

Dynamic Tree Asset Management and Silvercoast Partners

The Story of Wealth in North America – Where Are We Now?



Beat Meier
Chairman and CEO
Dynamic Tree Asset Management

The American population is as diverse a group – a melting pot from over one hundred nations – as the United States' geography is expansive. The Greater Mississippi Basin and the Intracoastal Waterway have more kilometers of navigable internal waterways combined than the rest of the world. Two sizable oceans separate the U.S. from Asia and Europe, with deserts separating the U.S. from Mexico to the south, and lakes and forests separating Canada to the north.

Fluidity, interdependence and wealth creation in Canada and the United States

Despite the varying political, geographical and cultural differences between the two countries, the everlasting fluidity and economic interdependence



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between Canada and the United States are historical and profound. According to Canada's Finance Minister, Bill Morneau, Canada is the number one trading partner for 35 states in America; Canada and the U.S. exchange US\$2 billion in trade each day and US\$750 billion each year; and, he said, nine million Americans rely on trade with Canada for their jobs. For the U.S., Canada is its second largest trading partner after China, and the U.S. is Canada's largest trading partner.

Against this backdrop, many wealthy Canadian entrepreneurs, individuals and families not only have significant business interests in the U.S. but may also hold Green Cards or U.S. citizenship and vice versa. Per the *Global Wealth 2016: Navigating the New Client Land-*

scape published by BCG, if financial markets recover, the rise of private wealth globally will return to being driven in roughly equal shares by the performance of existing assets and the creation of new wealth. From a regional perspective, however, the principal driver of wealth growth will vary, with returns to existing assets dominating in North America, and newly created wealth generally playing a larger role in developing markets. Moreover, Credit Suisse's *Global Wealth Report 2016* cites that some 140,900 adults worldwide can be classed as UHNW individuals, with personal wealth of more than US\$50 million, and more than half of this group, 52%, living in North America.

Ongoing uncertainty in financial markets and global challenges

Unsettling world events, from Brexit to deadly terror attacks to negative interest rates to the Trump Presidency, are challenges driving ongoing uncertainty in many areas of the world and particularly for financial markets. Ongoing instability, in whatever form, is having a significant impact on the decisions taken by wealthy North Americans, especially those who are seeking alternative residences, citizenships and investment diversification. Most recently, Americans were blamed for crashing the official Canadian immigration website immediately after Donald Trump won the American presidency. Thus, Canada remains a popular alternative destination for Americans for reasons other than sharing a common language and close geographical proximity. Arrangements to secure a second citizenship, for example in Canada, have also brought mutually beneficial arrangements through

substantial initial investment, while individuals with proven business success, world-class skills and valuable networks are brought to the second-citizenship country and its citizens.

Besides their need for a high level of personal service, many wealthy North Americans are responding to global uncertainty by seeking to diversify internationally to secure their future now and for generations to come. In North America, in recent years, wealth was created through entrepreneurship. These wealthy individuals are now seeking to safeguard their wealth or pass it on to the next generation. Diversifying to these clients means not just simply across asset classes, but also in terms of currencies and geography – and that's where Dynamic Tree Asset Management (Dynamic Tree) and Silvercoast Partners can enter the story. As such, there is increased demand for advisers, such as ours, who strive to understand the circumstances behind each client's story and what drives their long-term investment decisions.

The client's story

By listening to and discovering the dynamics behind each client's story, advisers at Dynamic Tree and Silvercoast Partners have found that they can better understand that investment decisions are invariably influenced by several factors such as a client's formative years, driving forces behind a successful business and how and why these developments can shape the way people think about their assets, risk-taking and the ability to control certain situations in uncertain times.

The story of Dynamic Tree and Silvercoast Partners

Dynamic Tree is a truly global company addressing the investment management needs of Canadian HNW and UHNW individuals and families who wish to achieve greater international diversification. The company is registered in several Canadian provinces as a 'Portfolio Manager' – a designation that allows Dynamic Tree to provide a full range of discretionary investment management and advisory services to all Canadian clients in the provinces where Dynamic Tree is registered.

Creating Value for Intermediaries

With our specialists and respective licenses in Canada and the United States, we have successfully collaborated with intermediaries. We welcome your inquiries as we continue to deliver value to banks, independent asset managers, law firms, trustees, foundation councils and other intermediaries, who may have clients requiring our in-house expertise or licensing required to best serve their wealth management needs in a professional and compliant manner.

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Silvercoast Partners serves predominantly U.S. individuals and families and is an independent Swiss investment management company registered with the U.S. Securities and Exchange Commission as an Investment Adviser under the Investment Advisers Act of 1940. Advisers at Dynamic Tree and Silvercoast Partners draw on extensive experience in private banking and investment management and each bring an intact team of investment professionals who have worked closely together in the past serving HNW and UHNW clients at the two largest banks in Switzerland.

Our companies work side-by-side and certain individuals serve as members of the board of directors at both companies. We have chosen to serve wealthy American and Canadian clients out of Switzerland, because it has a long-standing reputation for excellence in financial services, particularly in the areas of investment management and wealth management. Furthermore, Switzerland's economic and political conti-

nity are a hallmark of security and stability. This stability, coupled with Switzerland's transparent financial policy and proximity to global markets, make it the optimal location to address the investment management needs of wealthy individuals who wish to achieve greater international diversification. Dynamic Tree's and Silvercoast Partners' investment platforms offer international asset diversification through global discretionary and non-discretionary portfolios.

Disclaimer

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