



Pepper International:

The Private Wealth Management Principles to Remember



Carol Pepper, a speaker at the **marcusevans Private Wealth Management Summit Fall 2010**, considers the best investment principles and opportunities.

Interview with: Carol Pepper, Founder and Chief Executive Officer, Pepper International

FOR IMMEDIATE RELEASE

While many investors are still recovering from mistakes made in the past, the old fashioned principles of understanding and monitoring investments still apply today, says Carol Pepper, Founder and Chief Executive Officer at Pepper International. Since **family offices** cannot be experts on all types of investment vehicles and assets, it is important to find consultants who are. A speaker at the **marcusevans Private Wealth Management Summit Fall 2010** in Las Vegas, Nevada, December 1-3, Pepper shares her thoughts on the principles to adopt moving forward and the upcoming **investment** opportunities.

How can family offices and foundations protect their investments in the current economic landscape?

Carol Pepper: While markets appear to be recovering, the organizations that lost money in 2008 and 2009 are concerned about whether it is a true or false recovery. Nobody wants to repeat past mistakes. We all learned the importance of extensive due diligence, adequate liquidity in the portfolio to meet basic needs, appropriate position sizes, understanding and monitoring **investments**, reading all legal documents, and having an exit strategy in place. These principles may be old fashioned, but still apply today. Although family offices fared much better than the general investing public and **foundations** and **endowments** during the downturn, investors should not forget these principles when the world starts looking better.

What are some of the upcoming investment opportunities?

Carol Pepper: Corporate bonds have been doing extremely well because corporations are flush with cash yet more disciplined with their balance sheets. Although the interest one can earn on corporate bonds is not exciting, the credit quality of the bonds is much

improved. Many non-US corporate bonds are yielding attractive rates, particularly in countries such as Brazil. Investors have to watch the currency; assuming that there will not be a major devaluation of the US currency, non-US corporate bonds are an interesting choice for investors seeking yield.

Asia recovered strongly from the downturn, is booming and will continue to be an attractive region for investing. Real estate is also going to look interesting again. I think it will be another six months to a year before we truly bottom out in the sector, but there is a lot of distressed real estate available to those skilled at investing in the area.

What is your outlook for the coming few years?

Carol Pepper: The lessons that the industry has learned will lead to greater efficiencies, cost containment and happier families. Smaller **single-family offices** will see benefits to rolling up into bigger **multi-family offices** because of the economies of scale.

An upcoming trend on the foundations side will be the pressure to have more socially responsible investments in their endowments. The idea that it does not matter how money is made as long as it is put to good use is beginning to fade - the younger generation is rejecting this notion and pressuring their colleges and universities. This will be an interesting trend to watch in all foundations. This means foundations should start thinking about defining a socially responsible investment strategy, developing an expertise or finding a consultant to develop a response to these types of requests.

Increased regulation will be very positive for the investor community. Deregulation is what got us into this mess in the first place and Wall Street has proved incapable of governing itself.



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Any final comments?

Carol Pepper: Family offices have to develop the ability to evaluate all types of investments and manage a very complicated portfolio of assets for their clients. It is very difficult for a small family office to do the detailed due diligence that is required of all investments. Many clients are too concentrated, with too few positions and managers, and are not addressing this basic investment risk appropriately because the family office is not comfortable with a wide variety of investments. Smaller family offices should hire specialized consultants to fill in the gaps of their knowledge.

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About the Private Wealth Management Summit Fall 2010

This unique forum will take place at the Red Rock Casino Resort & Spa, Las Vegas, Nevada, December 1-3, 2010. Offering much more than any conference, exhibition or trade show, this exclusive meeting will bring together esteemed industry thought leaders and solution providers to a highly focused and interactive networking event. The summit includes presentations on the new dynamics in federal tax policy, innovative asset allocation strategies, cutting edge techniques to evaluate and manage risks, and tips for educating the next generation in wealth management.

For more information please send an email to info@marcusevanscy.com or visit the event website at www.privatewealthsummit.com

Please note that the summit is a closed business event and the number of participants strictly limited.

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