



QUALIFIED FAMILY OFFICE PROFESSIONAL

## QUALIFIED FAMILY OFFICE PROFESSIONAL (QFOP)

### STUDY GUIDE

Sponsored by:



# Family Office Club

## **Table of Contents:**

This study guide has been created for individuals who are studying for the Qualified Family Office Professional (QFOP) Certification Program. Please use this guide to assist in preparation for your examination.

The contents of this study guide are as follows:

- I.** An Overview of the Family Offices Club and the The Finance Training Society
- II.** Qualified Family Office Professional (QFOP) Program Details and Timeline
- III.** Required Readings
- IV.** Qualified Family Office Professional (QFOP) Exam Preparation
  - 1. Exam Composition
  - 2. Terms and Concepts to know
  - 3. Sample Questions
- V.** Book Summary
- VI.** Frequently Asked Questions
- VII.** Sample Question Answers

## I. **The Family Office Club & Finance Training Society**

**The Family Office Club** is a 96,000+ member-strong association for single and multi-family office professionals.

The Family Office Club is an established professional organization created to connect single and multi-family office professionals for networking, resource referral, career advice, international strategic partnerships.

In addition to the Qualified Family Office Professional, ways in which the Family Office Club is adding value to the industry include:

- The #1 largest association in the family office wealth management industry with 96,000+ current members.
- Our Family Office Report has been downloaded over 31,000 times. In 2015 Richard released an updated version on family office investment preferences and best practices.
- The #1 most popular Podcast on iTunes and web property on the internet which focuses exclusively on the family office industry. ([FamilyOffices.com](http://FamilyOffices.com))

**Our Global Team:** Our team of professionals has over 25 years of experience in capital raising, marketing, client services and research. Our headquarters are in Portland, Oregon but we have a global reach and you will often see our team members speaking at conferences and events across the globe. At the Family Office Club, we recognize that while a large portion of the industry is located in the United States, there are thousands of family offices around the world. We frequently travel to places like Singapore, Monaco and Sao Paolo to meet and work with local family offices. These experienced professionals as well as our partners in the industry have helped inform the Qualified Family Office Professional program's materials and focus.

**Our Mission:** *To offer the most practical, challenging, and globally relevant certification program in every niche profession we serve.*

Through serving over 15,000 professionals from over 40 countries, and by keeping this single focus, we have been able to constantly improve our platform by being the first to implement technologies such as our proprietary and secure online testing systems, audio expert interview series, and advanced video delivery system. We have chosen to solve the problems that others seem to ignore.

We are currently offering intensive professional self-improvement certification programs within several business and finance areas including financial modeling and analysis, hedge funds, private equity, investment banking and family office training.

## II. **QFOP Details and Timeline:**

### **Program Details:**

The **Qualified Family Office Professional (QFOP)** certification program is unique in that it is modeled after many online courses offered at Ivy League institutions today, while offering more value for a more cost-effective program. The QFOP program is a self-study program that includes educational multimedia resources in video form, a study guide, required readings, and a flexible online examination process, accessible around the world. The online exam is structured so that in order to complete the exam within the 3-hour time frame one must read through all of the assigned materials and conceptually understand the majority of the material

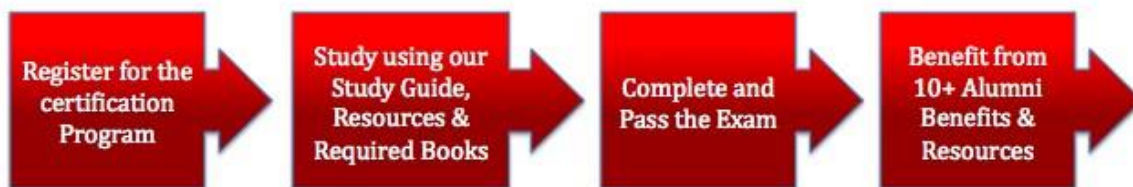
to score well enough to pass the exam. Our goal is to offer the most challenging program in the industry while also providing all of the learning tools possible to ensure participants get the most out of the experience.



Qualified Family Office Professional program is sponsored by its sister company, The Finance Training Society. This certification program is designed to show and certify that you have gained an in-depth understanding and high level specialized knowledge of family offices.

In addition to the benefits of gained knowledge, growing industry recognition, more knowledgeable career choices, and networking, our organization is also developing additional resources for QFOP Participants. This includes video and MP3 recordings on Q&A or strategies and tactics, webinars, access to interviews with family office professionals who have more than 10 years of experience in the industry, among many more benefits.

#### 4 STEP CERTIFICATION PROCESS



#### **Timeline:**

The QFOP program accepts new members on a rolling-admissions basis so you may begin any time. Exams are the first Wednesday of the new month. Examinations are completed 100% online from your place of work or home through our SSL secure testing website. You shall have 3 hours to complete the 180 questions. The question will consist of True/ False and multiple choice.

#### **QFOP Learning Objectives & Modules:**

**Goal:** The goal of this document is to establish the learning objectives and modules within the Qualified Family Office Professional (QFOP) certificate program.

**Mission:** The mission of the program is to provide a self-paced and global comprehensive training certificate program to global family office professionals, assuring those hiring such professionals that they hold at least a minimum level of knowledge about the industry.

**Learning Objectives:**

1. To provide participants with a comprehensive understanding of the family office business model, line of services, operations, multi-generational wealth planning, and holistic approach to managing capital for the ultra-affluent.
2. To ensure that graduates leave the program with a basic understanding of investment banking, hedge fund investment strategies, private equity, venture capital, financial analysis, and financial modeling
3. To provide participants with a sense of confidence in how other family offices around the globe are investing their capital, managing portfolios, and conducting due diligence on investment opportunities and fund managers.

**Learning Modules:** Our team has developed an in-depth classroom area for participants in the QFOP program that includes over 300 originally produced training videos, and expert audio interviews on topics covering the following areas:

1. Single & Multi-Family Office Fundamentals
2. Family Office Operations, Trends, Portfolio Management, and Investing
3. Leadership & Management of Family Office Organizations
4. Private Equity, Venture Capital, Angel Investing, Real Estate, Hedge funds and Fund of Funds
5. Capital Preservation Methods & Strategies
6. Fundamentals of Trusts, Estates, and Global Taxation Issues
7. Family Office Business Development and Client Acquisition Strategies
8. Investment Banking & Financial Modeling
9. Fundamentals of Financial Analysis & Finance
10. Direct Investments

**Benefits of Completing the Qualified Family Office Professional (QFOP) Certificate Program:**

1. Quickly learn about many facets of the family office industry and typical investment approaches taken by those managing assets of the ultra-wealthy.
2. Complete a training and certificate program focused only on what is valuable to the family office industry, and at your own pace from anywhere in the world. You can complete this program on whatever time frame serves you and your team best, be that 3 months, 12 months, or 3 years or more.
3. Complete the program and you can walk away with credentials that you can place on your resume, and a certificate you can hang on your wall for the rest of your career.
4. Mastering the learning modules and objectives in this program will allow you to more effectively and efficiently serve ultra-wealthy clients.

**Participants May Include:**

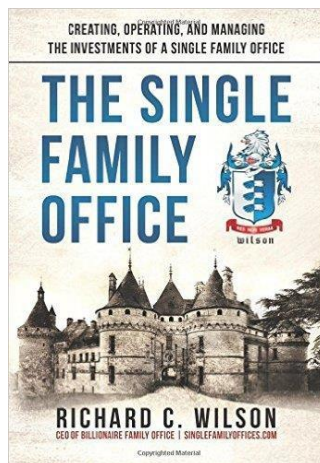
1. Members of ultra-wealthy families who want to move from helping make direct investments and conduct research to establishing their own single or multi-family office

2. CPAs or expert consultants and advisors who would like to partner with, work for, or establish family offices
3. Family office career professionals who would like to speed up their success and establish credentials for themselves in the industry from a leading association
4. Wealth management professionals who may want to convert their RIA, financial advisory practice, or wealth management firm into a multi-family office
5. Professionals who work in finance and investments already but who may only have knowledge of trading, risk management, trust & estates, or other niche areas and need a comprehensive overview of the industry to more effectively serve clients in the space.

### III. **Required Reading:**

[The Single Family Office by: Richard C. Wilson](#)

ISBN:9781503345034 \*\*PDF Available for free upon Registration.



### IV. **QFOP Exam Preparation**

a. Exam Composition:

There are a total of 180 questions in the exam, all of which can be earned from the multiple choice or true/false questions. Please see below for the composition and distribution of the questions in-depth.

<b><u>Topics and Weights</u></b>	
Single & Multi-Family Office Fundamentals	20 Multiple Choice Questions
Family Office Operations, Trends, Portfolio Management, and Investing	15 Multiple Choice Questions

Leadership & Management of Family Office Organizations	15 Multiple Choice Questions
Hedge Funds, Private Equity, Real Estate, Venture Capital, Fund of Funds and Angel Investing	30 Multiple Choice Questions
Capital Preservation Methods & Strategies	15 Multiple Choice Questions
Fundamentals of Trusts, Estates, and Global Taxation Issues	15 Multiple Choice Questions
Family Office Business Development and Client Acquisition Strategies	15 Multiple Choice Questions
Investment Banking & Financial Modeling	15 Multiple Choice Questions
Fundamentals of Financial Analysis & Finance	20 Multiple Choice Questions
Direct Investments	20 Multiple Choice Questions

You will have 3 hours to complete the exam. Those who have not made the effort to read the materials will have a hard time completing the exam within the allotted time, but for participants who have read the required readings and watched the required videos, three hours will be sufficient.

b. Terms and Concepts to Know:

Below, please find the terms and concepts that you should be able to define after having read the required readings:

1. Single Family Office
2. Multi-Family Office
3. Alpha
4. Beta
5. Due Diligence
6. Business Development
7. Service Provider
8. Sharpe Ratio
9. Sortino Ratio
10. Portfolio Management
11. Asset Allocation
12. Assets Under Management
13. Performance Fee
14. Management Fee
15. Registered Investment Advisor
16. Trust
17. Estate

18. Equity (Public and Private)
19. Hedge Fund
20. Venture Capital
21. Angel Investor
22. Limited Partnership Agreement
23. Prime Brokerage
24. Derivatives
25. EBITDA
26. Capital Draw Down
27. Global Macro Hedge Fund Strategy
28. Mergers and Acquisitions
29. Income Tax
30. Fund Manager Selection
31. Initial Public Offering
32. Philanthropic Management
33. Wealth Management
34. Illiquid Assets and Liquid Assets
35. Leveraged Buyout
36. Management Buyout
37. Mezzanine Financing
38. Leverage
39. Compliance
40. Ultra-High Net Worth Individuals
41. Board of Advisors
42. Client Minimum
43. Discounted Cash Flow Analysis
44. Private Investment in Public Equity
45. Lock-Up Period
46. Investor
47. Limited Partner
48. General Partner
49. Limited Liability Corporation
50. Long-Short Hedge Fund Strategy
51. High-Water-Mark
52. Valuation
53. Claw-Back Provision
54. Master Limited Partnership
55. Merger Arbitrage Hedge Fund Strategy
56. Hedging Risk
57. Options
58. Accredited Investor
59. Non-Accredited Investor
60. Private Placement
61. Private Placement Memorandum
62. Real Estate
63. Redemption
64. Commodities
65. Private Equity Real Estate
66. Real Estate Investment Trust
67. Qualitative Analysis
68. Quantitative Analysis
69. Internal Rate of Return
70. Real Rate of Return
71. Hard Assets



- 72. Currency Trading and Futures
- 73. Maximum Drawdown
- 74. Distressed Debt
- 75. Emerging Manager
- 76. Diversification
- 77. Private Banking
- 78. Relative Value Hedge Fund Strategy
- 79. Sophisticated Investor
- 80. Stock
- 81. Accretion-Dilution Analysis
- 82. Capital Raising
- 83. Hurdle Rate
- 84. Alternative Investments
- 85. Offshore Vs. Onshore Fund Structure
- 86. UCITS Fund
- 87. Fund of Funds
- 88. Net Present Value
- 89. Business Sensitivity
- 90. Seed Capital
- 91. Debt Recapitalization
- 92. Investment Banking
- 93. Directional and Non-Directional Risk
- 94. Absolute Returns
- 95. Relative Returns
- 96. Securities
- 97. Traditional Investments
- 98. Operational Due Diligence
- 99. Institutional Investor
- 100. Family Office Manager

Please define the terms from the required readings and audio-visual resources rather than a dictionary. You will be tested on the definitions that the author has provided.

c. Sample Questions:

**1. What is a high water mark?**

- a. A permanent mark on your securities license for violating a FINRA rule.
- b. A set threshold where investors can be assured they will not be charged a performance fee until the management has made up for past negative performance.
- c. A predetermined point which upon reaching, the general partner will return capital to investors.
- d. A component of a firm's financial statement that projects future revenues.

**2. What is the Expert Generalist Model?**

- a) In this model, the family office moves from having just one expert generalist to also hiring four to seven in-house experts, all with 15-20+ years of experience in many areas.
- b) In this model, the family office relies exclusively on outside help with no salaried employee.
- c) In this model of operation, one person is put in charge of the family office while 80-90% of the value-added services are outsourced.

- d) A model wherein a very experienced person runs the entire operation while less experienced professional with five to seven or more years of experience or a few outside experts are used as needed to provide the complete solution.

### **3. What is a Single Family Office?**

- a) A home office for individuals.
- b) A wealth management Solution that serves multiple family clients.
- c) A tax advisory firm that specializes in serving a small industry.
- d) A full balance sheet 360-degree ultra-affluent wealth management firm and CFO solution for a single individual or family.

### **4. What is the percentage of Operating Business that is typically owned by Family Office?**

- a) 20%
- b) 95%
- c) 85%
- d) 50%

***Answers provided on the last page of this study guide.***

## **V. FAQ (Frequently Asked Questions):**

*Question: Who should complete the Qualified Family Office Professional?*

Answer: The Qualified Family Office Professional training program is designed exclusively for family office professionals and those who work closely with family offices. Primarily, the QFOP seeks to train family office manager's executives, chief investment officers and portfolio managers, business development directors, accountants, analysts and any professionals who work inside a family office.

While many of these professionals will presumably understand the fundamentals of a family office, they will benefit from the QFOP's broad focus on due diligence best practices, wealth management, operational improvements, investments, business development, manager selection, industry trends and current issues facing family offices. Family office professionals will also learn from many hours of audio interviews with dozens of single and multi-family office executives. All of these resources are intended to provide family office professionals with new insights and knowledge specific to the family office industry.

Additionally, the Family Office Club recognizes that there are a growing number of consultants, service providers and advisors that help family offices improve their operations and wealth management. The QFOP program will help these professionals better understand and better serve their family office partners and clients. The Qualified Family Office Professional designation is a signal to your business partners that you have devoted time and resources into improving your knowledge of the family office industry.

*Question: Why is the Family Office Club a trusted training source for family offices?*

Answer: Since inception, the Family Office Club has grown considerably to become the largest family office association, the most popular website on family offices and a leading

publisher of family office articles, white papers, newsletters, videos and other free resources. Today, we manage the most popular website in the industry, a family office association with more than 96,000 members, and a wealth of educational resources that we share with family offices every day. Members of our team have spoken at over 50 industry conferences around the world and we continue to work with family offices every day, providing advice, resources and assisting in any way we can. Unlike many other training providers, the Family Office Club is 100% devoted to serving and improving efficiencies in the family office industry.

Question: *How much time will I need to invest preparing for the exam?*

Answer: Each participant's level of experience in the family office industry will inevitably vary but we recommend devoting between 75-100 hours to prepare for the examination.

Question: What do I get from the Qualified Family Office Professional?

Answer: The Qualified Family Office Professional training program provides participants with an array of training modules focused on family offices. Each module is comprised of audio and video content including expert interviews with financial professionals working at family offices, private equity firms, hedge funds and other institutions. These resources cover multiple areas that are important for family office professionals to have proficiency in including: Single & Multi-Family Office Fundamentals; Family Office Operations, Trends, Portfolio Management, and Investing; Leadership & Management of Family Office Organizations; Hedge Funds, Private Equity, Real Estate, Venture Capital, Fund of Funds and Angel Investing; Capital Preservation Methods & Strategies; Fundamentals of Trusts, Estates, and Global Taxation Issues; Family Office Business Development and Client Acquisition Strategies; Investment Banking & Financial Modeling; Fundamentals of Financial Analysis & Finance; and Direct Investments.

In addition to these multimedia resources, participants are required to read

[The Single Family Office by: Richard C. Wilson](#)

ISBN:9781503345034

Finally, by completing the Qualified Family Office Professional training program, participants will be awarded the Qualified Family Office Professional designation and certificate which certifies that they have completed a family office training program and passed the comprehensive examination. This training program will improve your knowledge of the industry and issues facing family offices, provide you with insights from other family offices and make you a more valuable employee of a family office. Your QFOP certificate demonstrates your commitment to the family office industry and desire to better serve your family office clients.

Question: *What is the history of the Family Office Club?*

Answer: The Family Office Club is an established professional organization created to connect single and multi-family office professionals for networking, resource referral, career advice, and eventually national/international strategic partnerships. You can learn more about who we are and what we do here: <http://familyoffices.com>

Furthermore, the Family Office Club has grown considerably to become the largest family office association, the most popular website on family offices and a leading publisher of family office articles, white papers, newsletters, videos and other free resources. You can learn more below:

The Qualified Family Office Professional training program is a natural extension of the Family Office Club's commitment to providing valuable informational resources to family

office professionals. To make this program as robust and institutional as possible, the Family Office Club has collaborated with our sister company the Finance Training Society.

### **Have more questions or need more information?**

You can also get in touch with the Family Office Club team over email at [Team@FinanceTraining.com](mailto:Team@FinanceTraining.com) and by phone at (305)503-9050 Monday – Friday 9am-5pm EST.

Thanks for joining the Qualified Family Office Professional! Please let us know if you have any questions.

Sample Question Answers:

1. B.
2. B.
3. D.
4. D



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