



Fiscal Policy may be the focus at the White House this summer, but we'd like to encourage you to have a different conversation at your house. Read on for current thinking on the similarities between managing health and wealth resources, fitting vacation homes into your family's wealth management plan, and how travelers can prepare for unexpected medical emergencies.

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## Health and Wealth

Silver Bridge Institute's April conversation, "A Women's Perspective – Health and Wealth" moderated by Allison Taff, highlighted the need for women to understand the interconnectedness between a family's health and wealth resources, take responsibility for educating themselves on the inherent conflicts in both fields, and find unbiased advisors and advocates to help guide themselves and their families.

The panelists at the luncheon included: Dr. Susanna Bedell, a Harvard-trained Internist and Medical Consultant; Ellen Maidman-Tanner, Senior Vice President of PinnacleCare (a global private health advisory firm) and Kathleen Burns Kingsbury, Wealth Psychology Consultant at KBK Wealth Connection.

## Women and Healthcare Trends

Ms. Taff set the stage by sharing statistics on healthcare and the specific trends impacting individuals' ability to finance one's own ideal health care program in the U.S. She highlighted some of the overall issues facing women in particular, noting how the two fields include a great deal of complexity that warrants knowledge and education to navigate the waters. Moreover, they both share a common language that espouses self-care, discipline, advocacy, empowerment, privacy, personal control and a holistic approach to planning.

Recent research by the Luxury Institute revealed that healthcare decisions, including choice of plan and providers, are the domain of women in 48% of wealthy households. The Bureau of Labor Statistics indicates that women are three times more likely than men to share personal health experiences with a friend and spend 66% of the health care dollars.

“Family finances are an important part of the conversation, but there is much more to discuss.”

—Allison Taff, Director of Strategic Planning

### Navigating through complexity

The U.S. Health Care system, as described by Ms. Maidman-Tanner, is becoming infinitely more complex, with biotech and nanotechnology enabling important medical advances while third party payment systems are driving costs higher. This, paired with the trend toward medical specialization, is accelerating the need for family health advisors to help interpret information and guide planning.

Dr. Bedell offered some practical advice by reviewing with the audience, “10 Things to Know to Improve Your Health and the Care You Receive from your Doctor.” Her presentation covered, among other things: specific tips for finding a good primary care doctor; knowing the right questions to ask; educating and empowering yourself with research-based information after a diagnosis; taking responsibility for your treatment; keeping a personal health diary; setting expectations for your annual exam; modifying your lifestyle to improve your health; keeping a healthcare notebook of your medical records; and most importantly, finding a healthcare advocate who knows you and your values, can help you to prepare for doctors’ visits, and can process and review information from the visits.

### Removing roadblocks to health and wealth

Kathleen Burns-Kingsbury wrapped up the session by sharing some common roadblocks women face in putting self-care into practice, which can diminish the benefits of our medical systems and healthful individual practices. Ms. Kingsbury discussed ways women can break through emotional roadblocks, use the best of their rational and emotional mind and shift their mindset to actively practice self-care.

Ultimately, through a greater understanding of the health and wealth trends, arming oneself with research-based information, and surrounding oneself with advocates can help to enhance one’s overall health and personal financial wellbeing.

### Gifts to Family

Watching the sun set over the ocean...swimming in the lake... playing pickup football on the lawn...skiing through fresh powder...enjoying corn on the cob and steaks on the grille. Some of our best family memories are made at vacation homes, places where we gather to relax and enjoy being together as a family.

Vacation homes deserve special attention in estate planning. Unlike investment portfolios, they aren’t easily divisible. And as the numbers of owners multiply, so can the disagreements

and frustrations. Asking some tough questions now can help smooth the transition in the future.

**First, are your children able to take on the property?** It may be their favorite place to visit, but your children may not be willing or able to take on the responsibility or expense of managing a vacation property. Don’t let fantasies of multi-generational togetherness distract you from the possibility that your children may have different wishes, financial resources, and interests when it comes to the vacation home. Unless you’re going to gift enough cash along with the property to pay for taxes, maintenance and improvements in perpetuity, a gift of an interest in a vacation property brings a financial burden as well.

**Do your children have the same vision for the future of the property?** Particularly in the case of substantial properties, children can find themselves disagreeing about its long term future use. Should they keep it as a single parcel owned in common or subdivide it into separate lots for each family? Should they sell all or part of the land to a developer? A plan that makes perfect sense to one child may be anathema to another.

**Are your children prepared to make decisions together?** Joint decision—choosing which sibling gets Fourth of July weekend this year, how much each sibling will contribute annually, and who will manage the joint checking account out of which the (ever growing) bills and taxes will be paid—is a skill honed on the job over time. Have your children had an opportunity to work together as partners before they receive a joint property?

Start a dialog with your children now before you ask your attorney to draw up your documents. Find out whether they’re truly interested in coming together as next generation owners. For complex situations, a family business consultant can help you and your children articulate your shared vision for the property, and develop effective decision-making processes to manage it successfully over the long term.

Amelia Renkert-Thomas, Partner  
Family Navigation Strategies, LLC

### When Summer Escape Becomes a Real Need

#### Medical evacuation

Over the next few weeks, many Americans will be boarding planes bound for destinations abroad, from seaside resorts on the Cote d’Azur, to fly fishing destinations in South America, to expansive ranches in the Australian outback.

While most will have spent countless hours planning their escapes, few will have thought about what to do if an emergency happens while they’re traveling. It’s safe to say that only a minority of international travelers have a sound plan in place to deal with serious emergencies such as motor vehicle accidents, illnesses or catastrophic events like those that have unfolded recently in Egypt, Japan or Haiti. Not being prepared can have serious consequences for your wallet, not to mention your life.

For some, travel insurance may appear to be the answer. However, health insurance, travel insurance, platinum cards, and SOS hotlines will only pay claims for a traveler’s evacuation when the company deems it is necessary and they don’t generally provide the service themselves. They typically only reimburse transport to the “closest appropriate” hospital, which may not be appropriate at all.

There are other options that travelers this summer should consider. One example is Global Rescue, a membership company that can respond to your emergency, wherever you happen to be, by deploying U.S. trained critical-care paramedics and former military special operations personnel to get you the best possible medical care and pull you out of harm’s way. Their memberships provide travelers with the medical expertise they need to make the best possible decisions regarding what to do next.

Another reason to obtain medical support when traveling abroad is that the quality of health care in most of the world is arguably not of the same caliber as the U.S. According to the European Heart Journal, for example, surgical mortality rates in Eastern Europe are more than 25 percent higher than they are in the U.S., mortality rates on operating table in Latin America are 75 percent higher than they are in the U.S.

Through a partnership with Johns Hopkins Medicine, and a network of medically equipped aircraft and hospital Centers of Excellence around the world, Global Rescue is committed to getting its traveling members get the best possible treatment before bringing them home.

Before you and your family roll your carry-ons through the airport terminal this summer, ask yourself some hard questions. Take a close look at the fine print describing what your insurance plan does and does not provide, and assess what you are prepared to do in an emergency. It might not only save you from a significant financial setback, it might also be the difference between life and death.

You can learn more about Global Rescue at [www.globalrescue.com](http://www.globalrescue.com).

## Silver Bridge Launches IntelliGen to Address the Challenges of Multi-Generational Families and Family Offices

Silver Bridge is pleased to announce the launch of *IntelliGen*, a proprietary state-of-the-art information management solution designed to meet the private wealth and legacy needs of successful individuals, multi-generational families, family offices and their advisors.



“Through *IntelliGen*, Silver Bridge offers an intelligent system designed to bridge the gap for multi-generational families with enhanced communications and information sharing. It allows clients to better assess their financial health, the performance of their managers and advisors and to make well informed decisions that will protect and preserve their wealth for future generations,” commented Stephen Prozano, Chief Executive Officer of Silver Bridge.

More than a technology and reporting platform, *IntelliGen* is the foundation of the Silver Bridge business infrastructure that supports and drives decision-making and enables the firm to offer a differentiated service model. Additionally, it provides clients with better service, more timely and accurate information, and a holistic view of their network to help simplify their lives.

*IntelliGen* has been utilized by Silver Bridge professionals for many years. An enhanced aggregates disparate data, integrates key functions and applications (portfolio management, tax and accounting, administrative services), and generates consolidated investment reporting all in an environment where quality controls are paramount and security is not compromised. The front end interface includes a personalized portal, MyBridge, specially designed for family office clients so that all relevant and critical information, analytical tools, communication mediums, and a host of other features are readily available.

## A Fresh Perspective on Asset Allocation

Ashvin Chhabra, Chief Investment Officer, Institute for Advanced Study, Princeton, NJ and architect of the Wealth Allocation Framework that integrates Modern Portfolio Theory with the field of Behavioral Finance was a guest speaker at the annual Silver Bridge Client Event, in May. The audience was introduced to a different way of looking at a long-standing investment framework: asset allocation.

Investors typically understand asset allocation as a framework that involves dividing monies among different asset categories, such as stocks, bonds, and cash. The traditional application of asset allocation is considered the primary path toward *achieving wealth preservation*. Chhabra's work expands beyond this concept in applying asset allocation theory in *moving up the wealth spectrum*. This is where idiosyncratic risk and new thinking in asset allocation intersect. Chhabra's thinking involves consideration of the belief that people desire to move up the wealth spectrum: out of poverty and into the middle class; upper middle class to affluent; and wealthy to truly rich. How is this achieved? It is achieved with wealth generating investments.

The distinguishing characteristic of wealth generating investments: real estate, hedge funds, private equity, and business ownership, is that they require leverage and concentration of assets in order to achieve big payoffs, which necessitates taking substantial risk.

### New Thinking in Asset Allocation

Ashvin Chhabra's work sets forth the premise that upward wealth mobility is unlikely without the assumption of idiosyncratic risk. And wealth mobility, as defined by keeping up with your wealth segment and not moving down market, requires structuring your portfolio within three dimensions of risk: *personal risk, market risk, and aspirational risk*.

In order to achieve upward wealth mobility, the individual and their family must take on measured risk. This *Aspirational Risk* is unique and personal in nature, and may involve alternative investments, private equity/hedge funds, investment in real estate, small business ownership, or concentrated stock and stock option positions. The opportunity and the challenge for the Client Advisor is in properly identifying, organizing, implementing, and maintaining the portfolios to satisfy the client(s) goals.

The full article on "A Fresh Perspective..." can be found at [www.silverbridgeinstitute.com](http://www.silverbridgeinstitute.com).

## Fiscal Policy Still Driving the Bus

A volatile second quarter ended with all eyes on Europe and with a keen focus on Greece. A tumultuous quarter that appeared destined to end on a very sour note was rescued from a market bloodbath by a string of three events that occurred over the last 5 days of trading in the second quarter. First the Greek parliament came through with a vote of confidence for Greek Prime Minister Papandreou, meaning that Greece would not be devoid of a leader in a time of crisis. Second, the basis of an austerity plan was agreed upon, reducing the immediate prospect of Greece's departure from the European Union. Finally European banks agreed to restructure the terms of the Greek debt they owned collectively, delaying the prospect of a Greek debt default.

The cumulative effect of the news was an unwinding of the fear trade that had been built up over the course of the month, ending a quarter that was characterized by a string of stunning intra-month market reversals. Market returns globally remained mixed, masking the volatility that permeated the markets throughout the quarter.

Lost in the noise was the conclusion of the QE2 program which ended on June 30th. The Fed's most acute concerns when they embarked on QE2 were potential deflation and stagnant job growth, though the weak housing market, soft economic data, and fiscal stasis were also motivating influences. QE2 catalyzed speculation in commodity prices which have certainly reversed the disinflation that was evident prior to the beginning of QE2. The drop in the unemployment rate from 9.8% to 9.1% was a welcome development, although the rate of job creation is well below what is needed to get anywhere near full employment over the next few years.

Despite QE2's mediocre impact on employment and inflation, one has to consider how weak these numbers could have been had the Fed not helped to push stock prices higher, tighten credit spreads and weaken the currency. We will probably get a chance to find out in the months ahead, as well as witness the impact of the absence of a major buyer of U.S. government debt will have on interest rates.