



## PAM Briefing: Establishing Family Office Investment Guidelines

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Private Asset Management's May Breakfast Briefing, sponsored by Brown Brothers Harriman, gathered experts in the field to discuss the best ways to establish investment guidelines for family offices. Carol Pepper, CEO and founder of Pepper International, Scott Clemens, managing director and chief investment strategist of Brown Brothers Harriman and Alan Heath of Wind River Trust Company, discussed what the actual policy statement should look like and how to engage the next generation through this exercise.

Clemens kicked off the conversation by saying that families should discuss constraints and liquidity, particularly asking the family if there will be money there if they need it. He explained that no two investment policy documents will look alike, as all families are unique, but each wealth manager should revisit the document with the family at least once a year to keep it updated. "The boundaries need to be clear and recognized," he added.

Pepper spoke about the trend of family offices adopting investment policy guidelines and how it stemmed from institutional practices. It's paramount to have the document but also appoint a particular person or family member who will have the ultimate control over making decisions. Heath discussed investment guidelines from the perspective of a non family manager in a family business and the importance of having a document created for an overall long-term strategy.