

FOR IMMEDIATE RELEASE

New Global Initiative Launched To Help Safeguard Private Wealth
Principles And Standards Being Developed To Prevent Another Madoff-Like Affair;
Private Wealth Holders Urged To Ask Advisors To Comply With Principles

ST. LOUIS – Jan. 26, 2009 – Charles Lowenhaupt, CEO of Lowenhaupt Global Advisors (LGA) and Don Trone, one of the nation’s most respected authorities on ethical standards for financial professionals, today announced a far-ranging set of principles for global wealth holders to minimize the possibility of financial mismanagement and fraud.

“Principles of Wealth Management For Private Wealth Holders” creates new safeguards for managing substantial wealth for individuals, families, family offices, foundations and private trusts. The Principles call for the following:

- Separation of custody of assets and investment management
- Complete transparency of advisors’ fees
- Full disclosure requirements to prevent conflicts of interest
- Standards for compensation of family office executives
- Discouraging investment vehicles without transparency or liquidity
- Insistence on customized investment portfolios meeting the needs of the owner
- Requirements that any trustee or foundation director perform as a fiduciary subject to fiduciary standards
- An investment strategy that can be readily understood by wealth holders

Lowenhaupt and Trone urged private wealth holders to adopt the Principles as the guiding philosophy of their wealth and then ask their banks, investment advisors, family offices, law firms, accounting firms, trust administrators and others to manage their global wealth in accordance with the Principles.

To download a copy of the Principles, go to
<http://www.lowenhauptglobaladvisors.com/articles/Principles%20of%20Private%20Wealth%20Management%20Jan%20%202009.pdf>

“The events of the past year culminating in the Madoff affair are to private wealth what Enron was to corporate governance,” Lowenhaupt said. “Private wealth holders must take strong steps to ensure that such catastrophes will never happen again. If private wealth holders tell their advisors to comply with the Principles, private wealth holders will impose the sound process and discipline that have been missing, and we can prevent calamities which can occur when emotion drowns process. The Principles give wealth holders a powerful tool to stop the contagions that can sweep rapidly around the world and destroy wealth. Complying with the Principles will challenge many wealth advisors

because they will require change, but we cannot afford to proceed with business as usual after all of the damage done in the past year.”

Creating Standards From Principles

Trone, who has authored or co-authored three handbooks on fiduciary standards of care for investment advisors, investment stewards, and money managers, will be translating the Principles into standards. Trone said Standards will be developed from the Principles, and training, auditing and certification of the Standards will follow.

Trone said that the drafting of standards could begin in two to four months with public comment to be part of that process. Trone said that certification of Standards could ultimately be approved by an international agency, thus creating globally recognized standards. Family offices and other service providers could then offer certification to their clients as indication that they are following the best practices.

“Wealth management standards are one of the most important ways to protect people from financial mismanagement and outright fraud,” Trone said. “Once we complete these standards, they can be applied to investors with varying degrees of wealth – from the family with \$100 million to those with \$1 million, or less. These standards, along with the Principles, will significantly improve the way wealth is managed around the world.”

The Principles were drafted by Lowenhaupt in consultation with Trone, the staff of Lowenhaupt Global Advisors and the members of that company’s Global Council, a nine-member group of professionals who manage significant wealth for individuals and families in the U.S., Europe and Asia. Created by Lowenhaupt in 2008, The Global Council reviewed the Principles and endorsed them on Jan. 13, 2009.

“We drew on the expertise of LGA’s own 100-year history of working for private wealth holders, on the expertise of our Global Council, accountants, lawyers and other professionals from around the world who have worked with wealthy families over many years and in many cultures,” Lowenhaupt said. “We also benefited from the genius of Don Trone, whose contributions to the fiduciary practices of the investment industry are very significant, as well as the learning and comments of many people who specialize in private wealth. We are very proud that we can offer these Principles to private wealth holders struggling to impose order and discipline.”

J. A. Michael Hutchinson of The Hutchinson Consultancy, a member of the LGA Global Council and familiar with European family offices, said: “In today’s uncertain world, Principles like these need to be drawn up, understood and adopted by any family hoping to manage its wealth over generations. Most family offices should welcome the opportunity to have standards and certification reflecting Principles such as these, which will give much needed comfort to the families they serve.”

“The Principles will require everyone to change business practices,” Lowenhaupt said. “LGA and Lowenhaupt Global Advisors Australia have made some minor adjustments

ourselves to ensure that we can help every client who wishes comply with the Principles. I know that other members of the Global Council will be helping their clients comply as well. With private wealth now truly global, laws alone cannot insulate from the misfortunes we have seen. If clients and advisors work together collectively, we can stop many of the contagions attacking private wealth and create peace of mind.”

About Lowenhaupt Global Advisors

Lowenhaupt Global Advisors has been helping families of substantial wealth build, preserve and control their assets for 100 years. Working with the affiliated tax firm of Lowenhaupt & Chasnoff, Lowenhaupt Global Advisors provides sophisticated, independent advice on family wealth transfer, taxation, estate planning and probate, investment portfolio allocation and business structuring. For more information about Lowenhaupt Global Advisors Australia, call +61 2 8297 6566 or visit lowenglo.com.au. In the United States, call 1.314.345.8181 or visit lowenhauptglobaladvisors.com.

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