

BNY Mellon | Pershing

Practice Management- Become the Destination for Multigenerational Families

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PRESENTATION

Damian Peter

Good morning, good afternoon, and Happy New Year to you all. Welcome to today's Pershing Webcast Series that is going to empower us over the next hour to dig into the different ways in which you and your firms can drive growth through multigenerational relationships, and how to turn your business into one of the top destinations for multigenerational families. My name is Damian Peter, and I'm the Regional Director of Relationship Management in the East with Pershing Advisor Solutions, and certainly excited to be your host for today's very timely and important discussion. But before we get started, I do have some rules of the road, some housekeeping items I'd like to review and share with everyone.

Throughout the presentation, you're certainly encouraged to submit your questions using the Ask a Question tab, which is located below the presentation. We'll be presenting your questions to our panelists at the end of our conversation during the Q&A portion of today's webcast. Also, in order to maximize streaming efficiency, please close all and any open applications on your computer or smartphone while viewing the webcast. If you do encounter any type of audio or video issue, please click the Help button, it's located below the presentation, so that we can try to help troubleshoot.

So, to provide a framework for today's discussion, I thought I'd reference a fairly recent Cerulli Report, which was focused on the US high net worth and ultra-high net worth markets, and it was revealed that according to more than half, that's more than half of high-net-worth businesses, the primary reason firms lose assets is from clients passing away and inheritors seeking out another advisor. It's a direct failure of having a relationship with that next generation. So today, I'm going to encourage all of you to ask yourself, does my firm provide the solutions and the experiences that address different ages, different stages of my clients, and ideal client prospects' lives, and also do the professionals at my firm reflect the ages and life stages of our clients and ideal prospects?

So, what can all of you expect out of the next hour that we're going to spend together? Well, we're going to learn from some of the best professional management in the industry on how they've made their firms an attractive destination for families. We're going to stress the importance of having a sound strategy for attracting and retaining that next generation of clients, and why it's so essential to successful family offices and wealth management firms today. We're also going to explore the ability to look at the whole family and offer bespoke advice to young and old alike, and why that's become the gold standard moving forward. We're also going to explore some really key topics relevant to creating a strong brand as a family wealth manager in the marketplace. What's the right infrastructure to support that valuable brand? How do we go about building relationships with the children of existing wealth management and family office clients? And then finally creating those experiences, those memorable experiences, those delightful experiences that are really tailored to family members of all generations, and so I certainly can't do that alone. So, I've asked some friends and some colleagues to help us do that

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today, and I'd like to take a moment just to thank and introduce our seasoned panel for their valuable time, and their willingness to share what's going on in their respective businesses.

And so, each of whom actually leads a unique wealth management firm serving these types of families, and they are Jeff Fuhrman, who's the President of Coastal Bridge Advisors headquartered in Westport, Connecticut. Jeff uses his 25 years of experience to support Coastal Bridge in really delivering a really broad range of solutions and services to their complex client relationships, and his experience as an investment banker and C level executive offers the firm professional management to ensure their commitment to superior client service. Our second panelist is John Mannix, who serves as the Managing Partner and CEO of Baldwin Brothers, established in 1979 as a family office and located in Marion, Massachusetts. John has over 25 years of financial services industry experience in various executive roles with leading wealth and asset management firms, and those experiences have really helped to shape and inform his leadership approach as a problem solver and really a navigator for their firm and their clients heading into the future. And then certainly last but not least is Joe Polakoff, our good friend from and President of Keebeck Wealth Management headquartered in Chicago. Joe brings over 20 years of experience serving the ultra-high net worth marketplace, and Joe's focus continues to be on marshalling all of the integral resources, and providing the highest level of service needed to properly structure their multifamily wealth management platform. So again, I thank you, gentlemen, for joining us today, and certainly looking forward to diving into the conversation, so let's get started.

I'd like to ask each of our panelists, if you would, please share with us a little bit more background on you professionally, and a description of your respective firm. So, I think it's critically important for our audience members to hear how are you positioning yourself in the marketplace? So, Jeff, why don't we start with you?

Jeff Fuhrman

Sure. Thanks, Damian, and thanks for hosting today's conversation. So Coastal Bridge Advisors was founded in 2008 by a team that came out of the PBIG group at Merrill Lynch. We've always positioned ourselves as a multifamily office to high net worth and ultra-high net worth individuals and families. It is a planning-based focus, and we really lead with that, but I'd say, as you alluded to in your opening comments, ours is really dealing with... attempting to deal with the most sophisticated solutions to very complex challenges. Our business is comprised, as you mentioned, the Westport office where we're headquartered, but we also have an office on the West Coast, where we have a significant number of our clients and assets. In that regard, our team, our asset base has grown quite significantly since 2008, but also the team, and now we have – I happen to have joined back in 2013, but there's a deep bench of talent we have here internally that we hope will carry on this business long into the future.

Damian Peter

Great, thank you for that introduction, Jeff. John, would you mind doing the same, and then finally, Joe, I'll ask you to follow John?

John Mannix

Sure, Damian, thanks, and thanks again for hosting. I think this is obviously a very important topic and one that I hope that the folks on the line get something out of it. These are always interesting to find out what other firms are doing, and I hope we also get some questions from the audience as well. We certainly don't have all of the solutions.

As you mentioned, Baldwin has been around since the 1970s, it really did start as really a single-family office, and branched out to friends and family, and when I joined as CEO, we had certainly matured as a firm, and had handled these family relationships really with kid gloves from a servicing standpoint, but hadn't really caught up with the technology that was needed to serve multigenerational relationships, and we had legacy advisors here, as well as our founder who had 30–40-year relationships with some of these, not only family members, but also additional clients who were brought in. So, we really had to take a step back a few years ago in terms of our strategic planning and our planning overall to say how do we deliver multigenerational wealth management in an environment where technology, reporting, people are certainly going to be such a driver. So, we've done a lot of that work. I know we'll get more into that as we go forward.

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But we have our core 20 folks are here in Marion, Mass, south of Boston and we have a small office in Northern California.

Damian Peter

Great, thanks so much John. Joe, would you mind sharing with us a little bit more about Keebeck.

Joe Polakoff

Happily. Thank you, Damian, for having us, as well as my constituents, John, and Jeff. My name is Joe Polakoff, I'm the President at Keebeck Wealth Management. Along with my constituents, we're the youngest firm on the panel today, having only been incepted in 2018. Our founder and myself came from a large wirehouse and found that the opportunity to build something of our own focused on a particular client base was more attractive than what we were encountering in a large organization. Over the past two and a half years, and hopefully many to come, we'll continue to grow our asset base, our client base, our team headcount.

But what we predominantly focus on is private business owners and entrepreneurs and we find that by being at the table in advance of a large monetary event, not only do we help shepherd that process, whether it's just by being a sounding board or counsel, providing actually a solution to create that liquidity event, but we find ourselves at the crossroads of helping our clients become CEOs of their business to being CEOs of their capital. And we find that that very much creates a forward path in creating family legacy.

And then most recently through the span of 2020, although it may not have been a year we all want to look fondly of, we actually did expand significantly into serving professional athletes that are looking to be CEOs of their own capital as well.

So, we're a team of about 15 people centrally located in Chicago, Illinois. We do have offices in Columbus, Ohio, a small location in North Carolina, and most recently at the beginning of this year, we opened up our last office in Scottsdale, Arizona.

Damian Peter

Great. Well, thank you for sharing, Joe, and you touched on expansion and I think the next topic we're going to dive into is the discussion around marketing, because I truly believe that a lot of the success that you've shared with me, all three of your firms, is a direct result of the marketing that you've all embarked on. So, each of your firms has grown this past year in 2020, certainly a complex and difficult year by any stretch of the imagination. You've grown with new clients, new advisors, new staff, and surely that growth reflects your unique presence in the marketplace.

So, I think our audience members would certainly like to know what is your marketing strategy and how have you been able to establish that brand as a destination for the family wealth that we're talking about.

So, Jeff, why don't you take the first crack at that question, if you don't mind.

Jeff Fuhrman

Sure, sure. Well, it's a timely question because about a year and a half ago, we initiated a rebranding exercise, and the challenge we presented ourselves was to develop a new brand identity that was different from the 17,000+ other RIAs in the space. We all talk about transparency or the fact that we're fiduciaries or how many CFAs we have on the team, and that may all be true, but finding that meaningful difference can be difficult.

So, to create a unique value proposition required a lot of soul searching on our part, and what kept coming up was how we endeavored to simplify the most complex of circumstances for our clients. And with that, our tag line, "Uncomplicated" was born. In other words, it's not about us but rather what we do for our clients. If you consider that a brand is a promise, and ours is about being that smart, thoughtful, problem-solver, uncomplicated really represents, for us, a short memorable way of expressing that value proposition and hopefully that resonates with our clients and prospects alike.

Damian Peter

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That's great. Thank you for sharing. And I can attest to the uncomplicated message within the Coastal Bridge offices and it certainly is a sharp and poignant message, and it's certainly something that they live by each and every day.

John, I would ask you the same question as it relates to the marketing initiatives and how Baldwin Brothers has grown with regards to new clients and expansion of you staff.

Jeff Fuhrman

Yes, so and some of the marketing is external and some of it's internal, and then some of it's also to centers of influence that we all work so hard to get and maintain and build referral networks from. And we've taken that sort of multipronged approach. We also went through a revamp of our website. We made it much more focused on the investor, the family. We had some other ancillary businesses that we had done over the years and we really needed to sharpen our focus to make sure that it was really focused on the client and their families and that they understood what a multifamily office could really deliver to them, what it was and what it wasn't. And so, we went through that process.

And then, again, as importantly was going out to those centers of influence and doing that sort of marketing to let those folks know very precisely the right types of clients for us, the right types of families for us, who we're most successful with and why, and always sharpening that message. We all, again, endeavor to build these networks of these folks, accountants, lawyers, insurance folks etc, and then if we don't stay in front of them and really get them to focus on who we work with and why and how we can work together with them to support these families and their efforts. And so, that was a big part of what we did.

And then we've always had this legacy – and I know we'll probably touch on this a little bit more in terms of differentiators – we've always had this legacy of ESG and impacting investing, and as the marketplace has caught up to us, certainly, in terms of ESG and we see a lot more about environmental, social, governance investing, we try to sort of skip above some of that noise that's in the marketplace and really go back to our roots and say that values-based investing, impact investing, ESG is so core to what we do here from an overall planning and investment standpoint for our families.

So, that was another big part of our, I wouldn't say rebranding, but more an extension and refinement of our legacy brand.

Damian Peter

Great. Thank you for sharing, John. Joe, I'll ask you the same question, just given the incredible growth you guys have experienced this year. Can you talk about how the marketing strategy was an integral part of you guys achieving that success in 2020?

Jeff Fuhrman

Yes, happily. Having the opportunity to create a brand was something new to all of us, seeing as how we're only about three years young, and one of the things that we all put our hands in the pot and really wanted to do was come up with, if nothing more, a tagline or something that we can hang our hat on. And that ultimately flushed out to be just a tagline that we talk about, whether it's with clients, whether it's on our website, it's just a step forward. How can we step forward to progress? How can we step forward to solutions? How can we step forward to evolution? And that's something that was baked into our brand and concept.

So, with that, we created a feel that looks slightly different than, let's say, the mahogany wood trust company feel. If you come into our office, if you look at any of our social presence, it would come off feeling more that of an agency than that of something that was known or something that somebody wanted to move away from. And in doing so, what we've helped do not only culturally amongst our organization, but a feeling amongst our client base is we've created our own community of likeminded people. And some of which has evolved.

We have – with me in my office today too is our Chief Marketing Officer, who is somebody that's been with Keebeck since inception and she came with no financial experience from an industry experience, and that really helped broaden our thinking around how to engage people in a conversation, how to position ourselves slightly differently in a marketplace, and like my contemporaries talked about, the

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CFA component, the financial planning component, having those baseline elements are table stakes in our business, but one of the things we wanted to do was look and feel a little different when we got to work every day, when we woke up to take our step forward. And one of the things that if you ever look at us, hopefully it feels that way as well, and with that, we spent an inordinate amount of time and energy identifying FinTech solution, creating a social presence in the space, all of which has been done in a very short period of time, but one of the things we're very proud to say, within a compliant way and in a way to use what the marketplace has to offer us to leverage the marketplace itself. And in return, at the end of the day, really serve our client base and future client base as well.

Damian Peter

That's great, Joe. That's impressive. So, let's turn the page here, let's dive into client service model, where ultimately the rubber meets the road. And so, I know that a lot of our audience is interested in learning more about each of your unique service models, what are those special capabilities, what's resonating with certain clients and particular age demographics, what's that secret sauce, if you will. As we know, each generation has certainly different perspectives, may have different preferences and needs, and as the four of us have discussed in the past, building a firm that can service and engage with all members of that family can be challenging at times.

So, I would ask each of you, if you would, and let's start with John, share with our audience, how do you approach that and introduce that service model to these unique families that you're serving?

John Mannix

You know, again, to take a step back and look at the next gen families. When you have a business like us that has such a legacy and working with the first generation, in a lot of cases, first generation wealth creators and then second and third gen who we now have as clients, and in some cases, fourth and almost fifth generation, you need to meet them where they are. And so, one of the issues is around technology and reporting, certainly. So, we did not feel that from a reporting standpoint we really had the right capabilities, so we went out and we decided to go with Addepar. I know we're not supposed to talk about those sorts of things and who we go with, and I won't disparage anybody else out there. But for us in terms of the all-inclusive reporting that something like an Addepar offers, that was a big part of our business and we're still getting into a paperless environment, and we're still behind, I would say, where some of our contemporaries are as it relates to digitizing everything that we do. But some of it was around staffing and that's an important piece, because you do have to spend the money to get the right level of advisors, but as well as back office folks who really know how to handhold and work with the next generation, which might be different than their parents and grandparents.

And so, we've spent money on human resources as well as technology, and spent a good time and effort in looking at all of our internal processes and figuring out what's going to work best for different members of the family, and of course, asking the family members what's going to work best. And one of the things that we're going to do this year, which we haven't done in a couple of years, which I would encourage everybody to do, is go out and actually do client survey work, whether that's using a third party, asking those sorts of tough questions about your business, being able to hear directly from your clients on a very regular basis what's working and what's not working, and that will just continue to refine our client segmentation strategy, how we're meeting with the next gen, how we're making sure that the parents and grandparents are still feeling like certainly that they're part of the process.

It's definitely multilevel, but very specifically, this year in 2020, we hired three additional folks and they all are of a certain age demographic and they're also all female, and I think that's another important part about this business and sort of the future of our business is making sure that there's the right level of diversity within the firm and as more and more female-led households are out there, and that's certainly... of our last 10 clients, I was mentioning this to one of your colleagues, Damian, the last 10 clients that have come on-board at Baldwin Brothers have all been female entrepreneurs or female-led households.

So, it's about, again, having the right people on staff for the multiple types of clients that we work with.

Damian Peter

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All great, great points, John, thank you for sharing. Jeff, can you share with us the service model at Coastal Bridge. Why is it unique? Why are you in a position to continue to maintain these multigenerational households over an extended period of time? What is it that clients are feeling? What's that memorable experience that Coastal Bridge is providing? I think our audience would like to know, if you could share with us.

Jeff Fuhrman

Sure, sure. Well, I guess I would say there is no one-size-fits-all. One of my colleagues wrote a thought piece where she stated that once you've seen one family office, you've seen one family office. And that's really how we operate, a bespoke service to each and every client. I guess the only commonality is that we don't discriminate between big and small or young and old, everyone gets first-class treatment, and I suspect as Joe knows, coming out of a large wirehouse, that ability to do more and different for your clients was quite liberating.

So, for us to get there, when a prospect first becomes a client, we hold what we call a Customized Service Meeting, where we introduce them to the broader team, show them the technology and identify all their service requirements such as how often do they want to meet, in what form, whether it's email or in-person or what have you. And when we do this, we're able to identify how there may be differences, generational or otherwise, not only between families but also within them.

Damian Peter

That's great, Jeff. Thank you. Appreciate it. I want to keep the momentum going here. So, Joe, I'm going to lean on you a little bit. I would like to discuss the fact that each of your fellow panelists, including Keebeck, does embrace a team approach to working with clients. However, each of you do leverage outside expertise to augment your client experience, if you will, and certainly some unique differences between the firms represented here.

Joe, what can you share about these external resources and the impact that it has on client experience at Keebeck?

Joe Polakoff

Sure. Well, harping all on service, day one we grew this business with a service-driven business model, with an intent to build our outsourcing capabilities to serve our clients, but adapt it to our future client base. Maybe that's second, fourth generation or new opportunities as well, and I think one of the ways of thinking about that was how do you build a 100% referenceable client list, that your service, your performance, your relationship would naturally augment into them introducing you to other people. And there's no way we would be where we are today without outsource capabilities.

As my constituent had discussed, financial reporting, whether it be counsel from an estate planning standpoint, whether it be FinTech solutions, in this entrepreneurial environment that we call the Registered Investment Advisory space, I think it's prudent on everybody to – as our founder would say – kiss a lot of toes. You never know what you're going to find, and that takes time, that takes energy, but it also... you leverage the strength of your organization and the experiences that they have to weed through that data. And in turn, one of the things that we have done in 2020 no less, was completely revamped the way that we communicate with clients in real time.

I'm sure we'll harp on it a little bit later, but we realized that we had built a platform that was adaptable to the millennial generation in addition to baby boomers, in addition to the Greatest Generation. But one thing we didn't consider was how that was going to be built for Gen Z, and although that might be a little too forward-thinking, we've done it and we're there now. Now, we just have to grow into it.

So, from that perspective, service is also driven by solutions, and in delivering additional solutions and then working with your relationships to determine, are they adaptable, are they digestible and are they leverageable, we've seen great success in failure and in adoption. We have encountered scenarios where people are like, 'that's not for me, but I'm impressed that we did it, now let's go back to sending paper statements'. But from that standpoint, we're not scared to try, but we leverage the strength of our team in an effort to weed through what will be a practically implementable solution versus that of something that may be a little too pie in the sky.

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Great. Thank you, Joe. Appreciate those comments and it certainly sounds, to John's earlier point, about having a culture that embraces centers of influence and being able to work with those other primary advisors is important and part of augmenting that client experience. So, certainly interested, Jeff, I'll pivot to you and would like to get a better understanding of the team approach and as the President and the Partner at Coastal Bridge, what are the things that you're doing day-in and day-out to embrace and kind of endorse that team approach and how do you guys look at third party subject matter experts or external resources to Coastal Bridge and how do you integrate them appropriately into the overall client experience?

Jeff Fuhrman

Sure, sure. I would actually start by saying our team approach begins at the advisor level. More often than not, we'll have two advisors for each and every client relationship, and each member of that pair of advisors comes from a different cohort, so we're able to bring different generations and different perspectives to bear on behalf of the client. And so, while they serve on the frontline facing the client, supporting them is a whole team of non-advisor professionals and, in fact, one of the things we've found is the more we grow our non-advisor team, the faster we grow as a firm.

Externally, to your question, we pursue what we call our "virtual family office". We want to leverage our clients, other trusted advisors, be it the accountants, the T&E attorneys, insurance providers, what have you, to bring about the best possible advice and guidance to their entire financial life. But it's not just to be partnering with them, we want to be in the position to take responsibility for choreographing all those elements.

Once again, it's about... it goes back to that notion of uncomplicating it for our clients and taking that responsibility of coordinating all these pieces is of fundamental importance to us.

Damian Peter

Great. Thank you for sharing, Jeff. John, anything that you would add in terms of external third-party resources or subject matter expertise, primary advisors in the way that you've encouraged your team to interface with those key team members?

John Mannix

Yes, so one part is it is similar to Coastal Bridge where we have a lead advisor and a secondary advisor, and then at least one person in our back office team that's assigned to a family. In cases where we do full... we do full family office service, so we do everything from bill payment, cash flow planning, insurance, tax planning, risk management, philanthropy, the family dynamics work, we don't do that all in-house, to your point, Damian.

Some of it we do and some of it we do outsource to those experts that we vetted for several years now, people that we... not only people that we have an incredible trust, but they really are an extension, to Jeff's point, of a virtual family office. They really are an extension of Baldwin Brothers. And that trust element is a big one, because before we put somebody in front of one of our clients, we really have to make sure that they are certainly good.

And the family dynamics piece is one that we have been working a lot on with the multigenerational families that we serve. And in things like regular family meetings and offsite type meetings with some of these families... certainly, it's not all of our clients, you can't do that with all of the clients and that's where, again, you have to go back to what they really are looking for from us as an advisor. But where we do do two-day offsites quarterly for one family, and where we certainly try to lead that as much as we can, their estate planning attorney, their insurance folks, people who are helping them with their philanthropy and their real estate are all included in those sessions. It takes time to perfect that, but once you do, and then bringing that out to other families within your network or within your client base, it can make a huge impact.

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So, we've done a lot of work there in incorporating those outside professionals, as Jeff said, to being an extension of our firm.

Damian Peter

Hey, John, could you share with the audience a little bit more. 2020 was obviously such a unique year, it's all about operating in a virtual world. You just described so many different players having a seat at that table. What was 2020 like for these multigenerational families, for the coordination of the communication from Baldwin Brothers to those different generations while simultaneously trying to incorporate maybe estate planning attorneys or accountants. What was that experience like, John?

John Mannix

I think we've probably all had it this year, but we specifically... going from getting on planes and meeting families in Louisville, Kentucky, or California, Florida, wherever they might be, here we all are... if we had turned the clocks back to last year and I had said to my team or I think anyone on this call had said to their team, instead of going to see people, we're going to do everything on Zoom or WebEx or whatever the technology is. There's no way we would have thought that would have worked. That sort of technology, sort of going out and pushing that on folks who are in their 60s, 70s, 80s, rather than continuing that relationship like we usually do, which can be around a dinner table, it can be on a golf course, it can be wherever it might be, you would have thought I was insane.

But the fact that the world did have to and learn how to adapt to this technology, which we all know has its faults, but in those meetings where the technology works and where you can bring in those different players at different times in the day if you have a whole day or two days with a family, I mean it certainly has cut down the expense. The relationship, at certain levels... we will go back to being on planes, we'll go back to meeting people where they want to be met with certainly, but this year has all taught us that we didn't have to push this technology on people, everybody adopted it, and we've certainly all made good use of it.

Damian Peter

Jeff, Joe, I would ask you guys the same question. Do you feel like in a post-pandemic world, what have you learned out of operating in that virtual environment and how have the high net worth and ultra-high net worth populations, what do you think their expectations are going to be moving forward? Is it going to be a required physical environment or have you found that there's certain client, multigenerational client relationships that, quite frankly, they just operate better in a virtual environment? So, I would be interested in your feedback from your respective firms.

Jeff Fuhrman

It's a great question. I agree with everything John just mentioned. I would say it's a mixed bag, to answer the question directly. There are those that are, let's say, chomping at the bit to get back to the face to face and I say those, not only our clients, but those of us internally who are eager to get back on planes, as John described. And then there are others who, I think, find this a far more efficient, effective manner of communicating—

[Technical difficulty]

—it's all very interesting. We'll see, we're not there yet where the world has opened up, so we'll see what happens, but I don't imagine there will be dramatic changes from what we saw in 2020 for at least another six months or so.

Joe Polakoff

This is Joe. I would echo that, both of the topics. And one thing I would point out is how 2020 magnified the intensity of turnaround time, and with the adoption of the Zooms of the world and FinTech, how expectations were even increased in the rapidness of the flow of information. So, one of the things that we spent a considerable amount of time, especially in the first and second quarter of 2020 was the dissemination of information just around the environment, whether it had to do with research coming from Johns Hopkins, whether it was the “what is a pandemic? How has it historically affected life, let alone financial markets?” the flow of information, I do believe, has

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now set a precedence that we will collectively need to work on achieving forever more, and that flows all the way down to portfolio information, communication around estate plans, family dynamic elements. And I believe that it's going to be the expectation of our existing client base and hopefully our perspective and future client base that those expectations are met by the rapid flow of information, and progress updates towards completion of whatever it is that you have in front of you or the task that needs to be accomplished.

Damian Peter

That's great, Joe. Thanks for sharing those comments, it certainly resonates with me. So, gentlemen, I want to ask one more question here before we begin to pivot to the Q&A portion and questions are rolling in as we speak.

So, Jeff, you, and I, we've talked about and you've heard me say all the time that what got firms here won't get them there, and so glad to hear from each of you about how you're positioning your unique capabilities today. But I want to know how do you think about running your respective businesses and how are you positioning team members internally, and clients and prospects externally, how are you framing that? What is your positioning around what's going to get Coastal Bridge there and into the future and how do you think about Coastal Bridge being successful in the future? I would like to start there with you, Jeff, if you might.

Jeff Fuhrman

Great, great. Well, for us, I would say it has been and will continue to be always about growth and whether that's organic or inorganic, that's of primary importance to us. And that's not about feeding our ego or anything of that sort. We see growth providing three things.

First, it provides us the ability to continually invest in our business. As you say, what got us here won't get us there in the future. The regulatory requirements, technology demands, whatever it may be, these things are not getting less expensive or less demanding and growth allows us to do what we need to stay ahead of the game.

The second thing is with growth, we're better able to attract talent in what's becoming a highly competitive labor market. That's not only about compensation, but perhaps more importantly about creating a firm where there are opportunities for our team to develop professionally.

And third and finally, growth enables us the necessary environment, let's say, for business continuity, to ensure that our firm will last beyond the founders through multiple generations of our team and for our clients alike.

Damian Peter

Thank you, Jeff. Joe, same question. How are you positioning internally and externally for what needs to happen in order for Keebeck to continue to be successful into the future?

Joe Polakoff

Sure. I'll start internally and then go externally. So, internally, one of the things that we always want to motivate our team with is the opportunity to grow, whether that's within the swim lane that they are a part of, or whether that is a broadened horizon of an entirely new discipline that they want to work themselves into. So, we do our best to provide as much latitude and opportunity for growth for all team members.

As I insinuated earlier, we do have a team member who is joining me on this call who has gravitated to (1) helping us create a digital solutions team, ultimately migrating into what we now connotate as the Chief Marketing Officer. Showing avenues for growth is important to obtaining and retaining talent.

And similar to Jeff who was talking about legacy elements of their broader RIA business, we ourselves have a few other pillars of our stool that don't really focus on wealth management, but they're emphasized around investment banking, evaluation services, we have another element that's focused on real estate. And one of the avenues that that provides is talent to gravitate and matriculate into other elements of our broader organization, but that deviates a little bit away from wealth management day-to-day,

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And then to bring that back about how we can attract opportunity to grow our client base, it's with those solutions. It's having arteries that differentiate yourself in the marketplace, but also provide intellectual capital to your existing client base and your wealth management organization, so that it can be fact checked, it can be a different source of information, and it can be included in the decision-making process, whether that's around the macro environment, whether that's around portfolio management, or whether or not that's in terms of delivering a solution to a prospective or an existing client.

Damian Peter

Interesting. So, Joe, the intellectual capital piece, right, huge, huge part of the value deliverable that you're providing each and every day. John, you touched on something earlier in the description of Baldwin Brothers, which was a focus and a tenure in the ESG world. And so, I wonder if you could just share with the audience how you're thinking about ESG for the future, not only internally with your team members, but also externally with clients and prospects.

John Mannix

That's a topic that we could go on for two more hours about. No, in a nutshell, again, that's a long legacy of our firm and we are... we've gotten to the point where ESG is incorporated into our – certainly into our equity process and into our models as you look at both private and public company investing. And then on the impact side, which is a bit different, and that is a lot of private company work that we do, whether direct or in funds. That is where we do and we have created separate funds, we've created products that are available to other family offices and wealth managers, and I think when you look at diversifying the business and you talk about sustainability of the business, Damian, it is – just as Joe touched on, it will be picking your spots, without losing your focus, but picking your spots in terms of what your core expertise is and how to take some risks to go building out different parts of your business.

We're all talking about core strengths and core expenses that need to be made just to keep the current client base and the next gen happy. And the next gen, again, we found and I'm sure every firm is finding now that there are more and more of the next generation who want to do good things with their money, and so we have a philanthropic arm. We actually have a 501(c)(3) that's very useful to us in the philanthropic side. We have... again, the product development work that's happening all the time, diligence work that's happening all the time in impact and ESG. And so, those sorts of forward-looking, whether it's different business opportunities or whether it's expansion of something that you're an expert at is good not only for your internal family, but good for the growth of your firm.

Damian Peter

That's great, John. Thank you for sharing, and that's a perfect segue as you kind of talk about generations and so. First and foremost, want to thank all of our panelists for sharing about your respective businesses. I do want to turn the spotlight on our audience now with the remaining time and open it up for Q&A with some of the questions that have already been presented in the queue here. So, just as a reminder, use the Ask a Question tab, which is located below the presentation.

An interesting segue here, and I'll ask actually, if I may, I know we're being joined today by Alexa Hyman who is Joe's colleague in the Keebeck office. Alexa is the Marketing Manager and I've got a perfect question for you from one of our audience members, which is around client communication strategy and how do you ensure you're in close touch with clients across multiple generations and how does that potentially inform paper versus paperless so that you can streamline communications that might appeal to different generational preferences.

So, Alexa, if you're there, I would love for you to respond to that question.

Alexa Hyman

Thank you. Thank you so much for pulling me in. Yes, it's a great question. I think I could probably hit on a number of things, but I'll talk specifically about something that we onboarded and launched in 2020. So, at the start of the pandemic, we experienced an unprecedented

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shift in communication, both internally and with clients. To our founder's credit, he said early on, we need to shift very quickly from old economy to new economy, and technology is going to fill that gap.

So, we had sourced a solution prior to the pandemic, but the pandemic really sped up our timeline to launch, but it was essentially an all-in-one mobile and desktop app for clients. This allowed us to give our clients a package of all of their client portals, it's an instant messaging app, it allowed us to share research and reporting in a secure environment, it's also a meetings and calendar platform, so that it eliminated Zoom and the like. And we, essentially, branded it as Ask Keebs, and the idea behind that and they can literally download it in the app store, but the idea is we want to be omnipresent to our clients. We want to be at their fingertips with whatever question they have, whenever they need, especially as we moved to a work from home environment, and so we called Ask Keebs, and we wanted to give our clients access to that and the pandemic really pressed us to launch that quickly.

So, we really just used the pandemic as an opportunity to rollout an app that not only helped us increase communication internally but to evolve our business to meet next gen needs. We know that, pandemic or not, millennials and Gen Zs are tech savvy and want a seamless client experience, but they want minimal contact and I think that this solution really helped us evolve there.

Joe Polakoff

This is Joe. I would echo that surprisingly we had a substantial amount of adoption even from octogenarians. If they knew how to text, they knew how to use this and it kept all their financial matters in one thing, and it also took it out of individual cellphones, so that it could be shared on a collective and enterprise basis amongst our internal firm.

Damian Peter

Interesting. Well, Alexa, thank you for sharing that. That's always interesting to see how people will behave, and obviously, 2020 was an interesting time, so great to hear about the adoption across multiple generations.

So, another consistent question that we're getting here that I'll pose to the panelists and I'll start with you, Jeff, is around the topic of technology. And so, there's a lot of curiosity among our audience members on what are some of the preferred systems or platforms or technology that are currently making up or completing your technology stack today.

Jeff Fuhrman

Sure, sure. So, a bit of what Alexa just alluded to was about creating this seamless technology infrastructure. And so, I would say it was two years we launched a program to redo our entire tech stack. And with that, we've introduced Tamarac, Factset on the analytics side, and the Salesforce Financial Services Cloud for our CRM. And the key element there is about the seamless integration of the data across those platforms. That's where we really felt we could make a difference in terms of the speed of execution, the accuracy etc, and that's really been an important initiative for us.

Damian Peter

That's great. Thanks for sharing, Jeff. John, you had mentioned Addepar earlier. What are some of the other complementary technologies that we might find in the Baldwin Brothers' stack?

Jeff Fuhrman

So, Addepar we use, we spend the money on Bloomberg and Salesforce CRM, as well as a trading platform called Blaze. Some of those are certainly behind the scenes and not client-facing, but enable our advisors and our back office and everybody to do what they need to do.

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But I would say that Addepar has had the biggest impact in terms of overall client reporting. We have not moved that to a portal capability yet, but we will this year, and that's high on the list in terms of getting clients to go fully paperless and into that portal of Addepar, which can be so helpful. That's really been it.

I did see another question here, Damian, which I wanted to address before we go, which is – and it's an important one – is how we charge for some of these ancillary family office services, because I think each firm does it a little bit differently. And we do charge extra, just so we're clear.

When we sit down with a family and really scope out what we're going to deliver for them. Obviously, like so many firms, the AUM drives and the fees on the AUM drives the overall revenue to the firm. But we do really scope out with a family how much other work they're asking us to do, and are very clear upfront – which we didn't used to be, and this is part of why I bring it up. I think it's really important to map out with a new client, with a new family exactly how you're charging and what you're charging for what services. Some firms do that really well and others don't. And we had to sort of do a restart on that. With the outsourced bill payment, some of these ancillary other things that we do for families, we do charge extra over our AUM.

Damian Peter

Great. Thank you for addressing that, John. Well, as we've learned today, these firms certainly know that teamwork, a holistic approach to meeting families' complex needs and definitely exceptional client service are essential pillars to building a robust multigenerational business. At Pershing, we feel the exact same way about our partnership with all of you, our clients, and want to make sure that everyone is taking full advantage of the resources that we've created that may help you cultivate relationships across your clients' families.

In our follow-up, we'll be sharing a link to the multigenerational relationships page on www.pershing.com where you'll find a brief video, there's several tips lists. A replay of this webcast will be posted there as soon as it's available. Also, want to encourage everyone to feel free to download a copy of The Driving Growth Through Multigenerational Relationships Study. You're also entitled to download a copy of the presentation by clicking on the Attachments tab. Certainly, if you'd like to provide feedback on this webcast, please use the Rate This tab. We appreciate your responses as we're continuously striving to improve the Pershing Webcast Series.

I also just want to share with all of our audience members, I would like to encourage you that if you would like to be put in touch with Jeff or Joe or John after today's session, each of those gentlemen have offered to certainly engage in a dialogue with any of our audience members. So, please be in contact with your relationship manager at Pershing as would be happy to facilitate those introductions to the panelists.

And so, greatly appreciate all of you joining us today. Thanks to our panel for sharing their expertise. With that, I'll wish you all a great afternoon and rest of your week. Thanks for your time today.