

Institutional
Investor

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LIDO

CONSULTING, Inc.

13th Annual
Family Office
Wealth Conference

Predictable Unpredictability:
Issues, Options, Views
and Roadmaps for
Affluent Families

September 12-14, 2012 | Montage Resort & Spa | Laguna Beach, California

Predictable Unpredictability: Issues, Options, Views and Roadmaps for Affluent Families

We find ourselves in a period when the only thing that seems to be predictable is unpredictability.

The risks affluent families confront today go beyond those commonly associated with policy changes and uncertainty, unanticipated election outcomes and geopolitical turmoil. For the first time in modern history the global economy faces the prospect of losing important fundamental anchors and locomotives.

In addition, there is the issue of uncertainty in North America and Europe, and the risk that uncertainty leads to continued paralysis in regulation, taxation, spending policies, budgets and economic growth. It is becoming increasingly difficult to make informed investment and other important decisions when the future remains so fundamentally uncertain.

The developing economies, which so many place so much hope in, are not the panacea either. While increasing influential, these growing economies still lack in many ways the institutions, structures, political will, and the global perspective that go along with their growing prominence.

Adding to the overall unstable global environment are the various hotspots in the world, chief among them revolutionary change in the Middle East, Iran's apparent pursuit of nuclear weapons—and the potential for military action against it—and China's claims to mineral and other rights throughout large areas of Asia, backed by its growing military might.

These types of unpredictability lead to the dangerous possibility of extreme events, or "fat tails." The net effect of these various conditions and trends is that more investors everywhere may opt to preserve capital and avoid risks, and in the process suck growth oxygen from the global economy.

For affluent families this combination of factors presents unique challenges, for while many opportunities are liable to exist alongside various and variable risks, the increased quantity of and the nature of unpredictable risks requires greater analysis and consideration of the options available. To build a portfolio that produces superior returns and retains sufficient defensive qualities, families need to devote more time to researching and understanding the constituent risk factors associated with different asset classes, and to rely less on historical evidence to do so. At the same time, they must consider a much broader array of correlations, seek

opportunities on a more global basis, and attempt to mitigate risks not just by diversifying but also by using active hedging to protect against extreme events and outcomes.

On a broader level, decisions concerning estate planning, philanthropy, major purchases and, with new rules stemming from the Dodd-Frank financial market regulatory legislation, even the structure and role of a family office must also be examined more thoroughly.

Prudence is essential under these conditions, and patience will likely be rewarded by those who remember that unpredictability produces both risks and opportunities, and that paralysis is not a response that will yield results.

The 13th Annual Institutional Investor/Lido Consulting Family Office Wealth Conference will examine these issues and trends, evaluating various scenarios based on real and potential events as they unfold and providing outlooks and options families can consider in response to their individual needs and goals.

In addition, through a series of presentations, workshops, panel discussions and special guest speakers we will hear expert opinions on the full range of topics families and family offices must concern themselves with, from selecting the right technology to support their operations, to protecting the personal security of family members and insuring against the loss of property. We will provide a collegial, comfortable environment for families to share with other families their concerns, ideas and opinions, while also offering a variety of diversions and entertainment for enjoyment and pleasure.

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Sponsoring Organizations (to date):

HUB International Personal Insurance Ltd.
Itau USA Asset Management
World Gold Council
Yorkville Advisors

Wednesday, September 12

11:45 am Registration and Buffet Lunch
Foyer + Courtyard

(Please note that the program will commence while lunch is still available and you are welcome to bring your lunch into the meeting room.)

12:00-12:15 pm Welcome and Opening Remarks
Grand Ballroom II and III

Gregory P. Kushner
President and Founder
Lido Consulting Inc.

Conference Chairmen:
Bob Pisani
Correspondent

CNBC

12:15-1:15 pm Panel Session: Managing the Family Office: Issues, Trends and Options
Grand Ballroom II and III

Moderator:

Clay Bradley (Family Member)

Vice President

Eno Farms, Inc. (Family Office)

Panelists:

How are family offices adjusting their portfolios as both economies and markets appear to be on the mend? How are they coping with the multiple continuing major risk factors? In what ways are they adjusting or considering changes to their estate planning with the still uncertain tax environment? What are their major concerns on a forward looking basis and what options are they examining to deal with them. In this session, we will hear from experienced family office executives who will address a range of topics that all affluent families must take into account and discuss both their particular significance as well as the responses they have made or are contemplating.

1:15-1:45 pm Presentation: Fixed Income Strategies: What Makes Sense in a Low Yield Environment?
Grand Ballroom II and III

Presentation:

The exceedingly low interest rate environment we find ourselves in may persist for quite some time if the Fed maintains the stance it has indicated it will likely take for the next several years. At the same time, the threat of a significant uptick in inflation, which remains a strong possibility in the minds of investors and economists concerned, could result in either a gradual or abrupt shift in Fed policy. What should affluent families be considering for their fixed income investments in such an environment? Where should they be seeking better yields without unduly increasing risks to their portfolios? To what degree might they want to alter their views about traditional fixed income investing on both a short- and long-term basis? What benefits and risks in doing so need to be carefully weighed?

1:45-2:15 pm Presentation: What Next for Commodities Amid the Slowdown in China?
Grand Ballroom II and III

Presented by:

Commodities, despite experiencing the traditional price volatility associated with them, have broadly provided investors with exceptional returns over the last decade or so while providing a degree of diversification and portfolio protection. Current and future expected demand from emerging and developing nations, especially China, has had the greatest influence on prices, but now China has entered a slower growth period that many expect to last as its economy continues to modernize. What does this suggest for commodity prices generally? What commodity sectors are likely to be most and least affected by China's economic slowdown? Which commodity strategies and what type of managers should families interested in the sector be looking at more closely and what opportunities and risks do they represent?

2:15-2:45 pm Refreshment Break
The Courtyard

2:45-3:15 pm Presentation: **Determining a Sensible Approach to Inflationary Risks**
Grand Ballroom II and III

Presented by:

By common measures core inflation remains subdued, even as elevated prices for fuel and food are taking a toll on average consumers. But fiscal and monetary policies, combined with improving economic prospects, continue to worry affluent families and other major investors. Nevertheless, the future, as always, is unknown, so how can families develop a reasonable approach to hedge against inflationary risks? What strategies or combination of strategies make sense? What are upside and downside risks in taking a more aggressive position to hedge against inflation?

3:15-3:45 pm Presentation: **Managed Futures: A More Liquid Alternative to Alternative Investments?**
Grand Ballroom II and III

Presented by:

One of the main legacies of the 2008 credit crisis is the desire by affluent families to reduce volatility and enhance liquidity in their portfolios without sacrificing returns. Alternative investments are still considered by many families the better way to increase returns, but remain wary about the degree to which they can rely on them being liquid under stressful conditions. A number of investors increasingly suggest that managed futures strategies should be considered to obtain the benefits associated with alternative investments while retaining the ability to be fully liquid regardless of prevailing market conditions. In this session, the pros and cons of managed futures will be examined using historical data to demonstrate what difference an allocation to the strategy might mean for an average family office portfolio.

3:45-4:15 pm Presentation: **Safeguarding a Family's Philanthropic Legacy**

Grand Ballroom II and III

Presented by:

An increasing number of conflicts have arisen in recent years related to concerns that foundations established to support particular causes or issues have strayed far from the original intent of those who established them. How can those concerned about ensuring that a family's legacy is maintained in the way intended safeguard their foundations from wandering from the objectives set out by those who created them? Is it better to create a sunset clause that ensures a limited lifespan for a foundation and decreases or eliminates the chance that future generations will fail to follow the original intent? What key issues should families focus on when considering their options and what are the most important things they should do to secure a long-term philanthropic legacy that closely adheres to the original intent?

4:15-5:45 pm **Moderated Discussion Group: By Invitation Only: A Family Gathering**
Grand Ballroom II and III

(To facilitate a candid discussion of these and other issues, this session will be open only to family members and family office executives.)

Facilitated by:

Gregory P. Kushner
President and Founder
Lido Consulting Inc.

What are the issues and concerns most on the minds of affluent families in the current environment? Where are they investing? What new governance structures, analytical and reporting systems, ideas and products are they considering? What are the events and trends mainly influencing their thinking?

In this perennial session open to family office executives and family members only, participants will be given the opportunity to communicate with one another and to share information and discuss their views, interests, pursuits and ideas related to improving the management of family offices and enhancing family relationships. With the help of designated facilitators, the audience will be encouraged to have an open and direct discussion that allows for an assortment of observations, outlooks, decisions and insights to be aired in a collegial atmosphere.

5:45-6:30 pm Time at leisure

6:30-8:00 pm Welcome Cocktail Reception
Ocean Lawn

The view from the Ocean Lawn never ceases to amaze the eyes with its expansive Pacific Ocean horizon, big sky and dramatic sunsets. We look forward to your joining us at our welcoming cocktail reception where you can connect with old and new acquaintances and in a tranquil setting while you relish a tempting assortment of hors d'oeuvres created by the superb culinary staff of the Montage.

Thursday, September 13

7:45-8:30 am Registration and Buffet Breakfast
Grand Ballroom I

8:30-8:45 am Welcoming Remarks
Grand Ballroom II and III

Gregory P. Kushner
President and Founder
Lido Consulting Inc.

Introductions and Announcements
Grand Ballroom II and III

Conference Chairman:
Bob Pisani
Correspondent
CNBC

8:45-9:30 am **Keynote Address: The Domestic and Global Economy, Now and for the Year Ahead**
Grand Ballroom II and III

Speaker:
Jason DeSena Trennert
Managing Partner and Chief Investment Strategist
Strategas Research Partners

While the nation, and the world, continues to face enormous economic headwinds, the expectation is for a continuing slow but steady recovery. Is this an accurate economic forecast affluent families should use as a basis for planning their investment decisions in the year ahead? What might they be missing that indicates either better or worse conditions might be on the horizon? What do economic tea leaves suggest about being more or less defensive? What do they imply for investing in different regions, sectors, asset classes and strategies?

Jason DeSena Trennert is the Managing Partner and Chief Investment Strategist at Strategas Research Partners, a firm that provides macroeconomic outlooks, policy research and investment and sector

strategy insights and ideas. He has been ranked consistently by Institutional Investor magazine as one of the top strategists on Wall Street and has been named to SmartMoney magazine's Power 30 list of the most influential people in the world of investing. He has earned a reputation as a keen market observer and recognized for his regular, and often humorous, essays on investing. Widely quoted in the domestic and foreign press, he is a regular guest host on CNBC's Squawk Box. He is the author of the popular investment book, New Markets, New Strategies, published in 2005 by McGrawHill. Prior to founding Strategas, Mr. Trennert was the Chief Investment Strategist and a Senior Managing Director at International Strategy & Investment (ISI) Group where he built and oversaw two of that Firm's most popular research efforts, the Company Surveys and more recently, its Investment Strategy Group.

9:30-10:00 am **Presentation: Developing a Successful Emerging Markets Investment Strategy**

Grand Ballroom II and III

Presented by:

Speaker to be confirmed

Itau USA Asset Management

The slower pace of growth in China may be more sustainable but if it reflects the future it will likely mean a growth elsewhere will be affected and will make it more challenging to identify the emerging markets and strategies where affluent families should consider increasing or reducing their exposure. Yet with emerging markets representing an estimated 12% of global market capitalization, it is probable that most families, like most institutions are underweighted in their emerging market allocations. In this session the speaker will outline ways by which families can assess whether they have sufficient exposure to emerging markets and discuss specific regions, sectors and strategies they should consider to better manage their portfolios for superior results.

10:00-10:45 am **Panel Session: Why Family Offices Still Need a Better Understanding of how the 'Dodd-Frank Act' Can Affect Them**

Grand Ballroom II and III

Moderator:

James P. Kane, CIC

President

Hub International Personal Insurance Ltd.

Panelists:

Many family offices appear to have less than a full understanding of how the new SEC registration rules established by mandate under the Dodd-Frank financial reform act might affect them. Some, for example, may believe they don't need to register and have no fiduciary responsibilities because they only occasionally invite other families to invest with them but take

no fees and return all profits. In fact, however, the new rules probably require such a family office to register and file reports with the regulatory agency. In this session, experts will outline these and other situations family offices may fail to grasp or fully understand that would require them to register and would make them fiduciaries. They will also summarize the registration process and discuss the implications of accepting fiduciary risk, providing perspective on the issues that should be considered and how best to deal with them comprehensively.

10:45-11:15 am Refreshment Break

The Courtyard

11:15-11:45 am **Presentation: Next Stage Public Growth Company Financing: Why Demand will Continue as the Economy Improves**

Grand Ballroom II and III

Presented by:

Mark Angelo

President and Managing Member

Yorkville Advisors

As the economic environment continues to improve the assumption might be that small- and mid-cap companies will find it easier to secure financing. That may be the case, but experience through different business cycles demonstrates that many companies with solid growth prospects will find that the financing options available to them don't meet their needs. Because of this, opportunities will continue for investors capable of identifying businesses that have the management, products or services to further develop their operations. In this session, the speaker will explore this area of alternative financing and the markets it serves, while outlining the opportunities, risks and risk mitigation strategies associated with it.

11:45-12:15 pm **Presentation: The Historical Record for Gold Under Different Economic Scenarios**

Grand Ballroom II and III

Presented by:

Juan Carlos Artigas

Investment Research Manager

World Gold Council

What does the historical record suggest about the relationship between gold prices and real, inflation-adjusted rates of return? How has gold performed in various economic environments, from strong growth to slow growth? The speaker in this session will provide an overview of how gold prices have moved in relation to various economic scenarios to supply a basis for

affluent families to understand more thoroughly how and in what way the economy has been shown to influence them.

12:15-2:00 pm Seated Luncheon with Guest Presentation: *Speaker to be confirmed*
Gallery Ballroom

Speaker:

Following Lunch, Sessions will reconvene promptly in Grand Ballroom II and III

2:00-2:30 pm **Presentation: Commercial Real Estate: Assessing the Ongoing Opportunities and Risks in a Recovering Market**
Grand Ballroom II and III

Presented by:

Affluent families and other investors have been flocking back to some sectors such as the commercial real estate market where new opportunities have been created as a result of the challenging economic environment. This trend has been most notable in commercial residential real estate where demand has soaked up supply and prices have risen substantially. More broadly, however, the recovery domestically has been uneven and the market continues to face headwinds that limit new development and restrain pricing flexibility. On a wider global basis some of the markets until recently seen as offering upside potential have become less attractive. So what should families interested in commercial real estate investing be considering today? Are there any true value investment opportunities to be had? Where are the best prospects on a national, regional, sector and strategy level? How extensive are the risks and challenges ahead?

2:30-3:00 pm **Presentation: Infrastructure: Examining the Benefits, Challenges and Options for Affluent Families**
Grand Ballroom II and III

Presented by:

A growing number of U.S. institutions have been discovering the potential benefits of investing in infrastructure, focusing particularly on the stable cash flow that can be derived from it. For affluent families, there are a number of challenges involved, however, including a substantial minimum investment required for private funds or project specific funds, a long lockup period and a variety of risks that can be difficult to assess. Publicly traded infrastructure provides another option but may be more closely correlated with general market trends that reduce the benefits associated with diversification in a non-traditional asset class. The speaker will examine the issues and options families need to ponder before investing in infrastructure and will briefly outline some of the most common structures as well as how risks are managed.

3:00-3:30 pm Refreshment Break
The Courtyard

3:30-4:00 pm Workshop Session Series I

Delegates will be invited to attend their choice of a workshop in the series. Three concurrent workshops will be held on a variety of topics, providing an opportunity for an interactive and informative discussion.

Workshop Session A: Real World Results for Unconventional Financing
Gallery I

Workshop Leader:
Mark Angelo
President and Managing Member
Yorkville Advisors

How does unconventional financing work and what has been the outcome for investors, on average, based on the previous transactions? What differentiates the sector from a private equity approach and what similarities are there? What options are available to extend financing and what do various structures and terms mean for investors? How are companies that seek financing evaluated to conclude whether they represent sufficient opportunity or too great of a risk? What are the primary ways risks are managed? What exit strategies exist?

Workshop Session B: Communicating with the Next Generation in a Language They can Understand
Gallery II

Workshop Leader:
James P. Kane, CIC
President
Hub International Personal Insurance Ltd.

The internet and cultural influences, from rap music to reality TV, are influencing the language of the younger generation at a pace more rapid than at any time in history. For affluent families interested in nurturing the next generation, it is important to understand how this affects how younger people are communicating so that the messages they wish to convey are not lost, ignored or misinterpreted. Moreover, having a better understanding of how language is evolving can allow families to use it more effectively to achieve the outcomes they desire for their children. Experts in this workshop will highlight the magnitude of the issue and discuss practical ways families can harness the language being used by their children to communicate with them with a greater degree of success.

Workshop Session C: Capitalizing on Investment Opportunities in Brazil

Grand Ballroom II and III

Workshop Leader:

Speaker to be confirmed

Itau USA Asset Management

In 2011, Brazil became the seventh largest economy in the world, surpassing the GDP of Italy and exceeding the per capita income of Mexico. Brazil is a known powerhouse in the commodity arena but it also has a strong manufacturing and mining sector and is increasing its competitive position in information technology while its companies expand globally. In this session, the speaker will outline how affluent families can take advantage of this success story, discussing the strategies, opportunities and risks for investors interested in Brazil and the Latin American region.

4:00-4:30 pm Workshop Session Series II

Delegates will be invited to attend their choice of a workshop in the series. Three concurrent workshops will be held on a variety of topics, providing an opportunity for an interactive and informative discussion.

Workshop Session D:

Gallery I

Workshop Leader:

Workshop Session E:

Gallery II

Workshop Leader:

Workshop Session F:

Grand Ballroom II and III

Workshop Leader:

5:00 pm Day's Sessions Adjourn

5:00-6:00 pm Time at leisure

6:00-7:00 pm Gala Cocktail Reception
Studio Lawn (by the Studio Restaurant)

Relax with us and watch the sun set while enjoying a beverage and some hors d'oeuvres before we get set to enter Montage Resort's distinguished Studio restaurant for a delightful meal prepared personally by Executive Chef Craig Strong.

7:00-9:00 pm Seated Dinner
Studio Restaurant

Each year award-winning Executive Chef Craig Strong prepares an exclusive meal that is always considered special and highly regarded by our guests. Please join us to unwind, enjoy and share conversation in the beautiful Studio restaurant.

9:00-10:30 pm Evening Entertainment: **You Can Bet on It!**
Gallery Ballroom

Don't miss out on your chance to win a valuable prize at our private gambling "resort" created just for you. Gaming and fun, fun, fun is on the menu.

Friday, September 14

8:00-8:45 am Buffet Breakfast
Grand Ballroom I

8:45-9:00 am Welcoming Remarks
Grand Ballroom II and III

Gregory P. Kushner
President and Founder
LIDO Consulting, Inc.

Conference Chairman:
Bob Pisani
Correspondent
CNBC

9:00-9:45 am Presentation: *Washington Update: The 2012 Election*
Grand Ballroom II and III

Presented by:
Gregory R. Valliere
Chief Policy Strategist
Potomac Research Group

With the presidential election less than two months away, all eyes will be watching to see which candidate and which party has the better prospects. The election outcome could determine whether there will be a major shift regarding tax, fiscal, regulatory and foreign policy, all of which has the potential to affect affluent families. What should families be monitoring most closely to determine who will likely come out on top? What policy changes can they expect based on the election results and how profound might any changes be? The speaker will examine these and other key issues.

Greg Valliere has been monitoring the political scene in Washington for decades, forming valuable relationships with those who wield power. Using the information he gathers from his contacts and supplementing it with his long experience, he will provide a broad political outlook that will give insights into the 2012 Presidential and Congressional elections, what policy initiatives will be put forward in the months ahead and how greater or lesser control by one party or the other will shape our responses both domestically and internationally.

9:45-10:00 am Refreshment Break
The Courtyard

10:00-10:30 am Workshop Session Series III

Delegates will be invited to attend their choice of a workshop in the series. Three concurrent workshops will be held on a variety of topics, providing an opportunity for an interactive and informative discussion.

Workshop Session G: Investing in Gold: A Case Study
Gallery I

Workshop Leader:
Juan Carlos Artigas
Investment Research Manager
World Gold Council

What has been the experience for families who have invested in gold? How have they invested and for what purpose? How have they determined how much exposure to the asset they need? A case study will be provided in this session on these and other issues to enlighten families interested in investing in gold.

Workshop Session H:
Gallery II

Workshop Leader:

Workshop Session I:
Grand Ballroom II and III

Workshop Leader:

10:30-11:00 am Workshop Session Series IV

Delegates will be invited to attend their choice of a workshop in the series. Three concurrent workshops will be held on a variety of topics, providing an opportunity for an interactive and informative discussion.

Workshop Session J

Gallery I

Workshop Leader:

Workshop Session K:

Gallery II

Workshop Leaders:

Workshop Session L

Grand Ballroom II & III

Workshop Leader:

11:00-11:30 am Special Presentation: Family Office Executive Compensation Trends and Issues

Grand Ballroom II and III

Presented by:

Russ Prince

President

Prince & Associates

In this session, highlights of the Institutional Investor/Prince & Associates Compensation Report will be provided, offering insights into the average compensation packages that are being extended in today's market to hire and retain talented single family office executive directors; the form of compensation being put forth to fulfill specific roles and duties; and how plans are being most commonly structured.

11:30-12:00 pm Special Presentation: Estate Planning in an Uncertain Policy Climate

Grand Ballroom II and III

Presented by:

Changes in tax policy seem almost certain following the election as both major political parties agree that the tax system has become too complex and burdensome. What changes will be made and how and when they will be implemented remain exceedingly unclear. What, then, should affluent families be considering as they review their estate plans? Are there any immediate changes they should make regardless of the election outcome? What should they be keeping an eye on during the expected policy debate and how quickly should they react to expected changes once they become likely?

12:00-1:45 pm Luncheon with Special Guest Presentation: *Speaker to be confirmed*
Grand Ballroom I

Speaker:

1:45 pm Program Concludes