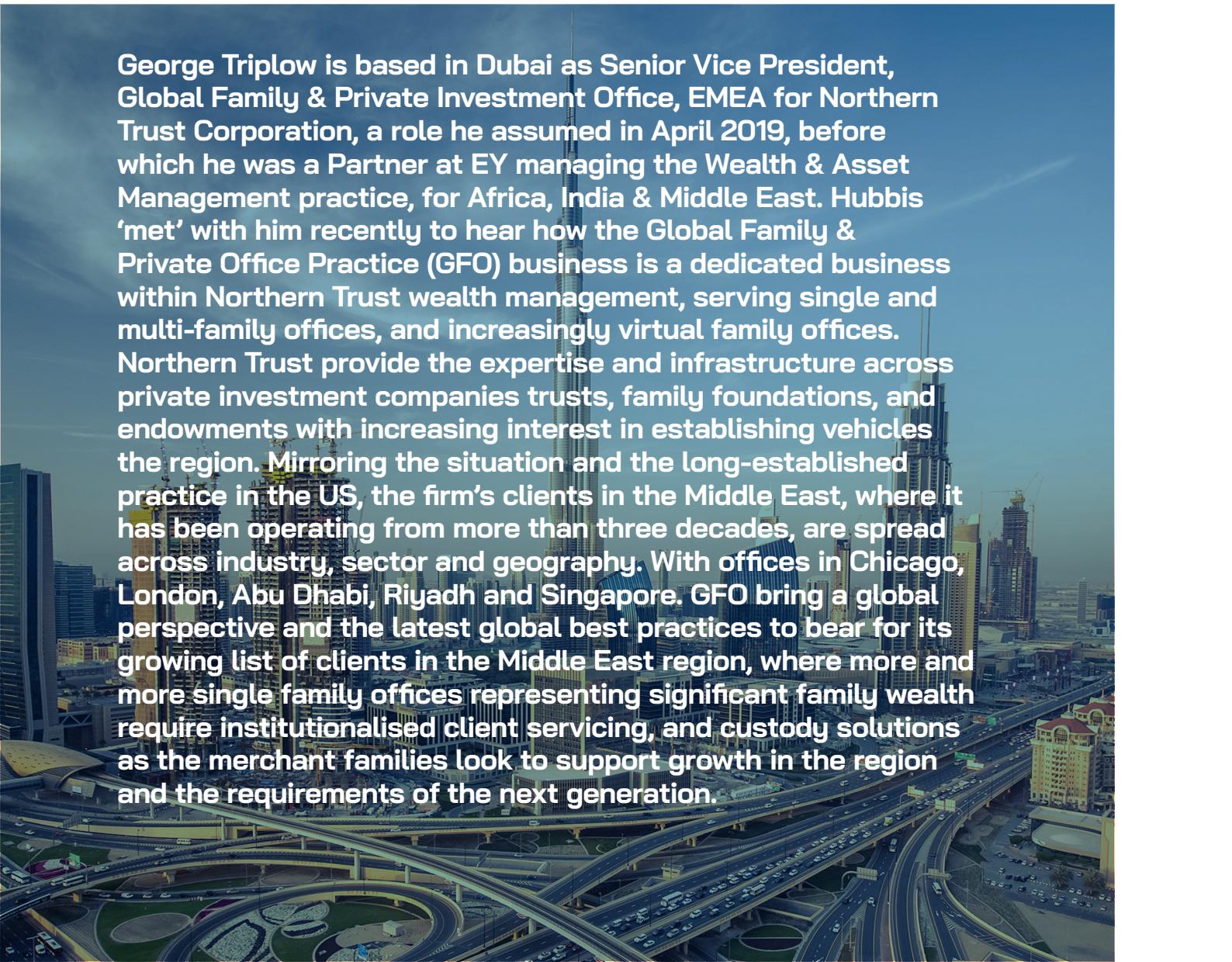


State-of-the-Art Custody in Great Demand for the Middle East's Growing Ranks of UHNW Family Offices



George Triplow is based in Dubai as Senior Vice President, Global Family & Private Investment Office, EMEA for Northern Trust Corporation, a role he assumed in April 2019, before which he was a Partner at EY managing the Wealth & Asset Management practice, for Africa, India & Middle East. Hubbis 'met' with him recently to hear how the Global Family & Private Office Practice (GFO) business is a dedicated business within Northern Trust wealth management, serving single and multi-family offices, and increasingly virtual family offices. Northern Trust provide the expertise and infrastructure across private investment companies trusts, family foundations, and endowments with increasing interest in establishing vehicles the region. Mirroring the situation and the long-established practice in the US, the firm's clients in the Middle East, where it has been operating from more than three decades, are spread across industry, sector and geography. With offices in Chicago, London, Abu Dhabi, Riyadh and Singapore, GFO bring a global perspective and the latest global best practices to bear for its growing list of clients in the Middle East region, where more and more single family offices representing significant family wealth require institutionalised client servicing, and custody solutions as the merchant families look to support growth in the region and the requirements of the next generation.

Voted Best Private Bank for Family Offices Globally by the Financial Times in 2017 and 2018, GFO is a global provider of multi-asset, multi-class investment services, across 25 countries, servicing more than 100 billionaire families, including 25% of the Forbes 400 wealthiest US families. Globally, parent banking giant Northern Trust itself has more than USD1 trillion of AUM and more than USD10 trillion of assets under custody, with almost 19,000 employees worldwide.

The solutions offered by the group range from asset management, advisory to consulting, technology solutions, credit, custody, global asset servicing, consolidated reporting, and the full range of trustee and fiduciary services.

As the virtual family office space grows, families look to manage wealth with an increased outsourced methodology. Roughly half of the bank's global revenues are derived from wealth management, and the other half from traditional trust banking.

Global leader

GFO, says George, is a recognised global leader in this segment because of its long and deep experience of almost 130 years providing private trust and investment services. "We work with 450 of the wealthiest families and family offices across the globe. As well as our deep involvement, our approach is to promote our teams of dedicated professionals as partners with our private clients and their families," he explains. "Service, expertise and integrity are the core principles driving our model."

"With our global expertise working with so many families in the US and

Key priorities

George says his mission is to ensure that NTRS provides the right client experience, constantly, especially in the current market during and post Covid. "We need to make sure our clients' relationships are managed in the correct way, that we are fully aligned to our client requirements, and we continue to evolve our value proposition to adapt to needs and expectations and market trends in a changing world."

George closes the discussion by reaffirming both the long history and immense credibility that working with GFO represents for what are historically highly conservative clients in the Middle East. "We offer that combination of old-style security with the comfort of state-of-the-art solutions, processes and delivery, thereby bringing the generations and providing outstanding levels of service. With the resources of a global institutions with more than USD10 trillion of assets under custody, we are immensely well placed to deliver the optimal solutions."

globally, our Middle East business for GFO naturally centres on very wealthy families and family offices here," George says. "We recognise that each family is unique, each set-up different, each with different levels of complexity, investment preferences and horizons and varying levels of internal expertise and also technology."

Three decades of experience

With over 30 years of presence in the Middle East, George explains that his responsibility is first and foremost aimed at family offices in the region and while it includes a reasonably diverse wealth management offering, the starting point is being able to safe custody clients' assets. "At this juncture for the world," he reports, "our ability to offer world-class custody and reporting to our clients and their families is incredibly important and is at the heart of our value proposition."

George himself has spent more than 11 years in the region, originally working with EY, and has witnessed the rapid evolution of financial services especially in wealth and asset management which has developed more than any other part of the industry during that time.

Custody – the core expertise

He reiterates that the NTRS value proposition centres on safe custody. "This allows us to give the family, the patriarch or the ultimate owner a true valuation of the families assets, and to do so locally. It is highly reassuring for these clients to have such a professional operation as we offer on their doorstep. As a global custodian, our skill is really to be able to help clients manage the value chain and deliver accurate data securely that allows them a 100% view of their holdings, fees paid, exposures, drawdowns. In an



GEORGE TRIPLOW
Northern Trust

increasingly complex world this is increasingly valued by clients, and is enormously powerful."

The typical client for GFO, George reports, is the single-family office , with incredibly diverse business and financial holdings and assets, built over a number of decades as the region has grown and industrialised. "Of course," he explains, "we have relationships with multifamily offices, and our skill set sits with helping families navigate how indeed they may structure themselves, how to develop family constitutions, and how they invest on an ongoing basis. We are first and foremost a trust bank, so helping these families develop structures to best safeguard the family wealth in the current and future landscape is core to our proposition." Particularly this has been true during Covid where many families have looked to drive efficiency across family office operations and ensure structures are current.

Family matters

George explains that his GFO operation focuses on family groupings through the family offices they operate, including

Getting Personal with George Triplow

George is based in Dubai as Senior Vice President, Global Family & Private Investment Office, EMEA for Northern Trust Corporation, a role he assumed in April 2019.

After earning his BSc Honours, he attended the Royal Military Academy, Sandhurst, retiring from the British Army as a Major to join a long-established UK brokerage, Killik & Co to train as a discretionary portfolio manager, before moving to Standard Chartered.

He is also a member and Chartered Fellow of the Institute for Securities & Investment.

He originates from Kent, the garden of England, and today resides with his wife in Dubai, with his two sons, 15 and 13 years old, and is proud to call UAE his home.

some multi-family offices. "We do not aim to compete in the region with the traditional private banking model," he reports. "We see there is an ever-greater need and demand to professionalise

of assets and relationships and technology solutions to institutional Structures in various optimal jurisdictions in different parts of the world remain important for all families."

"At this juncture for the world, our ability to offer world-class custody and reporting to our clients and their families is incredibly important and is at the heart of our value proposition."

the operating model on an ongoing basis in this region, as wealth management develops. In the past, relationships might have been handled by private banks outside the region with only business or domestic assets managed onshore or in the region. Today, as we see the development of dynamic international financial centres established regionally we help clients manage offices more professionally, with aggregation

He explains that while working with such clients in the region, he sees great diversity in how families handle their wealth. "Some may have professional investment staff in the family office, some more family type personnel," he reports. "Northern Trust Asset Management has a presence on the ground, and covers, as you would expect, multiple asset classes, fixed income ETFs to diversified alternatives. If a family operates its own in-house trading model , running their own

assets, we can assist via our own trading platform, allowing for professionalised trading across global markets and asset classes across the world."

Bringing a sense of security

Northern Trust has a long history in the region, at the same time as being able to offer a fully global service model. "The maturity of our family and private office business, in the US especially, really allows us to leverage that

across the market, especially with the young population dynamics. We are forward thinking, in regards to technology developments and investment. As wealth transfers between generations we are uniquely positioned to advise clients on future developments and how best to implement change.

He shifts the discussion to demographics, observing that there are many interesting dynamics at play in the region. "It is worth noting that in this part of the world, we have a large swathe of the

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expertise, which is hugely useful to clients in this region. This is particularly true when we consider the newer wealth, as opposed to inherited wealth, perhaps created from technological change, with these newer and successful entrepreneurs really now focusing on how best to manage their assets on an ongoing basis."

Well positioned

George observes that there is rapid ongoing disruption in the way wealth is managed, but he believes that NTRS is especially well positioned for the future. "We must recognise that the dynamics in this region are different, and we are presented with the opportunity for rapid generational change in regard to technology adoption

population that is young, and we are seeing a lot of wealth transfer between baby-boomers, Gen X and millennials, and this all augurs very well for our business as we look ahead. With so many under 30, and with a major change in the way that wealth is generated in the region, the ways in which the next generations manage their wealth will be fundamentally different to the way that the generations managed their wealth."

A firm eye on the future

He elaborates on this, noting that so many of these younger wealthy will have been educated differently, often internationally, and they return to the region with a far greater understanding and appetite for products and innovation.



He explains that this all means that he and his team need to adopt more of a "man to man marking system," borrowing football parlance. "We need to keep aware of each of the members of the family, younger and older," he reports, "to make sure we are not simply speaking to the patriarchs or founders, but we are working across the generations, exchanging ideas, information, relationships and education. We have formalised a detailed programme so that we can offer the family and different members greater depth of understanding of the dynamics of financial markets."

Appealing values

He firmly believes that this ability to appeal across the generations, and really understand the dynamics of the family, including their operating businesses as well as their more passive investments, and how they want to work, is vitally important to the future for the GFO business in the region.

"While becoming more global in outlook and investments, the successful and more established families of the region also want to re-invest in their domestic economies and societies," he comments. "They want to put back investment into the region and build further for everyone's betterment. For that reason, a lot of capital from the existing businesses is being recycled into the region, but in different areas

from before, helping to diversify the economies and reallocate family wealth. It is a driver for the diversification and modernisation of the economies and indeed of society in this region."

Playing the private game

The region is witnessing more diversification, and also investment into less liquid, private investments, with more and more global funds raising capital in the region, both for local investment and for international investment. "Currently we see a lot of money on the side-lines, waiting for the right moment and the right valuation points to venture further into private assets. In this uncertain world it is not easy to gauge those entry points, but the appetite and trend is most certainly there, and growing."

Family offices flourish

George explains that the family office concept is developing at pace in the Middle East, but it has a considerable way to catch up to developed markets. "We are experts on the global scale," he says, "so we can bring the latest and best concepts and practices to this market. The Middle East is neatly poised halfway in between Europe and Asia, so we can lift best practices from Europe, and develop them here and Asia, an area we see considerable opportunity for expansion."

He explains that in providing its custody services, data management, portfolio information, and front-end delivery are paramount. "We recognise clearly that different stakeholders within the private office or family want to see data in different ways," he says. "So, we offer the most up to date visualisation and dashboarding, user-friendly interfaces, all of which are fundamental in this day and age. We also encompass the ability to offer data that can be easily managed and interpreted, especially in regard to those more illiquid type asset classes, private equity, real estate, where traditionally they couldn't be aggregated or shown as values for the client."

Bringing new digital solutions

And he adds that the firm is working continuously on the potential for AI and machine learning to drive yet more efficiency for clients, working with both proprietary software and with selected vendors. "We work with different technology providers to link with our own technology to manage the client experience in the optimal manner," he reports. "We ascribe to open architecture when it comes to technology partners, in order to obtain the best solutions for us and for our clients." ■

