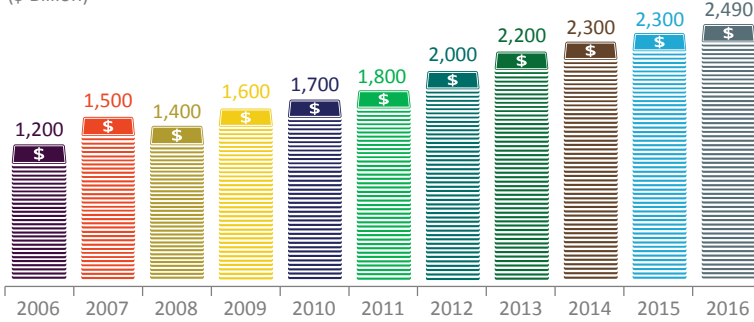


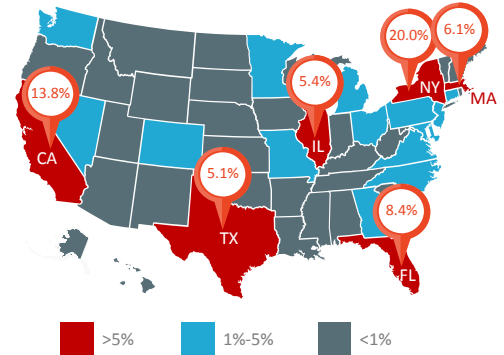
## US Private Equity Asset Under Management (AUM)

(\$ Billion)

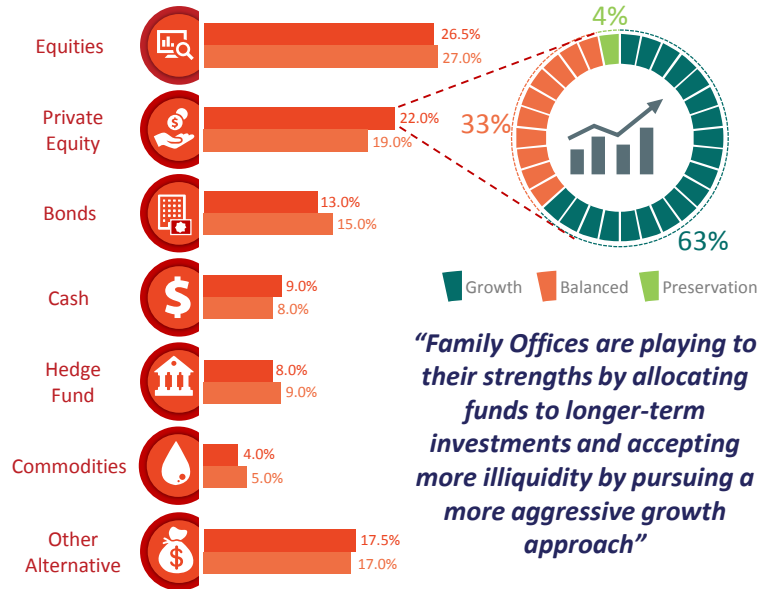


Note: Approximate Value Converted to Billion

## US Family Offices Concentration (By State)



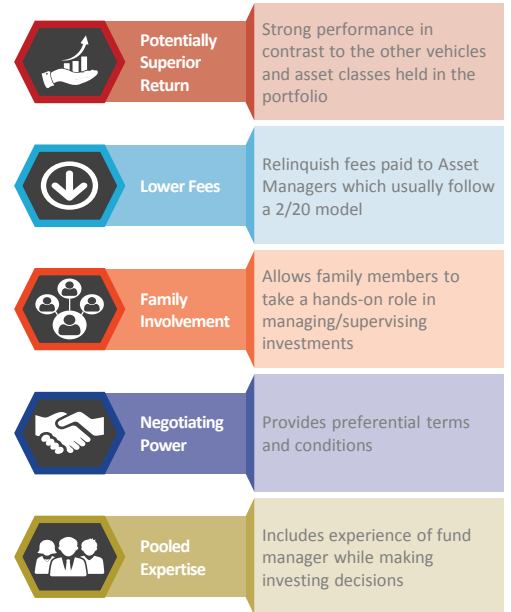
## Family Office Asset Classification and Investment Strategy



**"Family Offices are playing to their strengths by allocating funds to longer-term investments and accepting more illiquidity by pursuing a more aggressive growth approach"**

Note: Other Alternative includes direct investment in start-ups and private companies, VC, real estate and private placement debt

## Why PE Appeals to Family Offices?



## Regulations Governing Private Equity & Family Offices

### Dodd Frank

Introduced in 2010. Controls investment funds, collective vehicles, and advisers. Includes registrations and reporting requirements and an oversight committee to evaluate systemic risk.

### Anti Spinning Regulation

Introduced in 2011. It obligates addressing potential misconduct in the allocation and distribution of new issues.

### Tax Disclosure Regulation

FACTA, introduced in 2010. Focused on reporting accounts where US tax payers have considerable interests.

### Beneficial Ownership Reporting Regulations

Requires reporting of family structure, level of ownership, and investment decisions over considerable amounts of publicly traded securities.

## Regulatory Impact on Private Equity and Family Offices

### EXECUTIVE COMPENSATION PROVISION

Requires reporting of all incentive-based compensation arrangements and discourages payment arrangements which includes in-appropriate risk taking

### CHANGE IN STRUCTURE

Reallocating resources meant for generating returns for investors and beneficiaries, to complying with the Act's overregulation

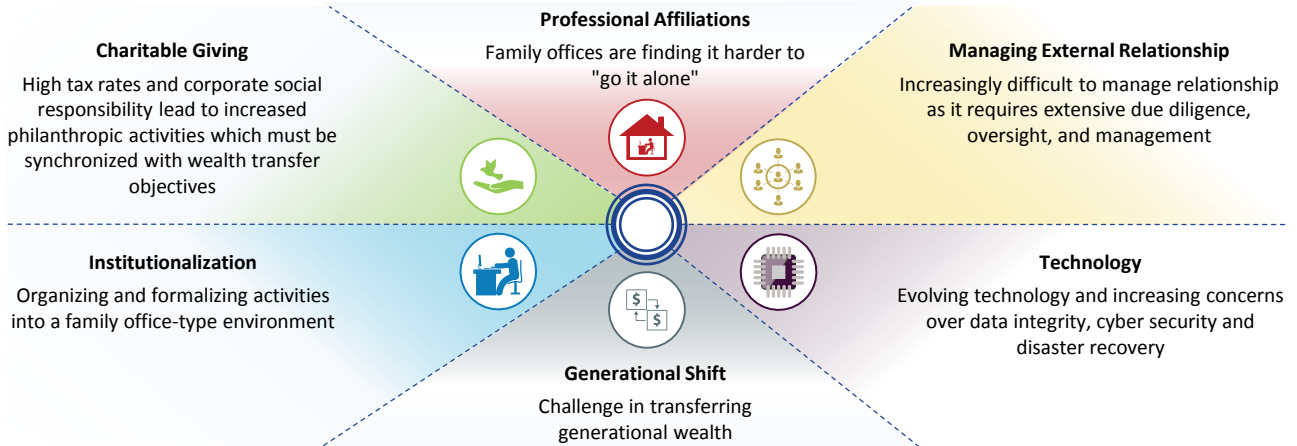
### RECORDKEEPING AND REPORTING REQUIREMENTS

New recordkeeping and reporting requirements subject investment advisers to enhanced SEC scrutiny and audit requirements

### INVESTMENT REGISTRATION

Implementing various registration requirements for investment advisers is driving up the compliance cost

## Challenges



## Pitfalls

<b>Ownership Conflicts</b> Conflicts between owners regarding different views, goals and interests	<b>Talent Development Stagnation</b> Limited career opportunities can lead to office team stagnation overtime
<b>Leadership Transition</b> Succession planning and coordinating it with other parts of the family enterprise	<b>Lack of Governance</b> Poorly defined authority and poorly controlled activities
<b>Lack of Control</b> Poorly controlled or governed family leads to less oversight, less control, and greater exposure to high risks	<b>Misaligned Strategy</b> Improper office management and loosing focus from organic growth of the office and staff

## Best Practices

<b>Risk Management:</b> Pursue optimal diversification and asset allocation	<b>Family Office Services:</b> Include Financial Planning, Strategy, Advisory, and Governance
<b>Internal and External Conflict:</b> Set up benchmarks and monitoring mechanisms	<b>Family Governance:</b> Implement clear rules for family meetings, voting rights, etc.
<b>Determining Service Priorities:</b> Involve external experts, and own legal counsel	<b>Legal Setup:</b> Consider specialists for all legal, tax and regulatory aspects
<b>Setting Up Family Office:</b> Establish an overview of the family's current situation	<b>Investment Process:</b> Establish formal processes to make investment decisions

## ABOUT TRESVISTA

TresVista Financial Services is the leading provider of high-end outsourced support for asset managers, investment banks, research firms, and corporates. TresVista delivers operational efficiencies and cost savings to its clients while providing them with dedicated teams to support them across various functional activities. Services include investor relations, fund raising, deal sourcing, deal execution, valuation, research, financial modeling, portfolio management, marketing and legal support.