

SCENARIO: ESTABLISHING A FAMILY OFFICE

CREATING A SINGLE FRONT-TO-BACK OFFICE MODEL TO SUPPORT A FAMILY'S WEALTH

The client is a UAE multi-generational family with wealth of about \$12bn in marketable securities and real assets. It was seeking a single, front-to-back office service model that included a trading platform, brokerage (including short sell), consolidated financial reporting and comprehensive performance reporting. The solution needed to incorporate assets not held in Northern Trust's custody.

THE CHALLENGE

- While the family office was operationally inexperienced, it was trading advanced financial products.
- The required combination of trading platform, brokerage, custody and performance reporting had never been tested before.
- The solution needed to involve co-ordination of multiple parties both inside and outside Northern Trust.
- To enable the proposed model, new tactical reporting and instruction processes were required.
- The client changed parameters of the remit during the process and often provided vague information.

Client profile

UAE client

Multi-generational

~\$12bn wealth

Small staff supporting all needs

Start-up family office

Marketable securities and real assets

INNOVATIVE SOLUTIONS

- Northern Trust component teams were coordinated to provide a single client service team that was crucial for the client.
- Northern Trust Hedge Fund Services (HFS) provided a trading platform with the asset servicing team to cover the custody and provide recordkeeping for asset performance.
- Northern Trust Securities provided the brokerage and short-sell services that linked directly to the custody platform.
- Through our proprietary Data Direct reporting solution, we provided a direct feed to clients' Excel reporting.
- We provided daily reconciliation between prime broker, HFS and custody platforms.
- We supplied monthly performance reporting on all assets both in and out of custody.
- We established a dedicated project team to link the processes together and transition in the assets.
- To clearly understand their requirements and timelines, Northern Trust worked extensively throughout the process with the family office.
- The client is positive about the communication and responsiveness of the client servicing teams and the flexibility of our approach.

Northern Trust achieved the client's goal of creating one platform to meet the client's need for a 'live book of record.' The family office now has a consolidated brokerage and reporting platform that incorporates its full range of assets.

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