level, building on our previous efforts, and we at ClearView wish them every success with this acquisition."

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Richard Acworth: richard@cornerstonecomms.co.uk or call 07917 080365

About The Wisdom Council

The Wisdom Council is a customer engagement specialist, bringing intelligent insight to financial services firms and helping them to shape thinking on strategy, propositions, new product development and service delivery. We believe improved engagement with clients is critical to the future success of wealth firms and the wider industry. The Wisdom Council team has long-standing experience of working with wealth and asset managers, drawing on deep technical knowledge as well as expertise in client engagement. Anna Lane is founder and CEO of the business.

DERISK HIGHLY APPRECIATED STOCK POSITIONS COST-EFFECTIVELY AN TAX-EFFICIENTLY

by Thomas Boczar, LLM, CFA, CPWA and Elizabeth Ostrander, CFA

Investors and trusts holding highly appreciated stock often diversify out of some of their positions over time using outright sales and tools such as exchange funds, equity derivatives and charitable trusts.

However, for many reasons, such as contractual and securities law restrictions, tax and estate planning considerations, or strong emotional attachment and belief in the upside potential of the stock, they typically retain some portion of their stock position as a core, long-term holding that's left unhedged and remains a major risk exposure relative to their net worth.

Holding a concentrated position for an extended period without protection is a risky proposition. According to J.P. Morgan, since 1980, approximately 320 stocks were removed from the S&P 500 due to "business distress." According to Goldman Sachs, over the past 30 years, 25% of the stocks in the Russell 1000 (which represents about 90% of the investable U.S. equity market) suffered a permanent loss of capital (i.e., lost more than 75% of their value and did not recover to 50% of their original value within the last 30 year period as of December 2015).

And after an eight-year climb, stocks are pricey, interest rates are rising, and the world is in turmoil. That said, investors with highly appreciated stock positions don't wish to "relive" 2008-09 and are searching for innovative and more affordable ways to protect against a catastrophic stock loss.

Investors can use equity derivatives such as puts, collars and variable forward contracts to mitigate their downside risk, but they're expensive and are used today mostly for short-term (i.e., tactical) protection and to generate additional income. Exchange Funds can help those who wish to diversify out of some of their stock position, but can't protect shares an investor wishes to keep. The use of either triggers a reportable event for company insiders.

Stock Protection Funds ("Protection Funds") are a recent innovation. They can help investors who wish to keep some of their stock position as a core, long-term holding, by allowing them to affordably preserve their unrealised gains and keep all upside potential (see CFA Institute video here).

Protection Funds wed modern portfolio theory (MPT) and risk pooling. MPT demonstrates that over time there will be a substantial dispersion in individual stock performance. Risk pooling reveals it's possible to cost-effectively spread similar financial risk evenly amongst participants in a self-funded plan designed to protect against catastrophic loss. By integrating these principles, Protection Funds provide downside protection akin to that of at-the-money or slightly out-of-the-money put options, but at a fraction of the cost.

Investors, each owning a stock in a different industry and seeking to protect the same notional value of stock, contribute a modest amount of cash (not shares, which they can continue to own) into a fund that terminates in five years. The cash is invested solely in U.S. Treasury bonds that mature in five years, and upon termination, the cash is distributed to investors whose stocks have lost value on a total return basis.

Losses are reimbursed using until the cash pool is depleted. If the cash pool exceeds the aggregate losses (approximately a 70% probability based on extensive back-testing), all losses are eliminated, and the excess cash is returned to investors. If the aggregate losses exceed the cash pool (about a 30% probability), large losses are substantially reduced.

The backtesting results suggest the cost of such protection should be approximately 1.25% per annum. Along these lines, a Protection Fund was operated from June 1, 2006, to June 1, 2011, protecting 20 investors with stocks in different industries, each protecting the same stock value. The upfront cash contribution was 10% (2% per annum for five years) of the stock value protected. Of the 20 stocks, 8 incurred losses (37%, 32%, 24%, 18%, 13%, 8%, 5%, and 1%). All losses were reimbursed (i.e., maximum stock loss was 0%) with the remaining cash returned to investors.

Each investor received the equivalent of 5-year "at-the-money" put option protection on their stock, with an amortized cost of 1.38% per annum. It would've been cost-prohibitive for these 20 investors to roll put options during the same period (i.e., throughout the Financial Crisis) to achieve at-the-money put option protection.

The shares being protected are not pledged or encumbered, and investors can continue to own their shares or can sell, gift, donate, pledge, borrow against or otherwise dispose of them at any time during the 5-year term of the Protection Fund.

Assuming company policy permits, public company executives and employees can use a Protection Fund to protect both stock and stock-linked compensation such as restricted stock units, stock appreciation rights, non-qualified stock options, incentive stock options and employee stock purchase plans, and doing so does not cause a reportable event for company insiders (although they are free to voluntarily disclose).

A Protection Fund is very tax-efficient in that it doesn't cause a common law or statutory constructive sale, the "straddle" rules don't apply, dividends remain taxed at the long-term capital gain rate, and the cash distribution upon termination of a Protection Fund results in the long-term capital gain or currently deductible capital loss.

The use of a Protection Fund can be cashless if funded through a margin or private banking loan against the stock position being protected; therefore, the investor's existing asset allocation needn't be disturbed.

In sum, Stock Protection Funds add a new and desirable dimension to the wealth structuring and portfolio construction process for investors and trusts with concentrated stock positions. Investors can continue to "chip away" at their highly appreciated positions over time using the traditional tools while using a Stock Protection Fund to cost-effectively and tax-efficiently derisk that portion of their stock position that they wish to retain as a core, long-term holding.

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The International Islamic Banking Summit Africa: Djibouti 2017 opened with more than 250 Islamic finance leaders

Held under the Patronage of the President of the Republic of Djibouti and hosted by The Central Bank of Djibouti, the International Islamic Banking Summit Africa 2017 convened global industry leaders to boost economic development and facilitate more significant trade and investment flow between Africa, the OIC markets and beyond through Islamic finance.

Wednesday 8th November 2017, DJIBOUTI: The Islamic finance industry offers several key value propositions to markets in Africa as government agencies, international Islamic financial institutions, as well as emerging local players and central banks, seek to tap into the opportunities that will drive strategic economic development priorities on the continent.

The International Islamic Banking Summit Africa, held at the Kempinski Palace Djibouti, discussed topics focused on the opportunities provided by Shariah compliant financing under the theme: "Unlocking the Economic & Strategic Potential of Islamic Finance in Africa" with a special focus on the role that Islamic finance can play in boosting trade & investment, enhancing financial inclusion through innovation, and harnessing Sukuk for infrastructure finance in key markets across Africa. The Summit was attended by more than 250 industry leaders representing over 75 international organizations and featured a powerful line-up international speakers and industry thought leaders.

The Summit opened with a high-profile session featuring keynote addresses from H.E. Ahmed Osman, Governor of the Central Bank of Djibouti; H.E. Abderrahim Bouazza, Director-General, Bank Al-Maghrib of Morocco; Dr. Hamed Hassan Merah, Secretary-General of leading international standard-setting body AAOIFI; and Paul Muthaura, the CEO of the Capital Markets Authority of Kenya, who deliberated on "Islamic Finance: Global Context, Africa Growth" and how to build the regulatory infrastructure essential to create a strong platform for the future development of Islamic finance in Africa.

The opening keynote session was followed by a Special Presidential Plenary Address from H.E. Ismaïl Omar Guelleh, President of the Republic of Djibouti and Head of Government, who reaffirmed Djibouti's commitment to the successful development of Islamic finance in the region and outlined some exciting new initiatives.

Addressing the media assembled at the Summit, H.E. Ahmed Osman said that:
"Islamic finance continues to offer significant potential to African countries who are looking to diversify their sources of funding and deliver strategic economic priorities. This potential is being realised most notably through Sukuk issuances which are enabling infrastructure development on the continent, as well as in the role Islamic banking is playing in boosting international trade & investment flows and deepening financial inclusion. Djibouti is naturally positioned as a gateway for the high-growth markets of East Africa, and we are working to build an Islamic finance environment that is even more operational, structured, and efficient. With our recent implementation of a National Shariah Board and progress being made on the road to our first Sukuk, Djibouti is positioning Islamic finance as an important strategic pillar to achieve our goals as outlined in Vision 2035 with a strong focus on modernizing financial infrastructure, strengthening financial inclusion, streamlining the legal and regulatory framework and exploring the potential for innovations such as launching a digital currency."

Building on how Islamic finance is already positively impacting markets on the continent such as Kenya, Paul Muthaura, CEO of the Capital Markets Authority Kenya noted that:
"The global Islamic finance industry is expected to reach an overall value of USD 3.54 trillion by 2021, a remarkable 77% growth when compared to 2015. This anticipated rapid development of Islamic finance on the global stage is to a degree, being mirrored across Africa. In Kenya, this is exemplified by the support that the country's financial sector regulators have given to the on-going policy and regulatory reforms aimed at enhancing the penetration of Islamic finance, with the country now getting increasingly well positioned to become a hub for Islamic finance. Kenya's Islamic finance sector now constitutes three fully-fledged Islamic Banks, four Islamic windows, two credit unions, one Takaful company, one Takaful broker, one Retakaful window and two capital market Unit Trust Funds. Through such developments, Africa's Islamic finance market continues to witness extensive growth and, with a robust and facilitative environment, Africa is creating a real opportunity to attract investment and capital inflows through Islamic finance, locally, and internationally."

The special address was immediately followed by the second major keynote session, which featured leading international industry figures, Hassan Jarrar, the CEO of Bahrain Islamic Bank; and Uwaiz Jassat, Head of ABSA Islamic Banking, who provided industry insights into how Islamic finance can better connect the economies of Africa to each other and to the Gulf, the broader OIC markets and beyond from the perspective of boosting investment and innovation.

Another major highlight of the International Islamic Banking Summit Africa 2017 was the Leader's Dialogue Live! Interview session which was a unique opportunity to gain a fresh perspective and first-hand insights into what we can expect from the Islamic finance industry going forward. The live interview session featured renowned industry leader and global Islamic banker, Hassan Jarrar, CEO of Bahrain Islamic Bank, who stressed the importance of innovation and the potential for Sukuk:

"Sukuk has become an important instrument in the international Islamic financial markets, and it is exciting to see the recent surge in Sukuk issuance in key markets across Africa. This provides global investors with the opportunity to be involved in high-impact projects that not only promote social and economic development across Africa but also generate economic returns for investors. By innovating the range and scope of financial products, Islamic finance is helping to broaden financial access and will also provide greater access to liquidity pools across the Middle East which will result in rising economic and social development in Africa. Bahrain Islamic Bank is at the forefront of developing innovative Islamic financing and investment products, supported by superior retail and corporate banking services."

This high-profile session was moderated by William Mullally, Editor of Islamic Business & Finance (CPI Financial, Dubai).

The International Islamic Banking Summit Africa 2017 also highlighted global innovations in the industry. Key technology opportunities and IT trends in Islamic banking were the focus of a cutting-edge session featuring Mohamed Magdy Aref, manager pre-sales engagement of Global Financial Solutions at ITS.

Day 2 of the International Islamic Banking Summit Africa 2017 continues on the 9th of November and follows a practical masterclass format focused on the practicalities of Sukuk in Africa, which will be led by leading Islamic finance specialist Brian Kettell, former advisor to the CEO of ICD of the Islamic Development Bank. An additional interactive workshop session on day 2 of the Summit will address how Sukuk can play a more effective role in infrastructure financing as well as support SME development in Africa, which will be jointly led by Ismail Adan Idle, the CEO of Al Amanah Consultancy, and Prof. Luqman Abdi Ahmed, Senior Advisor & Consultant at Al Amanah Consultancy.

The International Islamic Banking Summit Africa 2017 is created in collaboration between the Central Bank of Djibouti and Ethico Live!

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THE CHALLENGE: PLANNING EXTRAORDINARY TRIPS FOR THE ULTRA-WEALTHY

BY Brown + Hudson

The Challenge: Planning extraordinary trips for the ultra-wealthy

If you're responsible for planning for a demanding and seasoned traveller or family, you've probably seen the following trends reshaping their expectations and raising the stakes for you.

Transformative Experiences
Luxury travel has typically been geared towards pleasure and rejuvenation. But as Vogue magazine predicted in a 2017 travel trends report: "Transformational travel is the next evolution… it's travel motivated and defined by a shift in perspective, self-reflection and development, and a deeper communion with nature and culture."1

Extreme customisation
UHNW travellers want their trips highly customised. But not every travel service has the expertise, creativity, resources, and exacting standards to deliver.
Travel Technology and Solutions noted in its 2017 trends analysis: "There is one thing that technology is still very poor at, and that is the personalised human touch which can enhance travelling."2

Unfettered access

Today's elite craves access to rarely visited places. "Travellers want to live personalised, out-of-the-ordinary experiences with a wide variety of activities that reflect local cultures and lifestyles," states branding agency Origin.3 But this demands a wealth of local knowledge and contacts.

Impeccable execution
Elite travellers insist that everything runs flawlessly. "At its most basic, travel for the super-rich means never having to deal with the petty and not so petty annoyances," points out Condé Nast Traveller.4 Accounting for all this means that anyone—no matter how experienced—can get overwhelmed planning travel at this level.

Traditional Travel Planning Options: How do they measure up?

Most personal assistants and family offices plan trips through one of these options:

- DIY online tools
- Travel agents and tour operators
- Corporate travel departments
- Concierge services
- Special-interest tour operators

But how well do these services work for today's elite travel planners?

DIY online tools
Pros: The Internet is available 24/7, and a simple web search can yield seemingly limitless possibilities. Online-booking sites and room-service apps are user-friendly, and reviews can inform decisions.

Cons: Running web searches can be incredibly time-consuming. Contradictory, dated or incorrect information may come up. The Internet is particularly poor for researching remote destinations without existing tourism infrastructure or a developed online culture.
Travel agents and tour operators
Pros: These professionals save time for clients by planning itineraries and making bookings, with elements of customisation.

Cons: Traditional high-end agents simply retail pre-existing products from a list of approved vendors. But these packages are too generic to excite any elite traveller. And a conventional travel agent's knowledge is never specific enough to tailor the rare and insider experiences that the ultra-wealthy crave.
Corporate travel departments
Pros: These on-staff bookers are experienced in arranging flights, hotels, ground travel and classic business leisure such as spa treatments and golf. They may be familiar enough with an elite traveller to arrange details such as special diets and seating preferences.

Cons: They know how to secure the best seats in business class, but do they know anyone in a village in India who can arrange for the client to be a guest at a colourful Hindu wedding? Or can they set up afternoon tea with Archbishop Desmond Tutu? The Internet is their biggest resource for researching anything out of the ordinary, and we've already seen the limits of that approach.
Concierge services

Pros: With their insider knowledge and high-level lifestyle management capabilities, concierge services can cater to the ultra-wealthy traveller's desires on a trip. The most high-end concierge companies will be exclusively available to their client and extremely familiar with their needs.
Cons: The definition of a concierge is someone who can arrange third-party services on behalf of a client. While a concierge may have contacts for renting luxury villas and private jets, they often outsource to larger chains. Beyond travel, many concierges take care of other services so they lack the laser-focus on travel that is required.
Special-interest tour operators

Pros: These offer travel experiences for specific interests, such as cycling or gastronomy, or in specific destinations, like Mexico or Tuscany. They devote substantial time and care to plan and create itineraries beyond industry-standard offerings.

Cons: While special-interest tour operators can create excellent experiences, they rarely approach the extraordinary. They often focus on one type of activity, which limits their capacity to create a full and rounded experience with consistently top-tier standards. Using these traditional methods, how could a client possibly know that their jungle destination was surpassed in natural beauty by a lesser-known Eden on another continent? How could they know that by moving their booking just two days, they'd witness a once-in-a-decade ceremony in a remote Arctic village? How could they know a bird thought to be extinct had just been spotted nesting at the lodge 5 miles away from the one they chose?

A Better Option: Bespoke Travel Advisors
A bespoke travel advisor serves as a specialised PA to guide the client through the world of travel. They can suggest an unimaginable range of possibilities, assess the risks and rewards of any destination and work tirelessly to increase comfort and enjoyment of the final selection.

Instead of selling a package a bespoke travel advisor commits to a longer-term relationship, so they are there in the wings—or on the ground at the destination—during each journey, making sure everything is extraordinary.

What to Look for in a Bespoke Travel Advisor
To succeed in creating the experience of a lifetime, a bespoke travel advisor should offer a proven track record in these four criteria:

1. Extreme customisation
2. An extensive network of contacts and local knowledge
3. Exceptional service
4. A proven track record working with UHNW clients

1. Extreme customisation
To meet the trend towards ultra-personalisation, Brown + Hudson conceived something more: Bespoke 2.0.
Brown + Hudson provide the highest possible quality of travel experience, as organic and ever-changing as each traveller. They employ in-country guides, docents, fixers and experts smart enough to throw out

the rule book and knowledgeable enough to turn on a dime to satisfy their client's evolving needs.
The company's elite travel planners take the time to learn the client's deepest needs, challenge the client to think bigger, and explore options they would otherwise never imagine.

2. An extensive network of contacts and local knowledge
Bespoke Travel Advisors have friends in high, low and remote places worldwide. If a client wants to explore uncharted territory? Their advisors are ready to pack a bag, grab a GPS, and scout a location in person.
For example, the time clients asked Brown + Hudson to find a tepui (table-top mountain) that had never been summited. After finding the perfect peak, they went one step further: arranging for them to climb to the summit with a team of biological researchers to collect samples of the unique fauna that had evolved there for centuries.

3. Exceptional service from start to finish
By only working with the top 0.1%, these few truly bespoke travel advisors deliver a different level of service. Even after spending a minimum of 90 hours crafting a trip to the exacting needs of the client, they recognise that those needs can change. Dedicated advisors are on hand 24/7 to make any adjustments requested by the client as the trip unfolds.

4. A proven track record of working with Ultra High Net Worth clients
Brown + Hudson founder, Philippe Brown, understands the world of UHNW clients from direct experience. He and his team of advisors are well-versed in security protocol, the essential role of the PA, and the finer details of private jet travel.

They can turn big ideas into once-in-a-lifetime experiences. Here are just a few examples:
Biking through the dessert: Brown + Hudson arranged for a client to bike through the Gobi Desert on a Harley Davidson. They stayed in a traditional nomadic ger (yurt) camp, custom-built with en-suite bathrooms, plush camel-hair blankets and aromatherapy.

Diving in a submarine: On a trip in Borneo, every comfort the client requested was provided in their lodge by the Kinabatangan River, from hypo-allergenic pillows, to their favourite scotch. Then the client travelled to the Semporna Archipelago where they dove in a submarine brought in from the Philippines to see the rich marine diversity.

Meeting an isolated tribe: When a client travelling in the Amazon Rainforest wanted to meet a remote native community, Brown + Hudson enlisted their contacts to reach the top echelons of the Brazilian government and gain the necessary permits. They then sent an advance party to meet with elders and win their approval for the visit. A dirt airstrip was built and several abandoned thatched homes were transformed into a luxurious camp.

Conclusions
Today's ultra-wealthy travellers seek life-changing travel experiences, extreme customisation, unfettered access, and impeccable execution.

Traditional travel planning services have shortcomings that can compromise an elite traveller's experience.
An ideal travel partner must offer four key prerequisites: extreme tailoring, an extensive network of contacts and local knowledge, exceptional service from start to finish, and a track record of working with UHNW clients.
Fortunately, there is one bespoke travel advisor that meets all these criteria: Brown + Hudson.

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EXECUTIVE PROTECTION AN INTELLIGENT APPROACH

There is a lot more on offer; our own business has had to adapt. Family Offices and Clients know what they need and what they want, and that is a 'service'. Many firms in the world of Close Protection have forgotten that they are supplying a service - sure, it's a high-risk service, very dynamic, but a service none the less and Clients expect to have value for money.

Alex Bomberg, Group CEO of Intelligent Protection International, said recently - "Sadly, there are still a few Family Office professionals who just pay lip-service to the security of their Clients. Complacency is fine, but only once regarding the security of High Net Worth's and Royalty."

Compromise should not be an option, a high-level of service can be reached while maintaining a personal level of service, unobtrusive and seamless.

The Kim Kardashian effect

"Did you learn from Kim?" some did.

The robbery and attack in Paris on Kim Kardashian in early October 2016, saw many UHNWI's and Family Offices reviewing what Personal Security they had in place.

Many personal security details are, after time, not fit for purpose. Team members get older, complacent, un-fit, their skills fade, and they lose touch with modern threats like managing Social Media and overlaps with 'Brand Protection' and 'Reputational Management'.

"Just because a solution was right five years ago, that does not mean that the same solution is right for today." One guy might have been right for Kim before she rose to such fame, but the right advice, if ever given, was never acted on and her Personal Security was compromised in such a devastating way.

Intelligence-led Protection

With security operations being far more dynamic than

by George R. Foster

ever, intelligence is becoming a more and more important tool. An up-to-date analysis feed to a team on the ground makes all the difference to a slick, well-oiled operation; be it traffic, weather information, news of a planned public demonstration or indeed a terrorist incident, these issues all have a knock-on effect to the Client and his or her movements.

Terrorism on the rise

Global terrorism saw a 650% rise in the number of attacks 2015 according to the 2016 report on Global Terrorism Index, managed by the Institute for Economics and Peace. The same report said that the "global economic impact of terrorism amounted to $89.6 billion in 2015".

It was the 'developed' world that saw the biggest rises, and that is driving the change in how Executive Protection is provided and the need for intelligence-led protection.

Mitigation and risk management is the key to managing the threats of terrorism. The types of attacks we have seen in Europe often involve no firearms or knives, but, in fact, saw vehicles being the weapon of choice, resulting in attacks often carried out by extremists off the intelligence radar.

The only defence to an Executive Protection Team, aside from intelligence, is slick team drills and the experience to be fluid, manage change and react as one to keep the Client safe.

Facilitation, the art of soft skills

The UHNW Client demands a lot of his or her staff, Clients rely on staff close to them being able to facilitate tables in restaurants, theatre boxes, boats or indeed private aircraft and the key to this is often relationships being built up over a period and also the art of soft skills, encapsulating inter-personal skills, charisma and great communication.

Soft skills are a component that's frequently missing from the protection professional's armoury. Having this capability to engage in conversation about current affairs with the Client and indeed having the ability to diffuse situations is a highly sought-after skill set in this specialist sector. According to Deloitte's 2016 Global Human Capital Trends Report, a huge 92% rated soft skills as a critical priority, and if you can master the three-following critical soft skills, you'll be on the road to success in any business - EP is no exception.

Problem Solving
Emotion Control
Purpose

A final thought - the EP Operative offers more than protection and peace of mind for someone's personal safety, they are artists in facilitation, an extension of the Client's staff if you will, after all, our business is personal.

George R. Foster is a member of ASIS International and The International Institute for Strategic Studies. He is also Group Managing Director of UK and French-based company, Intelligent Protection International Limited.

UNIVERSAL FILM AND FESTIVAL ORGANISATION

The Universal Film & Festival Organisation (UFFO) was founded to support and implement a code of practice for film festivals throughout the world. It is now dubbed 'FEST-COP', and its logo is now a familiar sight at many film festivals. The UFFO is a global not-for-profit voluntary organisation, and it created a "best business code of practice" for film festivals to combat the high level of corruption that blights the industry.

Its former president was the legendary actress Maureen O'Hara, and the organisation now has at least 240 film festival members.

UFFO's FEST-COP is entirely voluntary, free and easy to implement. Also, it is a blueprint for filmmakers in deciding which film festivals to do business with. Only film festivals that have subscribed to the UFFO best business code of practice are entitled to use the UFFO logo.

The organisation is now seeking a benefactor to help it move forward with its plans to further its remit and to create an online porthole to ensure filmmakers can deal with film festivals via a trusted source. The porthole will also act as a distribution platform and as an online TV channel for filmmakers to show their work.

Email info@uffo.org. - www.uffo.org

A NEW HURACÁN FOR THE ITALIAN POLICE LAMBORGHINI

POLICE VERSION OF ITS HURACÁN SUPER SPORTS CAR

Latest advancements in high technology

equipped with an aspirated V10 that produces 610 HP

Automobili Lamborghini has delivered a new Huracán Polizia, the police version of its Huracán super sports car, to the Italian Highway Patrol in Rome. The keys were handed over to Interior Minister, Senator Marco Minniti, at the Viminale building by Stefano Domenicali, Chairman & Chief Executive Officer of Automobili Lamborghini. Also attending the ceremony was Chief of Police and General Director of Public Safety Franco Gabrielli.

The Huracán of the Italian Police is to be assigned to the Highway Patrol in Bologna. It will be used both in normal police operations and for the urgent transport of blood and organs. Another Huracán has been operated by the Highway Patrol in Rome since 2015. The ceremony also provided an occasion to hand over to Rome police the 2009 Gallardo Polizia from the Lamborghini Museum in Sant'Agata Bolognese. The car will be on permanent display at the Highway Patrol Auto Museum in Rome.

Huracán Polizia

The Huracán Polizia is used in highway patrol service, and for first aid and emergency medical transport. It sports the official colors of the Italian Police (Police Medium Blue), with the white areas and lettering specially executed to match the Huracán's dynamic look. The livery is completed by a stripe divided into the three colors of the Italian flag, which runs along both sides of the vehicle. As is true for all Lamborghini cars, the Huracán Polizia is equipped with P Zero Pirelli tires, but their sidewalls are tinted in Police Medium Blue and were specially created for the occasion.

High-tech equipment

The passenger compartment of the Huracán Polizia has been given the latest advancements in high technology. The vehicle is equipped with an on-board system consisting of a tablet supplemented with a computer, recording equipment and a video camera.

These systems are used to document police operations on the road.

Photo credit Heesen Yachts - Guillaume Plisson

Beauty and bounty in Croatia: Luxury yacht charters along the spectacular Dalmatian coast

Why luxury yacht charters are so popular

Luxury yacht charters have seen a surge in the traditional charter grounds of the Mediterranean in recent years, and with the industry's success comes access to a greater range of superyachts and amenities to suit an ever expanding range of budgets.

A luxury charter offers groups of up to 12 people a tailor-made holiday and experiences far removed from mundane life. One of the greatest benefits of a superyacht is the freedom to move from one location to another and have the same high-quality service and amenities always available, minus the issues of rowdy neighbours, morning commute traffic jams and the possibility of poor quality meals.

Why choose Croatia

The Eastern Mediterranean differs greatly from what is on offer compared to its Western variant and such renowned cities as Cannes, Monaco, Naples and Rome: Although both sections of the Mediterranean are filled with history and world heritage sites, a visit to Greece, Montenegro and Croatia is less about artefacts in white-washed museums and more about exploring ancient ruins in historical context out in the open summer air. There are far more sandy beaches on offer too and for hotter, more stable weather lasting longer into the year, the Eastern Mediterranean cannot be beaten. Visibility in the water reaches as far down as 50m/164ft and the conditions are perfect for snorkelling. Divers too will be spoiled for choice with a number of shallow shipwrecks and tunnels to delve surrounded by vibrant flora and fauna. The Dalmatian Islands are filled with dive sites, and if you charter a yacht with PADI Dive Centre certification, everyone from seasoned experts to complete beginners can see the beauty beneath the waves and get up close to the friendly wildlife.

Croatia is a diner's delight, filling plates with fresh seafood from diverse seabeds, unique cultural recipes and full-bodied wines that contribute to the success of any corporate yacht charter or family holiday. Visit just before or after the height of the July-August summer season, and your party can catch all the best summer weather along with a bargain price on a superyacht.

Party lovers won't feel left out in Croatia: The Ultra Europe music festival takes place mid-July in Split, and beach parties and clubs come alive throughout the summer months. There's also endless opportunity to create your own private party with luxury yachts designed with dance floors and top of the range audio-visual equipment to carry the beat into the early hours. Move your party onto the silky sands with barbeque grills and beach games adding to the mix to entertain night after night.

Whether sailing or cruising, the capital city of Dubrovnik is an excellent embarkation point and international flights will take you within half an hour from the marina where your charter yacht awaits. Wander through fantasy and reality in Dubrovnik: See the streets that became the King's Landing film set for the Game of Thrones TV series and discover the true medieval history of these narrow cobblestone lanes. The old city is a UNESCO World Heritage Site and worthy of a day in itself before you head off to the Dalmatian Islands or explore the rest of the mainland's winding chalky-white coast. Kayak in the harbour along the walls of the Old Town and snorkel in the shallows for a well-paced day to begin your holiday fun.

From Dubrovnik, make your way up through the Dalmatian islands starting in the picturesque town of Korčula. Your captain will direct you to the area hot spots and hideaways for a heady mix of local culture and relaxation among the best sights the destination has to offer. Korčula is an excellent place for snorkelers and beginner divers to make use of any equipment on board their luxury yacht because of the incredible contrast in wildlife only a few metres just under the surface: Octopi and nudibranchs can be found hiding among the coral and gorgonians, providing amazing sights for divers with little experience.

Head up to Hvar and discover Croatia's party capital where there are plenty of bars and clubs to fill your luxury charter holiday if you intend to stay close to one place. A little research beforehand will help you find the best places for quality, service and price for a night of fun that can be followed up with a spa session either on your superyacht or within the town The bars of the evening become lunchtime cafes with a creative variety of coffees and meals for travellers to fill up on before moving on to the next activity. Hvar is not only a place to party and the sheltered blue lagoons, and fine sand beaches are waiting to be discovered - as is the island's unique history told through its architecture, arts and crafts.

Dolphins are known to swim through the straits near the Adriatic Sea, and at Bol on Brač Island you are quite likely to see them playing in the harbour. Join them with your snorkelling or diving gear, or head off to find your own quiet beach and spend the afternoon trying out your tender garage filled with water toys followed by a snooze in the sun.

Re-join the mainland north of the islands at Trogir or Split and complete your holiday in one final UNESCO World Heritage Site. At the centre of Trogir is the Cathedral of St. Lawrence which has survived several centuries through sackings and demolition to become a record of the successive architectural styles that construct Trogir. Diocletian's Palace in Split is a complete example of a Roman emperor's palace in the world and one of the best-preserved sites in Croatia. Game of Thrones fans might recognise some of the wings from the TV show and the true stories of what took place there are almost as lascivious as the film fantasy.

Split and Trogir are only half an hour away from each other, and the nearby awe-inspiring Krka Falls will leave nature lovers, photographers and artists breathless. Stroll through the markets and get a taste of daily life in a town surrounded by a blend of past and present.

However you choose to spend your time in Croatia, a superyacht charter has an attentive crew and all the private facilities to make your getaway break a success all on its own, but the friendly locals, dramatic, unspoilt scenery and densely packed attractions both ancient and modern bring together all the elements for an unforgettable adventure.

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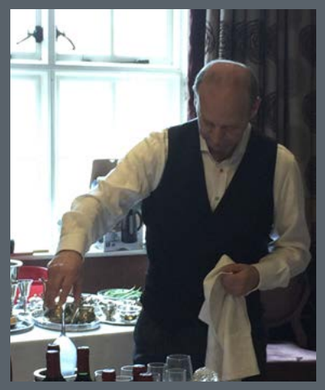

FROM BALANCING PEAS, MANEUVERING AIRPLANE TROLLEYS AND LEARNING HOW TO WORK WITH NEW MEMBERS OF STAFF

A DAY IN THE LIFE OF DOMESTIC STAFF, TRAINING IS NEVER BORING!

At a high-end hotel in Central London, a group of students nervously paces around, eagerly waiting for the results of their final exams to come in. Only several hours ago they completed an intense, three-day Silver Service training course which was concluded by a nerve wrecking assessment: providing the full table setting and service of a group of 8 high end business people for a formal lunch, whilst their Silver Service trainer meticulously followed their every move, making notes as they went along.

A plate wrongly set? The distance between the knife and the glass too far? Or perhaps food served from the wrong side? These is no escaping - all the skills, rules and regulations they have gone over and over in the last three days had to come out during this high pressured, real life service. A chef was in situ to prepare a high-end 5-course lunch, and the students did their best not to spill any of the welcome Champagne - or worse, red wine - on the guests. Of course, the trainer made sure the food served was a variety of complex structures. Try plating up bouncy peas, slippery buttered asparagus and a delicately constructed Mille Feuille dessert while maintaining composure and balance!

Meanwhile, in a large private estate in Berkshire two of the resident housekeepers are walking around with notebooks in their hand, following their Housekeeper Trainer for the next couple of days. The trainer arrived first thing this morning and immediately started going through the property with them, helping in establishing a list of tasks, and setting up a structure from there.

The second part of the training will be spent focusing on teamwork, helping each other instead of being in each other's way, and complementing each other's skills, strengths, and balancing out weaknesses. One of the two ladies has been working for this family for more than ten years and has recently been joined by a second housekeeper, as the family moved into a larger property in the countryside. Even with all her experience, hard work and dedicated, the main housekeeper is first not experienced working in a team sharing the role, and second not used to having to stay on top of all the housekeeping in a significantly larger property. Having a trainer access the situation is a win-win for both the housekeepers and the principals: the housekeepers' daily role will become significantly easier now there will be a structure in place, as well as an understanding of how to, efficiently, work together. While the principals will not have to go through the stressful situation of looking for new staff as they love and trust their current housekeepers who will be up to scratch, able to fully manage and keep up their precious new home.

Then there is the corporate training room that has been cleared out for the next two days, and lines of coloured tape on the floor mark the measurements of the inside of a private jet. Three members of a Saudi private airline have come over to fine tune and upgrade their service style for the jet owners and guests of the planes. Trolleys are in place, and the students are doing their best to manoeuvre drinks and food in the confined space of the isle. The whole room breaks out into laughter when one student trips over her untied shoelaces, and in her stumble manages to push the trolley through the room, knocking down the seat that would have been the captains.

Back to the London hotel lobby where students one by one are being called in to receive feedback on their writing, as well as their practical assignment to conclude their hard work and study. Thirty minutes later a clearly proud trainer welcomes all the students back in the room - which is quickly filled with people beaming with pride and big smiles on their faces. Smiles of pride, for their newly acclaimed certificate, but also of excitement and hope of what doors these new found experiences and the newly passed qualification, can open. Not to forget the exciting roles that will be available for them.

As a final task, all students are asked to set up trays with glasses of champagne to cheer to their accomplishments. The trainer, forever in his role, can't resist and quickly steps in to adjust the spacing between the champagne flutes on one of the serving trays a student is displaying. The other students quickly pick up on the correction by checking and adjusting their trays accordingly. A great final lesson for them to finish the day, that although they might have passed their tests, and they have their certification in hand, the learning truly will never stop.

Training and continuing education for candidates of all backgrounds is a valued aspect of career development. Would you like to know more about the training opportunities, both group classes and private training opportunities? Polo & Tweed welcome students from around the world, and they run classes in the United Kingdom and send their trainers around the world. Polo & Tweed, raising the bar in training. www.poloandtweed.com