



# WHITE PAPER

**Preserving your Wealth & Legacy:**  
The Multifamily Office Advantage for Africans

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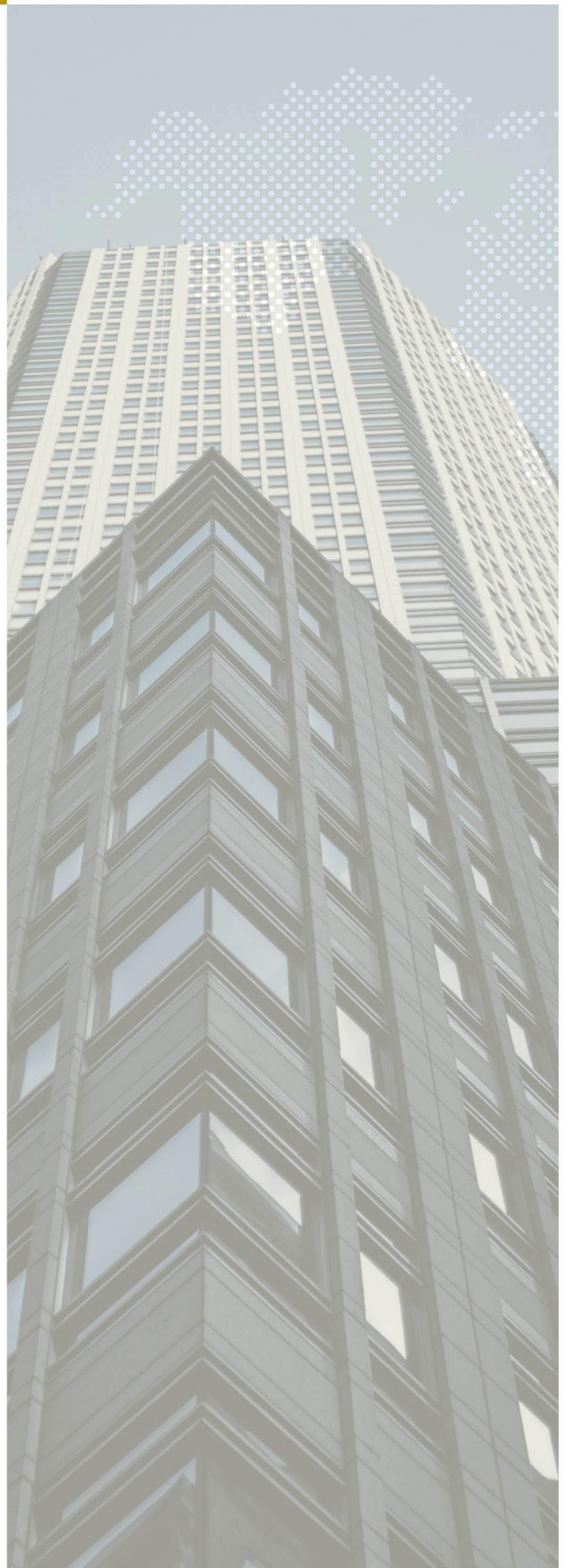
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# The Legacy Haus



**The Legacy Haus (TLH)** is a premier multifamily office in Nigeria uniquely tailored to meet the diverse legacy planning, wealth & lifestyle management needs and aspirations of African families & individuals. At The Legacy Haus, our core mission is to provide tailored solutions to empower African families & individuals for multigenerational wealth and enduring legacies.

TLH was founded by a team of experienced family wealth management and legacy planning experts consisting of financial, legal, and operations professionals, who are passionate about helping African families secure and preserve their wealth and legacies for future generations. We know that legacy planning is essential for African families to achieve their goals and create a positive impact on their

communities. Far beyond the traditional financial approach, our core commitment lies in crafting and preserving legacies that withstand the test of time. While financial prosperity is undoubtedly important, we believe true wealth extends beyond numbers—it's about the lasting imprint a family leaves on the world.

Our multifaceted services go beyond the immediate financial horizon, delving into comprehensive legacy planning strategies. We work intimately with families, understanding their unique narratives, values, and aspirations to create a customized roadmap for generational success. Our legacy-focused approach sets us apart, making us partners in the enduring success of the families we are privileged to serve.

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# Acuity Partners



**The Acuity Partners** is a corporate finance law firm.

In this fast-changing and interconnected world, Acuity Partners prides itself as the firm you can depend on for fresh thinking combined with proven experience. Whether you're looking to set up a business, structure & organise your systems, expand into new markets, consider capital from new sources, or deal with complex regulations & transactions, Acuity Partners are equipped to help.

In line with the purpose of strengthening the world's economy, Acuity Partners equips you with holistic commercially minded advice to help you navigate through a myriad of business complexities and provides agility for long-term success.

When you are doing something for the first time, you can turn to the Acuity Partners team. Their innovative & tailored approaches will enable you to succeed as they create opportunities regardless of the hurdles.

They excel in matters that require legal innovation. It is what gives them their cutting-edge.

Beyond the delivery of excellent services, they provide practical and enduring solutions that will keep you coming back. The team of lawyers & consultants know the markets as well as the regulatory landscape and we collaborate with industry experts to give the right advice when it matters most.



# Fort Holdings



**Fort Holdings** is a multifaceted and dynamic network of businesses that stands out for its unwavering commitment to delivering tailored, exceptional, and innovative services to a diverse spectrum of African businesses & families. As a dynamic holding company, we oversee a range of specialized entities dedicated to empowering African businesses, individuals, and families. Our core vision is to build sustainable success across generations and empower our clients to achieve their aspirations.

Our businesses are across various sectors and industries and are distinct entities, each a leader

in its field - **The Acuity Capital, The Legacy Haus, The Family Business Network** and affiliated law firm The Acuity Partners. Our diverse holdings are meticulously structured to meet the evolving demands of the African landscape, offering a seamless blend of legal counsel, family legacy & wealth management, strategic investments, and collaborative networking.

Fort Holdings offers a comprehensive Suite of services that encapsulate the four fundamental pillars of business success: finance, legal, operations, and business optimization.



**The Acuity Capital** empowers African businesses to Navigate the complex world of finance with confidence. By offering expert financial services through its core solutions - private equity, private credit advisory services and ring-fencing, clients have access to invaluable insights and strategies to help them make informed financial decisions. Whether it is securing funding, managing Investments, or optimizing financial structures, Acuity capital is the trusted partner that facilitates and propels financial success across the African continent.



**The Legacy Haus** is our ... multifamily office dedicated to preserving and growing the legacies of families and individuals ensuring that they stand the test of time. With a deep understanding of heritage and values, our mission is to provide comprehensive solutions that enrich every aspect of our clients lives to preserve & grow their wealth and protect their legacies across generations. Our services include Family Trust Services, Family Governance & Legacy Planning, Financial Planning & Private Wealth, Family Business Advisory, Lifestyle Concierge, Tax Advisory, Family Charities, Property Advisory and more.



**The Family Business Network** brings the power of collaboration and shared wisdom to the forefront. It acts as a nexus for family-owned enterprises, providing a platform for networking learning, and mutual growth. By fostering a community of like-minded businesses, The Family Business Network nurtures a culture of support, exchange of ideas, and shared experiences, all of which contribute to the long-term success and sustainability of family businesses.



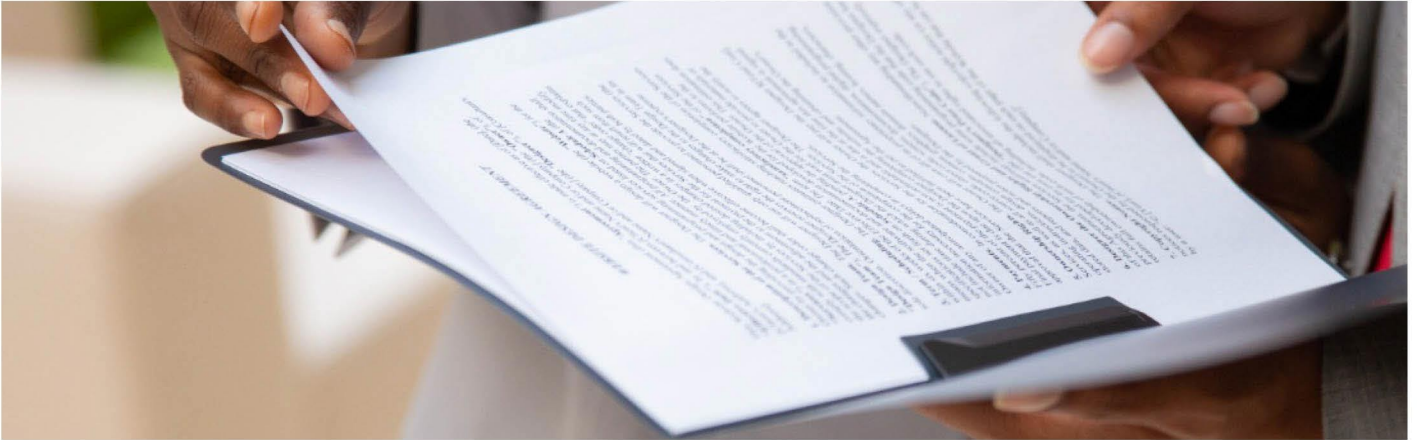
**The Acuity Partners** is a corporate finance law firm and the legal arm of the network, ensuring that clients have access to comprehensive legal advice. With a deep understanding of the intricacies of corporate and finance law and an unwavering commitment to ethical practices. The Acuity Partners is a reliable partner for legal matters, offering clients the assurance and support they need to navigate the legal landscape confidently.



Collectively, Fort Holdings and its subsidiary entities and affiliates have become a trusted and valuable resource for businesses seeking not only growth and prosperity but also strategic well rounded support that empowers them to thrive in today's ever-evolving corporate landscape.

At Fort Holdings, we envision a future where African businesses, families, and individuals achieve enduring Success. We're committed to providing tailored solutions, expert guidance and unwavering support to help our clients realize their goals.

# Executive Summary



In the dynamic landscape of African wealth management, the concept of preserving wealth and legacy holds significant importance. This white paper delves into the indispensable role of Multifamily Offices (MFOs) safeguarding and nurturing legacies for African families for generations to come.

Understanding the concept of a family office is fundamental to grasping the intricate tapestry that forms the foundation of legacy preservation. Family offices, particularly multifamily offices, serve as your family's expert counsel for financial stewardship, providing a comprehensive suite of tailored services that extend far beyond traditional wealth management. Through a curated blend of financial, legal and advisory services, MFOs cater to the individual needs of African families, fostering an environment conducive to preserving their cultural heritage and long-term prosperity.

The evolution of family offices has been marked by a shift from a singular focus on wealth management to a holistic approach that encapsulates legacy planning. Within the African context, legacy planning holds

profound significance, weaving together financial prudence and cultural heritage to ensure that wealth transcends generations. This white paper delves into the nuanced merits of legacy planning for Africans, emphasizing the importance of sustaining family values, amplifying wealth, and nurturing impactful legacies.

While family offices have gained prominence globally, this carefully crafted document focuses on the challenges faced by African families in adopting this multigenerational wealth management & legacy planning solution. These challenges include a lack of awareness, superstition, a shortage of expertise, cost considerations, cultural influences, and perceived risks.

Exploring current trends, we spotlight the dynamic landscape of preserving legacies and generational wealth for African families. MFOs leveraging technological advancements play a pivotal role in this space-employing innovative solutions to streamline operations and enhancing client experiences, all while, navigating the complexities of legacy planning in a digital era.



# Defining a Family Office?

In a study conducted by the Williams Group Wealth Consultancy, more than 90% of family fortunes disappear within three generations from the creation.<sup>1</sup> This exposes the fact that sustaining a family's amassed wealth over time requires deliberate steps & strategic management.

Just like many modern applicable concepts across various industries, the concept of family office can be traced back to the old era; as far back as the 6th century - beginning with the earliest form of stewardship amongst royal families. Initially, a king's steward was responsible for managing the royal wealth a practice that later extended to aristocratic circles. This stewardship concept emerged because royal elites were among the few with the resources to accumulate vast wealth, leading them to enlist close confidants to help oversee and grow their fortunes.

As societies evolved, the need for structured wealth management became more evident. Examining Nigeria, the Dangote family stands as a prominent example. While not explicitly termed a family office, the Dangote Group, spearheaded by Aliko Dangote, operates as a conglomerate spanning various industries such as cement, sugar, salt, and others. The family's approach to wealth management involves a meticulously crafted and diversified strategy, reflecting the complexities of managing significant assets across diverse sectors.

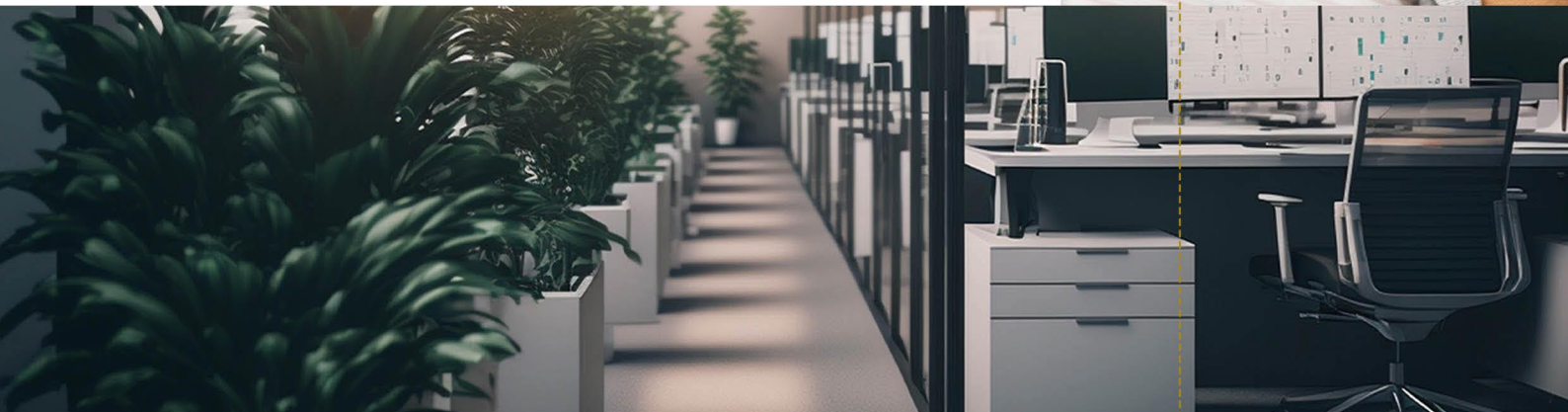
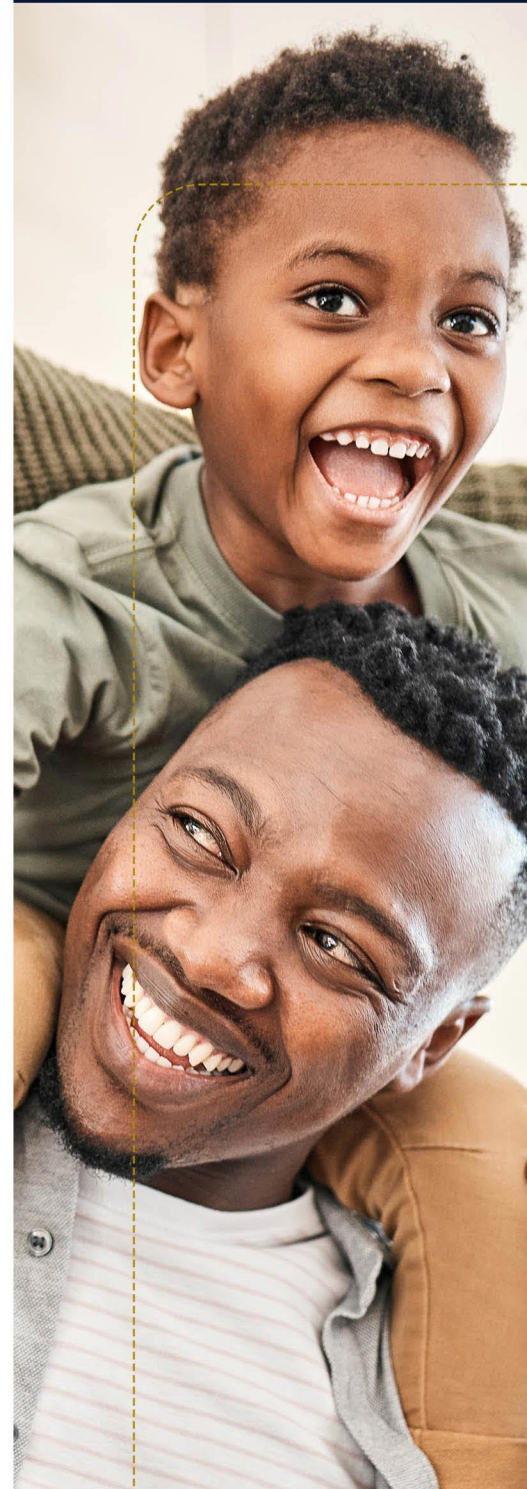
The deliberate steps to wealth accumulation, preservation and intergenerational transfer, necessitates the setting up of structures designed to manage and shield the family's wealth from dissipation. This is the idea behind the creation of family offices - bespoke structures designed to manage, safeguard, and perpetuate family legacies and wealth across generations.

**A basic definition of a family office is as follows:**



Family offices are private wealth management advisory firms that serve ultrahigh-net-worth (UHNW) investors. They are different from traditional wealth management shops in that they offer a total outsourced solution to managing the financial and investment side of an affluent individual or family.”

- *Investopedia.com*





While this is a generally acceptable definition, it is more academic in nature than practical. The needs of each family are complex and unique; therefore, it is understandable that there is no universal standard as to the nature or structure to meet the varying needs. The unique nature of the family office structure is the flexibility it offers in providing the level of service that large firms, with thousands of clients to support, are simply unable to accommodate. In practical terms, the range in size, function, set-up, and services of a family office varies.

In most climes, the services were limited to the UHNWIs. However, in recent times high-net-worth (HNWI) individuals have become primary users of the structure. In the case of The Legacy Haus, we are reducing entry barrier to accommodate families of African descent who are high earners and are looking to set up structures for their families.

**At The Legacy Haus we give a more practical definition:**



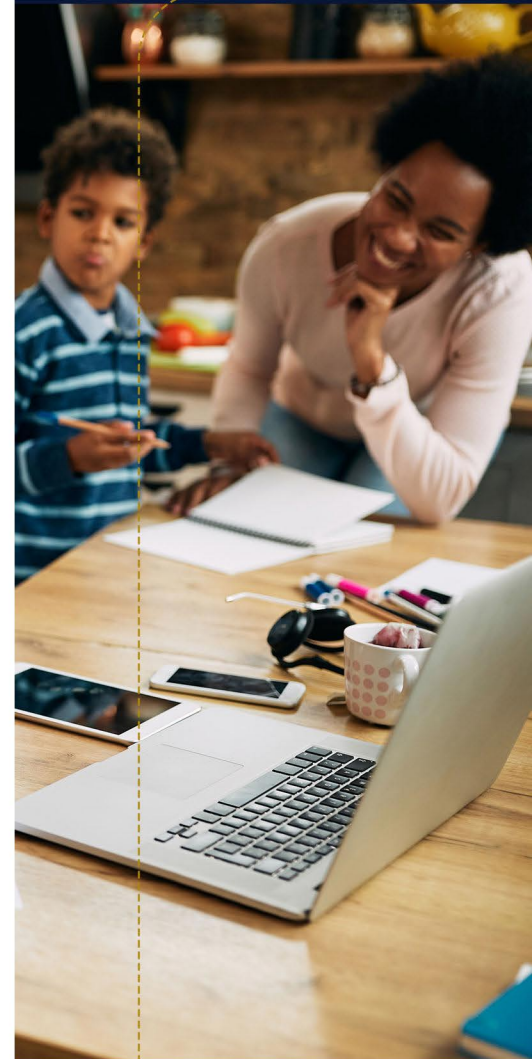
A family office is a private organization that serves the needs and interests of individuals and/or families, especially in terms of preserving, growing, and transferring their wealth and legacy across generations.

A family office can help the individual or family define and achieve their vision, values, and goals, as well as protect their assets and reputation.

The most striking element in this definition is the inclusion of other services beyond wealth. A well and intentionally structured family office is more than wealth management.

It includes structures around succession planning, family governance, financial planning, family business advisory, family charities, lifestyle concierge management, etc.

**Hence, the shift from conventional wealth managers to the broader scope of services offered by multi-family offices (MFOs).**







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# A Family Office's Objectives

A family offices offer comprehensive tailored services, including family wealth management, investment advisory, legal services, tax planning, estate management, philanthropic endeavours, and lifestyle support. The primary goal of a family office is to ensure the holistic success of the family which includes preserving and growing multi generational wealth and legacies, while customizing strategies to meet the unique needs and preferences of each family. Family offices can take the form of embedded family offices (EFOs), single-family offices in (SFOs) dedicated to one family or multi family offices (MFOs) serving multiple families, adapting to the complexities of modern financial markets and evolving family dynamics.

**While each family office is as unique as the DNA of its founder, there are some common goals that most family offices tried to achieve:**



- Provide a formal structure for the management and governance of the family's wealth
- Promote the families legacy, vision and values
- Coordinate, integrate and consolidate customized services for the family
- Manage economic and personal risk for the family
- Capitalize on economies of scale gained from consolidated family wealth accumulation, such preferential investment access fees reductions
- Maintain confidentiality and privacy of family affairs.

Prominent African family offices, such as the TY Danjuma Family Office and the Mary Oppenheimer Daughters Family Office (MODO), exemplify successful wealth management and diversified investment strategies across various sectors, preserving legacies while expanding into new avenues.

These examples underscore the multifaceted role of family offices in managing diverse portfolios, spanning real estate, private equity, alternative investments, and philanthropic ventures. The TY Danjuma Family Office in the United Kingdom, is a privately held single-family office that handles the assets of Nigerian billionaire and former defence minister Theophilus Yakubu Danjuma.

The office handles assets across multiple investment spheres Such as public market equity and fixed-income portfolios, alternative investments, real estate, and direct private equity investments.

It manages the TY Global Conservative Fund an open-ended USD mixed-asset fund incorporated in Singapore with a bias towards emerging

markets. The firm also invests in everything from art and movie production to industrial gases and pharmaceuticals.

The Mary Oppenheimer Daughters Family Office (MODO) manages the assets of the grand daughter of the legendary South African diamond and gold mining entrepreneur, Sir Ernest Oppenheimer. It is structured as a single-family office that has locations in Johannesburg, London and the Isle of Man. MODO diversifies into sectors such as horse racing, arts, and industrial ventures. While asset allocations are a closely held secret, MODO made the headlines in 2020 when it gave a \$5.5-million lifeline to Phumelela, South Africa's biggest horse racing company, after the racetrack owner filed for a local form of bankruptcy protection, Oppenheimer-Slack, a horse racing enthusiast, owns the Wilgerbosdrift stud farm. She was the founder of Business and Arts South Africa in 1997 and served as its first chairwoman.

By offering an array of specialized services and strategic investment approaches, family offices safeguard and expand generational wealth while embodying the family's values and aspirations.







# The Evolution of Family Office

Over the years there has been a progressive evolution of family offices to adapt to the changing landscape of wealth management and the diverse needs of families. Three primary types of family offices have emerged: the Single-Family-Offices (SFO) and the Multi-Family-Offices (MFO).

However, there is also the Embedded-Family-Office (EFO). Each type offers distinct advantages and potential risks, catering to varying scales of wealth management and family needs. A striking feature of the EFO, unlike the SFO and MFO which are separate legal entities used to ring-fence the family asset from the business, the EMO is still strongly linked to the family business.

# Embedded Family Office (EFO)

Embedded Family Offices (EFOs) emerge organically within family businesses, where certain employees or executives simultaneously handle both business and family-related financial matters. It's a naturally evolving structure, often seen as a perk<sup>6</sup> within the family enterprises and a part of the "company culture."

Yet, despite their innate convenience, EFOs entail certain risks that, if not managed properly, could lead to adverse outcomes. Let's delve deeper into these risks and potential liabilities:

## A. LEGAL EXPOSURE:

One of the key reasons for forming an entity to manage a business or assets is to avoid personal liability and to establish creditor protection, known in law as the "corporate veil." Since EFOs are often not separate from the family business, they lack the separate legal personality that provides the corporate veil over the assets they seek to protect.

Blending the business with personal matters can warrant "piercing the corporate veil" when a third party establishes that there is no real difference between the family business and the operators of the business and the business is being used for fraud. There is the likelihood of exposing family assets to business-related liabilities, especially if no clear delineation exists between the family's personal wealth and the business's assets.

Personal liability may also be transferred to the family business since the directors of the business and operators of the family office are mostly the same persons.

## B. AUDIT EXPOSURE:

The intertwining of personal and business matters within EFOs might attract scrutiny from tax authorities, potentially leading to deeper audits. Instances where business funds are used for personal expenses might trigger audits, causing not only distractions but also potential penalties for both the business and the family. Once a government auditor finds one misstep, a Pandora's Box may be opened for a deeper audit.

Not only is this a distraction to the business and employees, but an unsuccessful audit defence for an EFO can lead to family business and personal penalties.

## C. BANKING EXPOSURE:

Institutional lenders like banks usually include the use of proceeds clauses in loan covenants to elicit a promise from the borrower (the family business in this case) to use the loan for the business and not the family. However, due to the co-mingling of assets in EFOs, the lender may consider working capital used to support the family and its personal affair not only as a breach of trust and loss of credibility but likely a breach of loan covenants, causing a possible event of default to warrant early liquidation demand.

Once this breach is discovered, the lender (and lending community) looks differently upon the family business – with less favourable terms, higher costs, and even potential loan default, disrupting business operations and affecting the family's financial stability.



# Embedded Family Office (EFO)

## D. BUSINESS LICENCE EXPOSURE:

EFOs do not fully protect family businesses in heavily regulated industries (i.e., oil and gas, medicare, pharmacy, financial services, etc.). Comingling business assets with family in these industries might lead to regulatory breaches and threaten business licenses. Such actions could result in penalties, contract forfeiture, or even license revocation, impacting.

## E. OPERATIONAL EXPOSURE:

A Mismanagement of an EFO either due to poor decision-making or staff incompetence can compromise both the family's privacy and the quality of services. This mismanagement may also expose sensitive financial information; divert the office's focus, increase operational costs, and hinder the business's performance in comparison to industry/competitors.

## F. EXIT OR SALE OF THE BUSINESS LIMITATIONS AND CONSIDERATIONS:

EFOs raise two primary considerations from a pre-sale and post-sale perspective:

**Pre-sale - optimisation of the purchase price is difficult where the family business was poorly managed; and**

**Post-sale - Key employees and support staff are part of the value and sale of the business. The buyer might be expecting those employees to remain with the business and no longer permit them to provide services to the family. Often, the employees themselves will want to remain with the buyer for a variety of reasons as well.**

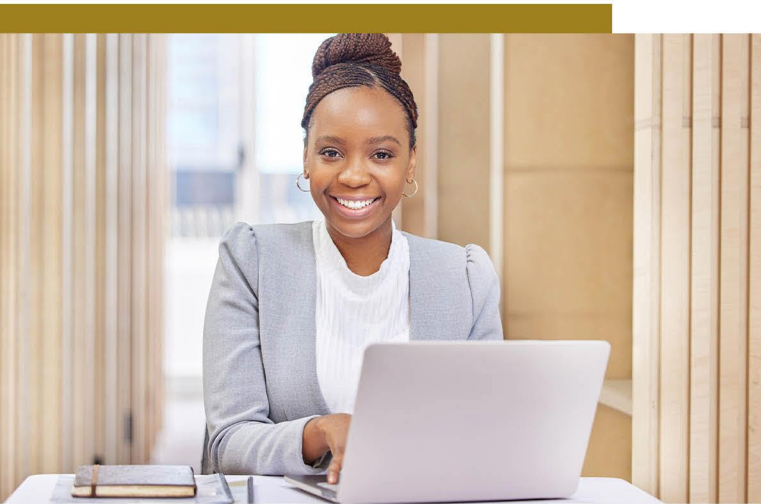
Poor management of the family business can affect its attractiveness for sale, while the transition may impact employees' roles and continuity.

Consider the example of a family-run manufacturing business where personal expenses are occasionally charged to the company account. Such practices might attract tax authority attention during an audit, potentially resulting in penalties for both the family and the business. This could disrupt operations and tarnish the family's financial reputation.

Navigating these complexities highlights the importance of proper structuring and management, especially when balancing family and business within an EFO context



# Single Family Office (SFO)



Single Family Offices (SFOs) stand as dedicated entities established to manage the extensive financial and personal needs of a single affluent family. Often structured as a private limited liability company, an SFO exclusively handles non-business-related activities, focusing solely on preserving and growing the family's wealth. The attractive feature of this model is the exclusivity enjoyed by the originating family as the financial capital managed by the single-family office is the family's wealth.

SFOs, however, need to overcome multiple challenges to meet the complex requirements involved in managing the assets of wealthy families. Some of the challenges of SFOs are:

## **A. INCREASED TAX LIABILITY:**

Creating an SFO to manage family assets means that the originating family has another corporate entity with tax liability in addition to the family's financial landscape. Furthermore, members of the family who are employed in the family business and the SFO are liable to more income tax thus amplifying financial complexities for the family.

## **B. FINDING THE RIGHT PARTNERS:**

Given that SFOs cater exclusively to the originating family's needs, selecting external partners and financial service providers becomes critical. The alignment between family members and service providers in terms of strategy, expertise, and interpersonal dynamics is fundamental but often challenging. The list of potential partners is usually narrowed down due to the experience requirements and personality needs of members of the family.

## **C. HUMAN RESOURCE RECRUITMENT AND RETENTION:**

The limited selection pool intensifies the challenge of recruiting and retaining suitable talent for SFOs. As highlighted in Credit Suisse's 2021 Single-Family Office Study, 51% of respondents cited recruitment and longterm retention of staff as one of the biggest problems facing SFOs over five years.<sup>10</sup> The restricted talent pool exacerbates competition for skilled professionals, increasing costs associated with staff recruitment and retention.

Historically, SFOs were considered the gold standard for managing family wealth. However, due to the structural challenges and the associated costs, even the wealthiest families found this approach unsustainable. This is why many African families are now turning to multi-family offices, recognizing their viability and modern approach in navigating the complexities of wealth management.



# Multi Family Office (MFO)



MFOs stand at the intersection of modern-day wealth management strategies, catering to a collective of families. This structure efficiently addresses the limitations of a Single Family Office (SFO) and the complexities of an Embedded Family Office (EFO), offering a contemporary and cost-effective approach to managing family wealth. This modern widely accepted structure maintains the benefits that a family office can offer while bringing down costs through leveraging economies of scale. MFO is a good option for African families who are looking for a more cost-effective alternative to an SFO.

Modern-day multi-family offices provide a wide range of services beyond wealth management, encompassing trusts and estates, taxes, family governance, philanthropic work, education consulting for global learning experiences for the kids, and family expense management. These bespoke services underscore the immense value of engaging a family office.

Some of the benefits of an MFO are:

## **A. OBJECTIVITY:**

Although MFOs do not offer the same level of independence as a single-family office, they offer a high level of objectivity. With SFOs, investment decisions are more likely to be influenced by family members and associates who are not necessarily qualified to do so. This can negatively impact performance and conflicts can arise. MFOs, on the other hand, offer a balanced approach, drawing from a team of industry experts. This impartiality minimizes conflicts and biases, fostering better decision-making.

## **B. COST EFFICIENCY:**

An MFO provides superior economies of scale and is far more cost-effective. A family office is costly to set up and the administrative overheads are high.

However, when these overheads are shared across multiple families, these costs are significantly reduced.

# Multi Family Office (MFO)

## **C. ENHANCED BUYING POWER AND EXPERTISE:**

By combining wealth and expertise, an MFO enjoys greater negotiation power and a greater capacity to secure investment deals that would not otherwise be possible without pooled resources. This diversity of experience and exposure to broader internal and external business ecosystems enables MFOs to keep up with current trends and best practices tap into broader networks and innovate.

## **D. SINGLE TAX LIABILITY:**

Since MFOs are independent businesses, the likelihood of double taxation for a separate entity managing the family business does not arise. The MFOs pay their taxes distinct from the earnings of family assets.

## **E. CONTINUITY AND TALENT MANAGEMENT:**

MFOs generally take a long-term view when it comes to the management of their internal teams. This may be a by-product of managing multiple clients or having a more established structure, but the point is that they are more likely to have the systems and protocols in place to ensure continuity when there are personnel or business disruptions. SFOs often experience significant impacts when key personnel become unavailable or redundant.

Good as it appears, though, MFOs have their risks and challenges which we explore below. However, over time, mitigating devices have been developed to address the majority of the risk factors with MFOs. Some of these risks and mitigants are:

### **a. Confidentiality and data security:**

One of the biggest reasons families opt for an SFO is the priority placed on privacy. While SFOs excel in privacy measures, MFOs might sometimes struggle to maintain stringent data security protocols. Nevertheless, agreements and evolving technologies provide viable solutions to mitigate data breaches.

Additionally, MFOs operated by legal practitioners enjoy client-attorney privilege as an additional layer of confidentiality and data protection.

**b. Alignment of purpose:** MFOs' diversified clientele might not fully align with the singular vision and values of individual families. However, in modern practice, MFOs now develop schemes that reinforces important family values as criteria for vesting property in family members thereby bridging the gap and preserving family identity and values.

The Legacy Haus Multifamily Office is a refined solution crafted to optimize the benefits of MFO while mitigating risks. We conducted meticulous analyses to tailor our systems to suit the specific needs of African families, empowering them to achieve multigenerational wealth transfer, legacy preservation, and holistic success. By embracing contemporary trends and innovative strategies, we're dedicated to reshaping the landscape of family wealth management in Africa.





## Legacy Planning within the African Landscape

We have found the topic of legacy planning to be a rather uncomfortable topic in many African homes. The concept of legacy planning itself is particularly important due to the region's reliance on the informal sector and the unique value placed on cultural assets. However, we've seen so many factors hinder the embrace of this concept for many Africans.

On a larger scale, legacy planning plays a significant role in driving the socio-economic development, economic growth, and cultural preservation in Africa. According to the World Bank study in its report titled it was found that regardless of the global economic uncertainties, African families that implement legacy planning strategies are twice as likely to preserve their wealth for more than three generations. Most of these families have their investments or family businesses domiciled in the region. The UBS 2023 Global Family Office report shows that 55% of the present family office investments in Africa are willing to preserve their portfolio as it is, while only 4% we looking to decrease their investment in the region.



However, one of the major drawbacks of legacy planning has been the focus on financial planning alone. This approach limits the full potential of a well-grounded family office structure and the role it plays in legacy planning. A proper plan is expected to be a holistic approach that encompasses estate planning, family governance, succession planning, and cultural preservation. Despite the clear benefits of legacy planning, only a few African high-net-worth individuals (HNIs) take action to implement it. In fact, over 64% of HNIs in Africa do not have a documented legacy planning document or communications that would help with seamless transaction and preservation of family legacy.

*Several factors may contribute to this lack of action, including:*





## Legacy Planning within the African Landscape

### **Cultural beliefs and superstitions**

Legacy planning is a sensitive topic in some African cultures. For example, the Ashanti people in Ghana generally believe that it is bad luck to plan for death, while the Zulu people in South Africa believe that legacy planning is a sign of disrespect and can bring bad luck. The Yoruba and Igbo people in Nigeria also generally believe that it is disrespectful to discuss legacy planning, especially since it can be seen as boasting.

### **Misunderstandings**

There are several common misconceptions about legacy planning, which can prevent people from engaging in it. One misconception is that legacy planning is complex and expensive. This is not necessarily true. Legacy planning can be as simple or as complex as needed, depending on the individual's circumstances. There are several resources and professionals available to help people with legacy planning, regardless of their budget. Another misconception is that legacy planning is only about the distribution of assets after death.

This is not entirely true. Legacy planning is also about preserving and transferring wealth, assets and values to future generations. Legacy planning can help to ensure that wealth is used to support the family and community and that it is consistent with the individual's values and priorities. Finally, some people believe that legacy planning is something that can be done later. However, it is important to start planning early. This gives individuals more time to consider their goals and to develop a plan that is right for them. It also gives them more time to talk to their family members and heirs about their plans.

### **Lack of trust**

A lot of Africans do not engage in legacy planning because of a lack of trust in family members, the government, and the legal system.





## Legacy Planning within the African Landscape

### **Lack of Awareness and Education**

Financial literacy is one of the fundamental problems residing in Africa and is a major reason why a majority of UHNI individuals do not take proper action for legacy planning. In the Global Findex Database, merely 31% of Africans possess a comprehensive understanding of financial products and services. This deficit in financial literacy profoundly impacts UHNIs and HNIs as it limits their understanding during discussions with legacy planners and wealth managers.

The information gap implies that these individuals may not be able to articulate their wealth preservation preferences, thereby increasing the risk that their assets may not be managed in the desired manner. Furthermore, this deficit in financial literacy heightens the likelihood that beneficiaries may not receive the requisite financial support or that the individual's wealth may not be preserved according to their intentions.

Similarly, the 2022 report from the African Development Bank titled *Driving Inclusive and Sustainable Growth* found that only 25% of UHNIs in Africa have a comprehensive legacy plan in place. This means over 75% of UHNIs are not taking action to plan their legacy which one way or the other is attributed to either a lack of awareness regarding its significance or little education about the issue. Importantly, the challenge of awareness and education in legacy planning extends beyond Africa's borders and resonates in countries across Europe, Asia, and North America.

A study by Campden Wealth and RBC Wealth Management titled *Insights from Global UHNW Investors*, disclosed that 47% of UHNIs in these regions express concerns about their heirs' preparedness to manage wealth effectively, while others appear less troubled by these considerations. This underscores the overarching importance of multifamily offices like the Legacy Haus, as they play a pivotal role in disseminating valuable insights to address the limitations arising from the lack of awareness prevalent among the vast population of the African continent and beyond.

### **Cultural and Social Pressures**

Culture holds a paramount position in Africa, serving as the cornerstone of society. The continent's rich cultural tapestry is vividly illustrated through its impressive representation on the UNESCO World Heritage List, which underscores Africa's status as the custodian of more heritage sites than any other continent. This profound significance is epitomized by the traditions and legacies of West African Griots, hailing from regions such as Senegal, Mali, and Guinea. These Griots are renowned for their powerful storytelling and their unwavering commitment to the intergenerational transmission of values. Similarly, Mali's Drogons are celebrated for their intricate cosmology.





## Legacy Planning within the African Landscape

The multifaceted diversity of African cultures and traditions not only endows the continent with a unique and enriching identity but also fosters an environment conducive to creativity and innovation. However, these deeply ingrained traditions and customs, while culturally invaluable, often present a barrier to individuals contemplating legacy planning or taking proactive steps to secure the well-being of future generations.

Cultural norms and societal pressures have long played a significant role in the realm of legacy planning, exerting a dual influence that not only constrains the scope of legacy plans but also diminishes their potential effectiveness. For instance, many African cultures steadfastly adhere to the tradition that the first male child should inherit the wealth and assets of their predecessor. Regrettably, this practice frequently results in the transfer of wealth to individuals who are ill prepared to manage it effectively, a circumstance vividly reflected in the fact that as per the 2021 World Bank report titled 'Africa's Pulse: A Time for Transformation' revealed, a mere 10% of businesses successfully transition beyond the second generation in Africa.

Additionally, the 2022 report on 'Driving Inclusive and Sustainable Growth' by the African Development Bank unveiled that 60% of HNIs in Africa prefer to divide their wealth equally among their offspring to preempt potential disputes, rather than engage in the strategic endeavours of legacy planning. However, this approach can inadvertently foment feelings of envy and jealousy within the family, particularly if certain children achieve varying levels of success.

Moreover, the equal distribution of wealth does not guarantee intergenerational wealth preservation and may result in profligate spending by the heirs.

Another intricate challenge faced by Africans in their pursuit of legacy planning emanates from the deeply ingrained traditions that shape their mindset and philanthropic endeavours. A multitude of tribes across Africa, including the Maasai, the Zulu, and the Yoruba, espouse the customary practice of sharing their wealth during their lifetime to support their communities and extended families. While this act is undeniably noble, it often leaves limited resources for the HNIs to bequeath to their beneficiaries upon their passing.

Furthermore, these individuals cannot guarantee that their wealth will be managed according to their wishes or effectively preserved under such circumstances. The utilization of a family office to facilitate these benevolent acts presents an alternative avenue, ensuring the efficient allocation of resources and the diligent management of wealth to secure its preservation, all while supporting charitable endeavours.

*The lack of information about the impact of legacy planning on maintaining and growing assets is likely one of the reasons why some people are hesitant to engage in it. To address this, desk research highlights the significant advantages of legacy planning for Africans.*



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# The Significance of Legacy Planning

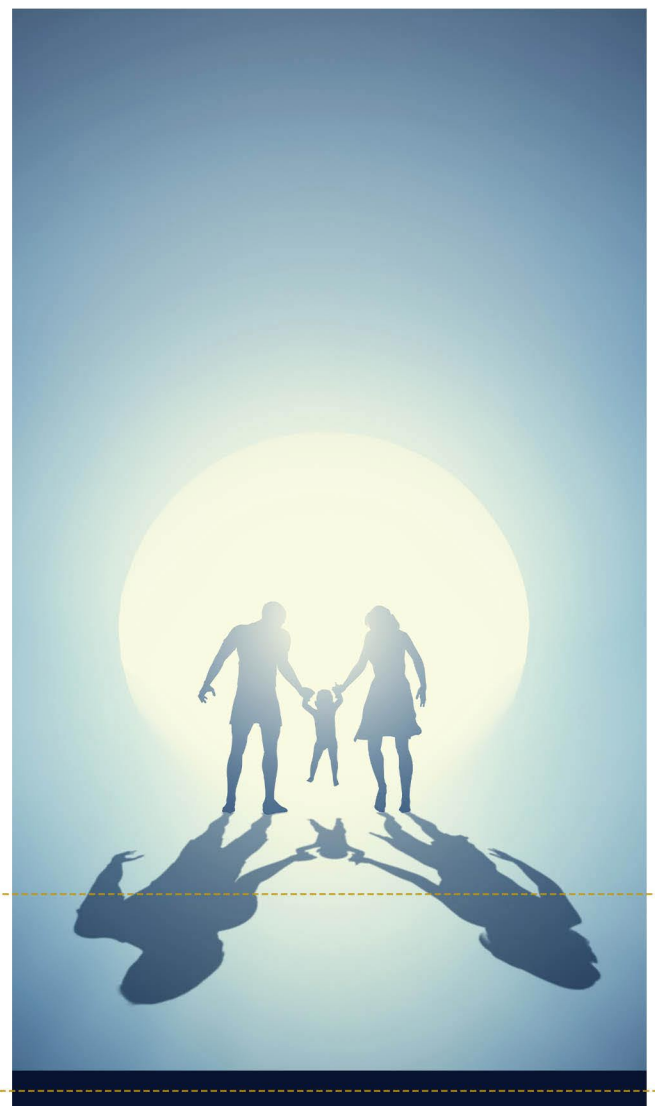
Legacy planning holds profound significance for African families, providing a strategic framework to secure intergenerational wealth, values, and heritage. Our comprehensive research, drawing insights from 20 articles on wealth management in underdeveloped countries, has illuminated critical themes that underscore the pivotal role of legacy planning within African contexts.

The prevalent themes were intergenerational transfers, intergenerational longevity, and inherited values. These themes were highlighted in over 62% of the articles. Other important themes included estate planning and wealth management, which were mentioned in about 50% of the articles. Minor themes included minimizing taxes and ensuring old-age security and gender centeredness.

The findings of this research are valid as they align with well-established facts in developed countries. Regarding developed countries, it has been established in previous research that family-owned businesses are reported to constitute up to 60% of GDP in the United States, generate an estimated 2/3 of employment in the United States, and create about 3/4 of new jobs. Similarly, regarding dynasty establishment, just a little below 25% of billionaires on the Forbes 400 list are inherited billionaires. Regarding intergenerational transfers, in the United Kingdom, it accounts for circa 33% of accumulated wealth.

According to the African Development Bank, 72% of HNWI's in Africa are interested in establishing dynasties, but just over 13% create a legacy plan, which is essential for dynasty establishment. This low number suggests that African HNWI's are not oblivious to the need to plan their legacy journey, they are just short of taking the necessary steps needed to implement the plan.

From this research and analysis of the impact of legacy planning on African families, we have showcased five critical reasons underscoring its significance.



## **Key Significance of Legacy Planning for Africans**

### **1. Intergenerational Transfers and Longevity**

*The research highlighted the importance of intergenerational wealth transfers among African families. Within African families, legacy planning facilitates the smooth transfer of wealth and values from one generation to the next, ensuring sustained economic stability and growth. Over 62% of articles highlighted its pivotal role in preserving family legacies, ensuring financial longevity, and safeguarding inherited values.*

### **2. Preservation of Values and Cultures**

*Legacy planning goes beyond wealth preservation; it safeguards the rich African heritage, values, and cultural legacies. Through succession planning, these cherished traditions are not only preserved but also nurtured for future generations.*

### **3. Wealth Management and Estate Planning**

*Legacy planning empowers families to manage their wealth strategically. Effective legacy planning safeguards assets and ensures their prudent management before and after an individual's passing. This preservation strategy is pivotal, considering that without a clear plan, a significant percentage of wealth is often lost within a few generations.*

*Around 50% of articles emphasized the importance of structured estate planning and effective wealth management, vital for sustained financial security and continuity.*

### **4. Business Continuity, Succession and Resilience**

*For family-owned businesses, legacy planning, particularly through succession plans, plays a pivotal role in ensuring continuity. These plans bolster organizational culture, maintain strategic leadership, and nurture future leaders, minimizing disruptions and uncertainties during transitions.*

*A clear succession plan ensures a smooth transition of leadership, preserving African values, traditions, and organizational culture. Family businesses, integral to Africa's economy, thrive when succession planning is a priority.*

*A succession plan ensures that a leader is in place to continue the business after the individual leaves the company due to retirement or other ventures.*

*A succession plan is an important part of a legacy plan because it ensures business resilience, dynasty establishment, and inherited values.*

*According to Harvard Business Review's article *How to Build Upon the Legacy of Your Family Business — and Make It Your Own*, individuals with a legacy plan inclusive of a succession plan are more likely to see their businesses thrive after their retirement.*

### **5. Reduced Wealth Inequality and Disputes**

*Legacy planning actively combats wealth disparities and family disputes that often arise in the absence of a clear strategy. An astonishing 87% of wealth in Africa is lost by the second generation due to inadequate planning. This loss leads to economic disparity and family disputes, impacting societal equality. By outlining asset distribution and management practices, it mitigates inequalities and fosters harmonious wealth transitions.*



The research emphasized that despite the clear advantages of legacy planning, a significant number of Africans express interest in establishing legacies, with 72% aspiring to build dynasties. However, only 13% actively create a legacy plan, leading to substantial wealth erosion within a few generations. There's a critical need for greater awareness and proactive steps to establish enduring legacy pathways for generations to come. Lack of planning not only impacts asset management but also contributes to business failures and the loss of cultural heritage.

In conclusion, legacy planning offers an invaluable opportunity to build intergenerational wealth, preserve cultural identity, and foster economic resilience. By embracing strategic legacy planning, African families can ensure sustained prosperity, uphold their heritage, and leave a lasting impact on future generations.





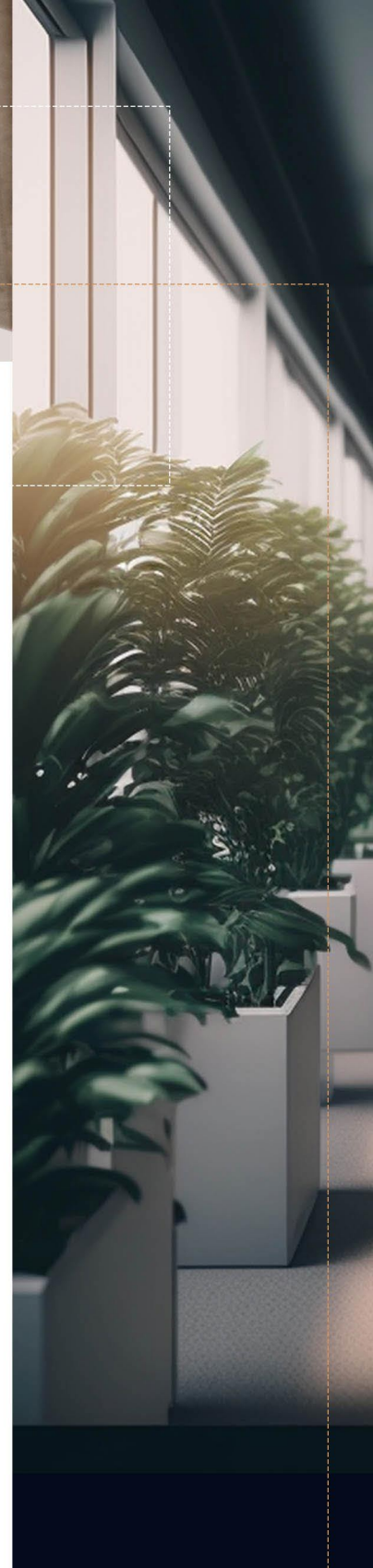


# The Role of Multifamily Offices in Legacy Planning

Multi-family offices play a pivotal role in facilitating effective legacy planning for the transfer of wealth, assets, values and traditions across generations. MFOs play a pivotal role in preserving Africa's wealth and cultural heritage.

With less than 1% of the world's total wealth, Africa's resources are crucial for global development. MFOs contribute to ensuring the preservation and expansion of this wealth. The strategic management of Africa's resources is vital to prevent external dominance and secure the continent's invaluable assets. Comprehensive legacy planning becomes imperative for African families to safeguard against potential control by external entities.

Unlike Europe, where legacy planning is prevalent, Africa faces a significant gap, with only 5% - 10% utilizing viable legacy plans. This raises concerns about the sustainability of Africa's wealth in the face of Europe's proactive approach. The key driver to close this disparity/gap is engaging with MFOs which are specialised firms offering a comprehensive suite of services geared towards ensuring multigenerational legacies and wealth.





## ***Here are the key advantages of Legacy Planning with MFOs:***

### **1. Holistic Family Approach**

One of the key benefits of using an MFO for legacy planning is that MFOs can provide a holistic approach to family wealth & lifestyle management. This involves considering the needs of the entire family, both the present and future generations, when formulating a legacy plan. They understand that legacy planning is not just about financial assets but encompasses the entirety of a family's values, aspirations, and heritage. By adopting a holistic family approach, MFOs tailor strategies that align with the unique dynamics of each family, ensuring that the legacy plan resonates with the core values of the family unit.

### **2. Legal and Regulatory Navigation**

Across the diverse landscape of African countries, each with its unique legal and regulatory environment, navigating the complexities of legacy planning can be challenging. MFOs help families navigate the complex legal and regulatory environment surrounding legacy planning in Africa. They bring a deep understanding of these nuances, offering invaluable expertise to ensure that the legacy plan adheres to all legal requirements and regulatory frameworks.

### **3. Customised Family Wealth Strategies**

Another important significance of multifamily offices in Africa is the specialized solutions tailored to the unique challenges faced by each family or culture. Africa is a very diverse continent with over 3000 tribes in 54 countries with countries like Nigeria with over 350 tribes, Cameroon and Congo with 250 tribes each, and Tanzania and Malawi with 130 tribes each. These tribes have their distinctive cultures, traditions, and values which get more complex when two or more tribes are joined by marriage or any other sort of partnership.

Through the use of multifamily offices, these families can have a structured legacy plan that simplifies all complexities to resonate with the unique essence of each family. Legacy planning involves more than just distributing financial assets. MFOs work closely with families to craft personalized strategies that encompass financial investments, real estate holdings, education plans, business interests, and even intangible assets like family traditions and values. This tailored approach ensures that the legacy plan is comprehensive and aligned with the family's long-term vision.

### **4. Continuity Planning**

Effective legacy planning extends beyond a single generation. MFOs assist families in establishing structures and mechanisms that ensure the seamless transfer of wealth to successive generations. This involves education and preparation for heirs, establishing family governance structures, and implementing strategies for the sustained growth of family assets.

### **5. Preservation of Cultural Heritage**

Africa's rich cultural diversity adds another layer of complexity to legacy planning. MFOs recognize the importance of preserving cultural heritage as part of the legacy. Through careful planning, families can ensure that cultural values, traditions, and heritage are passed down along with financial assets, fostering a sense of identity and continuity.



## 6. Adaptability to Changing Circumstances

The economic and social landscape is subject to change. MFOs build flexibility into legacy plans, allowing for adjustments in response to changes in the family structure, economic conditions, or legal requirements. This adaptability ensures that the legacy plan remains relevant and effective over time.

As you look to create enduring legacies that transcend generations, MFOs emerge as indispensable partners in this journey. Through their comprehensive and personalized approach, MFOs provide the expertise needed to navigate the intricacies of legacy planning, ensuring the preservation of wealth, values, and heritage for generations to come.

In addition to legacy planning services, MFOs also provide families with a variety of other tailored services, such as investment management, trust services, lifestyle concierge, tax planning, concierge services, legal advisory and family governance services. This can be particularly beneficial to help unify the solutions to your needs under one 'umbrella'. With this system you get to protect your most valuable asset: **Time.**



A photograph of two Black men shaking hands in a professional setting. The man on the left is wearing a blue and white checkered shirt, and the man on the right is wearing a dark suit jacket, a white shirt, and glasses. They are both smiling and looking at each other. The background is a dark, textured wall.

## Legacy Planning by Africans Case Studies

### **Case 1: Legacy Planning Through Trust**

This revolves around a family having a family business and substantial assets who opted to establish a trust as a means to safeguard their wealth. The trust holds a majority of the family business or wealth and prolongs the legacy of the family patriarch. An example is the Ackerman Family Trust in South Africa which owns 53% of Pick 'N' Pay, one of the most popular and largest retail outlets in South Africa. Pick 'N' Pay was established in South Africa in 1967 by Raymond Ackerman. Since then, Pick 'N' Pay has gone on to be listed on the Johannesburg bourse, but it still remains a family business for the most part.

Raymond Ackerman's legacy in Pick 'N' Pay has been preserved over the years through the family trust which holds majority shares in the company. His first son Gareth Ackerman took over as chairman when Raymond stepped down in 2010, and Gareth's siblings occupy senior positions in the company: his sister, Suzanne Acerkan-Berman, serves as Transformation Director at the company while Jonathan Ackerman is the Executive Director.



# Legacy Planning by Africans

## Case Studies



### Case 2: Family Office Structure

This case revolves around a family that has maintained its economic position through an embedded family office structure. The Kenyatta Family Business, founded in 1960 by Mzee Jomo Kenyatta, the first president of Kenya, is currently a vast business empire spanning extensive land holdings in Kenya, a string of hotels, Kenya's largest dairy company, a media outfit and a stake in a large commercial bank. Since Mzee's death in 1978, the family wealth has been passed down through successive intergenerational wealth transfers, first his wife, Mama Ngina Kenyatta, then President Uhuru Kenyatta, and now Muhoho Kenyatta. The Kenyatta family, reportedly, controls a significant portion of the national economy through diverse investments and the family's economic longevity traces to the intergenerational transfer of wealth through an embedded family office system.

The TY Danjuma Family Office in the UK handles assets across multiple investment spheres for the Danjuma family, while Oppenheimer's MODO in South Africa diversifies into sectors such as horse racing, arts, and industrial ventures. These family offices operate with the intention of preserving and growing.



# Legacy Planning by Africans

## Case Studies

### Case 3: Establishing a Succession Plan

According to Forbes, the survival rate of most African family businesses beyond the founder's generation is extremely low. Many African family businesses, and by extension the wealth of prominent African families, that were unsecured by a trust or family office plan failed soon after the founder's death. For example, the late Nigerian business mogul, Moshood Kashimawo Abiola, who at one point was believed to be one of the wealthiest men in Africa, successfully built one of Nigeria's biggest business empires consisting of an airline, a chain of newspapers, extensive real estate, fisheries and retail. After his death in 1998, his businesses crumbled. None of them exist today.

In contrast, is the succession planning system afforded to the Dantata Family by its family office structure, the Dantata Organization. The Dantata Organization was founded around 1910 by the patriarch of the Dantata family, Alhassan Dantata, who started trading commodities such as kolanut, cocoa, beads and groundnuts in Lagos and Accra under the company name, Alhassan Dantata & Sons Limited. Upon Alhassan's death in 1955, the mantle of running the business fell on his 4 sons, Mamuda, Sanusi, Ahmadu, and Aminu. Of his four sons, only Aminu, his last son who is aged 82 is still alive.

However, Aminu's eldest son, Tajudeen Aminu Dantata is now in charge of the overall family business. He took the reins of the business in 1988, starting off as Group Director in Dantata Organisations Limited, a position he held until he was appointed Group Managing Director in 1994. The Dantata Organization is a large conglomerate with interests in oil exploration, manufacturing, banking and finance, import and export, farming as well as merchandising and commodity trading. Companies in the group's fold include Dantata & Sawoe Construction, a leading construction firm, Bebeji Oil & Allied Products Limited - a petroleum marketing company, Express Petroleum & Gas Company Limited- an oil exploration company, Dantata Property Development & Management and Kundila Finance Company among others. The group's annual revenues exceed \$300 million annually.



# The Use of Technology by MFOs

The contemporary economic landscape has witnessed a pervasive wave of technological integration and the adoption of Artificial Intelligence (AI) across various industries. The family office sector is no exception to this transformative trend. To effectively cater to their clientele, family offices must harness these cutting-edge technologies and tools, which play a pivotal role in not only managing wealth but also in perpetuating it across successive generations. This technology surge has ushered in an era where wealth managers and legacy planners can offer highly personalized, data-driven, and

Clients are also able to monitor their individualized investments and portfolios in real-time through user-friendly platforms, thereby enhancing user experience and bolstering client relationships. The incorporation of modern tools and technologies into the realm of legacy planning brings forth a multitude of advantages. This section is dedicated to elucidating the array of tools designed for legacy planning, their indispensable role in safeguarding family legacies across generations, and the manifold benefits stemming from the seamless integration of these technological innovations with traditional methods.





# Tools Transforming Legacy Planning

*The integration of new technologies into the operational framework of family offices enhances processes and will mitigate or eradicate repetitive, manual, and time-consuming processes.*

*Various instrumental tools are at the disposal of legacy planners to facilitate effective legacy planning. These tools encompass:*

## **1. PORTFOLIO MANAGEMENT SOFTWARE:**

Platforms like Ellevest, Wealthfront and Quicken assist in meticulous investment tracking, offering investors comprehensive portfolio oversight. These specialized softwares leverage diverse programs to aid wealth managers in the meticulous tracking of investments within designated portfolios. Furthermore, it empowers investors to monitor their portfolios comprehensively. It furnishes wealth managers with the capability to scrutinize asset data within a portfolio, ensuring real-time awareness of all transactions.

## **2. AUTOMATED FINANCIAL ADVISOR SOFTWARE (ROBO-ADVISORS):**

These platforms offer automated investment and wealth management counsel based on the investor's risk tolerance. Additionally, they execute automated financial activities, such as trade executions, and streamlining legacy planning. Prominent examples of such software include: Schwab Intelligent Portfolios, Acorns, Robinhood Invest, and similar offerings.

## **3. CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SOFTWARE:**

CRM software serves as an indispensable tool for multifamily offices in managing and engaging their extensive clientele. It affords features for scheduling meetings, booking calls, customer data tracking, and other customer-related functions. Automation of tasks like email campaigns and customer purchase history tracking is also facilitated, aligning with the core principles of wealth management and preservation. Notable CRM software include EstateExec, AfterNote, Lawmatics, and similar solutions.

## **4. CYBERSECURITY SOFTWARE:**

Designed to safeguard computer systems and infrastructures from malicious attacks and unauthorized access, cybersecurity software is paramount in protecting the multifamily office's digital assets. Applications in this domain include WealthArc, LegacyVault, Wealthbox, and Lawmatics, among others.

## **5. ESTATE PLANNING SOFTWARE:**

This specialized software streamlines the tracking of estate plans, assisting individuals in managing assets, creating wills and trusts, and devising strategies for asset transfer to heirs. It plays a pivotal role in ensuring that assets are distributed in accordance with the client's wishes, even after their passing. Prominent examples include EstateExec, WillMaker Plus, Everplans, and similar software.

## **6. TAX PLANNING SOFTWARE:**

This software category is geared towards helping individuals and businesses strategically plan their taxes, a crucial element in legacy planning. It empowers legacy planning professionals to minimize tax liabilities and optimize the assets passed onto heirs, ensuring the enduring preservation of wealth. Noteworthy options encompass TaxPro, TaxWare, QuickBooks Online, Sage Business Cloud Accounting, and more.

## **7. LEGACY PLANNING SOFTWARE:**

Specifically tailored for legacy planning, this genre of software caters to both wealth and value management. It represents the most extensively employed legacy planning tools and is favoured by a majority of legacy planners. Examples within this category include Family Office Exchange, Final Arrangements, My Life & Wishes, and similar solutions.

These multifaceted tools empower legacy planners to efficiently and effectively manage both wealth and values, thereby safeguarding the legacy for generations to come.



# Enhancing Legacy Planning with Technology

*The relationship between human expertise and technological advancements holds tremendous promise for safeguarding Africans' legacies. Together, these tools complement the inherent capabilities of legacy planners, empowering them to navigate the intricate landscape of multigenerational wealth and values with precision and effectiveness.*

*Deloitte's 2022 report on The Future of Wealth: How Technology is Transforming Wealth Management forecasts the global legacy planning software market to surge from \$2.5 billion in 2021 to \$5.5 billion by 2028, reflecting the burgeoning efficiency and popularity of these tools among legacy planners.*

*Furthermore, insights from the Wealthramp 2022 report titled The State of Legacy Planning substantiate the contemporary importance placed by high-net-worth millennials on enhanced coordination between digital tools, robo-advisors, and their financial advisors. Notably, this synergy is deemed a top priority when selecting an advisor, underscoring the increasing reliance on technological integration. However, the current challenge lies in the adoption of technology by advisors.*

*According to Kitces' 2022 research, less than 20% of advisors use software solutions for estate planning. This disparity underlines the need to turn to technology-savvy Multifamily Offices like The Legacy Haus, combining tech and expertise to secure legacies for generations to come.*

## Benefits of Technology In Legacy Planning

### 1. ACCESSIBILITY AND ORGANIZATION:

One of the primary benefits of technology in legacy planning is the enhanced accessibility and organization it offers. Digital platforms and cloud-based solutions allow families to securely store and manage their important documents, including wills, trusts, financial records, and legal agreements.

This accessibility ensures that crucial information are readily available to both family members and designated advisors, facilitating a smoother transition of assets and responsibilities. Furthermore, technology enables real-time updates and revisions, ensuring that the legacy plan can be adjusted to reflect changing circumstances and desires.

### 2. COMMUNICATION AND COLLABORATION:

Technology has revolutionized the way families communicate and collaborate when it comes to legacy planning. Virtual meetings, video conferencing, and collaboration tools make it easier for geographically dispersed family members to participate in discussions and decision-making processes. This fosters transparency and inclusivity in the planning process, reducing the risk of misunderstandings or disputes down the line. Additionally, technology enables families to involve legal and financial experts, allowing for more comprehensive and well-informed decisions regarding estate planning, tax optimization, and wealth preservation.

### 3. ENHANCED SECURITY AND PRIVACY:

Digital advancements have significantly improved the security and privacy of legacy planning. Encryption, secure cloud storage, and biometric authentication methods help protect sensitive financial and personal information from unauthorized access. Families can also implement multi-factor authentication to add an extra layer of security to their legacy planning platforms. These security measures not only guard against data breaches but also provide peace of mind that confidential information remains safe and confidential.

The contemporary landscape underscores the important role that technology can play in legacy planning, ensuring seamless transitions, robust security, and informed decisions. By embracing these digital advancements, families fortify their wealth and values, ensuring a thriving financial legacy.



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# Our Solution

The Legacy Haus Multifamily Office is the first of its kind designed exclusively for Africans, centered on legacy planning, family wealth management and concierge services for Africans. It is a multifamily office by Africans for Africans and we understand your needs.

## With us you get:



Family Wealth Management



Comprehensive Legacy Planning



Lifestyle Concierge Services



THE  
LEGACY  
HAUS





### **Tailored Approach**

*Our commitment goes beyond managing assets. We optimize each financial avenue, unlocking the true potential of your wealth to create lasting legacies. On the general scale, our approach unifies family members' interests. We understand and integrate each individual's uniqueness within the family office structure to craft unified family goals.*

### **Trust & Confidentiality**

*Your privacy is sacrosanct. With us, all family information and assets remain confidential. Our comprehensive services, covering legal advisory, asset and wealth management, family governance, succession planning, and tax planning, are managed by one dedicated team, safeguarding family secrets.*

### **Cultural Sensitivity With Global Expertise**

*We are a multifamily office by Africans for Africans. We understand the nuances, and pulse of the African continent. Our culturally sensitive approach combined with global expertise crafts legacy plans that resonate with your African roots while aligning with global best practices.*

### **Tech-Savvy Solutions**

*Our operations are tech enabled which allow us deliver seamlessly on all our offerings to you.*

### **Unparalleled Family Governance & Legacy Planning**

*We specialise in Creating personalised family governance and legacy planning structures that directly deal with the complexities of the family in a coordinated manner, which reduces or eliminates conflicts. Our tailored services proactively manage areas of conflicts such as property administration, investment risk appetites, bequests, the succession of rights, etc. With this, we ensure the preservation and seamless transfer of your family's values, wealth and everything that makes your family unique to future generations.*

### **Comprehensive Lifestyle Concierge**

*Our forte lies in delivering unparalleled client experience we provide through tailored concierge services. From private banking to gifting, travel & vacation, domestic staffing, to curated experiences and wellness support, our partnerships ensure your holistic success.*



# Final Consideration

This white paper explored the concept of family offices, unravelling their historical roots, their role in legacy planning and multigenerational wealth preservation, and the other multifaceted benefits they offer. It also examined the challenges impeding their adoption among wealthy African families. As we conclude this exploration, it is imperative to reflect on the central role family offices can play in nurturing the legacies of generations in Africa.

The concept of a family office is rooted in the notion of holistic wealth management, where financial and personal affairs are meticulously handled, ensuring that the family's values and legacy are preserved. Family offices, whether embedded family offices (EFOs), single-family offices (SFOs) or multi-family offices (MFOs), are designed to provide customized solutions that meet the unique needs and preferences of each family. They offer a wide array of services encompassing investment management, tax planning, estate management, philanthropy, and lifestyle support. In essence, family offices are the embodiment of financial stewardship, offering a sanctuary of confidentiality and discretion in a complex and interconnected financial world.

Over the years, these institutions have transformed from basic investment management entities to comprehensive wealth management institutions, addressing the evolving complexities of global financial markets and the changing needs of affluent families. The history of family offices underscores their ability to adapt, thrive, and serve as the bedrock of financial well-being and legacy preservation.

While family offices have gained prominence globally, this white paper specifically examined the challenges obstructing their proliferation among wealthy African families. These challenges include a lack of awareness, superstition, a shortage of expertise, cost considerations, cultural influences, and perceived risks. Addressing these challenges is vital for the growth of family offices in Africa.

The awareness deficit, while significant, presents an opportunity for education and outreach. The potential for positive change lies in disseminating knowledge about the benefits of family offices, both in terms of wealth preservation and value alignment. African families should be made aware that family offices offer not just financial management but also a means to safeguard their legacies, values, and culture.

Superstition, deeply ingrained in many African cultures, poses a unique challenge to the establishment and adoption of family offices in the region. In some African communities, superstitions surrounding wealth and its management can lead to a distrust of formal financial institutions, including family offices. The fear of curses, bad luck, or supernatural consequences related to centralized wealth management and legacy creation can deter wealthy families from embracing the benefits of these institutions. Such superstitions often result in the preference for more traditional and decentralized wealth management methods, which may not be as efficient or effective.





# Final Consideration

Overcoming this challenge requires a delicate balance between preserving cultural values and introducing the advantages of family offices. Education and awareness campaigns can play a crucial role in dispelling myths and misconceptions about centralized wealth management.

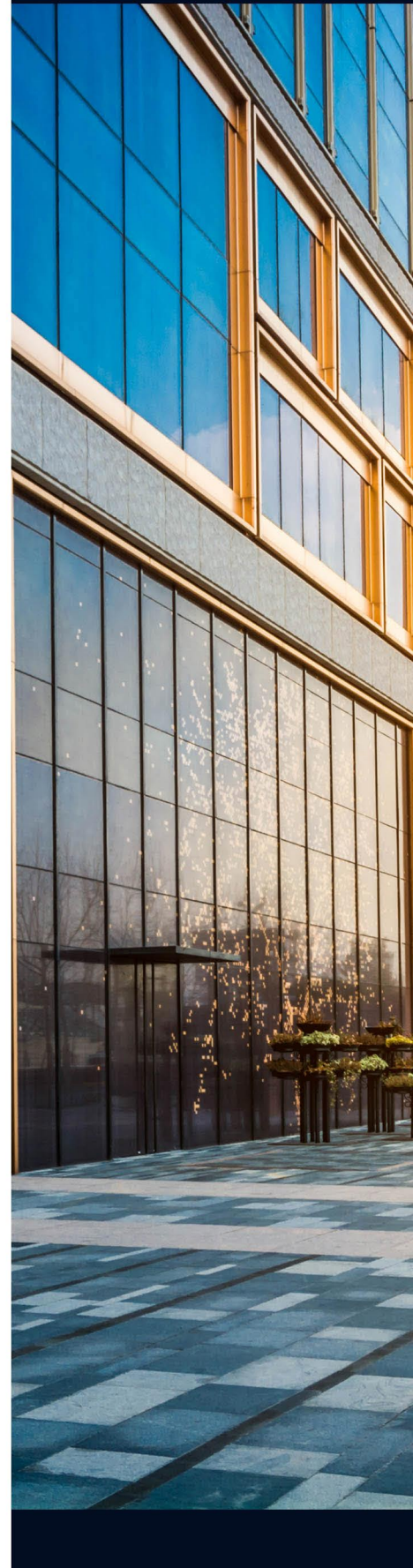
Additionally, family offices operating in Africa must respect and adapt to cultural nuances, demonstrating a commitment to preserving not only financial legacies but also the cultural heritage of the continent. By bridging the gap between tradition and modernity, family offices can help African families harness their wealth's full potential while respecting deeply rooted beliefs and traditions.

The shortage of expertise is another challenge that must be overcome. Africa must invest in education and training programs that equip individuals with the skills necessary to manage family offices within the African context. This not only involves financial and legal expertise but also a deep understanding of cultural nuances and the specific needs of African families.

Cost considerations often present a significant barrier, as the setup and operational costs of family offices can be substantial. Innovative solutions, such as shared services or cooperative family offices (MFOs), could be explored to mitigate these expenses. By aggregating resources, African families can benefit from the advantages of a family office while sharing the costs. Cultural factors influence the perception of family offices in Africa. Traditional methods of wealth management may be preferred due to cultural norms and practices. However, family offices need not compete with these traditions but can instead adapt their approaches to complement and align with them. By doing so, they can offer a bridge between traditional values and modern wealth management solutions.

In conclusion, family offices represent a transformative solution in the world of wealth management, combining the wisdom of centuries with the innovations of the modern age. These institutions serve as pillars of financial stability, enabling wealth preservation, growth, and the perpetuation of family values and legacies. In Africa, where the potential for wealth creation is immense, the role of family offices cannot be underestimated.

To embrace the transformative potential of family offices and overcome the challenges that have hindered their growth in Africa, collaboration is essential. Industry stakeholders and families themselves must join hands to create an environment where family offices can thrive. By doing so, they will not only secure their financial legacies but also enrich the cultural heritage and values that define Africa. The journey towards nurturing the wealth of generations in Africa is a collective endeavour, and family offices are poised to be the guiding stars on this path to prosperity and legacy preservation for generations to come.





# Disclosures

*The information in this report was prepared by The Legacy Haus Limited (“TLH”) and Acuity Partners (“AP”) (jointly “authors”). Any views, ideas or forecasts expressed in this report are solely the opinion of the authors, unless specifically stated otherwise. The information, data, and statements of fact as of the date of this report are for general purposes only and are believed to be accurate from reliable sources, but no representation or guarantee is made as to their completeness or accuracy. Market conditions can change very quickly. TLH and AP reserve the right to alter opinions and/or forecasts as of the date of this report without notice.*

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*TLH is a multifamily office that operates from Nigeria with global partnerships. Additional information about the firm and its processes can be found on the company website ([www.tlh.com.ng](http://www.tlh.com.ng)).*

