



Lincoln Private
Investment Office

London

What is a Private Investment Office?

It is not a question I am asked very often, but it is a question I can see that people want to ask. It is also a question I want people to ask. But then what is a Private Bank? What are Stockbrokers? And what, in fact, is a Family Office? At least most of us are happy with the idea that a multi-family office must be a family office for more than one family.

We are all familiar with the individual words, it's only when they are combined in this manner that a degree of opaqueness creeps in. It is relatively new terminology and it's not widely used. 'Private' quite rightly gives the impression of both discretion and integrity. 'Investment', one hopes, clarifies what the central remit of the business is, and 'Office' because it is not a bank or institution, but a relatively small group of talented individuals all focused on the same goals.

Perhaps it will help to say a few things a Private Investment Office is not. It is certainly not a listed entity, nor does it provide a cheque book and pen for its client's day to day banking needs. It is unlikely to have a balance sheet to lend. This of course means it does not risk the future of the business for many clients by providing leverage for a few, nor indeed will it use its balance sheet for proprietary trading, again risking the future of the business for its own gain. It is not running its own funds, it is not creating or selling product. It is not cross-referring, it is not "achieving synergies". It is not all things to all people.

At the heart of the matter, a Private Investment Office is genuinely independent. By its nature it is not a public company with a long list of shareholders demanding ever higher returns. It is designed to provide an objective approach, and to be at the forefront of where the word "informed" takes you. The team of people within it are there to deliver their expertise for the benefit of the clients and the clients alone. In addition, we at Lincoln insist that all of us have our own assets run within the core portfolios. This ensures that our interests are aligned. Our money will earn the same returns as our clients', and be exposed to the same risks. If we make a decision that loses money for our clients, we lose money as well.

Our belief is that a Private Investment Office takes the best elements of its competitors. It fulfils the role of a Family Office by providing state of the art Consolidated Reporting, and sets a strategy for this generation and the next. It ties tax and legal frameworks together, whilst ensuring that the advice is independent. Yet it doesn't have the costs associated with a single-family office, nor the complexities of a multi-family office where one family is the priority. It believes that the personal approach taken by Private Client Stockbrokers is the right approach, ensuring that each portfolio is set up to reflect that individual or family. It strives to deliver the flexibility that differing views on the world undoubtedly require. It also provides the structure, consistency and robustness that can be achieved by Private Banks, as well as access to the more sophisticated and often more complex world of alternative investments on which they have built their reputation.

A Private Investment Office is for families who are looking to engage with their wealth manager; those who want to be treated as individuals, while ensuring that their investment performance is driven by the firm, and not an individual manager. These are families with the time to care about how their assets are managed, but without the time to spend deciphering unclear reporting. They want to know that their wealth manager sits on their side of the table, without the conflicts that exist elsewhere. They are convinced that an independent and objective approach is the most essential element. These families should ask what a Private Investment Office is. They should think about the reputation of the firm and the calibre of the individuals involved. But most importantly, they should think about the structure of the business that they are looking to trust with their family's assets.

Ross Elder

Managing Partner
Lincoln Private Investment Office
ross.elder@lpio.co.uk