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Opalesque Round Table Series '14

MIAMI

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Editor's Note

Miami's Great Rebound

Just four or five years back, people had written Miami off. But during the recessions Miami was evolving into a more dynamic, sustainable city. As long as Miami was just a city for wealthy people buying second or third homes, people tended to come for two weeks a year and then leave. But then, somehow, things changed. Even during the darkest days of the depression, over 55 new restaurants opened in downtown because the condos were getting occupied by renters that started to live there year-round.

Miami is now part of the top 10 places globally where wealthy people want to own a home or live. It's a place where working, young professionals want to be and pursue a career in technology, finance or in a hedge fund. During the winter months, there are probably more investment meetings in South Florida than anywhere in the world. The city has become a real center for family offices from around the globe who also appreciate the diversity of businesses' attorneys, CPAs and the professional talent coming out of the universities. The Miami Downtown Development Authority started an initiative to bring hedge funds to Miami. Miami has seen great local success stories: Bayview Asset Management has grown to almost $5bn under management. Bruce Berkowitz has had huge success in raising capital, reaching over $12bn.

Surprise: Asians buy 20% of Aventura Real Estate development

Miami's close proximity and international airport makes it a gateway to offshore financial centers such as The Bahamas, British Virgin Islands or the Cayman Islands. For a lot of people from Latin America, coming to Miami is much easier than traveling to say, New York. Florida's strategic geographical location is perfect for a lot of Latin American clients, which are not well taken care of financially in their home countries.

A completely new phenomenon is the surge in visitors arriving from the Middle East, Saudi Arabia or Kuwait. Miami has direct flights from Moscow, and Qatar Airways announced a direct connection as well. Real estate developers are taken by surprise finding out that Asians are buying as much as 20% of condos or single homes in a new single family homes development in Aventura, FL.

1. Andrew H. Jacobus, President and CEO, FINSER Group
2. Julie Neitzel, Partner, WE Family Offices
3. Marc Lehmann, General Partner, Riverloft Capital
3. Nitin Motwani, Managing Principal, Miami World Center
4. Patrick Stutz, CFA, CAIA, Chief Investment Officer, Bayshore Capital Advisors
5. Pratik Sharma, Managing Director, Atyant Capital
6. Thomas Belkin, Vice President, Buy-Side Business Development, Eurex
7. Greg de Spoelberch, Opalesque (Moderator)

The group also discussed:

* **Growth of LatAm hedge funds:** On an absolute level Latin America's hedge fund industry is still small with $62bn. However, the relative growth from Latin American hedge funds from $2.6bn in 2000 to over $62bn in 2013 has been clearly stronger than the growth by European Hedge Funds, which only increased assets tenfold over the same period.
* Why **central counterparty clearing of OTC interest rate swaps** should include capital efficiency, protection against counterparty credit risk and a maximum level of client asset protection.
* **Where should emerging managers set up?** Can secondary financial centres like Miami, offering lower costs and taxes, beat New York?
* Update on the **Miami real estate market.**
* Why more U.S. and international financial firms set up **satellite offices** in Miami.
* Why **high net worth individuals moving to Miami now bring their assets with them** to be managed locally.

Enjoy!
Greg de Spoelberch

Participant Profiles

(LEFT TO RIGHT)

Pratik Sharma, Nitin Motwani, Andrew H. Jacobus, Marc Lehmann, Patrick Stutz, Thomas Belkin, Julie Neitzel, Greg de Spoelberch.

Introduction

Nitin Motwani
Miami World Center

I am Nitin Motwani. I wear two hats today. One as the Managing Principal of Miami World Center. We own 27 acres of land in the middle of downtown Miami surrounded by the Performing Arts Center, the Perez Art Museum, the Frost Museum of Science and the American Airlines Arena and what will be the Grand Central Station of All Aboard Florida.

Miami Worldcenter will have a Marriott Marquis convention hotel, a million square feet of retail anchored by Bloomingdales and Macys, offices, boutique hotels, rental apartments and condos.

Separately, we have a private equity fund called Encore Housing Opportunity Fund. We raised our first fund in 2009-2010 and just recently closed our second fund. We have about $700m under management and have offices in Boca, Miami, San Francisco and LA. Right now we are raising capital for an apartment vehicle that will build and own apartments in urban infill locations.

We operate in Florida, California, Texas, Arizona, and the goal is really to vertically integrate private equity real estate. As developers historically we felt there was a bit of a disconnect between capital and developers, so we thought we could do both, and have been doing that.

We do all things residential in those markets; condos, apartments, single family homes.

Julie Neitzel
WE Family Offices

I am Julie Neitzel. I am a partner with a WE Family Offices; WE referencing for Wealth Enterprise. We are a family office firm that focuses on helping families who have larger pools of private capital, typically in excess of $100m that want to work with professionals to help them actively manage their personal wealth enterprises which include the investing activities, but also the other planning (tax and estate) activities including family governance, family member education, in addition to philanthropy.

WE has 40 professionals working with 60 global families, including domestic and multi-jurisdictional, advising on over $2.5bn of private capital.

Pratik Sharma
Atyant Capital

My name is Pratik Sharma, I am one of the founders of Atyant Capital. We are an asset management company focused on opportunities in India. We leverage our on the ground presence in India to find undiscovered, undervalued and unloved opportunities by employing a rigorous research process that emphasizes fundamentals over price and technical considerations . Our client base is primarily university endowments, family offices, and ultra-high net worth individuals.

Patrick Stutz
Bayshore Capital Advisors

My name is Patrick Stutz. I am the Chief Investment Officer of Bayshore Capital Advisors, a multi-family office and registered investment advisor based in Tampa, Florida. I moved to Florida from New York City five months ago so I can definitely speak to the theme of growing attractiveness of Florida in that sense.

Bayshore was originally formed in the late 1990s as a family office, following the sale of the founding family's operating business in the cigar industry. The RIA was set up in 2001, and for the last decade the firm has largely been run as an extended family office. We recently decided to further open up the firm to outside capital for two reasons: a) we concluded that the financial crisis has created a strong demand for investment advisors like us that are independent, not conflicted and have clearly aligned interests; and b) the current investment environment is challenging traditional asset management approaches; we believe growth allows us to attract talent and it provides us with more insight and bandwidth, which will ultimately benefit our clients as well as the family. We have made some key hires on the investment side and further institutionalized our operations and processes. Obviously Florida is also a big part of the story but we will get into that.

Thomas Belkin
Eurex Exchange

My name is Thomas Belkin and I am a Vice President on the Buy-Side Business Development team and am located in the Eurex Exchange Chicago office. Our U.S. based team covers the exchange's relationships with Hedge Funds, CTAs, traditional money managers and institutional investors in the Americas including the North and Central American Offshore financial centers. Eurex Exchange is recognized as one of the world's leading derivatives exchanges with a trading volume exceeding 1.5 billion contracts per year and over 2000 futures and options products, with a concentration on fixed income and equity index markets.

The exchange and its sister companies International Securities Exchange, European Energy Exchange (EEX), Eurex Clearing AG, Eurex Bonds and Eurex Repo are part of Eurex Group which is a subsidiary of Deutsche Boerse Group..

Andrew H. Jacobus
FINSER International Group

My name is Andrew Jacobus. I am the President and CIO of FINSER International Group. We are an independent registered investment advisory group based out of Miami and also have an office in Caracas and in Montevideo.

We have basically two areas to the business; one is the investment advisory side which comprises families and individual investors, and we also manage a hedge fund which we started three years ago, with the sole purpose of participating in all the IPO, secondary, and block trade markets.

We spent a lot of time investing our South American clients where we found that a lot of them thought that the safest investment they could ever make was in fixed income. In many cases most of their portfolios was based on fixed income until you sat down with them and explained to them that there are other alternatives, and that 100% fixed income is just as risky as 100% equity. We designed our product to help them diversify and access the IPO market as part of their overall investment mix.

And the second part of the business is more on the legal side, which is handled through the office Montevideo in Uruguay around estate planning and the fiscal side of it.

Marc Lehmann
Riverloft Capital

I am Marc Lehmann, the Founding Partner of Riverloft Capital. Riverloft is a hedge fund. We invest up and down the capital structure, focusing on companies going through changes or transitions in their business, and the dislocations that come about in the market. We look at debt, equity, preferred, all kind of corporate securities. Unfortunately for Thomas, we don't do anything in currencies and futures, but we do a lot in all parts of capital structures across all industries.

Greg de Spoelberch Please tell us more how from your perspective and experience Miami has changed over the recent years.

Nitin Motwani: As long as Miami was just a city for wealthy people buying second or third homes, people tended to come for two weeks a year and then leave. That's fine if I sold a condo to them; but bad if I am a retailer. However, even during the darkest days of the depression, over 55 new restaurants opened in downtown because the condos were getting occupied by renters - people that are here year-round. As a developer that's great, because now we have a broader audience, we have a real downtown which now opens even more opportunities for the city.

Miami is now part of the top 10 places globally where wealthy people want to own a home or live. It's a place where working, young professionals want to be and pursue a career in technology, finance or in a hedge fund.

We have seen great local success stories. Bayview Asset Management has grown to almost $5bn under management. Bruce Berkowitz has had huge success in raising capital reaching over $12bn. We ourselves set up a private equity fund in 2009 called Encore. Our first fund was $200m and the second one already $500m. What's interesting is that a number of local Miami family offices invested in our second fund that weren't here when we did our first raise in 2009. Miami has become a real center for family offices from around the globe over the past few years.

One of my civic activities is I sit on the board of the Miami Downtown Development Authority. I chair economic development and marketing. One thing that is clear in all of our studies is that Miami is changing very quickly. We started an initiative to bring hedge funds to Miami four months ago. Sonia, Amy, and the rest of the Miami Downtown Development Authority staff have done a great job, we already have one hedge fund that has signed up and moving, and we have two others that are in the process. We started attracting tech companies to downtown and have over 50 new companies from all over the world in just one year. The future of Miami is very bright!

Julie Neitzel: I have been living in Miami for 30 years - Downtown Miami today compared to what it was 30 years ago is completely different. When I first moved here, there wasn't a restaurant in Downtown Miami if you wanted to venture out for lunch. It was limited to the private (eating and social) club operations at that time.

Over the last 10 years, the local resident base has noticeably diversified. 30 years ago the Brickell area had mostly offshore condo owners and there was not much local demand to rent the units. As a result, the sidewalks were rolled up at night as there was no one in Downtown Miami. Today, Downtown Miami is a bustling and very active part of the city with nightclubs, joggers, people walking their dogs and is virtually a 24 hour area of activity. The cultural scene is vibrant with PAMM, Arsht Center, AA Arena and other venues.

On a professional front, there is so much more opportunity now, also for employers as well as professionals. 10 years ago, I had difficulty trying to find good qualified talent, particularly with investment expertise. Today there is a much deeper bench of talent which is exciting, not only for the firms that are coming into this market, but also for the young professionals that are trying to kind of find their place in their professional career or progression opportunities.

When you look at professional groups such as attorneys or CPAs, these are many specialized types of expertise resident in the greater Miami market. In the past, one needed to find specialized talent in places like New York instead of Miami. That has completely changed as we have a deep base of highly specialized professionals here. A number of firms in this market also focus on fund accounting and fund administration. As a result, there is a whole ecosystem of professional providers that will continue to support the dynamic growth for financial firms in the Miami area.

Andrew H. Jacobus: Our clientele is basically Latin American, so Miami was a perfect choice for us, also for me personally. I am from Boston and at some point I got tired of shoveling snow for nine months, so also from the weather perspective this was the best choice.

But more importantly, for a lot of people from Latin America coming to Miami is much easier than traveling to say New York. To add to your previous points about talent, we also find that the professional talent coming out of the universities here is very good, even outstanding. So for us there is no need to go to California or New York to get good talent.

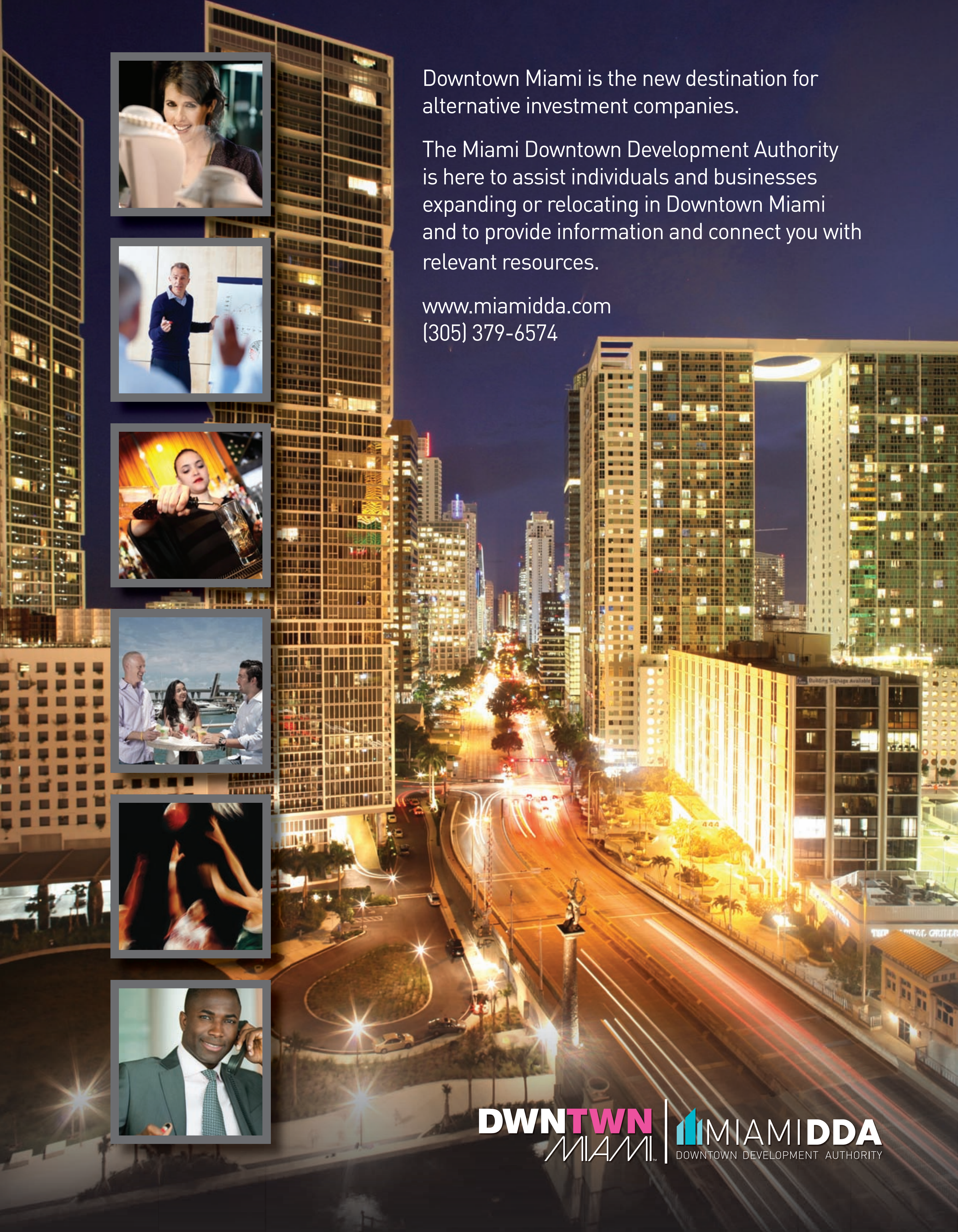
Marc Lehmann: Another fascinating aspect about Miami is actually the diversity of businesses that are down here, or even more important for us, the entrepreneurs and families you find here in Miami. This is a pretty unique thing, certainly coming from New York three years ago where everyone around me was basically in the financial industry. Here in Miami people own businesses around the country and even around the world, but they choose Miami as a place to live. This has really been great for us because it provides us with a great source of real time information on many industries.

Nitin Motwani: I will give you a personal anecdote. I met my wife when we both were at Goldman Sachs in New York, and it took me four years to convince her to move to Miami. We moved in 2008 and got married, and as she graduated from Harvard Business School, we thought she would have a job in a month, but it took some time. Granted it was bad timing with the market, but she has got a pretty good background and therefore we thought it would be relatively easy. Then we found out that only one other person out of 900 people in her class at HBS was coming to Miami as well.

Fast forward to today, she handles investor relations and fundraising at Bayview Asset Management, which is a Blackstone affiliate and her alma matter. Today she couldn't be happier. We have a young family, she is able to work part-time, and her commute to the office is five minutes.

She now has multiple friends from her class at Harvard that are looking to relocate here in various capacities. We can also confirm Marc's point earlier about the diversity of people and companies that are or continue to come here, whether they are doctors, lawyers, entrepreneurs looking to start a company, or people looking at the hedge fund or private equity space, even my friends from college, who never thought of Miami, are now looking to come here as well.

Just four or five years back, during the recession, people had written Miami off. But during the recessions Miami was evolving into a more dynamic, sustainable city attracting all of this talent. We have quality people locally graduating from University of Miami and other great schools, and we have no problem attracting top talent from anywhere in the world to come live in Miami now. That was very different five years ago.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Andrew H. Jacobus: We talked a lot about the city of Miami, let me expand that a bit into more the Greater Miami or South Florida, anything from Orlando down. This geographical strategic location which is perfect for a lot of Latin American clients, which are not well taken care of financially in their home countries, or they may be concerned that they could be a target of some kind of kidnapping or so forth in their respective countries and are thus reluctant to have a relationship with an advisor in their home country.

I like to define South Florida as the most northern state of Latin America. The language is here, the climate as well, there are nice developments for accommodation and housing, but there is also theater, sports, beaches, great universities and much more like that.

I belong to a group called New World Angels, which is a network of angel investors. Right now our group is actively looking at how take advantage of the 6,000 computer science students out of the University of Miami and put them to work on any high-tech projects that might arise within the area rather than going to Silicon Valley. And last, but not least, the cost of living in South Florida is much more attractive than California or New York.

Nitin Motwani: While Latin America is probably still our bread and butter, if you take a closer look at people starting companies or buying residential dwelling units, they are not just coming from South America anymore, but from New York. The highest priced condos on Miami Beach and Downtown are being sold to New Yorkers who are starting to spend more time down here, and probably in the back of their minds they are saying "we should be buying bigger units because we will live here eventually or at least spend a lot more time..."

I was recently talking to a developer friend who pointed out that more people from the Middle East, from Saudi and Kuwait are coming. This is a completely new phenomenon. Qatar Airways just announced they will launch a direct flight to Miami. We also have direct flights from Moscow helping to bring a lot of Russians here.

We have a project where we are building 653 single family homes in Aventura – when we planned it we probably didn't account for one Asian person, and now when we look at our demographic profile, we have probably 20%. So this incredible growth we are experiencing in Miami isn't just fueled by Latin America, for the first time it is the entire globe watching us and getting involved.

Marc Lehmann: I mentioned that I relocated three years ago from New York to Miami. I found over that time that some of the bigger and smaller day-to-day aspects relevant to quality of life have dramatically improved. Most people coming out of New York will be used to eating really good food, and they probably are just not going to live here if they can't consistently get good food. I believe the South Beach Food & Wine Festival that started some years ago spurred this giant renaissance of good food and quality restaurants. While this may sound insignificant, I do believe that to a certain extent things like these —your day-to-day experience in shopping, restaurants, civic and medical services, and obviously new housing units — are very important. Miami has become a world-class airport, as they have added a new terminal, but you can get all around the country from Fort Lauderdale as well pretty easily.

Something we have not mentioned yet but is pretty straightforward, especially with the new Mayor in New York, is that taxes and the cost of living there, and in some other places are becoming more and more offensive, at least to some people, myself included.

There are more investment meetings here in South Florida during the winter months than anywhere in the world. Just last week there was the Private Wealth Latin America & the Caribbean Forum. Next week there is a Deutsche Bank conference, and through March there are more conferences between Palm Beach and Coral Gables than anywhere else in North America.

Despite all of this, a lot of people in Miami certainly don't live here 12 months; even the permanent residents are here ten months, and then they take two months and go to places like Colorado or North Carolina or the Hamptons. Certainly a high earner can pay for a summer home just through the differential in taxes compared to somewhere else.

Another thing that I have heard numerous people in New York complain about is the accessibility to education for their kids. I know of three people who have moved, not to Miami but to Boca, to send their kids to private schools in Boca, because they could not get their kids into schools in New York. It's that insane! This is certainly a national theme for the U.S. And the husbands in two of those cases actually still work in New York. I am sure they would love to find jobs down here, and maybe they will.

I am not saying it is easy to get into some of the private schools here in South Florida, but it's a little bit more manageable than having to deal with the insanity in places like New York.

Nitin Motwani: Marc spoke about the relevance of the day-to-day aspects of someone choosing to come to or live in a certain place, and it's in a way the same for businesses. Of course, we still have Miami beach, which is more leisure-oriented, but if you come and stay at the JW Marriott Marquis or the Beaux Arts here in downtown, I think you will be hard-pressed to find another business hotel, including those in New York City, that can compete.

We have our quarterly board meeting for our fund in Miami during the week of Art Basel, and we have done it for the last five years. During the first two years, everybody stayed on the beach. What's interesting is that now everyone stays in downtown, they love what's going on here, they love the service of the hotels here and stay through Basel for five to six days. They eat at places like Zuma or Il Gabbiano, and to Marc's point about the restaurants, Zuma's first U.S. location was downtown Miami, and now they are going to New York. If you look at Il Gabbiano which is owned and operated by the original chefs of Il Mulino, it was for a long time coveted as the best restaurant in New York. They could have gone anywhere in the world but they chose downtown Miami. That for me is an indication that people who have the privilege or luxury of choosing where they want to be are picking Miami, and in a lot more cases than the past, they go for downtown Miami.

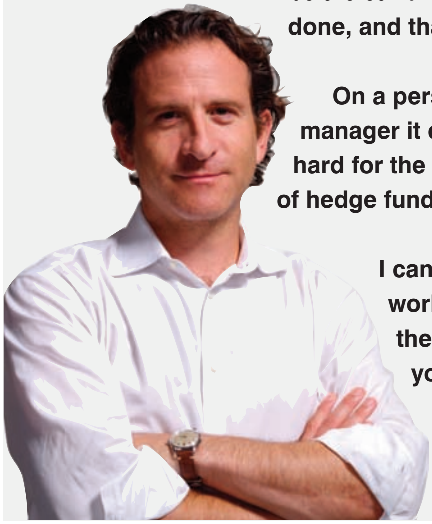
Thomas Belkin: I think many good points have been raised by my fellow speakers about the benefits of conducting business in South Florida. Especially Miami's close proximity and international airport make it a gateway to offshore financial centers such as The Bahamas, British Virgin Islands or the Cayman Islands out of which for example a Eurex Exchange membership can be pursued. Not only does Miami offer more retail opportunities and better healthcare facilities than these offshore domiciles but the similar lifestyle and climate attracts many financial professionals from offshore jurisdictions working in legal, accounting, audit, and fund governance related positions when they are unable to extend their residence permits.

Additionally Miami's economy is very diverse. Tourism is still the principal industry, but it is closely followed by the trade industry, real estate development, healthcare and finance. Miami and its financial industry have a good chance of benefitting from the growth of alternative investments in Latin America and by its investors, specifically from Brazil.

While on an absolute level Latin America's hedge fund industry is with $62bn still small in comparison to the $1.91tln managed by hedge funds globally, the relative growth from Latin American hedge funds from $2.6bn in 2000 to over $62bn in 2013 has been clearly stronger than the growth by European Hedge Funds which only increased assets tenfold over the same period (according to Eurekahedge Report May 2013). Partially contributing to this boost in Latin American Hedge Fund AUM is the strong GDP growth and an increasing number of HNWI in Brazil. These investors are oftentimes looking for USD denominated offshore investment opportunities to shift their funds away from the Brazilian Real. Florida based investment management and investment services firms have a better opportunity than for example firms in NYC to gain these investors as clients, because of Florida's geographic proximity, climate and a workforce that is to a large degree fluent in Spanish and Portuguese.

Patrick Stutz: I don't intend to burst our bubble here, but one has to keep in mind that allocators to hedge funds may still see things from a slightly different perspective. I remember when I started allocating to hedge funds over a decade ago, any Miami-based manager was approached with twice the skepticism. It was like, "oh right, okay, good for you. But you are not going to get my money, that's for sure." So when we pay to someone two and twenty – at that time most fees were two and 20 – to be honest, we don't want you to spend your weekends in Bahamas or hang out on your boat. The idea was when you pay someone near-obscene fees, you really like them to work full tilt for you.

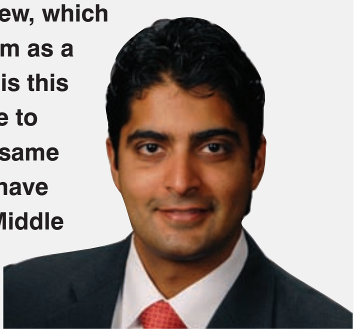
I understand there are more hedge funds already set up or in the process of moving down here, and maybe taxes and other things help, but in my view really the perception that this is just a little paradise has to be removed. There has to be a clear understanding that this is a highly professional environment where real business is done, and that it's not just about a lifestyle choice.



On a personal level I do understand the lifestyle choice, but for an emerging hedge fund manager it can't be about lifestyle choice. He will probably say, "look, I have got to work really hard for the next 20 years, and I have to raise a lot of money." The number one reason why a lot of hedge funds are still based in New York is because it's much easier to raise money in the city.

I can tell you over the eight years that I worked for one of the largest fund of funds in the world, I was based in New York and probably had a total of three trips down to Miami, there were just not enough quality managers down here. If no allocators are coming to your town, you are not going to raise any money. The only way a manager makes money is by raising a lot of money. Obviously the local industry has evolved a lot since then, and I believe once Miami has reached the tipping point the influx will accelerate.

Nitin Motwani: You are of course right, the financial community still has to grow, but we do have now a number of substantial firms operating from here. We have Fairholme, which is at $12bn, there is Bayview, which is at $5bn, HIG is at $12bn, or Everest which is at $2bn. We were successful in raising $700m as a startup real estate fund in the last few years, but you are right, it wasn't exactly easy. There is this perception issue about Florida, but at the same time, some of the firms I mentioned manage to grow exponentially. I was with someone from Fairholme yesterday and they are finding the same thing as us. That between the months of the conferences, so from November to April, you have zero issues getting people to fly from anywhere in the world to Miami. We were just in the Middle East fundraising and everyone was more than willing to come from the Middle East to Miami in the wintertime as follow-up to projects and do things here.



Pratik Sharma I tend to agree with Patrick, there isn't yet a flood of Investors coming to Miami, but the trend is definitely increasing in terms of family offices and various institutional investors that come through here.

Marc Lehmann: We all talked about various reasons we are down here and how the developments here begin to attract people, but I believe we would be kidding ourselves to think that some of the perceptions that Patrick mentioned aren't true. It's certainly true that people are still suspicious of why people live in Florida. There have also been some bad actors here who have sadly blazed a negative path before us. Not that there weren't plenty of bad actors in New York and other places, but for whatever reason the reputation stuck here in South Florida, and it's our job over time to try to change that and do a better job.

For me personally, I decided to be here in order to have the right balance for my life and what I wanted to accomplish, even if it meant raising capital more slowly. Other managers will have different needs, and it probably won't be the right decision to open up here if they want some grand operation to massively grow assets out of the gate.

Like me, other people make the same commitment and come here. I know of two funds that are about to launch or have launched and operate from here. One is a healthcare hedge fund who has just started, and the other one has already got two analysts and is raising money as we speak.

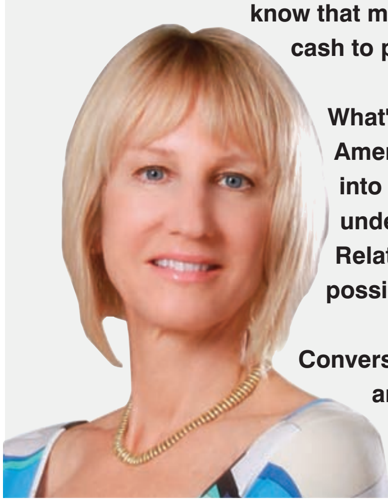
Greg de Spoelberch From a monetary or cost perspective, taking into account things like taxes or savings on operational cost – you don't have to go in depth into this, but from the perspective of an emerging or small manager, is it a significant amount you can save operating out of Miami compared to say New York?

Marc Lehmann: The major savings are real estate and office costs, which are substantially lower here, and then personal taxes. With everything being in the cloud these days, technology costs are going to be similar wherever you go. You will have a little bit of savings on healthcare, back office and administrative professionals. For investment professionals, it depends on how you like to treat your people. At least for me the savings here are more limited.

I certainly know there are a few institutions in Miami who have a reputation for taking advantage of the fact that once they get people into Miami, they often don't want to leave, and so the firm in cases tends to try to pay them a lot less.

Greg de Spoelberch Wasn't there a report recently that Florida was the fifth most advantageous business tax environment. I think #50 was New York, 49 was Jersey, 42 was Connecticut, California was 45 or 46, something like that, so it's interesting.

Let's look at the traditional Miami-Latin America relationship. That is mostly about access to capital, right? Can you share with us how is this relationship or the dynamism developing, what is new here?



Julie Neitzel: When you look at what's happened in the real estate market here, since the global financial crisis, we know that most of the primary buyers have been offshore buyers from Latin America coming in with cash to purchase condos that were vacant five years ago.

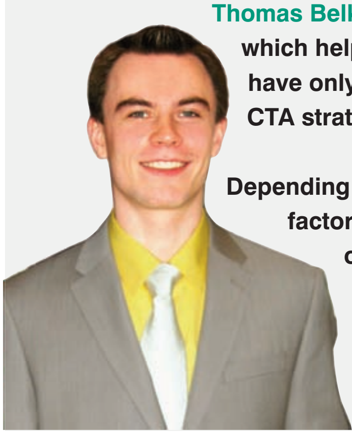
What's been really interesting to analyze is the actual capital outflows and inflows from Latin America for real estate development. For one, there has been a lot of outbound capital flow into Latin America – I am referring to, for example, the Trump Organization which I understand is developing a luxury condo project in Montevideo and Jorge Pérez/The Related Group working on a substantial luxury condo project in São Paulo, and another possibly in Rio.

Conversely, I read a statistic that 16 out of the 20 development projects in the Greater Miami area are actually Latin American developers bringing the Latin American capital into this market to undertake developments. That means that there is a lot of inbound activity, which I think points to the inbound and outbound movements of investment capital.

Andrew H. Jacobus: From the Latin American perspective, Miami is just the easier place for them to come and do business with either investment advisors or fund managers. This airport here is pretty outstanding, actually I just came back from New York, where LaGuardia or JFK are 100 years old airports and in dire need of a facelift. We have plenty of direct flights to places like Colombia or Venezuela.

People in Latin America will prefer to come to Miami because the environment and the language is closer to what they have at home, and the cost of doing business in Florida is also relatively attractive versus going to New York, where for some reason they might not have a direct flight to. There is also a perception that any broker-dealer or investment banker or fund manager in New York is way too expensive. So they would much rather see somebody here in Miami.

From an operations perspective, it does not really matter where you are located. People can locate, call, email and communicate with you irrespective of where you are. But, for anyone coming from Latin America, if they want to see you, then Miami will be more advantageous.



Thomas Belkin: In addition to Andrew's comment, many South Americans travel to Miami for leisure which helps to boost local businesses. Asset managers can cater to these clients, who oftentimes have only limited access to alternative investments in South America. For example there are very few CTA strategies located in Brazil, although the country is rich in natural resources.

Depending on the strategy type, years of trading track record, assets under management and other factors, certain investment managers will benefit more from the advantages found in Florida than others. For example an emerging fund manager has high travel cost in order to build up its investor network and asset base. These expenses can outweigh easily the savings on taxes, office space and staff in Florida compared with NYC or Toronto, but where managers can meet plenty of local investors. This may look different for midsize or large funds.

Greg de Spoelberch Do you see companies setting up a type of satellite office here in Miami or in Florida?

Julie Neitzel: That is correct, there are satellite offices here from both U.S. based or offshore managers. The purpose of these offices generally is to access the Latin American capital markets and/or to oversee their U.S. based assets through these secondary offices. It appears there are a number of these types of operations in the Miami market, which makes sense given our proximity to Latin America and other parts of the globe.

Greg de Spoelberch Let's look at investments and the opportunities around your strategies.

Pratik Sharma: We take a very concentrated approach towards stock picking. We're not interested in investing in our 16th best idea. Typically, we have 10-15 positions.

And this is probably more of a general comment, but it kind of leads into where we see the current opportunity. In my career I have always found that the best opportunities come when everything is painted with a broad brush and if you can find the nuances when everyone else is painting everything with the proverbial broad brush then one can do quite well.

So right now state run banks in India seem to be pretty interesting. They are nowhere near as levered as U.S. banks. I think you we are probably closer to the peak of the NPA cycle as opposed to the beginning. Despite a cyclical high in NPAs, some of these public sector banks are still profitable. At the end of the day all the provisioning that has been done is being done from operating income.

So when those banks, which are profitable and paying 5-7% dividends, are trading at 0.3 times book value that definitely gets me excited.

And so you start looking at them. We don't buy every single one of those banks, but we don't want to be given the concentrated nature of our portfolio. We really only want 10-15 positions and maybe one will be one of these will be an Indian public sector bank.

Patrick Stutz: To put my comments in perspective, I will briefly explain our approach first, and it's fairly simple: We look for the most attractive investments across all asset classes, regions and strategies in an unconstraint and flexible framework. The only constraint is that capital preservation is our number one priority since our client base is biased towards high net worth individuals.

We follow a thematic approach. Once we have identified a theme, we are completely agnostic how we express that. We can go direct or we can tap into the whole suite of externally managed strategies; that could be an ETF, a mutual fund, an active long only fund, a hedge fund or other private fund – it could be anything. It's a very flexible approach that allows for optimal allocation towards alphas and betas.

We break out our themes by duration. We have structural themes with a very long horizon, five to 20 years, in areas where we believe we will benefit from a strong, long lasting tailwind. Then we also look at more cyclical themes that could be a interesting for two to five years; or we participate in something more opportunistic and trading-oriented. Most of our themes, about 80-90%, focus on the structural or cyclical issues.

A key cyclical theme is opportunities created by ongoing financial deleveraging and monetary normalization. Post-crisis monetary policy has artificially depressed interest rates and inflated equity markets; indeed very unappetizing ingredients for a portfolio. However, the post-crisis clean-up has also created many opportunities. Regulatory pressure forces banks to retreat from many attractive businesses, creating opportunities for non-bank players. We have a sizable allocation to strategies that take advantage of this environment: trading-oriented managers in structured credit and high yield benefit from bank deleveraging and evaporated prop desks; hedge fund side pockets that were created during the crisis are probably the most inefficient markets ever and offer tremendous opportunities for specialists; and distressed debt specialists can pick through the rubble in Europe and increasingly in the Emerging Markets.

One area worth pointing out along those lines is opportunities in private non-bank lending that benefit from banks' retreat from safe but non-plain-vanilla lending, mostly related to commercial, real-estate and consumer finance. We began allocating to the space in 2011 while on the search for uncorrelated credit exposure. This area is particularly attractive for investors who are asset rich but cash-flow poor and need current income. We like this area very much due to its relative safety and are in the process of carving out a separate portfolio that exclusively invests in this alternative credit area.

As we know many investors are desperately looking for a replacement for their long-duration fixed income allocation, and they often end up going into lower quality liquid credit, accepting more risk of capital impairment. This absolutely changes the risk profile of your investment strategy, and I fear people are not realizing this. I think a lot of portfolios currently hold more risk than they can stomach, and that's a breeding ground for the next crisis. The alternative credit opportunities we target are a safer and higher yielding way to address this fixed income problem.

Another theme we like a lot which unfortunately is also a common issue here in Florida is water. We know and read all about it, we are aware that there is water stress out there, but funnily enough, almost no one has invested in it. We dedicate about 5-10% of our portfolio allocated towards the water theme. It is a very unique commodity with strong inflation protection and monopolistic characteristics. One way to invest in water indirectly is through agricultural companies that actually own water rights. This is not how a typical investor looks at those companies. For us this is a way to buy water in a very cheap way, where most people aren't really paying attention to that asset. We also see opportunities for infrastructure in the Western World. Andrew spoke about the old airports here, and the water infrastructure is at least as old. So there is a lot to be done; it's not really an elective, these things have to be done, which results in a lot of long term opportunities.

Marc Lehmann: Our firm uses a bottoms-up and company-specific approach, and while we do themes – I also believe water is pretty interesting – we don't have the same sort of timeframe. Our timeframe is typically six months to two years. Again, we are focusing on companies with changing elements and the dislocations that come about it.

To give you a recent example, we have invested in a company, MGM Holdings, which actually owns not the casinos but the movie studio. There is an interesting dynamic at play, because when this company came out of bankruptcy in 2010, for some reason they never got listed on an exchange, so their equity trades sort of in the gray market through high-yield brokers. Therefore, the company trades at a pretty big discount to other media companies. Media valuations have gone up dramatically, and while MGM equity has gone up as well, it still trades at a really large discount.

They own a very impressive franchise led by James Bond and The Hobbit, and they have one of the largest film libraries in the world. And, as there is an increasing demand both in the U.S. and globally for this content, also through new platforms like Netflix, this old library retains quite a bit of value and throws off tremendous cash.

MGM is primarily owned by three large funds, who ultimately will need liquidity, and that means this company is going to be listed on an exchange and/or sell themselves. Given the valuation disparity and the timeframe those funds have been involved, I believe it is very likely that the liquidity window opens up within the next 12 months. The discount MGM trades at currently will become more obvious.

MGM Holdings has quite a large NOL. They pay no taxes and throw off a lot of cash. This company was in bankruptcy because of over-leverage a few years ago and is actually net cash today. They have really transformed their business and cut a lot of costs. For example, at the moment they actually don't even own a studio. That means their EBITDA, given they pay no taxes and have no CAPEX, flows right to the bottom line.

So, this company has been a nice investment for us. It currently trades in the 60s in the grey market through the high-yield desks, and we believe it's worth in the 80s or more because it's an incredibly robust franchise.

Another company which we like and is actually topical here in South Florida is a company called PGT Industries. Anyone who does work in construction here in Florida may know that they are the largest hurricane window company in the world. Florida represents about 85% of that market, and this company has 50% market share nationally. The majority of that business is still in remodeling and renovation, but obviously, like most businesses, what drives the incremental margin is new homes and new construction. While in Florida this work dropped from around 225,000 new starts to 25,000 at the bottom, this company was amazing enough to be capable to generate profit throughout the whole cycle. And now the market is turning around — I believe this year we will do something around 75,000 or 80,000 units in Florida — so we are on the way back to something closer to a normal number, say anywhere between 100,000 and 150,000, so their incremental margin is incredible.

We also love the fact that the company had built capacity for more than 200 thousand units. So for the most part, the company will have very little CAPEX to spend in order to grow their capacity.

One of the things that is deceiving in the company's financials is that they recently added a second shift, which caused some short term problems: the productivity declined while the new employees were in training. In time, you know that productivity will again become normalized and with almost no capital investment you can double your production.

What all of that means is that PGT Industries is a great cash-generating business. But let me add another aspect to that. Since I moved to South Florida there have been two reasonably sized hurricanes here in the United States, and neither of them hit here in Florida. They hit in New York / New Jersey (Hurricane Sandy), and Louisiana (Hurricane Isaac), and what's interesting is that almost no other state has any real rules regarding hurricane windows or a hurricane code. We believe we have an amazing free option in this company that will play out if some other states start putting in certain impact window codes into their construction requirements. For example, if you build a 90-story building in New York City you have to follow certain impact rules just because of the wind at high altitude, but if you are building a home on the New Jersey shore, today there are zero rules for construction codes. If that changes at some point, the company will come in with their 50% market share and reap a dramatic potential benefit.

Nitin Motwani: We are doing a couple of things in the multifamily space. In our fund we started building apartments in secondary markets, so not New York where people are paying four or even sub four cap rates, but in locations where we get paid a very significant premium. We built, for example, next to the Medical Center in Dallas which is undergoing a multibillion dollar renovation, and in comparable locations here in Miami or Fort Lauderdale.

As we invest through a fund structure, we have to sell those assets to achieve our yield thresholds for our investors. But we also think these assets will also be something nice to own long term. If you compare the multifamily performance to the treasuries over longer periods, so in good and bad times, multifamily seems to be a good asset.

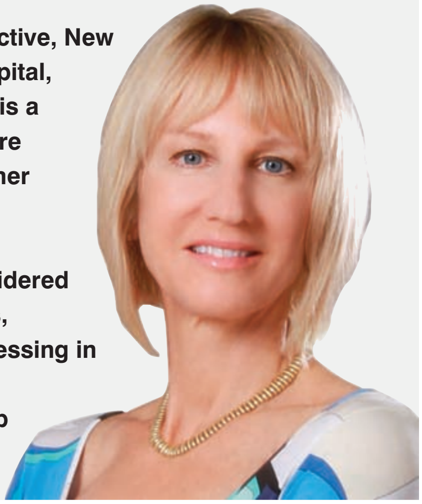
So while all the major public companies are focusing on the urban core markets, the tier one market, we are going into those secondary urban markets with a longer-term hold. We do that by raising capital outside of the traditional fund structure into more of a platform structure, and we are very excited about that concept.

Marc Lehmann: I have a question about something I perceived a few years ago when I got down here, and I think it's changing a little bit but I would love to hear others' views. When people would move down to South Florida, it used to be that they left their money where their family business was or where they lived before. So their assets stayed with whatever wealth planners, managers, or RIA they had in Cleveland, Chicago, New York, Philadelphia, or wherever they came from. That is probably because they just felt comfortable there or had a perception like "I want to retire in South Florida but I wouldn't bring my money here". Is that changing?

Julie Neitzel: This has changed and it continues to change, and there are a couple drivers for that. First of all you brought up the tax benefits of being a Florida resident as compared to a Connecticut or a New York resident. In order to demonstrate to the New York tax authority that you truly are a Florida resident, it's really important that on several fronts you can substantiate the fact that you actually are a Florida resident working with local Florida advisers. There is a whole checklist of things that one needs to be mindful of to make sure that you are recognized for tax purposes as a Florida resident.

In that, having your local advisers down here – your tax advisers, your legal advisers and your investment advisors – is a practical component. Given that there is a large base of professional advisers, it's lesser an issue today for clients to do it versus maybe 20 years ago when there was a smaller talent pool.

The other thing I wanted to touch on is the capital fundraising front. From one perspective, New York may be a preferred venue if you are a small emerging manager trying to raise capital, given the concentration of investment capital in that market. However, there could be is a "crowd issue" competing for access to capital, given the sheer number of firms that are there. If a firm wants to differentiate itself, being in a market like Miami could open other doors and other capital sources, particularly offshore investment capital.



When I moved to Miami in 1982, some people thought I was crazy as Miami was considered dangerous at that time. Those perceptions about Florida have existed for many years, including prior to my moving here. But I almost felt that this poor perception was a blessing in disguise. If everyone knew about the high quality of life and the many professional opportunities here, we would have people lined up and down the I95 wanting to set up shop! And more firms continue to do so.

Greg de Spoelberch Tell us more about the assets flows and capital raising you see here in Florida, or about some trends you see within your investor base?

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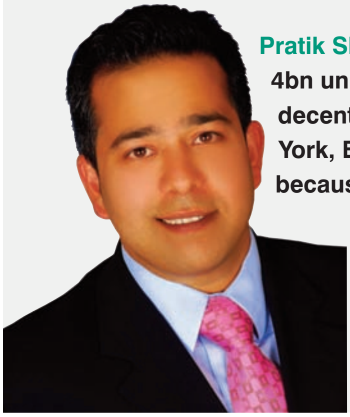


Pratik Sharma: Most of our investors are institutional investors, our sweet spot is probably the $1-4bn university endowments, the smaller pension funds and family offices as well. There are a decent amount of family offices in South Florida. I am also seeing the family offices from New York, Boston and Chicago come and visit South Florida. A lot of them take the trip down to Florida because they are looking at other asset classes like private equity or real estate.

I personally haven't found it challenging to get people to come down here. I am also not looking to raise $5bn either but that gets into capacity management which is an honest discussion people in our industry need to have. No one wants to run a smaller fund but I suppose that is a discussion topic for a different day.

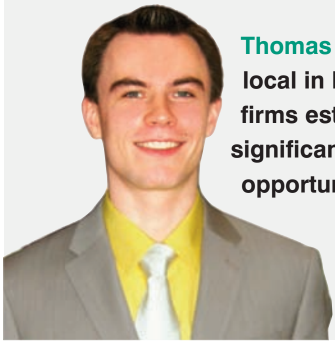
Marc Lehmann: Our investors are primarily family offices, high net worth individuals, and we also have a few fund of funds. I found that we certainly have to visit our potential clients before they are going to come down and visit us, but that is the case wherever you are based, even if you are in New York. It will be a shorter commute to go across the street or across the city, but ultimately you start by visiting somebody. I worked at a large fund in New York, and then of course you will have the Europeans visit you in your office when they come through on their trips.

But increasingly people will have a trip at some point in a course of a year to Miami, either for one of the conferences or as we said earlier to visit their other managers who maybe here, whether they are in real estate or in private equity. Certainly with HIG and Sun we have two of the biggest middle market private equity firms in the country and in the world based in South Florida, so a lot of people will come through and it's obviously our job to sort of capture them on those trips.

Of course, when you are in New York and you have a great meeting with someone in their office and they want to follow up, they can come to your office whenever it is convenient for them. For us here, we will face a delay in that sales cycle and wait for them to make their trip to Florida that they may only do once a year. That is certainly a small barrier, but I do think that within a reasonable timeframe most people do come through Miami. But there are also people that for whatever reason are happy to come down here and meet you on a Monday or Friday, for whatever reason those days are incredibly popular..

But again, we are fine with that, as we are not in a rush. Ultimately this is a business based mostly on our performance, and if you perform and you execute over time, it will happen. Even if there are some delays because of location differences, people will seek you out if you are doing a good job, so that is our plan and business strategy.

Greg de Spoelberch Thomas, what do you see from your perspective?



Thomas Belkin: Eurex Exchange maintains offices in Chicago and NYC in the U.S., hence I am not a local in Florida. But I visit the state on a regular basis and I have noticed an increase of European firms establishing a secondary or tertiary office in Florida because for example they have a significant U.S. client base or they intend to explore Latin American investors and trading opportunities.

But this trend varies by investment strategy. To my level of awareness there are more private equity, real estate and L/S equity funds than for example managed futures and

options strategies in Florida.

Florida is also more appealing as a secondary office location, because the U.S. visa waiver program simplifies travel to the U.S. for most European citizens and the country offers a more stable economy with a strong legal framework in place that is oftentimes preferred over the options found in South America.

Patrick Stutz: I started my career in Zurich where I worked for a couple of years. Then I spent 11 years in New York, and now almost half a year in Florida. I want to defend moving into an area that has a higher quality of life, I actually do think it really matters. New York is great, and yes you can meet a lot of investors and you can be highly efficient in building your career. But there is a price for being up there. The city is very harsh and stressful; 24/7. Everyone who has ever trained for a marathon knows that recovery is the most important part of getting stronger and faster. I hear a lot of New York based professionals complain that they can't recover, and thus become less and less effective; they literally over-train. Obviously the markets we had over the last six years did not help. Nobody should really be 24/7 under tremendous amount of stress.

With now almost six months in Florida, I think I am much more balanced and rested despite the fact that we work longer hours. I don't waste energy on anything outside of work, life is pretty easy - I don't have elbows in my face in the subway at 7:30 in the morning, and I believe these things really make difference and add-up. I can focus much better on what is really important and not waste energy and time.

Greg de Spoelberch Do you think working from here makes you a better investor to a degree?

Patrick Stutz I think it does. We are nine people in the organization, four of those make up the investment team. We all worked years and years in New York, London and San Francisco and all those places. We are not in that very early stage of a carrier where you have to aggressively build your network. We have kind of done that, so we have the connections. For us, it's nice to be away from the marketing machine of those cities where it is so easy to get constantly dragged in and sold to. It's great to be that step and away, I really enjoy that. I feel I have more time to think.

Thomas Belkin Besides the quality of life aspect Patrick mentioned earlier, there is also the advantage when running your investment firm out of places such as Florida that you are not as likely of getting trapped in the herd mentality, to which you are more exposed in places such as New York or London.

Thomas Belkin: Before joining Eurex, I was conducting investment and operational due diligence for several years. I believe that many investors, especially after 2008, have become very careful with illiquid investments. Since Madoff and the recent financial crisis we have seen a big push for transparency and liquidity in investment opportunities and vehicles in Europe and North America. This trend gets supported by the fact that UCITS III funds have become very popular in the European Union. As one of the biggest derivatives exchanges, Eurex Exchange welcomes the increased interest in liquid products and has been able to grow its product universe successfully by for example adding Italian (BTP) and French (OAT) government bonds to its flagship German bonds in order to provide a hedging tool in an environment of widening yield spreads between the sovereign bonds of EU countries.

Furthermore, Eurex Clearing has launched its solution for central counterparty clearing of OTC interest rate swaps, EurexOTC Clear, which features operational and capital efficiency, protection against counterparty credit risk and the maximum level of client asset protection

through full physical segregation of both positions and margin collateral. As an exchange operator and leading global clearinghouse, these are exciting times.

Liquidity will remain of paramount importance, especially for investors with a shorter investment time horizon and for ones which do not have a stable asset base. Any investment manager must ensure that its strategy matches with the right kind of investors. Being based in Florida may give a manager the opportunity to focus more on these say five to 10 year investment opportunities rather than being more active in the liquid or even short-term trading world.

Andrew H. Jacobus

I agree with your points. Information is available instantaneously, almost everywhere. So if there is a tsunami in Japan you will find out about it in seconds, and it will have an impact on the market. We decided that first of all we need to be liquid - cash is king. But how can you develop a strategy where you have cash, and at the same time you are able to invest the cash and provide some kind of return to your clients?

Andrew H. Jacobus: So, strange enough, even though the monetary policy of the United States has injected a tremendous amount of money into the system, if any business goes to a bank, they will face huge difficulties to get a loan for business. Maybe that is one of the reasons why back in 2009-2010 the IPO market decided to boom again. We decided to take part in the IPO market, at a time where policy and geopolitical factors are governing the market and not necessarily the economics of the country. We analyze all the companies that are going to issue stock for the first time in the market, and if we feel that the company has value in what they are doing, we will participle in the IPO market. But, we are extremely short term, our investments will be no longer than 20 days.

That means that at the beginning of the month we have cash and also at the end of the month most likely we have cash, and in between we are doing every IPO that we consider is viable doing, capturing the upside potential of that IPO.

Nitin Motwani: I grew up in Fort Lauderdale, and when I left South Florida and went to Duke and eventually to New York where I was a trader at Goldman Sachs, I said, "I am leaving South Florida, I am leaving real estate and I will never do either again." And here I am back doing real estate in South Florida.

And I agree with Patrick, also having quickly realized that the rat race, for a lack of a better word, does take a toll on you. So my personal life strategy that I communicated to my wife at the time was "why wait when we can move now, enjoy our lives versus staying in New York and putting in the time and stay put there for 10, 15, 20 years before enjoying the quality of life that we really want? Life is too short for that...."

The discussion of leverage is a very important one. Leverage was the big disaster for certain investors on the real estate side, things like a 99% non-recourse leverage on all of these condos and other projects were what created such a mess.

What we are doing is using – in our opinion – very little leverage, and still getting very good returns, and always underwriting the scenario that we are never going to have a recovery, it will always be L-shaped. Any upside is to the benefit of our investors.

One other trend we are noticing with our investors is that illiquidity isn't always a bad thing because everyone is chasing liquidity, you get no yield there. Also when there is one bad headline, there is a tsunami in Japan, there is a bomb in Iran, any unforeseen event can tank the prices of all liquid assets, and then you have further challenges. We also make it more appealing by balancing our deals so some of them are shorter term and others are longer term.

Nitin Motwani Given our vertical organization and balance of deal types (geographically, product and timeframes) we have a slightly different model than traditional private equity which are traditionally allocators.

Marc Lehmann: I have a comment on that issue - the issue of liquidity. I am building a house in Miami and they always say you can do it fast, cheap or right, but you can't have all three. In the investment world, the analogy is that we all would love a perfect combination of liquidity and awesome returns, but it would be hard to achieve both, right?

My point is that more investors, at least in our opinion, will soon make a tradeoff for return vs. liquidity. This is sort of a bigger comment on the market in general as well. As I mentioned before, we, and I believe a large portion of investors out there, are bottoms-up investors. We don't make massive market bets, but we think one of the things that's happened in the equity market — why the equity market has been doing well and will probably continue to do well barring an economic disruption — is that people are still massively underinvested to the market because they are still so in fear of what happened both not just in 2008-2009 but in 2000-2002.

So with massive under investment and the rush for safety, particularly in the fund of funds world and another areas where performance has gotten really tough with fixed income strategies, all of a sudden people are looking at their performance and beginning to change their thoughts, whether it's a pension not keeping up with their hurdle rates and everything else they need to do, or individuals looking at what's going on. We think people are beginning to shift back into the market, and I think at some point more people are going to wake up and make the trade-off.

What's so interesting about what Nitin was saying regarding real estate is that there are certain buckets that people have decided they will take that illiquidity and they will ignore volatility. I find it amazing, especially down here where there are so many real estate investors, that these investors can handle the fact that Miami real estate once went down 40% or 50% and can do so again, but they are reluctant to invest in the equity market, because they cannot handle the mark-to-market volatility.

Marc Lehmann Two things make Florida a viable location for doing what we do. One is air-conditioning, two is the Internet! The Internet is greatly beneficial to our ability to live here, but it also creates a new challenge for some investors. 30 years ago, you wanted to find out what was happening to your portfolio, and you looked at the newspaper or called your broker. Most people certainly didn't do it every day — perhaps once a week, once a month — and you didn't freak out because you might not have found out your stock went down for two weeks, or three weeks or until a statement came in the mail at the end of the month. And then you have a rational conversation with a broker because you have to call someone before you make an investment decision.

Marc Lehmann: Today everything is on the Internet, you can see your portfolio up to the second on your app and many people react to the "noise". We actually think that noise presents a great opportunity for us when we see many people overreact to every Twitter story. People are on edge, they have seen two very big drawdowns in their life in the public markets, and they are very underinvested and afraid of markets. Often they are chasing incredibly low-yielding situations, on a historical basis, which actually have massive risks embedded. They are taking much more risk than they realize.

We are not predicting markets week-to-week, or month-to-month. In the grand scheme of things the equity market has had a big run from the bottom but hasn't really done that much in 13 years. And we have seen these cycles before, certainly 1966 to 1982 when the market did very little and then had a very long term wave.

I am not predicting that we are at that point yet, because that's not what we do for a living. But I don't think you can find too many pensions, endowments, or family offices around the country and probably around the world that haven't

massively pulled back from equity markets and tried to find these creative ways of generating yield and generating returns by slicing and dicing other instruments.

Some investors are certainly creative and work in almost every niche you can find ways to make money. Some use arbitrage to reduce risks, but you certainly see some of that money flowing back to sort of the more traditional "risk" product like equity.

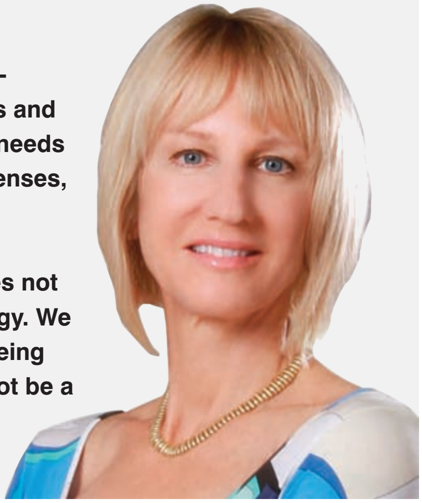
And so for us we still think there is a tremendous opportunity. For the most part, valuation is pretty reasonable outside of certain high growth momentum sectors that have gotten a little nutty. We love the idea that there are so many people that are desperately afraid of these markets because of their past experiences.

So the ability to get this rapid information is actually a detriment to some investors. Again I find it amazing that some people simply don't look at their private investments nearly the same way in terms of the risk/reward and the volatility as they do in their public investments.

We have offered investors numerous times not to send them monthly statements or even annual statements. We offered to tell them instead what their return is when they redeem, and not to worry about it between now and then. Of course they would never do that, but I thought to myself that is essentially what they are doing with all their real estate investments. I realize they see operating performance, but that doesn't necessarily equate to what the cap rates will be. So it's a pretty interesting dynamic and so we try to exploit that.

Julie Neitzel: We work with families helping them allocate their private family capital. Our primary mission is to help them sustain and grow their capital. As a result, we support our wealthy families to appropriately allocate across different asset classes and strategies and remain diversified. Further, real estate and private equity also makes a lot of sense for families that have multi-generational aspirations which allow capital to work patiently over 10-20 year cycles.

When one reviews the decade of 2000-2009 with regard to the various asset classes and strategies, what were the winners for that particular decade? Managed futures was the top producing strategy over the last decade. The loser being the S&P 500 with all other strategies including municipals and high-yield performing within these two strategy "bookends".



In the next decade, the strategy/asset class performance order can be completely flip-flopped. So our view is to have the right sizing in each of these different asset classes and strategies and make sure that clients can appropriately cover whatever their lifestyle needs may be and allow their private capital to grow over time, to offset inflation, taxes, expenses, etc.

I must tell you that there is not a day probably that doesn't go by where our office does not get a call from a fund manager, alternatives, private equity, etc. -- you name the strategy. We have the benefit of sitting in the catbird seat of seeing what type of investments are being offered and have various fund managers regularly visiting Miami. While Miami may not be a primary global financial center, we certainly are becoming an important secondary global financial hub, and this is to the benefit of everyone.