



PRIVATE ASSET
MANAGEMENT

A decade later and still expanding the Forbes legacy

As he prepares to celebrate Forbes Family Trust's 10-year anniversary, CEO and founding partner Keith Bloomfield sits down with PAM to discuss the firm's decade-long evolution, future plans and his thoughts on the current spree of M&A activity in the wealth management space

By Stephanie Taylor

Forbes Family Trust was buoyed this year by its parent company's acquisition of Palm Beach, Florida-based family investment office AM Global, as it became another wealth management name to grab a foothold in the state.

The \$5bn firm, which is celebrating its 10th anniversary this year, also has offices in New York and Philadelphia and CEO Keith Bloomfield told PAM the firm is looking to build a presence on the West Coast.

However, the firm is also cautious about the spree of M&A activity currently taking place in the sector, with Bloomfield questioning the motives behind some of his competitors' acquisitions.

"Some firms do acquisitions just to get bigger, but we always consider how the deal could benefit our existing and future clients. Some [wealth management firms] acquire, they build their own capital value and I don't know how that impacts their clients."

He adds: "Some are not paying enough attention to that, we'll see what happens with these acquisition sprees. Maybe some of the deals are just good for the owners? For us, a deal needs to be good for the client experience. It might take longer to find, but that's the way we work."

On January 2, it was confirmed that FWM Holdings, the parent company of Forbes Family Trust and LGL Partners, would acquire AM Global for an undisclosed fee, giving the team access to a dedicated Florida office and an extra \$400m in AUM.

Launched in 2012, AM Global is led by Andrew Mehalko, a well-known industry figure who previously served as Chief Investment Officer of multi-family office GenSpring Family Offices and helped grow the business to \$13bn in assets. Mehalko joins Forbes Family Trust as Co-Chief Investment Officer, alongside fellow co-CIO James McGrath.

"We had been talking for some time before the deal closed and Andrew and his team are A++,"



Left to right: P. Scott Gregorchuk, Keith Bloomfield, James McGrath

says Bloomfield. “The deal provided us with an outstanding investment team with a proven track record in Palm Beach.”

The AM Global deal is the company’s first transaction since partnering with Wealth Partners Capital Group, a Palm Beach and San Francisco-based investment firm which provides several wealth advisers with capital, plus investment and management expertise to help them grow.

A decade of Forbes Family Trust

Forbes Family Trust was founded in 2009, when it opened up to other UHNW families, with its philosophies informed by the Forbes family responsible for the financial media brand.

Bloomfield says that over the past decade, the firm has grown organically alongside the families it represents.

“We now serve over 60 families, and we’ve ensured that our investment analyst to client ratio has always

been at a certain level. You need a robust investment platform [to serve this level of client], which we’ve had and continue to develop.”

The Forbes Family Trust has always ensured it is ‘over prepared’ for an influx of new clients, adds Bloomfield.

“Our infrastructure and capabilities are above the client level we are currently servicing,” he says. “Being over prepared is important. We have a very robust platform and always have the ability to bring on more families.”

The firm works with ultra-high-net-worth individuals, families and family offices of all shapes and sizes, from newly-minted entrepreneurs to third generation wealth recipients. Bloomfield says that some alternative investment managers have also begun to make up the firm’s client base.

“We also have several private equity and hedge fund managers who have come on board as clients after they’d been on the other side of the due diligence we perform,” he notes. “Our manager selection process is very vigorous, and they were so impressed that they’ve then wanted to work with us as clients.”

While the demographic of the client the team serves has not changed dramatically during the ten years, Bloomfield says the firm has recently begun to field more enquiries from offshore investors seeking US managers. “Being a globally recognized brand is very helpful,” he adds.

As the firm has grown in size it has received more enquiries from larger families and family offices.

“As you grow as a firm, in terms of capabilities, infrastructure and people, it obviously gives you the ability to service larger clients. Over time, we’ve naturally attracted larger clients as we have grown in terms of our offering,” says Bloomfield.

Investing and re-investing

Bloomfield, who is also a founding partner at the firm alongside executive chairman P. Scott Gregorchuk, previously worked as a senior managing director and corporate counsel for New York investment firm Third Avenue Management.

With industry pressures on fees and the rise of passive investing, many asset management firms have been reducing headcount. But Bloomfield says Forbes is in hiring mode.

“Our research team is key to what we do. We have very talented investment professionals working with us, and we are always looking for new talent. Even if we don’t have a specific vacancy, it is important to get that talent on board – we will always try and hire smart, talented individuals who fit well with our culture,” he says.

The Forbes Family Trust team, which is approximately 30 people strong, focuses solely on the investment functions of their clients’ portfolios. Non-investment functions such as tax, estate planning and accounting are handled by several key partners who the Forbes Family Trust team works with.

“We also outsource custody – clients receive separate advice from the [firm responsible for] physical custody of their assets; but the client has a direct relationship with the custodian,” adds Bloomfield.



Bloomfield says that as the firm has grown, the team has reinvested capital into various parts of the business, including its proprietary investment and operating system, AlphaBeta. The system gives both their fund managers and client teams up-to-date information on thousands of available investment vehicles and strategies. Bloomfield adds that the firm has focused on ensuring its reporting systems are also up-to-the-minute in terms of their capabilities.

"We have invested heavily in our reporting platform, which allows us to create customized reports quite easily for clients," he says. "The reporting process is one of the most frequently requested and both the efficiency and client experience have been fantastic."

In terms of investment strategy, Bloomfield says that clients are increasingly looking for longer-lockup strategies such as specialized private equity and venture capital deals.

He says: "We customize special mandates in venture capital and private equity; we're finding that these strategies are becoming of more and more interest to clients."

"The market is driving people away from hedge funds and people understand that there's a liquidity premium with private equity, so they want to lock their capital up for longer and come back to higher returns."

Following the end of year market volatility, Bloomfield says clients aren't spooked by short-term drops in their portfolio values, and there was no rush of clients demanding to move positions.

"We don't manage capital in a reactive way," he explains. "Nobody likes their portfolio being down even temporarily, but our clients are sophisticated, long term investors and they understand that, for example, the equities market will drop X per cent over the years that they invest."

As the Forbes Family Office team looks toward its second decade, Bloomfield says they would consider

further acquisitions if the fit was right for the teams and their clients - and they may expand further from their current East Coast spread of offices. "We're interested in the right team on the West Coast," he reveals.

"We are always looking for talented, smart people and teams to acquire if they fit. Our main goal is to find families that we can work with and add value to their investment equation. We wouldn't enter into an agreement with a new firm if they didn't agree with our top-level investment philosophy." ●

How the Forbes legacy helped create the Forbes Family Trust

1917: B.C Forbes founded what became one of the oldest family-owned business publications in the US, with articles looking at finance, industry, investing and marketing.

1982: The publication introduced the flagship Forbes 400, an annual catalogue of the world's wealthiest individuals.

2009: Although Forbes Family Trust isn't affiliated with Forbes Media, it was established by the Forbes family and opened up in 2009 to other UHNW families. Miguel Forbes is still involved with and is vice-chair of Forbes Family Trust.

2013: The firm joins forces with LGL Partners, a family office created by Brook J. Lenfest after the cable-television company founded by his father, H.F. 'Gerry' Lenfest, was bought by Comcast Corp. The two entities announce they have formed "a long-term strategic and investment advisory partnership."

2019: The acquisition of Florida-based family investment office AM Global is completed by FWM Holdings, the parent company of Forbes Family Trust.