



# SWISS CONFEDERATION DAY

The Daily Star

SPECIAL SUPPLEMENT

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## Putting Your Assets in Safe and Personal Hands Family Office: The Gem of Private Banking Services

The expression 'family office' comes from the United States and has become synonymous with first-class, comprehensive advice and services for wealthy families and private companies, stretching well beyond purely financial matters. It is the task of a family office to provide sound objective advice to clients on how best to preserve, manage and pass on a wide variety of assets to the next generation. The services offered by a family office thus represent the pinnacle of an asset management bank's range of advisory activities, aiming as they do to meet the needs of clients with very individual requirements.

**Asset growth and the next generation:** In many countries, including Switzerland, annual rankings of the wealthiest individuals and families are published. The figures are usually based on holdings in listed companies and other publicly known asset values. However, this fails to provide a complete picture as it leaves out other, sometimes very substantial, kinds of assets, such as property or art collections.

Even on the basis of financial assets alone, it is clear that global wealth has grown significantly and that this substantial growth is set to continue in the coming years. According to annual statistics produced by Merrill Lynch/Gemini Consulting, the total wealth of individuals with net assets of over one million US dollars — an estimated six million people — came to 21,600 billion dollars in 1998, an average of some 5 million Swiss francs per person. In five years, i.e. by the end of 2003, it is expected that this total will have risen by around 50% to 33,000 billion US dollars. In addition to this quantitative growth, we are also seeing far-reaching changes in the ownership structure and in the

composition of assets. This is caused by the natural progression from one generation to the next and by an increasing trend for private firms to go public, thereby transforming the owners' shares in the company into liquid assets which require professional asset management. Even more importantly, however, these twofold changes mean that advisory and service needs are acquiring entirely new quantitative and qualitative dimensions and can no longer be optimally met by the traditional range of banking services. The answer to these new challenges is the family office.

**Family Office: A Trusted Partner:** A successful long-term relationship must be based on mutual trust. Fully integrated and well-coordinated range of financial advisory services is not simply available off-the-shelf. The package needs to be put together individually in a personal dialogue between the client and the family office and implemented step by step.

For this kind of personal dialogue, family offices are able to call on skill-teams of seasoned private banking experts who have the requisite degree of

professionalism and integrity, and guarantee continuity and discretion. Communication and the regular exchange of information and ideas play a vital role. The specialists need to familiarise themselves with the family and financial circumstances of their clients if they are to have a full understanding of their needs and expectations.

**Family Office: A Coordinator of Bespoke Service:** The family office is synonymous with the provision of tailor-made services offering different structures and dimensions of each individual person and family. Services are designed to fit the size and composition of the assets, the family situation and the financial and fiscal framework. The services of a family office generally go beyond the range which a bank can or should offer. This requires close interaction with an international network of experts, a partnership which can be leveraged to deliver solutions that provide optimal value to clients.

The family office can thus be seen as a coordinator for interdisciplinary solutions: solutions covering all aspects of asset management and consult-

ing, as well as estate and tax planning; solutions for families whose asset situation has altered through inheritance or the sale of a company; solutions for entrepreneurs planning to float their companies on the stock market; and solutions in the fiduciary area, with a focused role for real estate and art collections in the investment portfolio or the search for individual insurance services.

**Family Office: Bringing Together Traditional Experience:** It is no accident that new family offices associated with private and asset management banks have emerged into the public eye, offering their services to a broader range of clients. These traditional family firms implicitly understand their clients' needs and often have decades of experience in serving them.

Staff and specialists, particularly in estate and tax planning, the establishment of foundations, trusts and companies, and the real estate and fiduciary fields, are already used to working closely together and benefiting from each other's experience. Putting complementary disciplines together

under one roof brings with it even better use of synergic potential, for the benefit of a discerning clientele.

By placing these advisory services on an independent footing in a separate legal entity, a framework is created in which the family office can offer its services with a high degree of independence and can foster a close collaborative relationship with external specialists. With a family office, the philosophy of providing tailor-made, flexible and innovative advisory services can be applied to optimal effect while making full use of the resources of tried and tested, traditional experience.

Thus the circle back to the historical beginnings of the family offices is complete. In earlier times, the private banks were not just investment managers, but also "trusted advisors" whose clients turned to them with a range of concerns, both financial and non-financial. This function is now experiencing just as much of a renaissance — in modern garb — as was the case a decade or two ago with the classic services of asset management banks.

Courtesy: The Pearls of Switzerland.

## Swiss Watchmaking in the 21st Century

Change has always been a constant within the business world. What makes the last decade of the twentieth century so different from earlier times is the pace at which that change is occurring. In an environment of such dramatically rapid developments, industry's decision-makers are needed more than ever to dream their visions and set their course for the months and years ahead.

**A** PART from digital timepieces, which it no longer produces, the Swiss watchmaking industry has largely followed the positive global trends within its sector over the last few years. Switzerland's leading role as an exporter of watches is anchored primarily in the high average value of the products it provides: in volume terms alone, Swiss watches account for a far smaller portion of the global chronometer market. Over the last few years, the success of Swiss wristwatches has been due largely to strong growth in the steel watch market, but also to the development of various new lines in other product categories.

**The Environment**  
As globalisation continues its march around the world, national economies are becoming increasingly interlinked. It is a trend that is both reflected and furthered by the steady increase in international commerce, within the overall regulatory framework provided by the World Trade Organization. Indeed, one of the most remarkable features of the recent Uruguay Round was the involvement of the developing countries. But the international liberalisation of commerce and

the growing adoption of the laws of market forces are increasingly restricting the scope of individual countries to fashion and pursue their own trading strategies.

On top of this, the society of 2000 will be an information-based society through and through. With their shared adoption of integrated switching and the fibre-optic cable, the telecommunications and information technology sectors have never been so close. It is a development that will totally transform society in the months and years ahead.

**Perspectives for the Watchmaking Industry**

And how are these developments likely to affect Switzerland's watchmaking sector? Few fireworks are expected on the mechanical timepiece front. The manufacturers are already working flat out to further enhance their products, especially in the alloy and lubrication fields. For mechanical watches, which usually fall into the luxury products category, Switzerland is likely to retain its unique competence, provided it can find an effective balance between improving reliability and maintaining the products' aesthetic appeal.

Extending battery service lives, perfecting lithium or storage battery systems, broadening their applications and lowering production costs — all these areas offer scope for further improvements in the electronic timepiece field. On a separate front, energy systems such as solar power which do not rely on any primary energy source could actually replace batteries in certain product sectors. A further example here is offered by those watches whose energy source consists of a micro-generator which is activated by the movement of the watch by the wearer's arm.

New materials will probably have most impact in terms of the product's outward appearance. The space industry is likely to provide further materials which can also be used for watchmaking applications.

The watch of the future should also offer its wearer new functions which may make displaying the time almost a secondary concern: pagers, data carriers such as electronic keys, cash substitutes, transport tickets, and watches equipped with an external memory or reader to exchange data and information are just a few of the possibilities here. Some of

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## Top Medicine Made in Switzerland

You are entitled to the highest quality medical treatment, personal care, and individual service!  
MEDIP — Swiss Medical Partners — is a Swiss organization, specialized in the medical care and treatment of international patients in Switzerland.

For your health needs make use of the excellent, well established, high medical standards of Switzerland.

**Medical and Individual Services:** MEDIP is specialized in the care of demanding international patients and in addition to the highest quality medical standards, we offer you a comprehensive service package such as:

- organizing individual and comprehensive care around the clock.
- arranging medical examinations.
- working out a detailed agenda for your stay.
- completing all entry formalities, including visa applications.
- planning and organizing medical services, such as hospital and clinic stays, physician and surgery appointments, private and personal nursing care, treatment, chaperone, etc.
- planning and booking private individual activities, such as flight arrangements, transfers, excursions, places of interest, shopping, translation and interpreting services, etc.
- setting up business contacts,
- and/or settling financial and administrative matters.

**A Broad Medical Spectrum — Highest Qualifications:** Make use of the advantages of coordinated medical services that are individual and adapted to your needs.

All relevant medical disciplines are represented in the MEDIP organization. The selection is tailored to your needs and guided by your individual medical diagnosis. For example:

- Out-Patient Nursing Service (24h)
- Plastic and Corrective Surgery
- General Surgery
- Diagnostics
- Detoxification
- Obstetrics/Gynecology
- Cardiology
- Neurosurgery
- Neurology
- Oncology
- Orthopedics
- Psychiatric Service
- Rheumatology
- Rehabilitation
- Urology
- Dental Services
- and many more

Experienced, highly qualified physicians and specialists of all medical disciplines are available to you. Carefully selected distinguished hospitals and clinics with the most up-to-date infrastructure, advanced operative techniques, and successful rehabilitation constitute the MEDIP organization. A specially trained and committed team of nurses are at your service for care and treatment around the clock — even outside the hospital.

**Some of the Highly Qualified Institutions that are Partners of MEDIP**

BETHANEN PRIVATE CLINIC, ZURICH II

Our private clinic is situated in a quiet, peaceful location on the Zurichberg, a select hillside residential area overlooking the city of Zurich. The clinic is well located just minutes away from the main railway station and the airport. We have a state-of-the-art infrastructure and provide a complete range of interdisciplinary medical interventions for resident and non-resident patients. The clinic has eight integrated departments with highly qualified medical personnel specializing in surgery, urology, orthopedics, internal medicine, angiol-

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*Our Heartiest Felicitations  
on Occasion of  
The Founding Anniversary of Switzerland*



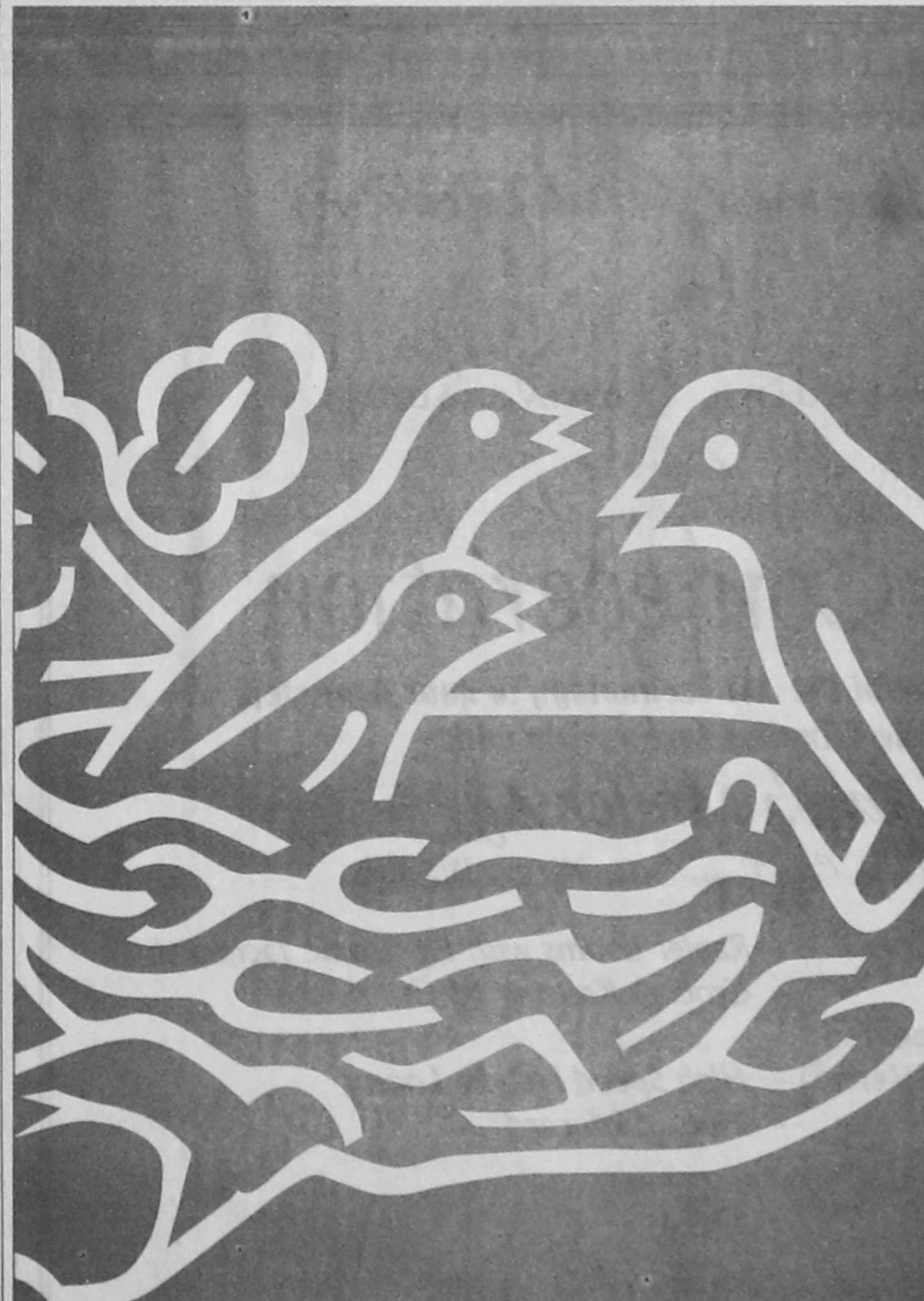
**Atlantic Expeditions AG**

Represented in Bangladesh by:

**ALLSEAS Air & Sea Services**  
(a division of Allseas Shipping Ltd)

Yousuf Chamber, 1<sup>st</sup> Floor  
20 Dilkusha Commercial Area  
Dhaka 1000, Bangladesh.  
Tel : 9556564 9561512, 9544443  
Fax : 9559858  
E Mail : allseas@allseas.bhawal.com

Arag Chamber, 2<sup>nd</sup> Floor  
88 Agrabad Commercial Area  
Chittagong 4001, Bangladesh.  
Tel : 726575  
Fax : 710635  
E Mail : allseas@allseas.bhawal.com



Our  
best wishes  
on the  
occasion of the  
Swiss  
Confederation  
Day



**Nestlé**  
Nestlé Bangladesh Ltd.

Good Food, Good Life