FAMILY OFFICE DIRECT INVESTING

Understanding family office dynamics, offering deal flow opportunities, and delivering effective solutions

FAMILY OFFICES SEE COST SAVINGS AND BETTER CONTROL OVER LONG-TERM INVESTMENTS THROUGH DIRECT INVESTING IN PORTFOLIO COMPANIES.

62% OF FAMILY OFFICES INVESTING IN PRIVATE EQUITY

13% SINGLE-FAMILY OFFICES INVESTING 20-50% OF PORTFOLIO ASSETS IN PRIVATE EQUITY

40% FAMILY OFFICES INVESTING IN PRIVATE EQUITY ALSO INVEST IN DIRECT ASSETS

56% ICAPITAL SURVEY RESPONDENTS PLANNING TO INCREASE DIRECT PRIVATE EQUITY INVESTMENTS IN NEXT TWO YEARS

Source: November 2015 iCapital Network's Single Family Offices and Private Equity report

Family offices are expanding their inside investment staff and bypassing the assistance of private equity funds to invest directly in portfolio companies and sustainable, responsible, and impact investing (SRI) opportunities.

Direct investing allows family offices to deploy their industry expertise and personal experience building companies to plan long-term investments with greater returns. It also allows them more time to be thoughtful and selective about long-term projects and SRI investing, and less time worrying about the fees and fundraising headaches that come with the traditional private equity model. Family offices have more control over the day-to-day management of the investment and the time horizon for an exit.

Nixon Peabody helps family offices acquire portfolio companies, structure investments and co-investments, close financing transactions, address day-to-day legal issues, and ultimately exit portfolio companies. Our services also include:

- Family office governance
- Compensation and equity participation arrangements
- Negotiating and structuring direct investments
- Fund formation for co-investments, buy-outs, and real estate ventures
- Income, gift, and estate tax planning
- Establishing captive insurance companies
- Structuring pooled investments
- Fiduciary and trust accounting services
- Securities regulation and SEC family offices exemption compliance
- Creating and administering private foundations
- Advising family office members on personal legal needs

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And through our complimentary Nixon Peabody Capital Connector® (NPCC) program, we source deals and investment opportunities and make introductions for our family office clients.

Private equity experience

Keeping pace with changes affecting the industry and always sensing ahead, our National Private Equity team helps family offices with:

— Fund formation and direct investments
— Transactions including buyouts, minority investments, and portfolio investment activities
— Disputes and litigation ranging from risk management to liquidation
— Employment and executive compensation agreements for fund administrators

Nixon Peabody Capital Connector® (NPCC)

NP Capital Connector® (NPCC) is a complimentary and proprietary referral service for our clients and friends. We source and facilitate flow within the deal ecosystem, connecting capital seekers, capital providers, and intermediaries based on the needs and opportunities we identify through our extensive network.

We are not a registered broker-dealer, and our services provided through this unique offering are limited to facilitating introductions only, on a confidential basis.

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About Nixon Peabody LLP

At Nixon Peabody, we see 21st century law as a tool to help shape our clients' futures. We are constantly thinking about what is important to our clients now and next so we can foresee obstacles and opportunities in their space and smooth the way. We work together to handle complex challenges in litigation, real estate, corporate law, intellectual property, and finance anywhere in the world.

VISIT OUR "HOT TOPICS IN THE MIDDLE MARKET" BLOG AT PRIVATEEQUITY.NIXONPEABODY.COM

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